JAPAN TOBACCO INC.
2-1, Toranomon 2-chome, Minato-ku
Tokyo 105-8422 JAPAN
Phone:03-3582-3111

FOR IMMEDIATE RELEASE Tokyo, May 12, 2011

JT's Consolidated Financial Results for the 12 months ended March 31, 2011

- **Japanese Domestic Tobacco Business: Volume declined significantly following the tax and price increase although slightly better than earlier forecasts. Net sales remained flat.**
- **International Tobacco Business: EBITDA grew strongly and both market share[1] and GFB[2] volume increased.**

Highlights

- **Adjusted net sales excluding tax**[3] declined slightly to ¥1,956.6 billion. **EBITDA**[4] and **Operating income**[5] increased by 2.7% and 10.9% respectively. **Net income**[5] grew 4.7%.
- **Japanese Domestic Tobacco Business:** Total sales volume[6] decreased by 11.3% mainly due to volume decline following the 1st October tax and retail price increase. The decline was slightly better than earlier forecasts. Adjusted net sales excluding tax[7] remained flat and EBITDA increased 2.6% due to pricing. New products were launched and packaging was redesigned for a number of existing products.
- **International Tobacco Business:** EBITDA in US dollars grew 7.7% at constant rates of exchange, exceeding our growth forecast of 6.2%, while on a reported basis, EBITDA increased by 10.7%. Market share continued to grow in most key markets. GFB shipment volume continued to grow increasing by 2.7% year on year.
- **Dividends:** The company's board is recommending the year-end dividend of ¥4,000 per share, at an annualized sum of ¥6,800.
- **Forecast:** Following the earthquake the Japanese domestic tobacco business' operating environment remains unclear, making it difficult to reliably assess the impact of the earthquake on the business at this time. Accordingly adjusted net sales excluding tax is forecast in the range of ¥552.0 billion and ¥598.0 billion. EBITDA is forecast in the range of ¥227.0 billion to ¥261.0 billion. In the international tobacco business, EBITDA growth of 10.0% is forecast in US dollars at constant rates of exchange.

Consolidated financial results for the 12 months ended March 31, 2011 Units: Billions of Yen

	FY03/2010 (A)	FY03/2011 (B)	Difference (B)-(A)	Net Change (%)
Net sales including tax	6,134.6	6,194.5	59.8	1.0
Adjusted net sales excluding tax	1,980.9	1,956.6	-24.3	-1.2
EBITDA	526.7	541.1	14.4	2.7
Operating income	296.5	328.6	32.1	10.9
Net income	138.4	144.9	6.5	4.7

Hiroshi Kimura, President and Chief Executive Officer of JT, commented:

"Within our domestic tobacco business, following the earthquake, we have developed a supply resumption schedule which is aimed at significantly expanding the number of products available for shipment by no later than August, 2011. In addition to focusing on achieving a rapid recovery, our commitment to offer quality brands and services of high value that meet our consumer expectations remains unchanged.

Our international tobacco business continues to deliver a solid performance and act as a profit growth engine. The second half of 2010 showed signs of recovery with GFB growth and market share increase in most key markets. We will continue to focus on innovation and top line growth, targeting an annual 10% increase in EBITDA at constant rates of exchange."

Results by Business Segment

➢ Japanese Domestic Tobacco Business

Total sales volume for the full year decreased 11.3% to 134.6 billion cigarettes, although exceeding the earlier forecasts by 1.1 billion cigarettes. Sales volume increased during the first half due to heightened demand ahead of the 1st October tax and price increase, followed by a significant decline after the increase.

Adjusted net sales excluding tax remained virtually flat at ¥617.9 billion and EBITDA increased by 2.6 % to ¥257.6 billion due to pricing. To enhance brand equity of the key brands[8], new products were launched and packaging was redesigned for a number of products.

The all brands' and the key brands' market share were 64.1% (FY03/2010: 64.9%) and 44.5%[9] (FY03/2010: 45.1%) respectively. However we are of the view that due to the fall off in sales following heightened demand ahead of the 1st October tax and price increase and the effect of the earthquake, these figures do not properly reflect our products' strong position in the marketplace.

Units: Billions of Yen, Billions of Cigarettes

	FY03/2010	FY03/2011	Net change (%)
Net sales including tax	3,042.8	3,103.3	2.0
Adjusted net sales excluding tax	615.9	617.9	0.3
EBITDA	251.2	257.6	2.6
Operating income	198.7	212.9	7.1
Total sales volume	151.8	134.6	-11.3

➢ International Tobacco Business

Financial results for January 1 - December 31, 2010

Core net sales excluding tax[10] and EBITDA continued to grow increasing by 5.6% and 10.7% respectively in US dollars, driven by strong pricing and favourable foreign exchange rates. At constant rates of exchange EBITDA increased by 7.7%, exceeding our growth forecast of 6.2%. EBITDA also increased in Japanese Yen despite the strong appreciation of the currency against the US dollar.

Market share has continued to grow in most key markets including Turkey, Italy, France and Russia due to brand, product portfolio and trade marketing strengths.

GFB shipment volume increased by 2.7% to 249.8 billion cigarettes driven by "Winston", "LD", "Mild Seven" and "Camel". Total shipment volume[11] decreased by 1.5% to 428.4 billion cigarettes as growth in the Middle East, Turkey and France was offset by industry contraction in Russia, Ukraine, Spain and Romania. Total shipment volume increased by 2.2% in the second half of 2010 with early signs of recovery compared to the same period in the prior year.

Units: Billions of Yen, Billions of Cigarettes

	January – December 2009	January – December 2010	Net change (%)
Net sales including tax	2,633.6	2,649.9	0.6
Core net sales excluding tax	906.7	897.4	-1.0
EBITDA	277.6	288.1	3.8
Operating income	136.9	156.1	14.0
Total shipment volume	434.9	428.4	-1.5
GFB shipment volume	243.4	249.8	2.7

- **Pharmaceutical Business**

Net sales increased to ¥46.9 billion, as Torii Pharmaceutical's REMITCH® CAPSULES and Truvada® Tablets continued to perform well, offsetting the declining sales of Futhan® protease inhibitor. Revenue received as milestone payments also contributed to the increase in net sales. EBITDA decreased to -¥13.2 billion mainly due to an increase in Torii Pharmaceutical's upfront payment in respect of a licence agreement with ALK-Abello A/S to develop and commercialise allergy immunotherapy products in Japan. JTT-751 for the treatment of hyperphosphatemia advanced to Phase 3 of the clinical development stage. JT currently has 10 compounds in clinical trial, all of which are listed in the attachment to this release.

Units: Billions of Yen

	FY03/2010 (A)	FY03/2011 (B)	Difference (B) - (A)
Net sales	44.0	46.9	2.9
EBITDA	-9.6	-13.2	-3.6
Operating income	-13.5	-17.4	-3.8

- **Food Business**

While the summer 2010 heat wave and the good performance mainly driven by Roots, our flagship coffee brand, contributed to increased sales in the beverages business, overall net sales declined to ¥375.0 billion due to the closure of the rice wholesale business, the exclusion of certain subsidiaries from the consolidated accounts and lower out-of-home product sales in the processed foods and seasonings business. EBITDA increased to ¥17.2 billion mainly due to the beverages business' solid performance and the previous fiscal year's temporary loss recorded in the fishery business of the processed foods and seasonings business.

Units: Billions of Yen

	FY03/2010 (A)	FY03/2011 (B)	Difference (B) - (A)
Net sales	394.6	375.0	-19.6
EBITDA	14.4	17.2	2.7
Operating income	-13.6	-9.4	4.2

Non-Operating Results & Extraordinary Profits and Losses

Non-operating profits and losses improved to -¥16.1 billion (FY03/2010: -¥41.1 billion) primarily because of improved currency forward contract valuation relating to cash flow hedging and reduced interest expense.

Extraordinary profits and losses were -¥31.9 billion (FY03/2010: ¥20.6 billion.) This change was due to the one-off gains in the prior fiscal year including bigger non-current asset disposals and the reversal of liability on a fine levied on Gallaher under the UK competition law related to practices before JT's acquisition. In addition, the loss includes an agreement payment between JTI-Macdonald Corp., our Canadian subsidiary, and the Canadian authorities relating to the illicit trade of cigarettes prior to the acquisition by JT, and costs of ¥10.9 billion related to the earthquake.

Forecast for the Fiscal Year Ending March 31, 2012 (consolidated)

Following the earthquake the Japanese domestic tobacco business' operating environment remains unclear, making it difficult to reliably assess the full impact of the earthquake on the business at this time. Accordingly, a range of full year forecasts for adjusted net sales excluding tax and EBITDA are being provided. We are planning to provide full year forecasts not using ranges, and including forecasts for operating income and net income when we announce our first quarter consolidated financial results for the FY03/2012.

Units: Billions of Yen

	FY03/2011 Actual (A)	FY03/2012 Forecast (B)	Change from FY03/2011 Actual (B)-(A)
Adjusted net sales Excluding tax	1,956.6	1,925.0 - 1,970.0	-31.6 - +13.3 (-1.6% - +0.7%)
EBITDA	541.1	540.0 - 574.0	-1.1 - +32.8 (-0.2% - +6.1%)

- **Japanese Domestic Tobacco Business:** Following the earthquake our efforts to remove restrictions on the volume levels and the supply of a number of products continues to be our top priority. Product numbers and sales volume are continuing to be increased in phases and we forecast that by no later than August, 2011 the shipment of 73 products which represent 97% of our sales prior to the earthquake will have been restored. Our decision to discontinue the supply of the other 23 products that previously constituted our portfolio is due to an anticipated acceleration in sales volume decline and the consequential difficulties in managing product quality for small volumes. Following the 1st October tax and price increase and the earthquake, annual sales volume is forecast in the range of 100.0 billion to 108.0 billion cigarettes (FY03/2011: 134.6 billion cigarettes). Adjusted net sales excluding tax are forecast in the range of ¥552.0 billion and ¥598.0 billion (FY03/2011: ¥617.9 billion). EBITDA is forecast in the range of ¥227.0 billion to ¥261.0 billion (FY03/2011: ¥257.6 billion).

- **International Tobacco Business[12,13]:** A favourable trading outlook with flat total volume, 2.9% GFB growth and 10.0% EBITDA growth at constant rates of exchange is forecast. As a result of a favourable currency outlook[14], EBITDA is forecast to increase by 16.3% compared to 2010. Despite an expected strong appreciation of the Japanese Yen against the US dollar, core net sales excluding tax and EBITDA are forecast to increase in Japanese Yen.

- **Pharmaceutical Business:** Net sales are forecast to increase by ¥2.0 billion due to sales growth of Torii Pharmaceutical's REMITCH® CAPSULES and Truvada® Tablets. EBITDA is forecast to decline by ¥3.2 billion due to increased R&D expenditure and the absence of milestone revenue that was received in the previous fiscal year that ended on March 31, 2011.

- **Food Business:** Net sales for the processed foods and seasonings business are forecast to remain flat. In the beverages business where net sales are forecast to decrease due to the effect of the earthquake on the vending machine channel, forecasts are based on a number of assumptions as the earthquake's full impact cannot be accurately assessed at this time. While net sales for the entire food business are forecast to decline by ¥5.0 billion, EBITDA is forecast to grow ¥2.7 billion through enhancing the "Roots" brand equity, focusing on high margin staple food products[15] and seasonings (eg. yeast extract) and continuous reduction of overall business costs.

- The company is projecting half-year and year-end dividends per share of ¥4,000 each for the fiscal year ending March 31, 2012, at an annualized sum of ¥8,000.

Japan Tobacco Inc. is a leading international tobacco product company. Its products are sold in over 120 countries and its internationally recognized cigarette brands include Winston, Camel, Mild Seven and Benson & Hedges. With diversified operations, JT is also actively present in pharmaceuticals and foods. The company's adjusted net sales excluding tax were ¥1.956 trillion (US$23,531 million) in the fiscal year ended March 31, 2011.*

**Translated at the rate of ¥83.15 per $1, as of March 31, 2011*

Footnotes:

[1] Source: AC Nielsen, Logista, Altadis and JTI estimates on a 12-month rolling average, December 2010.
[2] Global Flagship Brands (GFB) for the international tobacco business consist of eight brands: Winston, Camel, Mild Seven, Benson & Hedges, Silk Cut, LD, Sobranie and Glamour.
[3] Adjusted net sales excluding tax on a consolidated basis do not include revenue from the imported tobacco, domestic duty free, the China Division and other peripheral businesses in the Japanese domestic tobacco business. Nor does it include revenue from distribution, leaf tobacco, private label, contract manufacturing and other peripheral businesses in the international tobacco business.
[4] EBITDA was calculated as operating income + depreciation of tangible fixed assets + amortization of intangible fixed assets + amortization of long-term prepaid expenses + amortization of goodwill.
[5] Net income and operating income before amortization of goodwill were ¥236.0 billion and ¥419.7 billion, respectively.
[6] Sales volume from both domestic duty free and the China Division in the Japanese domestic tobacco business is not incorporated in the figures.
[7] Adjusted net sales excluding tax in the Japanese domestic tobacco business does not include revenue from the imported tobacco, domestic duty free, the China Division and other peripheral businesses.
[8] Key brands for the Japanese domestic tobacco business consist of three brands: Mild Seven, Seven Stars and Pianissimo.
[9] The market share figure for key brands is inclusive and retrospective of market share figures for 'icene' and 'Lucia', which were integrated into Pianissimo family in January 2010.
[10] Core net sales excluding tax in the international tobacco business do not include revenue from distribution, leaf tobacco, private label, contract manufacturing and other peripheral businesses.
[11] Total shipment volume includes cigars, pipe tobacco and snus, but does not include private label and contract manufacturing.
[12] Beginning with its fiscal year ending December 31, 2011, JTI has adopted the International Financial Reporting Standards (IFRS), replacing U.S.GAAP; accordingly, 2010 amounts have been restated to conform to IFRS and are presented on a like-for-like basis with no impact on core net sales excluding tax.
[13] 2010 core net sales excluding tax have been reclassified to conform to current year presentation, as certain amounts are now reflected as a reduction to core net sales excluding tax, with no impact on gross margin.
[14] The exchange rate assumptions for US $1.00 are; Ruble 28.50, UK Sterling 0.61, Euro 0.70, Swiss Franc 0.90, Taiwan Dollar 28.70 and ¥82.00.
[15] Staple food products are: frozen noodles, packed cooked rice and frozen baked bread.

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

This document contains forward-looking statements about our industry, business, plans and objectives, financial condition and results of operations that are based on our current expectations, assumptions, estimates and projections. These statements discuss future expectations, identify strategies, discuss market trends, contain projections of results of operations or of our financial condition or state other forward-looking information. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those suggested by any forward-looking statement. We assume no duty or obligation to update any forward-looking statement or to advise of any change in the assumptions and factors on which they are based.

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. health concerns relating to the use of tobacco products;
2. legal or regulatory developments and changes, including, without limitation, tax increases and restrictions on the sale, marketing and usage of tobacco products, and governmental investigations and privately imposed smoking restrictions;
3. litigation in Japan and elsewhere;
4. our ability to further diversify our business beyond the tobacco industry;
5. our ability to successfully expand internationally and make investments outside of Japan;
6. competition and changing consumer preferences;
7. the impact of any acquisitions or similar transactions;
8. local and global economic conditions; and
9. fluctuations in foreign exchange rates and the costs of raw materials.

Contacts: Hideyuki Yamamoto, General Manager
Yoshinori Tsuchiya, Associate General Manager
Media and Investor Relations Division
Japan Tobacco Inc. Tokyo: +81-3-5572-4292
E-mail: jt.media.relations@jt.com

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

	FY ended Mar. 2010	FY ended Mar. 2011	Change
Net Sales including excise tax	6,134.6	6,194.5	59.8
Adjusted net sales excluding excise tax *	1,980.9	1,956.6	-24.3
EBITDA	526.7	541.1	14.4
Operating Income	296.5	328.6	32.1
Recurring Profit	255.3	312.4	57.1
Net Income	138.4	144.9	6.5

* Excluding revenues from the imported tobacco, domestic duty free, the China Division and other peripheral businesses in the Japanese domestic tobacco business, as well as distribution, leaf tobacco, private label, contract manufacturing and other peripheral businesses in the international tobacco business

(Reference: Figures for major profit items before goodwill amortization)

Operating Income	393.9	419.7	25.8
Recurring Profit	352.8	403.5	50.7
Net Income	235.8	236.0	0.1

2. Breakdown of net sales (unit: JPY billion)

	FY ended Mar. 2010	FY ended Mar. 2011	Change
Net sales including excise tax *1	6,134.6	6,194.5	59.8
Japanese domestic tobacco	3,042.8	3,103.3	60.5
International tobacco *1	2,633.6	2,649.9	16.3
Adjusted net sales excluding excise tax *1 *2 *3	1,980.9	1,956.6	-24.3
Japanese domestic tobacco *2	615.9	617.9	1.9
International tobacco *1 *3	906.7	897.4	-9.3
Pharmaceutical	44.0	46.9	2.9
Food	394.6	375.0	-19.6
Beverages	186.1	192.4	6.2
Processed foods	208.5	182.6	-25.9
Others	19.5	19.2	-0.2

*1 International tobacco business: Year ended Dec.2009 and Year ended Dec.2010

*2 Excluding revenue from the imported tobacco, domestic duty free, the China Division and other peripheral businesses

*3 Excluding revenue from the distribution, leaf tobacco,private label, contract manufacturing and other peripheral businesses

(Reference) (unit: USD million)

International tobacco Core net sales excl. excise tax *1 *3	9,682	10,223	540
International tobacco Core net sales excl. excise tax *1 *3 at constant rates of exchange	-	10,144	462

3. Leaf tobacco reappraisal profit / loss * (unit: JPY billion)

	FY ended Mar. 2010	FY ended Mar. 2011	Change
Leaf tobacco reappraisal profit / loss	-4.1	-	4.1

* Profit when denoted negative

4. Breakdown of SG&A expenses (unit: JPY billion)

	FY ended Mar. 2010	FY ended Mar. 2011	Change
SG&A	815.5	791.7	-23.7
Personnel *	216.0	217.3	1.3
Advertising and general publicity	21.9	20.8	-1.0
Sales promotion	143.7	140.7	-2.9
R&D	49.6	53.3	3.7
Depreciation and amortization	72.5	60.8	-11.7
Others	311.5	298.5	-13.0

* Personnel expense is the sum of compensation, salaries, allowances, provision for retirement benefit, legal welfare, employee bonuses and accrual of employee bonuses.

5. EBITDA by business segment *1 (unit: JPY billion)

	FY ended Mar. 2010 (Former standard)	FY ended Mar. 2010 (New standard)	FY ended Mar. 2011 (New standard)	Change (New standard)
Consolidated EBITDA	526.7	526.7	541.1	14.4
Operating income	296.5	296.5	328.6	32.1
Depreciation and amortization *2	230.1	230.1	212.4	-17.7
Japanese domestic tobacco EBITDA	257.6	251.2	257.6	6.4
Operating income	203.3	198.7	212.9	14.1
Depreciation and amortization *2	54.3	52.5	44.7	-7.7
International tobacco EBITDA *3	249.8	277.6	288.1	10.4
Operating income	109.1	136.9	156.1	19.1
Depreciation and amortization *2	140.7	140.7	132.0	-8.7
Pharmaceutical EBITDA	-9.6	-9.6	-13.2	-3.6
Operating income	-13.5	-13.5	-17.4	-3.8
Depreciation and amortization *2	3.9	3.9	4.1	0.2
Food EBITDA	14.4	14.4	17.2	2.7
Operating income	-13.6	-13.6	-9.4	4.2
Depreciation and amortization *2	28.1	28.1	26.6	-1.4
Other/Elimination and corporate EBITDA	14.3	-7.0	-8.7	-1.6
Operating income	11.3	-11.8	-13.5	-1.6
Depreciation and amortization *2	3.0	4.8	4.7	0.0

(Reference) (unit: USD million)

	FY ended Dec. 2009	FY ended Dec. 2010	Change
International tobacco EBITDA	2,965	3,282	317
International tobacco EBITDA at constant rates of exchange	-	3,194	229

*1 EBITDA=operating income + depreciation and amortization*2

*2 Depreciation and amortization = depreciation of tangible fixed assets + amortization of intangible fixed assets + amortization of long-term prepaid expenses + amortization of goodwill

*3 International tobacco business: Year ended Dec.2009 and Year ended Dec.2010

6. Amortization relating to major acquisitions

Goodwill Amortization relating to major acquisitions (unit: USD million)

International tobacco business	Year ended Dec. 2009	Year ended Dec. 2010	Years to amortize
Former RJRI and Gallaher	904	916	20

* Including former RJRI, Gallaher and others

* Termination of goodwill amortization: Former RJRI Apr-19, Former Gallaher Mar-27

(unit: JPY billion)

Food business	FY ended Mar. 2010*	FY ended Mar. 2011	Years to amortize
TableMark (Former Katokichi)	10.4	9.1	5

* Including one-time goodwill amortization of TableMark's subsidiary in the FY ended Mar.2010

* Termination of goodwill amortization: Dec-12

Trademark amortization relating to major acquisitions (unit: JPY billion)

Japanese domestic tobacco business	FY ended Mar. 2010	FY ended Mar. 2011	Years to amortize
Former RJRI	2.9	-	10

* Terminated in Apr-09

(unit: USD million)

International Tobacco Business	Year ended Dec. 2009	Year ended Dec. 2010	Years to amortize
Former RJRI and Gallaher	242	242	mainly20

* Termination of trademark rights amortization: Former RJRI Apr-19, Former Gallaher Mar-27

7.Capital expenditure (unit: JPY billion)

	FY ended Mar. 2010 (Former standard)	FY ended Mar. 2010 (New standard)	FY ended Mar. 2011 (New standard)	Change (New standard)
Capital expenditures	137.1	137.1	146.0	8.8
Japanese domestic tobacco	45.8	42.6	55.9	13.3
International tobacco *	64.5	64.5	60.9	-3.6
Pharmaceutical	2.9	2.6	2.8	0.2
Food	23.4	23.4	25.0	1.5
Other/Elimination and corporate	0.3	3.8	1.2	-2.6

* International tobacco business: Year ended Dec.2009 and Year ended Dec.2010

8. Cash and cash equivalents * (unit: JPY billion)

	As of end of Mar. 2010	As of end of Mar. 2011	Change
Cash and cash equivalents	167.3	276.5	109.1

* Cash and cash equivalents = cash and deposits + marketable securities + securities purchased under repurchase agreements

9. Interest-bearing debt * (unit: JPY billion)

	As of end of Mar. 2010	As of end of Mar. 2011	Change
Interest-bearing debt	874.3	708.7	-165.5

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

10. Business data

<Japanese domestic tobacco business>	FY ended Mar. 2010	FY ended Mar. 2011	Change
JT sales volume* (billion cigarettes)	151.8	134.6	-17.2
Total demand (billion cigarettes)	233.8	210.1	-23.6
JT market share	64.9%	64.1%	- 0.8%pt
JT net sales before tax per 1,000 cigarettes (JPY)	12,692	14,365	1,673
JT net sales after tax per 1,000 cigarettes (JPY)	4,056	4,582	526

* Sales volume of domestic duty-free and China division is excluded, which was 3.6 billion for FY ended Mar. 2010 and 3.5billion for FY ended Mar. 2011, respectively.

<International tobacco business>	Year ended Dec. 2009	Year ended Dec. 2010	Change
Total shipment volume* (billion cigarettes)	434.9	428.4	-6.5
GFB shipment volume (billion cigarettes)	243.4	249.8	6.5
JPY/USD rate for consolidation (JPY)	93.65	87.79	+6.7%
RUB/USD rate for consolidation (RUB)	31.77	30.36	+4.6%
GBP/USD rate for consolidation (GBP)	0.65	0.65	+0.2%
EUR/USD rate for consolidation (EUR)	0.73	0.75	-3.0%

* Total shipment includes cigars, pipe tobacco and snus, but does not include private label and contract manufacturing.

<Pharmaceutical business>	FY ended Mar. 2010	FY ended Mar. 2011	Change
R&D expenses (parent company) (JPY billion)	21.9	21.6	-0.2

<Food business - Beverage business>	As of end of Mar. 2010	As of end of Mar. 2011	Change
Number of beverage vending machines *	257,000	265,000	8,000
JT-owned	33,000	33,000	0
Combined	82,000	83,000	1,000

* 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 beverages but also sell non-JT brand beverages. Number of vending machines as of end March 2011 does not reflect the damages from the Great East Japan Earthquake and is therefore total number of vending machiens before the earthquake.

11. Number of employees*1

	As of end of Mar. 2010	As of end of Mar. 2011	Change
Number of employees (consolidated basis)	49,665	48,472	-1,193
Japanese domestic tobacco	11,282	11,191	-91
International tobacco	24,751	23,902	-849
Pharmaceutical	1,634	1,664	30
Foods	11,143	10,864	-279
Other businesses/Corporate	855	851	-4
Number of employees (parent company)	8,961	8,928	-33

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

Data sheets for FY ended Mar. 2011

Consolidated financial outlook for the fiscal year ending Mar. 31, 2012 compared to the results of previous fiscal year

*This guidance is made in accordance with the Japanese accounting standards.
Some figures are disclosed in ranges. Certain figures are not disclosed at present, as rational estimates are difficult due to the influence of the East Japan earth quake, amongst others.
*For the international tobacco business, financial results for the fiscal year-ended March 2011 are disclosed on US GAAP basis, whereas for the fiscal year ending March 2012, the figures will be disclosed on IFRS basis, after making the necessary conversion to the Japanese accounting standards (for example, amortization of goodwill).

(JPY billion)

	FY 03/2011	FY 03/2012	Change from FY 03/2011 to FY 03/2012
Adjusted net sales excl. excise tax *1*2*3	1,956.6	1,925.0 ～ 1,970.0	-31.6 ～ 13.3
EBITDA	541.1	540.0 ～ 574.0	-1.1 ～ 32.8
Operating income	328.6	-	-
Recurring profit	312.4	-	-
Net income	144.9	-	-
Return on Equity	9.2%	-	-
Free cash flow	299.7	-	-

(Reference: Before goodwill amortization) (JPY billion)

	FY 03/2011	FY 03/2012	Change from FY 03/2011 to FY 03/2012
Net income	236.0	-	-
EPS (JPY)	24,657.57	-	-
Cash dividends per share (JPY)	6,800	8,000	1,200
Payout Ratio	27.6%	-	-

Consolidated financial outlook by business segment (JPY billion)

	FY 03/2011	FY 03/2012	Change from FY 03/2011 to FY 03/2012
Adjusted net sales excl. excise tax *1*2*3	1,956.6	1,925.0 ～ 1,970.0	-31.6 ～ 13.3
Japanese domestic tobacco *2	617.9	552.0 ～ 598.0	-65.9 ～ -19.9
International tobacco *1*3	897.4	937.0	39.5
Pharmaceutical	46.9	49.0	2.0
Food	375.0	370.0	-5.0
Others	19.2	16.5	-2.7
EBITDA *1*4	541.1	540.0 ～ 574.0	-1.1 ～ 32.8
Japanese domestic tobacco	257.6	227.0 ～ 261.0	-30.6 ～ 3.3
International tobacco *1	288.1	318.0	29.8
Pharmaceutical	-13.2	-16.5	-3.2
Food	17.2	20.0	2.7
Others/Elimination and corporate	-8.7	-10.5	-1.7
Operating income *1	328.6	-	-
Japanese domestic tobacco	212.9	-	-
International tobacco *1	156.1	185.0	28.8
Pharmaceutical	-17.4	-20.5	-3.0
Food	-9.4	-	-
Others/Elimination and corporate	-13.5	-	-
Depreciation and amortization *1*5	212.4	-	-
Japanese domestic tobacco	44.7	-	-
International tobacco *1	132.0	133.0	0.9
Pharmaceutical	4.1	4.0	-0.1
Food	26.6	-	-
Others/Elimination and corporate	4.7	-	-

(JPY billion)

Capital expenditures *1	146.0	-	-
Japanese domestic tobacco	55.9	-	-
International tobacco *1	60.9	45.0	-15.9
Pharmaceutical	2.8	3.0	0.1
Food	25.0	-	-
Others/Elimination and corporate	1.2	-	-

(Reference) (unit: USD million)

	Year2010 (like-for-like)*7*8	Year2011	Change from Year 2010 to Year 2011
International tobacco Core net sales excl. excise tax *1*3*8	10,113	11,430	1,317
International tobacco Core net sales excl. excise tax at constant rate *1*3*6*8	10,113	10,820	707
International tobacco EBITDA *1*7	3,336	3,880	544
International tobacco EBITDA at constant rate *1*6*7	3,336	3,670	334

(unit: USD million)

	Year2010
International tobacco Core net sales excl. excise tax	10,223
International tobacco Core net sales excl. excise tax at constant rate	10,223
International tobacco EBITDA	3,282
International tobacco EBITDA at constant rate	3,282

*1 International tobacco business: Year ended Dec.2009 and Year ending Dec.2010
*2 Excluding revenue from the imported tobacco, domestic duty free, the China Division and other peripheral businesses
*3 Excluding revenue from the distribution, leaf tobacco,contract manufacturing and other peripheral businesses
*4 EBITDA=operating income + depreciation and amortization*5
*5 Depreciation and amortization = depreciation of tangible fixed assets + amortization of intangible fixed assets + amortization of long-term prepaid expenses + amortization of goodwill
*6 Assuming the exchange rates for fiscal year ended March 2011 and year ending March 2012 remain the same.
*7 As the international tobacco business adopted IFRS in 2011 ahead of other business divisions, 2010 amounts have been restated to conform to IFRS and are presented on a like-for-like basis (unaudited information). (Affecting EBITDA, EBITDA at constant rates of exchange)
*8 2010 core net sales excluding tax have been reclassified to conform to current year basis, as certain amounts are now reflected as a reduction to core net sales excluding tax, with no impact on gross margin.

Major assumptions

(1) Japanese domestic tobacco business

(billions of cigarettes)

	FY 03/2011	FY 03/2012	Change
Sales volume	134.6	100.0 ～ 108.0	-34.6 ～ -26.6

*Excluding sales of domestic duty-free and China division

(2) International tobacco business

(billions of cigarettes, JPY, RUB, GBP, EUR, CHF, TWD)

	Year 2010	Year 2011	Change	
Total shipment volume*	428.4	428.0	-0.4	BNU
GFB shipment volume	249.8	257.0	7.2	BNU
JPY/USD rate	87.79	82.00	+7.1%	JPY
RUB/USD rate	30.36	28.50	+6.5%	RUB
GBP/USD rate	0.65	0.61	+6.6%	GBP
EUR/USD rate	0.75	0.70	+7.1%	EUR
CHF/USD rate	1.05	0.90	+16.7%	CHF
TWD/USD rate	31.73	28.70	+10.6%	TWD

*Total shipment includes cigars, pipe tobacco and snus, but does not include private label and contract manufacturing products.

Goodwill amortization relating to major acquisitions

International tobacco business (unit: USD million)

	Year 2010	Year 2011	Change
Former RJRI and Gallaher	916	930	20

* Termination of goodwill amortization: Former RJRI Apr-19, Former Gallaher Mar-27
Goodwill includes Former RJRI, Former Gallaher and others.

Trademark rights amortization relating to major acquisitions

International tobacco business (unit: USD million)

	Year 2010	Year 2011	Change
Former RJRI and Gallaher	242	250	20

* Termination of trademark rights amortization: Former RJRI Apr-19, Former Gallaher Mar-27

Data of JT products in Japanese market

* 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 03/2009	42.0	40.8	40.7	36.2	159.9
FY 03/2010	39.0	39.5	38.8	34.3	151.8
FY 03/2011	35.9	50.6	20.3	27.7	134.6

2. Quarterly Retail Price Sales (billions of JPY)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	626.9	608.6	607.3	539.9	2,382.8
FY 03/2010	581.7	589.1	578.5	512.3	2,261.7
FY 03/2011	535.4	753.1	413.3	566.9	2,268.9

* Retail price sales = sales volume * fixed retail price.

3. Quarterly Net Sales Per Thousand Cigarettes (JPY)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	12,699	12,693	12,699	12,699	12,698
FY 03/2010	12,639	12,689	12,691	12,696	12,692
FY 03/2011	12,686	12,686	17,349	17,418	14,365

* Net sales per thousand cigarettes
= (retail price sales - retailer margins - consumption tax) / sales volume * 1,000

4. Quarterly Net Sales Excluding Excise Tax Per Thousand Cigarettes (JPY)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	4,056	4,054	4,060	4,058	4,057
FY 03/2010	4,056	4,055	4,057	4,058	4,056
FY 03/2011	4,054	4,052	5,539	5,533	4,582

* Net sales excluding excise tax per thousand cigarettes
= (retail price sales-retailer margins-consumption tax-excise taxes)/sales volume×1,000

5. Quarterly JT Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	64.9	64.9	65.2	65.2	65.1
FY 03/2010	65.1	64.8	65.0	64.8	64.9
FY 03/2011	64.5	65.1	62.7	62.6	64.1

Market Share in Growing Segments

1. 1mg Tar

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

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	14.5	14.5	14.9	14.9	14.7
FY 03/2010	14.9	14.8	15.2	15.6	15.1
FY 03/2011	15.7	15.2	15.2	15.4	15.4

(2) 1mg Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	23.2	23.0	23.5	23.7	23.3
FY 03/2010	23.9	23.8	24.1	24.5	24.1
FY 03/2011	24.7	23.7	24.0	24.3	24.2

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

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	62.4	63.0	63.3	62.8	62.9
FY 03/2010	62.3	62.2	63.0	63.8	62.8
FY 03/2011	63.6	64.1	63.3	63.5	63.7

2. Menthol

(1) JT Menthol Product Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	7.5	7.4	7.8	7.7	7.6
FY 03/2010	7.6	7.9	8.0	8.5	8.0
FY 03/2011	8.4	8.0	8.7	8.4	8.3

(2) Menthol Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	21.9	22.1	22.2	22.4	22.1
FY 03/2010	22.6	23.2	23.0	23.5	23.1
FY 03/2011	23.9	23.3	25.7	25.3	24.3

(3) JT Share in Menthol Segment (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	34.3	33.5	35.0	34.5	34.3
FY 03/2010	33.8	34.2	34.7	36.2	34.7
FY 03/2011	35.2	34.1	33.8	33.3	34.2

3. JPY 440 or above*

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

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	5.2	5.0	5.4	5.2	5.2
FY 03/2010	5.1	5.0	5.2	5.2	5.1
FY 03/2011	5.1	4.7	17.4	16.7	9.3

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

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	23.9	24.0	24.6	24.5	24.2
FY 03/2010	23.9	23.8	24.1	24.8	24.6
FY 03/2011	24.7	24.4	38.3	37.4	29.4

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

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	21.7	20.7	22.2	21.4	21.5
FY 03/2010	21.3	21.0	21.4	21.1	20.7
FY 03/2011	20.7	19.5	45.5	44.7	29.1

* JPY 320 or above, before Oct 2010

4. Quarterly D-spec Product Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2009	5.10	4.82	5.04	4.85	4.96
FY 03/2010	4.76	4.66	5.25	5.31	5.21
FY 03/2011	10.91	10.47	10.44	11.02	10.70

* Pianissimo and Premier have been sold as D-spec products since March 2006.
Bevel Flair have been sold as D-spec products since December 2006.
Caster have been sold as D-spec products since April 2010.

Japan Tobacco Inc. Clinical development (as of May 12, 2011)

Code	Stage*	Key Indication	Mechanism	Characteristics	Rights
JTT-705 (oral)	Phase 2 (Japan)	Dyslipidemia	CETP modulator	Decreases LDL and increases HDL by modulation of CETP activity -CETP: Cholesteryl Ester Transfer Protein, facilitates transfer of cholesteryl ester from HDL to LDL -HDL: High-density lipoprotein ("good cholesterol") -LDL: Low-density lipoprotein ("bad cholesterol")	Roche (Switzerland) obtained the rights to develop and commercialize the compound worldwide, with the exception of Japan. >Development stage by Roche: Phase 3
JTT-130 (oral)	Phase 2 (Japan) Phase 2 (Overseas)	Dyslipidemia	MTP inhibitor	Treatment of dyslipidemia by reducing absorption of cholesterol and triglycerides via inhibition of MTP -MTP: Microsomal Triglyceride Transfer Protein	
JTK-303 (oral)	Phase 1 (Japan)	HIV infection	Integrase inhibitor	Integrase inhibitor which works by blocking integrase, an enzyme that is involved in the replication of HIV -HIV: Human Immunodeficiency Virus	Gilead Sciences (U.S.) obtained the rights to develop and commercialize this compound worldwide, with the exception of Japan. >Development stage by Gilead Sciences: Phase 3
JTT-302 (oral)	Phase 2 (Overseas)	Dyslipidemia	CETP inhibitor	Decreases LDL and increases HDL by inhibition of CETP -CETP: Cholesteryl Ester Transfer Protein, facilitates transfer of cholesteryl ester from HDL to LDL -HDL: High-density lipoprotein ("good cholesterol") -LDL: Low-density lipoprotein ("bad cholesterol")	
JTT-305 (oral)	Phase 2 (Japan)	Osteoporosis	CaSR antagonist	Increases BMD and decreases new vertebral fractures by accelerating endogenous PTH secretion via antagonism of circulating Ca on CaSR in parathyroid cells -BMD: Bone Mineral Density -PTH: Parathyroid Hormone -CaSR: Calcium-Sensing Receptor	Merck (U.S.) obtained the rights to develop and commercialize this compound worldwide, with the exception of Japan.
JTS-653 (oral)	Phase 2 (Japan)	Pain Overactive bladder	TRPV1 antagonist	Improves pain and overactive bladder via antagonism of TRPV1 on sensory neurons - TRPV1: Transient Receptor Potential Vanilloid subtype 1	
JTK-656 (oral)	Phase 1 (Overseas)	HIV infection	Integrase inhibitor	Integrase inhibitor which works by blocking integrase, an enzyme that is involved in the replication of HIV - HIV: Human Immunodeficiency Virus	
JTT-751 (oral)	Phase 3 (Japan)	Hyperphosphatemia	Phosphate binder	Decreases serum phosphorous level by binding phosphate derived from dietary in the gastrointestinal tract	JT obtained the rights to develop and commercialize this compound in Japan from Keryx Biopharmaceuticals (U.S.) (Developed jointly with Torii)
JTK-853 (oral)	Phase 1 (Overseas)	Hepatitis C	HCV RNApolymerase inhibitor	Treatment of Hepatitis C by inhibiting HCV RNA- polymerase which relates to viral proliferation	
JTT-851 (oral)	Phase 1 (Japan)	Type 2 diabetes mellitus	G protein-coupled receptor 40 agonist	Decreases blood glucose by stimulation of glucose-dependent insulin secretion	

*Based on the first dose

Updates since the previous announcement on February 7, 2011: JTT-751 advanced from Phase2 to Phase3 clinical trial in Japan