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FOR IMMEDIATE RELEASE

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JT to expand Ploom TECH sales area

Expansion includes five new prefectures

Japan Tobacco Inc. (JT) (TSE:2914), announces today that it will expand the sales area of the Ploom TECH starter kit¹ and tobacco capsules to five prefectures: Kanagawa², Chiba, Saitama, Osaka² and Fukuoka² from March 19, 2018. In addition to tobacco stores, the products will also be sold in convenience stores in the same prefectures as well as four cities: Sapporo, Sendai, Nagoya and Hiroshima, from April 16, 2018.

JT has been selling Ploom TECH in a number of shops in Fukuoka city and online since March, 2016, and has been gradually expanding its sales area. The tobacco capsules have been available in convenience stores in Tokyo since November, 2017, and their off-take share of market has reached 3.3%³.

Both the starter kit and tobacco capsules will be sold gradually in nearly 550 tobacco stores⁴ in the Kanagawa, Chiba, Saitama, Osaka and Fukuoka prefectures from March 19, 2018. From April 16, 2018, the sales area will gradually expand to nearly 19,000 other shops, mainly convenience stores, in the five new prefectures as well as in the cities of Sapporo, Sendai, Nagoya and Hiroshima.

Ploom TECH and tobacco capsules



Ploom TECH is a tobacco infused vapor product with low-temperature heating technology unique to JT. The technology, which does not involve combustion nor direct heating of tobacco, allows Ploom TECH to offer clear taste with no smoke, smoke smell or ash and no negative impact on surrounding air quality. JT aims to gain a leading position in the tobacco vapor⁵ category in the Japanese market, by providing a wider range of choice that satisfies the varying needs of our customers.

¹ Ploom TECH starter kit is composed of a battery, USB charger, AC adapter and carry case.

² Ploom TECH is already available in certain tobacco stores in Yokohama city, Osaka city and Fukuoka city.

³ JT estimate as of fourth week of January 2018 based on convenience stores' tobacco products sales in Tokyo

⁴ The number of new stores to sell the products is nearly 430.

⁵ JT refers to the mist like substance that contains ingredients delivered from tobacco leaves as "tobacco vapor".

Ploom TECH Sales (After March 19, 2018)

Launch area	Launch channel
Tokyo, Kanagawa, Chiba, Saitama, Osaka and Fukuoka prefectures Sapporo, Sendai, Nagoya and Hiroshima cities	Tobacco and other stores including Ploom Shops and convenience stores*

*Ploom TECH will be available in stores including convenience stores in Tokyo and Fukuoka city as of March 19, 2018. It will be sold gradually in stores including convenience stores in Kanagawa, Chiba, Saitama, Osaka and Fukuoka prefectures as well as Sapporo, Sendai, Nagoya and Hiroshima cities from April 16, 2018.

As of April, 2018, in total, Ploom TECH will be available in nearly 1,100 tobacco stores and 26,000 convenience and other stores. Advance reservation will be accepted in certain stores. Please see the detail information on the Ploom brand website (ploom.jp). For advance reservation, registration will be required.

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Japan Tobacco Inc. is a leading international tobacco company with operations in more than 120 countries. With close to 60,000 employees, it manufactures and sells some of the world's best-known brands including Winston, Camel, MEVIUS, LD and Natural American Spirit. The JT Group is committed to investing in Reduced-Risk Products (RRP) and currently markets Ploom TECH, its tobacco vapor product, 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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