# Japan

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## SUMMARY OF FINDINGS

### 1. Industry Participation in Policy Development

The national law introduced in 2018 prohibiting indoor smoking in schools, hospitals, and government offices was significantly weakened due to tobacco industry (TI) interference. Smoking is still allowed in existing small eateries with less than 1,076 square feet of customer space, which includes more than half of Japanese establishments. Larger and new eateries must limit smoking to designated rooms.

Japan Tobacco Inc. (JT) continues its "smoking manners" campaign at the city level and has established smoking spaces to promote coexistence of smokers and non-smokers. As of 2024, JT had implemented this program at 943 locations in collaboration with 212 municipalities nationwide.

The Tobacco Business Act, enacted to protect the tobacco business, remains in effect. There is no ban on tobacco advertising or sponsorship, and the Act requires JT to annually contract with growers for cultivation areas and prices of specific leaf varieties. The Ministry of Finance, which decides on tax increases, is responsible for protecting JT's profitability.

At COP10 and MOP3, the Ministry of Finance participated in the government delegation and represented JT's interests.

### 2. Industry CSR Activities

JT is engaged in reforestation and forest management activities through the establishment of "JT Forests" across the country as part of environmental conservation efforts. The Ministry of the Environment endorsed these activities, promoting sustainable forest development with the Forestry Agency.

JT also sponsors the women's volleyball team, JT Marvellous, whose members play for the Japanese national team.

### 3. Benefits to the Industry

Weak tobacco control measures have benefited JT and transnational companies. Japan has not banned tobacco advertising, promotion, or sponsorship, as required under the WHO FCTC, but instead applies self-regulation. Pictorial health warnings on cigarette packs are still not required.

Taxes on heated tobacco products are about 30 percent lower than taxes on cigarettes. In late 2022, the government proposed gradually raising heated tobacco taxes until they match cigarette levels in 2027, but as of the end of 2024 no decision had been made.

Japan's bound tariff under the WTO for all products, including tobacco, is 99.7 percent, while the applied tariff is 3.7 percent, which remains very low.

### 4. Unnecessary Interaction

In March 2024, the Ministry of Economy, Trade and Industry (METI) recognized JT as a Certified Health and Productivity Management Outstanding Organization ("White 500") for its health-conscious management. JT was also recognized by the Japan Sports Agency as a "Sports Yell Company 2025" for the third consecutive year.

Japanese ambassadors to Bangladesh, Egypt, and Indonesia promoted JT's business in those countries.

The Ministry of Health, Labour and Welfare and the Tokyo Metropolitan Government offered subsidies under the Passive Smoking Prevention Measure Subsidy System, which provided subsidies to hotels, restaurants, and local businesses to install smoking rooms.

## 5. Transparency

JT operates under the Ministry of Finance, which supervises it. Interactions between the Ministry and JT are not made public.

There is no registry for private tobacco companies operating in Japan, such as Philip Morris International (PMI), or for lawyers and consultants acting on their behalf. However, officials working for the Tobacco and Salt Industries Office are identifiable.

## 6. Conflict of Interest

There is no prohibition on political contributions from the TI.

The Ministry of Finance owns 37.56 percent of JT and is responsible for ensuring the profitability of its investment. This creates a conflict of interest with public health. Senior officials have also moved into leadership positions at JT after retirement.

## 7. Preventive Measures

There is no procedure for disclosing records of interactions with the TI or its representatives. JT, being partially government-owned, submits records on production, manufacturing, market share, and revenues. However, no records are available on marketing expenditure, lobbying, or political contributions.

The government has no plan to consistently raise awareness about Article 5.3 of the WHO FCTC among its departments.

# RECOMMENDATIONS

1. End all activities that promote the TI and take responsibility to protect public health. Sell off government shares in JT.
2. End collaboration with JT's CSR activities and do not endorse its sponsored events.
3. End benefits given to JT, including subsidies for smoking rooms, which violate Article 8 of the WHO FCTC requiring all public and workplaces to be 100 percent smoke-free.
4. Require the Ministry of Finance to make all interactions with the TI transparent by developing a procedure for engagement.
5. Create awareness of Article 5.3 of the WHO FCTC across government departments and limit interaction with the TI to when strictly necessary.