



August 3, 2010

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.

3. Profiles of companies to merge

(1) Trade name	USS Co., Ltd. (Company performing merger)	USS Kanto Co., Ltd. (Company to be absorbed)
(2) Business activities	Operation of used car auctions	Operation of used car auctions
(3) Establishment	October 29, 1980	April 9, 1997
(4) Head office	507-20 Shinpo-machi, Tokai city, Aichi Prefecture	3039-1 Miyadera, Iruma city, Saitama Prefecture
(5) Representative	President Yukihiro Ando	President Yukihiro Ando
(6) Capital stock	18,881 million yen	50 million yen
(7) Shares issued	31,325,000	3,600
(8) Fiscal year	Ends March 31	Ends March 31
(9) Major shareholders and pct. of stock held	1. USS Co., Ltd. 8.98% 2. Futoshi Hattori 8.04% 3. BBH for Fidelity Low Price Stock Fund 6.11% 4. JP Morgan Chase Bank 380055 5.15% 5. State Street Bank and Trust Company 505223 3.49%	USS Co., Ltd. 100%
(10) Net assets	118,390 million yen (consolidated)	503 million yen (non-consolidated)
(11) Total assets	142,164 million yen (consolidated)	869 million yen (non-consolidated)
(12) Equity per share	3,970.03 yen (consolidated)	139,747.94 yen (non-consolidated)
(13) Net sales	59,849 million yen (consolidated)	655 million yen (non-consolidated)
(14) Operating income	21,940 million yen (consolidated)	(244) million yen (non-consolidated)
(15) Ordinary income	22,511 million yen (consolidated)	(227) million yen (non-consolidated)
(16) Net income	12,717 million yen (consolidated)	(242) million yen (non-consolidated)
(17) Net income per share	418.85 yen (consolidated)	(67,422.41) yen (non-consolidated)

Notes:

- 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.
- 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.
- 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.