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FOR IMMEDIATE RELEASE

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JT Terminates its annual Japan Smoking Rate Survey

Japan Tobacco Inc. (JT) (TSE: 2914) today announces that it will no longer conduct its annual Japan Smoking Rate Survey. As a result, the 2018 survey announced on July 30, would become the last.

JT has annually conducted the independent survey since 1965 to better understand the proportion of smokers among Japanese adult men and women nationwide. The results have been utilized in a variety of contexts as a public opinion survey. However, under the personal data protection policy, several municipal governments have restricted companies' ability to access the Basic Resident Register. JT made the decision to terminate the survey after considering a number of factors, including the difficulty in ensuring the credibility of the results and the resource required to conduct the survey.

The Company is of the view that the smoking rate in Japan has been declining. The decrease is due to various factors, including an aging society, increasing awareness about the health risks associated with smoking, the tightening of smoking-related regulations and rising taxes on tobacco products.

JT will continue its efforts to build a society in which smokers and non-smokers can co-exist in harmony.

Outline of the 2018 Japan Smoking Rate Survey

The survey, announced on July 30, was conducted in May 2018 using a stratified two-stage sampling methodⁱ and extracted samples from the Basic Resident Register by mailing questionnairesⁱⁱ to 32,100 adult men and women using tobacco products, including cigarettes, T-vapor products, pipe, cigar and other tobacco products nationwide. JT collected 19,442 (60.6%) valid responses from the total population surveyed.

Result of the Survey (as of May 2018)

Japanese smoking rate

	2017	2018	Change vs prior year (percentage points)
Men	28.2%	27.8%	-0.4 ppt
Women	9.0%	8.7%	-0.3 ppt
Total	18.2%	17.9%	-0.3 ppt

Japanese smoking population (estimate based on the smoking rate)

(Unit: millions)

	2017	2018	Change vs prior year
Men	14.26	14.06	-0.20
Women	4.91	4.74	-0.17
Total	19.17	18.80	-0.37

The 2018 figures were calculated based on the adult population provided by the Statistics Bureau of the Ministry of Internal Affairs and Communications as of April 1, 2018, which were 50.56 million men and 54.49 million women, respectively. The 2017 figures were based on the population as of April 1, 2017, which were 50.56 million men and 54.53 million women.

ⁱ 1,605 study sites, which are proportional to the population of each prefecture, were randomly selected. And 20 adults are randomly selected from each sites.

ⁱⁱ Mailing requests and collection by visit were adopted until 2005

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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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