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**FOR IMMEDIATE RELEASE**

Tokyo, September 5, 2025

**Notice of the Completion of New Issuance and Tender Offer of  
Foreign Currency Denominated Subordinated Bond 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" or the "Issuer") has completed the issuance and settlement of Euro-denominated Ordinary Subordinated Guaranteed Fixed Rate Resetable Capital Securities due 2055 (the "New Subordinated Bonds"), which were first announced in "Notice of New Issuance and Tender Offer of Foreign Currency Denominated Subordinated Bonds by JT's Foreign Subsidiary" on August 27, 2025. In addition, JT announces that JTIFS has completed the settlement of its Tender Offer in relation to 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").

JTIFS issued the New Subordinated Bonds in connection with the refinancing of 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 recognize a certain degree of equity-like attributes. JT believes the issuance 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

1. Issuer	JTIFS
2. Total amount of issue	€500,000,000
3. Maturity date	September 4, 2055 However, the Issuer may redeem the New Subordinated Bonds at its own discretion in the 3-month period ending on and including March 4, 2031 and on each interest payment date thereafter at their principal amount. Additionally, there are other provisions which allow for the New Subordinated Bonds to be redeemed prior to maturity.
4. Initial interest rate	3.870% per annum <sup>*1</sup>
5. Interest deferral clause	The Issuer may defer the payment of interest for up to 10 years at its own discretion.
6. Offering Price	99.994% of nominal amount
7. Settlement date	September 4, 2025

8. 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.
9. Guarantee	Subordinated guarantee by JT (the "Guarantee")
10. Issuance program	Euro MTN Programme
11. Listing bourse	Euro MTF of Luxembourg Stock Exchange
12. Bond ratings	Moody's Japan K.K.: A3 S&P Global Ratings Japan Inc.: A- Rating and Investment Information, Inc.: A+
13. Evaluation of equity credit	Moody's Japan K.K.: Basket M S&P Global Ratings Japan Inc.: Intermediate Rating and Investment Information, Inc.: Class 3 – Equity Credit 50
14. 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.
15. Restrictions on refinance	There is no contractual provision restricting the means of refinancing of the New Subordinated Bonds <sup>**2</sup> .
16. Subordination clause	<p>In the event of any liquidation of the Issuer, the rights and claims of the holders of the New Subordinated Bonds against the Issuer will rank (i) junior to the claims of all holders of senior obligations of the Issuer, (ii) <i>pari passu</i> with the claims of holders of all parity obligations of the Issuer which rank or are expressed to rank parity to the New Subordinated Bonds and (iii) senior to the claims of holders of junior obligations of the Issuer which rank or are expressed to rank junior to the New Subordinated Bonds including the Existing Subordinated Bonds, preferred shares and common shares of the Issuer.</p> <p>In the event of any liquidation of JT, the rights and claims under the Guarantee will rank (i) junior to the claims of all holders of senior obligations of JT, (ii) <i>pari passu</i> with the claims of holders of all parity obligations of JT which rank or are expressed to rank parity to the Guarantee and (iii) senior to the claims of holders of junior obligations of JT which rank or are expressed to rank</p>

	junior to the Guarantee, preferred shares and common shares of JT.
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※1 Interest rate is fixed until March 4, 2031 and such fixed interest rate will be reset every 5 years thereafter. The interest rate will step-up by 25bps on March 4, 2036 and further by 75bps on March 4, 2051.

※2 There is no contractual provision of restrictions on refinance of the New Subordinated Bonds. However, if the New Subordinated Bonds are redeemed prior to maturity, JT and the Issuer intend (without thereby assuming a legal or contractual obligation) to refinance through means which will be assigned credit ratings equivalent to or higher than that of the New Subordinated Bonds by rating agencies within the twelve months prior to such redemption prior to maturity. The Issuer may decide not to implement such refinance in the case where, at the time when the Issuer may make an early redemption, adjusted consolidated equity capital\* is higher than that as of the end of June 2025 by no less than the aggregate principal amount of the New Subordinated Bonds, as well as the adjusted consolidated equity ratio\*\* is equal to or higher than the level as of the end of June 2025.

\* Adjusted consolidated equity capital: The amount obtained by deducting "exchange differences on translation of foreign operations" in "other components of equity" from "total equity" on consolidated financial statements of JT as the guarantor

\*\* Adjusted consolidated equity ratio: The value obtained by dividing the above-mentioned adjusted consolidated equity capital by the amount obtained by deducting "exchange differences on translation of foreign operations" in "other components of equity" from "total liabilities and equity" on consolidated financial statements of JT as the guarantor

## 2. Results of Tender Offer

Issuer	Target bonds	Final acceptance amount	Purchase price	Settlement date
JTIFS	Euro-denominated Deeply Subordinated Guaranteed Fixed Rate Resettable Capital Securities due 2081	€132,443,000	99.875%	September 4, 2025

## 3. Outstanding amount of target bonds

Issuer	Target bonds	First par call period	Outstanding amount
JTIFS	Euro-denominated Deeply Subordinated Guaranteed	January 7, 2026 to April 7, 2026	€367,557,000

	Fixed Rate Resettable Capital Securities due 2081		
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#### 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/>.*

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This press release is intended as general information regarding tender offers 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.