

Corporate Governance

Daiwa House Group has been improving corporate governance, adopting a basic policy of establishing a transparent and efficient management system that facilitates fast and accurate decision-making. We will enhance our decision-making and internal controlling systems to set a basic direction for corporate management.

Major initiatives to improve corporate governance

Faster decision-making and clearer management responsibility	
June 1999	Introduction of an executive officer system
June 2001	Directors' term of office shortened from two years to one year
June 2004	Revision of the Articles of Incorporation to allow the acquisition of Company's own shares solely by resolution of the Board of Directors
Improved disclosure and accountability	
June 2002	Online disclosure of invitations to shareholders' meetings (Japanese/English); online execution of voting rights (Japanese only)
August 2003	First quarterly disclosure of business performance
June 2005	Termination of lump-sum retirement payment system for directors and corporate auditors (switch to performance-linked compensation system)
Improvement in management transparency	
June 2003	One outside auditor added to the board of corporate auditors, making five members (three of whom are outside auditors)
June 2005	Number of corporate auditors increased from two to three out of the total of six members of the Board of Corporate Auditors

Corporate governance system

As of June 30, 2005

