

[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.]

February 2018

**Minutes of the Ordinary Meeting of
the Board of Directors**

(Certified Extract)

Minutes of the Ordinary Meeting of the Board of Directors in February 2018

1. Date and Time of the Meeting: Tuesday, February 6, 2018, at 10:24 a.m.

2. Place of the Meeting: Executive Committee Room, 34th floor,
JT Building, 2-1, Toranomom 2-chome,
Minato-ku, Tokyo

3. Attendee: 7 Directors
(among 7 Directors)

4 Audit & Supervisory Board Members
(among 4 Audit & Supervisory Board
Members)

1 President and Chief Executive Officer

2 Executive Vice Presidents

The President and Chief Executive Officer
and Executive Vice Presidents attended the
meeting as instructed by the Chairman, in
accordance with Article 7 of the Board of
Directors Regulations.

4. Chairman: Yasutake Tango, Chairman of the Board

5. Matters Reported:

Item 1 Omitted

Item 2 Omitted

Item 3 Omitted

6. Matters Resolved:

Item 4 Business Plan for Fiscal Year 2018 (quantitative)

Explanations were provided regarding the Business Plan for Fiscal Year 2018 (quantitative) by Senior Vice President in charge of Corporate Strategy and IT Maeda, and Treasurer Tsuchida, both appointed by the Chairman in accordance with Article 7 of the Board of Directors Regulations, as shown in Attached 4.

Following deliberations, the Chairman asked for the matter to be approved as proposed and all Directors in attendance did so unanimously.

Item 5 Omitted

7. Matters Reported:

Item 6 Omitted

Item 7 Omitted

8. Matters Resolved:

Item 8 Omitted

9. Closure: 12:40 p.m.

These Minutes were drafted in an effort to articulate the above deliberation and outcomes of the meeting, with every Director and Audit & Supervisory Board Member in attendance affixing their names as follows.

February 6, 2018

Japan Tobacco Inc. Board of Directors

Chairman	Chairman of the Board	Yasutake Tango
	Representative Director	Mitsuomi Koizumi
	Representative Director and Executive Vice President	Mutsuo Iwai
	Member of the Board	Yasushi Shingai
	Member of the Board	Hideki Miyazaki
	Member of the Board	Motoyuki Oka
	Member of the Board	Tokuko Sawa (Main Kohda)
	Standing Audit & Supervisory Board Member	Futoshi Nakamura
	Standing Audit & Supervisory Board Member	Tomotaka Kojima
	Audit & Supervisory Board Member	Yoshinori Imai
	Audit & Supervisory Board Member	Hiroshi Obayashi
	President	Masamichi Terabatake
	Executive Vice President	Naohiro Minami
	Executive Vice President	Kiyohide Hirowatari

Item 4 Business Plan for Fiscal Year 2018 (quantitative)

(Omitted)

II. Basic plan for the fiscal year's financing activities

(Omitted)

2. Financing plan

(Omitted)

(2) Comprehensive approval pertaining to JT's bond issuance

<Matters to be decided>

The terms and conditions for the issuance of bonds by JT have been set forth as follows. Moreover, within the scope of such terms and conditions the Executive Vice President in charge of finance is delegated authority for deciding specific terms and conditions relating to bond issuance and for any and all other actions required in that regard. The Executive Vice President in charge of finance may re-delegate the whole or part of the powers to the Treasurer.

Issuer:	Japan Tobacco Inc.
Bond class:	Domestic or international straight bonds (*2)
Maximum total amount of bonds:	Maximum ¥310.0 billion (Bonds denominated in foreign currency will be converted to their respective values in yen at the actual exchange rate prevailing upon the determination of conditions) The bonds may be issued one or more times, pursuant to the aforementioned terms and conditions.
Redemption period:	20 years or less
Interest rate:	Fixed interest: Redemption maturity base interest rate (JGB yield or swap rate) +2.0% maximum
Paid-in amount:	95% or more of the amount of the bonds
Redemption method:	Bullet maturity redemption May be redeemed early in accordance with the terms and conditions of the bonds and retired by purchase at any time after issuance
Issuing period:	One year from February 6, 2018 No issuance during this period is possible due to conditions in financial and capital markets

Mortgage:	General mortgage in accordance with Article 6 of the Japan Tobacco Inc. Act
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(Omitted)

- *2: Includes bonds issued under EMTN program (JT guarantees the bonds issued by JTIFS, such that are issued up to a maximum of USD 5,000 million combined total issuance by the two corporate issuers) which acts as the issuance framework of bonds issued by JT and JT International Financial Services B.V. (“JTIFS”) as established on March 31, 2016, upon resolution of the Board of Directors on March 23, 2016.

(Omitted)