

FOR IMMEDIATE RELEASE

Tokyo, November 16, 2011

Tobacco Council Releases Determinations for 2012 Tobacco Cultivation

Japan Tobacco Inc. (JT) (TSE: 2914) announced today that the Leaf Tobacco Deliberative Council, chaired by Yoshio Kobayashi, released its annual determinations for domestic leaf tobacco cultivation area and grower prices for 2012, in response to a proposal submitted by JT earlier in the day.

The Council was in general agreement with JT's proposal, and determined that in 2012, the domestic tobacco cultivation area will be set at 9,450 hectares. The leaf tobacco grower price will be set at an average for all leaf types of ¥1,890.61 per kilogram, an increase of 1.14% compared to that of the previous year.

JT will undertake its operations in 2012 based on the Council's determinations.

Cultivation area for each type of leaf tobacco in 2012

Units: Hectares

	Contracted cultivation area in 2011	Agreed cultivation area for 2012	Difference
Domestic leaf tobacco	104	61	-43
Burley leaf tobacco	4,295	3,371	-924
Flue-cured leaf tobacco	9,684	6,018	-3,666
Total	14,083	9,450	-4,633

About The Leaf Tobacco Deliberative Council

The Leaf Tobacco Deliberative Council is a council which confers on important matters concerning the cultivation and purchase of domestically grown leaf tobacco in response to inquiries by JT representatives. The council consists of no more than 11 members, appointed by JT with the approval of the Minister of Finance from among representatives of domestic leaf tobacco growers and academic appointees.

*In accordance with the determination of the Leaf Tobacco Deliberative Council on August 1, JT has made the proposal to solicit growers who volunteer to cease cultivation. As a result, 4,106 of leaf tobacco growers applied for ceasing to cultivate, which amounts to 4,412 hectares.

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Japan Tobacco Inc. is a leading international tobacco product company. Its products are sold in over 120 countries and its internationally recognized cigarette brands include Winston, Camel, Mild Seven and Benson & Hedges. With diversified operations, JT is also actively present in pharmaceuticals and foods. The company's adjusted net sales(*) were \(\frac{1}{2}\)1.946 trillion (US\(\frac{1}{2}\)3,415 million(**)) in the fiscal year ended March 31, 2011.

* Adjusted net sales on a consolidated basis do not include excise tax and revenue from the imported tobacco, domestic duty free, the China Division and other peripheral businesses in the Japanese domestic tobacco business. Nor does it include excise tax and revenue from distribution, contract manufacturing and other peripheral businesses in the international tobacco business.

**Translated at the rate of ¥83.15 per \$1, as of March 31, 2011