

December 21, 2004

For Immediate Release:

**USS Co., Ltd.**  
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### **USS Concludes Stock Swap Contract**

USS Co., Ltd. today announced that it has concluded a contract with RAA Co., Ltd., (RAA) for an exchange of stock, based on an earlier memorandum of understanding signed on September 17, 2004. As a result of this deal, RAA will become a wholly owned USS subsidiary on February 1, 2005. Details are as follows.

#### **1. Schedule for Stock Swap**

December 21, 2004:

Approval of stock swap contract by the Board of Directors

Conclusion of stock swap contract

January 11, 2005 (tentative):

Approval of stock swap contract at an Extraordinary General Meeting of Shareholders (RAA)

(Alternatively, in lieu of a meeting, an RAA shareholder resolution will be acquired by post or other means)

February 1, 2005 (tentative):

Stock swap date

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

## 2. Overview of Stock Swap Contract

### (1) Stock Swap

RAA will become a wholly owned USS subsidiary following an exchange of shares between USS and RAA.

### (2) Stock swap ratio

	USS (Parent company)	RAA (wholly owned subsidiary)
<b>Stock swap ratio</b>	1	163.566

Notes:

#### 1. Stock allocation ratio

USS will issue 331,221 common shares for the purposes of the stock swap. On the day prior to the effective stock swap date, RAA common shareholders listed on the final RAA shareholders' register shall be allocated 163.566 shares of USS common stock in exchange for every one share of RAA common stock.

#### 2. Basis for calculation of the stock swap ratio

USS requested Nikko Cordial Securities Inc. to determine the stock swap ratio. Based on the results of this process, USS and RAA carried out discussions prior to concluding the above contract.

#### 3. Results, methodology and basis of calculations made by third-party institutions

In determining the stock swap ratio, Nikko Cordial Securities used the share market price method for USS. For RAA, the listed peer company comparison, discounted cash flow (DCF) and adjusted net asset methods were applied. The range of the stock swap ratio was calculated based on a comprehensive evaluation of the results of this analysis.

### (3) No. of shares to be issued for the stock swap

331,221 common shares

### (4) Cash payments for the stock swap

No cash payments will accompany the exchange of stock

(5) Start date for calculation of dividends

The start date for the calculation of dividends paid to the new shares issued for the stock swap, shall be October 1, 2004

(6) USS capital and capital reserve

Increase in capital: None

Increase in capital reserve: On the stock swap date, the net assets of RAA will be added to USS' capital reserve

### 3. Summary of Parties to Stock Swap Contract

For further information, please refer to the overviews of these companies in the press release dated September 17, 2004.

#### Operating results for the past three fiscal years

Fiscal Year (Ended)	USS Co., Ltd.		
	March 2002	March 2003	March 2004
Operating Revenues (¥ millions)	17,129	21,608	23,583
Recurring Profit (¥ million)	8,083	12,669	14,036
Net Income (¥ million)	4,147	6,269	6,883
Net Income per Share (¥)	155.41	229.58	232.96
Dividend per Share (¥)	30.0	40.0	50.0
Net Assets per Share (¥)	1,254.12	1,520.32	2,055.56

Fiscal Year (Ended)	RAA Co., Ltd.		
	September 2002	September 2003	September 2004
Operating Revenues (¥ millions)	844	1,009	1,147
Recurring Profit (Loss) (¥ million)	(33)	19	46
Net Income (Loss) (¥ million)	(33)	18	39
Net Income (Loss) per Share (¥)	(152,222.71)	82,418.19	176,825.12
Dividend per Share (¥)	—	—	—
Net Assets per Share (¥)	(156,727.80)	(74,309.60)	105,277.94

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	Ryutsu Auto Auction Co., Ltd. (Note)		
Fiscal Year (Ended)	March 2002	March 2003	March 2004
Operating Revenues (¥ millions)	1,592	1,562	2,143
Recurring Profit (¥ million)	76	170	232
Net Income (¥ million)	47	80	159
Net Income per Share (¥)	19,982.77	36,395.46	61,969.21
Dividend per Share (¥)	10.0	12.0	10.0
Net Assets per Share (¥)	250,322.75	272,107.95	286,495.31

Note: Formerly the Tokyo Used Vehicle Distribution Center Cooperative prior to organizational change on October 29, 2004.

#### **4. Effect on Earnings**

No change since the press release of September 17, 2004.