

[This is an English translation prepared for the convenience of non-resident shareholders. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.]

**[Cover]**

Document to be filed:	Extraordinary Report
Filing to:	Director-General of the Kanto Local Finance Bureau
Date of filing:	July 31, 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.
Title and name of representative:	Mitsuomi Koizumi, President, Chief Executive Officer and Representative Director
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Contact person:	Yuki Maeda, Senior Vice President and Chief Communications Officer
Place where the document 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, operating results and cash flow condition of Japan Tobacco Inc. (JT) and the JT Group 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 and item 19 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs.

## **2. Content of report**

### (1) Date of occurrence of the aforementioned event

July 31, 2015

### (2) Detail of the aforementioned event

As announced on July 7, 2015, JT concluded a definitive agreement to transfer the shares JT held in its subsidiaries conducting vending machine operation business, Japan Beverage Holdings Inc., JT A-Star Co., Ltd and Japan Beverage Ecology Inc., to Suntory Beverage & Food Limited. The agreement also includes the transfer of JT's beverage brands "Roots" and "Momono Tennensui" to Suntory Beverage & Food Limited. In accordance with this transfer agreement, the transfers of the said shares and brands to Suntory Beverage & Food Limited were completed on July 31, 2015.

### (3) Impact of aforementioned event on profit/loss and consolidated profit/loss

As a result of the transfers, in the non-consolidated financial statements net income is expected to increase by approximately ¥90,000 million and in the consolidated financial statements profit attributable to owners of the parent company is expected to increase by approximately ¥100,000 million.