

# CEO statement



This year marks the 15th anniversary of JTI, our international tobacco business, and the beginning of our shift from a primarily Japan-focused company to a global business. Since then, we have plotted a course of steady growth, navigating our way through turbulent economic times, with stricter regulations and harsher competition. Today, the JT Group is one of the leading tobacco companies in the world, with offices and factories in over 70 countries, and distinctive pharmaceutical, beverage and processed food businesses.

In the fiscal year 2013, we achieved another set of sound financial results, and at the same time reconfirmed our commitment to being a responsible corporate citizen. The “4S” model, our management principle, guides our approach to business, outlining the requirement to balance the interests of consumers, shareholders, employees, and wider society, while fulfilling our responsibilities towards them and aiming to exceed their expectations. I am convinced that following the “4S” model will not only support our mid- to long-term growth, but also support our contribution to the sustainability of society.

During the year, we strengthened our commitment to sustainability by appointing an Executive Officer with dedicated responsibility for our corporate social responsibility (CSR). In our international tobacco business, we also created a new CSR department to deliver our sustainability drive. I expect these organizational changes to strengthen our sustainability performance in the coming years.

We continue to seize opportunities and tackle challenges both within and outside our direct operations. In our supply chain, we work with thousands of small-scale tobacco farmers who face complex challenges such as child labor and deforestation, which are often linked to wider issues of poverty and development. We aim to exert a positive influence within our tobacco farming communities to help address these issues as they can directly and indirectly affect our own operations.

In our own operations, we established our long-term commitment to environmental management through a new Long-term Environmental Plan to 2020. The Plan focuses on our most important environmental issues: climate change, waste, water, and biodiversity.

This report also reflects a growing commitment to communicating our sustainability performance, and in the coming years we will report in accordance with the Global Reporting Initiative (GRI), the global standard for sustainability reporting.

These examples reflect only a fraction of our initiatives within the JT Group. In carrying out these initiatives, we recognize the need to embrace change and to remain innovative in order to meet our combined business and sustainability goals. We still have a long way to go, but I assure you that we are committed to further improvement and to meeting stakeholders’ expectations.



**Mitsuomi Koizumi**  
President and Chief Executive Officer  
Japan Tobacco Inc.