

# Consolidated Financial Results for the First Quarter ended June 30, 2024

August 6, 2024

Name of Company: USS Co., Ltd.  
 Stock Exchanges Listing: Tokyo Stock Exchange, Nagoya Stock Exchange  
 Stock Code: 4732 URL: <https://www.ussnet.co.jp/en/>  
 Representative: Title: Chairman and Representative Name: Yukihiro Ando  
 Director  
 Contact Person: Title: Executive Vice President and Name: Masafumi Yamanaka  
 Officer of Supervisory Office  
 Tel: +81-52-689-1129  
 Scheduled date of commencement of dividend payment -  
 Supplementary materials for quarterly financial results Yes  
 Information meeting for quarterly financial results None

## 1. Consolidated Results for the First Quarter ended June 30, 2024 (April 1, 2024 – June 30, 2024)

### (1) Consolidated Operating Results (year-to-date)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit	
	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2024	25,640	7.1	13,443	12.3	13,620	12.3
Three months ended June 30, 2023	23,929	13.2	11,971	10.6	12,130	10.3

	Profit attributable to owners of parent		Profit per share	Diluted profit per share
	Million yen	%	Yen	Yen
Three months ended June 30, 2024	9,252	14.2	19.26	19.22
Three months ended June 30, 2023	8,102	8.9	16.64	16.61

Notes: 1. Comprehensive income (million yen): Three months ended June 30, 2024: 9,324 13.6%  
 Three months ended June 30, 2023: 8,208 9.5%

2. There was a 2-for-1 stock split on April 1, 2024. Profit per share and diluted profit per share are based on the number of shares if this stock split was instead at the beginning of previous fiscal year.

### (2) Consolidated Financial Position

	Total assets (Million yen)	Net assets (Million yen)	Equity ratio (%)
As of June 30, 2024	265,572	198,357	73.4
As of March 31, 2024	271,557	199,021	72.0

Note: Equity capital (million yen): As of June 30, 2024 : 195,044  
 As of March 31, 2024: 195,558

## 2. Dividends

(Reference date)	Dividend per share (Yen)				
	First quarter - end	Second quarter - end	Third quarter - end	Fiscal year - end	Total
Year ended March 31, 2024	—	34.70	—	40.70	75.40
Year ending March 31, 2025	—				
Year ending March 31, 2025(Forecast)		20.60	—	20.60	41.20

Notes: 1. Revision of dividend forecast of this period: Yes

2. There was a 2-for-1 stock split on April 1, 2024. The dividend for the fiscal year ending on March 31, 2025(Forecast), reflects this stock split and the dividends for the fiscal year that ended on March 31, 2024 is the actual dividends without reflecting this stock split.

### 3. Forecast of Consolidated Financial Results for the year ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	50,450	4.9	25,840	8.7	26,190	8.5	17,860	10.5	37.17
For the year	102,600	5.1	52,500	7.3	53,200	7.1	36,000	9.4	74.93

Note: Revision of financial forecast for this period: Yes

#### \*Notes

(1) Significant changes in the scope of consolidation during the period: None

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

Calculation of tax expenses

Taxes are calculated by determining a reasonable estimate of the effective tax rate, after the application of tax effect accounting, for income before income taxes in the current fiscal year (including the first quarter). Quarterly income before income taxes is then multiplied by this estimated effective tax rate to calculate taxes.

(3) Changes in accounting principles, estimates and retrospective restatement

1) Changes due to revision of accounting standards: Yes

Change in accounting policy

(Application of Accounting Standards for Corporate, Resident, and Business Taxes, etc)

The Accounting Standards for Corporate, Resident, and Business Taxes (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the "2022 Revised Accounting Standards"), have been applied from the beginning of this first quarter consolidated accounting period.

Regarding the amendments to the classification of corporate taxes (taxation on other comprehensive income), we are adhering to the transitional treatment specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment outlined in the proviso to Paragraph 65-2 (2) of the "Guidelines for the Implementation of Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "2022 Revised Implementation Guidelines"). This has no impact on the consolidated financial statements.

In addition, concerning the amendments related to the review of the treatment in consolidated financial statements, where profits or losses arising from the sale of subsidiary shares between consolidated companies are deferred for tax purposes, the "2022 Revised Implementation Guidelines" have been applied from the beginning of the first quarter of this consolidated accounting period. This change in accounting policy has been applied retroactively. Accordingly, the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and fiscal year have been restated. This retroactive application has no impact on the previously reported quarterly consolidated financial statements for the prior quarter or the consolidated financial statements for the prior fiscal year.

2) Changes other than in 1) : None

3) Changes in accounting estimates : None

4) Retrospective restatement : None

(4) Number of shares outstanding (common shares)

1) Shares outstanding (including treasury shares)

As of June 30, 2024 : 514,000,000 shares

As of March 31, 2024 : 514,000,000 shares

2) Treasury shares

As of June 30, 2024 : 33,556,456 shares

As of March 31, 2024 : 33,626,010 shares

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

As of June 30, 2024 : 480,401,655 shares

As of June 30, 2023 : 486,703,428 shares

Notes: 1. There was a 2-for-1 stock split on April 1, 2024. Shares outstanding (including treasury shares), treasury shares, and average number of shares used for per-share figures represent the number of shares that would have existed if this stock split had occurred at the beginning of the previous fiscal year.

2. Treasury shares includes 504,100 shares as of June 30, 2024 and 574,300 shares as of March 31, 2024 held by the USS employee stock ownership plan trust.

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

\* Cautionary statement regarding forecasts of operating results and special notes  
(Note regarding the forward-looking statements)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. These statements are not promises by the Company regarding future performance. Actual results may differ significantly from these statements for a number of reasons.

(Supplementary explanatory documents)

Supplementary explanatory documents will be posted on the Company's website on August 6, 2024.

#### 4. Quarterly Consolidated Financial Statements

##### (1) Quarterly Consolidated Balance Sheet

(Million yen)

	FY 2023 (As of March 31, 2024)	FY 2024 First Quarter (As of June 30, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	109,009	102,596
Receivables due from member dealers at auction	24,519	25,194
Notes and accounts receivable-trade, and contract assets	2,710	1,968
Securities	3,000	3,000
Inventories	1,651	1,330
Other	7,604	8,994
Allowance for doubtful accounts	(124)	(139)
<b>Total current assets</b>	<b>148,371</b>	<b>142,945</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	32,680	32,222
Land	63,577	63,577
Construction in progress	327	308
Other, net	2,410	2,438
<b>Total property, plant and equipment</b>	<b>98,996</b>	<b>98,547</b>
Intangible assets		
Goodwill	7,287	7,152
Other	5,499	5,519
<b>Total intangible assets</b>	<b>12,786</b>	<b>12,671</b>
Investments and other assets		
Investments and other assets	11,594	11,675
Allowance for doubtful accounts	(191)	(267)
<b>Total investments and other assets</b>	<b>11,402</b>	<b>11,407</b>
<b>Total non-current assets</b>	<b>123,186</b>	<b>122,626</b>
<b>Total assets</b>	<b>271,557</b>	<b>265,572</b>

(Million yen)

	FY 2023 (As of March 31, 2024)	FY 2024 First Quarter (As of June 30, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payables due to member dealers at auction	43,749	43,596
Notes and accounts payable-trade	991	601
Short-term borrowings	150	150
Current portion of long-term borrowings	220	220
Income taxes payable	9,128	4,486
Provisions	1,010	1,501
Other	7,879	7,282
<b>Total current liabilities</b>	<b>63,130</b>	<b>57,838</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,215	2,160
Provisions	99	116
Retirement benefit liability	974	1,001
Asset retirement obligations	642	643
Other	5,472	5,454
<b>Total non-current liabilities</b>	<b>9,404</b>	<b>9,376</b>
<b>Total liabilities</b>	<b>72,535</b>	<b>67,214</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	18,881	18,881
Capital surplus	8,992	8,992
Retained earnings	196,225	195,690
Treasury shares	(23,298)	(23,215)
<b>Total shareholders' equity</b>	<b>200,800</b>	<b>200,349</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	370	308
Revaluation reserve for land	(5,636)	(5,636)
Remeasurements of defined benefit plans	23	23
<b>Total accumulated other comprehensive income</b>	<b>(5,242)</b>	<b>(5,304)</b>
<b>Share acquisition rights</b>	<b>442</b>	<b>442</b>
<b>Non-controlling interests</b>	<b>3,021</b>	<b>2,871</b>
<b>Total net assets</b>	<b>199,021</b>	<b>198,357</b>
<b>Total liabilities and net assets</b>	<b>271,557</b>	<b>265,572</b>

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

(Million yen)

	FY 2023 First Quarter (April 1, 2023 to June 30, 2023)	FY 2024 First Quarter (April 1, 2024 to June 30, 2024)
<b>Net sales</b>	23,929	25,640
<b>Cost of sales</b>	9,464	9,642
<b>Gross profit</b>	14,465	15,997
<b>Selling, general and administrative expenses</b>	2,493	2,554
<b>Operating profit</b>	11,971	13,443
<b>Non-operating income</b>		
Interest income	2	5
Rental income from real estate	175	171
Miscellaneous income	34	59
Total non-operating income	212	236
<b>Non-operating expenses</b>		
Interest expenses	2	2
Rental costs on real estate	45	42
Miscellaneous losses	5	14
Total non-operating expenses	53	59
<b>Ordinary profit</b>	12,130	13,620
<b>Extraordinary income</b>		
Gain on sale of non-current assets	12	110
Other	-	1
Total extraordinary income	12	111
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	4	116
Total extraordinary losses	4	116
<b>Profit before income taxes</b>	12,138	13,615
<b>Income taxes</b>	3,779	4,229
<b>Profit</b>	8,358	9,386
<b>Profit attributable to non-controlling interests</b>	256	133
<b>Profit attributable to owners of parent</b>	8,102	9,252

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

(Million yen)

	FY 2023 First Quarter (April 1, 2023 to June 30, 2023)	FY 2024 First Quarter (April 1, 2024 to June 30, 2024)
<b>Profit</b>	8,358	9,386
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(150)	(61)
Remeasurements of defined benefit plans, net of tax	0	(0)
Total other comprehensive income	(150)	(62)
<b>Comprehensive income</b>	8,208	9,324
<b>(Comprehensive income attributable to)</b>		
Comprehensive income attributable to owners of parent	7,951	9,190
Comprehensive income attributable to non-controlling interests	256	133

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

(Million yen)

	FY 2023 First Quarter (April 1, 2023 to June 30, 2023)	FY 2024 First Quarter (April 1, 2024 to June 30, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	12,138	13,615
Depreciation and amortization	1,126	1,100
Amortization of goodwill	134	134
Increase (decrease) in allowance for doubtful accounts	10	91
Increase (decrease) in provision for bonuses	425	485
Increase (decrease) in retirement benefit liability	30	26
Interest and dividend income	(2)	(5)
Interest expenses	2	2
Loss (gain) on sale and retirement of property, plant and equipment	(7)	5
Net change in due from/to member dealers at auction	1,657	(828)
Decrease (increase) in trade receivables	111	742
Increase (decrease) in trade payables	43	(390)
Increase (decrease) in accounts payable-other	280	(202)
Increase (decrease) in deposits received	(285)	(470)
Other, net	(811)	(1,260)
Subtotal	14,855	13,047
Interest and dividends received	4	16
Interest paid	(2)	(2)
Income taxes paid	(7,646)	(8,662)
Net cash provided by (used in) operating activities	7,210	4,399
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	-	(2,000)
Purchase of property, plant and equipment	(575)	(549)
Proceeds from sale of property, plant and equipment	13	178
Purchase of intangible assets	(92)	(309)
Other, net	(14)	(22)
Net cash provided by (used in) investing activities	(669)	(2,702)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	560	-
Repayments of long-term borrowings	(89)	(55)
Guarantee deposits received from member dealers	50	39
Refund of guarantee deposits received from member dealers	(44)	(59)
Purchase of treasury shares	(11,817)	(0)
Proceeds from sale of treasury shares	111	51
Dividends paid	(8,268)	(9,787)
Dividends paid to non-controlling interests	(297)	(283)
Repayments of finance lease liabilities	(11)	(15)
Net cash provided by (used in) financing activities	(19,806)	(10,109)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(13,265)</b>	<b>(8,412)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>86,192</b>	<b>102,509</b>
<b>Cash and cash equivalents at end of period</b>	<b>72,926</b>	<b>94,096</b>