18th January 2019

To whom it may concern

Company name: OPTIMUS GROUP COMPANY LIMITED
Representative: President and CEO Nobuya Yamanaka
(Section code: 9268　Second Section of the Tokyo Stock Exchange)
Contact: Kiyotaka Kaetsu, General Manager of General Affairs Department
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Notice of establishment of The Conflict of Interest Council

At the Board of Directors meeting held today, we passed a resolution to establish a conflict of interest council (hereinafter referred to as "The COI Council".) as a voluntary advisory body of the Board of Directors. Therefore, we would like to inform you as follows.

1. Background and purpose of establishment of The COI Council

With our group companies, "Corporate Governance" is a mechanism to promote transparent and fair as well as prompt and effective decision making. It is one of the most important aspects of our management roles, based on the understanding of the rights and positions of various stakeholders such as shareholders, employees, customers, business partners, creditors, and local communities.

In the context of our group companies' value chain (see Note 1 below), we have a business structure where the possible risk of potential conflicts of interest can arise, such as where a group company conducts entry inspection in New Zealand for used cars, which another group company is involved in exporting to New Zealand. This business structure is as commented on in "Regarding the recent media reporting on the Vehicle Inspection Services" (disclosed as of 9th November 2018).

The enhancement of governance systems for managing potential conflicts of interest is one of the most important tasks underpinning the credibility of our group's business activities, as well as ensuring the safety of the products we are handling; it also takes into account the challenges that arise in relation to future changes of the regulatory framework and enhanced certification standards; and it warrants the establishment of a body separate to the existing Compliance Committee and Risk Management Committee as an accountability mechanism to manage and reduce the risk of any potential conflicts of interest.

(Note 1)　A structure to absorb, within the group companies, the series of business opportunities that arise in the trading of used cars, from the purchasing of used cars to inspection, transportation, and provision of after-sales service.

2. Main role of The COI Council

In response to consultation by the Board of Directors, The COI Council shall assess the following group company matters and report to the Board of Directors:

(1) Governance environment, maintenance and operation status of regulations concerning conflicts of Interest
(2) Identification and effective management of risk of conflict of interest
(3) Appropriate monitoring and maintenance of appropriate reporting systems
(4) Other matters deemed necessary by the Board of Directors

3. Structure of The COI Council

The COI Council shall include six directors, including one director as a supervisor, who is a (full-time) member of the Company's Audit and Supervisory Committee. Sub members are CEOs, department heads and other key members of the Group companies, who are appropriately qualified. The chairperson of The COI Council shall be the President of OPTIMUS GROUP COMPANY LIMITED.

4. Established on

18th January 2019