

Consolidated Earning Results for Fiscal 2005



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Stock Code : 4732

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1. Consolidated Results for Fiscal 2005 (April 1, 2005 – March 31, 2006)

(1) Consolidated Operating Results

(millions of yen)

	Operating revenues	Operating income	Recurring profit
Year ended March 31, 2006	60,243	23,103	23,544
Year ended March 31, 2005	50,484	20,673	21,096

	Net income (millions of yen)	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, 2006	13,203	407.08	406.03	14.5	19.0	39.1
Year ended March 31, 2005	11,814	377.69	366.03	15.5	20.3	41.8

(2) Consolidated Financial Position

(millions of yen)

	Total assets	Shareholders' equity	Equity ratio (%)	Shareholders' equity per share (yen)
As of March 31, 2006	131,908	97,391	73.8	3,008.92
As of March 31, 2005	115,704	84,877	73.4	2,652.32

(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, 2006	20,868	(12,147)	(4,897)	19,495
Year ended March 31, 2005	16,296	(18,596)	2,382	15,672

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

Consolidated subsidiaries: 16

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: 2

Excluded: 1

Subsidiaries and Affiliates accounted for by the equity method

New: 0

Excluded: 0

2. Consolidated Outlook for Fiscal 2006 (April 1, 2006 – March 31, 2007)

(millions of yen)

	Operating revenues	Recurring profit	Net income
Interim	31,350	11,900	6,400
For the year	65,100	25,000	13,900

Reference: Projected net income per share for the year: ¥429.76

Consolidated Financial Statements

1. Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2006		As of March 31, 2005	
Assets		%		%
Current assets:				
Cash and cash equivalents	19,995		15,818	
Receivables due from member dealers at auction	10,844		8,847	
Trade notes and accounts receivable	713		296	
Inventories	762		722	
Prepaid expenses	357		324	
Deferred tax assets	709		656	
Other current assets	992		867	
Allowance for doubtful accounts	(37)		(50)	
Total current assets	34,338	26.0	27,483	23.8
Fixed assets:				
Property and equipment				
Buildings and structures	33,975		26,803	
Machinery, vehicles and other transport equipment	1,862		494	
Fixtures and equipment	3,791		1,611	
Land	45,032		43,188	
Construction in progress	200		3,390	
Total property and equipment	84,862	64.3	75,488	65.2
Intangible assets				
Excess of cost of investments in consolidated subsidiaries over the fair value of net assets	3,090		3,100	
Other intangible assets	930		709	
Total intangible assets	4,020	3.1	3,809	3.3
Investments and other assets				
Investment securities	1,808		1,962	
Long-term loans	9		10	
Prepaid pension expenses	13		-	
Long-term prepaid expenses	244		166	

(millions of yen)

	As of March 31, 2006		As of March 31, 2005	
		%		%
Deferred tax assets	557		699	
Deferred tax assets for revaluation	3,350		3,351	
Investment property	1,722		1,726	
Other investments and assets	1,369		1,315	
Allowance for doubtful accounts	(388)		(307)	
Total investments and other assets	8,687	6.6	8,923	7.7
Total fixed assets	97,569	74.0	88,221	76.2
Total assets	131,908	100.0	115,704	100.0

(millions of yen)

	As of March 31, 2006		As of March 31, 2005	
Liabilities, Minority Interests and Shareholders' Equity				%
Current liabilities:				
Payables due to member dealers at auction	12,422		9,573	
Bonds payable due within one year	-		200	
Short-term borrowings	2,200		3,659	
Income taxes payable	5,389		4,517	
Deposits received	2,813		1,400	
Allowance for bonus	337		302	
Other current liabilities	3,329		3,033	
Total current liabilities	26,491	20.1	22,687	19.6
Long-term debt:				
Convertible bond	-		631	
Long-term borrowings	3,000		3,000	
Employee retirement benefit liability	95		76	
Accrued severance indemnities for officers	382		349	
Guarantee deposits received from member dealers	3,401		3,157	
Deferred tax liabilities for revaluation	470		-	
Total long-term debt	7,349	5.6	7,214	6.2
Total liabilities	33,841	25.7	29,901	25.8
Minority interests in consolidated subsidiaries:				
Minority interests in consolidated subsidiaries	675	0.5	925	0.8

(millions of yen)

	As of March 31, 2006		As of March 31, 2005	
Shareholders' equity:		%		%
Common stock	18,249	13.8	17,580	15.1
Additional paid-in capital	27,360	20.7	24,755	21.4
Retained earnings	58,140	44.1	47,167	40.8
Land revaluation decrement	(4,979)	(3.8)	(4,915)	(4.2)
Net unrealized gains on available-for-sale securities	389	0.3	300	0.3
Treasury stock	(1,768)	(1.3)	(11)	(0.0)
Total shareholders' equity	97,391	73.8	84,877	73.4
Total liabilities, minority interests and shareholders' equity	131,908	100.0	115,704	100.0

2 . Consolidated Statements of Income

(millions of yen)

	Year Ended March 31, 2006		Year Ended March 31, 2005	
Operating revenues	60,243	100.0	50,484	100.0
Costs of revenues	25,794	42.8	19,988	39.6
Gross profit	34,448	57.2	30,496	60.4
Selling, general and administrative expenses:	11,345	18.8	9,823	19.5
Advertising	1,269		1,551	
Sales promotion expenses	1,469		1,263	
Provision for doubtful accounts	22		16	
Remuneration for directors and statutory auditors	335		319	
Employee salaries and bonuses	3,186		2,864	
Provision for bonuses	178		157	
Depreciation	386		305	
Taxation	330		257	
Amortization of excess of cost of investments in consolidated subsidiaries over the fair value of net assets	626		81	
Corporate enterprise taxes	180		168	
Others	3,359		2,836	
Operating income	23,103	38.4	20,673	40.9
Non-operating Income:	532	0.9	538	1.1
Interest and dividend income	11		8	
Lease of real estate	146		78	
Cancellation of insurance contract	4		15	
Compensation received	22		18	
Commission earned	23		50	
Other income	325		368	
Non-operating Expenses:	92	0.2	115	0.2
Interest expenses	56		59	
Fees on syndicated loans	3		23	

(millions of yen)

	Year Ended March 31, 2006		Year Ended March 31, 2005	
		%		%
Other expenses	32		32	
Recurring profit	23,544	39.1	21,096	41.8
Extraordinary gains:	771	1.3	366	0.7
Gain on sales of property and equipment	158		205	
Reversal of allowance for doubtful accounts	38		59	
Gain on sales of investment securities	569		54	
Gain on prior year adjustments	-		46	
Other extraordinary gains	4		-	
Extraordinary losses:	1,264	2.1	850	1.7
Loss on sales of property and equipment	26		35	
Loss on disposal of property and equipment	753		89	
Severance pay for directors and statutory auditors	12		15	
Loss on write-down of investment securities	22		-	
Loss on liquidation of subsidiaries	-		41	
Impairment loss	27		556	
Loss on equity share fluctuation in consolidated subsidiary	-		98	
Loss on legal settlement	408		-	
Other extraordinary losses	13		15	
Income before income taxes and minority interests	23,051	38.3	20,612	40.8
Income taxes	9,567	15.9	8,492	16.8
Deferred tax	75	0.1	110	0.2
Minority interest in net income of consolidated subsidiaries	204	0.4	194	0.4
Net income	13,203	21.9	11,814	23.4

3. Statements of Consolidated Retained Earnings

(millions of yen)

	Year Ended March 31, 2006		Year Ended March 31, 2005	
Balance at beginning of period		47,167		37,264
Appropriations				
Cash dividends	2,172		1,700	
Bonuses to directors and statutory auditors	55		45	
Decrease in retained earnings through scope change of equity method	-		0	
Reversal of land revaluation increment	1	2,230	164	1,911
Net income	13,203	13,203	11,814	11,814
Balance at end of period		58,140		47,167

4. Consolidated Statements of Cash Flows

(millions of yen)

	Year Ended March 31, 2006	Year Ended March 31, 2005
Cash flows from operating activities:		
Income before income taxes and minority interests	23,051	20,612
Adjustments for:	4,198	2,968
Depreciation and amortization		
Impairment loss	27	556
Amortization of excess of cost of investments in consolidated subsidiaries over the fair value of net assets	626	81
Loss on equity share fluctuation in consolidated subsidiary	-	98
Decrease in allowance for doubtful accounts	(104)	(190)
Increase in allowance for bonus	19	24
Decrease in employee retirement benefit liability	(44)	(21)
Decrease in allowance for loss on contingency	-	(52)
Increase in accrued severance indemnities for officers	26	28
Interest and dividend income	(17)	(12)
Interest expenses	56	59
Gain on sales of investment securities	(569)	(54)
Loss on write-down of investment securities	22	-
Loss on liquidation of subsidiaries	-	41
Gain (loss) on sale and disposal of property and equipment	525	(84)
Loss on sale and disposal of intangible assets	3	0
Loss on legal settlement	408	-
Net change in due from/to member dealers at auction	852	1,247
Increase (decrease) in trade notes and accounts receivable	(73)	154
Increase in deposits received	1,411	112
Bonuses paid to directors and statutory auditors	(58)	(48)

(millions of yen)

	Year Ended March 31, 2006	Year Ended March 31, 2005
Other, net	(418)	(425)
Sub-total	29,941	25,095
Interest and dividend received	15	12
Interest paid	(56)	(59)
Legal settlement paid	(408)	-
Income taxes paid	(8,624)	(8,752)
Net cash provided by operating activities	20,868	16,296
Cash flows from investing activities		
Net increase (decrease) in time deposits	(353)	(96)
Acquisition of property and equipment	(12,739)	(18,766)
Proceeds from sale of property and equipment	197	589
Purchase of intangible assets	(371)	(140)
Proceeds from sale of intangible assets	-	3
Payments for purchase of investment securities	-	(21)
Proceeds from sale of investment securities	991	104
Increase in long-term prepaid expenses	(150)	(45)
Purchase of shares of consolidated subsidiary	(0)	(225)
Proceeds from purchase of shares of subsidiary excluded from the consolidation scope	122	-
Other, net	156	1
Net cash used in investing activities	(12,147)	(18,596)

(millions of yen)

	Year Ended March 31, 2006	Year Ended March 31, 2005
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(624)	628
Proceeds from long-term debt	2,000	4,000
Repayments of long-term debt	(3,009)	(1,727)
Proceeds from guarantee deposits received from member dealers	510	306
Repayment of guarantee deposits received from member dealers	(266)	(77)
Redemption of bonds	(200)	(100)
Issuance of new shares	707	901
Contribution from minority shareholders	176	-
Proceeds from issuance of shares of consolidated subsidiary	-	155
Purchase of treasury stock of consolidated subsidiaries	(260)	-
Payments for the purchases of treasury stock	(1,757)	(2)
Dividends paid	(2,172)	(1,700)
Dividends paid for minority shareholders	(2)	(2)
Net cash provided by (used in) financing activities	(4,897)	2,382
Increase in cash and cash equivalents	3,822	82
Cash and cash equivalents at beginning of period	15,672	15,119
Increase in cash and cash equivalents upon inclusion of new consolidated subsidiary resulting from stock exchange transaction	-	470
Cash and cash equivalents at end of period	19,495	15,672