

FUNDING OUR RRP EXPANSION

Vassilis Vovos

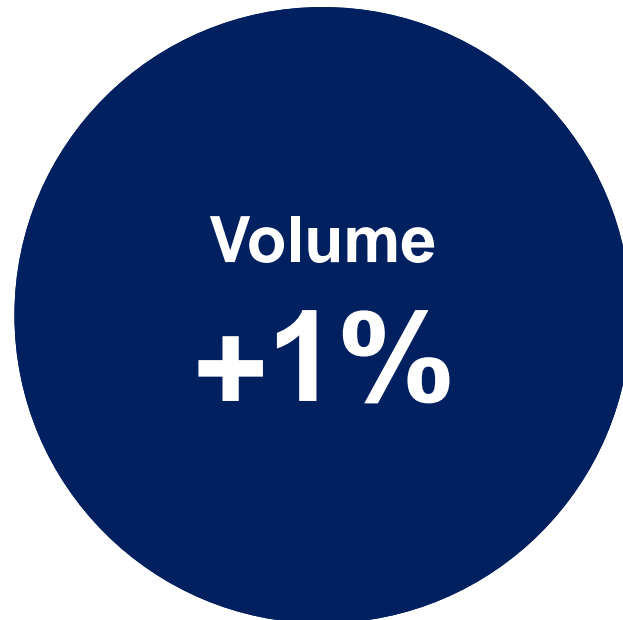
Executive Vice-President & Chief Financial Officer

JT International

May 8, 2023

Consistently delivering solid performance

2018–2022 average annual growth¹⁾



Business Plan 2023: building the foundation for growth

- Ploom X expansion supported by significant investment over the next three years
- Quality topline growth and increasing combustibles return on investment will provide funding for RRP
- Continued efficiency initiatives drive a competitive cost base while enhancing strategic capabilities
- Low-single digit AOP growth over next three years with upside potential as RRP reaches scale

2023 – 2025	
Volume	Stable
Core Revenue	Mid-single digit growth
AOP	Low-single digit growth

Continue to drive quality top-line growth

2023 - 2025

SoM
growth

Industry
volume
-2%
CAGR

Price / mix, % of Core Revenue¹⁾

Average 6.4%

2018

2019

2020

2021

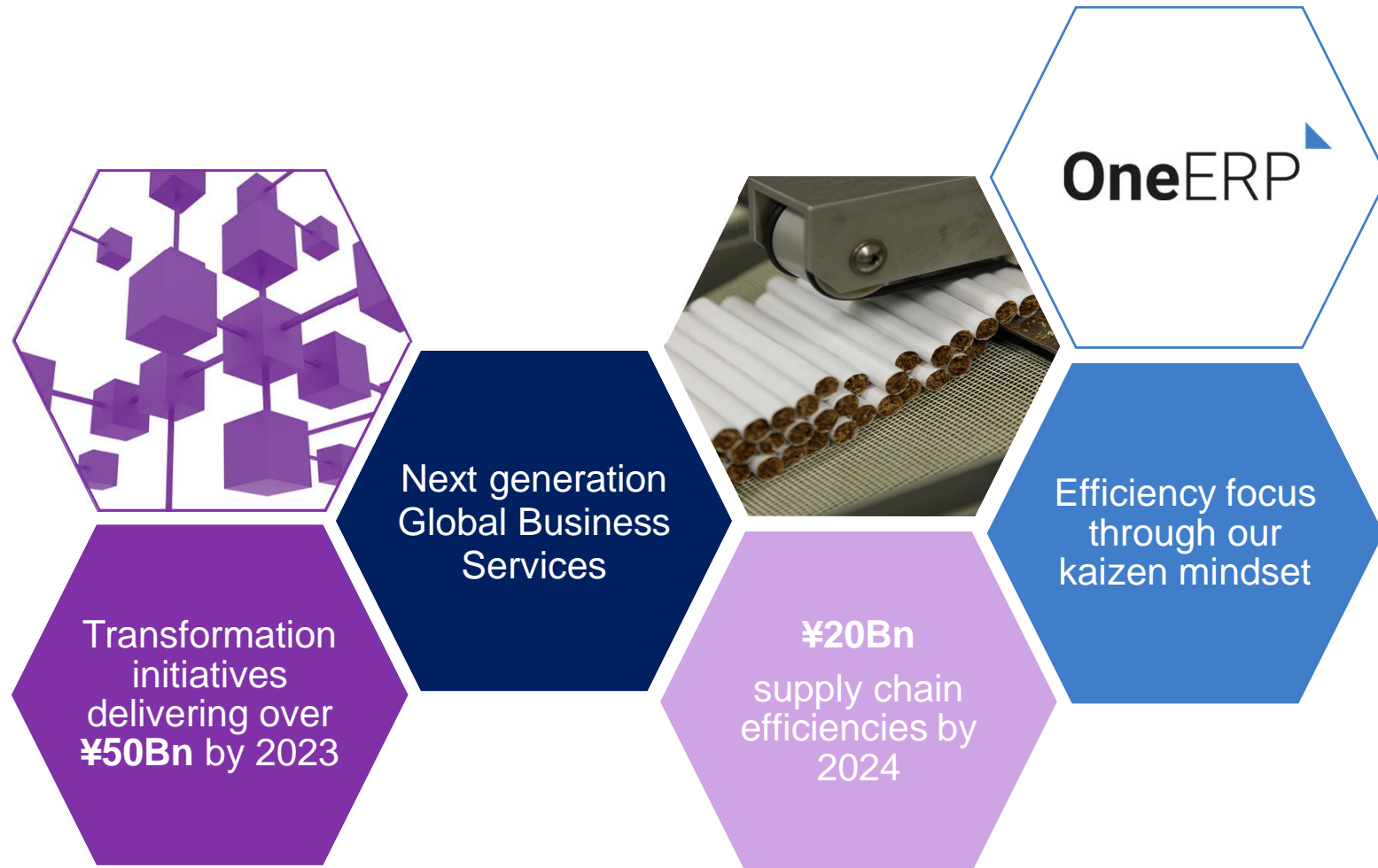
2022

Clear market roles to maximize combustibles ROI

Market strategic roles guiding decision-making towards sustainable growth

Market role	EARNINGS	EARNINGS & SoM	SoM
Focus	Prioritize sustainable earnings performance	Balance sustainable earnings and share performance	Build consumer base for mid- to long-term profitability growth
% of 2022 Volume	43%	47%	10%

Strengthen our competitive cost base...

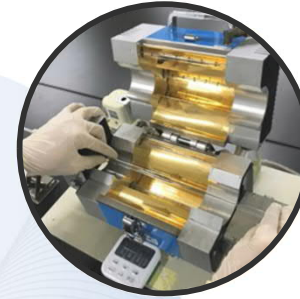


...while enhancing strategic capabilities

**Product
innovation**



**Reduced
risk science**

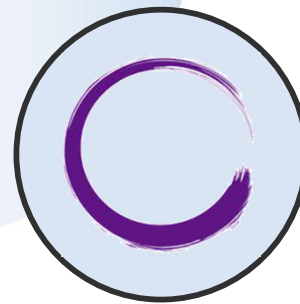


**Consumer
centricity**

Digital

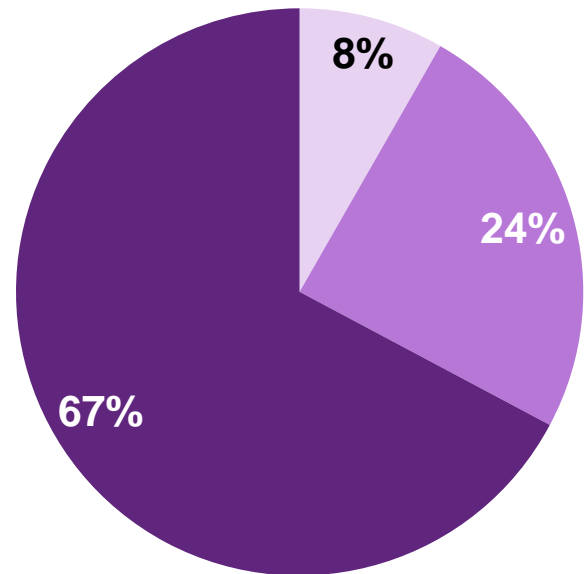


One Tobacco



Focused RRP investment...

RRP investment composition



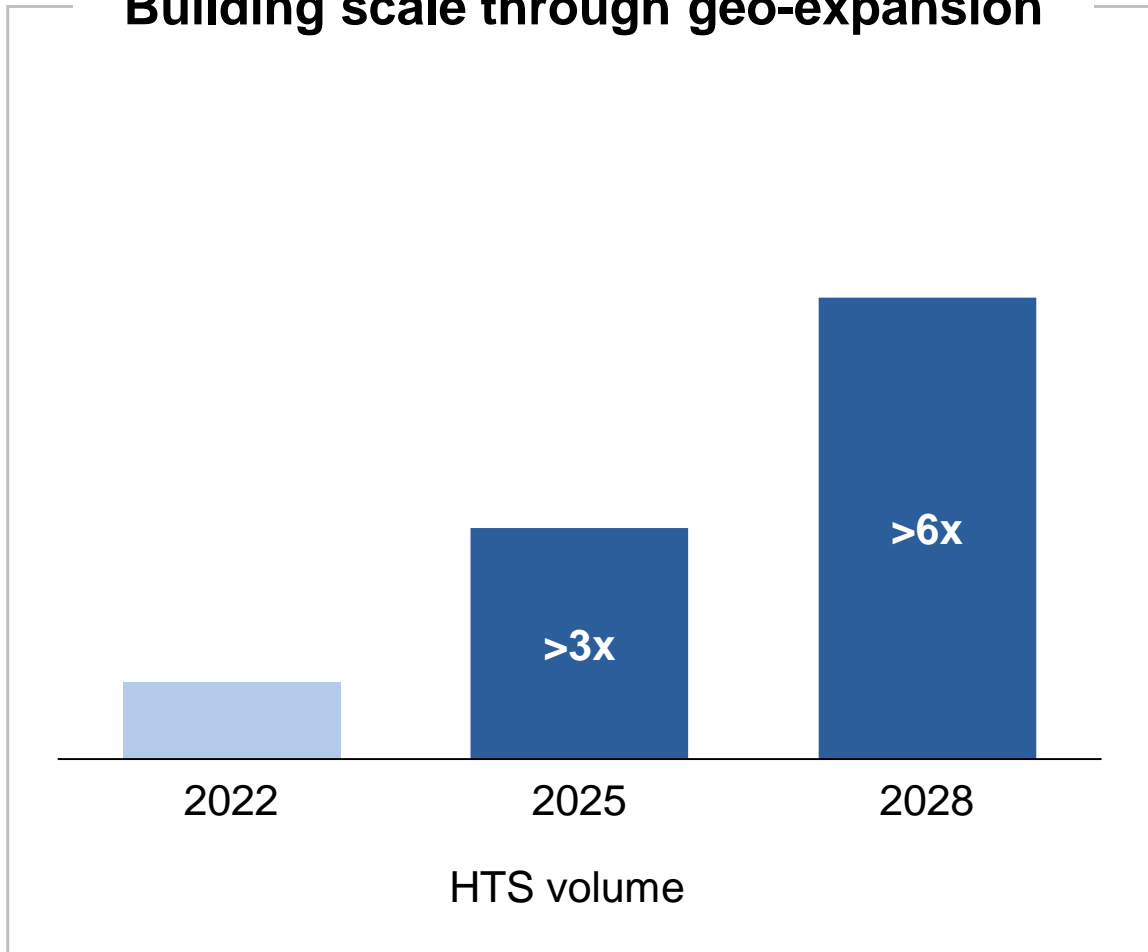
2023-2025

Capex R&D Commercialization

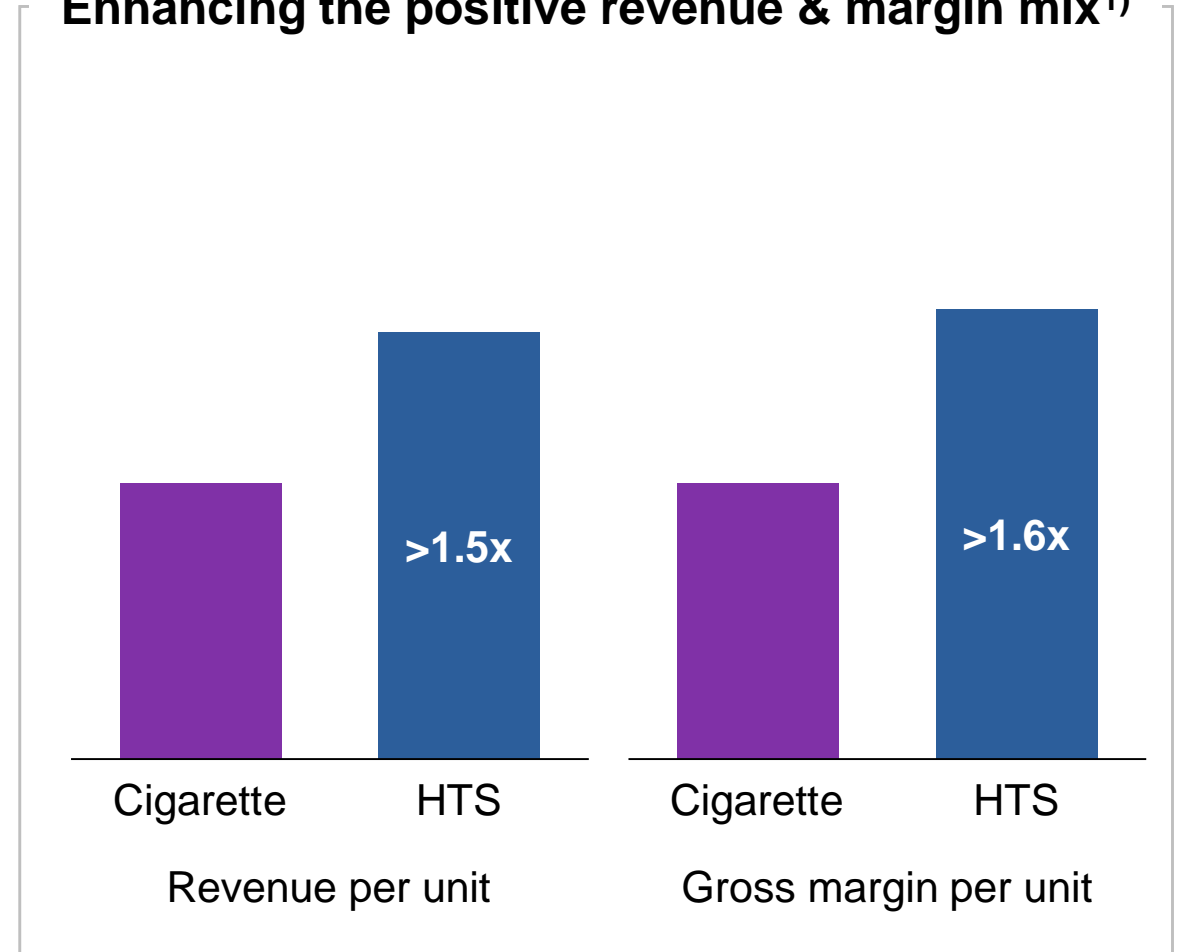
- Invest over ¥300 billion in RRP between 2023-2025
- Main area of focus is HTS
 - Support geo-expansion and share gains
 - Investment set aside for exploratory RRP segments
- Leverage our commercial organization and trade relationships in HTS launch markets
- Established manufacturing capacity for planned expansion

...towards 2028 RRP breakeven

Building scale through geo-expansion



Enhancing the positive revenue & margin mix¹⁾



Intact growth algorithm

Foundation for future profit generation

Quality topline growth

Focus on return on investment in combustibles

Competitive cost base and continued capability enhancement

Focused RRP investment towards profitability growth

Mid to high single digit AOP growth¹⁾