

JTI Strengthens its Commitment to Spanish Tobacco Leaf for Three More Years *Spanish Ministry of Agriculture and JTI Signed a New Agreement Today*

Madrid, February 21, 2017 – JTI (Japan Tobacco International) will continue to purchase tobacco leaf from Extremadura. Minister Isabel García Tejerina (MAPAMA) and Vassilis Vovos, JTI's President for the Western Europe region, signed a new agreement for a period of three years in the presence of the President of Extremadura, Guillermo Fernández Vara, during a ceremony which took place today in the headquarters of the Ministry in Madrid.

The Tobacco sector sustains more than 61,000 direct and indirect jobs in Spain, and is a strategic crop for the region of Extremadura where it represents a source of income for more than 20,000 families.

"This Memorandum of Understanding reaffirms our long term support to the innovative local tobacco growing sector and the quality of the leaf which meets our worldwide standards", said Vassilis Vovos during the signing ceremony.

JTI owns the largest tobacco manufacturing plant in Spain where it produces its global brands Camel and Winston. The company employs more than 750 professionals in its state-of-the-art factory and commercial offices. JTI's leading HR practices are widely recognized and the Company recently won the Top Employer 2017 award for Spain as well as for Europe.

JTI is committed to the local communities where it operates and in Spain, the Company supports social and cultural projects through partnerships with Prado Museum and Teatro Real among others.

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About the Spanish Tobacco Sector

In 2016, Government's revenue from tobacco excise tax amounted to €9,110M, representing 5% of total revenues. Spain is the third producer of tobacco leaf of the European Union, with more than 32,000 tons (15% of Europe's tobacco crop), just after Italy and Greece. Extremadura region, concentrates 92% of Spanish tobacco crop.

About JTI

JTI, a member of the Japan Tobacco Group of Companies, is a leading international tobacco manufacturer. It markets global brands such as Winston, Camel, Mevius and LD. JTI is a global player in the e-cigarette market with E-Lites and Logic, and has been present in the heated tobacco sector with Ploom since 2011. Headquartered in Geneva, Switzerland, and with operations in more than 120 countries, JTI employs around 26,000 employees worldwide. Its core revenue in the fiscal year ended December 31, 2015, was USD 10.3 billion. For more information, visit www.jti.com