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Document to be filed:	Amendment Report of Extraordinary Report
Filing to:	Director-General of the Kanto Local Finance Bureau
Date of filing:	September 25, 2025
Company name (Japanese):	日本たばこ産業株式会社 (<i>Nihon Tabako Sangyo Kabushiki-Kaisha</i>)
Company name (English):	JAPAN TOBACCO INC.
Title and name of representative:	Masamichi Terabatake, President, Chief Executive Officer and Representative Director
Location of head office:	1-1, Toranomom 4-chome, Minato-ku, Tokyo, Japan
Telephone number:	+81-3-6636-2914 (Main)
Contact person:	Hiromasa Furukawa, Senior Vice President, Chief Financial Officer and Corporate Communications
Place of contact:	1-1, Toranomom 4-chome, Minato-ku, Tokyo, Japan
Telephone number:	+81-3-6636-2914 (Main)
Contact person:	Hiromasa Furukawa, Senior Vice President, Chief Financial Officer and Corporate Communications
Place where the document is available for public inspection:	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

1. Reason for filing

At its Board of Directors meeting held on May 7, 2025, Japan Tobacco Inc. (“JT” or the “Company”) resolved to enter into an agreement (the “Agreement”) with Shionogi & Co., Ltd. (“Shionogi”) to transfer the Company’s pharmaceutical business through an absorption-type split (the “Absorption-type Split”). Therefore, the Company filed an extraordinary report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act (the “Act”) and Article 19, Paragraph 2, Item 7 of the Cabinet Office Order on Disclosure of Corporate Affairs.

At its Board of Directors meeting held on September 25, 2025, the Company resolved to enter into an absorption-type split agreement with Shionogi based on the Agreement in relation to the Absorption-type Split. As a result, there have been amendments to the matters stated in the extraordinary report related to the Absorption-type Split. Consequently, the Company has filed an amendment report of the extraordinary report pursuant to Article 24-5, Paragraph 5 of the Act.

2. Amendments

The amended portions are underlined.

(1) Matters concerning the counterparty company of the Absorption-type Split

- i) Company name, head office, name of representative, amounts of capital, net assets and total assets, and description of business

(Before the amendments)

Company name	Shionogi & Co., Ltd.
Head office	1-8, Doshomachi 3-chome, Chuo-ku, Osaka
Name of representative	Isao Teshirogi, Ph.D., Representative Director, President and CEO
Amount of capital	JPY 21,279 million (as of <u>December 31, 2024</u>)
Amount of net assets	<u>JPY 749,494 million</u> (as of March 31, <u>2024</u>)
Amount of total assets	<u>JPY 840,570 million</u> (as of March 31, <u>2024</u>)
Description of business	Research, development, purchase, manufacturing and distribution of ethical drugs, and services incidental to the above

(After the amendments)

Company name	Shionogi & Co., Ltd.
Head office	1-8, Doshomachi 3-chome, Chuo-ku, Osaka
Name of representative	Isao Teshirogi, Ph.D., Representative Director, President and CEO
Amount of capital	JPY 21,279 million (as of <u>March 31, 2025</u>)
Amount of net assets	<u>JPY 791,825 million</u> (as of March 31, <u>2025</u>)
Amount of total assets	<u>JPY 941,227 million</u> (as of March 31, <u>2025</u>)
Description of business	Research, development, purchase, manufacturing and distribution of ethical drugs, and services incidental to the above

- ii) Net sales, operating profit, ordinary profit and net profit for each fiscal year ended in the last three years

(Before the amendments)

(Millions of yen)

Fiscal year ended	<u>March 31, 2022</u>	March 31, 2023	March 31, 2024
Net sales	<u>285,948</u>	369,499	345,761
Operating profit	<u>95,969</u>	133,274	108,978
Ordinary profit	<u>100,892</u>	134,998	258,621
Net profit	<u>90,264</u>	107,367	253,060

(After the amendments)

(Millions of yen)

Fiscal year ended	March 31, 2023	March 31, 2024	<u>March 31, 2025</u>
Net sales	369,499	345,761	<u>363,309</u>
Operating profit	133,274	108,978	<u>114,356</u>
Ordinary profit	134,998	258,621	<u>109,143</u>
Net profit	107,367	253,060	<u>86,927</u>

- iii) Name of major shareholders and percentage of shares held by major shareholders in the total number of issued shares

(Before the amendments)

(As of September 30, 2024)

Name of major shareholders	Percentage of shares held by major shareholders in the total number of issued shares
The Master Trust Bank of Japan, Ltd. (Trust Account)	<u>18.55%</u>
Custody Bank of Japan, Ltd. (Trust Account)	<u>8.50%</u>
SUMITOMO LIFE INSURANCE COMPANY	6.49%
SMBC Trust Bank Ltd. (as a trustee for retirement benefit of Sumitomo Mitsui Banking Corporation)	3.30%
NIPPON LIFE INSURANCE COMPANY	2.93%

(After the amendments)

(As of March 31, 2025)

Name of major shareholders	Percentage of shares held by major shareholders in the total number of issued shares
The Master Trust Bank of Japan, Ltd. (Trust Account)	<u>18.01%</u>
Custody Bank of Japan, Ltd. (Trust Account)	<u>7.91%</u>
SUMITOMO LIFE INSURANCE COMPANY	6.49%
SMBC Trust Bank Ltd. (as a trustee for retirement benefit of Sumitomo Mitsui Banking Corporation)	3.30%
NIPPON LIFE INSURANCE COMPANY	2.93%

(3) Method of the Absorption-type Split, details of the allocation, and other details of the Absorption-type Split agreement

iii) Other details of the Absorption-type Split agreement

(Before the amendments)

A) Schedule of the Absorption-type Split

May 7, 2025	Date of resolution of the Board of Directors regarding the execution of the Agreement
May 7, 2025	Date of execution of the Agreement
September 2025	<u>Planned</u> date of resolution of the Board of Directors regarding the conclusion of the absorption-type split agreement
September 2025	<u>Planned</u> date of execution of conclusion of absorption-type split agreement
December 2025	Planned effective date of the Absorption-type Split

(Note 1) The Absorption-type Split falls under a simplified absorption-type split prescribed in Article 784, Paragraph 2 of the Companies Act for JT and in Article 796, Paragraph 2 of the Companies Act for Shionogi. Therefore, neither company plans to hold a general meeting of shareholders to approve the conclusion of the Absorption-type Split agreement.

(Note 2) The execution of the Absorption-type Split agreement is conditional upon the successful completion of the Tender Offer.

(After the amendments)

A) Schedule of the Absorption-type Split

May 7, 2025	Date of resolution of the Board of Directors regarding the execution of the Agreement
May 7, 2025	Date of execution of the Agreement
September <u>25</u> , 2025	Date of resolution of the Board of Directors regarding the conclusion of the absorption-type split agreement
September <u>25</u> , 2025	Date of execution of conclusion of absorption-type split agreement
December <u>1</u> , 2025	Planned effective date of the Absorption-type Split

(Note 1) The Absorption-type Split falls under a simplified absorption-type split prescribed in Article 784, Paragraph 2 of the Companies Act for JT and in Article 796, Paragraph 2 of the Companies Act for Shionogi. Therefore, neither company plans to hold a general meeting of shareholders to approve the conclusion of the Absorption-type Split agreement.

(Note 2) The execution of the Absorption-type Split agreement was conditional upon the successful completion of the Tender Offer. The Tender Offer has been successfully completed as described in the “Notice of Results of Tender Offer for Shares of TORII PHARMACEUTICAL CO., LTD. (Securities Code: 4551),” released by Shionogi on June 19, 2025.

(Before the amendments)

G) Other details of the Absorption-type Split agreement

Subject to the successful completion of the Tender Offer, JT plans to execute the Absorption-type Split agreement in September 2025, and the details will be disclosed separately once finalized.

(After the amendments)

G) Other details of the Absorption-type Split agreement

JT executed the Absorption-type Split agreement on September 25, 2025. Content thereof is as provided in the “Absorption-type Split Agreement (copy)” at the end of this document.

Note: Some underlining does not coincide with the Japanese version because of translation adjustments.

Absorption-type Split Agreement

Shionogi & Co., Ltd. (the “**Successor Company**”) and Japan Tobacco Inc. (the “**Splitting Company**”) hereby enter into the following absorption-type split agreement (this “**Agreement**”) on September 25, 2025 (the “**Agreement Date**”), in relation to an absorption-type split (the “**Absorption-type Split**”) whereby the rights and obligations pertaining to the Splitting Company’s pharmaceutical business (the “**Business Subject to Succession**”) shall be transferred to the Successor Company.

Article 1 (Absorption-type Split)

In accordance with the provisions of this Agreement, the Splitting Company shall transfer to the Successor Company the rights and obligations stated in Article 3 and held in relation to the Business Subject to Succession by means of an absorption-type split as of the Effective Date (as defined in Article 6; the same shall apply hereinafter), and the Successor Company shall assume these from the Splitting Company.

Article 2 (Company Names and Locations of Head Offices of the Parties)

The company names and head office locations of the Successor Company (company succeeding in the absorption-type split) and the Splitting Company (company splitting in the absorption-type split) involved in the Absorption-type Split are as follows.

- (1) Company succeeding in the absorption-type split (Successor Company)
Company name: Shionogi & Co., Ltd.
Address: 1-8, Doshomachi 3-chome, Chuo-ku, Osaka
- (2) Company splitting in the absorption-type split (Splitting Company)
Company name: Japan Tobacco Inc.
Address: 1-1, Toranomon 4-chome, Minato-ku, Tokyo

Article 3 (Rights and Obligations Subject to Succession)

1. The rights and obligations to be transferred to the Successor Company from the Splitting Company in the Absorption-type Split (the “**Rights and Obligations Subject to Succession**”) shall be as described in the **Attachment** “Schedule of Rights and Obligations Subject to Succession.”
2. The Successor Company shall assume, with full discharge of the Splitting Company’s liability, all obligations of the Splitting Company that are transferred to the Successor Company from the Splitting Company.
3. Except as stipulated in Paragraph 1 of this Article, the Successor Company shall not assume any assets, obligations (including obligations arising from or related to events that have occurred prior to the Effective Date), employment contracts, or other rights and obligations from the Splitting Company in the Absorption-type Split.

Article 4 (Consideration for the Split)

1. The consideration for the Absorption-type Split (the “**Split Consideration**”) shall be an amount calculated by adding the Adjustment Amount to JPY 5,396,796,605 (the “**Initial Split Consideration**”).
2. In this Agreement, “**Adjustment Amount**” means an amount calculated according to the following formula; provided, however, that this shall be zero if the absolute value of said amount is JPY 1 million or less.
$$\text{Adjustment Amount} = \text{Working Capital Adjustment} - \text{Net Interest-Bearing Debt Adjustment}$$
3. In this Agreement, “**Working Capital Adjustment**” means an amount calculated according to the following formula.
$$\text{Working Capital Adjustment} = \text{Closing Date Working Capital} - \text{Base Working Capital}$$

The following terms used in the above formula have the meanings set forth below in this Agreement.

- (1) **“Closing Date Working Capital”** means the amount of working capital pertaining to the Business Subject to Succession as of the point in time when the Absorption-type Split takes effect.
- (2) **“Base Working Capital”** means JPY 4,274,519,000.
4. In this Agreement, **“Net Interest-Bearing Debt Adjustment”** means an amount calculated according to the following formula.
Net Interest-Bearing Debt Adjustment = Closing Date Net Interest-Bearing Debt – Base Net Interest-Bearing Debt
The following terms used in the above formula have the meanings set forth below in this Agreement.
 - (1) **“Closing Date Net Interest-Bearing Debt”** means the amount of net interest-bearing debt pertaining to the Business Subject to Succession as of the point in time when the Absorption-type Split takes effect.
 - (2) **“Base Net Interest-Bearing Debt”** means JPY 9,612,590,000.

Article 5 (Successor Company Capital and Reserves)

The Successor Company shall not change its capital and reserve amounts through the Absorption-type Split.

Article 6 (Effective Date)

The date on which the Absorption-type Split takes effect (the **“Effective Date”**) shall be December 1, 2025; provided, however, that the Effective Date may be changed by separate agreement between the parties to this Agreement when necessary depending on progress of preparatory proceedings of the Absorption-type Split.

Article 7 (Split Approval Resolution)

1. The Successor Company shall carry out the Absorption-type Split without obtaining approval of a general meeting of shareholders stipulated in Article 795, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 796, Paragraph 2 of said Act.
2. The Splitting Company shall carry out the Absorption-type Split without obtaining approval of a general meeting of shareholders stipulated in Article 783, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 784, Paragraph 2 of said Act.

Article 8 (Amendment or Termination of This Agreement)

Between the Agreement Date and the day prior to the Effective Date, the Successor Company and the Splitting Company may amend the contents of this Agreement or terminate this Agreement upon agreement if a situation arises or becomes apparent such that substantially impedes execution of the Absorption-type Split, or if it otherwise becomes difficult to achieve the purpose of this Agreement.

Article 9 (Effectiveness of the Absorption-type Split)

The Absorption-type Split shall take effect subject to obtaining approval of the Minister of Finance based on Article 8 of Japan Tobacco Inc. Act.

Article 10 (Governing Law and Agreed Jurisdiction)

1. This Agreement shall be governed by Japanese law and interpreted in accordance with Japanese law.
2. The Tokyo District Court shall be the exclusive agreed jurisdictional court of first instance for any dispute arising in relation to performance or interpretation of this Agreement.

Article 11 (Good Faith Consultation)

Any matters not provided for in this Agreement or any questions of interpretation of this Agreement shall be resolved in good faith through consultation between the Successor Company and the Splitting Company in accordance with the purport of this Agreement.

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IN WITNESS WHEREOF, this Agreement has been prepared in duplicate with the Successor Company and the Splitting Company each retaining one (1) copy thereof upon having respectively affixed their names and seals thereon.

September 25, 2025

Successor Company: Isao Teshirogi, Ph.D., Representative
Director, President and CEO
Shionogi & Co., Ltd.
1-8, Doshomachi 3-chome, Chuo-ku, Osaka

IN WITNESS WHEREOF, this Agreement has been prepared in duplicate with the Successor Company and the Splitting Company each retaining one (1) copy thereof upon having respectively affixed their names and seals thereon.

September 25, 2025

Splitting Company: Masamichi Terabatake, President, Chief
Executive Officer and Representative
Director
Japan Tobacco Inc.
1-1, Toranomom 4-chome, Minato-ku, Tokyo

Schedule of Rights and Obligations Subject to Succession

The Rights and Obligations Subject to Succession shall consist of the following assets, liabilities, contracts, and other rights and obligations related to the Business Subject to Succession held by the Splitting Company.

1. Assets

All assets held by the Splitting Company exclusively related to the Business Subject to Succession (including the following)

- (1) Building of Biohistory Research Hall (including equipment attached to the building)
- (2) Land in Takatsuki (35 and 35-1, Murasaki-cho, Takatsuki-shi, Osaka)
- (3) Land in Yokohama (13-2 Fukuura 1-chome, Kanazawa-ku, Yokohama-shi, Kanagawa)

2. Intellectual property

All intellectual property held by the Splitting Company exclusively related to the Business Subject to Succession

3. Liabilities

Liabilities of the Splitting Company pertaining to the Business Subject to Succession (including contingent liabilities, potential liabilities, liabilities for damages, or off-balance-sheet liabilities related to the Business Subject to Succession)

4. Contracts subject to succession (excluding employment contracts)

Contractual positions associated with all contracts exclusively related to the Business Subject to Succession (excluding the employment contracts, etc., listed in Section 5 below and the contracts listed as follows) and all rights and obligations arising therefrom

- (1) “Basic Agreement on JT BusinessCom Indirect Business Services” dated March 31, 2017, between the Splitting Company and JT BusinessCom Inc. (including subsequent amendments and additions)
- (2) “Financial Services Agreement” dated March 31, 2017, between the Splitting Company and JT BusinessCom Inc. (including subsequent amendments and additions)
- (3) “Confidential Release Agreement” dated November 14, 2022, between the Splitting Company and Gilead Sciences, Inc. (including subsequent amendments and additions)
- (4) “Basic Agreement on Business Outsourcing” dated December 29, 2017, between the Splitting Company and JT Plant Service Co., Ltd. (including subsequent amendments and additions)
- (5) “Basic Agreement on Business Outsourcing” dated April 26, 2019, between the Splitting Company and JT CREATIVE SERVICE CO., LTD. (including subsequent amendments and additions)
- (6) “Basic Agreement on Business Outsourcing” dated April 30, 2020, between the Splitting Company and JT CREATIVE SERVICE CO., LTD. (including subsequent amendments and additions)

5. Employment contracts, etc.

- (1) Contractual positions associated with all employment contracts with employees primarily engaged in the Business Subject to Succession (this includes fixed-term employees (senior partners), contract employees, job offer recipients; provided, however, that employees classified in staff or management positions shall be limited to those who have not filed an objection pursuant to the Act on the Succession to Labor Contracts upon Company Split and excluding employee numbers 56003, 58593, 62804, and 65852), and all rights and obligations arising from such contracts (including retirement benefit obligations)
- (2) Contractual positions related to contracts with temporary employment agencies pertaining to dispatched workers primarily engaged in the Business Subject to Succession, and all rights and obligations arising from such contracts
- (3) Contractual positions related to contracts listed as follows (including subsequent amendments and additions), and all rights and obligations arising from such contracts
 - “Secondment Agreement” dated April 1, 2000, between the Splitting Company and Akros Pharma Inc. (“Akros”)

- “Memorandum Concerning Working Conditions for Employees Seconded from Japan Tobacco Inc. to Akros Pharma Inc.” dated April 29, 2022, between the Splitting Company and Akros
- “Agreement Concerning the Secondment of Employees of Japan Tobacco Inc. to TORII PHARMACEUTICAL CO., LTD.” dated December 14, 1998, between the Splitting Company and TORII PHARMACEUTICAL CO., LTD. (“**Torii**”)
- “Memorandum Concerning Working Conditions for Seconded Employees” dated January 1, 2017, between the Splitting Company and Torii
- “Agreement Concerning the Secondment of Employees of TORII PHARMACEUTICAL CO., LTD. to Japan Tobacco Inc.” dated March 26, 1999, between the Splitting Company and Torii
- “Memorandum Concerning Working Conditions for Seconded Employees” dated May 2, 2025, between the Splitting Company and Torii

6. Licenses and permits

Manufacturing and marketing approval based on Article 14, Paragraph 1 of the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices for products related to the Business Subject to Succession