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**JT Applies to Amend Retail Prices of Tobacco Products in Japan
in Response to a Planned Excise Increase**

Japan Tobacco Inc. (JT) (TSE: 2914) today announces that it has applied to the Minister of Finance for approval* to amend retail prices of tobacco products in Japan in conjunction with the planned tobacco excise tax hike on October 1, 2018. JT has applied to amend the retail price of 143 products, including 122 cigarette products, one cigarillo product, three pipe tobacco products, three cut tobacco products and 14 snuff tobacco products. Additionally, JT has applied for seven 'Ploom TECH' product price rises in the Tobacco vapor category.

The Japanese domestic tobacco market continues to experience decreasing sales volumes due to structural factors including the aging and declining adult population, as well as increasingly stringent smoking restrictions. At the same time the cost per pack for providing the same quality and services has been increasing. Under these circumstances, JT had been maintaining the quality and price levels through cost reducing efforts.

However, since JT is projecting a further sales volume decline, it is very difficult to maintain the same quality and services with cost reduction initiatives alone. In this context, JT has applied to amend the retail prices of cigarettes, which exceeds the excise tax hike of ¥1.0 per cigarette, considering further increases in costs including materials. Retail price increases will vary among different brands and products, to ensure that the quality of each product will be maintained and that consumer expectations continue to be met.

Furthermore, in the Tobacco vapor category, a new tax system will be imposed in stages over a five-year period. JT has decided to apply ¥30 increase in the retail price of 'Ploom TECH', whose tax expected to be increased by ¥30.89 a pack.

New retail prices will be effective on October 1, 2018, following the Minister of Finance's approval.

JT will strive to continue to improve the quality of its products and services, in line with the expectations of its consumers.

Cigarettes

Unit: Yen

Representative Brands	Current Price	New Price
Natural American Spirit	480	520
Seven Stars and Peace (20)	460	500
Mevius	440	480
Pianissimo	450	480
Winston and Hi-Lite	420	450
Camel	380	400
Hope (10)	230	250

Tobacco vapor products

Unit: Yen

Brands	Current Price	New Price
Ploom TECH	460	490

* In Japan, under the Tobacco Business Act, list prices for any tobacco products must be approved by the Minister of Finance. Retailers are permitted to sell tobacco products only at list prices approved by the Minister of Finance.

* Details of the retail price amendment are shown in the Appendix

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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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(Appendix)

No.	Category	Name	Current Price	New Price	Units /pack
1	Cigarettes	Mevius	440	480	20
2	Cigarettes	Mevius Box	440	480	20
3	Cigarettes	Mevius 100's Box	440	480	20
4	Cigarettes	Mevius Lights	440	480	20
5	Cigarettes	Mevius Lights Box	440	480	20
6	Cigarettes	Mevius Lights 100's Box	440	480	20
7	Cigarettes	Mevius Super Lights	440	480	20
8	Cigarettes	Mevius Super Lights Box	440	480	20
9	Cigarettes	Mevius Super Lights 100's Box	440	480	20
10	Cigarettes	Mevius Extra Lights	440	480	20
11	Cigarettes	Mevius Extra Lights Box	440	480	20
12	Cigarettes	Mevius Extra Lights 100's Box	440	480	20
13	Cigarettes	Mevius One	440	480	20
14	Cigarettes	Mevius One Box	440	480	20
15	Cigarettes	Mevius One 100's Box	440	480	20
16	Cigarettes	Mevius Gold 6	440	480	20
17	Cigarettes	Mevius Gold 6 100's	440	480	20
18	Cigarettes	Mevius Gold 3 100's	440	480	20
19	Cigarettes	Mevius Gold One 100's	440	480	20
20	Cigarettes	Mevius Gold Impact 6 100's Slim	440	480	20
21	Cigarettes	Mevius Gold Impact One 100's Slim	440	480	20
22	Cigarettes	Mevius Gold Impact One 100's	440	480	20
23	Cigarettes	Mevius Option Rich Plus 10	440	480	20
24	Cigarettes	Mevius Option Rich Plus 6	440	480	20
25	Cigarettes	Mevius Option Rich Plus One 100's	440	480	20
26	Cigarettes	Mevius Premium Menthol Frozen 8	440	480	20
27	Cigarettes	Mevius Premium Menthol Frozen 5	440	480	20
28	Cigarettes	Mevius Premium Menthol Frozen One	440	480	20
29	Cigarettes	Mevius Premium Menthol Frozen One 100's	440	480	20
30	Cigarettes	Mevius Premium Menthol Option Purple 8	440	480	20
31	Cigarettes	Mevius Premium Menthol Option Purple 5	440	480	20
32	Cigarettes	Mevius Premium Menthol Option Purple One 100's	440	480	20
33	Cigarettes	Mevius Premium Menthol Option Purple 5 100's Slim	440	480	20
34	Cigarettes	Mevius Premium Menthol Option Purple One 100's Slim	440	480	20
35	Cigarettes	Mevius Premium Menthol Option Yellow 8	440	480	20
36	Cigarettes	Mevius Premium Menthol Option Yellow 5	440	480	20

No.	Category	Name	Current Price	New Price	Units /pack
37	Cigarettes	Mevius Premium Menthol Option Yellow One 100's	440	480	20
38	Cigarettes	Mevius Premium Menthol Option Red 8	440	480	20
39	Cigarettes	Mevius Premium Menthol Option Red 5	440	480	20
40	Cigarettes	Mevius Premium Menthol Option Red One 100's	440	480	20
41	Cigarettes	Seven Stars	460	500	20
42	Cigarettes	Seven Stars Box	460	500	20
43	Cigarettes	Seven Stars 10	460	500	20
44	Cigarettes	Seven Stars 10 Box	460	500	20
45	Cigarettes	Seven Stars 7	460	500	20
46	Cigarettes	Seven Stars 7 Box	460	500	20
47	Cigarettes	Seven Stars 4	460	500	20
48	Cigarettes	Seven Stars Menthol 12 Box	460	500	20
49	Cigarettes	Seven Stars Menthol 8 Box	460	500	20
50	Cigarettes	Seven Stars Menthol 5 Box	460	500	20
51	Cigarettes	Seven Stars Prime Leaf 12 Box	480	520	20
52	Cigarettes	Seven Stars Prime Leaf 8 Box	480	520	20
53	Cigarettes	Natural American Spirit Organic Leaf Turquoise	480	520	20
54	Cigarettes	Natural American Spirit Organic Leaf Gold	480	520	20
55	Cigarettes	Natural American Spirit Organic Leaf One	480	520	20
56	Cigarettes	Natural American Spirit Perique Box	480	520	20
57	Cigarettes	Natural American Spirit Organic Mint	480	520	20
58	Cigarettes	Natural American Spirit Organic Mint Light	480	520	20
59	Cigarettes	Natural American Spirit Organic Mint Ultra Light	480	520	20
60	Cigarettes	Natural American Spirit Organic Mint One	480	520	20
61	Cigarettes	Natural American Spirit Light	480	520	20
62	Cigarettes	Natural American Spirit Ultra Light	480	520	20
63	Cigarettes	Peace (10)	230	250	10
64	Cigarettes	Peace (20)	460	500	20
65	Cigarettes	Peace (50)	1,150	1,250	50
66	Cigarettes	Peace Lights Box	460	500	20
67	Cigarettes	Peace Super Lights Box	460	500	20
68	Cigarettes	Peace Aroma Royal 100's Box	500	540	20
69	Cigarettes	Peace Aroma Crown 100's Box	500	540	20
70	Cigarettes	Peace Infinity	490	530	20
71	Cigarettes	Hope (10)	230	250	10
72	Cigarettes	Hope Lights	230	250	10
73	Cigarettes	Hope Super Lights	230	250	10
74	Cigarettes	Hope Menthol	230	250	10

No.	Category	Name	Current Price	New Price	Units /pack
75	Cigarettes	Winston Caster White 5	420	450	20
76	Cigarettes	Winston Caster White 5 Box	420	450	20
77	Cigarettes	Winston Caster White 3	420	450	20
78	Cigarettes	Winston Caster White 3 Box	420	450	20
79	Cigarettes	Winston Caster White One Box	420	450	20
80	Cigarettes	Winston Caster White One 100's Box	420	450	20
81	Cigarettes	Winston Cabin Red 8 Box	420	450	20
82	Cigarettes	Winston Cabin Red 8 100's Box	420	450	20
83	Cigarettes	Winston Cabin Red 5 Box	420	450	20
84	Cigarettes	Winston Cabin Red 2 Box	420	450	20
85	Cigarettes	Winston Cabin Red One 100's Box	420	450	20
86	Cigarettes	Winston Compact Blue 6 Box	400	430	20
87	Cigarettes	Winston Compact Blue 3 Box	400	430	20
88	Cigarettes	Winston Compact Blue One Box	400	430	20
89	Cigarettes	Winston mini Bitter Red 12	380	400	20
90	Cigarettes	Winston mini Straight Blue 8	380	400	20
91	Cigarettes	Winston mini Sweet White One	380	400	20
92	Cigarettes	Winston Inazma Menthol 8 Box	420	450	20
93	Cigarettes	Winston Inazma Menthol 5 Box	420	450	20
94	Cigarettes	Winston Inazma Menthol One 100's Box	420	450	20
95	Cigarettes	Winston Sparkling Menthol 8 Box	420	450	20
96	Cigarettes	Winston Sparkling Menthol 5 Box	420	450	20
97	Cigarettes	Winston Sparkling Menthol One 100's Box	420	450	20
98	Cigarettes	Winston Spirits Menthol 8 Box	420	450	20
99	Cigarettes	Winston Spirits Menthol 5 Box	420	450	20
100	Cigarettes	Winston Spirits Menthol One 100's Box	420	450	20
101	Cigarettes	Winston	420	450	20
102	Cigarettes	Pianissimo Aria Menthol	450	480	20
103	Cigarettes	Pianissimo Pétit Menthol	450	480	20
104	Cigarettes	Pianissimo Fram Menthol	230	240	10
105	Cigarettes	Pianissimo Lucia Menthol	450	480	20
106	Cigarettes	Pianissimo Precia Menthol	450	480	20
107	Cigarettes	Pianissimo Precia Dia's Menthol	450	480	20
108	Cigarettes	Pianissimo Icene Crista Menthol	450	480	20
109	Cigarettes	Pianissimo Icene Gracia Menthol	450	480	20
110	Cigarettes	Pianissimo Icene Spike Menthol	450	480	20
111	Cigarettes	Pianissimo Temore 6	460	490	20
112	Cigarettes	Pianissimo Temore One	460	490	20
113	Cigarettes	Pianissimo Bevel 6	450	480	20
114	Cigarettes	Salem Lights Box	450	480	20
115	Cigarettes	Hi-Lite	420	450	20
116	Cigarettes	Hi-Lite Menthol	420	450	20

No.	Category	Name	Current Price	New Price	Units /pack
117	Cigarettes	Camel Black Box	450	480	20
118	Cigarettes	Camel White Box	450	480	20
119	Cigarettes	Camel Natural Box	450	480	20
120	Cigarettes	Camel Natural Lights Box	450	480	20
121	Cigarettes	Camel Lights Box	380	400	20
122	Cigarettes	Camel Menthol Lights Box	380	400	20
123	Cigarillos	Peace Little Cigar	500	540	20
124	Pipe tobacco	Natural American Spirit Organic Blend Turquoise	1,160	1,240	40g
125	Pipe tobacco	Natural American Spirit Perique Blend	1,080	1,160	40g
126	Pipe tobacco	Natural American Spirit Original Blend	1,080	1,160	40g
127	Cut tobacco	Koiki	380	470	10g
128	Cut tobacco	Koiki Matsukawa Kizami	380	470	10g
129	Cut tobacco	Koiki Daruma Kizami	380	470	10g
130	Snuff tobacco	Zerostyle Snus Vanilla	490	500	6.8g
131	Snuff tobacco	Zerostyle Snus Cool Mint	490	500	6.8g
132	Snuff tobacco	Zerostyle Snus Regular	490	500	6.8g
133	Snuff tobacco	Zerostyle Snus Apple Mint	490	500	6.8g
134	Snuff tobacco	Zerostyle Stix Blue Mint	420	430	3.6g
135	Snuff tobacco	Zerostyle Stix Blue Mint refill pack (1 cartridge)	150	160	1.8g
136	Snuff tobacco	Zerostyle Stix Blue Mint refill pack (2 cartridge)	300	320	3.6g
137	Snuff tobacco	Zerostyle Stix Brown Flavor	420	430	3.3g
138	Snuff tobacco	Zerostyle Stix Brown Flavor refill pack (1 cartridge)	150	160	1.6g
139	Snuff tobacco	Zerostyle Stix Brown Flavor refill pack (2 cartridge)	300	320	3.3g
140	Snuff tobacco	Zerostyle Stix Green Mint refill pack (1 cartridge)	150	160	1.6g

No.	Category	Name	Current Price	New Price	Units /pack
141	Snuff tobacco	Zerostyle Stix Green Mint refill pack (2 cartridge)	300	320	3.3g
142	Snuff tobacco	Zerostyle Stix Pink Flavor refill pack (1 cartridge)	150	160	1.7g
143	Snuff tobacco	Zerostyle Stix Pink Flavor refill pack (2 cartridge)	300	320	3.5g
Tobacco vapor products					
144	Pipe tobacco	MEVIUS Mix Green Cooler for Ploom TECH	460	490	2.8g *1
145	Pipe tobacco	MEVIUS Red Cooler for Ploom TECH	460	490	2.8g *1
146	Pipe tobacco	MEVIUS Purple Cooler for Ploom TECH	460	490	2.8g *1
147	Pipe tobacco	MEVIUS Menthol for Ploom TECH	460	490	2.8g *1
148	Pipe tobacco	MEVIUS Regular for Ploom TECH	460	490	2.8g *1
149	Pipe tobacco	MEVIUS Regular for Ploom TECH *2	460	490	2.8g *1
150	Pipe tobacco	MEVIUS Brown Aroma for Ploom TECH	460	490	2.8g *1

*1 From October 1, 2018, new taxable weights are also used for the tax calculation of Tobacco vapor products in addition to the current taxable weights. The current taxable weight of Ploom TECH is 2.8g, and the new taxable weight of Ploom TECH is expected to be 2.5g.

*2 JT applies two brands for 'MEVIUS Regular for Ploom TECH' according to their manufacturing location.