

**USS**

Used car  
System  
Solutions

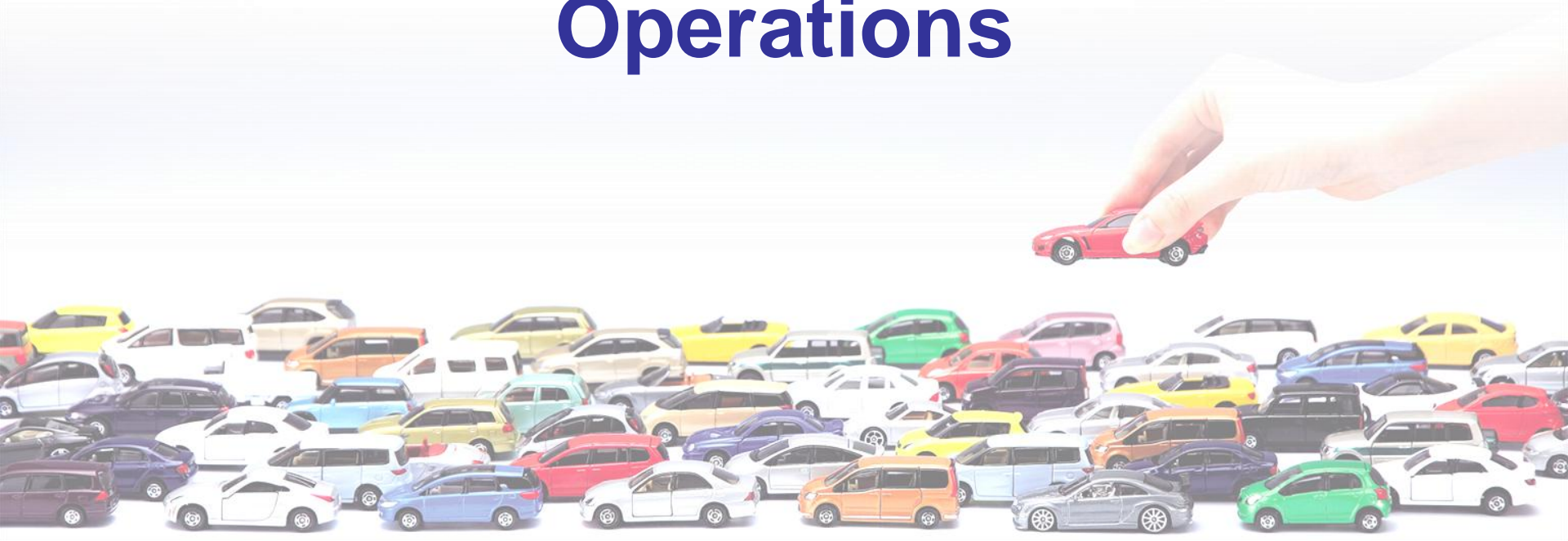
# Consolidated Results of Operations

The first quarter, fiscal year ending March 31, 2016

**USS Co., Ltd.**  
**August 2015**

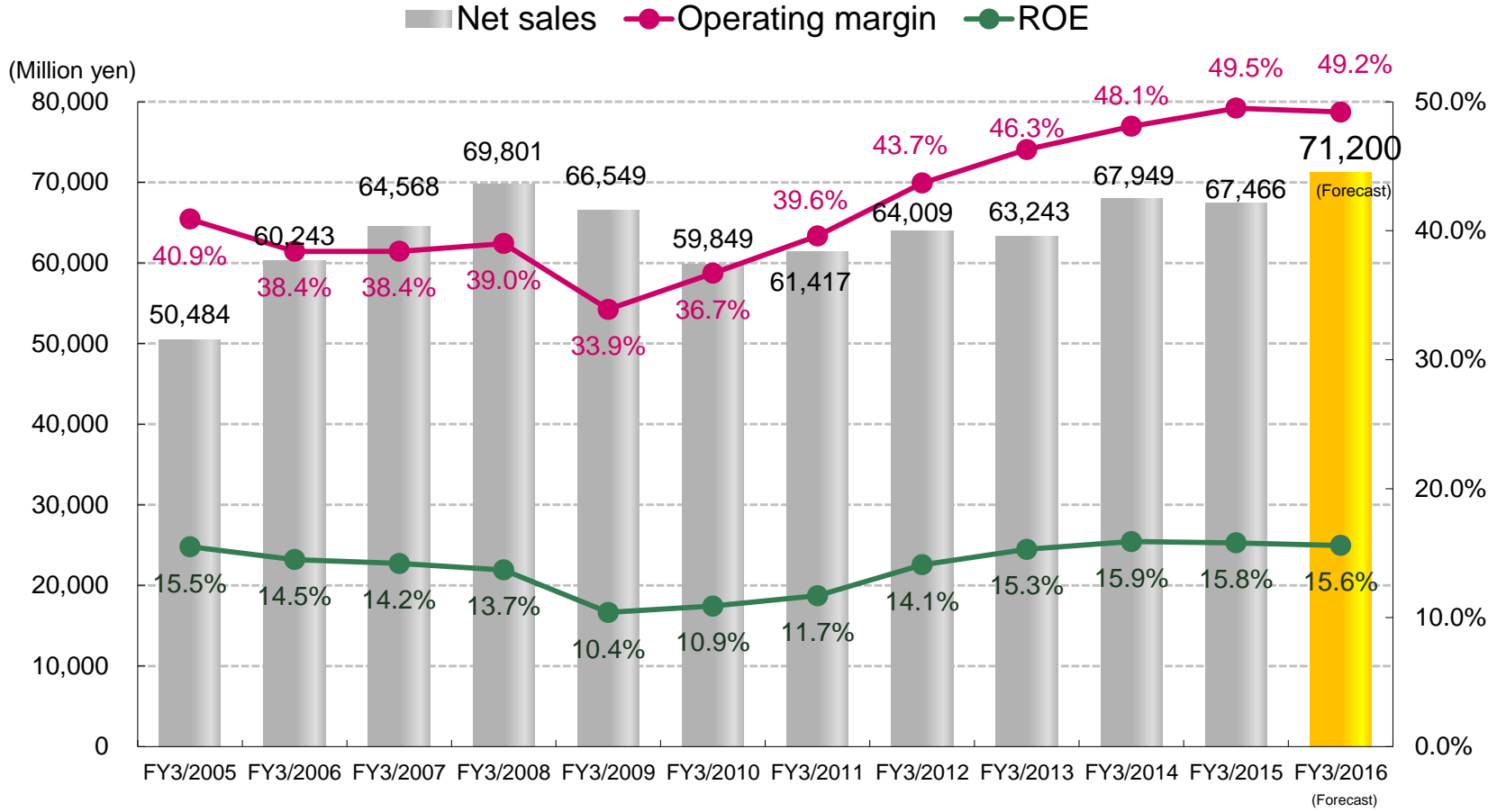


# USS Profile and Results of Operations



# (1) Consolidated Sales, Operating Margin and ROE

Strong growth in profitability, medium-term target is ROE of 15%



**FY3/2005 – FY3/2015**

Avg. 10-year growth rate Sales **2.9%** Operating income **4.9%**

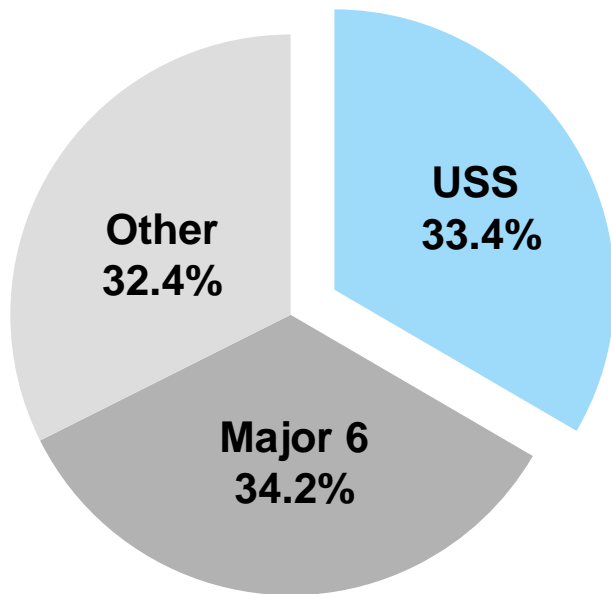
Avg. 10-year operating margin **41.4%**

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 2015)



\*Major 6: TAA (10.0%), JAA (8.3%), CAA (5.3%), Arai AA (4.6%), KCAA (3.0%), LAA (3.0%)

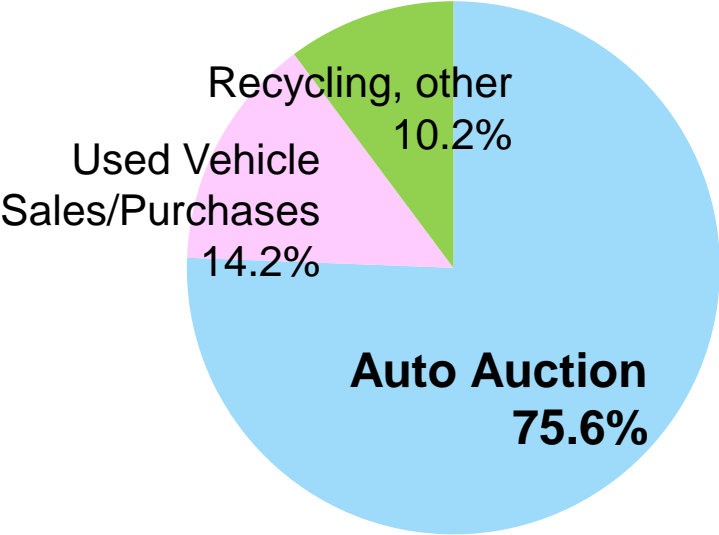
## The Superiority of USS

- Overwhelming lead in the number of members: 46,000 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 85.4%

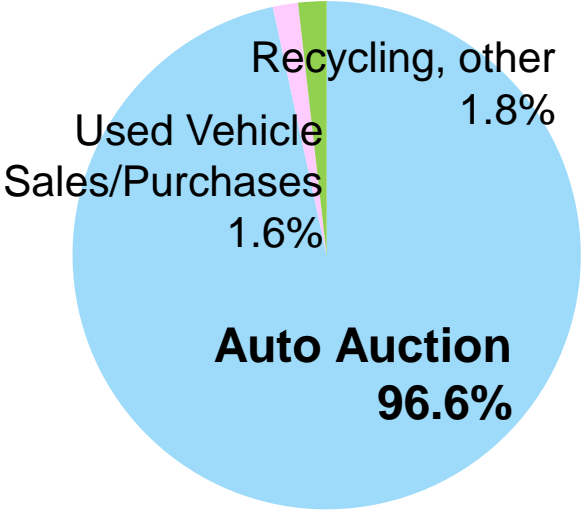
(As of end of June 2015)

### (3) Breakdown of Net sales and Operating income

**Sales breakdown(1Q FY3/2016)**



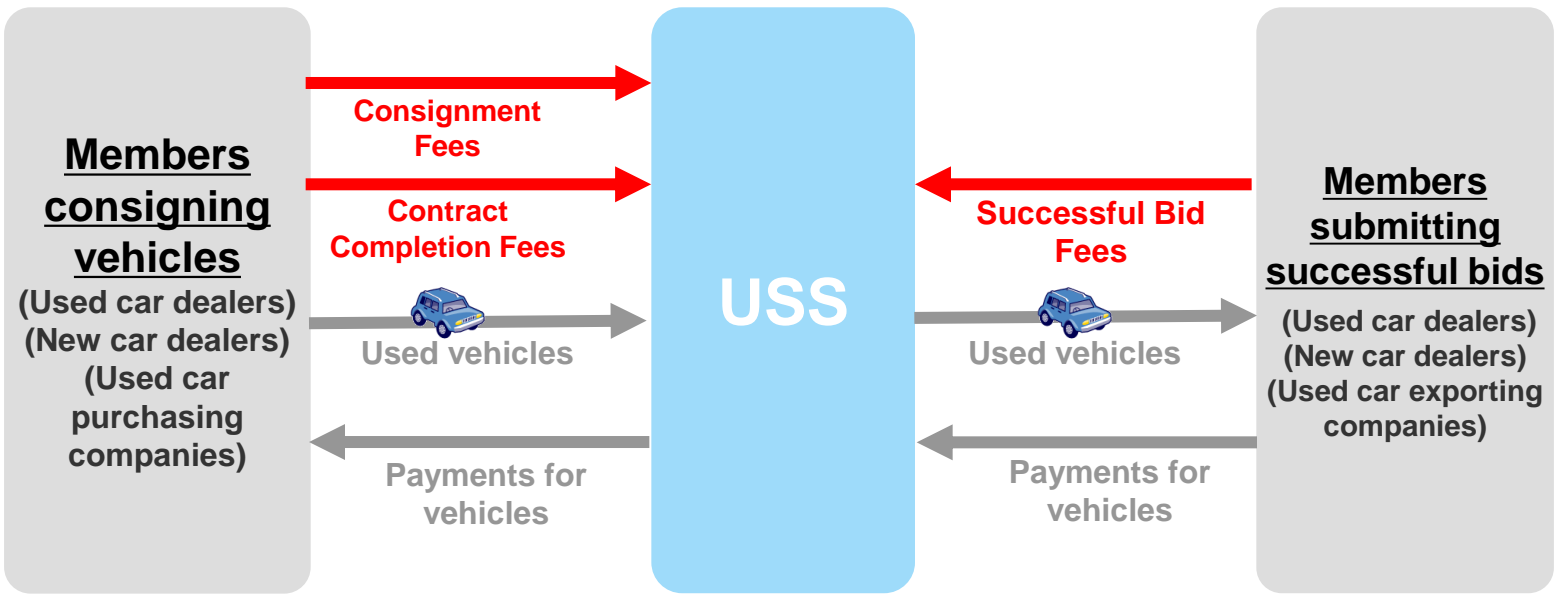
**Operating income breakdown (1Q FY3/16)**



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

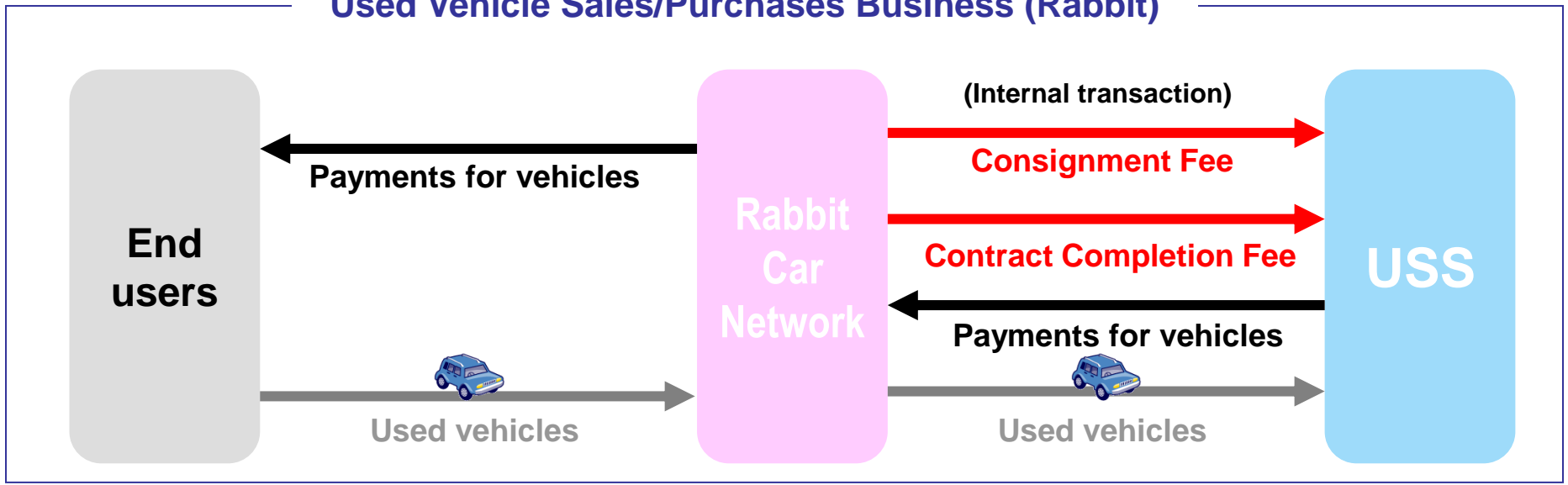
# (4) Business Models for Auto Auction Business

## Auto Auction Business

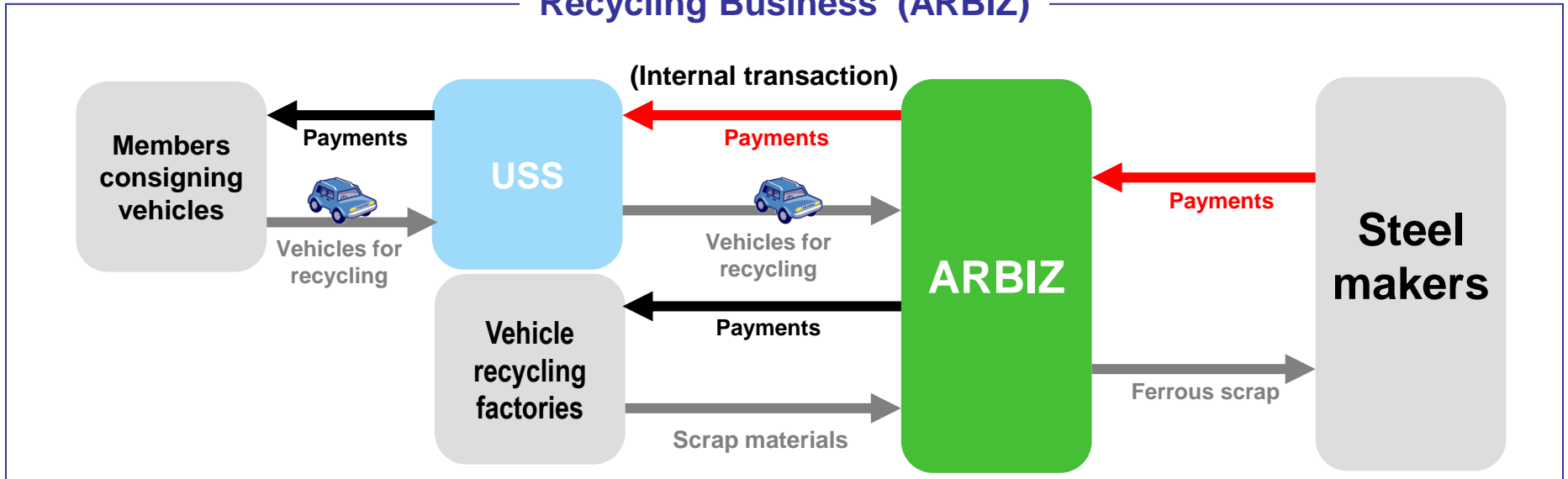


**(5) Business Models for Used Vehicle Sales/Purchases Business and Recycling Business**

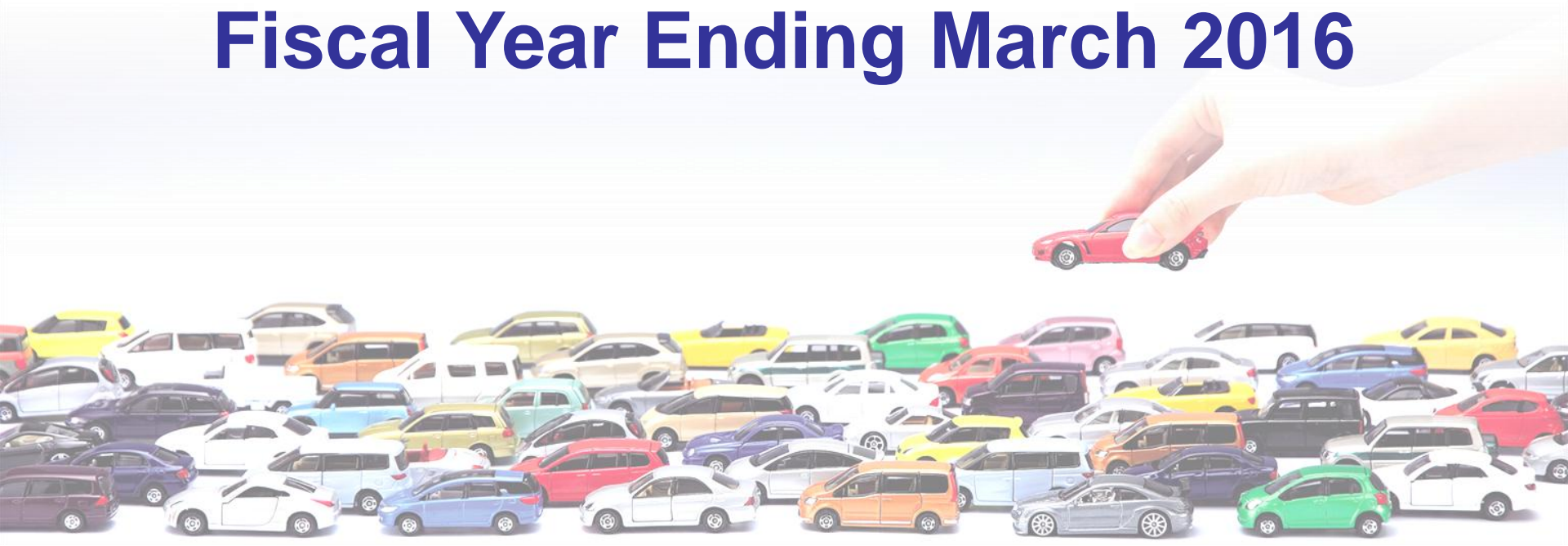
**Used Vehicle Sales/Purchases Business (Rabbit)**



**Recycling Business (ARBIZ)**



# Results of Operations First Quarter Fiscal Year Ending March 2016





- **Sales up 4.4% (YoY)**
  - Auto auction business sales up 6.0% (YoY)
  - Vehicles consigned up 4.2%, contracted vehicles up 7.0% (YoY)
  - Contract completion rate was 64.3% (62.6% one year earlier)
  - Off-site (Satellite TV and Internet) successful bid ratio was 48.8% (50.5% one year earlier)
  - Used vehicle purchasing and selling business sales increased 1.5% (YoY)
  - Recycling and others sales decreased 2.1% (YoY)
  
- **Operating income up 7.1% and ordinary income up 7.3% (YoY)**
  - Auto auction business operating income increased 8.0% (YoY)
  - Used vehicle purchasing and selling business increased 44.9% (YoY)
  - Recycling and others operating income decreased 40.8% (YoY)
  - Auto auction business depreciation decreased but the merchandise cost of sales increased
  - Operating margin improved from 49.4% to 50.7% (YoY)
  
- **Maintained a high equity ratio of 85.4%**

# 1Q FY3/2016 – Consolidated Income Statement

Record-high quarterly operating and ordinary income for the fourth consecutive quarter and quarterly profit attributable to owners of parent for the fifth consecutive quarter (Million yen)

	1Q FY3/14	1Q FY3/15	1Q FY3/16	Year on year
<b>Net Sales</b>	<b>16,400</b>	<b>16,282</b>	<b>17,004</b>	<b>104.4%</b>
<b>Cost of sales (Per sales)</b>	<b>6,244 (38.1%)</b>	<b>6,221 (38.2%)</b>	<b>6,420 (37.8%)</b>	<b>103.2%</b>
<b>Gross profit (Per sales)</b>	<b>10,156 (61.9%)</b>	<b>10,061 (61.8%)</b>	<b>10,584 (62.2%)</b>	<b>105.2%</b>
<b>Selling, general and administrative expenses (Per sales)</b>	<b>2,188 (13.3%)</b>	<b>2,010 (12.3%)</b>	<b>1,962 (11.5%)</b>	<b>97.6%</b>
<b>Operating income (Per sales)</b>	<b>7,967 (48.6%)</b>	<b>8,050 (49.4%)</b>	<b>8,621 (50.7%)</b>	<b>107.1%</b>
<b>Ordinary income (Per sales)</b>	<b>8,092 (49.3%)</b>	<b>8,192 (50.3%)</b>	<b>8,788 (51.7%)</b>	<b>107.3%</b>
<b>Profit attributable to owners of parent (Per sales)</b>	<b>4,949 (30.2%)</b>	<b>5,243 (32.2%)</b>	<b>5,788 (34.0%)</b>	<b>110.4%</b>
<b>Profit per share (yen)</b>	<b>19.16</b>	<b>20.28</b>	<b>22.38</b>	<b>110.4%</b>

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

## Net sales

- In the auto auction business, growth in fee income due to more vehicles consigned and a higher contract completion rate
- In the used vehicle purchasing and selling business (Rabbit), sales increased along with growth in the number of vehicles handled

**Cost of sales** • The merchandise cost of sales increased and depreciation decreased

## SG&A expenses

- Enterprise tax increased
- Down due to declines in employee salaries and bonuses, expenses for supplies, and other items

# 1Q FY3/2016 – Consolidated Balance Sheet

Outstanding financial soundness even as substantial earnings distributions to shareholders continue

(Million yen)

	FY3/15	1Q FY3/16	Changes
<b>Current assets</b>	<b>73,334</b>	<b>68,138</b>	<b>▲5,196</b>
Cash and deposits	49,862	45,108	▲4,754
Receivables due from member dealers at auction	7,885	7,100	▲784
Other	15,586	15,929	342
<b>Noncurrent assets</b>	<b>100,771</b>	<b>100,363</b>	<b>▲408</b>
Property, plant and equipment	91,388	90,976	▲411
Intangible assets	1,137	1,141	4
Investments and other assets	8,245	8,245	▲0
<b>Total assets</b>	<b>174,106</b>	<b>168,501</b>	<b>▲5,604</b>
<b>Current liabilities</b>	<b>23,910</b>	<b>17,492</b>	<b>▲6,417</b>
Payables due to member dealers at auction	9,753	8,198	▲1,554
Other	14,157	9,294	▲4,862
<b>Noncurrent liabilities</b>	<b>6,156</b>	<b>6,231</b>	<b>74</b>
Long-term loans payable	300	300	-
Other	5,855	5,930	74
<b>Total liabilities</b>	<b>30,067</b>	<b>23,723</b>	<b>▲6,343</b>
<b>Shareholders' equity</b>	<b>148,654</b>	<b>149,485</b>	<b>831</b>
Accumulated other comprehensive income	▲5,555	▲5,543	12
Subscription rights to shares	273	272	▲1
<b>Non-controlling interests</b>	<b>666</b>	<b>564</b>	<b>▲102</b>
<b>Total net assets</b>	<b>144,039</b>	<b>144,778</b>	<b>738</b>

## Current assets

- Down 4.75 billion yen in cash and deposits

## Current liabilities

- Other current liabilities decreased 4.86 billion yen mainly because of lower income taxes payable

# 1Q FY3/2016 – Consolidated Cash Flows

(Million yen)

	1Q FY3/15	1Q FY3/16	Changes
Net cash provided by operating activities	▲459	790	1,250
Income before income taxes	8,249	8,759	510
Depreciation and other amortization	887	780	▲106
Amortization of goodwill	2	-	▲2
Loss (▲gain) on sale and retirement of property, plant and equipment	▲4	20	24
Net change in due from/to member dealers at auction	▲1,854	▲770	1,084
Income taxes paid	▲8,033	▲6,596	1,437
Other	293	▲1,403	▲1,699
Net cash provided by investing activities	▲9,772	▲484	9,287
Purchase of property, plant and equipment	▲609	▲437	171
Other	▲9,162	▲47	9,115
Net cash provided by financing activities	▲4,833	▲5,059	▲226
Net increase (▲decrease) in loans payable	▲23	-	23
Purchases of treasury stock	▲0	-	0
Cash dividends paid	▲4,860	▲4,977	▲116
Other	50	▲82	▲132
Net increase (▲decrease) in cash and cash equivalents	▲15,066	▲4,754	10,311
Cash and cash equivalents at beginning of period	34,618	29,462	▲5,115
Cash and cash equivalents at end of period	19,552	24,708	5,156

## Operating activities

- Income before income taxes: 8.75 billion yen
- Income taxes paid: 6.59 billion yen

## Investing activities

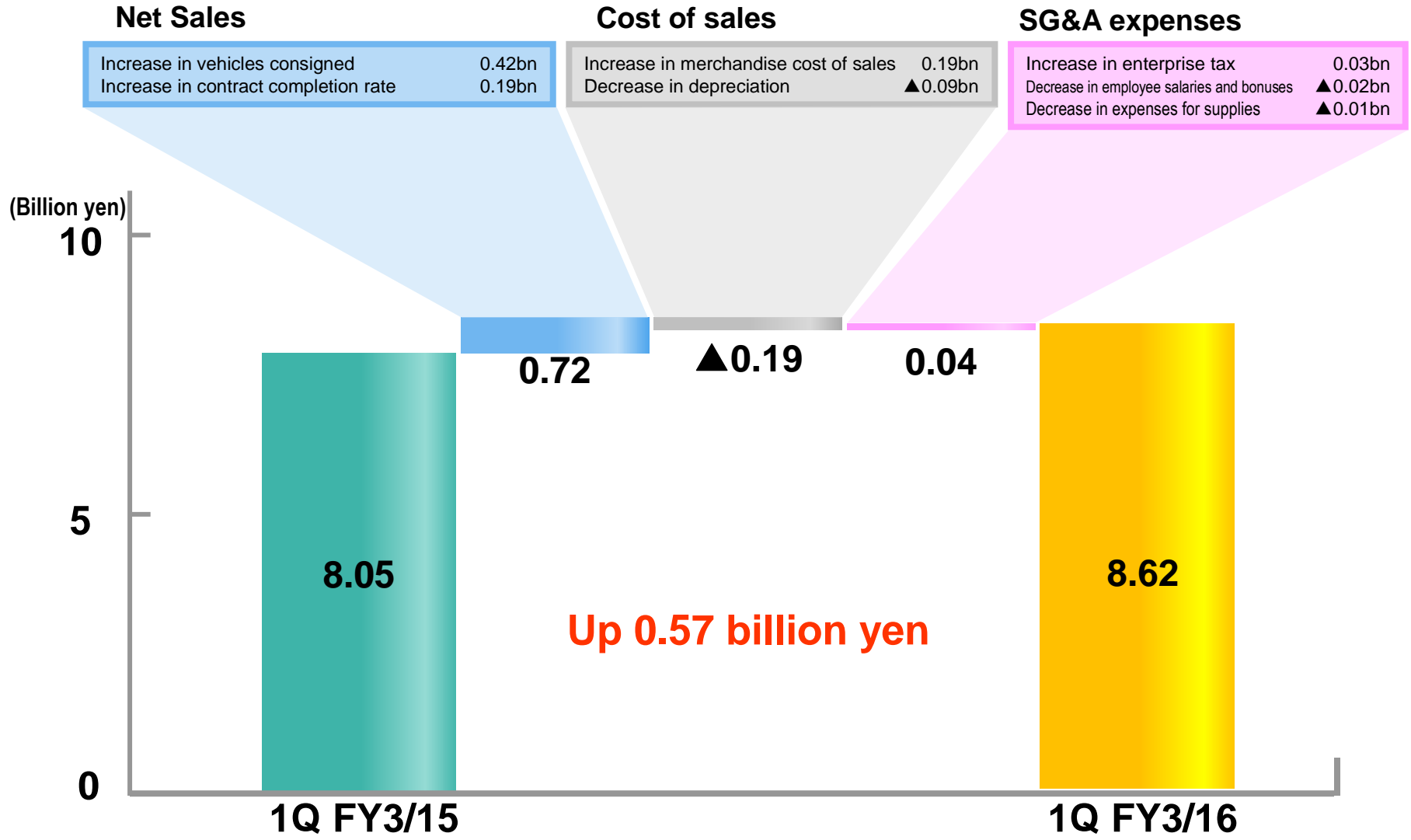
- Purchase of property, plant and equipment: 0.43 billion yen

## Financing activities

- Cash dividends paid: 4.97 billion yen

# 1Q FY3/2016 Reasons for Change in Operating Income (Actual)

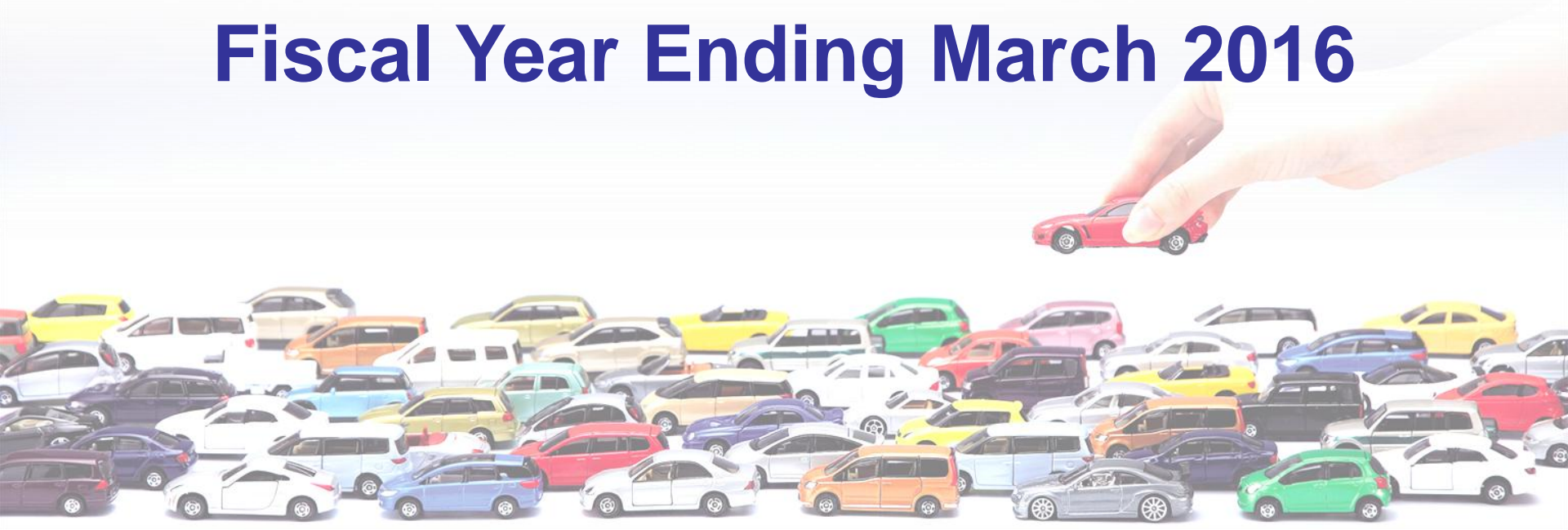
## Reasons for change in operating income



# Market Overview

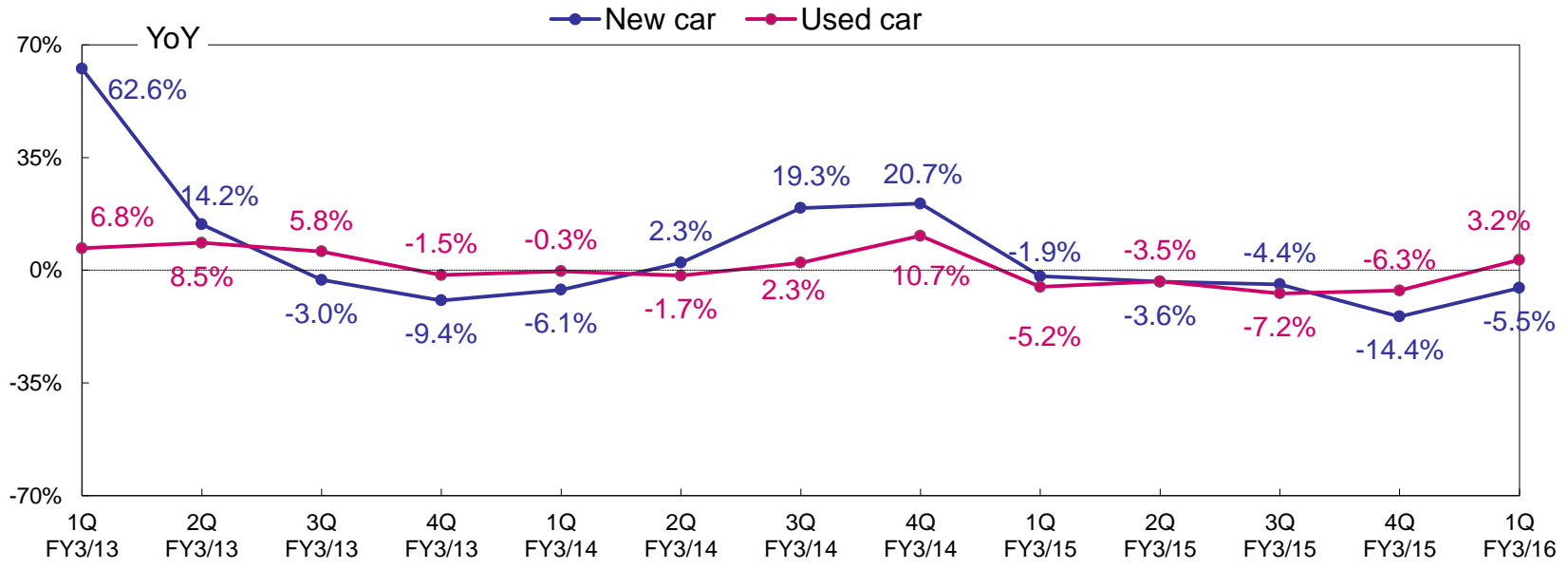
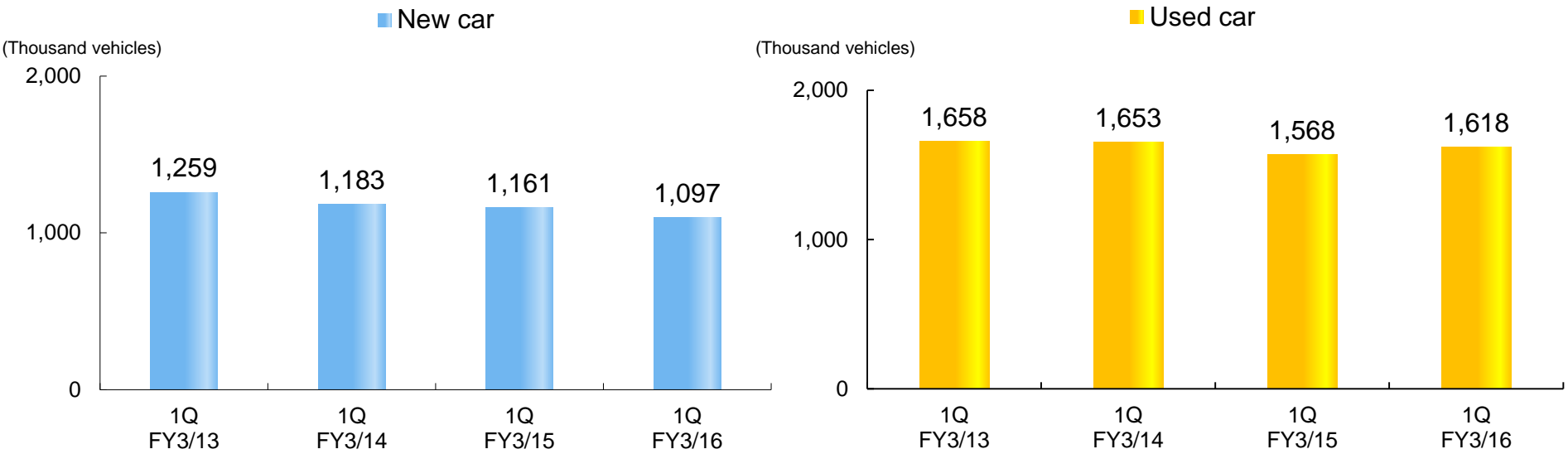
## First Quarter

### Fiscal Year Ending March 2016



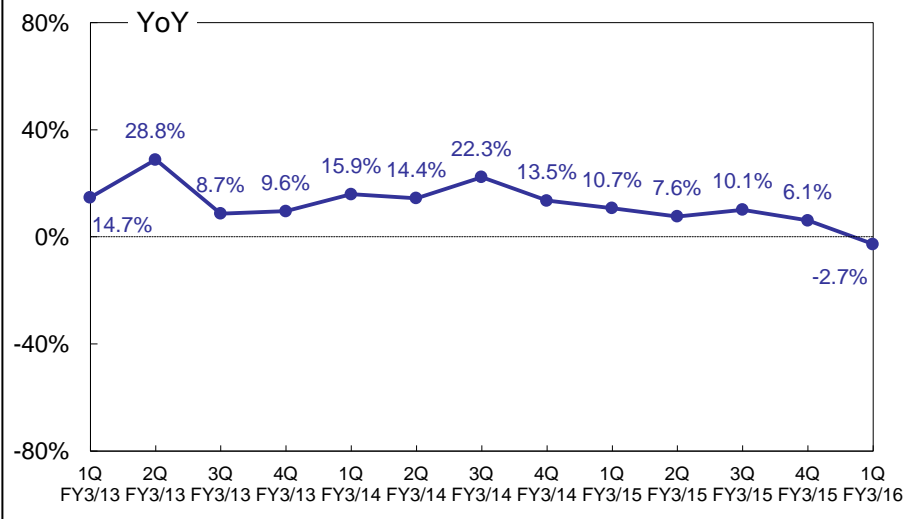
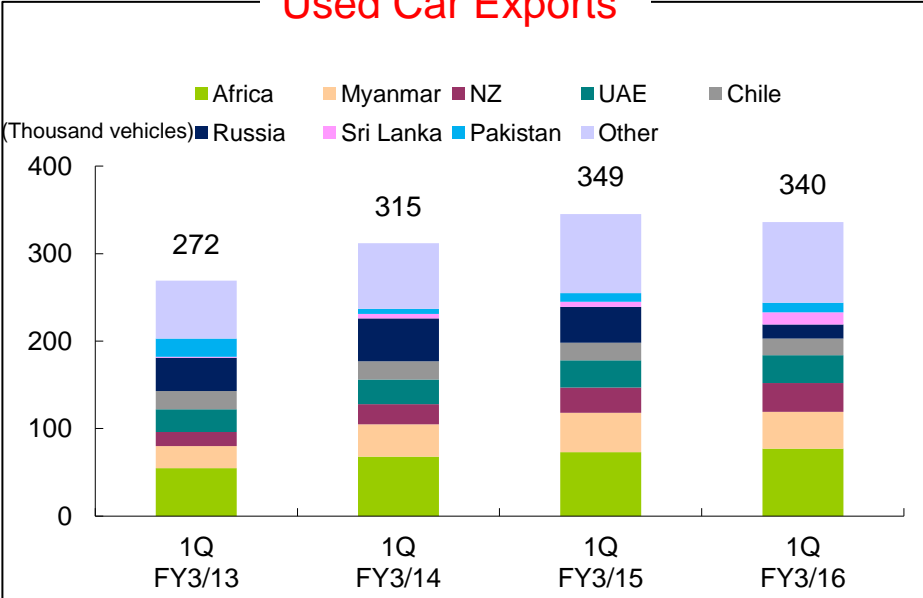
# Market Overview - Automobile Trading (1) (April to June)

## New car and used car registrations

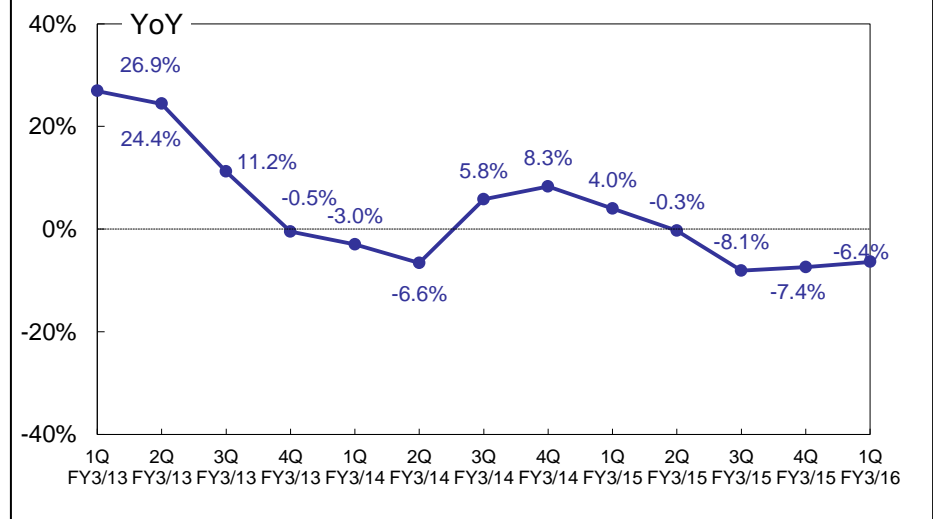
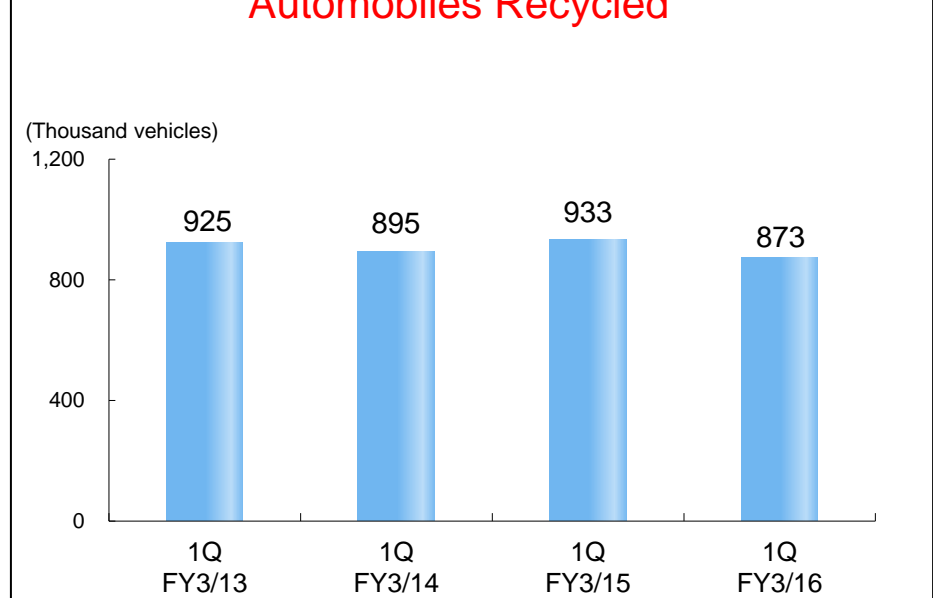


# Market Overview - Automobile Trading (2) (April to June)

## Used Car Exports



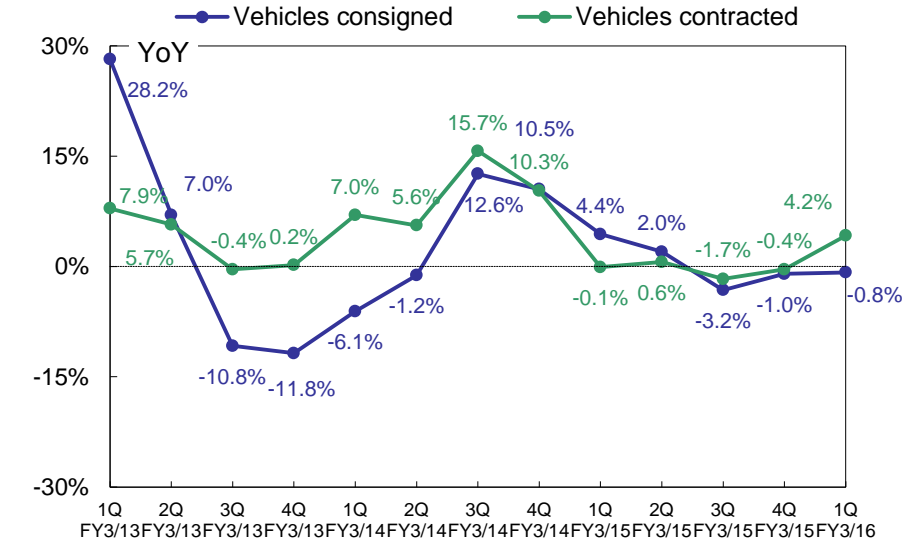
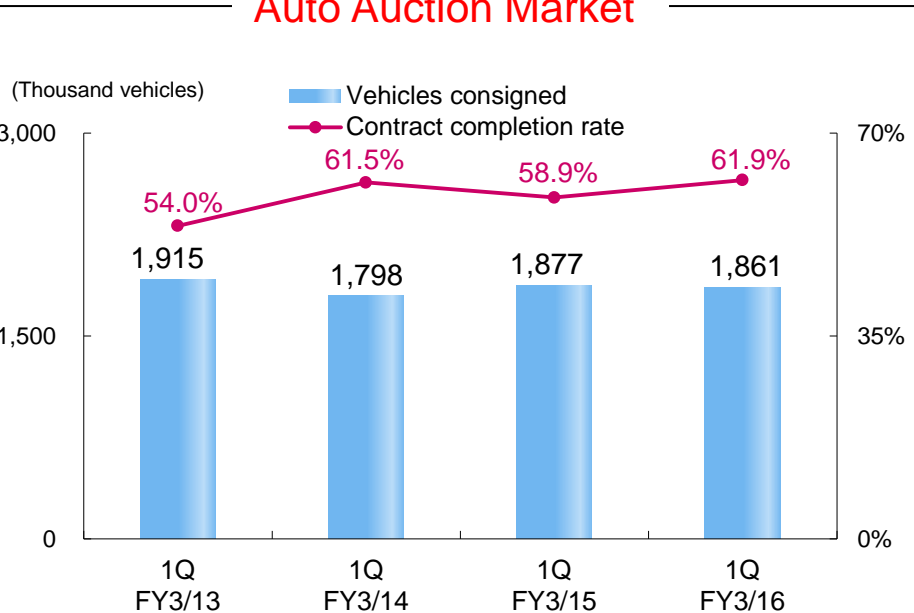
## Automobiles Recycled



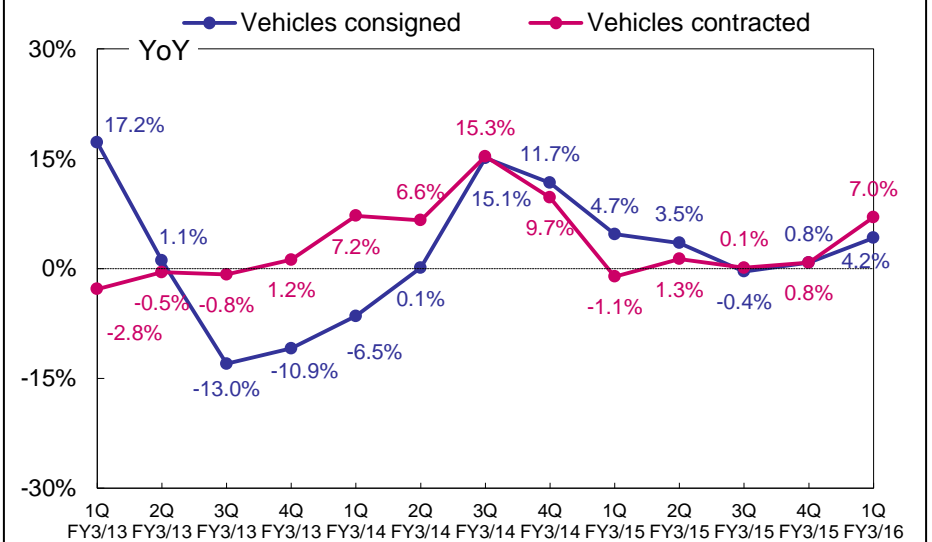
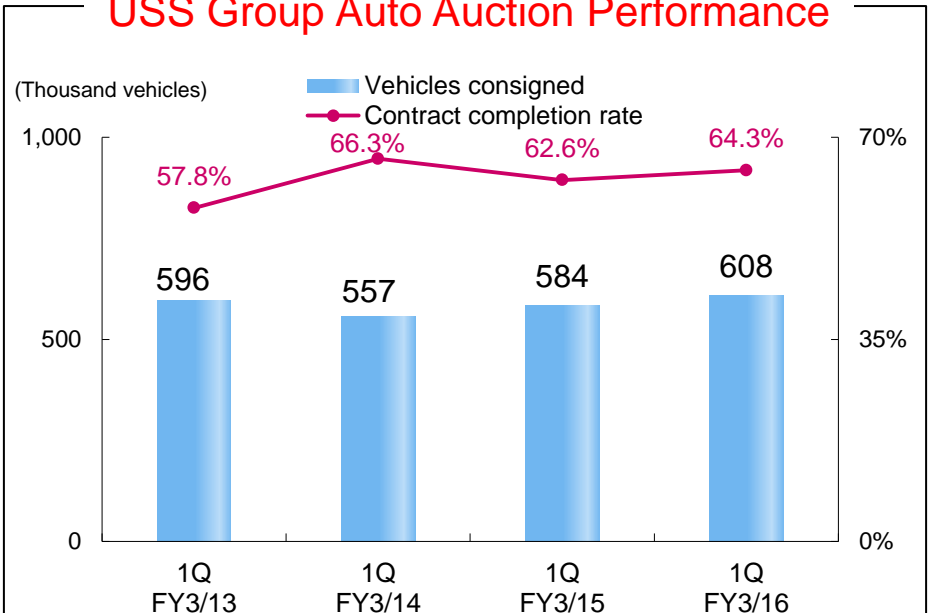


# USS Group Auto Auction Performance (April to June)

## Auto Auction Market



## USS Group Auto Auction Performance

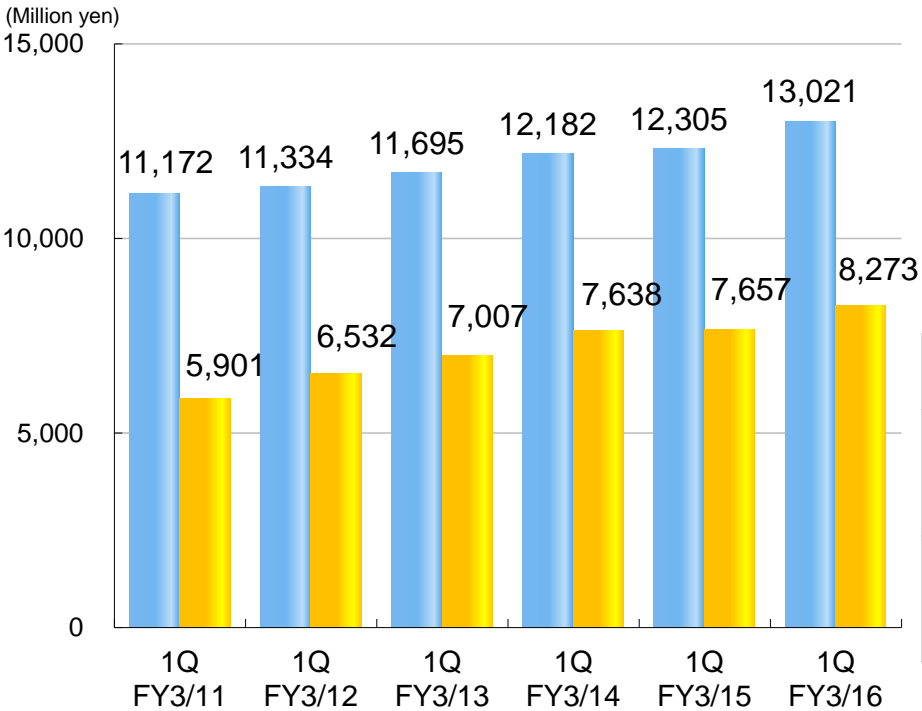


# Results of Operations First Quarter Fiscal Year Ending March 2016 (Segment Information)



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

■ Net sales ■ Operating income



	(Million yen)		
	1Q FY3/15	1Q FY3/16	YoY
<b>Net sales</b>	<b>12,305</b>	<b>13,021</b>	<b>105.8%</b>
<b>Operating income (Per sales)</b>	<b>7,657 (62.2%)</b>	<b>8,273 (63.5%)</b>	<b>108.0%</b>

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

**Net sales increased 5.8% to 13,021 million yen from one year earlier**

- Vehicles consigned up 4.2% to 608 thousand; contracted vehicles up 7.0% to 391 thousand; contract completion rate increased from 62.6% to 64.3%
- The off-site successful bid ratio was 48.8% (50.5% one year earlier)

**Operating income increased 8.0% to 8,273 million yen from one year earlier**

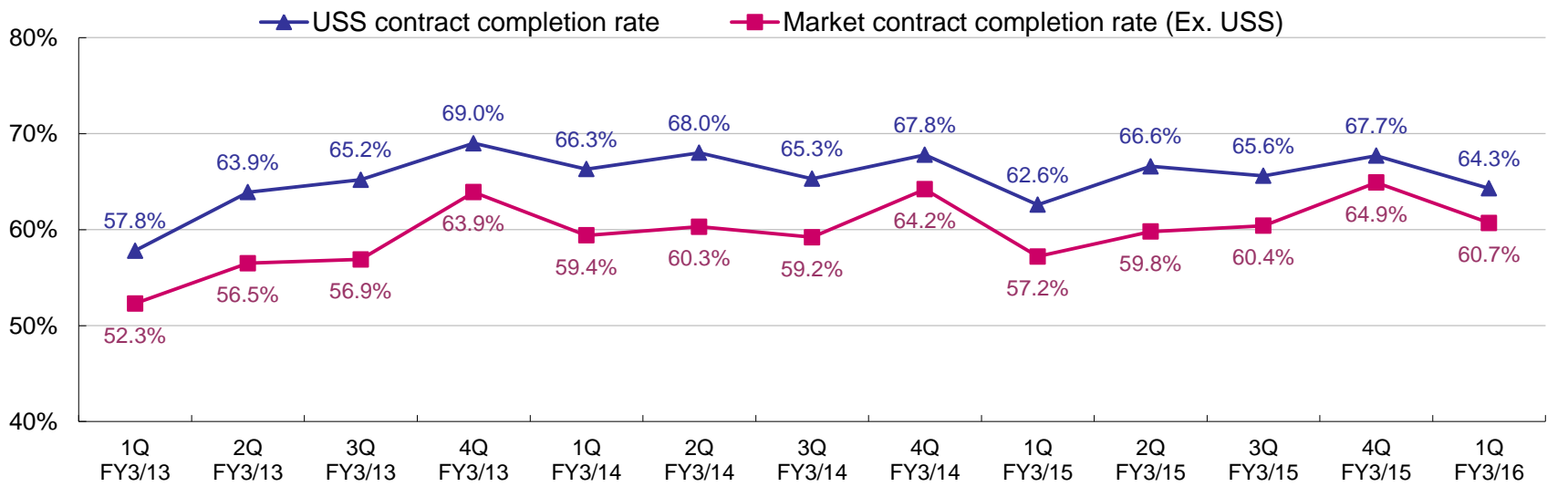
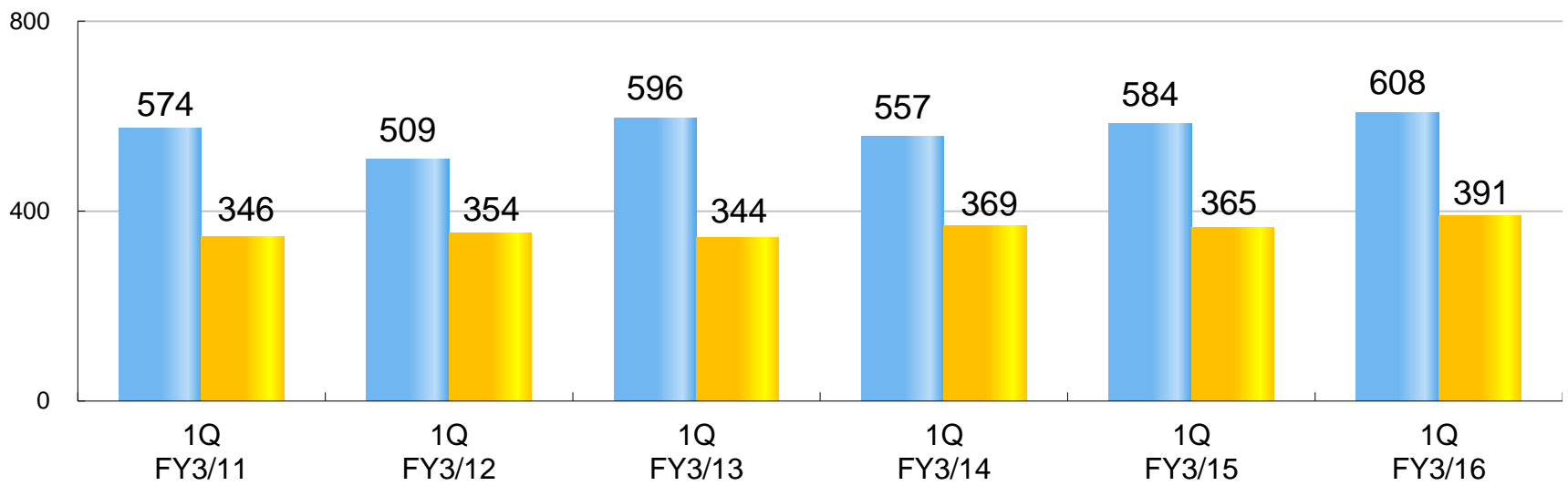
- Increase in merchandise cost of sales
- Decrease in depreciation expenses

\*The basis of aggregating successful bids received via satellite TV for calculating the off-site successful bid ratio is changed.

# 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 FY3/16 (From April 1, 2015 to June 30, 2015)

(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	1Q FY3/16	1Q FY3/15	1Q FY3/16	1Q FY3/15	Changes	1Q FY3/16	1Q FY3/15	Changes	1Q FY3/16	1Q FY3/15
<b>Tokyo</b>	12	12	166,917	160,516	4.0%	117,716	108,505	8.5%	70.5%	67.6%
<b>Nagoya</b>	13	12	113,229	102,623	10.3%	68,709	60,241	14.1%	60.7%	58.7%
<b>Yokohama</b>	12	12	51,370	48,516	5.9%	33,083	32,046	3.2%	64.4%	66.1%
<b>Kyushu</b>	13	12	50,602	47,232	7.1%	29,887	26,870	11.2%	59.1%	56.9%
<b>Sapporo</b>	12	12	36,953	36,090	2.4%	21,628	21,252	1.8%	58.5%	58.9%
<b>R-Nagoya</b>	12	11	32,551	28,373	14.7%	27,338	24,094	13.5%	84.0%	84.9%
<b>Osaka</b>	12	12	31,426	33,147	▲5.2%	19,353	19,730	▲1.9%	61.6%	59.5%
<b>Shizuoka</b>	12	12	20,197	21,706	▲7.0%	10,774	11,900	▲9.5%	53.3%	54.8%
<b>Tohoku</b>	12	12	16,908	18,218	▲7.2%	12,868	12,958	▲0.7%	76.1%	71.1%
<b>Gunma</b>	12	12	16,849	16,382	2.9%	10,832	10,602	2.2%	64.3%	64.7%
<b>Okayama</b>	12	12	16,228	17,509	▲7.3%	10,474	9,729	7.7%	64.5%	55.6%
<b>Kobe</b>	12	12	14,112	11,042	27.8%	8,007	6,319	26.7%	56.7%	57.2%
<b>Saitama</b>	12	12	13,301	15,115	▲12.0%	7,041	7,690	▲8.4%	52.9%	50.9%
<b>Fukuoka</b>	12	12	11,922	10,838	10.0%	4,980	4,724	5.4%	41.8%	43.6%
<b>Niigata</b>	12	12	11,165	11,044	1.1%	5,432	5,132	5.8%	48.7%	46.5%
<b>Hokuriku</b>	12	12	4,917	5,821	▲15.5%	3,042	3,759	▲19.1%	61.9%	64.6%
<b>Total</b>	194	191	608,647	584,172	4.2%	391,164	365,551	7.0%	64.3%	62.6%

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

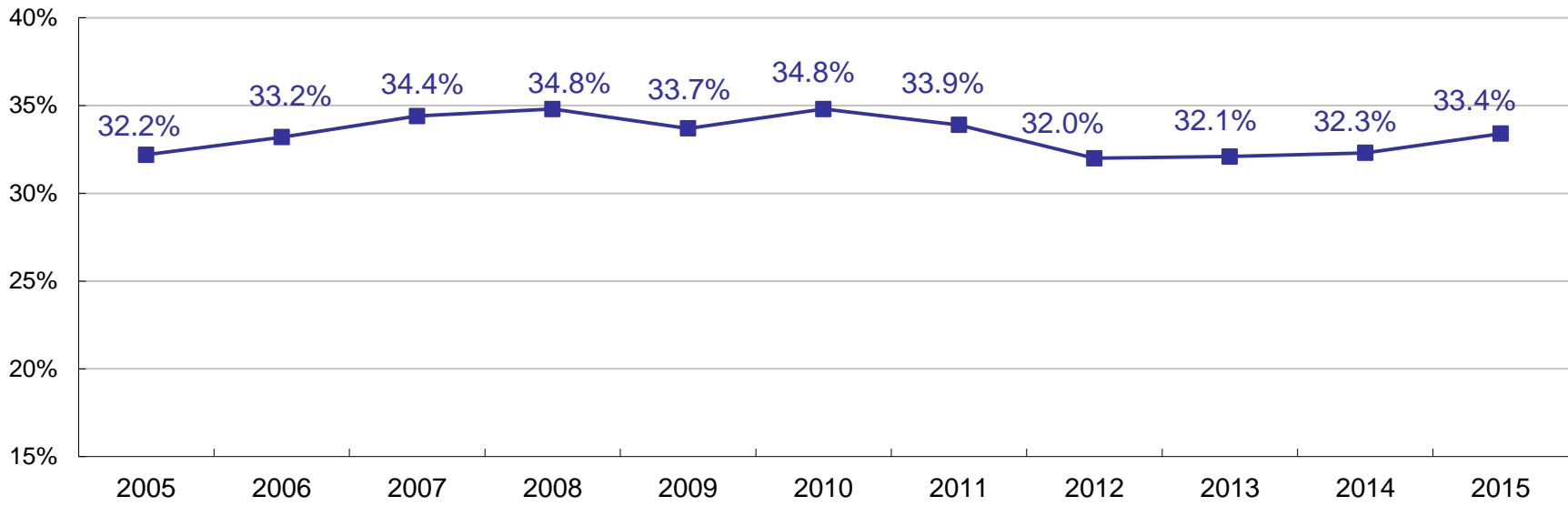
(Vehicles, %)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	First Half	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Second Half	Fiscal Year
No. of Consigned Vehicles	FY3/14	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
	FY3/15	225,022	181,292	177,858	193,656	157,114	191,153	1,126,095	220,851	195,116	167,056	177,089	206,068	260,866	1,227,046	2,353,141
	YoY Change	6.8	7.1	▲0.1	8.8	▲2.9	4.2	4.1	4.3	▲6.2	0.9	▲0.1	2.1	0.5	0.3	2.1
	FY3/16	240,027	180,560	188,060	198,744			807,391							-	807,391
	YoY Change	6.7	▲0.4	5.7	2.6			-							-	-
No. of Contracted Vehicles	FY3/14	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
	FY3/15	134,692	115,560	115,299	125,786	104,082	130,918	726,337	146,176	127,786	108,731	121,659	142,503	172,041	818,896	1,545,233
	YoY Change	1.6	▲0.7	▲4.5	3.3	▲5.2	5.3	0.1	4.9	▲5.2	0.4	▲0.8	2.2	0.7	0.4	0.3
	FY3/16	146,183	116,850	128,131	134,479			525,643							-	525,643
	YoY Change	8.5	1.1	11.1	6.9			-							-	-
Contract Completion Rate	FY3/14	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
	FY3/15	59.9	63.7	64.8	65.0	66.2	68.5	64.5	66.2	65.5	65.1	68.7	69.2	65.9	66.7	65.7
	FY3/16	60.9	64.7	68.1	67.7			-							-	-

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

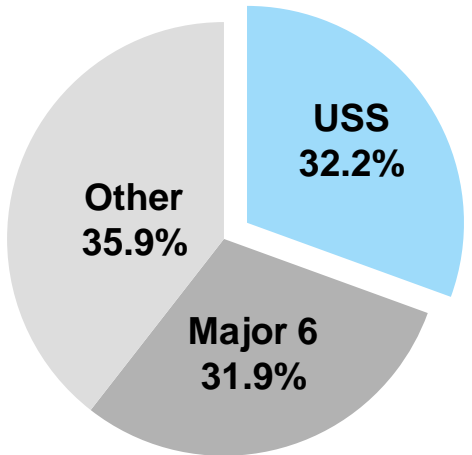
# Auto Auction Business (5) – Market Share (January to June)

USS Market Share



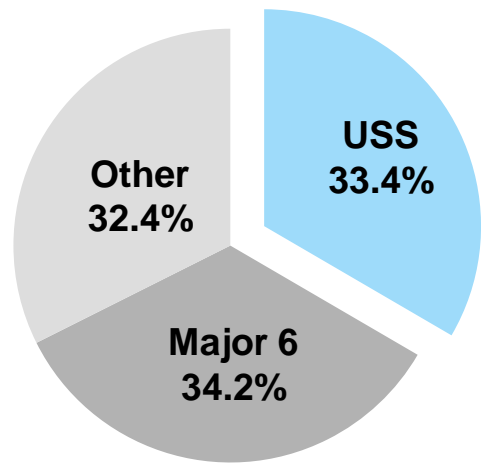
Jan – Jun 2005 Market Share

- \*Major 6
- JAA (8.9%)
- TAA (7.1%)
- CAA (5.8%)
- Arai AA (4.3%)
- LAA (3.4%)
- KCAA (2.4%)

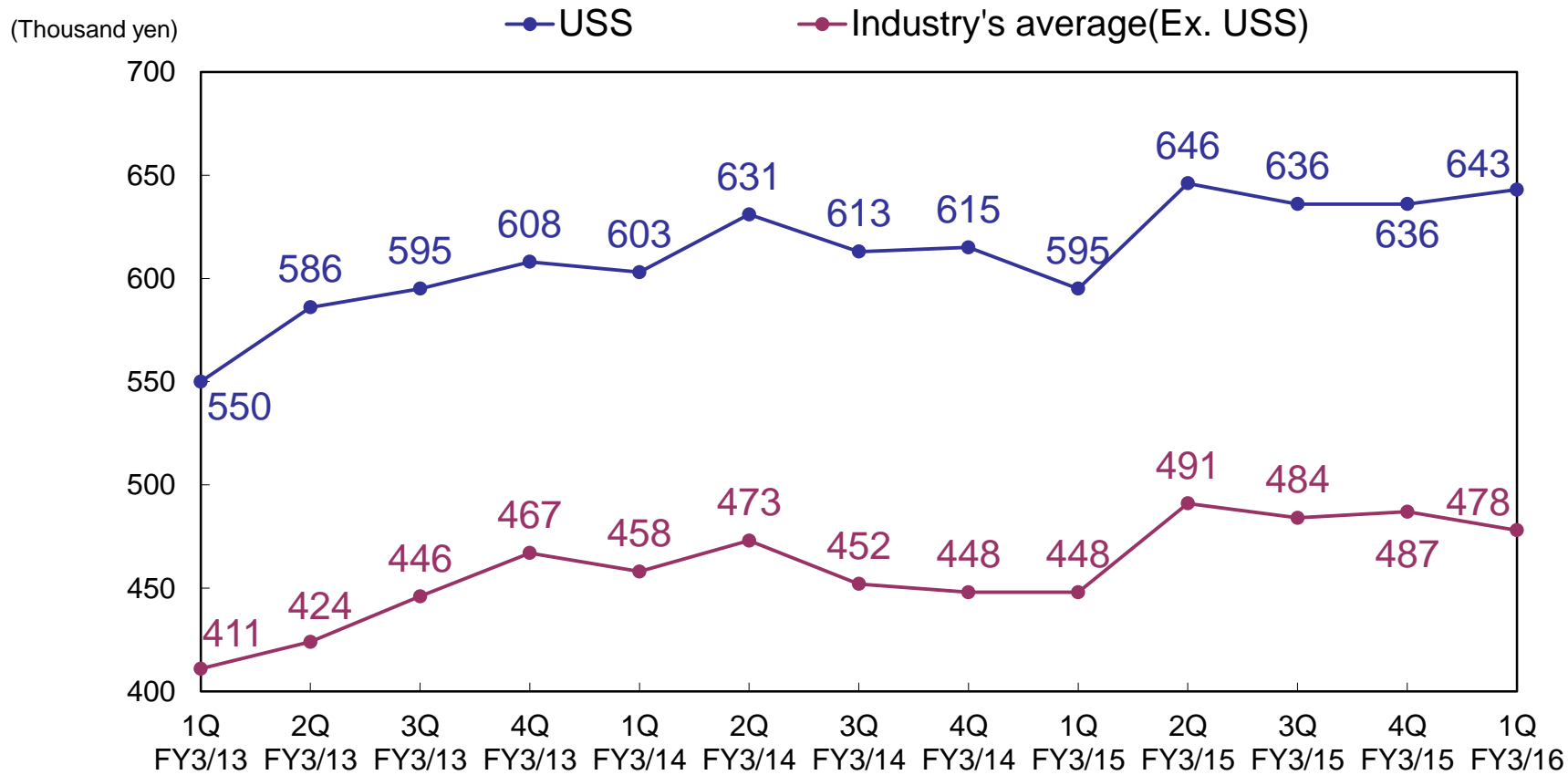


Jan – Jun 2015 Market Share

- \*Major 6
- TAA (10.0%)
- JAA (8.3%)
- CAA (5.3%)
- Arai AA (4.6%)
- KCAA (3.0%)
- LAA (3.0%)



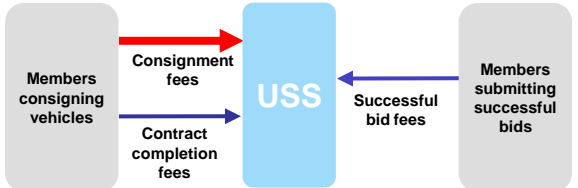
## Average Price of Vehicles Contracted



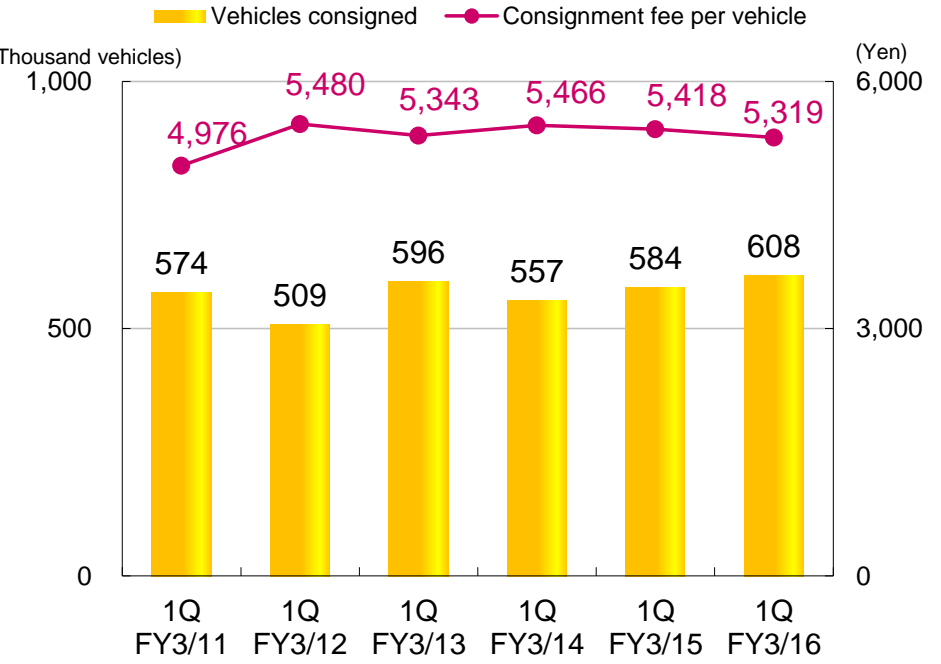
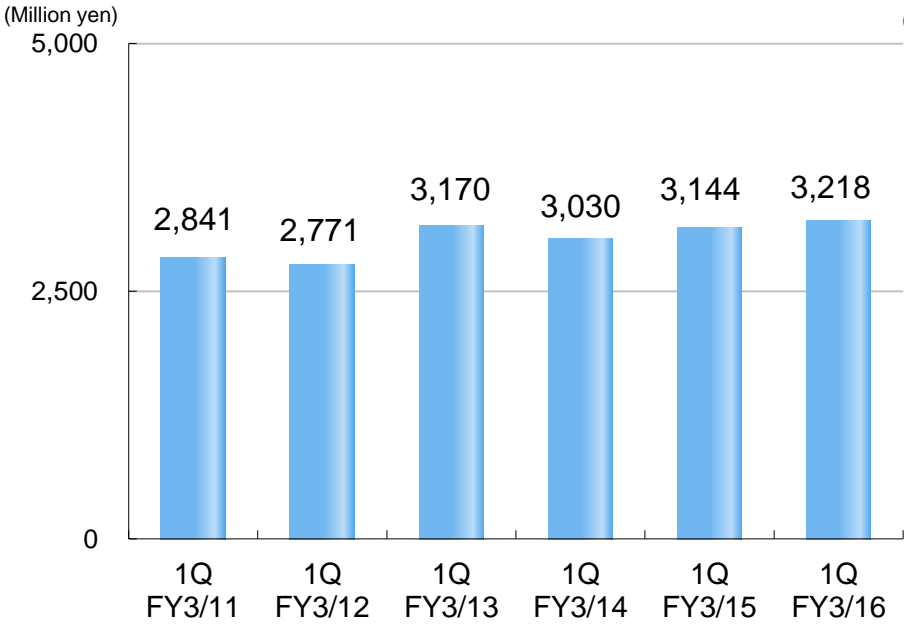
Note:  
 The average price per vehicle contracted is presented only for the purpose of comparison between the average price per vehicle contracted at USS and the industry average. Consignment, contract completion and successful bid fees for auto auctions in Japan are the same (fixed fees) for each category 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.



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



Total of Consignment Fees

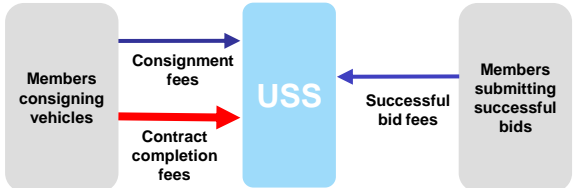


\*Consignment fee per vehicle is calculated before eliminations for consolidation.

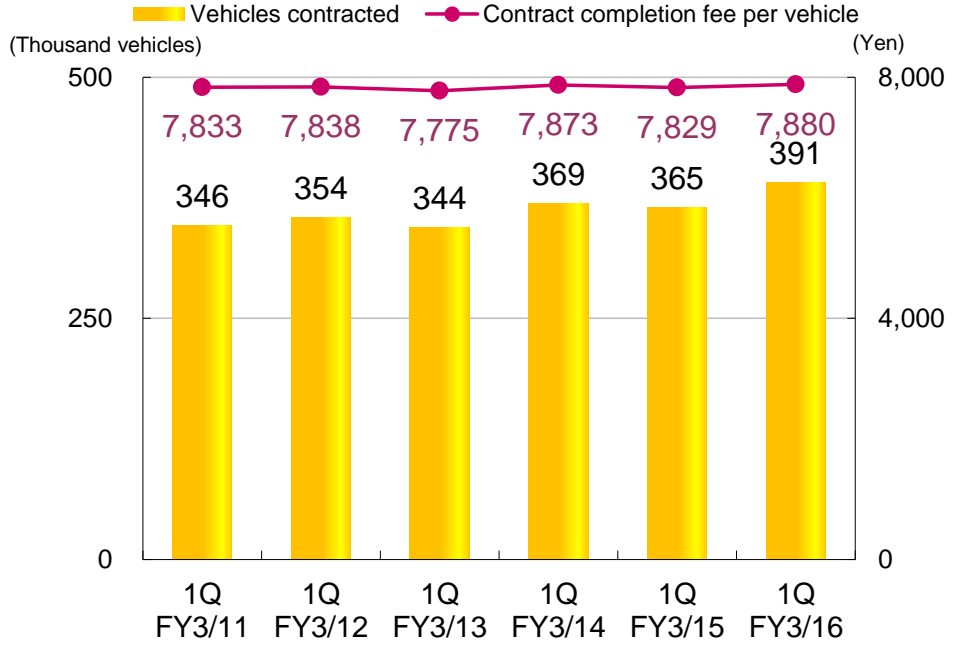
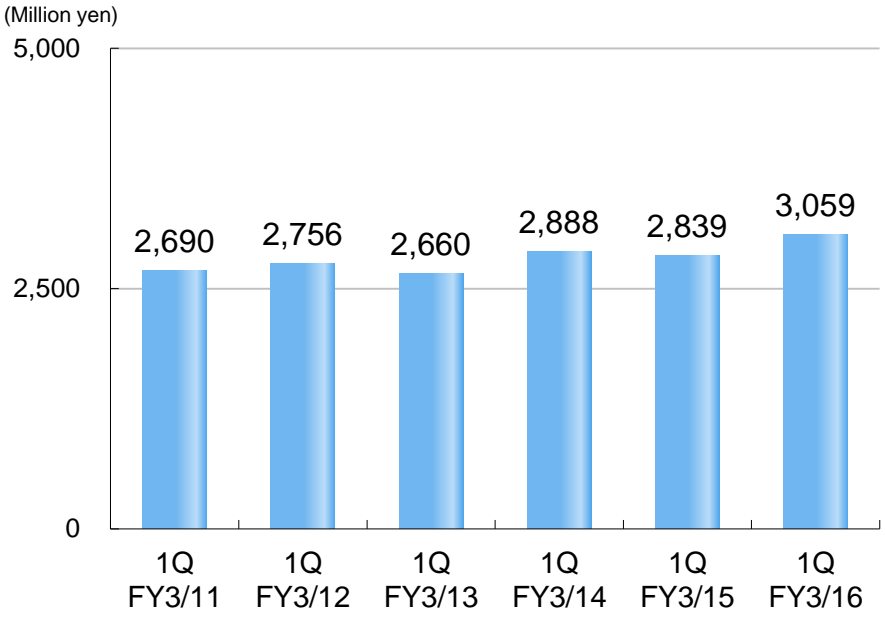
**Consignment fee per vehicle decreased by 99 yen to 5,319 yen from one year earlier**

- Increased share of vehicle consignment of major members who pay lower consignment fees (negative effect)
- More discounted fee events at some auction sites (negative effect)

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



Total of Contract Completion Fees

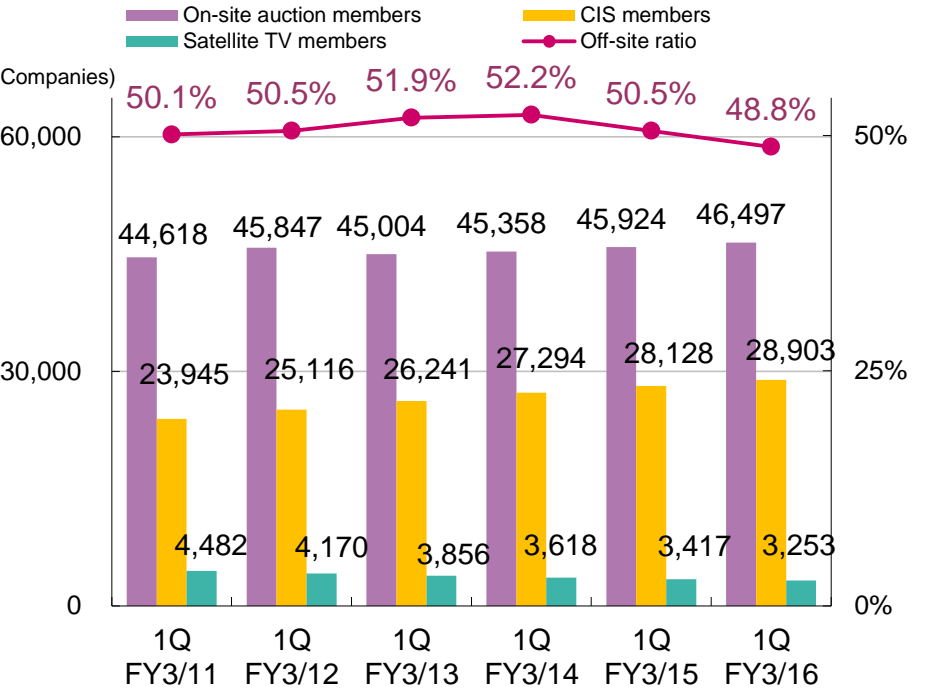
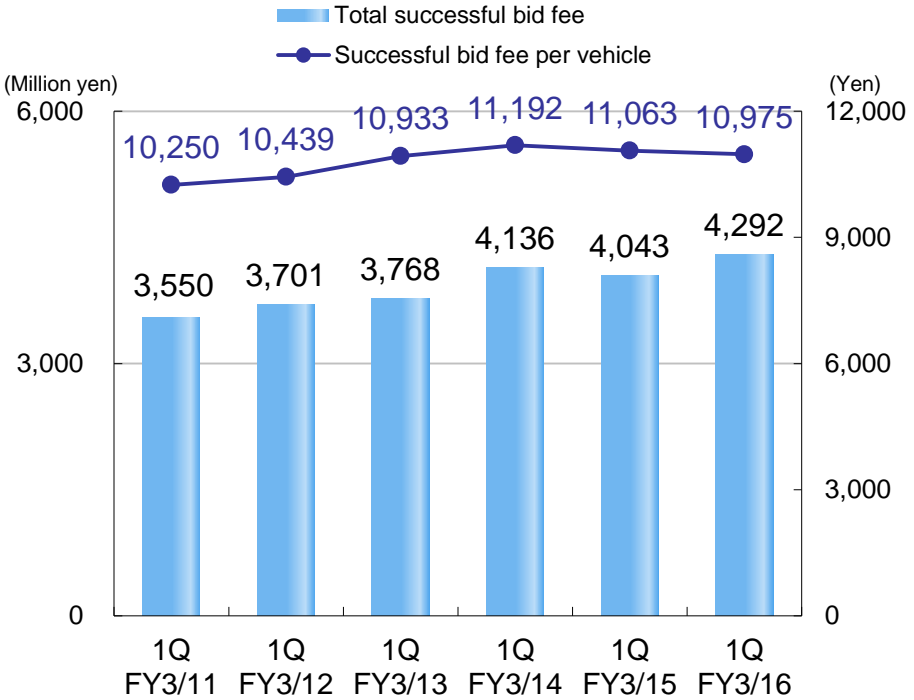
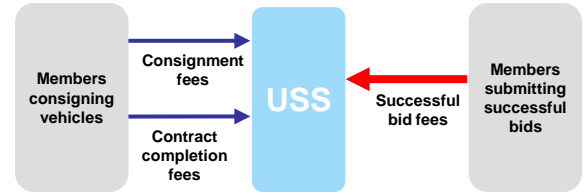


\*Contract Completion fee per vehicle is calculated before eliminations for consolidation.

Contract completion fee per vehicle increased by 51 yen to 7,880 yen from one year earlier

- Revised fees at some auction sites

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



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

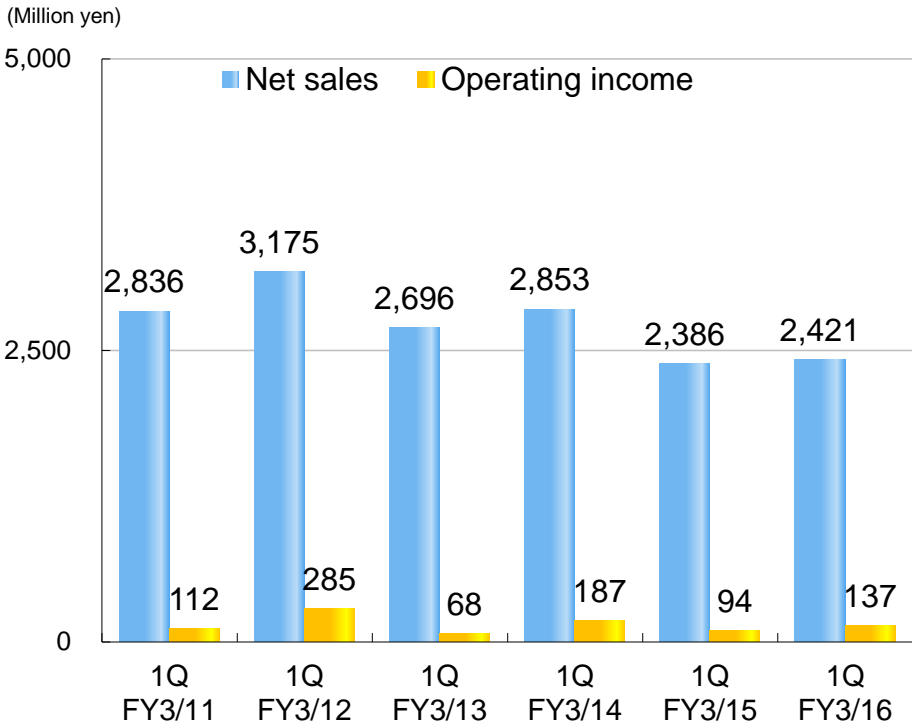
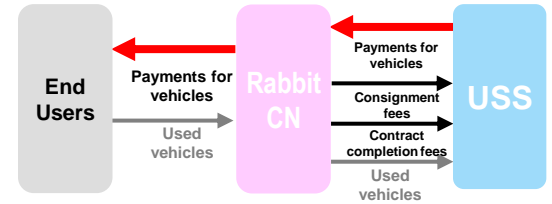
\*Starting in 1Q FY3/13, the number of on-site auction members does not include sleeping members (members that have not been active for extended periods).

\*The basis of aggregating successful bids received via satellite TV for calculating the off-site successful bid ratio is changed effective from the fiscal year ending March 2016. Prior year data has been retroactively adjusted to reflect the revised method of aggregation.

Successful bid fee per vehicle decreased by 88 yen to 10,975 yen from one year earlier

- The off-site successful bid ratio was 48.8% (50.5% one year earlier)

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



(Million yen)

	1Q FY3/15	1Q FY3/16	YoY
<b>Net sales</b>	<b>2,386</b>	<b>2,421</b>	<b>101.5%</b>
<b>Operating income (Per sales)</b>	<b>94 (4.0%)</b>	<b>137 (5.7%)</b>	<b>144.9%</b>

Rabbit sales increased 3.6% to 1,646 million yen and operating income increased 48.7% to 132 million yen

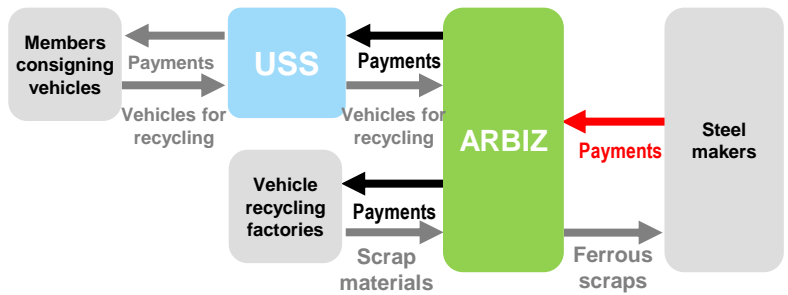
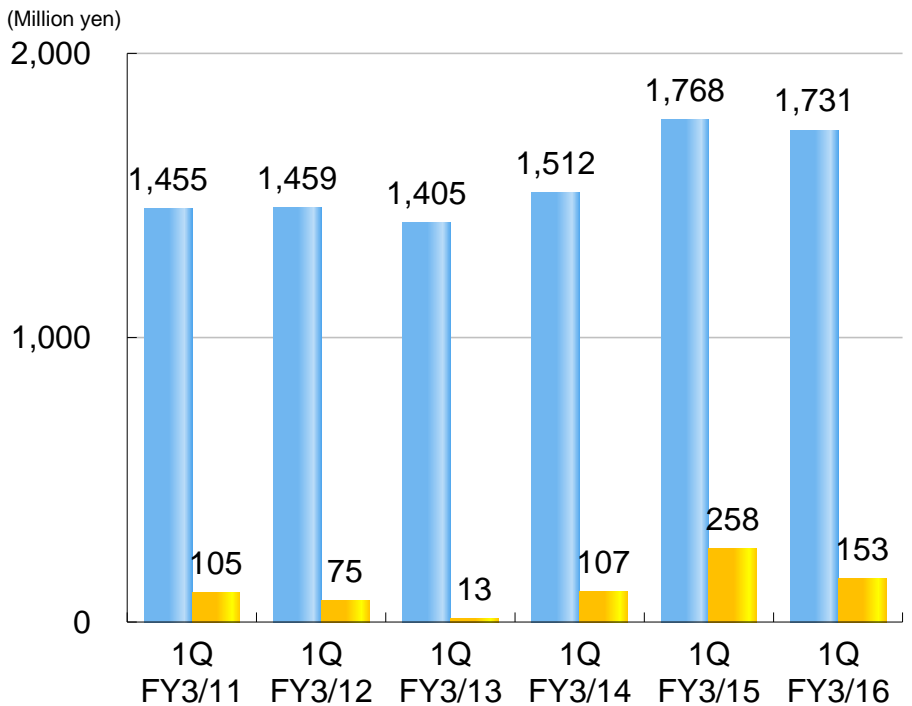
- The number of vehicles handled increased and gross profit per vehicle was higher

Sales of accident-damaged vehicles decreased 2.8% to 775 million yen and operating income decreased 17.5% to 4 million yen

- A smaller number of vehicles handled was the main cause

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

■ Net sales ■ Operating income



	(Million yen)		
	1Q FY3/15	1Q FY3/16	YoY
<b>Net sales</b>	<b>1,768</b>	<b>1,731</b>	<b>97.9%</b>
<b>Operating income (Per sales)</b>	<b>258 (14.6%)</b>	<b>153 (8.8%)</b>	<b>59.2%</b>

ARBIZ sales decreased 1.4% to 1,305 million yen and operating income decreased 27.2% to 129 million yen

- Low prices for ferrous scrap brought down sales and earnings

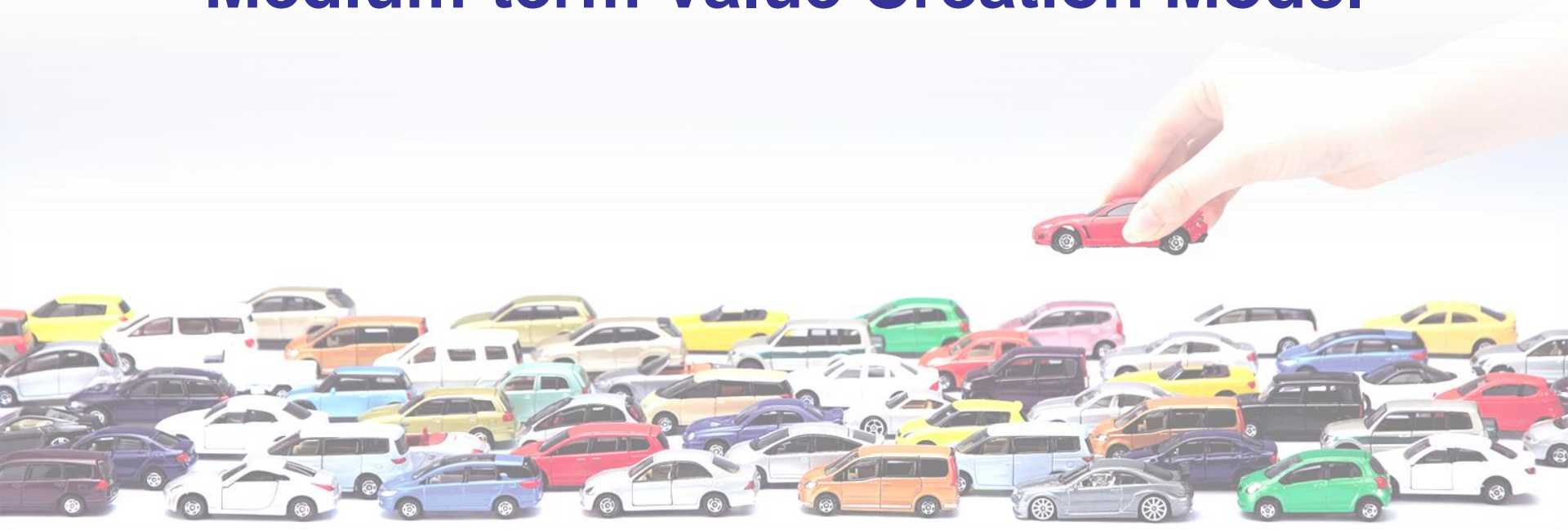
CAR QUEST Toyo sales decreased 8.9% to 248 million yen and there was a 15 million yen operating loss compared with 39 million yen of operating income one year earlier

- Weak sales of colored products for rubberized pavement, the main product, impacted earnings
- Expenses for disposal of long-term inventories were mainly responsible for the operating loss

USS Logistics International Service sales increased 6.7% to 156 million yen and operating income decreased 1.3% to 29 million yen

- Sales rose due to the larger number of vehicles handled but a decline in high-margin storage fees reduced earnings

# Forecast for FY3/2016 Earnings Distributions Medium-term Value Creation Model



# FY3/2016 – Consolidated Forecast

(Million yen)

	FY3/2014 (Actual)	FY3/2015 (Actual)	FY3/2016 (Forecast)	VS. previous year
<b>Net Sales</b>	<b>67,949</b>	<b>67,466</b>	<b>71,200</b>	<b>105.5%</b>
<b>Cost of sales (Per sales)</b>	<b>26,459 (38.9%)</b>	<b>25,774 (38.2%)</b>	<b>27,315 (38.4%)</b>	<b>106.0%</b>
<b>Gross profit (Per sales)</b>	<b>41,489 (61.1%)</b>	<b>41,691 (61.8%)</b>	<b>43,884 (61.6%)</b>	<b>105.3%</b>
<b>Selling, general and administrative expenses (Per sales)</b>	<b>8,808 (13.0%)</b>	<b>8,279 (12.3%)</b>	<b>8,884 (12.5%)</b>	<b>107.3%</b>
<b>Operating income (Per sales)</b>	<b>32,680 (48.1%)</b>	<b>33,411 (49.5%)</b>	<b>35,000 (49.2%)</b>	<b>104.8%</b>
<b>Ordinary income (Per sales)</b>	<b>33,275 (49.0%)</b>	<b>34,027 (50.4%)</b>	<b>35,600 (50.0%)</b>	<b>104.6%</b>
<b>Profit attributable to owners of parent (Per sales)</b>	<b>19,966 (29.4%)</b>	<b>21,661 (32.1%)</b>	<b>23,400 (32.9%)</b>	<b>108.0%</b>
<b>Profit per share (yen)</b>	<b>77.29</b>	<b>83.79</b>	<b>90.49</b>	<b>108.0%</b>

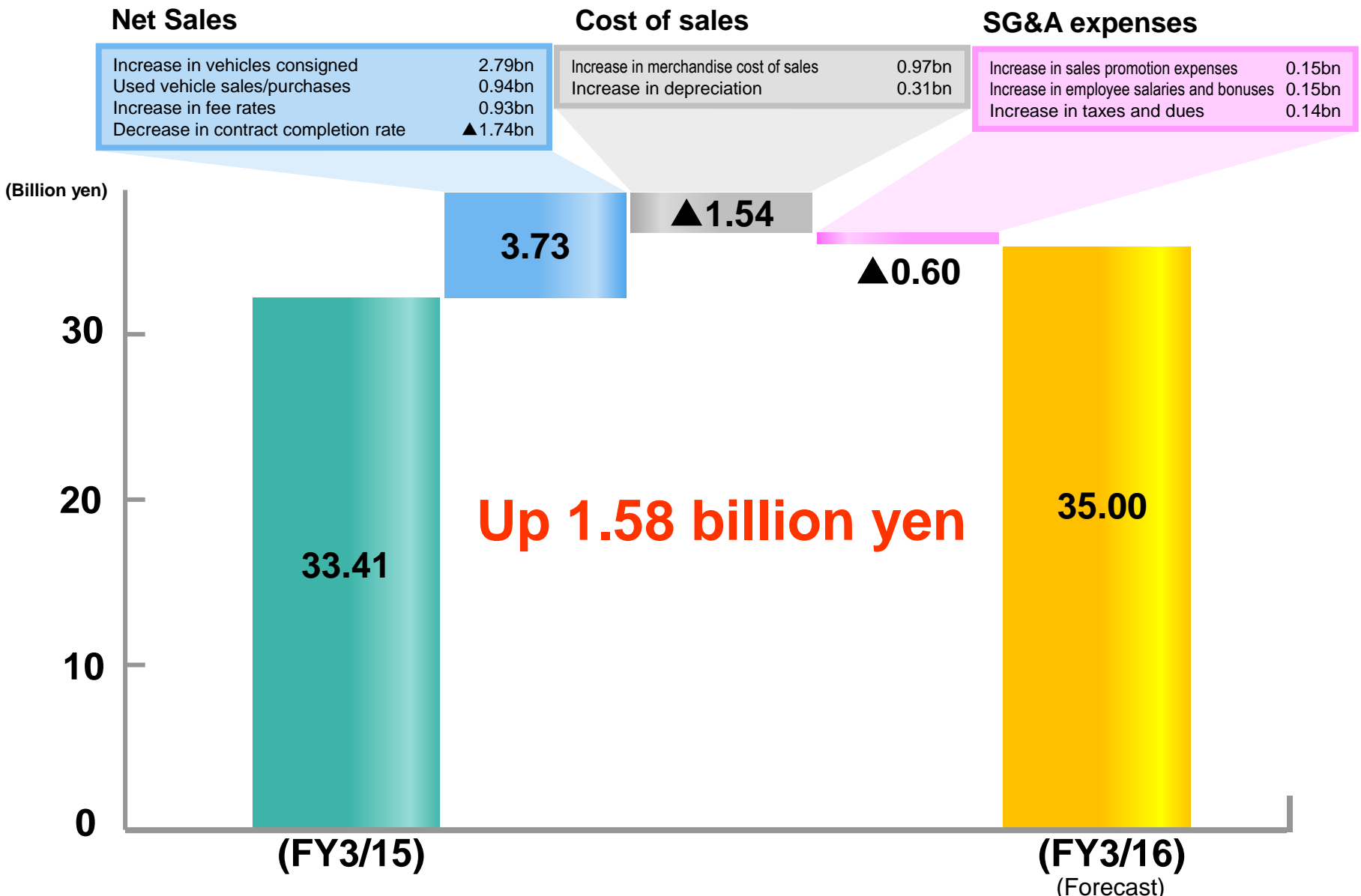
\*Figures for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

## Plan for auction volume in FY3/16

Number of consigned vehicles FY3/2016	YoY	Number of contract completions FY3/2016	YoY	Contract completion rate	
				FY3/2016	FY3/2015
<b>2.51 million unit</b>	<b>106.7%</b>	<b>1.556 million unit</b>	<b>100.7%</b>	<b>62.0%</b>	<b>65.7%</b>

# FY3/2016 Reasons for Change in Operating Income (Forecast)

## Reasons for change in operating income





# 5 year Consolidated Performance

(Million yen)

	Results					Forecast
	FY3/2011	FY3/2012	FY3/2013	FY3/2014 <sub>3</sub>	FY3/2015	FY3/2016
<b>&lt;Auto Auction Business&gt;</b>						
Consignment Fees	10,822	12,154	11,817	12,241	12,636	13,476
Contract Completion Fees	10,559	10,984	10,873	11,958	12,083	12,146
Successful Bidding Fees	14,142	15,026	15,626	17,190	17,096	18,176
Revenues from Sales of Goods	848	805	624	905	1,166	1,523
Other Revenues	6,804	6,869	6,967	7,184	7,299	7,623
<b>Auto Auction Business Total</b>	<b>43,177</b>	<b>45,840</b>	<b>45,909</b>	<b>49,479</b>	<b>50,281</b>	<b>52,946</b>
<b>&lt;Used Vehicle Sales/Purchases Business&gt;</b>						
Revenues from Used Vehicle Sales/Purchases	8,456	8,535	8,106	7,867	6,736	7,342
Revenues from Accident-damaged Vehicle Sales/Purchases	4,038	3,940	3,438	3,754	3,347	3,687
<b>Used Vehicle Sales/Purchases Business Total</b>	<b>12,494</b>	<b>12,476</b>	<b>11,545</b>	<b>11,621</b>	<b>10,083</b>	<b>11,030</b>
<b>&lt;Other Business&gt;</b>						
Revenues from Recycling End-of-Life Vehicles and Other Items	4,566	4,275	4,016	4,816	5,022	5,023
Revenues from Recycling Scrap Rubbers	1,178	1,250	1,335	1,498	1,383	1,422
Revenues from Used Vehicle Export Clearing Service	-	166	437	500	609	691
Other Revenues	-	-	-	32	84	85
<b>Other Business Total</b>	<b>5,745</b>	<b>5,692</b>	<b>5,789</b>	<b>6,848</b>	<b>7,100</b>	<b>7,223</b>
<b>Net Sales</b>	<b>61,417</b>	<b>64,009</b>	<b>63,243</b>	<b>67,949</b>	<b>67,466</b>	<b>71,200</b>
<b>Operating Income</b>	<b>24,332</b>	<b>27,952</b>	<b>29,304</b>	<b>32,680</b>	<b>33,411</b>	<b>35,000</b>
<b>Ordinary Income</b>	<b>24,643</b>	<b>28,588</b>	<b>29,884</b>	<b>33,275</b>	<b>34,027</b>	<b>35,600</b>
<b>Profit attributable to owners of parent</b>	<b>13,971</b>	<b>17,054</b>	<b>18,346</b>	<b>19,966</b>	<b>21,661</b>	<b>23,400</b>

## Auto Auction Business

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

No. of Consigned Vehicles	2,121,948	2,252,566	2,199,797	2,305,189	2,353,141	2,510,400
No. of Contracted Vehicles	1,361,599	1,414,813	1,405,072	1,541,007	1,545,233	1,556,000
Contract Completion Rate	64.2	62.8	63.9	66.8	65.7	62.0
Consignment Fees per Vehicle consigned *1	5,139	5,432	5,407	5,344	5,405	5,406
Contract Completion Fees per Vehicle Contracts completed *1	7,831	7,832	7,802	7,821	7,882	7,873
Successful Bidding Fees per Vehicle Contracts completed *1	10,393	10,626	11,124	11,157	11,067	11,685
On-site Auction Members	45,563	44,796	45,139	45,712	46,307	46,900
CIS (Internet) Members	24,688	25,957	27,072	28,007	28,815	29,250
TV (Satellite Auction) Members	4,248	3,921	3,651	3,486	3,291	3,100
Rabbit Chain Shops	176	180	180	171	170	175

## Capital Expenditures and Depreciation

(Million yen)

Capital Expenditures (Terms of Cash Flows) *2	7,629	804	1,620	8,858	2,490	12,000
Depreciation	4,529	3,885	3,432	3,672	3,397	3,750

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

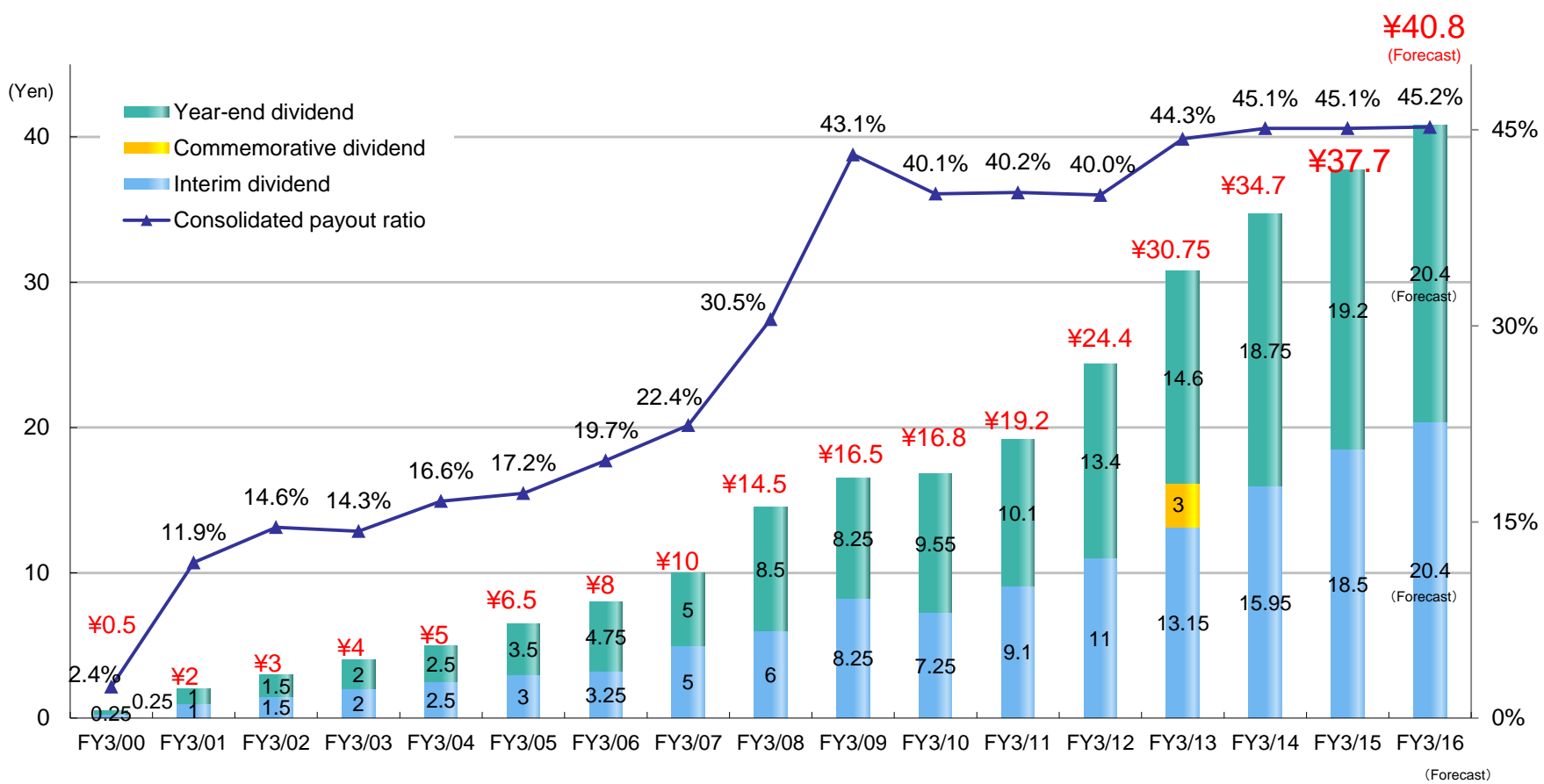
\*3 Figures for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

# Earnings Distributions (1) – Dividend Policy

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

Plan to pay **40.8 yen** dividend per share for FY3/16 (up 3.1 yen)

Planning on the **16<sup>th</sup> consecutive dividend increase** since USS shares were listed



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

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

(Million yen)

	FY3/00	FY3/01	FY3/02	FY3/03	FY3/04	FY3/05	FY3/06	FY3/07
Profit attributable to owners of parent	<b>3,543</b>	<b>4,493</b>	<b>5,489</b>	<b>7,645</b>	<b>8,907</b>	<b>11,814</b>	<b>13,203</b>	<b>14,390</b>
Dividend Paid	<b>88</b>	<b>532</b>	<b>802</b>	<b>1,095</b>	<b>1,529</b>	<b>2,049</b>	<b>2,589</b>	<b>3,204</b>
Stock Repurchased	<b>42</b>	<b>-</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>1,757</b>	<b>4,525</b>
Total amount returned to shareholders	<b>130</b>	<b>532</b>	<b>802</b>	<b>1,100</b>	<b>1,532</b>	<b>2,051</b>	<b>4,346</b>	<b>7,730</b>
Total Earnings Distribution Ratio	<b>3.6%</b>	<b>11.9%</b>	<b>14.6%</b>	<b>14.4%</b>	<b>16.7%</b>	<b>17.2%</b>	<b>33.0%</b>	<b>53.8%</b>

	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Profit attributable to owners of parent	<b>15,200</b>	<b>12,003</b>	<b>12,717</b>	<b>13,971</b>	<b>17,054</b>	<b>18,346</b>	<b>19,966</b>	<b>21,661</b>
Dividend Paid	<b>4,641</b>	<b>5,126</b>	<b>5,059</b>	<b>5,601</b>	<b>6,736</b>	<b>7,968</b>	<b>8,995</b>	<b>9,773</b>
Stock Repurchased	<b>0</b>	<b>8,940</b>	<b>4,671</b>	<b>4,950</b>	<b>10,815</b>	<b>12,309</b>	<b>0</b>	<b>0</b>
Total amount returned to shareholders	<b>4,641</b>	<b>14,066</b>	<b>9,731</b>	<b>10,552</b>	<b>17,551</b>	<b>20,278</b>	<b>8,995</b>	<b>9,773</b>
Total Earnings Distribution Ratio	<b>30.5%</b>	<b>117.6%</b>	<b>76.8%</b>	<b>75.6%</b>	<b>103.5%</b>	<b>111.4%</b>	<b>45.1%</b>	<b>45.1%</b>

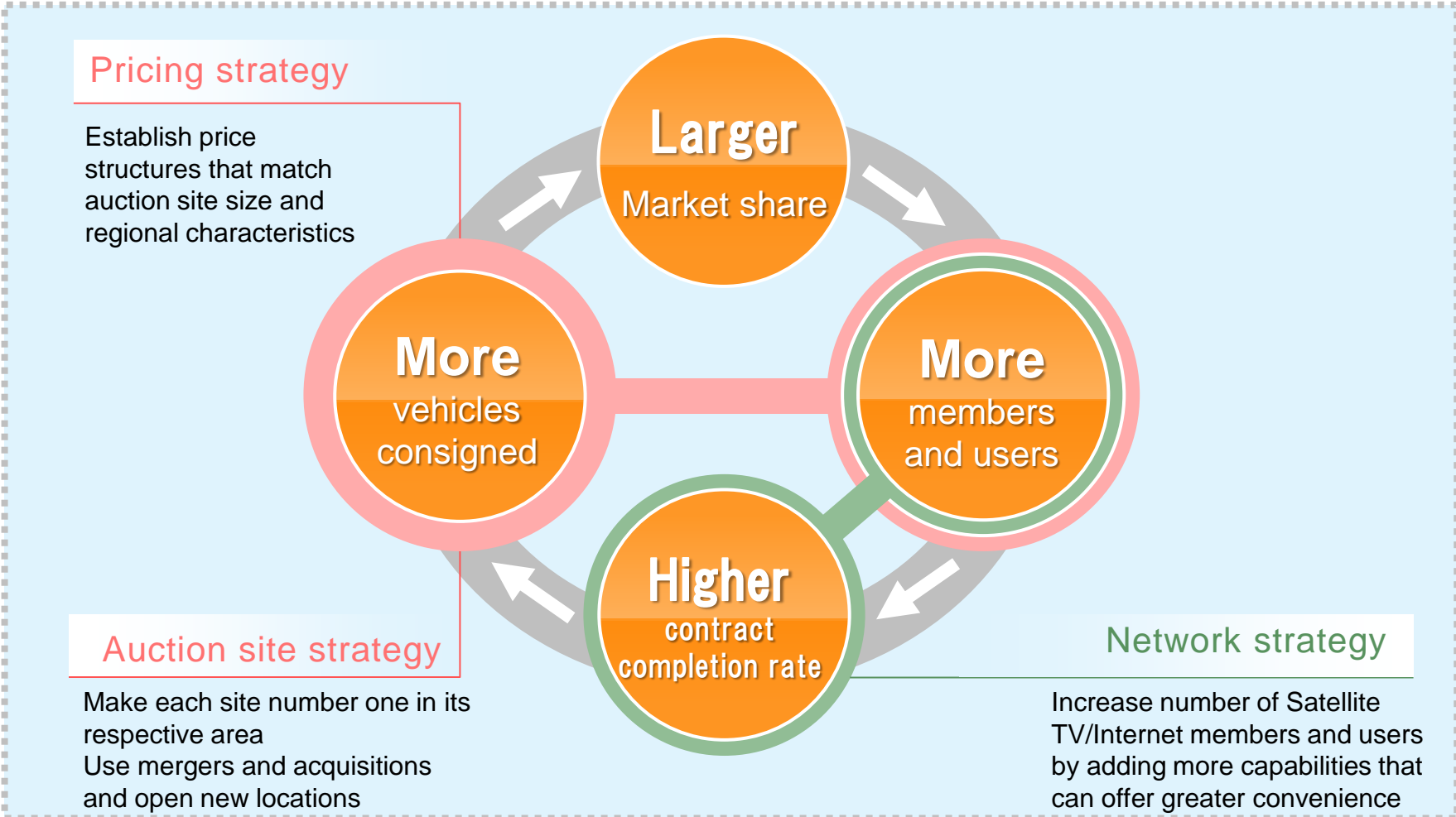
\*Stock repurchased does not include purchases by the trust for the USS employee stock ownership plan trust.

\*Figures 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)



## ■ Pricing strategy

- **Use a fee rebate system created for each auction site in order to increase the number of vehicles consigned at high-volume sites**
- **In July, raised the external successful bid fee by 1,000 yen for both satellite TV and Internet auction participants  
(In FY3/16, expected to raise fee income by 566 million yen between July 2015 and March 2016)**
- **In July, established a flat 10,000 yen fee for negotiated purchases at all 17 auction sites  
(In FY3/16, expected to raise fee income by 420 million yen between July 2015 and March 2016)**

## ■ Auction site strategy

- **Constructing a multi-level 6,000-vehicle stockyard at the Nagoya Auction Site that is scheduled for completion in March 2016 at a cost of about 8,200 million yen.**
- **The R-Nagoya facility will be moved to a newly constructed building at the Nagoya Auction Site**  
**Total investment of about 2,500 million yen and operations are to begin by December 2016**
- **Reconstruction of the Shizuoka Auction Site**  
**Total investment of about 2,500 million yen and operations are to begin in May 2016**
- **Reconstruction of the Sapporo Auction Site**  
**Total investment of about 3,500 million yen and operations are to begin in 2016**
- **Plan to purchase site in city of Hakusan in Ishikawa prefecture for relocation of the Hokuriku Auction Site**  
**Operations are to begin in 2016**
- **Additional investments are being considered for other auction sites to increase the number of vehicles consigned and improve services for members.**

## ■ Communication network strategy

- A used car export support site will be constructed as part of the Internet CIS data service. The goal is to provide settlement, transport and all other support services for used car exports.

## ■ Other

- Consolidated subsidiary CAR QUEST Co., Ltd. plans to divest its rubber recycling business on October 1, 2015 and sell the company newly established to operate this business to ENVIPRO HOLDINGS Inc., a large resource recycling company, on December 1.

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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,

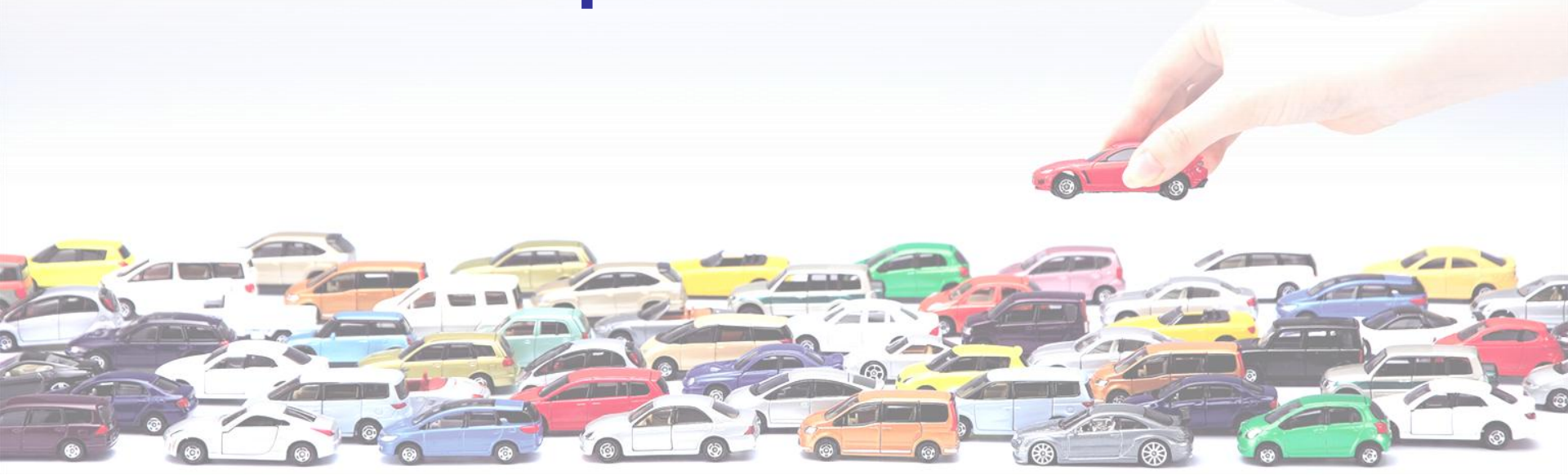
**(Precautions concerning these materials)**

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 FY3/2015



# FY3/2015 – Consolidated Income Statement

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

	FY3/2014	FY3/2015	Year on year	Plan (As of Nov. 11, 2014)	VS. plan
<b>Net Sales</b>	<b>67,949</b>	<b>67,466</b>	<b>99.3%</b>	<b>67,500</b>	<b>99.9%</b>
<b>Cost of sales (Per sales)</b>	<b>26,459 (38.9%)</b>	<b>25,774 (38.2%)</b>	<b>97.4%</b>	<b>25,868 (38.3%)</b>	<b>99.6%</b>
<b>Gross profit (Per sales)</b>	<b>41,489 (61.1%)</b>	<b>41,691 (61.8%)</b>	<b>100.5%</b>	<b>41,631 (61.7%)</b>	<b>100.1%</b>
<b>Selling, general and administrative expenses (Per sales)</b>	<b>8,808 (13.0%)</b>	<b>8,279 (12.3%)</b>	<b>94.0%</b>	<b>8,631 (12.8%)</b>	<b>95.9%</b>
<b>Operating income (Per sales)</b>	<b>32,680 (48.1%)</b>	<b>33,411 (49.5%)</b>	<b>102.2%</b>	<b>33,000 (48.9%)</b>	<b>101.2%</b>
<b>Ordinary income (Per sales)</b>	<b>33,275 (49.0%)</b>	<b>34,027 (50.4%)</b>	<b>102.3%</b>	<b>33,500 (49.6%)</b>	<b>101.6%</b>
<b>Net income (Per sales)</b>	<b>19,966 (29.4%)</b>	<b>21,661 (32.1%)</b>	<b>108.5%</b>	<b>21,300 (31.6%)</b>	<b>101.7%</b>
<b>Net income per share (yen)</b>	<b>77.29</b>	<b>83.79</b>	<b>108.4%</b>	<b>82.40</b>	<b>101.7%</b>

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

## Net sales

- Higher fees in the auto auction business because of more vehicles consigned
- Sales down in the used vehicle purchasing and selling business mainly because of smaller volume of vehicles handled
- 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

- Down due to declines in taxes and dues, employee salaries and bonuses, sales promotion expenses, and other items

# FY3/2015 – Consolidated Balance Sheet

Outstanding financial soundness even as substantial earnings distributions to shareholders continue

(Million yen)

	FY3/2014	FY3/2015	Changes
<b>Current assets</b>	<b>60,477</b>	<b>73,334</b>	<b>12,856</b>
Cash and deposits	46,318	49,862	3,544
Receivables due from member dealers at auction	8,701	7,885	▲816
Other	5,458	15,586	10,128
<b>Noncurrent assets</b>	<b>103,704</b>	<b>100,771</b>	<b>▲2,933</b>
Property, plant and equipment	92,337	91,388	▲948
Intangible assets	1,068	1,137	69
Investments and other assets	10,299	8,245	▲2,053
<b>Total assets</b>	<b>164,182</b>	<b>174,106</b>	<b>9,923</b>
<b>Current liabilities</b>	<b>25,657</b>	<b>23,910</b>	<b>▲1,746</b>
Payables due to member dealers at auction	11,852	9,753	▲2,099
Short-term loans payable	80	-	▲80
Other	13,724	14,157	433
<b>Noncurrent liabilities</b>	<b>6,423</b>	<b>6,156</b>	<b>▲266</b>
Long-term loans payable	549	300	▲248
Other	5,873	5,855	▲17
<b>Total liabilities</b>	<b>32,080</b>	<b>30,067</b>	<b>▲2,013</b>
<b>Shareholders' equity</b>	<b>136,466</b>	<b>148,654</b>	<b>12,187</b>
Accumulated other comprehensive income	▲5,117	▲5,555	▲437
Subscription rights to shares	242	273	31
Minority interests	510	666	155
<b>Total net assets</b>	<b>132,102</b>	<b>144,039</b>	<b>11,936</b>

## Current assets

- Up 3.54 billion yen in cash and deposits
- Other current assets rose 10.12 billion yen reflecting an increase in negotiable deposits and other factors

## Noncurrent assets

- Down 2.05 billion yen mainly due to the transfer of some investments to time deposits maturing within one year and to sales of securities

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

# FY3/2015 – Consolidated Cash Flows

(Million yen)

	FY3/2014	FY3/2015	Changes
Net cash provided by operating activities	26,642	24,287	▲2,354
Income before income taxes and minority interests	32,676	34,162	1,485
Depreciation and other amortization	3,823	3,532	▲291
Amortization of goodwill	20	5	▲14
Loss (▲gain) on sale and retirement of property, plant and equipment	199	64	▲135
Loss (▲gain) on sales and retirement of intangible assets	1	36	34
Net change in due from/to member dealers at auction	626	▲1,282	▲1,909
Income taxes paid	▲10,152	▲13,444	▲3,291
Other	▲553	1,213	1,767
Net cash provided by investing activities	▲18,751	▲19,724	▲972
Purchase of property, plant and equipment	▲8,298	▲2,121	6,176
Other	▲10,453	▲17,602	▲7,148
Net cash provided by financing activities	▲8,105	▲9,718	▲1,613
Net increase (▲decrease) in loans payable	▲326	▲329	▲3
Purchases of treasury stock	▲0	▲0	0
Cash dividends paid	▲7,918	▲9,656	▲1,738
Other	139	267	127
Net increase (▲decrease) in cash and cash equivalents	▲214	▲5,155	▲4,940
Cash and cash equivalents at beginning of period	34,833	34,618	▲214
Cash and cash equivalents at end of period	34,618	29,462	▲5,155

## Operating activities

- Income before income taxes: 34.16 billion yen
- Income taxes paid: 13.44 billion yen

## Investing activities

- Purchase of property, plant and equipment: 2.12 billion yen, including the cost of building the new Okayama Auction Site
- Increase in Other is due mainly to an increase of 17.60 billion yen in other fixed deposits and negotiable deposits

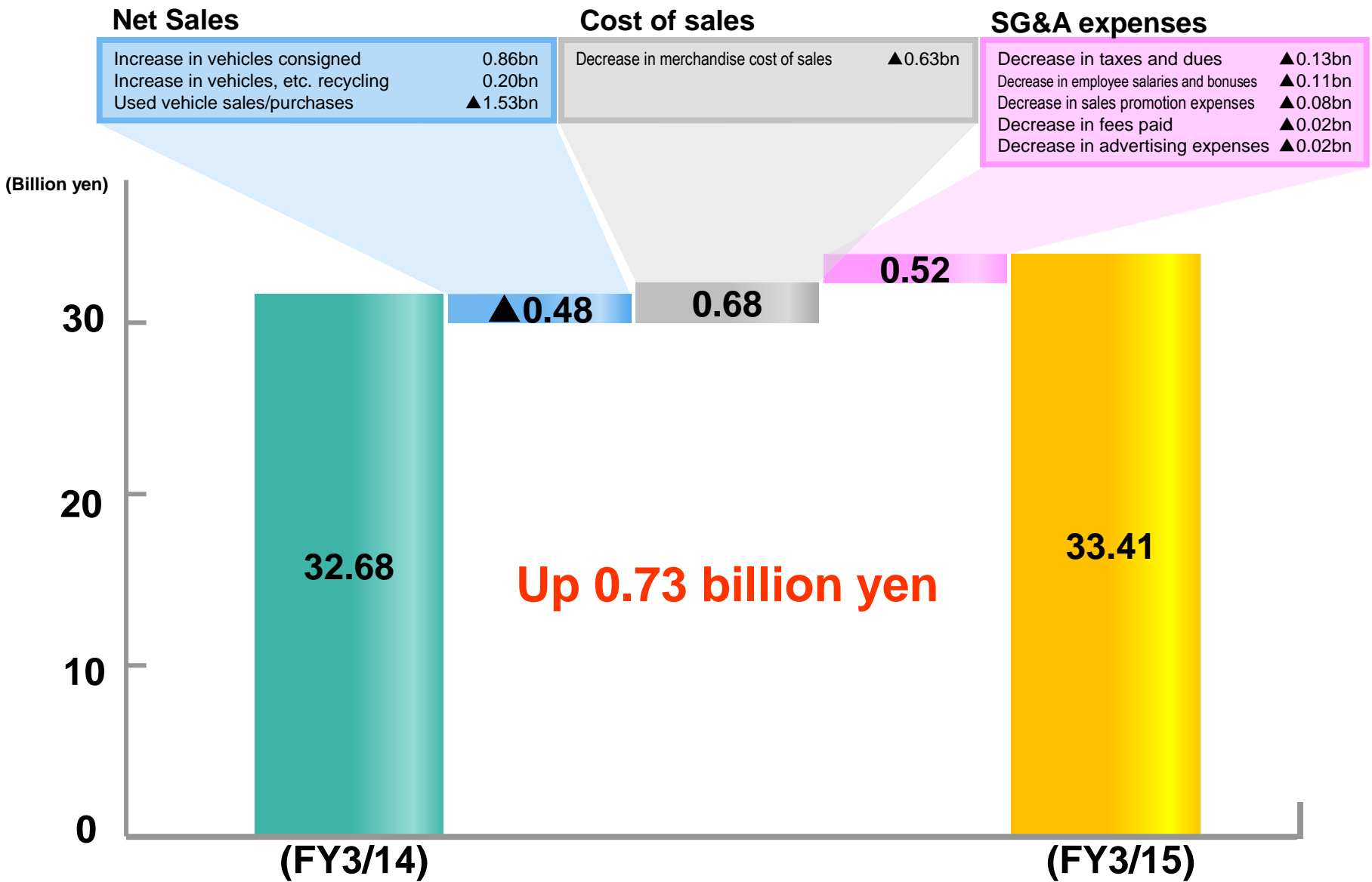
## Financing activities

- Cash dividends paid: 9.65 billion yen

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

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

## Reasons for change in operating income



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

# Major Financial Indicators

(Million yen)

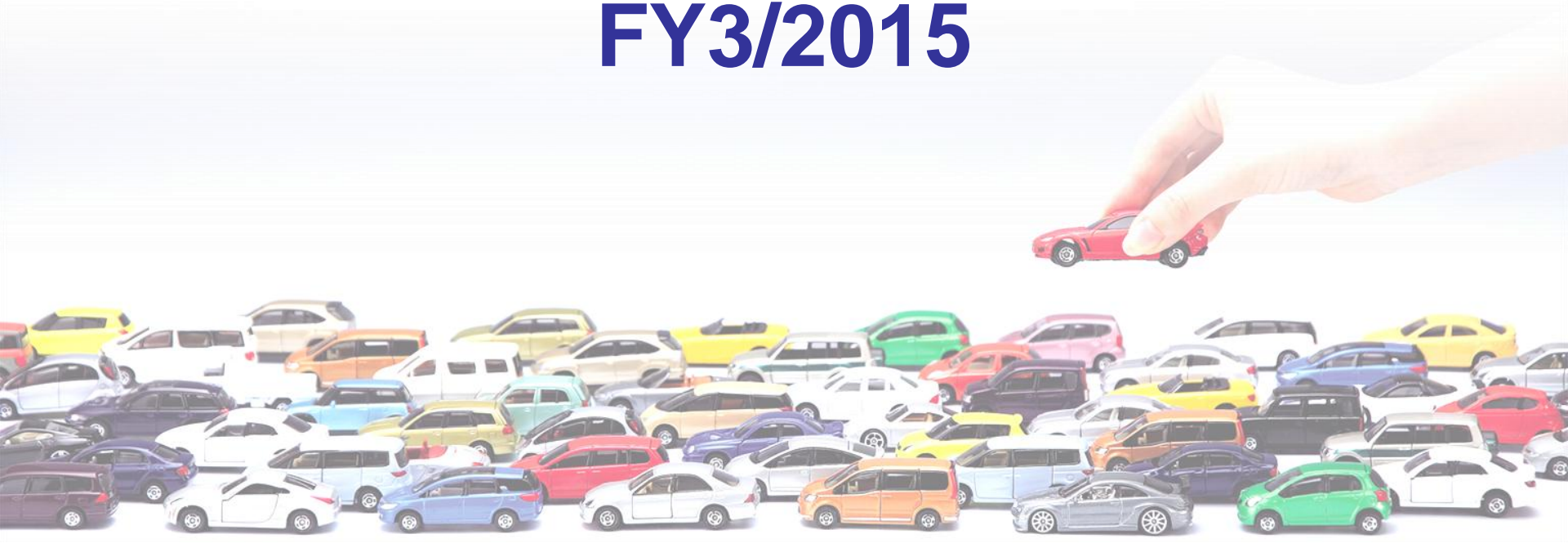
	FY3/05	FY3/06	FY3/07	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15	YoY	10 years average of % changes
<b>Results of Operations</b>													
Net Sales	50,484	60,243	64,568	69,801	66,549	59,849	61,417	64,009	63,243	67,949	67,466	▲0.7%	2.9%
Operating Income	20,673	23,103	24,817	27,200	22,568	21,940	24,332	27,952	29,304	32,680	33,411	2.2%	4.9%
Ordinary Income	21,096	23,544	25,360	27,490	22,503	22,511	24,643	28,588	29,884	33,275	34,027	2.3%	4.9%
Net Income	11,814	13,203	14,390	15,200	12,003	12,717	13,971	17,054	18,346	19,966	21,661	8.5%	6.2%
<b>Financial Position</b>													
Total Assets	115,704	131,908	146,172	150,737	138,370	142,164	151,636	154,639	154,543	164,182	174,106	6.0%	4.2%
Cash and Deposits	15,818	19,995	21,149	26,280	18,445	29,681	30,980	36,840	37,033	46,318	49,862	7.7%	12.2%
Total Liabilities	29,901	33,841	40,184	33,159	23,428	23,773	29,689	33,541	34,866	32,080	30,067	▲6.3%	0.1%
Interest Bearing Debt	7,490	5,200	5,355	3,064	2,716	1,806	1,097	1,746	1,148	670	360	▲46.2%	▲26.2%
Total Net Assets	85,803	98,067	105,988	117,577	114,941	118,390	121,947	121,097	119,676	132,102	144,039	9.0%	5.3%
Owners' Equity	84,877	97,391	104,985	117,130	114,771	118,146	121,638	120,582	119,112	131,348	143,098	8.9%	5.4%
<b>Per Share Information</b>													
EPS (Yen)	37.76	40.70	44.71	47.51	38.27	41.88	47.80	60.92	69.35	77.29	83.79	8.4%	8.3%
Dividend per Share (Yen)	6.50	8.00	10.00	14.50	16.50	16.80	19.20	24.40	30.75	34.70	37.70	8.6%	19.2%
<b>Others</b>													
Operating Margin (%)	40.9	38.4	38.4	39.0	33.9	36.7	39.6	43.7	46.3	48.1	49.5	—	—
ROE (%)	15.5	14.5	14.2	13.7	10.4	10.9	11.7	14.1	15.3	15.9	15.8	—	—
ROA (%)	20.3	19.0	18.2	18.5	15.6	16.0	16.8	18.7	19.3	20.9	20.1	—	—
Dividend Payout Ratio (%)	17.2	19.7	22.4	30.5	43.1	40.1	40.2	40.0	44.3	45.1	45.1	—	—
Owners' Equity Ratio (%)	73.4	73.8	71.8	77.7	82.9	83.1	80.2	78.0	77.1	80.0	82.2	—	—
Treasury Stock (shs.)	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	54,691,235	▲0.3%	123.1%
On-site Auction Members (Companies)	34,420	37,157	40,959	42,751	43,307	44,317	45,563	44,796	45,139	45,712	46,307	1.3%	3.0%

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

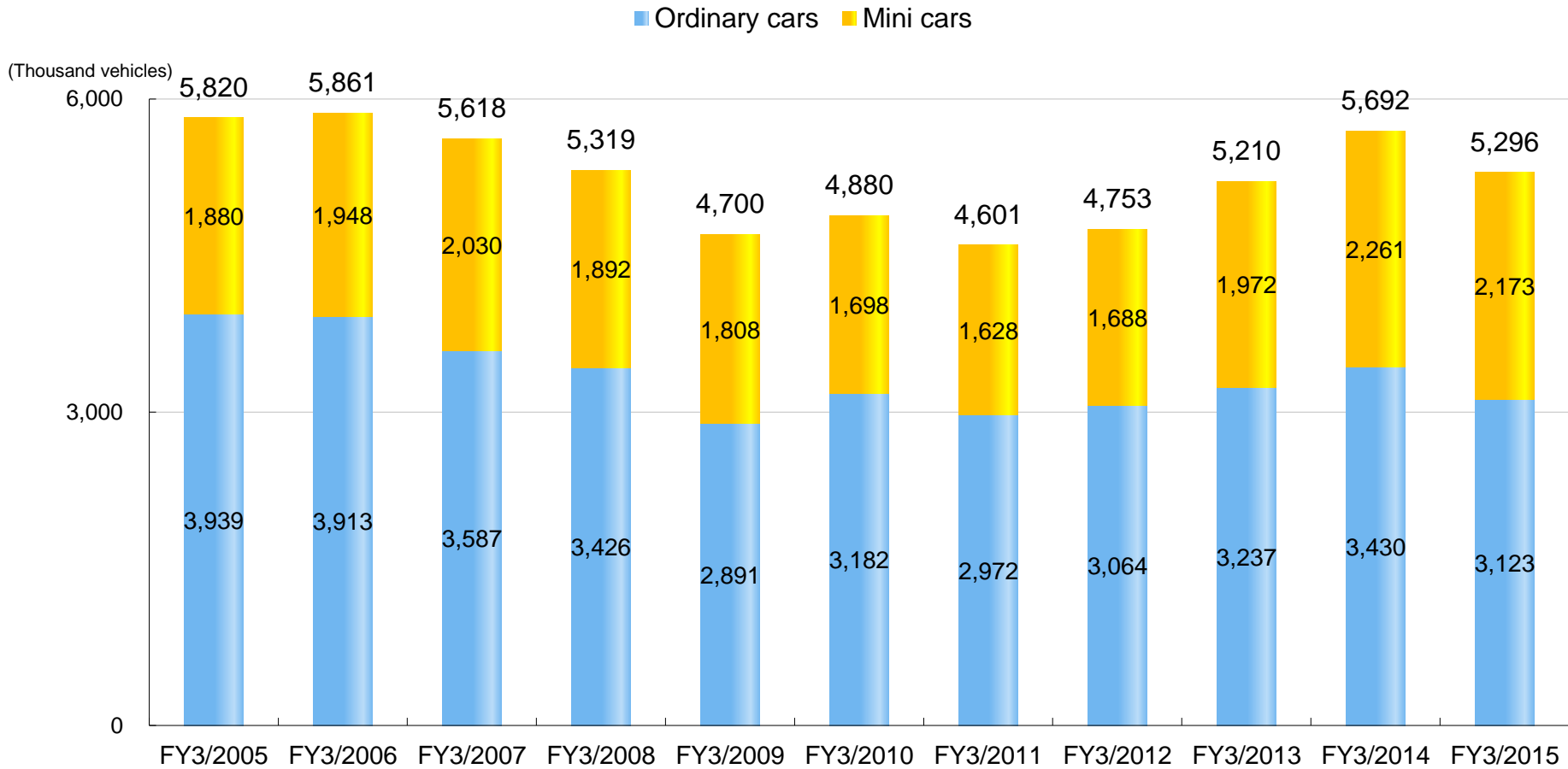
\*Figures for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

# Market Overview

## FY3/2015



# (1) New Car Registrations (April to March)

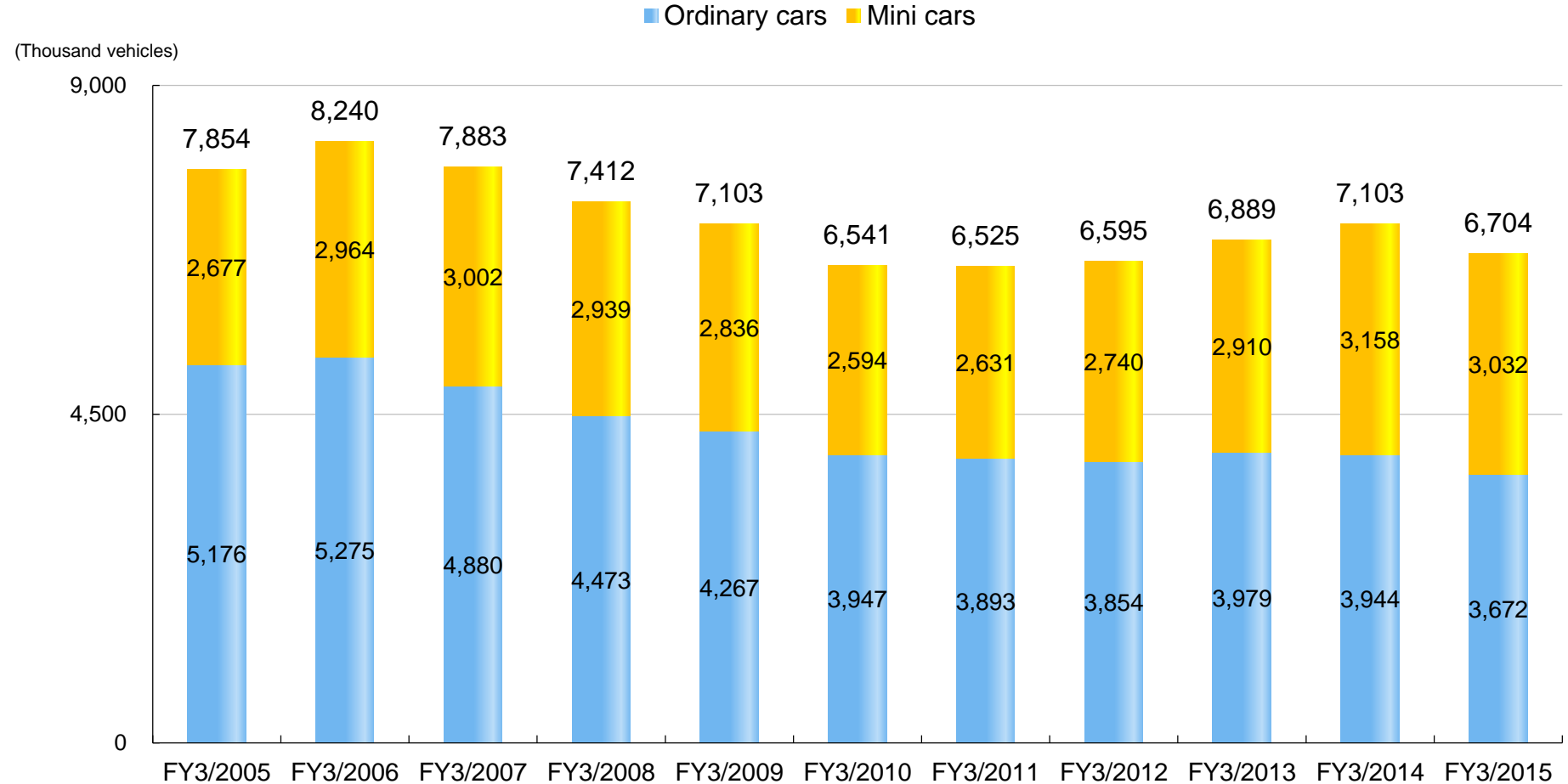


New car registrations decreased 6.9% to 5.29 million units

- The drop in demand after the rush to buy cars before the April 2014 consumption tax hike was mainly responsible for the decline in registrations.



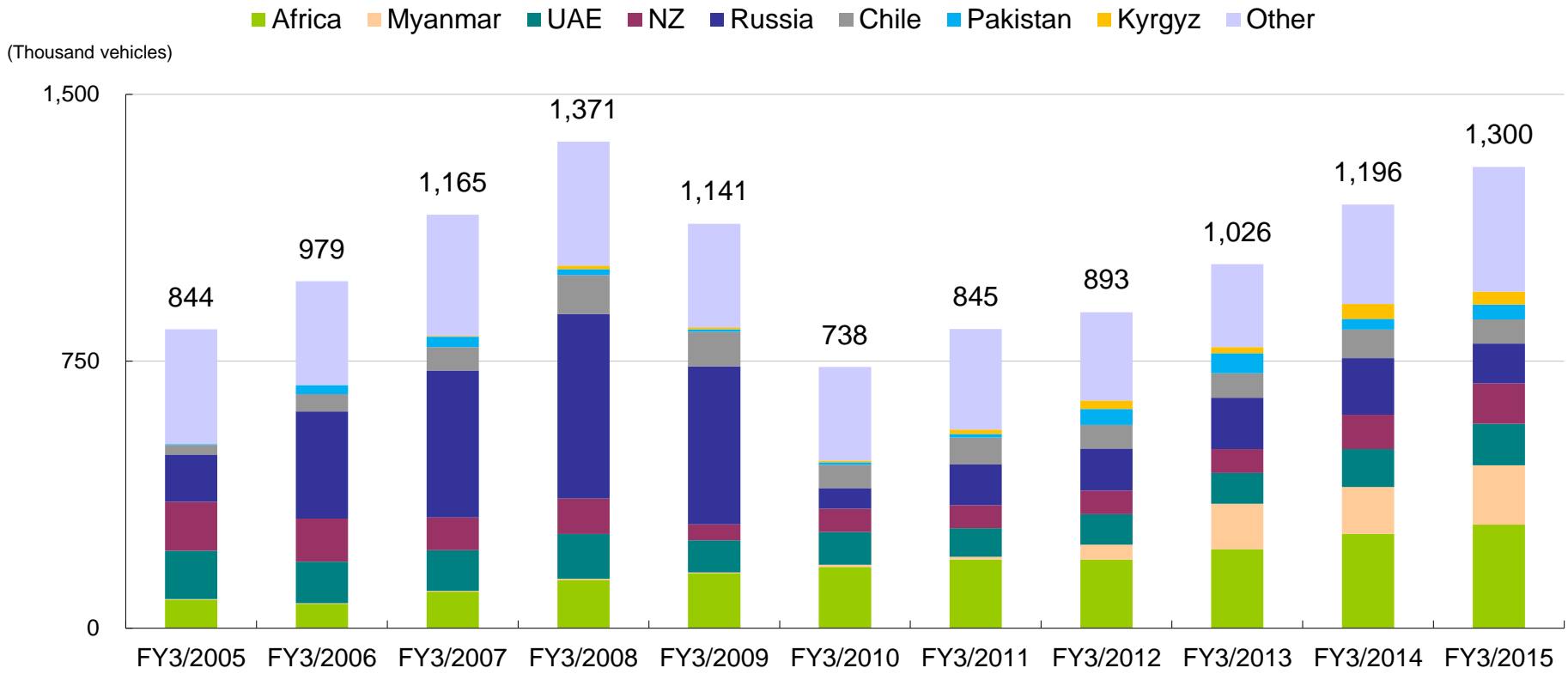
# (2) Used Car Registrations (April to March)



Used car registrations decreased 5.6% to 6.70 million units

- The April 2014 consumption tax hike caused registrations to decline, just as for new car registrations.

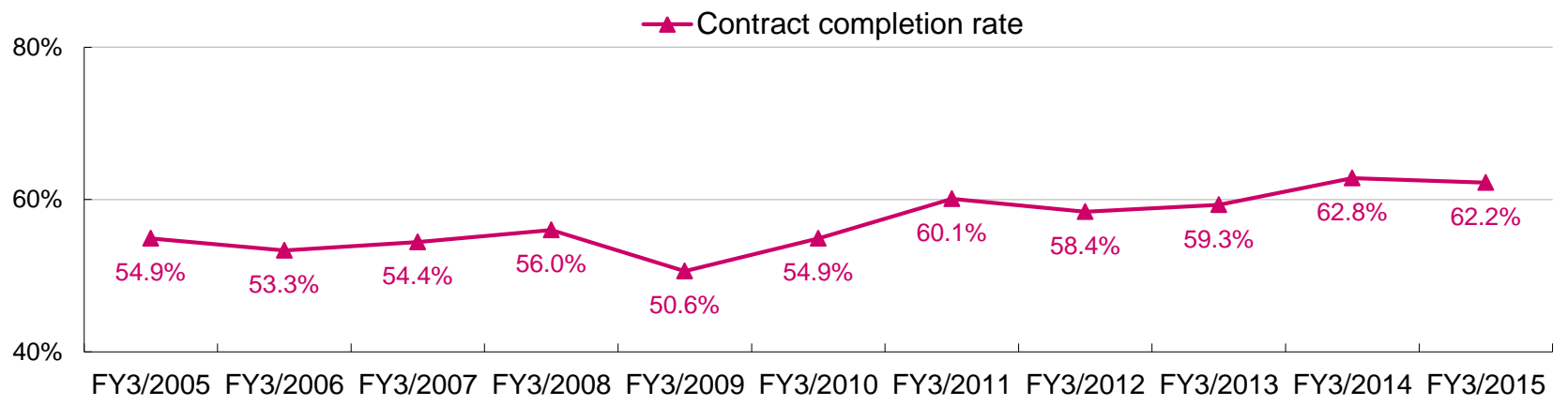
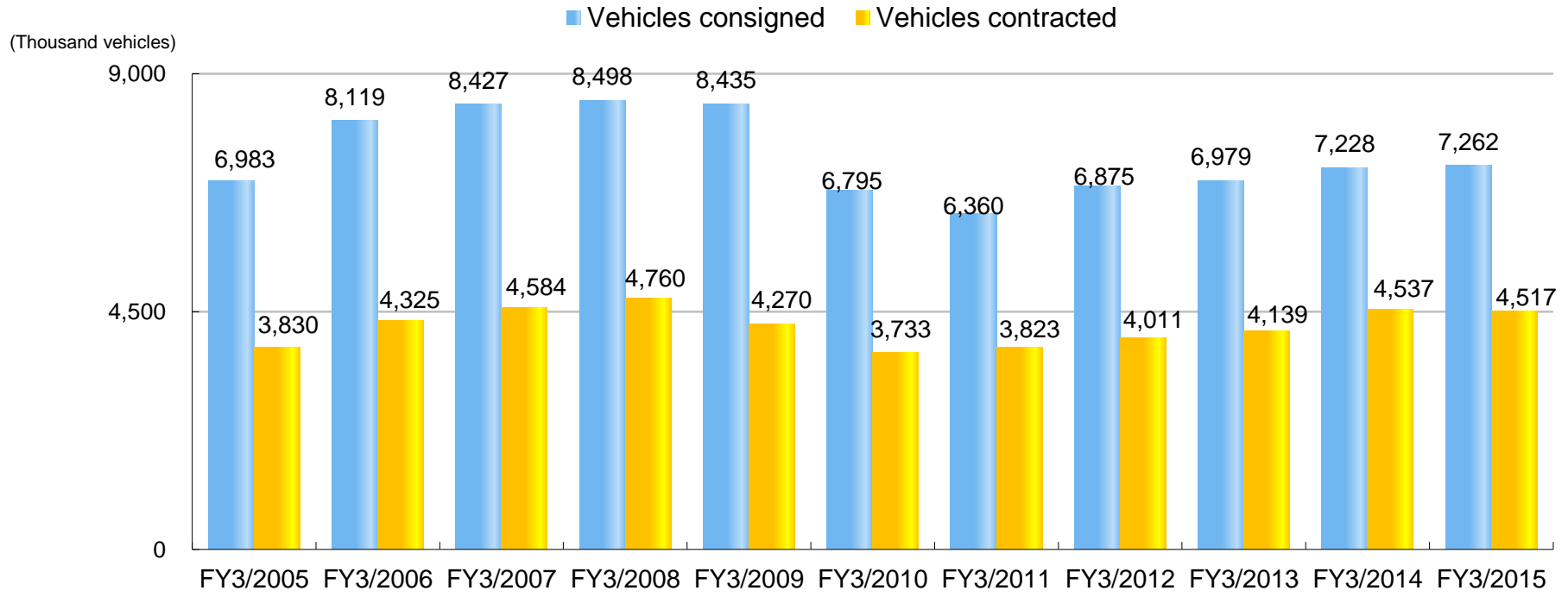
### (3) Used Car Exports (April to March)



**Used car exports increased 8.7% to 1.30 million units**

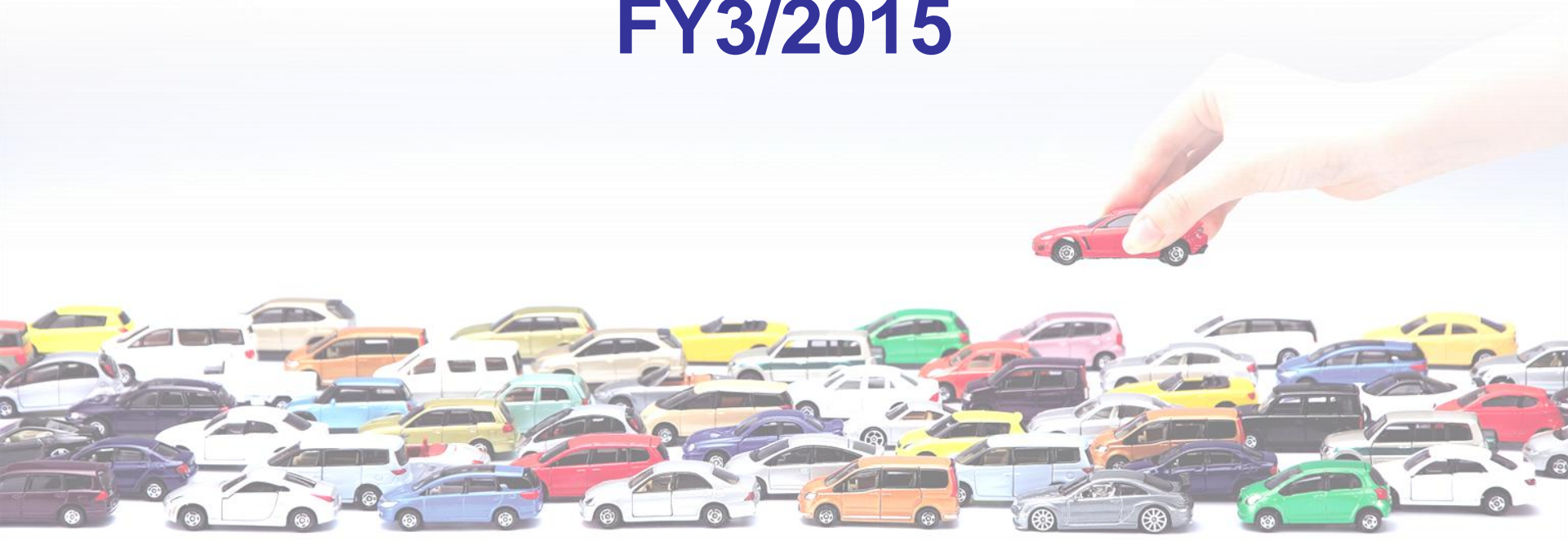
- Major destination countries  
 Africa 291,000 (up 9.8%), Myanmar 167,000 (up 25.9%), UAE 116,000 (up 9.5%),  
 NZ 114,000 (up 17.1%), Russia 112,000 (down 29.8%)
- Countries with large increases  
 Sri Lanka 44,000 (up 122.4%), Georgia 38,000 (up 69.0%), Mongolia 35,000 (up 3.8%),  
 Philippines 29,000 (up 11.5%), Bangladesh 22,000 (up 46.2%)

# (4) Auto Auction Market (April to March)



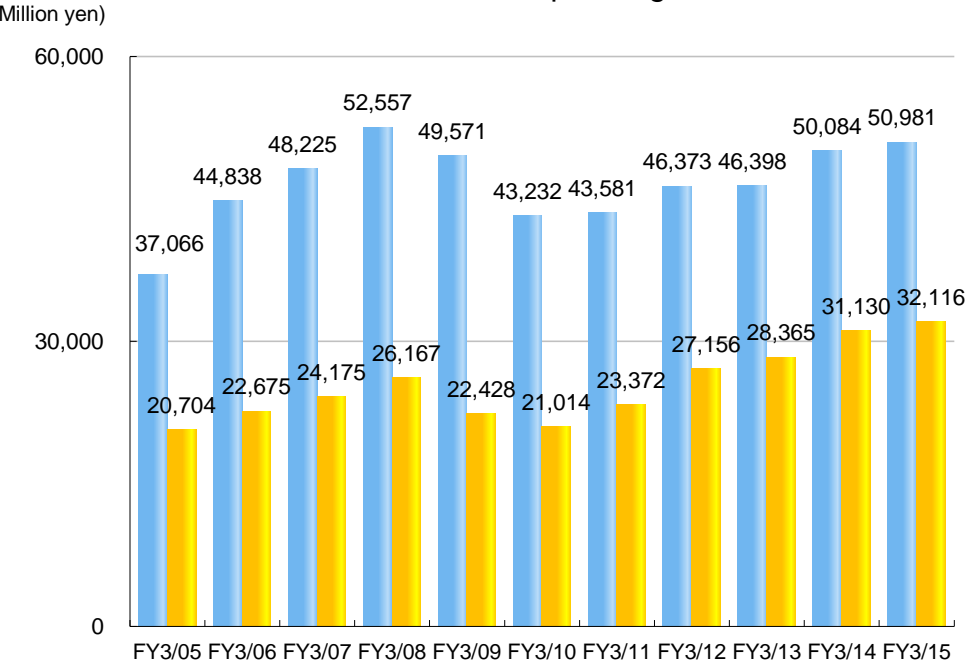
# Business Segment Information

## FY3/2015



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

■ Net sales ■ Operating income



	(Million yen)		
	FY3/14	FY3/15	YoY
<b>Net sales</b>	<b>50,084</b>	<b>50,981</b>	<b>101.8%</b>
<b>Operating income (Per sales)</b>	<b>31,130 (62.2%)</b>	<b>32,116 (63.0%)</b>	<b>103.2%</b>

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

**Net sales increased 1.8% to 50,981 million yen from one year earlier**

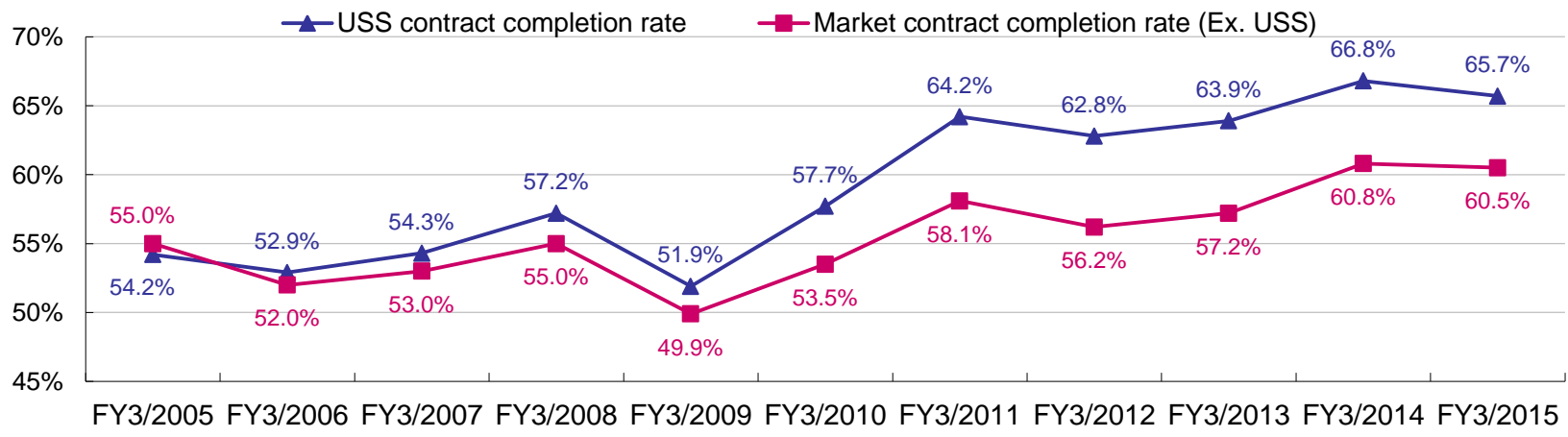
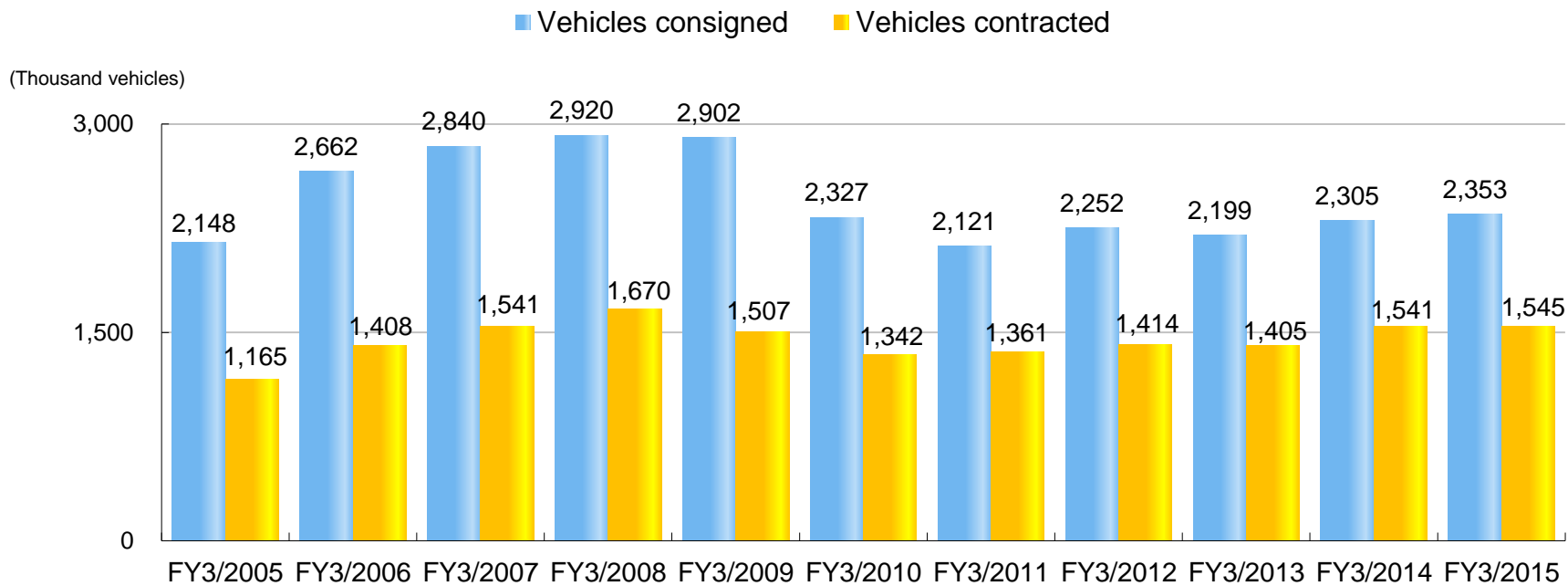
- Vehicles consigned up 2.1% to 2,353 thousand; contracted vehicles up 0.3% to 1,545 thousand; contract completion rate decreased from 66.8% to 65.7%
- The off-site successful bid ratio was 50.1% (51.9% one year earlier)

**Operating income increased 3.2% to 32,116 million yen from one year earlier**

- Depreciation and sales promotion expenses decreased
- Declines in taxes and dues and supplies after the increases caused by construction of the new Nagoya Auction Site in FY3/14

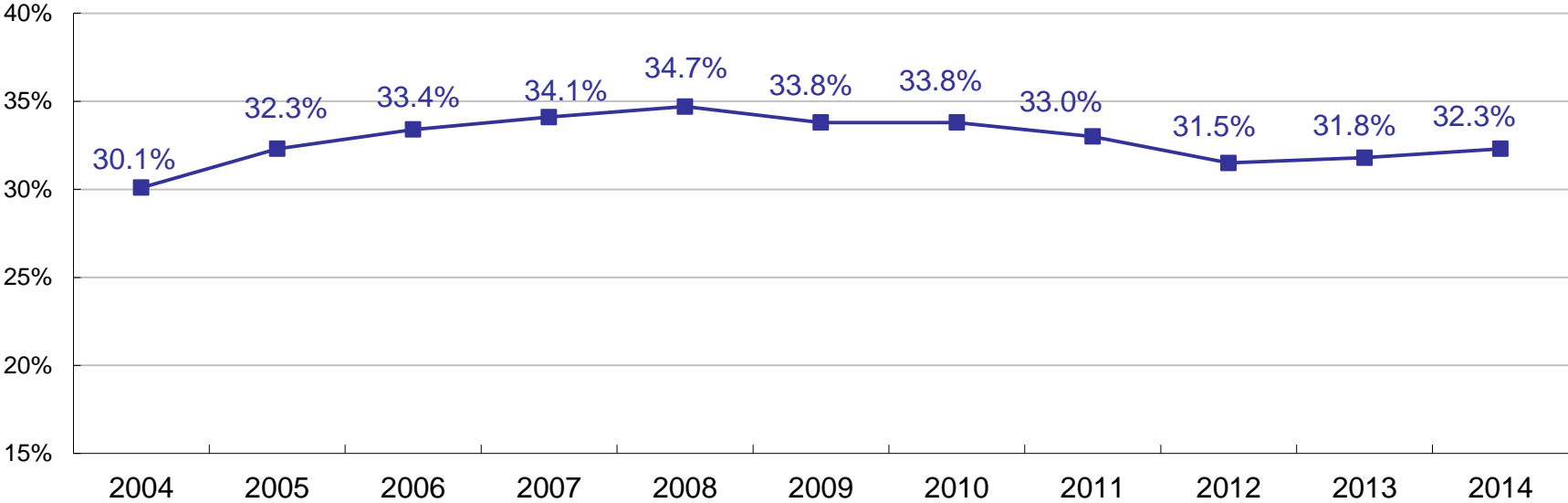
\*The basis of aggregating successful bids received via satellite TV for calculating the off-site successful bid ratio is changed.

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



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

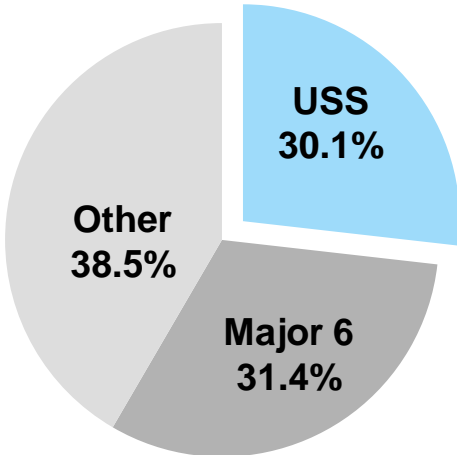
USS Market Share



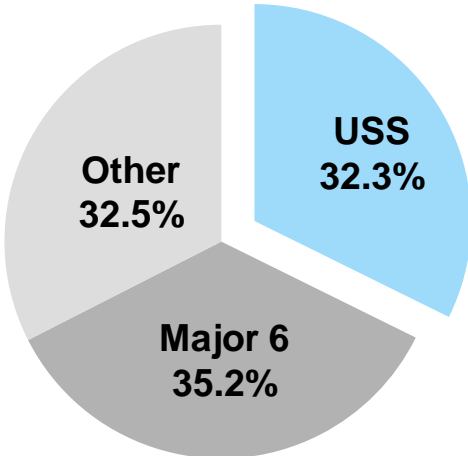
2004(CY) Market Share

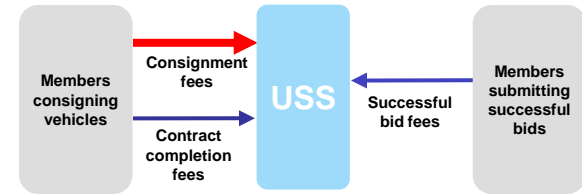
2014(CY) Market Share

- \*Major 6
- JAA (9.4%)
- TAA (6.8%)
- CAA (5.9%)
- Arai AA (4.8%)
- KCAA (2.5%)
- LAA (2.0%)

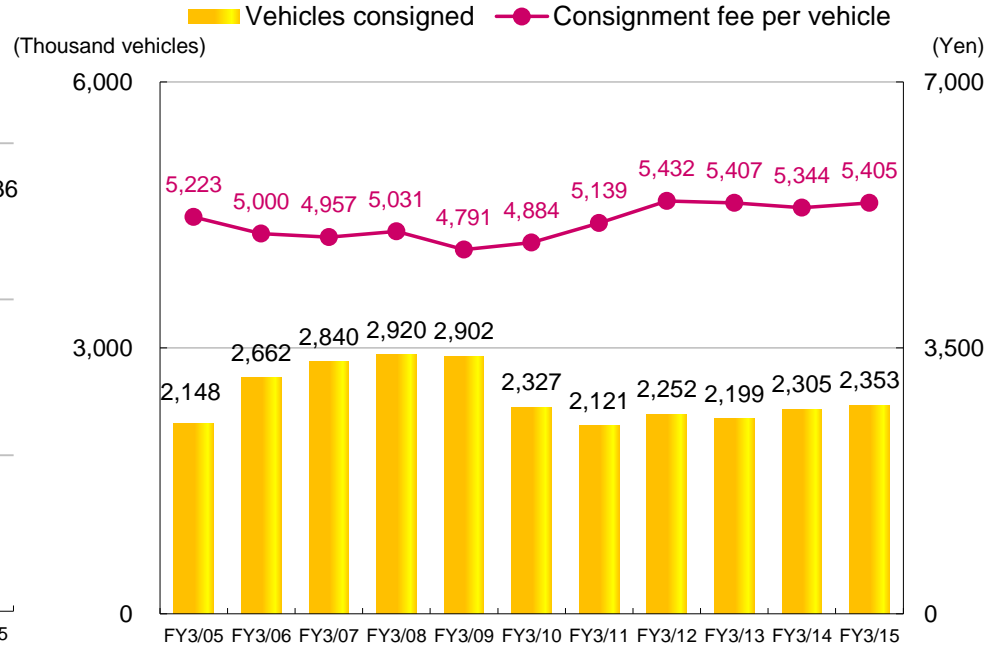
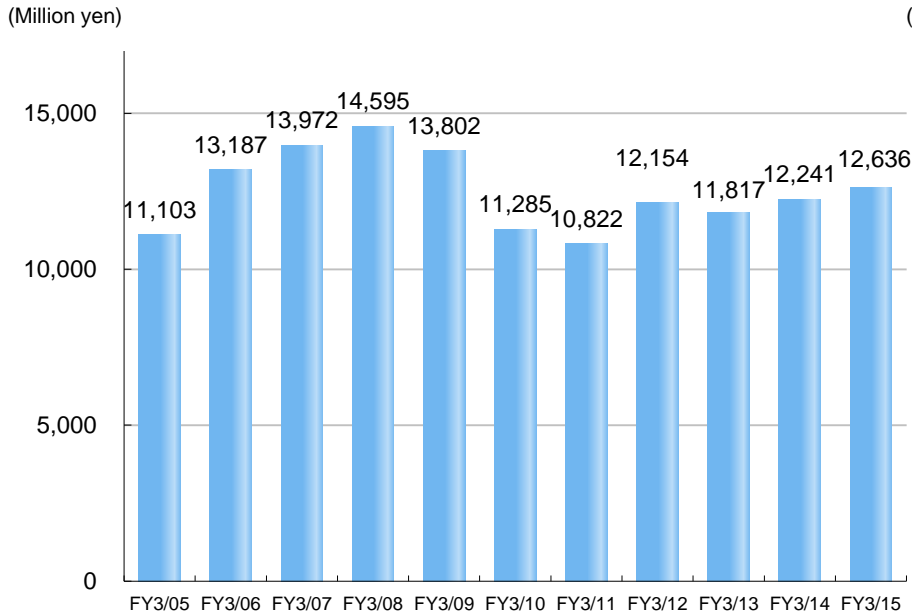


- \*Major 6
- TAA (9.9%)
- JAA (8.2%)
- CAA (5.9%)
- Arai AA (4.9%)
- Honda (3.2%)
- KCAA(3.1%)





### Total of Consignment Fees



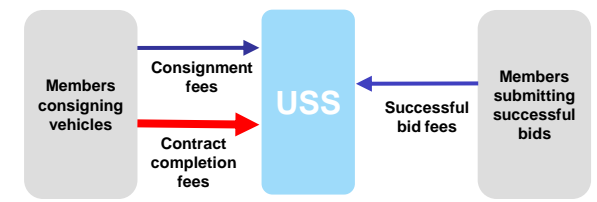
\*Consignment fee per vehicle is calculated before eliminations for consolidation.

## Consignment fee per vehicle increased by 61 yen to 5,405 yen from one year earlier

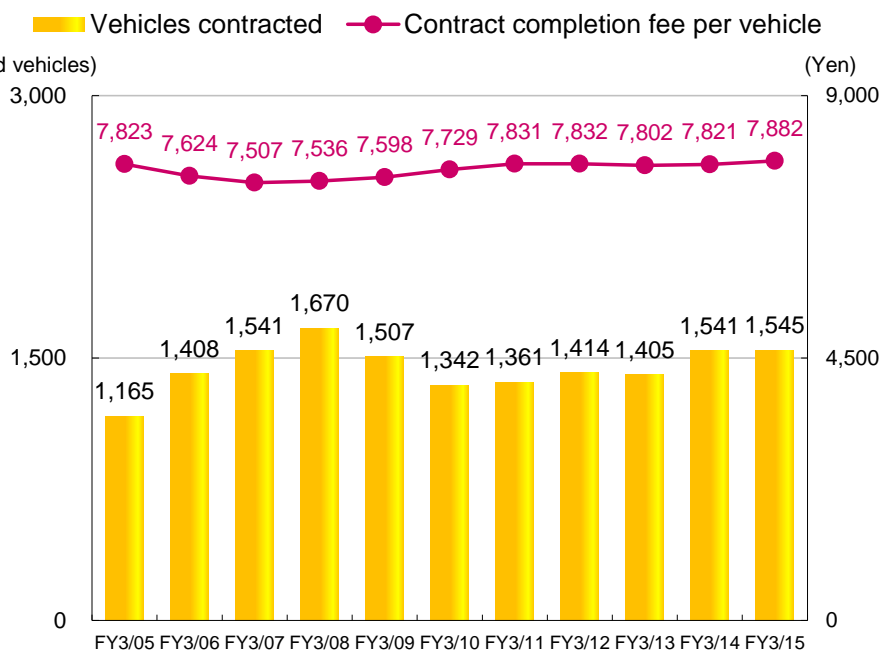
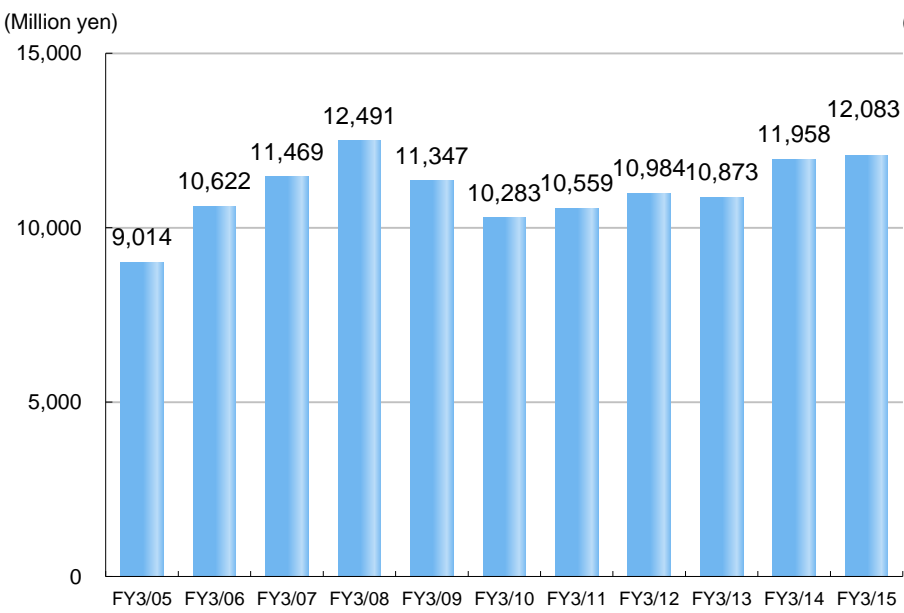
- Fewer discounted fee events at some auction sites and a review of the fee rebate system for high-volume members (positive effect)
- Increased share of vehicle consignment of major members who pay lower consignment fees (negative effect)



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



## Total of Contract Completion Fees

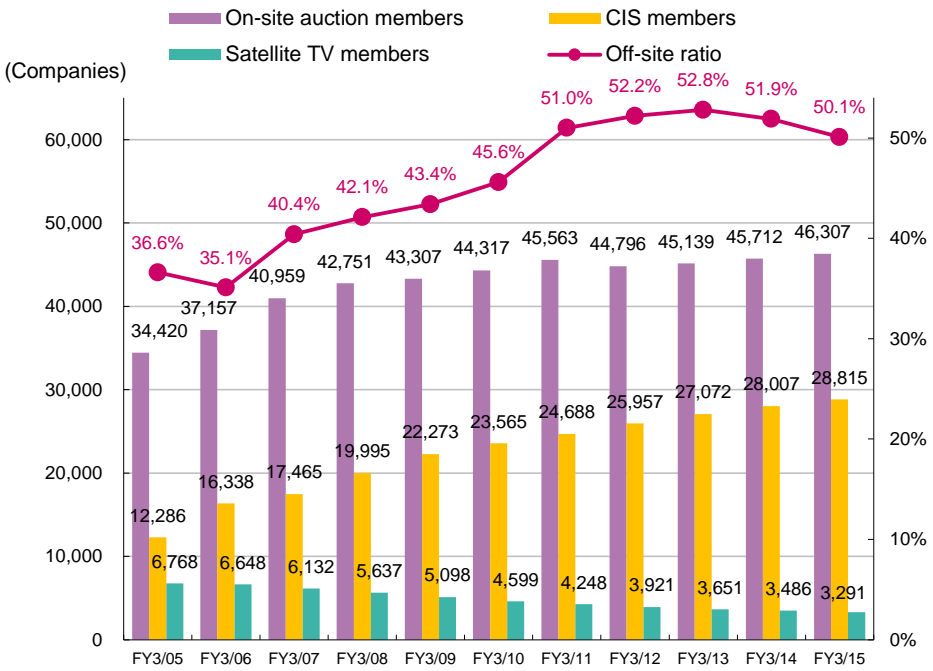
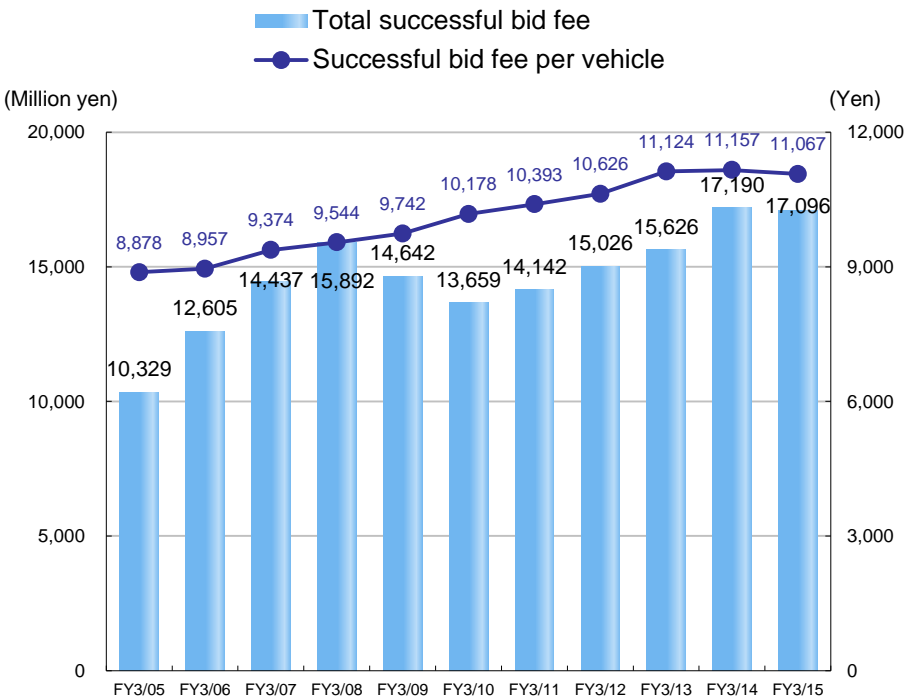
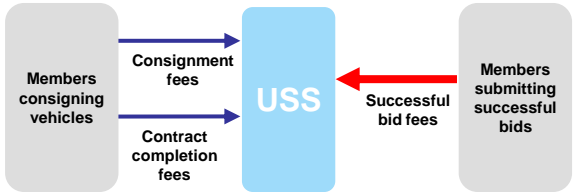


\*Contract Completion fee per vehicle is calculated before eliminations for consolidation.

Contract completion fee per vehicle increased by 61 yen to 7,882 yen from one year earlier

- Reexamined the rebate system for high-volume members and fees at some auction sites

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



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

\*The basis of aggregating successful bids received via satellite TV for calculating the off-site successful bid ratio is changed effective from the fiscal year ended March 2011.  
 \*Starting in FY3/2012, 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 90 yen to 11,067 yen from one year earlier

- The off-site successful bid ratio was 50.1% (51.9% one year earlier)

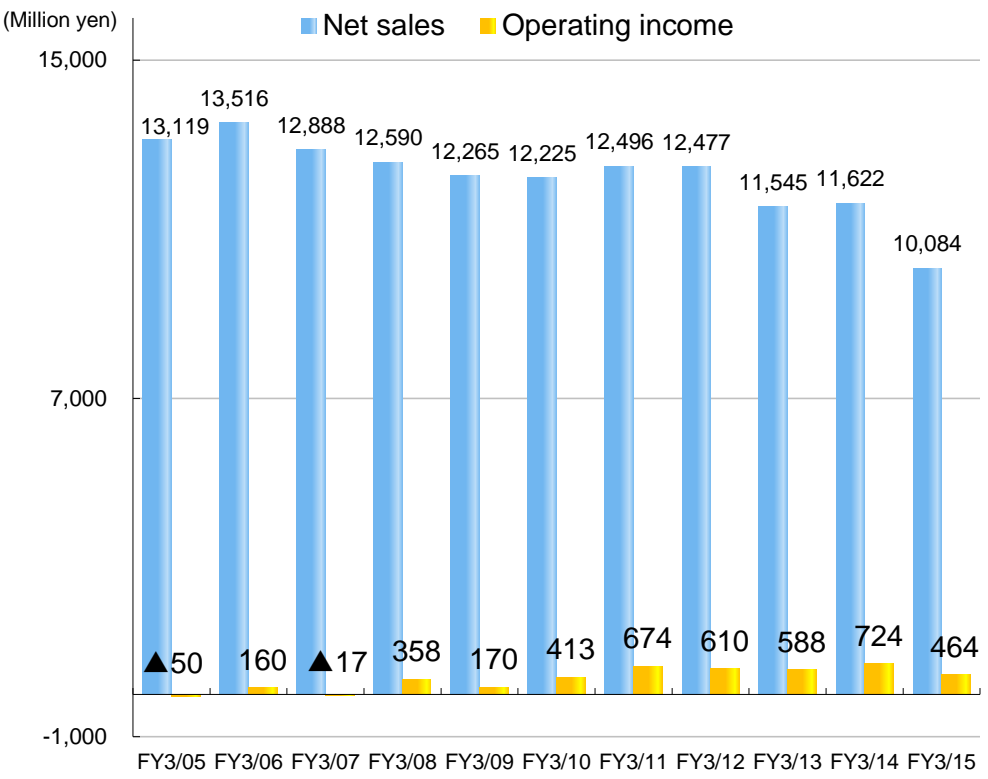
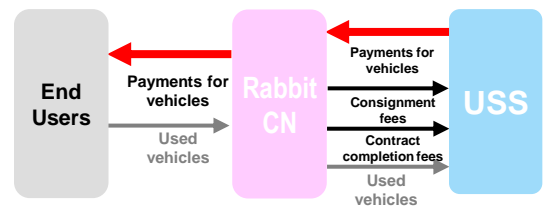
# Auto Auction Business (7) – USS Group Auto Auction Results by Sites

(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	FY3/15	FY3/14	FY3/15	FY3/14	Changes	FY3/15	FY3/14	Changes	FY3/15	FY3/14
<b>Tokyo</b>	49	49	651,597	630,429	3.4%	460,240	453,989	1.4%	70.6%	72.0%
<b>Nagoya</b>	49	49	438,849	413,075	6.2%	268,131	263,404	1.8%	61.1%	63.8%
<b>Kyushu</b>	49	48	195,303	190,449	2.5%	117,854	115,921	1.7%	60.3%	60.9%
<b>Yokohama</b>	50	48	193,019	188,916	2.2%	135,994	133,648	1.8%	70.5%	70.7%
<b>Sapporo</b>	49	49	139,410	139,094	0.2%	83,660	86,673	▲3.5%	60.0%	62.3%
<b>Osaka</b>	49	49	127,377	123,371	3.2%	79,967	80,154	▲0.2%	62.8%	65.0%
<b>R-Nagoya</b>	49	50	119,204	115,956	2.8%	103,978	98,086	6.0%	87.2%	84.6%
<b>Shizuoka</b>	49	49	83,117	88,719	▲6.3%	48,060	52,560	▲8.6%	57.8%	59.2%
<b>Tohoku</b>	49	49	71,566	71,663	▲0.1%	52,939	54,752	▲3.3%	74.0%	76.4%
<b>Okayama</b>	49	49	70,244	71,840	▲2.2%	44,494	44,948	▲1.0%	63.3%	62.6%
<b>Gunma</b>	49	48	63,097	65,612	▲3.8%	43,538	43,592	▲0.1%	69.0%	66.4%
<b>Saitama</b>	49	49	52,172	56,291	▲7.3%	28,088	30,959	▲9.3%	53.8%	55.0%
<b>Fukuoka</b>	49	49	44,893	45,048	▲0.3%	19,409	21,277	▲8.8%	43.2%	47.2%
<b>Kobe</b>	49	49	44,794	40,531	10.5%	26,136	24,210	8.0%	58.3%	59.7%
<b>Niigata</b>	49	49	39,238	39,849	▲1.5%	19,652	20,472	▲4.0%	50.1%	51.4%
<b>Hokuriku</b>	49	49	19,261	24,346	▲20.9%	13,093	16,362	▲20.0%	68.0%	67.2%
<b>Total</b>	785	782	2,353,141	2,305,189	2.1%	1,545,233	1,541,007	0.3%	65.7%	66.8%

\*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)		
	FY3/14	FY3/15	YoY
<b>Net sales</b>	<b>11,622</b>	<b>10,084</b>	<b>86.8%</b>
<b>Operating income (Per sales)</b>	<b>724 (6.2%)</b>	<b>464 (4.6%)</b>	<b>64.2%</b>

Rabbit sales decreased 14.4% to 6,737 million yen and operating income decreased 26.9% to 364 million yen

- A smaller number of vehicles handled and downturn of selling price were the main reasons

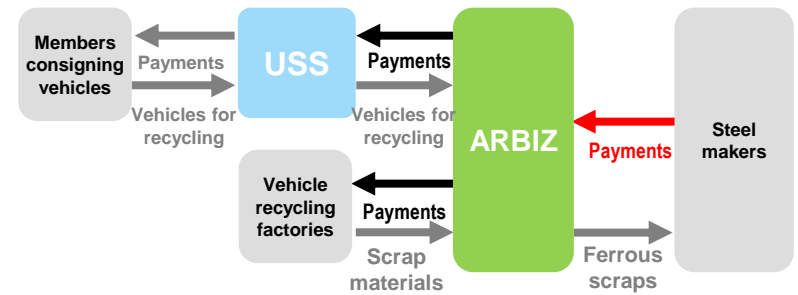
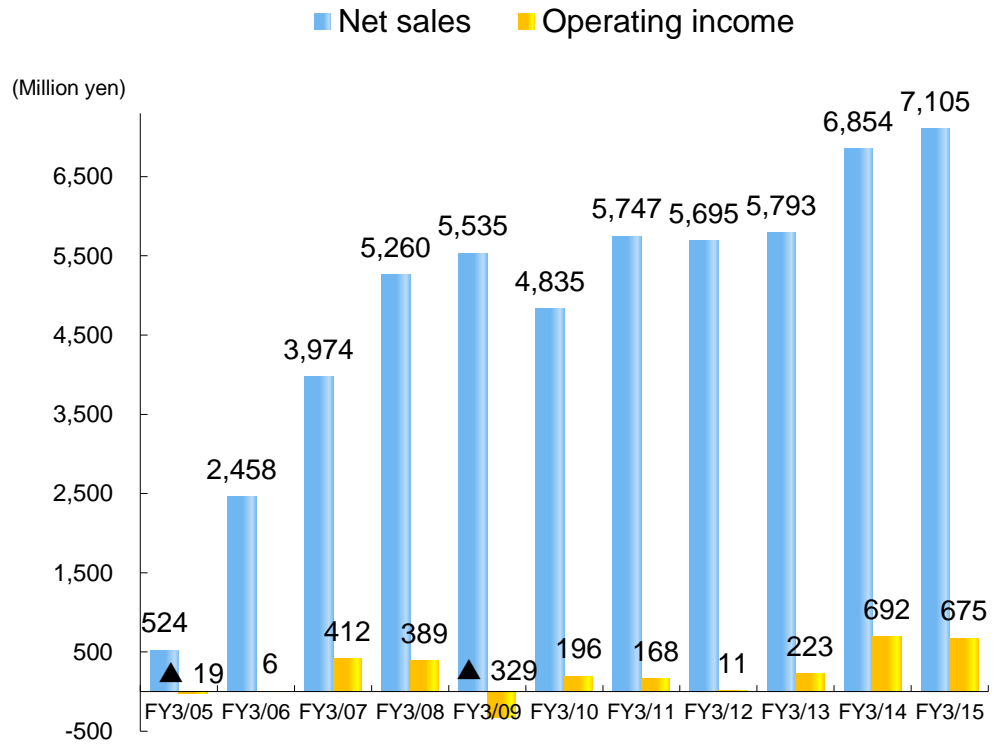
Sales of accident-damaged vehicles decreased 10.9% to 3,347 million yen and operating income decreased 55.7% to 99 million yen

- A smaller number of vehicles handled was the main cause

\*On July 1, 2014, R&W Co., Ltd. conducted a company split to establish Rabbit Car Network Co., Ltd. The new entity took over the Rabbit Business Division of R&W.

\*On January 1, 2015, R&W Co., Ltd. was renamed Repro World Co., Ltd.

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



	(Million yen)		
	FY3/14	FY3/15	YoY
<b>Net sales</b>	<b>6,854</b>	<b>7,105</b>	<b>103.7%</b>
<b>Operating income (Per sales)</b>	<b>692 (10.1%)</b>	<b>675 (9.5%)</b>	<b>97.6%</b>

**ARBIZ sales increased 4.3% to 5,027 million yen and operating income decreased 8.7% to 462 million yen**

- Sales increased with the higher volume of end-of-life vehicles but the drop in prices for ferrous scrap brought down earnings

**CAR QUEST Toyo sales decreased 7.7% to 1,383 million yen and operating income decreased 38.7% to 79 million yen**

- In elastic pavement products category, there was a decline starting in the third quarter in the volume of color products, which have a high profit margin

**USS Logistics International Service sales increased 21.4% to 609 million yen and operating income increased 126.2% to 105 million yen**

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