

Japan Tobacco Inc.

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# Fact Sheets

# 2023

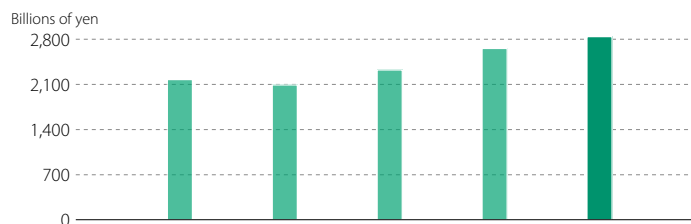
- 01 Financial Data
- 08 Tobacco Business
- 11 Number of Employees/Subsidiaries and Affiliates
- 12 Glossary of Terms

Note: Due to the combination of JT Group's tobacco business into a single business segment since 2022, figures in this document represents the total of tobacco business.



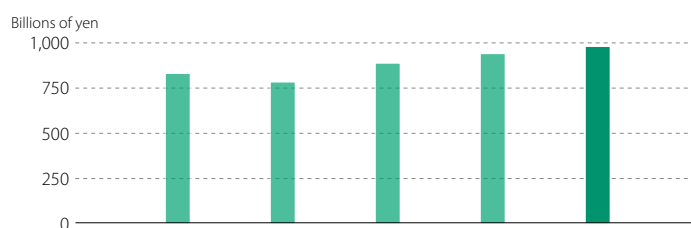
# Financial Data

## Revenue



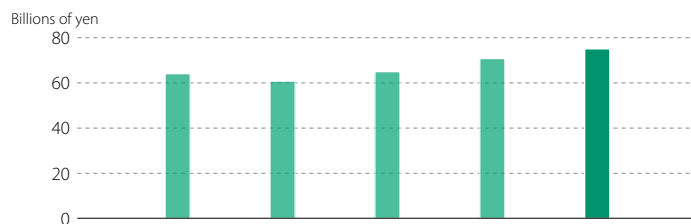
	2019	2020	2021	2022	2023
<b>Total</b>	<b>2,175.6</b>	<b>2,092.6</b>	<b>2,324.8</b>	<b>2,657.8</b>	<b>2,841.1</b>
Tobacco Business	—	—	—	2,417.4	2,590.9
International Tobacco Business	1,310.9	1,306.2	1,535.7	—	—
Japanese-Domestic Tobacco Business	611.5	555.6	559.4	—	—
Pharmaceutical Business	88.5	79.0	80.4	82.9	94.9
Processed Food Business	158.6	149.3	147.2	155.5	153.9
Other Business	6.1	2.5	2.1	2.0	1.4
Core Revenue	—	—	—	2,315.2	2,478.6
International Tobacco Business	1,253.0	1,250.8	1,482.1	—	—
Japanese-Domestic Tobacco Business	568.9	515.7	519.8	—	—

## SG&A Expenses



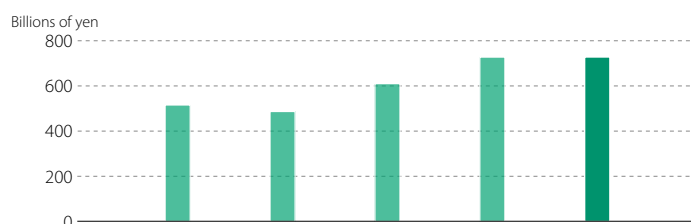
	2019	2020	2021	2022	2023
<b>SG&amp;A</b>	<b>831.7</b>	<b>784.5</b>	<b>888.6</b>	<b>941.5</b>	<b>981.1</b>
Advertising expenses	33.5	27.3	29.3	28.9	39.3
Promotion expenses	102.1	92.1	108.7	125.2	140.9
Commission	55.5	57.6	66.9	79.2	79.3
Employee benefit expenses	309.6	307.2	355.0	338.7	365.4
Research and development expenses	64.1	60.8	65.0	70.8	75.1
Depreciation and amortization	106.1	103.7	109.0	114.3	104.9
Impairment losses on other than financial assets	16.1	12.6	22.8	27.5	13.7
Losses on sale and disposal of property, plant and equipment, intangible assets, and investment property	9.4	7.6	5.8	7.4	4.3
Other	135.3	115.6	126.2	149.5	158.1

## R&D Expenses



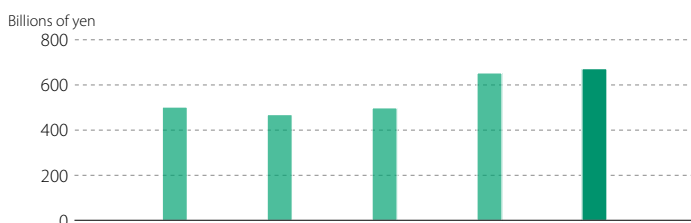
	2019	2020	2021	2022	2023
<b>R&amp;D</b>	<b>64.1</b>	<b>60.8</b>	<b>65.0</b>	<b>70.8</b>	<b>75.1</b>
Tobacco Business	—	—	—	29.9	33.1
International Tobacco Business	9.1	9.2	8.6	—	—
Japanese-Domestic Tobacco Business	20.1	19.1	19.3	—	—
Pharmaceutical Business	33.2	25.2	29.0	29.8	32.2
Processed Food Business	0.8	0.8	0.8	0.8	0.9
Other Business	0.8	6.5	7.3	10.3	8.8

## Adjusted Operating Profit



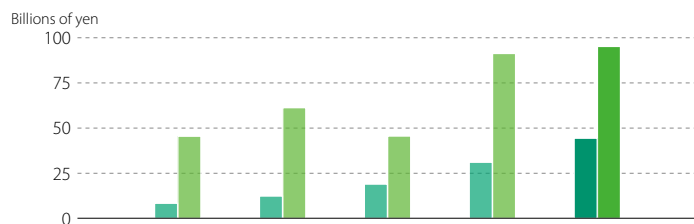
	2019	2020	2021	2022	2023
<b>Adjusted Operating Profit</b>	<b>515.9</b>	<b>487.0</b>	<b>610.4</b>	<b>727.8</b>	<b>728.0</b>
Tobacco Business	—	—	—	754.0	749.8
International Tobacco Business	340.8	340.9	454.4	—	—
Japanese-Domestic Tobacco Business	187.2	168.1	182.4	—	—
Pharmaceutical Business	15.9	17.2	11.1	11.1	17.4
Processed Food Business	5.4	(0.8)	4.0	3.5	6.8
Other Business/Elimination	(33.4)	(38.4)	(41.4)	(40.9)	(46.0)

## Operating Profit



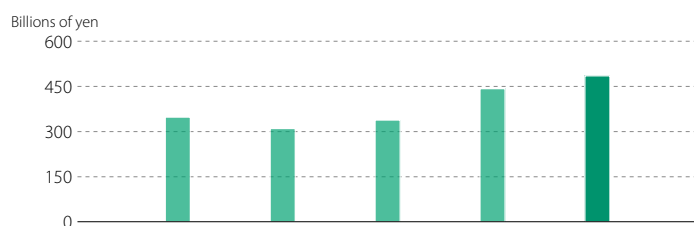
	2019	2020	2021	2022	2023
<b>Operating Income/Operating Profit</b>	<b>502.4</b>	<b>469.1</b>	<b>499.0</b>	<b>653.6</b>	<b>672.4</b>
Tobacco Business	—	—	—	679.4	677.1
International Tobacco Business	274.0	296.4	394.5	—	—
Japanese-Domestic Tobacco Business	171.0	151.8	125.5	—	—
Pharmaceutical Business	72.7	16.5	11.3	11.1	17.4
Processed Food Business	5.5	(0.8)	2.9	4.2	7.7
Other Business	(20.8)	5.1	(35.2)	(41.1)	(29.8)

## Financial Income and Expenses



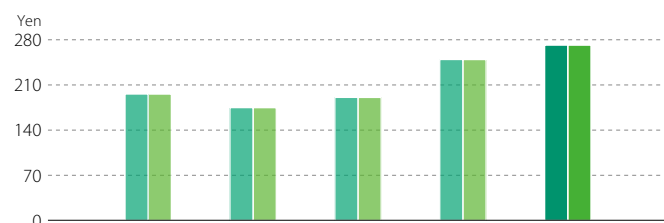
	2019	2020	2021	2022	2023
■ Financial Income	8.4	12.4	19.0	31.1	44.4
■ Financial Expenses	(45.5)	(61.3)	(45.6)	(91.3)	(95.2)

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



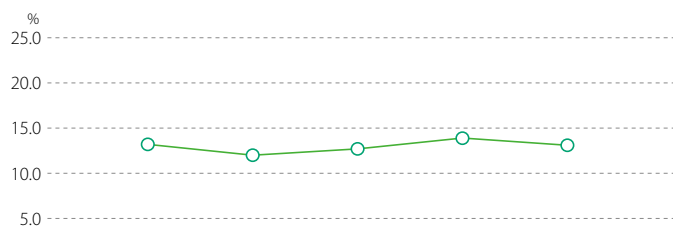
	2019	2020	2021	2022	2023
■ Profit (attributable to owners of the parent company)	348.2	310.3	338.5	442.7	485.3

## Basic and Diluted Earnings per Share



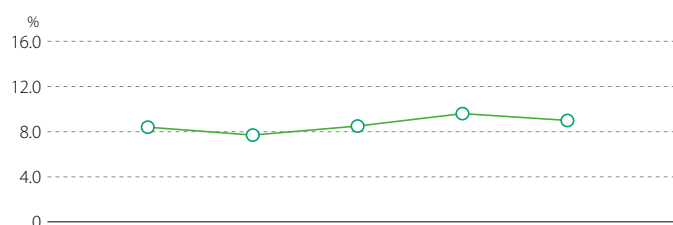
	2019	2020	2021	2022	2023
■ Basic Earnings per Share	195.97	174.88	190.76	249.45	271.69
■ Diluted Earnings per Share	195.87	174.80	190.68	249.36	271.63

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



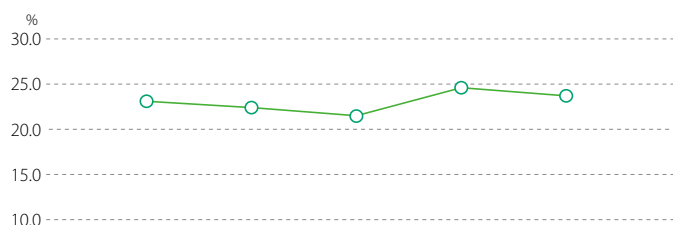
	2019	2020	2021	2022	2023
ROE (attributable to owners of the parent company)	13.2	12.0	12.7	13.9	13.1

## Return on Assets (ROA)



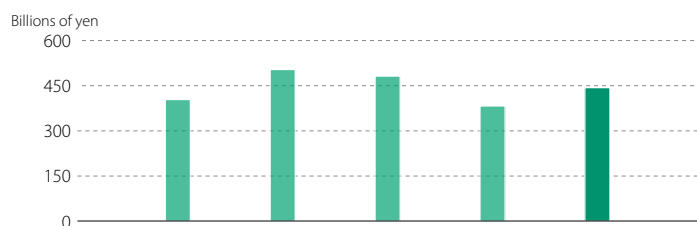
	2019	2020	2021	2022	2023
ROA	8.4	7.7	8.5	9.6	9.0

## Operating Profit Margin



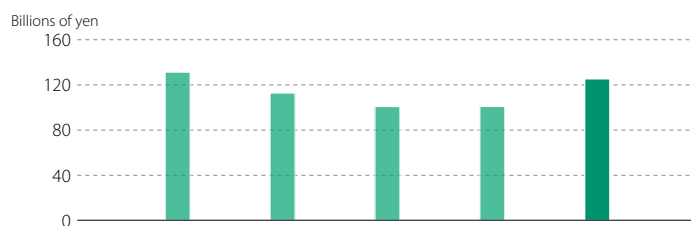
	2019	2020	2021	2022	2023
Operating Profit Margin	23.1	22.4	21.5	24.6	23.7

## Free Cash Flow (FCF)



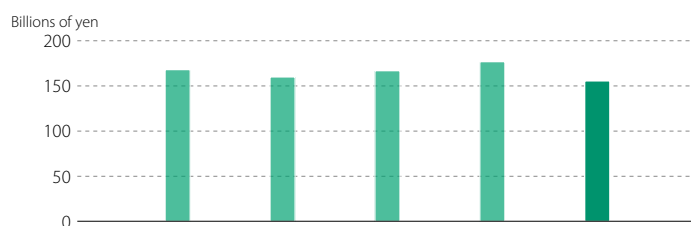
	2019	2020	2021	2022	2023
FCF	404.2	503.9	482.0	382.9	443.7

## Capital Expenditure (CAPEX)



	2019	2020	2021	2022	2023
■ CAPEX	131.4	112.9	100.9	101.0	125.4
Tobacco Business	—	—	—	83.8	105.1
International Tobacco Business	78.3	66.6	62.5	—	—
Japanese-Domestic Tobacco Business	34.8	21.1	20.0	—	—
Pharmaceutical Business	7.0	9.1	6.0	2.4	7.3
Processed Food Business	6.1	8.0	10.7	8.2	5.8
Others/Elimination	5.2	8.2	1.7	6.6	7.1

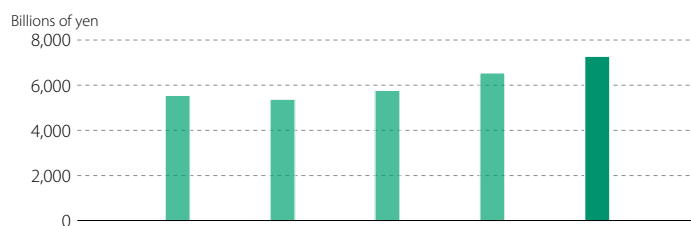
## Depreciation and Amortization



	2019	2020	2021	2022	2023
■ Depreciation and Amortization	168.1	160.0	166.9	176.9	155.6
Tobacco Business	—	—	—	163.8	144.0
International Tobacco Business	98.1	93.7	104.5	—	—
Japanese-Domestic Tobacco Business	55.6	52.9	49.8	—	—
Pharmaceutical Business	5.5	5.0	4.9	4.8	4.0
Processed Food Business	6.8	6.7	6.2	6.6	6.5
Others/Elimination	2.1	1.6	1.5	1.8	1.1

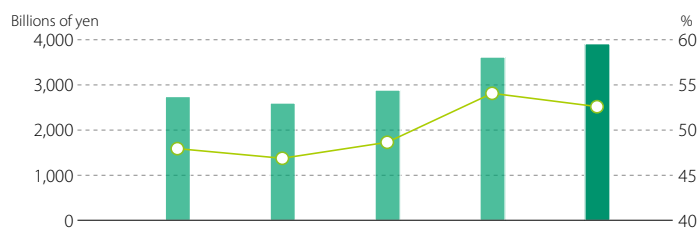
Note: Depreciation related to lease transactions have been excluded since 2019.

## Total Assets



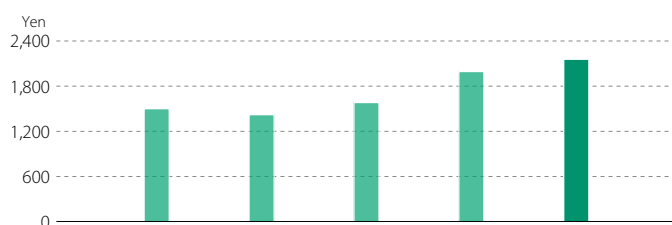
	2019	2020	2021	2022	2023
■ Total Assets	5,553.1	5,381.4	5,774.2	6,548.1	7,282.1

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



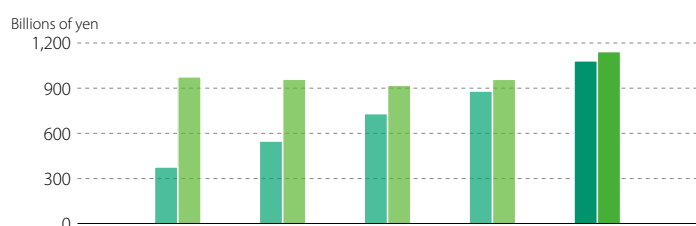
	2019	2020	2021	2022	2023
■ Total Equity	2,743.6	2,599.5	2,886.1	3,616.8	3,912.5
○- Equity Ratio (attributable to owners of the parent company)	47.95	46.88	48.65	54.07	52.60

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



	2019	2020	2021	2022	2023
■ Book Value per Share (attributable to owners of the parent company)	1,501.12	1,421.92	1,583.10	1,994.78	2,157.46

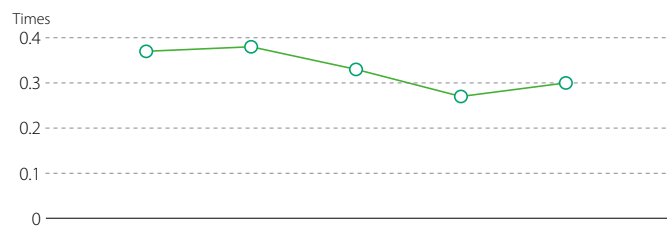
## Liquidity and Interest-Bearing Debt



	2019	2020	2021	2022	2023
■ Liquidity	375.8	548.3	730.2	880.4	1,080.9
■ Interest-Bearing Debt	974.5	958.9	918.6	958.3	1,142.3

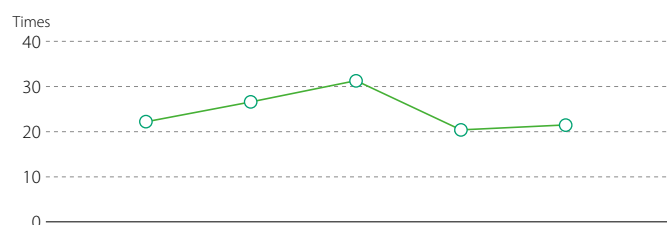
Note: Lease obligations have been excluded from Interest-Bearing Debt since 2019.

## Debt/Equity Ratio



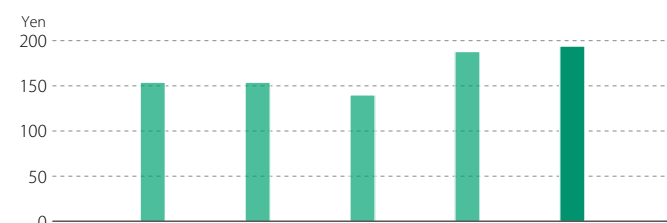
	2019	2020	2021	2022	2023
Debt/Equity Ratio	0.37	0.38	0.33	0.27	0.30

## Interest Coverage Ratio



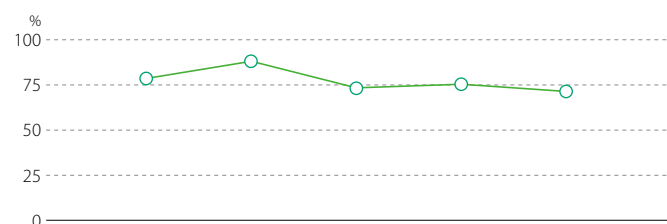
	2019	2020	2021	2022	2023
Interest Coverage Ratio	22.2	26.6	31.3	20.4	21.5

## Annual Dividends per Share



	2019	2020	2021	2022	2023
Annual Dividends per Share	154	154	140	188	194

## Dividend Payout Ratio on a Consolidated Basis



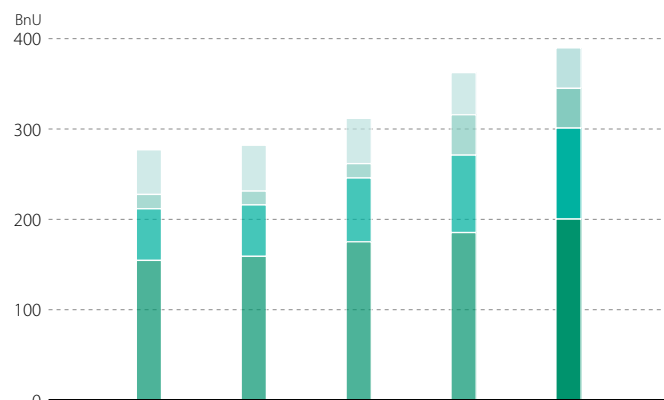
	2019	2020	2021	2022	2023
Dividend Payout Ratio	78.6	88.1	73.4	75.4	71.4



# Tobacco Business

(Results for the 12 months ended December 31)

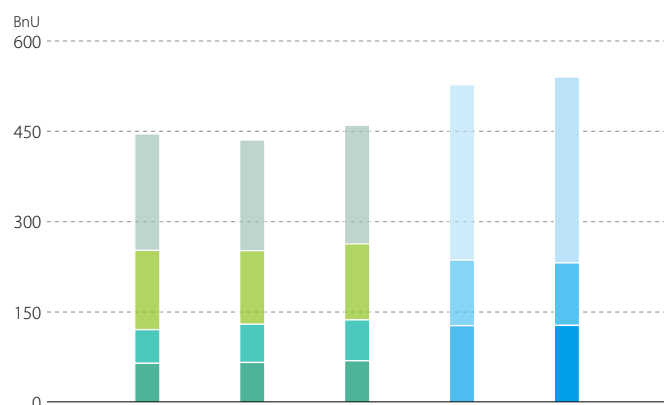
## GFB Shipment Volume (by Brand)



	2019	2020	2021	2022	2023
<b>GFB Total</b>	277.0	282.0	311.7	362.4	<b>389.8</b>
■ Winston	154.6	159.1	175.2	185.4	<b>200.3</b>
■ Camel	57.1	56.9	70.6	85.7	<b>100.7</b>
■ MEVIUS	15.9	15.3	15.9	44.7	<b>44.0</b>
■ LD	49.4	50.7	50.1	46.6	<b>44.8</b>

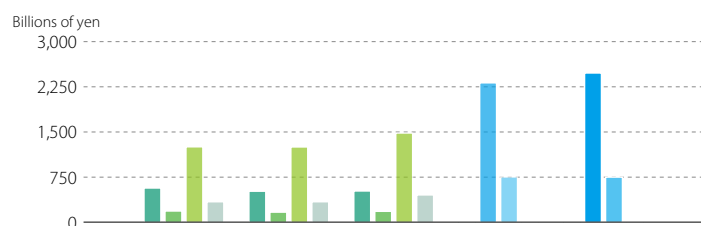
Note: Figures since 2022 includes volume from Japan market.

## Total Shipment Volume (by Cluster)



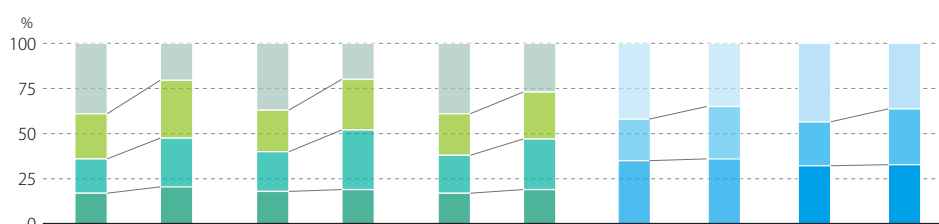
	2019	2020	2021	2022	2023
<b>Total</b>	—	—	—	527.3	<b>540.1</b>
■ Asia	—	—	—	127.4	<b>127.8</b>
■ Western Europe	—	—	—	108.9	<b>103.8</b>
■ EMA	—	—	—	290.9	<b>308.5</b>
<b>Total (Japanese-Domestic)</b>	75.5	68.7	62.2	—	—
<b>Total (International)</b>	445.8	435.7	460.2	—	—
■ South & West Europe	64.9	66.3	69.1	—	—
■ North & Central Europe	55.9	63.4	67.9	—	—
■ CIS+	131.5	122.2	126.2	—	—
■ Rest-of-the-World	193.5	183.8	197.0	—	—

## Core Revenue and Adjusted Operating Profit



	2019	2020	2021	2022	2023
■ Core Revenue	—	—	—	2,315.2	2,478.6
■ Adjusted Operating Profit	—	—	—	754.0	749.8
■ Core Revenue (Japanese-Domestic)	568.9	515.7	519.8	—	—
■ Adjusted Operating Profit (Japanese-Domestic)	187.2	168.1	182.4	—	—
■ Core Revenue (International)	1,253.0	1,250.8	1,482.1	—	—
■ Adjusted Operating Profit (International)	340.8	340.9	454.4	—	—

## Cluster Split



	2019		2020		2021		2022		2023	
	Core Revenue	Adjusted Operating Profit	Core Revenue	Adjusted Operating Profit	Core Revenue	Adjusted Operating Profit	Core Revenue	Adjusted Operating Profit	Core Revenue	Adjusted Operating Profit
■ Asia	—	—	—	—	—	—	35	36	32	33
■ Western Europe	—	—	—	—	—	—	23	29	24	31
■ EMA	—	—	—	—	—	—	42	35	44	36
■ South & West Europe	17	21	18	19	17	18	—	—	—	—
■ North & Central Europe	19	27	22	32	21	28	—	—	—	—
■ CIS+	25	32	23	28	23	26	—	—	—	—
■ Rest-of-the-World	39	21	37	20	39	27	—	—	—	—

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

	2019	2020	2021	2022	2023
Japan	48.6%	46.9%	44.4%	42.4%	42.8%
The Philippines	—	—	—	37.1%	42.4%
Taiwan	45.3%	47.8%	48.1%	48.9%	50.3%
Italy	24.5%	25.7%	26.7%	27.4%	23.2%
Spain	25.7%	26.7%	27.8%	28.5%	27.9%
The U.K.	43.6%	45.0%	45.8%	45.1%	43.7%
France	24.2%	27.1%	28.9%	—	—
Romania	—	—	—	29.5%	27.4%
Russia	39.1%	36.3%	36.7%	36.6%	37.4%
Turkey	27.4%	26.6%	27.7%	27.8%	26.9%

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

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

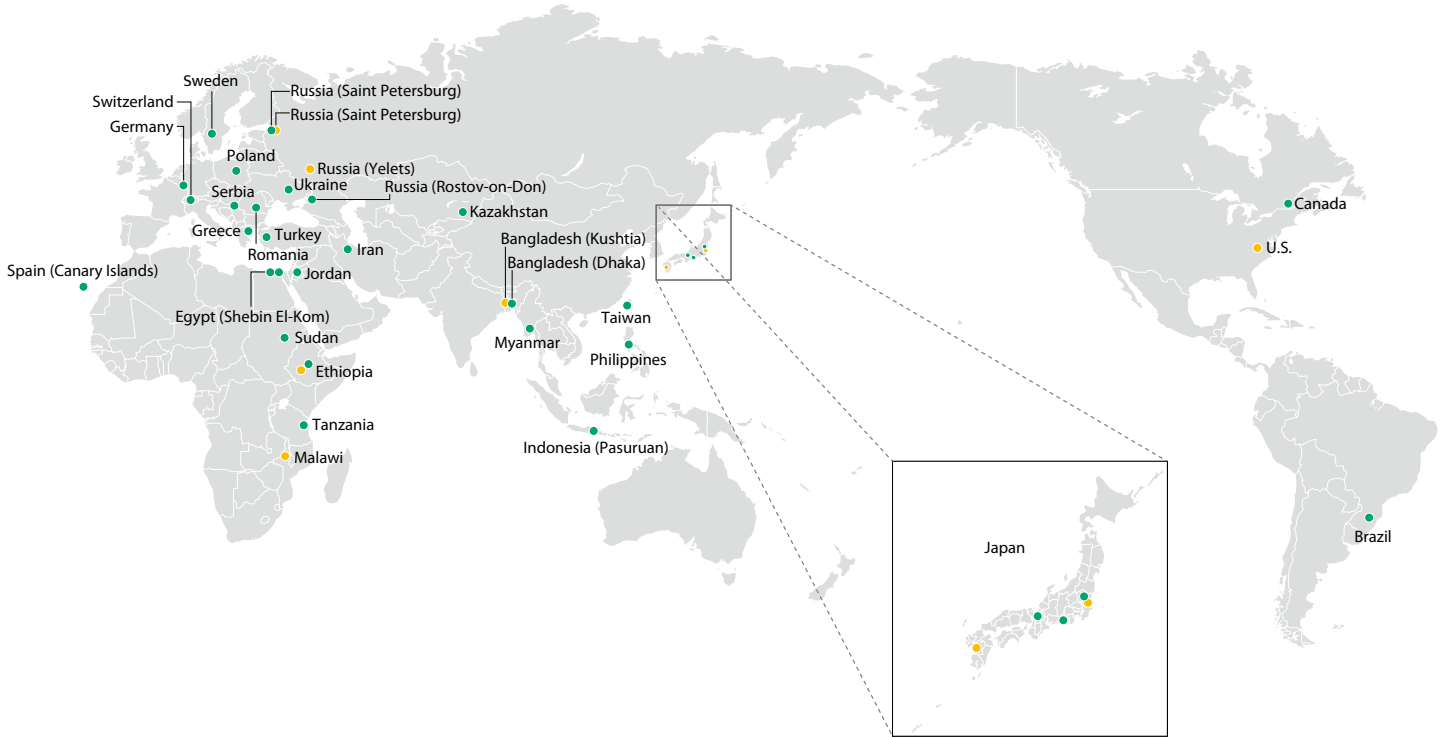
3: Reflect the updates in historical data from the sources.

# Tobacco Manufacturing-related Factory Location

(As of December 31, 2023)

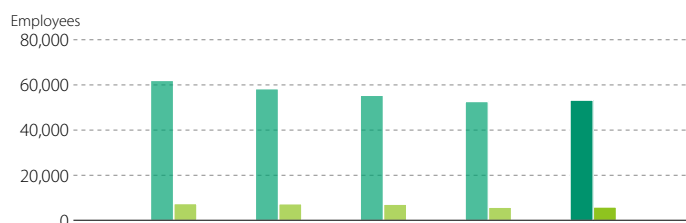
JT Group operates 38 factories in 28 countries (including tobacco-related factories).

● Finished goods manufacturing factories ● Other tobacco-related factories



# Number of Employees/Subsidiaries and Affiliates

## Number of Employees



	2019 Dec. 31	2020 Dec. 31	2021 Dec. 31	2022 Dec. 31	2023 Dec. 31
<b>Total</b>	<b>61,975</b>	<b>58,300</b>	<b>55,381</b>	<b>52,640</b>	<b>53,239</b>
Tobacco Business	—	—	—	46,163	46,698
International Tobacco Business	43,868	40,576	38,236	—	—
Japanese-Domestic Tobacco Business	10,508	10,354	9,940	—	—
Pharmaceutical Business	1,485	1,379	1,354	1,331	1,338
Processed Food Business	5,169	5,021	4,878	4,297	4,299
Corporate	945	970	973	849	904

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

	2019 Dec. 31	2020 Dec. 31	2021 Dec. 31	2022 Dec. 31	2023 Dec. 31
<b>Number of Employees (parent company)</b>	<b>7,464</b>	<b>7,366</b>	<b>7,154</b>	<b>5,819</b>	<b>5,940</b>
Number of Employees Based on Enrollment (parent company)	8,064	7,920	7,698	6,405	6,460

## Subsidiaries and Affiliates

(As of December 31, 2023)

Name	Location	Capital (Millions of yen)	Principal business	Holding rate of voting rights(%)
TS Network Co., Ltd.	Taito-ku, Tokyo	460	Tobacco	85.3
Japan Filter Technology Co., Ltd.	Sumida-ku, Tokyo	461	Tobacco	100
JT International Holdings B.V.	Netherlands	thousands USD 1,800,372	Tobacco	100
JT International S.A.	Switzerland	thousands CHF 923,723	Tobacco	100 (100)
LLC JTI Russia	Russia	thousands RUB 157,751	Tobacco	100 (100)
Gallaher Ltd.	The U.K.	thousands GBP 50,374	Tobacco	100 (100)
JTI Polska Sp. z o. o.	Poland	thousands PLN 200,000	Tobacco	100 (100)
LLC Petro	Russia	thousands RUB 328,439	Tobacco	100 (100)
JTI Tütün Ürünleri Sanayi A.S.	Turkey	thousands TRY 148,825	Tobacco	100 (100)
Torii Pharmaceutical Co., Ltd.	Chuo-ku, Tokyo	5,190	Pharmaceutical	54.8
Akros Pharma Inc.	The U.S.	thousands USD 1	Pharmaceutical	100 (100)
TableMark Co., Ltd.	Chuo-ku, Tokyo	22,500	Processed food	100

Notes: In addition to the above, JT has 209 consolidated subsidiaries and 18 companies accounted for by the equity method.

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

## Glossary of Terms

<b>Adjusted operating profit</b>	Operating profit + amortization cost of acquired intangibles arising from business acquisitions + adjusted items (income and costs)* <small>* Adjusted items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others</small>
<b>Combustibles volume</b>	The shipment volume of combustibles which excludes contract-manufactured products, snus, waterpipe, heated tobacco products and E-Vapor.
<b>Core revenue</b>	Core revenue includes all revenue excluding those from distribution, contract manufacturing and other peripheral businesses.
<b>Depreciation and Amortization</b>	Depreciation of tangible fixed assets + Amortization of intangible fixed assets
<b>Free Cash Flow (FCF)</b>	FCF is sum of cash flows from operating activities and investing activities, but excludes the following items: <ul style="list-style-type: none"> <li>• From operating CF: depreciation from lease transactions, interest received, dividends received, interest paid and income taxes related to these items excluding lease transactions, and other items</li> <li>• From investing CF: purchase of investment securities (for both short-term and longterm), payments into time deposits, proceeds from sale or redemption of investment securities (for both short-term and long-term), proceeds from withdrawal of time deposits and other investing activities not for business operation purposes</li> </ul>
<b>Cluster</b>	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. <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>
<b>Global Flagship Brand (GFB)</b>	Winston, Camel, MEVIUS and LD
<b>Interest-Bearing debt</b>	Short-term bank loans + commercial papers + bonds + long-term borrowings* <small>* Lease obligations have been excluded from interest-bearing debt since 2019</small>
<b>Interest coverage ratio</b>	Cash flow from operating activities / Interest paid* <small>* Amount on Cash Flow Statement</small>
<b>Liquidity</b>	Cash and deposits + marketable securities + securities purchased under repurchase agreements
<b>Return on Assets (ROA)</b>	Profit before income taxes / Total assets
<b>Total volume</b>	The volume of tobacco-based products which excludes contract-manufactured products, waterpipe, RRP devices and related accessories.