



Tokyo, April 28, 2022

2022 First Quarter Results

Year-to-Date Highlights (vs. 2021)

- Revenue increased by 6.2% to JPY 581.5 billion.
- Core revenue at constant FX increased by 3.8% to JPY 547.0 billion.
- Adjusted operating profit at constant FX increased by 4.5% to JPY 186.1 billion.
- On a reported basis, adjusted operating profit increased by 9.4% to JPY 194.9 billion.
- Operating profit increased by 11.4% to JPY 178.4 billion.
- Profit increased by 9.1% to JPY 124.1 billion.
- Free cash flow increased by JPY 27.8 billion to JPY 18.4 billion.

Please refer to 'Data Sheets' on page 9 for more financial figures.

Comments from Masamichi Terabatake, President and CEO of the JT Group:

"We are deeply concerned to see the developments from the war in Ukraine, where many people are facing tragedy and devastation. I sincerely hope peace will return soon.

"We are working hand in hand with international and local aid organizations to establish relief programs and provide immediate help to those affected by the war. I would like to also recognize our colleagues from across the globe who have come together to show their personal support and help the affected people. To date we have committed around USD 5 million to humanitarian aid activities.

"As announced on March 10th, we suspended new investments and marketing activities in Russia. Given the challenging and unpredictable environment, the JT Group has continued to evaluate various options for its Russia business, including potentially transferring its ownership.

"The Group remains committed to its 4,000 employees in Russia, including to secure their employment.

"With regards to the first quarter performance, following the combination of the tobacco businesses this year, the JT Group delivered strong results with adjusted operating profit at constant FX increasing by 4.5%. However, several uncertainties remain, such as the changing operating environment in Russia, the rapidly evolving operational costs and a very volatile inflation. Considering these factors, as of the first quarter, we have decided not to revise the full year guidance.

"We will continue to closely monitor the situation and prioritize the safety of our employees and their families by extending all possible support to affected people. We will take all necessary decisions to address the changing situation in accordance with the Group's management principle, which is to pursue the 4S model*."

*Under the 4S model, we strive to fulfill our responsibilities to our valued consumers, shareholders, employees and the wider society, carefully considering the respective interests of these four key stakeholder groups and exceeding their expectations wherever we can. For more details, please visit https://www.it.com/about/management_principles/index.html

Investors' Meeting

An investors' meeting with members of the investor community will be held on April 28, 2022 at 5:00pm Tokyo time. An on-demand audio recording of this conference will be available on our website (https://www.it.com/investors/results/presentation_financial). For detailed information on the consolidated financial results, please visit the Company's website (<https://www.it.com/investors/>).

Note on Hyperinflationary Adjustments

The results for fiscal year 2021 and fiscal year 2022 as well as the forecasts for fiscal year 2022 on a reported basis have been adjusted to include the impact of hyperinflationary accounting, which has been applied since Q3 2020, in accordance with the requirements stipulated in IAS 29. Starting from Q1 2021, the results on a constant FX basis have been calculated to exclude amounts of revenue and profit that have increased due to hyperinflation in certain markets.

Q1 2022 Financial Results

Consolidated Results

(billions of JPY)	Q1 2022	Q1 2021	Variance
Revenue	581.5	547.4	+6.2%
Adjusted operating profit	194.9	178.1	+9.4%
Operating profit	178.4	160.1	+11.4%
Profit	124.1	113.8	+9.1%
Core revenue at constant FX	547.0	526.9	+3.8%
Adjusted operating profit at constant FX	186.1	178.1	+4.5%

Q1 2022

- **Revenue**
Revenue increased by 6.2% to JPY 581.5 billion driven by increases across all businesses. At constant FX, core revenue increased by 3.8% to JPY 547.0 billion.
- **Adjusted operating profit**
At constant FX, adjusted operating profit increased by 4.5% to JPY 186.1 billion driven by increases across all businesses.
On a reported basis, adjusted operating profit increased by 9.4% to JPY 194.9 billion due to favorable impacts of depreciation of Japanese yen against many local currencies in the tobacco business.
- **Operating profit**
Operating profit increased by 11.4% to JPY 178.4 billion mainly driven by an increase in adjusted operating profit.
- **Profit**
Profit increased by 9.1% to JPY 124.1 billion driven by an increase in operating profit, partially offset by higher corporate income tax.

Results by Business Segment

Tobacco Business

(billions of JPY)	Q1 2022	Q1 2021	Variance
Core revenue	502.0	473.1	+6.1 % (+3.4 %) *
Adjusted operating profit	197.3	182.3	+8.3 % (+3.4 %) *
Reference (billions of units, billions of JPY)			
Total volume	128.5	127.0	+1.2%
Combustibles volume	126.6	125.3	+1.0%
RRP volume	2.0	1.7	+16.0%
RRP-related revenue	19.1	18.6	+2.4%

*At constant FX

Q1 2022

- **Core revenue and adjusted operating profit**

Core revenue and adjusted operating profit increased, driven by the Western Europe and EMA clusters, alongside continued share gains, strong pricing across all clusters and favorable currency movements. Core revenue grew by 6.1%, and 3.4% at constant FX, driven by a positive combustibles price/mix contribution of JPY 25.6 billion, more than offsetting a negative volume variance of JPY 9.3 billion. RRP related-revenue increased by JPY 0.4 billion. Adjusted operating profit increased by 8.3%, and 3.4% at constant FX, driven by core revenue growth and despite continued HTS investments, primarily in Japan.

- **Volume and market share¹**

Total volume increased by 1.2%, driven by the EMA cluster, more than offsetting declines in Asia and Western Europe clusters. Volume in the combustibles and RRP categories grew by 1.0% and 16.0%, respectively. Total volume increased in several markets, most notably in Azerbaijan, Global Travel Retail², Indonesia, Iran, Morocco, Myanmar, Nigeria, Poland and Spain. HTS drove the RRP volume increase, mainly in Japan where Ploom X continued to gain share.

Market share gains continued across many geographies, including in the key markets of Italy, the Philippines, Romania, Spain, Taiwan and Turkey.

Tobacco Business Performance Review by Cluster

Asia

(billions of JPY)	Q1 2022	Q1 2021	Variance
Core revenue	192.9	194.1	-0.6% (-2.9%)*
Adjusted operating profit	75.7	76.7	-1.3% (-1.5%)*

Reference (billions of units)

Total volume	31.5	32.8	-4.1%
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*At constant FX

- Core revenue and adjusted operating profit**
 Core revenue and adjusted operating profit decreased by 0.6% and 1.3% respectively, as the positive price/mix contribution and favorable currency movements were offset by a negative volume variance. Excluding currency movements, core revenue and adjusted operating profit declined by 2.9% and 1.5%, respectively.
- Volume and market share¹**
 Total and GFB volumes declined by 4.1% and 4.5%, respectively, mainly due to Bangladesh, Japan and the Philippines. Market share increased in Cambodia, Indonesia, the Philippines, Singapore, South Korea and Taiwan.
- By market¹**
In Japan, total volume declined by 9.2%, despite growth in the RRP category. In the combustibles category, volume decreased by 12.1%, due to an industry volume contraction estimated at 8.5% and year-to-date combustibles market share losses (-2.4ppt to 57.2%). These share losses are related to continuous downtrading after the October 2021 excise tax increase, notably impacting cigarillos, and consumer conversion to RRP. In the RRP category, which is estimated at 33.4% (shipment basis) of the total tobacco industry size, volume increased by 33.0% and RRP share grew by 2.2ppt to 12.0%. Within the HTS segment of RRP, the share of Ploom X continued to increase, reaching 7.2% up by 3.7ppt. Year-to-date total market share³ declined by 2.7ppt to 42.1%, as gains in the RRP category could not offset losses in the combustibles. Core revenue decreased, as the positive price/mix contribution, driven by the October 2021 excise tax-led price increase, was more than offset by the negative volume variance.

In Taiwan, total volume declined by 0.2%, outperforming the industry volume contraction. GFB volume was down 0.4%, despite a stable MEVIUS volume strengthening its leading position in the premium segment. Year-to-date market share increased to 48.7%, up by 0.6ppt, fueled by Winston, MEVIUS and LD. Core revenue at constant FX increased, driven by a positive price/mix contribution.

In the Philippines, total and GFB volumes declined by 3.1% and 7.1%, respectively, due to a temporary unfavorable competitive environment after the February 2022 price increase and despite growth from Camel and Mighty. Year-to-date market share is estimated to have increased to 36.3%, driven by continued momentum from Camel and Mighty. Core revenue at constant FX increased, driven by a favorable price/mix variance more than offsetting a negative volume contribution.

Western Europe

(billions of JPY)	Q1 2022	Q1 2021	Variance
Core revenue	125.2	122.4	+2.3% (-1.2%)*
Adjusted operating profit	61.2	57.8	+6.0% (+3.0%)*

Reference (billions of units)

Total volume	27.5	28.7	-4.3%
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*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue and adjusted operating profit increased by 2.3% and 6.0% respectively, driven by a solid price/mix contribution and favorable currency movements, more than offsetting a negative volume variance. Excluding currency movements, core revenue declined by 1.2% while adjusted operating profit grew by 3.0%.

- **Volume and market share¹**

Total and GFB volumes decreased by 4.3% and 0.6%, respectively, mainly due to industry volume contraction resulting from the gradual reversal of COVID trends. Market share increased in Belgium, France, Germany, Greece, Ireland, Italy, the Netherlands, Spain and Switzerland.

- **By market¹**

In Italy, total volume decreased by 2.0% but grew by 1.5% when excluding unfavorable inventory movements. GFB volume declined by 0.1%, due to an industry volume contraction and despite growth from Winston. Year-to-date combustibles market share increased to 27.2%, up by 1.1ppt, driven by Winston. Core revenue at constant FX decreased, due to unfavorable volume and price/mix contributions.

In Spain, total volume grew by 5.0%, driven by a positive industry volume trend, as travelers progressively returned, and continued market share gains. GFB volume increased by 3.0%, driven by Winston and Camel. Year-to-date market share increased to 28.4%, up by 0.9ppt, building on the ongoing momentum from 2021. Core revenue at constant FX increased, driven by a solid price/mix contribution, fueled by the price increase implemented in the fourth quarter of 2021, and a positive volume variance.

In the UK, total volume declined by 11.6%, due to industry volume contraction, resulting from the gradual unwinding of COVID trends, and a slight market share loss due to fine cut. Continued share gains by Benson & Hedges and Sterling were offset by a lower share of Amber Leaf, resulting in a year-to-date combustibles market share decline of 0.1ppt to 45.3%. Core revenue at constant FX decreased, due to a negative volume variance more than offsetting the positive price/mix contribution.

EMA

(billions of JPY)	Q1 2022	Q1 2021	Variance
Core revenue	183.9	156.6	+17.5% (+14.9%)*
Adjusted operating profit	60.4	47.8	+26.3% (+11.8%)*

Reference (billions of units)

Total volume	69.6	65.5	+6.2%
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*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue and adjusted operating profit increased by 17.5% and 26.3% respectively, driven by a positive volume variance, strong price/mix contribution and favorable currency movements. Excluding currency movements, core revenue and adjusted operating profit grew by 14.9% and 11.8%, respectively.

- **Volume and market share¹**

Total and GFB volumes increased by 6.2% and 8.9%, respectively, driven by Winston and Camel, as well as improving trends in Global Travel Retail². Market share increased in Algeria, Brazil, Canada, the Czech Republic, Hungary, Iran, Kazakhstan, Morocco, Poland, Romania, Saudi Arabia, Serbia, South Africa and Turkey.

- **By market¹**

In Romania, total volume grew by 2.3%, driven by a positive industry volume variance and continued market share gains. GFB volume increased by 3.1%, driven by Winston. Year-to-date market share increased by 0.6ppt to 30.1%, fueled by continued momentum from Winston, Camel and Sobranie. Core revenue at constant FX increased, driven by positive volume and price/mix contributions.

In Russia⁴, excluding inventory movements, total volume declined by 2.9%, mainly due to combustibles while HTS volume grew. Factoring in favorable inventory adjustments, total volume decreased by 1.3%. Total industry volume⁵ declined by 3.8%, due to a decline in combustibles following excise-tax led price increases and continued growth of the RRP category. GFB volume increased by 4.4% driven by the continued growth of Camel, more than offsetting declines of Winston and LD. Year-to-date, total market share decreased by 0.1ppt to 36.6% and share in the HTS segment grew by 2.0ppt to 4.1%. Core revenue at constant FX decreased, due to a negative volume variance more than offsetting a favorable price/mix contribution.

In Turkey, total volume declined by 1.7%, due to industry volume contraction following tax-led price increases for last two consecutive quarters. GFB volume declined by 0.9%, despite growth from Winston. Year-to-date market share increased to 28.0%, up by 0.4ppt, driven by Winston. Core revenue at constant FX increased, driven by a strong price/mix contribution more than offsetting a negative volume variance.

¹ IRI, Logista, Nielsen, Panel Strator and JT Group estimates on year to date average, unless other specified, for cigarettes and fine cut tobacco (excluding snus) at the end of March 2022. Canada, Germany, Hungary, Iran, Italy, Kazakhstan, Morocco, Russia, Saudi Arabia, Serbia, South Africa, Spain and the UK are on a 2-month average at the

end of February 2022. Year to date share of market growth for 2022 is calculated against year to date shares of market at the end of the respective period in 2021.

² Global Travel Retail markets is the new denomination reflecting the combination of the duty-free markets from the previous Japanese-domestic tobacco and international tobacco businesses. The performance of these markets is included in the EMA cluster.

³ Market share data for Japan reflects total tobacco figures, i.e., combustibles, heated tobacco sticks and infused-tobacco capsules.

⁴ Volume and market share data for Russia reflects total tobacco figures, i.e., RMC and heated tobacco sticks.

⁵ Source: JT Group estimates based on total tobacco data versus the same period last year.

Pharmaceutical Business

(billions of JPY)	Q1 2022	Q1 2021	Variance
Revenue	21.3	19.7	+8.3%
Adjusted operating profit	4.6	4.2	+8.0%

Q1 2022

- **Revenue and adjusted operating profit**

Revenue increased by 8.3% driven by top-line growth at our consolidated subsidiary, Torii Pharmaceutical.

Adjusted operating profit increased by 8.0% driven by the increase in revenue, which more than offset an increase in R&D expenditures.

Processed Food Business

(billions of JPY)	Q1 2022	Q1 2021	Variance
Revenue	35.7	33.8	+5.5%
Adjusted operating profit	0.4	0.3	+26.4%

Q1 2022

- **Revenue and adjusted operating profit**

Revenue increased by 5.5% mainly driven by growth in product sales in the frozen and ambient foods business.

Adjusted operating profit increased by 26.4% despite unfavorable currency movements and an increase in costs including raw material costs. The profit increase is attributed to the top-line growth along with the favorable normalized costs this year, in comparison to one-time recognition of losses associated with a fire at our subsidiary's factory in 2021.

Data Sheets

Results for 2022 First Quarter

1. Summary of consolidated results

(Unit: JPY billion)

	Q1 2022	Q1 2021	Variance (abs)	Variance (%)
Revenue	581.5	547.4	+34.1	+6.2%
Operating profit	178.4	160.1	+18.2	+11.4%
Adjusted operating profit	194.9	178.1	+16.8	+9.4%
Profit before income taxes	174.7	156.3	+18.4	+11.7%
Profit	124.1	113.8	+10.3	+9.1%
Basic EPS*(JPY)	69.94	64.13	+5.81	+9.1%

*Based on profit

[Reference]

(Unit: JPY billion)

	Q1 2022	Q1 2021	Variance (abs)	Variance (%)
Core revenue at constant FX	547.0	526.9	+20.1	+3.8%
Adjusted operating profit at constant FX	186.1	178.1	+8.0	+4.5%

2. Results by business segment

(Unit: JPY billion)

	Q1 2022	Q1 2021	Variance (abs)	Variance (%)
Consolidated: revenue	581.5	547.4	+34.1	+6.2%
Tobacco	523.9	493.6	+30.4	+6.1%
Core revenue	502.0	473.1	+28.9	+6.1%
Pharmaceutical	21.3	19.7	+1.6	+8.3%
Processed food	35.7	33.8	+1.9	+5.5%
Others	0.6	0.3	+0.3	+83.5%
Consolidated: operating profit	178.4	160.1	+18.2	+11.4%
Tobacco	181.3	165.6	+15.7	+9.5%
Pharmaceutical	4.6	4.2	+0.3	+8.0%
Processed food	0.3	-0.7	+1.1	-
Others/Elimination	-7.9	-9.0	+1.1	-
Adjustments, total	-16.5	-18.0	+1.4	
Tobacco	-16.0	-16.7	+0.7	
Pharmaceutical	0.0	0.0	-0.0	
Processed food	-0.1	-1.1	+1.0	
Others/Elimination	-0.4	-0.2	-0.2	
Consolidated: adjusted operating profit	194.9	178.1	+16.8	+9.4%
Tobacco	197.3	182.3	+15.0	+8.3%
Pharmaceutical	4.6	4.2	+0.3	+8.0%
Processed food	0.4	0.3	+0.1	+26.4%
Others/Elimination	-7.4	-8.8	+1.3	-

Results for 2022 First Quarter

3. Depreciation and amortization*

(Unit: JPY billion)

	Q1 2022	Q1 2021	Variance (abs)
Consolidated: depreciation and amortization	41.2	40.0	+1.2
Tobacco	38.0	36.9	+1.1
Pharmaceutical	1.2	1.2	+0.0
Processed food	1.6	1.5	+0.1
Others/Elimination	0.4	0.4	+0.0

*Excluding depreciation from lease transactions

4. Consolidated financial position

(Unit: JPY billion)

	2022 Mar. end	2021 Dec. end	Variance (abs)
Total assets	5,747.4	5,774.2	-26.9
Total equity	2,983.1	2,886.1	+97.1
Equity attributable to owners of the parent company	2,905.8	2,809.3	+96.6
BPS (attributable to owners of the parent company) (JPY)	1,637.49	1,583.10	+54.38

5. Liquidity and interest-bearing debt

(Unit: JPY billion)

	2022 Mar. end	2021 Dec. end	Variance (abs)
Liquidity	667.4	730.2	-62.8
Interest-bearing debt	962.5	918.6	+43.8

6. Consolidated cash flow

(Unit: JPY billion)

	Q1 2022	Q1 2021	Variance (abs)
Cash flows from operating activities	39.0	12.4	+26.6
Cash flows from investing activities	-22.7	-22.4	-0.3
Cash flows from financing activities	-116.8	-127.4	+10.7
Cash and cash equivalents, beginning of the period	721.7	538.8	+182.9
Foreign currency translation adj. on cash & cash equivalents	34.0	23.0	+11.0
Cash and cash equivalents, end of the period	655.3	424.3	+231.0
FCF	18.4	-9.4	+27.8

7. Capital expenditures

(Unit: JPY billion)

	Q1 2022	Q1 2021	Variance (abs)
Consolidated: capital expenditures	14.6	17.1	-2.5
Tobacco	10.8	12.3	-1.4
Pharmaceutical	0.2	1.8	-1.5
Processed food	2.0	2.3	-0.3
Others/Elimination	1.5	0.7	+0.8

8. FX actual

	Q1 2022	Q1 2021	Variance (abs)	Variance (%)
100YEN/USD	0.86	0.94	-0.08	+9.7%
100YEN/RUB	73.74	70.08	+3.67	-5.0%
100YEN/GBP	0.64	0.68	-0.04	+6.7%
100YEN/EUR	0.77	0.78	-0.02	+2.1%
100YEN/CHF	0.79	0.85	-0.06	+7.4%
100YEN/TWD	24.05	26.46	-2.41	+10.0%
100YEN/TRY	11.95	6.95	+5.00	-41.9%
100YEN/PHP	44.29	45.53	-1.24	+2.8%

FY2022 Forecasts (as of February 14, 2022)

1. Summary of consolidated forecasts

(Unit: JPY billion)

	FY2022 Forecasts	FY2021 Results	Variance (abs)	Variance (%)
Revenue	2,315.0	2,324.8	-9.8	-0.4%
Operating profit	534.0	499.0	+35.0	+7.0%
Adjusted operating profit	611.0	610.4	+0.6	+0.1%
Profit	356.0	338.5	+17.5	+5.2%

[Reference]

(Unit: JPY billion)

	FY2022 Forecasts	FY2021 Results	Variance (abs)	Variance (%)
Core revenue at constant FX	2,229.0	2,231.7	-2.7	-0.1%
Adjusted operating profit at constant FX	635.0	610.4	+24.6	+4.0%

2. EPS, DPS, ROE

(Unit: JPY)

	FY2022 Forecasts	FY2021 Results	Variance (abs)	Variance (%)
Basic EPS*	200.62	190.76	+9.86	+5.2%
DPS	150	140	+10	+7.1%
ROE*	12.5%	12.7%	-0.2ppt	

*Based on profit

3. Forecasts by business segment

(Unit: JPY billion)

	FY2022 Forecasts	FY2021 Results	Variance (abs)	Variance (%)
Consolidated: revenue	2,315.0	2,324.8	-9.8	-0.4%
Tobacco	2,078.0	2,095.1	-17.1	-0.8%
Core revenue	1,986.0	2,002.0	-16.0	-0.8%
Pharmaceutical	81.5	80.4	+1.1	+1.4%
Processed food	153.0	147.2	+5.8	+3.9%
Others	2.5	2.1	+0.4	+20.3%
Consolidated: operating profit	534.0	499.0	+35.0	+7.0%
Tobacco	572.0	522.4	+49.6	+9.5%
Pharmaceutical	10.0	11.3	-1.3	-11.5%
Processed food	2.0	2.9	-0.9	-31.7%
Others/Elimination	-50.0	-37.6	-12.4	-
Consolidated: adjusted operating profit	611.0	610.4	+0.6	+0.1%
Tobacco	640.0	639.2	+0.8	+0.1%
Pharmaceutical	10.0	11.1	-1.1	-9.9%
Processed food	2.5	4.0	-1.5	-36.8%
Others/Elimination	-41.5	-43.9	+2.4	-

FY2022 Forecasts (as of February 14, 2022)

4. Free cash flow

(Unit: JPY billion)

	FY2022 Forecasts	FY2021 Results	Variance (abs)
FCF	342.0	482.0	-140.0

5. Capital expenditures

(Unit: JPY billion)

	FY2022 Forecasts	FY2021 Results	Variance (abs)
Consolidated: capital expenditures	131.0	100.9	+30.1
Tobacco	106.0	82.5	+23.5
Pharmaceutical	3.0	6.0	-3.0
Processed food	12.5	10.7	+1.8
Others/Elimination	9.5	1.7	+7.8

6. Assumptions of 2022 Forecast

2022 Tobacco business

- Total volume: a decrease of approx. 3% (vs. 2021: 528.8 BnU)
- GFB volume: a decrease of approx. 2% (vs. 2021: 355.8 BnU)

<FX assumptions>

	FY2022 Forecasts	FY2021 Results	Variance (abs)	Variance (%)
100YEN/USD	0.88	0.91	-0.03	+3.8%
100YEN/RUB	70.20	67.10	+3.10	-4.4%
100YEN/GBP	0.64	0.66	-0.02	+3.4%
100YEN/EUR	0.76	0.77	-0.01	+1.3%
100YEN/CHF	0.80	0.83	-0.03	+4.0%
100YEN/TWD	24.55	25.45	-0.90	+3.7%
100YEN/TRY	13.15	8.02	+5.13	-39.0%
100YEN/PHP	45.60	44.85	+0.75	-1.6%

Tobacco Business Data

1. Summary

2022	Q1	Q2	Q3	Q4	YTD	
Total volume	128.5				128.5	BNU
(vs. PY)	+1.2%				+1.2%	
Combustibles volume	126.6				126.6	BNU
(vs.PY)	+1.0%				+1.0%	
GFB volume	87.4				87.4	BNU
(vs.PY)	+3.7%				+3.7%	
RRP volume	2.0				2.0	BNU
(vs.PY)	+16.0%				+16.0%	
Core revenue	502.0				502.0	JPY BN
(vs. PY)	+6.1%				+6.1%	
	(+3.4%)*				(+3.4%)*	
RRP-related revenue	19.1				19.1	JPY BN
(vs.PY)	+2.4%				+2.4%	
Adjusted operating profit	197.3				197.3	JPY BN
(vs. PY)	+8.3%				+8.3%	
	(+3.4%)*				(+3.4%)*	

*at constant FX

2. Breakdown of core revenue

(JPY BN)

	Q1	Q2	Q3	Q4	YTD
2021	473.1				473.1
Volume	-9.3				-9.3
Price/Mix	+25.6				+25.6
2022@PY	489.4				489.4
FX	+12.6				+12.6
2022	502.0				502.0

3. Breakdown of adjusted operating profit

(JPY BN)

	Q1	Q2	Q3	Q4	YTD
2021	182.3				182.3
Volume	-7.3				-7.3
Price/Mix	+22.5				+22.5
Others	-8.9				-8.9
2022@PY	188.6				188.6
FX	+8.8				+8.8
2022	197.3				197.3

Tobacco Business Data

4. Contribution by cluster (vs. PY)

Sales Volume (BNU)

Asia	Q1 2022		Q2 2022	Q3 2022	Q4 2022	YTD	
Total volume	31.5	-4.1%				31.5	-4.1%
GFB volume	18.7	-4.5%				18.7	-4.5%
Western Europe	Q1 2022		Q2 2022	Q3 2022	Q4 2022	YTD	
Total volume	27.5	-4.3%				27.5	-4.3%
GFB volume	18.7	-0.6%				18.7	-0.6%
EMA	Q1 2022		Q2 2022	Q3 2022	Q4 2022	YTD	
Total volume	69.6	+6.2%				69.6	+6.2%
GFB volume	50.0	+8.9%				50.0	+8.9%

Financials (JPY BN)

Asia	Q1 2022		Q2 2022	Q3 2022	Q4 2022	YTD	
Core revenue	192.9	-0.6%				192.9	-0.6%
		(-2.9%)*					(-2.9%)*
AOP	75.7	-1.3%				75.7	-1.3%
		(-1.5%)*					(-1.5%)*
Western Europe	Q1 2022		Q2 2022	Q3 2022	Q4 2022	YTD	
Core revenue	125.2	+2.3%				125.2	+2.3%
		(-1.2%)*					(-1.2%)*
AOP	61.2	+6.0%				61.2	+6.0%
		(+3.0%)*					(+3.0%)*
EMA	Q1 2022		Q2 2022	Q3 2022	Q4 2022	YTD	
Core revenue	183.9	+17.5%				183.9	+17.5%
		(+14.9%)*					(+14.9%)*
AOP	60.4	+26.3%				60.4	+26.3%
		(+11.8%)*					(+11.8%)*

*at constant FX

Tobacco Business Data

5. Breakdown of core revenue by cluster (JPY BN)

Asia	Q1	Q2	Q3	Q4	YTD
2021	194.1				194.1
Volume	-8.4				-8.4
Price/Mix	+2.8				+2.8
2022@PY	188.5				188.5
FX	+4.4				+4.4
2022	192.9				192.9
Western Europe					
	Q1	Q2	Q3	Q4	YTD
2021	122.4				122.4
Volume	-6.4				-6.4
Price/Mix	+5.0				+5.0
2022@PY	121.0				121.0
FX	+4.2				+4.2
2022	125.2				125.2
EMA					
	Q1	Q2	Q3	Q4	YTD
2021	156.6				156.6
Volume	+5.6				+5.6
Price/Mix	+17.8				+17.8
2022@PY	180.0				180.0
FX	+4.0				+4.0
2022	183.9				183.9

6. Breakdown of adjusted operating profit by cluster (JPY BN)

Asia	Q1	Q2	Q3	Q4	YTD
2021	76.7				76.7
Volume	-6.4				-6.4
Price/Mix	+2.7				+2.7
Others	+2.6				+2.6
2022@PY	75.6				75.6
FX	+0.1				+0.1
2022	75.7				75.7
Western Europe					
	Q1	Q2	Q3	Q4	YTD
2021	57.8				57.8
Volume	-3.9				-3.9
Price/Mix	+4.8				+4.8
Others	+0.9				+0.9
2022@PY	59.5				59.5
FX	+1.7				+1.7
2022	61.2				61.2
EMA					
	Q1	Q2	Q3	Q4	YTD
2021	47.8				47.8
Volume	+3.0				+3.0
Price/Mix	+15.0				+15.0
Others	-12.4				-12.4
2022@PY	53.5				53.5
FX	+6.9				+6.9
2022	60.4				60.4

Tobacco Business Data

7. GFB volume by brand (vs. PY)

(BNU)

2022	Q1	Q2	Q3	Q4	YTD
Winston	44.7 +3.8%				44.7 +3.8%
Camel	20.2 +15.1%				20.2 +15.1%
MEVIUS	10.9 -2.9%				10.9 -2.9%
LD	11.6 -6.8%				11.6 -6.8%

8. FX actual (vs. PY)

2022	Q1	Q2	Q3	Q4	YTD
100JPY/USD	0.86 +9.7%				0.86 +9.7%
100JPY/RUB	73.74 -5.0%				73.74 -5.0%
100JPY/GBP	0.64 +6.7%				0.64 +6.7%
100JPY/EUR	0.77 +2.1%				0.77 +2.1%
100JPY/CHF	0.79 +7.4%				0.79 +7.4%
100JPY/TWD	24.05 +10.0%				24.05 +10.0%
100JPY/TRY	11.95 -41.9%				11.95 -41.9%
100JPY/PHP	44.29 +2.8%				44.29 +2.8%

Local currency vs JPY variance: (Local currency exchange rates of same period in previous year / Local currency exchange rates of current period) -1

Tobacco Business Data

9. Key markets

Source: IRI, Logista, Nielsen, Panel Strator and JT Group estimates / Reflects the changes in historical data from the sources.

Data associated with shares in Italy, Spain, the UK and Russia are on a 2-month average at the end of February 2022.

Japan

Volume evolution

						(BNU)
2022	Q1	Q2	Q3	Q4	YTD	
Total volume	14.5				14.5	
	-9.2%				-9.2%	
Combustibles volume	13.1				13.1	
	-12.1%				-12.1%	
RRP volume	1.4				1.4	
	+33.0%				+33.0%	
HTS volume	0.8				0.8	
	+129.5%				+129.5%	

Share evolution

2022	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	42.1%				42.1%	-2.7ppt
Combustibles SoS	57.2%				57.2%	-2.4ppt
GFB	38.8%				38.8%	-1.9ppt
Winston	6.7%				6.7%	-0.4ppt
MEVIUS	26.7%				26.7%	-0.8ppt
Seven Stars	7.3%				7.3%	-0.0ppt
Camel	5.3%				5.3%	-0.7ppt
RRP SoS	12.0%				12.0%	+2.2ppt
HTS SoS	7.2%				7.2%	+3.7ppt
Total SoV	42.8%				42.8%	-1.6ppt

The Philippines

Volume evolution

						(BNU)
2022	Q1	Q2	Q3	Q4	YTD	
Total volume	6.9				6.9	
	-3.1%				-3.1%	

Share evolution

2022	Q1	Q2	Q3	Q4	YTD	Var.
Combustibles SoM	36.3%				36.3%	+0.5ppt
GFB	12.6%				12.6%	+0.1ppt
Winston	10.5%				10.5%	-0.1ppt
Camel	2.0%				2.0%	+0.2ppt
Total SoV	34.0%				34.0%	+1.8ppt

Taiwan

Volume evolution

						(BNU)
2022	Q1	Q2	Q3	Q4	YTD	
Total volume	3.6				3.6	
	-0.2%				-0.2%	

Share evolution

2022	Q1	Q2	Q3	Q4	YTD	Var.
Combustibles SoM	48.7%				48.7%	+0.6ppt
GFB	40.1%				40.1%	+0.6ppt
Winston	13.7%				13.7%	+0.2ppt
LD	7.4%				7.4%	+0.1ppt
MEVIUS	18.9%				18.9%	+0.3ppt
Total SoV	53.0%				53.0%	+0.6ppt

Tobacco Business Data

Italy

Volume evolution

						(BNU)
2022	Q1	Q2	Q3	Q4	YTD	
Total volume	4.8				4.8	
	-2.0%				-2.0%	

Share evolution

2022	Q1	Q2	Q3	Q4	YTD	Var.
Combustibles SoM	27.2%				27.2%	+1.1ppt
GFB	22.6%				22.6%	+1.1ppt
Winston	14.1%				14.1%	+1.5ppt
Camel	8.5%				8.5%	-0.4ppt
Total SoV	26.8%				26.8%	+1.0ppt

Spain

Volume evolution

						(BNU)
2022	Q1	Q2	Q3	Q4	YTD	
Total volume	4.0				4.0	
	+5.0%				+5.0%	

Share evolution

2022	Q1	Q2	Q3	Q4	YTD	Var.
Combustibles SoM	28.4%				28.4%	+0.9ppt
GFB	26.3%				26.3%	+0.6ppt
Winston	15.0%				15.0%	-0.2ppt
Camel	11.4%				11.4%	+0.8ppt
Total SoV	28.3%				28.3%	+1.3ppt

The UK

Volume evolution

						(BNU)
2022	Q1	Q2	Q3	Q4	YTD	
Total volume	4.8				4.8	
	-11.6%				-11.6%	

Share evolution

2022	Q1	Q2	Q3	Q4	YTD	Var.
Combustibles SoM	45.3%				45.3%	-0.1ppt
GFB	0.1%				0.1%	-0.0ppt
Amber Leaf	11.9%				11.9%	-1.3ppt
Sterling	13.7%				13.7%	+0.7ppt
Benson & Hedges	10.2%				10.2%	+0.5ppt
Total SoV	45.8%				45.8%	+0.3ppt

Tobacco Business Data

Romania

Volume evolution

						(BNU)
2022	Q1	Q2	Q3	Q4	YTD	
Total volume	1.6				1.6	
	+2.3%				+2.3%	

Share evolution

2022	Q1	Q2	Q3	Q4	YTD	Var.
Combustibles SoM	30.1%				30.1%	+0.6ppt
GFB	17.3%				17.3%	+0.2ppt
Wisnton	15.2%				15.2%	+0.6ppt
Camel	1.3%				1.3%	+0.0ppt
Total SoV	30.5%				30.5%	+0.9ppt

Russia*

Volume evolution

						(BNU)
2022	Q1	Q2	Q3	Q4	YTD	
Total volume	18.4				18.4	
	-1.3%				-1.3%	

Share evolution

2022	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	36.6%				36.6%	-0.1ppt
GFB	27.1%				27.1%	+2.1ppt
Winston	12.1%				12.1%	-0.9ppt
Camel	7.3%				7.3%	+4.3ppt
LD	7.7%				7.7%	-1.3ppt
Total SoV	37.4%				37.4%	+0.2ppt

*Data for Russia reflects total tobacco figures, i.e. cigarettes and heated tobacco sticks.

Turkey

Volume evolution

						(BNU)
2022	Q1	Q2	Q3	Q4	YTD	
Total volume	6.7				6.7	
	-1.7%				-1.7%	

Share evolution

2022	Q1	Q2	Q3	Q4	YTD	Var.
Combustibles SoM	28.0%				28.0%	+0.4ppt
GFB	25.5%				25.5%	+0.5ppt
Wisnton	16.6%				16.6%	+1.9ppt
Camel	6.4%				6.4%	-0.9ppt
LD	2.4%				2.4%	-0.5ppt
Total SoV	27.1%				27.1%	+0.5ppt

Pharmaceutical Business

Clinical Development as of April 28, 2022

<In-house development>

Code (Generic Name)	Potential Indication/Dosage form	Mechanism		Phase (Region)	Origin	Note
JTE-052 (delgocitinib)	Atopic dermatitis (infant) /Topical	JAK inhibitor	Suppresses overactive immune response via inhibition of Janus kinase (JAK) related to immune signal.	Phase3 (Japan)	In-house	· Co-development with Torii Pharmaceutical
	Autoimmune/allergic diseases /Oral, Topical			Phase1 (Japan)		
JTE-051	Autoimmune/allergic diseases /Oral	Interleukin-2 inducible T cell kinase inhibitor	Suppresses overactive immune response via inhibition of the signal to activate T cells related to immune response.	Phase2(Japan)	In-house	
				Phase2 (Overseas)		
JTE-451	Autoimmune/allergic diseases /Topical	ROR γ antagonist	Suppresses overactive immune response via inhibition of ROR γ related to Th 17 activation.	Phase2 (Japan)	In-house	
JTT-251	Type 2 diabetes mellitus /Oral	PDHK inhibitor	Decreases blood glucose by activation of pyruvate dehydrogenase (PDH) related to carbohydrate metabolism.	Phase1 (Overseas)	In-house	
JTT-662	Type 2 diabetes mellitus /Oral	SGLT1 inhibitor	Suppresses postprandial hyperglycemia and normalizes blood glucose level via inhibition of SGLT1.	Phase1 (Overseas)	In-house	
JTT-861	Chronic heart failure /Oral	PDHK inhibitor	Improves cardiac function by activation of pyruvate dehydrogenase (PDH) related to carbohydrate metabolism.	Phase1 (Overseas)	In-house	
JTE-061 (Tapinarof)	Atopic dermatitis /Topical	AhR modulator	Suppresses skin inflammation via activation of the aryl hydrocarbon receptor (AhR)	Phase3 (Japan)	In-license	· In-license from Dermavant Sciences GmbH · Co-development with Torii Pharmaceutical
	Plaque psoriasis /Topical			Phase3 (Japan)		
	Atopic dermatitis (pediatric) /Topical			Phase2 (Japan)		

Clinical trial phase presented above is based on the first dose.

We are also conducting additional studies to examine the potential for use in additional dosage forms.

<Licensed compounds>

Compound (JT's code)	Licensee	Mechanism		Note
trametinib	Novartis	MEK inhibitor	Inhibits cellular growth by specifically inhibiting the activity of MAPK/ERK pathway.	
Anti-ICOS monoclonal antibody	AstraZeneca	ICOS antagonist	Suppresses overactive immune response via inhibition of ICOS which regulates activation of T cells.	
delgocitinib	LEO Pharma ROHTO Pharmaceutical	JAK inhibitor	Suppresses overactive immune response via inhibition of Janus kinase (JAK) related to immune signal.	
enarodustat	JW Pharmaceutical Salubris	HIF-PH inhibitor	Increases red blood cells by stimulating production of erythropoietin, an erythropoiesis-stimulating hormone, via inhibition of HIF-PH.	

No updates since the previous announcement on February 14, 2022

Definitions

Terms	Definitions
Revenue	Revenue excluding tobacco excise taxes and revenue from agent transactions.
Core revenue at constant FX	The sum of revenues in the pharmaceutical business, processed food business, and others, as well as the core revenue in the tobacco business, which is computed using the same foreign exchange rates as in the equivalent period in the previous fiscal year. Results at constant FX are provided additionally and are not an alternative to financial reporting under International Financial Reporting Standards (IFRS).
Adjusted operating profit (AOP)	Operating profit + amortization cost of acquired intangibles arising from business acquisitions + adjusted items (income and costs) * *Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
~ at constant FX	Constant FX is computed using the same foreign exchange rates as in the equivalent period in the previous fiscal year for the tobacco business. Results at constant FX are provided additionally and are not an alternative to financial reporting under International Financial Reporting Standards (IFRS).
Profit	Profit attributable to owners of the parent company.
Core revenue	Core revenue includes all revenue excluding those from distribution, contract manufacturing and other peripheral businesses.
RRP-related revenue	Reduced-Risk Products (RRP)-related revenue, as a part of core revenue, represents all the sale of RRP, principally consumables, devices and the related accessories.
Combustibles	Combustibles include all tobacco products excluding contract manufactured products, waterpipe, heated tobacco products, oral and E-Vapor.
Cigarettes	Also known as Ready-Made-Cigarettes (RMC)
Fine cut tobacco (FCT)	Loose tobacco products also known as rolling tobacco. These can be used for both RYO (roll-your-own) cigarettes, i.e., using rolling papers, and MYO (make-your-own) cigarettes, i.e., by filling a filter tube with cut tobacco.
Cigarillo	Products rolled in tobacco-based paper with a similar format to ready-made cigarettes and classified as "cigars" under the Tobacco Business Act of Japan.
Reduced-Risk Products (RRP)	Products with the potential to reduce the risks associated with smoking. In JT's portfolio, these products include heated tobacco sticks (HTS), infused-tobacco capsules (Infused), E-Vapor and Oral.
Heated tobacco products (HTP)	Products that contain tobacco leaf and create a tobacco-enriched vapor by heating the tobacco without any combustion.

Heated tobacco sticks (HTS)	High temperature heated tobacco products. One stick is equivalent to a stick of cigarettes.
Infused tobacco capsules (Infused)	Low temperature heated tobacco products. One pack of consumables is equivalent to 20 sticks of cigarettes.
E-Vapor	Products which consumers use by heating its nicotine-based liquid without using tobacco leaf. One closed tank capsule is equivalent to 20 sticks of cigarettes. A 10ml open tank refill is equivalent to 100 sticks of cigarettes.
Oral	RRP consumables delivering nicotine in the form of a closed pouch. These pouches can contain tobacco and are known as snus. Without tobacco, these consumables are referred to as nicotine pouches. To deliver nicotine and flavor, these pouches are inserted between the consumer's lip and gum.
GFB (Global Flagship Brands)	GFB includes four Brands namely Winston, Camel, MEVIUS and LD
Total volume	The volume of tobacco-based products which excludes contract manufactured products, waterpipe, RRP devices and related accessories.
Combustibles volume	The shipment volume of combustibles which excludes contract manufactured products, snus, waterpipe, heated tobacco products and E-Vapor.
GFB volume	GFB (Global Flagship Brands) volume is the volume of GFB cigarette products which are Winston, Camel, MEVIUS and LD.
RRP volume	Reduced-Risk Products (RRP) sales volume in cigarette-stick equivalent. This also excludes RRP devices, RRP related accessories, etc.
HTS volume	Heated tobacco sticks (HTS) sales volume. This excludes RRP devices, RRP related accessories, etc.
Share of Value (SoV)	Share of total retail value of the market, which is computed by multiplying volume and tax-included retail sales price.
Total tobacco industry volume	Industry volume by number of sticks based on internal estimates.
Combustibles industry volume	Industry volume of combustibles by number of sticks based on the internal estimates.
RRP industry volume	Industry volume of Reduced-Risk Products (RRP) by number of sticks based on the internal estimates. One pack of consumables is equivalent to 20 sticks of cigarettes.

Clusters	<p>The JT Group's tobacco markets are divided into three distinctive clusters: Asia, Western Europe, EMA. Please note that these three clusters are specifically designed to provide insight into our business for guidance purposes only and do not reflect the JT Group's management structure.</p> <ul style="list-style-type: none"> • Asia cluster includes the tobacco regions of Japan and Asia Pacific • EMA cluster includes the tobacco regions of Eastern Europe, MENEAT, Americas and Global Travel Retail
Global Travel Retail (GTR)	Global Travel Retail is the new denomination reflecting the combination of the duty-free markets from the previous Japanese-domestic tobacco and international tobacco businesses. The performance of these markets is included in the EMA cluster.
Liquidity	Cash and deposits + marketable securities + securities purchased under repurchase agreements
Interest-bearing debt	Short-term bank loans + commercial papers + bonds + long-term borrowings
Free cash flow (FCF)	<p>The sum of cash flows from operating activities and investing activities, excluding the following items:</p> <ul style="list-style-type: none"> • From operating CF: Depreciation from lease transactions, interest received, dividends received, interest paid and income taxes related to these items excluding lease transactions, and other items • From investing CF: Purchase of investment securities (both short-term and long-term), payments into time deposits, proceeds from sale or redemption of investment securities (both short-term and long-term), proceeds from withdrawal of time deposits and other investing activities not for business operation purposes"

Additional definitions are provided at <https://www.jt.com/media/glossary/index.html>

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Japan Tobacco Inc. is a leading international tobacco company with operations in more than 130 countries. With approximately 55,000 employees, it manufactures and sells some of the world's best-known brands including Winston, Camel, MEVIUS and LD. The JT Group is committed to investing in Reduced-Risk Products (RRP) and currently markets its tobacco vapor products under its Ploom brand and various e-cigarette products under its Logic brand. The Group is also present in the pharmaceutical and processed food businesses. For more information, visit <https://www.jt.com/>.

FORWARD-LOOKING STATEMENTS

This document 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, changing consumer preferences and behavior;
- (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.

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