

# Financial Highlights

Japan Tobacco Inc. and Consolidated Subsidiaries  
Years ended March 31

	Millions of yen					Millions of U.S. dollars
	2003	2004	2005	2006	2007	2007
<b>For the year:</b>						
Net sales	¥ 4,492,264	¥ 4,625,151	¥ 4,664,514	¥ 4,637,657	¥ 4,769,387	\$ 40,401
EBITDA <sup>(Note 2)</sup>	337,296	373,435	400,115	433,391	464,634	3,936
Operating income	188,963	234,034	273,371	306,946	331,991	2,812
Net income (loss)	75,302	(7,603)	62,584	201,542	210,772	1,785
Free cash flow (FCF) <sup>(Note 3)</sup>	170,372	269,174	269,459	145,590	223,007	1,889
<b>At year-end:</b>						
Total assets	¥ 2,957,665	¥ 3,029,084	¥ 2,982,056	¥ 3,037,379	¥ 3,364,663	\$ 28,502
Total equity	1,622,654	1,507,937	1,498,204	1,762,512	2,024,616	17,150
<b>Ratios:</b>						
Return on equity (ROE)	4.7%	(0.5%)	4.2%	12.4%	11.3%	
Return on asset (ROA)	6.4%	7.9%	9.2%	10.4%	10.7%	
Equity Ratio	54.9%	49.8%	50.2%	58.0%	58.3%	
<b>Amounts per share (in yen and U.S. dollars):</b>						
Net income (loss)	¥ 37,528	¥ (3,967)	¥ 32,090	¥ 105,085	¥ 22,001	\$ 186
Total equity	811,204	771,516	781,814	919,780	204,618	1,733
Cash dividends applicable to the year	10,000	10,000	13,000	16,000	4,000	34

Notes: 1. Figures stated in U.S. dollars in this report are translated solely for convenience at the rate of ¥118.05 per \$1, the rate of exchange as of March 31, 2007.

2. 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

3. 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)

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

The graph showing "Cash Dividends Applicable to the Year" is adjusted retroactively.

