



FOR IMMEDIATE RELEASE

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**JT achieves Greenhouse Gas emissions reduction target
three years ahead of schedule 20% reduction in 2017 compared with 2009**

Japan Tobacco Inc.(JT) (TSE:2914) has achieved the greenhouse gas (GHG) emissions reduction target as set out in 2014 in the “JT Group Long-Term Environment Plan”, three years ahead of schedule. JT has continuously made progress towards the Group’s target of reducing absolute GHG emissions (Sum of Scope1 and Scope2*) by 20% between 2009 and 2020 as part of its commitment to cut down its contribution to climate change. In 2017, JT has exceeded this target by reducing its annual GHG emissions to 694 thousand tonnes compared to 880 thousand tonnes in 2009 – a 21.2% reduction.

Our efforts across the Group contributed to decrease of GHG emissions on a global scale, while market contraction in the Japanese domestic tobacco business also resulted in its reduction. These outcomes were achieved despite challenges linked to expanding operations in emerging markets and restructuring our manufacturing footprint in Europe in our international tobacco business.

JT efforts to achieve the 2020 emissions target

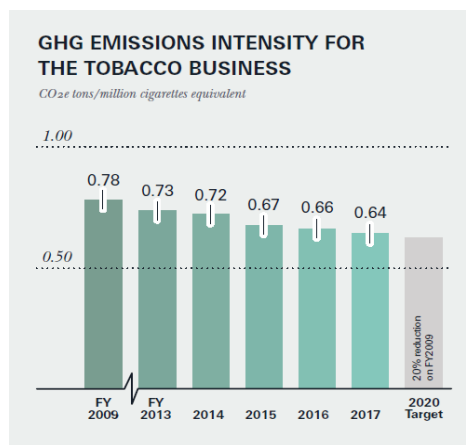
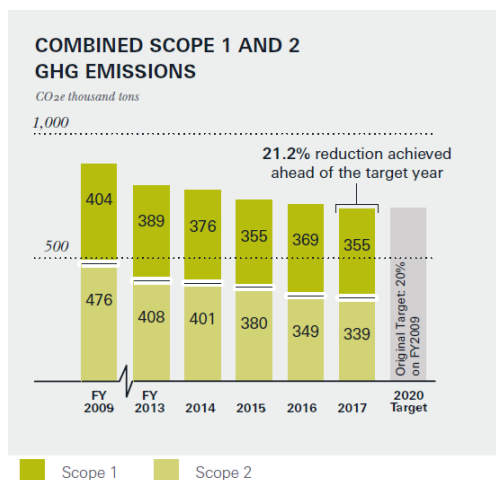
- Aligning our environmental management systems with relevant international standards ISO 14001 and ISO 50001 coupled with our JT Green System, a simplified environmental management system, developed for our smaller and less complex operations in Japan.
- Implementing the energy saving protocol with broad coverage from the manufacturing process to the office environment.
- Increasing the proportion of renewable energy use and reducing energy consumption across all operations.

JT will continue to develop its Long-Term Environment Plan including revised emission targets in line with science-based approaches, while taking into account the Paris Agreement on climate change.

* Those for which we are directly responsible (Scope 1) and those from our consumption of energy supplied by third parties, such as electricity (Scope 2)

Reference Information

<Actual performance of GHG emissions>



<JT's 2020 target of reducing absolute GHG emissions >

- Reducing absolute GHG emissions by 20% (Sum of Scope1 and Scope2) between 2009 and 2020.
- Reducing GHG emissions intensity for tobacco business* by 20% (Sum of Scope1 and Scope2) between 2009 and 2020.

*CO₂ tonnes/million cigarette equivalent

<Key initiatives>

Scope1 and Scope2:

Our cigarette factory in Jordan uses solar power to supply steam to the manufacturing process and to provide energy for both heating and cooling the facility. This technology will reduce GHG emissions by 10% and fuel cost by 18% annually, making our facility the first tobacco factory in the world to use solar power in this way.

Scope1:

- Introduced bioethanol fuelled fleet vehicles in Brazil
- Sourced biomass energy at our factory in Sweden.
- Used waste heat energy at the Central Pharmaceutical Research Institute in Osaka, Japan.
- Introduced a biomass boiler at the seasoning factory in Thailand.

Scope2:

Increased the proportion of renewable energy used, including on-site generation, such as solar power, wind power, hydro power, biomass energy and geothermal heat across the Group, for example:

- Introduced a geothermal heating and cooling system at JTI global headquarters in Geneva, Switzerland
- Switched electricity supplies to renewable energy which does not emit CO₂, at cigarette factories and offices in Germany and Romania.
- Purchased renewable energy at cigarette factories in Canada, Switzerland and Poland.

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Japan Tobacco Inc. is a leading international tobacco company with operations in more than 130 countries. With close to 60,000 employees, it manufactures and sells some of the world's best-known brands including Winston, Camel, MEVIUS, LD and Natural American Spirit. The JT Group is committed to investing in Reduced-Risk Products (RRP) and currently markets Ploom TECH, its tobacco vapor product, 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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