FOR IMMEDIATE RELEASE

Tokyo, July 30, 2018

JT's Annual Survey Finds 17.9 % 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 2018, showed that 17.9% of Japanese adults are smokers. Other results are summarized below.

1. Japanese smoking rate as of May 2018

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Change since prior year (percentage points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>28.2%</td>
<td>27.8%</td>
<td>-0.4 ppt</td>
</tr>
<tr>
<td>Women</td>
<td>9.0%</td>
<td>8.7%</td>
<td>-0.3 ppt</td>
</tr>
<tr>
<td>Total</td>
<td>18.2%</td>
<td>17.9%</td>
<td>-0.3 ppt</td>
</tr>
</tbody>
</table>

2. Japanese smoking population as of May 2018 (estimate based on the smoking rate) (Unit: millions)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Change since prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>14.26</td>
<td>14.06</td>
<td>-0.20</td>
</tr>
<tr>
<td>Women</td>
<td>4.91</td>
<td>4.74</td>
<td>-0.17</td>
</tr>
<tr>
<td>Total</td>
<td>19.17</td>
<td>18.80</td>
<td>-0.37</td>
</tr>
</tbody>
</table>

The 2018 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, 2018, which were 50.56 million men and 54.49 million women, respectively. The 2017 figures were based on the population as of April 1, 2017, which were 50.56 million men and 54.53 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 2018 Japan Smoking Rate Survey

The survey was conducted in May 2018 using a stratified two-stage sampling method, by mailing questionnaires to approximately 32,000 adult men and women using tobacco products, including cigarettes, T-vapor products, pipe, cigar and other tobacco products nationwide. JT collected 19,442 (60.6%) valid responses from the total population surveyed.

Sample age ranges

Percentages: Proportion of sample group
Figures below percentages represent the number of valid respondents

<table>
<thead>
<tr>
<th></th>
<th>20-29</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60 and above</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>15.1%</td>
<td>12.3%</td>
<td>16.7%</td>
<td>15.7%</td>
<td>40.2%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>1,448</td>
<td>1,181</td>
<td>1,610</td>
<td>1,509</td>
<td>3,866</td>
<td>9,614</td>
</tr>
<tr>
<td>Women</td>
<td>8.0%</td>
<td>14.0%</td>
<td>18.6%</td>
<td>16.7%</td>
<td>42.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>785</td>
<td>1,373</td>
<td>1,832</td>
<td>1,644</td>
<td>4,194</td>
<td>9,828</td>
</tr>
<tr>
<td>Total</td>
<td>11.5%</td>
<td>13.1%</td>
<td>17.7%</td>
<td>16.2%</td>
<td>41.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>2,233</td>
<td>2,554</td>
<td>3,442</td>
<td>3,153</td>
<td>8,060</td>
<td>19,442</td>
</tr>
</tbody>
</table>

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 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 and LD. 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/](https://www.jt.com/).

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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

![Bar chart showing smoking rate by age and gender for different regions.]

<table>
<thead>
<tr>
<th>Age</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>20–29</td>
<td>23.3%</td>
<td>6.6%</td>
</tr>
<tr>
<td>30–39</td>
<td>33.1%</td>
<td>11.1%</td>
</tr>
<tr>
<td>40–49</td>
<td>35.5%</td>
<td>13.6%</td>
</tr>
<tr>
<td>50–59</td>
<td>33.0%</td>
<td>12.0%</td>
</tr>
<tr>
<td>60 and above</td>
<td>21.3%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

(2) Smoking rate by region

![Bar chart showing smoking rate by region and gender.]

<table>
<thead>
<tr>
<th>Region</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hokkaido</td>
<td>34.5%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Tohoku</td>
<td>33.4%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Kanto</td>
<td>26.9%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Hokuriku/Koshinotsu</td>
<td>29.8%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Tokai</td>
<td>25.9%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Kinki</td>
<td>26.1%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Chugoku</td>
<td>25.4%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Shikoku</td>
<td>26.0%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Kyusyu/Okinawa</td>
<td>29.4%</td>
<td>8.3%</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Sex</th>
<th>Number of cigarettes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>17.7 cigarettes</td>
</tr>
<tr>
<td>Women</td>
<td>14.4 cigarettes</td>
</tr>
</tbody>
</table>

The average number of cigarettes smoked in 2017 was 18.1 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.

<table>
<thead>
<tr>
<th>Age</th>
<th>20-29</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60 and above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>13.8</td>
<td>16.2</td>
<td>18.3</td>
<td>19.5</td>
<td>18.4</td>
</tr>
<tr>
<td>Women</td>
<td>12.1</td>
<td>14.2</td>
<td>14.4</td>
<td>14.6</td>
<td>15.1</td>
</tr>
</tbody>
</table>