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FOR IMMEDIATE RELEASE

Tokyo, June 5, 2026

Notice Concerning Disposal of Treasury Shares Towards Restricted Stock Remuneration and Performance Share Units

Japan Tobacco Inc. ("JT") (TSE: 2914) hereby announces resolutions from the meeting of the Board of Directors held today, concerning the disposal of treasury shares towards the restricted stock remuneration and the performance share units (the "Disposal of Treasury Shares") as follows:

1. Summary of Disposal

(1)	Payment date	June 29, 2026
(2)	Class and number of shares to be disposed of	Ordinary shares 115,927 shares
(3)	Disposal value	¥ 6,025 per share
(4)	Total disposal amount	¥ 698,460,175
(5)	Beneficiaries(*)	(Disposal towards the Restricted Stock Remuneration) Members of the Board who also serve as Executive Officers of the Company 3 persons 62,900 shares Executive Officers of the Company 9 persons 34,100 shares (Disposal towards the Performance Share Units) Members of the Board(**) 1 person 9,224 shares Members of the Board who also serve as Executive Officers of the Company 1 person 2,925 shares Executive Officers of the Company 9 persons 6,778 shares
(6)	Other	The Disposal of Treasury Shares is subject to the validity of the securities registration statement based on the Financial Instruments and Exchange Act.

(*) Beneficiaries of a disposal towards the restricted stock remuneration and beneficiaries of a disposal towards the performance share units overlap, consisting of one person who is Members of the Board who also serves as Executive Officers of the Company and nine persons who are Executive Officers of the Company.

(**) As the performance share units are granted as consideration for duties performed during the 39th business year, they are allotted after the end of the performance evaluation period to persons who served as Members of the Board who also served as Executive Officers during such business year.

2. Purpose and Reason of the Disposal

At the 35th Ordinary General Meeting of Shareholders held on March 19, 2020, the Company obtained approval for the adoption of the Restricted Stock Remuneration Plan and the Performance Share Unit Plan for Members of the Board who also serve as Executive Officers of the Company with the objective of strengthening efforts to enhance corporate value over the mid to long term and further promoting shared value with shareholders.

(1) Disposal for the Restricted Stock Remuneration

At the 38th Ordinary General Meeting of Shareholders held on March 24, 2023, the Company obtained approval for provision of no more than ¥600 million per year in the total amount of monetary remuneration claims to be provided as remuneration in relation to restricted stock for Members of the Board who also serve as Executive Officers of the Company, and approval for provision of no more than 300,000 total shares of restricted stock to be allotted to Members of the Board who also serve as Executive Officers of the Company in each business year, based on the Restricted Stock Remuneration Plan.

The Board of Directors has resolved today to allot 97,000 ordinary shares of the Company as restricted stock remuneration for the 42nd business year of the Company, thereby providing total monetary remuneration claims of ¥ 584,425,000 to the designated allottees consisting of three Members of the Board who also serve as Executive Officers of the Company and 9 Executive Officers of the Company (the “Eligible Person(s) for Restricted Stock”), with the Eligible Persons for Restricted Stock then receiving the allotment of ordinary shares of the Company by providing all the monetary remuneration claims by means of contribution in kind. The Company determines the amount of the monetary remuneration claims for each Eligible Person for Restricted Stock upon having comprehensively taken into account various factors including the nature of duties of each Eligible Person for Restricted Stock. In addition, the monetary remuneration claims provided to the Eligible Persons for Restricted Stock is subject to each Eligible Person for Restricted Stock entering into a restricted stock allotment agreement largely encompassing the following content (the “Allotment Agreement”) with the Company. The ordinary shares of the Company allocated to the Eligible Persons for Restricted Stock correspond to the Designated Restricted Stock.

The transfer restriction period has been set as 30 years in order to achieve, as long as possible, the objectives for introducing the Restricted Stock Remuneration Plan in terms of strengthening efforts to enhance corporate value over the mid- to long-term and further promoting shared value with shareholders.

(i) Transfer restriction period and details

June 29, 2026 to June 28, 2056

During the above transfer restriction period (the “Restriction Period”), restrictions will be applied on restricted shares allotted to the Eligible Persons for Restricted Stock (the “Allotted Restricted Stock”), such that Eligible Persons for Restricted Stock are prohibited from transferring the Allotted Restricted Stock, pledging it, mortgaging it, or using any arrangement to dispose it. The restrictions described in the preceding sentence will hereinafter be collectively referred to as the “Transfer Restrictions.”

(ii) Removal of transfer restrictions

In case an Eligible Person for Restricted Stock loses any position as either Member of the Board, Audit & Supervisory Board Member or Executive Officer even during the Restriction Period for any reason other than dismissal, the Transfer Restrictions will be removed on all of his or her holdings of the Allotted Restricted Stock. In case an Eligible Person for Restricted Stock loses any position as either Member of the Board, Audit & Supervisory Board Member or Executive Officer for any reason other than dismissal, the Transfer Restrictions will be removed on all of his or her holdings of the Allotted Restricted Stock as of the payment date.

(iii) Acquisition of restricted stock without any compensation

The Company retains the right to acquire all of the Allotted Restricted Stock without any compensation, if an Eligible Person for Restricted Stock violates any laws and regulations or falls under any other event specified by the Company’s Board of Directors during the Restriction Period.

(iv) Conditions for management of shares

The Eligible Persons for Restricted Stock shall open an account to register and record the Allotted Restricted Stock with SMBC Nikko Securities Inc. in the manner designated by the Company, and shall deposit and maintain the Allotted Restricted Stock in the said account until the transfer restrictions are lifted.

(v) Handling in the case of reorganization

During the Restriction Period, if the Company becomes defunct due to merger or organization restructuring, the Company may remove the transfer restrictions for the Allotted Restricted Stock following the resolution of the Company’s Board of Directors before the effective date of such reorganization.

(2) Disposal for the Performance Share Units

At the 38th Ordinary General Meeting of Shareholders held on March 24, 2023, the Company obtained approval for the maximum amount of monetary remuneration claims and cash to be provided as remuneration in relation to restricted stock for Members of the Board who also serve as Executive

Officers of the Company, based on the Performance Share Unit Plan. Accordingly, the total amount shall not exceed the amount obtained by multiplying a fixed number of base share units not exceeding 200,000 by the share price at the time of delivery, which serves as a framework for remuneration aligned with financial results and share price, and the total number of ordinary shares of the Company allotted to Members of the Board who also serve as Executive Officers of the Company shall not exceed 100,000 shares in each business year.

With respect to ordinary shares of the Company that are to serve as performance share units for the 39th business year of the Company, the Board of Directors has resolved today to provide total monetary remuneration claims of ¥114,035,175 to the designated allottees consisting of one Member of the Board, one Member of the Board who also serves as Executive Officers and nine Executive Officers of the Company (the "Eligible Person(s) for Performance Share Units"), then to allot 18,927 ordinary shares of the Company as performance share units by having the Eligible Persons for Performance Share Units provide all such monetary remuneration claims by means of contribution in kind. The Company determines the amount of the monetary remuneration claims for each Eligible Person for Performance Share Units based on the calculation method set forth in (iii), below.

(i) Framework of Performance Share Unit Plan

Performance Share Unit Plan provides monetary remuneration claims to allot the Company's ordinary shares and cash as a performance-linked stock compensation. The monetary remuneration claims and cash are calculated after the performance evaluation period that is aligned with the duration of the Company's three-year Business Plan that starts from the fiscal year subject to provision (the "Performance Evaluation Period") in accordance with the rate of achievement of performance and other targets during the Performance Evaluation Period, which are determined through deliberations of the Advisory Panel on Nomination and Compensation of the Company. Thus, the monetary remuneration claims to allot ordinary shares of the Company and cash are provided to Eligible Persons for Performance Share Units after the Performance Evaluation Period expires, in principle.

(ii) Fiscal year subject to provision and Performance Evaluation Period

The fiscal year subject to provision was set as the fiscal year ended December 31, 2023, with the Performance Evaluation Period from the fiscal year ended December 31, 2023, to the fiscal year ended December 31, 2025.

(iii) Method for calculating ordinary shares of the Company to be distributed to each Eligible Person for Performance Share Units and the amount of cash to be paid thereto

The Company determines indicators necessary for specifically calculating the number of shares to be distributed, including respective quantitative targets used in the Performance Share Unit Plan (during the initial Performance Evaluation Period, the Company plans to use the target value for profit, which serves as a target under the Business Plan) and performance-linked coefficients, upon having taken

into account deliberations of the Advisory Panel on Nomination and Compensation of the Company. In the specific calculation, the number of ordinary shares of the Company to be distributed to each Eligible Person for Performance Share Units is calculated based on the formula in (a) below (however, any fraction of less than one share shall be rounded down), and the amount of cash to be paid as funds for tax payment to each Eligible Person for Performance Share Units is calculated based on the formula in (b) below. In the case of retirement or new appointment or alike during the Performance Evaluation Period, the number of ordinary shares of the Company or the amount of cash to be distributed to an Eligible Person for Performance Share Units, or his or her heir, may be adjusted reasonably as stipulated by the Company's Board of Directors. In case that the above total number of ordinary shares of the Company allotted to the Eligible Persons for Performance Share Units is exceeded by allotting the number of ordinary shares of the Company calculated based on the formula in (a) to each Eligible Person for Performance Share Units, the number of shares to be allotted to each Eligible Person for Performance Share Units shall be reduced by a reasonable method specified by the Company's Board of Directors, including a pro-rata basis, within a range not exceeding such total number of shares.

(a) Number of ordinary shares of the Company to be distributed to each Eligible Person for Performance Share Units
Number of base share units(*1) x ratio of provision(*2) x 50%

(b) Amount of cash to be paid to each Eligible Person for Performance Share Units
(Number of base share units(*1) x ratio of provision(*2) – number of ordinary shares of the Company calculated in (a) above) x share price at the time of delivery(*3)

*1 The number is determined by the Company's Board of Directors in accordance with duties of each Eligible Person for Performance Share Units and other factors.

*2 The ratio of provision is set in the range of 0 - 200% according to the achievement rate of each quantitative target during the Performance Evaluation Period, calculated using a method specified by the Company's Board of Directors.

*3 The share price is set as the closing price of the ordinary shares of the Company at the Tokyo Stock Exchange as of the business day immediately preceding the resolution by the Board of Directors for the allotment of the ordinary shares of the Company on the basis of the Performance Share Unit Plan after the Performance Evaluation Period expires. However, if the Company's shares do not trade on the Tokyo Stock Exchange on the day prior to the resolution of the Company's Board of Directors, the closing price of the immediately preceding trading day will be used. This share price will be decided by the Company's Board of Directors within a scope that is not particularly advantageous to the Eligible Persons for Performance Share Units.

(iv) Pre-requisites for distribution

The Company shall provide the monetary remuneration claims and cash to each Eligible Person for Performance Share Units, and each Eligible Person for Performance Share Units is required to purchase ordinary shares of the Company with all the monetary remuneration claims received as contribution in kind, after the Performance Evaluation Period expires and the following conditions for distribution of the ordinary shares of the Company have been met.

(a) Serving as Member of the Board or any other position separately specified by the Board of Directors during the fiscal year subject to provision
(b) Non-existence of certain illegal acts
(c) Other requirements considered necessary, which are stipulated by the Board of Directors

(v) Handling in the case of reorganization

During the Performance Evaluation Period, if the Company becomes defunct due to merger or organization restructuring, the Company's Board of Directors may, prior to the effective date of such reorganization, resolve to pay cash in lieu of the distribution of the Company's ordinary shares reasonably determined in accordance with the duration from the commencement date of the Performance Evaluation Period to the date of approval for such reorganization. The cash will be reasonably calculated by the Company's Board of Directors as the amount equivalent to the said ordinary shares, within the limit of the remuneration for the Performance Share Unit Plan.

(vi) Other

The number of ordinary shares of the Company allotted to each Eligible Person for Performance Share Units, the amount of cash paid thereto, as well as conditions for rights forfeiture and other such details of the Performance Share Unit Plan are as stipulated in the Company's performance share unit regulations.

3. Basis for Calculating the Paid-in Amount and the Specific Details Thereof

The disposal value with respect to the Disposal of Treasury Shares is ¥6,025, which is the closing price of the ordinary shares of the Company on the Tokyo Stock Exchange on the business day immediately before the resolution date of the Board of Directors (June 4, 2026), in order to eliminate arbitrariness in determination of such price. This is the market price immediately before the resolution date of the Board of Directors, and the Company believes this to be a reasonable and fair price.

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Japan Tobacco Inc. is a leading international tobacco and vaping company and its products are sold in over 130 markets. With approximately 53,000 employees, it manufactures and sells some of the world's best-known brands including Winston, Camel, MEVIUS and LD. The JT Group is committed to investing in Reduced-Risk Products (RRP) and currently markets

its heated tobacco products under its Ploom brand and various e-cigarette products under its Logic brand. The Group is also present in the pharmaceutical and processed food businesses. For more information, visit https://www.jt.com/.

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