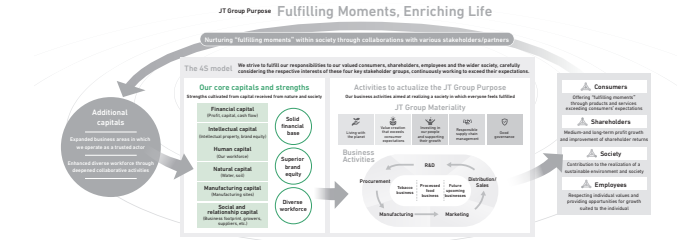


Capitals and Strengths

The JT Group provides value to its stakeholders through its business activities by harnessing the various types of capital derived from nature and society. The JT Group believes that capital is cyclical, and uses the new capital created through co-creation between the JT Group and society to generate additional value. The capital accumulated through this process forms the strength of the JT Group.



Financial capital

Reinforce a strong financial foundation that is distinguished by both resiliency and flexibility

We will maintain a strong financial base that is both resilient enough to continue business in the event of a major risk, such as an economic crisis, and adaptable enough to respond flexibly to attractive investment opportunities

- **Adjusted operating profit:** 902.2 billion yen
- **Total equity:** 4,115.4 billion yen
- **Free cash flow:** 272.7 billion yen*

* Includes the impact of the payment related to the settlement of litigation in Canada



Intellectual capital

Further strengthen the value added by intellectual capital

We believe the brand equity we have developed in the tobacco business and the high level of R&D in each of our businesses are the source of the Group's long-term competitiveness and business growth, and we will further strengthen the added value (competitive advantage) that our intellectual capital brings to the Group.

- **R&D expenditures:** 52.4 billion yen
- **The JT Group owns 2 of the top 5 brands of combustibles in terms of global share by volume**



Human capital

Empower our people to realize fulfilling moments for society

We recognize that all efforts to fulfill the JT Group Purpose begin with each and every employee, and we focus on expanding and cultivating our human capital by enhancing our HR initiatives to bring our human best.

- **Number of nationalities represented in workforce:** More than 100 countries
- **Ratio of women in management positions:** 26.4%



Natural capital

Achieve both sustainable growth of the JT Group and a sustainable society

We believe the JT Group's efforts to mitigate the environmental impact of not only its own global operations but also throughout its value chain are necessary for the Company's sustainable growth, and we see this as an important responsibility to fulfill in order to realize a sustainable society.

- **Water withdrawal:** 8,590 thousand m³
- **Soil resources on directly contracted growers**



Manufacturing capital

Maintain a global manufacturing structure that enables efficient and timely product supply

To be able to supply safe products to the market in an efficient and timely manner, we will carry out aggressive capital investment to maintain and improve the optimized global manufacturing system we have established and the manufacturing facilities that ensure high quality and productivity.

- **Capital investment:** 155.1 billion yen
- **Number of tobacco manufacturing sites:** 39 plants (in 28 countries)
- **Number of processed food production sites:** 22 plants*

* ISO 22000 or FSSC 22000 certified except for one plant that started operation in FY2020



Social and relationship capital

Build trust with stakeholders

Recognizing that collaboration with stakeholders is essential for the JT Group to achieve sustainable growth, we aim to be a company that continues to exist within society by forging an extensive collaborative network based on relationships of trust developed through ongoing communication.

- **Number of countries and regions where our products are sold:** More than 130
- **Number of directly contracted leaf tobacco farmers:** More than 71,000
- **Number of shareholders:** 912,124

