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FOR IMMEDIATE RELEASE

Tokyo, November 19, 2026

Notice Concerning Revision of Consolidated Earnings Forecast and Dividend Forecast

Japan Tobacco Inc. (JT) (TSE: 2914) hereby announces that, as disclosed today, in the "Notice Regarding the Exclusion of JT Group's Russian Consolidated Subsidiaries from the Scope of Consolidation and Recognition of Loss on Loss of Control of Subsidiaries "*1, JT expects to record a loss on loss of control of subsidiaries in the amount of approximately JPY 1,377.0 billion in the consolidated fiscal year ending December 31, 2026, as seven Russian consolidated subsidiaries of JT Group are to be excluded from the scope of consolidation as of November 6, 2026.

In light of the impact on JT's consolidated financial results, mainly from the recognition of the above-mentioned loss, JT hereby announces that its Board of Directors has resolved today to revise the full-year consolidated earnings forecast for the fiscal year ending December 31, 2026 (January 1 to December 31, 2026), announced on October 29, 2026, and the dividend forecast announced on July 30, 2026, as follows.

1. Revision to the Consolidated Earnings Forecast

(1) Full-year consolidated earnings forecast for the fiscal year ending December 31, 2026

	Revenue	Adjusted operating profit (Note 1)	Operating profit (loss)	Profit (loss) attributable to owners of the parent	Basic earnings (loss) per share (JPY)	Adjusted operating profit at constant FX (Note 1)
Previous forecast (A) (announced October 29, 2026)	Millions of yen 3,903,000	Millions of yen 1,079,000	Millions of yen 1,041,000	Millions of yen 662,000	Yen 372.88	Millions of yen 1,028,000
Revised forecast (B)	3,840,000	1,047,000	(368,000)	(724,000)	(407.80)	995,000
Change (B−A)	(63,000)	(32,000)	(1,409,000)	(1,386,000)	(780.67)	(33,000)
Change (%)	(1.6%)	(3.0%)	(135.4%)	(209.4%)	(209.4%)	(3.2%)
Reference: Results of the Fiscal Year Ended December 31, 2025 (Note 2)	3,467,675	885,154	867,038	510,175	287.36	885,154

(Note 1) Adjusted operating profit is a non-GAAP measure calculated by excluding amortization costs of acquired intangible assets, adjustment items (income and expenses), and profit corresponding to instalment payments of the settlement amount in connection with the settlement of smoking and health litigation in Canada involving JT's local subsidiary, JTI-Macdonald Corp., as a defendant (hereinafter called "Canada adjustment (Annual contribution)"), from operating profit (loss). Adjustment items (income and expenses) include impairment losses on goodwill, restructuring income and expenses, and other items. JT also discloses adjusted operating profit at constant FX. Adjusted operating profit at constant FX is calculated by excluding foreign exchange effects from adjusted operating profit for the current period in the tobacco business using the foreign exchange rates of the corresponding period of the previous year. Actual results at constant FX exclude the increase in profit attributable to inflation in certain markets, calculated using a prescribed methodology.

(Note 2) Profit attributable to owners of the parent and basic earnings per share for the fiscal year ended December 31, 2025 include gains and losses related to the transfer of the pharmaceutical business and the transfer of shares of Torii Pharmaceutical Co., Ltd., among others. Also, adjusted operating profit and adjusted operating profit at constant FX exclude the above-mentioned Canada adjustment (Annual contribution).

(2) Reasons for the Revision

Since 2022, JT has continued its business operations in Russia in compliance with all applicable laws and regulations including sanctions from Japan and overseas. However, seven Russian consolidated subsidiaries of JT Group became subject to temporary administration pursuant to Russian presidential decrees signed on November 5 and November 6.

As a result, JT lost management control over the seven companies, and accordingly, the seven consolidated subsidiaries are to be excluded from the scope of consolidation as of November 6, 2026. In connection with this matter, JT expects to record a loss on loss of control of subsidiaries in the amount of approximately JPY 1,377.0 billion in the consolidated fiscal year ending December 31, 2026.

Reflecting the impact of the exclusion of the seven consolidated subsidiaries from the scope of consolidation on revenue and profit, as well as the recognition of the above-mentioned loss, operating profit and profit attributable to owners of the parent are expected to be significantly below the previous forecasts. Accordingly, JT has revised its full-year consolidated earnings forecast for the fiscal year ending December 31, 2026 as shown above.

2. Revision to Dividend Forecast

(1) Details of the Revision

	Annual Dividends (Yen)		
	End of 2nd quarter	Year-end	Total
Previous forecast (announced July 30, 2026)	136 yen	136 yen	272 yen
Revised forecast	-	68 yen	204 yen
Dividend for period under review	136 yen	-	-
Previous dividend (for the year ended December 2025)	104 yen	130 yen	234 yen

Previous Forecast for the Fiscal Year Ending December 31, 2026, is calculated using a payout ratio of 73.2%, based on profit for the year of ¥660.0 billion. The profit for the year used in this calculation excludes the impact of the settlement payments and other related effects arising from the settlement of litigation concerning smoking and health against tobacco companies, including the Company's Canadian subsidiary JTI-Macdonald Corp., as a defendant.

(2) Reasons for the Revision

As described in "1. Revision to the Consolidated Earnings Forecast" above, JT has revised downward its full-year consolidated earnings forecast for the fiscal year ending December 31, 2026, and expects to record a loss attributable to owners of the parent. As a result, based on our management principle, the 4S model, JT has revised its year-end dividend forecast per share for 2026 to JPY 68, taking into account these financial impacts, financial discipline, future investments for growth, and its medium- to long-term profit and cash generation capabilities, among other factors. Accordingly, the annual dividend per share is expected to be JPY 204, including the interim dividend of JPY 136.

While taking into account the revisions to the earnings forecast and dividend forecast, JT will continue to aim for sustainable profit growth over the medium- to long-term. Our policy on the allocation of management resources remains unchanged: we will continue to prioritize business investments. While maintaining a strong financial foundation, we will aim to enhance shareholder returns by achieving profit growth over the medium- to long-term.

3. Reduction of Executive Remuneration

JT has to date made management decisions regarding its business in Russia with a view to preserving and enhancing corporate value, taking into comprehensive consideration the prevailing business environment, the impact on its various stakeholders and other relevant factors.

Against this backdrop, taking seriously the current circumstances surrounding the JT Group's business in Russia and the resulting impact on the JT Group's management and financial

performance and on its various stakeholders, the Chairman of the Board, the Deputy Chairman of the Board and the three Representative Directors offered to accept a partial reduction in their basic remuneration and to forgo receipt of their executive bonuses for fiscal year 2026.
In light of the intent underlying these offers, the Board of Directors resolved at its meeting held today to reduce the monthly basic remuneration of the Directors referred to above by an amount equivalent to 50% for a period of two months, and not to pay executive bonuses for fiscal year 2026 to the Representative Directors.

JT will hold an online briefing for institutional investors and analysts today at 9:00 p.m. Japan time. For the materials to be used at the briefing, please refer to the "Status of Our Russian Operations and Future Growth of the JT Group"*2 announced today. A recording of the briefing will be made available on demand on JT's website*3 after preparations are completed following the briefing.

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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 two business segments: tobacco 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 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 purpose, "Fulfilling Moments, Enriching Life", the Group aims to ensure sustainable and valuable contributions to its stakeholders over the long term. In addition to its two business segments, this goal is also supported by D-LAB, JT Group's corporate R&D initiative, dedicated to exploring and developing new value-added business opportunities. For more information, visit https://www.jt.com/.

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*1 https://www.jt.com/media/news/2026/pdf/20261119_04.pdf
*2 https://www.jt.com/media/news/2026/pdf/20261119_06.pdf
*3 https://www.jt.com/investors/results/presentation_events/index.html