Aiming to become a company committed to global growth that provides consumers diversified value uniquely available from JT.

Despite those difficult circumstances such as global recession and the aging of the Japanese population, we are committed to our basic principles and maintaining the long-term vision of becoming “A company committed to global growth that provides consumers diversified value uniquely available from JT.”

We expect that the business environment surrounding us will become more and more difficult at an increasing speed. The theme of “JT-11” is to “secure strong business momentum through investment for the future and continuous improvement in business operations in anticipation of various changes in the business environment so that we can maintain sustainable growth in the long term.”

As a medium-term company-wide goal, we aim to achieve a compound annual growth rate of 5% for EBITDA through growth momentum, with the forecasts for the fiscal year ending March 2010 used as the basis.

The business environment will become increasingly more challenging

Position of “JT-11”

“JT-11” covers a period during which the JT Group will secure strong business momentum through investment for the future and continuous improvement in business operations in anticipation of possible changes in the business environment
Continue to enhance personnel strength and performance capability

“A company committed to global growth that provides consumers diversified value uniquely available from JT”

Company-Wide Objective

Through growth momentum across the Group’s businesses, achieve a CAGR of 5% for consolidated EBITDA, based on the forecasted figure for FY 3/2010

JT Group Long-Term Vision

“A company committed to global growth that provides consumers diversified value uniquely available from JT”

Domestic Tobacco business
Overwhelm the competition in the home country market as “the core source of profits.”

International Tobacco business
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.”

Pharmaceutical business
Pursuing high value-added business by developing world-class innovative drugs

Food business
Increasing profits by achieving sustainable growth based on the combined strength of group companies with world-class competitiveness
Regarding the allocation of resources during the period of “JT-11,” we continue to make active business investment to enhance corporate value. And we will strive to increase dividend payment and to reduce interest-bearing debts.

The domestic tobacco business aims to maintain the EBITDA forecasted for the fiscal year ending March 2010 as a stable profit base for the JT Group despite a decline in overall demand due to the increasingly difficult social environment surrounding smoking and the tightening of various regulations.

The international tobacco business aims to achieve a compound annual average growth rate of at least 10% for EBITDA at constant rates of exchange, based on the forecasts for the fiscal year ending March 2010.
In the pharmaceutical business, we will continue to build a globally successful, R&D-driven business with unique features and strive to secure a market presence with original new drugs by increasing and advancing compounds in a late phase of clinical trial and enhancing the R&D pipeline.

**“JT-11” Pharmaceutical Business – Strategic Framework**

**Working toward building world-class R&D capabilities and increased market presence through the development of innovative drugs**

- **Enhance clinical development capabilities, particularly for compounds in late-stage clinical trials**
  - Adapt to the need for more advanced development

- **Further strengthen R&D pipeline**
  - Focus on four areas: glucose and lipid metabolism, virus research, immune disorders and inflammation and bone metabolism

- **Enhance licensing activities and strengthen relationships with partners**
  - Continue to explore opportunities for out-licensing
  - Engaging in in-licensing activity with emphasis on early market launch

**Increase and advance compounds in late phase of clinical trials and enhance R&D pipeline**

In the food business, we will focus on three areas, beverages, processed foods and seasonings, promote efforts to achieve the highest level of safety control, and further strengthen the business foundation for significant future growth. Through these measures, we aim to generate an additional 10 billion yen in EBITDA in the fiscal year ending March 2012 compared with the fiscal year ending March 2010.

**“JT-11” Food Business – Strategic Framework**

**Focus on three areas, beverages, processed foods and seasonings, move toward the world’s highest level of safety control, and further strengthen the business foundation for significant future growth**

- **Beverages business**
  - Further enhance the company’s flagship coffee brand “Roots”
  - Strengthen operating base through improved efficiency

- **Processed food business and seasoning business (The Katokichi Group)**
  - Generate integration synergies
  - Concentrate on core business fields
  - Establish unified corporate identity
  - A new corporate name will be introduced during FY 3/2010

- **Implementation of food safety controls at the highest level**
  - Actions for reducing risks
  - Improving consumer response
  - Creating stronger organization and operating base

**Generate an additional JPY 10 billion in EBITDA based on the forecasted figure for FY 3/2010**