Towards Achieving Our Corporate Vision

Through various activities, we are committed to providing all of our stakeholders with a unique added value that JT alone can deliver as a surprise and delight that exceeds expectations. We are striving to fulfill this commitment through an initiative called “Brand-ing,” in a bid to become an essential partner of society.

JT Brand-ing Declaration (Established in 2002)

Clear commitment to providing all of our stakeholders with a unique added value that JT alone can deliver as a surprise and delight that exceeds expectations.

- We aim to become a “Global Brand-ing Company” that develops unique brands that are trusted and respected by our customers.
- We believe that our most significant assets are those unique product brands and “JT” itself, which pursues developing the brands, as the unified corporate brand.
- We commit ourselves to use management resources to continually build our brands and keep them fresh.
- We are committed to developing and increasing the value of the “JT” brands as well as our product brands with pride.

4S Model

By circulating and expanding funds generated by high-quality business activities, JT is committed to fulfill—to the best of its ability and in a fair and balanced manner—its responsibilities to its shareholders, customers, employees and society and to ensure their satisfaction with JT’s performance.

- **CS** JT seeks to understand its customers’ needs in depth, and to meet these needs by continuing to offer attractive goods and services.
- **ES** JT offers attractive positions to talented people who have ability, drive and a sense of responsibility.
- **SS** Through its business activities based on high ethical standards, JT intends to become a good corporate citizen welcomed by both global and regional communities.
- **CF** Economic achievement constitutes the basic common language of the organization. Business structure is continually reviewed and reformed to raise corporate adaptability to the ever-changing environment.
### Corporate Image (Long-term Vision)

—— A global growth company that develops diversified, value-creating businesses ——

<table>
<thead>
<tr>
<th>Domestic Tobacco Business</th>
<th>International Tobacco Business</th>
<th>Pharmaceutical Business</th>
<th>Foods Business</th>
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<tbody>
<tr>
<td>• Overwhelm the competition in the home country market as “the core source of profits.”</td>
<td>• Attain a sustainable leadership position in profitability and or market-share within a growing number of markets, and continue to be “the driving force for profit growth.”</td>
<td>• Continuously deliver profits based on a strong foundation as a core business.</td>
<td>• Establish a global competitive advantage as an integrated foods manufacturer.</td>
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### Goals under “JT2008” Medium Term Management Plan and Progress Status

—— Aim to achieve long-term sustainable growth while overcoming challenges in operating environment ——

#### Performance of the JT Group as a Whole

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<tbody>
<tr>
<td>EBITDA</td>
<td>¥433.4 billion</td>
<td>¥464.6 billion</td>
<td>¥602.1 billion</td>
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</table>

* JT2008 is based on organic growth and not on the premise of large-scale M&A figures.

#### Allocation of Resources

• Actively pursue growth opportunities by acquiring external resources, especially in the international tobacco business and foods business.

**Major acquisition deals**

- Acquired Gallaher Group Plc in April 2007 as a wholly owned subsidiary. Successfully completed a tender offer for Katokichi Co. in December 2007 and made the company a wholly owned subsidiary in April 2008.
- Acquired Fuji Foods in April 2008 as a wholly owned subsidiary.

### Domestic Tobacco Business

- As “the Core Source of Profits”, Aim to Maintain the Profit Level attained during the “JT PLAN-V” period.

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<tr>
<td>EBITDA</td>
<td>¥305.8 billion</td>
<td>¥326.5 billion</td>
<td>¥306.7 billion</td>
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### International Tobacco Business

- As “the Driving Force for Profit Growth”, Continue Leading the industry in organic growth.

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<tr>
<td>EBITDA*</td>
<td>USD925 million</td>
<td>USD1,090 million (up 18%)</td>
<td>USD2,452 million (up 125%)</td>
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* Before royalty payments to JT

- Acquired Gallaher Group Plc in April 2007 as a wholly owned subsidiary.

### Pharmaceutical Business

- Aim to advance its clinical compounds to higher phases of clinical study and enhance the R&D pipeline.

**Clinical development (as of May 1, 2008): 11 compounds**

### Foods Business

- Establish foundations as an integrated foods manufacturer.

**Made Katokichi and Fuji Foods wholly owned subsidiaries in April 2008.**