



Tokyo, July 31, 2025

2025 Second Quarter Results

2025 Second Quarter Highlights (vs. FY2024 Second Quarter)

- Revenue increased by 10.5% to JPY 1,734.5 billion.
- Core revenue at constant FX increased by 14.2% to JPY 1,724.5 billion.
- Adjusted operating profit at constant FX increased by 24.7% to JPY 565.1 billion.
- On a reported basis, adjusted operating profit increased by 19.2 % to JPY 539.9 billion.
- Operating profit increased by 10.9% to JPY 479.9 billion.
- Profit increased by 4.8% to JPY 319.9 billion.
- Interim dividend per share: JPY 104

2025 Forecasts (vs. Initial Forecasts)

- Revenue forecast is revised upward by JPY 71.0 billion, resulting in a 6.2% increase year on year.
- Core revenue at constant FX is revised upward by JPY 54.0 billion, resulting in an 8.4% increase year on year.
- Adjusted operating profit at constant FX is revised upward by JPY 47.0 billion, resulting in a 14.6% increase year on year.
- On a reported basis, adjusted operating profit is revised upward by JPY 89.0 billion, resulting in a 9.6% increase year on year.
- Operating profit forecast is revised upward by JPY 68.0 billion, resulting in a 128.5% increase year on year.
- Profit forecast is revised upward by JPY 44.0 billion, resulting in a 175.6% increase year on year.
- Free cash flow is revised downward by JPY 112.0 billion, still resulting in a JPY 65.5 billion increase year on year.
- Planned annual dividend per share: JPY 208

Please refer to 'Data Sheets' on page 13 for more financial figures.

Comments from Masamichi Terabatake, President and CEO of the JT Group:

"The JT Group delivered another solid performance in the first half, boosted by robust pricing in the tobacco business and the contribution of Vector Group Ltd., which was acquired last year, resulting in a significant year-on-year increase of 24.7% in adjusted operating profit at constant FX.

In addition to the combustibles performance, RRP was a substantial contributor, increasing volume by 20.2% year-on-year, fueled by the ongoing growth of HTS, our top investment priority. In Japan, we launched our new device, Ploom AURA in late May and achieved 13.6% of the HTS segment share in the second quarter. We can confirm a strong start, with early device sales of Ploom AURA far exceeding sales of our previous HTS models. We plan to gradually roll-out Ploom AURA in overseas markets and are making steady progress towards achieving our 2028 RRP ambitions.

The strong first half results gave us confidence to revise upward our full year adjusted operating profit forecast, at both constant FX and reported basis. In line with our Shareholder Return Policy, our annual dividend guidance per share is revised to 208 yen with an increase of 14 yen from the initial guidance, following the upward revision of the full-year forecasts. The interim dividend is now set at 104 yen per share.

The JT Group will continue to closely monitor the impact of external environmental changes on our business and finances. In accordance with the 4S model*, our management principle, we will respond appropriately to achieve our 2025 performance outlook."

* Under the 4S model, we strive to fulfill our responsibilities to our valued consumers, shareholders, employees and the wider society, carefully considering the respective interests of these four key stakeholder groups and exceeding their expectations wherever we can. For more details, please visit https://www.jt.com/about/management_principles/index.html

Investors' Meeting

A conference call with members of the investor community will be held on July 31, 2025 at 5:00pm Tokyo time. An on-demand audio recording of this conference will be available on our website (https://www.it.com/investors/results/presentation_financial). For detailed information on the consolidated financial results, please visit the Company's website (<https://www.it.com/investors/>).

Note on Hyperinflationary Adjustments

The results for fiscal year 2024 and fiscal year 2025 as well as the forecasts for fiscal year 2025 on a reported basis have been adjusted to include the impact of hyperinflationary accounting, which has been applied since Q3 2020, in accordance with the requirements stipulated in IAS 29. The results on a constant FX basis have been calculated to exclude amounts of revenue and profit that have increased due to hyperinflation in certain markets. As of Q2 2025, the markets impacted by hyperinflationary accounting and hyperinflation include those in Iran, Sudan and Turkey. However, Ethiopia has been excluded from Q2 2025 onward, based on the assessment that the country is no longer considered to be a hyperinflationary economy.

2025 Second Quarter Results

Consolidated Results

(billions of JPY)	Q2 2025	Q2 2024	Variance	2025 YTD	2024 YTD	Variance
Revenue	907.6	829.6	+9.4%	1,734.5	1,569.9	+10.5%
Adjusted operating profit	273.3	226.4	+20.7%	539.9	453.1	+19.2%
Operating profit	231.1	216.8	+6.6%	479.9	432.7	+10.9%
Profit	162.4	147.9	+9.8%	319.9	305.2	+4.8%
Core revenue at constant FX	917.2	797.7	+15.0%	1,724.5	1,510.4	+14.2%
Adjusted operating profit at constant FX	291.4	226.4	+28.7%	565.1	453.1	+24.7%

Q2 2025

- **Revenue**
Revenue increased by 9.4%, driven by increases in all business segments. At constant FX, core revenue increased by 15.0%.
- **Adjusted operating profit**
Adjusted operating profit increased by 20.7%, driven by the increase in the tobacco business. At constant FX, adjusted operating profit increased by 28.7%.
- **Operating profit**
Operating profit increased by 6.6%, driven by the increase in adjusted operating profit, partially offset by adjustment items related to impairment losses from the transfer of the pharmaceutical business to Shionogi & Co., Ltd. and increased amortization of intangible assets from past acquisitions.
- **Profit**
Profit increased by 9.8%, driven by the increase in operating profit.

2025 YTD

- **Revenue**
Revenue increased by 10.5%, driven by the increase in all business segments. At constant FX, core revenue increased by 14.2%.
- **Adjusted operating profit**
Adjusted operating profit increased by 19.2%, mainly driven by the increase in the tobacco business. At constant FX, adjusted operating profit increased by 24.7%.
- **Operating profit**
Operating profit increased by 10.9%, driven by the increase in adjusted operating profit, partially offset by adjustment items related to impairment losses from the transfer of the pharmaceutical business and increased amortization of intangible assets from past acquisitions.
- **Profit**
Profit increased by 4.8%, as the increase in operating profit more than offset the higher financial costs as well as higher corporate income tax expenses.

Results by Business Segment

Tobacco Business

(billions of JPY)	Q2 2025	Q2 2024	Variance	2025 YTD	2024 YTD	Variance
Core revenue	814.0	738.5	+10.2% (+15.6%)*	1,552.5	1,391.8	+11.5% (+14.9%)*
Adjusted operating profit	282.9	240.2	+17.8% (+25.3%)*	556.1	472.1	+17.8% (+23.1%)*
Reference (billions of units, billions of JPY)						
Total volume	148.8	145.0	+2.6%	283.3	281.3	+0.7%
Combustibles volume	145.6	142.3	+2.3%	277.0	276.0	+0.3%
RRP volume	3.3	2.7	+21.4%	6.3	5.2	+20.2%
HTS volume	2.6	2.0	+31.2%	5.0	3.8	+29.5%
RRP-related revenue	29.2	26.9	+8.8%	55.8	50.7	+10.0%

*At constant FX

- The first half results were very robust, fueled by solid pricing contributions. The results were further supported by a resilient combustibles volume, driven by on-going share gains, global flagship brands growth, and the inclusion of the Vector Group Ltd. RRP grew by double-digits, in volume and revenue, led by Ploom and the early positive performance of AURA in Japan.

Q2 2025

- Core revenue and adjusted operating profit**
Core revenue grew by 10.2%, and by 15.6% at constant FX, driven by a strong price/mix contribution of JPY 82.6 billion from all clusters, as well as by a favorable volume variance of JPY 32.5 billion supported by the Vector Group inclusion, despite an unfavorable impact from the stronger Japanese yen. RRP-related revenue grew by 8.8%, mainly fueled by continued volume growth in the Asia and EMA clusters.
Adjusted operating profit increased by 25.3% at constant FX, driven by the core revenue growth, partially offset by higher investments towards Ploom and inflation-led cost increases, including in the supply chain. Adjusted operating profit increased by 17.8%, due to an unfavorable impact from the stronger Japanese yen.
- Volume and Market share**
Double-digit RRP volume growth, market share gains, the contribution from the Vector Group in combustibles, and resilient industry volumes, resulted in total volume increasing by 2.6%, or by 3.4% when excluding unfavorable inventory adjustments. In combustibles, strong growth in the EMA cluster and a resilient Asia cluster, drove volume up by 2.3%, led by the GFBs, Winston (+6.5%) and Camel (+3.8%). RRP volume grew by 21.4%, fueled by continued HTS growth (+31.2%) in the Asia and EMA clusters.
Total tobacco market share grew in many markets, including the key markets of Italy, Romania, Taiwan, Turkey, the UK and the USA.

2025 YTD

- **Core revenue and adjusted operating profit**

Core revenue increased by 11.5%, and by 14.9% at constant FX, driven by a robust price/mix contribution of JPY 165.2 billion from all clusters, as well as by a favorable volume variance of JPY 41.7 billion supported by the Vector Group inclusion, partially offset by an unfavorable impact from the stronger Japanese yen. RRP-related revenue grew by 10.0%, mainly fueled by HTS.

Adjusted operating profit increased by 17.8%, and by 23.1% at constant FX, driven by the solid price/mix contribution, more than offsetting the higher investments towards Ploom, the impact of inflation-led cost increases including in the supply chain, and an unfavorable impact from the stronger Japanese yen.

- **Volume and Market share**

In addition to the contribution from the Vector Group, market share gains in combustibles continued, enhanced by double-digit RRP volume growth, leading to total volume increasing by 0.7%, or by 1.9% excluding unfavorable inventory movements. Solid growth in the EMA cluster and a resilient Asia cluster more than offset a decline in Western Europe, due to lower industry volumes in several markets. Combustibles volume increased by 0.3%, with GFB volume up by 1.1%, notably Winston (+2.9%) and Camel (+2.5%). RRP volume grew by 20.2%, driven by HTS volume increasing 29.5%, mainly in Japan.

Market share gains continued in many markets, including key markets of Italy, Romania, Spain, Taiwan, Turkey, the UK and the USA.

Tobacco Business

Performance Review by Cluster

Asia

(billions of JPY)	2025 YTD	2024 YTD	Variance
Core revenue	417.3	406.1	+2.8% (+4.6%)*
Adjusted operating profit	136.9	140.4	-2.5% (+4.2%)*

Reference (billions of units)

Total volume	62.5	62.7	-0.4%
Combustibles volume	57.3	58.5	-2.0%
RRP volume	5.1	4.2	+22.8%

*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue increased by 2.8%, and by 4.6% at constant FX, driven by a positive price/mix contribution, notably in Bangladesh, Indonesia, Japan and the Philippines, partially offset by a negative volume variance seen, mainly in Japan, the Philippines and Taiwan, as well as an unfavorable impact from the stronger Japanese yen.

Adjusted operating profit at constant FX grew by 4.2%, driven by the core revenue increase, which more than offset inflation-led cost increases and incremental RRP investments. Adjusted operating profit decreased by 2.5%, due to an unfavorable impact from the stronger Japanese yen.

- **Volume and market share**

Total volume was resilient, down by only 0.4%, as the strong RRP volume growth (+22.8%) mostly offset the lower combustibles volume (-2.0%) resulting from industry volume contraction, notably in Japan and Taiwan.

Total tobacco market share increased in Bangladesh, Malaysia, Singapore, South Korea and Taiwan.

- **By market**

In Japan, the RRP share of segment continued to increase, while total volume declined by 2.9%, due to lower combustibles industry volume. Although the total RRP category continued to expand (+8.8%), total industry volume declined by 0.2%. Total market share was 40.3%.

In combustibles, the category leadership was maintained at 61.6%, as volume decreased in line with industry contraction estimated at 6.8%.

In RRP, a category estimated at 45.9% (shipment basis) of the total tobacco industry size, volume increased by 22.0% and category share grew by 1.6ppt to reach 15.2%. Within HTS, Ploom volume grew by 29.2% and continued to gain share, reaching an HTS segment share of 13.1%, up by 2.0ppt year-to-date.

Core revenue decreased, as the favorable price/mix contribution could not offset the negative variance in volume.

In the Philippines, despite continued growth by Camel (+14.9%), total volume declined by 3.0% due to lower share (-0.7ppt), resulting in year-to-date total market share reaching 48.7%.

Core revenue at constant FX increased, driven by a positive price/mix contribution that exceeded the negative volume variance.

In Taiwan, year-to-date market share increased by 1.9ppt to 52.6%, while total volume decreased by 2.8%, due to the industry volume decline, partially offset by the growth of LD (+14.3%).

Core revenue at constant FX decreased, as the positive price/mix contribution could not offset the negative volume variance.

Western Europe

(billions of JPY)	2025 YTD	2024 YTD	Variance
Core revenue	363.8	354.4	+2.6% (+3.5%)*
Adjusted operating profit	160.1	149.9	+6.8% (+8.5%)*

Reference (billions of units)

Total volume	49.0	52.0	-5.8%
Combustibles volume	48.4	51.3	-5.7%
RRP volume	0.6	0.7	-9.3%

*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue increased by 2.6%, and by 3.5% at constant FX, driven by a positive price/mix contribution, mainly in France, Italy, Portugal, Spain, Sweden and the UK, which more than offset a negative volume variance, mainly in France, Italy and the UK, as well as an unfavorable impact from the stronger Japanese yen.

Adjusted operating profit grew by 6.8%, and by 8.5% at constant FX, driven by the core revenue increase, which more than offset the higher investments towards Ploom, inflation-led cost increases, and the unfavorable impact from the stronger Japanese yen.

- **Volume and market share**

Total volume decreased by 5.8%, due to significant industry volume contraction in France and the UK. In RRP, HTS continued to gain share of segment, while volume was impacted by an unfavorable shipment comparison.

Total tobacco market share grew in Austria, France, Germany, Ireland, Italy, Lithuania, the Netherlands, Portugal, Spain, Sweden, Switzerland and the UK.

- **By market**

In Italy, total volume declined by 5.7%, mainly due to unfavorable inventory movements. Excluding inventory movements, total volume declined by 0.6%. Year-to-date total tobacco market share increased by 0.1ppt to 23.7%, driven by Benson & Hedges and continued HTS segment share gains by Ploom (+0.1ppt).

Core revenue at constant FX increased as the positive price/mix contribution more than offset the negative volume variance.

In Spain, total volume decreased by 3.5%, due to unfavorable inventory movements. Excluding these, total volume grew by 1.1%, driven by share gains in combustibles (+0.2ppt) and HTS (+0.9ppt). Year-to-date total tobacco market share reached 27.7%.

Core revenue at constant FX increased as the positive price/mix contribution more than offset the negative volume variance.

In the UK, total volume declined by 15.5%, due to a steep industry volume contraction resulting from excise tax-led price increases and high volume of illicit trade. RRP volume grew 22.1%, fueled by Ploom and Nordic Spirit. Year-to-date total tobacco market share increased by 0.6ppt to 43.6%, driven by Mayfair.

Core revenue at constant FX decreased as the positive price/mix contribution could not fully offset the negative volume variance.

EMA

(billions of JPY)	2025 YTD	2024 YTD	Variance
Core revenue	771.4	631.3	+22.2% (+27.9%)*
Adjusted operating profit	259.1	181.7	+42.6% (+49.8%)*

Reference (billions of units)

Total volume	171.8	166.5	+3.2%
Combustibles volume	171.3	166.2	+3.1%
RRP volume	0.5	0.3	+50.0%

*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue increased by 22.2%, and by 27.9% at constant FX, driven by a favorable volume variance, mainly from the Vector Group contribution as well as in Global Travel Retail and Turkey, and by a strong positive price/mix contribution, notably in Global Travel Retail, Kazakhstan, Poland, Romania, Russia and Turkey, partially offset by an unfavorable impact from the stronger Japanese yen.

Adjusted operating profit increased by 42.6%, and by 49.8% at constant FX, driven by the solid core revenue increase which offset higher investments towards RRP, inflation-led cost increases, and an unfavorable impact from the stronger Japanese yen.

- **Volume and market share**

Total volume increased by 3.2%, mainly driven by the inclusion of the Vector Group and solid growth in Turkey, supported by many markets. GFB volume was up by 3.6%, fueled by Winston (+6.2%) and Camel (+3.2%). RRP volume grew by 50.0%, notably driven by the Czech Republic, Global Travel Retail and Poland.

Total tobacco market share increased across the cluster, including in Algeria, Azerbaijan, Canada, the Czech Republic, Hungary, Iran, Lebanon, Mexico, Montenegro, Poland, Romania, Saudi Arabia, Serbia, the Slovak Republic, Slovenia, South Africa, Turkey and the USA.

- **By market**

In Romania, total volume was resilient (+0.2%), driven by Winston increasing by 17.9% as well as by RRP volume growing by +60.9%, fueled by Ploom. Year-to-date total tobacco market share increased by 0.5ppt to 26.4%.

Core revenue at constant FX increased, driven by a positive price/mix contribution.

In Russia, despite the growth of Winston (+2.4%) and Camel (+5.4%), total volume declined by 0.9%, due to unfavorable inventory movements. Excluding inventory adjustments, total volume grew by 3.8% within an industry volume growing by an estimated 3.6%. Year-to-date combustibles market share was up by 0.3ppt to 41.8%, while total market share declined by 0.5ppt due to the growth of the RRP category.

Core revenue at constant FX grew, driven by a positive price/mix contribution.

In Turkey, within a growing industry, total volume increased by 19.1%, driven by Winston (+25.3%), Camel (+5.4%), and LD (+15.3%). Year-to-date total tobacco market share increased by 3.1ppt to 30.1%, mainly fueled by Winston.

Core revenue at constant FX increased, driven by the positive contribution of volume and price/mix.

In the USA, within a declining industry, total volume increased, boosted by the inclusion of the Vector Group and continued growth of LD (+28.5%), capturing consumers in the growing value segment. Combustibles market share grew by 6.3ppt to 8.4%, driven by LD and the continued momentum of Montego post the acquisition of the Vector Group.

Core revenue at constant FX increased, driven by the positive volume contribution, mainly from the Vector Group acquisition, and a favorable price/mix variance.

Source:

Figures for market share are based on JT Group estimates on year-to-date average. Year-to-date share of market growth for 2025 is calculated against year-to-date shares of market at the end of the respective period in 2024. Algeria, France, Germany, Hungary, Iran, the Netherlands, South Korea, Switzerland and the UK are on a year-to-date average at the end of May 2025.

Figures for industry volume are based on JT Group estimates on sum of year-to-date period. Year-to-date industry volume variance for 2025 is calculated against year-to-date industry volume at the end of the respective period in 2024. Turkey is on sum of year-to-date period at the end of May 2025.

Processed Food Business

(billions of JPY)	Q2 2025	Q2 2024	Variance	2025 YTD	2024 YTD	Variance
Revenue	40.3	38.1	+2.2	76.7	73.8	+2.9
Adjusted operating profit	1.8	2.3	-0.6	2.6	4.4	-1.8

Q2 2025

- **Revenue and adjusted operating profit**
Revenue increased, driven by the contribution of price revisions as well as higher sales of certain products in the frozen and ambient foods business.
Adjusted operating profit decreased, as the revenue growth was offset by the increase in raw material costs.

2025 YTD

- **Revenue and adjusted operating profit**
Revenue increased, and adjusted operating profit decreased, in each case for the same reasons given for the second quarter.

Pharmaceutical Business*

(billions of JPY)	Q2 2025	Q2 2024	Variance	2025 YTD	2024 YTD	Variance
Revenue	22.9	20.7	+2.2	48.3	44.1	+4.3
Adjusted operating profit	-0.3	0.2	-0.5	4.2	4.0	+0.2

*The Pharmaceutical business will be classified as a discontinued operation starting in the third quarter.

Q2 2025

- **Revenue and adjusted operating profit**
Revenue increased, driven by sales growth in the area of skin diseases and allergens at the consolidated subsidiary, Torii Pharmaceutical, as well as an increase in overseas royalty income.
Adjusted operating profit was negative JPY 0.3 billion, as the revenue growth was more than offset by an increase in SG&A expenses.

2025 YTD

- **Revenue and adjusted operating profit**
Revenue increased for the same reasons given for the second quarter.
Adjusted operating profit was broadly stable, as the positive impact of higher revenue offset an increase in SG&A expenses.

FY2025 Revised Forecasts

Consolidated Forecasts

(billions of JPY)	2025 Revised Forecasts	2025 Initial Forecasts	Variance vs. Initial Forecasts	Variance vs. 2024 Results
Revenue	3,344.0	3,273.0	+71.0	+6.2%
Adjusted operating profit	824.0	735.0	+89.0	+9.6%
Operating profit	739.0	671.0	+68.0	+128.5%
Profit	494.0	450.0	+44.0	+175.6%
Free cash flow	236.0	348.0	-112.0	+65.5 billion
Core revenue at constant FX	3,286.0	3,232.0	+54.0	+8.4%
Adjusted operating profit at constant FX	862.0	815.0	+47.0	+14.6%
Basic EPS* (JPY)	278.25	253.44	+24.81	+175.6%

*Based on profit

- **Revenue**
Revenue forecast was revised upward by JPY 71.0 billion, resulting in a 6.2% increase year on year, driven by upward revisions in the tobacco and processed food businesses. At constant FX, core revenue was revised upward by JPY 54.0 billion, resulting in an 8.4% increase year on year.
- **Adjusted operating profit**
Adjusted operating profit was revised upward by JPY 89.0 billion, driven by upward revisions in the tobacco and pharmaceutical businesses, resulting in a 9.6% increase year on year. At constant FX, adjusted operating profit was revised upward by JPY 47.0 billion, resulting in a 14.6% increase year on year.
- **Operating profit**
Operating profit was revised upward by JPY 68.0 billion, resulting in a 128.5% increase year on year, driven by the upward revision of adjusted operating profit, partially offset by an adjustment related to impairment costs tied to the transfer of the pharmaceutical business.
- **Profit**
Profit was revised upward by JPY 44.0 billion, resulting in a 175.6% increase year on year, driven by the upward revision of operating profit which offset the increased financial costs.
- **Free cash flow**
Free cash flow was revised downward by JPY 112.0 billion, still resulting in a JPY 65.5 billion increase year on year. The upward revision in adjusted operating profit and cash inflows related to the transfer of the pharmaceutical business are not expected to offset the initial payments related to the provision for Canadian litigation settlement and the increase in working capital.

Forecasts by Business Segment

Tobacco Business

(billions of JPY)	2025 Revised Forecast	2025 Initial Forecast	Variance vs. Initial Forecast	Variance vs. 2024 Results
Core revenue	2,995.0	2,925.0	+70.0	+7.8% (+9.8%)*
Adjusted operating profit	860.0	776.0	+84.0	+8.6% (+13.4%)*

*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue forecast for the full year of 2025 was revised upward by JPY 70 billion, to reflect the robust pricing contributions in the first half and the improved volume assumptions, partially offset by the negative impact from the revised FX rates assumptions, including a stronger Japanese yen. Core revenue is now expected to increase by 7.8%, and by 9.8% at constant FX, versus 2024.

Adjusted operating profit forecast for the full year of 2025 was revised upward by JPY 84 billion, mainly reflecting the higher revenue contribution, partially offset by the increased investment in RRP to strengthen the presence of Ploom. Regarding FX, the unfavorable impact is expected to be lower than initially forecasted, due to the revised currency assumptions. As a result, adjusted operating profit is now expected to increase by 8.6%, and by 13.4% at constant FX, versus 2024.

- **Volume**

The forecast for total volume is now expected to decline by approximately 1.0%, versus the initial forecast of between -2.0% to -1.0%. This revised forecast reflects the momentum in Global Flagship Brands and market share gains within the improved combustibles industry size in several markets.

Processed Food Business

(billions of JPY)	2025 Revised Forecasts	2025 Initial Forecasts	Variance vs. Initial Forecasts	Variance vs. 2024 Results
Revenue	165.0	163.0	+2.0	+7.8
Adjusted operating profit	8.5	8.5	-	+0.4

- **Revenue and adjusted operating profit**

Revenue was revised upward by JPY 2.0 billion, reflecting the stronger sales of certain products in the frozen and ambient foods business. As a result, revenue is expected to grow by JPY 7.8 billion compared to the previous year.

Adjusted operating profit remains unchanged from the initial forecast due to an increase in raw material costs, despite the upward revision of revenue. Compared to the previous year, adjusted operating profit is expected to grow by JPY 0.4 billion.

Pharmaceutical Business*

(billions of JPY)	2025 Revised Forecasts	2025 Initial Forecasts	Variance vs. Initial Forecasts	Variance vs. 2024 Results
Revenue	69.0	97.0	-28.0	-25.5
Adjusted operating profit	10.0	4.0	+6.0	+0.8

*Pharmaceutical business will be classified as a discontinued operation starting in the third quarter.

- **Revenue and adjusted operating profit**

Revenue was revised downward by JPY 28.0 billion from the initial forecast, mainly due to the deconsolidation of the pharmaceutical business and Torii Pharmaceutical, following the transfer of the pharmaceutical business and the sale of shares in Torii, despite higher overseas royalty income. As a result, revenue is expected to decrease by JPY 25.5 billion compared to the previous year.

Adjusted operating profit was revised upward by JPY 6.0 billion, mainly due to the exclusion of R&D expenses following the business transfer mentioned above, despite a downward revision in revenue. Compared to the previous year, adjusted operating profit is expected to grow by JPY 0.8 billion.

Data Sheets

Results for FY2025 Second Quarter

1. Summary of consolidated results

(JPY BN)

	Q2 YTD 2025	Q2 YTD 2024	Variance (abs)	Variance (%)
Revenue	1,734.5	1,569.9	+164.7	+10.5%
Operating profit	479.9	432.7	+47.2	+10.9%
Adjusted operating profit	539.9	453.1	+86.8	+19.2%
Profit before income taxes	437.8	399.1	+38.7	+9.7%
Profit	319.9	305.2	+14.7	+4.8%
Basic EPS*(JPY)	180.19	171.89	+8.30	+4.8%

*Based on profit

[Reference]

(JPY BN)

	Q2 YTD 2025	Q2 YTD 2024	Variance (abs)	Variance (%)
Core revenue at constant FX	1,724.5	1,510.4	+214.1	+14.2%
Adjusted operating profit at constant FX	565.1	453.1	+112.1	+24.7%

2. Results by business segment

(JPY BN)

	Q2 YTD 2025	Q2 YTD 2024	Variance (abs)	Variance (%)
Consolidated revenue	1,734.5	1,569.9	+164.7	+10.5%
Tobacco	1,608.8	1,451.4	+157.4	+10.8%
Core revenue	1,552.5	1,391.8	+160.7	+11.5%
Pharmaceutical	48.3	44.1	+4.3	+9.7%
Processed food	76.7	73.8	+2.9	+4.0%
Others	0.7	0.7	+0.0	+4.3%
Consolidated operating profit	479.9	432.7	+47.2	+10.9%
Tobacco	520.9	449.6	+71.3	+15.9%
Pharmaceutical	-20.2	4.0	-24.2	-
Processed food	3.0	4.3	-1.4	-31.3%
Others/Elimination	-23.9	-25.3	+1.4	-
Adjustments, total	-60.0	-20.4	-39.6	
Tobacco	-35.2	-22.5	-12.7	
Pharmaceutical	-24.3	-	-24.3	
Processed food	0.4	-0.0	+0.4	
Others/Elimination	-0.9	2.1	-3.0	
Consolidated adjusted operating profit	539.9	453.1	+86.8	+19.2%
Tobacco	556.1	472.1	+84.0	+17.8%
Pharmaceutical	4.2	4.0	+0.2	+4.2%
Processed food	2.6	4.4	-1.8	-41.2%
Others/Elimination	-23.0	-27.4	+4.4	-

Results for FY2025 Second Quarter

3. Depreciation and amortization*

(JPY BN)

	Q2 YTD 2025	Q2 YTD 2024	Variance (abs)
Consolidated depreciation and amortization	84.4	74.7	+9.7
Tobacco	77.0	68.2	+8.8
Pharmaceutical	2.9	2.0	+0.9
Processed food	3.4	3.3	+0.1
Others/Elimination	1.1	1.3	-0.2

*Excluding depreciation from lease transactions

4. Consolidated financial position

(JPY BN)

	2025 Jun. end	2024 Dec. end	Variance (abs)
Total assets	8,262.8	8,370.7	-107.9
Total equity	4,141.8	3,848.7	+293.1
Equity attributable to owners of the parent company	4,059.6	3,766.6	+293.0
BPS (attributable to owners of the parent company) (JPY)	2,286.58	2,121.33	+165.24

5. Liquidity and interest-bearing debt

(JPY BN)

	2025 Jun. end	2024 Dec. end	Variance (abs)
Liquidity	940.4	1,184.5	-244.0
Interest-bearing debt	1,626.4	1,726.8	-100.4

6. Consolidated cash flow

(JPY BN)

	Q2 YTD 2025	Q2 YTD 2024	Variance (abs)
Cash flows from operating activities	167.5	260.2	-92.8
Cash flows from investing activities	-132.0	-28.7	-103.3
Cash flows from financing activities	-230.9	-267.5	+36.6
Cash and cash equivalents, beginning of the period	1,084.6	1,040.2	+44.4
Foreign currency translation adj. on cash & cash equivalents	-3.2	83.6	-86.8
Cash and cash equivalents, end of the period	865.2	1,087.8	-222.7
FCF	-23.6	179.8	-203.4

7. Capital expenditures

(JPY BN)

	Q2 YTD 2025	Q2 YTD 2024	Variance (abs)
Consolidated capital expenditures	56.4	58.2	-1.8
Tobacco	49.7	50.3	-0.6
Pharmaceutical	2.6	5.3	-2.8
Processed food	2.5	1.7	+0.8
Others/Elimination	1.7	0.9	+0.7

8. Tobacco business FX rate

	Q2 YTD 2025	Q2 YTD 2024	Variance (abs)	Variance (%)
100JPY/USD	0.67	0.66	+0.02	-2.3%
100JPY/RUB	58.51	59.67	-1.16	+2.0%
100JPY/GBP	0.52	0.52	-0.00	+0.1%
100JPY/EUR	0.62	0.61	+0.01	-1.4%
100JPY/CHF	0.58	0.58	-0.00	+0.7%
100JPY/TWD	21.46	20.97	+0.49	-2.3%
100JPY/PHP	38.45	37.41	+1.04	-2.7%

FY2025 Revised Forecasts vs FY2024 (as of July 31, 2025)

1. Summary of consolidated forecasts

(JPY BN)

	FY2025 Revised Forecasts	FY2024 Results	Variance (abs)	Variance (%)
Revenue	3,344.0	3,149.8	+194.2	+6.2%
Operating profit	739.0	323.5	+415.5	+128.5%
Adjusted operating profit	824.0	751.9	+72.1	+9.6%
Profit	494.0	179.2	+314.8	+175.6%

[Reference]

(JPY BN)

	FY2025 Revised Forecasts	FY2024 Results	Variance (abs)	Variance (%)
Core revenue at constant FX	3,286.0	3,031.8	+254.2	+8.4%
Adjusted operating profit at constant FX	862.0	751.9	+110.1	+14.6%

2. EPS, DPS, ROE

(JPY)

	FY2025 Revised Forecasts	FY2024 Results	Variance (abs)	Variance (%)
Basic EPS*	278.25	100.95	+177.30	+175.6%
DPS	208	194	+14	+7.2%
Dividend payout ratio*	74.8%	74.3%**		
ROE*	12.8%	11.8%**	+1.0ppt	

*Based on profit

**Excluding provision for litigation losses related to the Canadian settlement

3. Forecasts by business segment

(JPY BN)

	FY2025 Revised Forecasts	FY2024 Results	Variance (abs)	Variance (%)
Consolidated revenue	3,344.0	3,149.8	+194.2	+6.2%
Tobacco	3,108.0	2,896.6	+211.4	+7.3%
Core revenue	2,995.0	2,778.6	+216.4	+7.8%
Pharmaceutical	69.0	94.5	-25.5	-27.0%
Processed food	165.0	157.2	+7.8	+5.0%
Others	2.0	1.6	+0.4	+28.6%
Consolidated operating profit	739.0	323.5	+415.5	+128.5%
Tobacco	791.0	354.6	+436.4	+123.1%
Pharmaceutical	-11.0	9.2	-20.2	-
Processed food	8.5	8.0	+0.5	+6.2%
Others/Elimination	-49.5	-48.4	-1.1	-
Consolidated adjusted operating profit	824.0	751.9	+72.1	+9.6%
Tobacco	860.0	791.8	+68.2	+8.6%
Pharmaceutical	10.0	9.2	+0.8	+8.3%
Processed food	8.5	8.1	+0.4	+5.3%
Others/Elimination	-54.5	-57.2	+2.7	-

FY2025 Revised Forecasts vs FY2024 (as of July 31, 2025)

4. Free cash flow

(JPY BN)

	FY2025 Revised Forecasts	FY2024 Results	Variance (abs)
FCF	236.0	170.5	+65.5

5. Capital expenditures

(JPY BN)

	FY2025 Revised Forecasts	FY2024 Results	Variance (abs)
Consolidated capital expenditures	169.0	150.7	+18.3
Tobacco	154.0	135.0	+19.0
Pharmaceutical	3.0	7.0	-4.0
Processed food	9.0	6.1	+2.9
Others/Elimination	3.0	2.6	+0.4

6. Assumptions of 2025 Forecasts

Tobacco business

- Total volume: a decrease of approx. 1.0% vs. 2024
- GFB volume: a decrease of approx. 0.5% vs. 2024

<Tobacco Business FX assumptions>

	FY2025 Revised Forecasts	FY2024 Results	Variance (abs)	Variance (%)
100YEN / USD	0.68	0.66	+0.02	-2.9%
100YEN / RUB	58.60	61.14	-2.54	+4.3%
100YEN / GBP	0.53	0.52	+0.01	-2.5%
100YEN / EUR	0.63	0.61	+0.02	-3.1%
100YEN / CHF	0.60	0.58	+0.02	-3.1%
100YEN / TWD	22.10	21.21	+0.89	-4.0%
100YEN / PHP	39.10	37.84	+1.26	-3.2%

FY2025 Revised Forecasts vs Initial Forecasts (as of July 31 2025)

1. Summary of consolidated forecasts

(JPY BN)

	FY2025 Revised Forecasts	FY2025 Initial Forecasts	Variance (abs)	Variance (%)
Revenue	3,344.0	3,273.0	+71.0	+2.2%
Operating profit	739.0	671.0	+68.0	+10.1%
Adjusted operating profit	824.0	735.0	+89.0	+12.1%
Profit	494.0	450.0	+44.0	+9.8%

[Reference]

(JPY BN)

	FY2025 Revised Forecasts	FY2025 Initial Forecasts	Variance (abs)	Variance (%)
Core revenue at constant FX	3,286.0	3,232.0	+54.0	+1.7%
Adjusted operating profit at constant FX	862.0	815.0	+47.0	+5.8%

2. EPS, DPS, ROE

(JPY)

	FY2025 Revised Forecasts	FY2025 Initial Forecasts	Variance (abs)	Variance (%)
Basic EPS*	278.25	253.44	+24.81	+9.8%
DPS	208	194	+14	+7.2%
Dividend payout ratio*	74.8%	76.5%		
ROE*	12.8%	11.1%	+1.8ppt	

*Based on profit

3. Forecasts by business segment

(JPY BN)

	FY2025 Revised Forecasts	FY2025 Initial Forecasts	Variance (abs)	Variance (%)
Consolidated revenue	3,344.0	3,273.0	+71.0	+2.2%
Tobacco	3,108.0	3,011.0	+97.0	+3.2%
Core revenue	2,995.0	2,925.0	+70.0	+2.4%
Pharmaceutical	69.0	97.0	-28.0	-28.9%
Processed food	165.0	163.0	+2.0	+1.2%
Others	2.0	2.0	-	-
Consolidated operating profit	739.0	671.0	+68.0	+10.1%
Tobacco	791.0	705.0	+86.0	+12.2%
Pharmaceutical	-11.0	4.0	-15.0	-
Processed food	8.5	9.0	-0.5	-5.6%
Others/Elimination	-49.5	-47.0	-2.5	-
Consolidated adjusted operating profit	824.0	735.0	+89.0	+12.1%
Tobacco	860.0	776.0	+84.0	+10.8%
Pharmaceutical	10.0	4.0	+6.0	+150.0%
Processed food	8.5	8.5	-	-
Others/Elimination	-54.5	-53.5	-1.0	-

FY2025 Revised Forecasts vs Initial Forecasts (as of July 31 2025)

4. Free cash flow

(JPY BN)

	FY2025 Revised Forecasts	FY2025 Initial Forecasts	Variance (abs)
FCF	236.0	348.0	-112.0

5. Capital expenditures

(JPY BN)

	FY2025 Revised Forecasts	FY2025 Initial Forecasts	Variance (abs)
Consolidated capital expenditures	169.0	176.0	-7.0
Tobacco	154.0	152.0	+2.0
Pharmaceutical	3.0	9.0	-6.0
Processed food	9.0	12.0	-3.0
Others/Elimination	3.0	3.0	-

6. Assumption of 2025 Forecasts

Tobacco business	Revised Forecasts	Initial Forecasts
Total volume	a decrease of approx. 1.0% vs. 2024	a decrease of approx. 2.0%~1.0% vs. 2024
GFB volume	a decrease of approx. 0.5% vs. 2024	a decrease of approx. 2.5%~1.5% vs. 2024

<Tobacco Business FX assumptions>

	FY2025 Revised Forecasts	FY2025 Initial Forecasts	Variance (abs)	Variance (%)
100YEN / USD	0.68	0.65	+0.03	-4.4%
100YEN / RUB	58.60	64.50	-5.90	+10.1%
100YEN / GBP	0.53	0.51	+0.02	-3.8%
100YEN / EUR	0.63	0.63	-	-
100YEN / CHF	0.60	0.59	+0.01	-1.7%
100YEN / TWD	22.10	21.30	+0.80	-3.6%
100YEN / PHP	39.10	37.30	+1.80	-4.6%

Tobacco Business Data

1. Summary

2025	Q1	Q2	Q3	Q4	YTD	
Total volume	134.4	148.8			283.3	BNU
(vs. PY)	-1.3%	+2.6%			+0.7%	
Combustibles volume	131.4	145.6			277.0	BNU
(vs. PY)	-1.7%	+2.3%			+0.3%	
GFB volume	95.7	106.8			202.5	BNU
(vs. PY)	-1.0%	+3.2%			+1.1%	
RRP volume	3.0	3.3			6.3	BNU
(vs. PY)	+19.0%	+21.4%			+20.2%	
HTS volume	2.3	2.6			5.0	BNU
(vs. PY)	+27.7%	+31.2%			+29.5%	
Core revenue	738.5	814.0			1,552.5	JPY BN
(vs. PY)	+13.0%	+10.2%			+11.5%	
	(+14.0%)*	(+15.6%)*			(+14.9%)*	
RRP-related revenue	26.6	29.2			55.8	JPY BN
(vs. PY)	+11.3%	+8.8%			+10.0%	
Adjusted operating profit	273.2	282.9			556.1	JPY BN
(vs. PY)	+17.8%	+17.8%			+17.8%	
	(+20.9%)*	(+25.3%)*			(+23.1%)*	

*at constant FX

2. Breakdown of core revenue

(JPY BN)

	Q1	Q2	Q3	Q4	YTD
2024	653.3	738.5			1,391.8
Volume	+9.2	+32.5			+41.7
Price/Mix	+82.6	+82.6			+165.2
2025@PY	745.1	853.6			1,598.7
FX	-6.6	-39.6			-46.2
2025	738.5	814.0			1,552.5

3. Breakdown of adjusted operating profit

(JPY BN)

	Q1	Q2	Q3	Q4	YTD
2024	231.9	240.2			472.1
Volume	+7.6	+23.6			+31.2
Price/Mix	+81.7	+78.4			+160.1
Others	-40.8	-41.3			-82.1
2025@PY	280.4	300.9			581.4
FX	-7.2	-18.1			-25.2
2025	273.2	282.9			556.1

Tobacco Business Data

4. Contribution by cluster (vs. PY)

Sales Volume

(BNU)

Asia	Q1 2025		Q2 2025		Q3 2025	Q4 2025	YTD	
Total volume	29.9	-2.4%	32.5	+1.6%			62.5	-0.4%
Combustibles volume	27.5	-4.0%	29.8	-0.2%			57.3	-2.0%
GFB volume	19.9	-2.2%	21.4	+0.7%			41.3	-0.7%
RRP volume	2.4	+20.0%	2.7	+25.5%			5.1	+22.8%

Western Europe	Q1 2025		Q2 2025		Q3 2025	Q4 2025	YTD	
Total volume	23.7	-9.3%	25.3	-2.2%			49.0	-5.8%
Combustibles volume	23.4	-9.4%	25.0	-2.0%			48.4	-5.7%
GFB volume	17.2	-9.5%	18.6	+0.0%			35.8	-4.8%
RRP volume	0.3	-5.5%	0.3	-13.0%			0.6	-9.3%

EMA	Q1 2025		Q2 2025		Q3 2025	Q4 2025	YTD	
Total volume	80.8	+1.7%	91.0	+4.5%			171.8	+3.2%
Combustibles volume	80.6	+1.6%	90.7	+4.4%			171.3	+3.1%
GFB volume	58.6	+2.2%	66.8	+5.0%			125.4	+3.6%
RRP volume	0.2	+63.2%	0.3	+39.6%			0.5	+50.0%

Financials

(JPY BN)

Asia	Q1 2025		Q2 2025		Q3 2025	Q4 2025	YTD	
Core revenue	201.0	+0.7%	216.3	+4.7%			417.3	+2.8%
		(+1.2%)*		(+7.8%)*				(+4.6%)*
AOP	67.9	-7.8%	69.0	+3.3%			136.9	-2.5%
		(+0.8%)*		(+8.1%)*				(+4.2%)*

Western Europe	Q1 2025		Q2 2025		Q3 2025	Q4 2025	YTD	
Core revenue	176.7	+2.4%	187.1	+2.9%			363.8	+2.6%
		(+1.8%)*		(+5.2%)*				(+3.5%)*
AOP	81.0	+2.8%	79.1	+11.2%			160.1	+6.8%
		(+3.4%)*		(+14.3%)*				(+8.5%)*

EMA	Q1 2025		Q2 2025		Q3 2025	Q4 2025	YTD	
Core revenue	360.9	+28.3%	410.6	+17.3%			771.4	+22.2%
		(+30.7%)*		(+25.6%)*				(+27.9%)*
AOP	124.3	+56.5%	134.8	+31.8%			259.1	+42.6%
		(+57.0%)*		(+44.2%)*				(+49.8%)*

*at constant FX

Tobacco Business Data

5. Breakdown of core revenue by cluster

(JPY BN)

Asia		Q1	Q2	Q3	Q4	YTD
	2024	199.5	206.6			406.1
	Volume	-7.3	+1.6			-5.7
	Price/Mix	+9.7	+14.5			+24.2
	2025@PY	201.9	222.7			424.7
	FX	-0.9	-6.4			-7.3
	2025	201.0	216.3			417.3
Western Europe		Q1	Q2	Q3	Q4	YTD
	2024	172.6	181.8			354.4
	Volume	-16.0	-10.8			-26.9
	Price/Mix	+19.1	+20.2			+39.3
	2025@PY	175.6	191.3			366.9
	FX	+1.0	-4.2			-3.1
	2025	176.7	187.1			363.8
EMA		Q1	Q2	Q3	Q4	YTD
	2024	281.2	350.1			631.3
	Volume	+32.5	+41.7			+74.3
	Price/Mix	+53.8	+47.8			+101.6
	2025@PY	367.5	439.6			807.2
	FX	-6.7	-29.1			-35.7
	2025	360.9	410.6			771.4

6. Breakdown of adjusted operating profit by cluster

(JPY BN)

Asia		Q1	Q2	Q3	Q4	YTD
	2024	73.6	66.9			140.4
	Volume	-8.0	-1.9			-9.9
	Price/Mix	+9.4	+13.5			+22.9
	Others	-0.8	-6.3			-7.1
	2025@PY	74.1	72.2			146.4
	FX	-6.3	-3.2			-9.5
	2025	67.9	69.0			136.9
Western Europe		Q1	Q2	Q3	Q4	YTD
	2024	78.8	71.1			149.9
	Volume	-11.5	-8.2			-19.7
	Price/Mix	+19.1	+19.9			+39.0
	Others	-4.9	-1.6			-6.5
	2025@PY	81.5	81.2			162.7
	FX	-0.5	-2.2			-2.6
	2025	81.0	79.1			160.1
EMA		Q1	Q2	Q3	Q4	YTD
	2024	79.5	102.3			181.7
	Volume	+27.1	+33.7			+60.8
	Price/Mix	+53.2	+44.9			+98.2
	Others	-35.1	-33.4			-68.5
	2025@PY	124.7	147.5			272.2
	FX	-0.4	-12.7			-13.1
	2025	124.3	134.8			259.1

Tobacco Business Data

7. GFB volume by brand (vs. PY)

(BNU)

2025	Q1	Q2	Q3	Q4	YTD
Winston	50.2	56.7			106.9
	-0.9%	+6.5%			+2.9%
Camel	26.0	28.8			54.8
	+1.1%	+3.8%			+2.5%
MEVIUS	9.7	10.4			20.1
	-4.7%	-6.5%			-5.6%
LD	9.8	10.8			20.7
	-3.2%	-4.5%			-3.9%

8. FX actual (vs. PY)

2025	Q1	Q2	Q3	Q4	YTD
100JPY / USD	0.66	0.69			0.67
	+2.9%	-7.2%			-2.3%
100JPY / RUB	61.13	55.89			58.51
	+0.1%	+4.1%			+2.0%
100JPY / GBP	0.52	0.52			0.52
	+2.1%	-1.8%			+0.1%
100JPY / EUR	0.62	0.61			0.62
	-0.4%	-2.3%			-1.4%
100JPY / CHF	0.59	0.57			0.58
	-0.1%	+1.5%			+0.7%
100JPY / TWD	21.54	21.39			21.46
	-1.7%	-2.9%			-2.3%
100JPY / PHP	37.98	38.91			38.45
	-0.7%	-4.6%			-2.7%

Tobacco Business Data

9. Key markets

Source: JT Group estimates

Total SoM and SoV are computed based on Combustibles (excluding Waterpipe, Pipe tobacco and Cigars), HTS and Infused

Total SoM and SoV for the UK are computed based on a year-to-date period at the end of May 2025

Japan

<i>Volume evolution</i>					(BNU)
2025	Q1	Q2	Q3	Q4	YTD
Total volume	14.2	15.4			29.6
	-3.6%	-2.3%			-2.9%
Combustibles volume	11.8	12.7			24.5
	-7.2%	-6.5%			-6.9%
RRP volume	2.4	2.7			5.1
	+19.3%	+24.6%			+22.0%
HTS volume	2.0	2.3			4.3
	+26.7%	+31.5%			+29.2%

Share evolution

2025	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	40.0%	40.6%			40.3%	-1.1ppt
Combustibles SoM	33.1%	33.5%			33.3%	-2.4ppt
GFB (SoM)	23.1%	23.3%			23.2%	-1.7ppt
Winston (SoM)	3.0%	3.0%			3.0%	-0.3ppt
Camel (SoM)	6.1%	6.1%			6.1%	-0.2ppt
MEVIUS (SoM)	14.0%	14.2%			14.1%	-1.2ppt
Seven Stars (SoM)	4.4%	4.5%			4.4%	-0.1ppt
RRP SoM*	6.8%	7.1%			7.0%	+1.3ppt
HTS SoS	12.7%	13.6%			13.1%	+2.0ppt
Total SoV	39.9%	40.5%			40.2%	-1.3ppt

*Data for RRP SoM reflects HTS and Infused

The Philippines

<i>Volume evolution</i>					(BNU)
2025	Q1	Q2	Q3	Q4	YTD
Total volume	5.3	5.8			11.1
	-7.8%	+1.8%			-3.0%

Share evolution

2025	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	48.3%	49.1%			48.7%	-0.7ppt
GFB (SoM)	29.7%	30.5%			30.1%	+2.6ppt
Winston (SoM)	7.7%	7.8%			7.8%	-1.3ppt
Camel (SoM)	21.2%	21.8%			21.5%	+3.1ppt
Total SoV	47.6%	48.4%			48.0%	+0.8ppt

Taiwan*

<i>Volume evolution</i>					(BNU)
2025	Q1	Q2	Q3	Q4	YTD
Total volume	3.4	3.4			6.7
	-3.5%	-2.2%			-2.8%

Share evolution

2025	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	52.4%	52.8%			52.6%	+1.9ppt
GFB (SoM)	42.3%	42.7%			42.5%	+1.2ppt
Winston (SoM)	13.9%	14.2%			14.0%	-0.0ppt
MEVIUS (SoM)	19.3%	19.1%			19.2%	-0.1ppt
LD (SoM)	9.1%	9.5%			9.3%	+1.3ppt
Total SoV	55.8%	56.1%			55.9%	+1.3ppt

*Data for SoM and SoV includes Combustibles only

Tobacco Business Data

Italy

Volume evolution

					(BNU)
2025	Q1	Q2	Q3	Q4	YTD
Total volume	4.7	5.1			9.8
	-12.7%	+1.9%			-5.7%
Combustibles volume	4.7	5.1			9.7
	-12.3%	+2.5%			-5.2%
RRP volume	0.0	0.0			0.1
	-36.1%	-39.3%			-37.7%

Share evolution

2025	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	23.6%	23.8%			23.7%	+0.1ppt
GFB (SoM)	18.7%	19.4%			19.1%	-0.3ppt
Winston (SoM)	12.3%	12.8%			12.6%	-0.3ppt
Camel (SoM)	6.4%	6.6%			6.5%	+0.0ppt
HTS SoS	1.4%	1.5%			1.5%	+0.1ppt
Total SoV	23.4%	23.7%			23.6%	+0.4ppt

Spain

Volume evolution

					(BNU)
2025	Q1	Q2	Q3	Q4	YTD
Total volume	3.9	3.7			7.5
	-3.0%	-4.1%			-3.5%
Combustibles volume	3.8	3.7			7.5
	-3.0%	-4.2%			-3.6%
RRP volume	0.0	0.0			0.0
	n/r	n/r			n/r

Share evolution

2025	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	27.6%	27.8%			27.7%	+0.0ppt
GFB (SoM)	25.9%	25.8%			25.9%	+0.3ppt
Winston (SoM)	14.5%	14.3%			14.4%	+0.1ppt
Camel (SoM)	11.4%	11.5%			11.5%	+0.1ppt
HTS SoS	1.0%	1.4%			1.2%	+0.9ppt
Total SoV	27.4%	27.7%			27.6%	-0.0ppt

The UK

Volume evolution

					(BNU)
2025	Q1	Q2	Q3	Q4	YTD
Total volume	2.7	2.8			5.5
	-18.3%	-12.5%			-15.5%
Combustibles volume	2.6	2.7			5.3
	-19.4%	-13.0%			-16.3%
RRP volume	0.1	0.1			0.2
	+40.8%	+7.7%			+22.1%

Share evolution

2025	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	43.7%	43.6%			43.6%	+0.6ppt
GFB (SoM)	0.1%	0.1%			0.1%	+0.0ppt
Amber Leaf (SoM)	9.2%	9.1%			9.2%	-0.4ppt
Sterling (SoM)	10.6%	10.4%			10.5%	-0.7ppt
Benson & Hedges (SoM)	11.6%	11.7%			11.7%	-0.2ppt
HTS SoS	4.6%	5.0%			4.8%	+2.0ppt
Total SoV	44.1%	44.1%			44.1%	+0.2ppt

Tobacco Business Data

Romania

Volume evolution

					(BNU)
2025	Q1	Q2	Q3	Q4	YTD
Total volume	1.7	1.9			3.6
	-0.3%	+0.6%			+0.2%
Combustibles volume	1.6	1.9			3.6
	-1.0%	+0.6%			-0.1%
RRP volume	0.0	0.0			0.0
	+267.4%	-10.8%			+60.9%

Share evolution

2025	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	26.5%	26.3%			26.4%	+0.5ppt
GFB (SoM)	19.5%	18.8%			19.1%	+1.6ppt
Winston (SoM)	12.9%	12.6%			12.7%	+1.9ppt
Camel (SoM)	6.6%	6.2%			6.4%	-0.3ppt
HTS SoS	1.4%	1.6%			1.5%	+0.8ppt
Total SoV	27.7%	27.7%			27.7%	+0.9ppt

Russia

Volume evolution

					(BNU)
2025	Q1	Q2	Q3	Q4	YTD
Total volume	18.2	21.1			39.4
	-1.6%	-0.3%			-0.9%

Share evolution

2025	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	36.8%	36.9%			36.8%	-0.5ppt
GFB (SoM)	29.7%	30.0%			29.9%	-0.1ppt
Winston (SoM)	14.0%	14.2%			14.1%	+0.3ppt
Camel (SoM)	9.2%	9.5%			9.4%	+0.5ppt
LD (SoM)	6.5%	6.1%			6.3%	-0.9ppt
Total SoV	38.5%	38.9%			38.7%	-0.2ppt

Turkey*

Volume evolution

					(BNU)
2025	Q1	Q2	Q3	Q4	YTD
Total volume	10.1	12.7			22.8
	+13.0%	+24.6%			+19.1%

Share evolution

2025	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	28.5%	31.5%			30.1%	+3.1ppt
GFB (SoM)	25.7%	28.5%			27.2%	+2.8ppt
Winston (SoM)	18.2%	20.7%			19.5%	+2.6ppt
Camel (SoM)	5.4%	5.6%			5.5%	-0.1ppt
LD (SoM)	2.2%	2.3%			2.2%	+0.2ppt
Total SoV	27.6%	30.6%			29.2%	+3.1ppt

*Data for SoM and SoV includes Combustibles only

The USA*

Volume evolution

					(BNU)
2025	Q1	Q2	Q3	Q4	YTD
Total volume	2.8	3.2			6.0
	+284.2%	+246.8%			+263.5%

Share evolution

2025	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	8.3%	8.4%			8.4%	+6.3ppt
LD (SoM)	2.4%	2.8%			2.6%	+0.7ppt
Montego (SoM)	4.4%	4.3%			4.4%	+4.4ppt

*Data for SoM includes Combustibles only

Pharmaceutical Business

Clinical Development as of July 31, 2025

<In-house development>

Code (Generic Name)	Potential Indication/Dosage form	Mechanism		Phase (Region)	Origin	Note
JTE-052 (delgocitinib)	Autoimmune/allergic diseases /Oral, Topical	JAK inhibitor	Suppresses overactive immune response via inhibition of Janus kinase (JAK) related to immune signal.	Phase1 (Japan)	In-house	
JTE-051	Interstitial cystitis/Bladder pain syndrome, Autoinflammatory/ Autoimmune diseases /Oral	TrkA/ITK inhibitor	Suppresses pain and overactive immune response by inhibiting TrkA and ITK.	Phase2 (Japan)	In-house	
				Phase2 (Overseas)		
JTT-662	Type 2 diabetes mellitus /Oral	SGLT1 inhibitor	Suppresses postprandial hyperglycemia and normalizes blood glucose level via inhibition of SGLT1.	Phase1 (Overseas)	In-house	
JTT-861	Chronic heart failure /Oral	PDHK inhibitor	Improves cardiac function by activation of pyruvate dehydrogenase (PDH) related to carbohydrate metabolism.	Phase2 (Overseas)	In-house	
JTE-061 (tapinarof)	Atopic dermatitis (pediatric) /Topical	AhR modulator	Suppresses skin inflammation via activation of the aryl hydrocarbon receptor (AhR)	Phase3 (Japan)	In-license	<ul style="list-style-type: none"> • In-license from Dermavant Sciences GmbH, an Organon Company • Co-development with Torii
JTC-064	Neurodegenerative disease /Oral	PDHK inhibitor	Improves metabolic abnormalities by activation of pyruvate dehydrogenase (PDH)	Phase1 (Overseas)	In-house	
JTV-161	Pulmonary arterial hypertension /Oral	Pim-1 inhibitor	Suppresses pulmonary vascular cell proliferation by inhibiting Pim-1	Phase1 (Overseas)	In-house	
JTE-162	Autoinflammatory/ Autoimmune diseases /Oral	NLRP3 inhibitor	Suppresses immune response by inhibition of NLRP3 inflammasome	Phase1 (Overseas)	In-house	
JTV-261	Thrombosis /Oral	PLD1/2 inhibitor	Suppresses shear-dependent platelet aggregation by inhibiting PLD1/2	Phase1 (Japan)	In-house	
JTC-262	Neurodegenerative disease /Oral	NLRP3 inhibitor	Suppresses immune response by inhibition of NLRP3 inflammasome	Phase1 (Overseas)	In-house	
JTV-263	Peripheral artery disease /Oral	H-PGDS inhibitor	Improve blood flow in ischemic lower extremities by inhibiting H-PGDS	Phase1 (Overseas)	In-house	

Clinical trial phase presented above is based on the first dose.

We are also conducting additional studies to examine the potential for use in additional dosage forms.

<Licensed compounds>

Compound (JT's code)	Licensee	Mechanism		Note
trametinib	Novartis	MEK inhibitor	Inhibits cellular growth by specifically inhibiting the activity of MAPK/ERK pathway.	
delgocitinib	LEO Pharma ROHTO Pharmaceutical	JAK inhibitor	Suppresses overactive immune response via inhibition of Janus kinase (JAK) related to immune signal.	
enarodustat	JW Pharmaceutical Salubris	HIF-PH inhibitor	Increases red blood cells by stimulating production of erythropoietin, an erythropoiesis- stimulating hormone, via inhibition of HIF-PH.	

Updates since the previous announcement on May 7, 2025

•JTE-051 : Potential Indication / Mechanism

•delgocitinib : JT's license partner LEO Pharma issued a statement that the U.S. Food and Drug Administration has approved delgocitinib cream 20 mg/g (2%) (Anzupgo®) for the treatment of adult patients with moderate to severe chronic hand eczema, who have had an inadequate response to, or for whom topical corticosteroids are not advisable. (July 23, 2025)

Definitions

Terms	Definitions
Revenue	Revenue excluding tobacco excise taxes and revenue from agent transactions.
~ at constant FX	Constant FX is computed using the same foreign exchange rates as in the equivalent period in the previous fiscal year for the tobacco business. Results at constant FX are provided additionally and are not an alternative to financial reporting under International Financial Reporting Standards (IFRS).
Core revenue at constant FX (consolidated)	The sum of revenues in the pharmaceutical business, processed food business, and others, as well as the core revenue at constant FX in the tobacco business.
Adjusted operating profit (AOP)	Operating profit + amortization cost of acquired intangibles arising from business acquisitions + adjusted items (income and costs) * *Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
Profit	Profit attributable to owners of the parent company.
Free cash flow (FCF)	The sum of cash flows from operating activities and investing activities, excluding the following items: <ul style="list-style-type: none"> From operating CF: Depreciation from lease transactions, interest received, dividends received, interest paid and income taxes related to these items excluding lease transactions, and other items From investing CF: Purchase of investment securities (both short-term and long-term), payments into time deposits, proceeds from sale or redemption of investment securities (both short-term and long-term), proceeds from withdrawal of time deposits and other investing activities not for business operation purposes
Liquidity	Cash and deposits + marketable securities + securities purchased under repurchase agreements.
Interest-bearing debt	Short-term bank loans + commercial papers + bonds + long-term borrowings.
Core revenue (tobacco business)	Core revenue includes all revenue excluding those from distribution, contract manufacturing and other peripheral businesses.
RRP-related revenue	RRP-related revenue, as a part of core revenue, represents all the sale of RRP, principally consumables, devices and the related accessories.
Combustibles	Combustibles include all tobacco products excluding contract-manufactured products and RRP.
Cigarettes	Also known as RMC (ready-made-cigarettes).
Fine cut tobacco (FCT)	Loose tobacco products also known as rolling tobacco. These can be used for both RYO (roll-your-own) cigarettes, i.e., using rolling papers, and MYO (make-your-own) cigarettes, i.e., by filling a filter tube with cut tobacco.
Water pipe	Products that vaporize water-filtered smoke produced by burning tobacco leaves. One gram of tobacco leaves used for water pipe is equivalent to a stick of cigarettes.
Reduced-Risk Products (RRP)	Products with the potential to reduce the risks associated with smoking. In JT's portfolio, these products include HTP, E-Vapor and Oral.

Heated tobacco products (HTP)	Products that contain tobacco leaf and create a tobacco-enriched vapor by heating electronically the tobacco, either directly or indirectly, without any combustion.
Heated tobacco sticks (HTS)	Heated tobacco products that directly heat tobacco sticks. One stick is equivalent to a stick of cigarettes.
Infused tobacco capsules (Infused)	Heated tobacco products that indirectly heat tobacco leaves. One pack of consumables is equivalent to 20 sticks of cigarettes.
E-Vapor	Products which consumers use by heating electronically a nicotine based liquid that contains no tobacco leaf. A 2ml of liquid is equivalent to 20 sticks of cigarettes.
Oral	Products delivering nicotine in the form of a closed pouch. These pouches can contain tobacco and are known as snus. Without tobacco, these consumables are referred to as nicotine pouches. To deliver nicotine and flavor, these pouches are inserted between the consumer's lip and gum. One snus or nicotine pouch is equivalent to a stick of cigarettes.
Global Flagship Brands (GFB)	GFB includes four Brands namely Winston, Camel, MEVIUS and LD.
Total volume	The volume of tobacco-based products which excludes contract-manufactured products, RRP devices and related accessories.
Combustibles volume	The shipment volume of combustibles which excludes contract-manufactured products and RRP.
GFB volume	GFB volume is the volume of GFB combustibles and GFB snus products which are Winston, Camel, MEVIUS and LD. This excludes Winston and Camel in the USA.
RRP volume	RRP sales volume in cigarette-stick equivalent. This excludes RRP devices, RRP related accessories, etc.
HTS volume / Ploom volume	Sales volume of HTS (Ploom) in cigarette-stick equivalent. This excludes Ploom devices, Ploom related accessories, etc.
Total tobacco industry volume	Industry volume by number of sticks based on internal estimates. This excludes Water pipe, pipe tobacco, cigars, E-Vapor and Oral.
Combustibles industry volume	Industry volume of combustibles by number of sticks based on internal estimates. This excludes Water pipe, pipe tobacco and cigars.
RRP industry volume	Industry volume of RRP by number of sticks based on internal estimates. This excludes E-Vapor and Oral.
Share of Value (SoV)	Share of total retail value of the market, which is computed by multiplying volume and tax-included retail sales price. This excludes Water pipe, pipe tobacco, cigars, E-Vapor and Oral.
Clusters	<p>The JT Group's tobacco markets are divided into three distinctive clusters: Asia, Western Europe, EMA. Please note that these three clusters are specifically designed to provide insight into our business for guidance purposes only and do not reflect the JT Group's management structure.</p> <ul style="list-style-type: none"> • Asia cluster includes the tobacco regions of Japan and Asia Pacific • EMA cluster includes the tobacco regions of Eastern Europe, MENEAT, Americas and Global Travel Retail
Global Travel Retail (GTR)	GTR is the denomination of the duty-free markets in the tobacco businesses. The performance of these markets is included in the EMA cluster.

Additional definitions are provided at <https://www.jt.com/media/glossary/index.html>

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Japan Tobacco Inc. (JT) is a global company headquartered in Tokyo, Japan. It is listed on the primary section of the Tokyo Stock Exchange (ticker: 2914.T). JT Group has approximately 53,000 employees and 61 factories worldwide, operating in three business segments: tobacco, pharmaceutical, and processed food. Within the tobacco business, the largest segment, products are sold in over 130 markets and its flagship brands include Winston, Camel, MEVIUS, and LD. The Group is committed to investing in Reduced-Risk Products and markets its heated tobacco products under its Ploom brand.

Consumers, shareholders, employees, and society are the four stakeholder groups (4S) at the heart of all of JT Group's activities. Inspired by its "Fulfilling Moments, Enriching Life" purpose, the Group aims to ensure sustainable and valuable contributions to its stakeholders over the long term. In addition to our three business segments, this goal is also supported by D-LAB, the JT Group's corporate R&D initiative, set up to search and create added-value business opportunities. For more information, visit <https://www.jt.com/>.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. These statements appear in a number of places in this document and include statements regarding the intent, belief, or current and future expectations of our management with respect to our business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as "may", "will", "should", "would", "expect", "intend", "project", "plan", "aim", "seek", "target", "anticipate", "believe", "estimate", "predict", "potential" or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating results are particularly subject to a variety of assumptions, some or all of which may not be realized.

Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

- (1) increase in awareness of health concerns related to smoking;
- (2) regulatory developments; including, without limitation, tax increases and restrictions on sales, marketing, packaging, labeling and use of tobacco products, privately imposed restrictions and governmental investigations;
- (3) litigation around the world alleging adverse health and financial effects resulting from, or relating to, tobacco products;
- (4) our ability to further diversify our business beyond the traditional tobacco industry;
- (5) our ability to successfully expand internationally and make investments outside Japan;
- (6) competition, changing consumer preferences and behavior;
- (7) our ability to manage impacts derived from business diversification or business expansion;
- (8) economic, regulatory and political changes, such as nationalization, terrorism, wars and civil unrest, in countries in which we operate;
- (9) fluctuations in foreign exchange rates and the costs of raw materials; and
- (10) catastrophes, including natural disasters.

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