

## Consolidated Balance Sheets

USS Co., Ltd. and Subsidiaries  
March 31, 2006 and 2005

Assets	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
<b>Current assets:</b>			
Cash and cash equivalents.....	¥ 19,495	¥ 15,673	\$ 166,624
Short-term investments (Note 5).....	500	146	4,274
Receivables:			
Due from member dealers at auction (Note 4).....	10,845	8,848	92,692
Trade and other accounts.....	1,534	940	13,111
Allowance for doubtful accounts.....	(37)	(51)	(316)
Total receivables.....	12,342	9,737	105,487
Inventories (Note 6).....	762	722	6,513
Deferred tax assets (Note 12).....	710	656	6,068
Other current assets.....	530	549	4,530
Total current assets.....	34,339	27,483	293,496
<b>Property and equipment, at cost (Note 8):</b>			
Land.....	45,032	43,188	384,889
Buildings and structures.....	45,589	36,056	389,650
Vehicles and equipment.....	12,052	7,128	103,009
Construction in progress.....	201	3,391	1,717
Total.....	102,874	89,763	879,265
Less, accumulated depreciation.....	(18,012)	(14,275)	(153,949)
Total.....	84,862	75,488	725,316
<b>Investments and other assets:</b>			
Investment securities (Note 5).....	1,840	1,989	15,726
Intangible assets (Note 7).....	4,021	3,810	34,368
Deferred tax assets (Note 12).....	557	699	4,761
Deferred tax assets for revaluation.....	3,350	3,351	28,632
Investment property.....	1,723	1,726	14,726
Other assets.....	1,605	1,466	13,718
Allowance for doubtful accounts.....	(388)	(307)	(3,316)
Total.....	12,708	12,734	108,615
Total.....	¥131,909	¥115,705	\$1,127,427

See accompanying Notes to Consolidated Financial Statements.

<b>Liabilities, Minority Interests and Shareholders' Equity</b>	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
<b>Current liabilities:</b>			
Short-term borrowings (Note 8).....	¥ 700	¥ 1,150	\$ 5,983
Current portion of long-term debt (Note 8).....	1,500	2,709	12,820
Payables:			
Due to member dealers at auction (Notes 4 and 13) .....	12,422	9,573	106,171
Trade and other accounts.....	2,502	2,537	21,385
Total payables.....	14,924	12,110	127,556
Deposits received in advance.....	2,813	1,400	24,043
Accrued expenses .....	723	715	6,179
Income taxes payable.....	5,389	4,518	46,060
Other current liabilities.....	442	85	3,778
Total current liabilities .....	26,491	22,687	226,419
<b>Long-term debt (Note 8) .....</b>	<b>3,000</b>	3,631	<b>25,641</b>
<b>Guarantee deposits received from member dealers .....</b>	<b>3,402</b>	3,157	<b>29,077</b>
<b>Employee retirement benefit liability (Note 9).....</b>	<b>95</b>	77	<b>812</b>
<b>Accrued directors' and statutory auditors' severance indemnities .....</b>	<b>382</b>	349	<b>3,265</b>
<b>Deferred tax liabilities for revaluation .....</b>	<b>471</b>	—	<b>4,025</b>
<b>Commitments and contingent liabilities (Note 11)</b>			
<b>Minority interests in subsidiaries .....</b>	<b>676</b>	926	<b>5,778</b>
<b>Shareholders' equity (Note 10):</b>			
Common stock, no par value;			
Authorized: 120,000,000 shares;			
Issued: 32,486,932 shares in 2006 and 31,981,969 shares in 2005.....	18,250	17,580	155,983
Capital surplus.....	27,360	24,756	233,846
Retained earnings.....	58,141	47,168	496,931
Land revaluation decrement.....	(4,980)	(4,916)	(42,564)
Net unrealized gains on available-for-sale securities .....	389	301	3,325
Less, treasury stock, at cost—144,006 shares in 2006 and 1,789 shares in 2005 ....	(1,768)	(11)	(15,111)
	97,392	84,878	832,410
<b>Total.....</b>	<b>¥131,909</b>	<b>¥115,705</b>	<b>\$1,127,427</b>

## Consolidated Statements of Income

USS Co., Ltd. and Subsidiaries

For the Years Ended March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
<b>Operating revenue</b> (Notes 13 and 14).....	<b>¥60,243</b>	¥50,484	<b>\$514,897</b>
<b>Operating costs and expenses</b> (Note 14):			
Costs of revenue.....	<b>25,794</b>	19,988	<b>220,462</b>
Selling, general and administrative expenses.....	<b>11,345</b>	9,823	<b>96,965</b>
	<b>37,139</b>	29,811	<b>317,427</b>
Operating income.....	<b>23,104</b>	20,673	<b>197,470</b>
<b>Other income (expenses):</b>			
Interest and dividend income .....	<b>17</b>	13	<b>145</b>
Interest expense.....	<b>(56)</b>	(59)	<b>(478)</b>
(Loss) gain on sale or disposal of property and equipment.....	<b>(622)</b>	82	<b>(5,316)</b>
Gain on sale of investment securities .....	<b>570</b>	55	<b>4,872</b>
Loss on liquidation of subsidiaries .....	<b>—</b>	(41)	<b>—</b>
Impairment loss on fixed assets .....	<b>(27)</b>	(557)	<b>(231)</b>
Loss on legal settlement .....	<b>(408)</b>	—	<b>(3,487)</b>
Other expenses, net .....	<b>474</b>	446	<b>4,051</b>
	<b>(52)</b>	(61)	<b>(444)</b>
Income before income taxes and minority interests.....	<b>23,052</b>	20,612	<b>197,026</b>
<b>Income taxes</b> (Note 12).....	<b>9,643</b>	8,603	<b>82,419</b>
<b>Less, minority interests in net income of subsidiaries</b> .....	<b>205</b>	194	<b>1,752</b>
Net income.....	<b>¥13,204</b>	¥11,815	<b>\$112,855</b>
<b>Per share:</b>			
Net income:			
—Basic.....	<b>¥407.08</b>	¥377.69	<b>\$3.48</b>
—Diluted .....	<b>406.03</b>	366.03	<b>3.47</b>
Cash dividends .....	<b>80.00</b>	65.00	<b>0.68</b>

See accompanying Notes to Consolidated Financial Statements.

# Consolidated Statements of Shareholders' Equity

USS Co., Ltd. and Subsidiaries

For the Years Ended March 31, 2006 and 2005

	Number of common shares issued	Common stock	Capital surplus	Retained earnings	Land revaluation decrement	Net unrealized gains on available- for-sale securities	Treasury stock
Millions of Yen							
<b>Balance at March 31, 2004</b> .....	30,815,069	¥ 15,601	¥ 19,590	¥ 37,264	¥ (5,147)	¥ 198	¥ (8)
Net income for the year.....	—	—	—	11,815	—	—	—
Issuance of common shares upon exercise of stock options.....	178,730	451	451	—	—	—	—
Conversion of convertible bonds.....	656,949	1,528	1,528	—	—	—	—
Stock issued under stock-for-stock exchange transaction (Note 3).....	331,221	—	3,187	—	—	—	—
Cash dividends.....	—	—	—	(1,700)	—	—	—
Bonuses to directors and statutory auditors.....	—	—	—	(46)	—	—	—
Reversal of land revaluation decrement.....	—	—	—	(165)	165	—	—
Adjustments for applicable income taxes.....	—	—	—	—	66	—	—
Net change in unrealized gains on available- for-sale securities, net of applicable income taxes.....	—	—	—	—	—	103	—
Fractional shares acquired, net.....	—	—	—	—	—	—	(3)
<b>Balance at March 31, 2005</b> .....	<b>31,981,969</b>	<b>17,580</b>	<b>24,756</b>	<b>47,168</b>	<b>(4,916)</b>	<b>301</b>	<b>(11)</b>
Net income for the year.....	—	—	—	13,204	—	—	—
Issuance of common shares upon exercise of stock options.....	129,270	354	354	—	—	—	—
Conversion of convertible bonds.....	135,573	316	315	—	—	—	—
Stock issued under stock-for-stock exchange transaction (Note 3).....	240,120	—	1,935	—	—	—	—
Cash dividends.....	—	—	—	(2,173)	—	—	—
Bonuses to directors and statutory auditors.....	—	—	—	(56)	—	—	—
Reversal of land revaluation decrement.....	—	—	—	(2)	2	—	—
Adjustments for applicable income taxes.....	—	—	—	—	(66)	—	—
Net change in unrealized gains on available-for- sale securities, net of applicable income taxes.....	—	—	—	—	—	88	—
Purchases of treasury stock and fractional shares, net....	—	—	—	—	—	—	(1,757)
<b>Balance at March 31, 2006</b> .....	<b>32,486,932</b>	<b>¥18,250</b>	<b>¥27,360</b>	<b>¥58,141</b>	<b>¥(4,980)</b>	<b>¥389</b>	<b>¥(1,768)</b>

	Thousands of U.S. Dollars					
<b>Balance at March 31, 2005</b> .....	\$ 150,256	\$ 211,590	\$ 403,145	\$ (42,017)	\$ 2,573	\$ (94)
Net income for the year.....	—	—	112,855	—	—	—
Issuance of common shares under exercise of stock options.....	3,026	3,026	—	—	—	—
Conversion of convertible bonds.....	2,701	2,692	—	—	—	—
Stock issued under stock-for-stock exchange transaction (Note 3).....	—	16,538	—	—	—	—
Cash dividends.....	—	—	(18,573)	—	—	—
Bonuses to directors and statutory auditors.....	—	—	(479)	—	—	—
Reversal of land revaluation decrement.....	—	—	(17)	17	—	—
Adjustments for applicable income taxes.....	—	—	—	(564)	—	—
Net change in unrealized gains on available-for-sale securities, net of applicable income taxes.....	—	—	—	—	752	—
Purchases of treasury stock and fractional shares, net.....	—	—	—	—	—	(15,017)
<b>Balance at March 31, 2006</b> .....	<b>\$155,983</b>	<b>\$233,846</b>	<b>\$496,931</b>	<b>\$(42,564)</b>	<b>\$3,325</b>	<b>\$(15,111)</b>

See accompanying Notes to Consolidated Financial Statements.

## Consolidated Statements of Cash Flows

USS Co., Ltd. and Subsidiaries

For the Years Ended March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars
	2006	2005	2006
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests.....	¥23,052	¥20,612	\$197,026
Adjustments for:			
Depreciation and amortization.....	4,199	2,969	35,889
Loss (gain) on sale or disposal of property and equipment .....	622	(82)	5,316
Impairment loss on fixed assets .....	27	557	231
Net change in amounts due from/to member dealers at auction.....	852	1,248	7,282
Decrease in deposits received in advance.....	1,411	112	12,060
Other, net .....	(221)	(320)	(1,890)
Sub-total.....	29,942	25,096	255,914
Interest and dividend received.....	16	13	137
Interest paid .....	(57)	(59)	(487)
Legal settlement paid .....	(408)	—	(3,487)
Income taxes paid .....	(8,625)	(8,753)	(73,718)
Net cash provided by operating activities.....	20,868	16,297	177,359
<b>Cash flows from investing activities:</b>			
Payments for purchases of property and equipment.....	(12,739)	(18,766)	(108,880)
Increase in long-term investments and other assets.....	(523)	(433)	(4,470)
Decrease in property, long-term investments and other assets .....	1,189	697	10,162
Increase in short-term investments .....	(354)	(96)	(3,026)
Other .....	279	1	2,385
Net cash used in investing activities.....	(12,148)	(18,597)	(103,829)
<b>Cash flows from financing activities:</b>			
Increase in long-term debt .....	2,000	4,000	17,094
Repayment of long-term debt.....	(3,209)	(1,827)	(27,427)
Net change in short-term borrowings.....	(625)	629	(5,342)
Net increase in guarantee deposits received from member dealers .....	245	229	2,094
Issuance of common stock.....	708	902	6,052
Payments for purchase of treasury stock .....	(2,017)	(3)	(17,239)
Dividends paid.....	(2,175)	(1,702)	(18,590)
Other .....	175	155	1,495
Net cash (used in) provided by financing activities.....	(4,898)	2,383	(41,863)
Net increase in cash and cash equivalents .....	3,822	83	32,667
Cash and cash equivalents at beginning of year.....	15,673	15,119	133,957
Increase in cash and cash equivalents upon inclusion of additional subsidiaries on consolidation .....	—	471	—
Cash and cash equivalents at end of year.....	¥19,495	¥15,673	\$166,624

See accompanying Notes to Consolidated Financial Statements.