

February 8, 2002

For Immediate Release:

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

USS Establishes a Joint Venture in Italy

USS Co., Ltd. today announced that it has established a joint venture company with Mitsubishi Corporation (Head Office: Chiyoda Ward, Tokyo) and Car World Italia S.p.A. (Head Office: Milan, Italy) to run used car auctions in Italy. The new company is called Auto Exchange Italia S.p.A.

1. Rationale for Establishment

In collaboration with Mitsubishi Corp., USS has been exploring the feasibility of further overseas expansion of its used car auction business. USS decided to form the new company after market research suggested that Italy's automobile industry was urgently in need of an efficient used car auction system.

USS expects the recent adoption of the euro as Europe's single currency to support its efforts to breathe new life into the used car market by stimulating demand in Italy and elsewhere throughout the eurozone, including Germany and France.

The establishment of the new Italian joint venture marks USS' second step in expanding operations overseas, following the launch of auto auction operations in Turkey in October 2001 through a joint venture with Mitsubishi Corp.

2. Profile of the New Joint Venture

- (1) Name: Auto Exchange Italia S.p.A.
- (2) Address: Outskirts of Milan, Italy
- (3) Chairman: Piero Mocarelli (Chairman, Car World Italia)
- (4) Capital: 1 million euros
- (5) Shareholdings

- USS—25%
- Mitsubishi Corp.—25%
- Car World Italia—50%
- (6) Established: February 6, 2002
- (7) Start of business: Summer 2002 (planned)
- (8) Number of employees: 16
- (9) Auction site: Part of an automotive multiplex facility (120,000 m²) on the outskirts of Milan
- (10) Auction method: Automated bidding using POS systems
- (11) Target for number of vehicles submitted to auction:
Fiscal 2002—500 units per auction
Fiscal 2003—1,000 units per auction
(USS targets a contract completion rate of at least 50% from the outset)
- (12) Forecast: Start-up investments will be held in check so as to ensure profitability from the first business year onwards

Supplemental Information

- (1) Size of the Italian passenger car market (Calendar 2001)

New: 2.45 million vehicles

Used: 3.52 million vehicles

- (2) About Car World Italia

Established in 1963, Car World Italia forms the nucleus of one of Italy's largest new car dealerships, handling Ford and Fiat brands. Recently, the company has also become active in the used car business.