Announcement：January 31, 2013
Investors' Meeting：February 1, 2013

Overview of Consolidated Financial Results for the 9 months ended December 31st, 2012 and Full-term Forecasts for FY 3/2013

CFO and Executive Vice President
Naohiro Minami

*Please be reminded that the figures shown on these slides may differ from those shown in the financial statements as they are intended to facilitate the understanding of individual businesses.
*For details of each indicator, please refer to annotations on slide 12.

Caution concerning Forward-Looking Statements

Forward-Looking and Cautionary Statements

This presentation contains forward-looking statements about our industry, business, plans and objectives, financial conditions and results of operations based on current expectations, assumptions, estimates and projections. These statements reflect future expectations, identify strategies, discuss market trends, contain projections of operational results and financial conditions, and state other forward-looking information.

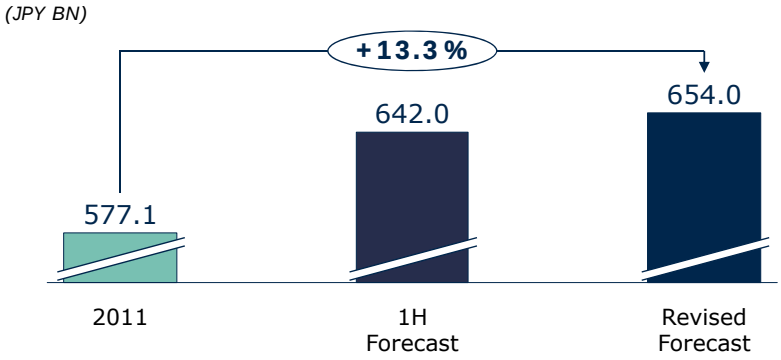
These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ from those suggested by any forward-looking statement; these forward looking statements are not intended to be construed as our assurance for it to materialize in the future. We assume no duty or obligation to update any forward-looking statement or to advise of any change in the assumptions and factors on which they are based. Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

(1) health concerns related to the use of tobacco products;
(2) legal or regulatory developments and changes; including, without limitation, tax increases and restrictions on sales, marketing and use of tobacco products, governmental investigations and privately imposed smoking restrictions;
(3) litigation in Japan and elsewhere;
(4) our ability to further diversify our business beyond the tobacco industry;
(5) our ability to successfully expand internationally and make investments outside Japan;
(6) competition and changing consumer preferences;
(7) the impact of any acquisitions or similar transactions;
(8) local and global economic conditions; and
(9) fluctuations in foreign exchange rates and the costs of raw materials.

Consolidated financial forecast:
Adjusted EBITDA at constant FX revised up to grow +13.3%

【Revised Forecasts for FY3/2013】

Adjusted EBITDA[1] @ constant FX

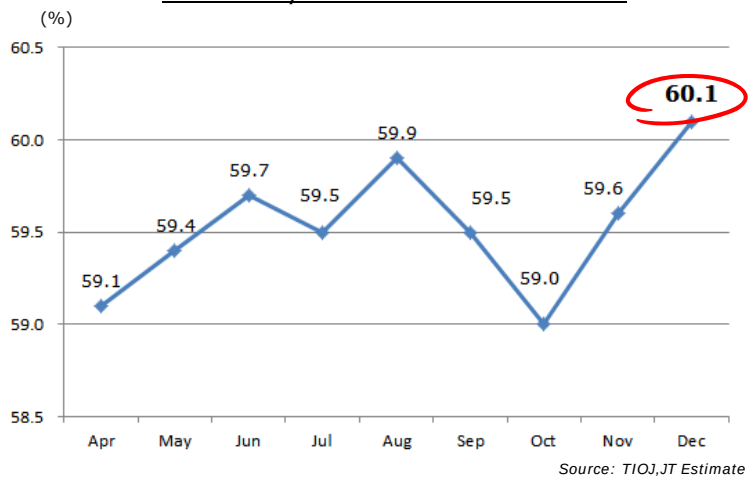


(JPY BN, %)	**Revised Forecast**	Change from 1H Forecast	Change from Previous year
Revenue	**2,118.0**	+25.0	+4.1%
Adjusted EBITDA[1]	**612.0**	+17.0	+6.0%
Operating profit	**511.0**	+18.0	+11.3%
Profit[2]	**330.0**	+12.0	+2.8%

Japanese domestic tobacco business:
60% market share achieved for the month of December

- Steady market share movement post introduction of new design of Mild Seven
- Strive for further market share recovery with MEVIUS

JT Monthly Market Share Movement



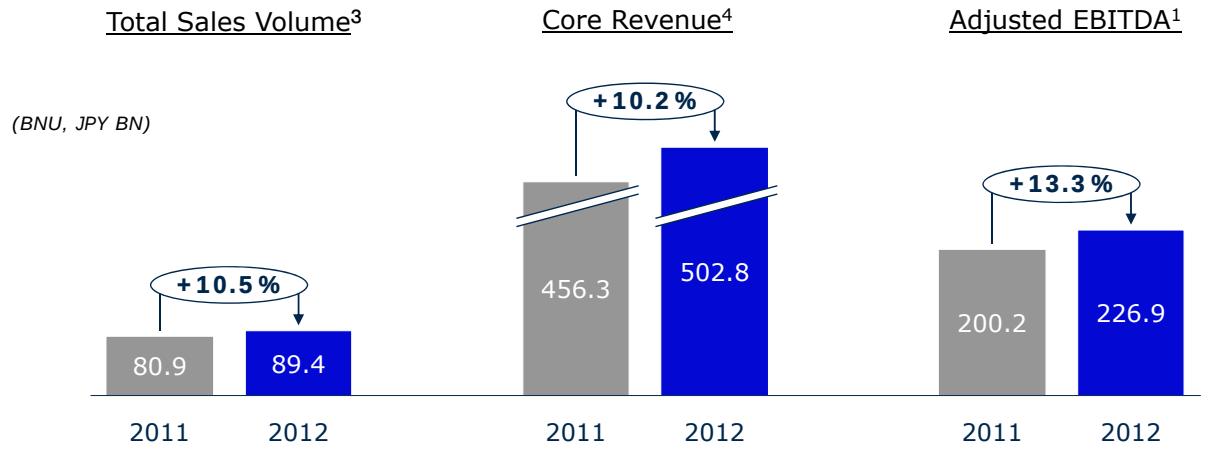


Source: TIOJ,JT Estimate

THIS SLIDE HAS BEEN DEVELOPED TO EXPLAIN JT'S PERFORMANCE TO OUR INVESTORS. IT IS NOT INTENDED TO PROMOTE THE PURCHASE OF OUR PRODUCTS OR INDUCE SMOKING

Japanese domestic tobacco business: Revenue and profit growth driven by total sales volume increase

【Results for Apr-Dec 2012】



【Revised Forecasts for FY3/2013】

(JPY BN, %)	**Revised Forecast**	Change from 1H Forecast	Change from Previous year
Total Sales Volume[3]	**115.5**	-	+6.5%
Core Revenue[4]	**650.0**	-	+6.2%
Adjusted EBITDA[1]	**271.5**	+2.0	+3.5%

Pharmaceutical business: Marketing approval filed for 3 compounds in Japan

Applications for marketing approval filed for 3 compounds in Japan

- An anti-HIV single-tablet regimen containing JTK-303
- JTT-751, for the treatment of hyperphosphatemia
- TO-194SL, a sublingual immunotherapy drug for Japanese cedar pollinosis (Torii Pharmaceutical)

Status of clinical development at licensee companies

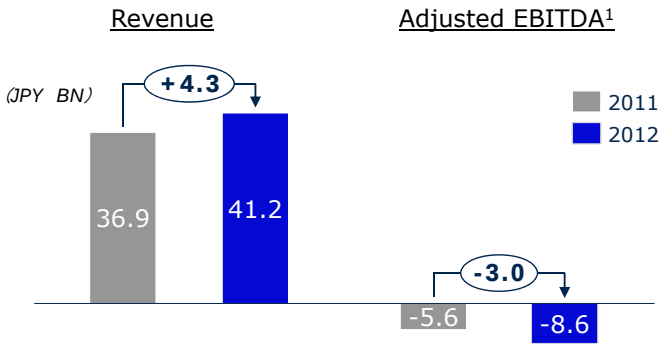
- JTK-303: Licensed to Gilead Sciences (US)
  - Single-tablet regimen containing JTK-303:
    - ・US FDA approval has been obtained and is currently sold in the US as Stribild®
    - ・application for approval has been filed with EMA
  - As mono-agent: applications for approval have been filed with US FDA, EMA, among others
- MEK Inhibitor: Licensed to GlaxoSmithKline (UK)
  - GSK has filed application for approval with US FDA for the treatment of Melanoma

Pharmaceutical business:
Revenue increased, R&D expenses increased from progress in compound development

Revenue
- ■Increase in sales of REMITCH CAPSULES and Truvada by Torii Pharmaceutical
- ■Increase in milestone revenue at JT

Adjusted EBITDA
- ■Increase in R&D expenses from progress in compound development

【Results for Apr-Dec 2012】



【Revised Forecast for FY3/13】

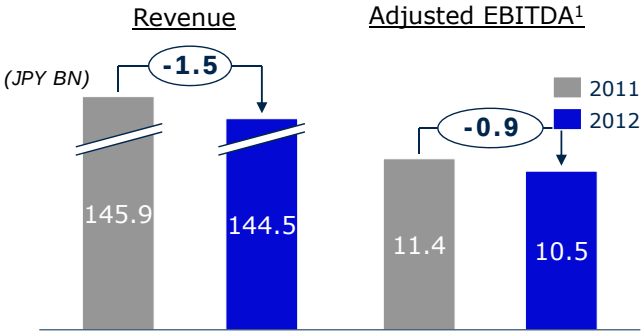
(JPY BN)	**Revised Forecast**	Change from 1H Forecast	Change from Previous Year
Revenue	**52.5**	+0.5	+5.1
Adjusted EBITDA[1]	**-14.5**	+1.0	-4.5

Beverage business: Continue to enhance brand equity with a focus on 'Roots' and strengthen trade marketing capability

Revenue/Adjusted EBITDA
- ■Revenue and adjusted EBITDA declined, due to unfavorable comparison to the same period of prior fiscal year which was affected by post-earthquake temporary demand increase



【Results for Apr-Dec 2012】



【Forecast for FY 3/2013 】
- ■ No change from previous forecast

(JPY BN)	**Revised Forecast**	Change from 1H forecast	Change from previous year
Revenue	**187.0**	-	-1.8
Adjusted EBITDA[1]	**12.5**	-	-2.1

Processed food business:
Business grows steadily, driven by continued performance of staple food products

Revenue

■Revenue grew as continued performance of staple food products more than compensated for the negative impact of the closure of the processed fishery products business

Adjusted EBITDA

■Increase in raw material cost is more than offset by the absence of expenses incurred in the same period of the prior year

■Profitability continues to improve, driven by continued performance of staple food products

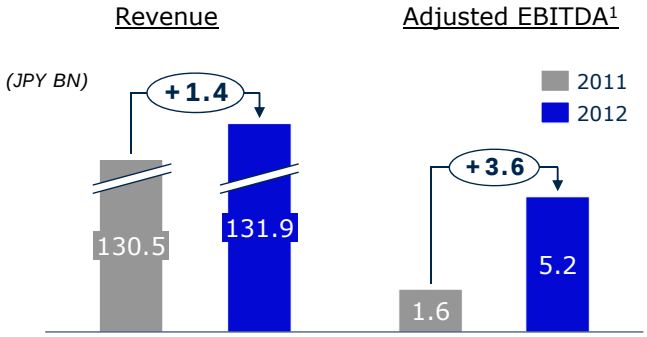








【Results for Apr-Dec 2012】



【Revised Forecast for FY3/2013】

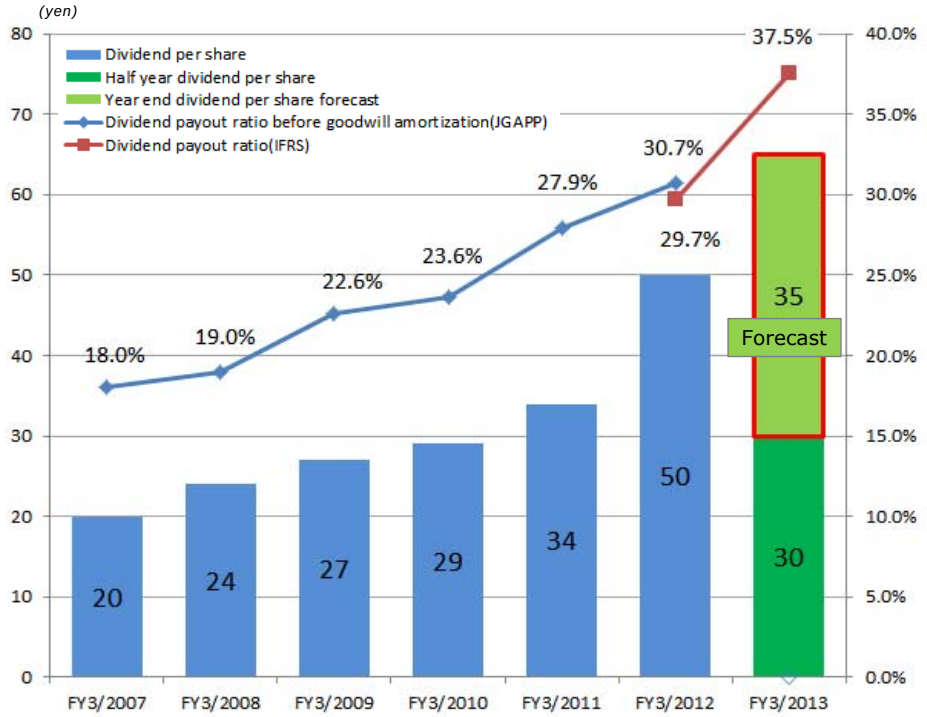
(JPY BN)	Revised Forecast	Change from 1H Forecast	Change from Previous Year
Revenue	**170.0**	-1.0	-0.7
Adjusted EBITDA[1]	**6.5**	-0.5	+1.1

Change from pervious year:
■ Excluding processed fishery products business, revenue is forecast to grow (4%) year-on-year

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Year-end dividend forecast revised up by 5 yen

Dividend per Share/Dividend Payout Ratio Evolution



A 200 for 1 stock split was conducted, effective as of July 1, 2012.
The above figures for per share dividend are calculated on the assumption that this stock split took place at the beginning of fiscal year ending March 2007.

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Closing remarks

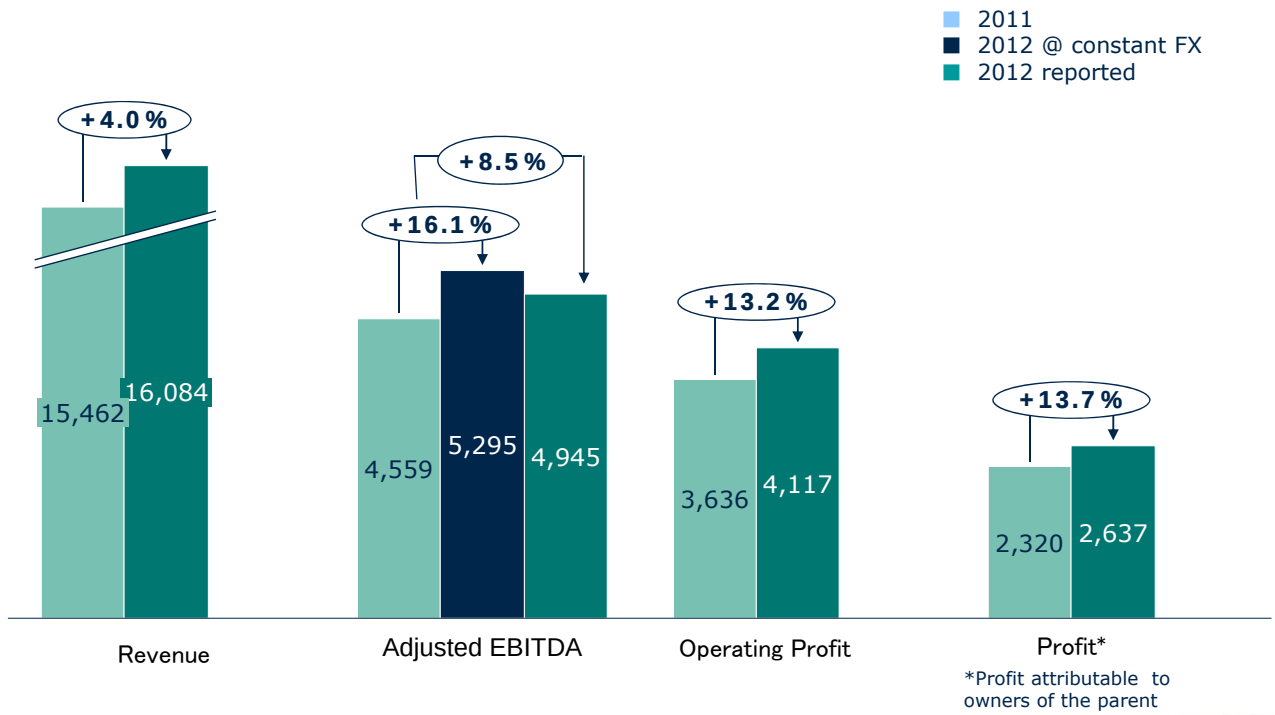
- Despite a challenging environment, solid results and future growth momentum achieved from continuous investment in our business
- Adjusted EBITDA at constant currency is revised upward to grow +13.3%
- Priority will continue to be on business investment, as we strive for sustainable mid-to long-term profit growth

<Annotations>

1 Adjusted EBITDA :	*Operating profit + depreciation and amortization + impairment losses on goodwill ± restructuring-related income and costs*
2 Profit:	*Profit attributable to owners of the parent*
3 Total Sales Volume: (Japanese Domestic Tobacco Business)	*Excludes sales volume of domestic duty free and the China business*
4 Core Revenue: (Japanese Domestic Tobacco Business)	*Excludes revenues from distribution of imported tobacco in the Japanese domestic tobacco business and other peripheral businesses*

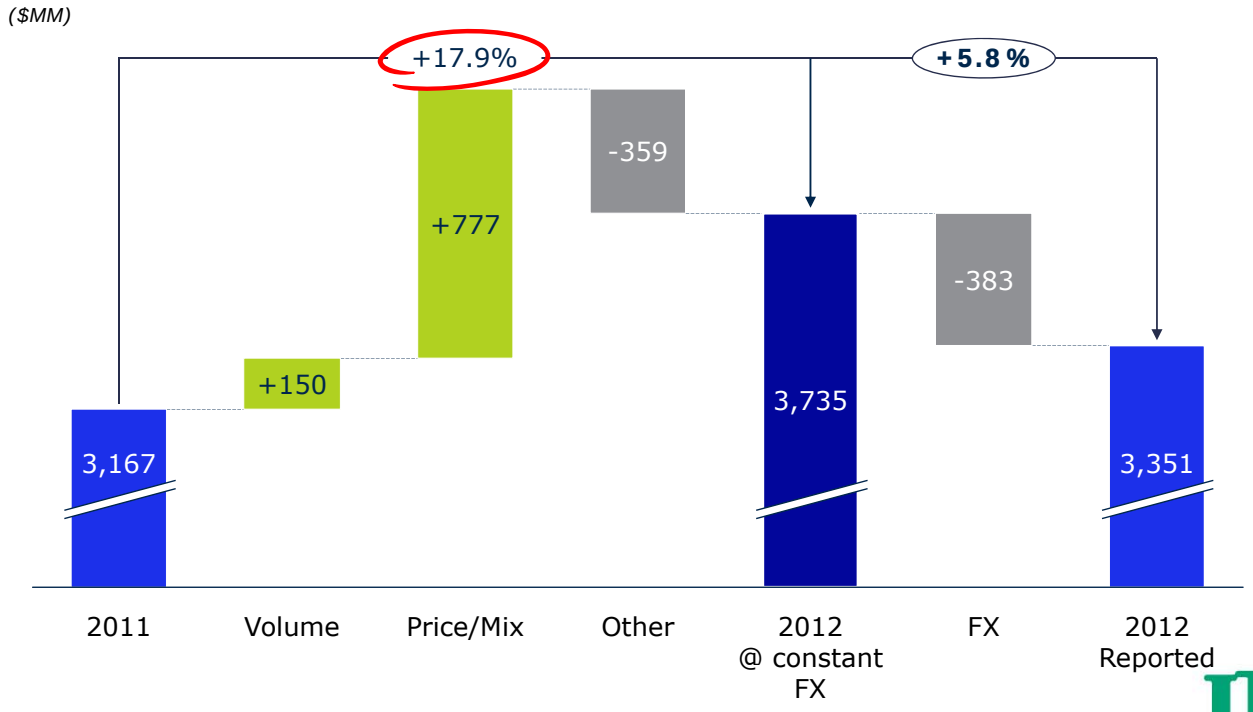
All the Detailed figures comes to <Back up data>

Consolidated financial results for the 9 months ended Dec. 31st, 2012



<Back up data> International Tobacco Business
Adjusted EBITDA (Jan-Sep Results)

Adjusted EBITDA[1]



<Back up data>International Tobacco Business
Total Shipment Volume Growth by Cluster and Selected Markets vs. Previous Year

	2012 Jan-Mar	2012 Apr-Jun	2012 Jul-Sep	2012 Oct-Dec	2012 Jan-Dec
JTI	**4.7%**	**2.8%**	**0.7%**	**2.4%**	**2.5%**
South & West Europe	13.0%	-3.5%	-2.1%	7.8%	3.1%
Spain	38.7%	-8.9%	-6.2%	-4.7%	1.4%
Italy	13.3%	4.0%	-13.0%	3.7%	1.1%
France	7.8%	-6.2%	7.0%	21.7%	6.9%
North & Central Europe	7.0%	-1.8%	0.7%	1.0%	1.6%
UK	0.5%	-2.5%	0.0%	-1.5%	-0.8%
Ireland	-3.1%	-8.3%	3.1%	1.0%	-1.9%
Austria	7.8%	-4.7%	-2.5%	-1.0%	-0.6%
Sweden	-1.6%	-5.0%	3.1%	-0.7%	-1.0%
Poland	23.3%	-4.4%	0.9%	-1.3%	3.9%
CIS+	0.7%	3.1%	-2.7%	-1.6%	-0.2%
Russia	0.3%	-0.2%	-5.2%	-5.4%	-2.8%
Ukraine	2.7%	-2.5%	-7.9%	-3.2%	-3.0%
Kazakhstan	2.5%	-2.9%	-6.2%	3.4%	-1.2%
Romania	-3.1%	-2.3%	-3.2%	4.4%	-1.2%
Rest of the World	5.7%	7.7%	8.4%	6.9%	7.2%
Turkey	4.3%	10.5%	18.4%	12.4%	11.7%
Taiwan	-13.4%	8.4%	-2.6%	1.3%	-2.1%
Canada	7.7%	1.2%	-3.2%	3.2%	1.9%
Malaysia	9.5%	-2.6%	-6.3%	7.2%	1.4%

<Back up data>International Tobacco Business
GFB Volume Growth by Cluster vs. Previous Year

	2012 Jan-Mar	2012 Apr-Jun	2012 Jul-Sep	2012 Oct-Dec	2012 Jan-Dec
JTI	**9.5%**	**5.2%**	**1.4%**	**4.0%**	**4.8%**
South & West Europe	14.0%	-2.9%	-4.9%	-0.1%	0.9%
North & Central Europe	13.4%	0.7%	1.6%	1.7%	4.1%
CIS+	13.9%	12.4%	6.5%	6.9%	9.6%
Rest of the World	-0.8%	1.3%	-2.2%	2.9%	0.2%

<Back up data> International Tobacco Business
GFB Shipment Volume

BNU	2012 Jan-Mar	2012 Apr-Jun	2012 Jul-Sep	2012 Oct-Dec	2012 Jan-Sec
GFB	61.1 (+9.5%)	69.7 (+5.2%)	71.6 (+1.4%)	66.3 (+4.0%)	268.8 (+4.8%)
Winston	31.3 (+12.0%)	36.3 (+8.4%)	36.9 (+1.8%)	34.9 (+6.0%)	139.4 (+6.7%)
Camel	9.6 (+6.8%)	10.4 (-2.9%)	10.7 (-3.4%)	10.0 (+2.5%)	40.7 (+0.4%)
Mild Seven	4.5 (-12.0%)	4.8 (+1.5%)	5.0 (+5.2%)	4.6 (+6.1%)	18.9 (-0.1%)
B&H	2.6 (+3.9%)	2.5 (-8.9%)	2.7 (-4.1%)	2.5 (-4.2%)	10.3 (-3.5%)
Silk Cut	0.9 (-8.6%)	0.9 (-14.8%)	0.9 (-8.3%)	0.8 (-12.8%)	3.5 (-11.1%)
LD	9.8 (+25.3%)	11.9 (+13.6%)	12.4 (+6.9%)	10.9 (+3.8%)	45.1 (+11.4%)
Sobranie	0.3 (+54.4%)	0.4 (+32.7%)	0.5 (+43.6%)	0.5 (+40.5%)	1.8 (+41.7%)
Glamour	2.0 (-6.4%)	2.5 (-9.0%)	2.5 (-9.6%)	2.1 (-11.0%)	9.1 (-9.0%)

Numbers in ( ): % change from previous year

<Back up data> International Tobacco Business
Tax and Price Increase

	excise tax change	*price increase*
Italy	*Sep 2011* [i)]	*Jul, Sep 2011* *Mar 2012*
France	*Jan 2013* [ii)]	*Oct 2011* *Oct 2012*
Spain	*Apr, Sep* [ii)] *2012* *Jan 2013*	*Temporary price reduction from June to Sep 2011* *Apr, Sep 2012* *Jan 2013*
UK	*Jan* [i)] *, Mar 2011* *Mar 2012*	*Jan, Mar, Sep 2011* *Mar, Sep 2012*
Russia	*Jan 2011* *Jan, Jul 2012* *Jan 2013*	*Jun, Dec 2011* *Jun, Dec 2012*
Turkey	*Oct 2011* *Jan 2013*	*Oct 2011* *Jan 2013*
Taiwan	*Sep 2011* [ii)]	*Mar-Apr* [iii)] *, Sep 2011* *Aug-Sep 2012* [iii)]

i)Increase in VAT
ii)Tax structure change
iii)Price increase for some brands each month

<Back up data> International Tobacco Business
FX Actuals

	2012 Jan-Mar	2012 Apr-Jun	2012 Jul-Sep	2012 Sep-Dec	2012 Jan-Dec
RUB/$	30.15	31.06	32.00	31.08	31.07
	(-2.8%)	(-9.8%)	(-9.1%)	(+0.5%)	(-5.4%)
GBP/$	0.64	0.63	0.63	0.62	0.63
	(-0.6%)	(-3.0%)	(-2.0%)	(+2.1%)	(-0.9%)
EUR/$	0.76	0.78	0.80	0.77	0.78
	(-2.0%)	(-10.7%)	(-11.6%)	(-3.8%)	(-7.1%)
CHF/$	0.92	0.94	0.96	0.93	0.94
	(+4.3%)	(-6.8%)	(-14.6%)	(-2.1%)	(-4.9%)
TWD/$	29.71	29.61	29.83	29.15	29.57
	(-0.7%)	(-2.5%)	(-2.3%)	(+3.8%)	(-0.5%)
Yen/$	79.35	80.18	78.64	81.06	79.81
	(+3.7%)	(+1.9%)	(-1.0%)	(-4.7%)	(-0.0%)

Numbers in ( ): % change from previous year

[Reference Material]

Analysis of Consolidated Financial Results for the 9 months ended December 31, 2012 and the Full-term Forecast for FY3/2013

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*Please refer to slide 21 for each indicator.

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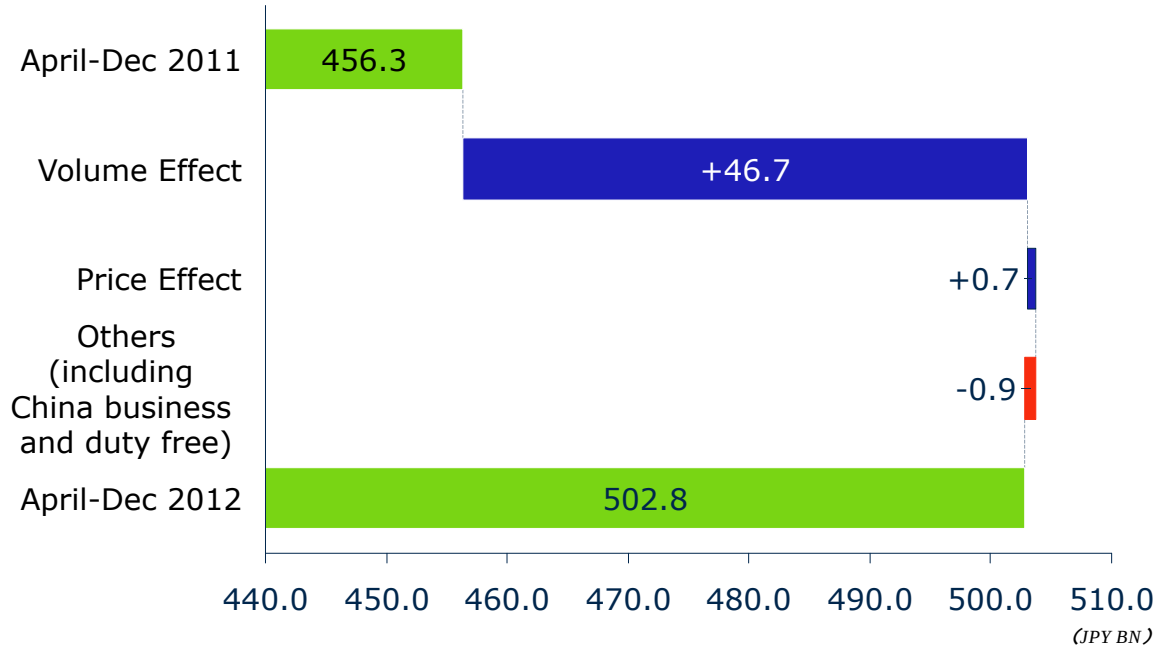
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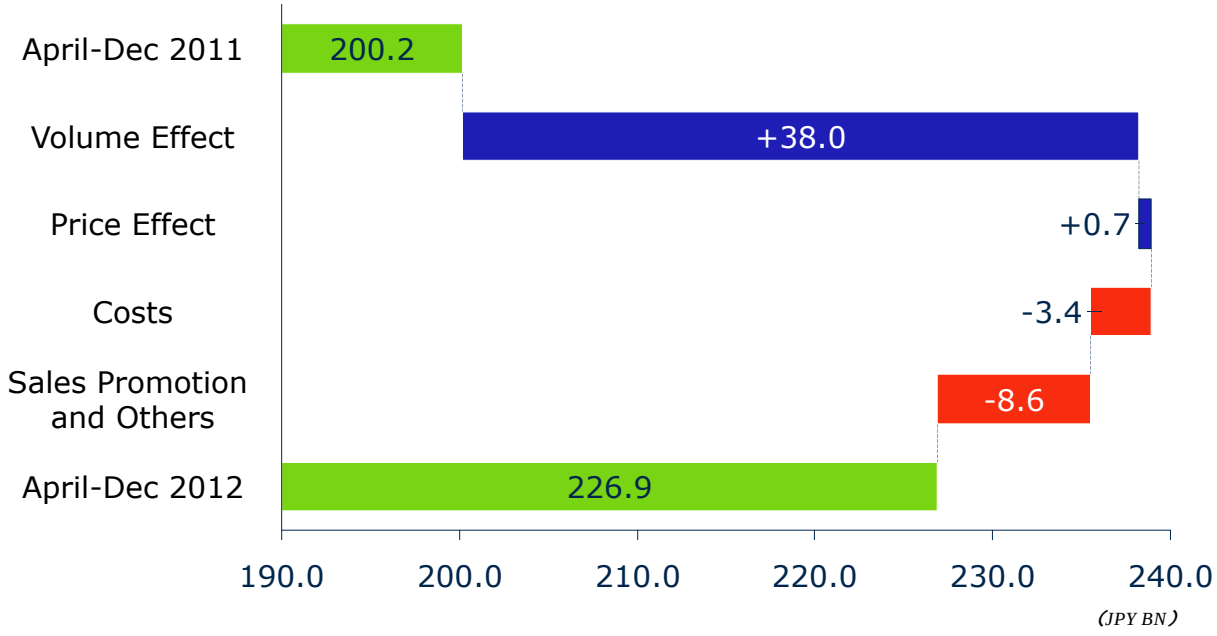
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Japanese Domestic Tobacco Business – Core Revenue [1]

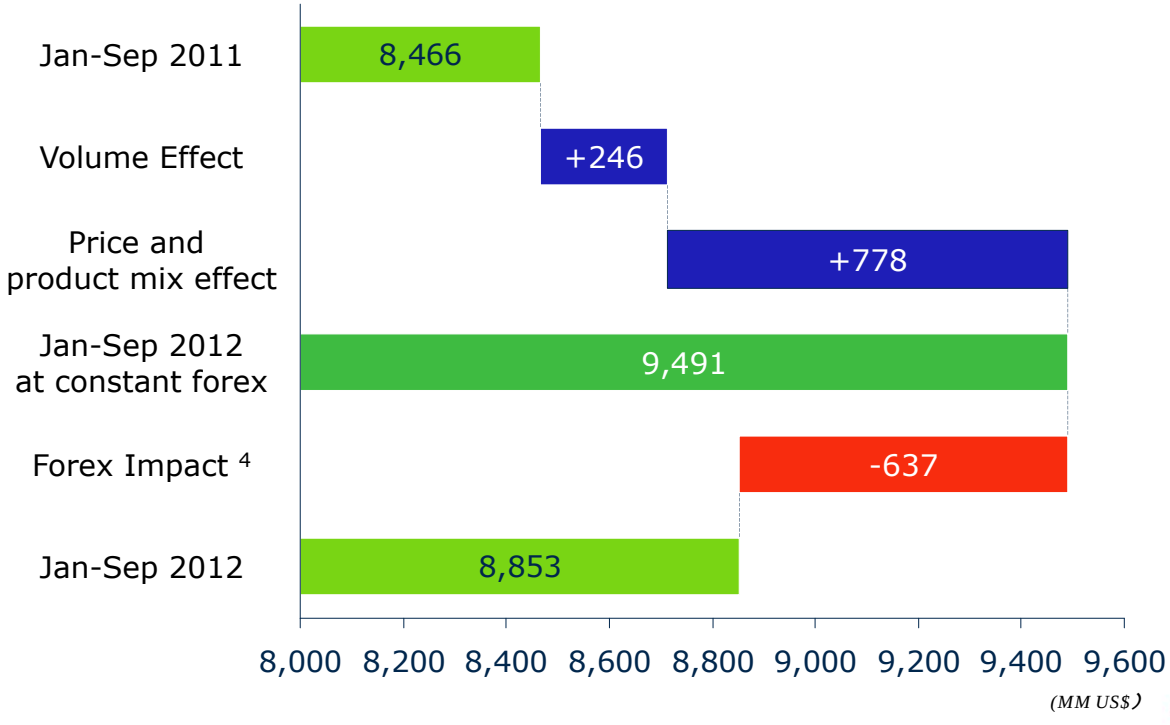


Japanese Domestic Tobacco Business – Adjusted EBITDA [2]



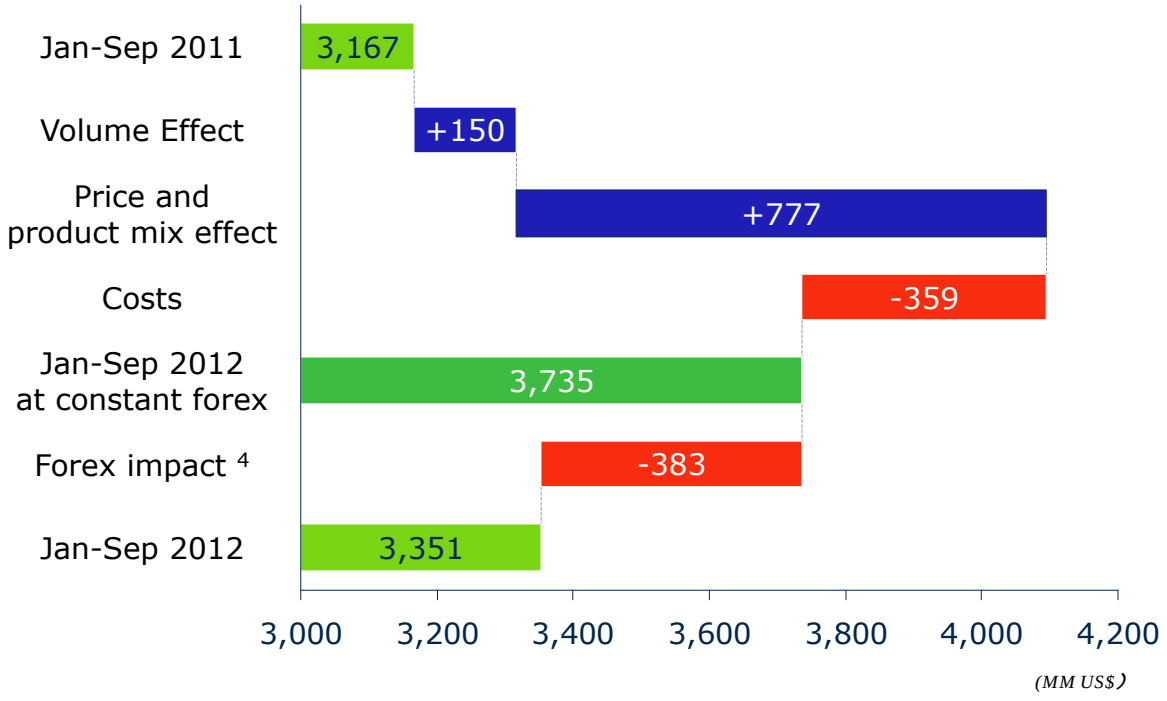
Financial Results for the 9 months ended December 31, 2012 (IFRS)

- International Tobacco Business – Core Revenue [3]



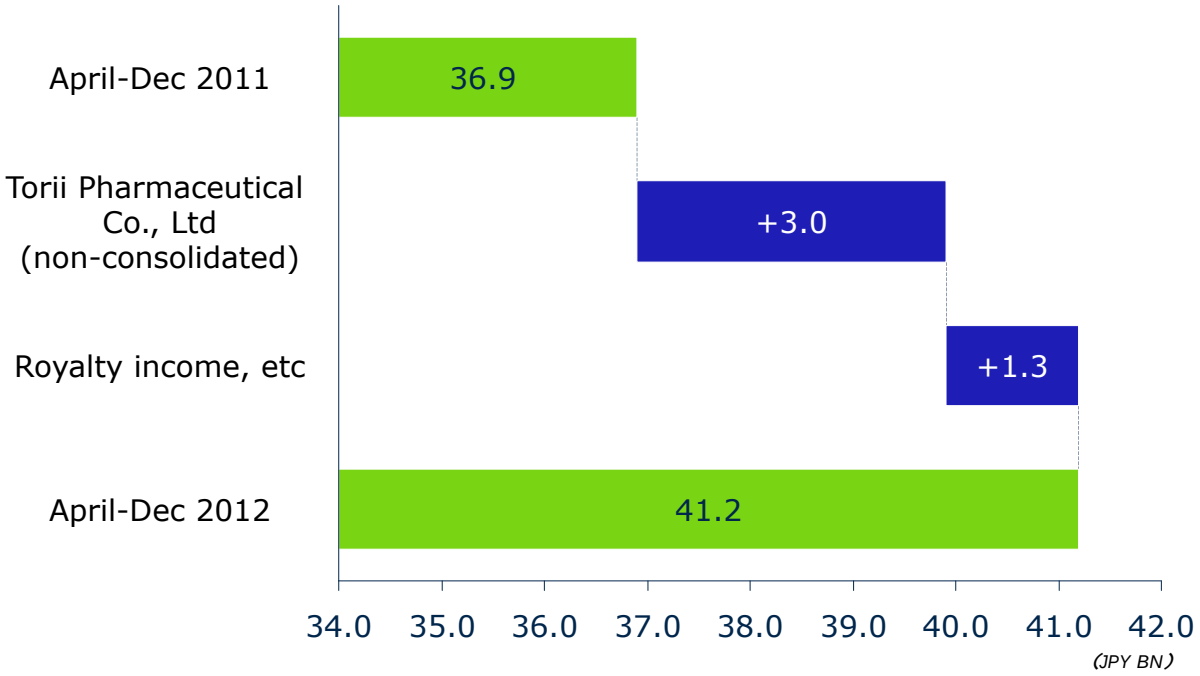
Financial Results for the 9 months ended December 31, 2012 (IFRS)

- International Tobacco Business – Adjusted EBITDA [2]



Financial Results for the 9 months ended December 31, 2012 (IFRS)

- Pharmaceutical Business – Revenue



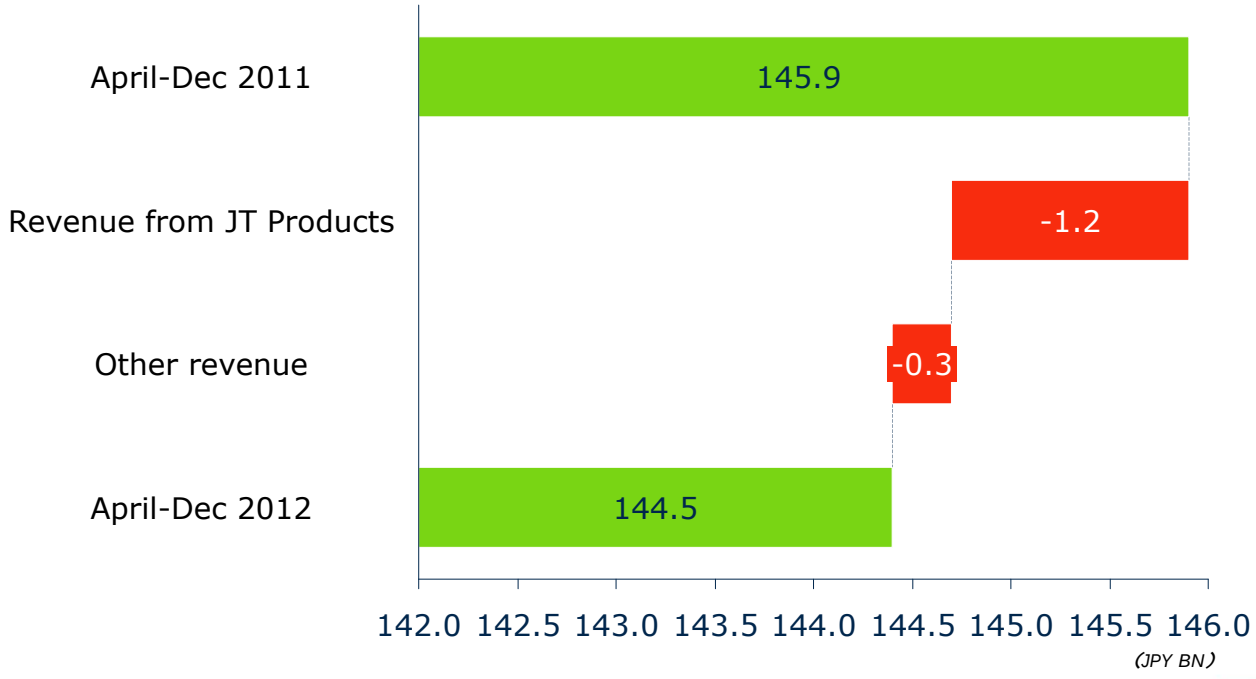
Financial Results for the 9 months ended December 31, 2012 (IFRS)

- Pharmaceutical Business – Adjusted EBITDA [2]



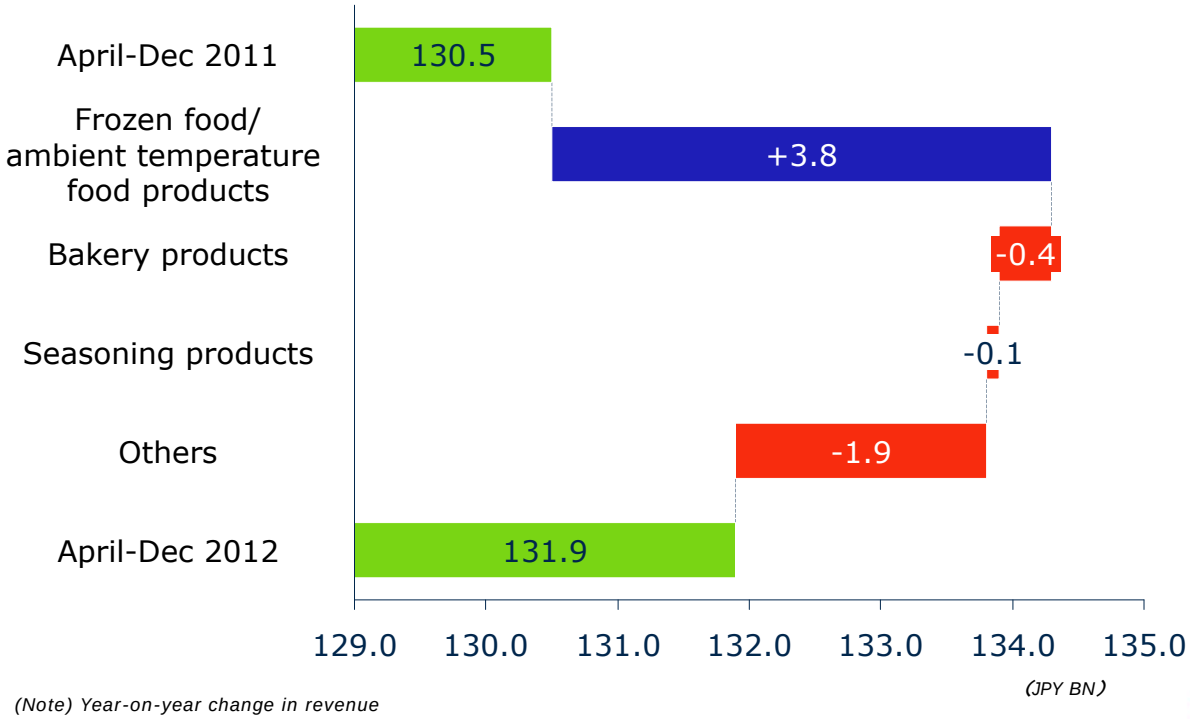
Financial Results for the 9 months ended December 31, 2012 (IFRS)

- Beverage Business - Revenue



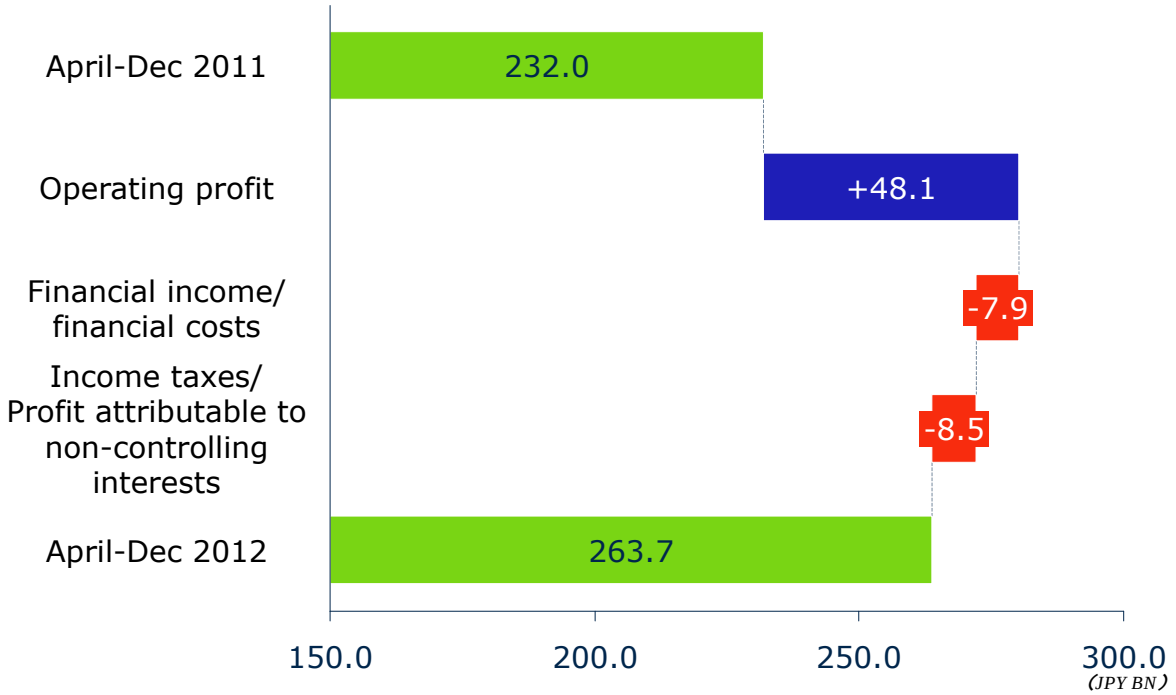
Financial Results for the 9 months ended December 31, 2012 (IFRS)

- Processed Food Business - Revenue



(Note) Year-on-year change in revenue of processed fishery products are included in 'others'

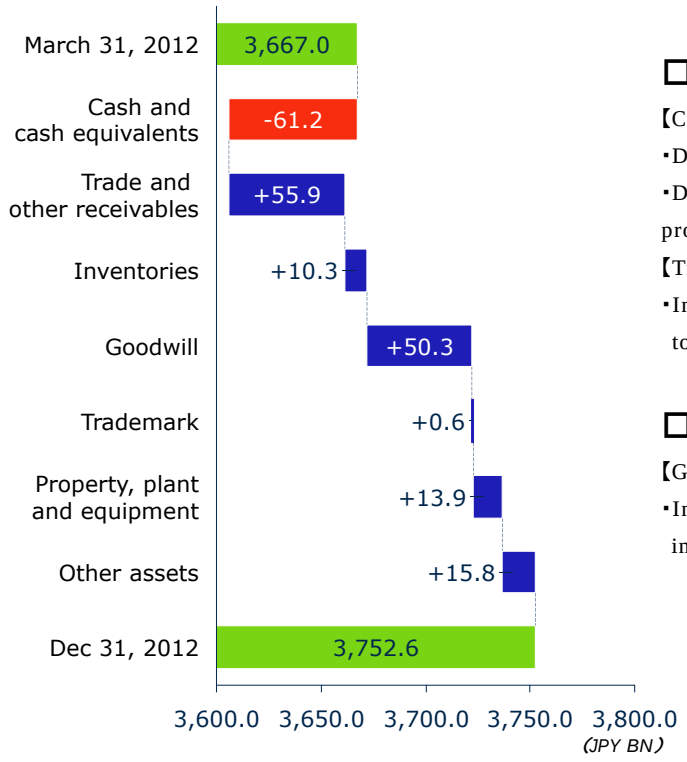
- Profit attributable to owners of the parent



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Summary of Consolidated Balance Sheet as of December 31, 2012 (IFRS)

☐ Consolidated balance sheet (Asset) compared to B/S as of March 31, 2012



☐Current Assets: Down JPY -28.1BN

【Cash and cash equivalents】Down JPY -61.2 BN

・Decrease from payment of Gryson acquisition

・Decrease from investment in next generation raw material processing lines in the Japanese domestic tobacco business

【Trade and other receivables】Up JPY +55.9 BN

・Increase in the Japanese domestic and international tobacco business, increase in processed food business

☐Non-current Assets：Up JPY +57.4 BN

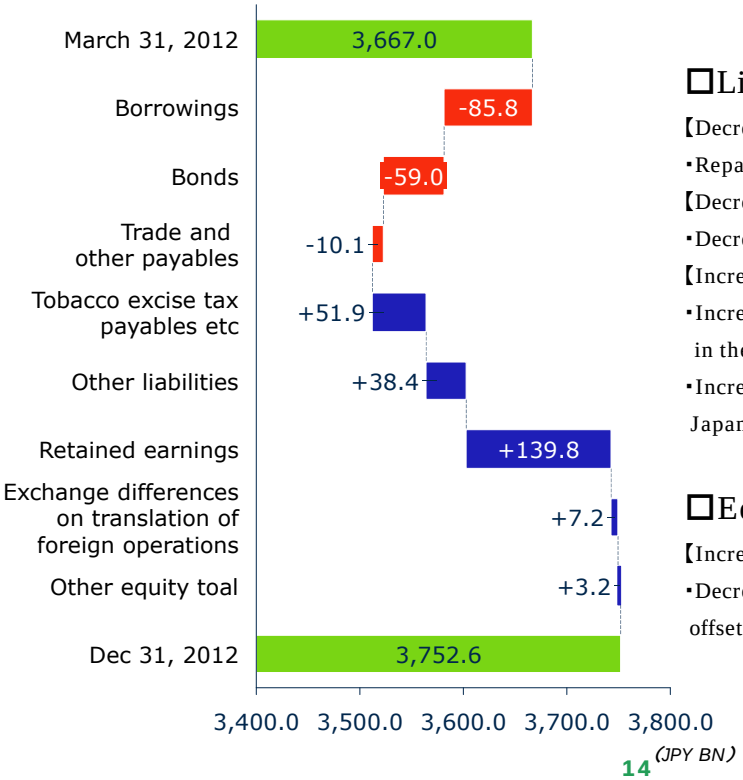
【Goodwill】Up JPY 50.3 BN

・Increase from positive forex effect and increase from acquisition of Gryson

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Summary of Consolidated Balance Sheet as of December 31, 2012 (IFRS)

☐ Consolidated balance sheet (Liabilities and Equity) compared to B/S as of March 31, 2012



☐Liabilities：Down JPY -64.6 BN

【Decrease in borrowings】Down JPY -85.8 BN

・Repayment of loans

【Decrease in bonds】Down JPY 59.0 BN

・Decrease from bond redemption

【Increase in tobacco excise tax payables, etc】Up JPY 51.9 BN

・Increase from difference in settlement timing in the international tobacco business

・Increase from sales volume increase in the domestic Japanese tobacco business

☐Equity：Up JPY 150.2 BN

【Increase in retained earnings】Up JPY 139.8 BN

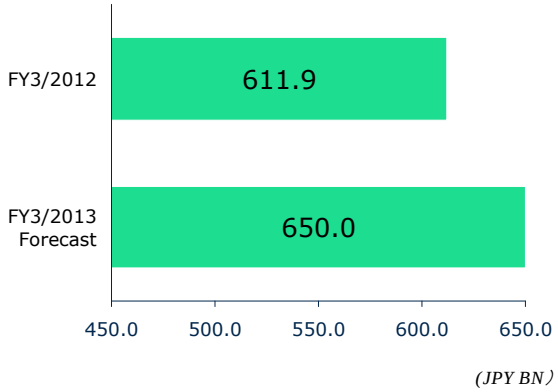
・Decrease from dividend payment is more than offset by appropriation of profit for the year

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Forecast for FY 3/2013 compared to FY 3/2012 results (IFRS)

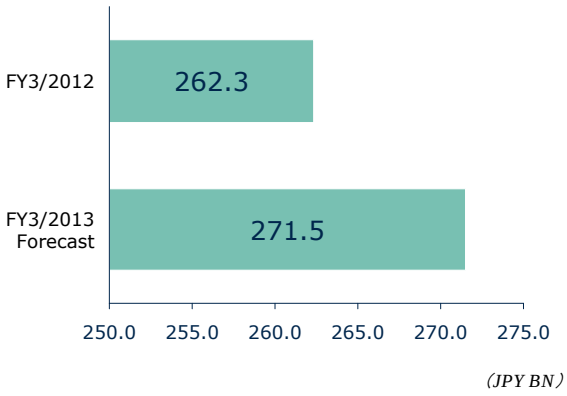
Japanese Domestic Tobacco Business - Core Revenue[1]/Adjusted EBITDA[2]

- **Core Revenue[1]**



【Positive factors】
- Increase in JT total sales volume as a result of recovery from the earthquake effect:
  108.4 BNU → 115.5 BNU

- **Adjusted EBITDA[2]**



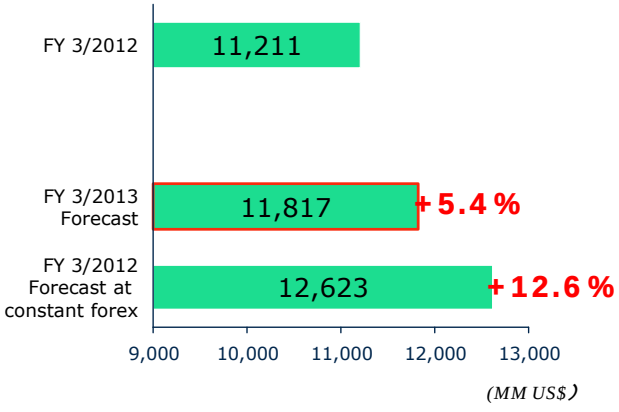
【Positive factors】
- Increase in JT total sales volume as a result of recovery from the earthquake effect:
  108.4 BNU → 115.5BNU

【Negative factors】
- Investment to further enhance brand equity

Forecast for FY 3/2013 compared to FY 3/2012 results (IFRS)

International Tobacco Business
- Dollar based Core Revenue[3]/Adjusted EBITDA[2]

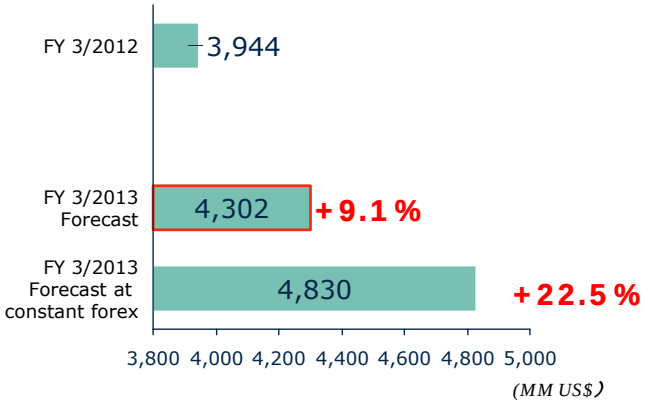
- **Core Revenue[3]**



【Positive factors】
- Price effect, volume effect

【Negative Factors】
- Forex effect (local currencies vs US dollar)

- **Adjusted EBITDA[2]**



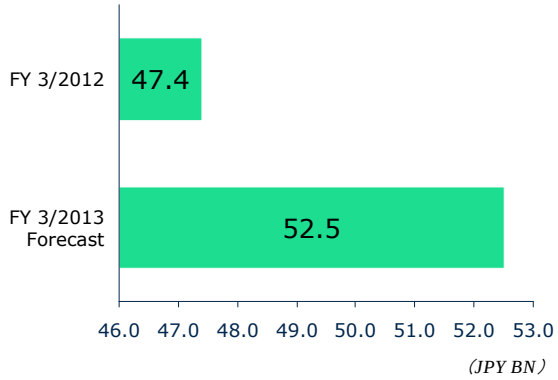
【Positive factors】
- Price effect, volume effect

【Negative Factors】
- Forex effect (local currencies vs US dollar)

Forecast for FY 3/2013 compared to FY 3/2012 results (IFRS)

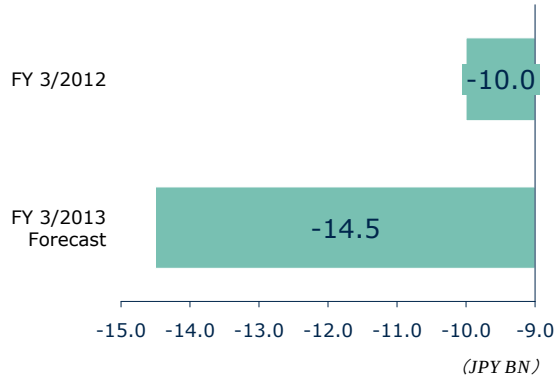
Pharmaceutical Business - Revenue/Adjusted EBITDA[2]

- **Revenue**



【Positive factors】
- Increase in sales of Torii Pharmaceutical Co. Ltd.
- Increase in milestone revenue for JT

- **Adjusted EBITDA[2]**



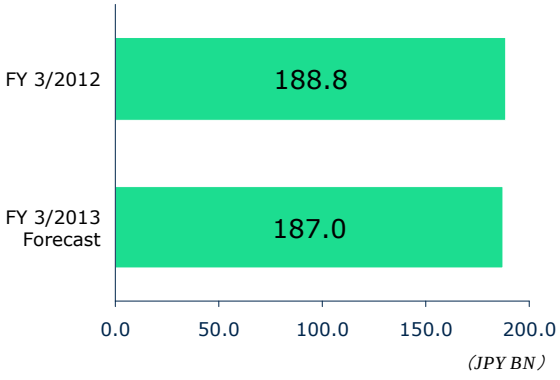
【Positive factors】
- Increase in profits at Torii Pharmaceutical Co. Ltd.
- Increase in milestone revenue for JT

【Negative factors】
- Increase in R&D expenses

Forecast for FY 3/2013 compared to FY 3/2012 results (IFRS)

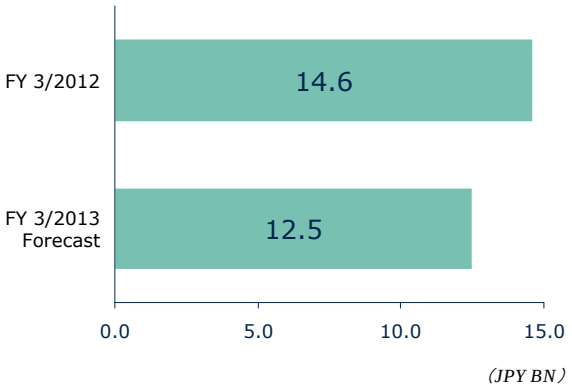
Beverage Business– Revenue/Adjusted EBITDA[2]

- **Revenue**



【Negative Factors】
- Reverse effect of strong sales post-earthquake in the prior fiscal year

- **Adjusted EBITDA[2]**

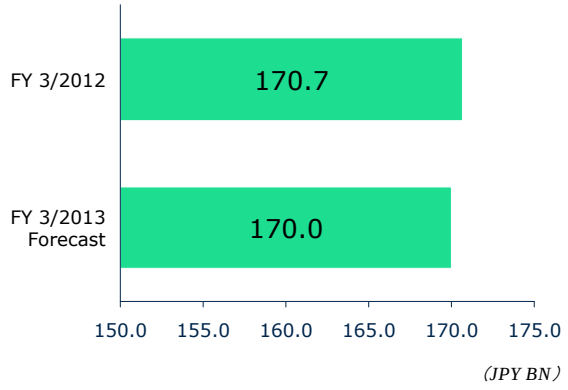


【Negative factors】
- Increase in expenses from efforts to strengthen trade marketing capabilities

Forecast for FY 3/2013 compared to FY 3/2012 results (IFRS)

◘ Processed Food Business– Revenue/Adjusted EBITDA[2]

- **Revenue**



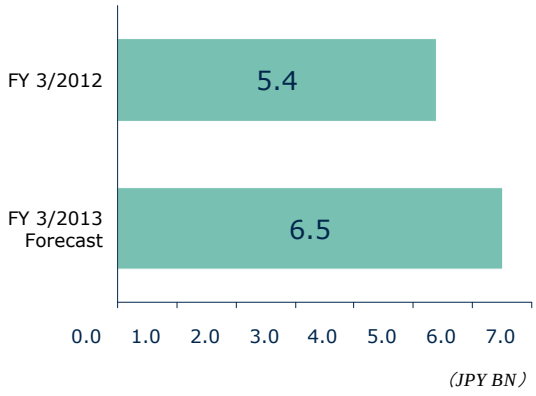
【Positive factors】

- ❑ Growth of staple food products

【Negative factors】

- ❑ Decrease in revenue arising from withdrawal from processed fishery products business

- **Adjusted EBITDA[2]**



【Positive factors】

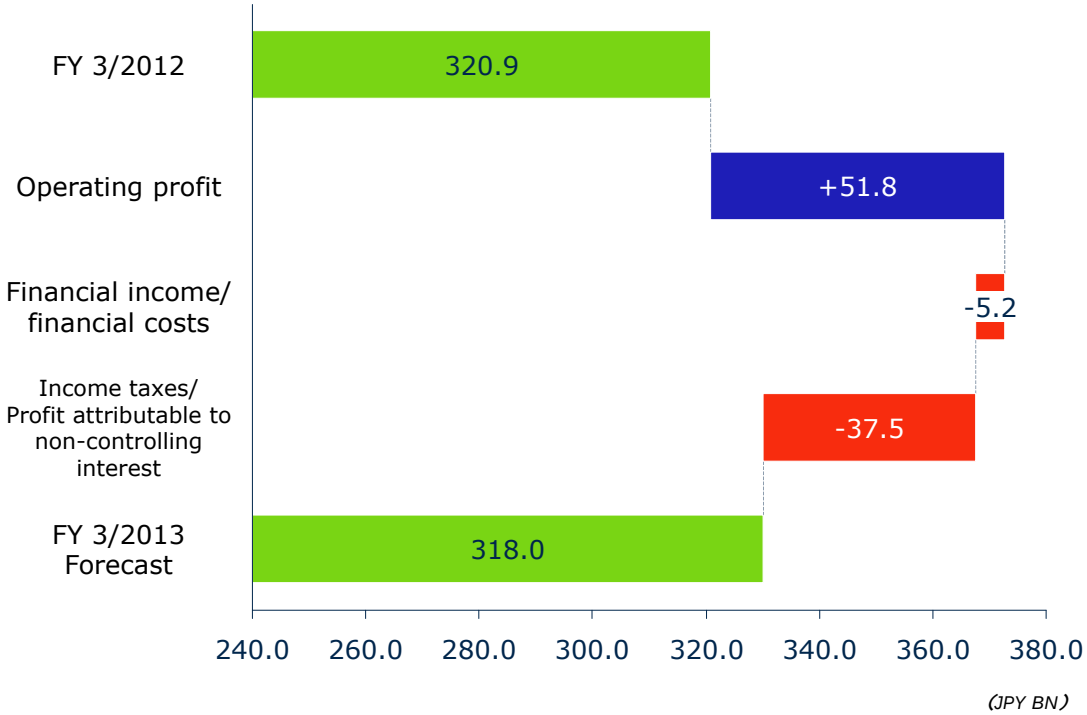
- ❑ Improved profitability through focus on staple food products

【Negative factors】

- ◘ Increase in raw material cost

Forecast for FY 3/2013 compared to FY 3/2012 results (IFRS)

◘ Profit attributable to owners of the parent



<Annotations>

1	Core Revenue: (Japanese domestic tobacco business)	Revenue excluding revenues from distribution of imported tobacco in the Japanese domestic tobacco business and other peripheral businesses
2	Adjusted EBITDA :	Operating profit + depreciation and amortization + impairment losses on goodwill ± restructuring-related income and costs
3	Core Revenue: (International tobacco business)	International tobacco business: Revenue excluding revenues from distribution, contract manufacturing and other peripheral businesses
4	Forex Impact:	Forex impact is the fluctuation between USD and other currencies

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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.

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

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

		As of end of Mar.2012	As of end of Dec.2012	Change
※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

		As of end of Mar.2012	As of end of Dec.2012	Change
※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	–

		As of end of Mar.2012	As of end of Dec.2012	Change
※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 liabilities※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

		As of end of Mar.2012	As of end of Dec.2012	Change
※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

		As of end of Mar.2012	As of end of Dec.2012	Change
※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

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.

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.

* 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.