



Consolidated Earning Results for the First Quarter ended June 30, 2007

July 31, 2007

Company Name : **USS Co., Ltd.**

Stock Exchanges Listings : Tokyo and Nagoya

Stock Code : 4732

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President and CEO : Yukihiro Ando

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Junior Managing Director & Officer of Supervisory Office

1. Consolidated Results for the First Quarter ended June 30, 2007 (April 1, 2007 – June 30, 2007)

(1) Consolidated Operating Results

(millions of yen)

	Operating revenues		Operating income		Recurring profit	
Three months ended June 30, 2007	16,839	7.4%	6,418	3.3%	6,496	3.5%
Three months ended June 30, 2006	15,673	6.1%	6,211	8.1%	6,275	8.4%
Year ended March 31, 2007	64,568		24,817		25,360	

	Net income		Net income per share (yen)	Diluted net income per share (yen)
Three months ended June 30, 2007	3,602	3.8%	112.80	112.74
Three months ended June 30, 2006	3,472	7.2%	107.26	107.05
Year ended March 31, 2007	14,390		447.12	446.62

Note: Percent indication shows percentage of change from corresponding figure for the same quarter of the prior fiscal year.

(2) Consolidated Financial Position

(millions of yen)

	Total assets	Equity	Equity ratio (%)	Equity per share (yen)
As of June 30, 2007	142,865	108,194	75.0	3,352.22
As of June 30, 2006	129,264	100,200	76.9	3,071.09
As of March 31, 2007	146,172	105,988	71.8	3,287.75

(3) Consolidated Cash Flows

(millions of yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the period
Three months ended June 30, 2007	531	(966)	(2,062)	18,652
Three months ended June 30, 2006	829	(3,717)	(1,305)	15,301
Year ended March 31, 2007	21,009	(12,539)	(6,815)	21,149

(4) Information Regarding Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries: 17

Non-consolidated subsidiaries accounted for by the equity method: 0

Affiliates accounted for by the equity method: 0

2. Consolidated Outlook for Fiscal 2007 (April 1, 2007 – March 31, 2008)

(millions of yen)

	Operating revenues		Operating income		Recurring profit		Net income		Net income per share (yen)
Interim	33,100	6.1%	12,800	5.7%	12,900	4.8%	7,200	4.5%	225.38
For the year	69,200	7.2%	26,600	7.2%	26,900	6.1%	15,100	4.9%	472.68

Note: Percent indication shows percentage of change from corresponding figure for annual period of the prior fiscal year.

Consolidated Financial Statements

1. Consolidated Balance Sheets

(millions of yen)

	As of June 30, 2006	As of June 30, 2007	Amount of Change Rate of Change		As of March 31, 2007
Assets				%	
Current assets:					
Cash and cash equivalents	16,101	18,652	2,550		21,149
Receivables due from member dealers at auction	9,798	13,639	3,840		14,983
Trade notes and accounts receivable	882	2,038	1,155		1,957
Inventories	747	929	182		1,061
Other current assets	2,198	2,388	189		1,960
Allowance for doubtful accounts	(30)	(49)	(18)		(46)
Total current assets	29,697	37,598	7,900	26.6	41,066
Fixed assets:					
Property and equipment					
Buildings and structures	33,386	37,892	4,506		36,793
Land	45,032	49,114	4,082		48,910
Other property and equipment	8,432	5,516	(2,915)		6,772
Total property and equipment	86,850	92,523	5,672	6.5	92,476
Intangible assets					
Goodwill	2,894	2,611	(282)		2,532
Other intangible assets	979	1,320	340		1,173
Total intangible assets	3,873	3,931	58	1.5	3,706
Investments and other assets					
Investments and other assets	8,975	8,932	(43)		9,040
Allowance for doubtful accounts	(132)	(120)	12		(117)
Total investments and other assets	8,842	8,812	(30)	(0.3)	8,922
Total fixed assets	99,567	105,267	5,700	5.7	105,105
Total assets	129,264	142,865	13,601	10.5	146,172

(millions of yen)

	As of June 30, 2006	As of June 30, 2007	Amount of Change Rate of Change		As of March 31, 2007
Liabilities				%	
Current liabilities:					
Payables due to member dealers at auction	11,286	15,267	3,981		16,811
Short-term borrowings	2,150	2,305	155		2,305
Income taxes payable	2,426	2,230	(195)		5,945
Allowance for bonus	563	630	67		417
Other current liabilities	5,238	6,376	1,138		7,030
Total current liabilities	21,664	26,811	5,147	23.8	32,510
Long-term debt:					
Long-term borrowings	3,000	3,037	37		3,049
Employee retirement benefit liability	96	118	22		114
Directors' and statutory auditors' severance indemnities	385	1	(383)		421
Guarantee deposits received from member dealers	3,447	3,687	240		3,617
Other long-term liabilities	470	1,014	543		470
Total long-term debt	7,400	7,859	459	6.2	7,674
Total liabilities	29,064	34,671	5,606	19.3	40,184
Equity					
Shareholders' equity					
Common stock	18,367	18,623	255	1.4	18,581
Additional paid-in capital	27,478	27,734	255	0.9	27,692
Retained earnings	60,002	71,243	11,241	18.7	69,237
Treasury stock	(1,768)	(5,770)	(4,001)	-	(5,770)
Total shareholders' equity	104,079	111,830	7,751	7.4	109,741
Valuation and translation adjustments					
Net unrealized gains on available-for-sale securities	346	235	(111)	(32.1)	223
Land revaluation decrement	(4,979)	(4,978)	0	-	(4,978)
Total Valuation and translation adjustments	(4,633)	(4,743)	(110)	-	(4,755)
Minority interests in consolidated subsidiaries	754	1,107	353	46.9	1,002
Total equity	100,200	108,194	7,994	8.0	105,988
Total liabilities and equity	129,264	142,865	13,601	10.5	146,172

2. Consolidated Statements of Income

(millions of yen)

	Three Months Ended June 30, 2006	Three Months Ended June 30, 2007	Amount of Change		Year Ended March 31, 2007
			Rate of Change	%	
Operating Revenues	15,673	16,839	1,165	7.4	64,568
Costs of revenues	6,682	7,263	581	8.7	27,580
Gross profit	8,990	9,575	584	6.5	36,988
Selling, general and administrative expenses:	2,779	3,157	377	13.6	12,171
Advertising	203	156	(47)		1,115
Sales promotion expenses	347	449	102		1,731
Provision for doubtful accounts	3	7	4		17
Remuneration for directors and statutory auditors	82	105	23		394
Employee salaries and bonuses	760	776	16		3,245
Bonuses for directors and statutory auditors	-	-	-		83
Provision for bonuses	127	120	(7)		205
Depreciation	106	121	15		487
Taxation	37	102	64		227
Amortization of goodwill	195	218	22		777
Others	914	1,096	182		3,886
Operating income	6,211	6,418	207	3.3	24,817
Non-operating Income:	86	113	27	31.8	634
Interest income	6	2	(4)		20
Lease of real estate	44	46	1		176
Cancellation of insurance contract	1	0	(0)		10
Compensation received	6	2	(4)		22
Commission earned	2	0	(1)		28
Income from maintenance of satellite terminals	-	24	24		-
Other income	24	37	12		375
Non-operating Expenses:	21	35	13	64.2	90
Interest expense	8	17	9		49
Fees on syndicated loan	-	-	-		3
Other expenses	13	18	4		38
Recurring profit	6,275	6,496	220	3.5	25,360

(millions of yen)

	Three Months Ended June 30, 2006	Three Months Ended June 30, 2007	Amount of Change Rate of Change		Year Ended March 31, 2007
Extraordinary gains:	11	7	(4)	(36.6)	174
Gain on sales of property and equipment	0	0	0		151
Reversal of allowance for doubtful accounts	10	5	(5)		23
Other extraordinary gains	-	0	0		-
Extraordinary losses:	69	1	(68)	(98.4)	116
Loss on sales of property and equipment	0	0	0		0
Loss on disposal of property and equipment	0	0	0		34
Impairment loss on fixed assets	-	-	-		12
Loss on prior term adjustments	46	-	(46)		46
Other extraordinary losses	22	-	(22)		22
Income before income taxes and minority interests	6,217	6,502	284	4.6	25,419
Income taxes	2,666	2,794	127	4.8	10,700
Minority interests in net income of consolidated subsidiaries	78	104	26	33.7	327
Net income	3,472	3,602	130	3.8	14,390

3. Consolidated Statements of Cash Flows

(millions of yen)

	Three Months Ended June 30, 2006	Three Months Ended June 30, 2007	Year Ended March 31, 2007
Cash flows from operating activities:			
Income before income taxes and minority interests	6,217	6,502	25,419
Adjustments for:	1,202	1,298	5,253
Depreciation and amortization			
Impairment loss on fixed assets	-	-	12
Amortization of goodwill	195	218	777
Increase (decrease) in allowance for doubtful accounts	(261)	1	(264)
Increase in allowance for bonus	225	212	76
Increase in employee retirement benefit liability	1	3	6
Increase in accrued severance indemnities for officers	3	(419)	39
Interest and dividend income	(6)	(2)	(25)
Interest expense	8	17	49
Gain (Loss) on sale and disposal of property and equipment	0	0	(118)
Loss on sale and disposal of intangible assets	0	-	0
Net change in due from/to member dealers at auction	(89)	(204)	248
Increase in trade notes and accounts receivable	(169)	(80)	(1,244)
Increase (decrease) in trade notes and accounts payable	23	(103)	190
Decrease in deposits received	(596)	(36)	(18)
Bonuses paid to directors and statutory auditors	(74)	-	(74)
Other, net	(313)	(423)	1,033
Sub-total	6,368	6,984	31,363

(millions of yen)

	Three Months Ended June 30, 2006	Three Months Ended June 30, 2007	Year Ended March 31, 2007
Interest and dividend received	1	1	15
Interest paid	(8)	(4)	(49)
Income taxes paid	(5,532)	(6,450)	(10,319)
Net cash provided by operating activities	829	531	21,009
Cash flows from investing activities:			
Net increase (decrease) in time deposits	(300)	-	500
Acquisition of property and equipment	(3,450)	(932)	(13,186)
Proceeds from sale of property and equipment	1	5	231
Purchase of intangible assets	(98)	(155)	(454)
Purchase of investment securities	-	(0)	(300)
Proceeds from sale of investment securities	-	100	472
Increase in long-term prepaid expenses	(129)	(37)	(137)
Purchase of shares of consolidated subsidiary	-	-	(0)
Proceeds from purchase of shares of subsidiary excluded from the consolidation scope	-	50	123
Other, net	259	3	211
Net cash used in investing activities	(3,717)	(966)	(12,539)

(millions of yen)

	Three Months Ended June 30, 2006	Three Months Ended June 30, 2007	Year Ended March 31, 2007
Cash flows from financing activities:			
Net decrease in short-term borrowings	(50)	-	(610)
Proceeds from long-term debt	-	-	2,450
Repayments of long-term debt	-	(593)	(1,844)
Proceeds from guarantee deposits received from member dealers	75	85	283
Repayment of guarantee deposits received from member dealers	(29)	(40)	(89)
Issuance of new shares	235	83	664
Payments for the purchases of treasury stock	(0)	(0)	(4,525)
Dividends paid	(1,536)	(1,596)	(3,144)
Net cash used in financing activities	(1,305)	(2,062)	(6,815)
Increase (decrease) in cash and cash equivalents	(4,193)	(2,497)	1,654
Cash and cash equivalents at beginning of period	19,495	21,149	19,495
Cash and cash equivalents at end of period	15,301	18,652	21,149