



FOR IMMEDIATE RELEASE

Tokyo, July 28, 2016

JT's Annual Survey Finds 19.3 % of Japanese Adults Are Smokers

Japan Tobacco Inc. (JT) (TSE: 2914) today announced the results of its Japan Smoking Rate Survey, a study that has been carried out annually since 1965. The survey, conducted in May 2016, showed that 19.3% of Japanese adults are smokers. Other results are summarized below.

1. Japanese smoking rate as of May 2016

	2015	2016	Change since prior year
Men	31.0%	29.7%	-1.3 percentage points
Women	9.6%	9.7%	+0.1 percentage points
Total	19.9%	19.3%	-0.6 percentage points

2. Japanese smoking population as of May 2016 (estimate based on the smoking rate)

(Unit: millions)

	2015	2016	Change since prior year
Men	15.62	14.98	-0.64
Women	5.22	5.28	+0.06
Total	20.84	20.27	-0.57

The 2016 figures were calculated based on the adult population provided by the Statistics Bureau of the Ministry of Internal Affairs and Communications as of April 1, 2016, which were 50.45 million men and 54.45 million women, respectively. The 2015 figures were based on the population as of April 1, 2015, which were 50.38 million men and 54.37 million women.

The Company is of the view that the smoking rate in Japan has been on a declining trend. The decrease is due to various factors, including the aging of society, growing awareness about the health risks associated with smoking, tightening of smoking-related regulations and the tax and price hike.

JT will continue its efforts to realize a society in which smokers and non-smokers can co-exist in harmony.

Outline of the 2016 Japan Smoking Rate Survey

The survey was conducted in May 2016 using a stratified two-stage sampling method, by mailing questionnaires to approximately 32,000 adult men and women nationwide except for the areas affected by the Kumamoto earthquake. JT collected 19,650 (61.2%) valid responses from the total population surveyed.

Sample age ranges

Percentages: Proportion of sample group

Figures below percentages represent the number of valid respondents

	20-29	30-39	40-49	50-59	60 and above	Total
Men	15.6% 1,534	12.1% 1,187	17.0% 1,671	15.3% 1,497	39.9% 3,917	100.0% 9,806
Women	8.2% 810	14.5% 1,427	19.6% 1,931	16.6% 1,632	41.1% 4,044	100.0% 9,844
Total	11.9% 2,344	13.3% 2,614	18.3% 3,602	15.9% 3,129	40.5% 7,961	100.0% 19,650

When calculating the survey figures, the above figures are corrected to reflect composition of the adult population.

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Japan Tobacco Inc. is a leading international tobacco company. Its products are sold in over 120 countries and its globally recognized brands include Winston, Camel, Mevius, LD and Natural American Spirit. With diversified operations, JT is also actively present in pharmaceuticals and processed foods. The company's revenue was ¥2.253 trillion (US\$18,679 million^()) in the fiscal year ended December 31, 2015.*

**Translated at the rate of ¥120.61 per \$1, as of December 31, 2015*

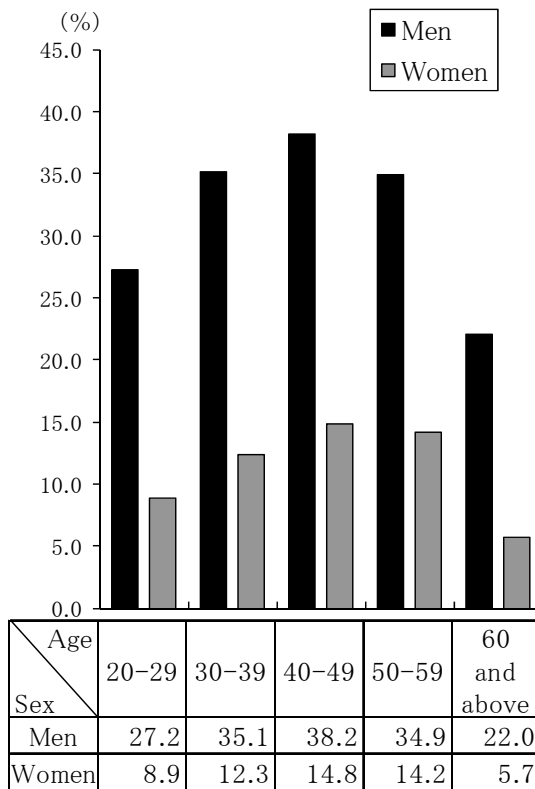
Contacts: Ryohei Sugata, General Manager
Sayako Takahashi, Manager
Media and Investor Relations Division
Japan Tobacco Inc.
Tokyo: +81-3-5572-4292
E-mail: jt.media.relations@jt.com

Reference Information

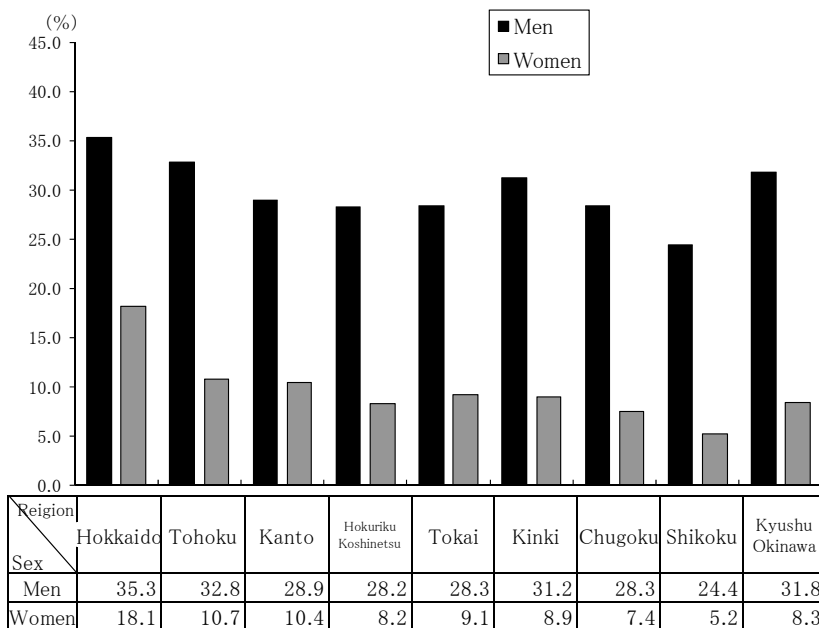
1. Breakdown of Japanese smoking rate

Smoking rate (percentage of people who smoke) by age and region is shown for reference. The accuracy of the breakdown is approximate due to small sample sizes.

(1) Smoking rate by age



(2) Smoking rate by region



2. Number of cigarettes smoked

- (1) The average number of cigarettes smoked* by respondents who answered that he/she “smokes every day”

*The number of cigarettes usually smoked daily

The average number of cigarettes smoked per day is as follows.

Men	18.5 cigarettes
Women	14.7 cigarettes

The average number of cigarettes smoked in 2015 was 18.6 for men and 14.7 for women.

- (2) The average number of cigarettes smoked by smokers' age

For reference, the number of cigarettes smoked by smokers' age is as follows. The accuracy of the breakdown is approximate.

