Announcement ：April 24, 2014
Investors' Meeting：April 25, 2014

Overview of Consolidated Financial Results for FY2013 and Forecasts for 2014

CFO and Senior 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 59.

Caution concerning Forward-Looking Statements

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. These statements appear in a number of places in this presentation and include statements regarding the intent, belief, or current and future expectations of our management with respect to our business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as “may”, “will”, “should”, “would”,“expect”, “intend”, “project”, “plan”, “aim”, “seek”, “target”, “anticipate”, “believe”, “estimate”, “predict”,“potential” or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating results are particularly subject to a variety of assumptions, some or all of which may not be realized.

Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

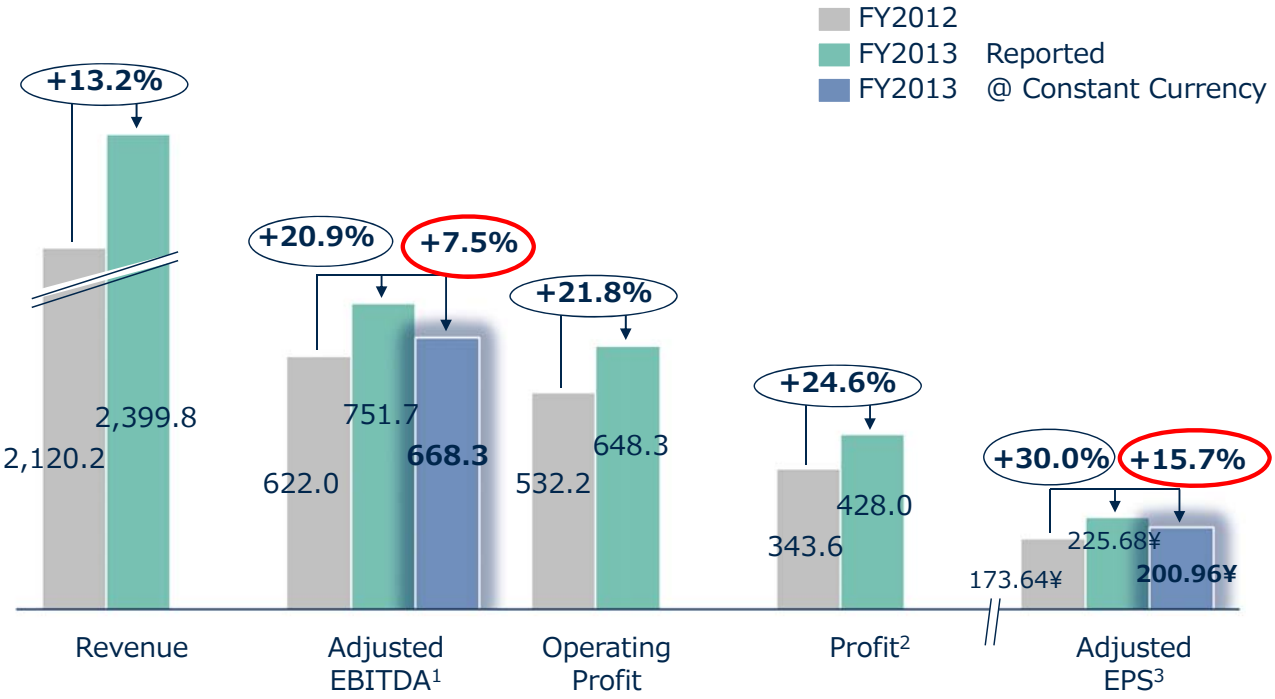
(1) decrease in demand for tobacco products in key markets;
(2) restrictions on promoting, marketing, packaging, labeling and usage of tobacco products in markets in which we operate;
(3) increases in excise, consumption or other taxes on tobacco products in markets in which we operate;
(4) litigation around the world alleging adverse health and financial effects resulting from, or relating to, tobacco products ;
(5) our ability to realize anticipated results of our acquisition or other similar investments;
(6) competition in markets in which we operate or into which we seek to expand;
(7) deterioration in economic conditions in areas that matter to us;
(8) economic, regulatory and political changes, such as nationalization, terrorism, wars and civil unrest, in countries in which we operate;
(9) fluctuations in foreign exchange rates and the costs of raw materials; and
(10) catastrophes, including natural disasters.

FY2013 Consolidated Financial Results

Consolidated financial results: Achieved committed targets and marked record high profits among challenging operating environment

Performance of key indicators (FY2012 vs FY2013)

(JPY BN, JPY,%)



FY2013 results by business segment

International Tobacco Business: Achieved double digit profit growth driven by top line growth

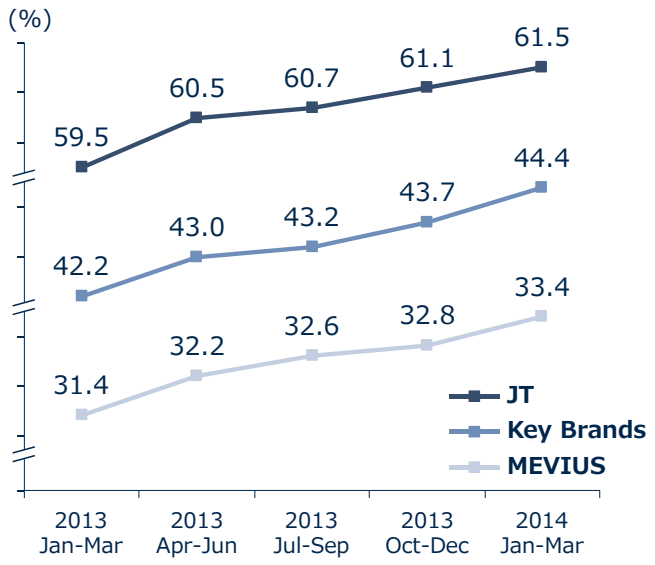
(BNU, US$MM, %)

	2012	2013	Change
Total Shipment Volume[4]	436.5	416.4	-4.6%
GFB Shipment Volume	268.8	266.6	-0.8%
At Constant Currency[5]			
Core Revenue[6]	11,655	12,362	+6.1%
Adjusted EBITDA[1]	4,145	4,614	+11.3%
Reported			
Core Revenue[6]	11,817	12,273	+3.9%
Adjusted EBITDA[1]	4,300	4,623	+7.5%
@JPY basis (JPY BN)			
Core Revenue[6]	943.1	1,200.7	+27.3%
Adjusted EBITDA[1]	343.2	451.6	+31.6%

Japanese Domestic Tobacco Business: Achieved profit growth driven by share increase and temporary demand ahead of consumption tax hike

- Share growth driven by brand enhancement of key brands, mainly MEVIUS
- Approximately 0.4 month sales prior to consumption tax hike in April 2014

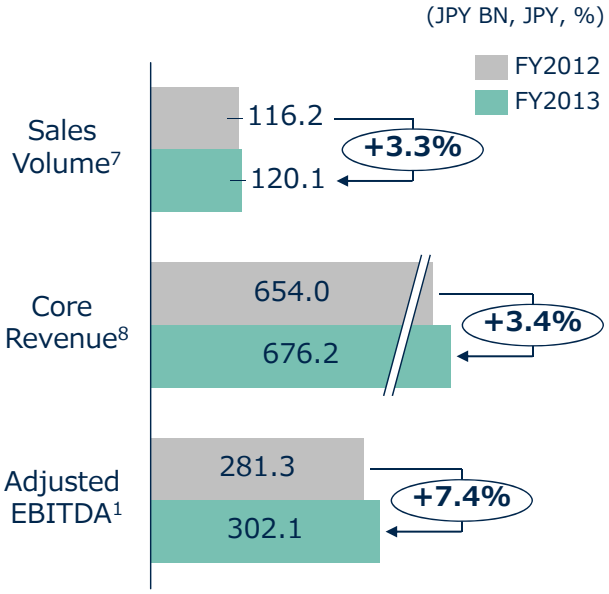
Share evolution of JT, key brands*, and MEVIUS



* Key brands: MEVIUS, Seven Stars, and Pianissimo

Source: TIOJ,JT Estimates

Results for FY2013



Pharmaceutical Business: Continued revenue and profit improvement due to progress in compound development and product sales expansion

Revenue

JT

- Increase in milestone revenue from progress in out-licensed compound development and increase in royalty income from product sales

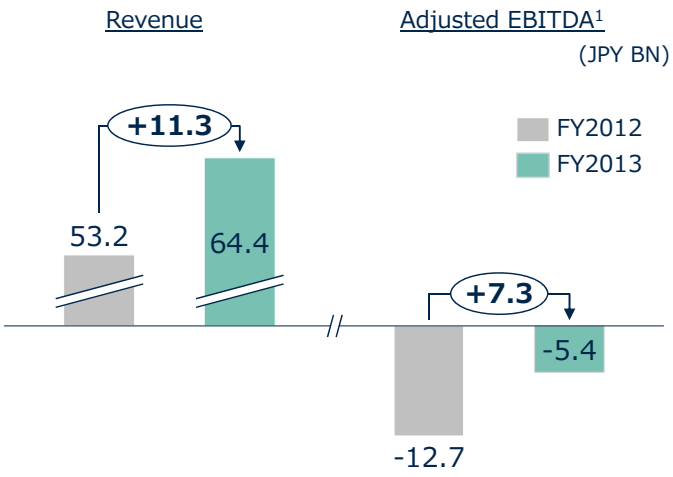
Torii Pharmaceutical

- Sales increase of REMITCH capsules and Truvada tablets

Adjusted EBITDA

- Improvement of JPY 7.3 bn from increase in revenue

[Results for FY 2013]



Progress in clinical development

JT

- "Riona Tablets 250mg" (JTT-751) for treatment of hyperphosphatemia obtained approval and will be launched on 12th May
- JTT-251 has entered into the clinical trial stage (Phase1) overseas

Torii Pharmaceutical

- "Cedartolen Sublingual Drop - Japanese Cedar Pollen" (TO-194SL), a sublingual immunotherapy drug for Japanese cedar pollinosis obtained approval

Beverage & Processed Food Business:
JT products sales grew in Beverage Business
Staple food contributed to revenue & profit growth in Processed Food Business

Beverage Business

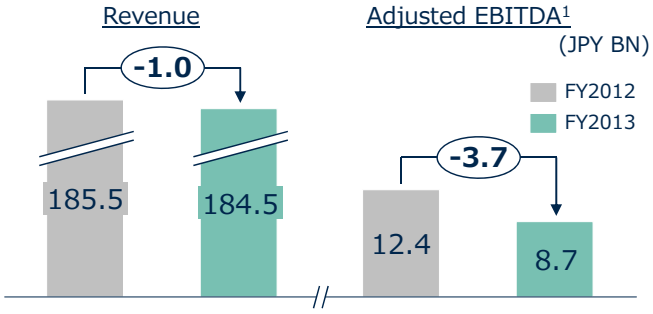
Revenue

- Sales of JT products increased due to positive performance of Momono Tennen-sui
- Affected by sales decline through vending machine

Adjusted EBITDA

- Affected by revenue decrease, expenses increase for further high quality vending machine operation, and investment in brand enhancement

[Results for FY 2013]



Processed Food Business

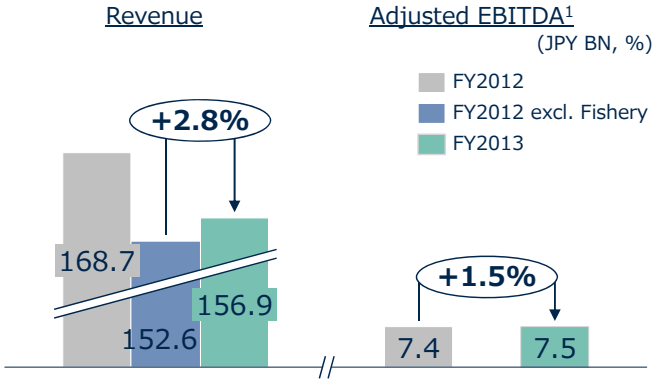
Revenue

- Excluding processed fishery products business, positive performance in staple food products drove top-line growth

Adjusted EBITDA

- Top-line growth of staple food products was partially offset by costs increase due to weaker yen

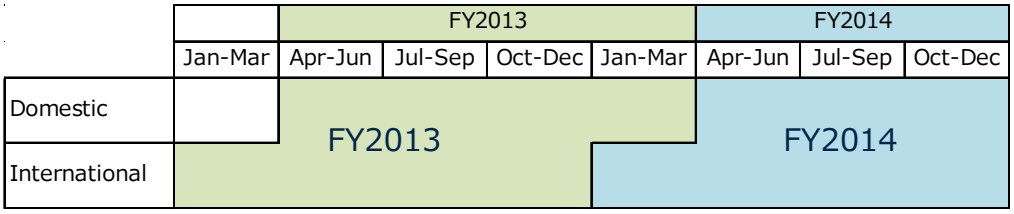
[Results for FY 2013]



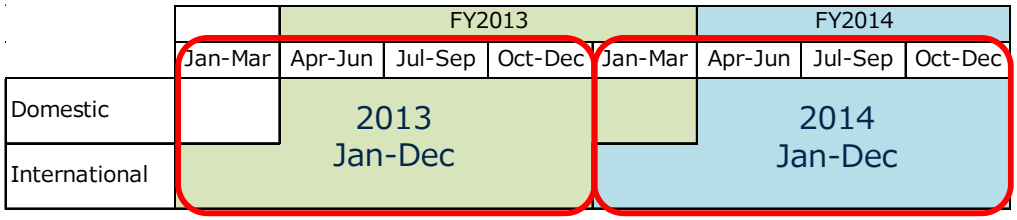
2014 Forecasts

2014 Forecasts & Reference for comparison: Guidance based on Jan-Dec figures for 2013 & 2014

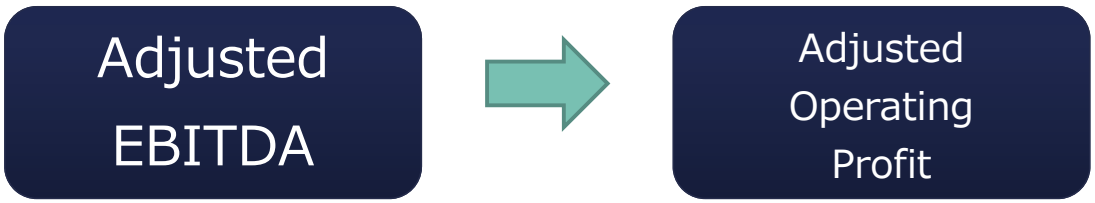
- FY2014 Forecasts Reported
  - Domestic businesses: From Apr 1st to Dec 31st 2014 (consolidate 9 month results)
  - International Tobacco Business: From Jan 1st to Dec 31st 2014 (consolidate 12 month results)



- Reference (Like for Like comparison)
  - 2013: From Jan 1st to Dec 31st 2013 (12 months)
  - 2014: From Jan 1st to Dec 31st 2014 (12 months)



New KPI: Change our key performance indicator to Adjusted Operating Profit



Purpose

- To further improve the management of business investments and their return
- To simplify the process of comparison with other industry players' performance

Formula

Adjusted Operating Profit = Operating profit + Amortization of acquired intangibles + Adjusted items (income and costs)*

*Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

Consolidated financial forecasts: (Jan-Dec Like for Like basis)
Aim to achieve 6.0% adjusted operating profit growth at constant currency

(JPY BN,%)

	2013	2014	Change	Change%
Revenue	2,372.2	**2,430.0**	**57.8**	**+2.4%**
Adjusted Operating Profit[9]	613.0	**623.0**	**10.0**	**+1.6%**
Operating Profit	643.3	**554.0**	**-89.3**	**-13.9%**
Profit[2]	443.6	**370.0**	**-73.6**	**-16.6%**
At Constant Currency				
Adjusted Operating Profit[9]	613.0	**650.0**	**37.0**	**+6.0%**

Consolidated financial forecasts: Reported basis

(JPY BN,%)

	FY2013	FY2014
Revenue	2,399.8	**2,150.0**
Adjusted Operating Profit[9]	641.8	**552.0**
Operating Profit	648.3	**482.0**
Profit[2]	428.0	**344.0**
FCF	212.6	**364.0**

International Tobacco Business forecasts: Committed to double digit adjusted operating profit growth at constant currency

(BNU, US$MM, %)

	2013	2014	Change
Total Shipment Volume[4]	417.5*	405.0	-3.0%
GFB Shipment Volume	267.5*	263.0	-1.7%
At Constant Currency			
Core Revenue[6]	12,273	12,800	+4.3%
Adjusted Operating Profit[9]	4,206	4,630	+10.1%
Reported			
Core Revenue[6]	12,273	12,400	+1.0%
Adjusted Operating Profit[9]	4,206	4,230	+0.6%
@JPY basis (JPY BN)			
Core Revenue[6]	1,200.7	1,247.0	+3.9%
Adjusted Operating Profit[9]	410.8	425.0	+3.4%

*Following a recent assessment of fine cut consumption, the conversion rate from tons to cigarette equivalent units for High Volume Tobacco has been adjusted. 2013 figures for Total and GFB shipment volume have been restated accordingly

15

JT International (Jan-Mar results): Continued revenue and double-digit earnings growth

(BNU, US$MM, %)

	2013	2014	Change
Total Shipment Volume[4]	92.8*	87.7	-5.4%
GFB Shipment Volume	58.5*	55.3	-5.5%
At Constant Currency			
Core Revenue[6]	2,729	2,868	+5.1%
Adjusted Operating Profit[9]	976	1,117	+14.5%
Reported			
Core Revenue[6]	2,729	2,761	+1.2%
Adjusted Operating Profit[9]	976	1,023	+4.8%

*Following a recent assessment of fine cut consumption, the conversion rate from tons to cigarette equivalent units for High Volume Tobacco has been adjusted. 2013 figures for Total and GFB shipment volume have been restated accordingly

16

Japanese Domestic Tobacco Business forecasts (Jan-Dec Like for Like basis): Aim to maintain profit level through further brand equity enhancement to retain consumers and cost reduction

- Japanese domestic operating environment and assumption in 2014
  - Demand decrease trend: -3% ~ -4% (include temporary slow-down after consumption tax hike and price amendment)
- Initiatives to enhance brand equity including MEVIUS retention activities
- Continued effort for cost reduction

(JPY BN, JPY, %)

	2013	2014	Change
Sales Volume[7]	116.5	**112.5**	**-3.5%**
Core Revenue[8]	656.3	**646.0**	**-1.6%**
Adjusted Operating Profit[9]	234.6	**234.5**	**-**

17

Pharmaceutical Business forecasts (Jan-Dec Like for Like basis): Revenue growth and profit improvement through sales expansion

(JPY BN)

	2013	2014	Change
Revenue	58.2	**63.0**	**+4.8**
Adjusted Operating Profit[9]	-13.7	**-13.0**	**+0.7**



18

Beverage & Processed Food Business forecasts (Jan- Dec Like for Like basis):
Beverage Business; revenue to grow
Processed Food Business; revenue and profit growth to be driven by staple foods

Beverage Business

(JPY BN)

	2013	2014	change
Revenue	183.8	**188.0**	**+4.2**
Adjusted Operating Profit[9]	-2.1	**-1.5**	**+0.6**

Processed Food Business

(JPY BN)

	2013	2014	change
Revenue	157.2	**165.0**	**+7.8**
Adjusted Operating Profit[9]	0.6	**3.0**	**+2.4**

Aim to achieve sustainable profit growth, with pursuit of 4S model

Adjusted Operating Profit
at constant currency in 2014
Mid to high single digit growth

Annual dividend per share
FY2013 **¥96**
FY2014 **¥100**

Adjusted EPS
at constant currency growth rate in mid-to long-term
High single digit

Dividend payment policy
Competitive level of dividend payout ratio in comparison with global FMCG players of no less than 50%

Appendix: Business Plan 2014

Business Plan 2014
Tobacco Business (Mid- to long-term target and role)

Mid- to long-term target and role

- Grow adjusted operating profit at mid to high single-digit rate per annum over the mid- to long-term as the core business and profit and growth engine of the JT Group
  - ✓ Japanese domestic: highly competitive platform of profitability
  - ✓ International: strengthen its role as the Group's profit growth engine

- Priority on quality top-line growth
  - ✓ Continue to strengthen our brand equity, with focus on our core brands
  - ✓ Grow or maintain market share in existing key markets
  - ✓ Broaden the geographical base
  - ✓ Develop emerging product categories
- Continuous cost improvement

Business Plan 2014
Pharmaceutical Business (Mid- to long-term target and role)

Mid- to long-term target and role	■Strive to establish stronger profit platform through value maximization of each product and R&D promotion for next generation of strategic compounds

- Efficient market roll-out of newly launched products and value maximization of each drug including existing products
- Promote R&D for next generation of strategic compounds, seek optimum timing for out-licensing

Business Plan 2014
Beverage Business, Processed Food Business (Mid- to long-term target and role)

Beverage Business

Mid- to long-term target and role	■ Strengthen the business base for future growth in order to make profit contribution to the JT group

- Profit contribution by topline expansion
- Productivity improvement in vending machine operating subsidiaries

Processed Food Business

Mid- to long-term target and role	■ Strive to achieve operating profit margin on par with industry average and aim to make profit contribution to the JT group

- Combine our own technology with consumer needs to enhance product strength with focus on staple food products
- Minimize the effect of rising raw material cost and weak yen

Business Plan 2014
Resource allocation and shareholder return policy

- Investment in our business for sustainable future profit growth will be prioritized
- Moreover, target a competitive shareholder return comparable to global FMCG players

Business Investment and Capital Policy

- Prioritize investment in tobacco business
- Pharmaceutical, beverage and processed food business will focus on investments that will enhance the base for future profit contribution
- To seek flexible business investment that can capture changing business environment – However, restriction placed on new equity issues
- Need to secure sufficient capital raising ability. In practice:
  - ✓ To establish even stronger financial position
  - ✓ To retain treasury stock for the moment

Shareholder Return Policy

- Pursue competitive shareholder return comparable to the global FMCG players
  - ➢ Dividend payout ratio: target the level comparable to global FMCG players of no less than 50%
  - ➢ Adjusted EPS growth at constant currency: target high single-digit growth per annum
    - ✓ The underlying growth to come from growth of our business, but share buy-backs will be considered as a complimentary initiative

25

[This slide intentionally left blank]

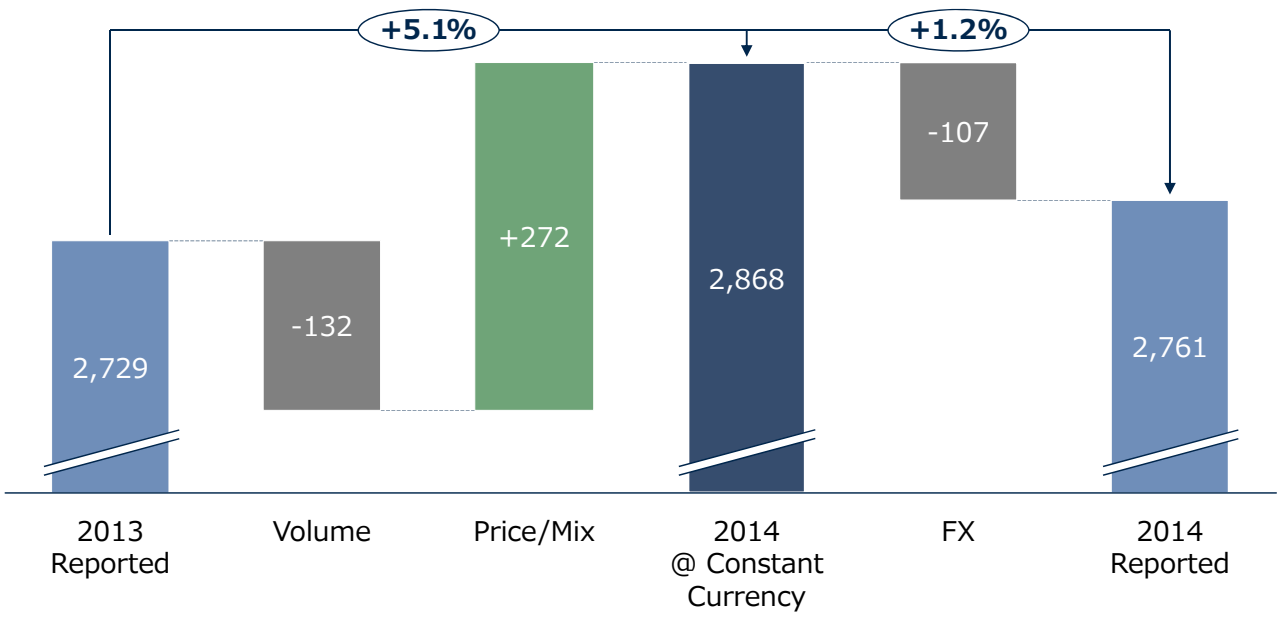
26

Appendix: JT International

JT International (Jan-Mar results)
Core Revenue

Core Revenue[6]

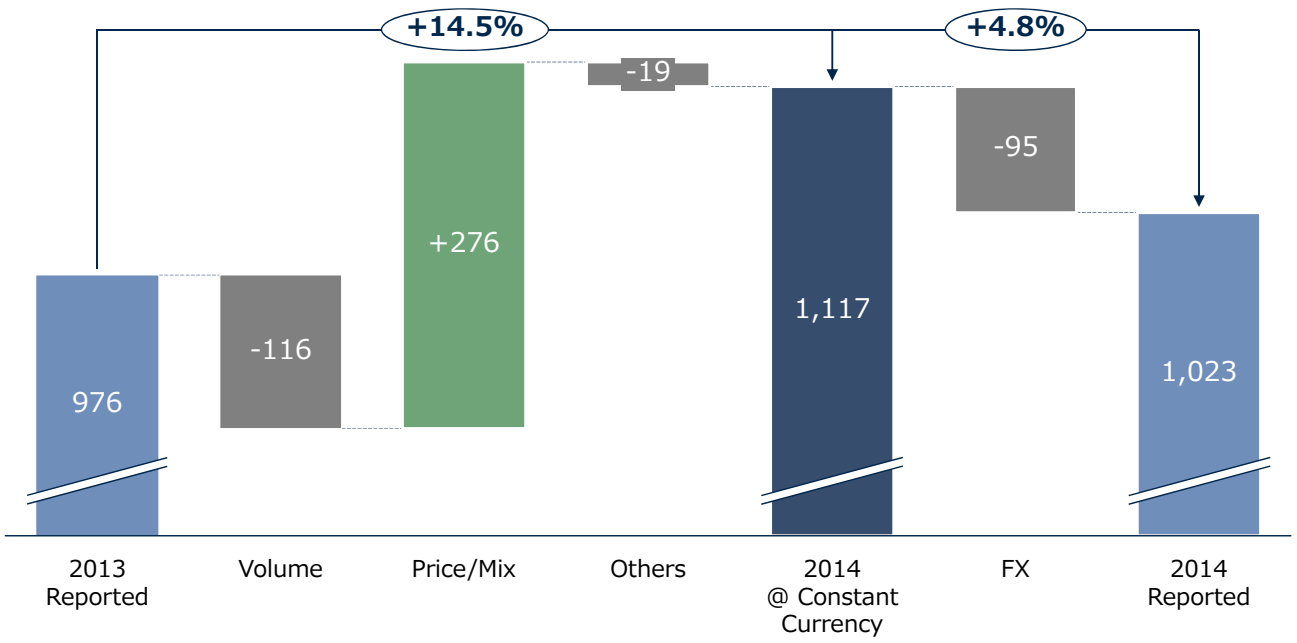
(US$MM)



JT International (Jan-Mar results)
Adjusted Operating Profit

Adjusted Operating Profit[9]

(US$MM)



29

JT International
FX actual vs.PY

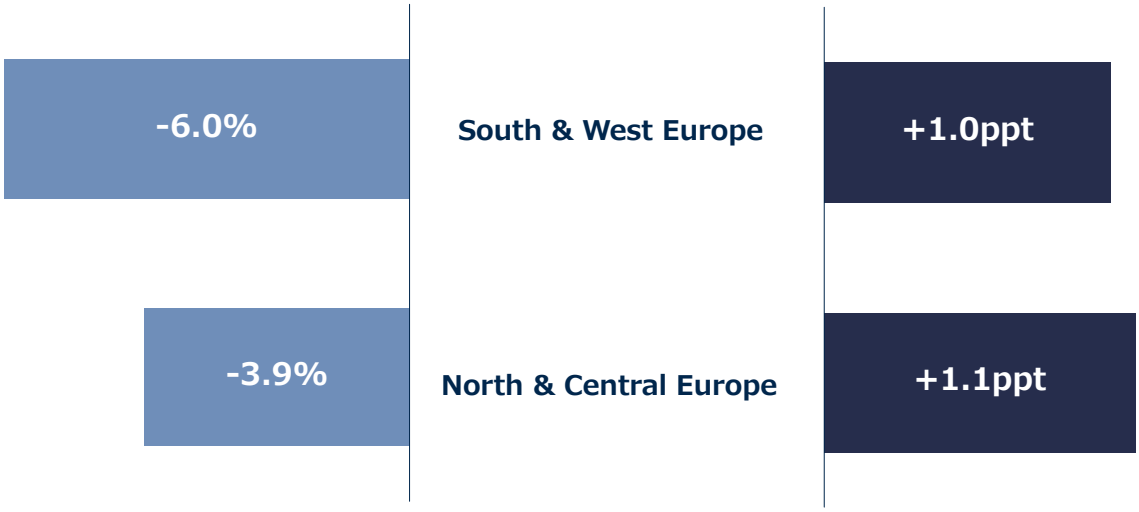
	2013 Jan-Mar	2014 Jan-Mar	Change
RUB/$	30.40	34.97	-13.1%
GBP/$	0.64	0.60	6.5%
EUR/$	0.76	0.73	3.8%
CHF/$	0.93	0.89	4.1%
TWD/$	29.47	30.27	-2.6%
TRY/$	1.78	2.21	-19.6%
UAH/$	7.99	8.86	-9.7%
JPY/$	92.46	102.77	-10.0%

30

JT International
Industry size & Share of Market variance in S&WE and N&CE cluster

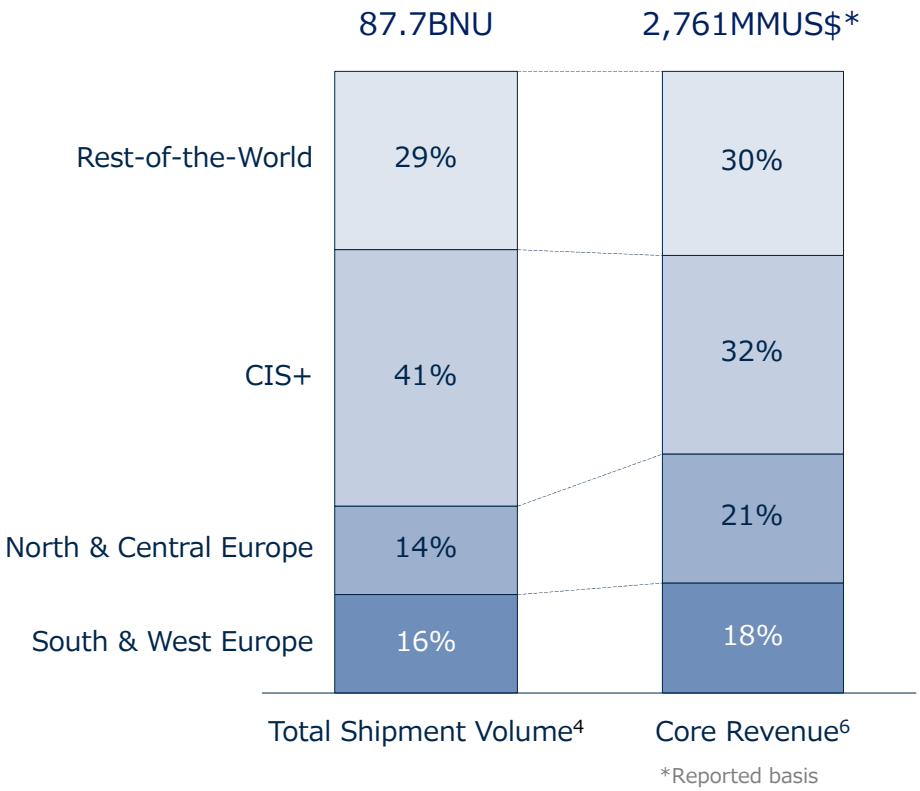
Industry size variance(%)
12month up to Feb 13 vs 12month up to Feb 14

Share of Market variance(%)
12 month average Feb 14



Source: JTI estimate

JT International (Jan-Mar results)
Cluster split



*Reported basis

JT International
Total Shipment Volume growth by cluster and selected markets vs. PY

	2014 Jan-Mar
JTI	**-5.4%**
South & West Europe	**-5.9%**
France	-7.4%
Italy	-9.5%
Spain	-8.7%
Switzerland	-5.0%
North & Central Europe	**3.1%**
Austria	1.2%
Ireland	-3.1%
Poland	1.6%
Sweden	-0.4%
UK	-2.5%
CIS+	**-7.8%**
Kazakhstan	-16.3%
Romania	7.6%
Russia	-12.1%
Ukraine	-2.4%
Rest of the World	**-5.6%**
Canada	-9.2%
Malaysia	-6.6%
Taiwan	-11.5%
Turkey	-32.1%

Total Shipment Volume: Includes fine cut, cigars, pipe tobacco and snus but excludes contract manufactured products and waterpipe tobacco products

JT International
GFB Shipment Volume vs. PY

	2014 Jan-Mar
JTI	**-5.5%**
South & West Europe	**-3.8%**
North & Central Europe	**8.3%**
CIS+	**-4.9%**
Rest of the World	**-13.6%**

(BNU)	2014 Jan-Mar
GFB Shipment Volume	**55.3** (-5.5%)
Winston	**27.6** (-7.1%)
Camel	**8.8** (-3.7%)
MEVIUS	**4.0** (-8.1%)
B&H	**2.4** (+5.4%)
Silk Cut	**0.7** (-12.2%)
LD	**9.6** (-2.6%)
Sobranie	**0.5** (+7.1%)
Glamour	**1.6** (-10.2%)

Note: Figures in () are percent change versus previous year

JT International
Share of Key Markets (12 Month Average)

	2013 Mar	2014 Mar	Change
France	18.4%	20.1%*	+1.7ppt
Italy	21.5%	21.5%*	-0.0ppt
Russia	36.3%	36.2%*	-0.1ppt
(GFB)	22.1%	23.4%*	+1.3ppt
Spain	20.1%	21.0%*	+0.8ppt
Taiwan	39.3%	39.2%	-0.1ppt
Turkey	26.3%	26.8%*	+0.4ppt
UK	39.8%	40.7%*	+0.9ppt

Source: IRI, Logista, Nielsen
Note: SOM figures are rounded off
*12 month average as of February 2014

35

JT International
Share of Key Markets (3 Month Average)

	2013 Jan-Mar	2013 Apr-Jun	2013 Jul-Sep	2013 Oct-Dec	2014 Jan-Mar
France	19.9%	19.9%	20.1%	20.3%	20.4%*
Italy	21.7%	21.9%	21.7%	21.2%	20.8%*
Russia	36.3%	36.2%	36.5%	36.2%	35.7%*
(GFB)	22.5%	23.1%	23.6%	23.7%	23.7%*
Spain	20.3%	21.1%	20.5%	21.6%	21.4%*
Taiwan	39.5%	40.0%	39.9%	38.3%	38.4%
Turkey	26.1%	26.8%	26.9%	26.9%	26.5%*
UK	40.3%	40.4%	40.9%	41.1%	40.6%*

Source: IRI, Logista, Nielsen
Note: SOM figures are rounded off
*2 month average as of February 2014

36

JT International
Tax and price increase

	excise tax change	price increase
France	*Jan, Jul[i] 2013* *Jan 2014*	*Jul 2013* *Jan 2014*
Italy	-	-
Russia	*Jan 2013* *Jan 2014*	*Jun, Dec 2013*
Spain	*Jan、Jun[i] 2013*	*Jan, Jul 2013*
Taiwan	-	*Jul, Sep-Oct[ii] 2013*
Turkey	*Jan, Jul 2013* *Jan 2014*	*Jan 2013* *Jan 2014*
UK	*Mar 2013* *Mar 2014*	*Mar, Sep 2013* *Mar 2014*

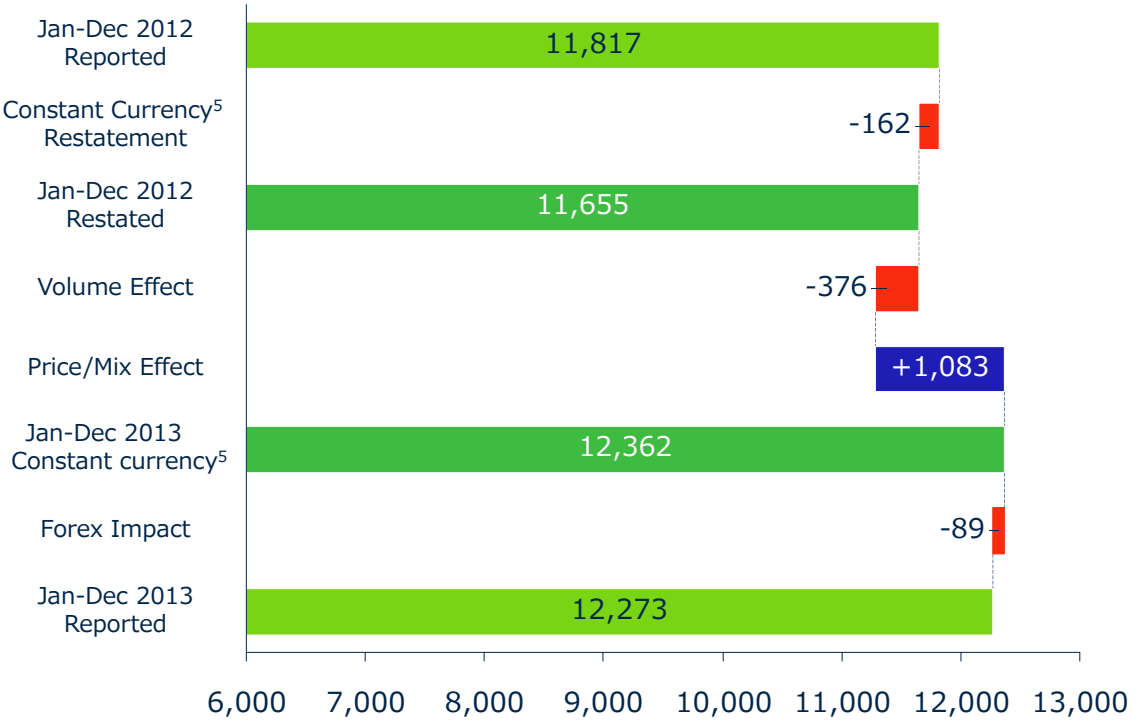
i)Tax Structure change
ii)Price increase for some brands each month

Appendix:FY2013 Results

Financial Results for FY2013

International Tobacco Business – Core Revenue[6]

(US$MM)

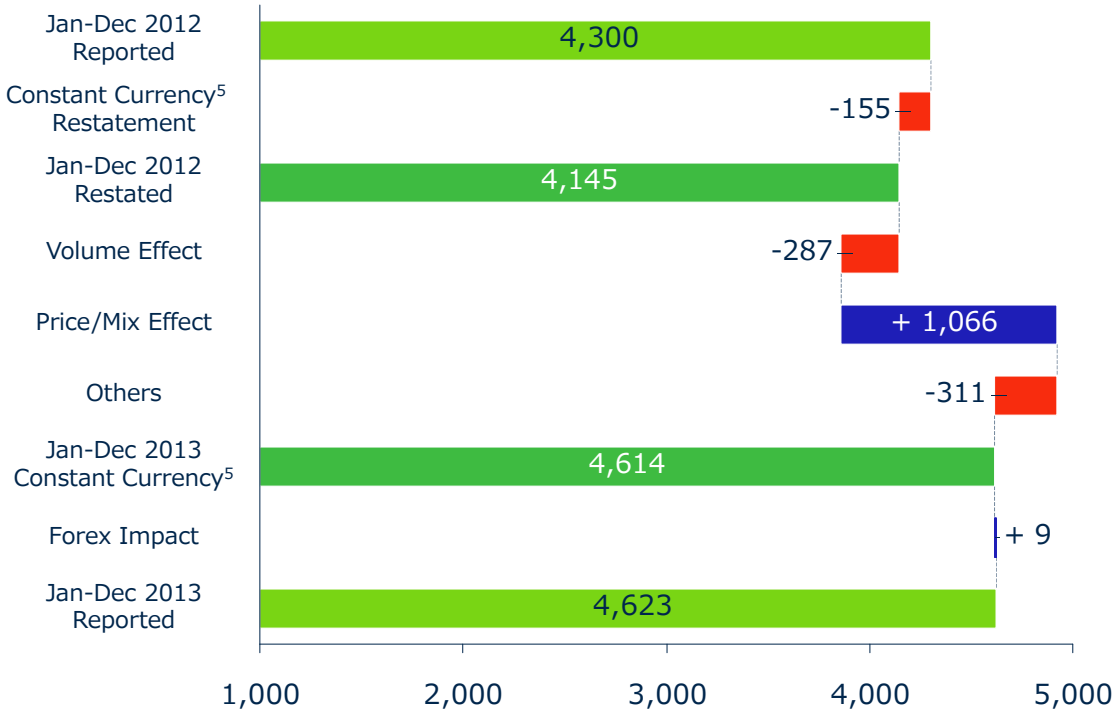


NOTE: Forex Impact is the fluctuation between USD and other currencies

Financial Results for FY2013

International Tobacco Business – Adjusted EBITDA[1]

(US$MM)

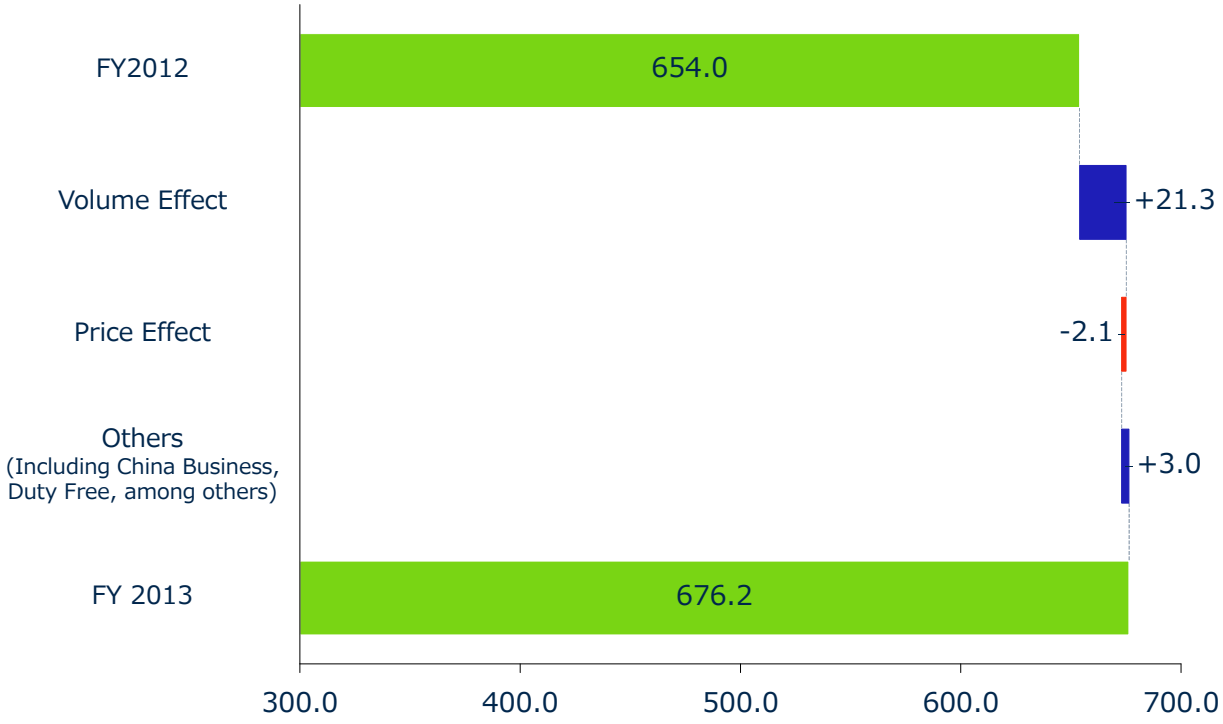


NOTE: Forex Impact is the fluctuation between USD and other currencies

Financial Results for FY2013

Japanese Domestic Tobacco Business – Core Revenue[8]

(JPY BN)

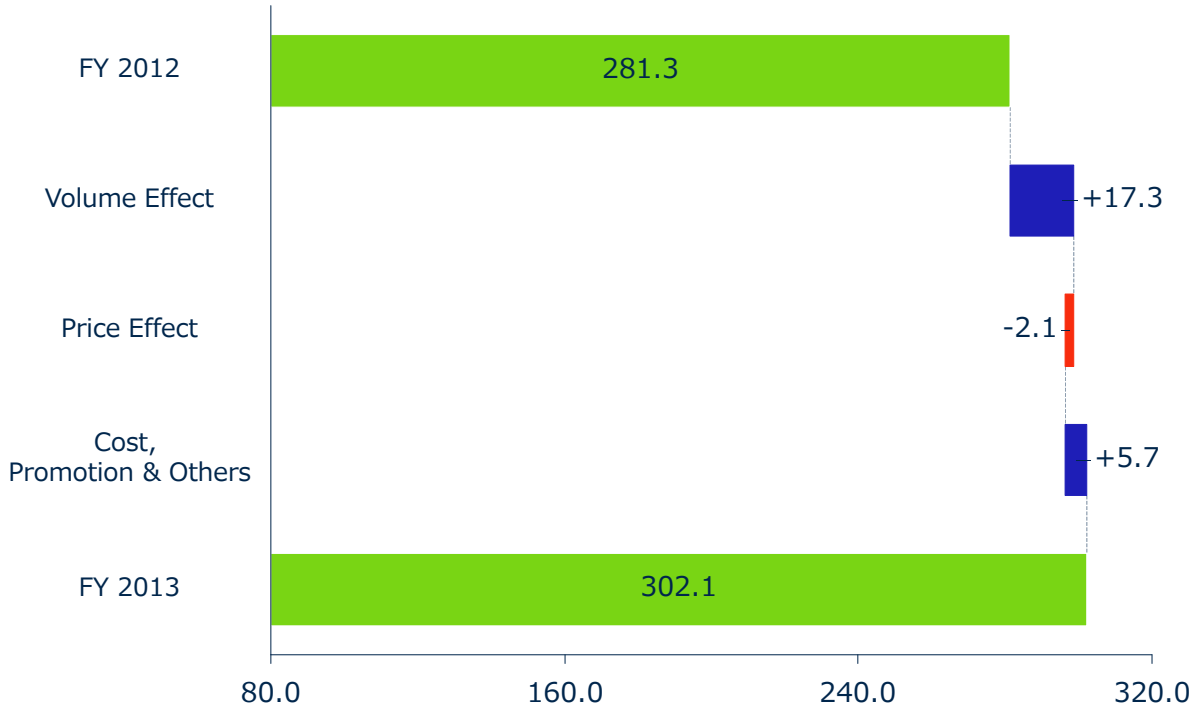


41

Financial Results for FY2013

Japanese Domestic Tobacco Business – Adjusted EBITDA[1]

(JPY BN)

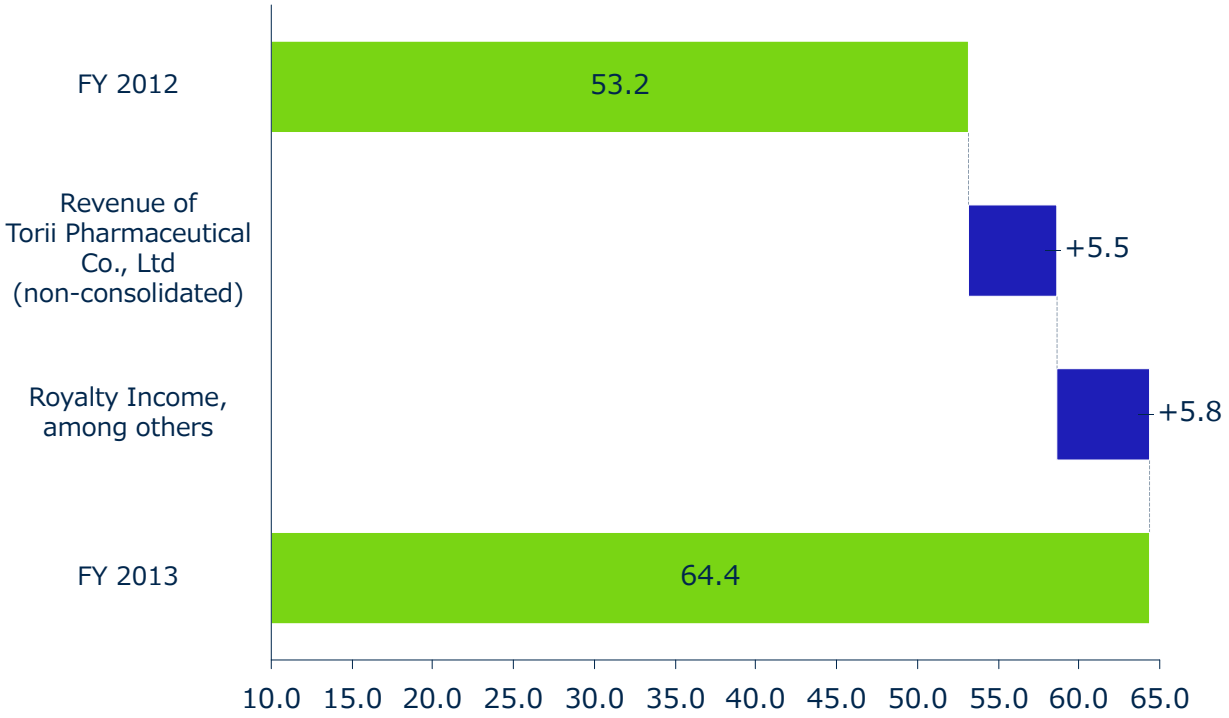


42

Financial Results for FY2013

Pharmaceutical Business - Revenue

(JPY BN)

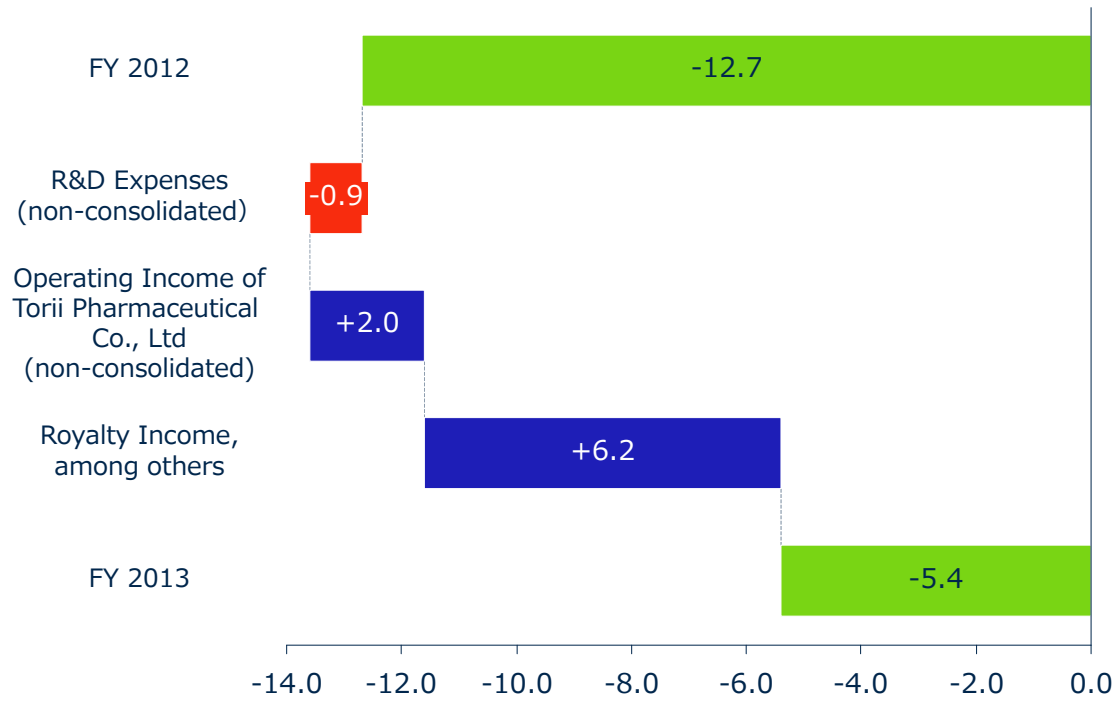


43

Financial Results for FY2013

Pharmaceutical Business – Adjusted EBITDA[1]

(JPY BN)

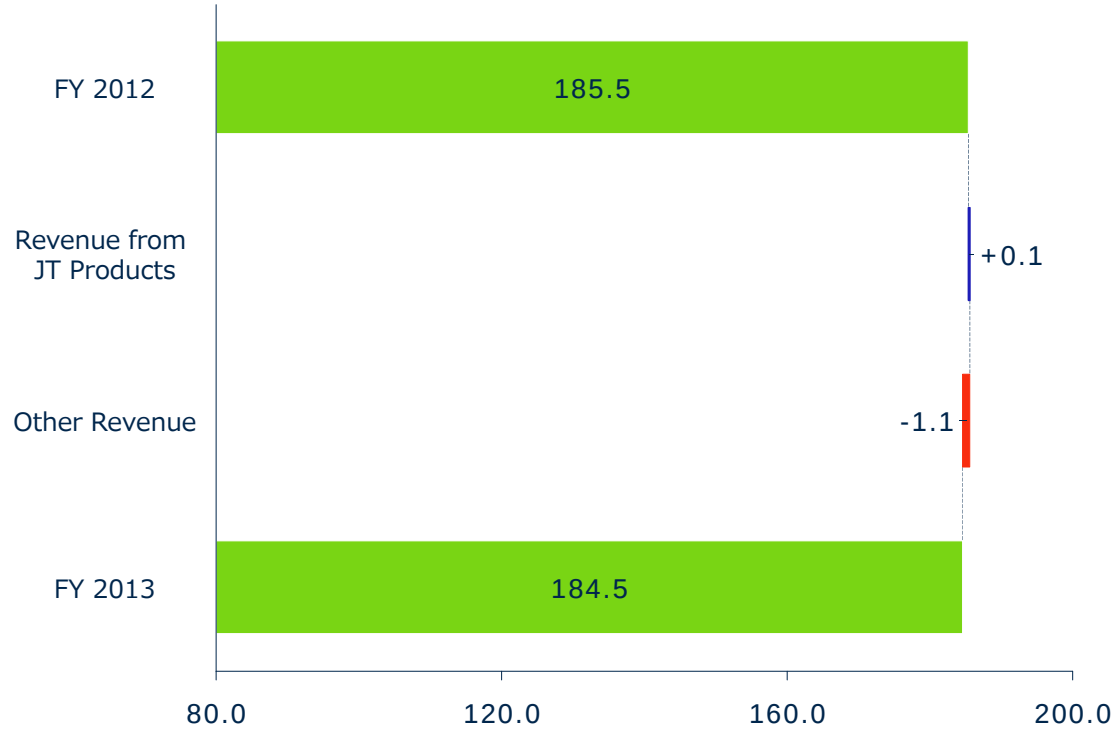


44

Financial Results for FY2013

Beverage Business - Revenue

(JPY BN)

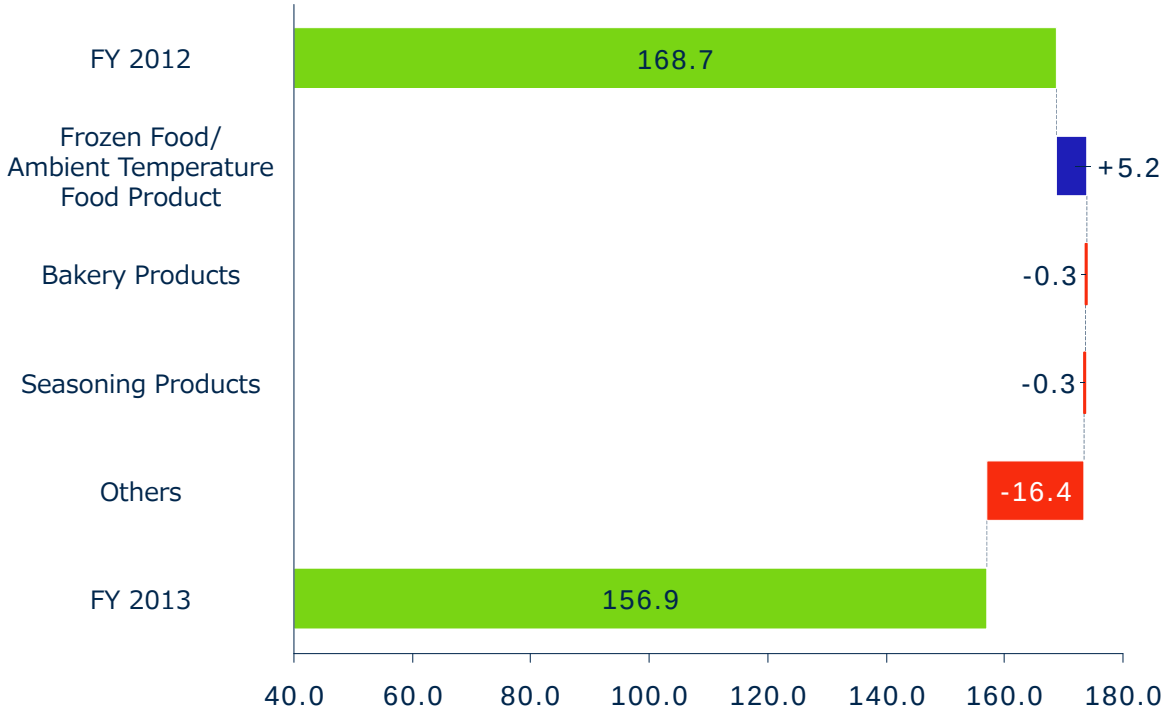


45

Financial Results for FY2013

Processed Food Business - Revenue

(JPY BN)



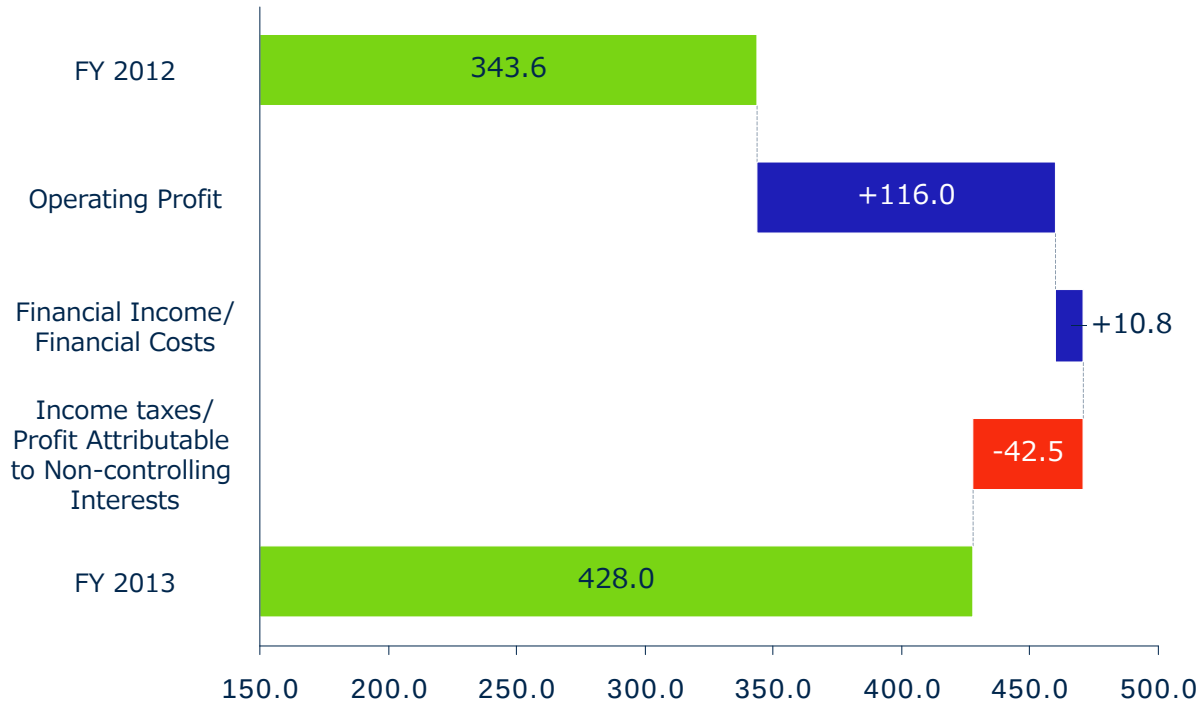
NOTE: Year-on-Year change in Revenue of Processed fishery products are included in 'others'

46

Financial Results for FY2013

Profit Attributable to Owners of the Parent

(JPY BN)



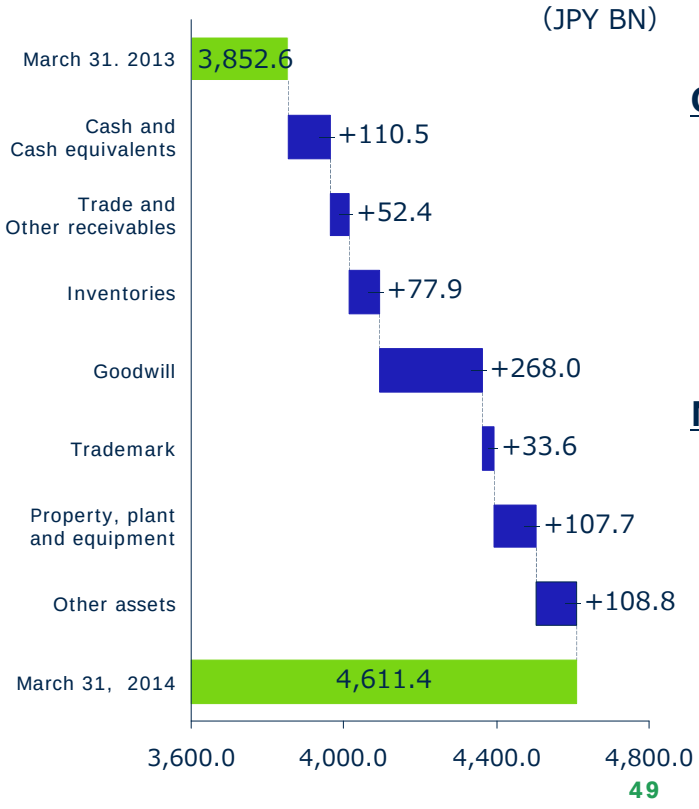
47

[This slide intentionally left blank]

48

Summery of Consolidated Statement of Financial Position as of March 31, 2014

Assets compared to statement of financial position as of March 31, 2013



49

Current Assets: Up JPY 271.2 BN

【Cash and Cash Equivalents】Up JPY 110.5 BN
- Increase in Adjusted EBITDA and effect of weak yen, among others

【Inventories】Up JPY 77.9 BN
- Effect of weak yen in the International Tobacco Business, among others

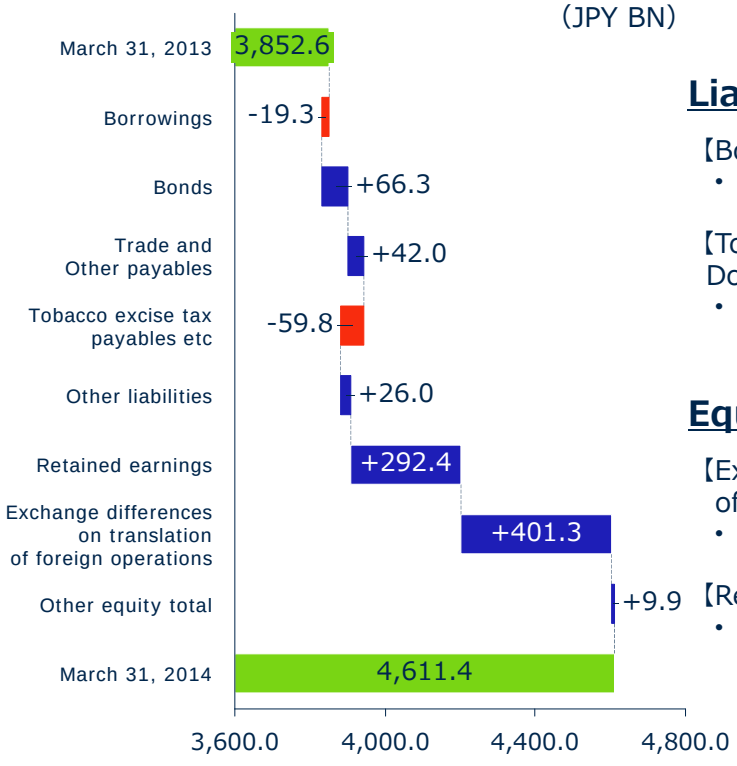
Non-current Assets: Up JPY 487.6 BN

【Goodwill】Up JPY 268.0 BN
- Effect of weak yen

【Other assets】Up JPY 108.8 BN
- Invest in Megapolis in the International Tobacco Business, effect of weak yen, among others

Summery of Consolidated Statement of Financial Position as of March 31, 2014

Liabilities and Equity compared to statement of financial position as of March 31, 2013



50

Liabilities : Up JPY 55.2 BN

【Bonds】Up JPY 66.3 BN
- Increase in U.S. Dollar bond

【Tobacco excise tax payables, etc】
Down JPY 59.8 BN
- Decrease in tax payables amounts due to fiscal year end holiday in the Japanese Domestic Tobacco Business

Equity : Up JPY 703.7 BN

【Exchange differences on translation of foreign operations】Up JPY 401.3 BN
- Effect of weak yen

【Retained earnings】Up JPY 292.4 BN
- Profit increase more than offset dividend payment

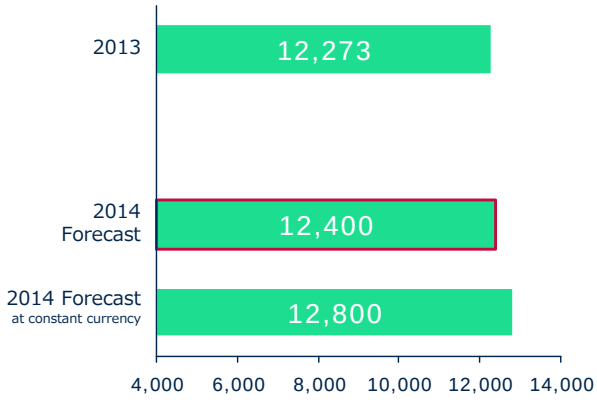
Appendix: 2014 Forecasts

2014 Forecasts compared to 2013

International Tobacco Business
Core Revenue[6]/ Adjusted Operating Profit[9]

(MM US$)

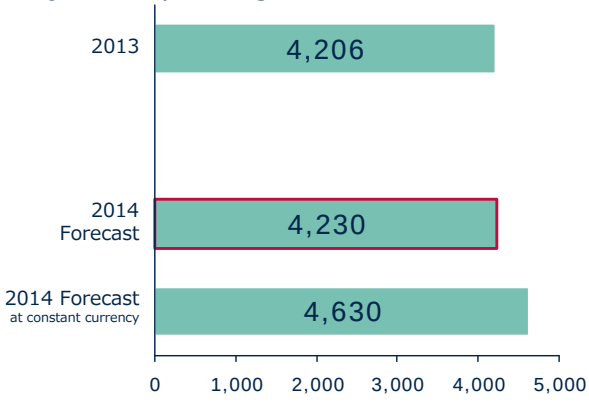
Core Revenue[6]



Positive factors
- Price effect

Negative factors
- Volume effect

Adjusted Operating Profit[9]



Positive factors
- Price effect and cost optimization effect

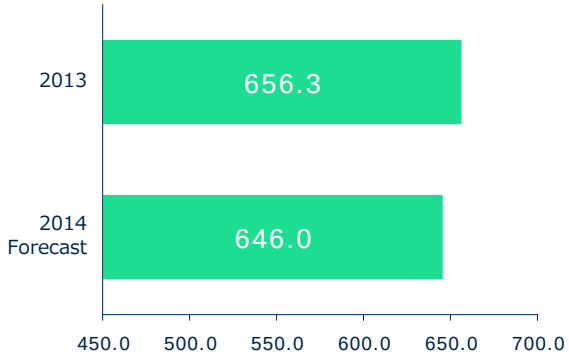
Negative factors
- Volume effect

2014 Forecasts compared to 2013 (Jan-Dec Like for Like basis)

Japanese Domestic Tobacco Business
Core Revenue[8]/ Adjusted Operating Profit[9]

(JPY BN)

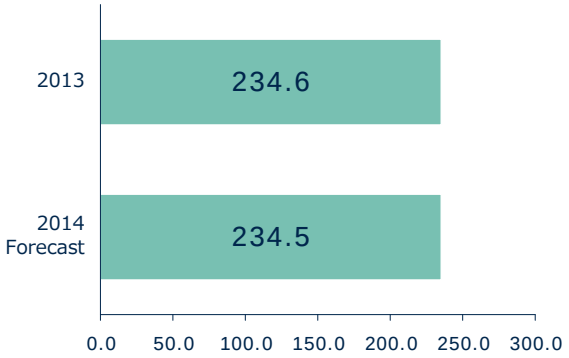
Core Revenue[8]



Positive factors
- Effect of brand equity enhancement

Negative factors
- Effect of JT total sales volume decline
  116.5BN units ⇒ 112.5BN units

Adjusted Operating Profit[9]



Positive factors
- Enhancing brand equity and cost reduction effect

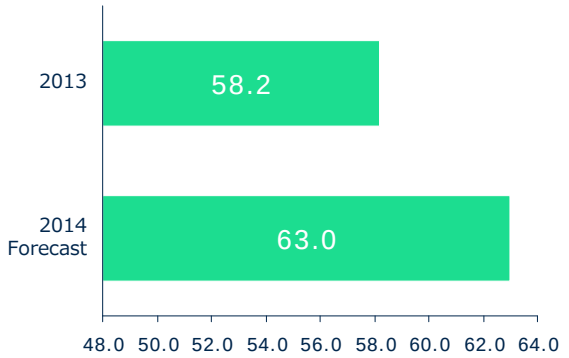
Negative factors
- Effect of JT total sales volume decline
  116.5BN units ⇒ 112.5BN units

2014 Forecasts compared to 2013 (Jan-Dec Like for Like basis)

Pharmaceutical Business Revenue/ Adjusted Operating Profit[9]

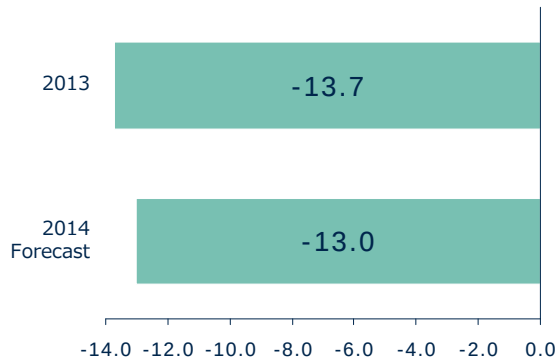
(JPY BN)

Revenue



Positive factors
- Increase in sales of Torii Pharmaceutical Co., Ltd.
- Increase in royalty revenue for JT

Adjusted Operating Profit[9]



Positive factors
- Increase in sales of Torii Pharmaceutical Co., Ltd
- Increase in royalty revenue for JT

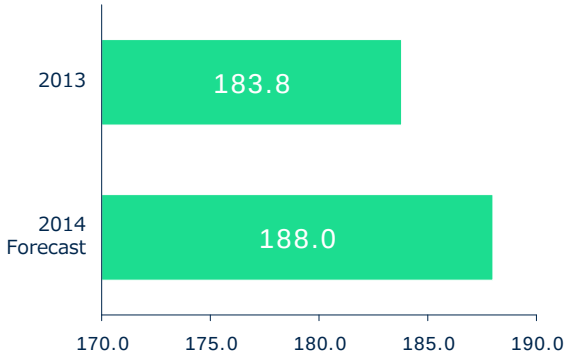
Negative factors
- Increase in R&D expenses

2014 Forecasts compared to 2013 (Jan-Dec Like for Like basis)

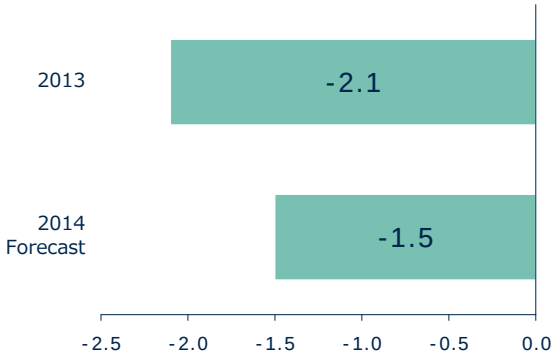
Beverage Business Revenue/ Adjusted Operating Profit[9]

(JPY BN)

Revenue



Adjusted Operating Profit[9]



Positive factors

- Increase in sales of 'Momono Tennen sui'*

*Peach flavored natural water

Positive factors

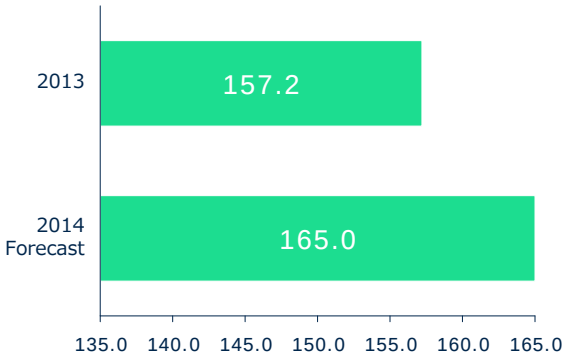
- Increase in revenue and cost reduction effect

2014 Forecasts compared to 2013 (Jan-Dec Like for Like basis)

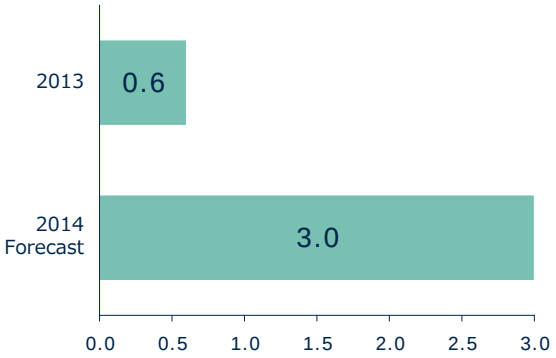
Processed Food Business Revenue/ Adjusted Operating Profit[9]

(JPY BN)

Revenue



Adjusted Operating Profit[9]



Positive factors

- Growth of staple food products

Positive factors

- Growth of staple food products and cost reduction effect

FX assumption

	2013 Act	2014 Assumption	Change
RUB/$	31.84	36.00	-11.6%
GBP/$	0.64	0.60	6.6%
EUR/$	0.75	0.72	4.6%
CHF/$	0.93	0.88	5.3%
TWD/$	29.68	30.30	-2.0%
TRY/$	1.90	2.30	-17.3%
UAH/$	7.99	10.00	-20.1%
JPY/$	97.73	100.00	-2.3%

57

Basic EPS, DPS, Payout Ratio

	FY2013 Act	FY2014 Forecast
Basic EPS (JPY)*	235.48	189.27
DPS (JPY)	96.00	100.00
Payout ratio (%)**	40.8%	52.8%

*Based on profit attributable to owners of the parent
**Payout ratio＝Dividend per share/Basic EPS

58

<Annotations>

1 Adjusted EBITDA :	Operating profit + depreciation and amortization + adjustment items (income and costs)* *adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
2 Profit:	Profit attributable to owners of the parent
3 Adjusted EPS:	(Profit or loss attributable to owners of the parent company ± adjustment items (income and costs)* ± tax and minority interests adjustments) / (weighted-average common shares + increased number of ordinary shares under subscription rights to shares) *Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
4 Total Shipment Volume: (International Tobacco Business):	Includes fine cut, cigars, pipe tobacco and snus but excludes contract manufactured products and waterpipe tobacco products
5 Constant Currency: (International Tobacco Business)	Constant currency measures are computed by restating current year results at the previous year's foreign currency exchange rates. In 2013, market results/forecast, subject to highly volatile currency, significant currency devaluation and/or highly inflationary environments, are reported at actual/assumed exchange rates for figures both on a reported basis and at constant rates of exchange. Accordingly, 2012 results at constant rates of exchange have been restated for such markets. Results at constant rates of exchange should be considered in addition to, not as a substitute for, results reported in accordance with IFRS.
6 Core Revenue: (International Tobacco Business)	Includes revenue from waterpipe tobacco products, but excludes revenues from distribution, contract manufacturing and other peripheral businesses.
7 Total Sales Volume: (Japanese Domestic Tobacco Business)	Excludes sales volume of domestic duty free and the China business
8 Core Revenue: (Japanese Domestic Tobacco Business)	Excludes revenue from distribution of imported tobacco in the Japanese domestic tobacco business, among others
9 Adjusted Operating Profit:	Adjusted Operating Profit = Operating profit + Amortization of acquired intangibles + Adjusted items (income and costs)* *Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

[This slide intentionally left blank]

Results for FY2013

(April 1, 2013 through March 31, 2014)

-In accordance with the revised IAS 19, retrospective applications have been made to FY2012 figures at constant currency and to FY2012 reported figures.
-This retrospective did not have a material impact on the condensed interim consolidated financial statements.

1. Summary of Business Performance

(unit: JPY billion,%)

	FY2012	FY2013	Change	Rates of Change
Revenue	2,120.2	2,399.8	+279.6	+13.2%
Operating profit	532.2	648.3	+116.0	+21.8%
Profit before income taxes	509.4	636.2	+126.8	+24.9%
Profit	351.4	435.3	+83.8	+23.9%
Profit(attributable to owners of parent company)	343.6	428.0	+84.4	+24.6%
Basic EPS(yen)	181.07	235.48	+54.42	+30.1%
Diluted EPS(yen)	180.98	235.35	+54.37	+30.0%
Adjusted EBITDA*1	622.0	751.7	+129.8	+20.9%
Adjusted profit	329.7	410.4	+80.7	+24.5%
Adjusted EPS(yen)*2	173.64	225.68	+52.04	+30.0%
DPS(yen)	68.00	96.00	+28.00	+41.2%
Payout ratio	37.6%	40.8%	+3.2%pt	
ROE(attributable to owners of parent company)	20.0%	19.9%	-0.1%pt	

(Reference)

(unit: JPY billion,%)

	FY2012	FY2013	Change	Rates of Change
Adjusted EBITDA at constant rates of exchange*3	622.0	668.3	+46.4	+7.5%
Adjusted EPS at constant rates of exchange(yen)*2 *3	173.64	200.96	+27.32	+15.7%

1 :Adjusted EBITDA = Operating profit + depreciation and amortization ± adjustment items (income and costs)
*Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

2 :Adjusted EPS = (Profit or loss attributable to owners of the parent company ± adjustment items (income and costs) ± tax and minority interests adjustments) / (weighted-average common shares + increased number of ordinary shares under subscription rights to shares)
*Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

*3 :FY2012-Actual
FY2013- Regarding international tobacco business, at the same foreign exchange rates between local currency vs USD and JPY vs USD as FY2012

2.Breakdown of Revenue

(unit: JPY billion,%)

	FY2012	FY2013	Change	Rates of Change
Revenue	2,120.2	2,399.8	+279.6	+13.2%
Japanese domestic tobacco	687.1	710.3	+23.2	+3.4%
Core revenue*1	654.0	676.2	+22.2	+3.4%
International tobacco*2	1,010.7	1,270.0	+259.4	+25.7%
Core revenue*3	943.1	1,200.7	+257.6	+27.3%
Pharmaceutical	53.2	64.4	+11.3	+21.2%
Beverage	185.5	184.5	-1.0	- 0.5%
Processed foods	168.7	156.9	-11.8	- 7.0%
Others	15.0	13.6	-1.4	- 9.1%

(Reference)

(unit: USD million,%)

	2012 Jan-Dec	2013 Jan-Dec	Change	Rates of Change
International tobacco Core revenue*3	11,817	12,273	+457.0	+3.9%
International tobacco Core revenue at constant rates of exchange*3*4	11,655	12,362	+708.0	+6.1%

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

*2 :International tobacco business: 12M ended Dec. 2012 and 12M ended Dec .2013

*3 :Includes revenue from waterpipe tobacco, but excludes revenues from distribution, contract manufacturing and other peripheral businesses.

*4 :Constant currency measures are computed by restating current year results at the previous year's foreign currency exchange rates. In 2013, market results, subject to highly volatile currency, significant currency devaluation and/or highly inflationary environments, are reported at actual/assumed exchange rates for figures both on a reported and at constant rates of exchange. Accordingly, 2012 results at constant rates of exchange have been restated for such markets. Results at constant rates of exchange should be considered in addition to, not as a substitute for, results reported in accordance with IFRS.

3.Adjusted EBITDA by business segment*1

(unit: JPY billion,%)

	FY2012	FY2013	Change	Rates of Change
Consolidated Operating profit	532.2	648.3	+116.0	+21.8%
Adjustment*3	89.8	103.5	+13.7	-
Adjusted EBITDA*1	622.0	751.7	+129.8	+20.9%
Japanese domestic tobacco Operating profit	241.3	258.1	+16.8	+7.0%
Adjustment*3	40.0	44.0	+4.0	-
Adjusted EBITDA*1	281.3	302.1	+20.8	+7.4%
International tobacco Operating profit*2	289.4	376.4	+87.0	+30.1%
Adjustment*2*3	53.8	75.2	+21.5	-
Adjusted EBITDA*1*2	343.2	451.6	+108.4	+31.6%
Pharmaceutical Operating profit	-16.2	-9.0	+7.2	-
Adjustment*3	3.4	3.6	+0.2	-
Adjusted EBITDA*1	-12.7	-5.4	+7.3	-
Beverage Operating profit	2.3	-2.1	-4.4	-
Adjustment*3	10.1	10.8	+0.7	-
Adjusted EBITDA*1	12.4	8.7	-3.7	- 30.2%
Processed Foods Operating profit	-5.8	-0.2	+5.6	-
Adjustment*3	13.2	7.7	-5.5	-
Adjusted EBITDA*1	7.4	7.5	+0.1	+1.5%
Other/Elimination Operating profit	21.2	25.0	+3.9	+18.4%
Adjustment*3	-30.7	-37.8	-7.1	-
Adjusted EBITDA*1	-9.6	-12.7	-3.2	-

(Reference)

(unit: USD million,%)

	2012 Jan-Dec	2013 Jan-Dec	Change	Rates of Change
International tobacco Adjusted EBITDA*1	4,300	4,623	+322.6	+7.5%
International tobacco Adjusted EBITDA at constant rates of exchange*1*4	4,145	4,614	+468.7	+11.3%

1 : Adjusted EBITDA = Operating profit + depreciation and amortization ± adjustment items (income and costs)
*Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

*2 :International tobacco business: 12M ended Dec. 2012 and 12M ended Dec. 2013

3 :Depreciation and amortization ± adjustment items (income and costs)
*Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

*4 :Constant currency measures are computed by restating current year results at the previous year's foreign currency exchange rates. In 2013, market results, subject to highly volatile currency, significant currency devaluation and/or highly inflationary environments, are reported at actual/assumed exchange rates for figures both on a reported and at constant rates of exchange. Accordingly, 2012 results at constant rates of exchange have been restated for such markets. Results at constant rates of exchange should be considered in addition to, not as a substitute for, results reported in accordance with IFRS.

4.Consolidated financial position data

(unit: JPY billion)

	As of end of Mar.2013	As of end of Mar.2014	Change
Total Assets	3,852.6	4,611.4	+758.9
Total Equity	1,892.4	2,596.1	+703.7
Equity attributable to owners of the parent company	1,806.5	2,505.6	+699.1
BPS(attributable to owners of parent company) (yen)	993.98	1,378.57	+384.59

5.Liquidity*

(unit: JPY billion)

	As of end of Mar.2013	As of end of Mar.2014	Change
Liquidity	168.3	259.3	91.0

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

6.Interest-bearing debt*

(unit: JPY billion)

	As of end of Mar.2013	As of end of Mar.2014	Change
Interest-bearing debt	327.2	375.9	48.6

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

7.Consolidated cash flows data

(unit: JPY billion,%)

	FY2012	FY2013	Change	Rates of Change
Cash flows from operating activities	466.6	396.5	-70.1	-15.0%
Cash flows from investing activities	-147.9	-163.5	-15.5	–
Cash flows from financing activities	-569.5	-145.2	+424.3	–
Cash and cash equivalents, beginning of the year	404.7	142.7	-262.0	-64.7%
Foreign currency translation adjustments on cash and cash equivalents	-11.2	22.7	+33.9	–
Cash and cash equivalents, end of the year*1	142.7	253.2	+110.5	+77.4%
FCF*2	316.0	212.6	-103.5	-32.7%

*1 Included in "Cash and cash equivalents" at the end of this quarter is ¥42.1 billion (IRR 1,255.3 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,%)

	FY2012	FY2013	Change	Rates of Change
Capital expenditures	137.4	156.2	+18.7	+13.6%
Japanese domestic tobacco	71.2	49.1	-22.1	-31.1%
International tobacco*	37.5	78.5	+41.0	+109.4%
Pharmaceutical	5.8	3.9	-1.9	-33.0%
Beverage	12.0	14.6	+2.6	+21.7%
Processed foods	4.6	4.9	+0.3	+6.6%
Other/Elimination and corporate	6.3	5.1	-1.2	-18.9%

* : International tobacco business: 12M ended Dec. 2012 and 12M ended Dec .2013

9.Business data

【Japanese domestic tobacco business】	FY2012	FY2013	Change	Rates of Change	
JT sales volume*	116.2	120.1	+3.9	+3.3%	BNU
Total demand	195.1	196.9	+1.8	+0.9%	BNU
JT market share	59.6%	61.0%	+1.4%pt		
JT net sales after tax per 1,000 cigarettes	5,502	5,485	-17	- 0.3%	JPY

* :Sales volume of domestic duty-free and China business is excluded, which was 3.1 billion for FY2012 and 3.4 billion for FY2013, respectively.

【International tobacco business】	2012 Jan-Dec	2013 Jan-Dec	Change	Rates of Change	
Total shipment volume*	436.5	416.4	-20.2	- 4.6%	BNU
GFB shipment volume	268.8	266.6	-2.2	- 0.8%	BNU
JPY/USD rate for consolidation	79.81	97.73	+17.92	-18.3%	JPY
RUB/USD rate for consolidation	31.07	31.84	+0.77	-2.4%	RUB
GBP/USD rate for consolidation	0.63	0.64	+0.01	+1.3%	GBP
EUR/USD rate for consolidation	0.78	0.75	-0.02	+3.3%	EUR
CHF/USD rate for consolidation	0.94	0.93	-0.01	+1.2%	CHF
TWD/USD rate for consolidation	29.57	29.68	+0.11	-0.4%	TWD

* :Total shipment volume includes fine cut, cigars, pipe tobacco and snus but excludes contract manufactured products and waterpipe tobacco products

(unit: JPY billion,%)

<Pharmaceutical business>	FY2012	FY2013	Change	Rates of Change
R&D expenses	30.7	30.5	-0.2	- 0.8%

(unit: million case,%)

<Beverage business>	FY2012	FY2013	Change	Rates of Change
Sales of JT products	32.25	32.68	+0.43	+1.3%
Roots	18.54	17.85	-0.69	- 3.7%

	As of end of Mar.2013	As of end of Mar.2014	Change
Number of beverage vending machines*	262,000	266,000	+4,000
JT-owned	39,000	44,000	+5,000
Combined	83,000	82,000	-1,000
Others	140,000	140,000	+0

* :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.Number of employees*

	As of end of Mar.2013	As of end of Mar.2014	Change
Number of employees (consolidated basis)	49,507	51,563	+2056
Japanese domestic tobacco	11,043	11,022	- 21
International tobacco	24,397	26,731	+2334
Pharmaceutical	1,744	1,787	+43
Beverage	4,912	5,035	+123
Processed foods	6,563	6,096	- 467
Other/Corporate	848	892	+44
Number of employees (parent company)	8,925	8,774	- 151

* : Number of employees is counted at working base, unless otherwise indicated.

Results for FY2013

(April 1, 2013 through March 31, 2014)

-In accordance with the revised IAS 19, retrospective applications have been made to FY2012 figures at constant currency and to FY2012 reported figures.
-This retrospective did not have a material impact on the condensed interim consolidated financial statements.

10.Account titles of P/L

(unit: JPY billion)

	FY2012	FY2013	Change
Revenue	2,120.2	2,399.8	+279.6
Cost of sales	899.4	980.0	+80.5
Gross profit	1,220.8	1,419.9	+199.1
Other Operating profit	42.2	55.6	+13.5
Gain on sale of tangible fixed assets, intangible assets and investment properties	35.2	45.0	+9.8
Others	7.0	10.7	+3.7
Share of profit of investments accounted for using the equity method	2.8	1.7	-1.1
SG&A	733.5	828.9	+95.5
Advertising expenses	20.6	21.7	+1.2
Promotion expenses	137.5	147.8	+10.3
Freight and storage cost	27.1	27.1	-0.0
Commissions	41.2	49.3	+8.1
Employee benefits expenses	241.5	275.8	+34.3
R&D expenses	56.9	57.1	+0.2
Depreciation and amortization	59.1	68.8	+9.7
Impairment losses	3.2	2.4	-0.8
Loss on sale of tangible fixed assets and investment properties	9.3	9.5	+0.2
impairment losses of investments in associates	—	9.7	+9.7
Others	137.2	159.7	+22.5
Operating profit	532.2	648.3	+116.0
Depreciation and amortization	116.5	132.9	+16.5
Adjustment items (income)	-34.2	-44.0	-9.8
Adjustment items (costs)	7.5	14.6	+7.0
Adjusted EBITDA *1	622.0	751.7	+129.8
Japanese domestic tobacco Operating profit	241.3	258.1	+16.8
Depreciation and amortization	41.1	44.4	+3.3
Adjustment items (income)	-1.2	-1.1	+0.1
Adjustment items (costs)	0.2	0.7	+0.6
Adjusted EBITDA *1	281.3	302.1	+20.8
International tobacco Operating profit *2	289.4	376.4	+87.0
Depreciation and amortization *2	51.1	63.7	+12.6
Adjustment items (income) *2	-0.4	—	+0.4
Adjustment items (costs) *2	3.1	11.5	+8.4
Adjusted EBITDA *1*2	343.2	451.6	+108.4
Pharmaceutical Operating profit	-16.2	-9.0	+7.2
Depreciation and amortization	3.4	3.6	+0.2
Adjustment items (income)	—	—	—
Adjustment items (costs)	—	—	—
Adjusted EBITDA *1	-12.7	-5.4	+7.3
Beverage Operating profit	2.3	-2.1	-4.4
Depreciation and amortization	10.1	10.8	+0.7
Adjustment items (income)	—	—	—
Adjustment items (costs)	—	—	—
Adjusted EBITDA *1	12.4	8.7	-3.7
Processed Foods Operating profit	-5.8	-0.2	+5.6
Depreciation and amortization	7.1	6.9	-0.2
Adjustment items (income)	—	-0.2	-0.2
Adjustment items (costs)	6.0	1.0	-5.0
Adjusted EBITDA *1	7.4	7.5	+0.1
Others/Elimination Operating profit	21.2	25.0	+3.9
Depreciation and amortization	3.6	3.5	-0.2
Adjustment items (income)	-32.6	-42.6	-10.0
Adjustment items (costs)	-1.7	1.4	+3.1
Adjusted EBITDA *1	-9.6	-12.7	-3.2

(unit: JPY billion)

	FY2012	FY2013	Change
Financial income	5.5	8.4	+2.9
Dividend income	1.4	1.5	+0.2
Interest income	3.8	6.4	+2.6
Foreign exchange gain	—	—	—
Other	0.4	0.4	+0.1
Financial costs	28.4	20.4	-7.9
Interest expenses	10.1	8.6	-1.5
Pension/post retirement benefit	5.8	5.8	+0.1
Foreign exchange loss	11.3	4.7	-6.6
Other	1.2	1.2	+0.1
Profit before income taxes	509.4	636.2	+126.8
Income taxes	157.9	200.9	+43.0
Profit	351.4	435.3	+83.8
Owners of the parent company	343.6	428.0	+84.4
Non-controlling interests	7.9	7.3	-0.5

1 :Adjusted EBITDA = Operating profit + depreciation and amortization ± adjustment items (income and costs)
*Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

*2 :International tobacco business: 12M ended Dec. 2012 and 12M ended Dec. 2013

-In accordance with the revised IAS 19, retrospective applications have been made to FY2012 figures at constant currency and to FY2012 reported figures.
-This retrospective did not have a material impact on the condensed interim consolidated financial statements.

11.Account titles of B/S (unit: JPY billion)

	As of end of Mar.2013	As of end of Mar.2014	Change
Current assets	1,213.1	1,484.4	+271.2
Cash and cash equivalents	142.7	253.2	+110.5
Cash and deposits	121.8	239.0	+117.2
Short-term investment	21.0	14.3	-6.7
Trade and other receivables	387.8	440.2	+52.4
Notes and accounts receivable	368.0	430.2	+62.3
Other	21.5	12.3	-9.1
Allowance for doubtful accounts	-1.6	-2.3	-0.7
Inventories	473.0	551.0	+77.9
Merchandise and finished goods	133.1	160.2	+27.1
Leaf tobacco	292.0	334.3	+42.3
Other	47.9	56.4	+8.6
Other financial assets※1	29.1	17.3	-11.8
Other current assets	177.9	220.7	+42.8
Prepaid tobacco excise taxes	130.3	176.3	+45.9
Prepaid expenses	9.5	11.3	+1.8
Consumption taxes payable	10.6	12.5	+1.9
Other	27.4	20.6	-6.8
Non-current assets held for sale	2.6	2.0	-0.6
Non-current assets	2,639.4	3,127.1	+487.6
PP&E	672.3	780.0	+107.7
Cost	1,535.7	1,721.1	+185.4
Accumulated depreciation and accumulated impairment losses	-863.4	-941.1	-77.7
Land, buildings and structures	307.3	331.3	+24.0
Cost	615.7	654.0	+38.3
Accumulated depreciation and accumulated impairment losses	-308.3	-322.7	-14.3
Machinery and vehicles	271.2	311.9	+40.7
Cost	720.2	811.1	+90.9
Accumulated depreciation and accumulated impairment losses	-449.0	-499.1	-50.2
Tools, furniture and fixtures	65.3	68.7	+3.5
Cost	171.4	188.0	+16.6
Accumulated depreciation and accumulated impairment losses	-106.1	-119.2	-13.2
Construction in progress	28.5	68.0	+39.5
Cost	28.5	68.0	+39.5
Accumulated depreciation and accumulated impairment losses	—	—	—
Goodwill※2	1,316.5	1,584.4	+268.0
Cost	1,316.5	1,584.4	+268.0
Accumulated depreciation and accumulated impairment losses	—	—	—
Intangible assets	348.8	385.1	+36.3
Cost	933.1	1,041.5	+108.4
Accumulated depreciation and accumulated impairment losses	-584.2	-656.4	-72.1
Trademark※3	287.6	321.2	+33.6
Cost	733.7	824.7	+90.9
Accumulated depreciation and accumulated impairment losses	-446.1	-503.4	-57.3
Software	31.9	34.4	+2.5
Cost	111.6	123.9	+12.3
Accumulated depreciation and accumulated impairment losses	-79.8	-89.6	-9.8
Other	29.3	29.5	+0.2
Cost	87.7	92.9	+5.2
Accumulated depreciation and accumulated impairment losses	-58.3	-63.4	-5.0
Investment property	59.0	61.4	+2.4
Retirement benefit assets	14.8	16.5	+1.7
Investments accounted for using the equity method	22.9	106.1	+83.2
Other financial assets※3	71.8	92.6	+20.8
Deferred tax assets	133.3	100.9	-32.4
Total assets	3,852.6	4,611.4	+758.9

※1	Other financial assets(current & non-current)	100.9	109.9	+9.0
	Derivative assets	4.1	8.6	+4.5
	Equities	46.7	53.7	+7.0
	Bonds	15.7	7.2	-8.5
	Time deposits	5.3	1.5	-3.8
	Other	38.2	47.2	+9.0
	Allowance for doubtful accounts	-9.1	-8.3	+0.8

※2	Goodwill International tobacco cash-generating unit	1,274.0	1,541.9	+267.9
	Goodwill processed food cash-generating unit	25.4	25.4	—

※3	Trademark International tobacco business	284.9	318.7	+33.8

(unit: JPY billion)

	As of end of Mar.2013	As of end of Mar.2014	Change
Current liabilities	1,113.0	1,250.5	+137.5
Trade and other payables	312.7	354.7	+42.0
Notes and accounts payable	173.5	190.4	+17.0
Other payables	71.3	73.3	+2.0
Other	68.0	91.0	+23.0
Bonds and borrowings※4	44.3	195.6	+151.3
Income taxes payable	85.7	77.2	-8.6
Other financial libilities※4	8.6	9.5	+0.9
Provisions	5.3	7.4	+2.1
Other current liabilities※5	656.3	606.2	-50.1
Liabilities directly associated with non-current assets held-for-sale	0.1	0.1	-0.0
Non current liabilities	847.2	764.8	-82.3
Bonds and borrowings※4	270.4	166.2	-104.2
Other financial liabilities※4	18.8	17.7	-1.1
Retirement benefit liabilities	342.6	340.5	-2.1
Provisions	4.8	5.2	+0.5
Other non-current liabilities※5	113.2	126.5	+13.3
Deferred tax liabilities	97.3	108.7	+11.4
Liabilities	1,960.1	2,015.4	+55.2
Equity	1,892.4	2,596.1	+703.7
Share capital	100.0	100.0	—
Capital surplus	736.4	736.4	-0.0
Treasury shares	-344.6	-344.5	+0.1
Other components of equity	-155.4	251.1	+406.5
Retained earnings	1,470.1	1,762.6	+292.4
Non-controlling interests	85.9	90.5	+4.6
Total liabilities and equity	3,852.6	4,611.4	+758.9

※4	Bonds and borrowings(including other financial liabilities)(current & non-current)	342.1	388.9	+46.9
	Derivative liabilities	3.8	4.9	+1.0
	Short-term borrowings	23.8	21.9	-1.9
	Commercial paper	—	—	—
	Current portion of long-term borrowings	20.5	1.2	-19.2
	Current portion of bonds	—	172.4	+172.4
	Long-term borrowings	33.2	35.0	+1.9
	Bonds	237.2	131.1	-106.1
	Other	23.6	22.4	-1.2

※5	Other liabilities(current & non-current)	769.5	732.7	-36.8
	Tobacco excise taxes payable	285.8	291.4	+5.6
	Tobacco special excise taxes payable	14.5	10.0	-4.5
	Tobacco local excise taxes payable	182.4	121.5	-60.9
	Consumption taxes payable	85.4	91.7	+6.3
	Provision for bonuses	45.5	52.6	+7.2
	Compensated absences	19.8	21.5	+1.7
	Other	136.3	144.0	+7.7

2014 Forecasts
【Jan-Dec Like for Like basis】
(as of April 24, 2014)

-FY2014, a transitional period for the change in accounting period, will cover nine months from April 1, 2014 to December 31, 2014. The same change in the accounting period will be applied to those of the Company's consolidated subsidiaries whose current closing date is other than December 31.
-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 Jan-Dec Like for Like basis) will be as follows.

1. Summary of Business Performance (unit: JPY billion,%)

	2013 Jan-Dec basis	2014 Jan-Dec basis	Change	Rates of Change
Revenue	2,372.2	2,430.0	+57.8	+2.4%
Operating profit	643.3	554.0	-89.3	- 13.9%
Profit(attributable to owners of the parent)	443.6	370.0	-73.6	- 16.6%
Basic EPS(yen)*1	242.12	203.57	-38.55	- 15.9%
Adjusted Operating profit*2	613.0	623.0	+10.0	+1.6%

(参考)

	2013 Jan-Dec basis	2014 Jan-Dec basis	Change	Rates of Change
Adjusted Operating profit at constant rates of exchange*3	613.0	650.0	+37.0	+6.0%

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

2 :Adjusted Operating profit = Operating profit + Amortization of acquired intangibles + Adjusted items (income and costs)
*Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

*3 :FY2013-Actual
FY2014- Regarding international tobacco business, at the same foreign exchange rates between local currency vs USD and JPY vs USD as FY2013

2.Breakdown of Revenue (unit: JPY billion,%)

	2013 Jan-Dec basis	2014 Jan-Dec basis	Change	Rates of Change
Revenue	2,372.2	2,430.0	+57.8	+2.4%
Japanese domestic tobacco	690.5	681.0	-9.5	- 1.4%
Core revenue*1	656.3	646.0	-10.3	- 1.6%
International tobacco	1,270.0	1,319.0	+49.0	+3.9%
Core revenue*2	1,200.7	1,247.0	+46.3	+3.9%
Pharmaceutical	58.2	63.0	+4.8	+8.3%
Beverage	183.8	188.0	+4.2	+2.3%
Processed Food	157.2	165.0	+7.8	+5.0%
Others	12.6	12.5	-0.1	- 0.4%

(Reference) (unit: USD million,%)

	2013	2014	Change	Rates of Change
International tobacco Core revenue*2	12,273	12,400	+127	+1.0%
International tobacco Core revenue at constant rates of exchange*2*3	12,273	12,800	+527	+4.3%

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

*2 :Includes revenue from waterpipe tobacco, but excludes revenues from distribution, contract manufacturing and other peripheral businesses.

*3 :2013-Actual
2014-at the same foreign exchange rates between local currency vs USD at 2013

3.OP & Adjusted Operating profit by business segment*1 (unit: JPY billion,%)

	2013 Jan-Dec basis	2014 Jan-Dec basis	Change	Rates of Change
Consolidated Operating profit	643.3	554.0	-89.3	- 13.9%
Japanese domestic tobacco	235.6	181.0	-54.6	- 23.2%
International tobacco	376.4	398.0	+21.6	+5.7%
Pharmaceutical	-13.7	-13.0	+0.7	—
Beverage	-2.1	-1.5	+0.6	—
Processed Food	0.7	3.0	+2.3	+306.5%
Other/Elimination	46.3	-14.5	-60.8	- 131.3%
Adjusted Operating profit*1	613.0	623.0	+10.0	+1.6%
Japanese domestic tobacco*1	234.6	234.5	-0.1	- 0.1%
International tobacco*1	410.8	425.0	+14.2	+3.4%
Pharmaceutical*1	-13.7	-13.0	+0.7	—
Beverage*1	-2.1	-1.5	+0.6	—
Processed Food*1	0.6	3.0	+2.4	+387.8%
Other/Elimination*1	-17.3	-26.0	-8.7	—

(Reference) (unit: USD million,%)

	2013	2014	Change	Rates of Change
International tobacco Adjusted Operating profit*1	4,206	4,230	+24	+0.6%
International tobacco Adjusted Operating profit at constant rates of exchange*1*2	4,206	4,630	+424	+10.1%

1 :Adjusted Operating profit = Operating profit + Amortization of acquired intangibles + Adjusted items (income and costs)
*Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

*2 :2013-Actual
2014-at the same foreign exchange rates between local currency vs USD at 2013

4.Business data

【Japanese domestic tobacco business】	2013 Jan-Dec basis	2014 Jan-Dec basis	Change	Rates of Change	
JT sales volume*	116.5	112.5	-4.0	- 3.5%	BNU

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

【International tobacco business】	2013	2014	Change	Rates of Change	
Total shipment volume*1	417.5	405.0	-12.5	- 3.0%	BNU
GFB shipment volume	267.5	263.0	-4.5	- 1.7%	BNU
JPY/USD rate for consolidation	97.73	100.00	+2.27	-2.3%	JPY
RUB/USD rate for consolidation	31.84	36.00	+4.16	-11.6%	RUB
GBP/USD rate for consolidation	0.64	0.60	-0.04	6.6%	GBP
EUR/USD rate for consolidation	0.75	0.72	-0.03	4.6%	EUR
CHF/USD rate for consolidation	0.93	0.88	-0.05	5.3%	CHF
TWD/USD rate for consolidation	29.68	30.30	+0.62	-2.0%	TWD

*1: Total shipment volume includes fine cut, cigars, pipe tobacco and snus, but excludes contract manufactured products and waterpipe tobacco

2014 Forecasts
【Reported basis】
(as of April 24, 2014)

-FY2014, a transitional period for the change in accounting period, will cover nine months from April 1, 2014 to December 31, 2014. The same change in the accounting period will be applied to those of the Company's consolidated subsidiaries whose current closing date is other than December 31.
-For its consolidated subsidiaries whose current closing date is December 31, the accounting period will remain unchanged, covering the twelve months from January 1, 2014 to December 31, 2014.

1. Summary of Business Performance

(unit: JPY billion,%)

	FY2013	FY2014
Revenue	2,399.8	2,150.0
Operating profit	648.3	482.0
Profit(attributable to owners of the parent)	428.0	344.0
Basic EPS(yen)*1	235.48	189.27
Adjusted Operating profit*2	641.8	552.0
DPS(yen)	96.00	100.00
Payout ratio*3	40.8%	52.8%
ROE(attributable to owners of the parent)*4	19.9%	13.8%

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

2 :Adjusted Operating profit = Operating profit + Amortization of acquired intangibles + Adjusted items (income and costs)
*Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

*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

2.Breakdown of Revenue

(unit: JPY billion,%)

	FY2013	FY2014
Revenue	2,399.8	2,150.0
Japanese domestic tobacco	710.3	501.0
Core revenue*1	676.2	475.0
International tobacco*2	1,270.0	1,319.0
Core revenue*3	1,200.7	1,247.0
Pharmaceutical	64.4	45.0
Beverage	184.5	146.0
Processed Food	156.9	130.0
Others	13.6	10.5

(Reference) (unit: USD million,%)

	2013	2014	Change	Rates of Change
International tobacco Core revenue*2*3	12,273	12,400	+127	+1.0%
International tobacco Core revenue at constant rates of exchange*2*3*4	12,273	12,800	+527	+4.3%

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

*2 :International tobacco business: Year ended 2013 and year ending 2014

*3 :Includes revenue from waterpipe tobacco, but excludes revenues from distribution, contract manufacturing and other peripheral businesses.

*4 :2013-Actual
2014-at the same foreign exchange rates between local currency vs USD at 2013

3.OP & Adjusted Operating profit by business segment*1

(unit: JPY billion,%)

	FY2013	FY2014
Consolidated Operating profit	648.3	482.0
Japanese domestic tobacco	258.1	115.0
International tobacco*2	376.4	398.0
Pharmaceutical	-9.0	-12.5
Beverage	-2.1	-1.0
Processed Food	-0.2	3.0
Other/Elimination	25.0	-21.5
Adjusted Operating profit*1	641.8	552.0
Japanese domestic tobacco*1	257.7	168.0
International tobacco*1*2	410.8	425.0
Pharmaceutical*1	-9.0	-12.5
Beverage*1	-2.1	-1.0
Processed Food*1	0.6	3.0
Other/Elimination*1	-16.2	-31.5

(Reference) (unit: USD million,%)

	2013	2014	Change	Rates of Change
International tobacco Adjusted Operating profit*1*2	4,206	4,230	+24	+0.6%
International tobacco Adjusted Operating profit at constant rates of exchange*1*2*3	4,206	4,630	+424	+10.1%

1 :Adjusted Operating profit = Operating profit + Amortization of acquired intangibles + Adjusted items (income and costs)
*Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

*2 :International tobacco business: Year ended 2013 and year ending 2014

*3 :2013-Actual
2014-at the same foreign exchange rates between local currency vs USD at 2013

4.Consolidated cash flows data

(unit: JPY billion,%)

	FY2013	FY2014
FCF*	212.6	364.0

*: FCF is total of cash flows from operating activities and investing activities excluding the following items;
Cash flows from interest and dividends received and its tax effect / interest paid and its tax effect in operating activities.
Cash flows from purchase of short-term investment securities, proceeds from sale and redemption of short-term investment securities, purchase of investment securities, proceeds from sale of investment securities, payments into time deposits, proceeds from withdrawal of time deposits and others in investing activities (those from purchase/sale of securities held for business operation are not included here).

5.Capital expenditures

(unit: JPY billion,%)

	FY2013	FY2014
Capital expenditures	156.2	154.0
Japanese domestic tobacco	49.1	41.0
International tobacco*	78.5	89.0
Pharmaceutical	3.9	3.0
Beverage	14.6	9.0
Processed Food	4.9	6.0
Other/Elimination and corporate	5.1	6.0

*: International business: Year ended 2013 and year ending 2014

6.Business data

【Japanese domestic tobacco business】	FY2013	FY2014	
JT sales volume*	120.1	82.0	BNU

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

【International tobacco business】*1	2013	2014	Change	Rates of Change	
Total shipment volume*2	417.5	405.0	-12.5	- 3.0%	BNU
GFB shipment volume	267.5	263.0	-4.5	- 1.7%	BNU
JPY/USD rate for consolidation	97.73	100.00	+2.27	-2.3%	JPY
RUB/USD rate for consolidation	31.84	36.00	+4.16	-11.6%	RUB
GBP/USD rate for consolidation	0.64	0.60	-0.04	6.6%	GBP
EUR/USD rate for consolidation	0.75	0.72	-0.03	4.6%	EUR
CHF/USD rate for consolidation	0.93	0.88	-0.05	5.3%	CHF
TWD/USD rate for consolidation	29.68	30.30	+0.62	-2.0%	TWD

*1: International business: Year ended 2013 and year ending 2014

*2: Total shipment volume includes fine cut, cigars, pipe tobacco and snus, but excludes contract manufactured products and waterpipe tobacco

* 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 03/2012	18.4	32.5	30.0	27.5	108.4
FY 03/2013	29.4	30.2	29.8	26.8	116.2
FY 03/2014	29.3	30.3	30.1	30.4	120.1

2. Quarterly Retail Price Sales (billions of JPY)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2012	373.6	662.5	610.0	560.3	2,206.5
FY 03/2013	596.7	612.9	605.2	544.2	2,358.9
FY 03/2014	593.3	614.1	608.5	615.6	2,431.5

* 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 03/2012	5,444	5,516	5,509	5,515	5,502
FY 03/2013	5,508	5,505	5,499	5,498	5,503
FY 03/2014	5,491	5,485	5,481	5,483	5,485

* 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 03/2012	40.8	59.3	58.7	59.2	54.9
FY 03/2013	59.4	59.7	59.6	59.5	59.6
FY 03/2014	60.5	60.7	61.1	61.5	61.0

Market Share in Growing Segments

1. 1mg Tar

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

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2012	9.8	14.1	14.1	14.3	13.2
FY 03/2013	14.4	14.2	14.3	14.4	14.3
FY 03/2014	14.7	14.7	14.7	14.8	14.7

(2) 1mg Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2012	24.7	23.9	24.1	24.4	24.3
FY 03/2013	24.5	24.2	24.4	24.5	24.4
FY 03/2014	24.5	24.5	24.4	24.6	24.5

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

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2012	39.6	58.8	58.5	58.7	54.2
FY 03/2013	58.8	58.7	58.6	58.8	58.7
FY 03/2014	60.0	59.9	60.3	60.3	60.1

2. Menthol

(1) JT Menthol Product Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2012	3.2	6.3	6.6	6.9	5.8
FY 03/2013	7.5	7.6	7.4	7.7	7.6
FY 03/2014	8.3	8.8	9.0	9.0	8.8

(2) Menthol Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2012	26.1	24.2	25.1	25.0	25.1
FY 03/2013	25.6	25.7	25.6	26.2	25.8
FY 03/2014	26.3	26.3	26.4	26.1	26.3

(3) JT Share in Menthol Segment (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2012	12.4	26.2	26.4	27.5	23.2
FY 03/2013	29.3	29.4	28.9	29.6	29.3
FY 03/2014	31.6	33.4	34.0	34.4	33.4

3. JPY 440 or above*

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

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2012	8.1	15.1	14.9	14.8	13.4
FY 03/2013	14.7	14.8	14.5	14.5	14.6
FY 03/2014	14.5	14.4	14.7	14.7	14.6

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

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2012	37.6	36.4	37.0	36.6	36.9
FY 03/2013	36.6	36.9	39.5	36.6	36.7
FY 03/2014	36.1	35.9	36.0	35.9	36.0

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

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2012	21.5	41.3	40.2	40.4	36.2
FY 03/2013	40.1	40.2	36.7	39.7	39.9
FY 03/2014	40.1	40.1	40.8	41.0	40.5

Japan Tobacco Inc. Clinical Development as of April 24, 2014

＜In-house development＞

Code （Generic Name）	Potential Indication/Dosage form	Mechanism		Phase	Note
JTK-303 (elvitegravir)	HIV infection /Oral	HIV Integrase inhibitor	Integrase inhibitor which works by blocking integrase, an enzyme that is involved in the replication of HIV.	**Standalone-Agent** Preparing to file (Japan)	In-house
				New Single Tablet Regimen (elvitegravir/cobicistat/emtricitabine/tenofovir alafenamide) Phase3 (Japan) Global Study*	Elvitegravir; In-house Cobicistat, Emtricitabine, Tenofovir Alafenamide; In-license (Gilead Sciences)
JTT-851	Type 2 diabetes mellitus /Oral	G protein-coupled receptor 40 agonist	Decreases blood glucose by stimulation of glucose-dependent insulin secretion.	Phase2 (Japan) Phase2 (Overseas)	In-house
JTZ-951	Anemia associated with chronic kidney disease /Oral	HIF-PHD inhibitor	Increases red blood cells by stimulating production of erythropoietin, an erythropoiesis-stimulating hormone, via inhibition of HIF-PHD.	Phase2(Japan) Phase1(Overseas)	In-house
JTE-051	Autoimmune/allergic diseases /Oral	Interleukin-2 inducible T cell kinase inhibitor	Suppresses overactive immune response via inhibition of the signal to activate T cells related to immune response.	Phase1(Overseas)	In-house
JTE-052	Autoimmune/allergic diseases /Oral, Topical	JAK inhibitor	Suppresses overactive immune response via inhibition of Janus kinase (JAK) related to immune signal.	Phase1(Japan)	In-house
JTE-151	Autoimmune/allergic diseases /Oral	RORγ antagonist	Suppresses overactive immune response via inhibition of ROR γ related to Th 17 activation.	Phase1(Overseas)	In-house
JTE-350** (histamine dihydrochloride)	Diagnostic product /Positive control solution in the skin prick test	Histamine receptor agonist	Induces wheal and flare as histamine reactions on the epidermis in the skin prick test.	Preparing to file (Japan)	In-license （ALK-Abelló） Co-development with Torii
JTT-251	Type 2 diabetes mellitus /Oral	PDHK inhibitor	Decreases blood glucose by activation of pyruvate dehydrogenase (PDH) related to carbohydrate metabolism.	Phase1(Overseas)	In-house

Clinical trial phase presented above is based on the first dose.

*Part of global study conducted by Gilead Sciences.
**One of the medical products publicly offered for a development company by the Study Group on Unapproved and Off-label Drugs of High Medical Need, set up by the Ministry of Health, Labour and Welfare.

＜Licensed compounds＞

Compound （JT's code）	Licensee	Mechanism		Note
elvitegravir （JTK-303）	Gilead Sciences	HIV Integrase inhibitor	Integrase inhibitor which works by blocking integrase, an enzyme that is involved in the replication of HIV.	Elvitegravir U.S. marketing approval submitted New Single Tablet Regimen (elvitegravir/cobicistat/emtricitabine/tenofovir alafenamide) Phase3
trametinib	GlaxoSmithKline	MEK inhibitor	Inhibits cellular growth by specifically inhibiting the activity of MAPK/ERK Kinase (MEK1/2).	Metastatic melanoma EU marketing approval submitted
Anti-ICOS monoclonal antibody	MedImmune	ICOS antagonist	Suppresses overactive immune response via inhibition of ICOS which regulates activation of T cells.	

Updates since the previous announcement on January 30, 2014:

<In-house development>
・JTT-251 has entered into the clinical trial stage (Phase1) overseas.
・Topical formulation has been added to the potential dosage form of JTE-052.
・JTE-350 has advanced from Phase3 to "preparing to file" in Japan.

<Licensed compounds>
・GlaxsoSmithKline announced that it has withdrawn its Marketing Authorization Application to the European Medecines Agency for the use of trametinil in combination with dabrafenib for the treatment of patients with metastatic melanoma on March 26, 2014.