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FOR IMMEDIATE RELEASE

Tokyo, June 17, 2019

Notice of the Announcement by a Subsidiary Company

Japan Tobacco Inc. (JT) (TSE: 2914) announces that Torii Pharmaceutical Co., Ltd. (Torii) (TSE:4551), our subsidiary company, made the attached announcement.

There is no change in the 2019 forecast on the JT Group's consolidated performance announced on February 7, 2019, as we have already factored in the impact.

(Attachment)

- Results of Voluntary Retirement Program

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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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Tokyo, June 17, 2019

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Results of Voluntary Retirement Program

TORII PHARMACEUTICAL CO., LTD. (Torii) (TSE:4551) informs that Torii completed the implementation of the Voluntary Retirement Program, which was announced on February 6, 2019, and the results have been finalized.

1. Outline of the Voluntary Retirement Program

(1) Target number of applicants

Not specified

(2) Eligible person

For Planning & Administration Group and Pharmaceutical Marketing & Promotion Group, employees with at least two years of service as of April 1, 2019;

For Pharmacovigilance & Quality Assurance Group and R & D Group, employees with at least two years of service as of April 1, 2019 and whose age will be 50 or older as of the end of March 2020, excluding those of Manufacture and Logistics Sectors.

(3) Application period

April 15, 2019 to May 31, 2019

(4) Retirement date

September 30, 2019

(5) Preferential treatment

Extra retirement allowance will be paid in addition to the ordinary retirement allowance. In addition, the new career support program will be available for the employees who retire under the program.

2. Results

Number of applicants: 281 applicants

3. Impact on Financial Performance

The cost arising from the extra retirement allowance and the new career support program will be about 4.1 billion yen, which will be recorded as an extraordinary loss for business structure reform expenses in the financial results of the second quarter of the year. As for the forecast, there is no change as certain part of the cost above was factored in the performance forecast that was announced on February 6, 2019.

4. Other matters

In addition to the Voluntary Retirement Program, the revision of the agreements for contract workers will be carried out. As a result, the number of total employees* will be 800, that was 1,200 in the beginning of the current fiscal year. The number of MR will be 300, although it was 500 in the beginning of the same year.

* The total number of employees includes contract workers, and other workers, in addition to permanent (regular) employees.

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