

USS

Used car
System
Solutions

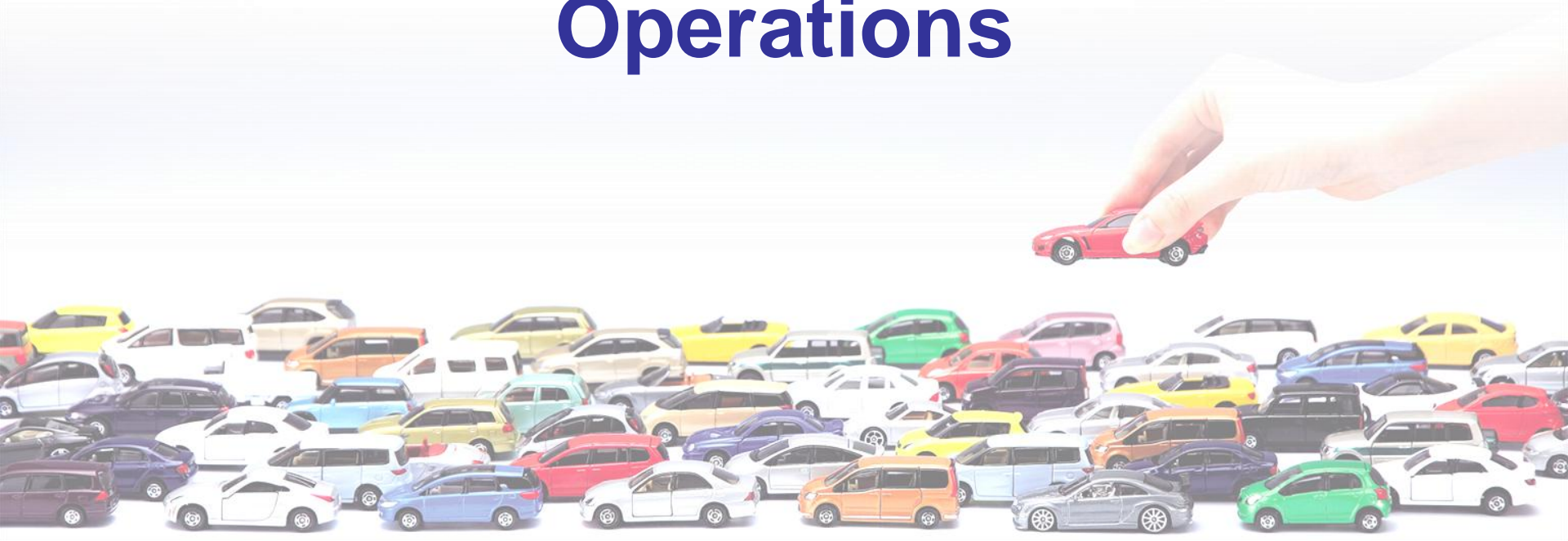
Consolidated Results of Operations

The first quarter, fiscal year ending March 31, 2015

USS Co., Ltd.
August 2014



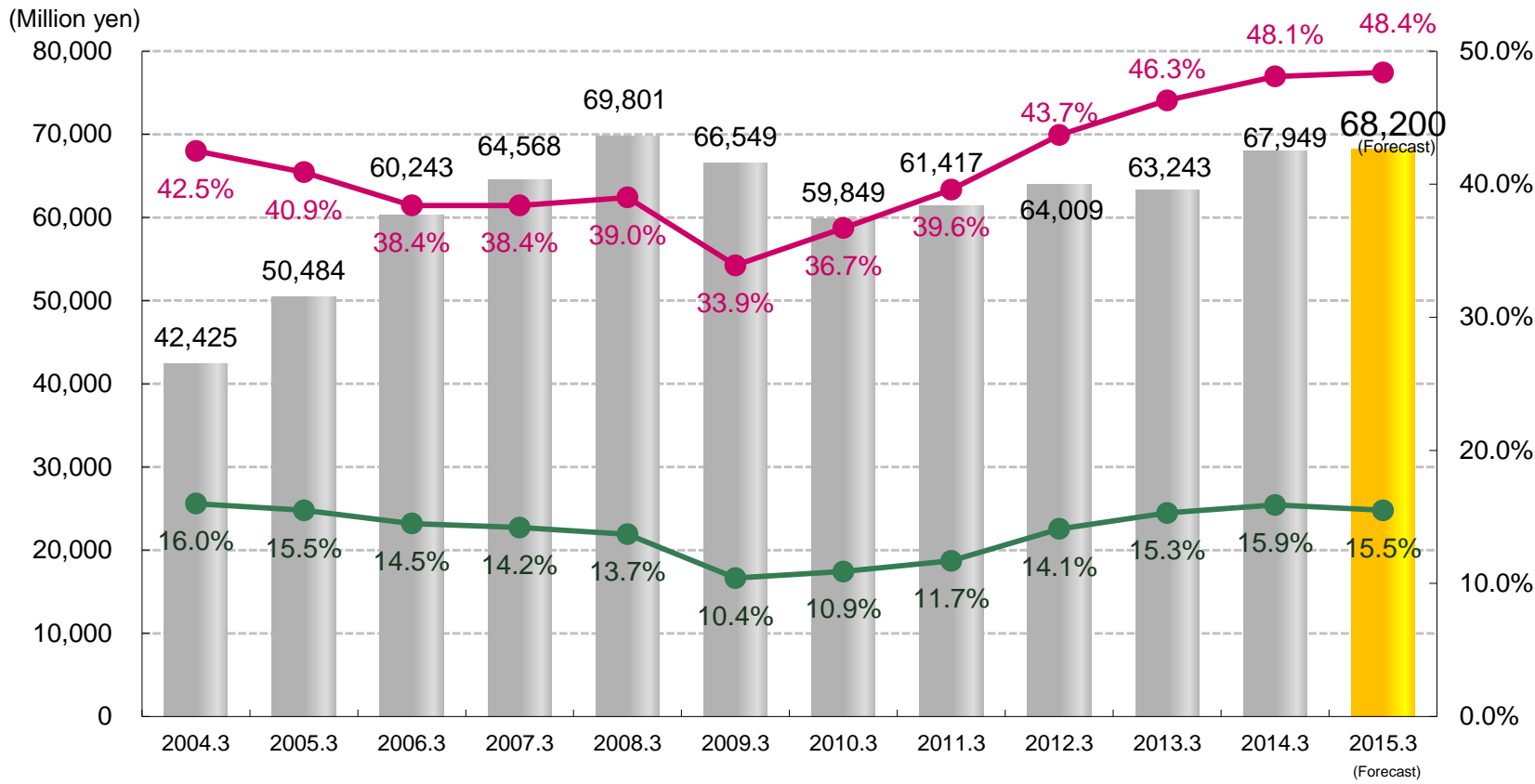
USS Profile and Results of Operations



(1) Consolidated Sales, Operating Margin and ROE

ROE target is 15% backed by medium-term growth and high profitability

■ Net sales ● Operating margin ● ROE

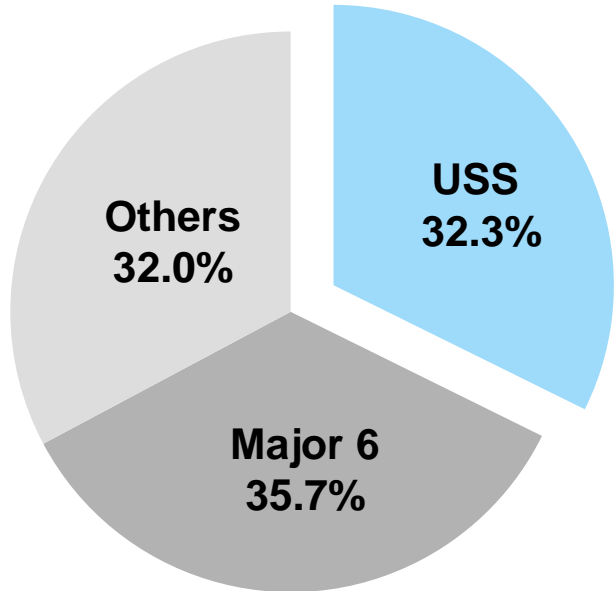


2004.3 - 2014.3
Avg. 10-year growth rate Sales 4.8% Operating income 6.1%
Avg. 10-year operating margin 40.5%
Average 10-year ROE 13.6%

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

Largest Share of the Auto Auction Market

Market share (1H 2014)



*Major 6 : TAA(9.9%), JAA(8.2%), CAA(6.0%), Arai AA(4.9%), Honda(3.6%), KCAA(3.1%)

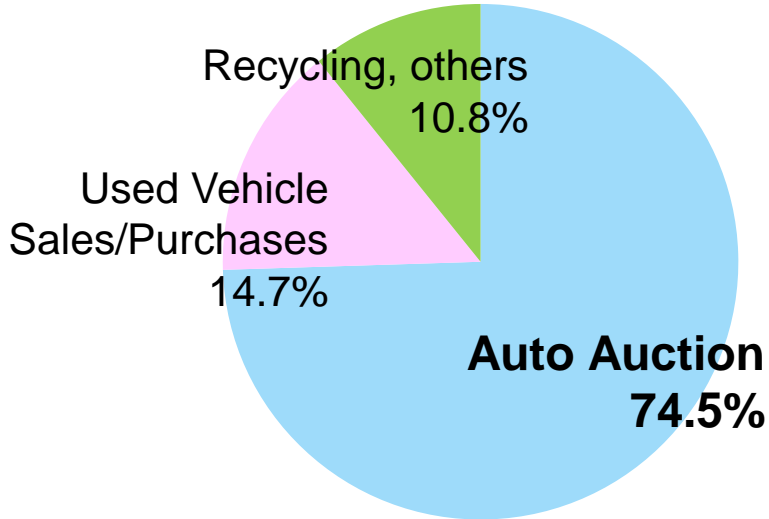
The Superiority of USS

- 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 83.9%

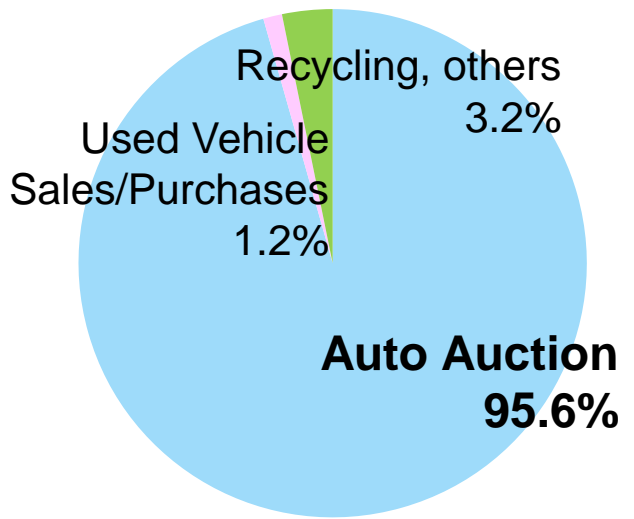
(As of end of June 2014)

(3) Breakdown of Net sales and Operating income

**Sales breakdown
(1Q FY3/2015)**



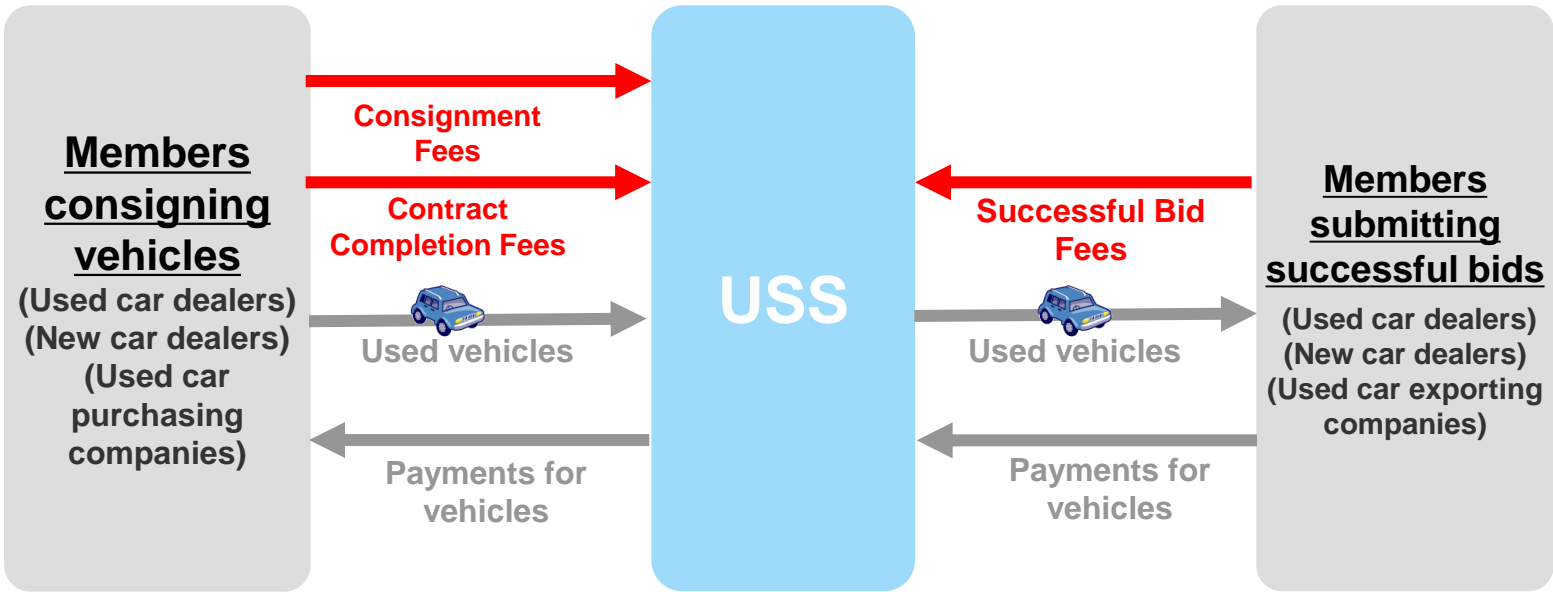
**Operating income breakdown
(1Q FY3/2015)**



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

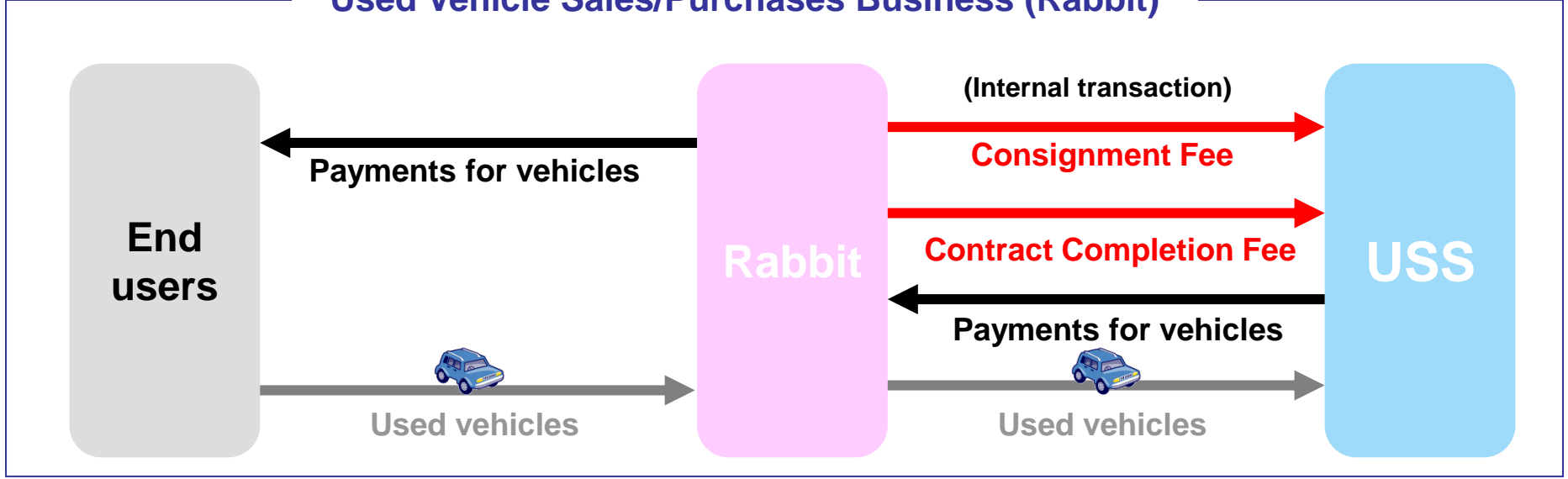
(4) Business Models for Auto Auction Business

Auto Auction Business

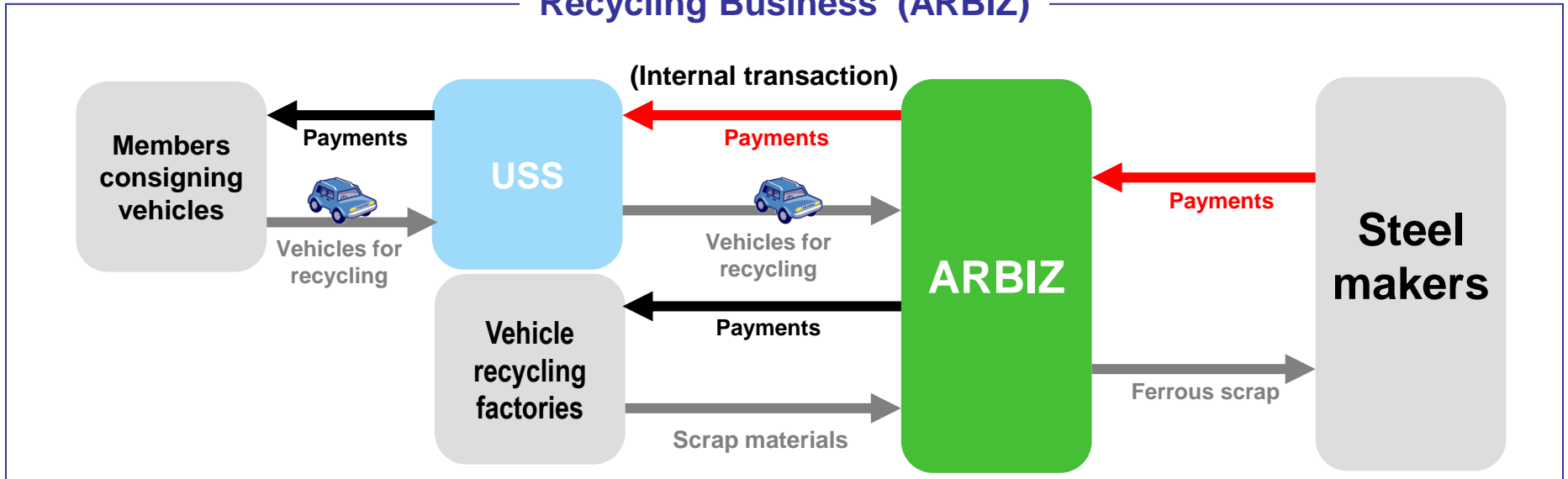


(5) Business Models for Used Vehicle Sales/Purchases Business and Recycling Business

Used Vehicle Sales/Purchases Business (Rabbit)



Recycling Business (ARBIZ)



Results of Operations First Quarter Fiscal Year Ending March 2015



- **Sales down 0.7% (YoY)**
 - **Auto auction business sales up 0.8% (YoY)**
 - **Vehicles consigned up 4.7%, contracted vehicles down 1.1% (YoY)**
 - **Contract completion rate was 62.6% compared with 66.3% one year earlier**
 - **Off-site (Satellite TV and Internet) successful bid ratio was 48.4% (50.4% in 1Q FY3/2014)**
 - **Used vehicle purchasing and selling business sales decreased 16.3% (YoY)**
 - **Recycling and others sales increased 17.0% (YoY)**

- **Operating income up 1.0% and ordinary income up 1.2% (YoY)**
 - **Auto auction business operating income increased 0.3% (YoY)**
 - **Used vehicle purchasing and selling business decreased 49.4% (YoY)**
 - **Recycling and others operating income increased 141.5% (YoY)**
 - **Auto auction business sales promotion and other expenses decreased**
 - **Operating margin improved from 48.6% to 49.4% (YoY)**

- **Maintained a high equity ratio of 83.9%**

1Q FY3/2015 – Consolidated Income Statement

Record-high quarterly operating and ordinary income for the third consecutive quarter and quarterly net income for the fourth consecutive quarter

(Million yen)

	1Q FY3/13	1Q FY3/14	1Q FY3/15	Year on year
Net Sales	15,684	16,400	16,282	99.3%
Cost of sales (Per sales)	6,218 (39.6%)	6,244 (38.1%)	6,221 (38.2%)	99.6%
Gross profit (Per sales)	9,465 (60.4%)	10,156 (61.9%)	10,061 (61.8%)	99.1%
Selling, general and administrative expenses (Per sales)	2,345 (15.0%)	2,188 (13.3%)	2,010 (12.3%)	91.8%
Operating income (Per sales)	7,120 (45.4%)	7,967 (48.6%)	8,050 (49.4%)	101.0%
Ordinary income (Per sales)	7,166 (45.7%)	8,092 (49.3%)	8,192 (50.3%)	101.2%
Net income (Per sales)	4,374 (27.9%)	4,949 (30.2%)	5,243 (32.2%)	105.9%
Net income per share (yen)	16.01	19.16	20.28	105.8%

*Amounts for 1Q FY3/14 are retroactively adjusted to reflect changes in accounting methods.

Net sales

- Lower contract completion rate affected consignment fees in the auto auction business
- Sales were lower in the used vehicle purchasing and selling business as the number of vehicles handled declined
- Sales were up in the recycling and others as the volume handled increased

Cost of sales

- Merchandise cost of sales declined in the used vehicle purchasing and selling business

SG&A expenses

- Auto auction business sales promotion and other expenses decreased

1Q FY3/2015 – Consolidated Balance Sheet

Outstanding financial soundness even as substantial earnings distributions to shareholders continue

(Million yen)

	FY3/14	1Q FY3/15	Changes
Current assets	60,477	53,556	▲6,921
Cash and deposits	46,318	34,552	▲11,766
Receivables due from member dealers at auction	8,701	7,464	▲1,237
Other	5,458	11,539	6,081
Noncurrent assets	103,704	103,430	▲274
Property, plant and equipment	92,337	92,187	▲149
Intangible assets	1,068	1,123	55
Investments and other assets	10,299	10,119	▲179
Total assets	164,182	156,987	▲7,195
Current liabilities	25,657	18,054	▲7,602
Payables due to member dealers at auction	11,852	8,760	▲3,091
Short-term loans payable	80	57	▲23
Other	13,724	9,236	▲4,487
Noncurrent liabilities	6,423	6,352	▲70
Long-term loans payable	549	549	-
Other	5,873	5,802	▲70
Total liabilities	32,080	24,407	▲7,673
Shareholders' equity	136,466	136,947	480
Accumulated other comprehensive income	▲5,117	▲5,179	▲61
Subscription rights to shares	242	242	-
Minority interests	510	569	58
Total net assets	132,102	132,580	477

Current assets

- Down 11.76 billion yen in cash and deposits
- Other current assets rose 6.08 billion yen reflecting an increase in negotiable deposits and other factors

Current liabilities

- Other current liabilities decreased 4.48 billion yen mainly because of lower income taxes payable

*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

1Q FY3/2015 – Consolidated Cash Flows

(Million yen)

	1Q FY3/14	1Q FY3/15	Changes
Net cash provided by operating activities	2,510	▲459	▲2,970
Income before income taxes and minority interests	8,071	8,249	177
Depreciation and other amortization	869	887	17
Amortization of goodwill	11	2	▲8
Loss (▲gain) on sale and retirement of property, plant and equipment	▲1	▲4	▲2
Net change in due from/to member dealers at auction	▲584	▲1,854	▲1,270
Income taxes paid	▲5,505	▲8,033	▲2,528
Other	▲350	293	643
Net cash provided by investing activities	▲2	▲9,772	▲9,769
Purchase of property, plant and equipment	▲2,161	▲609	1,552
Other	2,158	▲9,162	▲11,321
Net cash provided by financing activities	▲3,838	▲4,833	▲995
Net increase in loans payable	▲23	▲23	-
Purchases of treasury stock	-	▲0	▲0
Cash dividends paid	▲3,783	▲4,860	▲1,077
Other	▲31	50	81
Net increase (▲decrease) in cash and cash equivalents	▲1,329	▲15,066	▲13,736
Cash and cash equivalents at beginning of period	34,833	34,618	▲214
Cash and cash equivalents at end of period	33,503	19,552	▲13,951

Operating activities

- Income before income taxes: 8.24 billion yen
- Income taxes paid: 8.03 billion yen

Investing activities

- Payment of 0.60 billion yen for purchase of property, plant and equipment, includes advances paid for the construction of the Okayama Auction Site
- Increase in Other is due to an increase of 9.16 billion yen in other fixed deposits and negotiable deposits

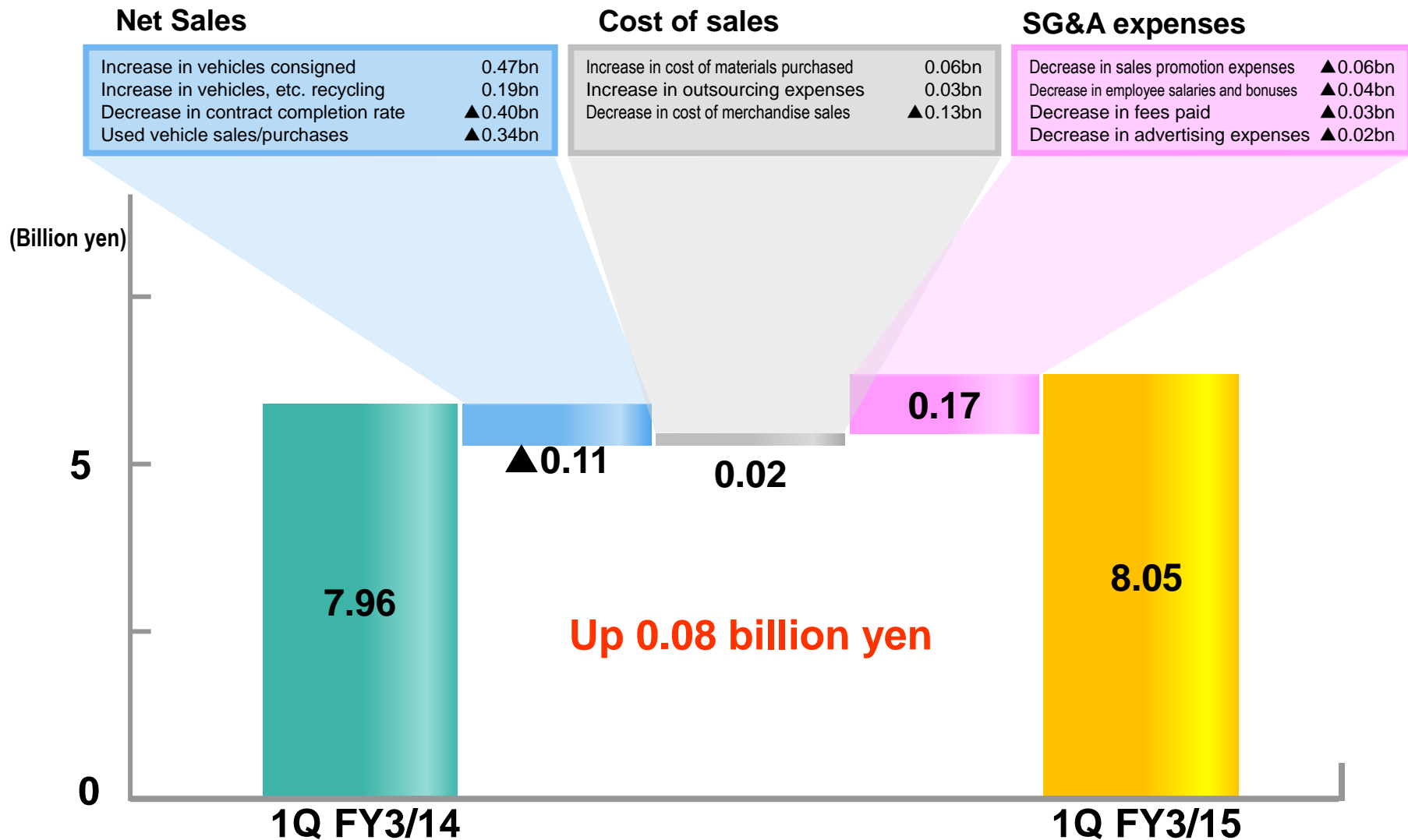
Financing activities

- Cash dividends paid: 4.86 billion yen

*Amounts for 1Q FY3/14 are retroactively adjusted to reflect changes in accounting methods.

1Q FY3/2015 Reasons for Change in Operating Income (Actual)

Reasons for change in operating income

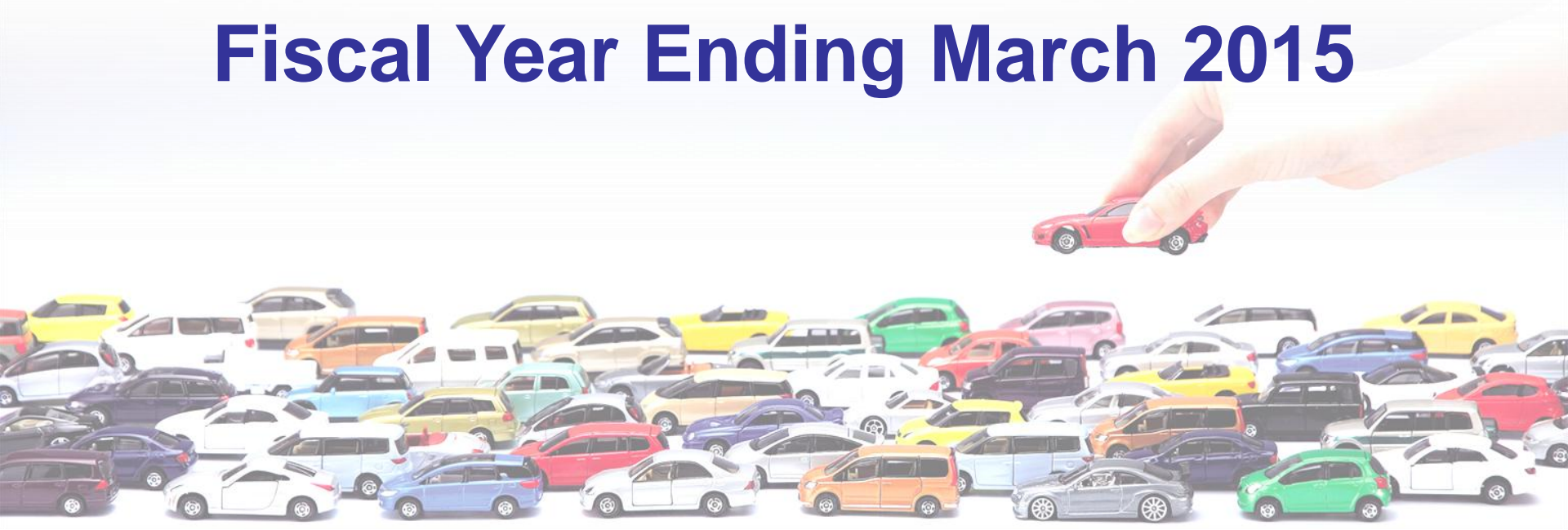


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Market Overview

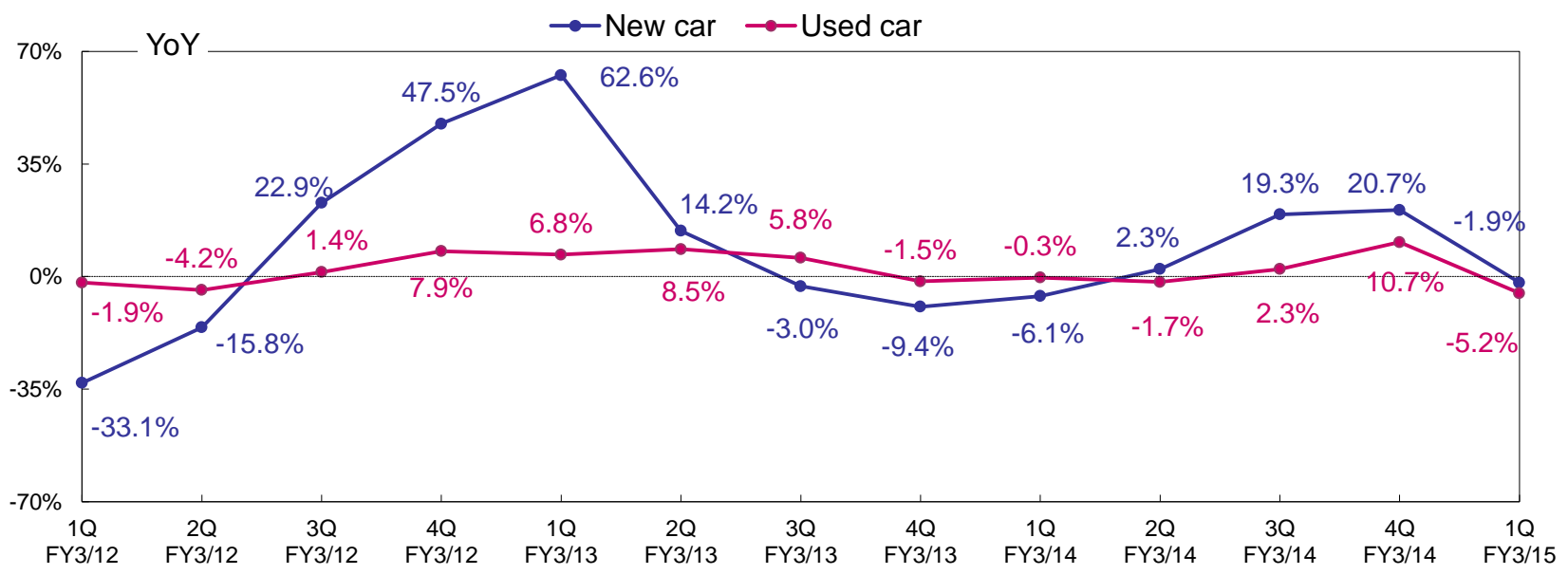
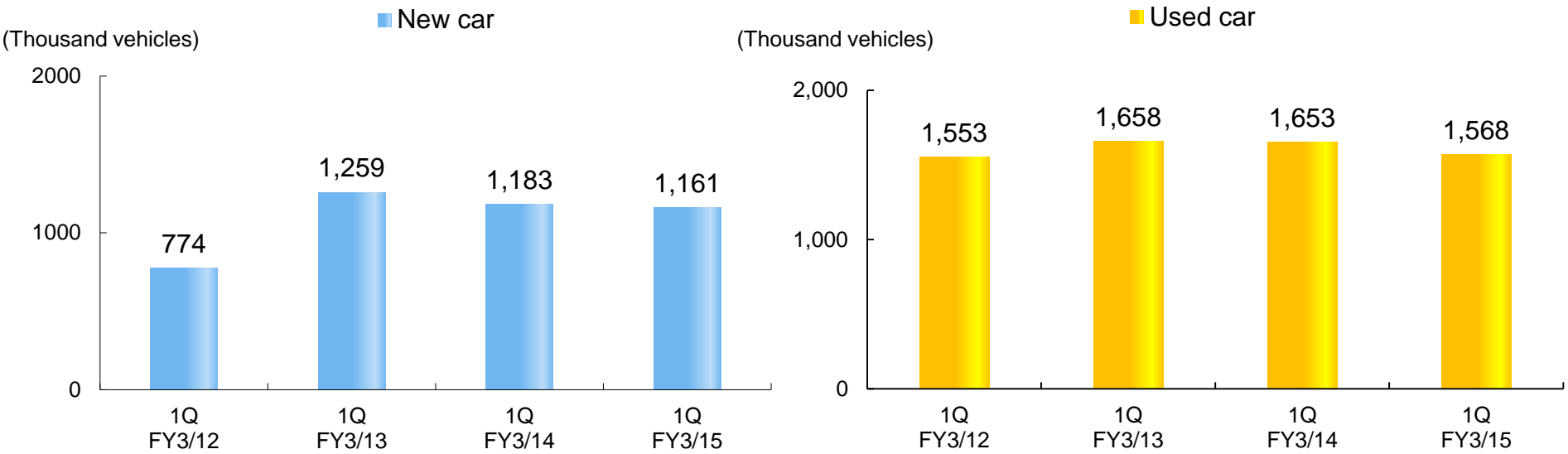
First Quarter

Fiscal Year Ending March 2015



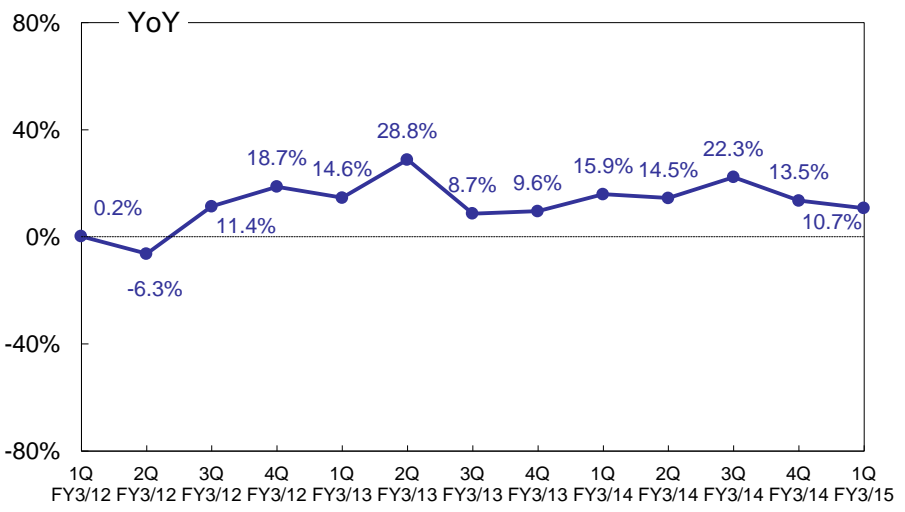
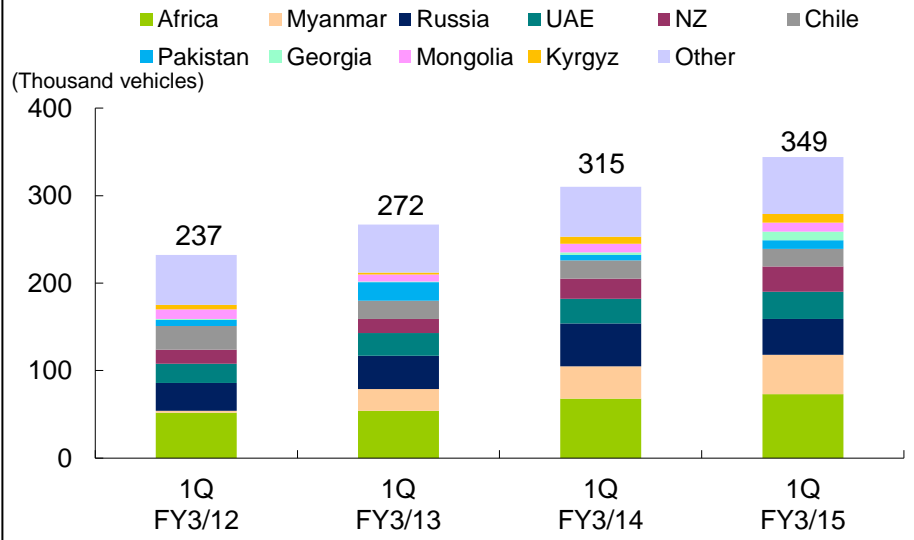
Market Overview - Automobile Trading (1) (April to June)

New car and used car registrations

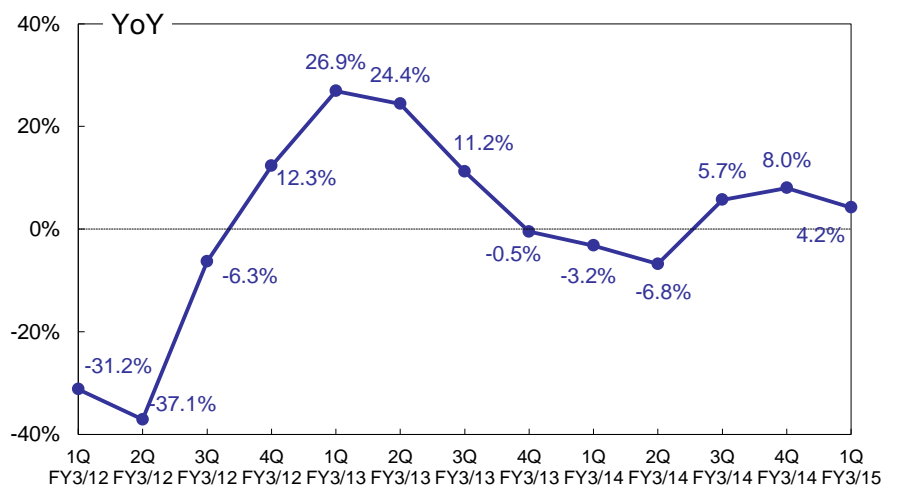
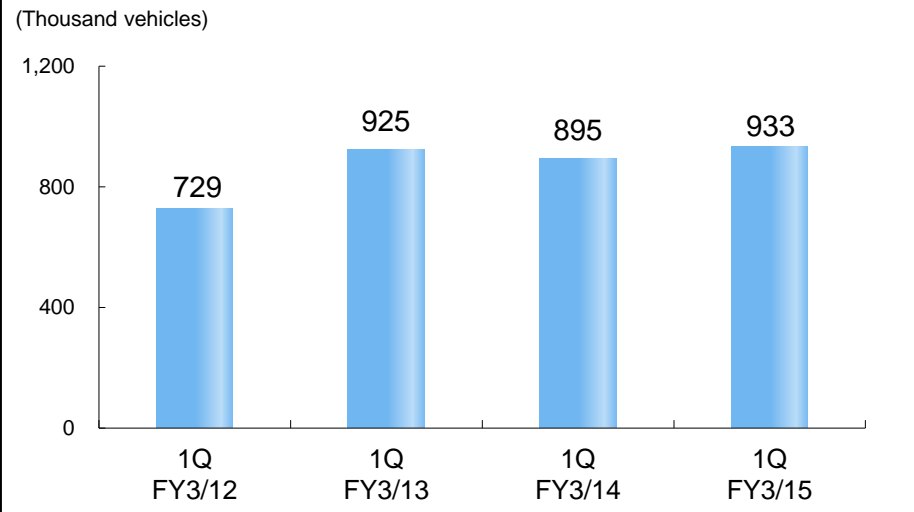


Market Overview - Automobile Trading (2) (April to June)

Used Car Exports

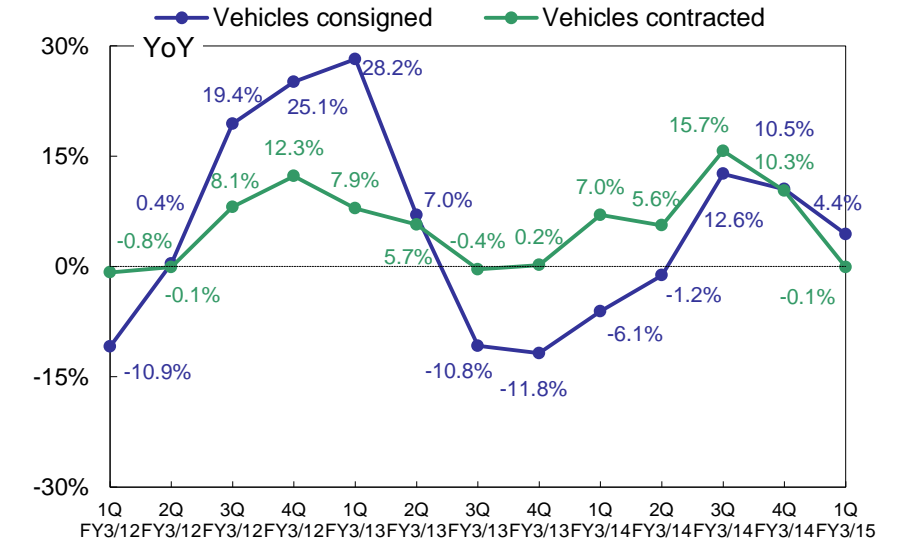
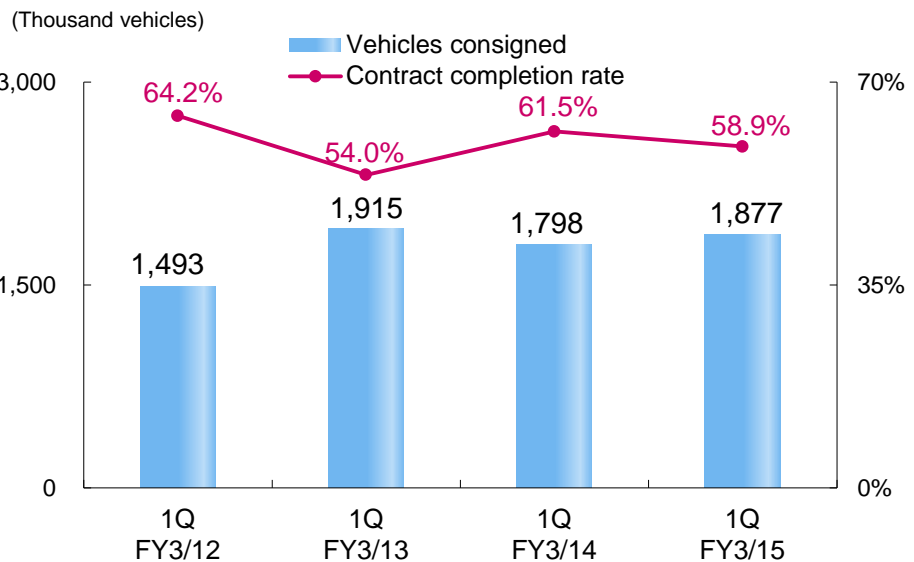


Automobiles Recycled

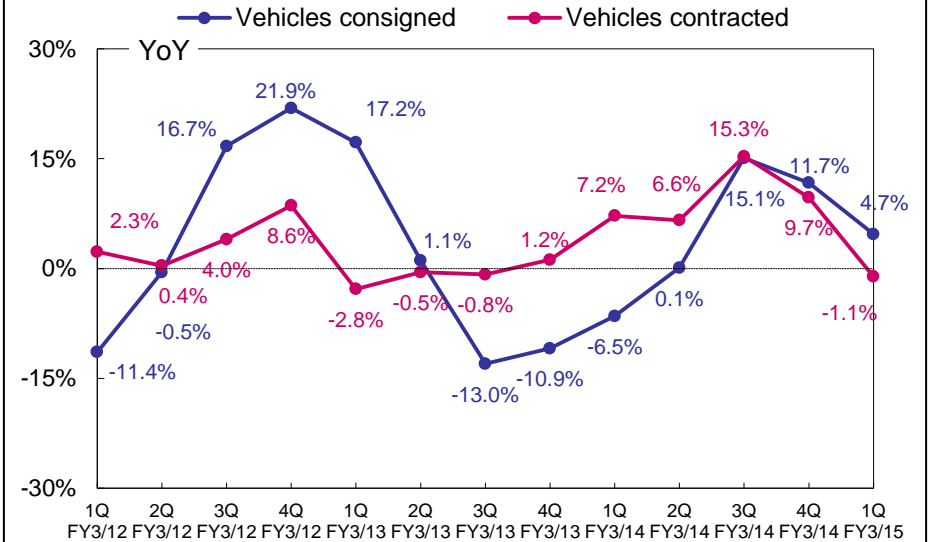
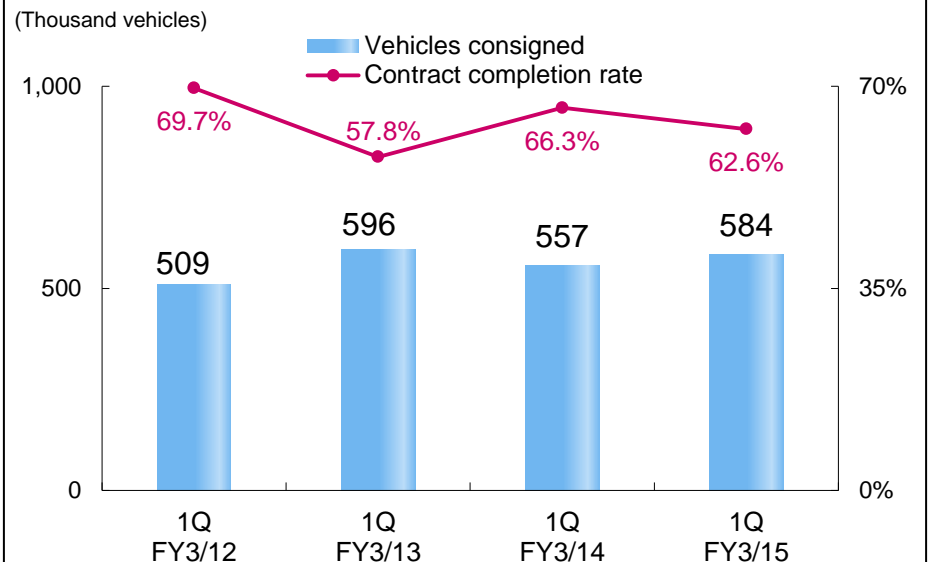


USS Group Auto Auction Performance (April to June)

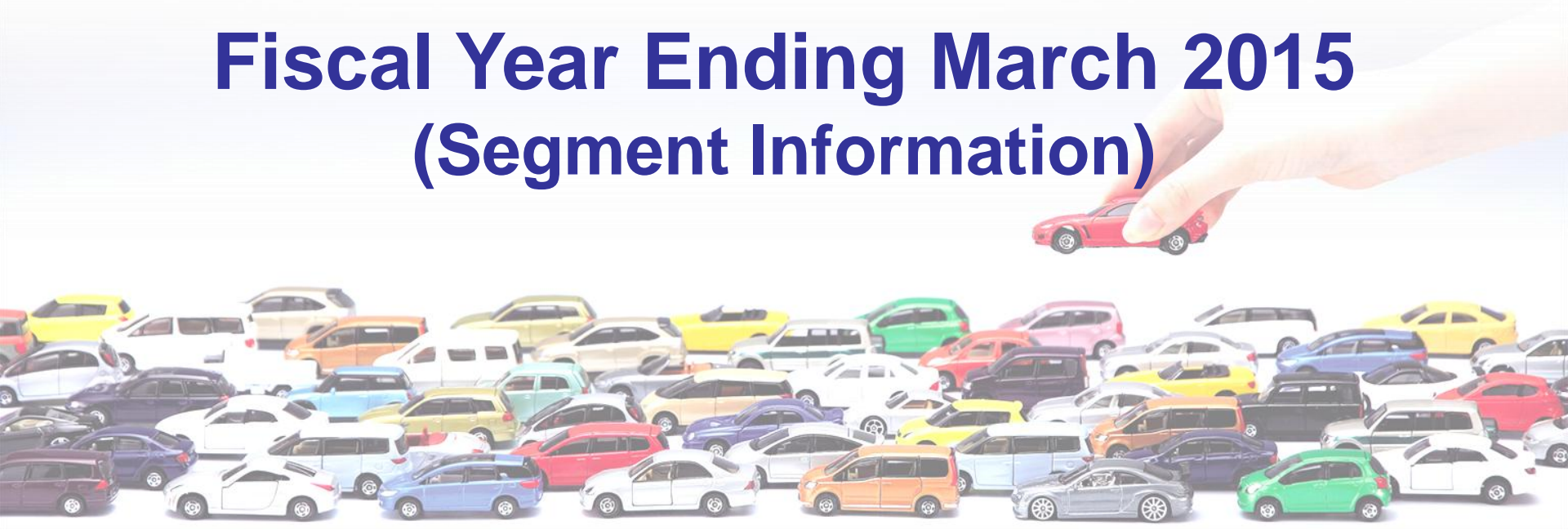
Auto Auction Market



USS Group Auto Auction Performance

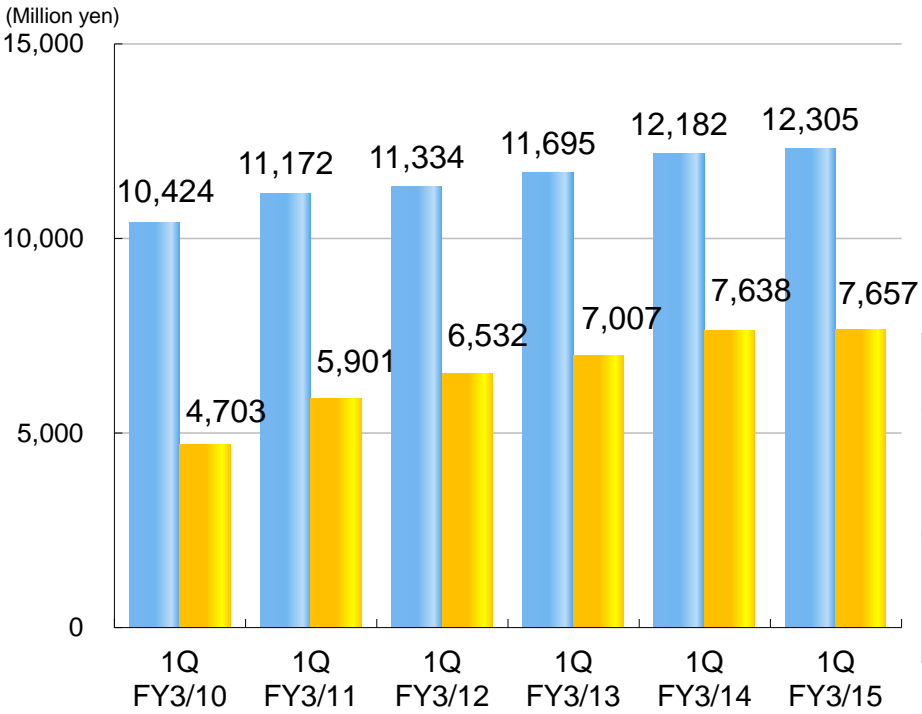


Results of Operations First Quarter Fiscal Year Ending March 2015 (Segment Information)



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

■ Net sales ■ Operating income



	1Q Y3/14	1Q FY3/15	YoY
Net sales	12,182	12,305	101.0%
Operating income (Per sales)	7,638 (62.7%)	7,657 (62.2%)	100.3%

*Amounts for 1Q FY3/14 are retroactively adjusted to reflect changes in accounting methods.

Net sales increased 1.0% to 12,305 million yen

- Vehicles consigned up 4.7% to 584 thousand; contracted vehicles down 1.1% to 365 thousand; contract completion rate decreased from 66.3% to 62.6%
- The off-site successful bid ratio was 48.4% compared with 50.4% one year earlier
- Increase in merchandise sales

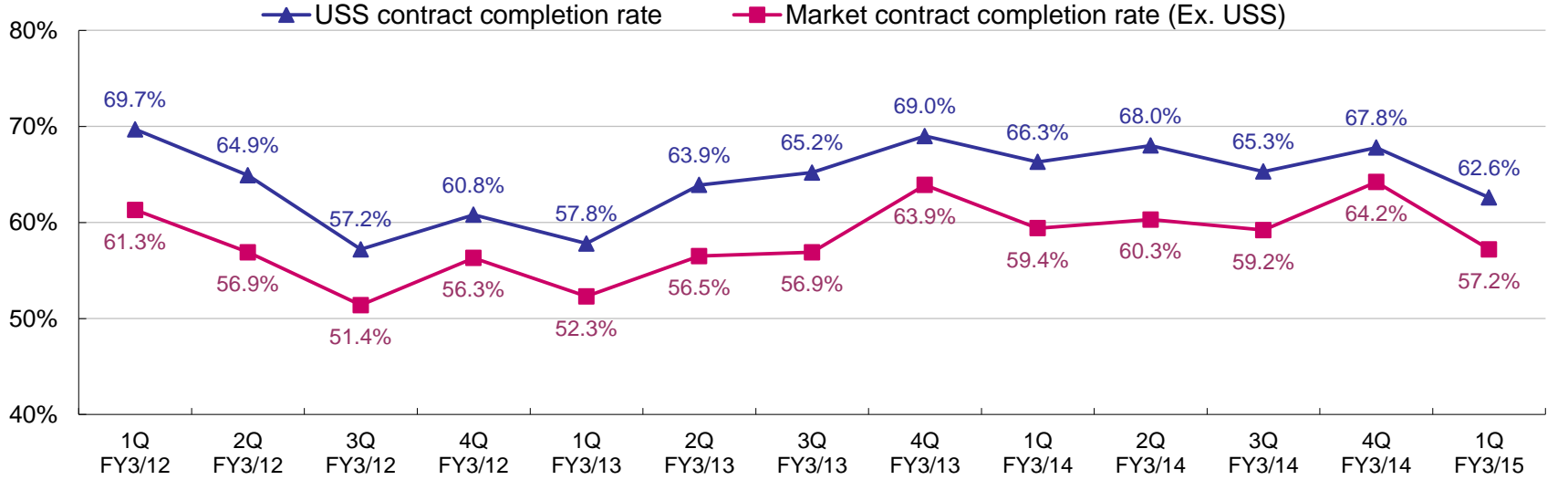
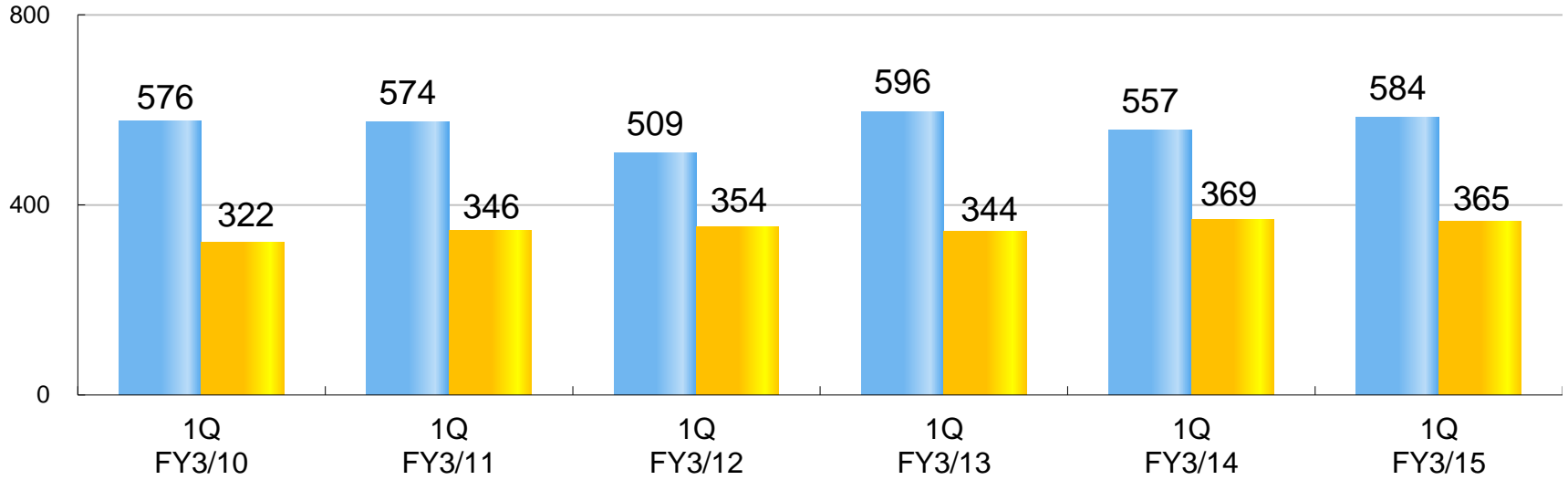
Operating income increased 0.3% to 7,657 million yen

- Increase in merchandise cost of sales
- Advertising, sales promotion and other expenses decreased as a result of a review of campaign plans

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

(Thousand vehicles)

■ Vehicles consigned ■ Vehicles contracted



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

1Q FY3/15 (From April 1, 2014 to June 30, 2014)

(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	1Q FY3/15	1Q FY3/14	1Q FY3/15	1Q FY3/14	Changes	1Q FY3/15	1Q FY3/14	Changes	1Q FY3/15	1Q FY3/14
Tokyo	12	12	160,516	150,652	6.5%	108,505	108,396	0.1%	67.6%	72.0%
Nagoya	12	12	102,623	97,918	4.8%	60,241	62,971	▲4.3%	58.7%	64.3%
Yokohama	12	12	48,516	46,582	4.2%	32,046	32,283	▲0.7%	66.1%	69.3%
Kyushu	12	12	47,232	48,618	▲2.9%	26,870	28,236	▲4.8%	56.9%	58.1%
Sapporo	12	12	36,090	33,827	6.7%	21,252	21,516	▲1.2%	58.9%	63.6%
Osaka	12	12	33,147	29,074	14.0%	19,730	18,832	4.8%	59.5%	64.8%
R-Nagoya	11	12	28,373	27,671	2.5%	24,094	22,603	6.6%	84.9%	81.7%
Shizuoka	12	12	21,706	20,838	4.2%	11,900	12,380	▲3.9%	54.8%	59.4%
Tohoku	12	12	18,218	17,134	6.3%	12,958	13,003	▲0.3%	71.1%	75.9%
Okayama	12	12	17,509	15,173	15.4%	9,729	9,546	1.9%	55.6%	62.9%
Gunma	12	12	16,382	15,889	3.1%	10,602	10,393	2.0%	64.7%	65.4%
Saitama	12	12	15,115	14,460	4.5%	7,690	8,101	▲5.1%	50.9%	56.0%
Niigata	12	12	11,044	10,914	1.2%	5,132	5,617	▲8.6%	46.5%	51.5%
Kobe	12	12	11,042	10,339	6.8%	6,319	5,912	6.9%	57.2%	57.2%
Fukuoka	12	12	10,838	11,723	▲7.5%	4,724	5,254	▲10.1%	43.6%	44.8%
Hokuriku	12	12	5,821	7,035	▲17.3%	3,759	4,630	▲18.8%	64.6%	65.8%
Total	191	192	584,172	557,847	4.7%	365,551	369,673	▲1.1%	62.6%	66.3%

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

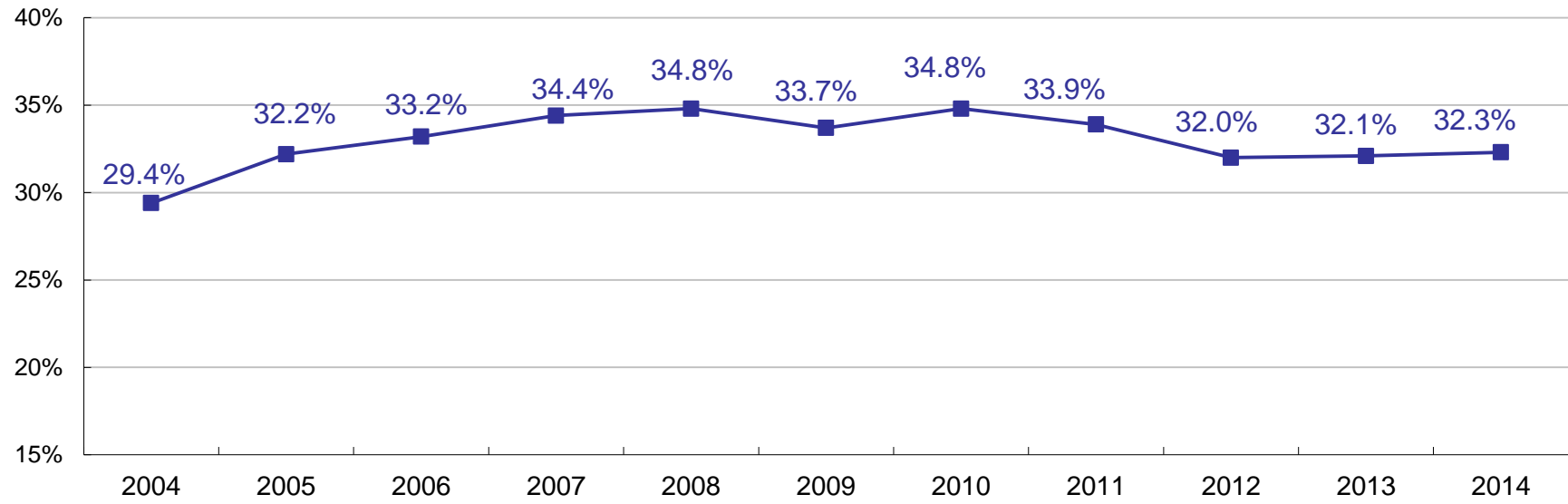
(Vehicles, %)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	First Half	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Second Half	Fiscal Year	
No. of Consigned Vehicles	FY 2013.3	226,176	175,567	195,032	179,372	156,301	187,172	1,119,620	183,316	184,820	140,329	146,072	178,286	247,354	1,080,177	2,199,797	
	YoY Change	11.5	33.3	11.6	4.0	7.2	▲5.9	9.1	▲11.9	▲10.3	▲17.6	▲9.3	▲13.4	▲10.0	▲11.9	▲2.3	
	FY 2014.3	210,673	169,208	177,966	178,045	161,830	183,512	1,081,234	211,744	207,958	165,509	177,304	201,844	259,596	1,223,955	2,305,189	
	YoY Change	▲6.9	▲3.6	▲8.8	▲0.7	3.5	▲2.0	▲3.4	15.5	12.5	17.9	21.4	13.2	4.9	13.3	4.8	
	FY 2015.3	225,022	181,292	177,858	193,656			777,828								-	777,828
	YoY Change	6.8	7.1	▲0.1	8.8			-								-	-
No. of Contracted Vehicles	FY 2013.3	123,375	104,202	117,187	112,650	99,623	121,600	678,637	118,831	121,237	91,679	103,111	128,751	162,826	726,435	1,405,072	
	YoY Change	▲7.7	8.0	▲5.9	▲4.2	5.6	▲1.6	▲1.7	▲2.5	5.4	▲5.9	3.6	0.7	0.2	0.3	▲0.7	
	FY 2014.3	132,619	116,364	120,690	121,819	109,824	124,352	725,668	139,285	134,837	108,286	122,646	139,446	170,839	815,339	1,541,007	
	YoY Change	7.5	11.7	3.0	8.1	10.2	2.3	6.9	17.2	11.2	18.1	18.9	8.3	4.9	12.2	9.7	
	FY 2015.3	134,692	115,560	115,299	125,786			491,337								-	491,337
	YoY Change	1.6	▲0.7	▲4.5	3.3			-								-	-
Contract Completion Rate	FY 2013.3	54.5	59.4	60.1	62.8	63.7	65.0	60.6	64.8	65.6	65.3	70.6	72.2	65.8	67.3	63.9	
	FY 2014.3	63.0	68.8	67.8	68.4	67.9	67.8	67.1	65.8	64.8	65.4	69.2	69.1	65.8	66.6	66.8	
	FY 2015.3	59.9	63.7	64.8	65.0			-							-	-	

*In February 2014, one auction at the Gunma Auction Site was canceled because of heavy snow in February 2014.

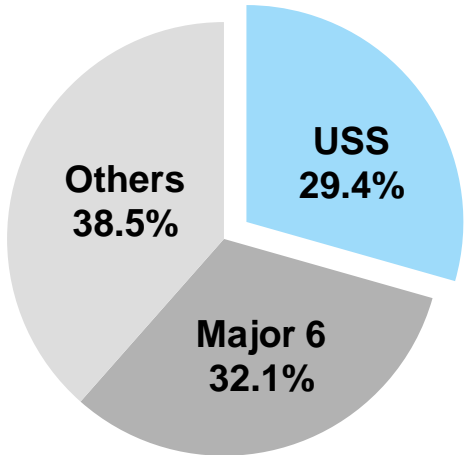
Auto Auction Business (5) – Market Share (January to June)

USS Market Share



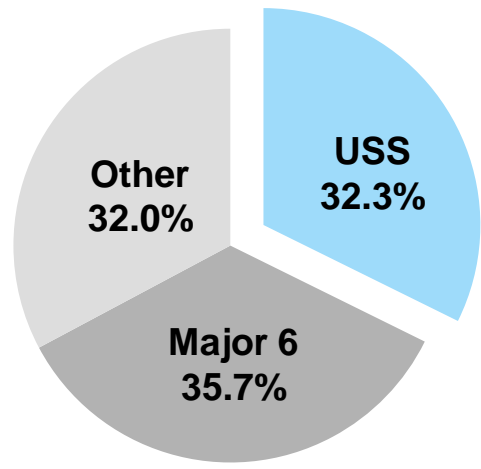
Jan – Jun 2004 Market Share

- *Major 6
- JAA (9.7%)
- TAA (6.7%)
- CAA (6.1%)
- Arai AA (5.0%)
- KCAA (2.5%)
- LAA (2.1%)

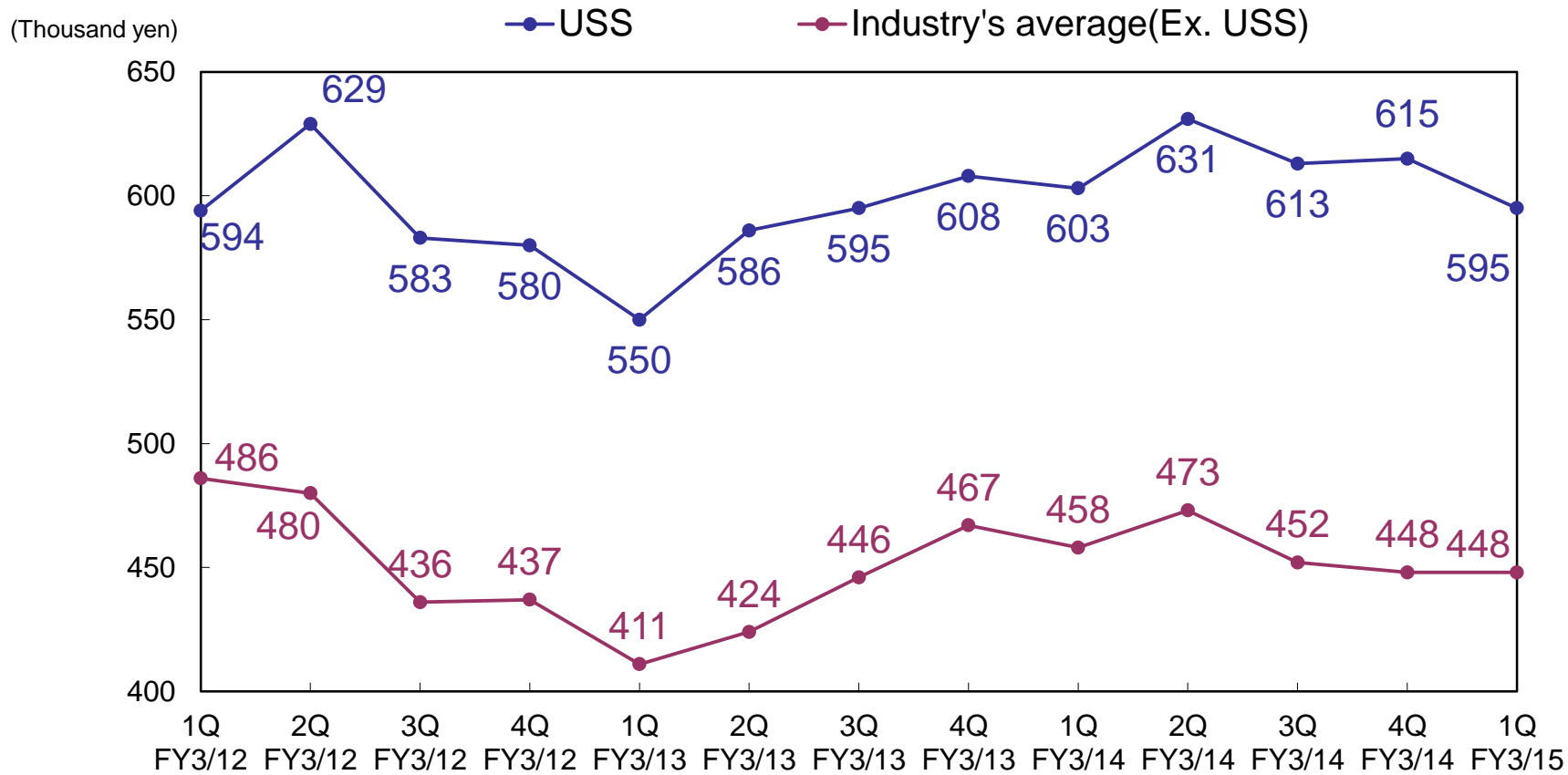


Jan – Jun 2014 Market Share

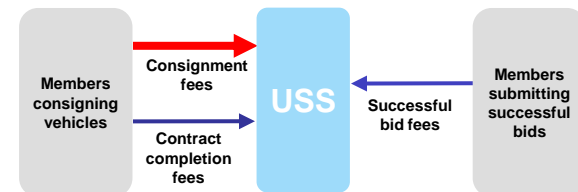
- *Major 6
- TAA (9.9%)
- JAA (8.2%)
- CAA (6.0%)
- Arai AA (4.9%)
- Honda (3.6%)
- KCAA (3.1%)



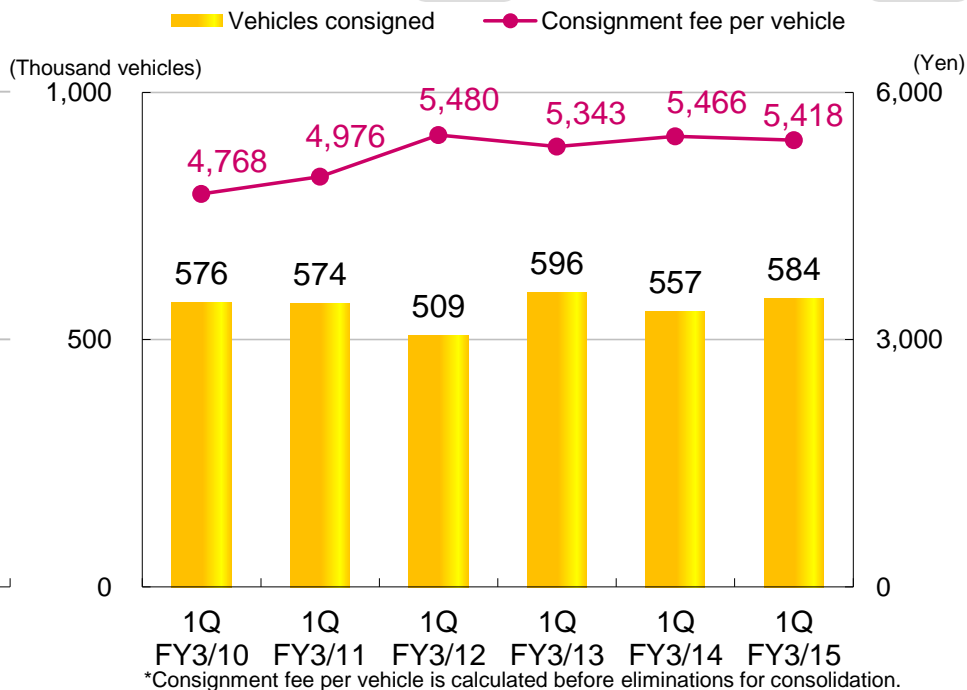
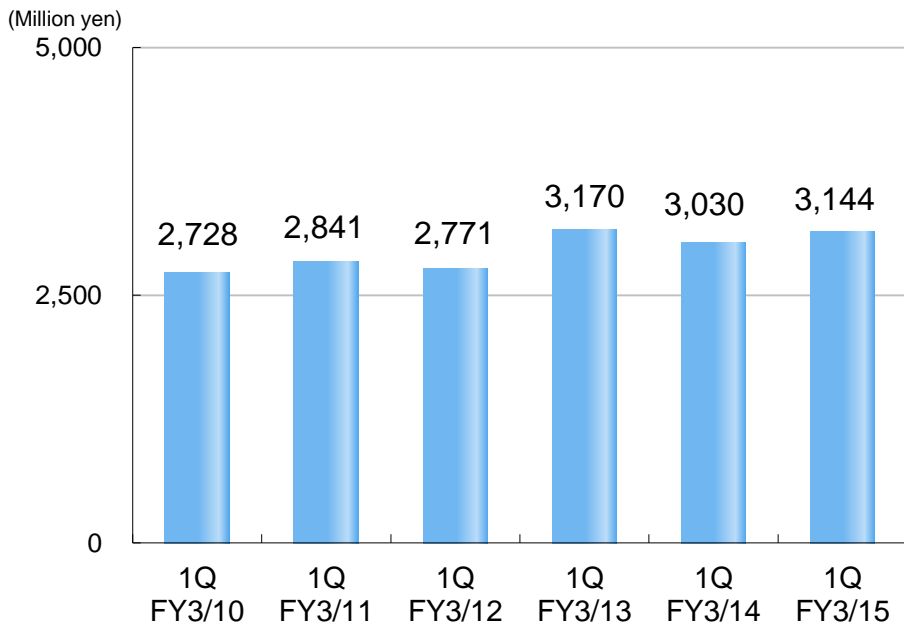
Average Price of Vehicles Contracted



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, contract completion and successful bid fees for auto auctions in Japan are the same (fixed fees) for each category regardless of the purchase price. Therefore, the purchase price does not affect fees. See page 6 for more information about the auto auction business model.



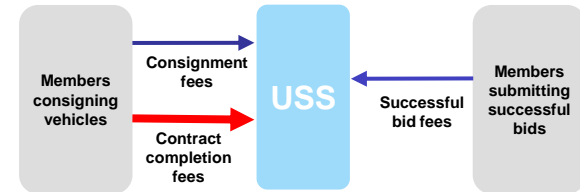
Total of Consignment Fees



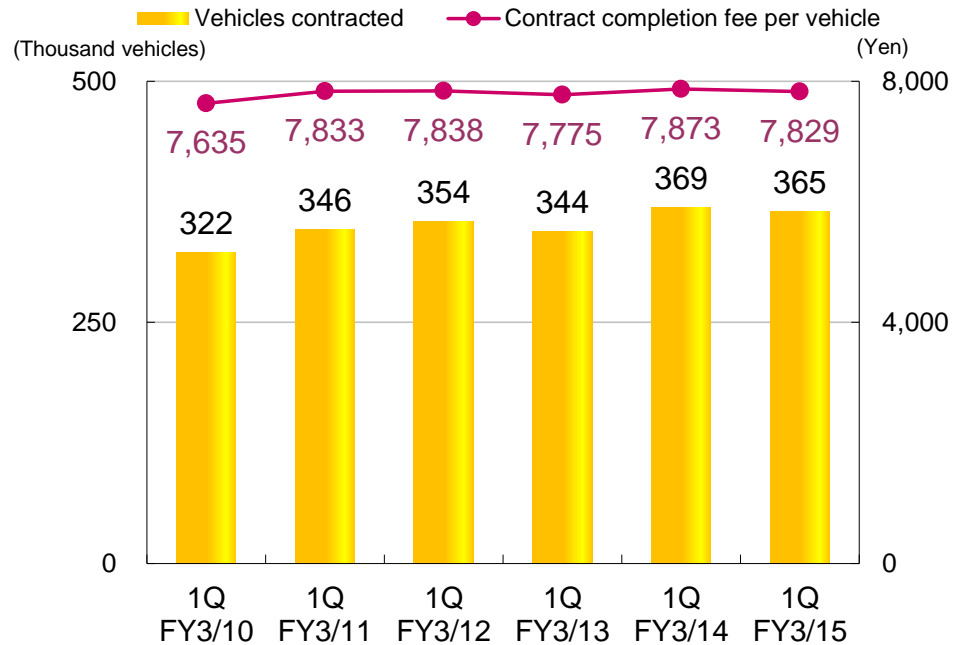
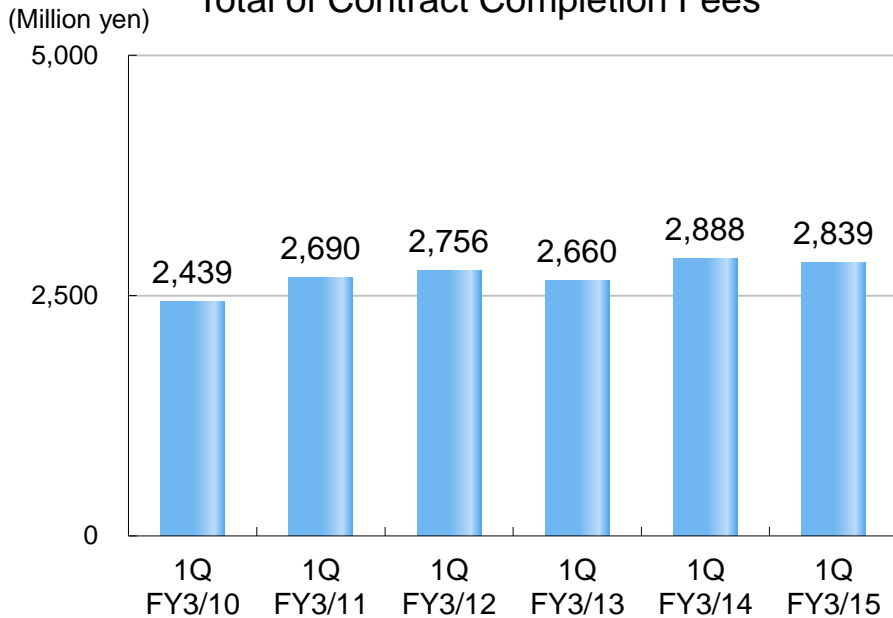
Consignment fee per vehicle decreased by 48 yen to 5,418 yen

- Set up low price vehicle corners at selected auction sites (negative factor)
- Percentage of high-volume, low fee consignments increased (negative factor)

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



Total of Contract Completion Fees

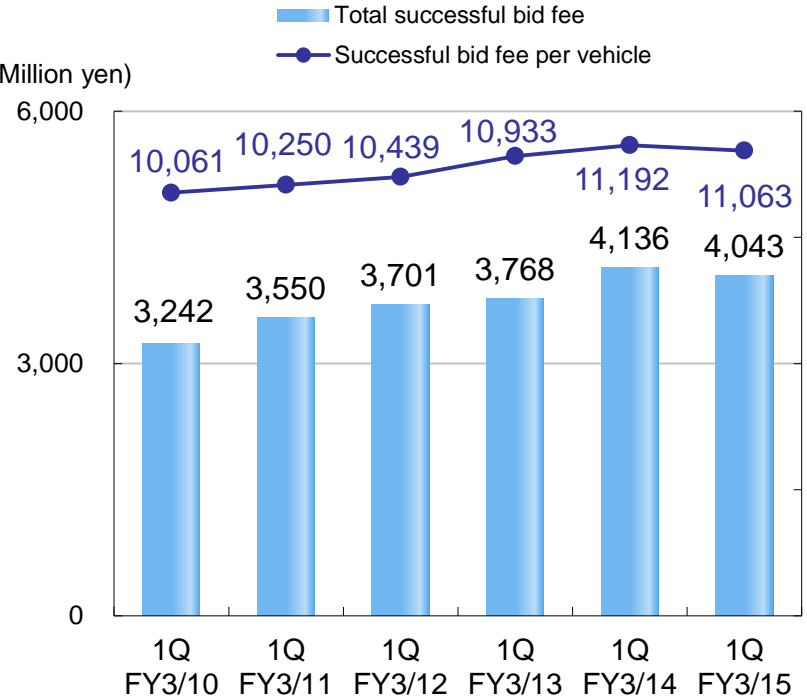
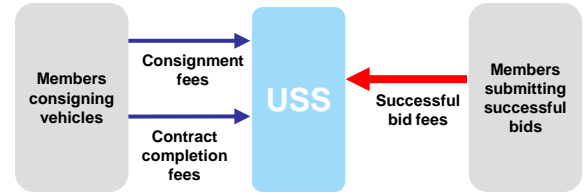


*Contract Completion fee per vehicle is calculated before eliminations for consolidation.

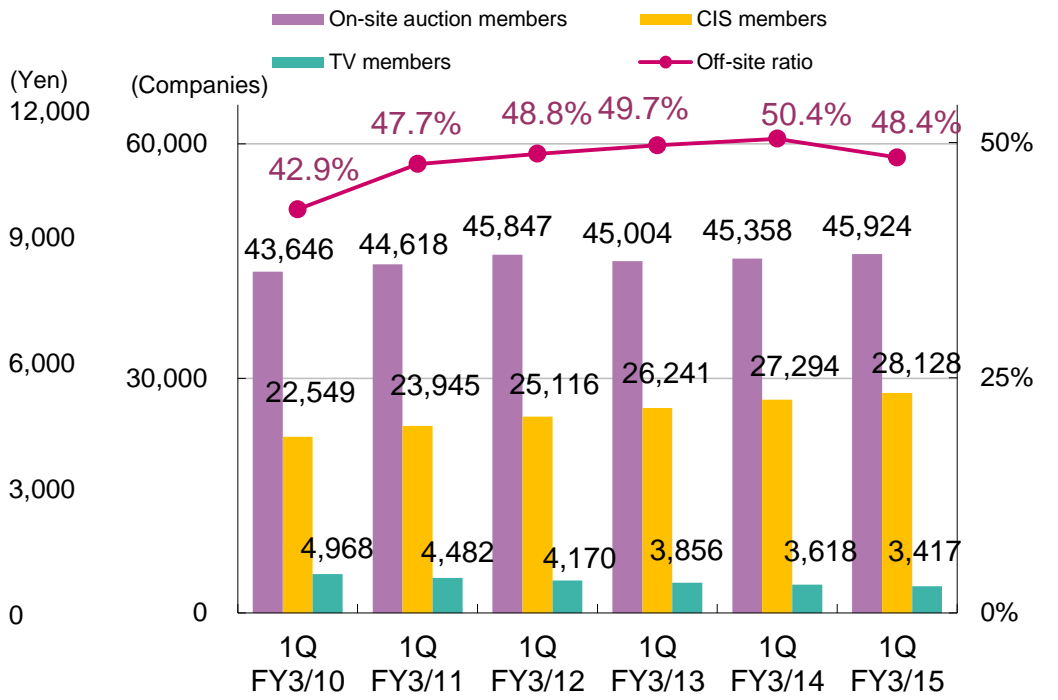
Contract completion fee per vehicle decreased by 44 yen to 7,829 yen

- Percentage of high-volume, low contract-completion fee consignments increased (negative factor)

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



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

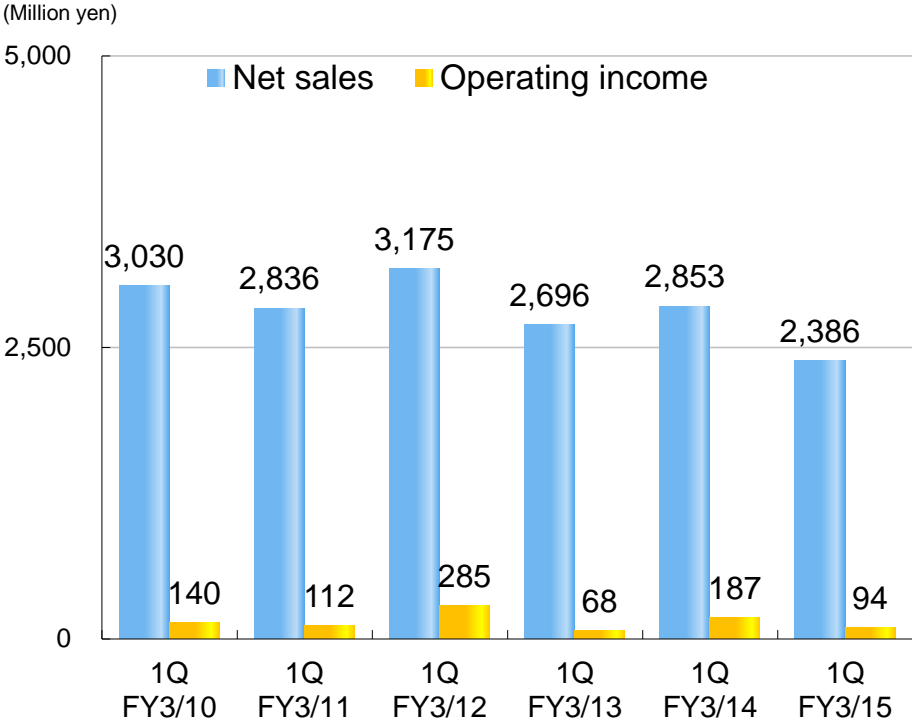
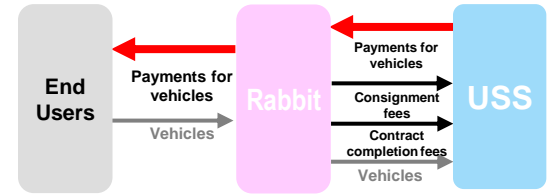


*Starting in 1Q FY3/13, the number of on-site auction members does not include sleeping members (members that have not been active for extended periods).

Successful bid fee per vehicle decreased by 129 yen to 11,063 yen

- The off-site successful bid ratio was 48.4% compared with 50.4% one year earlier

Used Vehicle Purchasing and Selling Business – Results of Operations (April to June)



(Million yen)

	1Q Y3/14	1Q FY3/15	YoY
Net sales	2,853	2,386	83.7%
Operating income (Per sales)	187 (6.6%)	94 (4.0%)	50.6%

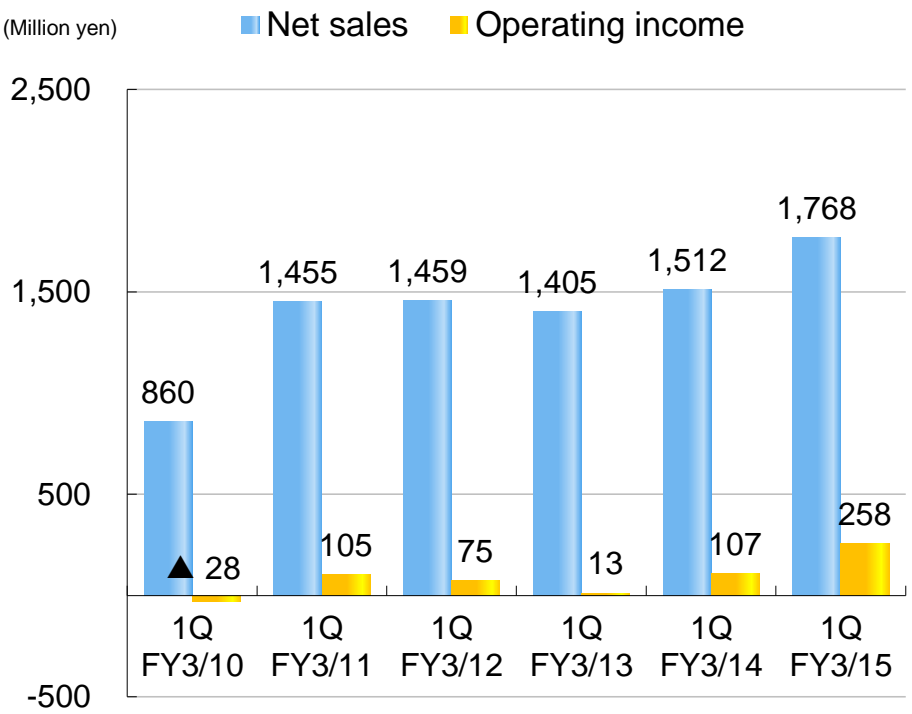
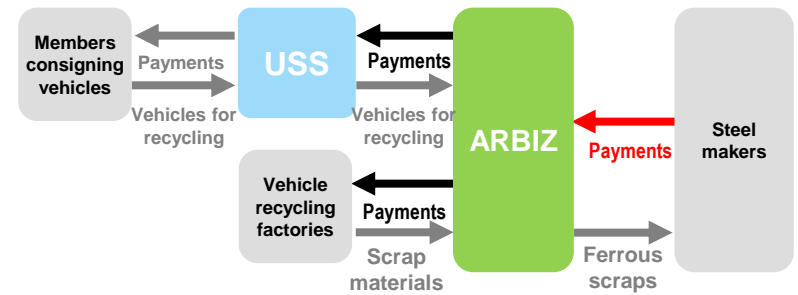
Rabbit sales decreased 17.9% to 1,589 million yen and operating income decreased 32.1% to 89 million yen

- Decline in net sales and operating income due to a decrease in volume handled

Sales of accident-damaged vehicles decreased 13.0% to 797 million yen and operating income decreased 90.2% to 5 million yen

- Decline in net sales and operating income due to a decrease in volume handled

Other Business (Recycling Business) – Results of Operations (April to June)



(Million yen)

	1Q Y3/14	1Q FY3/15	YoY
Net sales	1,512	1,768	116.9%
Operating income (Per sales)	107 (7.1%)	258 (14.6%)	241.5%

ARBIZ sales increased 16.8% to 1,324 million yen and operating income increased 103.3% to 178 million yen

- Growth in handling volume of end-of-life vehicles
- Stable scrap materials market

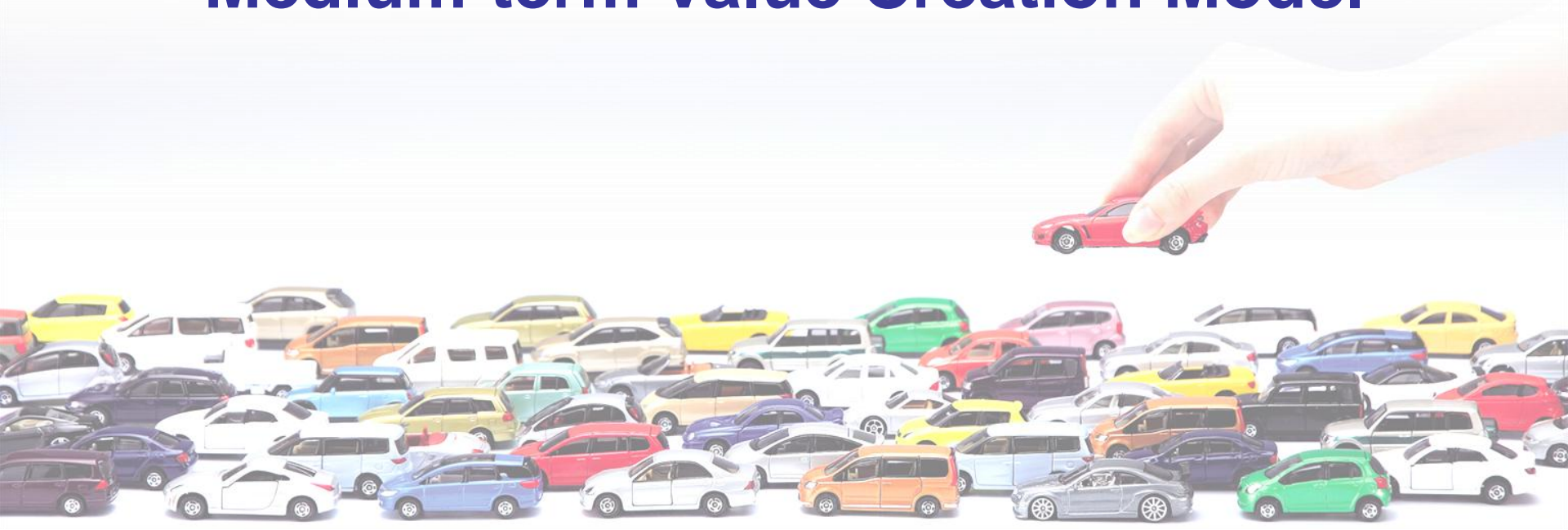
CAR QUEST Toyo sales increased 10.2% to 272 million yen and operating income increased 1,013.8% to 39 million yen

- Volume of rubber products for elastic paving, led by high-margin colored rubber products for elastic paving, increased

USS Logistics International Service sales increased 11.1% to 146 million yen and operating income increased 87.1% to 29 million yen

- Increase in the handling volume and shifting more inspection work in-house boosted sales and income

Forecast for FY3/2015 Earnings Distributions Medium-term Value Creation Model



FY3/2015 – Consolidated Forecast

(Million yen)

	FY3/2013 (Actual)	FY3/2014 (Actual)	FY3/2015 (Forecast)	VS. previous year
Net Sales	63,243	67,949	68,200	100.4%
Cost of sales (Per sales)	24,982 (39.5%)	26,459 (38.9%)	26,400 (38.7%)	99.8%
Gross profit (Per sales)	38,260 (60.5%)	41,489 (61.1%)	41,799 (61.3%)	100.7%
Selling, general and administrative expenses (Per sales)	8,955 (14.2%)	8,808 (13.0%)	8,799 (12.9%)	99.9%
Operating income (Per sales)	29,304 (46.3%)	32,680 (48.1%)	33,000 (48.4%)	101.0%
Ordinary income (Per sales)	29,884 (47.3%)	33,275 (49.0%)	33,500 (49.1%)	100.7%
Net income (Per sales)	18,346 (29.0%)	19,966 (29.4%)	21,300 (31.2%)	106.7%
Net income per share (yen)	69.35	77.29	82.41	106.6%

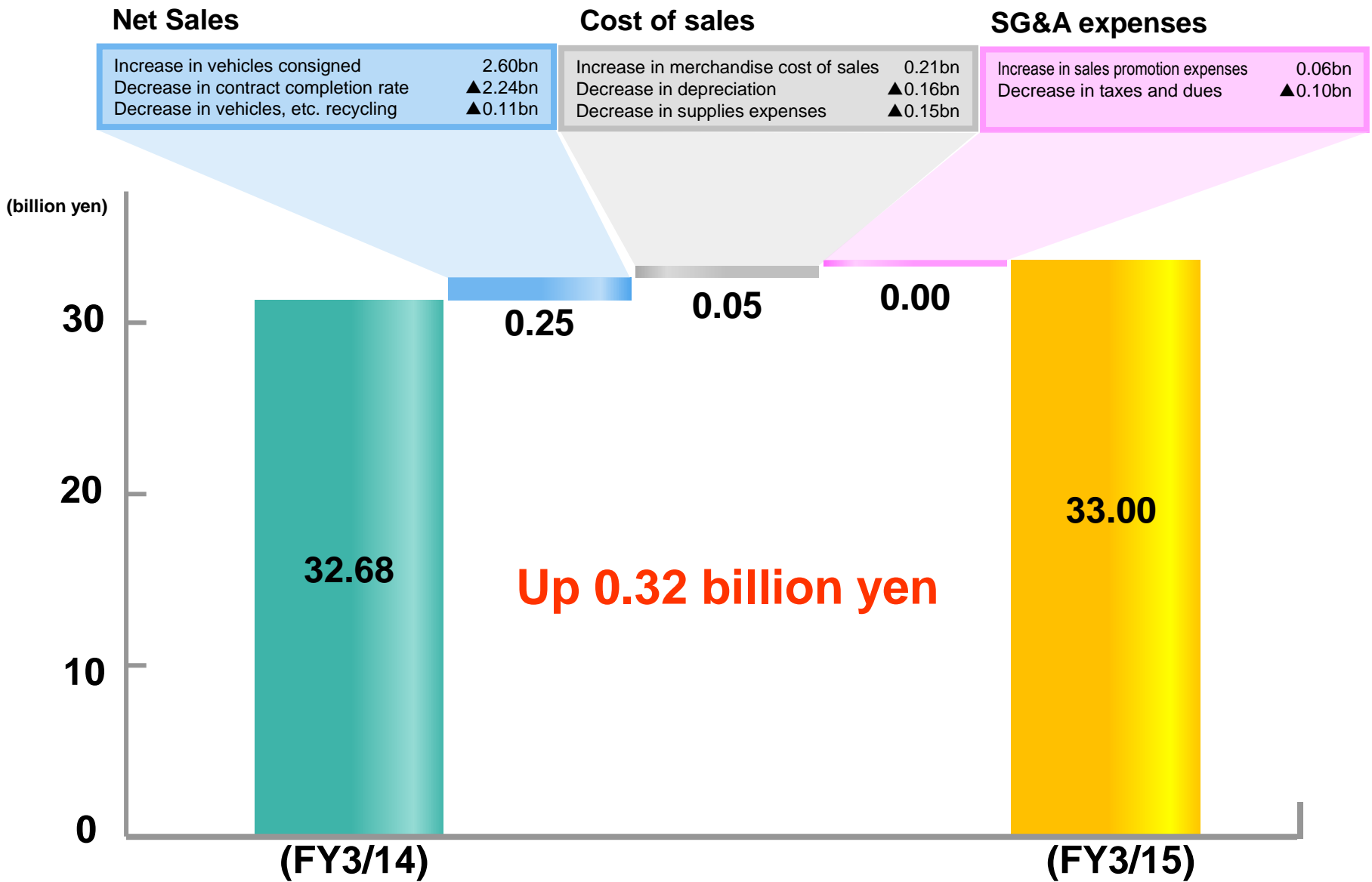
*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

Plan for auction volume in FY3/2015

Number of consigned vehicles FY3/2015	YoY	Number of contract completions FY3/2015	YoY	Contract completion rate	
				FY3/2015	FY3/2014
2.45 million unit	106.3%	1.519 million unit	98.6%	62.0%	66.8%

FY3/2015 Reasons for Change in Operating Income (Forecast)

Reasons for change in operating income



*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods. (Forecast)

5 year Consolidated Performance

(Million yen)

	Results					Forecast
	2010.3	2011.3	2012.3	2013.3	2014.3 *3	2015.3
<Auto Auction Business>						
Consignment Fees	11,285	10,822	12,154	11,817	12,241	12,910
Contract Completion Fees	10,283	10,559	10,984	10,873	11,958	11,783
Successful Bidding Fees	13,659	14,142	15,026	15,626	17,190	16,952
Revenues from Sales of Goods	746	848	805	624	905	898
Other Revenues	6,816	6,804	6,869	6,967	7,184	7,172
Auto Auction Business Total	42,791	43,177	45,840	45,909	49,479	49,717
<Used Vehicle Sales/Purchases Business>						
Revenues from Used Vehicle Sales/Purchases	8,289	8,456	8,535	8,106	7,867	7,834
Revenues from Accident-damaged Vehicle Sales/Purchases	3,935	4,038	3,940	3,438	3,754	3,810
Used Vehicle Sales/Purchases Business Total	12,224	12,494	12,476	11,545	11,621	11,644
<Other Business>						
Revenues from Recycling End-of-Life Vehicles and Other Items	3,734	4,566	4,275	4,016	4,816	4,698
Revenues from Recycling Scrap Rubbers	1,098	1,178	1,250	1,335	1,498	1,501
Revenues from Used Vehicle Export Clearing Service	-	-	166	437	500	564
Other Revenues	-	-	-	-	32	73
Other Business Total	4,832	5,745	5,692	5,789	6,848	6,837
Net Sales	59,849	61,417	64,009	63,243	67,949	68,200
Operating Income	21,940	24,332	27,952	29,304	32,680	33,000
Ordinary Income	22,511	24,643	28,588	29,884	33,275	33,500
Net Income	12,717	13,971	17,054	18,346	19,966	21,300

Auto Auction Business

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

No. of Consigned Vehicles	2,327,515	2,121,948	2,252,566	2,199,797	2,305,189	2,450,000
No. of Contracted Vehicles	1,342,958	1,361,599	1,414,813	1,405,072	1,541,007	1,519,000
Contract Completion Rate	57.7	64.2	62.8	63.9	66.8	62.0
Consignment Fees per Vehicle consigned *1	4,884	5,139	5,432	5,407	5,344	5,299
Contract Completion Fees per Vehicle Contracts completed *1	7,729	7,831	7,832	7,802	7,821	7,815
Successful Bidding Fees per Vehicle Contracts completed *1	10,178	10,393	10,626	11,124	11,157	11,161
On-site Auction Members	44,317	45,563	44,796	45,139	45,712	46,300
CIS (Internet) Members	23,565	24,688	25,957	27,072	28,007	28,700
TV (Satellite Auction) Members	4,599	4,248	3,921	3,651	3,486	3,350
Rabbit Chain Shops	189	176	180	180	171	174

Capital Expenditures and Depreciation

(Million yen)

Capital Expenditures (Terms of Cash Flows) *2	1,285	7,629	804	1,620	8,858	6,500
Depreciation	5,482	4,529	3,885	3,432	3,672	3,474

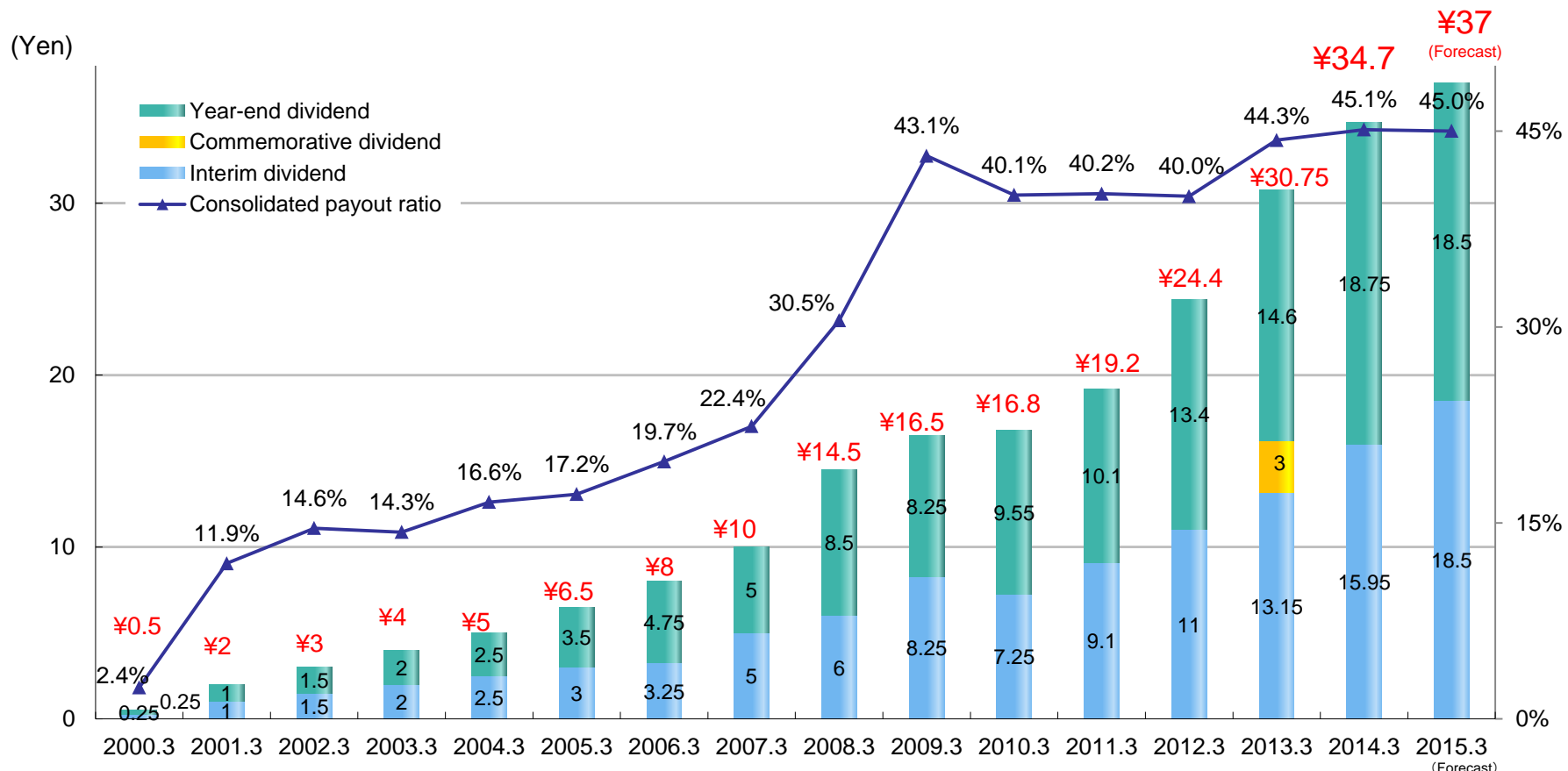
*1 Each fee per vehicle is calculated before eliminations for consolidation. *2 Capital expenditures include property, plant and equipment and intangible assets (software etc.).

*3 Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

Earnings Distributions (1) – Dividend Policy

Basic dividend policy is a consolidated payout ratio of **at least 45%**

Plan to pay **37.0 yen** dividend per share for FY3/15 (up 2.3 yen)



*Dividend per share is retroactively adjusted to the number of shares outstanding as of the effective date (October 1, 2013) of the stock split.

*The consolidated dividend payout ratios are not retroactively adjusted.

Earnings Distributions (2) – Stock Repurchases and Total Earnings Distribution Ratio

(Million yen)

	2000.3	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3
Net Income	3,543	4,493	5,489	7,645	8,907	11,814	13,203	14,390
Dividend Paid	88	532	802	1,095	1,529	2,049	2,589	3,204
Stock Repurchased	42	-	0	5	2	2	1,757	4,525
Total amount returned to shareholders	130	532	802	1,100	1,532	2,051	4,346	7,730
Total Earnings Distribution Ratio	3.6%	11.9%	14.6%	14.4%	16.7%	17.2%	33.0%	53.8%

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3	2014.3
Net Income	15,200	12,003	12,717	13,971	17,054	18,346	19,966
Dividend Paid	4,641	5,126	5,059	5,601	6,736	7,968	8,995
Stock Repurchased	0	8,940	4,671	4,950	10,815	12,309	0
Total amount returned to shareholders	4,641	14,066	9,731	10,552	17,551	20,278	8,995
Total Earnings Distribution Ratio	30.5%	117.6%	76.8%	75.6%	103.5%	111.4%	45.1%

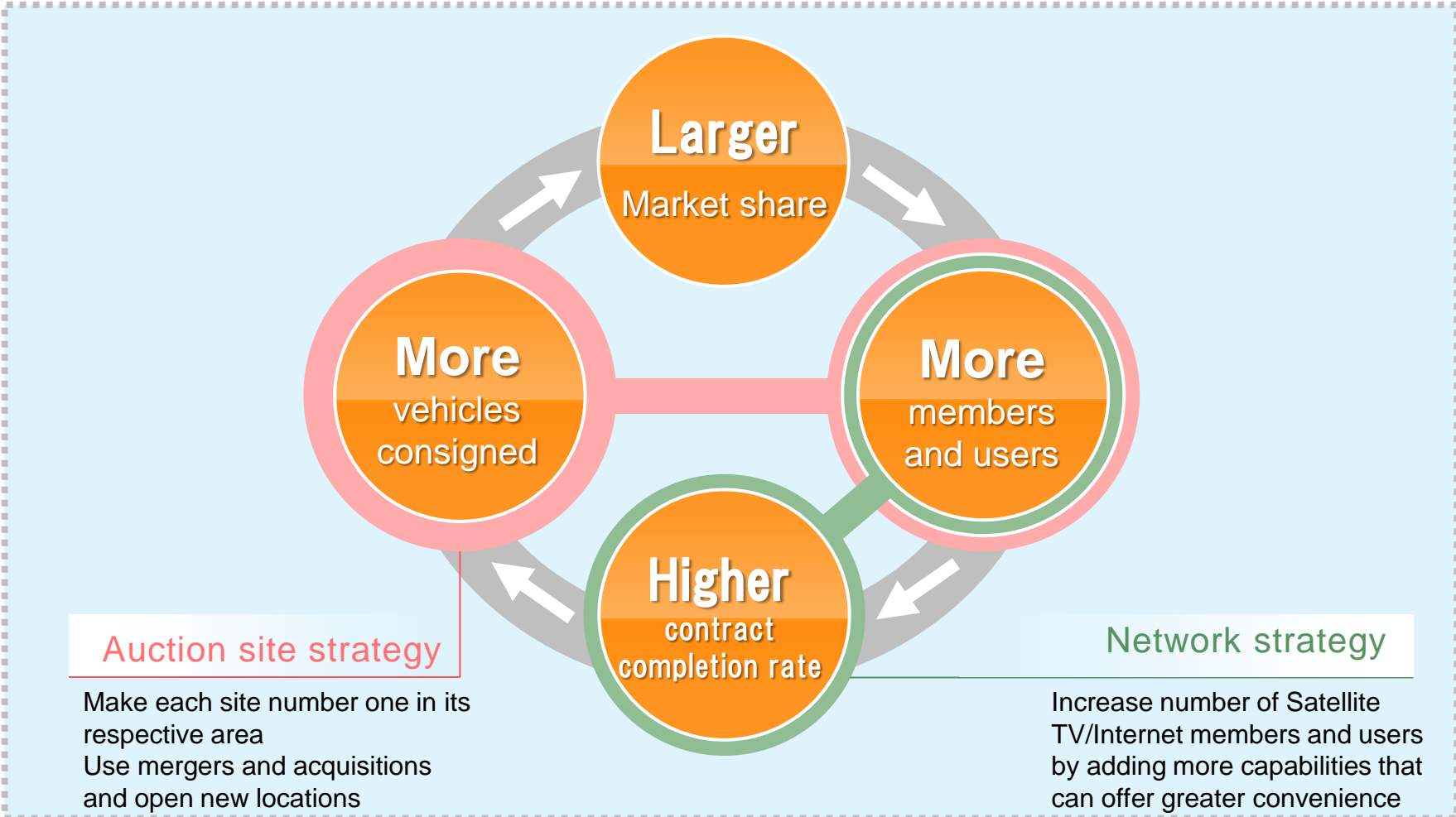
*Stock repurchased does not include purchases by the trust for the USS employee stock ownership plan trust.

*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

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

■ Network strategy

➤ August 2013

The rebuilt Nagoya Auction Site opened; capital expenditure was about 8 billion yen
The number of vehicles consigned is the fiscal year ended March 2014 increased by 11.1% year-on-year

➤ August 2014

The Okayama Auction Site will move to a location adjacent to the Sanyo Interchange of the Sanyo Expressway. Opening is planned for August 23, 2014. Capital expenditures are expected to be about 3.5 billion yen.

➤ Considering additional investments at other auction sites too;
in order to increase vehicles consigned and to improve members' convenience

■ Network services

➤ Conducting a large-scale campaign to increase the number of satellite TV and Internet auction members

Map



USS Okayama Auction Site

- Two-story structure
 - First floor: Office
 - Second floor: Auction facilities
- Site area: 90,434m²
- Built-up area: 3,370m²
- Floor space: 6,032m²
- Auction hall: 476 seats
 - Parallel 2-lane system
- Canteen/Cafeteria: about 220 seats
- Stock yard: about 2,700 vehicles
 - (Includes parking for customers)
- Carrier car capacity: about 25 carriers



Rendering of the New USS Okayama Auction Site

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Reference materials

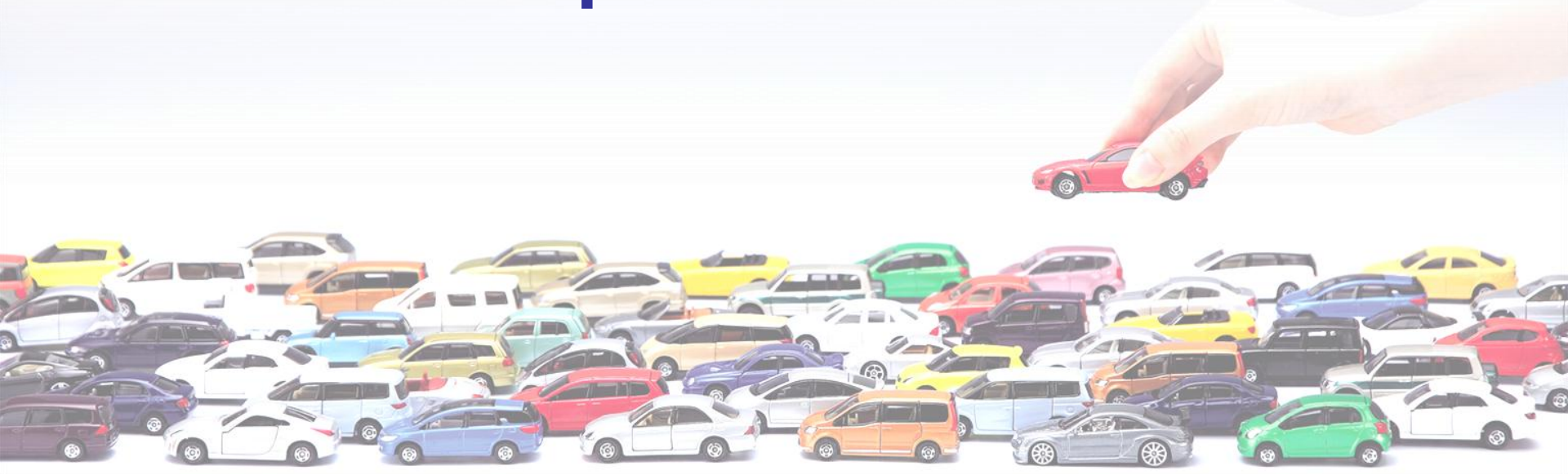
**JAPAN AUTOMOBILE DEALERS ASSOCIATION,
Japan Light Motor Vehicle and Motorcycle Association,
Japan Automobile Recycling Promotion Center, USED CAR Co., Ltd.,
Trade Statistics of Japan,**

(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 FY3/2014



FY3/2014 – Consolidated Income Statement

Operating, ordinary and net income all reached record highs for the third consecutive year (Million yen)

	FY3/2013	FY3/2014	Year on year
Net Sales	63,243	67,949	107.4%
Cost of sales (Per sales)	24,982 (39.5%)	26,459 (38.9%)	105.9%
Gross profit (Per sales)	38,260 (60.5%)	41,489 (61.1%)	108.4%
Selling, general and administrative expenses (Per sales)	8,955 (14.2%)	8,808 (13.0%)	98.4%
Operating income (Per sales)	29,304 (46.3%)	32,680 (48.1%)	111.5%
Ordinary income (Per sales)	29,884 (47.3%)	33,275 (49.0%)	111.3%
Net income (Per sales)	18,346 (29.0%)	19,966 (29.4%)	108.8%
Net income per share (yen)	69.35	77.29	111.4%

*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

Net sales

- Auction fee revenues increased along with increases in number of vehicles consigned and the contract completion rate
- Higher sales in the recycling business, including end-of-life vehicles, due to increase in volume handled and higher prices for ferrous scrap

Cost of sales

- Higher merchandise cost of sales, higher cost of purchasing materials in the recycling business
- Depreciation increased because of the reconstruction of the Nagoya Auction Site and plan to relocate the Okayama Auction Site
- Higher cost of supplies expenses due to the reconstruction of the Nagoya Auction Site

SG&A expenses • Decreases in sales promotion expenses

FY3/2014 – Consolidated Balance Sheet

Outstanding financial soundness even as substantial earnings distributions to shareholders continue

(Million yen)

	2013.3	2014.3	Changes
Current assets	56,047	60,477	4,430
Cash and deposits	37,033	46,318	9,285
Receivables due from member dealers at auction	13,660	8,701	▲4,959
Other	5,353	5,458	104
Noncurrent assets	98,496	103,704	5,208
Property, plant and equipment	88,470	92,337	3,866
Intangible assets	818	1,068	249
Investments and other assets	9,206	10,299	1,092
Total assets	154,543	164,182	9,639
Current liabilities	28,165	25,657	▲2,508
Payables due to member dealers at auction	16,185	11,852	▲4,332
Short-term loans payable	93	80	▲12
Other	11,886	13,724	1,837
Noncurrent liabilities	6,701	6,423	▲278
Long-term loans payable	864	549	▲314
Other	5,837	5,873	36
Total liabilities	34,866	32,080	▲2,786
Shareholders' equity	124,273	136,466	12,193
Accumulated other comprehensive income	▲5,160	▲5,117	42
Subscription rights to shares	237	242	5
Minority interests	327	510	183
Total net assets	119,676	132,102	12,425

Current assets

- Auction receivables down 4.95 billion yen due to the calendar factors on the fiscal year-end auctions

Noncurrent assets

- Property, plant and equipment up 3.86 billion yen due mainly to rebuilding of the Nagoya Auction Site

Current liabilities

- Auction payables decreased 4.33 billion yen due to the calendar factors on the fiscal year-end auctions
- Other current liabilities increased 1.83 billion yen mainly because of higher income taxes payable

*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

FY3/2014 – Consolidated Cash Flows

(Million yen)

	2013.3	2014.3	Changes
Net cash provided by operating activities	22,059	26,642	4,582
Income before income taxes and minority interests	29,827	32,676	2,849
Depreciation and other amortization	3,582	3,823	241
Amortization of goodwill	▲0	20	20
Loss (▲gain) on sale and retirement of property, plant and equipment	38	199	161
Loss (▲gain) on sales and retirement of intangible assets	0	1	1
Net change in due from/to member dealers at auction	1,005	626	▲378
Income taxes paid	▲12,194	▲10,152	2,041
Other	▲200	▲553	▲353
Net cash provided by investing activities	4,679	▲18,751	▲23,430
Purchase of property, plant and equipment	▲1,441	▲8,298	▲6,856
Other	6,120	▲10,453	▲16,574
Net cash provided by financing activities	▲20,446	▲8,105	12,340
Net increase in loans payable	▲310	▲326	▲16
Purchases of treasury stock	▲12,309	▲0	12,309
Cash dividends paid	▲7,811	▲7,918	▲106
Other	▲15	139	154
Net increase in cash and cash equivalents	6,292	▲214	▲6,507
Cash and cash equivalents at beginning of period	28,540	34,833	6,292
Cash and cash equivalents at end of period	34,833	34,618	▲214

Operating activities

- Income before income taxes: 32.67 billion yen
- Income taxes paid: 10.15 billion yen

Investing activities

- Expenses for the purchase of property, plant and equipment include 8.29 billion yen for rebuilding the Nagoya Auction Site and other expenditures
- Other includes 10.45 billion yen provided by a increase in time deposits

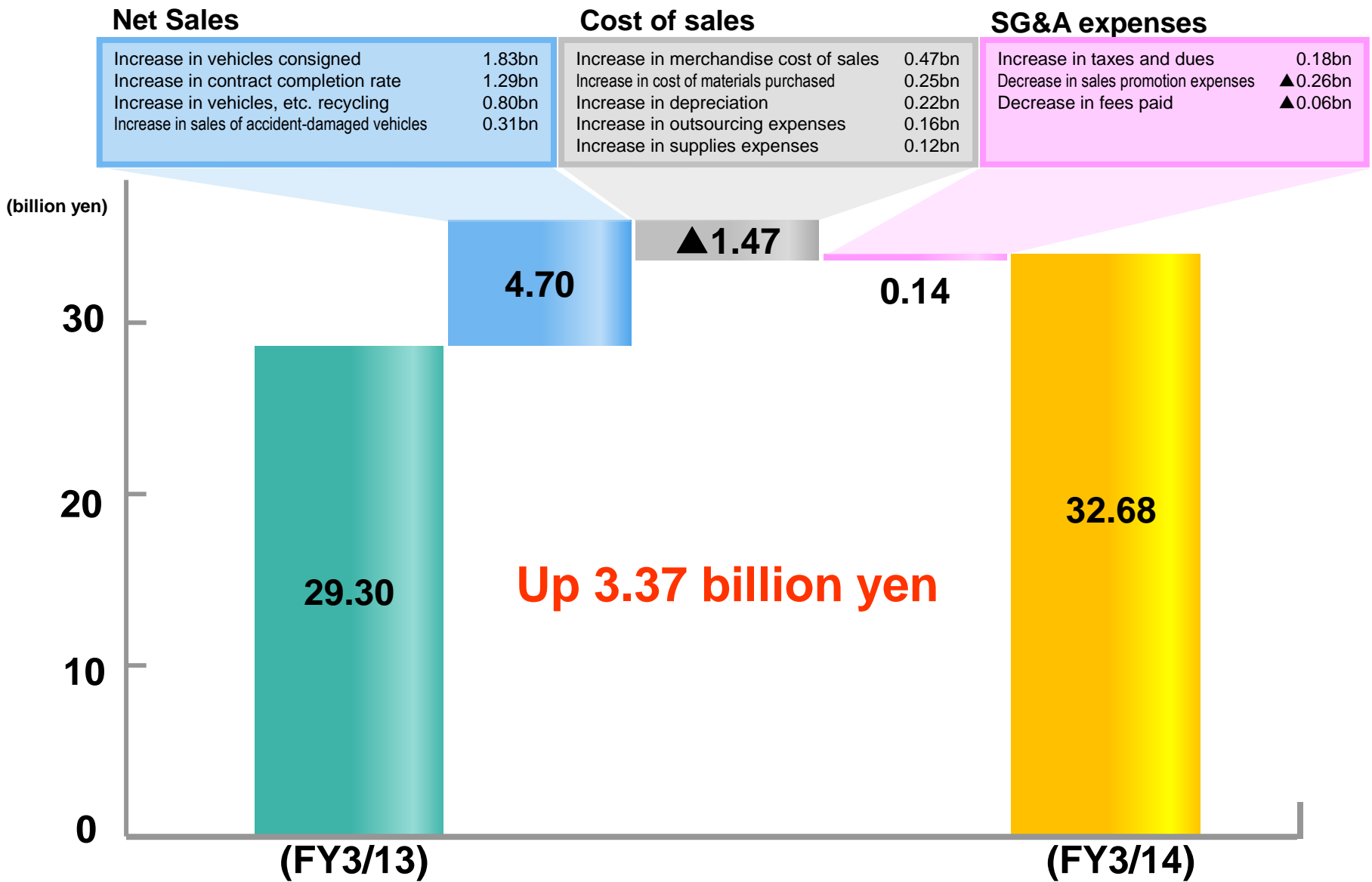
Financing activities

- Cash dividends paid: 7.91 billion yen

*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

FY3/2014 Reasons for Change in Operating Income (Actual)

Reasons for change in operating income



*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

Major Financial Indicators (Fiscal year)

(Million yen)

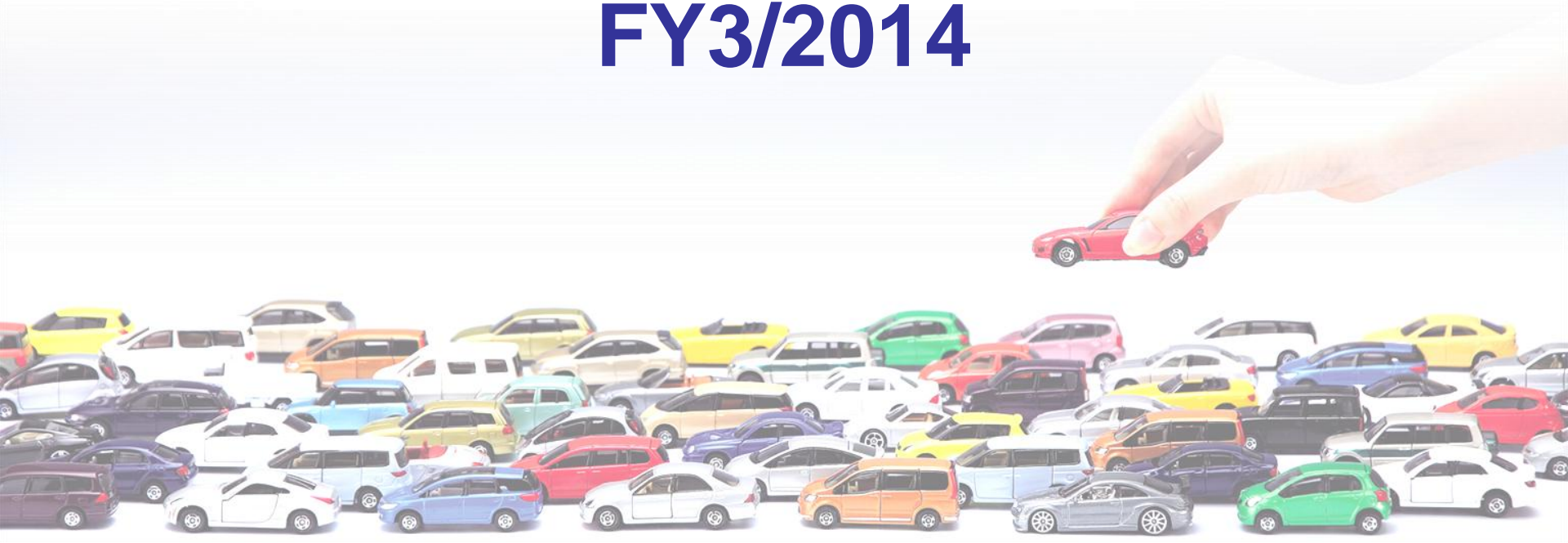
	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3	2014.3	YoY	10 years average of % changes
Results of Operations													
Net Sales	42,425	50,484	60,243	64,568	69,801	66,549	59,849	61,417	64,009	63,243	67,949	7.4%	4.8%
Operating Income	18,017	20,673	23,103	24,817	27,200	22,568	21,940	24,332	27,952	29,304	32,680	11.5%	6.1%
Ordinary Income	18,207	21,096	23,544	25,360	27,490	22,503	22,511	24,643	28,588	29,884	33,275	11.3%	6.2%
Net Income	8,907	11,814	13,203	14,390	15,200	12,003	12,717	13,971	17,054	18,346	19,966	8.8%	8.4%
Financial Position													
Total Assets	92,538	115,704	131,908	146,172	150,737	138,370	142,164	151,636	154,639	154,543	164,182	6.2%	5.9%
Cash and Deposits	15,168	15,818	19,995	21,149	26,280	18,445	29,681	30,980	36,840	37,033	46,318	25.1%	11.8%
Total Liabilities	24,284	29,901	33,841	40,184	33,159	23,428	23,773	29,689	33,541	34,866	32,080	▲8.0%	2.8%
Interest Bearing Debt	7,331	7,490	5,200	5,355	3,064	2,716	1,806	1,097	1,746	1,148	670	▲41.6%	▲21.3%
Total Net Assets	68,254	85,803	98,067	105,988	117,577	114,941	118,390	121,947	121,097	119,676	132,102	10.4%	6.8%
Owners' Equity	67,497	84,877	97,391	104,985	117,130	114,771	118,146	121,638	120,582	119,112	131,348	10.3%	6.9%
Per Share Information													
EPS (Yen)	30.07	37.76	40.70	44.71	47.51	38.27	41.88	47.80	60.92	69.35	77.29	11.4%	9.9%
Dividend per Share (Yen)	5.00	6.50	8.00	10.00	14.50	16.50	16.80	19.20	24.40	30.75	34.70	12.8%	21.4%
Others													
Operating Margin (%)	42.5	40.9	38.4	38.4	39.0	33.9	36.7	39.6	43.7	46.3	48.1	—	—
ROE (%)	16.0	15.5	14.5	14.2	13.7	10.4	10.9	11.7	14.1	15.3	15.9	—	—
ROA (%)	20.1	20.3	19.0	18.2	18.5	15.6	16.0	16.8	18.7	19.3	20.9	—	—
Dividend Payout Ratio (%)	16.6	17.2	19.7	22.4	30.5	43.1	40.1	40.2	40.0	44.3	45.1	—	—
Owners' Equity Ratio (%)	72.9	73.4	73.8	71.8	77.7	82.9	83.1	80.2	78.0	77.1	80.0	—	—
Treasury Stock (shs.)	14,950	17,890	1,440,060	6,717,730	6,718,010	21,056,870	29,364,740	23,647,810	41,280,210	55,067,530	54,828,566	▲0.4%	127.2%
On-site Auction Members (Companies)	30,195	34,420	37,157	40,959	42,751	43,307	44,317	45,563	44,796	45,139	45,712	1.3%	4.2%

*Per share information and treasury stock has been retroactively adjusted for the stock split on October 1, 2013.

*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods. The dividend payout ratios are not retroactively adjusted.

Market Overview

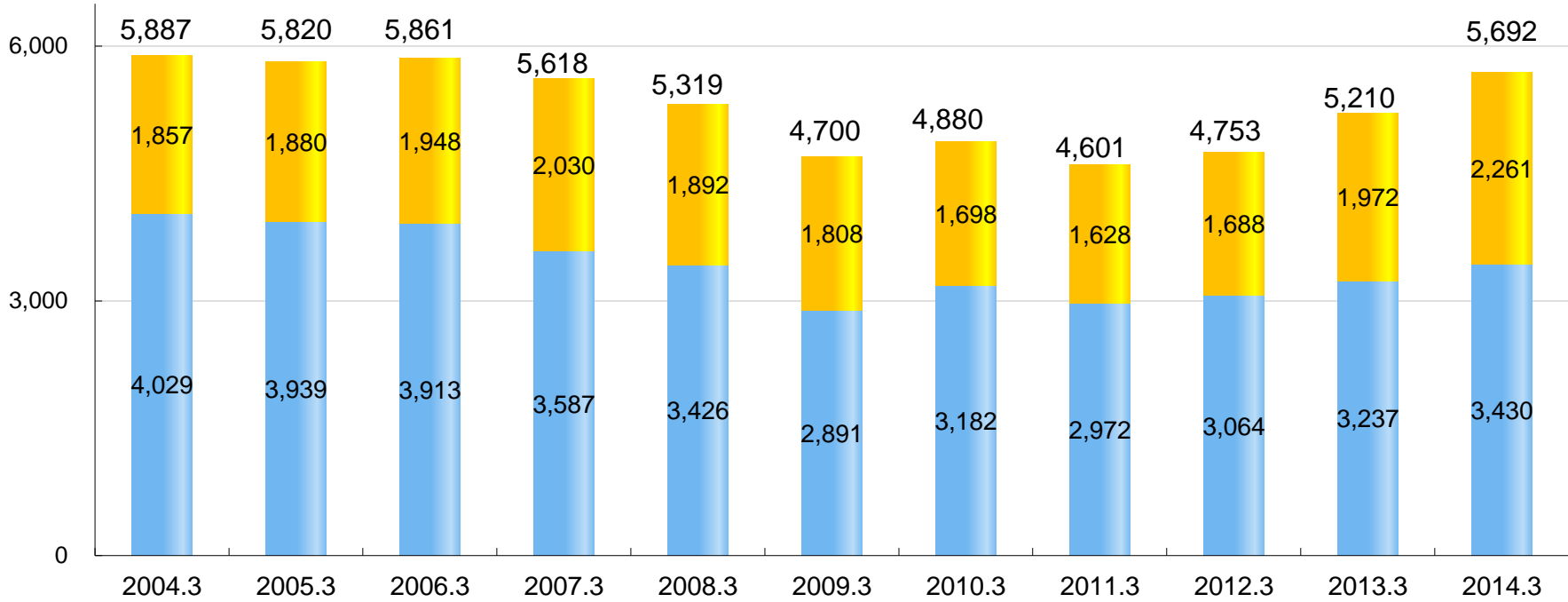
FY3/2014



(1) New Car Registrations (April to March)

■ Ordinary cars ■ Mini cars

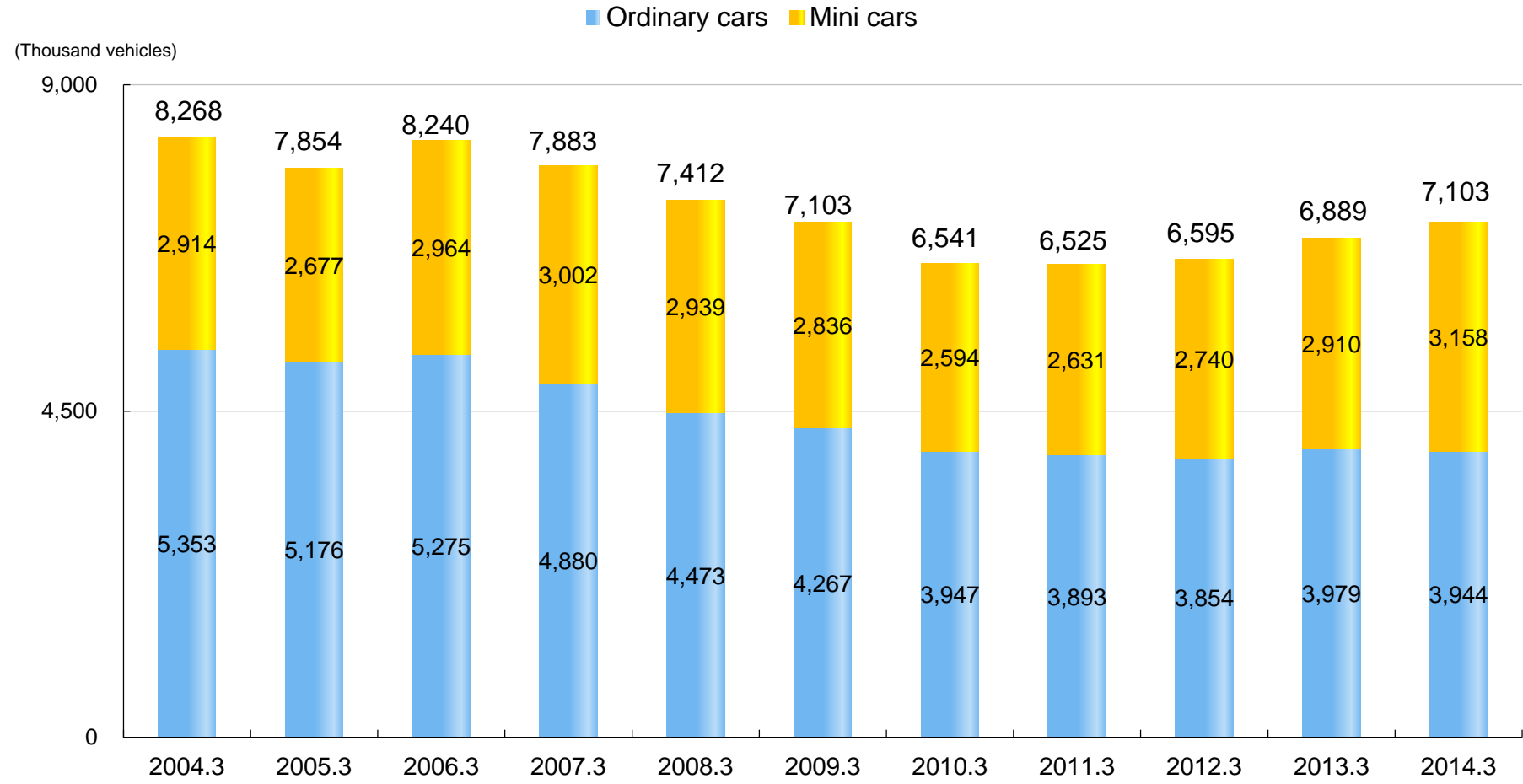
(Thousand vehicles)



New car registrations increased 9.2% to 5.69 million units

- Growth was caused by the rush to buy cars before the April 2014 consumption tax hike

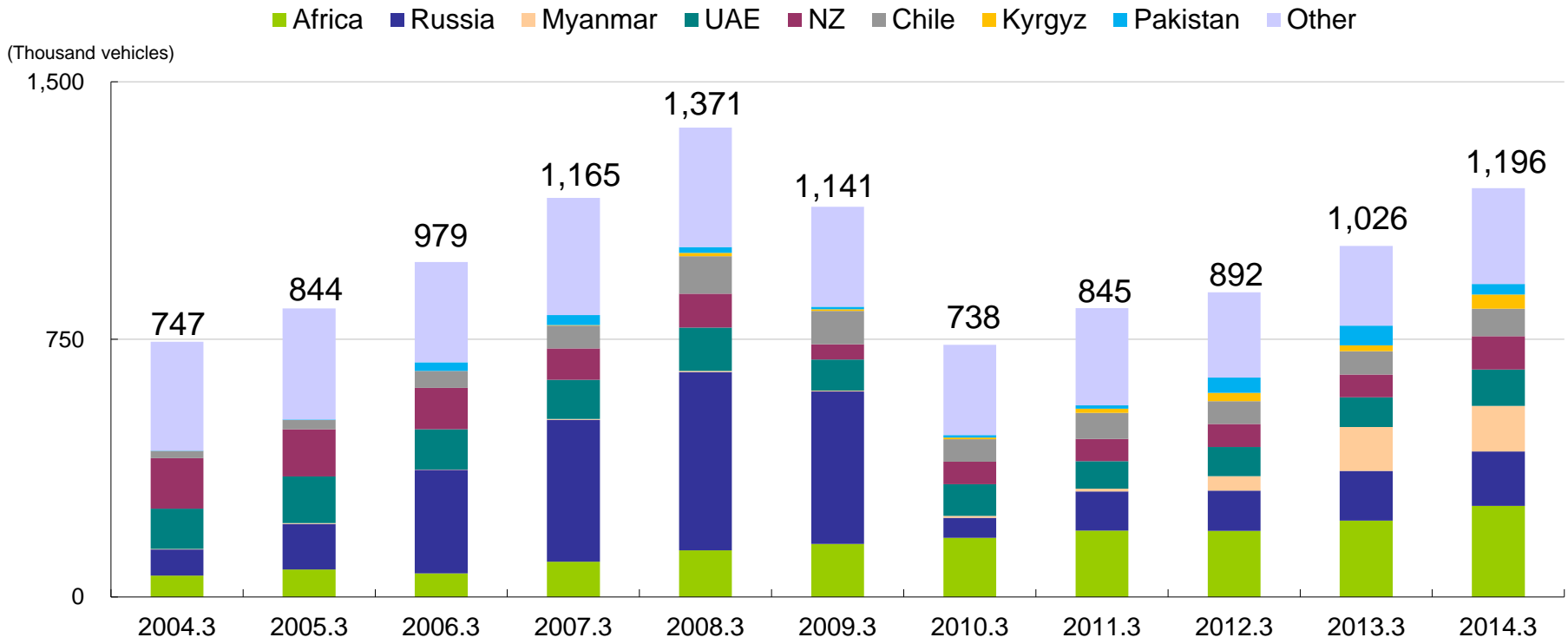
(2) Used Car Registrations (April to March)



Used car registrations increased 3.1% to 7.10 million units

- Increase was the result of growth in trade-in vehicles associated with the larger number of new car registrations

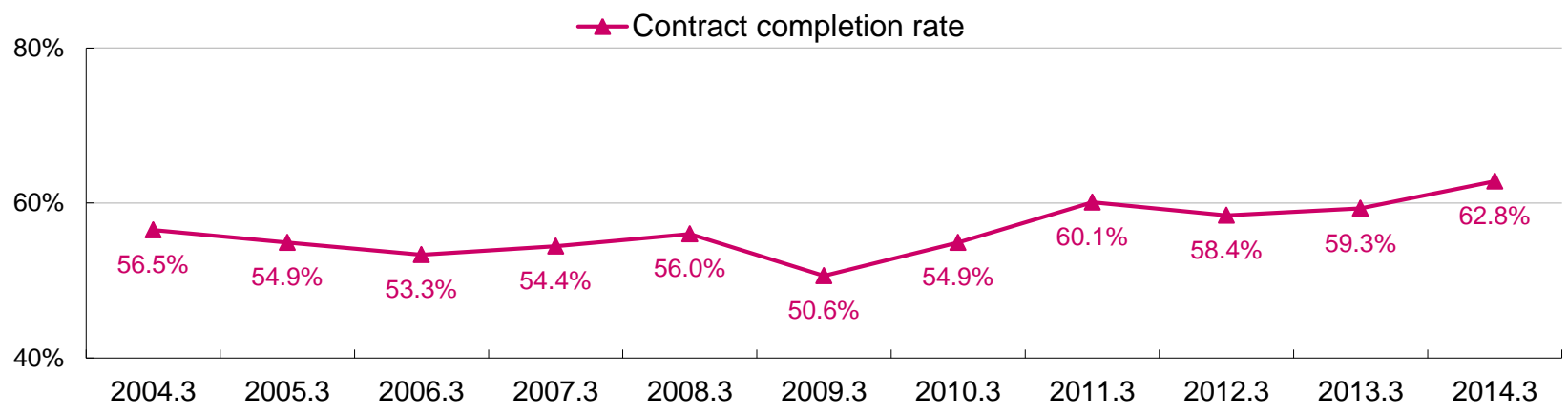
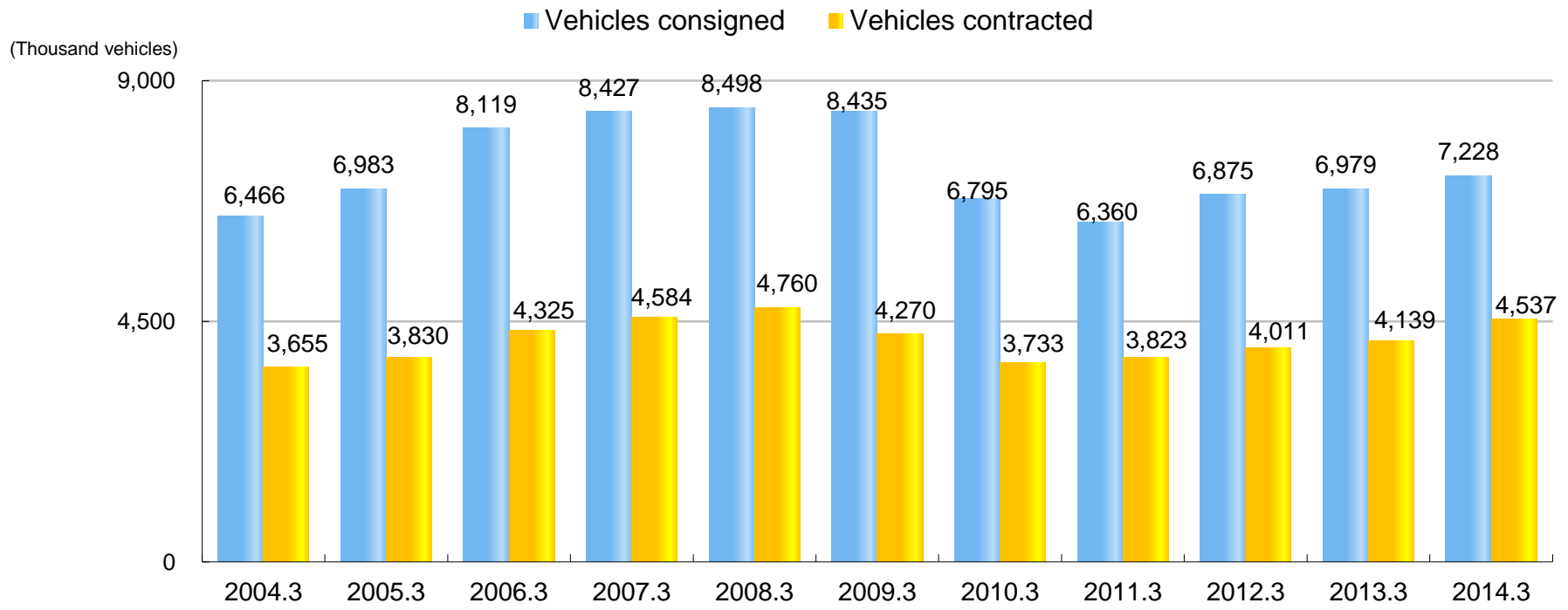
(3) Used Car Exports (April to March)



Used car exports increased 16.6% to 1.19 million units

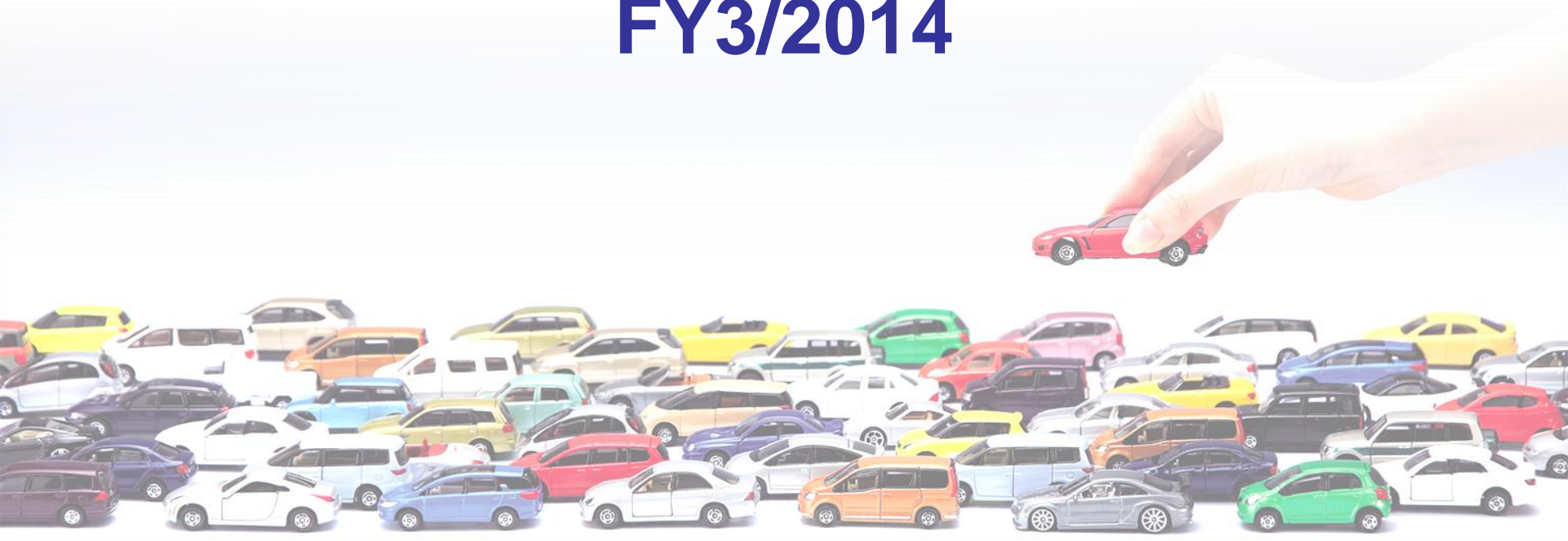
- Major destination countries
Africa 265,000 (up 19.6%), Russia 159,000 (up 9.6%), Myanmar 132,000 (up 3.4%), UAE 106,000 (up 24.0%)
- Countries with large increases
Mongolia 34,000 (up to 10.3%), Malaysia 26,000 (up to 10.3%), Philippines 26,000 (up to 8.4%), Georgia 22,000 (up to 134.2%), Sri Lanka 19,000 (up to 139.7%), Bangladesh 15,000 (up to 99.2%)

(4) Auto Auction Market (April to March)

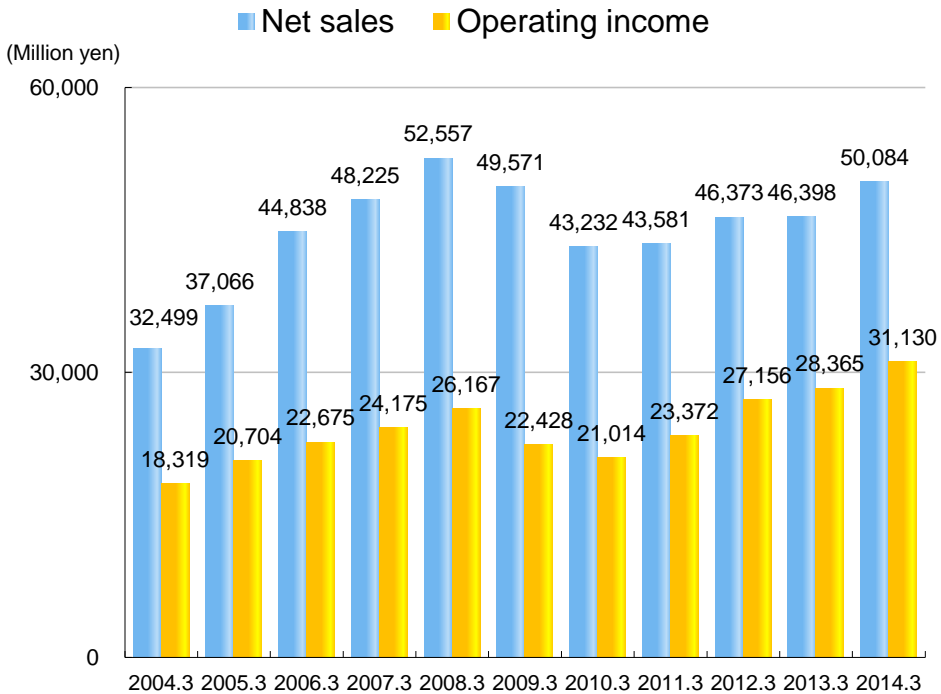


Business Segment Information

FY3/2014



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



	(Million yen)		
	2013.3	2014.3	YoY
Net sales	46,398	50,084	107.9%
Operating income (Per sales)	28,365 (61.1%)	31,130 (62.2%)	109.7%

*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

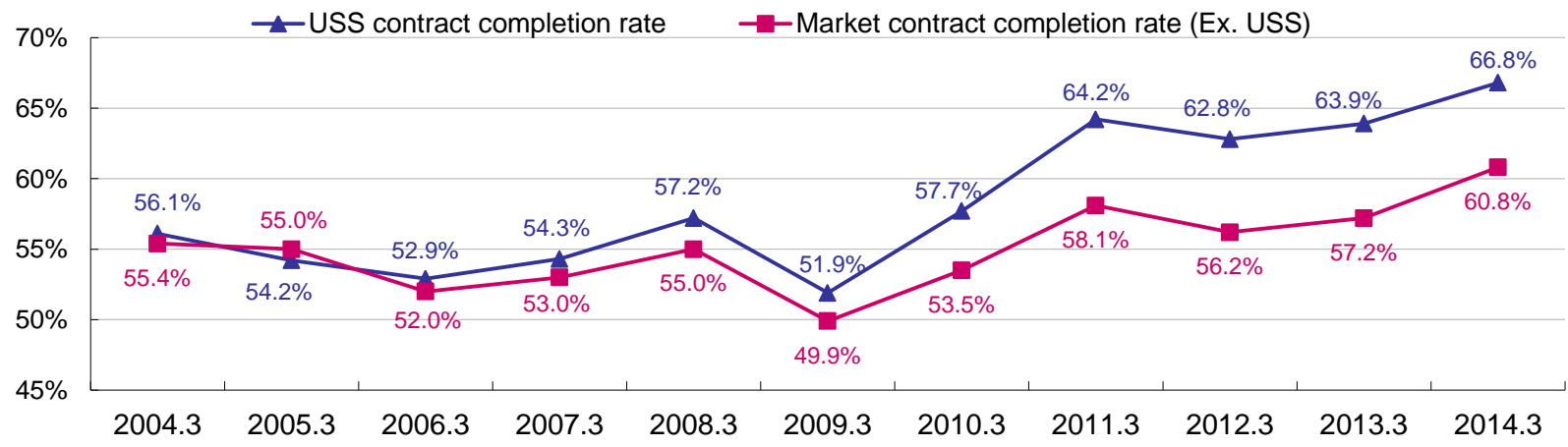
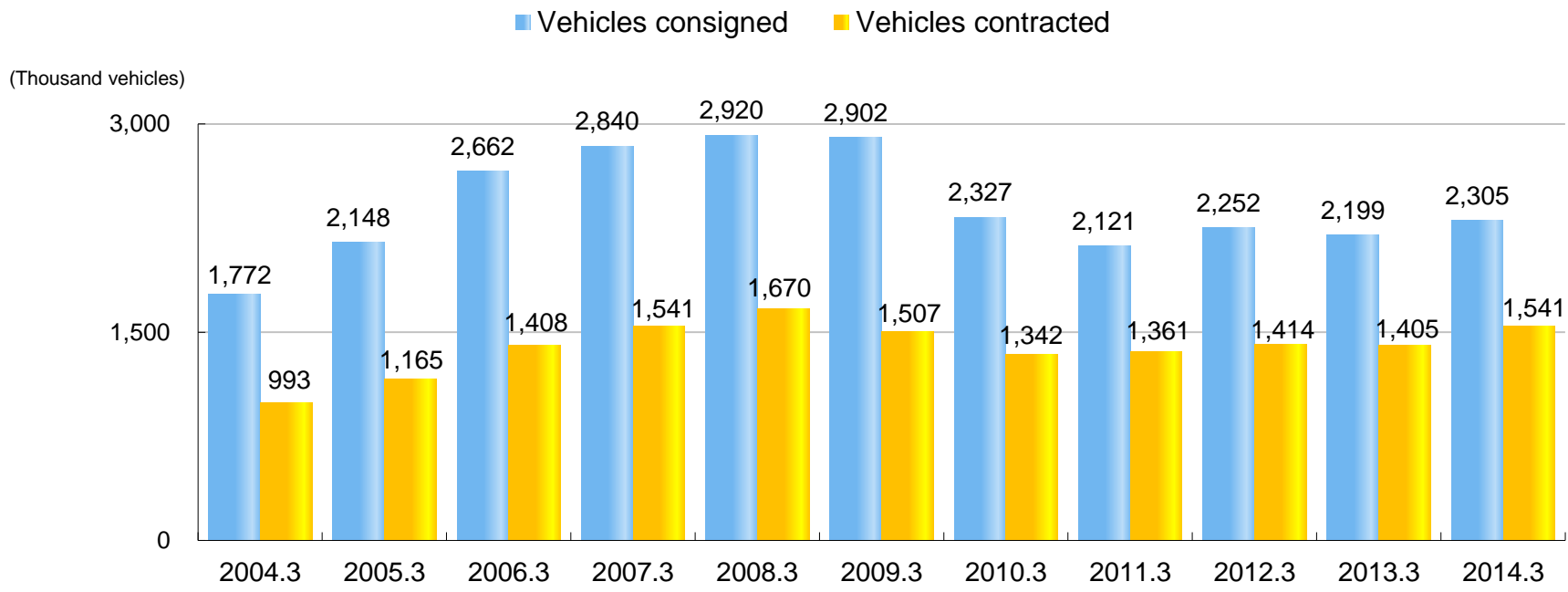
Net sales increased 7.9% to 50,084 million yen

- Vehicles consigned up 4.8% to 2,305 thousand; contracted vehicles up 9.7% to 1,541 thousand; contract completion rate increased from 63.9 % to 66.8 %
- The off-site successful bid ratio was 50.1% compared with 50.8% one year earlier

Operating income increased 9.7% to 31,130 million yen

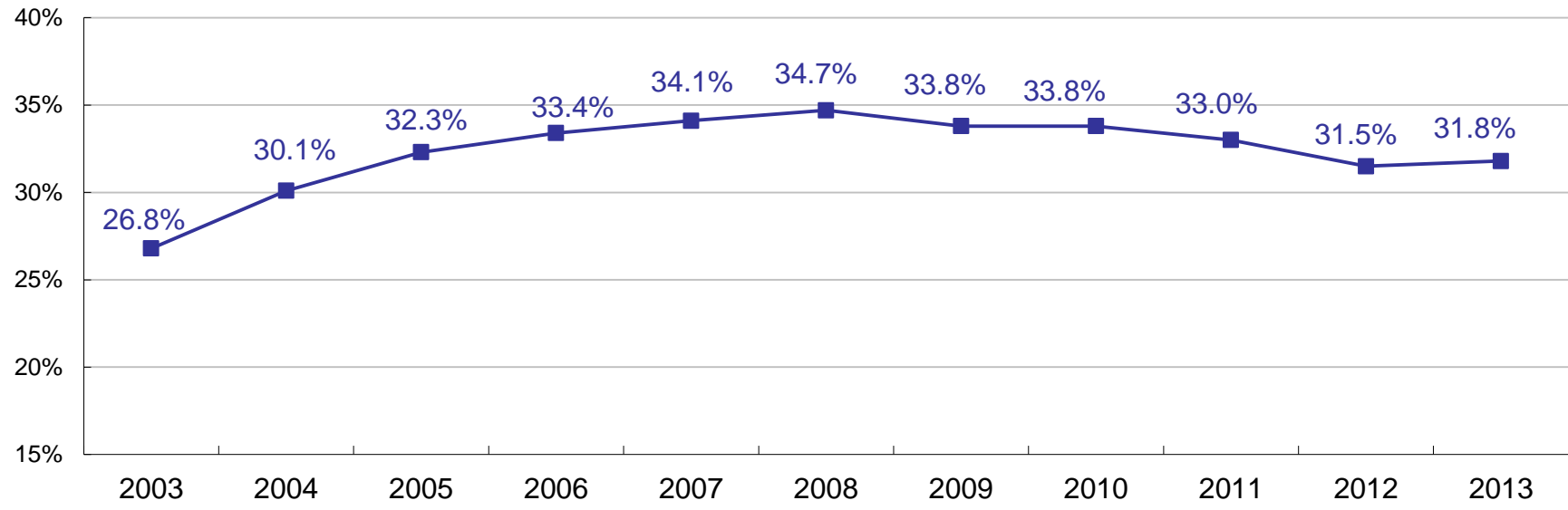
- Depreciation increased because of the reconstruction of the Nagoya Auction Site and plan to relocate the Okayama Auction Site
- Higher taxes and dues and supplies expenses due to the reconstruction of the Nagoya Auction Site
- Decreases in sales promotion expenses

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



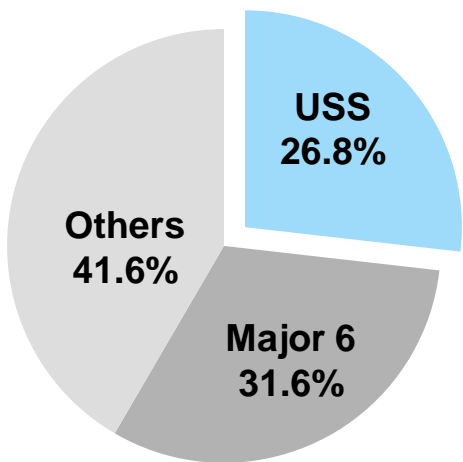
Auto Auction Business (3) – Market Share (January to December)

USS Market Share



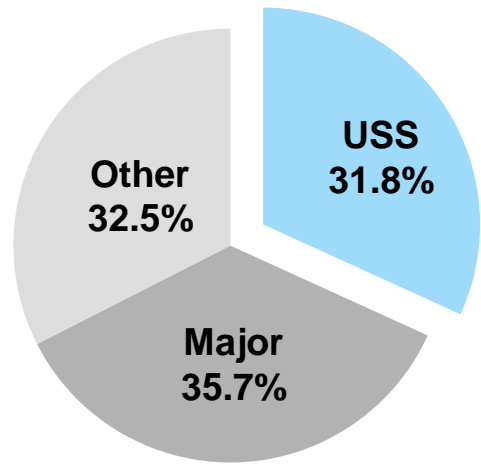
2003 (CY) Market Share

- *Major 6
- TAA (6.7%)
- JAA (9.8%)
- CAA (5.2%)
- Arai AA (5.6%)
- KCAA (2.6%)
- LAA (1.7%)

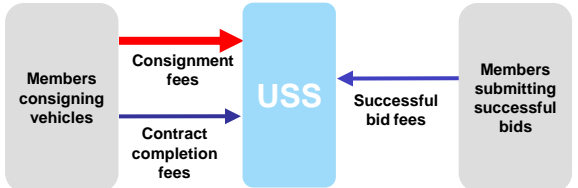


2013 (CY) Market Share

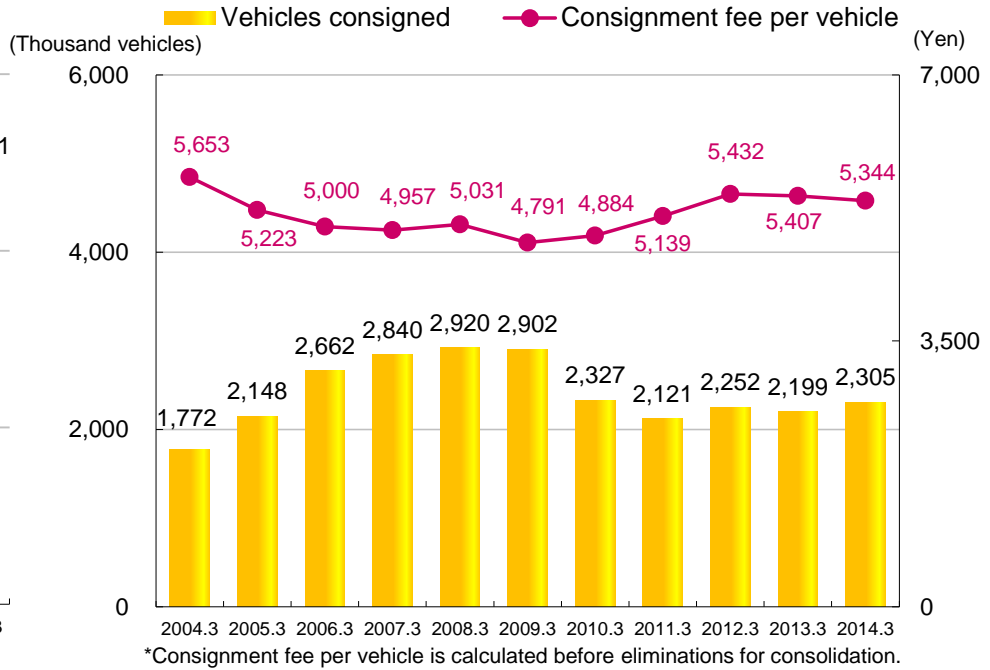
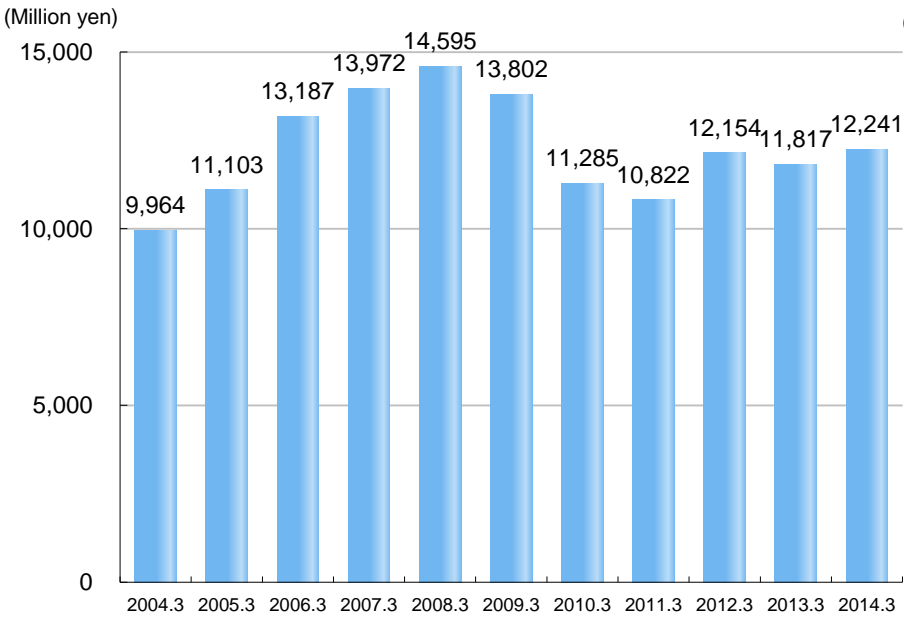
- *Major 6
- TAA (9.6%)
- JAA (8.8%)
- CAA (6.4%)
- Arai AA (4.9%)
- KCAA (3.2%)
- LAA (2.8%)



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



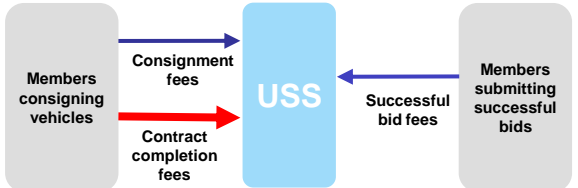
Total of Consignment Fees



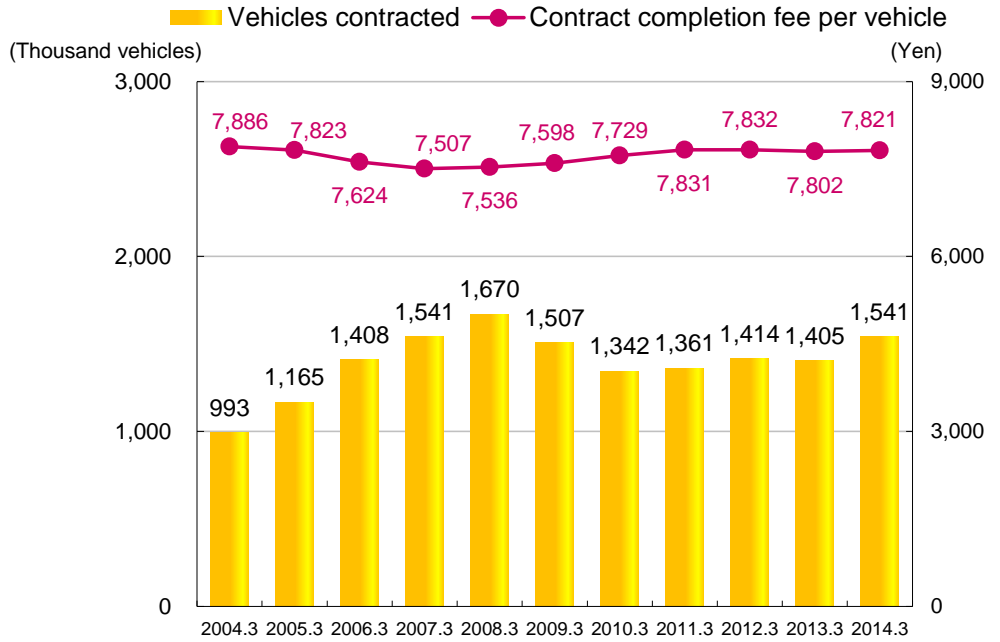
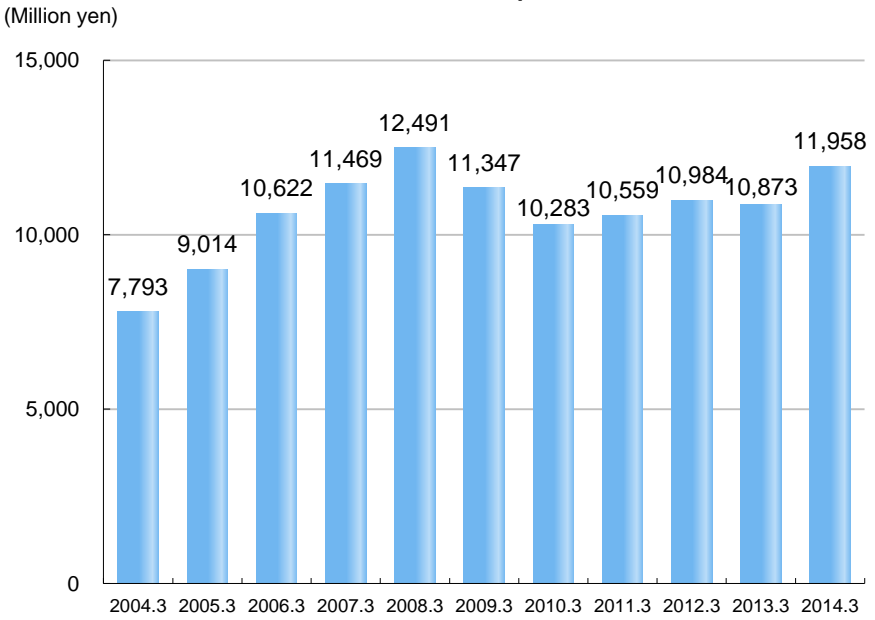
Consignment fee per vehicle decreased by 63 yen to 5,344 yen

- Conducted a consignment fee discount campaign at Nagoya and other auction sites (negative factor)
- Reexamined the rebate system for high-volume members at some auction sites (positive factor)

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



Total of Contract Completion Fees

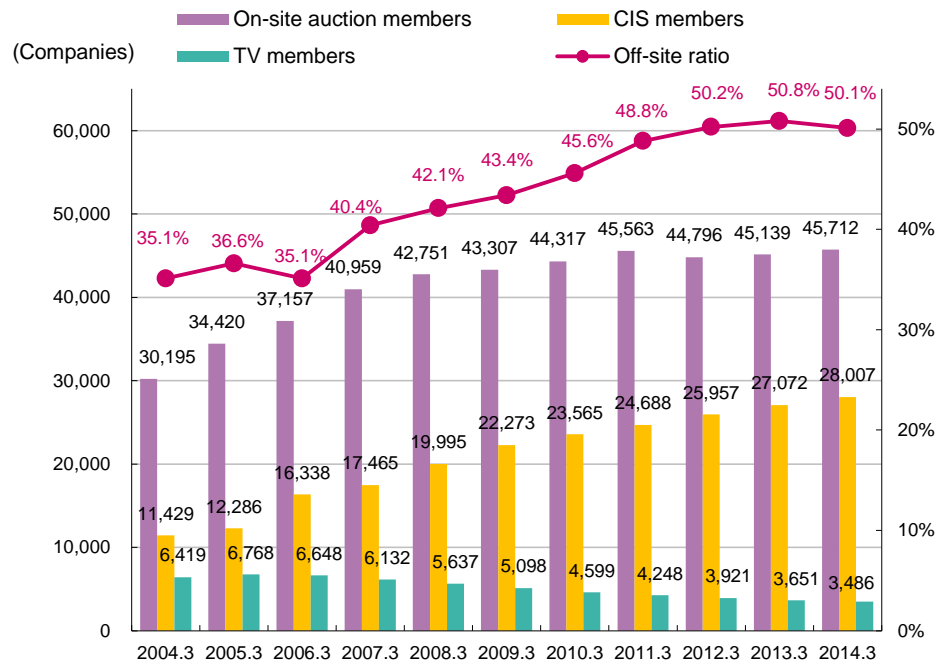
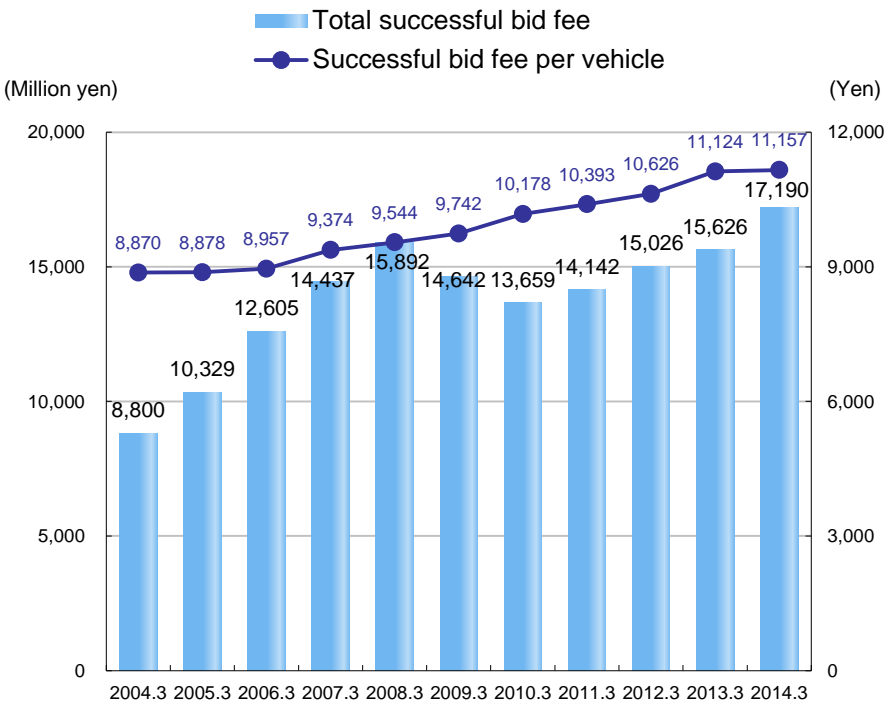
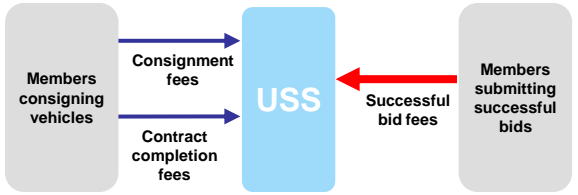


*Contract Completion fee per vehicle is calculated before eliminations for consolidation.

Contract completion fee per vehicle increased by 19 yen to 7,821 yen

- Increase in number of vehicles contracted of higher fees corners

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



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

* Starting in 2012.3, 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 increased by 33 yen to 11,157 yen

- Revised successful bid fee for bids submitted using the satellite TV system in July 2012
- The off-site successful bid ratio was 50.1% compared with 50.8% one year earlier

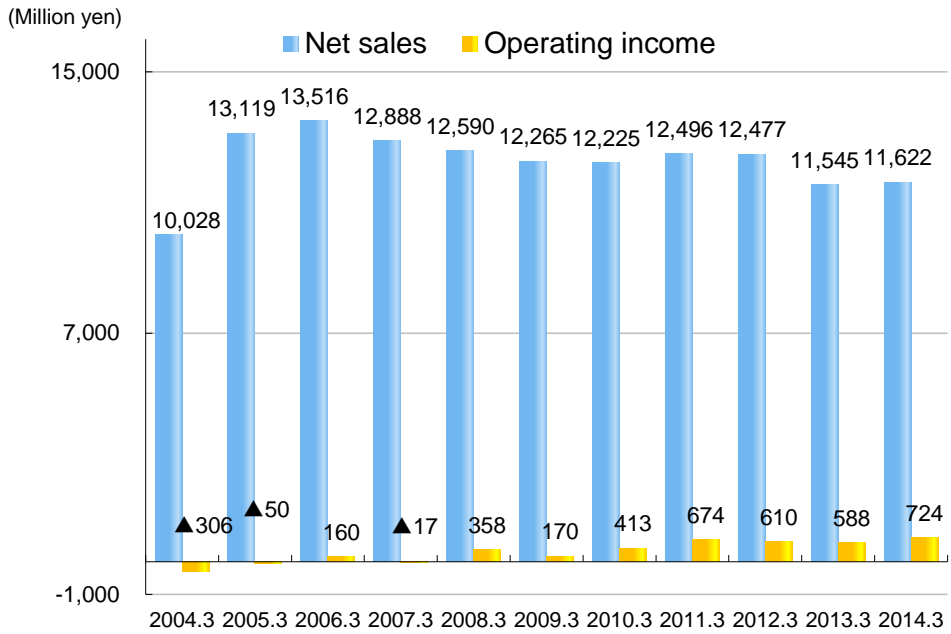
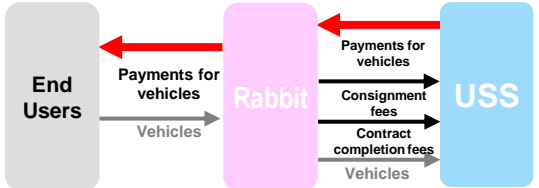
Auto Auction Business (7) – USS Group Auto Auction Results by Sites

(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	2014.3	2013.3	2014.3	2013.3	Changes	2014.3	2013.3	Changes	2014.3	2013.3
Tokyo	49	49	630,429	601,287	4.8%	453,989	422,017	7.6%	72.0%	70.2%
Nagoya	49	48	413,075	371,853	11.1%	263,404	238,257	10.6%	63.8%	64.1%
Kyushu	48	48	190,449	175,066	8.8%	115,921	102,751	12.8%	60.9%	58.7%
Yokohama	48	49	188,916	182,673	3.4%	133,648	121,517	10.0%	70.7%	66.5%
Sapporo	49	49	139,094	133,409	4.3%	86,673	78,270	10.7%	62.3%	58.7%
Osaka	49	48	123,371	105,338	17.1%	80,154	66,333	20.8%	65.0%	63.0%
R-Nagoya	50	49	115,956	107,322	8.0%	98,086	84,846	15.6%	84.6%	79.1%
Shizuoka	49	48	88,719	88,297	0.5%	52,560	49,297	6.6%	59.2%	55.8%
Okayama	49	48	71,840	72,636	▲1.1%	44,948	39,403	14.1%	62.6%	54.2%
Tohoku	49	49	71,663	71,570	0.1%	54,752	50,608	8.2%	76.4%	70.7%
Gunma	48	48	65,612	64,406	1.9%	43,592	41,759	4.4%	66.4%	64.8%
Saitama	49	48	56,291	57,585	▲2.2%	30,959	30,453	1.7%	55.0%	52.9%
Fukuoka	49	49	45,048	54,488	▲17.3%	21,277	20,973	1.4%	47.2%	38.5%
Kobe	49	49	40,531	38,944	4.1%	24,210	21,169	14.4%	59.7%	54.4%
Niigata	49	49	39,849	47,666	▲16.4%	20,472	20,822	▲1.7%	51.4%	43.7%
Hokuriku	49	48	24,346	27,257	▲10.7%	16,362	16,597	▲1.4%	67.2%	60.9%
Total	782	776	2,305,189	2,199,797	4.8%	1,541,007	1,405,072	9.7%	66.8%	63.9%

*In FY3/2014, one auction at the Gunma Auction Site was canceled because of heavy snow in February 2014.

Used Vehicle Purchasing and Selling Business – Results of Operations (April to March)



	(Million yen)		
	2013.3	2014.3	YoY
Net sales	11,545	11,622	100.7%
Operating income (Per sales)	588 (5.1%)	724 (6.2%)	123.0%

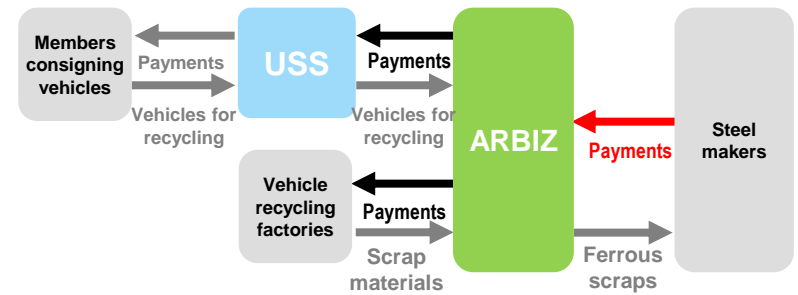
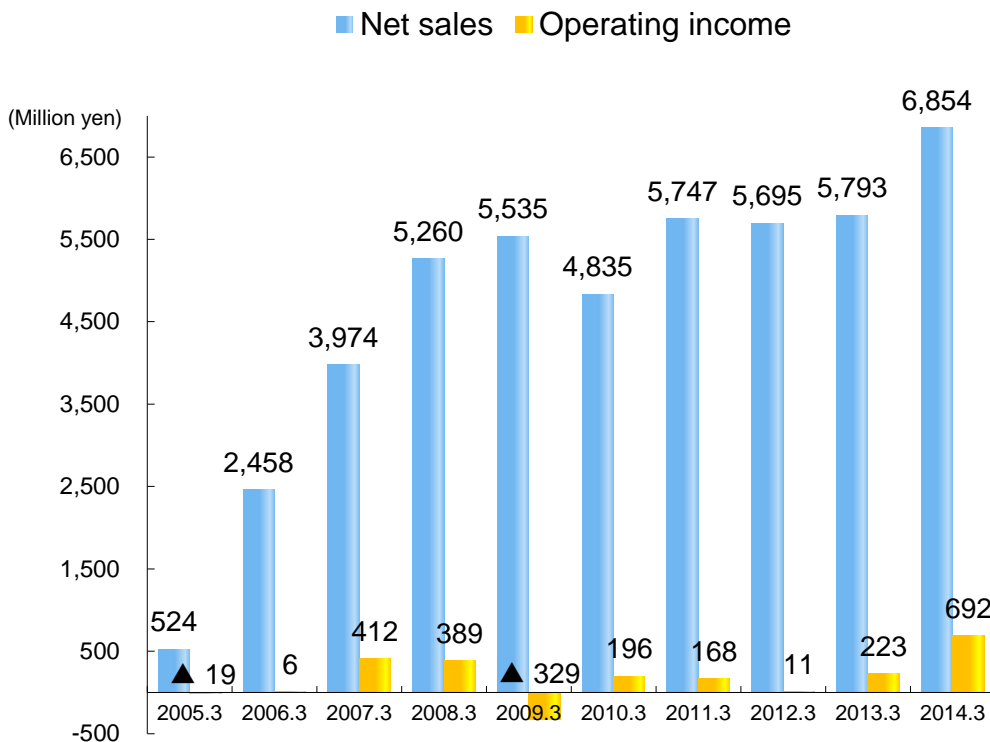
Rabbit sales decreased 3.0% to 7,867 million yen and operating income increased 17.5% to 499 million yen

- A decline in the number of vehicles purchased and higher pct. of lower-priced vehicles purchased caused sales to decrease
- Profit per vehicle improved as the auction market stayed at high levels

Sales of accident-damaged vehicles increased 9.2% to 3,754 million yen and operating income increased 37.1% to 224 million yen

- Profit per vehicle improved as the auction market stayed at high levels

Other Business (Recycling Business) – Results of Operations (April to March)



	(Million yen)		
	2013.3	2014.3	YoY
Net sales	5,793	6,854	118.3%
Operating income (Per sales)	223 (3.9%)	692 (10.1%)	310.3%

ARBIZ sales increased 20.0% to 4,821 million yen and operating income increased 389.6 % to 506 million yen

- Growth in handling volume of end-of-life vehicles
- The ferrous scrap market improved during the fiscal year, although there was a downturn in the fourth quarter
- Recycling technology developed in house brought down recycling costs

CAR QUEST Toyo sales increased 12.2% to 1,498 million yen and operating income increased 44.8% to 129 million yen

- Orders were higher for colored elastic pavement products, the most profitable type of rubber used in elastic pavement

USS Logistics International Service sales increased 14.5% to 502 million yen and operating income increased 54.1% to 46 million yen

- Sales and earnings increased along with growth in vehicles handled