



FOR IMMEDIATE RELEASE

Tokyo, March 11th, 2022

Notice of Change in Specified Subsidiary

Japan Tobacco Inc. (JT) (TSE: 2914) has announced that its consolidated subsidiary, JTI Cigarette and Tobacco Factory Co. Ltd. (hereafter referred to as "JTI CTF"), will be classified as a specified subsidiary.

1. Reasons for the status change

Loras Holding B.V., a consolidated subsidiary of the Company, has decided to increase the capital of JTI CTF by EUR 80.5 million at the Board of Directors meeting held on March 9th local time, in order to improve the financial condition of JTI CTF in light of the social situation in Sudan. As a result of this capital increase, the amount of capital of JTI CTF will be more than 10% of JT's capital. Therefore, JTI CTF will become a specified subsidiary of the Company.

2. Overview of the subsidiary undergoing status change (As of February 28th, 2022)

(1) Name	JTI Cigarette and Tobacco Factory Co. Ltd.		
(2) Location	George Haggard Street, Industrial Area, Khartoum North, Khartoum, Sudan		
(3) Name of Representative and Job Title	Ayman El-Abbassi, General Manager		
(4) Description of Business	Manufacturing and sales of cigarettes		
(5) Paid-in capital	SDG 10million		
(6) Date of establishment	June 24, 1965		
(7) Major shareholder and ownership percentage	Loras Holding B.V. (100%)		
(8) Relationship between the Company and said company	Capital relationship	The Company indirectly owns 100% of the shares.	
	Personnel relationship	No applicable items.	
	Business relationship	No applicable items.	
(9) Operating results and financial positions for the last three years			
As of / Fiscal year ended	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021
Total assets (millions of SDG)	5,382	9,878	24,681
Net sales (millions of SDG)	3,570	7,068	26,679
Operating profit (millions of SDG)	▲400	▲16,150	▲11,524

3. Overview of the subsidiary that will increase capital to JTI Cigarette and Tobacco Factory Co. Ltd.
(As of February 28th, 2022)

(1) Name	Loras Holding B.V.	
(2) Location	Bella Donna 4, 1181 RM, Amstelveen, The Netherlands	
(3) Name of Representative and Job Title	Ivo van Wingerden, Managing Director	
(4) Description of Business	Holding of investments in the Middle East and North Africa	
(5) Paid-in capital	USD 24,000	
(6) Date of establishment	March 25, 1987	
(7) Major shareholder and ownership percentage	JT International Holding B.V. (100%)	
(8) Relationship between the Company and said company	Capital relationship	The Company indirectly owns 100% of the shares.
	Personnel relationship	No applicable items.
	Business relationship	No applicable items.

4. Details of the capital increase

(1) Amount of capital increase	EUR 80.5million (SDG 40,219million [*])
(2) Capital after increase	EUR 80.5million (SDG 40,229million [*])

^{*}The above figures are converted at the exchange rate of 1 EUR=499.61 SDG as of March 10, 2022.

5. Date of change

Scheduled for June 2022.

6. Outlook

The change will not have any material impact on the JT Group's consolidated performance for the fiscal year 2022. The Company will promptly disclose any matters that should be announced in the future.

###

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/>.

Contacts: Dinesh Babu Thotakura, General Manager
Kana Miyauchi, Associate Manager
Media and Investor Relations Division
Japan Tobacco Inc.
Tokyo: +81-3-6636-2914
E-mail: jt.media.relations@jt.com