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To Whom It May Concern

Okamura Corporation
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President and Representative Director
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Notice of Change of Retirement Benefit Structure

Okamura Corporation (the "Company") hereby announces its decision to change the structure of the retirement benefits it provides from the current regime of tax qualified pension plan and lump sum severance allowances to newly instituted defined contribution pension plan, combined with lump sum severance allowances. This resolution was adopted at a meeting of its Board of Directors held on December 16, 2005. The details are described below:

1. Change of Structure and its Purpose

   The Company's current retirement benefits comprise lump sum severance allowances and tax qualified pension plan, the latter being payable to employees retired at the mandatory age. The determination of benefit payment amounts currently gives heavy weight to seniority. In its stead, the projected retirement benefit structure will embrace the principle of results by reflecting, by way of annual points, the contribution of each active employee. The Company's purpose in establishing the new arrangements is to encourage a greater sense of self-motivation among the employees by allowing their achievements to show up appropriately in their entitlements.

   The new structure is intended also to minimize the risk of financial uncertainty, because its introduction of defined contribution pension plan will reduce the retirement benefit liability carried under the defined benefit regime, and limit the scope for fluctuations in retirement benefit expenses.

2. New Deployment in a Nutshell

   Effective March 21, 2006, the current tax qualified pension plan will be abolished, and the lump sum severance allowances will be remolded before they are switched over to a new structure of retirement benefits simultaneously with the institution of defined contribution pension plan.

3. Performance Consequences

   The impact of the switchover to new arrangements on the Company's financial projections for its fiscal year ending in March 2006 is currently being analyzed, and is likely to be limited to a minimal extent.