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FOR IMMEDIATE RELEASE

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Notice Concerning Non-Consolidated Forecasts for FY2016

Japan Tobacco Inc. (JT) (TSE: 2914) has announced its full year non-consolidated forecasts for the fiscal year ending December 31, 2016 set out below.

1. Forecasts for the Fiscal Year Ending December 31, 2016 (from January 1, 2016 to December, 31 2016)

Units: Millions of Yen except where otherwise stated

	Net sales	Ordinary income	Net income	Earnings per share Unit: Yen
Prior fiscal year (A) (January-December 2015)	732,483	371,989	345,009	192.18
Forecast (B) (January-December 2016)	733,000	197,000	170,000	94.93
Change (B – A)	517	-174,989	-175,009	
Change (%)	0.1%	-47.0%	-50.7%	

Note: Figures in the table of non-consolidated financial results above are prepared in accordance with Japanese GAAP.

2. Reason for this announcement

The difference in comparison of FY2016 forecasts with FY2015 actual results exceeds the filing requirement thresholds set by the Tokyo Stock Exchange. The factors behind the difference are:

- JT received a dividend from its consolidated subsidiary, JT International Group Holding B.V in FY2015;
- JT has recognized the amortization of trademark rights among others by the acquisition of Natural American Spirits Business outside the United States in FY2016; and,
- JT transferred all shares it held in the subsidiaries conducting vending machine operation business and its beverage brands in FY2015.

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Japan Tobacco Inc. is a leading international tobacco company. Its products are sold in over 120 countries and its globally recognized brands include Winston, Camel, Mevius, LD and Natural American Spirit. With diversified operations, JT is also actively present in pharmaceuticals and processed foods. The company's revenue was ¥2.253 trillion (US$18,679 million(*)) in the fiscal year ended December 31, 2015.

**Translated at the rate of ¥120.61 per $1, as of December 31, 2015*

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