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

August 2, 2024

Consolidated Financial Results for the Six Months Ended June 30, 2024 <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: Masamichi Terabatake, 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 date to file Semi-annual Securities Report: August 2, 2024
Scheduled starting date of the dividend payments: September 4, 2024
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 Six Months of the Fiscal Year Ending December 31, 2024 (from January 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	1,569,892	12.7	432,662	4.6	399,073	6.9	307,126	6.5
June 30, 2023	1,392,812	9.9	413,555	8.0	373,430	3.4	288,462	8.9

	Profit attributable to owners of the parent company		Comprehensive income for the period		Basic earnings per share	Diluted earnings per share
Six months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
June 30, 2024	305,172	6.3	791,917	48.0	171.89	171.86
June 30, 2023	287,009	8.7	535,212	(46.6)	161.70	161.65

(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
June 30, 2024	7,868,668	4,525,292	4,441,208	56.4	2,501.31
December 31, 2023	7,282,097	3,912,491	3,830,156	52.6	2,157.46

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, 2023	-	94.00	-	100.00	194.00
Year ending December 31, 2024	-	97.00			
Year ending December 31, 2024 (Forecast)			-	97.00	194.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(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, 2024	3,109,000	9.4	660,000	(1.8)	475,000	(1.5)	267.53

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

[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-digit over the mid- to long-term, and will continue to pursue this goal. The Group expects an annual average of mid-single digit growth during the period of the "Business Plan 2024" (fiscal year ending December 31, 2024 to fiscal year ending December 31, 2026), which was announced on February 13, 2024.

(Percentages indicate year-on-year changes.)

	Adjusted operating profit at constant FX	
	Millions of yen	%
Six months ended June 30, 2024 (Cumulative)	454,796	2.7
Year ending December 31, 2024 (Forecast)	745,000	2.3

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

The Group also discloses certain non-GAAP financial measures that are not required or defined under IFRS, 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 August 2, 2024.

- 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: Yes
   b. Changes in accounting policies due to other reasons: None
   c. Changes in accounting estimates: None
   For details, please refer to "1. Matters Regarding Summary Information, (1) 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 June 30, 2024	2,000,000,000 shares
As of December 31, 2023	2,000,000,000 shares

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

As of June 30, 2024	224,447,488 shares
As of December 31, 2023	224,692,028 shares

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

Six months ended June 30, 2024	1,775,428,183 shares
Six months ended June 30, 2023	1,774,988,149 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* 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, 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) less amortization cost of acquired intangibles arising from business acquisitions and adjustment items (income and costs). 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-digit 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. The results for the six months ended June 30, 2024 on a constant FX basis exclude the increase in profit due to 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

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1. Matters Regarding Summary Information

(1) 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, 2023 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, 2024.

IFRS Accounting Standards		Description of new standards and amendments
IFRS 7	Financial Instruments: Disclosures	Providing requirements for disclosure relating to supplier finance arrangements
IAS 7	Statement of Cash Flows	

The adoption of the above standards and interpretations does not have a material impact on the condensed interim consolidated financial statements.
Part of the consolidated financial statements for the year ended December 31, 2023 have been reclassified to conform with the presentation for the six months ended June 30, 2024.

(2) Revisions to the Consolidated Earnings Forecasts Most Recently Announced

The Group has revised the earnings forecasts in light of circumstances up until now.

(Billions of yen)

	Earnings forecasts	Changes from the consolidated earnings forecasts most recently announced		Year-on-year changes [%]
		Amount	%	
Revenue	3,109.0	93.0	3.1	9.4
Adjusted operating profit	710.0	22.0	3.2	(2.5)
Operating profit	660.0	12.0	1.9	(1.8)
Profit attributable to owners of the parent company	475.0	20.0	4.4	(1.5)
Adjusted operating profit at constant FX	745.0	17.0	2.3	2.3

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. As 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.

2. Condensed Interim Consolidated Financial Statements

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2023	**As of June 30, 2024**
Assets		
Current assets		
Cash and cash equivalents	1,040,206	1,087,840
Trade and other receivables	535,302	657,917
Inventories	832,611	941,571
Other financial assets	58,633	24,484
Other current assets	789,888	743,284
Subtotal	3,256,639	3,455,096
Assets held for sale	2,921	6,307
Total current assets	3,259,561	3,461,403
Non-current assets		
Property, plant and equipment	821,499	890,154
Goodwill	2,616,440	2,927,306
Intangible assets	200,819	191,399
Investment property	9,338	5,293
Retirement benefit assets	65,856	75,188
Investments accounted for using the equity method	56,726	69,908
Other financial assets	155,267	143,047
Other non-current assets	7,212	6,879
Deferred tax assets	89,379	98,091
Total non-current assets	4,022,536	4,407,266
Total assets	7,282,097	7,868,668

(Millions of yen)

	As of December 31, 2023	**As of June 30, 2024**
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	592,802	524,777
Bonds and borrowings	233,333	76,545
Income tax payables	29,647	35,425
Other financial liabilities	44,470	66,287
Provisions	18,634	13,359
Other current liabilities	1,008,390	1,017,859
Total current liabilities	1,927,276	1,734,252
Non-current liabilities		
Bonds and borrowings	908,926	1,075,931
Other financial liabilities	40,678	46,974
Retirement benefit liabilities	279,443	270,373
Provisions	45,527	37,267
Other non-current liabilities	127,170	133,523
Deferred tax liabilities	40,586	45,057
Total non-current liabilities	1,442,329	1,609,125
Total liabilities	3,369,605	3,343,377
Equity		
Share capital	100,000	100,000
Capital surplus	736,478	736,710
Treasury shares	(489,194)	(488,663)
Other components of equity	290,550	755,694
Retained earnings	3,192,323	3,337,467
Equity attributable to owners of the parent company	3,830,156	4,441,208
Non-controlling interests	82,336	84,084
Total equity	3,912,491	4,525,292
Total liabilities and equity	7,282,097	7,868,668

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

Condensed Interim Consolidated Statement of Income

Six months ended June 30, 2023 and 2024

(Millions of yen)

	2023	**2024**
Revenue	1,392,812	1,569,892
Cost of sales	(563,811)	(682,278)
Gross profit	829,001	887,614
Other operating income	9,046	15,777
Share of profit in investments accounted for using the equity method	3,554	3,996
Selling, general and administrative expenses	(428,046)	(474,725)
Operating profit	413,555	432,662
Financial income	16,994	31,485
Financial costs	(57,119)	(65,074)
Profit before income taxes	373,430	399,073
Income taxes	(84,967)	(91,946)
Profit for the period	288,462	307,126
Attributable to:		
Owners of the parent company	287,009	305,172
Non-controlling interests	1,453	1,954
Profit for the period	288,462	307,126
Interim earnings per share		
Basic (Yen)	161.70	171.89
Diluted (Yen)	161.65	171.86

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

(Millions of yen)

	2023	**2024**
Operating profit	413,555	432,662
Amortization cost of acquired intangibles arising from business acquisitions	30,539	26,254
Adjustment items (income)	(3,451)	(5,944)
Adjustment items (costs)	2,188	93
Adjusted operating profit	442,832	453,065

Condensed Interim Consolidated Statement of Comprehensive Income

Six months ended June 30, 2023 and 2024

(Millions of yen)

	2023	**2024**
Profit for the period	288,462	307,126
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	2,196	2,036
Remeasurements of defined benefit plans	-	16,360
Total of items that will not be reclassified to profit or loss	2,196	18,396
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	245,760	471,355
Net gain (loss) on derivatives designated as cash flow hedges	(1,206)	(4,839)
Hedge costs	-	(122)
Total of items that may be reclassified subsequently to profit or loss	244,554	466,395
Other comprehensive income (loss), net of taxes	246,750	484,791
Comprehensive income (loss) for the period	535,212	791,917
Attributable to:		
Owners of the parent company	529,343	788,399
Non-controlling interests	5,869	3,519
Comprehensive income (loss) for the period	535,212	791,917

(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, 2023	100,000	736,400	(490,183)	1,001	85,796	8,546	-
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	241,554	(1,206)	-
Comprehensive income (loss) for the period	-	-	-	-	241,554	(1,206)	-
Acquisition of treasury shares	-	-	(0)	-	-	-	-
Disposal of treasury shares	-	-	462	(362)	-	-	-
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)	-	-	-	-	-	(1,850)	-
Total transactions with the owners	-	-	462	(362)	-	(1,850)	-
As of June 30, 2023	100,000	736,400	(489,722)	639	327,350	5,491	-
As of January 1, 2024	100,000	736,478	(489,194)	557	270,810	9,145	(17)
Profit for the period	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	469,815	(4,839)	(122)
Comprehensive income (loss) for the period	-	-	-	-	469,815	(4,839)	(122)
Acquisition of treasury shares	-	-	(1)	-	-	-	-
Disposal of treasury shares	-	232	533	(122)	-	-	-
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)	-	-	-	-	-	(576)	-
Total transactions with the owners	-	232	532	(122)	-	(576)	-
As of June 30, 2024	100,000	736,710	(488,663)	436	740,625	3,731	(139)

(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, 2023	8,966	-	104,309	3,089,909	3,540,435	76,326	3,616,761
Profit for the period	-	-	-	287,009	287,009	1,453	288,462
Other comprehensive income (loss)	1,986	-	242,334	-	242,334	4,416	246,750
Comprehensive income (loss) for the period	1,986	-	242,334	287,009	529,343	5,869	535,212
Acquisition of treasury shares	-	-	-	-	(0)	-	(0)
Disposal of treasury shares	-	-	(362)	(99)	0	-	0
Share-based payments	-	-	-	272	272	22	294
Dividends	-	-	-	(200,558)	(200,558)	(1,514)	(202,072)
Changes in the scope of consolidation	-	-	-	-	-	(33)	(33)
Changes in the ownership interest in a subsidiary without a loss of control	-	-	-	0	0	1,406	1,406
Transfer from other components of equity to retained earnings	(708)	-	(708)	708	-	-	-
Other increase (decrease)	-	-	(1,850)	-	(1,850)	-	(1,850)
Total transactions with the owners	(708)	-	(2,920)	(199,677)	(202,136)	(120)	(202,256)
As of June 30, 2023	10,243	-	343,723	3,177,241	3,867,642	82,075	3,949,717
As of January 1, 2024	10,054	-	290,550	3,192,323	3,830,156	82,336	3,912,491
Profit for the period	-	-	-	305,172	305,172	1,954	307,126
Other comprehensive income (loss)	2,011	16,361	483,227	-	483,227	1,564	484,791
Comprehensive income (loss) for the period	2,011	16,361	483,227	305,172	788,399	3,519	791,917
Acquisition of treasury shares	-	-	-	-	(1)	-	(1)
Disposal of treasury shares	-	-	(122)	(493)	151	-	151
Share-based payments	-	-	-	327	327	24	351
Dividends	-	-	-	(177,531)	(177,531)	(1,193)	(178,724)
Changes in the scope of consolidation	-	-	-	-	-	(18)	(18)
Changes in the ownership interest in a subsidiary without a loss of control	-	-	-	284	284	(583)	(299)
Transfer from other components of equity to retained earnings	(1,024)	(16,361)	(17,385)	17,385	-	-	-
Other increase (decrease)	-	-	(576)	-	(576)	-	(576)
Total transactions with the owners	(1,024)	(16,361)	(18,083)	(160,028)	(177,347)	(1,771)	(179,117)
As of June 30, 2024	11,041	-	755,694	3,337,467	4,441,208	84,084	4,525,292

(4) Condensed Interim Consolidated Statement of Cash Flows

Six months ended June 30, 2023 and 2024

(Millions of yen)

	2023	**2024**
Cash flows from operating activities		
Profit before income taxes	373,430	399,073
Depreciation and amortization	86,328	88,121
Impairment losses	892	1,585
Interest and dividend income	(16,708)	(30,338)
Interest expense	14,203	16,607
Share of profit in investments accounted for using the equity method	(3,554)	(3,996)
(Gains) losses on sale and disposal of property, plant and equipment, intangible assets and investment property	(3,275)	(3,015)
(Increase) decrease in trade and other receivables	(54,543)	(70,331)
(Increase) decrease in inventories	(48,364)	(40,250)
Increase (decrease) in trade and other payables	(66,577)	(105,381)
Increase (decrease) in retirement benefit liabilities	(3,749)	(8,688)
(Increase) decrease in prepaid tobacco excise taxes	13,480	104,663
Increase (decrease) in tobacco excise tax payables	(33,189)	(27,126)
Increase (decrease) in consumption tax payables	17,963	38,273
Other	(6,107)	(30,709)
Subtotal	270,229	328,489
Interest and dividends received	16,627	29,728
Interest paid	(13,131)	(16,175)
Income taxes paid	(66,865)	(81,837)
Net cash flows from operating activities	206,860	260,206
Cash flows from investing activities		
Purchase of securities	(71,932)	(18,911)
Proceeds from sale and redemption of securities	13,242	49,279
Purchase of property, plant and equipment	(39,019)	(56,375)
Proceeds from sale of investment property	4,092	3,105
Purchase of intangible assets	(11,914)	(6,494)
Proceeds from sale of investments in associates	973	-
Other	1,907	695
Net cash flows from investing activities	(102,651)	(28,700)

(Millions of yen)

	2023	**2024**
Cash flows from financing activities		
Dividends paid to owners of the parent company	(200,491)	(177,463)
Dividends paid to non-controlling interests	(1,537)	(1,555)
Capital contribution from non-controlling interests	412	108
Increase (decrease) in short-term borrowings and commercial paper	(10,814)	(159,982)
Proceeds from long-term borrowings	2,899	202
Repayments of long-term borrowings	(547)	(4,492)
Proceeds from issuance of bonds	59,795	97,616
Redemption of bonds	(1,451)	(8,397)
Repayments of lease liabilities	(11,553)	(13,427)
Acquisition of treasury shares	(0)	(1)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(16)	(99)
Other	0	0
Net cash flows from financing activities	(163,303)	(267,492)
Net increase (decrease) in cash and cash equivalents	(59,093)	(35,986)
Cash and cash equivalents at the beginning of the period	866,885	1,040,206
Effect of exchange rate changes on cash and cash equivalents	19,428	83,620
Cash and cash equivalents at the end of the period	827,220	1,087,840

(5) 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, prescription drugs and processed foods.
The reportable segments of the Group are composed of three segments: “Tobacco Business,” “Pharmaceutical Business,” and “Processed Food Business.”

The “Tobacco Business” consists of the manufacture and sale of tobacco products in domestic areas and overseas.
The “Pharmaceutical Business” consists of the research and development, manufacture, and sale of prescription drugs. 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 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.

Six months ended June 30, 2023

(Millions of yen)

	Reportable Segments				Other (Note 2)	Elimination	Consolidated
	Tobacco	Pharmaceuticals	Processed Food	Total			
Revenue							
External revenue	1,271,048	47,652	73,402	1,392,102	711	-	1,392,812
Intersegment revenue	151	-	16	167	1,437	(1,604)	-
Total revenue	1,271,199	47,652	73,418	1,392,269	2,148	(1,604)	1,392,812
Segment profit (loss)							
Adjusted operating profit (Note 1)	450,179	10,046	2,950	463,175	(20,361)	17	442,832

\1,217,196 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)	392,593	302,951	521,652	1,217,196
Adjusted operating profit (Note 1)	145,152	137,867	167,160	450,179

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, Romania, Russia, etc.

Six months ended June 30, 2024

(Millions of yen)

	Reportable Segments				Other (Note 2)	Elimination	Consolidated
	Tobacco	Pharmaceuticals	Processed Food	Total			
Revenue							
External revenue	1,451,360	44,059	73,815	1,569,235	658	-	1,569,892
Intersegment revenue	182	-	13	196	1,508	(1,703)	-
Total revenue	1,451,542	44,059	73,829	1,569,430	2,165	(1,703)	1,569,892
Segment profit (loss)							
Adjusted operating profit (Note 1)	472,104	3,995	4,366	480,465	(27,424)	24	453,065

\1,391,842 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)	406,139	354,444	631,259	1,391,842
Adjusted operating profit (Note 1)	140,439	149,917	181,749	472,104

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, Romania, Russia, etc.

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

Six months ended June 30, 2023

(Millions of yen)

	Reportable Segments				Other (Note 2)	Elimination	Consolidated
	Tobacco	Pharmaceuticals	Processed Food	Total			
Adjusted operating profit (Note 1)	450,179	10,046	2,950	463,175	(20,361)	17	442,832
Amortization cost of acquired intangibles arising from business acquisitions	(30,539)	-	-	(30,539)	-	-	(30,539)
Adjustment items (income) (Note 4)	126	-	845	972	2,479	-	3,451
Adjustment items (costs) (Note 5)	(1,374)	-	(11)	(1,385)	(803)	-	(2,188)
Operating profit (loss)	418,392	10,046	3,784	432,223	(18,684)	17	413,555
Financial income							16,994
Financial costs							(57,119)
Profit before income taxes							373,430

Six months ended June 30, 2024

(Millions of yen)

	Reportable Segments				Other (Note 2)	Elimination	Consolidated
	Tobacco	Pharmaceuticals	Processed Food	Total			
Adjusted operating profit (Note 1)	472,104	3,995	4,366	480,465	(27,424)	24	453,065
Amortization cost of acquired intangibles arising from business acquisitions	(26,254)	-	-	(26,254)	-	-	(26,254)
Adjustment items (income) (Note 4)	3,139	-	-	3,139	2,805	-	5,944
Adjustment items (costs) (Note 5)	627	-	(24)	603	(696)	-	(93)
Operating profit (loss)	449,617	3,995	4,342	457,954	(25,316)	24	432,662
Financial income							31,485
Financial costs							(65,074)
Profit before income taxes							399,073

(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).

(Note 2) "Other" includes business activities relating to real estate rental 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.

(Note 4) The breakdown of "Adjustment items (income)" is as follows:

Six months ended June 30, 2023 and 2024

(Millions of yen)

	2023	**2024**
Restructuring incomes	3,324	2,805
Other	126	3,139
Adjustment items (income)	3,451	5,944

Restructuring incomes for the six months ended June 30, 2023 and 2024 mainly related to gains on sale of real estate.

Other (income) for the six months ended June 30, 2024 mainly related to gains on deconsolidation of subsidiaries.

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

Six months ended June 30, 2023 and 2024

(Millions of yen)

	2023	**2024**
Restructuring costs	2,139	85
Other	49	8
Adjustment items (costs)	2,188	93

(6) Note on Premise of Going Concern

No items to report