



May 12, 2009

Dear Shareholders and Investors:

Company Name: USS Co., Ltd.
(Code No. 4732: TSE/NSE Section 1)
Representative: Yukihiro Ando
Representative Director & President
Contact: Masafumi Yamanaka
Junior Managing Director & Officer of the
Supervisory Office
(TEL: 052-689-1129)

Announcement Concerning Reduction in Capital Reserve and Appropriation of Retained Earnings

The board of directors of USS Co., Ltd. approved a resolution on May 12, 2009 to submit proposals concerning a reduction in the capital reserve and the appropriation of retained earnings as follows at the ordinary general meeting of shareholders scheduled for June 24, 2009.

1. Purpose of reduction in capital reserve

USS plans to reverse part of the capital reserve and transfer this amount to other capital surplus pursuant to Article 448, Paragraph 1 of the Corporation Law of Japan. The purpose is to allow USS to take quick and strategic actions involving its capital.

2. Amount of reduction in capital reserve

19,000,000,000 yen of the total capital reserve of 23,583,478,559 yen

3. Timetable for reduction in capital reserve

- | | |
|------------------------------------------------------------------------------------------------|----------------|
| (1) Resolution by board of directors | May 12, 2009 |
| (2) Approval at shareholders meeting | June 24, 2009 |
| (3) Date of public peremptory notice regarding the start of the period for creditor objections | June 25, 2009 |
| (4) Final day for objections from creditors | July 25, 2009 |
| (5) Date of effectiveness | August 1, 2009 |

4. Purpose and description of appropriation of retained earnings

The voluntary reserve will be reversed and this amount transferred to retained earnings brought forward.

- | | |
|---------------------------------------------------|--------------------|
| (1) Retained earnings item to decrease and amount | |
| Voluntary reserve | 42,705,000,000 yen |
| (2) Retained earnings item to increase and amount | |
| Retained earnings brought forward | 42,705,000,000 yen |

5. Outlook

These proposed actions will cause no change in net assets because they involve transfers among items within net assets. Consequently, there will be no effect on results of operations.

The above reductions, reversals and transfers will take place only if the applicable resolutions are approved at the ordinary general meeting of shareholders scheduled for June 24, 2009.