



International Tobacco Business 2019 Results & 2020 Outlook

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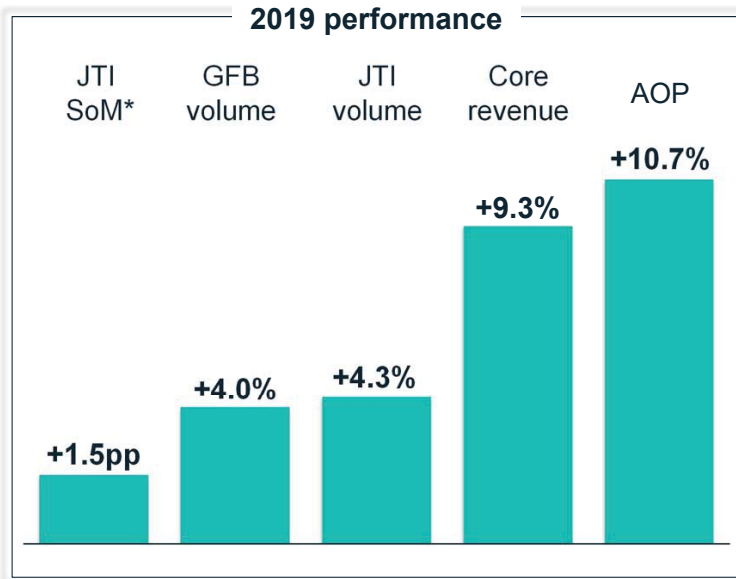
FORWARD-LOOKING STATEMENTS

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 and changing consumer preferences;
- (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.

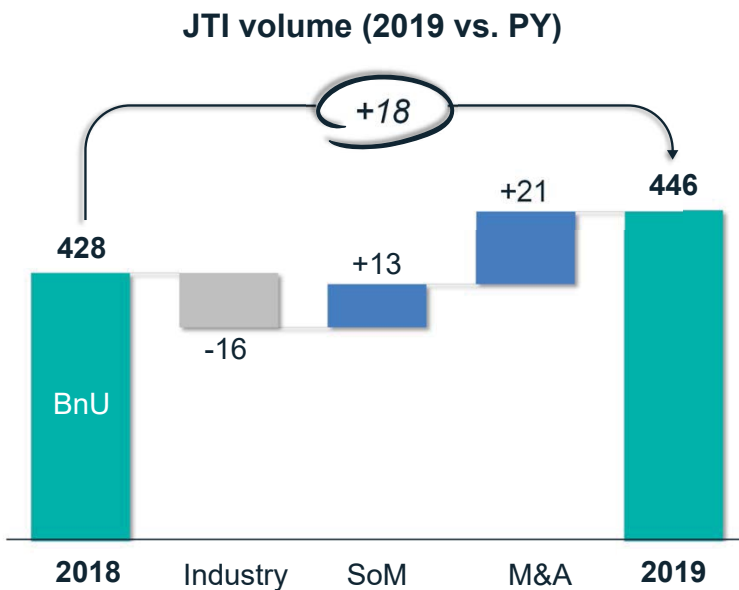
Outstanding performance in 2019



- Positive volume, driven by acquisitions and market share gains
- Resilient organic performance, significantly outpacing industry volume trend
- GFB growth continued across all brands
- Robust price/mix variance
- Strong core revenue and adjusted operating profit growth at constant currency

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 Note: 2019 variance vs. PY. Core revenue and AOP (adjusted operating profit) at constant currency. * Based on JTI's top-30 markets (cigarettes + fine cut).

Strong volume progression led by acquisitions & share gains

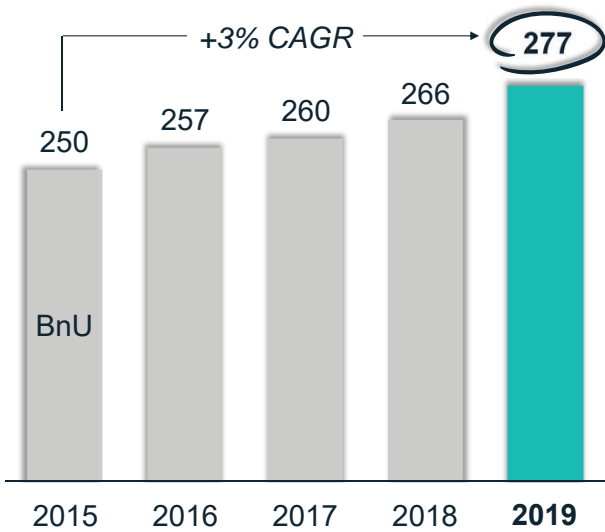


- Acquisitions in Bangladesh and Russia bolstered volume growth
- Market share momentum continued, supporting robust organic performance
- Organic volume (-0.8%) outpaced industry volume trend (-3.7%*)
- Volume increased in more than 70 markets across all clusters

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 Note: Shipment volume (cigarettes + other tobacco products). * Industry volume trend in 2019 across JTI's top-30 markets.

GFB volume growth continued

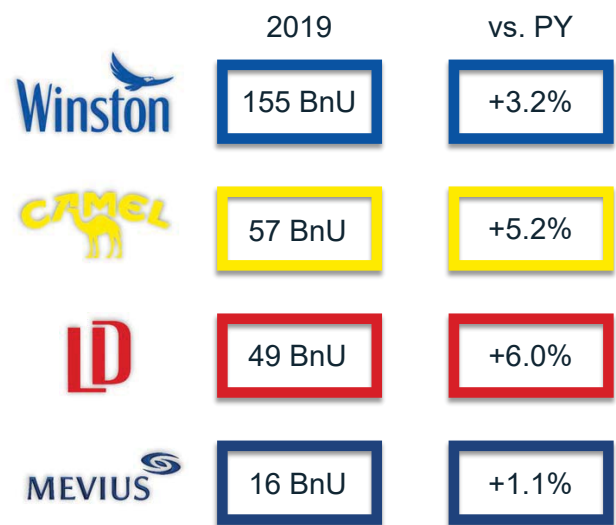
GFB volume evolution (2015-2019)



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Note: Shipment volume (cigarettes + other tobacco products).

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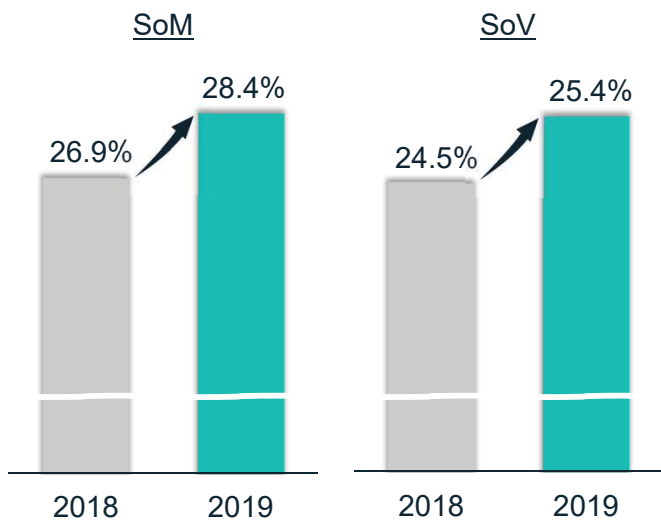
GFB volume in 2019



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Positive share momentum, notably in Europe

JTI share in top-30 markets

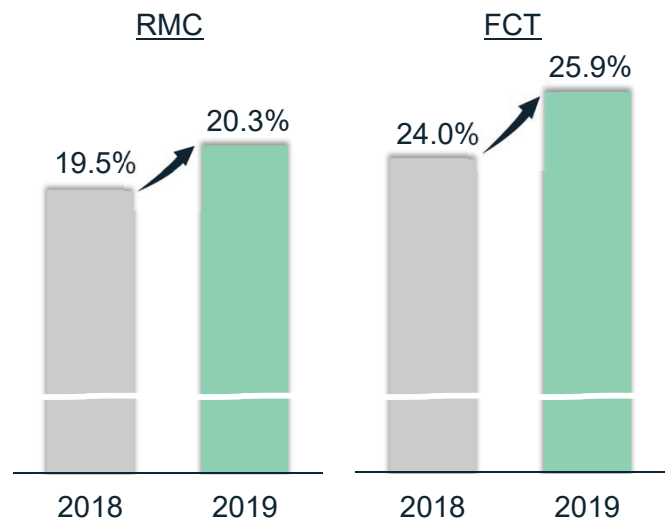


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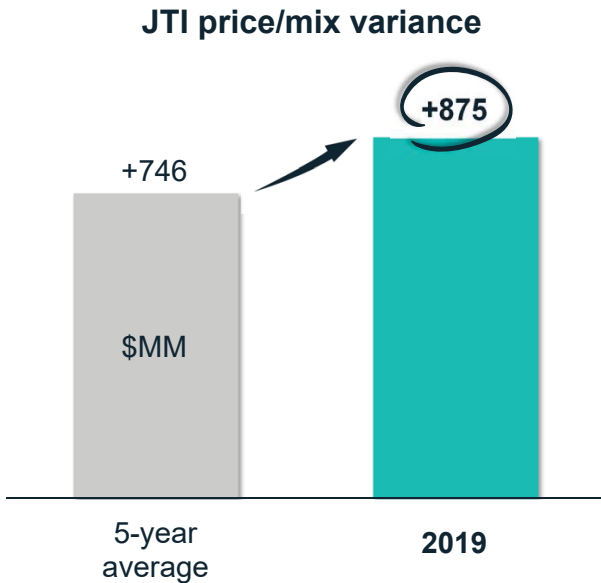
* Comprising North & Central Europe and South & West Europe. Note: JTI SoM and SoV for RMC and fine cut combined. RMC stands for ready-made cigarettes and FCT for fine cut

JTI share of market in Europe*



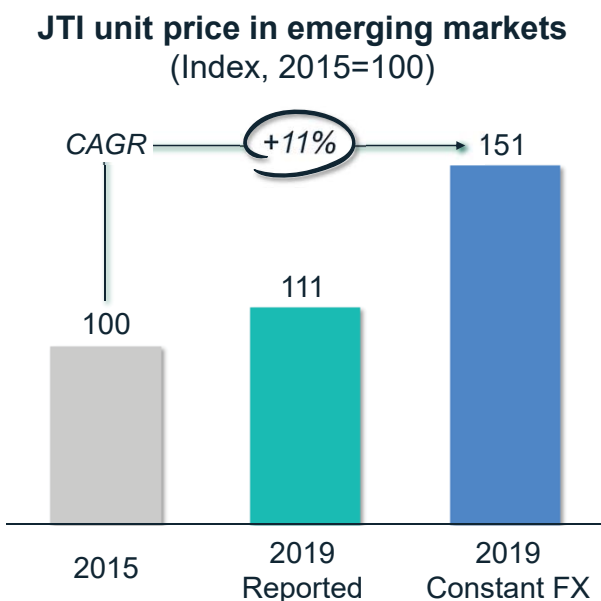
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Robust pricing gains



- Price/mix contribution to core revenue growth above JTI's 5-year average
- Strong pricing in key markets, including France, Russia, Turkey and the UK
- Solid pricing gains also from Germany, Iran and the Philippines

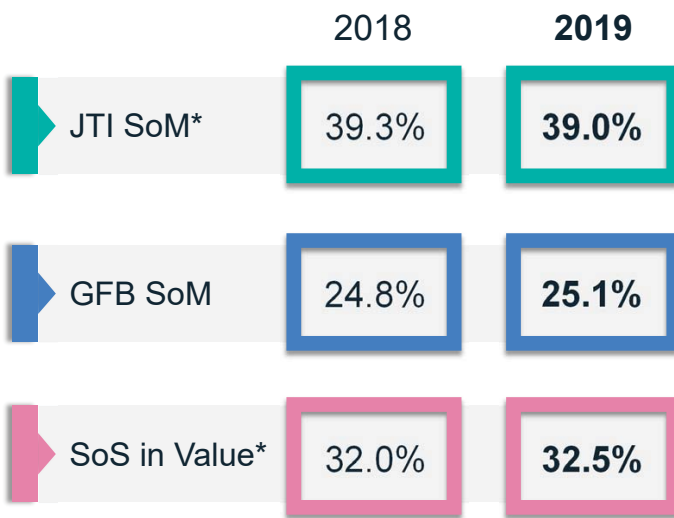
Unit price in emerging markets continues to increase



- Emerging markets represented 67% of JTI's volume in 2019
- Since 2015, unit price in emerging markets increased at a CAGR of:
 - +11% at constant currency
 - +3% at reported
- Price/mix contribution from emerging markets to continue growing

Russia – Resilient market share and solid pricing

Share evolution (2019 vs. PY)



- Resilient share of market at 39%
- GFB share continued to increase, mainly driven by LD
- Donskoy Tabak fulfilling its role, strengthening JTI leadership in the growing Value segment
- Strong brand equity enabled to seize pricing opportunities

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 Source: Internal estimates, Nielsen. * Like-for-like basis: as if JTI had owned Donskoy Tabak from January 1, 2018. Note: SoS stands for Share of Segment.

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Russia – Positive 2020 outlook

- Cigarette industry volume trend in 2020 to be broadly in line with recent years
- Solid pricing environment
- Expanding the RRP portfolio with a heated tobacco device in H1 2020
- Vape Sticks endorsed by Winston, the #1 tobacco brand in Russia



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UK – Strengthening industry leadership

JTI share evolution (2019 vs. PY, pp)

| | SoM | SoV |
|-----------|------|------|
| RMC + FCT | +2.2 | +1.8 |
| RMC | +1.8 | +1.7 |
| FCT | +2.4 | +2.1 |
| E-VAPOR* | +2.8 | +0.6 |



- Continued share increases in both cigarettes and fine cut, breaking records
- Steady progression in RRP, mainly led by Logic Compact and Nordic Spirit
- Solid 2020 business outlook



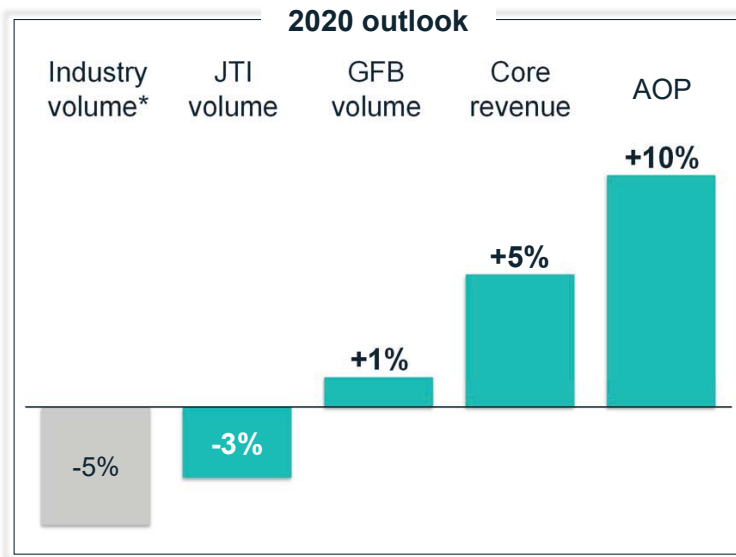
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 Source: Internal estimates, IRI. * Refills, traditional retail only. Note: RMC stands for ready-made cigarettes and FCT for fine cut

Entering 2020 with strong momentum

| | | | |
|---|------------------|--------------------|---|
| Accelerated share of market gains in top-30 markets | +1.5 pp | +11 BnU | Strong GFB volume increase, led by all brands |
| Positive price/mix variance, above 5-year average | +875 \$MM | 20+ markets | Steadily seeding in Reduced-Risk Products |

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 Note: Share of market, GFB volume and Price/mix increases in 2019 vs. PY.

2020 – Committed to sustainable growth



- Total volume to outpace industry trend
- GFBs to continue growing
- Positive pricing dynamics
- Strong earnings growth while continuing to invest in conventional products, RRP and new capabilities