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FOR IMMEDIATE RELEASE

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Japanese Domestic Cigarette Sales Results for July 2016 (Preliminary Report)

Japan Tobacco Inc. (JT) (TSE: 2914) announced today a preliminary report of the Company's Japanese domestic cigarette sales results for July 2016.

(figures are rounded off)

| | 2015 | | 2016 | |
|---|-----------------|------------------|-----------------|-----------------|
| | July | January - July | July | January - July |
| Sales Volume [*] (Billions of cigarettes) | 9.8 (-2.7%) | 62.8 (-3.5%) | 9.0 (-7.9%) | 61.7 (-1.8%) |
| Japanese Domestic Cigarette Revenue (Billions of Yen) | 55.3 (-2.9%) | 356.1 (-2.0%) | 53.4 (-3.4%) | 359.5 (1.0%) |

(): net change in comparison to the same period in the previous year

* JT's market shares were as follows:

- 60.5% for July 2016
- 61.0% for Janurary- July 2016
- 59.9% for January- December 2015

The above figures are preliminarily reported on a management basis.

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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

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