



Tokyo, October 31, 2024

2024 Third Quarter Results

2024 Third Quarter Highlights (vs. 2023 Third Quarter)

- Revenue increased by 11.0% to JPY 2,393.3 billion.
- Core revenue at constant FX increased by 6.8% to JPY 2,214.0 billion.
- Adjusted operating profit at constant FX increased by 2.6% to JPY 681.7 billion.
- On a reported basis, adjusted operating profit increased by 1.2% to JPY 672.5 billion.
- Operating profit increased by 0.8% to JPY 636.6 billion.
- Profit increased by 0.1% to JPY 442.4 billion.

2024 Forecasts (vs. Previous Forecasts)

- Revenue forecast revised upward by JPY 54.5 billion, resulting in a 11.3% increase year on year.
- Core revenue at constant FX revised upward by JPY 97.5 billion, resulting in a 8.2% increase year on year.
- Adjusted operating profit at constant FX revised upward by JPY 29.0 billion, resulting in a 6.3% increase year on year.
- On a reported basis, adjusted operating profit revised upward by JPY 36.0 billion, resulting in a 2.5% increase year on year.
- Operating profit forecast revised upward by JPY 28.0 billion, resulting in a 2.3% increase year on year.
- Profit forecast revised downward by JPY 8.0 billion, resulting in a 3.2% decrease year on year.
- Free cash flow revised downward by JPY 220.0 billion, resulting in a JPY 287.7 billion decrease year on year.
- As announced in the initial forecast, the Company plans to offer an annual dividend per share of JPY 194.

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 posted another set of strong results for the third quarter, mainly driven by solid pricing in the tobacco business.

Our solid market share momentum, combined with better-than-expected overall demand in a number of markets, and the significant Ploom volume growth of 40.0%, resulted in total volume increasing by 2.2% year-on-year. The geo-expansion of Ploom, our investment priority, has now reached 23 markets, and in Japan, the largest Ploom market, we continued to gain share in the HTS segment reaching 11.8% quarter-to-date. Overall, RRP-related revenue increased by approximately 22% year-on-year.

Following the successful acquisition of Vector Group Ltd. (VGR), I am very pleased to welcome the employees of VGR to the JT Group. I am confident that our expanded presence in the highly profitable US market will improve the JT Group's returns in combustibles and strengthen our mid- to long-term financial position through sustainable hard currency profit and cash flows.

Reflecting on the strong performance of the first nine months and taking into account VGR's contribution, we have again revised upwards our full year forecast, increasing our adjusted operating profit from the previous forecast, both at constant FX and on a reported basis.

In line with our dividend policy, dividend per share guidance for the full year remains unchanged at 194 yen per share.

Going forward, amid increasing uncertainty and complexity in the operating environment the JT Group will continue to make appropriate management decisions in accordance with the 4S model*, our management principle, and work as one team to achieve our business plan. We will also continue to strive to achieve both our JT Group Purpose** and the Purpose of each of our businesses."

*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.it.com/about/management_principles/index.html

** The JT Group Purpose, "Fulfilling Moments, Enriching Life," is designed to provide a clear direction for the JT Group's sustainable existence amidst individual, societal and environmental change in an increasingly complex and uncertain business environment. The area of "human enrichment" undergoes changes in various ways with the times and the people, and the JT Group strives to evolve constantly so that we can continue to be entrusted with, and make valuable contributions to, this area by society.

Investors' Meeting

A conference call with members of the investor community will be held on October 31, 2024 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 2023 and fiscal year 2024 as well as the forecasts for fiscal year 2024 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 and the forecasts 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 Q3 2024, the markets impacted by hyperinflationary accounting and hyperinflation include those in Ethiopia, Iran, Sudan and Turkey.

Q3 2024 Quarter Results

Consolidated Results

| (billions of JPY) | Q3 2024 | Q3 2023 | Variance | 2024 YTD | 2023 YTD | Variance |
|---|--------------|---------|----------|----------------|----------|----------|
| Revenue | 823.4 | 764.2 | +7.7% | 2,393.3 | 2,157.0 | +11.0% |
| Adjusted operating profit | 219.4 | 221.5 | -0.9% | 672.5 | 664.4 | +1.2% |
| Operating profit | 204.0 | 218.3 | -6.6% | 636.6 | 631.8 | +0.8% |
| Profit | 137.2 | 155.0 | -11.5% | 442.4 | 442.0 | +0.1% |
| Core revenue at constant FX | 791.6 | 734.8 | +7.7% | 2,214.0 | 2,073.8 | +6.8% |
| Adjusted operating profit at constant FX | 226.9 | 221.5 | +2.4% | 681.7 | 664.4 | +2.6% |

Q3 2024

- **Revenue**
Revenue increased by 7.7%, driven by increases across all business segments. At constant FX, core revenue increased by 7.7%.
- **Adjusted operating profit**
Adjusted operating profit decreased by 0.9%, due to the decrease in the pharmaceutical business offsetting growth in the tobacco and processed food businesses. At constant FX, adjusted operating profit increased by 2.4%.
- **Operating profit**
Operating profit decreased by 6.6%, due to the lower adjusted operating profit and lower sales of real estate in the adjusted items.
- **Profit**
Profit decreased by 11.5%, due to the lower operating profit and higher financing costs.

2024 YTD

- **Revenue**
Revenue increased by 11.0%, mainly driven by the increase in the tobacco business. At constant FX, core revenue increased by 6.8%.
- **Adjusted operating profit**
Adjusted operating profit increased by 1.2%, driven by the increase in the tobacco and processed food businesses. At constant FX, adjusted operating profit increased by 2.6%.
- **Operating profit**
Operating profit increased by 0.8%, driven by the increase in adjusted operating profit.
- **Profit**
Profit was stable year on year, as the increase in operating profit and lower corporate income tax were offset by higher financial costs.

Results by Business Segment

Tobacco Business

| (billions of JPY) | Q3 2024 | Q3 2023 | Variance | 2024 YTD | 2023 YTD | Variance |
|---|--------------|------------|-------------------|----------------|-------------|--------------------|
| Core revenue | 730.5 | 674.1 | +8.4% (+8.1%)* | 2,122.4 | 1,891.3 | +12.2% (+7.5%)* |
| Adjusted operating profit | 227.5 | 226.7 | +0.4% (+3.7%)* | 699.6 | 676.8 | +3.4% (+4.7%)* |
| Reference (billions of units, billions of JPY) | | | | | | |
| Total volume | 144.7 | 141.3 | +2.4% | 419.5 | 410.6 | +2.2% |
| Combustibles volume | 142.0 | 139.0 | +2.1% | 411.6 | 404.2 | +1.8% |
| RRP volume | 2.7 | 2.3 | +18.1% | 7.9 | 6.5 | +22.8% |
| RRP-related revenue | 24.9 | 22.7 | +9.8% | 75.7 | 62.1 | +21.7% |

*At constant FX

- The tobacco business delivered strong performance in the third quarter, fueled by a solid pricing contribution to core revenue and adjusted operating profit, as well as by ongoing market share momentum in combustibles and continued RRP volume growth. These results drove a robust year-to-date performance across all indicators, supporting incremental investments towards Ploom and mitigating inflation-driven cost increases.

Q3 2024

- Core revenue and adjusted operating profit**
Core revenue increased by 8.4%, and by 8.1% at constant FX, driven by a positive volume variance of JPY 1.9 billion, fueled by growth in the EMA cluster, and by a strong price/mix contribution of JPY 52.5 billion from all clusters. RRP-related revenue grew by 9.8%, fueled by Ploom volume in Japan as well as outside of Japan.
Adjusted operating profit increased by 0.4%, and by 3.7% at constant FX, as the solid price/mix contribution more than offset a negative volume variance, inflation-led cost increases, investments related to the Ploom geo-expansion and unfavorable currency movements.
- Volume and market share**
Total volume increased by 2.4%, driven by growth in the Asia and EMA clusters, partially offset by impacts from lower industry volume in Western Europe. Volume in the combustibles category grew by 2.1%, mainly fueled by Global Flagship Brands, with Winston, Camel and LD up by 3.9%, 6.7% and 3.3%, respectively. In the RRP category, volume grew by 18.1%, mainly driven by Ploom's continued growth in Japan (+28.1%) and the incremental contribution from launched markets (+90%). Market share gains continued, including in the key markets of the Philippines, Russia, Spain, Taiwan and Turkey.

2024 YTD

- Core revenue and adjusted operating profit**
Core revenue increased by 12.2%, and by 7.5% at constant FX, driven by a robust price/mix contribution of JPY 141.7 billion from all clusters, and favorable currency movements, partially offset by a negative volume variance of JPY 0.5 billion. RRP-related revenue grew by 21.7%, fueled by the

Ploom volume increase.

Adjusted operating profit increased by 3.4%, and by 4.7% at constant FX, driven by the solid price/mix contribution, more than offsetting the negative volume variance, unfavorable currency movements, as well as inflation-led cost increases and additional investment in the geo-expansion of Ploom.

- **Volume and market share**

Total volume increased by 2.2%, led by continued market share gains and the growing RRP contribution. Solid volume growth in the EMA cluster was partially offset by a decline in Asia and Western Europe due to lower industry volumes in several markets. Combustibles volume increased by 1.8%, with GFB volume up by 4.0%, notably Winston (+4.6%) and Camel (+8.5%). RRP volume grew by 22.8%, driven by Ploom volume increasing by 32.7% in Japan and over 2.5 times outside of Japan.

Market share gains continued in many markets, including the key markets of Italy, the Philippines, Russia and Taiwan.

Tobacco Business Performance Review by Cluster

Asia

| (billions of JPY) | 2024 YTD | 2023 YTD | Variance |
|----------------------------------|--------------|-------------|-------------------|
| Core revenue | 609.0 | 599.1 | +1.7% (-0.8%)* |
| Adjusted operating profit | 194.7 | 212.8 | -8.5% (-6.7%)* |

Reference (billions of units)

| | | | |
|---------------------|-------------|------|-------|
| Total volume | 95.5 | 96.0 | -0.6% |
|---------------------|-------------|------|-------|

*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue increased by 1.7%, driven by favorable currency movements and the positive price/mix contribution, mainly from Indonesia, the Philippines and Taiwan, partially offset by a negative volume variance, mainly in Japan and the Philippines. At constant FX, core revenue decreased by 0.8%.

Adjusted operating profit decreased by 8.5%, and by 6.7% at constant FX, as the positive price/mix contribution could not offset the combination of a negative volume variance, inflation-led cost increases and unfavorable currency movements.

- **Volume and market share**

Volume growth in Bangladesh, Indonesia and Myanmar partially offset the lower combustibles industry volume in Japan, the Philippines and Taiwan, resulting in total volume declining by 0.6%. GFB volume increased by 2.2%, fueled by Camel as well as LD. Market share increased in Bangladesh, Cambodia, Indonesia, Malaysia, the Philippines, Singapore, South Korea and Taiwan.

- **By market**

In Japan, share of segment increased in both combustibles and RRP, while total volume decreased by 2.6%, driven by a declining combustibles industry volume. Total tobacco market share was 41.3%. In combustibles, although Camel volume expanded, volume decreased by 5.5%, due to a category industry volume contraction estimated at 6.9%.

In RRP, a category estimated at 42% (shipment basis) of the total tobacco industry size, volume

increased by 20.0% and category share grew by 0.7ppt to 13.7%. Within the HTS segment, Ploom volume grew by 32.7% and continued to gain share, reaching an HTS segment share of 11.4%, up by 1.5ppt.

Core revenue decreased due to the negative contribution from both volume and price/mix.

In the Philippines, total volume declined by 4.6%, due to an industry volume decline partially offset by solid market share gains. GFB volume increased by a strong 14.8%, fueled by Camel. Total tobacco market share grew by 1.3ppt to 49.7%.

Core revenue at constant FX increased, driven by a favorable price/mix contribution offsetting the negative volume variance.

In Taiwan, total and GFB volumes both decreased by 1.0%, due to industry volume contraction partially offset by continued market share gains. Total tobacco market share increased 0.5ppt to 50.7%, driven by gains from most brands, including MEVIUS and LD.

Core revenue at constant FX increased, driven by a favorable price/mix contribution offsetting the negative volume variance.

Western Europe

| (billions of JPY) | 2024 YTD | 2023 YTD | Variance |
|----------------------------------|--------------|-------------|--------------------|
| Core revenue | 536.5 | 467.6 | +14.7% (+3.5%)* |
| Adjusted operating profit | 224.6 | 210.0 | +7.0% (-2.6%)* |

Reference (billions of units)

| | | | |
|---------------------|-------------|------|-------|
| Total volume | 78.3 | 80.5 | -2.7% |
|---------------------|-------------|------|-------|

*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue increased by 14.7%, and by 3.5% at constant FX, driven by favorable currency movements and a positive price/mix contribution, mainly in France, Germany, Spain and the UK, more than offsetting the negative volume variance, primarily in the UK.

Adjusted operating profit increased by 7.0%, driven by favorable currency movements, and a positive price/mix contribution, partially offset by a negative volume variance and higher costs due to inflation, including investments towards Ploom. At constant FX, adjusted operating profit decreased by 2.6%.

- **Volume and market share**

Despite volume growth in Italy, Luxembourg, Portugal and Spain, total and GFB volumes decreased by 2.7% and 0.7%, respectively, mainly due to industry volume contraction across the cluster, notably in the UK. Market share increased in Belgium, France, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Portugal and Switzerland.

- **By market**

In Italy, total volume increased by 4.2%, and by 3.1% when excluding inventory movements, driven by market share gains and the growing Ploom volume contribution. GFB volume grew by 1.8%, fueled by Winston and Camel. Total tobacco market share increased by 0.3ppt to 23.5%.

Core revenue at constant FX increased, driven by a favorable volume variance.

In Spain, total volume increased by 1.2%, but declined by 0.7% when excluding inventory movements,

mainly due to industry contraction and a lower total market share. GFB volume increased by 3.6%, driven by Winston and Camel. Total tobacco market share decreased by 0.2ppt to 27.7%. Core revenue at constant FX increased, driven by favorable volume and price/mix contributions.

In the UK, RRP volume grew driven by Ploom and Nordic Spirit, while total volume declined by 15.6%, due to the large combustibles industry volume contraction resulting from excise tax-led price increases. Total tobacco market share reached 43.0%, including gains by Benson & Hedges and Mayfair. Core revenue at constant FX decreased, as the solid price/mix contribution was offset by a negative volume variance.

EMA

| (billions of JPY) | 2024 YTD | 2023 YTD | Variance |
|----------------------------------|--------------|-------------|---------------------|
| Core revenue | 976.9 | 824.6 | +18.5% (+15.8%)* |
| Adjusted operating profit | 280.3 | 254.0 | +10.4% (+20.4%)* |

Reference (billions of units)

| | | | |
|---------------------|--------------|-------|-------|
| Total volume | 245.7 | 234.1 | +5.0% |
|---------------------|--------------|-------|-------|

*At constant FX

- Core revenue and adjusted operating profit**
Core revenue increased by 18.5%, and by 15.8% at constant FX, driven by a positive volume variance, mainly in Global Travel Retail and Russia, a solid price/mix contribution, primarily in Canada, Egypt, Global Travel Retail, Iran, Kazakhstan, Romania, Russia, Turkey and Ukraine, and favorable currency movements.
Adjusted operating profit grew by 10.4%, as the revenue growth more than offset a higher costs variance, including investments towards Ploom, and unfavorable currency movements. At constant FX, adjusted operating profit increased by 20.4%.
- Volume and market share**
Total and GFB volumes increased by 5.0% and 6.2%, respectively, mainly driven by Brazil, Egypt, Georgia, Global Travel Retail, Iran, Morocco, Russia, Saudi Arabia and Turkey. Market share increased in Algeria, Azerbaijan, Brazil, Bulgaria, Canada, the Czech Republic, Iran, Jordan, Mexico, Montenegro, Poland, Russia, Serbia, Slovak Republic, Slovenia, South Africa and the USA.
- By market**
In Romania, GFB volume grew by 6.2%, while total volume slightly decreased by 0.6%, due to intensifying competition in the value price segment. Total tobacco market share declined by 1.2ppt to 26.0%, although Camel continued to gain share.
Core revenue at constant FX increased, mainly driven by a positive price/mix contribution.

In Russia, total volume grew by 4.9%, and by 3.5% when excluding inventory movements, driven by market share gains in an industry volume estimated to increase by 2.3%. GFB volume grew by 7.5%, fueled by Winston, Camel and MEVIUS. Total tobacco market share reached 37.6%, gaining 0.3ppt. Core revenue at constant FX increased, driven by the positive price/mix and volume contributions.

In Turkey, total volume grew by 7.8%, and by 8.2% when excluding inventory movements, supported by a higher industry volume due to improved consumption. GFB volume increased by 5.5%, fueled by

Winston and LD. Total tobacco market share decreased by 0.1ppt to 27.5%.
Core revenue at constant FX grew, driven by favorable volume and price/mix contributions.

Source: figures for total tobacco market share and industry volume variances are based on JT Group estimates on a year-to-date average. Year-to-date share of market growth for 2024 is calculated against year-to-date shares of market at the end of the respective period in 2023, except for Belgium, Brazil, Cambodia, Canada, France, Lithuania, Malaysia, South Korea, Spain, Switzerland and the UK, which are on a year-to-date period at the end of August 2024. Year-to-date industry volume variance for 2024 is calculated against year-to-date industry volume at the end of the respective period in 2023, except for Spain, Turkey and the UK, which are on a year-to-date period at the end of August 2024.

Pharmaceutical Business

| (billions of JPY) | Q3 2024 | Q3 2023 | Variance | 2024 YTD | 2023 YTD | Variance |
|----------------------------------|-------------|---------|----------|-------------|----------|----------|
| Revenue | 23.0 | 22.1 | +0.8 | 67.0 | 69.8 | -2.8 |
| Adjusted operating profit | 1.2 | 3.1 | -1.9 | 5.2 | 13.1 | -8.0 |

Q3 2024

- **Revenue and adjusted operating profit**

Revenue increased, primarily driven by sales growth in the area of skin diseases and allergens at our consolidated subsidiary, Torii Pharmaceutical, despite lower overseas royalty income.

Adjusted operating profit decreased due to an increase in R&D expenditures, despite the increase in revenue.

2024 YTD

- **Revenue and adjusted operating profit**

Revenue decreased due to the absence of one-time compensation gains from licensed compounds received in 2023, as well as lower overseas royalty income, partially offset by top-line growth at our consolidated subsidiary, Torii Pharmaceutical.

Adjusted operating profit decreased due to lower revenue and an increase in R&D expenditures.

Processed Food Business

| (billions of JPY) | Q3 2024 | Q3 2023 | Variance | 2024 YTD | 2023 YTD | Variance |
|----------------------------------|-------------|---------|----------|--------------|----------|----------|
| Revenue | 39.7 | 38.1 | +1.6 | 113.5 | 111.5 | +2.0 |
| Adjusted operating profit | 2.0 | 1.7 | +0.3 | 6.4 | 4.6 | +1.7 |

Q3 2024

- **Revenue and adjusted operating profit**

Revenue increased, driven by a positive contribution from price revisions implemented in the previous and current fiscal years, as well as a sales increase in the seasonings business, and ambient food product in the frozen and ambient foods business.

Adjusted operating profit increased, led by the higher revenue offsetting increased raw material costs.

2024 YTD

- **Revenue and adjusted operating profit**

Revenue increased, driven by a positive contribution from price revisions implemented in the previous and current fiscal years, as well as a sales increase in the seasonings business.

Adjusted operating profit increased due to the higher revenue, offsetting increased raw material costs.

FY2024 Revised Forecasts

Consolidated Forecasts

| (billions of JPY) | 2024 Revised Forecasts | 2024 Previous Forecasts | Variance vs. Previous Forecasts | Variance vs. 2023 Results |
|---|---------------------------|----------------------------|---------------------------------------|------------------------------|
| Revenue | 3,163.5 | 3,109.0 | +54.5 | +11.3% |
| Adjusted operating profit | 746.0 | 710.0 | +36.0 | +2.5% |
| Operating profit | 688.0 | 660.0 | +28.0 | +2.3% |
| Profit | 467.0 | 475.0 | -8.0 | -3.2% |
| Free cash flow | 156.0 | 376.0 | -220.0 | -287.7 billion |
| Core revenue at constant FX | 2,953.5 | 2,856.0 | +97.5 | +8.2% |
| Adjusted operating profit at constant FX | 774.0 | 745.0 | +29.0 | +6.3% |
| Basic EPS* (JPY) | 263.02 | 267.53 | -4.51 | -3.2% |

*Based on profit

- **Revenue**
Revenue forecast was revised upward by JPY 54.5 billion, resulting in an 11.3% increase year on year, driven by upward revisions of the pharmaceutical and tobacco businesses including VGR's contribution following the completion of the acquisition. At constant FX, core revenue was revised upward by JPY 97.5 billion, resulting in an 8.2% increase year on year.
- **Adjusted operating profit**
Adjusted operating profit was revised upward by JPY 36.0 billion, driven by upward revisions across all business segments, resulting in a 2.5% increase year on year. At constant FX, adjusted operating profit was revised upward by JPY 29.0 billion, resulting in a 6.3% increase year on year.
- **Operating profit**
Operating profit was revised upward by JPY 28.0 billion, driven by upward revision of adjusted operating profit more than offsetting the cost increase in adjusted items related to the VGR acquisition, resulting in a 2.3% increase year on year.
- **Profit**
Profit was revised downward by JPY 8.0 billion, resulting in a 3.2% decrease year on year, due to increases in financial costs and corporate tax as well as costs related to VGR acquisition.
- **Free cash flow**
Free cash flow was revised downward by JPY 220.0 billion, resulting in a JPY 287.7 billion decrease year on year, due to payments related to the VGR acquisition.

Forecasts by Business Segment

Tobacco Business

| (billions of JPY) | 2024 Revised Forecasts | 2024 Previous Forecasts | Variance vs. Previous Forecasts | Variance vs. 2023 Results |
|----------------------------------|------------------------|-------------------------|---------------------------------|---------------------------|
| Core revenue | 2,792.0 | 2,747.0 | +45.0 | +12.6% (+9.0%)* |
| Adjusted operating profit | 789.0 | 755.0 | +34.0 | +5.2% (+9.0%)* |

*At constant FX

- **Core revenue and adjusted operating profit**

Compared to the previous forecast, core revenue guidance for the full year of 2024 was revised upward by JPY 45.0 billion, to reflect the continued robust pricing contribution, stronger than expected volume trends in the third quarter, and the inclusion of VGR following the completion of the acquisition on October 7.

Versus 2023, core revenue is now expected to increase by 12.6%, and by 9.0% at constant FX.

Compared to the previous forecast, adjusted operating profit guidance for the full year of 2024 was revised upward by JPY 34.0 billion, mainly reflecting the higher revenue contribution and the inclusion of VGR.

Versus 2023, adjusted operating profit is now expected to increase by 5.2%, and by 9.0% at constant FX.

- **Volume**

Compared to the previous forecast, total volume guidance for the full year of 2024 was revised upward to factor in better-than-expected industry volume in several markets combined with continued market share gains.

Versus 2023, total volume is now expected to increase by approximately 1.0%.

Pharmaceutical Business

| (billions of JPY) | 2024 Revised Forecasts | 2024 Previous Forecasts | Variance vs. Previous Forecasts | Variance vs. 2023 Results |
|----------------------------------|------------------------|-------------------------|---------------------------------|---------------------------|
| Revenue | 94.0 | 93.0 | +1.0 | -0.9 |
| Adjusted operating profit | 8.0 | 7.0 | +1.0 | -9.4 |

- Revenue and adjusted operating profit**
 Revenue has been revised upward by JPY 1.0 billion from the previous forecast, reflecting a revenue increase at our consolidated subsidiary, Torii Pharmaceutical. Revenue is expected to decrease by JPY 0.9 billion versus the previous year due to the absence of one-time compensation gains from licensed compounds received in FY 2023 as well as lower overseas royalty income. Adjusted operating profit has been upwardly revised by JPY 1.0 billion due to improved revenue as well as scrutiny of R&D expenditures, while adjusted operating profit is expected to decrease by JPY 9.4 billion versus the previous year due to decrease in revenue and an increase in R&D expenditures.

Processed Food Business

| (billions of JPY) | 2024 Revised Forecasts | 2024 Previous Forecasts | Variance vs. Previous Forecasts | Variance vs. 2023 Results |
|----------------------------------|------------------------|-------------------------|---------------------------------|---------------------------|
| Revenue | 156.0 | 156.5 | -0.5 | +2.1 |
| Adjusted operating profit | 7.5 | 7.0 | +0.5 | +0.7 |

- Revenue and adjusted operating profit**
 Revenue has been downwardly revised by JPY 0.5 billion from the previous forecast, reflecting the recent sales trend. Revenue is expected to grow by JPY 2.1 billion versus the previous year, driven by a positive contribution from the price revisions, as well as a sales increase in the seasonings business. Adjusted operating profit has been revised upward by JPY 0.5 billion from the previous forecast, due to efficient cost management including SG&A expenses, despite higher operating costs such as raw material costs. Adjusted operating profit is expected to increase by JPY 0.7 billion versus the previous year, driven by higher revenue, despite higher operating costs such as raw material costs.

Data Sheets

Results for 2024 Third Quarter

1. Summary of consolidated results

(JPY BN)

| | Q3 YTD 2024 | Q3 YTD 2023 | Variance (abs) | Variance (%) |
|----------------------------|----------------|----------------|----------------|--------------|
| Revenue | 2,393.3 | 2,157.0 | +236.3 | +11.0% |
| Operating profit | 636.6 | 631.8 | +4.8 | +0.8% |
| Adjusted operating profit | 672.5 | 664.4 | +8.1 | +1.2% |
| Profit before income taxes | 580.3 | 586.2 | -5.9 | -1.0% |
| Profit | 442.4 | 442.0 | +0.4 | +0.1% |
| Basic EPS*(JPY) | 249.18 | 249.01 | +0.17 | +0.1% |

*Based on profit

[Reference]

(JPY BN)

| | Q3 YTD 2024 | Q3 YTD 2023 | Variance (abs) | Variance (%) |
|--|----------------|----------------|----------------|--------------|
| Core revenue at constant FX | 2,214.0 | 2,073.8 | +140.3 | +6.8% |
| Adjusted operating profit at constant FX | 681.7 | 664.4 | +17.3 | +2.6% |

2. Results by business segment

(JPY BN)

| | Q3 YTD 2024 | Q3 YTD 2023 | Variance (abs) | Variance (%) |
|--|----------------|----------------|----------------|--------------|
| Consolidated revenue | 2,393.3 | 2,157.0 | +236.3 | +11.0% |
| Tobacco | 2,211.7 | 1,974.5 | +237.2 | +12.0% |
| Core revenue | 2,122.4 | 1,891.3 | +231.1 | +12.2% |
| Pharmaceutical | 67.0 | 69.8 | -2.8 | -3.9% |
| Processed food | 113.5 | 111.5 | +2.0 | +1.8% |
| Others | 1.0 | 1.2 | -0.2 | -16.4% |
| Consolidated operating profit | 636.6 | 631.8 | +4.8 | +0.8% |
| Tobacco | 658.4 | 631.3 | +27.1 | +4.3% |
| Pharmaceutical | 5.2 | 13.1 | -8.0 | -60.7% |
| Processed food | 6.3 | 5.5 | +0.8 | +15.0% |
| Others/Elimination | -33.3 | -18.0 | -15.2 | - |
| Adjustments, total | -35.9 | -32.5 | -3.3 | |
| Tobacco | -41.2 | -45.6 | +4.4 | |
| Pharmaceutical | - | - | - | |
| Processed food | -0.0 | 0.9 | -0.9 | |
| Others/Elimination | 5.4 | 12.2 | -6.8 | |
| Consolidated adjusted operating profit | 672.5 | 664.4 | +8.1 | +1.2% |
| Tobacco | 699.6 | 676.8 | +22.8 | +3.4% |
| Pharmaceutical | 5.2 | 13.1 | -8.0 | -60.7% |
| Processed food | 6.4 | 4.6 | +1.7 | +36.7% |
| Others/Elimination | -38.6 | -30.2 | -8.4 | - |

Results for 2024 Third Quarter

3. Depreciation and amortization*

(JPY BN)

| | Q3 YTD 2024 | Q3 YTD 2023 | Variance (abs) |
|--|----------------|----------------|----------------|
| Consolidated depreciation and amortization | 110.3 | 112.5 | -2.2 |
| Tobacco | 100.7 | 103.9 | -3.2 |
| Pharmaceutical | 3.0 | 3.0 | -0.0 |
| Processed food | 5.0 | 4.8 | +0.2 |
| Others/Elimination | 1.7 | 0.8 | +0.9 |

*Excluding depreciation from lease transactions

4. Consolidated financial position

(JPY BN)

| | 2024 Sep. end | 2023 Dec. end | Variance (abs) |
|--|---------------|---------------|----------------|
| Total assets | 6,946.0 | 7,282.1 | -336.1 |
| Total equity | 3,972.1 | 3,912.5 | +59.6 |
| Equity attributable to owners of the parent company | 3,891.5 | 3,830.2 | +61.3 |
| BPS (attributable to owners of the parent company) (JPY) | 2,191.65 | 2,157.46 | +34.20 |

5. Liquidity and interest-bearing debt

(JPY BN)

| | 2024 Sep. end | 2023 Dec. end | Variance (abs) |
|-----------------------|---------------|---------------|----------------|
| Liquidity | 878.8 | 1,080.9 | -202.2 |
| Interest-bearing debt | 1,078.2 | 1,142.3 | -64.1 |

6. Consolidated cash flow

(JPY BN)

| | Q3 YTD 2024 | Q3 YTD 2023 | Variance (abs) |
|--|----------------|----------------|----------------|
| Cash flows from operating activities | 392.0 | 490.4 | -98.4 |
| Cash flows from investing activities | -142.6 | -104.0 | -38.6 |
| Cash flows from financing activities | -439.4 | -413.7 | -25.7 |
| Cash and cash equivalents, beginning of the period | 1,040.2 | 866.9 | +173.3 |
| Foreign currency translation adj. on cash & cash equivalents | -55.3 | 29.5 | -84.8 |
| Cash and cash equivalents, end of the period | 794.8 | 869.0 | -74.2 |
| FCF | 260.5 | 420.3 | -159.8 |

7. Capital expenditures

(JPY BN)

| | Q3 YTD 2024 | Q3 YTD 2023 | Variance (abs) |
|-----------------------------------|----------------|----------------|----------------|
| Consolidated capital expenditures | 94.5 | 78.4 | +16.1 |
| Tobacco | 83.5 | 66.3 | +17.2 |
| Pharmaceutical | 6.0 | 6.3 | -0.3 |
| Processed food | 3.4 | 3.8 | -0.3 |
| Others/Elimination | 1.6 | 1.9 | -0.4 |

8. Tobacco business FX rate

| | Q3 YTD 2024 | Q3 YTD 2023 | Variance (abs) | Variance (%) |
|------------|----------------|----------------|----------------|--------------|
| 100JPY/USD | 0.66 | 0.72 | -0.06 | +9.4% |
| 100JPY/RUB | 59.69 | 59.67 | +0.02 | -0.0% |
| 100JPY/GBP | 0.52 | 0.58 | -0.06 | +12.5% |
| 100JPY/EUR | 0.61 | 0.67 | -0.06 | +9.9% |
| 100JPY/CHF | 0.58 | 0.65 | -0.07 | +12.2% |
| 100JPY/TWD | 21.19 | 22.40 | -1.21 | +5.7% |
| 100JPY/PHP | 37.72 | 40.20 | -2.48 | +6.6% |

**FY2024 Revised Forecasts vs FY2023
(as of October 31, 2024)**

1. Summary of consolidated forecasts

(JPY BN)

| | FY2024 Revised Forecasts | FY2023 Results | Variance (abs) | Variance (%) |
|---------------------------|--------------------------|----------------|----------------|--------------|
| Revenue | 3,163.5 | 2,841.1 | +322.4 | +11.3% |
| Operating profit | 688.0 | 672.4 | +15.6 | +2.3% |
| Adjusted operating profit | 746.0 | 728.0 | +18.0 | +2.5% |
| Profit | 467.0 | 482.3 | -15.3 | -3.2% |

[Reference]

(JPY BN)

| | FY2024 Revised Forecasts | FY2023 Results | Variance (abs) | Variance (%) |
|--|--------------------------|----------------|----------------|--------------|
| Core revenue at constant FX | 2,953.5 | 2,728.8 | +224.7 | +8.2% |
| Adjusted operating profit at constant FX | 774.0 | 728.0 | +46.0 | +6.3% |

2. EPS, DPS, ROE

(JPY)

| | FY2024 Revised Forecasts | FY2023 Results | Variance (abs) | Variance (%) |
|------------------------|--------------------------|----------------|----------------|--------------|
| Basic EPS* | 263.02 | 271.69 | -8.67 | -3.2% |
| DPS | 194 | 194 | - | - |
| Dividend payout ratio* | 73.8% | 71.4% | | |
| ROE* | 12.0% | 13.1% | -1.1ppt | |

*Based on profit

3. Forecasts by business segment

(JPY BN)

| | FY2024 Revised Forecasts | FY2023 Results | Variance (abs) | Variance (%) |
|--|--------------------------|----------------|----------------|--------------|
| Consolidated revenue | 3,163.5 | 2,841.1 | +322.4 | +11.3% |
| Tobacco | 2,912.0 | 2,590.9 | +321.1 | +12.4% |
| Core revenue | 2,792.0 | 2,478.6 | +313.4 | +12.6% |
| Pharmaceutical | 94.0 | 94.9 | -0.9 | -0.9% |
| Processed food | 156.0 | 153.9 | +2.1 | +1.4% |
| Others | 1.5 | 1.4 | +0.1 | +4.3% |
| Consolidated operating profit | 688.0 | 672.4 | +15.6 | +2.3% |
| Tobacco | 724.0 | 677.1 | +46.9 | +6.9% |
| Pharmaceutical | 8.0 | 17.4 | -9.4 | -54.0% |
| Processed food | 7.5 | 7.7 | -0.2 | -2.5% |
| Others/Elimination | -51.5 | -29.8 | -21.7 | - |
| Consolidated adjusted operating profit | 746.0 | 728.0 | +18.0 | +2.5% |
| Tobacco | 789.0 | 749.8 | +39.2 | +5.2% |
| Pharmaceutical | 8.0 | 17.4 | -9.4 | -54.0% |
| Processed food | 7.5 | 6.8 | +0.7 | +9.5% |
| Others/Elimination | -58.5 | -46.0 | -12.5 | - |

**FY2024 Revised Forecasts vs FY2023
(as of October 31, 2024)**

4. Free cash flow

(JPY Bn)

| | FY2024 Revised Forecasts | FY2023 Results | Variance (abs) |
|-----|--------------------------|----------------|----------------|
| FCF | 156.0 | 443.7 | -287.7 |

5. Capital expenditures

(JPY Bn)

| | FY2024 Revised Forecasts | FY2023 Results | Variance (abs) |
|-----------------------------------|--------------------------|----------------|----------------|
| Consolidated capital expenditures | 157.0 | 125.4 | +31.6 |
| Tobacco | 137.0 | 105.1 | +31.9 |
| Pharmaceutical | 10.0 | 7.3 | +2.7 |
| Processed food | 7.0 | 5.8 | +1.2 |
| Others/Elimination | 3.0 | 7.1 | -4.1 |

6. Assumptions of 2024 Forecasts

Tobacco business

- Total volume: an increase of approx. 1.0% (vs. 540.1 BnU in 2023)
- GFB volume: an increase of approx. 2.5% (vs. 389.8 BnU in 2023)

<Tobacco Business FX assumptions>

| | FY2024 Revised Forecasts | FY2023 Results | Variance (abs) | Variance (%) |
|--------------|--------------------------|----------------|----------------|--------------|
| 100YEN / USD | 0.67 | 0.71 | -0.04 | +6.1% |
| 100YEN / RUB | 61.10 | 60.44 | +0.66 | -1.1% |
| 100YEN / GBP | 0.52 | 0.57 | -0.05 | +10.3% |
| 100YEN / EUR | 0.62 | 0.66 | -0.04 | +6.3% |
| 100YEN / CHF | 0.58 | 0.64 | -0.06 | +10.5% |
| 100YEN / TWD | 21.70 | 22.18 | -0.48 | +2.2% |
| 100YEN / PHP | 38.30 | 39.63 | -1.33 | +3.5% |

**FY2024 Revised Forecasts
vs Previous Forecasts
(as of October 31 2024)**

1. Summary of consolidated forecasts

(JPY BN)

| | FY2024 Revised Forecasts | FY2024 Previous Forecasts | Variance (abs) | Variance (%) |
|---------------------------|--------------------------|---------------------------|----------------|--------------|
| Revenue | 3,163.5 | 3,109.0 | +54.5 | +1.8% |
| Operating profit | 688.0 | 660.0 | +28.0 | +4.2% |
| Adjusted operating profit | 746.0 | 710.0 | +36.0 | +5.1% |
| Profit | 467.0 | 475.0 | -8.0 | -1.7% |

[Reference]

(JPY BN)

| | FY2024 Revised Forecasts | FY2024 Previous Forecasts | Variance (abs) | Variance (%) |
|--|--------------------------|---------------------------|----------------|--------------|
| Core revenue at constant FX | 2,953.5 | 2,856.0 | +97.5 | +3.4% |
| Adjusted operating profit at constant FX | 774.0 | 745.0 | +29.0 | +3.9% |

2. EPS, DPS, ROE

(JPY)

| | FY2024 Revised Forecasts | FY2024 Previous Forecasts | Variance (abs) | Variance (%) |
|------------------------|--------------------------|---------------------------|----------------|--------------|
| Basic EPS* | 263.02 | 267.53 | -4.51 | -1.7% |
| DPS | 194 | 194 | - | - |
| Dividend payout ratio* | 73.8% | 72.5% | | |
| ROE* | 12.0% | 11.8% | +0.2ppt | |

*Based on profit

3. Forecasts by business segment

(JPY BN)

| | FY2024 Revised Forecasts | FY2024 Previous Forecasts | Variance (abs) | Variance (%) |
|--|--------------------------|---------------------------|----------------|--------------|
| Consolidated revenue | 3,163.5 | 3,109.0 | +54.5 | +1.8% |
| Tobacco | 2,912.0 | 2,858.0 | +54.0 | +1.9% |
| Core revenue | 2,792.0 | 2,747.0 | +45.0 | +1.6% |
| Pharmaceutical | 94.0 | 93.0 | +1.0 | +1.1% |
| Processed food | 156.0 | 156.5 | -0.5 | -0.3% |
| Others | 1.5 | 1.5 | - | - |
| Consolidated operating profit | 688.0 | 660.0 | +28.0 | +4.2% |
| Tobacco | 724.0 | 699.0 | +25.0 | +3.6% |
| Pharmaceutical | 8.0 | 7.0 | +1.0 | +14.3% |
| Processed food | 7.5 | 7.0 | +0.5 | +7.1% |
| Others/Elimination | -51.5 | -53.0 | +1.5 | - |
| Consolidated adjusted operating profit | 746.0 | 710.0 | +36.0 | +5.1% |
| Tobacco | 789.0 | 755.0 | +34.0 | +4.5% |
| Pharmaceutical | 8.0 | 7.0 | +1.0 | +14.3% |
| Processed food | 7.5 | 7.0 | +0.5 | +7.1% |
| Others/Elimination | -58.5 | -59.0 | +0.5 | - |

**FY2024 Revised Forecasts
vs Previous Forecasts
(as of October 31 2024)**

4. Free cash flow

(JPY BN)

| | FY2024 Revised Forecasts | FY2024 Previous Forecasts | Variance (abs) |
|-----|--------------------------|---------------------------|----------------|
| FCF | 156.0 | 376.0 | -220.0 |

5. Capital expenditures

(JPY BN)

| | FY2024 Revised Forecasts | FY2024 Previous Forecasts | Variance (abs) |
|-----------------------------------|--------------------------|---------------------------|----------------|
| Consolidated capital expenditures | 157.0 | 164.0 | -7.0 |
| Tobacco | 137.0 | 142.0 | -5.0 |
| Pharmaceutical | 10.0 | 10.0 | - |
| Processed food | 7.0 | 10.0 | -3.0 |
| Others/Elimination | 3.0 | 2.0 | +1.0 |

6. Assumption of 2024 Forecasts

| Tobacco business | Revised Forecasts | Previous Forecasts |
|------------------|--------------------------------------|---|
| Total volume | an increase of approx. 1.0% vs. 2023 | a decrease of approx. 0.5~1.0% vs. 2023 |
| GFB volume | an increase of approx. 2.5% vs. 2023 | flat to an increase of 0.5% vs. 2023 |

<Tobacco Business FX assumptions>

| | FY2024 Revised Forecasts | FY2024 Previous Forecasts | Variance (abs) | Variance (%) |
|--------------|--------------------------|---------------------------|----------------|--------------|
| 100YEN / USD | 0.67 | 0.65 | +0.02 | -3.0% |
| 100YEN / RUB | 61.10 | 59.60 | +1.50 | -2.5% |
| 100YEN / GBP | 0.52 | 0.52 | - | - |
| 100YEN / EUR | 0.62 | 0.61 | +0.01 | -1.6% |
| 100YEN / CHF | 0.58 | 0.58 | - | - |
| 100YEN / TWD | 21.70 | 21.00 | +0.70 | -3.2% |
| 100YEN / PHP | 38.30 | 37.20 | 1.10 | -2.9% |

Tobacco Business Data

1. Summary

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | |
|----------------------------------|----------|----------|----------|----|----------|--------|
| Total volume | 132.9 | 142.0 | 144.7 | | 419.5 | BNU |
| (vs. PY) | +2.1% | +2.0% | +2.4% | | +2.2% | |
| Combustibles volume | 130.3 | 139.3 | 142.0 | | 411.6 | BNU |
| (vs.PY) | +1.7% | +1.6% | +2.1% | | +1.8% | |
| GFB volume | 96.8 | 103.5 | 107.0 | | 307.3 | BNU |
| (vs.PY) | +6.3% | +2.0% | +3.9% | | +4.0% | |
| RRP volume | 2.5 | 2.7 | 2.7 | | 7.9 | BNU |
| (vs.PY) | +25.2% | +25.7% | +18.1% | | +22.8% | |
| Core revenue | 653.3 | 738.5 | 730.5 | | 2,122.4 | JPY BN |
| (vs. PY) | +12.8% | +15.7% | +8.4% | | +12.2% | |
| | (+6.6%)* | (+7.6%)* | (+8.1%)* | | (+7.5%)* | |
| RRP-related revenue | 23.9 | 26.9 | 24.9 | | 75.7 | JPY BN |
| (vs.PY) | +17.7% | +40.1% | +9.8% | | +21.7% | |
| Adjusted operating profit | 231.9 | 240.2 | 227.5 | | 699.6 | JPY BN |
| (vs. PY) | +3.0% | +6.7% | +0.4% | | +3.4% | |
| | (+4.9%)* | (+5.6%)* | (+3.7%)* | | (+4.7%)* | |

*at constant FX

2. Breakdown of core revenue

(JPY BN)

| | Q1 | Q2 | Q3 | Q4 | YTD |
|-----------|-------|-------|-------|----|---------|
| 2023 | 579.1 | 638.1 | 674.1 | | 1,891.3 |
| Volume | -4.8 | +2.4 | +1.9 | | -0.5 |
| Price/Mix | +43.1 | +46.0 | +52.5 | | +141.7 |
| 2024@PY | 617.4 | 686.6 | 728.6 | | 2,032.5 |
| FX | +36.0 | +52.0 | +2.0 | | +89.9 |
| 2024 | 653.3 | 738.5 | 730.5 | | 2,122.4 |

3. Breakdown of adjusted operating profit

(JPY BN)

| | Q1 | Q2 | Q3 | Q4 | YTD |
|-----------|-------|-------|-------|----|--------|
| 2023 | 225.1 | 225.0 | 226.7 | | 676.8 |
| Volume | -9.0 | -3.5 | -4.1 | | -16.6 |
| Price/Mix | +40.7 | +44.1 | +52.7 | | +137.5 |
| Others | -20.6 | -28.0 | -40.3 | | -88.9 |
| 2024@PY | 236.2 | 237.7 | 235.0 | | 708.8 |
| FX | -4.3 | +2.6 | -7.5 | | -9.2 |
| 2024 | 231.9 | 240.2 | 227.5 | | 699.6 |

Tobacco Business Data

4. Contribution by cluster (vs. PY)

Sales Volume

(BNU)

| Asia | Q1 2024 | | Q2 2024 | | Q3 2024 | | Q4 2024 | YTD | |
|-----------------------|---------|-------|---------|-------|---------|-------|---------|-------|-------|
| Total volume | 30.7 | -4.5% | 32.0 | +2.1% | 32.8 | +0.5% | | 95.5 | -0.6% |
| GFB volume | 20.3 | -0.2% | 21.2 | +3.4% | 22.1 | +3.2% | | 63.7 | +2.2% |
| Western Europe | Q1 2024 | | Q2 2024 | | Q3 2024 | | Q4 2024 | YTD | |
| Total volume | 26.1 | +0.2% | 25.9 | -5.7% | 26.3 | -2.4% | | 78.3 | -2.7% |
| GFB volume | 19.1 | +4.0% | 18.6 | -4.3% | 18.9 | -1.6% | | 56.5 | -0.7% |
| EMA | Q1 2024 | | Q2 2024 | | Q3 2024 | | Q4 2024 | YTD | |
| Total volume | 76.1 | +5.7% | 84.1 | +4.6% | 85.6 | +4.7% | | 245.7 | +5.0% |
| GFB volume | 57.4 | +9.6% | 63.7 | +3.5% | 66.0 | +5.9% | | 187.0 | +6.2% |

Financials

(JPY BN)

| Asia | Q1 2024 | | Q2 2024 | | Q3 2024 | | Q4 2024 | YTD | |
|-----------------------|---------|-----------|---------|-----------|---------|-----------|---------|-------|-----------|
| Core revenue | 199.5 | +1.7% | 206.6 | +5.2% | 202.9 | -1.7% | | 609.0 | +1.7% |
| | | (-1.7%)* | | (+1.4%)* | | (-2.2%)* | | | (-0.8%)* |
| AOP | 73.6 | -3.0% | 66.9 | -3.5% | 54.2 | -19.9% | | 194.7 | -8.5% |
| | | (-1.8%)* | | (-2.5%)* | | (-16.5%)* | | | (-6.7%)* |
| Western Europe | Q1 2024 | | Q2 2024 | | Q3 2024 | | Q4 2024 | YTD | |
| Core revenue | 172.6 | +22.9% | 181.8 | +11.9% | 182.0 | +10.6% | | 536.5 | +14.7% |
| | | (+7.1%)* | | (-1.0%)* | | (+4.8%)* | | | (+3.5%)* |
| AOP | 78.8 | +21.8% | 71.1 | -2.8% | 74.7 | +3.6% | | 224.6 | +7.0% |
| | | (+6.9%)* | | (-13.2%)* | | (-0.4%)* | | | (-2.6%)* |
| EMA | Q1 2024 | | Q2 2024 | | Q3 2024 | | Q4 2024 | YTD | |
| Core revenue | 281.2 | +16.0% | 350.1 | +25.4% | 345.6 | +14.1% | | 976.9 | +18.5% |
| | | (+13.0%)* | | (+17.0%)* | | (+16.9%)* | | | (+15.8%)* |
| AOP | 79.5 | -6.0% | 102.3 | +23.9% | 98.6 | +13.5% | | 280.3 | +10.4% |
| | | (+9.4%)* | | (+29.0%)* | | (+22.8%)* | | | (+20.4%)* |

*at constant FX

Tobacco Business Data

5. Breakdown of core revenue by cluster

(JPY BN)

| Asia | Q1 | Q2 | Q3 | Q4 | YTD |
|-----------|-------|-------|-------|----|-------|
| 2023 | 196.2 | 196.4 | 206.5 | | 599.1 |
| Volume | -9.6 | +0.3 | -5.2 | | -14.5 |
| Price/Mix | +6.3 | +2.4 | +0.7 | | +9.4 |
| 2024@PY | 192.8 | 199.1 | 202.0 | | 594.0 |
| FX | +6.7 | +7.5 | +0.8 | | +15.0 |
| 2024 | 199.5 | 206.6 | 202.9 | | 609.0 |

| Western Europe | Q1 | Q2 | Q3 | Q4 | YTD |
|----------------|-------|-------|-------|----|-------|
| 2023 | 140.5 | 162.5 | 164.6 | | 467.6 |
| Volume | -4.4 | -10.8 | -7.3 | | -22.5 |
| Price/Mix | +14.4 | +9.1 | +15.1 | | +38.7 |
| 2024@PY | 150.5 | 160.8 | 172.5 | | 483.8 |
| FX | +22.1 | +21.0 | +9.5 | | +52.6 |
| 2024 | 172.6 | 181.8 | 182.0 | | 536.5 |

| EMA | Q1 | Q2 | Q3 | Q4 | YTD |
|-----------|-------|-------|-------|----|-------|
| 2023 | 242.4 | 279.2 | 303.0 | | 824.6 |
| Volume | +9.2 | +12.8 | +14.4 | | +36.4 |
| Price/Mix | +22.4 | +34.6 | +36.7 | | +93.6 |
| 2024@PY | 274.0 | 326.6 | 354.0 | | 954.7 |
| FX | +7.2 | +23.5 | -8.4 | | +22.2 |
| 2024 | 281.2 | 350.1 | 345.6 | | 976.9 |

6. Breakdown of adjusted operating profit by cluster

(JPY BN)

| Asia | Q1 | Q2 | Q3 | Q4 | YTD |
|-----------|------|------|------|----|-------|
| 2023 | 75.8 | 69.3 | 67.7 | | 212.8 |
| Volume | -8.2 | +1.4 | -5.6 | | -12.4 |
| Price/Mix | +7.2 | +1.6 | +1.1 | | +9.8 |
| Others | -0.3 | -4.8 | -6.6 | | -11.7 |
| 2024@PY | 74.5 | 67.6 | 56.5 | | 198.5 |
| FX | -0.9 | -0.7 | -2.3 | | -3.9 |
| 2024 | 73.6 | 66.9 | 54.2 | | 194.7 |

| Western Europe | Q1 | Q2 | Q3 | Q4 | YTD |
|----------------|-------|-------|-------|----|-------|
| 2023 | 64.7 | 73.1 | 72.1 | | 210.0 |
| Volume | -3.8 | -10.3 | -7.0 | | -21.0 |
| Price/Mix | +13.5 | +9.1 | +14.8 | | +37.3 |
| Others | -5.2 | -8.4 | -8.1 | | -21.8 |
| 2024@PY | 69.2 | 63.5 | 71.8 | | 204.5 |
| FX | +9.7 | +7.6 | +2.9 | | +20.1 |
| 2024 | 78.8 | 71.1 | 74.7 | | 224.6 |

| EMA | Q1 | Q2 | Q3 | Q4 | YTD |
|-----------|-------|-------|-------|----|-------|
| 2023 | 84.6 | 82.6 | 86.9 | | 254.0 |
| Volume | +3.0 | +5.4 | +8.5 | | +16.8 |
| Price/Mix | +20.0 | +33.5 | +36.8 | | +90.3 |
| Others | -15.0 | -14.9 | -25.5 | | -55.4 |
| 2024@PY | 92.5 | 106.6 | 106.6 | | 305.7 |
| FX | -13.1 | -4.3 | -8.1 | | -25.4 |
| 2024 | 79.5 | 102.3 | 98.6 | | 280.3 |

Tobacco Business Data

7. GFB volume by brand (vs. PY)

(BNU)

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD |
|----------------|----------------|---------------|---------------|----|----------------|
| Winston | 50.7 +9.8% | 53.3 +0.8% | 55.1 +3.9% | | 159.0 +4.6% |
| Camel | 25.7 +10.5% | 27.7 +8.5% | 29.0 +6.7% | | 82.5 +8.5% |
| MEVIUS | 10.2 -5.5% | 11.1 -1.6% | 11.1 -2.2% | | 32.5 -3.1% |
| LD | 10.2 -5.8% | 11.3 -3.7% | 11.8 +3.3% | | 33.3 -2.0% |

8. FX actual (vs. PY)

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD |
|---------------------|-----------------|----------------|----------------|----|----------------|
| 100JPY / USD | 0.67 +12.1% | 0.64 +13.3% | 0.67 +3.3% | | 0.66 +9.4% |
| 100JPY / RUB | 61.17 -10.1% | 58.17 +1.4% | 59.74 +8.9% | | 59.69 -0.0% |
| 100JPY / GBP | 0.53 +17.0% | 0.51 +14.2% | 0.52 +6.0% | | 0.52 +12.5% |
| 100JPY / EUR | 0.62 +13.4% | 0.60 +12.0% | 0.61 +4.2% | | 0.61 +9.9% |
| 100JPY / CHF | 0.59 +18.7% | 0.58 +12.6% | 0.58 +5.3% | | 0.58 +12.2% |
| 100JPY / TWD | 21.18 +8.4% | 20.77 +7.5% | 21.63 +1.3% | | 21.19 +5.7% |
| 100JPY / PHP | 37.71 +9.8% | 37.11 +9.1% | 38.33 +0.9% | | 37.72 +6.6% |

Tobacco Business Data

9. Key markets

Source: JT Group estimates

Total SoV and SoM are computed based on combustibles and heated tobacco products.

SoM for Spain and the UK, as well as SoV for Russia are computed based on a year-to-date period at end of August 2024.

Japan

Volume evolution

| | (BNU) | | | | |
|----------------------------|--------|--------|--------|----|--------|
| 2024 | Q1 | Q2 | Q3 | Q4 | YTD |
| Total volume | 14.7 | 15.8 | 15.9 | | 46.4 |
| | -2.5% | -1.8% | -3.3% | | -2.6% |
| Combustibles volume | 12.7 | 13.6 | 13.6 | | 39.9 |
| | -5.5% | -4.7% | -6.1% | | -5.5% |
| RRP volume | 2.0 | 2.2 | 2.3 | | 6.5 |
| | +20.8% | +21.8% | +17.9% | | +20.0% |
| HTS volume | 1.6 | 1.7 | 1.9 | | 5.2 |
| | +34.7% | +36.3% | +28.1% | | +32.7% |

Share evolution

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | Var. |
|-------------------------|-------|-------|-------|----|-------|---------|
| Total SoM | 41.2% | 41.6% | 41.2% | | 41.3% | -1.5ppt |
| Combustibles SoM | 35.5% | 35.9% | 35.2% | | 35.6% | -2.5ppt |
| GFB (SoM) | 24.8% | 25.1% | 24.7% | | 24.9% | -1.7ppt |
| Winston (SoM) | 3.3% | 3.3% | 3.2% | | 3.3% | -0.5ppt |
| Camel (SoM) | 6.2% | 6.4% | 6.3% | | 6.3% | +0.2ppt |
| MEVIUS (SoM) | 15.3% | 15.4% | 15.2% | | 15.3% | -1.4ppt |
| Seven Stars (SoM) | 4.5% | 4.6% | 4.5% | | 4.5% | -0.2ppt |
| RRP SoM* | 5.7% | 5.7% | 5.9% | | 5.8% | +0.9ppt |
| HTS SoS | 11.0% | 11.4% | 11.8% | | 11.4% | +1.5ppt |
| Total SoV | 41.4% | 41.7% | 41.2% | | 41.5% | -1.5ppt |

*Data for RRP SoM reflects heated tobacco sticks (HTS) and infused tobacco capusles (Infused)

The Philippines

Volume evolution

| | (BNU) | | | | |
|---------------------|--------|-------|-------|----|-------|
| 2024 | Q1 | Q2 | Q3 | Q4 | YTD |
| Total volume | 5.7 | 5.7 | 5.8 | | 17.3 |
| | -16.4% | +6.8% | -1.3% | | -4.6% |

Share evolution

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | Var. |
|------------------|-------|-------|-------|----|-------|---------|
| Total SoM | 49.6% | 49.3% | 50.1% | | 49.7% | +1.3ppt |
| GFB (SoM) | 27.4% | 27.7% | 29.0% | | 28.0% | +4.3ppt |
| Winston (SoM) | 9.3% | 8.8% | 8.6% | | 8.9% | -2.0ppt |
| Camel (SoM) | 17.9% | 18.8% | 20.0% | | 18.9% | +6.1ppt |
| Total SoV | 47.3% | 47.0% | 47.8% | | 47.4% | +2.7ppt |

Taiwan*

Volume evolution

| | (BNU) | | | | |
|---------------------|-------|-------|-------|----|-------|
| 2024 | Q1 | Q2 | Q3 | Q4 | YTD |
| Total volume | 3.5 | 3.4 | 3.5 | | 10.4 |
| | -2.0% | +0.4% | -1.4% | | -1.0% |

Share evolution

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | Var. |
|------------------|-------|-------|-------|----|-------|---------|
| Total SoM | 50.9% | 50.7% | 50.7% | | 50.7% | +0.5ppt |
| GFB (SoM) | 41.4% | 41.2% | 41.2% | | 41.3% | +0.3ppt |
| Winston (SoM) | 14.4% | 13.7% | 13.2% | | 13.8% | -0.6ppt |
| MEVIUS (SoM) | 19.1% | 19.3% | 19.5% | | 19.3% | +0.5ppt |
| LD (SoM) | 7.8% | 8.2% | 8.5% | | 8.2% | +0.3ppt |
| Total SoV | 54.6% | 54.6% | 54.4% | | 54.5% | +0.4ppt |

*Data for SoM and SoV includes combustibles only

Tobacco Business Data

Italy

Volume evolution

| | | | | | (BNU) |
|----------------------------|---------|--------|--------|----|--------|
| 2024 | Q1 | Q2 | Q3 | Q4 | YTD |
| Total volume | 5.4 | 5.0 | 4.9 | | 15.3 |
| | +12.5% | +4.0% | -3.7% | | +4.2% |
| Combustibles volume | 5.4 | 4.9 | 4.8 | | 15.1 |
| | +11.8% | +3.5% | -3.7% | | +3.7% |
| RRP volume | 0.1 | 0.1 | 0.0 | | 0.2 |
| | +102.0% | +58.9% | -17.0% | | +63.8% |

Share evolution

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | Var. |
|------------------|-------|-------|-------|----|-------|---------|
| Total SoM | 24.0% | 23.4% | 23.3% | | 23.5% | +0.3ppt |
| GFB (SoM) | 20.0% | 18.8% | 18.6% | | 19.1% | -0.3ppt |
| Winston (SoM) | 13.5% | 12.3% | 12.0% | | 12.6% | -0.1ppt |
| Camel (SoM) | 6.5% | 6.5% | 6.6% | | 6.5% | -0.2ppt |
| HTS SoS | 1.3% | 1.5% | 1.5% | | 1.4% | +1.1ppt |
| Total SoV | 23.3% | 23.0% | 22.9% | | 23.1% | +0.2ppt |

Spain

Volume evolution

| | | | | | (BNU) |
|---------------------|-------|-------|-------|----|-------|
| 2024 | Q1 | Q2 | Q3 | Q4 | YTD |
| Total volume | 4.0 | 3.8 | 3.9 | | 11.7 |
| | +7.1% | -7.1% | +4.3% | | +1.2% |

Share evolution

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | Var. |
|------------------|-------|-------|-------|----|-------|---------|
| Total SoM | 27.4% | 27.9% | 27.7% | | 27.7% | -0.2ppt |
| GFB (SoM) | 25.5% | 25.7% | 25.8% | | 25.6% | +0.2ppt |
| Winston (SoM) | 14.3% | 14.1% | 13.9% | | 14.1% | -0.2ppt |
| Camel (SoM) | 11.2% | 11.6% | 11.9% | | 11.6% | +0.4ppt |
| Total SoV | 27.3% | 27.8% | 27.5% | | 27.6% | -0.2ppt |

The UK

Volume evolution

| | | | | | (BNU) |
|----------------------------|--------|--------|--------|----|--------|
| 2024 | Q1 | Q2 | Q3 | Q4 | YTD |
| Total volume | 3.3 | 3.2 | 3.3 | | 9.9 |
| | -16.1% | -17.9% | -12.7% | | -15.6% |
| Combustibles volume | 3.3 | 3.1 | 3.3 | | 9.7 |
| | -16.5% | -18.8% | -13.6% | | -16.3% |
| RRP volume | 0.1 | 0.1 | 0.1 | | 0.2 |
| | +21.5% | +53.7% | +54.6% | | +43.5% |

Share evolution

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | Var. |
|-----------------------|-------|-------|-------|----|-------|---------|
| Total SoM | 43.2% | 42.9% | 43.0% | | 43.0% | -1.2ppt |
| GFB (SoM) | 0.1% | 0.1% | 0.1% | | 0.1% | -0.0ppt |
| Amber Leaf (SoM) | 9.7% | 9.5% | 9.4% | | 9.5% | -0.6ppt |
| Sterling (SoM) | 11.3% | 11.1% | 11.0% | | 11.2% | -1.3ppt |
| Benson & Hedges (SoM) | 11.8% | 12.0% | 12.1% | | 12.0% | +0.3ppt |
| HTS SoS | 2.7% | 3.0% | 3.5% | | 3.0% | +1.9ppt |
| Total SoV | 44.2% | 43.6% | 43.6% | | 43.9% | -1.0ppt |

Tobacco Business Data

Romania

Volume evolution

| | | | | | (BNU) | |
|---------------------|-------|-------|-------|----|-------|-------|
| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | |
| Total volume | 1.7 | 1.9 | 2.1 | | 5.7 | |
| | -2.6% | -1.9% | +2.2% | | | -0.6% |

Share evolution

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | Var. |
|------------------|-------|-------|-------|----|-------|---------|
| Total SoM | 25.8% | 25.8% | 26.3% | | 26.0% | -1.2ppt |
| GFB (SoM) | 17.1% | 17.7% | 18.4% | | 17.8% | +0.3ppt |
| Winston (SoM) | 10.6% | 10.8% | 11.9% | | 11.1% | -0.5ppt |
| Camel (SoM) | 6.5% | 6.8% | 6.6% | | 6.6% | +1.0ppt |
| Total SoV | 26.7% | 26.7% | 27.2% | | 26.9% | -1.1ppt |

Russia

Volume evolution

| | | | | | (BNU) | |
|---------------------|-------|-------|-------|----|-------|-------|
| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | |
| Total volume | 18.5 | 21.2 | 21.8 | | 61.5 | |
| | +5.3% | +6.1% | +3.6% | | | +4.9% |

Share evolution

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | Var. |
|------------------|-------|-------|-------|----|-------|---------|
| Total SoM | 37.1% | 37.4% | 38.0% | | 37.6% | +0.3ppt |
| GFB (SoM) | 29.9% | 30.3% | 30.8% | | 30.4% | +1.3ppt |
| Winston (SoM) | 13.6% | 14.1% | 14.3% | | 14.0% | +1.3ppt |
| Camel (SoM) | 8.8% | 8.9% | 9.3% | | 9.0% | +0.4ppt |
| LD (SoM) | 7.4% | 7.2% | 7.1% | | 7.2% | -0.4ppt |
| Total SoV | 38.8% | 39.0% | 39.8% | | 39.1% | +0.7ppt |

Turkey*

Volume evolution

| | | | | | (BNU) | |
|---------------------|--------|-------|--------|----|-------|-------|
| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | |
| Total volume | 8.9 | 10.2 | 10.4 | | 29.5 | |
| | +23.1% | -5.4% | +11.0% | | | +7.8% |

Share evolution

| 2024 | Q1 | Q2 | Q3 | Q4 | YTD | Var. |
|------------------|-------|-------|-------|----|-------|---------|
| Total SoM | 27.3% | 27.4% | 27.7% | | 27.5% | -0.1ppt |
| GFB (SoM) | 24.8% | 24.7% | 25.1% | | 24.9% | -0.5ppt |
| Winston (SoM) | 17.0% | 17.2% | 17.6% | | 17.3% | +0.2ppt |
| Camel (SoM) | 5.7% | 5.5% | 5.5% | | 5.6% | -0.7ppt |
| LD (SoM) | 2.1% | 2.0% | 2.1% | | 2.1% | -0.0ppt |
| Total SoV | 26.4% | 26.5% | 26.7% | | 26.6% | +0.0ppt |

*Data for SoM and SoV includes combustibles only

Pharmaceutical Business

Clinical Development as of October 31, 2024

<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 | Autoimmune/allergic diseases /Oral | Interleukin-2 inducible T cell kinase inhibitor | Suppresses overactive immune response via inhibition of the signal to activate T cells related to immune response. | 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 • 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 August 2, 2024

- JTV-261 has entered the clinical trial stage (Phase1) in Japan.
- JTC-262 has entered the clinical trial stage (Phase1) in overseas.
- JTV-263 has entered the clinical trial stage (Phase1) in overseas.
- delgocitinib : JT's license partner LEO Pharma issued a statement that the U.S. Food and Drug Administration has accepted its New Drug Application for delgocitinib cream for the treatment of adult patients with moderate to severe chronic hand eczema. (September 23, 2024)
- delgocitinib : JT's license partner LEO Pharma issued a statement that the European Commission has approved delgocitinib cream (Anzupgo®) for the treatment of adult patients with moderate to severe chronic hand eczema. (September 23, 2024)

Definitions

| Terms | Definitions |
|---------------------------------|---|
| Revenue | Revenue excluding tobacco excise taxes and revenue from agent transactions. |
| Core revenue at constant FX | The sum of revenues in the pharmaceutical business, processed food business, and others, as well as the core revenue in the tobacco business, which is computed using the same foreign exchange rates as in the equivalent period in the previous fiscal year. Results at constant FX are provided additionally and are not an alternative to financial reporting under International Financial Reporting Standards (IFRS). |
| 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 |
| ~ 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). |
| Profit | Profit attributable to owners of the parent company. |
| Core revenue | Core revenue includes all revenue excluding those from distribution, contract manufacturing and other peripheral businesses. |
| RRP-related revenue | Reduced-Risk Products (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, waterpipe, heated tobacco products, oral and E-Vapor. |
| Cigarettes | Also known as Ready-Made-Cigarettes (RMC) |
| 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. |
| Cigarillo | Products rolled in tobacco-based paper with a similar format to ready-made cigarettes and classified as “cigars” under the Tobacco Business Act of Japan. |
| Reduced-Risk Products (RRP) | Products with the potential to reduce the risks associated with smoking. In JT's portfolio, these products include heated tobacco sticks (HTS), infused tobacco capsules (Infused), 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) | High temperature heated tobacco products. One stick is equivalent to a stick of cigarettes. |
| Infused tobacco capsules (Infused) | Low temperature heated tobacco products. 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. One closed tank capsule is equivalent to 20 sticks of cigarettes. A 10ml open tank refill is equivalent to 100 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. |
| GFB (Global Flagship Brands) | GFB includes four Brands namely Winston, Camel, MEVIUS and LD |
| Total volume | The volume of tobacco-based products which excludes contract-manufactured products, waterpipe, RRP devices and related accessories. |
| Combustibles volume | The shipment volume of combustibles which excludes contract-manufactured products, snus, waterpipe, heated tobacco products and E-Vapor. |
| GFB volume | GFB (Global Flagship Brands) volume is the volume of GFB combustibles and GFB snus products which are Winston, Camel, MEVIUS and LD. |
| RRP volume | Reduced-Risk Products (RRP) sales volume in cigarette-stick equivalent. This excludes RRP devices, RRP related accessories, etc. |
| Ploom volume | Sales volume of Ploom heated tobacco sticks (HTS). This excludes Ploom devices, Ploom related accessories, etc. |
| Share of Value (SoV) | Share of total retail value of the market, which is computed by multiplying volume and tax-included retail sales price. |
| Total tobacco industry volume | Industry volume by number of sticks based on internal estimates. |
| Combustibles industry volume | Industry volume of combustibles by number of sticks based on internal estimates. |
| RRP industry volume | Industry volume of Reduced-Risk Products (RRP) by number of sticks based on internal estimates. |

| | |
|----------------------------|--|
| 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) | Global Travel Retail is the new denomination reflecting the combination of the duty-free markets from the previous Japanese-domestic tobacco and international tobacco businesses. The performance of these markets is included in the EMA cluster. |
| Liquidity | Cash and deposits + marketable securities + securities purchased under repurchase agreements |
| Interest-bearing debt | Short-term bank loans + commercial papers + bonds + long-term borrowings |
| Free cash flow (FCF) | <p>The sum of cash flows from operating activities and investing activities, excluding the following items:</p> <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" |

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

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Japan Tobacco Inc. is a leading international tobacco and vaping company and its products are sold in over 130 markets. With approximately 53,000 employees, it manufactures and sells some of the world's best-known brands including Winston, Camel, MEVIUS and LD. The JT Group is committed to investing in Reduced-Risk Products (RRP) and currently markets its heated tobacco products under its Ploom brand and various e-cigarette products under its Logic brand. The Group is also present in the pharmaceutical and processed food businesses. 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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