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## **[Cover]**

Document to be filed:	Securities Registration Statement
Filing to:	Director-General of the Kanto Local Finance Bureau
Date of filing:	June 19, 2023
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, Toranomom 4-chome, Minato-ku, Tokyo, Japan
Telephone number:	+81-3-6636-2914 (Main)
Contact person:	Nobuya Kato, Senior Vice President, Chief Financial Officer, Corporate Communications
Place of contact:	1-1, Toranomom 4-chome, Minato-ku, Tokyo, Japan
Telephone number:	+81-3-6636-2914 (Main)
Contact person:	Nobuya Kato, Senior Vice President, Chief Financial Officer, Corporate Communications
Type of securities to be offered:	Stock
Total amount of the offering:	Allotments to other persons ¥623,295,519
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 (shares)	Description
Ordinary shares	194,719	Shares with full voting rights and no particular restrictions on the rights of shareholders Number of shares per trading unit: 100

Notes: 1. The number above constitutes a total of 194,719 shares, which includes 157,700 shares for subscription associated with disposal of treasury shares as restricted stock remuneration and 37,019 shares for subscription associated with disposal of treasury shares as performance share units, per resolution at the meeting of Japan Tobacco Inc. (hereinafter, the “Company”) Board of Directors held on June 19, 2023.

#### 2. Objective and rationale for offering

At the 35th Ordinary General Meeting of Shareholders held on March 19, 2020, the Company obtained approval to introduce the Restricted Stock Remuneration Plan and the Performance Share Unit Plan (collectively, the “Plans”) with the objective of having Members of the Board who also serve as Executive Officers of the Company strengthen efforts to enhance corporate value over the mid to long term and further promote shared value with shareholders.

#### (1) Overview of Restricted Stock Remuneration Plan

In disposing of the Company’s ordinary shares based on the Restricted Stock Remuneration Plan, three Members of the Board who also serve as Executive Officers of the Company and 15 Executive Officers of the Company (the “Eligible Person(s) for Restricted Stock”) are to furnish by means of contribution in kind monetary remuneration claims that have been provided to them as restricted stock remuneration for the 39th business year of the Company. In addition, the Company intends to enter into restricted stock allotment agreements with the Eligible Persons for Restricted Stock (please refer to 2-(1), below), with such agreements containing the terms and conditions summarized below. The ordinary shares of the Company to be disposed of to the Eligible Persons for Restricted Stock other than persons who are expected to retire 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 details

July 12, 2023 to July 11, 2053

During the above transfer restriction period (the “Restriction Period”), restrictions will be applied on restricted shares allotted to the Eligible Persons for Restricted Stock (the “Restricted Stock”), such that Eligible Persons for Restricted Stock are prohibited from transferring the Restricted Stock, pledging it, mortgaging it, or using any arrangement to dispose it. The restrictions described in the preceding sentence will hereinafter be collectively referred to as the “Transfer Restrictions.”

#### (ii) Removal of transfer restrictions

In case an Eligible Person for Restricted Stock loses any position as either Member of the Board, Audit & Supervisory Board Member or Executive Officer due to expiration of his or her term or reasons otherwise deemed reasonable by the Company’s Board of Directors, during the Restriction Period, or in case he/she loses his/her position upon his/her demise, the Transfer Restrictions will be removed on all of his/her holdings of the Restricted Stock. In case an Eligible Person for Restricted Stock loses any position as either Member of the Board, Audit & Supervisory Board Member or Executive Officer due to expiration of his or her term or reasons otherwise deemed reasonable by the Company’s Board of Directors, the Transfer Restrictions will be removed on all of his/her holdings of the Restricted Stock as of the payment date.

#### (iii) Acquisition of restricted stock without any compensation

The Company retains the right to acquire all or part of the Restricted Stock without any compensation, if an Eligible Person for Restricted Stock violates any laws and regulations or falls under any other event specified by the Company’s Board of Directors during the Restriction Period.

#### (iv) Conditions for management of shares

The Eligible Persons for Restricted Stock shall open an account to register and record the Restricted Stock with SMBC Nikko Securities Inc. in the manner designated by the Company, and shall deposit and maintain the Restricted Stock in the said account until the transfer restrictions are lifted.

- (v) Handling in the case of reorganization  
During the Restriction Period, if the Company becomes defunct due to merger or organization restructuring, the Company may remove the transfer restrictions for the Restricted Stock following the resolution of the Company's Board of Directors before the effective date of such reorganization.

(2) Overview of Performance Share Unit Plan

In disposing of the Company's ordinary shares based on the Performance Share Unit Plan, three Members of the Board who also serve as Executive Officers of the Company and 10 Executive Officers of the Company (the "Eligible Person(s) for Performance Share Units") are to furnish by means of contribution in kind monetary remuneration claims that have been provided to them as performance share units for the 36th business year of the Company.

(i) Framework of Performance Share Unit Plan

Performance Share Unit Plan provides monetary remuneration claims to allot the Company's ordinary shares and cash as a performance-linked stock compensation. The monetary remuneration claims and cash are calculated after the performance evaluation period that is aligned with the duration of the Company's three-year Business Plan that starts from the fiscal year subject to provision (the "Performance Evaluation Period") in accordance with the rate of achievement of performance and other targets during the Performance Evaluation Period, which are determined through deliberations of the Advisory Panel on Nomination and Compensation of the Company. Thus, the monetary remuneration claims to allot ordinary shares of the Company and cash are provided to Eligible Persons for Performance Share Units after the Performance Evaluation Period expires, in principle.

(ii) Fiscal year subject to provision and Performance Evaluation Period

The fiscal year subject to provision was set as the fiscal year ended December 31, 2020, with the Performance Evaluation Period from the fiscal year ended December 31, 2020, to the fiscal year ended December 31, 2022.

(iii) Method for calculating ordinary shares of the Company to be distributed to each Eligible Person for Performance Share Units and the amount of cash to be paid thereto

The Company determines indicators necessary for specifically calculating the number of shares to be distributed, including respective quantitative targets used in the Performance Share Unit Plan (during the initial Performance Evaluation Period, the Company plans to use the target value for profit, which serves as a target under the Business Plan) and performance-linked coefficients, upon having taken into account deliberations of the Advisory Panel on Nomination and Compensation of the Company. In the specific calculation, the number of ordinary shares of the Company to be distributed to each Eligible Person for Performance Share Units is calculated based on the formula in (a) below (however, any fraction of less than one share shall be rounded down), and the amount of cash to be paid as funds for tax payment to each Eligible Person for Performance Share Units is calculated based on the formula in (b) below. In the case of retirement or new appointment or alike during the Performance Evaluation Period, the number of ordinary shares of the Company or the amount of cash to be distributed to an Eligible Person for Performance Share Units, or his or her heir, may be adjusted reasonably as stipulated by the Company's Board of Directors. In case that the above total number of ordinary shares of the Company allotted to the Eligible Persons for Performance Share Units is exceeded by allotting the number of ordinary shares of the Company calculated based on the formula in (a) to each Eligible Person for Performance Share Units, the number of shares to be allotted to each Eligible Person for Performance Share Units shall be reduced by a reasonable method specified by the Company's Board of Directors, including a pro-rata basis, within a range not exceeding such total number of shares.

- (a) Number of ordinary shares of the Company to be distributed to each Eligible Person for Performance Share Units  
Number of base share units<sup>(\*)1</sup> x ratio of provision<sup>(\*)2</sup> x 50%
- (b) Amount of cash to be paid to each Eligible Person for Performance Share Units  
(Number of base share units<sup>(\*)1</sup> x ratio of provision<sup>(\*)2</sup> – number of ordinary shares of the Company calculated in (a) above) x share price at the time of delivery<sup>(\*)3</sup>

\*1 The number is determined by the Company's Board of Directors in accordance with duties of each Eligible Person for Performance Share Units and other factors.

\*2 The ratio of provision is set in the range of 0 - 200% according to the achievement rate of each quantitative target during the Performance Evaluation Period, calculated using a method specified by the Company's Board of Directors.

\*3 The share price is set as the closing price of the ordinary shares of the Company at the Tokyo Stock Exchange as of the business day immediately preceding the resolution by the Board of Directors for the allotment of the ordinary shares of the Company on the basis of the Performance Share Unit Plan after the Performance Evaluation Period expires. However, if the Company's shares do not trade on the Tokyo Stock Exchange on the day prior to the resolution of the Company's Board of Directors, the closing price of the immediately preceding trading day will be used. This share price will be decided by the Company's Board of Directors within a scope that is not particularly advantageous to the Eligible Persons for Performance Share Units.

(iv) Pre-requisites for distribution

The Company shall provide the monetary remuneration claims and cash to each Eligible Person for Performance Share Units, and each Eligible Person for Performance Share Units is required to purchase ordinary shares of the Company with all the monetary remuneration claims received as contribution in kind, after the Performance Evaluation Period expires and the following conditions for distribution of the ordinary shares of the Company have been met.

- (a) Serving as Member of the Board or any other position separately specified by the Board of Directors during the fiscal year subject to provision
- (b) Non-existence of certain illegal acts
- (c) Other requirements considered necessary, which are stipulated by the Board of Directors

(v) Handling in the case of reorganization

During the Performance Evaluation Period, if the Company becomes defunct due to merger or organization restructuring, the Company's Board of Directors may, prior to the effective date of such reorganization, resolve to pay cash in lieu of the distribution of the Company's ordinary shares reasonably determined in accordance with the duration from the commencement date of the Performance Evaluation Period to the date of approval for such reorganization. The cash will be reasonably calculated by the Company's Board of Directors as the amount equivalent to the said ordinary shares, within the limit of the remuneration for the Performance Share Unit Plan.

(vi) Other

The number of ordinary shares of the Company allotted to each Eligible Person for Performance Share Units, the amount of cash paid thereto, as well as conditions for rights forfeiture and other such details of the Performance Share Unit Plan are as stipulated in the Company's performance share unit regulations.

3. 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.
4. 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 (shares)	Total issued value (yen)	Total value of additional paid-in capital (yen)
Shareholder allotment	—	—	—
Allotments to other persons	194,719	623,295,519	—
General offering	—	—	—
Total (total number of shares issued)	194,719	623,295,519	—

- Notes:
1. Based on the Plans described in I. Terms and Conditions of Offering for Subscription, 1. New issuance of shares, Note 2. Objective and rationale for offering, this will be accomplished by allotting ordinary shares of the Company as restricted stock remuneration and performance share units to Members of the Board who also serve as Executive Officers of the Company and Executive Officers.
  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 provided based on the Plans, the details of which are as follows.

		Number of shares allotted (shares)	Paid-in amount (yen)	Description
Restricted stock remuneration <sup>(*1・2)</sup>	Members of the Board who also serve as Executive Officers: 3 people	85,200	272,725,200	1 business year's worth (39th business year)
	Executive Officers of the Company (excluding Executive Officers who are expected to retire): 13 people	60,200	192,700,200	1 business year's worth (39th business year)
	Executive Officers of the Company (Executive Officers who are expected to retire): 2 people	12,300	39,372,300	1 business year's worth (39th business year)
Performance share unit <sup>(*2)</sup>	Members of the Board who also serve as Executive Officers: 3 people	19,208	61,484,808	1 business year's worth (36th business year)
	Executive Officers: 10 people	17,811	57,013,011	1 business year's worth (36th business year)

\*1 Beneficiaries of a disposal towards the restricted stock remuneration who are expected to retire will be those persons who retire as Executive Officer of the Company as of June 30, 2023, and who no longer hold a position as Member of the Board, Audit & Supervisory Board Member or Executive Officer of the Company as of July 1, 2023.

\*2 Eligible Persons for Restricted Stock and Eligible Persons for Performance Share Units overlap, consisting of three persons who are Members of the Board who also serve as Executive Officers of the Company and nine persons who are Executive Officers of the Company.

## (2) Conditions of offering

Issue price (yen)	Additional paid-in capital (yen)	Application share trading units (shares)	Application date	Deposit for subscription (yen)	Payment date
3,201	—	100	July 5, 2023	—	July 12, 2023

- Notes:
- Based on the Plans described in I. Terms and Conditions of Offering for Subscription, 1. New issuance of shares, Note 2. Objective and rationale for offering, this will be accomplished by allotting ordinary shares of the Company as restricted stock remuneration and performance share units to Members of the Board who also serve as Executive Officers of the Company and Executive Officers, and a general offering will not be conducted.
  - 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.
  - 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.
  - Because the Disposal of Treasury Shares shall be performed with the monetary remuneration claims provided as restricted stock remuneration to Members of the Board who also serve as Executive Officers of the Company and Executive Officers in relation to the 39th business year (January 1, 2023 - December 31, 2023) in accordance with the Restricted Stock Remuneration Plan, provided as performance share units to Members of the Board who also serve as Executive Officers of the Company and Executive Officers in relation to the 36th business year (January 1, 2020 - December 31, 2020) in accordance with the Performance Share Units Plan, and used as 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 provided as restricted stock remuneration and performance share units 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 expenditures such as advisory fees and costs of preparing securities registration statements.  
3. Estimated issuance cost does not include consumption tax, etc.

(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: 38th term (from January 1, 2022 to December 31, 2022): Filed to Director-General of Kanto Local Finance Bureau on March 24, 2023

#### **2. Quarterly or Semiannual Securities Report**

First quarter of 39th term (from January 1, 2023 to March 31, 2023): Filed to Director-General of Kanto Local Finance Bureau on May 2, 2023

#### **3. Extraordinary Report**

Between the filing date of the Annual Securities Report listed in “1” above and the filing date hereof (June 19, 2023), 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 27, 2023.

#### **4. Extraordinary Report**

Between the filing date of the Annual Securities Report listed in “1” above and the filing date hereof (June 19, 2023), 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 30, 2023.

### **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 (June 19, 2023).

Moreover, as of the current time of this Securities Registration Statement filing date (June 19, 2023) 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, Toranomon 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