

Growth Scenario 1:  
Launch of New Auto Auction Sites



+ 3

**Accelerating Leadership Growth**

Amid an increasing shift toward and consolidation into larger-scale auction sites in the industry, USS created **3 new large-scale sites** in the greater Tokyo metropolitan area to boost profitability.

**With Three New Sites, USS Is Strengthening Its Market Dominance in the Tokyo Metropolitan Area**

An advantage of running large-scale sites in major cities is a higher contract completion (sell-through) rate, which is attributable to cities' ability to attract many high-quality used vehicles and members. Because deals are closed quickly, greater numbers of quality used vehicles and members are attracted, in a self-reinforcing growth cycle. In other words, scale expansion attracts further growth. In addition to expanding its existing sites, USS has launched three new sites to accelerate its market dominance in the Tokyo metropolitan area and boost profitability.



USS Yokohama Site

**USS Yokohama Site (Opened in February 2004)**

To strengthen USS' presence in the Tokyo metropolitan area, the USS Yokohama site was launched in Yokohama in Kanagawa Prefecture, which has the third highest rate of vehicle ownership in Japan. Situated in a prime location in a superb environment, this state-of-the-art used vehicle business site is easily accessible by land, sea, and air. It has a five-story, six-layered all-weather stockyard with a capacity of 5,300 vehicles, which can be previewed directly from the auction site. The auction site is equipped with the latest available systems. The site averaged 4,166 vehicles per auction during March 2005.

**New USS Tokyo Site (Opened in October 2004)**

Ideally situated on a national highway, the new USS Tokyo site is accessible not only from the northern and eastern Kanto region but also from



New USS Tokyo Site



USS Ryutsu Site

various parts of the Tohoku region to the north, via expressways. Built on a 160,000-square-meter lot, the site is the crystallization of USS' accumulated expertise, as represented by a huge parking space for 20,000 vehicles and a six-lane auction system. Winning bids at this site average around ¥800,000, which is among the highest in the nation, suggesting the availability of quality used vehicles at every auction. On average, 15,195 vehicles per auction were handled by this site during March 2005.

**USS Ryutsu Site (Opened in February 2005)**

USS acquired the Tokyo Used Vehicle Distribution Center Cooperative, located in Koshigaya, Saitama Prefecture, through stock-swap arrangements. The USS Ryutsu site is one of the most prominent auction sites in the nation, with an average volume of 3,610 vehicles per auction on March 2005.