

Japan Tobacco Inc.

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# Fact Sheets

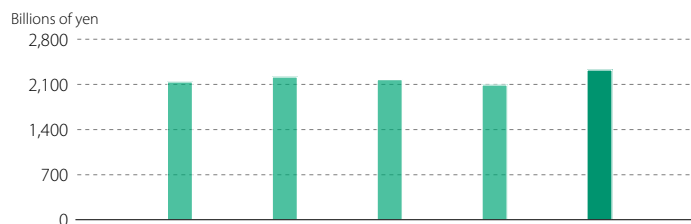
# 2021

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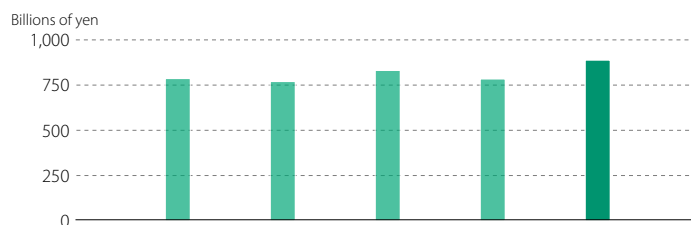
# Financial Data

## Revenue



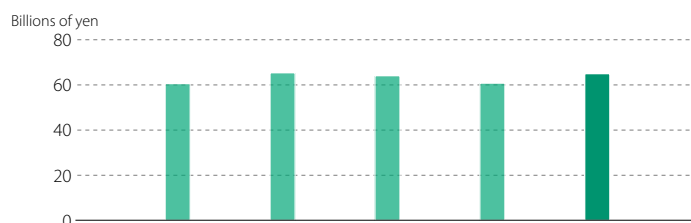
	2017	2018	2019	2020	2021
<b>Total</b>	<b>2,139.7</b>	<b>2,216.0</b>	<b>2,175.6</b>	<b>2,092.6</b>	<b>2,324.8</b>
International Tobacco Business	1,237.6	1,312.3	1,310.9	1,306.2	1,535.7
Japanese-Domestic Tobacco Business	626.8	621.4	611.5	555.6	559.4
Pharmaceutical Business	104.7	114.0	88.5	79.0	80.4
Processed Food Business	163.1	161.4	158.6	149.3	147.2
Other Business	7.5	6.8	6.1	2.5	2.1
Core Revenue					
International Tobacco Business	1,177.0	1,250.7	1,253.0	1,250.8	1,482.1
Japanese-Domestic Tobacco Business	590.6	582.4	568.9	515.7	519.8

## SG&A Expenses



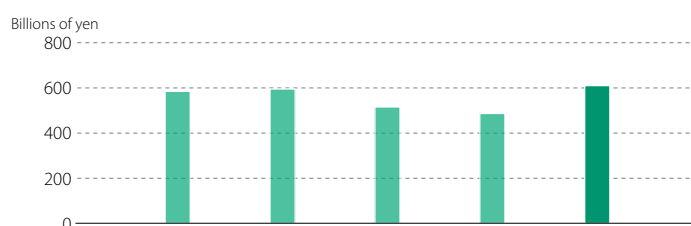
	2017	2018	2019	2020	2021
<b>SG&amp;A</b>	<b>786.9</b>	<b>770.4</b>	<b>831.7</b>	<b>784.5</b>	<b>888.6</b>
Advertising expenses	24.4	29.1	33.5	27.3	29.3
Promotion expenses	112.2	106.2	102.1	92.1	108.7
Commission	54.5	52.7	55.5	57.6	66.9
Employee benefit expenses	254.0	269.0	309.6	307.2	355.0
Research and development expenses	60.6	65.4	64.1	60.8	65.0
Depreciation and amortization	81.3	87.9	106.1	103.7	109.0
Impairment losses on other than financial assets	3.4	8.5	16.1	12.6	22.8
Losses on sale and disposal of property, plant and equipment, intangible assets, and investment property	4.8	8.8	9.4	7.6	5.8
Other	191.6	142.8	135.3	115.6	126.2

## R&D Expenses



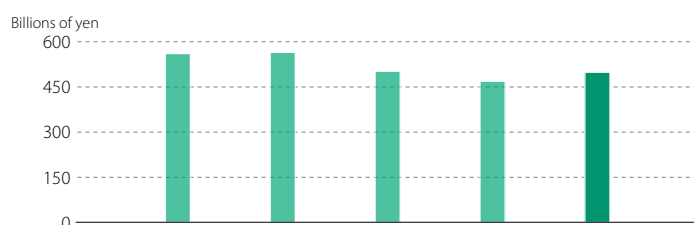
	2017	2018	2019	2020	2021
<b>R&amp;D</b>	<b>60.6</b>	<b>65.4</b>	<b>64.1</b>	<b>60.8</b>	<b>65.0</b>
International Tobacco Business	8.0	8.5	9.1	9.2	8.6
Japanese-Domestic Tobacco Business	18.5	18.1	20.1	19.1	19.3
Pharmaceutical Business	32.6	37.1	33.2	25.2	29.0
Processed Food Business	0.7	0.8	0.8	0.8	0.8
Other Business	0.8	0.8	0.8	6.5	7.3

## Adjusted Operating Profit



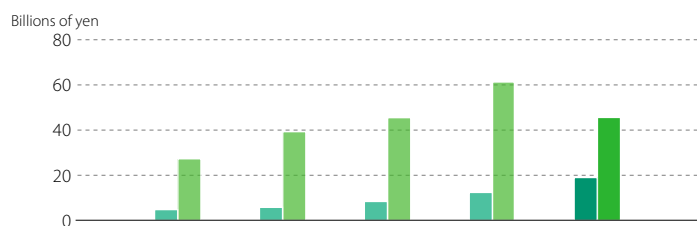
	2017	2018	2019	2020	2021
<b>Adjusted Operating Profit</b>	<b>585.3</b>	<b>595.5</b>	<b>515.9</b>	<b>487.0</b>	<b>610.4</b>
International Tobacco Business	351.3	384.5	340.8	340.9	454.4
Japanese-Domestic Tobacco Business	232.3	209.0	187.2	168.1	182.4
Pharmaceutical Business	24.1	28.4	15.9	17.2	11.1
Processed Food Business	5.4	4.1	5.4	(0.8)	4.0
Other Business/Elimination	(27.8)	(30.6)	(33.4)	(38.4)	(41.4)

## Operating Profit



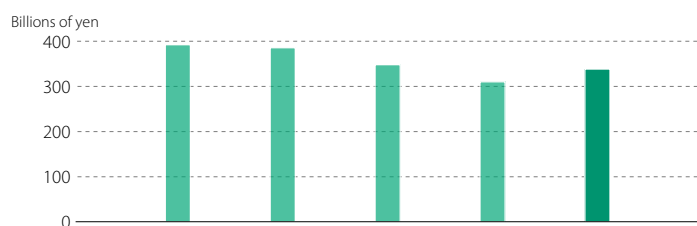
	2017	2018	2019	2020	2021
<b>Operating Income/Operating Profit</b>	<b>561.1</b>	<b>565.0</b>	<b>502.4</b>	<b>469.1</b>	<b>499.0</b>
International Tobacco Business	325.6	339.5	274.0	296.4	394.5
Japanese-Domestic Tobacco Business	215.8	192.5	171.0	151.8	125.5
Pharmaceutical Business	24.1	26.3	72.7	16.5	11.3
Processed Food Business	5.4	2.9	5.5	(0.8)	2.9
Other Business	(9.8)	3.8	(20.8)	5.1	(35.2)

## Financial Income and Expenses



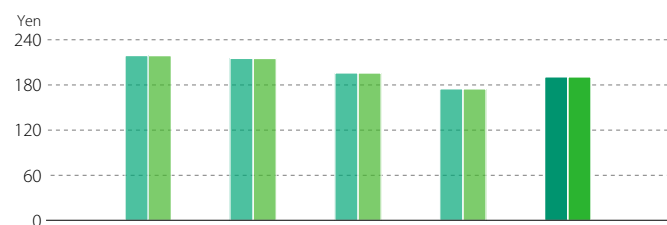
	2017	2018	2019	2020	2021
■ Financial Income	4.8	5.8	8.4	12.4	19.0
■ Financial Expenses	(27.3)	(39.3)	(45.5)	(61.3)	(45.6)

## Profit (attributable to owners of the parent company)



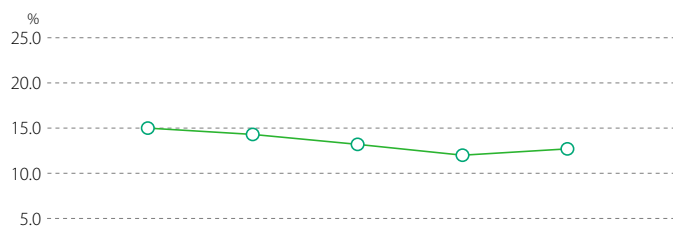
	2017	2018	2019	2020	2021
■ Profit (attributable to owners of the parent company)	392.4	385.7	348.2	310.3	338.5

## Basic and Diluted Earnings per Share



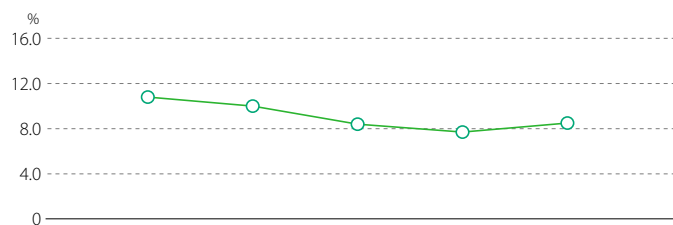
	2017	2018	2019	2020	2021
■ Basic Earnings per Share	219.10	215.31	195.97	174.88	190.76
■ Diluted Earnings per Share	218.97	215.20	195.87	174.80	190.68

## Return on Equity (attributable to owners of the parent company)



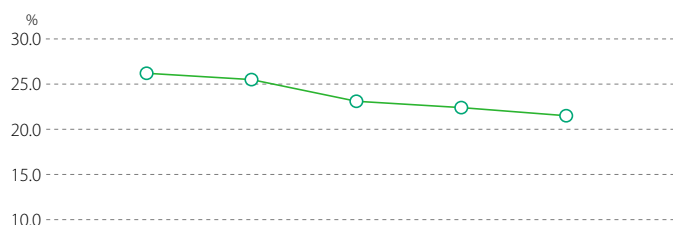
	2017	2018	2019	2020	2021
ROE (attributable to owners of the parent company)	15.0	14.3	13.2	12.0	12.7

## Return on Assets (ROA)



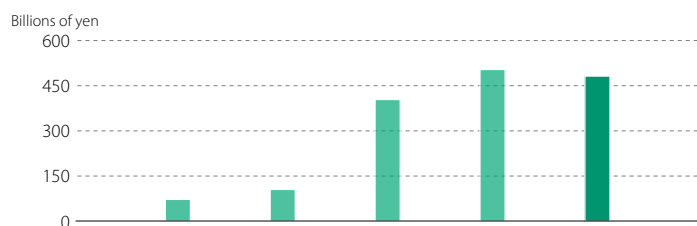
	2017	2018	2019	2020	2021
ROA	10.8	10.0	8.4	7.7	8.5

## Operating Profit Margin



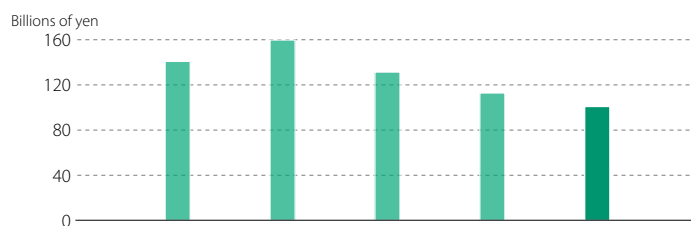
	2017	2018	2019	2020	2021
Operating Profit Margin	26.2	25.5	23.1	22.4	21.5

## Free Cash Flow (FCF)



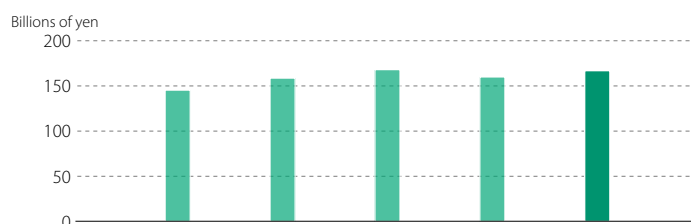
	2017	2018	2019	2020	2021
FCF	72.6	105.6	404.2	503.9	482.0

## Capital Expenditure (CAPEX)



	2017	2018	2019	2020	2021
■ CAPEX	140.9	159.8	131.4	112.9	100.9
International Tobacco Business	68.4	75.7	78.3	66.6	62.5
Japanese-Domestic Tobacco Business	51.5	55.4	34.8	21.1	20.0
Pharmaceutical Business	6.2	11.3	7.0	9.1	6.0
Processed Food Business	10.4	12.7	6.1	8.0	10.7
Others/Elimination	4.3	4.6	5.2	8.2	1.7

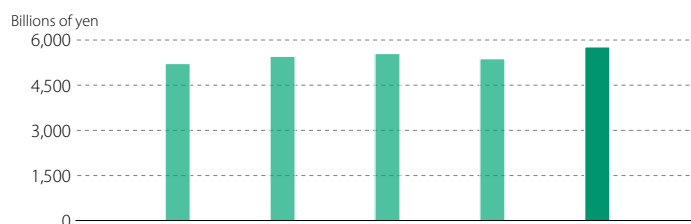
## Depreciation and Amortization



	2017	2018	2019	2020	2021
■ Depreciation and Amortization	145.4	158.7	168.1	160.0	166.9
International Tobacco Business	76.1	89.9	98.1	93.7	104.5
Japanese-Domestic Tobacco Business	56.0	55.0	55.6	52.9	49.8
Pharmaceutical Business	5.1	5.1	5.5	5.0	4.9
Processed Food Business	6.1	6.7	6.8	6.7	6.2
Others/Elimination	2.1	2.0	2.1	1.6	1.5

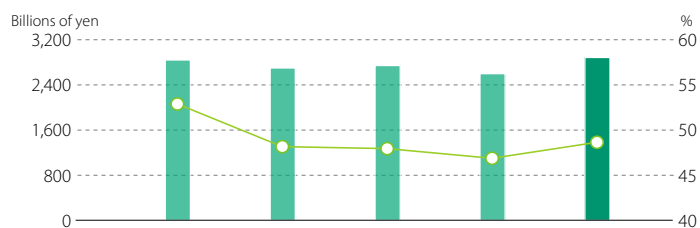
Note: Depreciation related to lease transactions have been excluded since 2019.

## Total Assets



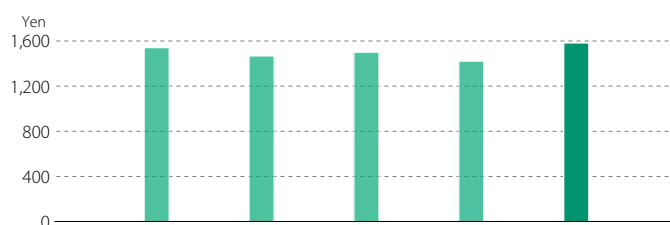
	2017	2018	2019	2020	2021
■ Total Assets	5,221.5	5,461.4	5,553.1	5,381.4	5,774.2

## Total Equity and Equity Ratio (attributable to owners of the parent company)



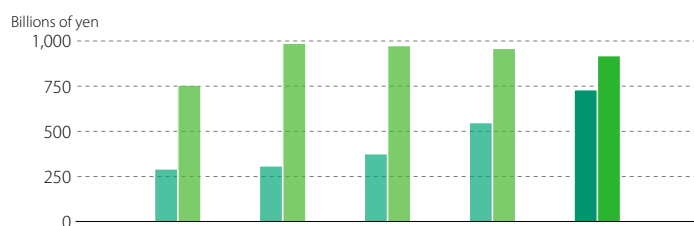
	2017	2018	2019	2020	2021
■ Total Equity	2,842.0	2,700.4	2,743.6	2,599.5	2,886.1
○ Equity Ratio (attributable to owners of the parent company)	52.89	48.17	47.95	46.88	48.65

## Book Value per Share (attributable to owners of the parent company)



	2017	2018	2019	2020	2021
■ Book Value per Share (attributable to owners of the parent company)	1,541.94	1,468.44	1,501.12	1,421.92	1,583.10

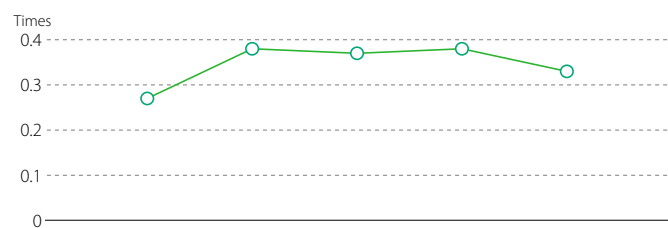
## Liquidity and Interest-Bearing Debt



	2017	2018	2019	2020	2021
■ Liquidity	291.8	308.7	375.8	548.3	730.2
■ Interest-Bearing Debt	755.8	987.6	974.5	958.9	918.6

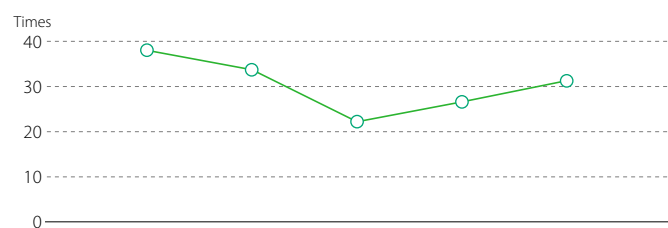
Note: Lease obligations have been excluded from Interest-Bearing Debt since 2019.

## Debt/Equity Ratio



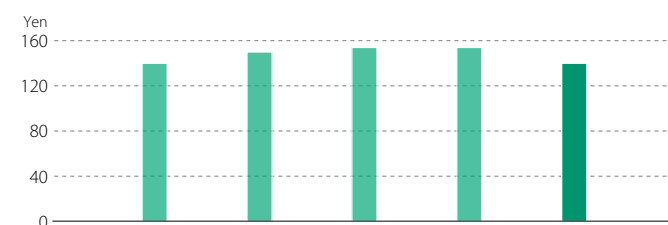
	2017	2018	2019	2020	2021
Debt/Equity Ratio	0.27	0.38	0.37	0.38	0.33

## Interest Coverage Ratio



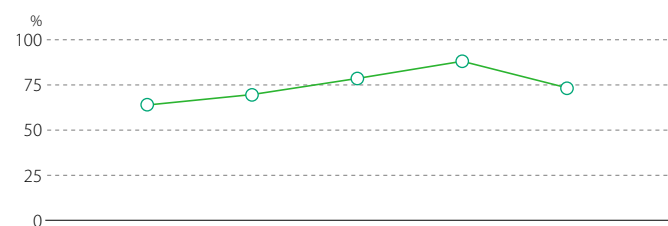
	2017	2018	2019	2020	2021
Interest Coverage Ratio	38.0	33.7	22.2	26.6	31.3

## Annual Dividends per Share



	2017	2018	2019	2020	2021
Annual Dividends per Share	140	150	154	154	140

## Dividend Payout Ratio on a Consolidated Basis



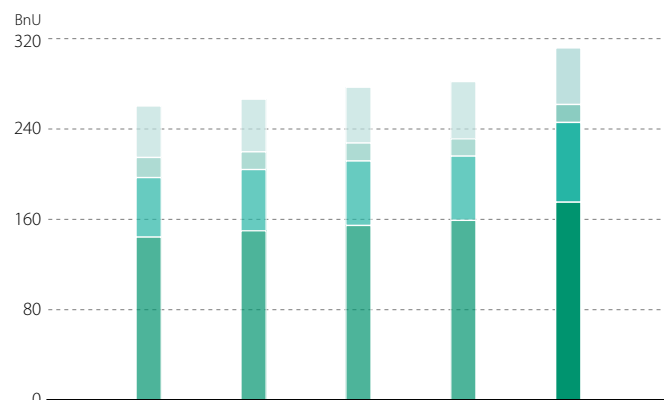
	2017	2018	2019	2020	2021
Dividend Payout Ratio	63.9	69.7	78.6	88.1	73.4



# International Tobacco Business

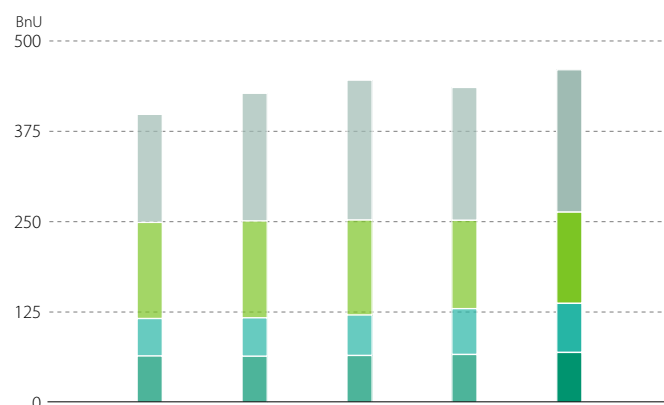
(Results for the 12 months ended December 31)

## GFB Shipment Volume (by Brand)



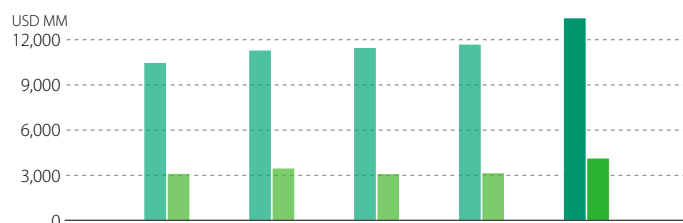
	2017	2018	2019	2020	2021
<b>GFB Total</b>	285.9	266.4	277.0	282.0	<b>311.7</b>
■ Winston	144.3	149.9	154.6	159.1	<b>175.2</b>
■ Camel	52.7	54.2	57.1	56.9	<b>70.6</b>
■ MEVIUS	17.8	15.7	15.9	15.3	<b>15.9</b>
■ LD	45.6	46.6	49.4	50.7	<b>50.1</b>

## Total Shipment Volume (by Cluster)



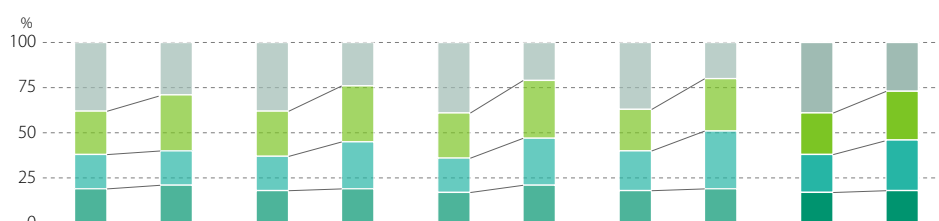
	2017	2018	2019	2020	2021
<b>Total</b>	398.5	427.6	445.8	435.7	<b>460.2</b>
■ South & West Europe	64.2	63.8	64.9	66.3	<b>69.1</b>
■ North & Central Europe	51.8	53.2	55.9	63.4	<b>67.9</b>
■ CIS+	133.0	134.0	131.5	122.2	<b>126.2</b>
■ Rest-of-the-World	149.5	176.6	193.5	183.8	<b>197.0</b>

## Core Revenue and Adjusted Operating Profit



	2017	2018	2019	2020	2021
■ Core Revenue	10,498	11,330	11,496	11,724	13,468
■ Adjusted Operating Profit	3,138	3,493	3,126	3,181	4,157

## Cluster Split



	2017		2018		2019		2020		2021	
	Core Revenue	Adjusted Operating Profit	Core Revenue	Adjusted Operating Profit	Core Revenue	Adjusted Operating Profit	Core Revenue	Adjusted Operating Profit	Core Revenue	Adjusted Operating Profit
■ South & West Europe	19	22	18	19	17	21	18	19	17	18
■ North & Central Europe	19	19	19	26	19	27	22	32	21	28
■ CIS+	25	31	25	32	25	32	23	28	23	26
■ Rest-of-the-World	38	29	39	24	39	21	37	20	39	27

## Market Share in Key Markets (12 month moving average, December)

	2017	2018	2019	2020	2021
France	22.0%	23.0%	24.2%	27.1%	28.9%
Italy	23.1%	23.9%	24.5%	25.7%	26.7%
Russia	33.2%	35.6%	39.1%	36.3%	36.7%
Spain	24.0%	24.8%	25.7%	26.7%	27.8%
Taiwan	41.7%	43.5%	45.3%	47.8%	48.1%
Turkey	28.8%	27.1%	27.4%	26.6%	27.7%
UK	40.4%	42.1%	43.6%	45.0%	45.8%

Notes 1: Market share of Russia includes Donskoy Tabak since August 2018.

2: From 2021 onwards, data for Russia reflects total tobacco figures, i.e. combustibles and heated tobacco sticks. 2020 data has been adjusted accordingly.

3: Reflect the updates in historical data from the sources.

## International Tobacco Manufacturing-related Factory Location

(As of December 31, 2021)

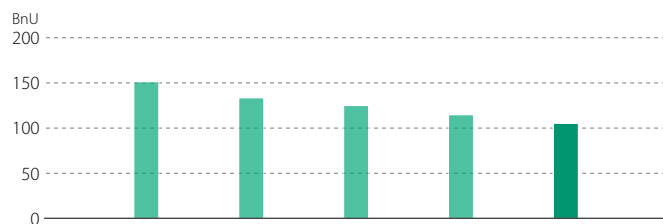
JT group operates 33 factories in 28 other countries (including tobacco-related factories) except Japan.

● Finished goods manufacturing factories ● Other tobacco-related factories



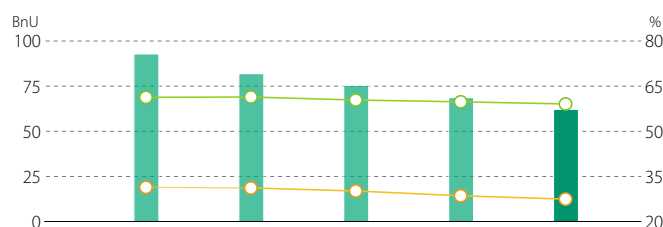
# Japanese-Domestic Tobacco Business

## Combustible Industry Volume (JT Estimate)



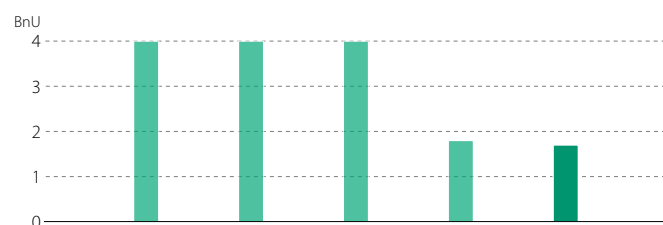
	2017	2018	2019	2020	2021
■ Combustible Industry Volume (JT estimate)	151.4	133.6	125.1	114.9	105.3

## JT Combustible Sales Volume and Combustible Market Share (JT Estimate)



	2017	2018	2019	2020	2021
■ JT Combustible Sales Volume	92.9	82.0	75.5	68.7	62.2
○- JT Total Combustible Market Share (JT estimate)	61.3	61.4	60.4	59.8	59.1
○- MEVIUS Share in Combustible Category (JT estimate)	31.4	31.2	30.2	28.6	27.5

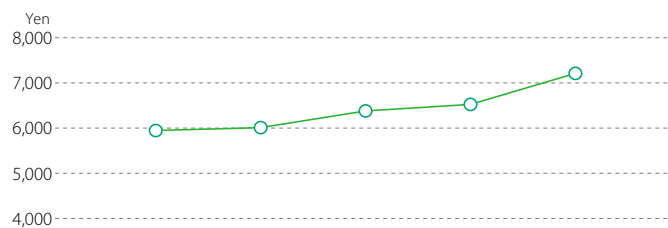
## JT Sales Volume of Domestic Duty-Free and the China Businesses



	2017	2018	2019	2020	2021
■ JT Sales Volume of Domestic Duty-Free and the China Businesses	4.0	4.0	4.0	1.8	1.7

Note: China business covers China, Hong Kong, and Macau markets.

## JT Revenue per Thousand Cigarettes

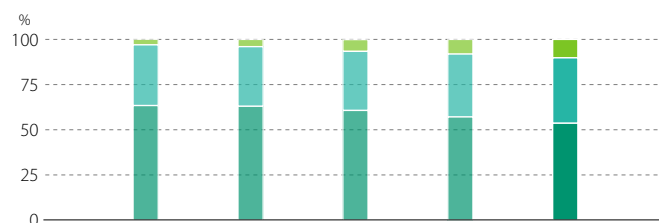


	2017	2018	2019	2020	2021
○ JT Revenue per Thousand Cigarettes	5,946	6,011	6,380	6,524	7,211

Note: JT Revenue per thousand cigarettes = (retail price sales – retailer margins – consumption tax – excise taxes) / sales volume X 1,000

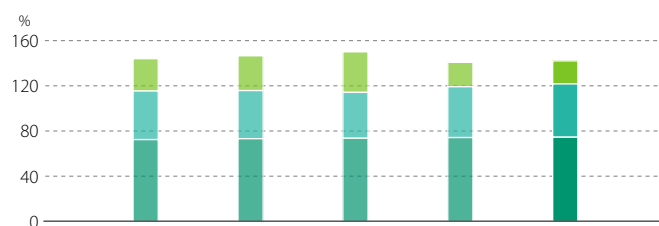
From 2018, the figure includes the effects of IFRS15 application.

## Price Point Composition



	2017	2018	2019	2020	2021
■ Premium	63.4	63.0	60.7	57.1	53.6
■ Mid-Price	33.6	33.0	32.7	34.8	36.2
■ Value	3.1	4.0	6.5	8.1	10.2

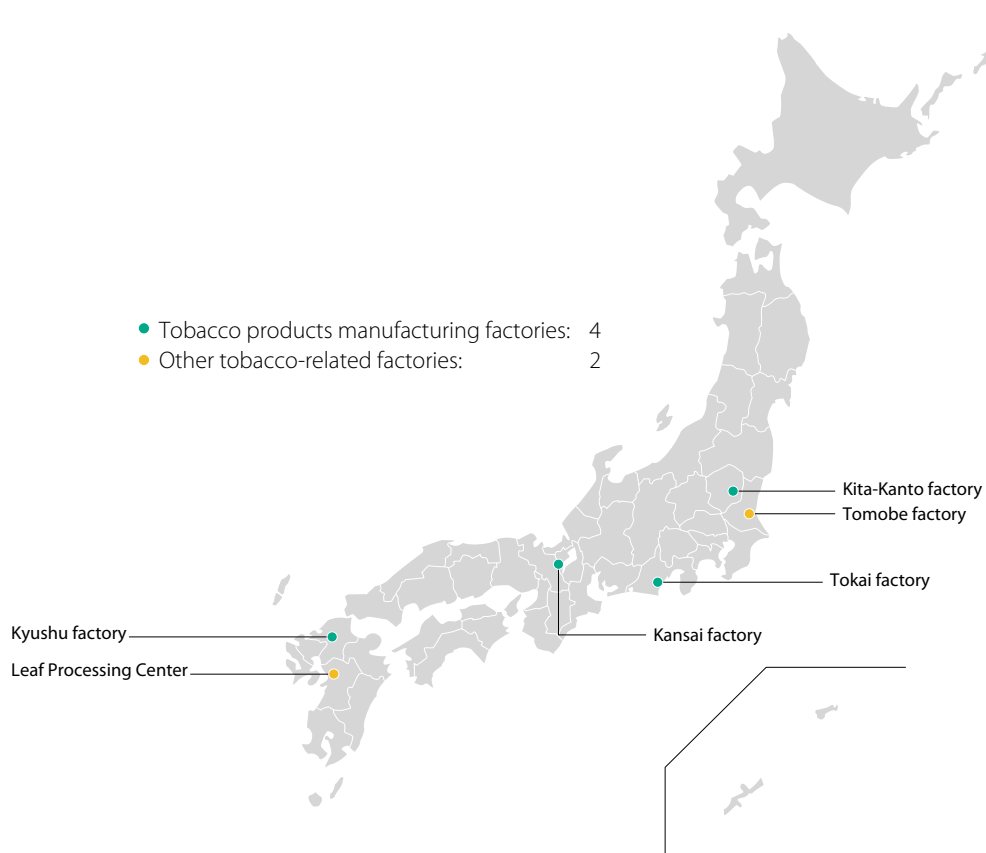
## JT's Share in Each Price Point



	2017	2018	2019	2020	2021
■ Premium	72.4	73.2	73.6	74.2	74.5
■ Mid-Price	43.0	42.6	40.6	45.0	47.2
■ Value	28.6	30.8	35.9	21.6	20.4

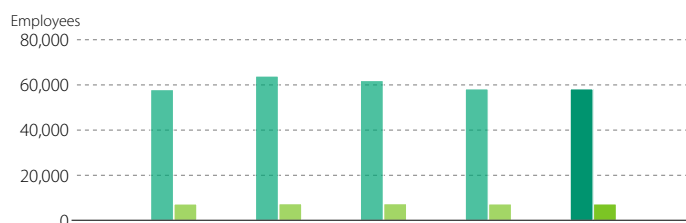
## Tobacco Manufacturing-related Factory Location

(As of December 31, 2021)



# Number of Employees/Subsidiaries and Affiliates

## Number of Employees



	2017 Dec. 31	2018 Dec. 31	2019 Dec. 31	2020 Dec. 31	2021 Dec. 31
<b>Total</b>	<b>57,963</b>	<b>63,968</b>	<b>61,975</b>	<b>58,300</b>	<b>55,381</b>
Tobacco Business					
International Tobacco Business	39,281	45,319	43,868	40,576	38,236
Japanese-Domestic Tobacco Business	10,291	10,566	10,508	10,354	9,940
Pharmaceutical Business	1,883	1,877	1,485	1,379	1,354
Processed Food Business	5,489	5,303	5,169	5,021	4,878
Corporate	1,019	903	945	970	973

Note: The number of employees includes only those who are presently working directly for the JT Group. It excludes those who are seconded, on extended leave, etc.

	2017 Dec. 31	2018 Dec. 31	2019 Dec. 31	2020 Dec. 31	2021 Dec. 31
<b>Number of Employees (parent company)</b>	<b>7,336</b>	<b>7,457</b>	<b>7,464</b>	<b>7,366</b>	<b>7,154</b>
Number of Employees Based on Enrollment (parent company)	8,051	8,131	8,064	7,920	7,698

## Subsidiaries and Affiliates

(As of December 31, 2021)

Name	Location	Capital (Millions of yen)	Principal business	Holding rate of voting rights(%)
TS Network Co., Ltd.	Taito-ku, Tokyo	460	Japanese-domestic tobacco	85.3
JT Logistics Co., Ltd.	Chuo-ku, Tokyo	207	Japanese-domestic tobacco	100
Japan Filter Technology Co., Ltd.	Sumida-ku, Tokyo	461	Japanese-domestic tobacco	100
Fuji Flavor Co., Ltd.	Hamura-shi, Tokyo	196	Japanese-domestic tobacco	100
JT Engineering Inc.	Sumida-ku, Tokyo	200	Japanese-domestic tobacco	100
TRUE SPRIT TOBACCO COMPANY	Minato-ku, Tokyo	45	Japanese-domestic tobacco	100
JT International Group Holding B.V.	Netherlands	thousands USD 1,800,372	International tobacco	100
JT International Holdings B.V.	Netherlands	thousands USD 1,800,372	International tobacco	100 (100)
JT International S.A.	Switzerland	thousands CHF 923,723	International tobacco	100 (100)
LLC JTI Russia	Russia	thousands RUB 157,751	International tobacco	100 (100)
Gallaher Ltd.	UK	thousands GBP 172,495	International tobacco	100 (100)
JTI Polska Sp. z o. o.	Poland	thousand PLN 200,000	International tobacco	100 (100)
LLC Petro	Russia	thousands RUB 328,439	International tobacco	100 (100)
JT International Germany GmbH	Germany	thousands EUR 37,394	International tobacco	100 (100)
JTI Tütün Ürünleri Sanayi A.S.	Turkey	thousands TRY 148,825	International tobacco	100 (100)
Torii Pharmaceutical Co., Ltd.	Chuo-ku, Tokyo	5,190	Pharmaceutical	54.9
Akros Pharma Inc.	US	thousands USD 1	Pharmaceutical	100 (100)
TableMark Co., Ltd.	Chuo-ku, Tokyo	22,500	Processed food	100

Notes: In addition to the above, JT has 217 consolidated subsidiaries and 12 companies accounted for by the equity method.

The figures in parentheses in the "Holding rate of voting rights" column are indirect holding rates included in the figures outside the parentheses.

## Glossary of Terms

<b>Adjusted operating profit</b>	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
<b>Core revenue</b> (International Tobacco Business)	Includes waterpipe tobacco and RRP*, but excludes revenue from distribution, contract manufacturing and other peripheral businesses. * Reduced-Risk Products (RRP): Products with the potential to reduce the risks associated with smoking.
<b>Core revenue</b> (Japanese-Domestic Tobacco Business)	Excludes revenue from distribution of imported tobacco in the Japanese-domestic tobacco business, among others, but includes revenue from domestic Duty-free and the China businesses as well as the revenue from RRP and cigarillos.
<b>Depreciation and Amortization</b>	Depreciation of tangible fixed assets + Amortization of intangible fixed assets
<b>Free Cash Flow (FCF)</b>	FCF is sum of cash flows from operating activities and investing activities, but excludes the following items: <ul style="list-style-type: none"> <li>• 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</li> <li>• From investing CF: purchase of investment securities (for both short-term and longterm), payments into time deposits, proceeds from sale or redemption of investment securities (for both short-term and long-term), proceeds from withdrawal of time deposits and other investing activities not for business operation purposes</li> </ul>
<b>Global Flagship Brand (GFB)</b> (International Tobacco Business)	Winston, Camel, MEVIUS and LD
<b>Interest-Bearing debt</b>	Short-term bank loans + CP + Bonds + Long-term borrowings + Lease obligations* * Lease obligations have been excluded from interest-bearing debt since 2019.
<b>Interest coverage ratio</b>	Cash flow from operating activities / Interest paid* * Amount on Cash Flow Statement
<b>Combustible sales volume</b> (Japanese-Domestic Tobacco Business)	JT's combustible sales volume excluding the volume of domestic Duty-Free and the China businesses. This includes cigarillos but excludes RRP.
<b>Liquidity</b>	Cash and deposits + marketable securities + securities purchased under repurchase agreements
<b>Return on Assets (ROA)</b>	$ROA = (\text{Profit before income taxes}) / \text{Total assets}$ [average of beginning and ending balance for the period]
<b>Total shipment volume</b> (International Tobacco Business)	Total shipment volume is the shipment volume of tobacco-based products which includes fine cut tobacco, cigars, pipe tobacco, snus, kretek and T-Vapor but excludes contract manufactured products, waterpipe tobacco and E-Vapor.