

Annual Report 2006

For the Year Ended March 31, 2006

The Engine Driving Our Growth
Is *“Mottainai”*



USS Co., Ltd.

“*Mottainai*” means 5Rs.

Mottainai is a Japanese word meaning "(do not be) wasteful" that impressed Dr. Wangari Maathai, Kenya's Assistant Minister of Environment and a Nobel Peace Prize recipient very much on her visit to Japan in February 2005. In fact, she has embarked on a global campaign to promote the concept behind it.

Mottainai embraces the 3Rs essential for the development of a recycling-oriented society with fewer wastes, namely, "reduced consumption," "reutilization," and "recycling," combined with two additional Rs: "refusal to generate wastes" and "repair." It also captures the essence of the business carried out by USS.

At the Frontier of Japan’s Auto Auction Industry

USS has established a firm presence as the leading company in Japan’s automobile auction industry by focusing on the needs of used vehicle auction participants to find creative and systematic solutions.

Its unique business model, supported by a series of innovations including push-button bidding, standardized vehicle inspections, and on-screen vehicle displays and backed by a nationwide network of auction sites, have put USS at the forefront of the industry. The scalability of USS’ business and its ability to provide superior services to its 37,000 auction members have enabled the Company to grow rapidly since its establishment in 1980.

USS’ future growth rests on the expansion of its core auto auction business and ability to create synergies with related businesses. The Company is also committed to making a positive contribution to society by rolling out a series of businesses that make full use of available resources in a sustainable manner. To realize its vision of an auto auction company of tomorrow, USS is working to expand the depth and breadth of recycling-related businesses whose solid growth will complement its core business.

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Cautionary Remark Regarding Forward-Looking Statements

Statements made in this document with respect to USS’ plans, strategies, expectations or projections about the future, and other statements except for historical statements are forward-looking statements.

These forward-looking statements are subject to uncertainties that could cause actual results to differ materially from such statements. These uncertainties include, but are not limited to, general economic conditions, demand for and price of USS’ products, USS’ ability to continue to develop and market advanced products, and currency exchange rates. USS disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.