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For Immediate Release:

USS Co., Ltd.

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USS Concludes Memorandum of Understanding on Stock Swaps

USS Co., Ltd. today concluded a memorandum of understanding on a stock swap between RAA Co., Ltd. and Tokyo Used Vehicle Distribution Center Cooperative, with details as follows.

1. Purpose of Stock Swap

The USS Group currently manages a network of 13 used-car auction sites nationwide. To capture greater market share in the Kanto region, USS commenced operations at the USS Yokohama Site in February 2004, and plans to open the new USS Tokyo Site this October. As part of further efforts to strengthen its hand in the region, USS has decided to acquire Tokyo Used Vehicle Distribution Center Cooperative and its partner RAA Co., Ltd. through a stock swap. Both companies manage used-car auction sites in Koshigaya, Saitama Prefecture.

Tokyo Used Vehicle Distribution Center Cooperative manages one of the largest used-car auction sites in Japan. As of March 31, 2004, the average number of vehicles submitted per auction had reached 2,720, and the total number of members was 3,770. The total number of vehicles submitted to auction in calendar 2003 was 133,280, ranking 9th out of 136 auction sites nationwide.

Reference:

Vehicles Submitted to Auction at Major Auction Sites in the Kanto Region

(No. of vehicles; calendar year)

	2001	2002	2003
USS Tokyo	390,368	430,345	483,730
JAA	208,507	201,712	221,517
JU Saitama	128,788	141,270	143,910
Tokyo Used Vehicle Distribution Center Cooperative	113,139	105,541	133,280
TAA Kanto	90,321	111,585	129,495
CAA Tokyo	85,235	114,237	127,255

(Source: *Monthly Used Car*)

2. Details of Stock Swap Scheme

RAA Co., Ltd. is a partner company involved in Tokyo Used Vehicle Distribution Center Cooperative's used-car auction business. To acquire their used-car auction business, USS plans to successively implement the actions outlined below:

① Incorporation of Tokyo Used Vehicle Distribution Center Cooperative
New corporate name: Ryutsu Auto Auction Co., Ltd. (tentative)

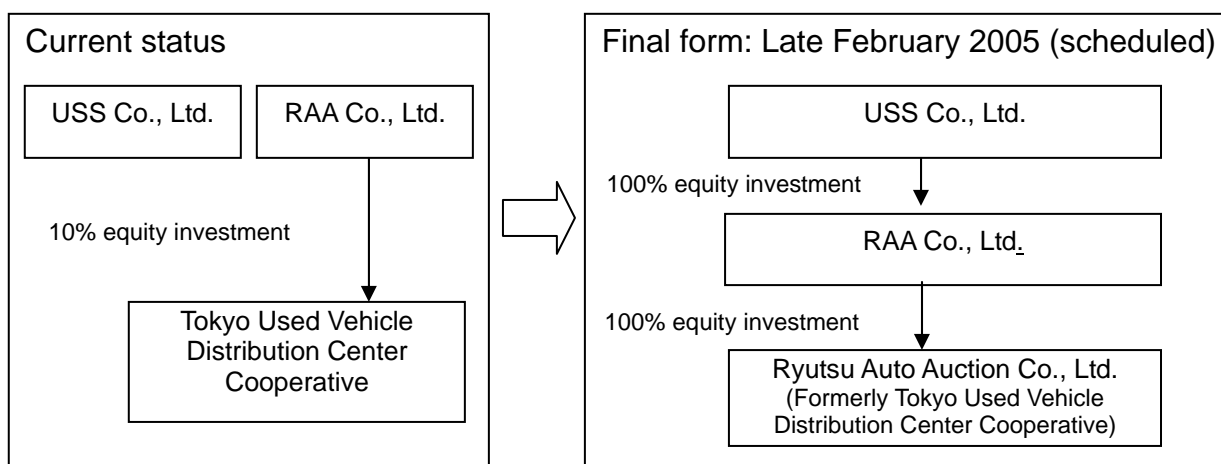
This move will transform Tokyo Used Vehicle Distribution Center Cooperative into a joint stock company in accordance with regulations set forth by laws related to small and medium-sized companies.

② Stock swap between RAA Co., Ltd. and Ryutsu Auto Auction Co., Ltd.
A stock swap will be implemented to make RAA the parent company and Ryutsu Auto Auction (formerly Tokyo Used Vehicle Distribution Center Cooperative) a wholly owned subsidiary of RAA.

③ Stock swap between USS and RAA Co., Ltd.

Following the stock swap described in the above step ②, another stock swap will be implemented to make USS the parent company and RAA a wholly owned subsidiary of USS.

[Chart]



3. Conditions for Stock Swap and Other Details

① Schedule for stock swap

Late December 2004 (tentative)

Early January 2005 (tentative)

Late February 2005 (tentative)

Conclusion of stock swap agreement
Extraordinary General Meeting of Shareholders to approve stock swap agreement (RAA Co., Ltd.)

Stock swap date

USS plans to implement simplified stock-swap procedures pursuant to Article 358-1 of Japan's Commercial Code.

The stock swap agreement between USS and RAA Co., Ltd. is contingent upon the incorporation of Tokyo Used Vehicle Distribution Center Cooperative and the ensuing stock swap between RAA Co., Ltd. and Ryutsu Auto Auction Co., Ltd. (former Tokyo Used Vehicle Distribution Center Cooperative) scheduled for late December 2004.

② Stock swap ratio and other matters

Other matters essential to the stock swaps, including the stock swap ratio, will be determined through further discussions with RAA Co., Ltd.

4. Overview of Companies Involved in Stock Swap

(As of March 31, 2004)

(1) Corporate name	USS Co., Ltd.	Tokyo Used Vehicle Distribution Center Cooperative	RAA Co., Ltd.
(2) Businesses	Auto auction business	Auto auction business	Auto auction brokerage services
(3) Established	October 1980	December 1974	February 1999
(4) Head office location	507-20 Shinpo-machi, Tokai-shi, Aichi-ken 476-0005, Japan	2-4-19 Hanahata Adachi-ku, Tokyo, 121-0061, Japan	2-4-19 Hanahata Adachi-ku, Tokyo, 121-0061, Japan
(5) Representative	President Futoshi Hattori	Chairman Tsutomu Mori	Representative Director Koichi Motoyama
(6) Capital	¥15,600 million	¥257 million	¥11 million
(7) No. of shares issued and outstanding	30,815,069 shares	2,570 lots (investment lots)	225 shares
(8) Net assets	¥63,365 million	¥736 million	(¥16 million*)
(9) Total assets	¥81,487 million	¥1,991 million	¥107 million
(10) Fiscal year	March 31	March 31	September 30
(11) Major shareholders (Composition of shareholders)	Japan Trustee Services Bank, Ltd. (Money Trust) 11.3% Futoshi Hattori 10.7% The Master Trust Bank of 8.9%	RAA Co., Ltd. 10.0% Big Auto Asako Co., Ltd. 10.0% Central Auto, Ltd. 10.0% Ikeda Automobile_ 10.0%	Big Auto Asako Co., Ltd. 11.1% Central Auto, Ltd. 11.1% Ikeda Automobile Cooperative 11.1%

	Japan, Ltd. (Retirement Benefits Trust Account)		Cooperative	Takumi	11.1%
			Daikuma Co., Ltd.	Daimoto	
			10.0%	Sugaya Motors Co., Ltd.	11.1%
	State Street Bank and Trust Company	4.9%	Sugaya Motors Co., Ltd.		
			10.0%	Hitoshi Iwase	11.1%
	Yukihiro Ando	2.9%	Tokyo Auto Center Co., Ltd.	Marufumi Shokai Co., Ltd.	11.1%
		Others	Marufumi Shokai Co, Ltd.		
			10.0%	Matsuoka Automobile Sales Co., Ltd.	11.1%
			Matsuoka Automobile Sales, Ltd.		
			10.0%	Shinsei Auto Plaza Co., Ltd.	11.1%
			Shinsei Auto Plaza Co., Ltd.		
			10.0%		

Note:

Net assets and total assets of RAA Co., Ltd. are as of September 30, 2003.

*RAA Co., Ltd. is expected to eliminate its accumulated deficit in the fiscal period ending September 30, 2004.

(12) Summary of Three Most Recent Fiscal Periods

Fiscal period	USS Co., Ltd.			Tokyo Used Vehicle Distribution Center Cooperative		
	2002/3	2003/3	2004/3	2002/3	2003/3	2004/3
Operating revenues (¥ million)	17,129	21,608	23,583	1,592	1,562	2,143
Recurring profit (¥ million)	8,083	12,669	14,036	76	170	232
Net income (¥ million)	4,147	6,269	6,883	47	80	159
Net income per share (¥)	155.41	229.58	232.96	19,982.77	36,395.46	61,969.21
Dividends per share (¥)	30.0	40.0	50.0	10.0	12.0	10.0
Net assets per share (lot) (¥)	1,254.12	1,520.32	2,055.56	250,322.75	272,107.95	286,495.31

Fiscal period	RAA Co., Ltd.		
	2001/9	2002/9	2003/9
Operating revenues (¥ million)	1,440	844	1,009
Recurring (loss) profit (¥ million)	(14)	(33)	19
Net (loss) income (¥ million)	(14)	(33)	18
Net (loss) income per share (¥)	(68,006.22)	(152,222.71)	82,418.19
Dividends per share (¥)	—	—	—
Net assets per share (¥)	(4,505.09)	(156,727.80)	(74,309.60)

5. Effect on Earnings

Because the stock swap is scheduled to proceed in late February 2005, the stock swap is expected to have a negligible impact on consolidated results for the fiscal year ending March 31, 2005.