JAPAN TOBACCO INC.
2-1, Toranomon 2-chome, Minato-ku
Tokyo 105-8422 JAPAN
Phone:03-3582-3111

FOR IMMEDIATE RELEASE Tokyo, October 30, 2012

JT's Consolidated Financial Results for the 6 months ended September 30, 2012

- **Growth in revenue and profit, driven by top line growth in the tobacco businesses.**
- **Full year forecast for adjusted EBITDA at constant rates of exchange revised upward, due to strong performance in the international tobacco business. The profit forecast remains unchanged amid unfavorable exchange rates.**

Results for the 6 months (prepared according to IFRS)

- **Revenue** and **Adjusted EBITDA**[1] increased 6.0% and 15.1% respectively, due to strong pricing and higher total and GFB volumes in the international tobacco business as well as higher volume in the Japanese domestic tobacco business. **Adjusted EBITDA at constant rates of exchange** increased 23.4%. **Profit attributable to owners of the parent**[2] increased 17.5%.

- **International Tobacco Business:** An increase in core revenue[3] and adjusted EBITDA of 6.6% and 9.6% respectively in US dollars contributed to another robust performance. This was due to strong pricing and total shipment volume growth driven by GFBs[4], despite unfavorable US dollar exchange rates of local currencies.

- **Japanese Domestic Tobacco Business:** Core revenue[5] and total sales volume[6] increased 16.8% and 17.0% respectively in comparison to the prior fiscal year which was affected by the March 2011 earthquake. This growth was driven by a number of product, packaging and sales initiatives to regain market share. Adjusted EBITDA grew 24.4%, due to the increase in sales volume and the absence of earthquake related costs. The Company's initiatives aimed at strengthening brand equity partly offset this growth.

Forecast for the fiscal year ending March 31, 2013

As a result of the strong momentum of the international tobacco business, the Company revised the adjusted EBITDA forecast at constant rates of exchange to grow 11.2% year on year to ¥642.0 billion. This growth momentum is offset by negative currency effects. Revenue, after the currency impact, is now forecast to grow 2.9% year on year. The forecast for profit attributable to owners of the parent remains unchanged.

Mitsuomi Koizumi, President and Chief Executive Officer of JT, commented:

"Our tobacco businesses once again achieved strong results. Internationally, we have achieved both GFB and total volume growth, in spite of the challenging environment, notably in Western Europe, affecting industry volume. In Japan, we have been steadily recovering our market share over a short period post-earthquake through marketing efforts to strengthen brand equity.

We will continue to prioritize business investments for sustainable future growth, as shown by our initiative to evolve Mild Seven to Mevius to strengthen brand equity and our global presence."

Consolidated Financial Results (prepared according to IFRS)

Unit: Billions of Yen

	Apr-Sep 2011 (A)	Apr-Sep 2012 (B)	Difference (B)-(A)	Net Change (%)
Revenue	997.7	1,057.4	59.7	6.0
Adjusted EBITDA[1]	285.9	329.1	43.1	15.1
Operating profit	211.6	265.6	54.0	25.5
Profit attributable to owners of the parent[2]	143.6	168.8	25.1	17.5

At constant rates of exchange:

Adjusted EBITDA	285.9	353.0	67.0	23.4

- **Revenue**
  Revenue grew 6.0% driven by top line growth in the tobacco businesses. Growth in the international tobacco business was led by strong pricing and a volume increase in total shipments as a result of GFB volume growth. Sales volume increased in the Japanese domestic tobacco business due to comparison with the earthquake-affected prior year. A number of product, packaging and sales initiatives were undertaken to regain market share.

- **Adjusted EBITDA**
  Adjusted EBITDA increased 15.1% as a result of top line growth of the tobacco businesses and the absence of earthquake related costs this fiscal year in the Japanese domestic tobacco business. At constant rates of exchange, adjusted EBITDA increased 23.4%.

- **Profit Attributable to Owners of the Parent**
  Profit attributable to owners of the parent grew 17.5% due to increased adjusted EBITDA.

Results by Business Segment (prepared according to IFRS)

➢ International Tobacco Business (Financial results for January 1 – June 30, 2012)

Units: Billions of Cigarettes, Billions of Yen

	Jan-Jun 2011	Jan-Jun 2012	Net change (%)
Total shipment volume[7]	204.9	212.4	3.7
GFB[4] shipment volume	122.0	130.8	7.2
Core revenue[3]	440.6	457.0	3.7
Adjusted EBITDA[1]	162.3	172.9	6.6

Core revenue and adjusted EBITDA grew 6.6% and 9.6% respectively in US dollars, due to strong pricing and total shipment volume growth driven by GFBs, despite unfavorable US dollar exchange rates of local currencies. At constant rates of exchange, core revenue and adjusted EBITDA grew 13.4% and 21.3% respectively. Core revenue and adjusted EBITDA in Japanese Yen increased 3.7% and 6.6% respectively, because of the strong appreciation of the currency against the US dollar.

GFB shipment volume grew 7.2% to 130.8 billion cigarettes, driven by Russia, Spain, Italy and Turkey. Total shipment volume grew 3.7% to 212.4 billion cigarettes, due to GFB momentum, the acquisition of Haggar Cigarette & Tobacco Factory Ltd. (HCTF)[8] and favorable comparison with last year mainly in Spain and Italy, primarily as a result of trade inventory movements in the January – March period.

➢ Japanese Domestic Tobacco Business

Units: Billions of Cigarettes, Billions of Yen

	Apr-Sep 2011	Apr-Sep 2012	Net change (%)
Total sales volume[6]	50.9	59.6	17.0
Core revenue[5]	287.0	335.0	16.8
Adjusted EBITDA[1]	124.0	154.2	24.4

Core revenue grew 16.8% driven by an increase of 17.0% in sales volume compared with the prior fiscal year, when shipments were limited and the number of products available was reduced following the earthquake. Market share was regained over a short period thereafter, led by a number of product, packaging and sales initiatives to strengthen brand equity, steadily recovering to 59.4% for April – June and 59.7% for July – September, 2012 (FY2011: 54.9%).

With active investment to strengthen brand equity and a greater presence around the world, Mild Seven, the best selling brand in Japan since 1978, will have a new brand name, Mevius, in February 2013, preceded by a unified global design in November 2012.

Adjusted EBITDA grew 24.4% as a result of higher sales volume and the absence of earthquake related costs this fiscal year. This growth was partly offset by an increase in costs as the Company made active investments in strengthening brand equity.

➢ Pharmaceutical Business

Currently, JT has eight compounds in clinical trials with the following highlights of late phase clinical trials:

- JTK-303 (HIV infection): US FDA approval of a single tablet regimen containing JTK-303 was obtained by a JT partner[9] in August, 2012. The drug is now marketed as Stribild™ in the US. In Japan, JT aims to submit an NDA (new drug application) for the single-tablet regimen this fiscal year.
- MEK inhibitor (Melanoma): an NDA for this drug to treat melanoma (a type of skin cancer) was filed at the US FDA in August, 2012 by a JT partner[10].
- JTT-751 (Hyperphosphatemia): JT aims to submit an NDA in Japan for the drug licensed from a JT partner this fiscal year, following one of the Phase 3 studies achieving the primary endpoint[11].
- TO-194SL (Cedar pollinosis): Torii Pharmaceutical Co., Ltd. aims to submit an NDA in Japan for this sublingual immunotherapy drug this fiscal year, following a Phase 3 study which has achieved the primary endpoint, as announced by Torii[12].

Unit: Billions of Yen

	Apr-Sep 2011 (A)	Apr-Sep 2012 (B)	Difference (B) – (A)
Revenue	22.8	26.5	3.7
Adjusted EBITDA[1]	-5.6	-6.1	-0.5

Revenue increased to ¥26.5 billion, primarily as a result of Torii Pharmaceutical's performance, including sales growth of REMITCH® CAPSULES, an anti-pruritus drug for hemodialysis patients, and an anti-HIV drug, Truvada® Combination Tab. The growth was also driven by milestone revenue related to progress in R&D of an original JT compound that has been out-licensed. Adjusted EBITDA was -¥6.1 billion primarily due to an increase in R&D expenditure, reflecting progress in product development.

➢ Beverage Business[13]

Unit: Billions of Yen

	Apr-Sep 2011 (A)	Apr-Sep 2012 (B)	Difference (B) – (A)
Revenue	99.4	98.2	-1.2
Adjusted EBITDA[1]	7.9	7.3	-0.5

In comparison to the prior fiscal year which was affected by a one-off sales increase following the earthquake, revenue declined ¥1.2 billion. Adjusted EBITDA declined ¥0.5 billion as a result of lower revenue. The Company continues to focus on strengthening the brand equity and marketing effort of the flagship coffee brand "Roots", as shown by "Roots Premium Latte" which was jointly developed with Seven-Eleven Japan Co., Ltd.

➢ Processed Food Business[13]

Unit: Billions of Yen

	Apr-Sep 2011 (A)	Apr-Sep 2012 (B)	Difference (B) – (A)
Revenue	84.3	83.9	-0.4
Adjusted EBITDA[1]	-0.4	2.7	3.1

Adjusted EBITDA increased ¥3.1 billion because of the absence of costs which were allocated in the prior fiscal year. The increase was partly offset by higher raw material costs. As a result of the closure of the processed fishery products business with the aim of improving profitability, revenue decreased ¥0.4 billion.

Consolidated Forecast for the Fiscal Year Ending March 31, 2013 (Prepared according to IFRS)

Due to the strong momentum of the international tobacco business, the Company has revised the adjusted EBITDA forecast at constant rates of exchange to grow 11.2% year on year to ¥642.0 billion. This growth momentum, as shown by upward volume forecast revisions in the tobacco businesses, is offset by unfavourable exchange rates, due to appreciation of the US dollar against local currencies and of the Japanese Yen against the US dollar. Revenue, after the currency impact, is now forecast to grow 2.9% year on year. The forecast for profit attributable to owners of the parent remains unchanged.

Unit: Billions of Yen

	FY03/2012 Actual (A)	FY03/2013 Previous Forecast (B)	FY03/2013 Updated Forecast (C)	Change from FY03/2013 Previous Forecast (C)-(B)	Change from FY03/2012 Actual (C)-(A)
Revenue	2,033.8	2,120.0	2,093.0	-27.0 (-1.3%)	59.2 (2.9%)
Adjusted EBITDA[1]	577.1	595.0	595.0	None	17.9 (3.1%)
Operating profit	459.2	483.0	493.0	10.0 (2.1%)	33.8 (7.4%)
Profit attributable to owners of the parent[2]	320.9	318.0	318.0	None	-2.9 (-0.9%)

Forecast at constant rates of exchange

Adjusted EBITDA	577.1	607.0	642.0	35.0 (5.8%)	64.9 (11.2%)

- **International Tobacco Business:** Forecasts for GFB shipment volume, total shipment volume and adjusted EBITDA in US dollars at constant rates of exchange have been revised upwards, taking into consideration momentum in emerging markets and the impact of strong pricing. GFB and total shipments are now forecast to increase by 4.0 billion and 7.0 billion cigarettes to 268.0 billion and 437.0 billion cigarettes, respectively. The adjusted EBITDA forecast in US dollars at constant rates of exchange has been revised to grow 20.4% year on year including approximately 5 percentage points of estimated inflationary pricing effect. Including the currency impact[14], forecast adjusted EBIDTA has been revised to $4,200 million, representing a 6.5% growth rate, or ¥332.0 billion, to reflect the impact of the acquisition of Gryson.

- **Japanese Domestic Tobacco Business:** The total sales volume forecast has been revised upwards by 1.0 billion to 115.5 billion cigarettes, taking into consideration industry volume for the first half of the fiscal year, which was stronger than our previous assumption. Accordingly, the adjusted EBITDA growth forecast for the full fiscal year has been revised from 2.2% to 2.8%, to ¥269.5 billion. The revised forecast incorporates investment to strengthen brand equity through the evolution of Mild Seven to Mevius.

- **Pharmaceutical Business:** The revenue forecast has been revised upwards by ¥1.5 billion to ¥52.0 billion due to milestone revenue related to progress in R&D of an original JT compound that has been out-licensed, and higher revenue at Torii Pharmaceutical. The adjusted EBITDA forecast has been improved by ¥0.5 billion to -¥15.5 billion.

- **Beverage Business:** Compared with the prior fiscal year which was affected by a one-off sales increase following the earthquake, revenue is forecast to slightly decrease by ¥1.8 billion to ¥187.0 billion. Adjusted EBITDA is forecast to decline ¥2.1 billion to ¥12.5 billion because of higher marketing costs.

- **Processed Food Business:** Adjusted EBITDA is forecast to grow ¥1.6 billion to ¥7.0 billion due to strategic focus on the staple food product[15] portfolio, despite increased raw material costs. Revenue is forecast to remain unchanged from the previous fiscal year at ¥171.0 billion despite the closure of the processed fishery products business with the aim of improving profitability.

- **Dividend[16]:** The Company announces a first half-year dividend of ¥30 per share and forecasts a second half-year dividend of ¥30 per share resulting in an annual forecast dividend of ¥60 per share for this fiscal year.

Japan Tobacco Inc. is a leading international tobacco product company. Its products are sold in over 120 countries and its internationally recognized cigarette brands include Winston, Camel, Mild Seven and Benson & Hedges. With diversified operations, JT is also actively present in pharmaceuticals and foods. The company's revenue was ¥2.034 trillion (US$24,745 million) in the fiscal year ended March 31, 2012.*

**Translated at the rate of ¥82.19 per $1, as of March 30, 2012*

Notes:

[1] Adjusted EBITDA = operating profit + depreciation and amortization + impairment losses on goodwill ± restructuring-related income and costs
[2] Profit attributable to owners of the parent in accordance with IFRS is equivalent to net income in Japanese GAAP.
[3] Core revenue in the international tobacco business excludes revenue from distribution, contract manufacturing and other peripheral businesses. Core revenue corresponds to "Core net sales" in earlier financial reports under Japanese GAAP.
[4] Global Flagship Brands (GFBs) for the international tobacco business consist of eight brands: Winston, Camel, Mild Seven, Benson & Hedges, Silk Cut, LD, Sobranie and Glamour.
[5] Core revenue in the Japanese domestic tobacco business excludes revenue from distribution.
[6] Sales volumes from domestic duty free and the China Division are not incorporated in total sales volume for the Japanese domestic tobacco business.
[7] Total shipment volume for the international tobacco business includes cigars, pipe tobacco and snus, but excludes contract manufactured products.
[8] JT announced that the Company completed the acquisition of Haggar Cigarette & Tobacco Factory Ltd. (North Sudan) and Haggar Cigarette & Tobacco Factory Ltd. (South Sudan) (collectively, HCTF) on December 1, 2011.
[9] A new drug application (NDA) for an anti-HIV single-tablet regimen containing JT's original compound JTK-303 (elvitegravir), a novel HIV integrase inhibitor, has been also filed at the European Medicines Agency (EMA) by a JT partner, Gilead Sciences Inc. (Gilead). Additionally, an NDA for JTK-303 (elvitegravir) as mono agent has been filed with the US Food and Drug Administration (FDA) and the EMA by Gilead. JT licensed JTK-303 (elvitegravir) to Gilead with the rights to develop and commercialize the drug worldwide, excluding Japan, in March 2005.
[10] JT announced that the Company has signed a licensing agreement with GlaxoSmithKline (GSK) on April 18, 2006. Under the agreement, GSK obtained the exclusive, worldwide rights to manufacture, develop and commercialize JT's drug candidate in the area of MEK inhibition.
[11] JT and Torii Pharmaceutical announced the top-line results of GBA4-1 in April 2012. This study is a part of the Phase 3 program for JTT-751, conducted in Japan for the treatment of hyperphosphatemia. The Companies hold the exclusive rights to develop and commercialize JTT-751 in Japan, which were licensed from Keryx Biopharmaceuticals, Inc. in September 2007.
[12] Torii Pharmaceutical announced the top-line results of a Phase 3 clinical study, number 194-3-1, of TO-194SL, a sublingual immunotherapy drug for Japanese cedar pollionsis, in September 2012.
[13] A new segmentation divided the former Food Business into the Beverage and the Processed Food Businesses.
[14] The exchange rate assumptions for US $1.00 have been revised as follows; Russian Ruble 31.50 from 30.00, UK Sterling 0.64 from 0.63, Euro 0.80 from 0.75, Swiss Franc 0.95 from 0.90, Taiwan Dollar 29.80 from 29.50 and Japanese Yen 79.00 from 80.00. Appreciation of the Japanese Yen and the Swiss Franc against the US dollar negatively affects the consolidated financial result numbers. Conversely, appreciation of the other currencies against the US dollar has a positive effect.
[15] Staple food products are: frozen noodles, frozen and packed cooked rice and frozen baked bread.
[16] The stock was split at the ratio of 200 shares to one share with an effective date of July 1, 2012.

Contacts: Hideyuki Yamamoto, General Manager
Ryohei Sugata, Associate General Manager
Media and Investor Relations Division
Japan Tobacco Inc. Tokyo: +81-3-5572-4292
E-mail: jt.media.relations@jt.com

1. Summary of Business Performance

(unit: JPY billion,%)

	6M ended Sep. 2011	6M ended Sep. 2012	Change	Rates of Change
Revenue	997.7	1,057.4	+59.7	+6.0%
Operating profit	211.6	265.6	+54.0	+25.5%
Profit before income taxes	209.0	252.1	+43.1	+20.6%
Profit	147.3	171.8	+24.6	+16.7%
Profit(attributable to owners of parent company)	143.6	168.8	+25.1	+17.5%
Adjusted EBITDA*1	285.9	329.1	+43.1	+15.1%

*1 :Adjusted EBITDA=Operating profit + depreciation and amortization+ impairment losses on goodwill ±restructuring-related income and costs

(Reference) (unit: JPY billion,%)

	6M ended Sep. 2011	6M ended Sep. 2012	Change	Rates of Change
Adjusted EBITDA at constant rates of exchange*2	285.9	353.0	+67.0	+23.4%

*2 :6M ended Sep.2011-Actual
6M ended Sep.2012- Regarding international tobacco business, at the same foreign exchange rates between local currency vs USD and JPY vs USD as 6M ended Sep.2011

2.Breakdown of net sales

(unit: JPY billion,%)

	6M ended Sep. 2011	6M ended Sep. 2012	Change	Rates of Change
Revenue	997.7	1,057.4	+59.7	+6.0%
Japanese domestic tobacco	307.0	350.7	+43.7	+14.2%
Core revenue*1	287.0	335.0	+48.1	+16.8%
International tobacco*2	476.6	490.2	+13.6	+2.9%
Core revenue*3	440.6	457.0	+16.4	+3.7%
Pharmaceutical	22.8	26.5	+3.7	+16.4%
Beverage	99.4	98.2	-1.2	- 1.2%
Processed foods	84.3	83.9	-0.4	- 0.5%
Others	7.7	7.9	+0.2	+3.0%

(Reference) (unit: USD million,%)

	6M ended Jun. 2011	6M ended Jun. 2012	Change	Rates of Change
International tobacco Core revenue*3	5,372	5,728	+356	+6.6%
International tobacco Core revenue at constant rates of exchange*3*4	5,372	6,093	+721	+13.4%

*1 :Excluding revenue from the distribution business of imported tobacco

*2 :International tobacco business: 6M ended Jun.2011 and 6M ended Jun.2012

*3 :Excluding revenue from the distribution, contract manufacturing and other peripheral business

*4 :6M ended Jun.2011-Actual
6M ended Jun.2012- at the same foreign exchange rates between local currency vs USD as 6M ended Jun.2011

3.Adjusted EBITDA by business segment*1

(unit: JPY billion,%)

	6M ended Sep. 2011	6M ended Sep. 2012	Change	Rates of Change
Consolidated Operating profit	211.6	265.6	+54.0	+25.5%
Adjustment*3	74.3	63.5	-10.8	- 14.6%
Adjusted EBITDA*1	285.9	329.1	+43.1	+15.1%
Japanese domestic tobacco Operating profit	92.0	135.7	+43.6	+47.4%
Adjustment*3	31.9	18.5	-13.4	- 42.0%
Adjusted EBITDA*1	124.0	154.2	+30.2	+24.4%
International tobacco Operating profit*2	125.4	144.8	+19.4	+15.5%
Adjustment*2*3	36.8	28.1	-8.8	- 23.8%
Adjusted EBITDA*1*2	162.3	172.9	+10.6	+6.6%
Pharmaceutical Operating profit	-7.3	-7.7	-0.5	-
Adjustment*3	1.7	1.7	-0.0	- 2.4%
Adjusted EBITDA*1	-5.6	-6.1	-0.5	-
Beverage Operating profit	2.8	2.4	-0.4	- 14.6%
Adjustment*3	5.1	5.0	-0.1	- 2.5%
Adjusted EBITDA*1	7.9	7.3	-0.5	- 6.8%
Processed Foods Operating profit	-4.1	-3.6	+0.6	-
Adjustment*3	3.8	6.3	+2.5	+66.3%
Adjusted EBITDA*1	-0.4	2.7	+3.1	-
Other/Elimination Operating profit	2.8	-6.0	-8.8	-
Adjustment*3	-5.0	4.0	+9.0	-
Adjusted EBITDA*1	-2.2	-2.0	+0.2	-

(Reference) (unit: USD million,%)

	6M ended Jun. 2011	6M ended Jun. 2012	Change	Rates of Change
International tobacco Adjusted EBITDA*1	1,979	2,168	+189	+9.6%
International tobacco Adjusted EBITDA at constant rates of exchange*1*4	1,979	2,400	+421	+21.3%

*1 :Adjusted EBITDA=Operating profit + depreciation and amortization+ impairment losses on goodwill ±restructuring-related income and costs

*2 :International tobacco business: 6M ended Jun.2011 and 6M ended Jun.2012

*3 :Depreciation and amortization + impairment losses on goodwill ±restructuring-related income and expenses and others

*4 :6M ended Jun.2011-Actual
6M ended Jun.2012- at the same foreign exchange rates between local currency vs USD as 6M ended Jun.2011

4.Consolidated financial position data

(unit: JPY billion)

	As of end of Mar.2012	As of end of Sep.2012	Change
Total Assets	3,667.0	3,647.7	-19.3
Total Equity	1,714.6	1,799.5	+84.9
Equity attributable to owners of the parent company	1,634.1	1,717.8	+83.7
BPS(attributable to owners of parent company) (yen)*	858.09	902.06	+43.97

* : A 200 for 1 stock split is done, effective as of July 1, 2012.
Calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

5.Liquidity*

(unit: JPY billion)

	As of end of Mar.2012	As of end of Sep.2012	Change
Liquidity	431.2	370.1	-61.1

* : Liquidity=cash and deposits+marketable securities+securities purchased under repurchase agreements

6.Interest-bearing debt*

(unit: JPY billion)

	As of end of Mar.2012	As of end of Sep.2012	Change
Interest-bearing debt	502.4	351.4	-151.0

* : Interest-bearing debt = short-term bank loans + CP + bonds + long-term borrowings + lease obligation

7.Consolidated cash flows data

(unit: JPY billion,%)

	6M ended Sep. 2011	6M ended Sep. 2012	Change	Rates of Change
Cash flows from operating activities	202.5	259.3	+56.8	+28.0%
Cash flows from investing activities	-37.8	-96.3	-58.5	–
Cash flows from financing activities	-190.5	-214.9	-24.4	–
Cash and cash equivalents, beginning of the year	244.2	404.7	+160.5	+65.7%
Foreign currency translation adjustments on cash and cash equivalents	-0.5	-8.5	-8.0	–
Cash and cash equivalents, end of the year*1	218.0	344.3	+126.3	+58.0%
FCF*2	169.5	163.3	-6.2	-3.7%

*1 Included in "Cash and cash equivalents" at the end of this quarter is ¥7.1 billion (IRR 2,629.1 billion) held by the Group's Iranian subsidiary, JTI Pars PJS Co.. Due to international sanctions and other factors imposed on Iran, the subsidiary's ability to remit funds outside of Iran is restricted.

*2 :FCF is total of cash flows from operating activities and investing activities excluding the following items;
Cash flows from interest and dividends received and its tax effect / interest paid and its tax effect in operating activities.
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).

8.Capital expenditures

(unit: JPY billion,%)

	6M ended Sep. 2011	6M ended Sep. 2012	Change	Rates of Change
Capital expenditures	47.3	54.0	+6.8	+14.3%
Japanese domestic tobacco	20.7	24.6	+3.9	+18.8%
International tobacco*	15.1	15.4	+0.2	+1.6%
Pharmaceutical	2.1	3.8	+1.7	+79.7%
Beverage	3.9	5.8	+2.0	+51.5%
Processed foods	3.9	2.3	-1.7	-42.3%
Other/Elimination and corporate	1.5	2.2	+0.6	+41.9%

* : International tobacco business: 6M ended Jun.2011 and 6M ended Jun.2012

9.Business data

【Japanese domestic tobacco business】	6M ended Sep. 2011	6M ended Sep. 2012	Change	Rates of Change	
JT sales volume*	50.9	59.6	+8.7	+17.0%	BNU
Total demand	99.9	100.0	+0.1	+0.1%	BNU
JT market share	50.9%	59.5%	8.6%pt		
JT net sales after tax per 1,000 cigarettes	5,490	5,507	+17	+0.3%	JPY

* : Sales volume of domestic duty-free and China division is excluded, which was 1.8 billion for 6 months ended Sep. 2011 and 1.5 billion for 6 months ended Sep. 2012, respectively.

【International tobacco business】	6M ended Jun. 2011	6M ended Jun. 2012	Change	Rates of Change	
Total shipment volume*	204.9	212.4	+7.5	+3.7%	BNU
GFB shipment volume	122.0	130.8	+8.8	+7.2%	BNU
JPY/USD rate for consolidation	82.01	79.77	-2.24	+2.8%	JPY
RUB/USD rate for consolidation	28.65	30.60	+1.95	-6.4%	RUB
GBP/USD rate for consolidation	0.62	0.63	+0.01	-1.8%	GBP
EUR/USD rate for consolidation	0.72	0.77	+0.05	-6.4%	EUR
CHF/USD rate for consolidation	0.92	0.93	+0.01	-1.3%	CHF
TWD/USD rate for consolidation	29.18	29.66	+0.48	-1.6%	TWD

* : Total shipment volume includes cigars, pipe tobacco and snus, but does not include contract manufacturing.

(unit: JPY billion,%)

<Pharmaceutical business>	6M ended Sep. 2011	6M ended Sep. 2012	Change	Rates of Change
R&D expenses	12.3	15.1	+2.8	+23.0%

(unit: million case,%)

<Beverage business>	6M ended Sep. 2011	6M ended Sep. 2012	Change	Rates of Change
Sales of JT products	17.27	16.71	-0.56	- 3.2%
Roots	9.48	8.68	-0.80	- 8.4%

	As of end of Mar.2012	As of end of Sep.2012	Change
Number of beverage vending machines*	265,000	265,000	+0
JT-owned	35,000	36,000	+1,000
Combined	84,000	85,000	+1,000
Others	146,000	144,000	-2,000

* : Beverage vending machines include vending machines for cans and packs, etc. and for cups owned by other companies and operated by our subsidiary. "JT-owned" vending machines are owned by JT. "Combined" vending machines are owned by our subsidiaries or affiliates ,and focus on selling JT brand Beverage but also sell non-JT brand Beverage.

10.Account titles of P/L

(unit: JPY billion,%)

	6M ended Sep. 2011	6M ended Sep. 2012	Change	Rates of Change
Revenue	997.7	1,057.4	+59.7	+6.0%
Japanese domestic tobacco	307.0	350.7	+43.7	+14.2%
Core revenue*2	287.0	335.0	+48.1	+16.8%
International tobacco*1	476.6	490.2	+13.6	+2.9%
Core revenue*1*3	440.6	457.0	+16.4	+3.7%
Pharmaceutical	22.8	26.5	+3.7	+16.4%
Beverage	99.4	98.2	-1.2	- 1.2%
Processed foods	84.3	83.9	-0.4	- 0.5%
Others	7.7	7.9	+0.2	+3.0%
Cost of sales	440.7	444.6	+3.9	+0.9%
Gross profit	557.0	612.8	+55.8	+10.0%
Other Operating profit	12.2	4.5	-7.7	- 63.1%
Gain on sale of tangible fixed assets, intangible assets and investment properties	8.1	2.0	-6.2	- 75.9%
Others	4.1	2.5	-1.5	- 37.5%
Share of profit of investments accounted for using the equity method	1.3	2.4	+1.1	+86.9%
SG&A	358.9	354.1	-4.8	- 1.3%
Advertising expenses	8.9	9.1	+0.2	+2.7%
Promotion expenses	55.9	60.6	+4.7	+8.4%
Freight and storage cost	14.5	13.7	-0.8	- 5.7%
Commissions	18.9	19.3	+0.3	+1.8%
Employee benefits expenses	120.1	121.6	+1.5	+1.3%
R&D expenses	25.0	27.6	+2.5	+10.2%
Depreciation and amortization	29.3	28.9	-0.4	- 1.4%
Impairment losses	3.6	2.8	-0.8	- 21.1%
Loss on sale of tangible fixed assets and investment properties	4.2	4.2	-0.0	- 0.1%
Corporation fee for termination of leaf tobacco farming	12.4	0.0	-12.3	- 100.0%
Others	66.1	66.3	+0.2	+0.3%
Operating profit	211.6	265.6	+54.0	+25.5%
Depreciation and amortization	58.9	56.8	-2.0	- 3.5%
Impairment losses on goodwill	—	—	—	—
Restructuring-related income	-7.6	-1.2	+6.4	—
Restructuring-related costs	23.0	7.8	-15.2	- 65.9%
Adjusted EBITDA *4	285.9	329.1	+43.1	+15.1%
Japanese domestic tobacco Operating profit	92.0	135.7	+43.6	+47.4%
Depreciation and amortization	19.1	19.6	+0.5	+2.7%
Restructuring-related income	—	-1.2	-1.2	—
Restructuring-related costs	12.8	0.1	-12.7	- 99.3%
Adjusted EBITDA *4	124.0	154.2	+30.2	+24.4%
International tobacco Operating profit*1	125.4	144.8	+19.4	+15.5%
Depreciation and amortization*1	28.1	25.3	-2.8	- 10.0%
Restructuring-related income*1	—	-0.0	-0.0	—
Restructuring-related costs*1	8.7	2.8	-5.9	- 68.1%
Adjusted EBITDA *1*4	162.3	172.9	+10.6	+6.6%
Pharmaceutical Operating profit	-7.3	-7.7	-0.5	—
Depreciation and amortization	1.7	1.7	-0.0	- 2.4%
Adjusted EBITDA *4	-5.6	-6.1	-0.5	—
Beverage Operating profit	2.8	2.4	-0.4	- 14.6%
Depreciation and amortization	5.1	5.0	-0.1	- 2.5%
Adjusted EBITDA *4	7.9	7.3	-0.5	- 6.8%
Processed Foods Operating profit	-4.1	-3.6	+0.6	—
Depreciation and amortization	3.6	3.5	-0.1	- 2.7%
Restructuring-related costs	0.1	2.7	+2.6	+1970.1%
Adjusted EBITDA *4	-0.4	2.7	+3.1	—
Others/Elimination Operating profit	2.8	-6.0	-8.8	—
Depreciation and amortization	1.2	1.8	+0.5	+41.5%
Restructuring-related income	-7.6	0.0	+7.6	—
Restructuring-related costs	1.4	2.2	+0.9	+65.6%
Adjusted EBITDA *4	-2.2	-2.0	+0.2	—

(unit: JPY billion,%)

	6M ended Sep. 2011	6M ended Sep. 2012	Change	Rates of Change
Financial income	8.6	2.0	-6.6	- 77.2%
Dividend income	0.4	0.3	-0.0	- 9.8%
Interest income	1.0	1.5	+0.5	+52.0%
Foreign exchange gain	4.8	—	-4.8	—
Other	2.4	0.1	-2.3	- 95.6%
Financial costs	11.3	15.5	+4.2	+37.4%
Interest expenses	8.3	5.2	-3.1	- 37.0%
Pension/post retirement benefit	2.8	2.9	+0.1	+2.7%
Foreign exchange loss	—	6.6	+6.6	—
Other	0.2	0.8	+0.6	+315.2%
Profit before income taxes	209.0	252.1	+43.1	+20.6%
Income taxes	61.7	80.3	+18.6	+30.1%
Profit	147.3	171.8	+24.6	+16.7%
Owners of the parent company	143.6	168.8	+25.1	+17.5%
Non-controlling interests	3.6	3.1	-0.6	-15.4%

＊1 : International tobacco business: 6M ended Jun.2011 and 6M ended Jun.2012

＊2 : Excluding revenue from the distribution business of imported tobacco

＊3 : Excluding revenue from the distribution, contract manufacturing and other peripheral business

＊4 : Adjusted EBITDA=Operating profit + depreciation and amortization+ impairment losses on goodwill ±restructuring-related income and costs

11.Account titles of B/S

(unit: JPY billion)

	As of end of Mar.2012	As of end of Sep.2012	Change
Current assets	1,331.0	1,289.8	-41.3
Cash and cash equivalents	404.7	344.3	-60.4
Cash and deposits	108.8	83.6	-25.2
Short-term investment	295.9	260.7	-35.2
Trade and other receivables	327.8	344.9	+17.2
Notes and accounts receivable	311.8	332.7	+20.9
Other	17.7	13.5	-4.1
Allowance for doubtful accounts	-1.7	-1.3	+0.4
Inventories	446.6	444.9	-1.7
Merchandise and finished goods	112.5	126.1	+13.7
Leaf tobacco	294.8	272.3	-22.6
Other	39.3	46.5	+7.2
Other financial assets※3	27.4	29.6	+2.3
Other current assets	123.2	121.5	-1.7
Prepaid tobacco excise taxes	87.3	80.5	-6.8
Prepaid expenses	10.7	13.1	+2.3
Consumption taxes payable	6.7	5.2	-1.5
Other	18.5	22.7	+4.3
Non-current assets held for sale	1.4	4.5	+3.1
Non-current assets	2,336.0	2,357.9	+22.0
PP&E	619.5	622.7	+3.1
Cost	1,451.0	1,475.2	+24.2
Accumulated depreciation and accumulated impairment losses	-831.4	-852.5	-21.1
Land, buildings and structures	293.4	292.8	-0.6
Cost	594.0	605.7	+11.7
Accumulated depreciation and accumulated impairment losses	-300.5	-312.9	-12.4
Machinery and vehicles	239.2	244.5	+5.3
Cost	670.6	669.2	-1.4
Accumulated depreciation and accumulated impairment losses	-431.4	-424.8	+6.7
Tools, furniture and fixtures	55.8	58.0	+2.3
Cost	155.2	160.9	+5.6
Accumulated depreciation and accumulated impairment losses	-99.5	-102.9	-3.4
Construction in progress	31.1	27.4	-3.8
Cost	31.1	27.4	-3.8
Accumulated depreciation and accumulated impairment losses	–	–	–
Goodwill※1	1,110.0	1,139.3	+29.3
Cost	1,110.0	1,139.3	+29.3
Accumulated depreciation and accumulated impairment losses	–	–	–
Intangible assets	306.4	309.5	+3.1
Cost	848.0	859.5	+11.5
Accumulated depreciation and accumulated impairment losses	-541.5	-550.0	-8.5
Trademark※2	257.3	256.9	-0.4
Cost	663.9	675.1	+11.2
Accumulated depreciation and accumulated impairment losses	-406.5	-418.2	-11.6
Software	17.8	21.1	+3.3
Cost	97.3	95.9	-1.4
Accumulated depreciation and accumulated impairment losses	-79.6	-74.8	+4.8
Other	31.3	31.5	+0.1
Cost	86.8	88.5	+1.7
Accumulated depreciation and accumulated impairment losses	-55.5	-57.1	-1.6
Investment property	67.4	62.7	-4.7
Retirement benefit assets	14.4	15.5	+1.1
Investments accounted for using the equity method	18.4	20.4	+2.0
Other financial assets※3	67.5	64.1	-3.5
Deferred tax assets	132.2	123.7	-8.4
Total assets	3,667.0	3,647.7	-19.3

※3	Other financial assets(current & non-current)	94.9	93.7	-1.2
	Derivative assets	1.9	3.6	+1.7
	Equities	39.1	38.3	-0.8
	Bonds	8.8	7.6	-1.3
	Time deposits	24.3	23.3	-1.0
	Other	34.9	34.6	-0.3
	Allowance for doubtful accounts	-14.1	-13.7	+0.5

※1	Goodwill International tobacco cash-generating unit	1,067.5	1,096.8	+29.3
	Goodwill processed food cash-generating unit	25.4	25.4	–

※2	Trademark International tobacco business	254.5	254.2	-0.3

(unit: JPY billion)

	As of end of Mar.2012	As of end of Sep.2012	Change
Current liabilities	1,157.5	1,058.1	-99.4
Trade and other payables	298.7	279.0	-19.7
Notes and accounts payable	165.4	167.1	+1.7
Other payables	71.7	48.5	-23.3
Other	61.5	63.4	+1.9
Bonds and borrowings※4	211.8	82.2	-129.6
Income taxes payable	42.5	63.0	+20.5
Other financial libilities※4	8.0	6.9	-1.1
Provisions	5.7	5.6	-0.1
Other current liabilities※5	590.7	621.1	+30.4
Liabilities directly associated with non-current assets held-for-sale	0.1	0.3	+0.2
Non current liabilities	794.9	790.2	-4.8
Bonds and borrowings※4	279.7	257.1	-22.6
Other financial liabilities※4	21.0	23.7	+2.7
Retirement benefit liabilities	315.0	326.2	+11.1
Provisions	4.4	7.0	+2.5
Other non-current liabilities※5	92.2	92.1	-0.2
Deferred tax liabilities	82.5	84.1	+1.7
Liabilities	1,952.4	1,848.2	-104.2
Equity	1,714.6	1,799.5	+84.9
Share capital	100.0	100.0	–
Capital surplus	736.4	736.4	–
Treasury shares	-94.6	-94.6	–
Other components of equity	-376.4	-394.5	-18.1
Retained earnings	1,268.6	1,370.4	+101.9
Non-controlling interests	80.6	81.7	+1.1
Total liabilities and equity	3,667.0	3,647.7	-19.3

※4	Bonds and borrowings (including other financial liabilities) (current & non-current)	520.5	370.0	-150.6
	Derivative liabilities	5.1	6.8	+1.7
	Short-term borrowings	43.5	30.9	-12.5
	Commercial paper	–	–	–
	Current portion of long-term borrowings	78.2	20.5	-57.7
	Current portion of bonds	90.1	30.7	-59.3
	Long-term borrowings	49.3	27.9	-21.4
	Bonds	230.5	229.2	-1.2
	Other	23.9	23.8	-0.1

※5	Other liabilities(current & non-current)	683.0	713.2	+30.2
	Tobacco excise taxes payable	240.5	264.2	+23.6
	Tobacco special excise taxes payable	15.1	15.8	+0.8
	Tobacco local excise taxes payable	191.4	200.1	+8.7
	Consumption taxes payable	83.2	78.8	-4.4
	Provision for bonuses	39.7	30.3	-9.5
	Compensated absences	18.6	19.9	+1.4
	Other	94.5	104.1	+9.6

Forecasts for the FY ending Mar.2013
(as of Oct 30, 2012)

1. Summary of Business Performance

(unit: JPY billion,%)

	FY03/2012	FY03/2013	Change	Rates of Change
Revenue	2,033.8	2,093.0	+59.2	+2.9%
Operating profit	459.2	493.0	+33.8	+7.4%
Profit before income taxes	441.4	470.0	+28.6	+6.5%
Profit	328.6	324.0	-4.6	- 1.4%
Profit(attributable to owners of parent company)	320.9	318.0	-2.9	- 0.9%
Basic EPS(yen) *1*6	168.50	166.99	-1.51	- 0.9%
Adjusted EBITDA *2	577.1	595.0	+17.9	+3.1%
DPS(yen) *6	50	60	+10	+20.0%
Payout ratio *3	29.7%	35.9%	+6.2%pt	-
ROE(attributable to owners of parent company) *4	20.3%	18.2%	-2.1%pt	-

(Reference)

	FY03/2012	FY03/2013	Change	Rates of Change
Adjusted EBITDA at constant rates of exchange *5	577.1	642.0	+64.9	+11.2%

*1 :Based on profit attributable to owners of parent company

*2 :Adjusted EBITDA=Operating profit + depreciation and amortization+ impairment losses on goodwill ± restructuring-related income and costs

*3 :Payout ratio=Dividend per share/Basic EPS

*4 :Based on Profit attributable to owners of parent company and Equity attributable to owners of the parent company

*5 :FY03/2012-Actual
FY03/2013- Regarding international tobacco business, at the same foreign exchange rates between local currency vs USD

*6 A 200 for 1 stock split is done, effective as of July 1, 2012.
Calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

2.Breakdown of net sales

(unit: JPY billion,%)

	FY03/2012	FY03/2013	Change	Rates of Change
Revenue	2,033.8	2,093.0	+59.2	+2.9%
Japanese domestic tobacco	646.2	683.0	+36.8	+5.7%
Core revenue *1	611.9	650.0	+38.1	+6.2%
International tobacco *2	966.3	987.0	+20.7	+2.1%
Core revenue *3	894.6	921.0	+26.4	+2.9%
Pharmaceutical	47.4	52.0	+4.6	+9.7%
Beverage	188.8	187.0	-1.8	-0.9%
Processed Food	170.7	171.0	+0.3	+0.2%
Others	14.6	13.0	-1.6	-10.7%

(Reference) (unit: USD million,%)

	2011	2012	Change	Rates of Change
International tobacco Core revenue *2*3	11,211	11,660	+449	+4.0%
International tobacco Core revenue at constant rates of exchange *2*3*4	11,211	12,600	+1,389	+12.4%

*1 :Excluding revenue from the distribution business of imported tobacco

*2 :International tobacco business: Year ended 2011 and year ending 2012

*3 :Excluding revenue from the distribution, contract manufacturing and other peripheral business

*4 :2011-Actual
2012-at the same foreign exchange rates between local currency vs USD as 2011

3.OP & Adjusted EBITDA by business segment *1

(unit: JPY billion,%)

	FY03/2012	FY03/2013	Change	Rates of Change
Consolidated Operating profit	459.2	493.0	+33.8	+7.4%
Japanese domestic tobacco	209.3	228.0	+18.7	+9.0%
International tobacco *2	252.4	278.0	+25.6	+10.2%
Pharmaceutical	-13.5	-19.0	-5.5	-
Beverage	4.5	2.5	-2.0	- 44.3%
Processed Food	-2.5	-6.5	-4.0	-
Other/Elimination	9.0	10.0	+1.0	+10.9%
Adjusted EBITDA *1	577.1	595.0	+17.9	+3.1%
Japanese domestic tobacco *1	262.3	269.5	+7.2	+2.8%
International tobacco *1*2	314.8	332.0	+17.2	+5.5%
Pharmaceutical *1	-10.0	-15.5	-5.5	-
Beverage *1	14.6	12.5	-2.1	- 14.3%
Processed Food *1	5.4	7.0	+1.6	+29.2%
Other/Elimination *1	-9.8	-11.0	-1.2	-

(Reference) (unit: USD million,%)

	2011	2012	Change	Rates of Change
International tobacco Adjusted EBITDA *1*2	3,944	4,200	+256	+6.5%
International tobacco Adjusted EBITDA at constant rates of exchange *1*2*3	3,944	4,750	+806	+20.4%

*1 : Adjusted EBITDA=Operating profit + depreciation and amortization+ impairment losses on goodwill ± restructuring-related income and costs

*2 :International tobacco business: Year ended 2011 and year ending 2012

*3 :2011-Actual
2012-at the same foreign exchange rates between local currency vs USD as 2011

4.Consolidated cash flows data

(unit: JPY billion,%)

	FY03/2012	FY03/2013	Change	Rates of Change
FCF *	451.3	270.0	-181.3	-40.2%

* : FCF is total of cash flows from operating activities and investing activities excluding the following items;
Cash flows from interest and dividends received and its tax effect / interest paid and its tax effect in operating activities.
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).

5.Capital expenditures

(unit: JPY billion,%)

	FY03/2012	FY03/2013	Change	Rates of Change
Capital expenditures	119.0	155.0	+36.0	+30.3%
Japanese domestic tobacco	56.2	83.0	+26.8	+47.6%
International tobacco *	39.1	43.0	+3.9	+9.9%
Pharmaceutical	3.9	6.0	+2.1	+54.0%
Beverage	8.1	11.0	+2.9	+35.8%
Processed Food	7.3	6.0	-1.3	-17.9%
Other/Elimination and corporate	4.3	6.0	+1.7	+38.8%

* : International business: Year ended 2011 and year ending 2012

6.Business data

【Japanese domestic tobacco business】	FY03/2012	FY03/2013	Change	Rates of Change	
JT sales volume *	108.4	115.5	+7.1	+6.5%	BNU

* : Sales volume of domestic duty-free and China division is excluded

【International tobacco business】 *1	2011	2012	Change	Rates of Change	
Total shipment volume *2	425.7	437.0	+11.3	+2.6%	BNU
GFB shipment volume	256.5	268.0	+11.5	+4.5%	BNU
JPY/USD rate for consolidation	79.80	79.00	-0.80	+1.0%	JPY
RUB/USD rate for consolidation	29.40	31.50	+2.10	-6.7%	RUB
GBP/USD rate for consolidation	0.63	0.64	+0.01	-2.2%	GBP
EUR/USD rate for consolidation	0.72	0.80	+0.08	-9.7%	EUR
CHF/USD rate for consolidation	0.89	0.95	+0.06	-6.1%	CHF
TWD/USD rate for consolidation	29.44	29.80	+0.36	-1.2%	TWD

*1: International business: Year ended 2011 and year ending 2012

*2: Total shipment volume includes cigars, pipe tobacco and snus, but does not include contract manufacturing.

Forecasts for the FY ending Mar.2013
(as of Oct 30, 2012)

1. Summary of Business Performance

(unit: JPY billion,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
Revenue	2,120.0	2,093.0	-27.0	- 1.3%
Operating profit	483.0	493.0	+10.0	+2.1%
Profit before income taxes	469.0	470.0	+1.0	+0.2%
Profit	324.0	324.0	—	—
Profit(attributable to owners of parent company)	318.0	318.0	—	—
Basic EPS(yen)*1*6	166.99	166.99	—	—
Adjusted EBITDA*2	595.0	595.0	—	—
DPS(yen)*6	60	60	—	—
Payout ratio*3	35.9%	35.9%	—	
ROE(attributable to owners of parent company)*4	18.2%	18.2%	—	

(Reference)

	Previous Forecast	Revised Forecast	Change	Rates of Change
Adjusted EBITDA at constant rates of exchange*5	607.0	642.0	+35.0	+5.8%

*1 :Based on profit attributable to owners of parent company

*2 :Adjusted EBITDA=Operating profit + depreciation and amortization+ impairment losses on goodwill ± restructuring-related income and costs

*3 :Payout ratio=Dividend per share/Basic EPS

*4 :Based on Profit attributable to owners of parent company and Equity attributable to owners of the parent company

*5 :Regarding international tobacco business, at the same foreign exchange rates between local currency vs USD and JPY vs USD as FY03/2012

*6 A 200 for 1 stock split is done, effective as of July 1, 2012.
Calculated on the assumption that this stock split was conducted at the beginning of the fiscal year.

2.Breakdown of net sales

(unit: JPY billion,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
Revenue	2,120.0	2,093.0	-27.0	-1.3%
Japanese domestic tobacco	682.0	683.0	+1.0	+0.1%
Core revenue*1	649.0	650.0	+1.0	+0.2%
International tobacco*2	1,007.0	987.0	-20.0	-2.0%
Core revenue*3	930.0	921.0	-9.0	-1.0%
Pharmaceutical	50.5	52.0	+1.5	+3.0%
Beverage*4	—	187.0	—	—
Processed Food*4	—	171.0	—	—
Others	13.0	13.0	—	—

(Reference) (unit: USD million,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
International tobacco Core revenue*2*3	11,620	11,660	+40	+0.3%
International tobacco Core revenue at constant rates of exchange*2*3*5	11,950	12,600	+650	+5.4%

*1 :Excluding revenue from the distribution business of imported tobacco

*2 :International tobacco business: Year ending 2012

*3 :Excluding revenue from the distribution, contract manufacturing and other peripheral business

*4 :Previous Forecast of Beverage business and Processed Food business: 367.5 billion yen

*5 :2012 forecast –at the same foreign exchange rates between local currency vs USD as 2011

3.OP & Adjusted EBITDA by business segment*1

(unit: JPY billion,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
Consolidated Operating profit	483.0	493.0	+10.0	+2.1%
Japanese domestic tobacco	226.0	228.0	+2.0	+0.9%
International tobacco*2	281.0	278.0	-3.0	- 1.1%
Pharmaceutical	-19.5	-19.0	+0.5	—
Beverage*3	—	2.5	—	—
Processed Food*3	—	-6.5	—	—
Other/Elimination	-7.0	10.0	+17.0	—
Adjusted EBITDA*1	595.0	595.0	—	—
Japanese domestic tobacco*1	268.0	269.5	+1.5	+0.6%
International tobacco*1*2	334.0	332.0	-2.0	- 0.6%
Pharmaceutical*1	-16.0	-15.5	+0.5	—
Beverage*1*3	—	12.5	—	—
Processed Food*1*3	—	7.0	—	—
Other/Elimination*1	-12.0	-11.0	+1.0	—

(Reference) (unit: USD million,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
International tobacco Adjusted EBITDA*1*2	4,180	4,200	+20	+0.5%
International tobacco Adjusted EBITDA at constant rates of exchange*1*2*4	4,340	4,750	+410	+9.4%

*1 : Adjusted EBITDA=Operating profit + depreciation and amortization+ impairment losses on goodwill ± restructuring-related income and costs

*2 :International tobacco business: Year ending 2012

*3 :Previous Forecast of Beverage business and Processed Food business : Operating profit was 2.5 billion yen and Adjusted EBITDA was 21.0 billion yen

*4 :2012 forecast-at the same foreign exchange rates between local currency vs USD as 2011

4.Consolidated cash flows data

(unit: JPY billion,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
FCF*	300.0	270.0	-30.0	-10.0%

* : FCF is total of cash flows from operating activities and investing activities excluding the following items;
Cash flows from interest and dividends received and its tax effect / interest paid and its tax effect in operating activities.
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).

5.Capital expenditures

(unit: JPY billion,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
Capital expenditures	169.0	155.0	-14.0	-8.3%
Japanese domestic tobacco	85.0	83.0	-2.0	-2.4%
International tobacco*1	50.0	43.0	-7.0	-14.0%
Pharmaceutical	5.0	6.0	+1.0	+20.0%
Beverage*2	—	11.0	—	—
Processed Food*2	—	6.0	—	—
Other/Elimination and corporate	9.0	6.0	-3.0	-33.3%

*1: International business: Year ending 2012

*2: Previous Forecast of Beverage business and Processed Food business: 20.0 billion yen

6.Business data

【Japanese domestic tobacco business】	Previous Forecast	Revised Forecast	Change	Rates of Change	
JT sales volume*	114.5	115.5	+1.0	+0.9%	BNU

* : Sales volume of domestic duty-free and China division is excluded

【International tobacco business】*1	Previous Forecast	Revised Forecast	Change	Rates of Change	
Total shipment volume*2	430.0	437.0	+7.0	+1.6%	BNU
GFB shipment volume	264.0	268.0	+4.0	+1.5%	BNU
JPY/USD rate for consolidation	80.00	79.00	-1.00	+1.3%	JPY
RUB/USD rate for consolidation	30.00	31.50	+1.50	-4.8%	RUB
GBP/USD rate for consolidation	0.63	0.64	+0.01	-1.6%	GBP
EUR/USD rate for consolidation	0.75	0.80	+0.05	-6.3%	EUR
CHF/USD rate for consolidation	0.90	0.95	+0.05	-5.3%	CHF
TWD/USD rate for consolidation	29.50	29.80	+0.30	-1.0%	TWD

*1: International business: Year ending 2012

*2: Total shipment volume includes cigars, pipe tobacco and snus, but does not include contract manufacturing.

Data of JT products in Japanese market

* Excludes sales from the China, Hong Kong, and Macau markets and domestic duty-free sales.

Japanese Domestic Tobacco Business Results

1. Quarterly Sales Volume
(billions of cigarettes)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	36.0	50.6	20.3	27.8	134.6
FY 03/2012	18.4	32.5	30.0	27.5	108.4
FY 03/2013	29.4	30.2			

2. Quarterly Retail Price Sales
(billions of JPY)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	535.5	753.1	413.4	567.0	2,269.0
FY 03/2012	373.6	662.5	610.0	560.3	2,206.5
FY 03/2013	596.7	612.9			

* Retail price sales = sales volume × fixed retail price.

3. Quarterly Net Sales Excluding Excise Tax / Revenue Per Thousand Cigarettes
(JPY)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	4,054	4,052	5,539	5,533	4,582
FY 03/2012	5,444	5,516	5,509	5,515	5,502
FY 03/2013	5,508	5,505			

* Net sales excluding excise tax /Revenue per thousand cigarettes
= (retail price sales-retailer margins-consumption tax-excise taxes)
/sales volume×1,000

4. Quarterly JT Market Share
(%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	64.5	65.1	62.7	62.6	64.1
FY 03/2012	40.8	59.3	58.7	59.2	54.9
FY 03/2013	59.4	59.7			

Market Share in Growing Segments

1. 1mg Tar

(1) JT 1mg Tar Product Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	15.7	15.2	15.2	15.4	15.4
FY 03/2012	9.8	14.1	14.1	14.3	13.2
FY 03/2013	14.4	14.2			

(2) 1mg Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	24.7	23.7	24.0	24.3	24.2
FY 03/2012	24.7	23.9	24.1	24.4	24.3
FY 03/2013	24.5	24.2			

(3) JT Share in 1mg Tar Segment (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	63.6	64.1	63.3	63.5	63.7
FY 03/2012	39.6	58.8	58.5	58.7	54.2
FY 03/2013	58.8	58.7			

2. Menthol

(1) JT Menthol Product Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	8.4	8.0	8.7	8.4	8.3
FY 03/2012	3.2	6.3	6.6	6.9	5.8
FY 03/2013	7.5	7.6			

(2) Menthol Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	23.9	23.3	25.7	25.3	24.3
FY 03/2012	26.1	24.2	25.1	25.0	25.1
FY 03/2013	25.6	25.7			

(3) JT Share in Menthol Segment (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	35.2	34.1	33.8	33.3	34.2
FY 03/2012	12.4	26.2	26.4	27.5	23.2
FY 03/2013	29.3	29.4			

3. JPY 440 or above*

(1) JT JPY 440 or above Product Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	5.1	4.7	17.4	16.7	9.3
FY 03/2012	8.1	15.1	14.9	14.8	13.4
FY 03/2013	14.7	14.8			

(2) JPY 440 or above Product Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	24.7	24.4	38.3	37.4	29.4
FY 03/2012	37.6	36.4	37.0	36.6	36.9
FY 03/2013	36.6	36.9			

(3) JT Share in JPY 440 or above Segment (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	20.7	19.5	45.5	44.7	29.1
FY 03/2012	21.5	41.3	40.2	40.4	36.2
FY 03/2013	40.1	40.2			

* JPY 320 or above, before Oct 2010

4. Quarterly D-spec Product Share
(%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	10.91	10.47	10.44	11.02	10.70
FY 03/2012	5.41	9.19	9.29	9.86	8.51
FY 03/2013	9.70	9.76			

Japan Tobacco Inc. Clinical development (as of October 30, 2012)

Code(Generic Name)	Stage*	Key Indication	Mechanism /dosage form	Characteristics	Rights
JTK-303 (elvitegravir)	In preparation of NDA filing for both single-tablet regimen containing JTK-303 and JTK-303 mono agent (Japan)	HIV infection	Integrase inhibitor /oral	Integrase inhibitor which works by blocking integrase, an enzyme that is involved in the replication of HIV	Gilead Sciences Inc. (U.S.) has exclusive rights to develop and commercialize JTK-303 in all countries of the world, excluding Japan. Clinical development at Gilead; - STR* containing JTK-303 EU approval submitted - JTK-303 U.S. and EU approvals submitted *Single tablet regimen
JTT-705 (dalcetrapib)	Phase 2 (Japan)	Dyslipidemia	CETP modulator /oral	Decreases LDL and increases HDL by modulation of CETP activity -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) has exclusive rights to develop and commercialize JTT-705 in all countries of the world, excluding Japan. The company announced the termination of the development of JTT-705 on May 7, 2012.
JTT-302	Phase 2 (Overseas)	Dyslipidemia	CETP inhibitor /oral	Decreases LDL and increases HDL by inhibition of CETP	
JTT-751 (Ferric Citrate)	Phase 3 (Japan)	Hyperphosphatemia	Phosphate binder /oral	Decreases serum phosphorous level by binding phosphate derived from dietary in the gastrointestinal tract	JTT-751was licensed by JT and Torii from Keryx Biopharmaceuticals (U.S.) . Under the terms of agreement with Keryx, JT and Torii have exclusive rights to develop and commercialize ferric citrate in Japan.
JTT-851	Phase 2 (Japan) Phase 2 (Overseas)	Type 2 diabetes mellitus	G protein-coupled receptor 40 agonist /oral	Decreases blood glucose by stimulation of glucose-dependent insulin secretion	
JTZ-951	Phase 1 (Japan) Phase 1 (Overseas)	Anemia associated with chronic kidney disease	HIF-PHD inhibitor /oral	Increases red blood cells by accelerating production of erythropoietin, an erythropoiesis-stimulating hormone, via inhibition of HIF-PHD. -HIF-PHD: Hypoxia Inducible Factar-Prolyl Hydroxylase Domain containing protein	
JTE-051	Phase 1 (Overseas)	Autoimmune/allergic diseases	Interleukin-2 inducible T cell kinase inhibitor/oral	Suppresses overactive immune response via inhibition of the signal to activate T cells related to immune response	
JTE-052	Phase 1 (Japan)	Autoimmune/allergic diseases	JAK inhibitor/oral	Suppresses overactive immune response via inhibitation of Janus kinase (JAK) related to immune signal.	

*Based on the first dose

Updates since the previous announcement on July 30, 2012:
JTT-851 advanced from Phase1 to Phase2 clinical trial overseas.
Gilead Sciences, Inc. announced that the U.S. Food and Drug Administration (FDA) approved Stribild, a single tablet regimen containing JTK-303 on August 27, 2012.

Additional Note:
GlaxoSmithKline plc announced on August 3, 2012 that a new-drug application for MEK inhibitor (trametinib), which has been licensed from JT, was filed with the U.S. FDA.