



Tokyo, May 8, 2026

2026 First Quarter Earnings Report

2026 First Quarter Highlights (vs. 2025*¹)

- Revenue increased by 15.2% to JPY 924.0 billion
- Core revenue at constant FX increased by 9.8% to JPY 842.5 billion*²
- Adjusted operating profit increased by 22.8% to JPY 315.5 billion*²
- Adjusted operating profit at constant FX increased by 20.5% to JPY 309.6 billion*²
- Operating profit increased by 24.7% to JPY 304.6 billion
- Profit increased by 27.3% to JPY 197.0 billion*³

*¹ Since Q3 2025 the pharmaceutical business has been classified as discontinued operations. As a result, profits or losses from discontinued operations are presented separately from continuing operations. Prior-year results are restated like-for-like.

*² As noted on 'Definitions' pages, the Canada Adjustment (the deduction of Annual contribution) has been applied starting from Q1 2026. Prior-year results have been also retrospectively restated on like-for-like basis. Details pertaining to the Canada Adjustment are covered on page 2.

*³ For the purpose of dividend calculation, profit after the Canada Adjustment (the deduction of Annual contribution and discounted interest expense on financial liabilities) amounted to JPY 195.9 billion representing +27.9% year-on-year on a like-for-like basis.

Please refer to 'Data Sheets' on page 10 for more financial figures.

Comments from Takehiko Tsutsui, President and CEO of the JT Group:

"We began FY2026 with a strong first quarter, building on last year's robust business momentum.

Driven by a strong pricing contribution in the tobacco business and continued share gains in Combustibles, consolidated adjusted operating profit at constant FX increased by 20.5% year-on-year, while other key financial indicators also significantly outperformed the prior year.

In RRP, both volume and market share continued to grow, supported by geographical expansion and proactive marketing initiatives towards Ploom AURA, which was launched last year and is available in 25 markets as of May 2026.

Notwithstanding the volatile operating environment, we will continue to steadily execute investments that support sustainable growth and we remain focused on delivering our full-year performance outlook."

Investors' Meeting

An investors' meeting with members of the investor community will be held on May 8, 2026 at 5:00pm Tokyo time. An on-demand audio recording of this conference will be available on our website (https://www.jt.com/investors/results/presentation_financial). For detailed information on the consolidated financial results, please visit the Company's website (<https://www.jt.com/investors/>).

Note on Hyperinflationary Adjustments

The results for fiscal year 2025 and fiscal year 2026 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 Q1 2026, the impacts of the hyperinflationary accounting and hyperinflation include those in Iran, Myanmar and Turkey.

Canada Adjustment

The Company's local subsidiary, JTI-Macdonald Corp. (hereinafter referred to as "JTI-Mac"), was a party to ten health care cost recovery cases brought by the Canadian provinces and eight class actions where plaintiffs were seeking damages for harm allegedly caused by smoking of cigarettes. Following a decision of the Quebec Court of Appeal related to two class actions, JTI-Mac and its competitors and co-defendants, Rothmans, Benson & Hedges Inc. (hereinafter referred to as "RBH"), and Imperial Tobacco Canada Limited (hereinafter collectively with JTI-Mac and RBH referred to as the "Tobacco Companies"), had been operating under the protection of the Companies' Creditors Arrangement Act (hereinafter referred to as "CCAA") and participating in a Court-ordered mediation process with representatives of all claimant groups, including the Quebec class action plaintiffs.

Ultimately, CCAA Plans of Compromise and Arrangement (hereinafter referred to as the "Plans"), under which the Tobacco Companies would pay to settle the litigation, were approved in March 2025, and implemented in August 2025. Under the terms of the Plans, JTI-Mac deposited its upfront contribution in August 2025.

Going forward, annual payments under JTI-Mac's Plan (hereinafter referred to as the "payable portion") will continue to be made, amounting to a certain percentage (from 70% to 85%) of JTI-Mac's annual net income after tax.

As a result of this matter, the annual payments have created a discrepancy between our recognized profit and loss and its cash flow, which is expected to persist going forward.

Therefore, in order to appropriately reflect the actual cash flow into the profit and loss under certain assumptions, we have been applying the adjustments, as shown in the table below, to deduct the Annual contribution^{*1} and impact on non-cash profit and loss (remeasurement of liability^{*2} and discounted interest expense^{*3}) associated with this payable portion.

Prior-year results have been also retrospectively restated on a like-for-like basis.

Consolidated

Revenue	-
Core revenue at constant FX	
Adjusted operating profit	Deduct Annual contribution ^{*1}
Adjusted operating profit at constant FX	
Operating profit	-
Profit	-

Profit (after Canada Adjustment) [Dividend calculation benchmark]	Deduct (1) Annual contribution ^{*1} (2) Impact of remeasurement of liability ^{*2} (3) Discounted interest expense ^{*3}
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Tobacco Business

Core revenue	
Adjusted operating profit	Deduct Annual contribution ^{*1}

*1 Revenue and profit corresponding to each annual payment

*2 Impact of the remeasurement of the provision for loss on litigation in Canada recorded in 2024 based on the latest estimation (Note: following the enactment of the Plans, the provision for loss on litigation in Canada was transferred to other financial liabilities in the third quarter of 2025). This was not implemented in Q1 2026 and Q1 2025.

*3 The total amount that JTI-Mac is expected to pay in the future has been recorded as other financial liabilities measured at its discounted present value. The difference between the other financial liabilities and the amount resulting from the unwinding of the other financial liabilities recorded as discounted interest expense in the financial expense.

Q1 2026 Financial Results

Consolidated Results

(billions of JPY)	Q1 2026	Q1 2025* ¹	Variance
Revenue	924.0	801.9	+15.2%
Core revenue at constant FX*²	842.5	767.3	+9.8%
Adjusted operating profit*²	315.5	256.9	+22.8%
Adjusted operating profit at constant FX*²	309.6	256.9	+20.5%
Operating profit	304.6	244.3	+24.7%
Profit*³	197.0	154.8	+27.3%

*¹ All figures are restated on continuing operations basis.

*² As stated in "definitions", the Canada Adjustment (the deduction of Annual contribution) has been applied starting from Q1 2026. Prior-year results have also been retrospectively restated on a like-for-like basis.

*³ For the purpose of dividend calculation, profit after the Canada Adjustment (the deduction of Annual contribution and discounted interest expense on financial liabilities) amounted to JPY 195.9 billion up by +27.9%. Prior-year results have also been retrospectively restated on a like-for-like basis.

Q1 2026

- **Revenue**
At constant FX: Core revenue increased by 9.8%, driven by growth in the tobacco and processed food businesses.
At reported: Revenue increased by 15.2%, due to a weak JPY against several currencies.
- **Adjusted operating profit**
At constant FX: Adjusted operating profit grew by 20.5%, driven by the increase in the tobacco and processed food businesses.
At reported: Adjusted operating profit increased by 22.8%, driven by a weak JPY against several currencies.
- **Operating profit**
 Operating profit increased by 24.7%, driven by the increase in adjusted operating profit, and the decrease in depreciation of intangible assets, resulting from the completion of certain trademark amortization.
- **Profit**
 Profit increased by 27.3%, driven by the increase in operating profit.

Results by Business Segment

Tobacco Business

(billions of JPY)	Q1 2026	Q1 2025	Variance
Core revenue*¹	848.5	730.2	+16.2% (+10.1%)* ²
Adjusted operating profit*¹	325.4	268.0	+21.4% (+19.2%)* ²
Reference (billions of units, billions of JPY)			
Total volume	135.6	134.4	+0.9%
Combustibles volume	131.3	131.4	-0.1%
RRP volume	4.3	3.0	+44.2%
Heated Products volume	3.7	2.3	+57.0%
RRP-related revenue	43.5	26.6	+63.8%

*¹ As stated in "definitions", the Canada Adjustment (the deduction of Annual contribution) has been applied starting from Q1 FY2026. Prior-year results have also been retrospectively restated on a like-for-like basis.

*² At constant FX

Q1 2026

- The performance in the tobacco business was robust, fueled by a positive volume and a strong pricing contribution. Driven by sustained market share gains, Combustibles volume was resilient, and RRP volume growth accelerated, across all clusters, boosted by the on-going rollout of Ploom AURA, now available in 25 markets, and supported by continued investments. Regarding the Middle East situation, there is no material impact in the quarter.
- Core revenue**
At constant FX: Core revenue grew by 10.1%, fueled by all clusters. The drivers were a price/mix contribution of JPY 69.5 billion and a favorable volume variance of JPY 4.4 billion. RRP-related revenue grew by 63.8%, fueled by double-digit volume growth in all clusters, including the temporary accelerated demand in Japan ahead of the excise tax-led price increases in Heated Products.
At reported: Core revenue increased by 16.2%, driven by the weak JPY, notably versus RUB and EUR.
- Adjusted operating profit**
At constant FX: Adjusted operating profit grew by 19.2%, driven by the double-digit increase in core revenue, partially offset by higher investments towards RRP and inflation-led cost increases.
At reported: Adjusted operating profit increased by 21.4%, driven by the weak JPY, notably versus RUB.
- Volume and Market share**
 Strong RRP volume growth, mainly by Ploom in Japan, and continued market share gains in Combustibles, most notably in Bangladesh, Cambodia and Turkey, resulted in total volume increasing by 0.9%, or by 0.7% when excluding inventory adjustments.
 - In Combustibles, robust growth in the Asia cluster and in GFB volume (+1.0%) driven by

Winston (+1.9%) and Camel (+1.4%), was offset by lower industry volume in several markets of the Western Europe and EMA clusters. As a result, Combustibles volume was nearly flat (-0.1%).

- In RRP, volume growth accelerated (+44.2%), fueled by a significant increase of Ploom (+57.0%), including the temporary incremental demand in Japan ahead of Heated Products tax-led price revisions.

Total tobacco market share grew in over 45 markets, including the key markets of Italy, the Philippines, Spain, Turkey and the USA.

Tobacco Business Performance Review by Cluster

Asia

(billions of JPY)	Q1 2026	Q1 2025	Variance
Core revenue	228.0	201.0	+13.4% (+12.0%)*
Adjusted operating profit	88.7	67.9	+30.7% (+26.7%)*
Reference (billions of units)			
Total volume	32.1	29.9	+7.3%
Combustibles volume	28.5	27.5	+3.8%
RRP volume	3.6	2.4	+47.1%

* At constant FX

- **Core revenue**
At constant FX: Core revenue increased by 12.0%, driven by a positive price/mix variance, notably in Japan and the Philippines, and a solid positive volume contribution, mainly in Bangladesh, Japan and the Philippines.
At reported: Core revenue grew by 13.4%, driven by a weak JPY versus TWD.
- **Adjusted operating profit**
At constant FX: Double-digit core revenue increase drove adjusted operating profit up by 26.7%, including incremental RRP investments and inflation-led cost increases.
At reported: Adjusted operating profit increased by 30.7%, due to a weak JPY versus TWD.
- **Volume and market share**
Total volume grew by a solid 7.3%, as the strong RRP volume growth (+47.1%) was enhanced by higher Combustibles volume (+3.8%), mainly driven by Bangladesh, Cambodia and the Philippines. Total tobacco market share increased across the cluster, notably in Bangladesh, Cambodia, the Philippines, Singapore and Thailand.
- **By market**
In Japan, total volume grew by 4.1%, driven by a significant increase in RRP volume, which more than offset a decline in Combustibles.
Total industry volume grew by 7.0% as the decline in Combustibles was more than offset by RRP

growth (+21.0%), including the temporary higher demand ahead of the excise tax-led price revisions. RRP industry volume was estimated at 52.1% (shipment basis) of the total industry size.

Combustibles volume decreased by 3.7%, due to an industry volume contraction estimated at 4.9%. Share within Combustibles grew by 0.8ppt to 62.2%.

RRP volume increased by 42.2% and share grew by 2.6ppt to reach 17.4%. Within Heated Products, Ploom volume grew by 51.1%, ahead of the excise tax-led price changes on April 1st, and continued to gain share, reaching a Heated Products category share of 15.8%, up by 3.1ppt.

Although share grew within both Combustibles and RRP, total tobacco market share declined to 38.9% due to the temporary higher RRP composition in total industry volume.

Core revenue increased, driven by a positive contribution in RRP volume, supported by a favorable price/mix variance.

In the Philippines, total volume increased by 6.6%, driven by Camel (+16.9%) and Winston (+6.9%), in a growing industry volume. Total tobacco market share increased by 0.8ppt to 49.8%, driven by Camel.

Core revenue at constant FX increased, driven by positive contributions from volume and price/mix.

In Taiwan, total volume decreased by 1.6%, due to the Combustibles industry volume decline, partially offset by Ploom volume gains. Total tobacco market share decreased by 0.4ppt to 52.0%, despite category share gains in both Combustibles and RRP.

Core revenue at constant FX decreased, due to a negative price/mix variance.

Western Europe

(billions of JPY)	Q1 2026	Q1 2025	Variance
Core revenue	204.7	176.7	+15.9% (+2.7%)*
Adjusted operating profit	96.3	81.0	+18.9% (+6.1%)*
Reference (billions of units)			
Total volume	22.9	23.7	-3.2%
Combustibles volume	22.5	23.4	-3.5%
RRP volume	0.4	0.3	+18.1%

* At constant FX

- Core revenue**

At constant FX: Core revenue increased by 2.7%, driven by a positive price/mix variance, mainly in the BeNeLux markets, France, Germany, Italy, Spain and the UK, which more than offset a negative volume contribution, mainly in the UK.

At reported: Core revenue grew by 15.9%, driven by a weak JPY versus EUR and GBP.

- Adjusted operating profit**

At constant FX: Core revenue increase drove adjusted operating profit up by 6.1%, including higher investments towards RRP and inflation-led cost increases.

At reported: Adjusted operating profit increased by 18.9%, driven by a weak JPY.

- **Volume and market share**

Total volume decreased by 3.2%, due to the Combustibles industry volume contraction, primarily in the BeNeLux markets, France and the UK. RRP volume grew by 18.1%, mainly fueled by Germany, Italy and Spain, where Heated Products category share gains continued, supporting a 58.1% Ploom volume increase.

Total tobacco market share grew in several markets, including Belgium, Denmark, Estonia, France, Germany, Ireland, Italy, the Netherlands and Spain.

- **By market**

In Italy, total volume increased by 3.7%, and by 1.6% when excluding inventory movements, driven by Winston (+10.3%) and Camel (+3.1%) in Combustibles and Ploom in RRP (+68.4%). Total tobacco market share grew by 0.3ppt to 23.9%, fueled by the share gains in Combustibles (+1.1ppt) and higher Heated Products category share (+0.2ppt).

Core revenue at constant FX increased, driven by positive contributions from volume and price/mix.

In Spain, while Ploom volume grew, total volume decreased by 3.4%, due to a declining Combustibles industry volume. Total tobacco market share was up by 0.2ppt to 27.8%, fueled by increases in Heated Products (+0.9ppt) and a growing share in Combustibles (+0.3ppt).

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

In the UK, total volume declined by 13.5%, due to industry volume contraction resulting from excise tax-led price increases and high volume of illicit trade. Total tobacco market share decreased by 0.2ppt to 43.5%, despite significant growth from Mayfair (+1.2ppt).

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

EMA

(billions of JPY)	Q1 2026	Q1 2025	Variance
Core revenue^{*1}	415.9	352.5	+18.0% (+12.8%) ^{*2}
Adjusted operating profit^{*1}	140.4	119.1	+17.9% (+23.9%) ^{*2}
Reference (billions of units)			
Total volume	80.6	80.8	-0.3%
Combustibles volume	80.2	80.6	-0.4%
RRP volume	0.4	0.2	+50.8%

^{*1} As stated in "definitions", the Canada Adjustment (the deduction of Annual contribution) has been applied starting from Q1 FY2026. Prior-year results have also been retrospectively restated on a like-for-like basis.

^{*2} At constant FX

- **Core revenue**

At constant FX: Core revenue grew by 12.8%, driven by a strong positive price/mix contribution, notably in the key markets of Romania, Russia, Turkey and the USA.

At reported: Core revenue increased by 18.0%, due to a weak JPY, notably against RUB and USD partially offset by the devaluation of currencies in hyper-inflation markets.

- **Adjusted operating profit**

At constant FX: Adjusted operating profit grew by 23.9%, driven by the double-digit core revenue increase which offset higher investments towards RRP, as well as inflation-led cost increases.

At reported: Adjusted operating profit increased by 17.9%, due to the devaluation of currencies in hyper-inflation markets.

- **Volume and market share**

Solid volume growth in Turkey was offset by lower Combustibles industry volume in several markets, including Russia and the USA. As a result, total volume decreased by 0.3%. Combustibles volume decreased by 0.4%, despite Winston growing by 2.7%. RRP volume grew by 50.8%, notably driven by Poland and Global Travel Retail.

Total tobacco market share increased across the cluster, including in the key markets of Turkey and the USA.

- **By market**

In Romania, total volume declined by 10.3%, as the Ploom volume growth was offset by the decrease in Combustibles industry volume and lower market share. Total tobacco market share decreased by 1.1ppt to 25.0%.

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

In Russia, total volume decreased by 4.3%, due to a Combustibles industry volume contraction estimated at 1.6% and lower market share. GFB volume was down by 2.9%, despite growth by Camel (+2.9%) and MEVIUS (+3.5%). Total market share was 35.6%, due to the growth of the Heated Products category and a 0.7ppt decline in Combustibles share to 41.2%.

Core revenue at constant FX decreased, as the positive price/mix contribution was more than offset by a negative volume variance.

In Turkey, within a growing industry, total volume increased by 12.4%, driven by Winston (+21.6%) and LD (+15.9%), fueling a GFB volume growth of 13.5%. Total tobacco market share increased by a strong 2.9ppt to 31.7%.

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

In the USA, boosted by continued growth of LD (+37.5%), total volume grew by 3.3% in a declining Combustibles industry volume. Combustibles market share grew by 0.3ppt to 8.5%, driven by LD.

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

Source:

Figures for market share are based on JT Group estimates on year-to-date average. Year-to-date share of market growth for 2026 is calculated against year-to-date shares of market at the end of the respective period in 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 2026 is calculated against year-to-date industry volume at the end of the respective period in 2025.

Processed Food Business

(billions of JPY)	Q1 2026	Q1 2025	Variance
Revenue	37.8	36.5	+1.4
Adjusted operating profit	1.7	0.8	+0.9

Q1 2026

- **Revenue**
Revenue increased, mainly driven by price revisions of frozen udon noodles in the frozen and ambient foods business.
- **Adjusted operating profit**
Adjusted operating profit increased, driven by the revenue growth, which more than offset higher raw material costs.

Data Sheets

Results for FY2026 First Quarter

Prior-year results are presented on continuing operations basis, except for 4. Consolidated financial position, 5. Liquidity and interest-bearing debt, and 6. Consolidated cash flow.

1. Summary of consolidated results

(JPY BN)

	Q1 2026	Q1 2025	Variance (abs)	Variance (%)
Revenue	924.0	801.9	+122.1	+15.2%
Core revenue at constant FX*1	842.5	767.3	+75.3	+9.8%
Adjusted operating profit*1	315.5	256.9	+58.6	+22.8%
Adjusted operating profit at constant FX*1	309.6	256.9	+52.7	+20.5%
Operating profit	304.6	244.3	+60.2	+24.7%
Profit before income taxes	287.7	221.5	+66.2	+29.9%
Profit*2	197.0	154.8	+42.2	+27.3%
Basic EPS (JPY)*3	110.99	87.19	+23.80	+27.3%

*1 As stated in "definitions", the Canada Adjustment (the deduction of Annual contribution) has been applied starting from Q1 FY2026.

Prior-year results have also been retrospectively restated on a like-for-like basis.

*2 For the purpose of dividend calculation, profit after the Canada Adjustment (the deduction of Annual contribution and discounted interest expense on financial liabilities) amounted to JPY 195.9 billion, representing +27.9% year-on-year on a like-for-like basis.

*3 Basic EPS, based on profit after the Canada Adjustment, described in footnote *2 above, amounted to JPY 110.33, representing +27.9% year-on-year on a like-for-like basis.

2. Results by business segment

(JPY BN)

	Q1 2026	Q1 2025	Variance (abs)	Variance (%)
Consolidated revenue	924.0	801.9	+122.1	+15.2%
Tobacco	885.6	764.8	+120.7	+15.8%
Core revenue*4	848.5	730.2	+118.3	+16.2%
Processed food	37.8	36.5	+1.4	+3.7%
Others	0.6	0.6	-0.0	-2.4%
Consolidated operating profit	304.6	244.3	+60.2	+24.7%
Tobacco	316.6	255.6	+60.9	+23.8%
Processed food	-0.4	1.2	-1.6	-
Others/Elimination	-11.7	-12.5	+0.9	-
Adjustments, total	-11.0	-12.6	+1.6	
Tobacco	-8.8	-12.4	+3.5	
Processed food	-2.1	0.4	-2.5	
Others/Elimination	-0.0	-0.6	+0.6	
Consolidated adjusted operating profit*4	315.5	256.9	+58.6	+22.8%
Tobacco*4	325.4	268.0	+57.4	+21.4%
Processed food	1.7	0.8	+0.9	+119.1%
Others/Elimination	-11.6	-11.9	+0.3	-

*4 Figures are presented after the Canada Adjustment (the deduction of Annual contribution). Prior-year results have also been retrospectively restated on a like-for-like basis.

Results for FY2026 First Quarter

3. Depreciation and amortization**

(JPY BN)

	Q1 2026	Q1 2025	Variance (abs)
Consolidated depreciation and amortization	37.0	40.7	-3.7
Tobacco	34.8	38.4	-3.6
Processed food	1.7	1.7	-0.1
Others/Elimination	0.6	0.6	+0.0

** Excluding depreciation from lease transactions

4. Consolidated financial position

(JPY BN)

	2026 Mar. end	2025 Dec. end	Variance (abs)
Total assets	8,351.2	8,419.2	-68.0
Total equity	4,114.9	4,115.4	-0.5
Equity attributable to owners of the parent company	4,085.4	4,086.9	-1.5
BPS (attributable to owners of the parent company) (JPY)	2,301.32	2,301.99	-0.67

5. Liquidity and interest-bearing debt

(JPY BN)

	2026 Mar. end	2025 Dec. end	Variance (abs)
Liquidity	859.4	1,012.8	-153.3
Interest-bearing debt	1,777.6	1,678.7	+98.9

6. Consolidated cash flow

(JPY BN)

	Q1 2026	Q1 2025	Variance (abs)
Cash flows from operating activities	39.6	-6.6	+46.2
Cash flows from investing activities	-12.5	-81.1	+68.6
Cash flows from financing activities	-159.8	-180.1	+20.3
Cash and cash equivalents, beginning of the period	831.1	1,084.6	-253.4
Foreign currency translation adj. on cash & cash equivalents	-1.1	-7.4	+6.3
Changes in cash and cash equivalents resulting from transfer to assets held for sale	-2.7	-	-2.7
Cash and cash equivalents, end of the period	694.6	809.4	-114.7
FCF	3.9	-132.2	+136.1

7. Capital expenditures

(JPY BN)

	Q1 2026	Q1 2025	Variance (abs)
Consolidated capital expenditures	17.0	22.6	-5.6
Tobacco	15.2	21.1	-5.9
Processed food	0.9	0.8	+0.0
Others/Elimination	0.9	0.7	+0.2

8. Tobacco business FX rate

	Q1 2026	Q1 2025	Variance (abs)	Variance (%)
100JPY/USD	0.64	0.66	-0.02	+2.7%
100JPY/RUB	49.93	61.13	-11.20	+22.4%
100JPY/GBP	0.47	0.52	-0.05	+10.0%
100JPY/EUR	0.54	0.62	-0.08	+14.4%
100JPY/CHF	0.50	0.59	-0.09	+18.0%
100JPY/TWD	20.16	21.54	-1.38	+6.8%
100JPY/PHP	37.60	37.98	-0.38	+1.0%

FY2026 Forecasts (as of February 12, 2026)

Prior-year results are presented on a continuing operations basis, except for ROE and FCF.

1. Summary of consolidated forecasts

(JPY BN)

	FY2026 Forecasts	FY2025 Results	Variance (abs)	Variance (%)
Revenue	3,697.0	3,467.7	+229.3	+6.6%
Core revenue at constant FX ^{*1}	3,434.0	3,314.5	+119.5	+3.6%
Adjusted operating profit ^{*1}	955.0	885.2	+69.8	+7.9%
Adjusted operating profit at constant FX ^{*1}	964.0	885.2	+78.8	+8.9%
Operating profit	921.0	867.0	+54.0	+6.2%
Profit ^{*2}	570.0	499.1	+70.9	+14.2%

^{*1} As stated in "definitions", the Canada Adjustment (the deduction of Annual contribution) has been applied starting from FY2026.

Prior-year results have also been retrospectively restated on a like-for-like basis.

^{*2} Profit for FY2026 after the Canada Adjustment (the deduction of Annual contribution and discounted interest expense on financial liabilities) is expected to be JPY 571.0 billion. Profit for FY2025 after the Canada Adjustment (remeasurement of liability), and excluding the one-time loss from the disposal of goodwill due to the liquidation of the Sudanese subsidiary, was JPY 488.6 billion.

2. EPS, DPS, ROE

(JPY)

	FY2026 Forecasts	FY2025 Results	Variance (abs)	Variance (%)
Basic EPS ^{*3}	321.06	281.11	+39.95	+14.2%
DPS ^{*4}	242	234	+8	+3.4%
ROE	13.8%	13.0%	+0.8ppt	

^{*3} Based on profit for the period referenced in footnote ^{*2} above of "1. Summary of consolidated forecasts," basic EPS is expected to be JPY 321.62 for FY2026. For FY2025, basic EPS was JPY 275.21.

^{*4} Based on profit for the period referenced in footnote ^{*2} above of "1. Summary of consolidated forecasts," a dividend payout ratio is expected to be 75.2% for FY2026, and 85.0% for FY2025, respectively.

3. Forecasts by business segment

(JPY BN)

	FY2026 Forecasts	FY2025 Results	Variance (abs)	Variance (%)
Consolidated revenue	3,697.0	3,467.7	+229.3	+6.6%
Tobacco	3,523.0	3,305.4	+217.6	+6.6%
Core revenue ^{*5}	3,371.0	3,152.2	+218.8	+6.9%
Processed food	170.0	159.5	+10.5	+6.6%
Others	4.0	2.8	+1.2	+45.2%
Consolidated operating profit	921.0	867.0	+54.0	+6.2%
Tobacco	970.0	905.4	+64.6	+7.1%
Processed food	7.0	7.9	-0.9	-11.3%
Others/Elimination	-56.0	-46.2	-9.8	-
Consolidated adjusted operating profit ^{*5}	955.0	885.2	+69.8	+7.9%
Tobacco ^{*5}	1,006.0	935.1	+70.9	+7.6%
Processed food	8.0	8.6	-0.6	-6.9%
Others/Elimination	-59.0	-58.5	-0.5	-

^{*5} Figures are presented after the Canada Adjustment (the deduction of Annual contribution). Prior-year results have also been retrospectively restated on a like-for-like basis.

4. FCF

(JPY BN)

	FY2026 Forecasts	FY2025 Results	Variance (abs)
FCF	530.0	272.7	+257.3

FY2026 Forecasts (as of February 12, 2026)

5. Capital expenditures

(JPY BN)

	FY2026 Forecasts	FY2025 Results	Variance (abs)
Consolidated capital expenditures	174.0	155.1	+18.9
Tobacco	156.0	143.2	+12.8
Processed food	14.0	7.4	+6.6
Others/Elimination	4.0	4.6	-0.6

6. Assumptions of 2026 Forecasts

Tobacco business

- Total volume: A decrease of approx.1.0% to Flat vs. 2025
- GFB volume: A decrease of approx.1.0% to Flat vs. 2025

<Tobacco Business FX assumptions>

	FY2026 Forecasts	FY2025 Results	Variance (abs)	Variance (%)
100JPY / USD	0.65	0.67	-0.02	+2.9%
100JPY / RUB	51.61	55.90	-4.29	+8.3%
100JPY / GBP	0.48	0.51	-0.03	+5.7%
100JPY / EUR	0.55	0.59	-0.04	+7.8%
100JPY / CHF	0.50	0.56	-0.06	+11.2%
100JPY / TWD	19.74	20.85	-1.11	+5.6%
100JPY / PHP	37.74	38.43	-0.69	+1.8%

Tobacco Business Data

1. Summary

2026	Q1	Q2	Q3	Q4	YTD	
Total volume	135.6				135.6	BNU
(vs.PY)	+0.9%				+0.9%	
Combustibles volume	131.3				131.3	BNU
(vs.PY)	-0.1%				-0.1%	
GFB volume	96.7				96.7	BNU
(vs.PY)	+1.0%				+1.0%	
RRP volume	4.3				4.3	BNU
(vs.PY)	+44.2%				+44.2%	
Heated Products volume	3.7				3.7	BNU
(vs.PY)	+57.0%				+57.0%	
Core revenue*1	848.5				848.5	JPY BN
(vs.PY)	+16.2%				+16.2%	
	(+10.1%)*2				(+10.1%)*2	
RRP-related revenue	43.5				43.5	JPY BN
(vs.PY)	+63.8%				+63.8%	
Adjusted operating profit*1	325.4				325.4	JPY BN
(vs.PY)	+21.4%				+21.4%	
	(+19.2%)*2				(+19.2%)*2	

*1 Figures are presented after the Canada Adjustment (the deduction of Annual contribution). Prior-year results have also been retrospectively restated on a like-for-like basis.

*2 At constant FX

2. Breakdown of core revenue*

(JPY BN)

*Figures are presented after the Canada Adjustment (the deduction of Annual contribution). Prior-year results have also been retrospectively restated on a like-for-like basis.

	Q1	Q2	Q3	Q4	YTD
2025	730.2				730.2
Volume	+4.4				+4.4
Price/Mix	+69.5				+69.5
2026@PY	804.1				804.1
FX	+44.4				+44.4
2026	848.5				848.5

3. Breakdown of adjusted operating profit*

(JPY BN)

*Figures are presented after the Canada Adjustment (the deduction of Annual contribution). Prior-year results have also been retrospectively restated on a like-for-like basis.

	Q1	Q2	Q3	Q4	YTD
2025	268.0				268.0
Volume	-4.6				-4.6
Price/Mix	+68.2				+68.2
Others	-12.1				-12.1
2026@PY	319.5				319.5
FX	+5.9				+5.9
2026	325.4				325.4

Tobacco Business Data

4. Contribution by cluster (vs.PY)

Sales Volume

(BNU)

Asia	Q1 2026		Q2 2026	Q3 2026	Q4 2026	YTD	
Total volume	32.1	+7.3%				32.1	+7.3%
Combustibles volume	28.5	+3.8%				28.5	+3.8%
GFB volume	20.7	+4.2%				20.7	+4.2%
RRP volume	3.6	+47.1%				3.6	+47.1%

Western Europe	Q1 2026		Q2 2026	Q3 2026	Q4 2026	YTD	
Total volume	22.9	-3.2%				22.9	-3.2%
Combustibles volume	22.5	-3.5%				22.5	-3.5%
GFB volume	17.0	-1.6%				17.0	-1.6%
RRP volume	0.4	+18.1%				0.4	+18.1%

EMA	Q1 2026		Q2 2026	Q3 2026	Q4 2026	YTD	
Total volume	80.6	-0.3%				80.6	-0.3%
Combustibles volume	80.2	-0.4%				80.2	-0.4%
GFB volume	59.0	+0.7%				59.0	+0.7%
RRP volume	0.4	+50.8%				0.4	+50.8%

Financials

(JPY BN)

Asia	Q1 2026		Q2 2026	Q3 2026	Q4 2026	YTD	
Core revenue	228.0	+13.4%				228.0	+13.4%
		(+12.0%)* ¹					(+12.0%)* ¹
AOP	88.7	+30.7%				88.7	+30.7%
		(+26.7%)* ¹					(+26.7%)* ¹

Western Europe	Q1 2026		Q2 2026	Q3 2026	Q4 2026	YTD	
Core revenue	204.7	+15.9%				204.7	+15.9%
		(+2.7%)* ¹					(+2.7%)* ¹
AOP	96.3	+18.9%				96.3	+18.9%
		(+6.1%)* ¹					(+6.1%)* ¹

EMA	Q1 2026		Q2 2026	Q3 2026	Q4 2026	YTD	
Core revenue ^{*2}	415.9	+18.0%				415.9	+18.0%
		(+12.8%)* ¹					(+12.8%)* ¹
AOP ^{*2}	140.4	+17.9%				140.4	+17.9%
		(+23.9%)* ¹					(+23.9%)* ¹

^{*1} At constant FX

^{*2} Figures are presented after the Canada Adjustment (the deduction of Annual contribution). Prior-year results have also been retrospectively restated on a like-for-like basis.

Tobacco Business Data

5. Breakdown of core revenue by cluster

(JPY BN)

Asia	Q1	Q2	Q3	Q4	YTD
2025	201.0				201.0
Volume	+13.1				+13.1
Price/Mix	+11.0				+11.0
2026@PY	225.1				225.1
FX	+2.9				+2.9
2026	228.0				228.0

Western Europe	Q1	Q2	Q3	Q4	YTD
2025	176.7				176.7
Volume	-7.1				-7.1
Price/Mix	+11.8				+11.8
2026@PY	181.4				181.4
FX	+23.2				+23.2
2026	204.7				204.7

EMA*

*Figures are presented after the Canada Adjustment (the deduction of Annual contribution). Prior-year results have also been retrospectively restated on a like-for-like basis.

	Q1	Q2	Q3	Q4	YTD
2025	352.5				352.5
Volume	-1.6				-1.6
Price/Mix	+46.6				+46.6
2026@PY	397.6				397.6
FX	+18.3				+18.3
2026	415.9				415.9

6. Breakdown of adjusted operating profit by cluster

(JPY BN)

Asia	Q1	Q2	Q3	Q4	YTD
2025	67.9				67.9
Volume	+5.3				+5.3
Price/Mix	+11.8				+11.8
Others	+1.1				+1.1
2026@PY	86.0				86.0
FX	+2.7				+2.7
2026	88.7				88.7

Western Europe	Q1	Q2	Q3	Q4	YTD
2025	81.0				81.0
Volume	-7.2				-7.2
Price/Mix	+11.5				+11.5
Others	+0.7				+0.7
2026@PY	86.0				86.0
FX	+10.3				+10.3
2026	96.3				96.3

EMA*

*Figures are presented after the Canada Adjustment (the deduction of Annual contribution). Prior-year results have also been retrospectively restated on a like-for-like basis.

	Q1	Q2	Q3	Q4	YTD
2025	119.1				119.1
Volume	-2.7				-2.7
Price/Mix	+44.9				+44.9
Others	-13.8				-13.8
2026@PY	147.5				147.5
FX	-7.1				-7.1
2026	140.4				140.4

Tobacco Business Data

7. GFB volume by brand (vs.PY)

(BNU)

2026	Q1	Q2	Q3	Q4	YTD
Winston	51.2				51.2
	+1.9%				+1.9%
Camel	26.3				26.3
	+1.4%				+1.4%
MEVIUS	9.5				9.5
	-2.1%				-2.1%
LD	9.7				9.7
	-1.3%				-1.3%

8. FX actual (vs.PY)

2026	Q1	Q2	Q3	Q4	YTD
100JPY / USD	0.64				0.64
	+2.7%				+2.7%
100JPY / RUB	49.93				49.93
	+22.4%				+22.4%
100JPY / GBP	0.47				0.47
	+10.0%				+10.0%
100JPY / EUR	0.54				0.54
	+14.4%				+14.4%
100JPY / CHF	0.50				0.50
	+18.0%				+18.0%
100JPY / TWD	20.16				20.16
	+6.8%				+6.8%
100JPY / PHP	37.60				37.60
	+1.0%				+1.0%

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), Heated Products and Infused.

Japan

Volume evolution						(BNU)
2026	Q1	Q2	Q3	Q4		YTD
Total volume	14.8					14.8
	+4.1%					+4.1%
Combustibles volume	11.3					11.3
	-3.7%					-3.7%
RRP volume	3.4					3.4
	+42.2%					+42.2%
Heated Products volume	3.1					3.1
	+51.1%					+51.1%

Share evolution

2026	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	38.9%				38.9%	-1.1ppt
Combustibles SoM	29.8%				29.8%	-3.3ppt
GFB (SoM)	20.6%				20.6%	-2.6ppt
Winston (SoM)	2.5%				2.5%	-0.4ppt
Camel (SoM)	5.5%				5.5%	-0.6ppt
MEVIUS (SoM)	12.5%				12.5%	-1.5ppt
Seven Stars (SoM)	4.1%				4.1%	-0.3ppt
RRP SoM*	9.1%				9.1%	+2.2ppt
Heated Products SoS	15.8%				15.8%	+3.1ppt
Total SoV	38.6%				38.6%	-1.3ppt

*Data for RRP SoM reflects Heated Products and Infused

The Philippines

Volume evolution						(BNU)
2026	Q1	Q2	Q3	Q4		YTD
Total volume	5.6					5.6
	+6.6%					+6.6%
Combustibles volume	5.6					5.6
	+6.5%					+6.5%
RRP volume	0.0					0.0
	-					-

Share evolution

2026	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	49.8%				49.8%	+0.8ppt
GFB (SoM)	32.9%				32.9%	+2.7ppt
Winston (SoM)	7.8%				7.8%	-0.0ppt
Camel (SoM)	24.7%				24.7%	+2.7ppt
Heated Products SoS	1.0%				1.0%	+0.2ppt
Total SoV	49.7%				49.7%	+1.5ppt

Taiwan

Volume evolution						(BNU)
2026	Q1	Q2	Q3	Q4		YTD
Total volume	3.3					3.3
	-1.6%					-1.6%

Share evolution

2026	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	52.0%				52.0%	-0.4ppt
GFB (SoM)	40.4%				40.4%	-1.9ppt
Winston (SoM)	13.3%				13.3%	-0.6ppt
MEVIUS (SoM)	17.4%				17.4%	-1.9ppt
LD (SoM)	9.5%				9.5%	+0.4ppt
Total SoV	54.5%				54.5%	-1.2ppt

Tobacco Business Data

Italy

Volume evolution

Volume evolution					(BNU)
2026	Q1	Q2	Q3	Q4	YTD
Total volume	4.9				4.9
	+3.7%				+3.7%
Combustibles volume	4.8				4.8
	+3.1%				+3.1%
RRP volume	0.1				0.1
	+68.4%				+68.4%

Share evolution

						YTD	Var.
	2026	Q1	Q2	Q3	Q4		
Total SoM		23.9%				23.9%	+0.3ppt
GFB (SoM)		19.6%				19.6%	+0.9ppt
Winston (SoM)		13.1%				13.1%	+0.8ppt
Camel (SoM)		6.6%				6.6%	+0.1ppt
Heated Products SoS		1.7%				1.7%	+0.2ppt
Total SoV		24.0%				24.0%	+0.6ppt

Spain

Volume evolution

Volume evolution					(BNU)
2026	Q1	Q2	Q3	Q4	YTD
Total volume	3.7				3.7
	-3.4%				-3.4%
Combustibles volume	3.7				3.7
	-3.7%				-3.7%
RRP volume	0.0				0.0
	-				-

Share evolution

						YTD	Var.
	2026	Q1	Q2	Q3	Q4		
Total SoM		27.8%				27.8%	+0.2ppt
GFB (SoM)		26.2%				26.2%	+0.3ppt
Winston (SoM)		15.0%				15.0%	+0.6ppt
Camel (SoM)		11.2%				11.2%	-0.2ppt
Heated Products SoS		1.9%				1.9%	+0.9ppt
Total SoV		27.7%				27.7%	+0.3ppt

The UK

Volume evolution

Volume evolution					(BNU)
2026	Q1	Q2	Q3	Q4	YTD
Total volume	2.3				2.3
	-13.5%				-13.5%
Combustibles volume	2.3				2.3
	-13.4%				-13.4%
RRP volume	0.1				0.1
	-16.4%				-16.4%

Share evolution

						YTD	Var.
	2026	Q1	Q2	Q3	Q4		
Total SoM		43.5%				43.5%	-0.2ppt
GFB (SoM)		0.1%				0.1%	-0.0ppt
Amber Leaf (SoM)		9.2%				9.2%	-0.1ppt
Sterling (SoM)		9.8%				9.8%	-0.8ppt
Benson & Hedges (SoM)		11.4%				11.4%	-0.3ppt
Heated Products SoS		4.4%				4.4%	-0.3ppt
Total SoV		44.1%				44.1%	+0.0ppt

Tobacco Business Data

Romania

Volume evolution

Volume evolution					(BNU)
2026	Q1	Q2	Q3	Q4	YTD
Total volume	1.5				1.5
	-10.3%				-10.3%
Combustibles volume	1.5				1.5
	-10.4%				-10.4%
RRP volume	0.0				0.0
	-				-

Share evolution

						YTD	Var.
	2026	Q1	Q2	Q3	Q4		
Total SoM		25.0%				25.0%	-1.1ppt
GFB (SoM)		17.9%				17.9%	-1.3ppt
Winston (SoM)		11.8%				11.8%	-0.8ppt
Camel (SoM)		6.0%				6.0%	-0.4ppt
Heated Products SoS		1.2%				1.2%	-0.1ppt
Total SoV		27.0%				27.0%	-0.2ppt

Russia

Volume evolution

Volume evolution					(BNU)
2026	Q1	Q2	Q3	Q4	YTD
Total volume	17.5				17.5
	-4.3%				-4.3%

Share evolution

						YTD	Var.
	2026	Q1	Q2	Q3	Q4		
Total SoM		35.6%				35.6%	-1.1ppt
GFB (SoM)		29.2%				29.2%	-0.6ppt
Winston (SoM)		13.9%				13.9%	-0.1ppt
Camel (SoM)		9.7%				9.7%	+0.5ppt
LD (SoM)		5.5%				5.5%	-1.0ppt
Total SoV		37.9%				37.9%	-0.6ppt

Turkey*

Volume evolution

Volume evolution					(BNU)
2026	Q1	Q2	Q3	Q4	YTD
Total volume	11.3				11.3
	+12.4%				+12.4%

Share evolution

						YTD	Var.
	2026	Q1	Q2	Q3	Q4		
Total SoM		31.7%				31.7%	+2.9ppt
GFB (SoM)		29.0%				29.0%	+3.0ppt
Winston (SoM)		21.7%				21.7%	+3.2ppt
Camel (SoM)		4.9%				4.9%	-0.4ppt
LD (SoM)		2.4%				2.4%	+0.2ppt
Total SoV		31.1%				31.1%	+3.2ppt

*Data for SoM and SoV includes Combustibles only

The USA*

Volume evolution

Volume evolution					(BNU)
2026	Q1	Q2	Q3	Q4	YTD
Total volume	2.9				2.9
	+3.3%				+3.3%

Share evolution

						YTD	Var.
	2026	Q1	Q2	Q3	Q4		
Total SoM		8.5%				8.5%	+0.3ppt
LD (SoM)		3.4%				3.4%	+1.0ppt
Montego (SoM)		4.1%				4.1%	-0.3ppt

*Data for SoM includes Combustibles only

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 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) * - Canada Adjustment (Annual contribution**) *Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others **Annual contribution corresponds to the portion of profit equivalent to each annual payment of the settlement of the lawsuits related to smoking and health against tobacco companies, including the Company's Canadian subsidiary, JTI-Macdonald Corp.
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 and deducting Canada adjustments (Annual contribution*) *Annual contribution corresponds to the portion of revenue equivalent to each annual payment of the settlement of the lawsuits related to smoking and health against tobacco companies, including the Company's Canadian subsidiary, JTI-Macdonald Corp.
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. In principle, 0.75 gram of loose tobacco is equivalent to a stick of cigarettes.

Water pipe tobacco	Products that vaporize water-filtered smoke produced by burning tobacco leaves, also known as shisha tobacco. 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 Heated Products, Infused Product, E-Vapor, Modern Oral and Traditional Oral.
Heated Products	Products that involve a battery-powered device which directly heats stick-shaped consumables similar to cigarettes. These consumables are referred to as HTS and HNS.
Heated Tobacco Sticks (HTS)	Consumables containing tobacco leaves to be used with a Heated Products device that directly heat sticks. One stick is equivalent to a stick of cigarettes.
Heated Nicotine Sticks (HNS)	Consumables that deliver nicotine without tobacco leaves to be used with a Heated Products device that directly heat sticks. One stick is equivalent to a stick of cigarettes.
Infused Tobacco (Infused)	Infused Products involve a battery-powered device that heats a liquid capsule to generate a vapor which passes through a tobacco containing consumable (i.e. not on a stick but rather a capsule or pod). One pack of consumables is equivalent to 20 sticks of cigarettes.
E-Vapor	Products that involve a battery-powered device which heats a consumable (i.e. pod, capsule or tank) containing a nicotine-based liquid without tobacco leaves. A 2ml of liquid is equivalent to 20 sticks of cigarettes.
Modern Oral	Products that deliver nicotine in the form of a closed pouch and contain no tobacco leaf as raw materials. To deliver nicotine and flavor, these pouches are inserted between the consumer's lip and gum. These products are also known as nicotine pouches. One nicotine pouch is equivalent to a stick of cigarettes.
Traditional Oral	Products that deliver nicotine in the form of a closed pouch and contain tobacco leaf. To deliver nicotine and flavor, these pouches are inserted between the consumer's lip and gum. These products are also known as snus. Each 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.
Heated Products volume / Ploom volume	Sales volume of Heated Products (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, Modern Oral and Traditional 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, Modern Oral and Traditional 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, Modern Oral and Traditional 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 two business segments: tobacco 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 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 purpose "Fulfilling Moments, Enriching Life" purpose, the Group aims to ensure sustainable and valuable contributions to its stakeholders over the long term. In addition to its two business segments, this goal is also supported by D-LAB, the JT Group's corporate R&D initiative, dedicated to exploring and developing new value-added 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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