[This is an English translation prepared for convenience of non-resident shareholders. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.]

July 30, 2009

Consolidated Financial Results for the Three Months Ended June 30, 2009

Name of the Listed Company: **JAPAN TOBACCO INC.** (Stock Code: 2914)
Listed Stock Exchanges: Tokyo, Osaka, Nagoya, Sapporo and Fukuoka Stock Exchanges
URL: http://www.jti.co.jp/
Representative: Hiroshi Kimura, President, Chief Executive Officer and Representative Director
Contact: Yuki Maeda, Vice President, Media & Investor Relations Division
Telephone: +81-3-3582-3111
Scheduled date to file Quarterly Securities Report: August 13, 2009
Scheduled starting date of the dividend payments: -

(Millions of yen with fractional amounts discarded, unless otherwise noted.)

1. Consolidated financial results for the three months of the fiscal year ending March 31, 2010 (from April 1, 2009 to June 30, 2009)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2009	1,463,121	(14.9)	84,273	(23.7)	78,814	8.6	42,869	153.5
June 30, 2008	1,719,819	-	110,447	-	72,551	-	16,910	-

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
June 30, 2009	4,474.90	4,474.44
June 30, 2008	1,765.17	1,765.09

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2009	3,940,033	1,743,545	42.5	174,606.49
March 31, 2009	3,879,803	1,624,288	40.0	162,087.74

Reference: Equity:
As of June 30, 2009: ¥1,672,744 million; As of March 31, 2009: ¥1,552,813 million

2. Cash dividends

	Cash dividends per share				
Record date	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	-	2,600.00	-	2,800.00	5,400.00
Year ending March 31, 2010	-				
Year ending March 31, 2010 (Forecast)		2,800.00	-	2,800.00	5,600.00

Note: Revision of the forecasts in the current quarter: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2010 (from April 1, 2009 to March 31, 2010)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2009	-	-	-	-	-	-	-	-	-
Year ending March 31, 2010	6,000,000	(12.2)	244,000	(32.9)	227,000	(26.2)	100,000	(19.0)	10,438.33

Note: Revision of the forecasts in the current quarter: None

Note: Consolidated earnings forecasts for the six months ending September 30, 2009 is not computed, thus there is no applicable figures.

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

(2) Application of simplified accounting and special accounting for preparing the consolidated quarterly financial statements: Applicable

Note: For more details, please refer to the section of "4. Others (2) Application of simplified accounting and special accounting for preparing the consolidated quarterly financial statements" of on page 7.

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the consolidated quarterly financial statements (changes described in the section of "Changes in significant preparation policy of consolidated financial statements")

a. Changes due to revisions to accounting standards and other regulations: None

b. Changes due to other reasons: None

(4) Number of issued shares (common stock)

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

As of June 30, 2009	10,000,000 shares
As of March 31, 2009	10,000,000 shares

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

As of June 30, 2009	419,920 shares
As of March 31, 2009	419,920 shares

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

Three months ended June 30, 2009	9,580,080 shares
Three months ended June 30, 2008	9,580,080 shares

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to "Caution concerning forward-looking statements" on page 8 and in the "Overview of Consolidated Financial Results for the FY ended June 30, 2009" for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use of earnings forecasts.

Qualitative Information and Financial Statements

1. Qualitative information regarding consolidated financial results

a. General summary

Operation during the three months (April 1, 2009 to June 30, 2009)

The global economy during the three months ended June 30, 2009 further deteriorated in the vicious cycle spawned by the financial crisis and worsening real economy. The Japanese economy also continued on a stringent path as corporate earnings declined and the employment situation deteriorated, despite partial improvements witnessed in exports and production.

Under these circumstances, the JT Group is effecting measures under our medium-term management plan “JT-11” established in April 2009 towards making of sustainable growth possible for the future by effecting future-oriented investments and constant operational improvements.

The closing date of the first quarter accounting period of the consolidated subsidiaries allocated to the international tobacco business segment is March 31, and their financial results used for the consolidated first quarter results are for the three months from January 1 to March 31, 2009.

Net sales

Net sales declined by ¥256.6 billion, or 14.9%, from the same period of the previous fiscal year to ¥1.4631 trillion. Major factors were a decline in the sales volume as a result of a fall in overall demand on the domestic tobacco business and a negative impact from currency exchange in the international tobacco business.

	Three months ended June 2008	Three months ended June 2009	Change	
	Billions of yen	Billions of yen	Billions of yen	%
Consolidated	1,719.8	1,463.1	(256.6)	(14.9)
Domestic tobacco business	842.6	779.7	(62.8)	(7.5)
International tobacco business	743.3	568.3	(175.0)	(23.5)
Pharmaceutical business	16.1	11.1	(4.9)	(31.0)
Foods business	112.6	98.8	(13.7)	(12.2)
Other business	5.0	4.9	(0.03)	(0.6)

* Net sales figures represent external net sales.

Operating income

Operating income fell by ¥26.1 billion, or 23.7%, from the same period of the previous fiscal year to ¥84.2 billion. This was due to the decrease in net sales despite lower amortization expenses following the completion of the amortization of some trademark rights in the domestic tobacco business.

	Three months ended June 2008	Three months ended June 2009	Change	
	Billions of yen	Billions of yen	Billions of yen	%
Consolidated	110.4	84.2	(26.1)	(23.7)
Domestic tobacco business	55.8	54.6	(1.2)	(2.2)
International tobacco business	52.2	33.3	(18.8)	(36.1)
Pharmaceutical business	2.1	(3.2)	(5.4)	-
Foods business	(2.7)	(3.6)	(0.9)	-
Other business	2.5	2.9	0.4	16.0
Elimination/corporate	0.4	0.3		

Ordinary income

Ordinary income increased by ¥6.2 billion, or 8.6%, from the same period of the previous fiscal year to ¥78.8 billion due to a decrease of interest expenses and a great improvement in foreign exchange gain/loss.

Net income

Net income increased by ¥25.9 billion, or 153.5%, from the same period of the previous fiscal year to ¥42.8 billion. Major factors were an increase in the gain on sales of noncurrent assets and the absence of losses related to the demolition of company-owned residences for employees as well as introduction costs for vending machines with adult identification functions during the same period of the previous fiscal year.

b. Review of operations by business segment

Domestic tobacco business

The domestic tobacco business is positioned as the core source of profits for the JT Group. The domestic tobacco business faces an increasingly tough business environment as total tobacco demand in Japan continues to decline and competition with other tobacco manufacturers intensifies. In an effort to secure our competitive advantages over competitors, we are building a strong brand portfolio and working tirelessly to enhance our added-value and quality for the maximization of customer satisfaction as well as build a highly cost efficient business framework.

During the three months, we endeavored to enhance the value of our brands by introducing new products as well as by strengthening existing brands, mainly in the Mild Seven family, which is our core brand. These endeavors included the nationwide release of Mild Seven 100’s Box and Mild Seven Light 100’s Box. Also released nationwide was Cabin Roast Blend 100’s Box, which had been released in limited regions.

Furthermore, thanks to a completely new charcoal filter made using new technology, the Seven Stars Black Charcoal Menthol Box, a new product with extremely sharp, strong menthol taste, will be released nationwide in the beginning of August 2009.

The sales volume of cigarettes for the domestic tobacco business during the three months decreased by 3.0 billion cigarettes, or 7.2%, from the same period of the previous fiscal year to 39.0 billion cigarettes [Note] due to an overall decline in demand and absence of the increase in sales volume to convenience stores during the same period of the previous fiscal year when vending machines with adult identification functions were introduced. However, our market share rose to 65.1%, or by 0.2 point, and net sales per 1,000 cigarettes (tax excluded) was ¥4,056, as a result of the active sales promotion activities and the introduction of new products.

Consequently, net sales for our domestic tobacco business in three months declined by ¥62.8 billion, or 7.5%, from the same period of the previous fiscal year to ¥779.7 billion due to a decrease in sales volume. Operating income fell by ¥1.2 billion, or 2.2%, to ¥54.6 billion, due to a decrease in net sales despite lower amortization expenses following the completion of the amortization of some trademark rights.

(Note) In addition to the figure stated above, during the three months, the domestic tobacco business also sold 0.9 billion cigarettes at duty-free shops in Japan, as well as at markets in China, Hong Kong and Macao, markets that are under the control of JT's China Division.

International tobacco business

The international tobacco business is further continuing its role as the profit growth engine for the JT Group. We will concentrate our resources on the GFB (Note 1) and increase margin rates by improving unit prices, etc. in our quest to actively explore opportunities for top-line growth.

The sales volume of the GFB in the three months increased by 1.5 billion cigarettes, or 2.6%, from the same period of the previous fiscal year to 57.1 billion cigarettes. This was mainly due to the steady sales growth of Winston in Turkey, Russia, France, Italy and Spain; Camel in Italy; and Mild Seven in Korea and Taiwan. However, the volume of our international tobacco business's cigarette sales including GFB decreased by 1.4 billion cigarettes, or 1.4%, from the same period of the previous fiscal year to 100.9 billion cigarettes (Note 2) due to the temporary suspension of shipments to the Middle East and the replacement of a license agreement with outsourced manufacturing in the Philippines.

Consequently, net sales for our international tobacco business in the three months declined by ¥175.0 billion, or 23.5%, from the same period of the previous fiscal year to ¥568.3 billion and operating income fell by ¥18.8 billion, or 36.1%, to ¥33.3 billion, as a result of the devaluation of the currencies of major markets against the U.S. dollar, which is used by the subsidiary which consolidates the accounts of the subsidiaries in the international tobacco business, compared to the same period in the previous fiscal year, compounded by the effects of a high yen when making conversions to that currency.

(Note 1) We have identified eight brands which serve as flagships of the brand portfolio, Winston, Camel, Mild Seven, Benson & Hedges, Silk Cut, LD, Sobranie and Glamour, which we collectively call the Global Flagship Brands (GFB).

(Note 2) From the current fiscal year, the sales volume of the international tobacco business's cigarette sales includes the sales volume of cigars, pipes and snus. For the three months, the sales volume of cigars, pipes and snus was 0.1 billion. Also, the sales volume of private label products, mainly for the German market and previously included in the sales volume of the international tobacco business's cigarette sales, was excluded from the current fiscal year. The sales volume of private label products was 1.2 billion for the three months.

* The foreign exchange rate in the three months was ¥93.76 per U.S. dollar, compared with ¥105.25 per U.S. dollar in the same period of the previous fiscal year.

Pharmaceutical business

In the pharmaceutical business, we continue to build a globally successful, R&D-driven business with unique features and strive to secure a market presence with original new drugs by increasing and advancing compounds in a late phase of clinical trial and enhancing the research and development pipeline. The number of compounds developed in-house that are under clinical development is now nine.

Also, we will continue to explore strategic opportunities for outlicensing and inlicensing and strengthen alliances with business partners so that we can realize the value of the pharmaceutical business at an early date.

Regarding the business performance by our subsidiary Torii Pharmaceutical Co., Ltd. ("Torii"), despite the decline in sales of FUTHAN for injection use, a protease inhibitor, in March 2009, Torii began selling REMITCH CAPSULES, an oral antiprutitus drug for hemodialysis patients, and enjoyed growth in sales for Truvada Tablets, an anti-HIV drug, and Serotone, an agent used for the treatment of emesis, leading to an increase in sales.

Consequently, net sales for our pharmaceutical business declined by ¥4.9 billion, or 31.0%, from the same period of the previous fiscal year to ¥11.1 billion and operating loss was ¥3.2 billion, compared with an operating income of ¥2.1 billion in the same period of the previous fiscal year. This is mainly due to the lack of any milestone revenue such as that which was recorded during the same period of the previous fiscal year related to the progress made in the development of anti-dyslipidemia compound JTT-705, licensed to Roche in October 2004, despite the increase in sales from Torii.

Foods business

The foods business is focusing on three areas: beverages, processed foods and seasonings. We promote efforts to achieve the highest level of safety control and to further strengthen the business foundation for future growth.

In the beverage sector, we are further strengthening our flagship Roots brand and expanding our sales channels, mainly through our subsidiary, Japan Beverage Inc., a vending machine operator, steadily expanding our business through these measures and promoting efforts to bolster our earning capabilities.

Regarding the processed foods and seasonings sectors, we are working to expand the business volume and establish a strong business foundation by propping up each value chain function within the Katokichi Group.

Also, a change in company name is planned for our subsidiary, Katokichi Co., Ltd., during the fiscal year ending March 31, 2010.

Consequently, net sales for our foods business declined by ¥13.7 billion, or 12.2%, from the same period of the previous fiscal year to ¥98.8 billion due to our withdrawal from chilled processed foods and the exclusion from the scope of consolidation of some subsidiaries despite strong results in the beverage sector. Concerning profits, the foods business had an operating loss of ¥3.6 billion, down ¥0.9 billion compared with an operating loss of ¥2.7 billion in the same period of the previous fiscal year, because of the impact of amortization of goodwill following the additional purchase of shares of the subsidiary Green Foods Co., Ltd. by Katokichi Co., Ltd. in June 2009.

Other business

Net sales for our other business declined by ¥0.03 billion, or 0.6%, from the same period of the previous fiscal year to ¥4.9 billion and operating income increased by ¥0.4 billion, or 16.0%, to ¥2.9 billion.

2. Qualitative information regarding consolidated financial position

Cash and cash equivalents at the end of the three months stood at ¥118.6 billion, representing a ¥48.5 billion decrease from the end of the previous fiscal year-end.(Net cash at the end of three-month period of the previous year was the ¥21.6 billion.)

Cash provided by operating activities

Cash provided by operating activities during the three months was ¥32.9 billion, compared with ¥31.8 billion used in the same period of the previous fiscal year, mostly due to payment of income taxes and bonuses, etc. offsetting income before income taxes and minority interests amounting to ¥83.6 billion mostly attributable to the generation of a stable flow of cash from the tobacco business.

Cash used in investing activities

Cash used in investing activities during the three months was ¥13.0 billion, compared with ¥25.6 billion used in the same period of the previous fiscal year, due to the purchase of property, plant and equipment despite proceeds from sales of abandoned company residential buildings.

Cash used in financing activities

Cash used in financing activities during the three months was ¥74.7 billion, compared with ¥102.4 billion provided in the same period of the previous fiscal year. The main factors were the cash used for issuance and redemption of bonds and the payment of cash dividends.

3. Qualitative information regarding consolidated earnings forecasts

Regarding the full-year consolidated earnings forecasts, no changes have been made to the forecasts announced on April 30, 2009.

JT does not calculate six months cumulative consolidated earnings forecasts, therefore, those forecasts are omitted here.

4. Others

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

No items to report.

(2) Application of simplified accounting and special accounting for preparing the consolidated quarterly financial statements

Tax expenses are computed by: using rational means to obtain an estimate of the effective tax rate after tax effect accounting has been applied to income before income taxes and minority interests of the consolidated fiscal year including the current first quarter; and then by multiplying income before income taxes and minority interests by the aforesaid estimated effective tax rate.

Income taxes-deferred is included in “income taxes.”

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the consolidated quarterly financial statements

No items to report.

(Caution concerning forward-looking statements)

This material contains forward-looking statements about our industry, business, plans and objectives financial conditions and results of operations based on current expectations, assumptions, estimates and projections. These statements reflect future expectations, identify strategies, discuss market trends, contain projections of operational results and financial conditions, and 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 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 related to the use of tobacco products;
(2) legal or regulatory developments and changes; including, without limitation on sales, marketing and use of tobacco products, 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 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.

5. Consolidated financial statements
(1) Consolidated balance sheets

(Millions of yen)

	As of June 30, 2009	As of March 31, 2009 (Summary)
Assets		
Current assets		
Cash and deposits	113,745	164,957
Notes and accounts receivable-trade	283,753	290,068
Short-term investment securities	8,838	4,910
Merchandise and finished goods	139,550	122,970
Semi-finished goods	107,775	119,290
Work in process	7,776	6,561
Raw materials and supplies	229,578	215,334
Other	216,949	174,751
Allowance for doubtful accounts	(3,349)	(3,162)
Total current assets	1,104,619	1,095,682
Noncurrent assets		
Property, plant and equipment	663,349	668,742
Intangible assets		
Goodwill	1,539,748	1,453,961
Right of trademark	356,499	347,372
Other	29,462	30,509
Total intangible assets	1,925,710	1,831,843
Investments and other assets		
Investment securities	92,338	90,230
Other	196,755	234,999
Allowance for doubtful accounts	(42,739)	(41,695)
Total investments and other assets	246,354	283,534
Total noncurrent assets	2,835,414	2,784,121
Total assets	3,940,033	3,879,803
Liabilities		
Current liabilities		
Notes and accounts payable-trade	150,496	158,544
Short-term loans payable	136,375	113,231
Current portion of bonds	42,901	190,363
Current portion of long-term loans payable	25,763	26,380
National tobacco excise tax payable	200,642	172,986
National tobacco special excise tax payable	10,686	10,470
Local tobacco excise tax payable	87,879	85,541
Income taxes payable	41,498	51,777
Provision	24,268	39,172
Other	234,211	244,936
Total current liabilities	954,724	1,093,403

(Millions of yen)

	As of June 30, 2009	As of March 31, 2009 (Summary)
Noncurrent liabilities		
Bonds payable	454,076	349,794
Long-term loans payable	296,883	299,563
Provision for retirement benefits	259,781	259,145
Other provision	1,305	1,318
Other	229,715	252,289
Total noncurrent liabilities	1,241,763	1,162,111
Total liabilities	2,196,487	2,255,514
Net assets		
Shareholders' equity		
Capital stock	100,000	100,000
Capital surplus	736,400	736,400
Retained earnings	1,241,034	1,224,989
Treasury stock	(74,578)	(74,578)
Total shareholders' equity	2,002,856	1,986,810
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,587	8,437
Deferred gains or losses on hedges	12	92
Pension liability adjustment of foreign consolidated subsidiaries	(20,188)	(18,965)
Foreign currency translation adjustment	(320,523)	(423,561)
Total valuation and translation adjustments	(330,112)	(433,997)
Subscription rights to shares	404	364
Minority interests	70,397	71,109
Total net assets	1,743,545	1,624,288
Total liabilities and net assets	3,940,033	3,879,803

(2) Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Net sales	1,719,819	1,463,121
Cost of sales	1,394,538	1,185,876
Gross profit	325,280	277,244
Selling, general and administrative expenses	214,833	192,970
Operating income	110,447	84,273
Non-operating income		
Interest income	2,008	1,472
Dividends income	1,386	1,181
Foreign exchange gains	-	1,055
Other	3,037	1,759
Total non-operating income	6,433	5,469
Non-operating expenses		
Interest expenses	11,384	8,194
Foreign exchange losses	29,771	-
Financial support for domestic leaf tobacco growers	39	73
Other	3,133	2,659
Total non-operating expenses	44,329	10,928
Ordinary income	72,551	78,814
Extraordinary income		
Gain on sales of noncurrent assets	678	9,117
Lump sum income from phasing out trade agreement	600	-
Other	77	1,125
Total extraordinary income	1,355	10,243
Extraordinary loss		
Loss on sales of noncurrent assets	121	1,601
Loss on retirement of noncurrent assets	4,998	1,187
Impairment loss	10,480	229
Loss on liquidation of business	-	1,335
Introduction costs for vending machines with adult identification functions	7,786	-
Other	1,353	1,088
Total extraordinary losses	24,740	5,443
Income before income taxes and minority interests	49,166	83,614
Income taxes	30,509	39,292
Minority interests in income	1,745	1,452
Net income	16,910	42,869

(3) Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	49,166	83,614
Depreciation and amortization	43,379	33,256
Impairment loss	10,480	229
Loss (gain) on sales and retirement of noncurrent assets	(214)	(6,982)
Amortization of goodwill	26,783	24,975
Increase (decrease) in provision for retirement benefits	2,953	(3,075)
Interest and dividends income	(3,395)	(2,653)
Interest expenses	11,384	8,194
Decrease (increase) in notes and accounts receivable-trade	(19,075)	9,907
Decrease (increase) in inventories	(63,416)	(26,363)
Increase (decrease) in notes and accounts payable-trade	(2,326)	(7,392)
Increase (decrease) in accounts payable-other	(28,774)	(6,245)
Increase (decrease) in tobacco excise taxes payable	68,572	21,663
Other, net	(57,518)	(54,173)
Subtotal	37,997	74,954
Interest and dividends income received	3,086	2,936
Interest expenses paid	(10,774)	(7,966)
Income taxes paid	(62,117)	(36,980)
Net cash provided by (used in) operating activities	(31,808)	32,943
Net cash provided by (used in) investing activities		
Proceeds from sales and redemption of securities	1,794	903
Purchase of property, plant and equipment	(17,889)	(25,162)
Proceeds from sales of property, plant and equipment	1,193	12,539
Purchase of intangible assets	(1,834)	(765)
Purchase of investments in subsidiaries	(7,644)	(979)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(3,061)	-
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(14)	-
Other, net	1,843	390
Net cash provided by (used in) investing activities	(25,612)	(13,074)

(Millions of yen)

	Three months ended June 30, 2008	Three months ended June 30, 2009
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	63,606	22,970
Proceeds from long-term loans payable	334,621	315
Repayment of long-term loans payable	(270,625)	(17,263)
Proceeds from issuance of bonds	-	99,804
Redemption of bonds	-	(150,000)
Cash dividends paid	(24,546)	(26,454)
Cash dividends paid to minority shareholders	(786)	(2,446)
Repayments of finance lease obligations	-	(1,650)
Other, net	166	-
Net cash provided by (used in) financing activities	102,436	(74,726)
Effect of exchange rate change on cash and cash equivalents	(43,742)	6,268
Net increase (decrease) in cash and cash equivalents	1,273	(48,589)
Cash and cash equivalents at beginning of period	215,008	167,257
Cash and cash equivalents at end of period	216,281	118,668

(4) Notes on premise of going concern

No items to report.

(5) Segment information

[Operations by industry segment]

Three months ended June 30, 2008 (From April 1, 2008 to June 30, 2008)

(Millions of yen)

	Domestic tobacco	International tobacco	Pharmaceuticals	Foods	Others	Total	Elimination and corporate	Consolidated total
Net sales								
(1) Sales to customers	842,661	743,349	16,137	112,654	5,016	1,719,819	-	1,719,819
(2) Intersegment sales or transfers	12,507	8,269	-	41	3,383	24,202	(24,202)	-
Total	855,168	751,619	16,137	112,695	8,399	1,744,021	(24,202)	1,719,819
Operating income (loss)	55,829	52,246	2,190	(2,752)	2,501	110,015	431	110,447

Three months ended June 30, 2009 (From April 1, 2009 to June 30, 2009)

(Millions of yen)

	Domestic tobacco	International tobacco	Pharmaceuticals	Foods	Others	Total	Elimination and corporate	Consolidated total
Net sales								
(1) Sales to customers	779,769	568,334	11,142	98,889	4,985	1,463,121	-	1,463,121
(2) Intersegment sales or transfers	14,737	8,816	-	36	2,694	26,284	(26,284)	-
Total	794,506	577,151	11,142	98,925	7,680	1,489,405	(26,284)	1,463,121
Operating income (loss)	54,617	33,395	(3,269)	(3,695)	2,901	83,949	324	84,273

Notes: 1. Operations by industry segment are categorized based on, among others, types of products, characteristics and markets.

2. Main products or services under each category are as follows:

   a. Domestic tobacco: Tobacco products (These include tobacco products sold at duty-free shops in Japan, as well as at markets in China, Hong Kong and Macao, markets that are under the control of JT's China Division.)

   b. International tobacco: Tobacco products elsewhere

   c. Pharmaceuticals: Prescription drugs

   d. Foods: Beverages and processed foods

   e. Others: Rent of real estate, leasing and others

3. The following tables show depreciation and amortization and amortization of goodwill amounts by industry segment which are included in operating expenses.

Depreciation and amortization (Property, plant and equipment/Intangible assets other than goodwill/ Long-term prepaid expenses) (Millions of yen)

	Domestic tobacco	International tobacco	Pharmaceuticals	Foods	Others	Total	Elimination and corporate	Consolidated total
Three months ended June 30, 2008	19,474	18,604	877	1,941	2,654	43,553	(174)	43,379
Three months ended June 30, 2009	14,711	13,207	928	4,163	362	33,372	(116)	33,256

Amortization of goodwill (Millions of yen)

	Domestic tobacco	International tobacco	Pharmaceuticals	Foods	Others	Consolidated total
Three months ended June 30, 2008	272	23,854	-	2,657	-	26,783
Three months ended June 30, 2009	272	21,318	-	3,393	-	24,983

4. The domestic tobacco segment includes the sales by TS Network Co., Ltd., JT's consolidated subsidiary. TS Network Co., Ltd. distributes domestic tobacco products and sells imported tobacco products by wholesale. Net sales of imported tobacco products via TS Network Co., Ltd. were as follows.

   (Three months ended June 30, 2008) ¥300,068 million

   (Three months ended June 30, 2009) ¥276,767 million

5. With respect to the international tobacco segment, as the closing date of the accounting period of international consolidated subsidiaries is set on December 31, operating results from January 1, 2008 to March 31, 2008 have been included in the three months ended June 30, 2008 and those from January 1, 2009 to March 31, 2009 have been included in the three months ended June 30, 2009.
6. Changes in accounting policies

   (Three months ended June 30, 2008)

   Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

   Effective from April 1, 2008, JT applied the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18, May 17, 2006). As a result of this change, the operating income for the international tobacco segment decreased by ¥23,854 million as compared to the case where the previous method was adopted.

(6) Notes on significant changes in the amount of shareholders' equity

No items to report.