

October 31, 2001

For Immediate Release:

USS Co., Ltd.
Futoshi Hattori
President and Representative Director
Stock Code: 4732
Stock Exchanges: Tokyo and Nagoya

USS to Absorb Subsidiary USS Japan

USS Co., Ltd.'s Board of Directors approved a resolution today to absorb USS JAPAN Co., Ltd. (USS JAPAN). The merger will take effect on January 1, 2002, as follows.

1. Rationale for the merger

USS JAPAN, a 75%-owned subsidiary of USS, has managed satellite TV used-car auction. With the used-car distribution market expected to undergo a dramatic transformation in the coming years, however, USS has resolved to absorb USS JAPAN. By reinforcing USS' satellite TV auction business through this merger USS aims to achieve greater efficiencies in management from a group perspective, and to strengthen USS' management base.

2. Details of the merger

(1) Merger schedule

Board of Directors' meeting to approve merger agreement : October 31, 2001

Signing of merger agreement : October 31, 2001

Shareholders' meetings to approve merger agreement:

USS : A meeting will not be held pursuant to Article 413-3, Item 1 of the Japanese Commercial Code

USS JAPAN : November 16, 2001 (Scheduled)

Effective date of merger : January 1, 2002 (Scheduled)

Official registration of merger : January 11, 2002 (Scheduled)

(2) Type of merger

USS, as the surviving company, will absorb USS JAPAN, which will be subsequently dissolved.

(3) Merger ratio

Name	USS	USS JAPAN
Merger ratio	1	74

Notes:

1. Share allocation ratio

Every USS JAPAN share shall be exchanged for 74 USS shares, with the exception of the 7,200 USS JAPAN shares held by USS.

2. Basis for the merger ratio

The merger ratio was calculated based on an estimate provided by Shin Nihon & Co.

3. Number of new shares issued as a result of the merger

177,600 shares of USS common stock

(4) Delivered money due to merger

None

3. Profiles of the merging companies (As of March 31, 2001)

(1) Name	USS Co., Ltd. (Surviving company)	USS JAPAN Co., Ltd. (Absorbed company)
(2) Business lines	Management of used-car auction sites	Management of satellite TV used-car auctions
(3) Established	October 29, 1980	May 30, 1994
(4) Head office	507-20 Shinpo-machi Tokai-shi, Aichi-ken 476-0005, Japan	91-1 Aza Nakashiota_Narum-cho, Midori-ku Nagoya, Aichi-ken 458-0801, Japan
(5) Representative director	Futoshi Hattori, President and Representative Director	Futoshi Hattori, President and Representative Director
(6) Common stock	¥6,320 million	¥480 million
(7) Number of shares issued and outstanding	26,637,600	9,600
(8) Shareholders' equity	¥31,588 million	¥1,372 million
(9) Total assets	¥57,762 million	¥2,377 million
(10) Fiscal year-end	March 31	March 31
(11) Number of employees	190	52
(12) Principal customers	Used-car retailers and specialist used-car buyers	Used-car retailers and specialist used-car buyers
(13) Principal shareholders (% shareholding)	<div> <div>Futoshi Hattori</div> <div>14.2%</div> </div> <div> <div>The Mitsubishi Trust and Banking Corporation</div> <div>6.6%</div> </div> <div> <div>Japan Trustee Services Bank, Ltd.</div> <div>4.8%</div> </div> <div> <div>Yukihiro Ando</div> <div>3.3%</div> </div> <div> <div>Hattori Motors Co., Ltd.</div> <div>2.7%</div> </div>	<div> <div>USS Co., Ltd.</div> <div>75%</div> </div> <div> <div>ITX Corp.</div> <div>20%</div> </div> <div> <div>Orix Corp.</div> <div>5%</div> </div>
(14) Principal banks	The Sanwa Bank, Limited Sumitomo Mitsui Banking Corporation	The Sanwa Bank, Limited Sumitomo Mitsui Banking Corporation

(15) Relationship between USS and USS JAPAN	Capital	USS, the surviving company, owns 75% of the absorbed company's shares.
	Management	Four USS directors also concurrently serve as directors of USS JAPAN and one USS director concurrently serves as a statutory auditor.
	Business	Satellite TV broadcasting of on-site used-car auctions

(16) Three-Year Financial Summary

(¥ millions)

	USS (Surviving company)			USS JAPAN (Absorbed Company)		
Years Ended March 31,	1999	2000	2001	1999	2000	2001
Operating revenues	11,841	12,685	14,368	1,761	2,232	3,702
Operating income	5,548	5,906	6,761	529	811	1,304
Recurring profit	5,146	5,581	6,646	493	789	1,308
Net income	2,643	3,185	3,717	281	412	752
Net income per share (¥)	342.01	185.50	139.56	29,316.14	42,943.85	78,376.53
Cash dividends per share (¥)	5.00	5.00	20.00	-	-	-
Shareholders' equity per share (¥)	1,515.22	1,046.17	1,185.86	21,617.69	64,561.54	142,938.08

4. Post-Merger Corporate Profile

(1) Name

USS Co., Ltd.

(2) Business

Management of used-car auction sites

(3) Head office

507-20 Shinpo-machi Tokai-shi, Aichi-ken 476-0005, Japan

(4) Representative director

Futoshi Hattori, President and Representative Director

(5) Common stock

¥6,348 million (The sum of common stock of ¥6,339 million as of Sept. 30, 2001 and capital increase of ¥8 million due to merger)

(6) Total assets

¥60,140 million (¥2,377 million)

Note:

Total assets are calculated based on the total assets of the two companies as of March 31, 2001. The figure enclosed in parentheses represents the projected increase in total assets due to the merger.

(7) Fiscal year-end

March 31

(8) Effect on operating results

USS will present projected operating results, incorporating the effect of the merger with USS JAPAN, at its fiscal 2001 interim earnings conference scheduled for November 20, 2001.