



**JT Group**  
**2025 First-Quarter Results**

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\*Please be reminded that the figures shown on these slides may differ from those shown in the financial statements as they are intended to facilitate the reader's understanding of individual businesses.

\*For details of each term, please refer to annotations on slide 13.

# FORWARD-LOOKING STATEMENTS



This presentation 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.

# Transfers of both the JT Pharmaceutical business to Shionogi and shares of Torii



- On May 7, 2025, JT entered into an agreement with Shionogi & Co., Ltd. ("Shionogi") to transfer its pharmaceutical business through a simplified absorption-type split. JT also entered into an agreement with Shionogi to transfer shares of TORII PHARMACEUTICAL CO., LTD. ("Torii") following a tender offer by Shionogi and a share buyback by Torii.
- Following these transactions, the profit attributable to owners of the parent company is expected to decrease by approximately 6 billion yen in the consolidated financial results for FY2025 as stated in the press releases today.
- If these transactions progress as planned, the pharmaceutical business, including Torii, is expected to be classified as a discontinued operation from the third quarter of FY2025 and the 6 billion yen will be recorded under discontinued operations.
- The planned dividend for FY2025 will not be impacted by these transactions, as the dividend will be determined based on a payout ratio calculated on the basis of continuing operations.
- There will be no change to the strategic roles of the tobacco and processed food businesses. JT will continue to position its tobacco business as the core profit growth driver, and its processed food business as a complementary driver of JT Group's profit growth. JT will strive to achieve the JT Group Purpose and deliver sustainable profit growth over the mid-to long-term.



**SHIONOGI**



# 2025 First-Quarter Consolidated Results: Solid AOP growth driven by the Tobacco Business



(JPY BN)	2025 Jan-Mar	vs. 2024
At constant FX		
Core revenue	<b>807.3</b>	+13.3%
AOP	<b>273.8</b>	+20.8%
Reported		
Revenue	<b>827.0</b>	+11.7%
AOP	<b>266.6</b>	+17.6%
Operating profit	<b>248.8</b>	+15.3%
Profit	<b>157.5</b>	+0.1%

## Revenue and AOP <sup>1)</sup>

- Revenue grew strongly, mainly driven by pricing contributions in the tobacco business
- Robust AOP growth was fueled by the tobacco and pharmaceutical businesses

## Forex (Tobacco business)

- Unfavorable to AOP, driven by the depreciation of emerging currencies and the negative impact from cost-related currencies, more than offsetting the positive impact of a weaker JPY

## Operating profit

- Increase driven by AOP growth despite higher intangible assets amortization costs related to the VGR <sup>2)</sup> acquisition

## Profit

- In line with previous year, as the increase in operating profit offset higher financial costs and higher corporate income tax expense

*Note: The results for fiscal year 2024 and fiscal year 2025 on a reported basis have been adjusted to include the impact of hyperinflationary accounting in accordance with the requirements stipulated in IAS 29. The results for fiscal year 2024 and fiscal year 2025 on a constant FX basis have been calculated to exclude amounts of revenue and profit that have increased due to hyperinflation in certain markets.*

# Tobacco Business Volume Performance:

## Market share gains continued and RRP volume grew double digit



(BnU)	2025 Jan-Mar	vs. 2024
Total volume	<b>134.4</b>	-1.3%
Combustibles	<b>131.4</b>	-1.7%
GFB	<b>95.7</b>	-1.0%
RRP	<b>3.0</b>	+19.0%
HTS	<b>2.3</b>	+27.7%

### Combustibles

- On-going share momentum across the footprint
- Strong volume growth in the EMA cluster
  - Inclusion of VGR contribution
  - More resilient industry volume across several markets
  - On-going growth in Global Travel Retail
- Combustibles industry volume remained under pressure in the key markets of Japan, the Philippines, and the UK

### RRP

- Steady volume and share growth of Ploom both in Japan and overseas markets

# Tobacco Business Financial Performance:

## Pricing contribution more than offsets RRP investment and higher costs



(JPY BN)	2025 Jan-Mar	vs. 2024
Core revenue	<b>738.5</b>	+13.0%
at constant FX	<b>745.1</b>	+14.0%
AOP	<b>273.2</b>	+17.8%
at constant FX	<b>280.4</b>	+20.9%

### Volume

- Positive volume contribution mainly driven by the volume and improved market mix from VGR inclusion

### Price/Mix

- Strong pricing contribution in multiple markets, such as the Philippines, Russia and the UK

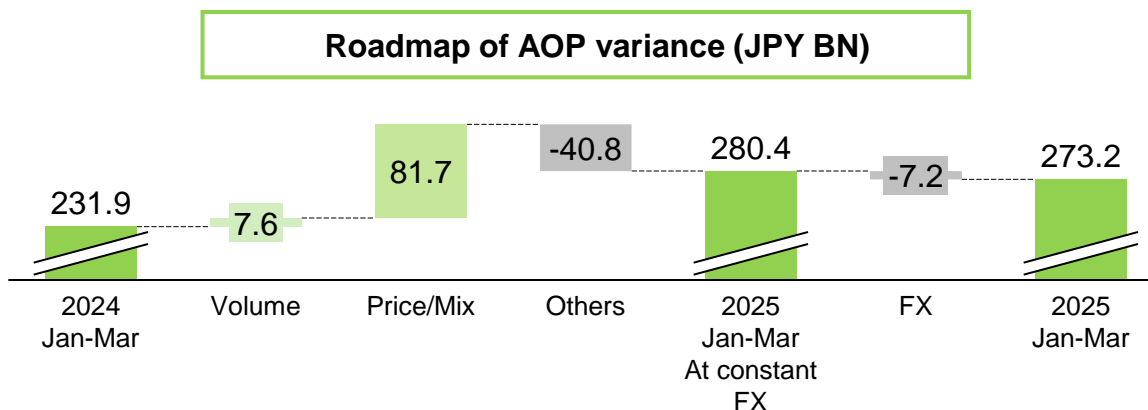
### Others

- Incremental investments towards Ploom
- Inflation-led cost increases within the supply chain

### Forex

- Unfavorable to AOP, driven by the depreciation of emerging currencies and the negative impact from cost-related currencies, more than offsetting the positive impact of a weaker JPY

Roadmap of AOP variance (JPY BN)

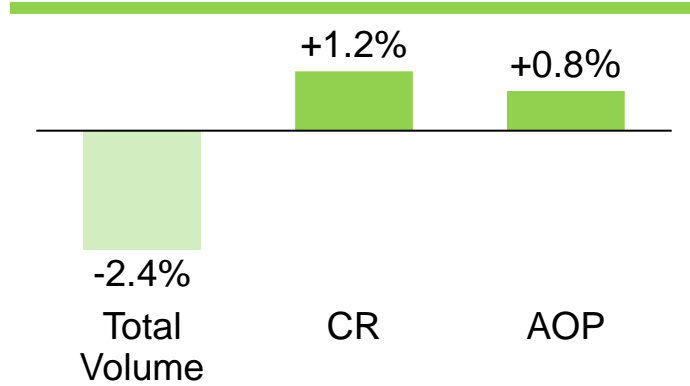


Note: The results for fiscal year 2024 and fiscal year 2025 on a reported basis have been adjusted to include the impact of hyperinflationary accounting in accordance with the requirements stipulated in IAS 29. The results for fiscal year 2024 and fiscal year 2025 on a constant FX basis have been calculated to exclude amounts of revenue and profit that have increased due to hyperinflation in certain markets.

# Tobacco Business Results by Cluster



## ASIA



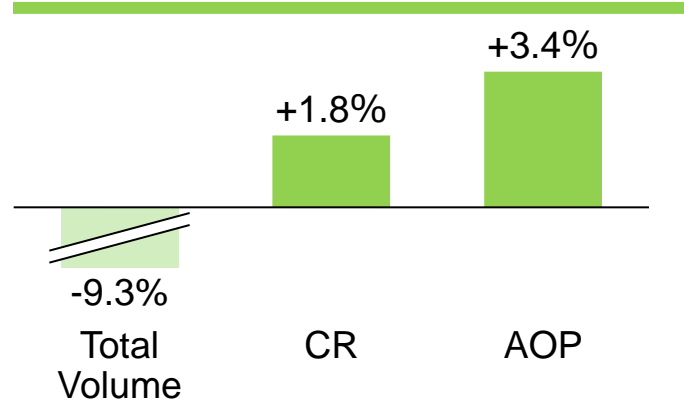
### Total Volume

- Market share gains mainly in Taiwan
- Ploom volume and share growth in Japan
- Lower combustibles industry volume in Japan, the Philippines and Taiwan

### CR/AOP

- Pricing contribution, mainly in the Philippines, offset the negative volume contribution
- Incremental investments towards Ploom
- Inflation-led cost increases

## WESTERN EUROPE



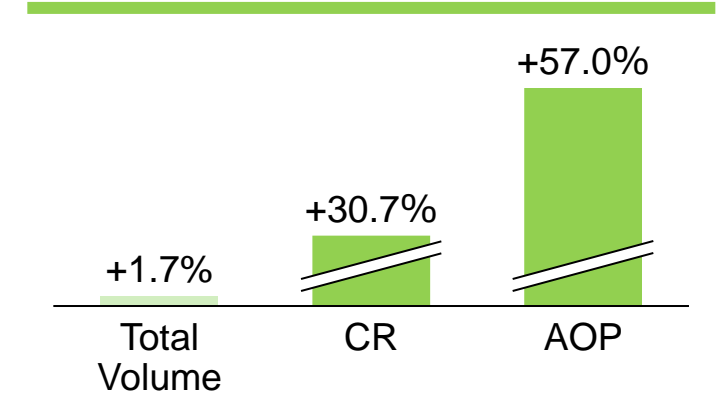
### Total Volume

- Market share gains in several markets
- Ploom share gains continued
- Lower combustibles industry volume, including in the UK, and unfavorable inventory movements

### CR/AOP

- Pricing contribution, in several markets such as Italy and the UK, offset the negative volume contribution
- Incremental investments towards Ploom
- Inflation-led cost increases

## EMA



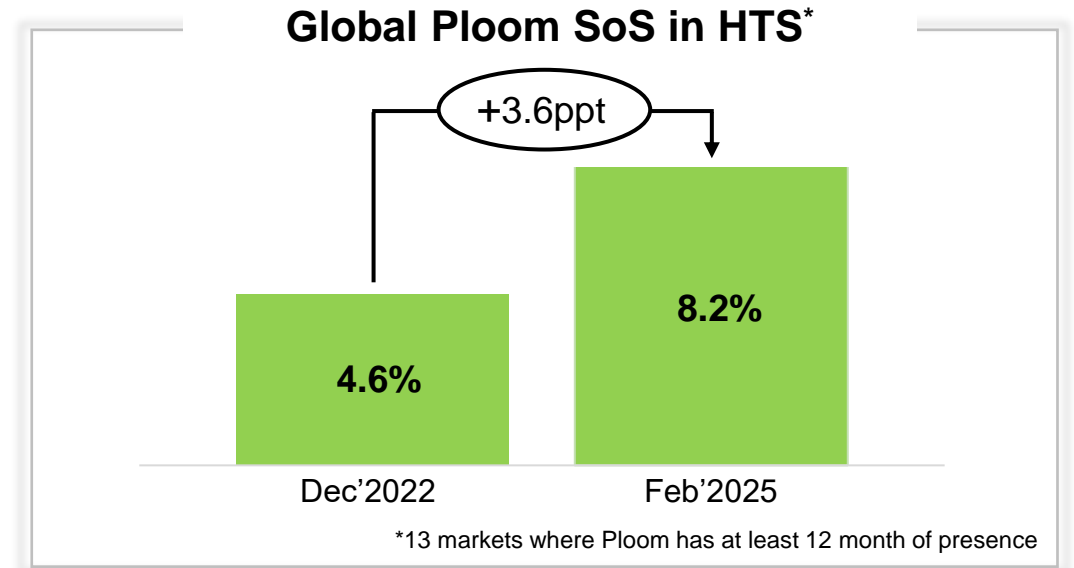
### Total Volume

- Inclusion of VGR
- More resilient industry volume across several markets and market share growth
- On-going growth in Global Travel Retail

### CR/AOP

- Positive volume contribution including the impact of VGR acquisition
- Pricing contribution in many markets
- Incremental investments towards Ploom
- Inflation-led cost increases

# Tobacco Business: Launch of a new Ploom ecosystem in Japan



- Strengthening of the HTS pipeline with the planned launch of new and improved Ploom device and a premium blend heated tobacco stick starting with Japan. Launch event scheduled on May 27, 2025.
- Ploom SoS in HTS continued to grow across markets, reaching 8.2% (+3.6 ppt vs. 2022) across our measured footprint
- On track to achieve our ambition to reach mid-teens HTS SoS by 2028. Aiming to further accelerate SoS through the launch of the new Ploom ecosystem

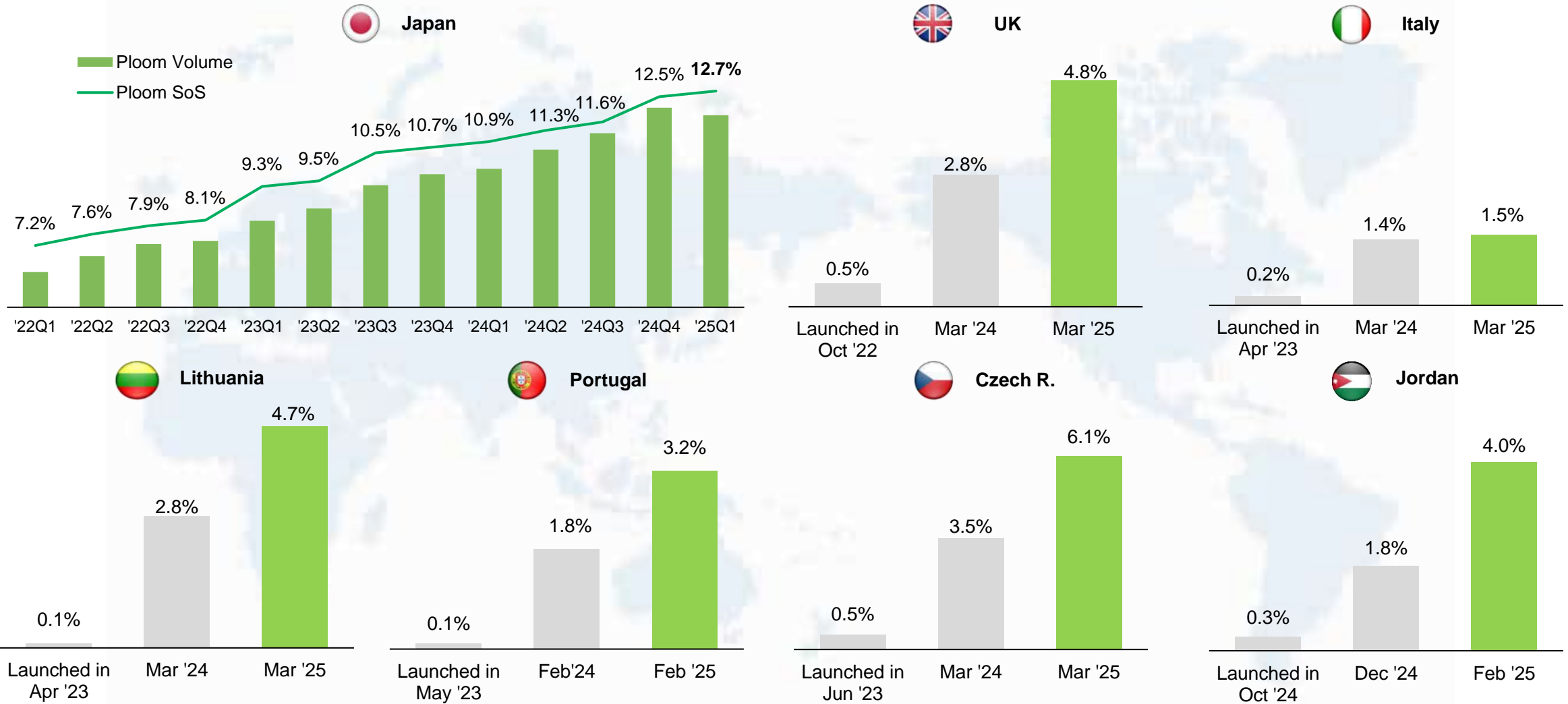
*This slide is intended only to explain operations of the JT Group, not to promote sales of tobacco or vaping products or encourage smoking or vaping among consumers.*



# Ploom Global Overview: Continued solid share gains across the footprint



## Ploom SoS in HTS 1) 2)



1) QTD basis for Japan 2) Market share in Jordan is based only on launch areas, other markets are on a national based

# Pharmaceutical and Processed Food Businesses Financial Results



## Pharmaceutical Business

(JPY BN)	2025 Jan-Mar	vs. 2024 variance
Revenue	<b>25.4</b>	+2.0
AOP	<b>4.5</b>	+0.7

### Revenue

- Increase mainly due to sales growth in the area of skin diseases and allergens at TORII PHARMACEUTICAL CO., LTD. and higher overseas royalty income from the depreciation of the JPY

### AOP

- Increase driven by the revenue growth, more than offset the higher SG&A expenses

## Processed Food Business

(JPY BN)	2025 Jan-Mar	vs. 2024 variance
Revenue	<b>36.5</b>	+0.8
AOP	<b>0.8</b>	-1.2

### Revenue

- Increase due to price revisions and the revenue growth of certain products in the frozen and ambient food business

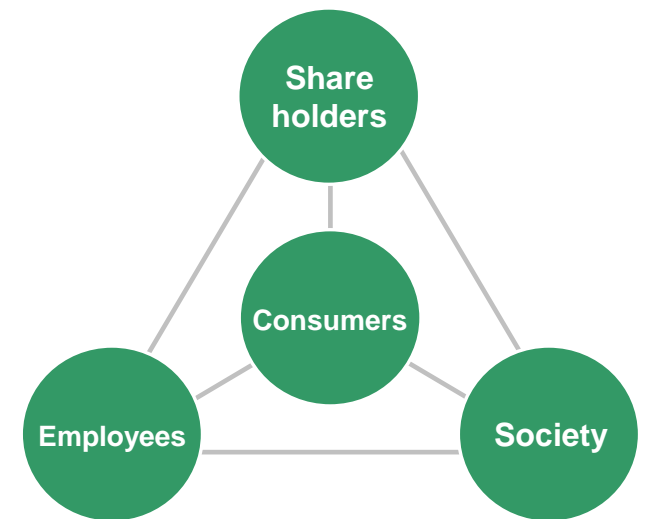
### AOP

- Decrease mainly due to increased raw material costs despite higher revenue

# **Closing remarks**

- Double-digit top-line growth, driven by robust pricing contributions in the tobacco business, fueled a 20.8% increase in consolidated AOP at constant FX in the first quarter
- Solid momentum in the tobacco business in the quarter, alongside more favorable FX trends, delivered a strong start towards achieving the full-year forecast
- Highly volatile FX movements and evolving global economic dynamics require a continuous impact assessment on our business and financials. Forecast revisions, if any, could be announced during second quarter financial results or onward as necessary
- Launch event for the new Ploom ecosystem is scheduled on on May 27, 2025

## Fulfilling Moments, Enriching Life



# <Definitions>



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).

Core revenue at constant FX (consolidated)

The sum of revenues in the pharmaceutical business, processed food business, and others, as well as the core revenue at constant FX in the tobacco business.

Core revenue (tobacco business)

Core revenue includes all revenue excluding those from distribution, contract manufacturing and other peripheral businesses.

Profit

Profit attributable to owners of the parent company.

Reduced-Risk Products (RRP)

Products with the potential to reduce the risks associated with smoking. In JT's portfolio, these products include HTP, E-Vapor and Oral.

Heated tobacco products (HTP)

Products that contain tobacco leaf and create a tobacco-enriched vapor by heating electronically the tobacco, either directly or indirectly, without any combustion.

Heated tobacco sticks (HTS)

High temperature heated tobacco products. One stick is equivalent to a stick of cigarettes.

Combustibles

Combustibles include all tobacco products excluding contract-manufactured products and RRP.

# <Definitions>



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.
RRP volume	RRP sales volume in cigarette-stick equivalent. This excludes RRP devices, RRP related accessories, etc.
HTS volume / Ploom volume	Sales volume of HTS (Ploom) in cigarette-stick equivalent. This excludes Ploom devices, Ploom related accessories, etc.
Global Flagship Brands (GFB)	GFB includes four Brands namely Winston, Camel, MEVIUS and LD.