

USS Co., Ltd.  
507-20 Shinpo-machi, Tokai, Aichi, Japan

## Notice of the 27<sup>th</sup> Annual General Meeting of Shareholders

June 4, 2007

Dear Shareholders:

You are cordially invited to attend the 27<sup>th</sup> Annual General Meeting of Shareholders of USS Co., Ltd., which will be held as per the schedule below.

If you are unable to attend the meeting in person, you can cast your vote in writing or by electronic means (via the Internet etc.). Please review the Reference Materials for the General Meeting of Shareholders presented herein and exercise your voting rights no later than 5:00 p.m. on Monday, June 25, 2007 by indicating “for” or “against” for each agenda item shown in the enclosed Form for Exercising Voting Rights and returning it to us or by accessing the website designated by the Company and entering “for” or “against” for each agenda item. For details of the procedure for exercising your voting rights by electronic means (via the Internet etc.), please refer to “Procedure for Exercising Voting Rights Electronically (the Internet etc.)” (on pp. 68-69).

Sincerely,

Futoshi Hattori  
*Chairman and Representative Director*

1. **Date and Time:** Tuesday, June 26, 2007, at 11:00 a.m.
2. **Venue: Head Office of USS Co., Ltd. (USS Nagoya Auction Site)**  
507-20, Shinpo-machi, Tokai, Aichi  
(Please refer to the map on the last page)

3. **Meeting Agenda:**

**Items to be reported:**

1. The content of Business Report, the content of consolidated financial statements, and the results of audit of consolidated financial statements by accounting auditors and the Board of Corporate Auditors for the Company's 27th business term (from April 1, 2006 to March 31, 2007)
2. Financial reports for the Company's 27th business term (from April 1, 2006 to March 31, 2007)

**Items to be resolved:**

- Item 1:** Appropriation of retained earnings
- Item 2:** Approval of partial revision to the Articles of Incorporation
- Item 3:** Appointment of eighteen (18) directors
- Item 4:** Making one-time discontinuation payments for retirement benefits due to the abolition of the system for granting retirement benefits to directors
- Item 5:** Amount of remuneration for directors in the form of stock options and decision on the details
- Item 6:** Appointment of accounting auditors

Notes:

1. The reception desk opens at 10:00 a.m.
2. Please submit the attached Form for Exercising Voting Rights at the reception desk on the day of the meeting.
3. If exercising your voting rights by electronic means (the Internet etc.), please be sure to carefully read the “Procedure for Exercising Voting Rights Electronically (the Internet, etc.)” on page 68 and the “System Environments, etc.” on page 69.
4. Any change in the Reference Materials for the General Meeting of Shareholders, financial statements or consolidated financial statements will be posted on our website (<http://www.ussnet.co.jp>). We would like you to confirm such information.

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*This English translation is an abridged version of the original invitation notice in Japanese. In the event of a discrepancy, the Japanese version shall prevail.*

## **Business Report**

(From April 1, 2006 to March 31, 2007)

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

#### **(1) Review of operations of the USS Group**

During the fiscal year ended March 31, 2007, the Japanese economy moved toward moderate recovery with a virtuous cycle led by domestic demand mainly due to increase in personal consumption owing to expansion of capital investment and improvement in personal incomes in spite of adverse factors such as continuing high prices of crude oil and raw materials and concern about a possible rise in interest rates triggered by the lifting of the zero interest policy.

However, the increase in personal consumption did not bring about an increase in car replacement demand and, as a result, the situation in the automobile distribution market was severe in the fiscal year under review, with a 4.1% decrease in the number of new car registrations and a 4.3% decrease in the number of used car registrations compared with the previous year.

In the automobile auction industry, the contract completion rate was 54.4% (53.3% in the previous year) and the number of automobiles put up for auction increased to 8,420,000 (an increase of 3.8% from the previous year), due to an increase in demand for reusable vehicles (older and high mileage cars), for which the market had previously been undeveloped. This increase in demand for used vehicles was due to more used car dealers trying to sell their inventories by auction to avoid long-term inventory buildup risks, and also because of their recent efforts to expand export markets.

In this operation environment, the USS Group actively made capital investments in its automobile auction business in order to reinforce the processing capability of existing auction sites and strengthened its business bases. In addition, the USS Group made efforts to increase the number of cars handled and members through affiliation with 8 sites outside the Group on the “USS Internet Live”, an Internet-based external bidding system launched in October 2005.

Further, the Group started in June 2006, as a finance business for members, granting advances with respect to bidding proceeds through a system called “JUST & TIMELY” in an effort to improve convenience for members.

In the recycling business, the Group started recycling of white goods and air-conditioning equipment in an approach designed to transform the scrapped car recycling business into a comprehensive recycling business.

As a result, in the fiscal year under review, net sales were 64,568 million yen (an increase of 7.2% from the previous year), operating income was 24,817 million yen (an increase of 7.4% from the previous year), ordinary income was 25,360 million yen (an increase of 7.7% from the previous year), and net income stood at 14,390 million yen (an increase of 9.0% from the previous year). The Company’s revenues and income increased from the previous year.

Results of business segments for the fiscal year are outlined below.

#### **Automobile auction business**

The Company took the following main actions in the automobile auction business during the consolidated fiscal year under review:

- 1) We strove to acquire new members and attract the attention of existing members through the initiatives of the business development team, and actively implemented measures to promote the “best regional auction site strategy” in order to acquire an overwhelming share in each region.

- 2) To improve the processing capability of existing auction sites, we introduced a “4 simultaneous lanes system,” in which four cars can be simultaneously auctioned, at the Sapporo Auction Site in August 2006 and established additional seats for buyers. We also completed a multilevel garage type stock yard with the capacity of 4,700 cars at the Osaka Auction Site in November 2006, which contributed to doubling of the auction processing capability.
- 3) With the goal of gaining the largest market share in the Kansai area, USS Osaka Co., Ltd., an operating company of the Osaka Auction Site and USS Kobe Co., Ltd., an operating company of the Kobe Auction Site merged as of March 1, 2007, to form USS Kansai Co., Ltd. and to reinforce the business base covering the entire Kansai area.
- 4) To reinforce the business base in the Hokuriku area, we acquired a 100% stake in KUA Hokuriku Co., Ltd., an operating company of the used car auction site located in Kaga, Ishikawa by share exchange as of March 1, 2007, making it a wholly owned subsidiary, and changed its name to USS Hokuriku Co., Ltd.
- 5) With respect to “USS Internet Live”, which started offering services at 15 auction sites of the USS Group in October 2005 and enables members to bid through personal computer terminals by broadcasting real-time auctions via the Internet, we made efforts to improve convenience for members and increase the number of cars handled and members through affiliation with 8 sites outside the Group.

As a result of these efforts, the Company traded 2,840,000 cars (an increase of 6.7% from the previous year) and auctioned 1,541,000 cars (an increase of 9.4% from the previous year), for the entire Group during the consolidated fiscal year under review. In addition, sales of the automobile auction business were 47,707 million yen (an increase of 7.8% from the previous year) and operating income was 24,175 million yen (an increase of 6.6% from the previous year).

#### Used car purchasing and selling business

The Company’s main actions in the used car purchasing and selling business during the consolidated fiscal year under review were as follows:

- 1) We renewed purchase-only shops named “Rabbit” in order to refresh the brand image.
- 2) For the accident-damaged car purchasing and selling business conducted by World Automobile Co., Ltd., we strove to expand its business area to major cities in addition to those in the Kanto area by establishing non-life insurance branches in the Tokai and Kansai areas in order to promote purchase of accident-damaged cars from non-life insurance companies.  
However, sales in the used car purchasing and selling business were 12,888 million yen (a decrease of 4.7% from the previous year) and operating loss stood at 17 million yen (an operating income of 160 million yen in the previous year) due to the influence of intensifying competition in the purchasing business.

#### Other businesses

Other businesses include a recycling business for end-of-life automobile and other goods operated by ARBIZ Co., Ltd. and a scrapped rubber recycling business operated by USS TOYO CO., LTD. In relation to recycling business of end-of-life automobile and other goods, we launched a comprehensive recycling business for recycling of articles other than end-of-life automobiles, including white goods and air-conditioning equipment. The scrapped rubber recycling business recorded relatively good results due to strong demand for rubber chips used for artificial lawns.

As a result, sales of other businesses were 3,972 million yen (an increase of 61.8% from the previous year) and operating income was 412 million yen (an operating income of 6 million yen in the

previous year).

Breakdown of sales by business segment of the USS Group

(Unit: Million yen)

Classification	26th term (Year ended March 31, 2006)		27th term (Year ended March 31, 2007)	
	Amount	Ratio	Amount	Ratio
Automobile auction business	44,271	73.5	47,707	73.9
Used car purchasing and selling business	13,516	22.4	12,888	20.0
Other businesses	2,454	4.1	3,972	6.1

(Note) Other businesses consist of recycling of end-of-life automobile and other goods by ARBIZ Co., Ltd. and scrapped rubber recycling by USS TOYO CO., LTD.

(2) Capital investments

The capital investments made by the Group in the consolidated fiscal year under review amounted to 11,608 million yen, which mainly consisted of the following.

Principal facility construction projects completed in the consolidated fiscal year under review.

Automobile auction business: Osaka Auction Site of USS Kansai Co., Ltd.  
(Establishment of a multilevel garage type stock yard)  
Sapporo Auction Site of USS Sapporo Co., Ltd.  
(Establishment of additional seats for buyers, extension of parking space)

(3) Financing

The Group's financing in the consolidated fiscal year under review:

On September 20, 2006, the Company borrowed 2,000 million yen from Sumitomo Mitsui Banking Corporation.

(4) Issues to be addressed by the USS Group

Amid the expectation that the sales situation will continue to be severe for both new cars and used cars in the automobile distribution market, the number of reusable vehicles (older and high mileage cars) put up for auction remains steady in the automobile auction industry. However, we are likely to see a downturn in growth of the number of reusable vehicles put up for auction due to the influence of poor sales of new cars and used cars. Recognizing this operating environment, we will strive to further strengthen our management base.

In the automobile auction business, we will aim at a further expansion/reinforcement of our business by promoting the "best regional auction site strategy" to secure a significant market share in each area. Particularly in the Kansai area, we intend to increase our share by reinforcing the business base in cooperation with the Osaka Auction Site and the Kobe Auction Site. In order to improve the contract completion rate, we will also aim to popularize the "USS Internet Live" system, which allows users to directly participate in car auctions via the Internet. In addition, we will strive to improve services for our members by increasing sites where "JUST & TIMELY" financial services for members are available.

In the used car purchasing and selling business, we will pursue improved visibility of shops by continued renewal of "Rabbit" purchase-only shops and strive to increase profit per vehicle by

careful selection of vehicles purchased by World Automobile Co., Ltd., which handles accident-damaged cars.

In other businesses, in recycling of end-of-life automobiles and other goods, we will aim to increase income by strengthening our sales activities and increasing transaction volume of metals and plastics from home electric appliances, office automation equipment, automatic vending machines and other products.

As a result of the above, consolidated net sales are expected to be 69,200 million yen (an increase of 7.2% from the previous year), consolidated operating income is expected to be 26,600 million yen (an increase of 7.2% from the previous year), consolidated ordinary income is expected to be 26,900 million yen (an increase of 6.1% from the previous year), and consolidated net income is expected to be 15,100 million yen (an increase of 4.9% from the previous year) in the year ending in March 2008.

Your continued support of the USS Group would be highly appreciated.

(5) Assets and income

1) Assets and income of the USS Group

Classification	24th term (Year ended March 31, 2004)	25th term (Year ended March 31, 2005)	26th term (Year ended March 31, 2006)	27th term (Year ended March 31, 2007) (Fiscal year under review )
Net sales (million yen)	42,425	50,484	60,243	64,568
Ordinary income (million yen)	18,207	21,096	23,544	25,360
Net income (million yen)	8,907	11,814	13,203	14,390
Net income per share (yen)	300	377	407	447
Total assets (million yen)	92,538	115,704	131,908	146,172
Net assets (million yen)	67,497	84,877	97,391	105,988

Note: Beginning from the 27th term, the "Accounting Standard for Presentation of Net Assets in Balance Sheet" (ASBJ Statement No. 5, December 9, 2005) and the "Guidance on Accounting Standard for Presentation of Net Assets in Balance Sheet" (ASBJ Guidance No. 8, December 9, 2005) are applied.

## 2) Assets and income by business segment

(Millions of yen)

Business segment	Classification	24th term (Year ended March 31, 2004)	25th term (Year ended March 31, 2005)	26th term (Year ended March 31, 2006)	27th term (Year ended March 31, 2007) (Fiscal year under review)
Automobile auction business	Sales	32,397	36,840	44,271	47,707
	Operating income	18,319	20,704	22,675	24,175
	Total assets	89,795	111,120	124,498	139,511
Used car purchasing and selling business	Sales	10,028	13,119	13,516	12,888
	Operating income (Operating loss)	( 306 )	( 50 )	160	( 17 )
	Total assets	2,756	3,839	4,112	3,858
Other businesses	Sales	-	524	2,454	3,972
	Operating income (Operating loss)	-	( 19 )	6	412
	Total assets	-	1,792	4,548	4,739

Note: Other businesses consist of recycling of end-of-life automobiles and other goods by ARBIZ Co., Ltd. for the 25th term and recycling of end-of-life automobiles and other goods by ARBIZ Co., Ltd. and scrapped rubber recycling by USS TOYO Co., Ltd. for the 26th term onward.

(6) Major subsidiaries, etc. (as of March 31, 2007)

1) Subsidiaries, etc.

i) Automobile auction business

Company name	Capital	Percentage of equity participation	Main business
	(million yen)	%	
USS Okayama Co., Ltd.	20	100.0	Used car auction site business
USS Sapporo Co., Ltd.	50	100.0	Same as above
USS Tokyo Mizuho Co., Ltd.	200	90.0	Same as above
USS Gunma Co., Ltd.	250	100.0	Same as above
USS Tohoku Co., Ltd.	100	100.0	Same as above
USS Kansai Co., Ltd.	90	100.0	Same as above
USS Yokohama Co., Ltd.	50	100.0	Same as above
USS Ryutsu Auto Auction Co., Ltd.	11	100.0	Same as above
USS Niigata Co., Ltd.	50	100.0	Same as above
USS Hokuriku Co., Ltd.	60	100.0	Same as above
Fujioka Interchange Auto Auction Co., Ltd.	97	39.1	Same as above
US Butsuru Co., Ltd.	30	100.0	Freight transport
Car Quest Co., Ltd.	318	84.8	Providing information about used cars via the Internet
USS Support Service Co., Ltd.	45	100.0	Finance services business

Notes: 1. USS Recycle Auto Auction Co., Ltd., a wholly-owned subsidiary of the Company, ceased to exist due to a merger made between the same company as resolving corporation and the Company as surviving corporation on October 1, 2006.

2. USS Niigata Co., Ltd. was newly established as an operating company of the Niigata Auction Site (established on April 25, 2007) as of October 1, 2006.

3. USS Kansai Co., Ltd. is a corporation constituted by a merger made between USS Kobe Co., Ltd., a wholly-owned subsidiary of the Company as surviving corporation and USS Osaka Co., Ltd., a wholly-owned subsidiary of the Company as resolving corporation as of March 1, 2007 and change in the corporate name in association therewith.

4. USS Hokuriku Co., Ltd. was made a wholly-owned subsidiary of the Company and was renamed as such on March 1, 2007 pursuant to the share exchange agreement made between the Company and KUA Hokuriku Co., Ltd. (Kaga, Ishikawa) on January 30, 2007.

5. The Company acquired 39.1% of the shares of Fujioka Inter Auto Auction Co., Ltd. (Fujioka, Gunma) as of February 1, 2007, which was made a subsidiary accounted for by the equity method.

Moreover, the Company accepted the third-party allocation of new shares for which resolution was made at the meeting of the Board of Directors and at the extraordinary general meeting of shareholders held by Fujioka Inter Auto Auction Co., Ltd. on April 3, 2007, increased its percentage of equity participation to 51.1%, made Fujioka Inter Auto Auction Co., Ltd. a subsidiary of the Company, and renamed it USS Fujioka Co., Ltd.

The Company intends to implement remodeling and expansion of the auction site and

introduction of a visual auction system and reopen the company on May 15, 2007.

6. Car Quest Co., Ltd. is engaged in provision of information on Internet relating to used cars (automobile auction business) and in purchase and sale of used cars (used car purchasing and selling business).

(ii) Used car purchasing and selling business

Car Quest Co., Ltd.	318 (million yen)	84.8	Purchasing and selling of used cars
World Automobile Co., Ltd.	63 (million yen)	91.5	Purchasing and selling of accident-damaged cars

Note: Car Quest Co., Ltd. is engaged in provision of information on Internet relating to used cars (automobile auction business) and in purchase and sale of used cars (used car purchasing and selling business).

(iii) Other businesses

ARBIZ Co., Ltd.	270 (million yen)	51.0	Recycling of end-of-life cars and other goods
USS Toyo Co., Ltd.	100 (million yen)	100.0	Recycling scrapped rubber

- 2) Consolidated subsidiaries and affiliates to which the equity method is applied

The Company has 16 consolidated subsidiaries and 1 affiliate to which the equity method is applied.

- (7) Principal businesses (as of March 31, 2007)

Used car auction business, used car purchasing and selling business, and recycling business.

- (8) Principal bases (as of March 31, 2007)

The Company	Head office	507-20, Shinpo-machi, Tokai, Aichi
	Bases for automobile auction business	Nagoya Auction Site (Tokai, Aichi), USS-R Nagoya Auction Site (Nagoya, Aichi) Kyushu Auction Site (Tosu, Saga), Fukuoka Auction Site (Tsukushino, Fukuoka), Tokyo Auction Site (Noda, Chiba), USS-R Tokyo Auction Site (Noda, Chiba) Shizuoka Auction Site (Fukuroi, Shizuoka)
Subsidiaries	Bases for automobile auction business	USS Okayama (Akaiwa, Okayama, managed by USS Okayama Co., Ltd.) USS Sapporo (Ebetsu, Hokkaido, managed by USS Sapporo Co., Ltd.) USS West Tokyo (Mizuho-cho, Nishitama-gun, Tokyo, managed by USS Tokyo Mizuho Co., Ltd.) USS Gunma (Fujioka, Gunma, managed by USS Gunma Co., Ltd.) USS Tohoku (Murata-cho, Shibata-gun, Miyagi, managed by USS Tohoku Co., Ltd.) USS Osaka (Osaka, managed by USS Kansai Co., Ltd.) USS Yokohama (Yokohama, Kanagawa, managed by USS Yokohama Co., Ltd.) USS Kobe (Kobe, Hyogo, managed by USS Kansai Co., Ltd.) USS Ryutsu (Koshigaya, Saitama, managed by USS Ryutsu Auto Auction Co., Ltd.) USS Hokuriku (Kaga, Ishikawa, managed by USS Hokuriku Co., Ltd.) US Butsuryu Co., Ltd. (Tokai, Aichi and 18 domestic branch offices) Car Quest Co., Ltd. (Chuo, Tokyo) USS Support Service Co., Ltd. (Tokai, Aichi)

	Bases for used car purchasing and selling business	Car Quest Co., Ltd. (Chuo, Tokyo and 16 directly managed domestic shops and 236 franchise shops of the used car purchase-only chain "Rabbit") World Automobile Co., Ltd. (Noda, Chiba and 35 domestic branch offices)
	Bases for other business	ARBIZ Co., Ltd. (Nagoya, Aichi and recycling plants for end-of-life automobiles and other goods) USS Toyo Co., Ltd. (Maebashi, Gunma and scrapped rubber recycling plants)

(9) Employees (as of March 31, 2007)

1) Employees of the Group

Business segment	Numbers of employees	Change from the end of the previous fiscal year
Automobile auction business	693 (400)	128 (down 36)
Used car purchasing and selling business	329 (33)	25 (up 7)
Other businesses	97 (26)	12 (up 8)
Corporate (Common for all business segments)	39 (1)	9 (-)
Total	1,158 (460)	124 (down 21)

- Notes: 1. The numbers of employees are the numbers of employees on the payroll, and the figures in parentheses, which are not included in the immediately preceding figures, are the average annual numbers of part-timers and contract employees.
2. The number of employees increased by 124 from the end of the previous consolidated fiscal year, and this was mainly due to establishment of USS Niigata Co., Ltd. and inclusion of USS Hokuriku Co., Ltd.(which was renamed as such from KUA Hokuriku Co., Ltd. on March 1, 2007) as a subsidiary in the USS Group, and conversion of some nonpermanent employees into permanent employees.

2) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average service years
348 (107)	Up 92 (down 8)	30.8	5.0

Notes: 1. The numbers of employees are the numbers of employees on the payroll, and the figures in parentheses, which are not included in the immediately preceding figures, are the average annual numbers of part-timers and contract employees.

2. The number of employees increased by 92 from the end of the previous fiscal year, and this was mainly due to acquisition and merger of USS Recycle Auto Auction Co., Ltd. by the Company and conversion of some nonpermanent employees into permanent employees.

(10) Major creditors (as of March 31, 2007)

Lender	Amount borrowed
	(million yen)
Sumitomo Mitsui Banking Corporation	2,712
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,143
The Bank of Saga Ltd.	210

(11) Other important matters relating to the current state of the USS Group  
Not applicable.

## 2. Matters relating to shares of the Company (as of March 31, 2007)

- (1) Total number of shares authorized to be issued: 120,000,000 shares
- (2) Total number of shares issued: 32,604,062 shares  
(including 671,773 shares of treasury stock)
- (3) Total number of shareholders: 9,640
- (4) Major shareholders (Top 10)

Shareholder	Percentage of equity participation	
	Number of shares held (thousand shares)	Shareholding ratio %
Futoshi Hattori	3,328	10.4
The Master Trust Bank of Japan, Ltd. (trust account)	2,091	6.5
State Street Bank and Trust Company	1,806	5.6
Japan Trustee Services Bank, Ltd. (trust account)	1,454	4.5
Yukihiro Ando	906	2.8
Nomura Trust and Banking Co., Ltd. (retirement benefit trust The Bank of Tokyo-Mitsubishi UFJ, Ltd. account)	840	2.6
Hattori Motors Co., Ltd.	720	2.2
Dai Seta	690	2.1
Mamoru Seta	690	2.1
Maruichi Motors Co., Ltd.	683	2.1

Note: Figures for shareholding ratio are calculated based on the total number of shares excluding 671,773 shares of treasury stock.

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

(1) Stock Acquisition Rights held by officers of the Company as of the end of the term

Name		2nd Stock Acquisition Rights	3rd Stock Acquisition Rights	4th Stock Acquisition Rights
Resolution date for issuance		June 25, 2003 (23rd Annual General Meeting of Shareholders)	June 29, 2004 (24th Annual General Meeting of Shareholders)	June 28, 2005 (25th Annual General Meeting of Shareholders)
Number of Stock Acquisition Rights		1,900	2,200	2,650
Number of shares subject to Stock Acquisition Rights		19,000 shares of common stock (10 shares per Stock Acquisition Right)	22,000 shares of common stock (10 shares per Stock Acquisition Right)	26,500 shares of common stock (10 shares per Stock Acquisition Right)
Amount paid of Stock Acquisition Rights		Gratis	Gratis	Gratis
Amount of assets paid upon exercise of Stock Acquisition Rights		65,100 yen per right	93,200 yen per right	75,100 yen per right
Exercise period for Stock Acquisition Rights		From June 26, 2003 to October 31, 2007	From June 30, 2004 to October 31, 2008	From June 29, 2005 to October 31, 2009
Major conditions for the exercise of Stock Acquisition Rights		(Note)	(Note)	(Note)
Shares held by officers	Directors (excluding outside directors)	Number of holders 13 Number of rights 1,517 Number of shares subject to Stock Acquisition Rights 15,170	Number of holders 13 Number of rights 2,200 Number of shares subject to Stock Acquisition Rights 22,000	Number of holders 14 Number of rights 2,650 Number of shares subject to Stock Acquisition Rights 26,500
	Outside directors	-	-	-
	Corporate auditors	-	-	-

Note: Major conditions for the exercise of Stock Acquisition Rights are as follows:

- 1) If a person who has been allocated Stock Acquisition Rights (hereinafter called the “Stock Acquisition Right holder”) ceases to be a director, employee and advisor of the Company and its consolidated subsidiary, he or she may not exercise his or her Stock Acquisition Rights except when specified in the Share Purchase Warrant allocation agreement.
  - 2) If the Stock Acquisition Right holder dies, his or her inheritors may not exercise the Stock Acquisition Rights of the deceased.
  - 3) Other conditions for the exercise of Stock Acquisition Rights are prescribed by the Stock Acquisition Rights agreement entered into between the Company and Stock Acquisition Right holders.
- (2) Stock Acquisition Rights granted to employees of the Company and officers and employees of its subsidiaries in consideration of their performance of duties during the term under review  
Not applicable.

#### 4. Matters relating to Officers of the Company

(1) Directors and corporate auditors (as of March 31, 2007)

Title	Name	Responsibility and representative status at other companies
Chairman and Representative Director	Futoshi Hattori	Chief Executive Officer (CEO) [Representation for other companies] Chairman and CEO of USS Tokyo Mizuho Co., Ltd. Chairman and CEO of World Automobile Co., Ltd.
President and Representative Director	Yukihiro Ando	[Representation for other companies] President and CEO of USS Tokyo Mizuho Co., Ltd. President and CEO of World Automobile Co., Ltd.
Vice Chairman and Representative Director	Fumihiko Tamura	Officer of the Kyushu Office
Vice Chairman and Representative Director	Shigeo Hara	Officer of the Tokyo Office
Vice President and Representative Director	Dai Seta	Officer of the Auction Operation Dept. and Officer of the Nagoya Office [Representation for other companies] Executive vice president and representative director of USS Tokyo Mizuho Co., Ltd. Executive vice president and representative director of World Automobile Co., Ltd.
Executive Vice President	Motohiro Masuda	Vice Officer of the Tokyo Office
Executive Vice President	Eiji Gono	Vice Officer of the Kyushu Office
Senior Managing Director	Toshio Mishima	Officer in charge of the Fukuoka Auction Site of the Kyushu Office
Junior Managing Director	Masafumi Yamanaka	Officer of the Supervisory Office
Junior Managing Director	Hiromitsu Ikeda	Officer of the System Dept.
Junior Managing Director	Masayuki Akase	Vice Officer of the Auction Operation Dept.
Director	Hiroaki Inoue	Officer of the Shizuoka Office
Director	Yasuhisa Koga	Officer in charge of the Kyushu Auction Site of the Kyushu Office
Director	Yoshinobu Kojima	Vice Officer of the Supervisory Office and General Manager of the General Affairs Dept., Supervisory Office
Director	Hideo Okada	Advisor of Nihon Kogyo Shimbun Co., Ltd.
Director	Isamu Hayashi	Professor, Faculty of Business Management, Osaka Sangyo University
Director	Satoru Madono	Professor, International School of Economics and Business Administration, Reitaku University
Director	Koji Sato	Lawyer, Sato Koji Law Office
Standing Corporate Auditor	Yukihiko Inoue	
Standing Corporate Auditor	Masura Takei	Certified public accountant
Corporate Auditor	Isao Otsuka	Registered tax accountant

Notes: 1. [Representation for other companies] is stated only if the directors serve concurrently as Representative Director of a company that is not a wholly-owned subsidiary of the Company.

1) USS Tokyo Mizuho Co., Ltd., a company that is 90% owned subsidiary of the Company, and the Company compete with each other in the used car auction business.

2) World Automobile Co., Ltd. is a 91.5% owned subsidiary of the Company, and the Company has land and building leasing transactions and auction transactions of accident-damaged cars with World Automobile Co., Ltd.

2. Directors, Messrs. Hideo Okada, Isamu Hayashi, Satoru Madono and Koji Sato are outside directors specified by Article 2, Paragraph 15 of the Company Law.

3. Corporate auditors, Messrs. Yukihiko Inoue, Masura Takei and Isao Otsuka are outside corporate auditors specified by Article 2, Paragraph 16 of the Company Law.

4. Standing corporate auditor, Mr. Masura Takei is well versed in corporate accounting affairs as a certified public accountant and has considerable knowledge of finance and accounting.

5. Corporate auditor, Mr. Isao Otsuka is well versed in corporate tax affairs as a certified tax accountant and has considerable knowledge of finance and accounting.

(2) Total amount of remuneration for directors and corporate auditors

Position	Number of officers	Amount of remuneration
Directors (Outside directors out of all directors)	18 ( 4 )	337 million yen (10 million yen)
Corporate auditors (Outside corporate auditors out of all corporate auditors)	3 ( 3 )	17 million yen (17 million yen)
Total	21	354 million yen

Notes: 1. The maximum amount of remuneration for directors is determined as 500 million yen per year by the resolution at the 26th Annual General Meeting of Shareholders held on June 28, 2006.

2. The maximum amount of remuneration for corporate auditors is determined as 50 million yen per year by the resolution at the 26th Annual General Meeting of Shareholders held on June 28, 2006.

3. The amount paid includes the total sum of the retirement benefits for Directors and Corporate Auditors amounting to 40 million yen. [Directors: 39 million yen (Outside directors are not eligible) and Corporate auditors: 0 million yen (of which, outside corporate auditors: 0 million yen are included.)]

(3) Matters relating to outside officers

1) Holding of concurrent posts by outside directors and outside corporate auditors (when they are executive officers or outside officers at other companies)

No outside director or outside corporate auditor is holding a concurrent post which is deemed to be material.

2) Major activities during the term

Position	Name	Major activities
Director	Hideo Okada	Appointed director at the 26th Annual General Meeting of Shareholders held on June 28, 2006, attended all fourteen meetings of the Board of Directors held since his assumption of office and expressed opinions as appropriate based on knowledge as a former corporate manager.
Director	Isamu Hayashi	Appointed director at the 26th Annual General Meeting of Shareholders held on June 28, 2006, attended all fourteen meetings of the Board of Directors held since his assumption of office and expressed opinions as appropriate from the expert viewpoint of a legal scholar.
Director	Satoru Madono	Appointed director at the 26th Annual General Meeting of Shareholders held on June 28, 2006, attended all fourteen meetings of the Board of Directors held since his assumption of office and expressed opinions as appropriate from the expert viewpoint of an economist.
Director	Koji Sato	Appointed director at the 26th Annual General Meeting of Shareholders held on June 28, 2006, attended all fourteen meetings of the Board of Directors held since his assumption of office and expressed opinions as appropriate from the expert viewpoint of a lawyer.
Standing Corporate Auditor	Yukihiko Inoue	Conducted accounting and business audit of the USS Group and attended all six meetings of the Board of Corporate Auditors held during the term under review and acted as chairperson thereat. Attended all sixteen meetings of the Board of Directors held during the term under review and expressed opinions as appropriate based on knowledge as an experienced former corporate manager mainly in the automobile distribution industry.
Standing Corporate Auditor	Masura Takei	Conducted accounting and business audit of the USS Group and attended all six meetings of the Board of Corporate Auditors held during the term under review. Also, attended all sixteen meetings of the Board of Directors held during the term under review and expressed opinions as appropriate mainly from the expert viewpoint of a certified public accountant.
Corporate Auditor	Isao Otsuka	Conducted accounting and business audit of the USS Group and attended all six meetings of the Board of Corporate Auditors held during the term under review. Also, attended fifteen out of sixteen meetings of the Board of Directors held during the term under review and expressed opinions as appropriate from the expert viewpoint of a certified tax accountant.

3) Outline of contents of liability limitation agreement

Each outside director has entered into a liability limitation agreement with the Company that limits the liability for damage in accordance with the provisions of Article 427, Paragraph 1 of the Company Law.

The maximum amount of liability for damage pursuant to the above-mentioned agreement is the higher of 4 million yen or the amount prescribed by the law or regulation.

## 5. Matters relating to independent auditors

### (1) Names of independent auditors

Period of audit during the term under review	Name	Note
From April 1, 2006 to June 30, 2006	ChuoAoyama Pricewaterhouse Coopers (Present name: MISUZU Audit Corporation)	Accounting auditor
From July 1, 2006 to March 31, 2007	ARK & Co.	Temporary accounting auditor
From September 1, 2006 to March 31, 2007	MISUZU Audit Corporation	Temporary accounting auditor

Note: The former accounting auditor of the Company, ChuoAoyama PricewaterhouseCoopers, whose name was changed to MISUZU Audit Corporation on September 1, 2006, stepped down from the position of accounting auditor on July 1, 2006, because it was ordered by the Financial Services Agency on May 10, 2006 to suspend operations for the period of two months commencing on July 1, 2006, and ending on August 31, 2006, and consequently was disqualified as accounting auditor of the Company.

As a result, the Company appointed ARK & Co. as temporary accounting auditor of the Company at the meeting of the Board of Corporate Auditors held on July 1, 2006, in order to avoid absence of accounting auditor of the Company and to ensure continuous conduct of audit of the Company.

Further, at the meeting of the Board of Corporate Auditors held on August 18, 2006, the Company additionally appointed MISUZU Audit Corporation as temporary accounting auditor of the Company effective as from September 1, 2006, the day immediately following the day when the period of suspension of their operations expired and has adopted a joint auditing system with ARK & Co. in order to secure consistency in audit of the Company and to ensure completeness of audit.

### (2) Amount of remuneration

	ARK & Co.	MISUZU Audit Corporation
1. Amount of remuneration relating to services to the Company specified by Article 2, Paragraph 1 of the Certified Public Accountant Law (Law No. 103 of 1948)	3 million yen	17 million yen
2. Amount of remuneration relating to services to the Company other than those specified by Article 2, Paragraph 1 of the Certified Public Accountant Law	-	2 million yen
3. Total amount of remuneration of accounting auditors for their services to the Company and its subsidiaries during the term under review	3 million yen	25 million yen

Note: The amount stated in the above 1) indicates the total amount of remuneration for audit defined under the Company Law and that defined under the Securities and Exchange Law because the amounts of remuneration for those two definitions of audit are not distinguished in the audit contracts between the Company and the accounting auditors and such distinction is impracticable.

### (3) Outline of contents of liability limitation agreement

Not applicable.

### (4) Contents of services other than audit

Advisory services with respect to financial due diligence are entrusted by the Company.

(5) Policies for determination of removal or denial of reappointment of the accounting auditors

The Board of Directors will, if it deems it necessary to remove or deny reappointment of any of the accounting auditors due to a problem in the performance of their duties or any other reason, put removal or denial of reappointment of the accounting auditor on the agenda of a General Meeting of Shareholders upon the consent of the Board of Corporate Auditors or upon a request from the Board of Corporate Auditors.

If any of the items prescribed in Article 340, Paragraph 1 of the Company Law applies to any of the accounting auditors and removal of such accounting auditor is deemed to be appropriate as a result of deliberation by the Board of Corporate Auditors, such accounting auditor will be removed by the Board of Corporate Auditors subject to the unanimous agreement of the corporate auditors. In such case, a corporate auditor elected by the Board of Corporate Auditors will report the fact of removal of the accounting auditor and the reason at the first General Meeting of Shareholders to be held following the removal.

- 6. System to assure compliance of performance of duties by directors with laws and regulations and the Articles of Incorporation and other systems to assure appropriateness of operations**
- (1) System to assure compliance of performance of duties by directors with laws and regulations and the Articles of Incorporation
    - 1) For the purpose of increasing awareness of directors and employees with respect to corporate ethics and compliance with laws and regulations, the USS Group will establish compliance manuals including the “USS Action Guidelines” and will put such manuals into action by conducting in-service training and other activities aiming at thorough observance thereof.
    - 2) In order to inculcate corporate ethics in directors and employees of the USS Group, the Group established the “Compliance Committee” and will make use of a whistle-blower system called “USS Corporate Ethics Helpline” for early discovery of acts conflicting with laws and regulations and correction thereof.
    - 3) In order to assure appropriateness in the decision-making processes by the Board of Directors and reinforce functions for supervision of management, the Group will appoint and make use of outside directors and outside corporate auditors as well as external experts including lawyers.
    - 4) In order to assure appropriateness of financial reporting, the Group will adopt an accounting system concentrated at head office, intensively manage financial information of the USS Group and observe applicable accounting standards and other related laws and regulations.
  - (2) System for storage and management of information relating to performance of duties of directors
    - 1) Information relating to performance of duties of directors will be appropriately stored and managed (and, if necessary, disposed of) pursuant to internal rules of the USS Group and those rules will be reviewed in light of operating status and will be revised if necessary.
    - 2) With responsible departments designated in accordance with segregation of duties of directors and types of information, information will be recorded and kept in writing or by electronic media. Particularly for information kept by electromagnetic media, information management control will be reinforced by such means as access rights, security treatments, and back-up system.
    - 3) With respect to information requiring a certain degree of management under laws and regulations including customer information, personal information and insider information, the Group will keep directors and employees informed about management methods required by the relevant laws and regulations.
    - 4) The Group will, by appointing risk and information management officers at its respective offices and subsidiaries, establish an internal system under which important information within the USS Group is promptly and appropriately grasped at the Supervisory Office of Head Office and, if necessary, is reported to and reviewed by responsible directors and the Board of Directors, and will build and implement a system under which corporate information required to be disclosed is disclosed in a timely and appropriate manner pursuant to applicable rules of disclosure.
    - 5) The Internal Audit Room will monitor whether information is managed in accordance with the information management rules and segregation of duties and will report the status to directors in charge and corporate auditors (or the Board of Corporate Auditors).
  - (3) Rules and other systems for management of risk of loss
    - 1) The Group will establish a risk management committee and attempt to build risk management system across the USS Group consisting of analysis into the frequency of occurrence and scale of risk (if any occurs) relating to presumable management strategies, operation management,

- compliance, environment and disasters, study into measures to avoid or control material risks, and standards of instructions, directions and actions in case of occurrence of risk.
- 2) The Group will broadly categorize risks into (i) risk in business management, (ii) risk in daily operation processes and (iii) crisis risk, in an attempt to avoid risk and streamline operations.
  - 3) Risk in business management known to and recognized by the Company will be disclosed to stakeholders as risk information in Securities Report and Account Settlement Brief Report and will be fully considered in the making of important decisions at such occasions as meetings of the Board of Directors.
  - 4) Staff in charge of risk and information management at respective offices and subsidiaries will report necessary information promptly and appropriately to the Supervisory Office of Head Office or directors in charge of respective matters while the Internal Audit Room and corporate auditors will monitor the risk management system as part of audit.
- (4) System to ensure efficient performance of duties of directors
- 1) With respect to goals across the USS Group including mid-term plans and annual budgets, the Group will communicate the goals to the Group members including employees and establish a system for respective offices and subsidiaries to formulate specific measures and implement them for achievement of such goals.
  - 2) All monthly results of respective offices and subsidiaries will be managed at the Supervisory Office of Head Office, reported to a meeting of the Board of Directors which will be held every month and compared with budgets in order to analyze efficiency at respective offices and subsidiaries and impediments to achievement of goals and take effective measures.
  - 3) The Strategy Committee, an advisory body of the Board of Directors, will conduct multifaceted and in-depth studies into important matters in an attempt to build an efficient system for performance of operations.
  - 4) In response to business expansion, the Group will clarify official duties and segregation of duties of executive directors or officers or on-site responsible staff and build an efficient and effective operation management system.
  - 5) Corporate auditors will conduct monitoring to ascertain if directors are excessively pursuing efficiency in performance of duties.
- (5) System to ensure compliance of performance of duties by employees with laws and regulations and the Articles of Incorporation
- 1) The Finance Department, Supervisory Office of Head Office has appointed staff in charge at each office and subsidiary of the Company and has conducted an integrated management and guidance mainly based on monthly financial reports. In addition, management and guidance for implementation of appropriate operation management will be conducted by the General Affairs Department of the Supervisory Office with respect to general and personnel affairs, by the Auction Operation Department with respect to auction business, by the System Department with respect to information processing operations and by directors in charge appointed for each operation with respect to management of subsidiaries other than auction business.
  - 2) The Group will not only, with the Compliance Committee established, distribute compliance manuals to all employees of the USS Group and endeavor to keep them informed about such manuals through training programs but also will further strengthen compliance awareness through the "USS Corporate Ethics Helpline," a whistle-blower system operated by an external independent organization.
  - 3) With respect to compliance in operation processes relating to respective business operation

- organizations, the Group will secure efficiency in response to business expansion of the USS Group and will attempt to reinforce its compliance system. The Group will continue to strengthen its internal control system including not only (i) employment rules, accounting rules and other operation management rules but also (ii) information processing control in the information processing system on which many of the operation processes rely.
- 4) As for the monitoring system, the Group will assure effectiveness by utilization of voluntary audit reports prepared at each office and subsidiary and activities by the Compliance Committee as well as audits conducted by the Internal Audit Room and corporate auditors.
- (6) System to ensure appropriate operations at the USS Group consisting of the Company and its subsidiaries
- 1) The Company will, under the basic policy of having all of its subsidiaries consolidated, attempt to share management principles and compliance consciousness with its subsidiaries as members of the USS Group and unify operation management relating to labor and personnel affairs, accounting and treasury management while respecting autonomy of respective subsidiaries.
  - 2) The Company will appoint directors responsible for respective subsidiaries and endeavor to provide necessary assistance to and coordination with subsidiaries in order to assure consistency between management policies and strategies of the Company and those of respective subsidiaries and support healthy growth and development of respective subsidiaries.
  - 3) The Company will conduct deliberations with and provide guidance to respective subsidiaries with respect to appropriate measures on the basis of budget management and monthly business reports in addition to building an internal control system covering consolidated subsidiaries.
  - 4) Corporate auditors will give advice or recommendations if deemed necessary in cooperation with the Internal Audit Room and the accounting auditors.
- (7) Matters relating to employees appointed to support duties of corporate auditors  
Upon request from any corporate auditor, staff for corporate auditors will be appointed and will be made to support duties of corporate auditors.
- (8) Matters relating to independence of the employees from directors mentioned in the preceding item
- 1) Staff for corporate auditors prescribed in the preceding item will, if they have received an order necessary for audit operations from any corporate auditor, not receive from any director or employee any instruction or order relating to such order.
  - 2) If any exclusive staff for corporate auditors is established, issuance of an order, transfer, merits evaluation and disciplinary punishment with respect to such staff will require a prior consent of the relevant corporate auditors (or the Board of Corporate Auditors).
- (9) System for directors and employees to report to corporate auditors and other systems for report to corporate auditors
- 1) The Company has employed a system to manage finance, accounting, general and personnel affairs of each office and subsidiary in an integrated manner at the Supervisory Office of Head Office (the Finance Department and the General Affairs Department) and has a mechanism in which all the important information of the USS Group is grasped at the Supervisory Office and is reported to corporate auditors and the Board of Corporate Auditors.
  - 2) The Group has established a whistle-blower system called the “USS Corporate Ethics Helpline” and has a mechanism for corporate auditors and the Board of Corporate Auditors to receive reports through the Supervisory Office of Head Office.

- 3) The Group will reinforce the structure for smooth and efficient operation of the mechanisms mentioned in the above items 1) and 2).
- (10) Other systems to ensure effective conduct of audits by corporate auditors
- 1) Corporate auditors will conduct audits pursuant to the “Audit Guidelines” determined at a meeting of the Board of Corporate Auditors and will attend meetings of the Board of Directors and other important meetings and express opinions thereat.
  - 2) Corporate auditors will clarify segregation of their duties for promotion of efficiency and will attempt to unify their intentions at meetings of the Board of Corporate Auditors.
  - 3) Corporate auditors will regularly exchange opinions with the Representative Director, the Internal Audit Room and the accounting auditors.

## **7. Basic policy regarding the way to decide the one who controls the decision of policy about the Company's finance and business**

### **1. Substance of the basic policy**

In the event of a Large-scale Share Purchase (as defined in 3 (2) below), even if it involves the transfer of control over the target company, decision-making as to whether to sell shares to the Large-scale Share Purchaser (hereinafter defined as a purchaser who is conducting or will conduct a Large-scale Share Purchase) or as to whether it is appropriate or not to delegate the control over the target company to the Large-scale Share Purchaser should be left to the shareholders, as a general rule, insofar as the target company's shares are traded in open markets.

However, among the recent cases of Large-scale Share Purchases, there are a substantial number of cases involving the possibility of irreparable damage to the Company's corporate value or where the common interests of its shareholders are threatened, such as: (i) cases where it is clear that the Large-scale Share Purchaser does not aim towards reasonable management with sincerity in light of the purpose of or other circumstances surrounding the Large-scale Share Purchase; (ii) cases involving the apprehension that general shareholders will be virtually compelled to sell their shares under unfavorable conditions; (iii) cases where general shareholders are not provided with the information or consideration period that is necessary or adequate for them to appropriately determine whether to accept the Large-scale Share Purchase; or (iv) cases where the board of directors of the target company is not provided with (a) the information that is necessary for the board of directors to present its opinion for or against the Large-scale Share Purchase, or a business plan or the like (an "Alternative Proposal") that presents an alternative to the takeover proposal, business plan or the like presented by the Large-scale Share Purchaser, (b) an opportunity to negotiate with regard to Alternative Proposals with the Large-scale Share Purchaser, or (c) an adequate consideration period that is necessary or adequate for it to form its opinion for or against the Large-scale Share Purchase or Alternative Proposals.

Taking these recent situations of corporate acquisitions into consideration, the Company will enable (i) its shareholders to appropriately determine whether to accept a Large-scale Share Purchase by asking the Large-scale Share Purchaser to provide the necessary information regarding the Large-scale Share Purchase and to be ensured of an adequate period for considering and/or negotiating with respect to such transaction, and (ii) the board of directors of the Company (the "Board of Directors") to present its opinion for or against, or an Alternative Proposal to, the Large-scale Share Purchase to negotiate with the Large-scale Share Purchaser for the benefit of the shareholders. By these efforts, we think it is necessary to protect and enhance the Company's corporate value and shareholders' common interests.

The Company thinks it is necessary to protect the Company's corporate value or shareholders' common interests by triggering a necessary and reasonable countermeasure to the one who conducts large-scale purchases of shares of the Company in a way that prevents the Company from aiming to protect and enhance the Company's corporate value or shareholders' common interests by this means.

### **2. Endeavors for realizing the basic policy**

Special endeavors for realizing the basic policy

The business of the Company and its consolidated subsidiaries (collectively, the "USS Group") consists of a membership auto-auction business, as its core business, a used-car purchase and resale business, and a recycling business of abandoned cars.

The auto-auction business operates 18 actual auction sites nationwide and has 40,959 member companies (as of March 31, 2007) for the entire USS Group, the annual number of auction entries is 2,840,000 vehicles (for

the year ending in March 2007), and the Company maintains top status in the industry with an industry share of 33.4% (for the 2006 calendar year).

The USS Group has gained immense support and trust from the member companies as a leading company in the auto-auction industry. Since its founding in 1980, the Company has upheld management creeds of “the creation of a fair market” and “coexistence with member companies,” has constantly introduced state-of-the-art technologies ahead of competitors, and has established its vehicle inspection systems at the highest level of the industry.

From a mid- and long-term perspective, a target to be achieved is “Project 343” (the annual auction entries of 3 million vehicles, an industry share of 40%, and a consolidated ordinary income of 30 billion yen), the Company’s mid-term management plan up to the period ending in March 2009. For this target, the Sapporo Auction Site was extended in August 2006 and the multilevel stockyard was opened at the Osaka Auction Site in November 2006. Management resources are thus concentrated on the auto-auction business for the purpose of increasing our corporate value on a mid- and long-term basis by strengthening the processing capacity for the auction as above. In order to continuously increase the USS Group’s corporate value under “Project 343”, we consider it to be extremely important to continue to further fulfill the aforementioned management creeds, as part of the foundation of its management, and to operate its business by focusing on the mid-term relationship of trust between the USS Group and its member companies.

The Company has made efforts to expand the number of its shareholders by share splits, the modification of the number of shares constituting one voting unit and the like since the initial listing of its shares on Section 2 of the Nagoya Stock Exchange in September 1999 and on Section 1 of the Nagoya Stock Exchange and the Tokyo Stock Exchange in December 2000. As a result, the number of shareholders is 9,640 as of the end of March 2007. As for shareholder composition, a great majority of shareholders are represented by individual shareholders. Thus, the liquidity of the Company shares has substantially improved since the initial listing.

The Company will endeavor to continuously protect and enhance the Company’s corporate value or shareholders’ common interests by further improving the liquidity of the Company shares and conducting prudent management.

### **3. Endeavors for protecting the policy about the Company’s finance and business being decided by the one who is inappropriate in light of the basic policy**

- (1) Object and background for introducing measure (the “Plan”) to respond to large-scale purchases of shares of the Company

The Company decided, at its board of directors meeting on May 16, 2006, as one of the endeavors for protecting the policy about the Company’s finance and business being decided by the one who is inappropriate in light of the basic policy as described in 1 above, for the Company to enable (i) its shareholders to appropriately determine whether to accept a Large-scale Share Purchase by asking the Large-scale Share Purchaser to provide the necessary information regarding the Large-scale Share Purchase and to be ensured of an adequate period for considering and/or negotiating with respect to such transaction, and (ii) the board of directors of the Company (the “Board of Directors”) to present its opinion for or against, or an Alternative Proposal to, the Large-scale Share Purchase in accordance with the recommendation of the Company’s Corporate Value Committee (as defined in (5) below) or to negotiate with the Large-scale Share Purchaser for the benefit of the shareholders and ( ) the Company to aim to protect and enhance the Company’s corporate value and shareholders’ common interests, to introduce the Plan.

The Company decided, at its board of directors meeting on June 28, 2006, with all the directors’ consent appointed at the 26th annual shareholders’ meeting, to continue the Plan by the end of the 27th

annual shareholders' meeting scheduled for June, 2007.

The Substance of the Plan is as follows;

(2) Substance of the Plan

Definition of Large-scale Share Purchase Subject to the Plan

The Plan shall apply if a transaction that falls or might fall under the following item (a) or item (b) (excluding those approved in advance by the Board of Directors) (such transaction being referred to as a "Large-scale Share Purchase"):

- (a) Any purchase or other form of acquisition of share certificates, etc. issued by the Company by a Large-scale Share Purchaser that will render such purchaser's holding ratio of share certificates, etc. to be 20% or more.
- (b) Any purchase or other form of acquisition of share certificates, etc. issued by the Company by a Large-scale Share Purchaser that will render the total of such purchaser's holding ratio of certificates, etc. and the aggregate holding ratio of share certificates, etc. of the special affiliated persons to be 20% or more.

(3) Submission of Share Purchase Statement

Before initiating a Large-scale Share Purchase, a Large-scale Share Purchaser will be required to submit to the Board of Directors a document (the "Share Purchase Statement"), in the form separately specified by the Company, bearing the signature or the name and seal impression of the representative of the Large-scale Share Purchaser by which the Large-scale Share Purchaser pledges to comply with the procedure set forth in the Plan. Upon receipt of the Share Purchase Statement, the Board of Directors will promptly submit it to the Corporate Value Committee (as defined in 4 below).

In the Share Purchase Statement, the Large-scale Share Purchaser will be requested to confirm its pledge to comply with the procedure set forth in the Plan, and its name, address, governing law, representative's name and contact person(s) in Japan, as well as explain the outline of the intended Large-scale Share Purchase and other relevant information.

Upon the Large-scale Share Purchaser's submission of the Share Purchase Statement, we will promptly disclose to the shareholders of the Company the matters determined by the Board of Directors to be appropriate.

(4) Large-scale Share Purchaser's Demand for Information

Within ten (10) business days after the Board of Directors receives the Share Purchase Statement, the Large-scale Share Purchaser will be requested to submit the information listed in the items (a) to (g) (collectively, the "Large-scale Share Purchase Information") below to the Board of Directors. Upon receipt of the Large-scale Share Purchase Information, the Board of Directors will promptly provide the same to the Corporate Value Committee.

If the Corporate Value Committee determines it difficult, only with the Share Purchase Information provided by the Large-scale Share Purchaser, for the shareholders to appropriately decide whether to accept the Large-scale Share Purchase, or for the Corporate Value Committee and the Board of Directors to formulate their opinion for or against the Large-scale Share Purchase or appropriately present an Alternative Proposal to the shareholders of the Company (such opinion formulation and Alternative Proposal presentation being collectively referred to as the "Evaluation Activity"), the Board of Directors may first fix a reasonable submission period and then demand from time to time that the Large-scale Share Purchaser provide additional information that is required for the Evaluation Activity.

If the Corporate Value Committee determines that the provision of the Large-scale Share Purchase Information has been completed, the Company will promptly disclose such fact to the shareholders of the Company. In addition, at an appropriate time following the receipt of the Large-scale Share Purchase Information, the Company will disclose to the shareholders such portion of the Large-scale Purchase Information that is considered to be necessary for the shareholders to determine whether to accept the Large-scale Share Purchase.

- (a) An outline (including the name, capital composition, financial condition, names and career summaries of the board members and the like) of the Large-scale Share Purchaser and its group (including the major shareholders and capital contributors, and important subsidiaries and affiliates; and in the case of a fund, including its major members, capital contributors (whether direct or indirect), other constituent elements, managing partner, and advisors who continuously give advice on investments).
  - (b) The purpose and substance (including the amount and type of the purchase price, the timing of the purchase, the structure(s) of the related transaction(s), the lawfulness of the manner of purchase, the plausibility of the purchase and the like) of the Large-scale Share Purchase.
  - (c) The calculation basis (including the facts and assumptions forming the calculation basis, the manner of calculation, the numeric information used in the calculation, the amount of the synergy effect anticipated to result from the series of transactions relevant to the purchase and calculation basis and the like) of the purchase price.
  - (d) Proof of the financial resources for the purchase (including the names of providers (including beneficial providers, whether direct or indirect) of resources, the manner of funding and the substance of the relevant transactions).
  - (e) The management policies, business, financial and investment plans, capital and dividend policies of the USS Group intended to be implemented after the completion of the Large-scale Share Purchase, and the policies for handling the Company's employees, business partners, customers, local authorities of where the Company's business establishments and the like are located and other interested parties after the completion of the Large-scale Share Purchase.
  - (f) A document by which the Large-scale Share Purchaser pledges that it is not an Abusive Acquisitor (as defined in (6) below).
  - (g) Other information that the Corporate Value Committee reasonably determines to be necessary and demands the Large-scale Share Purchaser to submit within ten (10) business days after the Board of Directors receives the Share Purchase Statement.
- (5) Procedure When a Large-scale Share Purchase Is Initiated without a Share Purchase Statement or Large-scale Share Purchase Information

If a Large-scale Share Purchase is initiated without the Large-scale Share Purchaser's submission of a Share Purchase Statement to the Board of Directors or completion of the provision of the Large-scale Share Purchase Information to the Board of Directors, the Corporate Value Committee will, as a general rule, recommend to the Board of Directors that it trigger a countermeasure (as described in (13) below) against the Large-scale Share Purchase except in cases where it is clearly necessary not to trigger a countermeasure against the Large-scale Share Purchase for the purposes of protecting and enhancing the Company's corporate value or shareholders' common interests or where any other extraordinary circumstance exists.

- (6) Corporate Value Committee's Determination as to an Abusive Acquisitor

The Corporate Value Committee will determine whether the Large-scale Share Purchaser in question is an Abusive Acquisitor (the term “Abusive Acquisitor” refers to a purchaser that is suspected, on reasonable grounds, to fall under any of the following items):

- (a) The Large-scale Share Purchaser conducts a share purchase, without any true intention to participate in the management of the Company, for the purpose of boosting the share price and thereafter having parties interested in the Company purchase shares (cases of the so-called “green mailer”), or the Large-scale Share Purchaser’s main purpose of a share purchase is to obtain short-term profits.
- (b) The Large-scale Share Purchaser’s purpose in participating in the management of the Company is mainly to temporarily control the management of the Company and thereby cause intellectual property rights, know-how, confidential corporate information, key business partners, customers or the like necessary for the Company’s business operation to transfer to the Large-scale Share Purchaser, its group company or the like.
- (c) The Large-scale Share Purchaser purchases shares of the Company under the plan that it will unjustly divert the Company assets as collateral or repayment resources for obligations of the Large-scale Share Purchaser, its group company or the like after its acquisition of the control over the Company.
- (d) The Large-scale Share Purchaser’s purpose in participating in the management of the Company is mainly to temporarily control the management of the Company, thereby cause the Company to sell or otherwise dispose of highly-valued assets, such as real property or securities, that are not currently related to the Company business and to distribute temporarily higher dividends with the gains from such disposal, or to sell its shares at an inflated price caused by such temporarily higher dividends.
- (e) It is determined, on reasonable grounds, that the conditions (including, without limitation, the type, amount and calculation basis of the purchase price, the substance, timing, manner, existence or non-existence of unlawfulness, plausibility and the like of the purchase) of the acquisition of shares of the Company proposed by the Large-scale Share Purchaser are inadequate or inappropriate in light of the Company’s corporate value.
- (f) The manner of acquisition of shares proposed by the Large-scale Share Purchaser is so structurally oppressive that it would restrict the shareholders’ opportunity or liberty to make decisions, typically represented by a two-phase acquisition or partial tender offer.
- (g) The Large-scale Share Purchaser’s acquisition of control is anticipated to impair the Company’s corporate value including the benefits of not only the shareholders but also customers, employees and other interested parties, or is determined, on reasonable grounds, to threaten to prevent the maintenance or enhancement of the Company’s corporate value; or the Company’s corporate value in the event of the Large-scale Share Purchaser’s acquisition of the control over the Company is determined to become clearly worse than the Company’s corporate value in the absence of the Large-scale Share Purchaser’s such control.
- (h) The fact of the Large-scale Share Purchaser’s acquisition of control as such significantly impairs the Company’s corporate value, such as the loss of important business partners of the USS Group.
- (i) It is determined, on reasonable grounds, that the Large-scale Share Purchaser is inappropriate as a controlling shareholder of the Company from the perspective of public policy or good moral,

such as in cases where a person or entity directly or indirectly relating to a socially disruptive force is included in the management members or major shareholders of the Large-scale Share Purchaser.

(7) Procedure Where It Is Determined that the Large-scale Share Purchaser Is an Abusive Acquisitor

If the Corporate Value Committee determines that the Large-scale Share Purchaser in question is an Abusive Acquisitor, the Corporate Value Committee will recommend to the Board of Directors that it trigger a countermeasure against the Large-scale Share Purchase irrespective of whether the Corporate Value Committee Evaluation Period (as defined in (8) below) commences or expires.

(8) Fixing of Corporate Value Committee Evaluation Period

The Corporate Value Committee will fix the period mentioned in item (a) or item (b) below (to commence on the day on which the Company discloses the Corporate Value Committee's determination that the provision of the Large-scale Share Purchase Information has completed), in accordance with the substance of the Large-scale Share Purchase as disclosed by the Large-scale Share Purchaser, as a period for the Evaluation Activity conducted by the Corporate Value Committee (the "Corporate Value Committee Evaluation Period"). Such Corporate Value Committee Evaluation Period has been established in light of the difficulty of the evaluation of the business performance of the Company, the level of difficulty of the Evaluation Activity and the like, and any Large-scale Share Purchase shall be deemed commenced only after the expiry of the Corporate Value Committee Evaluation Period.

- (a) In the case of the purchase of all of the share certificates, etc. of the Company by way of a tender offer that limits purchase prices to cash (Japanese Yen): sixty (60) days (excluding the first day).
- (b) In the case of Large-scale Share Purchases other than as mentioned in item (a) above: ninety (90) days (excluding the first day).

During the Corporate Value Committee Evaluation Period, the Corporate Value Committee will conduct the Evaluation Activity from the viewpoint of the protection and enhancement of the Company's corporate value or shareholders' common interests on the basis of the Large-scale Share Purchase Information provided by the Large-scale Share Purchaser. In conducting the Evaluation Activity, the Corporate Value Committee shall, as a general rule, seek the advice of outside professionals (*e.g.*, a financial advisor, a practicing attorney and a certified public accountant) in third-party positions independent from the Board of Directors.

If there is a compelling reason for the Corporate Value Committee not to make a recommendation mentioned in (10) below during the Corporate Value Committee Evaluation Period, and the Board of Directors agrees to the extension of the Corporate Value Committee Evaluation Period, then the Corporate Value Committee may extend the Corporate Value Committee Evaluation Period by up to by thirty (30) days (excluding the first day) to the extent necessary (the same applies to the further extension of such extended period). If the Corporate Value Committee extends the Corporate Value Committee Evaluation Period, the Company will promptly disclose such fact to the shareholders of the Company.

(9) Procedure upon Commencement of Large-scale Share Purchase during Corporate Value Committee Evaluation Period

If the Corporate Value Committee determines that the Large-scale Share Purchaser has commenced a Large-scale Share Purchase during the Corporate Value Committee Evaluation Period, the Corporate Value Committee shall, as a general rule, recommend to the Board of Directors that it trigger a

countermeasure except in cases where it is clearly necessary not to trigger a countermeasure for the purpose of protecting and enhancing the Company's corporate value or shareholders' common interests or where any other extraordinary circumstance exists.

(10) Corporate Value Committee Recommendation Procedure

A. Corporate Value Committee Recommendation

During the Corporate Value Committee Evaluation Period, the Corporate Value Committee shall make a recommendation to the Board of Directors with respect to the Large-scale Share Purchase in accordance with the following items (i) to (iii):

(i) Corporate Value Committee Recommendation to Trigger Countermeasure

Except as otherwise set forth in the Plan, in the event of the Large-scale Share Purchaser's violation of the procedure prescribed in the Plan in any material respect, and if such violation is not remedied within ten (10) business days after a written notice to the Large-scale Share Purchaser given by the Board of Directors demanding the remedy thereof, the Corporate Value Committee shall, as a general rule, recommend to the Board of Directors that it trigger a countermeasure against the Large-scale Share Purchase except in cases where it is clearly necessary not to trigger a countermeasure for the purpose of protecting and enhancing the Company's corporate value or shareholders' common interests or where any other extraordinary circumstance exists. (The Corporate Value Committee shall be entitled to specify the substance of the countermeasure and impose certain conditions or the like upon the triggering of the countermeasure whenever the Corporate Value Committee determines it necessary.)

Upon such recommendation, the Company will promptly disclose to the shareholders of the Company the matters considered by the Board of Directors to be appropriate.

Even after the Corporate Value Committee gives its recommendation to the Board of Directors to trigger a countermeasure, if the Large-scale Share Purchase is withdrawn or any other change occurs in the facts assumed in a determination leading to the recommendation, the Corporate Value Committee may further make a recommendation to cease a countermeasure or any other appropriate recommendation to the Board of Directors.

(ii) Corporate Value Committee Recommendation to Confirm Shareholders' Intentions

If, as a result of the Evaluation Activity conducted by the Corporate Value Committee, it is determined that there is no obvious difference between the takeover proposal and the like, including the business plan of the USS Group presented by the Large-scale Share Purchaser and the business plan and the like of the USS Group presented by the Board of Directors, it will generally be difficult for the Corporate Value Committee to determine whether it is desirable or not to trigger a countermeasure for the purpose of protecting and enhancing the Company's corporate value or shareholders' common interests. Therefore, the Corporate Value Committee will recommend to the Board of Directors that it confirm the intentions of the shareholders of the Company, at its shareholders' meeting, as to whether it is necessary or not to trigger a countermeasure, the substance of a countermeasure and the like. Upon such recommendation, the Company will promptly disclose to the shareholders of the Company the matters considered by the Board of Directors to be appropriate.

Even after the Corporate Value Committee gives its recommendation to the Board of Directors to confirm the intention of the shareholders of the Company, if the Large-scale Share Purchase is withdrawn or any other change occurs in the facts assumed in a determination leading to the recommendation, the Corporate Value Committee may further make a different recommendation to the Board of Directors.

(iii) Corporate Value Committee Recommendation for Other Action

The Corporate Value Committee may make a recommendation at any time to the Board of Directors to not-trigger a countermeasure or to take any other necessary action.

With respect to the disclosure procedure and the subsequent further recommendation procedure with respect to such recommendation, items (i) and (ii) above shall analogously apply.

B. Corporate Value Committee Recommendation to Be Respected by the Board of Directors

The Board of Directors will conduct a reasonable analysis and consideration on the basis of the Large-scale Share Purchase Information provided by the Large-scale Share Purchaser and other reliable, objective data and information. Except in cases of an extraordinary circumstance, such as where the Board of Directors finds, as a result of its analysis and consideration, that there is a material and reckless error in the understanding of facts assumed in the recommendation (in this section B, including further recommendations) of the Corporate Value Committee or a clearly unreasonable aspect in the course of reaching a determination leading to the recommendation, the Board of Directors will adopt the necessary board resolutions, such as a resolution for triggering or not triggering a countermeasure or for convening a shareholders' meeting, by respecting the Corporate Value Committee recommendation to the greatest extent possible. (In adopting a resolution to trigger a countermeasure, the Board of Directors may grant the Corporate Value Committee a certain power to decide on the substance of a countermeasure (including the abandonment thereof) to the extent permitted by the Laws and Regulations in appropriate cases.)

In the case where such resolution is adopted, the Company will promptly disclose to the shareholders of the Company the matters considered by the Board of Directors to be appropriate.

In the case where the Board of Directors triggers a countermeasure, discontinues an intended allotment of Stock Acquisition Rights or makes a decision for the Company to acquire Stock Acquisition Rights, in accordance with a further recommendation of the Corporate Value Committee, a price volatility risk may possibly arise with respect to the shares of the Company.

(11) Procedure to Confirm Shareholders' Intentions

Upon a recommendation made by the Corporate Value Committee to confirm the intentions of the shareholders of the Company at its shareholders' meeting as mentioned in (10) A (ii) above, if the Board of Directors fails to adopt a resolution for convening a shareholders' meeting scheduled to be held within two (2) months from the date of such recommendation, the Board of Directors shall follow the procedure, without delay, to convene an extraordinary shareholders' meeting in accordance with the provisions of the Laws and Regulations as well as the articles of incorporation of the Company.

A resolution for the confirmation of the intentions of the shareholders of the Company with respect to the necessity, substance and the like of a countermeasure against the Large-scale Share Purchase shall be adopted at a shareholders' meeting where shareholders holding a majority of the total voting rights held by the voting shareholders are present, and by a majority vote of the shareholders present.

When such shareholders' meeting adopts a resolution for triggering a countermeasure against the Large-scale Share Purchase and the substance thereof, the Board of Directors will trigger the countermeasure in accordance with such shareholders' meeting resolution. When the Board of Directors adopts a resolution with respect to triggering the countermeasure, the Company will promptly disclose to the shareholders of the Company the matters considered by the Board of Directors to be appropriate.

In the case of a recommendation made by the Corporate Value Committee to confirm the shareholders' intentions at a shareholders' meeting as mentioned in (10) A (ii) above, the Large-scale Share Purchase may not be executed until such intention confirmation procedure is completed.

(12) Modification of Large-scale Share Purchase Information

After the Board of Directors discloses its determination that the provision of the Large-scale Share Purchase Information has been completed, if the Large-scale Share Purchaser modifies the Large-scale Share Purchase Information in any material respect, the Board of Directors may, in accordance with the recommendation of the Corporate Value Committee, discontinue the procedure under the Plan with respect to the Large-scale Share Purchase (the "Pre-modification Large-scale Share Purchase") then being followed on the premise of the Large-scale Share Purchase Information before such modification, and reapply the procedure under the Plan to the Large-scale Share Purchase on the premise of the modified Large-scale Share Purchase Information, as another Large-scale Share Purchase separate from the Pre-modification Large-scale Share Purchase.

(13) Specific Substance of Countermeasure

The countermeasure triggered by the Company against a Large-scale Share Purchase shall be a free-of-charge allotment, free-of-charge issuance or the like of Stock Acquisition Rights (*shinkabu-yoyaku-ken*) (Stock Acquisition Rights so issued being referred to as "Stock Acquisition Rights"). However, if a shareholders' meeting of the Company determines it appropriate to trigger any other countermeasure, other measures available under the Laws and Regulations may be implemented.

When actually making a free-of-charge allotment of Stock Acquisition Rights, the Company may establish the exercise period, exercise conditions, acquisition clause and the like with respect to the Stock Acquisition Rights, including, without limitation: (i) an exercise condition that the Large-scale Share Purchaser violating the Plan or warrant-holders with a certain relationship with such Large-scale Share Purchaser (in this Section (13), each being referred to as an "Excluded Warrant-holder") are not allowed to exercise their rights; (ii) a clause to the effect that the Company may acquire Stock Acquisition Rights for different prices depending upon whether the relevant holder of Stock Acquisition Rights is an Excluded Warrant-holder (*e.g.*, a clause to the effect that while Stock Acquisition Rights held by holders other than the Excluded Warrant-holders may be acquired by the Company in exchange for ordinary shares of the Company, Stock Acquisition Rights held by the Excluded Warrant-holders may be acquired by the Company in exchange for other assets (or partially in exchange for ordinary shares of the Company, as the case may be)); and (iii) a clause to the effect that when the Company is to acquire a portion of the Stock Acquisition Rights, the Company may acquire only Stock Acquisition Rights held by holders other than the Excluded Warrant-holders.

#### **4. Effective Period, Continuation, Abolition and Modification of the Plan**

The effective period of the Plan shall expire on June 30, 2009. However, the Plan will be abolished before such expiry (i) if the Company's shareholders' meeting approves a proposal to abolish the Plan, or (ii) if the Board of Directors adopts a resolution to abolish the Plan. It is thus possible to abolish the Plan at any time in accordance with the intentions of the shareholders of the Company.

The term of office of a director of the Company is one (1) year, it is planned that the proposal for such election of directors will contain each director candidate's position with respect to being for or against the Plan and upon approval of this proposal, it is possible to reflect shareholders' wishes with respect to the continuation, abolition or modification of the Plan through a proposal for election of directors at the annual shareholders' meeting every year.

The Company may revise or modify the Plan if necessary, after consulting with the Corporate Value Committee, from the viewpoint of the protection and enhancement of the Company's corporate value or shareholders' common interests.

Upon a board resolution being adopted for the abolition, modification or the like of the Plan, the Company will promptly disclose to the shareholders of the Company the matters considered by the Board of Directors to be appropriate.

#### **5. Corporate Value Committee**

In conjunction with the introduction of the Plan, the Company has created a corporate value committee (the "Corporate Value Committee") comprised of three members appointed from among the Company's outside directors to preclude arbitrary decision-making by the Board of Directors as to whether to apply the Plan.

The Company has initially appointed Isamu Hayashi, Satoru Madono and Kouji Sato as members of the Corporate Value Committee.

As a general rule, a resolution of the Corporate Value Committee shall be adopted at a committee meeting at which all members are present and by a majority vote of the members. However, in the event of the inability of any member or any unavoidable circumstance, a committee resolution may be adopted at a committee meeting at which a majority of the members are present and by a majority vote of the members present.

#### **6. Effect upon Shareholders and Investors**

##### **(1) Effect upon Shareholders and Investors When the Plan Is Introduced**

At the time of the introduction of the Plan, no Stock Acquisition Rights will be issued. Accordingly, the rights and economic interests of the shareholders and investors of the Company will not be directly and specifically affected.

##### **(2) Effect upon Shareholders and Investors When Stock Acquisition Rights Are Issued**

The Board of Directors may take a countermeasure against a Large-scale Share Purchase, based on the Plan, for the purpose of protecting and enhancing the Company's corporate value or shareholders' common interests, although, under the currently contemplated countermeasure structure, we do not expect any measure to directly and specifically affect the rights and economic interests of the Company's shareholders and investors (excluding a Large-scale Share Purchaser violating the Plan and those in certain relationships with such purchaser). However, if the Company's shareholders' meeting decides to use any other type of countermeasure pursuant to 3 (13) above, we cannot deny the possibility, depending on the substance of such countermeasure, that the Company's shareholders' or

investors' rights or economic interests will be somewhat affected as a result of triggering such countermeasure. We request the shareholders and investors to acknowledge this in advance.

In order to receive allotment of Stock Acquisition Rights, Shareholders who have not entered their name changes in the shareholder register will be required to make such entries by the record date for the Stock Acquisition Rights as separately fixed and publicized by the Board of Directors.

The procedure to exercise or acquire the allotted Stock Acquisition Rights that involves the shareholders of the Company is described as follows:

(a) When Stock Acquisition Rights Are Exercised

When the Company's shareholders are to exercise their Stock Acquisition Rights, they will be required to pay a specified amount to acquire shares within a specified period. Notification of the details of the procedure will be separately given when the free-of-charge allotment of Stock Acquisition Rights is actually offered in accordance with the Laws and Regulations.

(b) When Stock Acquisition Rights Are Acquired

When the Company is to acquire Stock Acquisition Rights, the Company will acquire such Stock Acquisition Rights, and the shareholders transferring such Stock Acquisition Rights will receive shares of the Company in exchange therefore without such shareholders following any procedure regarding the exercise of Stock Acquisition Rights as described in item (a) above, except in the case where a shareholder is a Large-scale Share Purchaser or its joint holder or special affiliated person.

## **7. Board of Directors' judgment regarding the policy and the reasons for such policy**

(1) Special endeavors for realizing the basic policy

"Project 343," which is the Company's mid-term management plan up to the period ending in March 2009, is decided as a concrete policy for aiming to protect and enhance the Company's corporate value or shareholders' common interests continuously and follows the basic policy.

And, "Project 343," is not for the assurance of each director's position.

(2) Endeavors for protecting the policy about the Company's finance and business being decided by the one who is inappropriate in light of the basic policy

The Company believes the endeavors for protecting the policy about the Company's finance and business being decided by the one who is inappropriate in light of the basic policy follows the basic policy, does not damage the Company's corporate value or shareholders' common interests and is not for the assurance of each director's position.

(a) Protection and Enhancement of Shareholders' Common Interests

As described in 3(1) above, the Plan will be introduced for the purposes of protecting and enhancing the Company's corporate value and shareholders' common interests by ensuring the provision of necessary and adequate information and time for the shareholders of the Company to determine whether to accept a Large-scale Share Purchase.

In the case of a Large-scale Share Purchase not complying with the Plan introduced for the above purposes, or even in the case of a Large-scale Share Purchase complying with the Plan, as mentioned in 3(7) above, if the Large-scale Share Purchase is considered to significantly impair

the Company's corporate value or shareholders' common interests, the Company may trigger a countermeasure. Such countermeasure will be triggered for the purposes of protecting and enhancing the Company's corporate value or shareholders' common interests.

(b) Prior Disclosure

The Company hereby discloses the Plan in advance in order to enhance the ability of the Company's shareholders, investors and prospective Large-scale Share Purchasers to foresee and ensure the appropriate opportunity for the shareholders to make a choice.

The Company will continue to make appropriate and timely disclosures in accordance with the applicable Laws and Regulations as well as the rules of each relevant stock exchange.

(c) Respect for Shareholders' Intentions

The effective period of the Plan will expire on June 30, 2009 as mentioned in 4 above.

In addition, in order to clarify the management's responsibility towards the shareholders of the Company, the Board of Directors has shortened the term of office of a director to one (1) year and it is planned that the proposal for such election of directors will contain each director candidate's position against the Plan, as mentioned in 4 above. Therefore, it is possible to reflect shareholders' wishes with respect to the continuation, abolition or modification of the Plan through a proposal for election of directors at the annual shareholders' meeting every year.

(d) Creation of Corporate Value Committee

The Board of Directors will create the Corporate Value Committee in order to preclude arbitrary decision-making by the Board of Directors with respect to the triggering or the like of a countermeasure under the Plan, as mentioned in 5 above, and has made it a rule that it will respect, to the greatest extent possible, a recommendation of the Board of Directors when the Board of Directors trigger a countermeasure.

(e) Retaining Outside Specialists

As set forth in 3(9) above, when the Corporate Value Committee conducts the Evaluation Activity as a premise for its recommendation to the Board of Directors, the Corporate Value Committee shall, as a general rule, seek the advice of professionals (*e.g.*, a financial advisor, a practicing attorney and a certified public accountant) in third-party positions independent from the Board of Directors. The objectivity and reasonableness of the determination of the Corporate Value Committee giving recommendations to the Board of Directors are thus ensured.

(f) Not a "Dead Hand" Type Takeover Defense

Stock Acquisition Rights to be allotted under the Plan and as a countermeasure triggered thereunder are allowed to be, at any time, abandoned, acquired or cancelled by a resolution of the Company's board of directors, which is composed of the directors appointed by its shareholders' meeting, as mentioned in 4 above, and therefore, the Plan is not a takeover defense measure of the so-called "dead hand" type (a takeover defense measure that cannot be prevented even though a majority of the members of the board of directors are replaced).

## Consolidated Balance Sheet

(As of March 31, 2007)

(Thousands of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
<b>Current assets</b>	<b>41,066,965</b>	<b>Current liabilities</b>	<b>32,510,142</b>
Cash and cash equivalents	21,149,728	Payables due to member dealers at auction	16,811,230
Receivables due from member dealers at auction	14,983,374	Notes and accounts payable	527,390
Trade notes and accounts receivable	1,957,762	Short-term borrowings	2,305,920
Inventories	1,061,845	Income tax payable	5,945,162
Prepaid expenses	182,962	Deposits received	2,822,869
Deferred tax assets	961,673	Allowance for bonus	417,013
Other current assets	816,222	Other current liabilities	3,680,556
Allowance for doubtful accounts	(46,604)		
<b>Fixed assets</b>	<b>105,105,446</b>	<b>Long-term liabilities</b>	<b>7,674,031</b>
<b>Property and equipment</b>	<b>92,476,385</b>	Long-term borrowings	3,049,420
Buildings and structures	36,793,638	Guarantee deposits received from member dealers	3,617,080
Machinery, vehicles and other transport equipment	1,706,655	Employee retirement benefit liability	114,851
Fixtures and equipment	3,546,234	Accrued severance indemnities for officers	421,953
Land	48,910,213	Deferred tax liabilities for revaluation	470,725
Construction in progress	1,519,643		
		<b>Total liabilities</b>	<b>40,184,173</b>
<b>Intangible assets</b>	<b>3,706,118</b>	(Net assets)	
Goodwill	2,532,418	<b>Shareholders' equity</b>	<b>109,741,343</b>
Other intangible assets	1,173,700	<b>Common stock</b>	<b>18,581,613</b>
		<b>Additional paid-in capital</b>	<b>27,692,443</b>
<b>Investments and other assets</b>	<b>8,922,943</b>	<b>Retained earnings</b>	<b>69,237,340</b>
Investment securities	1,405,226	<b>Treasury stock</b>	<b>(5,770,053)</b>
Long-term loans	7,937		
Long-term prepaid expenses	792,811	<b>Valuation and translation adjustments</b>	<b>(4,755,672)</b>
Prepaid pension expenses	38,503	<b>Net unrealized gain on other securities</b>	<b>223,310</b>
Investment property	1,719,513	<b>Land revaluation decrement</b>	<b>(4,978,983)</b>
Deferred tax assets	622,542		
Deferred tax assets for revaluation	3,358,980	<b>Minority interests in consolidated subsidiaries</b>	<b>1,002,567</b>
Other investments and assets	1,095,172		
Allowance for doubtful accounts	(117,745)	<b>Total net assets</b>	<b>105,988,238</b>
<b>Total assets</b>	<b>146,172,412</b>	<b>Total liabilities and net assets</b>	<b>146,172,412</b>

## Consolidated Statement of Income

(From April 1, 2006 to March 31, 2007)

(Thousands of yen)

Item	Amount	
<b>Net sales (Operating revenues)</b>		<b>64,568,884</b>
<b>Costs of sales</b>		<b>27,580,367</b>
<b>Gross profit on sales</b>		<b>36,988,517</b>
Selling, general and administrative expenses		12,171,259
<b>Operating income</b>		<b>24,817,257</b>
<b>Non-operating income</b>		
Interest and dividend income	20,241	
Lease of real estate	176,599	
Investment gain related to investment business association	130,371	
Other non-operating income	307,040	634,252
<b>Non-operating expenses</b>		
Interest expenses	49,531	
Real-estate rental cost	11,951	
Other non-operating expenses	29,244	90,727
<b>Recurring profit</b>		<b>25,360,782</b>
<b>Extraordinary gains</b>		
Gain on sales of property and equipment	151,105	
Reversal of allowance for doubtful accounts	23,782	174,888
<b>Extraordinary losses</b>		
Loss on disposal or sales of property and equipment	35,182	
Impairment loss	12,852	
Loss from the prior-term adjustment	46,112	
Other extraordinary losses	22,448	116,595
<b>Income before income taxes and minority interests</b>		<b>25,419,075</b>
Income taxes	10,864,817	
Deferred tax	(164,503)	10,700,314
Minority interest in income of consolidated subsidiaries		327,851
<b>Net income</b>		<b>14,390,909</b>

## Consolidated Statement of Changes in Net Assets

(from April 1, 2006 to March 31, 2007)

(Thousands of yen)

	Shareholders' equity				
	Common Stock	Additional Paid-in Capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	18,249,454	27,360,285	58,140,646	(1,768,070)	101,982,316
Changes during the period					
Issuance of new shares	332,158	332,158			664,316
Dividend of retained earnings			(3,144,220)		(3,144,220)
Bonus to directors due to the appropriation of earnings			(74,220)		(74,220)
Net income			14,390,909		14,390,909
Purchase of treasury stock				(4,525,785)	(4,525,785)
Retirement of treasury stock			(75,773)	523,801	448,028
Changes of other items during the period (net)					
Total changes of items during the period	332,158	332,158	11,096,694	(4,001,983)	7,759,027
Balance at March 31, 2007	18,581,613	27,692,443	69,237,340	(5,770,053)	109,741,343

	Valuation and translation adjustments			Minority interests	Total net assets
	Unrealized gain on other securities	Land revaluation decrement	Total valuation and translation adjustments		
Balance at March 31, 2006	389,196	(4,979,982)	(4,590,786)	675,609	98,067,140
Changes during the period					
Issuance of new shares					664,316
Dividend of retained earnings					(3,144,220)
Bonus to directors due to the appropriation of earnings					(74,220)
Net income					14,390,909
Purchase of treasury stock					(4,525,785)
Retirement of treasury stock					448,028
Changes of other items during the period (net)	(165,856)	999	(164,886)	326,957	162,070
Total changes of items during the period	(165,886)	999	(164,886)	326,957	7,921,098
Balance at March 31, 2007	223,310	(4,978,983)	(4,755,672)	1,002,567	105,988,238

## Notes on consolidated financial statements

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

1. Matters related to the scope of consolidation

Number of consolidated subsidiaries: 16

All subsidiaries have been consolidated. Corporate names of consolidated subsidiaries are disclosed in “1. Matters relating to the current state of the USS Group, (6) Major subsidiaries, etc. 1) Subsidiaries, etc.”

2. Matters related to the application of the equity method

(1) Number of affiliates to which the equity method is applied: 1

Fujioka Interchange Auto Auction Co., Ltd.

Due to newly acquiring equities in Fujioka Interchange Auto Auction Co., Ltd. on Feb. 1, 2007, the equity method has been applied to this company from the current consolidated fiscal year ended March 31, 2007.

(2) Number of affiliates to which the equity method is not applied: 2 (Info-carry Inc., UG Powers Co., Ltd.)

Because the effects and monetary importance of these companies' businesses are immaterial, the equity method has not been applied to these companies.

3. Matters related to the fiscal years of consolidated subsidiaries, etc.

The fiscal year-end of consolidated subsidiaries is the same as the one used in consolidated financial statements.

4. Matters related to the accounting policies

(1) Standards and methods of valuation of assets

(i) Securities

Other securities

Those with market value

Market value method based on market prices at year-end (Valuation differences are included directly in net assets, and sales costs are calculated based on the moving-average method.)

Those without market value

Cost method based on the moving-average method

(ii) Inventories

Cost method based on the moving average method

(However, the cost method based on the specific identification method is used for vehicles.)

(2) Depreciation methods for fixed assets

Property and equipment

Declining-balance method

However, the straight-line method is used for buildings (excluding building attachments) acquired on or after April 1, 1998.

Intangible assets (software)

The straight-line method based on the internally usable period (5 years) is used.

(3) Standards of accounting for important allowances and reserves

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
Allowance for bonuses	To prepare for the payment of bonuses to employees, the Company posts the current year's portion of the estimated bonuses.
Employee retirement benefit liability	To prepare for the payment of retirement benefits to employees, the Company posted the amount that needs to be paid by deducting pension assets in the approved retirement annuity system from retirement benefits obligations at the end of the consolidated fiscal year.
Accrued severance indemnities for officers	To prepare for the payment of retirement benefits to officers, the Company posts the amount that needs to be paid at year-end based on internal rules.

(4) Other basic and important matters for the preparation of consolidated financial statements

Accounting for deferred assets	Costs are entirely expensed when paid.
Accounting for important lease transactions	Finance lease transactions other than those for which the ownership of leased property is deemed to transfer to the lessee are accounted for based on ordinary rental transactions.
Accounting for consumption taxes, etc.	The tax exclusion method is used.

5. Matters related to the valuation of assets and liabilities of consolidated subsidiaries, etc.

Assets and liabilities of consolidated subsidiaries, etc. are entirely valued based on the market value method.

6. Matters related to goodwill amortization

The Company amortizes goodwill evenly in a five-year period.

(Changes in accounting policies)

(1) Accounting standards for directors' bonus

The Accounting Standards for Directors' Bonus (Accounting Standards Board of Japan [ASBJ] Statement No. 4, issued on Nov. 29, 2005) have been applied from the consolidated fiscal year ended March 31, 2007. Because of this, operating income, current profits and net income before taxes and other adjustments declined 83,200,000 yen, respectively.

(2) Accounting standards for presentation of net assets in the consolidated balance sheet

The Accounting Standards for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5,

issued on Dec. 9, 2005) and the Accounting Standards for Presentation of Net Assets in the Balance Sheet and its Implementation Guidance (ASBJ Guidance No. 8, issued on Dec. 9, 2005) have been applied from the consolidated fiscal year ended March 31, 2007. This change has no effect on profit and loss. The amount corresponding to the conventional shareholders' equity is 104,985,671,000 yen.

- (3) Accounting standards for business combinations and accounting standards for business divestitures  
 The Accounting Standards for Business Combinations (issued on Oct. 31, 2003), the Accounting Standards for Business Divestitures and the related Implementation Guidance (ASBJ Statement No. 7, issued on Dec. 27, 2005) and the Guidance on Accounting Standards for Business Combinations and Accounting Standards for Business Divestitures (ASBJ Guidance No. 10, issued on Dec. 27, 2005) have been applied from the current consolidated fiscal year ended March 31, 2007.

## • Notes on the consolidated balance sheet

	(thousand yen)
1. Accumulated depreciation of property and equipment	22,711,229
Accumulated depreciation of investment real estate	11,287

### 2. Revaluation of land

Based on the law related to the revaluation of land (Law No. 34 promulgated on March 31, 1998), the Company and some consolidated companies revalued land for business use for the 22nd term (the year ended March 31, 2002). The Company and some consolidated companies posted tax on the revaluation difference as deferred tax assets related to the revaluation or as deferred tax liabilities related to the revaluation in assets and liabilities, respectively, and posted the margin as the revaluation difference on land in shareholders' equity.

#### Method of revaluation of land

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

Date of revaluation      March 31, 2002

Difference between market value at the end of the fiscal year after revaluation of land and book value after revaluation      (3,865,890 thousand yen)

### 3. Matured bill at the end of a consolidated fiscal year

Accounting for matured bill at the end of a consolidated fiscal year is made on the bill clearance date. Since the last day of the consolidated fiscal year ended March 31, 2007 was a holiday of financial institutions, the following matured bills at the end of the consolidated fiscal year are included in the balance of the consolidated fiscal year.

Notes receivable	8,975 (thousand yen)
Notes payable	562 (thousand yen)

### III. Notes on the statement of changes in consolidated shareholders' equity and others

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

Class of shares	Number of shares at the end of the previous 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	32,486,932	117,130	-	32,604,062

(Note) The increase in the total number of outstanding shares was due to the issuance of new shares as a result of the exercise of Stock Acquisition Rights. The newly issued shares include those issued as a result of the exercise of stock subscription rights under the former Commercial Code

#### 2. Matters related to the number of treasury shares

Class of shares	Number of shares at the end of the previous 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	144,006	587,905	60,138	671,773

(Note) The increase in the number of treasury shares was due to the market buying of 587,870 shares based on the resolution at the Board of Directors' meeting in accordance with the articles of incorporation and the purchase of 35 fractional shares. The decrease in the number of treasury stock was due to the making of KUA Hokuriku Co., Ltd., the Company's our wholly-owned subsidiary by means of a share exchange.

#### 3. Matters related to dividend

##### (1) Dividend payment and others

##### (i) Matters related to dividend based on the resolution at the 26th annual shareholders' meeting on June 28, 2006

Total dividends	1,536,288 (thousand yen)
Dividend per share	47.50 yen
Date of record	March 31, 2006
Effective date	June 29, 2006

##### (ii) Matters related to dividend based on the resolution at the Board of Directors' meeting on Nov. 14, 2006.

Total dividends	1,607,931 (thousand yen)
Dividend per share	50.00 yen
Date of record	September 30, 2006
Effective date	December 11, 2006

##### (2) Dividends that become effective in the following consolidated fiscal year among those whose date of record was within the current consolidated fiscal year

Total dividends	1,596,614 (thousand yen)
Dividend per share	50.00 yen
Date of record	March 31, 2007
Effective date	June 27, 2007

#### **IV. Notes on per share data**

- |  |              |
|--|--------------|
| 1. Net asset per share                             | 3,287.75 yen |
| 2. Net income per share in the current fiscal year | 447.12 yen   |

#### **V. Notes on important subsequent events**

There are no events in this category.

#### **VI. Other notes**

Figures less than a thousand yen have been omitted.

## Non-Consolidated Balance Sheet

(As of March 31, 2007)

(Thousands of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
<b>Current assets</b>	<b>20,337,049</b>	<b>Current liabilities</b>	<b>26,856,165</b>
Cash and cash equivalent	6,294,740	Payables due to member dealers at auction	12,335,097
Receivables due from member dealers at auction	10,841,427	Accounts payable	5,071
Accounts receivable	227,361	Short-term borrowings	4,400,000
Merchandise	155,191	Current portion of long-term borrowings	2,166,000
Supplies	23,535	Other payable	1,649,482
Short-term loans	1,857,580	Accrued expenses	151,259
Deferred tax assets	442,361	Income tax payable	3,810,000
Other current assets	496,327	Allowance for bonuses	184,126
Allowance for doubtful accounts	(1,476)	Other current liabilities	2,155,128
<b>Fixed assets</b>	<b>98,601,065</b>	<b>Long-term liabilities</b>	<b>4,995,674</b>
<b>Property and equipment</b>	<b>44,820,499</b>	Long-term borrowings	2,501,000
Buildings	11,089,761	Guarantee deposits received from member dealers	2,074,700
Structures	3,666,995	Accrued severance indemnities for officers	419,973
Vehicles	71,825		
Fixtures and equipment	1,909,347		
Land	26,640,269		
Construction in progress	1,442,300		
		<b>Total liabilities</b>	<b>31,851,840</b>
<b>Intangible assets</b>	<b>589,826</b>	(Net assets)	
Leasehold interest	227,511	<b>Shareholders' equity</b>	<b>91,841,947</b>
Software	334,400	<b>Common stock</b>	<b>18,581,613</b>
Other intangible assets	27,914	<b>Additional paid-in capital</b>	<b>23,283,778</b>
		Capital reserve	23,283,778
<b>Investments and other assets</b>	<b>53,190,738</b>	<b>Retained earnings</b>	<b>55,746,609</b>
Investment securities	1,358,700	Legal reserve	370,469
Shares of affiliated companies	4,088,361	Other retained earnings	55,376,139
Long-term loans	578,899	General reserve	42,705,000
Long-term prepaid expenses	754,227	Earned surplus carried forward	12,671,139
Prepaid pension expenses	38,503	<b>Treasury stock</b>	<b>(5,770,053)</b>
Insurance premium reserve	127,171		
Investment property	42,003,346	<b>Valuation and translation adjustments</b>	<b>(4,755,672)</b>
Deferred tax assets	268,110	<b>Net unrealized gain on other securities</b>	<b>223,310</b>
Deferred tax assets for revaluation	3,351,254	<b>Land revaluation decrement</b>	<b>(4,978,983)</b>
Other investments and assets	629,441		
Allowance for doubtful accounts	(7,277)		
		<b>Total net assets</b>	<b>87,086,275</b>
<b>Total assets</b>	<b>118,938,115</b>	<b>Total liabilities and net assets</b>	<b>118,938,115</b>

## Non-Consolidated Statement of Income

(From April 1, 2006 to March 31, 2007)

(Thousands of yen)

Item	Amount	
<b>Net sales (Operating revenues)</b>		<b>28,579,481</b>
<b>Costs of sales</b>		<b>8,685,001</b>
<b>Gross profit on sales</b>		<b>19,894,479</b>
Selling, general and administrative expenses		3,799,776
<b>Operating income</b>		<b>16,094,703</b>
<b>Non-operating income</b>		
Interest and dividend income	1,334,092	
Lease of real estate	2,045,811	
Other non-operating income	258,352	3,638,256
<b>Non-operating expenses</b>		
Interest expenses	91,838	
Cost of real estate lease	1,735,339	
Other non-operating expenses	26,985	1,854,162
<b>Recurring profit</b>		<b>17,878,797</b>
<b>Extraordinary gains</b>		
Gain on sales of property and equipment	149,150	
Reversal of allowance for doubtful accounts	8,313	
Profits from stock depreciation due to acquisition of subsidiary	748,801	906,265
<b>Extraordinary losses</b>		
Loss on disposal or sales of property and equipment	6,565	6,565
<b>Income before income taxes</b>		<b>18,778,496</b>
Income taxes	6,908,059	
Deferred tax	(30,977)	6,877,081
<b>Net income</b>		<b>11,901,415</b>

## Non-Consolidated Statement of Changes in Net Assets

(from April 1, 2006 to March 31, 2007)

( Thousands of yen )

	Shareholders' equity							
	Common stock	Additional paid-in capital	Retained earnings				Treasury stock	Total shareholders' equity
			Other retained earnings					
			Capital reserve	Legal reserve	Other retained earnings			
General reserve	Earned surplus carried forward							
Balance at March 31, 2006	18,249,454	22,951,620	370,469	37,705,000	9,041,039	47,116,508	(1,768,070)	86,549,514
Changes during the current fiscal year								
Issuance of new shares	332,158	332,158						664,316
Increase or decrease in general reserve				5,000,000	(5,000,000)			
Dividend of retained earnings					(3,144,220)	(3,144,220)		(3,144,220)
Bonus to directors due to the appropriation of earnings					(51,320)	(51,320)		(51,320)
Current net income					11,901,415	11,901,415		11,901,415
Purchase of treasury stock							(4,525,785)	(4,525,785)
Retirement of treasury stock					(75,773)	(75,773)	523,801	448,028
Changes of other items during the period (net)								
Total changes during the current fiscal year	332,158	332,158		5,000,000	3,630,100	8,630,100	(4,001,983)	5,292,433
Balance at March 31, 2007	18,581,613	23,283,778	370,469	42,705,000	12,671,139	55,746,609	(5,770,053)	91,841,947

	Valuation and translation adjustments			Total net assets
	Unrealized gain on other securities	Land revaluation decrement	Total valuation and translation adjustments	
Balance at March 31, 2006	389,196	(4,979,982)	(4,590,786)	81,958,728
Changes during the current fiscal year				
Issuance of new shares				664,316
Increase or decrease in general reserve				
Dividend of retained earnings				(3,144,220)
Bonus to directors due to the appropriation of earnings				(51,320)
Current net income				11,901,415
Purchase of treasury stock				(4,525,785)
Retirement of treasury stock				448,028
Changes of other items during the period (net)	(165,886)	999	(164,886)	(164,886)
Total changes during the current fiscal year	(165,886)	999	(164,886)	5,127,546
Balance at March 31, 2007	223,310	(4,978,983)	(4,755,672)	87,086,275

## Notes on non-consolidated financial statements

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

#### (1) Standards and methods of valuation of assets

##### (i) Standards and methods of valuation of securities

Stocks of subsidiaries and affiliates                      Cost method based on the moving average method

##### Other securities

Those with market value                      Market value method based on market prices at year-end (Valuation differences are included directly in net assets, and sales costs are calculated based on the moving average method.)

Those without market value                      Cost method based on the moving average method

##### (ii) Standards and methods of valuation of inventories

Merchandise                      Cost method based on the moving average method

Supplies                      Cost method based on the moving average method (However, the cost method based on the specific identification method is used for vehicles.)

#### (2) Depreciation methods for fixed assets

##### Property and equipment and investment real estate

Declining balance method

However, the straight-line method is used for buildings (excluding building attachments) acquired on or after April 1, 1998.

Intangible assets (software)                      The straight-line method based on the internally usable period (5 years) is used.

#### (3) Accounting for allowances and reserves

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

Allowance for bonuses                      To prepare for the payment of bonuses to employees, the Company posts the current year's portion of the estimated bonuses.

Employee retirement benefit liability                      To prepare for the payment of retirement benefits to employees, the Company posted the amount that needs to be paid by deducting pension assets in the approved retirement annuity system from

retirement benefits obligations at the end of the fiscal year.

Accrued severance indemnities for officers

To prepare for the payment of retirement benefits to officers, the Company posts the amount that needs to be paid at year-end based on internal rules.

(4) Basic and important matters for the preparation of other financial statements

Accounting for deferred assets

Stock issuance costs are entirely expensed when paid.

Accounting for lease transactions

Finance lease transactions, other than those for which the ownership of leased property is deemed to transfer to the lessee, are accounted for based on ordinary rental transactions.

Accounting for consumption taxes, etc.

The tax exclusion method is used.

(Changes in accounting policies)

(1) Accounting standards for directors' bonus

The Accounting Standards for Directors' Bonus (Accounting Standards Board of Japan [ASBJ] Statement No. 4, issued on Nov. 29, 2005) have been applied from the fiscal year ended March 31, 2007. Because of this, operating income, current profits and net income before taxes declined 60,300,000 yen respectively.

(2) Accounting standards for presentation of net assets in the balance sheet

The Accounting Standards for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5, issued on Dec. 9, 2005) and the Accounting Standards for Presentation of Net Assets in the Balance Sheet and its Implementation Guidance (ASBJ Guidance No. 8, issued on Dec. 9, 2005) have been applied from the fiscal year ended March 31, 2007. This change has no effect on profit and loss. The amount corresponding to the conventional shareholders' equity is 87,086,275,000 yen.

(3) Accounting standards for business combinations and accounting standards for business divestitures

The Accounting Standards for Business Combinations ( issued on Oct. 31, 2003), the Accounting Standards for Business Divestitures and the related Implementation Guidance (ASBJ Statement No. 7, issued on Dec. 27, 2005) and the Guidance on Accounting Standards for Business Combinations and Accounting Standards for Business Divestitures (ASBJ Guidance No. 10, issued on Dec. 27, 2005) have been applied from the fiscal year ended March 31, 2007.

**2. Notes on the balance sheet**

	(thousand yen)
(1) Accumulated depreciation of property and equipment	12,472,461
Accumulated depreciation of investment real estate	4,373,750
	(thousand yen)
(2) Receivables from, and payables to, subsidiaries	
Short-term receivables	2,090,202
Long-term receivables	578,899
Short-term payables	5,280,287

- (3) Based on the law related to the revaluation of land (Law No. 34 promulgated on March 31, 1998), the Company revalued land for business use for the 22nd term (the year ended March 31, 2002), and posted “deferred tax assets related to the revaluation” in “investments and other assets”, and “land revaluation decrement” in net assets.

The book balance of land after revaluation is (3,356,245 thousand) yen less than its market value at year-end.

### 3. Notes on the statement of income

(1) Transactions with affiliated companies	(thousand yen)
Sales	663,771
Operating expenses	2,124,635
Transactions other than business transactions	2,029,565

### 4. Notes on the statement of changes in shareholders' equity and others

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

Class of shares	Number of shares at the end of the previous 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	144,006	587,905	60,138	671,773

(Overview of changes)

Breakdown of the increase

Increase due to the purchase of treasury shares:	587,870 shares
Increase due to the purchase of fractional shares:	35 shares

Breakdown of the decrease

Decrease due to the making of KUA Hokuriku Co., Ltd. the Company's subsidiary by means of share exchange:	60,138 shares
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### 5. Notes on tax effect accounting

Main reasons leading to deferred tax assets and deferred tax liabilities

Current assets

Deferred tax assets

(1) Amount in excess of deductible reserves for bonus	74,073 (thousand yen)
(2) Accrued enterprise tax	299,097 (thousand yen)
(3) Accounts payable	68,675 (thousand yen)
(4) Accrued business office tax	<u>514 (thousand yen)</u>
Total deferred tax assets	442,361 (thousand yen)

Fixed assets

Deferred tax assets

(1) Accrued severance indemnities for officers	168,955 (thousand yen)
(2) Loss on disposal of buildings and other fixed assets	83,093 (thousand yen)
(3) Amount in excess of depreciation range of petty sum depreciable assets	25,175 (thousand yen)
(4) Gain and loss on evaluation of other securities	(150,305) (thousand yen)
(5) Denial of loss on valuation for investment securities	99,009 (thousand yen)
(6) Others	<u>42,182 (thousand yen)</u>
Total deferred tax assets	268,110 (thousand yen)

**6. Notes on leased fixed assets**

(1)	Acquisition cost of leased property at the end of the current fiscal year	1,919,676 (thousand yen)
(2)	Accumulated depreciation on leased property at the end of the current fiscal year	982,565 (thousand yen)
(3)	Future lease payments at the end of the current fiscal year	937,111 (thousand yen)

**7. Notes on per share data**

(1)	Net asset per share	2,727.21 yen
(2)	Net income per share	369.77 yen

## 8. Notes on transactions with related parties

### (1) Officers, main individual shareholders and others (Thousands of yen)

Details of officer and company					Links			Details of transaction	Number of auction consignment	Transaction amount	Account item	Balance at year-end	
Name of company or individual	Location	Capital	Description of business or occupation	Voting rights	Voting right ratio	Interlocking directorate and others	Business links						
Hattori Motors Co., Ltd.	Tokai, Aichi	50,000	Auto sales and repair	Futoshi Hattori, the Company's president and main shareholder, directly owns 100% of the voting rights.	2.2%	None	Auction business	Business transactions	Auction sale	16,890	63,716	Receivables due from member dealers at auction (Payables due to member dealers at auction)	(151,611)
									Auction contracts	7,846	48,564		
									Auction purchase	1,283	11,531		
									Others	-	56		
Total										123,867			
Showa Co., Ltd.	Midori-ku, Nagoya, Aichi	10,000	Auto sales and lease	Yukihiro Ando, the Company's president, directly owns 99% of the voting rights.	-	None	Auction business	Business transactions	Auction sale	2,901	13,180	Receivables due from member dealers at auction (Payables due to member dealers at auction)	-
									Auction contracts	810	4,945		
									Auction purchase	192	1,521		(18,316)
									Others	-	4		
Total										19,651			
Metro Syouji Ltd.	Hakata-ku, Fukuoka, Fukuoka	3,000	Auto sales and repair	Fumihiko Tamura, the Company's president, directly owns 83% of the voting rights.	-	None	Auction business	Business transaction	Auction sale	336	797	Receivables due from member dealers at auction (Payables due to member dealers at auction)	3
									Auction contracts	91	778		
									Auction purchase	122	887		(-)
									Others	-	27		
Total										2,491			
Auto Max Co., Ltd.	Hakata-ku, Fukuoka, Fukuoka	5,000	Auto sales and repair	Eiji Gono, the Company's director, directly owns 100% of the voting rights.	-	None	Auction business	Business transactions	Auction sale	23,434	77,719	Receivables due from member dealers at auction (Payables due to member dealers at auction)	-
									Auction contracts	7,033	42,631		
									Auction purchase	651	5,717		(37,595)
									Others	-	68		
Total										126,136			
Hakata Ryutsu Co., Ltd.	Hakata-ku, Fukuoka, Fukuoka	5,000	Auto sales and repair	Eiji Gono, the Company's director, directly owns 85% of the voting rights.	-	None	Auction business	Business transactions	Auction sale	16,519	54,368	Receivables due from member dealers at auction (Payables due to member dealers at auction)	-
									Auction contracts	6,234	37,898		
									Auction purchase	395	3,252		(79,098)
									Others	-	68		
Total										95,587			

Details of officer and company					Voting right ratio	Links		Details of transaction	Number of auction consignment	Transaction amount	Account item	Balance at year-end	
Name of company or individual	Location	Capital	Description of business or occupation	Voting rights		Interlocking directorate and others	Business links						
Metokosu Ltd.	Kasuya, Fukuoka	3,500	Auto sales and repair	Toshio Mishima, the Company's director, directly owns 100% of the voting rights.	-	None	Auction business	Business transactions	Auction sale	14,199	48,024	Receivables due from member dealers at auction (Payables due to member dealers at auction)	-
									Auction contracts	4,911	29,681		
									Auction purchase	758	7,015		
									Others	-	22		(50,374)
Total										84,742			
Masuda Auto Co., Ltd.	Misato, Saitama	10,000	Auto sales and repair	Morihito Masuda, the Company's director, and his close relatives directly own 90% of the voting rights.	-	None	Auction business	Business transactions	Auction sale	6,517	26,848	Receivables due from member dealers at auction (Payables due to member dealers at auction)	-
									Auction contracts	3,486	21,606		
									Auction purchase	1,030	8,893		
									Others	-	6		(5,010)
Total										57,353			
Karen Co., Ltd.	Nakamura -ku, Nagoya, Aichi	10,000	Real estate leasing	Kana Torii, the oldest daughter of Futoshi Hattori, the Company's president and main shareholder, directly owns 100% of the voting rights.	-	None	Leasing of land and building	Business transactions	Real estate lease	-	55,290	-	-

Notes: 1.Business terms and business terms determination system

Under the Company's automobile auction-related regulations, auction transactions are made based on business terms designed for general member dealers.

2."Others" in the "Details of transaction" represents the sales at appraisal value, commission income and other operation revenues.

3.Transactions mentioned above do not include consumption tax.

## (2) Subsidiaries etc. (Thousand yen)

Link attribute	Company name	Location	Capital	Description of business or occupation	Voting right ratio	Links		Details of transaction	Number of auction consignment	Transaction amount	Account item
						Inter-locking directorate and others	Business links				
Subsidiary	USS Gunma Co., Ltd.	Fujioka, Gunma	250,000	Operation of used car auction site	Directly owning 100%	4	None	Capital borrowing Interest payment	1,400,000 11,432	Short-term borrowing -	1,400,000 -
Subsidiary	US Butsuryu Co., Ltd.	Tokai, Aichi	30,000	Motor truck carrier	Directly owning 100%	6	Acceptance of service	Car exhibition services Guard services	1,132,665 275,868	Other current liabilities Other current liabilities	140,208 20,833

Notes: 1. Business terms or business terms determination system

- (1) Regarding borrowings from USS Gunma Co., Ltd., the interest rate is reasonably decided in light of market interest rates, and the payment is to be made within one year. No collateral has been provided.
- (2) Transactions regarding car exhibition and guard services are conducted under the general business terms in light of market prices.

2. Transactions mentioned above do not include consumption tax.

## 9. Notes on important subsequent events

Not applicable

## 10. Other Notes

Figures less than a thousand yen have been omitted.

**Transcript of the accounting auditors' audit report**

**Independent auditors' audit report**

MISUZU Audit Corporation

Chizuka Inakoshi, CPA, Designated and Engagement Partner [Seal]

Masashi Miyamoto, CPA, Designated and Engagement Partner [Seal]

ARK & Co.

Akihiko Miura, CPA, Designated and Engagement Partner [Seal]

Seiji Arai, CPA, Designated and Engagement Partner [Seal]

May 2, 2007

To the Board of Directors of USS Co., Ltd.

We have audited the Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Net Assets, and Notes to the Consolidated Financial Statements of USS Co., Ltd. for the consolidated fiscal year beginning on April 1, 2006 and ending on March 31, 2007, in accordance with Article 444.4 of the Company Law. Responsibility for preparation of these financial statements lies with the Company's management. Our responsibility is to express an opinion on these financial statements from an independent perspective.

We conducted our audit in accordance with generally accepted auditing standards in Japan. The auditing standards require us to obtain reasonable assurance as to whether or not there are any material misstatements in financial statements and supporting schedules. The auditing is conducted on a test basis, and includes overall examinations of the disclosures of financial statements and supporting schedules, and the evaluation of accounting principles and methods and estimates used by the management. We believe that we have obtained reasonable bases to express our opinion as a result of our audit. In addition, our audit procedures included those that we considered necessary to conduct our audit of the Company's subsidiaries for the related consolidated fiscal year.

(The Company, MISUZU Audit Corporation and ARK & Co., our engagement partners, are not related parties as defined by the Certified Public Accountant Law.)

**Transcript of the accounting auditors' audit report**

**Independent auditors' audit report**

MISUZU Audit Corporation

Chizuka Inakoshi, CPA, Designated and Engagement Partner [Seal]

Masashi Miyamoto, CPA, Designated and Engagement Partner [Seal]

ARK & Co.

Akihiko Miura, CPA, Designated and Engagement Partner [Seal]

Seiji Arai, CPA, Designated and Engagement Partner [Seal]

May 2, 2007

To the Board of Directors of USS Co., Ltd.

We have audited the Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Net Assets, and Notes to the Non-Consolidated Financial Statements of USS Co., Ltd. for the non-consolidated fiscal year beginning on April 1, 2006 and ending on March 31, 2007, in accordance with Article 436.2.1 of the Company Law. Responsibility for preparation of these financial statements lies with the Company's management. Our responsibility is to express an opinion on these financial statements from an independent perspective.

We conducted our audit in accordance with generally accepted auditing standards in Japan. The auditing standards require us to obtain reasonable assurance as to whether or not there are any material misstatements in financial statements and supporting schedules. The auditing is conducted on a test basis, and includes overall examinations of the disclosures of financial statements and supporting schedules, and the evaluation of accounting principles and methods and estimates used by the management. We believe that we have obtained reasonable bases to express our opinion as a result of our audit. In addition, our audit procedures included those that we considered necessary to conduct our audit of the Company's subsidiaries for the related non-consolidated fiscal year.

(The Company, MISUZU Audit Corporation and ARK & Co., our engagement partners, are not related parties as defined by the Certified Public Accountant Law.)

## Audit Report

Based on the audit report prepared by each Corporate Auditor with regard to the performance of duties by the Directors of USS Co., Ltd. (the “Company”) for the 27th fiscal year (from April 1, 2006 to March 31, 2007), the Board of Corporate Auditors of the Company prepares this audit report after deliberation and reports as follows:

1. Auditing methods used by Corporate Auditors and the Board of Corporate Auditors, and details of audit

The Board of Corporate Auditors specified an audit policy, assigned duties to each Corporate Auditor and received reports from each Corporate Auditor on the status of implementation and results of audit as well as received reports from Directors and accounting auditors on the status of the execution of their duties and asked them for explanations as required.

Each Corporate Auditor, according to the audit policy set up by the Board of Corporate Auditors and the duties assigned to each Corporate Auditor by the Board of Corporate Auditors, has maintained good communications with Directors, the Internal Audit Office and other employees and strived to collect information and improve the audit environment as well as attended meetings of the Board of Directors and other meetings as deemed important, received from Directors and employees reports on the execution of their duties, asked for explanations as necessary, perused the documents whereby the important decisions were made, and examined business and financial conditions at the head office and principal operating offices. In addition, we have monitored and verified the details of the resolution made by the Board of Directors concerning the establishment of systems defined in Article 100, Paragraph 1 and Paragraph 3 of the Regulations for Enforcement of the Company Law. We have monitored and verified the status of the systems established based on the said resolution (internal control systems that are necessary for ensuring compliance with laws and the Company’s Articles of Incorporation in the performance of duties by Directors and for ensuring appropriateness of duties of a joint stock company). With regard to the basic policy pursuant to Article 127, Paragraph 1 of the Regulations for Enforcement of the Company Law and items pursuant to Paragraph 2 of the same Article, which are described in the business report, we have reviewed their details in consideration of the status of deliberations at the Board of Directors, etc. Also, we have maintained good communications and exchanged information with directors and others of the subsidiaries of the Company, asked the subsidiaries for reports on their business conditions and visited the subsidiaries as necessary to examine their business and financial conditions. Based on the methods mentioned above, we have reviewed the financial statements for the said fiscal year and their supplementary schedules.

We have also monitored and verified whether the temporary accounting auditors maintain independence and properly implement audit, received from the temporary accounting auditors reports on the execution of their duties and asked them for explanations as necessary. The temporary accounting auditors reported to us that “systems for ensuring proper execution of duties” (listed in each item of Article 159 of the Corporate Calculation Regulations) have been established in accordance with the quality control standards concerning audit (Business Accounting Council, October 28, 2005), etc., and we asked them for explanations as necessary. Based on the methods mentioned above, we have reviewed financial statements for the said fiscal year (balance sheet, statement of income, statement of changes in net assets and notes to non-consolidated financial statements), their supplementary schedules and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, etc. and notes to consolidated financial statements).

2. Audit results

(1) Results of audit of the business report, etc.

1. We confirm that the business report and its supplementary schedules present fairly the situation of the Company in accordance with relevant laws and regulations and the Company's Articles of Incorporation.
2. With respect to the Directors' performance of their duties, we confirm that there has been no improper act committed nor important violation of applicable laws and regulations or of the Articles of Incorporation.
3. We confirm that the details of the resolution made by the Board of Directors concerning internal control systems are proper. With respect to the Directors' performance of their duties regarding the said internal control systems, we confirm that there is no matter to be pointed out.
4. With respect to the basic policy concerning the persons who control the Company's decisions on financial matters and business policies, which is described in the business report, we confirm that there is no matter to be pointed out. We confirm that the items pursuant to Article 127, Paragraph 2 of the Regulations for Enforcement of the Company Law, described in the business report, are in line with the said basic policy, that they do not damage the common interests of shareholders of the Company and that they are not aimed at maintaining the positions of Directors of the Company.

(2) Results of audit of financial statements and their supplementary schedules

We confirm that the auditing methods and results of ARK & Co. and MISUZU Audit Corporation, temporary accounting auditors, are proper.

(3) Results of audit of consolidated financial statements

We confirm that the auditing methods and results of ARK & Co. and MISUZU Audit Corporation, temporary accounting auditors, are proper.

May 7, 2007

The board of corporate auditors,  
USS Co., Ltd.

Standing corporate auditor (Outside Corporate Auditor): Yukihiro Inoue [Seal]

Standing corporate auditor (Outside Corporate Auditor): Masura Takei [Seal]

Corporate auditor (Outside Corporate Auditor): Isao Otsuka [Seal]

## REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Item 1: Appropriation of retained earnings

The Company proposes to appropriate retained earnings as follows:

1. Matters related to year-end dividends

The Company considers the allocation of profits to shareholders to be an important policy, and has a basic policy to pass on profits to shareholders in consideration of consolidated business results while improving profitability and enhancing its financial position.

Based on its basic policy and comprehensively taking into account the financial conditions, full-year business results and other factors, the Company proposes to pay a year-end dividend for the current fiscal year ended March 31, 2007 as follows, as an expression of appreciation for the shareholders' support of the Company with a view to meeting their expectations.

(1) Type of dividend property

Cash

(2) Matters concerning allotment of dividend property and the total amount

The Company proposes to pay ¥50 per share for a year-end dividend, which brings the total amount of dividends to ¥1,596,614,450

Since the Company has paid an interim dividend of ¥50 per share, the consequent annual dividend will total ¥100 per share for the fiscal year under review.

(3) Day when the dividends from retained earnings take effect

June 27, 2007

### Item 2: Approval of partial revision to the Articles of Incorporation

We hereby propose that the Articles of Incorporation of the Company be revised as follows:

1. Reasons for the revisions

The Company proposes to change the convener of the General Meeting of Shareholders and the Chairman of the Board of Directors to the President and Representative Director.

2. The content of the revision

The content of the revision is as follows;

(The underlined portions indicate the revisions)

Current Articles of Incorporation	Revised Articles of Incorporation
<p>Chapter 3. General Meeting of Shareholders</p> <p>Article 15. Convener and Chairman</p> <p>1. The <u>Chairman of the Board</u> shall convene the General Meeting of Shareholders and serve as Chairman.</p> <p>2. If any circumstance prevents the <u>Chairman of the Board</u> from performing the above duty, another Director shall convene such a General Meeting of Shareholders and serve as the Chairman, in the order predetermined by the Board of Directors.</p>	<p>Chapter 3. General Meeting of Shareholders</p> <p>Article 15. Convener and Chairman</p> <p>1. The <u>President</u> shall convene the General Meeting of Shareholders and serve as Chairman.</p> <p>2. If any circumstance prevents the <u>President</u> from performing the above duty, another Director shall convene such a General Meeting of Shareholders and serve as the Chairman, in the order predetermined by the Board of Directors.</p>

### Item 3: Appointment of eighteen (18) directors

The tenure of office will expire for all the eighteen (18) present members of the Board of Directors at the close of this Ordinary General Meeting of Shareholders.

It is on this occasion requested that a total of eighteen (18) directors be newly elected.

Every candidate approved to maintain “Countermeasure (Takeover Defense) to Respond to the Large-scale Purchase of USS Co., Ltd. Shares,” which had been resolved to be introduced at the Board of Directors’ meeting held on May 16, 2006. For further information on the “Countermeasure (Takeover Defense) to Respond to the Large-scale Purchase of USS Co., Ltd. Shares,” refer to “7. Basic policy concerning the persons who control the Company’s decisions on financial matters and business policies” in the business report.

Brief information on the proposed candidates is as follows:

Candidate Number	Name (Date of birth)	Brief Profile (Position, duties and executive status at other companies)	Number of Shares of the Company Owned by the Candidate
1	Futoshi Hattori (Dec. 1, 1936)	<p>Oct. 1980 Executive Vice President of the Company</p> <p>Jul. 1982 President and Representative Director of the Company</p> <p>Jun. 2006 Chairman, Representative Director and Chief Executive Officer (CEO) of the Company (present)</p> <p>(Representation of Other Companies)</p> <p>Jun. 2006 Chairman and Representative Director of USS Okayama Co., Ltd. (present)</p> <p>Jun. 2006 Chairman and Representative Director of USS Sapporo Co., Ltd. (present)</p> <p>Jun. 2006 Chairman and Representative Director of USS Tokyo Mizuho Co., Ltd. (present)</p> <p>Jun. 2006 Chairman and Representative Director of USS Gunma Co., Ltd. (present)</p> <p>Jun. 2006 Chairman and Representative Director of USS Tohoku Co., Ltd. (present)</p> <p>Jun. 2006 Chairman and Representative Director of USS Kansai Co., Ltd. (present)</p> <p>Jun. 2006 Chairman and Representative Director of USS Yokohama Co., Ltd. (present)</p> <p>Jun. 2006 President and Representative Director of USS Ryutsu Auto Auction Co., Ltd. (present)</p> <p>Jun. 2006 Chairman and Representative Director of US Butsuryu Co., Ltd. (present)</p> <p>Jun. 2006 Chairman and Representative Director of World Automobile Co., Ltd. (present)</p> <p>Jun. 2006 President and Representative Director of USS Toyo Co., Ltd. (present)</p> <p>Oct. 2006 Chairman and Representative Director of USS Niigata Co., Ltd. (present)</p> <p>Mar. 2007 Chairman and Representative Director of USS Hokuriku Co., Ltd. (present)</p> <p>Apr. 2007 Chairman and Representative Director of USS Fujioka Co., Ltd. (present)</p>	3,328,260

Candidate Number	Name (Date of birth)	Brief Profile (Position, duties and executive status at other companies)	Number of Shares of the Company Owned by the Candidate
2	Yukihiro Ando (Dec. 2, 1946)	Jul. 1982 Director of the Company Nov. 1989 Senior Managing Director of the Company Jun. 1995 Executive Vice President of the Company Jun. 2000 Executive Vice President of the Company and Officer of the Nagoya Office Jun. 2006 President and Representative Director of the Company (present) (Representation of Other Companies) Jun. 2006 President and Representative Director of USS Okayama Co., Ltd. (present) Jun. 2006 President and Representative Director of USS Sapporo Co., Ltd. (present) Jun. 2006 President and Representative Director of USS Tokyo Mizuho Co., Ltd. (present) Jun. 2006 President and Representative Director of USS Gunma Co., Ltd. (present) Jun. 2006 President and Representative Director of USS Tohoku Co., Ltd. (present) Jun. 2006 President and Representative Director of USS Kansai Co., Ltd. (present) Jun. 2006 President and Representative Director of USS Yokohama Co., Ltd. (present) Jun. 2006 President and Representative Director of USS Ryutsu Auto Auction Co., Ltd. (present) Jun. 2006 Chairman and Representative Director of US Butsuruyu Co., Ltd. (present) Jun. 2006 Chairman and Representative Director of World Automobile Co., Ltd. (present) Jun. 2006 President and Representative Director of USS Toyo Co., Ltd. (present) Oct. 2006 President and Representative Director of USS Niigata Co., Ltd.(present) Mar. 2007 President and Representative Director of USS Hokuriku Co., Ltd. (present) Apr. 2007 President and Representative Director of USS Fujioka Co., Ltd. (present)	906,170
3	Fumihiko Tamura (Nov. 3, 1940)	Jul. 1989 Senior Managing Director of USS Kyushu Co., Ltd. Mar. 1995 Senior Managing Director of the Company Jun. 1995 Executive Vice President and Officer of the Kyushu Office Jun. 2006 Vice Chairman and Representative Director of the Company and Officer of the Kyushu Office (present)	61,060
4	Shigeo Hara (Apr. 1, 1941)	Nov. 1993 Senior Managing Director of USS Tokyo Co., Ltd. Jan. 1996 Executive Vice President of the Company and Officer of the Tokyo Office Jun. 2006 Vice Chairman and Representative Director of the Company and Officer of the Tokyo Office (present)	90,460

Candidate Number	Name (Date of birth)	Brief Profile (Positions, duties and executive status at other companies)	Number of Shares of the Company Owned by the Candidate
5	Dai Seta (Dec. 23, 1966)	<p>Jan. 2004 Executive Officer of the Company and Vice Officer of the Nagoya Office</p> <p>Jun. 2004 Director and Vice Officer of the Company of the Nagoya Office</p> <p>Jun. 2006 Executive Vice President and Representative Director of the Company and Officer of the Nagoya Office (present)</p> <p>(Representation of Other Companies)</p> <p>Mar. 2006 President and Representative Director of USS Support Service Co., Ltd. (present)</p> <p>Apr. 2006 President and Representative Director of UG Powers Co., Ltd. (present)</p> <p>Jun. 2006 Executive Vice President and Representative Director of USS Okayama Co., Ltd. (present)</p> <p>Jun. 2006 Executive Vice President and Representative Director of USS Sapporo Co., Ltd. (present)</p> <p>Jun. 2006 Executive Vice President and Representative Director of USS Tokyo Mizuho Co., Ltd. (present)</p> <p>Jun. 2006 Executive Vice President and Representative Director of USS Gunma Co., Ltd. (present)</p> <p>Jun. 2006 Executive Vice President and Representative Director of USS Kansai Co., Ltd. (present)</p> <p>Jun. 2006 Executive Vice President and Representative Director of USS Yokohama Co., Ltd. (present)</p> <p>Jun. 2006 Executive Vice President and Representative Director of USS Ryutsu Auto Auction Co., Ltd. (present)</p> <p>Jun. 2006 Chairman and Representative Director of US Butsuryu Co., Ltd. (present)</p> <p>Jun. 2006 EChairman and Representative Director of World Automobile Co., Ltd. (present)</p> <p>Jun. 2006 Executive Vice President and Representative Director of USS Toyo Co., Ltd. (present)</p> <p>Oct. 2006 Executive Vice President and Representative Director of USS Niigata Co., Ltd. (present)</p> <p>Mar. 2007 Executive Vice President and Representative Director of USS Hokuriku Co., Ltd. (present)</p>	690,090
6	Motohiro Masuda (Dec. 27, 1947)	<p>Jun. 1994 Director of USS Tokyo Co., Ltd.</p> <p>Jan. 1995 Junior Managing Director of USS Tokyo Co., Ltd.</p> <p>Jan. 1996 Senior Managing Director of the Company</p> <p>Jun. 2001 Senior Managing Director of the Company and Vice Officer of the Tokyo Office</p> <p>Jun. 2006 Executive Vice President of the Company and Vice Officer of the Tokyo Office</p>	35,460
7	Eiji Gono (Jun. 6, 1949)	<p>Jul. 1989 Managing Director of USS Kyushu Co., Ltd.</p> <p>Mar. 1995 Junior Managing Director of the Company</p> <p>Jun. 1995 Senior Managing Director of the Company and Vice Officer of the Kyushu Office</p> <p>Jun. 2001 Senior Managing Executive Officer of the Company</p> <p>Jun. 2003 Senior Managing Director of the Company and Vice Officer of the Kyushu Office</p> <p>Jun. 2006 Executive Vice President of the Company and Vice Officer of the Kyushu Office (present)</p>	132,060
8	Toshio Mishima (Jan. 22, 1947)	<p>Jul. 1989 Director of USS Kyushu Co., Ltd.</p> <p>Mar. 1995 Director of the Company</p> <p>Jun. 1996 Junior Managing Director of the Company, in charge of Customer Services &amp; Market Development and Vehicle of the Kyushu Office</p> <p>Jun. 2001 Managing Executive Officer of the Company</p> <p>Mar. 2003 Senior Managing Executive Officer of the Company</p> <p>Jun. 2006 Senior Managing Director of the Company, in charge of the Fukuoka Site of the Kyushu Office (present)</p>	122,060

<b>Candidate Number</b>	<b>Name (Date of birth)</b>	<b>Brief Profile (Positions, duties and executive status at other companies)</b>		<b>Number of Shares of the Company Owned by the Candidate</b>
9	Masafumi Yamanaka (Dec. 16, 1954)	Jan. 2000	General Manager of the Finance Dept., Supervisory Office of the Company	3,090
		Jan. 2004	Executive Officer and General Manager of the Finance Dept., Supervisory Office of the Company	
		Jun. 2004	Director of the Company and General Manager of the Finance Dept., Supervisory Office	
		Jun. 2006	Junior Managing Director of the Company and Officer of the Supervisory Office (present)	
10	Hiroimitsu Ikeda (May 3, 1961)	Jan. 2001	General Manager of the System Planning & Business Relation Service Dept., Nagoya Office of the Company	3,100
		Jan. 2004	Executive Officer of the Company and General Manager of the System Planning & Business Relation Service Dept., Nagoya Office	
		Jun. 2004	Director of the Company and General Manager of the System Planning & Business Relation Service Dept., Nagoya Office	
		Jun. 2006	Junior Managing Director of the Company and Officer of the System Office (present)	
11	Masayuki Akase (Nov. 8, 1962)	Jan. 2001	General Manager of the Customer Services & Market Development Dept., Nagoya Office of the Company	4,760
		Jan. 2004	Executive Officer of the Company and General Manager of the Customer & Services & Market Development Dept., Nagoya Office	
		Jun. 2004	Director of the Company and General Manager of the Customer & Services & Market Development Dept., Nagoya Office	
		Jun. 2006	Junior Managing Director of the Company and Vice Officer of the Auction Operation Office	
12	Hiroaki Inoue (Nov. 14, 1960)	Jan. 2001	General Manager of the Vehicle Dept., Nagoya Office of the Company	2,030
		Jan. 2004	Executive Officer of the Company and General Manager of the Vehicle Dept., Nagoya Office	
		Jun. 2004	Director of the Company and General Manager of the Vehicle Dept., Nagoya Office	
		Aug. 2005	Director of the Company and Officer of the Shizuoka Office	
		Jun. 2006	Director of the Company and Officer of the Shizuoka Office (present)	
13	Yasuhisa Koga (Aug. 24, 1960)	Aug. 1994	General Manager of the Customer Services and Market Development of USS Kyushu Co., Ltd.	2,240
		Mar. 1995	General Manager of the Customer Services and Market Development, Kyushu Office of the Company	
		Jan. 2004	Executive Officer of the Company and General Manager of the Customer Services and Market Development, Kyushu Office	
		Jun. 2004	Director of the Company and General Manager of the Customer Services & Market Development Dept., Kyushu Office	
		Jun. 2006	Director of the Company, in charge of the Kyushu Site of the Kyushu Office (present)	
14	Yoshinobu Kojima (Aug. 19, 1953)	Apr. 2001	Assistant General Manager of the General Affairs Dept., Supervisory Office of the Company	1,050
		Jun. 2001	General Manager of the General Affairs Dept., Supervisory Office of the Company	
		Jun. 2006	Director of the Company, Vice Officer of the Supervisory Office and General Manager of the General Affairs Dept., Supervisory Office (present)	
15	Hideo Okada (Feb. 16, 1941)	Mar. 1965	Joined Nihon Kogyo Shimbun Co., Ltd.	-
		Jun. 2002	Managing Director of the said company	
		Jun. 2005	Advisor (present) of the said company	
		Jun. 2006	Director of the Company (present)	

Candidate Number	Name (Date of birth)	Brief Profile (Positions, duties and executive status at other companies)	Number of Shares of the Company Owned by the Candidate
16	Isamu Hayashi (Dec. 15, 1945)	Apr. 2000 Associate Professor, Faculty of Business Management, Osaka Sangyo University Apr. 2004 Professor, Faculty of Business Management, Osaka Sangyo University (Present) Jun. 2006 Director of the Company (present)	-
17	Satoru Madono (Jul. 28, 1947)	Apr. 1971 Joined The Export-Import Bank of Japan (Now Japan Bank For International Cooperation) Apr. 2001 Executive Director of the said bank Apr. 2002 Professor, International School of Economics and Business Administration, Reitaku University (Present) Apr. 2002 President, IJIC, Inc. (Present) Jun. 2006 Director of the Company (present)	-
18	Koji Sato (Mar. 21, 1965)	Oct. 1988 Passed the National Bar Examination Apr. 1991 Registered in Nagoya Bar Association (presently, the Aichi Bar Association) Apr. 1995 Opened Sato Koji Law Office (Up to the present date) Jun. 2006 Director of the Company (present)	-

- Notes:
1. USS Kyushu Co., Ltd. merged with the Company as of March 1995.  
USS Tokyo Co., Ltd. merged with the Company as of January 1996.
  2. Of candidates for members of the Board of Directors, Futoshi Hattori, Yukihiko Ando and Dai Seta serve concurrently as Representative Director of USS Tokyo Mizuho Co., Ltd., a 90% owned subsidiary of the Company. The Company and USS Tokyo Mizuho Co., Ltd. compete with each other in the used-car auction business.
  3. Of candidates for members of the Board of Directors, Futoshi Hattori, Yukihiko Ando and Dai Seta serve concurrently as Representative Directors of World Automobile Co., Ltd., a 91.5% subsidiary of the Company, and the Company has auction transaction of accident-damaged cars with World Automobile Co., Ltd.
  4. Matters related to candidates for outside directors are as follows:
    - (1) Messrs. Hideo Okada, Isamu Hayashi, Satoru Madono and Koji Sato are the candidates for outside directors.
    - (2) Reasons for nomination as candidates for outside directors
      - 1) The Company requests election of Hideo Okada as outside director, so that his great experience and deep insight as a former manager will be reflected in the management of the Company.
      - 2) The Company requests election of Isamu Hayashi as outside director, so that his deep insight and extensive experience as a legal scholar will be reflected in the management of the Company.
      - 3) The Company requests election of Satoru Madono as outside director, so that his deep insight and extensive experience as an economist will be reflected in the management of the Company.
      - 4) The Company requests election of Koji Sato as outside director, so that his professional viewpoints as a lawyer and deep insight into management will be reflected in the management of the Company.
    - (3) Number of years since candidates for outside directors took office as outside directors  
Messrs. Hideo Okada, Isamu Hayashi, Satoru Madono and Koji Sato will have been in office for one year at the close of this Ordinary General Meeting of Shareholders.
    - (4) Liability limitation agreement with outside Directors  
Hideo Okada, Isamu Hayashi, Satoru Madono and Koji Sato are serving as outside directors of the Company, and the Company has concluded agreements to limit liability with them in accordance with the provision under Article 427 Paragraph 1 of the Company Law to enable them to fulfill their expected roles they are expected to fulfill. In the case that the

appointment of the four outside directors is approved, the Company intends to renew the above liability limitation agreements with them. The maximum amount of liability under the said agreements is 4 million or the amount specified by the law or regulation, whichever is higher.

5. The brief profiles of the above candidates are as of May 8, 2007.

**Item 4: Making one-time discontinuation payments for retirement benefits due to the abolition of the system for granting retirement benefits to directors**

At the Board of Directors' meeting held on May 8, 2007, the Company resolved to abolish the retirement benefit system for directors and corporate auditors as of the close of this Ordinary General Meeting of Shareholders.

To reward them for their services while in office, the Company wishes to make one-time discontinuation payments for retirement benefits to 14 directors (excluding outside directors) who were in office before the above-mentioned day of abolition – Futoshi Hattori, Yukihiro Ando, Fumihiko Tamura, Shigeo Hara, Dai Seta, Motohiro Masuda, Eiji Gono, Toshio Mishima, Masafumi Yamanaka, Hiromitsu Ikeda, Masayuki Akase, Hiroaki Inoue, Yasuhisa Koga and Yoshinobu Kojima according to certain standards of the Company. The one-time discontinuation payments cover each tenure of the office from the assumption of office to the close of this Ordinary General Meeting of Shareholders.

It is requested that the specific amount to be paid to each director, method of payment, etc. be left entirely to the Board of Directors.

The Company wishes to make one-time discontinuation payment when each director retires.

The Company will not make such one-time discontinuation payments for retirement benefits to outside directors and corporate auditors.

The brief profiles of Directors are as follows.

Name (Date of Birth)	Brief History (Representation of Other Companies)
Futoshi Hattori (Dec. 1, 1936)	October 1980 Executive Vice President of the Company July 1987 President and Representative Director of the Company June 2007 Chairman and Representative Director of the Company (current position)
Yukihiro Ando (Dec. 2, 1946)	July 1987 Director of the Company November 1989 Senior Managing Director of the Company June 1995 Executive Vice President of the Company June 2006 President and Representative Director of the Company (current position)
Fumihiko Tamura (Nov. 3, 1940)	July 1989 Senior Managing Director of USS Kyushu Co., Ltd. March 1995 Senior Managing Director of the Company June 1995 Executive Vice President of the Company June 2006 Vice Chairman and Representative Director of the Company (current position)

Name (Date of Birth)	Brief History (Representation of Other Companies)
Shigeo Hara (Apr. 1, 1941)	November 1993 Senior Managing Director of USS Tokyo Co., Ltd. January 1996 Executive Vice President of the Company June 2006 Vice Chairman and Representative Director of the Company (current position)
Dai Seta (Dec. 23, 1966)	June 2004 Director of the Company June 2006 Vice President and Representative Director of the Company (current position)
Motohiro Masuda (Dec. 27, 1947)	June 1994 Director of USS Tokyo Co., Ltd. January 1995 Junior Managing Director of the company above January 1996 Senior Managing Director of the Company June 2006 Executive Vice President of the Company (current position)
Eiji Gono (Jun. 6, 1949)	June 2003 Senior Managing Director of the Company June 2006 Executive Vice President of the Company (current position)
Toshio Mishima (Jan. 12, 1947)	June 2006 Senior Managing Director of the Company (current position)
Masafumi Yamanaka (Dec. 16, 1954)	June 2004 Director of the Company June 2006 Junior Managing Director of the Company (current position)
Hiromitsu Ikeda (May 3, 1961)	June 2004 Director of the Company June 2006 Junior Managing Director of the Company (current position)
Masayuki Akase (Nov. 8, 1962)	June 2004 Director of the Company June 2006 Junior Managing Director of the Company (current position)
Hiroaki Inoue (Nov. 14, 1960)	June 2004 Director of the Company (current position)
Yasunaga Koga (Aug. 24, 1960)	June 2004 Director of the Company (current position)
Yoshinobu Kojima (Aug. 19, 1953)	June 2006 Director of the Company (current position)

Notes: USS Kyushu Co., Ltd. merged with the Company as of March 1995.

USS Tokyo Co., Ltd. merged with the Company as of January 1996.

**Item 5: Amount of remuneration for directors in the form of stock options and decision on the details**

The Company wishes to grant the so-called stock remuneration-type stock options, using Stock Acquisition Rights whose paid-in amount per share to be granted through the exercise of each stock acquisition right is ¥1, to directors (excluding outside directors) from the 28th term of the Company, for the purpose of raising the motivation and morale of the directors of the Company, which shall contribute to the improvement of corporate value, by making remunerations for directors more responsive to the stock price and business results of the Company and making directors share with the shareholders of the Company merits of rises in

the stock price and risks involved in the declines of the stock price, after reviewing the remuneration system for directors to make it linked with the improvement of corporate value and abolishing the retirement benefit system.

Stock Acquisition Rights issued as stock options to directors have been regarded as part of directors' remuneration since the Company Law came into effect. To grant Stock Acquisition Rights as stock options to directors (excluding outside directors), the Company refers a bill to revise the amount of remuneration for directors (excluding outside directors) and decide the details of the said Stock Acquisition Rights to this Ordinary General Meeting of Shareholders, and requests approval for the bill by ordinary resolution.

The amount of remuneration for directors in the form of stock options is calculated based on part of the amount of retirement benefits, which have been decided to be abolished as mentioned above, and other factors and taking into consideration the corporate earnings, the status of the execution of duties by directors (excluding outside directors) at the Company, their contribution to the Company, etc. Specifically, the Stock Acquisition Rights shall be granted as the so-called stock remuneration-type stock options, and the amount shall be calculated based on the corporate earnings, the status of the execution of duties by directors (excluding outside directors) at the Company, their contribution to the Company and other factors. The Company deems the specific details of Stock Acquisition Rights to be proper, considering that Stock Acquisition Rights are granted as the so-called stock remuneration-type stock options for the purpose mentioned above.

The Company does not plan to grant Stock Acquisition Rights as stock options to outside directors, since they are invited for the purpose of enhancing the supervisory function of the Board of Directors.

The Company currently has 18 directors (including four outside directors), and assuming that the proposal for election of directors (election of 18 directors), which is planned to be referred to this Ordinary General Meeting of Shareholders, is approved as the original proposal, the number of directors will be 18 (of which, four are outside directors) at the close of this Ordinary General Meeting of Shareholders.

1. At the 26th Ordinary General Meeting of Shareholders, held on June 28, 2006, shareholders approved a yearly remuneration amount for directors of not more than ¥500 million. This limit remains in force today. The Company now requests that shareholders approve a yearly remuneration amount of up to ¥150 million in the form of Stock Acquisition Rights as stock remuneration-type stock options to directors of the Company (excluding outside directors), which is separate from the above yearly remuneration amount for directors.

The remuneration amount mentioned above does not include the salaries as employees paid to directors who also serve as employees.

2. The specific details of Stock Acquisition Rights are as follows:

- (1) Total number of Stock Acquisition Rights

The maximum number of Stock Acquisition Rights to be issued within a year from the day of the ordinary general meeting of each fiscal year shall be 4,000.

- (2) Type and number of shares to be issued upon the exercise of the Stock Acquisition Rights

The shares to be issued for the Stock Acquisition Rights shall be ordinary shares of the Company, and the number of shares subject to one stock acquisition right (herein after referred to as "number of shares subject to one Stock Acquisition Rights") shall be 10 (the maximum number to be issued for the Stock Acquisition Rights shall be 40,000, and if the number of shares subject to one stock acquisition right is adjusted, the maximum number shall be the number arrived at by multiplying the adjusted number of shares to be granted by the above-mentioned maximum number of Stock Acquisition Rights).

If the Company effects a stock split of its ordinary shares (including allotment of ordinary shares to shareholders without consideration) or effects a stock consolidation after the resolution date of this

agendum, the number of shares subject to one stock acquisition right shall be adjusted to the extent reasonable.

(3) Amount of assets paid upon exercise of the Stock Acquisition Rights

The assets paid upon exercise of the Stock Acquisition Rights shall be cash.

The amount of assets paid upon exercise of the Stock Acquisition Rights shall be the amount calculated by multiplying the paid-in amount per share to be transferred upon exercise of the Stock Acquisition Rights, which stands at ¥1, by the number of shares subject to one stock acquisition right.

(4) Exercise period for the Stock Acquisition Rights

A period to be decided by the Board of Directors of the Company, which shall be within 25 years from the day when the Stock Acquisition Rights are allocated

(5) Conditions for exercising the Stock Acquisition Rights

1) If any person granted Stock Acquisition Rights loses both his or her position as director and that as executive officer, he or she may exercise his or her rights the day after the day he or she lost his or her position.

2) Other conditions for exercising the Stock Acquisition Rights shall be decided by the Board of Directors of the Company.

(6) Restriction on transfer of the Stock Acquisition Rights

Acquisition of Stock Acquisition Rights through transfer shall be subject to the approval of the Board of Directors.

(7) Other details of the Stock Acquisition Rights

The details of the above-mentioned (1) to (6) and the details of Stock Acquisition Rights, which are not written in (1) to (6), shall be decided by the Board of Directors.

**Item 6: Appointment of accounting auditors**

MISUZU Audit Corporation (its corporate name was changed from “ChuoAoyama PricewaterhouseCoopers” to the present one as of September 1, 2006), which had been the accounting auditor of the Company, once lost its qualifications as the accounting auditor of the Company as of July 1, 2006, since it was ordered to suspend operations by the Financial Services Agency.

To avoid the absence of the accounting auditor of the Company and to ensure continuous conduct of audit of the Company, the Company appointed ARK & Co. as a temporary accounting auditor of the Company at the meeting of the Board of Corporate Auditors held on July 1, 2006.

At the meeting of the Board of Corporate Auditors held on August 18, 2006, the Company also decided to appoint MISUZU Audit Corporation an additional temporary accounting auditor of the Company as of September 1, 2006, after the expiration of the period of suspension of operations, with the aim of ensuring continuity of audit of the Company and completeness of audit. The joint audit system, consisting of ARK and MISUZU, has been maintained since then. Therefore, it is proposed that an accounting auditor be elected in accordance with the provisions under Article 329, Paragraph 1 of the Company Law.

Consent of the Board of Corporate Auditors has been obtained for the submission of this item.

The outline and history of KPMG AZSA & Co., which is the candidate for accounting auditor, are as follows:

Name	KPMG AZSA & Co.
Location of principal office	Head office: 1-2 Tsukudo-cho, Shinjuku-ku, Tokyo Branch office: 28 domestic locations
History	<p>July 1985 Asahi Shinwa Accounting Company established.</p> <p>October 1993 Merged with Inoue Saito Eiwa Audit Corporation (established on April 5, 1978), and changed name to Asahi &amp; Co.</p> <p>January 2004 Merged with AZSA &amp; Co. (set up on February 26, 2003), and changed name to KPMG AZSA &amp; Co.</p>
Outline (As of March 31, 2007)	<p>Amount invested: 3,300 million yen</p> <p>Certified public accountants: 1,700 (Representative partners: 232; employees: 196)</p> <p>Assistant certified accountants: 1,126</p> <p>Other staff: 877</p> <p>Total: 3,703</p> <p>Number of clients: 5,543</p>

## **Procedure for Exercising Voting Rights Electronically (the Internet, etc.)**

If you are exercising your voting right via the Internet etc, please carefully read the following items before you vote.

1. If you are exercising your voting right electronically (the Internet etc.), you can only do so via our website (<http://www.web54.net>). Please refer to “System Environments, etc.” on page 69 for details of requirements regarding system environment. (Your voting code and password printed on the Form for Exercising Voting Rights are necessary to exercise your voting right via the Internet.)
2. The deadline for exercising voting rights via the Internet is 5:00 PM on Monday, June 25, 2007
3. If a voting right is exercised both via the Internet and by using the Form, the vote exercised via the Internet will be treated as a valid vote regardless of the time and date of the vote arrival.
4. If a voting right is exercised multiple times via the Internet, the last vote will be treated as a valid vote.
5. Connection charges to an Internet provider and telecommunication charges (telephone charge) by a telecommunication company shall be borne by the shareholders using the website.

If attending the Meeting in person:

- You need not exercise your voting rights via the Internet or by using the Form for Exercising Voting Rights

If not attending the Meeting:

- You need not exercise your voting rights via the Internet if you use the Form for Exercising Voting Rights
- You need not exercise your voting rights by using the Form for Exercising Voting Rights if you do so via the Internet

The Company is participating in the web-based voting platform “For Institutional Investors” managed by ICJ Inc.

[System Environment, etc.]

Please confirm the following system environment when exercising your voting rights via the Internet.

1. When using a personal computer

- (1) Screen resolution of 800 x 600 pixels (SVGA) or more.
- (2) The following applications are installed.
  - a) Microsoft<sup>®</sup> Internet Explorer Version 5.01 SP2 or later
  - b) Adobe<sup>®</sup> Reader<sup>®</sup> Version 4.0 or later (excluding cases in which the user does not view the notice for the convocation of the annual shareholders' meeting and the business report on the Internet)
- \* Microsoft<sup>®</sup> and Internet Explorer are registered trademarks or product names of Microsoft Corporation, and Adobe<sup>®</sup> Reader<sup>®</sup> is a registered trademark or product name of Adobe Systems, Inc., in the U.S. or respective countries.
- \* The software is available free of charge on the Website of each company.
- (3) Internet connection may be restricted due to presence of a Firewall or the like. Please ask your system administrator if you need assistance.

For inquires about how to operate your personal computer:

- If you need assistance to operate your personal computer to exercise your voting rights via our website, please call the following number.

Chuo Mitsui Securities Agent Web Support Hotline

Telephone: 0120-65-2031 (\*Toll free)

(Business hours: 9:00 to 21:00 excluding Saturdays, Sundays and holidays)

- For any other inquires, please call the following number.

Chuo Mitsui Trust and Banking Co., Ltd., Transfer Agency Administration Center

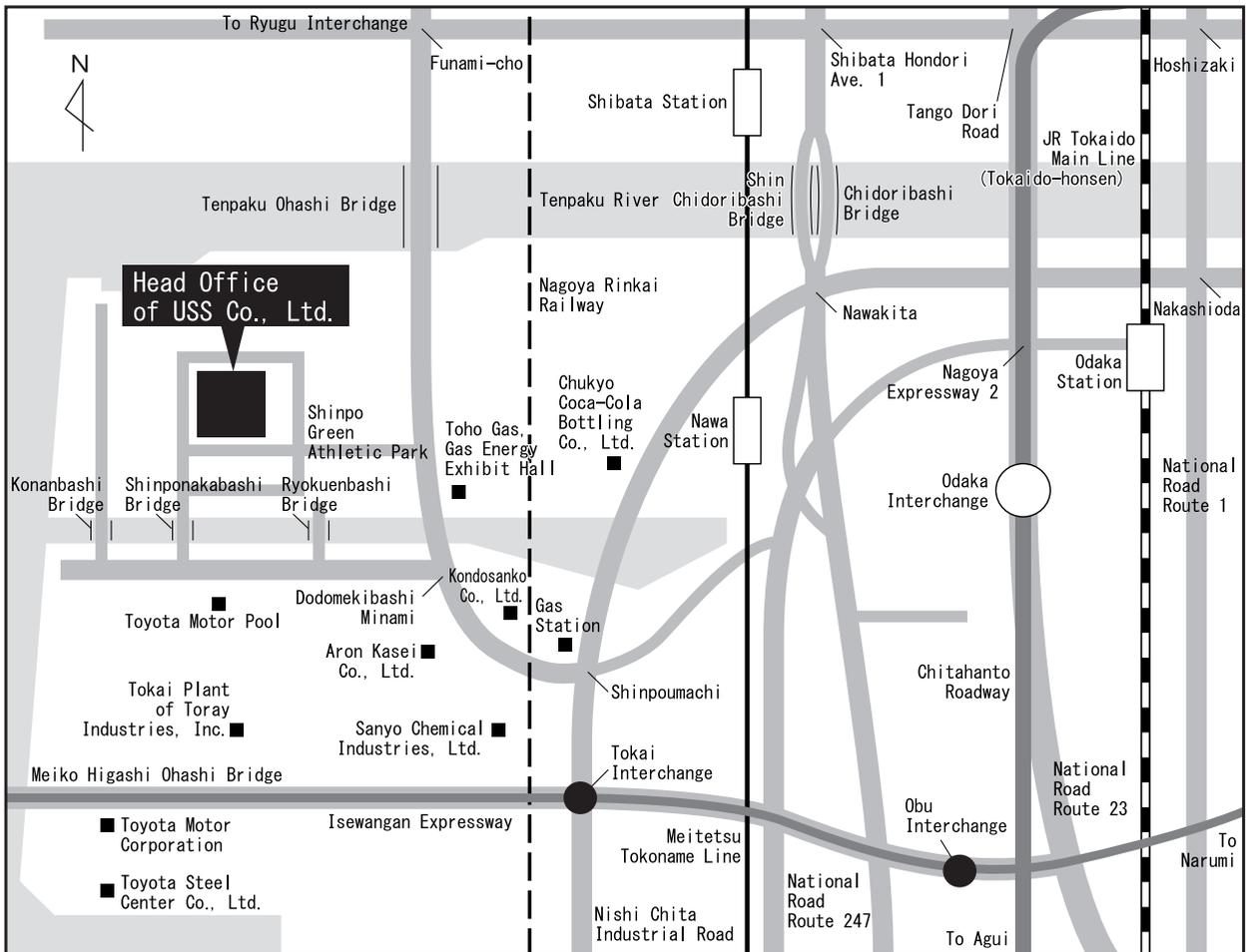
Telephone: 0120-78-2031 (\*Toll free)

(Business hours: 9:00 to 17:00 excluding Saturdays, Sundays and holidays)

\* The service is available in Japanese only.

## Site Map for the General Meeting of Shareholders

Venue: Head Office of USS Co., Ltd. (USS Nagoya Auction Site)  
507-20 Shinpo-machi, Tokai, Aichi  
Telephone: 052-689-1129



### Access Information

Approximately 10 minutes by taxi from Nawa Station on the Meitetsu Tokoname Line.

Approximately 15 minutes by taxi from Odaka Station on the JR Tokaido Main Line (Tokaido-honsen).

In addition, there is a bus pickup service at 10:00 and 10:30 a.m. from each of the above stations.

If you are coming by car, please use our parking area.