[This is an English translation prepared for reference purposes only. Should there be any inconsistency between the translation and the original Japanese text, the latter shall prevail.]

October 29, 2026

Consolidated Financial Results for the Nine Months Ended September 30, 2026 <under IFRS>

Name of the Listed Company: **JAPAN TOBACCO INC.** (Stock Code: 2914)
Listed Stock Exchange: Tokyo Stock Exchange
URL: https://www.jt.com/
Representative: Takehiko Tsutsui, Representative Director and President, Chief Executive Officer
Contact: Hiromasa Furukawa, Senior Vice President, Chief Financial Officer and Corporate Communications
Telephone: +81-3-6636-2914
Scheduled starting date of the dividend payments: –
Drawing up supplementary documents on financial results: Yes
Holding investors' meeting: Yes (for analysts and institutional investors)

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months of the Fiscal Year Ending December 31, 2026 (from January 1, 2026 to September 30, 2026)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	2,991,382	13.6	947,710	24.2	877,095	24.0	621,481	20.9
September 30, 2025	2,634,028	–	762,935	–	707,162	–	514,239	15.7

	Profit attributable to owners of the parent company		Comprehensive income for the period		Basic earnings per share	Diluted earnings per share
Nine months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
September 30, 2026	618,892	20.9	511,760	(30.6)	348.60	348.57
September 30, 2025	511,749	15.7	737,512	78.6	288.24	288.21

Due to the transfer of the Company's Pharmaceutical Business to Shionogi & Co., Ltd. and the sale of shares in Torii Pharmaceutical Co., Ltd. held by the Company in the fiscal year ended December 31, 2025, the Group classified the Pharmaceutical Business as discontinued operations. As a result, profits or losses from discontinued operations are presented separately from continuing operations in the Condensed Quarterly Consolidated Statement of Income. Therefore, revenue, operating profit, and profit before income taxes for the nine months ended September 30, 2025 in the table represent the amounts for continuing operations, and percentages indicating year-on-year changes are not presented.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company to total assets	Equity attributable to owners of the parent company per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
September 30, 2026	8,437,531	4,150,130	4,120,946	48.8	2,321.10
December 31, 2025	8,419,240	4,115,389	4,086,933	48.5	2,301.99

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2025	–	104.00	–	130.00	234.00
Year ending December 31, 2026	–	136.00	–		
Year ending December 31, 2026 (Forecast)			–	136.00	272.00

Note: Revisions to the cash dividends forecasts most recently announced: None

The dividends for the fiscal year ending December 31, 2026 are calculated using a payout ratio of 73.2%, based on profit for the year of ¥660.0 billion. The profit for the year used in this calculation excludes the impact of the settlement payments and other related effects arising from the settlement of litigation concerning smoking and health against tobacco companies, including the Company's Canadian subsidiary JTI-Macdonald Corp., as a defendant.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2026 (January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit attributable to owners of the parent company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending December 31, 2026	3,903,000	12.6	1,041,000	20.1	662,000	29.8	372.88

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

Due to the transfer of the Company's Pharmaceutical Business to Shionogi & Co., Ltd. and the sale of shares in Torii Pharmaceutical Co., Ltd. held by the Company in the fiscal year ended December 31, 2025, the Group classified the Pharmaceutical Business as discontinued operations. As a result, only profit and loss from continuing operations will be recorded for the fiscal year ending December 31, 2026. Accordingly, the year-on-year changes in revenue and operating profit are displayed based on the figures from only profit and loss from continuing operations. However, for forecasted profit attributable to owners of the parent company, the percentage in the table indicating year-on-year change is a comparison against the profit attributable to owners of the parent company including discontinued operations for the fiscal year ended December 31, 2025, and includes profit and loss related to the transfer of the Pharmaceutical Business and the sale of shares in Torii Pharmaceutical Co., Ltd. The year-on-year change percentage when comparing the profit attributable to owners of the parent company from continuing operations for the fiscal year ended December 31, 2025, with the forecasted profit attributable to owners of the parent company for the fiscal year ending December 31, 2026, is as follows:

- Profit attributable to owners of the parent company from continuing operations for the fiscal year ended December 31, 2025: ¥499,081 million
- Year-on-year change percentage: 32.6%

[Additional Information] Growth rate in adjusted operating profit at constant FX:
The Group has set its group-wide target for annual average growth rate in adjusted operating profit at constant FX, at mid to high single digits over the mid- to long-term, and will continue to pursue this goal. The Group expects an annual average of high single-digit growth during the period of the “Business Plan 2026” (fiscal year ending December 31, 2026 to fiscal year ending December 31, 2028), which was announced on February 12, 2026.

(Percentages indicate year-on-year changes.)

	Adjusted operating profit at constant FX	
	Millions of yen	%
Nine months ended September 30, 2026 (Cumulative)	934,710	16.9
	Millions of yen	%
Year ending December 31, 2026 (Forecast)	1,028,000	16.1

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

The year-on-year changes in the above table are displayed based on the figures from only profit and loss from continuing operations. Starting from the first quarter of the current fiscal year, the definition of adjusted operating profit has been revised as operating profit (loss) less the amortization cost of acquired intangibles arising from business acquisitions and adjustment items (income and costs), with the additional deduction of profits corresponding to each annual payment related to settlement of the litigation concerning smoking and health against tobacco companies, including the Company’s Canadian subsidiary JTI-Macdonald Corp., as a defendant. The same adjustments have been applied to the previous fiscal year, and percentages indicating year-on-year changes in the tables are calculated based on the adjusted figures.

The Group also discloses certain non-GAAP financial measures that are not required or defined under IFRS Accounting Standards, which is the accounting standard the Company applies. These non-GAAP financial measures are used internally to manage each of the business operations to understand their underlying performance, in view of the Group’s target for mid- to long-term sustainable growth, and the Group believes that these financial measures are useful information for users of the financial statements to assess the Group’s performance. For details of these financial measures, please refer to “Proper use of earnings forecasts, and other special matters, (2).”

For detailed information on the consolidated financial results, please refer to the materials for investors’ meeting that were released on the Company’s website on October 29, 2026.

- The Company’s website: https://www.jt.com/investors/

Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and changes in accounting estimates
   a. Changes in accounting policies due to revisions in accounting standards under IFRS Accounting Standards: Yes
   b. Changes in accounting policies due to other reasons: None
   c. Changes in accounting estimates: None

   Note: For details, please refer to "3. Condensed Quarterly Consolidated Financial Statements, (5) Changes in Accounting Policies and Changes in Accounting Estimates."

(3) Number of shares issued (ordinary shares)
   a. Total number of shares issued at the end of the period (including treasury shares)

As of September 30, 2026	2,000,000,000 shares
As of December 31, 2025	2,000,000,000 shares

   b. Number of treasury shares at the end of the period

As of September 30, 2026	224,570,251 shares
As of December 31, 2025	224,611,666 shares

   c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2026	1,775,376,392 shares
Nine months ended September 30, 2025	1,775,408,742 shares

   Note: The Company has adopted a restricted stock unit system whereby shares of the Company acquired by a share delivery trust are transferred to Executive Officers at certain subsidiaries of the Company, and the number of treasury shares held by the trust is included in the number of treasury shares held at the end of the periods listed above.

* Review of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters
   (1) The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions and suppositions deemed to be reasonable by the Company. Actual business and other results may differ substantially due to various factors. These forward-looking statements are not intended to be construed as our assurance for it to materialize in the future. Please refer to "FORWARD-LOOKING STATEMENTS" for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use of earnings forecasts.
   (2) The Group also discloses certain non-GAAP financial measures that are not required or defined under IFRS Accounting Standards, which is the accounting standard the Company applies. These non-GAAP financial measures are used internally to manage each of the business operations to understand their underlying performance, in view of the Group's target for mid- to long-term sustainable growth, and the Group believes that these financial measures are useful information for users of the financial statements to assess the Group's performance.

   Adjusted operating profit

   Adjusted operating profit presented is operating profit (loss) excluding amortization cost of acquired intangibles arising from business acquisitions and adjustment items (income and costs), and profits corresponding to each annual payment related to the settlement of litigation concerning smoking and health against tobacco companies, including the Company's Canadian subsidiary JTI-Macdonald Corp., as a defendant (hereinafter called "Canada adjustment (Annual contribution)"). Adjustment items (income and costs) are impairment losses on goodwill, restructuring income and costs, and other items. Furthermore, adjusted operating profit at constant FX is also presented as additional information. The Group has set its group-wide target for annual average growth rate in adjusted operating profit at constant FX, at mid to high single digits over the mid- to long-term, and will continue to pursue this goal. Adjusted operating profit at constant FX is a financial measurement that excludes foreign exchange effects calculated and translated using the foreign exchange rates of the same period of the previous year from core revenue from tobacco business or from adjusted operating profit for the current period in the Tobacco Business. Results at constant FX exclude the increase in profit caused by inflation in some markets calculated using certain methods.
   The Group makes accounting adjustments to the financial statements of subsidiaries that operate in hyperinflationary economies according to the requirements stipulated in IAS 29 "Financial Reporting in Hyperinflationary Economies."

Attached Materials

Index

1. Overview of Business Results 2

2. Matters Regarding Summary Information 3

3. Condensed Quarterly Consolidated Financial Statements 5
(1) Condensed Quarterly Consolidated Statement of Financial Position 5
(2) Condensed Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income 7
(3) Condensed Quarterly Consolidated Statement of Changes in Equity 10
(4) Condensed Quarterly Consolidated Statement of Cash Flows 12
(5) Changes in Accounting Policies and Changes in Accounting Estimates 14
(6) Segment Information 15
(7) Note on Premise of Going Concern 19

[INDEPENDENT ACCOUNTANT'S REVIEW REPORT]

1. Overview of Business Results

The results are presented in “JT Group 2026 Third-Quarter (CFO Presentation),” which was disclosed on TDnet and the Company’s website on October 29, 2026. Please refer to the following.

・ JT Group 2026 Third-Quarter (CFO Presentation):
https://www.jt.com/investors/results/forecast/pdf/2026/Third_Quarter/20261029_05.pdf

The details of financial position and cash flow position are as follows.

a. Financial position

[Assets]

Total assets as of September 30, 2026 increased by ¥18.3 billion from the end of the previous fiscal year to ¥8,437.5 billion. This was mainly due to increases in trade and other receivables and cash and cash equivalents, despite decreases in prepaid tobacco excise taxes and goodwill.

[Liabilities]

Total liabilities as of September 30, 2026 decreased by ¥16.4 billion from the end of the previous fiscal year to ¥4,287.4 billion. This was mainly due to a decrease in corporate bonds, despite the issuance of commercial paper and an increase in income taxes payable.

[Equity]

Total equity as of September 30, 2026 increased by ¥34.7 billion from the end of the previous fiscal year to ¥4,150.1 billion. This was mainly due to an increase in retained earnings due to the recording of profit for the period attributable to owners of the parent company, despite a decrease in exchange differences on translation of foreign operations.

b. Cash flow position

Cash and cash equivalents as of September 30, 2026 increased by ¥56.2 billion from the end of the previous fiscal year to ¥887.3 billion. Cash and cash equivalents at the end of the same period of the previous fiscal year were ¥729.5 billion.

[Net cash flows from operating activities]

Net cash flows provided by operating activities during the nine months ended September 30, 2026 were ¥731.2 billion, compared with ¥287.0 billion provided in the same period of the previous year. This was mainly due to the generation of a stable cash inflow from the tobacco business, despite the payment of income taxes.

[Net cash flows from investing activities]

Net cash flows used in investing activities during the nine months ended September 30, 2026 were ¥94.9 billion, compared with ¥171.3 billion used in the same period of the previous year. This was mainly due to purchases of property, plant and equipment.

[Net cash flows from financing activities]

Net cash flows used in financing activities during the nine months ended September 30, 2026 were ¥491.3 billion, compared with ¥473.9 billion used in the same period of the previous year. This was mainly due to the payment of cash dividends and the redemption of corporate bonds.

2. Matters Regarding Summary Information

Revisions to the Consolidated Earnings Forecasts Most Recently Announced

The Group has revised the earnings forecasts to reflect recent developments and current business conditions.

(Billions of yen)

	Earnings forecasts	Changes from the consolidated earnings forecasts most recently announced		Year-on-year changes [%]
		Amount	%	
Revenue	3,903.0	18.0	0.5	12.6
Adjusted operating profit	1,079.0	44.0	4.3	21.9
Operating profit	1,041.0	33.0	3.3	20.1
Profit attributable to owners of the parent company	662.0	18.0	2.8	29.8
Adjusted operating profit at constant FX	1,028.0	40.0	4.0	16.1

The percentages indicating year-on-year changes in the above table are calculated based on profit or loss from continuing operations only. However, the year-on-year change in forecasted profit attributable to owners of the parent company is calculated by comparison with profit attributable to owners of the parent company for the fiscal year ended December 31, 2025, including discontinued operations, and that profit includes profit and loss related to the transfer of the Pharmaceutical Business and the sale of shares in Torii Pharmaceutical Co., Ltd.
In addition, following the revision of the definition of adjusted operating profit from the first quarter of the current fiscal year, the year-on-year changes in adjusted operating profit and adjusted operating profit at constant FX are also displayed based on amounts reclassified on a comparable basis.

FORWARD-LOOKING STATEMENTS

This document 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.

Notes on the Russia-Ukraine War

The Group is fully committed to complying with applicable regulations and international sanctions while continuing business operations. In parallel, given the continued challenging and complex environment, we continue to evaluate various options, including the potential transfer of ownership of our Russian tobacco business. At this moment, the Company is unable to reasonably estimate the outlook and the impact on its financial results. The Company will promptly make announcements regarding this matter if anything occurs that should be disclosed.

Notes on the Situation in the Middle East

The Group has business locations and customers in the Middle East, and will continue to monitor the situation in the region. However, at present, it does not recognize a major impact on its business or financial results. The Company will promptly make announcements regarding this matter if anything occurs that should be disclosed.

3. Condensed Interim Consolidated Financial Statements

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2025	**As of September 30, 2026**
Assets		
Current assets		
Cash and cash equivalents	831,135	887,302
Trade and other receivables	640,681	753,214
Inventories	1,060,136	1,076,692
Other financial assets	195,816	194,558
Other current assets	977,640	865,938
Subtotal	3,705,408	3,777,705
Assets held for sale	5,689	2,368
Total current assets	3,711,097	3,780,073
Non-current assets		
Property, plant and equipment	979,800	980,811
Goodwill	2,923,096	2,870,525
Intangible assets	395,658	364,676
Investment property	3,068	2,974
Retirement benefit assets	29,946	30,807
Investments accounted for using the equity method	82,205	82,179
Other financial assets	131,600	162,302
Other non-current assets	4,240	3,638
Deferred tax assets	158,528	159,546
Total non-current assets	4,708,143	4,657,458
Total assets	8,419,240	8,437,531

(Millions of yen)

	As of December 31, 2025	**As of September 30, 2026**
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	711,721	710,427
Bonds and borrowings	79,627	147,813
Income tax payables	36,546	102,625
Other financial liabilities	62,068	51,780
Provisions	32,783	26,235
Other current liabilities	1,004,331	942,398
Subtotal	1,927,076	1,981,278
Liabilities directly associated with assets held for sale	177	-
Total current liabilities	1,927,252	1,981,278
Non-current liabilities		
Bonds and borrowings	1,599,061	1,525,624
Other financial liabilities	205,628	201,404
Retirement benefit liabilities	253,225	247,502
Provisions	54,355	56,649
Other non-current liabilities	134,724	135,438
Deferred tax liabilities	129,606	139,507
Total non-current liabilities	2,376,599	2,306,124
Total liabilities	4,303,851	4,287,401
Equity		
Share capital	100,000	100,000
Capital surplus	737,064	737,471
Treasury shares	(489,744)	(490,239)
Other components of equity	526,058	413,684
Retained earnings	3,213,555	3,360,029
Equity attributable to owners of the parent company	4,086,933	4,120,946
Non-controlling interests	28,456	29,184
Total equity	4,115,389	4,150,130
Total liabilities and equity	8,419,240	8,437,531

(2) Condensed Interim Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Income

Nine months ended September 30, 2025 and 2026

(Millions of yen)

	2025	**2026**
Continuing operations		
Revenue	2,634,028	2,991,382
Cost of sales	(1,126,032)	(1,230,774)
Gross profit	1,507,996	1,760,608
Other operating income	13,914	12,483
Share of profit in investments accounted for using the equity method	10,224	8,274
Selling, general and administrative expenses	(769,199)	(833,655)
Operating profit	762,935	947,710
Financial income	57,800	52,508
Financial costs	(113,574)	(123,122)
Profit before income taxes	707,162	877,095
Income taxes	(194,289)	(255,614)
Profit for the period from continuing operations	512,872	621,481
Discontinued operations		
Profit for the period from discontinued operations	1,367	-
Profit for the period	514,239	621,481
Attributable to:		
Owners of the parent company	511,749	618,892
Non-controlling interests	2,490	2,590
Profit for the period	514,239	621,481
Interim earnings per share		
Basic (Yen)		
Continuing operations	288.06	348.60
Discontinued operations	0.18	-
Total basic earnings per share for the interim period	288.24	348.60
Diluted (Yen)		
Continuing operations	288.03	348.57
Discontinued operations	0.18	-
Total diluted earnings per share for the interim period	288.21	348.57

Reconciliation from "Operating profit" to "Adjusted operating profit"

(Millions of yen)

	2025	**2026**
Continuing operations		
Operating profit	762,935	947,710
Amortization cost of acquired intangibles arising from business acquisitions	52,797	36,544
Canada adjustment (Annual contribution)	(15,172)	(11,928)
Adjustment items (income)	(3,128)	(2,920)
Adjustment items (costs)	2,100	2,978
Adjusted operating profit	799,532	972,383

Condensed Interim Consolidated Statement of Comprehensive Income

Nine months ended September 30, 2025 and 2026

(Millions of yen)

	2025	**2026**
Profit for the period	514,239	621,481
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	406	1,437
Remeasurements of defined benefit plans	185	-
Total of items that will not be reclassified to profit or loss	590	1,437
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	223,191	(115,211)
Net gain (loss) on derivatives designated as cash flow hedges	(495)	4,757
Hedge costs	(14)	(703)
Total of items that may be reclassified subsequently to profit or loss	222,682	(111,157)
Other comprehensive income (loss), net of taxes	223,273	(109,721)
Comprehensive income (loss) for the period	737,512	511,760
Attributable to:		
Owners of the parent company	734,967	509,743
Non-controlling interests	2,544	2,018
Comprehensive income (loss) for the period	737,512	511,760

(3) Condensed Interim Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of the parent company						
				Other components of equity			
	Share Capital	Capital surplus	Treasury shares	Subscription rights to shares	Exchange differences on translation of foreign operations	Net gain (loss) on derivatives designated as cash flow hedges	Hedge costs
As of January 1, 2025	100,000	736,697	(488,579)	364	364,809	4,026	12
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	223,126	(495)	(14)
Comprehensive income (loss) for the period	-	-	-	-	223,126	(495)	(14)
Acquisition of treasury shares	-	-	(1,622)	-	-	-	-
Disposal of treasury shares	-	367	456	(73)	-	-	-
Share-based payments	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Changes in the scope of consolidation	-	-	-	-	-	-	-
Changes in the ownership interest in a subsidiary without a loss of control	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	-
Other increase (decrease)	-	-	-	-	-	(1,468)	-
Total transactions with the owners	-	367	(1,166)	(73)	-	(1,468)	-
As of September 30, 2025	100,000	737,064	(489,745)	292	587,934	2,063	(2)
As of January 1, 2026	100,000	737,064	(489,744)	291	514,095	715	17
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	(114,636)	4,757	(703)
Comprehensive income (loss) for the period	-	-	-	-	(114,636)	4,757	(703)
Acquisition of treasury shares	-	-	(934)	-	-	-	-
Disposal of treasury shares	-	407	440	(148)	-	-	-
Share-based payments	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Changes in the scope of consolidation	-	-	-	-	-	-	-
Changes in the ownership interest in a subsidiary without a loss of control	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	-
Other increase (decrease)	-	-	-	-	-	(2,635)	-
Total transactions with the owners	-	407	(495)	(148)	-	(2,635)	-
As of September 30, 2026	100,000	737,471	(490,239)	143	399,459	2,837	(686)

(Millions of yen)

	Equity attributable to owners of the parent company						
	Other components of equity						
	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Retained earnings	Total	Non-controlling interests	Total equity
As of January 1, 2025	12,388	-	381,599	3,036,905	3,766,623	82,104	3,848,727
Profit for the period	-	-	-	511,749	511,749	2,490	514,239
Other comprehensive income (loss)	406	196	223,219	-	223,219	54	223,273
Comprehensive income (loss) for the period	406	196	223,219	511,749	734,967	2,544	737,512
Acquisition of treasury shares	-	-	-	-	(1,622)	-	(1,622)
Disposal of treasury shares	-	-	(73)	(616)	134	-	134
Share-based payments	-	-	-	796	796	22	819
Dividends	-	-	-	(356,873)	(356,873)	(2,273)	(359,147)
Changes in the scope of consolidation	-	-	-	-	-	(56,129)	(56,129)
Changes in the ownership interest in a subsidiary without a loss of control	-	-	-	(20)	(20)	8	(12)
Transfer from other components of equity to retained earnings	(2,553)	(196)	(2,749)	2,749	-	-	-
Other increase (decrease)	-	-	(1,468)	(49)	(1,518)	-	(1,518)
Total transactions with the owners	(2,553)	(196)	(4,290)	(354,014)	(359,103)	(58,371)	(417,474)
As of September 30, 2025	10,241	-	600,528	3,194,640	4,142,487	26,277	4,168,764
As of January 1, 2026	10,940	-	526,058	3,213,555	4,086,933	28,456	4,115,389
Profit for the period	-	-	-	618,892	618,892	2,590	621,481
Other comprehensive income (loss)	1,433	-	(109,149)	-	(109,149)	(572)	(109,721)
Comprehensive income (loss) for the period	1,433	-	(109,149)	618,892	509,743	2,018	511,760
Acquisition of treasury shares	-	-	-	-	(934)	-	(934)
Disposal of treasury shares	-	-	(148)	(584)	115	-	115
Share-based payments	-	-	-	973	973	-	973
Dividends	-	-	-	(472,260)	(472,260)	(1,832)	(474,093)
Changes in the scope of consolidation	-	-	-	-	-	(452)	(452)
Changes in the ownership interest in a subsidiary without a loss of control	-	-	-	(988)	(988)	994	6
Transfer from other components of equity to retained earnings	(442)	-	(442)	442	-	-	-
Other increase (decrease)	-	-	(2,635)	-	(2,635)	-	(2,635)
Total transactions with the owners	(442)	-	(3,224)	(472,418)	(475,730)	(1,290)	(477,020)
As of September 30, 2026	11,931	-	413,684	3,360,029	4,120,946	29,184	4,150,130

(4) Condensed Interim Consolidated Statement of Cash Flows

Nine months ended September 30, 2025 and 2026

(Millions of yen)

	2025	**2026**
Cash flows from operating activities		
Profit before income taxes	707,162	877,095
Profit (loss) before income taxes from discontinued operations	(14,668)	-
Depreciation and amortization	146,280	135,909
Impairment losses	27,069	1,180
Interest and dividend income	(57,208)	(52,473)
Interest expense	55,798	59,372
Share of profit in investments accounted for using the equity method	(10,224)	(8,274)
(Gains) losses on sale and disposal of property, plant and equipment, intangible assets and investment property	(2,468)	(365)
(Gains) losses on sale of investments in subsidiaries	-	(2,290)
(Increase) decrease in trade and other receivables	(85,511)	(101,698)
(Increase) decrease in inventories	(79,717)	(45,958)
Increase (decrease) in trade and other payables	(34,515)	24,877
Increase (decrease) in retirement benefit liabilities	(7,991)	(1,555)
(Increase) decrease in prepaid tobacco excise taxes	22,559	49,964
Increase (decrease) in tobacco excise tax payables	(129,194)	(55,576)
Increase (decrease) in consumption tax payables	20,928	23,411
Increase (decrease) in provisions	(184,762)	(6,078)
Other	12,624	8,771
Subtotal	386,160	906,312
Interest and dividends received	99,874	62,324
Interest paid	(43,535)	(48,860)
Income taxes paid	(155,502)	(188,544)
Net cash flows from operating activities	286,997	731,231
Cash flows from investing activities		
Purchase of securities	(10,104)	(3,136)
Proceeds from sale and redemption of securities	51,780	845
Purchase of property, plant and equipment	(94,438)	(88,510)
Proceeds from sale of investment property	3,650	3,069
Purchase of intangible assets	(12,214)	(11,891)
Payments into time deposits	(234,400)	(396,173)
Proceeds from withdrawal of time deposits	174,332	400,516
Subsequent payments for past fiscal years' business combinations	(68,271)	-
Proceeds from transfer of business	36,064	-
Proceeds from sale of investments in subsidiaries	-	2,704
Purchase of investments in associates	(23,091)	(2,000)
Other	5,416	(344)
Net cash flows from investing activities	(171,277)	(94,919)

(Millions of yen)

	2025	**2026**
Cash flows from financing activities		
Dividends paid to owners of the parent company	(356,455)	(471,615)
Dividends paid to non-controlling interests	(2,064)	(1,444)
Capital contribution from non-controlling interests	-	6
Increase (decrease) in short-term borrowings and commercial paper	14,832	71,210
Proceeds from long-term borrowings	99,437	-
Repayments of long-term borrowings	(666,609)	(315)
Proceeds from issuance of bonds	577,483	-
Redemption of bonds	(120,165)	(67,532)
Repayments of lease liabilities	(18,767)	(20,664)
Acquisition of treasury shares	(1,622)	(934)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(12)	-
Other	0	0
Net cash flows from financing activities	(473,942)	(491,288)
Net increase (decrease) in cash and cash equivalents	(358,221)	145,024
Cash and cash equivalents at the beginning of the period	1,084,567	831,135
Effect of exchange rate changes on cash and cash equivalents	5,330	(88,874)
Changes in cash and cash equivalents resulting from transfer to assets held for sale	(2,212)	17
Cash and cash equivalents at the end of the period	729,463	887,302

(5) Changes in Accounting Policies and Changes in Accounting Estimates

The material accounting policies adopted for the condensed interim consolidated financial statements are the same as those for the consolidated financial statements for the year ended December 31, 2025 except for the following item. The Group computes income taxes for the interim period based on the estimated average annual effective tax rate.

(Changes in Accounting Policies)

The Group has adopted the following new accounting standards, amended standards and new interpretations from the year ending December 31, 2026.

IFRS Accounting Standards		Description of new standards and amendments
IFRS 9 IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	Clarifying classification of the financial instruments with ESG-linked features Clarifying derecognition of a financial liability settled through electronic transfer
IFRS 9 IFRS 7	Amendments regarding the Contracts for Renewable Electricity	Providing requirements for accounting treatment and disclosure relating to power purchase agreements

The adoption of the above standards and interpretations does not have a material impact on the condensed interim consolidated financial statements.

(6) Segment Information

A. Outline of Reportable Segments

The reportable segments of the Group are determined based on the operating segments that are components of the Group for which separate financial information is available and are evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance.

The Group is mainly engaged in the manufacture and sale of tobacco products and processed foods.
The reportable segments of the Group are composed of two segments: “Tobacco Business” and “Processed Food Business.”

The “Tobacco Business” consists of the manufacture and sale of tobacco products in domestic areas and overseas.
The “Processed Food Business” consists of the manufacture and sale of frozen and ambient processed foods and seasonings.

B. Revenues and Performances of Reportable Segments

Revenues and performances of reportable segments from continuing operations are as follows. The Board of Directors assesses segment performance and determines resource allocation after reviewing revenues and adjusted operating profit. Since financial income, financial costs and income taxes are managed by the Group head office, these income and expense categories are excluded from segmental performance. Transactions within segments are primarily based upon prevailing market prices.

Nine months ended September 30, 2025

(Millions of yen)

	Reportable Segments			Other (Note 2)	Elimination	Consolidated
	Tobacco	Processed Food	Total			
Revenue						
External revenue	2,516,859	115,247	2,632,106	1,922	-	2,634,028
Intersegment revenue	1	23	23	1,958	(1,981)	-
Total revenue	2,516,859	115,270	2,632,129	3,880	(1,981)	2,634,028
Segment profit (loss)						
Adjusted operating profit (Note 1)	830,214	5,548	835,761	(36,236)	7	799,532

¥2,402,423 million of the external revenue from the tobacco business is core revenue.

Breakdown of core revenue from tobacco business and adjusted operating profit by cluster is as follows.

(Millions of yen)

	Clusters			
	Asia	Western Europe	EMA	Total
Core revenue (Note 3)	639,070	565,252	1,198,101	2,402,423
Adjusted operating profit (Note 1)	195,256	251,588	383,370	830,214

Asia: All over Asia including Japan

Western Europe: Western Europe region

EMA: Africa, Middle East, Eastern Europe, Turkey, Americas and all duty-free markets

Asia includes Taiwan, Japan, the Philippines, etc.

Western Europe includes Italy, the United Kingdom, Spain, etc.

EMA includes Turkey, the United States of America, Romania, Russia, etc.

Nine months ended September 30, 2026

(Millions of yen)

	Reportable Segments			Other (Note 2)	Elimination	Consolidated
	Tobacco	Processed Food	Total			
Revenue						
External revenue	2,870,358	119,378	2,989,735	1,647	-	2,991,382
Intersegment revenue	1	27	28	2,216	(2,244)	-
Total revenue	2,870,358	119,405	2,989,763	3,863	(2,244)	2,991,382
Segment profit (loss)						
Adjusted operating profit (Note 1)	1,005,408	5,983	1,011,391	(39,012)	5	972,383

¥2,750,510 million of the external revenue from the tobacco business is core revenue.

Breakdown of core revenue from tobacco business and adjusted operating profit by cluster is as follows.

(Millions of yen)

	Clusters			
	Asia	Western Europe	EMA	Total
Core revenue (Note 3)	695,739	641,568	1,413,203	2,750,510
Adjusted operating profit (Note 1)	253,142	275,951	476,314	1,005,408

Asia: All over Asia including Japan

Western Europe: Western Europe region

EMA: Africa, Middle East, Eastern Europe, Turkey, Americas and all duty-free markets

Asia includes Taiwan, Japan, the Philippines, etc.

Western Europe includes Italy, the United Kingdom, Spain, etc.

EMA includes Turkey, the United States of America, Romania, Russia, etc.

Reconciliation from “Adjusted operating profit” to “Profit before income taxes”

Nine months ended September 30, 2025

(Millions of yen)

	Reportable Segments			Other (Note 2)	Elimination	Consolidated
	Tobacco	Processed Food	Total			
Adjusted operating profit (Note 1)	830,214	5,548	835,761	(36,236)	7	799,532
Amortization cost of acquired intangibles arising from business acquisitions	(52,797)	-	(52,797)	-	-	(52,797)
Canada adjustment (Annual contribution) (Note 4)	15,172	-	15,172	-	-	15,172
Adjustment items (income) (Note 5)	349	901	1,250	1,878	-	3,128
Adjustment items (costs) (Note 6)	(659)	(23)	(682)	(1,418)	-	(2,100)
Operating profit (loss)	792,279	6,425	798,704	(35,776)	7	762,935
Financial income						57,800
Financial costs						(113,574)
Profit before income taxes						707,162

Nine months ended September 30, 2026

(Millions of yen)

	Reportable Segments			Other (Note 2)	Elimination	Consolidated
	Tobacco	Processed Food	Total			
Adjusted operating profit (Note 1)	1,005,408	5,983	1,011,391	(39,012)	5	972,383
Amortization cost of acquired intangibles arising from business acquisitions	(36,544)	-	(36,544)	-	-	(36,544)
Canada adjustment (Annual contribution) (Note 4)	11,928	-	11,928	-	-	11,928
Adjustment items (income) (Note 5)	318	2,290	2,608	312	-	2,920
Adjustment items (costs) (Note 6)	(874)	(2,007)	(2,882)	(96)	-	(2,978)
Operating profit (loss)	980,235	6,266	986,501	(38,796)	5	947,710
Financial income						52,508
Financial costs						(123,122)
Profit before income taxes						877,095

(Note 1) For adjusted operating profit, amortization cost of acquired intangibles arising from business acquisitions, and adjustment items (income and costs) are excluded from operating profit (loss). The Canada adjustment (Annual contribution) is also excluded, effective from the three months ended March 31, 2026. In addition, the figure for the nine months ended September 30, 2025, has been retrospectively adjusted to reflect the change.

(Note 2) "Other" includes business activities relating to real estate rental associated with the utilization of idle properties and corporate expenditure relating to corporate communication and operation of the head office.

(Note 3) Core revenue from tobacco business does not include revenue related to the distribution business and contract manufacturing. The Canada adjustment (Annual contribution) is also excluded, effective from the three months ended March 31, 2026. In addition, the figure for the nine months ended September 30, 2025, has been retrospectively adjusted to reflect the change.

(Note 4) The Canada adjustment (Annual contribution) is revenue and profit corresponding to each annual payment related to the settlement of the litigation concerning smoking and health against tobacco companies, including the Company's Canadian subsidiary, JTI-Macdonald Corp., as a defendant.

(Note 5) The breakdown of "Adjustment items (income)" is as follows:

Nine months ended September 30, 2025 and 2026

(Millions of yen)

	2025	**2026**
Restructuring incomes	1,878	2,909
Other	1,250	11
Adjustment items (income)	3,128	2,920

Restructuring incomes for the nine months ended September 30, 2025 mainly related to gains on sale of real estate.
Restructuring incomes for the nine months ended September 30, 2026 mainly related to gains on sale of investments in subsidiaries.

(Note 6) The breakdown of "Adjustment items (costs)" is as follows:

Nine months ended September 30, 2025 and 2026

(Millions of yen)

	2025	**2026**
Restructuring costs	1,442	2,824
Other	658	154
Adjustment items (costs)	2,100	2,978

(7) Note on Premise of Going Concern

No items to report

(TRANSLATION)

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

October 29, 2026

To the Board of Directors of
Japan Tobacco Inc.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant: Koji Ishikawa

Designated Engagement Partner,
Certified Public Accountant: Takeshi Io

Designated Engagement Partner,
Certified Public Accountant: Akifumi Horie

Accountant's Conclusion

We have reviewed the condensed interim consolidated financial statements of Japan Tobacco Inc. and its consolidated subsidiaries (the "Group") included in the Appendix to Consolidated Financial Results, namely, the condensed interim consolidated statement of financial position as of September 30, 2026, and the condensed interim consolidated statement of income, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the nine-month period then ended, and the related notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with the Article 5-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements, omitting certain disclosures under the Article 5-5 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements.

Basis for Accountant's Conclusion

We conducted our review in accordance with interim review standards generally accepted in Japan. Our responsibility under those standards is further described in the Accountant's Responsibility for the Review of the Condensed Interim Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as accountants. We believe that we have obtained the evidence to provide a basis for our review conclusion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Condensed Interim Consolidated Financial Statements

Management is responsible for the preparation of the condensed interim consolidated financial statements in accordance with the Article 5-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements, omitting certain disclosures under the Article 5-5 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements, and for such internal control as management determines is necessary to enable the preparation of condensed interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed interim consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the Article 5-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements, omitting certain disclosures under the Article 5-5 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Accountant's Responsibility for the Review of the Condensed Interim Consolidated Financial Statements

Our objective is to issue an accountant's report that includes our conclusion.

As part of a review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.

- Conclude whether nothing has come to our attention, based on the evidence obtained, related to going concern that causes us to believe that the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with the Article 5-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements, omitting certain disclosures under the Article 5-5 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements, if we conclude that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our accountant's report to the related disclosures in the condensed interim consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our accountant's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether nothing has come to our attention that causes us to believe that the overall presentation and disclosures of the condensed interim consolidated financial statements are not prepared in accordance with the Article 5-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements, omitting certain disclosures under the Article 5-5 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements.

- Obtain evidence regarding the financial information of the entities or business units within the Group as a basis for forming a conclusion on the condensed interim consolidated financial statements. We are responsible for the direction, supervision and review of the interim review of the condensed interim consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding the planned scope and timing of the review and significant findings that we identify during our review.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Accountant's Review Report

This is an English translation of the independent accountant's review report as originally issued in Japanese for the conveniences of the reader.