

Notice to the holders of

FERROTEC CORPORATION

Tokyo, Japan

Swiss Francs 23'000'000.– ¼% Swiss Franc Convertible Notes  
– Notes with Stock Acquisition Rights –  
Due March 31, 2008 (the “Notes”)  
Swiss Security numbers: 1707356

“Revision of the Conversion Price and the Fixed Exchange Rate”

Notice is hereby given that pursuant to Section 5.(b) of the Terms of the Notes and Section 1(B) of the Exercise of the Stock Acquisition Rights to the Note Purchase, Paying and Exercise Agency Agreement dated October 30, 2003 (the “Agreement”) the conversion price and the fixed exchange rate of the Notes will be revised downward as follows:

Conversion price before revision: Yen 900

Conversion price after revision: Yen 807

Fixed exchange rate before revision: Yen 82.35 = CHF 1.00

Fixed exchange rate after revision: Yen 90.08 = CHF 1.00

Effective date: December 22, 2004 (Japan time)

This announcement is made pursuant to Section 10. of the Terms of the Notes to the Agreement.

Zurich, December 14, 2004

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By order:

NOMURA BANK (SWITZERLAND) LTD.