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For Immediate Release:

USS Co., Ltd.

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USS to Issue Stock Options (Stock Acquisition Rights)

At a meeting of the Board of Directors today, USS Co., Ltd. resolved to issue stock options via stock acquisition rights, pursuant to Articles 280-20, -21 of the Commercial Code of Japan. This resolution is subject to approval at the 25th Ordinary Annual General Meeting of Shareholders scheduled for June 28, 2005. Details are as follows.

1. Reasons for Issuing Stock Acquisition Rights With Specially Favorable Terms and Conditions to Parties Other Than Shareholders:

To provide directors and employees of the Company and its consolidated subsidiaries, and advisors (restricted to advisors who have contracts with the Company and its consolidated subsidiaries) with further motivation and incentive to improve consolidated operating results, pursuant to conditions for the issuance of stock acquisition rights described in Item (2) below.

2. Terms and Conditions for the Issuance of Stock Acquisition Rights:

(1) Persons Eligible for Stock Acquisition Rights:

Directors, employees and advisors of the Company and its consolidated subsidiaries.

(2) Class and Number of Shares to Be Issued for the Purpose of Stock Acquisition Rights:

Up to 300,000 shares of the Company's common stock

If the number of shares granted per stock acquisition right (defined below) is adjusted due to events described in Item (3) below, the number of shares to be issued for the purpose of stock acquisition rights shall be adjusted to the adjusted number of shares granted per stock acquisition right multiplied by the total number of stock acquisition rights.

(3) Aggregate Number of Stock Acquisition Rights to Be Issued:

Up to 30,000

10 common shares granted per stock acquisition right (the number of shares granted). In the event that the Company carries out a stock split or reverse stock split of its common shares on or after the date of issue of stock acquisition rights (issue date), the number of shares granted shall be adjusted in proportion to the stock split or reverse stock split ratio. Fractions less than one share arising out of such an adjustment shall be rounded down.

If a decrease in equity, merger, company split-off, or other such event occurs on or after the issue date that necessitates the adjustment of the number of shares granted, this number shall be adjusted within a reasonable scope, taking into account the conditions of the decrease in equity, merger or split-off.

(4) Issue Price of Stock Acquisition Rights:

Gratis

(5) Total Amount Due Upon Exercise of Stock Acquisition Rights:

The total amount due upon exercise of stock acquisition rights shall be the amount to be paid per share multiplied by the number of shares granted per stock acquisition right. The amount to be paid per share upon the exercise of stock acquisition rights (exercise price) shall be the average closing price of the Company’s common stock ordinarily traded on the Tokyo Stock Exchange on each day in the month preceding the month of the issue date of stock acquisition rights, except days on which no trading is reported (any fraction of a yen rounded up to one yen). Provided, however, that in the event that this amount is lower than the closing price of the Company’s common stock on the day the stock acquisition rights are issued (if no trading took place, the nearest prior trading day shall be used), the closing price shall be used.

If the Company issues new common shares or disposes of treasury stock on or after the issue date at a price below market value (except for the issue of new shares due to the exercise of stock acquisition rights pursuant to Article 280-19 of the Commercial Code of Japan), the amount to be paid per share shall be adjusted according to the following formula (any fraction of a yen rounded up to one yen).

$$\begin{array}{r}
 \text{(Exercise price after adjustment)} = \text{(Exercise price before adjustment)} \times \frac{\text{(Number of shares in issue)} + \frac{\text{(Number of newly issued shares)} \times \text{(Amount to be paid per share)}}{\text{(Share price)}}}{\text{(Number of shares in issue)} + \text{(Number of newly issued shares)}}
 \end{array}$$

In the above formula, the “number of shares in issue” shall be

defined as the number of shares of common stock issued and outstanding less the number of treasury stock owned by the Company. In the event that the Company disposes of treasury stock, “number of newly issued shares” shall be read as “number of shares to be disposed.”

In the event that the Company carries out a stock split or reverse stock split of its common stock on or after the issue date, the exercise price shall be adjusted in proportion to the stock split or reverse stock split ratio. Fractions less than one share arising out of such an adjustment shall be rounded up.

If a decrease in equity, merger, company split-off, or other such event occurs on or after the issue date that necessitates the adjustment of the exercise price, this price shall be adjusted within a reasonable scope, taking into account the conditions of the capital decrease, merger or split-off.

(6) Exercise Period for Stock Acquisition Rights:

From June 29, 2005 to October 31, 2009

(7) Conditions for Exercise of Stock Acquisition Rights:

Only individuals granted stock acquisition rights (stock acquisition right holders) shall be eligible to exercise these rights while maintaining their positions as directors, employees or advisors of the Company or its consolidated subsidiaries, unless stated otherwise in the Stock Acquisition Right Agreement.

In the event of the death of a stock acquisition right holder, eligibility shall not pass to the heir.

The Board of Directors shall determine other conditions

regarding the exercise of stock acquisition rights.

(8) Reasons and Conditions for the Cancellation of Stock Acquisition Rights:

The Company may cancel without compensation stock acquisition rights that are not exercised because conditions in (7) above are not met.

Stock acquisition rights may be cancelled without compensation in the event that the Company becomes an expired corporation through merger following the approval of a contract of merger at the general meeting of shareholders, or becomes a wholly owned subsidiary through an exchange or transfer of shares following the approval of a contract for the exchange of shares or a resolution for the transfer of shares at the general meeting of shareholders.

(9) Transfer Restrictions of Stock Acquisition Rights:

The transfer of stock acquisition rights requires the approval of the Board of Directors of the Company.

(Note) The above resolution is subject to approval at the 25th Ordinary Annual General Meeting of Shareholders scheduled for June 28, 2005.