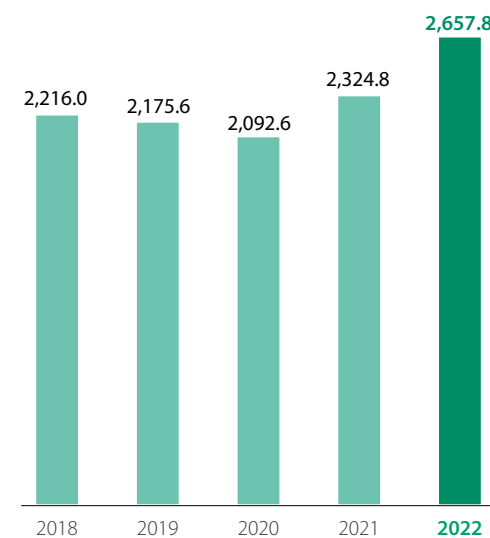


Key performance indicators

Financial performance review

Revenue

(JPY BN)

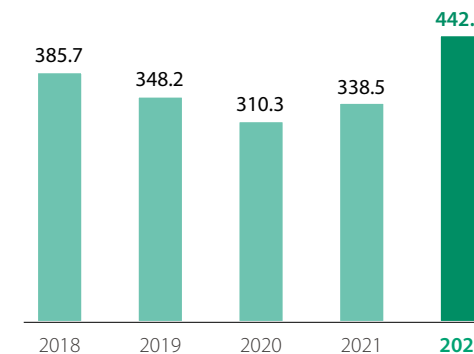


JPY2,657.8BN
14.3% YoY increase

Since 2021 our consolidated revenue has been growing, mainly due to positive foreign exchange effects in addition to market-share growth and positive pricing effects. In 2022 revenue grew by 14.3% year on year to 2,657.8 billion yen. Until 2020, revenue decreased for two consecutive years, mainly as a result of negative foreign exchange effects, growth in the Japanese RRP (Reduced-Risk Products) market, and a continuing downward trend in the Japanese domestic market as a whole.

Profit

(JPY BN)

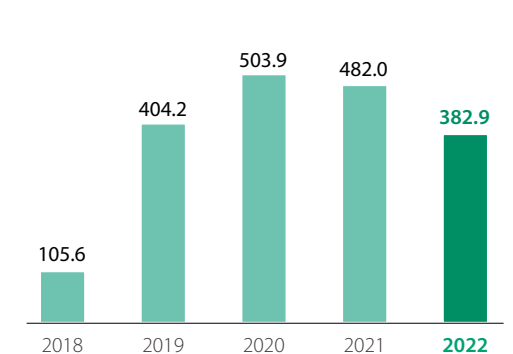


JPY442.7BN
30.8% YoY increase

Profit grew 30.8% year on year to 442.7 billion yen, driven largely by operating profit growth far greater than the increase in financial costs.

Free cash flow

(JPY BN)

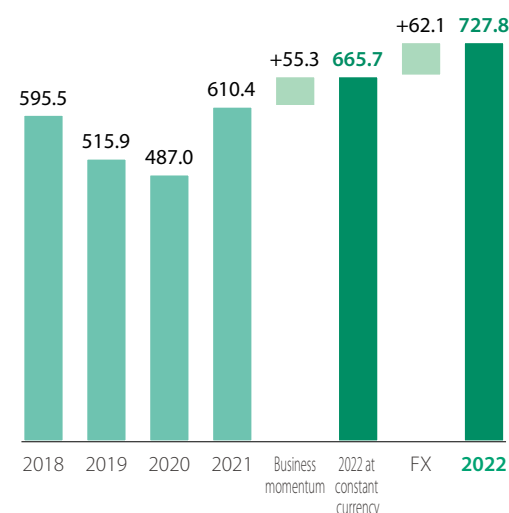


JPY382.9BN
JPY99.1BN YoY decrease

In terms of free cash flow, the cash-generating capacity of our businesses is stable. Free cash flow for 2022, however, decreased by 99.1 billion yen year on year to 382.9 billion yen despite AOP growth, due to a deterioration in working capital as well as increasing corporate taxes and one time costs for measures to enhance tobacco-business systems operations in Japan.

Adjusted operating profit

(JPY BN)

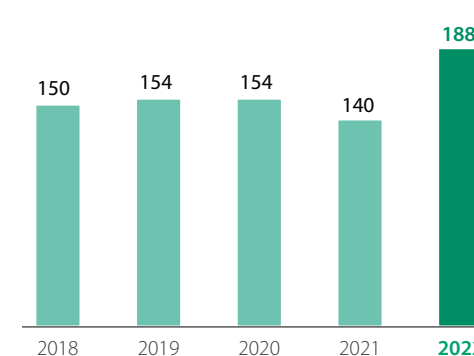


9.0% YoY increase in constant currency
JPY727.8BN (reported basis)
19.2% YoY increase

Adjusted operating profit on a reported basis grew by 19.2% year on year to 727.8 billion yen, mainly due to growth in the tobacco and pharmaceutical businesses and positive exchange effects. AOP in constant currency grew by 9.0% year on year to 665.7 billion yen.

Dividend per share

(JPY)



JPY188

We paid total dividends of 188 yen per share for 2022. In 2021 we changed our policy on shareholder returns, and to increase those returns by realizing medium and long term profit growth for the Group while maintaining a strong financial base*¹, we benchmarked our payout ratio at 75%*², a competitive level in the capital markets*³.

*¹ The Group will maintain a strong financial base that secures stability in case of changes in business environment such as economic crises and flexibility enabling expeditious responses to business investment opportunities

*² To be in the range of approximately ±5%

*³ We monitor the shareholder return trends of Fast-Moving Consumer Goods companies which have a stakeholder model similar to our 4S model and have realized strong business growth

Key performance indicators

Non-financial performance review

2022 sustainability highlights

Summarized here are some of our sustainability achievements and the progress we have made. It is of paramount importance that we continue to monitor and report on our strategy, initiatives, goals, and progress. By assessing the

impact not only on our Group but on our value chain as a whole, we seek to create shared value for our planet and for the communities in which we operate.



The JT Group's materiality has been updated in this report. **The new JT Group Materiality** reflects key issues

that are currently important to our stakeholders, our society and the JT Group. In updating our materiality, the changes in the business environment and social conditions surrounding our Group were taken into account, while paying attention to our relationship with society and by listening even more closely to the opinions of our stakeholders.

▶ Read more on [P.38](#).



The JT Group is committed to **achieve Net-Zero Greenhouse Gas (GHG) emissions by 2050**. We are taking proactive

initiatives to reduce our GHG emissions for the entire value chain. We aim to be Carbon Neutral by 2030 through initiatives including increasing the proportion of renewable electricity that we use. GHG reduction targets for 2030 from our operations have been validated by the Science Based Targets initiative (SBTi) as being in line with the 1.5°C global warming scenario.

▶ Read more on [P.78](#).



Agricultural Labor Practices (ALP) is one of the key programs for our tobacco business's leaf supply chain management

and an integral part of the Leaf Supply Chain Due Diligence process. Our target is to implement ALP in all sourcing countries by 2025. In 2022, ALP was fully implemented in Bangladesh and Ethiopia, and this contributed significantly toward meeting our ALP target.

▶ Read more on [P.69](#). Read more about the progress of ALP in 2022 on [JT.com](#).



We are committed to promoting gender equality in the workplace.

Our Group-wide target for **women's representation in leadership** is set to reach 25% by 2030. We find it desirable that this should be more than 40% over time. In 2022, women's representation in leadership reached 16.9%, as we continue with our efforts to meet the Group-wide target.

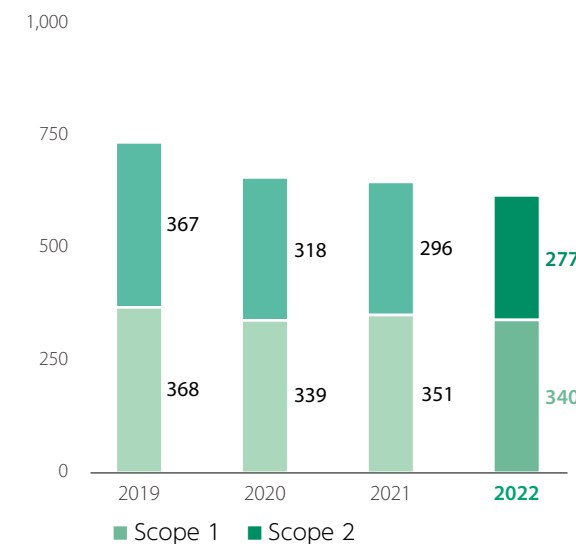
▶ Read more on [P.83](#).

JT Group environmental performance data

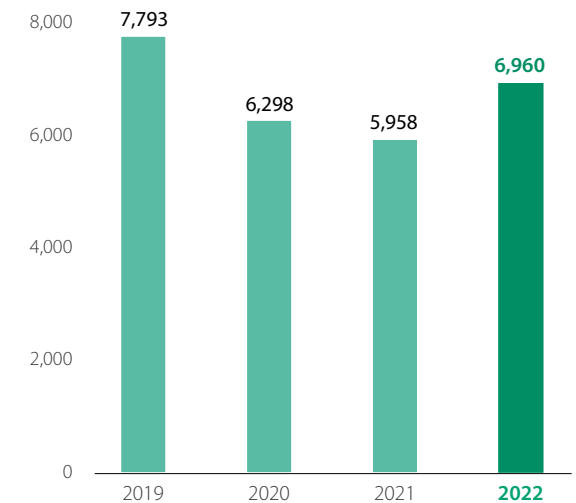
As a global organization, we recognize that we have a key role to play in reducing our environmental impact – not only in our own business operations, but across our value chain.

We will continue to measure performance across a range of environmental topics and set ourselves targets along the way.

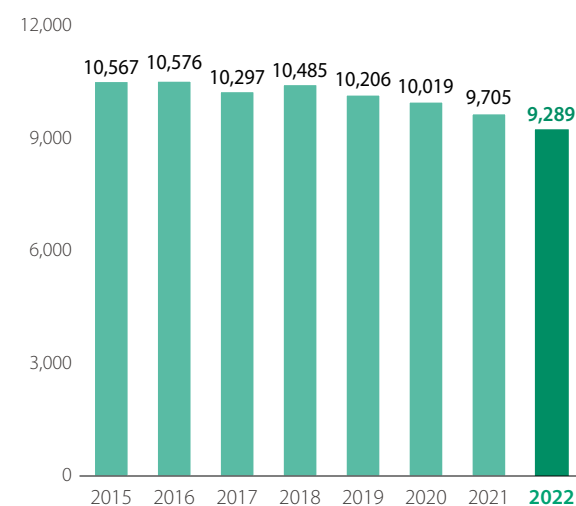
Greenhouse Gas emissions Scope 1 and 2
(CO₂e thousand tons)



Greenhouse Gas emissions Scope 3 Category 1
(CO₂e thousand tons)



Water withdrawal
(Thousand m³)



Waste generated
(Thousand tons)

