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**FOR IMMEDIATE RELEASE**

Tokyo, November 11, 2021

**Leaf Tobacco Deliberative Council Releases Its Report in Response to  
2022 Tobacco Cultivation Consultation**

**Japan Tobacco Inc. (JT) (TSE: 2914)** today announces that the Leaf Tobacco Deliberative Council\*, chaired by Yoshitsugu Minagawa, released its report on the consultation for domestic tobacco cultivation area and purchase prices\*\* for 2022, in response to a proposal submitted by JT.

The Council responded that in 2022, the domestic tobacco cultivation area will be set at 3,889 hectares, a decrease of 34.0% compared to the cultivation area of the previous year. The leaf tobacco purchase price will remain unchanged from last year at an average of ¥1,924.15 per kilogram for all leaf types.

In addition, as a result of the cultivation area adjustment announced in the release, " Leaf Tobacco Deliberative Council agrees to JT's proposal to reduce the total tobacco cultivation area in Japan" (dated July 29, 2021), 1,729 Japanese leaf tobacco growers indicated their intention to cease tobacco cultivation, resulting in a reduction of the total area of tobacco cultivation to 1,822 hectares.

JT will abide by the Council's report and will proceed with the sales and purchase agreements for leaf tobacco in 2022.

JT has already factored in the impact of this matter on the JT Group's consolidated business performance for the fiscal year ending December 31, into the 2021 forecast announced on October 29, 2021.

*\*The Leaf Tobacco Deliberative Council confers on important matters concerning the cultivation and purchase of domestically grown leaf tobacco in response to inquiries by JT representatives. The council consists of no more than 11 members, appointed by JT with the approval of the Minister of Finance from among representatives of domestic leaf tobacco growers and academic appointees.*

*\*\*JT is obliged to negotiate contracts with domestic leaf tobacco growers under the Tobacco Business Law to determine the total area used for tobacco cultivation and tobacco leaf prices based on type and quality. JT is also required to purchase the entire usable domestic tobacco produced under the purchase contracts. Contracts stipulate the area to be cultivated and the prices of leaf tobacco for the subsequent year, and in this regard JT respects the opinion of the Leaf Tobacco Deliberative Council.*

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*Japan Tobacco Inc. is a leading international tobacco company with operations in more than 130 countries. With approximately 58,000 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 heated tobacco products under its Ploom brand and various e-cigarette products under its 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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