



JAPAN TOBACCO INC.
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FOR IMMEDIATE RELEASE

Tokyo, May 1, 2018

JT will expand the Ploom TECH sales area to nationwide

Japan Tobacco Inc. (JT) (TSE:2914), announces today that it will gradually expand the sales area of the Ploom TECH starter kit and tobacco capsules to certain tobacco stores nationwide from June 4, 2018. In addition, the products will be sold gradually in convenience stores nationwide from July 2, 2018.

JT does not anticipate this announcement having any material impact on the Group's consolidated performance for the fiscal year 2018.

For detailed information, please see the attachment.

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Japan Tobacco Inc. is a leading international tobacco company with operations in more than 130 countries. With close to 60,000 employees, it manufactures and sells some of the world's best-known brands including Winston, Camel, MEVIUS, LD and Natural American Spirit. The JT Group is committed to investing in Reduced-Risk Products (RRP) and currently markets Ploom TECH, its tobacco vapor product, and various e-cigarette products under the Logic brand. The Group is also present in the pharmaceutical and processed food businesses. For more information, visit <https://www.jt.com/>.

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Japan Tobacco Inc. (JT) (TSE:2914), announces today that it will gradually expand the sales area¹ of the Ploom TECH starter kit² and tobacco capsules to certain tobacco stores³ nationwide from June 4, 2018. In addition, the products will be sold gradually in convenience stores nationwide from July 2, 2018.

Ploom TECH is a tobacco infused vapor product with low-temperature heating technology unique to JT. The technology, which does not involve combustion or direct heating of tobacco, allows Ploom TECH to offer a clear taste with no smoke, smoke smell or ash and no negative impact on the surrounding air quality. JT has been receiving positive feedback from consumers for the product and the total sales volume of the device is more than two million units as of April, 2018.

JT has so far been selling Ploom TECH in selected areas due to manufacturing issues of the tobacco capsules. Since our operation of production equipment for the tobacco capsules is being stabilized with our effort to increase its output, we will start to roll-out Ploom TECH nationwide in June and expand to convenience stores as of July.

Ploom TECH and tobacco capsules



JT aims to gain 40% market share in the tobacco vapor⁴ category in Japan at the end of 2020, by providing a wider range of choice that satisfies the varying needs of consumers.

¹ As of today, the sales area is Tokyo, Kanagawa, Chiba, Saitama, Osaka and Fukuoka prefectures as well as Sapporo, Sendai, Nagoya and Hiroshima cities.
² Ploom TECH starter kit is composed of a battery, USB charger, AC adapter and carry case.
³ As of June 2018, Ploom TECH is available in 2,100 tobacco stores nationwide and 26,000 convenience stores in Tokyo, Kanagawa, Chiba, Saitama, Osaka, Fukuoka prefectures as well as Sapporo, Sendai, Nagoya and Hiroshima cities. For detailed information on the shops, please visit the Ploom brand site (<https://www.ploom.jp/>).
⁴ JT refers to the mist like substance that contains ingredients delivered from tobacco leaves as “tobacco vapor”.

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