

Training Policy for Directors and Audit & Supervisory Board Members

[Supplementary Principle 4.14.1]

Directors and *kansayaku*, including outside directors and outside *kansayaku*, should be given the opportunity when assuming their position to acquire necessary knowledge on the company's business, finances, organization and other matters, and fully understand the roles and responsibilities, including legal liabilities, expected of them. Incumbent directors should also be given a continuing opportunity to renew and update such knowledge as necessary.

[Supplementary Principle 4.14.2]

Companies should disclose their training policy for directors and *kansayaku*.

<Training Policy for Directors and Audit & Supervisory Board Members>

1. When directors and audit & supervisory board members including outside Directors and outside Audit & Supervisory Board Members assume their positions, the Company ensures that they are given the opportunity to acquire necessary knowledge on the Company's business, finances, organization and other matters. The Company also provides opportunities to enhance their understanding of laws related to the Companies Act, as well as of corporate governance and corporate finance so that they can fulfill shareholders' mandate and the role required of Directors and Audit & Supervisory Board Members (fiduciary responsibility) and legal and other obligations. Also, the Company provides opportunities for ongoing updates, as needed.
2. Executive Officers undergo training in overall Company management to ensure that they fulfill the important duty of corporate value creation management by executing operations in a highly productive manner.
3. To cultivate the next generation of members of the Daiwa House Group's senior management, the Company operates the D - Succeed Leadership Enhancement Program for training the next-generation candidates for key positions including branch and office managers. With these programs, the Company strives to expand and enhance the quality of the human resource pool.
4. To carry forward the Company's founding spirit, the Company's senior management undergoes training to ensure they have sufficient knowledge and qualities to discharge the items prescribed in Article 4 (Fiduciary Responsibility) and Article 36 (Management for Corporate Value Creation) of these guidelines in accordance with plans prescribed by the Board of Directors.

(Corporate Governance Guidelines Article 37)