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各位

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インベスター・カンファレンス資料について

当社グループは、ロンドンにおいて本日17時(現地時間2018年6月5日9時)より、インベスター・カンファレンスを開催いたしますので、本カンファレンスで使用する資料について、別紙(資料1~4)のとおり公表いたします。本カンファレンスでは、新経営体制における当社グループの経営方針及び戦略、並びにM&Aに係る戦略及びこれまでの案件のパフォーマンス、並びにGlobal Reduced-Risk Products 戦略及びReduced-Risk Products Science 等について説明いたします。

本カンファレンスで使用する資料及び説明者は以下のとおりです。

- 資料1: JT Group Priorities for Sustainable Growth
(説明者) Masamichi Terabatake, JT Group President & Chief Executive Officer
- 資料2: JTI's Growth Strategy - The role of acquisitions
(説明者) Eddy Pirard, JT International President & Chief Executive Officer
- 資料3: Reduced-Risk Products Strategy
(説明者) Daniel Torras, JT International Senior Vice President,
Reduced-Risk Products
- 資料4: Reduced-Risk Products Science Update
(説明者) Ian Jones, JT International Vice President,
Reduced-Risk Products Science

なお、本カンファレンスの動画については、6月6日以降、当社ウェブサイト(<https://www.jti.co.jp/investors/library/presentation/index.html>)にてご覧いただけます。

以上

JT Group Priorities for Sustainable Growth

Masamichi Terabatake
JT Group President & Chief Executive Officer

Forward-Looking Statements

This presentation contains forward-looking statements. These statements appear in a number of places in this document and include statements regarding the intent, belief, or current and future expectations of our management with respect to our business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as "may", "will", "should", "would", "expect", "intend", "project", "plan", "aim", "seek", "target", "anticipate", "believe", "estimate", "predict", "potential" or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating results are particularly subject to a variety of assumptions, some or all of which may not be realized.

Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

- (1) increase in awareness of health concerns related to smoking;
- (2) regulatory developments; including, without limitation, tax increases and restrictions on sales, marketing, packaging, labeling and use of tobacco products, privately imposed restrictions and governmental investigations;
- (3) litigation around the world alleging adverse health and financial effects resulting from, or relating to, tobacco products;
- (4) our ability to further diversify our business beyond the traditional tobacco industry;
- (5) our ability to successfully expand internationally and make investments outside Japan;
- (6) competition and changing consumer preferences;
- (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.

Our Management Policy

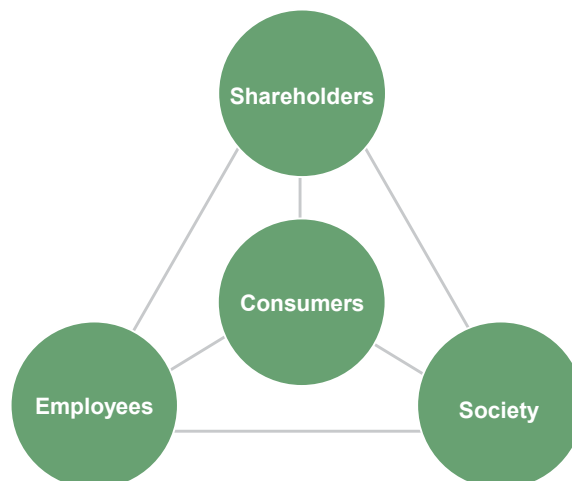
Management Principle

4S MODEL

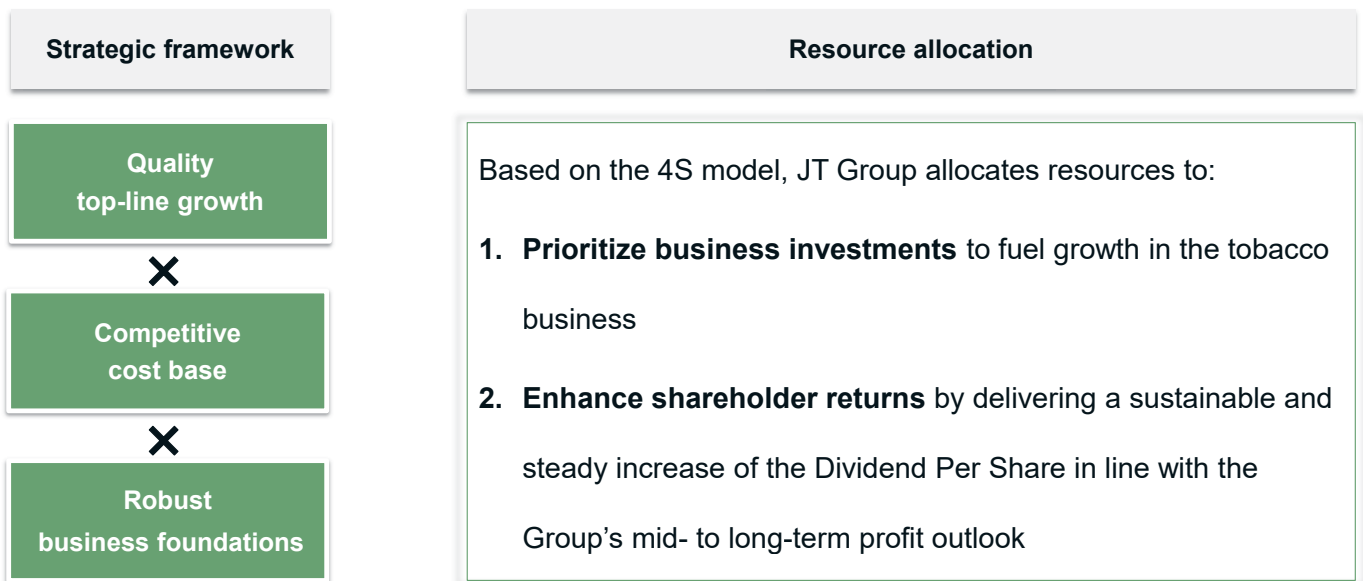
We strive to **fulfill our responsibilities** to our

- valued Consumers,
- Shareholders,
- Employees, and
- the wider Society,

carefully **considering the respective interests** of these four key stakeholder groups, and **exceeding their expectations** wherever we can



Strategic framework and resource allocation



Business Plan 2018

Mid- to long-term target and role of each business

Mid to high single-digit profit growth* in the plan period

TOBACCO BUSINESS *JT Group's profit growth engine*

1. Reduced-Risk Products (RRP)**
 - **Drive the future growth of tobacco business**
2. Combustible Tobacco Products
 - **Remain the platform of profitability**

PHARMACEUTICAL & PROCESSED FOOD BUSINESSES

Complement profit growth

- **Continue to deliver profit**
- **Grow via top-line expansion**

Business Plan 2018 Priorities - Growth opportunity of RRP

Drive the future growth of the Group

- **Fulfill diverse consumer needs with the highest quality RRP portfolio**
 - Long and extensive experience in RRP development
 - Develop a global RRP portfolio focusing on features that matter to consumers
- **First priority is to achieve RRP leadership in Japan**
 - Multi-product portfolio with different heating profiles
 - Aim to gain 40% share of RRP category by the end of 2020

Business Plan 2018 Priorities - Organic and M&A expansion

Empower JT Group's growth engine

- **Prioritize investments toward organic growth and M&A to:**
 - Further expand our presence in emerging markets
 - Consolidate our leading position in established markets
- **Disciplined approach in pursuing M&A opportunities and integration process**

Delivering on 2018 objectives

- **Solid start of the year to deliver on our 2018 full year target**
 - Japanese domestic tobacco business
 - Capsule production capacity enhancements being delivered as planned
 - National roll-out of Ploom TECH started successfully
 - Development of new RRP offers on schedule
 - Robust market share level in combustibles
 - International tobacco business
 - Strong top-line growth driven by pricing is on track
 - Integration of newly acquired assets are on or above plan
- **On track to deliver JTG's 15th consecutive year of Dividend Per Share increase**

Closing Remarks

Aim to be the leading global tobacco company

**Our long-term vision remains to become the #1 global tobacco company,
by offering consumers freedom of choice**

- Continuous business investment in both combustibles and RRP to significantly strengthen JT Group's portfolio
- Strong leadership to enhance organizational capabilities

JTI's Growth Strategy

The role of acquisitions

Eddy Pirard
JTI President & Chief Executive Officer

Forward-Looking Statements

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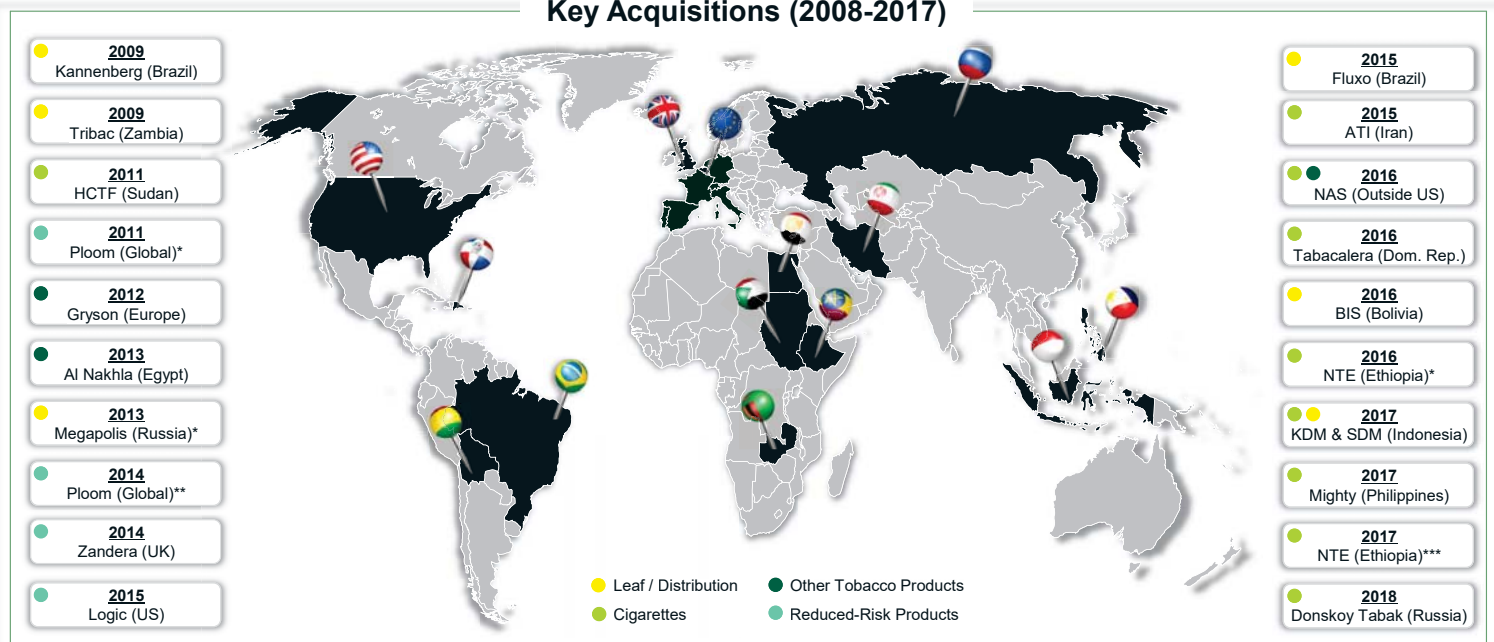
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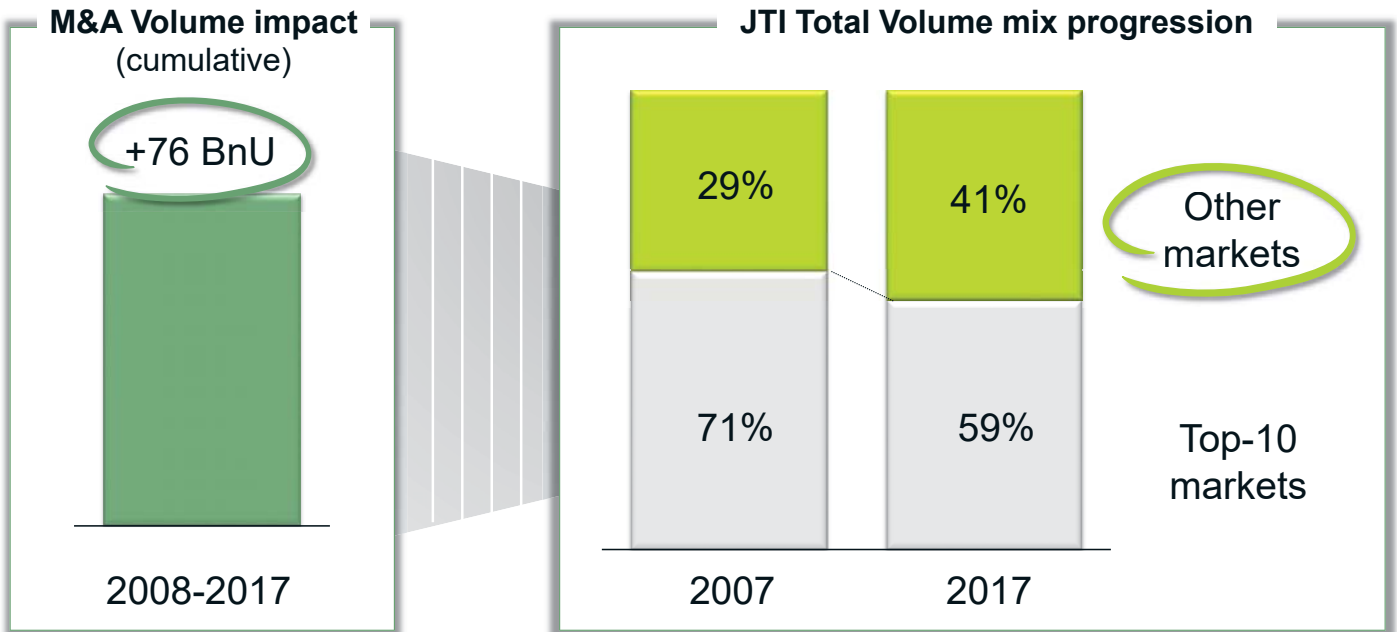
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10 years of focused acquisitions

Key Acquisitions (2008-2017)



To balance our volume base



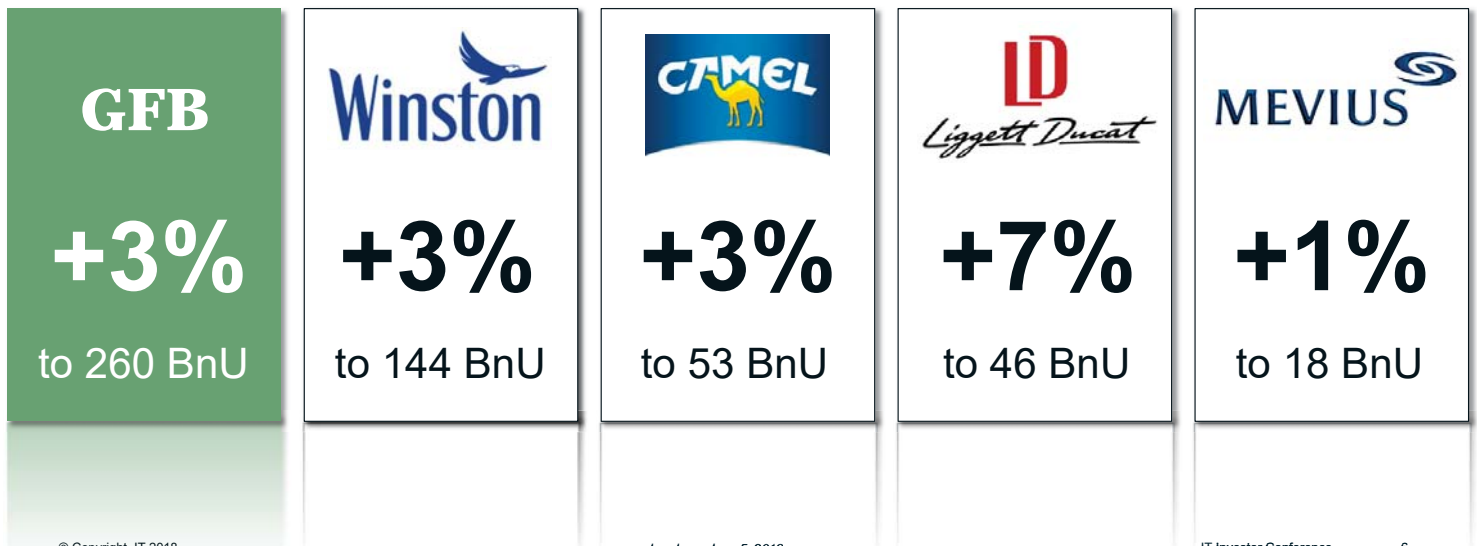
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Note: JTI's top-10 markets based on total volume.

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To support our GFB expansion

GFB Volume (CAGR 2007-2017)



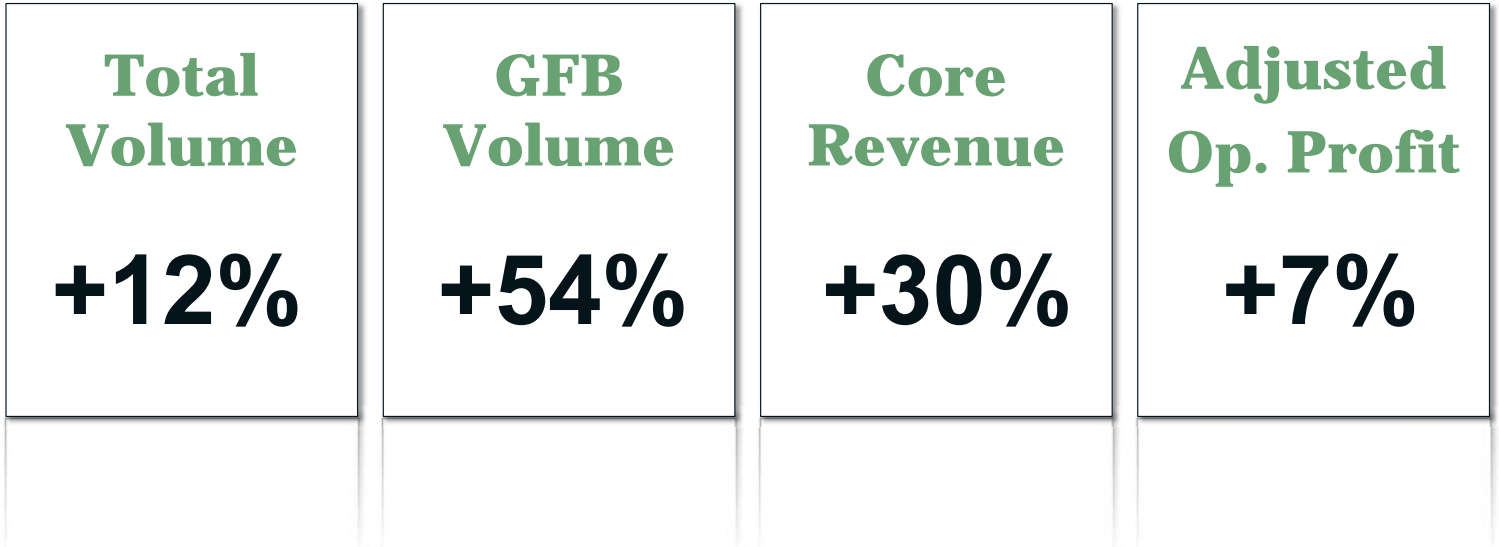
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To fuel our growth in emerging markets

Emerging markets (2017 vs. 2007)



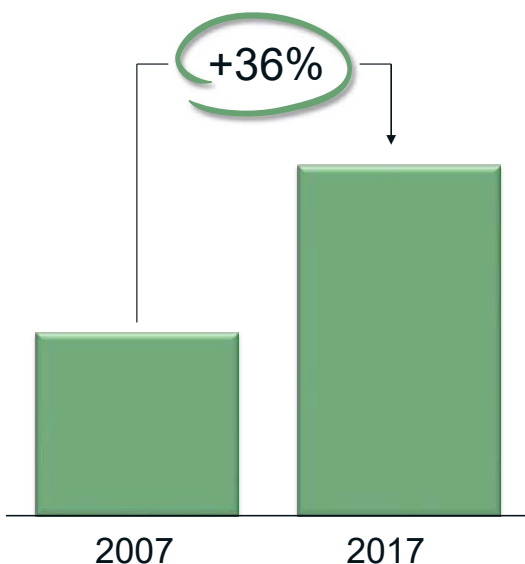
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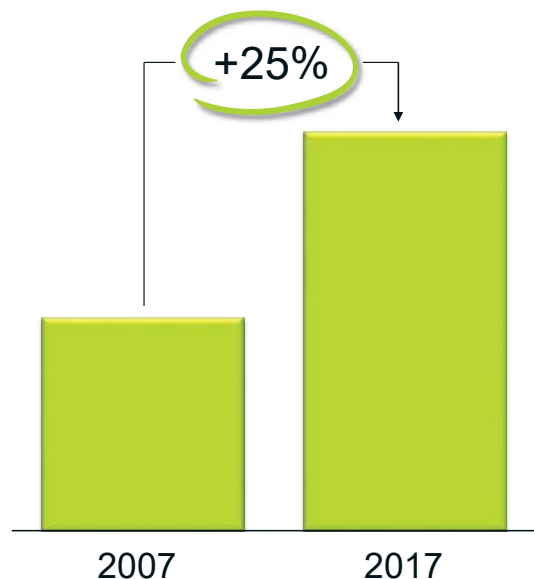
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To broaden our financial footprint

Core Revenue: # of markets \geq 50 \$MM



Adj. Op. Profit: # of markets \geq 20 \$MM

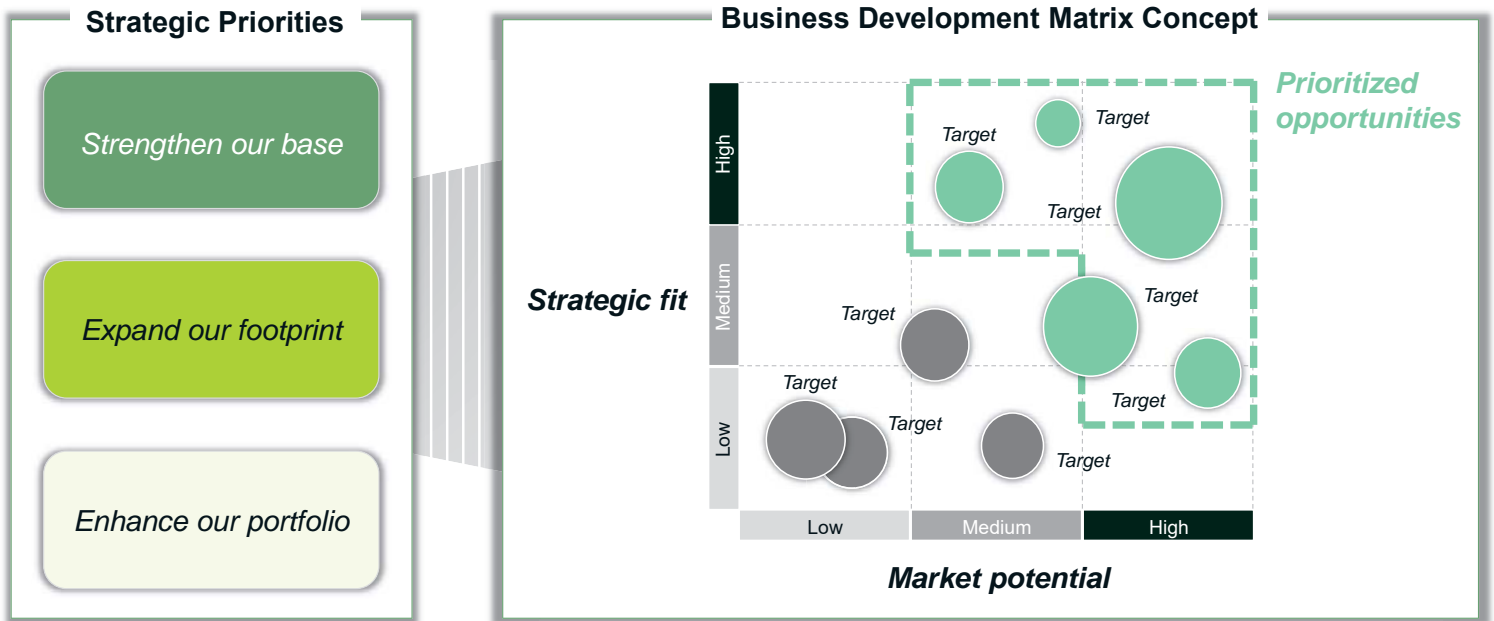


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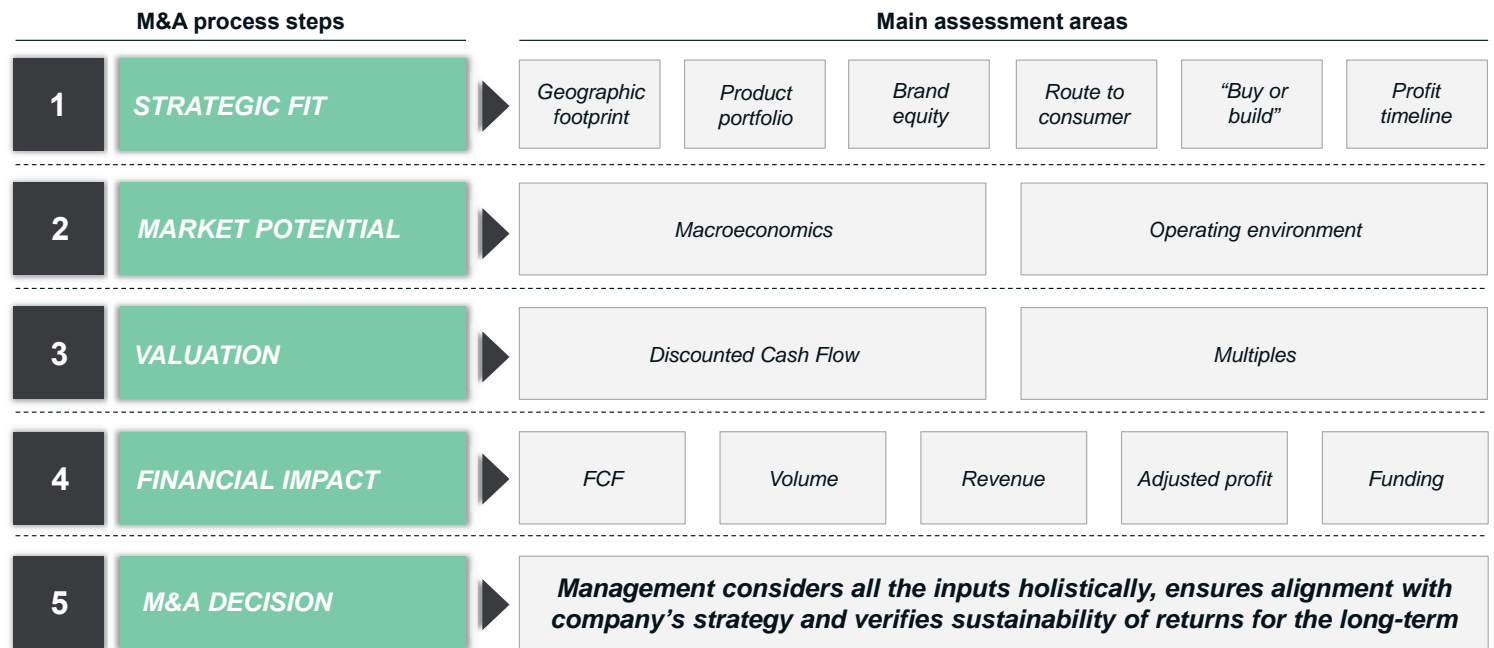
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Clear priorities driving our business development efforts

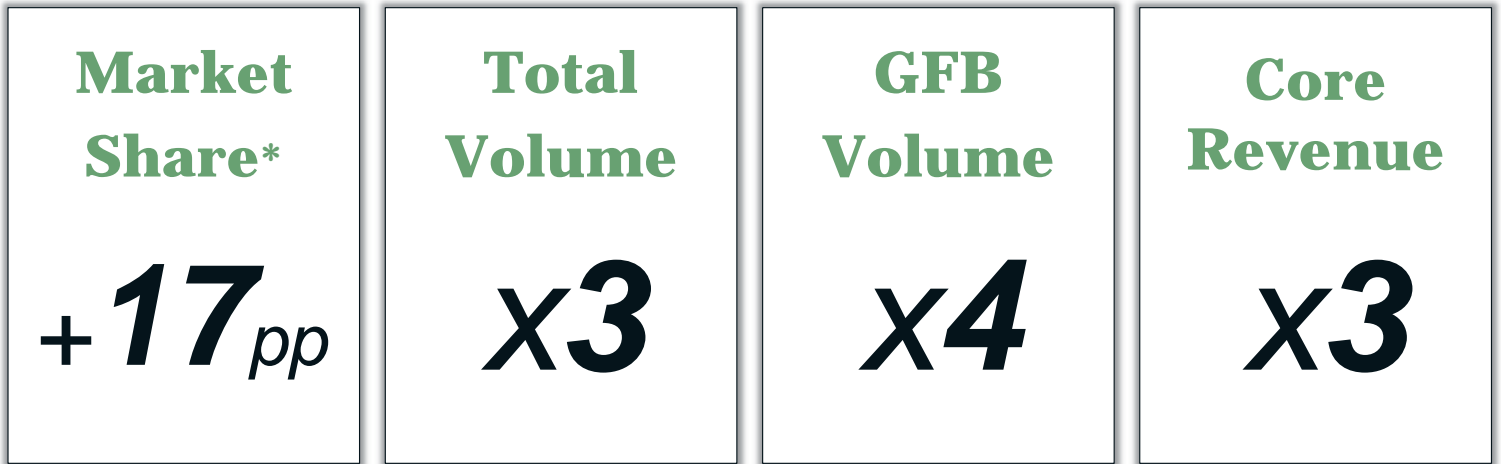


Assessing all targets holistically



Proven track record of successful integration

Since 2015 **ATI** bolstered our existing footprint and performance in **Iran**



JTI Iran performance - 2017 vs. 2014

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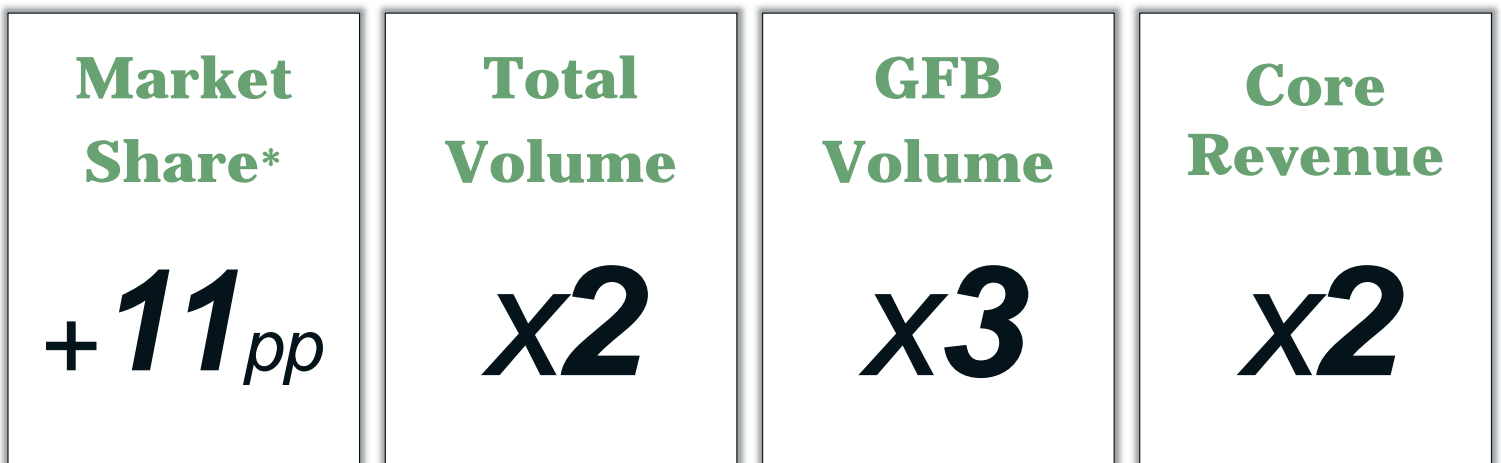
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* SoM based on a 12-month moving average to December 2017 vs. same period 2014. ATI (Arian Tobacco Industry) had a market share of circa 7% before being integrated to JTI. Note: Reported figures.

Proven track record of successful integration

Since 2012 **GRYSON** strengthened our growth platform in **fine cut**



JTI Fine cut performance - 2017 vs. 2011

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* Western Europe SoM based on a 12-month moving average to December 2017 vs. same period 2011. Gryson had a fine cut market share of circa 4% in Western Europe before being integrated to JTI. Note: Reported figures.

Proven track record of successful integration

The **FLUXO** acquisition in 2015 strongly enhanced our in-market capabilities in **Brazil**



JTI Brazil - 2017 vs. 2015

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* Monthly SoM based on December 2017 vs. December 2015. Note: Reported figures.











Looking ahead

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Recent acquisitions will contribute to our sustainable profit growth

Market	Strategic fit	SoM gain	Annualized volume gain	5Y industry value potential*
 Philippines	Increasing scale to boost GFB growth	+23pp	+16 BnU	+50% 
 Indonesia	Gaining kretek capabilities and scale	+2pp	+7 BnU	+40% 
 Ethiopia	Entering a new attractive market	+98pp	+5 BnU	+180% 
 Russia**	Strengthening portfolio and sales presence	+7pp	+16 BnU	+35% 

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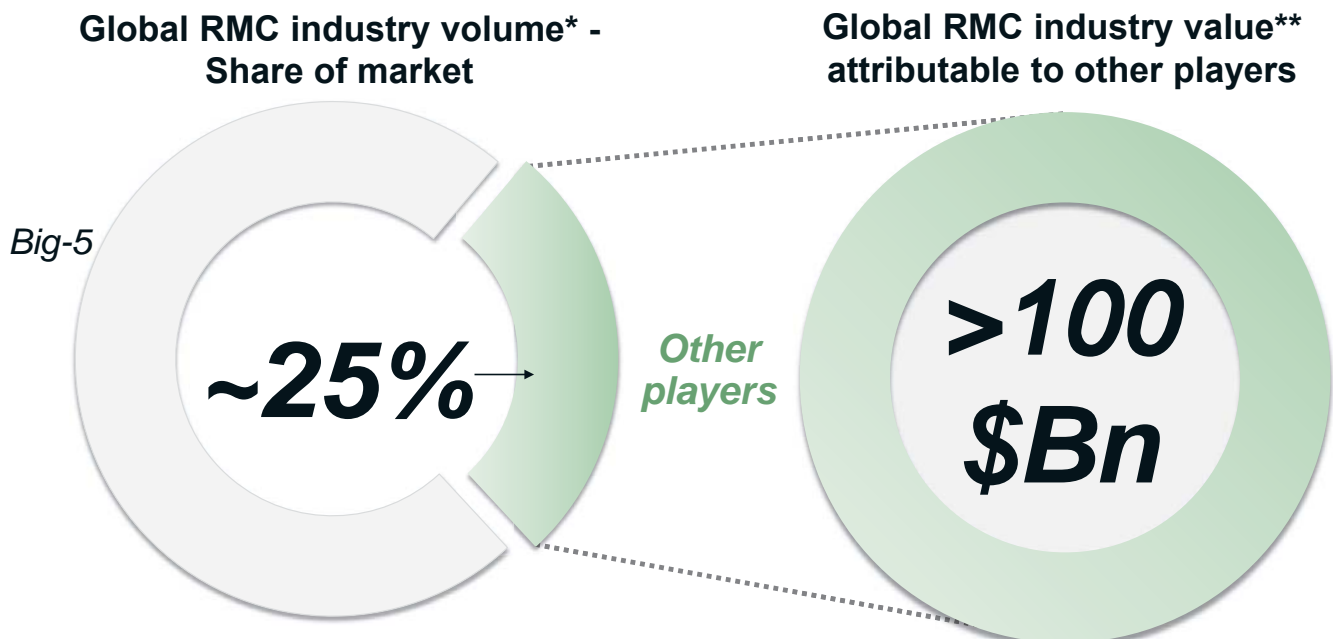
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Source: Internal estimates. * RMC retail industry value growth estimates (2021 vs. 2016 at constant FX, rounded up). ** The Donskoy Tabak acquisition is expected to be finalized in Q3 2018.

Opportunities remain for value enhancing acquisitions



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Source: Internal estimates. * Covering 78 markets (excl. China). Big-5 = Altria, BAT, IMB, JT and PMI. ** RMC retail industry value covering 78 markets (excl. China).

Closing remarks

- Acquisitions broadened our footprint, contributing to JTI's profit progression
- Recent acquisitions will strengthen our business and financial base
- Attractive opportunities remain for further expansion, organically & through M&A
- On track to deliver on our FY18 targets, with return to strong revenue growth