FOR IMMEDIATE RELEASE

Tokyo, April 30th, 2015

JT acquires Logic, the leading independent US e-cigarette company

Agreement gives JT a global footprint in the e-cigarette market

Japan Tobacco Inc. (JT) (TSE: 2914) announced today that it entered into an agreement to acquire Logic Technology Development LLC ("Logic"), one of the leading US e-cigarette brands. Founded in 2010, Logic sells a full range of high quality rechargeable, ready-to-use and disposable e-cigarettes, including the Logic Pro tank system[1], newly launched in April 2015.

"With the Logic brand and its strong portfolio of products, the JT Group has a sizeable participation in the largest and fast-growing US e-cigarette market," commented Masamichi Terabatake, JTI's (Japan Tobacco International) Executive Vice President and Deputy CEO. "Logic's well established presence in the US, in addition to our acquisition of E-Lites in the UK, further underpins our global ambitions to become the leader in emerging products."

The executive management team of Logic will remain with the JT Group post-acquisition in order to benefit from their extensive knowledge and experience of the US e-cigarette market.

"With the backing of JT Group's global resources, we believe Logic is uniquely positioned to accelerate its growth in the US market and further enhance its product offering." said Eli Alelov, Logic's co-founder and CEO.

"We are excited about the transaction and look forward to the next phase of Logic`s development with the JT Group," added Howard Panes, Logic`s co-founder.

The transaction will be funded by the Group's existing cash and loan facilities, with an expected minor effect on the Group's consolidated performance for the fiscal year 2015. JT expects to complete the acquisition in the third quarter of the fiscal year 2015 following regulatory clearance.

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[1] Commonly referred to as tanks, these are larger devices which do not attempt to look like tobacco cigarettes. They have larger batteries with higher capacity and typically a larger e-liquid reservoir.

BACKGROUND INFORMATION

Logic Technology Development LLC

Established:	2010
Headquarters:	Pompano Beach, Florida, USA
Representatives:	Eli Alelov, Howard Panes
Shareholding:	Private, founders
Business description:	Sales of electronic cigarettes through retails and online channels mainly in the USA. #3 brand in terms of share of value (Wells Fargo, March 2015)
Brand Portfolio:	Logic brand of rechargeable ready-to-use, disposal, and tank systems, with starter kit and refills in 2 flavor variants, and accessories
Company's websites:	www.logicecig.com

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About JT

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.

About LOGIC Technology

LOGIC is the leader in premium electronic cigarettes, offering an alternative option to smoking tobacco products. With multiple industry leading patents, LOGIC sets itself apart by featuring revolutionary technology that delivers a realistic smoking experience. For more information, please visit www.logicecig.com, twitter.com/logicecig and facebook.com/LogicECigarette.

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