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FOR IMMEDIATE RELEASE

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Notice Concerning Amendments to Earnings Forecasts of JT's Subsidiary

Japan Tobacco Inc. (JT) today announced that Torii Pharmaceutical Co., Ltd., a consolidated subsidiary of JT, has amended the full-year earnings forecasts for the December 2016 term (January 1, 2016 through December 31, 2016) as shown in the attached sheet.

The effects of this amendment on JT's consolidated financial results will be immaterial.

(Attachment)

Reference: "Torii Amends Full-Year Earnings Forecasts for Fiscal Year Ended December 31, 2016"
(Materials released by Torii Pharmaceutical Co., Ltd. as of January 23, 2017)

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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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Torii Amends Full-Year Earnings Forecasts for Fiscal Year Ended December 31, 2016

In consideration of the recent trend in earnings and other factors, Torii Pharmaceutical Co., Ltd. ("Torii") has amended its full-year earnings forecasts for the fiscal year ended December 31, 2016, which were announced on October 28, 2016, as described below.

1. Amendments to Full-Year Earnings Forecasts for Fiscal Year Ended December 31, 2016
(January 1, 2016, through December 31, 2016)

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
Previous forecasts (A)	60,500	3,000	3,100	2,100	74.21
New forecasts (B)	60,200	3,810	3,990	2,770	97.94
Amount of change (B-A)	(300)	810	890	670	
Rate of change (%)	(0.5)	27.0	28.7	31.9	
(Reference) Actual cumulative amount for January to December 2015 (Note)	62,378	4,919	5,135	3,527	124.65

2. Reasons for Amendments

Net sales are now expected to be slightly lower than the previously announced forecast figure. Operating income and ordinary income are expected to exceed the previously announced forecast figures due to positive effects of cost saving initiatives and deferred expenses in both R&D and sales to next year. As a result, net income is also expected to be higher than the previously announced forecast figures, largely due to the increase in ordinary income and amount of tax credit of cooperate tax larger than expected.

*The above-mentioned earnings forecasts are based on information available to Torii as of the date of this announcement. Actual business results may differ from the forecast figures herein.