

December 18, 2003

For Immediate Release:

**USS Co., Ltd.**

Futoshi Hattori

President and Representative Director

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### **USS Establishes Two New Subsidiaries**

USS Co., Ltd. today announced it has established two new subsidiaries as part of its move into the vehicle recycling market—a dedicated end-of-life vehicle (ELV) auction operator targeting low-age, high-mileage ELVs and other types of vehicles, and a joint-venture recycling business with Sanomaruka Corporation. Details are as follows.

#### **Rationale and Background**

In August 2003, USS began auctions of ELVs at its USS Nagoya auction site (Tokai-shi, Aichi-ken). Subsequent forecasts have indicated that the ELV auction market will post significant growth going forward, prompting the company's decision to establish a dedicated ELV auction operating company. Eying the new Automobile Recycling Law that comes into full force at the beginning of 2005, USS is also aiming to expand its business activities by moving into the vehicle recycling market with the establishment of a joint venture with Sanomaruka Corporation.

The dedicated ELV auction operating company will take full control of all USS ELV auctions, which have seen a considerable increase in the number of vehicles put up for auction. Tapping the know-how of USS, the new subsidiary will realize low-cost, efficient auction operations and work to build an aftermarket for low-age, high-mileage ELVs.

The new joint-venture subsidiary established in the vehicle recycling market will combine the tried and tested recycling technologies of Sanomaruka Corporation and the extensive networks built up by the USS

used-car auction business to create an innovative new business model in the recycling field.

Because both companies are scheduled to begin full-scale operations sometime after March 31, 2005, this decision will have no impact on the company's results for the current fiscal year, ending March 31, 2004.

### **Outline of New Subsidiaries**

1. Company Name: USS Recycle Auto Auction Co., Ltd.  
Head Office: 14-24 Showa-cho, Minato-ku, Nagoya-shi  
Capital: ¥90 million (USS Co., Ltd. 100%)  
Representative: Futoshi Hattori, President (President & Representative Director, USS Co., Ltd.)  
Business: Operation of ELV dedicated auction sites and other activities  
Established: December 18, 2003
2. Company Name: ARBIZ Co., Ltd.  
Head Office: 14-24 Showa-cho, Minato-ku, Nagoya-shi  
Capital: ¥90 million (USS Co., Ltd. 51%; Sanomaruka Corporation 49%)  
Representative: Tomikazu Sano, President (President & Representative Director, Sanomaruka Corporation)  
Business: Recycling of used and other vehicles  
Established: December 18, 2003

### **Reference**

1. Overview of partner in ARBIZ joint venture (as of July 31, 2003)  
Company Name: Sanomaruka Corporation  
Head Office: 19-3507 Yamamiya, Fujinomiya-shi, Shizuoka  
Capital: ¥70 million  
Representative: Tomikazu Sano, President  
Business: Recycling of metal resources, ELVs and other material  
Established: July 1978  
Employees: 180
2. Meaning of the ARBIZ Co., Ltd. company name

The name ARBIZ is derived from the phrase “Art of Recycling Business” and is designed to project the image of a company founded on an inspiring business model, a model that harnesses the full range of recycling technology to the point of inspiring and advanced craftsmanship. The company name, which starts with the first letter of the alphabet and ends with the last, is also meant to signify the comprehensive and all-encompassing nature of the company itself.