

12 May 2017

The Yamagata Bank, Ltd. (Code No. [8344] of TSE 1st Section)
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**NOTICE TO THE HOLDERS OF THE YAMAGATA BANK, LTD.
U.S.\$100,000,000 Zero Coupon Convertible Bonds due 2019 (the “Bonds”)**

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

Reason for the adjustment:	Adjustment of Conversion Price pursuant to Condition 5.2.4 of the terms and conditions of the Bonds due to the Extraordinary Dividend (as defined in such Condition 5.2.4) resulting from payment of dividends totalling ¥7 per Share during the Annual Fiscal Period (as defined in the Conditions). The Bank previously paid an interim dividend of ¥3.5 per Share and the Bank authorized a yearend dividend of ¥3.5 per Share by a resolution of the board of directors on 12 May 2017.
Old Conversion Price:	U.S.\$5.08
New Conversion Price:	U.S.\$5.07
Record Date:	31 March 2017 (Japan time)
Effective Date for the new Conversion Price:	Retroactively from the day after the Record Date set out above (Japan time)

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