



Japan Tobacco Inc.

Fact Sheets

FY2014

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

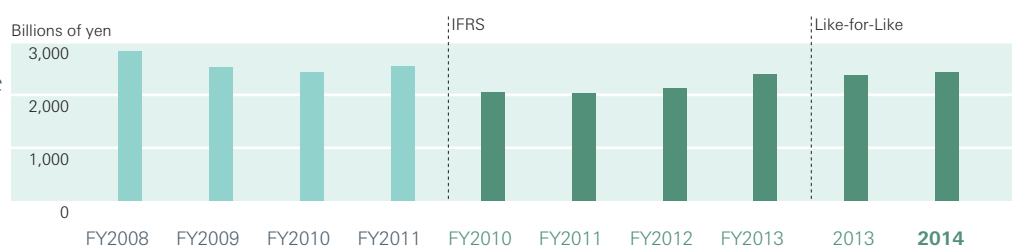
In accordance with the revised IFRIC 21 “Levies”, retrospective applications have been made to FY2013 figures at constant currency and to FY2013 reported figures. These retrospective applications did not have any material impact on the consolidated financial statements.

FY2014, a transitional period for the change in accounting period, covers nine months from April 1, 2014 to December 31, 2014 for the Japanese domestic business. The same change in accounting period is applied to the Company’s consolidated subsidiaries whose current closing date was other than December 31 (Reported basis).

For the purpose of fair comparison and reference, twelve-month (January 1–December 31) period of results with regard to all business segments would be disclosed for both 2013 and 2014 (Like-for-Like basis).

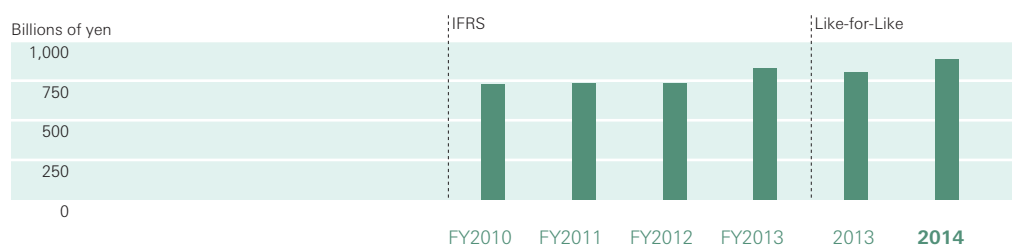
Revenue, operating profit, adjusted operating profit and profit attributable to owners of the parent company for January–December, 2014 would be disclosed in the Annual Report FY2014 ‘Financial Statements and Notes’, which would be audited; the same accounting methods were applied to both financial results of January–December, 2013 and 2014 but financial results of January–December, 2013 would not be audited.

Net Sales Excluding Excise Taxes/Revenue



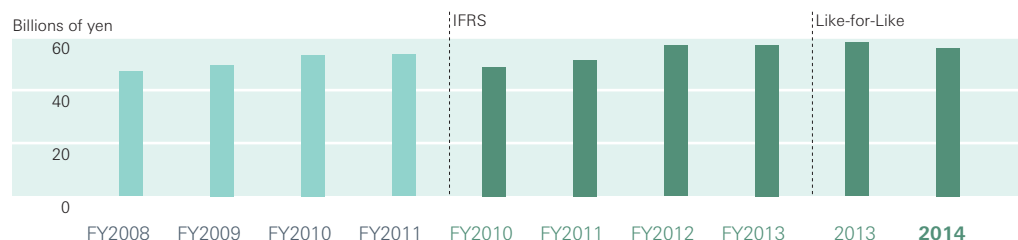
	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013	2013	2014
● Total	2,827.1	2,514.1	2,432.6	2,547.1	2,059.4	2,033.8	2,120.2	2,399.8	2,372.2	2,433.5
International Tobacco Business	1,243.3	1,039.1	963.5	966.3	963.5	966.3	1,010.7	1,270.0	1,270.0	1,328.0
Japanese Domestic Tobacco Business	1,070.3	1,016.7	1,027.9	1,147.5	665.8	646.2	687.1	710.3	690.5	685.9
Pharmaceutical Business	56.7	44.0	47.0	50.6	44.1	47.4	53.2	64.4	58.2	65.8
Food Business	435.9	394.6	375.0	367.0	367.5					
Beverage Business						188.8	185.5	184.5	183.8	181.3
Processed Food Business						170.7	168.7	156.9	157.2	161.2
Other Business	20.7	19.5	19.2	15.7	18.5	14.6	15.0	13.6	12.6	11.3
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	1,200.7	1,258.2
Japanese Domestic Tobacco Business	648.8	615.9	617.9	596.8	632.2	611.9	654.0	676.2	656.3	649.8

SG&A Expenses (IFRS)



	FY2010	FY2011	FY2012	FY2013	2013	2014
● SG&A	727.1	733.2	733.5	828.9	801.7	882.5
Advertising expenses	21.4	21.5	20.6	21.7	23.5	23.9
Promotion expenses	131.5	128.0	137.5	147.8	154.1	146.4
Shipping, warehousing expenses	28.0	27.9	27.1	27.1	26.7	27.8
Commission	42.2	41.0	41.2	49.3	49.1	52.6
Employee benefit expenses	231.2	235.1	241.5	275.8	271.2	353.5
Research and development expenses	48.9	51.5	56.9	57.1	58.0	56.0
Depreciation and amortization	61.7	58.5	59.1	68.8	68.1	71.7
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	—	—	—	9.7	—	—
Other	133.2	138.7	137.2	159.7	151.0	150.7

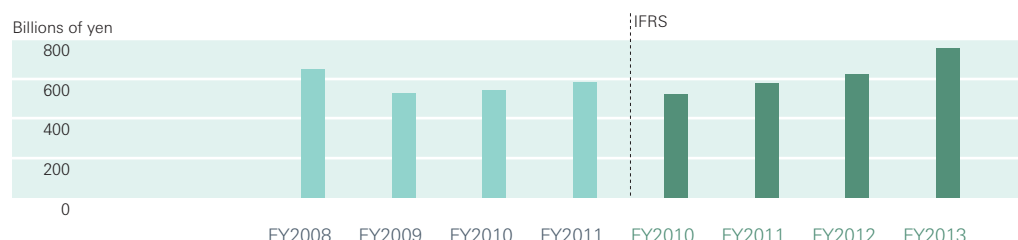
R&D Expenses



	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013	2013	2014
● R&D	47.2	49.6	53.3	53.6	48.9	51.5	56.9	57.1	58.0	56.0
International Tobacco Business	3.8	6.1	5.0	5.2	5.0	5.2	5.8	6.9	6.9	7.9
Japanese Domestic Tobacco Business	17.7	18.9	19.5	20.2	19.1	20.0	19.0	18.4	18.8	18.0
Pharmaceutical Business	23.8	23.1	27.2	26.7	23.4	24.9	30.7	30.5	30.9	28.9
Food Business	1.1	0.7	0.8	0.6	0.8	-	-	-	-	-
Beverage Business	-	-	-	-	-	-	-	-	-	-
Processed Food Business	-	-	-	-	-	0.6	0.6	0.6	0.6	0.5

Note: The aforementioned research and development expenses include 0.8 and 0.7 billion yen for 2013 and 2014, respectively (IFRS), relating to basic research not affiliated to any segment (plant biotechnology related research, etc.) and conducted by JT corporate division.

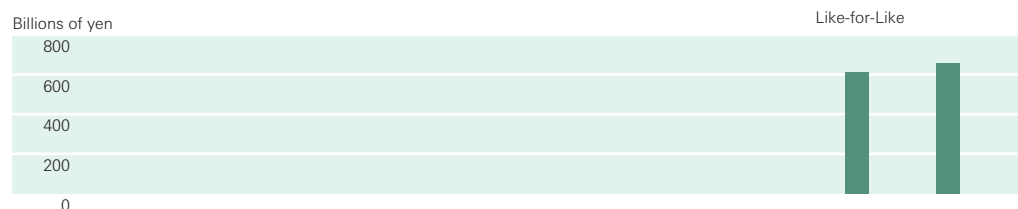
EBITDA/ Adjusted EBITDA



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

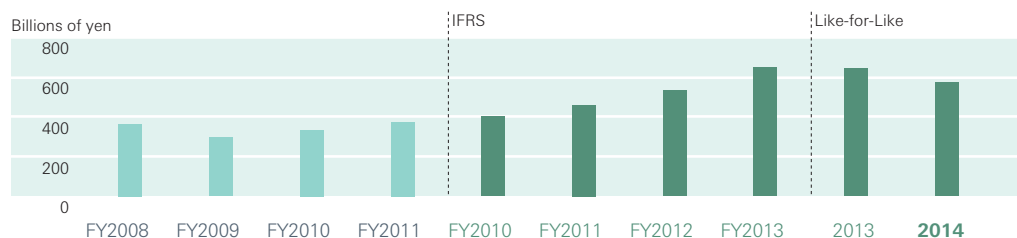
Note: From FY2010, "Other Business" means "Others/Elimination and corporate."

Adjusted Operating Profit (IFRS)



	2013	2014
● Adjusted Operating Profit	612.6	660.1
International Tobacco Business	410.8	447.1
Japanese Domestic Tobacco Business	234.6	238.7
Pharmaceutical Business	(13.7)	(7.3)
Food Business	-	-
Beverage Business	(2.1)	(0.5)
Processed Food Business	0.6	1.4
Other Business	(17.6)	(19.3)

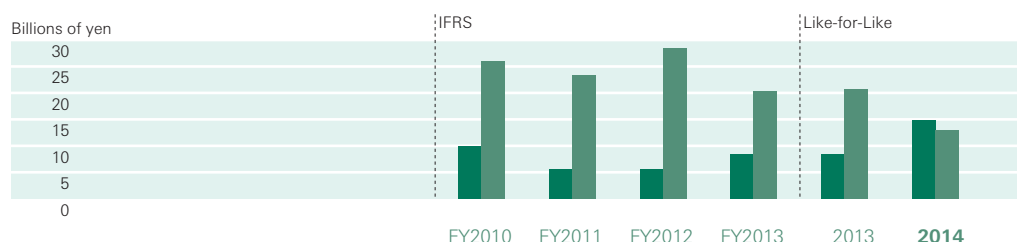
Operating Income/ Operating Profit



	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013	2013	2014
● Operating Income/Operating Profit	363.8	296.5	333.2	374.7	401.3	459.2	532.2	648.3	642.7	571.8
International Tobacco Business	174.7	136.9	164.1	185.3	225.9	252.4	289.4	376.4	376.4	379.5
Japanese Domestic Tobacco Business	188.2	198.7	212.9	229.6	202.3	209.3	241.3	258.1	235.6	181.5
Pharmaceutical Business	1.0	(13.5)	(17.4)	(16.1)	(13.3)	(13.5)	(16.2)	(9.0)	(13.7)	(7.3)
Food Business	(11.4)	(13.6)	(9.4)	(6.3)	(3.6)					
Beverage Business						4.5	2.3	(2.1)	(2.1)	(0.5)
Processed Food Business						(2.5)	(5.8)	(0.2)	0.7	(1.2)
Other Business	9.6	10.5	(16.9)	(17.9)	(9.9)	9.0	21.2	25.0	45.7	19.9

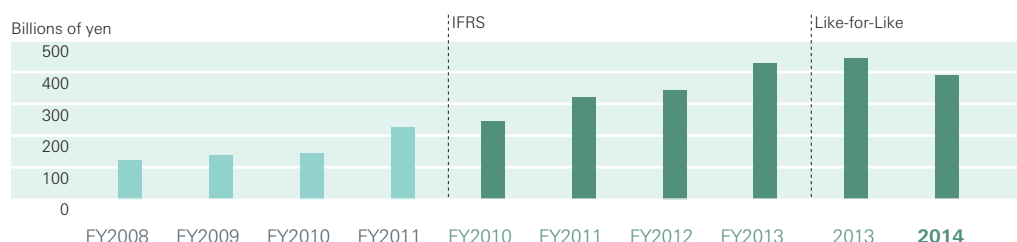
Note: From FY2010, "Other Business" means "Others/Elimination and corporate."

Financial Income and Expenses (IFRS)



	FY2010	FY2011	FY2012	FY2013	2013	2014
● Financial Income	9.9	5.6	5.5	8.4	8.4	14.8
● Financial Expenses	(25.9)	(23.4)	(28.4)	(20.4)	(20.6)	(13.0)

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

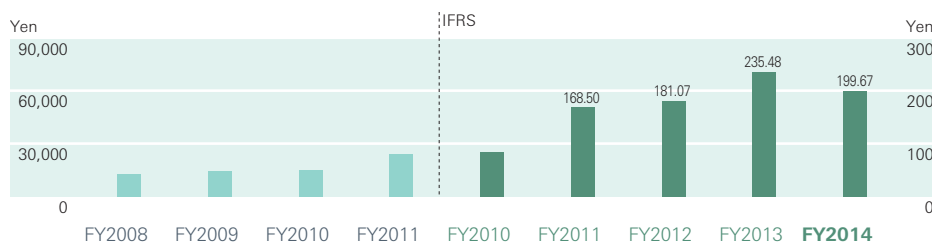


	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013	2013	2014
● Net Income/Profit (attributable to owners of the parent company)	123.4	138.4	145.4	227.4	243.3	320.9	343.6	428.0	443.0	389.1

FY2014, a transitional period for the change in accounting period, covers nine months from April 1, 2014 to December 31, 2014 for the Japanese domestic business. The same change in accounting period is applied to the Company's consolidated subsidiaries whose current closing date was other than December 31 (Reported basis).

For the purpose of fair comparison and reference, twelve-month (January 1–December 31) period of results with regard to all business segments would be disclosed for both 2013 and 2014 (Like-for-Like basis).

Earnings per Share (EPS)/ Basic Earning per Share



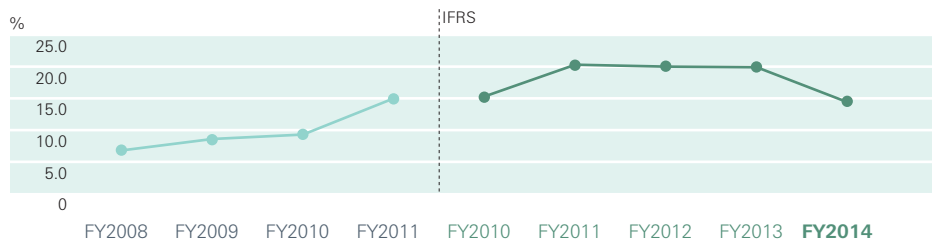
● EPS/Basic Earning per Share	12,880	14,451	15,184	23,883	25,414	168.50	181.07	235.48	199.67
● Diluted EPS	12,879	14,448	15,179	23,873	25,407	168.44	180.98	235.35	199.56

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).

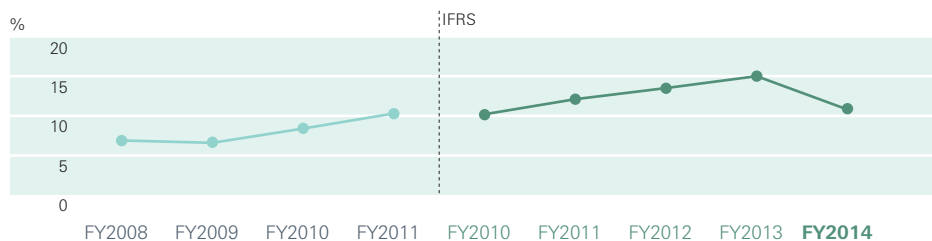
The IFRS figures for FY2011 and the following fiscal years refer to the right hand scale in the graph.

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



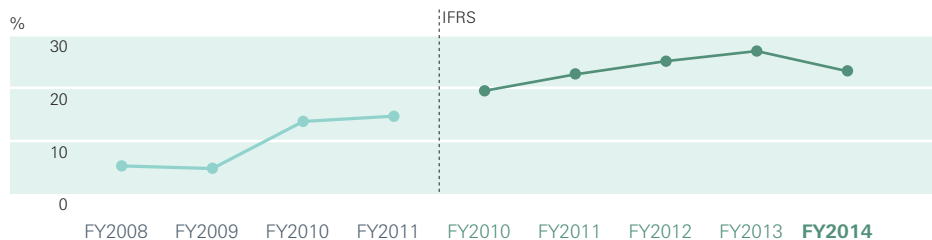
◆ ROE/ROE (attributable to owners of the parent company)	6.8	8.6	9.3	15.0	15.3	20.3	20.0	19.9	14.4
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Return on Assets (ROA)



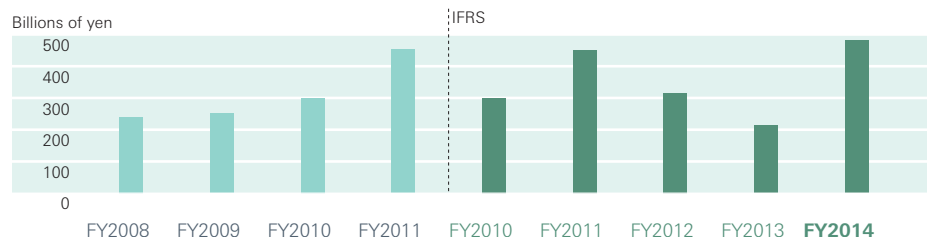
◆ ROA	6.9	6.6	8.4	10.3	10.2	12.1	13.5	15.0	10.8
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Operating Income Margin/ Operating Profit Margin



◆ Operating Income Margin/ Operating Profit Margin	5.3	4.8	13.7	14.7	19.5	22.6	25.1	27.0	23.2
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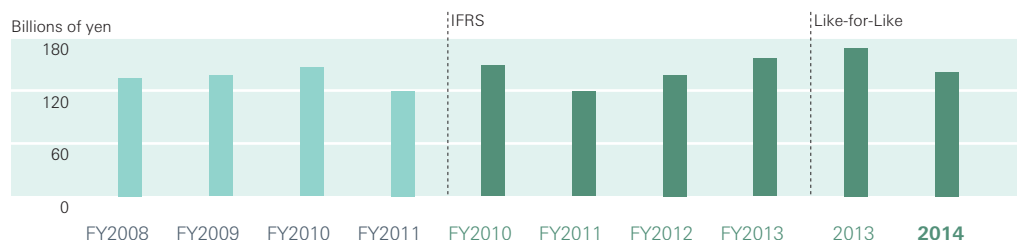
Free Cash Flow (FCF)



●● Free Cash Flow

FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013	FY2014
240.1	250.7	299.7	452.4	300.4	451.3	316.0	212.6	480.7

Capital Expenditure (CAPEX)

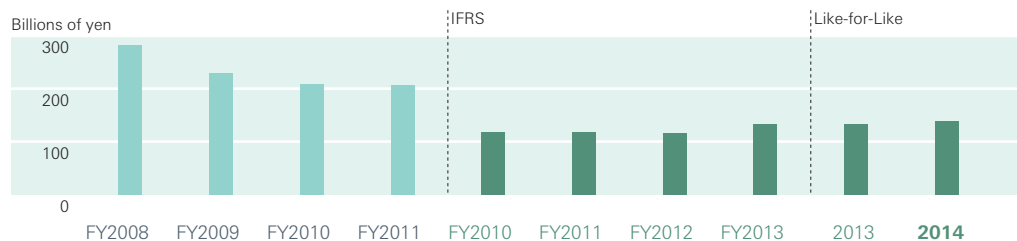


●● Capital Expenditure

International Tobacco Business	59.7	64.5	60.9	39.1	60.9	39.1	37.5	78.5	78.5	74.2
Japanese Domestic Tobacco Business	46.5	42.6	56.0	57.2	55.4	56.2	71.2	49.1	61.2	41.0
Pharmaceutical Business	3.4	2.6	2.9	2.9	6.2	3.9	5.8	3.9	3.5	4.7
Food Business	23.2	23.4	25.0	15.5	25.0					
Beverage Business						8.1	12.0	14.6	15.4	10.7
Processed Food Business						7.3	4.6	4.9	4.8	4.7
Other Business	1.1	0.3	1.2	4.7	0.9	4.3	6.3	5.1	5.1	5.5

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

Depreciation & Amortization

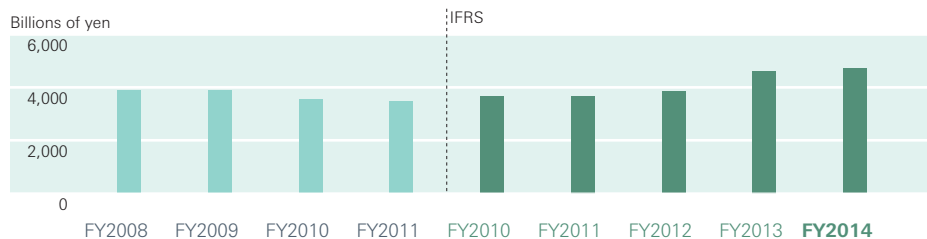


●● Depreciation & Amortization

International Tobacco Business	163.1	140.7	129.0	127.3	51.6	55.2	51.1	63.7	63.7	69.9
Japanese Domestic Tobacco Business	84.0	52.4	44.8	42.9	42.8	39.6	41.1	44.4	44.2	44.7
Pharmaceutical Business	3.8	3.9	4.1	3.8	3.5	3.5	3.4	3.6	3.6	4.2
Food Business	28.4	28.1	26.7	27.8	16.5					
Beverage Business						10.1	10.1	10.8	10.6	10.9
Processed Food Business						7.4	7.1	6.9	7.0	6.6
Other Business	3.4	2.7	4.8	4.6	3.5	3.1	3.6	3.5	3.5	3.1

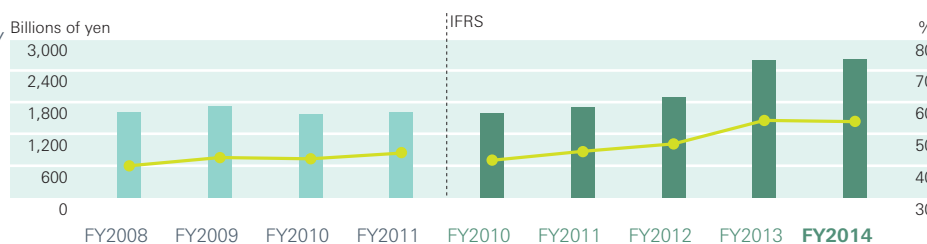
Note: From FY2010, "Other Business" means "Others/Elimination and corporate."

Total Assets



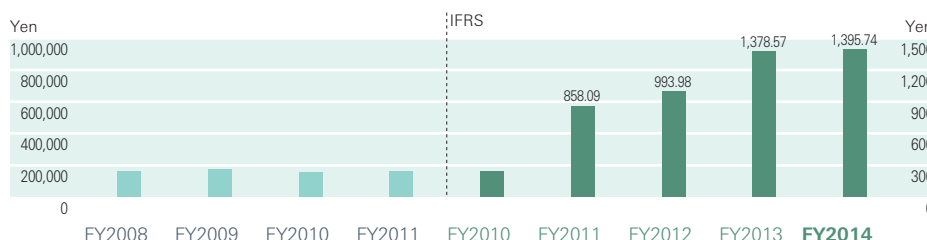
● Total Assets	3,879.8	3,872.5	3,544.1	3,472.6	3,655.2	3,667.0	3,852.6	4,616.8	4,704.7
Tobacco Business									
International Tobacco Business	2,700.0	2,765.9							
Japanese Domestic Tobacco Business	788.6	782.2							
Pharmaceutical Business	111.5	114.0							
Food Business	332.6	311.1							
Other Business	87.4	85.0							

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



● Total Equity	1,624.2	1,723.2	1,571.8	1,610.5	1,601.3	1,714.6	1,892.4	2,596.1	2,622.5
◆ Equity Ratio/Total Equity and Equity Ratio (attributable to owners of the parent company)	40.0	42.6	42.2	44.0	41.7	44.6	46.9	54.3	53.9

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

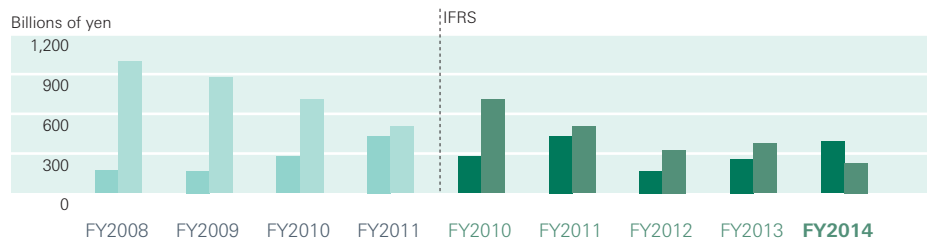


● BPS/Book Value per Share (attributable to owners of the parent company)	162,087	172,139	156,997	160,571	160,180	858.09	993.98	1,378.57	1,395.74
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Notes: A 200 for 1 stock split went into effect on July 1, 2012.

Calculated on the assumption that this share split was conducted at the beginning of FY2011 (April 1, 2011).
The IFRS figures for FY2011 and the following fiscal years refer to the right hand scale in the graph.

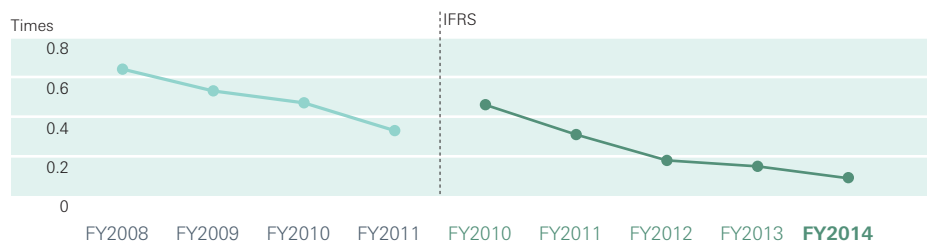
Liquidity and Interest-Bearing Debt



	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013	FY2014
● Liquidity	169.8	167.3	276.6	431.2	276.6	431.2	168.3	259.3	389.5
● Interest-Bearing Debt	996.0	874.3	708.7	505.2	709.1	502.4	327.2	375.9	228.2

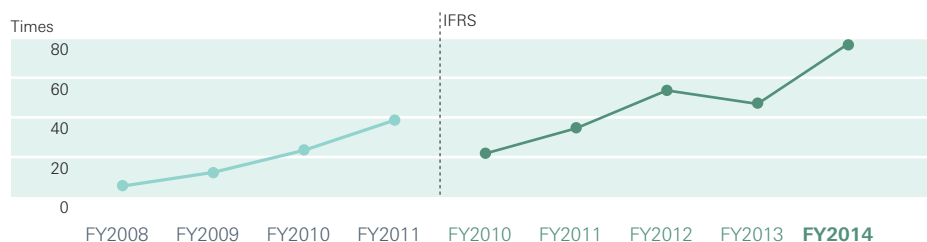
Note: Interest-Bearing Debt includes lease obligation from FY2010.

Debt/Equity Ratio



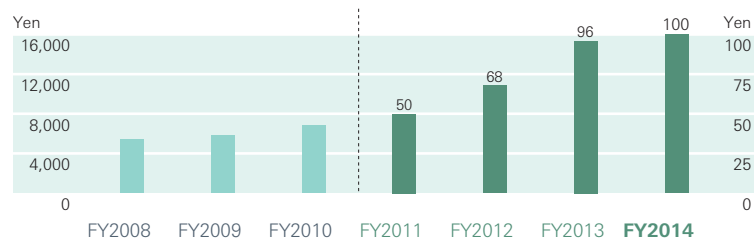
	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013	FY2014
◆ Debt/Equity Ratio	0.64	0.53	0.47	0.33	0.46	0.31	0.18	0.15	0.09

Interest Coverage Ratio



	FY2008	FY2009	FY2010	FY2011	FY2010	FY2011	FY2012	FY2013	FY2014
◆ Interest Coverage Ratio	5.4	12.3	23.4	38.6	21.8	34.5	53.6	46.8	77.1

Annual Dividends per Share



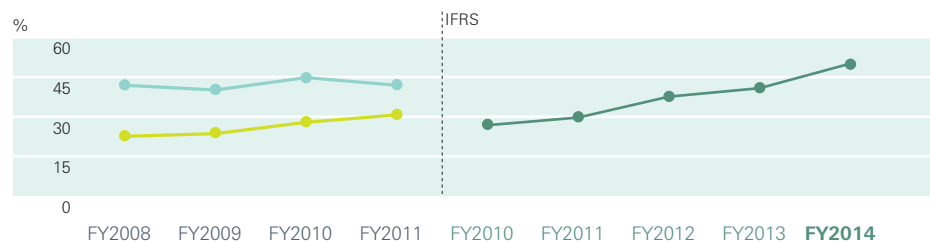
● Annual Dividends per Share	5,400	5,800	6,800	10,000	68	96	100
(Retrospectively Adjusted)	—	—	—	50			

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).

The IFRS figures for FY2011 and the following fiscal years refer to the right hand scale in the graph.

Dividend Payout Ratio on a Consolidated Basis



◆ Dividend Payout Ratio	41.9	40.1	44.8	41.9	26.8	29.7	37.6	40.8	50.1
◆ Goodwill Amortization Adjusted*	22.6	23.6	27.9	30.7					

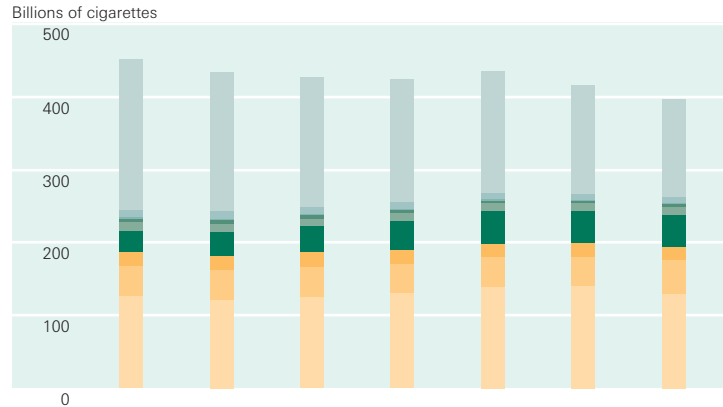
*Payout Ratio before goodwill amortization

International Tobacco Business

(Results for the 12 months ended December 31)

Tobacco Shipment Volume

(by Brand)

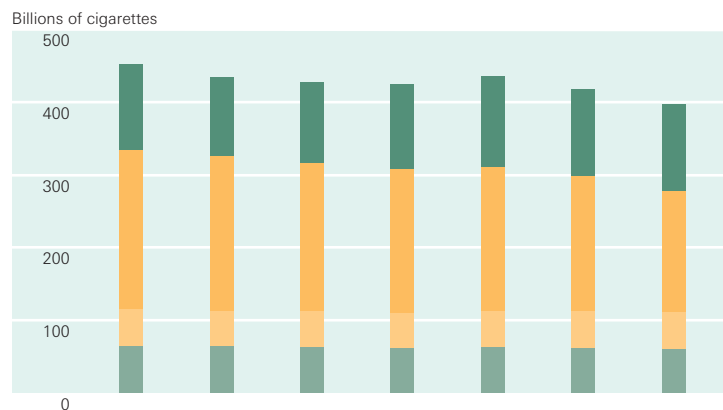


	2008	2009	2010	2011	2012	2013	2014
Total	452.3	434.9	428.4	425.7	436.5	417.5	398.0
GFB Total	245.5	243.4	249.8	256.5	268.8	267.5	262.2
Winston	126.4	121.2	125.0	130.7	139.4	141.0	129.6
Camel	42.3	41.6	42.2	40.5	40.7	39.7	46.4
Mild Seven/MEVIUS	18.8	18.2	19.3	18.9	18.9	18.3	17.8
LD	29.0	34.3	36.4	40.5	45.1	45.3	44.9
Benson & Hedges	11.2	10.7	10.7	10.6	10.3	9.9	10.9
Silk Cut	5.2	4.8	4.4	4.0	3.5	3.2	2.9
Sobranie	2.3	1.4	1.3	1.3	1.8	2.2	2.6
Glamour	10.3	11.1	10.7	10.0	9.1	7.9	7.2
Other Brands	206.8	191.5	178.6	169.2	167.7	150.0	135.8

Note: The figures were restated with the change of HVT conversion rate since 2013.

Tobacco Shipment Volume

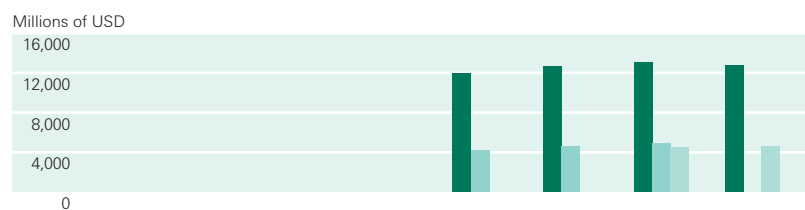
(by Cluster)



	2008	2009	2010	2011	2012	2013	2014
Total	452.3	434.9	428.4	425.7	436.5	417.5	398.0
South & West Europe	64.0	64.5	63.2	60.8	62.7	61.1	59.8
North & Central Europe	50.8	47.5	49.0	49.1	49.9	51.3	51.6
CIS+	219.7	214.6	203.6	197.8	197.4	185.2	165.7
Rest-of-the-World	117.7	108.4	112.7	118.0	126.5	119.9	120.8

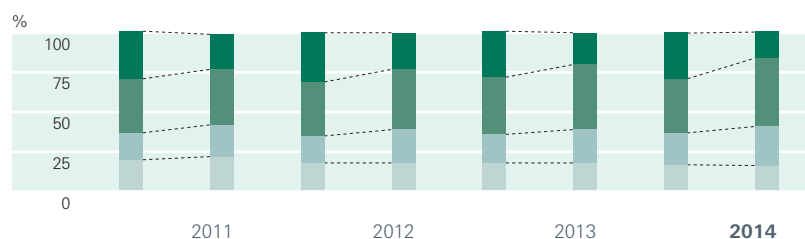
Note: The figures were restated with the change of HVT conversion rate since 2013.

Core Revenue & Adjusted EBITDA/ Adjusted Operating Profit



	2011	2012	2013	2014
● Core Revenue	11,211	11,817	12,273	11,911
● Adjusted EBITDA	3,944	4,300	4,623	-
● Adjusted Operating Profit			4,206	4,253

Cluster Split



	2011	2012	2013	2014
● South & West Europe	20	18	18	17
● North & Central Europe	17	17	18	20
● CIS+	34	34	36	34
● Rest-of-the-World	30	31	29	29

*EBITA based on US GAAP.

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

	2011	2012	2013	2014
France	16.0%	17.5%	20.0%	20.8%
Italy	20.5%	21.4%	21.6%	19.9%
Russia	37.1%	36.4%	36.3%	34.9%
Spain	20.2%	20.3%	21.0%	21.7%
Taiwan	38.1%	38.9%	39.4%	38.4%
Turkey	24.1%	26.3%	26.6%	29.0%
UK	38.3%	39.4%	40.8%	41.3%

Note: The figures were restated with the change of HVT conversion rate since 2013.
Source: Nielsen, Logista and IRI

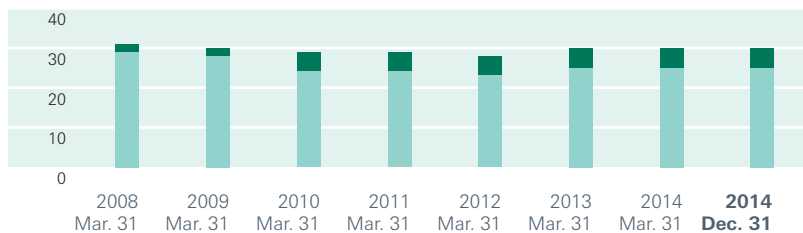
Tobacco Tax Structure (in Russia)

(RUB)	2013	2014	Change
Minimum Tax (ths. cg.)	730	1,040	42%
Ad valorem tax (to retail price) (%)	8%	8.5%	6%
Specific tax (ths. cg.)	550	800	45%
VAT (% of pre-VAT price)	18%	18%	0%

[To weighted average price per pack] (RUB)	2013	2014	Change
Weighted average retail price	42.62	54.54	28%
Ad valorem tax	3.41	4.64	36%
Specific tax	11.00	16.00	45%
VAT	6.50	8.32	28%
Weighted average retail price before tax	21.71	25.58	18%

Note: JTI estimates

Number of International Factories



	2008 Mar. 31	2009 Mar. 31	2010 Mar. 31	2011 Mar. 31	2012 Mar. 31	2013 Mar. 31	2014 Mar. 31	2014 Dec. 31
● International Cigarette and OTP Manufacturing Factories	29	28	24	24	23	25	25	25
● Other Tobacco-related Factories	2	2	5	5	5	5	5	5

International Tobacco Manufacturing-related Factory Location

(As of December 31, 2014)

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

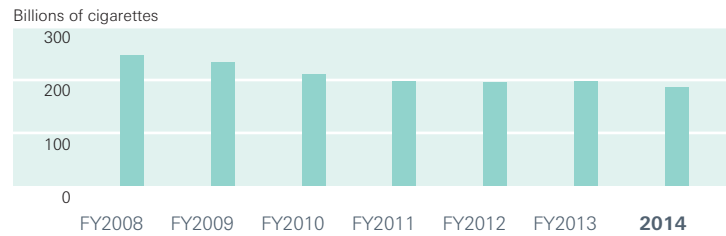


Japanese Domestic Tobacco Business

In this fiscal year, the Company has changed its fiscal year ends to December 31; before FY2014, the fiscal years were ended March 31.

As a Like-for-Like* basis, twelve-month (January 1 – December 31) results of Japanese domestic tobacco business would be disclosed for 2014.

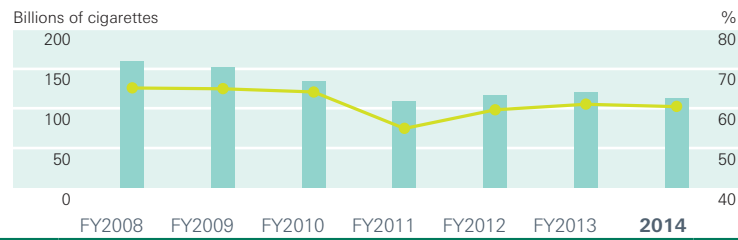
Total Domestic Market



● Total Domestic Market	245.8	233.8	210.2	197.5	195.1	196.9	186.2
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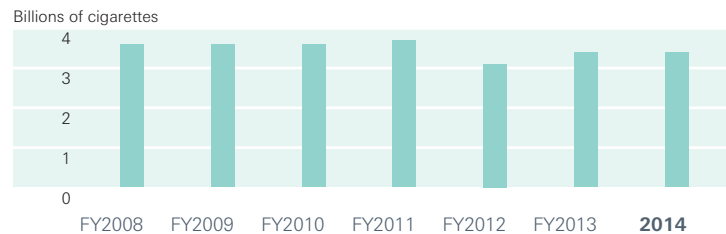
Source: Tobacco Institute of Japan

JT Sales Volume and JT Share



● JT Sales Volume	159.9	151.8	134.6	108.4	116.2	120.1	112.4
◆ JT Share	65.1	64.9	64.1	54.9	59.6	61.0	60.4

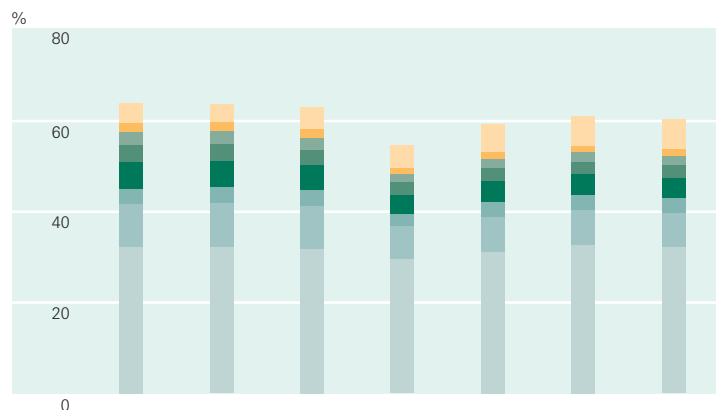
Sales Volume of China Division and Domestic Duty-Free



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

Market Share by JT Brand Family



	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	2014
● Mild Seven/MEVIUS	32.3	32.1	31.8	29.5	31.2	32.7	32.1
● Seven Stars*1	9.4	9.9	9.4	7.4	7.7	7.7	7.7
● Pianissimo*2	3.3	3.4	3.6	2.6	3.2	3.1	3.1
● Caster	5.9	5.7	5.4	4.2	4.6	4.7	4.6
● Cabin	3.8	3.9	3.5	2.7	2.9	2.8	2.8
● Peace	2.8	2.7	2.5	1.8	2.0	2.0	2.0
● Hope	2.0	2.0	1.9	1.4	1.5	1.5	1.5
● Other Brands	4.4	4.1	5.0	5.1	6.3	6.5	6.6

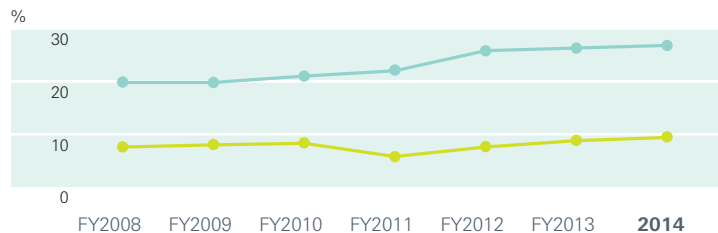
*1 Retrospective of figures for "Alaska," which was integrated into the Seven Stars family in October 2011.

*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 (Jan-Dec, 2014)

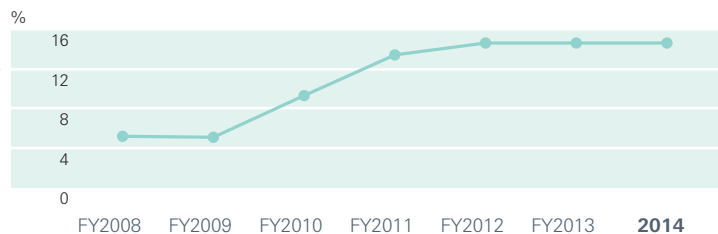
Product	Brand Owner	Share (%)
1 Seven Stars	JT	4.0
2 Mevius One 100's Box	JT	3.3
3 Mevius Super Lights	JT	3.2
4 Mevius Lights	JT	2.5
5 Mevius Extra Lights	JT	2.4
6 Mevius	JT	2.3
7 Wakaba	JT	2.3
8 Echo	JT	2.2
9 Marlboro Lights Menthol Box	PMI	2.0
10 Seven Stars Box	JT	1.9
11 Mevius Super Lights 100's Box	JT	1.7
12 Caster Mild	JT	1.5
13 Mevius Extra Lights 100's Box	JT	1.5
14 Kent 1 100's Box	BAT	1.5
15 Marlboro KS Box	PMI	1.4
16 Caster One 100's Box	JT	1.4
17 Mevius Extra Lights Box	JT	1.4
18 Mevius One	JT	1.3
19 Cabin Mild Box	JT	1.2
20 Marlboro Gold Original Box	PMI	1.1

Menthol Products Market Share



	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	2014
◆ Menthol Products	19.8	19.8	21.0	22.0	25.8	26.3	26.8
◆ Menthol JT Products	7.6	8.0	8.3	5.8	7.6	8.8	9.4

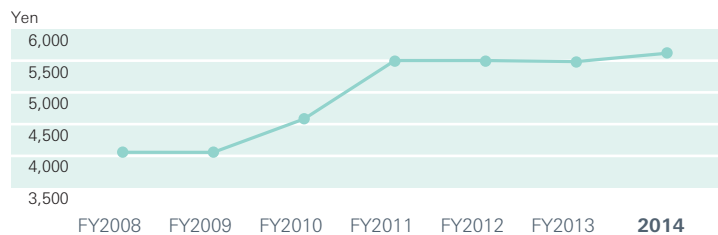
Products Priced at ¥450 or more per pack Market Share



	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	2014
◆ JT Products Priced at ¥450 or more per pack*	5.2	5.1	9.3	13.4	14.6	14.6	14.6

* Jul. 2006 ~ Sep. 2010: ¥320 or more, Oct. 2010 ~ Mar. 2014: ¥440 or more

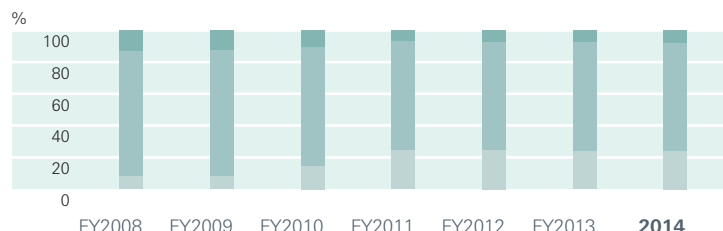
JT Net Sales per Thousand Cigarettes/Revenue per Thousand Cigarettes



	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	2014
◆ JT Net Sales Per Thousand Cigarettes/Revenue per Thousand Cigarettes	4,057	4,056	4,582	5,502	5,502	5,485	5,617

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



	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	2014
● Products Priced at ¥450 or more per pack* ¹	8.0	7.9	14.7	24.3	24.6	23.9	24.0
● Products Priced at ¥420~¥440 per pack* ²	79.2	79.5	74.6	69.1	68.1	68.7	68.0
● Products Priced at ¥410 or less per pack* ³	12.8	12.6	10.7	6.6	7.3	7.4	7.9

*1 Jul. 2006 ~ Sep. 2010: ¥320 or more, Oct. 2010 ~ Mar. 2014: ¥440 or more

*2 Jul. 2006 ~ Sep. 2010: ¥300, Oct. 2010 ~ Mar. 2014: ¥410

*3 Jul. 2006 ~ Sep. 2010: ¥290 or less, Oct. 2010 ~ Mar. 2014: ¥400 or less

New Product Launches and Sales Area Expansion

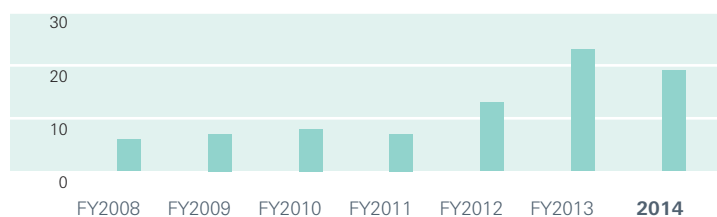
2014 (19 products)

(Menthol: 4 products, Tar 1mg: 2 products, Products at ¥450 or more per pack: 13 products)

Date	Product	Menthol	Tar (mg)	Nicotine (mg)	Price*	Sales Region
Jan. 14	Pianissimo Icene Spike	○	6	0.5	450	Nationwide
Feb. 14	MEVIUS Control One		1	0.1	460	Fukuoka, Nagasaki and Saga
Apr. 14	HOPE Dry Gold (10 cigarettes per pack)		12	1	230	Nationwide
Apr. 14	HOPE Sour Red (10 cigarettes per pack)		8	0.7	230	Nationwide
Apr. 14	Seven Star Menthol Box 5	○	5	0.5	460	Nationwide
Apr. 14	Seven Star Menthol Box 8	○	8	0.7	460	Nationwide
Apr. 14	Seven Star Menthol Box 12	○	12	0.9	460	Nationwide
Jul. 14	Seven Star 1		1	0.1	460	Nationwide
Jul. 14	Seven Star 4		4	0.4	460	Nationwide
Jul. 14	Seven Star 7		7	0.6	460	Nationwide
Jul. 14	Seven Star 10		10	0.8	460	Nationwide
Sep. 14	Peace Aroma Royal 100's Box		10	1	500	Nationwide
Sep. 14	Peace Aroma Crown 100's Box		6	0.6	500	Nationwide
Nov. 14	HOPE Hot Black (10 cigarettes per pack)		9	0.8	230	Nationwide
Nov. 14	HOPE Passion Yellow (10 cigarettes per pack)		6	0.5	230	Nationwide
Dec. 14	Cabin Gold Wild 8 Box		8	0.7	440	Nationwide
Dec. 14	Caster Gold Silk 6 Box		6	0.6	440	Nationwide
Dec. 14	Camel Natural Box		10	0.8	450	Tokyo, Kanagawa, Osaka
Dec. 14	Camel Natural Lights Box		6	0.6	450	Tokyo, Kanagawa, Osaka

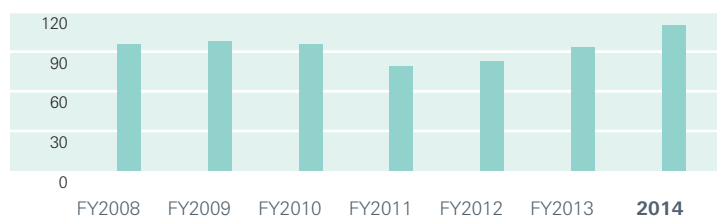
*Prices as of December 31, 2014.

Number of New Product Launches



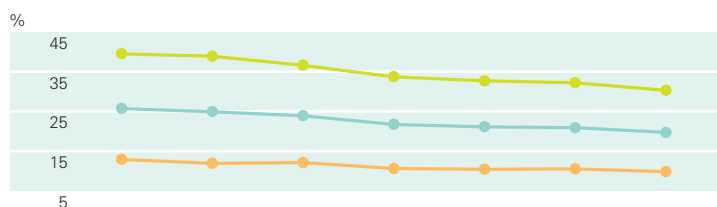
● Number of New Products Launches

Number of JT Cigarette Products



● Number of JT Cigarette Products

Smoking Rate (by gender)



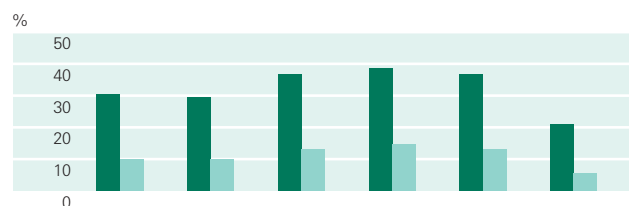
(At the time of survey)

(At the time of survey)	2008	2009	2010	2011	2012	2013	2014
● All Adults	25.7	24.9	23.9	21.7	21.1	20.9	19.7
● Male	39.5	38.9	36.6	33.7	32.7	32.2	30.3
● Female	12.9	11.9	12.1	10.6	10.4	10.5	9.8

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 2014)

(Survey in 2014)	Total	20s	30s	40s	50s	over-60s
● Male	30.3	29.4	36.6	38.5	36.6	21.1
● Female	9.8	10.0	13.0	14.8	13.1	5.6

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

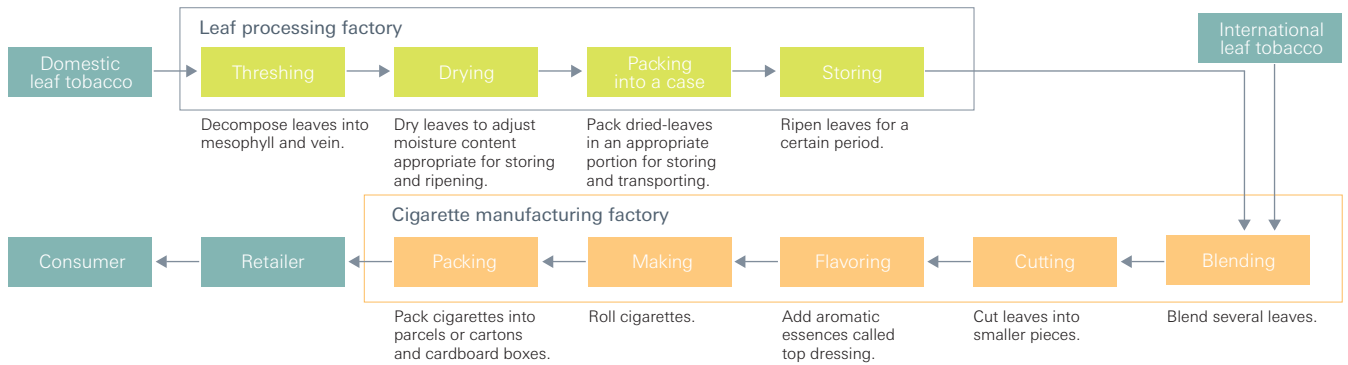
Item	Tobacco Consumption Tax				Tobacco Excise Tax							
	Apr-1985		May-1986		Apr-1989	Apr-1997	Dec-1998	May-1999	Jul-2003	Jul-2006	Oct-2010	Apr-2014
	Ad valorem (%)	Specific (¥/1,000 units)	Ad valorem* (%)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 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	<ul style="list-style-type: none"> Tobacco Consumption Tax was introduced *¥1,000 was deducted from tax base for Ad valorem Tobacco Consumption Tax was increased 				<ul style="list-style-type: none"> Consumption Tax was introduced Tobacco Consumption Tax was renamed Tobacco Excise Tax 	<ul style="list-style-type: none"> Consumption Tax was increased 	<ul style="list-style-type: none"> National Tobacco Special Excise Tax was introduced 	<ul style="list-style-type: none"> Review of budget allocations in line with a revision of laws 	<ul style="list-style-type: none"> Tobacco Excise Tax was increased 	<ul style="list-style-type: none"> Tobacco Excise Tax was increased 	<ul style="list-style-type: none"> Tobacco Excise Tax was increased 	<ul style="list-style-type: none"> 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

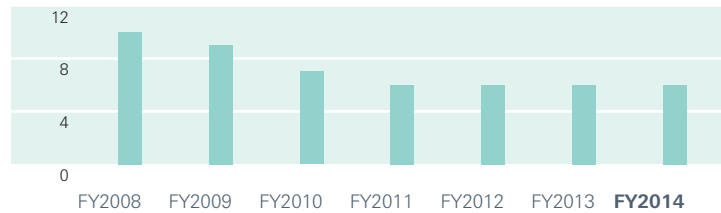
(As of April 1, 2014)

	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%	} Retail price sales
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



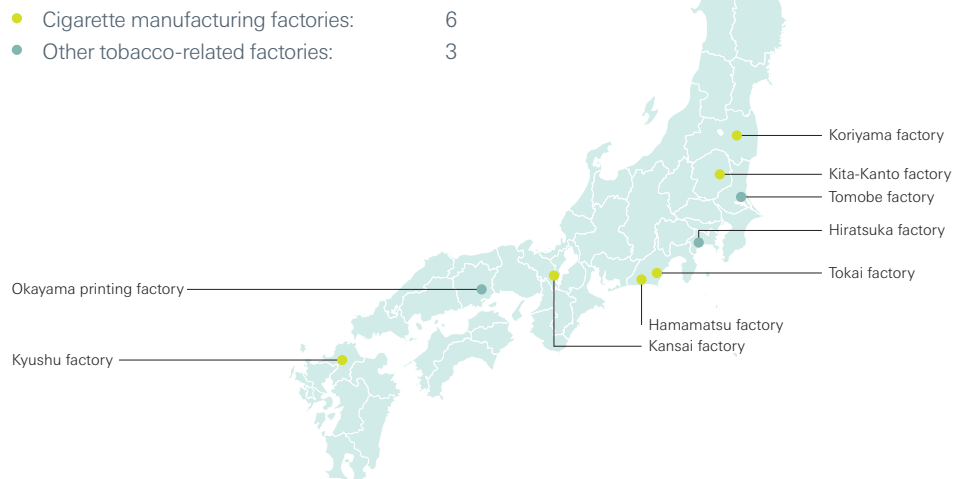
Number of Domestic Cigarette Manufacturing Factories



● Domestic Cigarette Manufacturing Factories

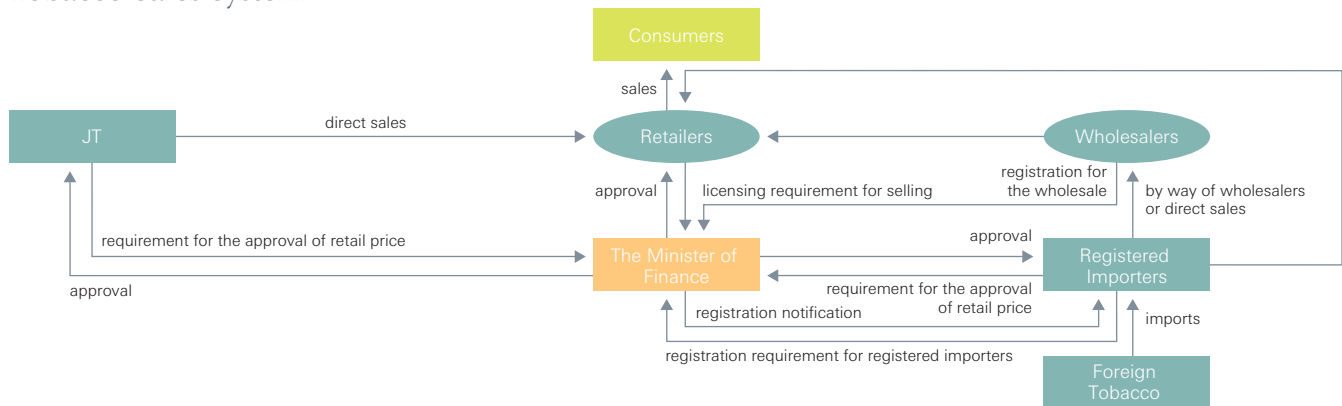
Tobacco Manufacturing-related Factory Location

(As of December 31, 2014)

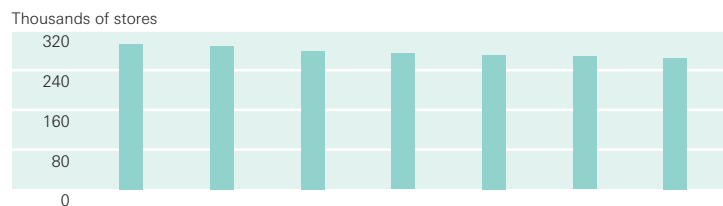


Note: Hamamatsu factory, Koriyama factory and Okayama printing factory are planned to be closed on March 31, 2015; Hiratsuka factory is planned to be closed on March 31, 2016.

Tobacco Sales System



Number of Tobacco Retailers

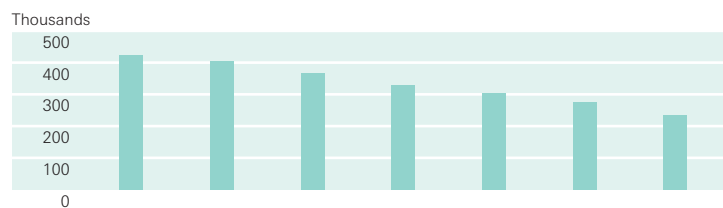


(As of March 31)

	2009	2010	2011	2012	2013	2014	2015
● Tobacco Retailers	293	289	279	274	271	268	265

Source: Ministry of Finance

Number of Tobacco Vending Machines



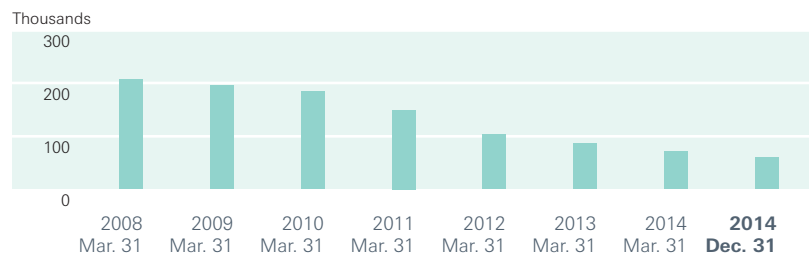
(As of December 31)

	2008	2009	2010	2011	2012	2013	2014
● Total Tobacco Vending Machines	424	405	367	328	304	275	234

Source: Japan Vending Machine Manufacturers Association

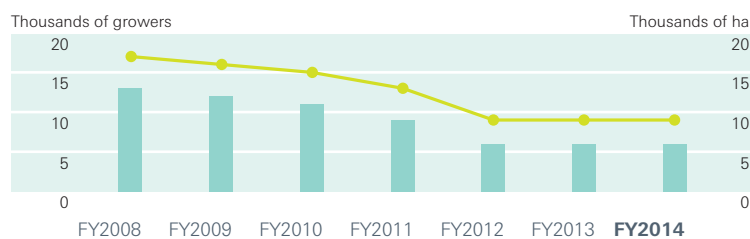
Number of Tobacco Vending Machines

(JT Tobacco Vending Machines)



● JT Tobacco Vending Machines

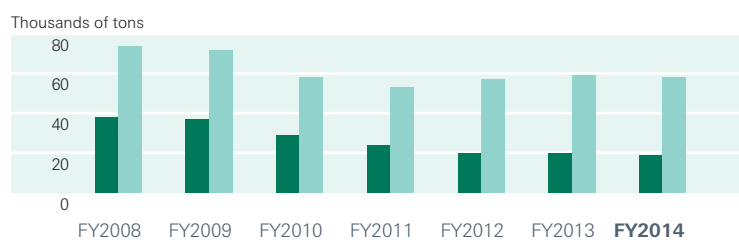
Number of Domestic Tobacco Growers and Area under Domestic Leaf Tobacco Cultivation



● Number of Domestic Tobacco Growers

◆ Area under Domestic Leaf Tobacco Cultivation

Volume of Domestic and International Leaf Tobacco Purchase

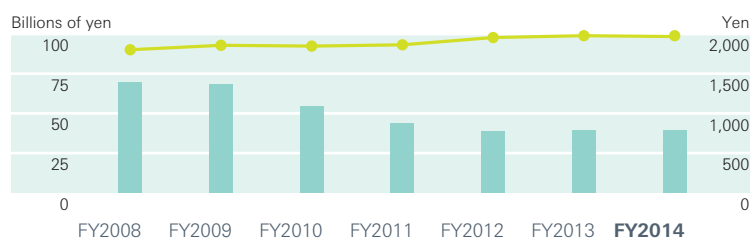


● Domestic

● International

*Results of January – December.

Value of Domestic Leaf Tobacco Purchase and Price per 1 kg

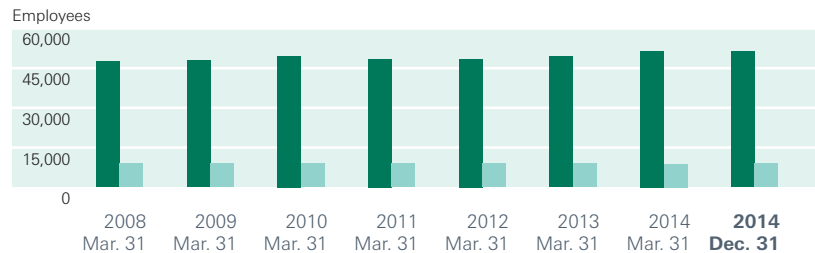


● Amount

◆ Price per 1 kg

Number of Employees / Subsidiaries and Affiliates

Number of Employees



	2008 Mar. 31	2009 Mar. 31	2010 Mar. 31	2011 Mar. 31	2012 Mar. 31	2013 Mar. 31	2014 Mar. 31	2014 Dec. 31
● Total	47,459	47,977	49,665	48,472	48,529	49,507	51,563	51,341
Tobacco Business								
International	22,324	23,227	24,751	23,902	24,237	24,397	26,731	25,829
Japanese Domestic	11,548	11,281	11,282	11,191	11,092	11,043	11,022	11,648
Pharmaceutical Business	1,569	1,616	1,634	1,664	1,693	1,744	1,787	1,840
Food Business	11,169	10,975	11,143	10,864	10,646			
Beverage Business						4,912	5,035	5,122
Processed Food Business						6,563	6,096	5,968
Other Business	441	429	352	—	—	—	—	—
Corporate	408	449	503	851	861	848	892	934

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

	2008 Mar. 31	2009 Mar. 31	2010 Mar. 31	2011 Mar. 31	2012 Mar. 31	2013 Mar. 31	2014 Mar. 31	2014 Dec. 31
● Number of Employees (parent company)	8,999	8,908	8,961	8,928	8,936	8,925	8,774	8,915
Number of Employees Based on Enrollment (parent company)	10,010	9,973	9,883	9,842	9,824	9,782	9,628	9,804

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 December 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)
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 Holdings Co., Ltd.	Chuo-ku, Tokyo	47,503	Processed food	100
TableMark Co., Ltd.	Chuo-ku, Tokyo	22,500	Processed food	100 (100)

Notes: In addition to the above, JT has 195 consolidated subsidiaries and 12 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

FY2014 (Reported basis)	Results of twelve-month period from January 1 to December 31, 2014 for the international business and results of nine-month period from April 1 to December 31, 2014 for the Japanese domestic businesses.
Like-for-Like (L-f-L) basis	For the purpose of fair comparison of business performance, results of twelve-month period with regard to all business segments from January 1 to December 31, 2014, in comparison to results of twelve-month period from January 1 to December 31, 2013, were disclosed for reference.
Adjusted Net Sales Excluding Excise Taxes	Excludes the imported tobacco, domestic duty free, the China Division and other peripheral businesses in the Japanese domestic tobacco business. Excludes the distribution, contract manufacturing and other peripheral businesses in the international tobacco business.
Core Revenue	Excludes revenue from distribution of imported tobacco in the Japanese Domestic Tobacco Business, among others. Includes revenue from waterpipe tobacco products and emerging products, but excludes revenues from distribution, contract manufacturing and other peripheral businesses in the International Tobacco Business.
EBITDA	Operating income + depreciation and amortization
Adjusted EBITDA	Operating profit + depreciation and amortization + adjustment items (income and costs)* *Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
Adjusted Operating Profit	Operating profit + amortization of acquired intangibles + adjustment items (income and costs)* *Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
ROA	JGAAP: $ROA = (\text{Ordinary income}) / \text{Total assets}$ [average of beginning and ending balance for the period] IFRS: $ROA = (\text{Profit before income taxes}) / \text{Total assets}$ [average of beginning and ending balance for the period]
FCF	The total of cash flows from operating activities and investing activities excluding the following items: 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).
Depreciation & Amortization	JGAAP: Depreciation of Tangible Fixed Assets + Amortization of Intangible Fixed Assets + Amortization of Long-Term Prepaid Expenses + Amortization of Goodwill IFRS: depreciation of tangible fixed assets + amortization of intangible fixed assets
Liquidity	Cash and deposits + Marketable securities + Securities purchased under repurchase agreements
Interest-Bearing Debt	Short-term bank loans + CP + bonds + long-term borrowings + lease obligation Interest-Bearing Debt includes lease obligation from FY2008.
Interest Coverage Ratio	JGAAP: Interest Coverage Ratio = Cash flow from operating activities / Interest expenses* IFRS: Interest Coverage Ratio = Cash flow from operating activities / Interest paid** * Amount on Income Statement ** Amount on Cash Flow Statement
Total Shipment Volume (International Tobacco Business)	Includes fine cut, cigars, pipe tobacco and snus but excludes contract manufactured products, waterpipe tobacco products and emerging products. In FY2007, cigars, pipe and snus were not included in total shipment volume.
GFB (Global Flagship Brand) (International Tobacco Business)	GFB after FY2006: Winston, Camel, Mild Seven/MEVIUS, LD, Benson & Hedges, Silk Cut, Sobranie, Glamour