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March 15, 2017

Company: DyDo Group Holdings, Inc.
Representative: Tomiya Takamatsu, President
(Code 2590 on the First Section of the Tokyo Stock Exchange)
Inquiries: Naokazu Hasegawa, Corporate Officer
and General Manager of Corporate Communication Department

Notice regarding an Overview of the Results of an Evaluation of the Effectiveness of the Board of Directors

The DyDo Group Holdings Board of Directors has carried out an evaluation and analysis of the effectiveness of the Board of Directors based on the Corporate Governance Code of the Tokyo Stock Exchange Company to further strengthen the functions of the Board of Directors.

1. Analysis/Evaluation Method

In order to analyze and evaluate the effectiveness of the Board of Directors, during the period between December 2016 and February 2017, all directors and auditors carried out a self-evaluation survey, and individual interviews were carried out by the Secretariat of the Board of Directors.

After that, at a meeting of the Board of Directors that was held on March 15, 2017, in addition to analyzing the results of the self-evaluation surveys, and in an attempt to enhance awareness regarding present problems, constructive discussions were held regarding these matters and future efforts to realize a higher level of effectiveness for the Board of Directors.

2. Evaluation Items

The major items featured in the self-evaluation survey were as shown below.

(1)The composition of the Board of Directors.
(2)The operation of the Board of Directors.
(3)The agenda of the Board of Directors.
(4)The framework supporting the Board of Directors.

3. Overview of Analysis/Evaluation Results

On the basis of the outcome of discussions regarding the analysis of the results of the self-evaluation surveys, the Board of Directors of the Company came to the conclusion that “the Board of Directors is functioning effectively.”

- ·President and Representative Director of the Company, Tomiya Takamatsu, is from the founding family of the Company and is one of the major shareholders of the Company. He demonstrates strong leadership, as evidenced by his mid- to long-term management stance and timely and decisive decision-making skills as he leads the Company.
- ·The composition of the Board of Directors is such that its ideal size makes it easy to raise and discuss matters, it has a high degree of independence thanks to the fact that 50% of the participants of the Board of Directors are external directors or external auditors (five out of 10), and it can monitor and supervise things effectively from an objective standpoint.
- ·When discussing important matters, proceedings are carried out while giving respect to the opinions of external directors and external auditors in order to ensure transparent decision-making in the Board of Directors.

There is a shared awareness of the challenges that lie ahead as we seek to strengthen the functions of the Board of Directors and further increase effectiveness.

(1)With regard to the composition of the Board of Directors, we will appoint an even more diverse range of personnel as we push forward with our management strategy to accelerate business development overseas and expand our fields of business.
(2)With regard to the agenda of the meeting of the Board of Directors, we will refine discussion items and further deepen constructive discussion regarding the major directions of our corporate strategy as part of our Group management, and decide how best to handle risk amidst the increasing requirements of our overseas business operations.
(3)With regard to the operation of the Board of Directors, there is room for improvement in the way in which information is provided to external directors, the way in which time is allocated for discussion of matters according to their relative importance, and the way in which information is selected and explained.

4. Future Efforts

In addition to making the transition to a holding company structure on January 21, 2017, in order to streamline decision-making, our Group has delegated authority to each of the individual businesses. We believe that this will enable us to refine discussion items and further deepen constructive discussion regarding the major directions of our corporate strategy as part of our Group management, and gain a better understanding of how best to handle risk amidst the increasing requirements of our overseas business operations.

In the future, on the basis of the results of the evaluation of the efficiency of the Board of Directors, it is our aim to endeavor to strengthen the functions of the Board of Directors and to further increase its effectiveness, while realizing ongoing growth for the Group and increasing mid-to-long-term corporate value.