



Japan Tobacco Inc.

Fact Sheet

FY2013

001: Financial Data

009: International Tobacco Business

012: Japanese Domestic Tobacco Business

021: Number of Employees/Subsidiaries and Affiliates

022: Glossary

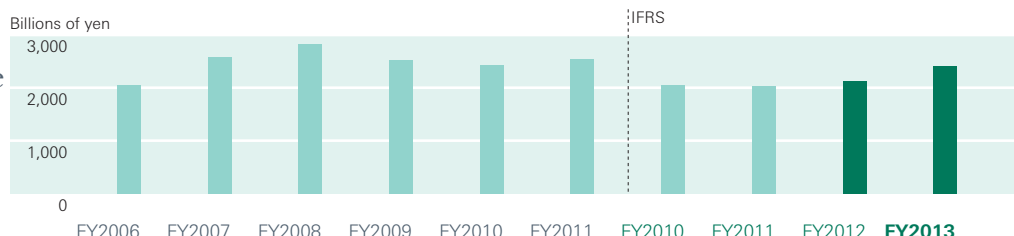
Fact Sheets

Financial Data

(Results for the 12 months ended March 31)

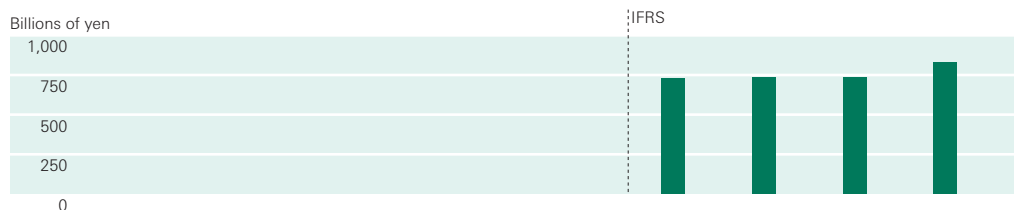
In accordance with the revised IAS 19, retrospective applications have been made to FY2012 figures at constant currency and to FY2012 reported figures. These retrospective applications did not have any material impact on the consolidated financial statements.

Net Sales Excluding Excise Taxes/Revenue



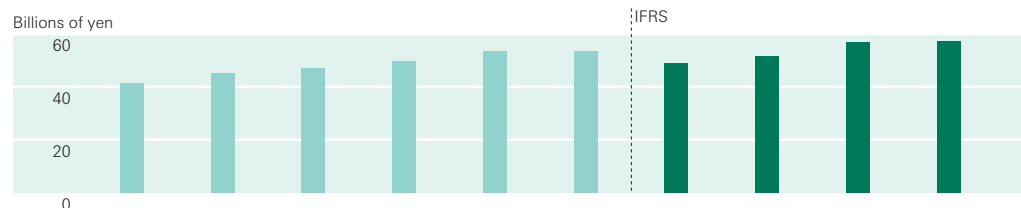
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
● Total	2,051.0	2,587.3	2,827.1	2,514.1	2,432.6	2,547.1	2,059.4	2,033.8	2,120.2	2,399.8
International Tobacco Business	550.3	1,057.7	1,243.3	1,039.1	963.5	966.3	963.5	966.3	1,010.7	1,270.0
Japanese Domestic Tobacco Business	1,147.2	1,122.2	1,070.3	1,016.7	1,027.9	1,147.5	665.8	646.2	687.1	710.3
Pharmaceutical Business	45.4	49.0	56.7	44.0	47.0	50.6	44.1	47.4	53.2	64.4
Food Business	286.5	336.4	435.9	394.6	375.0	367.0	367.5	359.4		
Beverage Business								188.8	185.5	184.5
Processed Food Business								170.7	168.7	156.9
Other Business	21.4	21.8	20.7	19.5	19.2	15.7	18.5	14.6	15.0	13.6
Adjusted Net Sales Excluding Excise Taxes/Core revenue										
International Tobacco Business			1,080.8	906.7	887.8	894.6	887.8	894.6	943.1	1,200.7
Japanese Domestic Tobacco Business			648.8	615.9	617.9	596.8	632.2	611.9	654.0	676.2

SG&A Expenses (IFRS)



	FY2010	FY2011	FY2012	FY2013
● SG&A	727.1	733.2	733.5	828.9
Advertising expenses	21.4	21.5	20.6	21.7
Promotion expenses	131.5	128.0	137.5	147.8
Shipping, warehousing expenses	28.0	27.9	27.1	27.1
Commission	42.2	41.0	41.2	49.3
Employee benefits expenses	231.2	235.1	241.5	275.8
Research and development expenses	48.9	51.5	56.9	57.1
Depreciation and amortization	61.7	58.5	59.1	68.8
Impairment losses on other than financial assets	6.2	7.0	3.2	2.4
Regulatory fine in Canada	12.8	—	—	—
Losses on sale and disposal of property, plant and equipment, intangible assets, and investment property	10.0	11.5	9.3	9.5
Cooperation fee for terminating leaf tobacco farming	—	12.5	—	—
Impairment losses of investments in associates	0.0	0.0	—	9.7
Other	133.2	138.7	137.2	159.7

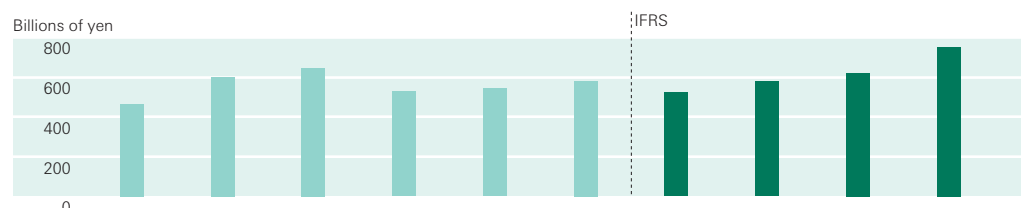
R&D Expenses



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
● R&D	41.2	45.1	47.2	49.6	53.3	53.6	48.9	51.5	56.9	57.1
International Tobacco Business	1.3	3.3	3.8	6.1	5.0	5.2	5.0	5.2	5.8	6.9
Japanese Domestic Tobacco Business	15.1	15.8	17.7	18.9	19.5	20.2	19.1	20.0	19.0	18.4
Pharmaceutical Business	23.4	24.4	23.8	23.1	27.2	26.7	23.4	24.9	30.7	30.5
Food Business	0.7	0.7	1.1	0.7	0.8	0.6	0.8	0.6		
Beverage Business								0.0	0.0	—
Processed Food Business								0.6	0.6	0.6

Note: The aforementioned research and development expenses includes 0.7 billion yen (FY2013, IFRS) relating to basic research not affiliated to any segment (plant biotechnology related research, etc.) and conducted by JT corporate division.

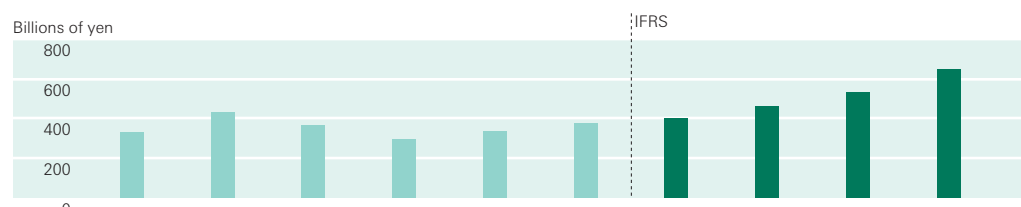
EBITDA/ Adjusted EBITDA



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
● EBITDA/Adjusted EBITDA	464.6	602.0	646.2	526.7	542.6	581.1	522.0	577.1	622.0	751.7
International Tobacco Business	112.6	270.7	337.9	277.6	293.0	312.6	277.9	314.8	343.2	451.6
Japanese Domestic Tobacco Business	326.4	306.7	272.2	257.6	257.7	272.5	247.2	262.3	281.3	302.1
Pharmaceutical Business	(8.1)	(6.2)	4.8	(9.6)	(13.3)	(12.3)	(9.8)	(10.0)	(12.7)	(5.4)
Food Business	12.0	8.3	17.0	14.4	17.3	21.5	17.7	20.0		
Beverage Business								14.6	12.4	8.7
Processed Food Business								5.4	7.4	7.5
Other Business	21.5	22.0	13.1	13.3	(12.1)	(13.3)	(11.0)	(9.8)	(9.6)	(12.7)

Note: From FY2010, "Other Business" means "Others/Elimination and corporate."

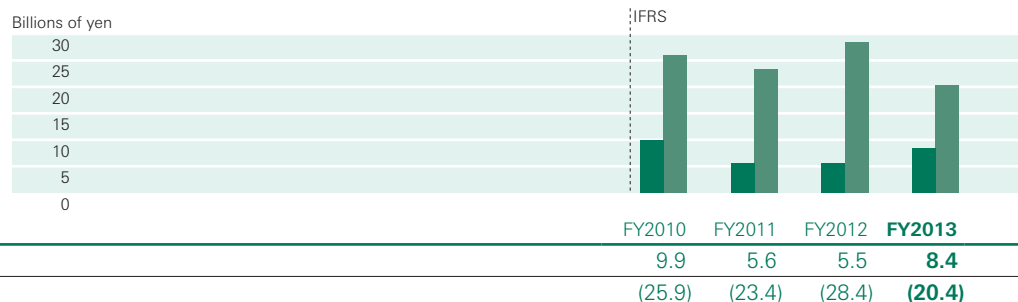
Operating Income/ Operating Profit



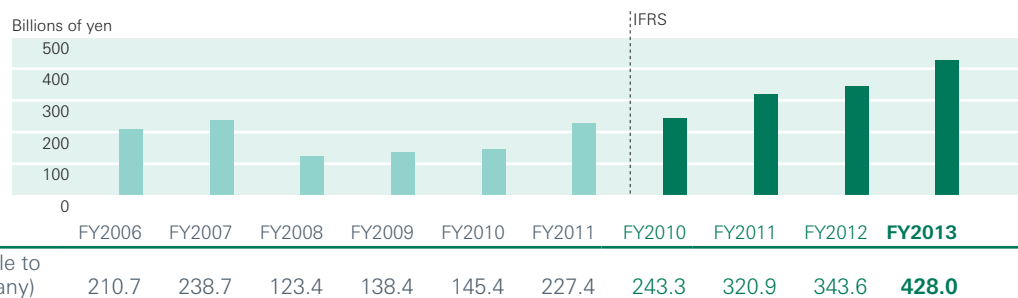
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
● Operating Income/Operating Profit	331.9	430.5	363.8	296.5	333.2	374.7	401.3	459.2	532.2	648.3
International Tobacco Business	81.0	205.3	174.7	136.9	164.1	185.3	225.9	252.4	289.4	376.4
Japanese Domestic Tobacco Business	245.3	222.3	188.2	198.7	212.9	229.6	202.3	209.3	241.3	258.1
Pharmaceutical Business	(11.2)	(9.6)	1.0	(13.5)	(17.4)	(16.1)	(13.3)	(13.5)	(16.2)	(9.0)
Food Business	6.7	0.6	(11.4)	(13.6)	(9.4)	(6.3)	(3.6)	2.0		
Beverage Business								4.5	2.3	(2.1)
Processed Food Business								(2.5)	(5.8)	(0.2)
Other Business	9.3	10.4	9.6	10.5	(16.9)	(17.9)	(9.9)	9.0	21.2	25.0

Note: From FY2010, "Other business" means "Others/Elimination and corporate."

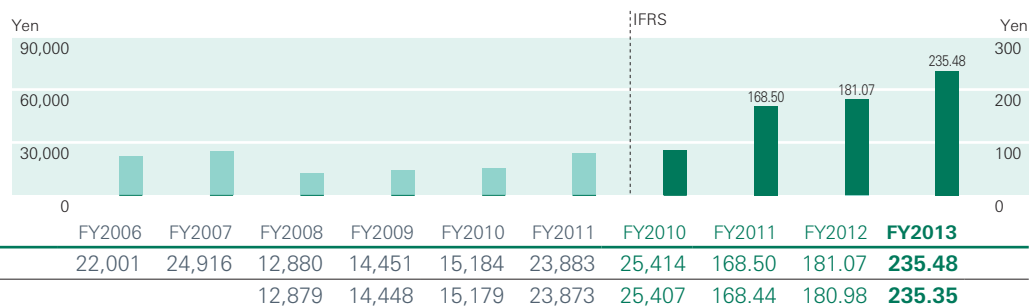
Financial Income and Expenses (IFRS)



Net Income/Profit (attributable to owners of the parent company)



Earnings per Share (EPS)/Basic Earning per Share

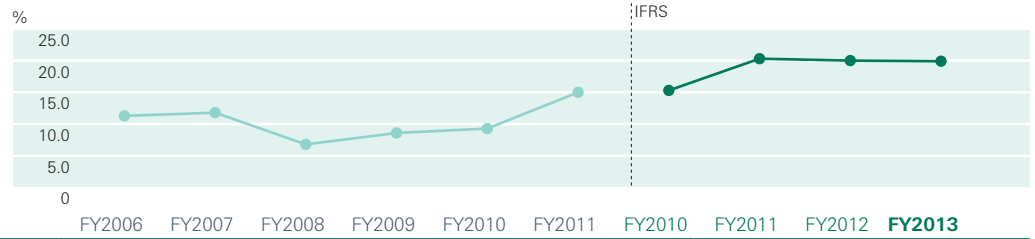


Notes: A 200 for 1 stock split went into effect on July 1, 2012.

Calculated on the assumption that this share split was conducted at the beginning of FY2011 (April 1, 2011).

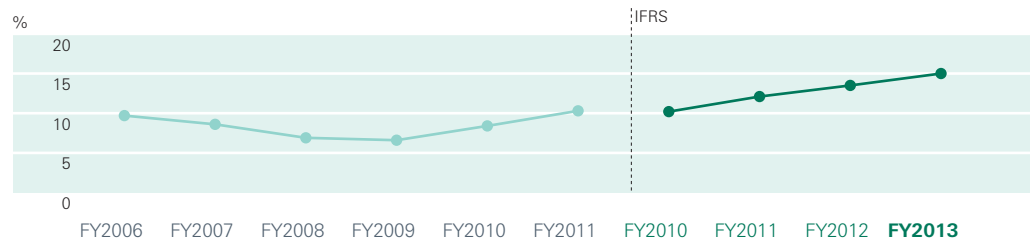
The IFRS figures for FY2011, FY2012 and FY2013 refer to the right hand scale in the graph.

Return on Equity
(ROE)/ROE
(attributable to
owners of the parent
company)



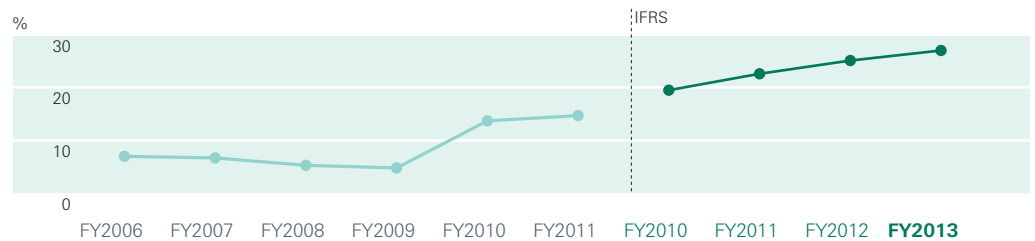
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
ROE/ROE (attributable to owners of the parent company)	11.3	11.8	6.8	8.6	9.3	15.0	15.3	20.3	20.0	19.9

Return on Assets
(ROA)



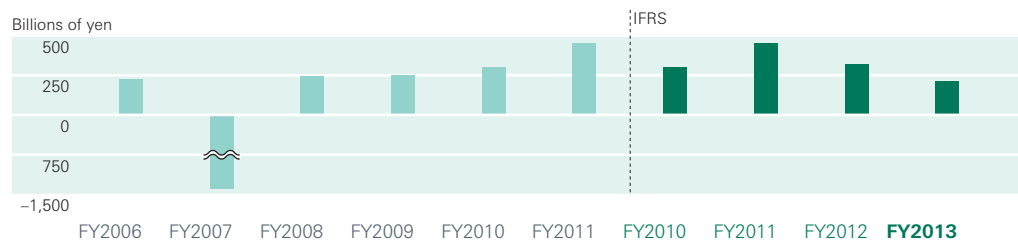
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
ROA	9.7	8.6	6.9	6.6	8.4	10.3	10.2	12.1	13.5	15.0

Operating Income
Margin/Operating
Profit Margin



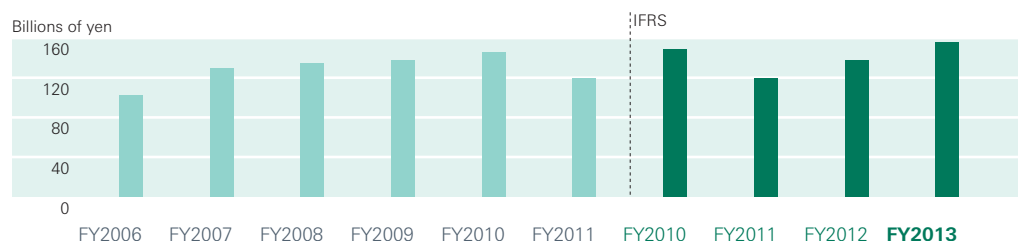
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
Operating Income Margin/Operating Profit Margin	7.0	6.7	5.3	4.8	13.7	14.7	19.5	22.6	25.1	27.0

Free Cash Flow (FCF)



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
● FCF	223.0	(1,493.7)	240.1	250.7	299.7	452.4	300.4	451.3	316.0	212.6

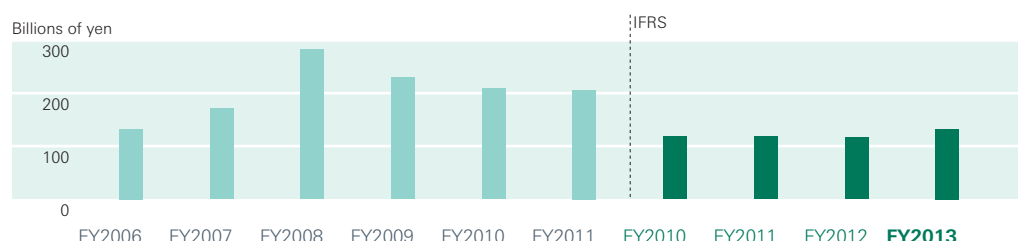
Capital Expenditure (CAPEX)



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
● Capital Expenditure	102.1	129.5	134.2	137.1	146.0	119.5	148.4	119.0	137.4	156.2
International Tobacco Business	32.0	48.4	59.7	64.5	60.9	39.1	60.9	39.1	37.5	78.5
Japanese Domestic Tobacco Business	55.2	57.2	46.5	42.6	56.0	57.2	55.4	56.2	71.2	49.1
Pharmaceutical Business	3.0	4.2	3.4	2.6	2.9	2.9	6.2	3.9	5.8	3.9
Food Business	4.8	6.0	23.2	23.4	25.0	15.5	25.0	15.4		
Beverage Business								8.1	12.0	14.6
Processed Food Business								7.3	4.6	4.9
Other Business	8.0	14.7	1.1	0.3	1.2	4.7	0.9	4.3	6.3	5.1

Note: From FY2010, "Other Business" means "Others /Elimination and corporate."

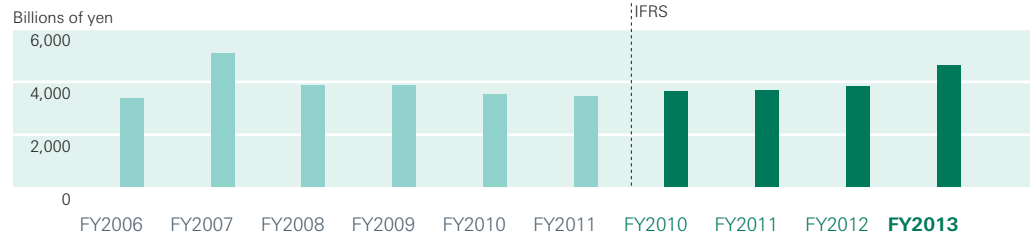
Depreciation & Amortization



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
● Depreciation & Amortization	132.6	171.5	282.4	230.1	209.4	206.4	118.0	118.8	116.5	132.9
International Tobacco Business	31.5	65.3	163.1	140.7	129.0	127.3	51.6	55.2	51.1	63.7
Japanese Domestic Tobacco Business	81.0	84.3	84.0	52.4	44.8	42.9	42.8	39.6	41.1	44.4
Pharmaceutical Business	3.0	3.3	3.8	3.9	4.1	3.8	3.5	3.5	3.4	3.6
Food Business	5.3	7.6	28.4	28.1	26.7	27.8	16.5	17.5		
Beverage Business								10.1	10.1	10.8
Processed Food Business								7.4	7.1	6.9
Other Business	12.2	11.6	3.4	2.7	4.8	4.6	3.5	3.1	3.6	3.5

Note: From FY2010, "Other Business" means "Others /Elimination and corporate."

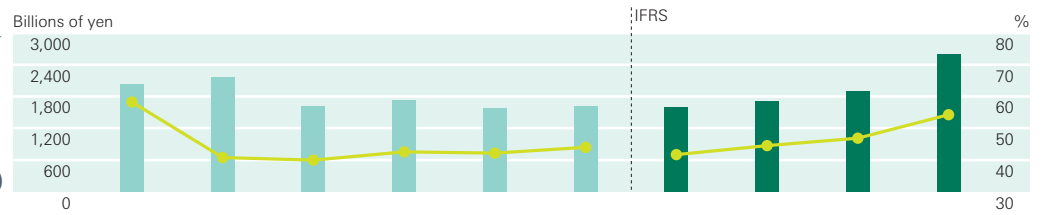
Total Assets



(As of March 31)

● Total Assets	3,364.6	5,087.2	3,879.8	3,872.5	3,544.1	3,472.6	3,655.2	3,667.0	3,852.6	4,611.4
Tobacco Business										
International Tobacco Business	1,275.0	3,804.4	2,700.0	2,765.9						
Japanese Domestic Tobacco Business	1,180.3	847.1	788.6	782.2						
Pharmaceutical Business	106.1	111.4	111.5	114.0						
Food Business	158.8	353.2	332.6	311.1						
Other Business	249.6	90.0	87.4	85.0						

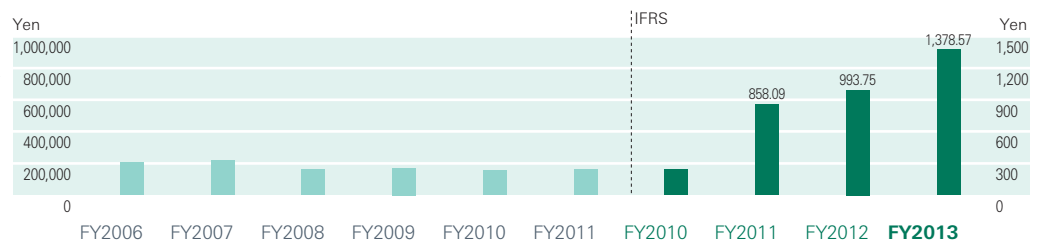
Total Equity and Equity Ratio/Total Equity and Equity Ratio (attributable to owners of the parent company)



(As of March 31)

● Total Equity	2,024.6	2,154.6	1,624.2	1,723.2	1,571.8	1,610.5	1,601.3	1,714.6	1,892.4	2,596.1
↗ Equity Ratio/Total Equity and Equity Ratio (attributable to owners of the parent company)	58.3	40.8	40.0	42.6	42.2	44.0	41.7	44.6	46.9	54.3

Book Value per Share (BPS)/Book Value per Share (attributable to owners of the parent company)



(As of March 31)

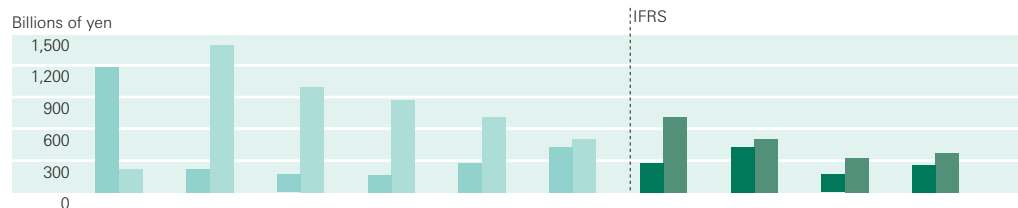
● BPS/Book Value per Share (attributable to owners of the parent company)	204,617	216,707	162,087	172,139	156,997	160,571	160,180	858.09	993.98	1,378.57
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Notes: A 200 for 1 stock split went into effect on July 1, 2012.

Calculated on the assumption that this share split was conducted at the beginning of FY2011 (April 1, 2011).

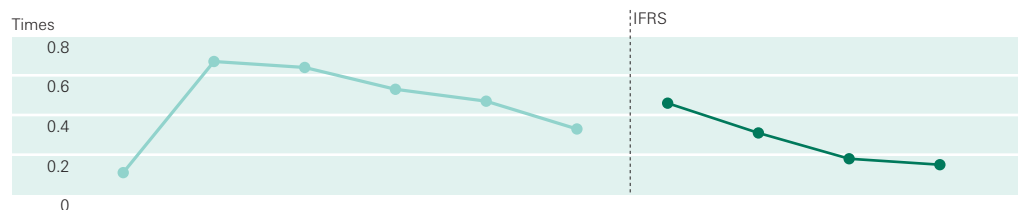
The IFRS figures for FY2011, FY2012 and FY2013 refer to the right hand scale.

Liquidity and Interest-Bearing Debt



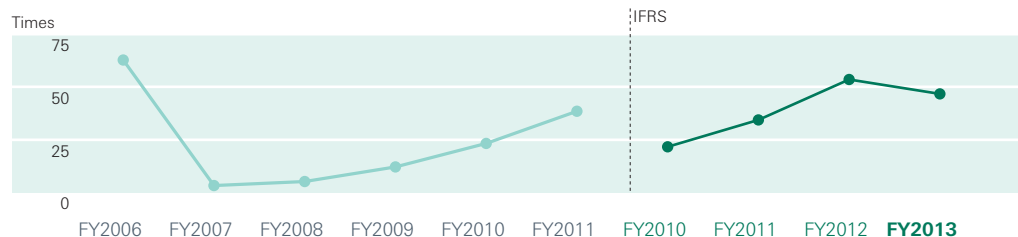
(As of March 31)	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
● Liquidity	1,185.6	218.8	169.8	167.3	276.6	431.2	276.6	431.2	168.3	259.3
● Interest-Bearing Debt	219.2	1,389.2	996.0	874.3	708.7	505.2	709.1	502.4	327.2	375.9

Debt/Equity Ratio



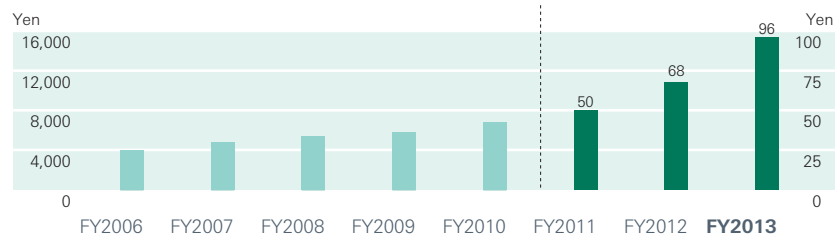
(As of March 31)	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
● Debt/Equity Ratio	0.11	0.67	0.64	0.53	0.47	0.33	0.46	0.31	0.18	0.15

Interest Coverage Ratio



(As of March 31)	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013
● Interest Coverage Ratio	62.8	3.5	5.4	12.3	23.4	38.6	21.8	34.5	53.6	46.8

Annual Dividends per Share



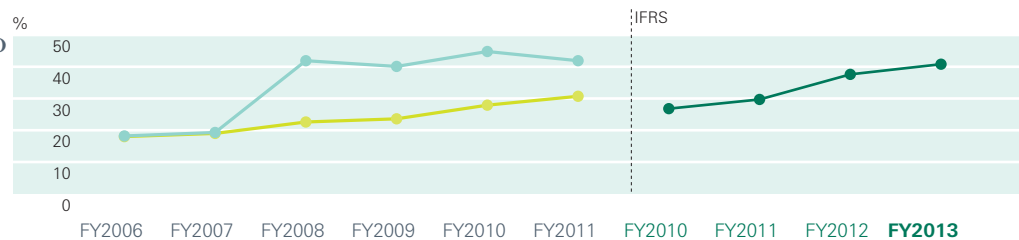
● Annual Dividends per Share	4,000	4,800	5,400	5,800	6,800	10,000	68	96
(Retrospectively Adjusted)	—	—	—	—	—	50		

Notes: A 200 for 1 stock split went into effect on July 1, 2012.

Calculated on the assumption that this share split was conducted at the beginning of FY2011 (April 1, 2011).

FY2011, FY2012 and FY2013 refer to the right hand scale in the graph.

Dividend Payout Ratio on a Consolidated Basis



● Dividend Payout Ratio	18.2	19.3	41.9	40.1	44.8	41.9	26.8	29.7	37.6	40.8
◆ Goodwill Amortization Adjusted*	18.0	19.0	22.6	23.6	27.9	30.7				

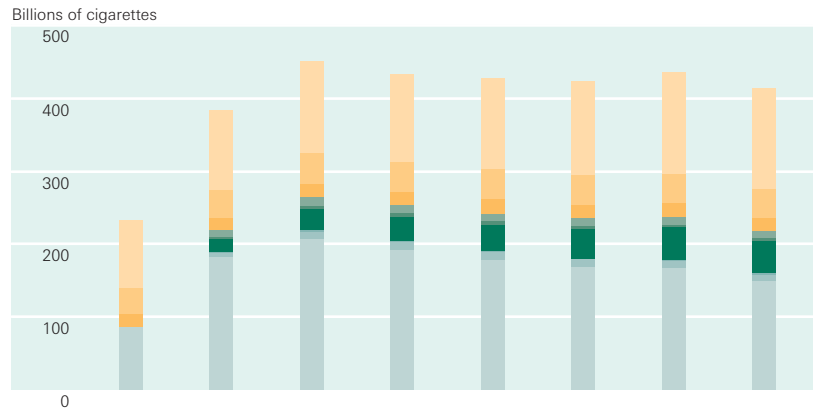
*Payout Ratio before goodwill amortization

International Tobacco Business

(Results for the 12 months ended December 31)

Tobacco Shipment Volume

(by Brand)

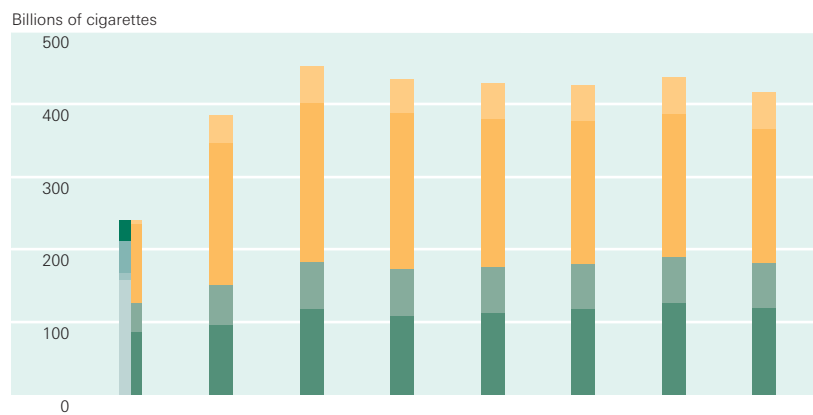


	2006	2007	2008	2009	2010	2011	2012	2013*
Total	240.1	385.6	452.3	434.9	428.4	425.7	436.5	416.4
GFB Total	149.1	203.2	245.5	243.4	249.8	256.5	268.8	266.6
Winston	93.9	111.0	126.4	121.2	125.0	130.7	139.4	140.4
Camel	35.4	38.6	42.3	41.6	42.2	40.5	40.7	39.6
Mild Seven/MEVIUS	17.5	16.8	18.8	18.2	19.3	18.9	18.9	18.3
Benson & Hedges		8.3	11.2	10.7	10.7	10.6	10.3	9.9
Silk Cut		3.9	5.2	4.8	4.4	4.0	3.5	3.2
LD		17.5	29.0	34.3	36.4	40.5	45.1	44.9
Sobranie		1.2	2.3	1.4	1.3	1.3	1.8	2.2
Glamour		5.9	10.3	11.1	10.7	10.0	9.1	7.9
Other Brands	91.0	182.4	206.8	191.5	178.6	169.3	167.7	149.8

*Before the change of HVT conversion rate.

Tobacco Shipment Volume

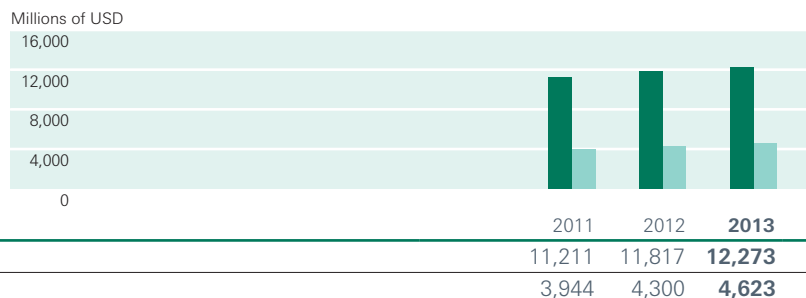
(by Cluster)



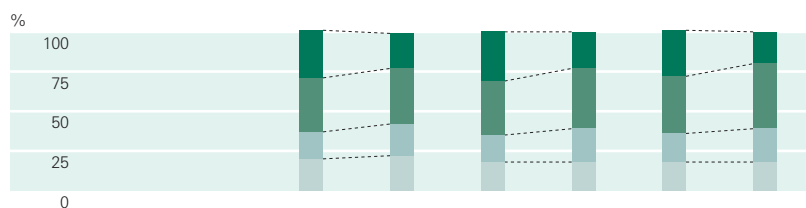
	2006	2007	2008	2009	2010	2011	2012	2013*
Total	240.1	385.6	452.3	434.9	428.4	425.7	436.5	416.4
Asia	29.1							
Europe	44.1							
Americas	8.8							
CIS & Others	158.0							
South & West Europe	40.1	55.2	64.0	64.5	63.2	60.8	62.7	60.9
North & Central Europe	5.7	39.3	50.8	47.5	49.0	49.1	49.9	50.4
CIS+	108.6	195.1	219.7	214.6	203.6	197.8	197.4	185.2
Rest-of-the-World	85.7	95.9	117.7	108.4	112.7	118.0	126.5	119.8

*Before the change of HVT conversion rate.

Core Revenue/ Adjusted EBITDA



Cluster Split



*EBITA based on US GAAP.

Share of Markets in Key Markets (12 month moving average, December)

	2011	2012	2013*
France	16.0%	17.4%	20.1%
Italy	20.5%	21.4%	21.6%
Russia	37.1%	36.4%	36.3%
Spain	20.2%	20.8%	21.5%
Taiwan	38.1%	38.9%	39.4%
Turkey	24.1%	26.3%	26.7%
UK	38.3%	39.4%	40.7%

*Before the change of HVT conversion rate.
Source: Nielsen, Logista

Tobacco Tax Structure (in Russia)

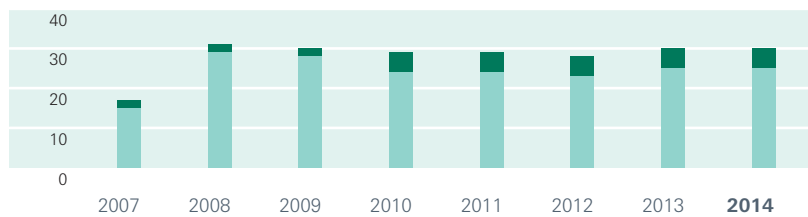
(RUB)	2012 Jan-Jun	2012 Jul-Dec	2013	Change*
Minimum Tax (ths. cg.)	460	510	730	43%
Ad valorem tax (to retail price) (%)	7.5%	7.5%	8%	7%
Specific tax (ths. cg.)	360	390	550	41%
VAT (% of pre-VAT price)	18%	18%	18%	0%

*A comparison of the tax system of July to December 2012 and 2013.

[To weighted average price per pack] (RUB)	2012	2013	Change
Weighted average retail price	35.02	42.62	22%
Ad valorem tax	2.63	3.41	30%
Specific tax	7.50	11.00	47%
VAT	5.34	6.50	22%
Weighted average retail price before tax	19.55	21.71	11%

Note: JTI estimates

Number of International Factories



(As of March 31)

	2007	2008	2009	2010	2011	2012	2013	2014
● International Cigarette and OTP Manufacturing Factories	15	29	28	24	24	23	25	25
● Other Tobacco-related Factories	2	2	2	5	5	5	5	5

International Tobacco Manufacturing-related Factory Location

(As of March 31, 2014)

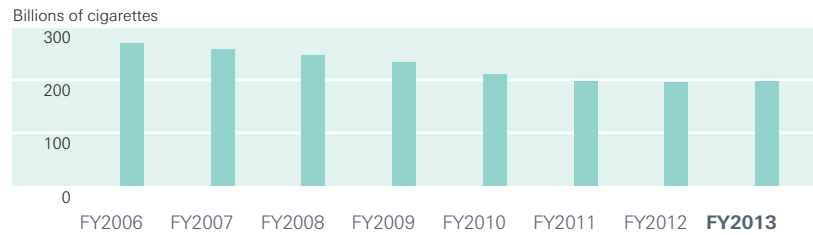
● Cigarette and OTP manufacturing factories ● Other tobacco-related factories



Japanese Domestic Tobacco Business

(Results for the fiscal years ended March 31)

Total Domestic Market

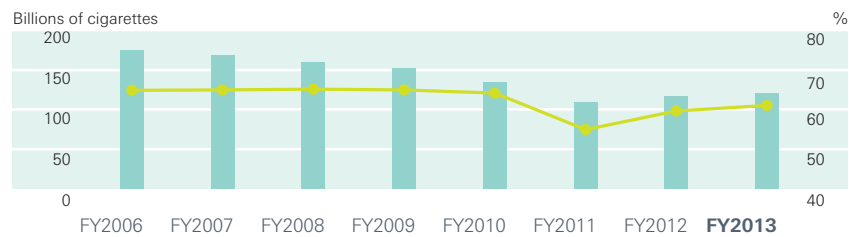


● Total Domestic Market

	270.0	258.5	245.8	233.8	210.2	197.5	195.1	196.9
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Source: Tobacco Institute of Japan

JT Sales Volume and JT Share

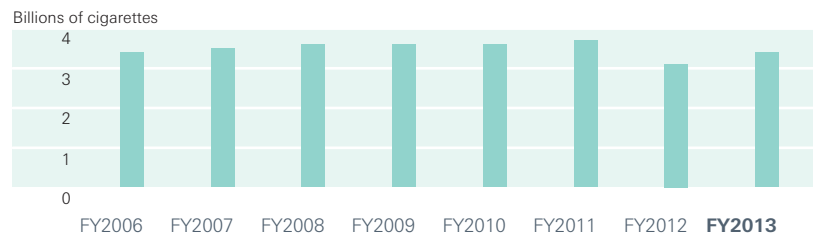


● JT Sales Volume

◆ JT Share

	174.9	167.7	159.9	151.8	134.6	108.4	116.2	120.1
	64.8	64.9	65.1	64.9	64.1	54.9	59.6	61.0

Sales Volume of China Division and Domestic Duty-Free

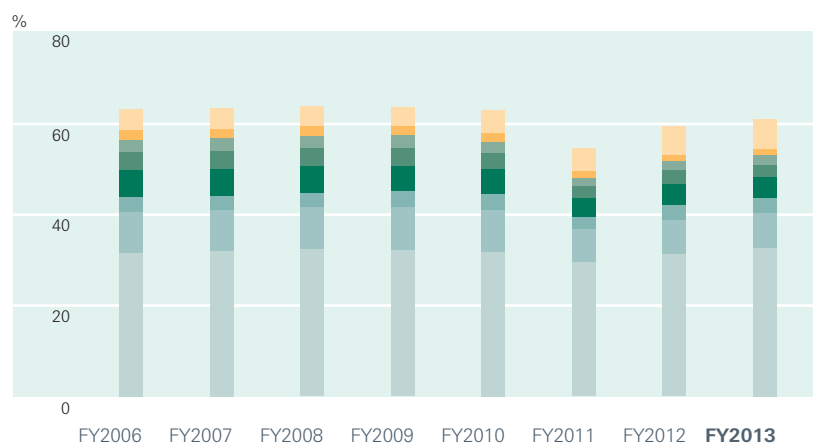


● Sales Volume

	3.4	3.5	3.6	3.6	3.6	3.7	3.1	3.4
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Note: China Division covers China, Hong Kong, and Macau markets.

Market Share by JT Brand Family



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
● Mild Seven/MEVIUS	31.6	32.0	32.3	32.1	31.8	29.5	31.2	32.7
● Seven Stars*1	9.0	8.9	9.4	9.9	9.4	7.4	7.7	7.7
● Pianissimo*2	3.1	3.2	3.3	3.4	3.6	2.6	3.2	3.1
● Caster	6.0	5.9	5.9	5.7	5.4	4.2	4.6	4.7
● Cabin	4.0	4.0	3.8	3.9	3.5	2.7	2.9	2.8
● Peace	2.8	2.8	2.8	2.7	2.5	1.8	2.0	2.0
● Hope	2.0	2.0	2.0	2.0	1.9	1.4	1.5	1.5
● Other Brands	4.8	4.7	4.5	4.4	5.2	5.1	6.3	6.5

*1 Retrospective of figures for "Alaska," which was integrated into the Seven Stars family in October 2011.

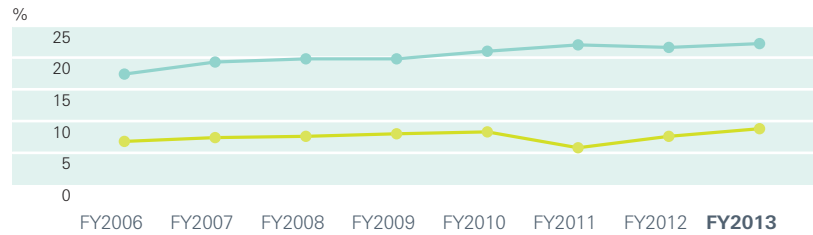
*2 Retrospective of figures for "icene" and "Lucia," which were integrated into the Pianissimo family in January 2010.

Top 20 Selling Products in Japan by Market Share (FY2013)

Product	Brand Owner	Share (%)
1 Seven Stars	JT	4.2
2 Mevius Super Lights	JT	3.5
3 Mevius One 100's Box	JT	3.4
4 Mevius Lights	JT	2.7
5 Mevius	JT	2.5
6 Mevius Extra Lights	JT	2.5
7 Marlboro Lights Menthol Box	PMJ	2.2
8 Wakaba	JT	2.1
9 Echo	JT	2.1
10 Seven Stars Box	JT	2.0
11 Mevius Super Lights 100's Box	JT	1.7
12 Caster Mild	JT	1.6
13 Mevius Extra Lights 100's Box	JT	1.5
14 Marlboro Ks Box	PMJ	1.5
15 Caster One 100's Box	JT	1.4
16 Mevius Extra Lights Box	JT	1.4
17 Kent 1 100's Box	BATJ	1.4
18 Mevius One	JT	1.4
19 Cabin Mild Box	JT	1.3
20 Mevius One Box	JT	1.1

Source: Tobacco Institute of Japan

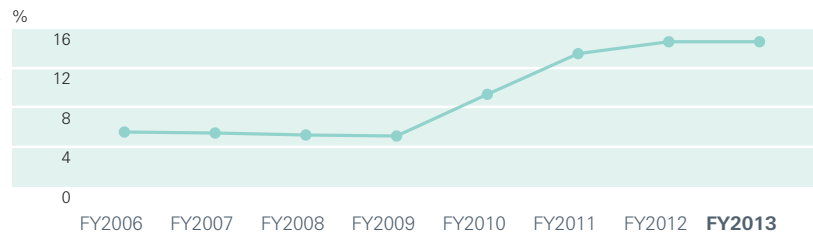
Menthol Products Market Share



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
◆ Menthol Products*	17.4	19.3	19.8	19.8	21.0	22.0	21.6	22.2
◆ Menthol JT Products	6.8	7.4	7.6	8.0	8.3	5.8	7.6	8.8

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

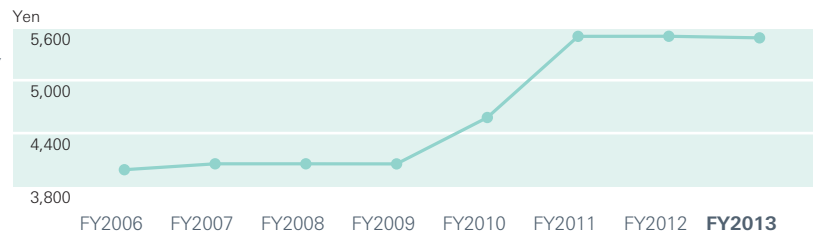
Products Priced at ¥440 or more per pack Market Share



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
◆ JT Products Priced at ¥440 or more per pack*	5.5	5.4	5.2	5.1	9.3	13.4	14.6	14.6

* ~ Jun. 2006: ¥300 or more, Jul. 2006 ~ Sep. 2010: ¥320 or more

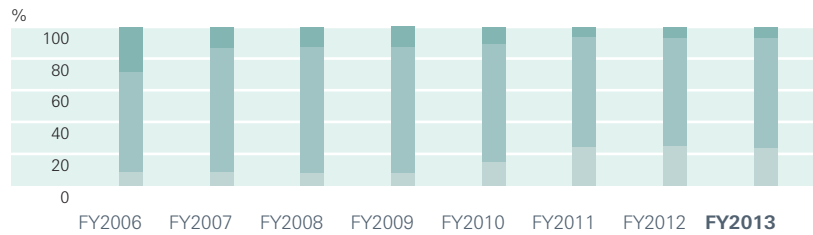
JT Net Sales per Thousand Cigarettes/ Revenue per Thousand Cigarettes



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
◆ JT Net Sales Per Thousand Cigarettes/Revenue per Thousand Cigarettes	3,990	4,057	4,057	4,056	4,582	5,502	5,502	5,485

Note: JT Net sales per thousand cigarettes/Revenue per 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



	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
● Products Priced at ¥440 or more per pack* ¹	8.5	8.3	8.0	7.9	14.7	24.3	24.6	23.9
● Products Priced at ¥410 per pack* ²	63.2	78.7	79.2	79.5	74.6	69.1	68.1	68.7
● Products Priced at ¥400 or less per pack* ³	28.3	13.1	12.8	12.6	10.7	6.6	7.3	7.4

*1 ~ Jun. 2006: ¥300 or more, Jul. 2006 ~ Sep. 2010: ¥320 or more

*2 ~ Jun. 2006: ¥280, Jul 2006 ~ Sep. 2010: ¥300

*3 ~ Jun. 2006: ¥270 or less, Jul. 2006 ~ Sep. 2010: ¥290 or less

New Product Launches and Sales Area Expansion

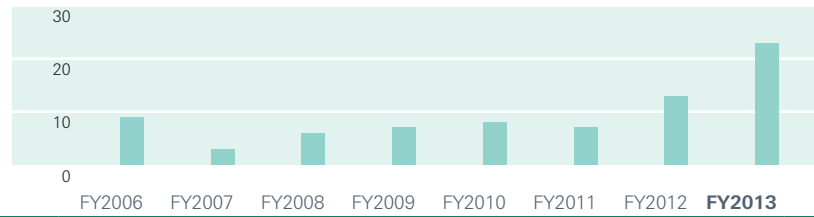
FY2013 (23 products)

(Menthol: 10 products, Tar 1mg: 3 products, Products at ¥440 or more per pack: 11 products)

Date	Product	Menthol	Tar (mg)	Nicotine (mg)	Price*	Sales Region
May 13	Mevius Premium Menthol Option One 100's	○	1	0.1	410	Nationwide
May 13	Mevius Premium Menthol Option 5	○	5	0.5	410	Nationwide
May 13	Mevius Premium Menthol Option 8	○	8	0.7	410	Nationwide
Aug 13	Zerostyle Snus Regular				380	Osaka City
Aug 13	Zerostyle Snus Mint	○			380	Osaka City
Oct 13	Mevius Premium Menthol Spread One 100's	○	1	0.1	410	Nationwide
Oct 13	Mevius Premium Menthol Spread 5	○	5	0.5	410	Nationwide
Oct 13	Mevius Premium Menthol Spread 8	○	8	0.7	410	Nationwide
Nov 13	Zerostyle Stix Blue Mint	○			300	Nationwide
Nov 13	Zerostyle Stix Brown Flavor				300	Nationwide
Nov 13	Zerostyle Stix Pink Flavor				300	Nationwide
Nov 13	Zerostyle Stix Green Mint	○			300	Nationwide
Dec 13	Seven Stars Real Rich		14	1.2	440	Nationwide
Dec 13	Seven Stars Real Smoke		14	1.2	440	Nationwide
Dec 13	Gold for Ploom				460	Online
Dec 13	Orchard for Ploom				460	Online
Dec 13	Cooler for Ploom				460	Online
Dec 13	Lugano for Ploom				460	Online
Dec 13	Mevius for Ploom				460	Online
Dec 13	Pianissimo for Ploom				460	Online
Dec 13	Multipack for Ploom				460	Online
Jan 14	Pianissimo Icene Spike	○	6	0.5	440	Nationwide
Feb 14	Mevius Control One		1	0.1	440	Fukuoka, Nagasaki, and Saga

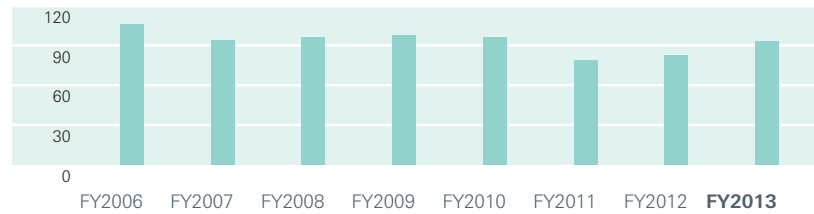
*Prices as of March 31, 2014.

Number of New Product Launches



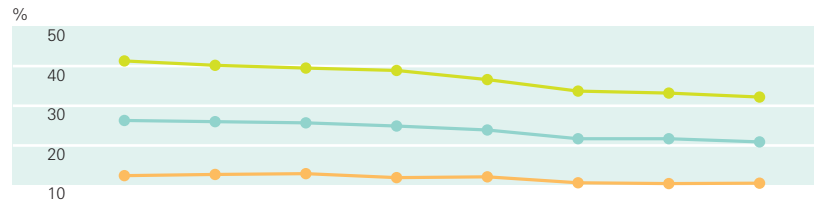
● Number of New Products Launches

Number of JT Cigarette Products



● Number of JT Cigarette Products

Smoking Rate (by gender)



(At the time of survey)

● All Adults

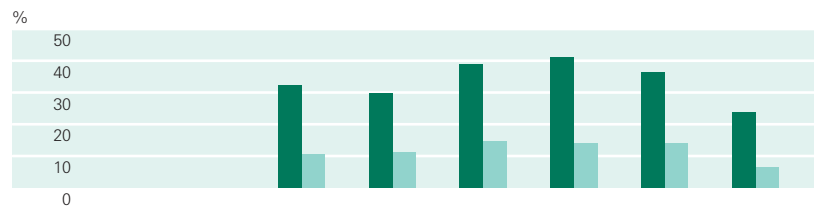
● Male

● Female

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

Source: JT "Japan Smoking Rate Survey"

Smoking Rate (by age)



(Survey in 2013)

● Male

● Female

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 ¥5,302 per thousand cigarettes, the national tobacco special excise tax at ¥820 per thousand cigarettes, and the local tobacco excise tax is set at ¥6,122 per thousand cigarettes. In addition, under the

Consumption Tax Law, an 8% 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

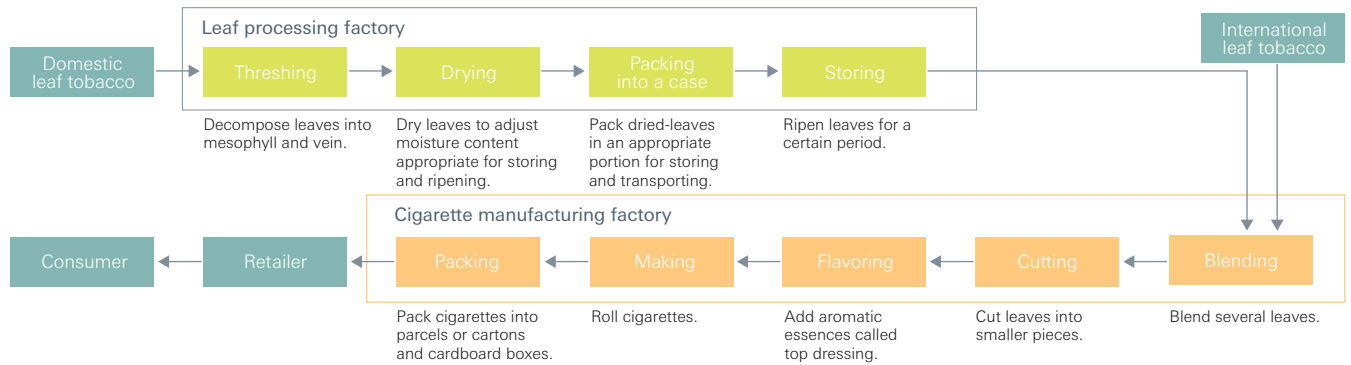
Item	Tobacco Consumption Tax				Tobacco Excise Tax								
	Apr-1985		May-1986		Apr-1989	Apr-1997	Dec-1998	May-1999	Jul-2003	Jul-2006	Oct-2010	Apr-2014	
	Ad valorem (%)	Specific (¥/1,000 units)	Ad valorem* (%)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	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	5,302	5,302	
National Tobacco Special Excise Tax	—	—	—	—	—	—	820	820	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	6,122	6,122	
Total Excise Tax	45.4	1,132	45.4	2,032	6,252	6,252	7,072	7,072	7,892	8,744	12,244	12,244	
Consumption Tax	—	—	—	—	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	8.0%	
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	• 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	• Tobacco Excise Tax was increased	• Consumption Tax was increased	
(Reference)													
Retail Price of Mild Seven/MEVIUS per pack	¥200	¥220	¥220	¥230	¥250	¥250	¥270	¥300	¥410	¥430			
Tax Incidence of Mild Seven/MEVIUS per pack (incl. Consumption Tax)	56.7%	59.7%	59.7%	59.1%	61.3%	61.3%	63.2%	63.1%	64.5%	64.4%			

Breakdown of Price Levels per Cigarettes Package

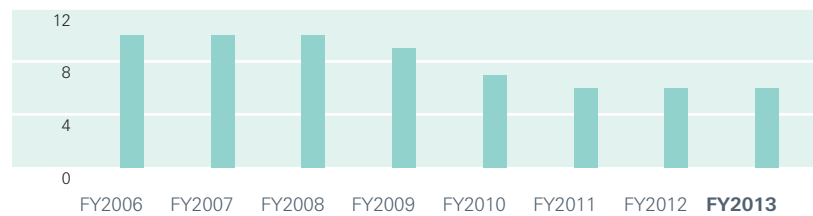
(As of April 1, 2014)

	List price ¥430 per pack		List price ¥450 per pack		List price ¥460 per pack		
Consumption Tax	¥ 31.9	7.41%	¥ 33.3	7.41%	¥ 34.1	7.41%	
Retailer's Margin	¥ 43.0	10.00%	¥ 45.0	10.00%	¥ 46.0	10.00%	
Total Tobacco Excise Tax	¥244.9	56.95%	¥244.9	54.42%	¥244.9	53.23%	
National Tobacco Excise Tax	¥106.0	24.66%	¥106.0	23.56%	¥106.0	23.05%	
Local Tobacco Excise Tax	¥122.4	28.47%	¥122.4	27.21%	¥122.4	26.62%	
National Tobacco Special Excise Tax	¥ 16.4	3.81%	¥ 16.4	3.64%	¥ 16.4	3.57%	
JT's Proceeds	¥110.3	25.64%	¥126.8	28.17%	¥135.0	29.36%	

Tobacco Manufacturing System



Number of Domestic Cigarette Manufacturing Factories

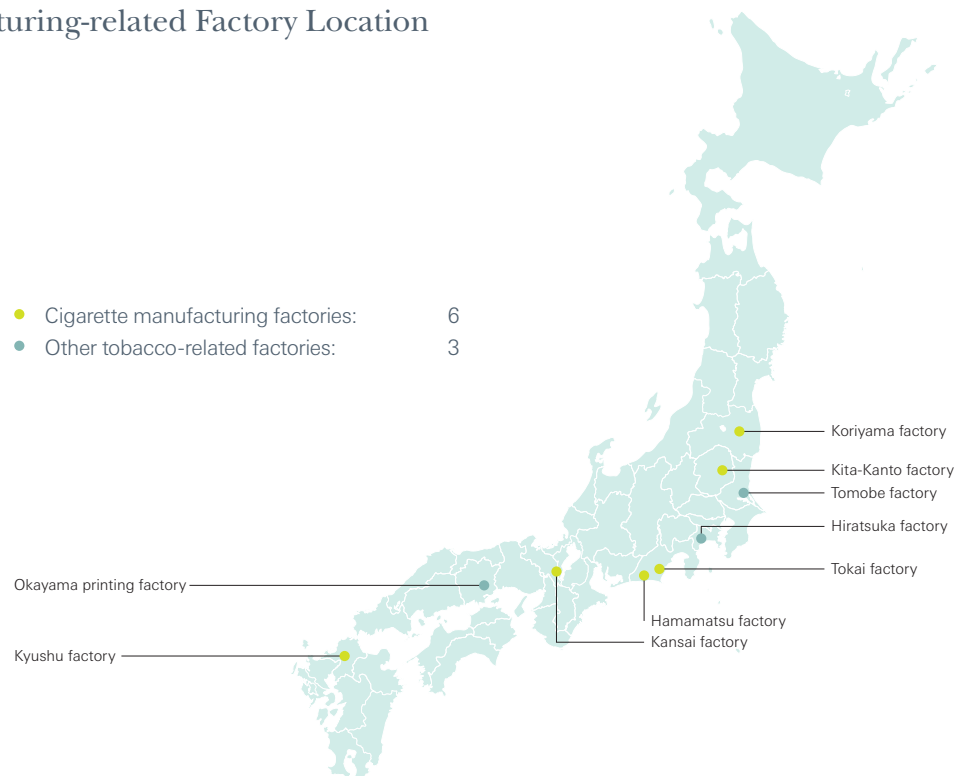


● Domestic Cigarette Manufacturing Factories

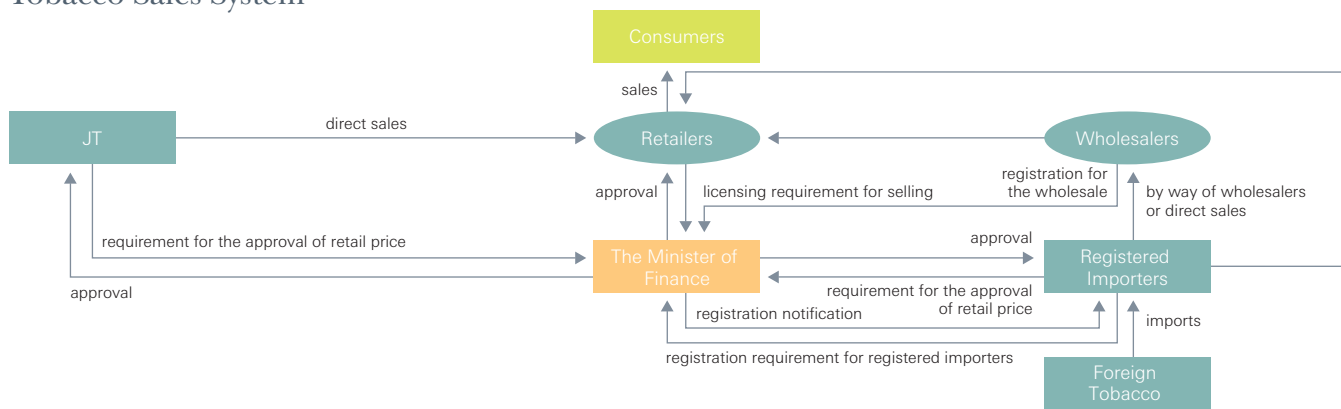
Tobacco Manufacturing-related Factory Location

(As of March 31, 2014)

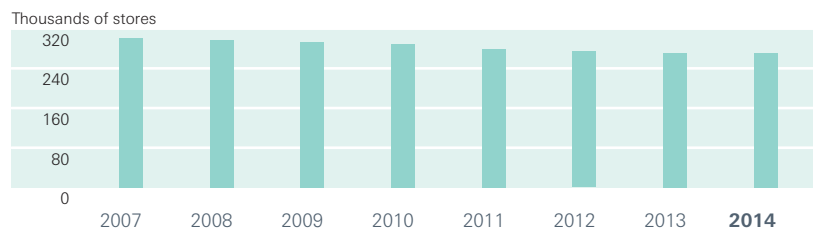
- Cigarette manufacturing factories: 6
- Other tobacco-related factories: 3



Tobacco Sales System



Number of Tobacco Retailers

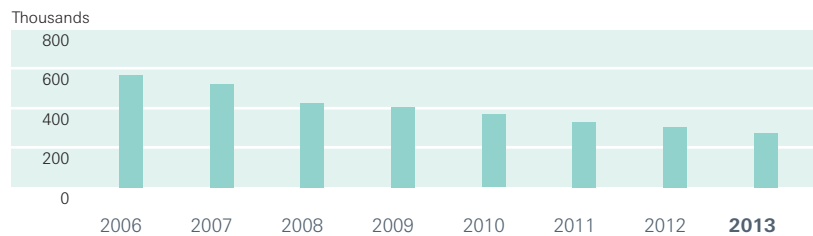


(As of March 31)

● Tobacco Retailers

Source: Ministry of Finance

Number of Tobacco Vending Machines



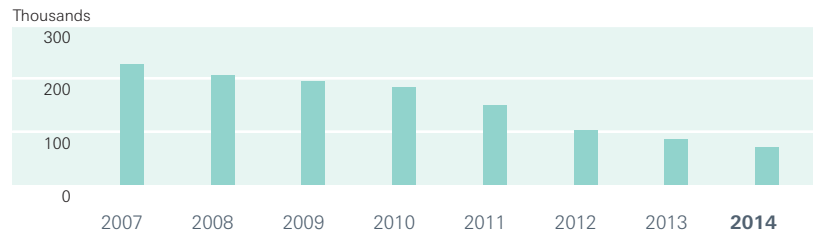
(As of December 31)

● Total Tobacco Vending Machines

Source: Japan Vending Machine Manufacturers Association

Number of Tobacco Vending Machines

(JT Tobacco Vending Machines)

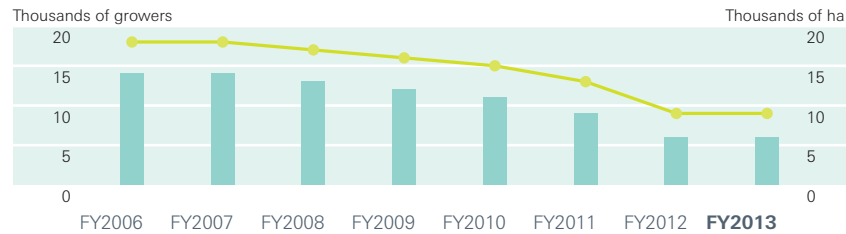


(As of March 31)

● JT Tobacco Vending Machines

	2007	2008	2009	2010	2011	2012	2013	2014
● JT Tobacco Vending Machines	228	207	196	185	150	103	86	71

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

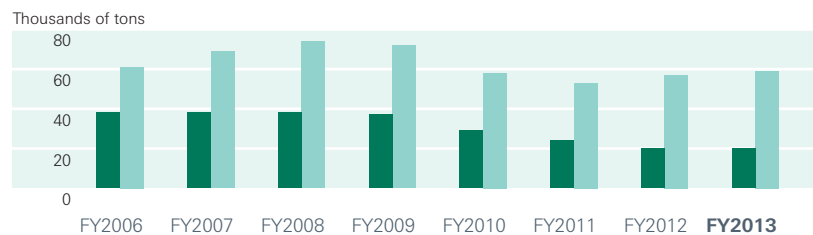


● Number of Domestic Tobacco Growers

◆ Area under Domestic Leaf Tobacco Cultivation

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
● Number of Domestic Tobacco Growers	14	14	13	12	11	9	6	6
◆ Area under Domestic Leaf Tobacco Cultivation	19	18	17	16	15	13	9	9

Volume of Domestic and International Leaf Tobacco Purchase

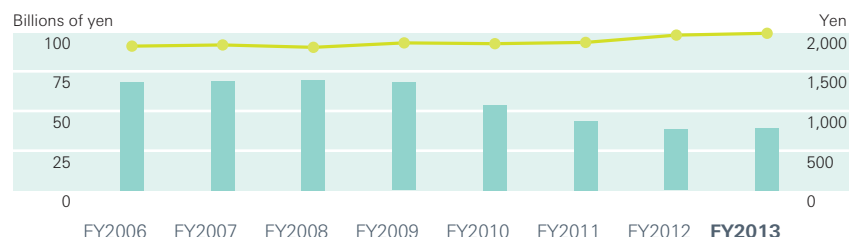


● Domestic

● International

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
● Domestic	38	38	38	37	29	24	20	20
● International	61	69	74	72	58	53	57	59

Value of Domestic Leaf Tobacco Purchase and Price per 1 kg



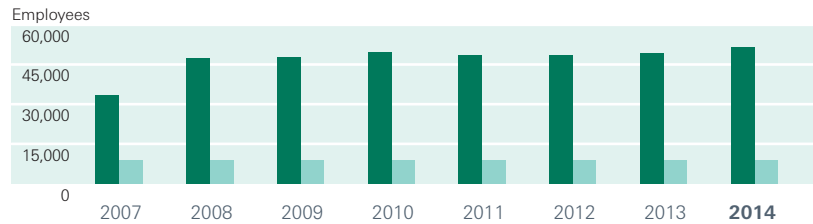
● Amount

◆ Price per 1 kg

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
● Amount	68.6	69.3	69.4	68.1	54.2	44.0	38.5	39.3
◆ Price per 1 kg	1,818	1,833	1,803	1,859	1,849	1,865	1,957	1,980

Number of Employees / Subsidiaries and Affiliates

Number of Employees



(As of March 31)

	2007	2008	2009	2010	2011	2012	2013	2014
● Total	33,428	47,459	47,977	49,665	48,472	48,529	49,507	51,563
Tobacco Business								
International	12,401	22,324	23,227	24,751	23,902	24,237	24,397	26,731
Japanese Domestic	11,534	11,548	11,281	11,282	11,191	11,092	11,043	11,022
Pharmaceutical Business	1,554	1,569	1,616	1,634	1,664	1,693	1,744	1,787
Food Business	7,084	11,169	10,975	11,143	10,864	10,646		
Beverage Business							4,912	5,035
Processed Food Business							6,563	6,096
Other Business	461	441	429	352	—	—	—	—
Corporate	394	408	449	503	851	861	848	892

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

	2007	2008	2009	2010	2011	2012	2013	2014
(As of March 31)								
● Number of Employees (parent company)	8,930	8,999	8,908	8,961	8,928	8,936	8,925	8,774
Number of Employees Based on Enrollment (parent company)	9,984	10,010	9,973	9,883	9,842	9,824	9,687	9,628

Note: The number of employees in the international tobacco business is calculated based on the number of employees as of December 31 of each year.

Status of Subsidiaries and Affiliates

(As of March 31, 2014)

Name	Location	Capital (Millions of yen)	Principal business	Holding rate of voting rights (%)
TS Network Co., Ltd.	Taito-ku, Tokyo	460	Japanese domestic tobacco	74.5
JT Logistics Co., Ltd.	Shibuya-ku, Tokyo	207	Japanese domestic tobacco	100
Japan Filter Technology Co., Ltd.	Shibuya-ku, Tokyo	461	Japanese domestic tobacco	87.6
Fuji Flavor Co., Ltd.	Hamura-shi, Tokyo	196	Japanese domestic tobacco	100
JT Engineering Inc.	Sumida-ku, Tokyo	200	Japanese domestic tobacco	100
JT International Group Holding B.V.	Netherlands	thousands USD 1,800,372	International tobacco	100
JT International Holding B.V.	Netherlands	thousands USD 1,800,372	International tobacco	100 (100)
JT International S.A.	Switzerland	thousands CHF 1,215,425	International tobacco	100 (100)
Gallaher Ltd.	U.K.	thousands GBP 172,495	International tobacco	100 (100)
JTI Marketing and Sales CJSC	Russia	thousands RUB 108,700	International tobacco	100 (100)
LLC Petro	Russia	thousands RUB 328,439	International tobacco	100 (100)
Liggett-Ducat CJSC	Russia	thousands RUB 260,366	International tobacco	100 (100)
JT International Germany GmbH	Germany	thousands EUR 37,394	International tobacco	100 (100)
JTI Tütün Urunleri Sanayi A.S.	Turkey	thousands TRY 148,825	International tobacco	100 (100)
JTI-Macdonald Corp.	Canada	thousands CAD 535,021	International tobacco	100 (100)
Torii Pharmaceutical Co., Ltd.	Chuo-ku, Tokyo	5,190	Pharmaceutical	54.5
Akros Pharma Inc.	U.S.A.	thousands USD 1	Pharmaceutical	100 (100)
JT Beverage Inc.	Shinagawa-ku, Tokyo	90	Beverage	100
Japan Beverage Holdings Inc.	Shinjuku-ku, Tokyo	500	Beverage	70.5
TableMark Co., Ltd.	Chuo-ku, Tokyo	47,503	Processed food	100

Notes: In addition to the above, JT has 198 consolidated subsidiaries and 13 companies accounted for by the equity method.

The figures in parentheses in the "Holding rate of voting rights" column are indirect holding rates included in the figures outside the parentheses.

Glossary

Adjusted Net Sales Excluding Excise Taxes	<p>Excludes the imported tobacco, domestic duty free, the China Division and other peripheral businesses in the Japanese domestic tobacco business.</p> <p>Excludes the distribution, contract manufacturing and other peripheral businesses in the international tobacco business</p>
Core Revenue	<p>Excludes revenue from distribution of imported tobacco in the Japanese Domestic Tobacco Business, among others.</p> <p>Includes revenue from waterpipe tobacco products, but excludes revenues from distribution, contract manufacturing and other peripheral businesses in the International Tobacco Business.</p>
EBITDA	Operating income + depreciation and amortization
Adjusted EBITDA	<p>Operating profit + depreciation and amortization + adjustment items (income and costs)*</p> <p>*Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others</p>
ROA	<p>JGAAP: $ROA = (\text{Ordinary income}) / \text{Total assets}$ [average of beginning and ending balance for the period]</p> <p>IFRS: $ROA = (\text{Profit before income taxes}) / \text{Total assets}$ [average of beginning and ending balance for the period]</p>
FCF	<p>The total of cash flows from operating activities and investing activities excluding the following items:</p> <p>Cash flows from interest / dividends received and its tax effect / interest paid and its tax effect in operating activities; and cash flows from purchase of short-term investment securities, proceeds from sale and redemption of short-term investment securities, purchase of investment securities, proceeds from sale of investment securities, payments into time deposits, proceeds from withdrawal of time deposits and others in investing activities (those from purchase/sale of securities held for business operation are not included here).</p>
Depreciation & Amortization	<p>JGAAP: Depreciation of Tangible Fixed Assets + Amortization of Intangible Fixed Assets + Amortization of Long-Term Prepaid Expenses + Amortization of Goodwill</p> <p>IFRS: depreciation of tangible fixed assets + amortization of intangible fixed assets</p>
Liquidity	Cash and deposits + Marketable securities + Securities purchased under repurchase agreements
Interest-Bearing Debt	<p>Short-term bank loans + CP + bonds + long-term borrowings + lease obligation</p> <p>Interest-Bearing Debt includes lease obligation from FY2008.</p>
Interest Coverage Ratio	<p>JGAAP: Interest Coverage Ratio = Cash flow from operating activities / Interest expenses*</p> <p>IFRS: Interest Coverage Ratio = Cash flow from operating activities / Interest paid**</p> <p>* Amount on Income Statement</p> <p>**Amount on Cash Flow Statement</p>
Total Shipment Volume (International Tobacco Business)	<p>Includes fine cut, cigars, pipe tobacco and snus but excludes contract manufactured products and waterpipe tobacco products.</p> <p>In FY2006 and FY2007, cigars, pipe and snus were not included in total shipment volume.</p>
GFB (Global Flagship Brand) (International Tobacco Business)	<p>GFB in FY2006: Winston, Camel, Mild Seven, Salem</p> <p>GFB after FY2006: Winston, Camel, Mild Seven/MEVIUS, Benson & Hedges, Silk Cut, LD, Sobranie, Glamour</p>