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Dear Shareholders:

(Securities code: 4732)

June 2, 2025

(Start date of the electronic provision measure: May 30, 2025)

Yukihiro Ando

Chairman and Representative Director

USS Co., Ltd.

507-20 Shinpo-machi, Tokai, Aichi, Japan

## Notice of the 45<sup>th</sup> Annual General Meeting of Shareholders

You are cordially invited to attend the 45<sup>th</sup> Annual General Meeting of the Shareholders of USS Co., Ltd. (the "Company"), which will be held as per the schedule below.

In convening the Meeting, the Company has taken measures to provide the information including the reference materials for the Meeting ("Matters to be Provided in an Electronic Format") in an electronic format and uploaded them on each of the following websites on the Internet.

The Company's website:

<https://www.ussnet.co.jp/ir/stock/meeting/index.html>



The website for General Meeting of Shareholders Materials:

<https://d.sokai.jp/4732/teiji/>



TSE website:

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



\*Access the TSE website by using the internet address shown above, enter "USS" in "Issue name (company name)" or the Company's securities code "4732" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting.")

If you are unable to attend the Meeting, you may exercise your voting rights by mail or via the Internet, etc. We kindly request that you exercise your voting rights no later than **5:00 p.m. on Monday, June 23, 2025.**

<b>1. Date and Time</b>	<b>Tuesday, June 24, 2025, at 11:00 a.m.</b> (reception opens at 10:00 am)
<b>2. Venue</b>	507-20, Shinpo-machi, Tokai, Aichi <b>Head Office of the Company (USS Nagoya Auction Site)</b> (Please refer to the access information on the last page)
<b>3. Meeting Agenda</b>	<p><b>Items to be reported:</b></p> <ol style="list-style-type: none"> <li>1. The contents of the Business Report, the contents of the consolidated financial statements, and the results of the audit of consolidated financial statements by accounting auditors and the Board of Corporate Auditors for the Company's 45th business period (from April 1, 2024 to March 31, 2025)</li> <li>2. The financial reports for the Company's 45th business period (from April 1, 2024 to March 31, 2025)</li> </ol> <p><b>Items to be resolved:</b></p> <p>Item 1: Appropriation of retained earnings</p> <p>Item 2: Election of seven (7) directors</p> <p>Item 3: Election of three (3) corporate auditors</p>

Notes: 1. We are distributing materials on paper documents to all shareholders regardless of if a request was made to receive these documents.

2. If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the each website above.

## Guide to Exercising Voting Rights

### Exercising voting rights by attendance at the General Meeting of Shareholders

Please submit the Form for Exercising Voting Rights at the venue reception. (Seal is not needed.)

- **Please inform us of your means of transportation with the enclosed postcard by June 10, 2025.**

<b>Date &amp; Time:</b>	<b>11:00 am, Tuesday, June 24, 2025</b> (reception opens at 10:00 am)
<b>Location:</b>	<b>Head Office of the Company</b> (USS Nagoya Auction Site) (Please refer to the access information on the last page)

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### Exercising voting rights by mail

Please indicate your approval or disapproval on the enclosed Form for Exercising Voting Rights and mail this form (no postage is needed).

<b>Proxy deadline:</b>	<b>We will accept only proxies that are received by 5:00 pm, Monday, June 23, 2025</b>
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#### < Guide to filling in the voting form >

Please indicate your "For" or "Against" with respect to each proposal.

##### Proposals 1

If you consent: Mark a ○ in the box marked "賛"

If you dissent: Mark a ○ in the box marked "否"

##### Proposals 2 and 3

If you consent for all candidates: Mark a ○ in the box marked "賛"

If you dissent for all candidates: Mark a ○ in the box marked "否"

If you selectively veto certain candidates: Mark a ○ in the box marked "賛" and write the number of each candidate you choose to veto.

#### [Handling of voting rights]

If you indicate neither your "For" nor "Against" with respect to each proposal on the voting form, your answer will be deemed to be "For."

## Exercising voting rights by the Internet, etc.

<b>Proxy deadline</b>	<b>5:00 pm, Monday, June 23, 2025</b>
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### (i) By scanning QR Code (Smart Vote)

**You can exercise your voting rights without entering your voting right exercise code and password by smartphone.**

1. Scan the QR code indicated at the lower right of the voting form.  
\* "QR code" is a registered trademark of DENSO WAVE INCORPORATED.
2. Follow the subsequent input instructions on screen to register your approval or disapproval.

**Note that you can exercise your voting rights only once by using "Smart vote"**

If you need to change your votes after exercising your voting rights, please exercise your voting rights again in accordance with (ii) below.

If you rescan the QR code, you will be taken to the voting rights exercise website described in (ii) below.

The agendas for the General Meeting of Shareholders are available for reference on the Smart Vote page.

### (ii) By entering your voting right exercise code and password

Website for the exercise of voting rights: <https://www.web54.net>

1. Please access the website for the exercise of voting rights.
2. Enter your voting rights exercise code printed on the Exercise Voting Rights Form.
3. Enter your password printed on the Exercise Voting Rights Form.
4. Indicate your approval or disapproval by following the instructions on the screen.  
\*Any fees to internet service providers and telecommunication carriers (such as access fees, etc.) shall be borne by the shareholders.

If you need assistance to operate your PC, mobile phone or smartphone to exercise your voting rights via our website, please call the following number.

Sumitomo Mitsui Trust Bank, Ltd., Stock Transfer Agency Web Support Hotline \*The service is available in Japanese only.  
Telephone: **0120-652-031** (\*Toll free)  
(Business hours: 9:00 to 21:00)

- If a shareholder submits votes by both sending the proxy form by postal mail and voting online, the online votes will be used regardless of whether these votes were received before or after the postal mail proxy form. If votes are submitted several times using the internet or by using both a personal computer and smartphone, only the votes that were received last will be valid.
- Accessing the voting website may not be possible when using certain personal computer or smartphone internet connections or settings.

### For institutional investors

\* Institutional investors may exercise their voting rights electronically from the Web-based voting platform operated by ICJ Inc.

## Submission of questions in advance

In addition to questions to be asked at the venue on the day of the Annual General Meeting of Shareholders, questions regarding the agenda for the General Meeting of Shareholders and the management of the Company will be accepted on the dedicated website.

Among questions submitted in advance, we will answer those that are of significant interest to shareholders on the day of the meeting.

Please note that we will not be able to provide individual answers to shareholders.

<b>Submission Period</b>	<b>From 9:00 AM on June 2, 2025 (Monday)</b> <b>to 5:00 PM on June 22, 2025 (Sunday)</b> Each shareholder may submit up to two questions.
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<b>How to submit</b>	Please access the following website by entering the following URL directly on your computer or smartphone, or by reading the QR code. <b>Website for the live webcast: <a href="https://ussnet-vsm.ir-navi.jp">https://ussnet-vsm.ir-navi.jp</a></b>
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Required user information to log in	
<b>(1) Shareholder number</b>	Shareholder number is the 9-digit number printed on the enclosed Form for Exercising Voting Rights. Please enter your own Shareholder number.
<b>(2) Postal code</b>	Please enter the postal code as of March 31, 2025, which was recorded in the last register of shareholders. Please enter your own postal code.

Contact for questions about this system:	Support Hotline *The service is available in Japanese only. Telephone: 0120-980-965 (toll free in Japan) Hours: 9:00 AM to 5:00 PM (closed weekends and national holidays)
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## REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Item 1: Appropriation of retained earnings

The Company proposes to appropriate retained earnings as follows:

#### Matters related to year-end dividends

In order to maintain the stability of dividends and the appropriate distribution of earnings to shareholders, USS has established a consolidated dividend payout ratio target as a policy for paying a dividend that reflects results of operations. Currently, the basic policy is to pay a dividend that results in a consolidated payout ratio of at least 55%.

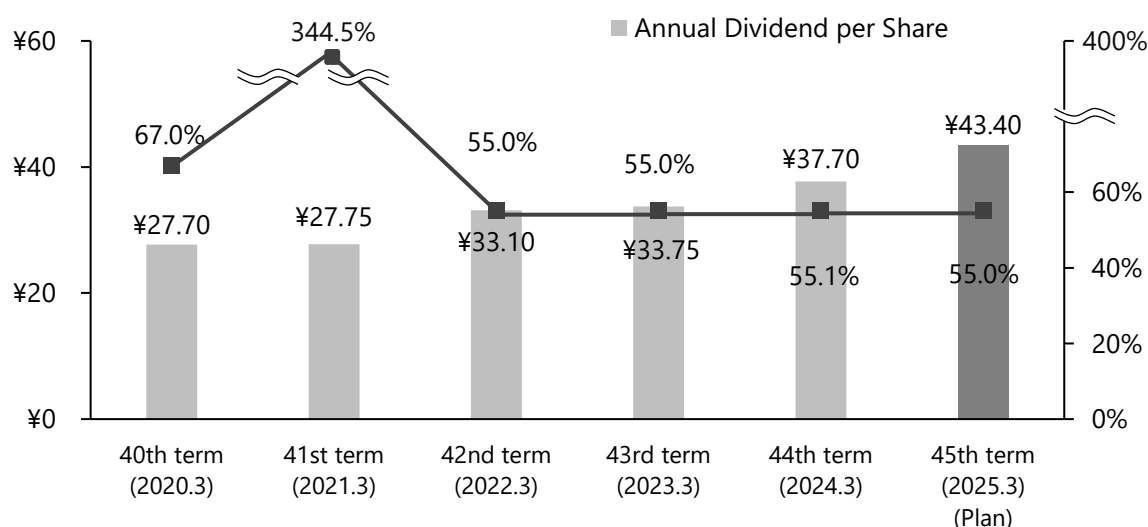
USS proposes to pay the following year-end dividend based on the basic policy above.

<b>Type of dividend property</b>	Cash
<b>Matters concerning allotment of dividend property and the total amount</b>	Amount per common share 22.80 yen
	Total Amount 10,798,362,218 yen
	Since the Company paid an interim dividend of 20.60 yen per share, the final annual dividend will total 43.40 yen per share for the fiscal year under review.
<b>Date when the dividends from retained earnings take effect</b>	June 25, 2025

(Reference)

In addition to the basic dividend policy of a consolidated dividend payout ratio of at least 55%, the Company have set a three-year shareholder return policy for the fiscal years ending March 2025 to March 2027, with a total return ratio of at least 80%. In association with a reexamination of the importance of using capital efficiently, USS has decided that distributions to shareholders should be increased as part of measures for the growth of shareholder value. The Board of Directors has resolved at a meeting held on May 13, 2025 to raise the target consolidated dividend payout ratio to at least 60%. Also the company has set the target total payout ratio of at least 100% as the new shareholder return policy for the next three years (from FY3/2026 to FY3/2028).

#### Annual Dividend per Share and Consolidated Dividend Payout Ratio



(Note) On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock. Dividends per share are stated after retroactive adjustment for the stock split.

## Item 2: Election of seven (7) directors

The Company places importance on the managerial responsibilities of Directors and therefore it is provided in the Articles of Incorporation that the term of office of Director is one year to ensure its shareholders indicate their confidence in its directors every year. In addition, to downsize the Board Meeting, it is also provided in the Articles of Incorporation that the number of Directors shall not exceed 12.


The terms of office of all other seven (7) Directors will expire at the close of the 45th Annual General Meeting of Shareholders ("the current Annual General Meeting of Shareholders").

Shareholders are asked to approve the election of the following 7 director candidates, including 3 outside directors in accordance with the provisions of the Articles of Incorporation in order to promote an agile management capable of responding appropriately to changes in management environment.

Brief information on the candidates is as follows:

No.	Name				Current Position and Duties at USS	Nominations and Remuneration Committee	Number of years in office
1	Reelection	Yukihiro Ando	78 years old	Male	Chairman and Representative Director, Chief Executive Officer (CEO)	◎	43
2	Reelection	Dai Seta	58 years old	Male	President and Representative Director, Chief Operating Officer (COO)	○	21
3	Reelection	Masafumi Yamanaka	70 years old	Male	Executive Vice President and Officer of the Supervisory Office		21
4	Reelection	Hiromitsu Ikeda	64 years old	Male	Junior Managing		21
5	New Outside Independent	Etsuko Nishijima	65 years old	Female	-	○	
6	New Outside Independent	Hisao Takahashi	64 years old	Male	-	○	
7	New Outside Independent	Nobuko Sowa	62 years old	Female	-	○	

- Notes:
1. Ages and number of years in office are as of the close of this shareholders meeting.
  2. A ○ is committee members and ◎ is the chairperson.
  3. The composition of Nominations and Remuneration Committee is as planned after this shareholders meeting.

1	Yukihiro Ando	Reelection	
Date of Birth		Dec. 2, 1946 (78 years old)	
Number of Shares of the Company Owned by the Candidate		15,031,400	
FY 2024 Board Meetings Attendance Record		100% (Attended all 9 meetings)	
Number of years in office		43	
The chair of Nominations and Remuneration Committee			
<b>Brief Profile and Position and Duties at USS</b>			
July 1982		Director of the Company	
Nov. 1989		Senior Managing Director of the Company	
June 1995		Executive Vice President of the Company	
June 2000		Executive Vice President of the Company and Officer of the Nagoya Office	
June 2006		President and Representative Director of the Company President and Representative Director of US Butsuryu Co., Ltd.	
June 2007		President and Representative Director and Chief Executive Officer (CEO) of the Company	
June 2012		Chairman and President and Representative Director of the Company	
June 2014		President and Representative Director of the Company	
Feb. 2018		President and Representative Director of Japan Automobile Auction Inc. President and Representative Director of HAA Kobe Inc.	
June 2019		Chairman and Representative Director, Chief Executive Officer of the Company (at present)	
<b>Significant Concurrent Posts</b>			
-			
<b>Reasons for selection as Director candidate</b>			
Following his election as a Director in July 1982, Mr. Yukihiro Ando was involved as a senior executive in the opening of new auto auction sites and the development of auto auction systems and was the Manager of the Nagoya Office. He became President and Representative Director in June 2006 and was named Chairman, Representative Director and Chief Executive Officer in June 2019. In this position, Mr. Ando has used strong leadership and decision-making backed by many years of experience and accomplishments to oversee large capital expenditures and M&A deals in order to achieve consistent medium to long-term growth of earnings and corporate value. For these reasons, Mr. Ando is a candidate for Director and, if he is elected, we plan to have him remain Chairman, Representative Director and Chief Executive Officer and a chairperson of the Nominations and Remuneration Committee.			




2	Dai Seta	Reelection	
Date of Birth		Dec. 23, 1966 (58 years old)	
Number of Shares of the Company Owned by the Candidate		15,375,500	
FY 2024 Board Meetings Attendance Record		100% (Attended all 9 meetings)	
Number of years in office		21	
Member of Nominations and Remuneration Committee			
<b>Brief Profile and Position and Duties at USS</b>			
Jan. 2004	Executive Officer of the Company and Vice Officer of the Nagoya Office		
June 2004	Director of the Company and Vice Officer of the Nagoya Office		
Mar. 2006	President and Representative Director of USS Support Service Co., Ltd. (Concurrent Post) (at present)		
June 2006	Vice President and Representative Director of the Company and Officer of the Auction Operation Office and Officer of the Nagoya Office		
June 2008	President and Representative Director of ARBIZ Co., Ltd. (Concurrent Post) (at present)		
June 2012	Vice President and Representative Director of the Company and Officer of Auction Operation Office		
June 2015	Vice President and Representative Director of the Company		
June 2019	President and Representative Director, Chief Operating Officer (at present)		
<b>Significant Concurrent Posts</b>			
President and Representative Director of USS Support Service Co., Ltd.			
President and Representative Director of ARBIZ Co., Ltd.			
<b>Reasons for selection as Director candidate</b>			
Mr. Dai Seta has outstanding knowledge and accomplishments concerning the operation of auction sites and was the Manager of the Auction Operations Department. He has also served as the president of consolidated subsidiaries, ARBIZ Co., Ltd. that operates a recycling business, and USS Support Service Co., Ltd. that operates a finance business. To utilize Mr. Seta's outstanding management skills, he was named President, Representative Director and Chief Operating Officer in June 2019. Since then, he has performed the roles of decision-making and supervising business operations very well. For these reasons, Mr. Seta is a candidate for Director and, if he is elected, we plan to have him remain President, Representative Director and Chief Operating Officer and a member of the Nominations and Remuneration Committee.			

3	Masafumi Yamanaka	Reelection	
Date of Birth		Dec. 16, 1954 (70 years old)	
Number of Shares of the Company Owned by the Candidate		69,100	
FY 2024 Board Meetings Attendance Record		100% (Attended all 9 meetings)	
Number of years in office		21	
<b>Brief Profile and Position and Duties at USS</b>			
Jan. 2000		General Manager of the Finance Dept., Supervisory Office of the Company	
Jan. 2004		Executive Officer and General Manager of the Finance Dept., Supervisory Office of the Company	
June 2004		Director of the Company and General Manager of the Finance Dept., Supervisory Office	
June 2006		Junior Managing Director of the Company and Officer of the Supervisory Office	
June 2012		Senior Managing Director of the Company and Officer of the Supervisory Office	
June 2016		Executive Vice President of the Company and Officer of the Supervisory Office (at present)	
June 2020		President and Representative Director of Reproworld Co., Ltd. (Concurrent Post) (at present)	
Oct. 2023		President and Representative Director of Rabbit Car Network Co., Ltd. (Concurrent Post) (at present)	
<b>Significant Concurrent Posts</b>			
President and Representative Director of Reproworld Co., Ltd.			
President and Representative Director of Rabbit Car Network Co., Ltd.			
<b>Reasons for selection as Director candidate</b>			
Mr. Masafumi Yamanaka has expertise in the fields of accounting and finance and acquired outstanding management skills as Manager of the Finance Department and was elected a Director in June 2004 to utilize these skills. Mr. Yamanaka is currently Executive Vice President and Manager of the Supervisory Office. He supervises all administrative operations and uses his thorough knowledge of USS business operations for management activities. In June 2020, Mr. Yamanaka was named president of Reproworld Co., Ltd., which buys and sells accident-damaged vehicles. And in October 2023, He was named president of Rabbit Car Network Co., Ltd., which buys and sells used vehicles. He is a candidate for Director in order to use his experience and knowledge for decisions and business oversight by the Board of Directors. If he is elected, we plan to have him remain Executive Vice President.			

4	Hiromitsu Ikeda	Reelection	
Date of Birth		May 3, 1961 (64 years old)	
Number of Shares of the Company Owned by the Candidate		68,300	
FY 2024 Board Meetings Attendance Record		100% (Attended all 9 meetings)	
Number of years in office		21	
<b>Brief Profile and Position and Duties at USS</b>			
Jan. 2001	General Manager of the System Planning & Business Relations Service Dept., Nagoya Office of the Company		
Jan. 2004	Executive Officer of the Company and General Manager of the System Planning & Business Relations Service Dept., Nagoya Office		
June 2004	Director of the Company and General Manager of the System Planning & Business Relations Service Dept., Nagoya Office		
June 2006	Junior Managing Director of the Company and Officer of the System Office		
Oct. 2010	Junior Managing Director of the Company and Officer of the System Office and in charge of Tohoku Auction Site		
June 2012	Junior Managing Director of the Company and Manager of Tohoku Auction Site		
Apr. 2015	Junior Managing Director of the Company and Manager of Osaka Auction Site and Kobe Auction Site		
Apr. 2018	Junior Managing Director of the Company Junior Managing Director of HAA Kobe		
Oct. 2019	Junior Managing Director of the Company and Manager of Shikoku Auction Site		
Apr. 2021	Junior Managing Director of the Company and Manager of Nagoya and R-Nagoya Auction Site		
Jan. 2022	Junior Managing Director of the Company and Officer of the Auction Operation Office		
Jan. 2024	Junior Managing Director of the Company (at present) President and Representative Director of US Butsuryu Co., Ltd. (Concurrent Post) (at present)		
<b>Significant Concurrent Posts</b>			
President and Representative Director of US Butsuryu Co., Ltd.			
<b>Reasons for selection as Director candidate</b>			
Mr. Hiromitsu Ikeda has experience with the opening of new auction sites and the development of auction systems. He has considerable knowledge and accomplishments involving these systems and he acquired outstanding management skills at the Nagoya Office. He was elected a director in June 2004 to utilize these skills. As a Director, Mr. Ikeda was Manager of the Systems Office, Manager of the Tohoku Auction Site, Manager of the Osaka and Kobe Auction Sites, Manager of the Shikoku Auction Site, Manager of Nagoya and R-Nagoya Auction Site, Junior Managing Director of HAA Kobe which was a consolidated subsidiary and Officer of the Auction Operation Office. He is currently Junior Managing Director he uses his thorough knowledge of USS business operations for management activities. In January 2024, he was named president of US Butsuryu Co., Ltd. which operates arrangement of freight transport and consignment business relating to operation of auctions. He is a candidate for Director in order to use his experience and knowledge for decisions and business oversight by the Board of Directors. If he is elected, we plan to have him remain a Junior Managing Director.			

5	Etsuko Nishijima	New	
		Outside	
		Independent	
Date of Birth		Jan. 6, 1960 (65 years old)	
Number of Shares of the Company Owned by the Candidate		-	
Number of years in office		-	
<b>Brief Profile and Position and Duties at USS</b>			
Sep. 2004		Joined Mitsui Fudosan Retail Management Co., Ltd.	
Apr. 2009		Deputy Manager, Sales Department, Sales Section, Mitsui Fudosan Retail Management Co., Ltd.	
Apr. 2014		Senior Manager, Retail Properties Division, Mitsui Fudosan Co., Ltd. (Seconded)	
Apr. 2015		Director of LaLaport Tokyo-Bay, Mitsui Fudosan Retail Management Co., Ltd.	
Apr. 2018		Manager of Operations Office, Operations Division I, Mitsui Fudosan Retail Management Co., Ltd.	
Apr. 2019		Officer, Manager of Operations Office, Operations Division I, Mitsui Fudosan Retail Management Co., Ltd.	
Apr. 2022		Officer, D&I Planning Manager and Manager of Operations Office, Operations Division I, Mitsui Fudosan Retail Management Co., Ltd.	
Apr. 2023		Officer, D&I Planning Manager, Mitsui Fudosan Retail Management Co., Ltd.	
Apr. 2024		Counselor, Mitsui Fudosan Retail Management Co., Ltd.	
<b>Significant Concurrent Posts</b>			
-			
<b>Reasons for selection as Director candidate &amp; Overview of the expected roles</b>			
<p>Ms. Etsuko Nishijima has experience at Mitsui Fudosan Retail Management as the manager of LaLaport Tokyo-Bay, a large shopping center where she was responsible for managing facilities, operations and personnel. She then became the first female executive officer of the Mitsui Fudosan Group and was the manager of the D&amp;I Planning Department, responsible for empowering women and increasing diversity. At USS, she is expected to use this experience to help strengthen the management of facilities at auction sites. Ms. Nishijima is also expected to provide input and advice concerning the advancement of women and increasing diversity. For these reasons, she is a candidate to become a new Outside Director. If Ms. Nishijima is elected, we plan to make her a member of the Nominations and Remuneration Committee. Although she has no direct corporate management experience, we believe that she can properly perform the duties of an Outside Director for the reasons explained above.</p>			

6	Hisao Takahashi	New	
		Outside	
		Independent	
Date of Birth		Feb. 24, 1961 (64 years old)	
Number of Shares of the Company Owned by the Candidate		-	
Number of years in office		-	
<b>Brief Profile and Position and Duties at USS</b>			
Apr. 1983		Joined Toyo Kogyo Co., Ltd. (currently Mazda Motor Corporation)	
Jan. 1989		Joined Honda R&D Co., Ltd.	
Apr. 2010		President of Honda R&D Asia Pacific Co., Ltd.	
Apr. 2014		Managing Officer of Honda R&D Co., Ltd.	
Apr. 2015		Representative of Production of Regional Operation (China) of Honda Motor Co., Ltd., Executive Vice President of Honda Motor (China) Investment Co., Ltd., and Executive Vice President of Honda Motor (China) Technology Co., Ltd.	
Apr. 2018		Director and Managing Officer of Honda R&D Co., Ltd.	
Apr. 2019		Director and Senior Managing Officer of Honda R&D Co., Ltd.	
Apr. 2020		Director of Honda R&D Co., Ltd. and Managing Officer of Honda Motor Co., Ltd.	
Apr. 2022		Director of Honda R&D Co., Ltd. and Senior Managing Officer of Honda Motor Co., Ltd.	
Apr. 2023		Senior Partner of CO-SAKU GK (at present)	
Aug. 2023		Specially Appointed Professor at Nagaoka University of Technology (at present)	
Mar. 2024		Outside Director of MARUKA FURUSATO Corporation (at present)	
Jun. 2024		Outside Director of Nitta Gelatin Inc. (at present)	
<b>Significant Concurrent Posts</b>			
Senior Partner of CO-SAKU GK			
Outside Director of MARUKA FURUSATO Corporation			
Outside Director of Nitta Gelatin Inc.			
<b>Reasons for selection as Director candidate &amp; Overview of the expected roles</b>			
Mr. Hisao Takahashi has experience with automobile development operations and the management of an overseas subsidiary at Honda R&D and Honda Motor. He has much experience involving the development of technologies and global corporate management. At USS, he is expected to use his experience and knowledge as a manager in the Automotive distribution field as the use of electric vehicles and self-driving vehicles increases. He is also expected to use his experience and knowledge to provide accurate input and advice from an objective standpoint. For these reasons, he is a candidate to become a new Outside Director. If Mr. Takahashi is elected, we plan to make him a member of the Nominations and Remuneration Committee.			

7	<b>Nobuko Sowa</b> (Name on the family register: Nobuko Kobayashi)		<div>New</div> <div>Outside</div> <div>Independent</div>	
	Date of Birth	Nov. 2, 1962 (62 years old)		
	Number of Shares of the Company Owned by the Candidate	-		
	Number of years in office	-		
<b>Brief Profile and Position and Duties at USS</b>				
Apr. 1985      Joined IBM Japan, Ltd.				
Jan. 2012      Associate Director, in charge of Financial Application Development, Global Business Service, IBM Japan, Ltd.				
Mar. 2014      President of IBM Japan Services Company, Ltd.				
Jan. 2017      In charge of Financial Strategy Projects, Global Business Service, IBM Japan, Ltd.				
Jun. 2017      Guest Professor, The University of Osaka, the Center for Gender Equality Promotion (currently the Center for Diversity & Inclusion) (at present)				
Oct. 2018      Officer, in charge of Insurance/Postal Group Services, Global Business Service, IBM Japan, Ltd.				
Apr. 2022      Senior Delivery Executive, IBM Consulting, IBM Japan, Ltd. (at present)				
May 2023      Outside Director of YOSHINOYA HOLDINGS CO., LTD. (at present)				
<b>Significant Concurrent Posts</b>				
Senior Delivery Executive, IBM Consulting, IBM Japan, Ltd.				
Outside Director of YOSHINOYA HOLDINGS CO., LTD.				
<b>Reasons for selection as Director candidate &amp; Overview of the expected roles</b>				
Ms. Nobuko Sowa was a project manager at IBM Japan where she constructed IT systems for the financial services sector. She then became an executive officer and the president of an IBM Japan subsidiary. In these roles, she was involved with corporate management for implementing the digital transformation. She was a guest professor at a university where she led classes about the advancement of women and increasing diversity. At USS, she is expected to use her diverse experience and knowledge to provide input and advice concerning planned IT system investments as well as activities involving AI and the digital transformation. For these reasons, she is a candidate to become a new Outside Director. If Ms. Sowa is elected, we plan to make her a member of the Nominations and Remuneration Committee.				

- Notes:
1. There are no special interests between the Company and each of the candidates.
  2. USS has agreements with an insurance company concerning director, etc. liability insurance policies stipulated in Article 430-3-1 of the Companies Act. In the event that a director or other insured individual, as a result of activities (including oversight) performed as a director or other officer of USS, is required to pay damages, the insurance policy will pay these damages, litigation expenses and other expenses. However, the policy does not cover certain activities of an individual, such as bribery or other criminal acts or an intentionally illegal act. USS plans to renew these insurance policies during the term of office of the directors with policies having similar terms. Premiums for these policies are paid entirely by USS.
  3. Matters related to candidates for outside directors are as follows:
    - (1) Etsuko Nishijima, Hisao Takahashi and Nobuko Sowa are candidates for outside directors. If Ms. Nishijima, Mr. Takahashi and Ms. Sowa are elected as directors by shareholders, the Company plans to designate them as independent directors in accordance with rules of the Tokyo Stock Exchange and Nagoya Stock Exchange and notify these exchanges that they are independent directors.

Director candidate Etsuko Nishijima was a manager at Mitsui Fudosan Retail Management until March 2025. During the fiscal year that ended in March 2025, business transactions between Mitsui Fudosan, the parent company of Mitsui Fudosan Retail Management, and USS were less than 1% of the consolidated sales of USS. Due to the negligible amount of business transactions between USS and Mitsui Fudosan and its consolidated subsidiaries, USS believes that there is no problem concerning the independence of Ms. Nakashima as a director.

Director candidate Hisao Takahashi was at Honda Motor and its consolidated subsidiaries until April 2023. During the fiscal year that ended in March 2025, business transactions between these companies and USS were less than 1% of the consolidated sales of USS. Due to the negligible amount of business transactions between USS and Honda Motor and its consolidated subsidiaries, USS believes that there is no problem concerning the independence of Mr. Takahashi as a director.
    - (2) Outline of liability limitation agreement

In order to assure that outside directors can carry out their expected duties satisfactorily, the Company plans to establish the liability agreements with them in accordance with the provisions of Article 427, Paragraph 1, of the Companies Act and Article 27 of the Articles of Incorporation of the Company.

This agreement limits liability to the higher of 4 million yen or the amount designated by laws and regulations.




### Item 3: Election of three (3) corporate auditors


The terms for all three (3) Corporate Auditors will expire at the close of the current Annual General Meeting of Shareholders. The Company proposes to elect three (3) Corporate Auditors, including 3 outside Corporate Auditors.


The consent of the Board of Corporate Auditors was gained in advance regarding the proposal of this resolution.

The candidates for Corporate Auditor are as follows.

1	Kenichi Goto	Reelection Outside Independent		
		Date of Birth	Sep. 7, 1959 (65 years old)	
		Number of Shares of the Company Owned by the Candidate	-	
		FY 2024 Board Meetings Attendance Record	100% (Attended all 9 meetings)	
		Number of years in office	4	
		FY 2024 Board of Auditors meetings Attendance Record	100% (Attended all 9 meetings)	
<b>Brief Profile and Position and Duties at USS</b>				
Apr. 1978	Joined Nagoya Regional Taxation Bureau			
Jul. 2009	Deputy District Director of Mishima Tax Office			
Jul. 2011	Chief Investigator, Criminal Investigation Department, Nagoya Regional Taxation Bureau			
Jul. 2015	Director, Information Division, Criminal Investigation Department, Nagoya Regional Taxation Bureau			
Jul. 2016	Director, First Co-ordination Division, Criminal Investigation Department, Nagoya Regional Taxation Bureau			
Jul. 2018	District Director of Gifu-Minami Tax Office			
Aug. 2020	Registered as a Certified Public Tax Accountant President, Kenichi Goto Certified Public Tax Accountant office (at present)			
Jun. 2021	Outside Corporate Auditor of the Company (at present)			
<b>Significant Concurrent Posts</b>				
President, Kenichi Goto Certified Public Tax Accountant office				
<b>Reasons for selection as an outside corporate auditor candidate</b>				
Mr. Kenichi Goto has expertise involving taxes and finance and experience in important posts in the public sector. He is a candidate for election as an outside company auditor because we believe he can oversee the management of USS from a neutral and objective standpoint. Although Mr. Goto has no experience involving direct involvement in corporate management, we believe that for the reasons above he is well suited to perform the duties of an outside corporate auditor.				



2	Keiji Miyake	Reelection Outside Independent		
		Date of Birth	Oct. 26, 1954 (70 years old)	
		Number of Shares of the Company Owned by the Candidate	-	
		FY 2024 Board Meetings Attendance Record	100% (Attended all 9 meetings)	
		Number of years in office	4	
		FY 2024 Board of Auditors meetings Attendance Record	100% (Attended all 9 meetings)	
<b>Brief Profile and Position and Duties at USS</b>				
Apr. 1978      Joined Nomura Securities Co.,Ltd.				
Oct. 1984      Joined Marunouchi & Co. (currently Deloitte Touche Tohmatsu LLC)				
May 1988      Registered as a Certified Public Accountant				
Jul. 2009      Joined GYOSEI & CO.				
Oct. 2010      Partner, GYOSEI & CO.				
Oct. 2020      President, Keiji Miyake Certified Public Accountant Office (at present)				
Jun. 2021      Outside Corporate Auditor of the Company (at present)				
Jul. 2023      Partner, Hokushin Tax accountant corporation (at present)				
Jun. 2024      External member, Sakae Audit Corporation (at present)				
<b>Significant Concurrent Posts</b>				
President, Keiji Miyake Certified Public Accountant Office				
Partner, Hokushin Tax accountant corporation				
External member, Sakae Audit Corporation				
<b>Reasons for selection as an outside corporate auditor candidate</b>				
Mr. Keiji Miyake has many years of experience as a certified public accountant and expertise in the fields of finance and accounting. He is a candidate for election as an outside company auditor because we believe he can oversee the management of USS from a neutral and objective standpoint. Although Mr. Miyake has no experience involving direct involvement in corporate management, we believe that for the reasons above he is well suited to perform the duties of an outside corporate auditor.				

3	Jun Ogawa	Reelection Outside Independent		
		Date of Birth	Aug. 28, 1960 (64 years old)	
		Number of Shares of the Company Owned by the Candidate	-	
		FY 2024 Board Meetings Attendance Record	100% (Attended all 9 meetings)	
		Number of years in office	4	
		FY 2024 Board of Auditors meetings Attendance Record	100% (Attended all 9 meetings)	
<b>Brief Profile and Position and Duties at USS</b>				
Oct. 1987      Passed the National Bar Examination				
Apr. 1990      Registered at Nagoya Bar Association (currently Aichi Bar Association) Joined Tomishima Law Office (currently Tomishima Ogawa Mori Law Office) (at present)				
Apr. 2005      Deputy Chairman of Aichi Bar Association				
Apr. 2006      Member of mediation committee, Ichinomiya Branch of Nagoya Family Court (at present)				
Apr. 2008      Chairman, Human Rights Protection Committee, Aichi Bar Association				
Apr. 2021      Chairman, Editorial Committee, Aichi Bar Association				
Jun. 2021      Outside Corporate Auditor of the Company (at present)				
Nov. 2021      Corporate Auditor of Dairei LTD.				
Apr. 2023      Deputy Chairman of Japan Federation of Bar Associations Chairman of Aichi Bar Association				
Oct. 2024      Non-regular Audit Commissioner for Aichi Prefecture (at present)				
<b>Significant Concurrent Posts</b>				
Tomishima Ogawa Mori Law Office, Attorney				
Non-regular Audit Commissioner for Aichi Prefecture				
<b>Reasons for selection as an outside corporate auditor candidate</b>				
Mr. Jun Ogawa has many years of experience as an attorney and an extensive knowledge of legal matters and risk management. He has also served as chair of the Human Rights Protection Committee of the Aichi Bar Association and Deputy Chairman of the Japan Bar Association, and has deepened his knowledge of diversity and diversity issues through initiatives to increase the number of women aspiring to become lawyers. He is a candidate for election as an outside company auditor because we believe he can oversee the management of USS from a neutral and objective standpoint. Although Mr. Ogawa has no experience involving direct involvement in corporate management, we believe that for the reasons above he is well suited to perform the duties of an outside corporate auditor.				

- Notes:
1. There are no special interests between the Company and each candidate.
  2. USS has agreements with an insurance company concerning company auditor, etc. liability insurance policies stipulated in Article 430-3-1 of the Companies Act. In the event that a director or other insured individual, as a result of activities (including oversight) performed as a director or other officer of USS, is required to pay damages, the insurance policy will pay these damages, litigation expenses and other expenses. However, the policy does not cover certain activities of an individual, such as bribery or other criminal acts or an intentionally illegal act. USS plans to renew these insurance policies during the term of office of the directors with policies having similar terms. Premiums for these policies are paid entirely by USS.
  3. Matters related to candidates for outside corporate auditors are as follows:
    - (1) Kenichi Goto, Keiji Miyake and Jun Ogawa are candidates for the post of outside auditor. The Company has designated Mr. Goto, Mr. Miyake and Mr. Ogawa as independent directors in accordance with rules of the Tokyo Stock Exchange and Nagoya Stock Exchange and has notified these stock exchanges that they are independent directors. If they are elected as corporate auditors by shareholders, the Company plans to designate them as independent directors.
    - (2) The period in office of incumbent corporate auditors Kenichi Goto, Keiji Miyake and Jun Ogawa will be 4 years upon closure of the current Annual General Meeting of Shareholders.
    - (3) Outline of liability limitation agreement  
Kenichi Goto, Keiji Miyake and Jun Ogawa are currently outside corporate auditors of the Company. In order to assure that outside corporate auditors can carry out their expected duties satisfactorily, the Company has a liability limitation agreement with Mr. Goto, Mr. Miyake and Mr. Ogawa in accordance with the provisions of Article 427, Paragraph 1, of the Companies Act and Article 37 of the Articles of Incorporation of the Company. This agreement limits liability to the higher of 4 million yen or the amount designated by laws and regulations.  
If Mr. Goto, Mr. Miyake and Mr. Ogawa are reelected as corporate auditors by shareholders, the Company plans to renew this liability agreement.

## (Reference) Skills Matrix of directors and corporate auditors

The skills the Company expects its directors and corporate auditors are as follows.

Skill	Definition
Corporate management experience	Appropriate business judgment as a top executive and experience in managing large companies
Finance and Accounting	Knowledge of financial strategy, capital market response, M&A, etc.
Business strategy/Marketing	Knowledge of business development, market analysis, and customer strategy
IT/DX	Knowledge of business reform and business creation utilizing digital technology
Legal affairs/Risk management	Knowledge of governance structure, compliance, and risk management
Promotion of diversity	Knowledge of diverse human resources, organizational development, and human resource development

Skill	Directors							Corporate Auditors		
	Yukihiro Ando	Dai Seta	Masafumi Yamanaka	Hiromitsu Ikeda	Etsuko Nishijima	Hisao Takahashi	Nobuko Sowa	Kenichi Goto	Keiji Miyake	Jun Ogawa
	Chairman CEO	President COO	Executive Vice President	Junior Managing Director	Outside Independent	Outside Independent	Outside Independent	Outside Independent	Outside Independent	Outside Independent
Corporate management experience	◎	◎				●				
Finance and Accounting			◎					●	●	
Business strategy/Marketing	○	○		◎	●	●				
IT/DX				○			●			
Legal affairs/Risk management			○					●	●	●
Promotion of diversity					●		●			●

- Notes: 1. For Internal Director candidates, this table shows two skills where expectations are particularly high. Knowledge and experience are shown with a ○ and skills where a significant contribution is expected are shown with a ◎. For Outside Director and Corporate Auditor candidates, two skills where expectations are particularly high are shown with a ●.
2. This table shows the planned members of the Board of Directors assuming that shareholders approve proposals 2 and 3.
3. The full-time corporate auditor will be selected by the Board of Corporate Auditors following this shareholders' meeting and the Board of Directors will then determine the job positions of directors who are also USS executives. Kenichi Goto will be appointed as a full-time corporate auditor.

## **(Reference) Selection of director candidates and executive officers**

When selecting candidates for election as directors and selecting executive officers, the standard is that these individuals must have the experience, knowledge and professional skills required to be a director or executive officer. Proposed selections are submitted for consideration to the Nominations and Remuneration Committee, where the majority of members are independent outside directors, and final selections are made by the Board of Directors based on the recommendations of this committee. When an individual has violated a law or regulation or when there is a serious problem involving business operations, the matter is submitted to the Nominations and Remuneration Committee and, based on the recommendation of this committee, a decision is made concerning the termination of the director or executive officer responsible for the incident or the reassignment of a director who is a USS executive. In addition, when candidates for election as a corporate auditor are selected, individuals who have the experience, knowledge and professional skills required to be a corporate auditor are selected and, after receiving the consent of the Board of Corporate Auditors, final selections are made by the Board of Directors.

To strengthen corporate governance, the maximum term of office for outside directors has been changed from 8 years to 4 years.

## **(Reference) Evaluation of the Effectiveness of the Board of Directors**

### **1. Evaluation process**

Time	March 2025
Participants	All directors and All corporate auditors (including outside directors and outside corporate auditors)
Method	Self-assessment using a questionnaire (1) All directors and corporate auditors complete a self-evaluation questionnaire (2) Responses to the questionnaire are compiled and analyzed by the secretariat of the Board of Directors (3) Results and issues are reported to the Board of Directors, which then discusses these subjects
Items evaluated	(1) Role, function and composition of the Board of Directors (2) Operation and Discussion of the Board of Directors (3) Evaluation of Nominations and Remuneration Committee (4) Evaluation of the activities regarding major issues of the previous fiscal year (5) Relationship with investors and shareholders (6) Self-evaluation

### **2. Actions during FY3/25 based on the evaluation of the Board of Directors' effectiveness in the prior fiscal year**

- (1) More discussions about medium and long-term management strategies at board meetings  
To hold more thorough discussions about medium and long-term management strategies, a project team consisting of executive officers and key employees was established in April 2024. This team examined potential medium and long-term management strategies while analyzing and sharing thoughts about the strengths and weaknesses of USS and other subjects.
- (2) More discussions about policies for human resource development to create an HR strategy and increase diversity  
During FY3/25, training programs for employees were upgraded to create a more powerful workforce. Managers of business sites and other managers received leadership training, there was a training program for mid-level employees, compliance lessons, an empowerment and

career advancement seminar for female employees, and other activities.

3. Summary of the evaluation of the Board of Directors' effectiveness during FY3/25

To evaluate the effectiveness of the Board of Directors in FY3/25, all directors and corporate auditors again completed a questionnaire. The results confirmed that the board is generally operating properly concerning all items in the questionnaire and that the board is operating effectively. The following issues were identified due to opinions that improvements are possible regarding the following items.

- Although the majority of the members of the Nominations and Remuneration Committee are outside directors, the chairperson of the committee should also be an outside director for the purpose of further strengthening governance.
- Although the current use of internal questionnaires to evaluate effectiveness is functioning properly, the use of interviews and other external evaluations should be considered.
- Studies are needed for the purpose of holding even more thorough and focused discussions. Possible actions are naming an outside director as the chairperson of the Board of Directors, establishing a Management Committee, creating more opportunities for representative and outside directors to meet, and other measures.

4. FY3/26 actions to increase the Board of Directors' effectiveness

Based on the results of the FY3/25 effectiveness evaluation, the activities of the project team established in April 2024 and consisting of executive officers and key employees, will continue. Actions will be taken to enable committee members to hold even more thorough discussions concerning medium and long-term management strategies. To make the governance framework even stronger, there will be reviews as needed about the roles of committees and other units, such as examinations about the possible establishment of an Executive Committee and ways to create more opportunities for the representative and outside directors to meet.

## Business Report (From April 1, 2024 to March 31, 2025)

### 1. Matters relating to the current state of the USS Group

#### (1) Business Progress and Results of Operations

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
104,021 million yen Up 6.6 %	54,206 million yen Up 10.8%	54,883 million yen Up 10.5%	37,636 million yen Up 14.4%

The number of new car registrations, including mini-vehicles, in Japan increased 1.0% to 4,575 thousand in the fiscal year that ended in March 2025. One reason is the end of the suspension of shipments of some models that was caused by an auto testing scandal at Japanese automakers. Activities by automakers to lower the backlog of orders for new cars also contributed to this increase.

Used car registrations increased 0.3% to 6,467 thousand (Source: Japan Automobile Dealers Association and Japan Light Motor Vehicle and Motorcycle Association). Demand for used vehicles, which can be delivered immediately, remained strong during the fiscal year as delays in deliveries of some models of new cars continued.

Exports of used vehicles, according to Trade Statistics of the Ministry of Finance, were down 1.5% to 1,579 thousand primarily because of declines in exports to New Zealand and Russia.

The number of vehicles consigned at used vehicle auctions in Japan decreased 1.9% to 7,623 thousand, the number of vehicles contracted increased 1.3% to 5,301 thousand, and the contract completion ratio increased from 67.3% in the previous fiscal year to 69.5% according to USED CAR Co., Ltd.

At the USS Group, sales increased 6.6% to 104,021 million yen, operating profit increased 10.8% to 54,206 million yen, ordinary profit increased 10.5% to 54,883 million yen, and profit attributable to owners of parent increased 14.4% to 37,636 million yen.

#### Auto Auction Business

Vehicles consigned increased 3.8% to 3,202 thousand, vehicles contracted were up 8.0% to 2,145 thousand and the contract completion ratio increased from 64.4% to 67.0%. Sales and earnings in this segment were higher than one year earlier mainly because of an increase in the number of vehicles consigned and contracted, as well as an increase in auction fees resulting from revisions to successful bid fees for bids submitted using the internet. As a result, sales to external customers increased 9.0% to 81,843 million and operating profit was up 12.4% to 53,274 million yen.

#### Used Car Purchasing and Selling Business

Sales and earnings increased at the Rabbit used vehicle purchasing business because of the larger number of vehicles sold. In the accident-damaged vehicle purchasing and selling business, sales were higher but earnings declined as the number of vehicles sold increased but the gross profit per vehicle was smaller. As a result, segment sales to external customers increased 10.7% to 12,651 million yen and operating profit was down 16.6% to 276 million yen.

#### Recycling Business

In the recycling business, sales increased due to high prices of non-ferrous metals but earnings were lower mainly because of higher outsourcing expenses. In the industrial plant recycle business, sales and earnings were down due to a smaller number of orders for large demolition projects. As a result, segment sales to external customers decreased 20.1% to 8,407 million yen and operating profit was down 53.4% to 542 million yen.

## Other businesses

In the other business, sales increased 92.7% to 1,119 million yen and operating profit was 23 million yen (Previous fiscal year results: Operating loss of 18 million yen).

## (2) Capital Expenditures

Consolidated capital expenditures totaled 3,224 million yen on an end-of-manufacturing basis which was mainly for Auto auction business.

### 1) Major facilities completed during the fiscal year

Category	Office name	Description of site	Completion
Auto Auction Business	Tokyo Auction Site	16 Auction Lanes	Oct. 2024

### 2) Ongoing establishment, extension and improvement of major facilities at the end of the fiscal year

Category	Office name	Description of site	Completion
Auto Auction Business	Yokohama Auction Site	Auction site reconstruction	Jan. 2026 (Construction started in Nov. 2024)

## (3) Financing

Not applicable

## (4) Important Issues

USS has established the medium to long-term goal of increasing its share of the auto auction market to 50% from 41.4% in 2024. To accomplish this goal, we are reexamining the business portfolio and concentrating investments on the auto auction business.

First, we plan to make large investments for growth beginning with the newly constructed Yokohama auction site that is expected to start operating in January 2026. Plans also include rebuilding auction sites, installing auction systems using the latest technologies, enlarging stockyards for consigned vehicles and other actions. This includes the Tokyo auction site, one of the largest in Japan in terms of vehicles consigned, HAA Kobe, the largest auto auction site in western Japan, and other major business sites. To use digital technologies for vehicle consignment and inspection procedures, we will rebuild the main IT system for auction operations and take other steps for a digital transformation. Our objectives are greater convenience for members and higher efficiency for our operations. By taking these actions, we expect to reinforce our competitive superiority in Japan's auto auction market and establish a sound base for steady and consistent growth.

In the used car purchasing and selling business, recycling business and auto loan business, as in the auto auction business, our goal is to rebuild the framework for these operations to be consistently profitable for many years with minimal vulnerability to changes in the business climate. Activities will include priority on benefiting from synergies with the auto auction business.

For the efficient use of capital, we have increased our medium to long-term goal for the return on equity from 15% or higher to 20% or higher. The return on equity was 18.9% in the fiscal year that ended in March 2025. For distributions to shareholders, we have raised the goal for the consolidated payout ratio from at least 55% to at least 60%. In addition, we have increased our total shareholder distribution goal from at least 80% to at least 100% for the three-year period ending in March 2028. Our actions will also include the timely use of M&A and alliances with emphasis on cash flow generation for the purpose of increasing the corporate value of the USS Group.

By taking these actions, we are planning on the following results of operations in the fiscal year ending in March 2026. We ask our shareholders for your continuing support.



		Year ended March 31, 2025 (Result)	Year ending March 31, 2026 (Forecast)	year- on- year
Vehicles consigned	thousand units	3,202	3,328	3.9%
Vehicles contracted	thousand units	2,145	2,167	1.0%
Contract completion rate	%	67.0	65.1	—
Net sales	million yen	104,021	111,800	7.5%
Operating profit	million yen	54,206	55,800	2.9%
Ordinary profit	million yen	54,883	56,500	2.9%
Profit attributable to owners of parent	million yen	37,636	38,300	1.8%
ROE	%	18.9	18.8	—

## (5) Financial Highlights

### 1) USS Group selected financial data

Item	41st term Year ended March 31, 2021	42nd term Year ended March 31, 2022	43rd term Year ended March 31, 2023	44th term Year ended March 31, 2024	<b>45th term Year ended March 31, 2025 (Consolidated fiscal year under current review)</b>
Net sales (million yen)	74,874	81,482	88,778	97,606	<b>104,021</b>
Ordinary profit (million yen)	36,996	42,374	44,491	49,654	<b>54,883</b>
Profit attributable to owners of parent (million yen)	4,022	29,745	30,008	32,906	<b>37,636</b>
Profit per Share (yen)	8	59	61	68	<b>78</b>
Total assets (million yen)	210,699	229,354	242,352	271,557	<b>267,348</b>
Net assets (million yen)	173,524	182,473	194,154	199,021	<b>207,354</b>
Net assets per share (yen)	343	366	390	407	<b>430</b>

Note: On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock. Therefore, " Profit per Share" and " Net assets per share" are calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2021.

## 2) Business segment sales, income and assets

(Millions of yen)

Business segment	Item	41st term (Year ended March 31, 2021)	42nd term (Year ended March 31, 2022)	43rd term (Year ended March 31, 2023)	44th term (Year ended March 31, 2024)	<b>45th term (Year ended March 31, 2025) (Consolidated fiscal year under current review)</b>
Auto auction business	Net sales	61,048	64,858	69,304	75,066	<b>81,843</b>
	Operating profit	35,463	40,217	42,267	47,414	<b>53,274</b>
	Total assets	202,889	220,146	232,388	261,034	<b>256,411</b>
Used car purchasing and selling business	Net sales	8,646	9,300	10,391	11,431	<b>12,651</b>
	Operating profit	271	136	130	331	<b>276</b>
	Total assets	1,978	2,188	2,422	2,860	<b>3,063</b>
Recycling business	Net sales	4,829	7,238	8,982	10,526	<b>8,407</b>
	Operating profit	376	1,142	1,333	1,164	<b>542</b>
	Total assets	5,877	7,537	8,097	8,228	<b>8,223</b>
Other businesses	Net sales	351	85	99	580	<b>1,119</b>
	Operating profit	23	58	27	△18	<b>23</b>
	Total assets	826	552	671	8,281	<b>9,935</b>

Note: Segment sales based on external customer sales.

**(6) Major Business Activities (as of March 31, 2025)**

Auto auction business, used car purchasing and selling business and recycling business

## (7) Major Parent Company and Subsidiaries

1) Parent company  
Not applicable.

2) Major subsidiaries

The Company has 7 consolidated subsidiaries and no equity-method affiliate.

Company	Capital outlay (million yen)	Voting rights ratio (%)	Primary businesses
US Butsuryu Co., Ltd.	30	100.0	Arrangement of freight transport and consignment business relating to operation of auctions
USS Support Service Co., Ltd.	45	100.0	Financial services business, etc.
Reproworld Co., Ltd.	63	100.0	Purchase and sale of accident-damaged vehicles
Rabbit Car Network Co., Ltd.	50	100.0	Purchase and sale of used vehicles
ARBIZ Co., Ltd.	270	51.0	Recycling of end-of-life automobiles and metal scraps
Japan Bike Auction Co., Ltd.	212	62.7	Operation of motorcycle auctions
SMART Inc.	100	51.0 (51.0)	Disposal of equipment and industrial plants

Notes: 1. The figures in parentheses in the Percentage by voting rights ratio column indicate the indirect voting rights ratio.  
2. The indirect voting rights ratio of USS of SMART Inc. is 51.0% because this company is 51.0% owned by USS consolidated subsidiary ARBIZ Co., Ltd., which is 51.0% owned by USS.  
3. As of March 28, 2025, the company has transferred a portion of its shares in Japan Bike Auction Co., Ltd., resulting in a decrease in voting rights ratio from 66.2% to 62.7%.

3) Specified Wholly Owned Subsidiary as of End of Fiscal Year  
Not applicable.

## (8) Other Significant Items Concerning the Status of the USS Group

Not applicable.

**(9) Principal business sites (as of March 31, 2025)**

	Business segment	Site or company	Location	Note
USS	Auto auction business	Nagoya Auction Site	Tokai, Aichi	Head office
		Kyushu Auction Site	Tosu, Saga	Branch
		Fukuoka Auction Site	Chikushino, Fukuoka	Branch
		Tokyo Auction Site	Noda, Chiba	Branch
		Okayama Auction Site	Akaiwa, Okayama	Branch
		Shizuoka Auction Site	Fukuroi, Shizuoka	Branch
		Sapporo Auction Site	Ebetsu, Hokkaido	Branch
		Saitama Auction Site	Iruma, Saitama	Branch
		Gunma Auction Site	Fujioka, Gunma	Branch
		Tohoku Auction Site	Murata-machi, Shibata, Miyagi	Branch
		Osaka Auction Site	Osaka, Osaka	Branch
		Yokohama Auction Site	Yokohama, Kanagawa	Branch
		R - Nagoya Auction Site	Tokai, Aichi	Branch
		Kobe Auction Site	Kobe, Hyogo	Branch
		Hokuriku Auction Site	Hakusan, Ishikawa	Branch
		Niigata Auction Site	Mitsuke, Niigata	Branch
		Shikoku Auction Site	Matsuyama, Ehime	Branch
		JAA	Edogawa, Tokyo	Branch
		HAA Kobe	Kobe, Hyogo	Branch
		System Office	Edogawa, Tokyo	Development of auction system Operation of web services for members
Subsidiaries	Auto auction business	US Butsuryu Co., Ltd.	Tokai, Aichi	17 branch offices in Japan
		USS Support Service Co., Ltd.	Tokai, Aichi	Finance services business, etc.
		Japan Bike Auction Co., Ltd.	Yokohama, Kanagawa	Operation of motorcycle auction 2 auction sites in Japan
	Used car purchasing and selling business	Reproworld Co., Ltd.	Noda, Chiba	14 shops in Japan in the purchase and sales of accident-damaged vehicles business
		Rabbit Car Network Co., Ltd.	Edogawa, Tokyo	Used car purchase and sales shop Rabbit; 16 direct shops, 125 franchise shops.
	Recycling business	ARBIZ Co., Ltd.	Nagoya, Aichi	Recycling plant for end-of-life automobiles and metal scraps
		SMART Inc.	Nagoya, Aichi	Disposal of equipment and industrial plants

## (10) Employees (as of March 31, 2025)

### 1) Employees of the USS Group

Business segment	Numbers of employees		Change since end of previous fiscal year	
Auto auction business	807	(145)	up 25	(up 8)
Used car purchasing and selling business	160	(15)	up 10	(up 1)
Recycling business	174	(34)	up 12	(down 4)
Head office and others	34	(1)	down 2	(—)
Total	1,175	(195)	up 45	(up 5)

Notes: 1. Numbers of employees is including employees seconded to Group companies from outside of the Group and excluding those from Group companies to outside of Group companies.  
2. The average number of temporary employees for the year is shown in parentheses.

### 2) Employees of the Company

Number of employees	Change since end of previous fiscal year	Mean age	Mean service years
695 (108)	up 18 (up 2)	39.9	13.4

Notes: 1. Numbers of employees is including employees seconded to Group companies from outside of the Group and excluding those from Group companies to outside of Group companies.  
2. The average number of temporary employees for the year is shown in parentheses.

## (11) Major creditors (as of March 31, 2025)

Lender	Loan (million yen)
Sumitomo Mitsui Banking Corporation	1,880
MUFG Bank, Ltd.	297

Notes: 1. 1,540 million yen of the amount borrowed from Sumitomo Mitsui Banking Corporation was due to the borrowing of 3,300 million yen in March 2017 by ARBIZ, a consolidated subsidiary of the Company, as a source of funds for the acquisition of business land and other assets from the Company.  
2. 340 million yen out of the loan from Sumitomo Mitsui Banking Corporation is for working capital of subsidiary SMART Inc.  
3. The USS Employee Stock Ownership Plan Trust, which was established for the Trust Employee Shareholding Incentive Plan, has borrowed money from MUFG Bank, Ltd. as a source of funds to purchase the Company's shares. For more information about this plan, refer to "2. Matters relating to shares of the Company, (6) Other Important Items related to Shares, 3) Overview of the Employee Stock Ownership Plan".

## (12) Update on Our Significant Reorganizations

Not applicable.

## 2. Matters relating to shares of the Company (as of March 31, 2025)

**(1) Total number of shares authorized to be issued:** 2,000,000,000 shares

**(2) Total number of shares issued:** 514,000,000 shares

(including 40,387,622 shares of treasury shares)

Notes: 1. Pursuant to Article 184, Paragraph 2 of the Companies Act, Article 6 of the Company's Articles of Incorporation was amended on April 1, 2024, increasing the total number of authorized shares by 800,000,000 shares to 2,000,000,000 shares.

2. On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock. As a result, the total number of shares issued increased by 257,000,000 to 514,000,000.

**(3) Total number of shareholders:** 38,272

### **(4) Major shareholders (Top 10)**

Shareholder	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	79,731	16.83
STATE STREET BANK AND TRUST COMPANY 505001	31,130	6.57
Custody Bank of Japan, Ltd. (Trust Account)	27,311	5.76
Mamoru Seta	18,400	3.88
Dai Seta	15,375	3.24
Yukihiro Ando	15,031	3.17
Hattori Motors Co., Ltd.	14,560	3.07
Hattori International Scholarship Foundation	14,400	3.04
JP MORGAN CHASE BANK 380055	12,147	2.56
EIGHTEEN Inc.	11,491	2.42

- Notes: 1. The list of major shareholders does not include 40,387,622 shares of treasury shares.  
2. The number of shares used to calculate shareholding ratios does not include treasury shares.  
3. The number of shares when less than one thousand is truncated. Shareholding ratios are truncated to the hundredth decimal point.  
4. Regarding major shareholders, the number of shares held by Mr. Mamoru Seta and Hattori Motors Co., Ltd., whose actual ownership USS has been able to confirm, are shown combined (by name). However, other shareholdings are listed as stated in the shareholder register.  
5. In addition to the above shareholders, the following shareholdings have been reported by the large shareholding report (the amendment report).

- (1) An amendment report submitted by Massachusetts Financial Services Company and one other company, in their joint names on December 4, 2020, stated that the following shares are held as of November 30, 2020. Since USS is unable to confirm the valid number of shares owned by these firms as of March 31, 2025, these firms are not included in the above list of major shareholders. The contents of the large shareholding report ( the amendment report ) are as follows.  
On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock. The shares shown below are the number of shares before the stock split.

Name	Address	Shares (thousands of shares)	Percentage of ownership of shares, etc. (%)
Massachusetts Financial Services Company	111 Huntington Avenue, Boston, Massachusetts 02199, USA	11,569	3.69
MFS Investment Management K.K.	Daido Seimei Kasumigaseki Bldg., 1-4-2, Kasumigaseki, Chiyoda Ward, Tokyo	837	0.27
Total		12,407	3.96

- (2) An amendment report submitted by FMR LLC and one other company on March 22, 2021 stated that the following shares are held as of March 15, 2021. Since USS is unable to confirm the valid number of shares owned as of March 31, 2025, this shareholder is not included in the above list of major shareholders. The contents of the large shareholding report ( the amendment report ) are as follows.

On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock. The shares shown below are the number of shares before the stock split.

Name	Address	Shares (thousands of shares)	Percentage of ownership of shares, etc. (%)
FMR LLC	245 Summer Street, Boston, Massachusetts 02210, USA	14,936	4.77
National Financial Services LLC	200 Seaport Blvd, Boston, Massachusetts 02210, USA	0	0.00
Total		14,937	4.77

- (3) An amendment report submitted by Invesco Asset Management (Japan) Limited and 3 other companies on May 21, 2024 stated that the following shares are held as of May 15, 2024. Since USS is unable to confirm the valid number of shares owned as of March 31, 2025, this shareholder is not included in the above list of major shareholders. The contents of the large shareholding report ( the amendment report ) are as follows.

Name	Address	Shares (thousands of shares)	Percentage of ownership of shares, etc. (%)
Invesco Asset Management (Japan) Limited	Roppongi Hills Mori Tower 14F, 6-10-1 Roppongi, Minato-ku, Tokyo	18,648	3.63
Invesco Advisers, Inc.	1331 Spring Street NW, Suite 2500, Atlanta, GA 30309, U.S.A.	4,467	0.87
Invesco Hong Kong Limited	45th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong	754	0.15
Invesco Capital Management LLC	3500 Lacey Road, Suite 700, Downers Grove IL 60515, USA	572	0.11
Total		24,443	4.76

- (4) A large shareholding report submitted by Sumitomo Mitsui Trust Bank, Limited and 2 other companies on June 6, 2024 stated that the following shares are held as of May 31, 2024. Since USS is unable to confirm the valid number of shares owned as of March 31, 2025, this shareholder is not included in the above list of major shareholders. The contents of the large shareholding report ( the amendment report ) are as follows.

Name	Address	Shares (thousands of shares)	Percentage of ownership of shares, etc. (%)
Sumitomo Mitsui Trust Bank, Limited	1-4-1 Marunouchi, Chiyoda-ku, Tokyo	600	0.12
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1-1 Shibakoen, Minato-ku, Tokyo	14,554	2.83
Nikko Asset Management Co., Ltd.	9-7-1 Akasaka, Minato-ku, Tokyo	7,560	1.47
Total		22,715	4.42

(5) An amendment report submitted by BlackRock Japan Co., Ltd. and 5 other companies on June 6, 2024 stated that the following shares are held as of May 31, 2024. Since USS is unable to confirm the valid number of shares owned as of March 31, 2025, this shareholder is not included in the above list of major shareholders. The contents of the large shareholding report ( the amendment report ) are as follows.

Name	Address	Shares (thousands of shares)	Percentage of ownership of shares, etc. (%)
BlackRock Japan Co., Ltd.	1-8-3 Marunouchi, Chiyoda-ku, Tokyo	8,937	1.74
BlackRock (Netherlands) BV	Amstelplein 1, 1096 HA, Amsterdam, Netherlands	745	0.15
BlackRock Fund Managers Limited	12 Throgmorton Avenue, London, UK	1,153	0.22
BlackRock Asset Management Ireland Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin, Ireland	766	0.15
BlackRock Fund Advisors	400 Howard Street, San Francisco, CA, USA	5,088	0.99
BlackRock Institutional Trust Company, N.A.	400 Howard Street, San Francisco, CA, USA	3,188	0.62
Total		19,879	3.87

(6) An amendment report submitted by MUFG Bank, Ltd. and 3 other companies on November 5, 2024 stated that the following shares are held as of October 28, 2024. Since USS is unable to confirm the valid number of shares owned as of March 31, 2025, this shareholder is not included in the above list of major shareholders. The contents of the large shareholding report ( the amendment report ) are as follows.

Name	Address	Shares (thousands of shares)	Percentage of ownership of shares, etc. (%)
MUFG Bank, Ltd.	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	2,191	0.43
Mitsubishi UFJ Trust and Banking Corporation	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	11,192	2.18
Mitsubishi UFJ Asset Management Co., Ltd.	1-9-1, Higashi-Shinbashi, Minato-ku, Tokyo	4,051	0.79
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1-9-2, Otemachi, Chiyoda-ku, Tokyo	2,612	0.51
Total		20,048	3.90

## **(5) Distribution of stock to officers as remuneration for duties performed during the fiscal year**

### **Disposal of treasury stock for use as restricted stock remuneration**

In accordance with a resolution approved at the shareholders meeting held on June 21, 2022, USS started a restricted stock remuneration system. On June 25, 2024, the Board of Directors approved a resolution for the disposal of treasury stock for use as restricted stock remuneration. The disposal of 28,000 shares of treasury stock to 4 directors (excluding outside directors), and 4,200 shares of treasury stock to 3 executive officers took place on July 24, 2024.



## **(6) Other Important Items related to Shares**

### **1) Purchase of treasury stock**

On March 5, 2024, the Board of Directors approved a resolution to conduct a 2-for-1 stock split (effective on April 1, 2024), to make a corresponding partial amendment of the Article 6 of articles of incorporation. As a result, the total number of authorized shares increased to 2,000,000,000 shares and the total number of shares issued increased to 514,000,000.

### **2) Purchase of treasury stock**

The Board of Directors of the Company passed a resolution on October 7, 2024 to repurchase its shares (10,000,000 shares maximum, 10,000,000,000 yen maximum), during the period from October 24, 2024, to March 31, 2025 and repurchased its shares as below to further strengthen shareholder returns and improve capital efficiency. This is in accordance with the three-year earnings distribution policy (FY3/25-FY3/27) announced on May 8, 2024.

Type of shares and Shares purchased	Common shares 7,367,400 shares
Cost of shares purchased	¥ 9,999,906,550
Period of purchase of treasury stock	From Oct. 24, 2024 to Mar. 24, 2025.

### **3) Overview of the Employee Stock Ownership Plan**

Effective as of the fiscal year that ended on March 31, 2024, the Company has reintroduced a trust employee shareholding incentive plan (the "Plan") for the purpose of providing an incentive to employees of Group companies toward the improvement of medium and long term corporate values. The Plan is an incentive plan for all employees who belong to the USS employee stock ownership plan.

USS establishes a USS employee stock ownership plan trust ("the ESOP Trust") at a trust bank. Using loans from financial institutions, the ESOP Trust will use a third party allotment from USS to purchase in advance a number of shares of USS stock expected to be sufficient for the expected purchases of this stock by the employee stock ownership plan during the trust period, which is about two years and nine months.

Subsequently, the ESOP Trust will continuously sell USS stock to the employee stock ownership plan. When this trust ends, an amount equal to the cumulative gains on sales of this stock by the trust, if any, will be distributed as residual trust assets to qualified beneficiaries of the trust.

USS will guarantee the loans received by the ESOP Trust to fund purchases of USS stock. As a result, if there is a cumulative loss on sales of USS stock at the ESOP Trust due to a decline in the price of USS stock and, at the end of the trust, there is an outstanding loan at the trust equal to this cumulative loss, USS will repay the remaining loan in this amount.

In association with the establishment of the Plan, the Company sold treasury stock to Nomura Trust and Banking Co., Ltd. (the ESOP Trust) through a third-party allotment.

The Company's shares held by the ESOP Trust that are recorded on the Company's consolidated balance sheet at the term end were 365 million yen (306 thousand shares) for the current consolidated fiscal year. The ESOP Trust's bank loans were 297 million yen for the current consolidated fiscal year.

On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock.

### 3. Matters relating to Stock Acquisition Rights, etc. of the Company

#### (1) Stock Acquisition Rights held by officers of the Company as of the end of term (as of March 31, 2025)

Name		5th Stock Acquisition Rights	6th Stock Acquisition Rights	7th Stock Acquisition Rights
Resolution date for issuance		August 28, 2007 (Board Meeting)	June 25, 2008 (Board Meeting)	June 24, 2009 (Board Meeting)
Number of Stock Acquisition Rights		228	260	449
Number of shares subject to Stock Acquisition Rights		45,600 shares of common stock (200 shares per Stock Acquisition Right)	52,000 shares of common stock (200 shares per Stock Acquisition Right)	89,800 shares of common stock (200 shares per Stock Acquisition Right)
Amount paid of Stock Acquisition Rights		64,560 yen per right	49,760 yen per right	32,620 yen per right
Amount of assets paid upon exercise of Stock Acquisition Rights		200 yen per right	200 yen per right	200 yen per right
Exercise period for Stock Acquisition Rights		From September 15, 2007 to June 30, 2032	From July 11, 2008 to June 30, 2033	From July 10, 2009 to June 30, 2034
Major conditions for the exercise of Stock Acquisition Rights		(Note) 1	(Note) 1	(Note) 1
Shares held by officers	Directors (excluding outside directors)	Number of holders 4 Number of rights 228 Number of shares subject to Stock Acquisition Rights 45,600	Number of holders 4 Number of rights 260 Number of shares subject to Stock Acquisition Rights 52,000	Number of holders 4 Number of rights 449 Number of shares subject to Stock Acquisition Rights 89,800
	Outside directors	-	-	-
	Corporate auditors	-	-	-

Name		8th Stock Acquisition Rights	9th Stock Acquisition Rights	10th Stock Acquisition Rights
Resolution date for issuance		June 29, 2010 (Board Meeting)	June 28, 2011 (Board Meeting)	June 26, 2012 (Board Meeting)
Number of Stock Acquisition Rights		314	380	343
Number of shares subject to Stock Acquisition Rights		62,800 shares of common stock (200 shares per Stock Acquisition Right)	76,000 shares of common stock (200 shares per Stock Acquisition Right)	68,600 shares of common stock (200 shares per Stock Acquisition Right)
Amount paid of Stock Acquisition Rights		45,900 yen per right	43,600 yen per right	58,600 yen per right
Amount of assets paid upon exercise of Stock Acquisition Rights		200 yen per right	200 yen per right	200 yen per right
Exercise period for Stock Acquisition Rights		From July 16, 2010 to June 30, 2035	From July 15, 2011 to June 30, 2036	From July 13, 2012 to June 30, 2037
Major conditions for the exercise of Stock Acquisition Rights		(Note) 1	(Note) 1	(Note) 1
Shares held by officers	Directors (excluding outside directors)	Number of holders 4 Number of rights 314 Number of shares subject to Stock Acquisition Rights 62,800	Number of holders 4 Number of rights 380 Number of shares subject to Stock Acquisition Rights 76,000	Number of holders 4 Number of rights 343 Number of shares subject to Stock Acquisition Rights 68,600
	Outside directors	-	-	-
	Corporate auditors	-	-	-

Name		11th Stock Acquisition Rights	12th Stock Acquisition Rights	13th Stock Acquisition Rights
Resolution date for issuance		June 25, 2013 (Board Meeting)	June 17, 2014 (Board Meeting)	June 16, 2015 (Board Meeting)
Number of Stock Acquisition Rights		242	159	152
Number of shares subject to Stock Acquisition Rights		48,400 shares of common stock (200 shares per Stock Acquisition Right)	31,800 shares of common stock (200 shares per Stock Acquisition Right)	30,400 shares of common stock (200 shares per Stock Acquisition Right)
Amount paid of Stock Acquisition Rights		93,540 yen per right	137,400 yen per right	179,500 yen per right
Amount of assets paid upon exercise of Stock Acquisition Rights		200 yen per right	200 yen per right	200 yen per right
Exercise period for Stock Acquisition Rights		From July 13, 2013 to June 30, 2038	From July 5, 2014 to June 30, 2039	From July 4, 2015 to June 30, 2040
Major conditions for the exercise of Stock Acquisition Rights		(Note) 1	(Note) 1	(Note) 1
Shares held by officers	Directors (excluding outside directors)	Number of holders 4 Number of rights 234 Number of shares subject to Stock Acquisition Rights 46,800	Number of holders 4 Number of rights 153 Number of shares subject to Stock Acquisition Rights 30,600	Number of holders 4 Number of rights 145 Number of shares subject to Stock Acquisition Rights 29,000
	Outside directors	-	-	-
	Corporate auditors	-	-	-

Name		14th Stock Acquisition Rights	15th Stock Acquisition Rights	16th Stock Acquisition Rights
Resolution date for issuance		June 14, 2016 (Board Meeting)	June 13, 2017 (Board Meeting)	June 12, 2018 (Board Meeting)
Number of Stock Acquisition Rights		207	221	231
Number of shares subject to Stock Acquisition Rights		41,400 shares of common stock (200 shares per Stock Acquisition Right)	44,200 shares of common stock (200 shares per Stock Acquisition Right)	46,200 shares of common stock (200 shares per Stock Acquisition Right)
Amount paid of Stock Acquisition Rights		146,500 yen per right	199,500 yen per right	178,500 yen per right
Amount of assets paid upon exercise of Stock Acquisition Rights		200 yen per right	200 yen per right	200 yen per right
Exercise period for Stock Acquisition Rights		From July 2, 2016 to June 30, 2041	From July 1, 2017 to June 29, 2042	From July 6, 2018 to June 30, 2043
Major conditions for the exercise of Stock Acquisition Rights		(Note) 1	(Note) 1	(Note) 1
Shares held by officers	Directors (excluding outside directors)	Number of holders 4 Number of rights 196 Number of shares subject to Stock Acquisition Rights 39,200	Number of holders 4 Number of rights 210 Number of shares subject to Stock Acquisition Rights 42,000	Number of holders 4 Number of rights 219 Number of shares subject to Stock Acquisition Rights 43,800
	Outside directors	-	-	-
	Corporate auditors	-	-	-

Name		17th Stock Acquisition Rights	18th Stock Acquisition Rights	19th Stock Acquisition Rights
Resolution date for issuance		June 18, 2019 (Board Meeting)	June 23, 2020 (Board Meeting)	June 15, 2021 (Board Meeting)
Number of Stock Acquisition Rights		265	351	390
Number of shares subject to Stock Acquisition Rights		53,000 shares of common stock (200 shares per Stock Acquisition Right)	70,200 shares of common stock (200 shares per Stock Acquisition Right)	78,000 shares of common stock (200 shares per Stock Acquisition Right)
Amount paid of Stock Acquisition Rights		192,100 yen per right	133,500 yen per right	163,600 yen per right
Amount of assets paid upon exercise of Stock Acquisition Rights		200 yen per right	200 yen per right	200 yen per right
Exercise period for Stock Acquisition Rights		From July 11, 2019 to June 30, 2044	From July 11, 2020 to June 30, 2045	From July 2, 2021 to June 30, 2046
Major conditions for the exercise of Stock Acquisition Rights		(Note) 1	(Note) 1	(Note) 1
Shares held by officers	Directors (excluding outside directors)	Number of holders 4 Number of rights 252 Number of shares subject to Stock Acquisition Rights 50,400	Number of holders 4 Number of rights 334 Number of shares subject to Stock Acquisition Rights 66,800	Number of holders 4 Number of rights 377 Number of shares subject to Stock Acquisition Rights 75,400
	Outside directors	-	-	-
	Corporate auditors	-	-	-

- Notes:
- Main conditions for the exercise of Stock Acquisition Rights are as follows:
    - (1) A Stock Acquisition Right holder may exercise the Stock Acquisition Right only if the Stock Acquisition Right holder loses any and all statuses as a director of the Company (including executive officers in the case of a company with committees), or as an auditor or executive director. However, in that case, the Stock Acquisition Right holder may exercise the Stock Acquisition Right for subscription only during the period from the date following the date on which the holder loses any and all of the above statuses (the "Exercise Period Commencement Date") for ten (10) days after the Exercisable Period Commencement Date.
    - (2) If a Stock Acquisition Right holder waives the Stock Acquisition Right for subscription, the Stock Acquisition Right holder may not exercise the Stock Acquisition Right for the waived subscription.
  - On February 15, 2017, USS revised the Stock Acquisition Rights allocation contracts for the 5<sup>th</sup> through the 14<sup>th</sup> issues of Stock Acquisition Rights with all directors and executive officers (except directors and executive officers who have resigned or retired) who hold any of these rights. The condition for the exercise of these Stock Acquisition Rights was revised. Previously, the rights could be exercised during the five-year period starting on the Exercise Period Commencement Date. Now, as stated in the preceding note 1. (1), the rights can be exercised for ten (10) days after the Exercise Period Commencement Date.
  - As a result of the 10-for-one stock split for common stock on October 1, 2013, and the 2-for-1 stock split for common stock on April 1, 2024, "Number of shares subject to Stock Acquisition Rights" and "Amount of assets paid upon exercise of Stock Acquisition Rights" were adjusted.

## 4. Matters relating to Officers of the Company

### (1) Directors and corporate auditors (as of March 31, 2025)

Title	Name	Duties and Affiliation to Other Companies, etc.
Chairman and Representative Director, Chief Executive Officer	Yukihiro Ando	
President and Representative Director, Chief Operating Officer	Dai Seta	President and Representative Director of USS Support Service Co., Ltd. President and Representative Director of ARBIZ Co., Ltd.
Executive Vice President	Masafumi Yamanaka	Officer of the Supervisory Office President and Representative Director of Reproworld Co., Ltd. President and Representative Director of Rabbit Car Network Co., Ltd.
Junior Managing Director	Hiromitsu Ikeda	President and Representative Director of US Butsuryu Co., Ltd.
Director	Nobuko Takagi	Representative Director, COEING AND COMPANY Inc. Representative, Nobuko Takagi Certified Public Accountants' Office Outside Director of SMS Co., Ltd. Outside Director of KOSÉ Corporation
Director	Shinji Honda	Executive Director and Chief Operating Officer (COO) of CYBERDYNE Inc. President and Representative Director of CEJ Capital Co., Ltd.
Director	Yoshiko Sasao	Outside director of Hiramatsu Inc. President and Representative Director of Career & Life Supporters, Inc.
Full-time Corporate Auditor	Kenichi Goto	President, Kenichi Goto Certified Public Tax Accountant office
Corporate Auditor	Keiji Miyake	President, Keiji Miyake Certified Public Accountant Office Partner, Hokushin Tax accountant corporation External member, Sakae Audit Corporation
Corporate Auditor	Jun Ogawa	Tomishima Ogawa Mori Law Office, Attorney Non-regular Audit Commissioner for Aichi Prefecture

- Notes:
1. Directors: Nobuko Takagi, Shinji Honda and Yoshiko Sasao are outside directors.
  2. Corporate auditors: Kenichi Goto, Keiji Miyake and Jun Ogawa are outside corporate auditors.
  3. Full-time corporate auditor: Kenichi Goto has considerable knowledge of finance and accounting as a certified tax accountant.
  4. Corporate auditor: Mr. Keiji Miyake is well versed in corporate accounting matters as a certified public accountant, and has considerable knowledge of finance and accounting.
  5. USS designates the following officers as independent officers as prescribed by the Tokyo Stock Exchange and Nagoya Stock Exchange and has submitted notices to these stock exchanges: Directors Nobuko Takagi, Shinji Honda and Yoshiko Sasao and corporate auditors Kenichi Goto, Keiji Miyake and Jun Ogawa.
  6. There are no special relationships between the Company and any significant companies associated with concurrent posts of outside directors and outside corporate auditors.
  7. Changes of titles, duties and affiliation to other companies of the Directors in the current fiscal year are as follows:
    - (1) On June 30, 2024, corporate auditor, Keiji Miyake became an External member of Sakae Audit Corporation.
    - (2) On October 18, 2024, corporate auditor, Jun Ogawa became a Non-regular Audit Commissioner for Aichi Prefecture.

8. Each of the outside directors and outside corporate auditors has entered into a liability limitation agreement with the Company that limits the liability for damage pursuant to provisions under Article 427, Paragraph 1, of the Companies Act and Articles 27 and 37 of the Articles of Incorporation of the Company. This agreement limits liability to the higher of 4 million yen or the amount designated by laws and regulations.
9. USS has agreements with an insurance company concerning director, etc. liability insurance policies stipulated in Article 430-3-1 of the Companies Act. In the event that a director or other insured individual, as a result of activities (including oversight) performed as a director or other officer of USS, is required to pay damages, the insurance policy will pay these damages, litigation expenses and other expenses. However, the policy does not cover certain activities of an individual, such as bribery or other criminal acts or an intentionally illegal act. USS plans to renew these insurance policies during the term of office of the directors with policies having similar terms. Premiums for these policies are paid entirely by USS.

## (2) Remuneration, etc. for directors and company auditors

### 1) Item concerning the policy for determining remuneration, etc. for individual directors

On May 10, 2022, the USS Board of Directors approved a resolution to revise the process for determining remuneration, etc. for directors with regard to the policy for determining remuneration, etc. for individual directors. Before this resolution was approved, the proposed revision was submitted to the Nominations and Remuneration Committee, where the majority of members are independent outside directors, and the committee submitted its position regarding the revision to the directors.

The following is a summary of the policy for determining remuneration, etc. for individual directors following this revision.

#### (I) Basic policy for remuneration of officers

USS will maintain a competitive level of remuneration for the purpose of attracting and retaining talented managers with the skills needed for the sustained growth of the USS Group and medium to long-term growth of corporate value.

In addition to receiving fixed remuneration, officers receive as performance-linked remuneration bonuses as a short-term incentive, performance-linked stock remuneration (performance share units) as a medium-term incentive, and restricted stock remuneration as a long-term incentive. The policy is to properly determine percentages of total remuneration for each of these remuneration categories with the aim of having these remuneration plans function as sound incentives for achieving sustained growth.

#### (II) Explanation of remuneration for officers

Based on the basic policy in the preceding section, USS plans to use the following remuneration plans for directors and corporate auditors. A black circle indicates eligibility for each category of remuneration.

Remuneration category			Eligibility		
			Executive Officer Directors (Note 1)	Outside Directors (Note 2)	Corporate Auditors (Note 3)
Fixed	Cash	Basic remuneration	●	●	●
		Bonus	●	—	—
Variable	Stock	Performance-linked stock	●	—	—
		Restricted stock	●	—	—

- Notes: 1. Executive officer directors are all directors other than outside directors and receive all four categories of remuneration as their remuneration as executive officer directors.  
2. Outside directors receive only basic remuneration for the purpose of ensuring that these directors supervise management with objectivity and independence.  
3. Remuneration for corporate auditors is decided by the mutual agreement of the corporate auditors. This composition is solely basic remuneration to ensure that corporate auditors perform audits of management with objectivity and independence.

#### Composition of remuneration for executive officer directors

Remuneration category	Percentage
Basic	60%
Bonus	20%
Performance-linked stock	10%
Restricted stock	10%

Note: Composition when the performance-based evaluation coefficient is all 100% for all KPIs.

(III) Basic remuneration

Basic remuneration is paid in fixed amounts every month and is based on the roles, responsibilities and other characteristics of each director's executive position at USS.

(IV) Bonus

Bonuses are performance-linked remuneration that is paid in cash as a short-term incentive. The bonus for each fiscal year is linked to results of operations and calculated as follows.

The basic amount used to calculate bonuses (i) and bonus payment ratio (ii) are multiplied to obtain the bonus paid to each individual.

$\text{Bonus} = \text{Basic bonus calculation amount (i)} \times \text{Bonus payment ratio (ii)}$
---

(i) Basic bonus calculation amount

This figure is determined by the Nominations and Remuneration Committee, where the majority of members are independent outside directors, which has been authorized by the board of directors to perform this task.

(ii) Bonus payment ratio

This ratio is calculated by using the sales evaluation coefficient, operating profit evaluation coefficient, net income evaluation coefficient (using profit attributable to owners of parent, same hereafter) and ROE evaluation coefficient, which are financial indicator evaluation coefficients (all using consolidated financial data, same hereafter), and applying the applicable weighting (20% for the sales coefficient, 40% for the operating profit coefficient, 20% for the net income coefficient and 20% for the ROE coefficient).

These financial indicator evaluation coefficients are between 0% and 200% depending on the degree to which performance targets for the applicable fiscal year were achieved. The initial forecast for the fiscal year is used as the targets for determining the sales, operating profit and net income coefficients. For the ROE coefficient, 15% is used because this is one of the medium-term targets of USS.

$\begin{aligned} \text{Bonus payment ratio} = & \\ & \text{Sales evaluation coefficient} \times 20\% + \text{Operating profit evaluation coefficient} \times 40\% \\ & + \text{Net income evaluation coefficient} \times 20\% + \text{ROE evaluation coefficient} \times 20\% \end{aligned}$
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(Financial indicators and evaluation coefficients in the bonus payment ratio)

	KPI	Basis for evaluation	Weight	Achievement ratio		Evaluation coefficient
Financial indicators	Sales	Degree of achievement of target	20%	Minimum	50%	0%
				Target	100%	100%
				Maximum	150%	200%
	Operating profit	Same	40%	Minimum	50%	0%
				Target	100%	100%
				Maximum	150%	200%
	Net income	Same	20%	Minimum	50%	0%
				Target	100%	100%
				Maximum	150%	200%
	ROE	Same	20%	Minimum	Below 11%	0%
				Target	15%	100%
				Maximum	20%+	200%



(V) Performance-linked stock remuneration

The purpose of this stock remuneration is to increase the medium-term incentive for executive officer directors to achieve the consistent growth of USS's corporate value. This remuneration accomplishes this by further clarifying the link between each director's remuneration and results of operation and the value of USS stock. For the period beginning after an annual shareholders' meeting and ending with the annual shareholders meeting in the following year, this remuneration distributes to eligible directors a number of shares of USS common stock based on the degree to which performance targets have been achieved for the applicable period of three consecutive fiscal year. Shares are distributed at the end of this three-year period.

The number of shares of USS common stock an eligible director receives is calculated by multiplying the number of stock units (i) and the stock distribution ratio (ii).

$\text{Shares distributed} = \text{Number of stock units (i)} \times \text{Stock distribution ratio (ii)}$
--

(i) Number of stock units

This number is calculated by dividing the standard amount of performance-linked stock remuneration (a) for each executive officer director by the stock price for the stock unit formula (b).

$\text{Number of stock units} = \frac{\text{Standard amount of performance-linked stock remuneration for individual directors (a)}}{\text{Stock price for stock unit formula (b)}}$
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(a) Standard amount of performance-linked stock remuneration for individual directors

The standard amount for each director is determined by the Nominations and Remuneration Committee, where the majority of members are independent outside directors, as authorized by the board of directors.

(b) Stock price for stock unit formula

The stock price in this formula is the higher of the closing price of USS stock on the final day of the fiscal year prior to the first fiscal year of the applicable three-year performance evaluation period (or the most recent prior closing price if USS stock was not traded on that day) or the average stock price for the entire fiscal year prior to the first fiscal year of the applicable evaluation period.

(ii) Stock distribution ratio

This ratio is calculated by using the TSR\* evaluation coefficient and ROE evaluation coefficient, which are financial coefficients, with the applicable weighting (50% for TSR evaluation coefficient and 50% for ROE evaluation coefficient) and then making an adjustment to reflect the ESG evaluation coefficient, which is a non-financial coefficient. If this calculation results in a negative figure, the result is revised to 0%.

The TSR evaluation coefficient and ROE evaluation coefficient are figures between 0% and 200% depending on the degree to which performance targets established for each performance evaluation period were achieved.

The ESG evaluation coefficient, which is a non-financial performance indicator, is a figure between -10% and +10% and is linked to MSCI and CDP ratings of USS during the performance evaluation

$\text{Stock distribution ratio} = \text{TSR evaluation coefficient} \times 50\% + \text{ROE evaluation coefficient} \times 50\% \\ \pm \text{ESG evaluation coefficient}$
--

period.

(Financial indicators and evaluation coefficients in the stock distribution ratio)

	KPI	Basis for evaluation	Weight	Achievement ratio		Evaluation coefficient
Financial indicators	TSR (vs. index)	USS TSR vs. TOPIX 500 stock growth ratio (relative stock growth ratio)	50%	Relative stock growth ratio is below 70%		0%
				Relative stock growth ratio is 70% to 130%		Same as relative stock growth ratio
				Relative stock growth ratio is over 130%		200%
	ROE	Degree of achieving target	50%	Minimum	Under 11%	0%
				Target	15%	100%
				Maximum	20%+	200%

#### (VI) Restricted stock remuneration

This remuneration is a long-term incentive for executive officer directors. Enabling these directors to constantly hold USS common stock means that these directors have the same potential benefits and risks involving stock price movements as all other shareholders do. The purpose of this long-term incentive is to increase the motivation of these directors to contribute to raising the price of USS stock and increasing the corporate value of USS. As a rule, USS will distribute restricted stock to eligible executive officer directors every year. Each director will be restricted from transferring ownership of this USS common stock from the day the stock is received until the day the individual is no longer a director of USS.

The total monetary amount of restricted stock remuneration in every year is determined by the Nominations and Remuneration Committee, where the majority of members are independent outside directors, as authorized by the board of directors.

Regarding the number of shares, at the 42nd Annual General Meeting of Shareholders held on June 21, 2022, it was resolved that the maximum number of shares to be issued each year shall be 300,000 shares. However, following the stock split conducted on April 1, 2024, whereby one share of the Company's common stock was split into two shares, the maximum number of shares to be issued each year was adjusted to 600,000 shares.

#### (VII) Level and composition of remuneration for executive officer directors

USS believes that the level of remuneration and composition of this composition are appropriate. This judgment is based on comparisons of the level of remuneration, remuneration composition, labor's share of income and salaries of USS employees with the same figures for TOPIX 500 companies and companies with a market capitalization and sales similar to those of USS.

The level, format, composition and other aspects of remuneration for executive officer directors is determined with the purpose of further increasing motivation to contribute to medium to long-term growth of sales and earnings and corporate value by more clearly linking remuneration with results of operations. All aspects of this remuneration are reexamined periodically. The percentages of each category of remuneration for executive officer directors are in the preceding item (II).

#### (VIII) Return of remuneration (malus and clawback provisions)

USS has a system (malus and clawback) for the return of performance-linked stock remuneration and restricted stock remuneration distributed to executive officer directors. These actions may be taken when the board of directors determines that an executive officer director has committed an illegal act or a serious violation of internal rules or been involved with some other improper activity,

including serious fraudulent accounting or an act causing a significant loss. In this event, USS can refuse to distribute USS common stock to a director, require a director to pay the market value of all or part of the USS common stock that was distributed as remuneration, demand the return of this stock, or take some other action. Terms for a demand for the return of stock or other action will be determined by a resolution of the board of directors.

(IX) Process for determination of remuneration for directors

The policy for determining the composition of remuneration for directors and the specific remuneration for individual directors are determined by the Nominations and Remuneration Committee, where the majority of members are independent outside directors, as authorized by the board of directors, by using objective discussions.

As needed, members of the Nominations and Remuneration Committee ask external companies and other organizations for advice while holding discussions about remuneration for the purpose of obtaining an objective perspective and incorporating professional knowledge and information in discussions about remuneration.

(X) Policy for determining remuneration of executive officers

The policy for the determination of remuneration for executive officers of USS is based on the policy for the determination of remuneration for directors of USS and this remuneration consists of basic remuneration, bonuses, performance-linked stock remuneration and restricted stock remuneration.

**2) Item concerning delegation of authority for determining remuneration, etc. of individual directors**

Based on the resolution on May 11, 2021, the USS Board of Directors delegated of authority for the determination of remuneration for individual directors to the Nominations and Remuneration Committee. Based on the policy for determining remuneration, etc. for individual directors, this committee makes decisions by taking into consideration the executive position, responsibilities and contribution to results of operations of each director. Remuneration does not exceed the limit established by resolutions approved at shareholders meetings. The Nominations and Remuneration Committee has five members and is chaired by USS Chairman, Representative Director and Chief Executive Officer Yukihiro Ando. The other members are USS President and Representative Director, Chief Operating Officer Dai Seta and outside directors Nobuko Takagi, Shinji Honda and Yoshiko Sasao.

The Board of Directors gives the Nominations and Remuneration Committee authority to make decisions about the remuneration, etc. of individual directors. The reason is that the use of discussions and decisions by this committee, where outside directors independent of management are the majority of the members, ensures the transparency, objectivity and fairness of the procedure for determining remuneration, etc. Consequently, this committee is believed to be suitable for performing this role.

To ensure that the authority to determine remuneration, etc. of individual directors for the fiscal year that ended in March 2025 has been properly exercised, decisions are made by the Nominations and Remuneration Committee, where the majority of members are Independent Outside Directors, by taking into account all applicable factors including consistency with the remuneration determination policy in the preceding item 1). The Board of Directors also confirms that the determination policy for remuneration and the remuneration, etc. that was approved is consistent with the remuneration determination policy. Consequently, USS believes that this remuneration was determined in accordance with the applicable policy.

### 3) Total amount of remuneration, etc. for directors and corporate auditors

Category	Total amount of remuneration, etc. (million yen)	Breakdown (million yen)				Number of officers
		Fixed	Variable			
			Cash		Stock	
		Basic remuneration	Performance-linked bonus	Performance-linked stock	Restricted stock	
Directors (Outside directors out of all directors)	439 (17)	237 (17)	87 (-)	77 (-)	36 (-)	7 (3)
Corporate auditors (Outside corporate auditors out of all corporate auditors)	17 (17)	17 (17)	- (-)	- (-)	- (-)	3 (3)
Total (Outside officers out of all officers)	456 (34)	254 (34)	87 (-)	77 (-)	36 (-)	10 (6)

- Notes:
1. There are no directors who also are employees.
  2. Bonuses (performance-linked remuneration) for directors (other than outside directors) are monetary remuneration based on the degree to which fiscal year performance targets were achieved. The composition of these bonuses is explained in section (4) of "(1) Item concerning the policy for determining remuneration, etc. for individual directors (IV)."
  3. Directors (other than outside directors) receive restricted stock remuneration. The composition of this remuneration is explained in "(1) Item concerning the policy for determining remuneration, etc. for individual directors (VI)."
- 42nd Annual General Meeting of Shareholders (June 21, 2022) approved the resolution to set the maximum number of shares of restricted stock that can be distributed every year as 300,000. On April 1, 2024, the Company executed a 2-for-1 stock split of its common stock. As a result, the maximum number of shares of restricted stock that can be distributed every year was adjusted to 600,000.
4. Performance-linked stock remuneration in this table is the amount of expenses for performance-linked stock remuneration for four directors (other than outside directors) that was recognized as an expense in the fiscal year that ended in March 2025. The composition of this remuneration is explained in "(1) Item concerning the policy for determining remuneration, etc. for individual directors (V)."

### 4) Shareholders meeting resolutions concerning remuneration, etc. for directors and company auditors

The maximum amounts of remuneration, etc. for USS directors and company auditors in accordance with resolutions approved by shareholders are as follows.

Category	Type of remuneration, etc.	Maximum	Approval at shareholders meeting	Number of applicable individuals at the close of this shareholders meeting
Directors (including outside directors)	Cash	¥500 million per year	26th Annual General Meeting of Shareholders (June 28, 2006)	18 (including 4 outside directors)
Directors (excluding outside directors)	Performance-linked Stock Remuneration	¥150 million per year	42nd Annual General Meeting of Shareholders (June 21, 2022)	4 (excluding outside directors)
Directors (excluding outside directors)	Restricted Stock Remuneration	¥150 million per year	42nd Annual General Meeting of Shareholders (June 21, 2022)	4 (excluding outside directors)
Corporate Auditors	Cash	¥50 million per year	26th Annual General Meeting of Shareholders (June 28, 2006)	3

## 5) Performance-linked remuneration, etc.

Items concerning performance-linked remuneration, etc. for the Company's Directors are as follows.

<Bonus (performance-based monetary compensation)>

KPI	Range of fluctuation	Weight	Target	Result	Achievement ratio	Bonus payment ratio
Sales	0% - 200%	20%	¥ 101,900 million	¥ 104,021 million	102.0%	120.0%
Operating profit	0% - 200%	40%	¥ 51,500 million	¥ 54,206 million	105.2%	
Net income	0% - 200%	20%	¥ 35,000 million	¥ 37,636 million	107.5%	
ROE	0% - 200%	20%	15.0%	18.9%	126.0%	

<Reasons for selecting these key performance indicators (KPI)>

Forecasts for sales, operating profit and profit attributable to owners of parent are announced at the beginning each fiscal period and used as KPI from the standpoint of determining the degree to which fiscal year goals were reached. The return on equity is a KPI because this is one of the medium-term performance indicators and has the goal of maintaining a return of at least 15%.

<Targets of Performance-linked Stock Remuneration (PSU), etc.>

KPI	Range of fluctuation	Weight	Target	Result	Achievement ratio	Payment ratio
TSR	0% - 200%	50%	100%	USS TSR growth ratio 155.0%	108.0%	140.2%
				TOPIX 500 stock growth ratio 143.5%		
ROE	0% - 200%	50%	15%	18.9%	160.0%	
ESG	-10% to +10%	-	-	MSCI ESG Rating: A CDP Climate Change: A-	+6.2%	

Note: ESG achievement ratio are calculated based on MSCI ESG ratings as of the end of March 2025 and CDP 2024 (climate change) scores.

<Reasons for selecting these key performance indicators (KPI)>

The total shareholder return was selected as a link with the medium to long-term growth rate of the value of USS stock and ESG was selected from the standpoint of achieving the consistent growth of corporate value. The return on equity is a KPI because this is one of the medium-term performance indicators and has the goal of maintaining a return of at least 15%.

## (3) Matters concerning outside directors

- 1) Update on significant concurrent posts at other corporations and the relationship between the Company and corporations at the locations are as shown under "(1) Directors and corporate auditors", which is on pages 37-38.

## 2) Update on principal activities in the current fiscal year

Position	Name	Board Meetings Attendance Record	Board of Auditors meetings Attendance Record	Major activities
Director	Nobuko Takagi	9 / 9 (100%)	-	Use of expertise and experience involving finance, accounting and M&A for participation in discussions of proposals and other matters. Attended all 2 fiscal year meetings of the Nominations and Remuneration Committee as a member, stating opinions from an objective and neutral standpoint concerning the selection of officer candidates, remuneration and other matters, thereby performing the oversight function for these decisions.
Director	Shinji Honda	9 / 9 (100%)	-	Use of extensive experience and professional skills concerning corporate management to participate in discussions of proposals and other matters. Attended 2 meetings of the Nominations and Remuneration Committee during the fiscal year, performing the oversight function from an objective and neutral standpoint concerning the selection of officer candidates and determination of officer remuneration, etc.
Director	Yoshiko Sasao	9 / 9 (100%)	-	Use of extensive experience and professional skills concerning employee skill development, the advancement of women, diversity and other areas to participate in discussions of proposals and other matters. Attended 2 meetings of the Nominations and Remuneration Committee during the fiscal year, performing the oversight function from an objective and neutral standpoint concerning the selection of officer candidates and determination of officer remuneration, etc.
Corporate Auditor	Kenichi Goto	9 / 9 (100%)	9 / 9 (100%)	Accounting and business process audits, use of expertise as a certified tax accountant to participate in discussions of proposals and other matters. Also attended a meeting to exchange opinions with the representative directors and provided various suggestions and advice from his professional perspective.
Corporate Auditor	Keiji Miyake	9 / 9 (100%)	9 / 9 (100%)	Accounting and business process audits, use of expertise as a certified public accountant to participate in discussions of proposals and other matters. Also attended a meeting to exchange opinions with the representative directors and provided various suggestions and advice from his professional perspective.
Corporate Auditor	Jun Ogawa	9 / 9 (100%)	9 / 9 (100%)	Accounting and business process audits, use of expertise as an attorney to participate in discussions of proposals and other matters. Also attended a meeting to exchange opinions with the representative directors and provided various suggestions and advice from his professional perspective.

## 5. Matters relating to Independent Auditors

### (1) Name of corporate auditor

KPMG AZSA LLC

### (2) Amount of remuneration, etc.

Classification	Amount
Total amount of remuneration, etc. of accounting auditors during the term	37 million yen
Total amount of monies and other properties which the Company and its subsidiaries should pay in remuneration of accounting auditors for their services to the Company and its subsidiaries during the term	39 million yen

Notes: 1. The "total amount of remuneration, etc. of accounting auditors during the term" indicates the total amount of remuneration for audits as defined under the Companies Act and as defined under the Financial Instrument and Exchange Law, because the amounts of remuneration for those two definitions of audits are not distinguished in the audit contracts between the Company and the accounting auditors and such distinction is not possible.

2. Board of Auditors agreed to the figures including the compensation package for accounting auditors after a review of needed materials and reports from and interviews with accounting auditors, Directors, Internal Audit Office and other concerned departments to confirm among other things the state of performance of duties in the current and previous fiscal years and the computation basis for a general estimate of auditor compensation.

### (3) Overview of the contents of the liability limitation agreement and the Indemnity agreement

Not applicable.

### (4) Description of services other than audits

Not applicable.

### (5) Policies on determination of removal or denial of reappointment of accounting auditors

The Board of Corporate Auditors determine whether to reappoint accounting auditors, taking their independence, reliability and other situations related to their performance of duties into account comprehensively.

The Board of Corporate Auditors will, if it deems it necessary to remove or deny reappointment of any of the accounting auditors due to an issue in the performance of their duties or any other reason, decide the contents of the agenda of an Annual General Meeting of Shareholders regarding the removal or denial of reappointment of an accounting auditor. If the Board of Corporate Auditors recognizes that any of the items prescribed in Article 340, Paragraph 1, of the Companies Act apply to any of the accounting auditors, the Board of Corporate Auditors will remove this accounting auditor, subject to a unanimous agreement by the corporate auditors. In such a case, a corporate auditor elected by the Board of Corporate Auditors will report the facts on the removal of the accounting auditor and the reasons at the first General Meeting of Shareholders that is held following the removal.

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Note: Numbers in this Business Report are truncated. Percentages are, however, rounded off to the nearest tenth decimal except the shareholding ratio numbers written in "2. Matters relating to shares of the Company".

## **6. Management Shall Ensure Sound Business Practices and Update on Implementation of this Management**

### **Basic policy on internal control systems**

- (1) Management shall ensure compliance by directors and such of USS and its subsidiaries (These members shall include directors of USS and our subsidiaries. Hereafter, the same shall apply.), and to enable their professional duties to be performed in compliance with laws, ordinances, and the Articles of Incorporation.
  - 1) USS Group shall create a compliance manual that includes USS Code of Conduct & Ethics to comply with the laws and ordinances and improve areas including the Directors' and employees' understanding of ethical conduct at our corporation, and shall disseminate and implement this manual.
  - 2) USS Group shall uncover swiftly and prevent any activities in violation of laws and ordinances; shall utilize "The USS Group Internal Reporting System" to rectify such breaches; and shall implement a roll-out of our mindset on ethical conduct to the employees and Directors of the USS Group.
  - 3) USS Group shall appoint Outside Directors and Outside Auditors to ensure sensible decision-making at Board meetings and improve oversight in the functions of Management, and shall utilize independent experts including but not limited to legal counsel.
  - 4) USS Group shall implement a central accounting system at the head offices to ensure sensible financial reporting; shall centrally manage the financial information and such of the USS Group; and shall comply with accounting standards and other various, related laws and ordinances.
  - 5) USS Group shall not be associated in any way with antisocial forces and shall resolutely stand against such organizations. In the event of demands including but not limited to unlawful requests, concerned departments shall work together under close partnership with expert bodies including but not limited to police, and we shall never work to benefit the assets of such organizations.
- (2) Management of retention and organization of information relating to performance of duties by Directors
  - 1) Management of information concerning the performance of duties by Directors shall sensibly retain and control (including disposals) such information in line with rules including but not limited to USS Group's company rules, and when needs arise all rules shall be reviewed and how the rules are enforced shall be checked.
  - 2) Responsible departments shall be established based on information type and on division and organization of roles by job duty of Directors; then this information shall be recorded and saved in document form or on electromagnetic media. Specifically, access privileges, security measures, backup systems, and other controls for electromagnetic information shall be upgraded.
  - 3) For information that requires certain controls under the laws and ordinances on insider information, personal information, and customer information, the method of control that is required under relevant laws and ordinances shall be disseminated fully to the Directors and employees.
  - 4) A Risk and Information Manager shall be appointed at each office and the subsidiaries; a company management structure shall be established where critical information of the USS Group are reported in a timely and sensible manner to the General Affairs Department of the Supervisory Office of Head Office and reported to and reviewed at the Board meetings or by Directors in charge when necessitated; and a system shall be implemented by which company information that should be disclosed is disclosed sensibly and in a timely manner in line with the rules on disclosure.
  - 5) Internal Audit Office shall monitor whether controls are implemented that are in line with the risk and information management rules and division and organization of roles by job duty, and the



status shall be reported to the Directors in charge and the Auditors.

- (3) Regulations on risk management at USS and its subsidiaries concerning damages and such management systems
  - 1) We shall create a risk management structure for the USS Group as a whole including but not limited to instructions, orders, and code of conduct in the event of critical risks, review of countermeasures and avoidance of critical risks, analysis of size in the event of occurrence of risks including but not limited to predictable catastrophes, environment, compliance, business management, and business strategies, and frequency of such risks.
  - 2) Risks shall largely be categorized into (i) risks in business management; (ii) risks in daily business processes; (iii) crisis risks; such risks shall be avoided and business efficiency shall be increased.
  - 3) Risks in business management, about which the company is aware and understands, shall be disclosed to stakeholders as risk information in documentation such as security reports, and such information shall be considered fully at important decision-making at events including but not limited to debated items at Board meetings.
  - 4) Risk and Information Managers at all offices and the subsidiaries shall report necessary information in a timely manner and sensibly to the General Affairs Department of the Supervisory Office of Head Office, and the Auditors and Internal Audit Office shall monitor the risk management systems as part of any audit.
- (4) Management shall ensure professional duties by directors and such of USS and its subsidiaries are efficiently performed
  - 1) All offices and subsidiaries shall devise specific plans for the objectives of the USS Group as a whole, including but not limited to medium-term plans and annual budgets; these objectives shall be disseminated to persons including employees; and a management system shall be established to perform these objectives to fulfillment.
  - 2) The Finance Department of the Supervisory Office of Head Office will analyze elements that inhibit the objectives from being achieved and efficiency at all of our offices and subsidiaries based on reports to the Board, comparative analysis of budget against results, and central management of monthly results of all of our offices and subsidiaries, and implement necessary measures.
  - 3) Clearly define the professional duties and the division and organization of roles by job duty of the Directors, executive officers, and site managers who perform the job duties, and establish an efficient and effective business management system in response to business expansion.
  - 4) Auditors shall also perform monitoring of any excessive pressure for efficiency in the performance of jobs by Directors.
- (5) Management shall ensure compliance by staff of USS and its subsidiaries in compliance with the laws, ordinances, and company charter when professional duties are performed
  - 1) The Finance Department of the Supervisory Office of Head Office has appointed managers at all offices and subsidiaries and is providing guidance and streamlining activities based principally on the monthly finance reports. In addition, the General Affairs Department and the Management Department of the Supervisory Office of Head Office shall cover general affairs and human resources, Auction Operation Office of Head Office shall cover auction businesses, System Office of Head Office shall cover information management businesses, the management of subsidiaries not including auction businesses shall be performed by appointing a Director in charge, and all shall coordinate to perform management and provide guidance for sensible business operations.
  - 2) In addition to disseminating the Compliance Manual to all persons under the employ of the USS Group, a compliance mindset shall be reared through usage of "The USS Group Internal Reporting System" that uses an independent and outside organization.
  - 3) For compliance at all offices and subsidiaries, management shall ensure efficiency when responding to business expansions of the USS Group, while ensuring full compliance.

Management shall continually maintain the company's Internal controls systems for documents including but not limited to (i) work rules, accounting rules, and other business management rulebooks, and (ii) information processing and controls for the information processing system on which many business processes are dependent.

- 4) For monitoring, management shall utilize self-audit reports of all offices and subsidiaries and ensure effectiveness of monitoring by way of audits by the Internal Audit Office and Auditors.

- (6) Management of reports to USS on matters relating to performance of professional duties by directors and such of its subsidiaries

Management shall hold meetings and provide guidance on strategies for each subsidiary based on budget administration and monthly business reports, and establish an internal control system that covers all subsidiaries of the consolidated group.

- (7) Management shall ensure proper operations at corporation groups formed of USS and its subsidiaries

- 1) The Company shall respect the autonomy of all of its subsidiaries under the master policy, which covers all subsidiaries on the consolidated statement, and all subsidiaries as members of the USS Group shall share the mission statement and compliance mindset, and streamline operations including but not limited to our workforce, human resource, accounting, and treasury management.
- 2) The Company shall ensure consistency between policy and such of all subsidiaries and the management strategy, management policy and such, and a Director in charge shall be appointed at the Company to provide necessary support and adjustments that are needed for sound advancement and growth at all subsidiaries.
- 3) Auditors shall coordinate with the Internal Audit Office and Accounting experts, and provide advice and warnings when they believe such are necessary.

- (8) Management shall ensure sensible financial reporting

- 1) As described in (1) through (7) and (11), the Company shall create and implement company controls for all of the USS Group including the consolidated subsidiaries.
- 2) The Company shall take under consideration not only the purpose that is Credibility of the Financial Reports but also the other purposes of Internal controls (How Valid and Effective are the Businesses; Compliance of Items including but not limited to Laws and Ordinances relating to Business Activities; Protection of Assets).
- 3) Because Company Controls for Settlement and Financial Reporting Processes are linked directly to financial reporting and these are processes that can have important impact, these controls shall be created such that the controls common to the group are also common to the consolidated subsidiaries.

- (9) Items concerning employees when Auditors request said employees to be placed to support their work

In the event auditors make this request, the necessary auditing staff shall be appointed, and they shall be put to provide support for auditing work.

- (10) Items on ensuring the performance of instructions by employees and independence of employees in the above paragraph from Directors

- 1) Auditor staffs in the above paragraph shall not take instructions and orders from Directors and employees when such individuals receive orders necessary for audit work from Auditors.
- 2) In the event staff dedicated to auditing will be named, any instructions, transfer orders, personnel review, and disciplinary action concerning this person shall be cleared in advance by the Auditors.

- (11) Management of reports to auditors by directors and such and staff of USS and its subsidiaries (Auditors shall be included in the case of its subsidiaries.), management to ensure that persons who make said report will not be treated unfairly for making such reports, and management of reports to auditors.
- 1) The Company has adopted a system at the Supervisory Office of Head Office (Finance Department, General Affairs Department, and Management Department) by which the management of treasury, accounting, general affairs, and human resources for all offices and subsidiaries are streamlined, and all important information of the USS Group are controlled by the Supervisory Office of Head Office and reported to the Auditors.
  - 2) The Company shall establish "The USS Group Internal Reporting System", by which information about consultations and reports that could be a significant risk are reported to the Auditors and Internal Audit Office. Also, there is a separate contact for reports concerning matters that may involve a USS director or executive officer. When a report is received using this separate channel, it will be notified to the full-time corporate auditor.
  - 3) The mechanism is such that USS and its subsidiaries shall improve internal management to prevent any individuals who make a report to auditors from receiving unfair treatment for making such reports, and auditors will check whether said management is properly functioning. This mechanism further functions in such a way that any individuals who make a report or seek guidance about violation of laws and ordinances or about improper activity to not be treated unfairly for whistleblowing or seeking guidance about such matters.
  - 4) The Company shall reinforce the system by which the systems in (1) , (2) and (3) above are implemented effectively and safely.
- (12) Items on prepayment or disbursement of cost incurred by performance of professional duties by auditors and cost incurred by other such professional duties and the policy on repayment procedure  
Auditors Board may prepare in advance a budget to cost what it believes is needed to perform the professional duties. Emergency and unscheduled expenditures by auditors may be reimbursed ex post facto by the company.
- (13) Management shall ensure that audits by auditors are effectively performed
- 1) Conduct audits in line with Auditing Criteria for Auditors and with Auditing Criteria on Internal Controls, set by the Board of Auditors. In addition, persons holding auditor posts shall attend Board meetings and other important meetings and submit remarks.
  - 2) Reconfirm the division of duties among the auditors for more effective audit work and confirm this understanding with the Board of Auditors.
  - 3) Hold briefings with the Representative Director, Outside Director, Internal Audit Office, and accounting auditors periodically.

## **Overview of the State of Our Operations**

### **(1) Framework on compliance**

The Board shall set forth the USS Code of Conduct & Ethics as our basic rules on behavior of all officers and persons under our employ; shall disseminate these rules to all officers and persons under our employ within the USS Group, and shall work to achieve this dissemination through in-house training whenever appropriate.

The USS Group Internal Reporting System enables employees to report illegal activities and other information that poses a risk. The system is managed by an external organization. Information about consultations and reports that could be a significant risk are reported to the Board of Directors. The USS representative director checks the status of this system's operations on a regular basis.

Attorneys and other external professionals may be asked for assistance, as directed by the USS representative director, as needed depending on the type of information received through the reporting system. Reports may be verified by an objective examination by an individual appointed by the USS representative director or by using other appropriate methods. Suitable activities are then taken for improvements and preventive measures regarding the illegal or improper behavior. There is a separate contact for reports concerning matters that may involve a USS director or executive officer. When a report is received using this separate channel, it will be notified to the full-time corporate auditor. And upon appointment by the Examination Committee consisting of USS external directors and USS corporate auditors, the full-time corporate auditor will handle the matter in principle.

When the external organization that manages the USS Group Internal Reporting System notifies USS that a report has been received, the individual at USS who is responsible for handling these reports passes on to others only information in a format that does not reveal the identity of the person who submitted the report, unless the individual asked for the report to be submitted with his or her name. Furthermore, the USS Group's Rules for the Internal Reporting System clearly state that the submission of a report will not be used as a reason for any negative consequences for individuals who submit reports using this system.

(2) Assurance of efficiency and sensibility in the professional actions of Directors

We maintain a proper number of Directors. We also have third parties on our Board and have an executive officer system in order to improve Director oversight and make decisions faster.

9 Board meetings were held in the current term. Items to be deliberated by the Board were distributed in advance so that participants had sufficient time to make preparations. The Board then made decisions on important items relating to management such as budgets, decisions on direction of Management, and items to be discussed as required under laws and ordinances. The Board then analyzed, evaluated, and devised strategies on budget performance by monthly business results, and deliberated on all tabled items with compliance to laws, regulations, articles of incorporation and such, and from the perspective of sensible business practice.

(3) Preparation of controls at our subsidiaries

Our directors and executive officers are appointed as officers to our subsidiaries, and they audit the performance of duties by Directors of our subsidiaries and others to make certain that those duties are efficiently performed. In addition, we have set forth Rules on Management of Affiliates as our rules on subsidiaries management, and implemented, among other things, pre-approvals on matters that require pre-approval such as important decision-making for subsidiary's business management to perform efficient monitoring of business performance at our company group.

(4) Guaranty that audits by auditors are effectively performed

Employees of the Internal Audit Office support the duties of the auditors, and we have opportunities where opinions are exchanged regularly between auditors and the accounting auditors, the Internal Audit Office, the Management, and all Directors including Representative Directors.

(5) State of performance of internal audits

We perform audits under our audit plan prepared by the Internal Audit Office based on our internal audit rules. Audits check whether our and our subsidiaries' corporate activities are proper under our company rules, code of conduct, articles of incorporation, and laws & ordinances, and whether proper controls are functioning in the business operation streams by using an audit method that includes review of documentation and investigations with the support and cooperation of the Board of Auditors.

## **7. Master policy on corporation management**

### **(1) Master policy**

USS believes that persons who control the policy decisions over USS's finances and businesses must above all possess the abilities to ensure and advance USS's corporate value and the interests of our shareholders.

The mission statement of the USS Group is (1) Creating a fair market; (2) Serving members better; (3) Providing services for consumers; (4) Passing profit on to shareholders; (5) Respecting employees; (6) Contributing to local communities. Our belief is that conducting our businesses under these missions will contribute to USS's corporate value and interests of our shareholders.

Moreover, as a publicly owned company with shares that are freely bought and sold, shareholders should ultimately make decisions about selling shares because of large share purchasing activity. In the event of an action for buying a large amount of our shares, we should not unilaterally oppose the action if it will be beneficial to our corporate value and the interests of our shareholders.

However, there may be a proposal or other action to purchase a large amount of our shares that are inconsistent with our corporate value and the interests of our shareholders. There may be insufficient time and information for the Company and shareholders to examine the proposal and to determine a proposal in response to the offer to buy Company shares. Or a proposed purchase may negatively impact the Company's corporate value and interests of shareholders with respect to management policies after the acquisition and the objective of the acquisition. There may also be proposals that force shareholders to sell their shares or have terms for buying Company stock that are inadequate or inappropriate in relation to our corporate value and the interests of our shareholders.

USS believes that any party that proposes or conducts large-scale purchasing activities like these are not suitable for controlling decisions about the Company's finances and business operations.

### **(2) Work to put the master policy into force**

In addition to working on our businesses, USS will continue to work on the fulfillment of corporate governance duties outlined below under our mission statement so that we may implement the above master policy.

Our group believes that the principal mission of management is to ensure sound and sustainable growth and to fulfill what our stakeholders, including but not limited to our shareholders, have entrusted to us. We will continue to work on the fulfillment of our corporate governance duties because this is the vehicle by which we can accomplish this mission.

Our Board continues to work on swifter decision-making and increased transparency through liaison and coordination between our outside directors, who are highly independent from our organization, and directors who are very knowledgeable about the USS Group's businesses. Furthermore, by using audits by auditors including outside corporate auditors, we continue to work on the fulfillment of our audit functions. We will oversee management by stringent monitoring and the confirmation of items including but not limited to legal compliance, efficiency, and justifiability of duties performed by directors and suitability of decision-making processes.

Our group has established basic rules of compliance, which we call the USS Code of Conduct & Ethics, and our directors lead the program on dissemination of and compliance with the company's rulebook on ethics. Furthermore, we also have established rules on ensuring the credibility of our financial reports and ensuring the appropriateness of our decision-making, which we call the USS Group Internal Governance System. This is an internal governance system to ensure that the operations of our group are performed properly and efficiently.

For the validity of our internal governance system, important items are reported to our board and auditors by our internal audit unit, which performs internal audits based on our annual plan.

### **(3) Activities in the master policy to prevent decisions about financial and business policies from being controlled by unsuitable persons**

USS adopted the proposal to implement countermeasures in the event of a large purchasing activity involving our shares (acquisition defense plan) at the Board meeting of May 16, 2006. The purpose is to prevent any negative impact on the joint interests of our shareholders and the Company's value from a large purchasing activity. This is part of our framework to ensure and improve the joint interests of our shareholders and our corporate value. Thereafter, this acquisition defense plan was approved by our shareholders at the 29<sup>th</sup> Period General Shareholders Meeting on June 24, 2009, and 32<sup>nd</sup> Period General Shareholders Meeting on June 26, 2012, under the term that this plan will continue after certain revisions were approved at these meetings (The plan that was approved by our shareholders at the 32<sup>nd</sup> Period General Shareholders Meeting on June 26, 2012, will hereafter be referred to as the "Plan").

After a review of the management of the Plan expiring on June 30, 2015, in view of the current business environment we have made the determination that it is not essential to continue this Plan. A resolution not to continue the Plan upon its expiration was approved at the Board meeting on May 13, 2015.

USS however shall continue to take proper and appropriate actions, including but not limited to continuing to seek, even after the Plan expires, under the relevant laws and ordinances, the necessary and full disclosure of information from persons who attempt to make large purchase and acquisition proposals concerning our company shares, as needed by our shareholders to make appropriate decisions, and continuing to disclose the views of our Board, and secure the time and information that are needed to conduct a review by our shareholders.

### **(4) Decision of the Board on implementation of the master policy**

USS believes that performing the activities in (2) and (3) above as the measures to implement the master policy will lead to ensuring and advancing the joint interests of our shareholders and our company value. USS also believes that this will make it difficult for persons to conduct large purchase activities and acquisition proposals that do not benefit the joint interests of our shareholders and our company value. Furthermore, we will continue to implement appropriate actions, including but not limited to working to ensure that the sufficient time and information necessary for our shareholders to make appropriate decisions are provided in the event of large purchase activities and acquisition proposals. Therefore, we have determined that the measures in (2) and (3) above are in line with the master policy, and these measures are not for the purpose of enabling our officers to maintain their positions.

**Consolidated Balance Sheet**  
**(As of March 31, 2025)**

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
<b>Current assets</b>	<b>144,641</b>	<b>Current liabilities</b>	<b>51,151</b>
Cash and deposits	113,219	Payables due to member dealers at auctions	30,005
Receivables due from member dealers at auctions	13,767	Notes and accounts payable – trade	904
Notes and accounts receivable – trade, and contract assets	2,419	Short-term borrowings	340
Operating loans	8,844	Current portion of long-term borrowings	220
Securities	3,000	Lease obligations	34
Inventories	1,656	Income taxes payable	10,215
Prepaid expenses	220	Deposits received	2,496
Other	1,767	Provision for bonuses	971
Allowance for doubtful accounts	△253	Provision for bonuses for directors (and other officers)	100
<b>Non-current assets</b>	<b>122,706</b>	Provision for share-based payments	72
<b>Property, plant and equipment</b>	<b>98,333</b>	Other	5,790
Buildings and structures	30,694	<b>Non-current liabilities</b>	<b>8,842</b>
Machinery, equipment and vehicles	1,155	Long-term borrowings	1,617
Furniture and fixtures	1,486	Lease obligations	34
Land	63,564	Long-term accounts payable – other	138
Lease assets	160	Deferred tax liability	8
Construction in progress	1,271	Provision for share-based payments	115
<b>Intangible assets</b>	<b>12,866</b>	Retirement benefit liability	1,007
Goodwill	6,747	Guarantee deposits received	4,908
Other	6,119	Asset retirement obligations	641
<b>Investments and other assets</b>	<b>11,506</b>	Other	370
Investment securities	511	<b>Total liabilities</b>	<b>59,993</b>
Long-term loans receivable	36	(Net assets)	
Long-term prepaid expenses	212	<b>Shareholders' equity</b>	<b>209,147</b>
Deferred tax assets	2,356	Share capital	18,881
Deferred tax assets for land revaluation	2,529	Capital surplus	9,057
Investment property	4,183	Retained earnings	214,166
Other	2,112	Treasury shares	△32,958
Allowance for doubtful accounts	△435	<b>Accumulated other comprehensive income</b>	<b>△5,385</b>
<b>Total assets</b>	<b>267,348</b>	Valuation difference on available-for-sale securities	111
		Revaluation reserve for land	△5,563
		Remeasurements of defined benefit plans	66
		<b>Share acquisition rights</b>	<b>442</b>
		<b>Non-controlling interests</b>	<b>3,150</b>
		<b>Total net assets</b>	<b>207,354</b>
		<b>Total liabilities and net assets</b>	<b>267,348</b>

**Consolidated Statement of Income**  
**(From April 1, 2024 to March 31, 2025)**

(Millions of yen)

Item	Amount	
<b>Net sales</b>		<b>104,021</b>
<b>Cost of sales</b>		<b>39,199</b>
<b>Gross profit</b>		<b>64,821</b>
<b>Selling, general and administrative expenses</b>		<b>10,615</b>
<b>Operating profit</b>		<b>54,206</b>
<b>Non-operating income</b>		
Interest and dividends income	45	
Rental income from real estate	648	
Other	187	881
<b>Non-operating expenses</b>		
Interest expenses	9	
Rental cost on real estate	173	
Other	20	204
<b>Ordinary profit</b>		<b>54,883</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	151	
Gain on sale of investment securities	163	
Other	11	326
<b>Extraordinary losses</b>		
Loss on sale and retirement of non-current assets	155	
Loss on valuation of stocks of subsidiaries and affiliates	99	
Other	0	254
<b>Profit before income taxes</b>		<b>54,955</b>
Income taxes – current	17,367	
Income taxes – deferred	△400	16,966
<b>Profit</b>		<b>37,988</b>
Profit attributable to non-controlling interests		352
<b>Profit attributable to owners of parent</b>		<b>37,636</b>



**Consolidated Statement of Changes in Equity**  
**(From April 1, 2024 to March 31, 2025)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	18,881	8,992	196,225	△23,298	200,800
Changes of items during the period					
Dividends of surplus			△19,695		△19,695
Profit attributable to owners of parent			37,636		37,636
Purchase of treasury shares				△10,000	△10,000
Disposal of treasury shares		19		340	360
Change in ownership interest of parent due to transactions with non-controlling interests		45			45
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	65	17,941	△9,660	8,346
Balance at the end of current period	18,881	9,057	214,166	△32,958	209,147

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	370	△5,636	23	△5,242	442	3,021	199,021
Changes of items during the period							
Dividends of surplus							△19,695
Profit attributable to owners of parent							37,636
Purchase of treasury shares							△10,000
Disposal of treasury shares							360
Change in ownership interest of parent due to transactions with non-controlling interests							45
Net changes of items other than shareholders' equity	△258	72	42	△143	—	129	△13
Total changes of items during the period	△258	72	42	△143	—	129	8,332
Balance at the end of current period	111	△5,563	66	△5,385	442	3,150	207,354

## Notes on consolidated financial statements

### I. Basis for preparation of consolidated financial statements

1. Matters related to the scope of consolidation
  - (1) Number of consolidated subsidiaries: 7  
 The main consolidated subsidiaries are listed in "Business Report: 1. Matters relating to the current state of the USS Group: (7) Major parent company and subsidiaries: 2) Major subsidiaries" of "Notice of the 45th Annual General Meeting of Shareholders".
2. Items concerning application of the equity method
  - (1) There is no nonconsolidated subsidiary or affiliate to which the equity method will be applied.
  - (2) Number of affiliates to which the equity method is not applied: 2  
 JBA Philippines, Inc., and SBI AutoSupport Co., Ltd.  
 These 2 companies were removed from the companies to which the equity method will be applied because they do not materially affect the consolidated financial statements.
3. Matters related to the fiscal years of consolidated subsidiaries, etc.  
 The fiscal year-end of all consolidated subsidiaries is the same as the one used in the consolidated financial statements.
4. Matters related to accounting policies
  - (1) Standards and methods of valuation of material assets
    - (i) Securities
 

Other securities	
Other than stocks with no market prices, etc.	Market value method (Valuation differences are included directly in net assets, and sales costs are calculated based on the moving average method.)
Stocks with no market prices, etc.	Cost method based on the moving average method
    - (ii) Inventories  
 Cost method based on the gross average method (in which book value is reduced to reflect declines in profitability)  
 However, the cost method based on specific-identification method (in which book value is reduced to reflect declines in profitability) is used for vehicles, and cost percentage method (in which book value is reduced to reflect declines in profitability) is used for products in the recycling business.
  - (2) Depreciation methods for important depreciable assets
    - (i) Property, plant and equipment and investment property (excluding lease assets)  
 Declining-balance method  
 However, the straight-line method is used for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and for facilities attached to buildings and structures acquired on or after April 1, 2016.
    - (ii) Intangible assets (excluding lease assets)  
 The straight-line method is used for software used internally over the period the software can be used (5 years), for leased land utilization rights over the period that the land can be used (31 - 34 years) and for Customer-related assets over its effective period (14 - 15 years).
    - (iii) Lease assets  
 Depreciation is based on the straight-line method with the lease term as the useful life and a residual value of zero.
- (3) Standards of accounting for important allowances and reserves
  - (i) Allowance for doubtful accounts  
 To prepare for bad debt losses, the following methods are used.

General claims	Method based on actual bad debt rates
Possible bad debts and claims in bankruptcy proceedings	Method of evaluating financial conditions
(ii) Provision for bonuses	To prepare for the payment of bonuses to employees, the Company posts the current year's portion of estimated bonuses.
(iii) Provision for bonuses for directors (and other officers)	To prepare for the payment of bonuses to directors and executive officers, the Company posts the current year's portion of estimated bonuses.
(iv) Provision for share-based payments	To prepare for the distribution of USS stock to directors and executive officers, the Company posts the current year's portion expenses for stock expected to be distributed.

(4) Accounting method relative to retirement benefits

(i) Method of attributing expected retirement benefits payment to periods

With regard to calculation of retirement benefits obligation, the benefit formula basis has been adopted to attribute expected retirement benefits payment to the period up to the end of the consolidated fiscal year under current review.

(ii) Amortization method for actuarial gains and losses

Actuarial gains or losses are evenly amortized using the straight-line method, over a certain number of years (10 years) within the average remaining service years of employees, at the time of occurrence in each consolidated fiscal year, from the fiscal year following the year of occurrence.

(iii) Accounting method for unrecognized actuarial gains and losses

Unrecognized actuarial gains and losses are recorded in "Remeasurements of defined benefit plans" in "Accumulated other comprehensive income" under Net assets after being adjusted for tax-effects.

(iv) Adoption of the simplified method for small businesses

Some consolidated subsidiaries adopt the simplified method, according to which the amount that would be required to be paid if all eligible employees voluntarily terminated their employment at the end of the corresponding fiscal year shall be deemed retirement benefits obligations in calculating "Retirement benefit liability" and "Retirement benefits expenses."

(5) Matters related to goodwill amortization

Goodwill is amortized using the straight-line method over a period of 20 years based on a reasonable estimate of the number of years that there will be benefits associated with the goodwill.

(6) Standards for recognition of significant revenue and expenses

For revenue in major businesses at USS and its consolidated subsidiaries from contracts with customers, the primary obligations to customers and the normal time these obligations are fulfilled (normal time of revenue recognition) are as follows.

(a) Auto auctions

Auto auction revenue is mainly consignment fees, contract completion fees and successful bid fees. For consignment fees, the obligation is fulfilled when a consigned vehicle is submitted at a USS auction. As a result, these fees are recognized as revenue on the auction dates. For contract completion and successful bid fees, the obligation is fulfilled when a vehicle consigned at a USS auction is purchased. As a result, these fees are recognized as revenue at the time winning bids are submitted.

(b) Used vehicle purchasing and selling

For revenue involving purchases and sales of used vehicles and accident-damaged vehicles, the obligation is fulfilled when vehicles are delivered to a customer because control of the

vehicle is transferred to the customer at that time. As a result, revenue is recognized when vehicles are delivered to customers.

(c) Recycling

In the resource recycling business, revenue from discarded automobiles, metal scrap and other items is recognized when control of the product or service is transferred to the customer.

In the industrial plant recycling business, revenue from the industrial plant demolition contracting business is recognized over a designated period as the obligation to transfer the products or services to the customer is fulfilled. Progress concerning the fulfillment of this obligation is estimated primarily by using the input method based on cost.

## II. Revisions to accounting policies

(Application of Accounting Standard for Current Income Taxes, etc.)

USS has applied the Accounting Standard for Current Income Taxes, etc. (ASBJ Statement No. 27, October 28, 2022; the Revised Accounting Standard of 2022) since the beginning of the fiscal year that ended in March 2025. For the revision concerning where to recognize income taxes (taxes on other comprehensive income), USS has used the transitional treatments in the proviso clause of paragraph 20-3 of the Revised Accounting Standards of 2022 and the transitional treatments in the proviso clause of paragraph 65 2(2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; the Revised Implementation Guidance of 2022) This change had no effect on the consolidated financial statements.

## III. Change in Presentation Method

(Consolidated balance sheet)

Due to the increasing significance of loans receivable, which were included in other current assets in the previous fiscal year's balance sheet, these loans are a separate item beginning with the balance sheet as of March 2025. Loans receivable as of March 2024 were 6,037 million yen.

## IV. Change in Accounting Estimates

(Change in useful life of assets)

The decision was made during the fiscal year that ended in March 2025 to rebuild the Yokohama auction site. As a result, the useful life of assets expected to be discarded has been changed to the period ending in the month that this rebuilding begins and this change will continue in the future. Compared with the previous method, in the fiscal year that ended in March 2025, this change increased depreciation expenses by 185 million yen and reduced operating profit, ordinary profit and profit before income taxes by the same amount.

## V. Notes on the consolidated balance sheet

### 1. Assets pledged as collateral and liabilities secured by collateral

#### (1) Assets pledged

Buildings and structures	565 million yen
Land	2,456 million yen
Total	3,022 million yen

#### (2) Liabilities secured

Current portion of long-term borrowings	220 million yen
Long-term borrowings	1,320 million yen
Total	1,540 million yen

Note: Loans are bank loans of consolidated subsidiary ARBIZ Co., Ltd.

2. Cumulative depreciation for property, plant and equipment	64,170 million yen
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Cumulative depreciation for investment property

600 million yen

### 3. Revaluation of land

We have revaluated the land for business usage per the Law on Revaluation of Land (Law No. 34 Enacted on March 31, 1998). We have posted the tax for the valuation difference under Assets as Deferred Tax Asset from Revaluation, and posted the amount less this tax under Net Assets as Land Revaluation Difference Amount.

#### Method of revaluation of land

The Company revalued the land for business use by making a reasonable adjustment to the valuation in the land tax ledger, as specified by Clause 10, Article 341 of the Local Tax Law, as outlined in Clause 3, Article 2 of the Order for Enforcement of the Act on Revaluation of Land (Ordinance No. 119 promulgated on March 31, 1998).

Date of revaluation:

March 31, 2002

Difference between current market value at year-end and book value following revaluation: 721 million yen

### 4. National government subsidies

In conjunction with application of reduction entries for fixed assets acquired using national government subsidies, the total reduction entry amounts that were deducted directly from the acquisition cost of fixed assets were 37 million yen for buildings and structures, 1 million yen for furniture and fixtures and 161 million yen for land.

## VI. Notes on the consolidated statement of changes in equity

### 1. Matters related to the number of outstanding shares

Class of shares	Number of shares at the beginning of the current consolidated fiscal year	Increase in the number of shares during the current consolidated fiscal year	Decrease in the number of shares during the current consolidated fiscal year	Number of shares at the end of current consolidated fiscal year
Common stock	257,000,000	257,000,000	-	514,000,000

Notes: 1. On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock. The number of shares above is the number of shares before the stock split.

2. 257,000,000 shares increase in the number of outstanding shares is due to the stock split.

### 2. Matters related to dividends from surplus

#### (1) Dividend payments and others

##### (i) Dividend based on the resolution at the 44th Annual General Shareholders' Meeting on June 25, 2024

Total dividends	9,787 million yen
Dividend per share	40.70 yen
Date of record	March 31, 2024
Effective date	June 26, 2024
Dividend resource	Retained earnings

Notes: 1. Total dividends include dividends of 11 million yen for 294 thousand shares of the Company on the shareholder register held by the USS Employee Stock Ownership Plan Trust (the ESOP Trust).

2. On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock.

##### (ii) Dividend based on the resolution at the Board of Directors' meeting on November 5, 2024

Total dividends	9,908 million yen
Dividend per share	20.60 yen

Date of record September 30, 2024

Effective date December 6, 2024

Note: Total dividends include dividends of 9 million yen for 453 thousand shares of the Company on the shareholder register held by the ESOP Trust.

- (2) Dividends that become effective in the following fiscal year with a record date within the current fiscal year

The following will be submitted for resolution at the 45th Annual General Meeting of Shareholders scheduled to be held on June 24, 2025.

Total dividends 10,798 million yen

Dividend per share 22.80 yen

Date of record March 31, 2025

Effective date June 25, 2025

Dividend resource Retained earnings

Note: Total dividends include dividends of 7 million yen for 319 thousand shares of the Company on the shareholder register held by the ESOP Trust.

### 3. Matters related to share warrants as of March 31, 2025

	Type and number of stock		Date of grant
5th Stock Acquisition Rights	Common stock	45,600 shares	September 14, 2007
6th Stock Acquisition Rights	Common stock	52,000 shares	July 10, 2008
7th Stock Acquisition Rights	Common stock	89,800 shares	July 9, 2009
8th Stock Acquisition Rights	Common stock	62,800 shares	July 15, 2010
9th Stock Acquisition Rights	Common stock	76,000 shares	July 14, 2011
10th Stock Acquisition Rights	Common stock	68,600 shares	July 12, 2012
11th Stock Acquisition Rights	Common stock	48,400 shares	July 12, 2013
12th Stock Acquisition Rights	Common stock	31,800 shares	July 4, 2014
13th Stock Acquisition Rights	Common stock	30,400 shares	July 3, 2015
14th Stock Acquisition Rights	Common stock	41,400 shares	July 1, 2016
15th Stock Acquisition Rights	Common stock	44,200 shares	June 30, 2017
16th Stock Acquisition Rights	Common stock	46,200 shares	July 5, 2018
17th Stock Acquisition Rights	Common stock	53,000 shares	July 10, 2019
18th Stock Acquisition Rights	Common stock	70,200 shares	July 10, 2020
19th Stock Acquisition Rights	Common stock	78,000 shares	July 1, 2021

## VII. Notes on Financial instruments

### 1. Status of financial instruments

The USS Group invests funds on a sensible scale and purchases financial assets that are very sound. In addition, bank loans are used to procure funds as required by our capital expenditure plans. Derivatives are used solely for the purpose of shielding the Company from risks associated with interest rate and other volatilities associated with fund procurement and investment activities. Derivatives are never used for speculative activities.

Receivables due from member dealers at auctions, which are a type of trade receivable, are vulnerable to credit risks associated with customers. The Company manages deadlines and balances for each member and takes steps to quickly identify and reduce concerns about collecting the amounts due because of a decline in a member's financial condition or for some other reason.

Securities are held in joint management specified money trusts that are used for the management of short-term surplus funds. Investment securities, which are stocks, are held for the purpose of pure investment or business promotion. Such securities are subject to credit risk

associated with their issuers, risks of interest rate fluctuation, and risk of market price fluctuation. The Company periodically examines market prices, the state of issuers and other items, and regularly reviews its holdings.

Payable due to member dealers at the auctions, which are a type of trades payable, are all due within a short term.

Since Fair values of financial instruments calculations incorporate variables, the resulting fair values may vary when different assumptions are used.

## 2. Fair values of financial instruments

Information about amounts on the consolidated balance sheet, fair values and the differences between these two amounts as of March 31, 2025 are as follows. Notes concerning immaterial items are omitted. Stocks, etc. with no market price (¥180 million on the balance sheet) are not included in "short-term and long-term investment securities." A note concerning cash is omitted. Also, there is no note concerning deposits, money held in designated joint operating money trust, receivables due from member dealers at auctions and payables due to member dealers at auctions because all of these items are settled within a short time and therefore have fair values that are basically equivalent to their book values.

(Millions of yen)

	Book value	Fair value	Difference
Securities and investment securities			
Other securities	330	330	-
Total assets	330	330	-

## 3. Item concerning appropriate grouping of fair values of financial instruments

The fair values of financial instruments are divided into the following three levels based on the observability and materiality of inputs used to calculate the fair values.

Level 1: Of the inputs used for calculating observable fair value, fair values calculated using market prices for assets and liabilities subject to the calculation of fair values determined by markets with significant trading volume.

Level 2: Of the inputs used for calculating observable fair value, fair values calculated using inputs concerning the calculation of fair value other than the inputs used for level 1 fair value.

Level 3: Fair value calculated by using inputs concerning the calculation of fair values that cannot be observed.

When more than one input that has a significant effect on the calculation of fair value is used, the resulting fair value is categorized as the lowest level for fair value calculation from among the levels of the inputs used.

Financial instruments shown at fair value on the consolidated balance sheet

(Millions of yen)

Categories	Fair value			
	Level 1	Level 2	Level 3	Total
Short-term and long-term investment securities				
Other securities				
Shares	330	—	—	330
Total	330	—	—	330

Note: Explanation of evaluation method used for the calculation of fair values and inputs for the calculation of fair value

Short-term and long-term investment securities

Market prices are used for the valuation of listed shares. The fair value is categorized as level 1 because listed shares are traded in markets with significant trading volume.

### VIII. Notes on rental real estate

There are no notes on rental real estate because the total value of such real estate is not considerable.

### IX. Notes concerning Revenue Recognition

#### 1. Components of revenue from contracts with customers

The following table shows revenue categorized based on major products and services.

(Millions of yen)

	Reportable segments				Others (Note 1)	Total
	Auto auction	Used car purchasing and selling	Recycling	Total		
Consignment fees	18,416	—	—	18,416	—	18,416
Contract completion fees	18,675	—	—	18,675	—	18,675
Successful bid fees	30,511	—	—	30,511	—	30,511
Motorcycle auction fees	1,172	—	—	1,172	—	1,172
Merchandise sales	2,375	—	—	2,375	—	2,375
Used car purchasing and selling	—	7,307	—	7,307	—	7,307
Accident-damaged vehicle purchasing and selling	—	5,344	—	5,344	—	5,344
Resource recycling	—	—	5,362	5,362	—	5,362
Plant recycling	—	—	3,044	3,044	—	3,044
Others	10,553	—	—	10,553	459	11,013
Revenue from contracts with customers	81,705	12,651	8,407	102,763	459	103,223
Other revenue (Note 2)	138	—	—	138	659	797
Sales to external customers	81,843	12,651	8,407	102,902	1,119	104,021

Notes: 1. Others is not included in reportable segments and consists mainly of the sale of auto loan business and electricity produced by solar panels.

2. Other revenue is revenue recognized in accordance with the Accounting Standard for Financial Instruments (ASBJ Statement No. 10) and the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

#### 2. Information for understanding revenue from contracts with customers

This information is in consolidated financial statement note "1. Note concerning Important Items Used as the Basis for Preparation of the Consolidated Financial Statements (4) Item concerning Accounting Policies 6) Standards for recognition of significant revenue and expenses."



3. Information for understanding revenue in the fiscal year ended March 2025 and following years

(1) Balance of receivables from contracts with customers

The balance of receivables from contracts with customers is as follows.

(Millions of yen)

	Fiscal year ended March 2025	
	Beginning of fiscal year	End of fiscal year
Receivables due from member dealers at auctions	24,519	13,767
Accounts receivable - trade	2,014	2,144

Notes: 1. Receivables due from member dealers at auctions are amounts due from members involving auction operations, consignment fees receivable, contract completion fees receivable, successful bid fees receivable, advances and payments for vehicles held for member dealers.  
2. Information about contractual assets and liabilities of USS and its consolidated subsidiaries is omitted because the balances are negligible and there have been no significant changes. In addition, there is no significant revenue in the fiscal year ended March 2025 derived from obligations fulfilled (or partially fulfilled) in prior fiscal years.

(2) Transaction prices allocated to residual obligations

Information about the allocation of transaction prices to residual obligations at USS and its consolidated subsidiaries is omitted because a simplified method is used due to the absence of any significant contracts with an initially expected contract period of more than one year.

**X. Notes on per share data**

1. Net asset per share 430.50 yen

2. Profit per share 78.65 yen

Note: 1. On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock.  
2. Net assets per share is calculated by including USS stock held by the ESOP Trust in treasury stock, which was deducted from the number of shares issued. (306 thousand shares in fiscal year ended March 2025).  
Profit per share is calculated by including USS stock held by the ESOP Trust in treasury stock, which was deducted from the number of shares issued for the calculation of the average number of shares during the fiscal year. (437 thousand shares in fiscal year ended March 2025)

**XI. Significant Subsequent Events**

(Retirement of Treasury Shares)

The board of directors of USS Co., Ltd. at the Board of Directors meeting held on May 13, 2025, approved a resolution to retire its treasury shares in accordance with Article 178 of the Companies Act.

1. Class of shares to be retired: Common shares of the Company

2. Number of shares to be retired: 40,000,000 shares

(Ratio of total shares issued before retirement: 7.78%)

3. Scheduled date of retirement: June 30, 2025

4. Total number of shares issued after the retirement: 474,000,000 shares

**XII . Other Notes**

(Supplementary information)

1. Accounting procedure for the Trust Employee Shareholding Incentive Plan

The Company has been conducting transactions to allot its own shares to Employee Stock Ownership Plan through the ESOP Trust for the purposes of improving welfare benefits for employees and granting an incentive to employees to improve the Company's corporate value.

(i) Outline of the transaction

In June 2023, the Company reestablished the Trust Employee Shareholding Incentive Plan for the purpose of giving employees an incentive to contribute to the medium to long term growth of corporate value, increasing benefits for employees, and increasing motivation by giving employees to receive potential benefits as owners of USS just as for other shareholders. These measures are expected to further strengthen the company's foundation for sustained growth.

The Plan is an incentive plan for all employees who belong to the USS employee stock ownership plan. USS will establish a USS employee stock ownership plan trust ("the ESOP Trust") at a trust bank. Using loans from financial institutions, the ESOP Trust will use a third party allotment from USS to purchase in advance a number of shares of USS stock expected to be sufficient for the expected purchases of this stock by the employee stock ownership plan during the trust period, which is about two years and nine months. Subsequently, the ESOP Trust will continuously sell USS stock to the employee stock ownership plan. When this trust ends, an amount equal to the cumulative gains on sales of this stock by the trust, if any, will be distributed as residual trust assets to qualified beneficiaries of the trust. USS will guarantee the loans received by the ESOP Trust to fund purchases of USS stock. As a result, if there is a cumulative loss on sales of USS stock at the ESOP Trust due to a decline in the price of USS stock and, at the end of the trust, there is an outstanding loan at the trust equal to this cumulative loss, USS will repay the remaining loan in this amount.

(ii) The Company's shares remaining in ESOP Trust at the end of the term

The number of the Company's shares owned by the ESOP Trust as of March 31, 2025 is included at their book value in treasury stock under Net Assets in ESOP Trust (excluding associated expenses). The book value of these shares of treasury stock was 365 million yen and the number of shares was 306 thousand.

On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock. The number of shares above is the number of shares before the stock split.

(iii) Book value of the bank loans accounted for by the gross method: 297 million yen

2. Figures are rounded down to the nearest whole unit.

**Non-Consolidated Balance Sheet**  
(As of March 31, 2025)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
<b>Current assets</b>	<b>124,623</b>	<b>Current liabilities</b>	<b>47,918</b>
Cash and deposits	105,902	Payables due to member dealers at auctions	30,294
Receivables due from member dealers at auctions	13,582	Accounts payable – trade	94
Accounts receivable – trade	329	Accounts payable – other	4,111
Securities	3,000	Accrued expenses	157
Merchandise	284	Income taxes payable	9,750
Supplies	175	Deposits received	2,462
Prepaid expenses	91	Provision for bonuses	719
Short-term loans receivable from subsidiaries and associates	200	Provision for bonuses for directors (and other officers)	100
Other	1,059	Provision for share-based payments	72
Allowance for doubtful accounts	△2	Other	156
<b>Non-current assets</b>	<b>128,317</b>	<b>Non-current liabilities</b>	<b>6,752</b>
<b>Property, plant and equipment</b>	<b>92,407</b>	Long-term borrowings	297
Buildings	24,337	Long-term accounts payable – other	137
Structures	5,212	Provision for share-based payments	115
Machinery and equipment	119	Provision for retirement benefits	1,001
Vehicles	108	Guarantee deposits received from member dealers	4,656
Furniture and fixtures	1,438	Asset retirement obligations	544
Land	59,982	<b>Total liabilities</b>	<b>54,671</b>
Construction in progress	1,207	(Net assets)	
<b>Intangible assets</b>	<b>12,632</b>	<b>Shareholders' equity</b>	<b>203,279</b>
Leasehold right	2,720	<b>Share capital</b>	<b>18,881</b>
Software	2,451	<b>Capital surplus</b>	<b>4,603</b>
Goodwill	6,747	Legal capital surplus	4,583
Other	712	Other capital surplus	19
<b>Investments and other assets</b>	<b>23,278</b>	<b>Retained earnings</b>	<b>212,752</b>
Investment securities	374	Legal retained earnings	370
Shares of subsidiaries and associates	1,759	Other retained earnings	212,382
Long-term loans receivable from subsidiaries and associates	9,400	Retained earnings brought forward	212,382
Claims provable in bankruptcy, claims provable in rehabilitation and other	20	<b>Treasury shares</b>	<b>△32,958</b>
Long-term prepaid expenses	207	<b>Valuation and translation adjustments</b>	<b>△5,452</b>
Deferred tax assets	1,837	Valuation difference on available - for-sale securities	111
Deferred tax assets for land revaluation	2,529	Revaluation reserve for land	△5,563
Insurance funds	59	<b>Share acquisition rights</b>	<b>442</b>
Investment property	5,709	<b>Total net assets</b>	<b>198,269</b>
Other	1,399	<b>Total liabilities and net assets</b>	<b>252,941</b>
Allowance for doubtful accounts	△19		
<b>Total assets</b>	<b>252,941</b>		

**Non-Consolidated Statement of Income**  
**(From April 1, 2024 to March 31, 2025)**

(Millions of yen)

Item	Amount	
<b>Net sales</b>		<b>80,074</b>
<b>Cost of sales</b>		<b>22,185</b>
<b>Gross profit</b>		<b>57,889</b>
<b>Selling, general and administrative expenses</b>		<b>6,014</b>
<b>Operating profit</b>		<b>51,874</b>
<b>Non-operating income</b>		
Interest and dividends income	688	
Rental income from real estate	915	
Other	146	1,750
<b>Non-operating expenses</b>		
Rental cost on real estate	220	
Other	18	239
<b>Ordinary profit</b>		<b>53,386</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	43	
Gain on sale of investment securities	163	
Gain on valuation of stocks of subsidiaries and affiliates	109	
Other	11	327
<b>Extraordinary losses</b>		
Loss on sale and retirement of non-current assets	153	153
<b>Profit before income taxes</b>		<b>53,560</b>
Income taxes – current	16,607	
Income taxes – deferred	△258	16,348
<b>Profit</b>		<b>37,211</b>

**Non-Consolidated Statement of Changes in Equity**  
**(From April 1, 2024 to March 31, 2025)**

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total Shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at the beginning of current period	18,881	4,583	—	4,583	370	194,866	195,236	△23,298	195,403
Changes of items during the period									
Dividends of surplus						△19,695	△19,695		△19,695
Profit						37,211	37,211		37,211
Purchase of treasury shares								△10,000	△10,000
Disposal of treasury shares			19	19				340	360
Net changes of items other than shareholders' equity									
Total changes of items during the period	—	—	19	19	—	17,516	17,516	△9,660	7,876
Balance at the end of current period	18,881	4,583	19	4,603	370	212,382	212,752	△32,958	203,279

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at the beginning of current period	370	△5,636	△5,266	442	190,579
Changes of items during the period					
Dividends of surplus					△19,695
Profit					37,211
Purchase of treasury shares					△10,000
Disposal of treasury shares					360
Net changes of items other than shareholders' equity	△258	72	△185	—	△185
Total changes of items during the period	△258	72	△185	—	7,690
Balance at the end of current period	111	△5,563	△5,452	442	198,269

## Notes on non-consolidated financial statements

### I. Notes on matters related to important accounting policies

1. Standards and methods of valuation of assets
  - (1) Standards and methods of valuation of securities

Stocks of subsidiaries	Cost method based on the moving average method
Other securities	
Other than stocks with no market prices, etc.	Market value method (Valuation differences are included directly in net assets, and sales costs are calculated based on the moving average method)
Stocks with no market prices, etc.	Cost method based on the moving average method
  - (2) Inventories

Merchandise	Cost method based on the moving average method (by which book value is reduced to reflect declines in profitability) However, the cost method based on the specific-identification method (by which book value is reduced to reflect declines in profitability) is used for vehicles.
Supplies	Cost method based on the last cost method However, the cost method based on the specific identification method is used for vehicles.
2. Depreciation methods for depreciable assets
  - (1) Property, plant and equipment and investment propertyDeclining-balance method  
However, the straight-line method is used for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and for facilities attached to buildings and structures acquired on or after April 1, 2016.
  - (2) Intangible assetsThe straight-line method is used for software used internally over the period the software can be used (5 years), for leased land utilization rights over the period that the land can be used (31 - 34 years) and for Customer-related assets over its effective period (14 - 15 years).
3. Standards of accounting for allowances and reserves
  - (1) Allowance for doubtful accountsTo prepare for bad debt losses, the following methods are used.

General claims	Method based on actual bad debt rates
Possible bad debts and claims in bankruptcy proceedings etc.	Method of evaluating financial conditions
  - (2) Provision for bonusesTo prepare for the payment of bonuses to employees, the Company posts the current year's portion of the estimated bonuses.
  - (3) Provision for bonuses for directors (and other officers)To prepare for the payment of bonuses to directors and executive officers, the Company posts the current year's portion of estimated bonuses.
  - (4) Provision for share-based paymentsTo prepare for the distribution of USS stock to directors and executive officers, the Company posts the current year's portion expenses for stock expected to be distributed.
  - (5) Provision for retirement benefitsTo prepare for payments of retirement benefits to employees, estimated amounts of the Company's retirement benefits obligation at the end of the fiscal year was provided.  
For calculation of retirement benefits obligation, to attribute expected retirement benefits payments for the period up to the end of the fiscal year under current review, the retirement benefits formula basis was adopted.  
The actuarial gains and losses are evenly amortized using the straight-line method, over a specific number of years (10 years) to be within the average remaining service years of employees, at the

time of occurrence in each consolidated fiscal year, from the fiscal year following the year of occurrence.

4. Matters related to goodwill amortization

Goodwill is amortized using the straight-line method over a period of 20 years based on a reasonable estimate of the number of years that there will be benefits associated with the goodwill.

5. Standards for recognition of revenue and expenses

For revenue in major businesses at USS and its consolidated subsidiaries from contracts with customers, the primary obligations to customers and the normal time these obligations are fulfilled (normal time of revenue recognition) are as follows.

Auto auction revenue is mainly consignment fees, contract completion fees and successful bid fees. For consignment fees, the obligation is fulfilled when a consigned vehicle is submitted at a USS auction. As a result, these fees are recognized as revenue on the auction dates. For contract completion and successful bid fees, the obligation is fulfilled when a vehicle consigned at a USS auction is purchased. As a result, these fees are recognized as revenue at the time winning bids are submitted.

## II. Revisions to accounting policies

(Application of Accounting Standard for Current Income Taxes, etc.)

USS has applied the Accounting Standard for Current Income Taxes, etc. (ASBJ Statement No. 27, October 28, 2022; the Revised Accounting Standard of 2022) since the beginning of the fiscal year that ended in March 2025.

For the revision concerning where to recognize income taxes, USS has used the transitional treatments in the proviso clause of paragraph 20-3 of the Revised Accounting Standards of 2022. This change had no effect on the Non-Consolidated financial statements.

## III. Change in Accounting Estimates

(Change in useful life of assets)

The decision was made during the fiscal year that ended in March 2025 to rebuild the Yokohama auction site. As a result, the useful life of assets expected to be discarded has been changed to the period ending in the month that this rebuilding begins and this change will continue in the future. Compared with the previous method, in the fiscal year that ended in March 2025, this change increased depreciation expenses by 185 million yen and reduced operating profit, ordinary profit and profit before income taxes by the same amount.

## IV. Notes on the balance sheet

1. Cumulative depreciation for property, plant and equipment	57,842 million yen
Cumulative depreciation for investment property	1,180 million yen

2. Receivables from, and payables to subsidiaries (excluding independently categorized items)

Short-term receivables	263 million yen
Short-term payables	915 million yen
Long-term payables	18 million yen

3. Revaluation of land

Land for business used was revalued based on the law related to the revaluation of land (Law No. 34 promulgated on March 31, 1998). Tax on the revaluation difference was recognized as "deferred tax assets for land revaluation" under assets and the margin was recognized as "revaluation reserves for land" under net assets.

Method of revaluation of land

The Company revalued land for business use by making reasonable adjustments to the valuation in the land tax ledger, as specified by Clause 10, Article 341 of the Local Tax Law, and outlined

in Clause 3, Article 2 of the Order for Enforcement of the Act on Revaluation of Land (Ordinance No. 119 promulgated on March 31, 1998).

Date of revaluation: March 31, 2002

Difference between current market value at year-end and book value following revaluation: 721 million yen

4. National government subsidies, etc.

In conjunction with the application of reduction entries for fixed assets acquired using national government subsidies and such, the reduction entry amounts that were deducted directly from the fixed assets acquisition value were 37 million yen for buildings and structures, 1 million yen in furniture and fixtures, 161 million yen for land.

## V. Notes on the statement of income

Transactions with affiliated companies

Net sales	316 million yen
Operating expenses	3,456 million yen
Transactions other than business transactions	964 million yen

## VI. Notes on the statement of changes in equity

The class and number of treasury shares at the end of the fiscal year

Class of shares	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the fiscal year	Decrease in the number of shares during the fiscal year	Number of shares at the end of current fiscal year
Common stock	16,813,005	24,181,117	299,600	40,694,522

- Notes:
- On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock.
  - The number of shares at the end of the current fiscal year includes 306,900 shares held by the ESOP Trust.
  - Breakdown of the increase of 24,181,117 shares in treasury shares (common stock) is as follows.
 

Increase by stock split	16,813,005 shares
Increase through acquisition of treasury stock by resolution of the Board of Directors	7,367,400 shares
Purchase of shares less than one unit	712 shares
  - Breakdown of the decrease of 299,600 shares in treasury shares (common stock) is as follows:
 

Sale of Company stock by the ESOP Trust to the USS employee stock ownership plan	267,400 shares
Disposal of treasury stock as restricted stock compensation	32,200 shares

## VII. Notes on tax effect accounting

### 1. Main reasons for deferred tax assets and deferred tax liabilities

Deferred tax assets

Excess of depreciation	467 million yen
Accrued enterprise tax	464 million yen
Loss on valuation of investment securities	330 million yen
Provision for retirement benefits	312 million yen
Impairment losses	234 million yen
Provision for bonus	218 million yen
Valuation difference in the market price	211 million yen
Share-based payment expenses	181 million yen
Asset Retirement Obligations	172 million yen
Payables	76 million yen
Others	113 million yen
Total deferred tax assets	2,785 million yen
Netting with deferred tax liabilities	△947 million yen
Net deferred tax assets	1,837 million yen

Deferred tax liabilities

Valuation difference in the market price	643 million yen
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Customer-related assets	208 million yen
Valuation difference on available-for-sale securities	50 million yen
Asset Retirement Obligations	27 million yen
Others	17 million yen
Total deferred tax liabilities	947 million yen
Netting with deferred tax assets	△947 million yen
Net deferred tax liabilities	- million yen

2. Revisions to deferred tax assets and liabilities due to change in income tax rate

The Japanese Diet passed the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) on March 31, 2025. As a result, beginning with fiscal years starting on or after April 1, 2025, companies in Japan will be required to pay a Defense Special Tax. Due to this new tax, the statutory tax rate for temporary differences involving deferred tax assets and liabilities that are expected to end in the fiscal year ending in March 2027 or afterward has been increased from 30.4% to 31.3%. This change had a negligible effect on the non-consolidated financial statements.

## VIII. Notes on transactions with related parties

Subsidiaries, etc.

(Millions of yen)

Category	Name of company or individual	Location	Capital	Description of business or occupation	Voting rights ratio	Business links	Details of transaction	Transaction amount	Account item	Balance at year-end
Subsidiary	US Butsuryu Co., Ltd.	Tokai, Aichi	30	Automobile transportation service	100% (Direct)	Outsourced services directors serving both companies	Outsourced business activities	3,277	Payable	390

Note: Prices paid to US Butsuryu for outsourced services are determined by negotiations that reflect market prices.

## IX. Note concerning Revenue Recognition

Information for understanding revenue from contracts with customers is in non-consolidated financial statement note "1. Note concerning Important Accounting Policies (5) Standards for recognition of significant revenue and expenses."

## X. Notes on per share data

1. Net asset per share 417.96 yen

2. Profit per share 77.76 yen

Note: 1. On April 1, 2024, the Company conducted a 2-for-1 stock split of its common stock.  
2. Net assets per share is calculated by including USS stock held by the ESOP Trust in treasury stock, which was deducted from the number of shares issued. (306 thousand shares in fiscal year ended March 2025). Profit per share is calculated by including USS stock held by the ESOP Trust in treasury stock, which was deducted from the number of shares issued for the calculation of the average number of shares during the fiscal year. (437 thousand shares in fiscal year ended March 2025)

## XI. Notes on significant subsequent events

Refer to Notes on consolidated financial statements "XI. Significant Subsequent Events (Retirement of Treasury Shares)".

## XII. Other Notes

Supplementary information

1. Accounting procedure for the Trust Employee Shareholding Incentive Plan

Refer to "Notes on Consolidated Financial Statements, XII. Other Notes, (Supplementary information) 1. Accounting procedure for the Trust Employee Shareholding Incentive Plan."

2. Figures are rounded down to the nearest whole unit.

## Shareholder Information

Fiscal year	April 1 to March 31 of the following year
Shareholders meeting	June
Year-end dividend record date	March 31
Interim dividend record date	September 30
Shareholders meeting record date	March 31 (other record dates will be announced for extraordinary shareholders meetings)
Stock listings	Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Location	Stock Transfer Agency Business Department Sumitomo Mitsui Trust Bank, Limited 3-15-33 Sakae, Naka-ku, Nagoya 460-8685
Mailing address (Telephone contact)	Stock Transfer Agency Business Department Sumitomo Mitsui Trust Bank, Limited 2-8-4 Izumi, Suginami-ku, Tokyo 168-0063 0120-782-031 (toll free) Reception hours: 9:00 a.m. to 5:00 p.m. (excluding Saturdays, Sundays, public holidays, and 31 December to 3 January)
Public notices	Notices are made electronically However, notices are placed in the Nihon Keizai Shimbun when an electronic notice is not possible.
URL	<a href="https://www.ussnet.co.jp/">https://www.ussnet.co.jp/</a>
Securities code	4732

## Shareholder procedures

Procedure	Contact information	
	Account of securities company	Special account
<ul style="list-style-type: none"> <li>Change name/address in shareholder register</li> <li>Request to buy fractional shares less than the trading unit</li> <li>Change dividend payment method</li> <li>Change account used to receive dividends</li> <li>Questions about government ID number</li> <li>Other procedures</li> </ul>	Please submit requests to the securities company holding the stock	Stock Transfer Agency Business Department Sumitomo Mitsui Trust Bank, Limited 0120-782-031 (toll free)
<ul style="list-style-type: none"> <li>Transfer of stock from a special account to a securities company account</li> <li>Special account balance confirmation</li> </ul>		
<ul style="list-style-type: none"> <li>Dividend payment after end of payment period</li> </ul>	Stock Transfer Agency Business Department Sumitomo Mitsui Trust Bank, Limited 0120-782-031 (toll free)	

## E-mail service for shareholder documents

In response to requests of shareholders, USS provides a service for receiving by e-mail the information that is distributed using the notification methods explained in this section. Shareholders using this service will also receive press releases and notices of company information meetings. Please visit the USS website to register for this e-mail service.

USS website >> <https://www.ussnet.co.jp/>

## The Venue of the Annual General Meeting of Shareholders

<b>Venue</b>	<p><b>Head Office of USS Co., Ltd. (USS Nagoya Auction Site)</b> 507-20 Shinpo-machi, Tokai, Aichi</p> <p><b>Instructions for entering the location in a navigation system</b> Input "507-20 Shinpo-machi, Tokai-shi, Aichi-ken"</p>
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<b>Access Information</b>	<ul style="list-style-type: none"> <li>• By train: Approximately 10 minutes by taxi from Daidocho Station on the Meitetsu Tokoname Line.  <b><u>In addition, there will be a bus pickup service at 10:00 a.m. and 10:30 a.m. at Daidocho Station.</u></b>  <b><u>There are no buses to the shareholders meeting site from JR Odaka Station or from Meitetsu Nawa Station.</u></b> </li>   <li style="text-align: center;">&lt;Additional information&gt;</li> <li style="text-align: center;">The following train provides direct service to Daidocho Station with no need for a transfer to a second train.  Meitetsu Tokoname Line, Semi-express (for Chubu International Airport)  Meitetsu Nagoya Station 9:45, arriving at Daidocho Station 9:58  Meitetsu Nagoya Station 10:15, arriving at Daidocho Station 10:28 </li>   <li>• By car: Approximately 5 minutes from the Funami IC Exit of the Nagoya Expressway Route 4.  Approximately 10 minutes from the Tokai IC Exit of the Isewangan Expressway.  <b><u>If you come by car, please use our parking area.</u></b> </li> </ul>
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### Contact Information

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