

Report of Independent Auditors



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Report of Independent Auditors

To the Board of Directors and Shareholders of
USS Co., Ltd.

We have audited the accompanying consolidated balance sheets of USS Co., Ltd. and its consolidated subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese Yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of USS Co., Ltd. and its consolidated subsidiaries as of March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As described in Note 3, effective from the year ended March 31, 2005, USS Co., Ltd. and its consolidated subsidiaries have adopted a new accounting standard for impairment of fixed assets. As disclosed in Note 14, USS Co., Ltd. acquired 100% interest in the issued and outstanding shares of common stock of Misawa Toyo Co., Ltd. on April 28, 2005.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying consolidated financial statements.

ChuoAoyama PricewaterhouseCoopers

ChuoAoyama PricewaterhouseCoopers
Nagoya, Japan
June 28, 2005

CORPORATE HISTORY

USS Co., Ltd. and Consolidated Subsidiaries

- 1980**
 - Oct. The forerunner of USS Co., Ltd., Aichi Automobile General Services Co., Ltd., was established and the USS brand name was adopted.
- 1982**
 - Aug. The Company launched its first auction site, USS Nagoya, in Nawa-cho, Tokai City, Aichi Prefecture.
 - Oct. The Company introduced a POS bidding system for the first time in the Chubu region.
- 1987**
 - May The Company began two-lane auctions at USS Nagoya.
- 1990**
 - Jan. The USS Kyushu auction site was opened in Tosu City, Saga Prefecture. The Company introduced two-lane auctions for the first time in the Kyushu region.
- 1994**
 - May The USS Tokyo auction site was opened in Kozutsumi, Funagata, Noda City, Chiba Prefecture.
 - Nov. The USS Kyushu Gold site was opened in Tosu City, Saga Prefecture. USS Kyushu was renamed USS Kyushu First.
 - Dec. The Company established US Butsuryu Co., Ltd.
- 1995**
 - Mar. The parent company was renamed USS Co., Ltd.
 - July Satellite auctions were launched.
- 1996**
 - Apr. The USS Nagoya site was relocated to Shinpou-machi, Tokai City, Aichi Prefecture.
 - July The USS Okayama auction site was opened in Akaiwa County, Okayama Prefecture.
 - Nov. The USS Shizuoka auction site was opened in Fukuroi City, Shizuoka Prefecture.
- 1998**
 - Mar. The USS Sapporo auction site was opened in Ebetsu City, Hokkaido.
 - Nov. The USS West Tokyo auction site was opened in Mizuho-cho, Nishitama County, Tokyo.
- 1999**
 - Sep. USS Co., Ltd., was listed on the Second Section of the Nagoya Stock Exchange.
 - Oct. The USS Gunma auction site was opened in Fujioka City, Gunma Prefecture.
 - Nov. The Company established USS CarBankNet Co., Ltd. (later renamed CAR QUEST Co., Ltd.).
- 2000**
 - Apr. The USS Tohoku auction site, operated by USS Tohoku Co., Ltd., was opened in Karita County, Miyagi Prefecture.
 - Dec. USS Co., Ltd., was listed on the first section of the Tokyo and Nagoya stock exchanges.
- 2001**
 - Jan. The four-lane auction was started at the USS Nagoya site. The USS Tohoku site was relocated to Shibata County, Miyagi Prefecture.
 - Nov. The USS Osaka Auto Auction site was opened in Nishiyodogawa-ku, Osaka.
- 2002**
 - Oct. World Communications Co., Ltd. became a USS subsidiary (later renamed World Automobile Co., Ltd.).
- 2003**
 - Mar. The USS Fukuoka auction site was opened in Chikushino City, Fukuoka Prefecture.
 - Dec. The Company established ARBIZ Co., Ltd.
- 2004**
 - Feb. The USS Yokohama auction site was opened in Yokohama City, Kanagawa Prefecture.
 - June The USS-R auction site was opened in Nagoya City, Aichi Prefecture.
 - Oct. The USS Tokyo auction site was relocated to Kimagase, Noda City, Chiba Prefecture.
- 2005**
 - Feb. The USS Ryutsu auction site was opened in Koshigaya, Saitama Prefecture.

