



Tokyo, May 9, 2024

2024 First Quarter Results

2024 First Quarter Highlights (vs. 2023)

- Revenue increased by 11.3% to JPY 740.3 billion.
- Core revenue at constant FX increased by 5.7% to JPY 676.7 billion.
- Adjusted operating profit at constant FX increased by 3.4% to JPY 231.0 billion.
- On a reported basis, adjusted operating profit increased by 1.5 % to JPY 226.7 billion.
- Operating profit increased by 4.6% to JPY 215.8 billion.
- Profit increased by 8.7% to JPY 157.3 billion.

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

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

"The JT Group delivered robust results in the first quarter. GFB volume growth and solid pricing, as well as RRP-related revenue increasing by double-digits in the tobacco business, continued to drive the strong performance of the Group.

RRP volume increased by 25.2% year on year, mainly driven by the HTS segment, which is our investment priority. Geo-expansion of Ploom X is on track; we have completed launches in four additional markets, year-to-date. With plans to launch in four more markets by June, we are making good progress to deliver our ambitions set for 2028.

Amid increasing uncertainty and complexity in the operating environment, the JT Group will continue to take appropriate management decisions in accordance with the 4S model*, our management principle, and work as one team to achieve our business plan. We will also make continuous efforts to bring to life our JT Group Purpose** and the Purpose of each business."

* 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.jt.com/about/management_principles/index.html

** The JT Group Purpose "Fulfilling Moments, Enriching Life" is designed to clarify the direction to being a sustainable entity. The area of "human enrichment" undergoes changes in various ways with the times and the people, and the JT Group strives to evolve constantly so that we can continue to be entrusted with this area by society and make valuable contributions in the future.

Investors' Meeting

A conference call with members of the investor community will be held on May 9, 2024 at 5:30pm Tokyo time. An on-demand audio recording of this conference will be available on our website (https://www.jt.com/investors/results/presentation_financial). For detailed information on the consolidated financial results, please visit the Company's website (<https://www.jt.com/investors/>).

Note on Hyperinflationary Adjustments

The results for fiscal year 2023 and fiscal year 2024 as well as the forecasts for fiscal year 2024 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. 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. As of Q1 2024, the markets impacted by hyperinflationary accounting and hyperinflation include those in Ethiopia, Iran, Sudan and Turkey.

Q1 2024 Financial Results

Consolidated Results

(billions of JPY)	Q1 2024	Q1 2023	Variance
Revenue	740.3	665.3	+11.3%
Adjusted operating profit	226.7	223.4	+1.5%
Operating profit	215.8	206.4	+4.6%
Profit	157.3	144.7	+8.7%
Core revenue at constant FX	676.7	640.0	+5.7%
Adjusted operating profit at constant FX	231.0	223.4	+3.4%

Q1 2024

- **Revenue**
Revenue increased by 11.3%, driven by an increase in the tobacco business, as well as positive currency movements due to a weaker Japanese yen. At constant FX, core revenue increased by 5.7%.
- **Adjusted operating profit**
Adjusted operating profit increased by 1.5 %, driven by an increase in the tobacco and processed food businesses, partially offset by negative currency movements. At constant FX, adjusted operating profit increased by 3.4%.
- **Operating profit**
Operating profit increased by 4.6 %, driven by the increase in adjusted operating profit, as well as reduced amortization of trademark rights and gains on sales of real estate in the adjusted items.
- **Profit**
Profit increased by 8.7 %, mainly driven by the increase in operating profit and lower financing costs.

Results by Business Segment

Tobacco Business

(billions of JPY)	Q1 2024	Q1 2023	Variance
Core revenue	653.3	579.1	+12.8% (+6.6%)*
Adjusted operating profit	231.9	225.1	+3.0% (+4.9%)*
Reference (billions of units, billions of JPY)			
Total volume	132.9	130.2	+2.1%
Combustibles volume	130.3	128.2	+1.7%
RRP volume	2.5	2.0	+25.2%
RRP-related revenue	23.9	20.3	+17.7%

*At constant FX

Q1 2024

- Quarterly results were robust with positive volume and share gains, as well as solid pricing contributions which drove the increase in core revenue and adjusted operating profit, supported by double-digit RRP-related revenue growth.
- **Core revenue and adjusted operating profit**
Core revenue grew by 12.8%, and by 6.6% at constant FX, driven by a positive price/mix contribution of JPY 43.1 billion from all clusters, as well as favorable currency movements, due to the weak Japanese yen. RRP-related revenue grew by 17.7%, mainly fueled by Ploom X in Japan. These positive drivers offset a slightly negative volume variance of JPY 4.8 billion, due to the Asia and Western Europe clusters.
Adjusted operating profit increased by 3.0%, and by 4.9% at constant FX, driven by core revenue growth, partially offset by higher investments towards HTS and increased costs, including in the supply chain, heightened by the weak Japanese yen.
- **Volume and market share**
Continued market share gains in combustibles and accelerated RRP volume growth resulted in total volume increasing 2.1%, or 1.3% excluding inventory adjustments. Combustibles volume was up by 1.7%, driven by Global Flagship Brands (GFB) as well as strong growth in the EMA cluster. GFB volume grew by 6.3%, fueled by Winston (+9.8%) and Camel (+10.5%). RRP volume grew by 25.2%, driven by continued HTS growth in Japan and increasing contributions from other markets.
Total tobacco market share grew in many markets, including the key markets of Italy, the Philippines, Russia and Taiwan.

Tobacco Business Performance Review by Cluster

Asia

(billions of JPY)	Q1 2024	Q1 2023	Variance
Core revenue	199.5	196.2	+1.7% (-1.7%)*
Adjusted operating profit	73.6	75.8	-3.0% (-1.8%)*

Reference (billions of units)

Total volume	30.7	32.1	-4.5%
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*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue increased by 1.7%, driven by a positive price/mix contribution, notably in the Philippines and Taiwan, and favorable currency movements, partially offset by a negative volume variance, mainly in Japan, the Philippines and Taiwan. At constant FX, core revenue decreased by 1.7%.

Adjusted operating profit declined by 3.0%, as the positive price/mix contribution was offset by the negative volume variance, RRP investments to expand market share in Japan, and increased costs, including in the supply chain, as well as unfavorable currency movements. At constant FX, adjusted operating profit decreased by 1.8%.

- **Volume and market share**

Total and GFB volumes decreased by 4.5% and 0.2%, respectively, mainly due to lower combustibles industry volume in Japan and the Philippines, partially offset by market share gains in several markets and RRP volume growth in Japan. Total tobacco market share increased in Bangladesh, Cambodia, Indonesia, Malaysia, the Philippines, South Korea, and Taiwan.

- **By market**

In Japan, share of segment increased in both combustibles and RRP, but total volume declined by 2.5%, due to a decline in combustibles industry volume and lower total market share (-1.5ppt).

In combustibles, despite continued growth from Camel, volume decreased by 5.5%, due to an industry volume contraction estimated at 6.8%.

In RRP, a category estimated at 42.2% (shipment basis) of the total tobacco industry size, volume increased by 20.8% and category share grew by 0.8ppt to reach 13.5%. Within HTS, Ploom volume grew by 34.7% and continued to gain share, reaching an HTS segment share of 11.0%, up by 1.6ppt year-to-date.

Core revenue decreased, due to the negative variance from both volume and price/mix.

In the Philippines, total volume declined by 16.4% due to significant industry volume contraction, partially offset by market share gains. GFB volume increased by 12.9%, fueled by Camel. Year-to-date total market share grew by an estimated 2.9ppt to 43.5%.

Core revenue at constant FX increased, driven by a positive price/mix contribution exceeding the negative volume variance.

In Taiwan, total and GFB volumes decreased by 2.0% and 1.6%, respectively, due to the industry volume decline partially offset by market share gains. Year-to-date market share increased by 0.9ppt to 50.9%, driven by gains from Winston and MEVIUS.

Core revenue at constant FX was stable, as the positive price/mix contribution offset the negative volume variance.

Western Europe

(billions of JPY)	Q1 2024	Q1 2023	Variance
Core revenue	172.6	140.5	+22.9% (+7.1%)*
Adjusted operating profit	78.8	64.7	+21.8% (+6.9%)*
Reference (billions of units)			
Total volume	26.1	26.1	+0.2%

*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue increased by 22.9%, and by 7.1% at constant FX, driven by a positive price/mix contribution, mainly in France, Germany, Spain and the U.K., and by favorable currency movements, more than offsetting a negative volume variance, mainly in France, Germany, Ireland and the U.K. Adjusted operating profit grew by 21.8%, and by 6.9% at constant FX, driven by the core revenue increase, more than offsetting the higher investments towards HTS and increased costs, including in the supply chain, as well as favorable currency movements.

- **Volume and market share**

Continued market share gains and RRP volume growth resulted in total volume increasing by 0.2%, offsetting industry volume contraction across most of the cluster, notably in the U.K. GFB volume grew by 4.0%, fueled by solid growth by Winston (+5.1%), Camel (+2.2%) and LD (+6.1%). Total tobacco market share grew in France, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Sweden and Switzerland.

- **By market**

In Italy, total volume grew by 12.5%, and by 6.5% when excluding inventory movements, supported by market share gains and the growing HTS volume contribution. GFB volume increased by 13.0%, driven by Winston and Camel. Year-to-date total tobacco market share grew by 0.9ppt to 24.0%. Core revenue at constant FX increased as the positive volume contribution more than offset the negative price/mix variance.

In Spain, total and GFB volumes increased by 7.1% and 9.6%, respectively, fueled by favorable inventory movements. Excluding these, total volume declined by 4.0%, due to industry volume contraction and market share losses. Year-to-date total tobacco market share reached 27.4%, down by 0.5ppt.

Core revenue at constant FX increased, driven by the positive contribution from both volume and price/mix.

In the U.K., total volume declined by 16.1%, due to industry volume contraction resulting from excise-tax led price increases, and market share losses. Year-to-date total tobacco market share declined by 1.5ppt to 43.2%, despite continued share gains by Benson & Hedges.

Core revenue at constant FX increased as the positive price/mix contribution more than offset the negative volume variance.

EMA

(billions of JPY)	Q1 2024	Q1 2023	Variance
Core revenue	281.2	242.4	+16.0% (+13.0%)*
Adjusted operating profit	79.5	84.6	-6.0% (+9.4%)*

Reference (billions of units)			
Total volume	76.1	72.0	+5.7%

*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue increased by 16.0%, and by 13.0% at constant FX, driven by a favorable volume variance, mainly in Egypt, Global Travel Retail, Iran, Russia and Turkey, and by a strong positive price/mix contribution, notably in Canada, Jordan, Kazakhstan, Russia and Turkey, as well as by favorable currency movements.

Adjusted operating profit declined by 6.0%, due to unfavorable currency movements. At constant FX, adjusted operating profit grew by 9.4%, driven by the solid core revenue increase which offset higher investments towards HTS and increased costs, including in the supply chain.
- **Volume and market share**

Total and GFB volumes increased by 5.7% and 9.6%, respectively, mainly driven by Brazil, Egypt, Global Travel Retail, Iran, Russia, Saudi Arabia and Turkey. Total tobacco market share increased across the cluster, including in Algeria, Azerbaijan, Brazil, Bulgaria, Canada, Iran, Jordan, Lebanon, Mexico, Poland, Russia, Saudi Arabia, Slovak Rep, South Africa and the USA.
- **By market**

In Romania, total volume decreased by 2.6%, despite GFB volume increasing by 1.7%, fueled by growth from Camel. Subsequent Camel share gains could not prevent year-to-date total tobacco market share to decrease by 1.6ppt to 25.7%.
Core revenue at constant FX increased, driven by a positive price/mix contribution.

In Russia, total volume increased by 5.3%, driven by market share gains and an industry volume growing by an estimated 1.7%. GFB volume increased by 9.4%, with all four brands gaining volume. Year-to-date total tobacco market share was up by 0.6ppt to 37.1%, driven by Winston, Camel and Sobranie.
Core revenue at constant FX grew, driven by a positive variance in both volume and price/mix, following excise-tax led price increases.

In Turkey, total and GFB volumes increased by 23.1% and 20.7%, respectively, supported by a higher industry volume resulting from improved consumption. Year-to-date total tobacco market share decreased by 0.4ppt to 26.9%, mainly due to Camel.
Core revenue at constant FX increased, driven by the positive contribution of both volume and price/mix.

Source: the figures for market share are based on JT Group estimates on year-to-date average. Year-to-date share of market growth for 2024 is calculated against year-to-date shares of market at the end of the respective period in 2023.

The Philippines, Saudi Arabia, and Sweden are on a year-to-date average at the end of February 2024. The figures for industry volume are based on JT Group estimates on sum of year-to-date period. Year-to-date industry volume variance for 2024 is calculated against year-to-date industry volume at the end of the respective period in 2023. The Philippines is on sum of year-to-date period at the end of February 2024.

Pharmaceutical Business

(billions of JPY)	Q1 2024	Q1 2023	Variance
Revenue	23.3	24.9	-1.6
Adjusted operating profit	3.8	6.9	-3.1

Q1 2024

- **Revenue and adjusted operating profit**

Revenue decreased due to the absence of one-time compensation gains from licensed compounds received in 2023, despite sales growth in the area of skin diseases and allergens at our consolidated subsidiary, Torii Pharmaceutical.

Adjusted operating profit decreased due to the revenue decline as well as an increase in R&D expenditures.

Processed Food Business

(billions of JPY)	Q1 2024	Q1 2023	Variance
Revenue	35.7	35.6	+0.1
Adjusted operating profit	2.0	1.4	+0.6

Q1 2024

- **Revenue and adjusted operating profit**

Revenue was broadly stable year on year, mainly driven by a positive contribution from price revisions implemented in the previous fiscal year in the frozen and ambient foods as well as the seasonings businesses, despite discontinuation of some products due to a portfolio optimization.

Adjusted operating profit increased driven by the positive contribution from price revisions implemented in the previous fiscal year, offsetting the increase in raw material costs and unfavorable currency movements.

Data Sheets

Results for 2024 First Quarter

1. Summary of consolidated results

(JPY BN)

	Q1 2024	Q1 2023	Variance (abs)	Variance (%)
Revenue	740.3	665.3	+75.1	+11.3%
Operating profit	215.8	206.4	+9.4	+4.6%
Adjusted operating profit	226.7	223.4	+3.3	+1.5%
Profit before income taxes	201.3	183.1	+18.1	+9.9%
Profit	157.3	144.7	+12.6	+8.7%
Basic EPS*(JPY)	88.58	81.52	+7.07	+8.7%

*Based on profit

[Reference]

(JPY BN)

	Q1 2024	Q1 2023	Variance (abs)	Variance (%)
Core revenue at constant FX	676.7	640.0	+36.7	+5.7%
Adjusted operating profit at constant FX	231.0	223.4	+7.6	+3.4%

2. Results by business segment

(JPY BN)

	Q1 2024	Q1 2023	Variance (abs)	Variance (%)
Consolidated revenue	740.3	665.3	+75.1	+11.3%
Tobacco	681.0	604.3	+76.6	+12.7%
Core revenue	653.3	579.1	+74.2	+12.8%
Pharmaceutical	23.3	24.9	-1.6	-6.4%
Processed food	35.7	35.6	+0.1	+0.3%
Others	0.3	0.4	-0.1	-27.4%
Consolidated operating profit	215.8	206.4	+9.4	+4.6%
Tobacco	219.2	208.8	+10.5	+5.0%
Pharmaceutical	3.8	6.9	-3.1	-44.5%
Processed food	2.0	1.3	+0.7	+52.2%
Others/Elimination	-9.3	-10.6	+1.3	-
Adjustments, total	-10.9	-17.0	+6.1	
Tobacco	-12.7	-16.4	+3.7	
Pharmaceutical	-	-	-	
Processed food	-0.0	-0.1	+0.1	
Others/Elimination	1.8	-0.5	+2.3	
Consolidated adjusted operating profit	226.7	223.4	+3.3	+1.5%
Tobacco	231.9	225.1	+6.7	+3.0%
Pharmaceutical	3.8	6.9	-3.1	-44.5%
Processed food	2.0	1.4	+0.6	+43.5%
Others/Elimination	-11.1	-10.1	-0.9	-

Results for 2024 First Quarter

3. Depreciation and amortization*

(JPY BN)

	Q1 2024	Q1 2023	Variance (abs)
Consolidated depreciation and amortization	37.1	36.6	+0.5
Tobacco	33.7	33.7	+0.1
Pharmaceutical	1.0	1.0	-0.0
Processed food	1.7	1.6	+0.1
Others/Elimination	0.7	0.4	+0.3

*Excluding depreciation from lease transactions

4. Consolidated financial position

(JPY BN)

	2024 Mar. end	2023 Dec. end	Variance (abs)
Total assets	7,159.0	7,282.1	-123.1
Total equity	4,072.5	3,912.5	+160.0
Equity attributable to owners of the parent company	3,989.5	3,830.2	+159.3
BPS (attributable to owners of the parent company) (JPY)	2,247.18	2,157.46	+89.72

5. Liquidity and interest-bearing debt

(JPY BN)

	2024 Mar. end	2023 Dec. end	Variance (abs)
Liquidity	807.9	1,080.9	-273.1
Interest-bearing debt	1,019.6	1,142.3	-122.7

6. Consolidated cash flow

(JPY BN)

	Q1 2024	Q1 2023	Variance (abs)
Cash flows from operating activities	61.8	55.7	+6.2
Cash flows from investing activities	-27.7	-41.7	+14.0
Cash flows from financing activities	-341.2	-196.4	-144.8
Cash and cash equivalents, beginning of the period	1,040.2	866.9	+173.3
Foreign currency translation adj. on cash & cash equivalents	33.8	-19.3	+53.1
Cash and cash equivalents, end of the period	766.9	665.2	+101.8
FCF	24.7	26.2	-1.5

7. Capital expenditures

(JPY BN)

	Q1 2024	Q1 2023	Variance (abs)
Consolidated capital expenditures	19.3	21.8	-2.5
Tobacco	18.1	17.8	+0.3
Pharmaceutical	0.6	2.5	-2.0
Processed food	0.5	1.0	-0.5
Others/Elimination	0.2	0.5	-0.3

8. Tobacco business FX rate

	Q1 2024	Q1 2023	Variance (abs)	Variance (%)
100JPY/USD	0.67	0.76	-0.08	+12.1%
100JPY/RUB	61.17	54.96	+6.21	-10.1%
100JPY/GBP	0.53	0.62	-0.09	+17.0%
100JPY/EUR	0.62	0.70	-0.08	+13.4%
100JPY/CHF	0.59	0.70	-0.11	+18.7%
100JPY/TWD	21.18	22.96	-1.78	+8.4%
100JPY/PHP	37.71	41.43	-3.71	+9.8%

FY2024 Forecasts (as of February 13, 2024)

1. Summary of consolidated forecasts

(JPY BN)

	FY2024 Forecasts	FY2023 Results	Variance (abs)	Variance (%)
Revenue	3,016.0	2,841.1	+174.9	+6.2%
Operating profit	648.0	672.4	-24.4	-3.6%
Adjusted operating profit	688.0	728.0	-40.0	-5.5%
Profit	455.0	482.3	-27.3	-5.7%

[Reference]

(JPY BN)

	FY2024 Forecasts	FY2023 Results	Variance (abs)	Variance (%)
Core revenue at constant FX	2,836.0	2,728.8	+107.2	+3.9%
Adjusted operating profit at constant FX	728.0	728.0	-0.0	-0.0%

2. EPS, DPS, ROE

(JPY)

	FY2024 Forecasts	FY2023 Results	Variance (abs)	Variance (%)
Basic EPS*	256.29	271.69	-15.40	-5.7%
DPS	194	194	-	-
Dividend payout ratio*	75.7%	71.4%		
ROE*	11.6%	13.1%	-1.5ppt	

*Based on profit

3. Forecasts by business segment

(JPY BN)

	FY2024 Forecasts	FY2023 Results	Variance (abs)	Variance (%)
Consolidated revenue	3,016.0	2,841.1	+174.9	+6.2%
Tobacco	2,770.0	2,590.9	+179.1	+6.9%
Core revenue	2,635.0	2,478.6	+156.4	+6.3%
Pharmaceutical	88.5	94.9	-6.4	-6.7%
Processed food	156.0	153.9	+2.1	+1.4%
Others	1.5	1.4	+0.1	+4.3%
Consolidated operating profit	648.0	672.4	-24.4	-3.6%
Tobacco	679.0	677.1	+1.9	+0.3%
Pharmaceutical	4.0	17.4	-13.4	-77.0%
Processed food	7.0	7.7	-0.7	-9.0%
Others/Elimination	-42.0	-29.8	-12.2	-
Consolidated adjusted operating profit	688.0	728.0	-40.0	-5.5%
Tobacco	725.0	749.8	-24.8	-3.3%
Pharmaceutical	4.0	17.4	-13.4	-77.0%
Processed food	7.0	6.8	+0.2	+2.2%
Others/Elimination	-48.0	-46.0	-2.0	-

FY2024 Forecasts (as of February 13, 2024)

4. FCF

(JPY BN)

	FY2024 Forecasts	FY2023 Results	Variance (abs)
FCF	360.0	443.7	-83.7

5. Capital expenditures

(JPY BN)

	FY2024 Forecasts	FY2023 Results	Variance (abs)
Consolidated capital expenditures	154.0	125.4	+28.6
Tobacco	134.0	105.1	+28.9
Pharmaceutical	9.0	7.3	+1.7
Processed food	10.0	5.8	+4.2
Others/Elimination	1.0	7.1	-6.1

6. Assumptions of 2024 Forecasts

Tobacco business

- Total volume: a decrease of 0.5%~1.0% (vs. 540.1 billion units in 2023)
- GFB volume: flat to an increase of 0.5% (vs. 389.8 billion units in 2023)

<FX assumptions>

	FY2024 Forecasts	FY2023 Results	Variance (abs)	Variance (%)
100JPY/USD	0.69	0.71	-0.02	+3.0%
100JPY/RUB	63.45	60.44	+3.01	-4.7%
100JPY/GBP	0.54	0.57	-0.03	+6.2%
100JPY/EUR	0.63	0.66	-0.03	+4.6%
100JPY/CHF	0.59	0.64	-0.05	+8.6%
100JPY/TWD	21.40	22.18	-0.78	+3.7%
100JPY/PHP	38.60	39.63	-1.03	+2.7%

Tobacco Business Data

1. Summary

2024	Q1	Q2	Q3	Q4	YTD	
Total volume	132.9				132.9	BNU
(vs. PY)	+2.1%				+2.1%	
Combustibles volume	130.3				130.3	BNU
(vs.PY)	+1.7%				+1.7%	
GFB volume	96.8				96.8	BNU
(vs.PY)	+6.3%				+6.3%	
RRP volume	2.5				2.5	BNU
(vs.PY)	+25.2%				+25.2%	
Core revenue	653.3				653.3	JPY BN
(vs. PY)	+12.8%				+12.8%	
	(+6.6%)*				(+6.6%)*	
RRP-related revenue	23.9				23.9	JPY BN
(vs.PY)	+17.7%				+17.7%	
Adjusted operating profit	231.9				231.9	JPY BN
(vs. PY)	+3.0%				+3.0%	
	(+4.9%)*				(+4.9%)*	

*at constant FX

2. Breakdown of core revenue

(JPY BN)

	Q1	Q2	Q3	Q4	YTD
2023	579.1				579.1
Volume	-4.8				-4.8
Price/Mix	+43.1				+43.1
2024@PY	617.4				617.4
FX	+36.0				+36.0
2024	653.3				653.3

3. Breakdown of adjusted operating profit

(JPY BN)

	Q1	Q2	Q3	Q4	YTD
2023	225.1				225.1
Volume	-9.0				-9.0
Price/Mix	+40.7				+40.7
Others	-20.6				-20.6
2024@PY	236.2				236.2
FX	-4.3				-4.3
2024	231.9				231.9

Tobacco Business Data

4. Contribution by cluster (vs. PY)

Sales Volume (BNU)

Asia	Q1 2024		Q2 2024	Q3 2024	Q4 2024	YTD	
Total volume	30.7	-4.5%				30.7	-4.5%
GFB volume	20.3	-0.2%				20.3	-0.2%
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Western Europe	Q1 2024		Q2 2024	Q3 2024	Q4 2024	YTD	
Total volume	26.1	+0.2%				26.1	+0.2%
GFB volume	19.1	+4.0%				19.1	+4.0%
<hr/>							
EMA	Q1 2024		Q2 2024	Q3 2024	Q4 2024	YTD	
Total volume	76.1	+5.7%				76.1	+5.7%
GFB volume	57.4	+9.6%				57.4	+9.6%

Financials (JPY BN)

Asia	Q1 2024		Q2 2024	Q3 2024	Q4 2024	YTD	
Core revenue	199.5	+1.7%				199.5	+1.7%
		(-1.7%)*					(-1.7%)*
AOP	73.6	-3.0%				73.6	-3.0%
		(-1.8%)*					(-1.8%)*
<hr/>							
Western Europe	Q1 2024		Q2 2024	Q3 2024	Q4 2024	YTD	
Core revenue	172.6	+22.9%				172.6	+22.9%
		(+7.1%)*					(+7.1%)*
AOP	78.8	+21.8%				78.8	+21.8%
		(+6.9%)*					(+6.9%)*
<hr/>							
EMA	Q1 2024		Q2 2024	Q3 2024	Q4 2024	YTD	
Core revenue	281.2	+16.0%				281.2	+16.0%
		(+13.0%)*					(+13.0%)*
AOP	79.5	-6.0%				79.5	-6.0%
		(+9.4%)*					(+9.4%)*

*at constant FX

Tobacco Business Data

5. Breakdown of core revenue by cluster

(JPY BN)

Asia	Q1	Q2	Q3	Q4	YTD
2023	196.2				196.2
Volume	-9.6				-9.6
Price/Mix	+6.3				+6.3
2024@PY	192.8				192.8
FX	+6.7				+6.7
2024	199.5				199.5
Western Europe					
	Q1	Q2	Q3	Q4	YTD
2023	140.5				140.5
Volume	-4.4				-4.4
Price/Mix	+14.4				+14.4
2024@PY	150.5				150.5
FX	+22.1				+22.1
2024	172.6				172.6
EMA					
	Q1	Q2	Q3	Q4	YTD
2023	242.4				242.4
Volume	+9.2				+9.2
Price/Mix	+22.4				+22.4
2024@PY	274.0				274.0
FX	+7.2				+7.2
2024	281.2				281.2

6. Breakdown of adjusted operating profit by cluster

(JPY BN)

Asia	Q1	Q2	Q3	Q4	YTD
2023	75.8				75.8
Volume	-8.2				-8.2
Price/Mix	+7.2				+7.2
Others	-0.3				-0.3
2024@PY	74.5				74.5
FX	-0.9				-0.9
2024	73.6				73.6
Western Europe					
	Q1	Q2	Q3	Q4	YTD
2023	64.7				64.7
Volume	-3.8				-3.8
Price/Mix	+13.5				+13.5
Others	-5.2				-5.2
2024@PY	69.2				69.2
FX	+9.7				+9.7
2024	78.8				78.8
EMA					
	Q1	Q2	Q3	Q4	YTD
2023	84.6				84.6
Volume	+3.0				+3.0
Price/Mix	+20.0				+20.0
Others	-15.0				-15.0
2024@PY	92.5				92.5
FX	-13.1				-13.1
2024	79.5				79.5

Tobacco Business Data

7. GFB volume by brand (vs. PY)

(BNU)

2024	Q1	Q2	Q3	Q4	YTD
Winston	50.7 +9.8%				50.7 +9.8%
Camel	25.7 +10.5%				25.7 +10.5%
MEVIUS	10.2 -5.5%				10.2 -5.5%
LD	10.2 -5.8%				10.2 -5.8%

8. FX actual (vs. PY)

2024	Q1	Q2	Q3	Q4	YTD
100JPY/USD	0.67 +12.1%				0.67 +12.1%
100JPY/RUB	61.17 -10.1%				61.17 -10.1%
100JPY/GBP	0.53 +17.0%				0.53 +17.0%
100JPY/EUR	0.62 +13.4%				0.62 +13.4%
100JPY/CHF	0.59 +18.7%				0.59 +18.7%
100JPY/TWD	21.18 +8.4%				21.18 +8.4%
100JPY/PHP	37.71 +9.8%				37.71 +9.8%

Tobacco Business Data

9. Key markets

Source: Based on JT Group estimates on year-to-date average, based on total tobacco figures at the end of March 2024.

The Philippines is on a year-to-date average at the end of February 2024.

Total SoV and SoM are computed based on combustibles and heated tobacco products (HTP) industry size.

Japan

						(BNU)
2024	Q1	Q2	Q3	Q4	YTD	
Total volume	14.7				14.7	
	-2.5%				-2.5%	
Combustibles volume	12.7				12.7	
	-5.5%				-5.5%	
RRP volume	2.0				2.0	
	+20.8%				+20.8%	
HTS volume	1.6				1.6	
	+34.7%				+34.7%	

Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	41.2%				41.2%	-1.5ppt
Combustibles SoM	35.5%				35.5%	-2.4ppt
GFB (SoM)	24.8%				24.8%	-1.7ppt
Winston (SoM)	3.3%				3.3%	-0.6ppt
MEVIUS (SoM)	15.3%				15.3%	-1.5ppt
Seven Stars (SoM)	4.5%				4.5%	-0.2ppt
Camel (SoM)	6.2%				6.2%	+0.3ppt
RRP SoM*	5.7%				5.7%	+0.9ppt
HTS SoS	11.0%				11.0%	+1.6ppt
Total SoV	41.4%				41.4%	-1.4ppt

*Data for RRP SoM reflects heated tobacco sticks (HTS) and infused tobacco capules (Infused)

The Philippines*

						(BNU)
2024	Q1	Q2	Q3	Q4	YTD	
Total volume	5.7				5.7	
	-16.4%				-16.4%	

Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	43.5%				43.5%	+2.9ppt
GFB (SoM)	23.9%				23.9%	+5.4ppt
Winston (SoM)	11.4%				11.4%	+0.1ppt
Camel (SoM)	12.4%				12.4%	+5.3ppt
Total SoV	41.8%				41.8%	+3.9ppt

*Data for SoM and SoV includes combustibles only

Taiwan*

						(BNU)
2024	Q1	Q2	Q3	Q4	YTD	
Total volume	3.5				3.5	
	-2.0%				-2.0%	

Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	50.9%				50.9%	+0.9ppt
GFB (SoM)	41.4%				41.4%	+0.6ppt
Winston (SoM)	14.4%				14.4%	+0.3ppt
LD (SoM)	7.8%				7.8%	+0.1ppt
MEVIUS (SoM)	19.1%				19.1%	+0.2ppt
Total SoV	54.6%				54.6%	+0.6ppt

*Data for SoM and SoV includes combustibles only

Tobacco Business Data

Italy

Volume evolution

						(BNU)	
2024	Q1	Q2	Q3	Q4	YTD		
Total volume	5.4				5.4		
	+12.5%				+12.5%		

Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	24.0%				24.0%	+0.9ppt
GFB (SoM)	20.0%				20.0%	+0.6ppt
Winston (SoM)	13.5%				13.5%	+0.7ppt
Camel (SoM)	6.5%				6.5%	-0.1ppt
Total SoV	23.4%				23.4%	+0.4ppt

Spain

Volume evolution

						(BNU)	
2024	Q1	Q2	Q3	Q4	YTD		
Total volume	4.0				4.0		
	+7.1%				+7.1%		

Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	27.4%				27.4%	-0.5ppt
GFB (SoM)	25.5%				25.5%	-0.3ppt
Winston (SoM)	14.3%				14.3%	-0.4ppt
Camel (SoM)	11.2%				11.2%	+0.2ppt
Total SoV	27.3%				27.3%	-0.4ppt

The UK

Volume evolution

						(BNU)	
2024	Q1	Q2	Q3	Q4	YTD		
Total volume	3.3				3.3		
	-16.1%				-16.1%		

Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	43.2%				43.2%	-1.5ppt
GFB (SoM)	0.1%				0.1%	-0.0ppt
Amber Leaf (SoM)	9.7%				9.7%	-0.8ppt
Sterling (SoM)	11.3%				11.3%	-1.8ppt
Benson & Hedges (SoM)	11.8%				11.8%	+0.5ppt
Total SoV	44.2%				44.2%	-0.9ppt

Tobacco Business Data

Romania

Volume evolution

		(BNU)				
	2024	Q1	Q2	Q3	Q4	YTD
Total volume		1.7				1.7
		-2.6%				-2.6%

Share evolution

	2024	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM		25.7%				25.7%	-1.6ppt
	GFB (SoM)	17.1%				17.1%	-0.3ppt
	Winston (SoM)	10.7%				10.7%	-1.4ppt
	Camel (SoM)	6.4%				6.4%	+1.5ppt
Total SoV		26.7%				26.7%	-1.4ppt

Russia

Volume evolution

		(BNU)				
	2024	Q1	Q2	Q3	Q4	YTD
Total volume		18.5				18.5
		+5.3%				+5.3%

Share evolution

	2024	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM		37.1%				37.1%	+0.6ppt
	GFB (SoM)	29.9%				29.9%	+2.2ppt
	Winston (SoM)	13.6%				13.6%	+1.8ppt
	Camel (SoM)	8.8%				8.8%	+0.5ppt
	LD (SoM)	7.4%				7.4%	-0.1ppt
Total SoV		38.8%				38.8%	+1.1ppt

Turkey *

Volume evolution

		(BNU)				
	2024	Q1	Q2	Q3	Q4	YTD
Total volume		8.9				8.9
		+23.1%				+23.1%

Share evolution

	2024	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM		26.9%				26.9%	-0.4ppt
	GFB (SoM)	24.4%				24.4%	-0.6ppt
	Winston (SoM)	17.1%				17.1%	-0.1ppt
	Camel (SoM)	5.1%				5.1%	-0.6ppt
	LD (SoM)	2.1%				2.1%	+0.0ppt
Total SoV		26.3%				26.3%	-0.3ppt

*Data for SoM and SoV includes RMC only

Pharmaceutical Business

Clinical Development as of May 9, 2024

<In-house development>

Code (Generic Name)	Potential Indication/Dosage form	Mechanism		Phase (Region)	Origin	Note
JTE-052 (delgocitinib)	Autoimmune/allergic diseases /Oral, Topical	JAK inhibitor	Suppresses overactive immune response via inhibition of Janus kinase (JAK) related to immune signal.	Phase1 (Japan)	In-house	
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)		
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.	Phase2 (Overseas)	In-house	
JTE-061 (tapinarof)	Atopic dermatitis /Topical	AhR modulator	Suppresses skin inflammation via activation of the aryl hydrocarbon receptor (AhR)	NDA filed (Japan)	In-license	<ul style="list-style-type: none"> • In-license from Dermavant Sciences GmbH • Co-development with Torii
	Plaque psoriasis /Topical			NDA filed (Japan)		
	Atopic dermatitis (pediatric) /Topical			Phase3 (Japan)		
JTC-064	Neurodegenerative disease /Oral	PDHK inhibitor	Improves metabolic abnormalities by activation of pyruvate dehydrogenase (PDH)	Phase1 (Overseas)	In-house	
JTV-161	Pulmonary arterial hypertension /Oral	Pim-1 inhibitor	Suppresses pulmonary vascular cell proliferation by inhibiting Pim-1	Phase1 (Overseas)	In-house	
JTE-162	Autoinflammatory/ Autoimmune diseases /Oral	NLRP3 inhibitor	Suppresses immune response by inhibition of NLRP3 inflammasome	Phase1 (Overseas)	In-house	

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.	
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 13, 2024

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 electronically the tobacco, either directly or indirectly, 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 electronically a nicotine based liquid that contains no 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	Products 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. One snus or nicotine pouch is equivalent to a stick of cigarettes.
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 combustibles and GFB snus 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 internal estimates.
RRP industry volume	Industry volume of Reduced-Risk Products (RRP) by number of sticks based on internal estimates.

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 and vaping company and its products are sold in over 130 markets. With approximately 53,000 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 heated tobacco 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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