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FOR IMMEDIATE RELEASE

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

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

(figures are rounded off)

| | 2017 | | 2018 | |
|---|------------------|-------------------|-----------------|------------------|
| | Sep | Jan – Sep | Sep | Jan – Sep |
| JT Cigarette Sales Volume* (Billions of cigarettes) | 7.5 (-13.6%) | 70.3 (-11.8%) | 9.4 (24.7%) | 64.2 (-8.7%) |
| Japanese Domestic Cigarette Revenue (Billions of Yen) | 45.0 (-13.2%) | 418.6 (-10.3%) | 56.2 (24.8%) | 383.0 (-8.5%) |

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

- 63.1% for September 2018
- 61.9% for January- September 2018
- 61.3% for January- December 2017

The above figures are preliminarily reported on a management basis.

An announcement of the consolidated financial results is scheduled on October 31, 2018.

The announcement includes the Japanese Domestic Tobacco Business performance for January – September FY2018.

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