

USS

Used car
System
Solutions

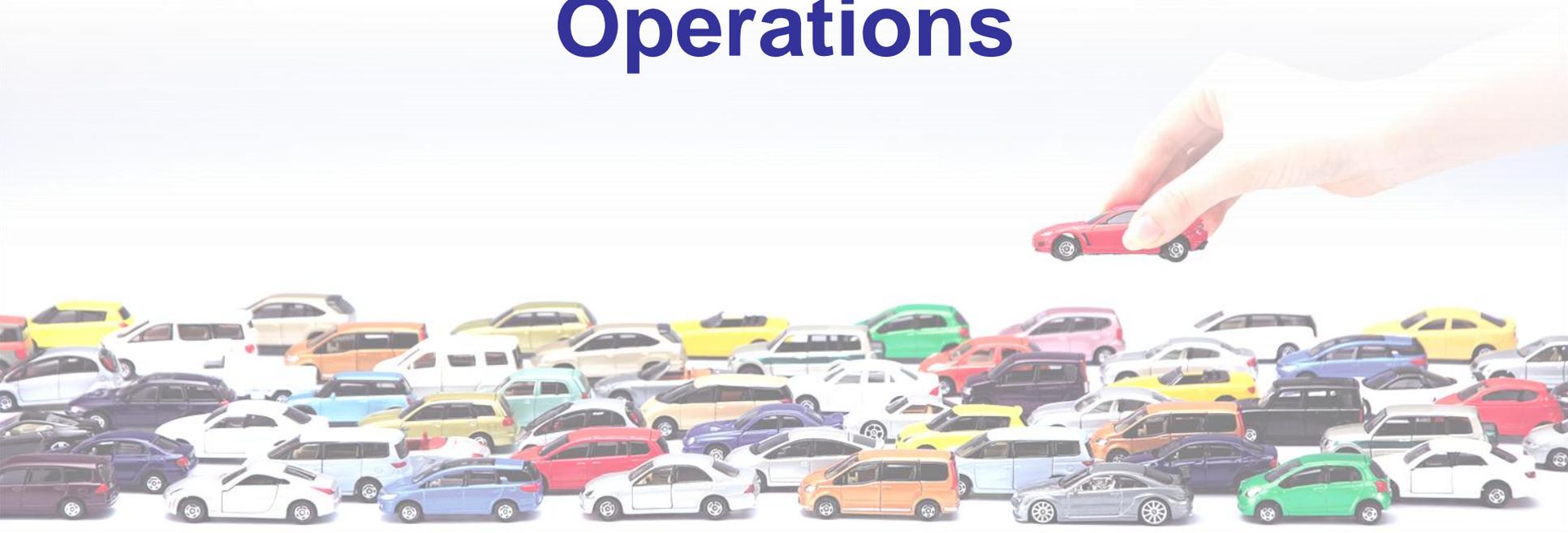
Consolidated Results of Operations

The first quarter, fiscal year ending March 31, 2013

USS Co., Ltd.
August 2012



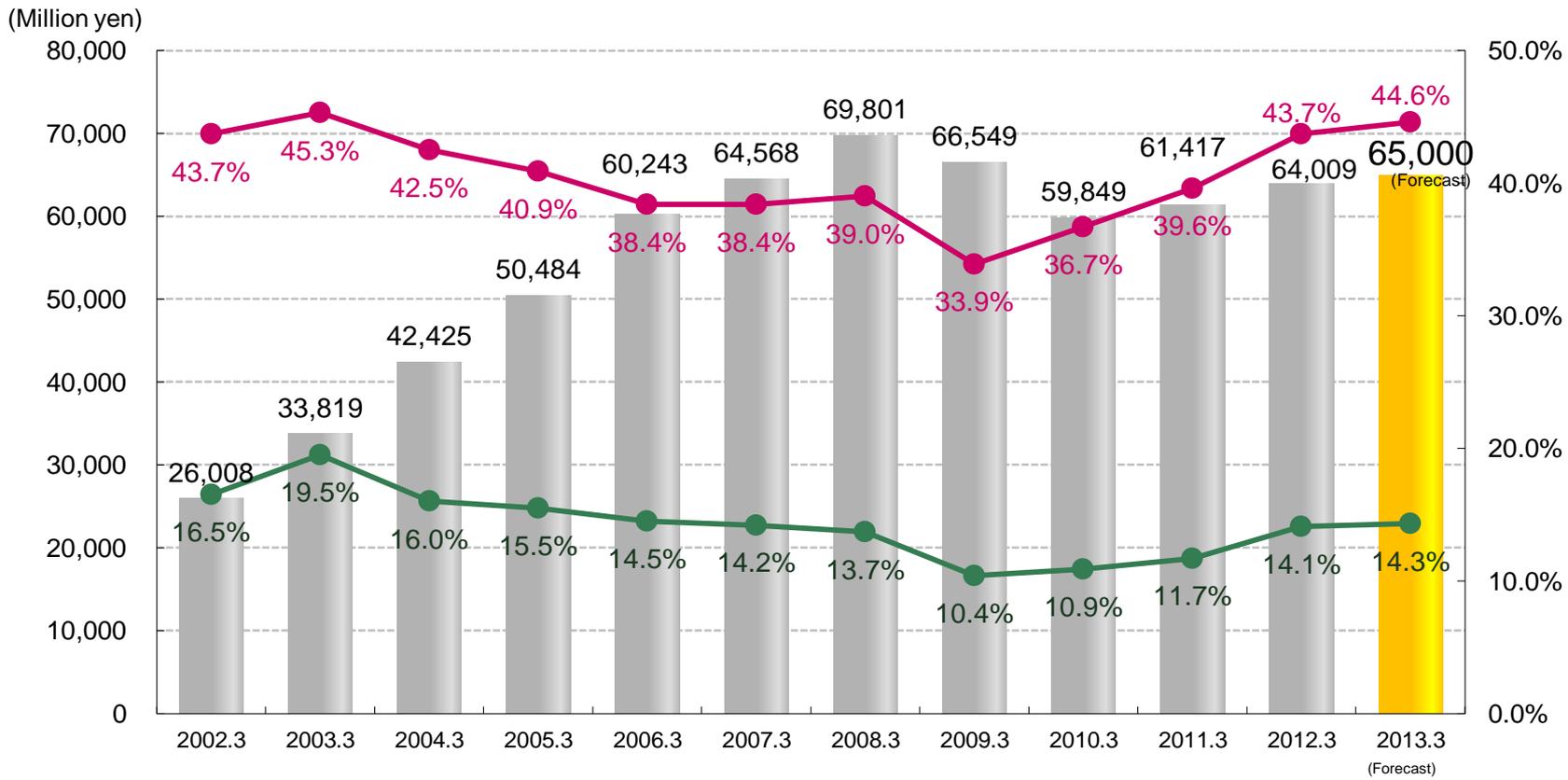
USS Profile and Results of Operations



(1) Consolidated Sales, Operating Margin and ROE

Steady medium-term growth and high profitability

■ Net sales ● Operating income ● ROE

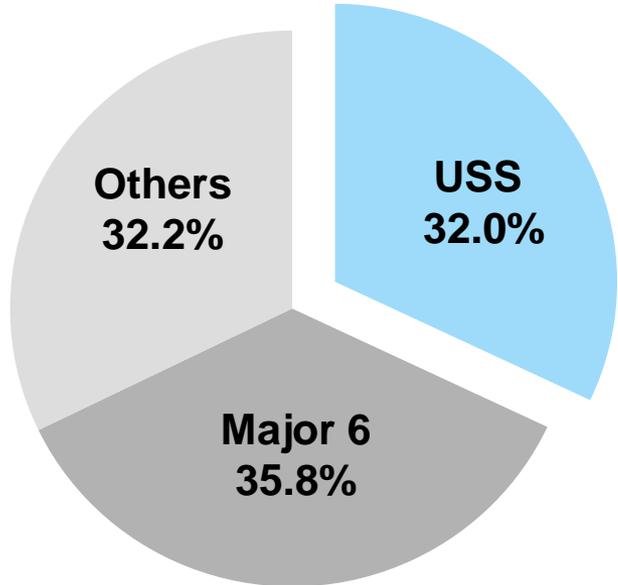


2002.3 - 2012.3
Avg. 10-year growth rate Sales 9.4% Operating income 9.4%
Avg. 10-year operating margin 39.8%
Average 10-year ROE 14.0%

(2) Competitive Edge in Japan's Auto Auction Industry

Largest Share of the Auto Auction Market

Market share (1H 2012)



*Major 6 : TAA(9.6%), JAA(8.8%), CAA(6.6%), Arai AA(4.4%), LAA(3.2%), KCAA(3.2%)

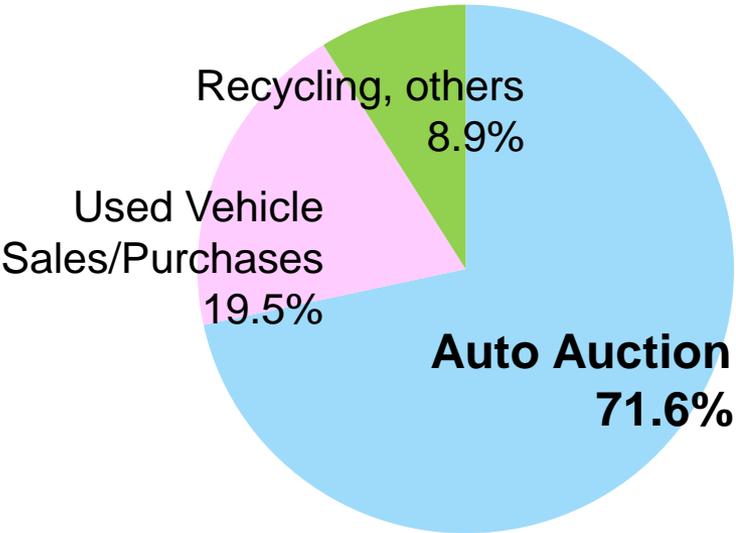
The Superiority of USS

- Overwhelming lead in the number of members: 45,000 companies
- The industry leader with 17 auction sites nationwide
- High-volume auction sites in Tokyo, Nagoya and other locations
- Off-site bidding system using satellite TV and the Internet
- USS created the industry standards for vehicle evaluations and auction systems
- A sound financial position
 - equity ratio of 80.9%

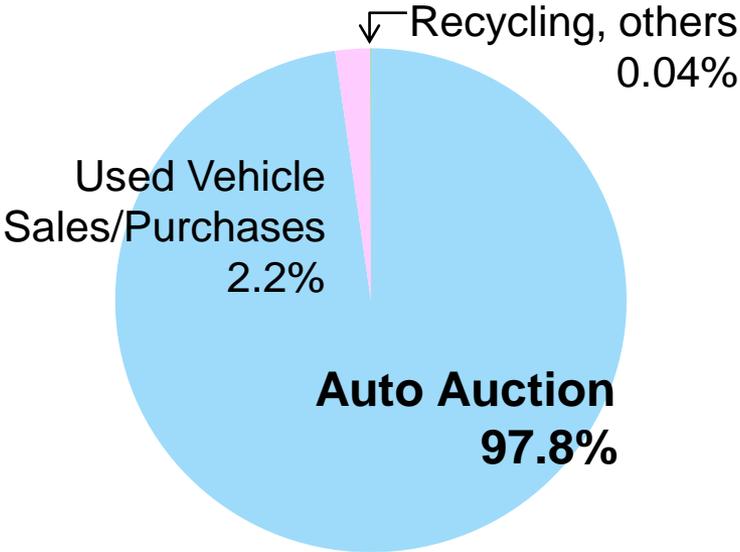
(As of end of June 2012)

(3) Breakdown of Net sales and Operating income

Sales breakdown(FY3/2012)



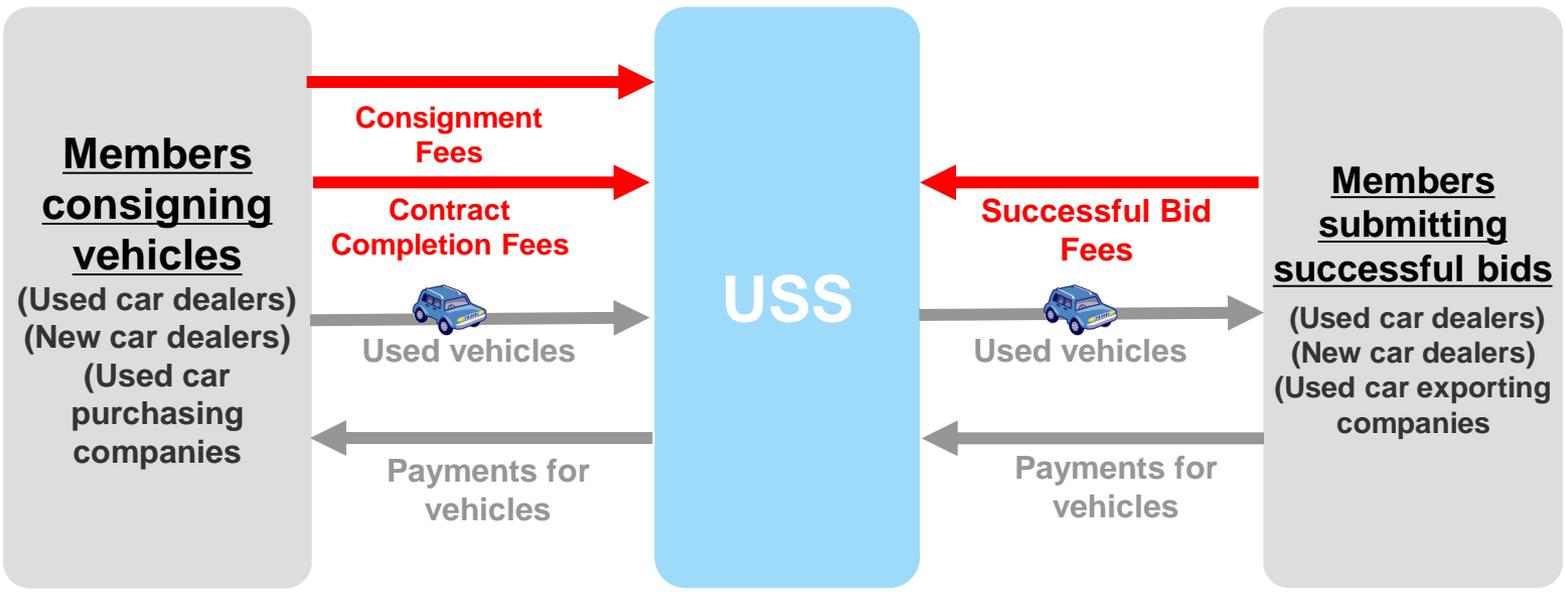
Operating income breakdown(FY3/2012)



*Sales are sales to external customers and operating income is based on business segment earnings.

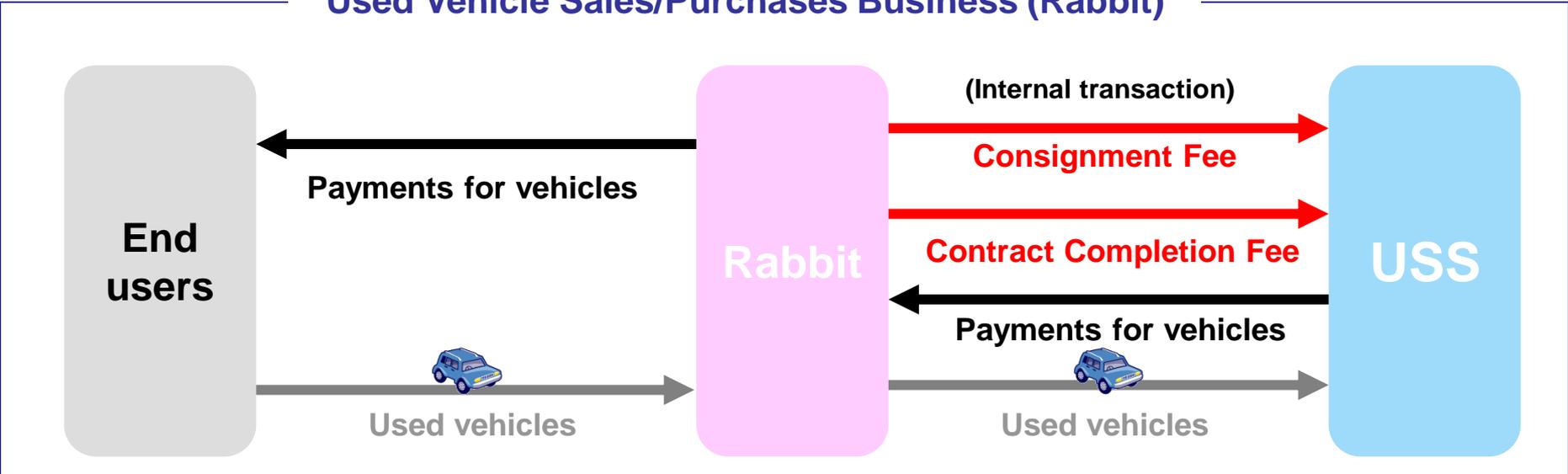
(4) Business Models for Auto Auction Business

Auto Auction Business

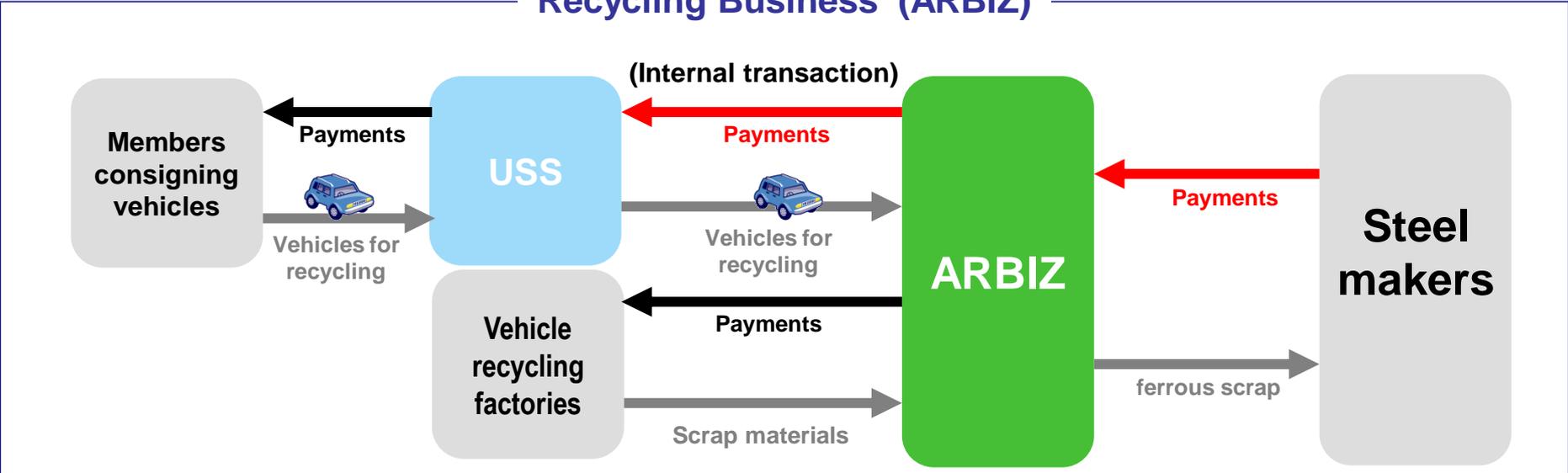


(5) Business Models for Used Vehicle Sales/Purchases Business and Recycling Business

Used Vehicle Sales/Purchases Business (Rabbit)



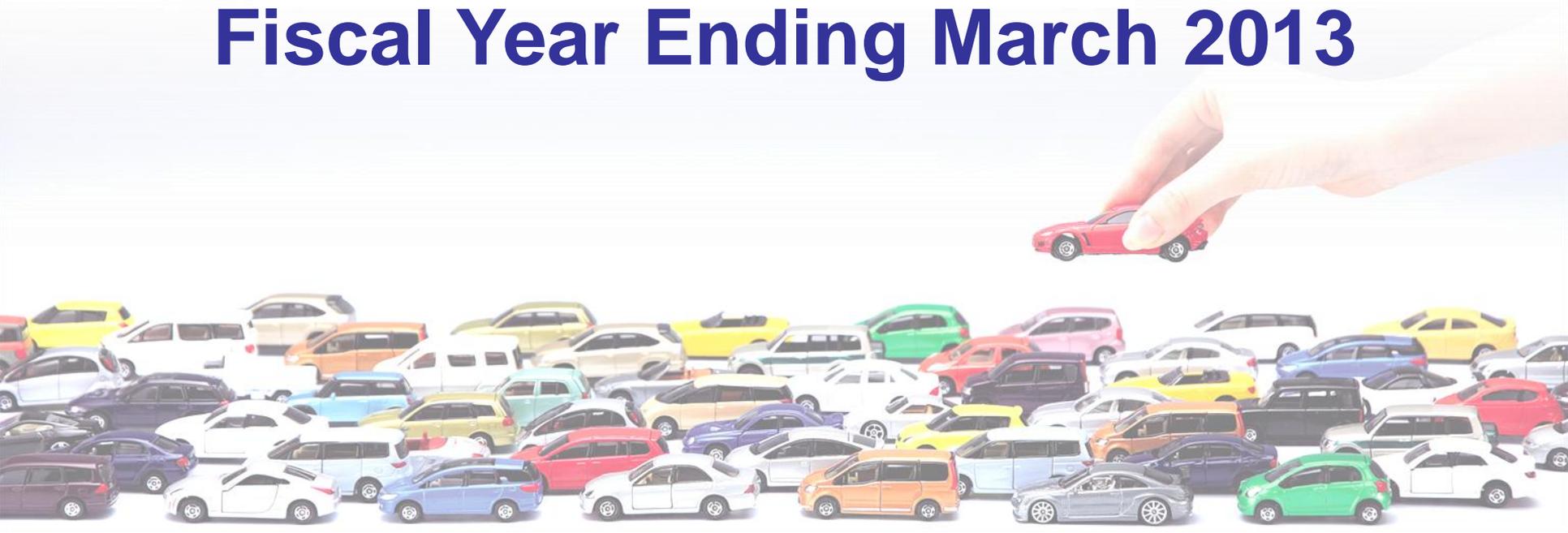
Recycling Business (ARBIZ)



Results of Operations

First Quarter

Fiscal Year Ending March 2013



- **Sales were largely flat (down 0.9% YoY)**
 - Auto Auction Business sales up 3.2% YoY
 - Vehicles consigned up 17.2% but contracted vehicles down 2.8% (YoY)
 - Contract completion rate was 57.8% compared with 69.7% one year earlier
 - Off-site contract successful bid ratio (satellite TV/Internet) increased 48.8% to 49.7%
 - Used Vehicle Sales/Purchases Business sales down 15.1% (YoY)
 - Other Business (Recycling Business) sales down 3.7% (YoY)

- **Operating income up 2.9% and ordinary income up 1.8% (YoY)**
 - Auto Auction Business operating income up 7.3% (YoY)
 - Used Vehicle Sales/Purchases Business operating income down 76.1% (YoY)
 - Other Business (Recycling Business) operating income down 82.5% (YoY)
 - Depreciation and other costs were down
 - Operating margin improved from 43.7% to 45.4% (YoY)

- **Maintained a high equity ratio of 80.9%**

FY2013.3 1Q – Consolidated Income Statement

Renewed 1Q all-time high operating income and ordinary income records after four years (for the first time in since 2009 1Q)

(Million yen)

	2011.3 1Q	2012.3 1Q	2013.3 1Q	Year on year
Net Sales	15,348	15,829	15,684	99.1%
Cost of sales (Per sales)	6,643 (43.3%)	6,464 (40.8%)	6,218 (39.6%)	96.2%
Gross profit (Per sales)	8,705 (56.7%)	9,365 (59.2%)	9,465 (60.4%)	101.1%
Selling, general and administrative expenses (Per sales)	2,554 (16.6%)	2,444 (15.4%)	2,345 (15.0%)	96.0%
Operating income (Per sales)	6,150 (40.1%)	6,921 (43.7%)	7,120 (45.4%)	102.9%
Ordinary income (Per sales)	6,098 (39.7%)	7,041 (44.5%)	7,166 (45.7%)	101.8%
Net income (Per sales)	3,242 (21.1%)	4,161 (26.3%)	4,374 (27.9%)	105.1%
Net income per share (yen)	109.60	145.20	160.15	110.3%

Net sales

- Higher because of growth in vehicles consigned and growth in auction fees because of an increase in off-site successful bid fee rate (satellite TV/Internet)
- Sales down because of the smaller number of vehicles purchased

Cost of sales

- Down because of lower cost of materials purchased in the Recycling Business (including vehicles scrapped) and lower cost of sales in Used Vehicle Sales/Purchases Business
- Lower depreciation and leasing expenses

SG&A expenses

- Lower wage, bonus and commission fee

FY2013.3 1Q – Consolidated Balance Sheet

Outstanding financial soundness even as substantial earnings distributions to shareholders continue

(Million yen)

	2012.3	2012.6	Changes
Current assets	53,731	49,919	▲3,811
Cash and deposits	36,840	34,737	▲2,102
Receivables due from member dealers at auction	11,635	9,910	▲1,724
Other	5,255	5,271	15
Noncurrent assets	100,908	100,111	▲796
Property, plant and equipment	90,974	89,510	▲1,463
Intangible assets	865	827	▲37
Investments and other assets	9,068	9,773	704
Total assets	154,639	150,031	▲4,608
Current liabilities	26,326	21,110	▲5,215
Payables due to member dealers at auction	13,154	11,404	▲1,750
Short-term loans payable	93	93	0
Other	13,078	9,613	▲3,465
Noncurrent liabilities	7,215	7,105	▲109
Long-term loans payable	1,174	1,150	▲23
Other	6,041	5,954	▲86
Total liabilities	33,541	28,216	▲5,325
Total shareholders' equity	125,809	126,576	767
Total of other comprehensive income	▲5,227	▲5,268	▲41
Subscription rights to shares	230	230	0
Minority interests	284	276	▲8
Total net assets	121,097	121,815	717

Current assets

- Down 2.10 billion yen in cash and deposits

Current liabilities

- Down 3.46 billion yen in the Others account mainly because of income taxes payable

FY2013.3 1Q – Consolidated Cash Flows

Substantial stock repurchases and a consolidated dividend payout ratio consistently above 40%

(Million yen)

	2011.6	2012.6	Changes
Net Cash provided operating activities	3,043	1,636	▲1,406
Income before income taxes	7,058	7,160	102
Depreciation and other amortization	990	855	▲134
Amortization of goodwill	22	▲3	▲25
Loss (▲gain) on sale and retirement of property, plant and equipment	▲17	5	23
Loss (▲gain) on sales and retirement of intangible assets	-	-	-
Net change in due from/to member dealers at auction	96	▲25	▲122
Income taxes paid	▲5,586	▲6,987	▲1,401
Other	479	631	151
Net cash provided by investment activities	163	▲358	▲522
Purchase of property, plant and equipment	▲127	▲103	23
Other	291	▲254	▲546
Net cash provided by financing activities	▲6,049	▲3,681	2,367
Net increase in loans payable	0	▲23	▲23
Purchases of treasury stock	▲3,078	-	3,078
Cash dividends paid	▲2,924	▲3,644	▲719
Other	▲45	▲13	32
Net increase in cash and cash equivalents	▲2,841	▲2,402	438
Cash and cash equivalents at beginning of period	29,280	28,540	▲739
Cash and cash equivalents at end of period	26,438	26,137	▲300

Operating activities

- Income before income taxes: 7.16 billion yen
- Income taxes paid: 6.98 billion yen

Investment activities

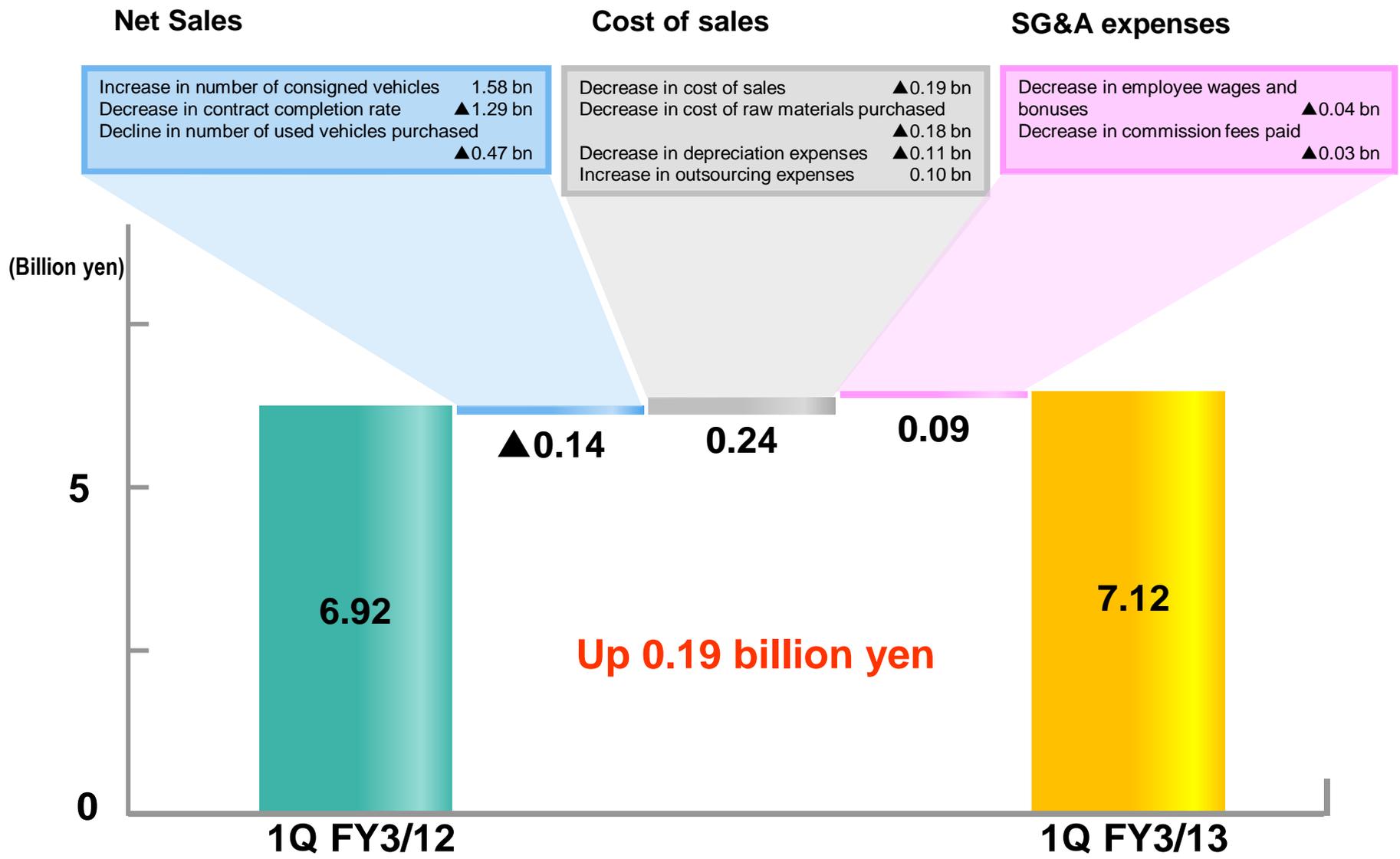
- Others: Increase in fixed deposits: 0.30 billion yen

Financing activities

- Cash dividends paid: 3.64 billion yen

FY2013.3 1Q Reasons for Change in Operating Income (Actual)

Reasons for change in operating income



Market Overview

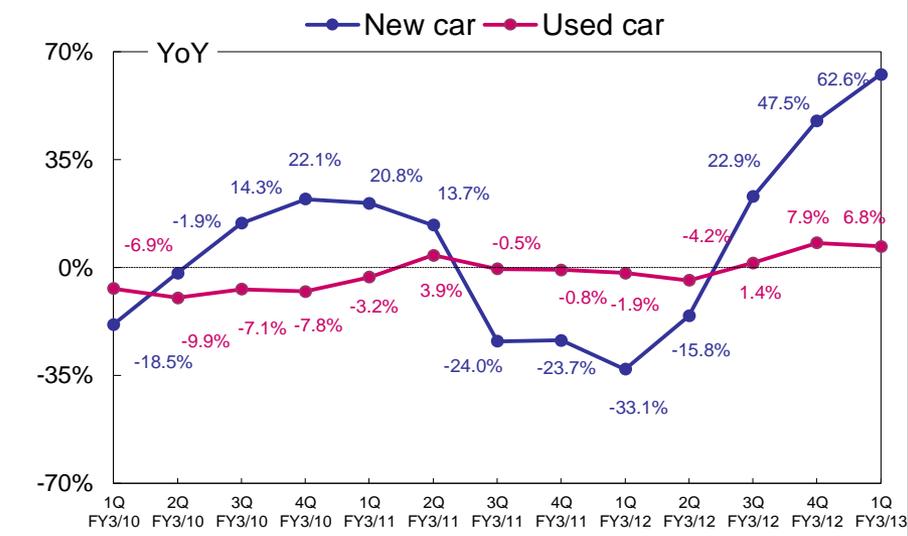
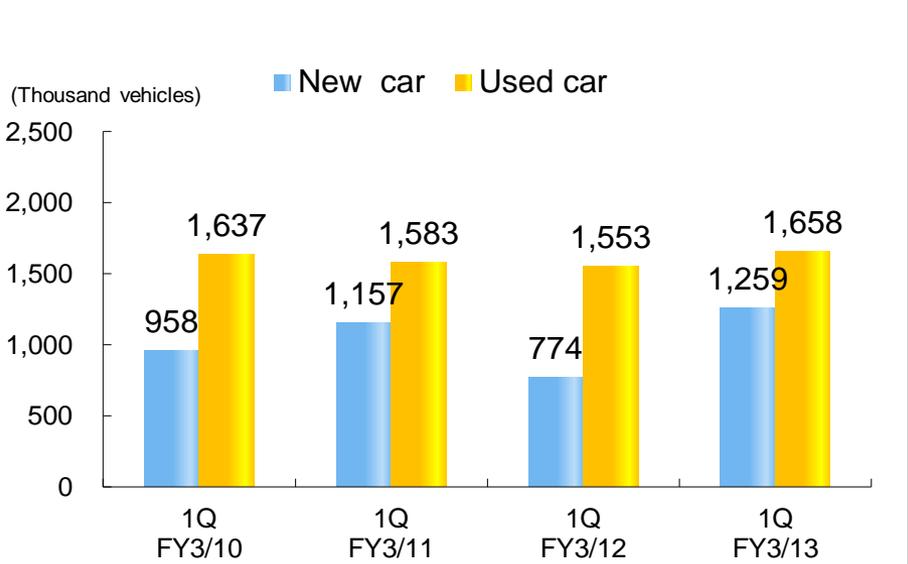
First Quarter

Fiscal Year Ended June 2012

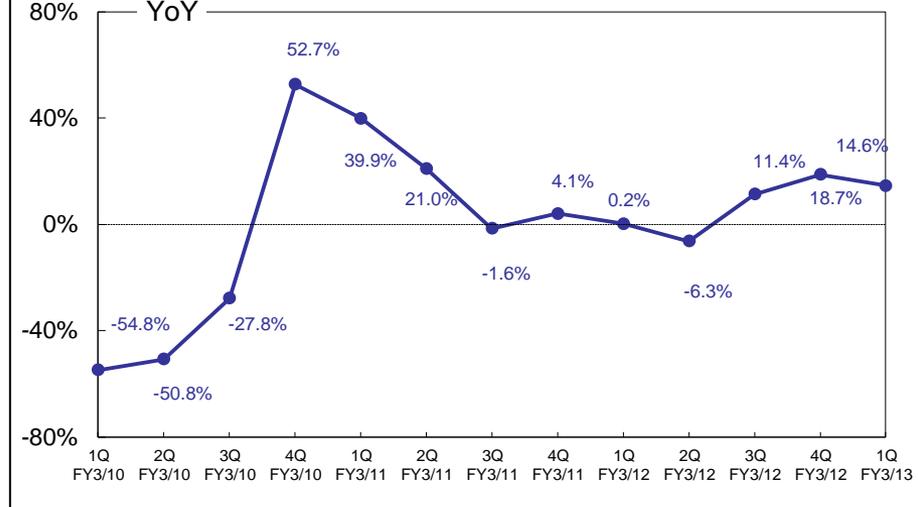
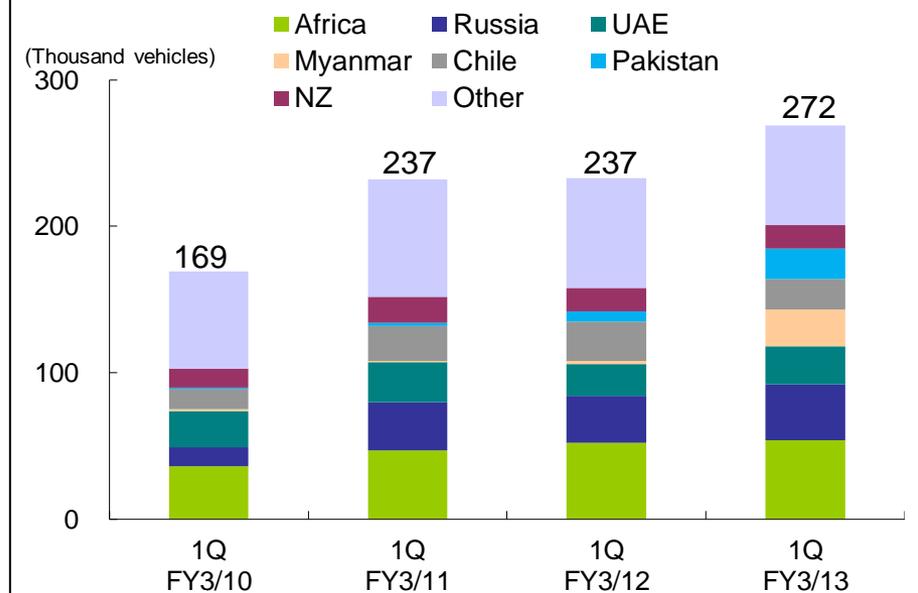


Market Overview - Automobile Trading (1)

New car and used car registrations

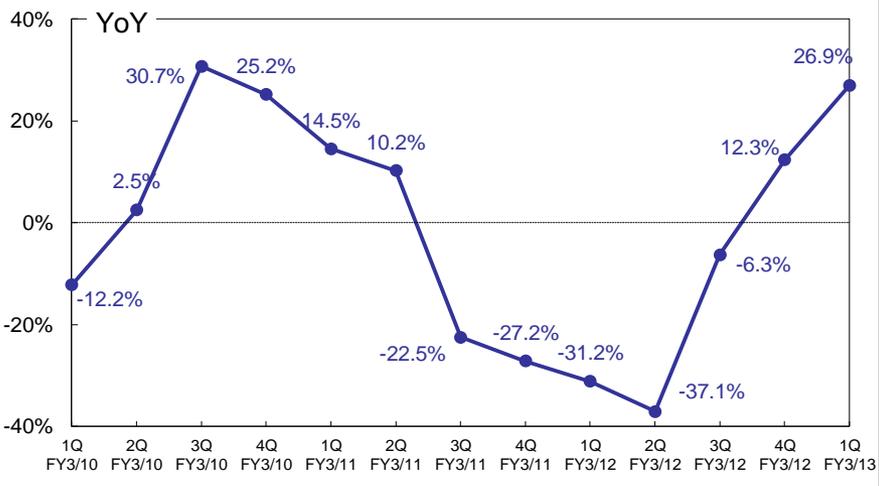
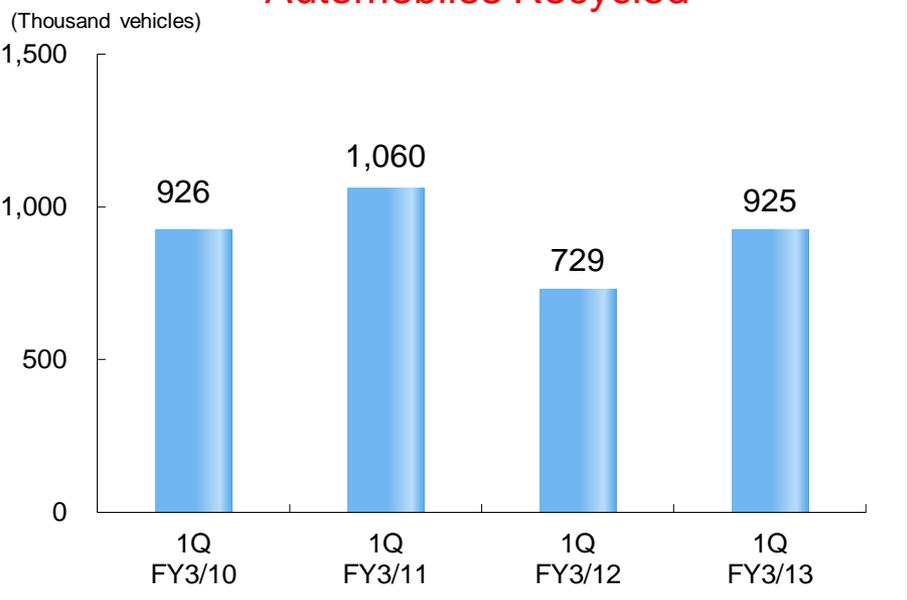


Used Car Exports

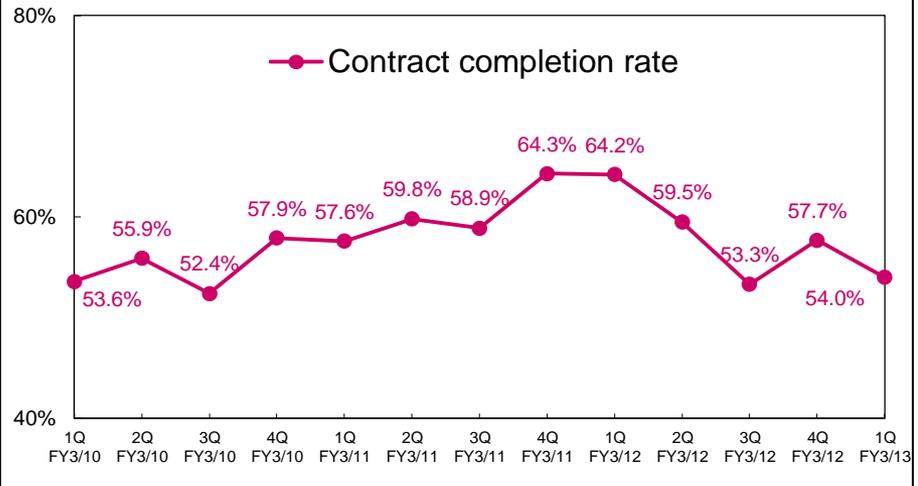
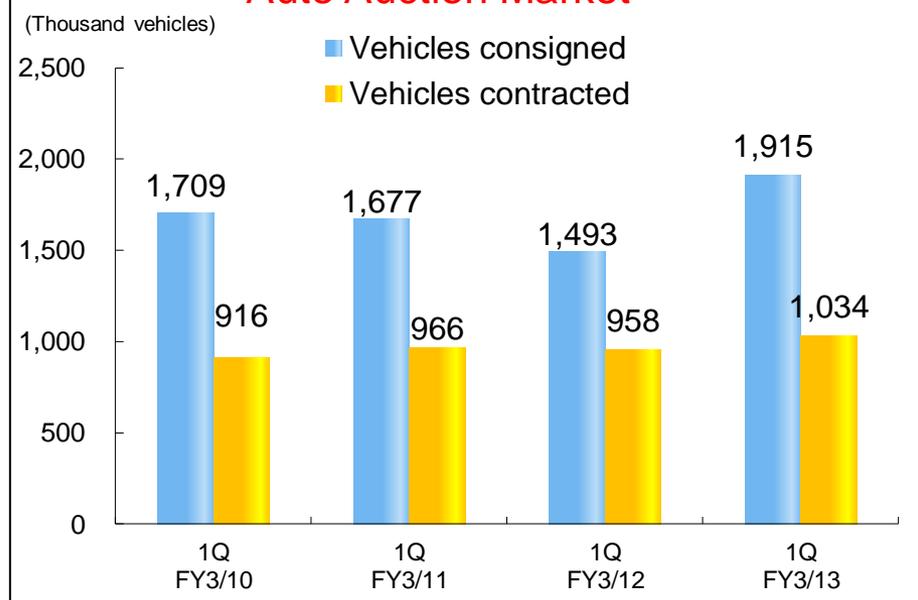


Market Overview - Automobile Trading (2)

Automobiles Recycled



Auto Auction Market



Results of Operations

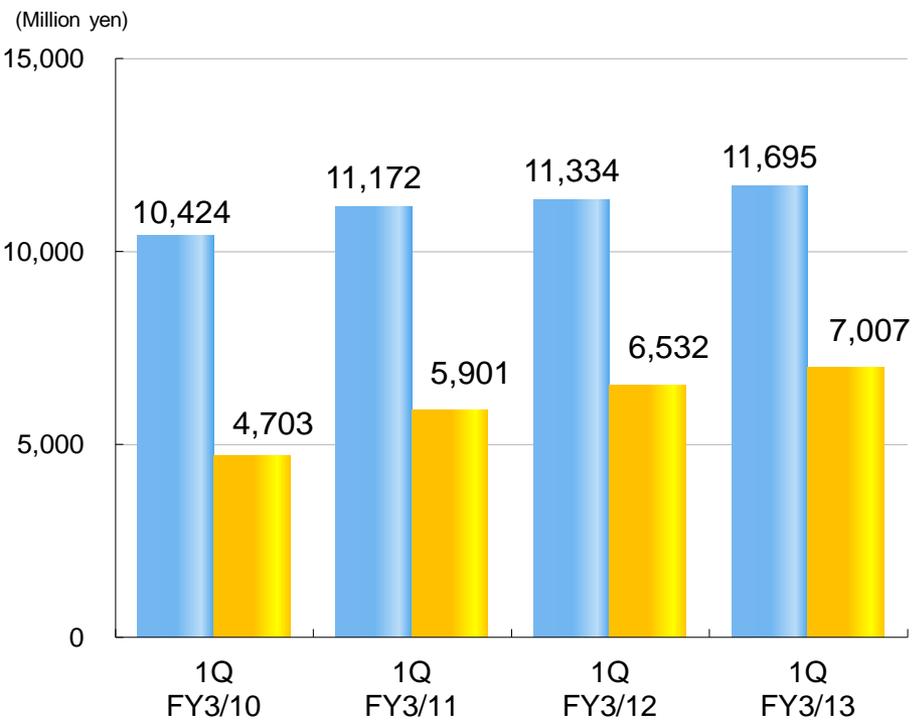
First Quarter Ended June 2012

(Segment Information)



Auto Auction Business (1) – Results of Operations (April to June)

■ Net sales ■ Operating income



	(Million yen)		
	1Q FY3/12	1Q FY3/13	YoY
Net sales	11,334	11,695	103.2%
Operating income (Per sales)	6,532 (57.6%)	7,007 (59.9%)	107.3%

Net sales increased 3.2% (YoY) to 11,695 million yen

- Vehicles consigned up 17.2% to 596 thousand; contracted vehicles down 2.8% to 344 thousand; contract completion rate decreased from 69.7% to 57.8 %
- Off-site contract successful bid ratio (satellite TV/Internet) increased from 48.8% to 49.7%
- Revision of off-site (Internet) successful bid fee rate

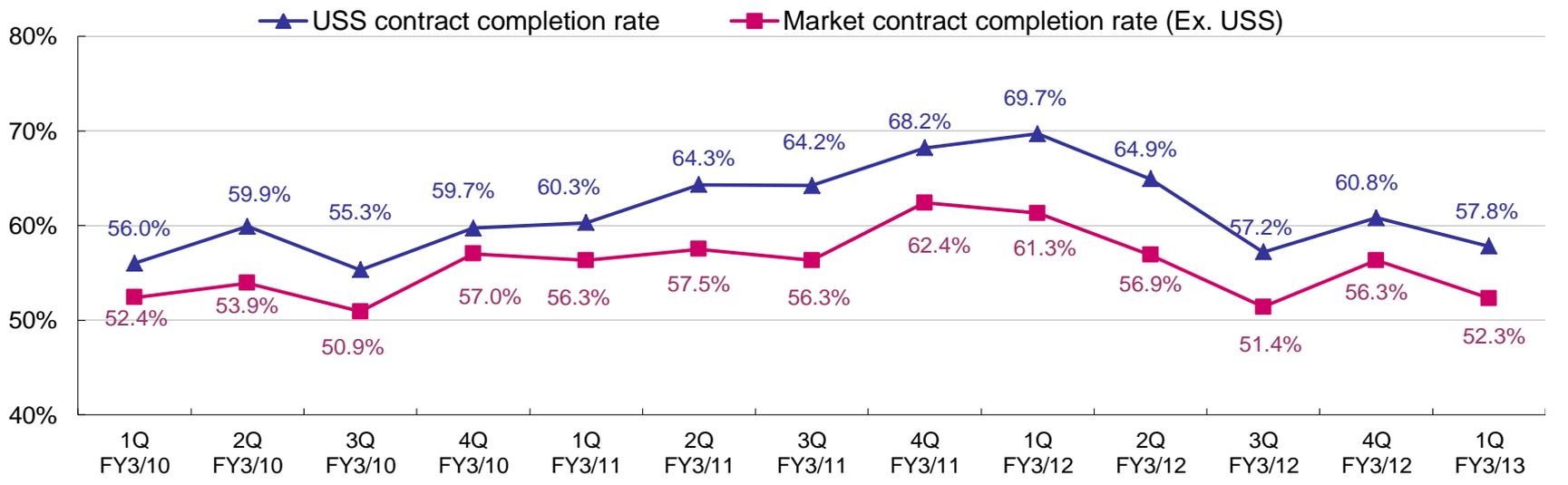
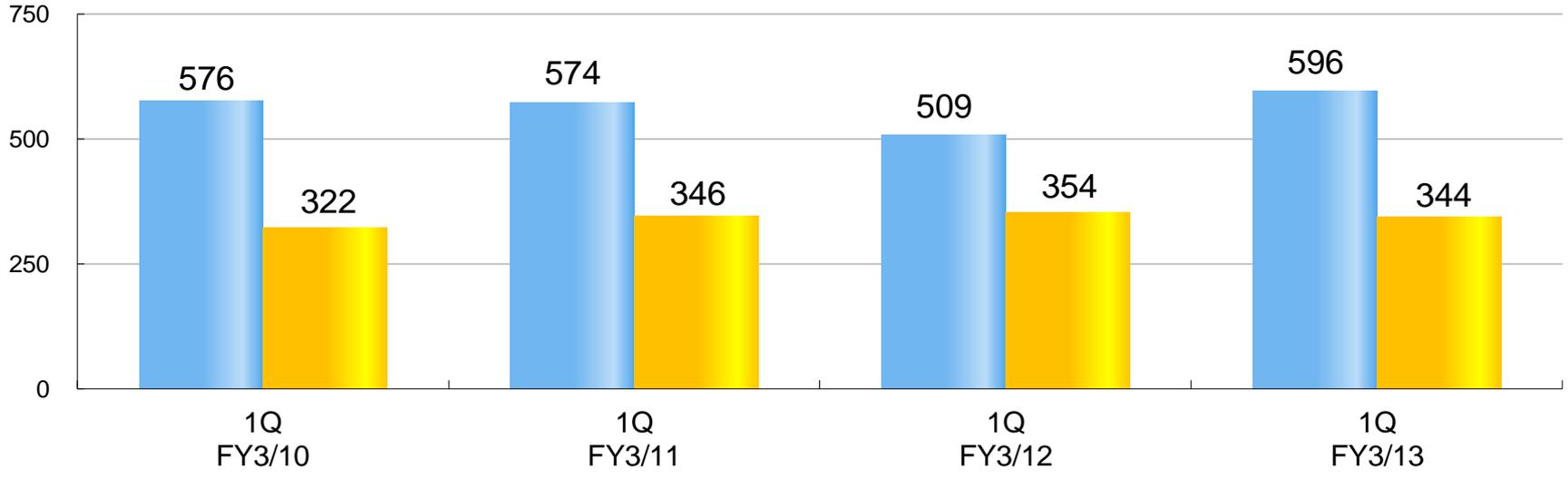
Operating income increased 7.3% (YoY) to 7,007 million yen

- Depreciation expenses decreased 150 million yen

Auto Auction Business (2) – USS Group Performance (April to June)

■ Vehicles consigned ■ Vehicles contracted

(Thousand vehicles)



Auto Auction Business (3) – USS Group Auto Auction Results by Sites

1Q FY3/13 (From April 1, 2012 to June 30, 2012)

(Vehicles, Number of auctions held)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	1Q FY3/13	1Q FY3/12	1Q FY3/13	1Q FY3/12	Changes	1Q FY3/13	1Q FY3/12	Changes	1Q FY3/13	1Q FY3/12
Tokyo	12	12	159,410	138,584	15.0%	102,696	104,747	▲2.0%	64.4%	75.6%
Nagoya	12	12	94,969	78,244	21.4%	56,043	54,223	3.4%	59.0%	69.3%
Yokohama	12	12	50,518	38,959	29.7%	28,953	26,788	8.1%	57.3%	68.8%
Kyushu	12	12	46,028	40,954	12.4%	24,098	26,785	▲10.0%	52.4%	65.4%
Sapporo	12	12	37,890	33,659	12.6%	21,117	22,674	▲6.9%	55.7%	67.4%
R-Nagoya	12	12	29,611	23,763	24.6%	21,907	19,731	11.0%	74.0%	83.0%
Osaka	12	12	28,217	22,073	27.8%	15,998	15,051	6.3%	56.7%	68.2%
Shizuoka	12	12	24,719	20,925	18.1%	12,293	13,186	▲6.8%	49.7%	63.0%
Okayama	12	12	19,846	14,816	33.9%	9,031	9,344	▲3.3%	45.5%	63.1%
Tohoku	12	12	19,365	20,299	▲4.6%	12,665	15,770	▲19.7%	65.4%	77.7%
Gunma	12	12	17,485	17,453	0.2%	10,245	12,513	▲18.1%	58.6%	71.7%
Saitama	12	12	16,668	8,086	106.1%	7,978	5,904	35.1%	47.9%	73.0%
Niigata	12	12	16,024	9,647	66.1%	6,082	5,337	14.0%	38.0%	55.3%
Fukuoka	12	12	15,395	12,989	18.5%	4,819	5,088	▲5.3%	31.3%	39.2%
Kobe	12	12	11,523	9,137	26.1%	5,810	5,836	▲0.4%	50.4%	63.9%
Hokuriku	12	12	9,107	7,822	16.4%	5,029	5,333	▲5.7%	55.2%	68.2%
Ryutsu	-	12	-	11,856	-	-	6,460	-	-	54.5%
Total	192	204	596,775	509,266	17.2%	344,764	354,770	▲2.8%	57.8%	69.7%

* Ryutsu Auction Site and Tokyo Auction Site have been integrated in July 2011.

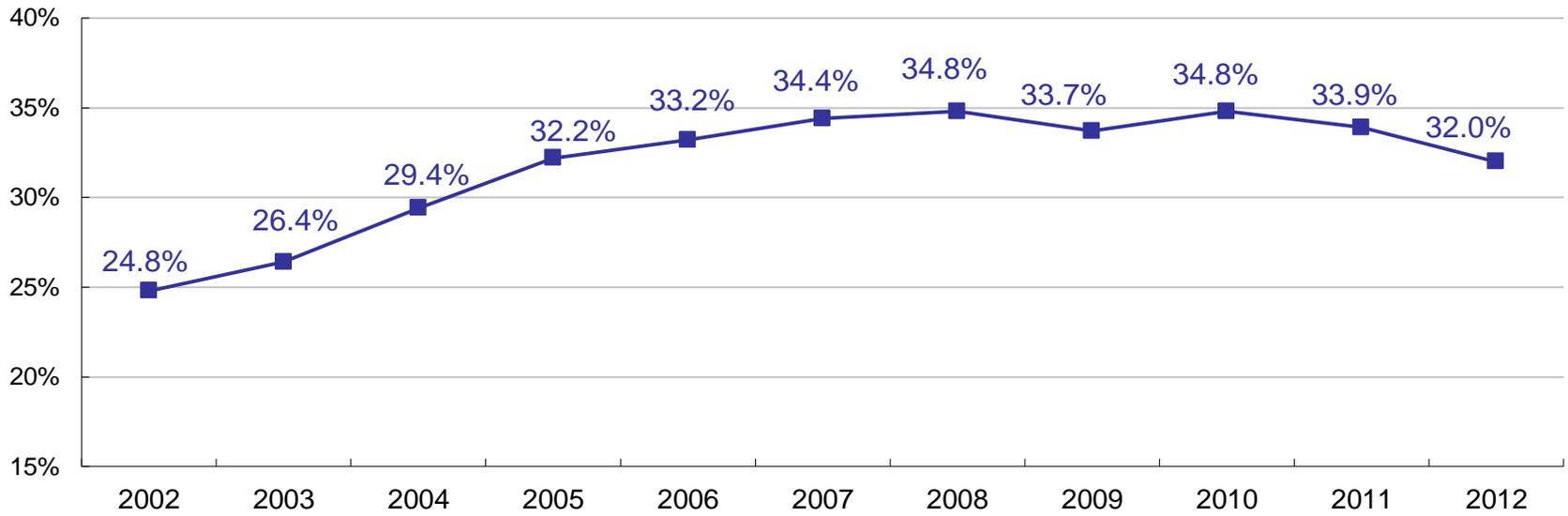
Auto Auction Business (4) –Monthly USS Group Auto Auction Results (Fiscal Year)

(Vehicles, %)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	First Half	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Second Half	Fiscal Year
No. of Consigned Vehicles	FY 2011.3	228,978	158,658	187,286	191,512	138,354	189,850	1,094,638	189,668	165,854	145,278	137,038	167,041	222,431	1,027,310	2,121,948
	YoY Change	▲ 0.6	▲ 5.7	5.4	▲ 2.0	▲ 12.5	4.2	▲ 1.6	▲12.9	▲17.7	▲20.3	▲21.8	▲13.9	▲9.1	▲15.5	▲8.8
	FY 2012.3	202,821	131,696	174,749	172,495	145,743	198,856	1,026,360	208,079	206,132	170,246	161,093	205,783	274,873	1,226,206	2,252,566
	YoY Change	▲11.4	▲17.0	▲6.7	▲9.9	5.3	4.7	▲6.2	9.7	24.3	17.2	17.6	23.2	23.6	19.4	6.2
	FY 2013.3	226,176	175,567	195,032	179,372			776,147							-	776,147
	YoY Change	11.5	33.3	11.6	4.0			-							-	-
No. of Contracted Vehicles	FY 2011.3	131,914	98,901	115,880	121,537	90,021	122,798	681,051	119,997	106,639	94,804	95,384	119,259	144,465	680,548	1,361,599
	YoY Change	9.0	4.4	8.5	3.2	▲ 3.6	11.8	5.8	▲5.5	▲3.3	▲0.9	▲6.4	1.3	▲1.5	▲2.7	1.4
	FY 2012.3	133,721	96,492	124,557	117,640	94,381	123,637	690,428	121,895	115,079	97,446	99,509	127,878	162,578	724,385	1,414,813
	YoY Change	1.4	▲2.4	7.5	▲3.2	4.8	0.7	1.4	1.6	7.9	2.8	4.3	7.2	12.5	6.4	3.9
	FY 2013.3	123,375	104,202	117,187	112,650			457,414							-	457,414
	YoY Change	▲7.7	8.0	▲5.9	▲4.2			-							-	-
Contract Completion Rate	FY 2011.3	57.6	62.3	61.9	63.5	65.1	64.7	62.2	63.3	64.3	65.3	69.6	71.4	64.9	66.2	64.2
	FY 2012.3	65.9	73.3	71.3	68.2	64.8	62.2	67.3	58.6	55.8	57.2	61.8	62.1	59.1	59.1	62.8
	FY 2013.3	54.5	59.4	60.1	62.8			58.9							-	58.9

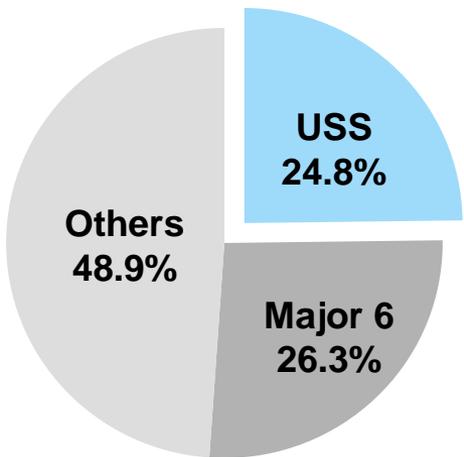
Auto Auction Business (5) – Market Share (January to June)

USS Market Share



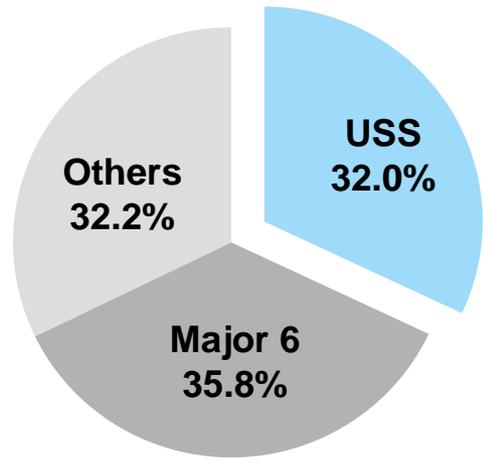
Jan – Jun 2002 Market Share

- *Major 6
- TAA (6.1%)
- JAA (6.0%)
- CAA (4.8%)
- Arai AA(5.6%)
- LAA (1.2%)
- KCAA (2.6%)



Jan – Jun 2012 Market Share

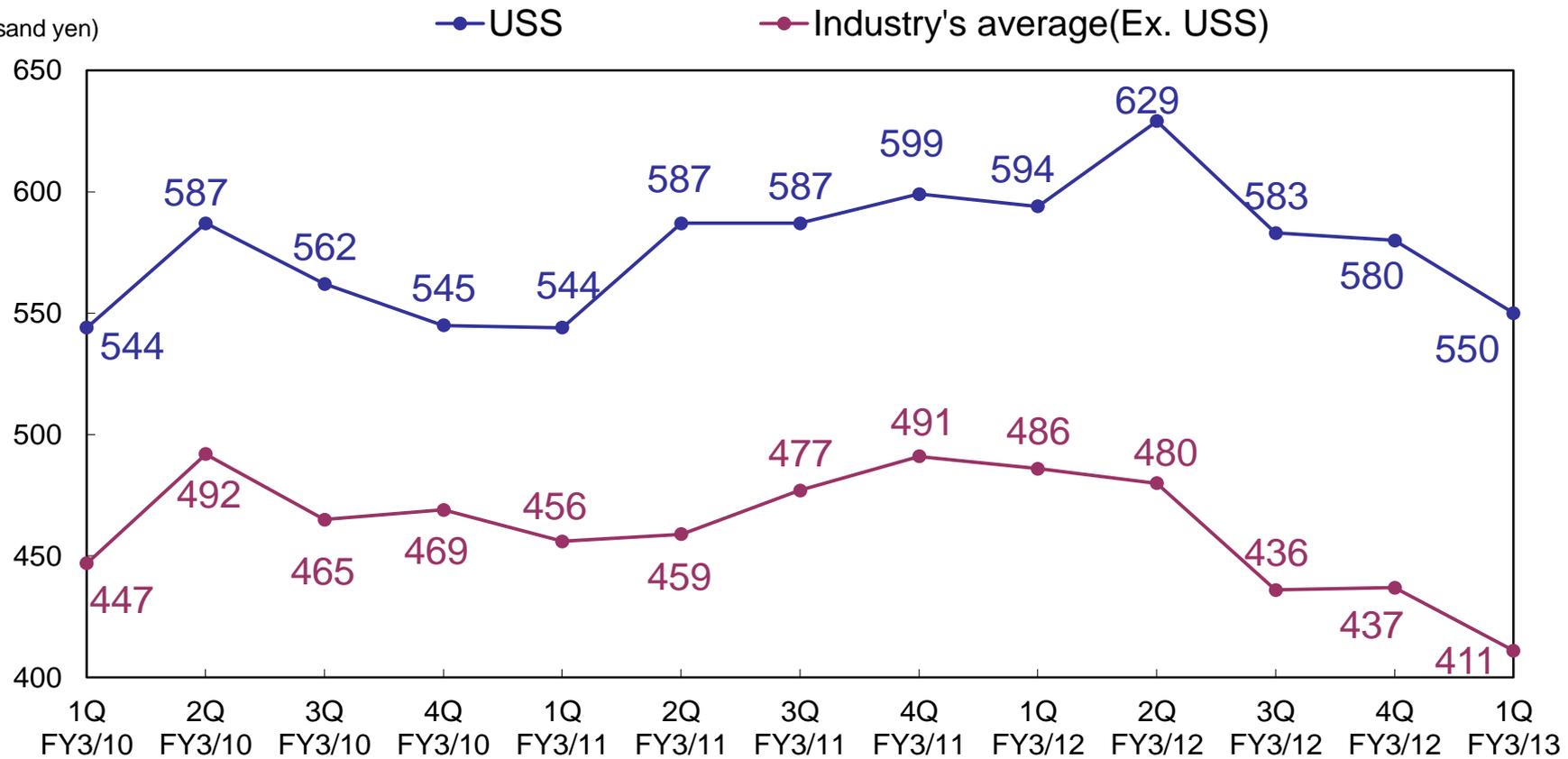
- *Major 6
- TAA(9.6%)
- JAA(8.8%)
- CAA(6.6%)
- Arai AA(4.4%)
- LAA(3.2%)
- KCAA(3.2%)



Auto Auction Business (6) – Average Price of Vehicles Contracted (Reference)

Average Price of Vehicles Contracted

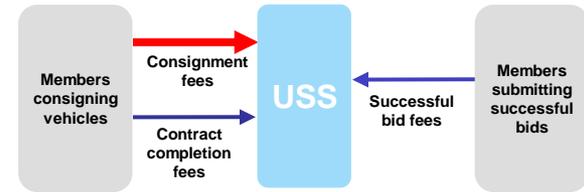
(Thousand yen)



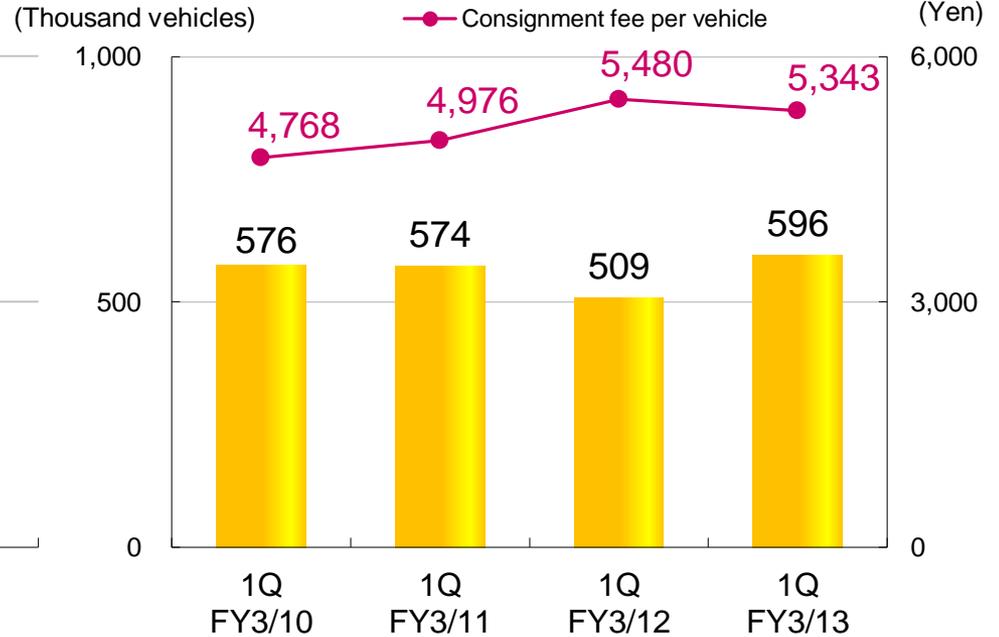
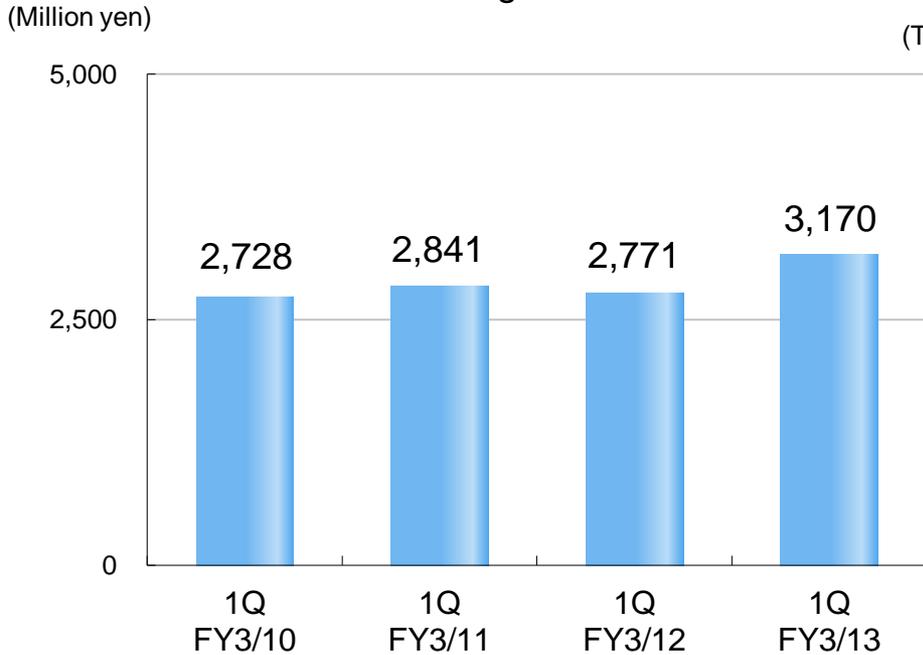
Note:

The average price per vehicle contracted is presented only for comparison (reference) between the average price per vehicle contracted at USS and the industry average. Consignment fees, contract completion fees and successful bid fees per vehicle are fixed for auto auctions in Japan. This applies to USS also. Fees are fixed and not correlated to the value of completed contracts. For details on commission structures, see Page 6 (Business Models for Auto Auction Business).

Auto Auction Business (7) – Vehicles Consigned and Consignment Fees



Total of Consignment Fees

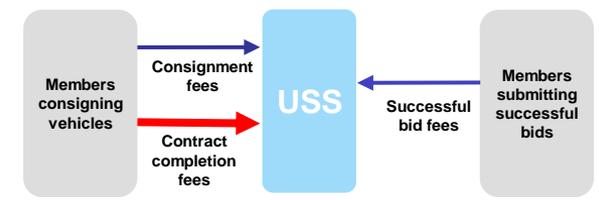


*Consignment fee per vehicle is calculated before eliminations for consolidation.

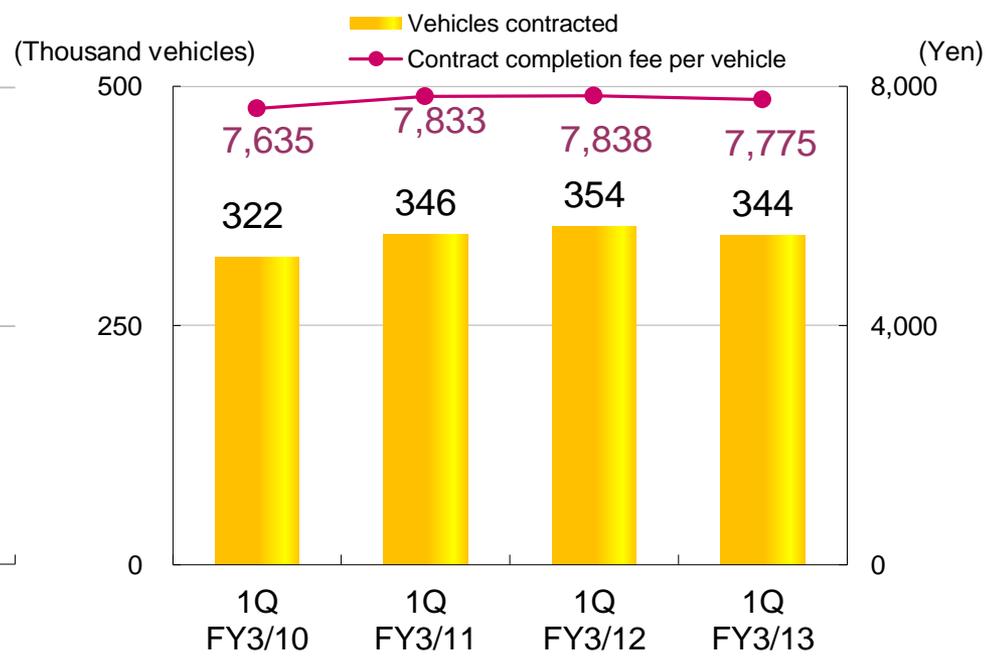
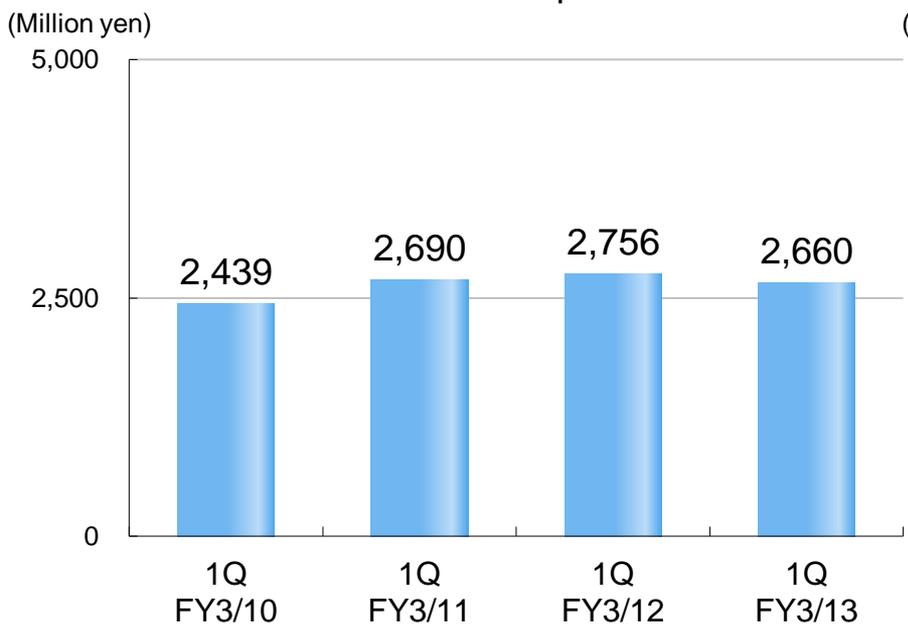
Consignment fee per vehicle: 5,343 yen (previous year: 5,480 yen, Decrease of 137 yen from one year earlier)

- Increase in the percentage of large-consignment clients who pay lower fee rates, particularly at Tokyo and Nagoya auction site.
- Introduced a consignment fee discount system at Niigata and Saitama auction sites

Auto Auction Business (8) – Vehicles Contracted and Contract Completion Fees



Total of Contract Completion Fees

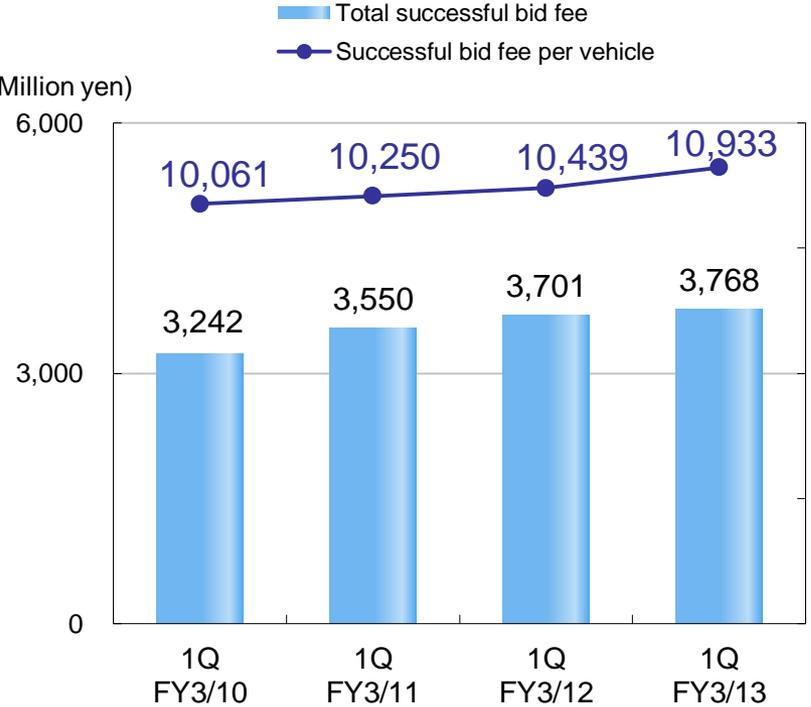
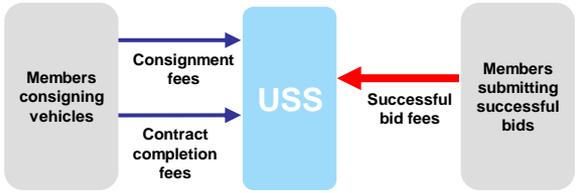


*Contract Completion fee per vehicle is calculated before eliminations for consolidation.

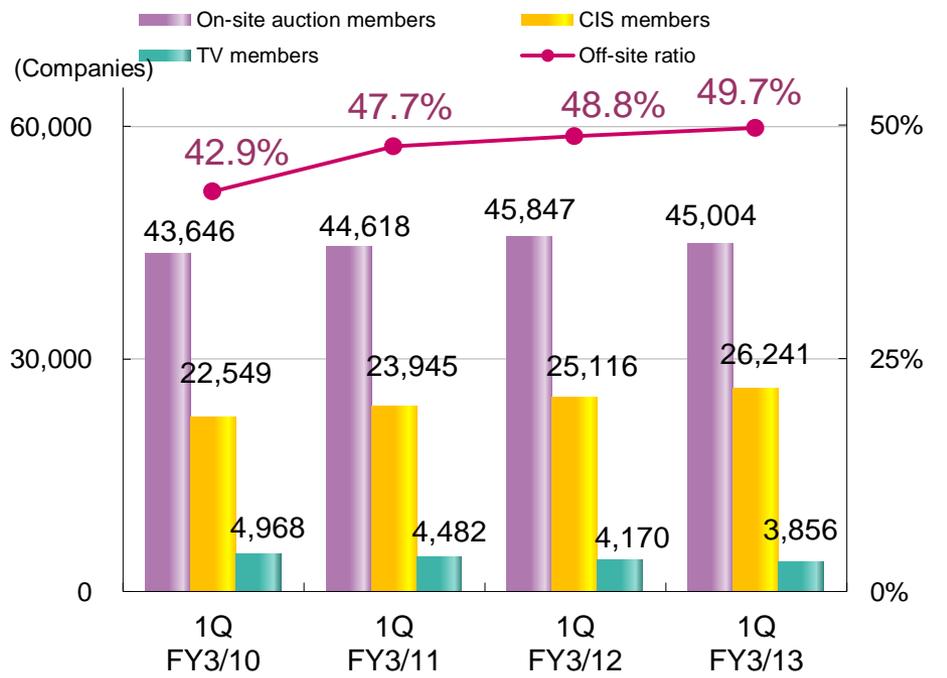
Contract completion fees per vehicle: 7,775 yen (previous year: 7,838 yen, Decrease of 63 yen from one year earlier)

- Increase in the percentage of large-consignment clients who pay lower fee rates, particularly at Tokyo and Nagoya auction site.

Auto Auction Business (9) – Successful Bid Fees and Off-site Successful Bid Ratio



* Successful bid fee per vehicle is calculated before eliminations for consolidation.

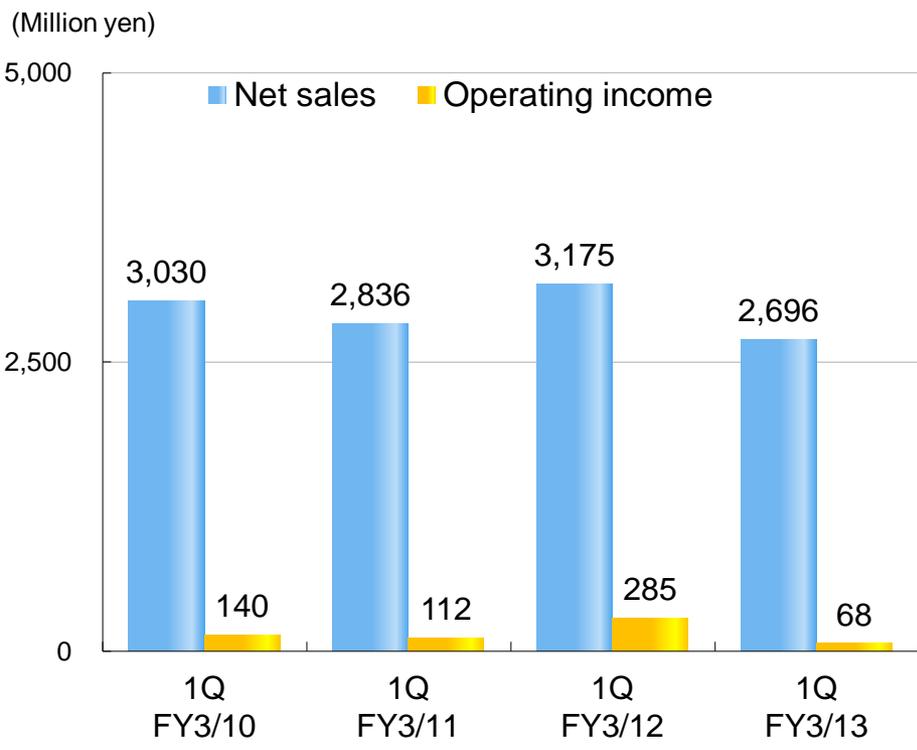
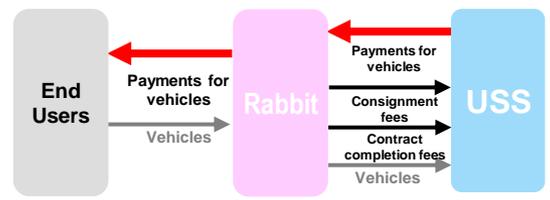


* In the first quarter fiscal year ending March 2013, the number of on-site auction members does not include sleeping members (members that have not been active for extended periods).

Successful bid fee per vehicle: 10,933 yen (previous year: 10,439 yen, Increase of 494 yen from one year earlier)

- Revision of off-site (Internet) successful bid fee rate
- The off-site successful bid ratio rose from 48.8% to 49.7%

Used Car Purchasing and Selling Business – Results of Operations



(Million yen)

	1Q FY3/12	1Q FY3/13	YoY
Net sales	3,175	2,696	84.9%
Operating income (Per sales)	285 (9.0%)	68 (2.5%)	23.9%

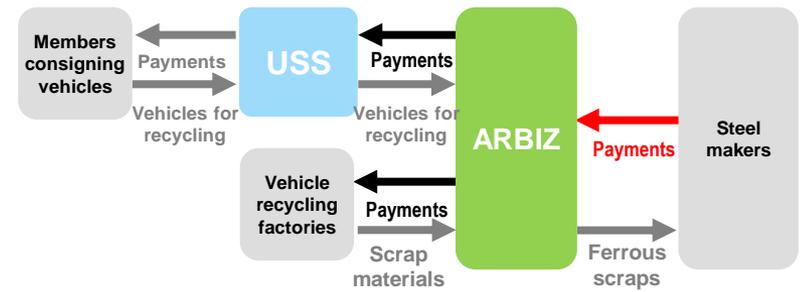
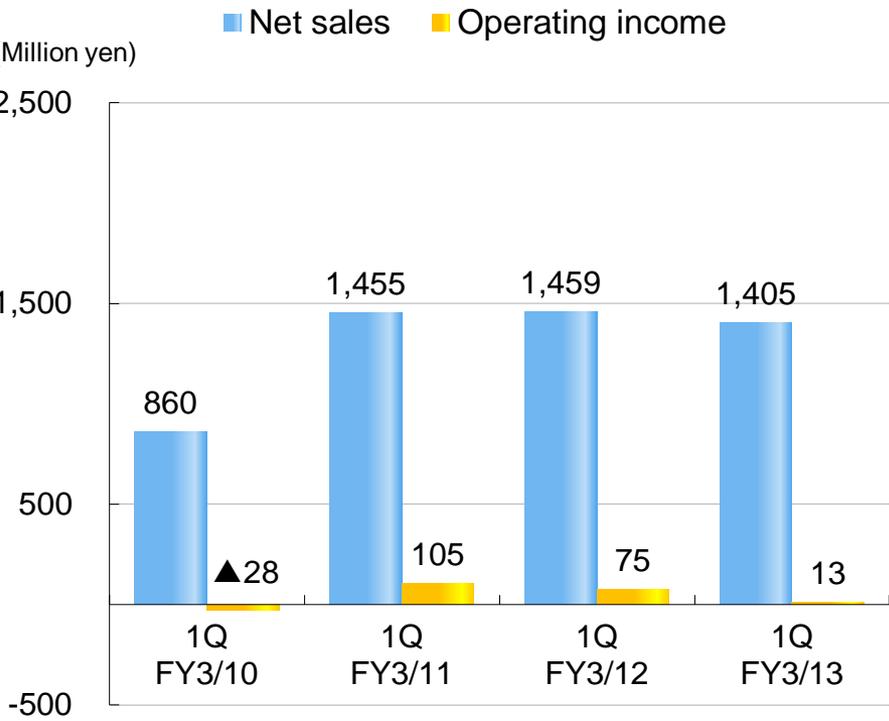
Rabbit sales decreased 10.1% to 1,873 million yen and operating income was down 58.4% to 65 million yen (YoY)

- Decrease in sales and income due to a decline in gross profit per vehicle and the lower number of used cars purchased

Sales of accident-damaged vehicles decreased 24.5% to 823 million yen and operating income was down 98.3% to 2 million yen

- Decrease in sales and income due to a decline in gross profit per vehicle and the lower number of used cars purchased

Used Car Purchasing and Selling Business – Results of Operations



	(Million yen)		
	1Q FY3/12	1Q FY3/13	YoY
Net sales	1,459	1,405	96.3%
Operating income (Per sales)	75 (5.1%)	13 (0.9%)	17.5%

ARBIZ sales decreased 15.1% to 1,022 million yen and operating loss was 19 million yen (Operating income (one year earlier: 65 million))

- Weak markets for ferrous scrap and higher cost of sales

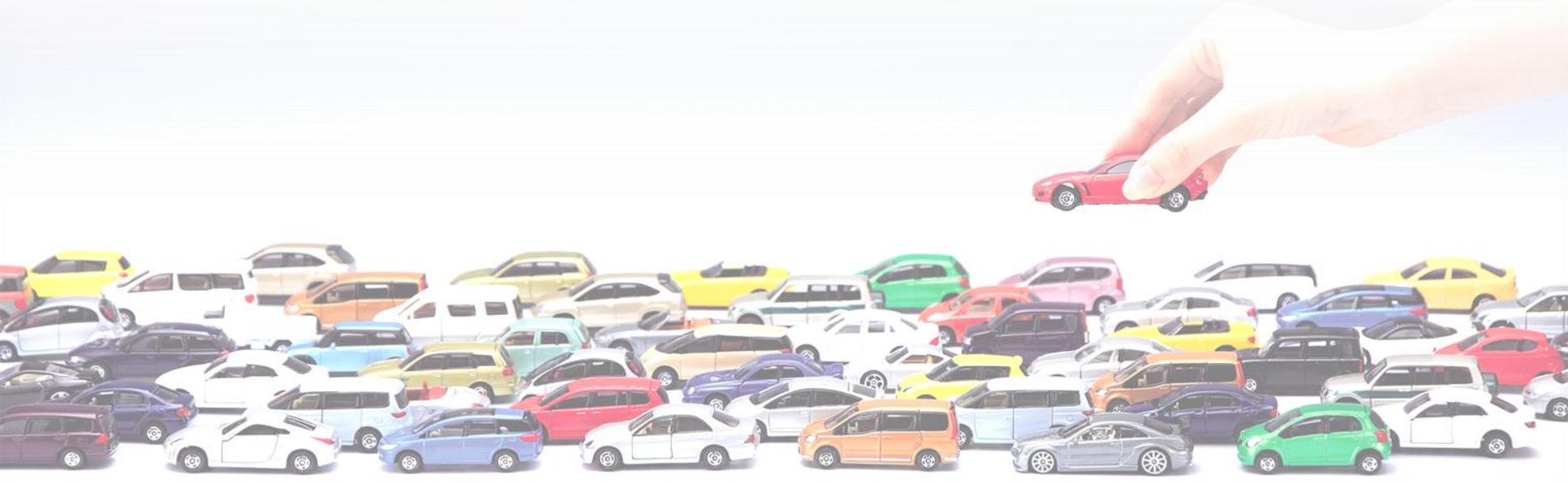
CAR QUEST Toyo sales increased 9.9% to 278 million yen and operating income increased 52.5% to 27 million yen (YoY)

- Higher volume of rubber products used in elastic pavement and lower depreciation expenses

USS Logistics International Service sales were 104 million yen and the operating income was 4 million yen (Operating loss (one year earlier: 8 million))

- Quarterly segment income moved into the black for the first time

Forecast for FY2013.3 Earnings Distributions Medium-term Value Creation Model



FY2013.3 – Consolidated Forecast

(Million yen)

	FY2011.3 (Actual)	FY2012.3 (Actual)	FY2013.3 (Forecast)	VS. previous year
Net Sales	61,417	64,009	65,000	101.5%
Cost of sales (Per sales)	26,865 (43.7%)	26,161 (40.9%)	25,981 (40.0%)	99.3%
Gross profit (Per sales)	34,552 (56.3%)	37,848 (59.1%)	39,018 (60.0%)	103.1%
Selling, general and administrative expenses (Per sales)	10,220 (16.6%)	9,895 (15.5%)	10,018 (15.4%)	101.2%
Operating income (Per sales)	24,332 (39.6%)	27,952 (43.7%)	29,000 (44.6%)	103.7%
Ordinary income (Per sales)	24,643 (40.1%)	28,588 (44.7%)	29,250 (45.0%)	102.3%
Net income (Per sales)	13,971 (22.7%)	17,054 (26.6%)	17,950 (27.6%)	105.2%
Net income per share (yen)	478.00	609.24	657.10	107.9%

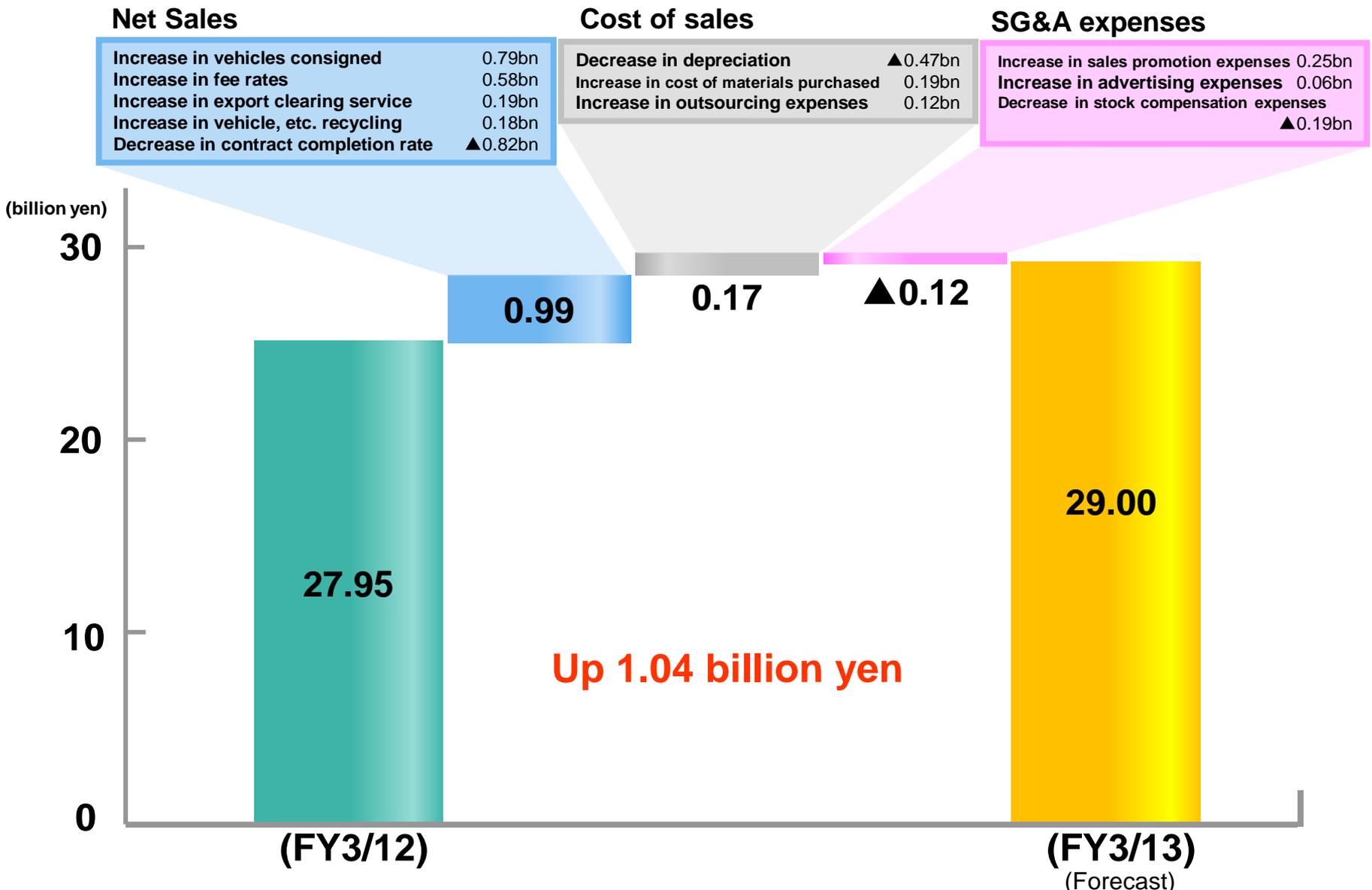
(Note) The forecast of business results and plan for auction volume announced on May 8, 2012 are unchanged.

Plan for auction volume in FY3/13

Number of consigned vehicles FY2013.3	YoY	Number of contract completions FY2013.3	YoY	Contract completion rate	
				FY2013.3	FY2012.3
2.30 million unit	102.1%	1.40 million unit	99.0%	60.9%	62.8%

FY2013.3 Reasons for Change in Operating Income (Forecast)

Reasons for change in operating income



5 year Consolidated Performance

(million yen)

	Results					Forecast
	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3
<Auto Auction Business>						
Consignment Fees	14,595	13,802	11,285	10,822	12,154	12,404
Contract Completion Fees	12,491	11,347	10,283	10,559	10,984	10,881
Successful Bid Fees	15,892	14,642	13,659	14,142	15,026	15,439
Revenues from Sales of Goods	1,682	1,781	746	848	805	453
Other Revenues	7,291	7,178	6,816	6,804	6,869	6,993
Auto Auction Business Total	51,953	48,752	42,791	43,177	45,840	46,172
<Used Vehicles Sales/Purchases Business>						
Revenues from Used Vehicle Sales/Purchases	6,976	7,860	8,289	8,456	8,535	8,701
Revenues from Accident-damaged Vehicle Sales/Purchases	5,614	4,404	3,935	4,038	3,940	3,914
Used Vehicles Sales/Purchases Business Total	12,590	12,265	12,224	12,494	12,476	12,615
<Other Business>						
Revenues from Recycling End-of-Life Vehicle	4,123	4,468	3,734	4,566	4,275	4,458
Revenues from Recycling Scrap Rubbers	1,133	1,063	1,098	1,178	1,250	1,393
Revenues from Used Vehicle Export Clearing Service	-	-	-	-	166	360
Other Business Total	5,257	5,532	4,832	5,745	5,692	6,212
Net Sales	69,801	66,549	59,849	61,417	64,009	65,000
Operating Income	27,200	22,568	21,940	24,332	27,952	29,000
Ordinary Income	27,490	22,503	22,511	24,643	28,588	29,250
Net Income	15,200	12,003	12,717	13,971	17,054	17,950

Auto Auction Business

(Vehicles, %, Yen, Companies, No. of Shops)

No. of Consigned Vehicles	2,920,356	2,902,636	2,327,515	2,121,948	2,252,566	2,300,000
No. of Contracted Vehicles	1,670,429	1,507,802	1,342,958	1,361,599	1,414,813	1,400,000
Contract Completion Rate	57.2	51.9	57.7	64.2	62.8	60.9
Consignment Fees per Vehicle consigned *1	5,031	4,791	4,884	5,139	5,432	5,430
Contract completion fees per vehicle contracts completed *1	7,536	7,598	7,729	7,831	7,832	7,845
Successful Bid fees per vehicle contracts completed *1	9,544	9,742	10,178	10,393	10,626	11,030
On-site Auction Members	42,751	43,307	44,317	45,563	44,796	46,000
CIS Internet Members	19,995	22,273	23,565	24,688	25,957	26,930
TV (Satellite Auction) Members	5,637	5,098	4,599	4,248	3,921	3,650
Rabbit Chain Shops	229	207	189	176	180	194

Capital Expenditures and Depreciation

(Million yen)

Capital Expenditures (Terms of Cash Flows) *2	7,639	6,913	1,285	7,629	804	5,500
Depreciation	5,526	5,796	5,482	4,529	3,885	3,367

*1 Each fee per vehicle is calculated before eliminations for consolidation.

*2 Capital expenditures include property, plant and equipment and intangible assets (software etc.).

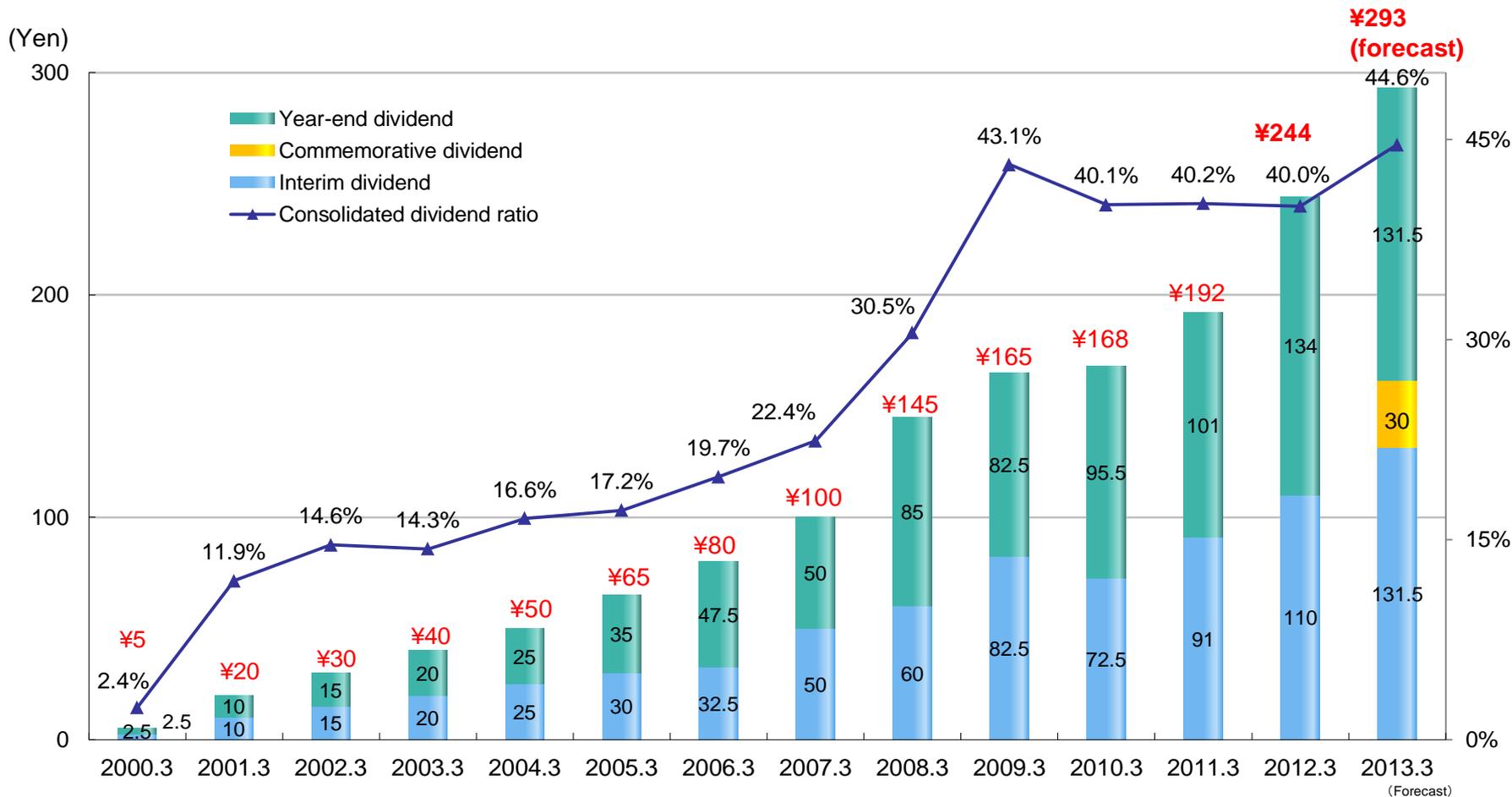
Earnings Distributions (1) – Dividend Policy

Dividend per share for FY3/12: **244 yen (up 52 yen)**

Plan to pay **293 yen** dividend per share for FY3/13 (up 49 yen)

(includes 30 yen commemorative dividend in first half dividend for 30th anniversary of start of the automobile auction business)

Basic dividend policy is a consolidated payout ratio of **at least 40%**



USS consistently distributes earnings to shareholders

(Million yen)

	2000.3	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3
Net Income	3,543	4,493	5,489	7,645	8,907	11,814	13,203
Dividend Paid	88	532	802	1,095	1,529	2,049	2,589
Stock Repurchased	42	-	0	5	2	2	1,757
Total amount returned to shareholders	130	532	802	1,100	1,532	2,051	4,346
Total Earnings Distribution Ratio	3.6%	11.9%	14.6%	14.4%	16.7%	17.2%	33.0%

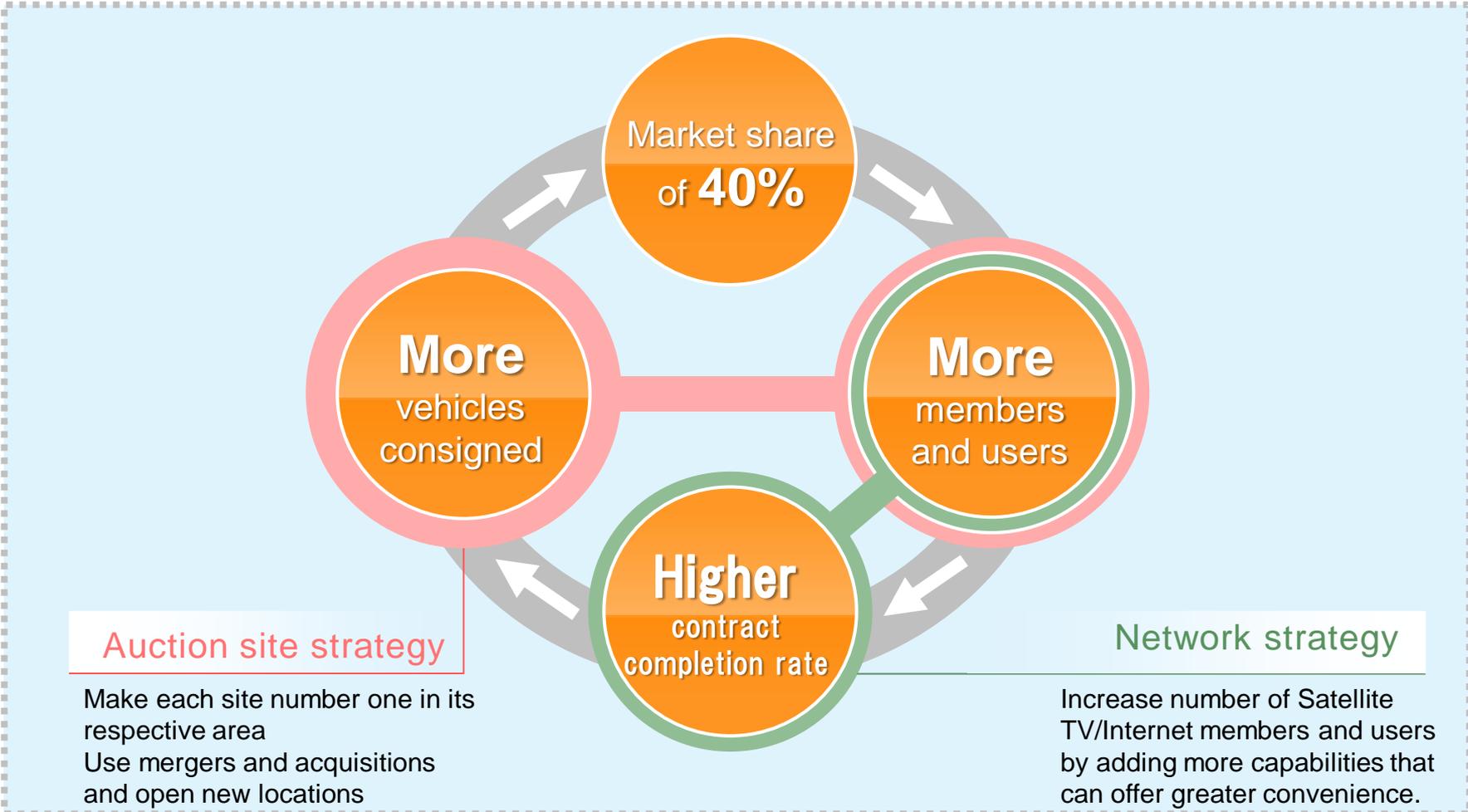
	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
Net Income	14,390	15,200	12,003	12,717	13,971	17,054
Dividend Paid	3,204	4,641	5,126	5,059	5,601	6,736
Stock Repurchased	4,525	0	8,940	4,671	4,950	11,812
Total amount returned to shareholders	7,730	4,641	14,066	9,731	10,552	18,549
Total Earnings Distribution Ratio	53.8%	30.5%	117.6%	76.8%	75.6%	103.5%

*For the total earnings distribution ratio, treasury stock held by the USS employee stock ownership plan trust is included in common stock.

Medium-term Goals and Value Creation Model

USS is aiming for an overwhelming share of Japan's mature auto auction market by offering its members even greater convenience.

Capture market share, cut costs and increase earnings
 (Avoid competition based on price alone)



Auction site strategy

Make each site number one in its respective area
 Use mergers and acquisitions and open new locations

Network strategy

Increase number of Satellite TV/Internet members and users by adding more capabilities that can offer greater convenience.

Strategic Initiatives Based on Medium-term Goals

■ Auction sites

- **A new Nagoya Auction Site will be constructed in the present site to increase the number of vehicles consigned.**
(Construction will begin in the second half of 2012 and completion is scheduled for the second half of 2013.)
- **A new Hokuriku Auction Site will be constructed in the present site to increase the number of vehicles consigned.**
(Completion is scheduled in the fiscal year 2013.)

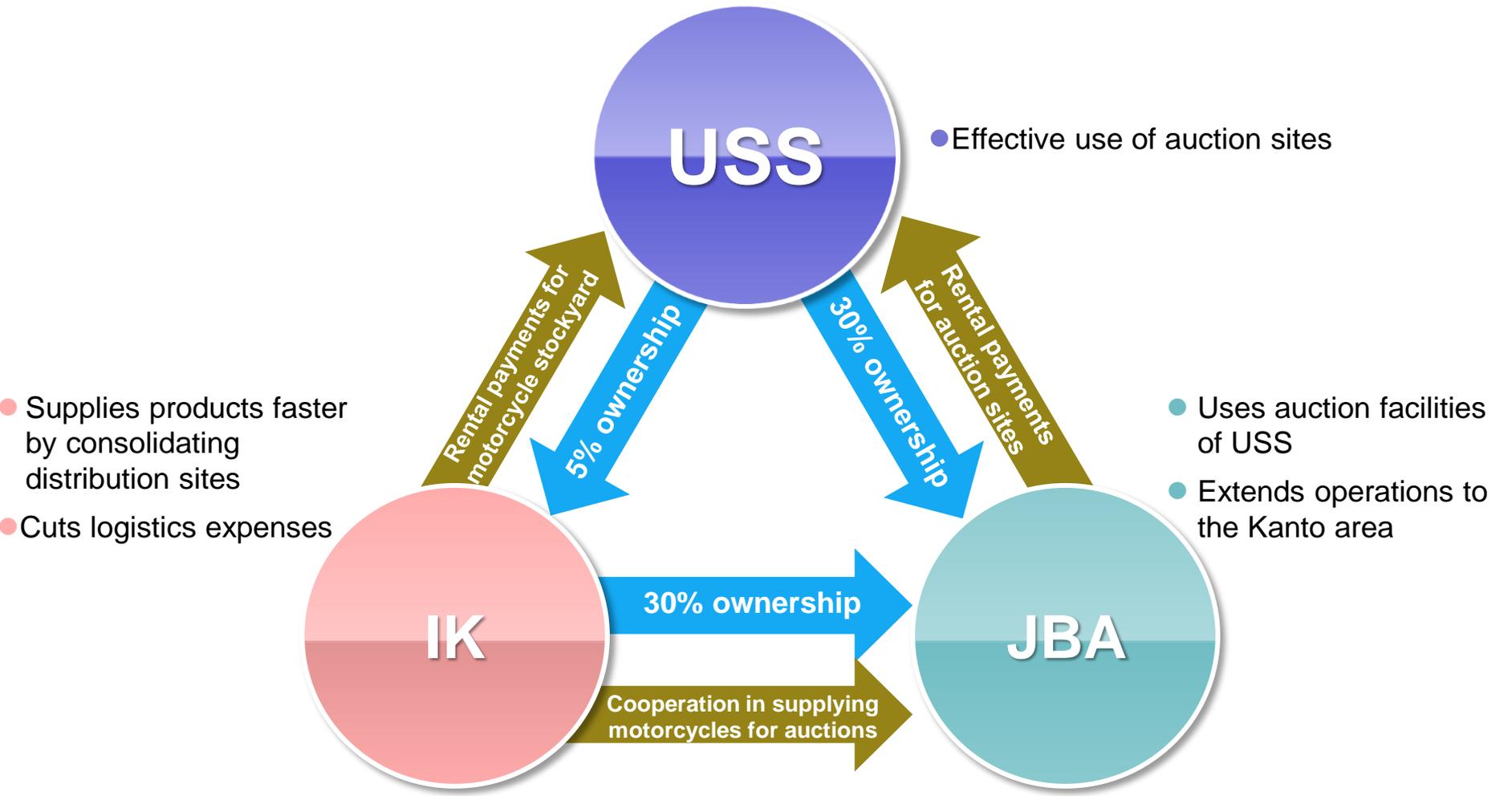
■ Network services

- **Conducting campaign to increase the number of Satellite TV and Internet auction members**
- **Improve convenience by offering services compatible with smartphones and tablets**

■ New business activities

- **Established an equity and business alliance with IK Corporation and Japan Bike Auction for motorcycle auctions**

Opened the Kobe Auction Site in November 2011 and the Yokohama Auction Site in May 2012



IK : IK Co., Ltd. (is renamed BIKE O & COMPANY Ltd. on September 1, 2012)
JBA : Japan Bike Auction Co., Ltd.

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Reference materials

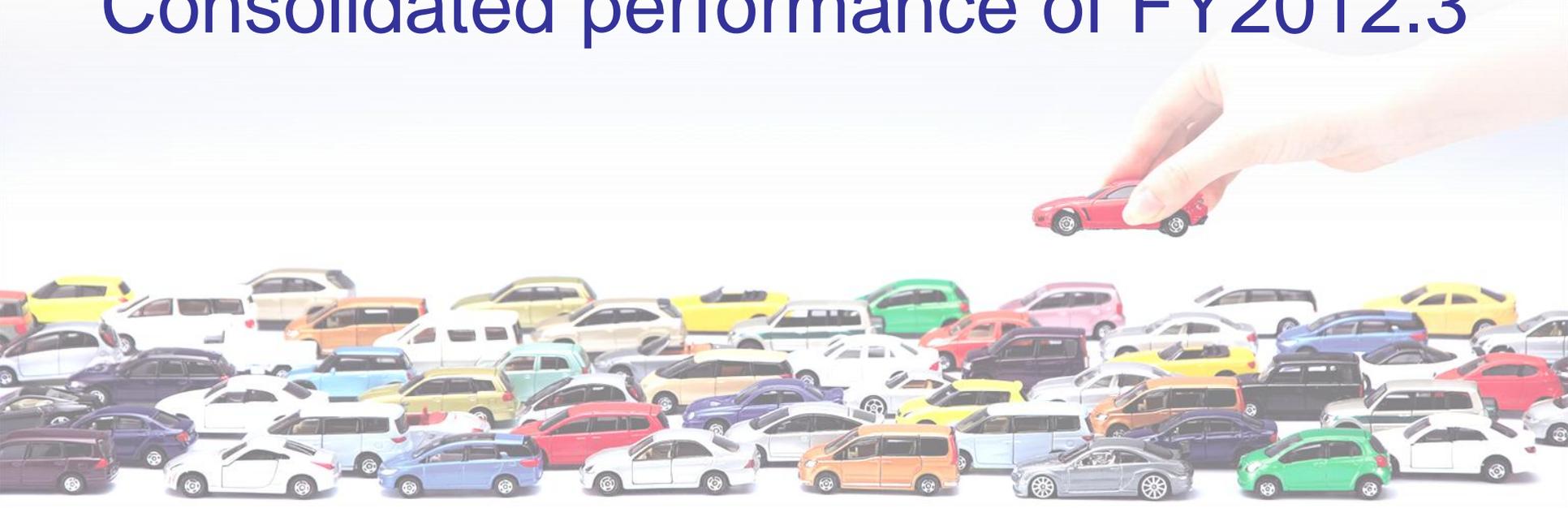
**Japan Automobile Manufacturers Association, Japan Mini Vehicles Association,
JAPAN AUTOMOBILE DEALERS ASSOCIATION, Monthly Magazine Used Car,
International Auto Trade Association, Japan Automobile Recycling Promotion Center**

(Precautions concerning these materials)

These materials contain forward-looking statements that are based on the judgments of management in accordance with information that is currently available. These statements include assumptions and beliefs based on these assumptions. Depending on changes in the operating environment, these assumptions and beliefs may differ from actual results. Statements by USS or its management concerning expectations or beliefs about future performance are not guarantees that these expectations or beliefs will be achieved, or that actual performance will be near these expectations or beliefs. Furthermore, as provided by law, unless stated otherwise, USS has no obligation to update any forecast to the latest version.

Supplemental Data

Consolidated performance of FY2012.3



New records for operating income, ordinary income and net income

(Million yen)

	2011.3	2012.3	Year on year	Plan (As of Nov. 9, 2011)	VS. plan
Net Sales	61,417	64,009	104.2%	62,600	102.3%
Cost of sales (Per sales)	26,865 (43.7%)	26,161 (40.9%)	97.4%	26,042 (41.6%)	100.5%
Gross profit (Per sales)	34,552 (56.3%)	37,848 (59.1%)	109.5%	36,558 (58.4%)	103.5%
Selling, general and administrative expenses (Per sales)	10,220 (16.6%)	9,895 (15.5%)	96.8%	10,258 (16.4%)	96.5%
Operating income (Per sales)	24,332 (39.6%)	27,952 (43.7%)	114.9%	26,300 (42.0%)	106.3%
Ordinary income (Per sales)	24,643 (40.1%)	28,588 (44.7%)	116.0%	26,500 (42.3%)	107.9%
Net income (Per sales)	13,971 (22.7%)	17,054 (26.6%)	122.1%	15,900 (25.4%)	107.3%
Net income per share (yen)	478.00	609.24	127.5%	563.79	108.1%

Net sales	Higher because of growth in vehicles consigned and contracted vehicles as well as growth in auction fees because of an increase in fee rates
Cost of sales	Depreciation and leasing expenses decreased
SG&A expenses	Goodwill amortization and taxes decreased

Outstanding financial soundness even as substantial earnings distributions to shareholders continue

(Million yen)

	2011.3	2012.3	Changes
Current assets	47,074	53,731	6,656
Cash and deposits	30,980	36,840	5,860
Receivables due from member dealers at auction	11,151	11,635	484
Other	4,942	5,255	312
Noncurrent assets	104,562	100,908	▲3,654
Property, plant and equipment	94,479	90,974	▲3,505
Intangible assets	1,114	865	▲248
Investments and other assets	8,969	9,068	99
Total assets	151,636	154,639	3,002
Current liabilities	22,994	26,326	3,332
Payables due to member dealers at auction	11,502	13,154	1,652
Short-term loans payable	188	93	▲95
Other	11,303	13,078	1,775
Noncurrent liabilities	6,695	7,215	520
Long-term loans payable	167	1,174	1,006
Other	6,527	6,041	▲486
Total liabilities	29,689	33,541	3,852
Total shareholders' equity	126,556	125,809	▲746
Total of other comprehensive income	▲4,918	▲5,227	▲309
Subscription rights to shares	31	230	199
Minority interests	278	284	6
Total net assets	121,947	121,097	▲849

Current assets

- Cash and deposits increased 5,860 million yen

Noncurrent assets

- Down 3,654 million yen mainly because of depreciation

Current liabilities

- Payables due to member dealers at auction increased 1,652 million yen
- In other, taxes payable increased 968 million yen

Noncurrent liabilities

- Long-term bank loans increased 1,000 million yen because of the establishment of the USS employee stock ownership plan trust

FY2012.3 – Consolidated Cash Flows

Substantial stock repurchases and a consolidated dividend payout ratio consistently above 40%

(Million yen)

	2011.3	2012.3	Changes
Net Cash provided operating activities	20,512	24,014	3,501
Income before income taxes	23,156	28,579	5,422
Depreciation and other amortization	4,685	4,034	▲651
Amortization of goodwill	248	91	▲156
Loss (▲gain) on sale and retirement of property, plant and equipment	1	7	5
Loss (▲gain) on sales and retirement of intangible assets	11	0	▲11
Net change in due from/to member dealers at auction (▲increase)	▲458	1,168	1,626
Income taxes paid	▲9,026	▲10,499	▲1,473
Other	1,893	633	▲1,260
Net cash provided by investment activities	▲9,786	▲7,699	2,086
Purchase of property, plant and equipment	▲7,303	▲655	6,648
Other	▲2,482	▲7,044	▲4,561
Net cash provided by financing activities	▲11,127	▲17,053	▲5,926
Net increase in loans payable	▲399	911	1,311
Purchases of treasury stock	▲4,950	▲11,812	▲6,861
Cash dividends paid	▲5,518	▲6,001	▲482
Other	▲258	▲151	106
Net increase in cash and cash equivalents	▲401	▲739	▲338
Cash and cash equivalents at beginning of period	29,681	29,280	▲401
Cash and cash equivalents at end of period	29,280	28,540	▲739

Operating activities

- Income before income taxes was 28,579 million yen
- Income taxes paid were 10,499 million yen

Investment activities

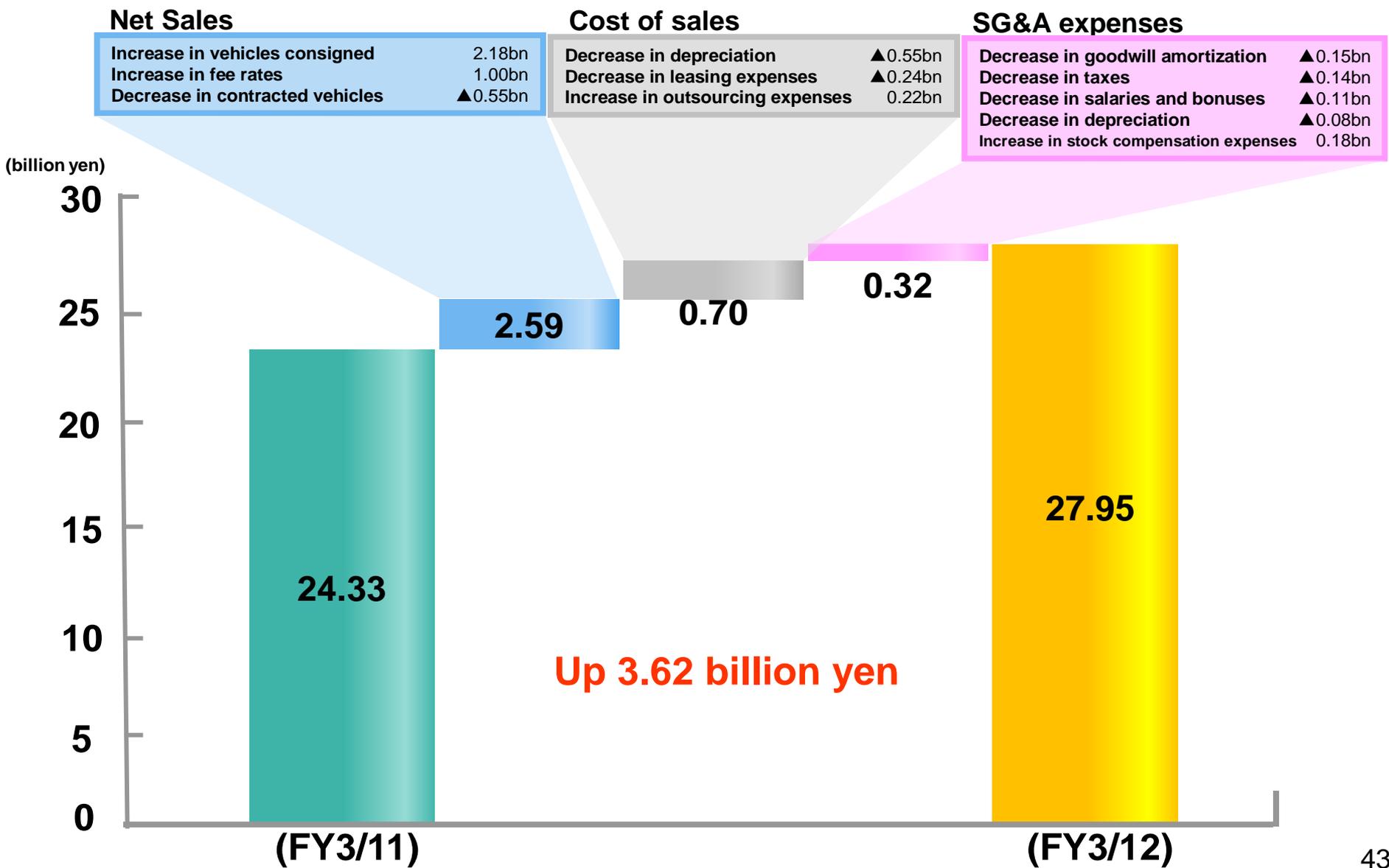
- Time deposits increased by 6,600 million yen
- Purchase of property, plant and equipment fell sharply to 655 million yen

Financing activities

- Purchases of treasury stock totaled 11,812 million yen (includes 997 million yen purchased by the USS employee stock ownership plan trust)
- Cash dividends paid were 6,001 million yen
- USS employee stock owner plan trust was responsible for 1,000 million yen of the net increase in loans payable

FY2012.3 Reasons for Change in Operating Income (Actual)

Reasons for change in operating income



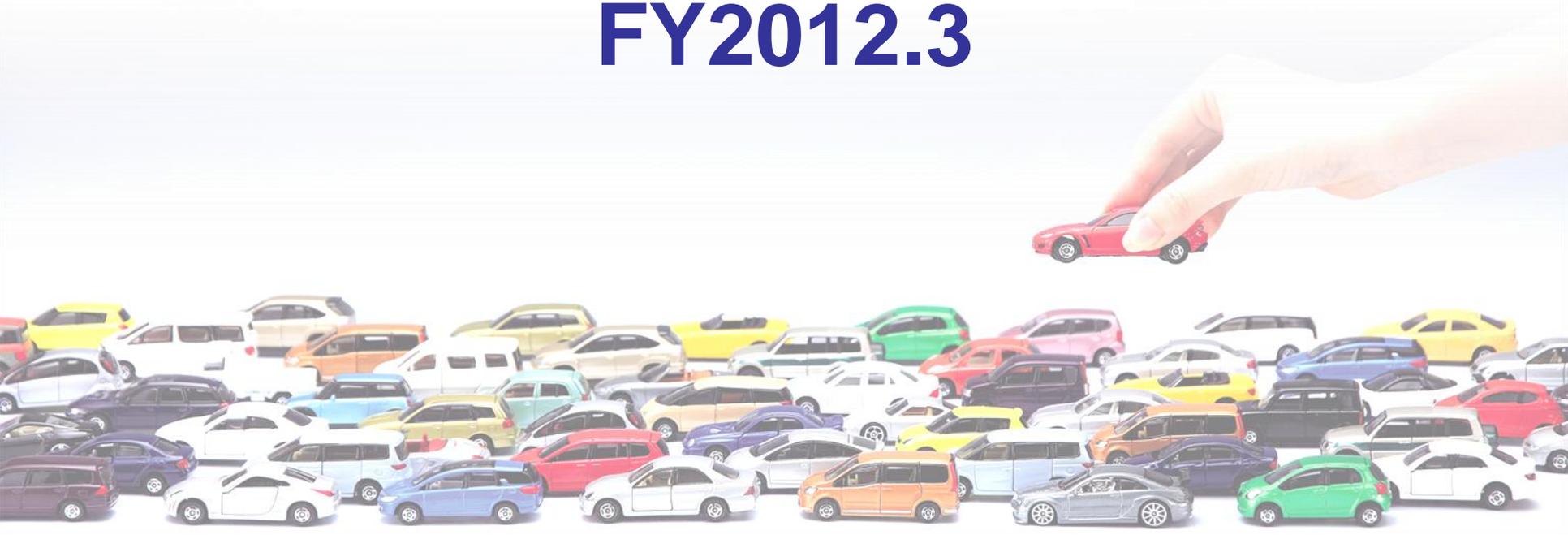
Major Financial Indicators (Fiscal year)

(Million yen)

	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3	YoY	10 years average of % changes
Results of Operations													
Net Sales	26,008	33,819	42,425	50,484	60,243	64,568	69,801	66,549	59,849	61,417	64,009	4.2%	9.4%
Operating Income	11,345	15,335	18,017	20,673	23,103	24,817	27,200	22,568	21,940	24,332	27,952	14.9%	9.4%
Ordinary Income	10,859	15,382	18,207	21,096	23,544	25,360	27,490	22,503	22,511	24,643	28,588	16.0%	10.2%
Net Income	5,489	7,645	8,907	11,814	13,203	14,390	15,200	12,003	12,717	13,971	17,054	22.1%	12.0%
Financial Position													
Total Assets	80,929	88,979	92,538	115,704	131,908	146,172	150,737	138,370	142,164	151,636	154,639	2.0%	6.7%
Cash and Deposits	21,477	15,356	15,168	15,818	19,995	21,149	26,280	18,445	29,681	30,980	36,840	18.9%	5.5%
Total Liabilities	46,209	44,603	24,284	29,901	33,841	40,184	33,159	23,428	23,773	29,689	33,541	13.0%	▲3.2%
Interest Bearing Debt	28,858	25,579	7,331	7,490	5,200	5,355	3,064	2,716	1,806	1,097	1,746	59.1%	▲24.5%
Net Assets	34,720	44,376	68,254	85,803	98,067	105,988	117,577	114,941	118,390	121,947	121,097	▲0.7%	13.3%
Shareholders' Equity	34,402	43,812	67,497	84,877	97,391	104,985	117,130	114,771	118,146	121,638	120,582	▲0.9%	13.4%
Per Share Information													
EPS (Yen)	205.6	279.4	300.7	377.6	407.0	447.1	475.1	382.7	418.8	478.0	609.2	27.5%	11.5%
Dividend per Share (Yen)	30.0	40.0	50.0	65.0	80.0	100.0	145.0	165.0	168.0	192.0	244.0	27.1%	23.3%
Others													
Operating Income Ratio (%)	43.7	45.3	42.5	40.9	38.4	38.4	39.0	33.9	36.7	39.6	43.7	—	—
ROE (%)	16.5	19.5	16.0	15.5	14.5	14.2	13.7	10.4	10.9	11.7	14.1	—	—
ROA (%)	15.2	18.1	20.1	20.3	19.0	18.2	18.5	15.6	16.0	16.8	18.7	—	—
Dividend Payout Ratio (%)	14.6	14.3	16.6	17.2	19.7	22.4	30.5	43.1	40.1	40.2	40.0	—	—
Shareholders' Equity Ratio (%)	42.5	49.3	72.9	73.4	73.8	71.8	77.7	82.9	83.1	80.2	78.0	—	—
Treasury Stock (shs.)	50	1,134	1,495	1,789	144,006	671,773	671,801	2,105,687	2,936,474	2,364,781	4,128,021	74.6%	210.2%
On-site Auction Members (Companies)	25,023	27,622	30,195	34,420	37,157	40,959	42,751	43,307	44,317	45,563	44,796	▲1.7%	6.0%

Market Overview

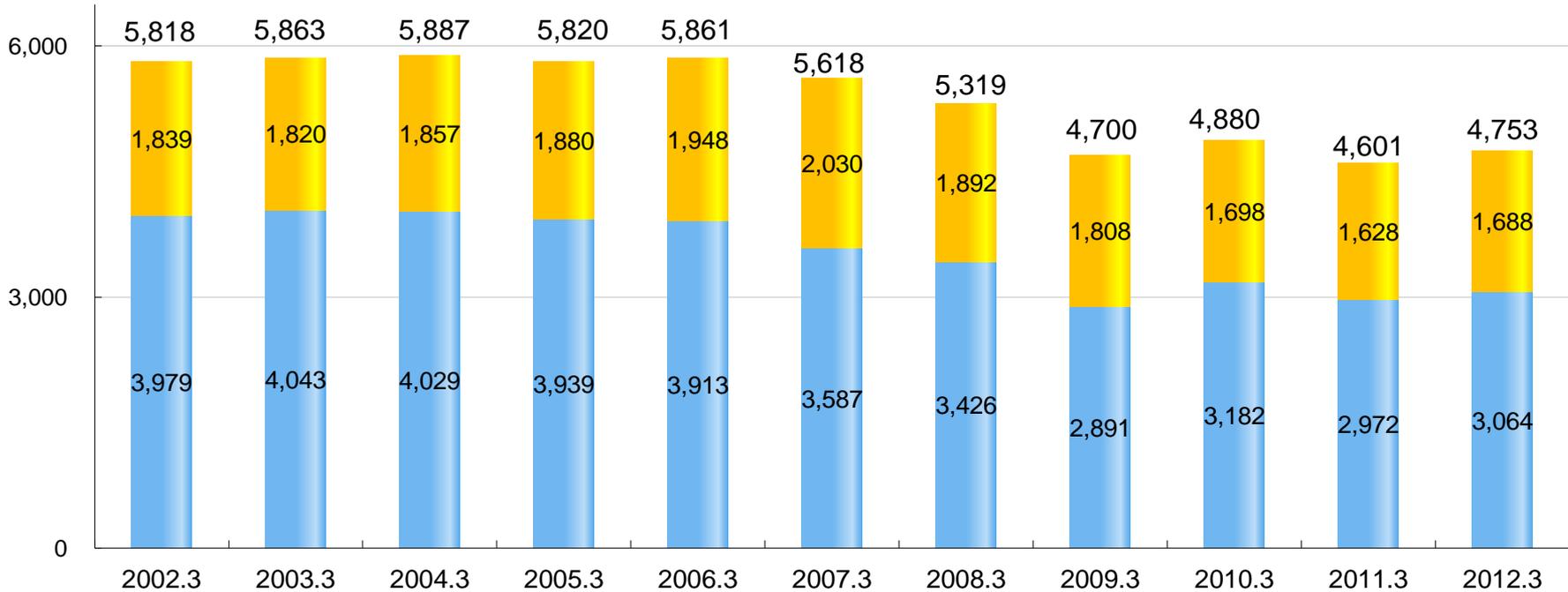
FY2012.3



(1) New Car Registrations in Japan (April to March)

■ Ordinary cars ■ Mini cars

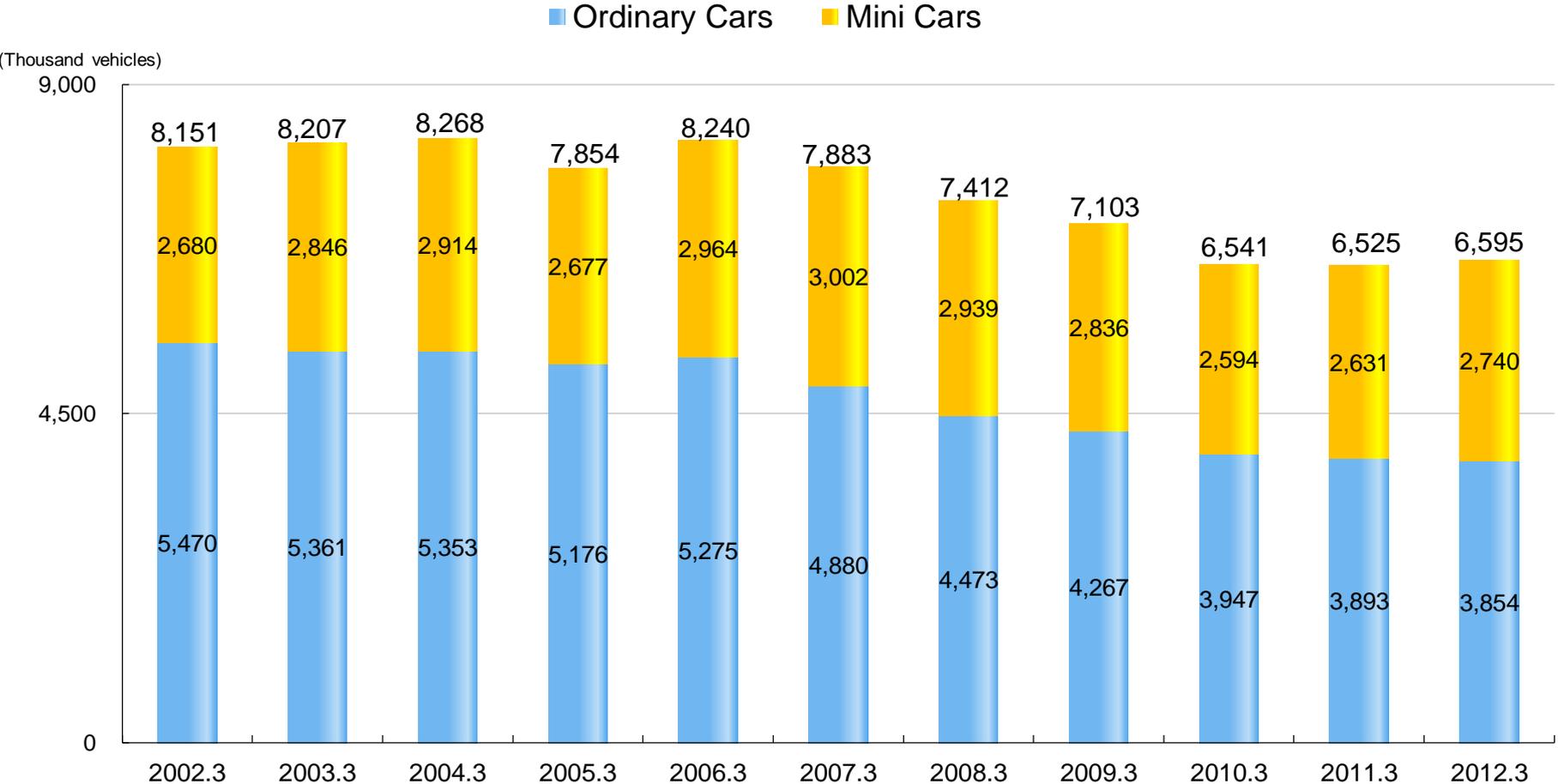
(Thousand vehicles)



New car registrations increased 3.3% to 4.75 million units

- April-Sept: Down 23.7% (YoY) mainly because of the new vehicle shortage as automobile production dropped after the March 2011 earthquake
- Oct.-March: Up 36.6% (YoY) mainly because of a recovery in automobile production and the resumption of eco-car subsidies

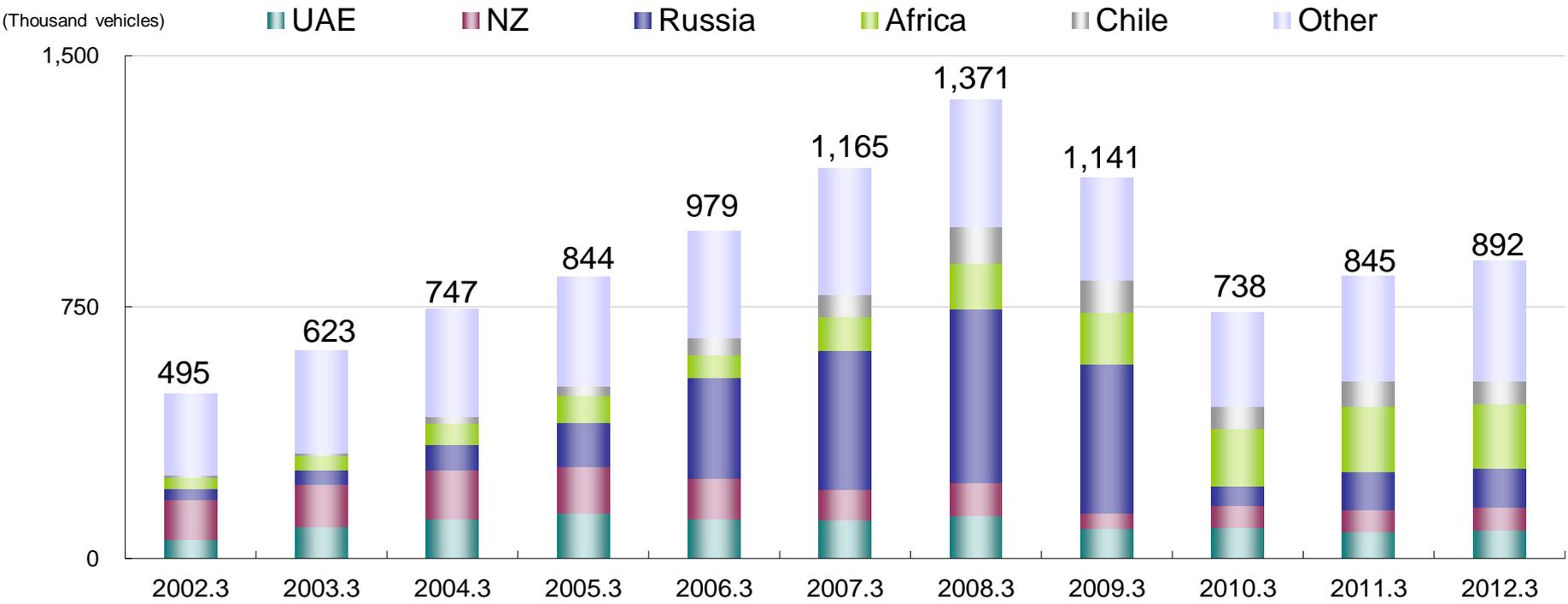
(2) Used Car Registrations in Japan (April to March)



Used car registrations increased 1.1% to 6.59 million units

- April-Sept: New cars sales were sluggish due mainly to production slowdowns after the March 2011 earthquake. This led to declines in used vehicle purchases and trade-ins. Nevertheless, supported by recovery-related demand and replacement demand, used car registrations fell only 3.1% (YoY)
- Oct.-March: Used car purchases and trade-ins increased, rising 4.9% (YoY), reflecting a recovery in new car sales.

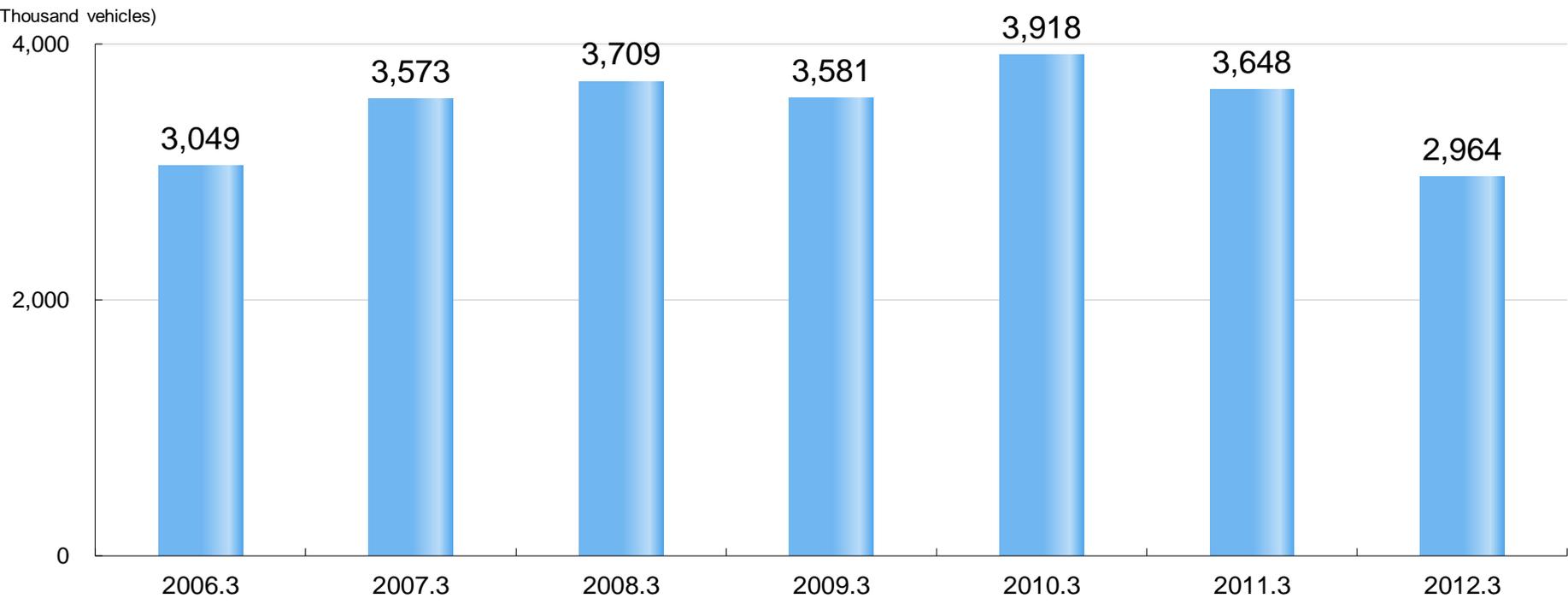
(3) Used Car Exports (April to March)



Used car exports increased 5.6% to 890,000 units

- Major destination countries
 Russia 118,000 (up 3.9%), UAE 85,000 (up 5.6%),
 New Zealand 67,000 (up 3.3%), Chile 66,000 (down 12.8%),
 Africa 192,000 (down 0.5%)
- Countries with large increases
 Pakistan 45,000 (up 319.5%), Myanmar 42,000 (up 425.7%),
 Mongolia 34,000 (up 42.8%), Kyrgyz Republic 24,000 (up 103.1%)

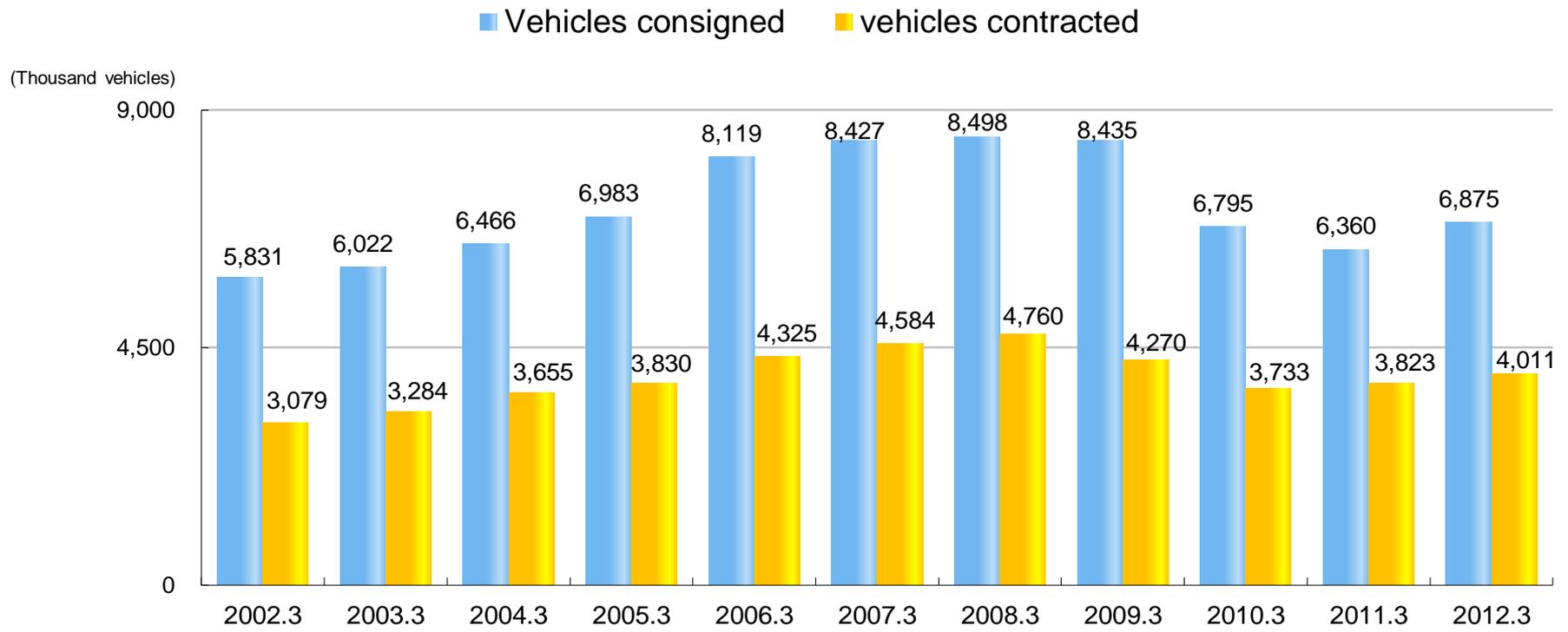
(4) Automobiles Recycled (April to March)



Vehicles scrapped decreased 18.7% to 2.96 million units

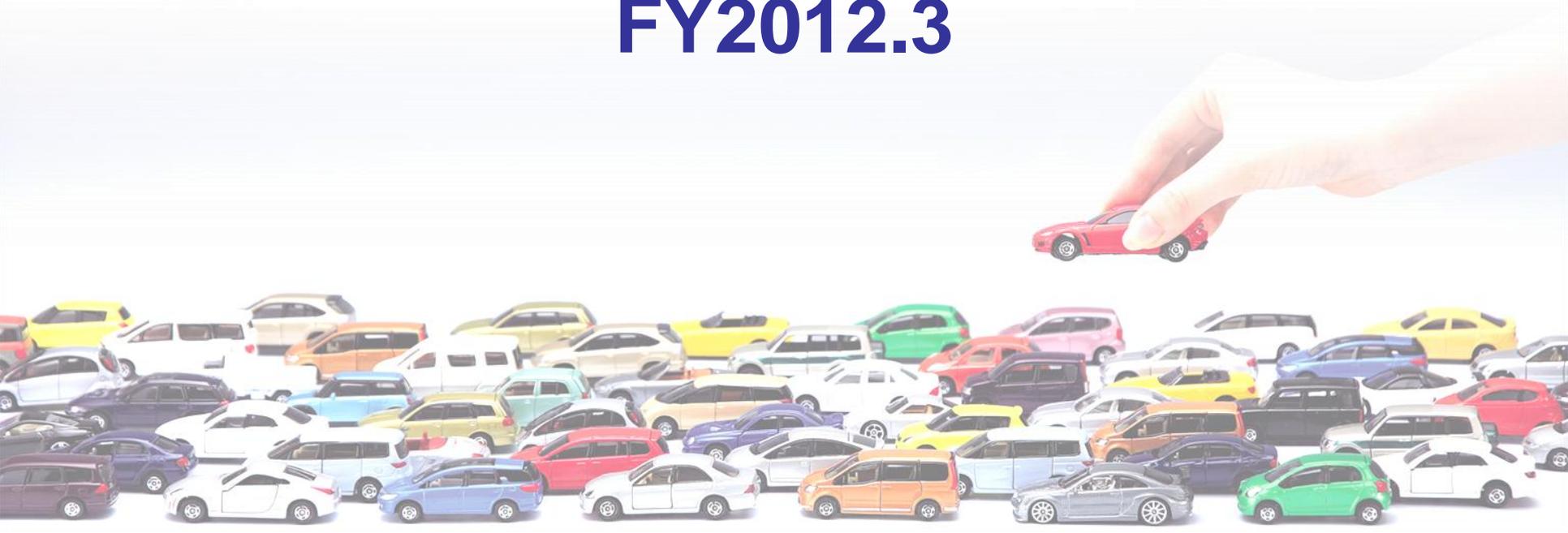
- April-Sept: Down 34.1% (YoY) because of the new vehicle shortage as automobile production dropped after the March 2011 earthquake
- Oct-March: Up 2.8% (YoY) as the recovery in automobile production, resumption of eco-car subsidies and other events sparked a big increase in new car sales

(5) Auto Auction Market (April to March)

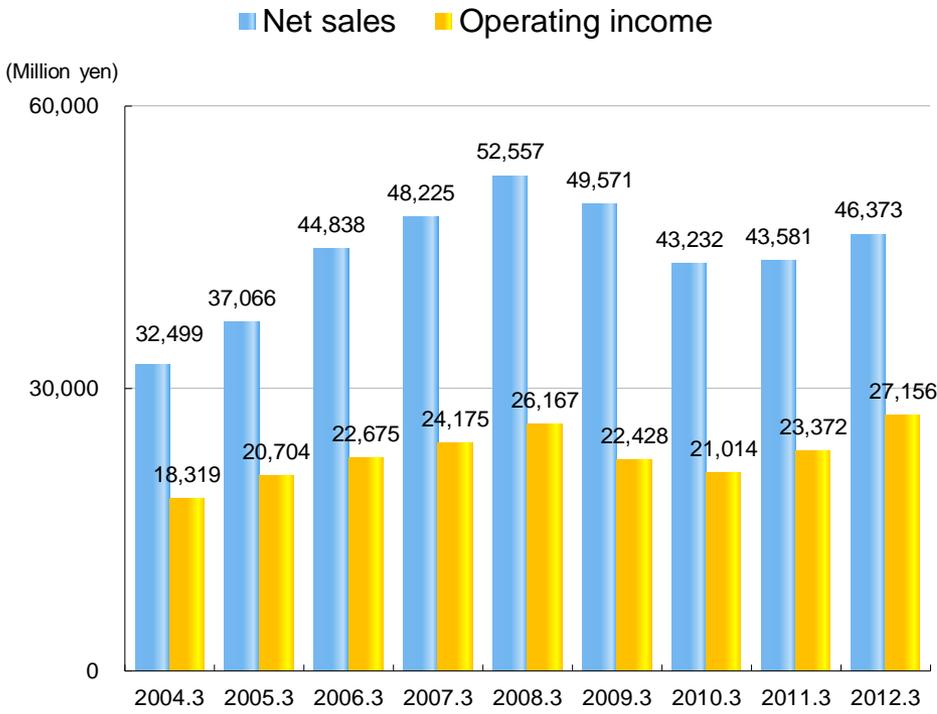


Business Segment Information

FY2012.3



Auto Auction Business (1) – Results of Operations (April to March)



	(Million yen)		
	2011.3	2012.3	YoY
Net sales	43,581	46,373	106.4%
Operating income (Per sales)	23,372 (53.6%)	27,156 (58.6%)	116.2%

Net sales increased 6.4% (YoY) to 46,373 million yen

- Vehicles consigned up 6.2% to 2,252 thousand; contracted vehicles up 3.9% to 1,414 thousand; contract completion rate decreased from 64.2% to 62.8%
- Consignment fee rate and successful bid fee rate were increased

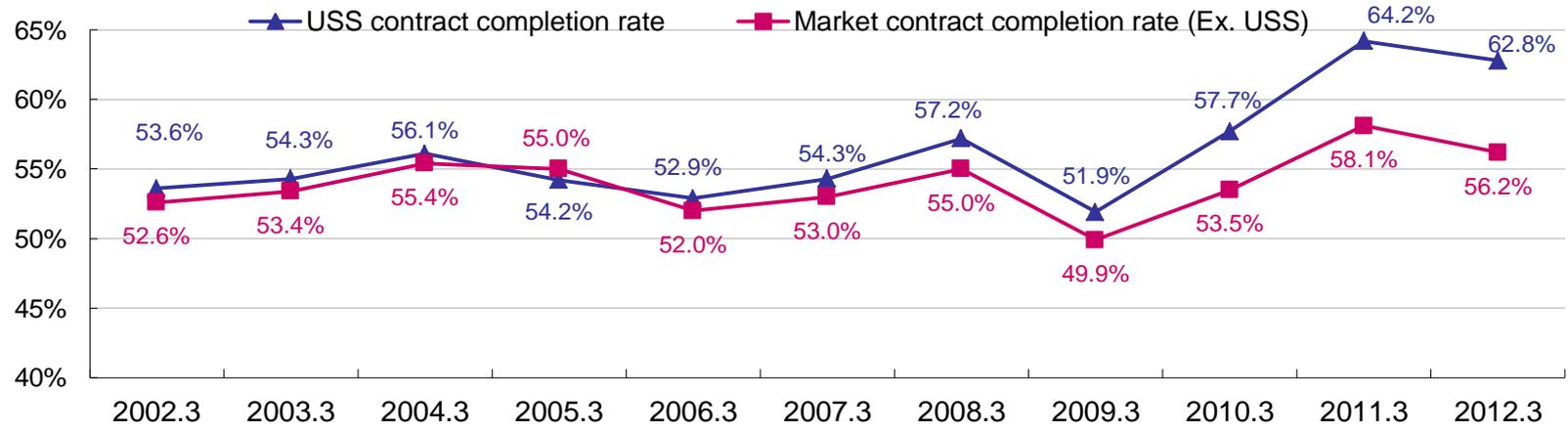
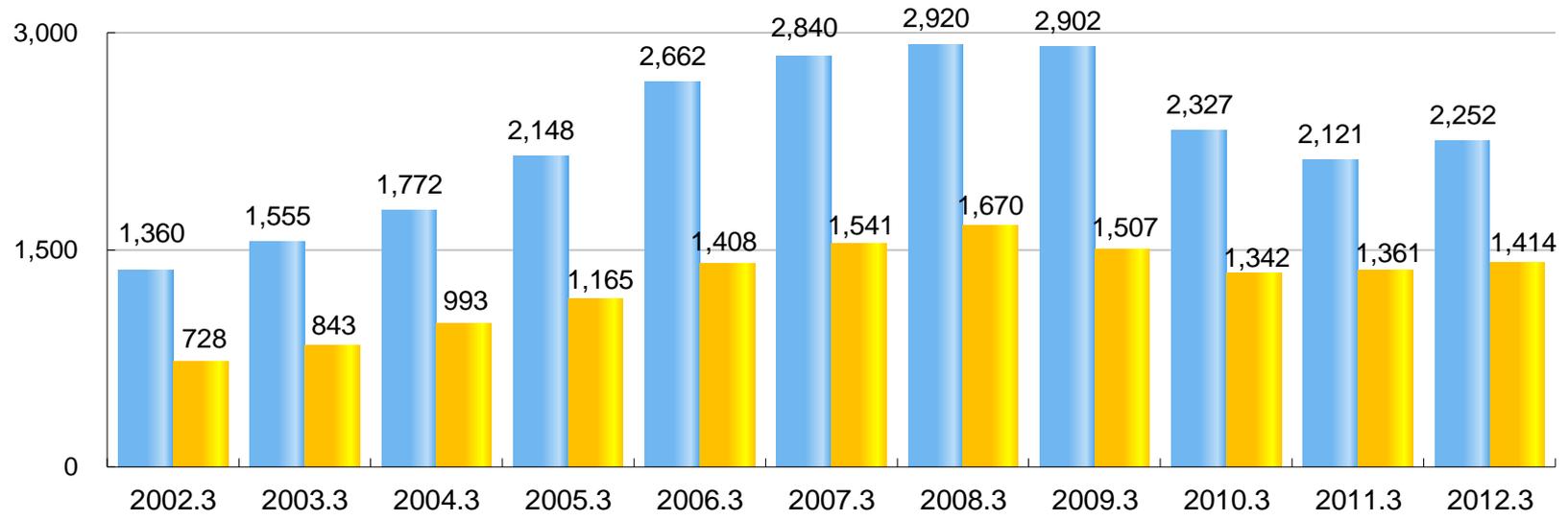
Operating income increased 16.2% (YoY) to 27,156 million yen

- Depreciation down 600 million yen, leasing expenses down 240 million yen, taxes down 190 million yen, goodwill amortization down 150 million yen

Auto Auction Business (2) – USS Group Performance (April to March)

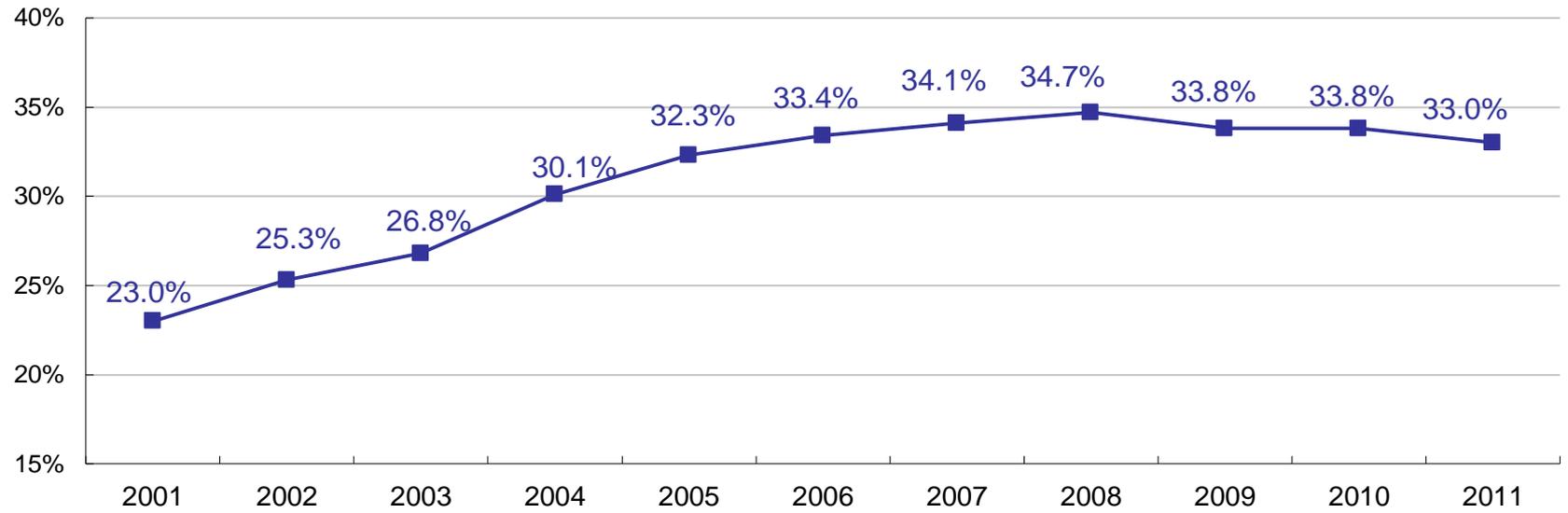
■ Vehicles consigned ■ Vehicles contracted

(Thousand vehicles)

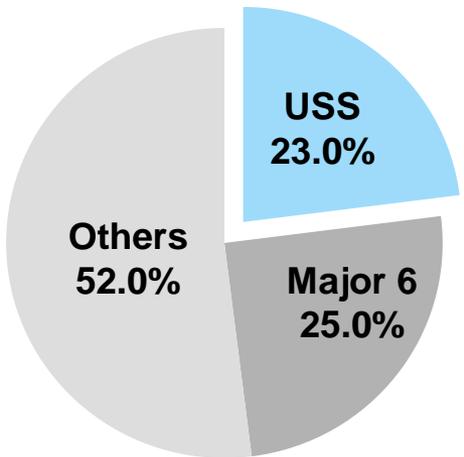


Auto Auction Business (3) – Market Share (January to December)

USS Market Share

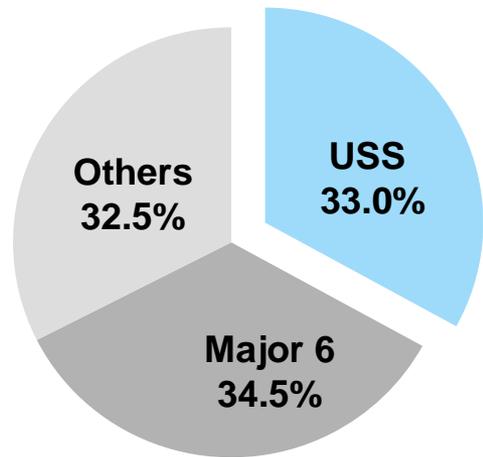


2001 (CY) Market Share



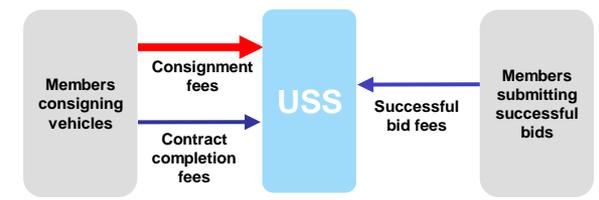
- *Major 6
- JAA (6.1%)
- TAA (5.3%)
- CAA (4.5%)
- Arai AA(5.2%)
- KCAA (2.7%)
- LAA (1.2%)

2011 (CY) Market Share

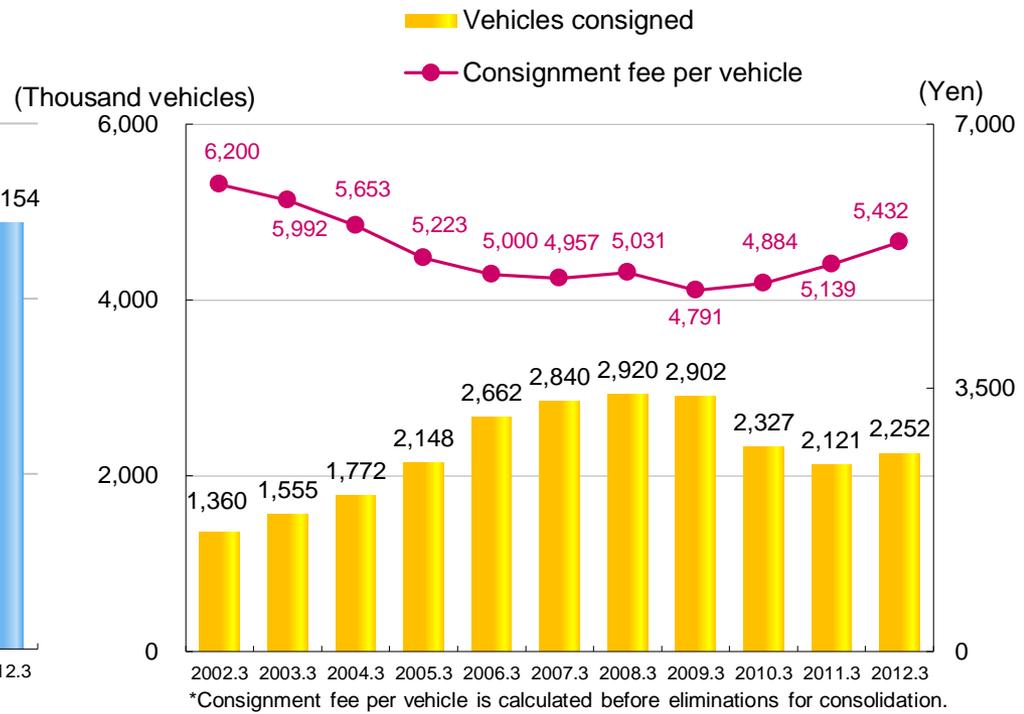
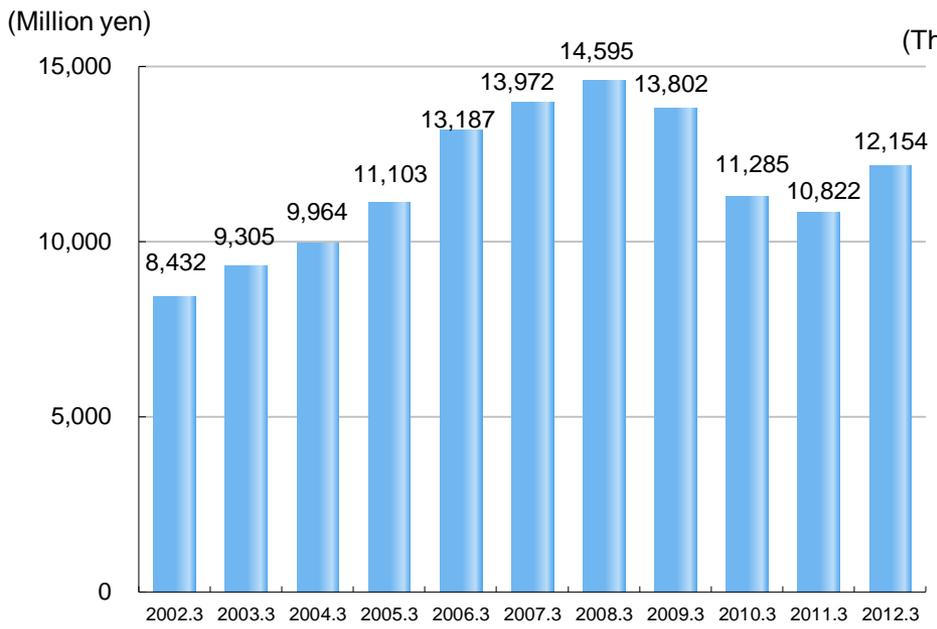


- *Major 6
- JAA(9.0%)
- TAA(8.3%)
- CAA(6.6%)
- Arai AA(4.3%)
- LAA(3.2%)
- KCAA(3.1%)

Auto Auction Business (4) – Vehicles Consigned and Consignment Fees



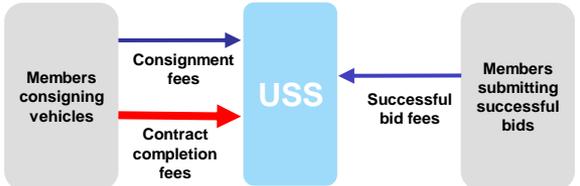
Total of Consignment Fees



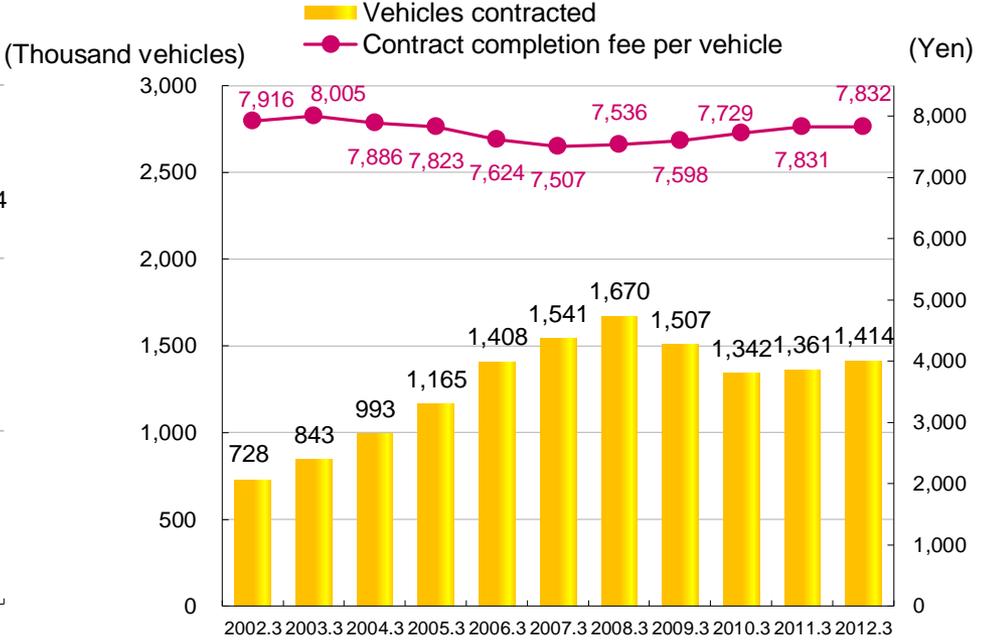
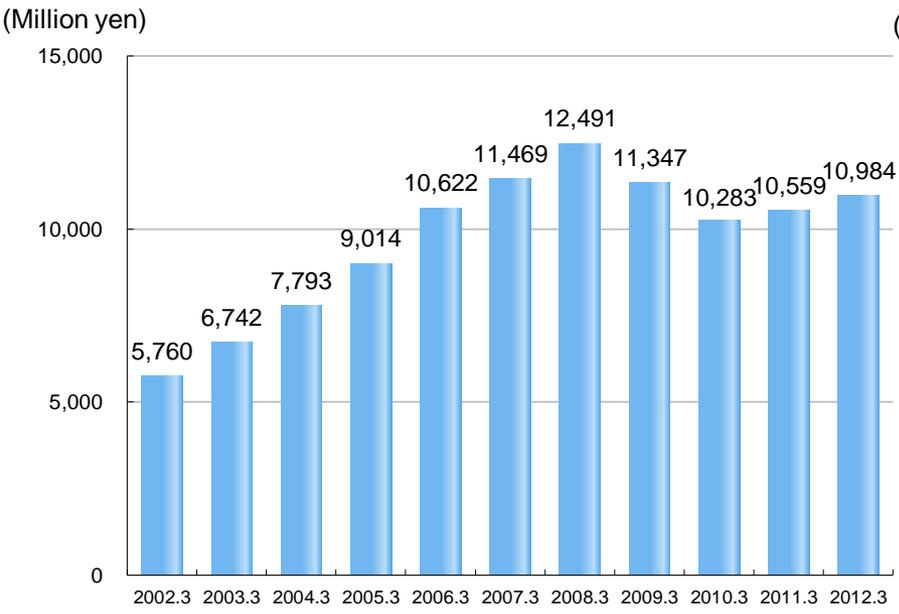
Consignment fee per vehicle increased by 293 yen from 5,139 yen to 5,432 yen (YoY)

- Ended Tokyo Auction Site sales of vehicles for recycling, which have low consignment fees, in January 2011
- Started using a revised fee structure at the Tohoku Auction Site in April 2011
- Decline in marketing campaigns featuring discounted vehicle consignment fees at the Yokohama Auction Site and other locations

Auto Auction Business (5) – Vehicles Contracted and Contract Completion Fees



Total of Contract Completion Fees

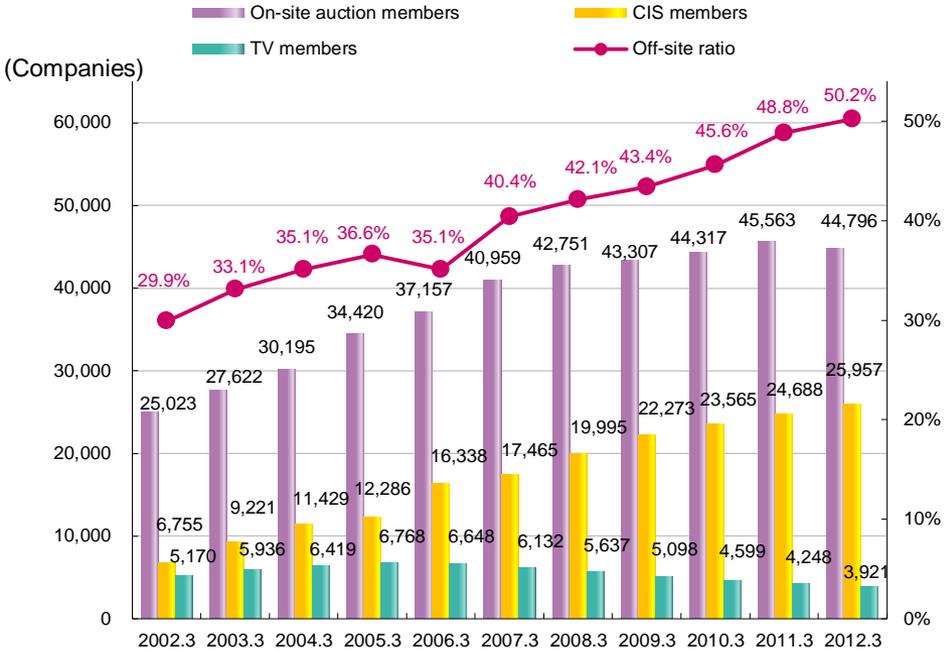
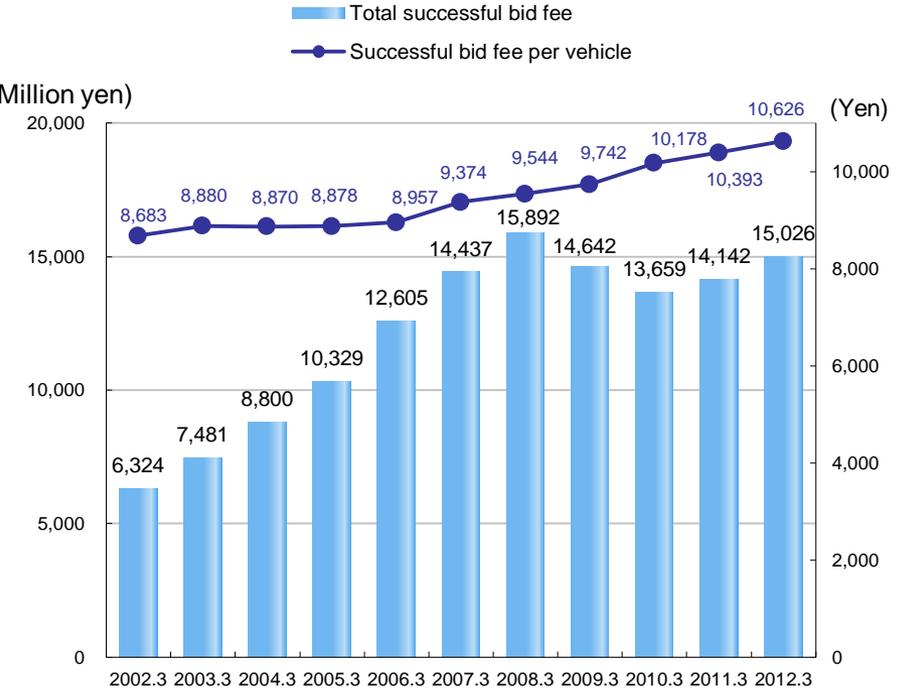
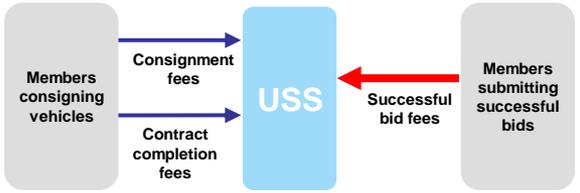


*Contract Completion fee per vehicle is calculated before eliminations for consolidation.

Contract completion fee per vehicle increased by 1 yen from 7,831 yen to 7,832 yen (YoY)

- No significant change in contract completion fee rates from the previous fiscal year

Auto Auction Business (6) – Successful Bid Fees and Off-site Successful Bid Ratio



* Successful bid fee per vehicle is calculated before eliminations for consolidation.

Successful bid fee per vehicle increased by 233 yen from 10,393 yen to 10,626 yen (YoY)

- The off-site successful bid ratio rose from 48.8% to 50.2%

Auto Auction Business (7) – USS Group Auto Auction Results by Sites

FY2012.3 (From April 1, 2011 to March 31, 2012)

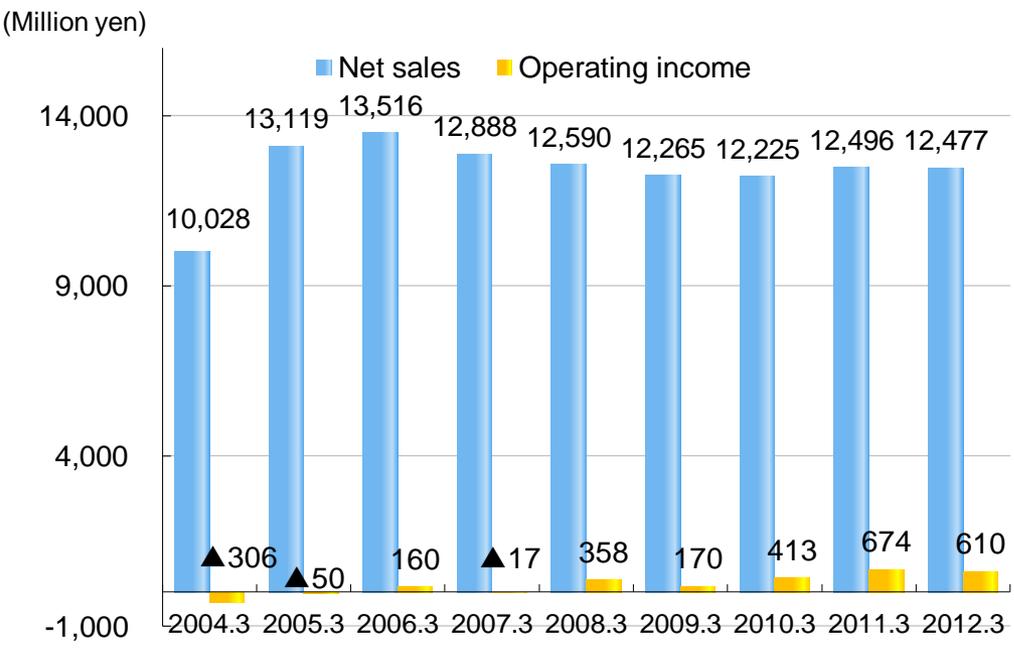
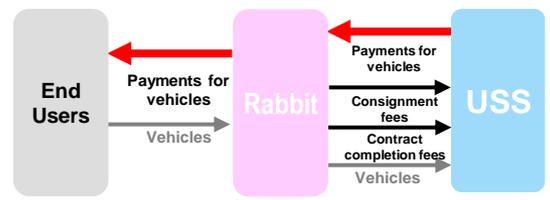
(Vehicles, Number of auctions held)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	2012.3	2011.3	2012.3	2011.3	Changes	2012.3	2011.3	Changes	2012.3	2011.3
Tokyo	49	48	617,907	570,237	8.4%	424,469	404,013	5.1%	68.7%	70.9%
Nagoya	49	49	368,950	332,952	10.8%	229,367	220,930	3.8%	62.2%	66.4%
Kyushu	50	50	186,580	163,441	14.2%	108,259	97,264	11.3%	58.0%	59.5%
Yokohama	49	49	186,276	181,532	2.6%	116,004	111,289	4.2%	62.3%	61.3%
Sapporo	49	49	135,166	128,220	5.4%	83,148	77,223	7.7%	61.5%	60.2%
Osaka	49	50	102,963	96,777	6.4%	63,137	62,828	0.5%	61.3%	64.9%
R-Nagoya	49	49	100,783	90,875	10.9%	79,832	72,935	9.5%	79.2%	80.3%
Shizuoka	49	49	89,691	83,116	7.9%	50,288	49,456	1.7%	56.1%	59.5%
Tohoku	49	48	78,583	69,540	13.0%	56,140	49,831	12.7%	71.4%	71.7%
Okayama	50	50	75,404	64,773	16.4%	41,345	35,182	17.5%	54.8%	54.3%
Gunma	50	49	75,308	74,522	1.1%	46,929	50,225	▲6.6%	62.3%	67.4%
Fukuoka	49	50	63,540	64,778	▲1.9%	21,009	22,935	▲8.4%	33.1%	35.4%
Saitama	51	49	48,096	44,777	7.4%	27,792	27,121	2.5%	57.8%	60.6%
Niigata	50	50	41,959	30,784	36.3%	19,102	15,737	21.4%	45.5%	51.1%
Kobe	48	49	40,353	38,426	5.0%	23,076	21,738	6.2%	57.2%	56.6%
Hokuriku	50	49	29,151	25,183	15.8%	18,456	16,043	15.0%	63.3%	63.7%
Ryutsu	12	49	11,856	62,015	▲80.9%	6,460	26,849	▲75.9%	54.5%	43.3%
Total	802	836	2,252,566	2,121,948	6.2%	1,414,813	1,361,599	3.9%	62.8%	64.2%

* Ryutsu Auction Site and Tokyo Auction Site have been integrated in July 2011.

* Shikoku Auction Site figures are included in the Okayama Auction Site results.

Used Car Purchasing and Selling Business – Results of Operations



(Million yen)

	2011.3	2012.3	YoY
Net Sales	12,496	12,477	99.8%
Operating Income (Per sales)	674 (5.4%)	610 (4.9%)	90.5%

Rabbit sales increased 0.9% to 8,535 million yen and operating income was down 10.5% to 337 million yen (YoY)

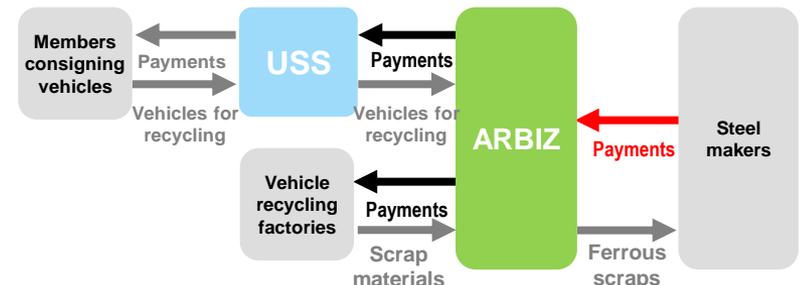
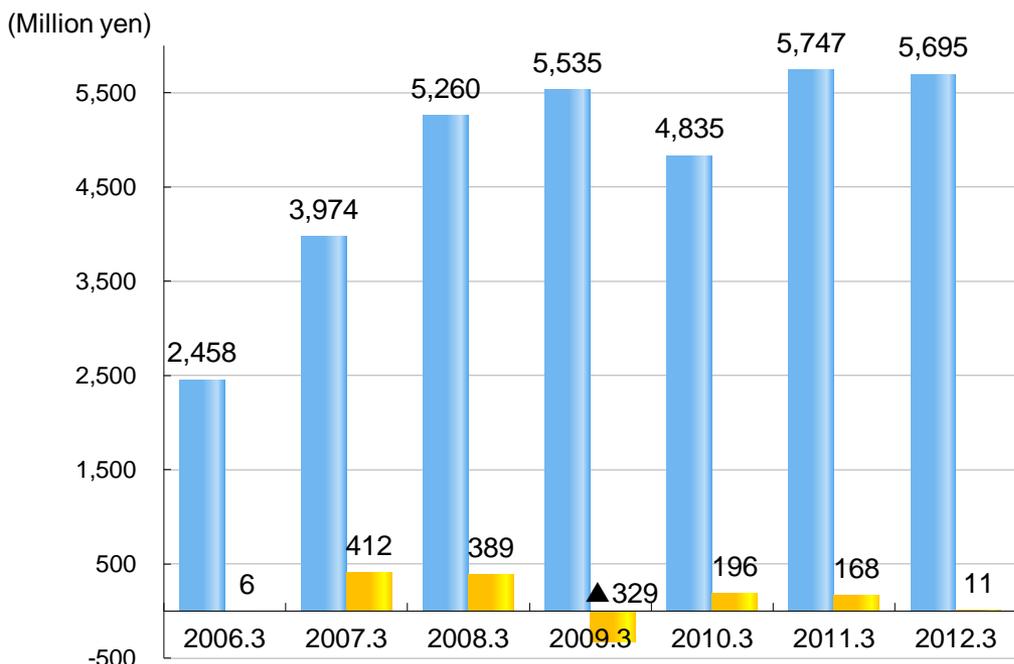
- Auction prices rose sharply after the earthquake; vehicles purchased and gross profit per vehicle increased
- In the third quarter, auction prices started falling; vehicles purchased and gross profit per vehicle declined

Sales of accident-damaged vehicles decreased 2.4% to 3,941 million yen and operating income was down 8.2% to 272 million yen

- Sales and earnings down because of the smaller number of vehicles purchased

Used Car Purchasing and Selling Business – Results of Operations

■ Net sales ■ Operating income



	(Million yen)		
	2011.3	2012.3	YoY
Net Sales	5,747	5,695	99.1%
Operating Income (Per sales)	168 (2.9%)	11 (0.2%)	6.9%

ARBIZ sales decreased 6.4% to 4,278 million yen and operating income fell 97.8% to 1 million yen (YoY)

- Sales and earnings down because of a lower volume of industrial scrap materials handled and much higher cost of materials purchased

USS Toyo sales increased 6.1% to 1,250 million yen and operating income fell 14.1% to 87 million yen (YoY)

- Sales up but earnings down mainly due to the much higher cost of synthetic rubber and other materials purchased

USS Logistics sales were 167 million yen and the operating loss was 77 million yen

- The used car export clearing service was started in July 2011