



June 26, 2012

To All Stakeholders:

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

### **Announcement of Absorption-type Merger (Simplified Merger/ Short-form Merger) of Consolidated Subsidiary**

The Board of Directors of USS Co., Ltd. approved on June 26, 2012 a resolution to merge with five consolidated subsidiaries that operate auction sites. The five companies are USS Sapporo Co., Ltd., USS Tohoku Co., Ltd., USS Hokuriku Co., Ltd., USS Okayama Co., Ltd., and USS Kan-etsu Co., Ltd. The disclosure items and contents are partially abbreviated because the merger concerns a wholly-owned, consolidated subsidiary of USS.

#### **1. Aim of merger**

USS will absorb the five auction site operating subsidiaries to improve the efficiency of the auction business.

#### **2. Details of merger**

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|---|-----------------|
| (1) Merger schedule   |                 |
| Meeting of Board of Directors to decide on merger             | June 26, 2012   |
| Merger contract concluded                                     | June 26, 2012   |
| Scheduled effective date of merger (date of entry into force) | October 1, 2012 |

Note: The approval of merger contracts by shareholders meetings of the companies involved is not required because USS will use the simplified merger procedure stipulated in Article 796, Paragraph 3 of the Company Law and the five subsidiaries will use the short-form merger procedure stipulated in Article 784, Paragraph 1 of the Company Law.

- (2) Merger method  
This is an absorption-type merger with USS the surviving company. The five auction site operating subsidiaries will be dissolved.
- (3) Merger ratio and payment  
No new shares will be issued and no cash-out payment will be made as a result of the merger.
- (4) The merger will have no effect on dealings in the warrants for new shares and bonds with warrants for new shares of the dissolved company.

### 3. Profiles of USS and the Five Subsidiaries

(1) Name	USS Co., Ltd. (Surviving company)	USS Sapporo Co., Ltd. (Company to be absorbed and dissolved)	USS Tohoku Co., Ltd. (Company to be absorbed and dissolved)
(2) Business activities	Operation of used car auctions	Operation of used car auctions	Operation of used car auctions
(3) Establishment	November 13, 1969	June 23, 1997	May 14, 1990
(4) Head office	507-20 Shinpo-machi, Tokai, Aichi	71-9, Kakuyama, Ebetsu, Hokkaido	128 Ashitate, Banzaki, Murata-machi, Shibata-gun, Miyagi
(5) Representative	Representative Director, Chairman and President Yukihiro Ando	Representative Director and President Yukihiro Ando	Representative Director and President Yukihiro Ando
(6) Capital stock	18,881 million yen	50 million yen	100 million yen
(7) Shares issued	31,325,000	1,000	2,000
(8) Fiscal year	Ends March 31	Ends March 31	Ends March 31
(9) Major shareholders and pct. of stock held	1. USS Co., Ltd. 12.79% 2. Futoshi Hattori 8.39% 3. BBH for Fidelity Low-Priced Stock Fund 6.38% 4. State Street Bank and Trust Company 6.07% 5. Japan Trustee Services Bank (Trust Account) 3.72%	USS Co., Ltd. 100%	USS Co., Ltd. 100%
(10) Financial summary			
Fiscal year	Ended March 2012 (Consolidated)	Ended March 2012 (Non-consolidated)	Ended March 2012 (Non-consolidated)
Net assets	121,097 million yen	1,591 million yen	1,293 million yen
Total assets	154,639 million yen	2,697 million yen	1,998 million yen
Equity per share	4,450.26 yen	1,591,818.99 yen	646,878.57 yen
Net sales	64,009 million yen	2,306 million yen	1,269 million yen
Operating income	27,952 million yen	998 million yen	661 million yen
Ordinary income	28,588 million yen	1,010 million yen	678 million yen
Net income	17,054 million yen	573 million yen	362 million yen
Net income per share	609.24 yen	573,985.89 yen	181,186.39yen

Note: Information in (9) Major shareholders and pct. of stock held is as of March 31, 2012.

(1) Name	USS Hokuriku Co., Ltd. (Company to be absorbed and dissolved)	USS Okayama Co., Ltd. (Company to be absorbed and dissolved)	USS Kan-etsu Co., Ltd. (Company to be absorbed and dissolved)
(2) Business activities	Operation of used car auctions	Operation of used car auctions	Operation of used car auctions
(3) Establishment	July 15, 1988	October 26, 1995	June 17, 1997
(4) Head office	1-1 I Ikiri-machi, Kaga, Ishikawa	991 Bouoku, Odani, Akaiwa, Okayama	387 Naka, Fujioka, Gunma
(5) Representative	Representative Director and President Yukihiro Ando	Representative Director and President Yukihiro Ando	Representative Director and President Yukihiro Ando
(6) Capital stock	60 million yen	20 million yen	50 million yen
(7) Shares issued	1,200	400	2,444
(8) Fiscal year	Ends March 31	Ends March 31	Ends March 31
(9) Major shareholders and pct. of stock held	USS Co., Ltd. 100%	USS Co., Ltd. 100%	USS Co., Ltd. 100%
(10) Financial summary			
Fiscal year	Ended March 2012 (Non-consolidated)	Ended March 2012 (Non-consolidated)	Ended March 2012 (Non-consolidated)
Net assets	544 million yen	1,533 million yen	828 million yen
Total assets	772 million yen	2,784 million yen	1,824 million yen
Equity per share	453,735.27 yen	3,833,027.78 yen	338,932.28 yen
Net sales	404 million yen	1,088 million yen	1,404 million yen
Operating income	128 million yen	436 million yen	515 million yen
Ordinary income	128 million yen	447 million yen	524 million yen
Net income	70 million yen	253 million yen	560 million yen
Net income per share	59,005.28 yen	634,250.98 yen	229,530.77 yen

Note: Information in (9) Major shareholders and pct. of stock held is as of March 31, 2012.

#### 4. Profile of company after merger

No changes will be made to the trade name, business activities, title and name of representative director, capital stock or fiscal year as a result of the merger.

#### 5. Effect of merger on results of operations

The merger will have minimal effect on the results of operations of the USS Group.

#### 6. Record date

The record date for shareholders who can exercise their right to ask for the purchase of their stock in association with these mergers is July 18, 2012. Shareholders of record at the close of business on this date will have the right to ask for the purchase of their stock.