

To All Stakeholders:

USS Co., Ltd. President and CEO: Yukihiro Ando Stock code: 4732 Stock exchange listings: Tokyo and Nagoya (first sections) Tel: +81-52-689-1129 Contact: Masafumi Yamanaka Junior Managing Director, Officer, Supervisory Office

Announcement of Absorption-type Merger (Simplified Merger/ Short-form Merger) of Consolidated Subsidiary

USS Co., Ltd. hereby announces that it has decided, at a meeting of the Board of Directors held on August 3, 2010, to absorb its wholly owned subsidiary USS Kanto Co., Ltd (USS Kanto hereafter) in an absorption-type merger as follows.

The disclosure items and contents are partially abbreviated because the merger concerns a wholly-owned, consolidated subsidiary of USS.

1. Aim of merger

As a result of a review conducted to improve the business efficiency of the Group, USS has decided to absorb by merger its consolidated subsidiary USS Kanto that operates the USS Saitama auction site in Iruma City, Saitama Prefecture and the USS Ryutsu auction site in Noda City, Chiba Prefecture.

2. Details of merger

(1) Merger schedule

Meeting of Board of Directors to decide on merger	August 3, 2010
Merger contract concluded	August 3, 2010
Scheduled effective date of merger (date of entry into force)	October 1, 2010
Note:	

The merger is being conducted in accordance with the provisions of Articles 796-3 and 784-1 of the Company Law of Japan and so there is no necessity for the merger contract between USS and USS Kanto to be approved by a shareholders' meeting.

- (2) Merger method USS will absorb USS Kanto. As a result, USS will be the surviving company and USS Kanto will be dissolved.
- (3) Merger ratio and payment No new shares will be issued and no cash-out payment will be made as a result of the merger.
- (4) The merger will have no effect on dealings in the warrants for new shares and bonds with warrants for new shares of the dissolved company.

2. Futoshi Hattori8.04%3. BBH for Fidelity Low Price Stock Fund6.11%and pct. of stock held4. JP Morgan Chase Bank 380055 5.15%5. State Street Bank and Trust Company 5052235.15%(10) Net assets118,390 million yen(consolidated)503 million yen(non-consolid(11) Total assets142,164 million yen(consolidated)869 million yen(non-consolid(13) Net sales59,849 million yen(consolidated)655 million yen(non-consolid(14) Operating income21,940 million yen(consolidated)(244) million yen(244) million yen	5. Fromes of companies to merge					
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(17) Net income per share 418.85 yen (consolidated) (67,422.41) yen (non-consolid	Net income per share	en (consolidated) (67,422.41) yen (non-co	onsolidated)			

3. Profiles of companies to merge

Notes:

1) The contents of items (1) Trade name through (8) Fiscal year of the Profiles of the Companies to Merge are as of July 31, 2010 and (9) Major shareholders and pct. of stock held are as of March 31, 2010.

- 2) The contents of items (10) Net assets through (17) Net income per share of the Companies to Merge are taken from the March 2010 consolidated earnings of USS and the March 2010 non-consolidated earnings of USS Kanto.
- 3) On April 1, 2010, USS Kanto absorbed USS Ryutsu Auto Auction Co., Ltd., a wholly-owned, consolidated subsidiary of USS at the time, by merger. A profile of USS Ryutsu Auto Auction Co., Ltd. as of March 31, 2010, follows.

(1) Trade name	USS Ryutsu Auto Auction Co., Ltd.	(10) Net assets	(39) million yen	
(2) Business activities	Operation of used car auctions	(11) Total assets	630 million yen	
(3) Establishment	February 23, 1999	(12) Equity per share	19,490.81 yen	
(4) Head office	1847-4 Funakata, Noda city, Chiba Prefecture	(13) Net sales	812 million yen	
(5) Representative	President Yukihiro Ando	(14) Operating income	(199) million yen	
(6) Capital stock	11 million yen	(15) Ordinary income	(199) million yen	
(7) Shares issued	2,025	(16) Net income	(73) million yen	
(8) Fiscal year	Ends March 31	(17) Net income per share	(36,473.63) yen	
(9) Major shareholders and pct. of stock held	USS Co., Ltd. 100%			

4. Profile of company after merger

No changes will be made to the trade name, business activities, title and name of representative director, capital stock or fiscal year as a result of the merger.

5. Effect of merger on results of operations

The merger will have minimal effect on the results of operations of the USS Group.