[This is an English translation of summarized consolidated financial results prepared for the convenience of non-resident shareholders. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail. Please refer to the supplementary document "Consolidated Financial Results for FY2013 (April 1, 2013 through March 31, 2014)" and JT's website (http://www.jti.co.jp/) for other information.]

April 24, 2014

Consolidated Financial Results for the Fiscal Year Ended March 31, 2014 <under IFRS>

Name of the Listed Company: **JAPAN TOBACCO INC.** (Stock Code: 2914)
Listed Stock Exchange: Tokyo Stock Exchange
URL: http://www.jti.co.jp/
Representative: Mitsuomi Koizumi, President, Chief Executive Officer and Representative Director
Contact: Yuki Maeda, Senior Vice President and Chief Communications Officer
Telephone: +81-3-3582-3111
Scheduled date of Annual General Meeting of Shareholders: June 24, 2014
Scheduled date to file Securities Report: June 24, 2014
Scheduled starting date of the dividend payments: June 25, 2014
Drawing up supplementary documents on financial results: Yes
Holding investors' meeting: Yes (for analysts and institutional investors)

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before income taxes		Profit for the year	
Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2014	2,399,841	13.2	648,260	21.8	636,203	24.9	435,291	23.9
March 31, 2013	2,120,196	4.2	532,213	15.9	509,355	15.4	351,448	7.0

	Profit attributable to owners of the parent company		Comprehensive income for the year		Basic earnings per share	Diluted earnings per share
Year ended	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2014	427,987	24.6	850,261	56.2	235.48	235.35
March 31, 2013	343,596	7.1	544,407	183.3	181.07	180.98

	Ratio of profit to equity attributable to owners of the parent company	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
Year ended	%	%	%
March 31, 2014	19.9	15.0	27.0
March 31, 2013	20.0	13.5	25.1

Reference: Share of profit (loss) in investments accounted for using the equity method:
Fiscal year ended March 31, 2014: ¥1,702 million; Fiscal year ended March 31, 2013: ¥2,775 million

Notes: 1. The comparative information was retrospectively adjusted to reflect changes in accounting policies. For details, please refer to "Consolidated financial statements (IFRS), (6) Notes to consolidated financial statements (Changes in accounting policies)" on page 14.
2. The Company conducted a share split at a ratio of 200 to one with July 1, 2012 as effective date. Consequently, basic earnings per share and diluted earnings per share are calculated on the assumption that this share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company to total assets	Equity attributable to owners of the parent company per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2014	4,611,444	2,596,091	2,505,610	54.3	1,378.57
March 31, 2013	3,852,567	1,892,431	1,806,543	46.9	993.98

Notes: 1. The comparative information was retrospectively adjusted to reflect changes in accounting policies. For details, please refer to "Consolidated financial statements (IFRS), (6) Notes to consolidated financial statements (Changes in accounting policies)" on page 14.

2. The Company conducted a share split at a ratio of 200 to one with July 1, 2012 as effective date. Consequently, equity attributable to owners of the parent company per share is calculated on the assumption that this share split was conducted at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Net cash flows from (used in) operating activities	Net cash flows from (used in) investing activities	Net cash flows from (used in) financing activities	Cash and cash equivalents at the end of the year
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2014	396,496	(163,473)	(145,189)	253,219
March 31, 2013	466,608	(147,928)	(569,473)	142,713

2. Cash dividends

	Annual dividends per share					Total amount of dividends (total)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of the parent company (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2013	-	30.00	-	38.00	68.00	126,193	37.6	7.3
Year ended March 31, 2014	-	46.00	-	50.00	96.00	174,482	40.8	8.1
Year ending December 31, 2014 (Forecast)	-	50.00	-	50.00	100.00		52.8	

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2014 (from April 1, 2014 to December 31, 2014)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit attributable to owners of the parent company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending December 31, 2014	2,150,000	-	482,000	-	344,000	-	189.27

The Company is scheduled to change its fiscal year end from March 31 to December 31. The same change is scheduled for consolidated subsidiaries with fiscal year ends other than December 31. Year-on-year changes are not presented because the next fiscal year will be a transitional year due to this change of the fiscal year end.

Based on the assumption that the fiscal year of the Company and all of its consolidated subsidiaries is 12 months from January to December, consolidated earnings forecasts for the year ending December 31, 2014 (on a comparable basis) will be as follows. (Percentages indicate year-on-year changes.)

Revenue:	¥2,430,000 million	2.4%
Adjusted operating profit	¥623,000 million	1.6%
Operating profit:	¥554,000 million	-13.9%
Profit attributable to owners of the parent company:	¥370,000 million	-16.6%
Basic earnings per share:	¥203.57	

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates
   a. Changes in accounting policies due to revisions in accounting standards under IFRS: Yes
   b. Changes in accounting policies due to other reasons: None
   c. Changes in accounting estimates: None
   Note: For details, please refer to "Consolidated financial statements (IFRS), (6) Notes to consolidated financial statements (Changes in accounting policies)" on page 14.

(3) Number of shares issued (common stock)
   a. Total number of shares issued at the end of the period (including treasury shares)

As of March 31, 2014	2,000,000,000 shares
As of March 31, 2013	2,000,000,000 shares

   b. Number of treasury shares at the end of the period

As of March 31, 2014	182,451,988 shares
As of March 31, 2013	182,510,100 shares

   c. Average number of shares during the period

Fiscal year ended March 31, 2014	1,817,507,281 shares
Fiscal year ended March 31, 2013	1,897,635,824 shares

   Note: The Company conducted a share split at a ratio of 200 to one with July 1, 2012 as effective date. Consequently, average number of shares during the period is calculated on the assumption that this share split was conducted at the beginning of the previous fiscal year.

(Reference) Summary of non-consolidated results

Non-consolidated financial results for the fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014) <under Japanese GAAP>

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2014	809,967	3.7	230,245	10.1	230,900	9.7	168,779	12.7
March 31, 2013	781,067	6.3	209,157	4.0	210,568	6.3	149,773	4.9

	Net income per share	Diluted net income per share
Year ended	Yen	Yen
March 31, 2014	92.86	92.81
March 31, 2013	78.93	78.89

Note: The Company conducted a share split at a ratio of 200 to one with July 1, 2012 as effective date. Consequently, net income per share and diluted net income per share are calculated on the assumption that this share split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2014	2,732,637	1,734,379	63.4	953.45
March 31, 2013	2,784,914	1,714,529	61.5	942.65

Reference: Equity:
As of March 31, 2014: ¥1,732,936 million; As of March 31, 2013: ¥1,713,255 million

Note: The Company conducted a share split at a ratio of 200 to one with July 1, 2012 as effective date. Consequently, net assets per share are calculated on the assumption that this share split was conducted at the beginning of the previous fiscal year.

Note: Figures in the table of non-consolidated financial results above are prepared in accordance with Japanese GAAP.

* Indication regarding execution of audit procedures

At the time of disclosure of this financial results report, the audit procedures for financial statements in accordance with the Financial Instruments and Exchange Act are in progress.

* Proper use of earnings forecasts, and other special matters

(1) The forward-looking statements, including forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may differ substantially due to various factors. These forward-looking statements are not intended to be construed as our assurance for it to materialize in the future. Please refer to "FORWARD-LOOKING STATEMENTS" on page 5 and in the supplementary document to the investors' meeting, "Consolidated Financial Results for FY 2013 and Forecasts for 2014" for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use of earnings forecasts.

(2) The Company conducted a share split at a ratio of 200 to one with July 1, 2012 as effective date.

(3) Please refer to JT's website (http://www.jti.co.jp/) for materials for investors' meeting.

Forward-looking and cautionary statements

This material contains forward-looking statements about the business results of the Company and the JT Group. These forward-looking statements may include such expressions as “we believe,” “we expect,” “we anticipate,” “we forecast,” “we foresee,” “plan,” “strategy” and “possibility,” as well as similar expressions about future business activities, business results, events or assumed conditions. Forward-looking statements are provided on the basis of the judgments, predictions, expectations, plans, perceptions and evaluations, etc., of management based on the information that is currently available. These forward-looking statements are not intended to be construed as our assurance for it to materialize in the future, and 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. Furthermore, forward-looking statements are subject to a wide range of risks and uncertainties, and actual business results may differ materially from the projections in the forward-looking statements. At present, the main envisaged risks and 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 relating to the use of tobacco products;
2 legal or regulatory developments and changes, including, without limitation, tax increases and restrictions on the sale of tobacco products, obligations to purchase leaf tobacco sourced in Japan, restrictions on packaging and labeling, restrictions on the marketing and usage of tobacco products, and 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 of Japan;
6 competition, changing consumer preferences and decreasing tobacco demand;
7 the impact of any acquisitions or similar transactions;
8 local and global economic conditions;
9 fluctuations in foreign exchange rates and the costs of raw materials; and
10 natural disasters and other contingency situations.

Consolidated financial statements (IFRS)

(1) Consolidated statement of financial position

(Millions of yen)

	As of March 31, 2013 Restated*	As of March 31, 2014
Assets		
Current assets		
Cash and cash equivalents	142,713	253,219
Trade and other receivables	387,837	440,210
Inventories	473,042	550,987
Other financial assets	29,103	17,333
Other current assets	177,858	220,691
Subtotal	1,210,552	1,482,440
Non-current assets held-for-sale	2,594	1,952
Total current assets	1,213,146	1,484,391
Non-current assets		
Property, plant and equipment	672,316	779,987
Goodwill	1,316,476	1,584,432
Intangible assets	348,813	385,101
Investment property	58,995	61,421
Retirement benefit assets	14,825	16,530
Investments accounted for using the equity method	22,940	106,107
Other financial assets	71,781	92,596
Deferred tax assets	133,276	100,880
Total non-current assets	2,639,421	3,127,053
Total assets	3,852,567	4,611,444

(Millions of yen)

	As of March 31, 2013 Restated*	As of March 31, 2014
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	312,741	354,704
Bonds and borrowings	44,301	195,562
Income tax payables	85,714	77,158
Other financial liabilities	8,550	9,491
Provisions	5,256	7,362
Other current liabilities	656,305	606,161
Subtotal	1,112,867	1,250,438
Liabilities directly associated with non-current assets held-for-sale	101	75
Total current liabilities	1,112,968	1,250,512
Non-current liabilities		
Bonds and borrowings	270,399	166,165
Other financial liabilities	18,844	17,731
Retirement benefit liabilities	342,604	340,462
Provisions	4,786	5,241
Other non-current liabilities	113,226	126,539
Deferred tax liabilities	97,309	108,703
Total non-current liabilities	847,168	764,842
Total liabilities	1,960,137	2,015,354
Equity		
Share capital	100,000	100,000
Capital surplus	736,411	736,400
Treasury shares	(344,573)	(344,463)
Other components of equity	(155,420)	251,107
Retained earnings	1,470,125	1,762,566
Equity attributable to owners of the parent company	1,806,543	2,505,610
Non-controlling interests	85,887	90,481
Total equity	1,892,431	2,596,091
Total liabilities and equity	3,852,567	4,611,444

*Please refer to "(6) Notes to consolidated financial statements (Changes in accounting policies)."

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2013 Restated*	Fiscal year ended March 31, 2014
Revenue	2,120,196	2,399,841
Cost of sales	(899,437)	(979,975)
Gross profit	1,220,759	1,419,866
Other operating income	42,165	55,634
Share of profit in investments accounted for using the equity method	2,775	1,702
Selling, general and administrative expenses	(733,486)	(828,942)
Operating profit	532,213	648,260
Financial income	5,493	8,351
Financial costs	(28,351)	(20,408)
Profit before income taxes	509,355	636,203
Income taxes	(157,907)	(200,912)
Profit for the year	351,448	435,291
Attributable to:		
Owners of the parent company	343,596	427,987
Non-controlling interests	7,852	7,304
Profit for the year	351,448	435,291
Earnings per share		
Basic (Yen)	181.07	235.48
Diluted (Yen)	180.98	235.35

Reconciliation from "Operating profit" to "Adjusted EBITDA"

(Millions of yen)

	Fiscal year ended March 31, 2013 Restated*	Fiscal year ended March 31, 2014
Operating profit	532,213	648,260
Depreciation and amortization	116,462	132,921
Adjustment items (income)	(34,234)	(44,016)
Adjustment items (costs)	7,536	14,580
Adjusted EBITDA	621,977	751,745

*Please refer to "(6) Notes to consolidated financial statements (Changes in accounting policies)."

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2013 Restated*	Fiscal year ended March 31, 2014
Profit for the year	351,448	435,291
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	4,799	4,725
Remeasurements of defined benefit plans	(28,122)	8,824
Total of items that will not be reclassified to profit or loss	(23,322)	13,549
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	216,161	400,941
Net gain (loss) on derivatives designated as cash flow hedges	121	481
Total of items that may be reclassified subsequently to profit or loss	216,282	401,421
Other comprehensive income (loss), net of taxes	192,959	414,970
Comprehensive income (loss) for the year	544,407	850,261
Attributable to:		
Owners of the parent company	536,119	842,867
Non-controlling interests	8,288	7,394
Comprehensive income (loss) for the year	544,407	850,261

*Please refer to "(6) Notes to consolidated financial statements (Changes in accounting policies)."

(3) Consolidated statement of changes in equity

(Millions of yen)

	Equity attributable to owners of the parent company						
				Other components of equity			
	Share capital	Capital surplus	Treasury shares	Subscription rights to shares	Exchange differences on translation of foreign operations*	Net gain (loss) on derivatives designated as cash flow hedges	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income
As of April 1, 2012	100,000	736,410	(94,574)	1,028	(387,228)	(309)	10,146
Profit for the year	–	–	–	–	–	–	–
Other comprehensive income (loss)	–	–	–	–	215,887	121	4,691
Comprehensive income (loss) for the year	–	–	–	–	215,887	121	4,691
Acquisition of treasury shares	–	–	(250,000)	–	–	–	–
Disposal of treasury shares	–	1	1	(2)	–	–	–
Share-based payments	–	–	–	247	–	–	–
Dividends	–	–	–	–	–	–	–
Changes in the ownership interest in a subsidiary without a loss of control	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	(2)
Other increase (decrease)	–	–	–	–	–	–	–
Total transactions with the owners	–	1	(249,999)	245	–	–	(2)
As of March 31, 2013	100,000	736,411	(344,573)	1,274	(171,341)	(187)	14,835
Profit for the year	–	–	–	–	–	–	–
Other comprehensive income (loss)	–	–	–	–	401,331	481	4,663
Comprehensive income (loss) for the year	–	–	–	–	401,331	481	4,663
Acquisition of treasury shares	–	–	(0)	–	–	–	–
Disposal of treasury shares	–	(11)	110	(81)	–	–	–
Share-based payments	–	–	–	251	–	–	–
Dividends	–	–	–	–	–	–	–
Changes in the ownership interest in a subsidiary without a loss of control	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	(118)
Other increase (decrease)	–	–	–	–	–	–	–
Total transactions with the owners	–	(11)	110	169	–	–	(118)
As of March 31, 2014	100,000	736,400	(344,463)	1,443	229,990	293	19,380

* The comparative information was retrospectively adjusted in accordance with the changes in accounting policies. Please refer to "(6) Notes to consolidated financial statements (Changes in accounting policies)."

(Millions of yen)

	Equity attributable to owners of the parent company					
	Other components of equity					
	Remeasure-ments of defined benefit plans*	Total*	Retained earnings*	Total*	Non-controlling interests*	Total equity*
As of April 1, 2012	–	(376,363)	1,268,944	1,634,418	80,576	1,714,994
Profit for the year	–	–	343,596	343,596	7,852	351,448
Other comprehensive income (loss)	(28,177)	192,523	–	192,523	436	192,959
Comprehensive income (loss) for the year	(28,177)	192,523	343,596	536,119	8,288	544,407
Acquisition of treasury shares	–	–	–	(250,000)	–	(250,000)
Disposal of treasury shares	–	(2)	–	0	–	0
Share-based payments	–	247	–	247	–	247
Dividends	–	–	(114,258)	(114,258)	(4,061)	(118,319)
Changes in the ownership interest in a subsidiary without a loss of control	–	–	17	17	(522)	(505)
Transfer from other components of equity to retained earnings	28,177	28,175	(28,175)	–	–	–
Other increase (decrease)	–	–	–	–	1,606	1,606
Total transactions with the owners	28,177	28,420	(142,415)	(363,993)	(2,977)	(366,970)
As of March 31, 2013	–	(155,420)	1,470,125	1,806,543	85,887	1,892,431
Profit for the year	–	–	427,987	427,987	7,304	435,291
Other comprehensive income (loss)	8,405	414,880	–	414,880	90	414,970
Comprehensive income (loss) for the year	8,405	414,880	427,987	842,867	7,394	850,261
Acquisition of treasury shares	–	–	–	(0)	–	(0)
Disposal of treasury shares	–	(81)	(18)	0	–	0
Share-based payments	–	251	–	251	–	251
Dividends	–	–	(152,669)	(152,669)	(3,179)	(155,849)
Changes in the ownership interest in a subsidiary without a loss of control	–	–	(1,011)	(1,011)	(2,509)	(3,520)
Transfer from other components of equity to retained earnings	(8,405)	(8,523)	8,523	–	–	–
Other increase (decrease)	–	–	9,629	9,629	2,888	12,517
Total transactions with the owners	(8,405)	(8,353)	(135,546)	(143,800)	(2,801)	(146,601)
As of March 31, 2014	–	251,107	1,762,566	2,505,610	90,481	2,596,091

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2013 Restated*	Fiscal year ended March 31, 2014
Cash flows from operating activities		
Profit before income taxes	509,355	636,203
Depreciation and amortization	116,462	132,921
Impairment losses	3,213	2,446
Impairment losses of investments in associates	–	9,717
Interest and dividend income	(5,137)	(7,933)
Interest expense	10,134	8,612
Share of profit in investments accounted for using the equity method	(2,775)	(1,702)
(Gains) losses on sale and disposal of property, plant and equipment, intangible assets, and investment property	(29,218)	(38,800)
(Increase) decrease in trade and other receivables	(24,118)	(13,631)
(Increase) decrease in inventories	10,791	(15,530)
Increase (decrease) in trade and other payables	1,576	11,289
Increase (decrease) in retirement benefit liabilities	(16,152)	(17,661)
(Increase) decrease in prepaid tobacco excise taxes	(31,377)	(14,274)
Increase (decrease) in tobacco excise tax payables	12,802	(103,515)
Increase (decrease) in consumption tax payables	(3,093)	(5,148)
Other	17,341	(2,247)
Subtotal	569,804	580,748
Interest and dividends received	6,764	9,514
Interest paid	(8,703)	(8,469)
Income taxes paid	(101,258)	(185,298)
Net cash flows from operating activities	466,608	396,496
Cash flows from investing activities		
Purchase of securities	(19,161)	(8,880)
Proceeds from sale and redemption of securities	3,426	23,716
Purchase of property, plant and equipment	(114,240)	(132,256)
Proceeds from sale of investment property	33,425	56,159
Purchase of intangible assets	(18,611)	(18,263)
Payments into time deposits	(26,647)	(798)
Proceeds from withdrawal of time deposits	45,665	4,744
Purchase of investments in subsidiaries	(54,128)	–
Purchase of investments in associates	(978)	(74,801)
Other	3,321	(13,095)
Net cash flows from investing activities	(147,928)	(163,473)

(Millions of yen)

	Fiscal year ended March 31, 2013 Restated*	Fiscal year ended March 31, 2014
Cash flows from financing activities		
Dividends paid to owners of the parent company	(114,236)	(152,570)
Dividends paid to non-controlling interests	(4,009)	(3,195)
Capital contribution from non-controlling interests	216	59
Increase (decrease) in short-term borrowings and commercial paper	(23,012)	(8,936)
Proceeds from long-term borrowings	518	70
Repayments of long-term borrowings	(81,165)	(20,558)
Proceeds from issuance of bonds	–	49,395
Redemption of bonds	(92,466)	–
Repayments of finance lease obligations	(4,814)	(4,992)
Acquisition of treasury shares	(250,000)	(0)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(505)	(4,462)
Other	0	0
Net cash flows from financing activities	(569,473)	(145,189)
Net increase (decrease) in cash and cash equivalents	(250,793)	87,834
Cash and cash equivalents at the beginning of the year	404,740	142,713
Effect of exchange rate changes on cash and cash equivalents	(11,235)	22,672
Cash and cash equivalents at the end of the year	142,713	253,219

*Please refer to "(6) Notes to consolidated financial statements (Changes in accounting policies)."

(5) Notes on premise of going concern

No items to report.

(6) Notes to consolidated financial statements

(Changes in accounting policies)

The Group has adopted the following new accounting standards and amended standards from the beginning of the fiscal year ended March 31, 2014.

IFRS		Description of new standards and amendments
IFRS7	Financial Instruments: Disclosures	Disclosure related to offsetting of financial assets and liabilities
IFRS10	Consolidated Financial Statements	Amendments for definition of control, elements of control and basis of existence of control to be applied, regardless of the nature of the investee
IFRS11	Joint Arrangements	Regarding arrangements of which two or more parties have joint control, provide the classification of a joint arrangement based on legal form, contractual arrangement on assets or liabilities and other facts and conditions, not based on only legal form of the arrangement Provide accounting treatment for each classification
IFRS12	Disclosure of Interests in Other Entities	Expansion of the scope of the disclosure of ownership of interests in other entities, including unconsolidated structured entities
IFRS13	Fair Value Measurement	Guidance on fair value measurement to be applied by all standards and unification of the definition of fair value which was previously provided separately in each standard
IAS1	Presentation of Financial Statements	Revisions to the presentation of items in other comprehensive income
IAS19	Employee Benefits	Revisions to recognition and presentation of actuarial gains and losses, past service cost, interest cost and others, and revision to disclosure of retirement benefits
IAS28	Investments in Associates and Joint Ventures	Amendments based on IFRS10, IFRS11 and IFRS12
IAS36	Impairment of Assets	Amendments to recoverable amount disclosure for non-financial assets

The effect of the above standards on the consolidated financial statements is immaterial.
Regarding IAS19 mentioned above, the comparative information was retrospectively adjusted in accordance with the transitional provisions.

(Segment information)

a. Outline of reportable segments

The reportable segments of the JT Group are determined based on the operating segments that are components of the JT Group about which separate financial information is available and are evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance.

The JT Group is mainly engaged in the manufacture and sale of tobacco products, prescription drugs, beverages and processed foods. With respect to tobacco products, operations are managed separately for domestic and overseas markets. The reportable segments of the JT Group are composed of five segments: "Domestic Tobacco Business," "International Tobacco Business," "Pharmaceutical Business," "Beverage Business" and "Processed Food Business." They are determined by types of products, characteristics, and markets.

The "Domestic Tobacco Business" manufactures and sells tobacco products in domestic areas (which include duty-free shops in Japan and markets in China, Hong Kong, and Macau where the Company's China Division operates). The "International Tobacco Business" manufactures and sells tobacco products overseas mainly through JT International S.A., which controls manufacturing and sales operations. The "Pharmaceutical Business" consists of research and development, and the manufacture and sale of prescription drugs. The "Beverage Business" consists of the manufacture and sale of beverages. The "Processed Food Business" consists of the manufacture and sale of frozen and room temperature processed food, bakery products, and seasonings.

b. Revenues and performances for reportable segments
Revenues and performances for reportable segments are as follows. The Board of Directors assesses the segment performance and determines resource allocation after reviewing revenues and adjusted EBITDA. Since "Financial income," "Financial costs" and "Income taxes" are managed by the JT Group head office, these income and expenses are excluded from the segment performance. Transactions within the segments are based on mainly the prevailing market price.

For the fiscal year ended March 31, 2013

(Millions of yen)

	Reportable Segments								
	Domestic Tobacco	International Tobacco (Note 2)	Pharmaceutical	Beverage	Processed Food	Total	Other (Note 3)	Elimination	Consolidated
Revenue									
External revenue (Note 4)	687,138	1,010,655	53,158	185,478	168,747	2,105,177	15,019	–	2,120,196
Intersegment revenue	28,402	31,029	–	108	647	60,186	9,398	(69,583)	–
Total revenue	715,541	1,041,683	53,158	185,586	169,394	2,165,362	24,417	(69,583)	2,120,196
Segment profit (loss)									
Adjusted EBITDA (Note 1)	281,309	343,189	(12,726)	12,414	7,357	631,544	(8,971)	(595)	621,977
Other items									
Depreciation and amortization	41,074	51,101	3,440	10,072	7,141	112,828	3,947	(313)	116,462
Impairment losses on other than financial assets	14	322	–	–	1,248	1,584	1,629	–	3,213
Reversal of impairment losses on other than financial assets	–	–	–	–	–	–	–	–	–
Share of profit (loss) in investments accounted for using the equity method	48	2,685	–	–	(11)	2,722	54	–	2,775
Capital expenditures	71,238	37,504	5,761	12,029	4,596	131,128	6,527	(206)	137,450

For the fiscal year ended March 31, 2014

(Millions of yen)

	Reportable Segments								
	Domestic Tobacco	International Tobacco (Note 2)	Pharmaceutical	Beverage	Processed Food	Total	Other (Note 3)	Elimination	Consolidated
Revenue									
External revenue (Note 4)	710,299	1,270,020	64,448	184,506	156,920	2,386,194	13,648	–	2,399,841
Intersegment revenue	23,770	36,902	–	100	760	61,532	10,014	(71,546)	–
Total revenue	734,069	1,306,922	64,448	184,607	157,680	2,447,725	23,662	(71,546)	2,399,841
Segment profit (loss)									
Adjusted EBITDA (Note 1)	302,099	451,639	(5,384)	8,664	7,466	764,484	(12,490)	(248)	751,745
Other items									
Depreciation and amortization	44,411	63,745	3,624	10,761	6,903	129,444	3,787	(310)	132,921
Impairment losses on other than financial assets	427	1,746	–	–	29	2,202	244	–	2,446
Reversal of impairment losses on other than financial assets	–	157	–	–	–	157	–	–	157
Share of profit (loss) in investments accounted for using the equity method	47	1,613	–	–	(2)	1,657	44	–	1,702
Capital expenditures	49,101	78,527	3,859	14,643	4,900	151,029	5,129	–	156,158

Reconciliation from adjusted EBITDA to “Profit before income taxes”

For the fiscal year ended March 31, 2013

(Millions of yen)

	Reportable Segments								
	Domestic Tobacco	International Tobacco (Note 2)	Pharmaceutical	Beverage	Processed Food	Total	Other (Note 3)	Elimination	Consolidated
Adjusted EBITDA (Note 1)	281,309	343,189	(12,726)	12,414	7,357	631,544	(8,971)	(595)	621,977
Depreciation and amortization	(41,074)	(51,101)	(3,440)	(10,072)	(7,141)	(112,828)	(3,947)	313	(116,462)
Adjustment items (income) (Note 5)	1,200	395	–	–	–	1,595	32,639	–	34,234
Adjustment items (costs) (Note 5)	(154)	(3,057)	–	–	(6,039)	(9,250)	1,714	–	(7,536)
Operating profit (loss)	241,280	289,427	(16,166)	2,342	(5,822)	511,061	21,434	(282)	532,213
Financial income									5,493
Financial costs									(28,351)
Profit before income taxes									509,355

For the fiscal year ended March 31, 2014

(Millions of yen)

	Reportable Segments								
	Domestic Tobacco	International Tobacco (Note 2)	Pharmaceutical	Beverage	Processed Food	Total	Other (Note 3)	Elimination	Consolidated
Adjusted EBITDA (Note 1)	302,099	451,639	(5,384)	8,664	7,466	764,484	(12,490)	(248)	751,745
Depreciation and amortization	(44,411)	(63,745)	(3,624)	(10,761)	(6,903)	(129,444)	(3,787)	310	(132,921)
Adjustment items (income) (Note 5)	1,122	–	–	–	244	1,366	42,650	–	44,016
Adjustment items (costs) (Note 5)	(712)	(11,477)	–	–	(1,002)	(13,191)	(1,389)	–	(14,580)
Operating profit (loss)	258,098	376,416	(9,008)	(2,097)	(195)	623,215	24,984	61	648,260
Financial income									8,351
Financial costs									(20,408)
Profit before income taxes									636,203

Notes: 1. For adjusted EBITDA, “Depreciation and amortization” and “Adjustment items (income and costs)” are excluded from operating profit (loss).

2. The foreign subsidiaries group, which includes a core company of JT International S.A., that is part of the “International Tobacco Business” segment has December 31 as its fiscal year end date and the profit or loss for the period from January 1 to December 31 is included in the fiscal years ended March 31, 2013 and 2014, respectively.

3. “Other” includes business activities relating to rent of real estate and corporate expenses relating to corporate communication and operation of the head office.

4. Core revenue as part of the domestic tobacco business and the international tobacco business are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Domestic Tobacco	654,000	676,171
International Tobacco	943,094	1,200,694

5. Adjustment items (income) include restructuring income of gains on sale of real estate. Adjustment items (costs) include restructuring costs of the closing down of a factory, impairment losses of investments in associates, the effect of revision to laws and regulations related to the mutual pension benefits plan, and cooperation fee for terminating leaf tobacco farming.

The breakdown of adjustment items (costs) for each fiscal year is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Restructuring costs	11,811	4,862
Impairment losses of investments in associates	–	9,717
Effect of revision to laws and regulations related to the mutual pension benefits plan	(4,279)	–
Cooperation fee for terminating leaf tobacco farming	4	–
Adjustment items (costs)	7,536	14,580

Restructuring costs for the fiscal year ended March 31, 2013 include costs of rationalization measures in the international tobacco business and the dissolution of the processed fishery products business in the processed food business.

c. Geographic information

The regional breakdown of non-current assets and external revenue as of each fiscal year end is as follows.

Non-current assets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Japan	577,208	587,768
Overseas	1,819,391	2,223,173
Consolidated	2,396,599	2,810,941

Note: Non-current assets, exclusive of financial instruments, deferred tax assets and retirement benefits assets, are segmented by the location of the assets.

External revenue

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Japan	1,089,661	1,100,874
Overseas	1,030,535	1,298,967
Consolidated	2,120,196	2,399,841

Note: Revenue is segmented by the sales destination.

d. Major customers information

The international tobacco business of the JT Group sells products to Megapolis group that engages in distribution and wholesale business in Russia and other countries. The external revenue from the group is ¥268,566 million (12.7% of consolidated revenue) for the fiscal year ended March 31, 2013 and ¥357,980 million (14.9% of consolidated revenue) for the fiscal year ended March 31, 2014.

(Per share information)

(1) Basis of calculating basic earnings per share

a. Profit attributable to ordinary shareholders of the parent company

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Profit attributable to owners of the parent company	343,596	427,987
Profit not attributable to ordinary shareholders of the parent company	–	–
Profit used for calculation of basic earnings per share	343,596	427,987

b. Weighted-average number of ordinary shares outstanding during the year

(Thousands of shares)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Weighted-average number of ordinary shares during the year	1,897,636	1,817,507

(2) Basis of calculating diluted earnings per share

a. Profit attributable to diluted ordinary shareholders

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Profit used for calculation of basic earnings per share	343,596	427,987
Profit adjustment	–	–
Profit used for calculation of diluted earnings per share	343,596	427,987

b. Weighted-average number of diluted ordinary shares outstanding during the year

(Thousands of shares)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Weighted-average number of ordinary shares during the year	1,897,636	1,817,507
Increased number of ordinary shares under subscription rights to shares	918	1,014
Weighted-average number of diluted ordinary shares during the year	1,898,553	1,818,521

(3) Adjusted diluted earnings per share

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Profit used for calculation of adjusted diluted earnings per share	343,596	427,987
Adjustment items (income)	(34,234)	(44,016)
Adjustment items (costs)	7,536	14,580
Adjustments on income tax expense and non-controlling interests in relation to the above	12,772	11,856
Adjusted profit for the year	329,671	410,408
Adjusted diluted earnings per share (Yen)	173.64	225.68

The weighted-average number of ordinary shares and the weighted-average number of diluted ordinary shares during the fiscal year ended March 31, 2013 reflect the effect of the share split conducted at a ratio of 200 to one with June 30, 2012 as record date and July 1, 2012 as effective date.

(Significant events after the reporting period)

No items to report.