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FOR IMMEDIATE RELEASE

Tokyo, October 26, 2017

Tobacco Council Releases Determinations for 2018 Tobacco Cultivation

Japan Tobacco Inc. (JT) (TSE: 2914) announced today that the Leaf Tobacco Deliberative Council, chaired by Yoshio Kobayashi, released its annual determinations for domestic leaf tobacco cultivation area and grower prices for 2018, in response to a proposal submitted by JT earlier in the day.

The Council was in general agreement with JT's proposal, and determined that in 2018, the domestic tobacco cultivation area will be set at 7,436 hectares, a decrease of 4.7% compared to the contracted area¹ of the previous year. The leaf tobacco grower price will be set at an average of ¥1,887.14 per kilogram for all leaf types, a increase of 0.51% compared to the previous year.

JT will undertake its operations in 2018 based on the Council's determinations.

About The Leaf Tobacco Deliberative Council

The Leaf Tobacco Deliberative Council is a council which confers on important matters concerning the cultivation and purchase of domestically grown leaf tobacco in response to inquiries by JT representatives. The council consists of no more than 11 members, appointed by JT with the approval of the Minister of Finance from among representatives of domestic leaf tobacco growers and academic appointees.

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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 ¥2.143 trillion (US\$19,703 million^()) in the fiscal year ended December 31, 2016.*

**Translated at the rate of ¥108.78 per \$1*

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¹ The contracted area includes inactive areas in Fukushima.