

# Consolidated Earning Results for the First Quarter ended June 30, 2012

August 7, 2012

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

Stock Code : 4732

(URL <http://www.ussnet.co.jp>)

President : Yukihiro Ando

Contact : Masafumi Yamanaka

Senior Managing Director & Officer of Supervisory Office

Date of Filing of Quarterly Report (Scheduled): August 10, 2012

Starting Date of Dividend Payment (Scheduled): —

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results to be held: No

Stock Exchanges Listings : Tokyo and Nagoya

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## 1. Consolidated Results for the First Quarter ended June 30, 2012 (April 1, 2012 – June 30, 2012)

### (1) Consolidated Operating Results (Accumulated)

(millions of yen)

	Net sales		Operating income		Ordinary income	
Three months ended Jun. 30, 2012	15,684	(0.9%)	7,120	2.9%	7,166	1.8%
Three months ended Jun. 30, 2011	15,829	3.1%	6,921	12.5%	7,041	15.5%

	Net income		Net income per share (yen)	Diluted net income per share (yen)
Three months ended Jun. 30, 2012	4,374	5.1%	160.15	159.85
Three months ended Jun. 30, 2011	4,161	28.3%	145.20	145.12

Note: 1. Comprehensive Income (millions of yen): As of June 30, 2012: 4,324 +3.4% As of June 30, 2011: 4,183 +26.9%

2. Percent indication shows percentage of change from corresponding figure for the same quarter of the prior fiscal year.

### (2) Consolidated Financial Position

(millions of yen)

	Total assets	Net assets	Equity ratio (%)
As of June 30, 2012	150,031	121,815	80.9
As of March 31, 2012	154,639	121,097	78.0

Reference: Shareholders' equity (millions of yen): As of June 30, 2012: 121,308 As of March 31, 2012: 120,582

## 2. Dividends

(Reference date)	Dividend per share (yen)				
	First quarter	Second quarter	Third quarter	Fiscal year	Total
Year ended March 31, 2012	—	110.00	—	134.00	244.00
Year ending March 31, 2013	—				
Year ending March 31, 2013 (Estimated)		161.50	—	131.50	293.00

Note: 1. Revision of dividends forecast for this period: No

2. Estimated second quarter dividend for FY3/2013 includes 30 yen commemorative dividend.

## 3. Consolidated Outlook for Fiscal 2012 (April 1, 2012 – March 31, 2013)

(millions of yen)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (yen)
Second Quarter (cumulative term)	31,800	1.2%	14,000	5.2%	14,100	5.1%	8,650	9.0%	316.65
For the year	65,000	1.5%	29,000	3.7%	29,250	2.3%	17,950	5.2%	657.10

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

Note: Revision of outlook for this period: No

#### 4. Other Information

(1) Significant change of subsidiaries during the term (changes of specified subsidiaries that affected the scope of consolidated reporting): No

(2) Use of simplified accounting method and special accounting policy for quarterly financial reporting: Yes

##### Calculation of tax expenses

The Company calculates interim income tax expense by multiplying reasonably estimated annual effective tax rate, which includes the effects of deferred taxes, by year-to-date income before income taxes for the reporting period.

The income taxes-deferred is included in income taxes.

(3) Changes in accounting principals, accounting-based estimates and revised restatements

1) Changes in accounting principals associated with changes in accounting standards: Yes

In conjunction with changes to the Corporation Tax Act, from the quarter under review the Company and its consolidated subsidiaries have adopted a new depreciation method for tangible fixed assets acquired on and after April 1, 2012 based on the revised law. This change will have minimal impact on income or loss.

2) Other changes in accounting principals : No

3) Changes in accounting-based estimates: Yes

Please refer 1) above.

4) Revised restatements : No

(4) Number of shares issued (common shares):

1) Number of shares issued (including treasury stock):

As of June 30, 2012: 31,325,000 shares As of March 31, 2012: 31,325,000 shares

2) Number of treasury stock:

As of June 30, 2012: 4,123,551 shares As of March 31, 2012: 4,128,021 shares

3) Average number of outstanding stock for each period (cumulative term):

As of June 30, 2012: 27,316,959 shares As of June 30, 2011 : 28,659,192 shares

Note: Number of Treasury stock as of March 31, 2012 includes 119,980 shares, and as of June 30, 2012 includes 115,510 shares held by the USS Employee Stock Ownership Plan Trust.

#### \*Explanation of the appropriate use of forecasts and other related items

The above forecast has been prepared based on information available at the time of this writing. Actual performance is subject to various factors and is therefore to change.

## 5. Quarterly Consolidated Financial Statements

### (1) Consolidated Quarterly Balance Sheets

(millions of yen)

	FY 2011 (As of March 31, 2012)	FY2012 First Quarter (As of June 30, 2012)
<b>Assets</b>		
<b>Current assets:</b>		
Cash and deposits	36,840	34,737
Receivables due from member dealers at auction	11,635	9,910
Notes and accounts receivable-trade	2,734	2,384
Short-term investment securities	100	-
Inventories	962	882
Other	1,522	2,059
Allowance for doubtful accounts	(63)	(55)
Total current assets	53,731	49,919
<b>Noncurrent assets:</b>		
Property, plant and equipment		
Buildings and structures, net	29,762	29,178
Land	58,873	58,184
Construction in progress	9	10
Other, net	2,328	2,136
Total property, plant and equipment	90,974	89,510
Intangible assets		
Goodwill	17	20
Other	847	806
Total intangible assets	865	827
Investments and other assets		
Investments and other assets	9,156	9,865
Allowance for doubtful accounts	(87)	(92)
Total investments and other assets	9,068	9,773
Total noncurrent assets	100,908	100,111
<b>Total assets</b>	<b>154,639</b>	<b>150,031</b>

(millions of yen)

	FY 2011 (As of March 31, 2012)	FY2012 First Quarter (As of June 30, 2012)
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Payables due to member dealers at auction	13,154	11,404
Notes and accounts payable-trade	560	453
Short-term loans payable	93	93
Income taxes payable	5,900	1,680
Provision	534	828
Other	6,083	6,651
Total current liabilities	26,326	21,110
<b>Noncurrent liabilities:</b>		
Long-term loans payable	1,174	1,150
Provision	155	52
Asset retirement obligations	683	685
Other	5,202	5,216
Total noncurrent liabilities	7,215	7,105
<b>Total liabilities</b>	<b>33,541</b>	<b>28,216</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	18,881	18,881
Capital surplus	18,972	18,972
Retained earnings	115,066	115,797
Treasury stock	(27,110)	(27,074)
Total shareholders' equity	125,809	126,576
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	93	52
Revaluation reserve for land	(5,320)	(5,320)
Total accumulated other comprehensive income	(5,227)	(5,268)
<b>Subscription rights to shares</b>	230	230
<b>Minority interests</b>	284	276
<b>Total net assets</b>	<b>121,097</b>	<b>121,815</b>
<b>Total liabilities and net assets</b>	<b>154,639</b>	<b>150,031</b>

**(2) Consolidated Quarterly Statements of (Comprehensive) Income****(Consolidated Quarterly Statements of Income)**

(millions of yen)

	FY2011 First Quarter (April 1, 2011 through June 30, 2011)	FY2012 First Quarter (April 1, 2012 through June 30, 2012)
<b>Net sales</b>	15,829	15,684
<b>Cost of sales</b>	6,464	6,218
<b>Gross profit</b>	9,365	9,465
<b>Selling, general and administrative expenses</b>	2,444	2,345
<b>Operating income</b>	6,921	7,120
<b>Non-operating income</b>		
Interest income	3	4
Real estate rent	42	95
Gain on valuation of compound financial instruments	39	-
Miscellaneous income	43	38
Total non-operating income	128	138
<b>Non-operating expenses</b>		
Interest expenses	1	1
Rent cost of real estate	3	15
Loss on valuation of compound financial instruments	-	66
Miscellaneous loss	3	7
Total non-operating expenses	8	91
<b>Ordinary income</b>	7,041	7,166
<b>Extraordinary income:</b>		
Gain on sales of noncurrent assets	23	1
Total extraordinary income	23	1
<b>Extraordinary loss:</b>		
Loss on sales of noncurrent assets	-	0
Loss on retirement of noncurrent assets	5	7
Other	1	-
Total extraordinary losses	6	7

(millions of yen)

	FY2011 First Quarter (April 1, 2011 through June 30, 2011)	FY2012 First Quarter (April 1, 2012 through June 30, 2012)
<b>Income before income taxes and minority interests</b>	7,058	7,160
<b>Income taxes</b>	2,867	2,794
<b>Income before minority interests</b>	4,190	4,366
<b>Minority interests in income</b>	28	(8)
<b>Net income</b>	4,161	4,374

**(Consolidated Quarterly Statements of Comprehensive Income)**

(millions of yen)

	FY2011 First Quarter (April 1, 2011 through June 30, 2011)	FY2012 First Quarter (April 1, 2012 through June 30, 2012)
<b>Income before minority interests</b>	4,190	4,366
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(6)	(41)
Total other comprehensive income	(6)	(41)
<b>Comprehensive income</b>	4,183	4,324
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	4,155	4,333
Comprehensive income attributable to minority interests	28	(8)

**(3) Consolidated Quarterly Statements of Cash Flows**

(millions of yen)

	FY2011 First Quarter (April 1, 2011 through June 30, 2011)	FY2012 First Quarter (April 1, 2012 through June 30, 2012)
<b>Net cash provided by (used in) operating activities:</b>		
Income before income taxes and minority interests	7,058	7,160
Depreciation and other amortization	990	855
Amortization of goodwill	22	(3)
Increase (decrease) in allowance for doubtful accounts	(2)	(4)
Increase (decrease) in provision for bonuses	233	293
Increase (decrease) in provision for retirement benefits	9	(103)
Interest and dividends income	(3)	(4)
Interest expenses	1	1
Loss (gain) on valuation of compound financial instruments	(39)	66
Loss (gain) on sales and retirement of property, plant and equipment	(17)	5
Net change in due from/to member dealers at auction	96	(25)
Decrease (increase) in notes and accounts receivable-trade	344	349
Increase (decrease) in notes and accounts payable-trade	(112)	(106)
Increase (decrease) in deposits received	471	667
Other, net	(423)	(529)
Subtotal	8,627	8,623
Interest and dividends income received	3	2
Interest expenses paid	(1)	(1)
Income taxes paid	(5,586)	(6,987)
Net cash provided by (used in) operating activities	3,043	1,636



(millions of yen)

	FY2011 First Quarter (April 1, 2011 through June 30, 2011)	FY2012 First Quarter (April 1, 2012 through June 30, 2012)
<b>Net cash provided by (used in) investing activities:</b>		
Net decrease (increase) in time deposits	700	(300)
Purchase of property, plant and equipment	(127)	(103)
Proceeds from sales of property, plant and equipment	48	3
Purchase of intangible assets	(28)	(37)
Purchase of investment securities	(157)	-
Proceeds from redemption of investment securities	-	100
Purchase of long-term prepaid expenses	(5)	(5)
Purchase of stocks of subsidiaries and affiliates	(268)	-
Other, net	2	(14)
Net cash provide by (used in) investing activities	163	(358)
<b>Net cash provided by (used in) financing activities:</b>		
Net increase (decrease) in short-term loans payable	50	-
Repayment of long-term loans payable	(49)	(23)
Proceeds from guarantee deposits received from member dealers	56	70
Repayments of guarantee deposits received from member dealers	(23)	(22)
Purchase of treasury stock	(3,078)	-
Proceeds from sales of treasury stock	-	36
Cash dividends paid	(2,924)	(3,644)
Repayments of finance lease obligations	(79)	(98)
Net cash provided by (used in) financing activities	(6,049)	(3,681)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,841)</b>	<b>(2,402)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>29,280</b>	<b>28,540</b>
<b>Cash and cash equivalents at end of period</b>	<b>26,438</b>	<b>26,137</b>