JAPAN TOBACCO INC.
2-1, Toranomon 2-chome, Minato-ku
Tokyo 105-8422 JAPAN
Phone:03-3582-3111

FOR IMMEDIATE RELEASE

Tokyo, February 5, 2015

Notice Concerning the Decision of Particulars Related to the Acquisition of the Company's Own Shares

(Acquisition of the Company's own sharers pursuant to the Articles of Incorporation based on the provision of paragraph 2 of Article 165 of the Companies Act)

Japan Tobacco Inc. (JT) (TSE: 2914) announced that the Board of Directors has made a resolution on particulars related to the acquisition of the Company's own shares on February 5, 2015 as stated below, pursuant to the provision of Article 156 of the Companies Act, which is applied under the Act's provision of paragraph 3 of Article 165.

1. Rationale
   The Company's own shares are acquired as a supplemental measure for the adjusted EPS[1] growth at constant FX in the mid- to long-term in the framework of shareholder return.

2. Particulars
   - Type of shares: Common stock
   - Number of shares: Up to 36,000,000 shares
     (1.98% of the total shares issued and outstanding excluding the Company's own shares)
   - Total amount: Up to Yen 100,000,000,000
   - Period: From February 9, 2015 to June 9, 2015
   - Method of repurchase: Purchase on the stock exchange via trust bank

(Reference)
The Company's own shares held as of December 31, 2014
- Total number of the Company's shares issued and outstanding (excluding the Company's own shares): 1,817,556,612 shares
  - Number of the Company's own shares held: 182,443,388 shares

[1] Adjusted EPS at constant FX, which the Company set as one of the key performance indicators, is calculated based on profit attributable to owners of the parent excluding such one-off factors as the impairment of goodwill and restructuring-related income and expenses, as well as the impact of exchange rate fluctuations in the international tobacco business. The Company sets a target for the adjusted EPS growth rate, targeting high single-digit growth at constant FX in the mid- to long-term. For a more detailed calculation method, please refer to the consolidated financial statements for the fiscal year 2014 ended December 31, 2014 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 internationally recognized brands include Winston, Camel, Mevius and LD. With diversified operations, JT is also actively present in pharmaceuticals and processed foods. The company's revenue was ¥2,154 trillion (US$17,867 million(*)) in the fiscal year ended December 31, 2014(**).

**Translated at the rate of ¥120.55 per $1, as of December 31, 2014*
***Due to a change in the accounting period from March 31 to December 31, the fiscal year 2014 covered nine months for Japanese domestic businesses and 12 months for the consolidated subsidiaries which operate the Group's international tobacco business. On a comparable full calendar year basis, revenue was ¥2,433 trillion (US$20,186 million(*)).*

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