

BENIHANA INC.
CODE OF BUSINESS CONDUCT AND ETHICS

This Code of Business Conduct and Ethics has been adopted by Benihana Inc. (the “Company”) and is intended to qualify as a Code of Ethics under Section 406 of the Sarbanes-Oxley Act 2002. It establishes the standards of business conduct and ethics to be observed by the Company’s executives and directors.

COMPLIANCE WITH LAW AND ETHICAL BEHAVIOR

All executives and directors of the Company shall observe and comply with all Federal and State laws and regulations (and those of any foreign jurisdiction), which apply to the Company or its business and observe the highest ethical standards.

Legal compliance includes, without limitation, compliance with the "insider trading" prohibitions applicable to the Company and its executives and directors. The Company’s policies with respect to trading in the Company’s securities and “insider trading” are detailed in the Company’s “Securities Trading Policy of Benihana Inc.” publication which is attached as Appendix A.

If any executive or director of the Company has a question as to the applicability or requirements of any law or regulation as it may affect him or her or the Company, any such question should be directed to the Chairman of the Board of Directors of the Company (“CEO”) in writing, who will undertake to provide an answer.

CONFLICT OF INTEREST

All executives and directors of the Company should be scrupulous in avoiding a conflict of interest with regard to the Company's interests. A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way with the interests of the Company. A conflict situation can arise when an executive or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an executive or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company, whether received from the Company or a third party. Loans to or guarantees of obligations of family members of executives and directors may create conflicts of interest. Federal law prohibits Company loans to executives and directors. Any executive or director who becomes aware of a conflict of interest or potential conflict should bring it to the attention of the CEO of the Company.

Conflicts of interest may not always be clear-cut, so if an executive or director seeks clarification as to whether or not he or she may be involved in a conflict of interest, clarification should be sought from the CEO of the Company by advising him of the circumstances and requesting clarification in writing.

CORPORATE OPPORTUNITY

Executives and directors are prohibited from (a) personally taking opportunities that properly belong to the Company or are opportunities discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; or (c) competing with the Company. Executives and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

CONFIDENTIALITY

Executives and directors of the Company shall maintain the confidential information entrusted to them by the Company, its suppliers or customers, except when disclosure is authorized by the Company or required by laws, regulations or legal proceedings. Executives and directors should consult the CEO of the Company if they believe they have a legal obligation to disclose confidential information. Confidential information includes all non-public information that might be of use to competitors of the Company, or harmful to the Company or its customers if disclosed.

FAIR DEALING

Each executive and director should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. None should take the unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

PROTECTION AND PROPER USE OF COMPANY ASSETS

All executives and directors should protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

ACCOUNTING COMPLAINTS

The Company's policy is to comply with all financial reporting and accounting regulations applicable to the Company. If any executive or director of the Company has concerns or complaints regarding accounting or auditing matters of the Company, then he or she is encouraged to submit those concerns or complaints (anonymously, if preferred) to the Chairman of the Audit Committee of the Board of Directors who will, subject to his duties arising under applicable law, regulations and legal proceedings treat such submissions confidentially. Upon receipt of a complaint, the Chairman of the Audit Committee will follow the procedures outlined in the Enforcement Procedure Addendum, which is attached hereto as Appendix B.

REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR

If any executive or director is concerned that violations of this Code by executives or directors of the Company have occurred, or are likely to occur, they should advise the CEO of the Company of their concern. If the complaint is submitted to the CEO of the Company, the

CEO of the Company may, at his option, elect to resolve the issue by conducting his own investigation, including the organization of a committee (which may include officers and directors) engage outside experts for assistance so as to enable him to reach a determination as to whether or not the Code has been violated and, if so, what action, if any, is necessary to repair or remediate any damage sustained by the Company or others by such conduct and the appropriate disciplinary action to be taken. Alternatively, the CEO of the Company may elect to organize a committee consisting of all the independent directors (“Investigating Committee”) who shall elect a chairman and the Investigating Committee shall then consider the complaint. If any executive or director does not believe it appropriate or is not comfortable approaching the CEO of the Company about their concerns or complaints, then they may contact the Chairman of the Independent Committee if there be such a standing committee and, if not, to any “Independent Director” in all other cases. An Independent Director is defined to be a director of the Company who is neither employed by or supplies services (other than as a director) to the Company or to any of its subsidiaries. If there is no standing Independent Committee, the Independent Director who is approached shall organize an Investigating Committee, which shall elect a chairman and the Investigating Committee shall then consider the matter. The Investigating Committee will then follow the procedures in Appendix B.

NO RETALIATION

The Company will not tolerate retaliation of any kind by or on behalf of the Company or any of its executives or directors against good faith reports or complaints of violations of this Code or other illegal or unethical conduct.

PUBLIC COMPANY REPORTING

As a public company, it is of critical importance that the Company's filings with the Securities and Exchange Commission be accurate and timely. Depending on their position with the Company, an executive or director may be called upon to provide necessary information to assure that the Company's public reports are complete, fair and understandable. The Company expects executives and directors to take this responsibility very seriously and to provide prompt accurate answers to inquiries related to the Company's public disclosure requirements.

AMENDMENT, MODIFICATION AND WAIVER

This Code may be amended, modified or waived by the Board of Directors, subject to the public disclosure and other provisions of the Securities Exchange Act of 1934, and the rules thereunder and the applicable rules of the National Association of Securities Dealers applicable to NASDAQ listed companies.

ACCOUNTABILITY

Violations of any provision of this Code by an executive or director which have not been the subject of specific waivers by the Board of Directors shall be deemed serious infractions by such executive or director of his or her duties to the Company and shall be treated as such when determining any disciplinary action to be taken.

APPENDIX A

SECURITIES TRADING POLICY OF BENIHANA INC.

OVERVIEW

Introduction

The United States securities laws contain very strict prohibitions against trading in securities of publicly held companies on the basis of material, non-public information or while securities offerings are in progress. These laws place the responsibility on Benihana's officers, directors and employees to ensure that material, non-public information about Benihana is not used unlawfully in the purchase and sale of securities.

The Benihana Securities Trading Policy applies to:

- all securities of Benihana owned by employees; and
- all securities of other companies about which you learn of material, non- public information through your work at Benihana.

Material Information

Information is *material* if:

- the information could affect the market price of a security
- a reasonable investor would consider it important in making an investment decision.

Examples of material information

Following is a partial list of items considered to be material:

- mergers
- acquisitions
- joint ventures
- entry into or termination of significant contracts
- company projections and strategic plans
- significant pricing changes
- major developments in new products or product lines
- tender offers or recapitalizations
- securities offerings
- significant changes in management
- liquidity problems
- defaults under significant agreements
- bankruptcy filings
- significant litigation
- changes in
- earnings estimates or actual earnings
- sales or revenue trends
- previously disclosed financial information
- dividend policies

- debt ratings
- If you are not sure if information is material, assume that it is.

Non-Public information

Information is non-public until it has been made generally available to investors, usually by distribution of a press release, and enough time has elapsed to permit the investment market to absorb and evaluate the information. While information appearing in widely accessible sources (like newspapers) becomes public very soon after publication, information appearing in less accessible sources (like regulatory filings) may take several days to be deemed public.

At a minimum, two full business days after the day information is released to the press must pass before information is considered public.

Insider Trading Policy

Material, non-public information must be held in strict confidence. Employees who have material, non-public information relating to a company may *not* buy or sell the securities of that company until the information has been released to the public and sufficient time has passed to allow investor reaction.

You are violating insider trading laws if you or members of your immediate family (spouse or children living at home):

- trade while possessing material, non-public information;
- provide a tip to another about material, non-public information; or
- recommend the purchase or sale of securities during an offering of securities.

Before buying or selling securities of Benihana, you should refer to this policy to determine if the transaction is permitted.

Note: If you have any questions or concerns, contact Jose Ortega at (305) 593-0770

Examples of violation

The following are examples of policy violations:

-  calling your sister to tell her that Benihana is about to buy a major stock position in another company;
-  selling your stock in Benihana before public disclosure that a major lawsuit has been filed against the Company
-  buying stock in another company which Benihana plans to acquire through a merger or tender offer; or
-  buying stock in Benihana before the announcement of favorable earnings information.

Legal/corrective action

Violation of insider trading laws could result in:

- up to 10 years in jail;
- a criminal fine of up to one million dollars;
- a civil fine of up to three times the amount of profit gained or losses avoided;
- injunctive actions;
- punitive damages (under applicable state laws); and/or
- dismissal from Benihana.

Distribution and execution of policy memorandum

All directors, officers and executive office employees and restaurant managers and senior chefs of Benihana will receive a copy of this Securities Trading Policy to ensure that they are fully informed about trading restrictions.

You are required to sign the acknowledgment form provided at the end of this policy to indicate that you have read and understood the securities trading policy and agree to comply fully with all provisions.

GUIDELINES TO AVOID INSIDER TRADING**Introduction**

To ensure compliance with insider trading laws and Benihana's policies, follow the guidelines described below. In circumstances which are not covered, or if you have any questions as to the propriety of a trade, contact Jose Ortega.

Disclosing material information

Material, non-public information can only be disclosed on a need-to-know basis within Benihana as well as to outside advisors, such as attorneys and accountants working on the specific matter or transaction.

Trading in securities of Benihana

Insiders: No member of Benihana's board of directors, any officer or employee of Benihana or Haru or any of their subsidiaries employed at Headquarters, or as Managers or Chefs, (collectively, "Insiders"), may trade in the securities of Benihana during the period beginning 21 days before the end of a fiscal quarter and ending at the open of business on the third business day following the date of public release of earnings for that quarter or year, as applicable. Schedule A lists the last day of Benihana's next twenty fiscal quarters and the day which is 21 days prior to that date.

In addition, no trading is permitted during the period from the date of public announcement of any material information until the open of business on the third business day thereafter.

All employees: Notwithstanding the time restrictions noted above, trading in Benihana's securities by any Benihana employee is not permitted during any period if you are in possession of material, non-public information. **Please be aware that Jose Ortega may from time to time notify all Benihana personnel that trading will not be permitted by anyone during a specified period.**

Trading is permitted during a restricted period only for personal hardships and must be approved in advance by Jose Ortega.

Exceptions

Trading restriction within restricted periods:

- *does not* apply to (i) the automatic investment in securities pursuant to the stock purchase feature of the Administrative Incentive Compensation Plan or other stock purchase plan Benihana may adopt, (ii) the acquisition of securities upon the exercise of stock options, or (iii) the conversion of convertible securities, the exercise of warrants or the exercise of rights in a rights offering.
- *does* apply to (i) any optional securities purchases pursuant to an employee stock benefit plan should Benihana adopt such a plan, and (ii) the sale of stock acquired in any of the following events:
 - the exercise of stock options;
 - the conversion of convertible securities;
 - the exercise of warrants; or
 - the exercise of rights in a rights offering.

Trading in securities of other public companies

This Benihana Securities Trading Policy currently does not regulate the trading by Benihana personnel in the securities of any public company, other than Benihana, unless you are in possession of material, non-public information regarding that company.

If you possess material, non-public information about another company that could affect the value of the securities of that company, you should *not* place or recommend that anyone else place a purchase or sale order in those securities.

Example: Violation of the securities laws occurs when an employee or director learns through Benihana sources that Benihana intends to purchase assets from a company, and then buys or sells stock in that other company because of the likely increase or decrease in the value of its securities.

Short sale of securities

In a *short sale*, the seller sells shares not owned by the seller in the hopes of buying the shares at a lower price in the future in order to earn a profit.

Do *not* engage in a short sale of securities of Benihana.

Section 16 and “Short Swing” Profits

Directors and officers of Benihana and holders of 10% of Benihana’s stock (“Section 16 Individuals”) are subject to certain additional restrictions on trading in securities of Benihana. Section 16 Individuals are reminded that Section 16 of the Securities Exchange Act of 1934 requires that all changes in beneficial ownership of equity securities of Benihana be reported to the Securities and Exchange Commission, Benihana and the NASDAQ, and that any profit resulting from a purchase and sale, or sale and purchase, of Benihana’s equity securities within any period of less than six months, known as “short swing” profits, is recoverable from the Section 16 Individual by Benihana. This includes purchases and sales of common stock of Benihana and securities which are convertible into common stock. Section 16 also prohibits all short sales in Benihana’s stock by Section 16 Individuals. The rules on recovery of short swing profits are absolute and do not depend on whether a person has material, non-public information at the time of the transaction. Questions about the application of these rules should be directed to Jose Ortega.

**ENFORCEMENT PROCEDURE ADDENDUM
To
BENIHANA INC. CODE OF BUSINESS CONDUCT AND ETHICS**

1. Upon receipt of a complaint, the Audit Committee or the Investigating Committee, as the case may be, shall first determine whether the conduct complained about, if verified, constitutes a violation of the Code as would warrant discipline. If it answers this question in the affirmative, the Committee considering the Complaint shall then take such steps as it deems reasonably necessary to determine the truth of the allegations made. In essence, the Committee shall act as a tribunal to resolve the issues raised by the complaint.

2. In conducting the inquiry contemplated by paragraph 1, the Audit Committee or Investigating Committee shall have the unlimited authority to retain, at the expense of the Company, such professional assistance, including, legal, accounting and investigative experts, as such Committee may deem useful in its investigation. In the event the Chairman of such Committee determines that the relationships between the Committee members and the person or persons accused of malfeasance are such as to create conflicts of interests in the discharge of the Committee's responsibilities sufficient so as to frustrate the Committee's ability to act effectively, the Committee Chairman shall retain, at the Company's expense, an appropriate unrelated firm of outside experts to conduct such investigation. Any complaint containing allegations of misconduct by the Company's Chief Executive Officer shall be investigated by such an outside firm selected by the Chairman of the Audit Committee.

3. In the event the Audit or Investigating Committee, as the case may be (or the independent investigating firm, if retained), shall determine that a breach of the Code has occurred by an officer or Director of the Company, such Committee (or investigating firm, if it was retained) shall determine (i) what action, if any, is necessary to repair or remediate any damage sustained by the Company or others by such conduct and (ii) the appropriate disciplinary action for such conduct. Such disciplinary action may range from a reprimand or censure to and including dismissal as an officer, or removal as a Director of the Company. In cases of violation of law, such Committee or the Company's Board of Directors in the instance of retention of an investigating firm shall, after taking advice of counsel of its choice, determine whether to report such violations to the appropriate enforcement authority.

4. The Audit or Investigating Committee, or independent investigating firm, as the case may be shall report its findings to the Company's Chief Executive Officer (or, if the Chief Executive Officer is a subject of the proceeding, to the Chairman of the Audit Committee) who shall be responsible for the implementation of such committee or firm's findings as to remediation and discipline. In the event the investigating body is the Audit Committee or an independent investigating firm (but not an Investigating Committee comprised of the Company's independent directors), the Chief Executive Officer or the Chairman of the Audit Committee (if

the Chief Executive Officer is the subject of the investigation) shall have the right to request that a Committee consisting of all of the Company's independent directors (a "Review Committee") review the findings and recommendations of the Audit Committee or independent investigating firm. Such Review Committee shall have full authority to make such investigations as it deems necessary or prudent, and shall have the unlimited authority to retain, at the expense of the Company, such professional assistance, including, legal, accounting and investigative experts, as such Review Committee may deem useful in its review of the findings and recommendations of the Audit Committee or independent investigation firm. The Review Committee shall have the authority to affirm, reject or modify, in whole or in part, the findings of the Audit Committee or the independent investigating firm, and, in such case, the findings of the Review Committee shall be final and binding on the Company, and the Chairman of the Board of Directors (or Chairman of the Audit Committee if the Chairman of the Board of Directors is the subject of the investigation) shall have the responsibility to implement such findings.