[This is an English translation prepared for reference purpose only. Should there be any inconsistency between the translation and the original Japanese text, the latter shall prevail.]

April 30, 2020

Consolidated Financial Results for the Three Months Ended March 31, 2020 <under IFRS>

Name of the Listed Company: **JAPAN TOBACCO INC.** (Stock Code: 2914)
Listed Stock Exchange: Tokyo Stock Exchange
URL: https://www.jti.co.jp/
Representative: Masamichi Terabatake, Representative Director and President, Chief Executive Officer
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Telephone: +81-3-3582-3111
Scheduled date to file Quarterly Securities Report: April 30, 2020
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, 2020 (from January 1, 2020 to March 31, 2020)

(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, 2020	519,620	2.8	128,953	(29.4)	115,102	(33.4)	86,882	(35.0)
March 31, 2019	505,422	(1.9)	182,593	24.4	172,727	23.5	133,685	27.9

	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, 2020	86,373	(28.5)	(103,489)	-	48.69	48.67
March 31, 2019	120,840	16.2	157,079	-	67.66	67.63

(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, 2020	5,201,980	2,501,844	2,422,705	46.6	1,365.69
December 31, 2019	5,553,071	2,743,611	2,662,696	48.0	1,501.12

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, 2019	-	77.00	-	77.00	154.00
Year ending December 31, 2020	-				
Year ending December 31, 2020 (Forecast)		77.00	-	77.00	154.00

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

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2020 (January 1, 2020 to December 31, 2020)

(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, 2020	2,180,000	0.2	471,000	(6.2)	305,000	(12.4)	171.95

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

[Additional Information] Growth rate in adjusted operating profit at constant rates of exchange:
The Group has set its group-wide target for annual average growth rate in adjusted operating profit at constant rates of exchange, at mid to high single-digit over the mid- to long-term, and will continue to pursue this goal.

(Percentages indicate year-on-year changes.)

	Adjusted operating profit at constant rates of exchange	
	Millions of yen	%
Three months ended March 31, 2020 (Cumulative)	158,191	14.0
Year ending December 31, 2020 (Forecast)	516,000	0.0

Note: Revisions to the consolidated earnings forecasts most recently announced: None
The Group also discloses certain non-GAAP financial measures that are not required or defined under IFRS, which is the accounting standard the Company applies. These non-GAAP financial measures are used internally to manage each of the business operations to understand their underlying performance, in view of the Group's target for mid- to long-term sustainable growth, and the Group believes that these financial measures are useful information for users of the financial statements to assess the Group's performance. For details of these financial measures, please refer to "Proper use of earnings forecasts, and other special matters, (2)."

For detailed information on the consolidated financial results, please visit the Company's website (https://www.jt.com/investors/), where materials for investors' meeting have been released today, and refer to the quarterly securities report scheduled to be submitted today.

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

   For details, please refer to "1. Matters regarding summary information, (1) Changes in accounting policies and changes in accounting estimates."

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

As of March 31, 2020	2,000,000,000	shares
As of December 31, 2019	2,000,000,000	shares

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

As of March 31, 2020	226,027,421	shares
As of December 31, 2019	226,196,566	shares

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

Three months ended March 31, 2020	1,773,937,665	shares
Three months ended March 31, 2019	1,785,979,096	shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(1) The forward-looking statements, including earnings 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 suppositions that form the assumptions for earnings forecasts and cautions concerning the use of earnings forecasts.

(2) The Group also discloses certain non-GAAP financial measures that are not required or defined under IFRS, which is the accounting standard the Company applies. These non-GAAP financial measures are used internally to manage each of the business operations to understand their underlying performance, in view of the Group's target for mid- to long-term sustainable growth, and the Group believes that these financial measures are useful information for users of the financial statements to assess the Group's performance.

Adjusted operating profit

Adjusted operating profit presented is operating profit (loss) less amortization cost of acquired intangibles arising from business acquisitions and adjustment items (income and costs). Adjustment items (income and costs) are impairment losses on goodwill, restructuring income and costs, and other items. Furthermore, adjusted operating profit at constant rates of exchange is also presented as additional information. This is a financial measurement that excludes foreign exchange effects by translating and calculating adjusted operating profit for the current period in the International Tobacco Business using the foreign exchange rates of the same period of the previous year. The Group has set its group-wide target for annual average growth rate in adjusted operating profit at constant rates of exchange, at mid to high single-digit over the mid- to long-term, and will continue to pursue this goal.

Attached Materials

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1. Matters regarding summary information

(1) 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 year ended December 31, 2019 except the following item.
The Group computes income taxes for the interim period based on the estimated average annual effective tax rate.

(Changes in Accounting Policies)

The Group has adopted the following new accounting standards, amended standards and new interpretations from the first quarter ended March 31, 2020.

IFRS		Description of new standards and amendments
IFRS 3	Business combinations	Revision of definition of “business”

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

(2) Revisions to the consolidated earnings forecasts most recently announced

No items to report.

At present, nothing is obstructing business continuity and no major risks have materialized concerning any of the business operations of the tobacco business, the Pharmaceutical Business and the Processed Food Business as a result of the spread of the novel coronavirus disease (COVID-19), and the Group is fully conducting business in compliance with the policies and directives of the governments and relevant authorities of each country. Furthermore, although an impact from the spread of COVID-19 has been confirmed in part for the three months ended March 31, 2020, the financial aspect of that impact remains at a limited level. Nevertheless, in addition to an unavoidable impact on the duty-free business in the tobacco business, it is unclear what impact there will be on the short-term and long-term demand, and regarding the business and financial impacts, it is also necessary to carefully monitor and examine foreign exchange rate trends. Accordingly, the most recently announced consolidated earnings forecasts is left unchanged. If the need for a revision to the Group's earnings forecasts arises, the Company will swiftly announce such a revision. At present, there are no problems in procuring the necessary funds for business operations, and the amount of credit available through commitment lines is sufficient. However, as a provision for unforeseen circumstances, the Group increased its on-hand liquidity by ¥100.0 billion or more through the issuance of commercial papers in April 2020 and other means.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. These statements appear in a number of places in this document 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) increase in awareness of health concerns related to smoking;

(2) regulatory developments; including, without limitation, tax increases and restrictions on sales, marketing, packaging, labeling and use of tobacco products, privately imposed restrictions and governmental investigations;

(3) litigation around the world alleging adverse health and financial effects resulting from, or relating to, tobacco products;

(4) our ability to further diversify our business beyond the traditional tobacco industry;

(5) our ability to successfully expand internationally and make investments outside Japan;

(6) competition and changing consumer preferences;

(7) our ability to manage impacts derived from business diversification or business expansion;

(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.

2. Condensed Interim Consolidated Financial Statements

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2019	**As of March 31, 2020**
Assets		
Current assets		
Cash and cash equivalents	357,158	301,059
Trade and other receivables	458,513	407,044
Inventories	677,586	622,118
Other financial assets	21,943	40,847
Other current assets	410,443	391,719
Subtotal	1,925,643	1,762,787
Non-current assets held-for-sale	30	26
Total current assets	1,925,673	1,762,812
Non-current assets		
Property, plant and equipment	803,239	782,179
Goodwill	2,002,595	1,887,666
Intangible assets	440,434	410,871
Investment property	16,588	16,489
Retirement benefit assets	67,377	64,707
Investments accounted for using the equity method	52,903	41,976
Other financial assets	109,568	102,812
Deferred tax assets	134,696	132,468
Total non-current assets	3,627,397	3,439,167
Total assets	5,553,071	5,201,980

(Millions of yen)

	As of December 31, 2019	**As of March 31, 2020**
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	408,597	351,398
Bonds and borrowings	284,135	290,436
Income tax payables	69,543	58,566
Other financial liabilities	21,862	21,577
Provisions	16,570	18,298
Other current liabilities	701,050	579,815
Total current liabilities	1,501,757	1,320,089
Non-current liabilities		
Bonds and borrowings	690,367	783,125
Other financial liabilities	41,062	49,534
Retirement benefit liabilities	320,614	307,645
Provisions	19,463	17,225
Other non-current liabilities	155,768	149,918
Deferred tax liabilities	80,430	72,600
Total non-current liabilities	1,307,702	1,380,046
Total liabilities	2,809,459	2,700,135
Equity		
Share capital	100,000	100,000
Capital surplus	736,400	736,400
Treasury shares	(492,469)	(492,101)
Other components of equity	(431,741)	(622,464)
Retained earnings	2,750,506	2,700,870
Equity attributable to owners of the parent company	2,662,696	2,422,705
Non-controlling interests	80,916	79,139
Total equity	2,743,611	2,501,844
Total liabilities and equity	5,553,071	5,201,980

(2) Condensed Interim Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Income

Three months ended March 31, 2019 and 2020

(Millions of yen)

	2019	**2020**
Revenue	505,422	519,620
Cost of sales	(212,555)	(221,131)
Gross profit	292,867	298,489
Other operating income	63,206	3,032
Share of profit in investments accounted for using the equity method	744	620
Selling, general and administrative expenses	(174,224)	(173,187)
Operating profit	182,593	128,953
Financial income	2,283	1,600
Financial costs	(12,148)	(15,452)
Profit before income taxes	172,727	115,102
Income taxes	(39,043)	(28,221)
Profit for the period	133,685	86,882
Attributable to:		
Owners of the parent company	120,840	86,373
Non-controlling interests	12,845	508
Profit for the period	133,685	86,882
Interim earnings per share		
Basic (Yen)	67.66	48.69
Diluted (Yen)	67.63	48.67

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

(Millions of yen)

	2019	**2020**
Operating profit	182,593	128,953
Amortization cost of acquired intangibles arising from business acquisitions	17,788	17,059
Adjustment items (income)	(61,809)	(1,321)
Adjustment items (costs)	202	2,175
Adjusted operating profit	138,774	146,866

Condensed Interim Consolidated Statement of Comprehensive Income

Three months ended March 31, 2019 and 2020

(Millions of yen)

	2019	**2020**
Profit for the period	133,685	86,882
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	987	(3,968)
Remeasurements of defined benefit plans	-	-
Total of items that will not be reclassified to profit or loss	987	(3,968)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	22,736	(186,392)
Net gain (loss) on derivatives designated as cash flow hedges	(328)	(11)
Total of items that may be reclassified subsequently to profit or loss	22,408	(186,403)
Other comprehensive income (loss), net of taxes	23,394	(190,371)
Comprehensive income (loss) for the period	157,079	(103,489)
Attributable to:		
Owners of the parent company	144,226	(103,727)
Non-controlling interests	12,853	237
Comprehensive income (loss) for the period	157,079	(103,489)

(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 January 1, 2019	100,000	736,400	(442,829)	1,547	(454,918)	443	29,570
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	22,846	(328)	868
Comprehensive income (loss) for the period	-	-	-	-	22,846	(328)	868
Acquisition of treasury shares	-	-	(50,000)	-	-	-	-
Disposal of treasury shares	-	-	202	(176)	-	-	-
Share-based payments	-	-	-	26	-	-	-
Dividends	-	-	-	-	-	-	-
Changes in the ownership interest in a subsidiary without a loss of control	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	(24)
Other increase (decrease)	-	-	-	-	-	(124)	-
Total transactions with the owners	-	-	(49,798)	(151)	-	(124)	(24)
As of March 31, 2019	100,000	736,400	(492,627)	1,396	(432,072)	(9)	30,414
As of January 1, 2020	100,000	736,400	(492,469)	1,556	(444,366)	(132)	11,201
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	(186,215)	(11)	(3,874)
Comprehensive income (loss) for the period	-	-	-	-	(186,215)	(11)	(3,874)
Acquisition of treasury shares	-	-	(0)	-	-	-	-
Disposal of treasury shares	-	-	368	(273)	-	-	-
Share-based payments	-	-	-	30	-	-	-
Dividends	-	-	-	-	-	-	-
Changes in the ownership interest in a subsidiary without a loss of control	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	(367)
Other increase (decrease)	-	-	-	-	-	(14)	-
Total transactions with the owners	-	-	368	(243)	-	(14)	(367)
As of March 31, 2020	100,000	736,400	(492,101)	1,313	(630,581)	(157)	6,960

(Millions of yen)

	Equity attributable to owners of the parent company				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total		
	Remeasurements of defined benefit plans	Total				
As of January 1, 2019	-	(423,357)	2,660,381	2,630,594	69,851	2,700,445
Profit for the period	-	-	120,840	120,840	12,845	133,685
Other comprehensive income (loss)	-	23,386	-	23,386	9	23,394
Comprehensive income (loss) for the period	-	23,386	120,840	144,226	12,853	157,079
Acquisition of treasury shares	-	-	-	(50,000)	-	(50,000)
Disposal of treasury shares	-	(176)	(26)	0	-	0
Share-based payments	-	26	-	26	-	26
Dividends	-	-	(134,357)	(134,357)	(618)	(134,975)
Changes in the ownership interest in a subsidiary without a loss of control	-	-	(0)	(0)	115	115
Transfer from other components of equity to retained earnings	-	(24)	24	-	-	-
Other increase (decrease)	-	(124)	-	(124)	-	(124)
Total transactions with the owners	-	(299)	(134,359)	(184,456)	(503)	(184,959)
As of March 31, 2019	-	(400,271)	2,646,862	2,590,364	82,201	2,672,565
As of January 1, 2020	-	(431,741)	2,750,506	2,662,696	80,916	2,743,611
Profit for the period	-	-	86,373	86,373	508	86,882
Other comprehensive income (loss)	-	(190,100)	-	(190,100)	(271)	(190,371)
Comprehensive income (loss) for the period	-	(190,100)	86,373	(103,727)	237	(103,489)
Acquisition of treasury shares	-	-	-	(0)	-	(0)
Disposal of treasury shares	-	(273)	(95)	0	-	0
Share-based payments	-	30	-	30	-	30
Dividends	-	-	(136,583)	(136,583)	(612)	(137,195)
Changes in the ownership interest in a subsidiary without a loss of control	-	-	303	303	(1,401)	(1,098)
Transfer from other components of equity to retained earnings	-	(367)	367	-	-	-
Other increase (decrease)	-	(14)	-	(14)	-	(14)
Total transactions with the owners	-	(623)	(136,009)	(136,264)	(2,013)	(138,277)
As of March 31, 2020	-	(622,464)	2,700,870	2,422,705	79,139	2,501,844

(4) Condensed Interim Consolidated Statement of Cash Flows

Three months ended March 31, 2019 and 2020

(Millions of yen)

	2019	**2020**
Cash flows from operating activities		
Profit before income taxes	172,727	115,102
Depreciation and amortization	45,824	46,470
Impairment losses	200	989
Interest and dividend income	(2,209)	(1,599)
Interest expense	6,650	5,631
Share of profit in investments accounted for using the equity method	(744)	(620)
(Gains) losses on sale and disposal of property, plant and equipment, intangible assets and investment property	34	(1,166)
(Increase) decrease in trade and other receivables	25,271	11,589
(Increase) decrease in inventories	(7,183)	33,609
Increase (decrease) in trade and other payables	(8,019)	(41,529)
Increase (decrease) in retirement benefit liabilities	(9,383)	(12,755)
(Increase) decrease in prepaid tobacco excise taxes	(11,870)	(22,012)
Increase (decrease) in tobacco excise tax payables	(2,729)	(71,056)
Increase (decrease) in consumption tax payables	140	(8,049)
Other	(25,793)	(19,655)
Subtotal	182,916	34,949
Interest and dividends received	4,065	2,966
Interest paid	(5,368)	(4,473)
Income taxes paid	(60,444)	(35,385)
Net cash flows from operating activities	121,168	(1,943)
Cash flows from investing activities		
Purchase of securities	(16,253)	(14,345)
Proceeds from sale and redemption of securities	13,246	16,398
Purchase of property, plant and equipment	(27,208)	(18,798)
Proceeds from sale of investment property	2,014	1,500
Purchase of intangible assets	(4,352)	(10,493)
Payments into time deposits	(196)	-
Proceeds from withdrawal of time deposits	187	25
Proceeds from sale of investments in associates	-	17,402
Other	(6,865)	793
Net cash flows from investing activities	(39,427)	(7,518)

(Millions of yen)

	2019	**2020**
Cash flows from financing activities		
Dividends paid to owners of the parent company	(132,416)	(134,781)
Dividends paid to non-controlling interests	(721)	(552)
Capital contribution from non-controlling interests	82	22
Increase (decrease) in short-term borrowings and commercial paper	85,620	10,906
Proceeds from long-term borrowings	-	98,888
Repayments of long-term borrowings	(280)	(239)
Repayments of lease liabilities	(3,700)	(4,223)
Acquisition of treasury shares	(50,000)	(0)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(0)	(1,120)
Other	0	0
Net cash flows from financing activities	(101,415)	(31,099)
Net increase (decrease) in cash and cash equivalents	(19,674)	(40,561)
Cash and cash equivalents at the beginning of the period	282,063	357,158
Effect of exchange rate changes on cash and cash equivalents	(925)	(15,538)
Cash and cash equivalents at the end of the period	261,463	301,059

(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 for 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 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 four segments: “Domestic Tobacco Business,” “International Tobacco Business,” “Pharmaceutical 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 “Processed Food Business” consists of the manufacture and sale of frozen and ambient processed foods, bakery products and seasonings.

B. Revenues and Performances of Reportable Segments

Revenues and performances of 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 segment performance. Transactions within the segments are based mainly on prevailing market prices.

Three months ended March 31, 2019

(Millions of yen)

	Reportable Segments					Other (Note 2)	Elimination	Consolidated
	Domestic Tobacco	International Tobacco	Pharma-ceuticals	Processed Food	Total			
Revenue								
External revenue	144,666	300,364	22,787	35,980	503,797	1,625	-	505,422
Intersegment revenue	1,872	8,094	-	0	9,966	1,504	(11,470)	-
Total revenue	146,538	308,458	22,787	35,980	513,763	3,129	(11,470)	505,422
Segment profit (loss)								
Adjusted operating profit (Note 1)	51,016	89,186	4,471	285	144,958	(5,627)	(557)	138,774

Three months ended March 31, 2020

(Millions of yen)

	Reportable Segments					Other (Note 2)	Elimination	Consolidated
	Domestic Tobacco	International Tobacco	Pharma-ceuticals	Processed Food	Total			
Revenue								
External revenue	135,107	326,161	20,728	36,749	518,745	876	-	519,620
Intersegment revenue	1,738	6,751	-	0	8,489	1,408	(9,897)	-
Total revenue	136,846	332,912	20,728	36,749	527,234	2,283	(9,897)	519,620
	-	-	-	-	-	-	-	-
Segment profit (loss)	-	-	-	-	-	-	-	-
Adjusted operating profit (Note 1)	43,232	104,057	6,579	419	154,286	(7,530)	109	146,866

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

Three months ended March 31, 2019

(Millions of yen)

	Reportable Segments					Other (Note 2)	Elimination	Consolidated
	Domestic Tobacco	International Tobacco	Pharma-ceuticals	Processed Food	Total			
Adjusted operating profit (Note 1)	51,016	89,186	4,471	285	144,958	(5,627)	(557)	138,774
Amortization cost of acquired intangibles arising from business acquisitions	(4,061)	(13,727)	-	-	(17,788)	-	-	(17,788)
Adjustment items (income) (Note 3)	24	-	60,518	-	60,542	1,267	-	61,809
Adjustment items (costs) (Note 4)	-	29	(10)	(162)	(142)	(60)	-	(202)
Operating profit (loss)	46,979	75,488	64,979	123	187,570	(4,420)	(557)	182,593
Financial income								2,283
Financial costs								(12,148)
Profit before income taxes								172,727

Three months ended March 31, 2020

(Millions of yen)

	Reportable Segments					Other (Note 2)	Elimination	Consolidated
	Domestic Tobacco	International Tobacco	Pharma-ceuticals	Processed Food	Total			
Adjusted operating profit (Note 1)	43,232	104,057	6,579	419	154,286	(7,530)	109	146,866
Amortization cost of acquired intangibles arising from business acquisitions	(4,061)	(12,998)	-	-	(17,059)	-	-	(17,059)
Adjustment items (income) (Note 3)	-	33	-	-	33	1,287	-	1,321
Adjustment items (costs) (Note 4)	-	(1,408)	(6)	(0)	(1,414)	(761)	-	(2,175)
Operating profit (loss)	39,171	89,685	6,573	419	135,847	(7,003)	109	128,953
Financial income								1,600
Financial costs								(15,452)
Profit before income taxes								115,102

(Note 1) For adjusted operating profit, amortization cost of acquired intangibles arising from business acquisitions, and adjustment items (income and costs) are excluded from operating profit (loss).

(Note 2) “Other” includes business activities relating to rent of real estate and corporate expenses relating to corporate communication and operation of the head office.

(Note 3) The breakdown of "Adjustment items (income)" is as follows:

Three months ended March 31, 2019 and 2020

(Millions of yen)

	2019	**2020**
Gain on transfer of pharmaceutical licenses	60,518	-
Restructuring incomes	1,291	1,287
Other	-	33
Adjustment items (income)	61,809	1,321

Restructuring incomes for three months ended March 31, 2019 and 2020 mainly relate to gains on sale of real estate.

(Note 4) The breakdown of "Adjustment items (costs)" is as follows:

Three months ended March 31, 2019 and 2020

(Millions of yen)

	2019	**2020**
Restructuring costs	52	1,430
Other	150	745
Adjustment items (costs)	202	2,175

(6) Note on Premise of Going Concern

No items to report

(7) Subsequent events

The Company issued commercial papers to be used for short-term working capital in order to strength liquidity on hand and prepare for unexpected situations which might be caused by the spread of COVID-19 as follows:

(1) Total amount of issue: ¥100 billion
(2) Issue date: April 6, 2020
(3) Redemption date: October 1, 2020
(4) Interest rates: Interest rates determined in consideration of short-term money market rates