

[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.]

<JT logo>

To Our Shareholders and Investors

Business Report

<Logo> Report on the Consolidated Financial Results for the First Nine Months of the Fiscal Year  
Ending December 31, 2015

<Logo> JT NEWS

<Logo> JT Group Products

<Logo> JT Topics

<Logo> CLOSE UP! (JT Group Companies / Business Divisions)

<Logo> A lesson from the past at the end of a journey

<Photo>

CLOSE UP!

Emerging Products Marketing Division

<Photo>

JT TOPICS

The 2015/2016 Volleyball Season Kick Off!

<Photo>

A lesson from the past at the end of a journey

Kurokawa Takagi Shrine, Miyaza (shrine guild) Ceremony

Volume 51

## TOP MESSAGE

### **Confirmed robust growth momentum**

#### **Results for the first nine months of the fiscal year ending December 31, 2015 and forecast\***

In the first nine months of the fiscal year ending December 31, 2015, each of our business maintained strong growth momentum. Adjusted operating profit at constant rates of exchange, a key performance indicator across the JT Group, grew by 11.6% primarily due to unit price increases in our international tobacco business.

In the international tobacco business, we also achieved robust growth underpinned by favorable performance from peak demand during the summer months. Adjusted operating profit at constant rates of exchange increased by 13.3% due to healthy sales volume of Global Flagship Brands (GFBs) in Europe, along with the positive effect of increases in unit pricing in respective countries.

However, yen-based adjusted operating profit decreased by 7.7% despite the positive effect of a weaker yen, due to negative effects of U.S. dollar exchange rates against local currencies.

In the domestic tobacco business, JT's sales volume decreased by 3.1% year on year. This mainly reflected a downturn in total demand due to a trend toward decline and the impact of the consumption tax hike implemented.

Adjusted operating profit increased by 5.1% due to the price/mix improvement and initiative-led cost decrease realized since April.

Results of both the pharmaceutical business and the processed food business exceeded previous fiscal year. For the pharmaceutical business, this mainly reflected an increase in royalty income and higher revenue generated by Torii Pharmaceutical Co., Ltd., and for the processed food business, this mainly reflected firm sales primarily of frozen and ambient processed foods.

Next, I turn to our earnings outlook.

Our forecast for growth in adjusted operating profit at constant rates of exchange for the fiscal year ending December 31, 2015 has been revised upward to 8.6%. This is due to strong GFB momentum and robust pricing in the international tobacco business, as well as better-than-expected performance in the duty free sales and efficient cost management in the domestic tobacco business. In addition, pharmaceutical business is expected to improve its profitability faster than previously assumed.

We have lowered our outlook for revenue by ¥10.0 billion in comparison with the previous forecast given the likelihood of foreign exchange rates having an increasingly negative effect on the international tobacco business.

Our forecasts for operating profit and profit for the period from continuing operations remain unchanged from the previous forecasts.

Our forecast for profit for the period from discontinued operations has been revised upward as a result of the precision of expenses relating to the withdrawal from operations involving manufacture and sale of beverage products. Consequently, our forecast for profit for the period encompassing continuing and discontinued operations combined has been revised upward.

As for dividends, we have raised our year-end cash dividend forecast by ¥10 to ¥64 per share in light of the implementation status of mid- to long-term growth strategy and our consolidated financial results. Heading toward the October-December quarter, we expect to come up against an increasingly challenging business environment amid decreasing overall demand in the international tobacco business, particularly in Russia, and an ongoing situation of an intensely competitive climate in the domestic tobacco business. However, we will steadily undertake business investment geared toward achieving more substantial profit growth in the future.

Going forward, we will persist in developing our ability to adapt to changes, which is our strength, on the basis of our “4S” model, while doing our utmost to achieve our objectives.

- \* Beverage Business has been classified as discontinued operations and continuing operations and discontinued operations are presented separately from the nine months ended September 30, 2015. Profit (loss) from discontinued operations is presented as “profit for the period from discontinued operations.” The result for the same period of the previous fiscal year and forecasts for the fiscal year ending December 31 have also been reclassified in the same manner.

Mitsuomi Koizumi, President, Chief Executive Officer and Representative Director

<Photo>

Results for the first nine months of the fiscal year ending December 31, 2015\*

- \* The Group classified “Beverage Business” as discontinued operations from the nine months ended September 30, 2015. As a result, profit (loss) from discontinued operations is presented as “profit for the period from discontinued operations.” The result for the same period of the previous fiscal year has also been reclassified in the same manner.
- \* Figures for revenue, adjusted operating profit and adjusted operating profit at constant rates of exchange have been calculated on the basis of continuing operations.

(Billions of yen)

	January through September 2014	January through September 2015	Year-on-year change
Revenue	1,677.0	1,688.5	+0.7%
Adjusted operating profit <sup>*1</sup>	523.9	510.3	-2.6%
Adjusted operating profit <sup>*1</sup> at constant rates of exchange	–	584.9	+11.6%
Profit for the period from discontinued operations	-1.5	87.3	–
Profit for the period from continuing operations	334.4	317.1	-5.2%
Profit for the period <sup>*2</sup>	333.0	404.4	+21.5%

- \*1. Adjusted operating profit = operating profit + amortization cost of acquired intangibles + adjustment items (income and costs) <sup>\*</sup>  
  - \* Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
- \*2. Attributable to owners of the parent company

Revenue forecast for the fiscal year ending December 31, 2015\*

- \* Beverage Business has been classified as discontinued operations from the nine months ended September 30, 2015. Accordingly, profit from discontinued operations has been presented as “profit for the period from discontinued operations,” and the previous forecasts have also been reclassified in the same manner.
- \* Figures for revenue, adjusted operating profit and adjusted operating profit at constant rates of exchange have been calculated on the basis of continuing operations.
- \* Figures indicating increases/decreases in forecasts are presented as percentage of change on a year-on-year basis.

(Billions of yen)

	Previous forecasts	Current forecasts	Change
Revenue	2,260.0	2,250.0	-0.4%
Adjusted operating profit <sup>*1</sup>	614.0	618.0	-6.5%
Adjusted operating profit at constant rates of exchange	707.0	718.0	+8.6%
Profit for the period <sup>*2</sup> from discontinued operations	84.0	87.0	—
Profit for the period <sup>*2</sup> from continuing operations	387.0	387.0	—
Profit for the period <sup>*2</sup>	471.0	474.0	+21.8%

(Yen)

	Result for the fiscal year ended December 31, 2014	Forecasts for the fiscal year ending December 31, 2015	Change
Interim dividend	50	54	—
Year-end dividend	50	64	—
Annual dividend per share	100	118	—

\*1. Adjusted operating profit = operating profit + amortization cost of acquired intangibles + adjustment items (income and costs)<sup>\*</sup>

\* Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

\*2. Attributable to owners of the parent company

## International Tobacco Business

Solid financial performance driven by GFBs<sup>\*1</sup> and pricing

GFB shipment volume over the January–September period achieved substantial growth of 5.7% year on year as a result of our having extended market share in numerous markets. Total shipment volume remained almost flat year on year, supported by GFBs’ strong performance, even though we saw industry contraction in various markets, including Russia and volatile market condition in the Middle East. Moreover, JT’s core revenue and adjusted operating profit at constant rates of exchange increased by 7.3% and 13.3%, respectively, due to favorable results from GFBs and robust pricing. However, yen-based adjusted operating profit decreased by 7.7% despite positive effects of a weaker yen, due to negative effects of U.S. dollar exchange rates against local currencies.

(Millions of dollar)

	Nine months ended September 30, 2014	Nine months ended September 30, 2015	Year-on-year change
Core revenue at constant rates of exchange	9,101	9,764	+7.3%
Adjusted operating profit at constant rates of exchange	3,454	3,915	+13.3%
Yen-based adjusted operating profit	¥355.7 billion	¥328.5 billion	-7.7%

## Shipment volume

(Billions of cigarettes)

	Nine months ended September 30, 2014	Nine months ended September 30, 2015	Year-on-year change
JTI shipment volume	296.6	295.6	-0.4%
GFB shipment volume	194.3	205.4	+5.7%

## Market share (12 months moving average)

	September 2014	September 2015	Year-on-year change
France	20.6%	21.2%	+0.7%pt <sup>*3</sup>
Italy	20.3%	20.5%	+0.2%pt
Russia	35.4%	33.8%	-1.6%pt
(GFB share)	23.6%	23.8%	+0.1%pt
Spain	21.7%	22.2% <sup>*2</sup>	+0.5%pt
Taiwan	38.3%	39.2%	+0.9%pt
Turkey	28.0%	30.5%	+2.5%pt
U.K.	41.2%	41.8%	+0.7%pt

\*1. We have identified eight brands which serve as flagships of the JT Group’s brand portfolio, Winston, Camel, Mevius, LD, Benson & Hedges, Glamour, Silk Cut, and Sobranie which we collectively call

the Global Flagship Brands (GFBs).

\*2. Market share in Spain from September 2014 to August 2015.

\*3. “%pt” is an abbreviation of “percentage point.”

## Domestic Tobacco Business

JT and Mevius shares stood firm despite intensified competition

Sales volume for the period from January to September decreased by 3.1% year on year. This mainly reflected a trend toward decline in volume coupled with a downturn in overall demand due to the adverse effect of the consumption tax hike. Market shares of both JT and Mevius have been holding steady amid an increasingly intense competitive environment partially as a result of competitors launching new products at price points below baseline levels.

(Billions of yen)

	January through September 2014	January through September 2015	Year-on-year change
Core revenue	483.5	478.2	-1.1%
Adjusted operating profit	187.9	197.6	+5.1%

## Sales volume

(Billions of cigarettes)

	January through September 2014	January through September 2015	Year-on-year change
Total sales volume	83.9	81.3	-3.1%

## JT market share and market share of Mevius

(%)

	Jul.-Sep. 2014	Oct.-Dec. 2014	Jan.-Mar. 2015	Apr.-Jun. 2015	Jul.-Sep. 2015
JT market share	60.1	60.0	59.9	60.0	59.7
Market share of Mevius	31.7	31.9	32.1	32.3	31.9

## Pharmaceutical Business

Increased royalty revenue and growth at Torii Pharmaceutical Co., Ltd.

Revenue increased by ¥6.7 billion from the same period of the previous year to ¥53.4 billion due to an increase in royalty revenue and sales growth at Torii Pharmaceutical Co., Ltd., a group company of JT. Adjusted operating loss improved by ¥3.5 billion from the amount posted in the same period of the previous fiscal year to adjusted operating loss of ¥3.3 billion, due mainly to the gain in revenue. There are currently nine compounds under clinical development at JT.

Pharmaceutical business: Clinical development (as of November 4, 2015)

### <In-house development>

Code (generic name)	Potential indication/ dosage form	Phase	Note
JTK-303 (elvitegravir)/ cobicistat/ emtricitabine/ tenofovir alafenamide	HIV infection/Oral	Preparing to file (Japan)	JTK-303 (elvitegravir); In-house Cobicistat, Emtricitabine, Tenofovir Alafenamide; In-license (Gilead Sciences)
emtricitabine/ tenofovir alafenamide	HIV infection/Oral	Preparing to file (Japan)	In-license (Gilead Sciences)
JTT-851	Type 2 diabetes mellitus/Oral	Phase 2 (Japan) Phase 2 (Overseas)	In-house
JTZ-951	Anemia associated with chronic kidney disease/Oral	Phase 2 (Japan) Phase 1 (Overseas)	In-house
JTE-052	Autoimmune/allergic diseases/Oral, Topical	Phase 2 (Japan)	In-house
JTE-051	Autoimmune/ allergic diseases/Oral	Phase 1 (Overseas)	In-house
JTE-151	Autoimmune/ allergic diseases/Oral	Phase 1 (Overseas)	In-house
JTT-251	Type 2 diabetes mellitus/Oral	Phase 1 (Overseas)	In-house
JTK-351	HIV infection/Oral	Phase 1 (Japan)	In-house

Note: Clinical trial phase presented above is based on the first dose.

### <Licensed compounds>

Compound (JT's code)	Licensee	Note
elvitegravir (JTK-303)	Gilead Sciences	(elvitegravir/cobicistat/emtricitabine/tenofovir alafenamide): U.S. and EU marketing approvals submitted
trametinib	Novartis	Metastatic melanoma: NDA filed (Japan and EU)
Anti-ICOS monoclonal antibody	MedImmune	
JTE-052	LEO Pharma	

Updates since the previous announcement on August 3, 2015:

### <In-house development>

- Manufacturing and marketing approval was obtained in Japan for “Allergen Scratch Extract Positive Control Solution “Torii” Histamine Dihydrochloride” (JTE-350) (September 28, 2015).

### <Licensed compounds>

- Novartis announced that European approval has been obtained for the use of Tafinlar® (dabrafenib) in combination with Mekinist® (trametinib) for the treatment of patients with metastatic melanoma (August 25, 2015).



## Processed Food Business

Maintaining robust top-line performance

In the processed foods business, we continued to actively promote sales of staple food products including frozen noodles, frozen rice and baked frozen bread, along with packed rice which is marking the 20th anniversary since its launch. Revenue increased by ¥4.3 billion year on year to ¥120.5 billion due to strong sales centered on frozen and ambient processed foods. Adjusted operating profit increased by ¥1.4 billion to ¥1.3 billion due to the gain in revenue.

Processed food business

(Billions of yen)

	January through September 2014	January through September 2015	Year-on-year change
Revenue	116.2	120.5	+4.3
Adjusted operating profit	-0.1	1.3	+1.4

## FORWARD-LOOKING STATEMENTS

This material contains forward-looking statements. These statements appear in a number of places in this presentation and include statements regarding the intent, belief, or current and future expectations of our management with respect to our business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as “may”, “will”, “should”, “would”, “expect”, “intend”, “project”, “plan”, “aim”, “seek”, “target”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating results are particularly subject to a variety of assumptions, some or all of which may not be realized.

Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

- (1) decrease in demand for tobacco products in key markets;
- (2) restrictions on promoting, marketing, packaging, labeling and usage of tobacco products in markets in which we operate;
- (3) increases in excise, consumption or other taxes on tobacco products in markets in which we operate;
- (4) litigation around the world alleging adverse health and financial effects resulting from, or relating to, tobacco products;
- (5) our ability to realize anticipated results of our acquisition or other similar investments;
- (6) competition in markets in which we operate or into which we seek to expand;
- (7) deterioration in economic conditions in areas that matter to us;
- (8) economic, regulatory and political changes, such as nationalization, terrorism, wars and civil unrest, in countries in which we operate;
- (9) fluctuations in foreign exchange rates and the costs of raw materials; and
- (10) catastrophes, including natural disasters.

## Consolidated Financial Statements

The Company has changed its fiscal year end from March 31 to December 31 from the previous fiscal year. The same change has been made to consolidated subsidiaries with fiscal year ends other than December 31. As a consequence of this change, the condensed interim consolidated financial statements for the nine months ended December 31, 2014 were not prepared and the consolidated financial statements for the fiscal year ended December 31, 2014 were presented as the comparative information instead. The comparable period was the period from April 1, 2014 to December 31, 2014.

The fiscal year-end date of the consolidated subsidiaries belonging to the international tobacco business segment remains December 31, as before. Therefore, results of those companies for the 12-month period from January 1, 2014 to December 31, 2014 have been consolidated into the results for the fiscal year ended December 31, 2014.

Beverage Business has been classified as discontinued operations from the nine months ended September 30, 2015. As a result, profit (loss) from discontinued operations is presented separately from that from continuing operations as “profit for the period from discontinued operations.” The comparative information has also been reclassified in the same manner.

### Consolidated statement of financial position

(Millions of yen)

	As of December 31, 2014	As of September 30, 2015	Increase (Decrease)
<b>Assets</b>			
Current assets	1,696,874	1,578,559	(118,316) <sup>*1</sup>
Non-current assets	3,007,832	2,825,952	(181,880)
Property, plant and equipment	756,127	684,168	(71,959)
Goodwill	1,539,376	1,461,764	(77,613) <sup>*2</sup>
Intangible assets	364,912	343,823	(21,089)
Investment property	17,870	24,198	6,328
Retirement benefit assets	35,402	38,629	3,227
Investments accounted for using the equity method	76,825	66,061	(10,764)
Other financial assets	91,959	99,563	7,604
Deferred tax assets	125,361	107,747	(17,615)
<b>Total assets</b>	<b>4,704,706</b>	<b>4,404,511</b>	<b>(300,196)</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Current liabilities	1,360,098	1,122,198	(237,900) <sup>*3</sup>
Non-current liabilities	722,106	773,109	51,003
<b>Total liabilities</b>	<b>2,082,204</b>	<b>1,895,306</b>	<b>(186,897)</b>
<b>Equity</b>			

Equity attributable to owners of the parent company	2,536,838	2,440,636	(96,201)
Share capital	100,000	100,000	–
Capital surplus	736,400	736,400	–
Treasury shares	(344,447)	(444,344)	(99,897)
Other components of equity	142,425	(69,683)	212,108 <sup>*4</sup>
Retained earnings	1,902,460	2,118,263	215,803 <sup>*5</sup>
Non-controlling interests	85,665	68,568	(17,097)
<hr/> Total equity	<hr/> 2,622,503	<hr/> 2,509,204	<hr/> (113,298)
<hr/> Total liabilities and equity	<hr/> 4,704,706	<hr/> 4,404,511	<hr/> (300,196)

Note: Yen amounts are rounded to the nearest million.

- \*1. Current assets: Decreased due to the effect of lower cash and cash equivalents.
- \*2. Goodwill: Decreased due to the effect of fluctuations in foreign exchange rates on overall goodwill, despite having recognized goodwill regarding new acquisitions.
- \*3. Current liabilities: Decreased due to a calendar-based effect and others on tobacco excise tax payable.
- \*4. Other components of equity: Decreased due to the foreign exchange effects.
- \*5. Retained earnings: Increased due to the inclusion of earnings from the parent company interests.

Consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended September 30, 2015	Increase (Decrease)
<b>Continuing operations</b>			
Revenue	2,019,745	1,688,468	(331,277)
Cost of sales	(822,538)	(680,011)	142,527
Gross profit	1,197,208	1,008,457	(188,751)
Other operating income	47,419	3,942	(43,477)
Share of profit in investments accounted for using the equity method	7,812	4,869	(2,943)
Selling, general and administrative expenses	(752,559)	(561,368)	191,191
Adjusted operating profit*	588,684	510,334	(78,350)
Operating profit	499,880	455,901	(43,979)
Financial income	13,808	12,706	(1,102)
Financial costs	(11,162)	(11,268)	(106)
Profit before income taxes	502,526	457,340	(45,186)
Income taxes	(132,811)	(137,077)	(4,265)
Profit for the period from continuing operations	369,715	320,263	(49,452)
<b>Discontinued operations</b>			
Profit for the period from discontinued operations	(1,088)	87,609	88,697
<b>Company-wide basis</b> (Continuing and discontinued operations combined)			
Profit for the period	368,626	407,872	39,246
<b>Attributable to:</b>			
Owners of the parent company	362,919	404,395	41,476
Non-controlling interests	5,708	3,477	(2,230)
Profit for the period	368,626	407,872	39,246

- Notes: 1. Yen amounts are rounded to the nearest million.
2. Adjusted operating profit = operating profit + amortization cost of acquired intangibles ± adjustment items (income and costs)\*
- \* Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

Consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 30, 2014	Nine months ended September 30, 2015	Increase (Decrease)
Profit for the period	368,626	407,872	39,246
Other comprehensive income	(123,759)	(212,401)	(88,643)
Comprehensive income for the period	244,868	195,471	(49,397)
Attributable to:			
Owners of the parent company	240,363	192,337	(48,025)
Non-controlling interests	4,505	3,133	(1,372)
Comprehensive income for the period	244,868	195,471	(49,397)

Note: Yen amounts are rounded to the nearest million.

Consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 30, 2014	Nine months ended September 30, 2015	Increase (Decrease)
Cash flows from operating activities	543,696	200,056	(343,640) <sup>*6</sup>
Cash flows from investing activities	(49,110)	(33,896)	15,215
Cash flows from financing activities	(388,859)	(203,057)	185,802 <sup>*7</sup>
Net increase (decrease) in cash and cash equivalents	105,727	(36,896)	(142,623)
Cash and cash equivalents at the beginning of the year	253,219	385,820	132,601
Effect of exchange rate changes on cash and cash equivalents	26,874	(12,797)	(39,672)
Cash and cash equivalents at the end of the year	385,820	336,126	(49,694)

Note: Yen amounts are rounded to the nearest million.

\*6. Cash flows from operating activities: Decreased due to a decrease in trade payables and a decrease in tobacco excise tax payables.

\*7. Cash flows from financing activities: Cash outflows decreased due to redemptions of bonds in the Nine months ended December 30, 2014.

## JT NEWS

### JT Acquires Natural American Spirit Business outside the United States

On September 29, JT Group has entered into an agreement with the Reynolds American Inc. group of companies (“RAI”) to acquire the Natural American Spirit business outside the United States which includes the trademarks and all outstanding shares of RAI’s subsidiaries outside the U.S. which sell the brand. The transaction is expected to be completed by early 2016.

#### Overview of Natural American Spirit Business outside the U.S.

Number of employees	About 280 (sum of nine companies, as of September 2015)
Sales volume	About 3.1 billion sticks (sum of nine companies, during the fiscal year ended December 2014)
Sales areas	Japan, Germany, Switzerland, Italy, Spain, UK, France, Netherlands, Belgium and others
Product	Cigarettes: Nine products RYO: Three products Note: In Japan, eight cigarette products and three roll your own tobacco products

#### Overview of the Natural American Spirit Business outside the U.S.

(1) Business to be transferred	- Trademarks for Natural American Spirit outside the U.S. - RAI’s nine subsidiaries selling Natural American Spirit outside the U.S.
(2) Operating performance of the business to be transferred	Net sales: ¥17.6 billion Profit before income taxes: ¥2.1 billion At exchange rate of ¥105.88 per U.S. dollar, translated at YTD average rate. (Fiscal year ended December 2014, management basis)
(3) Amount of assets and liabilities to be transferred	Assets: ¥14.9 billion, 2014 Liabilities: ¥4.3 billion At exchange rate of ¥119.68 per U.S. dollar, translated at year-end rate. (Fiscal year ended December 2014, management basis)
(4) Acquisition price and payment	Approx. ¥600 billion (tentative) Payment will be made in cash.



## Launch of official JT Facebook page

The JT Group endeavors to convey a range of information premised on its shared communications slogan, “Pleasant time for people — JT.” As part our initiatives in this regard, we have launched an official Facebook page geared toward communicating the JT Group’s activities to society at large.

The page is designed so that we can more share JT’s principles and activities in greater depth with Facebook users than had previously been possible through the corporate website and other such means.

<Logo>

▼ Official JT Facebook page

<https://www.facebook.com/jti.co.jp>

Note: Facebook users can receive updates from the JT Group on their own Facebook page news feed by clicking the “Like” button on the JT Group Facebook page.

## Report on factory tours

<Photo>

On November 6 and 7, 2015 (Friday and Saturday) factory tours for our shareholders were held at the Uonuma Mizunosato Factory of TableMark Co., Ltd.

Participants in the tours included shareholders and those accompanying them, selected by means drawing from among a pool of over 2,000 shareholder applicants.

On the days of the well-received event participants were able to observe processes for manufacturing frozen udon noodles and packaged rice, try samples of udon noodles, and attend a presentation overviewing financial results for the nine months ended September 30, 2015.

We intend to offer more factory tours going forward in order to foster greater understanding of the JT Group’s business operations and create opportunities for more extensive communication with our shareholders.

<Photo>

### Feedback from tour participants

- The factory was well-lit and clean. I will continue buy the company’s products with confidence.
- The udon noodles that I sampled were delicious. They had a smooth and springy texture. Everything was up to par.
- The factory tour, financial results briefing and other parts of the event were presented in an easily comprehensible manner.

## JT Group Products

### Introducing New Tobacco Products

Now on sale!

A strong menthol flavor in the spirit of the “Seven Stars” brand

Introducing “Seven Stars Menthol Beat 8 Box” and “Seven Stars Menthol Smash 8 Box”

Price: ¥460 each (containing 20 cigarettes)

<Logo>

Seven Stars Menthol Beat 8 Box

Tar: 8mg / Nicotine: 0.6mg

Seven Stars Menthol Smash 8 Box

Tar: 8mg / Nicotine: 0.6mg

We have introduced two new products to the “Seven Stars” brand lineup featuring 8mg tar and strong menthol flavors.

The “Menthol Beat 8 Box” product is distinguished by its firm menthol sensation which gives smokers the pleasure of a refreshing menthol aftertaste. The filter of the “Menthol Smash 8 Box” product contains a built-in capsule which enables consumers to enjoy two distinct flavors in a single cigarette. The cigarette provides a simple yet robust menthol flavor before the capsule is crushed, and then a crisp, sweet and sour aroma after it has been crushed.

The “2 in 1 PACK” featuring both products, seven of each type of cigarette (¥330 / 14 cigarettes) available for sale only in Miyagi and Ibaraki prefectures (no longer available)

Comments from person in charge

We introduced two new products with the aim of capturing a larger share of the menthol market by responding to increasingly diverse customer preferences.

In the development phase, we made a conscious effort to create products with a fresh image while retaining the distinctive “Seven Stars” appeal of good smoke flavor along with an aura of trendiness and a commanding presence.

Also, the product launch involved trial sales of the world’s first “2 in 1 PACK” geared toward making it easy for our customers to pinpoint products suited to their liking.

We will continue to provide new forms of value and satisfaction with the aim of better addressing diverse customer needs.

Wakako Kanto, Brand Manager, Marketing Strategy Division, Tobacco Business, Japan Tobacco Inc.

\* This page is intended as an explanation of JT's business for shareholders. As such, it is not intended to promote product sales to customers or to encourage them to smoke.

## Introducing New Food Products

<Photo>

Bishoku Seikatsu, Hokkaido Yumepirika, Shokumotsu Seniiri Gohan

3 servings/540g

- > A single serving contains dietary fiber equivalent to roughly two heads of lettuce (approx. 9g)
- > Made using the Yumepirika brand rice from Hokkaido

Comments from person in charge

We have launched the new Bishoku Seikatsu product from Tablemark which first began selling packaged rice 20 years ago. This is a new product line which was conceived from a women's project pursued under the conceptual theme of "Delicious for your health!"

Although people become increasingly health-conscious they often tend to lack dietary fiber when attempting to eat a well-balanced diet. Bishoku Seikatsu is a new packaged rice product that contains dietary fiber which is said to generally aid digestion while acting to curb increases in postprandial glucose levels, and can be readily consumed as part of one's daily diet. It is made using the two types of rice brands, Niigata Koshihikari and Hokkaido Yumepirika.

Tomoko Uozumi, Strategy Division, Marketing & Sales Division, TableMark Co., Ltd.

<Photo>

<Photo>

*Nabeyaki Udon* made with the best ingredients

1 serving/300g

- > Contains seven premium quality main ingredients
- > Succulent simmered thick noodles made of flour from Japan in a broth accented by deep richness and savory flavor

<Photo>

Imadoki Wazen, grilled chicken flavored with *shio-koji* seasoning

Pack of 4/108g

- > A single breast of chicken produced in Japan marinated in *shio-koji* and other seasonings, then baked to tender and juicy perfection in a superheated steam oven
- > A special *shio-dare* sauce made using Ako Amashio salt gives this product its distinctive flavor

## JT TOPICS

### The 2015/2016 Volleyball Season Kick Off!

Showing renewed resolve in facing a tough road ahead

The volleyball season has started once again.

The JT Thunders have achieved a long-sought first league win and aim to achieve second successive championship victories.

The JT Marvelous are geared up for their return to Japan's V Premier League under a new regime.

The two teams have embarked on a heated battle as they look to achieve their respective goals.

We asked coaches from both teams to give us their thoughts regarding the new season. (Interviews conducted in September)

Visit the official website for game schedules and athlete/staff profiles

<Photo>

Aiming to make further strides — taking on challenges of winning consecutive championships

JT Thunders: Coach Vukovic

The JT Thunders ended last season on a high note after having captured their first-ever V Premier League championship victory. Although I have experienced championship wins several times over the course of my career in coaching, being witness to a victory that was the first in the team's history was a truly momentous occasion, and as such it was a special moment in my own career.

This season we aim to prevail in achieving another league victory as the defending champion. In that regard, our athletes and staff members are all well aware that we face a daunting challenge ahead, particularly because the prospect of achieving league victory seems quite unlikely if we continue playing at the same level as last season. Nevertheless, this team holds sufficient potential for growth. I think we will be able to edge closer to our goal if each and every player and the team as a whole evolve as we forge ahead during the season. On top of that, we have gained a great deal of confidence in terms of having developed a winning mentality at the last season. Having achieved such growth in psychological terms will act as a powerful driving force as we fight to achieve a consecutive championship victory. I am eternally grateful for being able to coach in such a privileged environment, particularly given our outstanding training facilities and fans who have been enthusiastically cheering us on. This backing is always a source of true support for the team. I am committed to ensuring that we play well and keep up our winning streak to meet everyone's expectations. I consider the JT Thunders to be a top-caliber team even by worldwide standards. I encourage you to come to the stadium and watch us play some truly impressive volleyball.

We will do our utmost to achieve even better results in this season than before, and once again share the joy of victory with all of our supporters.

- Profile

Coach Veselin Vukovic

Coach Vukovic was born in 1954, and is from Montenegro. After having acted as a youth, junior and top-ranked university coach in Yugoslavia, he went on to serve as the coach for the Serbia and Montenegro national team which was able to compete in the Sydney Olympic Games. In 2011, he was appointed as coach of the Halkbank Ankara professional men's volleyball team in Turkey which went on to win the Confédération Européenne de Volleyball (CEV) Cup. He began coaching JT Thunders in 2013, and in the next season led the team to its first-ever league victory.

<Photo>

I want to see JT Marvelous make progress in terms of their skill level and mental development

JT Marvelous: Coach Yoshihara

Since first starting off coaching the team in June, I have had numerous opportunities to talk to the people at JT. I get the feeling that employees throughout the JT Group have a keen interest in volleyball, so as a coach I feel fortunate that I am able to operate in such a privileged environment.

Driven by those expectations, the players and I are practicing hard day in and day out with the feeling that we must prevail.

My goal for this year obviously is to ensure that the team gets promoted to the V Premier League. JT Marvelous has failed to win the challenge match for promotion into the V Premier League for the last two years. We have the capacity to win, but so far we have been unable to play up to our ability at the key moments. In the world of competition, having the mental edge at the right moments ultimately determines whether you win or lose.

I am urging the athletes to play with confidence and pride, and we are training hard to develop the mentality and skills the team needs to win when the competition comes down to the wire. The matter of winning or losing is never a sure bet, but if our athletes play up to their ability there is no team in the V Challenge League that we can't beat.

The support of our fans is very encouraging to our players who are battling it out on the court. Even amid the cheers at volleyball tournaments we hear individual spectator's voices when they urge us to do better. For instance, back when I was a player I would hear fans when they would prompt me to serve well, which would encourage me to focus on playing better. Moreover, our players remember the faces of fans they see who have attended previous games.

So, we urge everyone to attend JT Marvelous games and are thankful for the shouts of encouragement from our fans.

- Profile

Coach Tomoko Yoshihara

Coach Yoshihara was born in 1970, and is from Hokkaido, Japan. She is a former member of the Japanese national team and competed in three Olympic Games, those of Barcelona, Atlanta and Athens. She played in overseas leagues as the first Japanese professional volleyball player, and every team she has belonged to in Japan achieved championship victories.

She retired as a player in 2006, and then completed a master's degree program at University of Tsukuba with the aim of becoming a coach. She started serving as the coach of JT Marvelous in June 2015.

## CSR initiatives of the JT Group

The JT Group is committed to resolving social issues in the communities in which we operate with the aim of realizing sustainable society on the basis of our management principles stating that “we will balance the interests of customers at the center, those of shareholders, employees and wider society, and fulfill our responsibilities towards them to a higher level, aiming to exceed their expectations.”

This page showcases some of the JT Group’s initiatives relating to corporate social responsibility (CSR) in Japan and abroad.

### Original Takata no Yume brand rice imbued with the dreams of Rikuzentakata City

The Takata no Yume brand of rice from Rikuzentakata City located in Iwate Prefecture was developed by JT, and was conceived when JT donated its ownership rights to the “Iwata 13” variety of rice to Rikuzentakata in a bid to help restore the city. Takata no Yume is an original brand of rice that is been cultivated only in Rikuzentakata City.

The name “Takata no Yume” was decided on in 2012 upon its selection from among 169 nationwide submissions, and refers to the notion of “pursuing the dreams (*yume*) of all residents of the disaster zones, accommodating those dreams and expectations.” Cultivation began the following year, and 260 tons of the rice was successfully harvested in 2014. The rice is sold in the city’s supermarkets and served in local school lunches.

<Photo>

The “Iwata 3” rice variety, which originates from the Akitakomachi rice variety, is resilient against rice bacterial blight and other crop diseases. It has been cross pollinated with the Hitomebore variety which is renowned for its good flavor. From that, the “Iwata 13” variety was developed after improvements were made to the “Iwata 3” variety.

### Rice harvest ceremony to express gratitude for bumper crop

During the season for planting and harvesting the rice crop we held related events which attracted our business partners and those affiliated with the Group, as well as local community members. On September 27, 2015, a ceremony to celebrate the rice harvest was held in the rice fields of Rikuzentakata City. The event provided good opportunities to encourage valuable communication with people involved in the Takata no Yume endeavor, through activities that included chances for people to try their hand at harvesting rice using a hand sickle (*kama*), sessions for sampling of freshly harvested Takata no Yume rice, and presentations of local performing arts.

The JT Group is lending its ongoing support to production of Takata no Yume rice, while also providing assistance for reconstruction of Rikuzentakata City.



<Photo>

Approximately 120 people took part in efforts to manually harvest the golden rice crop on the day of the event

<Photo>

Takata no Yume rice offers a refreshing sweetness coupled with a springy texture, and is characterized by its exquisite flavor even when served cold

Information about Takata no Yume brand rice from Rikuzentakata City available via the JT website:

<http://www.jti.co.jp/csr/contribution/support/takatanoyume/index.html>

Benchmarks for global socially responsible investing (SRI)

Selected for inclusion in the Dow Jones Sustainability Indices two years in a row

In September 2015, JT was selected for the second consecutive year as one of the constituents of the DJSI Asia/Pacific index, which is part of the Dow Jones Sustainability Index (DJSI) family of benchmarks that track performance in terms of socially responsible investing (SRI)<sup>\*1</sup>.

The DJSI is a collaborative initiative of S&P Dow Jones Indices<sup>\*2</sup> in the U. S. and RobecoSAM<sup>\*3</sup> in Switzerland which act as SRI benchmarks for assessing the sustainability performance of corporations based on economic, environmental and social criteria. The DJSI covers some 2,500 major corporations worldwide.

The DJSI Asia/Pacific index targets some 600 major corporations in the Asia-Pacific region, and is updated in terms of its constituent companies every year in September. This year, 145 companies were selected for inclusion in the DJSI Asia/Pacific index (of which 62 are Japanese companies).

We consider our inclusion in the DJSI Asia/Pacific index over two consecutive years as one indication that others recognize the contributions made by the JT Group's operations in terms of socially responsible practices for ensuring sustainability. The JT Group will continue to be committed to resolving social issues in the communities in which we operate with the aim of realizing sustainable society on the basis of our management principles stating that "we will balance the interests of customers at the center, those of shareholders, employees and wider society, and fulfill our responsibilities towards them to a higher level, aiming to exceed their expectations."

\*1. Socially responsible investing (SRI)

Refers to an investment methodology that draws on conventional financial analysis while also factoring in company activities that include its social, environmental and governance initiatives

\*2. S&P Dow Jones Indices

A leading U.S. media company that provides global news and business information

\*3. RobecoSAM

A Swiss asset management and consulting company that is involved in assessing corporate sustainability

<Logo>

MEMBER OF Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

Refer to the JT website for further details on the JT Group's CSR initiatives.

CLOSE UP!

Introducing JT Group companies and business divisions to our shareholders.

Emerging Products Marketing Division

Aiming to establish a leading position in Japan's emerging products (EP) market, premised on our vision of creating a future for tobacco products

At the JT Group, we are addressing shifts in customer preferences and changes in the social environment in which we operate by focusing our efforts on the emerging products category consisting of tobacco goods that deliver new forms of value.

In the Emerging Products Marketing Division (EPM Division), we create new product categories in our efforts to provide emerging products to the Japanese market, and engage in activities geared toward helping to bring about a society that accommodates both smokers and non-smokers.

<Photo>

Suguru Fujiwara, Vice President, EPM Division

■Tobacco vapor<sup>\*1</sup> products offering a new style of enjoyment

“Ploom” products which began selling in Japan in December 2013 provide our customers with the pleasure of tobacco vapor.

Unlike conventional cigarettes that are lighted to produce smoke<sup>\*2</sup>, the “Ploom” products function by heating tobacco to produce tobacco vapor, thereby offering a new way for customers to enjoy the taste and aroma of tobacco leaf.

Since “Ploom” went on sale, we have been receiving positive feedback from our customers who have been telling us that the products are free of smoke odors and provide the pleasure of a rich flavor that differs from conventional cigarettes.

\*1. Tobacco vapor is a tobacco leaf-derived mist created by vaporizing tobacco leaf.

\*2. The word “smoke” as used here refers to smoke that is produced by igniting a substance.

<Photo>

Ploom products can be purchased after completing registration via the official Ploom website

<Photo>

Actively hosting exhibits at various events

■Smokeless tobacco enjoyment for our customer in Japan

Tobacco products have long consisted not only of those that involve inhaling tobacco smoke, but also smokeless snuff and chewing tobacco goods that can be enjoyed in a variety of locations all over the world without having to light up.

Currently in Japan, we are selling two smokeless tobacco products, “Zerostyle Stix” and “Zerostyle Snus.” Because the products do not need to be lit and produce no smoke, they have been well received by those who wish to enjoy tobacco in various locations without the need to worry about bothering others.

In the EPM Division, we are committed to achieving greater customer satisfaction by stepping up to the challenge of developing new innovations in a manner not bound by preconceived notions, ultimately with the aim of making it possible for those who smoke to amicably coexist with those who do not.

Factual snippet from the EPM Division

■Snus familiar to those in Europe and the U.S.

Snuff is ground tobacco used by inhaling a pinch of the substance from the nasal cavity, and its use became widespread throughout Europe after gaining popularity in the imperial court of France during the latter half of the 1500s. Later came the advent of snus which is used orally and became a time-honored product in the U.S., Sweden and Norway. In Sweden it is a common tobacco product whose consumption is on par with that of cigarettes.

■TORANOMON LOUNGE

Location: JT Building, 1st floor, 2-1, Toranomom 2-chome, Minato-ku, Tokyo

Open hours: 10:00 a.m. to 6:00 p.m. (Closed on Saturday and Sunday)

TEL: +81-3-5572-4950

URL: <http://t-1.jp/>

We established the Toranomom Lounge in July 2014 with the aim of communicating information regarding the emerging products category. The Toranomom Lounge handles emerging products as well as related accessories and our major cigarette brands.

It is a cozy smoker-friendly area open to all adults.

The EPM Division is working to provide fresh ways of savoring tobacco products by continuing to take on challenges geared toward innovation.

■Products marketed by the EPM Division

<Photo>

[Ploom]

Note: Ploom is the brand name of a tobacco vaporizer that functions by applying heat to tobacco.

Regular type

Orchard for Ploom	Moist and sweet
Lugano for Ploom	Fragrant with a bitter mellow and mellow flavor
Gold for Ploom	Sweet and rich flavor
Mevius for Ploom	Mellow sweetness combined with a slightly bitter flavor

Menthol type

Cooler for Ploom	Cool and refreshing sensation
Pianissimo for Ploom	Spicy mint accents

Multipack for Ploom

Six different flavors (two of each flavor)

Ploom (black and white)

¥3,600 each (suggested retail price, tax inclusive)

Tobacco pods for Ploom (six flavors and multipack)

¥480 each (retail price)

Participating retailers

Ploom online shop: <http://ploom.jp/>

café STUDIO 4-31-10 Jingumae, Shibuya-ku, Tokyo

1st floor of YM Square HARAJUKU and selected retail stores in Tokyo

<Photo>

“Zerostyle Stix”

Zerostyle Stix with specialized holder

Blue Mint and Brown Flavor

¥420 each (retail price)

Refill cartridges

Blue Mint, Brown Flavor, Pink Flavor and Green Mint

¥300 each (retail price)

Participating retailers

Selected retail stores throughout Japan

<Photo>

“Zerostyle Snus”

Zerostyle Snus Regular

Zerostyle Snus Mint

¥390 each (retail price)

Participating retailers

Selected retail stores throughout Japan

\* This page is intended as an explanation of JT's business for shareholders. As such, it is not intended to promote product sales to customers or to encourage them to smoke.

## The Lure of Tobacco Smoke

A lesson from the past at the end of a journey

Kurokawa Takagi Shrine, Miyaza (shrine guild) Ceremony [Fukuoka Prefecture]

<Photo>

Tobacco involved in community ceremony with the “Intangible Folk Cultural Properties” designation

The Takagi Shrine located in the Takagi area of Asakura-shi in Fukuoka Prefecture holds the Kurokawa Takagi Shrine’s Miyaza Ceremony (also known as the “Kurokawa Kunchi” festival) every year on October 29. Simply put, the ceremony involves expressing gratitude for the harvest, and is conducted by the shrine’s miyaza (shrine guilds which are in charge of organizing festivals and events) which is composed of shrine parishioners.

During the Miyaza Ceremony a divination ritual is held to foretell outcomes of harvests. The ritual involves placing rice that has been harvested into rice straw that has been braided into a pouch-like shape. Those pouches are then suspended from a sacred tree located on the grounds of the shrine. During the following year’s Miyaza Ceremony, the parishioners foretell the state of the harvest partially on the basis of whether or not mold has formed on the rice. Various activities take place, but there is also a traditional practice which the attending miyaza shrine guild members smoke finely cut tobacco using a bamboo *kappo kiseru* pipe still exists today.

The practice was reinstated in 1986, after having been temporarily suspended. It is not known when the Shinto ritual first began to involve the smoking of tobacco, but it is thought to be related to tobacco cultivation because the area in the vicinity of the shrine has long been famous for the *jyozaha* native variety of leaf tobacco which originated in the area.

In Northern Kyushu, there are still a number of examples of Shinto rituals that involve tobacco use. Among those, the “Kurokawa Kunchi” ceremony which is said to have been kept alive as a traditional community event since the Middle Ages has been passed down over the generations and continues even to this day.

<Photo>

Procession of miyaza shrine guild members gathered at Takagi Shrine

<Photos>

*Kappo kiseru* pipe used by miyaza shrine guild members and made by shrine parishioners

<Photo>

*Naorai* celebration where food offerings are consumed first by the miyaza shrine guild member who is the chief priest of the shrine and then by those paying homage to the shrine

<Photo>

Black Gate of Akizuki Castle ruins

Photo courtesy of the Asakura City Board of Education

Fukuoka Prefecture's Asakura-shi where the Kurokawa Takagi Shrine is located has a substantial connection to feudal warlord Kanbei Kuroda. The Hakishiwa district located to the south of Takagi Shrine was governed by Toshiyasu Kuriyama, who was one of Kanbei's vassals, and his son Toshiakira Kuriyama. Legend has it that Toshiakira introduced from Nagasaki and popularized the *jyozaha* leaf tobacco then produced in the area.

In addition, the Akizuki district which lies on the western edge of Asakura-shi is a castle town referred to as "Chikuzen's little Kyoto" and as such has become a famous tourist destination. Surrounded by the Chikugo River and mountain ranges, Asakura-shi is blessed with an abundance of natural beauty and quintessential Japanese scenery.

■Kurokawa Takagi Shrine's Miyaza Ceremony

Location: 1805 Kurokawa, Asakura-shi, Fukuoka Prefecture

Access: [By car] Approx. 15 minutes from the direction of Fukuoka, turn left at the National Highway No. 386 Yamada intersection

Contact: +81-946-29-0750 (Asakura City Kurokawa Community Center)

<Photo>

External view of the Kurokawa Takagi Shrine

<Map>



## Company Profile

Trade name: Japan Tobacco Inc.

Location of head office: JT Building, 2-1, Toranomom 2-chome, Minato-ku, Tokyo 105-8422, Japan

Tel.: +81-3-3582-3111 (Main)

Fax: +81-3-5572-1441

Established: April 1, 1985

Paid-in capital: ¥100 billion

## Common Stock (as of September 30, 2015)

### Composition of shareholders

Public sector: 33.35%

Financial institutions: 15.71%

Individuals and others: 13.96%

Securities companies: 0.33%

Other institutions: 0.58%

Foreign institutions and others: 36.07%

Total number of shares authorized: 8,000,000,000 shares

Total number of shares issued: 2,000,000,000 shares

(Number of treasury shares: 209,290,431 shares)

Number of shareholders: 117,597

## How to receive dividends

Shareholders can receive dividends safely and securely by opting to receive them by bank remittance.

Cash	Shareholder	Dividend warrants	JT
		←===	
		Dividend warrants	Japan Post Bank Post Office
		===>	
Bank remittance	Designated financial institution account	Dividends	JT
		←===	
	◇ In the case of receiving dividends by designating a deposit account at a bank for each issue held		
	Designated financial institution account X	Dividends	JT
		←===	
	Designated financial institution account Y	Dividends	Company A
		←===	
	◇ In the case of receiving dividends for all issues held in the same deposit account held at a bank		
	Designated financial institution account X	Dividends	JT
		←===	
Dividends		Company A	
←===			
◇ In the case of receiving dividends in a trading account held at a securities company (if a balance exists at several securities companies, dividends are allocated according to balance)			
Securities company X / JT shares / ● shares	Dividends from ● shares	JT	
	←===		
Securities company Y / JT shares / ○ shares	Dividends from ○ shares		
	←===		
* Not available for use by shareholders who use special accounts			

Members of the Board, Audit & Supervisory Board Members, and Executive Officers  
(as of October 1, 2015)

Members of the Board

Chairman of the Board	Yasutake Tango
President, Chief Executive Officer and Representative Director	Mitsuomi Koizumi
Representative Director, Executive Deputy President	Yasushi Shingai
Representative Director, Executive Deputy President	Noriaki Okubo
Representative Director, Executive Deputy President	Akira Saeki
Member of the Board, Executive Deputy President	Hideki Miyazaki
Member of the Board	Motoyuki Oka *
Member of the Board	Main Kohda *

\* Mr. Motoyuki Oka and Ms. Main Kohda are Outside Directors provided for in Article 2, item 15 of the Companies Act.

Audit & Supervisory Board Members

Audit & Supervisory Board Member	Futoshi Nakamura
Audit & Supervisory Board Member	Tomotaka Kojima
Audit & Supervisory Board Member	Yoshinori Imai *
Audit & Supervisory Board Member	Hiroshi Ohbayashi *

\* Mr. Yoshinori Imai and Mr. Hiroshi Ohbayashi are Outside Audit & Supervisory Board Members provided for in Article 2, item 16 of the Companies Act.

\* JT has appointed Mr. Michio Masaki as a Substitute for Audit & Supervisory Board Member, in preparation against a situation where the number of Audit & Supervisory Board Members falls below the statutory required number.

Executive Officers (*shikkoyakuin*)

President	Mitsuomi Koizumi
Executive Deputy President, Compliance, Strategy, HR, General Administration, Legal and Operation Review & Business Assurance	Yasushi Shingai
Executive Deputy President, Pharmaceutical, Beverage and Processed Food Businesses	Noriaki Okubo
Executive Deputy President, President, Tobacco Business	Akira Saeki
Executive Deputy President, CSR, Finance and Communications	Hideki Miyazaki
Senior Executive Vice President, Chief Marketing & Sales Officer, Tobacco Business	Kenji Iijima
Senior Executive Vice President, Compliance and Chief General Affairs Officer	Ryoji Chijiwa

Senior Executive Vice President, Chief Strategy Officer	Mutsuo Iwai
Senior Executive Vice President, Head of China Division, Tobacco Business	Kazuhito Yamashita
Senior Vice President, Corporate, Scientific & Regulatory Affairs Division, Tobacco Business	Junichi Fukuchi
Senior Vice President, Deputy Marketing & Sales Officer, Tobacco Business	Chito Sasaki
Senior Vice President, Chief R&D Officer, Tobacco Business	Yasuyuki Yoneda
Senior Vice President, Manufacturing Group, Tobacco Business	Masahiko Sato
Senior Vice President, Head of Leaf Procurement Group, Tobacco Business	Yasushi Hasegawa
Senior Vice President, Head of Tobacco Business Planning Division, Tobacco Business	Kiyohide Hirowatari
Senior Vice President, President, Pharmaceutical Business	Muneaki Fujimoto
Senior Vice President, Head of Central Pharmaceutical Research Institute, Pharmaceutical Business	Shigenori Ohkawa
Senior Vice President, Head of Beverage Business	Goichi Matsuda
Senior Vice President, CSR	Ryoko Nagata
Senior Vice President, Business Development and Corporate Strategy	Takehiko Tsutsui
Senior Vice President, Chief Financial Officer	Naohiro Minami
Senior Vice President, Chief Communications Officer	Yuki Maeda
Senior Vice President, Chief Legal Officer	Haruhiko Yamada
Senior Vice President, Chief Human Resources Officer	Koji Shimayoshi

#### Trends in Share Price

Share prices of JT, from IPO on October 27, 1994 to October 2015 (closing prices on the TSE, monthly basis)

<Chart of JT's share price>

#### First sale

Sale by bidding

Contract price ¥1,362,000 to ¥2,110,000 (fixed date of the contract price August 29, 1994)

Sale without bidding

Sale price ¥1,438,000 (fixed date of the sale price August 31, 1994)

#### Second sale

Sale price ¥815,000 (fixed date of the sale price June 17, 1996)

#### Third sale

Sale price ¥843,000 (fixed date of the sale price June 7, 2004)

Fourth sale

Sale price ¥2,949 (fixed date of the sale price March 11, 2013)

\* Due to a stock split of 5-for-1 on April 1, 2006, and a stock split of 200-for-1 on July 1, 2012, stock prices reflect post-split levels.

Memo for Shareholders

Closing date: December 31 of each year

Ordinary General Meeting of Shareholders: March of each year

Record date for year-end dividend: December 31 of each year

Record date for interim dividend: June 30 of each year

Share trading unit: 100 shares

Method of public notice:

Electronic public notice

Public notices will be posted on JT's website: <http://www.jti.co.jp/>

\* If JT is unable to make electronic public notice due to an accident or any other compelling reason, it will make an alternative public notice in "The Nikkei" newspaper.

Shareholder registry administrator/special-account managing institution:

Mitsubishi UFJ Trust and Banking Corporation

■ Office for handling business

4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan

Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

■ Inquiry/mailing address

10-11, Higashisuna 7-chome, Koto-ku, Tokyo 137-8081, Japan

Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

0120-232-711 (toll-free number available only in Japan; 9 a.m. to 5 p.m. on weekdays)

■ Request for procedure forms related to special account

The special-account managing institution accepts requests for administrative procedure for shareholders using special accounts (including notification of change of address, forms for designation or change of direct deposit of dividends, and forms for requesting procedures for inheritance of shares) at

0120-244-479 (toll-free number available only in Japan) 24 hours a day.

Concerning share handling procedures:

Shareholders are asked to contact the securities company where they have accounts.

## Share Handling Procedures

### Shareholders holding accounts with securities companies

[Procedures and contents of inquiries]

- Change in registered address, name
- Change in method to receive dividends or remittance account
- Requests for purchase or sale of shares less than one unit and similar matters

=> The securities company where the account is opened

- Shipment / return of mail items
- Dividends after the payment period has passed
- Problems including non-receipt of documents and loss of dividend warrants and similar matters

=> Mitsubishi UFJ Trust and Banking Corporation

### Shareholders using special accounts

[All procedures and inquiries]

- Change in registered address, name
- Change in method to receive dividends or remittance account
- Requests for purchase or sale of shares less than one unit
- Shipment / return of mail items
- Dividends after the payment period has passed
- Other general inquiries on business concerning shares and similar matters

=> Inquiries

Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Division

10-11, Higashisuna 7-chome, Koto-ku, Tokyo 137-8081, Japan

0120-232-711 (toll-free number available only in Japan; 9 a.m. to 5 p.m. on weekdays)

### Requests for procedure forms

- Requests by interactive voice response telephone service

0120-244-479 (toll-free number available only in Japan; 24 hours)

Japan Tobacco Inc.

JT Building

2-1, Toranomom 2-chome, Minato-ku, Tokyo 105-8422, Japan

Tel.: +81-3-3582-3111

URL: <http://www.jti.co.jp/>

This Report was printed using vegetable oil inks along with FSC approved paper to protect our forests.