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

FOR IMMEDIATE RELEASE

Tokyo, February 17, 2015

Announcement on Acquisition of "Ploom" Intellectual Property Rights from Ploom, Inc.

Please find an announcement concerning the acquisition by Japan Tobacco International (JTI) of a number of patents and trademarks relating to the tobacco vaporization device business from Ploom, Inc. The acquisition is expected to have a minor effect on the Group's consolidated performance for the fiscal year 2015.

###

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

MEDIA INFORMATION
For immediate release

JTI acquires "Ploom" Intellectual Property Rights from Ploom, Inc.

Geneva, February 16, 2015 – JTI announced today that it has acquired from Ploom, Inc. a number of patents and trademarks relating to the tobacco vaporization device[1] business. This is part of JTI's drive to further develop the tobacco vapor category and overall mission to be the leader in next generation products. The former Ploom, Inc. will buy back JTI's minority stake.

"This agreement is a natural evolution of our fruitful partnership and enables both companies to concentrate independently on their areas of expertise", says Masamichi Terabatake, JTI's Deputy CEO and Executive Vice President for Emerging Products and Corporate Strategy. "With our manufacturing and tobacco know-how, JTI has facilitated the development of the innovative Ploom tobacco vapor pods[2] and this is an important element in the continuous expansion of our next generation products portfolio."

Financial details of the agreement are confidential.

###

For further information, please contact:
Eva Hoeffelman
+41 22 7030319
pressoffice@jti.com

JTI, a member of the Japan Tobacco Group of Companies, is a leading international tobacco manufacturer. It markets world-renowned brands such as Camel, Winston and Mevius (Mild Seven). Other global brands include Benson & Hedges, Silk Cut, Sobranie, Glamour and LD. With headquarters in Geneva, Switzerland, and about 27,000 employees worldwide, JTI has operations in more than 120 countries. Its core revenue in the fiscal year ended December 31, 2014, was USD 11.9 billion. For more information, visit www.jti.com.

[1] Patents and trademarks related to Ploom, Inc.'s devices such as the Ploom modelOne and modelTwo and the Ploom tobacco vapor pods.
[2] Tobacco vapor pods are capsules with compressed tobacco for use in the Ploom devices.