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Tokyo, March 16, 2018

Japanese Domestic Cigarette Sales Results for February 2018 (Preliminary Report)

Japan Tobacco Inc. (JT) (TSE: 2914) announced today a preliminary report of the Company's Japanese domestic cigarette sales results for February 2018.

(figures are rounded off)

| | 2017 | | 2018 | |
|---|-----------------|-----------------------|------------------|-----------------------|
| | February | January – February | February | January – February |
| JT Cigarette Sales Volume* (Billions of cigarettes) | 7.4 (-12.4%) | 14.5 (-12.1%) | 6.2 (-16.2%) | 12.3 (-15.3%) |
| Japanese Domestic Cigarette Revenue (Billions of Yen) | 43.6 (-9.1%) | 86.2 (-8.4%) | 36.9 (-15.3%) | 73.5 (-14.7%) |

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

- 61.8% for February 2018
- 61.1% for January- February 2018
- 61.3% for January- December 2017

The above figures are preliminarily reported on a management basis.

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Japan Tobacco Inc. is a leading international tobacco company with operations in more than 130 countries. With close to 60,000 employees, it manufactures and sells some of the world's best-known brands including Winston, Camel, MEVIUS, LD and Natural American Spirit. The JT Group is committed to investing in Reduced-Risk Products (RRP) and currently markets Ploom TECH, its tobacco vapor product, and various e-cigarette products under the Logic brand. The Group is also present in the pharmaceutical and processed food businesses. For more information, visit https://www.jt.com/.

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^{*} JT's market shares were as follows: