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FOR IMMEDIATE RELEASE

Tokyo, July 31, 2019

Notice Concerning Amendments to Earnings Forecasts of a Subsidiary

Japan Tobacco Inc. (JT) (TSE: 2914) announces that Torii Pharmaceutical Co., Ltd. (Torii) (TSE:4551), our subsidiary company, amended its full-year earnings forecasts for the fiscal year ending December 31, 2019 (January 1, 2019 to December 31, 2019) as shown in the attached sheet.

JT has already factored the impact of this amendment into the 2019 forecast of the JT Group's consolidated performance* announced today.

(Attachment)

- Torii Amends Full-Year Earnings Forecasts for Fiscal Year Ended December 31, 2019

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Japan Tobacco Inc. is a leading international tobacco company with operations in more than 130 countries. With over 63,000 employees, it manufactures and sells some of the world's best-known brands including Winston, Camel, MEVIUS and LD. The JT Group is committed to investing in Reduced-Risk Products (RRP) and currently markets its tobacco vapor products under the Ploom brand and various e-cigarette products under the Logic brand. The Group is also present in the pharmaceutical and processed food businesses. For more information, visit https://www.jt.com/.

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* Please refer to (https://www.jt.com/investors/) for the announcement of the 2019 forecast on the JT Group's consolidated performance disclosed today.

(Reference)

July 31, 2019

Torii Pharmaceutical Co., Ltd.

Torii Amends Full-Year Earnings Forecasts for Fiscal Year ended December 31, 2019

In consideration of the recent trend in earnings and other factors, Torii Pharmaceutical, Co., Ltd. ("Torii") has amended its full-year earnings forecasts for the fiscal year ended December 31, 2019, which were announced on February 6, 2019, as described below.

1. Amendments to Full-Year Earnings Forecasts for Fiscal Year Ended December 31, 2019 (January 1, 2019, to December 31, 2019)

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
Previous forecasts (A)	38,000	△3,200	△3,100	22,500	801.82
New forecasts (B)	40,800	△700	△410	24,700	880.07
Amount changed (B-A)	+2,800	+2,500	+2,700	+2,200	
Rate of change (%)	+7.4	-	-	+9.8	
(Reference) Previous fiscal year actual results (fiscal year ended December 31, 2018)	62,551	4,951	5,080	1,164	41.51

2. Reasons for Amendments

Net Sales are expected to be slightly higher than the previous forecast due to the lower impact of generic drugs of REMITCH®, an oral antipruritic drug for hemodialysis patients, and the positive sales performance of MITICURE House Dust Mite Sublingual Tablets, an allergen immunotherapy tablet for house dust mite allergy.

Operating loss and ordinary loss are expected to be drastically lower than the initial forecasts, driven by the increasing net sales and improved sales cost ratio expected. In addition, net income is also forecasted to be higher than the previous outlook.

* The above-mentioned earnings forecasts are based on information available to Torii as of the date of this announcement. Actual business results may differ from the forecast figures herein.

3. The outlook for the Medium-Term Management Plan 2021

Torii has announced its management plan, called the Medium-Term Management Plan 2021, which aims to turn operating income* positive in FY2022 and establish systems capable of continuously generating profit.

As mentioned above, the amended full-year earnings forecast for fiscal year ended December 31, 2019 includes significant improvement compared to the initial forecast. At the same time, Torii recognizes its business environment becoming more challenging notably due to the drug price revision and the growth of generic drugs.

Torii continues to conduct business structure reformation and its growth strategy based on the Medium-Term Management Plan 2021.

*: Operating income excluding expenses relating to new business investments (investments including those for acquiring new in-licensed drugs and M&A.