

Consolidated Earning Results for the Third Quarter ended December 31, 2007

January 29, 2008

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

Stock Code : 4732

(URL <http://www.ussnet.co.jp>)

President : Yukihiro Ando

Contact : Masafumi Yamanaka

Junior Managing Director & Officer of Supervisory Office

Stock Exchanges Listings : Tokyo and Nagoya

Phone : +81-52-689-1129

1. Consolidated Results for the Third Quarter ended December 31, 2007 (April 1, 2007 – December 31, 2007)

(1) Consolidated Operating Results (millions of yen)

	Operating revenues	Operating income	Recurring profit
Nine months ended Dec. 31, 2007	50,354 7.4%	19,554 8.7%	19,793 7.5%
Nine months ended Dec. 31, 2006	46,884 6.6%	17,982 6.6%	18,404 7.7%
Year ended March 31, 2007	64,568	24,817	25,360

	Net income	Net income per share (yen)	Diluted net income Per share (yen)
Nine months ended Dec. 31, 2007	10,891 6.5%	340.58	340.51
Nine months ended Dec. 31, 2006	10,223 5.2%	317.03	316.64
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 Dec. 31, 2007	134,488	113,332	84.0	3,525.67
As of Dec. 31, 2006	125,625	103,367	81.6	3,187.34
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 end of period
Nine months ended Dec. 31, 2007	8,363	(4,942)	(4,536)	20,034
Nine months ended Dec. 31, 2006	8,987	(9,245)	(3,716)	15,521
Year ended March 31, 2007	21,009	(12,539)	(6,815)	21,149

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

The consolidated financial forecasts for the interim and the fiscal year ending March 31, 2008 have not been changed from those announced on November 6, 2007.

The projected net income per share has been amended to reflect the changes in the number of shares due to the execution of stock option rights.

(millions of yen)

	Operating revenues	Operating income	Recurring profit	Net income	Net income per share (yen)
For the year	69,350 7.4%	26,600 7.2%	26,900 6.1%	15,100 4.9%	471.51

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

3. Other Information

- (1) Significant change of subsidiaries during the term (changes of specified subsidiaries that affected the scope of consolidated reporting): None
- (2) Adoption of simplified accounting method: Yes
- (3) Change in accounting method from the most recent fiscal year: None

Note: The above forecast has been prepared based on information available at the time of this writing. However, actual performance is subject to various factors and is therefore to change.

Consolidated Financial Statements

1. Consolidated Balance Sheets

(millions of yen)

	As of Dec. 31, 2006	As of Dec.31, 2007	Amount of Change Rate of Change		As of Mar. 31, 2007
Assets				%	
Current assets:					
Cash and cash equivalents	15,521	20,034	4,512		21,149
Receivables due from member dealers at auction	3,069	3,268	199		14,983
Trade notes and accounts receivable	854	2,838	1,983		1,957
Inventories	913	1,139	226		1,061
Other current assets	2,483	2,048	(434)		1,960
Allowance for doubtful accounts	(26)	(56)	(30)		(46)
Total current assets	22,816	29,274	6,457	28.3	41,066
Fixed assets:					
Property and equipment					
Buildings and structures	37,488	36,599	(889)		36,793
Land	47,634	51,273	3,639		48,910
Construction in progress	718	297	(421)		1,519
Other property and equipment	5,394	4,981	(412)		5,252
Total property and equipment	91,235	93,152	1,916	2.1	92,476
Intangible assets					
Goodwill	2,504	2,075	(429)		2,532
Other intangible assets	994	1,320	325		1,173
Total intangible assets	3,499	3,395	(103)	(3.0)	3,706
Investments and other assets					
Investments and other assets	8,204	8,789	584		9,040
Allowance for doubtful accounts	(131)	(123)	8		(117)
Total investments and other assets	8,073	8,666	593	7.3	8,922
Total fixed assets	102,808	105,214	2,406	2.3	105,105
Total assets	125,625	134,488	8,863	7.1	146,172

(millions of yen)

	As of Dec. 31, 2006	As of Dec.31, 2007	Amount of Change Rate of Change		As of Mar. 31, 2007
Liabilities				%	
Current liabilities:					
Payables due to member dealers at auction	3,858	4,536	678		16,811
Short-term borrowings	2,666	2,305	(360)		2,305
Income taxes payable	2,934	2,693	(240)		5,945
Allowance for bonus	106	212	105		417
Allowance for directors' and statutory auditors' bonuses	47	-	(47)		-
Other current liabilities	4,545	4,612	66		7,030
Total current liabilities	14,157	14,360	203	1.4	32,510
Long-term debt:					
Long-term borrowings	3,584	1,884	(1,699)		3,049
Long-term accounts payable	-	543	543		-
Employee retirement benefit liability	98	126	28		114
Directors' and statutory auditors' severance indemnities	402	1	(400)		421
Guarantee deposits received from member dealers	3,545	3,768	223		3,617
Other long-term liabilities	470	470	-		470
Total long-term debt	8,100	6,795	(1,305)	(16.1)	7,674
Total liabilities	22,257	21,156	(1,101)	(4.9)	40,184
Equity					
Shareholders' equity					
Common stock	18,549	18,881	332	1.8	18,581
Additional paid-in capital	27,660	27,992	332	1.2	27,692
Retained earnings	65,146	76,613	11,466	17.6	69,237
Treasury stock	(4,134)	(5,770)	(1,635)	-	(5,770)
Total shareholders' equity	107,221	117,716	10,495	9.8	109,741
Valuation and translation adjustments					
Net unrealized gains on available-for-sale securities	220	169	(50)	(22.8)	223
Land revaluation decrement	(4,980)	(4,979)	0	-	(4,978)
Total valuation and translation adjustments	(4,760)	(4,809)	(49)	-	(4,755)
Share warrant	-	1	1	-	-
Minority interests in consolidated subsidiaries	906	424	(481)	(53.1)	1,002
Total equity	103,367	113,332	9,965	9.6	105,988
Total liabilities and equity	125,625	134,488	8,863	7.1	146,172

2. Consolidated Statements of Income

(millions of yen)

	Nine Months Ended Dec. 31, 2006	Nine Months Ended Dec 31, 2007	Amount of Change		Year Ended March 31, 2007
			Rate of Change	%	
Operating Revenues	46,884	50,354	3,469	7.4	64,568
Costs of revenues	20,054	21,747	1,692	8.4	27,580
Gross profit	26,830	28,606	1,776	6.6	36,988
Selling, general and administrative expenses:	8,848	9,052	204	2.3	12,171
Advertising	753	582	(171)		1,115
Sales promotion expenses	1,181	1,425	244		1,731
Provision for doubtful accounts	7	27	20		17
Remuneration for directors and statutory auditors	288	352	63		394
Provision for directors' and statutory Auditors' bonuses	47	-	(47)		-
Employee salaries and bonuses	2,489	2,573	84		3,245
Bonuses for directors and statutory auditors	-	-	-		83
Provision for bonuses	65	100	35		205
Depreciation	345	375	30		487
Taxation	195	144	(50)		227
Amortization of goodwill	584	633	48		777
Others	2,889	2,836	(53)		3,886
Operating income	17,982	19,554	1,572	8.7	24,817
Non-operating Income:	483	312	(171)	(35.4)	634
Interest income	11	8	(2)		20
Lease of real estate	132	132	(0)		176
Cancellation of insurance contract	8	2	(5)		10
Compensation received	19	7	(12)		22
Commission earned	21	14	(6)		28
Other income	288	145	(143)		375
Non-operating Expenses:	60	72	11	19.4	90
Interest expense	33	47	14		49
Fees on syndicated loan	-	-	-		3
Other expenses	27	24	(2)		38
Recurring profit	18,404	19,793	1,388	7.5	25,360

(millions of yen)

	Nine Months Ended Dec. 31, 2006	Nine Months Ended Dec. 31, 2007	Amount of Change Rate of Change		Year Ended March 31, 2007
Extraordinary gains:	177	20	(157)	% (88.7)	174
Gain on sales of property and equipment	147	6	(141)		151
Reversal of allowance for doubtful accounts	29	12	(16)		23
Other extraordinary gains	-	0	0		-
Extraordinary losses:	100	207	106	106.8	116
Loss on sales of property and equipment	0	1	0		0
Loss on disposal of property and equipment	30	24	(6)		34
Impairment loss on fixed assets	-	-	-		12
Retirement benefits to directors	-	123	123		-
Cancellation fees for lease and other contracts	-	40	40		-
Loss on prior term adjustments	46	16	(29)		46
Other extraordinary losses	22	1	(21)		22
Income before income taxes and minority interests	18,482	19,606	1,124	6.1	25,419
Income taxes	8,026	8,513	486	6.1	10,700
Minority interests in net income of consolidated subsidiaries	231	201	(29)	(12.8)	327
Net income	10,223	10,891	667	6.5	14,390

3. Consolidated Statements of Cash Flows

(millions of yen)

	Nine Months Ended Dec. 31, 2006	Nine Months Ended Dec. 31, 2007	Year Ended March 31, 2007
Cash flows from operating activities:			
Income before income taxes and minority interests	18,482	19,606	25,419
Adjustments for:	3,831	4,090	5,253
Depreciation and amortization			
Impairment loss on fixed assets	-	-	12
Amortization of goodwill	584	633	777
Increase (decrease) in allowance for doubtful accounts	(267)	11	(264)
Increase (decrease) in allowance for bonus	(231)	(205)	76
Increase in allowance for directors' and statutory auditors' bonuses	47	-	-
Increase in employee retirement benefit liability	3	11	6
Increase (decrease) in accrued severance indemnities for officers	19	(419)	39
Interest and dividend income	(15)	(15)	(25)
Interest expense	33	47	49
Gain (Loss) on sale and disposal of property and equipment	(118)	15	(118)
Loss on sale and disposal of intangible assets	0	0	0
Net change in due from/to member dealers at auction	(789)	(565)	248
Increase in trade notes and accounts receivable	(141)	(880)	(1,244)
Increase (decrease) in trade notes and accounts payable	29	(134)	190
Decrease in deposits received	(1,721)	(1,679)	(18)
Bonuses paid to directors and statutory auditors	(74)	-	(74)
Other, net	(317)	(382)	1,033
Sub-total	19,354	20,133	31,363
Interest and dividend received	10	14	15
Interest paid	(16)	(36)	(49)
Income taxes paid	(10,359)	(11,748)	(10,319)
Net cash provided by operating activities	8,987	8,363	21,009

(millions of yen)

	Nine Months Ended Dec. 31, 2006	Nine Months Ended Dec. 31, 2007	Year Ended March 31, 2007
Cash flows from investing activities:			
Net increase in time deposits	500	-	500
Acquisition of property and equipment	(10,331)	(4,162)	(13,186)
Proceeds from sale of property and equipment	225	12	231
Purchase of intangible assets	(219)	(381)	(454)
Purchase of investment securities	-	(0)	(300)
Proceeds from sale of investment securities	472	101	472
Increase in long-term prepaid expenses	(142)	(40)	(137)
Purchase of shares of consolidated subsidiary	(0)	(658)	(0)
Proceeds from purchase of shares of subsidiary excluded from the consolidation scope	-	50	123
Other, net	249	137	211
Net cash used in investing activities	(9,245)	(4,942)	(12,539)
Cash flows from financing activities:			
Net decrease in short-term borrowings	(200)	-	(610)
Proceeds from long-term debt	2,000	-	2,450
Repayments of long-term debt	(750)	(1,745)	(1,844)
Proceeds from guarantee deposits received from member dealers	207	222	283
Repayment of guarantee deposits received from member dealers	(63)	(96)	(89)
Issuance of new shares	599	599	664
Payments for the purchases of treasury stock	(2,366)	(0)	(4,525)
Dividends paid	(3,144)	(3,515)	(3,144)
Net cash used in financing activities	(3,716)	(4,536)	(6,815)
Increase (decrease) in cash and cash equivalents	(3,973)	(1,115)	1,654
Cash and cash equivalents at beginning of period	19,495	21,149	19,495
Cash and cash equivalents at end of period	15,521	20,034	21,149