



January 18, 2017

To All Stakeholders:

Company: USS Co., Ltd.
 President and Representative Director: Yukihiro Ando
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 Stock exchange listings: Tokyo and Nagoya (first sections)
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USS Board of Directors Approves Acquisition of JAA

The board of directors of USS approved a resolution on January 18, 2017 as follows to purchase the stock of Japan Automobile Auction Inc. (JAA) in order to make this company a subsidiary.

1. Reason for acquiring JAA

USS plans to use the acquisition of JAA to further streamline business operations, which will allow providing even more services for used car auctions. The goal is to further invigorate the distribution of used cars in Japan by increasing the number of vehicles submitted at used car auctions, attract more auction participants and raise the number of vehicles purchased at these auctions. Assuming that the Fair Trade Commission announces that there will be no cease and desist order as stipulated in the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947), USS will purchase 66.04% of the voting rights of JAA.

2. Profile of JAA

(1)	Name	Japan Automobile Auction Inc.	
(2)	Address	3-2-1 Rinkai-cho, Edogawa-ku, Tokyo	
(3)	Representative	Toshihiko Tabata, Representative Director, President and Chief Executive Officer	
(4)	Business activities	Used car auctions and associated activities	
(5)	Capital	¥100 million	
(6)	Established	May 14, 2009	
(7)	Relationships with USS	Capital	None
		Personnel	None
		Business	USS and JAA have signed a business alliance agreement concerning the use of the broadcasting of JAA used car auctions by using the USS satellite TV system.

(8)	Three-year consolidated financial summary and financial condition		
Fiscal year ended March 31	2014	2015	2016
Net assets (million yen)	5,147	7,539	10,716
Total assets (million yen)	17,946	19,987	25,763
Net assets per share (yen)	3,224,998	4,723,760	6,714,743
Net sales (million yen)	9,367	9,271	9,615
Operating income (million yen)	4,155	3,935	3,923
Ordinary income (million yen)	4,089	3,942	3,985
Profit attributable to owners of parent (million yen)	2,325	2,391	2,548
Profit per share (yen)	1,456,947	1,498,739	1,596,502
Dividend per share (yen)	-	-	-

3. Seller of JAA stock

(1) Name	Not disclosed due to confidentiality agreement
(2) Address	Not disclosed due to confidentiality agreement
(3) Relationship with USS	None

4. Shares purchased, purchase price and shares owned before and after purchase

(1) Shares owned before purchase	0
(2) Shares purchased	1,054 (1,054 voting rights)
(3) Purchase price	Not disclosed due to confidentiality agreement with the seller. The purchase price was determined by USS and JAA based on a stock price calculated by an external specialist and by taking into consideration in a reasonable manner the results of legal and financial examinations performed by external attorneys and certified public accountants.
(4) Shares owned after purchase	1,054 (1,054 voting rights; 66.04% of all voting rights)

5. Timetable

(1) Approval by the board of directors	January 18, 2017
(2) Contract signing	January 18, 2017
(3) Purchase date	The date will be determined by USS and the seller

6. Outlook

The acquisition of JAA assumes that, based on the results of an examination by the Fair Trade Commission, there will be notification stating that there will be no cease and desist order as stipulated in the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947).

At this time, USS believes that this acquisition will have only a negligible effect on consolidated results of operations in the fiscal year ending on March 31, 2017. USS believes that this acquisition will make a contribution to consolidated performance in the following years. An announcement will be made promptly if there is any additional significant information concerning this acquisition.

(Reference) Consolidated forecast for the current fiscal year and results of operations in the previous fiscal year

	Net assets (million yen)	Operating income (million yen)	Ordinary income (million yen)	Profit attributable to owners of parent (million yen)
Forecast for the current fiscal year (ending March 2017)	66,800	31,700	32,300	22,200
Results of the previous fiscal year (ended March 2016)	68,607	34,491	35,218	22,477