

To Our Shareholders



Futoshi Hattori
Chairman



Yukihiro Ando
President and CEO

We would like to start by expressing our sincerest gratitude for the continued support extended by shareholders and other stakeholders in USS Co., Ltd. and the USS Group.

Looking back over the last year, the business environment in the field of used vehicle auctions has seen an increased move toward a focus on large-scale auction sites, together with an acceleration in the “life or death” game of survival of the fittest, manifested via mergers and acquisitions, and business alliances.

In such a climate, the USS Group has been seeking to achieve the targets stated in its medium-term management plan, Project 343 (putting 3 million vehicles up for auction annually, having a market share of 40%, and earning consolidated ordinary income of ¥30 billion by the fiscal year ending March 31, 2009), and to accelerate growth further to become the leading company in the market, as well as further consolidating our management base and enhancing managerial efficiency.

As a result of our efforts, during the fiscal year under review USS achieved consolidated operating revenue of ¥64,569 million, up 7.2% from a year earlier. Operating income rose 7.4%, to ¥24,817 million, ordinary income expanded 7.7%, to ¥25,360 million, and net income grew 9.0%, to ¥14,391 million. Accordingly, USS succeeded in achieving higher revenue and profit for the eighth consecutive fiscal year.

To realize the new management policy of transforming ourselves to become the leading corporation in the used vehicle distribution market to achieve the targets of Project 343 in the future, we intend to make an effective “Next Move,” and aim to further improve our corporate value.

We earnestly hope that all the shareholders and other stakeholders will continue to offer us their precious support.

July 2007

Futoshi Hattori *Yukihiro Ando*