JAPAN TOBACCO INC.
1-1, Toranomon 4-chome, Minato-ku
Tokyo 105-6927 JAPAN
Phone: 03-6636-2914

FOR IMMEDIATE RELEASE

Tokyo, November 19, 2026

Notice Regarding the Exclusion of JT Group's Russian Consolidated Subsidiaries from the Scope of Consolidation and Recognition of Loss on Loss of Control of Subsidiaries

Japan Tobacco Inc. (JT) (TSE: 2914) hereby announces that the seven Russian consolidated subsidiaries of JT Group that were placed under temporary administration pursuant to Russian presidential decrees, as announced in "Regarding the JT Group's Business in Russia"[*1] dated November 6, 2026, and "Update on JT Group's Business in Russia"[*2] dated November 9, 2026, are to be excluded from the scope of consolidation effective November 6, 2026.
As a result, JT expects to record a loss on loss of control of subsidiaries in the amount of approximately JPY 1,377.0 billion in the consolidated fiscal year ending December 31, 2026.

For revisions to the consolidated earnings forecast and dividend forecast resulting from this matter, please refer to the "Notice Concerning Revision of Consolidated Earnings Forecast and Dividend Forecast"[*3] announced today.

JT hereby announces the details as follows:

1. Reasons for the Change

Since 2022, JT has continued its business operations in Russia in compliance with all applicable laws and regulations including sanctions from Japan and overseas. However, seven Russian consolidated subsidiaries of JT Group became subject to temporary administration pursuant to Russian presidential decrees signed on November 5 and November 6.

Russia's temporary administration regime does not in itself provide for the legal transfer of ownership of the affected companies' assets to the state or the temporary administrator, but restricts the exercise of shareholder rights in the affected companies. Although the companies placed under temporary administration continue their business operations in Russia, the JT Group is no longer in a position to make decisions regarding business operations in the same manner as before and has therefore lost management control over the seven companies. Accordingly, the seven companies are to be excluded from the scope of consolidation in accordance with IFRS Accounting Standards.

2. List of Consolidated Subsidiaries Subject to the Change

Name	**Description of Business**	**Remarks**
LLC JTI Russia	Sale of tobacco products	Specified subsidiary
LLC Petro	Manufacture of tobacco products	Subsidiary
LLC JTI Donskoy Tabak	Sale and manufacture of tobacco products	Sub-subsidiary
LLC JTI Yelets	Processing of raw materials	Sub-subsidiary
LLC Cres Neva	Processing of raw materials	Sub-subsidiary
JSC Pereslavl-Tabak	Manufacture of tobacco products	Sub-subsidiary; dormant
LLC J.T.I. Innovative Products	Sale of tobacco products	Sub-subsidiary; business operations suspended

3. Outline of the Specified Subsidiary Subject to the Change

(1)	Name	LLC JTI Russia		
(2)	Location	15,1 Krasnogvardeyskiy proezd, floors 28-32, 123112 Moscow, Russian Federation		
(3)	Name and title of representative	GENERAL MANAGER Nikolskiy Evgeniy		
(4)	Description of business	Sale of tobacco products		
(5)	Paid-in capital	RUB 157,751 thousand (as of December 31, 2025)		
(6)	Date of establishment	July 1, 2015		
(7)	Shareholder and ownership ratio (as of November 19, 2026) (Note 1)	JTI Investments Sàrl		100.00%
(8)	Relationship between JT and the company	Capital relationship	JT continues to indirectly hold 100% of the equity interests in the company through two consolidated subsidiaries even after the company was placed under temporary administration.	
		Personnel relationship	There are no personnel relationships requiring disclosure.	
		Business relationship	There are no business relationships requiring disclosure.	
(9)	Operating results and financial position for the last three years (Note 2)			
	Fiscal year ended (USD thousands)	December 31, 2023	December 31, 2024	December 31, 2025
	Net assets	1,236,979 (1,280,856)	1,998,096 (2,048,735)	3,212,880 (3,292,319)

	Total assets	1,738,424 (1,857,810)	2,629,144 (2,762,209)	3,727,341 (3,919,003)
	Revenue	2,033,848 (2,662,625)	2,175,202 (2,844,751)	2,628,422 (3,498,263)
	Operating profit	664,019 (686,038)	631,480 (648,603)	860,964 (878,479)
	Profit for the year	533,795 (551,352)	575,079 (588,305)	600,753 (613,692)

(Note 1) JTI Investments Sàrl is a Swiss consolidated subsidiary of JT Group and an intermediate holding company.

(Note 2) LLC JTI Russia owns LLC JTI Donskoy Tabak as a subsidiary but does not prepare consolidated financial statements. Accordingly, the table presents the company's individual financial figures, with the simple aggregate figures for the company and that subsidiary shown in parentheses. The aggregate figures do not reflect eliminations of intragroup transactions or other consolidation adjustments. Per-share information is omitted because the company is an LLC.

4. Outline of the Subsidiary Subject to the Change

(1)	Name	LLC Petro		
(2)	Location	198206, Saint-Petersburg, Petergofskoe shosse, 71		
(3)	Name and title of representative	LEAD Kupreev Pavel Viktorovich		
(4)	Description of business	Manufacture of tobacco products		
(5)	Paid-in capital	RUB 328,439 thousand (as of December 31, 2025)		
(6)	Date of establishment	August 26, 1996		
(7)	Shareholder and ownership ratio (as of November 19, 2026) (Note 1)	JTI Investments Sàrl		100.00%
(8)	Relationship between JT and the company	Capital relationship	JT continues to indirectly hold 100% of the equity interests in the company through two consolidated subsidiaries even after the company was placed under temporary administration.	
		Personnel relationship	There are no personnel relationships requiring disclosure.	
		Business relationship	There are no business relationships requiring disclosure.	
(9)	Operating results and financial position for the last three years (Note 2)			
	Fiscal year ended (USD thousands)	December 31, 2023	December 31, 2024	December 31, 2025
	Net assets	272,968	339,269	563,774

	Total assets	746,168	821,032	1,586,968
	Revenue	3,864,876	4,044,096	4,812,659
	Operating profit	199,477	144,671	129,920
	Profit for the year	167,697	112,150	123,028

(Note 1) JTI Investments Sàrl is a Swiss consolidated subsidiary of JT Group and an intermediate holding company.

(Note 2) As LLC Petro has no subsidiaries, the table presents the company's individual financial figures. Per-share information is omitted because the company is an LLC.

For the five sub-subsidiaries, individual company profiles, financial statements and other details have been omitted, because their impact on JT's consolidated financial results is insignificant.

5. Schedule of the Change

Dates on which the Russian presidential decrees were signed: November 5 and 6, 2026
Effective date of exclusion from the scope of consolidation: November 6, 2026

6. Loss on Loss of Control of Subsidiaries

In connection with this matter, JT expects to record a loss on loss of control of subsidiaries in the amount of approximately JPY 1,377.0 billion in the consolidated fiscal year ending December 31, 2026.

7. Financial Impact and Future Outlook

For revisions to the earnings forecast and dividend forecast resulting from this matter, please refer to the "Notice Concerning Revision of Consolidated Earnings Forecast and Dividend Forecast"[*3] announced today.

JT will hold an online briefing for institutional investors and analysts today at 9:00 p.m. Japan time. For the materials to be used at the briefing, please refer to the "Status of Our Russian Operations and Future Growth of the JT Group"[*4] announced today. A recording of the briefing will be made available on demand on JT's website[*5] after preparations are completed following the briefing.

The JT Group continues to monitor the situation in Russia and gather information. Any matter requiring disclosure will be disclosed promptly.

###

Japan Tobacco Inc. (JT) is a global company headquartered in Tokyo, Japan. It is listed on the primary section of the Tokyo Stock Exchange (ticker: 2914.T). JT Group has approximately 53,000 employees and 61 factories worldwide, operating in two business segments: tobacco and processed food. Within the tobacco business, the largest segment, products are sold in over 130 markets and its flagship brands include Winston, Camel, MEVIUS, and LD. The Group is committed to investing in Reduced-Risk Products and markets its Heated Products under its Ploom brand.

Consumers, shareholders, employees, and society are the four stakeholder groups (4S) at the heart of all of JT Group's activities. Inspired by its purpose, "Fulfilling Moments, Enriching Life", the Group aims to ensure sustainable and valuable contributions to its stakeholders over the long term. In addition to its two business segments, this goal is also

supported by D-LAB, JT Group's corporate R&D initiative, dedicated to exploring and developing new value-added business opportunities. For more information, visit https://www.jt.com/.

Contacts: Investor and Media Relations Division
Japan Tobacco Inc.

For investors Jerome Jaffeux, Head of IR: jt.ir@jt.com
For Media Yunosuke Miyata, Director : jt.media.relations@jt.com

---

*1 : https://www.jt.com/media/news/2026/pdf/20261106_02.pdf
*2 : https://www.jt.com/media/news/2026/pdf/20261109_02.pdf
*3 : https://www.jt.com/media/news/2026/pdf/20261119_05.pdf
*4 : https://www.jt.com/media/news/2026/pdf/20261119_06.pdf
*5 : https://www.jt.com/investors/results/presentation_events/index.html