

23 June 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 (ISIN: **XS1051776158** Common Code: **105177615**) (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 Bank held on 23 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: U.S.\$5.07

New Conversion Price: U.S.\$25.35

Record Date: 30 September 2017 (Japan time)

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

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