



FOR IMMEDIATE RELEASE

Tokyo, January 15, 2020

**JT Signs Exclusive License Agreements with Dermavant and Torii
for Development and Commercialization of Tapinarof in Japan**

Japan Tobacco Inc. (JT) (TSE:2914) announced today that it has signed an exclusive license agreement with Dermavant Sciences GmbH (Dermavant), a subsidiary of Roivant Sciences Ltd., for the development and commercialization of tapinarof, a topical, therapeutic aryl hydrocarbon receptor modulating agent (TAMA), for dermatological diseases and conditions in Japan. Along with this agreement, JT also announced today that it has signed an exclusive license agreement with Torii Pharmaceutical Co., Ltd. (Torii) (TSE:4551), a subsidiary of JT, for co-development and commercialization of tapinarof in Japan.

Under the terms of the agreement with Dermavant, JT will be responsible for the development and commercialization of tapinarof in Japan. Furthermore, this agreement grants JT prioritized negotiation rights for obtaining a license to develop and commercialize each of the backup programs of tapinarof, DMVT-502, DMVT-503 and DMVT-504 in Dermavant's pipeline for the treatment of dermatological diseases. Also, JT undertakes upfront licensing fees and certain development milestone payments, and royalty payments based on future sales in Japan.

Under the terms of the agreement with Torii, JT and Torii will jointly develop tapinarof in Japan, and JT grants Torii the exclusive rights to commercialize tapinarof in Japan once the development and necessary approval procedures have been completed. Also, JT will receive upfront licensing fees from Torii.

The conclusion of these agreements is expected to have minor impact on the Group's consolidated business performance in the fiscal year ending December 2020. JT plans to reflect the impact in the 2020 business plan which is scheduled to be announced on February 6, 2020.

ABOUT Tapinarof

Tapinarof is a potential first-in-class topical TAMA in Japan, which Dermavant is developing for the treatment of psoriasis and atopic dermatitis. The Phase 3 clinical studies for tapinarof in patients with plaque psoriasis are currently being conducted in the U.S. by Dermavant.

ABOUT Dermavant

Dermavant Sciences, a subsidiary of Roivant Sciences, is a clinical-stage biopharmaceutical

company dedicated to developing and commercializing innovative therapeutics in medical dermatology. Dermavant leverages the Roivant platform to develop therapies that have the potential to address high unmet medical needs while driving greater efficiency in research and clinical development. The Company's robust medical dermatology pipeline includes both late-stage and early-development product candidates that target specific unmet needs in two of the largest growing immuno-dermatology markets, psoriasis and atopic dermatitis, as well as other large markets, including vitiligo, primary focal hyperhidrosis, and acne. For more information, please visit www.dermavant.com.

ABOUT Roivant

Roivant Sciences aims to improve health by rapidly delivering innovative medicines and technologies to patients. It does this by building Vants – nimble, entrepreneurial biotech and healthcare technology companies with a unique approach to sourcing talent, aligning incentives, and deploying technology to drive greater efficiency in R&D and commercialization. For more information, please visit www.roivant.com.

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/>.

Contact for Japan Tobacco Inc.

Dinesh Babu Thotakura, General Manager
Media and Investor Relations Division
Japan Tobacco Inc. Tokyo: +81-3-5572-4292
E-mail: jt.media.relations@jt.com