



JAPAN TOBACCO INC.
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FOR IMMEDIATE RELEASE

Tokyo, March 9, 2019

**JTI-Macdonald Corp.'s filing for
Companies' Creditors Arrangement Act relief was granted**

As announced on March 2¹, 2019, the Quebec Court of Appeal dismissed an appeal by JTI-Macdonald Corp. (JTI-MC), a member of the JT Group, and other Canadian tobacco manufacturers of the lower court decision in the two class action lawsuits heard together in Montreal.

JTI-MC filed for protection from its creditors under the *Companies' Creditors Arrangement Act* (CCAA)² on March 8, 2019, local time. This filing followed the Quebec Court of Appeal's judgment on March 1, 2019, local time, making JTI-MC liable for up to CAD 1.77 billion, of which it is required to pay CAD 145 million as an initial deposit.

As the amount of the award exceeds JTI-MC's capacity to pay, JTI-MC has decided to seek protection from its creditors under the CCAA so as to continue its business operations. The Ontario Superior Court has granted the CCAA application and extended protection in favor of JTI-MC. Whilst all of the proceedings pending against it are now stayed, JTI-MC intends to continue to proceed with an appeal to the Supreme Court of Canada.

JTI-MC filed for protection as it considers doing so to be the best possible option for JTI-MC. It enables JTI-MC to carry on business in the ordinary course.

JTI-MC is the only JT Group company that is party to these proceedings and the financial impact of JTI-MC's protection under the CCAA is currently under review. If any material impact on JT Group's consolidated financials is identified, JT will announce it in a timely manner.

¹ https://www.jt.com/media/news/2019/pdf/20190302_E1.pdf

² The Companies' Creditors Arrangement Act (CCAA) is a Canadian law, which companies incorporated or conducting business in Canada can apply for if they encounter a financial situation that creates noticeable difficulties in their business operations. The CCAA's intent is to enable these companies to continue their operations while restructuring.

Appendix: Company profile

(1) Company	JTI-Macdonald Corp.
(2) Location	1 Robert Speck Parkway, Suite 1601 Mississauga, Ontario, Canada
(3) Representative	Igor Dzaja (President and CEO)
(4) Nature of its business	Manufacturing and sales of tobacco products, such as cigarettes, RYO and cigars
(5) Capital	CAD 535 million

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Japan Tobacco Inc. is a leading international tobacco company with operations in more than 130 countries. With over 63,000 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 its tobacco vapor products under the Ploom brand 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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