

two outside auditors, perform audits on the status of business execution by the directors and on the accounting and financial status of the Company, and also attend the Board of Directors meetings and other major conferences. The office of internal auditors is isolated from the rest of the organization to enhance functionality.

Other measures to strengthen corporate governance include the compilation of a compliance manual, which ensures business practices in strict compliance with laws.



Question 6

**What steps have you taken to increase shareholder value?**

We declared dividends of ¥50.00 per share for the fiscal year ended March 31, 2004, in line with our plans. For the fiscal year ended March 31, 2005, we declared higher dividends of ¥65.00 per share, consisting of interim dividends of ¥30.00 and year-end dividends of ¥35.00. The increased dividends reflect our most important managerial philosophy, which seeks to secure reasonable profit and distribute it to our shareholders, and were decided following comprehensive reviews of our payout ratio and the current financial status and operating results in light of our policy of maintaining stable dividends.

Moreover, we believe that enhanced liquidity of the Company's shares is important to boost the benefits to our shareholders. Therefore, we have carried out stock-splits and reduced the minimum unit of trading for our shares.

We will redouble our efforts to disseminate information, which helps our shareholders accurately understand the status of business at USS, by reinforcing investor relations activities both in Japan and abroad.

We are working especially hard to better serve our overseas investors by narrowing the gap between information for Japanese shareholders and that accessible by overseas shareholders, with a greater number of publications in English tailored to overseas shareholders such as annual reports and notices of shareholder meetings.

USS will not pursue strategies aimed merely at better business results. Rather, in the process of creating corporate value, which facilitates further growth as the leader in the field, we will work to transform USS into an even more attractive company able to meet our stakeholders' expectations while ensuring that we fulfill our role in society. I look forward to your continued support, and to your evaluation of the USS Group's activities from a medium- to long-term perspective.

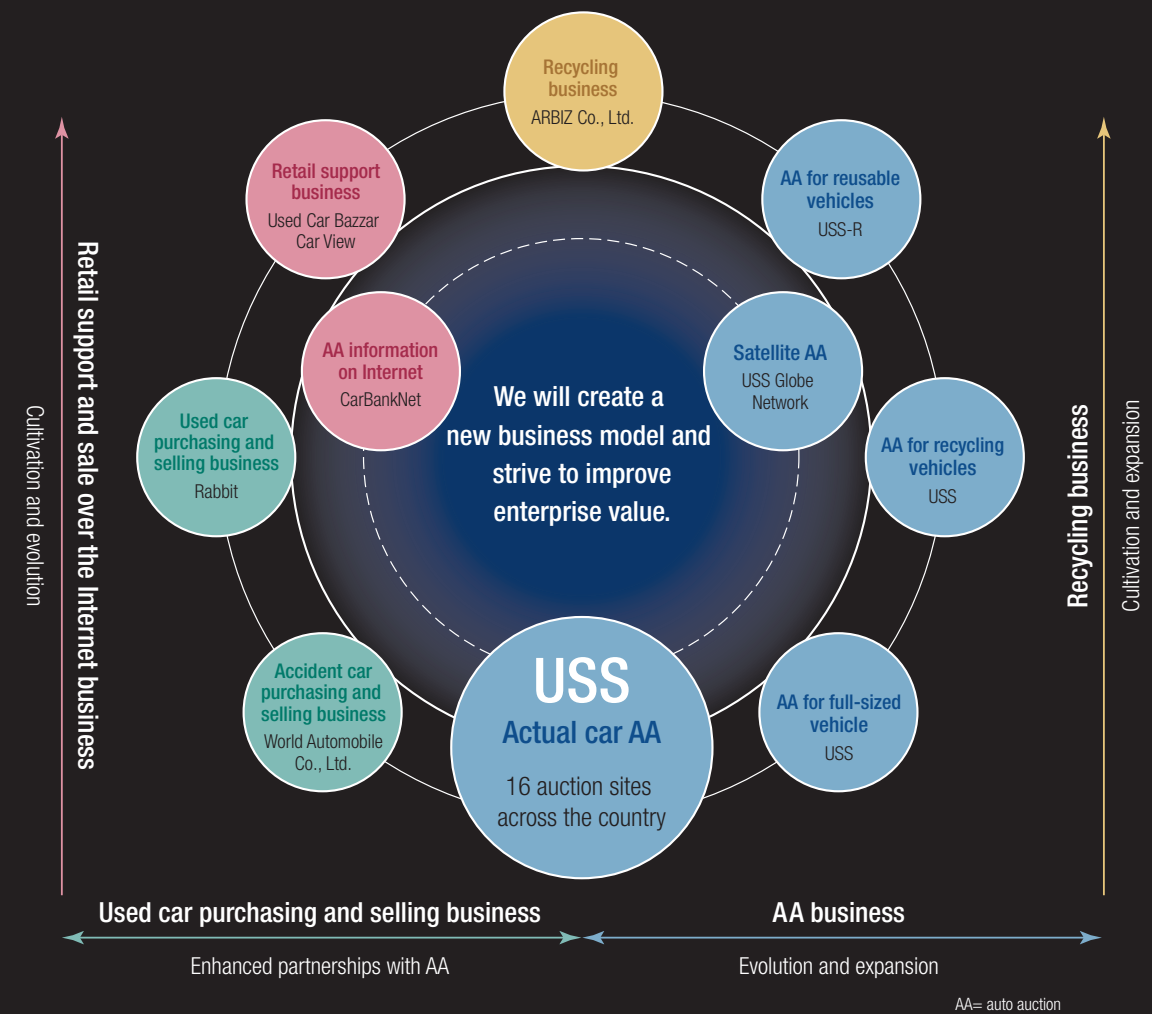


*Futoshi Hattori*  
**Futoshi Hattori**  
 President and Representative Director

**Growth Scenario**



**USS Growth Model**



**Market Share of Vehicles Put Up for Auction in Japan**

