

Human capital

Relevant materiality
Human resources management

Highly trusted automotive inspection professionals

The USS Auto Auction vehicle inspectors earn customer trust by meticulously inspecting vehicles. Employees in our vehicle inspection departments acquire a level one to four certification through the unique USS automobile inspector certification system to learn the knowledge and skills necessary to properly inspect vehicles up for auction. The preparation of systems to develop these automotive professionals ensures consistent and highly precise vehicle appraisals at our auction sites throughout Japan, which helps us succeed in fair and equal auto auctions with a high level of convenience.

Vehicle inspectors (as of March 31, 2023)

248 (**36.3%**)
of all employees

Measures to strengthen capital → P. 52

Start of program to quickly cultivate up-and-comers as vehicle inspectors to actively participate earlier in their careers

USS has begun an initiative to more quickly cultivate vehicle inspectors to respond to the increasing number of vehicles up for auction. In the fiscal year ending March 31, 2024, we have begun providing intensive short-term training to new employees. This program aims to provide the necessary training for employees to receive a level three certification that can evaluate employees as automobile inspectors in one year rather than about three years after joining the company.



Social capital

Relevant materiality
Fair and equitable business dealings

1,000 new corporate members join annually with a large member base throughout Japan

USS has made active capital investments to expand its on-site auctions at 19 auction sites throughout Japan. We have also broadened these auto auctions to six affiliates and these 19 auction sites via TV and internet auction services, which has put in place a system where anyone can participate in auto auctions from anywhere in Japan. High customer praise about this approach to greatly increase the convenience of our auto auctions has led to about 1,000 new companies signing up as members each year. USS will continue to make these kinds of capital investments to further improve convenience and expand its member base.

On-site auction members (as of March 31, 2023)

48,490

Measures to strengthen capital → Pp. 33–34

An increase in the number of lanes expedites auctions to enhance member convenience

The number of vehicles up for auction at USS auction sites is growing. The Tokyo auction site often hosts long auto auctions starting from 9:00 in the morning that run into the night as the venue handling the highest number of vehicles at auction. In light of the current social trend toward work-style reforms, we aim to reduce the amount of time required for these auctions by increasing the number of lanes at the auction site. In May 2023, USS expanded the Kyushu auction site from four to six lanes. These renovations are underway at our other auction sites as well.





Intellectual capital

Relevant materiality
Information management

Actively adopting leading technologies to remain the top market shareholder

USS has actively adopted the latest technologies since its founding, and quickly put in place an internet auction service. We have not only shifted to digital auction sheets but also driven forward various other initiatives through digital transformation efforts over the last several years. These IT and other capital investments have helped us steadily capture an over-40% share of the auto auction market.

Market share (Results Jan. through Dec., 2022 based on research of USED CAR Co., Ltd.)

40.8%

Measures to strengthen capital → P. 16

Aiming to further accelerate a digital transformation to revolutionize core auction systems

We will standardize operations across auction sites and revolutionize our core auto auction systems by the end of 2026. Currently, our sites utilize an old system configured on office computers. However, USS plans to make a transition to an open system, which we expect will further accelerate its digital transformation. This includes a smooth shift to digital auction sheets without the conventional need for several intermediate interfaces.