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[Cover]

Document to be filed:	Extraordinary Report
Filing to:	Director-General of the Kanto Local Finance Bureau
Date of filing:	November 1, 2017
Company name (Japanese):	日本たばこ産業株式会社 (<i>Nihon Tabako Sangyo Kabushiki-Kaisha</i>)
Company name (English):	JAPAN TOBACCO INC.
Title and name of representative:	Mitsuomi Koizumi, President, Chief Executive Officer and Representative Director
Location of head office:	2-1, Toranomom 2-chome, Minato-ku, Tokyo, Japan
Telephone number:	+81-3-3582-3111 (Main)
Contact person:	Kei Nakano, Senior Vice President, Communications
Place of contact:	2-1, Toranomom 2-chome, Minato-ku, Tokyo, Japan
Telephone number:	+81-3-3582-3111 (Main)
Contact person:	Kei Nakano, Senior Vice President, Communications
Place where the document is available for public inspection:	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

1. Reason for filing

There was a change in the Company's specified subsidiary as a result of the acquisition on October 31, 2017, of all of the shares issued for PT. Karyadibya Mahardhika in Indonesia. Therefore, this extraordinary report is filed pursuant to the provisions of Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act and Article 19, paragraph 2, item iii of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.

2. Content of report

- (1) Name, address, representative, paid in capital and business description of the specified subsidiary regarding the change
 - i) Name PT. Karyadibya Mahardhika
 - ii) Address Tawang Rejo, Pandaan Pasuruan 67156 Indonesia
 - iii) Representative Daniel Widjaja, Director
 - iv) Paid in capital Approximately IDR 3,437.7 billion
 - v) Business description A manufacturing company of kretek cigarettes

- (2) Number of voting rights for the specified subsidiary held by the Company and ratio of voting rights held by the Company to those held by all shareholders of the specified subsidiary before and after the change
 - i) Number of voting rights for the specified subsidiary held by the Company
 - Before change 0 units (portion that is held indirectly 0 unites)
 - After change 3,437,670 units (portion that is held indirectly 3,437,670 unites)

 - ii) Ratio of voting rights held by the Company to those held by all shareholders
 - Before change 0.00% (portion that is held indirectly 0.00%)
 - After change 100.00% (portion that is held indirectly 100.00%)

- (3) Reason for the change and its date
 - i) Reason for change The reason for this change is that PT. Karyadibya Mahardhika became a subsidiary after the Company acquired all of the shares issued for said company, and the amount of paid in capital for the subsidiary is equivalent to 10% or more of the Company's paid in capital, therefore qualifying it as a specified subsidiary.

 - ii) Date of change October 31, 2017