

**NOTICE TO THE HOLDERS OF THE OUTSTANDING
¥30,000,000,000 Zero Coupon Convertible Bonds due 2020 (the “Bonds”)
issued by
IWATANI CORPORATION (the “Company”)
(ISIN: XS1280371102 Common Code: 128037110)
ADJUSTMENT OF CONVERSION PRICE**

NOTICE IS HEREBY GIVEN by IWATANI CORPORATION (the “**Company**”) to the holders (“**Bondholders**”) of the outstanding ¥30,000,000,000 Zero Coupon Convertible Bonds due 2020 (ISIN: **XS1280371102** Common Code: 128037110) (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 5.2.5 due to the Extraordinary Dividend (as defined in such Condition 5.2.5) resulting from payment of dividends in the aggregate amount of ¥55 per Share during the Annual Fiscal Period (as defined in the Conditions). The Company’s general meeting of shareholders approved a yearend dividend of ¥55 per Share on 27 June 2018.

Old Conversion Price: ¥3,700

New Conversion Price: ¥3,690.6

Record Date: 31 March 2018 (Japan time)

Effective Date for the new Conversion Price: Retroactively from the day after the Record Date set out above (Japan time)

All capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Terms and Conditions.

This notice is given by
IWATANI CORPORATION

27 June 2018