Announcement :April 30,2015
Investor's Meeting:April 30,2015

Consolidated Financial Results for FY2015 First Quarter

(January 1, 2015 through March 31, 2015)

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CFO and Senior Vice President

*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 reader's understanding of individual businesses.

*For details of each indicator, please refer to annotations on slide 20.

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.

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Consolidated financial results Reported basis

Consolidated financial results (Reported basis)

*Financial results 2014
Domestic businesses : Apr 1st - Jun 30th 2014 , International Tobacco business : Jan 1st - Mar 31st 2015

(JPY BN)

	FY2014 (Q1)	**FY2015 (Q1)**
Revenue	556.4	**554.9**
Adjusted Operating Profit[1]	148.9	**158.6**
Operating Profit	148.2	**143.4**
Profit[2]	106.2	**104.2**

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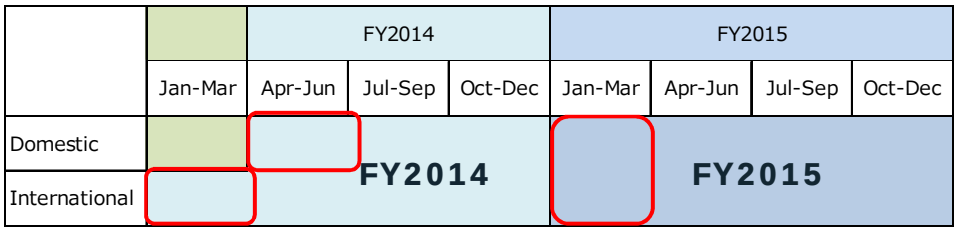
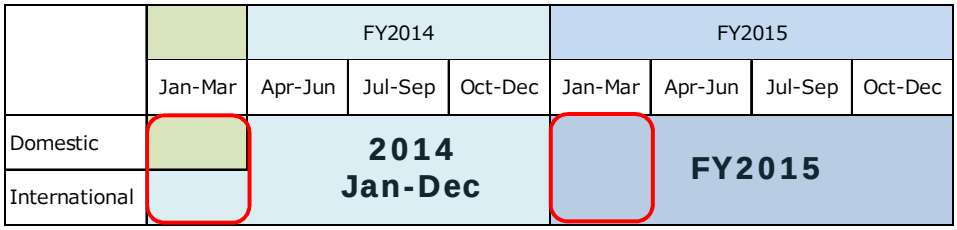
Reported and Like-for-Like basis

Consolidated periods for the prior year results are different for reported basis and like-for-like basis

- Reported basis
  - 2014 Domestic businesses : From Apr 1st to Jun 30th 2014
    International tobacco business : From Jan 1st to Mar 31st 2014
  - 2015 All businesses : From Jan 1st to Mar 31st 2015



- Like-for-Like basis (L-f-L basis)
  - 2014 All businesses: From Jan 1st to Mar 31st 2014
  - 2015 All businesses: From Jan 1st to Mar 31st 2015



Like-for-Like (L-f-L) basis

- Revenue, operating profit, adjusted operating profit and profit attributed to owners of the parent company for January - March, 2014 would be disclosed in the Quarterly Securities Report, which will be subject to auditor's review.

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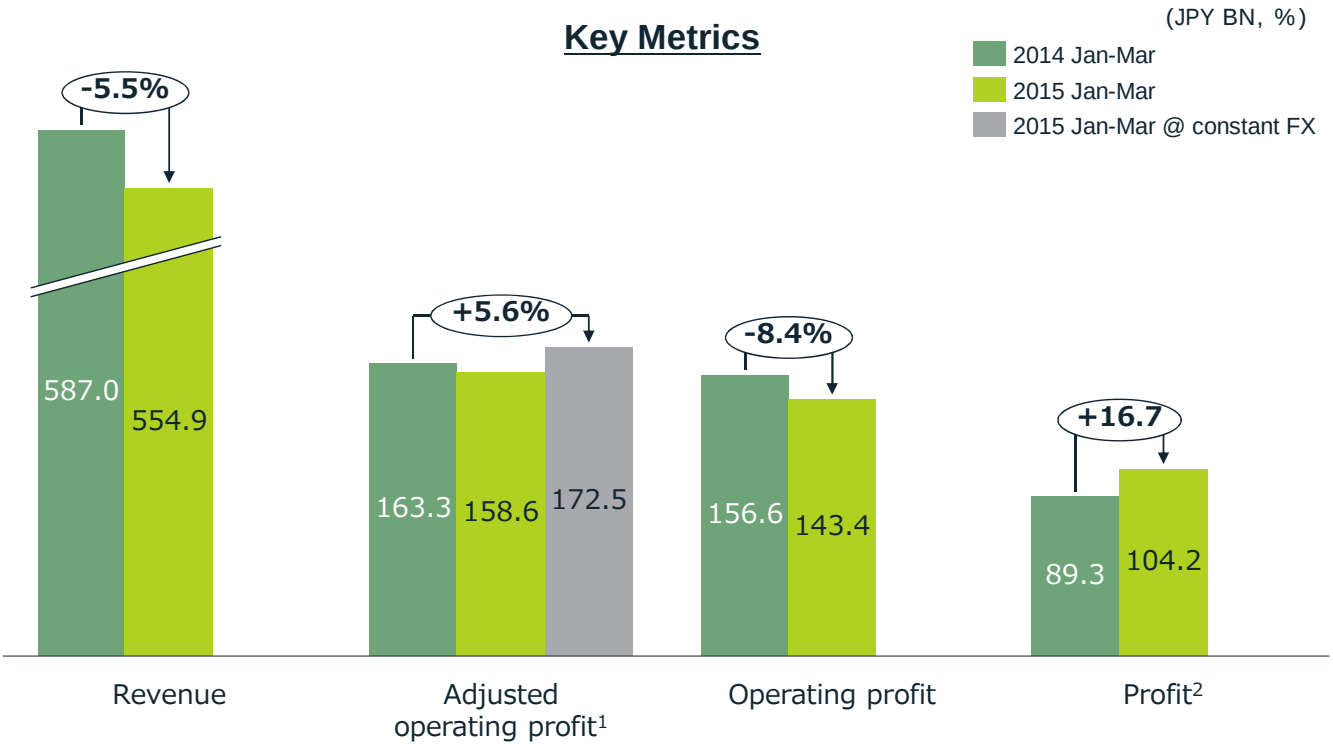
Consolidated financial results L-f-L basis (Jan-Mar 2015)

Adjusted operating profit at constant FX grew 5.6%



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Results by segment
L-f-L basis (Jan-Mar 2015)

Adjusted operating profit at constant FX increased 13.1% driven by robust pricing

(BNU,MMUS$,%)

	2014 Jan-Mar	2015 Jan-Mar	change
Total Shipment Volume[3]	87.7	**88.1**	**0.5%**
GFB Shipment Volume	55.3	**60.0**	**8.4%**
@ constant FX			
Core Revenue[4]	2,761	2,941	**6.5%**
Adjusted Operating Profit[1]	1,022	1,156	**13.1%**
Reported			
Core Revenue[4]	2,761	**2,369**	**-14.2%**
Adjusted Operating Profit[1]	1,022	**881**	**-13.8%**
JPY basis (JPY BN)			
Core Revenue[4]	283.7	**282.3**	**-0.5%**
Adjusted Operating Profit[1]	105.1	**105.0**	**-0.1%**

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Year-on-year growth by cluster

(%)

	2015 Jan-Mar
South & West Europe	
Total shipment volume[3]	**8.2%**
GFB shipment volume	**12.3%**
Core Revenue[4] @ constant FX	**12.8%**
North & Central Europe	
Total shipment volume[3]	**2.1%**
GFB shipment volume	**5.9%**
Core Revenue[4]@ constant FX	**11.0%**

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Year-on-year growth by cluster

(%)

	2015 Jan-Mar
CIS+	
Total shipment volume[3]	**-13.5%**
GFB shipment volume	**-5.3%**
Core Revenue[4] @ constant FX	**-4.2%**
Rest-of-the-World	
Total shipment volume[3]	**15.4%**
GFB shipment volume	**32.6%**
Core Revenue[4] @ constant FX	**12.4%**

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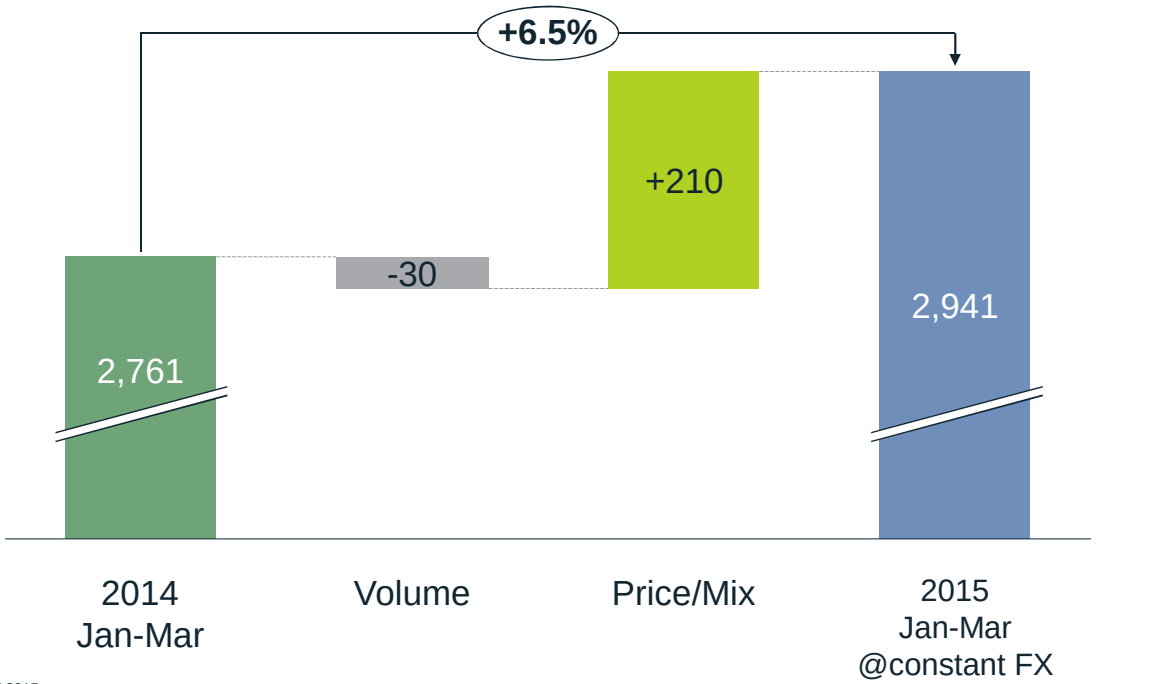
Top-line growth driven by solid price/mix and GFB growth

Core Revenue[4] (MMUS$)



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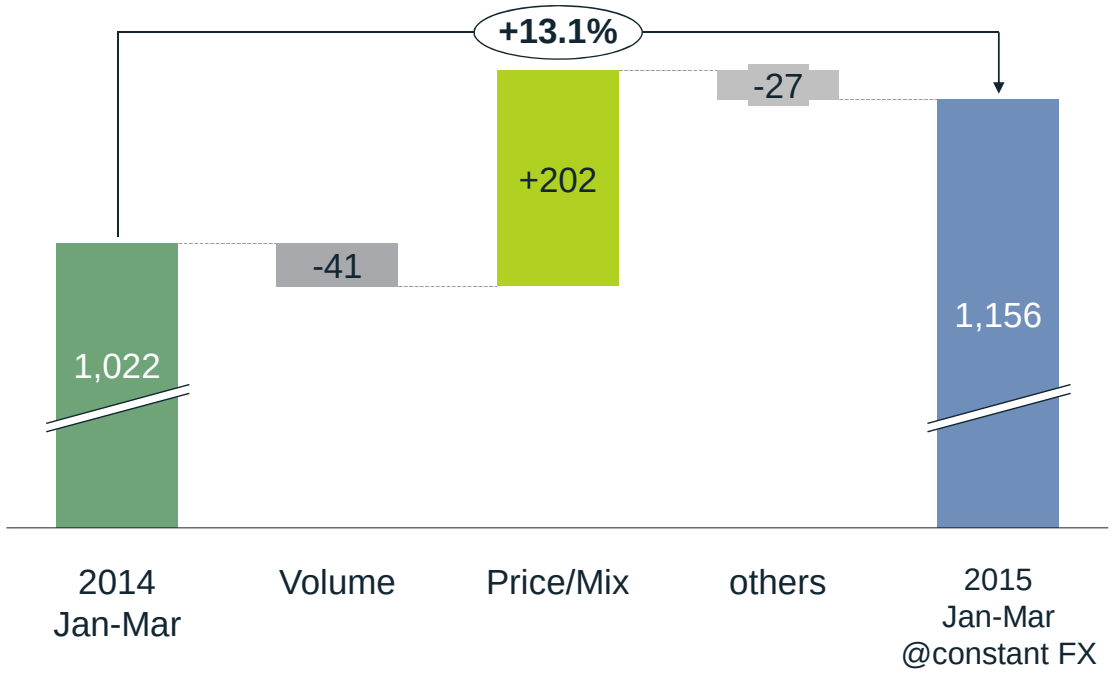
Profit growth driven by pricing

Adjusted Operating Profit[1] (MMUS$)



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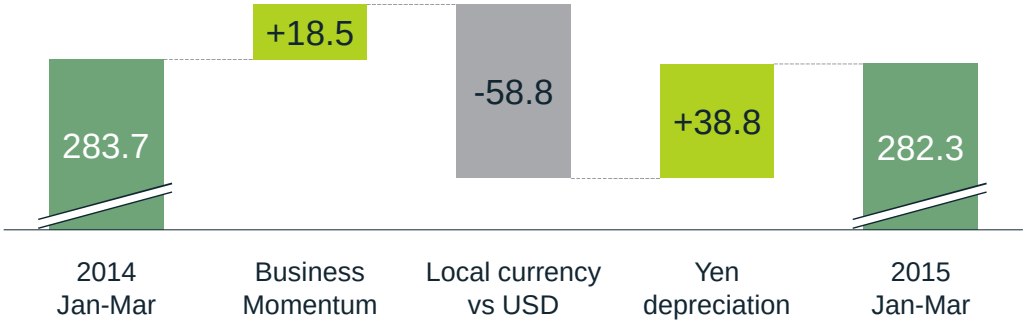
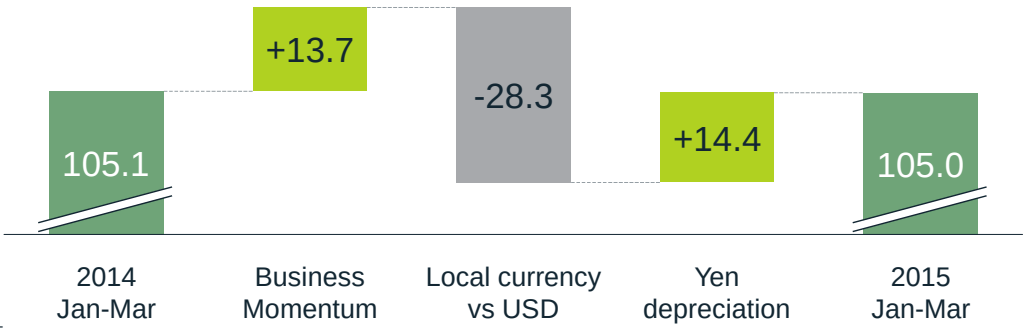
JPY-based reported Core Revenue and Adjusted Operating Profit flat vs. PY with mixed FX impacts

Core Revenue[4] (JPY BN)



Adjusted Operating Profit[1]



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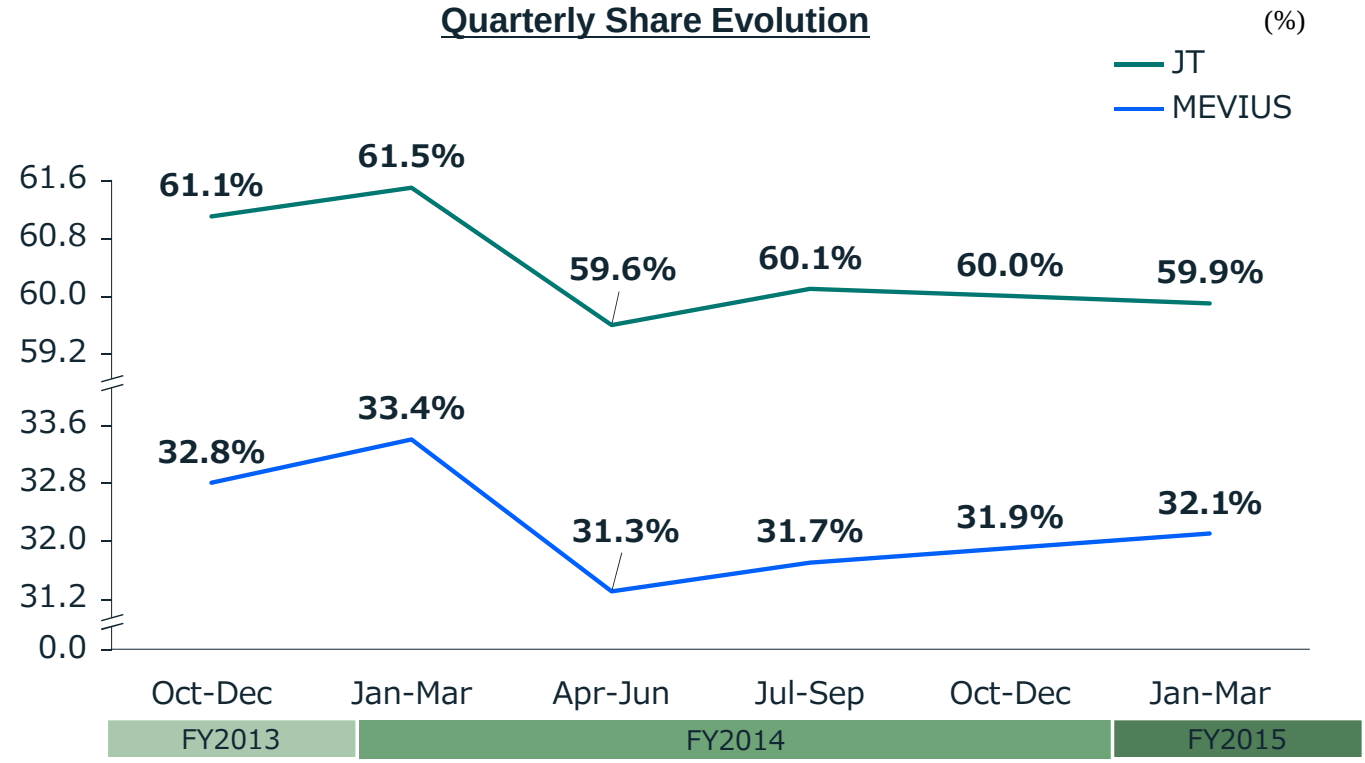
Resilient MEVIUS performance amongst intensified competition



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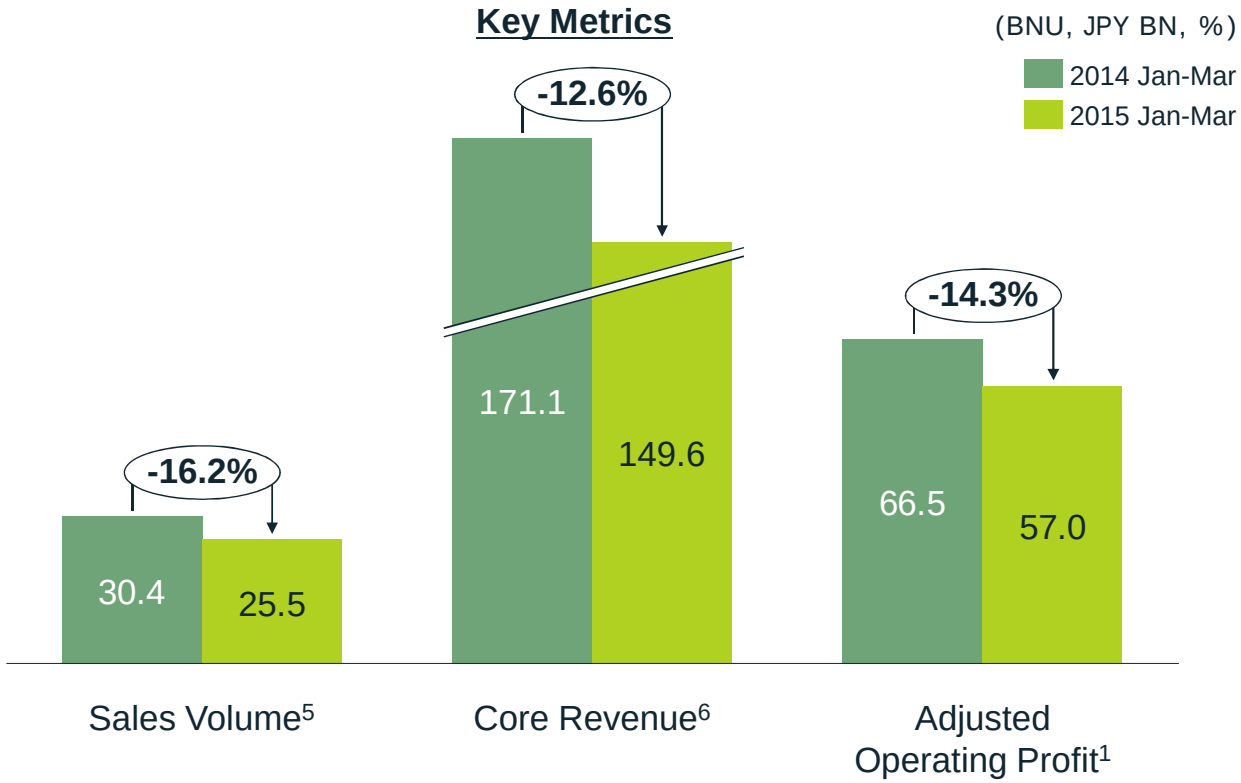
Sales volume down; but in line with expectation



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Pharmaceutical and Processed Food businesses

(JPY BN)

	2014 Jan-Mar	**2015 Jan-Mar**	**Change**
Pharmaceutical Business			
Revenue	18.2	**16.6**	**-1.6**
Adjusted Operating Profit[1]	-0.4	**-0.8**	**-0.5**
Processed Food Business			
Revenue	38.4	**38.8**	**+0.4**
Adjusted Operating Profit[1]	0.1	**0.9**	**+0.8**
Beverage Business*			
Revenue	41.8	**39.9**	**-1.9**
Adjusted Operating Profit[1]	-0.6	**-0.5**	**+0.1**

*We made a decision to withdraw from the manufacture and sales of JT beverage products by the end of September, 2015.

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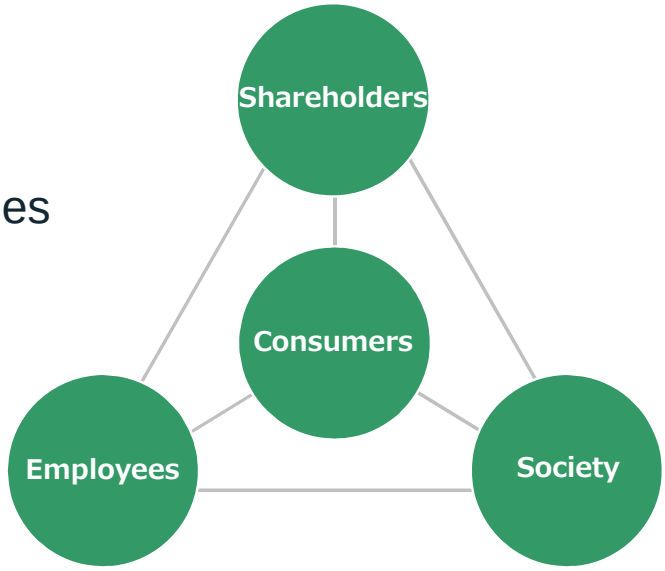
Closing

First quarter of FY2015 confirms a solid start toward annual targets

- Continuous investment to achieve sustainable profit growth in the mid-to long-term
- Completed the consultations to restructure manufacturing facilities in Europe



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<Annotation>

1 Adjusted operating profit:	Adjusted Operating Profit = Operating profit + Amortization cost of acquired intangibles + Adjusted items (income and costs)* *Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
2 Profit:	Profit attributable to owners of the parent company
3 Total shipment volume: (International tobacco business)	Includes fine cut, cigars, pipe tobacco and snus but excludes contract manufactured products, waterpipe tobacco and emerging products
4 Core revenue: (International tobacco business)	Includes revenue from waterpipe tobacco and emerging products, but excludes revenues from distribution, contract manufacturing and other peripheral businesses.
5 Sales volume: (Japanese domestic tobacco business)	Excludes sales volume of domestic duty free and the China business
6 Core revenue: (Japanese domestic tobacco business)	Excludes revenue from distribution of imported tobacco in the Japanese domestic tobacco business, among others

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