

**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: The general meeting of shareholders of the Company held on 28 June 2017 (for the fiscal year ended 31 March 2017) has approved a consolidation of Shares on the basis of five 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: ¥740

New Conversion Price: ¥3,700

Record Date: 30 September 2017 (Japan time)

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

The general meeting of the shareholders of the Company has also approved that one unit of shares be changed from 1,000 to 100 shares effective from 1 October 2017.

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

28 June 2017