

A translation of:

1. Article 11 of the Tobacco Tax Law that provides for the general excise tax level for cigarettes
2. Supplementary Provisions, Article 2 that provides for the exceptional excise tax for former Third Grade products.

Tobacco Tax Law (Law No. 72 of August 10, 1984; as amended)

(Tax rates)

Article 11 The tax rate of the tobacco tax shall be 5,302 yen per thousand units.

2 Regardless of the provisions of the preceding paragraph, the tax rate of the tobacco tax pertaining to manufactured tobacco received from bonded areas by persons other than Designated Dealers (refers to Designated Dealers as stipulated in Article 14, Paragraph 1 of the Tobacco Business Law (Succession to Designated Dealership); hereinafter the same) shall be 11,424 yen per thousand units.

Supplementary Provisions

(Interim measures pertaining to tax rates)

Article 2 Notwithstanding the provisions of Article 11, Paragraph 1, with respect to manufactured tobacco of Type 1 which is – at the time of abolition of the Manufactured Tobacco List Price Law (Law No. 122 of the year 1965) – identical to items of third grade cigarettes stipulated in Article 1, Paragraph 1 (Type and Maximum Prices of Manufactured Tobacco) of the Manufactured Tobacco List Price Law prior to its abolishment pursuant to the provisions of Article 2 (Abolition of Tobacco Monopoly Law and Manufactured Tobacco List Price Law) of the Supplementary Provisions of the Tobacco Business Law, the tax rate of the tobacco tax shall, for the time being, be 2,517 yen per thousand units