

# Financial Highlights

Japan Tobacco Inc. and Consolidated Subsidiaries / Years ended March 31

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JAPAN TOBACCO INC.  
Annual Report 2009

Financial  
Highlights

	2005	2006	2007	2008	Millions of yen 2009	Millions of U.S. dollars (Note 1) 2009
<b>For the year:</b>						
<b>Net Sales including excise taxes</b>	¥4,664,514	¥4,637,657	¥4,769,387	¥6,409,727	<b>¥6,832,307</b>	<b>\$69,554</b>
Domestic Tobacco	3,491,488	3,405,281	3,416,274	3,362,398	<b>3,200,494</b>	<b>32,581</b>
International Tobacco	792,705	881,188	999,658	2,639,969	<b>3,118,319</b>	<b>31,745</b>
Pharmaceutical	57,676	49,257	45,452	49,064	<b>56,758</b>	<b>578</b>
Food	265,380	278,378	286,554	336,420	<b>435,966</b>	<b>4,439</b>
Others	57,265	23,553	21,449	21,876	<b>20,770</b>	<b>211</b>
<b>Net Sales excluding excise taxes (Note 2)</b>	1,684,404	1,596,151	1,633,186	2,068,368	<b>2,295,117</b>	<b>23,365</b>
Domestic Tobacco	874,292	760,630	729,383	715,018	<b>679,302</b>	<b>6,915</b>
International Tobacco	429,791	484,333	550,347	945,989	<b>1,102,320</b>	<b>11,222</b>
Pharmaceutical	57,676	49,257	45,452	49,064	<b>56,758</b>	<b>578</b>
Food	265,380	278,378	286,554	336,420	<b>435,966</b>	<b>4,439</b>
Others	57,265	23,553	21,449	21,876	<b>20,770</b>	<b>211</b>
<b>EBITDA (Note 3)</b>	400,115	433,391	464,634	602,096	<b>646,217</b>	<b>6,579</b>
Domestic Tobacco	296,031	305,753	326,470	306,726	<b>272,280</b>	<b>2,772</b>
International Tobacco	65,462	94,093	112,668	270,757	<b>337,968</b>	<b>3,441</b>
Pharmaceutical	5,474	(1,803)	(8,197)	(6,269)	<b>4,890</b>	<b>50</b>
Food	7,931	11,869	12,018	8,353	<b>17,030</b>	<b>173</b>
Others	26,810	22,140	21,586	22,055	<b>13,150</b>	<b>134</b>
Elimination/Corporate	(1,593)	1,339	89	474	<b>899</b>	<b>9</b>
<b>Depreciation and Amortization (Note 3)</b>	126,744	126,445	132,643	171,542	<b>282,411</b>	<b>2,875</b>
<b>Operating Income</b>	273,371	306,946	331,991	430,554	<b>363,806</b>	<b>3,703</b>
Domestic Tobacco	215,833	220,095	245,388	222,348	<b>188,259</b>	<b>1,917</b>
International Tobacco	44,458	71,031	81,085	205,360	<b>174,772</b>	<b>1,779</b>
Pharmaceutical	1,855	(5,057)	(11,207)	(9,644)	<b>1,020</b>	<b>10</b>
Food	1,948	6,325	6,705	667	<b>(11,451)</b>	<b>(117)</b>
Others	10,427	8,673	9,331	10,448	<b>9,695</b>	<b>99</b>
Elimination/Corporate	(1,150)	5,879	689	1,375	<b>1,511</b>	<b>15</b>
<b>Net Income</b>	62,584	201,542	210,772	238,702	<b>123,400</b>	<b>1,256</b>
<b>Free Cash Flow (FCF) (Note 4)</b>	269,459	145,590	223,007	(1,493,717)	<b>240,199</b>	<b>2,445</b>
<b>At year-end:</b>						
<b>Total Assets</b>	2,982,056	3,037,379	3,364,663	5,087,214	<b>3,879,803</b>	<b>39,497</b>
<b>Interest-bearing Debt (Note 5)</b>	230,716	216,608	219,269	1,389,296	<b>996,079</b>	<b>10,140</b>
<b>Liabilities</b>	1,430,256	1,217,306	1,340,047	2,932,585	<b>2,255,515</b>	<b>22,962</b>
<b>Total Equity</b>	1,498,204	1,762,512	2,024,616	2,154,629	<b>1,624,288</b>	<b>16,536</b>
<b>Ratios:</b>						
<b>Return on equity (ROE)</b>	4.2%	12.4%	11.3%	11.8%	<b>6.8%</b>	—
<b>Return on assets (ROA)</b>	9.2%	10.4%	10.7%	10.5%	<b>8.4%</b>	—
<b>Equity Ratio</b>	50.2%	58.0%	58.3%	40.8%	<b>40.0%</b>	—
<b>Amounts per share: (in yen) (Note 6)</b>						
<b>Net Income (Note 7)</b>	¥ 6,418	¥ 21,017	¥ 22,001	¥ 24,916	<b>¥ 12,880</b>	—
<b>Total Equity</b>	156,363	183,956	204,618	216,707	<b>162,088</b>	—
<b>Cash Dividends Applicable to the Year</b>	2,600	3,200	4,000	4,800	<b>5,400</b>	—

Notes: 1. Figures stated in U.S. dollars in this report are translated at the rate of ¥98.23 per \$1, as of March 31, 2009.

2. Net sales excluding taxes: Excluding imported tobacco in the domestic tobacco and distribution business in the international tobacco, respectively.

3. EBITDA = operating income + depreciation and amortization

Depreciation and amortization = depreciation of tangible fixed assets + amortization of intangible fixed assets + amortization of long-term prepaid expenses + amortization of goodwill

4. FCF = (cash flow from operating activities + cash flow from investing activities) excluding the following items:

From "cash flow from operating activities": Dividends received / interest received and its tax effect / interest paid and its tax effect

From "cash flow from investing activities": Cash outflow from purchase of marketable securities / proceeds from sales of marketable securities / cash outflow from purchases of investment securities / proceeds from sales of investment securities / others (but not business-related investment securities, which are included in the investment securities item)

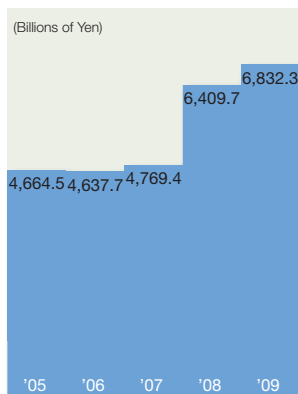
5. Interest-bearing Debt includes lease obligation from FY 2009

6. On April 1, 2006, a 5 for 1 stock split went into effect.

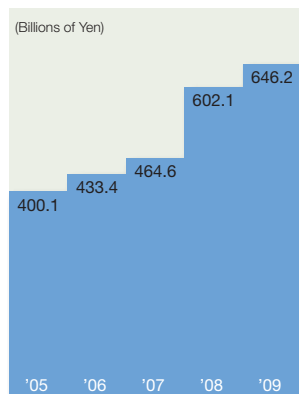
Amounts per share for the years ended March 2005 and 2006 are on the assumption that this stock split took place at the beginning of each fiscal year.

7. Diluted net income per share.

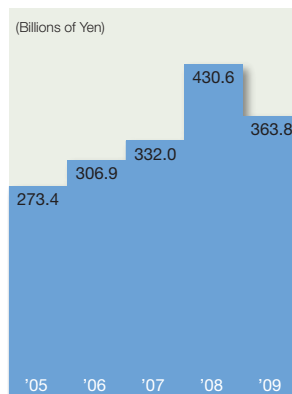
### Net Sales including excise taxes



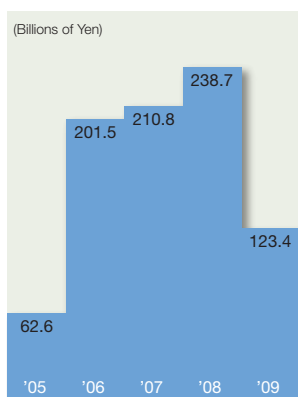
### EBITDA



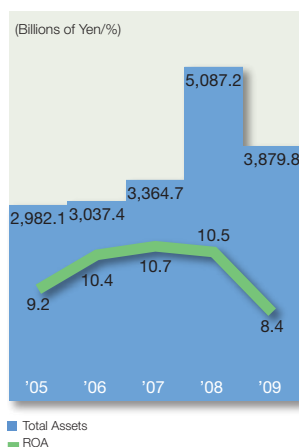
### Operating Income



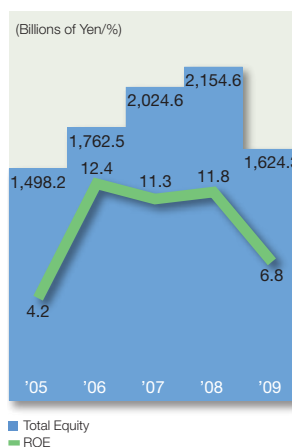
### Net Income



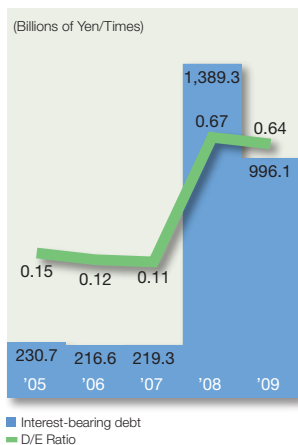
### Total Assets/ROA



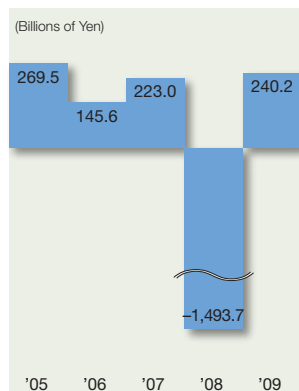
### Total Equity/ROE



### Interest-bearing Debt/D/E Ratio



### Free Cash Flow



### Cash Dividends Applicable to the Year

