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FOR IMMEDIATE RELEASE

Tokyo, September 18, 2015

Documents presented at the Investor Conference

Japan Tobacco Inc. (JT) (TSE: 2914) held an Investor Conference today in London. Company Executives made presentations on Tobacco Business strategic focus and source for sustainable growth, JT International's (JTI) Financial Results for the period from January to June 2015 and an overview of business in CIS+ markets.

Documents presented:

Document 1: The JT Group tobacco business: Strategic focus and investment for sustainable growth
Document 2: JTI 1H 2015 Financial Results
Document 3: Strengthening our leading position in CIS+
Document 4: Growing our leading position in the Caucasus
Document 5: Investing for growth in Kazakhstan and Central Asian Markets
Document 6: Investing for a long-term leading position in Russia

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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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Document 1

The JT Group tobacco business: Strategic focus and investment for sustainable growth

Akira Saeki
Executive Deputy President,
President of Tobacco Business

Caution on Forward-Looking Statements

Today's presentations contain forward-looking statements. These statements appear in a number of places in these presentations and include statements regarding the intent, belief, or current and future expectations of our management with respect to our business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as "may", "will", "should", "would", "expect", "intend", "project", "plan", "aim", "seek", "target", "anticipate", "believe", "estimate", "predict", "potential" or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating results are particularly subject to a variety of assumptions, some or all of which may not be realized.

Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

(1) decrease in demand for tobacco products in key markets;

(2) restrictions on promoting, marketing, packaging, labeling and usage of tobacco products in markets in which we operate;

(3) increases in excise, consumption or other taxes on tobacco products in markets in which we operate;

(4) litigation around the world alleging adverse health and financial effects resulting from, or relating to, tobacco products ;

(5) our ability to realize anticipated results of our acquisition or other similar investments;

(6) competition in markets in which we operate or into which we seek to expand;

(7) deterioration in economic conditions in areas that matter to us;

(8) economic, regulatory and political changes, such as nationalization, terrorism, wars and civil unrest, in countries in which we operate;

(9) fluctuations in foreign exchange rates and the costs of raw materials; and

(10) catastrophes, including natural disasters.

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This presentation contains images or packages of our brands in some slides. Those slides have been included exclusively to illustrate JT Group’s strategy or performance to our investors. They are not to be used for any other purpose.

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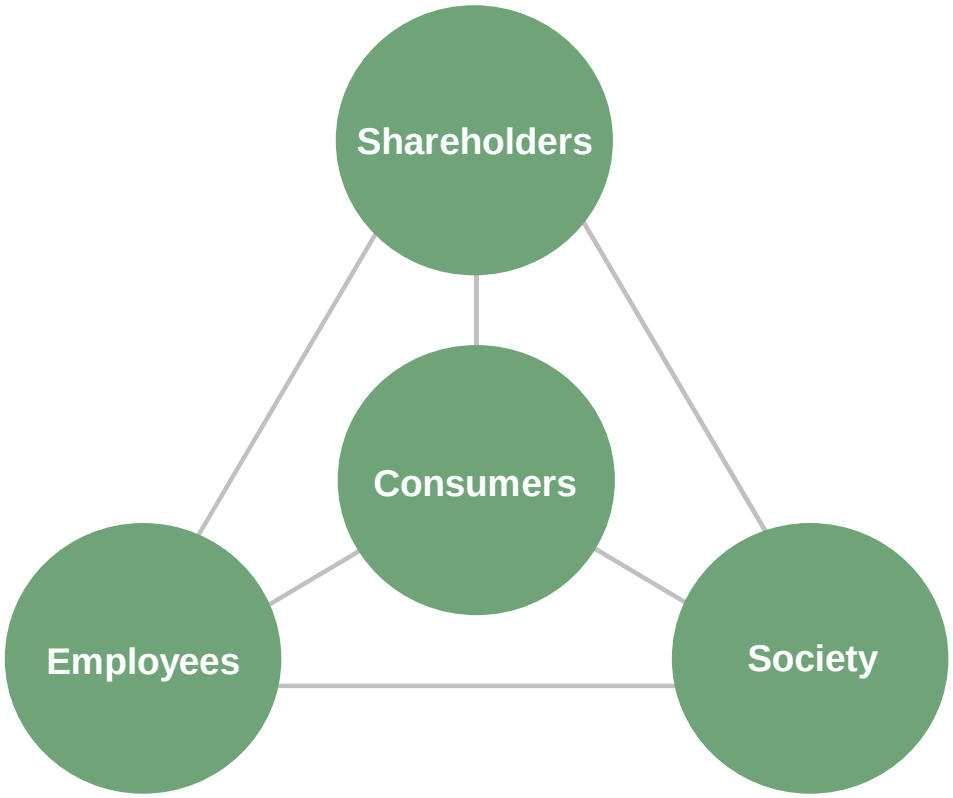
The 4S Model and Strategic Framework guides us towards Our Vision

Management Principles



Our Vision

To be the No.1 global tobacco company

Strategic Framework

Quality top-line growth	Broadening the earnings base	Robust business foundations
Brand equity enhancement	Geographic / Product expansion	Cost optimization

Resource allocation
Prioritize business investment for sustainable future profit growth

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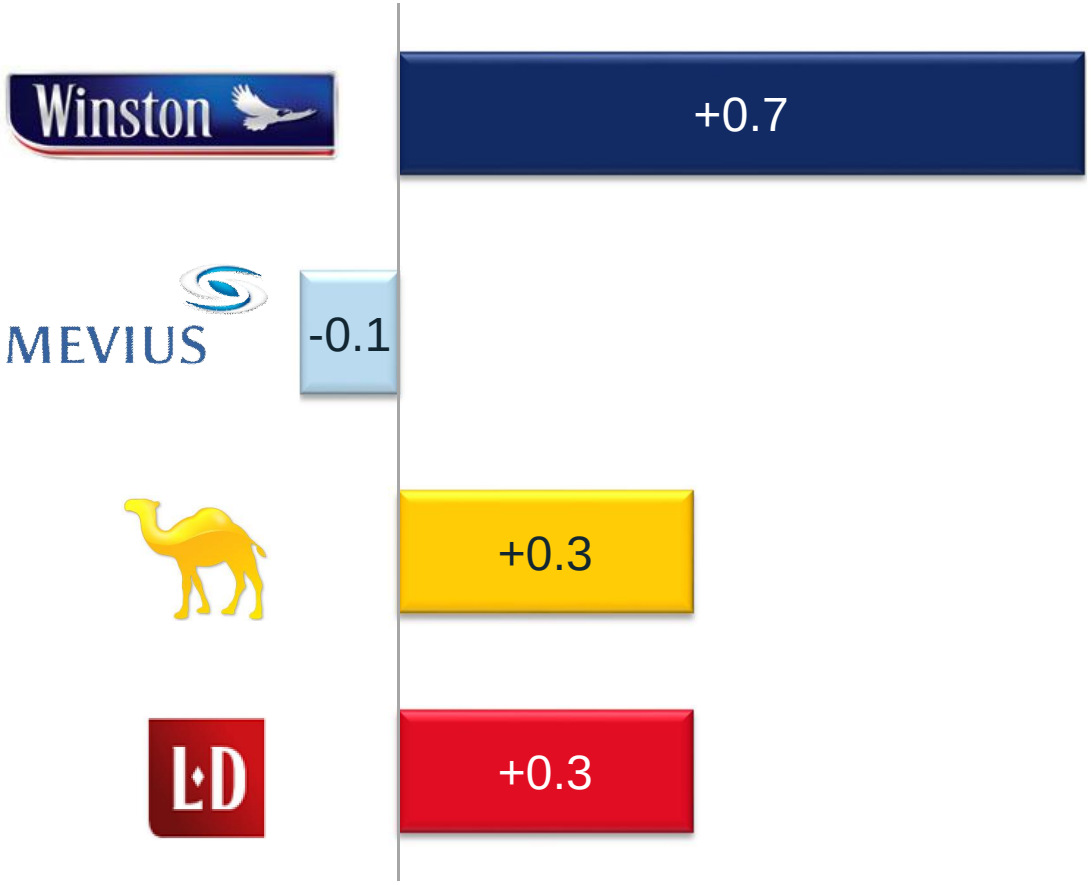
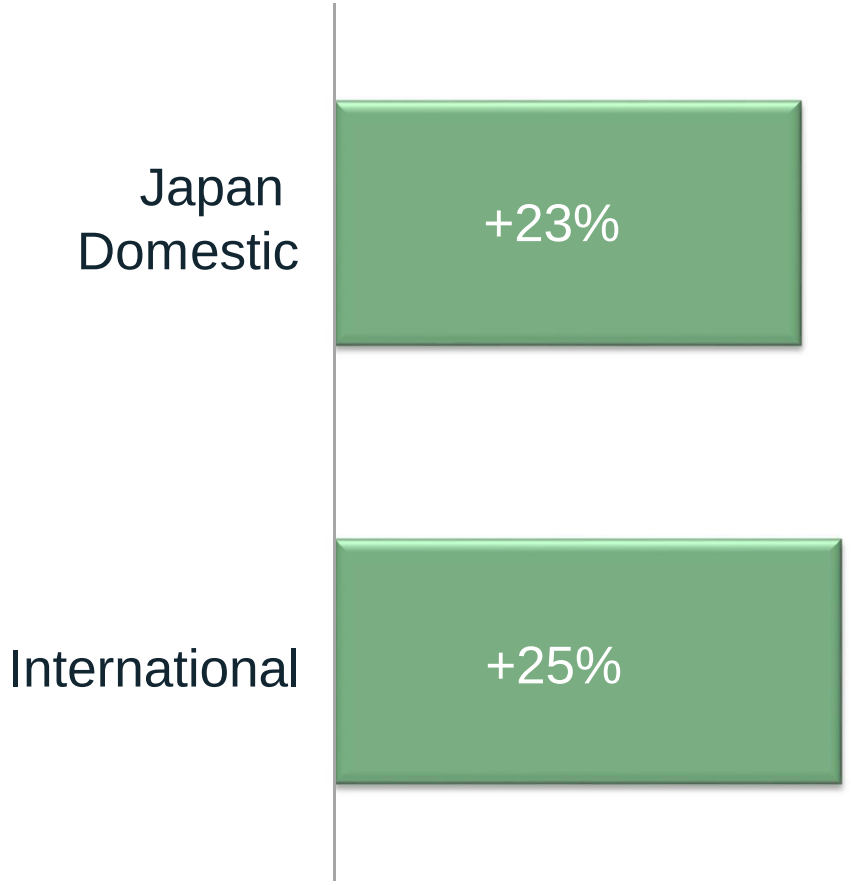
Investment in brands is the cornerstone of quality top-line growth

Share of market, 2014 vs. 2010 (ppt)



Revenue per thousand, 2014 vs. 2010



Source: Euromonitor (China excluded). Core revenue per thousand cigarette equivalent units

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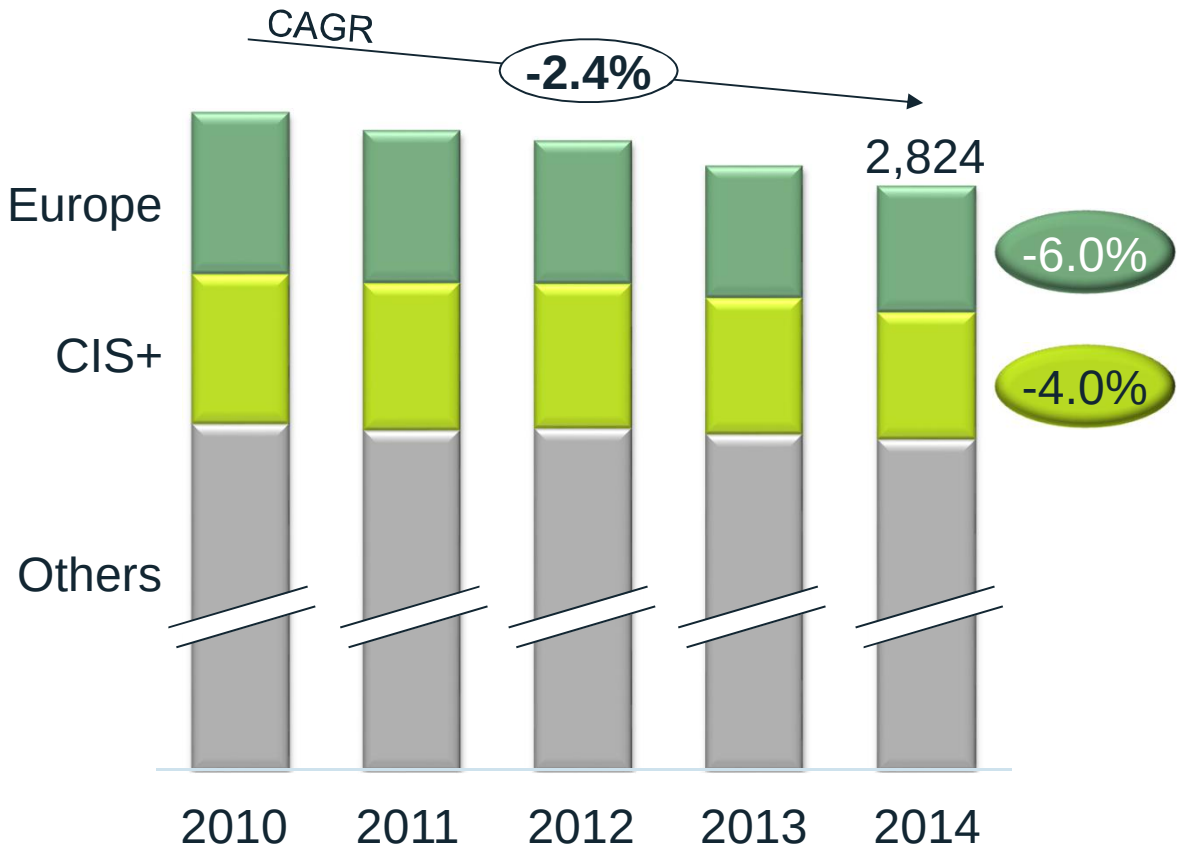
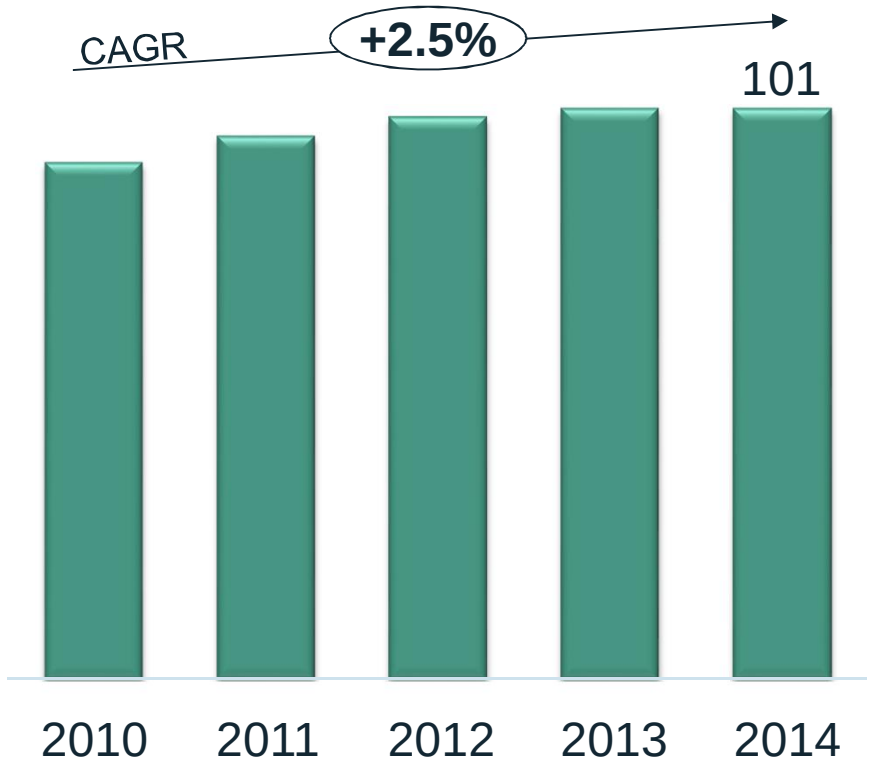
Industry contraction continues, while fine cut volume grows

RMC industry volume (BnU)



Fine cut industry volume (BnU)



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Source: Euromonitor (China excluded). Note: Fine cut conversion rate: 1gr = 1 stick

Adapting to tighter regulations

Plain packaging

- Filed the legal challenge to the legislation in Ireland and the UK
- Marketing efforts ahead of May 2016 implementation in Ireland and the UK
  - Accelerate product launches
  - Strengthen relationship with trade partners

EU TPD2

- Adjustment of the supply chain
- Relocation of manufacturing facilities in Europe by 2019

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Accelerating investment

Initiatives for broadening the business base



Emerging Products

E-Vapor, Tobacco-Vapor

Seeding markets

Bangladesh, Brazil, Bulgaria, Egypt, Myanmar, Thailand, Uzbekistan

GFB Introduction/ enhancement

Winston → Bangladesh, Japan, Myanmar
Camel → Cambodia, Lebanon, Taiwan
MEVIUS → Georgia, Kazakhstan, Poland
LD → Austria, Romania, Saudi Arabia

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Development of Emerging Products in 3 platforms

Vision: Become the leader in Emerging Products

Product platforms	E-VAPOR	TOBACCO-VAPOR	NEXT GENERATION PRODUCTS
Strategic objective	LEAD	BUILD	DEVELOP

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E-Lites: Continue the growth momentum in key European markets

- Upgrades to E-Lites portfolio
- Launch of CURV
  - Advanced product with Swiss made e-liquid
- Product launch pipeline
- Investments in brand equity
  - Including TV Advertising, Digital Media & Sponsorship









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Logic: A major milestone on our growth path

- Strengthen and grow position in USA
- Enhance product portfolio and build pipeline of future JT proprietary innovation
- Plan for global expansion
- Comprehensive brand building program



POWER SERIES: Electronic Cigarette



PRO SERIES: Closed Tank E-Liquid Vaporizer



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Tobacco-vapor: Developing consumer-oriented offerings

- Pioneer in tobacco vaporizers with Ploom
- Learning from consumers to adapt our product offering
- New product development ongoing
  - Working on a unique and innovative tobacco-vapor proposition
  - Pilot launches planned in 2016
- Accelerating investment in innovation infrastructure and organizational capabilities

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Confident in delivering profit growth

JT tobacco business

Mid to high single digit

profit growth in the mid- to long-term

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Closing Remarks

Akira Saeki
Executive Deputy President,
President of Tobacco Business

In closing

- Confidence in achieving sustainable profit growth in the mid to long term
- Prioritize investment to pursue quality top-line growth
- CIS+ continues to be the key profit generator with a strong leading position
- Fulfill our responsibility toward our stakeholders as core business and profit growth engine of the JT Group

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Document 2

JTI 1H 2015 Financial Results

Roland Kostantos
Senior Vice President,
Finance and IT, Chief Financial Officer

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Agenda

- First Half 2015 Results
- First Half 2015 Performance by Cluster
- Summary and FY 2015 Outlook

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First Half Results

Strong 1H 2015 performance

(BnU, $MM)	1H 2015	vs. 1H 2014
Total volume	191.2	+0.3%
GFB volume	131.9	+7.2%
Core revenue	6,272	+6.7%
Adjusted operating profit	2,461	+14.6%

Note: Core revenue and Adjusted operating profit at constant rates of exchange

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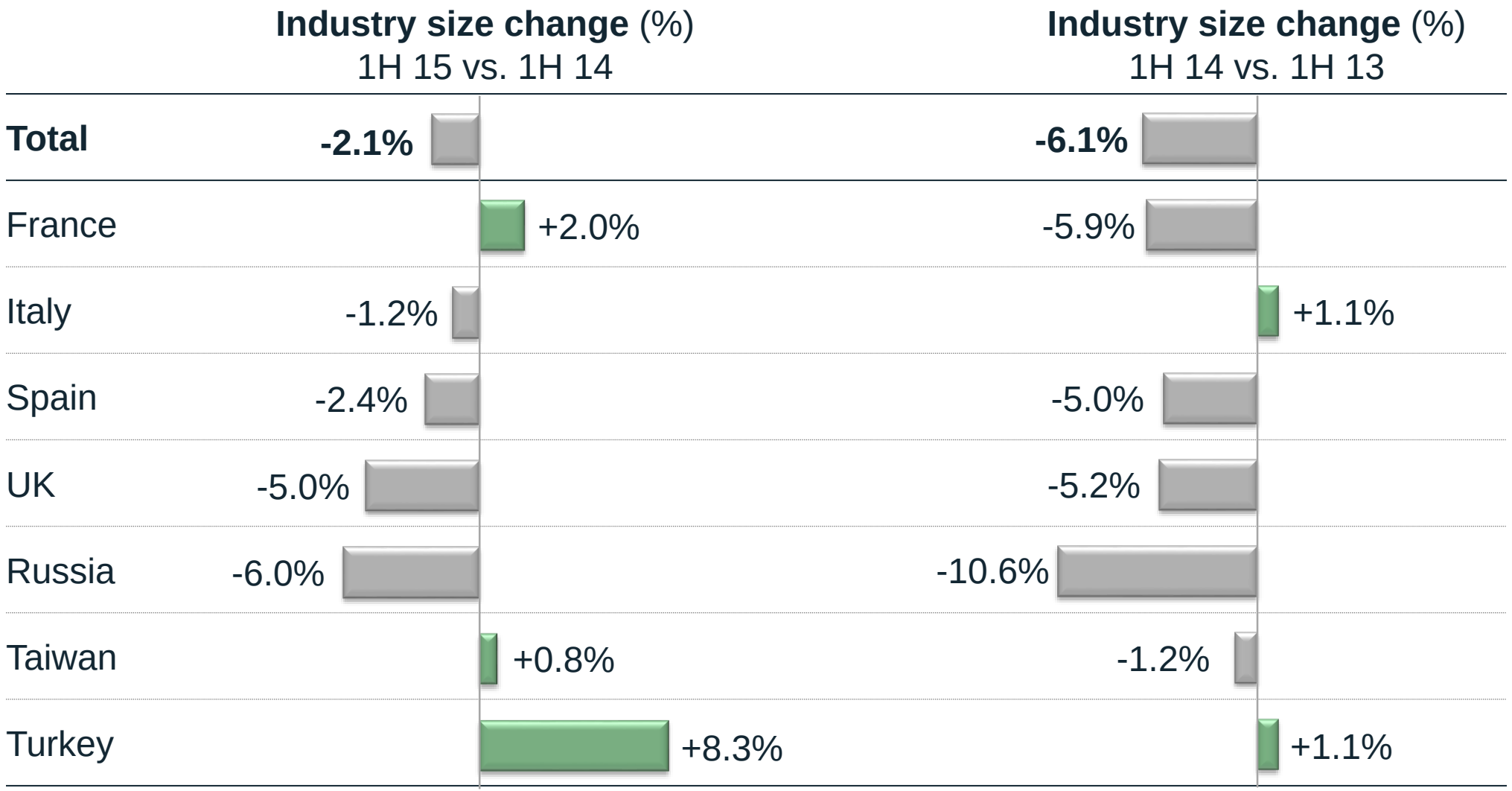
Improved industry size dynamic in 1H 2015



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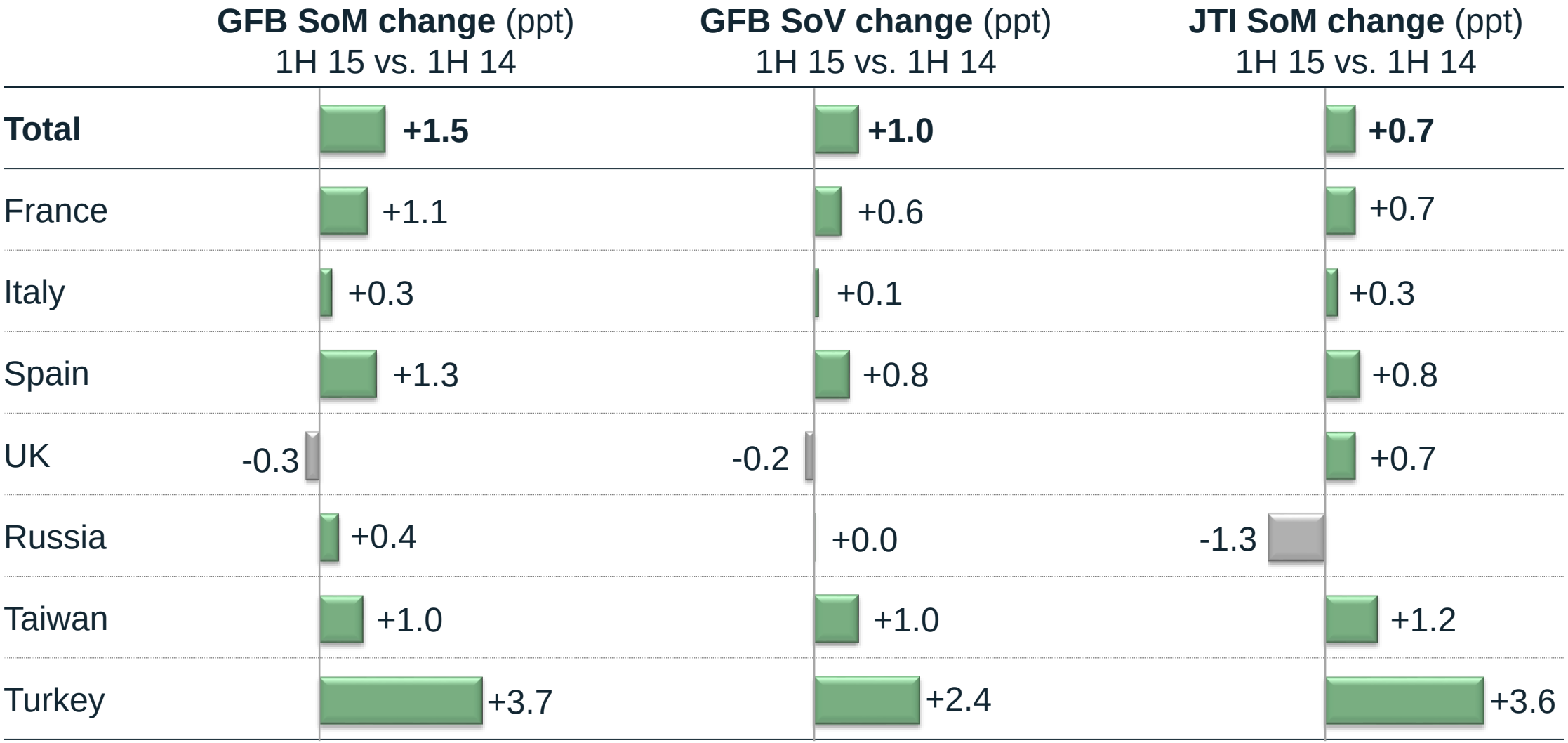
Source: JTI estimates, Nielsen, Logista, Tobacco Board. Note: Industry size based on JTI key markets, including cigarettes and fine cut

GFBs drive share of market increase



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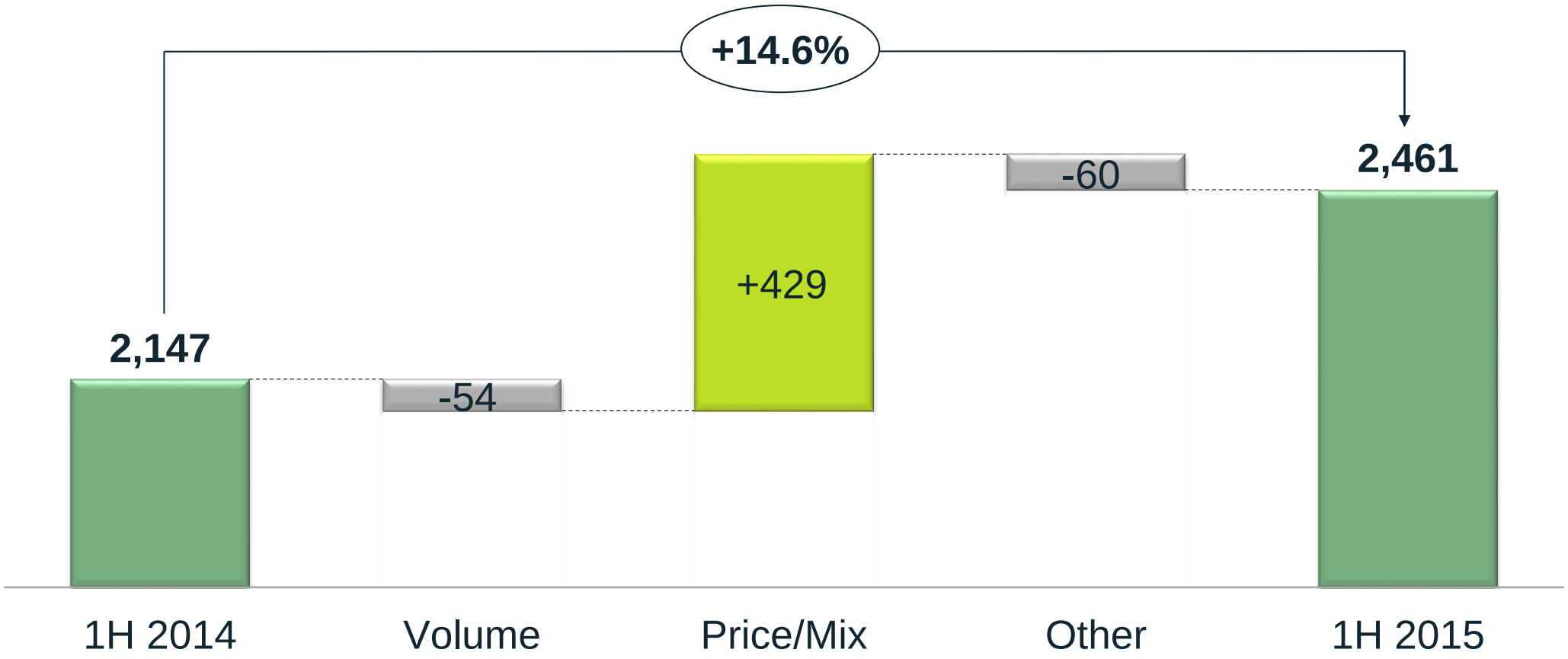
Source: JTI estimates, Nielsen, Logista, IRI, Tobacco Board. Note: SoM and SoV on a 6-month rolling average to June, including cigarettes and fine cut. GFB SoM and SoV based on top 40 markets. Total SoM based on 56 markets

Price/Mix drives profit growth at constant FX

Adjusted operating profit ($MM)



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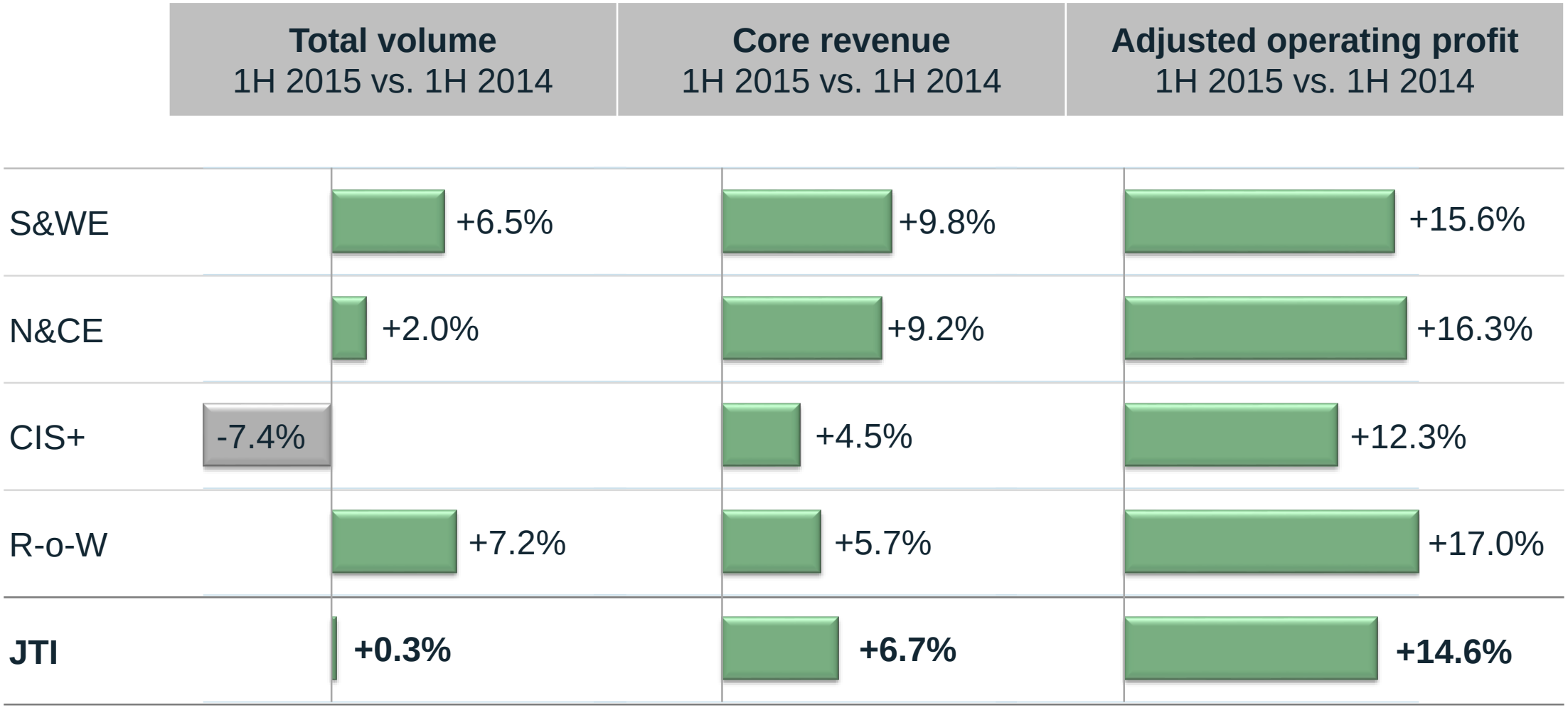
Note: Adjusted operating profit at constant rates of exchange

First Half Performance by Cluster

Strong revenue and earnings growth across all clusters



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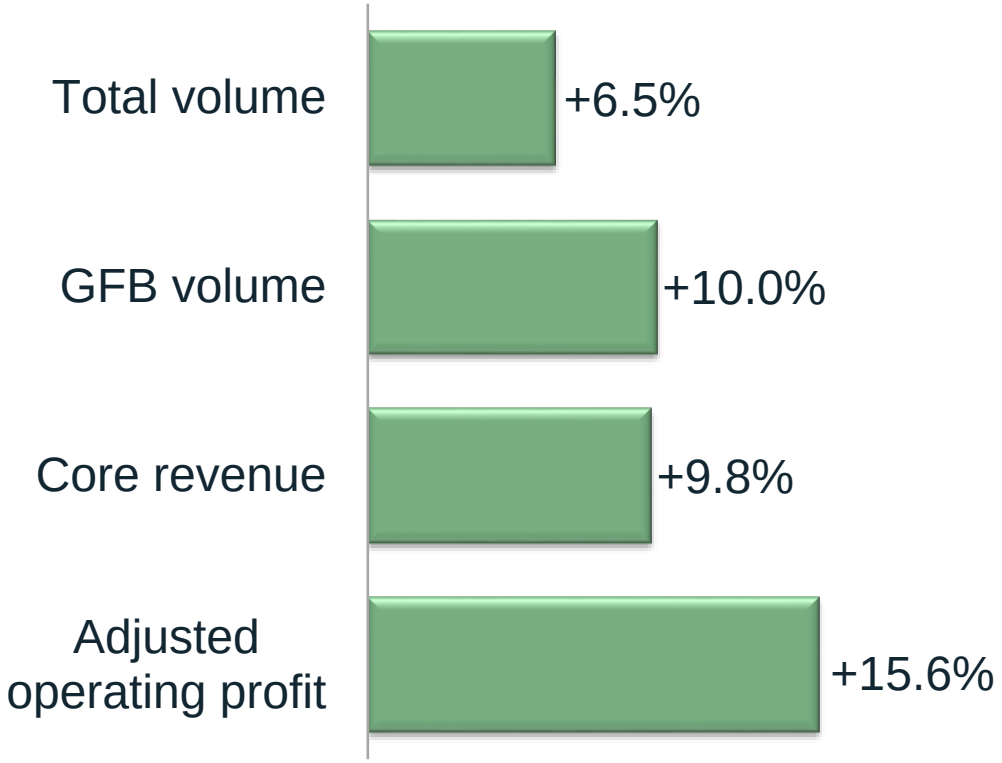
Note: Core revenue and Adjusted operating profit at constant rates of exchange

South & West Europe: Volume and SoM gains drive return to profit growth

Key Performance Indicators
1H 2015 vs. 1H 2014



- JTI grew share of market by 0.7ppt across the cluster
- Record high market share achieved in 10 markets, including Benelux, France, Greece, Spain and Switzerland
- Italy share of market returned to growth
- Pricing in Benelux, Greece, Spain and Switzerland also contributed to strong financial performance

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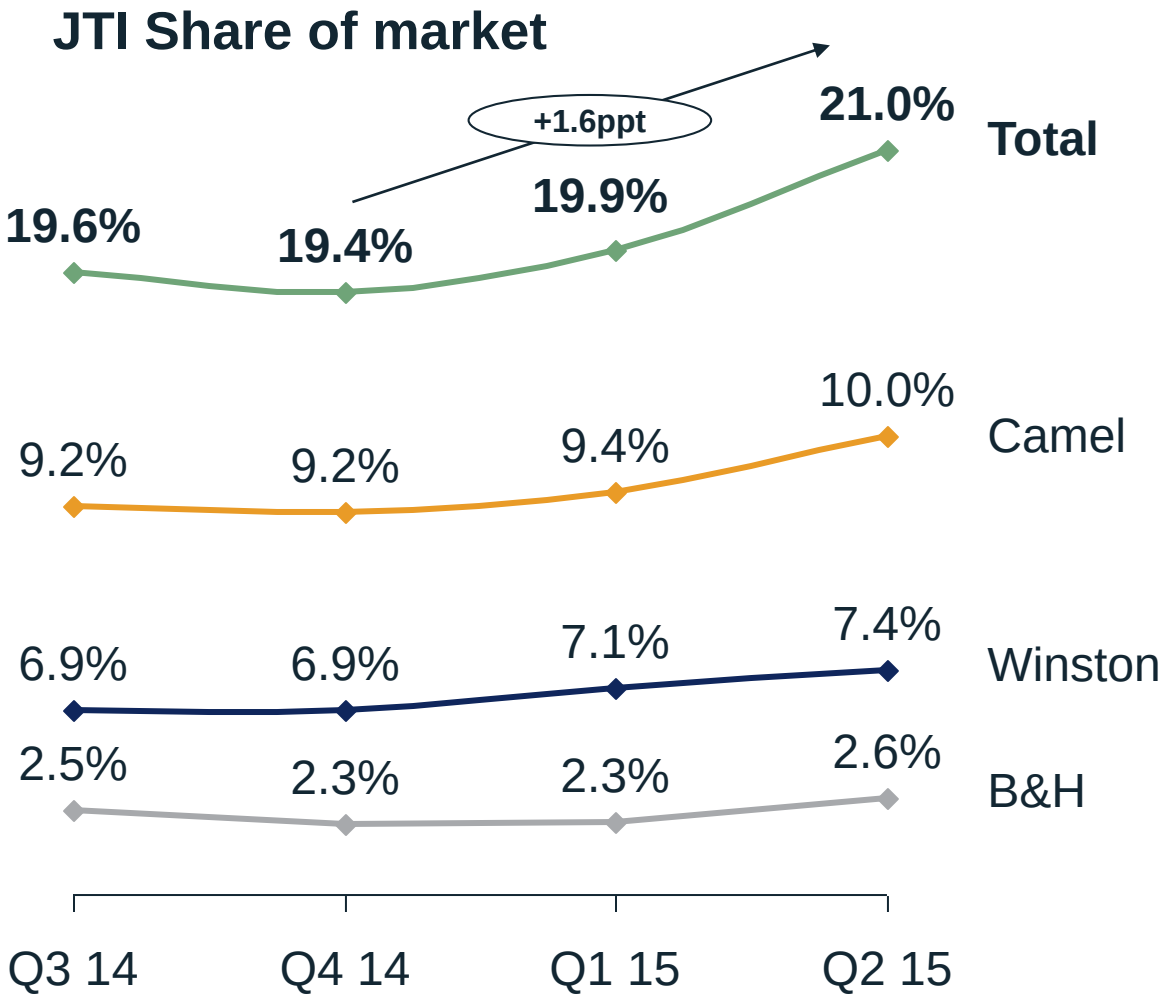
Source: JTI estimates, Nielsen, IRI. Note: Core revenue and Adjusted operating profit at constant rates of exchange. SoM on a 6-month rolling average to June, including cigarettes and fine cut

Italy: GFB equity leads share of market recovery



- JTI consolidated #2 position in the market
- Tax-led price increase in Jan 2015 of 0.20 EUR/pack
- JTI share of market grew 1.6ppt vs. Q4 2014 driven by GFB
  - Camel reached record-high market share of 10%
  - Winston improved 0.5ppt to reach 7.4%

Source: Nielsen. Note: SoM on a 3-month rolling average, including cigarettes and fine cut

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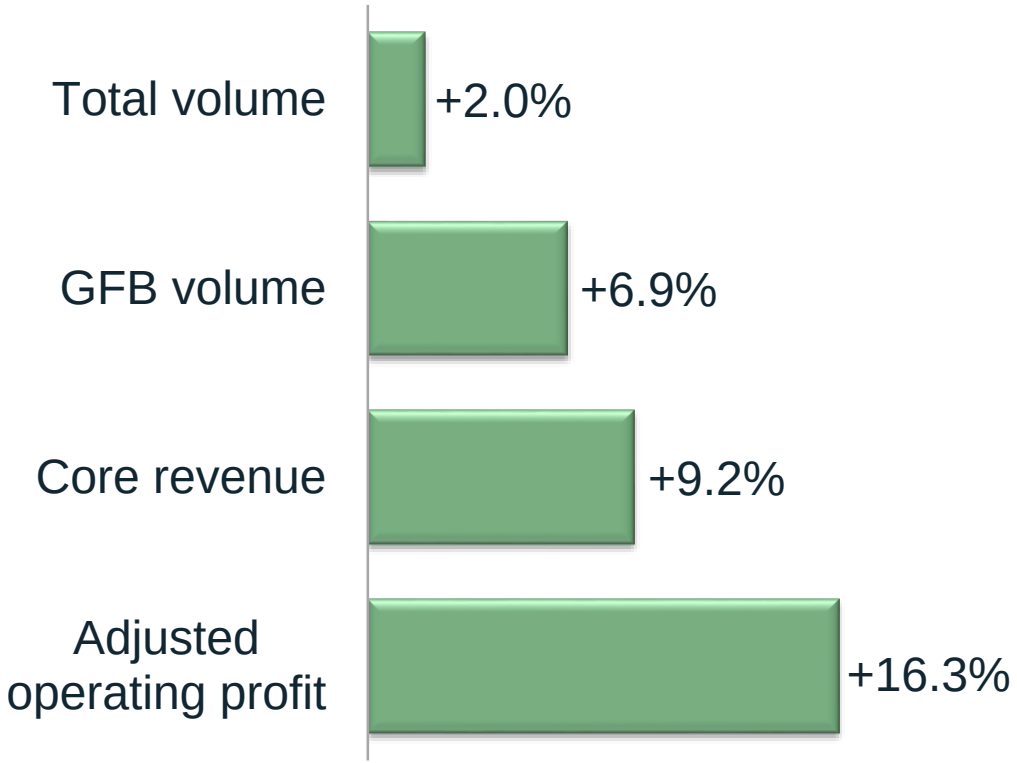
North & Central Europe: Growth momentum continues

Key Performance Indicators
1H 2015 vs. 1H 2014



- Total and GFB volume growth driven by significant share of market gains:
  - Czech +2.7ppt
  - Germany +0.6ppt
  - Hungary +0.6ppt
  - Ireland +1.9ppt
  - Poland +0.8ppt
  - UK +0.7ppt
- Pricing in Germany, Poland and the UK drove strong financial performance

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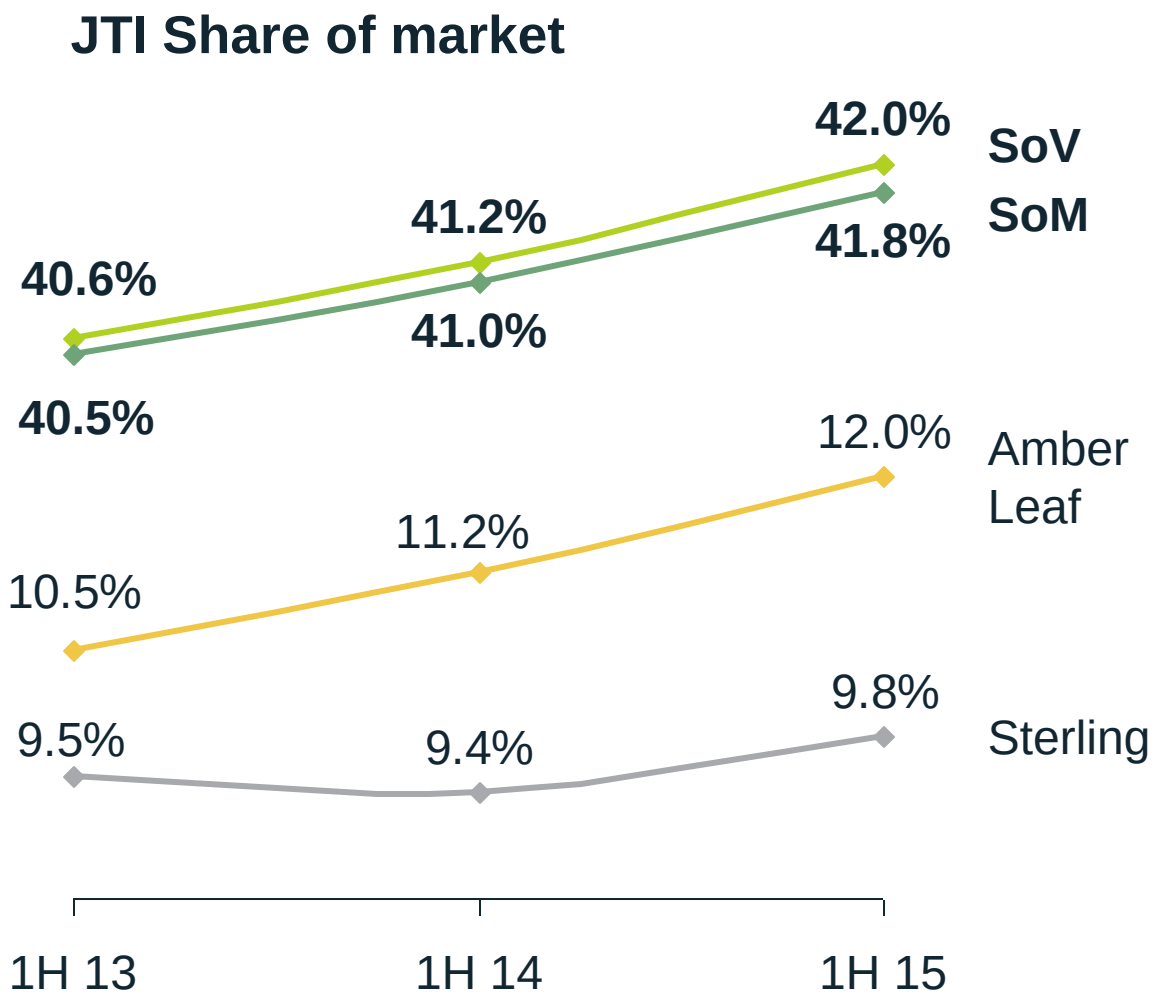
Source: JTI estimates, Nielsen. Note: Core revenue and Adjusted operating profit at constant rates of exchange. SoM on a 6-month rolling average to June, including cigarettes and fine cut

UK: Continued JTI share of market and share of value growth



- SoM and SoV reached record highs of 41.8% and 42.0% respectively
- Amber Leaf enhanced its market leadership position
- Sterling strengthened its #1 cigarette brand position, reaching a new market share high of 9.8%
- Pricing announced in September 2015
- Successful launch of E-Lites CURV in July 2015

Source: Nielsen. Note: SoM and SoV on a 6-month rolling average to June, including cigarettes and fine cut

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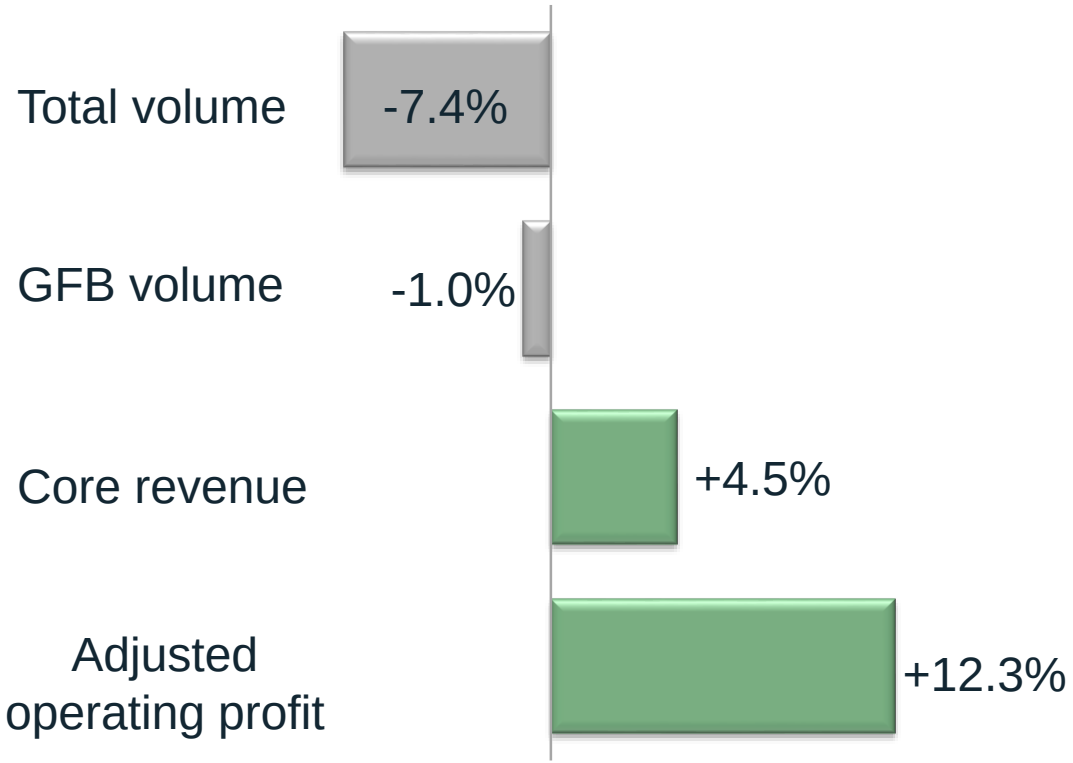
CIS+: GFB share and pricing drive profit growth

Key Performance Indicators
1H 2015 vs. 1H 2014



- Industry size decline drives total volume reduction
- Resilient GFB shipment performance reflects GFB share growth:
  - Belarus +2.5ppt
  - Kazakhstan +4.2ppt
  - Russia +0.4ppt
  - Ukraine +3.5ppt
- Robust pricing environment ensures core revenue and earnings growth

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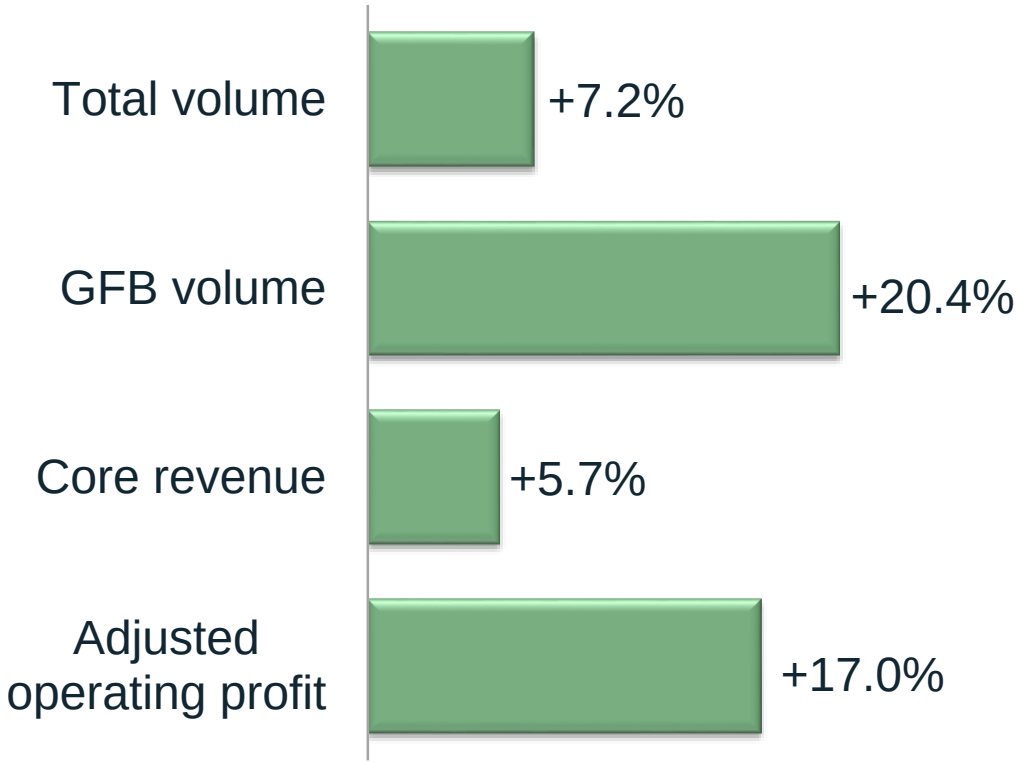
Source: JTI estimates, Nielsen, DCS. Note: Core revenue and Adjusted operating profit at constant rates of exchange. SoM on a 6-month rolling average to June

Rest-of-the-World: Strong top and bottom-line performance

Key Performance Indicators
1H 2015 vs. 1H 2014



- GFB drove share growth across key markets:
  - Canada +0.7ppt
  - Taiwan +1.2ppt
  - Turkey +3.6ppt
- Pricing in Canada, Malaysia and Sudan, together with positive volume performance, drove core revenue and earnings growth

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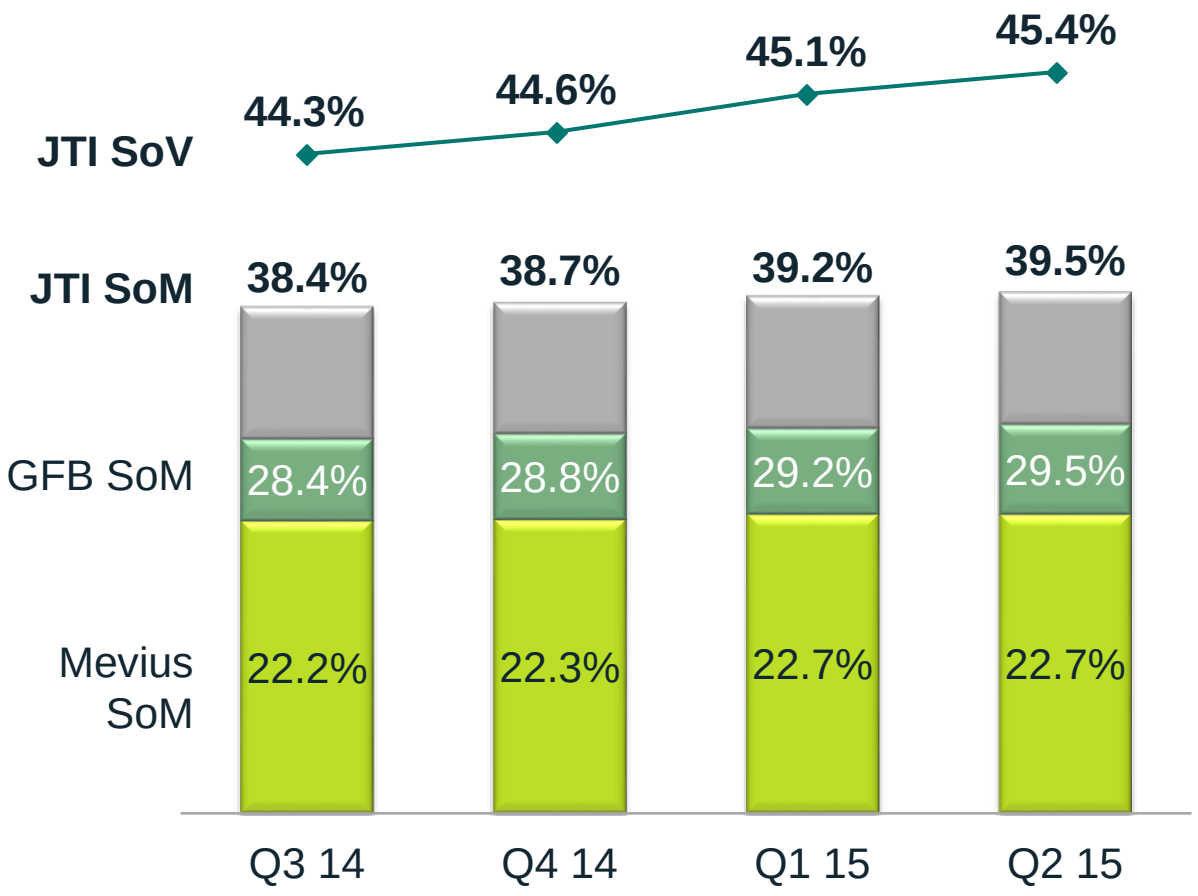
Source: JTI estimates, Nielsen. Note: Core revenue and Adjusted operating profit at constant rates of exchange. SoM on a 6-month rolling average to June

Taiwan: Strengthening our leading position

JTI Share of market and share of value



- A Top-5 JTI profit market
- Robust pricing and share growth drive share of value to record high of 45.4%
- Strong GFB portfolio and equity lead volume and share gains:
  - Mevius consolidates its brand leadership position
  - Winston exceeds 5% market share
- JTI increased prices in August 2015

Source: Nielsen. Note: SoV and SoM on a 3-month rolling average

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Summary and FY 2015 Outlook

Strong business fundamentals will secure full year earnings targets

- JTI's business fundamentals strengthened in 1H 2015
  - Share of market growth across the majority of key markets
  - GFB share of market growth in Russia
- Improved industry size dynamics
- Top-line business momentum expected to continue into the 2H with GFB performance ensuring total volume and core revenue targets are achieved
- Investment in emerging products and seeding markets skewed to 2H
- Full year earnings growth at constant currency in line with prior guidance

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