Build robust compliance and internal audit systems by systematically ensuring multiple check functions based on the basic policy for building internal control systems



Constituent member

Directors, Corporate Auditors

Decision criteria

A majority of directors in attendance, and approval of a majority of the attending directors are required.

Constituent member

Chairman: Compliance officer Committee members: President & Representative Director, full-time Directors and outside experts Observers: Corporate Auditors and part-time Directors (do not participate in resolutions) as well as other persons recommended by the Chairman and approved by the Committee.

Decision criteria

Approval of all of the attending committee members is required under the condition where 3/4 or more have attended including a compliance officer and two outside experts.

Constituent member

Chairman: President & Representative Director Vice chairman: full-time director designated by chairman

Committee members: full-time director (excluding compliance officer), office managers of respective department (other than full-time director or compliance officer)

Decision criteria

Approval of all of the attending committee members is required under the condition where 3/4 or more including the chairman and vice chairman have attended together with the compliance officer.

Compliance system

- Develop a compliance system as the most important management issue based on the basic policy concerning compliance.
- Achieve comprehensive compliance by establishing a Compliance Officer and a Compliance Department.
- The Compliance Committee, including outside experts, deliberates on Conflicts of Interests Transaction (Note).
- The Compliance Officer attends the Investment Committee meeting and checks for compliance issues.
- Appointed a person to be in charge of efforts to prevent improper requests and exclude anti-social forces.

Internal audit system

- Establish PDCA cycle for improving operations in each department/office by systematically implementing the internal audit every fiscal year based on the annual internal audit plan.
- Utilize external consulting entity to secure independence of internal audit and obtain an extremely effective internal audit.
- (Note) Interested party transactions that meet a certain criteria must gain approval of Hankyu Hanshin REIT's Board of Directors' Meeting.