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FOR IMMEDIATE RELEASE

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Definitive agreement concluded: Transfer of shares of JT's subsidiaries conducting vending machine operation business and JT beverage brands

Japan Tobacco Inc. (JT) (TSE: 2914) announced today that JT and Suntory Beverage & Food Limited (SBF) have concluded a definitive agreement to transfer all shares JT currently holds in its subsidiaries conducting vending machine operation business, Japan Beverage Holdings Inc. (JB) and JT A-Star Co., Ltd. (JTA). The agreement also includes the transfer of JT's beverage brands "Roots" and "Momono Tennensui". The companies announced their basic agreement on May 25, 2015.

1. Subjects of transfer from JT to SBF
   a. Shares of JB currently held by JT (70.5%), all shares of JTA, shares of Japan Beverage Ecology Inc. currently held by JT (49.7%)
   b. "Roots" and "Momono Tennensui" beverage brands

2. Transfer value: approximately 150 billion yen

3. Schedule
   a. Date of definitive agreement: July 7, 2015
   b. Transfer date: July 31, 2015 (Planned)

4. Impact on financial performance
   Profit attributable to owners of the parent is expected to increase by approximately ¥100 billion. The forecast for the consolidated financial results for FY2015 will be disclosed at the time of the consolidated financial results announcement for FY2015 second quarter planned on August 3, 2015.

5. Other
   This transfer is to be executed, under the condition that there will be no preventing factors such as an issuance of cease and desist order after the business combination review of the deal by the Fair Trade Commission, as required by the Antimonopoly Act.

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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(*)).*

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