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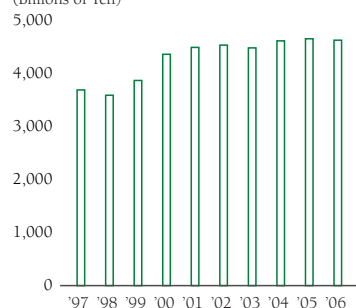
Number of Employees (Consolidated)

Note: This "Fact Sheet" has been prepared in accordance with disclosure rules in Japan.

Financial Data

Net Sales Including Taxes

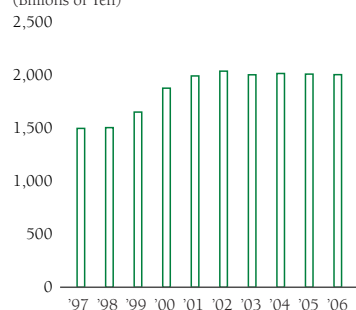
(Billions of Yen)



Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total	3,697.4	3,596.9	3,876.5	4,371.2	4,501.7	4,544.1	4,492.2	4,625.1	4,664.5	4,637.6
Tobacco Business			3,616.7	4,024.4	4,140.2	4,178.0	4,134.4	4,236.9		
Domestic									3,491.4	3,405.2
International									792.7	881.1
Pharmaceutical Business			23.7	67.7	66.4	61.8	53.9	51.2	57.6	49.2
Foods Business			150.7	195.0	210.3	221.1	232.4	250.1	265.3	278.3
Other Business			85.3	83.9	84.6	83.0	71.4	86.8	57.2	23.5

Net Sales Excluding Taxes

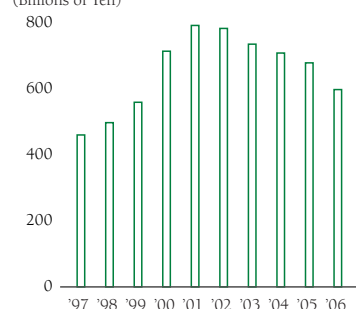
(Billions of Yen)



Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total	1,500.9	1,508.2	1,655.1	1,881.0	1,996.6	2,041.9	2,007.5	2,019.8	2,013.9	2,008.7
Tobacco Business			1,395.4	1,534.3	1,635.2	1,675.8	1,649.7	1,631.5		
Domestic									1,203.8	1,173.2
International									429.7	484.3
Pharmaceutical Business			23.7	67.7	66.4	61.8	53.9	51.2	57.6	49.2
Foods Business			150.7	195.0	210.3	221.1	232.4	250.1	265.3	278.3
Other Business			85.3	83.9	84.6	83.0	71.4	86.8	57.2	23.5

SG&A Expenses

(Billions of Yen)

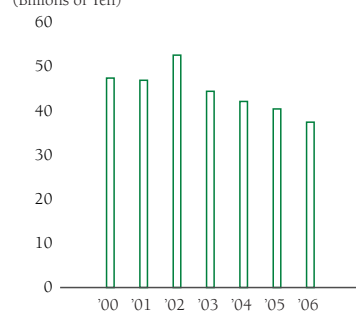


Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SG&A	459.4	496.6	558.2	712.6	790.5	781.5	733.9	707.1	677.4	596.6
Personnel*	143.9	148.4	158.7	207.2	220.6	222.7	209.7	205.3	183.9	150.8
Advertising and general publicity	23.3	31.1	31.5	36.9	48.3	40.2	35.7	35.4	27.4	23.9
Sales promotion	70.8	77.6	109.7	134.5	162.5	155.2	142.0	141.7	140.1	142.1
R&D	36.0	37.7	37.1	47.5	47.0	52.6	44.5	42.1	40.4	37.5
Depreciation	15.0	14.7	16.6	51.2	58.9	59.5	56.7	56.7	54.2	53.4

*Personnel expense is the sum of compensation, salaries, allowances, provision for retirement benefit, legal welfare, employee bonuses and accrual of employee bonuses.

R&D Expenses

(Billions of Yen)

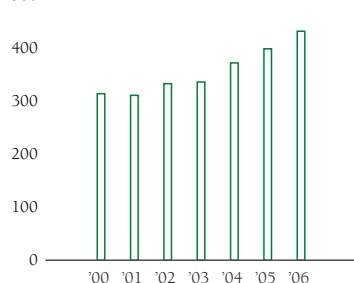


Years ended March 31	2000	2001	2002	2003	2004	2005	2006
R&D*	47.5	47.0	52.7	44.5	42.2	40.5	37.5
Tobacco Business	15.7	13.7	14.5	14.8	16.6	18.2	
Domestic							15.1
International							0.9
Pharmaceutical Business	28.9	30.5	35.4	27.1	23.7	20.5	19.9
Foods Business	0.9	0.7	0.7	1.2	1.0	1.0	0.8
Other Business	1.8	1.1	0.7	0.6	0.1	0.0	—

*R&D expense in FY2000-2005 includes expenses posted as manufacturing cost.

EBITDA

(Billions of Yen)
500



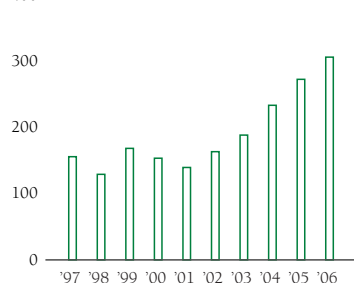
Years ended March 31	2000	2001	2002	2003	2004	2005	2006
EBITDA*	315.1	312.0	334.1	337.2	373.4	400.1	433.3
Tobacco Business	299.4	296.3	320.9	321.4	343.1		
Domestic						296.0	305.7
International						65.4	94.0
Pharmaceutical Business	(0.7)	(3.1)	(8.5)	(5.1)	(4.4)	5.4	(1.8)
Foods Business	(0.4)	(2.6)	2.2	0.5	3.3	7.9	11.8
Other Business	16.0	20.0	19.6	19.6	30.6	26.8	22.1

*EBITDA = operating income + depreciation and amortization

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

Operating Income

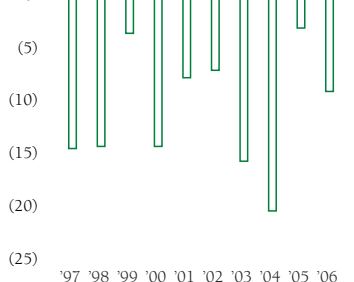
(Billions of Yen)
400



Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Operating Income	156.2	129.5	168.8	153.9	139.9	163.8	188.9	234.0	273.3	306.9
Tobacco Business			193.8	181.5	165.9	192.1	213.3	238.4		
Domestic									215.8	220.0
International									44.4	71.0
Pharmaceutical Business			(12.6)	(11.4)	(12.8)	(18.9)	(13.8)	(12.8)	1.8	(5.0)
Foods Business			(8.6)	(14.5)	(17.3)	(11.8)	(13.1)	(4.8)	1.9	6.3
Other Business			(2.6)	(1.7)	3.4	1.7	0.9	11.9	10.4	8.6

Non-Operating Income and Expenses

(Billions of Yen)
0



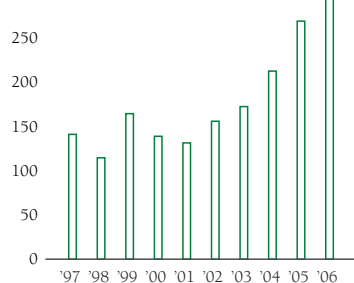
Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Non-Operating Income and Expenses	(14.5)	(14.3)	(3.6)	(14.3)	(7.8)	(7.1)	(15.7)	(20.4)	(3.1)	(9.1)
Non-Operating Income	10.3	14.6	15.9	22.6	15.1	11.2	9.3	10.3	15.9	12.6
Financial income	6.9	8.8	9.9	7.5	6.5	4.7	3.7	3.2	3.3	5.9
Non-Operating Expenses	24.9	29.0	19.5	37.0	23.0	18.3	25.0	30.7	19.0	21.7
Financial expense	6.1	4.9	4.6	15.9	12.4	10.2	8.7	8.1	5.1	5.7

*1 Financial income is the sum of interest income, interest on marketable securities, interest on investment securities, dividend income, profit on redemption of securities, etc.

*2 Financial expense is the sum of interest expense, bond interest paid, loss of redemption of securities, etc.

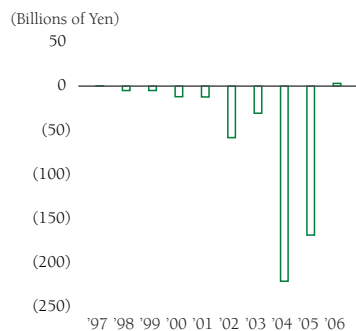
Recurring Profit

(Billions of Yen)
300



Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Recurring profit	141.7	115.1	165.2	139.5	132.0	156.6	173.2	213.5	270.2	297.8

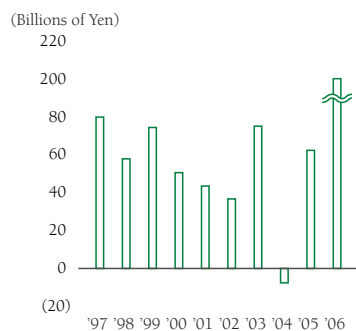
Extraordinary Profit and Loss



Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
□ Extraordinary Profit and Loss	0.1	(5.0)	(5.0)	(12.0)	(12.3)	(58.4)	(30.7)	(221.2)	(168.9)	3.1
Extraordinary Profit	12.5	3.8	6.2	16.8	20.7	30.0	18.3	29.3	79.2	65.4
Gain on sale of property, plant and equipment	5.0	2.5	4.5	8.0	16.3	28.2	15.4	17.2	73.3	60.0
Extraordinary Loss	12.4	8.8	11.3	28.8	33.0	88.5	49.0	250.5	248.2	62.3
Loss on sale of property, plant and equipment	0.2	0.1	0.1	2.9	1.6	2.2	2.6	4.8	2.2	24.8
Loss on disposal of property, plant and equipment	10.6	8.1	9.2	11.9	13.3	9.3	9.8	10.8	13.6	12.2
Business restructuring costs	—	—	—	—	—	13.4	11.4	40.8	224.8	8.0
Impairment loss	—	—	—	—	—	—	—	—	0.1	11.4

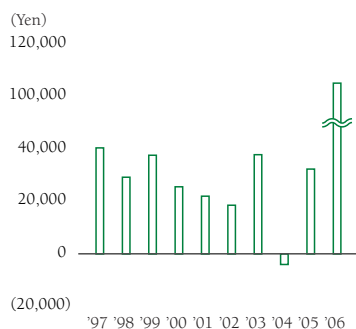
*Extraordinary loss in FY2004 includes ¥185 billion of one-time loss on recognition of obligations under Public Official Mutual Assistance Association Law.

Net Income (Loss)



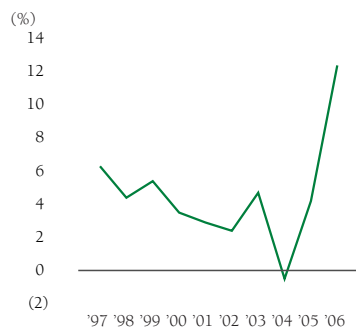
Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
□ Net Income (Loss)	80.1	58.0	74.6	50.7	43.6	36.8	75.3	(7.6)	62.5	201.5

Earnings per Share (EPS)



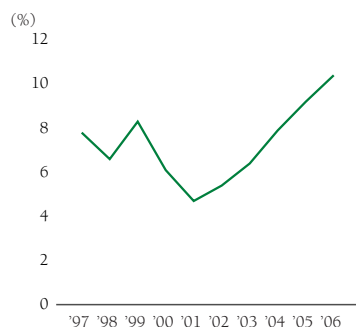
Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
□ EPS	40,098	29,010	37,316	25,395	21,843	18,425	37,527	(3,966)	32,089	105,084

Return on Equity (ROE)



Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
— ROE	6.3	4.4	5.4	3.5	2.9	2.4	4.7	(0.5)	4.2	12.4

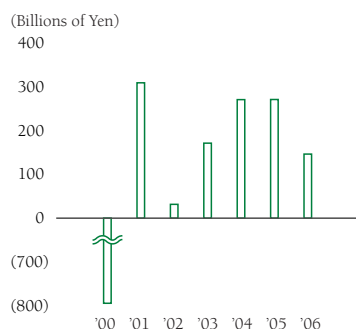
Return on Assets (ROA)



Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
ROA	7.8	6.6	8.3	6.1	4.7	5.4	6.4	7.9	9.2	10.4

*Business Income = Operating Income + Financial Income

Free Cash Flow (FCF)



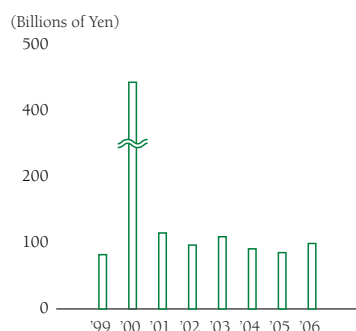
Years ended March 31	2000	2001	2002	2003	2004	2005	2006
FCF	(786.4)	307.3	31.4	170.3	269.1	269.4	145.5

*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)

Capital Expenditure (CAPEX)



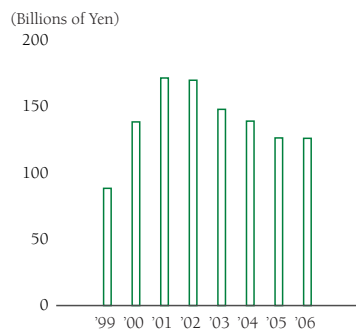
Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006
Capital Expenditure	82.0	442.8	114.8	96.5	109.1	90.8	85.1	98.9
Tobacco Business	57.6	401.1	77.3	70.0	60.9	60.5		
Domestic							46.4	75.0
International							18.7	24.9
Pharmaceutical Business	1.7	3.8	3.6	2.2	1.1	2.6	3.1	2.1
Foods Business	4.7	14.5	4.2	6.9	7.2	9.1	7.3	4.5
Other Business	17.8	23.2	29.2	18.1	38.8	18.0	10.6	19.3

*1 CAPEX in FY1999-2000 = Tangible Assets + Intangible Assets

*2 CAPEX in FY2001-2006 = Tangible Assets + Intangible Assets + Long-Term Prepaid Expenses

*3 CAPEX in FY2000 includes Intangible Assets of ¥323 billion related to the RJRI acquisition.

Depreciation & Amortization

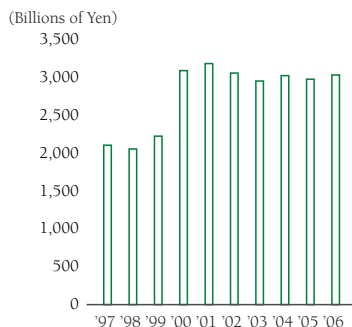


Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006
Depreciation & Amortization	88.6	138.8	172.0	170.3	148.3	139.4	126.7	126.4
Tobacco Business	63.8	110.1	130.3	128.8	108.0	104.7		
Domestic							80.2	84.5
International							21.0	23.0
Pharmaceutical Business	3.4	4.9	9.7	10.4	8.7	8.4	3.6	3.2
Foods Business	3.7	6.0	14.7	14.1	13.7	8.1	5.9	5.0
Other Business	17.0	17.1	16.6	17.8	18.7	18.6	16.3	13.4

*1 Depreciation & Amortization in FY1999-2000 = Depreciation of Tangible Fixed Assets + Amortization of Intangible Fixed Assets

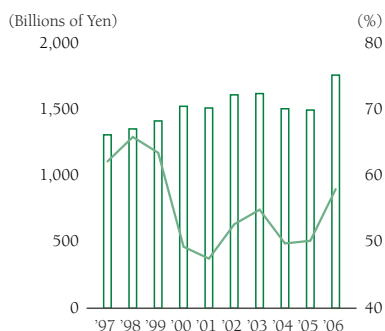
*2 Depreciation & Amortization in FY2001-2006 = Depreciation of Tangible Fixed Assets + Amortization of Intangible Fixed Assets + Amortization of Long-Term Prepaid Expenses + Amortization of Goodwill

Total Assets



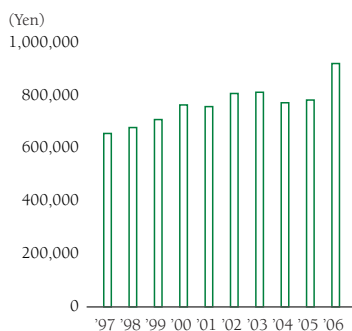
As of March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total assets	2,108.5	2,058.6	2,228.5	3,095.2	3,188.2	3,063.0	2,957.6	3,029.0	2,982.0	3,037.3
Tobacco Business			1,634.9	2,346.7	2,452.7	2,309.5	2,153.0	2,122.2		
Domestic									1,298.2	1,131.7
International									838.5	994.8
Pharmaceutical Business			121.1	126.6	129.9	125.2	114.7	114.3	117.8	117.9
Foods Business			92.6	126.9	133.8	133.2	135.3	141.4	141.6	141.4
Other Business			175.0	195.5	198.1	190.1	236.5	250.2	197.0	194.4

Shareholders' Equity and Equity Ratio



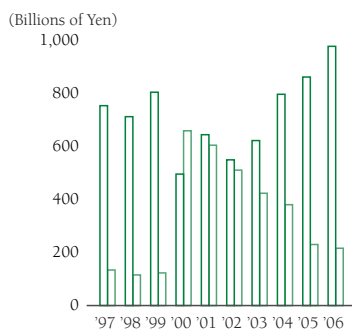
As of March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Shareholders' Equity	1,310.9	1,355.6	1,415.9	1,526.5	1,513.8	1,613.1	1,622.6	1,507.9	1,498.2	1,762.5
Equity Ratio	62.2	65.9	63.5	49.3	47.5	52.7	54.9	49.8	50.2	58.0

Book Value per Share (BPS)



As of March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
BPS	655,493	677,833	707,998	763,291	756,922	806,552	811,204	771,516	781,813	919,780

Liquidity and Interest-Bearing Debt

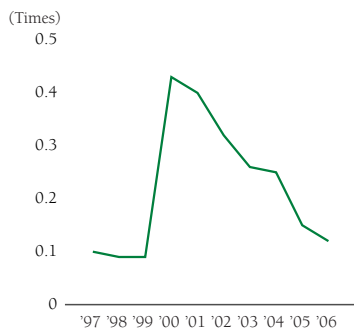


As of March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Liquidity	755.4	713.8	806.2	496.8	645.7	550.7	623.5	798.4	863.6	979.6
Interest-Bearing Debt	134.3	115.7	123.3	660.5	606.0	511.7	424.4	381.2	230.7	216.6

*1 Liquidity=Cash and deposits + Marketable securities + Commercial Paper received under repurchase agreement

*2 Interest-Bearing Debt=Short-Term Debt (includes current portion of Bonds and current portion of Long-Term Debt) + Bonds + Long-Term Debt

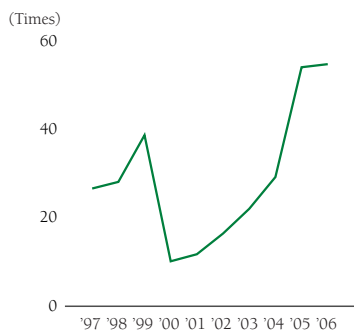
Debt / Equity Ratio



As of March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt / Equity Ratio*	0.10	0.09	0.09	0.43	0.40	0.32	0.26	0.25	0.15	0.12

*Debt to Equity Ratio = Interest-bearing debt / Shareholder's equity

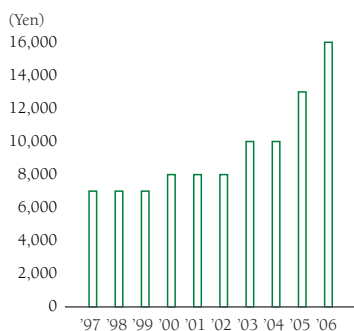
Interest Coverage Ratio



Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Interest coverage ratio*	26.7	28.2	38.8	10.2	11.8	16.5	22.1	29.3	54.2	54.9

*Interest coverage ratio = (Operating Income + Financial Income) / Financial Expense

Annual Dividends per Share



Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Annual dividends per share	7,000	7,000	7,000	8,000	8,000	8,000	10,000	10,000	13,000	16,000

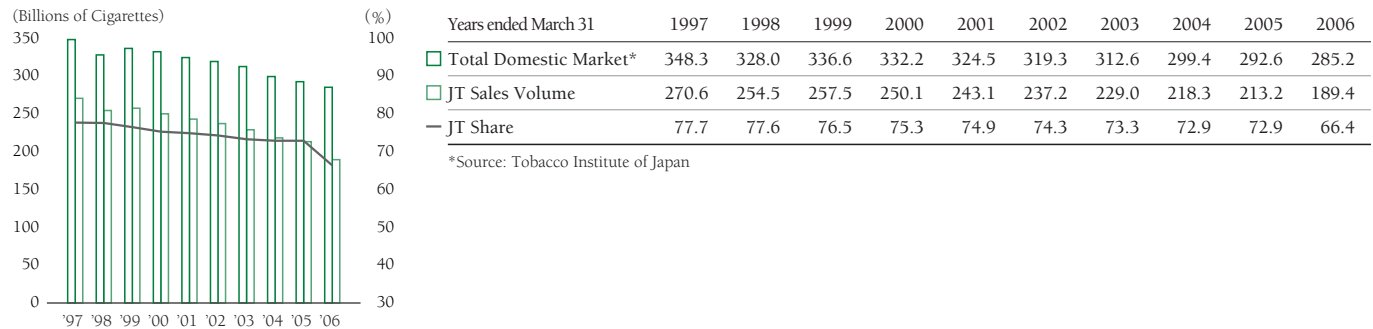
Dividend Payout Ratio on a Consolidated Basis



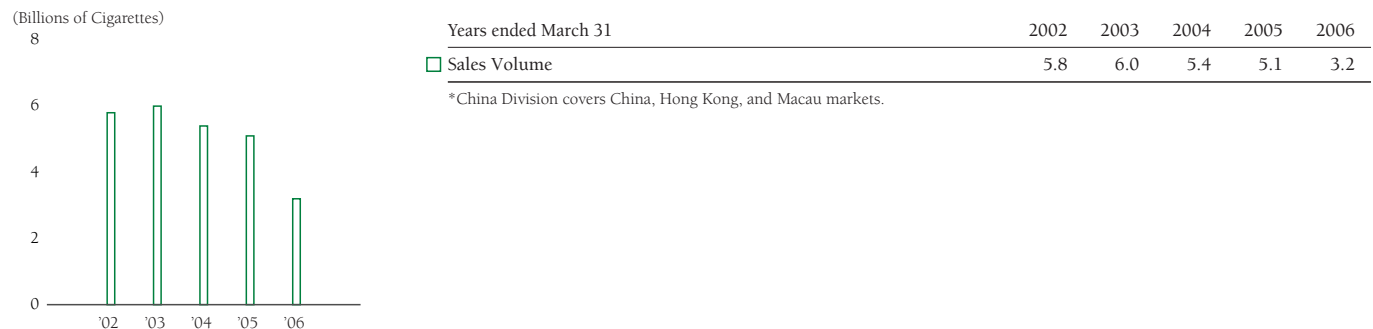
Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Dividend Payout Ratio	17.5	24.1	18.8	31.5	36.6	43.4	26.6	(252.1)	40.5	15.2

Domestic Tobacco Business

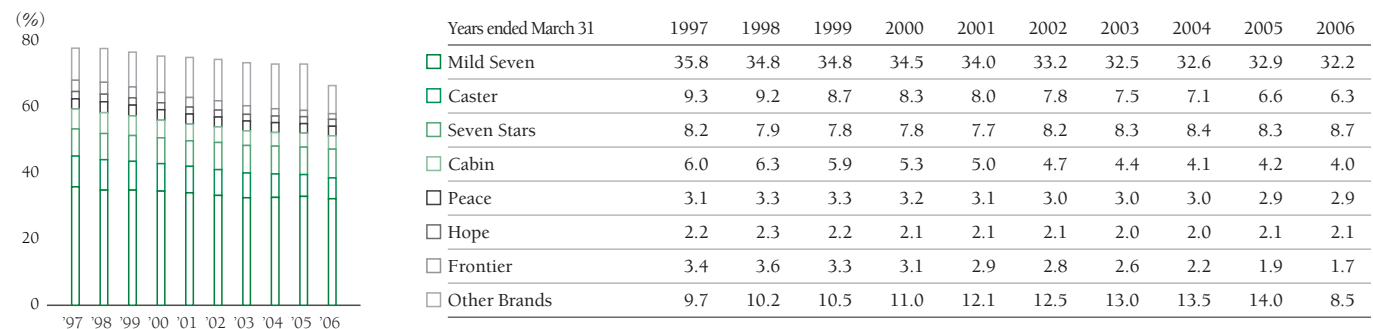
JT Sales Volume and JT Share



Sales Volume of China Division and Domestic Duty-Free



Market Share by JT Brand Family



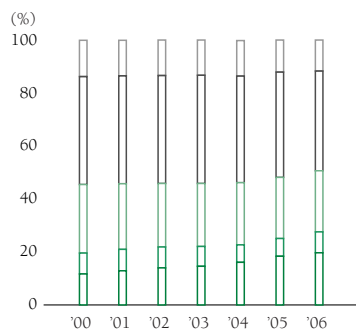
Top 20 Selling Products in Japan by Market Share (Year ended March 31, 2006)

Product	Manufacturer	Share (%)
1 MILD SEVEN SUPER LIGHTS	JT	7.7
2 MILD SEVEN LIGHTS	JT	7.3
3 MILD SEVEN	JT	6.0
4 SEVEN STARS	JT	5.4
5 MILD SEVEN EXTRA LIGHTS	JT	3.5
6 MARLBORO LIGHTS MENTHOL BOX	PM	3.4
7 CASTER MILD	JT	2.9
8 MILD SEVEN ONE 100's BOX	JT	2.5
9 CABIN MILD BOX	JT	1.9
10 LARK MILDS KS BOX	PM	1.9
11 PIANISSIMO ONE	JT	1.6
12 MARLBORO LIGHTS BOX	PM	1.6
13 MARLBORO BOX	PM	1.5
14 KENT ULTRA 1 100's BOX	BAT	1.5
15 SEVEN STARS BOX	JT	1.4
16 HOPE (10)	JT	1.4
17 MILD SEVEN ONE	JT	1.3
18 FRONTIER LIGHTS BOX	JT	1.3
19 MILD SEVEN ONE BOX	JT	1.2
20 CASTER ONE 100's BOX	JT	1.1

*PM = Philip Morris, BAT = British American Tobacco
Source: Tobacco Institute of Japan

Market Share by Tar Level and Market Share of Menthol Products

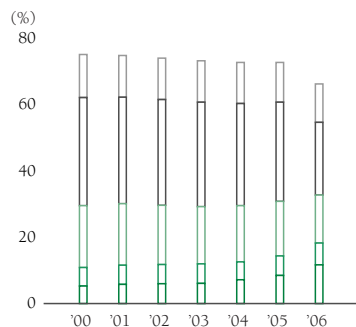
Market Share by Tar Level (Market Share in top 100 sales products)



Years ended March 31	2000	2001	2002	2003	2004	2005	2006
1 mg	11.7	12.9	14.0	14.6	16.1	18.4	19.7
2-3 mg	7.9	8.1	7.9	7.5	6.6	6.7	7.9
4-6 mg	25.9	24.8	24.0	23.8	23.5	23.1	23.1
7-13 mg	40.8	40.8	40.8	40.9	40.3	39.8	37.7
14 mg or Higher	13.7	13.4	13.4	13.3	13.4	12.1	11.7

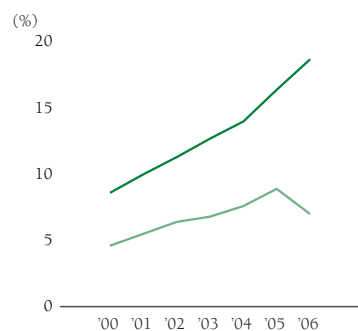
Source: Tobacco Institute of Japan

Market Share by Tar Level (JT Products)



Years ended March 31	2000	2001	2002	2003	2004	2005	2006
1 mg	5.3	5.8	6.0	6.1	7.2	8.5	11.7
2-3 mg	5.6	5.8	5.8	5.9	5.4	5.9	6.6
4-6 mg	18.7	18.6	17.9	17.3	17.0	16.5	14.5
7-13 mg	32.7	32.2	32.0	31.6	30.9	30.0	22.0
14 mg or Higher	13.0	12.6	12.5	12.5	12.4	12.0	11.6

□ Menthol Products

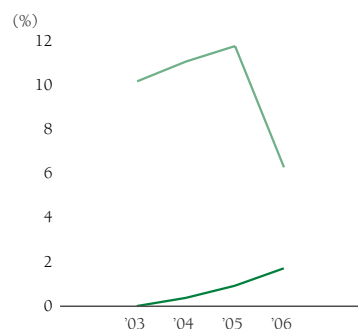


Years ended March 31	2000	2001	2002	2003	2004	2005	2006
— Menthol Products ^(*1,2)	8.6	10.0	11.3	12.7	14.0	16.4	18.7
— Menthol JT Products ^(*2)	4.6	5.5	6.4	6.8	7.6	8.9	7.0

*1 Market Share in top 100 sales products Source: Tobacco Institute of Japan

*2 As menthol products comprise products of varying tar levels, the market share for menthol products overlaps with the market shares provided by tar level.

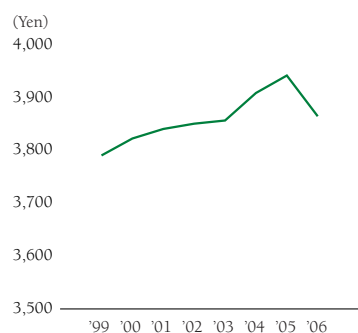
D-spec Products and Products Priced at ¥300 or more per pack



Years ended March 31	2003	2004	2005	2006
— D-spec Products*	0.01	0.38	0.93	1.72
— JT Products Priced at ¥300 or more per pack	10.2	11.1	11.8	6.3

*D-spec products, reduced odor segment products (known as "Less Smoke Smell" products abroad), incorporate the company's odor-reducing technology in response to customer demands for a reduction in the unpleasant smell of smoke.

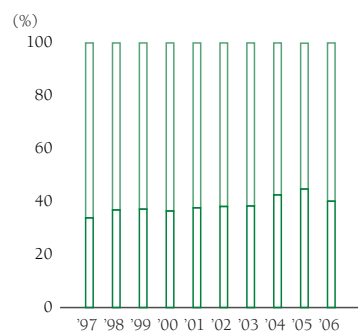
JT Net Sales Excluding Taxes per Thousand Cigarettes



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006
— JT Net Sales Excluding Taxes Per Thousand Cigarettes	3,790	3,822	3,840	3,850	3,856	3,908	3,941	3,864

*JT Net sales excluding taxes thousand cigarettes = (retail price sales - retailer margins - consumption tax - national tobacco excise tax - local tobacco excise tax - national tobacco special excise tax) / sales volume X 1,000

Composition of JT Products by Price Range



Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
□ Products priced at ¥280 or more per pack ^(*1)	33.9	36.9	37.2	36.5	37.7	38.2	38.4	42.6	44.8	40.2
— Products priced at ¥300 or more per pack							12.1	14.7	16.1	9.5
— Products priced at ¥290 per pack							3.8	1.0	0.0	0.0
— Products priced at ¥280 per pack							22.5	26.9	28.7	30.7
□ Products priced at ¥270 or less per pack ^(*2)	66.1	63.1	62.8	63.5	62.3	61.8	61.6	57.4	55.1	59.8

*1 ~ Nov. 98: ¥240 or more, Dec. 98 ~ Jun. 03: ¥260 or more

*2 ~ Mar. 97: ¥220 or less, Apr. 97 ~ Nov. 98: ¥230 or less, Dec. 98 ~ Jun. 03: ¥250 or less

New Product Launches and Sales Area Expansion

Year ended March 31, 2004 (14 products) (D-spec: two products, Menthol: six products, Tar 1mg: one product, Products at ¥300 or more per pack: nine products)

Date	Product	D-spec	Menthol	Tar (mg)	Nicotine (mg)	Price		Sales Region
						Prior to June 30, 2006	After July 1, 2006	
May-03	HOPE MENTHOL		○	8	0.6	¥140*	¥150	Aichi → (Jan-04) Aichi, Tokyo, Osaka → (May-04) Nationwide
Aug-03	ALPHABET H			10	0.8	¥300		Fukuoka → Discontinued
Aug-03	ALPHABET R			7	0.6	¥300		Fukuoka → Discontinued
Aug-03	ALPHABET C		○	7	0.5	¥300		Fukuoka → Discontinued
Aug-03	CABIN MILD MENTHOL BOX		○	7	0.6	¥280	¥300	Miyagi → (May-04) Nationwide
Sep-03	CASTER SUPER MILD			3	0.3	¥270	¥290	Hiroshima → (Aug-04) Nationwide
Nov-03	MILD SEVEN PRIME SUPER LIGHTS BOX	○		6	0.4	¥300	¥320	Tokyo → (Mar-04) Nationwide
Jan-04	MILD SEVEN ONE MENTHOL BOX		○	1	0.1	¥270	¥300	Eastern Japan (incl. Kinki region), Okinawa → (Apr-04) Nationwide
Jan-04	BITTER VALLEY			8	1.0	¥300		Hiroshima, Shimane, Yamaguchi → Discontinued
Jan-04	FUJI RENAISSANCE			6	0.7	¥300		Okayama, Tottori, Shikoku Region → Discontinued
Jan-04	FUJI RENAISSANCE 100's			6	0.7	¥300	¥320	Kumamoto, Oita → (Jun-04) Kumamoto, Oita, Okayama, Tottori, Kagawa, Ehime, Tokushima, Kochi → (Aug-06) To be discontinued
Jan-04	HI-LITE MENTHOL		○	10	0.7	¥270	¥290	Fukuoka, Saga, Nagasaki → (Sep-04) Tokyo → (Oct-04) Nationwide
Jan-04	BB SLUGGER			12	1.1	¥300		Miyazaki, Kagoshima → Discontinued
Mar-04	MILD SEVEN PRIME MENTHOL LIGHTS BOX	○	○	6	0.4	¥300	¥320	Tokyo → (Sep-04) Nationwide

* Launch price is ¥130

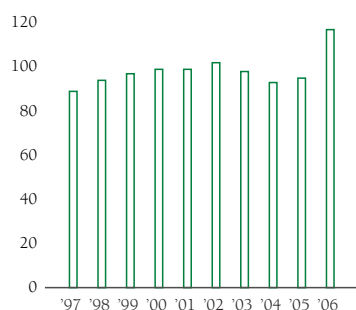
Years ended March 31, 2005 (18 products) (D-spec: five products, Menthol: six products, Tar 1mg: three products, Products at ¥300 or more per pack: fourteen products)

Date	Product	D-spec	Menthol	Tar (mg)	Nicotine (mg)	Price		Sales Region
						Prior to June 30, 2006	After July 1, 2006	
Jul-04	HOPE SUPER LIGHTS			6	0.5	¥140	¥150	Hokkaido → (Apr-05) Nationwide
Jul-04	GOLDEN BAT BOX			8	0.6	¥300		Miyagi → Discontinued
Jul-04	GOLDEN BAT MENTHOL BOX		○	8	0.6	¥300		Miyagi → Discontinued
Jul-04	ALPHABET H SIDE SLIDE BOX			10	0.8	¥300	¥320	Tokyo → (Feb-05) Tokyo, Kanagawa, Chiba, Saitama, Fukuoka
Jul-04	ALPHABET R SIDE SLIDE BOX			7	0.6	¥300	¥320	Tokyo → (Feb-05) Tokyo, Kanagawa, Chiba, Saitama, Fukuoka
Jul-04	ALPHABET C SIDE SLIDE BOX		○	7	0.5	¥300	¥320	Tokyo → (Feb-05) Tokyo, Kanagawa, Chiba, Saitama, Fukuoka
Jul-04	SIESTA			1	0.1	¥300		Kanagawa → Discontinued
Jul-04	CASTER COOL VANILLA MENTHOL BOX		○	3	0.3	¥270	¥290	Shizuoka → (Feb-05) Shizuoka, Osaka and areas west of Nara (excl. Fukuoka, Kagoshima, Miyazaki) → (Apr-05) Nationwide
Jul-04	PEACE AROMA MENTHOL BOX		○	7	0.6	¥300	¥320	Aichi → (Feb-05) Aichi, Shizuoka, Yamanashi, Niigata, Tochigi and areas east of Ibaraki → (Apr-05) Nationwide
Jul-04	MILD SEVEN PRIME BOX	○		10	0.7	¥300		Osaka → Discontinued
Jul-04	MILD SEVEN PRIME LIGHTS BOX	○		8	0.6	¥300	¥320	Osaka → (Feb-05) Osaka, Fukuoka → (Aug-06) To be discontinued
Jul-04	SEVEN STARS LIGHTS BOX			7	0.7	¥280	¥300	Fukuoka → (Apr-05) Nationwide
Feb-05	SEVEN STARS REVO LIGHTS MENTHOL BOX	○	○	7	0.6	¥300	¥320	Gunma, Nagano → (Sep-05) Nationwide
Feb-05	FRONTIER NEO BOX		○	1	0.1	¥300	¥320	Gifu
Feb-05	LUCIA CITRUS FRESH MENTHOL ONE	○	○	1	0.1	¥300	¥320	Aichi → (Sep-05) Nationwide
Feb-05	MILD SEVEN SUPER LIGHTS ECO STYLE			6	0.5	¥270	¥300	Mie → Discontinued
Feb-05	RIN			11	1.2	¥350	¥370	Kyoto, Shiga, Fukui, Ishikawa, Toyama → (Aug-06) To be discontinued
Feb-05	SAKURA			10	0.8	¥300		Kagoshima, Miyazaki → Discontinued

Years ended March 31, 2006 (14 products) (D-spec: five products, Menthol: five products, Tar 1mg: three products, Products at ¥300 or more per pack: eleven products)

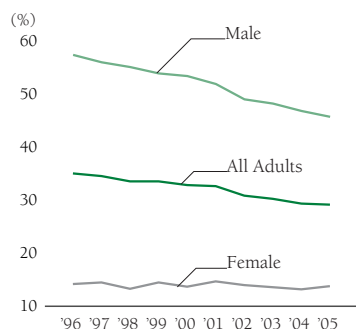
Date	Product	D-spec	Menthol	Tar (mg)	Nicotine (mg)	Price		Sales Region
						Prior to June 30, 2006	After July 1, 2006	
Jul-05	MILD SEVEN ONE MENTHOL 100's BOX		○	1	0.1	¥270	¥300	Nationwide
Jul-05	PIANISSIMO PECHE MENTHOL ONE	○	○	1	0.1	¥300	¥320	Miyagi, Yamagata → (Nov-05) Nationwide
Jul-05	BEVEL FINA SHINE BERRY		○	5	0.4	¥300	¥320	Nigata
Jul-05	SEVEN STARS REVO SUPER LIGHTS BOX		○	5	0.5	¥300	¥320	Shizuoka → (Jan-06) Nationwide
Jul-05	MILD SEVEN PRIME SLIMS THREE		○	3	0.2	¥300	¥320	Aichi
Jul-05	CABIN ONE 100's BOX			1	0.1	¥270	¥290	Aomori, Akita, Iwate
Jul-05	ISIT BOX			6	0.5	¥300	¥320	Fukushima, Ibaraki, Tochigi → (Aug-06) To be discontinued
Jul-05	ISIT MENTHOL BOX		○	8	0.6	¥300	¥320	Fukushima, Ibaraki, Tochigi → (Aug-06) To be discontinued
Jul-05	SIESTA			5	0.4	¥300	¥320	Hyogo → (Aug-06) To be discontinued
Jul-05	WINSTON MENTHOL BOX		○	7	0.5	¥280	¥300	Osaka, Nara, Wakayama → (Aug-06) To be discontinued
Jul-05	PEACE SMOOTH AROMA BOX			6	0.5	¥300	¥320	Okayama, Tottori
Jul-05	CAMEL FULL FLAVOR BOX			12	0.9	¥300	¥320	Kumamoto, Oita → (Aug-06) To be discontinued
Jul-05	CAMEL MILD FLAVOR BOX			6	0.5	¥300	¥320	Kumamoto, Oita → (Aug-06) To be discontinued
Jan-06	SEVEN STARS REVO ULTRA LIGHTS MENTHOL BOX	○	○	3	0.2	¥300	¥320	Shizuoka → (Apr-06) Nationwide

Number of JT Cigarette Products



As of March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Number of JT Cigarette Products	89	94	97	99	99	102	98	93	95	117

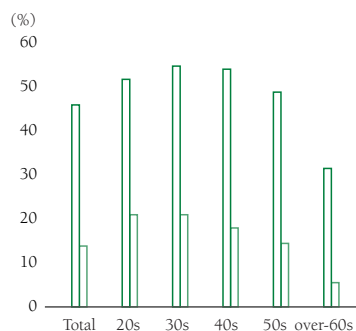
Smoking Rate (by gender)



At the time of survey	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
All Adults	35.1	34.6	33.6	33.6	32.9	32.7	30.9	30.3	29.4	29.2
Male	57.5	56.1	55.2	54.0	53.5	52.0	49.1	48.3	46.9	45.8
Female	14.2	14.5	13.3	14.5	13.7	14.7	14.0	13.6	13.2	13.8

Source: JT "Japan Smoking Rate Survey"

Smoking Rate (by age)



Survey in 2005	Total	20s	30s	40s	50s	over-60s
Male	45.8	51.6	54.6	53.9	48.7	31.4
Female	13.8	20.9	20.9	17.9	14.4	5.5

Source: JT "Japan Smoking Rate Survey"

Taxation

All tobacco products sold in Japan are subject to the national tobacco excise tax, the national tobacco special excise tax, and the local tobacco excise tax. The national tobacco excise tax is set at ¥3,126 (from July 1, 2006: ¥3,552) per thousand units, the national tobacco special excise tax is set at ¥820 per thousand units, and the local tobacco excise tax is set at ¥3,946 (from July 1, 2006: ¥4,372) per thousand units. In addition,

under the Consumption Tax Law, 5% of consumption tax is imposed on as with other goods and services. All tobacco excise taxes and consumption tax are imposed not only for tobacco products manufactured in Japan but also for imported tobacco products. As for imported tobacco products, from April, 1987 no customs duties apply.

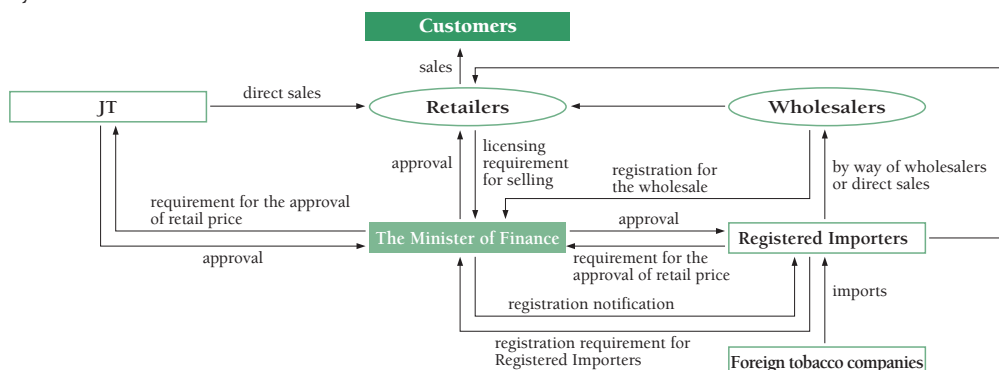
Breakdown of Package of Cigarettes (Prior to Jun.30,2006)

	List price ¥270 per pack		List price ¥280 per pack		List price ¥300 per pack		
Consumption Tax	¥ 12.86	4.76%	¥ 13.33	4.76%	¥ 14.29	4.76%	Retail price sales
Retailer's Margin	¥ 27.00	10.00%	¥ 28.00	10.00%	¥ 30.00	10.00%	
Total Tobacco Excise Tax	¥157.84	58.46%	¥157.84	56.37%	¥157.84	52.61%	
National Tobacco Excise Tax	¥ 62.52	23.16%	¥ 62.52	22.33%	¥ 62.52	20.84%	
Local Tobacco Excise Tax	¥ 78.92	29.23%	¥ 78.92	28.19%	¥ 78.92	26.31%	
National Tobacco Special Excise Tax	¥ 16.40	6.07%	¥ 16.40	5.86%	¥ 16.40	5.47%	
JT's Proceeds	¥ 72.30	26.78%	¥ 80.83	28.87%	¥ 97.87	32.62%	Net sales excluding taxes

Breakdown of Package of Cigarettes (After Jul.1,2006)

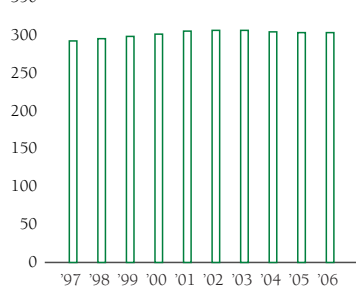
	List price ¥290 per pack		List price ¥300 per pack		List price ¥320 per pack		
Consumption Tax	¥ 13.81	4.76%	¥ 14.29	4.76%	¥ 15.24	4.76%	Retail price sales
Retailer's Margin	¥ 29.00	10.00%	¥ 30.00	10.00%	¥ 32.00	10.00%	
Total Tobacco Excise Tax	¥174.88	60.30%	¥174.88	58.29%	¥174.88	54.65%	
National Tobacco Excise Tax	¥ 71.04	24.50%	¥ 71.04	23.68%	¥ 71.04	22.20%	
Local Tobacco Excise Tax	¥ 87.44	30.15%	¥ 87.44	29.15%	¥ 87.44	27.33%	
National Tobacco Special Excise Tax	¥ 16.40	5.66%	¥ 16.40	5.47%	¥ 16.40	5.13%	
JT's Proceeds	¥ 72.31	24.93%	¥ 80.83	26.94%	¥ 97.88	30.59%	Net sales excluding taxes

System of Tobacco Sales



Number of Tobacco Retailers

(Thousands of Stores)

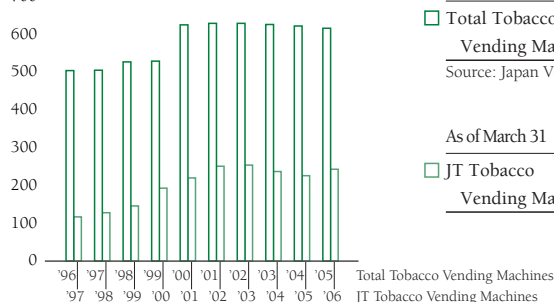


As of March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Tobacco Retailers	293	296	299	302	306	307	307	305	304	304

Source: Ministry of Finance

Number of Tobacco Vending Machines

(Thousands)

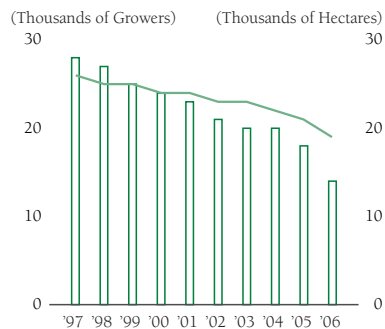


As of December 31	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total Tobacco Vending Machines	504	505	527	529	625	629	629	626	622	616

Source: Japan Vending Machine Manufacturers Association

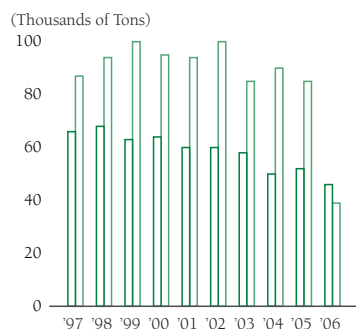
As of March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
JT Tobacco Vending Machines	117	128	146	193	220	251	254	237	226	243

Number of Domestic Tobacco Growers and Area under Domestic Leaf Tobacco Cultivation



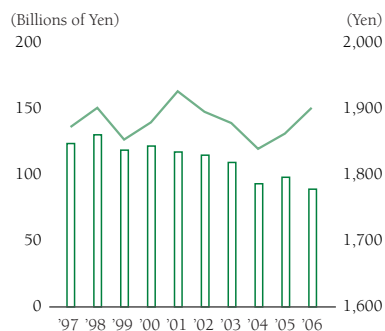
Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Number of Domestic Tobacco Growers	28	27	25	24	23	21	20	20	18	14
Area under Domestic Leaf Tobacco Cultivation	26	25	25	24	24	23	23	22	21	19

Volume of Domestic and International Leaf Tobacco Purchase



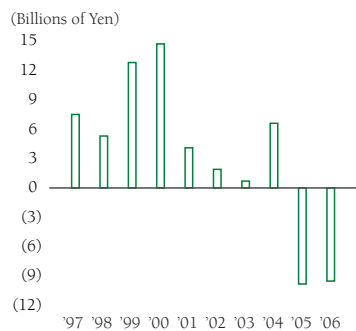
Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Domestic	66	68	63	64	60	60	58	50	52	46
International	87	94	100	95	94	100	85	90	85	39

Value of Domestic Leaf Tobacco Purchase and Price per 1kg



Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Amount	123.5	130.1	118.5	121.6	117.1	114.7	109.2	93.1	98.0	84.3
Price per 1 kg	1,872	1,901	1,853	1,879	1,926	1,895	1,878	1,839	1,862	1,801

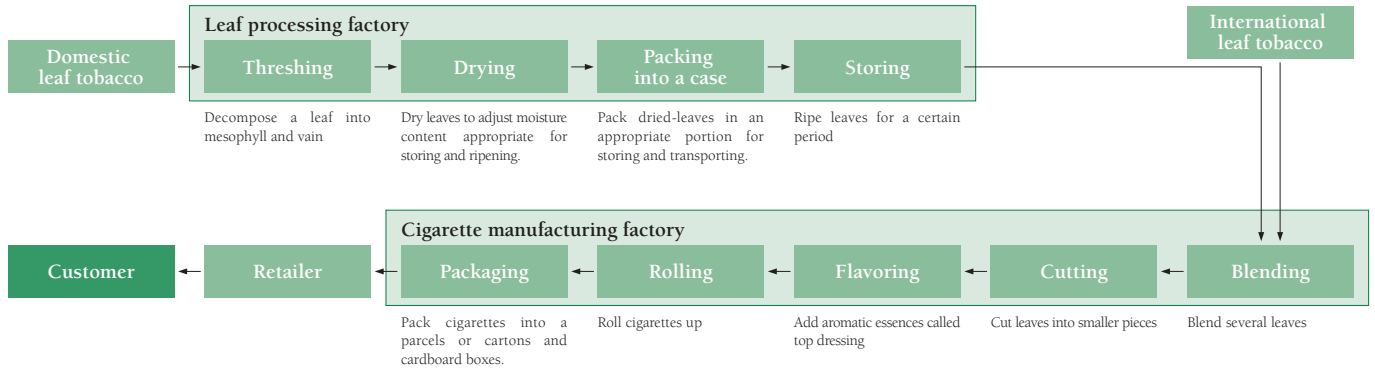
Leaf Tobacco Reappraisal Profit/Loss



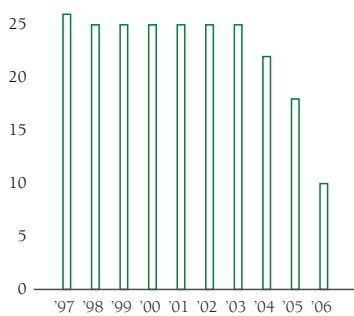
Years ended March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Leaf Tobacco Reappraisal	7.5	5.3	12.8	14.7	4.1	1.9	0.7	6.6	(9.8)	(9.5)

*() indicates reappraisal loss.

Tobacco Manufacturing Structure



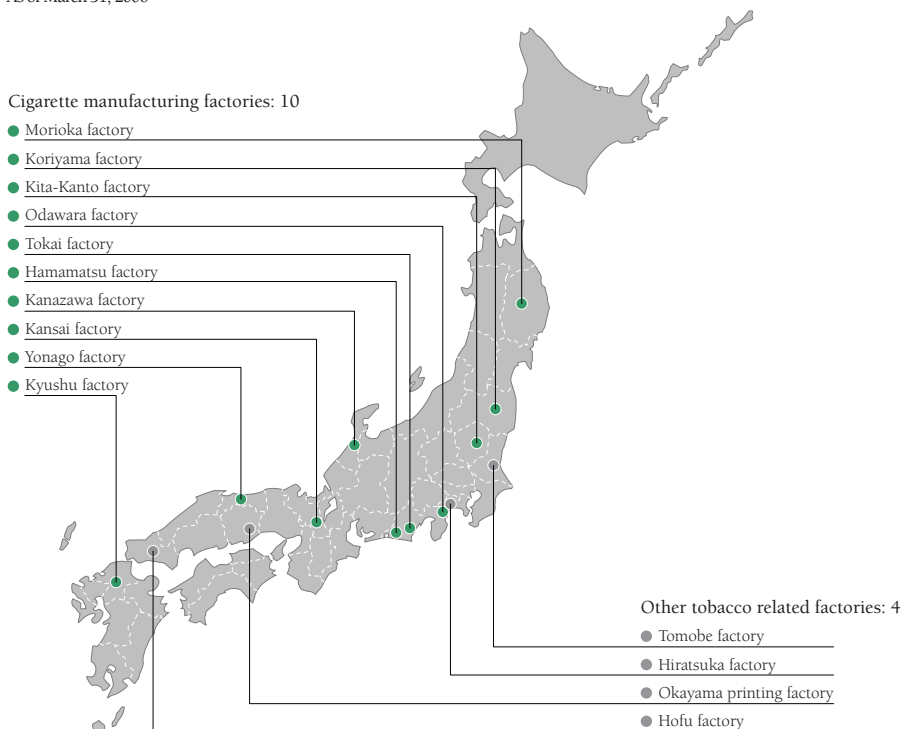
Number of Domestic Cigarette Manufacturing Factories



As of March 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Domestic Cigarette Manufacturing Factories	26	25	25	25	25	25	25	22	18	10

Tobacco Manufacturing-related Factory Location

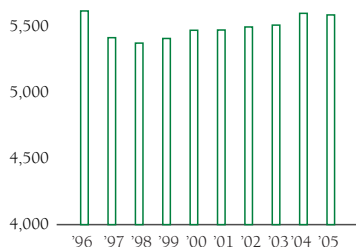
As of March 31, 2006



International Tobacco Business

Worldwide Demand for Cigarette

(Billions of Cigarettes)
6,000



Years ended December 31	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Worldwide demand for cigarette	5,615	5,413	5,372	5,407	5,469	5,471	5,494	5,508	5,597	5,585

Source: The Maxwell Report "Top World Cigarette Market Leaders"

Top 10 Brands by Sales Volume Worldwide

(Billions of cigarettes)

Years ended December 31

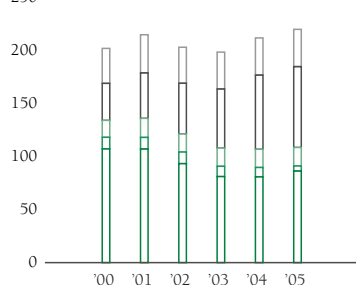
Brand	Brand Owner	Total World Annual Sales Volume	
		2004	2005
1. Marlboro	Philip Morris	466.4	472.7
2. Mild Seven	JT	115.6	111.7
3. L&M	Philip Morris	113.4	106.2
4. Winston	Total*	85.0	91.3
	JT	70.2	77.1
	Reynolds American	14.8	14.2
5. Camel	Total*	58.8	59.0
	JT	35.8	35.7
	Reynolds American	23.0	23.3
6. Cleopatra	Eastern Tobacco	58.2	57.2
7. Derby	British American Tobacco	45.1	42.1
8. Pall Mall	Reynolds American,	33.3	39.7
	British American Tobacco		
9. Kent	British American Tobacco, Lorillard	33.8	39.5
10. Wills Gold Flake	British American Tobacco	30.4	34.3

Source: The Maxwell Report "Top World Cigarette Market Leaders"

*Sales volume within the United States and that outside the United States belong to Reynolds American and JT, respectively.

Tobacco Sales Volume by Brand

(Billions of Cigarettes)

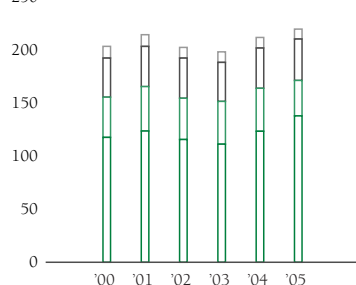


Years ended December 31	2000	2001	2002	2003	2004	2005
Total	203.1	215.1	203.3	198.8	212.4	220.3
GFB total	95.7	107.8	109.8	117.5	131.4	133.8
Camel	33	36	34	34.8	35.1	35.2
Winston	35	43	48	55.9	70.1	76.4
Mild Seven	16	18	17	17.2	17.2	17.5
Salem	11	11	11	9.7	8.9	4.8
Other brands	107.4	107.3	93.5	81.3	81.0	86.5

*Sales volume in the China Division (China, Hong Kong, and Macau) was included in 2000 and 2001, but excluded in 2002 to 2005.

Tobacco Sales Volume by Region

(Billions of Cigarettes)

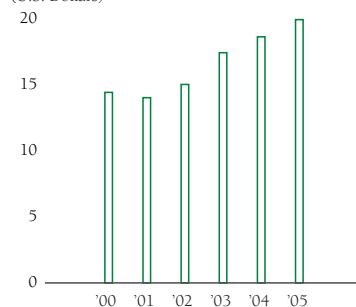


Years ended December 31	2000	2001	2002	2003	2004	2005
Total	203.1	215.1	203.3	198.8	212.4	220.3
Asia	38	42	39	40.4	40.6	33.5
Europe	37	38	38	36.9	38.1	39.2
Americas	11	11	10	9.9	9.9	9.3
CIS & Others	118	124	116	111.6	123.8	138.3

*Sales volume in the China Division (China, Hong Kong and Macau) were included in 2000 and 2001, but excluded in 2002 to 2005.

Net Sales Excluding Taxes per Thousand Cigarettes

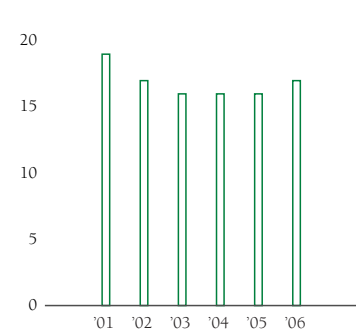
(U.S. Dollars)



Years ended December 31	2000	2001	2002	2003	2004	2005
Net Sales Excluding Taxes per Thousand Cigarettes	14.4	14.0	15.0	17.4	18.6	19.9

*Net sales in the China Division (China, Hong Kong, and Macau) were included in 2000 and 2001, but excluded in 2002 to 2005.

Number of International Factories

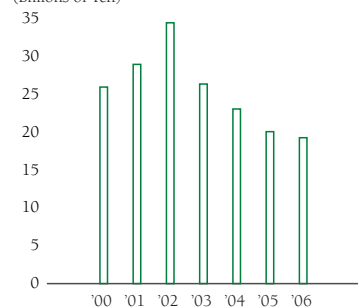


As of March 31	2001	2002	2003	2004	2005	2006
Number of International Factories	19	17	16	16	16	17

Pharmaceutical Business

R&D Expense on a Non-consolidated Basis

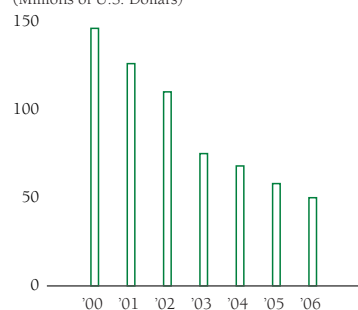
(Billions of Yen)



	Years ended March 31						
	2000	2001	2002	2003	2004	2005	2006
□ R&D expense on a Non-consolidated Basis	26.0	29.0	34.5	26.4	23.1	20.1	19.3

Royalty Income from Viracept ®

(Millions of U.S. Dollars)



	Years ended March 31						
	2000	2001	2002	2003	2004	2005	2006
□ Royalty income from Viracept ®	146	126	110	75	68	58	50

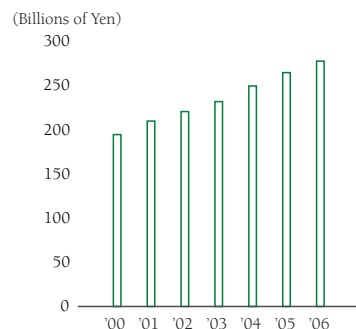
Clinical Development

As of April 28, 2006

Code	Stage	Indication	Mechanism	Characteristics	Rights
JTT-705 (oral)	Phase I (JPN)	Dyslipidemia	CETP inhibitor	Decreases LDL and increases HDL by inhibition of CETP -CETP: Cholesteryl Ester Transfer Protein, facilitates transfer of cholesteryl ester from HDL to LDL -HDL: High density lipoprotein, Good Cholesterol -LDL: Low density lipoprotein, Bad Cholesterol	A license agreement was signed with Roche (Switzerland) for development and commercialization of this compound worldwide except Japan and Korea. (October 2004)
JTT-130 (oral)	Phase II (JPN) Phase I (Overseas)	Hyperlipidemia	MTP inhibitor	Treatment of hyperlipidemia by reducing absorption of cholesterol and triglyceride via inhibition of MTP MTP: Microsomal Triglyceride Transfer Protein	
JTK-303 (oral)	Phase I (JPN)	HIV	Integrase inhibitor	Integrase inhibitor which works by blocking integrase, an enzyme that is involved in the replication of HIV (HIV: Human Immunodeficiency Virus)	A license agreement was signed with Gilead (US) for development and commercialization of this compound worldwide except Japan. (March 2005)
JTT-302 (oral)	Phase I (Overseas)	Dyslipidemia	CETP inhibitor	Decreases LDL and increases HDL by inhibition of CETP -CETP: Cholesteryl Ester Transfer Protein, facilitates transfer of cholesteryl ester from HDL to LDL -HDL: High density lipoprotein, Good Cholesterol -LDL: Low density lipoprotein, Bad Cholesterol	
JTT-305 (oral)	Phase I (JPN)	Osteoporosis	CaSR antagonist	Increases BMD and decreases new vertebral fractures by accelerating endogenous PTH secretion via antagonism of circulating Ca on CaSR in parathyroid cells -BMD: Bone Mineral Density -PTH: Parathyroid Hormone -CaSR: Calcium-Sensing Receptor	
JTT-551 (oral)	Phase I (JPN)	Type 2 diabetes mellitus	PTP1B inhibitor	Decreases blood glucose by enhancing insulin signal via inhibition of PTP1B. -PTP1B: Protein Tyrosine Phosphatase 1B This enzyme negatively regulates insulin signaling pathways.	

Foods Business

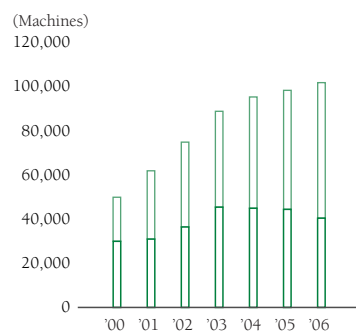
Net Sales



Years ended March 31	2000	2001	2002	2003	2004	2005	2006
<input type="checkbox"/> Foods Business	195.0	210.3	221.1	232.4	250.1	265.3	278.3
Processed Foods	—	41.6	48.0	60.0	73.6	87.8	93.0
Beverages	—	165.4	173.1	172.3	176.5	177.4	185.3

*From FY2003, we included JTDS and HANS in Processed Foods, and we corrected the data of 2002. Sales figures of Processed Foods of FY2002 and the data of FY2001 are not continuous.

Number of Marking/Combined Vending Machines

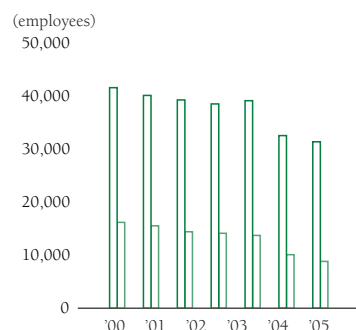


Years ended March 31	2000	2001	2002	2003	2004	2005	2006
Vending machines	—	—	190,000	201,000	211,000	226,000	237,000
<input type="checkbox"/> JT-Owned	30,000	31,000	36,500	45,500	45,000	44,500	40,500
<input type="checkbox"/> Combined	20,000	31,000	38,500	43,500	50,500	54,000	61,500

*Number of vending machines includes machines operated by JT's affiliates and cup vending machines. Combined vending machines focus on JT brand beverages but also sell non-JT brand beverages.

Number of Employees

Number of Employees (Consolidated)



As of March 31	2000	2001	2002	2003	2004	2005	2006
<input type="checkbox"/> Total	41,703	40,237	39,387	38,628	39,243	32,640	31,476
Tobacco Business	32,367	30,894	29,860	28,946	28,504	24,350	—
Domestic	—	—	—	—	—	—	11,795
International	—	—	—	—	—	—	11,943
Pharmaceutical Business	1,682	1,670	1,580	1,530	1,551	1,566	1,532
Foods Business	3,397	3,654	4,097	4,581	5,409	5,357	5,232
Other Business	3,093	2,820	2,707	2,437	2,608	706	604
Corporate	1,164	1,199	1,143	1,134	1,171	661	370

*Number of employees is counted at working base.

As of March 31	2000	2001	2002	2003	2004	2005	2006
<input type="checkbox"/> Working base (Non-consolidated)	16,235	15,588	14,462	14,172	13,769	10,124	8,855
Register base (Non-consolidated)	20,194	19,355	17,815	17,272	16,690	11,300	9,931
As of December 31	1999	2000	2001	2002	2003	2004	2005
JT International (Thousands of Employees)	13.0	11.8	11.7	11.6	11.9	12.0	—