

## Corporate Governance

Daiwa House Industry 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 as the core company of the group.

### 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 2 years to 1 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)
- First quarter of fiscal 2003 Disclosure of business performance data

#### 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)

### Organizational chart of Daiwa House corporate governance system

As of June 30, 2004

