[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 FY2015 First Quarter (January 1, 2015 through March 31, 2015)" and JT's website (http://www.jti.co.jp/) for other information.]

April 30, 2015

Consolidated Financial Results for the Three Months Ended March 31, 2015 <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 to file Quarterly Securities Report: May 1, 2015
Scheduled starting date of the dividend payments: –
Drawing up supplementary documents on quarterly financial results: Yes
Holding quarterly 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 three months of the fiscal year ending December 31, 2015 (from January 1, 2015 to March 31, 2015)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2015	554,893	-	143,411	-	145,293	-	105,036	-
June 30, 2014	556,448	1.6	148,227	1.2	147,516	4.2	107,796	7.9

	Profit attributable to owners of the parent company		Comprehensive income for the period		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2015	104,195	-	(73,087)	-	57.59	57.56
June 30, 2014	106,181	8.2	3,465	(98.1)	58.42	58.39

The Company has changed its fiscal year end from March 31 to December 31. The same change has been made to consolidated subsidiaries with fiscal year ends other than December 31. Consequently, year-on-year changes are not presented.

(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, 2015	4,342,002	2,356,900	2,272,025	52.3	1,268.82
December 31, 2014	4,704,706	2,622,503	2,536,838	53.9	1,395.74

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2014	-	50.00	-	50.00	100.00
Year ending December 31, 2015	-				
Year ending December 31, 2015 (Forecast)		54.00	-	54.00	108.00

Note: Revisions to the cash dividends forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2015 (January 1, 2015 to December 31, 2015)

(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, 2015	2,380,000	-	539,000	-	387,000	-	212.92

Note: Revisions to the consolidated earnings forecasts most recently announced: None

The Company has changed its fiscal year end from March 31 to December 31. The same change has been made to consolidated subsidiaries with fiscal year ends other than December 31. Consequently, year-on-year changes are not presented.

The Company decided to withdraw from manufacture and sale of JT beverage products in the Beverage business as announced in "Notice of Withdrawal from the Manufacture and Sale of JT Beverage Products" on February 4. Since the business impact and costs relating to the withdrawal have not been confirmed at present, the consolidated earnings forecasts for the fiscal year ending December 31, 2015 do not recognize the effects of the decision.

Notes

(1) Changes in significant subsidiaries during the current 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 "Matters regarding summary information (Notes), (2) Changes in accounting policies and changes in accounting estimates" on page 4.

(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, 2015	2,000,000,000	shares
As of December 31, 2014	2,000,000,000	shares

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

As of March 31, 2015	209,333,588	shares
As of December 31, 2014	182,443,388	shares

   c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2015	1,809,191,436	shares
Three months ended June 30, 2014	1,817,548,546	shares

* Indication regarding execution of quarterly review procedures

At the time of disclosure of this quarterly financial results report, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act have been completed.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions and suppositions 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" for the assumptions and suppositions that form the assumptions for earnings forecasts and cautions concerning the use of earnings forecasts.

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

Matters regarding summary information (Notes)

(1) Changes in significant subsidiaries during the current period (changes in specified subsidiaries resulting in change in scope of consolidation)

No items to report.

(2) Changes in accounting policies and changes in accounting estimates

The significant accounting policies adopted for the condensed interim consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended December 31, 2014, with the exception of the items described below.

The Group calculated income taxes for the three months ended March 31, 2015, based on the estimated average annual effective tax rate.

(Changes in accounting policies)

The accounting standards and interpretations applied by the Group effective from the first quarter ended March 31, 2015, are as follows.

IFRS		Description of new standards/amendments
IFRS9	Financial Instruments (Amended November 2013)	Amendment of hedge accounting
IAS19	Employee Benefits	Clarification of the accounting treatment of contributions from employees or third parties that are required under the rules of a defined benefit plan

The effect of the application of the above standards and interpretations on the condensed interim consolidated financial statements is immaterial.

Of those mentioned above, the IFRS 9 amendment will be applied early.

* In addition to the information provided above, reference information regarding settlement of accounts and earnings forecasts is separately provided in the supplementary document “Consolidated financial results for FY2015 first quarter (January 1, 2015 through March 31, 2015).”

FORWARD-LOOKING STATEMENTS

This material 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.

Condensed interim consolidated financial statements (IFRS)

(1) Condensed interim consolidated statement of financial position

(Millions of yen)

	As of December 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and cash equivalents	385,820	195,182
Trade and other receivables	448,402	410,334
Inventories	587,849	572,773
Other financial assets	43,907	44,981
Other current assets	230,530	286,804
Subtotal	1,696,507	1,510,074
Non-current assets held-for-sale	367	425
Total current assets	1,696,874	1,510,499
Non-current assets		
Property, plant and equipment	756,127	728,698
Goodwill	1,539,376	1,418,251
Intangible assets	364,912	342,926
Investment property	17,870	22,108
Retirement benefit assets	35,402	32,613
Investments accounted for using the equity method	76,825	72,378
Other financial assets	91,959	100,063
Deferred tax assets	125,361	114,466
Total non-current assets	3,007,832	2,831,503
Total assets	4,704,706	4,342,002

(Millions of yen)

	As of December 31, 2014	As of March 31, 2015
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	419,764	384,781
Bonds and borrowings	107,562	284,409
Income tax payables	54,942	40,931
Other financial liabilities	14,463	15,733
Provisions	9,200	8,412
Other current liabilities	754,169	562,486
Total current liabilities	1,360,098	1,296,754
Non-current liabilities		
Bonds and borrowings	101,001	100,771
Other financial liabilities	18,617	18,909
Retirement benefit liabilities	351,915	344,085
Provisions	25,425	23,644
Other non-current liabilities	121,792	106,393
Deferred tax liabilities	103,356	94,546
Total non-current liabilities	722,106	688,348
Total liabilities	2,082,204	1,985,102
Equity		
Share capital	100,000	100,000
Capital surplus	736,400	736,405
Treasury shares	(344,447)	(444,435)
Other components of equity	142,425	(21,171)
Retained earnings	1,902,460	1,901,226
Equity attributable to owners of the parent company	2,536,838	2,272,025
Non-controlling interests	85,665	84,876
Total equity	2,622,503	2,356,900
Total liabilities and equity	4,704,706	4,342,002

(2) Condensed interim consolidated statement of income and consolidated statement of comprehensive income

Condensed interim consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2014	Three months ended March 31, 2015
Revenue	556,448	554,893
Cost of sales	(226,392)	(219,988)
Gross profit	330,056	334,905
Other operating income	7,637	1,350
Share of profit in investments accounted for using the equity method	1,279	905
Selling, general and administrative expenses	(190,745)	(193,750)
Operating profit	148,227	143,411
Financial income	3,049	4,315
Financial costs	(3,760)	(2,433)
Profit before income taxes	147,516	145,293
Income taxes	(39,720)	(40,256)
Profit for the period	107,796	105,036
Attributable to:		
Owners of the parent company	106,181	104,195
Non-controlling interests	1,615	841
Profit for the period	107,796	105,036
Earnings per share		
Basic (Yen)	58.42	57.59
Diluted (Yen)	58.39	57.56

Reconciliation from “Operating profit” to “Adjusted operating profit”

(Millions of yen)

	Three months ended June 30, 2014	Three months ended March 31, 2015
Operating profit	148,227	143,411
Amortization cost of acquired intangibles	7,335	7,457
Adjustment items (income)	(6,957)	(66)
Adjustment items (costs)	267	7,836
Adjusted operating profit	148,872	158,638

Condensed interim consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2014	Three months ended March 31, 2015
Profit for the period	107,796	105,036
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	3,348	6,672
Remeasurements of defined benefit plans	–	(14,541)
Total of items that will not be reclassified to profit or loss	3,348	(7,869)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(107,424)	(170,420)
Net gain (loss) on derivatives designated as cash flow hedges	(254)	166
Total of items that may be reclassified subsequently to profit or loss	(107,678)	(170,255)
Other comprehensive income (loss), net of taxes	(104,330)	(178,123)
Comprehensive income (loss) for the period	3,465	(73,087)
Attributable to:		
Owners of the parent company	1,858	(73,502)
Non-controlling interests	1,607	415
Comprehensive income (loss) for the period	3,465	(73,087)

(3) Condensed interim 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, 2014	100,000	736,400	(344,463)	1,443	229,990	293	19,380
Profit for the period	–	–	–	–	–	–	–
Other comprehensive income (loss)	–	–	–	–	(107,423)	(254)	3,354
Comprehensive income (loss) for the period	–	–	–	–	(107,423)	(254)	3,354
Acquisition of treasury shares	–	–	–	–	–	–	–
Disposal of treasury shares	–	1	1	(2)	–	–	–
Share-based payments	–	–	–	64	–	–	–
Dividends	–	–	–	–	–	–	–
Changes in the ownership interest in a subsidiary without a loss of control	–	–	–	–	263	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	23
Other increase (decrease)	–	–	–	–	–	–	–
Total transactions with the owners	–	1	1	62	263	–	23
As of June 30, 2014	100,000	736,401	(344,462)	1,506	122,831	39	22,758
As of January 1, 2015	100,000	736,400	(344,447)	1,631	116,421	1,215	23,156
Profit for the period	–	–	–	–	–	–	–
Other comprehensive income (loss)	–	–	–	–	(169,865)	166	6,564
Comprehensive income (loss) for the period	–	–	–	–	(169,865)	166	6,564
Acquisition of treasury shares	–	–	(100,000)	–	–	–	–
Disposal of treasury shares	–	5	11	(16)	–	–	–
Share-based payments	–	–	–	29	–	–	–
Dividends	–	–	–	–	–	–	–
Changes in the ownership interest in a subsidiary without a loss of control	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	(11)
Other increase (decrease)	–	–	–	–	–	(462)	–
Total transactions with the owners	–	5	(99,988)	13	–	(462)	(11)
As of March 31, 2015	100,000	736,405	(444,435)	1,644	(53,443)	919	29,710

(Millions of yen)

	Equity attributable to owners of the parent company				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total		
	Remeasure-ments of defined benefit plans	Total				
As of April 1, 2014	–	251,107	1,762,566	2,505,610	90,481	2,596,091
Profit for the period	–	–	106,181	106,181	1,615	107,796
Other comprehensive income (loss)	–	(104,323)	–	(104,323)	(7)	(104,330)
Comprehensive income (loss) for the period	–	(104,323)	106,181	1,858	1,607	3,465
Acquisition of treasury shares	–	–	–	–	–	–
Disposal of treasury shares	–	(2)	–	0	–	0
Share-based payments	–	64	–	64	–	64
Dividends	–	–	(90,877)	(90,877)	(1,209)	(92,087)
Changes in the ownership interest in a subsidiary without a loss of control	–	263	(20,703)	(20,440)	(5,733)	(26,173)
Transfer from other components of equity to retained earnings	–	23	(23)	–	–	–
Other increase (decrease)	–	–	–	–	(391)	(391)
Total transactions with the owners	–	349	(111,604)	(111,253)	(7,333)	(118,587)
As of June 30, 2014	–	147,133	1,757,143	2,396,215	84,755	2,480,969
As of January 1, 2015	–	142,425	1,902,460	2,536,838	85,665	2,622,503
Profit for the period	–	–	104,195	104,195	841	105,036
Other comprehensive income (loss)	(14,562)	(177,697)	–	(177,697)	(426)	(178,123)
Comprehensive income (loss) for the period	(14,562)	(177,697)	104,195	(73,502)	415	(73,087)
Acquisition of treasury shares	–	–	–	(100,000)	–	(100,000)
Disposal of treasury shares	–	(16)	–	0	–	0
Share-based payments	–	29	–	29	–	29
Dividends	–	–	(90,878)	(90,878)	(1,166)	(92,044)
Changes in the ownership interest in a subsidiary without a loss of control	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	14,562	14,551	(14,551)	–	–	–
Other increase (decrease)	–	(462)	–	(462)	(38)	(500)
Total transactions with the owners	14,562	14,102	(105,429)	(191,311)	(1,204)	(192,515)
As of March 31, 2015	–	(21,171)	1,901,226	2,272,025	84,876	2,356,900

(4) Condensed interim consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2014	Three months ended March 31, 2015
Cash flows from operating activities		
Profit before income taxes	147,516	145,293
Depreciation and amortization	34,234	35,080
Impairment losses	41	438
Interest and dividend income	(2,957)	(4,239)
Interest expense	2,125	921
Share of profit in investments accounted for using the equity method	(1,279)	(905)
(Gains) losses on sale and disposal of property, plant and equipment, intangible assets, and investment property	(5,884)	4,953
(Increase) decrease in trade and other receivables	31,881	21,389
(Increase) decrease in inventories	10,031	4,290
Increase (decrease) in trade and other payables	(54,485)	(20,841)
Increase (decrease) in retirement benefit liabilities	667	(7,665)
(Increase) decrease in prepaid tobacco excise taxes	(63,816)	(56,829)
Increase (decrease) in tobacco excise tax payables	(6,772)	(118,226)
Increase (decrease) in consumption tax payables	9,505	(39,890)
Other	(44,200)	(57,280)
Subtotal	56,607	(93,511)
Interest and dividends received	3,991	4,377
Interest paid	(1,619)	(976)
Income taxes paid	(86,090)	(50,216)
Net cash flows from operating activities	(27,111)	(140,326)
Cash flows from investing activities		
Purchase of securities	(1,633)	(51)
Proceeds from sale and redemption of securities	626	86
Purchase of property, plant and equipment	(28,844)	(29,717)
Proceeds from sale of investment property	7,274	70
Purchase of intangible assets	(3,226)	(3,294)
Payments into time deposits	(11)	(193)
Proceeds from withdrawal of time deposits	–	162
Other	(1,622)	(1,974)
Net cash flows from investing activities	(27,437)	(34,910)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended March 31, 2015
Cash flows from financing activities		
Dividends paid to owners of the parent company	(89,506)	(90,167)
Dividends paid to non-controlling interests	(502)	(522)
Increase (decrease) in short-term borrowings and commercial paper	235,957	179,720
Repayments of long-term borrowings	(135)	(63)
Redemption of bonds	(170,670)	–
Repayments of finance lease obligations	(1,207)	(1,199)
Acquisition of treasury shares	–	(100,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(25,876)	–
Other	0	0
Net cash flows from financing activities	(51,938)	(12,230)
Net increase (decrease) in cash and cash equivalents	(106,485)	(187,466)
Cash and cash equivalents at the beginning of the period	253,219	385,820
Effect of exchange rate changes on cash and cash equivalents	(8,074)	(3,172)
Cash and cash equivalents at the end of the period	138,659	195,182

(5) Segment information

a. Outline of reportable segments

The reportable segments of the Group are determined based on the operating segments that are components of the 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 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 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 foods, 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 operating profit. Since financial income, financial costs and income taxes are managed by the 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 three months ended June 30, 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)	152,486	305,150	13,113	44,909	37,349	553,007	3,441	–	556,448
Intersegment revenue	3,556	8,351	–	21	135	12,062	2,642	(14,703)	–
Total revenue	156,041	313,500	13,113	44,930	37,484	565,069	6,083	(14,703)	556,448
Segment profit (loss)									
Adjusted operating profit (Note 1)	51,253	105,068	(3,754)	(1,369)	32	151,230	(2,401)	43	148,872

For the three months ended March 31, 2015

(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)	157,554	299,868	16,637	39,875	38,782	552,717	2,176	–	554,893
Intersegment revenue	5,892	10,200	–	18	118	16,229	3,852	(20,081)	–
Total revenue	163,446	310,069	16,637	39,894	38,900	568,946	6,028	(20,081)	554,893
Segment profit (loss)									
Adjusted operating profit (Note 1)	56,954	104,972	(837)	(514)	899	161,474	(2,554)	(282)	158,638

Reconciliation from “Adjusted operating profit” to “Profit before income taxes”

For the three months ended June 30, 2014

(Millions of yen)

	Reportable Segments								
	Domestic Tobacco	International Tobacco (Note 2)	Pharmaceutical	Beverage	Processed Food	Total	Other (Note 3)	Elimination	Consolidated
Adjusted operating profit (Note 1)	51,253	105,068	(3,754)	(1,369)	32	151,230	(2,401)	43	148,872
Amortization cost of acquired intangibles	–	(7,335)	–	–	–	(7,335)	–	–	(7,335)
Adjustment items (income) (Note 5)	–	286	–	–	413	699	6,258	–	6,957
Adjustment items (costs) (Note 5)	(43)	(182)	–	–	(1)	(227)	(40)	–	(267)
Operating profit (loss)	51,210	97,837	(3,754)	(1,369)	443	144,366	3,817	43	148,227
Financial income									3,049
Financial costs									(3,760)
Profit before income taxes									147,516

For the three months ended March 31, 2015

(Millions of yen)

	Reportable Segments								
	Domestic Tobacco	International Tobacco (Note 2)	Pharmaceutical	Beverage	Processed Food	Total	Other (Note 3)	Elimination	Consolidated
Adjusted operating profit (Note 1)	56,954	104,972	(837)	(514)	899	161,474	(2,554)	(282)	158,638
Amortization cost of acquired intangibles	–	(7,457)	–	–	–	(7,457)	–	–	(7,457)
Adjustment items (income) (Note 5)	40	–	–	2	25	66	–	–	66
Adjustment items (costs) (Note 5)	(1,239)	(486)	–	(123)	(2)	(1,849)	(5,987)	–	(7,836)
Operating profit (loss)	55,755	97,029	(837)	(635)	922	152,233	(8,541)	(282)	143,411
Financial income									4,315
Financial costs									(2,433)
Profit before income taxes									145,293

Notes: 1. For adjusted operating profit, amortization cost of acquired intangibles, 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, continues to have December 31 as its fiscal year end date as before, and the profit or loss for the period from January 1, 2014 to March 31, 2014 is included in the three months ended June 30, 2014.

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" is as follows:

(Millions of yen)

	Three months ended June 30, 2014	Three months ended March 31, 2015
Domestic Tobacco	144,238	149,578
International Tobacco	283,731	282,266

5. Adjustment items (income) include restructuring income of gain on sale of real estates. Adjustment items (costs) include restructuring costs of the closing down of the factory.
The breakdown of adjustment items (costs) is as follows:

(Millions of yen)

	Three months ended June 30, 2014	Three months ended March 31, 2015
Restructuring costs	267	7,836
Adjustment items (costs)	267	7,836

Restructuring costs for the three months ended March 31, 2015 mainly relate to disposal of real estate.

(6) Notes on premise of going concern

No items to report.