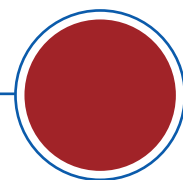


Japan



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Summary of Findings

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Tobacco industry (TI) control policies in Japan lag in comparison to those of other countries. For example, there are no pictorial health warnings on tobacco packs in Japan (whilst 134 other countries have already implemented such warnings), smoking sections are still permitted 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 Japan Tobacco Inc. (JT).

In addition to these regulatory weaknesses 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 Unlike other companies that have withdrawn their business from the country following its invasion of Ukraine, JTI still operates in Russia selling its cigarettes and providing the country with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 are conducted in elementary schools, and 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 TI 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, and 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 TI, and there are no programs in place to consistently raise awareness within departments or in overseas diplomatic missions regarding 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 TI 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 workplaces to be 100% smoke-free.
4. The Ministry of Finance must make transparent all interactions with the TI, and the government must have a procedure for dealing with the TI.
5. The government must end the practice of "*amakudari*" as it negatively affects tobacco control policy and public health.