

Corporate Governance

The Nisshin OilliO Group continually provides value recognized by markets and customers for placing the highest priority on food safety, and intends to remain a corporate group trusted by all stakeholders. Our basic stance toward corporate governance is to establish a management structure in line with this policy, and to implement the measures necessary for it.

We consider corporate governance to be one of our most important management issues.

Business Management Structure and Internal Control Systems

| Board of Directors, Executive Board, Board of Corporate Auditors

Board of Directors

The Nisshin OilliO Group, Ltd., has adopted the Corporate Auditor System. The Board of Directors comprises 10 directors (two of whom are outside directors). The Board deliberates and makes decisions on matters prescribed by laws and regulations and important business matters, and has responsibility for oversight of management and business execution.

Executive Board

The Company has adopted the Corporate Officer System, and makes a clear distinction between the duties of directors and the authority for business execution. Corporate officers are given authority for business execution by the Board of Directors, and in accordance with the management plan and policies of the Board of Directors, execute business operations under the supervision of the director in charge. The Executive Board was established to make decisions on business execution, and to receive reports on and confirm the status of business execution.

Board of Corporate Auditors

The Board of Corporate Auditors comprises four corporate auditors (three of whom are outside auditors). Corporate auditors conduct audits of directors' execution of duties and corporate officers' execution of business, in accordance with the auditing policies, audit plan and division of responsibilities established by the Board of Corporate Auditors. They attend meetings of the Board of Directors and other important meetings, and review the status of business operations and finances.

Corporate auditors maintain close ties with the accounting auditor and the Internal Control Audit Department, and exchange opinions and information to provide for effective and efficient auditing.

Staff members are assigned to auditors in order to enhance and strengthen the auditing function, and to assist corporate auditors in the performance of their audits.

No dedicated staff member is assigned to outside directors or outside auditors.

However, the Corporate Planning Office as well as the Human Resources and General Affairs departments provide support as necessary.

The Company has determined that it is able to maintain soundness and accountability in its management and business execution through the proper functioning of the Board of Directors, Board of Corporate Auditors, and the Internal Control Audit Department.

| CSR Promotion Structure

The Nisshin OilliO Group considers corporate social responsibility (CSR) to be earning the trust of stakeholders through the realization of its management principles. The CSR Committee and CSR Promotion Department have been established to further CSR on a company-wide basis.

Compliance and Risk Management Structure

For its compliance and risk management structure, The Nisshin OilliO Group, Ltd., has established various committees including the Corporate Ethics Committee and Risk Management Committee, which act as advisory bodies to the Board of Directors. These committees work with corporate legal counselors and other advisors as necessary to provide findings from an expert perspective. Rules of ethics for the Board of Directors have been established that outline the fundamentals of compliance to be observed by directors, and stipulate penalties and other measures in case of violation. We have also formulated the Nisshin OilliO Group Code of Conduct, outlining the standards for all directors and employees to observe in the conduct of business, based on the Company's management principles and core promise, and have disseminated them throughout the organization.

A corporate ethics hotline has been established for the Company to receive reports of violations. Reported violations are reviewed by the Corporate Ethics Committee, and measures taken to prevent a reoccurrence.

Further, a compliance program is formulated each fiscal year, and the CSR Promotion Department conducts employee trainings based on the program agenda.

Internal Control Systems Based on the Financial Instruments and Exchange Act

The Company has established an Internal Control Committee to determine operational policies and other matters for internal control systems based on the Financial Instruments and Exchange Act. The Internal Control Committee assesses whether internal control systems are functioning properly.

The Internal Control Audit Department also conducts internal audits to ensure that business operations are conducted in a healthy and appropriate manner from a corporate governance and compliance standpoint.

Corporate Governance System of the Nisshin OilliO Group (as of March 31, 2011)

