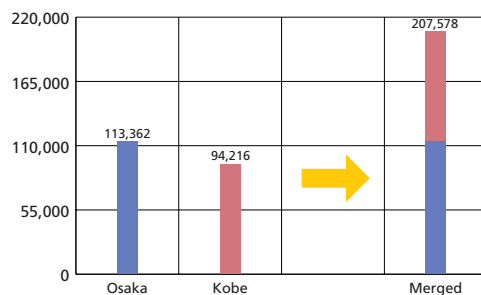


## Merger of Kobe and Osaka, and Strengthening of the Kansai Region

Aiming for the No. 1 share in the Kansai region, where competition in the auto auction market is particularly fierce, we built a multilevel parking garage-type stockyard capable of holding 4,700 vehicles at the Osaka auction site in November 2006, doubling auction processing capacity. Additionally, we merged USS Osaka Co., Ltd. (a wholly owned subsidiary of the USS Group and operator of the Osaka auction site) and USS Kobe Co., Ltd. (a wholly owned subsidiary of the USS Group and operator of the Kobe auction site) to form a new company, USS Kansai Co., Ltd. We plan to maximize the benefits offered by each company through this merger, strive to increase the number of vehicles put up for auction and improve the contract completion rate, and pour all our efforts into obtaining the top regional share.

### Annual Consigned Vehicles



Osaka Auction Site



Kobe Auction Site

## Major Foray into the Sea of Japan Coastal Area, and Opening of the USS Niigata Auction Site

The grand opening of the 18th USS auction site, USS Niigata, was held on April 25, 2007, and was a major turning point in the USS strategy of striving for the No. 1 auction site in each local market. We established the new auction site at an excellent location five minutes from the Nagaoka Interchange, the meeting point of the Kan-Etsu Expressway (entered from the Koshinetsu side) and the Hokuriku Expressway (entered from the Hokuriku and Toyama Prefecture side). In addition to the auction hall, we have situated a stockyard on-site with enough space for 3,000 vehicles, with a land area of 26,000 tsubo (8.6 hectares). The auction building has a two-lane auction system and boasts the latest facilities, and of the 2,284 vehicles put up for auction on the opening day, contracts were completed for 45.1%. In the future, we plan to have 800 vehicles up for auction each time an auction is held, and aim to auction 40,000 vehicles each year.

