

Notice to the holders of

**FERROTEC CORPORATION**

Tokyo, Japan (the “Company”)

Swiss Francs 23'000'000.– 1/8% Swiss Franc Convertible Notes  
Due March 31, 2008 (the “Notes”)

Swiss Security number: 1707356

“Adjustment of the Conversion Price”

Notice is hereby given that as a result of the issuance by the Company on March 9, 2005, of 2,600,000 shares of common stock at the issue price of JPY 741.39 per share being less than the current market price of JPY 825.1 per share, the conversion price of the Notes has been adjusted as follows:

Conversion price before adjustment:	JPY 807
Conversion price after adjustment:	JPY 796.2
Effective date:	March 9, 2005 (Japan time)

This announcement is made pursuant to Section 10. of the Terms of the Notes to the Note Purchase, Paying and Exercise Agency Agreement dated October 30, 2003.

Zurich, March 15, 2005

278576

By order:  
**NOMURA BANK (SWITZERLAND) LTD.**