



December 15, 2015

To All Stakeholders:

Company: USS Co., Ltd.
President and Representative Director: Yukihiro Ando
Stock code: 4732
Stock exchange listings: Tokyo and Nagoya (first sections)
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Notice Regarding Absorption-Type Merger (Simplified Merger and Short Form Merger) of Consolidated Subsidiary

The Board of Directors of USS Co., Ltd. (hereinafter “the Company”) on December 15, 2015 approved a resolution to acquire its consolidated subsidiary, CAR QUEST Co., Ltd. (hereinafter, “CAR QUEST”). Details are as stated below.

As the undertaking is a simplified merger of a wholly owned subsidiary, some of the disclosed matters and content have been abridged.

1. Purpose of the merger

The Company decided to acquire CAR QUEST through an absorption-type merger in order to improve the efficiency of the Group’s auction business.

2. Outline of the merger

(1) Timeline of the merger

- Board of Directors’ meeting: December 15, 2015
- Conclusion of the merger agreement: December 15, 2015
- Date of the merger (effective date): April 1, 2016

(Note) The merger will take place without obtaining the approval of general meetings of shareholders to the merger agreement at the Company and CAR QUEST, as it is a simplified merger as specified in Article 796, Paragraph 2 of the Companies Act, and a short-form merger as specified in Article 784, Paragraph 1 of the Companies Act.

(2) Method of the merger

An absorption-type merger that will make the Company the surviving company. CAR QUEST will be dissolved.

(3) Allotment details pertaining to the merger

The merger will not involve issuance of new shares or other consideration including money pertaining to the merger.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the merged company

Not applicable

3. Overview of the companies involved in the merger (as of December 15, 2015)

(1) Item	USS Co., Ltd. (Surviving Company)	CAR QUEST Co., Ltd. (Company to be merged)
(2) Location	507-20 Shinpo-machi, Tokai-shi, Aichi Prefecture	3-10-5 Nihonbashi, Chuo-ku, Tokyo
(3) Title and name of representative	President and Representative Director: Yukihiro Ando	President and Representative Director: Hiroshi Kojima
(4) Main business areas	Management of used car auctions	Provision of used cars auction information through the Internet
(5) Capital	18,881million yen	100 million yen
(6) Date of establishment	November 13, 1969	Jun 27, 1935
(7) Number of shares issued	313,250,000 shares	19,760,000 shares
(8) Fiscal year closing	March 31	March 31
(9) Major shareholders and ownership percentages (Note1)	1. USS Co., Ltd.: 17.23% 2. State Street Bank and Trust Company: 5.28% 3. Dai Seta: 4.79% 4. State Street Bank and Trust Company: Account 505223: 3.70% 5. BBH for Fidelity Low-Priced Stock Fund:3.03%	USS Co., Ltd:100%
(10) Financial status and business results of the most recent fiscal year (Note 2)		
Fiscal year	March 2015 (Consolidated)	March 2015 (Non-consolidated)
Net assets	144,039 million yen	4,401million yen
Total assets	174,106 million yen	6,480million yen
Equity per share	553 yen	222 yen
Net sales	67,466 million yen	7,505 million yen
Operating income	33,411 million yen	4,829 million yen
Ordinary income	34,027 million yen	4,839 million yen
Net income	21,661 million yen	3,037 million yen
Net income per share	83 yen	153 yen

Note 1: (9) Major shareholder and ownership percentages: As of September 30, 2015

Note 2: As disclosed in our press release of August 3, 2015, CAR QUEST divested its rubber recycling business on October 1, 2015 and transferred it to a new entity established through incorporation-type company split. As a result, the Company acquired all stock that CAR QUEST received from the new company in the form of a dividend from retained earnings. USS sold all this stock to ENVIPRO HOLDINGS Inc. Of the above, the financial condition and business results of the subject business as of December 1 are as follows.

Net assets	2,652 million yen
Total assets	3,914 million yen
Equity per share	134 yen
Net sales	6,122 million yen
Operating income	4,749 million yen
Ordinary income	4,753 million yen
Net income	2,988 million yen
Net income per share	151yen

4. Post-merger conditions

The merger does not affect the Company's trade name, location, representative's title or name, business areas, capital or fiscal year.

5. Outlook

This undertaking is an absorption-type merger of a wholly owned subsidiary, and will not have any material impact on the Company's consolidated results.