

Automobile Auction Business

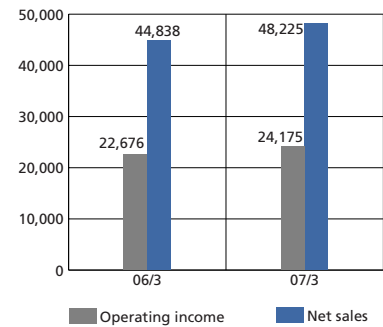
USS pursues strategies aimed at making its sites the best in their respective territories, which are classified into seven geographical areas. The mission to capture the position of the “area’s best” together with the area’s highest market share is underpinned by the Company’s belief that the area’s best site can attract a number of

good-quality vehicles and consequently a number of members, thus ensuring a higher contract closing rate. To reinforce USS’ claim to be the best in each area, a variety of expansion and upgrading initiatives are underway, including construction of new sites and revamping of existing sites.



The Area’s Best Site, USS Nagoya (Parking Garage)

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New Auction Site Openings

Niigata Auction Site (Opened in April 2007)

This auction site was newly built to strengthen USS’ operations base in the untapped Sea of Japan coastal region (the Hokuriku and Koshinetsu regions). The site is located in a favorable position approximately five minutes from the Nagaoka Interchange, an important transportation hub in the Hokuriku and Koshinetsu regions. Participation by foreign buyers is anticipated due to the site’s proximity to the ports of Niigata and Toyama (for details, see p. 3).

Hokuriku Auction Site

In addition to the newly constructed Niigata auction site, we now fully own the Hokuriku auction site via stock transfer, to establish a firm operations base in the Sea of Japan coastal market. The site is located in a favorable position nearby the Katayamatsu Interchange on the Hokuriku Expressway, and is also close to Komatsu Airport. In the 2006 calendar year, the site put up 28,912 vehicles for auction, with 17,552 completed contracts, giving it the top regional share in the Hokuriku region.

Fujioka Auction Site

Together with the Gunma auction site, this site has become a consolidated subsidiary via a capital increase through third-party allocation, to establish a firm operations base in the Sea of Japan coastal market. In the 2006 calendar year, the site put up 34,726 vehicles for auction, with 14,489 completed contracts.



Hokuriku Auction Site



Fujioka Auction Site