



February 14, 2012

To All Stakeholders

Company: USS Co., Ltd.
President and CEO: Yukihiro Ando
Stock code: 4732
Stock exchange listings: Tokyo and Nagoya (first sections)
Tel: +81-52-689-1129
Contact: Masafumi Yamanaka
Junior Managing Director, Officer, Supervisory Office

USS To Establish Trust Employee Shareholding Incentive Plan (E-Ship®)

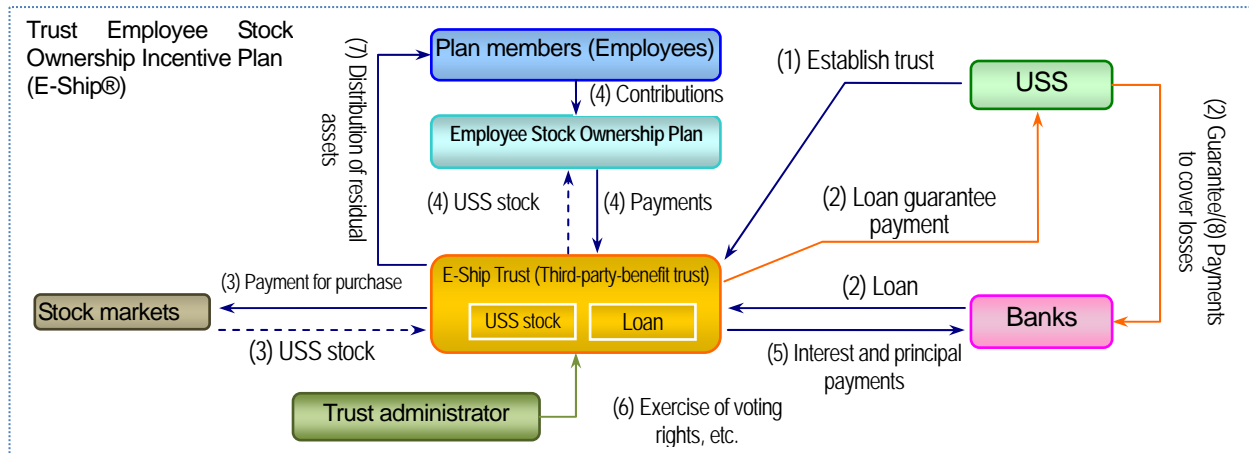
The board of directors of USS Co., Ltd. approved a resolution to offer a trust employee shareholding incentive plan (E-Ship®) (“the Plan”) to its employees as an incentive to increase the company’s value over the medium and long terms. The date of establishment of the trust, amount borrowed by the trust under this plan, the length of the plan and other information will be announced once these items have been determined.

1. Overview of the Plan

The Plan is an incentive program that is available to all employees who belong to the USS Employee Stock Ownership Plan (ESOP). USS will establish the USS Employee Stock Ownership Plan Trust (E-Ship Trust) at a trust bank. This trust will then purchase through the stock market the number of shares of USS stock that the ESOP is expected to purchase (currently estimated to be a number of shares equivalent to approximately 270 million yen) over a certain period (currently expected to be five years) following the trust’s inception. The E-Ship Trust will sell this stock on a continuous basis to the ESOP. If the E-Ship Trust has capital gains from the sale of this stock when the trust is terminated, these capital gains will be distributed as residual trust assets to individuals who are qualified as beneficiaries. USS will guarantee the loans obtained by the E-Ship Trust to purchase USS stock. Consequently, in accordance with the guarantee agreement, USS will cover any remaining liabilities of the trust if the trust has a cumulative capital loss on sales of stock due to a drop in the USS stock price. In this case, when the trust is terminated, USS would repay the remaining portion of the loan that is equal to these capital losses.

The Plan gives employees an additional incentive to increase the company’s value over the medium and long terms. In addition, as a means of expanding employee benefits, the Plan uses the expansion of the ESOP to encourage employees to purchase more USS stock. The Plan thus has the dual goals of increasing corporate value and helping employees accumulate savings.

2. Structure of the Plan



- (1) USS will establish the E-Ship Trust (third-party-benefit trust) with qualified members of the ESOP as beneficiaries.
- (2) The E-Ship trust will borrow the amount from banks that is needed to purchase USS stock. USS will sign a guarantee agreement with the E-Ship Trust and banks for this loan and the E-Ship trust will pay USS a loan guarantee fee.
- (3) The E-Ship Trust will purchase on stock markets the amount of USS stock that is expected to be purchased by the ESOP during the trust period.
- (4) During the trust period, the E-Ship trust will continuously sell the USS stock acquired as described in item 3 to the ESOP at the market price and in accordance with a plan (terms and methods).
- (5) The E-Ship Trust will use proceeds from the sale of USS stock to the ESOP and dividends received from this stock to make interest and principal payments for the loans.
- (6) For USS stock held by the E-Ship Trust, the trust administrator selected to serve the beneficiaries will submit voting instructions and perform other activities.
- (7) If there are residual assets in the trust upon the trust's termination, these assets will be distributed to qualified beneficiaries.
- (8) If there are loans remaining upon the trust's termination, USS will repay these loans in accordance with the guarantee agreement.

3. Profile of USS Employee Stock Ownership Plan Trust

- 1) Name USS Employee Stock Ownership Plan Trust
- 2) Trustor USS Co., Ltd.
- 3) Trustee The Nomura Trust & Banking Co., Ltd.
- 4) Beneficiaries Individuals who fulfill the requirements to be beneficiaries (individuals must complete the prescribed procedure once confirmed as eligible to be beneficiaries)
- 5) Trust contract Date will be announced later
- 6) Trust period Trust period will be announced later
- 7) Trust objectives The objectives are to provide a stable and consistent supply of stock to the USS Employee Stock Ownership Plan and to distribute trust assets to qualified beneficiaries
- 8) Requirements for beneficiaries
Qualified beneficiaries are individuals who have completed the prescribed procedure and who are alive on the starting date for the procedure to confirm qualified beneficiaries (date of completion of conversion and disposal of trust assets upon completion of trust period, date when all USS stock held by the trust has been sold to the ESOP, etc.), belong to the USS Employee Stock Ownership Plan (however, also includes individuals who leave the ESOP due to election as a director or corporate auditor or upon reaching the mandatory retirement age on or after the trust contract signing date and up to the starting date for the procedure to confirm qualified beneficiaries), and not be subject to an asset freeze or other economic sanctions prescribed in the Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949, "Foreign Exchange Law" hereafter) (defined as parties specified by the provisions of Article 6, Paragraph 1 of the Foreign Exchange Ordinance (Ordinance No. 260 of 1980) based on Article 16 of the Foreign Exchange Law).

(Reference)

E-Ship® is a registered trademark of The Nomura Trust & Banking Co., Ltd.

E-Ship® (abbreviation for Employee Shareholding Incentive Plan) is a new type of incentive plan for employees that was developed by Nomura Securities and Nomura Trust & Banking based on conventional employee stock ownership plans, using as reference the employee stock ownership plans that are widely used in the United States.