



Tokyo, February 13, 2025

## **2024 Earnings Report**

### **FY2024 Highlights (vs. FY2023)**

- Revenue increased by 10.9% to JPY 3,149.8 billion
- Core revenue at constant FX increased by 8.4% to JPY 2,958.4 billion
- Adjusted operating profit at constant FX increased by 7.5% to JPY 782.7 billion
- On a reported basis, adjusted operating profit increased by 3.3% to JPY 751.9 billion
- Operating profit increased by 3.7% to JPY 697.2 billion
- Profit decreased by 3.9% to JPY 463.4 billion
- Free cash flow decreased by JPY 273.2 billion to JPY 170.5 billion
- The Company plans to pay an annual dividend per share of JPY 194 (a dividend payout ratio of 74.3%)

### **FY2025 Forecasts (vs. FY2024)**

- Revenue is forecast to increase by 3.9% to JPY 3,273.0 billion
- Core revenue at constant FX is forecast to increase by 6.6% to JPY 3,232.0 billion
- Adjusted operating profit at constant FX is forecast to increase by 8.4% to JPY 815.0 billion
- On a reported basis, adjusted operating profit is forecast to decrease by 2.2% to JPY 735.0 billion
- Operating profit is forecast to decrease by 3.8% to JPY 671.0 billion
- Profit is forecast to decrease by 2.9% to JPY 450.0 billion
- Free cash flow is forecast to increase by JPY 177.5 billion to JPY 348.0 billion
- The Company plans to offer an annual dividend per share of JPY 194 (a dividend payout ratio of 76.5%)

Please refer to 'Data Sheets' on page 16 for more financial figures.

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

“ I am pleased to report that the 2024 JT Group performance reached record highs in revenue and adjusted operating profit, despite the challenges across our operating environment. Adjusted operating profit at constant FX, our main indicator, increased by 7.5%.

In the Tobacco business, the JT Group's profit growth engine, performance was driven by solid pricing in combustibles. In addition, we are making steady progress towards our 2028 ambitions for the RRP business. The geographic expansion of HTS, our priority investment, reached 24 markets at the end of 2024. We have grown HTS segment share in each market, and in Japan, the largest HTS market, our share reached 12.6% in the last quarter. The overall solid results were also supported by the successful acquisition of Vector Group Ltd. in October 2024.

Taking into consideration our shareholders return policy, we plan to pay an annual dividend of 194 yen per share for FY2024.

In our Business Plan 2025, covering 2025 to 2027, we aim to continue to improve the return on investment (ROI) in combustibles by growing revenue through pricing and market share gains, while strengthening profitability. In RRP, we expect to see a favorable contribution to earnings during the current business plan period, despite intensified investment in the HTS category.

Over the next three-year period, we expect adjusted operating profit at constant FX to increase by an average compound annual growth rate in the high single digits. And we intend to continue providing incremental value to our 4S model\* stakeholders over the mid- to long-term. We plan to steadily grow the dividend in line with our shareholders return policy, which targets a dividend payout ratio of 75%.

Amid increasing uncertainty and complexity in the operating environment, the JT Group will continue to work as one team in accordance with the 4S model, our management principle, to achieve our business plan. We will also make continuous efforts to bring to life the 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](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 in a situation where discontinuous changes are occurring on various scales in nature, society, and individuals, as well as the uncertainty and complexity in the operating environment is increasing. 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**

An investors’ meeting with members of the investor community will be held on February 14, 2025 at 5:00pm Tokyo time. An on-demand audio recording of this conference will be available on our website ([https://www.jt.com/investors/results/presentation\\_financial](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/>).

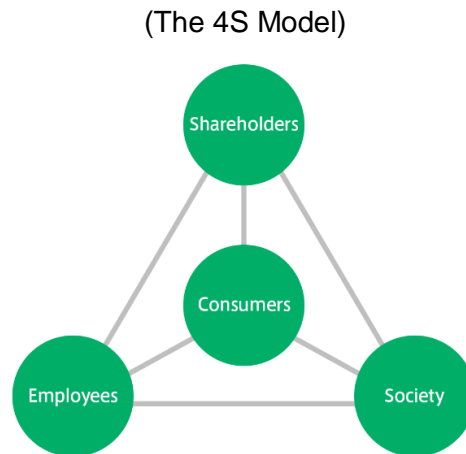
#### **Note on Hyperinflationary Adjustments**

The results for fiscal year 2023 and fiscal year 2024 as well as the forecasts for fiscal year 2025 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 Q4 2024, the impacts of the hyperinflationary accounting and hyperinflation include those in Ethiopia, Iran, Sudan and Turkey.

## Business Plan 2025

- **Our Management Principle: To pursue the 4S model**

Under the 4S model, we strive to fulfill our responsibilities to our valued consumers, shareholders, employees and the wider society, carefully considering the respective interests of these four key stakeholder groups, and exceeding their expectations wherever we can. The 4S model has allowed us to achieve sustainable profit growth in the past years and this model will continue to increase our value in the mid-to long-term.



- **JT Group Purpose**

## Fulfilling Moments, Enriching Life

We at JT Group have always been a part of moments that foster a more enriching life.

Regardless of the changing times, from advances in science and technology to diversifying values, we will continue to cherish a life that finds fulfillment in the moment.

The times we accept our true selves. The times we share the joy with loved ones, and the times we lift each other up. These strings of moments add to the beautiful days that make up a wonderful life. And we hope that these make a better society, a better world, and even a better future.

These were the times we shared over the years.

JT Group will take these fulfilling moments to the next level.

We will continue enriching lives through our businesses and endeavors with our growing customers and partners.

JT Group will do everything it can to make the world say that today is another good day.

- **Mid- to Long-Term Target**

- Achieve mid to high single digit compounded annual growth rate of consolidated adjusted operating profit at constant FX.

- **Resource Allocation Policy**

- **The 4S model guides our resource allocation**

- Prioritize business investments<sup>1</sup> for sustainable profit growth in the mid-to long-term.
- Strike a balance between profit growth through business investments and shareholder returns.

- **Shareholder Return Policy**

- Aim to enhance shareholder returns by realizing the Company's mid- to long-term profit growth, while maintaining a strong financial base<sup>2</sup>.
- Target a dividend payout ratio of about 75%<sup>3</sup>, a competitive level<sup>4</sup> in the capital markets.
- Consider implementing a share buy-back program, mainly taking into account the Company's financial outlook of the respective year and mid-term capital needs.

Notes:

1 Investment towards the growth of the tobacco business is of our highest priority. Pursue growth of Adjusted Operating Profit at constant FX through quality top-line growth through the continuous provision of new value and satisfaction to our customers and society.

2 JT Group will maintain a strong financial base that secures stability in case of changes in business environment such as economic crises and flexibility enabling expeditious responses to business investment opportunities.

3 To be in the range of approximately  $\pm 5\%$ .

4 Monitor the shareholder return trends of Fast-Moving Consumer Goods companies which have a stakeholder model similar to our 4S model and have realized strong business growth.

## FY2024 Financial Results

### Consolidated Results

(billions of JPY)	Q4 2024	Q4 2023	Variance	FY2024	FY2023	Variance
<b>Revenue</b>	<b>756.5</b>	684.1	+10.6%	<b>3,149.8</b>	2,841.1	+10.9%
<b>Adjusted operating profit</b>	<b>79.4</b>	63.6	+24.7%	<b>751.9</b>	728.0	+3.3%
<b>Operating profit</b>	<b>60.6</b>	40.6	+49.3%	<b>697.2</b>	672.4	+3.7%
<b>Profit</b>	<b>21.0</b>	40.3	-48.0%	<b>463.4</b>	482.3	-3.9%
<b>Free cash flow</b>	-	-	-	<b>170.5</b>	443.7	-273.2 Bn yen
<b>Core revenue at constant FX</b>	<b>744.4</b>	655.0	+13.6%	<b>2,958.4</b>	2,728.8	+8.4%
<b>Adjusted operating profit at constant FX</b>	<b>101.1</b>	63.6	+58.8%	<b>782.7</b>	728.0	+7.5%

### Q4 2024

- **Revenue**  
Revenue increased by 10.6%, driven by an increase across all businesses, especially in the tobacco business, including the Vector Group acquisition. Core revenue at constant FX increased by 13.6%.
- **Adjusted operating profit**  
Adjusted operating profit increased by 24.7%, driven by an increase in the tobacco business, including the Vector Group acquisition. Adjusted operating profit at constant FX increased by 58.8%.
- **Operating profit**  
Operating profit increased by 49.3%, driven by the increase in adjusted operating profit, as well as by lower costs due to the absence of one-time expenses recorded in the same period of the previous year in adjustment items.
- **Profit**  
Profit decreased by 48.0%, due to a higher financial costs and corporate income tax, which offset the increase in operating profit.

### FY2024

- **Revenue**  
Revenue increased by 10.9%, driven by an increase in the tobacco and processed food businesses. At constant FX, core revenue increased by 8.4%.
- **Adjusted operating profit**  
Adjusted operating profit increased by 3.3%, driven by an increase in the tobacco and processed food businesses. At constant FX, adjusted operating profit increased by 7.5%.
- **Operating profit**  
Operating profit increased by 3.7%, driven by the increase in adjusted operating profit.

- **Profit**  
Profit decreased by 3.9%, due mainly to increases in financial costs, which offset the increase in operating profit.
- **Free cash flow**  
Free cash flow decreased by JPY 273.2 billion to JPY 170.5 billion, due to payments related to the Vector Group acquisition.

## Results by Business Segment

### Tobacco Business

(billions of JPY)	Q4 2024	Q4 2023	Variance	FY2024	FY2023	Variance
<b>Core revenue</b>	<b>656.3</b>	587.3	+11.7% (+14.5%)*	<b>2,778.6</b>	2,478.6	+12.1% (+9.1%)*
<b>Adjusted operating profit</b>	<b>92.2</b>	72.9	+26.4% (+56.1%)*	<b>791.8</b>	749.8	+5.6% (+9.7%)*
<b>Reference</b> (billions of units, billions of JPY)						
<b>Total volume</b>	<b>133.4</b>	129.5	+3.0%	<b>552.9</b>	540.1	+2.4%
<b>Combustibles volume</b>	<b>130.4</b>	127.1	+2.5%	<b>541.9</b>	531.3	+2.0%
<b>RRP volume</b>	<b>3.0</b>	2.4	+27.7%	<b>10.9</b>	8.8	+24.2%
<b>RRP-related revenue</b>	<b>23.2</b>	19.5	+19.1%	<b>98.9</b>	81.6	+21.1%

\*At constant FX

- The tobacco business delivered a remarkable performance in 2024. Ongoing market share momentum in combustibles and continued RRP expansion resulted in total volume growth. In addition, solid pricing contributed to core revenue and adjusted operating profit growth, enabling incremental investments towards Ploom and mitigating inflation-driven cost increases. The successful acquisition of Vector Group also provided a step-change in the large US market profit pool.

### Q4 2024

- Core revenue and adjusted operating profit**  
Core revenue increased by 11.7%, and by 14.5% at constant FX, driven by a strong price/mix variance of JPY 55.8 billion from the Western Europe and EMA clusters, and by a positive volume contribution of JPY 29.5 billion from the EMA cluster, which more than offset unfavorable currency movements. RRP-related revenue grew by 19.1%, driven by the double-digit RRP volume increase fueled by Ploom.  
Adjusted operating profit increased by 26.4%, and by 56.1% at constant FX, driven by the solid core revenue increase and the contribution from the Vector Group acquisition, which more than offset the investments related to the geo-expansion of Ploom and the impact of inflation-driven cost increases.
- Volume and market share**  
Total volume increased by 3.0%, or 1.7% when excluding inventory movements, driven by continued market share gains and a double-digit increase in RRP volume. Volume growth in the Asia cluster and in the EMA cluster, including the Vector Group acquisition, offset impacts from lower industry volume in Western Europe. Volume in the combustibles category grew by 2.5%, mainly fueled by Global Flagship Brands, with Winston and Camel up by 3.7% and 6.3%, respectively. In the RRP category, volume grew by 27.7%, mainly driven by Ploom's continued growth in Japan (approx.+34%) and its incremental growth in markets outside Japan where volume almost tripled.  
Total market share increased in the key markets of Italy, the Philippines, Taiwan and Turkey.

### FY2024

- Core revenue and adjusted operating profit**  
Core revenue increased by 12.1%, and by 9.1% at constant FX, driven by a robust price/mix variance of JPY 197.5 billion from all clusters, and a positive volume contribution of JPY 29.0 billion from the

EMA cluster, as well as by favorable movement from the Japanese yen. RRP-related revenue grew by 21.1%, fueled by the RRP volume increase.

Adjusted operating profit increased by 5.6%, and by 9.7% at constant FX, driven by a solid price/mix variance and the contribution from the Vector Group acquisition, which more than offset increased investments in the geo-expansion of Ploom and the impact of inflation-driven cost increases.

- **Volume and market share**

Total volume increased by 2.4%, or 2.0% excluding inventory adjustments, led by continued market share gains in almost two-thirds of our footprint and the double-digit RRP contribution. Solid volume growth in the EMA cluster throughout the year was partially offset by a decline in Western Europe, due to lower industry volumes, while volume in the Asia cluster was stable. Combustibles volume increased by 2.0%, with GFB volume up by 3.8%, notably Winston (+4.4%) and Camel (+7.9%). RRP volume grew by 24.2%, driven by Ploom volume increasing by approx. 40% overall, including a 33.0% increase in Japan.

Total market share gains continued in the key markets of Italy, the Philippines, Taiwan and Turkey.

## Tobacco Business Performance Review by Cluster

### Asia

(billions of JPY)	FY2024	FY2023	Variance
<b>Core revenue</b>	<b>802.3</b>	796.9	+0.7% (-1.2%)*
<b>Adjusted operating profit</b>	<b>219.6</b>	245.8	-10.7% (-7.8%)*
<b>Reference</b> (billions of units)			
<b>Total volume</b>	<b>127.3</b>	127.8	-0.4%

\*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue increased by 0.7%, driven by favorable currency movements. Excluding these, core revenue decreased by 1.2%, as the favorable price/mix contribution, mainly in the Philippines and Taiwan, could not offset the negative volume variance, mainly in Japan and the Philippines.

Adjusted operating profit decreased by 10.7%, and by 7.8% at constant FX, due to the negative volume variance, on-going investments in Ploom, inflation-driven cost increases and unfavorable currency movements, partially offset by the favorable price/mix.

- **Volume and market share**

Volume growth in Bangladesh, Indonesia, Myanmar and Thailand offset the impacts from lower combustibles industry volume in Japan, the Philippines and Taiwan, resulting in total volume being almost flat at -0.4%. GFB volume grew by 2.4%, mainly driven by Camel and LD. Total market share increased in Bangladesh, Cambodia, Indonesia, Malaysia, the Philippines, Singapore, South Korea and Taiwan.

- **By market**

**In Japan**, share of segment increased in both combustibles and RRP, while total volume decreased by 2.2%, due to the declining combustibles industry volume. The ongoing expansion of the RRP



category (+14.3%) fueled total industry volume which increased by 1.5%. Total market share was 41.2%.

In combustibles, continued growth from Camel drove share gains (+0.7ppt to 61.7%), partially offsetting the category volume contraction, estimated at 6.4%, and resulting in combustibles volume declining by 5.3%.

In RRP, a category estimated at 42.8% (shipment basis) of the total industry size, volume grew by 21.3% and category share increased by 0.8ppt to reach 13.9%. Within the HTS segment, Ploom grew volume by 33.0% and continued to gain share, reaching an HTS segment share of 11.7%, up by 1.6ppt.

Core revenue decreased due to unfavorable volume and price/mix variances.

**In the Philippines**, total volume declined by 5.3%, due to an industry volume contraction, partially offset by continued market share gains. GFB volume increased by a robust 11.7%, fueled by Camel and LD. Total market share grew by 1.2ppt to 49.7%, also driven by Camel and LD.

Core revenue at constant FX increased, driven by a favorable price/mix contribution, which more than offset the industry-led negative volume variance.

**In Taiwan**, total and GFB volumes decreased by 2.0% and 2.1%, respectively, as ongoing market share gains could not offset the industry volume contraction. Total market share increased 0.7ppt to 51.0%, driven by MEVIUS and LD.

Core revenue at constant FX increased, driven by a solid price/mix contribution, which more than offset the industry-led negative volume variance.

## Western Europe

(billions of JPY)	FY2024	FY2023	Variance
<b>Core revenue</b>	<b>688.9</b>	603.3	+14.2% (+4.6%)*
<b>Adjusted operating profit</b>	<b>257.1</b>	231.4	+11.1% (+1.9%)*

### Reference (billions of units)

<b>Total volume</b>	<b>101.0</b>	103.8	-2.7%
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\*At constant FX

- Core revenue and adjusted operating profit**  
 Core revenue increased by 14.2%, driven by a positive price/mix contribution, mainly in the BeNeLux markets, France, Germany, Spain and the UK, as well as favorable currency movements. These drivers more than offset the negative volume variance, seen primarily in France and the UK. At constant FX, core revenue increased by 4.6%.  
 Adjusted operating profit increased by 11.1%, as the revenue growth and favorable currency movements more than offset inflation-led cost increases and investments related to Ploom's geo-expansions. At constant FX, adjusted operating profit grew by 1.9%.
- Volume and market share**  
 Volume growth in Italy, Luxembourg and Portugal partially offset the impacts of industry volume contraction across the cluster, resulting in total and GFB volumes decreasing by 2.7% and 0.7%, respectively. Total market share increased in Belgium, France, Ireland, Italy, Lithuania, Luxembourg, the Netherlands, Portugal and Switzerland.

- **By market**

**In Italy**, total volume increased by 5.5%, or by 3.2% when excluding inventory movements, driven by market share gains and volume contributions from Ploom. GFB volume grew by 1.6%, fueled by Winston and Camel. Total market share increased by 0.3ppt to 23.5%.

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

**In Spain**, total volume increased by 2.1%, mainly driven by inventory adjustments. Excluding these, total volume declined by 0.9%, due to a slightly lower total market share. GFB volume increased by 4.5%, fueled by Winston and Camel. Total market share reached 27.4%.

Core revenue at constant FX increased, driven by favorable volume and price/mix variances.

**In the UK**, RRP volume grew driven by Ploom and Nordic Spirit, while total volume declined by 17.4%, due to the large combustibles industry volume contraction resulting from excise tax-led price increases. Total market share declined to 43.1%, despite gains from Benson & Hedges and Mayfair.

A strong price/mix contribution could not offset the unfavorable volume variance, resulting in a core revenue at constant FX decrease.

## EMA

(billions of JPY)	FY2024	FY2023	Variance
<b>Core revenue</b>	<b>1,287.4</b>	1,078.5	+19.4% (+19.3%)*
<b>Adjusted operating profit</b>	<b>315.0</b>	272.5	+15.6% (+32.2%)*

### Reference (billions of units)

<b>Total volume</b>	<b>324.6</b>	308.5	+5.2%
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\*At constant FX

- **Core revenue and adjusted operating profit**

Core revenue, including the Vector Group acquisition, increased by 19.4%, and by 19.3% at constant FX, driven by a positive volume variance, mainly in Egypt, Global Travel Retail, Iran, Russia, Turkey and the US, combined with a robust price/mix contribution, including in Egypt, Global Travel Retail, Iran, Kazakhstan, Romania, Russia and Turkey.

Adjusted operating profit, including the Vector Group acquisition, grew by 15.6%, as the revenue growth more than offset inflation-led cost increases, investments towards RRP and unfavorable currency movements. At constant FX, adjusted operating profit increased by 32.2%.

- **Volume and market share**

Total and GFB volumes increased by 5.2% and 5.7%, respectively, driven by growth in more than 45 markets, including Global Travel Retail, and the inclusion of the Vector Group. Total market share increased in Azerbaijan, Brazil, Bulgaria, Canada, the Czech Republic, Iran, Jordan, Mexico, Poland, Serbia, Slovak Republic, Slovenia, South Africa, Turkey and the US.

- **By market**

**In Romania**, total and GFB volumes increased by 1.3% and 9.6%, respectively, driven by industry volume growth. Total market share declined by 0.9ppt to 26.0%, despite share gains by Camel.

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

**In Russia**, total volume grew by 4.6%, or by 3.2% when excluding inventory movements, driven by cigarette market share gains in an industry volume estimated to increase by 2.4%. GFB volume grew by 7.0%, fueled by Winston and Camel. Cigarette market share grew by 0.3ppt to 41.6%. Core revenue at constant FX increased, driven by favorable volume and price/mix contributions.

**In Turkey**, total volume grew by 9.5%, supported by a higher industry volume resulting from improved consumption. GFB volume increased by 7.2%, fueled by Winston and LD. Total market share increased by 0.2ppt to 27.6%, driven by Winston. Core revenue at constant FX grew, driven by positive volume and price/mix contributions.

*Source: figures for total tobacco market share and industry volume variances are based on JT Group estimates on a 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, except for Switzerland which is on a year-to-date period at the end of November 2024. 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.*

## Pharmaceutical Business

(billions of JPY)	Q4 2024	Q4 2023	Variance	FY2024	FY2023	Variance
<b>Revenue</b>	<b>27.4</b>	25.1	+2.3	<b>94.5</b>	94.9	-0.4
<b>Adjusted operating profit</b>	<b>4.1</b>	4.3	-0.2	<b>9.2</b>	17.4	-8.2

### Q4 2024

- **Revenue and adjusted operating profit**

Revenue increased, primarily driven by sales growth in the area of skin diseases and allergens at our consolidated subsidiary, Torii Pharmaceutical.

Adjusted operating profit decreased mainly due to an increase in R&D expenditures, offsetting the increase in revenue.

### FY2024

- **Revenue and adjusted operating profit**

Revenue slightly decreased due to the absence of one-time compensation gains from licensed compounds received in 2023, as well as due to lower overseas royalty income, partially offset by top-line growth at our consolidated subsidiary, Torii Pharmaceutical.

Adjusted operating profit decreased due to lower revenue and an increase in R&D expenditures.

## Processed Food Business

(billions of JPY)	Q4 2024	Q4 2023	Variance	FY2024	FY2023	Variance
<b>Revenue</b>	<b>43.7</b>	42.4	+1.3	<b>157.2</b>	153.9	+3.3
<b>Adjusted operating profit</b>	<b>1.7</b>	2.2	-0.5	<b>8.1</b>	6.8	+1.2

### Q4 2024

- **Revenue and adjusted operating profit**

Revenue increased, driven by a positive contribution from price revisions, as well as a sales increase mainly in the seasonings business.

Adjusted operating profit decreased, primarily due to increased raw material costs, offsetting the increase in revenue.

### FY2024

- **Revenue and adjusted operating profit**

Revenue increased for the same reasons highlighted in the fourth quarter.

Adjusted operating profit increased due to the higher revenue, offsetting increased raw materials and other costs.

## FY2025 Forecasts

### Consolidated Forecasts

(billions of JPY)	2025 Forecasts	2024 Results	Variance
<b>Revenue</b>	<b>3,273.0</b>	3,149.8	+3.9%
<b>Adjusted operating profit</b>	<b>735.0</b>	751.9	-2.2%
<b>Operating profit</b>	<b>671.0</b>	697.2	-3.8%
<b>Profit</b>	<b>450.0</b>	463.4	-2.9%
<b>Free cash flow</b>	<b>348.0</b>	170.5	+177.5 Bn yen
<b>Core revenue at constant FX</b>	<b>3,232.0</b>	3,031.8	+6.6%
<b>Adjusted operating profit at constant FX</b>	<b>815.0</b>	751.9	+8.4%
<b>Basic EPS* (JPY)</b>	<b>253.44</b>	260.98	-2.9%

\*Based on profit

- **Revenue**  
Revenue is expected to increase by 3.9%, driven by an increase across all businesses. Core revenue at constant FX is expected to increase by 6.6%.
- **Adjusted operating profit**  
Adjusted operating profit is expected to decrease by 2.2%, due to negative currency movements. Adjusted operating profit at constant FX is expected to increase by 8.4%, mainly driven by an increase in the tobacco business, which would offset a decrease in the pharmaceutical business.
- **Operating profit**  
Operating profit is expected to decrease by 3.8%, due to the decrease in adjusted operating profit and the higher amortization of trademarks related to the Vector Group acquisition in adjustment items.
- **Profit**  
Profit is expected to decrease by 2.9%, due to the decrease in operating profit and a higher corporate income tax, which offset the decrease in financial costs.
- **Free cash flow**  
Free cash flow is expected to increase by JPY 177.5 billion to JPY 348.0 billion, driven by the absence of payments related to the Vector Group acquisition.

## Forecasts by Business Segment

### Tobacco Business

(billions of JPY)	2025 Forecasts	2024 Results	Variance
<b>Core revenue</b>	<b>2,925.0</b>	2,778.6	+5.3% (+6.9%)*
<b>Adjusted operating profit</b>	<b>776.0</b>	791.8	-2.0% (+8.1%)*

\*at constant FX

- **Core revenue and adjusted operating profit**

Core revenue is expected to increase by 5.3%, and by 6.9% at constant FX, driven by another solid combustibles price/mix variance, the full year inclusion of Vector Group and continued RRP-related revenue growth, partially offset by a negative volume contribution.

Adjusted operating profit is expected to increase by 8.1% at constant FX, driven by revenue growth, partially offset by higher investments to support the deployment of Ploom and inflation-driven cost increases within the supply chain. On a reported basis, due to unfavorable currency movements, adjusted operating profit is expected to decline by 2.0%.

- **Volume**

Continued market share gains in combustibles and sustained RRP volume growth are expected to be offset by the combustibles industry volume contraction in several key markets, resulting in the total volume forecast declining between 1.0% and 2.0%.

## Pharmaceutical Business

(billions of JPY)	2025 Forecasts	2024 Results	Variance
<b>Revenue</b>	<b>97.0</b>	94.5	+2.5
<b>Adjusted operating profit</b>	<b>4.0</b>	9.2	-5.2

- **Revenue and adjusted operating profit**  
Revenue is expected to increase by JPY 2.5 billion, driven by sales growth in the area of skin diseases and allergens at our consolidated subsidiary, Torii Pharmaceutical, despite lower overseas royalty income.  
Adjusted operating profit is expected to decrease by JPY 5.2 billion, mainly due to the increase in R&D expenditures, offsetting the increase in revenue.

## Processed Food Business

(billions of JPY)	2025 Forecasts	2024 Results	Variance
<b>Revenue</b>	<b>163.0</b>	157.2	+5.8
<b>Adjusted operating profit</b>	<b>8.5</b>	8.1	+0.4

- **Revenue and adjusted operating profit**  
Revenue is expected to increase by JPY 5.8 billion, driven by a positive contribution from price revisions, as well as a sales increase in the seasonings business.  
Adjusted operating profit is expected to grow by JPY 0.4 billion, driven by the increase in revenue, offsetting the increase in raw material costs.

# Data Sheets



# Results for FY2024

## 1. Summary of consolidated results

(JPY BN)

	YTD 2024	YTD 2023	Variance (abs)	Variance (%)
Revenue	3,149.8	2,841.1	+308.7	+10.9%
Operating profit	697.2	672.4	+24.8	+3.7%
Adjusted operating profit	751.9	728.0	+23.9	+3.3%
Profit before income taxes	607.5	621.6	-14.1	-2.3%
Profit	463.4	482.3	-18.9	-3.9%
DPS (JPY)	194	194	-	-
Basic EPS*(JPY)	260.98	271.69	-10.71	-3.9%
ROE*	11.8%	13.1%	-1.3ppt	

\*Based on profit

[Reference]

(JPY BN)

	YTD 2024	YTD 2023	Variance (abs)	Variance (%)
Core revenue at constant FX	2,958.4	2,728.8	+229.6	+8.4%
Adjusted operating profit at constant FX	782.7	728.0	+54.7	+7.5%

## 2. Results by business segment

(JPY BN)

	YTD 2024	YTD 2023	Variance (abs)	Variance (%)
Consolidated revenue	3,149.8	2,841.1	+308.7	+10.9%
Tobacco	2,896.6	2,590.9	+305.6	+11.8%
Core revenue	2,778.6	2,478.6	+300.0	+12.1%
Pharmaceutical	94.5	94.9	-0.4	-0.4%
Processed food	157.2	153.9	+3.3	+2.2%
Others	1.6	1.4	+0.1	+8.1%
Consolidated operating profit	697.2	672.4	+24.8	+3.7%
Tobacco	728.3	677.1	+51.2	+7.6%
Pharmaceutical	9.2	17.4	-8.2	-47.0%
Processed food	8.0	7.7	+0.3	+4.1%
Others/Elimination	-48.4	-29.8	-18.6	-
Adjustments, total	-54.7	-55.6	+0.9	
Tobacco	-63.4	-72.7	+9.2	
Pharmaceutical	-	-	-	
Processed food	-0.1	0.8	-0.9	
Others/Elimination	8.8	16.2	-7.4	
Consolidated adjusted operating profit	751.9	728.0	+23.9	+3.3%
Tobacco	791.8	749.8	+42.0	+5.6%
Pharmaceutical	9.2	17.4	-8.2	-47.0%
Processed food	8.1	6.8	+1.2	+17.8%
Others/Elimination	-57.2	-46.0	-11.2	-

# Results for FY2024

## 3. Adjusted operating profit (and total adjustments) by business segment

(JPY BN)

	YTD 2024	YTD 2023	Variance (abs)	Variance (%)
Consolidated: operating profit	697.2	672.4	+24.8	+3.7%
Adjustments, total	-54.7	-55.6	+0.9	
Amortization of acquired intangibles	-55.7	-58.8	+3.2	
Adjustments (income)	13.7	18.7	-4.9	
Adjustments (costs)	-12.7	-15.4	+2.7	
Consolidated: adjusted operating profit	751.9	728.0	+23.9	+3.3%
Tobacco: operating profit	728.3	677.1	+51.2	+7.6%
Adjustments, total	-63.4	-72.7	+9.2	
Amortization of acquired intangibles	-55.7	-58.8	+3.2	
Adjustments (income)	3.7	0.4	+3.2	
Adjustments (costs)	-11.4	-14.3	+2.8	
Tobacco: adjusted operating profit	791.8	749.8	+42.0	+5.6%
Pharmaceutical: operating profit	9.2	17.4	-8.2	-47.0%
Adjustments, total	-	-	-	
Amortization of acquired intangibles	-	-	-	
Adjustments (income)	-	-	-	
Adjustments (costs)	-	-	-	
Pharmaceutical: adjusted operating profit	9.2	17.4	-8.2	-47.0%
Processed food: operating profit	8.0	7.7	+0.3	+4.1%
Adjustments, total	-0.1	0.8	-0.9	
Amortization of acquired intangibles	-	-	-	
Adjustments (income)	0.4	0.9	-0.4	
Adjustments (costs)	-0.5	-0.0	-0.5	
Processed food: adjusted operating profit	8.1	6.8	+1.2	+17.8%
Others / Elimination: operating profit	-48.4	-29.8	-18.6	-
Adjustments, total	8.8	16.2	-7.4	
Amortization of acquired intangibles	-	-	-	
Adjustments (income)	9.6	17.3	-7.7	
Adjustments (costs)	-0.8	-1.1	+0.4	
Others / Elimination: adjusted operating profit	-57.2	-46.0	-11.2	-

## 4. Depreciation and amortization\*

(JPY BN)

	YTD 2024	YTD 2023	Variance (abs)
Consolidated depreciation and amortization	152.8	153.3	-0.5
Tobacco	139.3	142.1	-2.7
Pharmaceutical	4.4	3.9	+0.5
Processed food	6.8	6.5	+0.3
Others/Elimination	2.3	0.8	+1.5

\*Excluding depreciation from lease transactions

## 5. Consolidated financial position

(JPY BN)

	2024 Dec. end	2023 Dec. end	Variance (abs)
Total assets	8,281.1	7,282.1	+999.0
Total equity	4,132.9	3,912.5	+220.4
Equity attributable to owners of the parent company	4,050.8	3,830.2	+220.6
BPS (attributable to owners of the parent company) (JPY)	2,281.35	2,157.46	+123.89

## 6. Liquidity and interest-bearing debt

(JPY BN)

	2024 Dec. end	2023 Dec. end	Variance (abs)
Liquidity	1,184.5	1,080.9	+103.5
Interest-bearing debt	1,726.8	1,142.3	+584.5

# Results for FY2024

## 7. Consolidated cash flow

(JPY BN)

	YTD 2024	YTD 2023	Variance (abs)
Cash flows from operating activities	630.0	566.3	+63.7
Cash flows from investing activities	-439.8	-125.4	-314.3
Cash flows from financing activities	-94.9	-270.5	+175.6
Cash and cash equivalents, beginning of the period	1,040.2	866.9	+173.3
Foreign currency translation adj. on cash & cash equivalents	-51.0	2.9	-53.9
Cash and cash equivalents, end of the period	1,084.6	1,040.2	+44.4
FCF	170.5	443.7	-273.2

## 8. Capital expenditures

(JPY BN)

	YTD 2024	YTD 2023	Variance (abs)
Consolidated capital expenditures	150.7	120.7	+30.0
Tobacco	135.0	101.6	+33.4
Pharmaceutical	7.0	6.6	+0.4
Processed food	6.1	5.8	+0.3
Others/Elimination	2.6	6.8	-4.1

## 9. Tobacco business FX rate

	YTD 2024	YTD 2023	Variance (abs)	Variance (%)
100JPY/USD	0.66	0.71	-0.05	+7.7%
100JPY/RUB	61.14	60.44	+0.69	-1.1%
100JPY/GBP	0.52	0.57	-0.06	+11.0%
100JPY/EUR	0.61	0.66	-0.05	+8.0%
100JPY/CHF	0.58	0.64	-0.06	+10.2%
100JPY/TWD	21.21	22.18	-0.98	+4.6%
100JPY/PHP	37.84	39.63	-1.79	+4.7%

## 10. Pharmaceutical business

(JPY BN)

	YTD 2024	YTD 2023	Variance (abs)	Variance (%)
R&D expenses	33.9	32.2	+1.7	+5.2%

# Results for FY2024

## 11. Consolidated statement of income

(JPY BN)

	YTD 2024	YTD 2023	Variance (abs)	Variance (%)
Revenue	3,149.8	2,841.1	+308.7	+10.9%
Cost of sales	1,407.5	1,226.0	+181.5	+14.8%
Gross profit	1,742.3	1,615.1	+127.2	+7.9%
Other operating income	29.3	30.0	-0.7	-2.4%
Share of profit in investments accounted for using the equity method	12.9	8.3	+4.6	+54.7%
SG & A	1,087.3	981.1	+106.2	+10.8%
Advertising expenses	52.8	39.3	+13.5	+34.3%
Promotion expenses	167.5	140.9	+26.6	+18.9%
Commission	81.9	79.3	+2.6	+3.3%
Employee benefit expenses	408.3	365.4	+42.9	+11.7%
R&D expenses	78.6	75.1	+3.5	+4.7%
Depreciation and amortization	104.6	103.0	+1.6	+1.6%
Impairment losses other than financial assets	13.7	27.5	-13.8	-50.2%
Losses on sale and disposal of PP&E, intangible assets and investment properties	4.3	7.4	-3.0	-41.0%
Other	175.5	143.2	+32.3	+22.6%
Operating profit	697.2	672.4	+24.8	+3.7%
Amortization of acquired intangibles	-55.7	-58.8	+3.2	
Adjustments (income)	13.7	18.7	-4.9	
Adjustments (costs)	-12.7	-15.4	+2.7	
Adjusted operating profit	751.9	728.0	+23.9	+3.3%
Financial income	69.5	44.4	+25.1	+56.5%
Dividend income	2.6	0.8	+1.8	+214.6%
Interest income	64.9	42.0	+23.0	+54.7%
Foreign exchange gain	-	-	-	-
Other	1.9	1.6	+0.3	+21.5%
Financial costs	159.2	95.2	+64.0	+67.2%
Interest expenses	42.5	28.5	+14.0	+49.1%
Employee benefit expenses	5.4	5.2	+0.2	+4.1%
Foreign exchange loss	100.2	58.4	+41.9	+71.7%
Other	11.1	3.2	+7.9	+250.1%
Profit before income taxes	607.5	621.6	-14.1	-2.3%
Income taxes	140.8	136.3	+4.5	+3.3%
Profit	466.7	485.3	-18.6	-3.8%
Attributable to owners of the parent	463.4	482.3	-18.9	-3.9%
Attributable to non-controlling interests	3.4	3.0	+0.3	+11.1%

# Results for FY2024

## 12. Consolidated financial position

(JPY BN)

	2024Dec.end	2023Dec.end	Variance (abs)
<b>Current assets</b>	<b>3,577.6</b>	<b>3,259.6</b>	<b>+318.0</b>
Cash and cash equivalents	1,084.6	1,040.2	+44.4
Trade and other receivables	569.0	535.3	+33.7
Inventories	957.3	832.6	+124.7
Other financial assets *1	120.2	58.6	+61.6
Other current assets	826.8	789.9	+36.9
Non-current assets held-for-sale	19.8	2.9	+16.8
<b>Non-current assets</b>	<b>4,703.5</b>	<b>4,022.5</b>	<b>+681.0</b>
Property, plant & equipment	907.7	821.5	+86.2
Goodwill *2	2,914.3	2,616.4	+297.8
Intangible assets *3	486.5	200.8	+285.6
Investment property	3.7	9.3	-5.6
Retirement benefit assets	89.6	65.9	+23.7
Investments accounted for using the equity method	50.4	56.7	-6.3
Other financial assets *1	152.5	155.3	-2.8
Other non-current assets	5.5	7.2	-1.7
Deferred tax assets	93.5	89.4	+4.1
<b>Total assets</b>	<b>8,281.1</b>	<b>7,282.1</b>	<b>+999.0</b>

	2024Dec.end	2023Dec.end	Variance (abs)
<b>Current liabilities</b>	<b>1,978.4</b>	<b>1,927.3</b>	<b>+51.1</b>
Trade and other payables	659.5	592.8	+66.7
Bonds and borrowings *4	178.7	233.3	-54.7
Income tax payables	24.6	29.6	-5.0
Other financial liabilities *4	60.0	44.5	+15.5
Provisions	25.7	18.6	+7.1
Other current liabilities *5	1,029.9	1,008.4	+21.5
Liabilities directly associated with non-current assets held-for-sale	-	-	-
<b>Non-current liabilities</b>	<b>2,169.9</b>	<b>1,442.3</b>	<b>+727.5</b>
Bonds and borrowings *4	1,548.1	908.9	+639.2
Other financial liabilities *4	49.2	40.7	+8.5
Retirement benefit liabilities	277.2	279.4	-2.2
Provisions	48.5	45.5	+3.0
Other non-current liabilities *5	122.3	127.2	-4.8
Deferred tax liabilities	124.5	40.6	+83.9
<b>Total liabilities</b>	<b>4,148.3</b>	<b>3,369.6</b>	<b>+778.7</b>
<b>Equity</b>	<b>4,132.9</b>	<b>3,912.5</b>	<b>+220.4</b>
Share capital	100.0	100.0	-
Capital surplus	736.7	736.5	+0.2
Treasury shares	-488.6	-489.2	+0.6
Other components of equity	381.6	290.5	+91.0
Retained earnings	3,321.0	3,192.3	+128.7
Non-controlling interests	82.1	82.3	-0.2
<b>Total liabilities and equity</b>	<b>8,281.1</b>	<b>7,282.1</b>	<b>+999.0</b>

\*1: Other financial assets (current & non-current combined)

	2024Dec.end	2023Dec.end	Variance (abs)
<b>Other financial assets</b>	<b>272.7</b>	<b>213.9</b>	<b>+58.8</b>
Derivative assets	18.9	19.2	-0.3
Equity securities	42.5	34.3	+8.2
Debt securities	76.6	70.1	+6.5
Time deposits	46.6	-	+46.6
Other	94.9	96.8	-1.8
Allowance for doubtful accounts	-6.8	-6.4	-0.3

\*2: Goodwill ~ Cash-generating unit

	2024Dec.end	2023Dec.end	Variance (abs)
Tobacco	2,888.9	2,591.1	+297.8
Processed food	25.4	25.4	-

\*3: Intangible assets ~ Trademarks

	2024Dec.end	2023Dec.end	Variance (abs)
Tobacco	137.6	131.8	+5.9

\*4: Bonds and borrowings and other financial liabilities

(current & non-current combined)

	2024Dec.end	2023Dec.end	Variance (abs)
<b>Total financial liabilities</b>	<b>1,836.0</b>	<b>1,227.4</b>	<b>+608.6</b>
Derivative liabilities	45.1	25.1	+20.0
Short-term borrowings	60.3	209.0	-148.7
Commercial paper	-	-	-
Current portion of long-term borrowings	2.9	24.4	-21.4
Current portion of bonds	115.4	-	+115.4
Long-term borrowings	735.4	123.0	+612.4
Bonds	812.7	785.9	+26.8
Other	64.1	60.1	+4.0

\*5: Other liabilities (current & non-current combined)

	2024Dec.end	2023Dec.end	Variance (abs)
<b>Total other liabilities</b>	<b>1,152.2</b>	<b>1,135.6</b>	<b>+16.7</b>
Tobacco excise tax payables	466.8	454.7	+12.1
Tobacco special excise tax payables	8.0	8.5	-0.5
Tobacco local excise tax payables	178.3	178.6	-0.3
Consumption tax payables	172.2	168.1	+4.1
Bonus to employees	97.1	83.3	+13.8
Employee's unused paid vacations liabilities	22.5	21.0	+1.5
Other	207.4	221.3	-14.0

**FY2025 Forecasts**  
(as of February 13, 2025)

**1. Summary of consolidated forecasts**

(JPY BN)

	FY2025 Forecasts	FY2024 Results	Variance (abs)	Variance (%)
Revenue	3,273.0	3,149.8	+123.2	+3.9%
Operating profit	671.0	697.2	-26.2	-3.8%
Adjusted operating profit	735.0	751.9	-16.9	-2.2%
Profit	450.0	463.4	-13.4	-2.9%

[Reference]

(JPY BN)

	FY2025 Forecasts	FY2024 Results	Variance (abs)	Variance (%)
Core revenue at constant FX	3,232.0	3,031.8	+200.2	+6.6%
Adjusted operating profit at constant FX	815.0	751.9	+63.1	+8.4%

**2. EPS, DPS, ROE**

(JPY)

	FY2025 Forecasts	FY2024 Results	Variance (abs)	Variance (%)
Basic EPS*	253.44	260.98	-7.54	-2.9%
DPS	194	194	-	-
Dividend payout ratio*	76.5%	74.3%		
ROE*	11.1%	11.8%	-0.7ppt	

\*Based on profit

**3. Forecasts by business segment**

(JPY BN)

	FY2025 Forecasts	FY2024 Results	Variance (abs)	Variance (%)
Consolidated revenue	3,273.0	3,149.8	+123.2	+3.9%
Tobacco	3,011.0	2,896.6	+114.4	+4.0%
Core revenue	2,925.0	2,778.6	+146.4	+5.3%
Pharmaceutical	97.0	94.5	+2.5	+2.7%
Processed food	163.0	157.2	+5.8	+3.7%
Others	2.0	1.6	+0.4	+28.6%
Consolidated operating profit	671.0	697.2	-26.2	-3.8%
Tobacco	705.0	728.3	-23.3	-3.2%
Pharmaceutical	4.0	9.2	-5.2	-56.7%
Processed food	9.0	8.0	+1.0	+12.4%
Others/Elimination	-47.0	-48.4	+1.4	-
Consolidated adjusted operating profit	735.0	751.9	-16.9	-2.2%
Tobacco	776.0	791.8	-15.8	-2.0%
Pharmaceutical	4.0	9.2	-5.2	-56.7%
Processed food	8.5	8.1	+0.4	+5.3%
Others/Elimination	-53.5	-57.2	+3.7	-

**FY2025 Forecasts**  
**(as of February 13, 2025)**

**4. Free cash flow**

(JPY BN)

	FY2025 Forecasts	FY2024 Results	Variance (abs)
FCF	348.0	170.5	+177.5

**5. Capital expenditures**

(JPY BN)

	FY2025 Forecasts	FY2024 Results	Variance (abs)
Consolidated capital expenditures	176.0	150.7	+25.3
Tobacco	152.0	135.0	+17.0
Pharmaceutical	9.0	7.0	+2.0
Processed food	12.0	6.1	+5.9
Others/Elimination	3.0	2.6	+0.4

**6. Assumptions of 2025 Forecasts**

Tobacco business

- Total volume: a decrease of approx. 1.0%~2.0%
- GFB volume: a decrease of approx. 1.5%~2.5%

<Tobacco Business FX assumptions>

	FY2025 Forecasts	FY2024 Results	Variance (abs)	Variance (%)
100YEN / USD	0.65	0.66	-0.01	+1.6%
100YEN / RUB	64.50	61.14	+3.36	-5.2%
100YEN / GBP	0.51	0.52	-0.01	+1.3%
100YEN / EUR	0.63	0.61	+0.02	-3.1%
100YEN / CHF	0.59	0.58	+0.01	-1.5%
100YEN / TWD	21.30	21.21	+0.09	-0.4%
100YEN / PHP	37.30	37.84	-0.54	+1.4%

# Tobacco Business Data

## 1. Summary

2024	Q1	Q2	Q3	Q4	YTD	
<b>Total volume</b>	132.9	142.0	144.7	133.4	552.9	BNU
(vs. PY)	+2.1%	+2.0%	+2.4%	+3.0%	+2.4%	
<b>Combustibles volume</b>	130.3	139.3	142.0	130.4	541.9	BNU
(vs.PY)	+1.7%	+1.6%	+2.1%	+2.5%	+2.0%	
<b>GFB volume</b>	96.8	103.5	107.0	97.4	404.7	BNU
(vs.PY)	+6.3%	+2.0%	+3.9%	+3.2%	+3.8%	
<b>RRP volume</b>	2.5	2.7	2.7	3.0	10.9	BNU
(vs.PY)	+25.2%	+25.7%	+18.1%	+27.7%	+24.2%	
<b>Core revenue</b>	653.3	738.5	730.5	656.3	2,778.6	JPY BN
(vs. PY)	+12.8%	+15.7%	+8.4%	+11.7%	+12.1%	
	(+6.6%)*	(+7.6%)*	(+8.1%)*	(+14.5%)*	(+9.1%)*	
<b>RRP-related revenue</b>	23.9	26.9	24.9	23.2	98.9	JPY BN
(vs.PY)	+17.7%	+40.1%	+9.8%	+19.1%	+21.1%	
<b>Adjusted operating profit</b>	231.9	240.2	227.5	92.2	791.8	JPY BN
(vs. PY)	+3.0%	+6.7%	+0.4%	+26.4%	+5.6%	
	(+4.9%)*	(+5.6%)*	(+3.7%)*	(+56.1%)*	(+9.7%)*	

\*at constant FX

## 2. Breakdown of core revenue

(JPY BN)

	Q1	Q2	Q3	Q4	YTD
2023	579.1	638.1	674.1	587.3	2,478.6
Volume	-4.8	+2.4	+1.9	+29.5	+29.0
Price/Mix	+43.1	+46.0	+52.5	+55.8	+197.5
2024@PY	617.4	686.6	728.6	672.7	2,705.2
FX	+36.0	+52.0	+2.0	-16.4	+73.4
2024	653.3	738.5	730.5	656.3	2,778.6

## 3. Breakdown of adjusted operating profit

(JPY BN)

	Q1	Q2	Q3	Q4	YTD
2023	225.1	225.0	226.7	72.9	749.8
Volume	-9.0	-3.5	-4.1	+21.6	+4.9
Price/Mix	+40.7	+44.1	+52.7	+54.1	+191.6
Others	-20.6	-28.0	-40.3	-34.8	-123.7
2024@PY	236.2	237.7	235.0	113.9	822.7
FX	-4.3	+2.6	-7.5	-21.7	-30.9
2024	231.9	240.2	227.5	92.2	791.8



## Tobacco Business Data

### 4. Contribution by cluster (vs. PY)

#### Sales Volume

(BNU)

Asia	Q1 2024		Q2 2024		Q3 2024		Q4 2024		YTD	
<b>Total volume</b>	30.7	-4.5%	32.0	+2.1%	32.8	+0.5%	31.8	+0.4%	127.3	-0.4%
<b>GFB volume</b>	20.3	-0.2%	21.2	+3.4%	22.1	+3.2%	21.4	+3.1%	85.1	+2.4%

Western Europe	Q1 2024		Q2 2024		Q3 2024		Q4 2024		YTD	
<b>Total volume</b>	26.1	+0.2%	25.9	-5.7%	26.3	-2.4%	22.7	-2.7%	101.0	-2.7%
<b>GFB volume</b>	19.1	+4.0%	18.6	-4.3%	18.9	-1.6%	16.3	-0.8%	72.8	-0.7%

EMA	Q1 2024		Q2 2024		Q3 2024		Q4 2024		YTD	
<b>Total volume</b>	76.1	+5.7%	84.1	+4.6%	85.6	+4.7%	78.9	+5.9%	324.6	+5.2%
<b>GFB volume</b>	57.4	+9.6%	63.7	+3.5%	66.0	+5.9%	59.6	+4.5%	246.7	+5.7%

#### Financials

(JPY BN)

Asia	Q1 2024		Q2 2024		Q3 2024		Q4 2024		YTD	
<b>Core revenue</b>	199.5	+1.7%	206.6	+5.2%	202.9	-1.7%	193.3	-2.3%	802.3	+0.7%
		(-1.7%)*		(+1.4%)*		(-2.2%)*		(-2.4%)*		(-1.2%)*
<b>AOP</b>	73.6	-3.0%	66.9	-3.5%	54.2	-19.9%	25.0	-24.3%	219.6	-10.7%
		(-1.8%)*		(-2.5%)*		(-16.5%)*		(-14.7%)*		(-7.8%)*

Western Europe	Q1 2024		Q2 2024		Q3 2024		Q4 2024		YTD	
<b>Core revenue</b>	172.6	+22.9%	181.8	+11.9%	182.0	+10.6%	152.5	+12.4%	688.9	+14.2%
		(+7.1%)*		(-1.0%)*		(+4.8%)*		(+8.6%)*		(+4.6%)*
<b>AOP</b>	78.8	+21.8%	71.1	-2.8%	74.7	+3.6%	32.5	+51.4%	257.1	+11.1%
		(+6.9%)*		(-13.2%)*		(-0.4%)*		(+45.8%)*		(+1.9%)*

EMA	Q1 2024		Q2 2024		Q3 2024		Q4 2024		YTD	
<b>Core revenue</b>	281.2	+16.0%	350.1	+25.4%	345.6	+14.1%	310.5	+22.3%	1,287.4	+19.4%
		(+13.0%)*		(+17.0%)*		(+16.9%)*		(+30.9%)*		(+19.3%)*
<b>AOP</b>	79.5	-6.0%	102.3	+23.9%	98.6	+13.5%	34.7	+88.1%	315.0	+15.6%
		(+9.4%)*		(+29.0%)*		(+22.8%)*		(+194.9%)*		(+32.2%)*

\*at constant FX

## Tobacco Business Data

### 5. Breakdown of core revenue by cluster

(JPY BN)

Asia	Q1	Q2	Q3	Q4	YTD
2023	196.2	196.4	206.5	197.9	796.9
Volume	-9.6	+0.3	-5.2	-4.7	-19.2
Price/Mix	+6.3	+2.4	+0.7	+0.0	+9.4
2024@PY	192.8	199.1	202.0	193.1	787.1
FX	+6.7	+7.5	+0.8	+0.2	+15.2
2024	199.5	206.6	202.9	193.3	802.3
<b>Western Europe</b>					
	Q1	Q2	Q3	Q4	YTD
2023	140.5	162.5	164.6	135.7	603.3
Volume	-4.4	-10.8	-7.3	-9.1	-31.6
Price/Mix	+14.4	+9.1	+15.1	+20.8	+59.5
2024@PY	150.5	160.8	172.5	147.3	631.2
FX	+22.1	+21.0	+9.5	+5.1	+57.8
2024	172.6	181.8	182.0	152.5	688.9
<b>EMA</b>					
	Q1	Q2	Q3	Q4	YTD
2023	242.4	279.2	303.0	253.8	1,078.5
Volume	+9.2	+12.8	+14.4	+43.4	+79.8
Price/Mix	+22.4	+34.6	+36.7	+35.0	+128.6
2024@PY	274.0	326.6	354.0	332.2	1,286.9
FX	+7.2	+23.5	-8.4	-21.7	+0.5
2024	281.2	350.1	345.6	310.5	1,287.4

### 6. Breakdown of adjusted operating profit by cluster

(JPY BN)

Asia	Q1	Q2	Q3	Q4	YTD
2023	75.8	69.3	67.7	33.0	245.8
Volume	-8.2	+1.4	-5.6	-2.6	-15.0
Price/Mix	+7.2	+1.6	+1.1	-1.0	+8.8
Others	-0.3	-4.8	-6.6	-1.2	-12.9
2024@PY	74.5	67.6	56.5	28.2	226.7
FX	-0.9	-0.7	-2.3	-3.2	-7.1
2024	73.6	66.9	54.2	25.0	219.6
<b>Western Europe</b>					
	Q1	Q2	Q3	Q4	YTD
2023	64.7	73.1	72.1	21.5	231.4
Volume	-3.8	-10.3	-7.0	-6.9	-28.0
Price/Mix	+13.5	+9.1	+14.8	+20.5	+57.8
Others	-5.2	-8.4	-8.1	-3.7	-25.5
2024@PY	69.2	63.5	71.8	31.3	235.8
FX	+9.7	+7.6	+2.9	+1.2	+21.3
2024	78.8	71.1	74.7	32.5	257.1
<b>EMA</b>					
	Q1	Q2	Q3	Q4	YTD
2023	84.6	82.6	86.9	18.5	272.5
Volume	+3.0	+5.4	+8.5	+31.1	+47.9
Price/Mix	+20.0	+33.5	+36.8	+34.7	+125.1
Others	-15.0	-14.9	-25.5	-29.9	-85.3
2024@PY	92.5	106.6	106.6	54.4	360.1
FX	-13.1	-4.3	-8.1	-19.7	-45.1
2024	79.5	102.3	98.6	34.7	315.0

## Tobacco Business Data

### 7. GFB volume by brand (vs. PY)

(BNU)

2024	Q1	Q2	Q3	Q4	YTD
<b>Winston</b>	50.7 +9.8%	53.3 +0.8%	55.1 +3.9%	50.2 +3.7%	209.2 +4.4%
<b>Camel</b>	25.7 +10.5%	27.7 +8.5%	29.0 +6.7%	26.2 +6.3%	108.6 +7.9%
<b>MEVIUS</b>	10.2 -5.5%	11.1 -1.6%	11.1 -2.2%	10.3 -2.0%	42.8 -2.8%
<b>LD</b>	10.2 -5.8%	11.3 -3.7%	11.8 +3.3%	10.7 -0.8%	44.0 -1.7%

### 8. FX actual (vs. PY)

2024	Q1	Q2	Q3	Q4	YTD
<b>100JPY / USD</b>	0.67 +12.1%	0.64 +13.3%	0.67 +3.3%	0.66 +2.9%	0.66 +7.7%
<b>100JPY / RUB</b>	61.17 -10.1%	58.17 +1.4%	59.74 +8.9%	65.47 -4.1%	61.14 -1.1%
<b>100JPY / GBP</b>	0.53 +17.0%	0.51 +14.2%	0.52 +6.0%	0.51 +6.4%	0.52 +11.0%
<b>100JPY / EUR</b>	0.62 +13.4%	0.60 +12.0%	0.61 +4.2%	0.62 +2.2%	0.61 +8.0%
<b>100JPY / CHF</b>	0.59 +18.7%	0.58 +12.6%	0.58 +5.3%	0.58 +4.2%	0.58 +10.2%
<b>100JPY / TWD</b>	21.18 +8.4%	20.77 +7.5%	21.63 +1.3%	21.24 +1.4%	21.21 +4.6%
<b>100JPY / PHP</b>	37.71 +9.8%	37.11 +9.1%	38.33 +0.9%	38.20 -0.7%	37.84 +4.7%

## Tobacco Business Data

### 9. Key markets

Source: JT Group estimates

Total SoV and SoM are computed based on Combustibles and Heated tobacco products.

#### Japan

##### Volume evolution

	(BNU)				
2024	Q1	Q2	Q3	Q4	YTD
<b>Total volume</b>	14.7	15.8	15.9	15.9	62.3
	-2.5%	-1.8%	-3.3%	-1.0%	-2.2%
<b>Combustibles volume</b>	12.7	13.6	13.6	13.4	53.3
	-5.5%	-4.7%	-6.1%	-4.6%	-5.3%
<b>RRP volume</b>	2.0	2.2	2.3	2.5	9.0
	+20.8%	+21.8%	+17.9%	+24.8%	+21.3%
<b>HTS volume</b>	1.6	1.7	1.9	2.1	7.3
	+34.7%	+36.3%	+28.1%	+33.8%	+33.0%

##### Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
<b>Total SoM</b>	41.2%	41.6%	41.2%	40.9%	41.2%	-1.5ppt
<b>Combustibles SoM</b>	35.5%	35.9%	35.2%	34.5%	35.3%	-2.5ppt
GFB (SoM)	24.8%	25.1%	24.7%	24.1%	24.7%	-1.7ppt
Winston (SoM)	3.3%	3.3%	3.2%	3.1%	3.2%	-0.5ppt
Camel (SoM)	6.2%	6.4%	6.3%	6.2%	6.3%	+0.1ppt
MEVIUS (SoM)	15.3%	15.4%	15.2%	14.8%	15.2%	-1.4ppt
Seven Stars (SoM)	4.5%	4.6%	4.5%	4.5%	4.5%	-0.2ppt
<b>RRP SoM*</b>	5.7%	5.7%	5.9%	6.5%	6.0%	+1.0ppt
<b>HTS SoS</b>	11.0%	11.4%	11.8%	12.6%	11.7%	+1.6ppt
<b>Total SoV</b>	41.4%	41.7%	41.2%	40.9%	41.3%	-1.6ppt

\*Data for RRP SoM reflects Heated tobacco sticks (HTS) and Infused tobacco capusles (Infused)

#### The Philippines

##### Volume evolution

	(BNU)				
2024	Q1	Q2	Q3	Q4	YTD
<b>Total volume</b>	5.7	5.7	5.8	5.5	22.8
	-16.4%	+6.8%	-1.3%	-7.4%	-5.3%

##### Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
<b>Total SoM</b>	49.6%	49.3%	50.1%	49.9%	49.7%	+1.2ppt
GFB (SoM)	27.4%	27.7%	29.0%	29.7%	28.4%	+3.9ppt
Winston (SoM)	9.3%	8.8%	8.6%	8.1%	8.7%	-2.1ppt
Camel (SoM)	17.9%	18.8%	20.0%	20.9%	19.4%	+5.8ppt
<b>Total SoV</b>	47.3%	47.0%	47.8%	49.0%	47.8%	+2.9ppt

#### Taiwan\*

##### Volume evolution

	(BNU)				
2024	Q1	Q2	Q3	Q4	YTD
<b>Total volume</b>	3.5	3.4	3.5	3.3	13.7
	-2.0%	+0.4%	-1.4%	-5.0%	-2.0%

##### Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
<b>Total SoM</b>	50.9%	50.7%	50.7%	51.8%	51.0%	+0.7ppt
GFB (SoM)	41.4%	41.2%	41.2%	42.1%	41.5%	+0.4ppt
Winston (SoM)	14.4%	13.7%	13.2%	13.7%	13.7%	-0.7ppt
MEVIUS (SoM)	19.1%	19.3%	19.5%	19.5%	19.4%	+0.6ppt
LD (SoM)	7.8%	8.2%	8.5%	8.9%	8.4%	+0.6ppt
<b>Total SoV</b>	54.6%	54.6%	54.4%	55.2%	54.7%	+0.6ppt

\*Data for SoM and SoV includes Combustibles only

## Tobacco Business Data

### Italy

#### Volume evolution

						(BNU)
	2024	Q1	Q2	Q3	Q4	YTD
<b>Total volume</b>		5.4	5.0	4.9	4.5	19.8
		+12.5%	+4.0%	-3.7%	+10.2%	+5.5%
<b>Combustibles volume</b>		5.4	4.9	4.8	4.4	19.6
		+11.8%	+3.5%	-3.7%	+9.2%	+4.9%
<b>RRP volume</b>		0.1	0.1	0.0	0.0	0.2
		+102.0%	+58.9%	-17.0%	+1,640.4%	+102.1%

#### Share evolution

	2024	Q1	Q2	Q3	Q4	YTD	Var.
<b>Total SoM</b>		24.0%	23.4%	23.3%	23.5%	23.5%	+0.3ppt
GFB (SoM)		20.0%	18.8%	18.6%	18.5%	18.9%	-0.5ppt
Winston (SoM)		13.5%	12.3%	12.0%	12.0%	12.4%	-0.3ppt
Camel (SoM)		6.5%	6.5%	6.6%	6.5%	6.5%	-0.2ppt
<b>HTS SoS</b>		1.3%	1.5%	1.5%	1.4%	1.4%	+1.0ppt
<b>Total SoV</b>		23.3%	23.0%	22.9%	23.2%	23.1%	+0.2ppt

### Spain

#### Volume evolution

						(BNU)
	2024	Q1	Q2	Q3	Q4	YTD
<b>Total volume</b>		4.0	3.8	3.9	3.1	14.7
		+7.1%	-7.1%	+4.3%	+6.1%	+2.1%

#### Share evolution

	2024	Q1	Q2	Q3	Q4	YTD	Var.
<b>Total SoM</b>		27.4%	27.9%	27.6%	26.5%	27.4%	-0.5ppt
GFB (SoM)		25.5%	25.7%	25.6%	24.8%	25.4%	-0.1ppt
Winston (SoM)		14.3%	14.1%	13.9%	13.7%	14.0%	-0.4ppt
Camel (SoM)		11.2%	11.6%	11.7%	11.1%	11.4%	+0.3ppt
<b>Total SoV</b>		27.3%	27.8%	27.4%	26.7%	27.3%	-0.4ppt

### The UK

#### Volume evolution

						(BNU)
	2024	Q1	Q2	Q3	Q4	YTD
<b>Total volume</b>		3.3	3.2	3.3	2.7	12.5
		-16.1%	-17.9%	-12.7%	-23.6%	-17.4%
<b>Combustibles volume</b>		3.3	3.1	3.3	2.6	12.3
		-16.5%	-18.8%	-13.6%	-24.6%	-18.2%
<b>RRP volume</b>		0.1	0.1	0.1	0.1	0.3
		+21.5%	+53.7%	+54.6%	+35.0%	+41.0%

#### Share evolution

	2024	Q1	Q2	Q3	Q4	YTD	Var.
<b>Total SoM</b>		43.2%	42.9%	43.0%	43.3%	43.1%	-1.1ppt
GFB (SoM)		0.1%	0.1%	0.1%	0.1%	0.1%	-0.0ppt
Amber Leaf (SoM)		9.7%	9.5%	9.4%	9.1%	9.4%	-0.6ppt
Sterling (SoM)		11.3%	11.1%	11.0%	10.8%	11.1%	-1.2ppt
Benson & Hedges (SoM)		11.8%	12.0%	12.1%	11.9%	12.0%	+0.2ppt
<b>HTS SoS</b>		2.7%	3.0%	3.7%	4.6%	3.5%	+2.1ppt
<b>Total SoV</b>		44.2%	43.6%	43.6%	43.8%	43.8%	-1.0ppt

## Tobacco Business Data

### Romania

#### Volume evolution

(BNU)

2024	Q1	Q2	Q3	Q4	YTD
<b>Total volume</b>	1.7	1.9	2.1	2.0	7.7
	-2.6%	-1.9%	+2.2%	+7.3%	+1.3%

#### Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
<b>Total SoM</b>	25.8%	25.9%	26.7%	25.6%	26.0%	-0.9ppt
GFB (SoM)	17.2%	17.7%	18.7%	18.6%	18.1%	+0.6ppt
Winston (SoM)	10.6%	10.9%	12.0%	12.1%	11.4%	-0.0ppt
Camel (SoM)	6.5%	6.8%	6.7%	6.4%	6.6%	+0.8ppt
<b>Total SoV</b>	26.7%	26.8%	27.5%	26.7%	26.9%	-0.8ppt

### Russia

#### Volume evolution

(BNU)

2024	Q1	Q2	Q3	Q4	YTD
<b>Total volume</b>	18.5	21.2	21.8	19.3	80.8
	+5.3%	+6.1%	+3.6%	+3.4%	+4.6%

#### Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
<b>Total SoM</b>	37.1%	37.5%	38.0%	36.8%	37.4%	-0.1ppt
GFB (SoM)	29.8%	30.2%	30.7%	29.7%	30.1%	+0.8ppt
Winston (SoM)	13.5%	14.0%	14.2%	13.9%	13.9%	+1.1ppt
Camel (SoM)	8.8%	9.0%	9.3%	9.1%	9.1%	+0.3ppt
LD (SoM)	7.3%	7.2%	7.1%	6.6%	7.0%	-0.6ppt
<b>Total SoV</b>	38.8%	39.0%	39.8%	38.5%	39.1%	+0.4ppt

### Turkey\*

#### Volume evolution

(BNU)

2024	Q1	Q2	Q3	Q4	YTD
<b>Total volume</b>	8.9	10.2	10.4	10.3	39.8
	+23.1%	-5.4%	+11.0%	+14.7%	+9.5%

#### Share evolution

2024	Q1	Q2	Q3	Q4	YTD	Var.
<b>Total SoM</b>	27.3%	27.4%	27.7%	28.0%	27.6%	+0.2ppt
GFB (SoM)	24.8%	24.7%	25.1%	25.4%	25.0%	-0.2ppt
Winston (SoM)	17.0%	17.2%	17.6%	17.9%	17.4%	+0.4ppt
Camel (SoM)	5.7%	5.5%	5.5%	5.4%	5.5%	-0.6ppt
LD (SoM)	2.1%	2.0%	2.1%	2.1%	2.1%	-0.0ppt
<b>Total SoV</b>	26.4%	26.5%	26.7%	27.0%	26.7%	+0.3ppt

\*Data for SoM and SoV includes Combustibles only

# Pharmaceutical Business

## Clinical Development as of February 13, 2025

<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 (pediatric) /Topical	AhR modulator	Suppresses skin inflammation via activation of the aryl hydrocarbon receptor (AhR)	Phase3 (Japan)	In-license	<ul style="list-style-type: none"> <li>· In-license from Dermavant Sciences GmbH, an Organon Company</li> <li>· Co-development with Torii</li> </ul>
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	
JTV-261	Thrombosis /Oral	PLD1/2 inhibitor	Suppresses shear-dependent platelet aggregation by inhibiting PLD1/2	Phase1 (Japan)	In-house	
JTC-262	Neurodegenerative disease /Oral	NLRP3 inhibitor	Suppresses immune response by inhibition of NLRP3 inflammasome	Phase1 (Overseas)	In-house	
JTV-263	Peripheral artery disease /Oral	H-PGDS inhibitor	Improve blood flow in ischemic lower extremities by inhibiting H-PGDS	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 October 31, 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 excludes RRP devices, RRP related accessories, etc.
Ploom volume	Sales volume of Ploom heated tobacco sticks (HTS). This excludes Ploom devices, Ploom 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"> <li>• Asia cluster includes the tobacco regions of Japan and Asia Pacific</li> <li>• EMA cluster includes the tobacco regions of Eastern Europe, MENEAT, Americas and Global Travel Retail</li> </ul>
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"> <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 (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"</li> </ul>

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

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*Japan Tobacco Inc. (JT) is a global company headquartered in Tokyo, Japan. It is listed on the primary section of the Tokyo Stock Exchange (ticker: 2914.T). JT Group has approximately 53,000 employees and 62 factories worldwide, operating in three business segments: tobacco, pharmaceutical, and processed food. Within the tobacco business, the largest segment, products are sold in over 130 markets and its flagship brands include Winston, Camel, MEVIUS, and LD. The Group is committed to investing in Reduced-Risk Products and markets its heated tobacco products under its Ploom brand. Consumers, shareholders, employees, and society are the four stakeholder groups (4S) at the heart of all of JT Group's activities. Inspired by its "Fulfilling Moment, Enriching Life" purpose, the Group aims to ensure sustainable and valuable contributions to its stakeholders over the long term. In addition to our three business segments, this goal is also supported by D-LAB, the JT Group's corporate R&D initiative, set up to search and create added-value business opportunities. 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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