

# CORPORATE GOVERNANCE

## Basic Philosophy

The Nissin Kogyo Group executes its corporate governance based on policies and regulations concerning conduct, placing importance on its basic company philosophy of “warm-heartedness and contribution,” and its credo of “providing superior products, technologies and ideas to meet the needs of customers and society one step ahead of the changes in the world.”

## Overview of Nissin Kogyo’s Organization and Development of Internal Control Systems

Nissin Kogyo’s Board of Directors comprises nine Directors and its role is to deliberate upon legal matters and major management issues. The Management Committee comprises seven Directors and its role is to sufficiently deliberate upon important matters of management, share management issues and decide upon measures to solve those issues.

Nissin Kogyo has a Board of Auditors in accordance with the Companies Act. The Board of Auditors comprises four Auditors, two of which are Outside Auditors. Auditors attend meetings of the Board of Directors and the Management Committee and it is their job to audit the status of management’s execution of duties.

Internal Auditing Office appoints four full-time staff members to form an Independent Operation

Auditing Department and it is the job of this department to provide support in the execution of internal auditing and the requests from Auditors. In internal auditing, in addition to the staff of the Internal Auditing Office, two Internal Auditors are elected from each field such as development and accounting. While these Internal Auditors execute internal auditing of all divisions on a twice-yearly basis, they also execute regular audits of overseas bases.

The system for execution of operations is modeled on a high standard of effectiveness and efficiency and utilizes the cooperation of the four functional headquarters and overseas bases.

## Details of Director and Auditor Remuneration

Director	16	¥282 million
Auditor (Outside Auditor)	6 (3)	¥41 million (¥6 million)
Total	22	¥323 million

## THE CORPORATE GOVERNANCE STRUCTURE

(As of April 1, 2009)

