

The concept of skills necessary for the Board of Directors

In pursuit of the JT Group Purpose, JT continues to embrace evolutionary challenges to maintain the trust of society in the area of “fulfilling moments,” which will change in diverse ways with the times and each individual, and to strive to continuously make an important contribution, while pursuing the 4S model, which is the JT Group management principle. JT therefore believes that it is important for the Board of Directors to be comprised of diverse professionals who share the 4S model and JT Group Purpose while possessing a high sense of ethics and integrity alongside proven knowledge, experience and skills. In particular, JT expects each Member of the Board to demonstrate skills based on their knowledge and experience in the following areas, from the perspective of ensuring that the Board of Directors, comprised based on the above concept, properly fulfills its roles and responsibilities. JT believes, moreover, that the Board of Directors as a whole possesses these necessary skills.

Areas in which Skills are Particularly Expected to be Demonstrated

- **Corporate Management**, including the JT Group’s management strategy, operations, and business strategy conducive to sustainable profit growth and the increase of corporate value based on the 4S model, our management principle.
- **Global Management**, which from the perspective of medium- and long-term business growth is essential for the global-spanning JT Group.
- **Corporate Finance, Accounting and Capital Policy** and **Legal, Compliance and Risk Management**, which together form the basis of decision-making for effective management and business activities to increase corporate value and ensure business continuity.
- **IT / Information Security**, which is one of the essential management foundations for business continuity and for enhancing the competitiveness of the JT Group.
- **Corporate Governance**, which serves as the foundation of our corporate activities in order to maximize stakeholder value, pursue sustainable profit growth, and enhance our corporate value over the long term.
- **Sustainability / Environment and Society**, which we consider to be the core of our

management initiatives aimed at contributing to a sustainable environment and society through realizing the JT Group Purpose, and to which end we formulate strategies based on the 4S model and materiality analysis.

- **DE&I (Diversity, Equity & Inclusion) / Organizational Behavior and Human Resource Management**, to promote investment in people in order to facilitate their development with attention to diversity, and to foster a corporate culture that maximizes the individuality and ability of each person while respecting their different backgrounds and values, such as age, gender, sexual orientation, and nationality, alongside their experience and expertise.
- **Business Development / M&A**, to formulate strategies and carry out measures for further development and business growth in order to continuously provide “fulfilling moments” that best suit the changing values of both people and society.

In addition, in light of the roles and responsibilities of Members of the Audit & Supervisory Board to oversee the job performance of Members of the Board, it is expected that Members of the Audit & Supervisory Board will demonstrate their skills in the particular areas of 1) Corporate Finance, Accounting and Capital Policy, 2) Legal, Compliance and Risk Management, and 3) Corporate Governance. JT believes that the entire Audit & Supervisory Board possesses these necessary skills.