

PRESS RELEASE

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JTI invests R\$ 80 million in new cigarette factory in the state of Rio Grande do Sul

The factory will employ 81 new workers and make the company more flexible and competitive in Brazil.

JTI – Japan Tobacco International – is pleased to announce that in March 2018, it will open its first cigarette factory in Brazil. The plant will be located in the southern city of Santa Cruz do Sul and will create 81 new full-time jobs– 71 direct and 10 indirect. The investment will amount to 80 million Real.

"This project demonstrates the confidence JTI has in the country. Even during these challenging times for Brazil, we recognize the potential of this market and its importance to the company's long-term goals. This factory was the missing piece in having our entire production chain in the country. This Factory is the result of a dream driven by a team that has built strong results and credibility by living JTI's corporate values of Enterprising, Open and Challenging", said Eduardo Renner, Global Leaf Global Supply Chain Vice-president.

Currently, the company imports Camel & Winston from Germany. With the new factory, the company will have all stages of the production chain in Brazil. Today, JTI operations in Brazil include the Leaf Business, responsible for research, leaf production, purchasing processing and exports of raw tobacco. Also, JTI Brasil has a marketing, sales and distribution functions for cigarette brands in Brazil (Camel and Winston).

The investment in the cigarette factory in Santa Cruz do Sul adds to other JTI investments in the city. Last year, the company inaugurated a National Cigarette Distribution Center and invested R\$ 90 million in improvements for the tobacco leaf operations in Santa Cruz do Sul (RS) and in Canoinhas (SC).

JTI in Brazil: a long term project

JTI has been in Brazil since 2009 when it started its tobacco leaf operation.

In 2014, JTI began to import its cigarette portfolio including the world-renowned brands - Camel and Winston - currently distributed in more than 12 states of the country, in addition to the Federal District.

Since the company started its operations in Brazil, JTI significantly expanded its presence within the country, obtaining significant results.

"Brazilian consumers are extremely demanding when it comes to choosing superior quality products. We, at JTI, are proud of having the fastest growing cigarette portfolio (Camel & Winston) in the market. This new factory will provide us the opportunity to further expand our portfolio and continue to offer Brazilian adult consumers new high quality cigarette choices", explains Diego Luchessa, General Manager and Vice-president JTI Brasil.

In 2016, JTI inaugurated several distribution subsidiaries and new employees were hired in the Country.

Today, JTI has a tobacco processing plant in the state of Rio Grande do Sul and business units in 8 states of the country (SP, RJ, RS, PR, SC, MG, PE and BA), in addition to the Federal District (DF) – and employs 945 effective employees and more than 1000 temporary.

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JTI is a leading international tobacco company with operations in more than 120 countries. It is the global owner of both Winston, the number two cigarette brand in the world, and Camel outside the USA and has the largest share in sales for both brands. Other global brands include Mevius, LD and Natural American Spirit. With its internationally recognized brand Logic, JTI is also a major player in the e-cigarette market and has, since 2011, been present in the heated tobacco category with Ploom. Headquartered in Geneva, Switzerland, JTI employs more than 26,500 people and was awarded Global Top Employer for three consecutive years. Its core revenue in the fiscal year ended December 31, 2016, was USD 10.5 billion. JTI is a member of the Japan Tobacco Group of Companies. For more information, visit www.jti.com.