

**NOTICE TO THE HOLDERS OF THE OUTSTANDING
THE OITA BANK, LTD. (the “Bank”)
U.S.\$100,000,000 Zero Coupon Convertible Bonds due 2019 (the “Bonds”)
(ISIN: XS1143485388 Common Code: 114348538)**

NOTICE IS HEREBY GIVEN by THE OITA BANK, LTD. (the “Bank”) to the holders (“Bondholders”) of the outstanding U.S.\$100,000,000 Zero Coupon Convertible Bonds due 2019 (ISIN: XS1143485388 Common Code: 114348538) (the “Bonds”), of an adjustment of the Conversion Price (as defined in the terms and conditions of the Bonds) of the Bonds as follows:

1) Extraordinary Dividend

Reason for the adjustment: The 211th ordinary general meeting of shareholders of the Bank held on 27 June 2017 (for the fiscal year ended 31 March 2017) approved the payment of a year-end dividend in the amount of ¥3.5 per share, and accordingly the aggregate amount of dividend for the fiscal year ended 31 March 2017 has become ¥7 per share.

In accordance with Condition 5.2.4 (adjustment of Conversion Price due to distribution to shareholders of Extraordinary Dividends (as defined in such Condition 5.2.4) and Condition 5.6 (minimum adjustments) of the terms and conditions of the Bonds, the adjustment of U.S.\$0.009 resulting from the Extraordinary Dividends is less than one cent and will be carried forward and taken into account in the subsequent adjustment (referred to below).

2) Share Consolidation

Reason for the adjustment: In addition, 211th ordinary general meeting of shareholders of the Bank held on 27 June 2017 (for the fiscal year ended 31 March 2017) has approved a consolidation of Shares: ten Shares into one Share.

As a result, the Conversion Price will be adjusted pursuant to Condition 5.2.1 of the terms and conditions of the Bonds with effect as stated below.

Old Conversion Price: U.S.\$4.158

New Conversion Price: U.S.\$41.490
(reflecting both the Extraordinary Dividend and the Share consolidation)

Record Date: 30 September 2017 (Japan time)

Effective Date for the new Conversion Price: Applied from 1 October 2017 (Japan time)

Capitalised terms used herein not otherwise defined herein have the meanings set out in the Trust Deed, including the terms and conditions of the Bonds, and the Agency Agreement.

This notice is given by
THE OITA BANK, LTD.

27 June 2017