

[This is an English translation prepared for reference purpose only. Should there be any inconsistencies between the translation and the original Japanese text, the latter shall prevail.]

Overview of Business and Trends in Principal Management Benchmarks

1. Overview of Business (As of June 30, 2024)

The Group, consisting of the Company, its 218 consolidated subsidiaries and 17 companies accounted for by the equity method, is a global company operating the Tobacco Business, the Pharmaceutical Business and the Processed Food Business. The main business activities operated by the Group and the relationship of each subsidiary or affiliate to the Group's business activities are stated below.

Tobacco Business

The Tobacco Business consists of the manufacture and sale of tobacco products in various countries around the world, with JT International S.A. as the core company.

Major subsidiaries and affiliates

JT International S.A., LLC JTI Russia, Gallaher Ltd., JTI Polska Sp. z o. o., LLC Petro, JTI Tütün Ürünleri Sanayi A.Ş., TS Network Co., Ltd., Japan Filter Technology, Co., Ltd.

Others: 162 consolidated subsidiaries and
13 companies accounted for by the equity method

Pharmaceutical Business

The Pharmaceutical Business consists of research and development, manufacture, sale and promotion of prescription drugs. The Company concentrates on research and development while Torii Pharmaceutical Co., Ltd. manufactures, sells and promotes drugs (including the Company's products).

Major subsidiaries and affiliates

Torii Pharmaceutical Co., Ltd., Akros Pharma Inc.

Processed Food Business

In the Processed Food Business, TableMark Co., Ltd. and certain other subsidiaries are engaged in manufacture and sale of frozen and ambient foods, and seasonings.

Major subsidiaries and affiliates

TableMark Co., Ltd.

Others: 20 consolidated subsidiaries and 2 companies accounted for by the equity method

In addition to the reportable segments mentioned above, the Group runs businesses including business relating to the rent of real estate. There are 25 consolidated subsidiaries and 2 companies accounted for by equity method deemed as subsidiaries and affiliates not affiliated to any reportable segment.

2. Trends in principal management benchmarks

(1) Management benchmarks (consolidated)

Term	International Financial Reporting Standards				
	35th term	36th term	37th term	38th term	39th term
Accounting period	From January 1, 2019 to December 31, 2019	From January 1, 2020 to December 31, 2020	From January 1, 2021 to December 31, 2021	From January 1, 2022 to December 31, 2022	From January 1, 2023 to December 31, 2023
Revenue (Millions of yen)	2,175,626	2,092,561	2,324,838	2,657,832	2,841,077
Profit before income taxes (Millions of yen)	465,232	420,063	472,390	593,450	621,601
Profit for the year (Millions of yen)	361,622	312,029	340,181	444,174	485,310
Profit attributable to owners of the parent company (Millions of yen)	348,190	310,253	338,490	442,716	482,288
Comprehensive income (loss) for the year (Millions of yen)	365,816	132,883	540,258	998,229	668,217
Total equity (Millions of yen)	2,743,611	2,599,495	2,886,081	3,616,761	3,912,491
Total assets (Millions of yen)	5,553,071	5,381,382	5,774,209	6,548,078	7,282,097
Equity attributable to owners of the parent company per share (Yen)	1,501.12	1,421.92	1,583.10	1,994.78	2,157.46
Basic earnings per share (Yen)	195.97	174.88	190.76	249.45	271.69
Diluted earnings per share (Yen)	195.87	174.80	190.68	249.36	271.63
Ratio of equity attributable to owners of the parent company to total assets (%)	47.95	46.88	48.65	54.07	52.60
Ratio of profit to equity attributable to owners of the parent company (%)	13.16	11.97	12.70	13.94	13.09
Price earnings ratio (PER) (Times)	12.41	12.02	12.17	10.67	13.42
Net cash flows from operating activities (Millions of yen)	540,410	519,833	598,909	483,799	567,014
Net cash flows from investing activities (Millions of yen)	(123,571)	5,354	(97,499)	(101,822)	(126,129)
Net cash flows from financing activities (Millions of yen)	(333,832)	(297,404)	(353,138)	(306,176)	(270,500)
Cash and cash equivalents at the end of the year (Millions of yen)	357,158	538,844	721,731	866,885	1,040,206
Number of employees [Separately, average number of temporary employees] (Person)	61,975 [7,116]	58,300 [6,681]	55,381 [6,942]	52,640 [6,726]	53,239 [8,193]

Notes: 1. The Group prepares the consolidated financial statements in accordance with International Financial Reporting Standards (hereinafter, "IFRS").

2. The yen amounts are rounded to the nearest million.

(2) Filing company's management benchmarks (non-consolidated)

Term	35th term	36th term	37th term	38th term	39th term
Accounting period	From January 1, 2019 to December 31, 2019	From January 1, 2020 to December 31, 2020	From January 1, 2021 to December 31, 2021	From January 1, 2022 to December 31, 2022	From January 1, 2023 to December 31, 2023
Net sales (Millions of yen)	660,805	596,887	592,220	542,181	537,261
Ordinary income (Millions of yen)	278,968	240,491	278,809	273,734	185,665
Net income (Millions of yen)	262,469	241,752	216,896	283,461	184,788
Share capital (Millions of yen)	100,000	100,000	100,000	100,000	100,000
Total number of shares issued (Thousands of shares)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Net assets (Millions of yen)	1,417,365	1,390,011	1,344,696	1,368,643	1,179,577
Total assets (Millions of yen)	2,614,357	2,597,930	2,487,979	2,363,267	2,293,951
Net assets per share (Yen)	798.18	782.73	757.10	770.57	664.12
Cash dividends per share (Yen)	154	154	140	188	194
[Interim dividends per share] (Yen)	[77]	[77]	[65]	[75]	[94]
Net income per share (Yen)	147.72	136.27	122.23	159.72	104.10
Diluted net income per share (Yen)	147.65	136.21	122.18	159.66	104.07
Equity ratio (%)	54.2	53.5	54.0	57.9	51.4
Return on equity (ROE) (%)	18.05	17.24	15.88	20.91	14.51
Price earnings ratio (PER) (Times)	16.47	15.43	19.00	16.66	35.02
Dividend payout ratio (%)	104.3	113.0	114.5	117.7	186.4
Number of employees [Separately, average number of temporary employees] (Person)	7,464 [1,221]	7,366 [1,183]	7,154 [1,174]	5,819 [461]	5,940 [257]
Total shareholder return (%) [Comparative indicator: Dividend-included TOPIX] (%)	98.9 [118.1]	92.1 [126.8]	105.9 [143.0]	126.0 [139.5]	171.0 [178.9]
Highest share price (Yen)	2,899.0	2,437.5	2,417.0	2,871.5	3,858.0
Lowest share price (Yen)	2,179.0	1,796.5	1,898.0	2,000.0	2,537.5

Notes: 1. The financial statements of the filing company are prepared in accordance with Japanese GAAP.

2. The yen amounts are rounded to the nearest million.

3. The yearly highest share price and the yearly lowest share price on and after April 4, 2022 were those recorded on the Tokyo Stock Exchange (Prime Market) while those before that date were those recorded on the Tokyo Stock Exchange (First Section).