

# Fact Sheets

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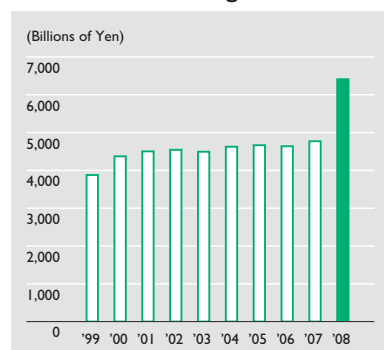
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- Number of Employees

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

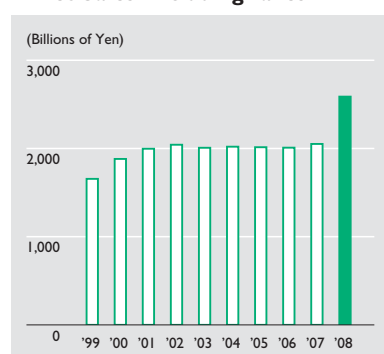
# Financial Data

## ■ Net Sales Including Taxes



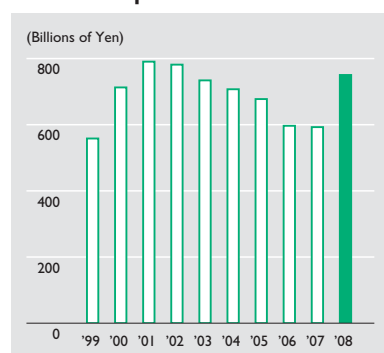
Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
□ Total	3,876.5	4,371.2	4,501.7	4,544.1	4,492.2	4,625.1	4,664.5	4,637.6	4,769.3	6,409.7
Tobacco Business	3,616.7	4,024.4	4,140.2	4,178.0	4,134.4	4,236.9				
Domestic							3,491.4	3,405.2	3,416.2	3,362.3
International							792.7	881.1	999.6	2,639.9
Pharmaceutical Business	23.7	67.7	66.4	61.8	53.9	51.2	57.6	49.2	45.4	49.0
Foods Business	150.7	195.0	210.3	221.1	232.4	250.1	265.3	278.3	286.5	336.4
Other Business	85.3	83.9	84.6	83.0	71.4	86.8	57.2	23.5	21.4	21.8

## ■ Net Sales Excluding Taxes



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
□ Total	1,655.1	1,881.0	1,996.6	2,041.9	2,007.5	2,019.8	2,013.9	2,008.7	2,051.0	2,587.3
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	1,147.2	1,122.2
International							429.7	484.3	550.3	1,057.7
Pharmaceutical Business	23.7	67.7	66.4	61.8	53.9	51.2	57.6	49.2	45.4	49.0
Foods Business	150.7	195.0	210.3	221.1	232.4	250.1	265.3	278.3	286.5	336.4
Other Business	85.3	83.9	84.6	83.0	71.4	86.8	57.2	23.5	21.4	21.8

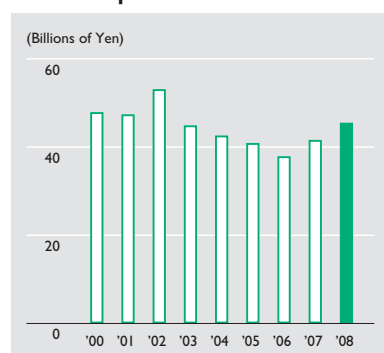
## ■ SG&A Expenses



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
□ SG&A	558.2	712.6	790.5	781.5	733.9	707.1	677.4	596.6	592.6	750.2
Personnel (*)	158.7	207.2	220.6	222.7	209.7	205.3	183.9	150.8	158.5	206.0
Advertising and General Publicity	31.5	36.9	48.3	40.2	35.7	35.4	27.4	23.9	23.4	22.9
Sales Promotion	109.7	134.5	162.5	155.2	142.0	141.7	140.1	142.1	128.0	163.6
R&D	37.1	47.5	47.0	52.6	44.5	42.1	40.4	37.5	41.2	45.1
Depreciation	16.6	51.2	58.9	59.5	56.7	56.7	54.2	53.4	57.4	80.3

\* Personnel expense is the sum of compensation, salaries, allowances, provision for retirement benefits, statutory benefits, employee bonuses and accrual of employee bonuses

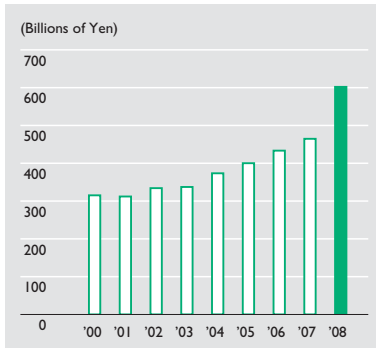
## ■ R&D Expenses



Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007	2008
□ R&D	47.5	47.0	52.7	44.5	42.2	40.5	37.5	41.2	45.1
Tobacco Business	15.7	13.7	14.5	14.8	16.6				
Domestic						16.1	15.1	15.1	15.8
International						2.1	0.9	1.3	3.3
Pharmaceutical Business	28.9	30.5	35.4	27.1	23.7	20.5	19.9	23.4	24.4
Foods Business	0.9	0.7	0.7	1.2	1.0	1.0	0.8	0.7	0.7
Other Business	1.8	1.1	0.7	0.6	0.1	0.0	—	—	—

Note: R&D expense in FY2000-2005 includes expenses posted as manufacturing cost

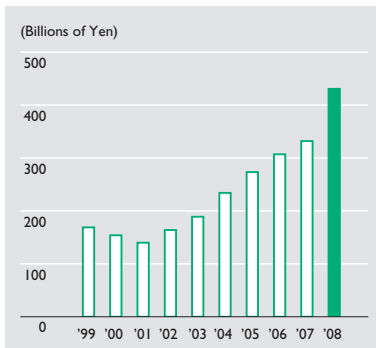
## EBITDA



Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007	2008
EBITDA	315.1	312.0	334.1	337.2	373.4	400.1	433.3	464.6	602.0
Tobacco Business	299.4	296.3	320.9	321.4	343.1				
Domestic						296.0	305.7	326.4	306.7
International						65.4	94.0	112.6	270.7
Pharmaceutical Business	(0.7)	(3.1)	(8.5)	(5.1)	(4.4)	5.4	(1.8)	(8.1)	(6.2)
Foods Business	(0.4)	(2.6)	2.2	0.5	3.3	7.9	11.8	12.0	8.3
Other Business	16.0	20.0	19.6	19.6	30.6	26.8	22.1	21.5	22.0

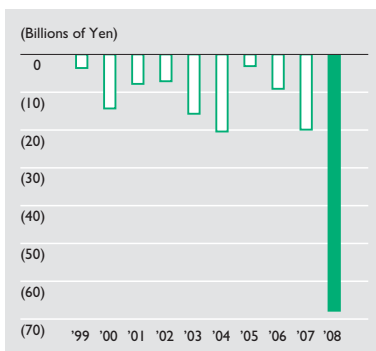
Note: EBITDA = operating income + depreciation and amortization

## Operating Income



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Operating Income	168.8	153.9	139.9	163.8	188.9	234.0	273.3	306.9	331.9	430.5
Tobacco Business	193.8	181.5	165.9	192.1	213.3	238.4				
Domestic							215.8	220.0	245.3	222.3
International							44.4	71.0	81.0	205.3
Pharmaceutical Business	(12.6)	(11.4)	(12.8)	(18.9)	(13.8)	(12.8)	1.8	(5.0)	(11.2)	(9.6)
Foods Business	(8.6)	(14.5)	(17.3)	(11.8)	(13.1)	(4.8)	1.9	6.3	6.7	0.6
Other Business	(2.6)	(1.7)	3.4	1.7	0.9	11.9	10.4	8.6	9.3	10.4

## Non-Operating Income and Expenses

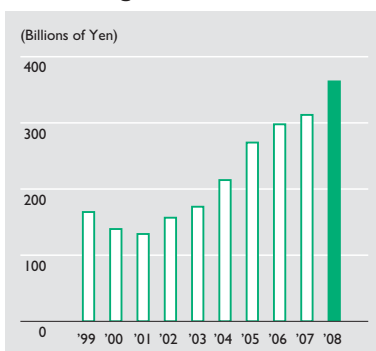


Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Non-Operating Income and Expenses	(3.6)	(14.3)	(7.8)	(7.1)	(15.7)	(20.4)	(3.1)	(9.1)	(19.9)	(67.8)
Non-Operating Income	15.9	22.6	15.1	11.2	9.3	10.3	15.9	12.6	16.0	21.5
Financial Income (*1)	9.9	7.5	6.5	4.7	3.7	3.2	3.3	5.9	12.1	13.4
Non-Operating Expenses	19.5	37.0	23.0	18.3	25.0	30.7	19.0	21.7	35.9	89.4
Financial Expense (*2)	4.6	15.9	12.4	10.2	8.7	8.1	5.1	5.7	6.9	42.0

\*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.

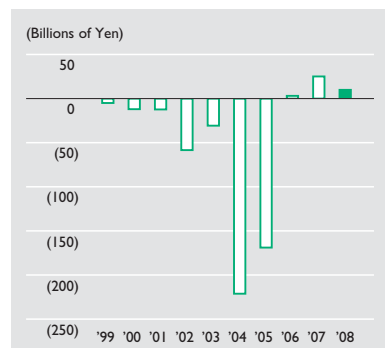
\*2 Financial expense is the sum of interest expense, bond interest paid, loss of redemption of securities, etc.

## Recurring Profit



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Recurring Profit	165.2	139.5	132.0	156.6	173.2	213.5	270.2	297.8	312.0	362.6

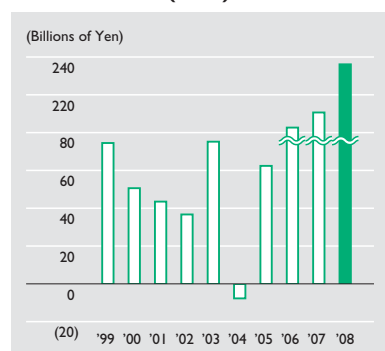
## ■ Extraordinary Profit and Loss



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
□ Extraordinary Profit and Loss	(5.0)	(12.0)	(12.3)	(58.4)	(30.7)	(221.2)	(168.9)	3.1	25.1	9.9
Extraordinary Profit	6.2	16.8	20.7	30.0	18.3	29.3	79.2	65.4	50.8	68.9
Gain on Sale of Property, Plant and Equipment	4.5	8.0	16.3	28.2	15.4	17.2	73.3	60.0	47.5	66.7
Extraordinary Loss	11.3	28.8	33.0	88.5	49.0	250.5	248.2	62.3	25.7	59.0
Loss on Sale of Property, Plant and Equipment	0.1	2.9	1.6	2.2	2.6	4.8	2.2	24.8	3.1	3.2
Loss on Disposal of Property, Plant and Equipment	9.2	11.9	13.3	9.3	9.8	10.8	13.6	12.2	10.4	6.3
Business Restructuring Costs	—	—	—	13.4	11.4	40.8	224.8	8.0	—	6.4
Impairment Loss	—	—	—	—	—	—	0.1	11.4	2.7	3.8
Introduction Costs for Vending Machines with Adult Identification Functions	—	—	—	—	—	—	—	0.1	5.7	12.8
Costs related to the Recall of Frozen Foods Products	—	—	—	—	—	—	—	—	—	11.1
Write-down of Investment Securities	—	—	—	—	—	—	—	—	—	5.6

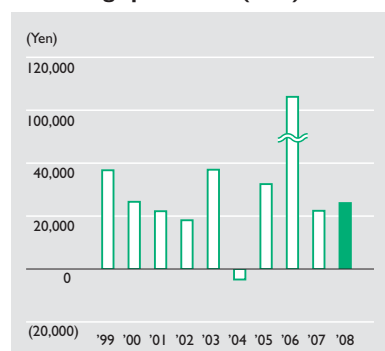
Note: Extraordinary loss in FY2004 includes ¥185 billion of one-time loss on recognition of obligations under the Public Official Mutual Assistance Association Law

## ■ Net Income (Loss)



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
□ Net Income (Loss)	74.6	50.7	43.6	36.8	75.3	(7.6)	62.5	201.5	210.7	238.7

## ■ Earnings per Share (EPS)



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
□ EPS	37,316	25,395	21,843	18,425	37,527	(3,966)	32,089	105,084	22,001	24,916

Note: A 5 for 1 stock split went into effect on April 1, 2006

## ■ Return on Equity (ROE)



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
— ROE	5.4	3.5	2.9	2.4	4.7	(0.5)	4.2	12.4	11.3	11.8

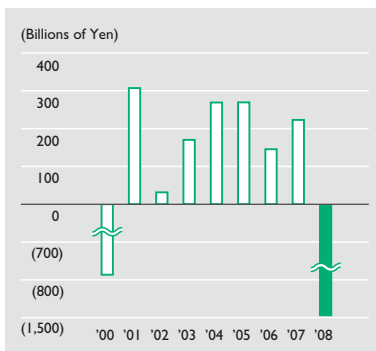
## Return on Assets (ROA)



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
ROA	8.3	6.1	4.7	5.4	6.4	7.9	9.2	10.4	10.7	10.5

Note: ROA=(Operating Income + Financial Income) / Total Assets [average of beginning and ending figure for the period]

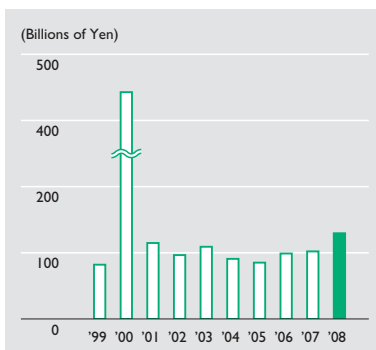
## Free Cash Flow (FCF)



Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007	2008
FCF	(786.4)	307.3	31.4	170.3	269.1	269.4	145.5	223.0	(1,493.7)

Note: 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)

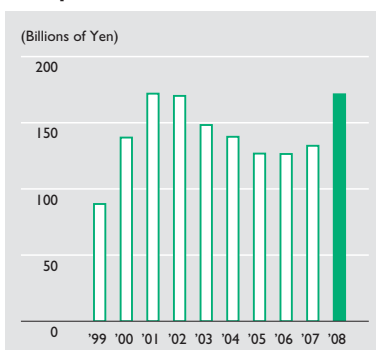
## Capital Expenditure (CAPEX)



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Capital Expenditure	82.0	442.8	114.8	96.5	109.1	90.8	85.1	98.9	102.1	129.5
Tobacco Business	57.6	401.1	77.3	70.0	60.9	60.5				
Domestic							46.4	75.0	55.2	57.2
International							18.7	24.9	32.0	48.4
Pharmaceutical Business	1.7	3.8	3.6	2.2	1.1	2.6	3.1	2.1	3.0	4.2
Foods Business	4.7	14.5	4.2	6.9	7.2	9.1	7.3	4.5	4.8	6.0
Other Business	17.8	23.2	29.2	18.1	38.8	18.0	10.6	19.3	8.0	14.7

Notes: 1. CAPEX in FY1999–2000 = Tangible Assets + Intangible Assets  
 2. CAPEX in FY2001–2008 = Tangible Assets + Intangible Assets + Long-Term Prepaid Expenses  
 3. CAPEX in FY2000 includes Intangible Assets of ¥323 billion related to the RJRI acquisition

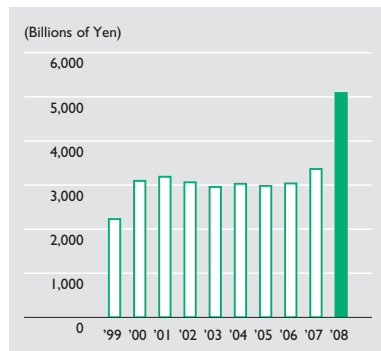
## Depreciation & Amortization



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Depreciation & Amortization	88.6	138.8	172.0	170.3	148.3	139.4	126.7	126.4	132.6	171.5
Tobacco Business	63.8	110.1	130.3	128.8	108.0	104.7				
Domestic							80.1	85.6	81.0	84.3
International							21.0	23.0	31.5	65.3
Pharmaceutical Business	3.4	4.9	9.7	10.4	8.7	8.4	3.6	3.2	3.0	3.3
Foods Business	3.7	6.0	14.7	14.1	13.7	8.1	5.9	5.5	5.3	7.6
Other Business	17.0	17.1	16.6	17.8	18.7	18.6	16.3	13.4	12.2	11.6

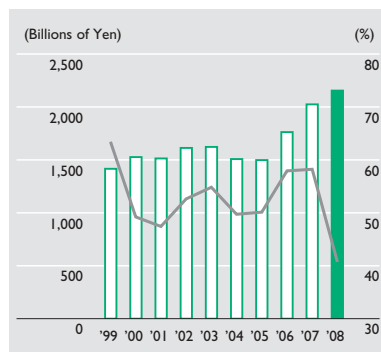
Notes: 1. Depreciation & Amortization in FY1999–2000 = Depreciation of Tangible Fixed Assets + Amortization of Intangible Fixed Assets  
 2. Depreciation & Amortization in FY2001–2008 = Depreciation of Tangible Fixed Assets + Amortization of Intangible Fixed Assets + Amortization of Long-Term Prepaid Expenses + Amortization of Goodwill

## ■ Total Assets



As of March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Assets	2,228.5	3,095.2	3,188.2	3,063.0	2,957.6	3,029.0	2,982.0	3,037.3	3,364.6	5,087.2
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	1,180.3	847.1
International							838.5	994.8	1,275.0	3,804.4
Pharmaceutical Business	121.1	126.6	129.9	125.2	114.7	114.3	117.8	117.9	106.1	111.4
Foods Business	92.6	126.9	133.8	133.2	135.3	141.4	141.6	141.4	158.8	353.2
Other Business	175.0	195.5	198.1	190.1	236.5	250.2	197.0	194.4	249.6	90.0

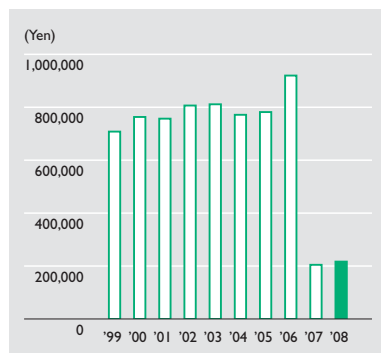
## ■ Total Equity and Equity Ratio



As of March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Equity	1,415.9	1,526.5	1,513.8	1,613.1	1,622.6	1,507.9	1,498.2	1,762.5	2,024.6	2,154.6
Equity Ratio	63.5	49.3	47.5	52.7	54.9	49.8	50.2	58.0	58.3	40.8

Note: Total Equity in FY1999-2006 excludes Minority Interests

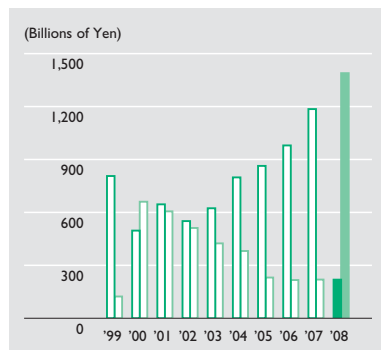
## ■ Book Value per Share (BPS)



As of March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
BPS	707,998	763,291	756,922	806,552	811,204	771,516	781,813	919,780	204,617	216,707

Notes: 1. Total Equity in FY1999-2006 excludes Minority Interests  
2. A 5 for 1 stock split went into effect on April 1, 2006

## ■ Liquidity and Interest-Bearing Debt

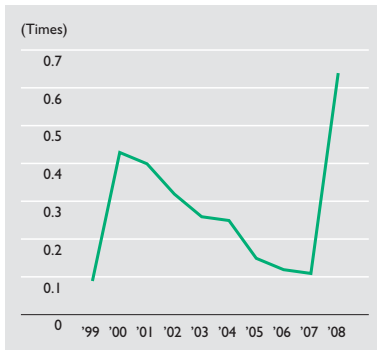


As of March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Liquidity (*1)	806.2	496.8	645.7	550.7	623.5	798.4	863.6	979.6	1,185.6	218.8
Interest-Bearing Debt (*2)	123.3	660.5	606.0	511.7	424.4	381.2	230.7	216.6	219.2	1,389.2

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

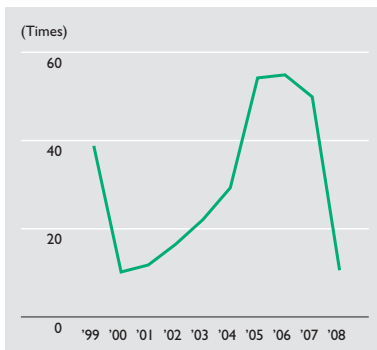
\*2 Interest-Bearing Debt = Short-term Debt (includes current portion of Bonds and current portion of Long-term Debt) + Bonds + Long-term Debt

### ■ Debt / Equity Ratio



As of March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt / Equity Ratio	0.09	0.43	0.40	0.32	0.26	0.25	0.15	0.12	0.11	0.64

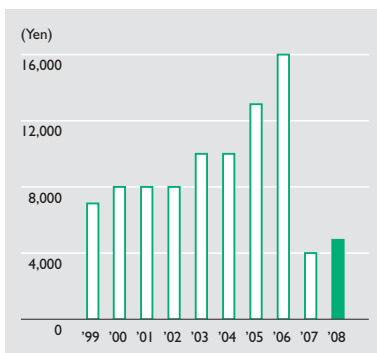
### ■ Interest Coverage Ratio



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Interest Coverage Ratio	38.8	10.2	11.8	16.5	22.1	29.3	54.2	54.9	49.9	10.6

Note: Interest Coverage Ratio = (Operating Income + Financial Income) / Financial Expense

### ■ Annual Dividends per Share



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Annual Dividends per Share	7,000	8,000	8,000	8,000	10,000	10,000	13,000	16,000	4,000	4,800
(Retroactively Adjusted)	1,400	1,600	1,600	1,600	2,000	2,000	2,600	3,200		

Note: A 5 for 1 stock split went into effect on April 1, 2006

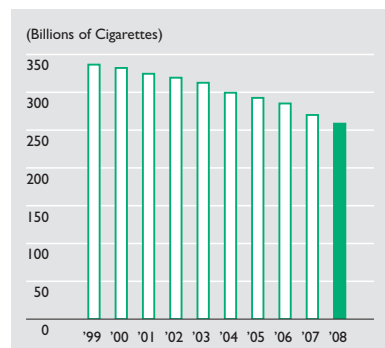
### ■ Dividend Payout Ratio on a Consolidated Basis



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Dividend Payout Ratio	18.8	31.5	36.6	43.4	26.6	(252.1)	40.5	15.2	18.2	19.3

# Domestic Tobacco Business

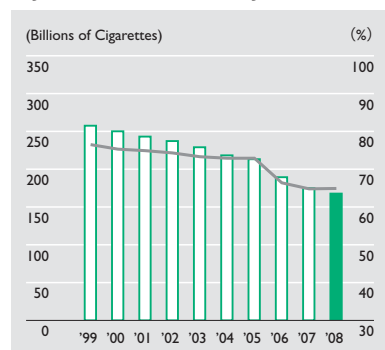
## ■ Total Domestic Market



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Domestic Market	336.6	332.2	324.5	319.3	312.6	299.4	292.6	285.2	270.0	258.5

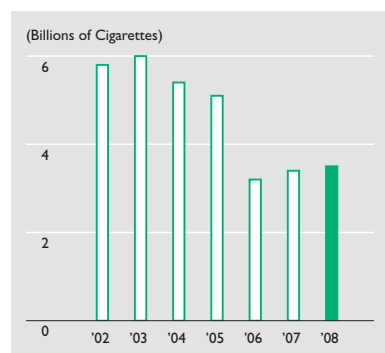
Source: Tobacco Institute of Japan

## ■ JT Sales Volume and JT Share



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
JT Sales Volume	257.5	250.1	243.1	237.2	229.0	218.3	213.2	189.4	174.9	167.7
JT Share	76.5	75.3	74.9	74.3	73.3	72.9	72.9	66.4	64.8	64.9

## ■ Sales Volume of China Division and Domestic Duty-Free

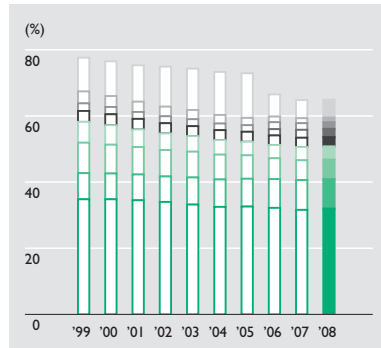


Years ended March 31	2002	2003	2004	2005	2006	2007	2008
Sales Volume	5.8	6.0	5.4	5.1	3.2	3.4	3.5

Note: China Division covers China, Hong Kong, and Macau markets



## Market Share by JT Brand Family



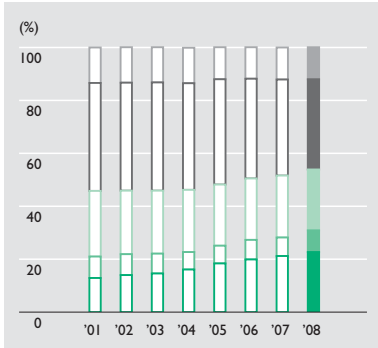
Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Mild Seven	34.8	34.5	34.0	33.2	32.5	32.6	32.9	32.2	31.6	32.0
Seven Stars	7.8	7.8	7.7	8.2	8.3	8.4	8.3	8.7	9.0	8.9
Caster	8.7	8.3	8.0	7.8	7.5	7.1	6.6	6.3	6.0	5.9
Cabin	5.9	5.3	5.0	4.7	4.4	4.1	4.2	4.0	4.0	4.0
Peace	3.3	3.2	3.1	3.0	3.0	3.0	2.9	2.9	2.8	2.8
Pianissimo	—	—	—	—	—	—	—	1.9	2.4	2.5
Hope	2.2	2.1	2.1	2.1	2.0	2.0	2.1	2.1	2.0	2.0
Frontier	3.3	3.1	2.9	2.8	2.6	2.2	1.9	1.7	1.5	1.4
Other Brands	10.5	11.0	12.1	12.5	13.0	13.5	14.0	6.7	5.5	5.4

## Top 20 Selling Products in Japan by Market Share (FY ended March 31, 2008)

Product	Share (%)
1 MILD SEVEN SUPER LIGHTS	JT 5.4
2 SEVEN STARS	JT 5.1
3 MILD SEVEN LIGHTS	JT 4.8
4 MILD SEVEN	JT 4.0
5 MILD SEVEN ONE 100's BOX	JT 3.2
6 MARLBORO LIGHTS MENTHOL BOX	PMJ 2.9
7 MILD SEVEN EXTRA LIGHTS	JT 2.7
8 CASTER MILD	JT 2.5
9 CABIN MILD BOX	JT 1.8
10 SEVEN STARS BOX	JT 1.7
11 MILD SEVEN ONE	JT 1.6
12 PIANISSIMO ONE	JT 1.6
13 KENT ULTRA I · 100's BOX	BATJ 1.6
14 LARK MILDS KS BOX	PMJ 1.5
15 MARLBORO KS BOX	PMJ 1.5
16 MILD SEVEN LIGHTS BOX	JT 1.4
17 CASTER ONE 100's BOX	JT 1.4
18 MILD SEVEN ONE BOX	JT 1.3
19 MARLBORO LIGHTS BOX	PMJ 1.3
20 HOPE (10)	JT 1.3

Source: Tobacco Institute of Japan

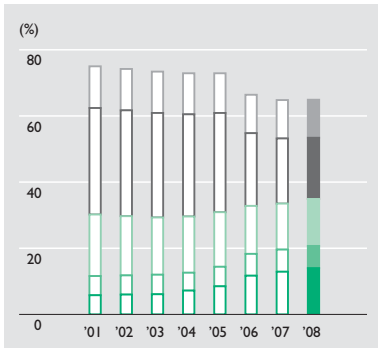
■ **Market Share by Tar Level** (Market Share in Top 100 Sales Products)



Years ended March 31	2001	2002	2003	2004	2005	2006	2007	2008
1 mg	12.9	14.0	14.6	16.1	18.4	19.9	21.2	22.7
2-3 mg	8.1	7.9	7.5	6.6	6.7	7.4	7.0	8.2
4-6 mg	24.8	24.0	23.8	23.5	23.1	23.2	23.4	23.0
7-13 mg	40.8	40.8	40.9	40.3	39.8	37.7	36.3	34.1
14 mg or Higher	13.4	13.4	13.3	13.4	12.1	11.9	12.1	12.1

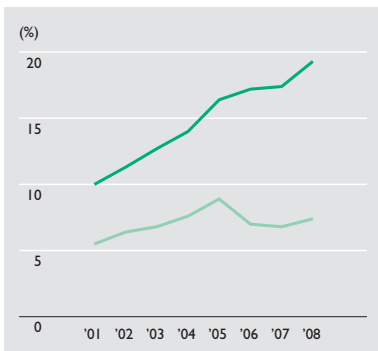
Source: Tobacco Institute of Japan

■ **Market Share by Tar Level** (JT Products)



Years ended March 31	2001	2002	2003	2004	2005	2006	2007	2008
1 mg	5.8	6.0	6.1	7.2	8.5	11.7	12.9	14.0
2-3 mg	5.8	5.8	5.9	5.4	5.9	6.6	6.7	6.7
4-6 mg	18.6	17.9	17.3	17.0	16.5	14.5	13.9	14.2
7-13 mg	32.2	32.0	31.6	30.9	30.0	22.0	19.7	18.5
14 mg or Higher	12.6	12.5	12.5	12.4	12.0	11.6	11.6	11.5

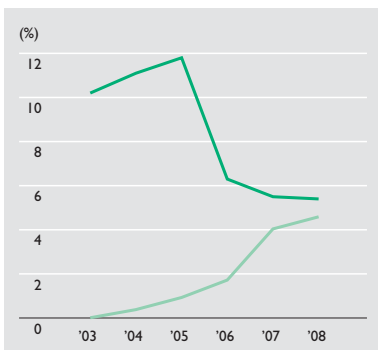
■ **Menthol Products Market Share**



Years ended March 31	2001	2002	2003	2004	2005	2006	2007	2008
Menthol Products (*)	10.0	11.3	12.7	14.0	16.4	17.2	17.4	19.3
Menthol JT Products	5.5	6.4	6.8	7.6	8.9	7.0	6.8	7.4

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

■ **Products Priced at ¥320 or more per pack and D-spec Products Market Share**



Years ended March 31	2003	2004	2005	2006	2007	2008
JT Products Priced at ¥320 or more per pack (*)	10.2	11.1	11.8	6.3	5.5	5.4
D-spec Products (*)	0.01	0.38	0.93	1.72	4.04	4.59

\*1 ~ Jun. 03: ¥280 or more, Jul. 03 ~ Jun. 06: ¥300 or more

\*2 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

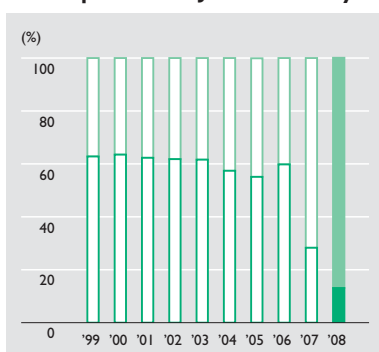
## ■ JT Net Sales Excluding Taxes per Thousand Cigarettes



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
JT Net Sales Excluding Taxes										
Per Thousand Cigarettes	3,790	3,822	3,840	3,850	3,856	3,908	3,941	3,864	3,990	4,057

Note: 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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Products Priced at ¥300 or more per pack <sup>(*)</sup>	37.2	36.5	37.7	38.2	38.4	42.6	44.8	40.2	71.7	87.0
Products Priced at ¥320 or more per pack					12.1	14.7	16.1	9.5	8.5	8.3
Products Priced at ¥310 per pack					3.8	1.0	0.0	0.0	0.0	0.0
Products Priced at ¥300 per pack					22.5	26.9	28.7	30.7	63.2	78.7
Products Priced at ¥290 or less per pack <sup>(**)</sup>	62.8	63.5	62.3	61.8	61.6	57.4	55.1	59.8	28.3	13.1

\*1 ~ Nov. 98: ¥240 or more, Dec. 98 ~ Jun. 03: ¥260 or more, Jul. 03 ~ Jun. 06: ¥280 or more

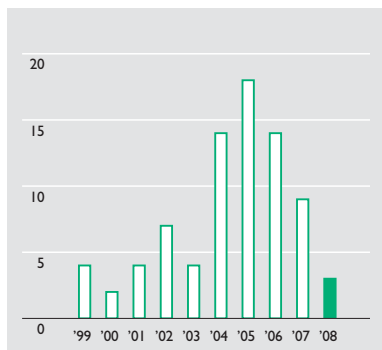
\*2 ~ Nov. 98: ¥230 or less, Dec. 98 ~ Jun. 03: ¥250 or less, Jul. 03 ~ Jun. 06: ¥270 or less

## ■ New Product Launches and Sales Area Expansion

Year ended March 31, 2008 (3 products) (D-spec: one product, Menthol: two products)

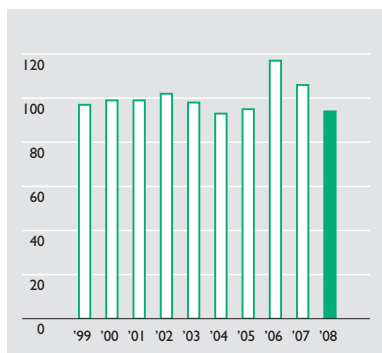
Date	Product	D-spec	Menthol	Tar (mg)	Nicotine (mg)	Price	Sales Region
Jul-07	MILD SEVEN AQUA MENTHOL SUPER LIGHTS BOX		○	6	0.5	¥300	Nationwide
Dec-07	MILD SEVEN D-SPEC SUPER LIGHTS BOX	○		6	0.5	¥300	Nationwide
Feb-08	SEVEN STARS LIGHTS MENTHOL		○	7	0.6	¥300	Tokyo, Kanagawa, Chiba, Saitama, Tochigi, Gunma, Ibaraki, Yamanashi, Okinawa

## ■ Number of New Products Launches



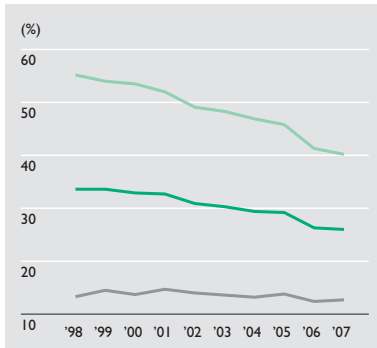
Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of New Products Launches	4	2	4	7	4	14	18	14	9	3

## ■ Number of JT Cigarette Products



As of March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of JT Cigarette Products	97	99	99	102	98	93	95	117	106	94

### ■ Smoking Rate (by gender)

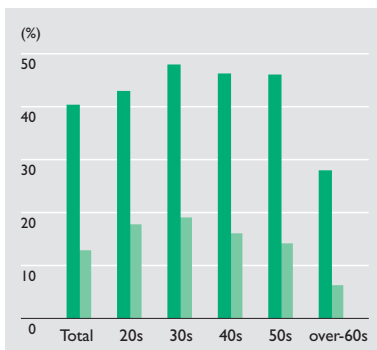


At the time of survey	1998	1999	2000	2001	2002	2003	2004	2005	2006 <sup>(*)</sup>	2007
All Adults	33.6	33.6	32.9	32.7	30.9	30.3	29.4	29.2	26.3	26.0
Male	55.2	54.0	53.5	52.0	49.1	48.3	46.9	45.8	41.3	40.2
Female	13.3	14.5	13.7	14.7	14.0	13.6	13.2	13.8	12.4	12.7

Source: JT "Japan Smoking Rate Survey"

\* The survey method, along with the sample number, was modified from 2006, resulting in a lack of comparability with results prior to 2006

### ■ Smoking Rate (by age)



Survey in 2007	Total	20s	30s	40s	50s	over-60s
Male	40.2	42.8	47.8	46.1	45.9	27.8
Female	12.7	17.6	18.9	15.9	14.0	6.1

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 local tobacco excise tax. The national tobacco excise tax is set at ¥3,552 per thousand cigarettes, the national tobacco special excise tax at ¥820 per thousand cigarettes, and the local tobacco excise tax is set at ¥4,372 per thousand

cigarettes. In addition, under the Consumption Tax Law, a 5% consumption tax is imposed 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. From April 1987, no customs duties apply to imported tobacco products.

## ■ Changes of Tobacco Excise Taxes

Item	Tobacco Consumption Tax				Tobacco Excise Tax					
	Apr-1985		May-1986		Apr-1989	Apr-1997	Dec-1998	May-1999	Jul-2003	Jul-2006
	Ad valorem (%)	Specific (¥/1,000 units)	Ad valorem*(%)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)
National Tobacco Excise Tax	23.0	582	23.0	1,032	3,126	3,126	3,126	2,716	3,126	3,552
National Tobacco Special Excise Tax	—	—	—	—	—	—	820	820	820	820
Local Tobacco Excise Tax	22.4	550	22.4	1,000	3,126	3,126	3,126	3,536	3,946	4,372
Total Excise Tax	45.4	1,132	45.4	2,032	6,252	6,252	7,072	7,072	7,892	8,744
Consumption Tax	—	—	—	—	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Tobacco Regulation Changes	• Tobacco Consumption Tax was introduced		*¥1,000 was deducted from tax base for Ad valorem • Tobacco Consumption Tax was increased		• Consumption Tax was introduced • Tobacco Consumption Tax was renamed Tobacco Excise Tax	• Consumption Tax was increased	• National Tobacco Special Excise Tax was introduced	• Review of budget allocations in line with a revision of laws	• Tobacco Excise Tax was increased	• Tobacco Excise Tax was increased

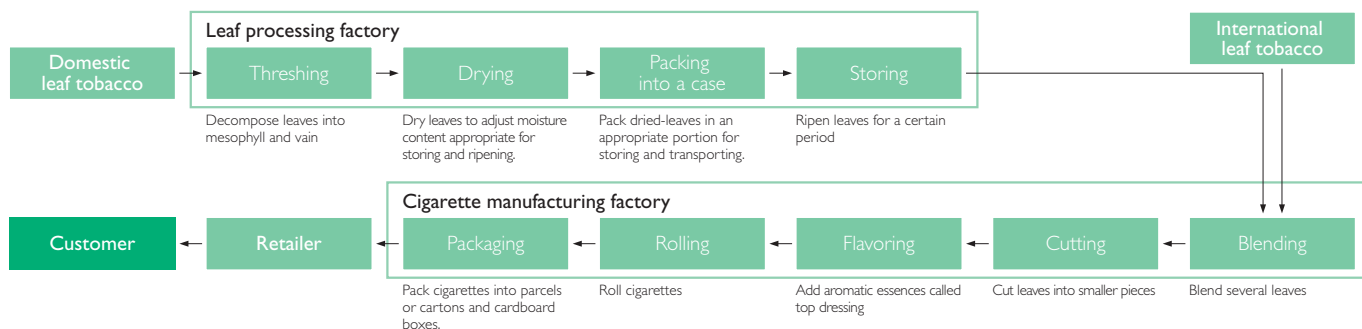
(Reference)

Retail Price of Mild Seven per pack	¥200	¥220	¥220	¥230	¥250	¥250	¥270	¥300
Tax Incidence of Mild Seven per pack (incl. Consumption Tax)	56.7%	59.7%	59.7%	59.1%	61.3%	61.3%	63.2%	63.1%

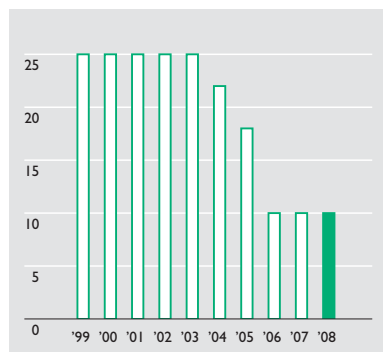
## ■ Breakdown of Price Levels per Cigarettes Package

	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						} Net sales including taxes

### Tobacco Manufacturing System



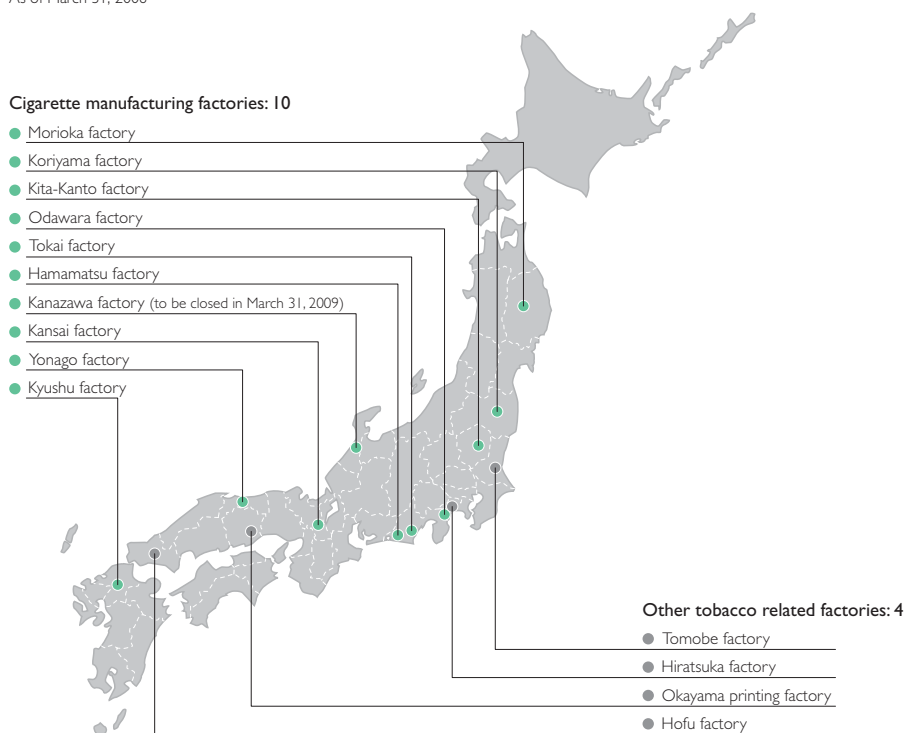
### Number of Domestic Cigarette Manufacturing Factories



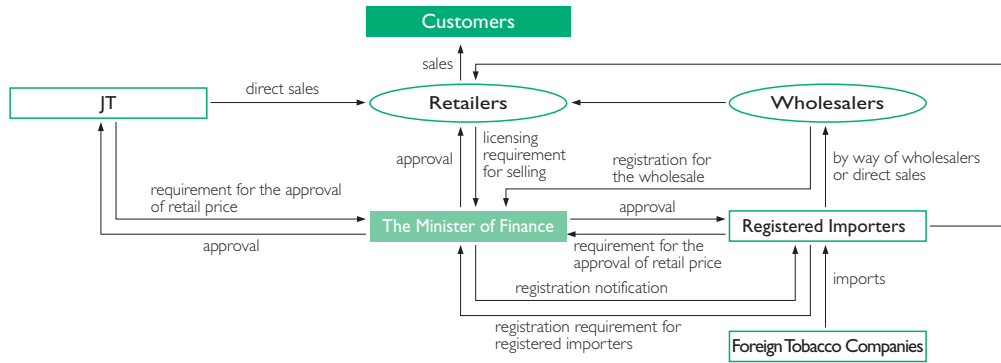
As of March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Domestic Cigarette Manufacturing Factories	25	25	25	25	25	22	18	10	10	10

### Tobacco Manufacturing-related Factory Location

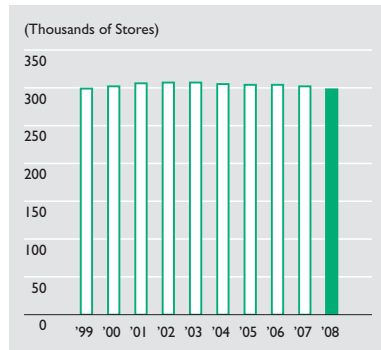
As of March 31, 2008



## ■ Tobacco Sales System



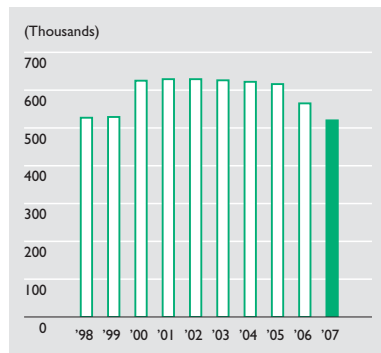
## ■ Number of Tobacco Retailers



As of March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Tobacco Retailers	299	302	306	307	307	305	304	304	302	298

Source: Ministry of Finance

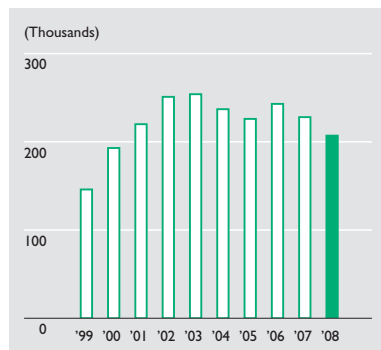
## ■ Number of Tobacco Vending Machines



As of December 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Tobacco Vending Machines	527	529	625	629	629	626	622	616	565	520

Source: Japan Vending Machine Manufacturers Association

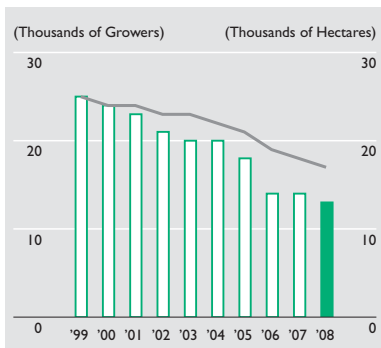
## ■ Number of Tobacco Vending Machines (JT Tobacco Vending Machines)



As of March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
JT Tobacco Vending Machines	146	193	220	251	254	237	226	243	228	207

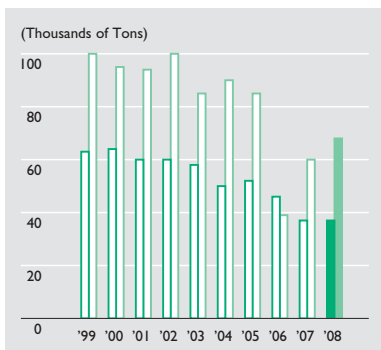


■ Number of Domestic Tobacco Growers and Area under Domestic Leaf Tobacco Cultivation



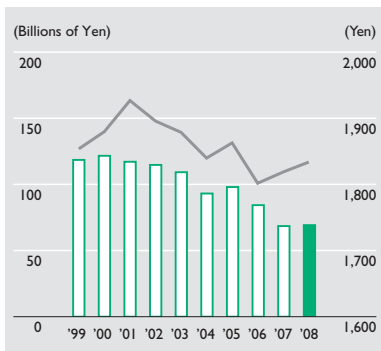
Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Domestic Tobacco Growers	25	24	23	21	20	20	18	14	14	13
Area under Domestic Leaf Tobacco Cultivation	25	24	24	23	23	22	21	19	18	17

■ Volume of Domestic and International Leaf Tobacco Purchase



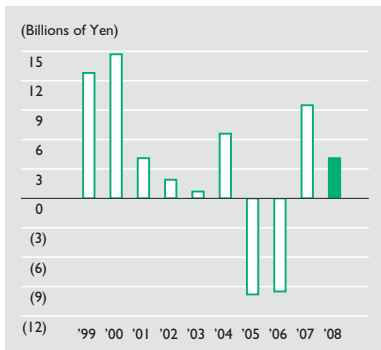
Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Domestic	63	64	60	60	58	50	52	46	37	37
International	100	95	94	100	85	90	85	39	60	68

■ Value of Domestic Leaf Tobacco Purchase and Price per 1 kg



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Amount	118.5	121.6	117.1	114.7	109.2	93.1	98.0	84.3	68.5	69.2
Price per 1 kg	1,853	1,879	1,926	1,895	1,878	1,839	1,862	1,801	1,818	1,833

■ Leaf Tobacco Reappraisal Profit / Loss

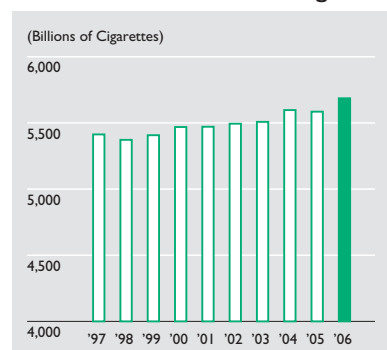


Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Leaf Tobacco Reappraisal	12.8	14.7	4.1	1.9	0.7	6.6	(9.8)	(9.5)	9.5	4.1

Note: ( ) indicates reappraisal loss

# International Tobacco Business

## Worldwide Demand for Cigarette



Years ended December 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Worldwide Demand for Cigarette	5,413	5,372	5,407	5,469	5,471	5,494	5,508	5,597	5,585	5,686

Source: The Maxwell Report

## Market Share of the Top International Tobacco Companies

(%)

Years ended December 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Altria	17.5	17.6	16.2	16.5	16.6	16.6	16.8	17.0	17.7	17.8
British American Tobacco	13.2	13.3	13.9	14.8	14.8	14.1	14.4	15.2	12.1	12.1
JT	4.7	4.7	8.5	8.2	8.3	8.0	7.7	7.7	7.4	7.4
Reynolds American	5.9	5.6	1.8	1.8	1.7	1.7	1.5	2.0	1.9	1.9
Rothmans	4.4	4.3	1.3	—	—	—	—	—	—	—

Source: The Maxwell Report

## Top 10 Brands by Sales Volume Worldwide

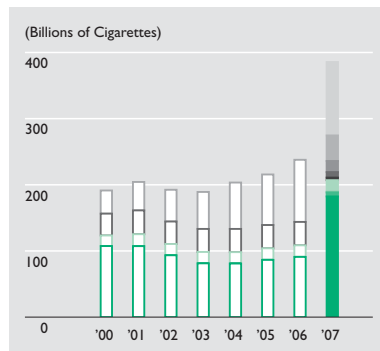
(Billions of cigarettes)

Years ended December 31	Brand	Brand Owner	Total World Annual Sales Volume	
			2005	2006
1. Marlboro		Altria	472.7	466.3
		Total (*)	91.3	108.0
		JT	77.1	94.6
2. Winston		Reynolds American	14.2	13.3
		JT	111.7	106.1
		Altria	106.2	104.9
3. Mild Seven		Total (*)	59.0	60.7
		JT	35.7	36.1
		Reynolds American	23.3	24.7
6. Cleopatra		Eastern Tobacco	57.2	N/A
7. Pall Mall		Reynolds American,	39.7	53.3
		British American Tobacco		
8. Kent		British American Tobacco, Lorillard	39.5	45.6
9. Derby		British American Tobacco, Altria	42.1	42.8
10. Wills Gold Flake		British American Tobacco	34.3	38.4

Source: The Maxwell Report

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

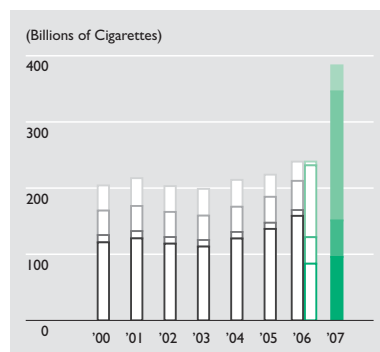
### ■ Tobacco Sales Volume (by Brand)



Years ended December 31	2000	2001	2002	2003	2004	2005	2006	2007
Total	203.1	215.1	203.3	198.8	212.4	220.3	240.1	385.6
GFB Total	95.7	107.8	109.8	117.5	131.4	133.8	149.1	203.2
Winston	35.0	43.0	48.0	55.9	70.1	76.4	93.9	111.0
Camel	33.0	36.0	34.0	34.8	35.1	35.2	35.4	38.6
Mild Seven	16.0	18.0	17.0	17.2	17.2	17.5	17.5	16.8
Benson & Hedges								8.3
Silk Cut								3.9
LD								17.5
Sobranie								1.2
Glamour								5.9
Other Brands	107.4	107.3	93.5	81.3	81.0	86.5	91.0	182.4

Notes: 1. Sales volume in the China Division (China, Hong Kong, and Macau) was included in 2000 and 2001, but excluded from 2002 to 2007  
 2. GFB in FY2000-2006: Winston, Camel, Mild Seven, Salem  
 GFB in FY2007: Winston, Camel, Mild Seven, Benson & Hedges, Silk Cut, LD, Sobranie, Glamour

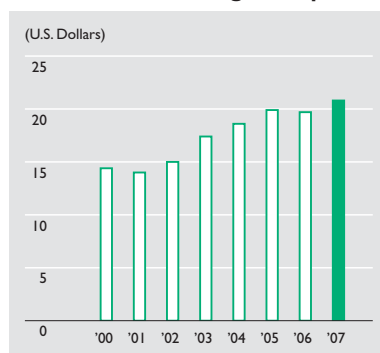
### ■ Tobacco Sales Volume (by Region)



Years ended December 31	2000	2001	2002	2003	2004	2005	2006	2007
Total	203.1	215.1	203.3	198.8	212.4	220.3	240.1	385.6
Asia	38.0	42.0	39.0	40.4	40.6	33.5	29.1	
Europe	37.0	38.0	38.0	36.9	38.1	39.2	44.1	
Americas	11.0	11.0	10.0	9.9	9.9	9.3	8.8	
CIS & Others	118.0	124.0	116.0	111.6	123.8	138.3	158.0	
Total							240.1	385.6
North & Central Europe							5.7	39.3
CIS+							108.6	195.1
South & West Europe							40.1	55.2
Rest of the World							85.7	95.9

Note: Sales volume in the China Division (China, Hong Kong and Macau) were included in 2000 and 2001, but excluded from 2002 to 2007

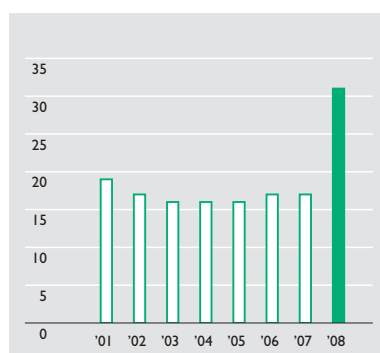
### ■ Net Sales Excluding Taxes per Thousand Cigarettes



Years ended December 31	2000	2001	2002	2003	2004	2005	2006	2007
Net Sales Excluding Taxes per Thousand Cigarettes	14.4	14.0	15.0	17.4	18.6	19.9	19.7	20.8

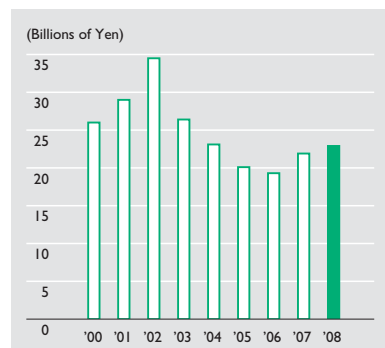
Note: Net sales in the China Division (China, Hong Kong, and Macau) were included in 2000 and 2001, but excluded from 2002 to 2007

### ■ Number of International Factories



As of March 31	2001	2002	2003	2004	2005	2006	2007	2008
Number of International Factories	19	17	16	16	16	17	17	31

## R&D Expense on a Non-consolidated Basis



Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007	2008
R&D Expense on a Non-consolidated Basis	26.0	29.0	34.5	26.4	23.1	20.1	19.3	21.9	22.9

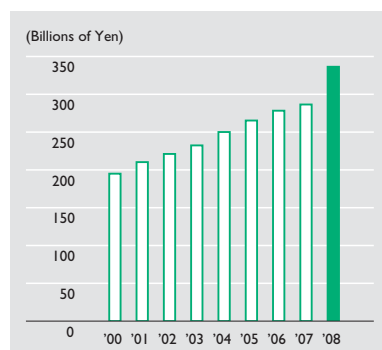
## Clinical Development

As of May 1, 2008

Code	Stage	Indication	Mechanism	Characteristics	Rights
JTT-705 (oral)	Phase 2 (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	Roche (Switzerland) obtains the rights to develop and commercialize this compound worldwide, with the exception of Japan. Note: Development stage by Roche: Phase3
JTT-130 (oral)	Phase 2 (JPN) Phase 2 (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 1 (JPN)	HIV infection	Integrase inhibitor	Integrase inhibitor which works by blocking integrase, an enzyme that is involved in the replication of HIV — HIV: Human Immunodeficiency Virus	Gilead Sciences (U.S.) obtains the rights to develop and commercialize this compound worldwide, with the exception of Japan.
JTT-302 (oral)	Phase 2 (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 2 (JPN) Phase 1 (Overseas)	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-552 (oral)	Phase 2 (JPN)	Hyperuricemia	URAT1 inhibitor	Decreases serum urate concentration by increasing urinary urate excretion via inhibition of URAT1. — URAT1: Urate Transporter 1	
JTT-553 (oral)	Phase 1 (Overseas)	Obesity	DGAT1 inhibitor	Reduces fat absorption from the small intestine and inhibits fat synthesis in adipose tissue via inhibition of DGAT1 — DGAT1: Acyl CoA: diacylglycerol acyltransferase 1	
JTT-651 (oral)	Phase 1 (JPN)	Type 2 diabetes mellitus	GP inhibitor	Decreases blood glucose by suppression of glucose output from liver via inhibition of GP — GP: Glycogen Phosphorylase	
JTK-652 (oral)	Phase 1 (Overseas)	Hepatitis C	Entry inhibitor	Treatment of hepatitis C by inhibiting the infection process of HCV into hepatocytes — HCV: Hepatitis C Virus	
JTS-653 (oral)	Phase 1 (JPN)	Pain Overactive Bladder	TRPV1 antagonist	Improves pain and overactive bladder via antagonism of TRPV1 on sensory neurons — TRPV1: Transient Receptor Potential Vanilloid subtype 1	
JTT-654 (oral)	Phase 1 (Overseas)	Type 2 diabetes mellitus	HSD-1 inhibitor	Improves type 2 diabetes through reducing excessive glucocorticoid action by inhibiting HSD-1 — HSD-1: 11beta-hydroxysteroid dehydrogenase type 1	

# Foods Business

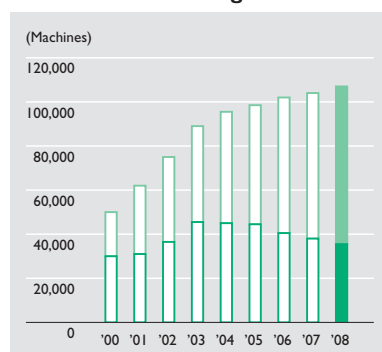
## Net Sales



Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007	2008
Foods Business	195.0	210.3	221.1	232.4	250.1	265.3	278.3	286.5	336.4
Processed Foods <sup>(*)</sup>	—	41.6	48.0	60.0	73.6	87.8	93.0	95.7	141.4
Beverages	—	165.4	173.1	172.3	176.5	177.4	185.3	190.7	194.9

\* From FY2003, JTDS and HANS were included in Processed Foods, and the data for was adjusted 2002. Sales figures of Processed Foods prior to FY2002 are not comparable

## Number of Marking / Combined Vending Machines

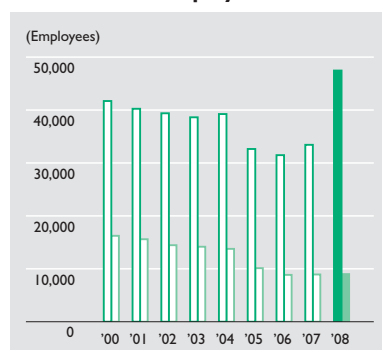


Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007	2008
Vending Machines	—	—	190,000	201,000	211,000	226,000	237,000	250,500	257,000
JT-Owned	30,000	31,000	36,500	45,500	45,000	44,500	40,500	38,000	35,500
Combined	20,000	31,000	38,500	43,500	50,500	54,000	61,500	66,000	71,500

Note: 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



As of March 31	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total	41,703	40,237	39,387	38,628	39,243	32,640	31,476	33,428	47,459
Tobacco Business	32,367	30,894	29,860	28,946	28,504	24,350			
Domestic							11,795	11,534	11,548
International							11,943	12,401	22,324
Pharmaceutical Business	1,682	1,670	1,580	1,530	1,551	1,566	1,532	1,554	1,569
Foods Business	3,397	3,654	4,097	4,581	5,409	5,357	5,232	7,084	11,169
Other Business	3,093	2,820	2,707	2,437	2,608	706	604	461	441
Corporate	1,164	1,199	1,143	1,134	1,171	661	370	394	408

Note: Number of employees is counted at working basis, unless otherwise indicated

As of March 31	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Employees (parent company)	16,235	15,588	14,462	14,172	13,769	10,124	8,855	8,930	8,999
Number of Employees Based on Enrollment (parent company)	20,194	19,355	17,815	17,272	16,690	11,300	9,931	9,984	10,010
As of December 31				1999	2000	2001	2002	2003	2004
JT International (Thousands of Employees) <sup>(*)</sup>				13.0	11.8	11.7	11.6	11.9	12.0

\* From FY2006, the data is disclosed as those of international tobacco business