



**JT Group**  
**2024 First-Quarter Results**

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\*Please be reminded that the figures shown on these slides may differ from those shown in the financial statements as they are intended to facilitate the reader's understanding of individual businesses.

\*For details of each term, please refer to annotations on slide 12 .

# FORWARD-LOOKING STATEMENTS



This presentation 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.

# 2024 First-Quarter Consolidated Results:

## CR and AOP grew both at constant FX and reported basis



(JPY BN)	2024 Jan-Mar	vs. 2023
At constant FX		
Core revenue	<b>676.7</b>	+5.7%
AOP	<b>231.0</b>	+3.4%
Reported		
Revenue	<b>740.3</b>	+11.3%
AOP	<b>226.7</b>	+1.5%
Operating profit	<b>215.8</b>	+4.6%
Profit	<b>157.3</b>	+8.7%

### Revenue and AOP\*

- In the tobacco business, solid pricing contributions more than offset the increased investments towards HTS\*\* and the impact of higher input costs
- AOP growth in the processed food business
- Unfavorable foreign exchange impact on AOP from depreciation of emerging market currencies and appreciation of cost-related currencies

### Operating profit

- Increase driven by reduced amortization of trademark rights as well as gains on sales of real estate

### Profit

- Increase driven by operating profit growth as well as lower financial costs

*Note: The results for fiscal year 2023 and fiscal year 2024 on a reported basis have been adjusted to include the impact of hyperinflationary accounting in accordance with the requirements stipulated in IAS 29. The results for fiscal year 2023 and fiscal year 2024 on a constant FX basis have been calculated to exclude amounts of revenue and profit that have increased due to hyperinflation in certain markets.*

\*AOP=Adjusted operating profit

\*\*HTS=Heated tobacco sticks

# Tobacco Business Volume Performance:

## Continued market share gains and double-digit RRP volume increase



(BnU)	2024 Jan-Mar	vs. 2023
Total volume	<b>132.9</b>	+2.1%
Combustibles	<b>130.3</b>	+1.7%
GFB	<b>96.8</b>	+6.3%
RRP	<b>2.5</b>	+25.2%

### Combustibles

- On-going market share momentum across the footprint
- GFB volume grew by 6.3% fueled by Winston and Camel
- Strong volume growth in the EMA cluster
  - Overall resilient industry volume
  - Continued recovery in Global Travel Retail, mainly in Asia
  - Strong momentum in emerging markets
- Continued combustibles industry volume decline in Japan, the Philippines, Taiwan and the UK

### RRP

- Continued HTS segment share gains in Japan
- Volume contribution of Ploom X in new launch markets

# Tobacco Business Financial Performance :

## Pricing contribution offsets increased investment and higher costs



(JPY BN)	2024 Jan-Mar	vs. 2023
Core revenue	<b>653.3</b>	+12.8%
at constant FX	<b>617.4</b>	+6.6%
AOP	<b>231.9</b>	+3.0%
at constant FX	<b>236.2</b>	+4.9%

### Volume

- Negative variance due to unfavorable market mix despite total volume growth

### Price/Mix

- Positive variance driven by pricing benefits in multiple markets, partially offset by lower product mix due to downtrading

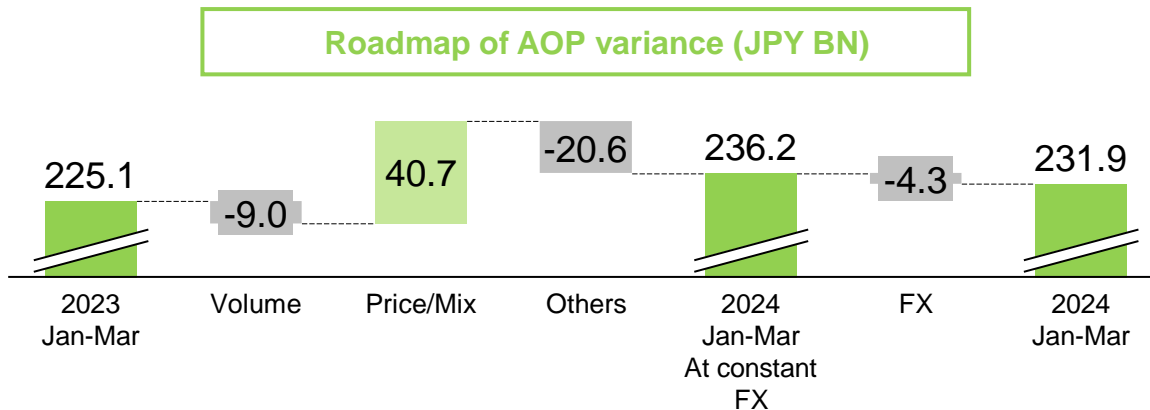
### Others

- Incremental investments towards HTS
- Higher supply chain costs

### Forex

- Negative impact from depreciation of emerging market currencies and appreciation of cost-related currencies

Roadmap of AOP variance (JPY BN)

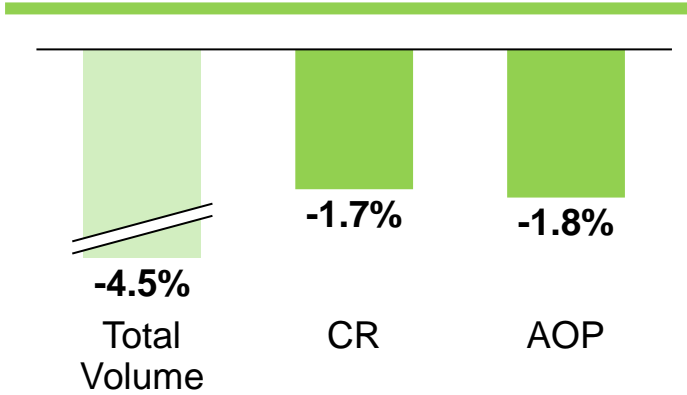


Note: The results for fiscal year 2023 and fiscal year 2024 on a reported basis have been adjusted to include the impact of hyperinflationary accounting in accordance with the requirements stipulated in IAS 29. The results for fiscal year 2023 and fiscal year 2024 on a constant FX basis have been calculated to exclude amounts of revenue and profit that have increased due to hyperinflation in certain markets.

# Tobacco Business Results by Cluster



## ASIA



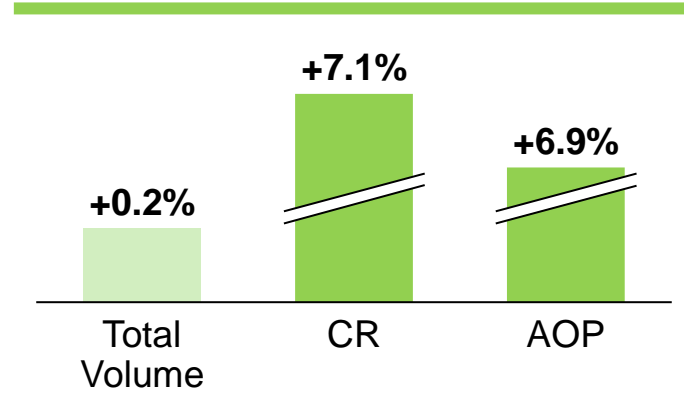
### Total Volume

- Market share gains in the Philippines and Taiwan
- Ploom X volume growth in Japan
- Lower combustibles industry volume in Japan and the Philippines

### CR/AOP

- Pricing contribution, mainly carry-over in the Philippines, offset by the negative volume contribution
- Higher investment towards RRP to support market share growth in Japan
- Higher input costs in the supply chain

## WESTERN EUROPE



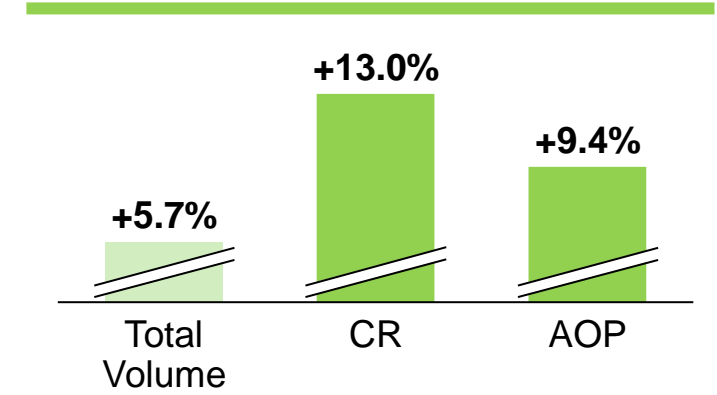
### Total Volume

- Market share gains in most markets, including Italy
- Positive volume contribution from geo-expansion of Ploom X
- Lower industry volume, mainly in the UK

### CR/AOP

- Pricing contribution, mainly in Spain and the UK, offset the negative volume contribution from lower market mix
- Investments towards Ploom X geo-expansion
- Higher input costs in the supply chain

## EMA



### Total Volume

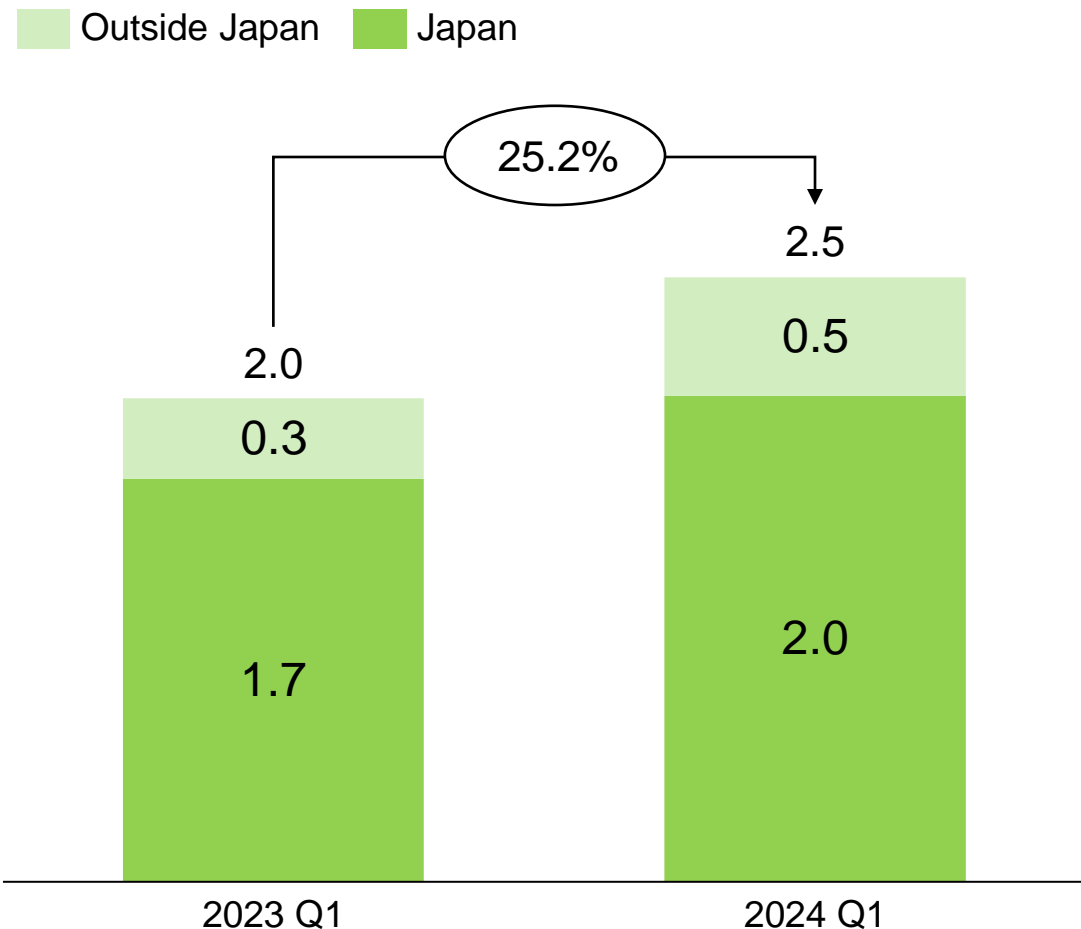
- Market share gains in many markets
- Global Travel Retail volume recovery mainly in Asia
- Limited decline in industry volume

### CR/AOP

- Positive volume contribution
- Pricing contribution in several markets
- Investments towards Ploom X geo-expansion
- Higher input costs in the supply chain

# Tobacco Business RRP volume: Steady volume growth driven by Ploom X

## RRP volume, BnU



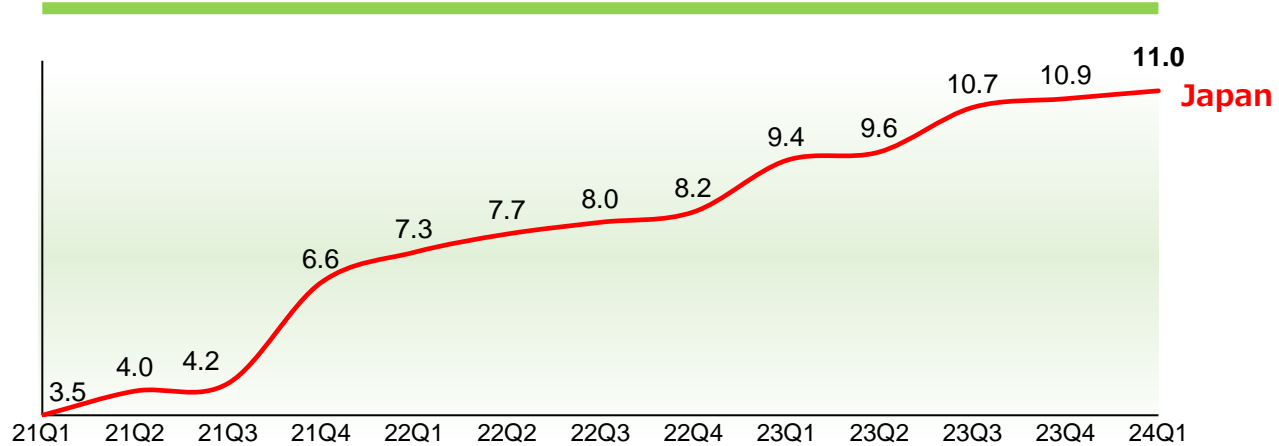
- RRP volume growth driven by Ploom X in Japan and incremental contribution from markets launched in 2023
- Ploom X is now available in 17 markets, an increase of 4 markets since the end of 2023
  - To be launched in 4 additional markets by June respectively
  - Geo-expansion plan on track
- On track towards 2028 ambitions to reach mid-teen HTS segment share in HTS key markets and RRP breakeven by 2028

# Tobacco Business Ploom X global overview

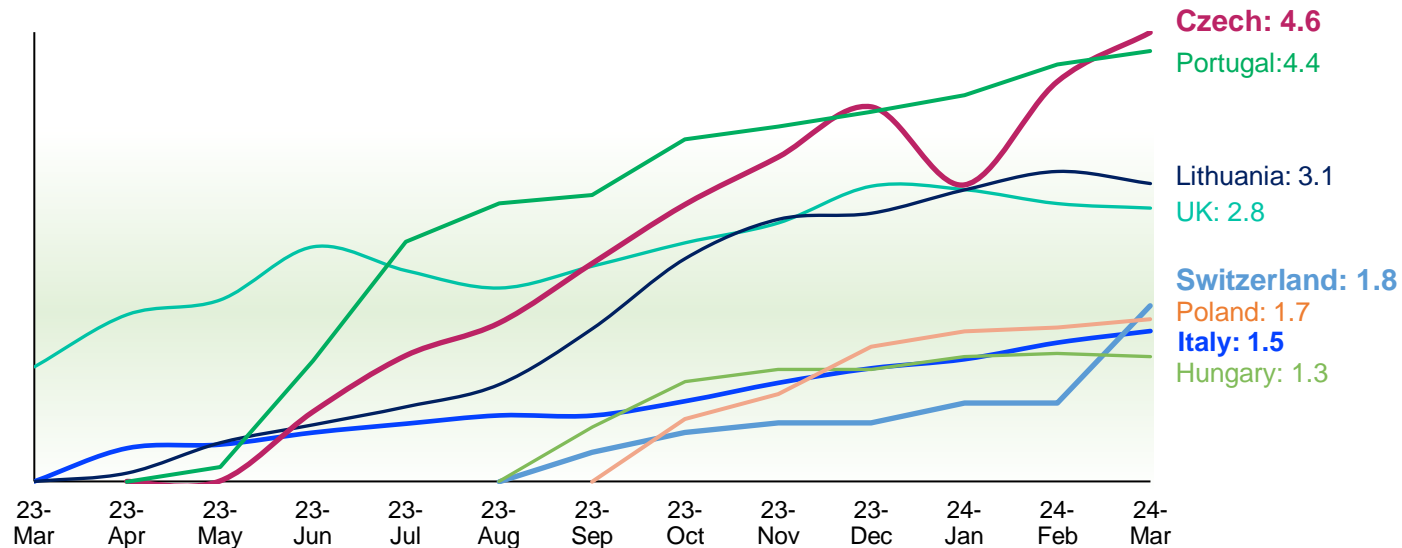
## Ongoing share gains in Japan and solid growth in launch markets



### Ploom X SoS in HTS\* \*\*



\* QTD basis for Japan



\*\* SoS in launch area for the markets excl. Japan

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### Japan

- Solid market share gains in an increasingly competitive HTS segment due to aggressive promotions and price reductions by competitors. March SoS reached 11.3%.

### Italy

- Increasing trend in SoS since expanded distribution in November 2023

### Czech, Switzerland

- Steady growth since the launch, with SoS reached 4.6% within nine months in Czech, and 1.8% within seven months in Switzerland

- Accelerated nationwide-expansion



# Pharmaceutical and Processed Food Businesses Financial Results



## Pharmaceutical Business

(JPY BN)	2024 Jan-Mar	vs. 2023 variance
Revenue	<b>23.3</b>	-1.6
AOP	<b>3.8</b>	-3.1

### Revenue

- Decrease due to the absence of one-time income from licensing of patented JT compounds received in FY 2023, despite sales growth in the area of skin diseases and allergens at Torii Pharmaceutical

### AOP

- Decrease due to the lower revenue and higher R&D expenses

## Processed Food Business

(JPY BN)	2024 Jan-Mar	vs. 2023 variance
Revenue	<b>35.7</b>	+0.1
AOP	<b>2.0</b>	+0.6

### Revenue

- Almost flat following price revisions, offsetting the impact of the discontinuation of some products as a result of the product portfolio revision

### AOP

- Increase driven by the price revision, offsetting higher raw material costs

# **Closing remarks**

## 2024 Jan-Mar results

- Strong performance driven by pricing contributions in the tobacco business
- Additional profit growth from the processed food business

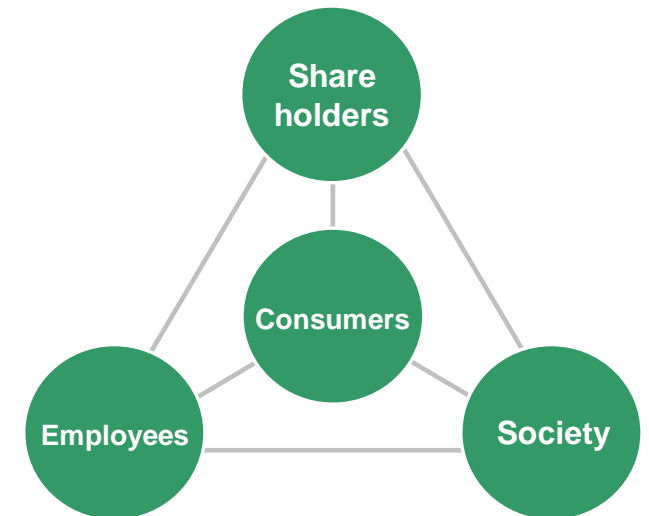
## 2024 full-year forecasts

- Solid business momentum, towards achieving the full-year forecasts
- Continuously assessing uncertainties including forex trends. Forecast revisions, if any, could be announced during second quarter financial results or onward as needed

## Ploom X geo-expansion

- Geo-expansion of Ploom X progressing as planned
- Collecting incremental consumer insights to further improve commercial strategy
- Steady progress towards the 2028 RRP ambitions

Fulfilling Moments,  
Enriching Life



# <Definitions>



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).

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).

Profit: : Profit attributable to owners of the parent company

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 sticks (HTS) : High temperature heated tobacco products. One stick is equivalent to a stick of cigarettes.

Combustibles : Combustibles include all tobacco products excluding contract manufactured products, waterpipe, heated tobacco products, oral and E-Vapor.

GFB :  
(Global Flagship Brands) Global Flagship Brands: Winston, Camel, MEVIUS and LD (4 brands)

# <Definitions>



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.
RRP volume :	Reduced-Risk Products (RRP) volume in cigarette-stick equivalent. This also excludes RRP devices, RRP related accessories, etc.
Core revenue :	Core revenue includes all revenue excluding those from distribution, contract manufacturing and other peripheral businesses.