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FOR IMMEDIATE RELEASE

Tokyo, September 19, 2014

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 2014 and an overview of business in Japanese and Central European markets.

Documents presented:

Document 1: Tobacco business strategic focus and source for sustainable growth

Document 2: Japan market Continue to be a strong earnings base

Document 3: JTI 1H 2014 Financial Results

Document 4: Expanding our presence in Central Europe

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Japan Tobacco Inc. is a leading international tobacco product company. Its products are sold in over 120 countries and its internationally recognized brands include Winston, Camel, Mevius and Benson & Hedges. With diversified operations, JT is also actively present in pharmaceuticals, beverages and processed foods. The company's revenue was ¥2.400 trillion (US\$23,318 million()) in the fiscal year ended March 31, 2014.*

**Translated at the rate of ¥102.92 per \$1, as of March 31, 2014*

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Tobacco business strategic focus
and source for sustainable growth

Akira Saeki

Executive Deputy President,
President of the 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.

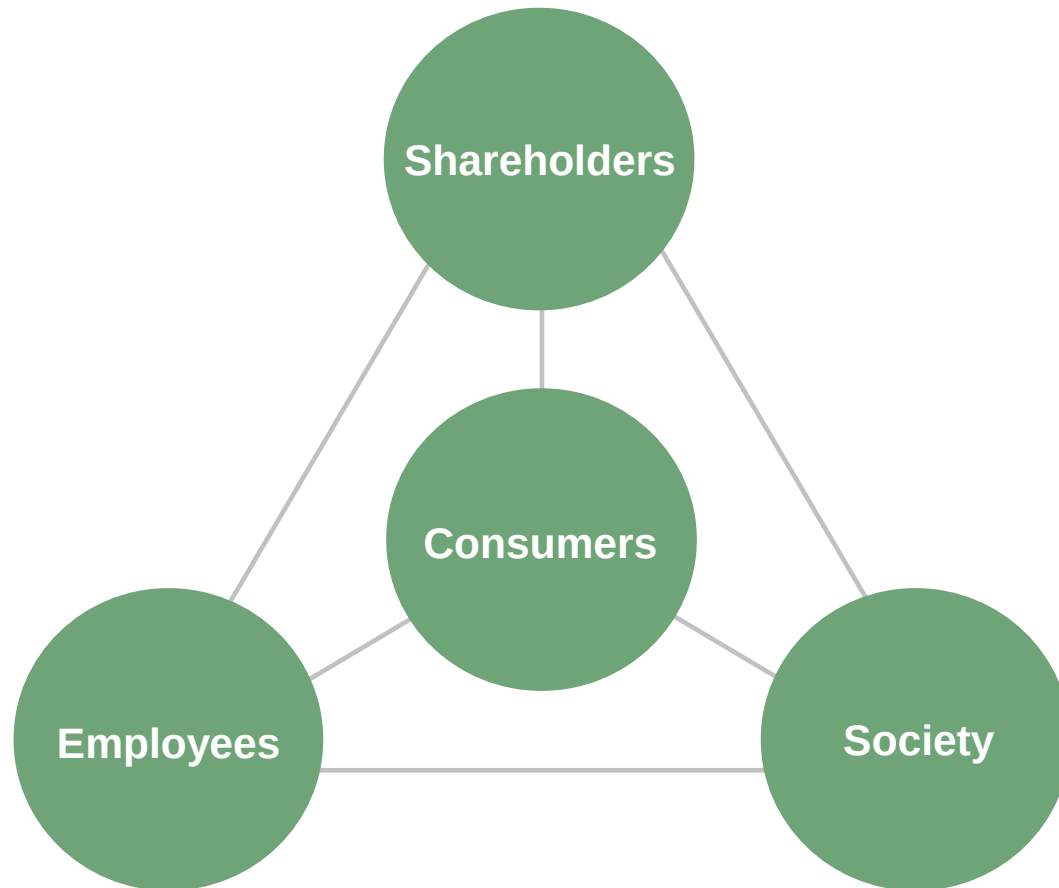
Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

- (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. .

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.

The 4S Model continues driving our sustainable growth

Management Principles



Our vision and strategic framework remain unchanged

Our Vision

To be the No.1 global tobacco company

Strategic Framework

**Quality top-line
growth**

**Broadening the
earnings base**

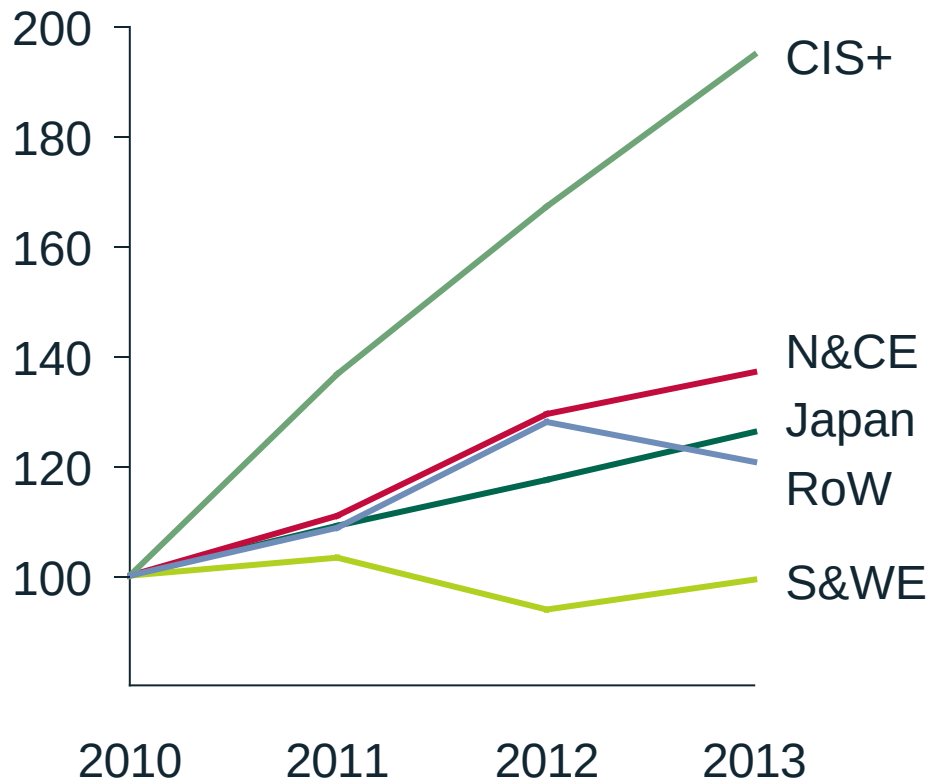
**Robust business
foundations**



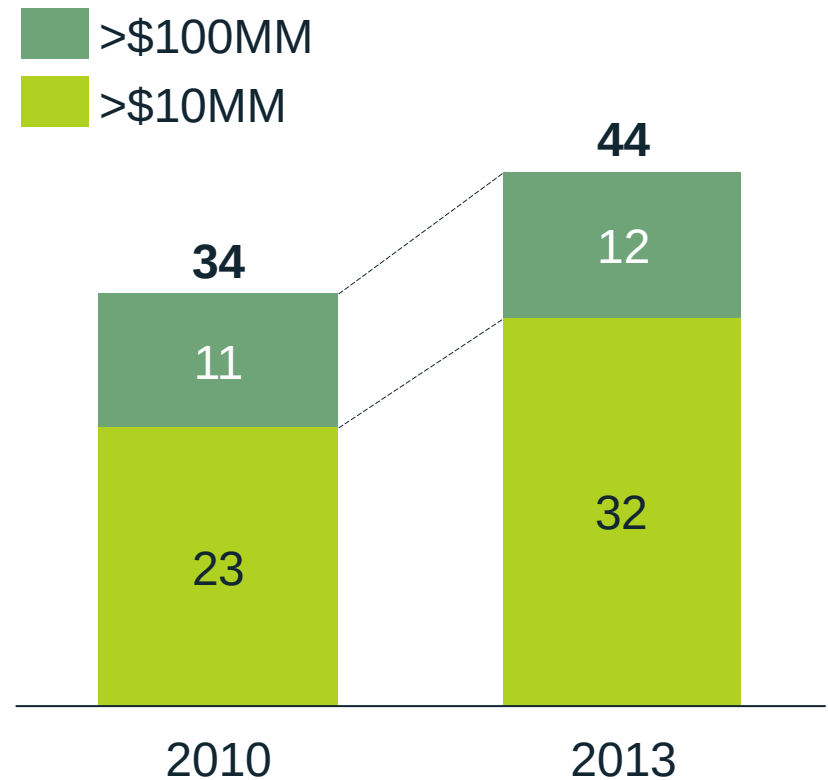
Performance track record

Delivered continuous profit growth by enhancing market profitability through investment

Profit growth by cluster
(Index, 2010=100)

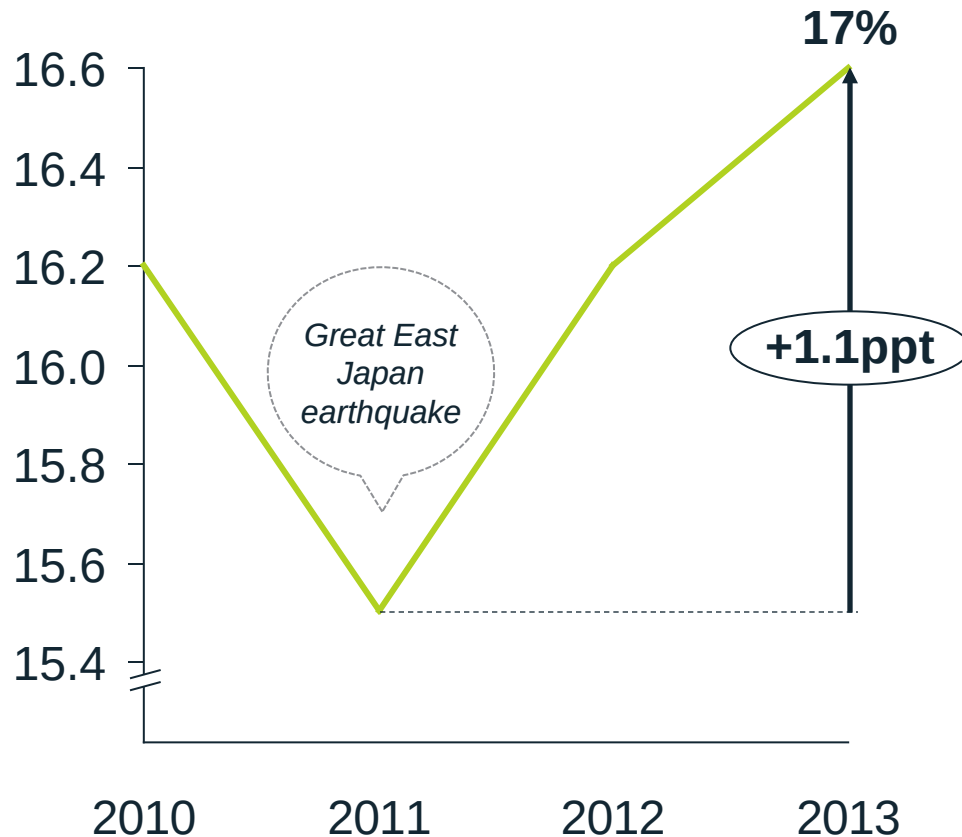


of markets over \$10MM EBITA



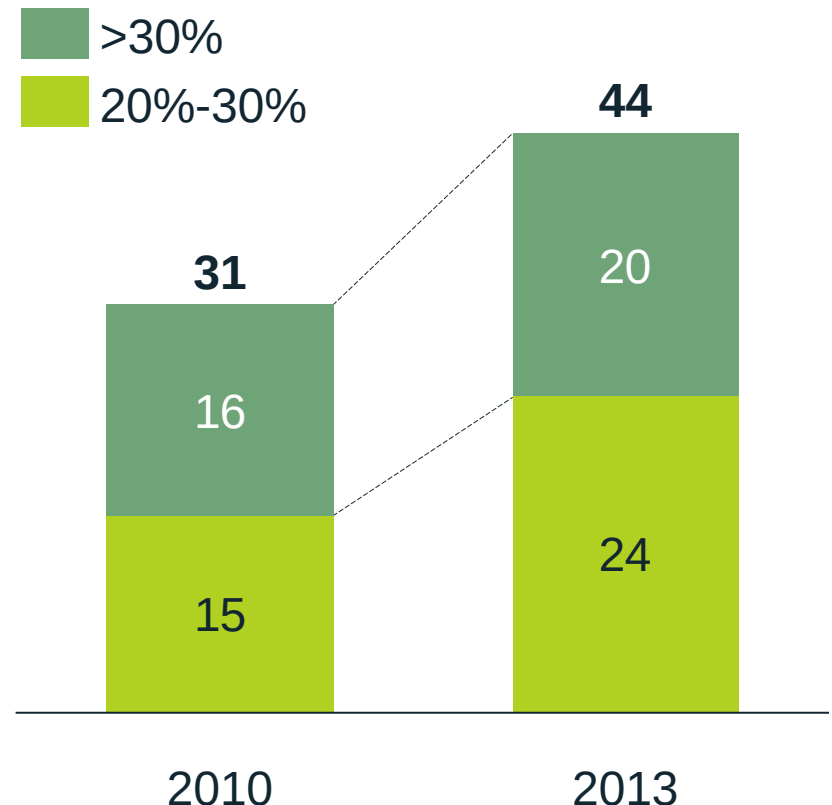
Strengthened presence through share of market increase

JTG Share of market evolution (%)



Source: Euromonitor (China excluded)

of markets over 20% SOM



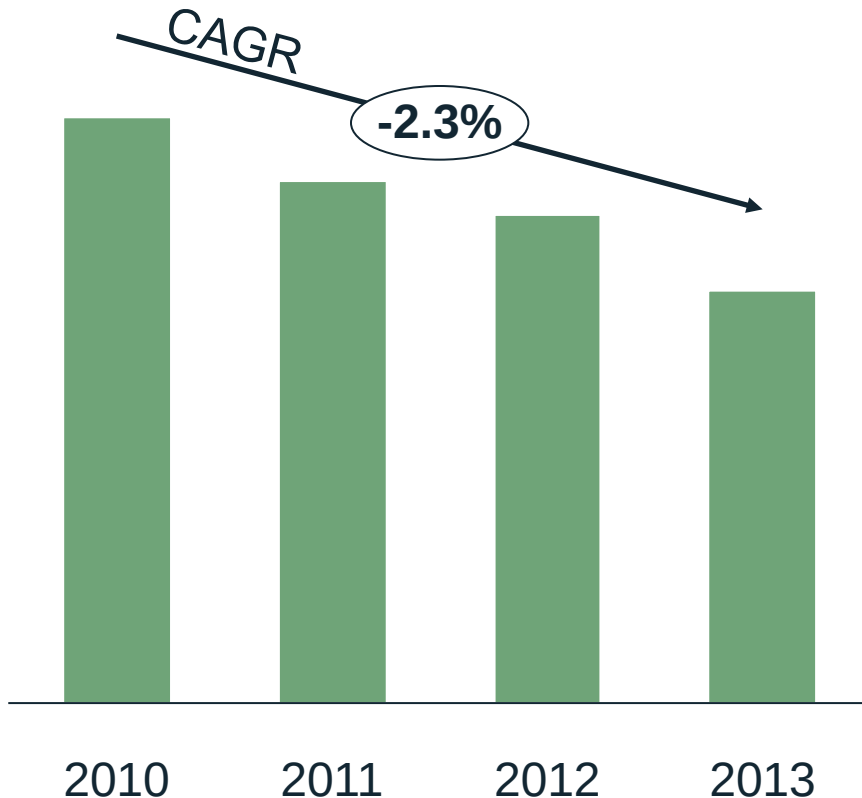
Source: JTG estimates



Operating environment

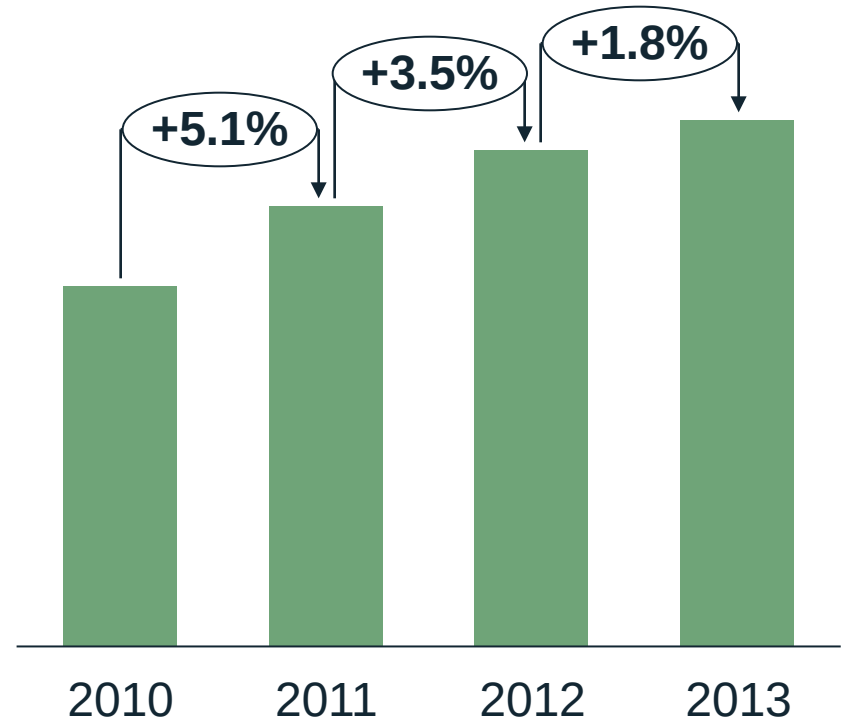
Cigarette market contraction continued, while fine cut growth slowed down

Cigarette global industry evolution



Source: Euromonitor (China excluded)

Fine cut global industry evolution

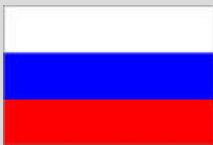
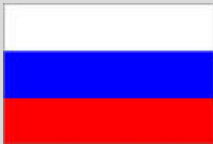


Source: Euromonitor

Solid pricing environment

- Pricing environment continued to be solid
- Pricing remained a key driver of our top- and bottom-line growth
- Tactical pricing in certain markets led to fierce competition, but overall picture has not changed

Regulatory environment continues to be manageable

	2014	2015	2016
Extended Health Warning			EU TPD2  Q2
Ingredients Restriction			EU TPD2  Q2
Display Ban	 Q2	 Q2 Incl. small shops	
SIPPs	 Q2 Incl. HoReCa		



Confidence in sustainable growth

Continuously building strong brands and product portfolio

Global Flagship Brands



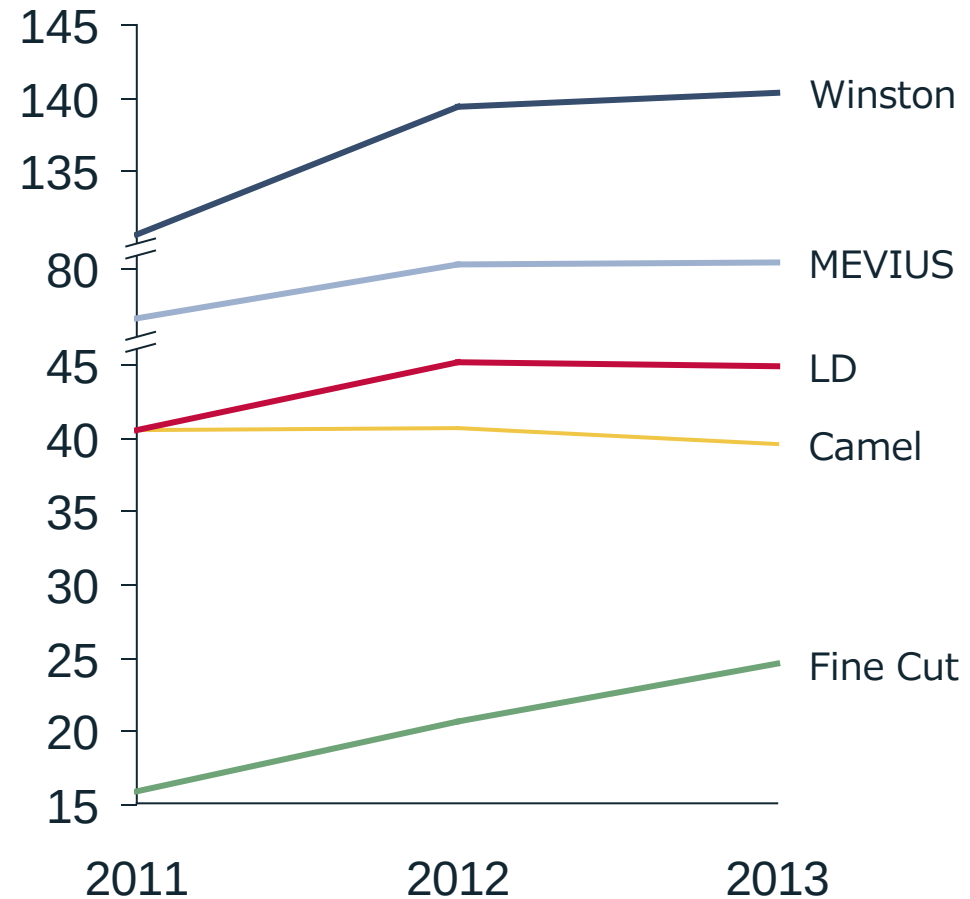
Other Tobacco Products



Emerging Products

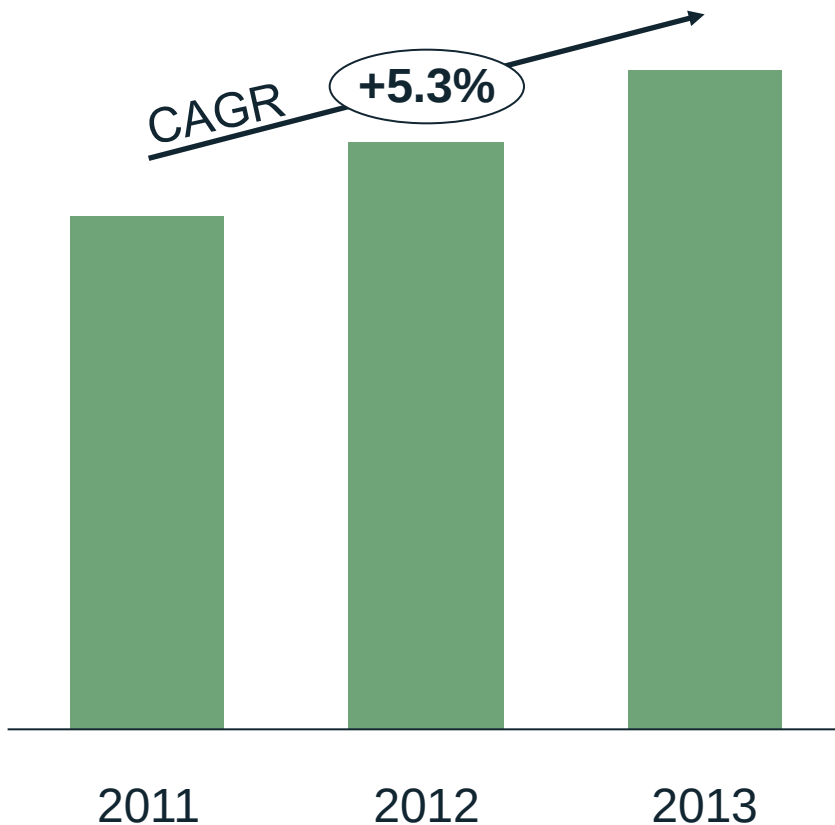


JTG volume evolution (BnU)



Resilient industry with continuous value creation and potential for value increase

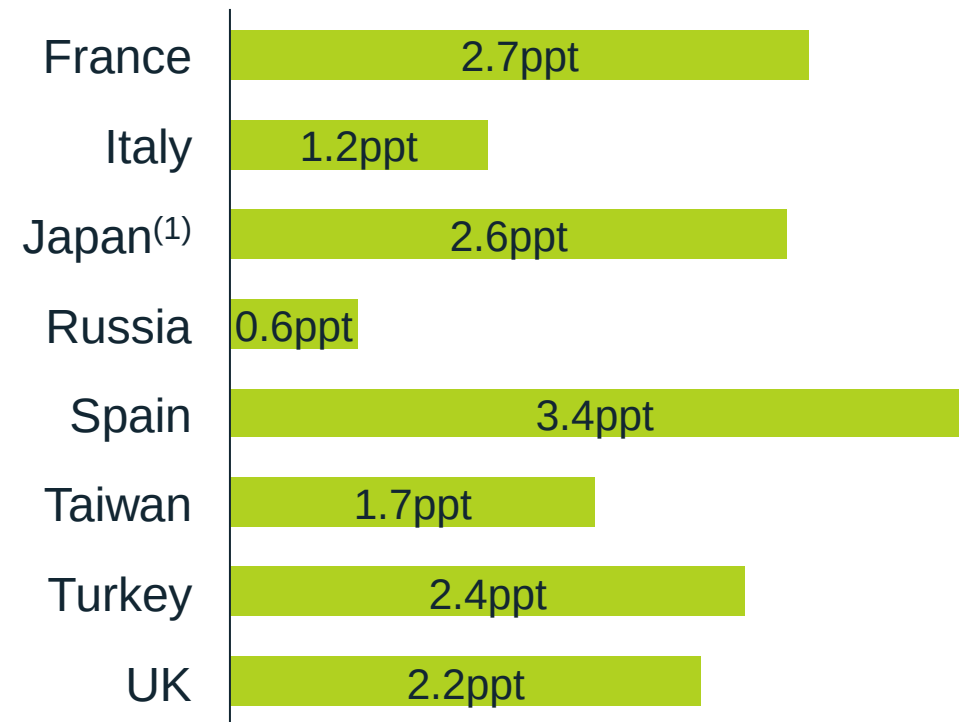
Industry value evolution



Source: Euromonitor

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JTG Share of value growth, 2013 vs. 2011

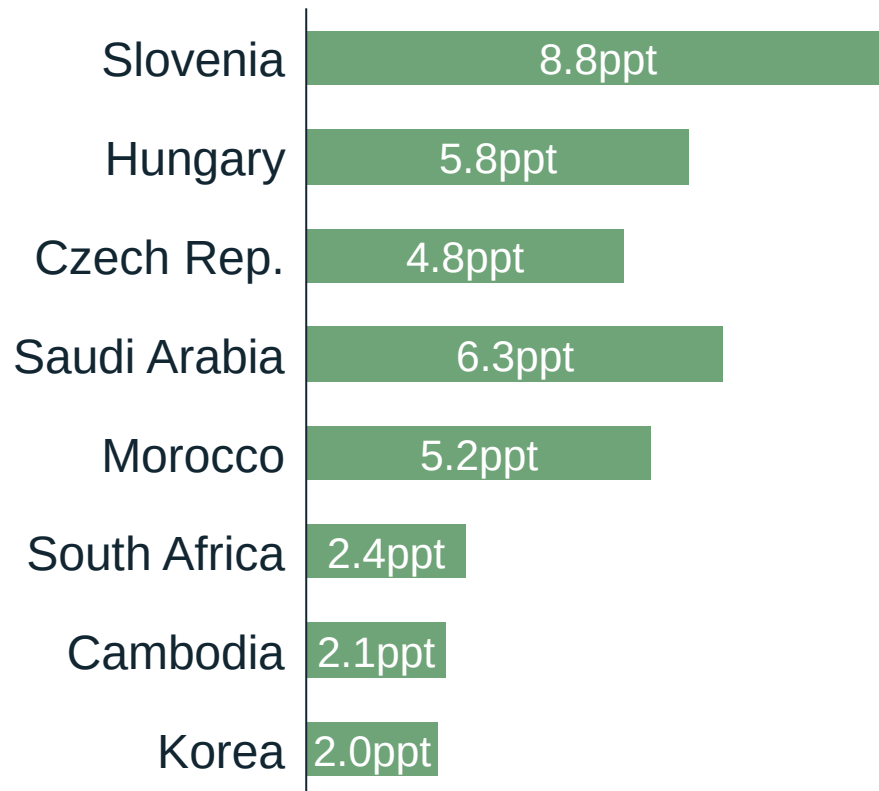


(1) Earthquake impact excluded

Source: JTG estimates

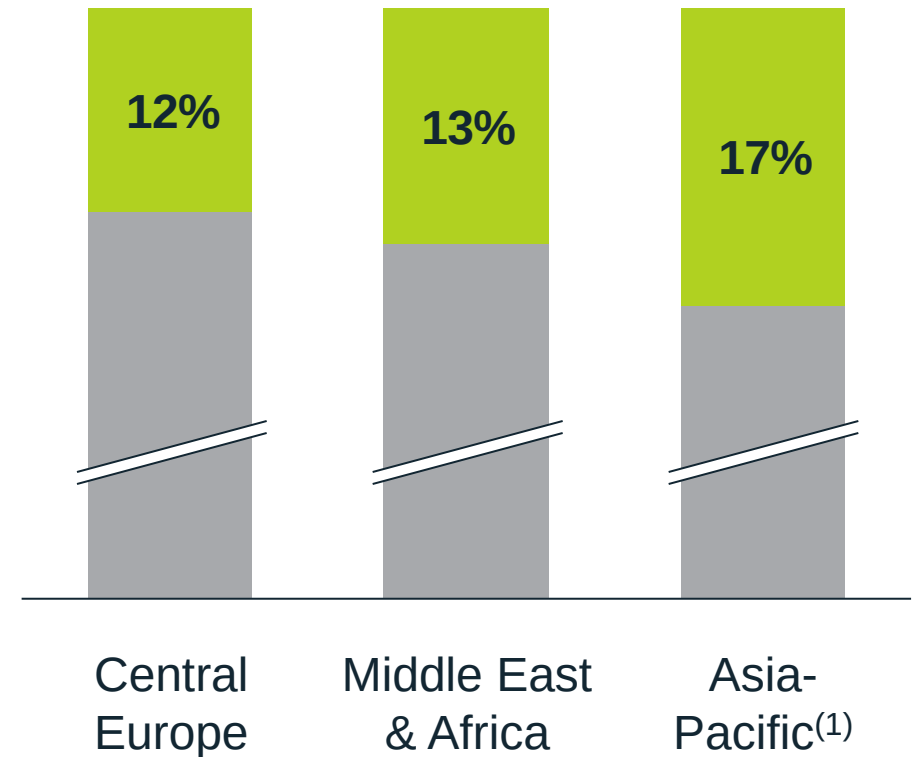
Potential for further geographic expansion

JTG Share of market growth, 2013 vs. 2008



Source: JTG estimates

2013 JTG Share of market by area



(1) China and India excluded

Source: Euromonitor, JTG estimates

Building a leading portfolio in the new emerging products category

- Pioneer with early commercial launches and fully leverage lessons learned
- Continue market roll-out of Ploom: France and the UK
- Several new products in the pipeline
- E-Lites acquisition in progress
 - One of the most renowned brands in the UK
 - 3rd largest UK e-cig company in retail sales, with approx. 20% market share
 - Product offer centered on instant usage, cartomizers and rechargeables
 - Presence in 20,000 retail outlets

Continuously deliver on our commitment

Mid to high single digit
profit growth in the mid- to long-term



Closing Remarks

Akira Saeki

Executive Deputy President,
President of the Tobacco Business

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In closing

- Confidence in sustainable growth
 - Strong brands and product portfolio building capabilities
 - Potential for further share of value increase
 - Potential for further geographic expansion
 - Emerging product business
- Based on 4S model, we will continue to pursue quality top-line growth by leveraging sources of business
- Aim to achieve sustainable profit growth in the mid- to long-term



Japan market
Continue to be a strong earnings base

Junichi Fukuchi
Senior Vice President &
Head of Tobacco Business Planning

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Japan, a highly competitive platform of profitability

Business environment

- The 5th largest market in volume, 3rd in value⁽¹⁾
- Moderate industry contraction
- Increasingly tightening, but manageable regulations

Performance

- Share of market: Retained over 60%
- MEVIUS: Strengthened its position as the No.1 brand
- Seven Stars: Enhanced brand equity by new product launches
- JT owns nine of the top 10 SKUs in the Japanese market

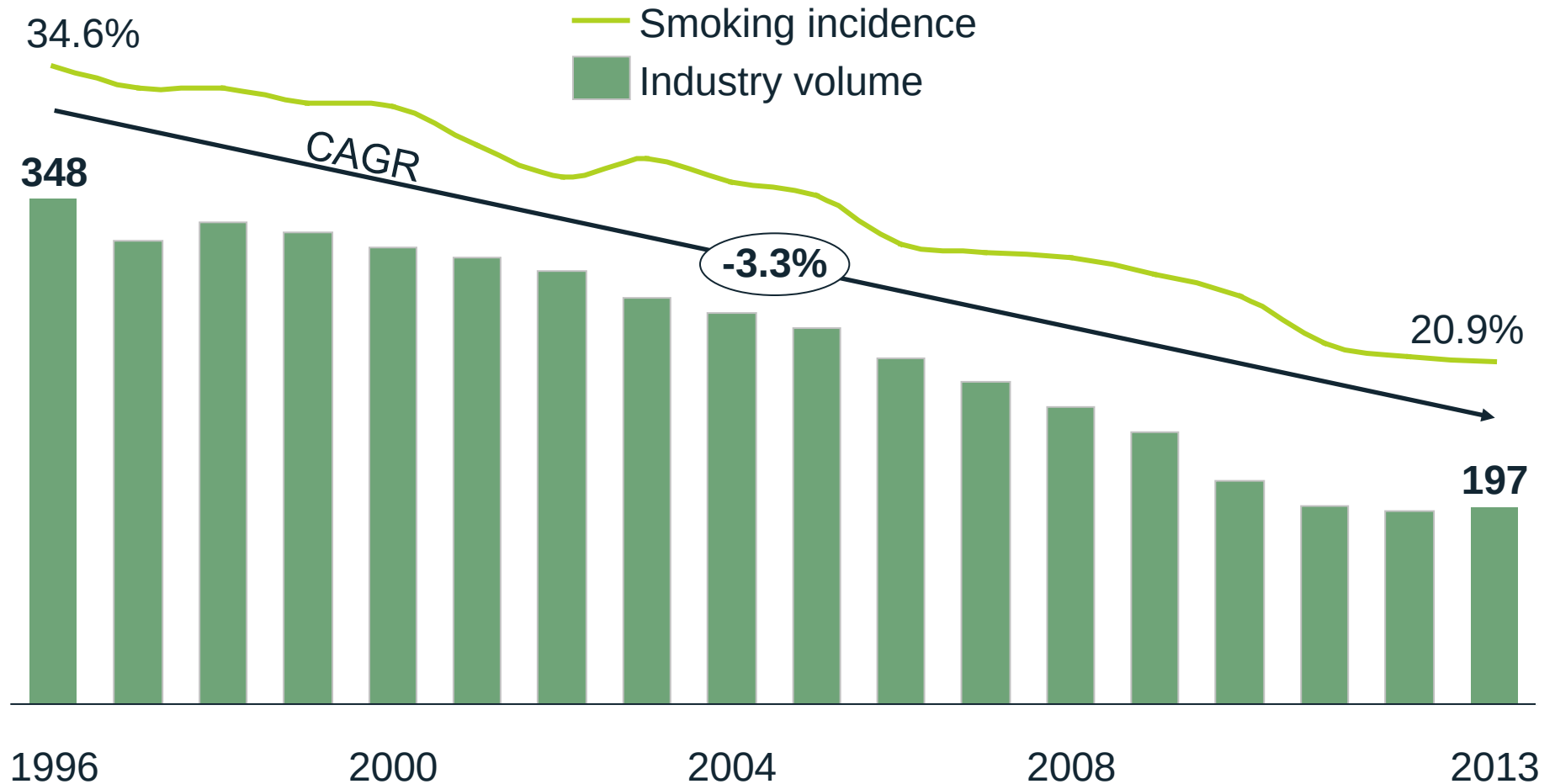
1) Including China



Business environment

Moderate industry contraction

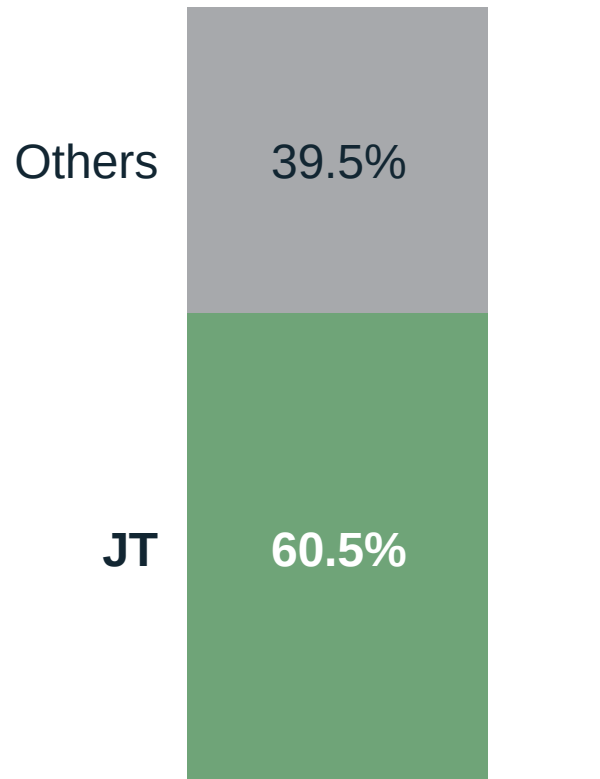
Industry volume and smoking incidence evolution (BnU, %)



Source: JT estimates

Share of market: Retained over 60%

JT Share of market



2013

Source: JT estimates

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JT Share of segment and key brands, 2013

Prestige
480yen & above

6.9%



Premium
450-470yen

42.6%



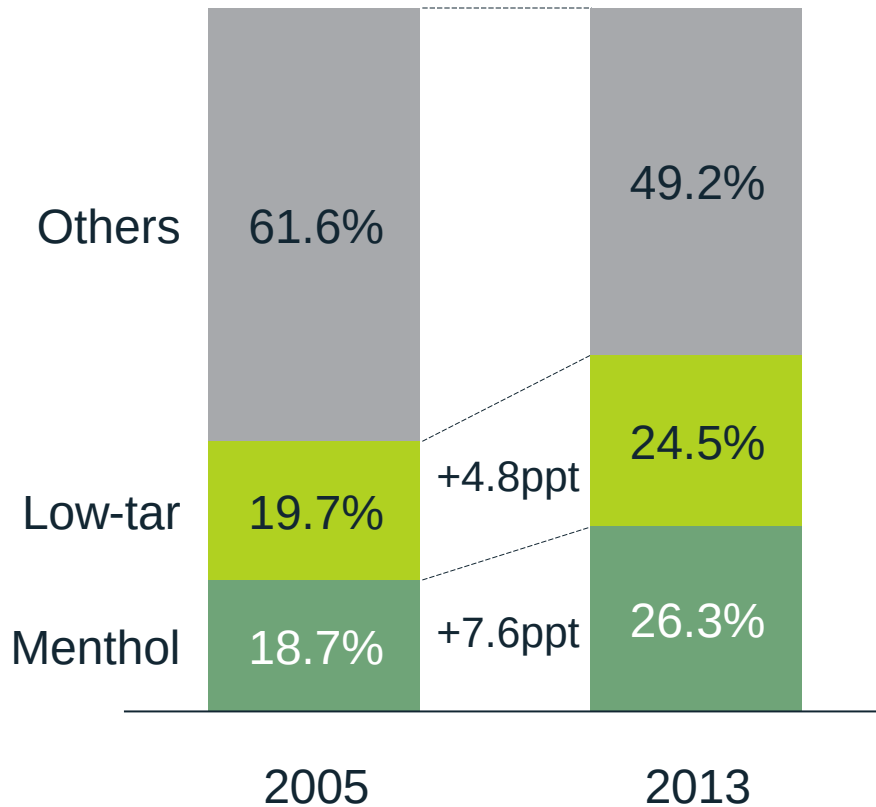
Sub-Premium
420-440yen

70.4%



Growing segments : Menthol and Low-tar

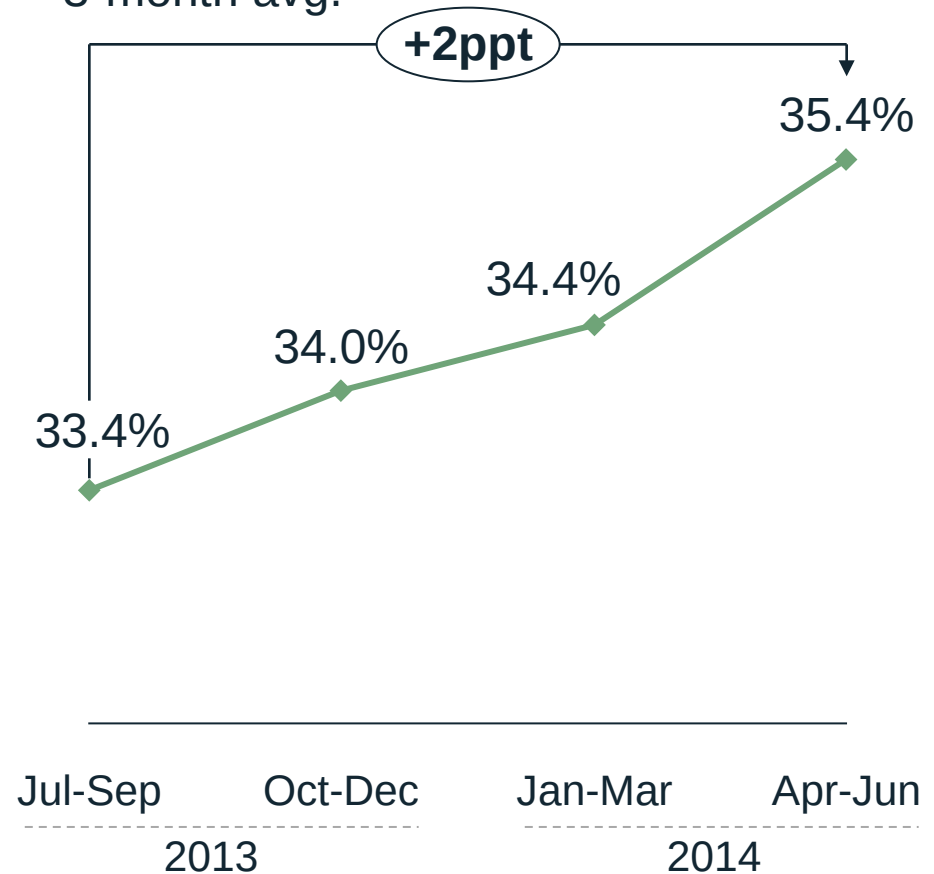
Market configuration



Source: JT estimates

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JT Share of menthol segment 3-month avg.



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Increasingly tightening, but manageable regulations

- Regulations focusing mainly on smoking in public places
- JT to improve environment for smokers and non-smokers to co-exist



Relevant laws

Japan Tobacco Inc. Act

- The JT Act stipulates that the Japanese Government must continue to hold over one-third of JT's issued shares

Tobacco Business Act

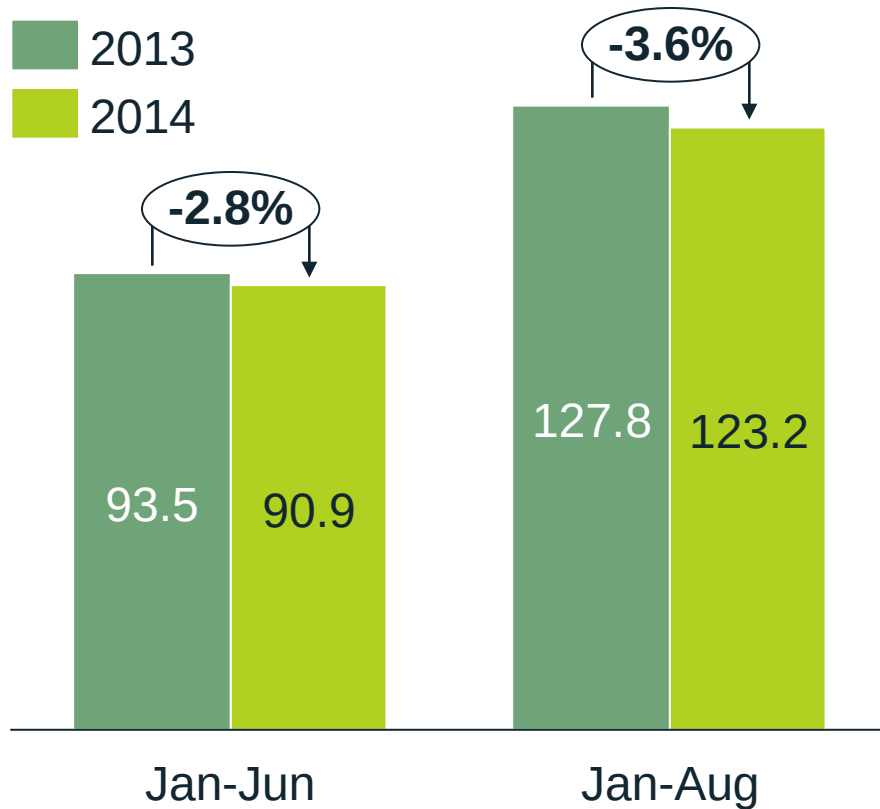
- JT must purchase all tobacco leaf produced in Japan and usable for tobacco production
- Tobacco products shall not be manufactured by any other manufacturer than Japan Tobacco Inc.
- Retailers need to obtain permission to sell tobacco products from the Minister of Finance
- Retail price of a tobacco product must be approved by the Minister of Finance and the product must be sold at the approved retail price



Market trend after the consumption tax hike in 2014

Industry contraction within our expectation

Industry volume evolution (BnU)

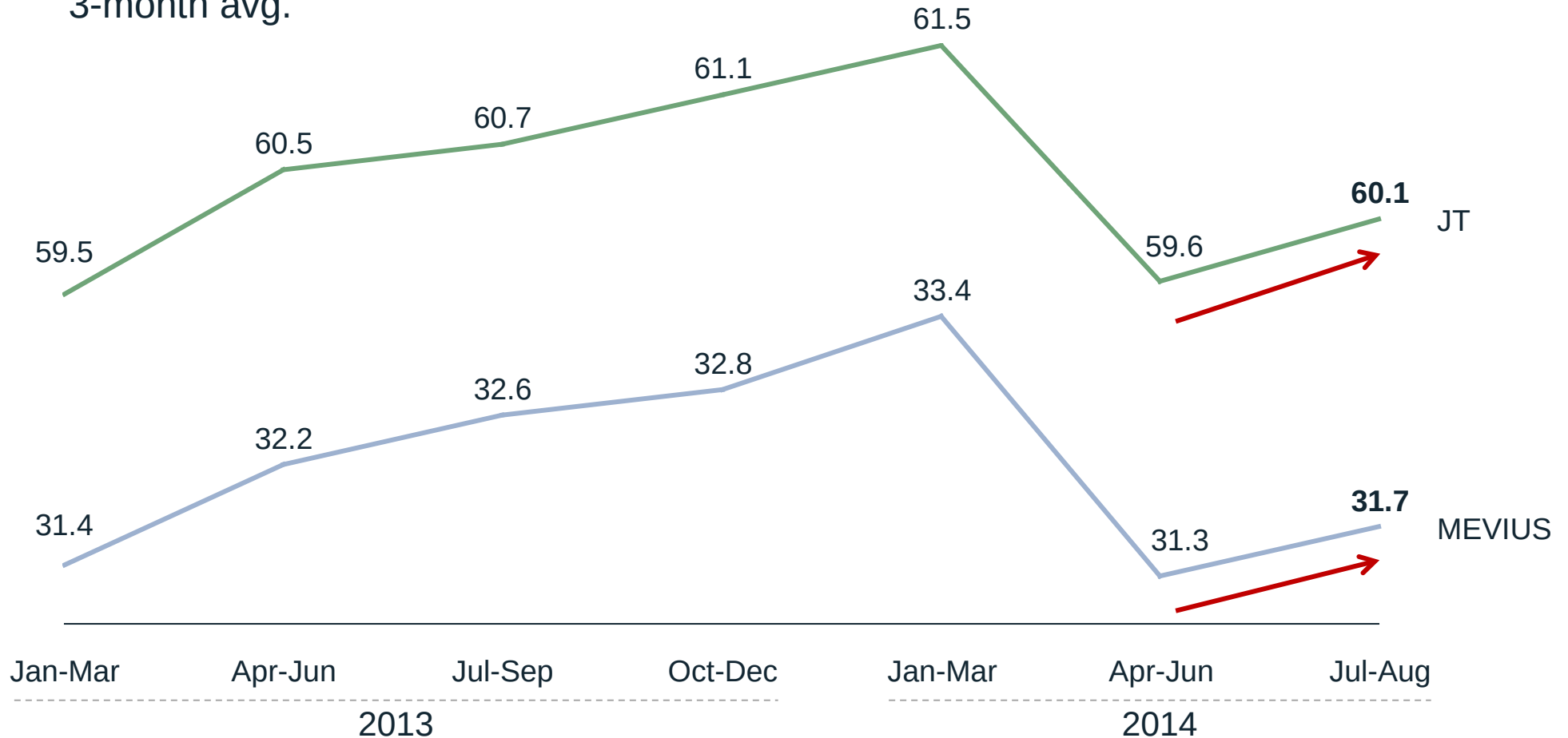


- January to December 2014 decline expected to be -3% to -4%

Source: JT estimates

Strong share of market performance

JT Share of market 3-month avg.



Source: JT estimates

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Vigorous promotional activities



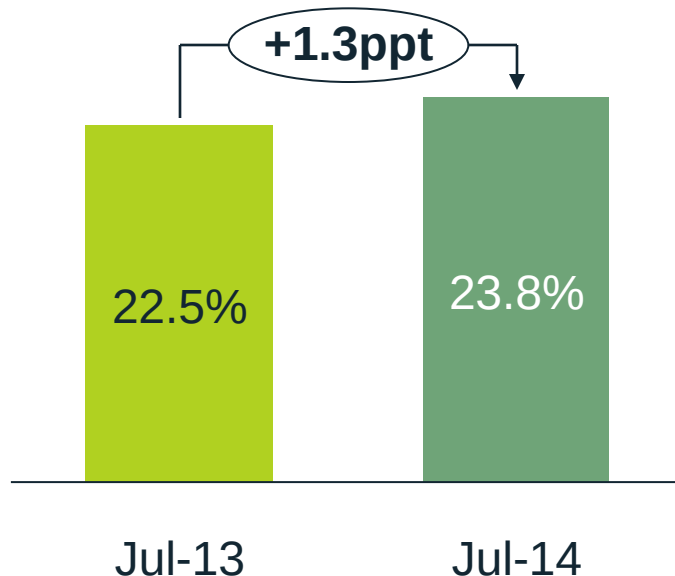


Brands

MEVIUS : Strengthened its position as the No.1 brand

- Share gains among young adult smokers
- MEVIUS now claiming No. 2 position in menthol segment

SOM among young adult smokers
1-month avg.



Source: JT estimates

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An advertisement for MEVIUS Premium Menthol Option cigarettes. The background is dark with a glowing blue and white sphere on the left. Three packs of cigarettes are shown in the center, each with a different design: one with a star, one with a wave, and one with a leaf. The text 'カプセルで、香るメンソールへ。' is at the top. The MEVIUS logo is at the bottom. A yellow 'NEW' tag with 'all 410円' is on the right. Japanese text at the bottom provides health warnings.

カプセルで、香るメンソールへ。 JT

MEVIUS PREMIUM MENTHOL OPTION

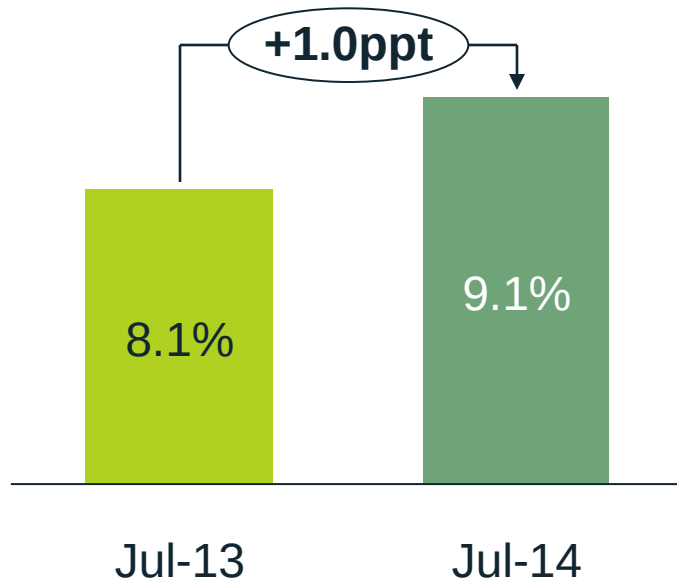
NEW all 410円

喫煙は、あなたにとって肺がんの原因の一つとなり、心筋梗塞・脳卒中の危険性及び肺気腫を悪化させる危険性を高めます。未成年者の喫煙は、健康に対する悪影響やたばこへの依存をより強めます。周りの人から勧められても決して吸ってはいけません。妊娠中の喫煙は、胎児の発育障害や早産の原因の一つとなります。

Seven Stars : No. 1 SKU in the market

- No.1 SKU in the Premium segment
- Strengthened its menthol offering in April and expanded its line-up in July

Share of value 1-month avg.



Source: JT estimates

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Emerging Products actively introduced

- Smokeless tobacco, “Stix”
- Launched Ploom in December, 2013





Further strengthen competitiveness

Initiatives to strengthen our competitiveness

- Adapt to market changes by reforming sales operations
- Further optimize cost through consolidation of tobacco manufacturing-related factories
- Redesign organizations to enhance their agility and adaptability to changes





Summary

Continued to be a highly competitive platform for the Group's profitability

- Quality top-line growth
 - Continued to strengthen our brands' equity
 - Further grew market share of No.1 brand MEVIUS
 - Leveraged the brand equity of Seven Stars
- Further strengthened competitiveness
 - Reorganization of sales operations
 - Cost optimization
 - Delegation of authority to regional sales headquarters and factories