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Document to be filed:	Extraordinary Report
Filing to:	Director-General of the Kanto Local Finance Bureau
Date of filing:	February 5, 2015
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.
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Places where the document to be filed is available for public inspection:	Tokyo Stock Exchange, Inc. (2-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo)

1. Reason for filing

An event that materially impacts the financial position and operating results of Japan Tobacco Inc. (the Company) has occurred. Therefore, this document is filed pursuant to the provisions of Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act and Article 19, paragraph 2, item 12 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.

2. Content of report

(1) Date of occurrence of the aforementioned event

February 5, 2015

(2) Detail of the aforementioned event

The Company announced the results of applications for the voluntary retirement program and the financial impact of the set of measures to strengthen the competitiveness and profitability of the Japanese domestic tobacco business announced on October 30, 2013. The voluntary retirement program was offered in the framework of the measures.

The result and effects on operating results of these measures are presented below.

<Outline and results of applications for voluntary retirement program>

- Outline of applications for voluntary retirement program

The program was offered to employees of the Company between 50 and 59 years old in the Japanese domestic tobacco business and corporate functions, as well as those who work at the sites that would be closed down, in order to rightsize the workforce in the framework of the measures. In principle, the majority of the applicants will leave JT at the end of March 2015. However, at a number of operations, the program has yet to be offered and the date of voluntary retirement will be set for the end of March 2016.

- Result of application for voluntary retirement program

A total of 1,754 employees have applied for the voluntary retirement program.

(3) Impact of aforementioned event on profit/loss

The Company expects to book a total of ¥59.1 billion as a one-off expense relating to the measures, which includes compensation for early retirement for all voluntary retirement program applicants; and payments to 161 employees who will retire in accordance with the Company's policy for managerial personnel. It has booked ¥56.6 billion for the fiscal year 2014, and it plans to book the remaining ¥2.5 billion for the fiscal year 2015.

The effects of the measures in the Japanese domestic tobacco business will accrue from April 2015, and will amount to approximately ¥26.0 billion per annum from the fiscal year 2017 onwards, as all applicants will have left the Company by that point.