



August 3, 2015

To All Stakeholders:

Company: USS Co., Ltd.
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Announcement of Incorporation-type Company Split by Subsidiary and Sale of Stock of the New Company

The board of directors of USS Co., Ltd. approved a resolution on August 3, 2015 for consolidated subsidiary CAR QUEST Co., Ltd. to divest its rubber recycling business. This business will be operated by a new company established through incorporation-type company split (hereafter, "the Split"). The Split is to take place on October 1, 2015. All stock that CAR QUEST receives from the new company will be transferred to USS in the form of a dividend from retained earnings. USS will then sell all of this stock to ENVIPRO HOLDINGS Inc.

I. Purpose of the Split and sale of stock

CAR QUEST has two business units. The Internet Division uses the Internet to provide information about used cars and the Toyo Division recycles rubber.

USS has decided to divest the rubber recycling business of CAR QUEST due to the belief that a separate, newly established company will be better able to expand this business. In addition, USS believes that the best course of action is to sell all shares of this new company, which USS will receive from CAR QUEST as a dividend from retained earnings, to ENVIPRO HOLDINGS, a company with extensive expertise involving the recycling business.

CAR QUEST will remain a member of the USS Group and continue to operate its Internet used car information business.

II. The Split

1. Summary of the Split

(1) Timetable

August 3, 2015		Approval of the Split and establishment of the new company by the directors of USS and CAR QUEST
August 25, 2015	(tentative)	CAR QUEST shareholders meeting to approve the Split plan
October 1, 2015	(tentative)	Date of divestiture
October 1, 2015	(tentative)	Record date for establishment of the new company

(2) Method of the Split

CAR QUEST, a wholly owned subsidiary of USS, will divest a business unit and establish a company to operate this business.

(3) Allocation of stock

The newly established company will issue 2,000 shares of common stock upon its establishment and distribute all of this stock to CAR QUEST. In accordance with Article 763, Paragraph 1-12 (b) of the Companies Act, on the day that CAR QUEST receives this stock, CAR QUEST will transfer the stock to USS as a dividend from retained earnings.

- (4) Payment for split
There will be no payment in association with this split.
- (5) Decrease in capital stock, etc.
There will be no change in the capital stock of USS due to the Split.
- (6) Handling of stock options and bonds with stock acquisition rights of CAR QUEST
This item is not applicable because CAR QUEST has issued no stock options or bonds with stock acquisition rights.
- (7) Rights and obligations transferred to the new company
The new company will receive assets, liabilities, employment contracts and other rights and obligations involving the business stipulated in the separately described business plan on the Split date.
- (8) Outlook for fulfillment of financial obligations
After the Split, based on the current outlook, both CAR QUEST and the newly established company will have more assets than liabilities as well as sufficient earnings to fulfill their financial obligations with no difficulty. Consequently, USS believes there will be no problems concerning debt and other financial obligations.

2. Profiles of CAR QUEST and the new company

		CAR QUEST		New company	
a)	Name	CAR QUEST Co., Ltd.		Toyo Rubber Chips Co., Ltd. (tentative name)	
b)	Activities	Provision of used car information using the Internet		Rubber recycling	
c)	Established	June 27, 1935		October 1, 2015 (tentative)	
d)	Head office	1573 Fukadu, Kasukawa-machi, Maebashi, Gunma * Plan to relocate to 3-10-5 Nihonbashi, Chuo-ku, Tokyo		1573 Fukadu, Kasukawa-machi, Maebashi, Gunma	
e)	CEO	Hiroshi Kojima, President		Yukihiro Ando, President	
f)	Capital	100 million yen		100 million yen	
g)	Shares issued	19,760,000		2,000	
h)	Net assets	2,385 million yen		1,677 million yen	
i)	Total assets	4,473 million yen		2,441 million yen	
j)	Fiscal year end	March 31		March 31	
k)	Employees	54		70	
l)	Shareholder (Pct.)	USS Co., Ltd.	100%	USS Co., Ltd.	100%
m)	Relationship between CAR QUEST and Toyo Rubber Chips				
	Capital	None			
	Personnel	Four directors and one corporate auditor of CAR QUEST are to serve in the same positions at Toyo Rubber Chips			
	Business	None			

Note: The CAR QUEST information is as of June 30, 2015 and information of the new company is projected information following the Split based on performance as of June 30, 2015.

n) CAR QUEST 3-year financial highlights (thousand yen)

Year ended March 31	CAR QUEST Co., Ltd. (Non-consolidated)		
	2013	2014	2015
Net assets	4,620,039	4,744,243	4,401,460
Total assets	6,844,324	6,828,338	6,480,389
Net assets per share (yen)	233.80	240.09	222.74
Net sales	7,010,106	7,496,757	7,505,302
Operating income	4,366,233	4,825,063	4,829,214
Ordinary income	4,388,719	4,836,957	4,839,469
Net income	2,652,632	2,924,203	3,037,472
Earnings per share (yen)	134.24	147.98	153.71
Dividend per share (yen)	141.70	172.06	141.70

3. Profile of the business to be split

(1) Activities

Toyo Division (rubber recycling)

(2) Toyo Division sales and earnings in year ended March 31, 2015 (thousand yen)

	Toyo Division (a)	CAR QUEST (b)	Ratio (a/b)
Sales	1,383,051	7,505,302	18.4%
Operating income	79,406	4,829,214	1.6%

(3) Assets and liabilities to be divested as of June 30, 2015 (thousand yen)

Assets		Liabilities	
	Book value		Book value
Current assets	1,078,501	Current liabilities	254,639
Noncurrent assets	1,363,463	Noncurrent liabilities	509,476
Total	2,441,965	Total	764,115

* The values in this table of assets and liabilities to be transferred from CAR QUEST to Toyo Rubber Chips are based on balance sheet data as of June 30, 2015. The actual value of the assets and liabilities that are transferred may be different.

4. Changes at CAR QUEST due to the Split

After the Split, CAR QUEST plans to move its head office to 3-10-5 Nihonbashi, Chuo-ku, Tokyo. There will be no changes to the company's name, business activities, president, capital or fiscal year.

III. Transfer of Toyo Rubber Chips stock

1. Profile of company transferring this stock

See the profile of Toyo Rubber Chips in "2. Profiles of CAR QUEST and the new company."

2. Profile of the purchaser of this stock (June 30, 2014)

a)	Name	ENVIPRO HOLDINGS Inc.
b)	Head office	3507-19 Yamamiya, Fujinomiya, Shizuoka
c)	CEO	Tomikazu Sano, President
d)	Activities	Recycling of resources
e)	Capital	703 million yen
f)	Established	May 21, 2010

g)	Shares issued	6,465,000	
h)	Fiscal year end	June 30	
i)	Employees	268 (consolidated)	
j)	Major shareholders and shareholding ratio	Tomikazu Sano	47.10%
		Fumikatsu Sano	14.62%
		USS Co., Ltd.	2.78%
		Yutaka Ishii	1.62%
		Akiko Ishii	1.62%
		Shigeru Noguchi	1.12%
		Yuki Miyagi	1.01%
		Yoichi Nishikawa	0.97%
		Masanori Hasegawa	0.96%
	Sumitomo Mitsui Banking Corp.	0.89%	
k)	Relationship between USS and ENVIPRO HOLDINGS		
	Capital	Investments listed in item j)	
	Personnel	None	
	Business	None	

3. Shares sold and change in ownership

a)	Shares originally held	2,000 (100% of voting rights)
b)	Shares sold	2,000 (100% of voting rights)
c)	Remuneration of the shares sold	920 million yen
d)	Shares held after sale	0 (0% of voting rights)

4. Timetable

August 3, 2015		Approval of sale by USS directors
August 3, 2015		Signing of contract for the sale of the stock
December 1, 2015	(tentative)	Transfer of ownership

IV. Outlook

USS is currently studying the effect of the Split and sale of stock on results of operations in the fiscal year ending in March 2016. An announcement will be made promptly if there is a need to revise the fiscal year forecast.

(Reference) USS consolidated forecast (May 13, 2015) and prior year performance (thousand yen)

	Sales	Operating income	Ordinary income	Profit attributable to owners of parent
Forecast for year ending March 2016	71,200	35,000	35,600	23,400
Results for year ended March 2015	67,466	33,411	34,027	21,661