

## Consolidated Earning Results for Fiscal 2004

May 17, 2005

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

Stock Exchanges Listings: Tokyo and Nagoya

Stock Code: 4732

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Director &

General Manager of Finance Department

### 1. Consolidated Results for Fiscal 2004 (April 1, 2004 – March 31, 2005)

#### (1) Consolidated Operating Results

(millions of yen)

	Operating revenues	Operating income	Recurring profit
Year ended March 31, 2005	50,484	20,673	21,096
Year ended March 31, 2004	42,425	18,017	18,207

	Net income	Net income per share ( yen )	Diluted net income per share ( yen )	Return on equity ( % )	Recurring profit on equity ( % )	Recurring profit margin ( % )
Year ended March 31, 2005	11,814	377.69	366.03	15.5	20.3	41.8
Year ended March 31, 2004	8,907	300.72	277.76	16.0	20.1	42.9

#### (2) Consolidated Financial Position

(millions of yen)

	Total assets	Shareholders' equity	Equity ratio ( % )	Shareholders' equity per share ( yen )
As of March 31, 2005	115,704	84,877	73.4	2,652.32
As of March 31, 2004	92,538	67,497	72.9	2,189.02

#### (3) Consolidated Cash Flows

(millions of yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the period
Year ended March 31, 2005	16,296	( 18,596)	2,382	15,672
Year ended March 31, 2004	11,187	( 7,743)	(3,400)	15,119

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

Consolidated subsidiaries: 15

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

Affiliates accounted for by the equity method: 0

**(5) Change in Scope of Consolidation and Application of Equity Method**

Consolidated subsidiaries

New: 3

Excluded: 2

Subsidiaries and Affiliates accounted for by the equity method

New: 0

Excluded: 1

**2. Consolidated Outlook for Fiscal 2005(April 1, 2005 – March 31, 2006)**

(millions of yen)

	Operating revenues	Recurring profit	Net income
Interim	28,900	11,200	6,300
For the year	61,000	22,900	12,500

Reference: Projected net income per share for the year: ¥390.86

Consolidated Financial Statements

**1. Consolidated Balance Sheets**

(millions of yen)

	As of March 31, 2005		As of March 31, 2004	
<b>Assets</b>		%		%
<b>Current assets:</b>				
Cash and cash equivalents	15,818		15,168	
Receivables due from member dealers at auction	8,847		5,344	
Trade notes and accounts receivable	296		451	
Inventories	722		492	
Prepaid expenses	324		262	
Deferred tax assets	656		726	
Other current assets	867		687	
Allowance for doubtful accounts	(50)		(73)	
Total current assets	27,483	23.8	23,061	24.9
<b>Fixed assets:</b>				
Property and equipment				
Buildings and structures	26,803		18,333	
Vehicles and other transport equipment	494		118	
Machinery tools and other equipment	1,611		1,604	
Land	43,188		38,077	
Construction in progress	3,390		3,319	
Total property and equipment	75,488	65.2	61,454	66.4
Intangible assets				
Excess of cost of investments in consolidated subsidiaries over the fair value of net assets	3,100		271	
Other intangible assets	709		720	
Total intangible assets	3,809	3.3	992	1.1
Investments and other assets				
Investment securities	1,962		1,509	
Long-term loans	10		-	
Long-term prepaid expenses	166		189	

(millions of yen)

	As of March 31, 2005		As of March 31, 2004	
		%		%
Deferred tax assets	699		588	
Deferred tax assets for revaluation	3,351		3,461	
Investment property	1,726		-	
Other investments and assets	1,315		1,753	
Allowance for doubtful accounts	(307)		(472)	
Total investments and other assets	8,923	7.7	7,030	7.6
Total fixed assets	88,221	76.2	69,477	75.1
<b>Total assets</b>	<b>115,704</b>	<b>100.0</b>	<b>92,538</b>	<b>100.0</b>

(millions of yen)

	As of March 31, 2005		As of March 31, 2004	
<b>Liabilities, Minority Interests and Shareholders' Equity</b>		%		%
<b>Current liabilities:</b>				
Payables due to member dealers at auction	9,573		4,828	
Bonds payable due within one year	200		100	
Short-term borrowings	3,659		1,683	
Income taxes payable	4,517		4,777	
Deposits received	1,400		1,194	
Allowance for bonus	302		254	
Other current liabilities	3,033		2,633	
Total current liabilities	22,687	19.6	15,472	16.7
<b>Long-term debt:</b>				
Bond	-		200	
Convertible bond	631		3,688	
Long-term borrowings	3,000		1,660	
Employee retirement benefit liability	76		98	
Accrued severance indemnities for officers	349		320	
Allowance for loss on contingency	-		52	
Guarantee deposits received from member dealers	3,157		2,793	
Total long-term debt	7,214	6.2	8,812	9.6
Total liabilities	29,901	25.8	24,284	26.3
<b>Minority interests in consolidated subsidiaries:</b>				
Minority interests in consolidated subsidiaries	925	0.8	756	0.8

(millions of yen)

	As of March 31, 2005		As of March 31, 2004	
<b>Shareholders' equity:</b>		%		%
Common stock	17,580	15.1	15,600	16.8
Additional paid-in capital	24,755	21.4	19,589	21.2
Retained earnings	47,167	40.8	37,264	40.3
Land revaluation decrement	(4,915)	(4.2)	(5,147)	(5.6)
Net unrealized gains on available-for-sale securities	300	0.3	198	0.2
Treasury stock	(11)	(0.0)	(8)	(0.0)
Total shareholders' equity	84,877	73.4	67,497	72.9
Total liabilities, minority interests and shareholders' equity	115,704	100.0	92,538	100.0

## 2 . Consolidated Statements of Income

(millions of yen)

	Year Ended March 31, 2005		Year Ended March 31, 2004	
<b>Operating revenues</b>	50,484	100.0	42,425	100.0
<b>Costs of revenues</b>	19,988	39.6	15,305	36.1
<b>Gross profit</b>	30,496	60.4	27,120	63.9
<b>Selling, general and administrative expenses:</b>	9,823	19.5	9,103	21.4
Advertising	1,551		1,333	
Sales promotion expenses	1,263		1,222	
Provision for doubtful accounts	16		221	
Remuneration for directors and statutory auditors	319		275	
Employee salaries and bonuses	2,864		2,503	
Provision for bonuses	157		150	
Depreciation	305		224	
Taxation	257		527	
Amortization of excess of cost of investments in consolidated subsidiaries over the fair value of net assets	81		100	
Corporate enterprise taxes	168		-	
Others	2,836		2,543	
Operating income	20,673	40.9	18,017	42.5
<b>Non-operating Income:</b>	538	1.1	443	1.0
Interest and dividend income	8		6	
Lease of real estate	78		85	
Cancellation of insurance contract	15		50	
Compensation received	18		19	
Car washing earned	-		8	
Commission earned	50		103	
Equity in gain of affiliated company	-		0	
Other income	368		168	
<b>Non-operating Expenses:</b>	115	0.2	253	0.6
Interest expenses	59		100	
Fees on syndicated loans	23		88	

(millions of yen)

	Year Ended March 31, 2005		Year Ended March 31, 2004	
		%		%
Other expenses	32		64	
Recurring profit	21,096	41.8	18,207	42.9
<b>Extraordinary gains:</b>	366	0.7	82	0.2
Gain on sales of property and equipment	205		45	
Gain on forfeiture of warrants	-		1	
Reversal of allowance for doubtful accounts	59		20	
Gain on sales of investment securities	54		-	
Reversal of allowance for loss on contingency	-		7	
Gain on prior year adjustments	46		7	
<b>Extraordinary losses:</b>	850	1.7	2,114	5.0
Loss on sales of property and equipment	35		1,501	
Loss on disposal of property and equipment	89		548	
Severance pay for directors and statutory auditors	15		29	
Loss on write-down of investment securities	-		30	
Loss on liquidation of subsidiaries	41		-	
Impairment loss	556		-	
Loss on equity share fluctuation in consolidated subsidiary	98		-	
Other extraordinary losses	15		4	
Income before income taxes and minority interests	20,612	40.8	16,175	38.1
Income taxes	8,492	16.8	8,187	19.3
Deferred tax	110	0.2	(1,204)	(2.8)
Minority interest in net income of consolidated subsidiaries	194	0.4	284	0.6
Net income	11,814	23.4	8,907	21.0

### 3. Statements of Consolidated Retained Earnings

(millions of yen)

	Year Ended March 31, 2005		Year Ended March 31, 2004	
<b>Balance at beginning of period</b>		37,264		27,761
<b>Appropriations</b>				
Cash dividends	1,700		1,307	
Bonuses to directors and statutory auditors	45	1,746	36	1,344
<b>Net income</b>	11,814		8,907	
Reversal of land revaluation decrement	(164)	11,649	1,939	10,846
<b>Balance at end of period</b>		47,167		37,264

#### 4. Consolidated Statements of Cash Flows

(millions of yen)

	Year Ended March 31, 2005	Year Ended March 31, 2004
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	20,612	16,175
Adjustments for:	2,968	1,837
Depreciation and amortization		
Impairment loss	556	-
Amortization of excess of cost of investments in consolidated subsidiaries over the fair value of net assets	81	100
Equity in gains of affiliated companies	-	(0)
Loss on equity share fluctuation in consolidated subsidiary	98	-
Gain on forfeiture of warrants	-	(1)
Increase (decrease) in allowance for doubtful accounts	(190)	200
Increase in allowance for bonus	24	54
Decrease in employee retirement benefit liability	(21)	(3)
Decrease in allowance for loss on contingency	(52)	(7)
Increase in accrued severance indemnities for officers	28	23
Interest and dividend income	(12)	(9)
Interest expenses	59	100
Gain on sales of investment securities	(54)	-
Loss on write-down of investment securities	-	30
Loss on liquidation of subsidiaries	41	-
Gain (loss) on sale and disposal of property and equipment	(84)	1,578
Loss on sale and disposal of intangible assets	0	0
Net change in due from/to member dealers at auction	1,247	777
Increase (decrease) in trade notes and accounts receivable	154	(24)
Increase (decrease) in deposits received	112	(849)
Bonuses paid to directors and statutory auditors	(48)	(38)

(millions of yen)

	Year Ended March 31, 2005	Year Ended March 31, 2004
Other, net	(425)	(639)
Sub-total	25,095	19,304
Interest and dividend received	12	9
Interest paid	(59)	(103)
Income taxes paid	(8,752)	(8,022)
Net cash provided by operating activities	16,296	11,187
<b>Cash flows from investing activities</b>		
Net increase(decrease) in time deposits	(96)	231
Acquisition of property and equipment	(18,766)	(17,825)
Proceeds from sale of property and equipment	589	10,382
Purchase of intangible assets	(140)	(182)
Proceeds from sale of intangible assets	3	0
Payments for purchase of investment securities	(21)	(41)
Proceeds from sale of investment securities	104	-
Increase in long-term prepaid expenses	(45)	(132)
Purchase of shares of consolidated subsidiary	(225)	(130)
Other, net	1	(46)
Net cash used in investing activities	(18,596)	(7,743)

(millions of yen)

	Year Ended March 31, 2005	Year Ended March 31, 2004
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	628	(134)
Proceeds from long-term debt	4,000	100
Repayments of long-term debt	(1,727)	(3,574)
Proceeds from guarantee deposits received from member dealers	306	318
Repayment of guarantee deposits received from member dealers	(77)	(89)
Redemption of bonds	(100)	-
Issuance of new shares	901	1,248
Proceeds from issuance of shares of consolidated subsidiary	155	44
Payments for the purchases of treasury stock	(2)	(2)
Dividends paid	(1,700)	(1,307)
Dividends paid for minority shareholders	(2)	(2)
Net cash provided by (used in) financing activities	2,382	(3,400)
<b>Increase in cash and cash equivalents</b>	82	43
<b>Cash and cash equivalents at beginning of period</b>	15,119	15,075
<b>Increase in cash and cash equivalents upon inclusion of new consolidated subsidiary resulting from stock exchange transaction</b>	470	-
<b>Cash and cash equivalents at end of period</b>	15,672	15,119