

[This is an English translation prepared for reference purpose only. Should there be any inconsistency between the translation and the original Japanese text, the latter shall prevail.]

To Our Shareholders and Investors

Business Report

Volume 55

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<Logo> Report on the Consolidated Financial Results for the First Nine Months of the Fiscal Year
Ending December 31, 2016

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TOP MESSAGE

Profit grew more than 11% at constant rates of exchange on a company-wide basis

Results for the first nine months of the fiscal year ending December 31, 2016 (period from January 1 to September 30, 2016), and revised forecast for the fiscal year ending December 31, 2016

In the first nine months of the fiscal year ending December 31, 2016, we achieved extremely high growth in profits with adjusted operating profit at constant rates of exchange ^{*1}, a key performance indicator across the Group, increasing by 11.8% from the same period of the previous year against a backdrop of steady profit growth in each of our businesses.

In the international tobacco business, adjusted operating profit at constant rates of exchange increased by 15.4% from the same period of the previous year partially due to gains in market share primarily with respect to our Global Flagship Brands (GFBs) ^{*2} and growth in shipment volume stemming from positive effects of acquisitions, and also due to positive results from favorable pricing. Yen-based adjusted operating profit taking into account foreign currency effects decreased by 13.2% from the same period of the previous year due to negative effects of U.S. dollar exchange rates against the Russian ruble and other local currencies combined with unfavorable exchange rates of the U.S. dollar against the yen.

In the domestic tobacco business, sales volume decreased by 1.9% from the same period of the previous year because positive effects of acquiring the Natural American Spirit business outside the U.S. partially offset a downturn in sales volume brought about by decreasing overall demand and the retail price amendment of Mevius and other brands. Meanwhile, adjusted operating profit increased by 0.7% from the same period of the previous year due to positive effects of acquisitions and favorable pricing through the retail price amendment of Mevius and other brands, and also due to other factors such as the effect of measures to strengthen competitiveness implemented in March 2015.

The pharmaceutical business and the processed food business have been increasingly contributing to Group-wide profit growth, due to factors that include an increase in royalty income and one-off milestone revenues in the pharmaceutical business, as well as initiatives geared to improving the product mix and cutting costs in the processed food business.

Next, I turn to our earnings outlook.

With respect to Group-wide performance, we have upwardly revised our projection for adjusted operating profit at constant rates of exchange by ¥10.0 billion to reflect higher earnings forecasts revised in our international tobacco business and pharmaceutical business, for a 10.1% increase from the same period of the previous year.

As for Group-wide performance taking into account foreign currency effects, we have upwardly revised our figures for adjusted operating profit, operating profit and profit for the year to reflect prevailing trends in our respective businesses and revisions to currency exchange rate assumptions.

We are increasingly confident that the business investment we have been undertaking so far is poised to steadily yield tangible results, upon having favorably revised our full-year forecast for adjusted operating profit at constant rates of exchange to reflect performance achieved up through the first nine months of

the fiscal year. Continuing forward, we will take steps to expand our range of business in our existing markets, while also expanding our geographic footprint by entering and investing in new markets, heightening brand value and steadily making business investment in the emerging products^{*3} category. With respect to dividends, we plan to pay an annual dividend of ¥128, which remains unchanged from the previous announcement.

Going forward, we will keep demonstrating our ability to adapt to changes, which is our strength, on the basis of our “4S” model, while pursuing our aim of achieving “mid to high single digit growth” in adjusted operating profit at constant rates of exchange.

Mitsuomi Koizumi, President, Chief Executive Officer and Representative Director

<Photo>

- *1 Figures presented for adjusted operating profit at constant rates of exchange reflect actual performance of business operations, excluding effects of foreign exchange. In calculating the figure, the current fiscal year’s adjusted operating profit in the international tobacco business has been converted using exchange rates of the same period of the previous fiscal year.
- *2 Global Flagship Brands (GFBs) consist of nine brands, which serve as flagships of the Group’s brand portfolio - Winston, Camel, Mevius, LD, Benson & Hedges, Glamour, Sobranie, Silk Cut and Natural American Spirit.
- *3 The term “emerging products” refers to novel or innovative products other than conventional cigarettes.

Results for the first nine months of the fiscal year ending December 31, 2016 ^(Note)

(Billions of yen)

| | From January to September 2015 | From January to September 2016 | Year-on-year change |
|--|-----------------------------------|-----------------------------------|------------------------|
| Revenue | 1,688.5 | 1,618.5 | -4.1% |
| Adjusted operating profit ^{*1} | 510.3 | 476.5 | -6.6% |
| Adjusted operating profit at constant rates of exchange | — | 570.6 | +11.8% |
| Profit for the period ^{*2} | 317.1 | 350.0 | +10.4% |

Revised forecast for the fiscal year ending December 31, 2016 (FY2016) ^(Note)

(Billions of yen)

| | FY2015 results | FY2016 previous forecasts | FY2016 revised forecasts | Difference from previous forecasts | Year-on-year change |
|--|-------------------|---------------------------------|--------------------------------|---|------------------------|
| Revenue | 2,252.9 | 2,120.0 | 2,120.0 | — | -5.9% |
| Adjusted operating profit | 626.7 | 569.0 | 576.0 | +7.0 | -8.1% |
| Adjusted operating profit at constant rates of exchange | 626.7 | 680.0 | 690.0 | +10.0 | +10.1% |
| Profit for the year ^{*2} | 398.5 | 409.0 | 414.0 | +5.0 | +3.9% |

Dividend per share

(Yen)

| | FY2015 results | FY2016 forecasts |
|---------------------------|----------------|------------------|
| Interim dividend | 54 | 64 |
| Year-end dividend | 64 | 64 |
| Annual dividend per share | 118 | 128 |

1. 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

*2. Profit attributable to owners of the parent company

Note: Results for FY2015 have been presented on a continuing operations basis for use as comparative data.

International Tobacco Business

In the first nine months of the fiscal year ending December 31, 2016, total shipment volume^{*1} and Global Flagship Brand (GFB) shipment volume increased by 2.9% and 5.3% from the same period of the previous year, respectively, as a result of having gained market share primarily with respect to GFBs, returns achieved from investment in emerging markets, positive effects of acquisitions, and inventory adjustments that arose among distributors in some market during the first three months of the fiscal year, which have worked to our favor.

However, adjusted operating profit on a U.S. dollar basis decreased by 3.3% due to weakening of local currencies, notably the Russian ruble and British pound against the U.S. dollar. Also on a yen basis, adjusted operating profit decreased by 13.2% due to unfavorable effects of foreign exchange amid yen appreciation. As for financial results excluding foreign exchange effects, we achieved robust growth in core revenue^{*3} and adjusted operating profit, at 10.9% and 15.4% from the same period of the previous year, respectively, as a result of having attained growth in shipment volume and consistent positive results from favorable pricing.

Shipment volume

(Billions of cigarettes)

| | From January to September 2015 | From January to September 2016 | Year-on-year change |
|-------------------------------------|-----------------------------------|-----------------------------------|------------------------|
| Total shipment volume ^{*1} | 295.6 | 304.2 | +2.9% |
| GFB shipment volume | 205.4 | 216.3 | +5.3% |

*1. Total shipment volume includes fine cut, cigars, pipe tobacco and snus but excludes contract manufactured products, waterpipe tobacco and emerging products.

Market share (12 months moving average)

| | September 2015 | September 2016 | Year-on-year change |
|-----------------------|------------------|---------------------|----------------------|
| France | 21.4% | 21.8% | +0.5%pt |
| Italy | 20.5% | 22.4% | +1.8%pt |
| Russia (GFB share) | 33.9% (24.1%) | 33.2% (24.6%) | -0.7%pt (+0.5%pt) |
| Spain | 22.2% | 22.6% ^{*2} | +0.4%pt |
| Taiwan | 39.2% | 39.5% | +0.3%pt |
| Turkey | 30.6% | 29.7% | -0.9%pt |
| U.K. | 41.8% | 42.1% | +0.3%pt |

*2. Market share over the period from September 2015 to August 2016.

Results

(Millions of dollar)

| | From January to September 2015 | From January to September 2016 | Year-on-year change |
|--|-----------------------------------|-----------------------------------|------------------------|
| Core revenue ^{*3} | 7,823 | 8,062 | +3.1% |
| Core revenue at constant rates of exchange | — | 8,676 | +10.9% |
| Adjusted operating profit | 2,715 | 2,626 | -3.3% |
| Adjusted operating profit at constant rates of exchange | — | 3,134 | +15.4% |
| Yen-based adjusted operating profit | ¥328.5 billion | ¥285.0 billion | -13.2% |

*3. Includes revenue from waterpipe tobacco and emerging products, but excludes revenues from distribution, contract manufacturing and other peripheral businesses

Domestic Tobacco Business

Total sales volume^{*1} decreased by 1.9% from the same period of the previous year because positive effects of acquiring the Natural American Spirit (NAS) business outside the U.S. partially offset a downturn in sales volume brought about by decreasing overall demand and the retail price amendment of Mevius and other brands which took effect in April 2016.

Core revenue^{*2} increased by 1.5% from the same period of the previous year, despite a decrease in sales volume, due to positive effects of the NAS acquisition and retail price amendment. Adjusted operating profit increased by 0.7% from the same period of the previous year, despite having incurred higher promotion expenses, due to the increase in revenues and positive effects brought about by measures to strengthen competitiveness.

In the emerging products category we are developing a new style of product dubbed Ploom TECH, which enables consumers in the Japanese market to enjoy the taste of cigarettes without having to ignite tobacco leaf. The product received a much greater consumer response than we had anticipated when it went on sale in selected geographic areas and online, and its availability continues to be limited. This situation has greatly inconvenienced our customers. Given the product's popularity we are working to increase capacity to manufacture it, and are going to extend the sales territory in stages beginning in the early part of 2017.

*1. Excludes sales volume of domestic duty free, the China business and emerging products

*2. Includes revenue from domestic duty free, the China business and emerging products, but excludes revenue from distribution of imported tobacco in the Japanese domestic tobacco business, among others

Trends in sales volume, market share of JT and Mevius

| | From January to September 2015 | From January to September 2016 | Year-on-year change |
|----------------------------------|-----------------------------------|-----------------------------------|---------------------|
| Total sales volume ^{*1} | 81.3 billions of cigarettes | 79.7 billions of cigarettes | -1.9% |
| Market share of JT | 59.9% | 61.0% | +1.1%pt |
| Market share of Mevius | 32.1% | 31.4% | -0.7%pt |

Results

(Billions of yen)

| | From January to September 2015 | From January to September 2016 | Year-on-year change |
|----------------------------|-----------------------------------|-----------------------------------|---------------------|
| Core revenue ^{*2} | 478.2 | 485.5 | +1.5% |
| Adjusted operating profit | 197.6 | 199.0 | +0.7% |

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

Pharmaceutical Business

Revenue increased by ¥7.3 billion from the same period of the previous year and adjusted operating profit substantially improved, rising by ¥7.5 billion. This is a result of higher royalty revenue from Stribild® Combination Tab. and other products, along with one off milestone revenue associated with progress made in developing an original JT compound that has been out-licensed, arising in the first three months of the fiscal year.

Results

(Billions of yen)

| | From January to September 2015 | From January to September 2016 | Year-on-year change |
|---------------------------|-----------------------------------|-----------------------------------|------------------------|
| Revenue | 53.4 | 60.7 | +7.3 |
| Adjusted operating profit | -3.3 | 4.2 | +7.5 |

Pharmaceutical business: Items in clinical development (as of October 31, 2016)

<In-house development>

| Code (generic name) | Potential indication/ dosage form | Mechanism | | Phase | Note |
|--|---|---|---|---------------------------------------|--|
| emtricitabine/ tenofovir alafenamide | HIV infection/ Oral | Nucleoside reverse transcriptase inhibitor | Suppresses blood HIV levels by inhibiting the activity of reverse transcriptase, an enzyme involved in the replication of HIV. | NDA filed (Japan) | In-license (Gilead Sciences) |
| JTT-851 | Type 2 diabetes mellitus/Oral | G protein-coupled receptor 40 agonist | Decreases blood glucose by stimulation of glucose-dependent insulin secretion. | Phase 2 (Japan) Phase 2 (Overseas) | In-house |
| JTZ-951 | Anemia associated with chronic kidney disease/Oral | HIF-PHD inhibitor | Increases red blood cells by stimulating production of erythropoietin, an erythropoiesis-stimulating hormone, via inhibition of HIF-PHD. | Phase 2 (Japan) Phase 1 (Overseas) | In-house |
| JTE-052 | Autoimmune/ allergic diseases/ Oral, Topical | JAK inhibitor | Suppresses overactive immune response via inhibition of Janus kinase (JAK) related to immune signal. | Phase 2 (Japan) | In-house Co-development with Torii |
| JTE-051 | Autoimmune/ allergic diseases/ Oral | Interleukin-2 inducible T cell kinase inhibitor | Suppresses overactive immune response via inhibition of the signal to activate T cells related to immune response. | Phase 1 (Overseas) | In-house |
| JTT-251 | Type 2 diabetes mellitus/Oral | PDHK inhibitor | Decreases blood glucose by activation of pyruvate dehydrogenase (PDH) related to carbohydrate metabolism. | Phase 1 (Overseas) | In-house |
| JTK-351 | HIV infection/ Oral | HIV integrase inhibitor | Suppresses blood HIV levels by inhibiting the activity of integrase, an enzyme involved in the replication of HIV. | Phase 1 (Japan) | In-house |
| JTE-451 | Autoimmune/ allergic diseases/ Oral | ROR γ antagonist | Suppresses overactive immune response via inhibition of ROR γ related to Th 17 activation. | Phase 1 (Overseas) | In-house |
| JTT-751 (ferric citrate) | Iron-deficiency anemia/Oral | Oral iron replacement | Corrects iron-deficiency anemia by using absorbed Iron for synthesis of hemoglobin. | Phase 2 (Japan) | In-license (Keryx Biopharmaceuticals) Co-development with Torii * additional indication |

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

<Licensed compounds>

| Compound (JT's code) | Licensee | Mechanism | | Note |
|-------------------------------|-------------------|-------------------|--|---|
| trametinib | Novartis | MEK inhibitor | Inhibits cellular growth by specifically inhibiting the activity of MAPK/ERK Kinase (MEK1/2). | NSCLC, trametinib + dabrafenib; U.S. and EU marketing approvals submitted |
| Anti-ICOS monoclonal antibody | MedImmune | ICOS antagonist | Suppresses overactive immune response via inhibition of ICOS which regulates activation of T cells. | |
| JTE-052 | LEO Pharma | JAK inhibitor | Suppresses overactive immune response via inhibition of Janus kinase (JAK) related to immune signal. | |
| JTZ-951 | JW Pharmaceutical | HIF-PHD inhibitor | Increases red blood cells by stimulating production of erythropoietin, an erythropoiesis-stimulating hormone, via inhibition of HIF-PHD. | |

Updates since the previous announcement on August 1, 2016:

<In-house development>

- emtricitabine/tenofovir alafenamide: Filed NDA for marketing approval in Japan (August 12, 2016)
- JTE-052: Started co-development with Torii Pharmaceutical Co., Ltd.

<Licensed compounds>

- JTZ-951: Licensed exclusive rights to JW Pharmaceutical for further development and marketing JTZ-951 for the treatment of anemia associated with chronic kidney disease (CKD) in Republic of Korea (October 14, 2016)

Processed Food Business

In the processed food business, revenue decreased by ¥0.4 billion from the same period of the previous year due to a situation where growth was achieved in sales of high-margin products and seasonings, but the increase was insufficient to make up for a downturn in sales of other products. However, adjusted operating profit increased by ¥2.4 billion from the same period of the previous year due to factors that included improvement of the product mix, favorable effects of yen appreciation and cost cutting initiatives.

Results

(Billions of yen)

| | From January to September 2015 | From January to September 2016 | Year-on-year change |
|---------------------------|-----------------------------------|-----------------------------------|------------------------|
| Revenue | 120.5 | 120.1 | -0.4 |
| Adjusted operating profit | 1.3 | 3.7 | +2.4 |

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 Group classified the Beverage Business as discontinued operations in the previous fiscal year. As a result, profit (loss) from discontinued operations for the fiscal year ended December 31, 2015 is presented separately from that from continuing operations as “profit for the period from discontinued operations.”

Note: Yen amounts are rounded to the nearest million.

Consolidated statement of financial position

(Millions of yen)

| | As of December 31, 2015 | As of September 30, 2016 | Increase (Decrease) |
|--|----------------------------|-----------------------------|-------------------------|
| Assets | | | |
| Current assets | 1,798,217 | 1,305,619 | (492,598) ^{*1} |
| Non-current assets | 2,760,017 | 2,952,378 | 192,360 |
| Property, plant and equipment | 681,865 | 636,406 | (45,459) |
| Goodwill | 1,429,287 | 1,487,876 | 58,588 ^{*2} |
| Intangible assets | 332,478 | 410,205 | 77,727 ^{*2} |
| Investment property | 23,614 | 17,622 | (5,991) |
| Retirement benefit assets | 38,954 | 20,536 | (18,418) |
| Investments accounted for using the equity method | 59,523 | 107,017 | 47,494 |
| Other financial assets | 101,727 | 97,707 | (4,020) |
| Deferred tax assets | 92,570 | 175,009 | 82,439 ^{*2} |
| Total assets | 4,558,235 | 4,257,997 | (300,238) |

(Millions of yen)

| | As of December 31, 2015 | As of September 30, 2016 | Increase (Decrease) |
|--|----------------------------|-----------------------------|-------------------------|
| Liabilities and equity | | | |
| Liabilities | | | |
| Current liabilities | 1,265,920 | 1,155,876 | (110,044) |
| Non-current liabilities | 770,790 | 834,735 | 63,945 |
| Total liabilities | 2,036,710 | 1,990,611 | (46,099) |
| Equity | | | |
| Equity attributable to owners of the parent company | 2,451,596 | 2,196,633 | (254,963) |
| Share capital | 100,000 | 100,000 | — |
| Capital surplus | 736,400 | 736,400 | — |
| Treasury shares | (444,333) | (443,931) | 402 |
| Other components of equity | (137,122) | (478,840) | (341,718) ^{*3} |
| Retained earnings | 2,196,651 | 2,283,005 | 86,353 ^{*4} |
| Non-controlling interests | 69,929 | 70,753 | 824 |
| Total equity | 2,521,524 | 2,267,386 | (254,139) |
| Total liabilities and equity | 4,558,235 | 4,257,997 | (300,238) |

*1. Current assets: Decreased due to the effect of lower cash and cash equivalents.

*2. Goodwill, intangible assets and deferred tax assets: Increased due to the acquisition of the Natural American Spirit business outside the U.S.

*3. Other components of equity: Decreased due to the foreign exchange effects.

*4. Retained earnings: Increased due to the inclusion of earnings from the parent company interests.

Consolidated statement of income

(Millions of yen)

| | Nine months ended September 30, 2015 | Nine months ended September 30, 2016 | Increase (Decrease) |
|--|---|---|---------------------|
| Continuing operations | | | |
| Revenue | 1,688,468 | 1,618,537 | (69,931) |
| Cost of sales | (680,011) | (652,015) | 27,996 |
| Gross profit | 1,008,457 | 966,523 | (41,935) |
| Other operating income | 3,942 | 66,225 | 62,282 |
| Share of profit in investments accounted for using the equity method | 4,869 | 4,834 | (36) |
| Selling, general and administrative expenses | (561,368) | (543,001) | 18,367 |
| Adjusted operating profit ^(Note) | 510,334 | 476,544 | (33,790) |
| Operating profit | 455,901 | 494,580 | 38,679 |
| Financial income | 12,706 | 5,143 | (7,564) |
| Financial costs | (11,268) | (15,448) | (4,181) |
| Profit before income taxes | 457,340 | 484,275 | 26,935 |
| Income taxes | (137,077) | (131,022) | 6,054 |
| Profit for the period from continuing operations | 320,263 | 353,253 | 32,990 |
| Discontinued operations | | | |
| Profit for the period from discontinued operations | 87,609 | — | — |
| Company-wide basis (Continuing and discontinued operations combined) | | | |
| Profit for the period | 407,872 | 353,253 | (54,619) |
| Attributable to: | | | |
| Owners of the parent company | 404,395 | 350,008 | (54,387) |
| Non-controlling interests | 3,477 | 3,245 | (233) |
| Profit for the period | 407,872 | 353,253 | (54,619) |

Note: 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 September 30, 2015 | Nine months ended September 30, 2016 | Increase (Decrease) |
|-------------------------------------|---|---|---------------------|
| Profit for the period | 407,872 | 353,253 | (54,619) |
| Other comprehensive income | (212,401) | (379,127) | (166,725) |
| Comprehensive income for the period | 195,471 | (25,874) | (221,345) |
| Attributable to: | | | |
| Owners of the parent company | 192,337 | (27,506) | (219,843) |
| Non-controlling interests | 3,133 | 1,632 | (1,502) |
| Comprehensive income for the period | 195,471 | (25,874) | (221,345) |

Consolidated statement of cash flows

(Millions of yen)

| | Nine months ended September 30, 2015 | Nine months ended September 30, 2016 | Increase (Decrease) |
|--|---|---|-------------------------|
| Cash flows from operating activities | 200,056 | 79,716 | (120,340) |
| Cash flows from investing activities | (33,896) | (655,745) | (621,849) ^{*5} |
| Cash flows from financing activities | (203,057) | 236,805 | 439,862 ^{*6} |
| Net increase (decrease) in cash and cash equivalents | (36,896) | (339,223) | (302,327) |
| Cash and cash equivalents at the beginning of the period | 385,820 | 526,765 | 140,945 |
| Effect of exchange rate changes on cash and cash equivalents | (12,797) | (23,303) | (10,505) |
| Cash and cash equivalents at the end of the period | 336,126 | 164,238 | (171,888) |

*5. Cash flows from investing activities:

Cash outflows increased due to acquisition of the Natural American Spirit business outside the U.S.

*6. Cash flows from financing activities:

Increased due to short-term borrowings and issuance of bonds related to the acquisition of the Natural American Spirit business outside the U.S.

JT recognized for the first time on the climate “A” list by CDP

JT has been identified by CDP (headquarters: London) as a global leader for its actions and strategies in response to climate change, and, for the first time, has been awarded a position on the Climate “A” List. CDP is the leading international non-governmental organization that accelerates action to achieve sustainable economies, assessing disclosure and actions by corporations from around the world. Representing 827 investors with assets of US\$100 trillion, CDP sends out questionnaires to companies listed on stock exchanges worldwide, asking them about their activities for reducing greenhouse gas (GHG) emissions, and then evaluates the answers and publishes the results.

In CDP’s 2016 survey, about 5,800 companies from throughout the world answered CDP’s questionnaire; and 193 companies (22, including ours, from Japan), were selected to the “A” List.

The JT Group, which sells its products in over 120 countries, has prioritized its efforts in the reduction of environmental impacts as an important business focus. The “JT Group Long-term Environment Plan (2020)”^{*} includes a target of reducing our absolute GHG emissions in 2020 by 20% compared to 2009, and by 2015 we had already achieved a 17% reduction. Moreover, our efforts are not limited to those inside the JT Group; in cooperation with our suppliers, we also actively look for reduction opportunities in our entire value chain.

This is the result of our efforts to reduce GHG emissions and our transparency in disclosing information, which have been deemed worthy by CDP of our inclusion on its “A” List.

JT will continue its efforts to tackle environmental issues and thus fulfill its social responsibility to help achieve a sustainable society.

<Logo>

***JT GROUP LONG-TERM ENVIRONMENT PLAN (2020)**

In 2014, the JT Group drew up its long-term environment plan looking toward 2020 to provide concrete guidelines with respect to content of the “JT Group Environment Charter.” The JT Group Long-term Environment Plan (2020) outlines medium- and long-term improvement targets and initiatives in four key areas, as follows.

- A) To minimize our contribution to global warming by reducing GHG emissions from our company’s facilities by 20% in 2020 compared to 2009, and to address identifying opportunities to reduce GHG emissions through continuous monitoring across our value chain.
- B) Protection of water resources through sustainable use of water.
- C) Prevent waste, promote recycling, and optimize resource use.
- D) Conserve biodiversity through promoting sustainable stewardship of the natural resources.

Report on factory tours

<Photo>

On November 11 and 12, 2016 (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, 2016.

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>

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Feedback from tour participants

- I learned that the factory does an outstanding job in terms of operations such as quality control, and is otherwise committed to ensuring food safety. The factory is immaculate.
- The *udon* noodles I tried were delicious. They were firm with a springy texture. One would never guess that they are a frozen food item.
- I hope the number two additional production line handling packaged rice is built soon. I will be cheering for the success of everyone at TableMark, Keep up the good work.

JT Group Products

Introducing New Tobacco Products

Making product purchases more convenient for customers <Logo>

Renaming of 25 Winston brand products

*The tastes, aromas and prices of all products remain unchanged (20 cigarettes per pack at ¥420).

| | Regular products | Menthol products |
|---------------|---|--|
| Bitter-type | Name change & design change From early November From Winston Cabin to Winston Cabin Red | Name change From early December From Winston XS Spirits Menthol to Winston Spirits Menthol |
| Straight-type | Name change From early November From Winston XS to Winston Blue | Name change From early December From Winston XS Inazma Menthol to Winston Inazma Menthol |
| Sweet-type | Name change From early November From Winston XS Caster to Winston Caster White | Name change From early December From Winston XS Sparkling Menthol to Winston Sparkling Menthol |

Comments from person in charge:

Stampa Gabriele, Brand Manager, Marketing Strategy Division, Japan Tobacco Inc.

<Photo>

Whereas the Winston product line is quite extensive, our customers and business partners have told us that they would like for us to make it easier for them to select Winston cigarettes given that there are so many products in the product line.

As such, we have been renaming all 25 Winston brand products, as shown in the table above, beginning in early November.

In addition to the aforementioned, design of the Cabin Red series has been updated so that it has a consistent “Winston” design that definitively conveys an advanced image of the series (early November). Also, the Inazma Menthol series 1mg has been resized to 100mm from 85mm previously (late October), in response to customer feedback.

We hope that our customers look forward to the Winston series and its renewed product image, but with a taste and aroma that remains unchanged.

* This page is intended as an explanation of the Group’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>

Kalbi Beef Spicy Jjigae Udon

Hot pot cuisine

1 serving/289g

■ Noodles with other ingredients — featuring an addictively spicy and savory flavor that warms you to the core

Comments from person in charge:

Yuki Maekawa, Marketing & Sales Strategy Division, Marketing & Sales Division, TableMark Co., Ltd.

We developed this product in hopes of offering an *udon* noodle dish that is somewhat spicy and warms you up. This rich and savory soup features a well balanced mix of *toban djan* chili bean sauce, *gochujang* red chili paste, and *togarashi* chili pepper, combined with beef and chicken. It makes for a satisfying meal of noodles and a lavish amount of seven main ingredients. This product has been thoughtfully devised so that the *tsuyu* soup base makes a substantive impression so that its luscious flavor emerges during preparation.

<Photo>

<Photo>

Japanese-style rice

Beef and burdock root rice made with Japanese Koshihikari rice

Preparation: Microwave or fry pan

1 serving/400g

■ Salty-sweet stewed beef and burdock root accented with mildly fragrant ginger

<Photo>

Oyatsu Bakery

Small melonpan melon-flavored sweet bread

Preparation: Oven toaster

6 servings

■ Crunchy on the outside soft and fluffy inside, painstakingly made by individually shaping *melonpan* dough into round balls by hand

CSR initiatives of the JT Group

The JT Group is committed to resolving social issues in the communities in which it operates with the aim of realizing sustainable society on the basis of the management principles stating that “we will balance the interests of customers, shareholders, employees and wider society, and fulfill our responsibilities towards them, 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.

Selected for a constituent of the DJSI Asia/Pacific three years in a row

In September 2016, JT was selected for the three consecutive year as one of the constituents of the Dow Jones Sustainability Asia/Pacific Index (DJSI Asia/Pacific, DJSI Asia/Pacific), which is part of the Dow Jones Sustainability Index (DJSI) family of benchmarks that track performance in terms of socially responsible investing (SRI)^{*1}.

The DJSI is a collaborative initiative of S&P Dow Jones Indices^{*2} in the U. S. and RobecoSAM^{*3} 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 corporations worldwide.

The DJSI Asia/Pacific index targets some 600 major corporations in the Asia-Pacific region including Japan, and is updated in terms of its constituent companies every year in September. This year, 146 companies were selected for inclusion in the DJSI Asia/Pacific index (of which 68 are Japanese companies).

As an enterprise that sells products in over 120 countries and regions, the JT Group engages in various initiatives in the communities in which it operates, on the basis of its management principles stating that “we will balance the interests of customers, shareholders, employees and wider society, and fulfill our responsibilities towards them, aiming to exceed their expectations.” Going forward, we will keep contributing through our business operations to help bring about a sustainable society.

<Logo>

***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

Other recognition of JT Group initiatives

New Diversity Management Selection 100 <Logo>

Granted in March 2016

The Diversity Management Selection 100 award is granted by Japan's Ministry of Economy, Trade and Industry to companies that have achieved higher corporate value by engaging in diversity management practices. This fiscal year 34 companies were granted the award, out of 148 applicants.

Morningstar Socially Responsible Investment Index (MS-SRI) <Logo>

Granted in July 2016

The MS-SRI is equities benchmarks for SRI of Japanese companies developed in 2003. Toyo Keizai Inc. determines rankings for the index based on questionnaires administered to some 4,000 listed companies in Japan.

Nadeshiko Brand <Logo>

Granted in March 2016

The Nadeshiko Brand designation is granted jointly by Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to companies that have exhibited excellent performance in terms empowering female employees and achieving outstanding financial performance. This fiscal year 45 companies were selected.

CDP <Logo>

Granted in October 2016

CDP is an international non-governmental organization that assesses some 5,800 companies worldwide in terms of their disclosure practices as pertains to greenhouse gas emissions. JT was selected for inclusion in CDP's Climate A List comprising companies identified as A grade for their actions in mitigating climate change. => Refer to page 15 for further details.

Affinis Music Festival 2016 Yamagata

Photo: K. Miura

<Photo>

The Affinis Music Festival is held annually by the Affinis Arts Foundation, which was established by Japan Tobacco Inc. in 1988, and is a seminar-based festival organized for musicians who belong to professional orchestras in Japan. Members of professional orchestras nationwide and invited musicians who perform music at first-rate orchestras around the world gather to participate in various activities, which are divided into three main programs: seminars, concerts, and cultural programs for citizens. This year, the festival was held from August 20 to 27 in Yamagata-shi, Yamagata Prefecture.

Seminars featuring musical improvisation right in front of the general public

Generally open to the public, the Affinis Music Festival seminars provide opportunities for the members

of professional orchestras in Japan to work with the invited musicians in creating music together. The seminars involve a variety of assigned musical pieces with a focus on chamber music, the basis of orchestral music, and enable the general public to get a first-hand glimpse of musicians from around the world and members of professional orchestras in Japan coming together to create music.

<Photo>

Concerts showcasing meticulously created musical ensembles

Held in Yamagata, the Affinis Music Festival concerts feature chamber music and orchestral performances showcasing the assigned musical pieces created during the seminars by all the participants. The first concert held on August 23 featured a string sextet led by director Kyoko Shikata, performing the prelude to Wagner's opera "Tristan und Isolde."

<Photo>

Cultural program for citizens enables exchange with community members through music

The Affinis Music Festival's cultural program for citizens features opportunities for children of the community to perform with members of the festival, through activities that include the AIUE-Orchestra catering to elementary school-aged children, and the ARIGATO Summer Concert, which facilitates musical exchange between students and musicians and is produced by students of Yamagata University Graduate School. The cultural program for citizens is held as a means of enabling members of the Affinis Music Festival to offer "the gift of music" to members of the local community.

<Photo>

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

CLOSE UP!

Introducing JT Group companies and divisions to our shareholders.

JT Leaf Tobacco Research Center

Taking on new research challenges every day with the aim of producing innovations

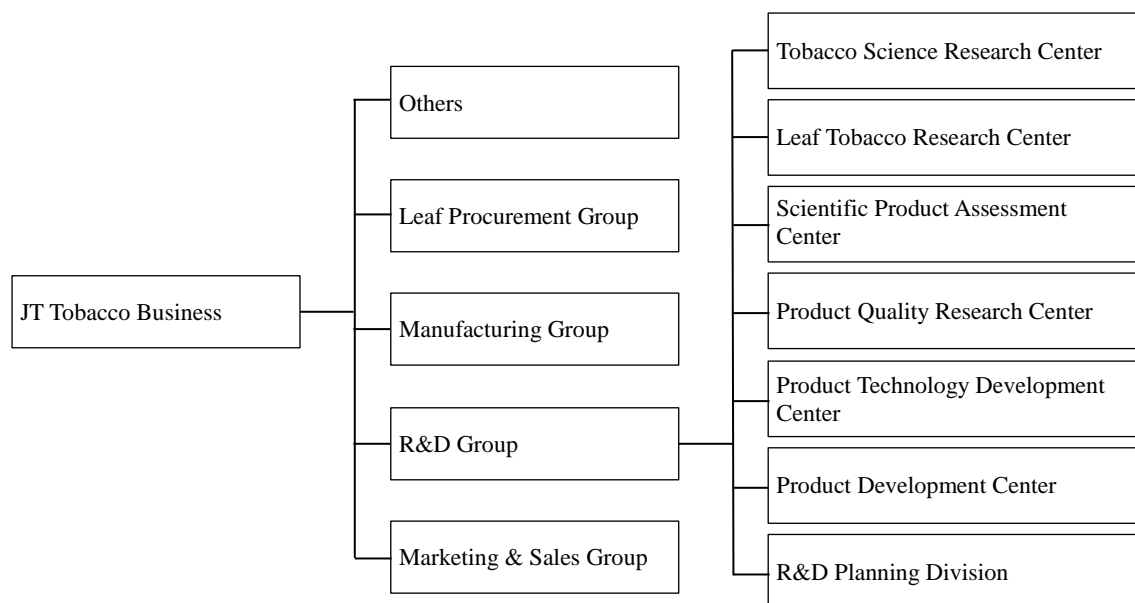
The JT Leaf Tobacco Research Center has been conducting research and development into leaf tobacco for some 70 years, since its establishment by Japan's Ministry of Finance in 1947 to act as a tobacco experiment station.

Formerly engaged primarily in domestic research and development involving tobacco variety and production technology development for domestic tobacco farming regions, the center currently focuses its efforts on performing research looking toward leaf tobacco overseas and engaging in development of new leaf tobacco materials with the aim of heightening added value of tobacco products.

Yuichi Takanohashi, Head of JT Leaf Tobacco Research Center

<Photo>

<Chart of Structure>



JT Leaf Tobacco Research Center

Representative: Yuichi Takanohashi

Location: 1900 Oaza Idei, Oyama-shi, Tochigi

Total site area: 266,730 m²

Number of employees: 79 (as of August 2016, including contract employees and part-time employees)

<Three priority areas of research>

<Photo>

Lush tobacco fields before harvest

The Leaf Tobacco Research Center carries out “research of tobacco grown as an agricultural crop.” Under its vision of functioning as the “World’s number one leaf tobacco research team,” the center has established three pivotal research aims and engages in comprehensive research in areas that include improving tobacco varieties, as well as cultivation and drying technologies tailored to tobacco farmers.

(1) Creating innovative tobacco leaf raw materials

In recent years, there has been demand for tobacco leaf raw materials in response to new needs. For instance, whereas conventional cigarettes required smokers to light tobacco raw materials, Ploom TECH and other emerging products offer different taste sensations even when using the same leaf tobacco because use of such products does not involve lighting tobacco raw materials. Overcoming challenges in this regard requires that we conceive innovative approaches that result in high value-added raw materials tailored to both emerging products and traditional cigarettes.

<Photo> Greenhouse used in researching cultivation techniques for growing tobacco under a range of conditions

Shed for storing agricultural tools and implements at the site of a tobacco field <Photo>

(2) Improving quality and production technology with sights set on domestic and overseas farming regions

The center’s research was formerly geared to tobacco farming regions in Japan, but now is geared more toward leaf tobacco farming regions overseas. When it comes to leaf tobacco, the taste of a single variety tends to vary depending on where it was grown. Whereas JT products are made using a blend of leaf tobacco from worldwide sources, the center is further expanding possibilities with respect to tobacco by engaging in research involving new lands and countries. In partnership with JTI, we are currently carrying out cultivation testing in Brazil and engaging in research with the aim of developing varieties that are highly resistant to virus diseases unique to Africa.

<Photo>

External view of JT Leaf Tobacco Research Center

(3) Guaranteeing quality and ensuring reliability

The concept of “analysis” is the key component of quality assurance. As such, the center performs analysis with respect to components of raw materials used by the JT Group (nicotine, sugars, etc.), agrochemical residues and other substances. We conduct analysis using near-infrared spectroscopy (NIRS) to perform simple measurement of raw material components in order to get consistent numerical values no matter where or by whom analysis is performed.

At the same time, we have also been engaging in development of insecticidal technologies and other means that do not use chemical agents with the aim of mitigating the threat of pest contamination involving raw materials and products.

With careful planning, our researchers continue to take on each of the respective research aims with respect to leaf tobacco, which is harvested on an annual basis.

The Lure of Tobacco Smoke

A lesson from the past at the end of a journey

Ikusaka Farming Village Museum [Nagano Prefecture]

<Photo>

Woodblock for wrapping paper used for fine-cut tobacco in the Meiji Era

<Photo>

“Ikusaka-ba” leaf tobacco was a well-known locally produced item of Ikusaka village. The origins of Ikusaka tobacco leaf apparently date back to Japan’s Keicho Era (1596 to 1615) and the 25th chief priest Ryoken of Shomyoji temple in the Ikusaka area. It is said that Ryoken went on a pilgrimage and brought the tobacco seeds back with him from Nagasaki and was able to grow a very good crop in a field near the temple’s toilet area, which resulted in the tobacco being cultivated by neighboring villagers. In 1960, a monument commemorating 350 years of Ikusaka tobacco was erected on the grounds of Shomyoji temple, which is well known as an old and historical temple.

<Photo>

Conveying the story of Ikusaka tobacco, which was a major crop that enabled the village to flourish

Ikusaka village is a rural mountain hamlet amidst an abundant natural setting, located in Nagano Prefecture’s Higashi-chikuma district adjacent to the cities of Nagano to the north and Matsumoto to the south. Once famous for its thriving tobacco leaf production, the area’s tobacco history goes way back, with tobacco cultivation having presumably started during Japan’s Keicho Era. Apparently, half of the area’s fields were dedicated to tobacco leaf cultivation which was profitable as a cash crop given that most of the area’s land is nestled between the mountains and unsuitable for rice cultivation.

During Japan’s Bunsei Era (1818 to 1830), income generated from tobacco sales made it possible for people in the area to purchase calligraphic works and paintings, books and other publications, which brought about an influx in the mountain village of culture from the cities of Edo and Nagoya. As a result, education in the village flourished and the standard of living improved.

Nowadays, although tobacco is no longer grown on the land around Ikusaka, the hamlet’s farming village museum showcases valuable artifacts dating back to the time spanning Japan’s Edo Era (1603-1868) to the Meiji Era (1868-1912), when the area’s tobacco farming was in full swing. The museum houses artifacts not often seen these days such as Edo Era documents pertaining to tobacco and a tobacco leaf shredder used in producing fine-cut tobacco. The area’s leaf tobacco, known as “Ikusaka-ba,” was cultivated there until 1933. A number of other tobacco leaf varieties were subsequently produced there, but the area’s tobacco cultivation came to an end with Burley tobacco variety being the last variety to be farmed there.

<Photo>

Tobacco leaf shredding machine, which is said to have been made by modifying a machine for cutting kelp

<Photo>

Copy of a fine-leaf tobacco brokerage application in 1825 containing details of brokerage commissions for tobacco trading

<Photo>

This wooden shipping container from the age when private companies ran tobacco operations (Meiji Era) is inscribed with the words “Nihon Kamimaki Tobacco Goshigaisha (joint stock company), Rappa No. 15.” It is thought that the company was located in Ikusaka Village.

<Map>

■ Ikusaka Farming Village Museum

Location: 6042-1 Ikusakamura, Higashichikuma-gun, Nagano, 399-7201, Japan

Telephone: 0263-69-2087 (Ikusakamura Board of Education)

Opening hours: 9 a.m. to 5 p.m.

Closed: Saturdays, Sundays and holidays

Access: Approx. 20 minutes by Ikusakamura municipal bus from Akashina Station, JR Shinonoi Line

■ Shomyoji

Location: 5660 Kamiikusaka, Ikusakamura, Higashichikuma-gun, Nagano, 399-7200, Japan

Telephone: 0263-69-2069

Access: Approx. 20 minutes by Ikusakamura municipal bus from Akashina Station, JR Shinonoi Line

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

Ordinary Shares (as of September 30, 2016)

Composition of shareholders

Public sector: 33.35%

Financial institutions: 14.86%

Individuals and others: 13.96%

Securities companies: 0.33%

Other institutions: 0.53%

Foreign institutions and others: 36.98%

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

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

(Number of treasury shares: 209,096,067 shares)

Number of shareholders: 119,794

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 | |
| | | Dividends | JT |
| | | ⇐=== | |
| | | Dividends | Company A |
| | | ⇐=== | |
| | | ■ In the case of receiving dividends for all issues held in the same deposit account held at a bank | |
| | | 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) | |
| | | Dividends from ●shares | JT |
| | | ⇐=== | |
| | | 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, 2016)

■ Members of the Board

| | |
|--|------------------|
| Chairman of the Board | Yasutake Tango |
| President and Representative Director | Mitsuomi Koizumi |
| Executive Vice President and Representative Director | Yasushi Shingai |
| Executive Vice President and Representative Director | Mutsuo Iwai |
| Executive Vice President, Member of the Board | 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

| | |
|---|--------------------|
| Standing Audit & Supervisory Board Member | Futoshi Nakamura |
| Standing Audit & Supervisory Board Member | Tomotaka Kojima |
| Audit & Supervisory Board Member | Yoshinori Imai * |
| Audit & Supervisory Board Member | Hiroshi Obayashi * |

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

* The Company 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

| | |
|--|---------------------|
| President, Chief Executive Officer | Mitsuomi Koizumi |
| Executive Vice President, Deputy Chief Executive Officer, Compliance, General Affairs, Legal, Corporate Strategy, IT, Business Development, HR and Operation Review & Business Assurance | Yasushi Shingai |
| Executive Vice President, President, Tobacco Business | Mutsuo Iwai |
| Executive Vice President, Finance, CSR and Communications | Hideki Miyazaki |
| Senior Vice President, Compliance and General Affairs | Ryoji Chijiiwa |
| Senior Vice President, Head of China Division, Tobacco Business | Kazuhito Yamashita |
| Senior Vice President, Chief Marketing & Sales Officer, Tobacco Business | Chito Sasaki |
| Senior Vice President, Head of Tobacco Business Planning Division, Tobacco Business | Kiyohide Hirowatari |
| Senior Vice President, Corporate, Scientific & Regulatory Affairs Division, Tobacco Business | Junichi Fukuchi |

| | |
|--|--------------------|
| Senior Vice President, Head of Leaf Procurement Group, Tobacco Business | Yasushi Hasegawa |
| Senior Vice President, Chief R&D Officer, Tobacco Business | Takehisa Shibayama |
| Senior Vice President, Manufacturing Group, Tobacco Business | Hirakazu Otomo |
| Senior Vice President, President, Pharmaceutical Business | Muneaki Fujimoto |
| Senior Vice President, Deputy President, Pharmaceutical Business | Goichi Matsuda |
| Senior Vice President, Head of Central Pharmaceutical Research Institute, Pharmaceutical Business | Shigenori Ohkawa |
| Senior Vice President, Chief Financial Officer | Naohiro Minami |
| Senior Vice President, CSR | Ryoko Nagata |
| Senior Vice President, Legal | Haruhiko Yamada |
| Senior Vice President, Corporate Strategy and IT | Yuki Maeda |
| Senior Vice President, Business Development | Takehiko Tsutsui |
| Senior Vice President, Human Resources | Koji Shimayoshi |
| Senior Vice President, Communications | Kei Nakano |

Trends in Share Price

Share prices of the Company, from IPO on October 27, 1994 to October 2016 (closing prices on the TSE, monthly basis)

<Chart of 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 the Company's website: <https://www.jti.co.jp/>

* If the Company 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
- Notification of My Number identification number of shareholders whose shares are managed by securities companies* 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
- Notification of My Number identification number of shareholders not transacting business with a securities company*
- 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)

* My Number identification number furnished by a shareholder's municipal government is required for tax-related procedures in relation to shareholdings. As such, we ask that shareholders provide their respective My Number identification number to securities companies and other entities handling transactions.

Japan Tobacco Inc.

JT Building

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

Tel.: +81-3-3582-3111

URL: <https://www.jt.com/>