



JAPAN TOBACCO INC.  
1-1, Toranomon 4-chome, Minato-ku  
Tokyo 105-6927 JAPAN  
Phone: 03-6636-2914

**FOR IMMEDIATE RELEASE**

Tokyo, August 27, 2025

**Notice of New Issuance and Tender Offer of Foreign Currency  
Denominated Subordinated Bonds by JT's Foreign Subsidiary**

**Japan Tobacco Inc. (JT) (TSE:2914)** hereby announces that JT's foreign subsidiary, JT International Financial Services B.V. ("JTIFS") intends to issue Euro-denominated Ordinary Subordinated Guaranteed Fixed Rate Resetable Capital Securities due 2055 (the "New Subordinated Bonds") in the international securities markets as described below. In addition, JTIFS has determined to invite holders of its Euro-denominated Deeply Subordinated Guaranteed Fixed Rate Resetable Capital Securities due 2081 (Initial par call period: from January 7, 2026 to April 7, 2026) (the "Existing Subordinated Bonds") to tender such bonds for purchase by JTIFS (the "Tender Offer").

JTIFS intends to issue the New Subordinated Bonds to refinance the Existing Subordinated Bonds. The New Subordinated Bonds have characteristics that are intermediate between equity and debt. While classified as debt, they have features similar to equity, which is why credit rating agencies may recognize a certain degree of equity-like attributes. JT believes the issue of the New Subordinated Bonds and Tender Offer will contribute to strengthening the financial foundation of our group.

1. Overview of the New Subordinated Bonds (Expected)

1. Issuer	JTIFS
2. Currency	Euro
3. Total amount of issue	TBD
4. Method of offering	The New Subordinated Bonds are offered in foreign markets including Europe and Asia, subject to certain restrictions. However, it excludes the U.S. and U.S. persons defined in regulation S under the United States Securities Act of 1933, as amended.
5. Guarantee	Subordinated guarantee by JT
6. Issuance program	Euro MTN programme
7. Listing bourse	Euro MTF of Luxembourg Stock Exchange
8. Use of proceeds	The net proceeds from the issue of the New Subordinated Bonds are intended to be used by JTIFS for general corporate purposes including financing the purchase of the Existing Subordinated Bonds pursuant to the Tender Offer.

Note: The process of the above issuance will be executed concurrently with the tender offer. The total amount of issuance, interest rate and other terms will be decided in the future. However, JT Group may decide not to implement the above issuance or decide to change the above terms.

## 2. Overview of the Existing Subordinated Bonds

Issuer	Target bonds	Issue date	First par call period	Interest rate until First Reset Date	Outstanding amount
JTIFS	Euro-denominated Deeply Subordinated Guaranteed Fixed Rate Resettable Capital Securities due 2081	October 7, 2020	January 7, 2026 to April 7, 2026	2.375%	€500,000,000

## 3. Overview of Tender Offer

1. Acceptance amounts	The Offeror intends to purchase any and all validly tendered Existing Subordinated Bonds.
2. Expiration deadline	04:00 p.m. on September 2, 2025
3. Expected settlement date	September 4, 2025
4. Other information	<p><b><u>Intention of redemption by Substantial Purchase Event or in accordance with the conditions of the Existing Subordinated Bonds</u></b></p> <p>JTIFS may redeem all the Existing Subordinated Bonds in accordance with their terms and conditions at the relevant Substantial Purchase Event redemption price, or otherwise in accordance with the conditions of the Existing Subordinated Bonds.</p> <p><b><u>Priority allocation in the New Subordinated Bonds</u></b></p> <p>When considering allocation of the New Subordinated Bonds, JTIFS may give preference to those bondholders who, prior to such allocation, have validly tendered or indicated its firm intention to tender the Existing Subordinated Bonds. However, JTIFS is not obliged to give such preference in the allocation of the New Subordinated Bonds.</p> <p>Further information is available in our announcement published at Luxembourg Stock Exchange: <a href="https://www.luxse.com/">https://www.luxse.com/</a></p>

#### 4. Overview of JTIFS

1. Country of incorporation	Netherlands
2. Name	JT International Financial Services B.V.
3. Shareholders	Japan Tobacco Inc. (Indirect holding ratio: 100%)
4. Date of establishment	February 15, 2016
5. Paid-in capital	US\$1
6. Business description	Securing finances for the JT Group and financial management within the JT Group

Note: All dates listed in the tables within this release above are in London Time.

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*Japan Tobacco Inc. (JT) is a global company headquartered in Tokyo, Japan. It is listed on the primary section of the Tokyo Stock Exchange (ticker: 2914.T). JT Group has approximately 53,000 employees and 61 factories worldwide, operating in three business segments: tobacco, pharmaceutical, and processed food. Within the tobacco business, the largest segment, products are sold in over 130 markets and its flagship brands include Winston, Camel, MEVIUS, and LD. The Group is committed to investing in Reduced-Risk Products and markets its heated tobacco products under its Ploom brand. Consumers, shareholders, employees, and society are the four stakeholder groups (4S) at the heart of all of JT Group's activities. Inspired by its "Fulfilling Moments, Enriching Life" purpose, the Group aims to ensure sustainable and valuable contributions to its stakeholders over the long term. In addition to our three business segments, this goal is also supported by D-LAB, the JT Group's corporate R&D initiative, set up to search and create added-value business opportunities. For more information, visit <https://www.jt.com/>.*

Contact: Media and Investor Relations Division  
Japan Tobacco Inc.

For Investors Jerome Jaffeux, Head of IR: [jt.ir@jt.com](mailto:jt.ir@jt.com)  
For Media Yunosuke Miyata, Director: [jt.media.relations@jt.com](mailto:jt.media.relations@jt.com)

This press release is intended as general information regarding tender offer of the Existing Subordinated Bonds and the issuance of the New Subordinated Bonds by JT's foreign subsidiary and shall not be considered an offering of securities. This press release shall not be construed as an offering of securities in any region, including the United States. The securities referred to herein will not be and have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States, or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act), absent registration or an applicable exemption from the registration requirements under the Securities Act.