

CORPORATE GOVERNANCE AND COMPLIANCE

NISSIN FOODS HOLDINGS (“the Company”) regards the enhancement and reinforcement of corporate governance as an important management priority, along with the provision of safe, high-quality food and the conduct of business that maximizes the interests of all stakeholders. All corporate officers and employees of the Company and its subsidiaries are tasked with corporate social responsibility under the NISSIN FOODS Code of Ethics and NISSIN FOODS Code of Compliance and strive to obey relevant laws and regulations and practice ethical behavior in the performance of their duties.

Basic Policy on Corporate Governance

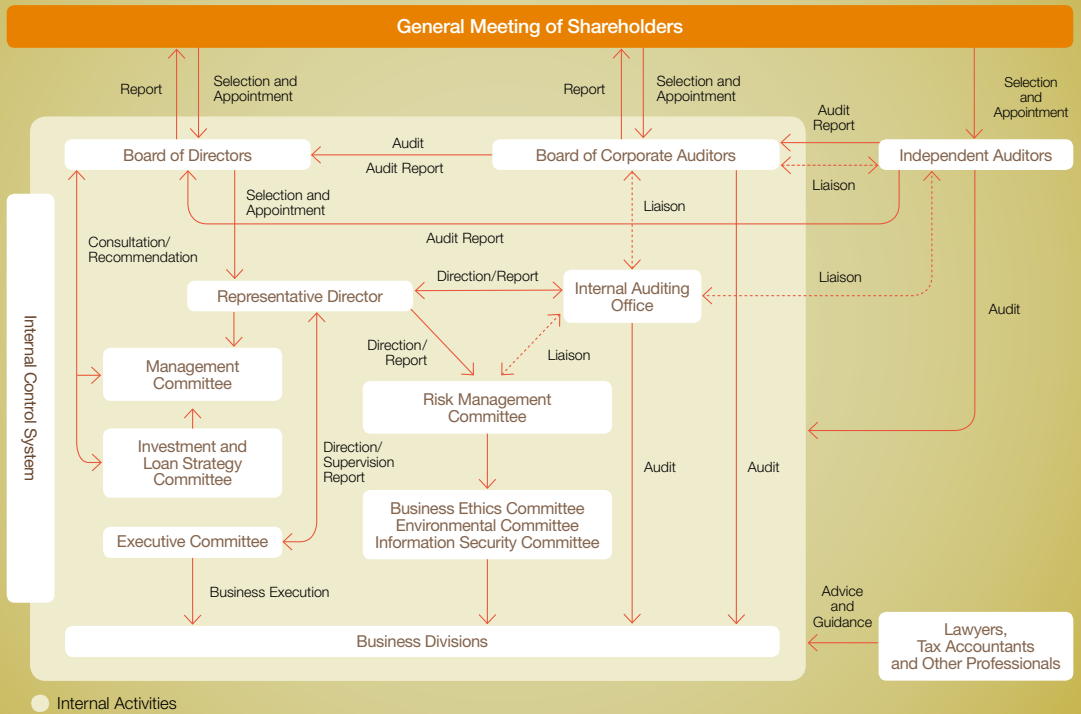
The Company strives to achieve highly objective and transparent management by appointing multiple outside directors and outside corporate auditors and actively reflecting the opinions of outside experts in management. In June 1998, we introduced an executive officer system to promote rapid decision-making and to separate management oversight from business execution.

The Board of Directors consists of eighteen members: fourteen directors, including two outside directors, and four corporate auditors, including two outside corporate auditors. The Board meets monthly and convenes extraordinary meetings as otherwise necessary. The Board decides on important matters concerning business execution, including basic management policies and strategy, and supervises the execution of duties by the directors.

The Company has a Chief Officers Committee (CO Committee), consisting of the full-time

directors, standing corporate auditors and executive officers, which meets monthly. Also, the Management Committee, consisting of the full-time directors and standing corporate auditors, meets twice monthly to discuss matters to be decided by the Board and to discuss and decide matters delegated to it by the Board. In addition, the Investment and Loan Strategy Committee, consisting of the full-time directors, standing corporate auditors, executive officers, and department managers, meets monthly to conduct preliminary assessments of and discuss important investment projects.

The Company has adopted the statutory auditor system. The Board of Corporate Auditors (“BCA”) consisting of four corporate auditors, including two outside corporate auditors, is an organization that establishes audit policies and audit plans, serves as a mechanism for mutual reporting among the corporate auditors on important matters concerning audits, and engages



in necessary discussion and decision-making. The BCA meets on alternate months and holds extraordinary meetings as necessary. Since 2006, an alternate corporate auditor (two-year term) has been elected to step in should a vacancy occur in an outside statutory auditor position.

The Status of Internal Control Systems

The Company regards the development, construction, and appropriate operation of internal control systems as one of its most important management priorities. The Board of Directors established the basic policy for the construction of the internal control systems in May 2006 and reviews the policy as appropriate.

The corporate auditors assess the effectiveness of internal control systems in all aspects of management. The corporate auditors and the Internal Auditing Office audit and verify the effectiveness of internal controls in operational audits of individual business departments, pointing

out areas for improvement and providing guidance and instructions as necessary.

The Company is also developing internal control systems related to financial reporting in response to enactment of the Financial Instruments and Exchange Law. We are developing systematic checks and balances at the departmental level in day-to-day operations such as purchasing, production, distribution, sales, and administration, as well as systems that provide checks and balances between departments.