



Tokyo, October 31, 2023

2023 Third Quarter Results

2023 Third Quarter Highlights (vs. 2022)

- Revenue increased by 7.4% to JPY 2,157.0 billion
- Core revenue at constant FX increased by 5.9% to JPY 2,049.2 billion
- Adjusted operating profit at constant FX increased by 5.9% to JPY 675.5 billion
- On a reported basis, adjusted operating profit increased by 4.2% to JPY 664.4 billion
- Operating profit increased by 9.1% to JPY 631.8 billion
- Profit increased by 9.5% to JPY 442.0 billion

2023 Forecasts (vs. Previous Forecasts)

- Revenue forecast is revised upward by JPY 85.0 billion
- Core revenue at constant FX is revised upward by JPY 63.0 billion
- Adjusted operating profit at constant FX is revised upward by JPY 34.0 billion
- On a reported basis, adjusted operating profit is revised upward by JPY 38.0 billion
- Forecasts are revised upward for operating profit (+ JPY 45.0 billion) and profit (+ JPY 7.0 billion)
- Free cash flow is revised upward by JPY 25.0 billion
- As announced in the initial forecast, the Company plans to offer an annual dividend per share of JPY 188

Please refer to 'Data Sheets' on page 14 for more financial figures.

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

" The JT Group posted another set of strong results for the third quarter. In particular, the tobacco business reported solid growth across its indicators, driven by continued market share gains and robust pricing.

As announced in February, we are accelerating investments in HTS to establish the foundation of our future growth, and these investments are progressing as planned. The market share of Ploom X in the HTS segment in Japan is steadily increasing with share exceeding 10% in the periods of July to September 2023, despite a competitive business environment. In addition, since July 2023, we have launched Ploom X in Switzerland, Poland, Hungary, Romania, and Greece and plan to roll it out in Kazakhstan in early November. We expect to continue the geographical expansion of Ploom X, to reach 28 markets by year end 2024.

We have revised upward the full year forecast for adjusted operating profit at constant FX to account for the stronger year-to-date top-line growth of the tobacco business. Similarly, on a reported basis, in anticipation of the continuous depreciation trend of the yen, we have revised upward our forecast, including adjusted operating profit. In line with our dividend policy, dividend per share guidance for the full year remains unchanged at 188 yen per share.

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 revised full-year forecasts. We will also make continuous efforts to bring to life our JT Group Purpose** and the purposes 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 within 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 October 31, 2023 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 2022 and fiscal year 2023 as well as the forecasts for fiscal year 2023 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 and forecast 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 Q3 2023, the impacts of the hyperinflationary accounting and hyperinflation include those in Ethiopia, Iran, Sudan and Turkey.

Q3 2023 Financial Results

Consolidated Results

(billions of JPY)	Q3 2023	Q3 2022	Variance	2023 YTD	2022 YTD	Variance
Revenue	764.2	741.7	+3.0%	2,157.0	2,008.5	+7.4%
Adjusted operating profit	221.5	223.0	-0.6%	664.4	637.8	+4.2%
Operating profit	218.3	196.4	+11.2%	631.8	579.3	+9.1%
Profit	155.0	139.7	+10.9%	442.0	403.8	+9.5%
Core revenue at constant FX	746.8	715.6	+4.4%	2,049.2	1,934.7	+5.9%
Adjusted operating profit at constant FX	241.2	223.0	+8.2%	675.5	637.8	+5.9%

Q3 2023

- **Revenue**
Revenue increased by 3.0% to JPY 764.2 billion, driven by an increase in the tobacco and pharmaceutical businesses. At constant FX, core revenue increased by 4.4 % to JPY 746.8 billion.
- **Adjusted operating profit**
On a reported basis, adjusted operating profit decreased by 0.6% to JPY 221.5 billion, due to unfavorable currency movements, mainly from the appreciation of the Japanese yen against several local currencies, partially offset by growth across all businesses. At constant FX, adjusted operating profit increased by 8.2% to JPY 241.2 billion.
- **Operating profit**
Operating profit increased by 11.2% to JPY 218.3 billion, mainly driven by an increase in sales of real estate and reduced trademark amortization in the tobacco business, partially offset by a decrease in adjusted operating profit.
- **Profit**
Profit increased by 10.9% to JPY 155.0 billion, driven by an increase in operating profit.

2023 YTD

- **Revenue**
Revenue increased by 7.4% to JPY 2,157.0 billion, driven by an increase in the tobacco and pharmaceutical businesses. At constant FX, core revenue increased by 5.9% to JPY 2,049.2 billion.
- **Adjusted operating profit**
On a reported basis, adjusted operating profit increased by 4.2% to JPY 664.4 billion, driven by growth across all businesses, partially offset by unfavorable currency movements, from the appreciation of the Japanese yen against several local currencies. At constant FX, adjusted operating profit increased by 5.9% to JPY 675.5 billion.

- **Operating profit**
Operating profit increased by 9.1% to JPY 631.8 billion, driven by an increase in adjusted operating profit, as well as by an increase in sales of real estate and reduced trademark amortization in the tobacco business.
- **Profit**
Profit increased by 9.5% to JPY 442.0 billion, driven by an increase in operating profit.

Results by Business Segment

Tobacco Business

(billions of JPY)	Q3 2023	Q3 2022	Variance	2023 YTD	2022 YTD	Variance
Core revenue	674.1	655.4	+2.8% (+4.7%)*	1,891.3	1,760.7	+7.4% (+6.0%)*
Adjusted operating profit	226.7	228.3	-0.7% (+7.9%)*	676.8	653.4	+3.6% (+5.3%)*

Reference (billions of units, billions of JPY)

Total volume	141.3	139.2	+1.5%	410.6	402.0	+2.1%
Combustibles volume	139.0	137.3	+1.2%	404.2	396.0	+2.1%
RRP volume	2.3	2.0	+17.1%	6.5	6.0	+8.2%
RRP-related revenue	22.7	19.7	+15.0%	62.1	58.9	+5.6%

*At constant FX

Q3 2023

- **Core revenue and adjusted operating profit**

Core revenue increased by 2.8%, and by 4.7% at constant FX, driven by a solid strong price/mix variance of JPY 38.4 billion from the Western Europe and EMA clusters, offsetting a negative volume contribution of JPY 7.8 billion in the Asia and Western Europe clusters, and unfavorable currency movements. RRP-related revenue grew by 15.0%, driven by the double-digit RRP volume increase fueled by Ploom X.

Adjusted operating profit decreased by 0.7%, due to unfavorable currency movements. At constant FX, adjusted operating profit increased by 7.9% as the strong price/mix variance more than offset higher investments, partly related to the Ploom X geo-expansion, and the impact of inflation on costs.

- **Volume and market share¹**

Total volume increased by 1.5%, driven by solid growth in the EMA cluster, partially offset by impacts from lower industry volume in Asia and Western Europe. Volume in the combustibles category grew by 1.2%, fueled by continued market share gains and the performance of Winston (+9.1%) and Camel (+18.1%). In the RRP category, volume grew by 17.1%, driven by the continued share gains in Japan and the geo-expansion of Ploom X.

Market share increased in the key markets of Italy, Japan, the Philippines, Romania, Russia and Taiwan.

2023 YTD

- **Core revenue and adjusted operating profit**

Core revenue increased by 7.4%, and by 6.0% at constant FX, driven by a robust price/mix variance of JPY 108.7 billion from the Western Europe and EMA clusters as well as favorable currency movements, which more than offset a negative volume contribution of JPY 2.7 billion in the Western Europe cluster. RRP-related revenue grew by 5.6%, fueled by the RRP volume acceleration.

Adjusted operating profit increased by 3.6%, and by 5.3% at constant FX, driven by the solid price/mix variance, more than offsetting the impact of inflation and increased investment in the geo-expansion of Ploom X, and unfavorable currency movements.

- **Volume and market share¹**

Total volume increased by 2.1%, driven by growth in the Asia and EMA clusters, following continued market share gains, and favorable industry volume trends in selected markets. This more than offset a decline in Western Europe, due to lower industry volumes, notably in the UK. Combustibles volume increased by 2.1%, fueled by Winston (+8.1%) and Camel (+18.2%). RRP volume grew by 8.2%, and by 18.8% when excluding one-off unfavorable comparisons. This volume growth was fueled by HTS volume increasing by 46.5% in Japan and HTS volume contribution from European market launches. Ploom X is now available in Czech Republic, Greece, Hungary, Italy, Japan, Lithuania, Poland, Portugal, Romania, Switzerland and the UK.

Market share increased in the key markets of Italy, Japan, the Philippines, Romania, Russia and Taiwan.

Tobacco Business Performance Review by Cluster

Asia

(billions of JPY)	2023 YTD	2022 YTD	Variance
Core revenue	599.1	609.3	-1.7% (-2.6%)*
Adjusted operating profit	212.8	230.8	-7.8% (-7.2%)*

Reference (billions of units)

Total volume	96.0	95.8	+0.2%
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*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue decreased by 1.7%, as the positive volume contribution, mainly in Japan, and favorable currency movements, could not offset a negative price/mix variance, primarily in Japan. At constant FX, core revenue decreased by 2.6%.

Adjusted operating profit decreased by 7.8%, and by 7.2% at constant FX, due to the negative contribution from both volume and price/mix, partially offset by a favorable variance in costs.

- **Volume and market share¹**

Total and GFB volumes increased by 0.2% and 6.7%, respectively, mainly driven by the strong Camel growth in Bangladesh, Indonesia and Japan. Market share increased in Bangladesh, Cambodia, Japan, Malaysia, the Philippines, Singapore, South Korea and Taiwan.

- **By market^{1, 2}**

In Japan, total volume was up by 2.3%, driven by share gains in both combustibles and RRP which outperformed the industry volume and was mainly fueled by the increase of the RRP category (+11.7%). Total market share increased by 0.6ppt to 42.9%.

In combustibles, volume increased by 0.3%, driven by category share gains (+3.1ppt to 60.8%), fueled by Camel Craft, which more than offset the category volume contraction estimated at 4.8%. In RRP, a category estimated at 37.4% (shipment basis) of the total tobacco industry size, volume increased by 21.3% with RRP category share increasing 1.0ppt to 13.0%. Within the HTS segment, Ploom X grew volume by 46.5% and continued to gain share, reaching an HTS segment share of 9.8%, up by 2.2ppt. Core revenue decreased due to the negative price/mix variance, more than offsetting the favorable volume contribution.

In the Philippines, total volume declined by 5.1%, due to industry volume contraction following excise tax-led price increases. GFB volume increased by a strong 35.8%, fueled by Camel. Total market share grew an estimated 3.7ppt to 42.1%, also driven by Camel. Core revenue at constant FX increased, driven by a favorable price/mix contribution offsetting the negative volume variance.

In Taiwan, total and GFB volumes decreased by 3.7% and 4.4%, respectively, due to industry volume contraction, resulting from the gradual unwinding of COVID trends. Total market share increased 1.4ppt to 50.2%, driven by Winston and LD. Core revenue at constant FX decreased due to unfavorable volume and price/mix variances.

Western Europe

(billions of JPY)	2023 YTD	2022 YTD	Variance
Core revenue	467.6	413.4	+13.1% (+4.0%)*
Adjusted operating profit	210.0	193.2	+8.7% (+3.2%)*

Reference (billions of units)

Total volume	80.5	84.0	-4.2%
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*At constant FX

- Core revenue and adjusted operating profit**
Core revenue increased by 13.1%, driven by a positive price/mix contribution, mainly in France, Germany, Ireland, Spain, Sweden and the UK, and by favorable currency movements. These drivers more than offset the negative volume variance, primarily in the UK, despite gains in Italy and Portugal. At constant FX, core revenue increased by 4.0%.
Adjusted operating profit increased by 8.7%, as the revenue growth and favorable currency movements more than offset investments related to Ploom X geo-expansions. At constant FX, adjusted operating profit grew by 3.2%.
- Volume and market share¹**
Total and GFB volumes decreased by 4.2% and 0.3%, respectively, due to industry volume contraction across the cluster, most notably in the UK, despite continued market share gains in several markets. Market share increased in Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Portugal and Switzerland.
- By market^{1, 2}**
In Italy, total volume increased by 1.5%, and 1.3% when excluding inventory movements, driven by market share gains and the volume contribution from Ploom X. GFB volume grew by 0.6%, fueled by Winston. Total market share increased by 0.2ppt to 23.2%.
Core revenue at constant FX decreased as the favorable volume variance could not offset a negative price/mix contribution.

In Spain, total volume decreased by 2.2%, and 2.9% when excluding inventory movements, mainly due to industry contraction resulting from the stabilization of post-COVID trends. GFB volume decreased by 2.0%, and total market share was stable at 27.9%.
Core revenue at constant FX increased, driven by a favorable price/mix variance, more than offsetting a negative volume contribution.

In the UK, total volume declined by 19.2%, due to the large industry volume contraction, resulting mainly from excise tax-led price increases and the full unwinding of COVID trends in the first half. Total market share declined by 0.9ppt to 43.8%, despite Benson & Hedges gaining 0.9ppt of share. Core revenue at constant FX increased, as the negative volume variance was more than offset by a solid price/mix contribution.

EMA

(billions of JPY)	2023 YTD	2022 YTD	Variance
Core revenue	824.6	737.9	+11.7% (+14.3%)*
Adjusted operating profit	254.0	229.4	+10.7% (+19.6%)*

Reference (billions of units)

Total volume	234.1	222.2	+5.4%
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*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue increased by 11.7%, and by 14.3% at constant FX, driven by a positive volume variance, mainly in Egypt, Global Travel Retail, Iran and Turkey, and a robust price/mix contribution, including in Canada, Poland, Russia and Turkey. These drivers more than offset unfavorable currency movements.

Adjusted operating profit grew by 10.7%, as the revenue growth more than offset a higher costs variance and unfavorable currency movements. At constant FX, adjusted operating profit increased by 19.6%.

- **Volume and market share¹**

Total and GFB volumes increased by 5.4% and 10.6%, respectively, mainly driven by Azerbaijan, Brazil, Egypt, Iran, Turkey and the ongoing recovery in Global Travel Retail. Market share increased in Azerbaijan, Brazil, Canada, the Czech Republic, Iran, Jordan, Mexico, Romania, Russia, Saudi Arabia, South Africa and the USA.

- **By market^{1, 2}**

In Romania, total and GFB volumes increased by 4.0% and 19.8%, respectively, outperforming the industry volume growth. As part of the HTS geo-expansion plan, Ploom X was launched on October 2nd. Camel grew solid share in combustibles, driving total market share to 27.7%, up by 0.2ppt. Core revenue at constant FX increased, driven by the positive volume and price/mix contributions.

In Russia, total volume declined by 2.1%, and by 0.7% when excluding inventory movements, due to an industry volume³ contraction estimated at 2.4% and the discontinuation of Ploom S. GFB volume grew by 3.3%, fueled by total market share gains of 0.4ppt to 37.2%, led by Winston, Camel and Sobranie.

Core revenue at constant FX increased, driven by the positive price/mix contribution, more than offsetting the negative volume variance.

In Turkey, total volume grew by 15.6%, driven by a higher industry volume resulting from a favorable comparison to the prior year, an improved consumption and reduced illicit trade volume. GFB volume increased 16.3%, fueled by Winston, Camel and LD. Total market share decreased 0.8ppt to 27.1%,

despite gains from Winston.

Core revenue at constant FX grew, driven by favorable volume and price/mix contributions.

¹ Source: the figures for total tobacco market share are based on JT Group estimates on year-to-date average, unless otherwise specified, based on total tobacco figures (i.e. combustibles and heated tobacco products) at the end of September 2023. Year-to-date share of market growth for 2023 is calculated against year-to-date total tobacco shares of market at the end of the respective period in 2022. Brazil, Cambodia, Canada, France, Germany, Italy, Malaysia, Portugal, Romania, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Switzerland and Turkey are on a year-to-date average at the end of August 2023.

² From the first quarter of 2023 onward, the market share is computed based on combustibles and heated tobacco products (HTP) industry size for all key markets where the data is available. Prior to this disclosure, only the Japan and Russia markets were using this scope for market share. All other markets report combustibles market share.

³ Source: JT Group estimates based on a year-to-date average at the end of September 2023 for total tobacco data versus the same period last year.

Pharmaceutical Business

(billions of JPY)	Q3 2023	Q3 2022	Variance	2023 YTD	2022 YTD	Variance
Revenue	22.1	20.4	+1.8	69.8	59.7	+10.1
Adjusted operating profit	3.1	2.4	+0.7	13.1	7.3	+5.9

Q3 2023

- **Revenue and adjusted operating profit**

Revenue increased driven by top-line growth at our consolidated subsidiary, Torii Pharmaceutical, and the upside of overseas royalty income due to the Japanese yen depreciation.

Adjusted operating profit grew driven by an increase in revenue, which more than offset higher R&D expenditures.

2023 YTD

- **Revenue and adjusted operating profit**

Revenue increased due to one-time compensation gains from licensed compounds and top-line growth at our consolidated subsidiary, Torii Pharmaceutical.

Adjusted operating profit increased for the same reasons given for the third quarter.

Processed Food Business

(billions of JPY)	Q3 2023	Q3 2022	Variance	2023 YTD	2022 YTD	Variance
Revenue	38.1	39.3	-1.3	111.5	112.8	-1.3
Adjusted operating profit	1.7	0.4	+1.3	4.6	1.9	+2.8

Q3 2023

- **Revenue and adjusted operating profit**

Revenue decreased mainly due to the impact of revenue losses caused by the transfer of the bakery business, partially offset by a positive contribution from price revisions in the frozen and ambient foods business implemented in the previous and current fiscal years, as well as an increase of food-service products due to a recovery of eating out demand.

Adjusted operating profit increased driven by a positive contribution from price revisions implemented in the previous and current fiscal years and an increase in food-service products, offsetting the impact of further significant increases in raw material and other costs compared to the previous fiscal year.

2023 YTD

- **Revenue and adjusted operating profit**

Revenue was broadly stable year-on-year for the same reasons given for the third quarter.

Adjusted operating profit increased for the same reasons given for the third quarter.

FY2023 Revised Forecasts

Consolidated Forecasts

(billions of JPY)	2023 Revised Forecasts	2023 Previous Forecasts	Variance vs. Initial Forecasts	Variance vs. 2022 Results
Revenue	2,844.0	2,759.0	+85.0	+7.0%
Adjusted operating profit	721.0	683.0	+38.0	-0.9%
Operating profit	678.0	633.0	+45.0	+3.7%
Profit	464.0	457.0	+7.0	+4.8%
Free cash flow	503.0	478.0	+25.0	-
Core revenue at constant FX	2,700.0	2,637.0	+63.0	+5.6%
Adjusted operating profit at constant FX	764.0	730.0	+34.0	+5.0%
Basic EPS* (JPY)	261.39	257.46	+3.93	+4.8%

*Based on profit

- **Revenue**
Revenue forecast is revised upward by JPY 85.0 billion to JPY 2,844.0 billion, resulting in a 7.0% increase year-on-year, driven by upward revisions in the tobacco and pharmaceutical businesses, as well as revised currency assumptions.
- **Adjusted operating profit**
On a reported basis, adjusted operating profit is revised upward by JPY 38.0 billion to JPY 721.0 billion, resulting in a 0.9% decrease year-on-year, driven by upward revisions across all businesses, as well as revised currency assumptions.
Adjusted operating profit at constant FX is revised upward by JPY 34.0 billion to JPY 764.0 billion, resulting in a 5.0% increase year-on-year.
- **Operating profit and profit**
Operating profit is revised upward by JPY 45.0 billion to JPY 678.0 billion, resulting in a 3.7% increase year-on-year, driven by an upward revision in adjusted operating profit, as well as an increase in sales of real estate.
Profit is revised upward by JPY 7.0 billion to JPY 464.0 billion, resulting in a 4.8% increase year-on-year, driven by an upward revision in operating profit, partially offset by higher corporate income tax and increased financing costs.
- **Free cash flow**
Free cash flow is revised upward by JPY 25.0 billion to JPY 503.0 billion, driven by an upward revision in adjusted operating profit, partially offset by a deterioration of working capital.

Forecasts by Business Segment

Tobacco Business

(billions of JPY)	2023 Revised Forecasts	2023 Previous Forecasts	Variance vs. Previous Forecasts	Variance vs. 2022 Results
Core revenue	2,490.0	2,400.0	+90.0	+7.5% (+5.9%)*
Adjusted operating profit	747.0	710.0	+37.0	-0.9% (+4.8%)*

*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue forecast for the full year of 2023 is revised upward by JPY 90.0 billion, to reflect the stronger volume that has resulted from improved industry volume trends and continued share gains, robust pricing contributions, and a weaker-than-expected Japanese yen. Taking into account this solid underlying performance, core revenue is now expected to increase by 7.5%, and by 5.9% at constant FX, versus 2022.

Adjusted operating profit forecast for the full year of 2023 is revised upward by JPY 37.0 billion, mainly reflecting a weaker-than-expected Japanese yen. As a result, adjusted operating profit is now expected to decline by 0.9%. At constant FX, year-on-year, the adjusted operating profit variance is expected to increase by 4.8%, driven by the higher revenue. The revenue gains are expected to more than offset increased costs due to inflation and one-off impacts, such as the on-going business disruption in the Sudanese market, and the incremental investments made in part to support the geo-expansion of Ploom X.

- **Volume**

The forecast for total volume is revised upward to factor in the improved industry volume trends and market share gains experienced in the first nine months. Total volume is now expected to increase year-on-year by approximately 1.5%, supported by GFB volume expected to grow by 6.5%, fueled by Camel, and incremental RRP volume growth supported by the Ploom X geo-expansion.

Pharmaceutical Business

(billions of JPY)	2023 Revised Forecasts	2023 Previous Forecasts	Variance vs. Previous Forecasts	Variance vs. 2022 Results
Revenue	94.0	92.0	+2.0	+11.1
Adjusted operating profit	15.5	13.5	+2.0	+4.4

- **Revenue and adjusted operating profit**

Revenue is revised upward by JPY 2.0 billion, representing an increase of JPY 11.1 billion versus the previous year, reflecting an increase in revenue from Torii Pharmaceutical and an upswing in overseas royalty income due to the Japanese yen depreciation.

Adjusted operating profit is revised upward by JPY 2.0 billion due to an upward revision of revenue, representing an increase of JPY 4.4 billion versus the previous year.

Processed Food Business

(billions of JPY)	2023 Revised Forecasts	2023 Previous Forecasts	Variance vs. Previous Forecasts	Variance vs. 2022 Results
Revenue	153.0	155.0	-2.0	-2.5
Adjusted operating profit	6.0	5.5	+0.5	+2.5

- **Revenue and adjusted operating profit**

Revenue is revised downward by JPY 2.0 billion, representing a decrease of JPY 2.5 billion versus the previous year, factoring in lower sales of products for home use in the ambient foods business.

Adjusted operating profit is revised upward by JPY 0.5 billion, mainly driven by the refinement of utilities costs which more than offset the downward revision of revenue. As a results, adjusted operating profit is expected to grow by JPY 2.5 billion versus the previous year.

Data Sheets

Results for 2023 Third Quarter

1. Summary of consolidated results

(Unit: JPY billion)

	Q3 YTD 2023	Q3 YTD 2022	Variance (abs)	Variance (%)
Revenue	2,157.0	2,008.5	+148.5	+7.4%
Operating profit	631.8	579.3	+52.5	+9.1%
Adjusted operating profit	664.4	637.8	+26.5	+4.2%
Profit before income taxes	586.2	535.6	+50.6	+9.4%
Profit	442.0	403.8	+38.2	+9.5%
Basic EPS*(JPY)	249.01	227.53	+21.48	+9.4%

*Based on profit

[Reference]

(Unit: JPY billion)

	Q3 YTD 2023	Q3 YTD 2022	Variance (abs)	Variance (%)
Core revenue at constant FX	2,049.2	1,934.7	+114.5	+5.9%
Adjusted operating profit at constant FX	675.5	637.8	+37.7	+5.9%

2. Results by business segment

(Unit: JPY billion)

	Q3 YTD 2023	Q3 YTD 2022	Variance (abs)	Variance (%)
Consolidated revenue	2,157.0	2,008.5	+148.5	+7.4%
Tobacco	1,974.5	1,834.5	+140.0	+7.6%
Core revenue	1,891.3	1,760.7	+130.6	+7.4%
Pharmaceutical	69.8	59.7	+10.1	+17.0%
Processed food	111.5	112.8	-1.3	-1.2%
Others	1.2	1.5	-0.3	-22.5%
Consolidated operating profit	631.8	579.3	+52.5	+9.1%
Tobacco	631.3	594.1	+37.2	+6.3%
Pharmaceutical	13.1	7.3	+5.9	+80.5%
Processed food	5.5	0.7	+4.8	+661.2%
Others/Elimination	-18.0	-22.7	+4.7	-
Adjustments, total	-32.5	-58.5	+26.0	
Tobacco	-45.6	-59.4	+13.8	
Pharmaceutical	-	-	-	
Processed food	0.9	-1.1	+2.0	
Others/Elimination	12.2	2.1	+10.1	
Consolidated adjusted operating profit	664.4	637.8	+26.5	+4.2%
Tobacco	676.8	653.4	+23.4	+3.6%
Pharmaceutical	13.1	7.3	+5.9	+80.5%
Processed food	4.6	1.9	+2.8	+150.1%
Others/Elimination	-30.2	-24.8	-5.5	-

Results for 2023 Third Quarter

3. Depreciation and amortization*

(Unit: JPY billion)

	Q3 YTD 2023	Q3 YTD 2022	Variance (abs)
Consolidated depreciation and amortization	112.5	135.0	-22.5
Tobacco	103.9	125.1	-21.2
Pharmaceutical	3.0	3.6	-0.7
Processed food	4.8	4.9	-0.2
Others/Elimination	0.8	1.3	-0.5

*Excluding depreciation from lease transactions

4. Consolidated financial position

(Unit: JPY billion)

	2023 Sep. end	2022 Dec. end	Variance (abs)
Total assets	7,101.5	6,548.1	+553.4
Total equity	4,001.6	3,616.8	+384.9
Equity attributable to owners of the parent company	3,919.1	3,540.4	+378.6
BPS (attributable to owners of the parent company) (JPY)	2,207.55	1,994.78	+212.77

5. Liquidity and interest-bearing debt

(Unit: JPY billion)

	2023 Sep. end	2022 Dec. end	Variance (abs)
Liquidity	928.8	880.4	+48.5
Interest-bearing debt	1,014.0	958.3	+55.7

6. Consolidated cash flow

(Unit: JPY billion)

	Q3 YTD 2023	Q3 YTD 2022	Variance (abs)
Cash flows from operating activities	490.4	343.6	+146.8
Cash flows from investing activities	-104.0	-70.0	-34.1
Cash flows from financing activities	-413.7	-357.4	-56.4
Cash and cash equivalents, beginning of the period	866.9	721.7	+145.2
Foreign currency translation adj. on cash & cash equivalents	29.5	140.5	-110.9
Cash and cash equivalents, end of the period	869.0	778.5	+90.6
FCF	420.3	279.5	+140.8

7. Capital expenditures

(Unit: JPY billion)

	Q3 YTD 2023	Q3 YTD 2022	Variance (abs)
Consolidated capital expenditures	78.4	59.6	+18.8
Tobacco	66.3	46.8	+19.5
Pharmaceutical	6.3	2.1	+4.2
Processed food	3.8	6.4	-2.6
Others/Elimination	1.9	4.3	-2.3

8. FX actual

	Q3 YTD 2023	Q3 YTD 2022	Variance (abs)	Variance (%)
100YEN/USD	0.72	0.78	-0.06	+7.7%
100YEN/RUB	59.67	56.03	+3.64	-6.1%
100YEN/GBP	0.58	0.62	-0.04	+6.7%
100YEN/EUR	0.67	0.74	-0.07	+9.9%
100YEN/CHF	0.65	0.75	-0.09	+13.9%
100YEN/TWD	22.40	22.89	-0.49	+2.2%
100YEN/TRY*	18.28	12.78	5.50	-30.1%
100YEN/PHP	40.20	41.88	-1.68	+4.2%

*In accordance with the requirements stipulated in IAS 29, the closing currency rates for the month ended September 2023 and 2022 have been applied when converting financial statements for subsidiaries located in hyperinflationary economies to the Japanese yen.

FY2023 Revised Forecasts (as of October 31, 2023)

1. Summary of consolidated forecasts

(Unit: JPY billion)

	FY2023 Revised Forecasts	FY2022 Results	Variance (abs)	Variance (%)
Revenue	2,844.0	2,657.8	+186.2	+7.0%
Operating profit	678.0	653.6	+24.4	+3.7%
Adjusted operating profit	721.0	727.8	-6.8	-0.9%
Profit	464.0	442.7	+21.3	+4.8%

[Reference]

(Unit: JPY billion)

	FY2023 Revised Forecasts	FY2022 Results	Variance (abs)	Variance (%)
Core revenue at constant FX	2,700.0	2,555.7	+144.3	+5.6%
Adjusted operating profit at constant FX	764.0	727.8	+36.2	+5.0%

2. EPS, DPS, ROE

(Unit: JPY)

	FY2023 Revised Forecasts	FY2022 Results	Variance (abs)	Variance (%)
Basic EPS*	261.39	249.45	+11.93	+4.8%
DPS	188	188	-	-
ROE*	12.6%	13.9%	-1.4ppt	

*Based on profit

3. Forecasts by business segment

(Unit: JPY billion)

	FY2023 Revised Forecasts	FY2022 Results	Variance (abs)	Variance (%)
Consolidated revenue	2,844.0	2,657.8	+186.2	+7.0%
Tobacco	2,595.0	2,417.4	+177.6	+7.3%
Core revenue	2,490.0	2,315.2	+174.8	+7.5%
Pharmaceutical	94.0	82.9	+11.1	+13.4%
Processed food	153.0	155.5	-2.5	-1.6%
Others	2.0	2.0	+0.0	+1.2%
Consolidated operating profit	678.0	653.6	+24.4	+3.7%
Tobacco	687.0	679.4	+7.6	+1.1%
Pharmaceutical	15.5	11.1	+4.4	+39.1%
Processed food	7.0	4.2	+2.8	+67.8%
Others/Elimination	-31.5	-41.1	+9.6	-
Consolidated adjusted operating profit	721.0	727.8	-6.8	-0.9%
Tobacco	747.0	754.0	-7.0	-0.9%
Pharmaceutical	15.5	11.1	+4.4	+39.1%
Processed food	6.0	3.5	+2.5	+71.0%
Others/Elimination	-47.5	-40.9	-6.6	-

FY2023 Revised Forecasts (as of October 31, 2023)

4. Free cash flow

(Unit: JPY billion)

	FY2023 Revised Forecasts	FY2022 Results	Variance (abs)
FCF	503.0	382.9	+120.1

5. Capital expenditures

(Unit: JPY billion)

	FY2023 Revised Forecasts	FY2022 Results	Variance (abs)
Consolidated capital expenditures	123.5	101.0	+22.5
Tobacco	102.0	83.8	+18.2
Pharmaceutical	8.0	2.4	+5.6
Processed food	6.5	8.2	-1.7
Others/Elimination	7.0	6.6	+0.4

6. Assumptions of 2023 Forecasts

Tobacco business

- Total volume: an increase of approx. 1.5% (vs. 527.3 BnU in 2022)
- GFB volume: an increase of approx. 6.5% (vs. 362.4 BnU in 2022)

<FX assumptions>

	FY2023 Revised Forecasts	FY2022 Results	Variance (abs)	Variance (%)
100YEN/USD	0.72	0.76	-0.04	+5.5%
100YEN/RUB	61.60	53.06	+8.54	-13.9%
100YEN/GBP	0.57	0.62	-0.05	+8.4%
100YEN/EUR	0.66	0.73	-0.07	+9.9%
100YEN/CHF	0.64	0.73	-0.09	+14.0%
100YEN/TWD	22.27	22.72	-0.45	+2.0%
100YEN/PHP	39.75	41.55	-1.80	+4.5%

FY2023 Revised Forecasts vs Previous Forecasts (as of October 31, 2023)

1. Summary of consolidated forecasts

(Unit: JPY billion)

	FY2023 Revised Forecasts	FY2023 Previous Forecasts	Variance (abs)	Variance (%)
Revenue	2,844.0	2,759.0	+85.0	+3.1%
Operating profit	678.0	633.0	+45.0	+7.1%
Adjusted operating profit	721.0	683.0	+38.0	+5.6%
Profit	464.0	457.0	+7.0	+1.5%

[Reference]

(Unit: JPY billion)

	FY2023 Revised Forecasts	FY2023 Previous Forecasts	Variance (abs)	Variance (%)
Core revenue at constant FX	2,700.0	2,637.0	+63.0	+2.4%
Adjusted operating profit at constant FX	764.0	730.0	+34.0	+4.7%

2. EPS, DPS, ROE

(Unit: JPY)

	FY2023 Revised Forecasts	FY2023 Previous Forecasts	Variance (abs)	Variance (%)
Basic EPS*	261.39	257.46	+3.93	+1.5%
DPS	188	188	-	-
ROE*	12.6%	12.5%	+0.1ppt	

*Based on profit

3. Forecasts by business segment

(Unit: JPY billion)

	FY2023 Revised Forecasts	FY2023 Previous Forecasts	Variance (abs)	Variance (%)
Consolidated revenue	2,844.0	2,759.0	+85.0	+3.1%
Tobacco	2,595.0	2,510.0	+85.0	+3.4%
Core revenue	2,490.0	2,400.0	+90.0	+3.8%
Pharmaceutical	94.0	92.0	+2.0	+2.2%
Processed food	153.0	155.0	-2.0	-1.3%
Others	2.0	2.0	-	-
Consolidated operating profit	678.0	633.0	+45.0	+7.1%
Tobacco	687.0	650.0	+37.0	+5.7%
Pharmaceutical	15.5	13.5	+2.0	+14.8%
Processed food	7.0	6.0	+1.0	+16.7%
Others/Elimination	-31.5	-36.5	+5.0	-
Consolidated adjusted operating profit	721.0	683.0	+38.0	+5.6%
Tobacco	747.0	710.0	+37.0	+5.2%
Pharmaceutical	15.5	13.5	+2.0	+14.8%
Processed food	6.0	5.5	+0.5	+9.1%
Others/Elimination	-47.5	-46.0	-1.5	-

**FY2023 Revised Forecasts
vs Previous Forecasts
(as of October 31, 2023)**

4. Free cash flow

(Unit: JPY billion)

	FY2023 Revised Forecasts	FY2023 Previous Forecasts	Variance (abs)
FCF	503.0	478.0	+25.0

5. Capital expenditures

(Unit: JPY billion)

	FY2023 Revised Forecasts	FY2023 Previous Forecasts	Variance (abs)
Consolidated capital expenditures	123.5	131.0	-7.5
Tobacco	102.0	110.0	-8.0
Pharmaceutical	8.0	8.0	-
Processed food	6.5	6.5	-
Others/Elimination	7.0	6.5	+0.5

6. Revised assumptions of 2023 Forecast

Tobacco business	Revised Forecasts	Previous Forecasts
Total volume	an increase of approx. 1.5%	a decrease of approx. 1.0%
GFB volume	an increase of approx. 6.5%	an increase of approx. 3.0%

<FX assumptions>

	FY2023 Revised Forecasts	FY2023 Previous Forecasts	Variance (abs)	Variance (%)
100YEN/USD	0.72	0.73	-0.01	+1.4%
100YEN/RUB	61.60	58.80	+2.80	-4.5%
100YEN/GBP	0.57	0.59	-0.02	+3.5%
100YEN/EUR	0.66	0.66	-	-
100YEN/CHF	0.64	0.65	-0.01	+1.6%
100YEN/TWD	22.27	22.04	+0.23	-1.0%
100YEN/PHP	39.75	40.50	-0.75	+1.9%

Tobacco Business Data

1. Summary

2023	Q1	Q2	Q3	Q4	YTD	
Total volume	130.2	139.2	141.3		410.6	BNU
(vs. PY)	+1.3%	+3.7%	+1.5%		+2.1%	
Combustibles volume	128.2	137.0	139.0		404.2	BNU
(vs.PY)	+1.2%	+3.7%	+1.2%		+2.1%	
GFB volume	91.0	101.5	103.0		295.5	BNU
(vs.PY)	+4.2%	+10.5%	+7.7%		+7.5%	
RRP volume	2.0	2.1	2.3		6.5	BNU
(vs.PY)	+3.0%	+4.7%	+17.1%		+8.2%	
Core revenue	579.1	638.1	674.1		1,891.3	JPY BN
(vs. PY)	+15.3%	+5.8%	+2.8%		+7.4%	
	(+6.3%)*	(+7.3%)*	(+4.7%)*		(+6.0%)*	
RRP-related revenue	20.3	19.2	22.7		62.1	JPY BN
(vs.PY)	+6.4%	-4.4%	+15.0%		+5.6%	
Adjusted operating profit	225.1	225.0	226.7		676.8	JPY BN
(vs. PY)	+14.1%	-1.2%	-0.7%		+3.6%	
	(+4.6%)*	(+3.2%)*	(+7.9%)*		(+5.3%)*	

*at constant FX

2. Breakdown of core revenue

(JPY BN)

	Q1	Q2	Q3	Q4	YTD
2022	502.0	603.2	655.4		1,760.7
Volume	-0.5	+5.6	-7.8		-2.7
Price/Mix	+32.1	+38.1	+38.4		+108.7
2023@PY	533.6	647.0	686.1		1,866.7
FX	+45.5	-8.9	-12.0		+24.6
2023	579.1	638.1	674.1		1,891.3

3. Breakdown of adjusted operating profit

(JPY BN)

	Q1	Q2	Q3	Q4	YTD
2022	197.3	227.8	228.3		653.4
Volume	-3.0	-6.4	-10.2		-19.6
Price/Mix	+32.4	+33.5	+35.4		+101.3
Others	-20.3	-19.7	-7.2		-47.2
2023@PY	206.5	235.2	246.3		688.0
FX	+18.6	-10.1	-19.6		-11.1
2023	225.1	225.0	226.7		676.8

Tobacco Business Data

4. Contribution by cluster (vs. PY)

Sales Volume (BNU)

Asia	Q1 2023		Q2 2023		Q3 2023		Q4 2023	YTD	
Total volume	32.1	+2.1%	31.4	-1.1%	32.6	-0.3%		96.0	+0.2%
GFB volume	20.4	+9.1%	20.5	+6.7%	21.4	+4.7%		62.3	+6.7%
<hr/>									
Western Europe	Q1 2023		Q2 2023		Q3 2023		Q4 2023	YTD	
Total volume	26.1	-5.2%	27.4	-3.3%	27.0	-4.1%		80.5	-4.2%
GFB volume	18.3	-2.1%	19.4	+0.1%	19.2	+0.9%		56.9	-0.3%
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EMA	Q1 2023		Q2 2023		Q3 2023		Q4 2023	YTD	
Total volume	72.0	+3.4%	80.4	+8.4%	81.7	+4.2%		234.1	+5.4%
GFB volume	52.3	+4.7%	61.5	+15.7%	62.4	+11.2%		176.2	+10.6%

Financials (JPY BN)

Asia	Q1 2023		Q2 2023		Q3 2023		Q4 2023	YTD	
Core revenue	196.2	+1.7%	196.4	-5.3%	206.5	-1.1%		599.1	-1.7%
		(-1.0%)*		(-5.4%)*		(-1.3%)*			(-2.6%)*
AOP	75.8	+0.2%	69.3	-14.2%	67.7	-8.9%		212.8	-7.8%
		(+0.5%)*		(-14.1%)*		(-7.6%)*			(-7.2%)*
<hr/>									
Western Europe	Q1 2023		Q2 2023		Q3 2023		Q4 2023	YTD	
Core revenue	140.5	+12.2%	162.5	+13.9%	164.6	+13.1%		467.6	+13.1%
		(+4.7%)*		(+6.2%)*		(+1.2%)*			(+4.0%)*
AOP	64.7	+5.8%	73.1	+9.1%	72.1	+10.9%		210.0	+8.7%
		(+3.3%)*		(+4.6%)*		(+1.7%)*			(+3.2%)*
<hr/>									
EMA	Q1 2023		Q2 2023		Q3 2023		Q4 2023	YTD	
Core revenue	242.4	+31.8%	279.2	+10.4%	303.0	+0.6%		824.6	+11.7%
		(+15.1%)*		(+18.2%)*		(+10.5%)*			(+14.3%)*
AOP	84.6	+40.0%	82.6	+3.2%	86.9	-2.4%		254.0	+10.7%
		(+11.3%)*		(+19.6%)*		(+25.3%)*			(+19.6%)*

*at constant FX

Tobacco Business Data

5. Breakdown of core revenue by cluster

(JPY BN)

Asia	Q1	Q2	Q3	Q4	YTD
2022	192.9	207.5	208.9		609.3
Volume	+4.4	+0.2	-2.4		+2.3
Price/Mix	-6.4	-11.4	-0.3		-18.2
2023@PY	190.9	196.3	206.1		593.4
FX	+5.2	+0.1	+0.3		+5.7
2023	196.2	196.4	206.5		599.1
Western Europe					
	Q1	Q2	Q3	Q4	YTD
2022	125.2	142.7	145.5		413.4
Volume	-8.6	-9.4	-11.1		-29.1
Price/Mix	+14.5	+18.2	+12.9		+45.5
2023@PY	131.1	151.5	147.3		429.8
FX	+9.4	+11.0	+17.4		+37.8
2023	140.5	162.5	164.6		467.6
EMA					
	Q1	Q2	Q3	Q4	YTD
2022	183.9	253.0	301.0		737.9
Volume	+3.6	+14.8	+5.7		+24.1
Price/Mix	+24.1	+31.4	+25.9		+81.4
2023@PY	211.6	299.2	332.7		843.5
FX	+30.8	-20.0	-29.7		-18.9
2023	242.4	279.2	303.0		824.6

6. Breakdown of adjusted operating profit by cluster

(JPY BN)

Asia	Q1	Q2	Q3	Q4	YTD
2022	75.7	80.7	74.3		230.8
Volume	+3.7	-6.0	-1.5		-3.8
Price/Mix	-6.2	-10.8	-0.7		-17.7
Others	+2.9	+5.4	-3.5		+4.8
2023@PY	76.1	69.4	68.6		214.1
FX	-0.2	-0.1	-1.0		-1.3
2023	75.8	69.3	67.7		212.8
Western Europe					
	Q1	Q2	Q3	Q4	YTD
2022	61.2	67.0	65.0		193.2
Volume	-9.9	-6.9	-10.7		-27.5
Price/Mix	+16.0	+15.0	+12.2		+43.2
Others	-4.1	-5.0	-0.4		-9.5
2023@PY	63.2	70.1	66.1		199.5
FX	+1.5	+3.0	+6.0		+10.5
2023	64.7	73.1	72.1		210.0
EMA					
	Q1	Q2	Q3	Q4	YTD
2022	60.4	80.0	89.0		229.4
Volume	+3.2	+6.4	+2.0		+11.7
Price/Mix	+22.7	+29.3	+23.8		+75.8
Others	-19.1	-20.0	-3.4		-42.4
2023@PY	67.2	95.7	111.5		274.4
FX	+17.3	-13.1	-24.7		-20.4
2023	84.6	82.6	86.9		254.0

Tobacco Business Data

7. GFB volume by brand (vs. PY)

(BNU)

2023	Q1	Q2	Q3	Q4	YTD
Winston	46.2	52.8	53.0		152.0
	+3.2%	+11.8%	+9.1%		+8.1%
Camel	23.2	25.6	27.2		76.0
	+15.1%	+21.3%	+18.1%		+18.2%
MEVIUS	10.8	11.3	11.4		33.5
	-0.4%	-1.1%	-1.9%		-1.2%
LD	10.8	11.8	11.4		34.0
	-6.8%	-2.4%	-7.8%		-5.7%

8. FX actual (vs. PY)

2023	Q1	Q2	Q3	Q4	YTD
100JPY/USD	0.76	0.73	0.67		0.72
	+13.8%	+5.3%	-1.1%		+7.7%
100JPY/RUB	54.96	58.98	67.08		59.67
	+34.2%	-12.9%	-52.6%		-6.1%
100JPY/GBP	0.62	0.58	0.53		0.58
	+3.0%	+5.4%	+14.1%		+6.7%
100JPY/EUR	0.70	0.67	0.62		0.67
	+8.8%	+8.2%	+12.7%		+9.9%
100JPY/CHF	0.70	0.65	0.59		0.65
	+13.6%	+13.7%	+14.4%		+13.9%
100JPY/TWD	22.96	22.33	21.59		22.40
	+4.7%	+1.5%	-1.5%		+2.2%
100JPY/TRY	*	*	*		*
100JPY/PHP	41.43	40.48	38.21		40.20
	+6.9%	+0.2%	+1.8%		+4.2%

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

In accordance with the requirements stipulated in IAS 29, the closing currency rates for the end of September 2023 have been applied when converting financial statements for subsidiaries located in hyperinflationary economies to the Japanese yen (100JPY/TRY: 18.28 reference: 100JPY/USD: 0.67)

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 September 2023.

Italy, Romania, Russia, Spain and Turkey are on a year-to-date average at the end of August 2023.

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

Japan

Volume evolution

	(BNU)				
2023	Q1	Q2	Q3	Q4	YTD
Total volume	15.1	16.1	16.5		47.6
	+4.5%	+2.1%	+0.6%		+2.3%
Combustibles volume	13.4	14.3	14.5		42.2
	+2.6%	+0.3%	-1.8%		+0.3%
RRP volume	1.7	1.8	1.9		5.4
	+22.4%	+19.1%	+22.6%		+21.3%
HTS volume	1.2	1.3	1.5		3.9
	+51.8%	+41.8%	+46.5%		+46.5%

Share evolution

2023	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	42.7%	42.8%	43.1%		42.9%	+0.6ppt
Combustibles SoM	38.0%	38.1%	38.0%		38.0%	-0.2ppt
GFB (SoM)	26.5%	26.6%	26.6%		26.6%	+0.5ppt
Winston (SoM)	3.9%	3.8%	3.8%		3.8%	-0.6ppt
MEVIUS (SoM)	16.8%	16.7%	16.4%		16.7%	-1.0ppt
Seven Stars (SoM)	4.7%	4.7%	4.7%		4.7%	-0.1ppt
Camel (SoM)	5.9%	6.0%	6.4%		6.1%	+2.1ppt
RRP SoM*	4.8%	4.7%	5.1%		4.9%	+0.8ppt
HTS SoS	9.3%	9.5%	10.5%		9.8%	+2.2ppt
Total SoV	42.8%	42.9%	43.2%		43.0%	+0.0ppt

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

The Philippines*

Volume evolution

	(BNU)				
2023	Q1	Q2	Q3	Q4	YTD
Total volume	6.9	5.4	5.9		18.1
	+0.0%	-10.0%	-6.0%		-5.1%

Share evolution

2023	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	40.7%	42.4%	43.2%		42.1%	+3.7ppt
GFB (SoM)	18.5%	20.9%	21.9%		20.4%	+6.0ppt
Winston (SoM)	11.4%	11.8%	11.7%		11.6%	-0.0ppt
Camel (SoM)	7.1%	9.0%	10.2%		8.7%	+6.0ppt
Total SoV	38.0%	39.5%	40.6%		39.3%	+3.0ppt

*Data for SoM and SoV includes combustibles only

Taiwan*

Volume evolution

	(BNU)				
2023	Q1	Q2	Q3	Q4	YTD
Total volume	3.5	3.4	3.5		10.5
	-1.7%	-3.6%	-5.6%		-3.7%

Share evolution

2023	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM	50.0%	50.2%	50.5%		50.2%	+1.4ppt
GFB (SoM)	40.8%	41.0%	41.2%		41.0%	+0.9ppt
Winston (SoM)	14.1%	14.4%	14.6%		14.4%	+0.5ppt
LD (SoM)	7.7%	7.8%	7.9%		7.8%	+0.3ppt
MEVIUS (SoM)	18.9%	18.8%	18.7%		18.8%	-0.0ppt
Total SoV	54.0%	54.2%	54.1%		54.1%	+1.1ppt

*Data for SoM and SoV includes combustibles only

Tobacco Business Data

Italy

Volume evolution

		(BNU)				
	2023	Q1	Q2	Q3	Q4	YTD
Total volume		4.8	4.8	5.0		14.7
		+1.3%	+1.9%	+1.2%		+1.5%

Share evolution

	2023	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM		23.1%	23.0%	23.6%		23.2%	+0.2ppt
GFB (SoM)		19.4%	19.1%	19.8%		19.4%	+0.2ppt
Winston (SoM)		12.7%	12.3%	13.0%		12.6%	+0.4ppt
Camel (SoM)		6.6%	6.8%	6.9%		6.8%	-0.2ppt
Total SoV		23.0%	22.8%	23.4%		23.0%	+0.2ppt

Spain

Volume evolution

		(BNU)				
	2023	Q1	Q2	Q3	Q4	YTD
Total volume		3.7	4.1	3.7		11.6
		-6.2%	-4.6%	+5.1%		-2.2%

Share evolution

	2023	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM		27.9%	28.1%	27.5%		27.9%	-0.0ppt
GFB (SoM)		25.8%	25.3%	25.4%		25.5%	-0.0ppt
Winston (SoM)		14.7%	14.3%	13.9%		14.3%	+0.1ppt
Camel (SoM)		11.0%	11.0%	11.4%		11.1%	-0.1ppt
Total SoV		27.7%	28.0%	27.3%		27.7%	+0.1ppt

The UK

Volume evolution

		(BNU)				
	2023	Q1	Q2	Q3	Q4	YTD
Total volume		4.0	3.9	3.8		11.7
		-17.1%	-18.2%	-22.1%		-19.2%

Share evolution

	2023	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM		44.3%	43.5%	43.5%		43.8%	-0.9ppt
GFB (SoM)		0.1%	0.1%	0.1%		0.1%	-0.0ppt
Amber Leaf (SoM)		10.4%	10.0%	9.9%		10.1%	-1.0ppt
Sterling (SoM)		12.9%	12.2%	11.7%		12.3%	-1.2ppt
Benson & Hedges (SoM)		11.2%	11.4%	11.8%		11.4%	+0.9ppt
Total SoV		45.0%	44.6%	44.3%		44.6%	-0.8ppt

Tobacco Business Data

Romania

Volume evolution

		(BNU)				
	2023	Q1	Q2	Q3	Q4	YTD
Total volume		1.7	1.9	2.1		5.7
		+5.7%	+4.1%	+2.7%		+4.0%

Share evolution

	2023	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM		27.8%	27.6%	27.7%		27.7%	+0.2ppt
GFB (SoM)		17.6%	17.7%	18.0%		17.8%	+2.0ppt
Wisnton (SoM)		12.3%	12.0%	11.9%		12.1%	-1.7ppt
Camel (SoM)		5.0%	5.6%	6.0%		5.5%	+4.2ppt
Total SoV		28.4%	28.3%	28.4%		28.4%	+0.0ppt

Russia

Volume evolution

		(BNU)				
	2023	Q1	Q2	Q3	Q4	YTD
Total volume		17.6	20.0	21.0		58.6
		-4.5%	+2.4%	-4.0%		-2.1%

Share evolution

	2023	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM		36.5%	37.4%	37.7%		37.2%	+0.4ppt
GFB (SoM)		27.7%	29.3%	30.1%		29.0%	+1.5ppt
Winston (SoM)		11.8%	12.9%	13.4%		12.7%	+0.7ppt
Camel (SoM)		8.2%	8.5%	8.8%		8.5%	+0.8ppt
LD (SoM)		7.5%	7.8%	7.8%		7.7%	+0.0ppt
Total SoV		37.7%	38.6%	38.8%		38.3%	+0.7ppt

Turkey *

Volume evolution

		(BNU)				
	2023	Q1	Q2	Q3	Q4	YTD
Total volume		7.2	10.8	9.4		27.4
		+7.7%	+23.1%	+14.1%		+15.6%

Share evolution

	2023	Q1	Q2	Q3	Q4	YTD	Var.
Total SoM		27.2%	27.1%	26.9%		27.1%	-0.8ppt
GFB (SoM)		25.0%	24.9%	24.7%		24.9%	-0.6ppt
Wisnton (SoM)		17.2%	17.2%	17.2%		17.2%	+0.3ppt
Came (SoM)		5.7%	5.5%	5.4%		5.5%	-0.7ppt
LD (SoM)		2.1%	2.1%	2.1%		2.1%	-0.2ppt
Total SoV		26.5%	26.3%	26.3%		26.4%	-0.8ppt

*Data for SoM and SoV includes RMC only

Pharmaceutical Business

Clinical Development as of October 31, 2023

<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.	Phase1 (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.	
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.	

Updates since the previous announcement on July 31, 2023

- JTE-061 : Filed New Drug Application of JTE-061(tapinarof) cream for the treatment of atopic dermatitis and plaque psoriasis in Japan (September 15, 2023)
- JTE-061 (Atopic dermatitis(pediatric)/Topical) : advanced to Phase3 in Japan
- delgocitinib : JT's license partner LEO Pharma announced that the European Medicines Agency accepts Marketing Authorization Application for delgocitinib cream (August 17, 2023)

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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