



# Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

November 5, 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 Officer Name: Masafumi Yamanaka  
 of Supervisory Office  
 Tel: +81-52-689-1129  
 Scheduled date to file semi-annual securities report: November 7, 2024  
 Scheduled date to commence dividend payments: December 6, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes

## 1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 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	%
Six months ended September 30, 2024	50,456	4.9	26,230	10.3	26,587	10.2
Six months ended September 30, 2023	48,093	13.3	23,779	12.1	24,131	11.8

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Million yen	%	Yen	Yen
Six months ended September 30, 2024	18,140	12.2	37.75	37.69
Six months ended September 30, 2023	16,164	10.6	33.42	33.35

Notes: 1. Comprehensive income (million yen): Six months ended September 30, 2024: 18,204 10.5%  
 Six months ended September 30, 2023: 16,480 12.0%

2. There was a 2-for-1 stock split on April 1, 2024. Basic earnings per share and diluted earnings 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 September 30, 2024	262,235	207,356	77.8
As of March 31, 2024	271,557	199,021	72.0

Note: Equity capital (million yen): As of September 30, 2024: 204,000  
 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		20.60			
Year ending March 31, 2025(Forecast)				21.00	41.60

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

2. There was a 2-for-1 stock split on April 1, 2024. 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		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the year	102,606	5.1	52,900	8.1	53,600	7.9	36,350	10.5	75.65

Note: Revision of financial forecast for this period: Yes

#### \*Notes

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: 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 half). Semi-annual income before income taxes is then multiplied by this estimated effective tax rate to calculate taxes.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: 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 the fiscal year ending in March 2025.

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 fiscal year ending in March 2025. This change in accounting policy has been applied retroactively. Accordingly, the consolidated semi-annual and fiscal year financial statements for the previous fiscal year have been restated. This retroactive application has no impact on these consolidated financial statements for the previous fiscal year.

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates : Yes

##### (Revision of Useful Life)

During the first half of this fiscal year, the decision was made to rebuild the Yokohama auction site. As a result, the useful lives of assets at this location that will no longer be used were reduced to the period ending with the start of reconstruction.

Compared with the previous depreciation method, this revision increased first half depreciation expenses by 23 million yen and lowered first half operating profit, ordinary profit and profit before income taxes by the same amount.

4) Restatement : None

(4) Number of shares outstanding (common shares)

1) Shares outstanding (including treasury shares)

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

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

2) Treasury shares

As of September 30, 2024 : 33,460,322 shares

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

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

Six months ended 30, 2024 : 480,455,065 shares

Six months ended 30, 2023 : 483,537,656 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 440,100 shares as of September 30, 2024 and 574,300 shares as of March 31, 2024 held by the USS employee stock ownership plan trust.

\* **Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.**

\* Proper use of earnings forecasts, and other special matters

(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 November 6, 2024.

#### 4. Semi-annual Consolidated Financial Statements

##### (1) Semi-annual Consolidated Balance Sheet

(Million yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	109,009	112,718
Receivables due from member dealers at auction	24,519	11,651
Notes and accounts receivable-trade, and contract assets	2,710	2,070
Securities	3,000	3,000
Inventories	1,651	1,362
Other	7,604	9,380
Allowance for doubtful accounts	(124)	(153)
Total current assets	148,371	140,030
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	32,680	31,729
Land	63,577	63,577
Construction in progress	327	527
Other, net	2,410	2,351
Total property, plant and equipment	98,996	98,187
Intangible assets		
Goodwill	7,287	7,017
Other	5,499	5,589
Total intangible assets	12,786	12,606
Investments and other assets		
Investments and other assets	11,594	11,736
Allowance for doubtful accounts	(191)	(324)
Total investments and other assets	11,402	11,411
Total non-current assets	123,186	122,205
<b>Total assets</b>	<b>271,557</b>	<b>262,235</b>

(Million yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payables due to member dealers at auction	43,749	28,043
Notes and accounts payable-trade	991	708
Short-term borrowings	150	250
Current portion of long-term borrowings	220	220
Income taxes payable	9,128	8,739
Provisions	1,010	1,031
Other	7,879	6,676
Total current liabilities	63,130	45,668
<b>Non-current liabilities</b>		
Long-term borrowings	2,215	1,918
Provisions	99	130
Retirement benefit liability	974	1,030
Asset retirement obligations	642	645
Other	5,472	5,486
Total non-current liabilities	9,404	9,211
<b>Total liabilities</b>	<b>72,535</b>	<b>54,879</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	18,881	18,881
Capital surplus	8,992	9,012
Retained earnings	196,225	204,577
Treasury shares	(23,298)	(23,117)
Total shareholders' equity	200,800	209,354
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	370	259
Revaluation reserve for land	(5,636)	(5,636)
Remeasurements of defined benefit plans	23	23
Total accumulated other comprehensive income	(5,242)	(5,353)
<b>Share acquisition rights</b>	442	442
<b>Non-controlling interests</b>	3,021	2,913
<b>Total net assets</b>	<b>199,021</b>	<b>207,356</b>
<b>Total liabilities and net assets</b>	<b>271,557</b>	<b>262,235</b>

**(2) Semi-annual Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****(Semi-annual Consolidated Statements of Income)**

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Net sales</b>	48,093	50,456
<b>Cost of sales</b>	19,115	19,064
<b>Gross profit</b>	28,978	31,392
<b>Selling, general and administrative expenses</b>	5,198	5,161
<b>Operating profit</b>	23,779	26,230
<b>Non-operating income</b>		
Interest income	5	11
Rental income from real estate	354	343
Miscellaneous income	96	108
Total non-operating income	456	463
<b>Non-operating expenses</b>		
Interest expenses	5	4
Rental costs on real estate	91	86
Miscellaneous losses	7	16
Total non-operating expenses	104	107
<b>Ordinary profit</b>	24,131	26,587
<b>Extraordinary income</b>		
Gain on sale of non-current assets	30	120
Other	1	3
Total extraordinary income	31	124
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	33	132
Total extraordinary losses	33	132
<b>Profit before income taxes</b>	24,128	26,578
<b>Income taxes</b>	7,522	8,263
<b>Profit</b>	16,606	18,315
<b>Profit attributable to non-controlling interests</b>	442	175
<b>Profit attributable to owners of parent</b>	16,164	18,140

**(Semi-annual Consolidated Statements of Comprehensive Income)** (Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Profit</b>	16,606	18,315
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(127)	(110)
Remeasurements of defined benefit plans, net of tax	0	(0)
<b>Total other comprehensive income</b>	<b>(126)</b>	<b>(111)</b>
<b>Comprehensive income</b>	<b>16,480</b>	<b>18,204</b>
<b>(Comprehensive income attributable to)</b>		
Comprehensive income attributable to owners of parent	16,037	18,028
Comprehensive income attributable to non-controlling interests	442	175

**(3) Semi-annual Consolidated Statements of Cash Flows**

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	24,128	26,578
Depreciation and amortization	2,290	2,228
Amortization of goodwill	269	269
Increase (decrease) in allowance for doubtful accounts	35	161
Increase (decrease) in provision for bonuses	2	14
Increase (decrease) in retirement benefit liability	49	54
Interest and dividend income	(28)	(20)
Interest expenses	5	4
Loss (gain) on sale and retirement of property, plant and equipment	2	11
Net change in due from/to member dealers at auction	4,209	(2,838)
Decrease (increase) in trade receivables	21	640
Increase (decrease) in trade payables	170	(283)
Increase (decrease) in accounts payable-other	168	(536)
Increase (decrease) in deposits received	(677)	(973)
Other, net	(1,924)	(1,569)
Subtotal	28,724	23,742
Interest and dividends received	31	32
Interest paid	(5)	(5)
Income taxes paid	(7,425)	(8,664)
Net cash provided by (used in) operating activities	21,324	15,105
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	-	(2,000)
Purchase of property, plant and equipment	(1,098)	(835)
Proceeds from sale of property, plant and equipment	42	209
Purchase of intangible assets	(161)	(503)
Other, net	(36)	(127)
Net cash provided by (used in) investing activities	(1,254)	(3,256)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(140)	100
Proceeds from long-term borrowings	880	-
Repayments of long-term borrowings	(169)	(296)
Guarantee deposits received from member dealers	93	84
Refund of guarantee deposits received from member dealers	(79)	(84)
Purchase of treasury shares	(12,697)	(0)
Proceeds from sale of treasury shares	1,024	176
Dividends paid	(8,268)	(9,787)
Dividends paid to non-controlling interests	(297)	(283)
Repayments of finance lease liabilities	(23)	(47)
Net cash provided by (used in) financing activities	(19,676)	(10,139)
<b>Net increase (decrease) in cash and cash equivalents</b>	394	1,709
<b>Cash and cash equivalents at beginning of period</b>	86,192	102,509
<b>Cash and cash equivalents at end of period</b>	86,586	104,218