



Consolidated Earning Results for Fiscal 2006

May 8, 2007

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

Stock Code : 4732

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Junior Managing Director & Officer of Supervisory Office

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

(1) Consolidated Operating Results

(millions of yen)

	Operating revenues		Operating income		Recurring profit	
Year ended March 31, 2007	64,568	7.2%	24,817	7.4%	25,360	7.7%
Year ended March 31, 2006	60,243	19.3%	23,103	11.8%	23,544	11.6%

	Net income (millions of yen)		Net income per share (yen)	Diluted net income per share (yen)
Year ended March 31, 2007	14,390	9.0%	447.12	446.62
Year ended March 31, 2006	13,203	11.8%	407.08	406.03

	Return on equity (%)	Return on assets (%)	Operating margin (%)
Year ended March 31, 2007	14.2	18.2	38.4
Year ended March 31, 2006	14.5	19.0	38.4

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

(2) Consolidated Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)	Net assets per share (yen)
As of March 31, 2007	146,172	105,988	71.8	3,287.75
As of March 31, 2006	131,908	97,391	73.8	3,008.92

(3) Consolidated Cash Flows

(millions of yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of period
Year ended March 31, 2007	21,009	(12,539)	(6,815)	21,149
Year ended March 31, 2006	20,868	(12,147)	(4,897)	19,495

2. Dividends

Reference date	Dividend per share (yen)			Total dividends (fiscal year) (millions of yen)	Dividend payout rate (consolidated) (%)	Dividend rate for net assets (consolidated) (%)
	Interim	Fiscal year end	Fiscal year			
Year ended March 31, 2006	32.50	47.50	80.00	2,589	19.7	2.8
Year ended March 31, 2007	50.00	50.00	100.00	3,204	22.4	3.2
Year ending March 31, 2008 (Estimated)	60.00	60.00	120.00		25.4	

3. 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%	225.47
For the year	69,200	7.2%	26,600	7.2%	26,900	6.1%	15,100	4.9%	472.87

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

4. Other Information

(1) 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: 1

(2) Change in Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries

New: 2

Excluded: 2

Affiliates accounted for by the equity method

New: 1

Excluded: 0

Reference: Non-consolidated Results

Non-consolidated Results for Fiscal 2006 (April 1, 2006 – March 31, 2007)

(1) Non-consolidated Operating Results

(millions of yen)

	Operating revenues		Operating income		Recurring profit	
Year ended March 31, 2007	28,579	8.4%	16,094	6.1%	17,878	14.5%
Year ended March 31, 2006	26,374	5.7%	15,163	3.6%	15,617	4.5%

	Net income (millions of yen)		Net income per share (yen)		Diluted net income Per share (yen)	
Year ended March 31, 2007	11,901	29.5%	369.77		369.36	
Year ended March 31, 2006	9,191	3.6%	283.40		282.67	

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

(2) Non-consolidated Financial Position

(millions of yen)

	Total assets	Net assets	Equity ratio (%)	Net assets per share (yen)
As of March 31, 2007	118,938	87,086	73.2	2,727.21
As of March 31, 2006	110,355	81,958	74.3	2,532.46

1. Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2007		As of March 31, 2006		Amount of Change Rate of Change	
		%		%		%
Assets						
Current assets:						
Cash and cash equivalents	21,149		19,995		1,154	
Receivables due from member dealers at auction	14,983		10,844		4,138	
Trade notes and accounts receivable	1,957		713		1,244	
Inventories	1,061		762		299	
Prepaid Expenses	182		357		(174)	
Deferred tax assets	961		709		251	
Other current assets	816		992		(176)	
Allowance for doubtful accounts	(46)		(37)		(9)	
Total current assets	41,066	28.1	34,338	26.0	6,728	19.6
Fixed assets:						
Property and equipment:						
Buildings and structures	36,793		33,975		2,818	
Machinery, vehicles and other transport equipment	1,706		1,862		(155)	
Fixtures and equipment	3,546		3,791		(244)	
Land	48,910		45,032		3,878	
Construction in progress	1,519		200		1,318	
Total property and equipment	92,476	63.3	84,862	64.3	7,614	9.0
Intangible assets:						
Excess of cost of investments in consolidated subsidiaries over the fair value of net assets	-		3,090		(3,090)	
Goodwill	2,532		-		2,352	
Other intangible assets	1,173		930		243	
Total intangible assets	3,706	2.5	4,020	3.1	(314)	(7.8)

(millions of yen)

	As of March 31, 2007		As of March 31, 2006		Amount of Change Rate of Change	
		%		%		%
Investments and other assets:						
Investment securities	1,405		1,808		(402)	
Long-term loans	7		9		(1)	
Prepaid pension expenses	38		13		25	
Long-term prepaid expenses	792		244		548	
Deferred tax assets	622		557		65	
Deferred tax assets for revaluation	3,358		3,350		8	
Investment property	1,719		1,722		(3)	
Other investments and assets	1,095		1,369		(274)	
Allowance for doubtful accounts	(117)		(388)		270	
Total investments and other assets	8,922	6.1	8,687	6.6	235	2.7
Total fixed assets	105,105	71.9	97,569	74.0	7,535	7.7
Total assets	146,172	100.0	131,908	100.0	14,263	10.8
Liabilities, minority interests and shareholders' equity						
Current liabilities:						
Payables due to member dealers at auction	16,811		12,422		4,388	
Trade notes and accounts payable	527		336		190	
Short-term borrowings	2,305		2,200		105	
Income taxes payable	5,945		5,389		555	
Deposits received	2,822		2,813		9	
Allowance for bonus	417		337		79	
Other current liabilities	3,680		2,992		688	
Total current liabilities	32,510	22.2	26,491	20.1	6,018	22.7
Long-term debt:						
Long-term borrowings	3,049		3,000		49	
Employee retirement benefit liability	114		95		19	
Directors' and statutory auditors' severance indemnities	421		382		39	
Guarantee deposits received from member dealers	3,617		3,401		215	
Deferred tax liabilities for revaluation	470		470		-	
Total long-term debt	7,674	5.3	7,349	5.6	324	4.4
Total liabilities	40,184	27.5	33,841	25.7	6,342	18.7
Minority interests in consolidated subsidiaries						
Minority interests in consolidated subsidiaries	-	-	675	0.5	-	-

(millions of yen)

	As of March 31, 2007		As of March 31, 2006		Amount of Change Rate of Change	
		%		%		%
Shareholders' equity						
Common stock	-	-	18,249	13.8	-	-
Additional paid-in capital	-	-	27,360	20.7	-	-
Retained earnings	-	-	58,140	44.1	-	-
Land revaluation decrement	-	-	(4,979)	(3.8)	-	-
Net unrealized gains on available-for-sale securities	-	-	389	0.3	-	-
Treasury stock	-	-	(1,768)	(1.3)	-	-
Total shareholders' equity	-	-	97,391	73.8	-	-
Total liabilities, minority interests and shareholders' equity	-	-	131,908	100.0	-	-
Net assets						
Shareholders' equity						
common stock	18,581	12.7	-	-	-	-
Additional paid-in capital	27,692	18.9	-	-	-	-
Retained earnings	69,237	47.4	-	-	-	-
Treasury stock	(5,770)	(3.9)	-	-	-	-
Total shareholders' equity	109,741	75.1	-	-	-	-
Valuation and translation adjustments						
Net unrealized gains on available-for-sale securities	223	0.1	-	-	-	-
Land revaluation decrement	(4,978)	(3.4)	-	-	-	-
Total valuation and translation adjustments	(4,755)	(3.3)	-	-	-	-
Minority interests in consolidated subsidiaries	1,002	0.7	-	-	-	-
Total net assets	105,988	72.5	-	-	-	-
Total liabilities and net assets	146,172	100.0	-	-	-	-

2. Consolidated Statements of Income

(millions of yen)

	Year Ended March 31, 2007			Year Ended March 31, 2006			Amount of Change Rate of Change		
			%			%			%
Operating Revenues		64,568	100.0		60,243	100.0		4,325	7.2
Costs of revenues		27,580	42.7		25,794	42.8		1,785	6.9
Gross profit		36,988	57.3		34,448	57.2		2,539	7.4
Selling, general and administrative expenses:									
Advertising	1,115			1,269			(154)		
Sales promotion expenses	1,731			1,469			262		
Provision for doubtful accounts	17			22			(5)		
Remuneration for directors and statutory auditors	394			335			59		
Employee salaries and bonuses	3,245			3,186			58		
Bonuses for directors and statutory auditors	83			-			83		
Provision for bonuses	205			178			26		
Depreciation	487			386			101		
Taxes and public charges	227			330			(103)		
Amortization of excess of cost of investments in consolidated subsidiaries over the fair value of net assets	-			626			(626)		
Amortization of goodwill	777			-			777		
Corporate enterprise tax	199			180			18		
Others	3,686	12,171	18.9	3,359	11,345	18.8	327	826	7.3
Operating income		24,817	38.4		23,103	38.4		1,713	7.4
Non-operating Income:									
Interest and dividend income	20			11			9		
Lease of real estate	176			146			30		
Cancellation of insurance contract	10			4			5		
Compensation received	22			22			0		
Commission earned	28			23			5		
Other income	375	634	1.0	325	532	0.9	50	101	19.1
Non-operating Expenses:									
Interest expense	49			56			(6)		
Fees on syndicated loan	3			3			(0)		
Costs of real estate lease	11			-			11		
Other expenses	26	90	0.1	32	92	0.2	(6)	(1)	(1.6)

(millions of yen)

	Year Ended March 31, 2007			Year Ended March 31, 2006			Amount of Change Rate of Change		
			%			%			%
Recurring profit		25,360	39.3		23,544	39.1		1,816	7.7
Extraordinary gains:									
Gain on sales of property and equipment	151			158			(7)		
Reversal of allowance for doubtful accounts	23			38			(14)		
Gain on sales of investment securities	-			569			(569)		
Other extraordinary gains	-	174	0.3	4	771	1.3	(4)	(596)	(77.3)
Extraordinary losses:									
Loss on sales of property and equipment	0			26			(25)		
Loss on disposal of property and equipment	34			753			(719)		
Severance pay for directors and statutory auditors	-			12			(12)		
Loss on write-down of investment securities	-			22			(22)		
Impairment loss on fixed assets	12			27			(14)		
Loss on legal settlement	-			408			(408)		
Loss on prior-term adjustment	46			-			46		
Other extraordinary losses	22	116	0.2	13	1,264	2.1	9	(1,147)	(90.8)
Income before income taxes and minority interests		25,419	39.4		23,051	38.3		2,367	10.3
Income taxes	10,864			9,567			1,297		
Deferred income taxes	(164)	10,700	16.6	75	9,643	16.0	(240)	1,056	11.0
Minority interests in net income of consolidated subsidiaries		327	0.5		204	0.4		123	60.2
Net income		14,390	22.3		13,203	21.9		1,187	9.0

3. Statements of Consolidated Retained Earnings

(millions of yen)

	Year Ended March. 31, 2006	
Additional paid-in capital		
Balance at beginning of period		24,755
Increase in additional paid-in capital		
Issuance of new shares for capital increase	669	
Increase in additional paid-in capital due to share exchange	1,935	2,604
Balance at end of period		27,360
Retained earnings		
Balance at beginning of period		47,167
Increase in retained earnings		
Net income	13,203	13,203
Decrease in retained earnings		
Cash dividends paid from surplus	2,172	
Bonuses for directors and statutory auditors	55	
Reversal of land revaluation decrement	1	2,230
Balance at end of period		58,140

4. Annual Consolidated Statements of Changes in Net Assets for Fiscal 2006 (Apr. 1, 2006 – Mar. 31, 2007)

(millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	18,249	27,360	58,140	(1,768)	101,982
Changes of items during the period					
Issuance of new shares	332	332	-	-	664
Cash dividends paid from surplus	-	-	(3,144)	-	(3,144)
Bonuses paid to directors and statutory auditors	-	-	(74)	-	(74)
Net income	-	-	14,390	-	14,390
Purchase of treasury stock	-	-	-	(4,525)	(4,525)
Retirement of treasury stock	-	-	(75)	523	448
Changes of other items during the period (net)	-	-	-	-	-
Total changes of items during the period	332	332	11,096	(4,001)	7,759
Balance at March 31, 2007	18,581	27,692	69,237	(5,770)	109,741

	Valuation and translation adjustments			Minority interests in consolidated subsidiaries	Total net assets
	Net unrealized gains on available-for-sale securities	Land revaluation decrement	Total valuation and translation adjustments		
Balance at March 31, 2006	389	(4,979)	(4,590)	675	98,067
Changes of items during the period					
Issuance of new shares	-	-	-	-	664
Cash dividends paid from surplus	-	-	-	-	(3,144)
Bonuses paid to directors and statutory auditors	-	-	-	-	(74)
Net income	-	-	-	-	14,390
Purchase of treasury stock	-	-	-	-	(4,525)
Retirement of treasury stock	-	-	-	-	448
Changes of other items during the period (net)	(165)	0	(164)	326	162
Total changes of items during the period	(165)	0	(164)	326	7,921
Balance at March 31, 2007	223	(4,978)	(4,755)	1,002	105,988

5. Consolidated Statements of Cash Flows

(millions of yen)

	Year Ended March 31, 2007	Year Ended March 31, 2006	Amount of Change
Cash flows from operating activities:			
Income before income taxes and minority interests	25,419	23,051	2,367
Adjustments for:	5,253	4,198	1,054
Depreciation and amortization			
Impairment loss on fixed assets	12	27	(14)
Amortization of excess of cost of investments in consolidated subsidiaries over the fair value of net assets	-	626	(626)
Amortization of goodwill	777	-	777
Decrease in allowance for doubtful accounts	(264)	(104)	(159)
Increase in allowance for bonus	76	19	56
Increase (decrease) in employee retirement benefit liability	6	(44)	50
Increase in accrued severance indemnities for officers	39	26	13
Interest and dividend income	(25)	(17)	(8)
Interest expense	49	56	(6)
Gain on sales of investment securities	-	(569)	569
Loss on write-down of investment securities	-	22	(22)
Gain (Loss) on sale and disposal of property and equipment	(118)	525	(643)
Loss on sale and disposal of intangible assets	0	3	(3)
Loss on legal settlement	-	408	(408)
Net change in due from/to member dealers at auction	248	852	(603)
Increase in trade notes and accounts receivable	(1,244)	(73)	(1,170)
Increase in trade notes and accounts payable	190	336	(146)
Increase (decrease) in deposits received	(18)	1,411	(1,429)
Bonuses paid to directors and statutory auditors	(74)	(58)	(15)
Other, net	1,033	(755)	1,789
Sub-total	31,363	29,941	1,421

(millions of yen)

	Year Ended March 31, 2007	Year Ended March 31, 2006	Amount of Change
Interest and dividend received	15	15	(0)
Interest paid	(49)	(56)	7
Legal settlement paid	-	(408)	408
Income taxes paid	(10,319)	(8,624)	(1,694)
Net cash provided by operating activities	21,009	20,868	141
Cash flows from investing activities:			
Net increase (decrease) in time deposits	500	(353)	853
Acquisition of property and equipment	(13,186)	(12,739)	(446)
Proceeds from sale of property and equipment	231	197	34
Purchase of intangible assets	(454)	(371)	(83)
Payments for purchase of investment securities	(300)	-	(300)
Proceeds from sale of investment securities	472	991	(519)
Increase in long-term prepaid expenses	(137)	(150)	13
Purchase of shares of consolidated subsidiary	(0)	(0)	0
Purchase of shares of subsidiary due to change in scope of consolidation	123	122	0
Other, net	211	156	55
Net cash used in investing activities	(12,539)	(12,147)	(391)

(millions of yen)

	Year Ended March 31, 2007	Year Ended March 31, 2006	Amount of Change
Cash flows from financing activities:			
Net decrease in short-term borrowings	(610)	(624)	14
Proceeds from long-term debt	2,450	2,000	450
Repayments of long-term debt	(1,844)	(3,009)	1,164
Proceeds from guarantee deposits received from member dealers	283	510	(226)
Repayment of guarantee deposits received from member dealers	(89)	(266)	176
Redemption of bonds	-	(200)	200
Issuance of new shares	664	707	(43)
Contribution from minority shareholders	-	176	(176)
Purchase of treasury stock of consolidated subsidiary	-	(260)	260
Payments for the purchases of treasury stock	(4,525)	(1,757)	(2,768)
Dividends paid	(3,144)	(2,172)	(971)
Dividends paid for minority shareholders	-	(2)	2
Net cash used in financing activities	(6,815)	(4,897)	(1,918)
Increase in cash and cash equivalents	1,654	3,822	(2,168)
Cash and cash equivalents at beginning of period	19,495	15,672	3,822
Cash and cash equivalents at end of period	21,149	19,495	1,654