



2021 International Tobacco Business Results & 2022 Tobacco Business Outlook

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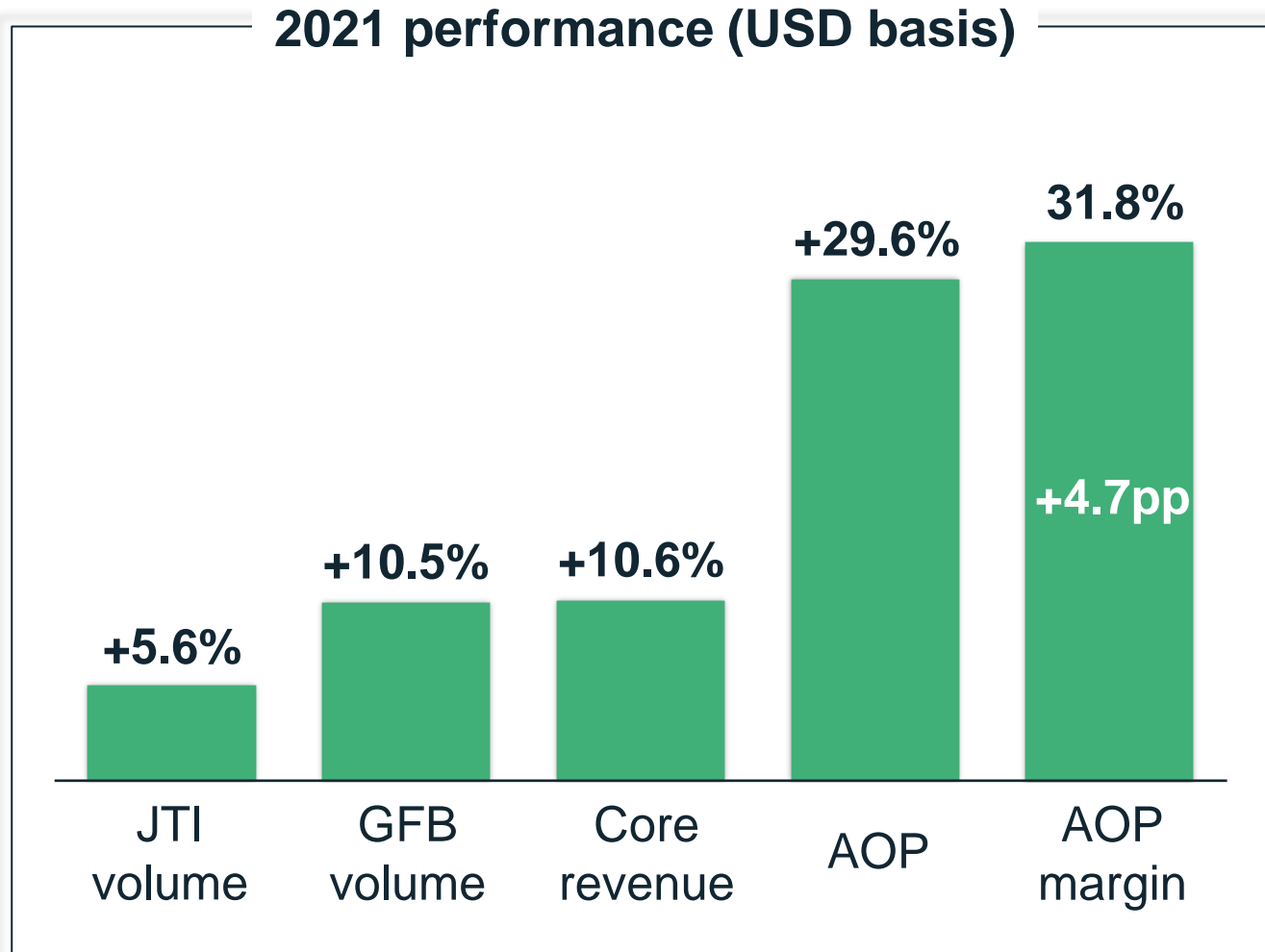
FORWARD-LOOKING STATEMENTS

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.

2021 | Industry leading performance across all KPIs



- Record* organic volume growth, driven by
 - continued market share gains
 - resilient industry volume, mainly driven by lower illicit trade
- Robust price/mix contribution fueled strong core revenue increase
- Record* AOP and AOP margin increase, boosted by
 - improved market mix
 - transformation initiatives
 - product costs containment

Strategic focus strengthened business fundamentals

COMBUSTIBLES

- Accelerated market share gains across the majority of our markets
- Solid and resilient pricing underpinned robust core revenue growth
- Transformation benefits are exceeding initial plan



SoM¹⁾



Price/mix²⁾



Transformation benefits³⁾

REDUCED RISK PRODUCTS

- Prioritized investment behind HTS
- Focus on markets that matter
- Building consumer and trade insights from Japan, Russia, Italy and the UK
- Improved capabilities in consumer-centricity, science, R&D and digital



Coverage of HTS category⁴⁾



Investment⁵⁾ as % of RRP

Volume fueled by strong combustible market share growth ...

JTI combustible SoM,¹⁾ vs PY

Philippines

+5.1pp

France

+1.8pp

Russia

+1.5pp

Spain

+1.1pp

Turkey

+1.1pp

Italy

+0.9pp

UK

+0.8pp

Romania

+0.7pp

Taiwan

+0.3pp

JTI SoS,²⁾ vs PY

+3.7pp
to 40.2%

Mid-price

+2.9pp
to 34.2%

Value

- Significant share of market gains
 - Increases in 29 of our top-30 markets
 - Industry leading share gains, notably in France, the Philippines, Romania, Russia, Spain and the UK led by strong equity of GFBs and local brands
- Increased share both in the mid-price and the growing value cigarette segment
 - Further strengthened leading position in fine cut in Western Europe

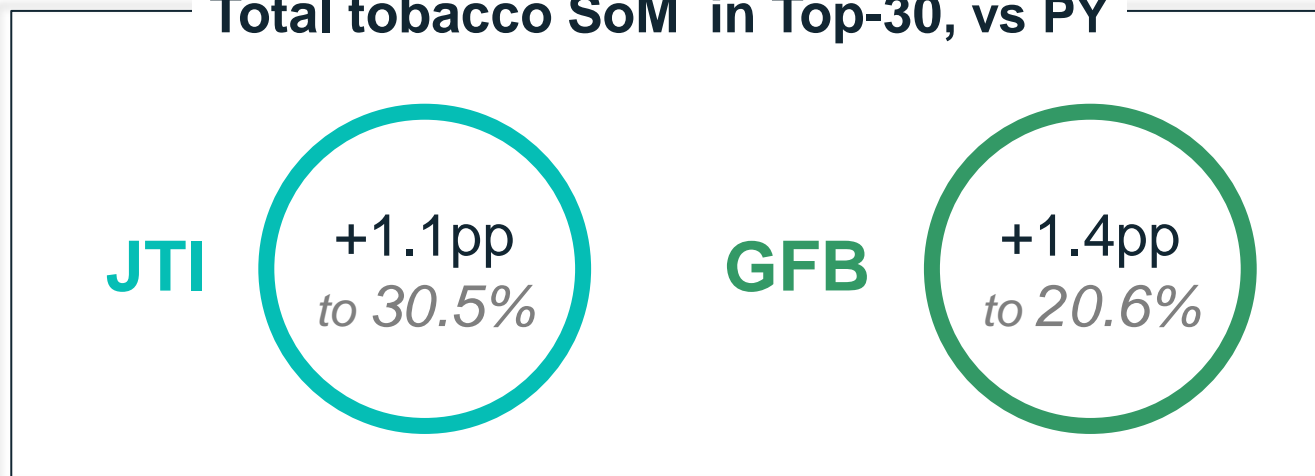
... Driven by GFBs leading to solid total tobacco share gains

JTI volume, vs PY



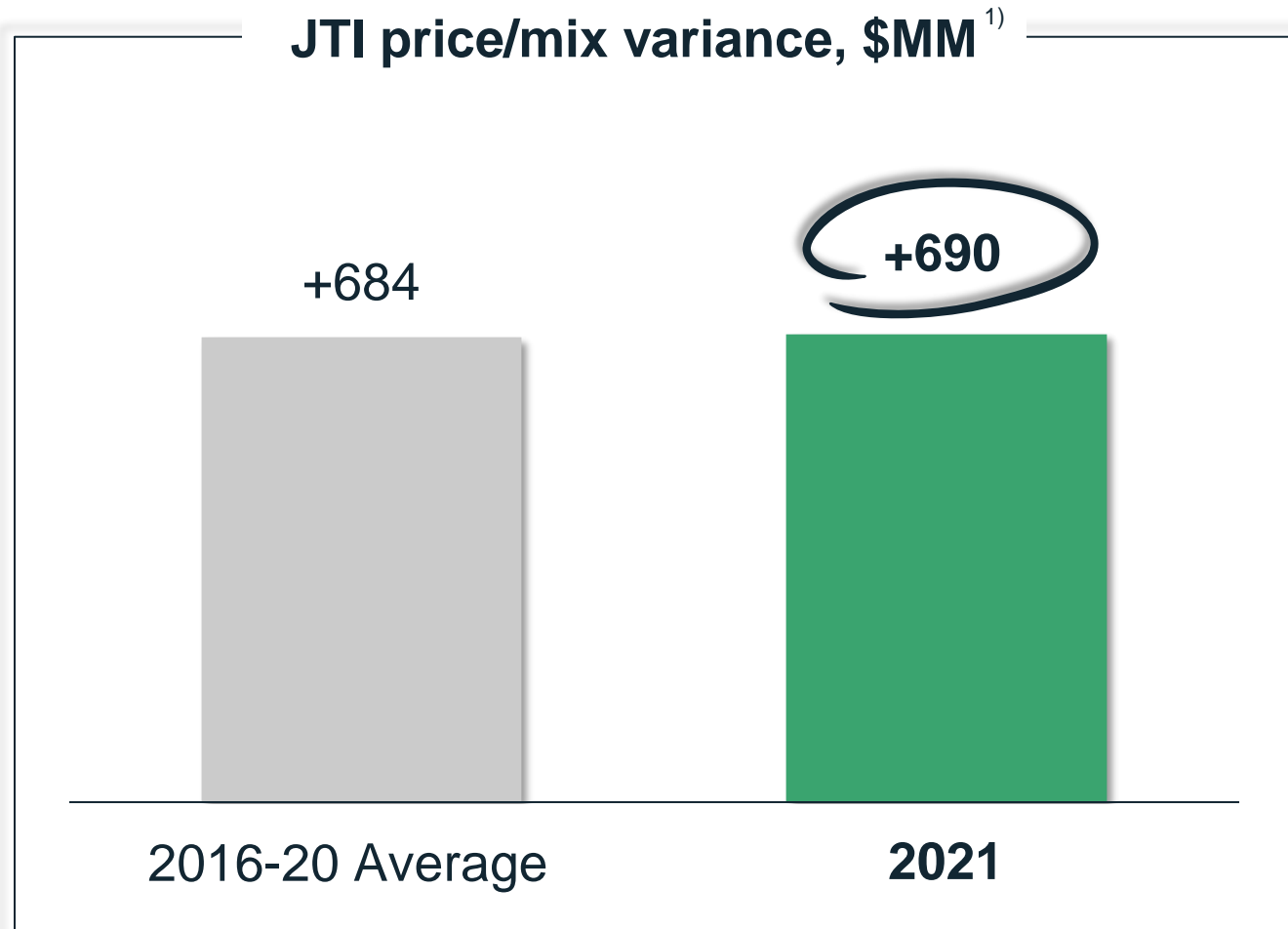
- 7th consecutive year of GFB volume growth with:
 - Winston increasing in over 60 markets
 - Camel growing in over 50 markets
- GFBs accounted for 68% of total volume

Total tobacco SoM¹⁾ in Top-30, vs PY



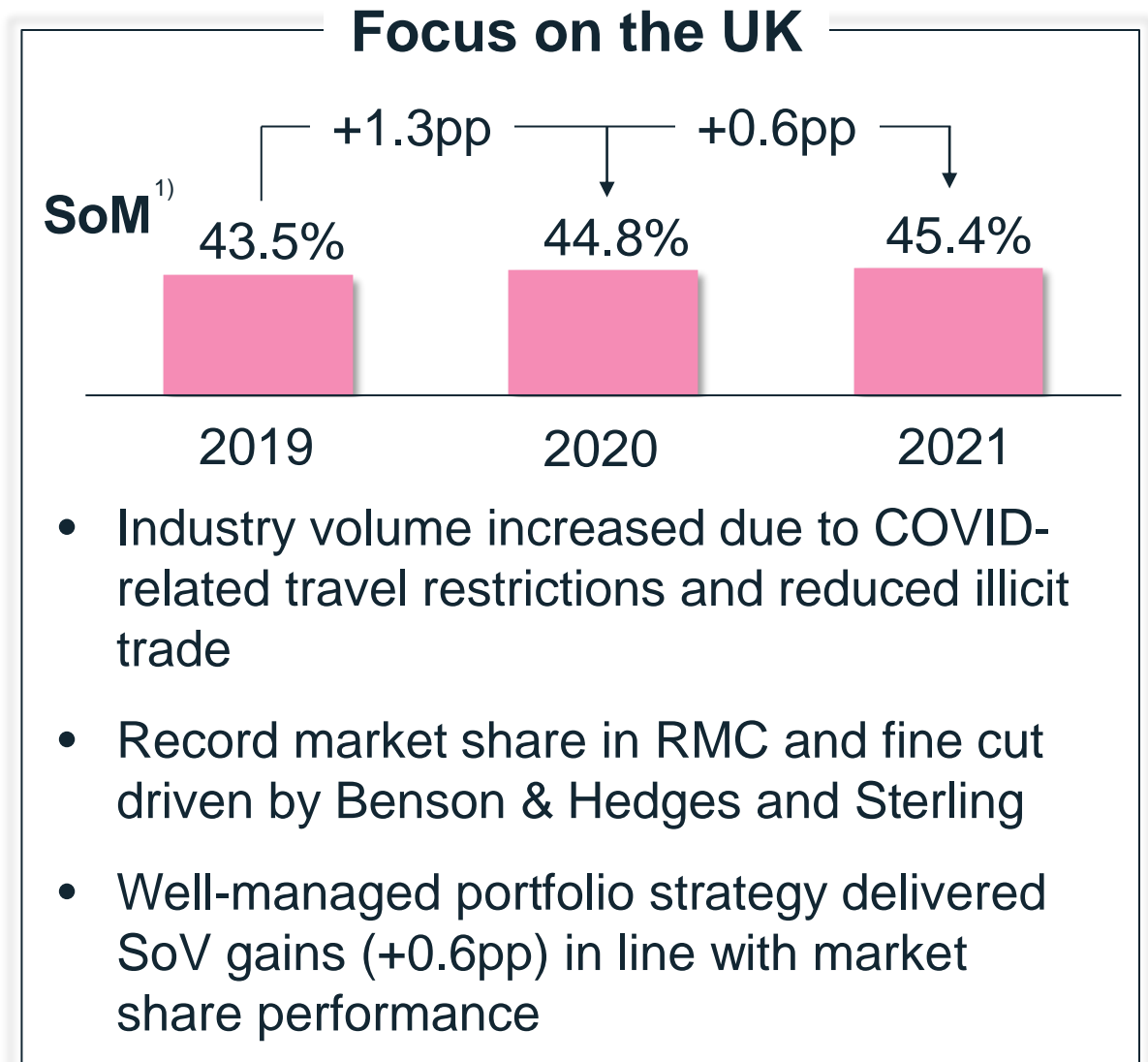
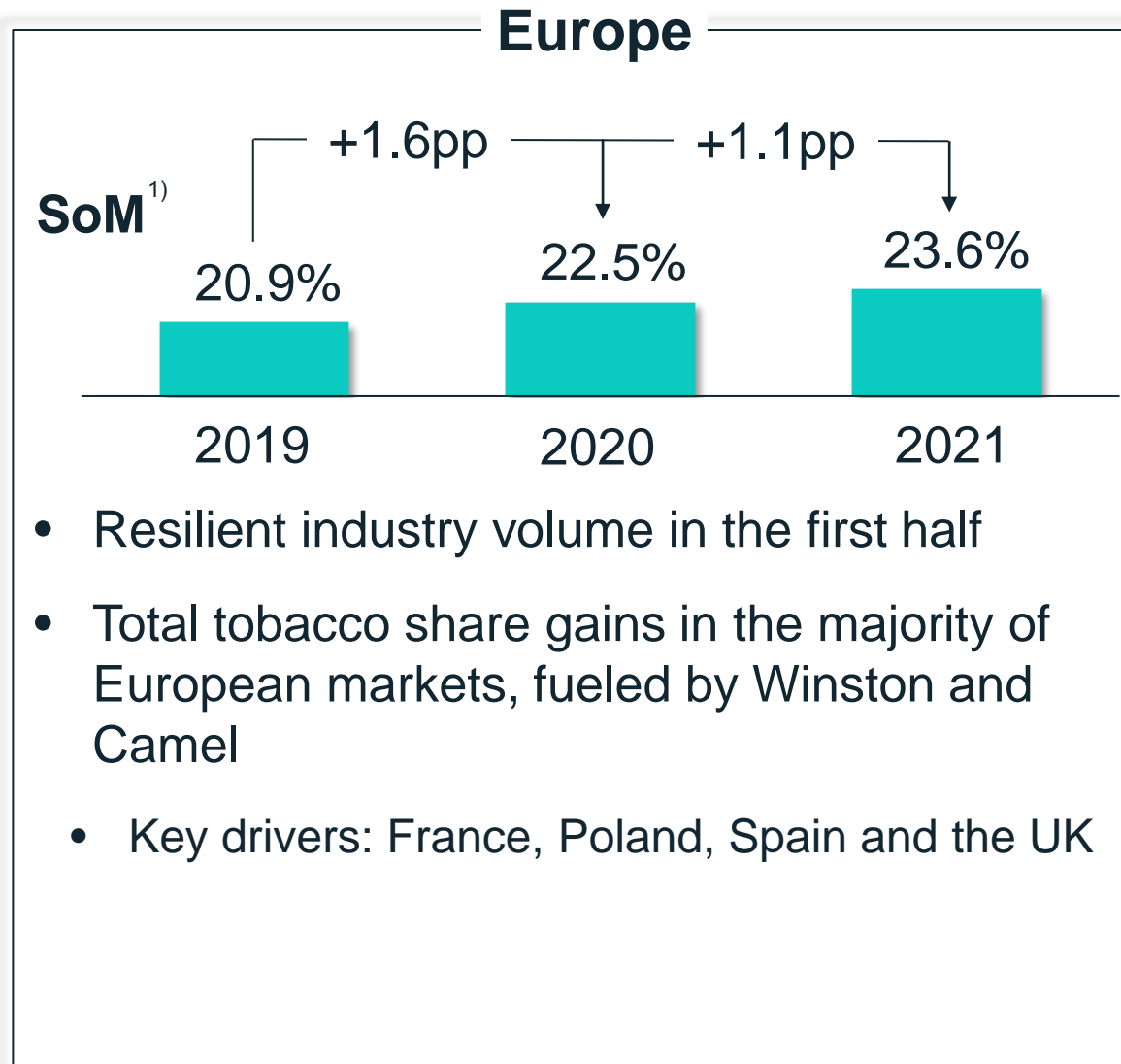
- Total tobacco share increased fueled by GFBs:
 - Winston: +0.4pp¹⁾
 - Camel: +1.0pp¹⁾

Resilient price/mix continued to fuel top-line growth

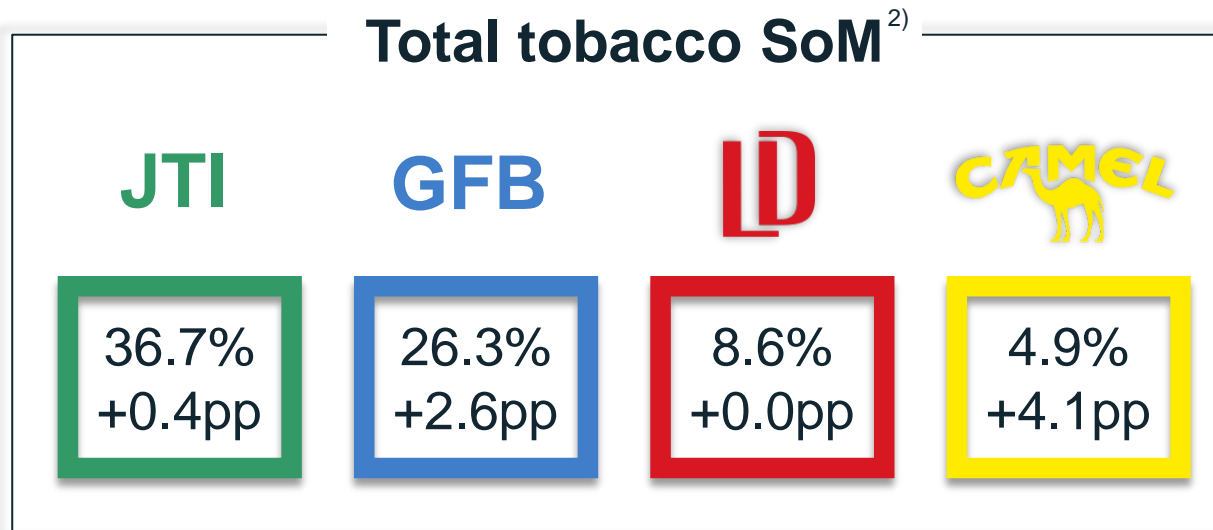
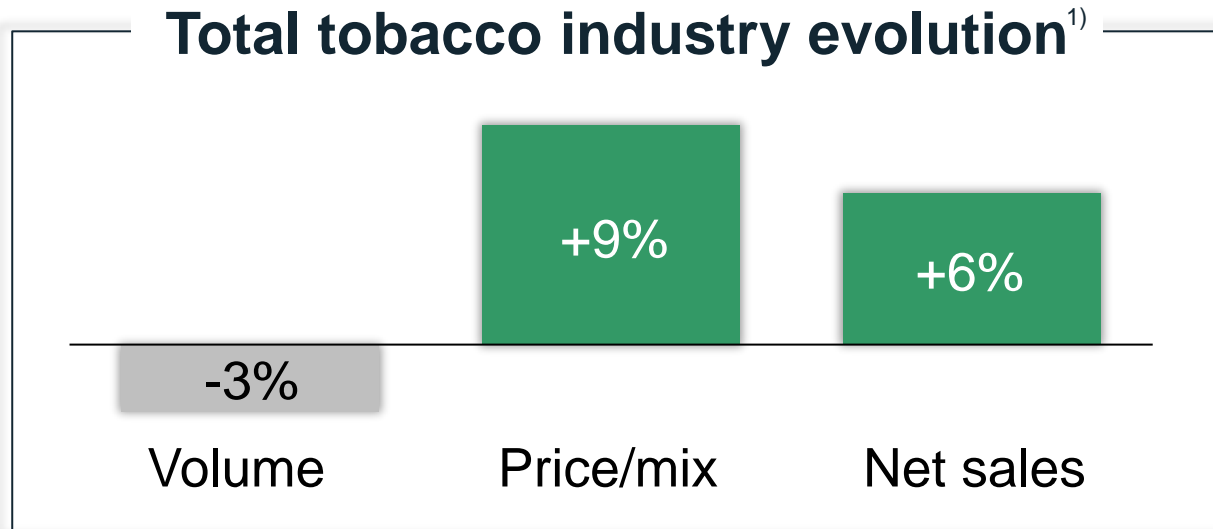


- Pricing model continued to deliver despite a challenging competitive environment
- All clusters registered positive price/mix
- Main drivers: Canada, the Philippines, Russia, Turkey and the UK
- Mix contribution in line with previous year as downtrading kept its historical trend

Europe | On-going share gains led by strong brand equity



Russia | Consolidated our leading combustible position and ...



- Resilient industry volume despite large excise tax increase, supported by:
 - lower illicit trade resulting from pandemic-related travel restrictions
 - larger HTS category
- Robust pricing with full pass-on of excise tax increase
- Combustible volume increase fueled by GFBs leading to total tobacco share gains
 - Winston, the #1 tobacco brand, with 12.6% SoM²⁾
 - Strengthened position in the value segment driven by Camel, the fastest growing brand

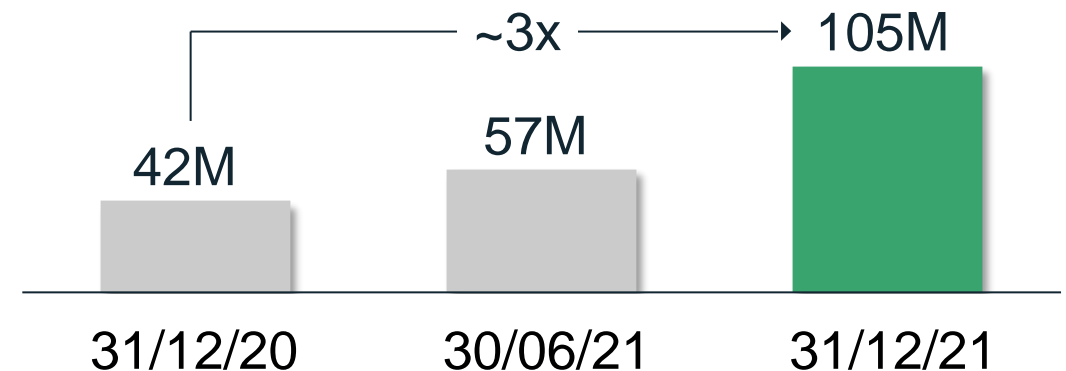
Russia | ... Continued HTS momentum and trade expansion



- Ploom reached 4.1%¹⁾ segment share in December
- Ahead of the Ploom X launch in 1H22
 - On-going collection of consumer and trade insights
 - Launched new Winston by Ploom sticks offering a greater taste profile
 - Number of outlets selling Ploom HTS tripled



of outlets selling Ploom HTS



Business Plan 2022 for the Tobacco Business

2022 Assumptions

Accelerated RRP investments in HTS

- Drive share gains in Japan
- Rollout Ploom X internationally based on semi-conductors' supply, prioritizing Russia

Continued focus on driving return-on-investments in combustibles

- Build on market share momentum and GFB equity
- Leverage pricing opportunities

Enhanced competitiveness

- Deliver savings in excess of ¥20Bn vs. 2021 through global efficiency initiatives

3-year Business Plan 2022

Volume forecast flat

- Continued market share gains expected to offset industry size decline in combustibles
- Double digit RRP volume growth fueled by HTS

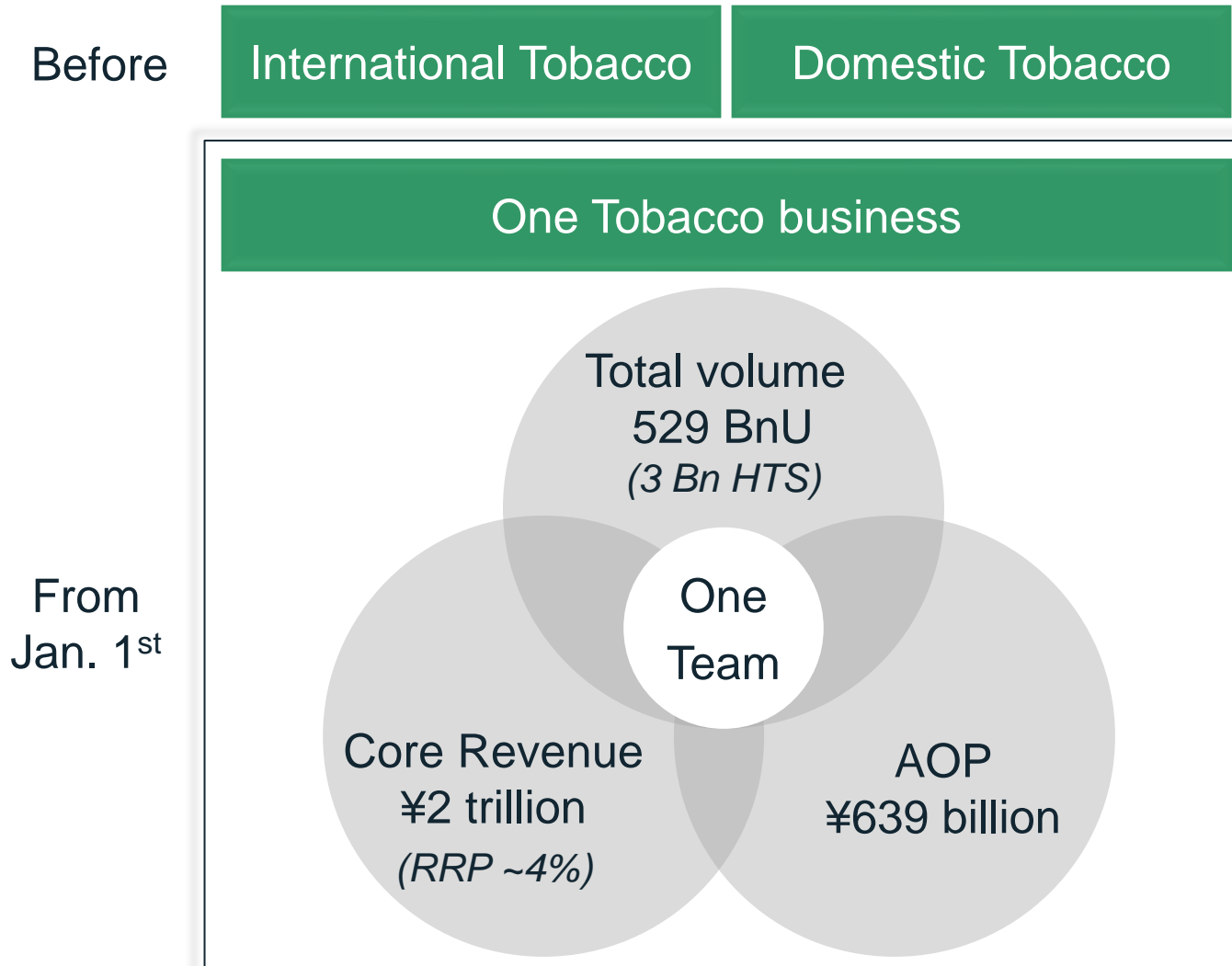
Revenue to increase low single digit

- Combustible pricing to remain key driver of growth
- Increased RRP revenue contribution to top-line

AOP growth expected in the mid single digit

- Global efficiency initiatives forecast to exceed announced run-rate savings
- Significant RRP investments, building the foundation for future profit growth

One Tobacco | Significant operational and commercial benefits



- Enhanced competitiveness in RRP, notably in HTS by unifying and maximizing global resources
- Combined resources and talents under one management, e.g., R&D, GSC
- Best practice sharing and increased speed and efficiency
- A revised clustering to include Japan