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FOR IMMEDIATE RELEASE

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JT completes acquisition of leading US e-cigarette company Logic

Japan Tobacco Inc. (JT) (TSE: 2914) announced today that the JT Group has completed the acquisition of Logic Technology Development LLC ("Logic"), one of the leading US e-cigarette brands. The acquisition was announced in the Company's April 30, 2015 statement, "JT acquires Logic, the leading independent US e-cigarette company." The acquisition is expected to have a minor effect on the Group's consolidated financial performance for the fiscal year 2015.

Founded in 2010, Logic sells a full range of high quality rechargeable, ready-to-use and disposal e-cigarettes, including the Logic Pro tank system[1]. The investment in Logic provides JT Group with a sizeable participation in the largest and fast-growing US e-cigarette market. Logic's well established presence in the US, in addition to the acquisition of E-Lites in the UK, further underpins the Group's global ambitions to become the leader in emerging products.

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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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[1] Commonly referred to as tanks, these are larger devices with higher capacity batteries and typically a larger e-liquid reservoir.