

Expansion and Upgrading of Existing Sites

Osaka Auction Site (November 2006)

Construction of a new multilevel parking garage-type stockyard with a capacity of 4,700 vehicles has now been completed. We are poised to thoroughly consolidate our position in the Kansai region, and together with the Kobe auction site are aiming to grasp a regional market share of 30%.

Sapporo Auction Site (August 2006)

We finished construction on the new No. 2 Auction Hall, increasing POS seating to 750 seats. We have also changed the bidding system from two-lane to a concurrent four-lane system, steadily increasing the number of vehicles put up for auction. We achieved a regional share of 54.2% in the Hokkaido region.

West Tokyo Auction Site (Planned for Spring 2008 Onward)

Striving to differentiate this auction site from others in the USS Group, we are moving forward with the acquisition of auction site land with the goal of relocating to a new auction site facility that enables distinctive site management. Our policy is to conduct management that further strengthens links with regional dealers.



Osaka Auction Site



Sapporo Auction Site

Expansion and Strengthening of Infrastructure Investment (Fiscal Year Ending March 31, 2008)

Site name	Bidding system	Infrastructure expansion and strengthening in the fiscal year ended March 31, 2007 (actual)	Infrastructure expansion and strengthening in the fiscal year ending March 31, 2008 (planned)	Vehicle capacity		
				FY 2006	FY 2007	FY2008 (planned)
Nagoya	Concurrent six-lane	Land for auction car parking acquired		10,000	11,000	11,000
R-Nagoya	Interchangeable two-lane			3,500	3,500	3,500
Kyushu	Concurrent four-lane			6,000	6,200	6,200
Fukuoka	Concurrent two-lane			2,500	2,500	2,500
Tokyo	Concurrent six-lane	Land for auction car parking acquired	Two sites to merge	20,000	20,000	23,000
R-Tokyo	Concurrent two-lane			3,000	3,000	
Shizuoka	Concurrent two-lane		Auction site expansion	3,500	3,500	3,500
Okayama	Concurrent two-lane			3,000	3,000	3,000
Sapporo	Concurrent four-lane	Changed to a concurrent four-lane bidding system		4,500	4,500	4,500
West Tokyo	Interchangeable two-lane	Land for relocation acquired	Construction of new auction site	2,000	2,000	2,000
Gunma	Concurrent two-lane			3,000	3,000	3,000
Tohoku	Concurrent two-lane			4,500	4,500	4,500
Osaka	Concurrent four-lane	Stock house constructed		2,000	5,200	5,200
Yokohama	Concurrent four-lane			6,000	6,000	6,400
Ryutsu	Concurrent two-lane			4,500	4,500	4,500
Kobe	Concurrent two-lane			6,500	6,500	6,500
Niigata	Concurrent two-lane	Land for auction site acquired	Construction of new auction site (to open in April)	-	-	2,400
Hokuriku	One-lane		Auction site expansion (operates as USS Hokuriku from April)	-	-	900
Fujioka	Interchangeable two-lane		Auction site expansion (operates as USS Fujioka from April)	-	-	660
Total				84,500	88,900	94,460

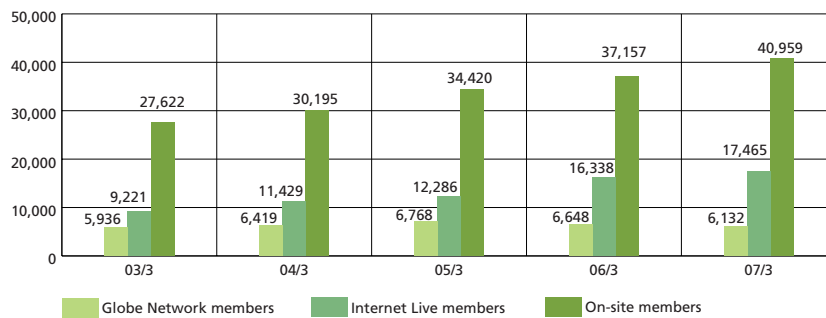
External Bidding System

In a climate where domestic registrations of new vehicles have decreased for three consecutive years, some of the approximately 130 auto auction sites estimated to exist nationwide are seeing declines in their business performance in comparison with previous years, due to a lack of used vehicle supplies.

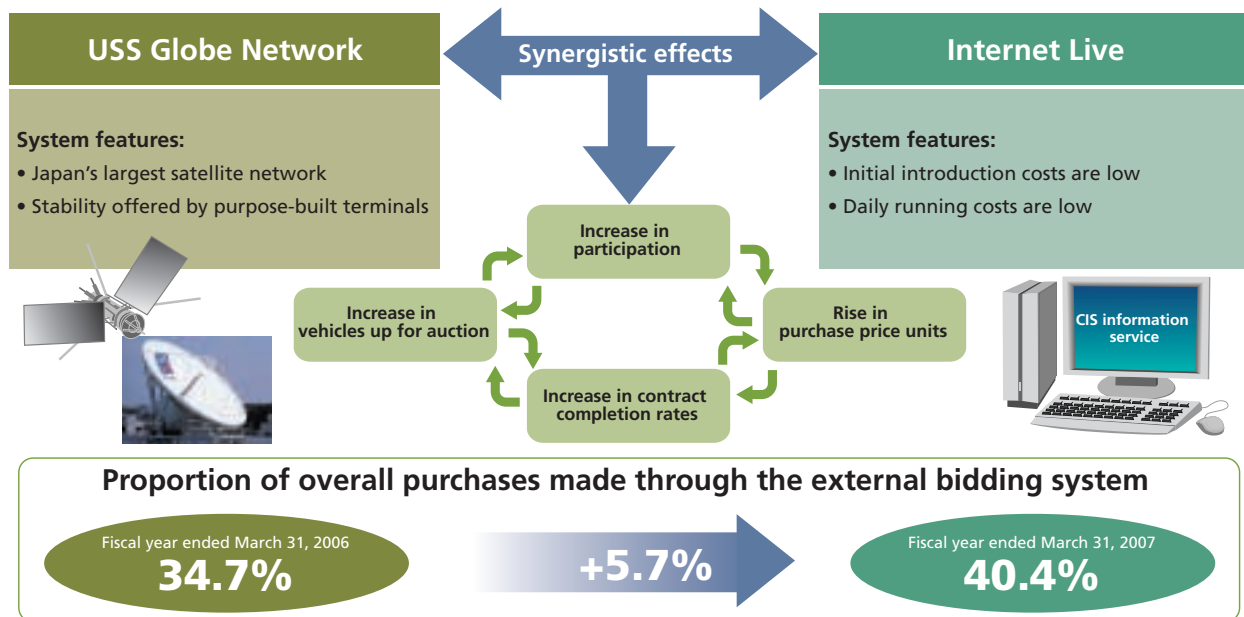
In this context, we believe that USS has been able to expand its share by steadily increasing the number of members bidding via our external network, while maintaining a dominant on-site auction system. This is a result of the synergistic effects achieved via Globe Network and Internet Live.

To prepare for intensified competition in the future, we are moving toward becoming a group with a large corporation at its core. We are moving away from a climate of continual battle among smaller sites, by strengthening small to medium-scale auction sites through a common net auction system, enabling these auction sites to seek survival through alliances with USS. We are taking early and decisive action, and will establish new business alliances with eight companies by March this year.

Number of USS Group Members



External Bidding System



Internet Live began operations in October 2005