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FOR IMMEDIATE RELEASE

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JT Group completes acquisition of Russia's Donskoy Tabak

Japan Tobacco Inc. (JT) (TSE: 2914) announces that the JT Group completed the acquisition of the Donskoy Tabak (DT) companies yesterday Russian local time. The agreement to acquire

the companies was announced in a press release¹ on March 16, 2018.

The acquisition of DT enables the JT Group to complement its existing product portfolio with DT's value brands and expand its distribution network through DT's strong salesforce. This acquisition will reinforce the Group's No.1 position in Russia, a country which has been a key

market in earnings growth for many years.

The transaction will not have any material impact on the JT Group's consolidated performance for the fiscal year 2018.

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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/.

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 $^{1}\ \underline{https://www.jt.com/media/news/2018/pdf/20180316_E01.pdf}$

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