

[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.]

[Cover]

Document to be filed:	Securities Registration Statement
Filing to:	Director-General of the Kanto Local Finance Bureau
Date of filing:	April 28, 2022
Company name (Japanese):	日本たばこ産業株式会社 (<i>Nihon Tabako Sangyo Kabushiki-Kaisha</i>)
Company name (English):	JAPAN TOBACCO INC.
Title and name of representative:	Masamichi Terabatake, Representative Director and President, Chief Executive Officer
Location of head office:	1-1, Toranomon 4-chome, Minato-ku, Tokyo, Japan
Telephone number:	+81-3-6636-2914 (Main)
Contact person:	Hiroyuki Fukuda, Senior Vice President, Corporate Communications
Place of contact:	1-1, Toranomon 4-chome, Minato-ku, Tokyo, Japan
Telephone number:	+81-3-6636-2914 (Main)
Contact person:	Hiroyuki Fukuda, Senior Vice President, Corporate Communications
Type of securities to be offered:	Stock
Total amount of the offering:	Allotments to other persons ¥ 459,602,300
Items regarding stabilizing transactions:	No items to report
Places where the document is available for public inspection:	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo)

A. INFORMATION CONCERNING SECURITIES

I. Terms and Conditions of Offering for Subscription

1. New issuance of shares

Class	Number	Description
Ordinary shares	210,200 shares	Shares with full voting rights and no particular restrictions on the rights of shareholders Number of shares per trading unit: 100

Notes: 1. Objective and rationale for offering

Japan Tobacco Inc. (hereinafter, the “Company”) received approval, at the 35th Ordinary General Meeting of Shareholders held on March 19, 2020, to introduce Restricted Stock Remuneration Plan (hereinafter, the “Plan”) for Members of the Board who also serve as Executive Officers, with the objective to strengthen the efforts to enhance the mid- to long-term company value and to further promote the shared value between Members of the Board who also serve as Executive Officers and all the shareholders. Based on the Plan, this offering is conducted in accordance with a resolution taken at a meeting of the Company’s Board of Directors on April 28, 2022. The disposal of the ordinary shares of the Company covered by this Securities Registration Statement shall be performed in accordance with the Plan, with all the monetary remuneration claims paid as restricted stock remuneration, to four Members of the Board who also serve as Executive Officers and 17 Executive Officers (hereinafter, “beneficiaries”) in relation to the 38th business year, paid in as contributions in kind by the beneficiaries. In addition, the Company intends to enter into restricted stock allotment agreements with the beneficiaries that include the terms and conditions summarized below. For this reason, the ordinary shares of the Company that are covered by this Securities Registration Statement correspond to Designated Restricted Stock pursuant to Article 54, paragraph 1 of the Corporation Tax Act and Article 84 paragraph 1 of the Order for Enforcement of the Income Tax Act.

(i) Transfer restriction period and conditions

May 24, 2022 to May 23, 2052

During the above transfer restriction period (hereinafter, the “Restriction Period”), restrictions will be applied on the allotted shares (hereinafter, the “Allotted Shares”), so that each beneficiary is prohibited to transfer the Allotted Shares, pledge them, mortgage them, or use any arrangement to dispose them. The restrictions described in the preceding sentence will hereinafter be collectively referred to as the “Transfer Restrictions.”

(ii) Removal of transfer restrictions

In case any beneficiary retires due to expiration of the term or resigns due to reasons deemed reasonable by the Company’s Board of Directors, from a position as Member of the Board, Audit & Supervisory Board Member or Executive Officer, during the transfer Restriction Period, the Transfer Restrictions will be removed on all the Allotted Shares. Transfer Restrictions will also be removed if the beneficiary dies during the transfer Restriction Period.

(iii) Acquisition of Allotted Shares by company without any compensation

Allotted Shares will be revoked by the Company if a beneficiary violates any laws and regulations or any other event determined by the Company’s Board of Directors during the Restriction Period, the Company retains the right to acquire all or part of the Allotted Shares without any compensation.

(iv) Conditions for management of shares

The beneficiary will deposit and maintain the Allotted Shares with SMBC Nikko Securities Co., Ltd., by opening an account to register and record the Allotted Shares until the Transfer Restrictions are lifted in the manner designated by the Company.

(v) Treatment in the case of restructuring of the Company

During the transfer Restriction Period, if the Company becomes defunct due to merger or organization restructuring, the Transfer Restrictions for Allotted Shares will be lifted following the resolution of the Company’s Board of Directors before the effective date of such restructuring.

2. The offering that is the subject of this Securities Registration Statement will be conducted, pursuant to Article 199, paragraph 1 of the Companies Act (Act No.86 of 2005), by the disposal of treasury shares held by the Company (hereinafter, the “Disposal of Treasury Shares”), and will consist of offers to sell or the solicitation of offers to buy pursuant to Article 9, item 1 of the Cabinet Office Order on Definitions under Article 2 of the Financial Instruments and Exchange Act.
3. Name and address of book-entry transfer institution
Name: Japan Securities Depository Center, Incorporated
Address: 7-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo

2. Method and conditions of offering

(1) Method of offering

Category	Number of shares issued	Total issued value (yen)	Total value of additional paid-in capital (yen)
Shareholder allotment	—	—	—
Allotments to other persons	210,200	459,602,300	—
General offering	—	—	—
Total (total number of shares issued)	210,200	459,602,300	—

- Notes:
1. Based on the Plan described in I. Terms and Conditions of Offering for Subscription, 1. New issuance of shares, Note 1. Objective and rationale for offering, this will be accomplished by allotting Designated Restricted Stock to Members of the Board who also serve as Executive Officers of the Company.
 2. The total issued value shall be the total paid-in amount under the Companies Act in relation to the Disposal of Treasury Shares. Also, because the offering that is the subject of the Securities Registration Statement will be performed through the disposal of treasury shares, the paid-in amount will not be incorporated into capital.
 3. The assets intended for contributions in kind are the monetary remuneration claims paid as restricted stock remuneration based on the Plan, the details of which are as follows.

	Number of shares allotted (shares)	Paid-in amount (yen)	Description
Members of the Board who also serve as Executive Officers: 4 people	88,600	193,723,900	1 business year's worth (38th business year)
Executive Officers: 17 people	121,600	265,878,400	1 business year's worth (38th business year)

(2) Conditions of offering

Issue price (yen)	Additional paid-in capital (yen)	Application share trading units	Application date	Deposit for subscription (yen)	Payment date
2,186.5	—	100 shares	May 16, 2022	—	May 24, 2022

- Notes:
1. Based on the Plan described in I. Terms and Conditions of Offering for Subscription, 1. New issuance of shares, Note 1. Objective and rationale for offering, this will be accomplished by allotting Designated Restricted Stock to Members of the Board who also serve as Executive Officers of the Company, and a general offering will not be conducted.
 2. The issue price shall be the paid-in amount under the Companies Act in relation to the Disposal of Treasury Shares. Also, because the offering that is the subject of the Securities Registration Statement will be performed through the disposal of treasury shares, the paid-in amount will not be incorporated into capital.
 3. In the event that a person to whom the above shares have been allotted does not apply, the right to receive the allotment in relation to said shares shall lapse.
 4. Because the Disposal of Treasury Shares shall be performed in accordance with the Plan, with the monetary remuneration claims paid as restricted stock remuneration to Members of the Board who also serve as Executive Officers and Executive Officers in relation to the 38th business year (January 1, 2022 - December 31, 2022), used as the investment asset for contributions in kind, there will be no paying-in using cash.

(3) Place of application

Name	Address
Media and Investor Relations Division, Japan Tobacco Inc.	1-1, Toranomom 4-chome, Minato-ku, Tokyo, Japan

(4) Office handling pay-in procedures

Name	Address
—	—

Note: Because the monetary remuneration claims paid as restricted stock remuneration are used as investment assets for contributions in kind, there are no such items.

3. Underwriting of the shares

No items to report

4. Use of net proceeds from the new issuance

(1) The amount of net proceeds from the new issuance of shares

Total paid-in amount (yen)	Estimated issuance cost (yen)	Estimated net proceeds (yen)
—	1,000,000	—

Notes: 1. This is conducted using assets other than cash for contributions in kind, so there is no paying in of cash.
2. The breakdown of estimated issuance cost consists of advisory fees related to introduction of the Restricted Stock Remuneration Plan, and so on.

(2) Use of net proceeds

The Disposal of Treasury Shares will be conducted using assets other than cash for contributions in kind, so there will be no proceeds.

II. Terms and Conditions of Offering for Sale

No items to report

III. Special Matters to Be Described in Case of Third-Party Allotment

No items to report

IV. Other Matters to Be Described

No items to report

B. INFORMATION ON TAKEOVER BIDS OR STOCK DELIVERY

I. Overview of Takeover Bids or Stock Delivery

No items to report

II. Integrated Financial Information

No items to report

III. Important Contracts Between the Issuer (and Related Persons) and the Beneficiaries (Important Contracts Between the Issuer (and Related Persons) and Stock Delivery Subsidiary)

No items to report

C. INFORMATION FOR REFERENCE

I. Documents for Reference

As for matters such as the outline of the Company and outline of business, etc. provided for in Article 5, paragraph 1, item 2 of the Financial Instruments and Exchange Act, please refer to the following documents.

1. Annual Securities Report and Appendices

Business year: 37th term (from January 1, 2021 to December 31, 2021): Filed to Director-General of Kanto Local Finance Bureau on March 23, 2022

2. Quarterly or Semiannual Securities Report

First quarter of 38th term (from January 1, 2022 to March 31, 2022): Filed to Director-General of Kanto Local Finance Bureau on April 28, 2022

3. Extraordinary Report

Between the filing date of the Annual Securities Report listed in “1” above and the filing date hereof (April 28, 2022), Extraordinary Report pursuant to Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act and Article 19, paragraph 2, item (ix-2) of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc. was filed to Director-General of Kanto Local Finance Bureau on March 24, 2022.

4. Extraordinary Report

Between the filing date of the Annual Securities Report listed in “1” above and the filing date hereof (April 28, 2022), Extraordinary Report pursuant to Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act and Article 19, paragraph 2, item (xii) of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc. was filed to Director-General of Kanto Local Finance Bureau on March 28, 2022.

II. Supplemental Information to the Documents for Reference

With regard to the matters described in “Business and other risks” in the Annual Securities Report and Quarterly Securities Reports listed as documents for reference (hereinafter, the “Annual Securities Report, etc.”), there have been no changes or other occurrence between the filing dates of the said Annual Securities Report, etc. and the filing date hereof (April 28, 2022).

Moreover, as of the current time of this Securities Registration Statement filing date (April 28, 2022) judgments concerning forward-looking matters stated in the Annual Securities Report, etc. have not changed, and there are no forward-looking matters to be newly stated.

III. Places Where Copies of the Documents for Reference Are Made Available for Public Inspection

Japan Tobacco Inc. Headquarters
(1-1, Toranomom 4-chome, Minato-ku, Tokyo, Japan)

Tokyo Stock Exchange, Inc.
(2-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo)

D. INFORMATION ON GUARANTEE COMPANIES, ETC. OF FILING COMPANY

No items to report

E. SPECIAL INFORMATION

I. Recent Financial Statements or Financial Documents for Guarantee Companies or Linked Subsidiary Companies

No items to report