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FOR IMMEDIATE RELEASE

Tokyo, October 31, 2019

Notice Concerning Amendments to Earnings Forecasts of a Subsidiary

Japan Tobacco Inc. (JT) (TSE: 2914) announces that Torii Pharmaceutical Co., Ltd. (Torii) (TSE:4551), our subsidiary company, amended its full-year earnings forecasts for the fiscal year ending December 31, 2019 (January 1, 2019 to December 31, 2019) as shown in the attached sheet.

JT has already factored the impact of this amendment into the 2019 forecast of the JT Group's consolidated performance* announced today.

(Attachment)

- Torii Amends Full-Year Earnings Forecasts for Fiscal Year Ended December 31, 2019

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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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* Please refer to (<https://www.jt.com/investors/>) for the announcement of the 2019 forecast on the JT Group's consolidated performance disclosed today.

October 31, 2019

Torii Pharmaceutical Co., Ltd.

Torii Amends Full-Year Earnings Forecasts for Fiscal Year ended December 31, 2019

In consideration of the recent trend in earnings and other factors, Torii Pharmaceutical, Co., Ltd. ("Torii") has amended its full-year earnings forecasts for the fiscal year ended December 31, 2019, which were announced on July 31, 2019, as described below.

1. Amendments to Full-Year Earnings Forecasts for Fiscal Year Ended December 31, 2019 (January 1, 2019, to December 31, 2019)

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
Previous forecasts (A)	40,800	△700	△400	24,700	880.07
Amended forecasts (B)	42,700	700	1,000	25,700	915.62
Variance (B-A)	+1,900	+1,400	+1,400	+1,000	
Variance rate (%)	+4.7	-	-	+4.0	
(Reference) Fiscal year ended December 31, 2018 results	62,551	4,951	5,080	1,164	41.51

2. Amendments Details

Net Sales are expected to increase driven by positive sales performance of allergen immunotherapy products, CEDARCURE® Japanese Cedar Pollen Sublingual Tablets and MITICURE® House Dust Mite Sublingual Tablets, as well as a skin diseases immunotherapy product, ANTEBATE Topical Corticosteroid.

Operating income, ordinary income and net income are forecast to be JPY 700 million, 1,000 million, and 25,700 million, respectively, mainly driven by growth in net sales, an expenditure reassessment primarily on selling cost as well as a decrease in R&D expenditures.

*The above-mentioned earnings forecasts are based on information available to Torii as of the date of this announcement. Actual business results may differ from the forecast figures herein.

3. The outlook for the Medium-Term Management Plan 2021

Torii has announced its management plan, called the Medium-Term Management Plan 2021, which aims to turn operating income* positive in FY2022 and establish systems capable of continuously generating profit.

As mentioned above, the amended full-year earnings forecasts for fiscal year ended December 31, 2019 includes significant improvement in operating income and ordinary income. At the same time, Torii recognizes its business environment becoming more challenging notably due to the drug price revision and the growth of generic drugs.

Torii continues to conduct business structure reformation and its growth strategy based on the Medium-Term Management Plan 2021.

*Operating income excluding expenses relating to new business investments (investments including those for acquiring new in-licensed drugs and M&A).