

Company name: Nissen Holdings Co., Ltd.
President: Toshio Katayama
Stock code: 8248
Stock exchange listing: Tokyo Stock Exchange, First Section
Osaka Securities Exchange, First Section
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Notice Concerning Corporate Governance Reform

Nissen Holdings Co., Ltd. (the “Company”) has formulated its corporate governance reform plan to create a solid management foundation with the aim of improving its corporate value on a medium and long-term basis. The appointment of directors and corporate auditors who will deal with this challenge is subject to approval at the 38th Ordinary General Meeting of Shareholders of the Company to be held on March 18, 2008.

Description

1. Objective of corporate governance reform

The Company has been making continued efforts to enhance its corporate governance in order to heighten the soundness and transparency of management and improve corporate value over the medium and long term, through such measures as the appointment of outside directors, the introduction of an executive officer system, and a shift to a group management structure under a pure holding company. Looking ahead to the future, the Company believes that establishing a firm management foundation to sustain ongoing improvements in corporate value over the long term, as well as implementing appropriate business action plans such as improvements in growth potential and earning power in its primary line of business, the optimization of its business portfolio through the selection and concentration of management resources, and the formation of strategic alliances in a proactive manner, are essential for the Company to survive intense competition in terms of both price and quality in the retail market in which the Company operates and for it to continue to be a “corporate group that continues to make ongoing advances,” a vision it has been endeavoring to realize since its foundation. Through the current corporate governance reforms, the Company will actively implement specific measures to ensure the enhancement of corporate governance, improvements in group management transparency and objectivity, the separation of management and execution roles, and the proper delegation of authority with clearly defined responsibilities.

2. Outline of corporate governance reform

- **Enhance transparency/objectivity in group management**
 - More independent directors on BOD (independent outside directors to exceed one-third) **【Reference-(1)】**
 - External member to chair the Corporate Governance Committee and a majority of the members to be appointed from outside the Group **【Reference-(2)】**
 - External member to chair the Executive Appointment (Nomination and Compensation) Committee and a majority of the members to be appointed from outside the Group **【Reference-(2)】**
- **Separate the roles of management and execution between the pure holding company and operating companies**
 - Minimum number of internal directors on the pure holding company’s board (appoint a minimum number of directors to the board of the pure holding company to be directly responsible to external stakeholders such as shareholders, and appoint officers who must be dedicated to business execution to Executive Officer posts or as management team members in operating companies)
 - Full-time directors not to serve concurrently in the pure holding company and operating companies (avoid directors holding dual posts)
- **Delegate authority over operations and clearly define responsibilities**
 - Spin-off of Direct Sales Business segment from Nissen Co., Ltd., a core operating company, into a separate company (improve transparency of individual business profitability and speed up implementation of growth strategy by dividing the Direct Marketing Business and Direct Sales Business Marketing operations into different companies)
 - Clearly define management responsibilities in the implementation of plans for each group company (ensure commitment)

End

【Reference-(1)】 Proposed members of the Board of Directors and the Board of Corporate Auditors of Nissen Holdings Co., Ltd. (new executive responsibilities)

■ **Nissen Holdings Co., Ltd. <effective March 18, 2008> *1**

– Directors

Representative Director	Toshio Katayama	Incumbent (President)
Director	Nobuyuki Ichiba	Incumbent (Managing Executive Officer)
Director	Toshiya Tsukushi	Candidate (Executive Officer)
Director (outside)	Takeshi Isokawa	Incumbent
Director (outside)	Akira Iwamoto	Incumbent
Director (outside)	Toshio Komada	Candidate
Director (outside)	Kaori Sasaki	Candidate

– Corporate Auditors

Corporate Auditor	Yasoji Mori	Incumbent
Corporate Auditor (outside)	Yoshiharu Takahashi	Incumbent
Corporate Auditor (outside)	Scott Trevor Davis	Incumbent

*1 The proposed compositions of the Board of Directors and the Board of Corporate Auditors described above are subject to approval of the appointments of their respective members at the 38th Ordinary General Meeting of Shareholders.

【Reference-(2)】 Proposed members of the committees related to corporate governance

■ **Corporate Governance Committee *2**

– Chairman

Scott Trevor Davis (Corporate Auditor (outside), university professor)

– External members

Takeshi Isokawa (Director (outside), attorney-at-law)

Yoshiharu Takahashi (Corporate Auditor (outside), management executive)

– Internal members

Toshio Katayama (President and Representative Director)

Nobuyuki Ichiba (Managing Executive Officer and Director)

■ **Executive Appointment (Nomination and Compensation) Committee *3**

– Chairman

Takeshi Isokawa (Director (outside), attorney at law)

– External members

Toshio Komada (Director (outside), former company executive)

Kaori Sasaki (Director (outside), management executive)

– Internal members

Toshio Katayama (President and Representative Director)

Nobuyuki Ichiba (Managing Executive Officer and Director)

*2, 3 The proposed committee compositions described above are subject to approval of the appointments of their respective members at the 38th Ordinary General Meeting of Shareholders and a resolution to be made at the Board of Directors meeting following the close of the General Shareholders' Meeting.