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JT's Consolidated Financial Results for the 9 months ended December 31, 2012

- **Strong revenue and profit growth driven by top line growth in the tobacco businesses.**
- **Driven by stronger momentum in the tobacco businesses, full-year forecast adjusted EBITDA[1] at constant rates of exchange has been revised upwards.**
- **Revised profit attributable to owners of the parent is now forecast to grow year-on-year, due to the momentum in the tobacco businesses and currency movements.**

Results for the 9 months

- **Revenue** and **adjusted EBITDA** grew strongly by 4.0% and 8.5% respectively. **Adjusted EBITDA at constant rates of exchange** increased 16.1%. This was driven by robust pricing and total and GFB shipment volume growth in the international tobacco business as well as by increased total sales volume in the Japanese domestic tobacco business. **Profit attributable to owners of the parent** increased 13.7%.

- **International Tobacco Business:** Core revenue[2] growth of 4.6% and an adjusted EBITDA increase of 5.8% in US dollars contributed to a solid 9 month performance. At constant rates of exchange, core revenue and adjusted EBITDA grew 12.1% and 17.9% respectively. These results were driven by strong pricing and GFB shipment volume growth. Total shipment volume and GFB shipment volume increased 2.6% and 5.1% respectively amid a challenging business environment.

- **Japanese Domestic Tobacco Business:** Total sales volume and core revenue[3] grew 10.5% and 10.2% respectively in comparison to the earthquake-affected prior fiscal year. The growth was supported by steady market share recovery over a short post-earthquake period due to active marketing efforts to strengthen brand equity. Adjusted EBITDA grew 13.3% due to increased total sales volume and the absence of earthquake related costs this fiscal year, partly offset by the Company's initiatives aimed at enhancing brand equity.

Forecast for the fiscal year ending March 31, 2013

Adjusted EBITDA at constant rates of exchange has been revised upwards, led by stronger momentum and efficient expenditure in the tobacco businesses. **Profit attributable to owners of the parent** is now forecast to grow 2.8% year-on-year on a reported basis, as a result of the momentum in the tobacco businesses and favorable movement of the US dollar against principal local currencies and the Japanese Yen. Annual **Dividends** per share of ¥65 are now forecast.

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

"Our tobacco businesses performed strongly. Internationally, we have continued to deliver a robust performance amid a challenging environment, demonstrating the soundness of our strategic focus on top line growth and broadening the earnings base. In Japan, our market share has recovered steadily, driven by efforts to strengthen brand equity.

The transition to Mevius from Mild Seven has started smoothly. This is a pivotal step to realizing our growth strategy with the long-term aim of Mevius becoming the number one global premium brand.

Looking ahead, we will continue to pursue quality top line growth by prioritizing business investment for sustainable medium to long-term profit growth."

Consolidated Financial Results

Unit: Billions of Yen

	Apr-Dec 2011 (A)	Apr-Dec 2012 (B)	Difference (B)-(A)	Net Change (%)
Revenue	1,546.2	1,608.4	62.2	4.0
Adjusted EBITDA	455.9	494.5	38.6	8.5
Operating profit	363.6	411.7	48.1	13.2
Profit attributable to owners of the parent	232.0	263.7	31.7	13.7

At constant rates of exchange:

Adjusted EBITDA	455.9	529.5	73.5	16.1

- **Revenue**
  Revenue increased 4.0% driven by strong pricing and GFB shipment volume growth in the international tobacco business and increased total sales volume due to comparison with the earthquake-affected prior fiscal year in the Japanese domestic tobacco business.

- **Adjusted EBITDA**
  Adjusted EBITDA increased 8.5% due to 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 grew 16.1%.

- **Profit Attributable to Owners of the Parent**
  Profit attributable to owners of the parent grew 13.7% , due to an increase in adjusted EBITDA.

Results by Business Segment

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

Units: Billions of Cigarettes, Billions of Yen

	Jan-Sep 2011	Jan-Sep 2012	Net change (%)
Total shipment volume	319.6	327.9	2.6
GFB shipment volume	192.7	202.5	5.1
Core revenue	682.3	702.9	3.0
Adjusted EBITDA	255.2	266.0	4.2

Core revenue and adjusted EBITDA increased 4.6% and 5.8% respectively in US dollars, driven by strong pricing and GFB shipment volume growth, despite unfavorable US dollar exchange rates of local currencies. At constant rates of exchange, core revenue and adjusted EBITDA grew 12.1% and 17.9% respectively. Core revenue and adjusted EBITDA in Japanese Yen increased 3.0% and 4.2% respectively as a result of the strong appreciation of the currency against the US dollar.

GFB shipment volume grew 5.1% to 202.5 billion cigarettes, driven by Russia, Turkey, Kazakhstan, Poland and other CIS+ markets, in spite of the challenging business environment. Total shipment volume increased 2.6% to 327.9 billion cigarettes, driven by GFB momentum and acquisitions of Haggar Cigarette & Tobacco Factory Ltd. and Gryson NV. Excluding the acquisitions, total shipment volume grew 1.2% to 323.4 billion cigarettes.

➢ Japanese Domestic Tobacco Business

Units: Billions of Cigarettes, Billions of Yen

	Apr-Dec 2011	Apr-Dec 2012	Net change (%)
Total sales volume	80.9	89.4	10.5
Core revenue	456.3	502.8	10.2
Adjusted EBITDA	200.2	226.9	13.3

Total sales volume grew 10.5% compared with the prior fiscal year, when shipments were limited and the number of products available was reduced following the March 2011 earthquake. The Company took a number of product, packaging and sales initiatives to strengthen brand equity, resulting in market share recovery over a short period thereafter. Market share steadily increased to 59.6% for April – December 2012 (FY2011: 54.9%).

As a result of higher total sales volume, core revenue grew 10.2%. Adjusted EBITDA increased 13.3% due to increased core revenue and the absence of earthquake related costs this fiscal year, partly offset by higher costs as the Company made active investments in strengthening brand equity.

The evolution of Mild Seven has made a smooth start toward the rebranding to Mevius in February 2013. The redesigned packages were introduced to give them a more sophisticated look ahead of the rebranding, as market share increased to 60.1% in December 2012.

➢ **Pharmaceutical Business** Unit: Billions of Yen

	Apr-Dec 2011 (A)	Apr-Dec 2012 (B)	Difference (B) – (A)
Revenue	36.9	41.2	4.3
Adjusted EBITDA	-5.6	-8.6	-3.0

Revenue increased to ¥41.2 billion, primarily as a result of Torii Pharmaceutical's 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 -¥8.6 billion primarily due to an increase in R&D expenditure, reflecting progress in product development.

Clinical Development Highlights:

- JTK-303 (HIV infection): US FDA approval of a single tablet regimen containing JTK-303 was obtained by a JT partner in August 2012. The drug is now marketed as Stribild® in the US. In Japan, JT filed an NDA (new drug application) in December 2012.
- JTT-751 (Hyperphosphatemia): JT submitted an NDA in Japan in January 2013 for the drug licensed from a JT partner.
- TO-194SL (Cedar pollinosis): Torii Pharmaceutical submitted an NDA in Japan for this sublingual immunotherapy drug in December 2012.
- MEK inhibitor (Melanoma): an NDA for this drug to treat melanoma (a type of skin cancer) was filed with the US FDA in August 2012 by a JT partner.

➢ **Beverage Business** Unit: Billions of Yen

	Apr-Dec 2011 (A)	Apr-Dec 2012 (B)	Difference (B) – (A)
Revenue	145.9	144.5	-1.5
Adjusted EBITDA	11.4	10.5	-0.9

Revenue declined ¥1.5 billion because of unfavorable comparision to the prior fiscal year, which was affected by a one-off sales increase following the earthquake. The decrease was also due to increased competition. Adjusted EBITDA declined ¥0.9 billion as a result of lower revenue. The Company continues to strengthen brand equity and marketing efforts, focusing on the flagship coffee brand "Roots", including the introduction of "Roots Premium Latte" which was jointly developed with Seven-Eleven Japan Co., Ltd. in October 2012, and a low sugar content coffee "Roots Bito Special Deep Shot" in November 2012.

➢ **Processed Food Business** Unit: Billions of Yen

	Apr-Dec 2011 (A)	Apr-Dec 2012 (B)	Difference (B) – (A)
Revenue	130.5	131.9	1.4
Adjusted EBITDA	1.6	5.2	3.6

Through a strategic focus on staple food products, revenue growth of these products more than compensated for the negative impact of the closure of the processed fishery products business. While partly offset by the higher raw material costs, adjusted EBITDA increased ¥3.6 billion because of the absence of costs which were allocated in the prior fiscal year. The earnings capability of the business has steadily improved through the focus on staple food products.

Consolidated Forecast for the Fiscal Year Ending March 31, 2013

The Company has revised upwards forecast **adjusted EBITDA** at constant rates of exchange, to grow 13.3% year-on-year to ¥654.0 billion, or circa 10% year-on-year excluding the extreme inflationary pricing effects of one market. This upward revision is a result of stronger momentum and efficient expenditure in the tobacco businesses. On a reported basis, the forecasts for **revenue**, **adjusted EBITDA** and **profit attributable to owners of the parent** have been revised upwards due to the momentum in the tobacco businesses and favorable exchange rates of the US dollar against principal local currencies, such as the Ruble, and the Japanese Yen. **Profit attributable to owners of the parent** is now forecast to grow 2.8% year-on-year.

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	2,093.0	2,118.0	25.0 (1.2%)	84.2 (4.1%)
Adjusted EBITDA	577.1	595.0	612.0	17.0 (2.9%)	34.9 (6.0%)
Operating profit	459.2	493.0	511.0	18.0 (3.7%)	51.8 (11.3%)
Profit attributable to owners of the parent	320.9	318.0	330.0	12.0 (3.8%)	9.1 (2.8%)

Forecast at constant rates of exchange

Adjusted EBITDA	577.1	642.0	654.0	12.0 (1.9%)	76.9 (13.3%)

- **International Tobacco Business[4]:** Adjusted EBITDA in US dollars for the full year ended December 31, 2012 grew 9.1% to $4,302 million, or 22.5%[5] to $4,830 million at constant rates of exchange, as a result of strong pricing and total shipment volume growth. Adjusted EBITDA in Japanese Yen increased 9.1% to ¥343.0 billion. These results exceeded the forecasts made in October 2012.

- **Japanese Domestic Tobacco Business:** The forecasts for total sales volume and core revenue remain unchanged. The adjusted EBITDA forecast has been revised upwards by ¥2.0 billion to ¥271.5 billion, an increase of 3.5% from the previous fiscal year, as a result of efficient expenditure. The Company will continue to focus on strengthening brand equity, aiming at a smooth transition to Mevius from Mild Seven and further growth of market share.

- **Pharmaceutical Business:** The revenue forecast has been revised upwards by ¥0.5 billion to ¥52.5 billion. The adjusted EBITDA forecast has been revised upwards by ¥1.0 billion to -¥14.5 billion as a result of a re-examination of R&D expenditure.

- **Beverage Business:** Revenue and adjusted EBITDA forecasts remain unchanged at ¥187.0 billion and ¥12.5 billion respectively. The Company will continue to grow the flagship coffee brand “Roots”.

- **Processed Food Business:** The forecasts for revenue and adjusted EBITDA have been revised downwards by ¥1.0 billion to ¥170.0 billion and by ¥0.5 billion to ¥6.5 billion respectively. Excluding the processed fishery products business, revenue is forecast to grow year-on-year.

➢ **Dividends**: The Company has revised forecast fiscal year-end dividend per share upwards by ¥5 to ¥35. Accordingly, a total annual dividend of ¥65 is now forecast, including the payment of ¥30 at the end of the July-September period. This amounts to a forecast dividend payout ratio of 37.5% 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] Core revenue in the international tobacco business excludes revenue from distribution, contract manufacturing and other peripheral businesses.

[3] Core revenue in the Japanese domestic tobacco business excludes revenue from distribution.

[4] The exchange rate assumptions for US $1.00 have been revised as follows; Russian Ruble 31.07 from 31.50, UK Sterling 0.63 from 0.64, Euro 0.78 from 0.80, Swiss Franc 0.94 from 0.95, Taiwan Dollar 29.57 from 29.80 and Japanese Yen 79.81 from 79.00. 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.

[5] 22.5% includes approximately 6 percentage points of pricing taken to mitigate the effect of a currency with substantial devaluation.

Additional definitions are provided at http://www.jt.com/investors/media/definitions/index.html.

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Results for the 9 months ended Dec 31,2012

1. Summary of Business Performance

(unit: JPY billion,%)

	9M ended Dec. 2011	9M ended Dec. 2012	Change	Rates of Change
Revenue	1,546.2	1,608.4	+62.2	+4.0%
Operating profit	363.6	411.7	+48.1	+13.2%
Profit before income taxes	351.8	392.0	+40.2	+11.4%
Profit	237.8	268.6	+30.8	+13.0%
Profit(attributable to owners of parent company)	232.0	263.7	+31.7	+13.7%
Adjusted EBITDA*1	455.9	494.5	+38.6	+8.5%

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

(Reference) (unit: JPY billion,%)

	9M ended Dec. 2011	9M ended Dec. 2012	Change	Rates of Change
Adjusted EBITDA at constant rates of exchange*2	455.9	529.5	+73.5	+16.1%

*2 :9M ended Dec.2011-Actual
9M ended Dec.2012- Regarding international tobacco business, at the same foreign exchange rates between local currency vs USD and JPY vs USD as 9M ended Dec.2011

2.Breakdown of Revenue

(unit: JPY billion,%)

	9M ended Dec. 2011	9M ended Dec. 2012	Change	Rates of Change
Revenue	1,546.2	1,608.4	+62.2	+4.0%
Japanese domestic tobacco	485.3	526.6	+41.4	+8.5%
Core revenue*1	456.3	502.8	+46.4	+10.2%
International tobacco*2	736.4	752.7	+16.3	+2.2%
Core revenue*3	682.3	702.9	+20.6	+3.0%
Pharmaceutical	36.9	41.2	+4.3	+11.5%
Beverage	145.9	144.5	-1.5	- 1.0%
Processed foods	130.5	131.9	+1.4	+1.0%
Others	11.1	11.6	+0.4	+3.9%

(Reference) (unit: USD million,%)

	9M ended Sep. 2011	9M ended Sep. 2012	Change	Rates of Change
International tobacco Core revenue*3	8,466	8,853	+387	+4.6%
International tobacco Core revenue at constant rates of exchange*3*4	8,466	9,491	+1,024	+12.1%

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

*2 :International tobacco business: 9M ended Sep.2011 and 9M ended Sep.2012

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

*4 :9M ended Sep.2011-Actual
9M ended Sep.2012- at the same foreign exchange rates between local currency vs USD as 9M ended Sep.2011

3.Adjusted EBITDA by business segment*1

(unit: JPY billion,%)

	9M ended Dec. 2011	9M ended Dec. 2012	Change	Rates of Change
Consolidated Operating profit	363.6	411.7	+48.1	+13.2%
Adjustment*3	92.4	82.9	-9.5	- 10.3%
Adjusted EBITDA*1	455.9	494.5	+38.6	+8.5%
Japanese domestic tobacco Operating profit	157.8	197.9	+40.2	+25.5%
Adjustment*3	42.4	28.9	-13.4	- 31.7%
Adjusted EBITDA*1	200.2	226.9	+26.7	+13.3%
International tobacco Operating profit*2	203.6	225.9	+22.2	+10.9%
Adjustment*2*3	51.6	40.2	-11.4	- 22.1%
Adjusted EBITDA*1*2	255.2	266.0	+10.8	+4.2%
Pharmaceutical Operating profit	-8.2	-11.1	-2.9	-
Adjustment*3	2.6	2.5	-0.0	- 0.9%
Adjusted EBITDA*1	-5.6	-8.6	-3.0	-
Beverage Operating profit	3.8	3.0	-0.8	- 20.9%
Adjustment*3	7.6	7.5	-0.1	- 1.1%
Adjusted EBITDA*1	11.4	10.5	-0.9	- 7.7%
Processed Foods Operating profit	-4.2	-6.5	-2.3	-
Adjustment*3	5.8	11.8	+5.9	+101.5%
Adjusted EBITDA*1	1.6	5.2	+3.6	+219.4%
Other/Elimination Operating profit	10.7	2.5	-8.2	- 76.7%
Adjustment*3	-17.6	-8.0	+9.6	-
Adjusted EBITDA*1	-6.9	-5.5	+1.3	-

(Reference) (unit: USD million,%)

	9M ended Sep. 2011	9M ended Sep. 2012	Change	Rates of Change
International tobacco Adjusted EBITDA*1	3,167	3,351	+184	+5.8%
International tobacco Adjusted EBITDA at constant rates of exchange*1*4	3,167	3,735	+568	+17.9%

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

*2 :International tobacco business: 9M ended Sep.2011 and 9M ended Sep.2012

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

*4 :9M ended Sep.2011-Actual
9M ended Sep.2012- at the same foreign exchange rates between local currency vs USD as 9M ended Sep.2011

4.Consolidated financial position data

(unit: JPY billion)

	As of end of Mar.2012	As of end of Dec.2012	Change
Total Assets	3,667.0	3,752.6	+85.6
Total Equity	1,714.6	1,864.8	+150.2
Equity attributable to owners of the parent company	1,634.1	1,783.2	+149.1
BPS(attributable to owners of parent company) (yen)*	858.09	936.40	+78.32

*: 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 Dec.2012	Change
Liquidity	431.2	369.1	-62.2

*: 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 Dec.2012	Change
Interest-bearing debt	502.4	359.3	-143.0

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

7.Consolidated cash flows data

(unit: JPY billion,%)

	9M ended Dec. 2011	9M ended Dec. 2012	Change	Rates of Change
Cash flows from operating activities	467.1	344.7	-122.4	-26.2%
Cash flows from investing activities	-76.1	-117.7	-41.6	–
Cash flows from financing activities	-246.7	-271.8	-25.0	–
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	-9.4	-16.5	-7.1	–
Cash and cash equivalents, end of the year*1	379.1	343.5	-35.6	-9.4%
FCF*2	391.2	226.9	-164.3	-42.0%

*1 Included in "Cash and cash equivalents" at the end of this quarter is ¥12.0 billion (IRR 4,550.2 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,%)

	9M ended Dec. 2011	9M ended Dec. 2012	Change	Rates of Change
Capital expenditures	78.2	91.7	+13.6	+17.4%
Japanese domestic tobacco	34.9	46.1	+11.2	+32.2%
International tobacco*	25.8	24.5	-1.3	-5.1%
Pharmaceutical	2.9	4.3	+1.4	+49.2%
Beverage	5.9	8.9	+3.1	+52.5%
Processed foods	6.1	3.3	-2.8	-45.4%
Other/Elimination and corporate	2.7	4.6	+2.0	+73.2%

*: International tobacco business: 9M ended Sep.2011 and 9M ended Sep.2012

9.Business data

【Japanese domestic tobacco business】	9M ended Dec. 2011	9M ended Dec. 2012	Change	Rates of Change	
JT sales volume*	80.9	89.4	+8.5	+10.5%	BNU
Total demand	151.0	150.1	-0.9	- 0.6%	BNU
JT market share	53.6%	59.6%	+6.0%pt		
JT net sales after tax per 1,000 cigarettes	5,497	5,504	+7	+0.1%	JPY

*: Sales volume of domestic duty-free and China division is excluded, which was 2.8 billion for 9 months ended Dec. 2011 and 2.3 billion for 9 months ended Dec. 2012, respectively.

【International tobacco business】	9M ended Sep. 2011	9M ended Sep. 2012	Change	Rates of Change	
Total shipment volume*	319.6	327.9	+8.3	+2.6%	BNU
GFB shipment volume	192.7	202.5	+9.8	+5.1%	BNU
JPY/USD rate for consolidation	80.59	79.39	-1.20	+1.5%	JPY
RUB/USD rate for consolidation	28.79	31.07	+2.28	-7.3%	RUB
GBP/USD rate for consolidation	0.62	0.63	+0.01	-1.9%	GBP
EUR/USD rate for consolidation	0.72	0.78	+0.06	-8.2%	EUR
CHF/USD rate for consolidation	0.89	0.94	+0.05	-5.8%	CHF
TWD/USD rate for consolidation	29.16	29.72	+0.55	-1.9%	TWD

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

(unit: JPY billion,%)

<Pharmaceutical business>	9M ended Dec. 2011	9M ended Dec. 2012	Change	Rates of Change
R&D expenses	18.2	22.9	+4.7	+26.0%

(unit: million case,%)

<Beverage business>	9M ended Dec. 2011	9M ended Dec. 2012	Change	Rates of Change
Sales of JT products	25.16	25.13	-0.03	- 0.1%
Roots	14.74	14.09	-0.66	- 4.4%

	As of end of Mar.2012	As of end of Dec.2012	Change
Number of beverage vending machines*	265,000	265,000	-0
JT-owned	35,000	38,000	+3,000
Combined	84,000	84,000	+0
Others	146,000	143,000	-3,000

*: 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.

Results for the 9 months ended Dec 31,2012

10.Account titles of P/L

(unit: JPY billion,%)

	9M ended Dec. 2011	9M ended Dec. 2012	Change	Rates of Change
Revenue	1,546.2	1,608.4	+62.2	+4.0%
Japanese domestic tobacco	485.3	526.6	+41.4	+8.5%
Core revenue[*2]	456.3	502.8	+46.4	+10.2%
International tobacco[*1]	736.4	752.7	+16.3	+2.2%
Core revenue[*1*3]	682.3	702.9	+20.6	+3.0%
Pharmaceutical	36.9	41.2	+4.3	+11.5%
Beverage	145.9	144.5	-1.5	- 1.0%
Processed foods	130.5	131.9	+1.4	+1.0%
Others	11.1	11.6	+0.4	+3.9%
Cost of sales	678.1	684.1	+6.0	+0.9%
Gross profit	868.1	924.3	+56.3	+6.5%
Other Operating profit	27.9	18.2	-9.7	- 34.7%
Gain on sale of tangible fixed assets, intangible assets and investment properties	21.9	15.1	-6.8	- 31.0%
Others	6.1	3.2	-2.9	- 48.0%
Share of profit of investments accounted for using the equity method	1.8	2.6	+0.9	+49.7%
SG&A	534.2	533.6	-0.6	- 0.1%
Advertising expenses	14.7	13.9	-0.8	- 5.7%
Promotion expenses	88.8	94.6	+5.8	+6.5%
Freight and storage cost	21.5	20.8	-0.8	- 3.5%
Commissions	28.7	29.3	+0.6	+2.1%
Employee benefits expenses	177.2	182.6	+5.5	+3.1%
R&D expenses	37.8	42.2	+4.4	+11.5%
Depreciation and amortization	43.7	43.6	-0.0	- 0.1%
Impairment losses	4.7	2.5	-2.2	- 46.3%
Loss on sale of tangible fixed assets and investment properties	5.8	5.1	-0.6	- 10.9%
Corporation fee for termination of leaf tobacco farming	12.4	0.0	-12.4	- 100.0%
Others	98.9	98.9	+0.0	+0.0%
Operating profit	363.6	411.7	+48.1	+13.2%
Depreciation and amortization	90.0	86.0	-4.0	- 4.4%
Impairment losses on goodwill	–	–	–	–
Restructuring-related income	-21.2	-14.4	+6.9	–
Restructuring-related costs	23.6	11.3	-12.3	- 52.3%
Adjusted EBITDA [*4]	455.9	494.5	+38.6	+8.5%
Japanese domestic tobacco Operating profit	157.8	197.9	+40.2	+25.5%
Depreciation and amortization	29.5	30.0	+0.5	+1.8%
Restructuring-related income	–	-1.2	-1.2	–
Restructuring-related costs	12.9	0.1	-12.8	- 99.2%
Adjusted EBITDA [*4]	200.2	226.9	+26.7	+13.3%
International tobacco Operating profit[*1]	203.6	225.9	+22.2	+10.9%
Depreciation and amortization[*1]	42.7	37.9	-4.8	- 11.3%
Restructuring-related income[*1]	–	-0.4	-4.0	–
Restructuring-related costs[*1]	8.9	2.7	-6.2	- 69.9%
Adjusted EBITDA [*1*4]	255.2	266.0	+10.8	+4.2%
Pharmaceutical Operating profit	-8.2	-11.1	-2.9	–
Depreciation and amortization	2.6	2.5	-0.0	- 0.9%
Adjusted EBITDA [*4]	-5.6	-8.6	-3.0	–
Beverage Operating profit	3.8	3.0	-0.8	- 20.9%
Depreciation and amortization	7.6	7.5	-0.1	- 1.1%
Adjusted EBITDA [*4]	11.4	10.5	-0.9	- 7.7%
Processed Foods Operating profit	-4.2	-6.5	-2.3	–
Depreciation and amortization	5.5	5.3	-0.2	- 3.6%
Restructuring-related costs	0.3	6.4	+6.1	+2093.1%
Adjusted EBITDA [*4]	1.6	5.2	+3.6	+219.4%
Others/Elimination Operating profit	10.7	2.5	-8.2	- 76.7%
Depreciation and amortization	2.1	2.7	+0.6	+29.1%
Restructuring-related income	-21.2	-12.8	+8.5	–
Restructuring-related costs	1.6	2.1	+0.5	+32.6%
Adjusted EBITDA [*4]	-6.9	-5.5	+1.3	–

(unit: JPY billion,%)

	9M ended Dec. 2011	9M ended Dec. 2012	Change	Rates of Change
Financial income	4.7	3.4	-1.3	- 27.8%
Dividend income	0.6	0.6	-0.0	- 3.9%
Interest income	1.8	2.6	+0.8	+46.3%
Foreign exchange gain	–	–	–	–
Other	2.3	0.2	-2.1	- 91.5%
Financial costs	16.4	23.0	+6.6	+40.1%
Interest expenses	11.3	7.5	-3.7	- 33.2%
Pension/post retirement benefit	4.2	4.3	+0.1	+2.7%
Foreign exchange loss	0.7	10.2	+9.6	1403.1%
Other	0.3	0.9	+0.6	+212.6%
Profit before income taxes	351.8	392.0	+40.2	+11.4%
Income taxes	114.0	123.4	+9.4	+8.2%
Profit	237.8	268.6	+30.8	+13.0%
Owners of the parent company	232.0	263.7	+31.7	+13.7%
Non-controlling interests	5.9	4.9	-0.9	-15.8%

*1 : International tobacco business: 9M ended Sep.2011 and 9M ended Sep.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

Results for the 9 months ended Dec 31,2012

11.Account titles of B / S

(unit: JPY billion)

	As of end of Mar.2012	As of end of Dec.2012	Change
Current assets	1,331.0	1,359.2	+28.1
Cash and cash equivalents	404.7	343.5	-61.2
Cash and deposits	108.8	148.7	+39.9
Short-term investment	295.9	194.8	-101.1
Trade and other receivables	327.8	383.7	+55.9
Notes and accounts receivable	311.8	370.4	+58.6
Other	17.7	14.7	-3.0
Allowance for doubtful accounts	-1.7	-1.4	+0.3
Inventories	446.6	456.9	+10.3
Merchandise and finished goods	112.5	128.7	+16.2
Leaf tobacco	294.8	283.1	-11.7
Other	39.3	45.1	+5.8
Other financial assets※3	27.4	28.0	+0.7
Other current assets	123.2	141.9	+18.7
Prepaid tobacco excise taxes	87.3	99.2	+11.9
Prepaid expenses	10.7	13.0	+2.3
Consumption taxes payable	6.7	7.5	+0.8
Other	18.5	22.1	+3.6
Non-current assets held for sale	1.4	5.2	+3.8
Non-current assets	2,336.0	2,393.4	+57.4
PP&E	619.5	633.5	+13.9
Cost	1,451.0	1,477.3	+26.3
Accumulated depreciation and accumulated impairment losses	-831.4	-843.9	-12.4
Land, buildings and structures	293.4	293.4	-0.1
Cost	594.0	599.0	+5.0
Accumulated depreciation and accumulated impairment losses	-300.5	-305.7	-5.1
Machinery and vehicles	239.2	246.4	+7.2
Cost	670.6	680.7	+10.0
Accumulated depreciation and accumulated impairment losses	-431.4	-434.3	-2.8
Tools, furniture and fixtures	55.8	60.9	+5.1
Cost	155.2	164.8	+9.6
Accumulated depreciation and accumulated impairment losses	-99.5	-103.9	-4.5
Construction in progress	31.1	32.8	+1.7
Cost	31.1	32.8	+1.7
Accumulated depreciation and accumulated impairment losses	—	—	—
Goodwill※1	1,110.0	1,160.4	+50.3
Cost	1,110.0	1,160.4	+50.3
Accumulated depreciation and accumulated impairment losses	—	—	—
Intangible assets	306.4	311.6	+5.1
Cost	848.0	872.9	+24.9
Accumulated depreciation and accumulated impairment losses	-541.5	-561.3	-19.8
Trademark※2	257.3	257.9	+0.6
Cost	663.9	684.4	+20.6
Accumulated depreciation and accumulated impairment losses	-406.5	-426.5	-20.0
Software	17.8	20.7	+3.0
Cost	97.3	97.2	-0.1
Accumulated depreciation and accumulated impairment losses	-79.6	-76.5	+3.1
Other	31.3	32.9	+1.6
Cost	86.8	91.3	+4.5
Accumulated depreciation and accumulated impairment losses	-55.5	-58.3	-2.9
Investment property	67.4	60.2	-7.2
Retirement benefit assets	14.4	16.4	+2.0
Investments accounted for using the equity method	18.4	20.6	+2.2
Other financial assets※3	67.5	67.8	+0.2
Deferred tax assets	132.2	123.0	-9.2
Total assets	3,667.0	3,752.6	+85.6

※3	Other financial assets(current & non-current)	94.9	95.8	+0.9
	Derivative assets	1.9	2.3	+0.4
	Equities	39.1	42.0	+2.9
	Bonds	8.8	7.4	-1.5
	Time deposits	24.3	20.2	-4.1
	Other	34.9	37.3	+2.4
	Allowance for doubtful accounts	-14.1	-13.4	+0.7

※1	Goodwill International tobacco cash-generating unit	1,067.5	1,117.9	+50.3
	Goodwill processed food cash-generating unit	25.4	25.4	—

※2	Trademark International tobacco business	254.5	255.3	+0.7

(unit: JPY billion)

	As of end of Mar.2012	As of end of Dec.2012	Change
Current liabilities	1,157.5	1,086.7	-70.7
Trade and other payables	298.7	288.6	-10.1
Notes and accounts payable	165.4	173.7	+8.3
Other payables	71.7	49.7	-22.1
Other	61.5	65.2	+3.7
Bonds and borrowings※4	211.8	85.9	-125.9
Income taxes payable	42.5	66.2	+23.7
Other financial libilities※4	8.0	7.3	-0.7
Provisions	5.7	5.9	+0.2
Other current liabilities※5	590.7	632.6	+41.9
Liabilities directly associated with non-current assets held-for-sale	0.1	0.3	+0.2
Non current liabilities	794.9	801.0	+6.1
Bonds and borrowings※4	279.7	260.8	-19.0
Other financial libilities※4	21.0	21.0	+0.0
Retirement benefit liabilities	315.0	327.9	+12.9
Provisions	4.4	7.0	+2.5
Other non-current liabilities※5	92.2	97.0	+4.8
Deferred tax liabilities	82.5	87.4	+4.9
Liabilities	1,952.4	1,887.8	-64.6
Equity	1,714.6	1,864.8	+150.2
Share capital	100.0	100.0	—
Capital surplus	736.4	736.4	—
Treasury shares	-94.6	-94.6	—
Other components of equity	-376.4	-367.0	+9.4
Retained earnings	1,268.6	1,408.3	+139.8
Non-controlling interests	80.6	81.6	+1.0
Total liabilities and equity	3,667.0	3,752.6	+85.6

※4	Bonds and borrowings(including other financial liabilities) (current & non-current)	520.5	375.0	-145.6
	Derivative liabilities	5.1	4.5	-0.7
	Short-term borrowings	43.5	34.0	-9.5
	Commercial paper	—	—	—
	Current portion of long-term borrowings	78.2	20.4	-57.8
	Current portion of bonds	90.1	31.5	-58.6
	Long-term borrowings	49.3	30.7	-18.5
	Bonds	230.5	230.0	-0.4
	Other	23.9	23.8	-0.1

※5	Other liabilities(current & non-current)	683.0	729.6	+46.7
	Tobacco excise taxes payable	240.5	285.2	+44.6
	Tobacco special excise taxes payable	15.1	15.7	+0.6
	Tobacco local excise taxes payable	191.4	198.0	+6.6
	Consumption taxes payable	83.2	83.8	+0.6
	Provision for bonuses	39.7	27.3	-12.4
	Compensated absences	18.6	19.0	+0.5
	Other	94.5	100.7	+6.2

Forecasts for the FY ending Mar.2013
(as of Jan 31, 2013)

1. Summary of Business Performance

(unit: JPY billion,%)

	FY03/2012	FY03/2013	Change	Rates of Change
Revenue	2,033.8	2,118.0	+84.2	+4.1%
Operating profit	459.2	511.0	+51.8	+11.3%
Profit before income taxes	441.4	488.0	+46.6	+10.6%
Profit	328.6	337.0	+8.4	+2.6%
Profit(attributable to owners of parent company)	320.9	330.0	+9.1	+2.8%
Basic EPS(yen)*1*6	168.50	173.29	+4.79	+2.8%
Adjusted EBITDA*2	577.1	612.0	+34.9	+6.0%
DPS(yen)*6	50	65	+15.00	+30.0%
Payout ratio*3	29.7%	37.5%	+7.8%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	654.0	+76.9	+13.3%

*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 Revenue

(unit: JPY billion,%)

	FY03/2012	FY03/2013	Change	Rates of Change
Revenue	2,033.8	2,118.0	+84.2	+4.1%
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	1,010.5	+44.2	+4.6%
Core revenue*3	894.6	943.0	+48.4	+5.4%
Pharmaceutical	47.4	52.5	+5.1	+10.7%
Beverage	188.8	187.0	-1.8	-0.9%
Processed Food	170.7	170.0	-0.7	-0.4%
Others	14.6	15.0	+0.4	+3.1%

(Reference) (unit: USD million,%)

	2011	2012	Change	Rates of Change
International tobacco Core revenue*2*3	11,211	11,817	+606	+5.4%
International tobacco Core revenue at constant rates of exchange*2*3*4	11,211	12,623	+1,412	+12.6%

*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	511.0	+51.8	+11.3%
Japanese domestic tobacco	209.3	230.0	+20.7	+9.9%
International tobacco*2	252.4	289.5	+37.1	+14.7%
Pharmaceutical	-13.5	-18.0	-4.5	-
Beverage	4.5	2.5	-2.0	- 44.3%
Processed Food	-2.5	-8.0	-5.5	-
Other/Elimination	9.0	15.0	+6.0	+66.3%
Adjusted EBITDA*1	577.1	612.0	+34.9	+6.0%
Japanese domestic tobacco*1	262.3	271.5	+9.2	+3.5%
International tobacco*1*2	314.8	343.0	+28.2	+9.1%
Pharmaceutical*1	-10.0	-14.5	-4.5	-
Beverage*1	14.6	12.5	-2.1	- 14.3%
Processed Food*1	5.4	6.5	+1.1	+20.0%
Other/Elimination*1	-9.8	-7.0	+2.8	-

(Reference) (unit: USD million,%)

	2011	2012	Change	Rates of Change
International tobacco Adjusted EBITDA*1*2	3,944	4,302	+357	+9.1%
International tobacco Adjusted EBITDA at constant rates of exchange*1*2*3	3,944	4,830	+886	+22.5%

*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	300.0	-151.3	-33.5%

* : 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).

* : The number of FY3/13 does not include acquisition of Nakhla

5.Capital expenditures

(unit: JPY billion,%)

	FY03/2012	FY03/2013	Change	Rates of Change
Capital expenditures	119.0	138.0	+19.0	+16.0%
Japanese domestic tobacco	56.2	72.0	+15.8	+28.1%
International tobacco*	39.1	37.0	-2.1	-5.5%
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	436.5	+10.8	+2.5%	BNU
GFB shipment volume	256.5	268.8	+12.3	+4.8%	BNU
JPY/USD rate for consolidation	79.80	79.81	+0.01	-0.0%	JPY
RUB/USD rate for consolidation	29.40	31.07	+1.67	-5.4%	RUB
GBP/USD rate for consolidation	0.63	0.63	+0.01	-0.9%	GBP
EUR/USD rate for consolidation	0.72	0.78	+0.06	-7.1%	EUR
CHF/USD rate for consolidation	0.89	0.94	+0.05	-4.9%	CHF
TWD/USD rate for consolidation	29.44	29.57	+0.14	-0.5%	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 Jan 31, 2013)

1. Summary of Business Performance

(unit: JPY billion,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
Revenue	2,093.0	2,118.0	+25.0	+1.2%
Operating profit	493.0	511.0	+18.0	+3.7%
Profit before income taxes	470.0	488.0	+18.0	+3.8%
Profit	324.0	337.0	+13.0	+4.0%
Profit(attributable to owners of parent company)	318.0	330.0	+12.0	+3.8%
Basic EPS(yen)*1*6	166.99	173.29	+6.30	+3.8%
Adjusted EBITDA*2	595.0	612.0	+17.0	+2.9%
DPS(yen)*6	60	65	+5.00	+8.3%
Payout ratio*3	35.9%	37.5%	+1.6%pt	-
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	642.0	654.0	+12.0	+1.9%

*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 Revenue

(unit: JPY billion,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
Revenue	2,093.0	2,118.0	+25.0	+1.2%
Japanese domestic tobacco	683.0	683.0	–	–
Core revenue*1	650.0	650.0	–	–
International tobacco*2	987.0	1,010.5	+23.5	+2.4%
Core revenue*3	921.0	943.0	+22.0	+2.4%
Pharmaceutical	52.0	52.5	+0.5	+1.0%
Beverage	187.0	187.0	–	–
Processed Food	171.0	170.0	-1.0	-0.6%
Others	13.0	15.0	+2.0	+15.4%

(Reference) (unit: USD million,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
International tobacco Core revenue*2*3	11,660	11,817	+157	+1.3%
International tobacco Core revenue at constant rates of exchange*2*3*4	12,600	12,623	+23	+0.2%

*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 :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	493.0	511.0	+18.0	+3.7%
Japanese domestic tobacco	228.0	230.0	+2.0	+0.9%
International tobacco*2	278.0	289.5	+11.5	+4.1%
Pharmaceutical	-19.0	-18.0	+1.0	–
Beverage	2.5	2.5	–	–
Processed Food	-6.5	-8.0	-1.5	–
Other/Elimination	10.0	15.0	+5.0	+50.0%
Adjusted EBITDA*1	595.0	612.0	+17.0	+2.9%
Japanese domestic tobacco*1	269.5	271.5	+2.0	+0.7%
International tobacco*1*2	332.0	343.0	+11.0	+3.3%
Pharmaceutical*1	-15.5	-14.5	+1.0	–
Beverage*1	12.5	12.5	–	–
Processed Food*1	7.0	6.5	-0.5	- 7.1%
Other/Elimination*1	-11.0	-7.0	+4.0	–

(Reference) (unit: USD million,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
International tobacco Adjusted EBITDA*1*2	4,200	4,302	+102	+2.4%
International tobacco Adjusted EBITDA at constant rates of exchange*1*2*3	4,750	4,830	+80	+1.7%

*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 :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*	270.0	300.0	30.0	11.1%

* : 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).

* : The number of FY3/13 does not include acquisition of Nakhla

5.Capital expenditures

(unit: JPY billion,%)

	Previous Forecast	Revised Forecast	Change	Rates of Change
Capital expenditures	155.0	138.0	-17.0	-11.0%
Japanese domestic tobacco	83.0	72.0	-11.0	-13.3%
International tobacco*	43.0	37.0	-6.0	-14.0%
Pharmaceutical	6.0	6.0	–	–
Beverage	11.0	11.0	–	–
Processed Food	6.0	6.0	–	–
Other/Elimination and corporate	6.0	6.0	–	–

* : International business: Year ending 2012

6.Business data

【Japanese domestic tobacco business】	Previous Forecast	Revised Forecast	Change	Rates of Change	
JT sales volume*	115.5	115.5	–	–	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	437.0	436.5	-0.5	- 0.1%	BNU
GFB shipment volume	268.0	268.8	+0.8	+0.3%	BNU
JPY/USD rate for consolidation	79.00	79.81	+0.81	-1.0%	JPY
RUB/USD rate for consolidation	31.50	31.07	-0.43	+1.4%	RUB
GBP/USD rate for consolidation	0.64	0.63	-0.01	+1.4%	GBP
EUR/USD rate for consolidation	0.80	0.78	-0.02	+2.8%	EUR
CHF/USD rate for consolidation	0.95	0.94	-0.01	+1.3%	CHF
TWD/USD rate for consolidation	29.80	29.57	-0.23	+0.8%	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	29.8		

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	605.2		

＊ 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	5,499		

＊ 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	59.6		

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	14.3		

(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	24.4		

(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	58.6		

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	7.4		

(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	25.6		

(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	28.9		

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	14.5		

(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	39.5		

(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	36.7		

＊ 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	9.62		

Japan Tobacco Inc. Clinical development (as of January 31, 2013)

Code(Generic Name)	Stage*	Key Indication	Mechanism /dosage form	Characteristics	Rights
JTK-303 (elvitegravir)	- STR* containing JTK-303 NDA filed (Japan) - JTK-303 preparing to file *Single tablet regimen	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)	NDA filed (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 October 30, 2012:
NDA for marketing approval of a single-tablet regimen containing JTK-303 has been filed in Japan on December 6, 2012.
NDA for marketing approval of JTT-751 has been filed in Japan on January 7, 2013.