

# Project 343

## Accelerating Leadership Growth

USS created **Project 343**, a new medium-term management plan for the fiscal years through March 2009. Consolidated numerical targets have been set as follows:

- Number of vehicle consignments: **3 million**
- Market share: **40%**
- Net sales target: **¥80 billion**
- Ordinary income target: **¥30 billion**



**Futoshi Hattori**  
President and Representative Director

I wish to thank our shareholders and investors for their support and assistance extended to our business activities.

The used vehicle auto auction industry operates in a business environment undergoing an apparent shift to larger-scale auction sites. At the same time, there is an acceleration of restructuring through business partnerships and alliances in a struggle to survive.

Given these factors, USS formulated Project 343, its new medium-term management plan, which comes into effect in fiscal 2005, ending March 31, 2006. Upward revisions are reflected in the new plan, as the initial targets envisioned for fiscal 2006 and stated in the previous plan (vehicle consignments in excess of 2 million, a market share of 30%, and consolidated ordinary income of ¥20 billion) were reached one year ahead of schedule. The new plan maps out a new "growth scenario" for the USS Group, which seeks to **accelerate leadership growth** even further and boost corporate value.

### Question 1

**How do you evaluate the operating results for fiscal 2004, ended March 31, 2005?**

USS achieved a sizable increase in both sales and profits once again in the fiscal year under review, marking the sixth consecutive year of significant growth since we shifted to consolidated book closing. I believe that our aggressive approach to the

market as a leading company in the used vehicle auto auction business has yielded positive results, despite the difficult business environment in which we must operate. In the automobile auction operating segment, we fortified marketing activities and increased capital investment. We also took measures to strengthen our business foundation. Our acquisition of Ryutsu Auto Auction Co., Ltd., an operator of large-scale auction sites, was one such example. In

addition, we accelerated efforts to cash-purchase accident-damaged vehicles as well as used vehicles. We also initiated recycling business for end-of-life vehicles. I expect the new fiscal year (ending March 31, 2006) to mark a good beginning, taking us further down the path toward achieving the targets specified in our medium-term management plan.



USS Ryutsu Site

	Millions of Yen			Percentage Change	Thousands of U.S. Dollars
	2005	2004	2003	2005/2004	2005
<b>For the year:</b>					
Operating revenues .....	¥50,484	¥42,426	¥33,820	19.0%	\$471,813
Operating income .....	20,673	18,017	15,336	14.7	193,206
Income before income taxes and minority interests .....	20,612	16,175	13,727	27.4	192,636
Net income .....	11,815	8,907	7,645	32.6	110,421
<b>At year-end:</b>					
Shareholders' equity .....	84,878	67,498	43,812	25.7	793,251
Total assets .....	115,705	92,539	88,979	25.0	1,081,355
Yen					
<b>Per share:</b>					
Net income:					
Basic .....	¥377.69	¥300.72	¥279.47		\$3.53
Diluted .....	366.03	277.76	242.85		3.42
Cash dividends .....	65.00	50.00	40.00		0.61
U.S. Dollars					

Notes: 1. The U.S. dollar amounts have been translated, for convenience only, at the rate of ¥107=US\$1, the approximate rate of exchange at March 31, 2005.  
2. Net income per share has been computed based on the weighted-average number of shares outstanding during each period.

