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## [Cover]

Shelf Registration Supplement Number: 4 - Kanto1-1

Document to be filed: Shelf Registration Supplement

Filing to: Director-General of the Kanto Local Finance Bureau

Date of filing: April 14, 2023

Company name (Japanese): 日本たばこ産業株式会社 (*Nihon Tabako Sangyo Kabushiki-Kaisha*)

Company name (English): JAPAN TOBACCO INC.

Title and name of representative: Masamichi Terabatake, Representative Director and President, Chief Executive Officer

Location of head office: 1-1, Toranomon 4-chome, Minato-ku, Tokyo, Japan

Telephone number: +81-3-6636-2914 (Main)

Contact person: Takayuki Shimomura, Group Treasury Director

Place of contact: 1-1, Toranomon 4-chome, Minato-ku, Tokyo, Japan

Telephone number: +81-3-6636-2914 (Main)

Contact person: Takayuki Shimomura, Group Treasury Director

Type of securities offered to which shelf registration is to be applied: Bonds

Amount of this offering:

Fifteenth Series Straight Bonds (seven years)	¥10,000 million
Sixteenth Series Straight Bonds (ten years)	¥30,000 million
<u>Seventeenth Series Straight Bonds (twenty years)</u>	<u>¥20,000 million</u>
Total	¥60,000 million

### Details of the Shelf Registration Statement:

Date of filing	August 5, 2022
Effective date	August 14, 2022
Expiration date	August 13, 2024
Shelf registration number	4 - Kanto1
Scheduled amount of issue or maximum outstanding balance	Scheduled amount of issue: ¥300,000 million

### Previous subscriptions:

#### When the scheduled amount of issue is stated.

Number	Date of filing	Amount of offering (yen)	Date of correction due to reduction	Reduction (yen)
—	—	—	—	—
Total subscription (yen)		None (None)	Total reduction (yen)	None

Note: The total subscription was calculated based on the total amount of the aggregate face value or that of transferred bonds (the figure in parentheses is the total amount of the aggregate issue price).

Balance (scheduled amount – total subscription – total reduction) ¥300,000 million (¥300,000 million)

Note: The balance was calculated based on the total amount of the aggregate face value or that of transferred bonds (the figure in parentheses is the total amount of the aggregate issue price).

When the maximum outstanding balance is stated.

Not applicable

Balance (maximum outstanding balance – total subscription + total redemption – total reduction): –

Items regarding stabilizing transactions: No items to report

Place where the document is available for public inspection: Tokyo Stock Exchange, Inc.  
(2-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo)

## A. INFORMATION CONCERNING SECURITIES

### I. Terms and Conditions of Offering for Subscription

#### 1. Newly issued bonds (except short-term bonds) (seven-year bonds)

Issue	The Fifteenth Series Straight Bonds with General Mortgage (hereinafter in this section, the “Bonds”)
Registered or bearer	-
Aggregate face value or that of transferred bonds	¥10,000 million
Denomination of each bond	¥100 million
Total amount of issue	¥10,000 million
Issue price	¥100 per face value of ¥100
Interest rate	0.713% per annum
Interest payment dates	April 20 and October 20 of each year
Interest payment method	<p>1. Method and expiration of interest payment</p> <p>(1) The interest shall be paid over the period from the day after the payment date to the redemption date, with the initial payment date being October 20, 2023, on which the interest portion up to that date shall be paid, and subsequent payments on April 20 and October 20 of each year covering six-month interest portions.</p> <p>(2) In the event the date on which interest is to be paid falls on a bank holiday, payment shall be effected on the previous bank business day.</p> <p>(3) Interest portions covering periods less than six months shall be calculated per diem.</p> <p>(4) Interest shall not be paid after the redemption date.</p> <p>2. Place of interest payment</p> <p>As provided separately in “Note 11. Payment of principal and interest”</p>
Final redemption date	April 19, 2030
Redemption method	<p>1. Redemption price</p> <p>¥100 per face value of ¥100</p> <p>2. Redemption method and redemption date</p> <p>(1) The aggregate principal amount of the Bonds shall be redeemed on April 19, 2030.</p> <p>(2) In the event the date on which redemption is to be effected falls on a bank holiday, payment shall be effected on the previous bank business day.</p> <p>(3) The retirement by purchase of the Bonds may be effected at any time after the day following the payment date unless otherwise provided in laws and regulations, business regulations of the book-entry transfer institution provided separately in the field “book-entry transfer institution” or other rules.</p>

	3. Place of principal payment As provided separately in “Note 11. Payment of principal and interest”
Method of offering	Public offering in Japan
Deposit for subscription	¥100 per face value of ¥100 appropriated to the payment amount on the payment date. No interest shall be paid on the deposit for subscription.
Application date	April 14, 2023
Place of application	Head and branch offices of underwriters in Japan provided separately
Payment date	April 20, 2023
Book-entry transfer institution	Japan Securities Depository Center, Incorporated 7-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo
Mortgage	General mortgage in accordance with the Japan Tobacco Inc. Act
Financial covenants (mortgage restrictions)	No items to report (the Bonds are backed by a general mortgage with no financial covenants)
Financial covenants (other clauses)	No items to report

Notes: 1. Credit rating provided by or made available for inspection by credit rating agency

The Company received a credit rating of AA (Double A) for the Bonds from Rating and Investment Information, Inc. (hereinafter, “R&I”) on April 14, 2023.

R&I's credit ratings indicate R&I's opinion of an issuer's overall ability to fulfill its financial obligations and the certainty that individual obligations will be fulfilled as agreed (credit quality). R&I shall not express any opinion on risks other than credit risk, such as liquidity risk, market value risk, and price volatility risk, of individual obligations, etc., by means of credit ratings. R&I's credit ratings do not, whatsoever, represent a statement of present, past, or future facts. In addition, R&I makes no guarantee, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for a particular purpose, or any other matter whatsoever of any credit rating or other opinion it may provide.

R&I takes measures to ensure the quality of information used in rating credit, but does not independently verify the accuracy of this information. R&I may revise the credit rating when it deems necessary. Credit ratings may also be withdrawn due to lack of documentation/information or other circumstances.

Ratings for obligations, etc. with clauses for deferral of interest and dividends, concessions on principal repayment, debt forgiveness, etc. may increase the notch difference from the issuer rating or claims-paying ability if R&I determines that the probability has increased.

Generally, it is known that excessive reliance on credit ratings when investing can be a factor in causing financial system turmoil.

Links (information published by R&I regarding the Bonds during the subscription period): On the R&I homepage (<https://www.r-i.co.jp/rating/index.html> (Japanese) or <https://www.r-i.co.jp/en/index.html> (English)), click on “More ...” in the lower right-hand of the “Rating Actions & Comments” section, and the information is provided in the “Find a Report” section. Please refer to the contact information below if there is a possibility that the information may not be available due to system failure or some other reason.

R&I telephone number: +81-(0)3-6273-7471

2. Application of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc.

- (1) The provisions of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc. (hereinafter, the “Transfer Act”) applies for the Bonds, and it shall be handled in accordance to the business regulations, etc. relating to the transfer business of the book-entry transfer institution provided separately in the field “book-entry transfer institution.”
- (2) No bond certificates shall be issued except where bondholders are permitted to request for the issuance thereof as per the Transfer Act.
- (3) In the event of a request as per (2) above, bond certificates shall only be issued in bearer form with coupon, the bondholder may not request for signature bonds (registration), and bond certificates may not be divided or consolidated. In addition, any expenses incurred for the issuance of bond certificates shall be borne by Japan Tobacco Inc. (hereinafter, the “Company”).

3. Bond administrator

Mizuho Bank, Ltd.

4. Acceleration covenants

The Company shall lose its benefit of term with respect to the Bonds in the event of any of the following.

- (1) The Company infringes upon the provisions of Item 2 in the separate “redemption method” field or Item 1 in the separate “interest payment method” field.
- (2) The Company violates the provisions and requirements of Notes 5, 6, 7 and 10 herein and fails to comply with such provisions and requirements or remedy such violation within the period designated by the bond administrator, which shall be no less than one month.
- (3) The Company loses its benefit of term with respect to bonds other than the Bonds or is unable to redeem such bonds that are due.

- (4) The Company loses its benefit of term with respect to debt payable other than bonds or is unable to perform guarantee obligations effected by the Company with respect to bonds and other debt payable owed by another entity even though the performance of such guarantee obligation is required; provided, however, that this shall not apply if the total amount of obligations does not exceed ¥5.0 billion (after converted into yen).
  - (5) The Company files for bankruptcy, civil rehabilitation or corporate reorganization proceedings, or a resolution is passed by the Board of Directors for a proposal of the dissolution of the Company (excluding in the event of a merger) to be placed on the agenda of the General Meeting of Shareholders.
  - (6) A decision is made to commence bankruptcy, civil rehabilitation or corporate reorganization proceedings, or an order is filed to commence special liquidation proceedings with respect to the Company.
  - (7) An order is filed for the attachment or auction (including public auction) of assets essential to the business of the Company, a disposition for delinquency is received by the Company or some other factor resulting in facts that damage the credibility of the Company, which leads to the recognition by the bond administrator that the continuation of the Bonds is inappropriate.
5. Notices to the bond administrator
- (1) In the event that an event happens that requires an additional entry in the bond registry or a change thereof subsequent to the issuance of the Bonds, the Company shall without delay make such entry and notify the bond administrator in writing with the name and seal of its representative.
  - (2) The Company shall notify in advance the bond administrator in writing prior to any of the following.
    - a. Transfer or lease of assets essential to the business of the Company
    - b. Pledge of important assets of the Company as collateral
    - c. Suspension or abolition of all businesses or some important businesses
    - d. Reduction of capitalization or reserves
    - e. Entity conversion, merger or company split, or stock exchange or stock transfer
6. Investigatory powers of the bond administrator
- (1) In the event the bond administrator determines as necessary for the exercise of its authority or performance of duties, it may request the submission of materials or reports on the business, accounting or ledgers, etc. of the Company, its consolidated subsidiaries and equity method companies or may investigate by itself in the event of the possibility of any of the matters prescribed in Note 4 herein.
  - (2) The Company shall cooperate in the event of (1) above whereby an investigation is conducted by the bond administrator with respect to the Company, its consolidated subsidiaries and equity method companies.
7. Reports on outline of business, etc. to bond administrator
- (1) The Company shall report on its business conditions to the bond administrator and, concerning annual accounts settlements and dividends of surplus (including interim dividends provided for in Article 454, paragraph (5) of the Companies Act), shall notify the bond administrator immediately subsequent to any approval or resolution thereof by the Board of Directors. The Company shall effectuate the above also in the event of the preparing of temporary financial statements on a certain date as prescribed in Article 441, paragraph (1) of the Companies Act.
  - (2) The Company shall notify the bond administrator without delay if having submitted an annual securities report, quarterly securities report, extraordinary report or amendment report as well as any appendices in accordance with the Financial Instruments and Exchange Act, a written confirmation provided for in Article 24-4-2 of said Act and an internal control report provided for in Article 24-4-4 of same to the Director-General of the Kanto Local Finance Bureau; provided, however, that in the event the bond administrator requests for the submission of duplicate copies of the above, the Company shall submit same to the bond administrator.
8. Authority of the bond administrator in objection procedures for creditors
- The bond administrator shall, irrespective of the provisions of the main text of Article 740, paragraph (2) of the Companies Act, refrain from raising objections on behalf of bondholders with respect to filings of objections as per paragraph (1) of said Article without a resolution of the bondholders' meeting.
9. Bondholders' meeting
- (1) The bondholders' meeting shall be composed of holders of the same class of bonds (as prescribed in Article 681, item (i) of the Companies Act) as the Bonds (hereinafter, the "Bonds of This Class"). The Company or the bond administrator shall convene said meeting by giving a public notice up to three weeks prior to the date thereof on the details on the convocation as well as the items prescribed in Article 719 of the Companies Act.
  - (2) The bondholders' meeting of holders of the Bonds of This Class shall take place in Tokyo.
  - (3) A bondholder who own one-tenth or more of the total amount of the Bonds of This Class (excluding the amount already redeemed; the total amount of the bonds held by the Company is not factored into the calculation) may request for the convocation of the bondholders' meeting by presenting to the bond administrator the documentation concerning the Bonds of This Class as prescribed in Article 86, paragraphs (1) and (3) of the Transfer Act and submitting to the Company or the bond administrator a document describing the purpose(s) for the bondholders' meeting and the reason(s) for its convocation.
10. Method of public notice
- Any notices to bondholders concerning the Bonds shall be effected by the electronic publication method prescribed in the Articles of Incorporation of the Company, unless otherwise stipulated in laws and regulations. However, should an accident or some other unavoidable event render electronic publication impossible, public notice shall be effected through the newspaper prescribed in the Articles of Incorporation and in one or more newspapers published in Tokyo and Osaka, respectively (this may be omitted in case of duplicate publications). Also, any notices by the bond administrator shall be effected by the electronic publication method prescribed in the articles of incorporation of the bond administrator in addition to a method prescribed in laws and regulations. However, should an accident or some other unavoidable event render electronic publication impossible, public notice shall be effected through the newspaper prescribed in the articles of incorporation of the bond administrator and in one or more newspapers published in Tokyo and Osaka, respectively (this may be omitted in case of duplicate publications).
11. Payment of principal and interest
- The principal and interest of the Bonds shall be paid in accordance with the Transfer Act and the business regulations of the book-entry transfer institution provided separately in the "book-entry transfer institution" field as well as other rules.

12. Issuing and paying agents

The tasks of the issuing and paying agents for the Bonds as per the business regulations established by the book-entry transfer institution provided separately in the “book-entry transfer institution” field shall be effected by Mizuho Bank, Ltd.

**2. Underwriting of the Bonds and retention of management of the Bonds (seven-year bonds):**

**(1) Underwriting of the Bonds**

Underwriter	Address	Amount (Millions of yen)	Conditions
Mizuho Securities Co., Ltd.	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	3,500	1. The underwriters shall jointly and severally underwrite the full amount of the Bonds as well as handle the public offering. Should the amount of the offering not cover the full amount thereof, same shall underwrite the balance.  2. The underwriting fee for the Bonds shall be ¥0.275 per face value of ¥100.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	3,500	
SMBC Nikko Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	2,000	
Nomura Securities Co., Ltd.	13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	500	
Daiwa Securities Co. Ltd.	9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	500	
Total	—	10,000	—

**(2) Retention for management of the Bonds**

Bond administrator	Address	Conditions
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo	The fee for administering the Bonds paid to the bond administrator shall be ¥140 thousand per year during the term of the Bonds.

### 3. Newly issued bonds (except short-term bonds) (ten-year bonds)

Issue	The Sixteenth Series Straight Bonds with General Mortgage (hereinafter in this section, the “Bonds”)
Registered or bearer	—
Aggregate face value or that of transferred bonds	¥30,000 million
Denomination of each bond	¥100 million
Total amount of issue	¥30,000 million
Issue price	¥100 per face value of ¥100
Interest rate	0.920% per annum
Interest payment dates	April 20 and October 20 of each year
Interest payment method	<p>1. Method and expiration of interest payment</p> <p>(1) The interest shall be paid over the period from the day after the payment date to the redemption date, with the initial payment date being October 20, 2023, on which the interest portion up to that date shall be paid, and subsequent payments on April 20 and October 20 of each year covering six-month interest portions.</p> <p>(2) In the event the date on which interest is to be paid falls on a bank holiday, payment shall be effected on the previous bank business day.</p> <p>(3) Interest portions covering periods less than six months shall be calculated per diem.</p> <p>(4) Interest shall not be paid after the redemption date.</p> <p>2. Place of interest payment</p> <p>As provided separately in “Note 11. Payment of principal and interest”</p>
Final redemption date	April 20, 2033
Redemption method	<p>1. Redemption price</p> <p>¥100 per face value of ¥100</p> <p>2. Redemption method and redemption date</p> <p>(1) The aggregate principal amount of the Bonds shall be redeemed on April 20, 2033.</p> <p>(2) In the event the date on which redemption is to be effected falls on a bank holiday, payment shall be effected on the previous bank business day.</p> <p>(3) The retirement by purchase of the Bonds may be effected at any time after the day following the payment date unless otherwise provided in laws and regulations, business regulations of the book-entry transfer institution provided separately in the field “book-entry transfer institution” or other rules.</p> <p>3. Place of principal payment</p> <p>As provided separately in “Note 11. Payment of principal and interest”</p>
Method of offering	Public offering in Japan

Deposit for subscription	¥100 per face value of ¥100 appropriated to the payment amount on the payment date. No interest shall be paid on the deposit for subscription.
Application date	April 14, 2023
Place of application	Head and branch offices of underwriters in Japan provided separately
Payment date	April 20, 2023
Book-entry transfer institution	Japan Securities Depository Center, Incorporated 7-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo
Mortgage	General mortgage in accordance with the Japan Tobacco Inc. Act
Financial covenants (mortgage restrictions)	No items to report (the Bonds are backed by a general mortgage with no financial covenants)
Financial covenants (other clauses)	No items to report

Notes: 1. Credit rating provided by or made available for inspection by credit rating agency

The Company received a credit rating of AA (Double A) for the Bonds from Rating and Investment Information, Inc. (hereinafter, "R&I") on April 14, 2023.

R&I's credit ratings indicate R&I's opinion of an issuer's overall ability to fulfill its financial obligations and the certainty that individual obligations will be fulfilled as agreed (credit quality). R&I shall not express any opinion on risks other than credit risk, such as liquidity risk, market value risk, and price volatility risk, of individual obligations, etc., by means of credit ratings. R&I's credit ratings do not, whatsoever, represent a statement of present, past, or future facts. In addition, R&I makes no guarantee, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for a particular purpose, or any other matter whatsoever of any credit rating or other opinion it may provide.

R&I takes measures to ensure the quality of information used in rating credit, but does not independently verify the accuracy of this information. R&I may revise the credit rating when it deems necessary. Credit ratings may also be withdrawn due to lack of documentation/information or other circumstances.

Ratings for obligations, etc. with clauses for deferral of interest and dividends, concessions on principal repayment, debt forgiveness, etc. may increase the notch difference from the issuer rating or claims-paying ability if R&I determines that the probability has increased.

Generally, it is known that excessive reliance on credit ratings when investing can be a factor in causing financial system turmoil.

Links (information published by R&I regarding the Bonds during the subscription period): On the R&I homepage (<https://www.r-i.co.jp/rating/index.html> (Japanese) or <https://www.r-i.co.jp/en/index.html> (English)), click on "More ..." in the lower right-hand of the "Rating Actions & Comments" section, and the information is provided in the "Find a Report" section. Please refer to the contact information below if there is a possibility that the information may not be available due to system failure or some other reason.

R&I telephone number: +81-(0)3-6273-7471

2. Application of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc.

- (1) The provisions of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc. (hereinafter, the "Transfer Act") applies for the Bonds, and it shall be handled in accordance to the business regulations, etc. relating to the transfer business of the book-entry transfer institution provided separately in the field "book-entry transfer institution."
- (2) No bond certificates shall be issued except where bondholders are permitted to request for the issuance thereof as per the Transfer Act.
- (3) In the event of a request as per (2) above, bond certificates shall only be issued in bearer form with coupon, the bondholder may not request for signature bonds (registration), and bond certificates may not be divided or consolidated. In addition, any expenses incurred for the issuance of bond certificates shall be borne by Japan Tobacco Inc. (hereinafter, the "Company").

3. Bond administrator

Mizuho Bank, Ltd.

4. Acceleration covenants

The Company shall lose its benefit of term with respect to the Bonds in the event of any of the following.

- (1) The Company infringes upon the provisions of Item 2 in the separate "redemption method" field or Item 1 in the separate "interest payment method" field.
- (2) The Company violates the provisions and requirements of Notes 5, 6, 7 and 10 herein and fails to comply with such provisions and requirements or remedy such violation within the period designated by the bond administrator, which shall be no less than one month.
- (3) The Company loses its benefit of term with respect to bonds other than the Bonds or is unable to redeem such bonds that are due.
- (4) The Company loses its benefit of term with respect to debt payable other than bonds or is unable to perform guarantee obligations effected by the Company with respect to bonds and other debt payable owed by another entity even though the performance of such guarantee obligation is required; provided, however, that this shall not apply if the total amount of obligations does not exceed ¥5.0 billion (after converted into yen).
- (5) The Company files for bankruptcy, civil rehabilitation or corporate reorganization proceedings, or a resolution is passed by the Board of Directors for a proposal of the dissolution of the Company (excluding in the event of a merger) to be placed on the agenda of the General Meeting of Shareholders.



- (6) A decision is made to commence bankruptcy, civil rehabilitation or corporate reorganization proceedings, or an order is filed to commence special liquidation proceedings with respect to the Company.
  - (7) An order is filed for the attachment or auction (including public auction) of assets essential to the business of the Company, a disposition for delinquency is received by the Company or some other factor resulting in facts that damage the credibility of the Company, which leads to the recognition by the bond administrator that the continuation of the Bonds is inappropriate.
5. Notices to the bond administrator
- (1) In the event that an event happens that requires an additional entry in the bond registry or a change thereof subsequent to the issuance of the Bonds, the Company shall without delay make such entry and notify the bond administrator in writing with the name and seal of its representative.
  - (2) The Company shall notify in advance the bond administrator in writing prior to any of the following.
    - a. Transfer or lease of assets essential to the business of the Company
    - b. Pledge of important assets of the Company as collateral
    - c. Suspension or abolition of all businesses or some important businesses
    - d. Reduction of capitalization or reserves
    - e. Entity conversion, merger or company split, or stock exchange or stock transfer
6. Investigatory powers of the bond administrator
- (1) In the event the bond administrator determines as necessary for the exercise of its authority or performance of duties, it may request the submission of materials or reports on the business, accounting or ledgers, etc. of the Company, its consolidated subsidiaries and equity method companies or may investigate by itself in the event of the possibility of any of the matters prescribed in Note 4 herein.
  - (2) The Company shall cooperate in the event of (1) above whereby an investigation is conducted by the bond administrator with respect to the Company, its consolidated subsidiaries and equity method companies.
7. Reports on outline of business, etc. to bond administrator
- (1) The Company shall report on its business conditions to the bond administrator and, concerning annual accounts settlements and dividends of surplus (including interim dividends provided for in Article 454, paragraph (5) of the Companies Act), shall notify the bond administrator immediately subsequent to any approval or resolution thereof by the Board of Directors. The Company shall effectuate the above also in the event of the preparing of temporary financial statements on a certain date as prescribed in Article 441, paragraph (1) of the Companies Act.
  - (2) The Company shall notify the bond administrator without delay if having submitted an annual securities report, quarterly securities report, extraordinary report or amendment report as well as any appendices in accordance with the Financial Instruments and Exchange Act, a written confirmation provided for in Article 24-4-2 of said Act and an internal control report provided for in Article 24-4-4 of same to the Director-General of the Kanto Local Finance Bureau; provided, however, that in the event the bond administrator requests for the submission of duplicate copies of the above, the Company shall submit same to the bond administrator.
8. Authority of the bond administrator in objection procedures for creditors
- The bond administrator shall, irrespective of the provisions of the main text of Article 740, paragraph (2) of the Companies Act, refrain from raising objections on behalf of bondholders with respect to filings of objections as per paragraph (1) of said Article without a resolution of the bondholders' meeting.
9. Bondholders' meeting
- (1) The bondholders' meeting shall be composed of holders of the same class of bonds (as prescribed in Article 681, item (i) of the Companies Act) as the Bonds (hereinafter, the "Bonds of This Class"). The Company or the bond administrator shall convene said meeting by giving a public notice up to three weeks prior to the date thereof on the details on the convocation as well as the items prescribed in Article 719 of the Companies Act.
  - (2) The bondholders' meeting of holders of the Bonds of This Class shall take place in Tokyo.
  - (3) A bondholder who own one-tenth or more of the total amount of the Bonds of This Class (excluding the amount already redeemed; the total amount of the bonds held by the Company is not factored into the calculation) may request for the convocation of the bondholders' meeting by presenting to the bond administrator the documentation concerning the Bonds of This Class as prescribed in Article 86, paragraphs (1) and (3) of the Transfer Act and submitting to the Company or the bond administrator a document describing the purpose(s) for the bondholders' meeting and the reason(s) for its convocation.
10. Method of public notice
- Any notices to bondholders concerning the Bonds shall be effected by the electronic publication method prescribed in the Articles of Incorporation of the Company, unless otherwise stipulated in laws and regulations. However, should an accident or some other unavoidable event render electronic publication impossible, public notice shall be effected through the newspaper prescribed in the Articles of Incorporation and in one or more newspapers published in Tokyo and Osaka, respectively (this may be omitted in case of duplicate publications). Also, any notices by the bond administrator shall be effected by the electronic publication method prescribed in the articles of incorporation of the bond administrator in addition to a method prescribed in laws and regulations. However, should an accident or some other unavoidable event render electronic publication impossible, public notice shall be effected through the newspaper prescribed in the articles of incorporation of the bond administrator and in one or more newspapers published in Tokyo and Osaka, respectively (this may be omitted in case of duplicate publications).
11. Payment of principal and interest
- The principal and interest of the Bonds shall be paid in accordance with the Transfer Act and the business regulations of the book-entry transfer institution provided separately in the "book-entry transfer institution" field as well as other rules.
12. Issuing and paying agents
- The tasks of the issuing and paying agents for the Bonds as per the business regulations established by the book-entry transfer institution provided separately in the "book-entry transfer institution" field shall be effected by Mizuho Bank, Ltd.

#### 4. Underwriting of the Bonds and retention of management of the Bonds (ten-year bonds):

##### (1) Underwriting of the Bonds

Underwriter	Address	Amount (Millions of yen)	Conditions
Mizuho Securities Co., Ltd.	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	10,500	1. The underwriters shall jointly and severally underwrite the full amount of the Bonds as well as handle the public offering. Should the amount of the offering not cover the full amount thereof, same shall underwrite the balance.  2. The underwriting fee for the Bonds shall be ¥85 million in total.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	10,500	
SMBC Nikko Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	6,000	
Nomura Securities Co., Ltd.	13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	1,500	
Daiwa Securities Co. Ltd.	9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	1,500	
Total	—	30,000	—

##### (2) Retention for management of the Bonds

Bond administrator	Address	Conditions
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo	The fee for administering the Bonds paid to the bond administrator shall be ¥420 thousand per year during the term of the Bonds.

## 5. Newly issued bonds (except short-term bonds) (twenty-year bonds)

Issue	The Seventeenth Series Straight Bonds with General Mortgage (hereinafter in this section, the “Bonds”)
Registered or bearer	—
Aggregate face value or that of transferred bonds	¥20,000 million
Denomination of each bond	¥100 million
Total amount of issue	¥20,000 million
Issue price	¥100 per face value of ¥100
Interest rate	1.630% per annum
Interest payment dates	April 20 and October 20 of each year
Interest payment method	<p>1. Method and expiration of interest payment</p> <p>(1) The interest shall be paid over the period from the day after the payment date to the redemption date, with the initial payment date being October 20, 2023, on which the interest portion up to that date shall be paid, and subsequent payments on April 20 and October 20 of each year covering six-month interest portions.</p> <p>(2) In the event the date on which interest is to be paid falls on a bank holiday, payment shall be effected on the previous bank business day.</p> <p>(3) Interest portions covering periods less than six months shall be calculated per diem.</p> <p>(4) Interest shall not be paid after the redemption date.</p> <p>2. Place of interest payment</p> <p>As provided separately in “Note 11. Payment of principal and interest”</p>
Final redemption date	April 20, 2043
Redemption method	<p>1. Redemption price</p> <p>¥100 per face value of ¥100</p> <p>2. Redemption method and redemption date</p> <p>(1) The aggregate principal amount of the Bonds shall be redeemed on April 20, 2043.</p> <p>(2) In the event the date on which redemption is to be effected falls on a bank holiday, payment shall be effected on the previous bank business day.</p> <p>(3) The retirement by purchase of the Bonds may be effected at any time after the day following the payment date unless otherwise provided in laws and regulations, business regulations of the book-entry transfer institution provided separately in the field “book-entry transfer institution” or other rules.</p> <p>3. Place of principal payment</p> <p>As provided separately in “Note 11. Payment of principal and interest”</p>
Method of offering	Public offering in Japan

Deposit for subscription	¥100 per face value of ¥100 appropriated to the payment amount on the payment date. No interest shall be paid on the deposit for subscription.
Application date	April 14, 2023
Place of application	Head and branch offices of underwriters in Japan provided separately
Payment date	April 20, 2023
Book-entry transfer institution	Japan Securities Depository Center, Incorporated 7-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo
Mortgage	General mortgage in accordance with the Japan Tobacco Inc. Act
Financial covenants (mortgage restrictions)	No items to report (the Bonds are backed by a general mortgage with no financial covenants)
Financial covenants (other clauses)	No items to report

Notes: 1. Credit rating provided by or made available for inspection by credit rating agency

The Company received a credit rating of AA (Double A) for the Bonds from Rating and Investment Information, Inc. (hereinafter, "R&I") on April 14, 2023.

R&I's credit ratings indicate R&I's opinion of an issuer's overall ability to fulfill its financial obligations and the certainty that individual obligations will be fulfilled as agreed (credit quality). R&I shall not express any opinion on risks other than credit risk, such as liquidity risk, market value risk, and price volatility risk, of individual obligations, etc., by means of credit ratings. R&I's credit ratings do not, whatsoever, represent a statement of present, past, or future facts. In addition, R&I makes no guarantee, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for a particular purpose, or any other matter whatsoever of any credit rating or other opinion it may provide.

R&I takes measures to ensure the quality of information used in rating credit, but does not independently verify the accuracy of this information. R&I may revise the credit rating when it deems necessary. Credit ratings may also be withdrawn due to lack of documentation/information or other circumstances.

Ratings for obligations, etc. with clauses for deferral of interest and dividends, concessions on principal repayment, debt forgiveness, etc. may increase the notch difference from the issuer rating or claims-paying ability if R&I determines that the probability has increased.

Generally, it is known that excessive reliance on credit ratings when investing can be a factor in causing financial system turmoil.

Links (information published by R&I regarding the Bonds during the subscription period): On the R&I homepage (<https://www.r-i.co.jp/rating/index.html> (Japanese) or <https://www.r-i.co.jp/en/index.html> (English)), click on "More ..." in the lower right-hand of the "Rating Actions & Comments" section, and the information is provided in the "Find a Report" section. Please refer to the contact information below if there is a possibility that the information may not be available due to system failure or some other reason.

R&I telephone number: +81-(0)3-6273-7471

2. Application of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc.

- (1) The provisions of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc. (hereinafter, the "Transfer Act") applies for the Bonds, and it shall be handled in accordance to the business regulations, etc. relating to the transfer business of the book-entry transfer institution provided separately in the field "book-entry transfer institution."
- (2) No bond certificates shall be issued except where bondholders are permitted to request for the issuance thereof as per the Transfer Act.
- (3) In the event of a request as per (2) above, bond certificates shall only be issued in bearer form with coupon, the bondholder may not request for signature bonds (registration), and bond certificates may not be divided or consolidated. In addition, any expenses incurred for the issuance of bond certificates shall be borne by Japan Tobacco Inc. (hereinafter, the "Company").

3. Bond administrator

Mizuho Bank, Ltd.

4. Acceleration covenants

The Company shall lose its benefit of term with respect to the Bonds in the event of any of the following.

- (1) The Company infringes upon the provisions of Item 2 in the separate "redemption method" field or Item 1 in the separate "interest payment method" field.
- (2) The Company violates the provisions and requirements of Notes 5, 6, 7 and 10 herein and fails to comply with such provisions and requirements or remedy such violation within the period designated by the bond administrator, which shall be no less than one month.
- (3) The Company loses its benefit of term with respect to bonds other than the Bonds or is unable to redeem such bonds that are due.
- (4) The Company loses its benefit of term with respect to debt payable other than bonds or is unable to perform guarantee obligations effected by the Company with respect to bonds and other debt payable owed by another entity even though the performance of such guarantee obligation is required; provided, however, that this shall not apply if the total amount of obligations does not exceed ¥5.0 billion (after converted into yen).
- (5) The Company files for bankruptcy, civil rehabilitation or corporate reorganization proceedings, or a resolution is passed by the Board of Directors for a proposal of the dissolution of the Company (excluding in the event of a merger) to be placed on the agenda of the General Meeting of Shareholders.

- (6) A decision is made to commence bankruptcy, civil rehabilitation or corporate reorganization proceedings, or an order is filed to commence special liquidation proceedings with respect to the Company.
  - (7) An order is filed for the attachment or auction (including public auction) of assets essential to the business of the Company, a disposition for delinquency is received by the Company or some other factor resulting in facts that damage the credibility of the Company, which leads to the recognition by the bond administrator that the continuation of the Bonds is inappropriate.
5. Notices to the bond administrator
- (1) In the event that an event happens that requires an additional entry in the bond registry or a change thereof subsequent to the issuance of the Bonds, the Company shall without delay make such entry and notify the bond administrator in writing with the name and seal of its representative.
  - (2) The Company shall notify in advance the bond administrator in writing prior to any of the following.
    - a. Transfer or lease of assets essential to the business of the Company
    - b. Pledge of important assets of the Company as collateral
    - c. Suspension or abolition of all businesses or some important businesses
    - d. Reduction of capitalization or reserves
    - e. Entity conversion, merger or company split, or stock exchange or stock transfer
6. Investigatory powers of the bond administrator
- (1) In the event the bond administrator determines as necessary for the exercise of its authority or performance of duties, it may request the submission of materials or reports on the business, accounting or ledgers, etc. of the Company, its consolidated subsidiaries and equity method companies or may investigate by itself in the event of the possibility of any of the matters prescribed in Note 4 herein.
  - (2) The Company shall cooperate in the event of (1) above whereby an investigation is conducted by the bond administrator with respect to the Company, its consolidated subsidiaries and equity method companies.
7. Reports on outline of business, etc. to bond administrator
- (1) The Company shall report on its business conditions to the bond administrator and, concerning annual accounts settlements and dividends of surplus (including interim dividends provided for in Article 454, paragraph (5) of the Companies Act), shall notify the bond administrator immediately subsequent to any approval or resolution thereof by the Board of Directors. The Company shall effectuate the above also in the event of the preparing of temporary financial statements on a certain date as prescribed in Article 441, paragraph (1) of the Companies Act.
  - (2) The Company shall notify the bond administrator without delay if having submitted an annual securities report, quarterly securities report, extraordinary report or amendment report as well as any appendices in accordance with the Financial Instruments and Exchange Act, a written confirmation provided for in Article 24-4-2 of said Act and an internal control report provided for in Article 24-4-4 of same to the Director-General of the Kanto Local Finance Bureau; provided, however, that in the event the bond administrator requests for the submission of duplicate copies of the above, the Company shall submit same to the bond administrator.
8. Authority of the bond administrator in objection procedures for creditors
- The bond administrator shall, irrespective of the provisions of the main text of Article 740, paragraph (2) of the Companies Act, refrain from raising objections on behalf of bondholders with respect to filings of objections as per paragraph (1) of said Article without a resolution of the bondholders' meeting.
9. Bondholders' meeting
- (1) The bondholders' meeting shall be composed of holders of the same class of bonds (as prescribed in Article 681, item (i) of the Companies Act) as the Bonds (hereinafter, the "Bonds of This Class"). The Company or the bond administrator shall convene said meeting by giving a public notice up to three weeks prior to the date thereof on the details on the convocation as well as the items prescribed in Article 719 of the Companies Act.
  - (2) The bondholders' meeting of holders of the Bonds of This Class shall take place in Tokyo.
  - (3) A bondholder who own one-tenth or more of the total amount of the Bonds of This Class (excluding the amount already redeemed; the total amount of the bonds held by the Company is not factored into the calculation) may request for the convocation of the bondholders' meeting by presenting to the bond administrator the documentation concerning the Bonds of This Class as prescribed in Article 86, paragraphs (1) and (3) of the Transfer Act and submitting to the Company or the bond administrator a document describing the purpose(s) for the bondholders' meeting and the reason(s) for its convocation.
10. Method of public notice
- Any notices to bondholders concerning the Bonds shall be effected by the electronic publication method prescribed in the Articles of Incorporation of the Company, unless otherwise stipulated in laws and regulations. However, should an accident or some other unavoidable event render electronic publication impossible, public notice shall be effected through the newspaper prescribed in the Articles of Incorporation and in one or more newspapers published in Tokyo and Osaka, respectively (this may be omitted in case of duplicate publications). Also, any notices by the bond administrator shall be effected by the electronic publication method prescribed in the articles of incorporation of the bond administrator in addition to a method prescribed in laws and regulations. However, should an accident or some other unavoidable event render electronic publication impossible, public notice shall be effected through the newspaper prescribed in the articles of incorporation of the bond administrator and in one or more newspapers published in Tokyo and Osaka, respectively (this may be omitted in case of duplicate publications).
11. Payment of principal and interest
- The principal and interest of the Bonds shall be paid in accordance with the Transfer Act and the business regulations of the book-entry transfer institution provided separately in the "book-entry transfer institution" field as well as other rules.
12. Issuing and paying agents
- The tasks of the issuing and paying agents for the Bonds as per the business regulations established by the book-entry transfer institution provided separately in the "book-entry transfer institution" field shall be effected by Mizuho Bank, Ltd.

## 6. Underwriting of the Bonds and retention of management of the Bonds (twenty-year bonds):

### (1) Underwriting of the Bonds

Underwriter	Address	Amount (Millions of yen)	Conditions
Mizuho Securities Co., Ltd.	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	7,000	1. The underwriters shall jointly and severally underwrite the full amount of the Bonds as well as handle the public offering. Should the amount of the offering not cover the full amount thereof, same shall underwrite the balance.  2. The underwriting fee for the Bonds shall be ¥0.40 per face value of ¥100.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	7,000	
SMBC Nikko Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	4,000	
Nomura Securities Co., Ltd.	13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo	1,000	
Daiwa Securities Co. Ltd.	9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	1,000	
Total	—	20,000	—

### (2) Retention for management of the Bonds

Bond administrator	Address	Conditions
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo	The fee for administering the Bonds paid to the bond administrator shall be ¥280 thousand per year during the term of the Bonds.

## 7. Use of net proceeds from the new issuance:

### (1) The amount of net proceeds from the new issuance of the Bonds

(Millions of yen)

Total payment	Estimated issuance cost	Estimated net proceeds
60,000	225	59,775

Note: The above amounts are the sum of those for the Fifteenth Series Straight Bonds with General Mortgage, the Sixteenth Series Straight Bonds with General Mortgage and the Seventeenth Series Straight Bonds with General Mortgage.

### (2) Use of net proceeds

All of the above estimated net proceeds of ¥59,775 million is to be used as a part of funds for the repayment of the Twelfth Series Straight Bonds with General Mortgage to be redeemed on 8 September 2023.

## **II. Terms and Conditions of Offering for Sale**

No items to report

## **III. Special Matters to Be Described in Case of Third-Party Allotment**

No items to report

## **IV. Other Matters to Be Described**

No items to report

## **B. INFORMATION ON TAKEOVER BIDS OR SHARE ISSUANCES**

No items to report

## **C. INFORMATION FOR REFERENCE**

### **I. Documents for Reference**

As for matters such as the outline of the Company and outline of business, etc. provided for in Article 5, paragraph (1), item (ii) of the Financial Instruments and Exchange Act, please refer to the following documents.

#### **1. Annual Securities Report and Appendices**

Business year: 38th term (from January 1, 2022 to December 31, 2022): Filed to Director-General of the Kanto Local Finance Bureau on March 24, 2023

#### **2. Extraordinary Report**

Between the filing date of the Annual Securities Report listed in “1” above and the filing date hereof (April 14, 2023), Extraordinary Report pursuant to Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (ix)-2 of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc. was filed to Director-General of the Kanto Local Finance Bureau on March 27, 2023.

#### **3. Extraordinary Report**

Between the filing date of the Annual Securities Report listed in “1” above and the filing date hereof (April 14, 2023), Extraordinary Report pursuant to Article 24-5, paragraph (4) of the Financial Instruments and Exchange Act and Article 19, paragraph (2), item (ii)-2 of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc. was filed to Director-General of the Kanto Local Finance Bureau on March 30, 2023.

## **II. Supplemental Information to the Documents for Reference**

With regard to the matters described in “Business and other risks” in the Annual Securities Report listed above as documents for reference, there have been no occurrence of new risks such as business risks or material changes between the filing dates of the said Annual Securities Report and the filing date hereof (April 14, 2023).

Moreover, there have been no changes made to the forward-looking statements included in the said Annual Securities Report or no additional information to be disclosed in relation to the forward-looking statements as of the filing date hereof (April 14, 2023). The said Annual Securities Report contains forward-looking statements. These statements appear in a number of places in the said Annual Securities Report 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. 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.

### **III.Places Where Copies of the Documents for Reference are Made Available for Public Inspection**

Japan Tobacco Inc. Headquarters  
(1-1, Toranomom 4-chome, Minato-ku, Tokyo, Japan)

Tokyo Stock Exchange, Inc.  
(2-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo)

### **D. INFORMATION ON GUARANTEE COMPANIES, ETC.**

No items to report