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JT Applies to Amend Retail Prices of Tobacco Products in Japan in Response to a Planned Consumption Tax Increase

Japan Tobacco Inc. (JT) (TSE:2914) today announces that it has applied to the Minister of Finance for approval* to amend the retail prices of its tobacco products in Japan in conjunction with the planned consumption tax (value-added tax) increase on October 1, 2019 and the increase of excise tax on Tobacco Vapor products. The Company has applied for the retail price amendment for a total of 115 products, including 102 cigarette products, three cigarillo products, three pipe tobacco products, three cut tobacco products and four “Ploom S” products in the Tobacco Vapor category.

Details of the retail price amendment application are as following:

1. Consumption Tax Increase related amendments

The amount of consumption tax increase is calculated against the weighted average price of all of its products and passed on the retail price. As a result, JT proposes to increase the retail price for most of its cigarette products by JPY 10 per pack, whereas the retail prices of some products, including Winston and Camel, will remain unchanged.

2. Tobacco Vapor products Excise Tax Structure Revision related amendments

The new tax system requires increasing excise tax gradually over a five-year period, starting from October 1, 2018 through to October 1, 2022. While JT believes in reflecting the tax increase to the retail price, considering the competitive environment and consumer price acceptance holistically, the retail price of “Ploom TECH” and “Ploom TECH+” remain unchanged. JT proposes to increase the retail price of tobacco sticks for “Ploom S” by JPY 10 per pack.

3. Preferential Excise Tax abolition for former third-class cigarette product related amendments

Preferential tax treatment will be abolished as of October 2019 for former third-class cigarette products. JT proposes to increase the retail price of its six tobacco products, including Echo and Wakaba, by JPY 90 per pack reflecting both the excise tax hike and the consumption tax increase.

In October, Echo, Wakaba and Golden Bat cigarette products will be delisted after the stock is sold out in the retail stores. However, as announced “Wakaba cigars” and “Echo cigars”, our new cigarillo products will be launched in the middle of September, for our loyal consumers with the same impactful smoking experience and taste at an affordable price.

The proposed retail prices changes will take effect on October 1, 2019, subject to the approval from the Minister of Finance.

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

Cigarettes

Unit: JPY

Representative Products	Current Price	New Price
Natural American Spirit	520	530
Seven Stars and Peace (20)	500	510
Mevius	480	490
Pianissimo	480	490
Hope (10)	250	260

Tobacco Vapor Products

Unit: JPY

Products	Current Price	New Price
Mevius for Ploom S	480	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

* This document has been prepared for the purpose of providing fair information to investors. It is not for the purpose of promoting sales to customers or promoting smoking.

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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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(Appendix)

Details of the retail price amendments

No.	Category	Name	Current Price	New Price	Units/ pack
1	Cigarettes	Mevius	480	490	20
2	Cigarettes	Mevius Box	480	490	20
3	Cigarettes	Mevius 100's Box	480	490	20
4	Cigarettes	Mevius Lights	480	490	20
5	Cigarettes	Mevius Lights Box	480	490	20
6	Cigarettes	Mevius Lights 100's Box	480	490	20
7	Cigarettes	Mevius Super Lights	480	490	20
8	Cigarettes	Mevius Super Lights Box	480	490	20
9	Cigarettes	Mevius Super Lights 100's Box	480	490	20
10	Cigarettes	Mevius Extra Lights	480	490	20
11	Cigarettes	Mevius Extra Lights Box	480	490	20
12	Cigarettes	Mevius Extra Lights 100's Box	480	490	20
13	Cigarettes	Mevius One	480	490	20
14	Cigarettes	Mevius One Box	480	490	20
15	Cigarettes	Mevius One 100's Box	480	490	20
16	Cigarettes	Mevius Gold 6	480	490	20
17	Cigarettes	Mevius Gold 6 100's	480	490	20
18	Cigarettes	Mevius Gold 3 100's	480	490	20
19	Cigarettes	Mevius Gold One 100's	480	490	20
20	Cigarettes	Mevius Gold Impact 6 100's Slim	480	490	20
21	Cigarettes	Mevius Gold Impact One 100's Slim	480	490	20
22	Cigarettes	Mevius Gold Impact One 100's	480	490	20
23	Cigarettes	Mevius Option Rich Plus 10	480	490	20
24	Cigarettes	Mevius Option Rich Plus 6	480	490	20
25	Cigarettes	Mevius Option Rich Plus One 100's	480	490	20
26	Cigarettes	Mevius Premium Menthol FROZEN 8	480	490	20
27	Cigarettes	Mevius Premium Menthol FROZEN 5	480	490	20
28	Cigarettes	Mevius Premium Menthol FROZEN One	480	490	20
29	Cigarettes	Mevius Premium Menthol FROZEN One 100's	480	490	20
30	Cigarettes	Mevius Premium Menthol Option Purple 8	480	490	20
31	Cigarettes	Mevius Premium Menthol Option Purple 5	480	490	20
32	Cigarettes	Mevius Premium Menthol Option Purple One 100's	480	490	20
33	Cigarettes	Mevius Premium Menthol Option Purple 5 100's Slim	480	490	20
34	Cigarettes	Mevius Premium Menthol Option Purple One 100's Slim	480	490	20
35	Cigarettes	Mevius Premium Menthol Option Yellow 8	480	490	20
36	Cigarettes	Mevius Premium Menthol Option Yellow 5	480	490	20
37	Cigarettes	Mevius Premium Menthol Option Yellow One 100's	480	490	20

No.	Category	Name	Current Price	New Price	Units/ pack
38	Cigarettes	Mevius Premium Menthol Option Red 8	480	490	20
39	Cigarettes	Mevius Premium Menthol Option Red 5	480	490	20
40	Cigarettes	Mevius Premium Menthol Option Red One 100's	480	490	20
41	Cigarettes	Mevius Premium Menthol Option Muscat Green 5 100's Slim	480	490	20
42	Cigarettes	Mevius Premium Menthol Option Muscat Green One 100's Slim	480	490	20
43	Cigarettes	Seven Stars	500	510	20
44	Cigarettes	Seven Stars Box	500	510	20
45	Cigarettes	Seven Stars 10	500	510	20
46	Cigarettes	Seven Stars 10 Box	500	510	20
47	Cigarettes	Seven Stars 7	500	510	20
48	Cigarettes	Seven Stars 7 Box	500	510	20
49	Cigarettes	Seven Stars 4	500	510	20
50	Cigarettes	Seven Stars Menthol 12 Box	500	510	20
51	Cigarettes	Seven Stars Menthol 8 Box	500	510	20
52	Cigarettes	Seven Stars Menthol 5 Box	500	510	20
53	Cigarettes	Seven Stars Prime Leaf 12 Box	520	530	20
54	Cigarettes	Seven Stars Prime Leaf 8 Box	520	530	20
55	Cigarettes	Natural American Spirit Organic Leaf Turquoise	520	530	20
56	Cigarettes	Natural American Spirit Organic Leaf Gold	520	530	20
57	Cigarettes	Natural American Spirit Organic Leaf One	520	530	20
58	Cigarettes	Natural American Spirit Perique Box	520	530	20
59	Cigarettes	Natural American Spirit Organic Mint	520	530	20
60	Cigarettes	Natural American Spirit Organic Mint Light	520	530	20
61	Cigarettes	Natural American Spirit Organic Mint Ultra Light	520	530	20
62	Cigarettes	Natural American Spirit Organic Mint One	520	530	20
63	Cigarettes	Natural American Spirit Light	520	530	20
64	Cigarettes	Natural American Spirit Ultra Light	520	530	20
65	Cigarettes	Natural American Spirit Agate	520	530	20
66	Cigarettes	Natural American Spirit Agate (10)	260	270	10
67	Cigarettes	Pianissimo Aria Menthol	480	490	20
68	Cigarettes	Pianissimo Pétit Menthol	480	490	20
69	Cigarettes	Pianissimo Fram Menthol	480	490	20
70	Cigarettes	Pianissimo Fram Menthol (10)	240	250	10
71	Cigarettes	Pianissimo Lucia Menthol	480	490	20
72	Cigarettes	Pianissimo Precia Menthol	480	490	20
73	Cigarettes	Pianissimo Dia's Menthol	480	490	20
74	Cigarettes	Pianissimo Icene Crista Menthol	480	490	20
75	Cigarettes	Pianissimo Icene Gracia Menthol	480	490	20
76	Cigarettes	Pianissimo Icene Spike Menthol	480	490	20

No.	Category	Name	Current Price	New Price	Units/ pack
77	Cigarettes	Pianissimo Temore 6	490	500	20
78	Cigarettes	Pianissimo Temore One	490	500	20
79	Cigarettes	Pianissimo Bevel	480	490	20
80	Cigarettes	Peace (10)	250	260	10
81	Cigarettes	Peace (20)	500	510	20
82	Cigarettes	Peace (50)	1250	1300	50
83	Cigarettes	Peace Lights Box	500	510	20
84	Cigarettes	Peace Super Lights Box	500	510	20
85	Cigarettes	Peace Aroma Royal 100's Box	540	550	20
86	Cigarettes	Peace Aroma Crown 100's Box	540	550	20
87	Cigarettes	Peace Aroma Infinity	530	540	20
88	Cigarettes	Hope (10)	250	260	10
89	Cigarettes	Hope Lights	250	260	10
90	Cigarettes	Hope Super Lights	250	260	10
91	Cigarettes	Hope Menthol	250	260	10
92	Cigarettes	Salem Lights Box	480	490	20
93	Cigarettes	Wakaba	360	450	20
94	Cigarettes	Echo	350	440	20
95	Cigarettes	Golden Bat	330	420	20
96	Cigarettes	Uruma	360	450	20
97	Cigarettes	Violet	350	440	20
98	Cigarettes	Shinsei	350	440	20
99	Cigarettes	Camel Black Box	480	490	20
100	Cigarettes	Camel White Box	480	490	20
101	Cigarettes	Camel Natural Box	480	490	20
102	Cigarettes	Camel Natural Lights Box	480	490	20
103	Tobacco vapor	Mevius Regular Taste for Ploom S	480	490	20
104	Tobacco vapor	Mevius Menthol for Ploom S	480	490	20
105	Tobacco vapor	Mevius Menthol Cool Effect for Ploom S	480	490	20
106	Tobacco vapor	Mevius Menthol Purple for Ploom S	480	490	20
107	Cigarillos	Peace Little Cigars	540	550	20
108	Cigarillos	Golden Bat Cigars	270	280	20
109	Cigarillos	Golden Bat Cigars Menthol	270	280	20
110	Pipe tobacco	Natural American Spirit Organic Blend Turquoise	1240	1260	40g
111	Pipe tobacco	Natural American Spirit Perique Blend	1160	1180	40g
112	Pipe tobacco	Natural American Spirit Original Blend	1160	1180	40g
113	Cut tobacco	Koiki	470	480	10g
114	Cut tobacco	Koiki Matsukawa Kizami	470	480	10g
115	Cut tobacco	Koiki Daruma Kizami	470	480	10g