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FOR IMMEDIATE RELEASE

Tokyo, October 31, 2018

JT announces change to Processed Food Business Organization

Japan Tobacco Inc. (JT) (TSE: 2914) today confirms the Board of Directors' resolution concerning change to the organizational structure of the processed food business.

1. Change

JT decided to establish a business planning office for the processed food business, while liquidating TableMark Holding Co., Ltd., which has managed the Group's subsidiaries in this division. A new structure will ensure seamless management of strategy planning and execution in each subsidiary of the Group's processed food business.

2. Schedule

January 1, 2019 Inauguration of a new organizational structure March 2019 (TBC) Liquidation of TableMark Holding Co., Ltd.

3. New Organization Structure

Please refer to the appendix.

4. Financial Impact

The change will not have any material impact on the JT Group's consolidated performance for the fiscal year 2018.

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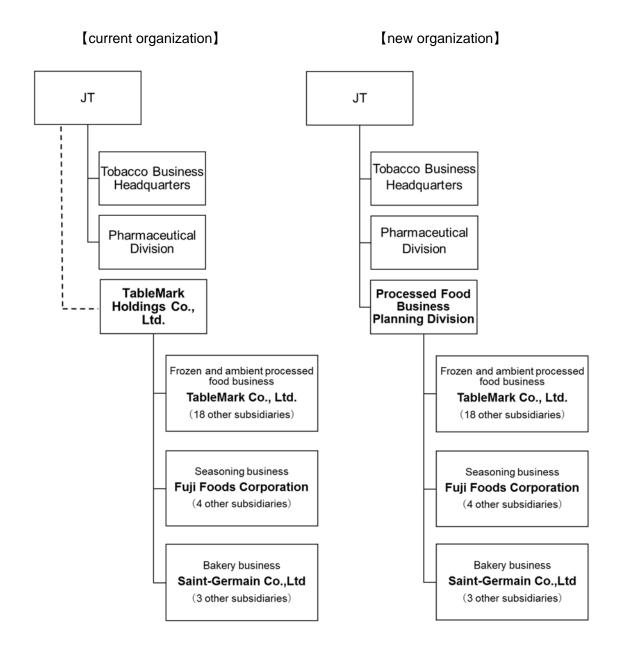
Japan Tobacco Inc. is a leading international tobacco company with operations in more than 130 countries. With close to 60,000 employees, it manufactures and sells some of the world's best-known brands including Winston, Camel, MEVIUS and LD. The JT Group is committed to investing in Reduced-Risk Products (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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Note: In the Group's processed food business, there are three subsidiaries which do not belong to the above three businesses, including a property leasing company.