

April 14, 2014

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Notice Concerning Amendments to Earnings Forecasts of JT's Subsidiary

Japan Tobacco Inc. (JT) today announced that Torii Pharmaceutical Co., Ltd., a consolidated subsidiary of JT, amended the full-year earnings forecasts for the March 2014 term (April 1, 2013 through March 31, 2014) as the attached sheet.

The effects of this amendment on JT's consolidated financial results will be immaterial.

(Attachment)

Attached sheet: "Torii Amends Full-Year Earnings Forecasts for Fiscal Year ended March 31, 2014" (a material released by Torii Pharmaceutical Co., Ltd. as of April 14, 2014)

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April 14, 2014

Torii Pharmaceutical Co., Ltd.

Torii Amends Full-Year Earnings Forecasts for Fiscal Year ended March 31, 2014

In consideration of the recent trend in earnings and other factors, Torii Pharmaceutical, Co., Ltd. ("Torii") has amended its full-year earnings forecasts for the fiscal year ended March 31, 2014, which were announced on October 31, 2013, as described below.

1. Amendments to Full-Year Earnings Forecasts for Fiscal Year Ended March 31, 2014 (April 1, 2013, through March 31, 2014)

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
Previous forecasts (A)	55,500	3,100	3,300	1,900	67.14
New forecasts (B)	58,100	4,980	5,120	3,350	118.37
Amount changed (B-A)	2,600	1,880	1,820	1,450	
Rate of change (%)	4.7	60.6	55.2	76.3	
(Reference) Previous fiscal year actual results (fiscal year ended March 31, 2013)	52,294	2,794	2,952	1,849	65.36

2. Reasons for Amendments

The sales of two of Torii's core products, REMITCH® CAPSULES, an oral antipruritus drug for hemodialysis patients, and Truvada® Tablets, an anti-HIV drug, received greater-than-expected boosts from a temporary increase in demand in advance of the consumption tax hike in April 2014. Because of this and other factors, net sales is expected be higher than the previously announced forecast figure. Furthermore, on the cost front, R&D expenses were lower than expected. As a result, operating income, ordinary income and net income are also expected to be higher than the previously announced forecast figures.

(Reference) Although drug prices were revised in April 2014, REMITCH® CAPSULES and Truvada® Tablets are granted premium for promotion of new drug creation and resolution of unapproved drugs/indications. As a result, their prices were not in substance affected by price reductions made in the drug price revision, while their prices have increased in line with the consumption tax hike.

* The above-mentioned earnings forecasts are based on information available to Torii as of the date of this announcement. Actual business results may differ from the forecast figures herein.