

TOBACCO INVESTOR CONFERENCE

JT GROUP

May 8, 2023

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.

Agenda

Time (CET)	Session	Speakers
12:00	Conference starts	
	A purpose and a strategy fit for the future	<i>Eddy Pirard</i>
	Funding our RRP expansion	<i>Vassilis Vovos</i>
	Consumer centricity at the core	<i>Natasa Milosevic</i>
	Growing in RRP	<i>Takehiko Tsutsui</i>
13:30	Q&A	<i>N. Kato, E. Pirard, V. Vovos, N. Milosevic, T. Tsutsui</i>
	Closing remarks	<i>Eddy Pirard</i>
14:00	Conference ends	

A PURPOSE AND A STRATEGY FIT FOR THE FUTURE

Eddy Pirard

President & Chief Executive Officer

JT International

May 8, 2023

A new purpose to guide JT's tobacco business long-term

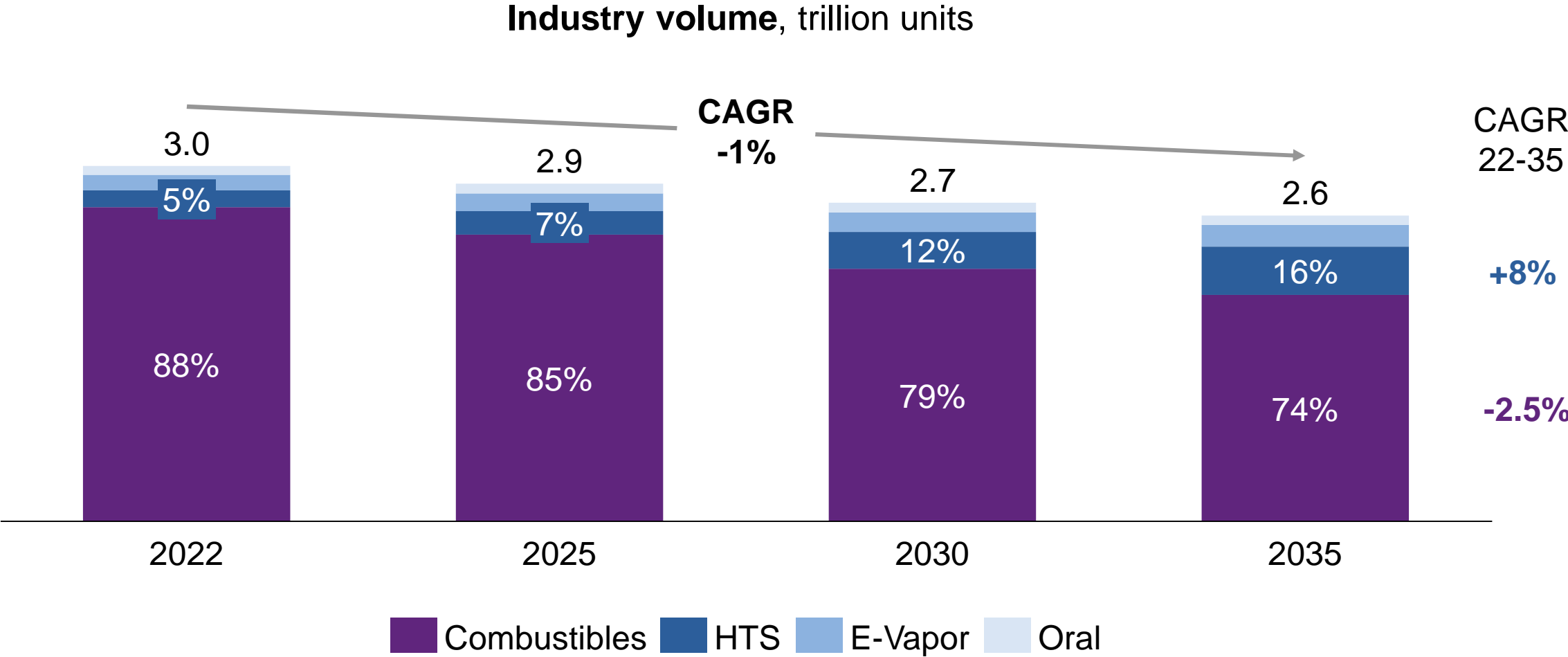
Creating fulfilling moments.
Creating a better future.

Clear growth opportunities across both categories

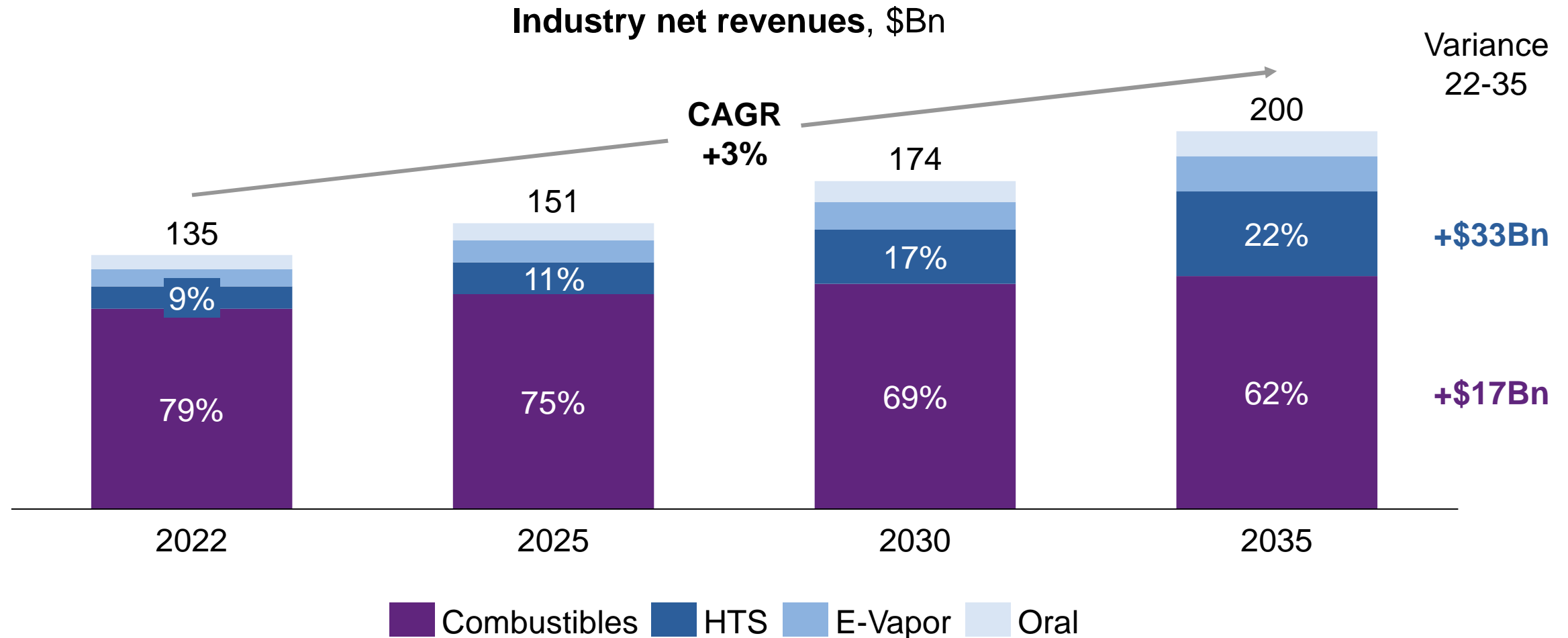
Industry net revenues



Combustibles to remain the largest category

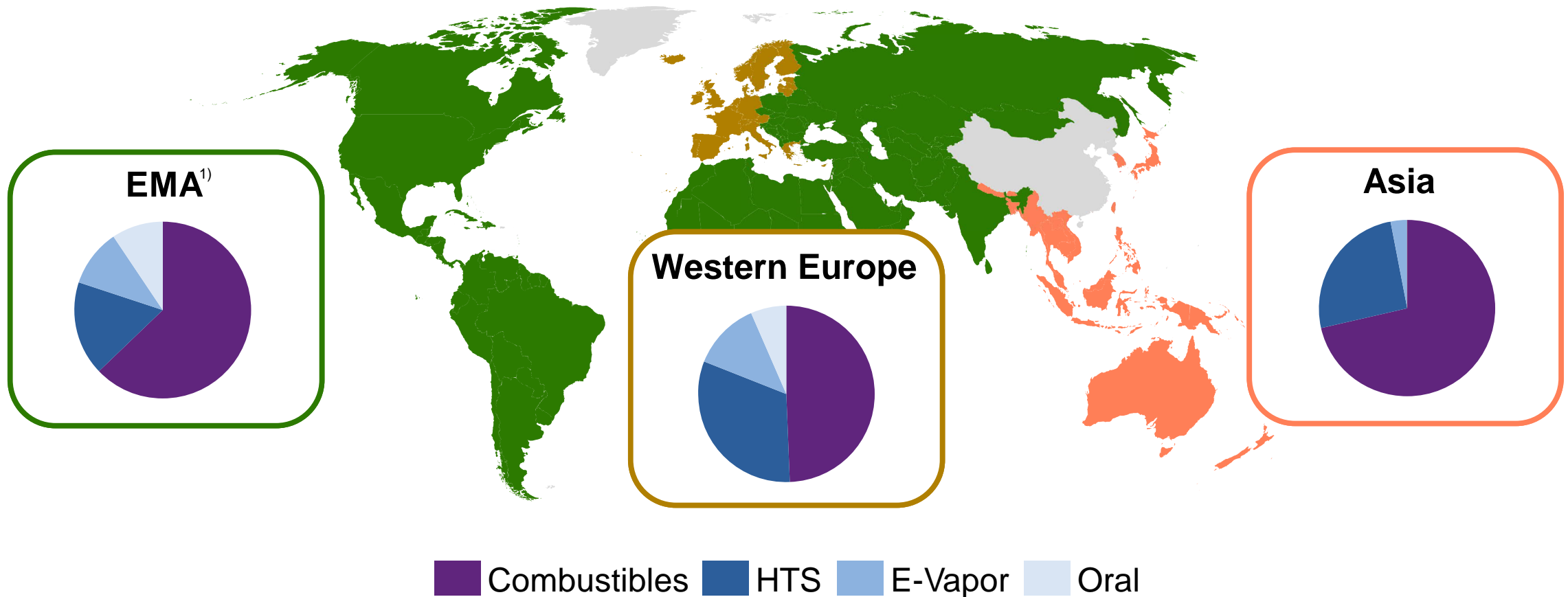


Within the growing nicotine revenue pool, HTS forecasted to outpace combustibles in future value creation...



...with significant opportunities and differences by cluster





2035 industry net revenues, %



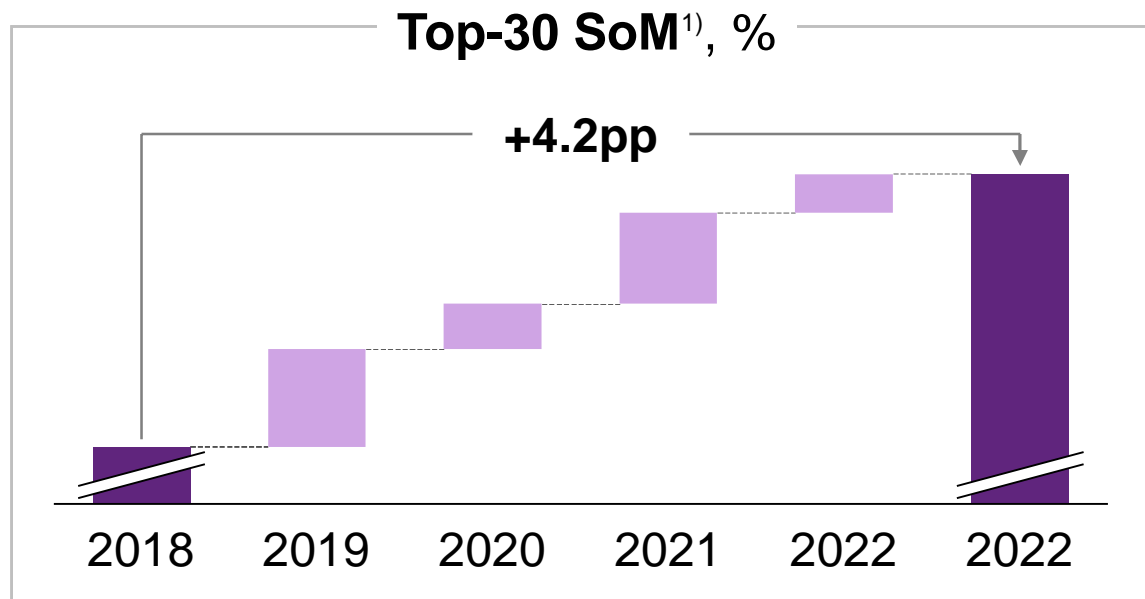
Our purpose and industry view shape our strategy...

Creating fulfilling moments	
Creating a better future	
COMBUSTIBLES	RRP
<i>Maximize top-line and ROI</i>	<i>Prioritize investments in HTS</i>
<ul style="list-style-type: none">▪ Sustained share gains▪ Capitalize on pricing opportunities▪ Disciplined approach to investments	<ul style="list-style-type: none">▪ Ploom X geographic expansion▪ Enhanced capabilities▪ Exploratory initiatives beyond HTS

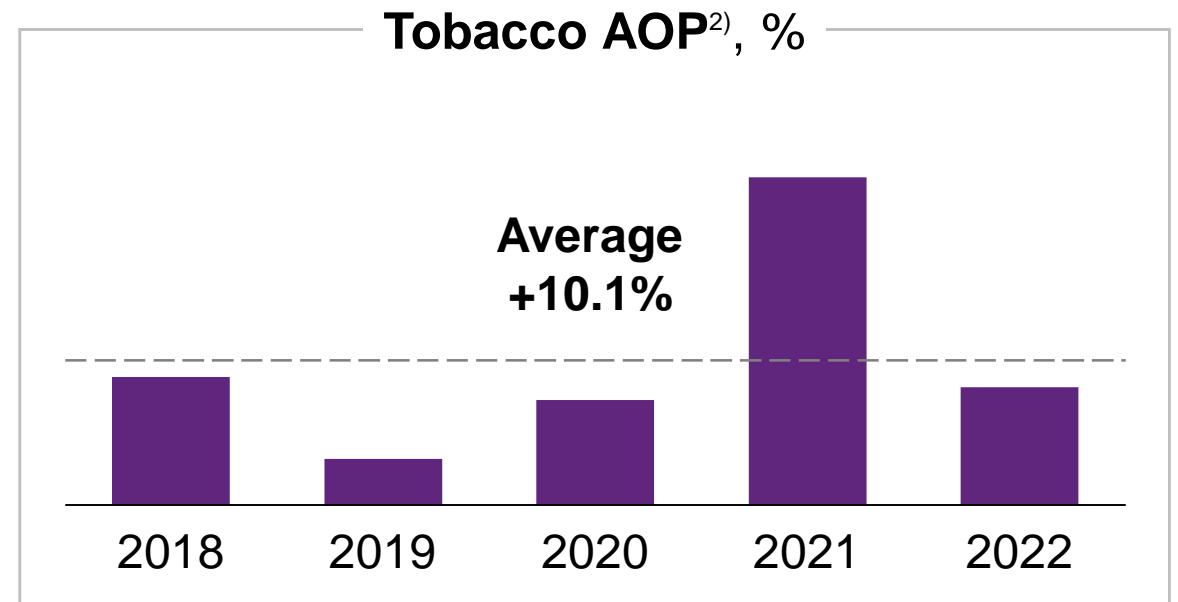
...and requires a targeted consumer-centric product portfolio

Combustibles	HTS	Other RRP's
 	 	 E-vapor   Oral   Infused 

Combustibles: Proven track record & ongoing momentum

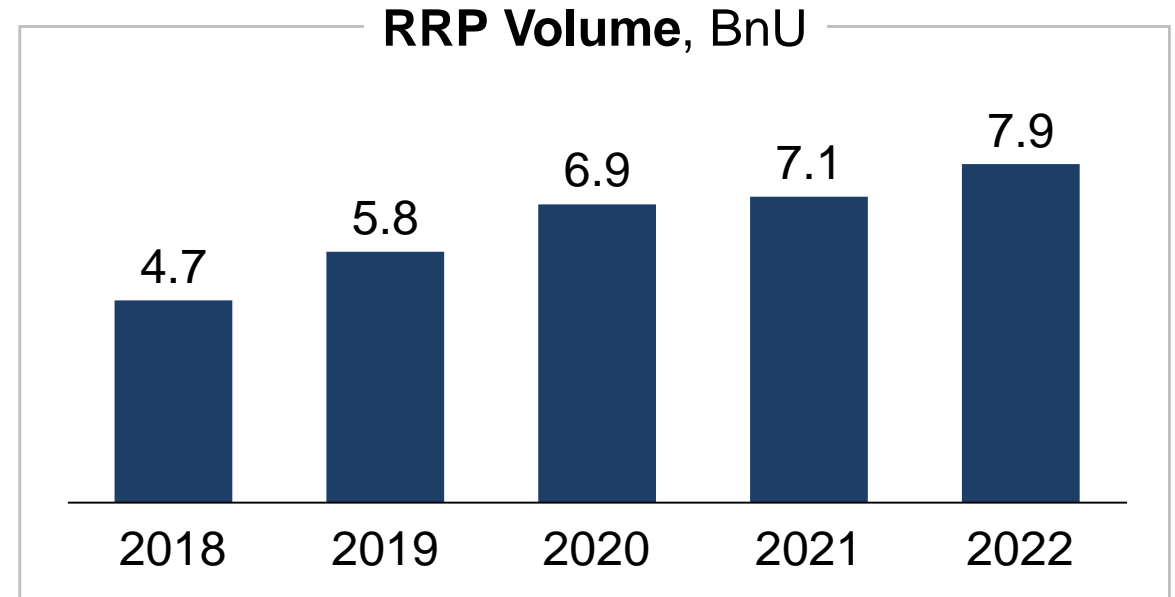
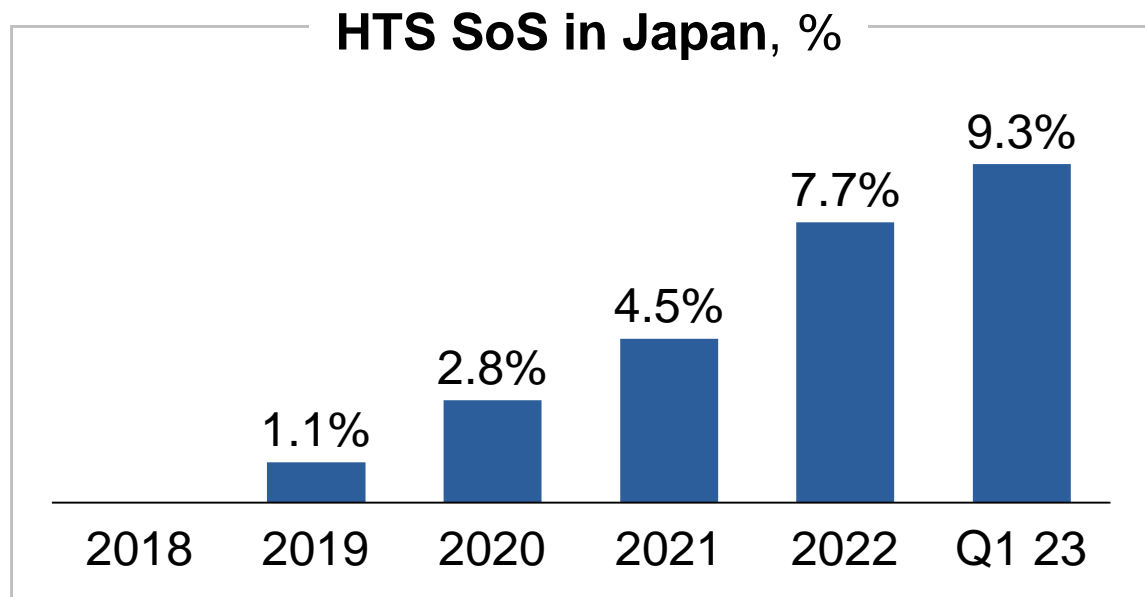


- Competitive and well positioned brand portfolio
- Ongoing investments in GFB
- Best-in-class execution
- Share of market gains ambition



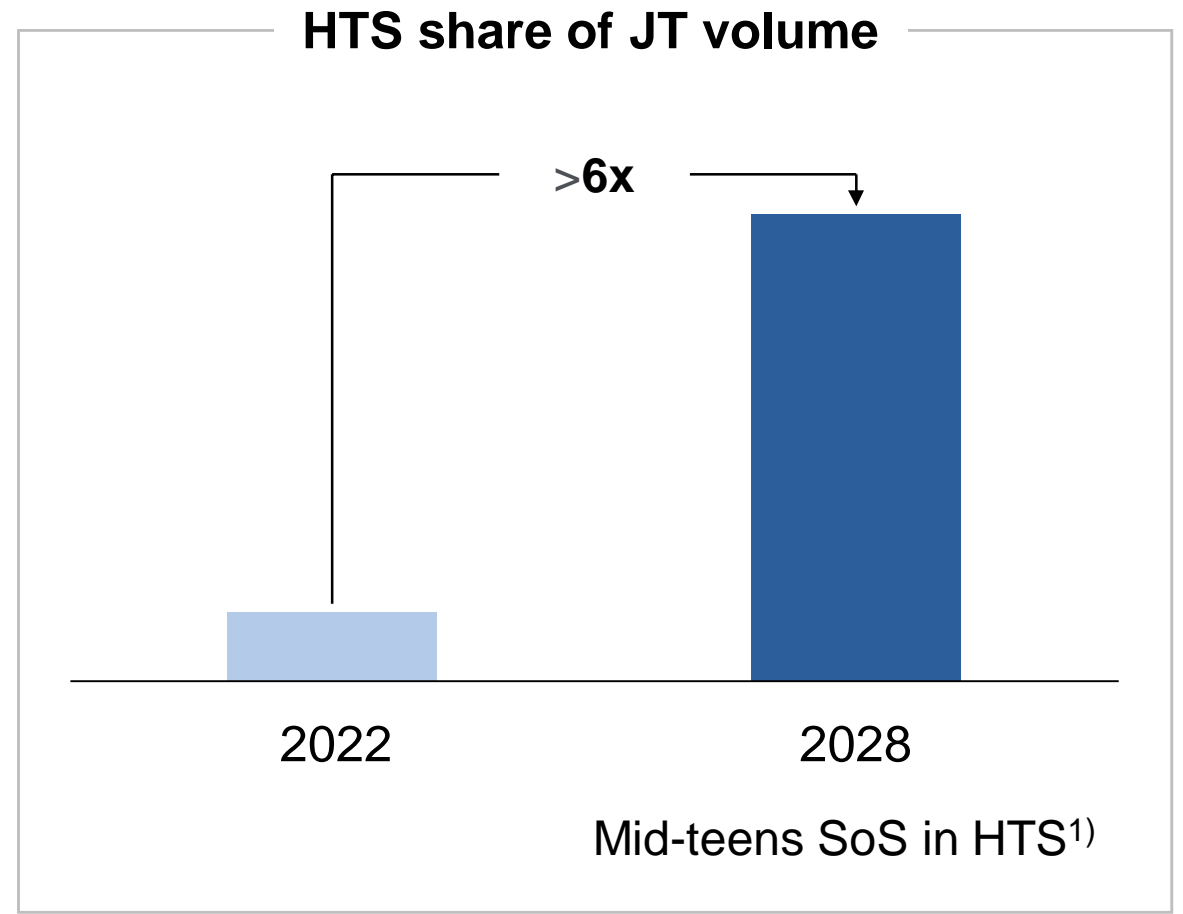
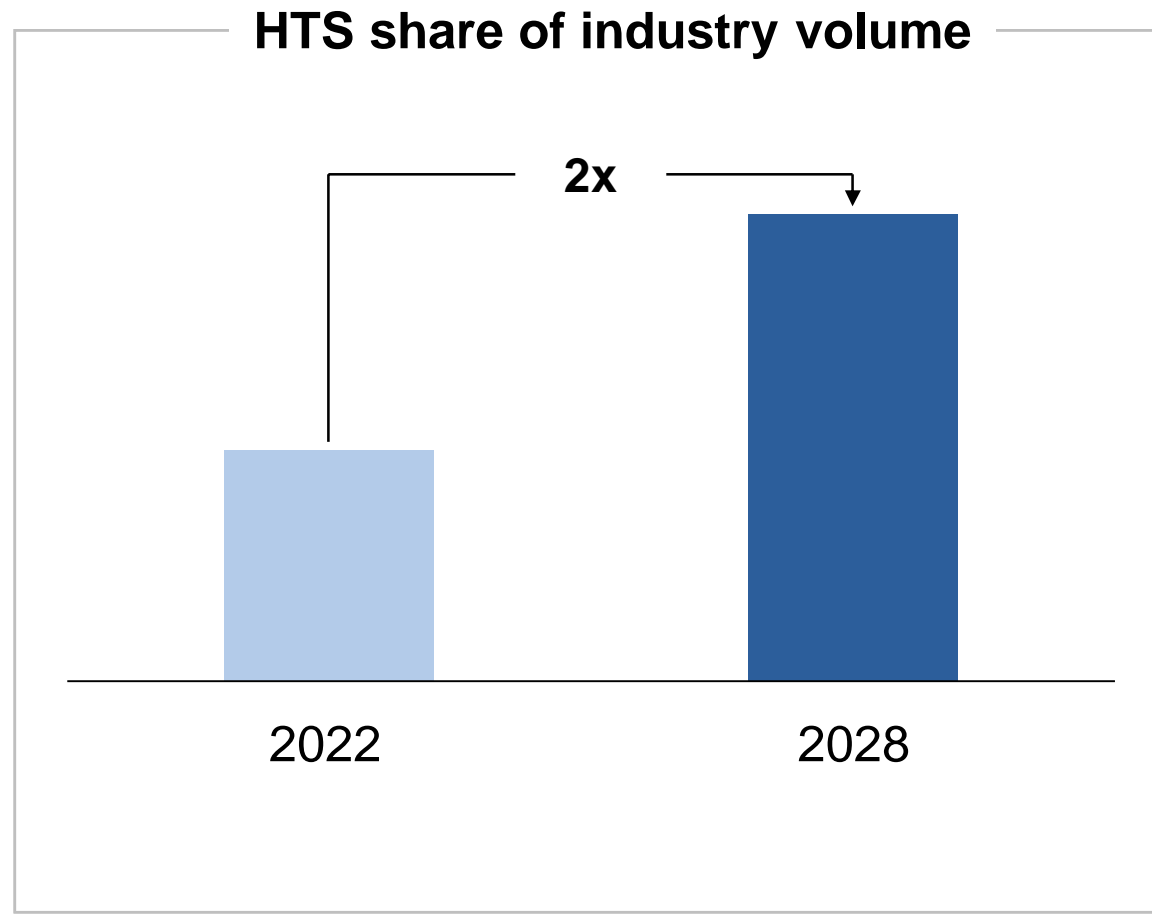
- Historical delivery on the high-end of Group's target
- Maximize pricing opportunities
- Drive earnings through a diverse geographic footprint
- Mid to high single digit AOP growth ambition

RRP: Targeted investments fueling HTS growth



- Invest towards HTS
 - Ploom X expansion in Japan
 - Aggressive targeted Ploom X geo-expansion
- Foundation towards mid-teens HTS SoS¹⁾ ambition
- Innovations to strengthen HTS and other RRP portfolio
- Build capabilities and talent
- Double RRP core revenue by 2025²⁾ and achieve breakeven³⁾ across the RRP category by 2028

RRP: Ambition to outperform HTS segment growth



RRP: Going beyond organic to drive growth and accelerate learnings

- Joint venture with Altria to market and commercialize HTS products in the US with Ploom branded devices and Marlboro branded consumables
- On track to submit PMTA for the latest version of Ploom HTS products in the first half of 2025 and MRTP by end of 2025
- Memorandum of Understanding to explore other RRP opportunities with Altria globally



FUNDING OUR RRP EXPANSION

Vassilis Vovos

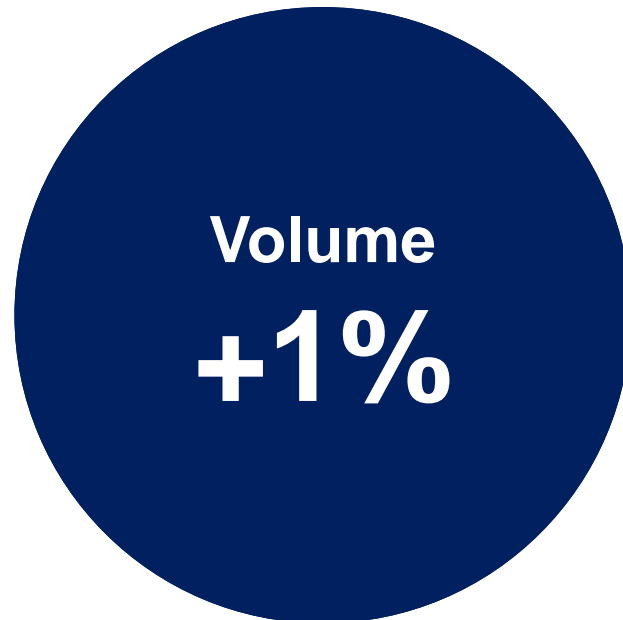
Executive Vice-President & Chief Financial Officer

JT International

May 8, 2023

Consistently delivering solid performance

2018–2022 average annual growth¹⁾

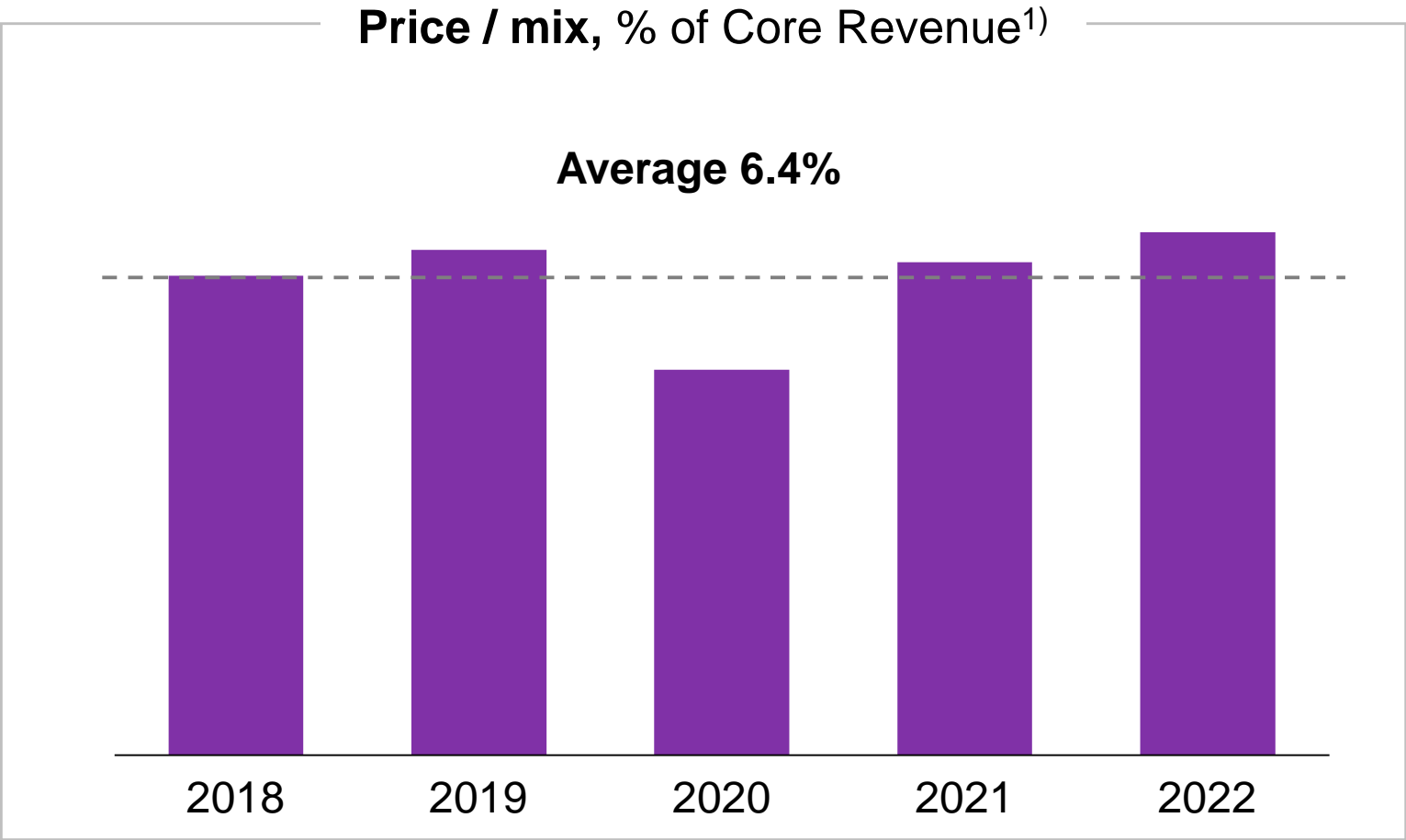


Business Plan 2023: building the foundation for growth

- 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

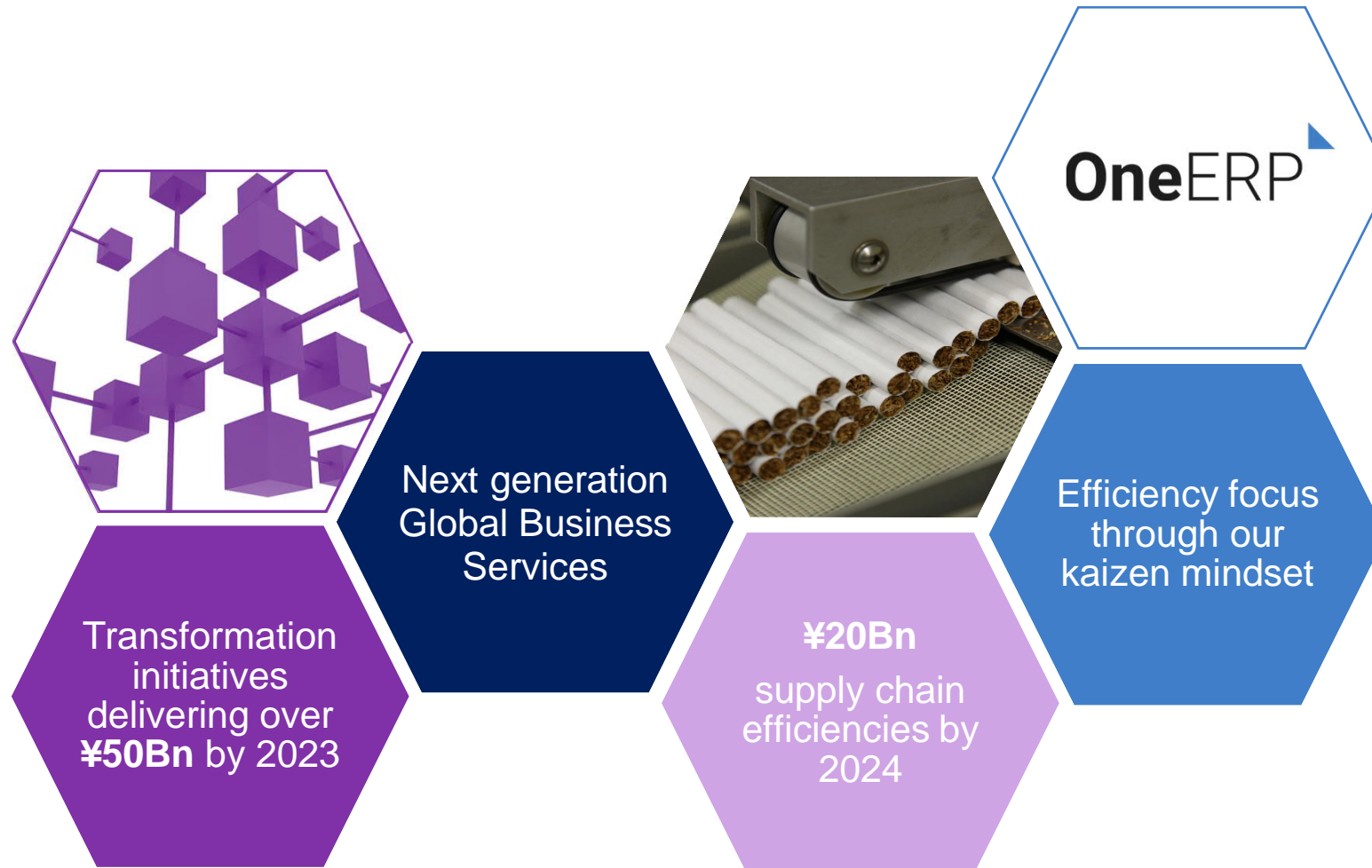


Clear market roles to maximize combustibles ROI

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...

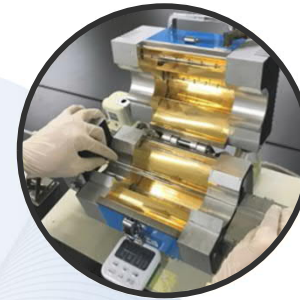


...while enhancing strategic capabilities

**Product
innovation**



**Reduced
risk science**

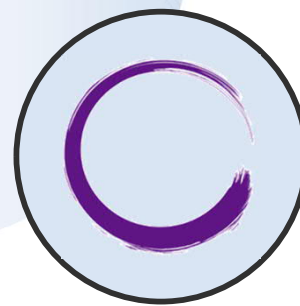


**Consumer
centricity**

Digital

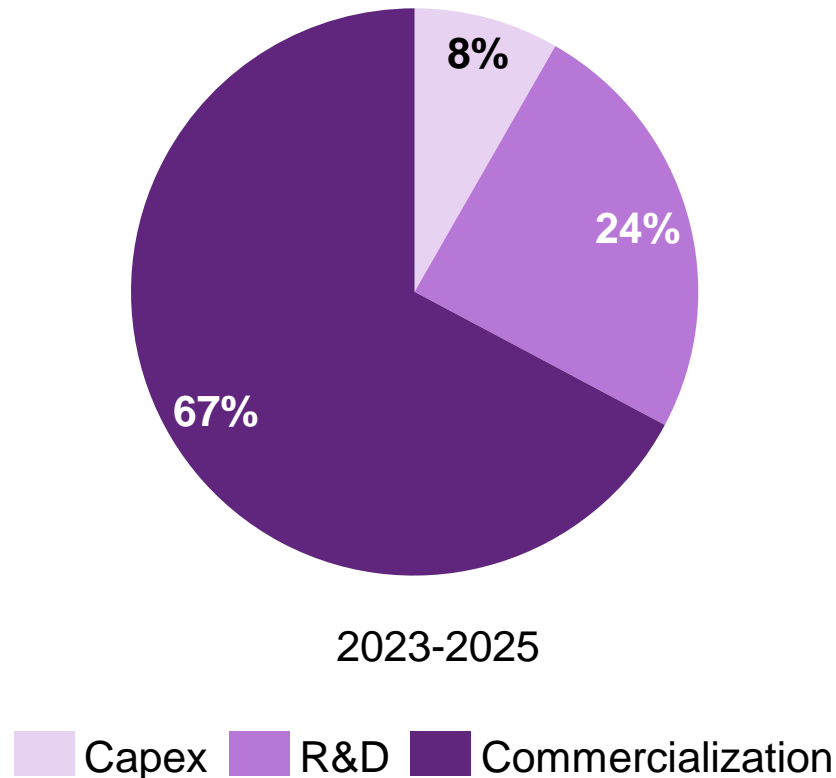


One Tobacco



Focused RRP investment...

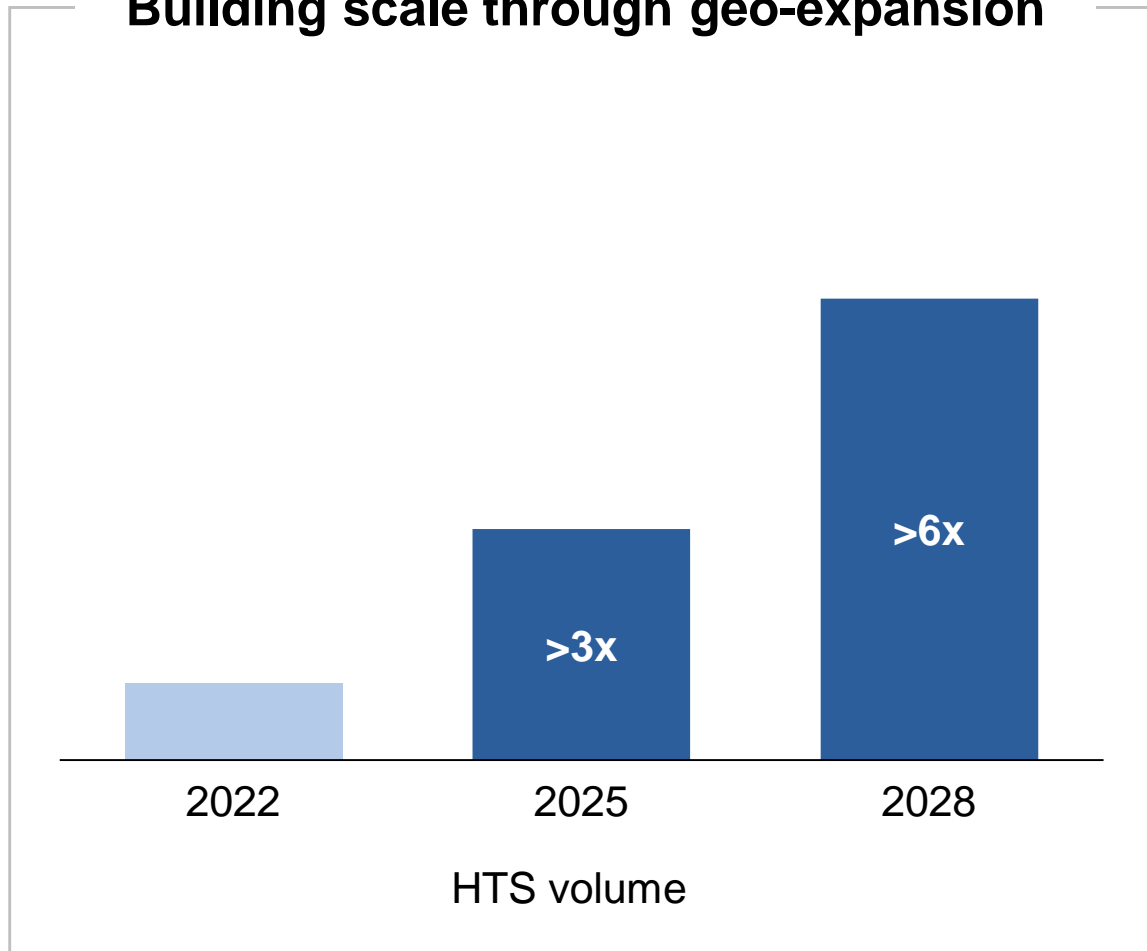
RRP investment composition



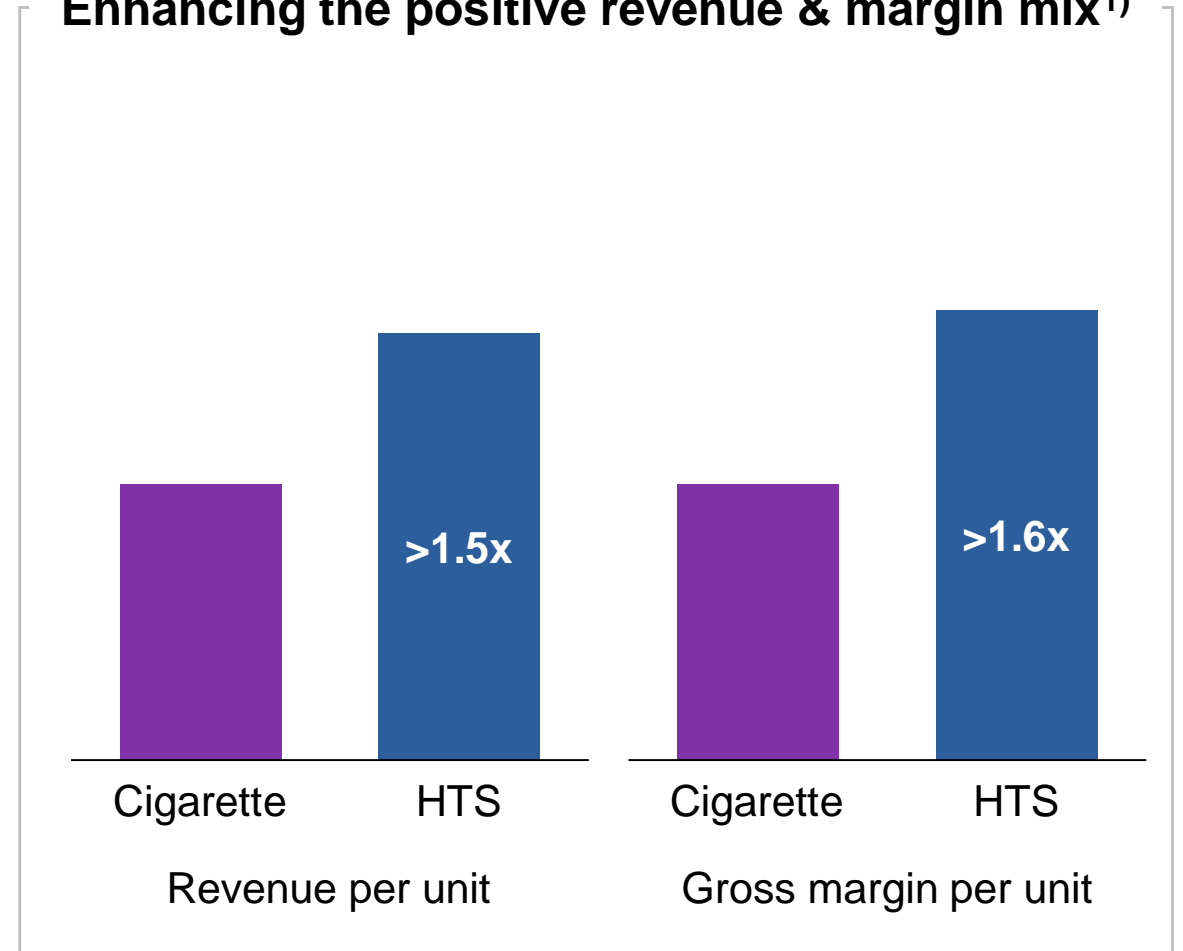
- Invest over ¥300 billion in RRP between 2023-2025
- Main area of focus is HTS
 - Support geo-expansion and share gains
 - Investment set aside for exploratory RRP segments
- Leverage our commercial organization and trade relationships in HTS launch markets
- Established manufacturing capacity for planned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

CONSUMER CENTRICITY AT THE CORE

Natasa Milosevic

Senior Vice-President Marketing & Sales

JT International

May 8, 2023

Consumer centricity powers our strategy

CONSUMER TRENDS



Better World



Wellbeing



Smarter Living



In control



Authentic



Experience+

CONSUMER SEGMENTATION



Conscious



Economizers



Socializers



Explorers



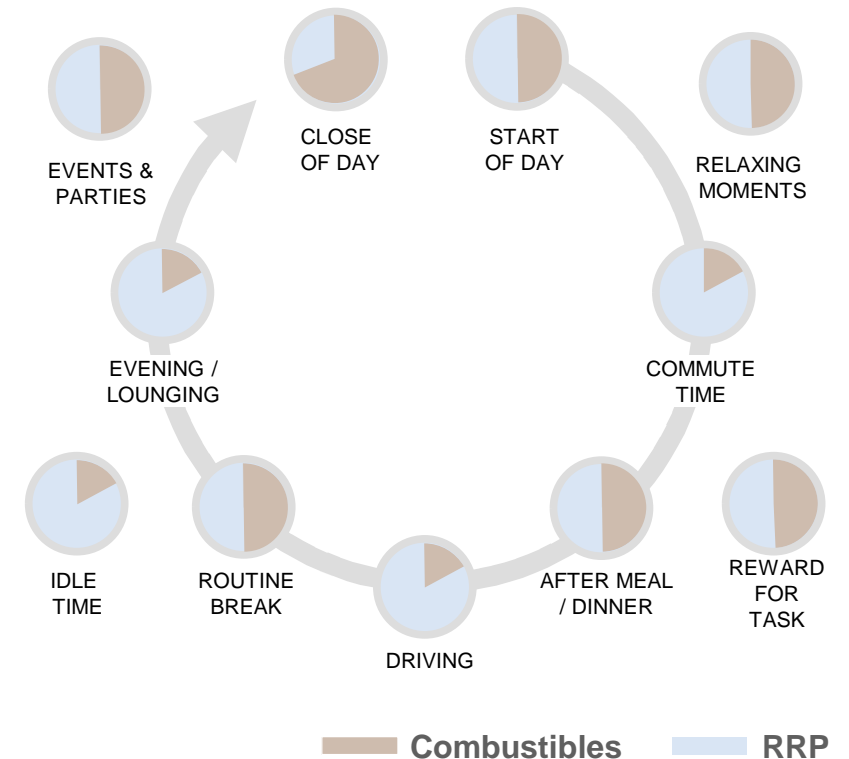
Confidents



Responsible

CONSUMER USAGE MOMENTS

Daily Routine & Other occasions



The Marketing & Sales strategic framework

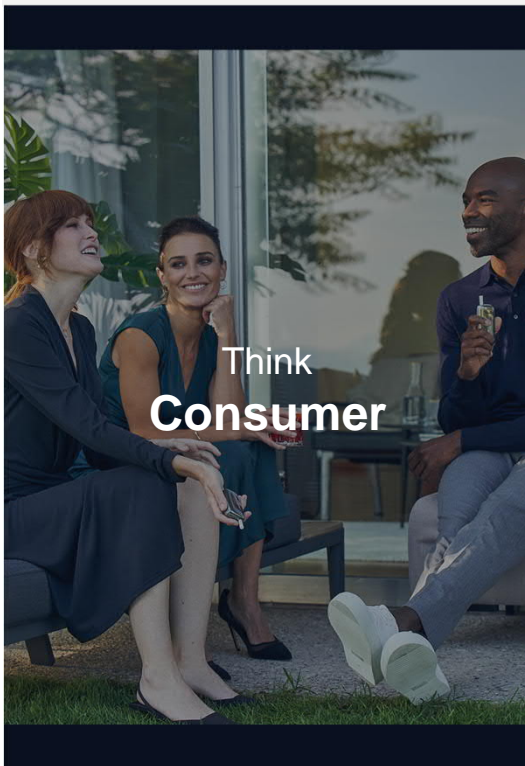
JTI PURPOSE

CREATING FULFILLING MOMENTS
CREATING A BETTER FUTURE

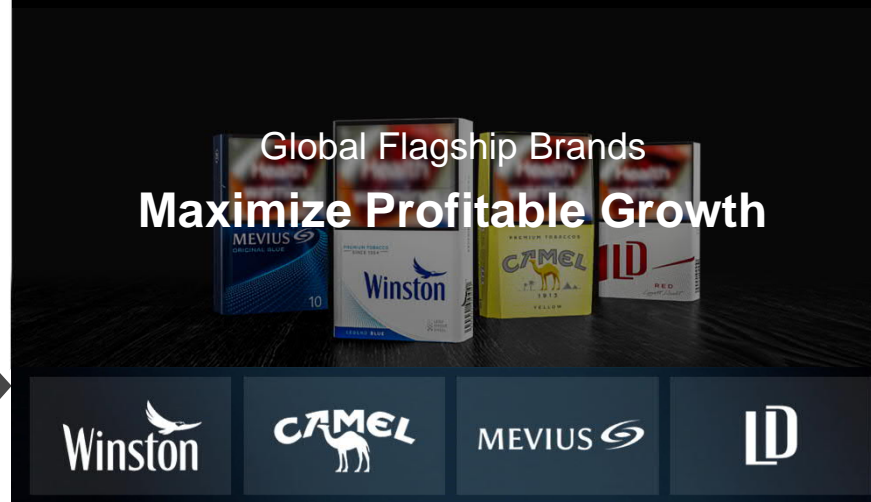
M&S MISSION

Creating leading power **Brands & Experiences** for the modern world

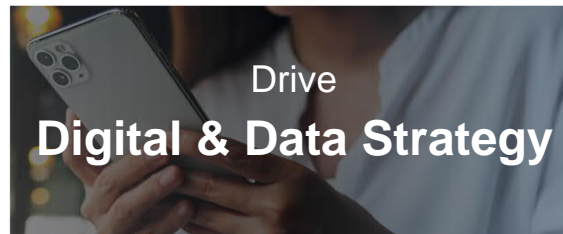
STARTING POINT



COMBUSTIBLES



RRP



Combustibles

Maximize Profitable Growth



Winston

CAMEL

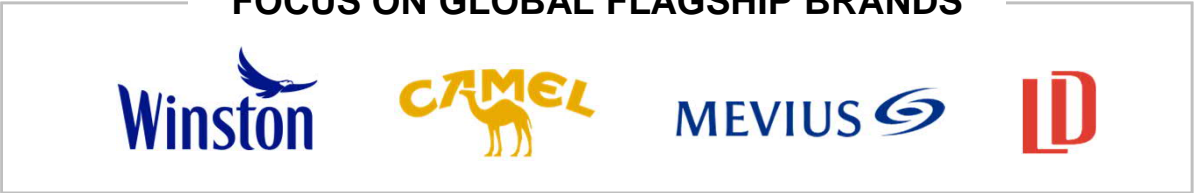
MEVIUS

LD

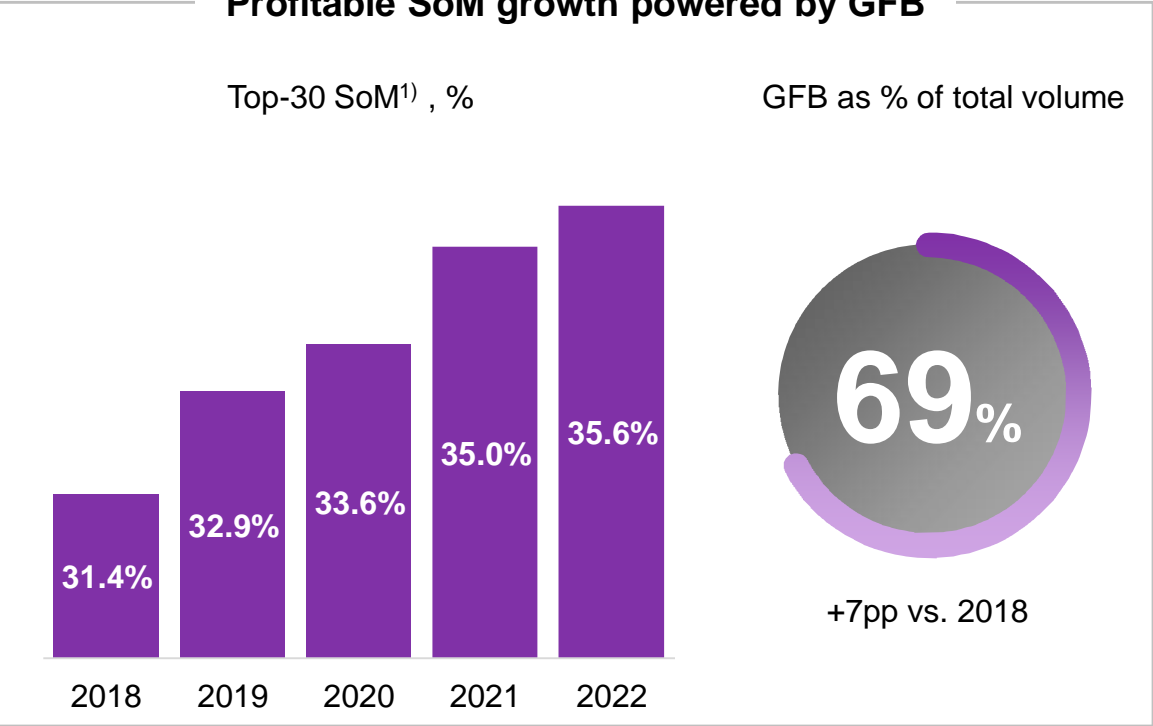
Note: This slide is not intended to promote sales of tobacco or nicotine containing products or encourage smoking or using nicotine containing products

Proven combustibles strategy fuels growth

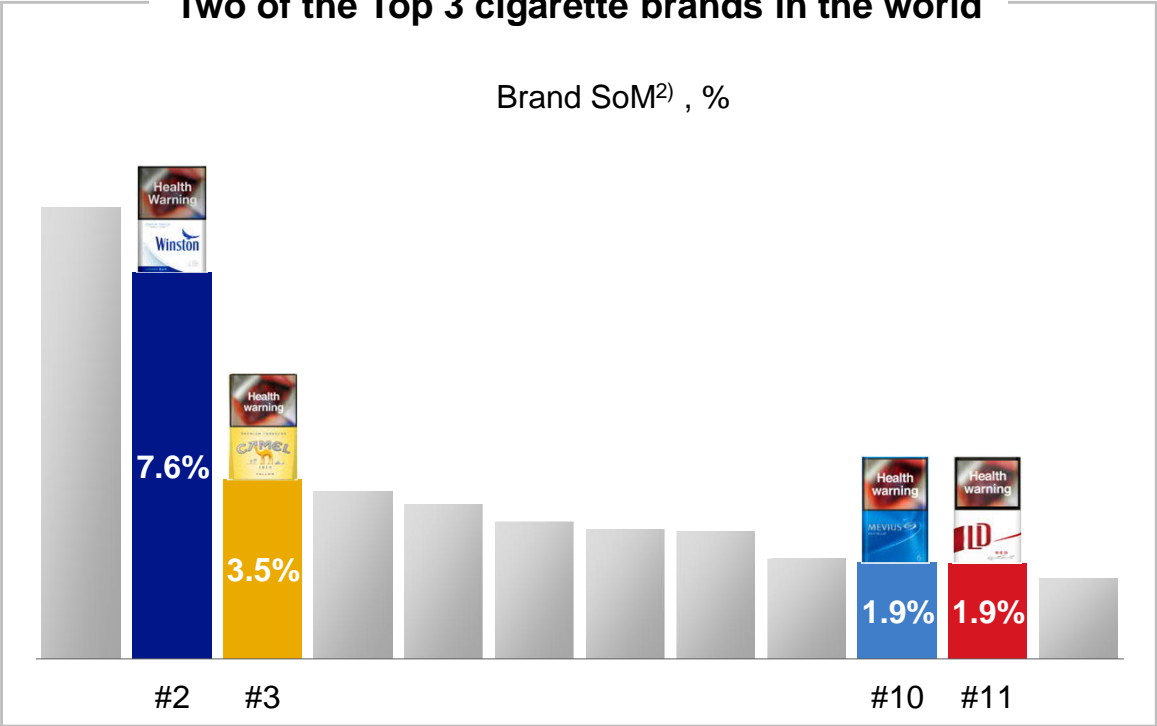
FOCUS ON GLOBAL FLAGSHIP BRANDS



Profitable SoM growth powered by GFB



Two of the Top 3 cigarette brands in the world



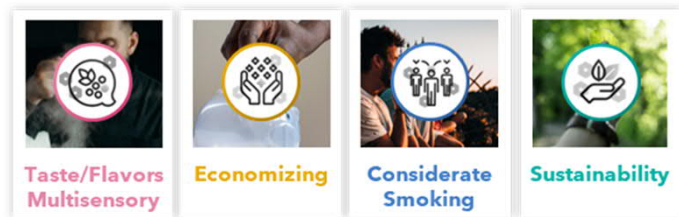
Consumer centric portfolio to maximize potential

TARGETED CONSUMER PORTFOLIO

Portfolio Consumer Map

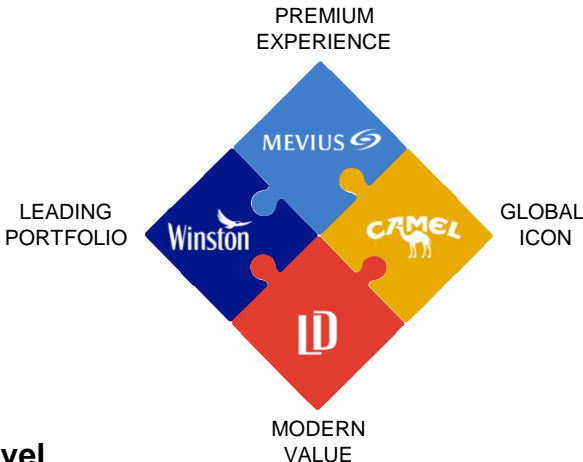


Innovation Territories



PORTFOLIO STRATEGY

Complementary Brands Positioning



Multi-level Offering by Brand



PORTFOLIO OPTIMIZATION

Simplification Principles





Build a Global Power Brand

Rapidly growing consumer base

Robust adoption
despite highly
competitive market

**High regular and
exclusive usage¹⁾**

Growing awareness
with high potential

Ploom User
Growth

1.2MM
+45% YoY

Ploom HTS
Share of Segment

Doubled
2022 vs 2020

Ploom X
Awareness²⁾

+30%
Jan'23 vs Nov'21

Effective consumer targeting

Data-driven segmentation to identify core audience

Prioritizing most progressive consumers that are open to RRP

Creating scale through the spillover effect

Core Adult Target Audience



Explorers



Confidents



Responsibles

Source of Business and Late Adopters



Conscious



Economizers



Socializers

Interest in trends and new products

Socially active, urban citizens

Express themselves with brands

Ploom: creating modern pleasure

Our mission

Designing the future
of mindful pleasure, for
the modern consumer



Establishing a premium brand image

Powerful
Imagery



Fulfilling
Moments



Innovation



Achieved brand image attributes

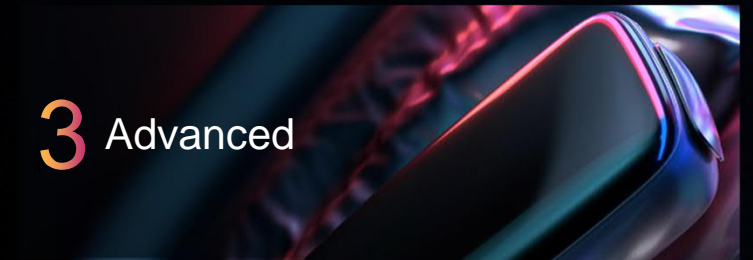
1 Stylish



2 Credible



3 Advanced

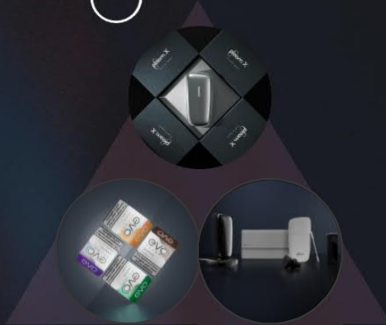


Consumer-centric strategy

1

Power Brand
& Ecosystem

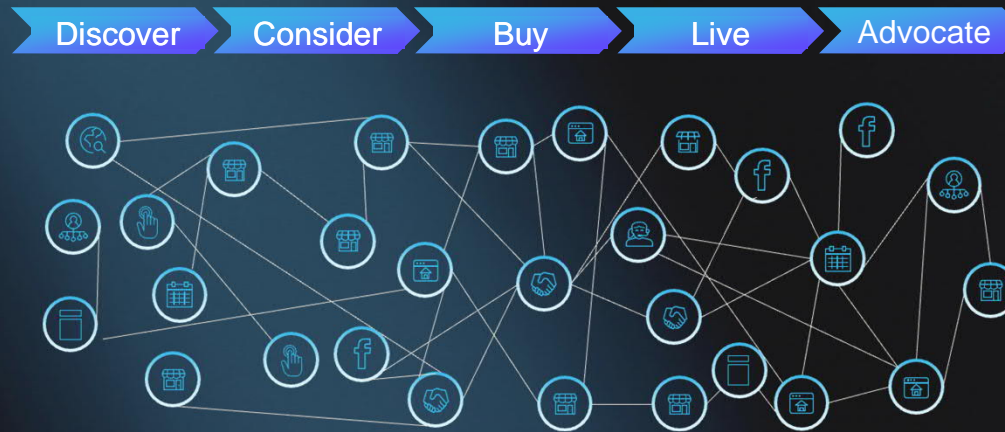
ploom



Build Ploom brand, supported
by premium line of products

2

Connected
Consumer Journey



Handholding consumers
across the whole transition journey

3

Omnichannel
Activation



Always-on activation
for a superior brand experience

Maximizing acquisition and brand loyalty

Discover

Consider

Buy

Live

Advocate

Building strong awareness

Seamless route to consumer

Qualitative consumer acquisition

Activating brand loyalty from Day 1

Awareness

Digital marketing | OOH¹⁾ | Press



Acquisition

Offline and Online retail | Referral



Brand loyalty

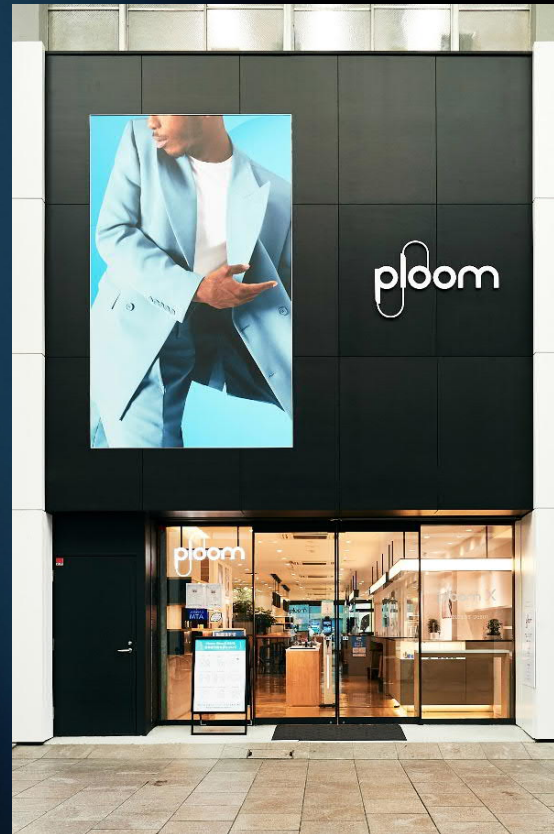
Loyalty Club | Events



Immersive retail experiences



Flagship Store



Brand Store



Pop-up Stores



Shop-in-shop



Personalized digital experiences powered by data

Driving Awareness, Acquisition and Retention

Implementing Global Digital Ecosystem

Connecting offline with online

Personalized with A.I.

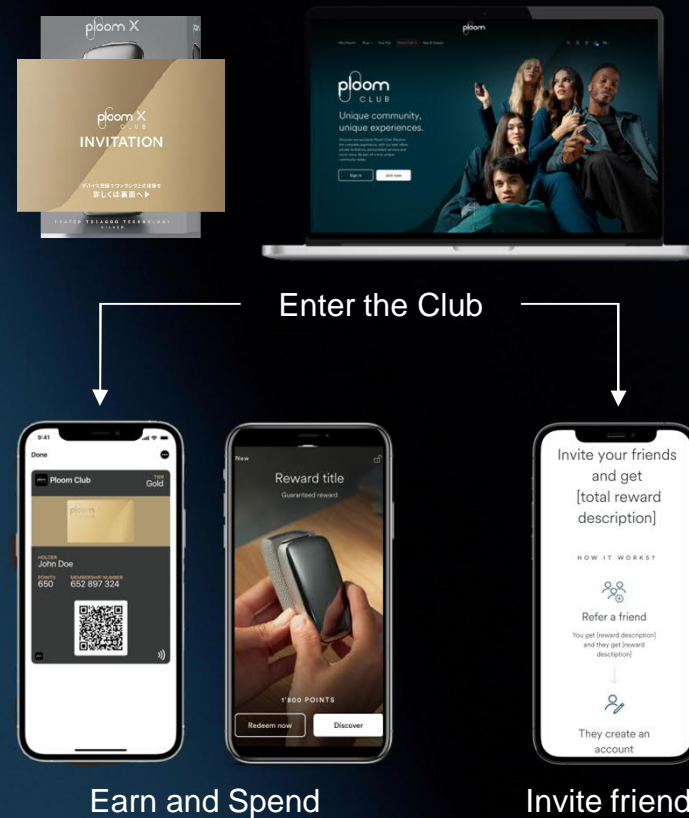


Ploom Club: growing community of loyal users

Maximizing brand loyalty

Building relationship &
brand top-of-mind relevance

Facilitating efficient and
qualitative consumer acquisition



ploom
CLUB


416K
members
by end 2022


+72%
'22 vs '21

Best in class consumer care

Consumer-centricity in action

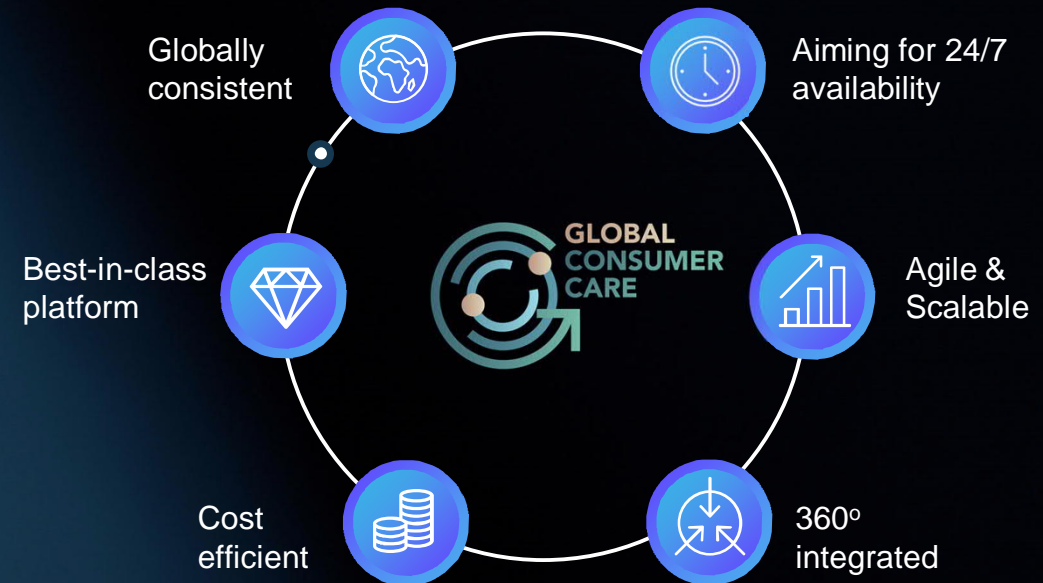
 **Face of the brand and the company**, connecting with consumers

 **Go beyond expectations**
handholding consumers along journey

 **Multi-channel**
from phone calls to live chat



Global Platform Model



Ready for global expansion

Building an aspirational brand

New mindset & capabilities (on & offline)

Powerful launches

Superior omnichannel consumer experience

Focusing on consumer retention

Constantly bringing product innovations



VIDEO

GROWING IN RRP

Takehiko Tsutsui

Executive Vice President Reduced-Risk Products

JT International

May 8, 2023

Ploom X: step-change evolution in HTS

Gen 2 (2020)



Ploom S 2.0
(Japan)



Ploom model S
(outside Japan)



Gen 3 (2021)



Ploom X
(Global)

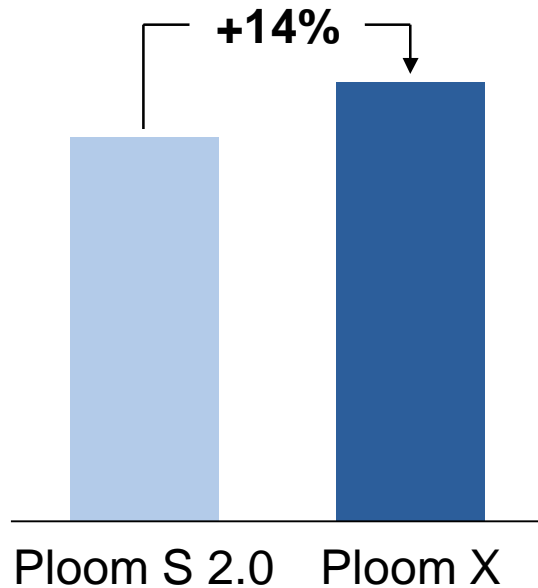


- Critical features of the device and tobacco sticks improved:
 - Heating engine, heating profile and temperature for longer duration & consistency
 - Design & aesthetics, in a smaller size
 - Seamless user experience and interaction
- New blends for enhanced tobacco flavor/aroma
- Longer sticks for better usability

Ploom X: significant improvement in consumer metrics

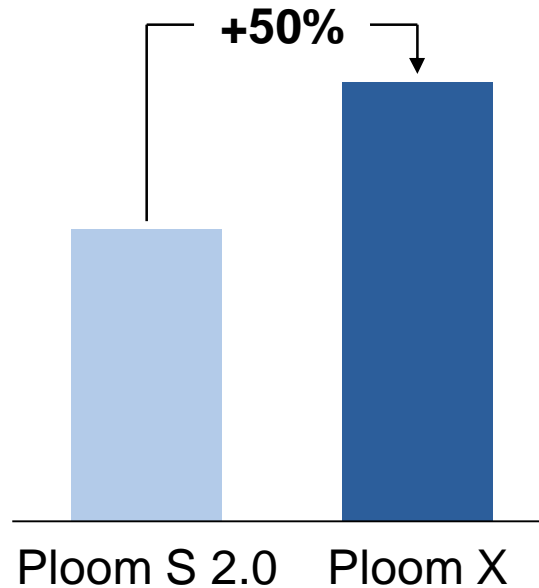
Consumer satisfaction

C-SAT ¹⁾



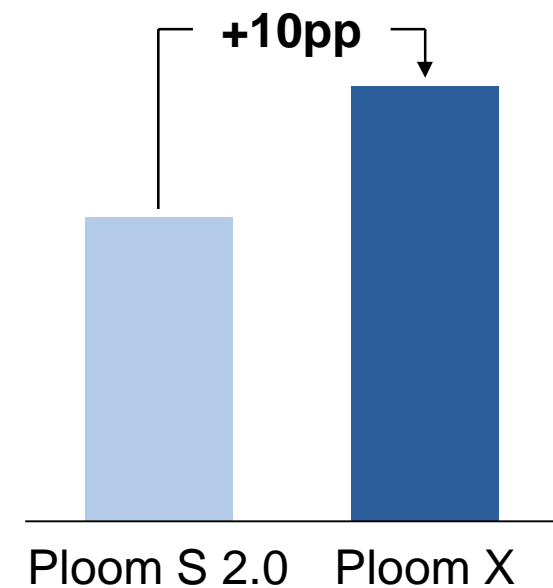
Consumer retention

Retention rate ²⁾



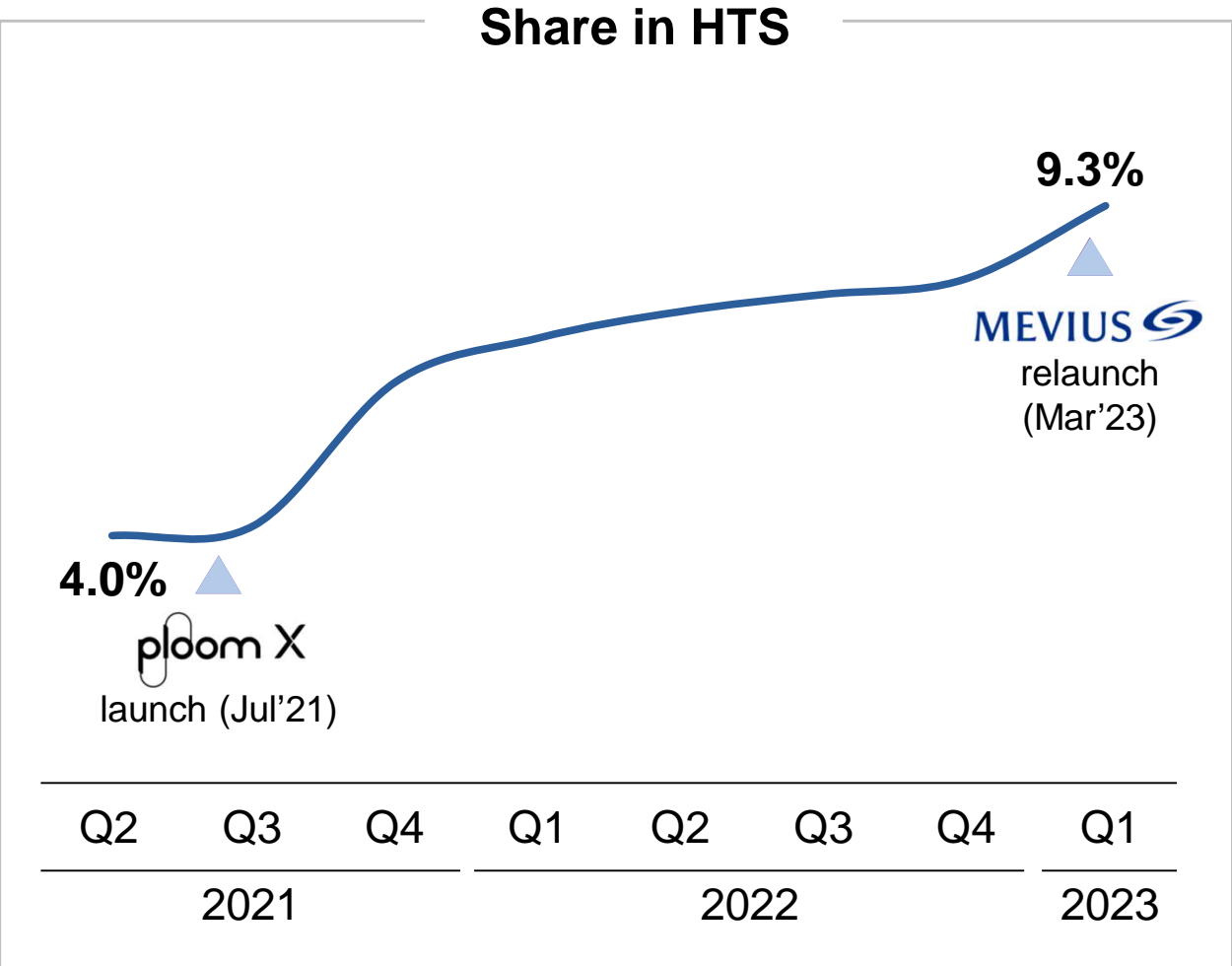
Consumer engagement

Net Promoter Score ³⁾



Note: 1) Consumer Satisfaction score (index): # of users who answered satisfied / # of users who answered the questionnaire (source: internal estimates)

Ploom X: improving performance in Japan



MEVIUS relaunch in Mar'23

New MEVIUS

本物のたばこ感へ

全8銘柄
New Price ¥500

深く深く、魅せる。この青がある。

数量限定
ディープスカイブルー

ploom X

TRULY
UNIQUE

MEVIUS ploom X

DEEP REGULAR

US

OLD MENTHOL

US

TRIPLE OPTION

MEVIUS ploom X

DEEP REGULAR

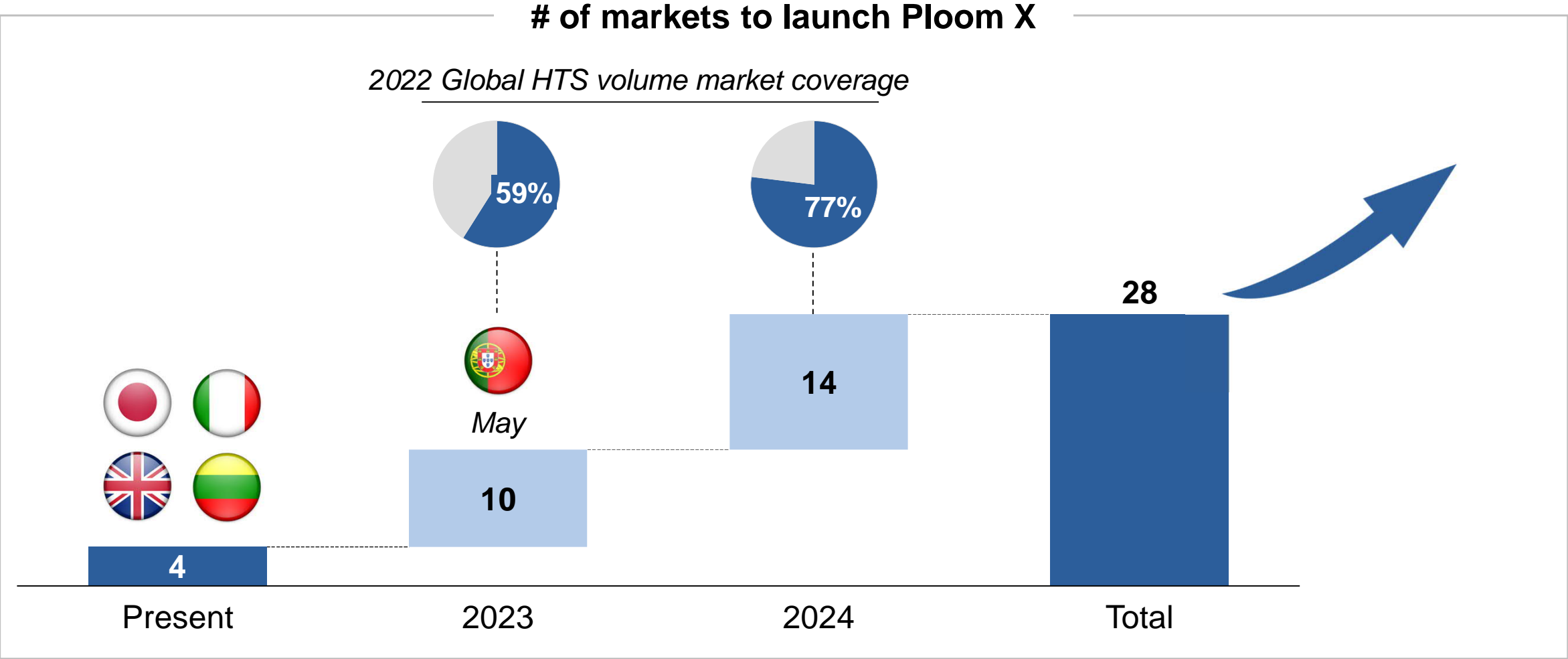
US

OLD MENTHOL

US

TRIPLE OPTION

Ploom X: accelerating global expansion



Ploom X: consistent execution in new market launches

UK / London



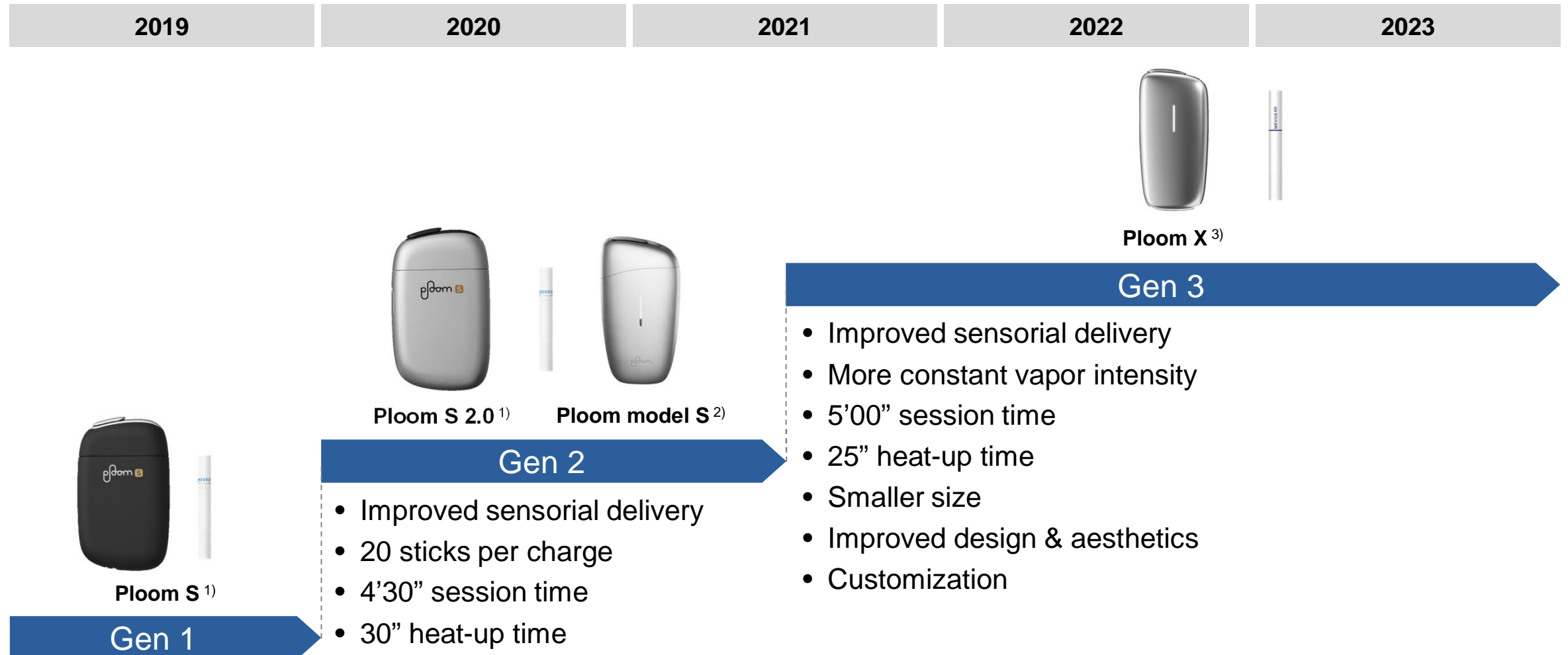
Italy / Milan



Lithuania / Vilnius



HTS: product improvement and innovation



Exploratory RRP: innovation & consumer learnings continue

Infused tobacco

ploom
TECH+
with



NEXT GENERATION

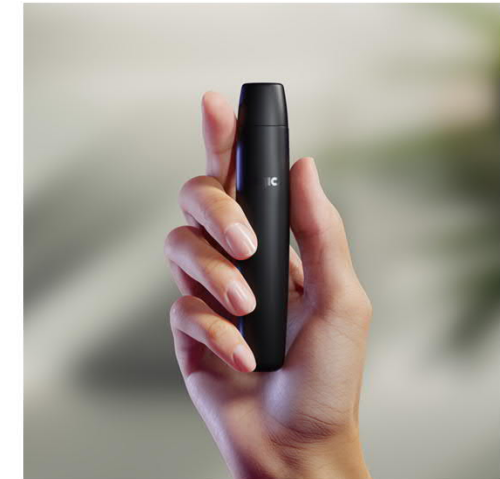
Nicotine pouches

NORDIC
SPIRIT



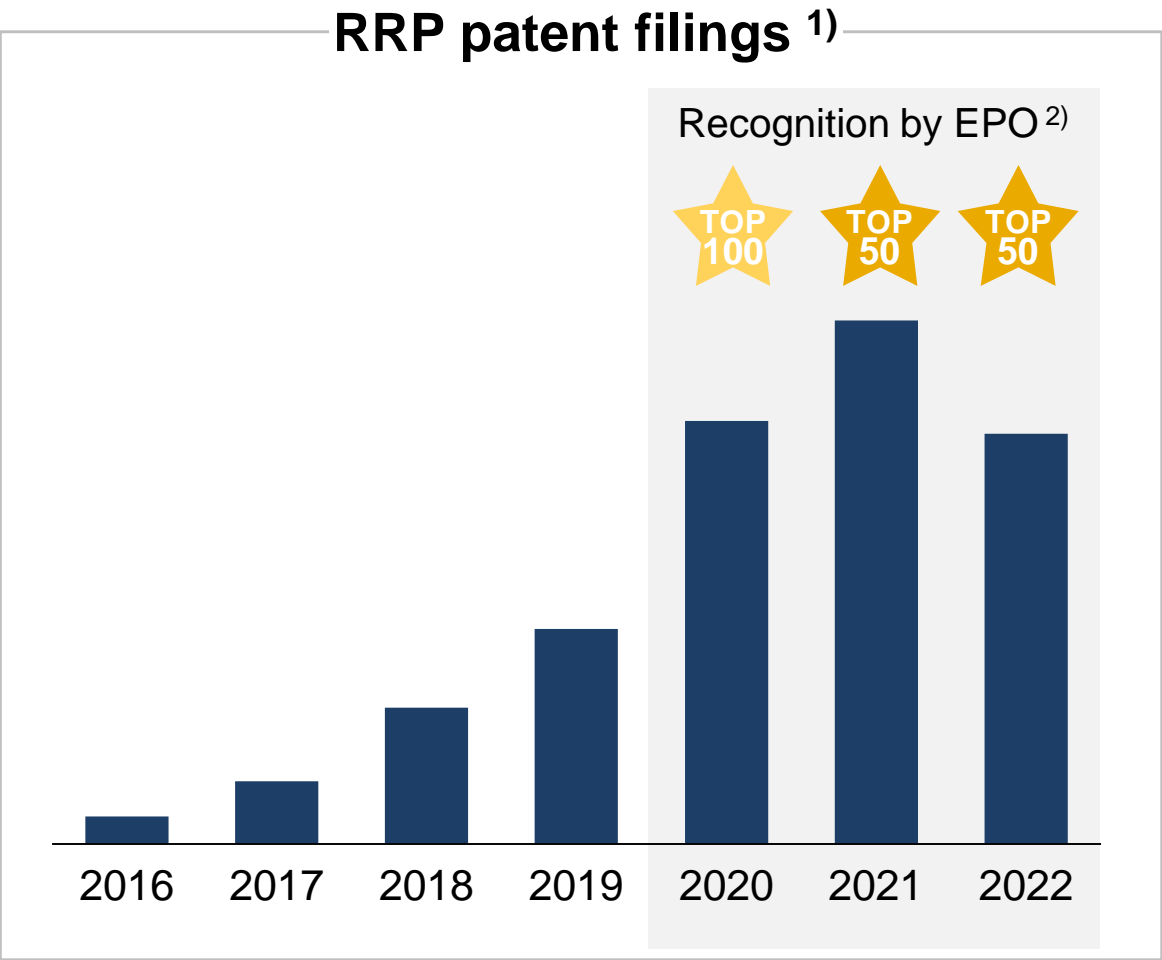
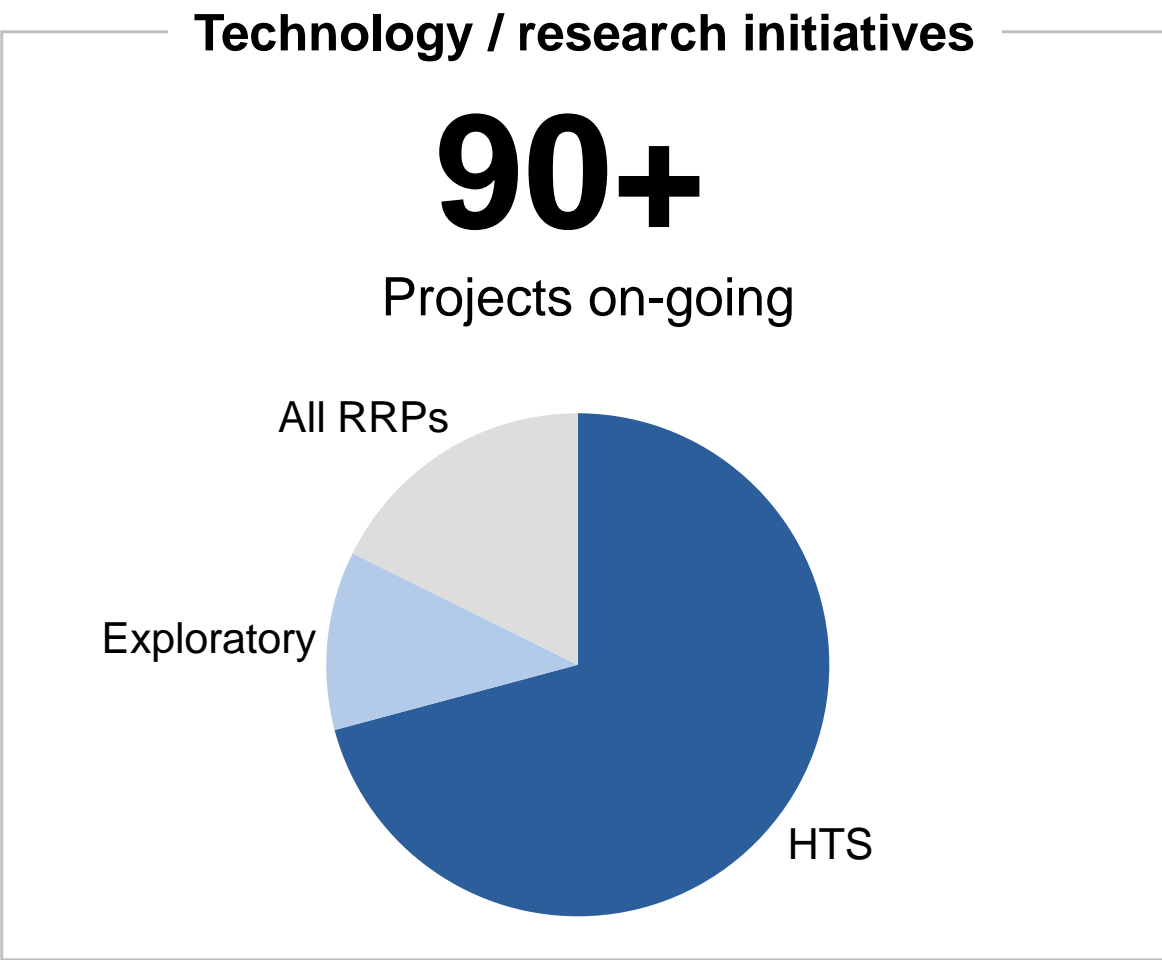
PRODUCT UPGRADE

E-vapor



PRODUCT UPGRADE

Innovation initiatives: endeavors for the future pipelines

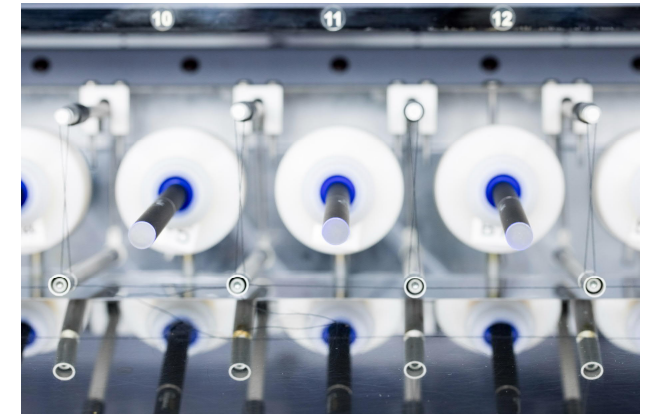


© Copyright JT 2023 Note: 1) # of 1st (priority) applications in each year in the RRP field
2) Ranking of the main applicants at the European Patent Office (EPO)

Science: at the center of our reduced risk efforts

- Holistic approach from fundamental scientific research to product performance assessments
- Addressing reduced risk as one of the key consumer drivers
- Readiness for potential future regulatory requirements
- Active stakeholder engagement with reduced risk scientific evidence

Reduced risk efforts ¹⁾



QUESTIONS AND ANSWERS

JT Group | Tobacco Investor Conference

May 8, 2023