
Japan

**TOBACCO
INDUSTRY
INTERFERENCE
INDEX
2023**

Date of Finalization/ Publication:

July 2023

Author:

Manabu Sakuta, MD

Chairman, Japan Society for Tobacco Control

Acknowledgements:

Global Center for Good Governance in Tobacco Control for technical support

Background and Introduction

This is Japan's fifth country report¹ assessing the implementation of Article 5.3 of the WHO Framework Convention on Tobacco Control (FCTC).² This report shows that Japan continues to lag far behind in practically every aspect in the implementation of Article 5.3 guidelines. There is strong interference from the tobacco industry to weaken and/or delay tobacco control policy measures. The government still owns 33 percent of Japan Tobacco Group (JT) which brings the government in direct conflict situation in implementing the WHO FCTC.

Currently about 20 million people smoke in Japan. An estimated 200,000 people die from tobacco related diseases, and about 15,000 from passive smoking. Despite weak tobacco control measures, with greater health consciousness, smoking is declining.

Japan's pro-tobacco law, the Tobacco Business Act, which was meant to protect the tobacco industry, is also responsible for tobacco control measures. This has resulted in weak measures for public health, such as advertising and promotions still being allowed, no ban on CSR activities, no pictorial warning on tobacco packs, and low taxes. The government (Ministry of Finance) continues to own 33 percent of Japan Tobacco Inc.

The top three tobacco companies operating in Japan are Japan Tobacco Inc., (59.1%), Philip Morris International (PMI, 37.6%) and British American Tobacco (BAT) who control both the cigarette and heat-not-burn-tobacco market.

Japan Tobacco Inc. (JT) the largest tobacco company in Japan and the third largest in the world, stated the decline in smoking is due to "structural factors including the aging and declining adult population together with increasingly stringent smoking restrictions."³ In Japan, cigarette sales dropped by 7.2%. Early 2023, JT reported that its adjusted operating profit is forecast at JPY 667.0 billion.⁴

Previously JT used to treat its domestic and international tobacco business (Japan Tobacco International, JTI) separately, where it was obtaining bigger share of profits from the international business. As of 2022 it is reporting an integrated tobacco business. In 2022, JT reorganised its tobacco business clusters from five to three: Asia, (Japan, Taiwan and the Philippines as key markets); Western Europe, (Italy, Spain and the U.K. as key markets); and EMA, (key markets Romania, Russia and Turkey).

JT's key brands, (Winston, Camel, Mevius and LD) grew in volume and are selling more than 360 billion sticks globally and almost 70% of JT's total volume in 2022.⁵ Despite now claiming smoking is harmful, JT is not giving up cigarettes and introduced a new brand variant of 'Camel Craft' cigarettes in October 2022 sold in convenient stores

¹ Tobacco Industry Interference Index: Asian report on implementation of WHO Framework Convention on Tobacco Control Article 5.3. Southeast Asia Tobacco Control Alliance.

<http://seatca.org/dmdocuments/SEATCA%20TI%20Interference%20Index%202018.pdf>

² WHO FCTC. Guidelines for implementation of Article 5.3; 2008

http://www.who.int/fctc/treaty_instruments/Guidelines_Article_5_3_English.pdf

³ Japan Tobacco Inc. JT Applies to Amend Retail Prices of Tobacco Products in Japan in Response to a Planned Excise Tax Increase. Press Release. 30 Jul 2021. Available at: https://www.jt.com/media/news/2021/pdf/20210730_14.pdf

⁴ Japan Tobacco Inc. 2022 Earning report. 14 Feb 2023. Available at:

https://www.jt.com/investors/results/forecast/pdf/2022/Full_Year/20230214_10.pdf

⁵ Japan Tobacco. 2022 Annual report. https://www.jt.com/investors/results/integrated_report/pdf/2022/integrated2022_E_all.pdf

nationwide. JT reports that within 6 months it became the No. 2 cigarette brand in Japan. It introduced three varieties, 14 mg of tar for “a solid smoke”, 10 mg for a “moderate smoke”, and 3 mg for a “light smoke”. There are now a total of 14 Camel brand variants.



Source: <https://en.otokomaeken.com/news/248083>

Simultaneously, JT along with PMI and BAT are increasing sales and promotions of heated tobacco products in Japan. JT launched Ploom X in 2022. JT also operates a Ploom Club as “part of our e-commerce platform, offering a personalized experience based on each adult consumer’s preferences.”



Source: Japan Tobacco Annual report 2022

In 2014, at the sixth session of the COP, Japan joined other WHO FCTC Parties and approved the decision to raise awareness and adopt measures to implement Article 5.3 and its implementing guidelines among all parts of government including diplomatic missions.⁶ However the Japanese Embassy in several countries has been found to be used by JTI to promote its business.

This report on Japan’s implementation of Article 5.3 is based on a questionnaire developed by the Southeast Asia Tobacco Control Alliance. There are 20 questions based on the Article 5.3 guidelines. Information used in this report is obtained from the public domain only. A scoring system is applied to make the assessment. The score ranges from 0 - 5, where 5 indicates highest level of industry interference, and 1 is low or no interference. Hence the lower the score, the better for the country. The report includes information on incidents from April 2021 to March 2023, but also includes prior incidents that are still relevant.

⁶ WHO FCTC. FCTC/COP/6/14 18 Oct 2014. [https://apps.who.int/gb/fctc/PDF/cop6/FCTC_COP6\(14\)-en.pdf](https://apps.who.int/gb/fctc/PDF/cop6/FCTC_COP6(14)-en.pdf)

Summary Findings

I INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Tobacco control policies in Japan lag in comparison to those of other countries. For example, there are no pictorial health warnings on tobacco packets in Japan (whilst 134 other countries have already implemented such warnings), smoking sections are still permitted in restaurants ([28% of the world has implemented total smoking bans in restaurants](#)), and tobacco tax rates, which is the most effective measure to drive down tobacco product use, remains less than the rate recommended by the WHO FCTC. Tobacco control experts believe that this lack of comprehensive tobacco control regulations in Japan are due in large part to the state's part ownership of JT.

In addition to these regulatory weakness in Japan, JT and consequently the Japanese government, is being criticized for its continued sales in Russia. Unlike other companies that have withdrawn their business from the country following its invasion of Ukraine, JTI still operates in Russia selling its cigarettes and providing the country with approximately US\$2 billion every year in tax.

2 INDUSTRY CSR ACTIVITIES

In 2021, JT spent US\$50 million in CSR activities supporting over 400 communities in Japan as well as in other countries. Some of the activities are conducted through JT Foundation. In 2022, JT claimed to have spent US\$51 million in 522 communities in 65 countries.

JT sponsors many sports activities and tournaments. The best known among these is Japan's Volleyball team. 'JT Thunders Volley Ball Classroom' sponsored events conducted in elementary schools which involves endorsement by the Education authorities. The events are held in public sports venues in cities.

3 BENEFITS TO THE INDUSTRY

Japan's largest political party, Liberal Democratic Party (LDP), in the parliament is the strongest group that backs JT.

The Tobacco Business Act enables the government to promote the tobacco industry and give it benefits to operate. The government's 33% ownership of JT gives incentives to the government to protect JT's success and increased profits.

JT and other transnational tobacco companies such as Philip Morris International (PMI) are aggressively promoting heated tobacco products in the media as "new tobacco products with reduced harm." This is highly misleading to the public as these products are not harmless, nor free from harm. Heat-not-burn products are taxed significantly lower than conventional cigarettes. For example, while tax for cigarette brand Mevius is 63.1%, iQOS of PMI is 50%, GLO of BAT 38% and Ploom TECH of JT is 50% as from 2020.

4 UNNECESSARY INTERACTION

In May 2021, Philip Morris Japan was set to sponsor the annual Nikkei 'Future of Asia Conference' hosted by Japan Foundation which was scheduled to bring together political, economic and academic leaders from the Asia-Pacific region to discuss economic recovery post COVID-19 pandemic. Speakers included the Prime Ministers of Japan, and heads of state of other countries. Following protest from civil society groups that this is Article 5.3 violation, and as world leaders started withdrawing from the conference, Philip Morris announced withdrawal of its sponsorship of the conference.

The Japanese Embassies overseas continue to endorse and promote JT. For example, the Japanese Embassy in Cambodia attended the Inauguration Ceremony of JTI Cambodia's new headquarters in 2022.

5 TRANSPARENCY

There is no register for private tobacco companies operating in Japan such as PMI, or its lawyers and consultants acting on its behalf.

6 CONFLICT OF INTEREST

The Ministry of Finance has jurisdiction over the Tobacco Business Act which has provisions on tobacco control such as advertising restrictions and health warnings on tobacco packs. According to the Ministry of Finance, tobacco tax revenue is an important source of revenue for the government and they would like to maintain it.

7 PREVENTIVE MEASURES

The government has not adopted or implemented a code of conduct for public officials to guide them when interacting with the tobacco industry.

The government does not have a program to consistently raise awareness within its departments and its overseas diplomatic missions on Article 5.3.

RECOMMENDATIONS

- 1 The government must end all activities that promote the TI and take responsibility to protect the health and welfare of the people from tobacco. The government must end ties with the tobacco industry to be free to conduct public health activities.
- 2 The government must end collaboration with JT's CSR activities and sponsored events;
- 3 The government must end benefits given to JT to promote the tobacco business such as the subsidy for smoking rooms, which violates FCTC Article 8 which requires all public and work places to be 100% smoke-free.
- 4 The Ministry of Finance must make transparent all interactions with the tobacco industry. The government must have a procedure for dealing with the tobacco industry.
- 5 The government must end the practice of "*amakudari*" as it negatively affects tobacco control policy and public health.
- 6 To promote tobacco control policies, it is necessary for the government to divest its shares from JT and make it fully a private company.

Japan

Tobacco Industry Interference Index 2023

Results and Findings

	0	1	2	3	4	5
INDICATOR 1: Level of Industry Participation in Policy-Development						
1. The government ⁷ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry or any entity or person working to further its interests. ⁸ in setting or implementing public health policies in relation to tobacco control ⁹ (Rec 3.4)					4	
<p>The Health Ministry estimated about 15,000 people die annually in Japan from diseases related to passive smoking. Indoor public places are not 100% smoke-free as required under WHO FCTC Article 8. JT has long promoted the concept of harmony and co-existence between smokers and non-smokers.</p> <p>The 2020 Smoke-free Olympic received wide public support from everyone except the tobacco industry, who aggressively resisted it. The new national law introduced in 2018 prohibited indoor smoking at schools, hospitals and government offices. However, it was a weakened law due to tobacco industry interference. Smoking is still allowed at existing small eateries, including those with less than 1,076 square feet of customer space, including more than half of Japanese establishments. Larger and new eateries must limit smoking to designated rooms.</p> <p>However, this form of restriction using square meter is quite inappropriate, as few people truly comprehend whether smoking is allowed or not allowed. After the full enforcement of the law, almost no bars are smokefree, as well as some restaurants.</p> <p>JT has established "smoking spaces" so that smokers and non-smokers both can be satisfied. Currently, JT has implemented this effort at 943 locations in collaboration with 212 municipalities nationwide.</p>						
2. The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4)						5
<p>The Tobacco Business Act, which protects the tobacco industry, also covers regulation (or the non-regulation) of tobacco advertising. There is no ban on tobacco advertising and promotions, and self-regulation is based on JT's global marketing principles. JT claims that, "the Tobacco Business Act, related acts and statutes and voluntary standards set forth the regulations for the sale and promotion activities of tobacco products in Japan that include the indication of warning labels on tobacco product advertisements and packages that</p>						

⁷ The term "government" refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

⁸ The term, "tobacco industry" includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

⁹ "Offer of assistance" may include draft legislation, technical input, recommendations, oversees study tour

urge caution over the relationship between the consumption of tobacco products and health.”¹⁰

The Tobacco Business Act requires JT to annually enter into purchase contracts with tobacco growers about the aggregate cultivation area for specific varieties of leaf tobacco and the prices for leaf tobacco by variety and grade. Leaf prices are decided by recommendation from Japan Tobacco Inc. The Leaf Tobacco Deliberative Council is a council which confers on important matters concerning the cultivation and purchase of domestically grown leaf tobacco. The council consists of about 11 members, appointed by JT with the approval of the Minister of Finance from among representatives of domestic leaf tobacco growers and academic appointees. Mr. Yoshitsugu Minagawa was formerly the Director General of Forestry Agency.¹¹

3. The government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8) I Never 5 Yes						5
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Since the government part owns JT and has a Tobacco and Salt Industries Bureau in the Ministry of Finance, JT’s interests are taken into account in public health policy development.

The Finance Ministry, which decides on tax increase, also has to consider the interest of the tobacco business for which it has a fiduciary responsibility to protect its profits. The Finance Minister is also the Deputy Prime Minister for Japan.

4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 & 5, INB 4 5, WG) ¹² (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year. For non-Parties, apply a score of ‘0’			2			
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Unlike COP8 meeting in 2018, where the government delegation included 4 officials (Mr. Takashi Kosakada, director, Mr. M. Chida, Deputy Director, Mr. T. Mio Officer, Mr. M. Abe Unit Chief of Coordination) from the Tobacco and Salt Industries Office, Financial Bureau, Ministry of Finance, Japan,¹³ at COP9 in 2021, there were no representatives from the tobacco industry in the government delegation.¹⁴ However, there were 5 officials representing the Ministry of Foreign Affairs, four from the Ministry of Finance, and only two from the Ministry of Health, Labor and Welfare. It is assumed the Ministry of Finance will represent the interest of the tobacco industry.

INDICATOR 2: Industry CSR activities

¹⁰ Japan Tobacco Inc. Annual Report 2016, Pg 64 https://www.jt.com/investors/results/annual_report/pdf/annual.fy2016_E_partition03.pdf
¹¹ A1) Revised health promotion act & Tokyo Metropolitan Government Smoking Prevention Ordinance <http://www.jstc.or.jp/uploads/uploads/files/essay/Passive%20smoking%20Regulation%20.pdf>
¹² 2011 Public Relations Office. Government of Japan. International Year of Forests. 2011. https://www.gov-online.go.jp/eng/publicity/book/hlj/html/201110/201110_09.html
¹³ Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>
¹⁴ FCTC/COP/8 List of Participants. 5 Oct 2018 https://www.who.int/fctc/cop/sessions/cop8/LOP_Final.pdf?ua=1
¹⁵ FCTC/COP/9 List of participants. 8-13 Nov 2021 <https://fctc.who.int/publications/m/item/cop-9-div-1-list-of-participants>

	0	1	2	3	4	5
5. A. Government agencies or their officials endorse, support, form partnerships with or participates in activities of the tobacco industry described as “socially responsible” or “sustainable”. For example, environmental programs. (Rec 6.2)						
B. The government (its agencies and officials) receives CSR contributions ¹⁵ (monetary or otherwise, including CSR contributions) from the tobacco industry or those working to further its interests during the pandemic. (Rec 6.4)						5
<i>NOTE: exclude enforcement activities as this is covered in another question</i>						

In 2021 JT spent US\$50 million in CSR activities supporting over 400 communities in Japan as well as in other countries. Some of the activities are conducted through JT Foundation.¹⁶ In 2022, JT claimed to have spent US\$51 million in 522 communities in 65 countries.¹⁷

A. Government endorsement of JT sponsored sports

JT sponsors many sports activities and tournaments. The best known among these is the **Volleyball team**. ‘JT Thunders Volley Ball Classroom’ sponsored events involve elementary schools which involves endorsement by the Education authorities, and the events are held in public sports avenue in cities. JT owns volley ball teams JT Marvelous (women) and JT Thunders (male) that play league level and every year they hold Volley ball World Cup in Japan. These events are heavily promoted online which remain unregulated.^{18 19}



B. JT sponsored Tobacco and salt museum is endorsed by the Japanese Government²⁰

¹⁵ political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

¹⁶ Japan Tobacco Inc. Improving our social impact. 2021. Available at: https://www.jti.com/sustainability/community_investment/index.html

¹⁷ Japan Tobacco. 2022 Annual report

¹⁸ JT Thunders (Pro Volley Ball) <http://www.jti.co.jp/knowledge/thunders/index.html>

¹⁹ JT Marvelous (Pro Volley Ball) <http://www.jti.co.jp/knowledge/marvelous/index.html>

²⁰ <http://www.jti.co.jp/Culture/museum/index.html>

Let's search! Megumi Umi <Special Exhibition Room on the 2nd floor>

Answer the quiz while going through the "food zone", "shops and zones", "sea zone", and "salt zone" installed at the venue, and find out the hidden ingredients in the food and the "sea" We will find "Megumi".

1 "Eating zone"
Select a dish from the menu machine in the "eat zone" and get the instructions. There are 60 kinds of menus in all. First, let's

2 "Stores and zones"
Next, in the "shops and zones", look for the ingredients for the dishes written in the instructions. Once you find the ingredients,

3 "Underwater zone"
On the worksheet, there are two pictures of "Megumi of the sea" that is the source of the ingredients. Which one is correct,

Many school children visit the tobacco museum

C. Local government participation in sponsored smoking space on streets

In cooperation with municipalities around the country, JT has established "smoking spaces" so that smokers and non-smokers both can be satisfied. Currently, JT has implemented this effort at 943 locations in collaboration with 212 municipalities nationwide.²¹

INDICATOR 3: Benefits to the Tobacco Industry

6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)					4	
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Weak tobacco control measures have benefited JT and transnational tobacco companies operating in Japan. Japan has not banned tobacco advertising, promotions and sponsorship, a requirement under the WHO FCTC, instead applies self-regulation.

No pictorial health warnings on cigarette packs although JTI exports its brands with PHW to many countries that require this.

There is no penalty for violation of smoking in no-smoking areas. JT continues to conduct its 'manners campaign'.²²

7. The government gives privileges, incentives, tax exemptions or benefits to the tobacco industry (Rec 7.3)					5	
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The existence of the Tobacco Business Act (TBA) reflects how the government protects the tobacco industry and gives it benefits to protect its business. The government's 33% ownership of JT gives incentives to the government to protect JT's success and increased profits.

The government sets the price of tobacco leaf through the Leaf Tobacco Deliberative Council which determined the domestic tobacco cultivation area for 2022 at 3,889 hectares, a decrease of 34.0% compared to 2021 cultivation area. The price of the leaf

²¹ <http://www.jti.co.jp/sstyle/manners/bunen/jirei/collabo/jireishu/02/index.html>

²² <https://www.jt.com/about/division/tobacco/index.html>

tobacco purchase will remain same as in 2021 at an average of ¥1,924.15 (US\$13.80) per kilogram for all leaf types.²³

Under the TBA, JTI is obligated to purchase a grower’s entire tobacco crop excluding any portion not suitable for manufacturing tobacco products and sold by retailers at prices approved by the Minister of Finance.

International travellers can bring in duty free 200 cigarettes or 70 cigars or 10 individual packs of heat not burn.

The tobacco industry routinely opposes tobacco control measures citing the industry provides employment and that these jobs will be affected. However, to protect company profits, it retired its own employees who are still in productive age to cut operational cost. This action was approved by the Ministry of Finance. JT made voluntary retirement offers to employees aged 46 or above, field partners (part-timers who support the sales activities). It potentially affected 2,869 workers: JT employees - 1,169; Field partners - 1,584 and senior employees – 115.²⁴ JT reported this measure accounted for JPY 34.4 billion (US\$246.8 million) of expenses for the fiscal year ending December 31, 2021

Tax for heat-not-burn cigarettes are kept lower than conventional cigarettes. For example, while tax for cigarette brand Mevius is 63.1%, IQOS of PMI 50%, GLO of BAT 38% and Ploom TECH of JT is 50% as of 2020.

Passive smoking is still allowed in some restaurants and most of the bars. Owners are allowing smoking from the fear of losing customers.

INDICATOR 4: Forms of Unnecessary Interaction

8. Top level government officials (such as President/ Prime Minister or Minister ²⁵) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)					4	
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In May 2021, Philip Morris Japan was set to sponsor the annual Nikkei ‘Future of Asia Conference’ hosted by Japan Foundation²⁶ which was scheduled to bring together political, economic and academic leaders from the Asia-Pacific region to discuss economic recovery post COVID-19 pandemic. Speakers included the Prime Ministers of Japan, Cambodia, Malaysia, Nepal, Pakistan, Vietnam, and Thailand. Civil society groups launched an international opposition against PMI’s sponsorship²⁷ citing Article 5.3 violation. Following the protest and as world leaders started withdrawing from the conference, Philip Morris announced it was withdrawing its sponsorship of the conference.²⁸ Japan Foundation has previously received funding from JTI.

²³ Japan Tobacco Inc. Leaf Tobacco Deliberative Council Releases Its Report in Response to 2022 Tobacco Cultivation Consultation. Press Release. 11 Nov 2021. Available at: https://www.jt.com/media/news/2021/pdf/20211111_E1.pdf
²⁴ Japan tobacco Inc. Results of the Voluntary Retirement Program towards Strengthening JT’s Tobacco Business Operating Model. Press release. 14 Feb 2022 Available at: https://www.jt.com/media/news/2022/pdf/20220214_16.pdf
²⁵ Includes immediate members of the families of the high-level officials
²⁶ Japan Foundation. Future of Asia Conference. Available at: https://www.jpff.go.jp/e/project/intel/exchange/future_ofasia/
²⁷ Expose Tobacco. <https://exposetobacco.org/news/exclude-philip-morris/>
²⁸ Expose Tobacco. <https://exposetobacco.org/news/subvert-future-of-asia/>

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Although JT's products cause diseases and result in death of its users, In 2023, the Ministry of Economy, Trade and Industry (METI) continued to recognize JT as a Certified Health and Productivity Management Outstanding Organization ("White 500") for its "health-conscious management". ²⁹						
9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)				3		
<p>The Ministry of Health, Labour and Welfare and the Tokyo Metropolitan government offer a subsidy scheme known as "Passive Smoking Prevention Measure Subsidy System". This subsidy is given to hotels, restaurants and local business to install smoking rooms.³⁰ This scheme is promoted on Tokyo Metropolitan Government website³¹ and JT's website.</p> <p>Establishment of smoking room in the SME business: the subsidy rate/ grant amount is 1/2 of the cost (maximum 1 million yen); however, in the case of a restaurant where the establishment of a smoking room is taken, 2/3. Equipment cost, equipment cost, equipment cost, machinery equipment cost etc. for installation of smoking room etc.</p>						
10. The government accepts, supports, endorses, or enters into partnerships or non-binding agreements with the tobacco industry or any entity working to further its interests. (Rec 3.1) <i>NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</i>					4	
The Japanese Embassies overseas continue to endorse and promote JT. For example, in 2022, the Japanese Embassy in Cambodia attended the Inauguration Ceremony of JTI Cambodia's new headquarters. ³²						

²⁹ JT.com White 500 March 2023 https://www.jt.com/sustainability/external_recognition/index.html

³⁰ Japan Tobacco. Subsidy system; <https://www.jti.co.jp/tobacco/bunen/subsidy/index.html>

³¹ Tokyo Metropolitan government <http://www.sangyo-rodo.metro.tokyo.jp/tourism/kakusyu/syukuhaku/>

³² The Phnom Penh Post, JTI Cambodia Inaugurates Its New World Class Headquarters, publication date 28 September 2022: <https://www.phnompenhpost.com/business/jti-cambodia-inaugurates-its-new-world-class-headquarters>



Source: Phnom Penh Post. Ambassador Mikami Masahiro with JTI’s executive and senior government officials.

By virtue of the government owning 33% of JT, it also owns the Tobacco and Salt Museum which is a promotional outfit for JT. The Museum was renovated in 2015 and holds regular exhibitions and is open to children.³³

INDICATOR 5: Transparency

11. The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)										4
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The Finance Ministry gets annual dividend of more than ¥70 billion revenue from Japan Tobacco shares. That revenue is kept in a special account for fiscal investment and loans, and spent on industrial investment projects that are too risky for the private sector to undertake.³⁴

12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)										5
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While government officials who work for the Tobacco and Salt Industries Office are easily identified, however there is no register for private tobacco companies operating in Japan such as PMI, or its lawyers and consultants acting on its behalf.

INDICATOR 6: Conflict of Interest

13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11) / Never 5 Yes										5
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There is no prohibition on contributions from the tobacco industry.

While the Minister of Finance has disclosed his ownership of shares in JT, however this still presents a conflict of interest to tobacco control. The Ministry of Finance has

³³ Tobacco & Salt Museum. https://www.jti.co.jp/Culture/museum_e/index.html
³⁴ The poverty of politics and tobacco poverty, Commentary, The Japan Times, 23 April 2017, <http://www.japantimes.co.jp/opinion/2017/04/23/commentary/japan-commentary/poverty-politics-tobacco-policy/#.WVSLdFFLfdA>

	0	1	2	3	4	5
jurisdiction over the Tobacco Business Act which has provisions on tobacco control such as advertising restrictions and health warnings on tobacco packaging. According to the Ministry of Finance, tobacco tax revenue is an important source of revenue for the government and they would like to maintain it. ³⁵						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)						5
High level officials, upon retirement from government service, move to top leadership positions in JT. ³⁶						
Shigeaki Okamoto, Deputy Chairperson of the Board: In 2017 he was the Deputy Vice Minister, Ministry of Finance, and Director-General of the Budget Bureau of the Ministry.						
Toru Mimura, Standing Audit & Supervisory Board Member (Independent Outside Audit & Supervisory Board Member): formerly Vice-Minister of Defense for International Affairs, the Ministry of Finance till 2015.						
Masato Kitera, Director (Independent External Director) was with the Ministry of Foreign Affairs, Deputy Vice-Minister. Ambassador Extraordinary and Plenipotentiary of Japan to the French Republic, Principality of Andorra and Principality of Monaco (Retired from the position in December 2019). ³⁷						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)						5
The Finance Minister is listed as a principle shareholder of Japan Tobacco, holding 666,926,200 shares (37.6%). ^{38 39}						
Japan Tobacco Inc. Act ensures that the Minister of Finance has decision making power over Japan Tobacco, including appointment/dismissal of directors, executive officers and Audit & Supervisory Board.						
Officials working in the Tobacco and Salt Industries Office under the Financial Bureau of the Ministry of Finance, represent the industry.						
INDICATOR 7: Preventive Measures						
16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)						5

³⁵ Jake Sturmer, Yumi Asada. Why Japan smoking laws are stuck in the last century. ABC News. 18 March 2018. <https://www.abc.net.au/news/2018-03-18/why-japan-smoking-laws-are-stuck-in-the-last-century/9559222>

³⁶ Japan Tobacco Inc. Annual Report 2016, Pages 50-55, https://www.jt.com/investors/results/annual_report/pdf/annual.fy2016_E_partition03.pdf

³⁷ Japan Tobacco Inc. Annual Report 2021.

³⁸ Japan Tobacco Inc. Annual report 2019 https://www.jt.com/investors/results/integrated_report/pdf/2019/integrated2019_E_all.pdf Page 163

³⁹ Kuchikomi. Smoking bureaucrats find themselves on the outside looking in. Japan Today. 30 July 2019 <https://japantoday.com/category/features/kuchikomi/smoking-bureaucrats-find-themselves-on-the-outside-looking-in>

	0	1	2	3	4	5
There is no procedure for disclosing records of interactions with the tobacco industry and its representatives.						
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2); <i>1 for whole of government code; 2 for Yes but partial if only MOH</i>						5
The government has not adopted or implemented a code of conduct for public officials to guide them when interacting with the tobacco industry.						
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)				3		
<p>JT, being part owned (33%) by the government, submits records on production, manufacture, market share, revenues. However, no record is available on marketing expenditure, lobbying and political contributions.</p> <p>According to news reports Japan Tobacco spends ¥20 billion a year on advertising, almost all of which promotes “manners.” The real reason, according to Sentaku (magazine), that Japan Tobacco buys space and airtime is to quash anti-smoking reporting by making media dependent on JT-related ad revenue.⁴⁰</p>						
19. The government has a program / system/ plan to consistently ⁴¹ raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)						5
The government does not have a program to consistently raise awareness within its departments on Article 5.3.						
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)						5
The government has not put in place a policy to disallow the acceptance of contributions/ gifts from the tobacco industry.						
TOTAL SCORE					88	

⁴⁰ Media sidesteps calling Japan Tobacco out on advertising conflicts, Philip Brasor, The Japan Times, 14 Jan <http://www.japantimes.co.jp/news/2017/01/14/national/media-national/media-sidesteps-calling-japan-tobacco-advertising-conflicts/#.VVSPzFfLIDA>

⁴¹ For purposes of this question, “consistently” means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.

Annex A: Sources of Information

	TOP TOBACCO COMPANIES	MARKET SHARE	BRANDS	SOURCE
1	Japan Tobacco (JT)	62%	Mevius	http://nomad-salaryman.com/tobacco-industry2019
2	Phillip Morris (PM)	32%	Marlboro	http://nomad-salaryman.com/tobacco-industry2019
3	British American Tobacco (BAT)	13%	Kent	http://nomad-salaryman.com/tobacco-industry2019

	TOP MEDIA/ NEWSPAPERS	URL
1	Asahi Shinbun	https://www.asahi.com
2	Mainichi Shinbun	https://mainichi.jp
3	Yomiuri Shinbun	https://www.yomiuri.co.jp
4	NHK	https://www3.nhk.or.jp/news/
5	TBS	https://www.tbs.co.jp

	MAIN TOBACCO INDUSTRY ALLIES/ FRONT GROUPS	TYPE (FRONT GROUP, LOBBY GROUP, INDIVIDUAL)	SOURCE
1	Smoking Research Foundation		https://www.srf.or.jp
2	Japan Tobacco Growers Association		http://www.jtga.or.jp
3	Japan Tobacco Sellers Association		https://zenkyou.xsrv.jp