



**FOR IMMEDIATE RELEASE**

Tokyo, October 28, 2016

**JT and Torii Sign Exclusive License Agreement for Development and Commercialization of JAK Inhibitor in Japan**

Japan Tobacco Inc. (JT) (TSE:2914) and Torii Pharmaceutical Co., Ltd. (Torii) (TSE:4551) have announced today the conclusion of an exclusive agreement for co-development and commercialization of JT's original compound, JTE-052, for topical use in dermatological indications in Japan.

JTE-052 inhibits Janus kinase (JAK), which plays important role in immunologically activating signal transduction. JTE-052 works by controlling excessive activation of immunoreaction and relieves autoimmune and allergic disease symptoms. JTE-052 is currently in phase 2 trials in atopic dermatitis patients in Japan.

Under the terms of the agreement, JT and Torii will jointly develop JTE-052 in Japan, with Torii commercializing it once the development and necessary approval procedures have been completed. Torii will pay to JT upfront licensing fees and payments upon the achievement of certain milestones.

JT and Torii continue their efforts to improve commercial value in JTE-052 by leveraging Torii's significant experience in the Japanese dermatology area.

The impact of the conclusion of the agreement is expected to be minor on the Group's consolidated business performance in the fiscal year ending December 2016, and it is also included in Torii's forecasts for the fiscal year ending December 2016, announced today.

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*Japan Tobacco Inc. is a leading international tobacco company. Its products are sold in over 120 countries and its globally recognized brands include Winston, Camel, Mevius, LD and Natural American Spirit. With diversified operations, JT is also actively present in pharmaceuticals and processed foods. The company's revenue was ¥2.253 trillion (US\$18,679 million(\*)) in the fiscal year ended December 31, 2015.*

*\*Translated at the rate of ¥120.61 per \$1, as of December 31, 2015*

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