

USS

Used car
System
Solutions

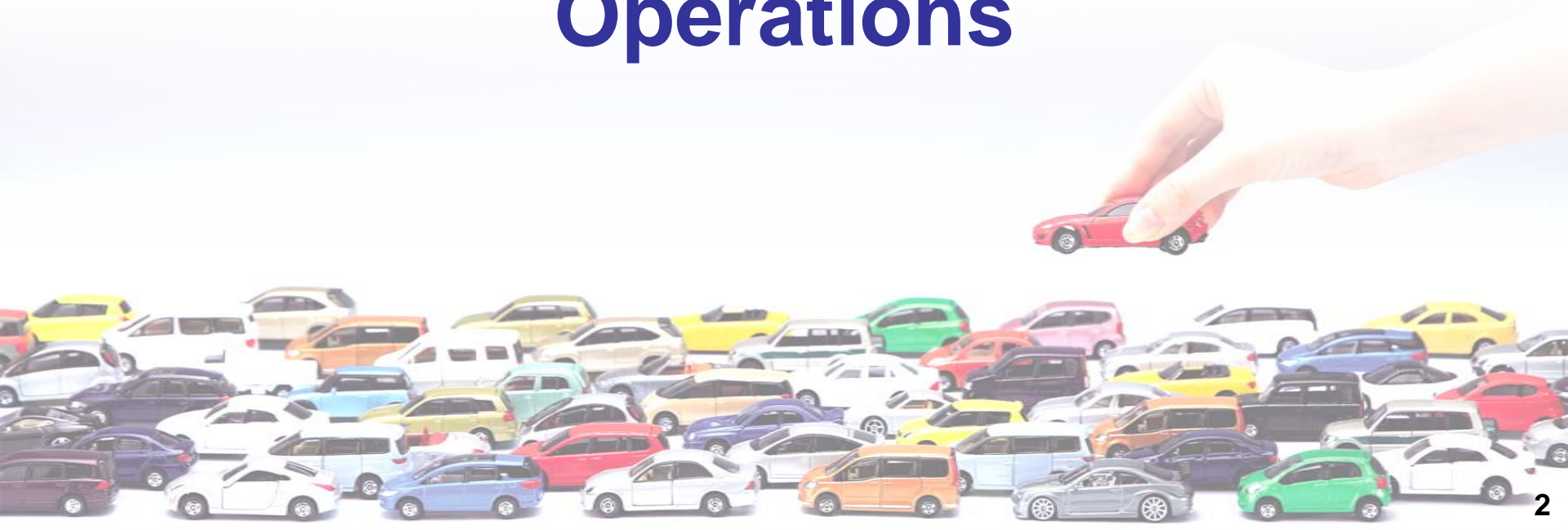
Consolidated Results of Operations

The second quarter, fiscal year ending March 31, 2012

USS Co., Ltd.
November 2011



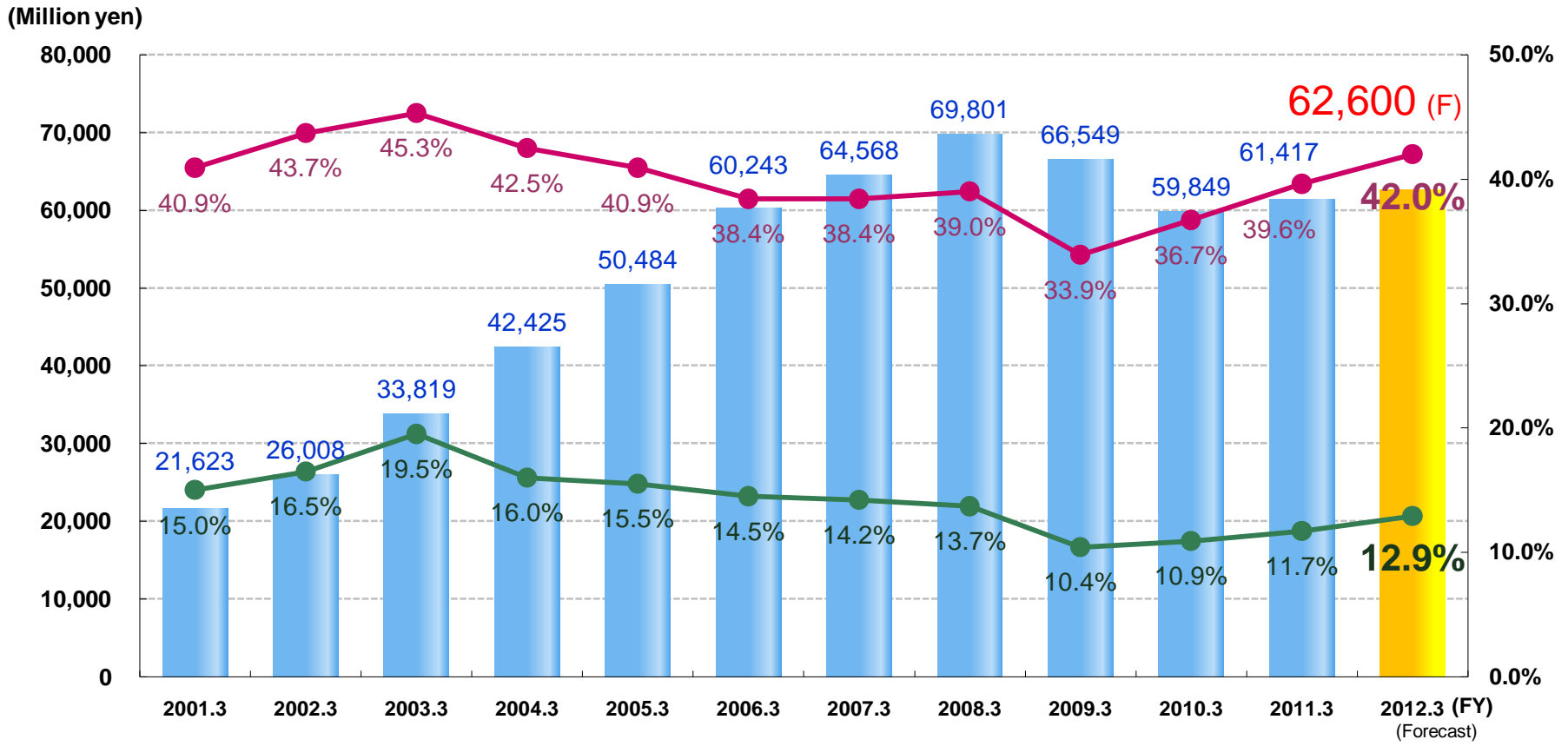
USS Profile and Results of Operations



(1) Consolidated Sales, Operating Margin and ROE

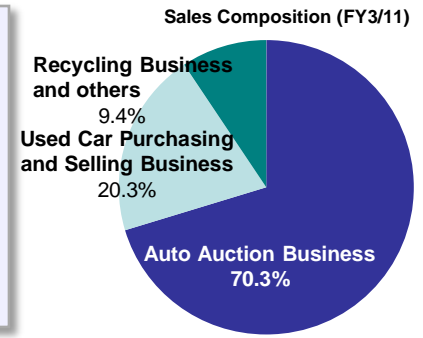
Steady medium-term growth and high profitability

■ Net sales ● Operating income ● ROE



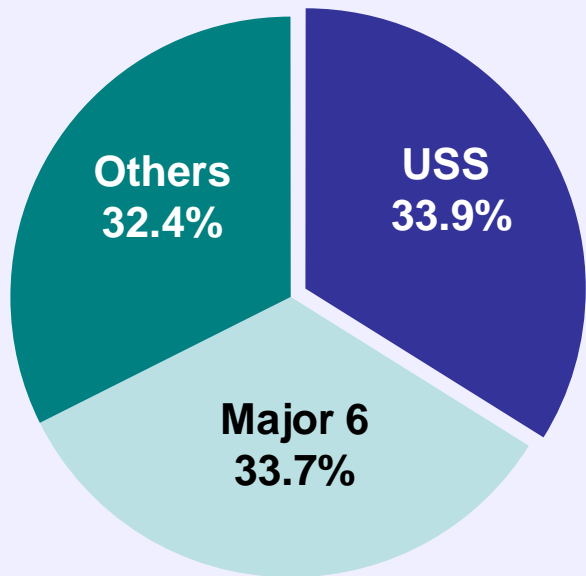
2001.3 - 2011.3

Avg. 10-year growth rate Sales 11.0% Operating income 10.7%
Avg. 10-year operating margin 39.8%
Average 10-year ROE 14.3%



Largest Share of the Auto Auction Market

Market share (Jan-Jun 2011)



*Major 6 : JAA(9.2%), TAA(7.8%), CAA(6.4%), Arai AA(4.1%), LAA(3.3%), KCAA(2.9%)

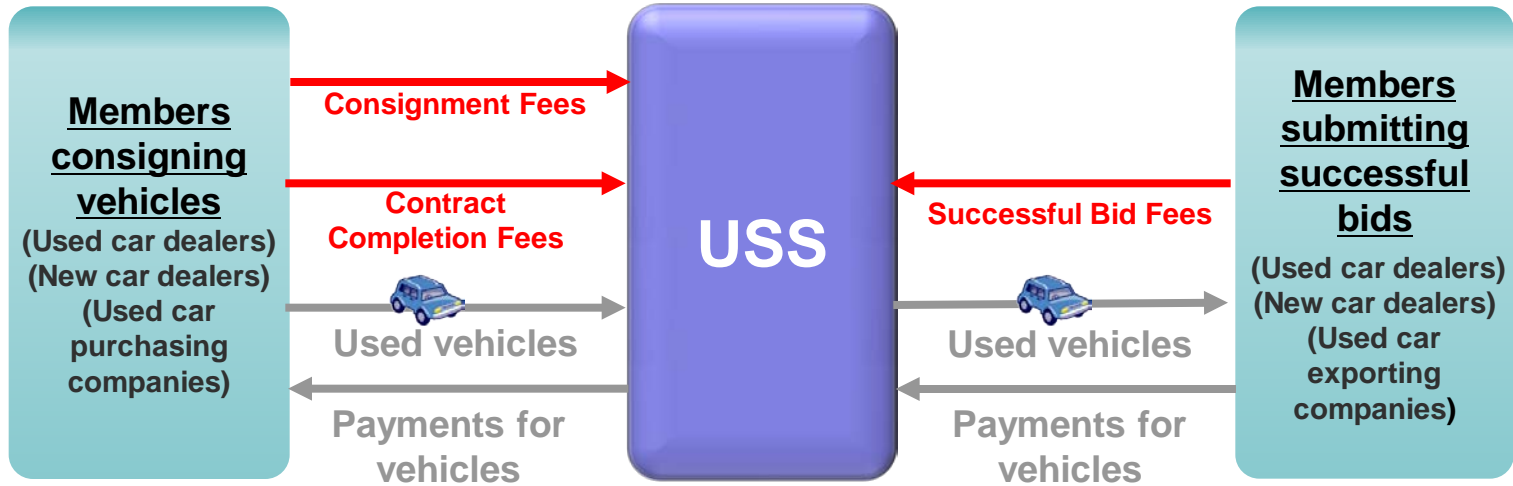
The Superiority of USS

- **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 80.8%

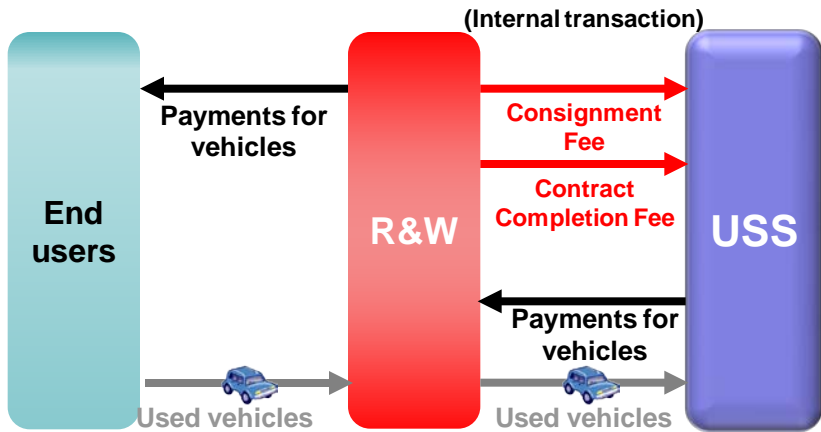
(As of end of Sep. 2011)

(3) Flow Charts of Core Business Models

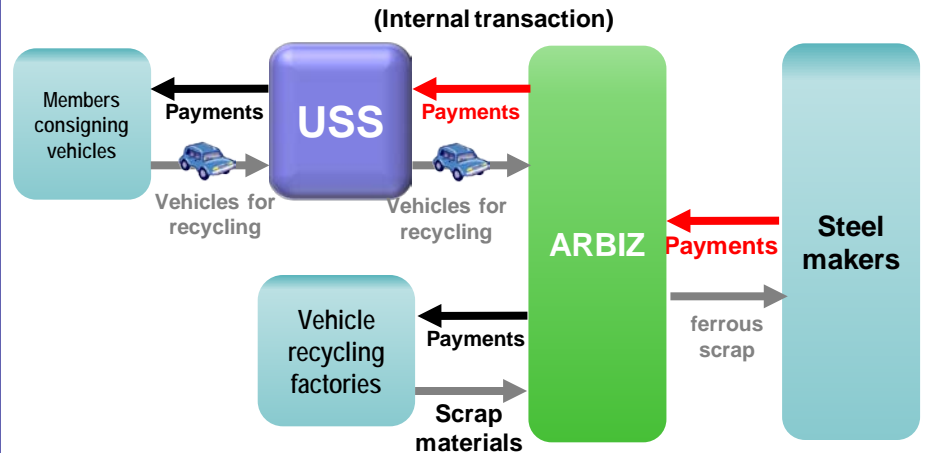
Auto Auction Business



Used Vehicle Sales/Purchases Business



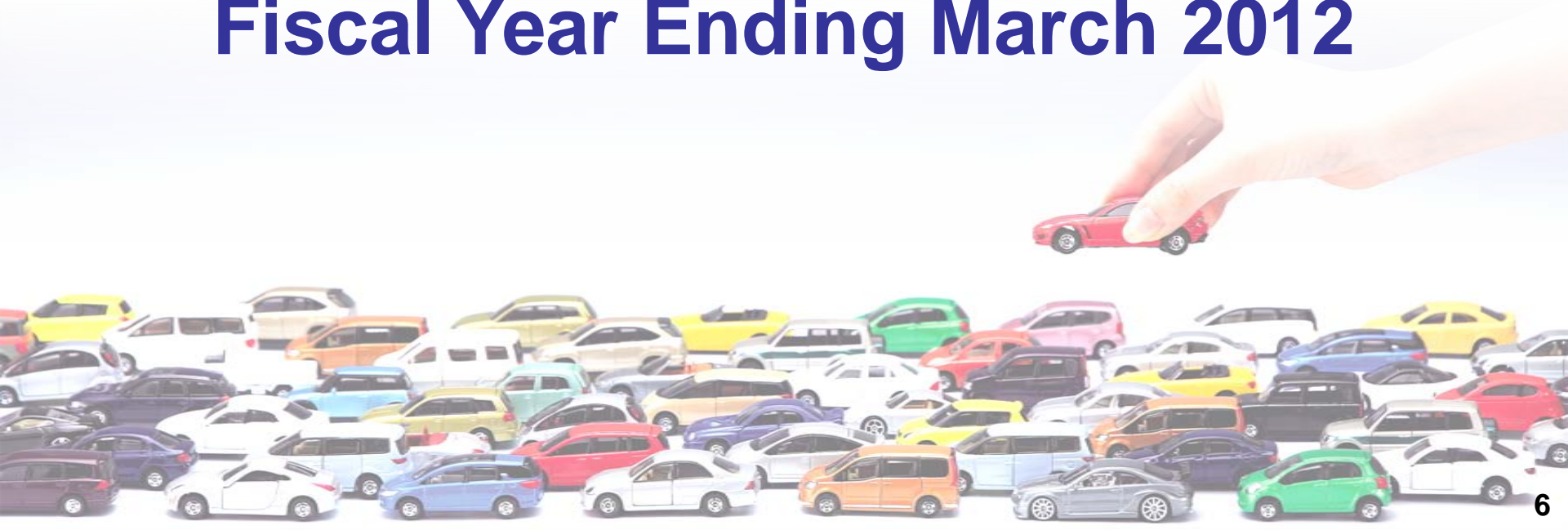
Recycling Business (ARBIZ)



Results of Operations

First Half

Fiscal Year Ending March 2012



- **Sales up 3.3% (YoY) despite a challenging operating environment**
 - Vehicles consigned down 6.2% and contracted vehicles up 1.4% (YoY)
 - Contract completion rate improved from 62.2% to 67.3% (YoY)
 - Satellite TV/Internet/Off-site contract successful bid ratio increased from 48.5% to 49.3% (YoY)
- **Operating income up 10.5% and ordinary income up 10.7% (YoY)**
 - Depreciation, leasing expenses and goodwill amortization declined
 - Operating margin improved to 42.4% from 39.6% in 1H of previous fiscal year
- **Increase in sales and earnings in the used car purchasing and selling business**
- **Big decrease in earnings in the recycling business**
- **Earnings per share increased 22.0% due in part to stock repurchases**
- **Maintained a high equity ratio of 80.8%**

Big increase in operating income due to higher contract completion rate and lower depreciation

(Million yen)

	1H FY3/11	1H FY3/12	Year on Year	Initial Plan (Aug 2, 2011)	VS. Plan
Net Sales	30,423	31,438	103.3	30,800	102.1%
Cost of sales (Per sales)	13,283 (43.7%)	13,084 (41.6%)	98.5%	12,798 (41.6%)	102.2%
Gross profit (Per sales)	17,139 (56.3%)	18,353 (58.4%)	107.1%	18,001 (58.4%)	102.0%
Selling, general and administrative expenses (Per sales)	5,089 (16.7%)	5,039 (16.0%)	99.0%	5,001 (16.2%)	100.8%
Operating income (Per sales)	12,050 (39.6%)	13,314 (42.4%)	110.5%	13,000 (42.2%)	102.4%
Ordinary income (Per sales)	12,117 (39.8%)	13,416 (42.7%)	110.7%	13,200 (42.9%)	101.6%
Net income (Per sales)	6,744 (22.2%)	7,932 (25.2%)	117.6%	7,750 (25.2%)	102.4%
Net income per share (yen)	228.62	278.93	122.0%	271.36	102.8%

Net sales:	Vehicles consigned decreased but fee income was higher because of an increase in fees rates In the used car purchasing and selling business, both the number of vehicles handled and selling prices were higher
Cost of sales:	Depreciation expenses and leasing expenses decreased
SG&A expenses:	Goodwill amortization decreased
Non-operating income/expenses:	72 million yen valuation loss on compound financial instruments (was valuation gain of 100 million yen one year earlier)

Outstanding financial soundness even as substantial earnings distributions to shareholders continue

(Million yen)

	2011.3	2011.9	Changes
Current assets	47,074	45,681	▲ 1,393
Cash and deposits	30,980	30,951	▲ 29
Receivables due from member dealers at auction	11,151	9,756	▲ 1,394
Other	4,942	4,973	30
Noncurrent assets	104,562	103,177	▲ 1,385
Property, plant and equipment	94,479	93,052	▲ 1,426
Intangible assets	1,114	957	▲ 156
Investments and other assets	8,969	9,167	197
Total assets	151,636	148,858	▲ 2,778
Current liabilities	22,994	21,415	▲ 1,578
Payables due to member dealers at auction	11,502	11,176	▲ 326
Short-term loans payable	188	118	▲ 69
Other	11,303	10,120	▲ 1,182
Noncurrent liabilities	6,695	6,630	▲ 65
Long-term loans payable	167	137	▲ 30
Other	6,527	6,492	▲ 35
Total liabilities	29,689	28,045	▲ 1,643
Total shareholders' equity	126,556	125,235	▲ 1,320
Total other comprehensive income	▲ 4,918	▲ 4,929	▲ 11
Subscription rights to shares	31	230	199
Minority interests	278	276	▲ 1
Total net assets	121,947	120,812	▲ 1,134

Current assets

- Receivables due from member dealers at auction down 1.39 billion yen

Noncurrent assets

- Noncurrent assets down 1.38 billion yen mainly because of depreciation of 1.92 billion yen

Current liabilities

- Current liabilities down 1.57 billion yen because of lower deposits received

Repurchased stock and consolidated dividend payout ratio of more than 40%

(Million yen)

	2010.9	2011.9	Changes
Net Cash provided operating activities	8,526	10,150	1,623
Income before income taxes	11,563	13,436	1,873
Depreciation and other amortization	2,308	2,000	▲308
Amortization of goodwill	202	45	▲157
Loss (▲gain) on sale and retirement of property, plant and equipment	▲3	▲21	▲18
Loss (▲gain) on sales and retirement of intangible assets	11	-	▲11
Net change in due from/to member dealers at auction (▲increase)	▲58	1,068	1,127
Income taxes paid	▲4,940	▲5,730	▲790
Other	▲556	▲648	▲92
Net cash provided by investing activities	▲2,075	▲3,734	▲1,659
Purchase of property, plant and equipment	▲1,031	▲300	730
Other	▲1,044	▲3,434	▲2,389
Net cash provided by financing activities	▲5,413	▲9,445	▲4,031
Net increase in loans payable	▲249	▲99	150
Purchases of treasury stock	▲2,147	▲6,328	▲4,180
Cash dividends paid	▲2,842	▲2,924	▲82
Other	▲173	▲91	82
Net increase (decrease) in cash and cash equivalents	1,037	▲3,029	▲4,067
Cash and cash equivalents at beginning of period	29,681	29,280	▲401
Cash and cash equivalents at end of period	30,719	26,251	▲4,468

Operating activities

- Income before income taxes was 13.43 billion yen
- Income taxes paid were 5.73 billion yen

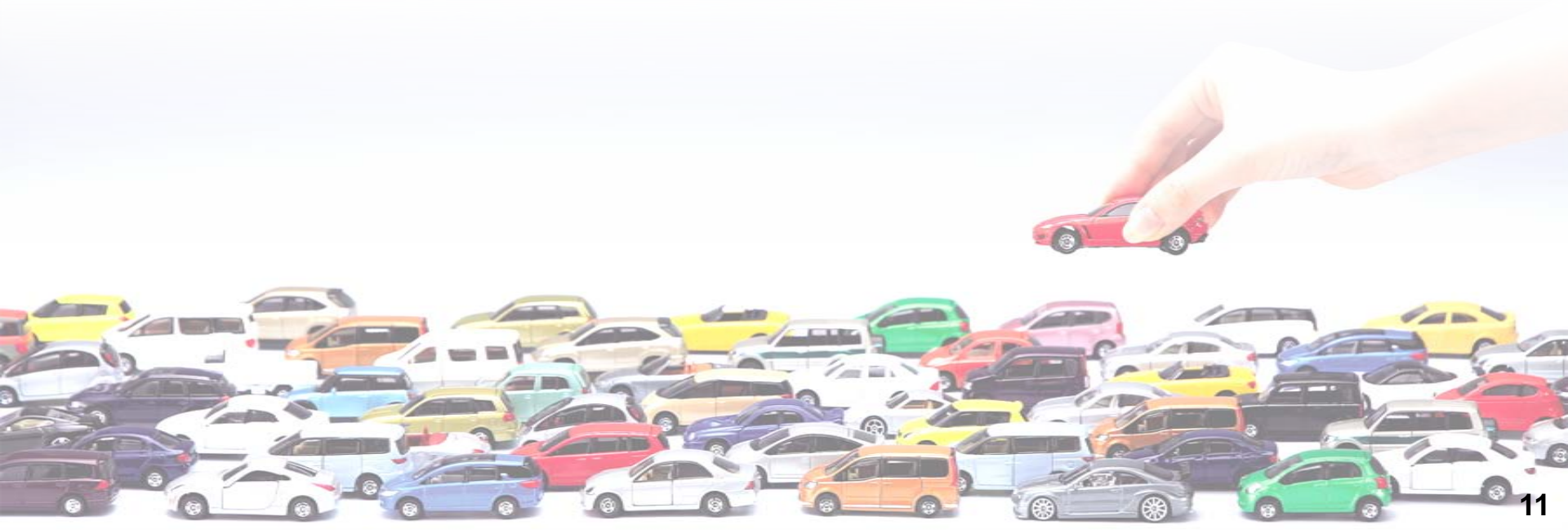
Investing activities

- Increase in time deposits 3.0billion yen

Financing activities

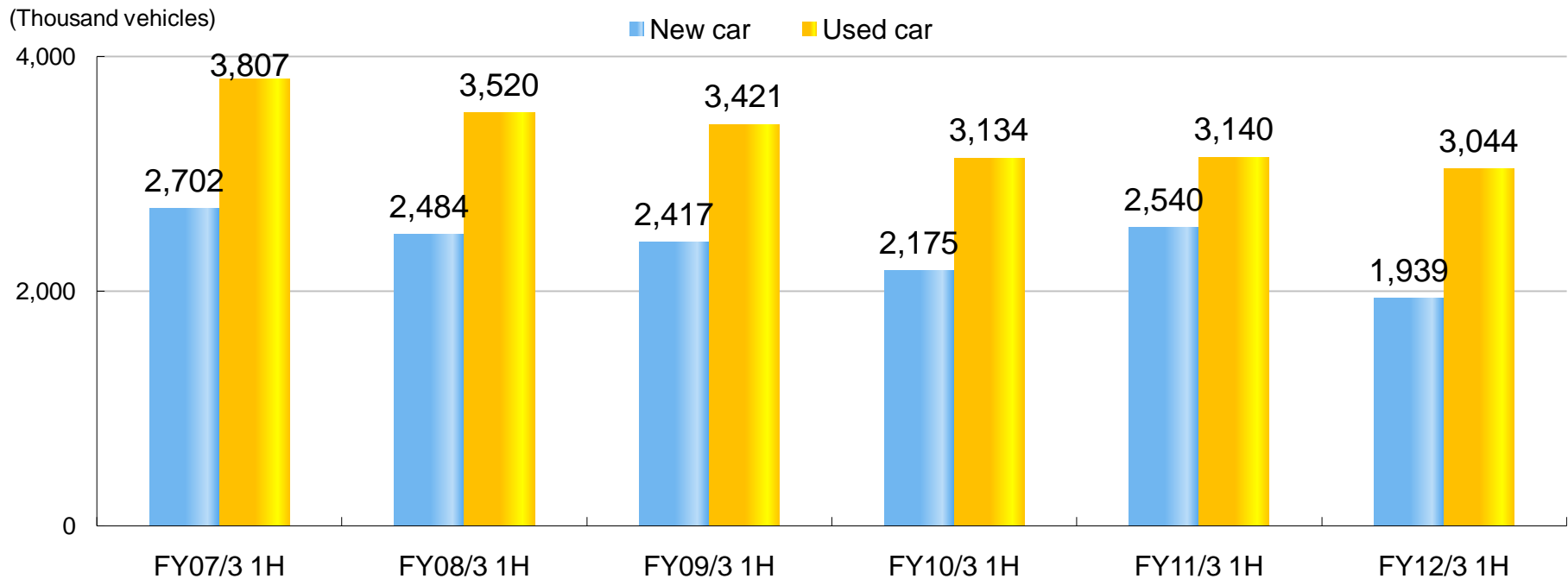
- Purchases of treasury stock were 6.32 billion yen
- Cash dividends paid were 2.92 billion yen

Market Overview



(1) New/Used Car Registrations in Japan

New/Used Car Registrations (April – September)



New car registrations in 1H FY12/3 decreased 23.7% to 1.93 million units.

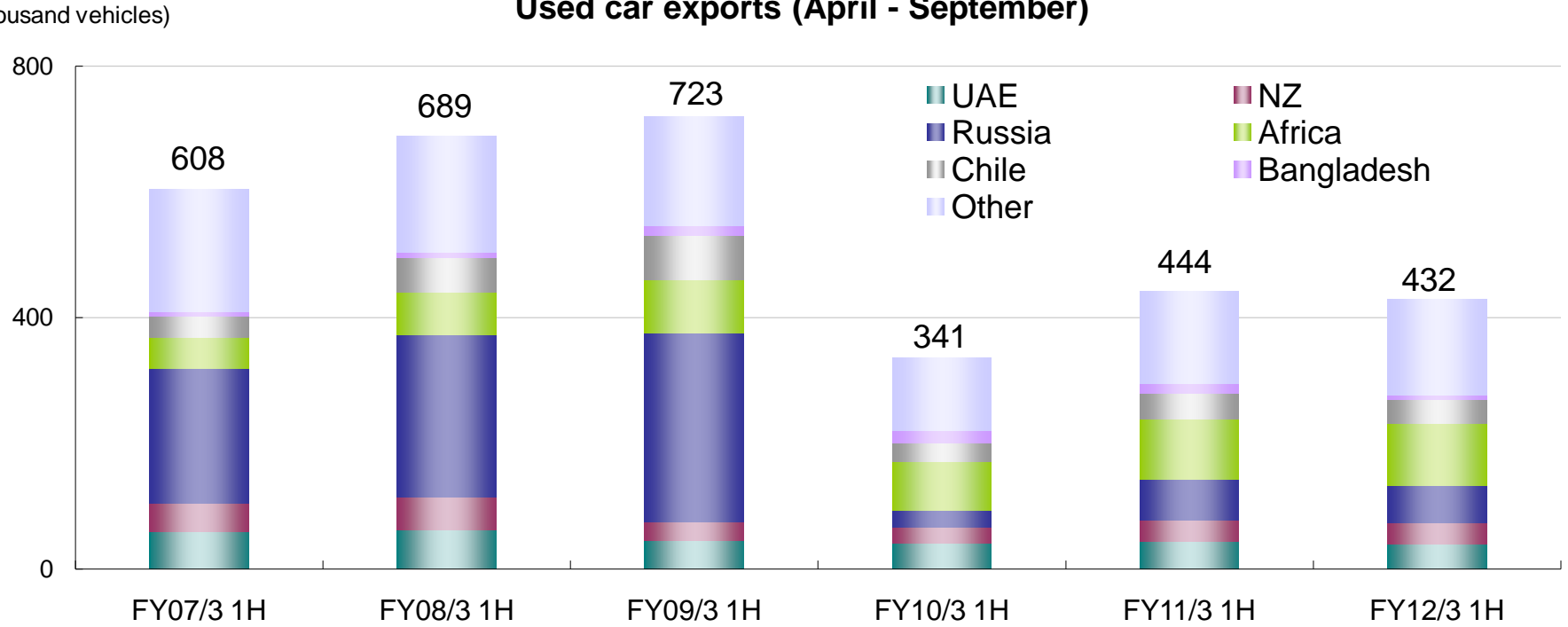
- New car registrations from April through June declined by 33.1% YoY as automobile manufacturers, affected by the Great East Japan Earthquake, slashed production, but from July through September they improved to a decline of 15.8% as automobile production recovered.

Used car registrations in 1H FY12/3 were down 3.1% to 3.04 million units.

- The number of used vehicles traded-in and purchased declined as new car registrations slowed. Although this resulted in a shortage of vehicles in the used-car market, domestic sales and exports of used cars remained strong.

(2) Used Car Exports

Used car exports (April - September)



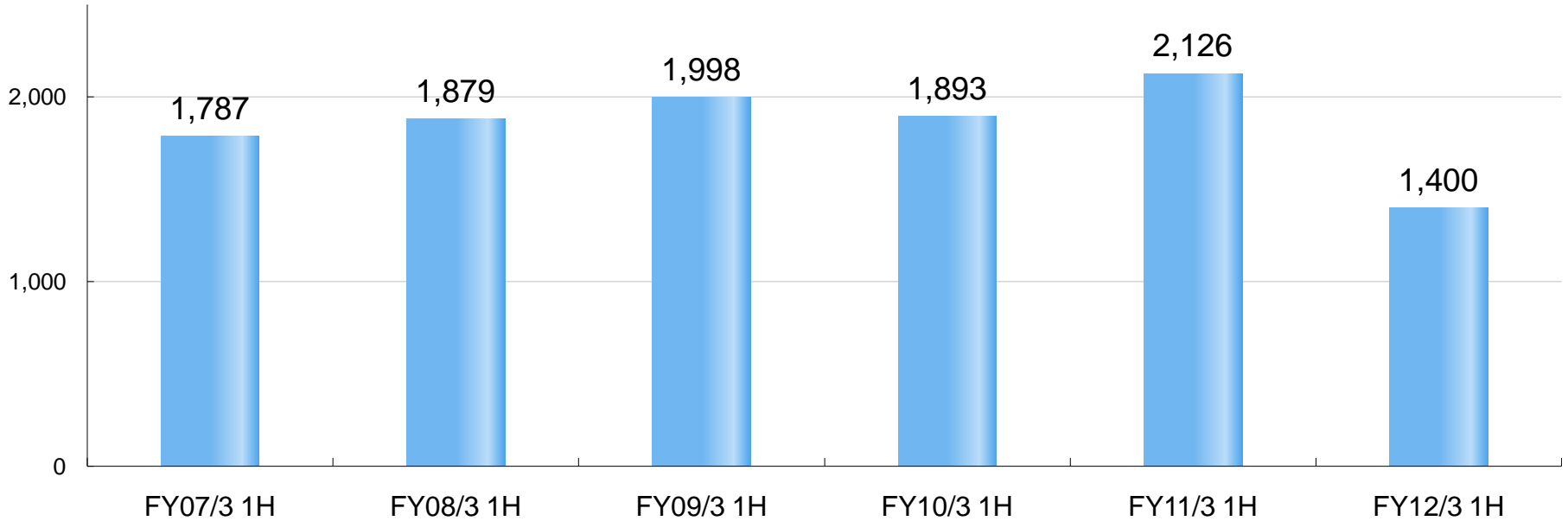
Used car exports in 1H FY12/3 decreased 2.8% to 430,000 units.

- Exports to Russia: 59,000 (down 9% YoY), UAE: 40,000 (down 9.2% YoY)
- Other regions, Mongolia 19,000 (up 16.1%), Sri Lanka 18,000(up 21.2%), Pakistan 16,000 (up 90.9%), Kirghiz 14,000 (up 65.4%)

(3) Automobiles Recycled

(Thousand vehicles)

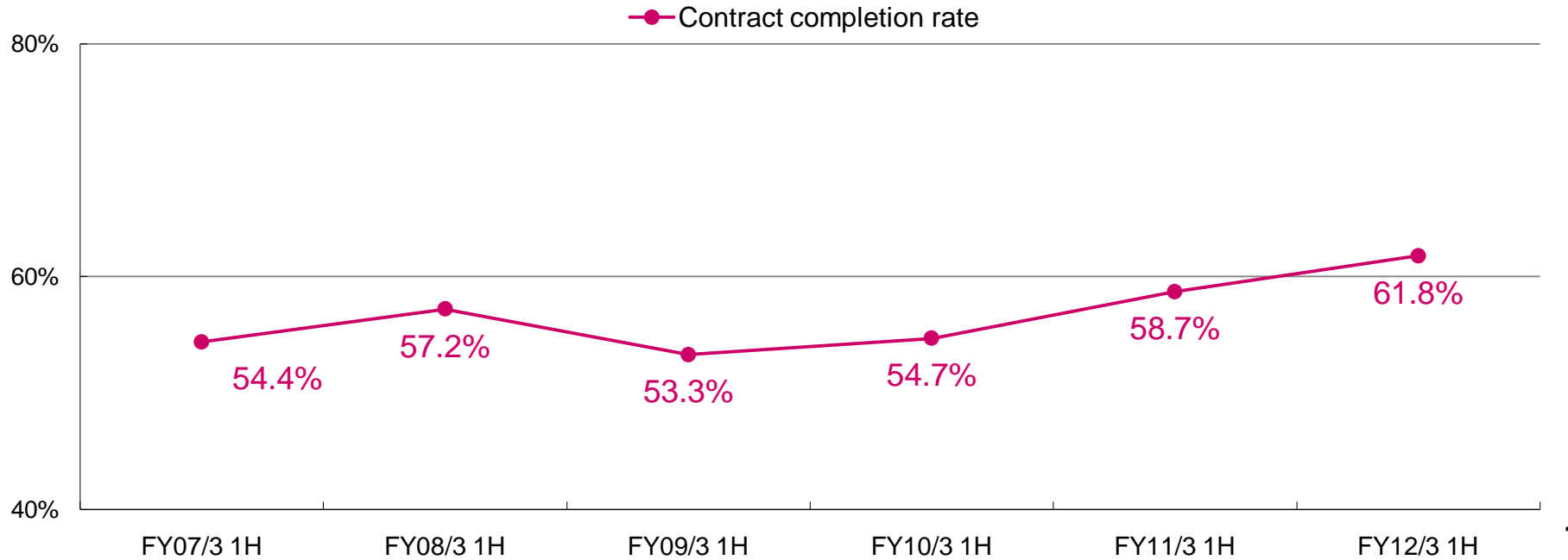
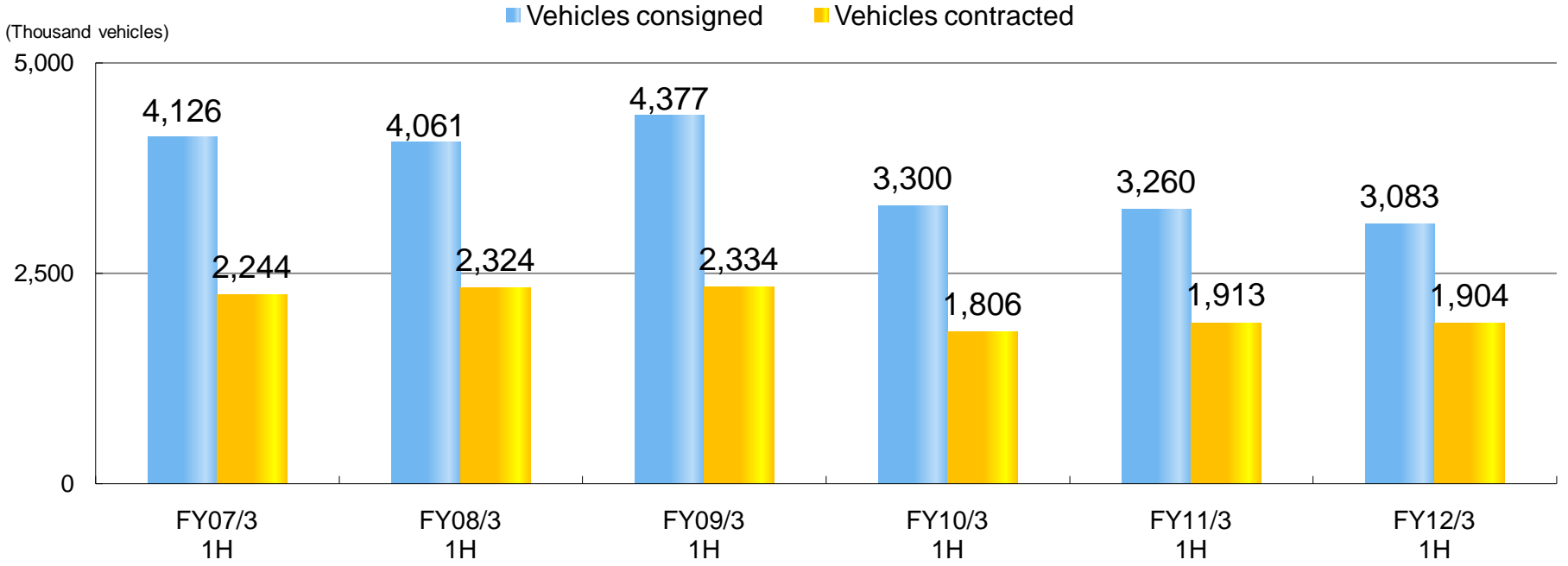
Automobiles Recycled (April – September)



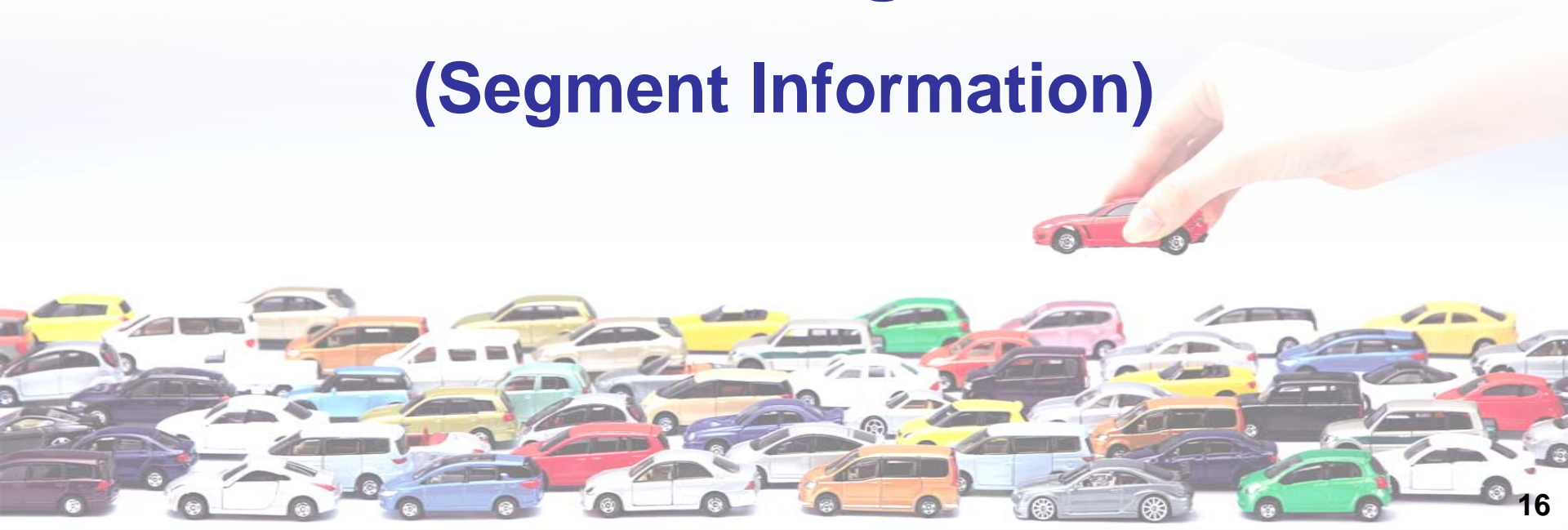
Vehicles scrapped: 1.4 million (down 34.1% YoY)

- Supply of used cars declined reflecting lower new car registrations
- Due to the effects of the Great East Japan Earthquake, older models and high-mileage vehicles, which would normally be scrapped, were put on the used car market

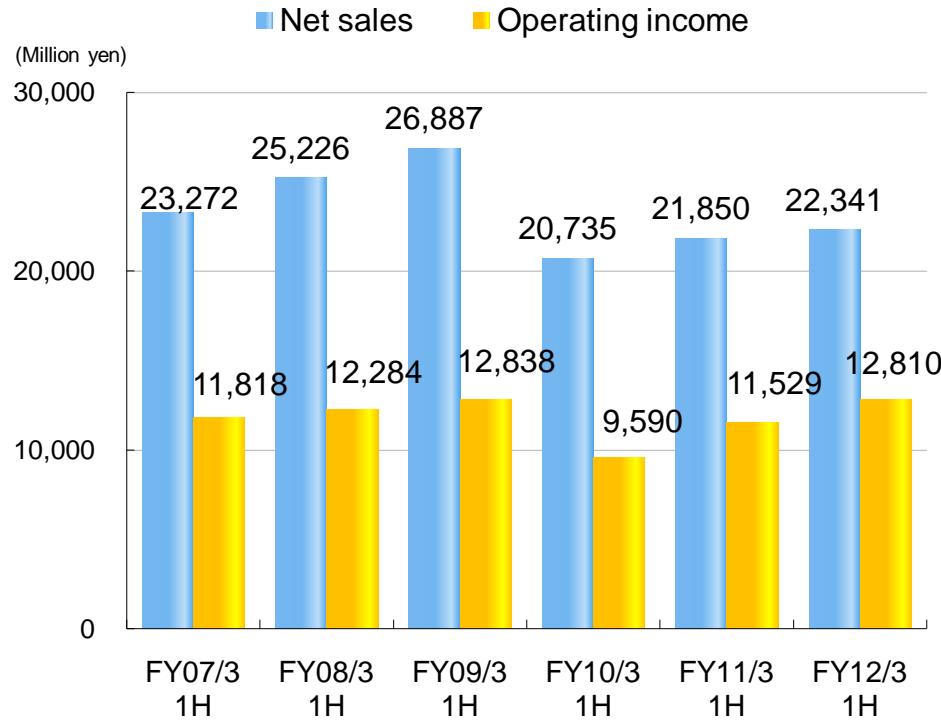
(4) Auto Auction Market



Results of Operations First Half Fiscal Year Ending March 2012 (Segment Information)



Auto Auction Business (1) – Results of Operations (1H)



	(Million yen)		
	1H FY11/3	1H FY12/3	YoY
Net sales	21,850	22,341	102.2%
Operating income (Per sales)	11,529 (52.8%)	12,810 (57.3%)	111.1%

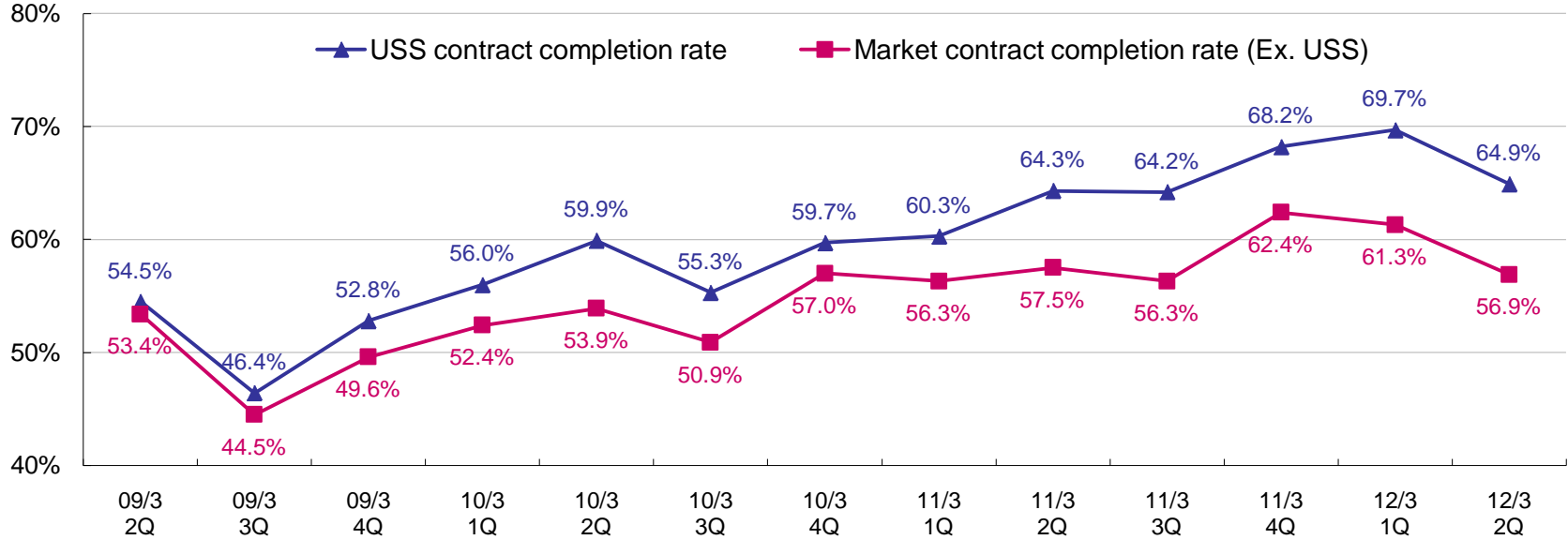
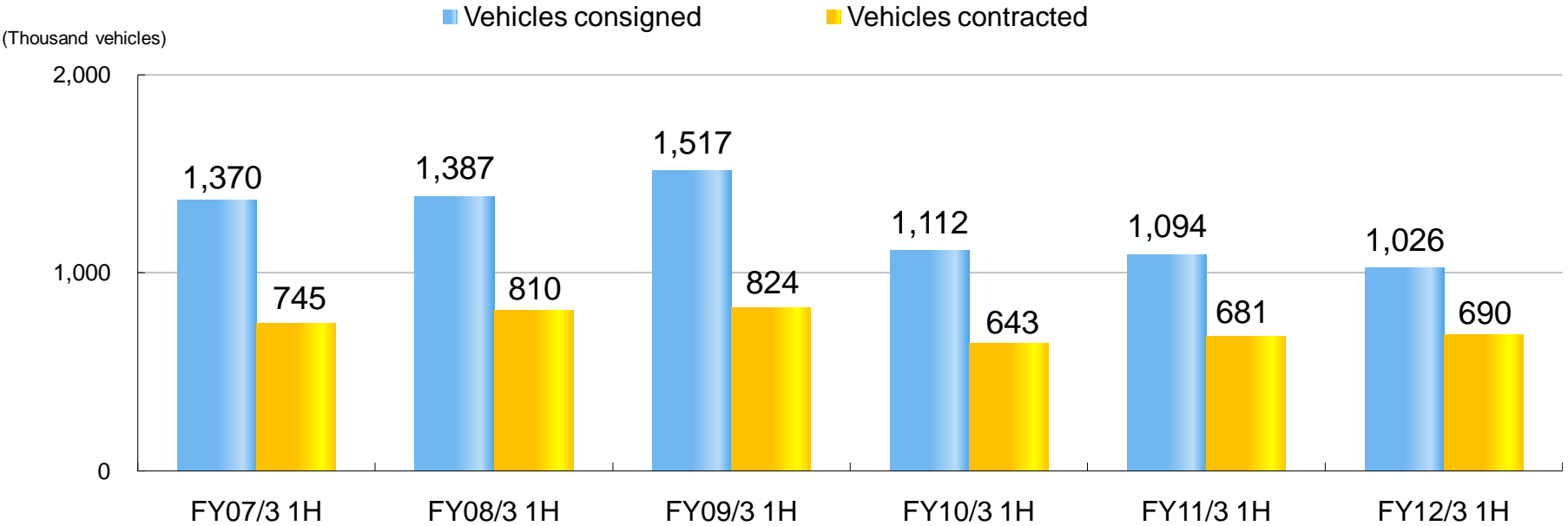
Net sales increased 2.2% (YoY) to 22,341 million yen

- While the number of vehicles consigned declined, sales were up reflecting higher consignment fee per vehicle and rising contract completion rates

Operating income increased 11.1% (YoY) to 12,810 million yen

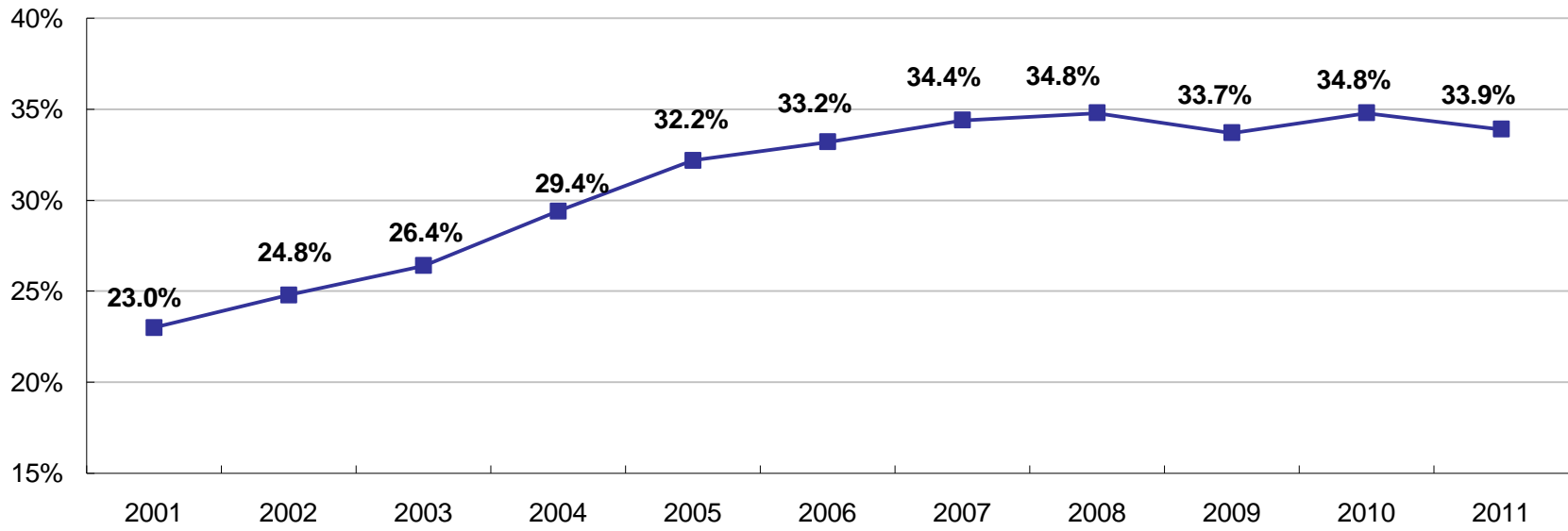
- Depreciation decreased 280 million yen
- Lease expenses decreased 170 million yen
- Goodwill amortization decreased 150 million yen

Auto Auction Business (2) – USS Group Performance (1H)



Medium-term growth in market share

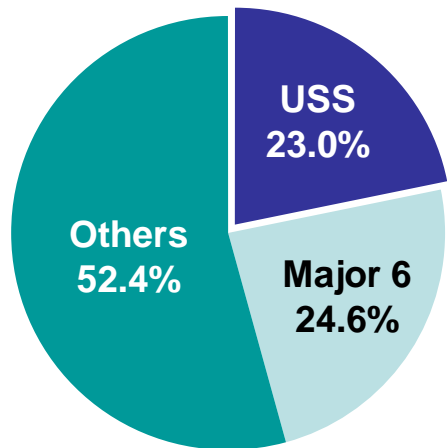
USS Market Share



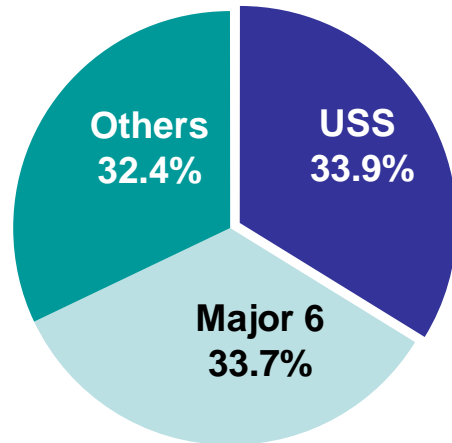
Jan – Jun 2001 Market Share

Jan – Jun 2011 Market Share

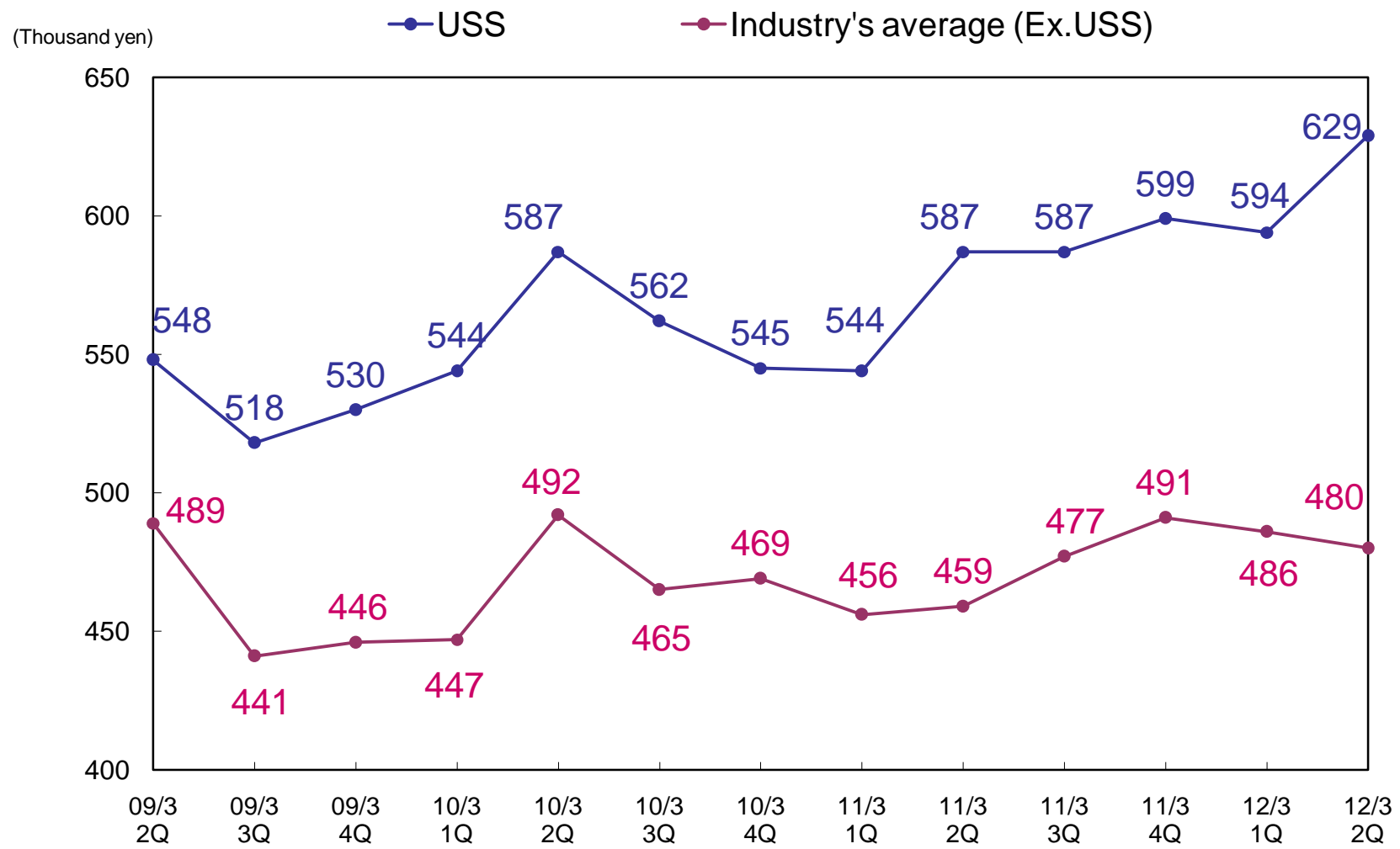
- *Major 6
- JAA(6.3%)
- TAA(5.1%)
- CAA(4.3%)
- Arai AA(5.0%)
- KCAA(2.7%)
- LAA(1.2%)

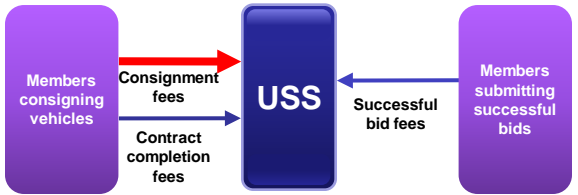


- *Major 6
- JAA(9.2%)
- TAA(7.8%)
- CAA(6.4%)
- Arai AA(4.1%)
- KCAA(2.9%)
- LAA(3.3%)

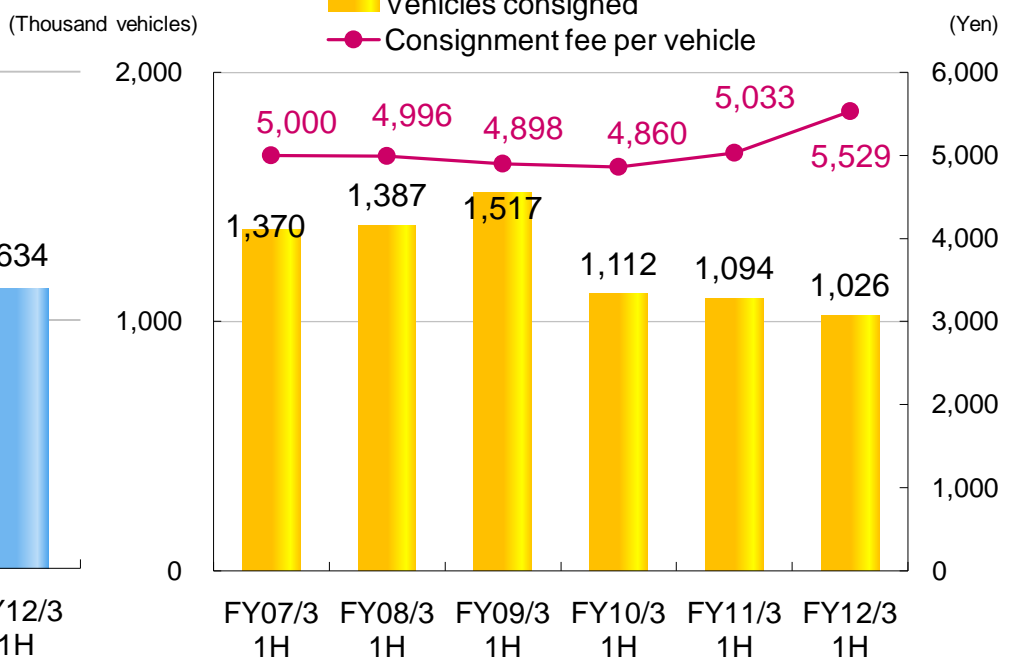
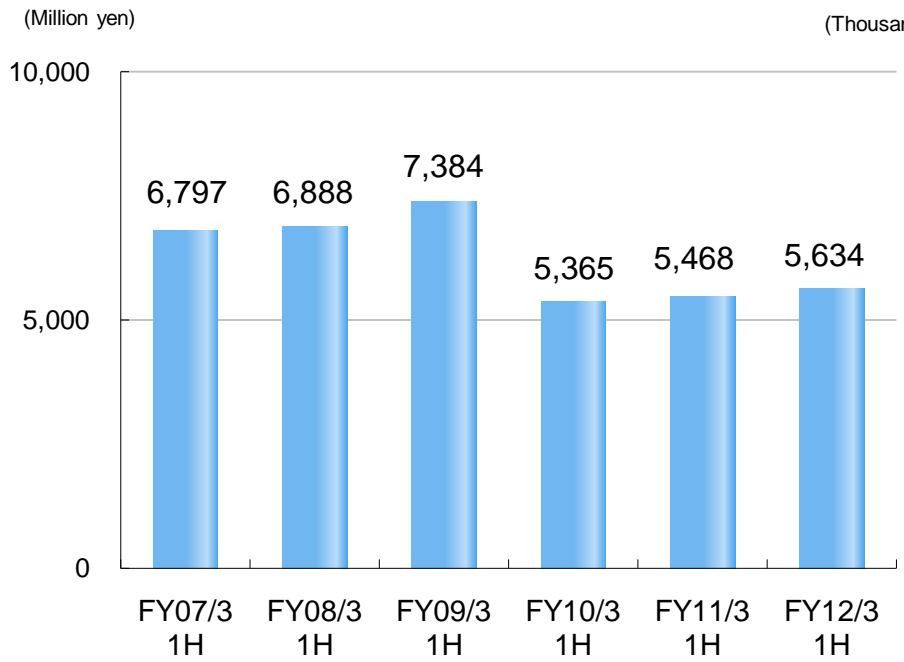


Average Price of Vehicles Contracted





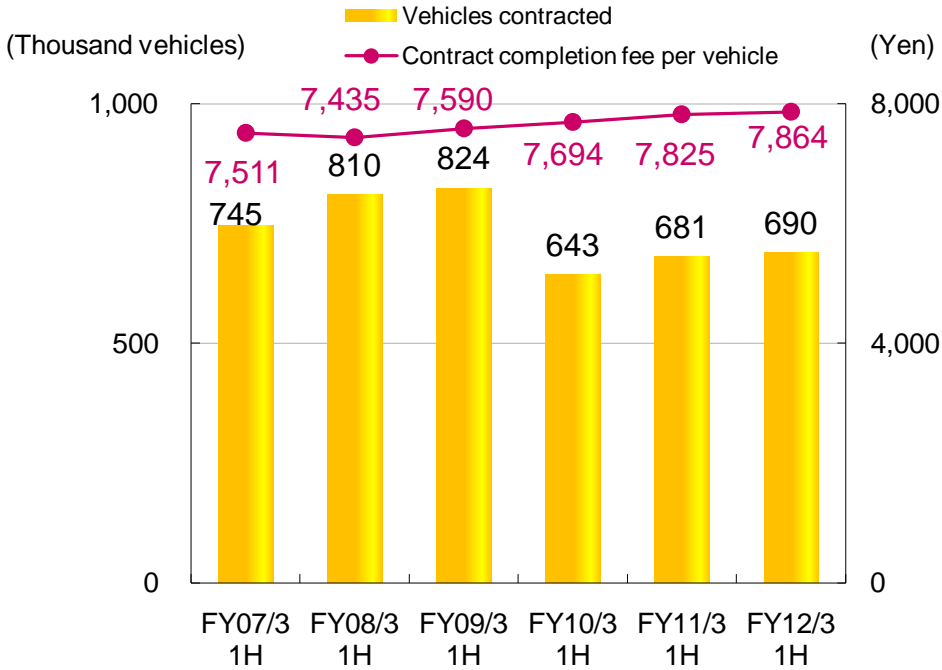
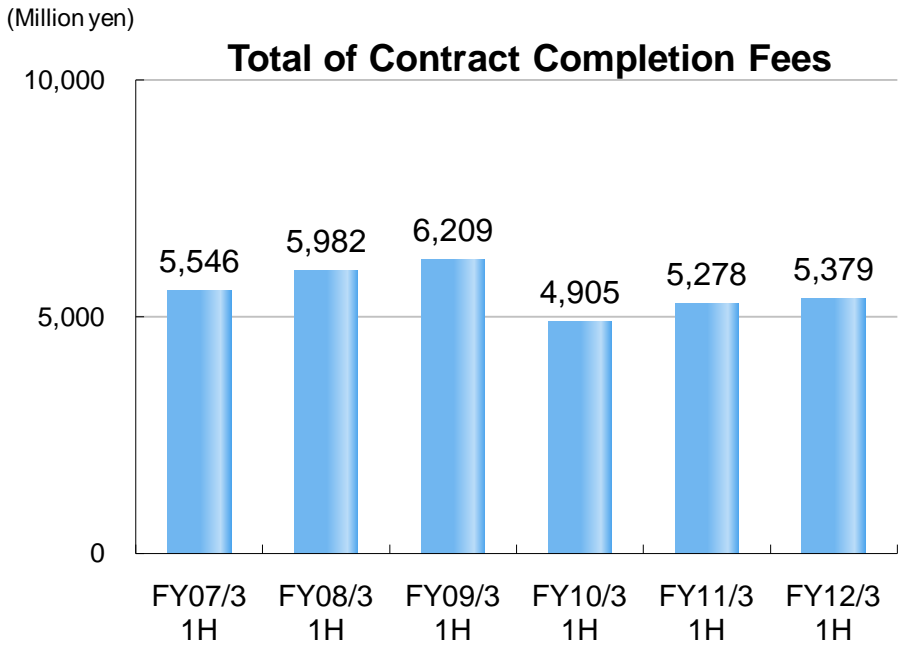
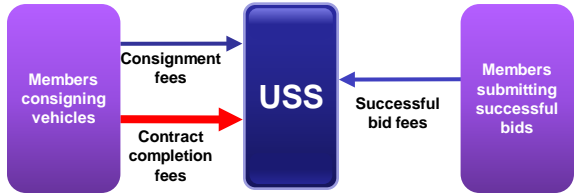
Total of consignment fees



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

Consignment fee per vehicle increased by 496 yen from 5,033 yen to 5,529 yen (YoY)

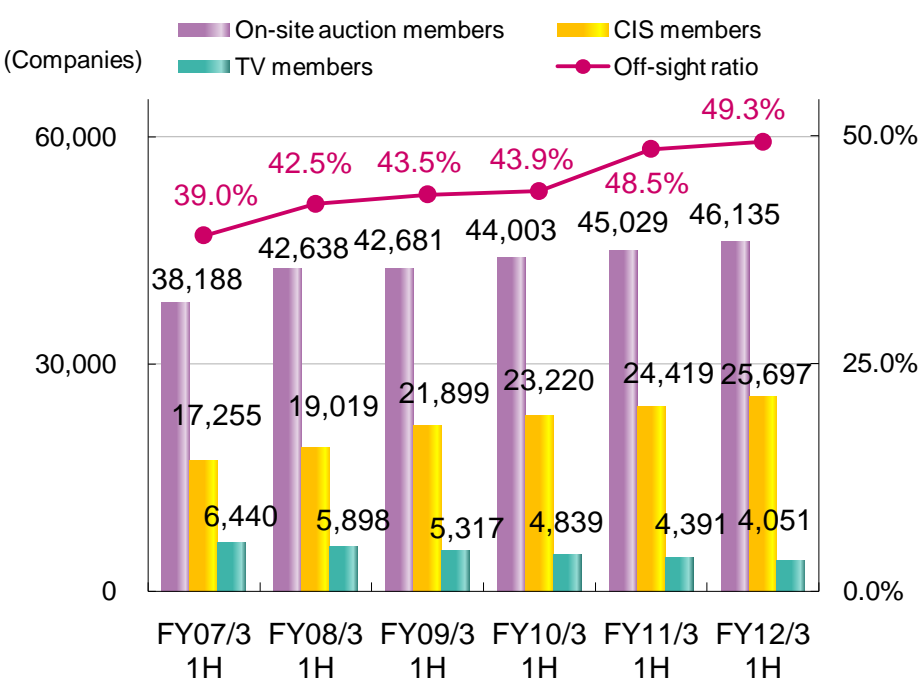
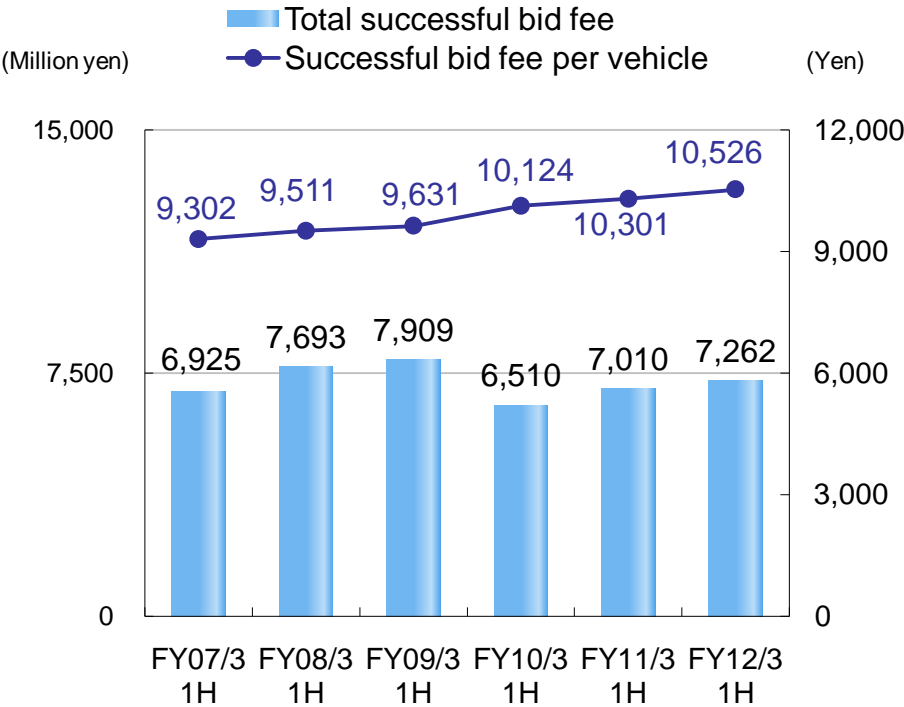
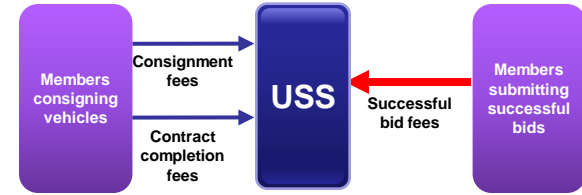
- Ended Tokyo Auction Site sales of vehicles for recycling, which have low consignment fees, in January 2011
- Started using a revised fee structure at the Tohoku Auction Site in April 2011
- Decline in marketing campaigns at the Yokohama Auction Site and other locations



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

Contract completion fee per vehicle increased by 39 yen from 7,825 yen to 7,864 yen (YoY)

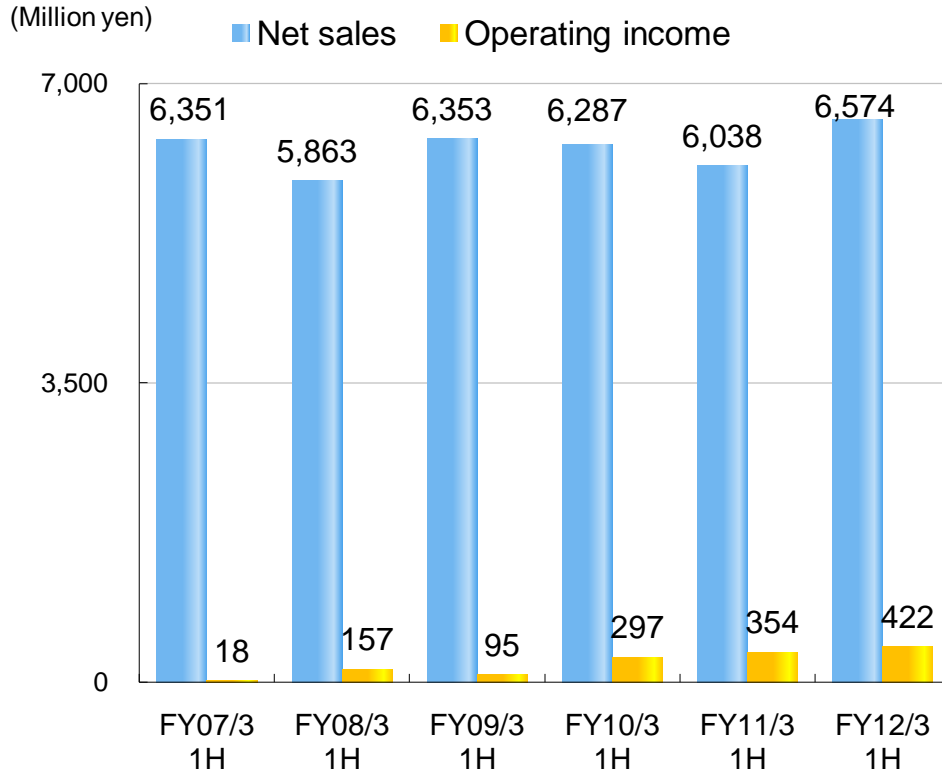
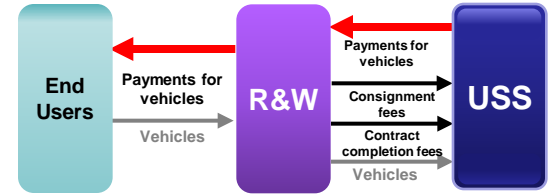
- Small increase from one year earlier as there was no significant change in the contract completion fee rates



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

Successful bid fee per vehicle increased by 225 yen from 10,301 yen to 10,526 yen (YoY)

- The off-site successful bid ratio rose from 48.5% to 49.3%



(Million yen)

	1H FY11/3	1H FY12/3	YoY
Net Sales	6,038	6,574	108.9%
Operating Income (Per sales)	354 (5.9%)	422 (6.4%)	119.3%

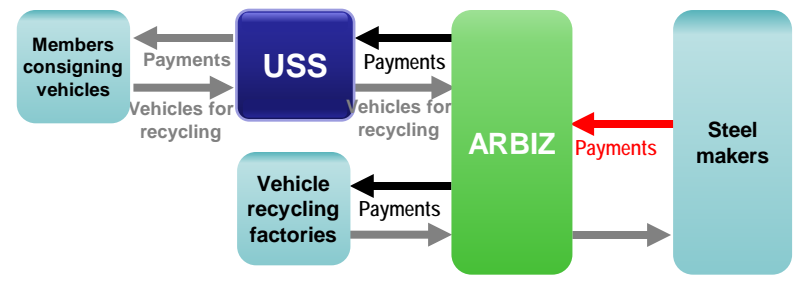
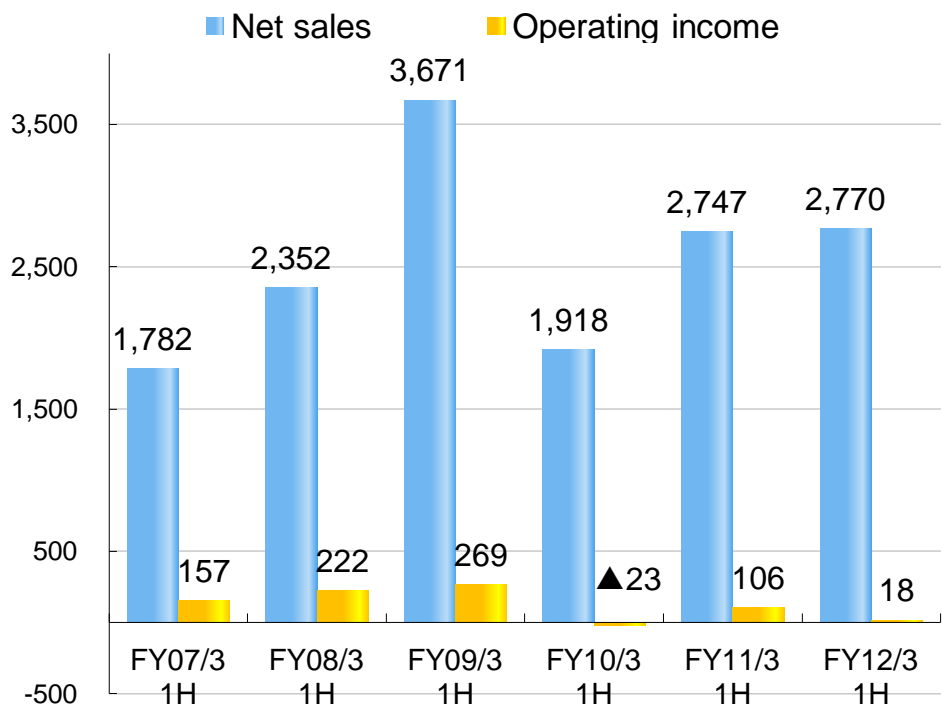
Rabbit sales increased 8.8% to 4,408 million yen and operating income was up 15.3% to 240 million yen (YoY)

- Number of vehicles handled increased
- Higher gross profit per vehicle because of strength in the auction market

Sales of accident-damaged vehicles increased 9.1% to 2,165 million yen and operating income was up 24.9% to 182 million yen

- Number of vehicles handled increased slightly
- Higher gross profit per vehicle because of strength in the auction market

Other Business (Recycling Business) – Results of Operations



(Million yen)

	1H FY11/3	1H FY12/3	YoY
Net Sales	2,747	2,770	100.8%
Operating Income (Per sales)	106 (3.9%)	18 (0.7%)	17.5%

ARBIZ sales decreased 0.4% to 2,214 million yen and operating income fell 71.2% to 15 million yen (YoY)

- Handling volume of vehicles for recycling and industrial scrap materials decreased
- Higher prices for materials purchased

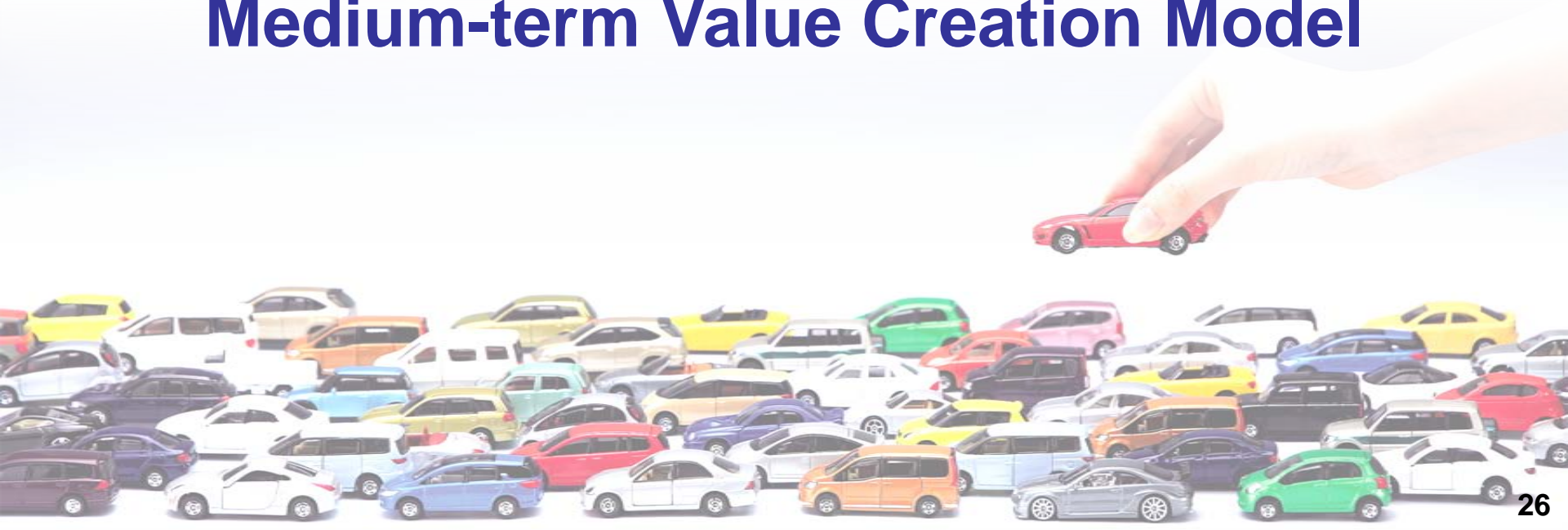
USS Toyo sales increased 4.2% to 545 million yen but operating income fell 40.8% to 32 million yen (YoY)

- Large increase in prices of raw materials
- A part of the increase in raw material prices was passed on in the form of higher sales prices

USS Logistics: Sales: 10 million yen; Operating loss: 28 million yen

- Commenced Export clearing service at Tokyo and Yokohama auction sites

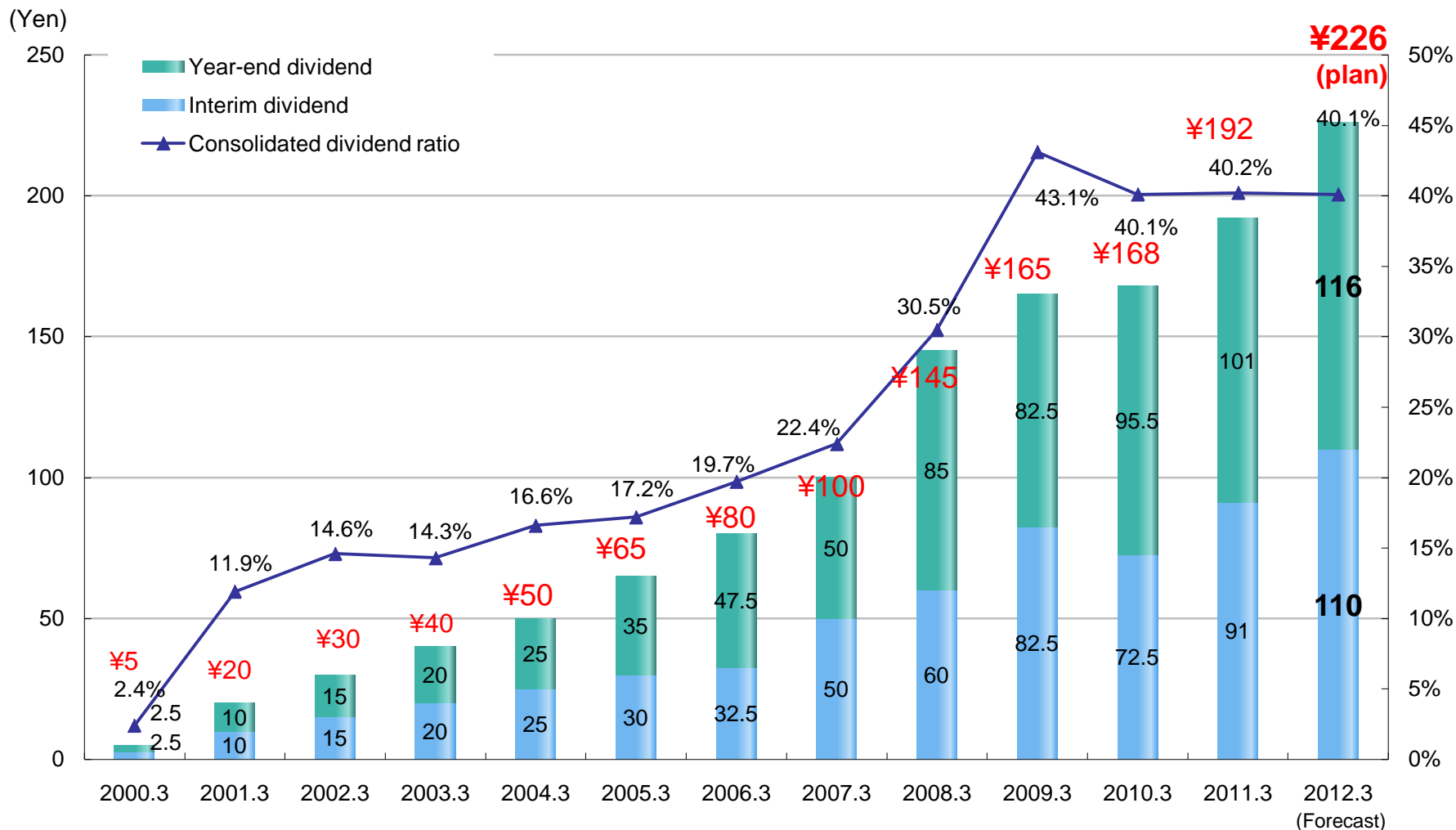
Forecast for FY2012.3 Earnings Distributions Medium-term Value Creation Model



(Million yen)

	FY2011.3 (Actual)	FY2012.3 (Initial plan)	Change	FY2012.3 (Revised plan)	VS. previous year
Net Sales	61,417	62,000	+600	62,600	101.9%
Cost of sales (Per sales)	26,865 (43.7%)	26,000 (41.9%)	+42	26,042 (41.6%)	96.9%
Gross profit (Per sales)	34,552 (56.3%)	36,000 (58.1%)	+558	36,558 (58.4%)	105.8%
Selling, general and administrative expenses (Per sales)	10,220 (16.6%)	10,000 (16.1%)	+258	10,258 (16.4%)	100.4%
Operating income (Per sales)	24,332 (39.6%)	26,000 (41.9%)	+300	26,300 (42.0%)	108.1%
Ordinary income (Per sales)	24,643 (40.1%)	26,300 (42.4%)	+200	26,500 (42.3%)	107.5%
Net income (Per sales)	13,971 (22.7%)	15,650 (25.2%)	+250	15,900 (25.4%)	113.8%
Net income per share (yen)	478.00	548.93	+14.86	563.79	117.9%

- FY2012.3 dividend per share **¥220** ➡ **Revised to ¥226**
- Fundamental dividend policy is **to maintain a consolidated payout ratio of at least 40%**



USS consistently distributes earnings to shareholders

(Million yen)

	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3
Net Income	4,493	5,489	7,645	8,907	11,814	13,203	14,390	15,200	12,003	12,717	13,971
Dividend Paid	532	802	1,095	1,529	2,049	2,589	3,204	4,641	5,126	5,059	5,601
Stock Repurchased	-	0	5	2	2	1,757	4,525	0	8,940	4,671	4,950
Total Earnings Distribution Ratio	11.9%	14.6%	14.4%	16.7%	17.2%	33.0%	53.8%	30.5%	117.6%	76.8%	75.6%

Dividends

- USS has increased its dividend every year since the September 1999 IPO (11 consecutive increases)

Stock repurchases

- Repurchased 500,000 shares at a cost of 3,078 million yen between May 11 and June 7, 2011
- Repurchased approx. 500,000 shares at a cost of 3,250 million yen between August 3 and September 22, 2011
- Plan to repurchase 1,000,000 shares (upper limit) at a cost of 6,800 million yen (upper limit) from November 9, 2011 to March 23, 2012

Future policy for earnings distributions

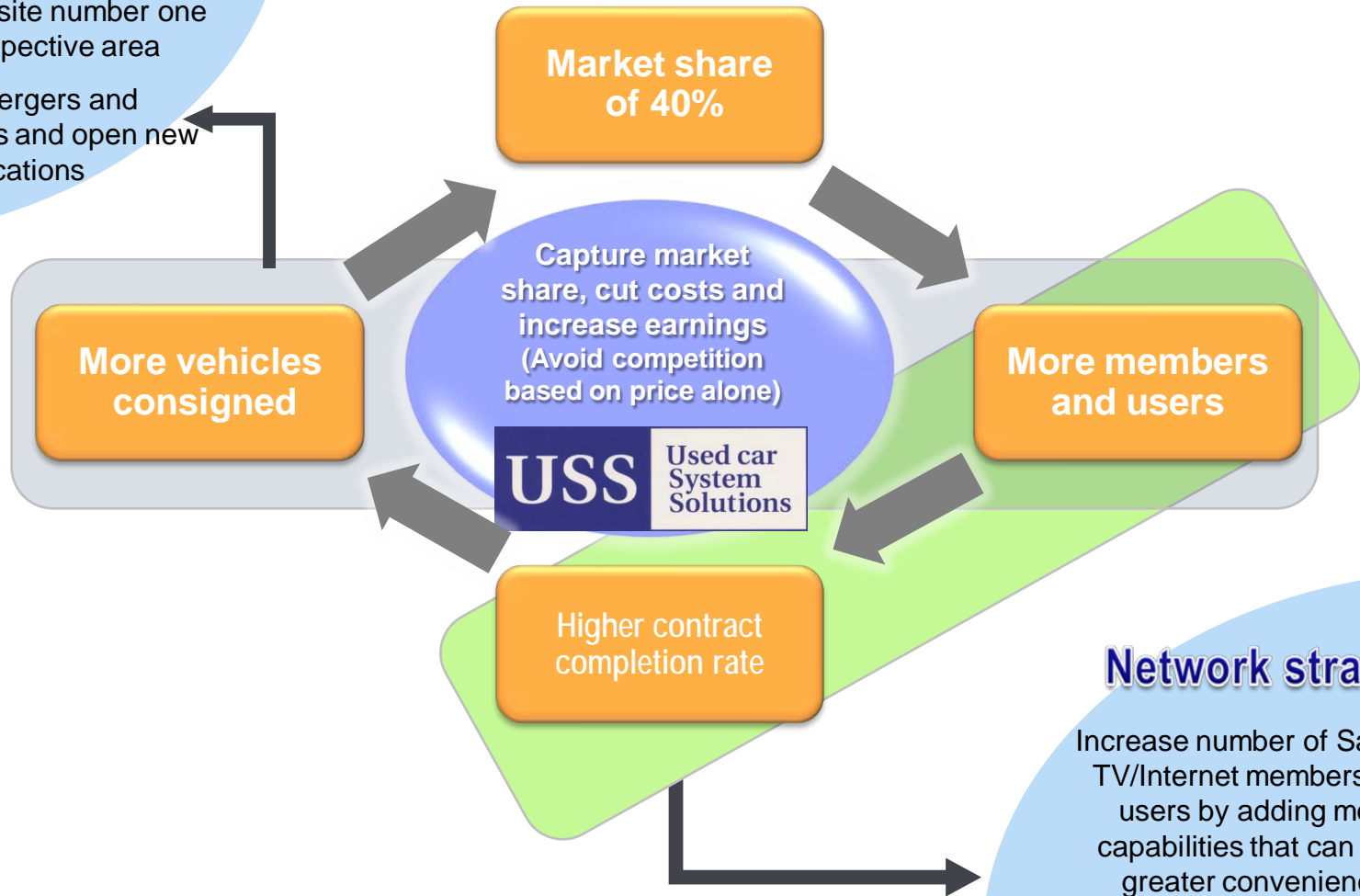
- A consolidated dividend payout ratio of 40% has been the fundamental policy since FY2009.3.
- USS may consider another stock repurchases in FY2012.3 based on cash flows, capital expenditures plans and other items.

USS is aiming for an overwhelming share of Japan's mature auto auction market by offering its members even greater convenience.

Auction site strategy

Make each site number one in its respective area

Use mergers and acquisitions and open new locations



Network strategy

Increase number of Satellite TV/Internet members and users by adding more capabilities that can offer greater convenience.

■ Auction sites

- **June 2011: Combined operations of the Tokyo and Ryutsu auction sites at the Tokyo Auction Site located in Noda, Chiba prefecture**
- **July 2011: Expanded the Yokohama Auction Site stockyard, by 16,500 square meters**

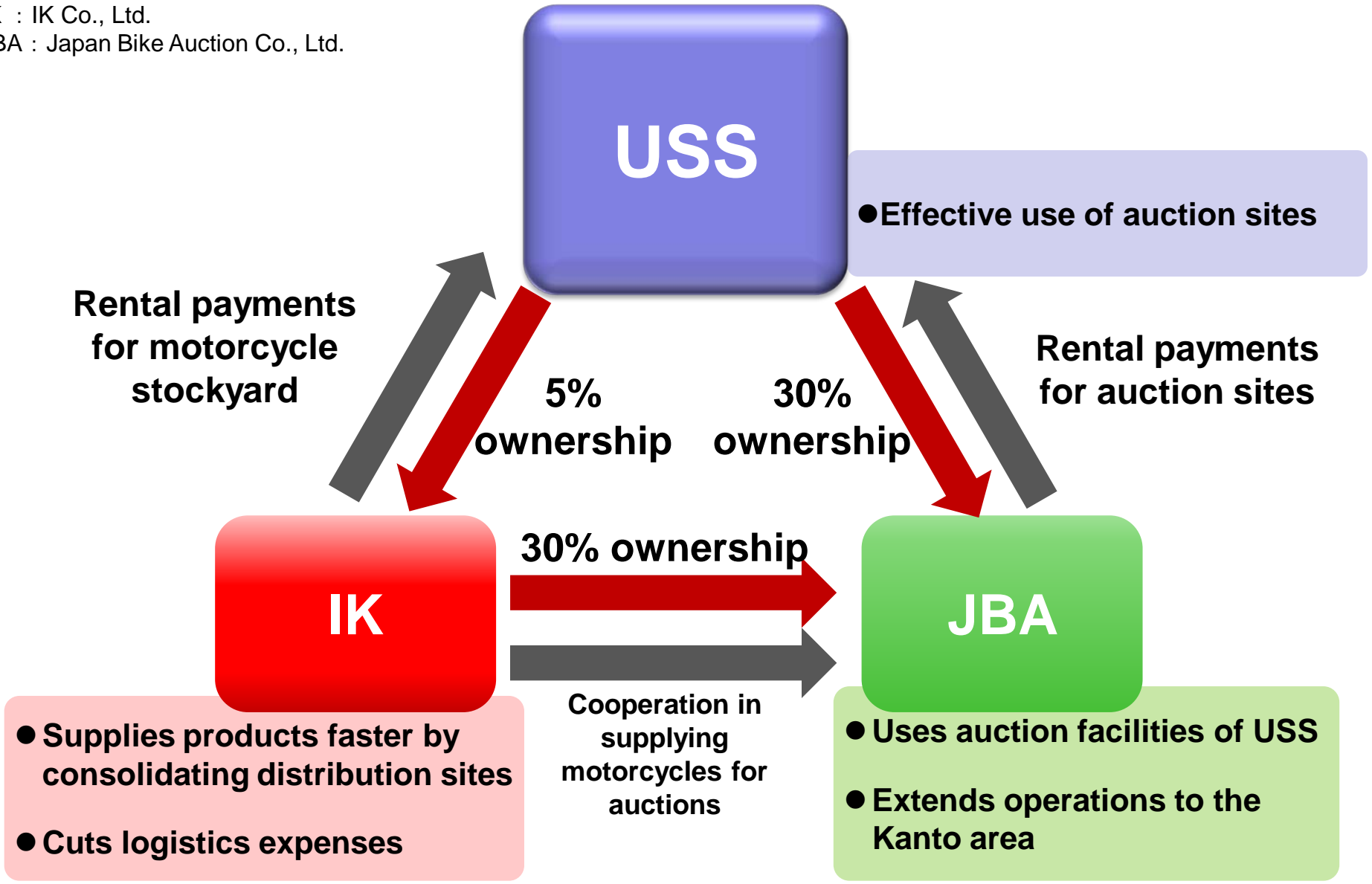
■ Network services

- **Conducting campaign to increase the number of Satellite TV and Internet auction members**
- **Conducting the “Goo Approved Cars” service through a business alliance with Proto Corporation**

■ New business activities

- **Established USS Logistics International Service Co., Ltd. to conduct used vehicles export clearing service; the new company has started operations at the Tokyo and Yokohama auction sites from July 2011.**
- **Starting motorcycle auction business in Kobe from November 2011 by establishing equity and business alliances with IK Co. Ltd. and Japan Bike Auction Co., Ltd.**

IK : IK Co., Ltd.
JBA : Japan Bike Auction Co., Ltd.



Motorcycle Auction Operations (snapshots)

Inspection



Utilize USS auction facilities



Motorcycle stockyard



JBA New headquarter



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Reference materials

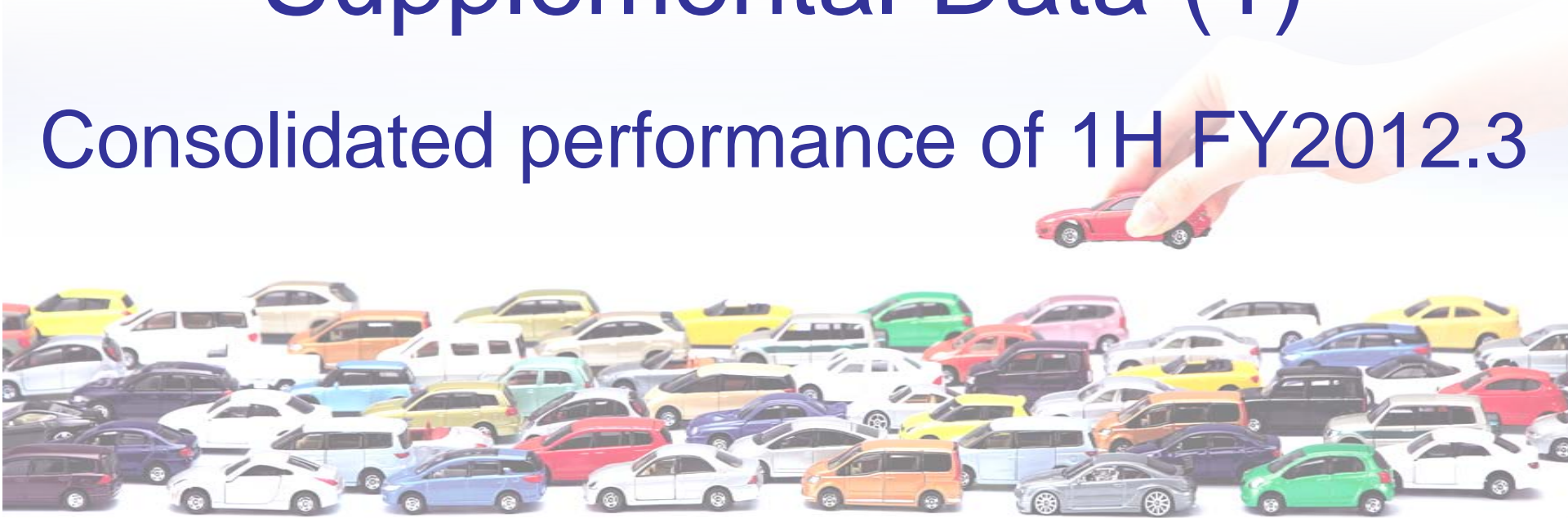
**Japan Automobile Manufacturers Association, Japan Mini Vehicles Association,
JAPAN AUTOMOBILE DEALERS ASSOCIATION, Monthly Magazine Used Car,
International Auto Trade Association**

(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 (1)

Consolidated performance of 1H FY2012.3



Reasons for change in operating income

Net sales

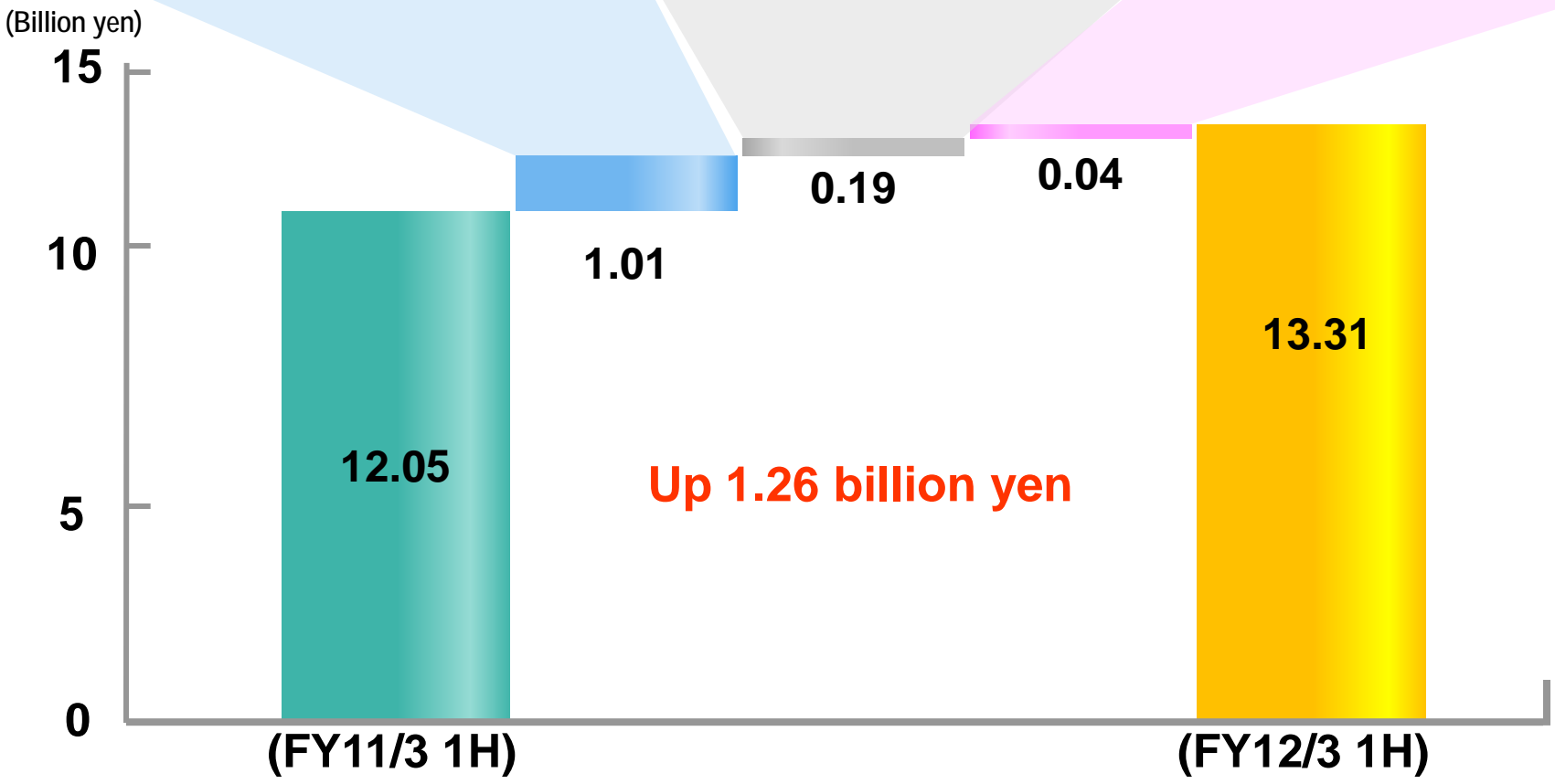
Contract completion rate	0.93 bn
Change in fee rates	0.69 bn
Used Vehicle Sales/Purchases	0.35 bn
Recycling	0.17 bn
Vehicles consigned	▲1.10 bn

Cost of sales

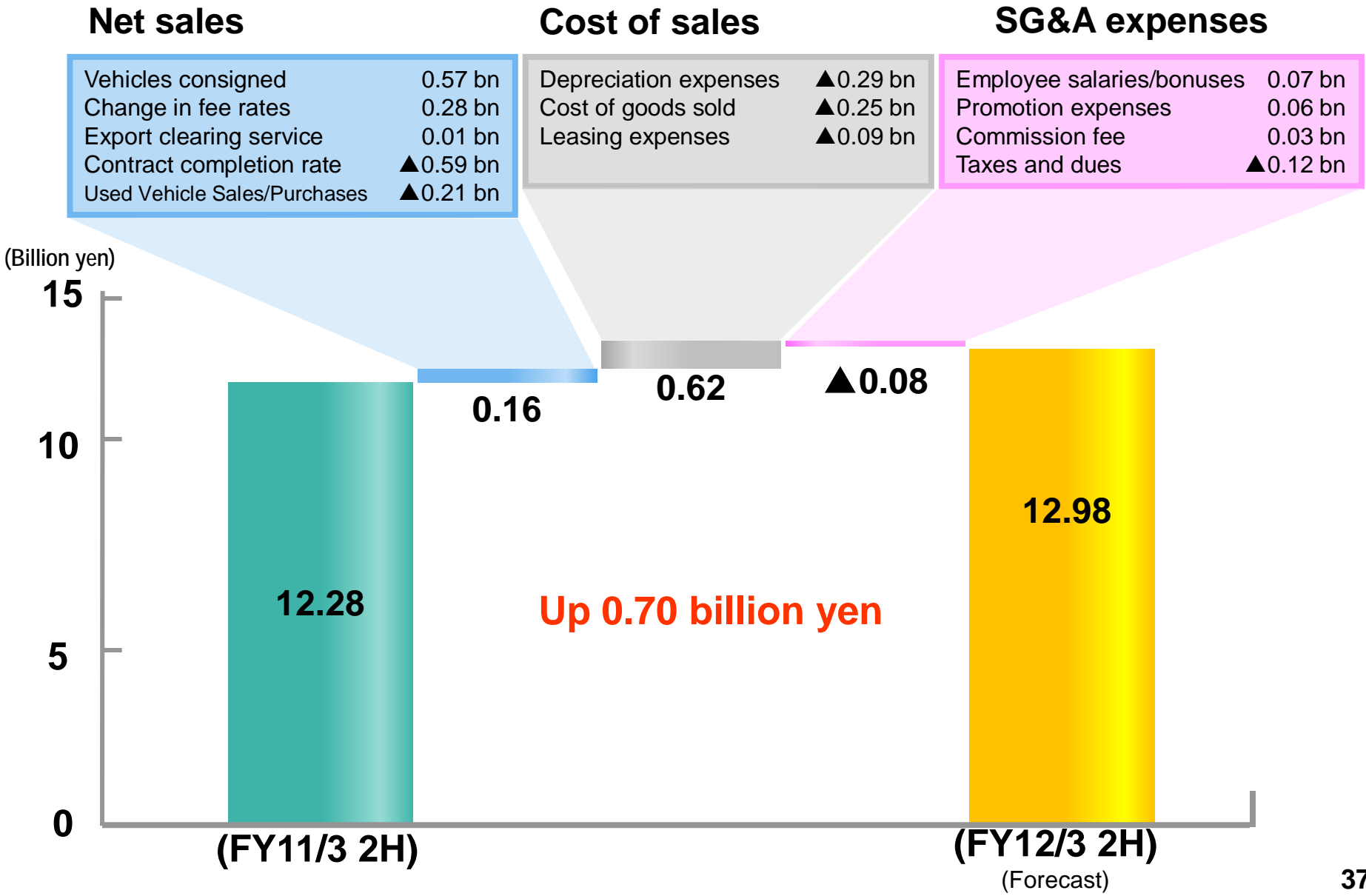
Cost of goods sold	0.43 bn
Depreciation expenses	▲0.26 bn
Leasing expenses	▲0.18 bn
Employee salaries/bonuses	▲0.08 bn

SG&A expenses

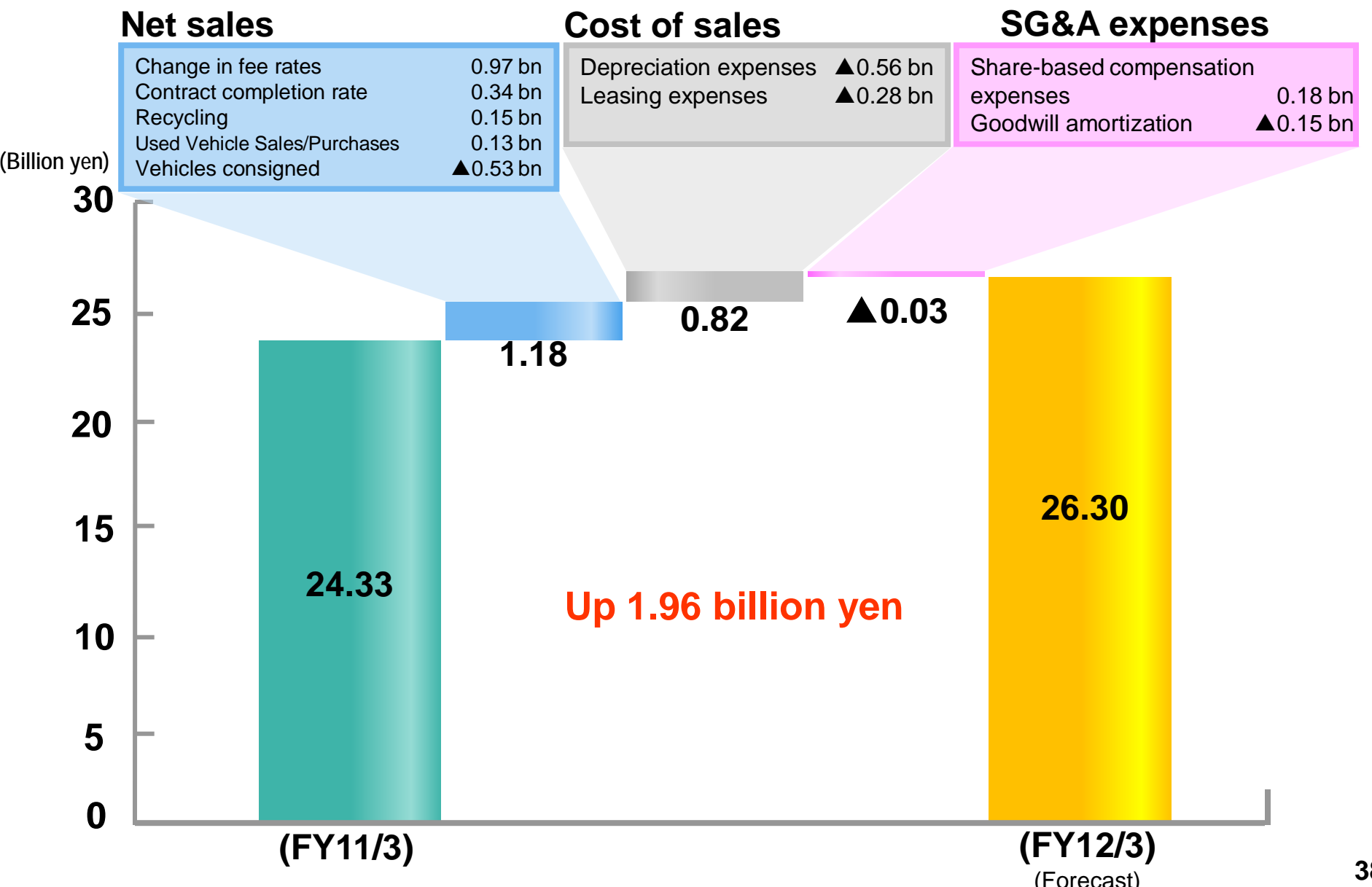
Share-based compensation expenses	0.19 bn
Goodwill amortization	▲0.15 bn
Sales promotion expenses	▲0.06 bn



Reasons for change in operating income



Reasons for change in operating income



From April 1, 2011 to September 30, 2011

(Vehicles, Number of auctions held)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	12.3 1H	11.3 1H	12.3 1H	11.3 1H	Changes	12.3 1H	11.3 1H	Changes	12.3 1H	11.3 1H
Tokyo	25	25	286,052	295,110	▲3.1%	208,583	204,402	2.0%	72.9%	69.3%
Nagoya	25	24	169,237	165,200	2.4%	111,538	109,144	2.2%	65.9%	66.1%
Kyushu	24	25	80,584	77,521	4.0%	51,254	45,644	12.3%	63.6%	58.9%
Yokohama	24	25	79,028	94,509	▲16.4%	52,743	55,892	▲5.6%	66.7%	59.1%
Sapporo	24	24	67,119	65,510	2.5%	43,402	38,569	12.5%	64.7%	58.9%
Osaka	25	25	46,251	51,746	▲10.6%	30,480	32,637	▲6.6%	65.9%	63.1%
R-Nagoya	24	24	45,322	47,293	▲4.2%	37,349	36,757	1.6%	82.4%	77.7%
Shizuoka	24	24	39,372	40,689	▲3.2%	24,320	23,300	4.4%	61.8%	57.3%
Tohoku	24	25	38,216	36,789	3.9%	28,821	25,153	14.6%	75.4%	68.4%
Gunma	24	24	33,311	36,247	▲8.1%	22,868	23,677	▲3.4%	68.6%	65.3%
Okayama	24	25	31,546	34,181	▲7.7%	19,115	16,259	17.6%	60.6%	47.6%
Fukuoka	24	25	27,785	32,826	▲15.4%	10,170	11,542	▲11.9%	36.6%	35.2%
Kobe	24	25	19,453	21,575	▲9.8%	11,752	11,832	▲0.7%	60.4%	54.8%
Niigata	25	25	19,069	15,883	20.1%	9,894	7,940	24.6%	51.9%	50.0%
Saitama	26	24	17,360	25,473	▲31.8%	11,969	14,430	▲17.1%	68.9%	56.6%
Hokuriku	26	24	14,799	13,682	8.2%	9,710	8,493	14.3%	65.6%	62.1%
Ryutsu	12	25	11,856	40,404	▲70.7%	6,460	15,380	▲58.0%	54.5%	38.1%
Total	404	418	1,026,360	1,094,638	▲6.2%	690,428	681,051	1.4%	67.3%	62.2%

* Ryutsu Auction Site and Tokyo Auction Site have been integrated in July 2011.

Monthly Auction Results (Fiscal Year)

(Vehicles, %)

		Apr.	May.	Jun.	Jul.	Aug.	Sep.	First Half	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Second Half	Fiscal Year
No. of Consigned Vehicles	FY 2010.3	230,469	168,335	177,611	195,339	158,138	182,241	1,112,133	217,763	201,513	182,285	175,235	193,991	244,595	1,215,382	2,327,515
	YoY Change	▲22.7	▲31.9	▲27.2	▲23.5	▲26.7	▲29.2	▲26.7	▲24.4	▲20.8	▲12.9	▲6.3	▲2.6	▲1.0	▲12.2	▲19.8
	FY 2011.3	228,978	158,658	187,286	191,512	138,354	189,850	1,094,638	189,668	165,854	145,278	137,038	167,041	222,431	1,027,310	2,121,948
	YoY Change	▲0.6	▲5.7	5.4	▲2.0	▲12.5	4.2	▲1.6	▲12.9	▲17.7	▲20.3	▲21.8	▲13.9	▲9.1	▲15.5	▲8.8
	FY 2012.3	202,821	131,696	174,749	172,495	145,743	198,856	1,026,360	208,079	-	-	-	-	-	-	1,234,439
	YoY Change	▲11.4	▲17.0	▲6.7	▲9.9	5.3	4.7	▲6.2	9.7	-	-	-	-	-	-	-
No. of Contracted Vehicles	FY 2010.3	121,077	94,693	106,849	117,816	93,367	109,827	643,629	126,930	110,332	95,640	101,938	117,784	146,705	699,329	1,342,958
	YoY Change	▲23.2	▲29.2	▲21.7	▲17.2	▲18.7	▲21.4	▲22.0	▲11.2	▲4.1	5.5	11.6	7.1	10.3	2.4	▲10.9
	FY 2011.3	131,914	98,901	115,880	121,537	90,021	122,798	681,051	119,997	106,639	94,804	95,384	119,259	144,465	680,548	1,361,599
	YoY Change	9.0	4.4	8.5	3.2	▲3.6	11.8	5.8	▲5.5	▲3.3	▲0.9	▲6.4	1.3	▲1.5	▲2.7	1.4
	FY 2012.3	133,721	96,492	124,557	117,640	94,381	123,637	690,428	121,895	-	-	-	-	-	-	812,323
	YoY Change	1.4	▲2.4	7.5	▲3.2	4.8	0.7	1.4	1.6	-	-	-	-	-	-	-
Contract Completion Rate	FY 2010.3	52.5	56.3	60.2	60.3	59.0	60.3	57.9	58.3	54.8	52.5	58.2	60.7	60.0	57.5	57.7
	FY 2011.3	57.6	62.3	61.9	63.5	65.1	64.7	62.2	63.3	64.3	65.3	69.6	71.4	64.9	66.2	64.2
	FY 2012.3	65.9	73.3	71.3	68.2	64.8	62.2	67.3	58.6	-	-	-	-	-	-	-

5 year Consolidated Performance

Consolidated (Million yen)						
	Results					Forecast
	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3
<Auto Auction Business>						
Consignment Fees	13,972	14,595	13,802	11,285	10,822	11,419
Contract Completion Fees	11,469	12,491	11,347	10,283	10,559	10,588
Successful Bidding Fees	14,437	15,892	14,642	13,659	14,142	14,297
Revenues from Sales of Goods	1,142	1,682	1,781	746	848	732
Other Revenues	6,685	7,291	7,178	6,816	6,804	6,876
Auto Auction Business Total	47,707	51,953	48,752	42,791	43,177	43,914
<Used Vehicle Sales/Purchases Business>						
Revenues from Used Vehicle Sales/Purchases	7,489	6,976	7,860	8,289	8,456	8,593
Revenues from Accident-damaged Vehicle Sales/Purchases	5,399	5,614	4,404	3,935	4,038	4,188
Used Vehicles Sales/Purchases Business Total	12,888	12,590	12,265	12,224	12,494	12,782
<Other Business>						
Revenues from Recycling End-of-Life Vehicle Sales/Purchases	2,880	4,123	4,468	3,734	4,566	4,597
Revenues from Recycling Scrap Rubbers	1,091	1,133	1,063	1,098	1,178	1,193
Revenues from Used Vehicle Export Clearing Service	-	-	-	-	-	112
Other Business Total	3,972	5,257	5,532	4,832	5,745	5,903
Net Sales	64,568	69,801	66,549	59,849	61,417	62,600
Operating Income	24,817	27,200	22,568	21,940	24,332	26,300
Ordinary Income	25,360	27,490	22,503	22,511	24,643	26,500
Net Income	14,390	15,200	12,003	12,717	13,971	15,900
Auto Auction Business (Vehicles, %, Yen, Companies, No. of Shops)						
No. of Consigned Vehicles	2,840,129	2,920,356	2,902,636	2,327,515	2,121,948	2,090,000
No. of Contracted Vehicles	1,541,521	1,670,429	1,507,802	1,342,958	1,361,599	1,360,000
Contract Completion Rate	54.3	57.2	51.9	57.7	64.2	65.1
Consignment Fees per Vehicle consigned *1	4,957	5,031	4,791	4,884	5,139	5,504
Contract completion fees per vehicle contracts completed *1	7,507	7,536	7,598	7,729	7,831	7,860
Successful Bidding fees per vehicle contracts completed *1	9,374	9,544	9,742	10,178	10,393	10,518
On-site Auction Members	40,959	42,751	43,307	44,317	45,563	46,600
CIS Internet Members	17,465	19,995	22,273	23,565	24,688	25,850
TV (Satellite Auction) Members	6,132	5,637	5,098	4,599	4,248	4,000
Rabbit Chain Shops	252	229	207	189	176	181
Capital Expenditures and Depreciation (Million yen)						
Capital Expenditures (Terms of Cash Flows) *2	13,641	7,639	6,913	1,285	7,629	2,000
Depreciation	5,167	5,526	5,796	5,482	4,529	3,905

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

Major Financial Indicators (Fiscal year)

(Million yen)

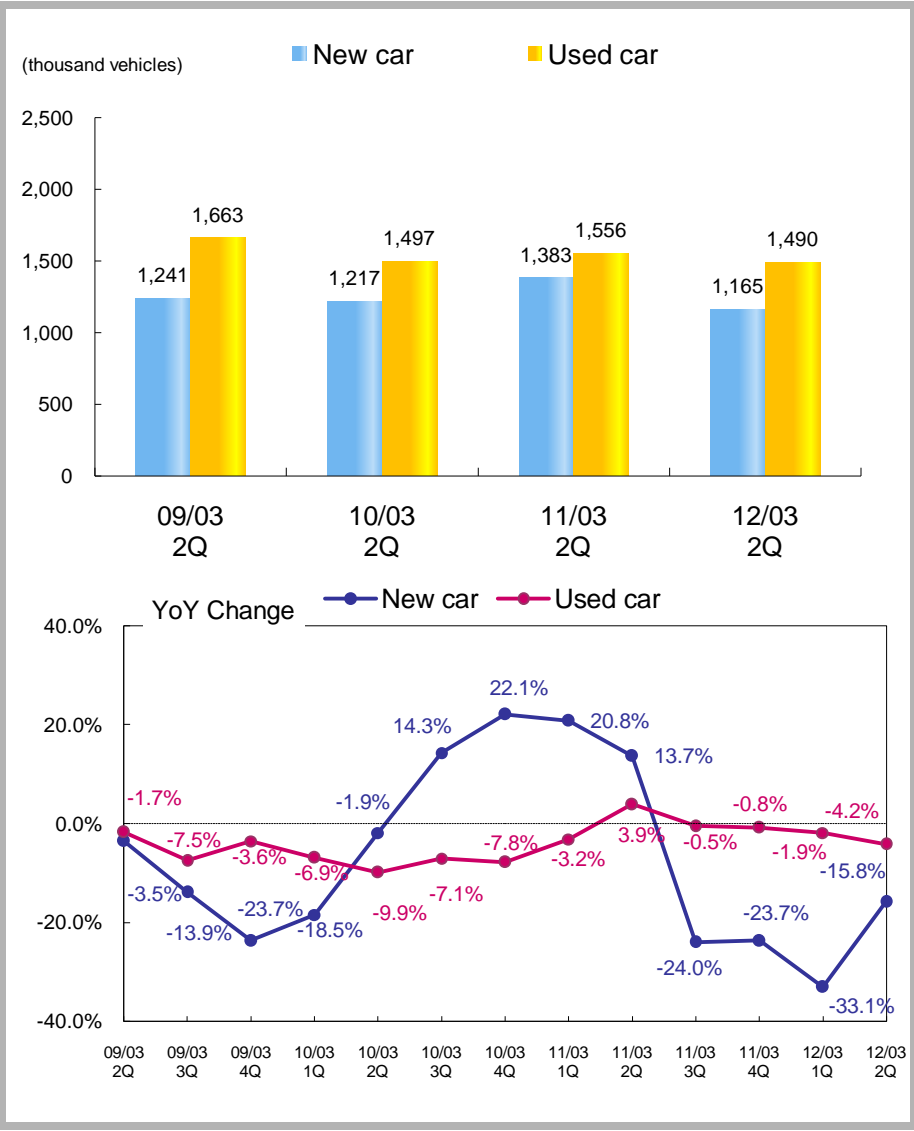
	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	YoY	10 years average of % changes
Results of Operations													
Net Sales	21,623	26,008	33,819	42,425	50,484	60,243	64,568	69,801	66,549	59,849	61,417	2.6%	11.0%
Operating Income	8,837	11,345	15,335	18,017	20,673	23,103	24,817	27,200	22,568	21,940	24,332	10.9%	10.7%
Ordinary Income	8,693	10,859	15,382	18,207	21,096	23,544	25,360	27,490	22,503	22,511	24,643	9.5%	11.0%
Net Income	4,493	5,489	7,645	8,907	11,814	13,203	14,390	15,200	12,003	12,717	13,971	9.9%	12.0%
Financial Position													
Total Assets	62,315	80,929	88,979	92,538	115,704	131,908	146,172	150,737	138,370	142,164	151,636	6.7%	9.3%
Cash and Deposits	11,595	21,477	15,356	15,168	15,818	19,995	21,149	26,280	18,445	29,681	30,980	4.4%	10.3%
Total Liabilities	29,624	46,209	44,603	24,284	29,901	33,841	40,184	33,159	23,428	23,773	29,689	24.9%	0.0%
Interest Bearing Debt	13,462	28,858	25,579	7,331	7,490	5,200	5,355	3,064	2,716	1,806	1,097	▲39.3%	▲22.2%
Net Assets	32,690	34,720	44,376	68,254	85,803	98,067	105,988	117,577	114,941	118,390	121,947	3.0%	14.1%
Shareholders' Equity	32,266	34,402	43,812	67,497	84,877	97,391	104,985	117,130	114,771	118,146	121,638	3.0%	14.2%
Per Share Information													
EPS (Yen)	168.6	205.6	279.4	300.7	377.6	407.0	447.1	475.1	382.7	418.8	478.0	14.1%	11.0%
Dividend per Share (Yen)	20.0	30.0	40.0	50.0	65.0	80.0	100.0	145.0	165.0	168.0	192.0	14.3%	25.4%
Others													
Operating Income Ratio (%)	40.9	43.7	45.3	42.5	40.9	38.4	38.4	39.0	33.9	36.7	39.6	—	—
ROE (%)	15.0	16.5	19.5	16.0	15.5	14.5	14.2	13.7	10.4	10.9	11.7	—	—
ROA (%)	15.3	15.2	18.1	20.1	20.3	19.0	18.2	18.5	15.6	16.0	16.8	—	—
Dividend Payout Ratio (%)	11.9	14.6	14.3	16.6	17.2	19.7	22.4	30.5	43.1	40.1	40.2	—	—
Shareholders' Equity Ratio (%)	51.8	42.5	49.3	72.9	73.4	73.8	71.8	77.7	82.9	83.1	80.2	—	—
Treasury Stock (shs.)	—	50	1,134	1,495	1,789	144,006	671,773	671,801	2,105,687	2,936,474	2,364,781	▲19.5%	—
On-site Auction Members (Companies)	22,329	25,023	27,622	30,195	34,420	37,157	40,959	42,751	43,307	44,317	45,563	2.8%	7.4%

Supplemental Data (2)

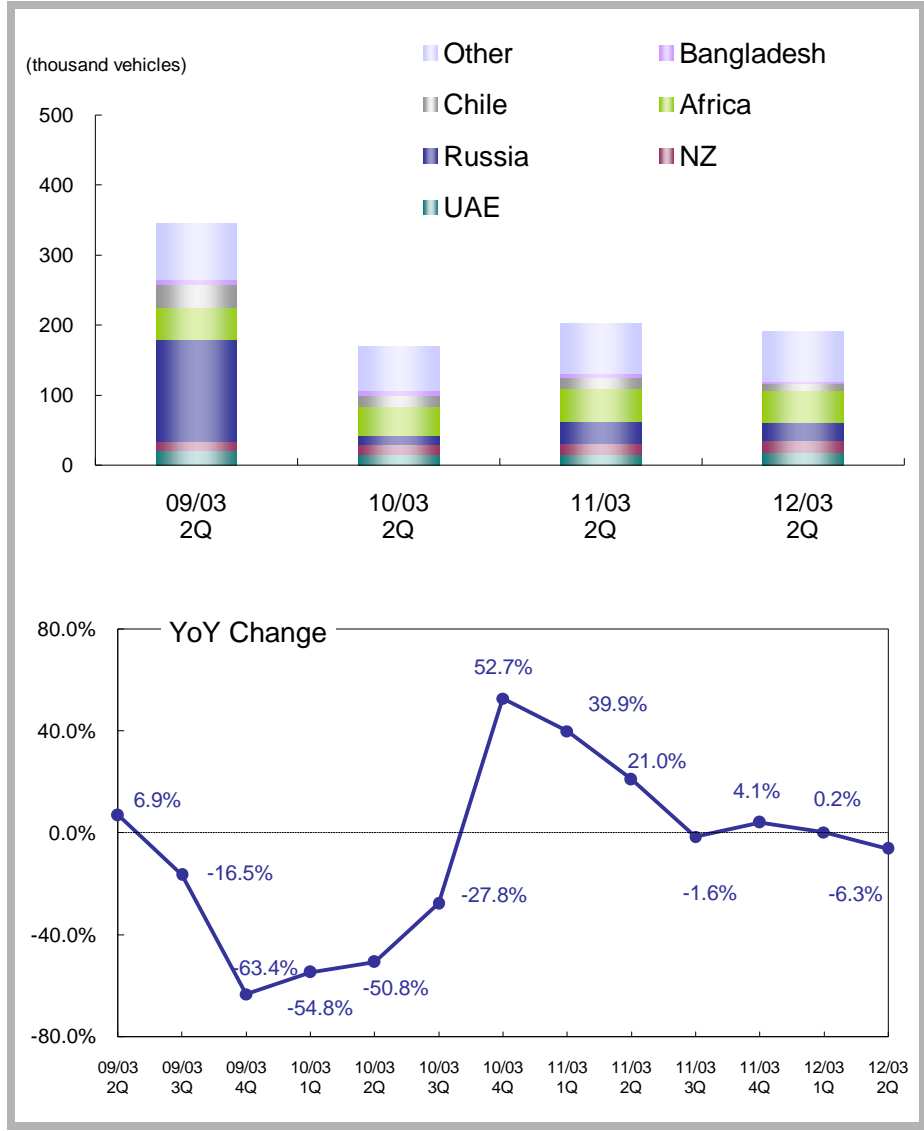
Market Overview of 2Q FY2012.3



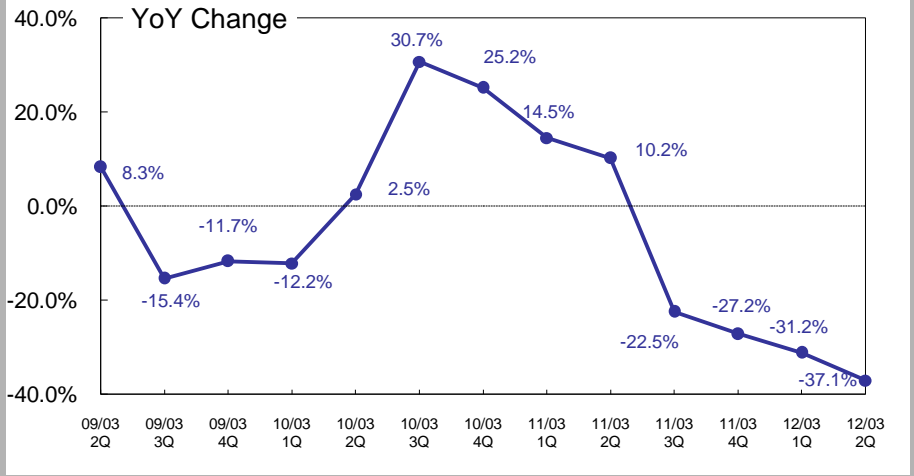
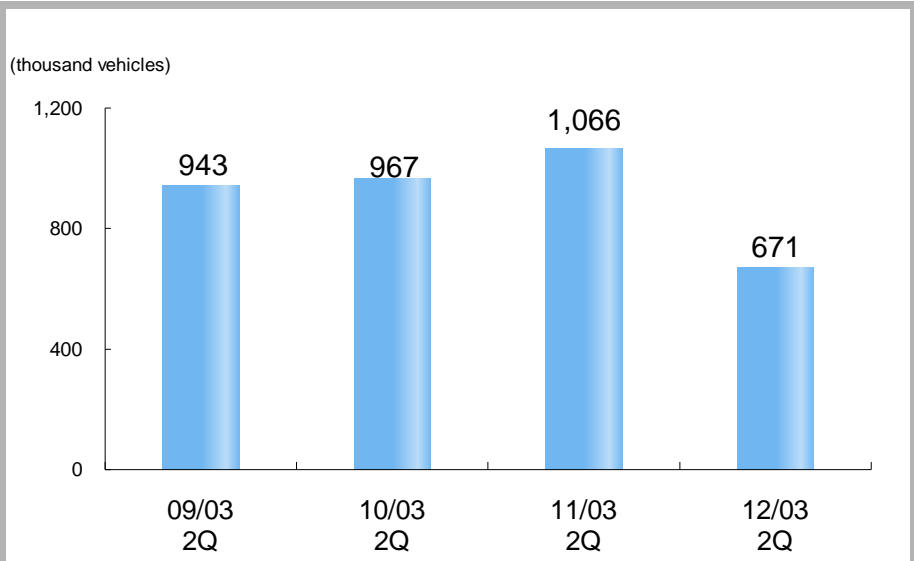
New car and used car registrations



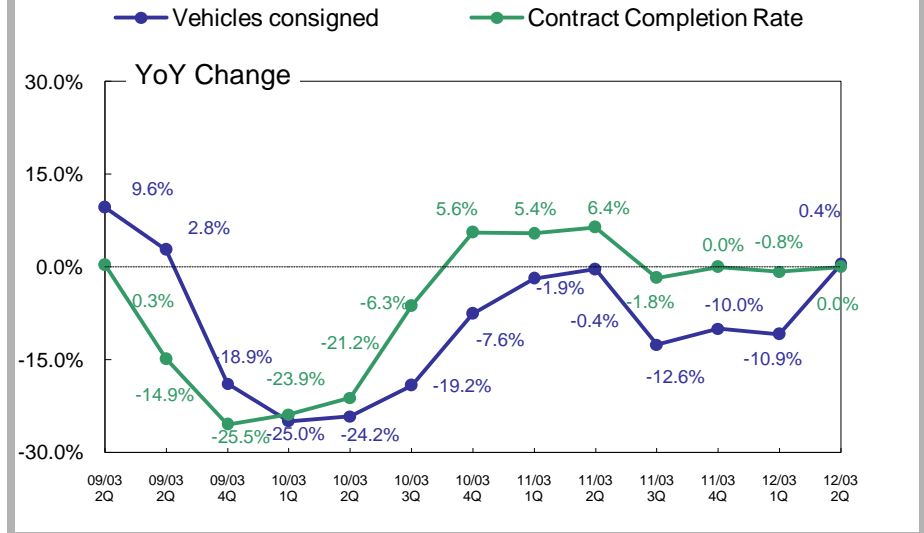
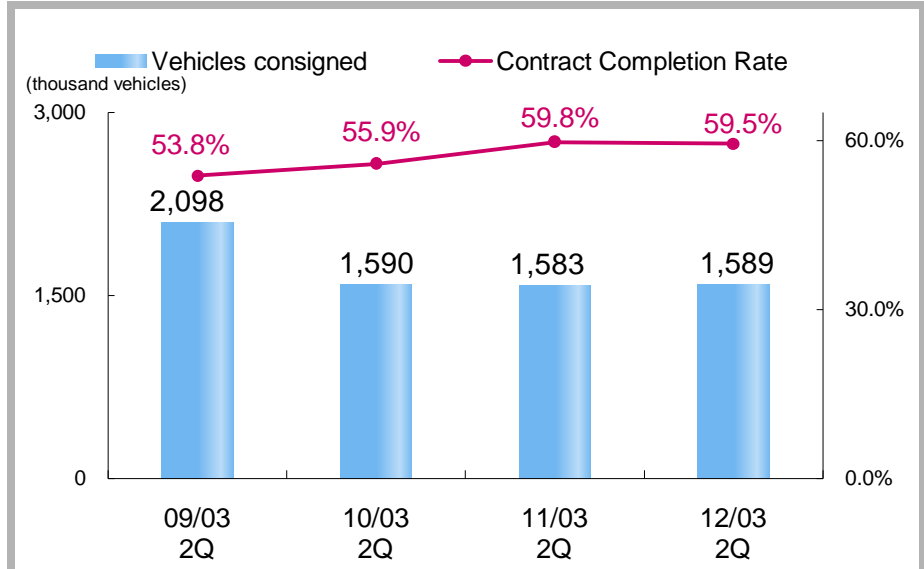
Used car exports



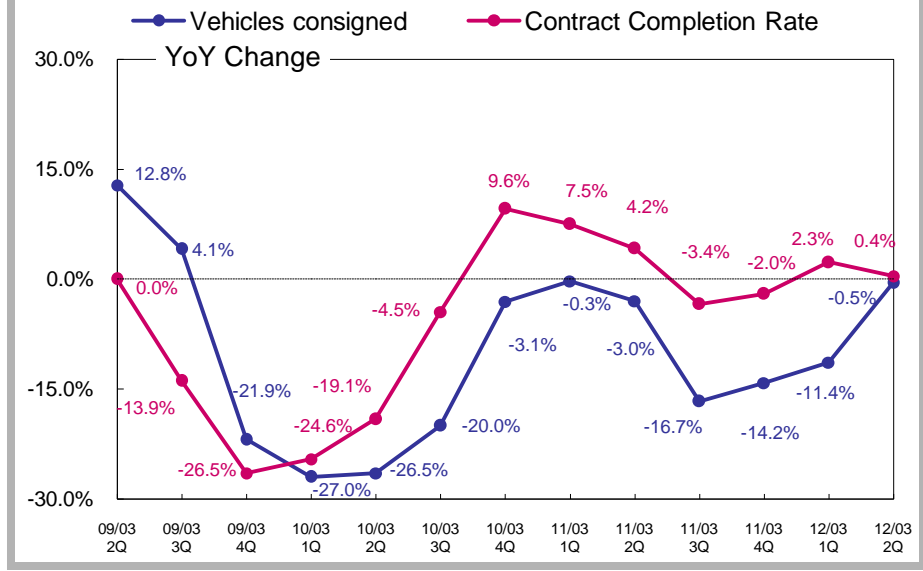
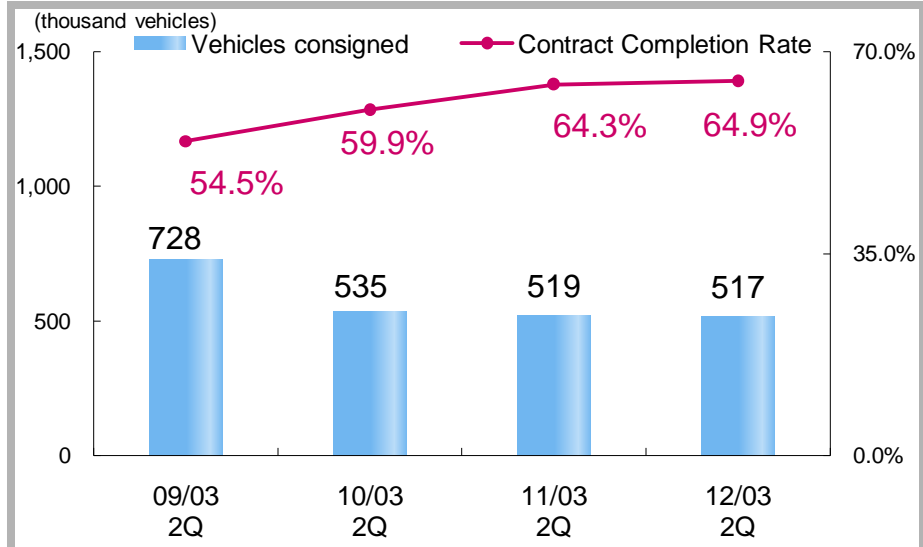
Automobiles Recycled



Auto Auction Market



USS Group Auto Auction Performance



Consolidated Total

(Million yen)

	2010.3 2Q	2011.3 2Q	2012.3 2Q	YoY Change
Net sales	14,511	15,074	15,608	103.5%
Operating income	5,123	5,894	6,388	108.4%

Auto Auction Business

(Million yen)

	2010.3 2Q	2011.3 2Q	2012.3 2Q	YoY Change
Net sales	10,310	10,678	11,007	103.1%
Operating income	4,884	5,623	6,273	111.6%

Used Vehicle Sales/Purchases Business

(Million yen)

	2010.3 2Q	2011.3 2Q	2012.3 2Q	YoY Change
Net sales	3,256	3,201	3,398	106.2%
Operating income	153	241	137	57.0%

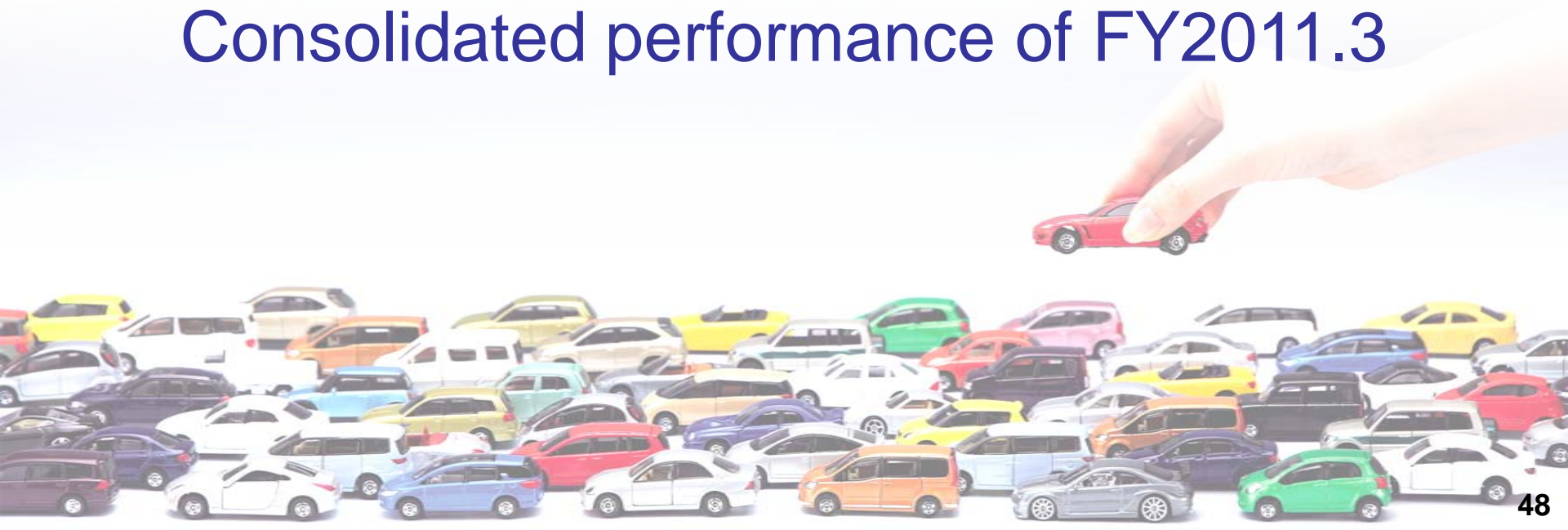
Other Business

(Million yen)

	2010.3 2Q	2011.3 2Q	2012.3 2Q	YoY Change
Net sales	1,058	1,291	1,311	101.5%
Operating income	5	1	▲56	-

Supplemental Data (3)

Consolidated performance of FY2011.3



Sales and operating income both reached the FY plan

(Million yen)

	2010.3	2011.3	YoY	Plan (As of Nov. 9, 2010)	VS. plan
Net Sales	59,849	61,417	102.6%	61,000	100.7%
Cost of sales (Per sales)	27,120 (45.3%)	26,865 (43.7%)	99.1%	26,444 (43.4%)	101.6%
Gross profit (Per sales)	32,728 (54.7%)	34,552 (56.3%)	105.6%	34,555 (56.6%)	100.0%
Selling, general and administrative expenses (Per sales)	10,788 (18.0%)	10,220 (16.6%)	94.7%	10,455 (17.1%)	97.7%
Operating income (Per sales)	21,940 (36.7%)	24,332 (39.6%)	110.9%	24,100 (39.5%)	101.0%
Ordinary income (Per sales)	22,511 (37.6%)	24,643 (40.1%)	109.5%	24,300 (39.8%)	101.4%
Net income (Per sales)	12,717 (21.2%)	13,971 (22.7%)	109.9%	14,100 (23.1%)	99.1%
Net income per share (yen)	418.85	478.00	114.1%	482.40	99.1%
ROE	10.9%	11.7%	—	11.6%	—

Net sales: Vehicle consignment fees down but contract completion fee and off-site fee income increased because of the higher contract completion rate; sales from recycling end-of-life vehicles and other items increased

Cost of sales: Depreciation expenses down but cost of procurement for end-of-life vehicles and other items up

SG&A expenses: Goodwill amortization declined

Extraordinary gains/losses: Impairment charge of 998 million yen for buildings and equipment at the Ryutsu Auction Site following its integration with the Tokyo Auction Site; 462 million yen of asset retirement obligations for prior years

Outstanding financial soundness even as substantial earnings distributions to shareholders continue

(Million yen)

	2010.3	2011.3	Changes
Current assets	40,222	47,074	6,851
Cash and deposits	29,681	30,980	1,298
Receivables due from member dealers at auction	5,643	11,151	5,507
Other	4,896	4,942	45
Noncurrent assets	101,941	104,562	2,621
Property, plant and equipment	92,204	94,479	2,274
Intangible assets	1,498	1,114	▲383
Investments and other assets	8,238	8,969	730
Total assets	142,164	151,636	9,472
Current liabilities	17,435	22,994	5,559
Payables due to member dealers at auction	6,454	11,502	5,048
Short-term loans payable	399	188	▲211
Other	10,581	11,303	722
Noncurrent liabilities	6,337	6,695	357
Long-term loans payable	356	167	▲188
Other	5,981	6,527	545
Total liabilities	23,773	29,689	5,916
Total shareholders' equity	123,058	126,556	3,497
Total of other comprehensive income	▲4,912	▲4,918	▲5
Subscription rights to shares	18	31	12
Minority interests	226	278	51
Total net assets	118,390	121,947	3,556

Current assets

- Member dealer receivables up due to timing of fiscal year end and auction dates

Noncurrent assets

- Land increased 6.28 billion yen mainly because of purchase of land adjacent to the Yokohama Auction Site
- Decrease of 4.52 billion yen due to depreciation

Current liabilities

- Member dealer payables up due to timing of fiscal year end and auction dates

Noncurrent liabilities

- Increase of 700 million yen due to asset retirement obligations
- Decrease of 300 million yen due to repayment of lease obligations

Repurchased stock and consolidated dividend payout ratio of more than 40%

(Million yen)

	2010.3	2011.3	Changes
Net Cash provided operating activities	22,300	20,512	▲1,788
Income before income taxes	22,026	23,156	1,130
Depreciation and other amortization	5,622	4,685	▲936
Amortization of goodwill	797	248	▲549
Loss (▲gain) on sale and retirement of property, plant and equipment	1	1	0
Loss (▲gain) on sales and retirement of intangible assets	8	11	2
Net change in due from/to member dealers at auction (▲increase)	761	▲458	▲1,220
Income taxes paid	▲7,949	▲9,026	▲1,077
Other	1,030	1,893	874
Net cash provided by investment activities	▲803	▲9,786	▲8,982
Purchase of property, plant and equipment	▲1,071	▲7,303	▲6,231
Other	267	▲2,482	▲2,750
Net cash provided by financing activities	▲10,260	▲11,127	▲866
Net increase in loans payable	▲602	▲399	203
Purchases of treasury stock	▲4,671	▲4,950	▲279
Cash dividends paid	▲4,741	▲5,518	▲776
Other	▲244	▲258	▲13
Net increase in cash and cash equivalents	11,235	▲401	▲11,636
Cash and cash equivalents at beginning of period	18,445	29,681	11,235
Cash and cash equivalents at end of period	29,681	29,280	▲401

Operating activities

- Depreciation and amortization was 4.68 billion yen
- Income taxes paid were 9.02 billion yen

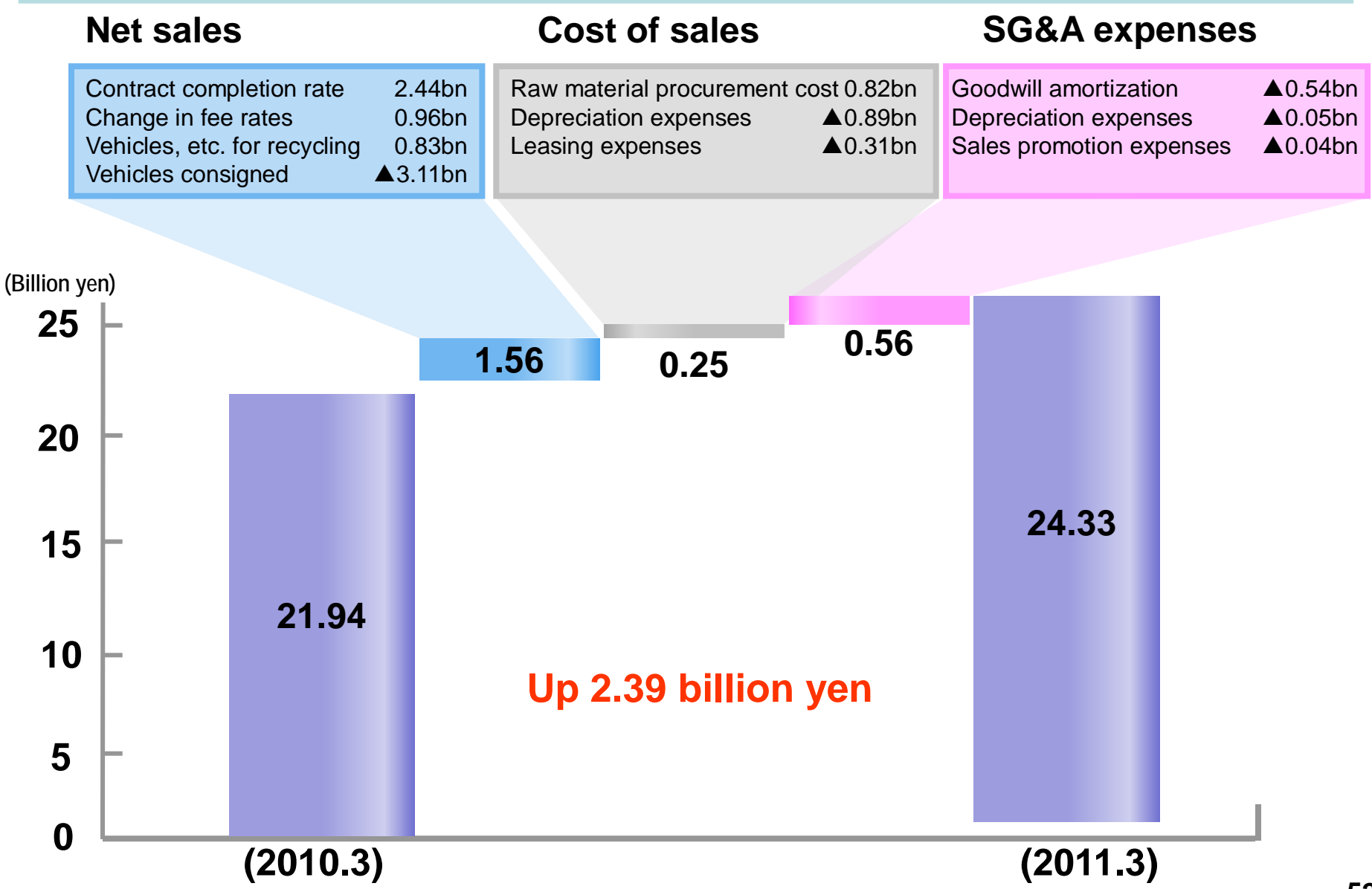
Investing activities

- Purchase of property, plant and equipment was 7.30 billion yen (for land next to the Yokohama Auction Site, etc.)

Financing activities

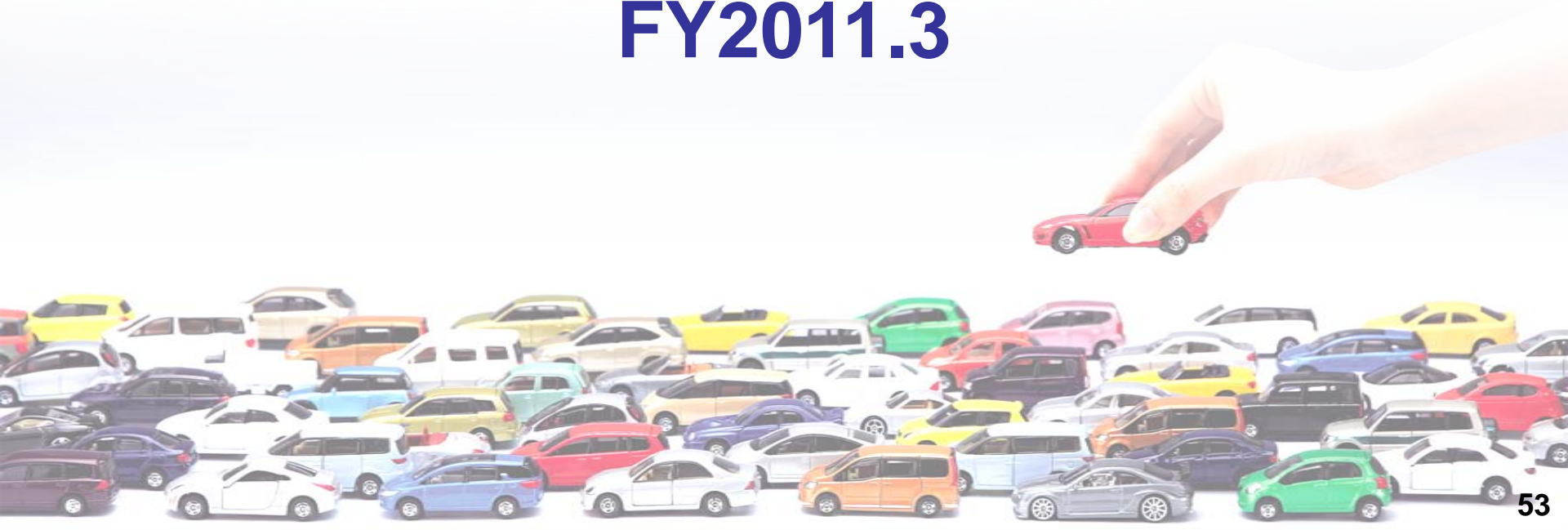
- Purchases of treasury stock were 4.95 billion yen
- Cash dividends paid were 5.51 billion yen

Reasons for change in operating income



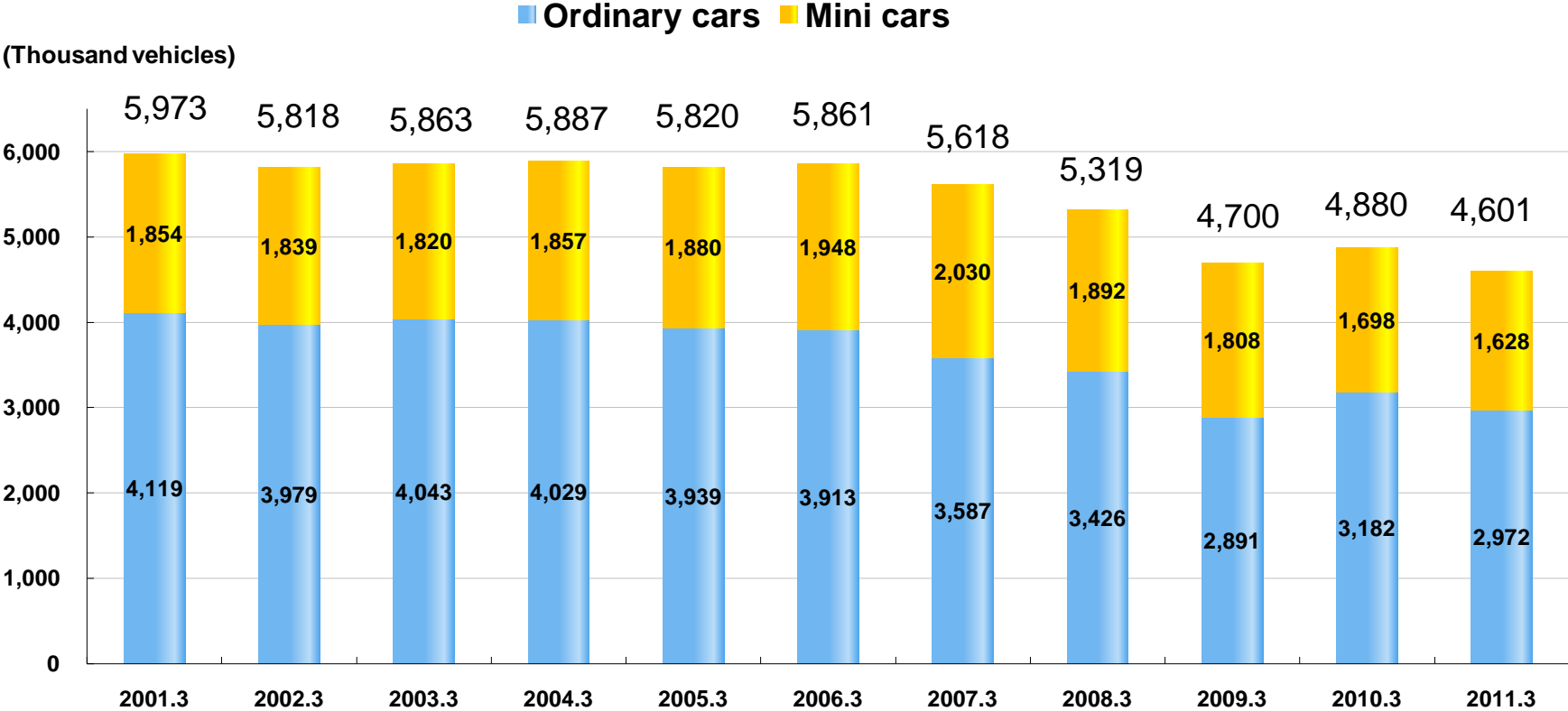
Market Overview

FY2011.3



(1) New Car Registrations in Japan (April to March)

Big drop starting in October following the end of eco-car subsidies

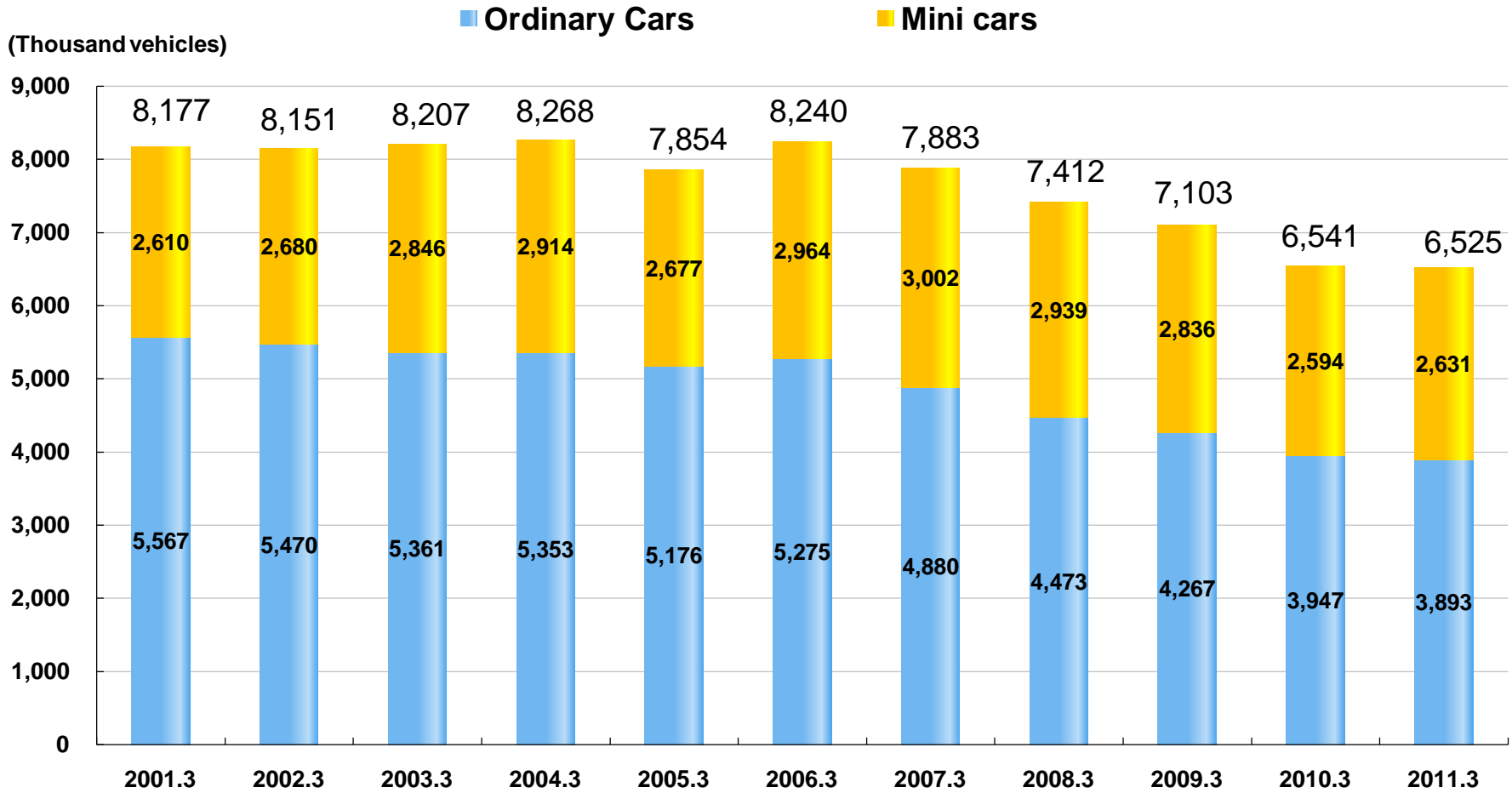


New car registrations in FY2011.3 decreased 5.7% to 4.6 million units.

- Registrations fell sharply starting in October after eco-car subsidies ended.
- New car registrations were down 35.1% to the 430,000 level in March because of the Great East Japan Earthquake.

(2) Used Car Registrations in Japan (April to March)

Used car registrations were flat despite the drop in new car registrations.



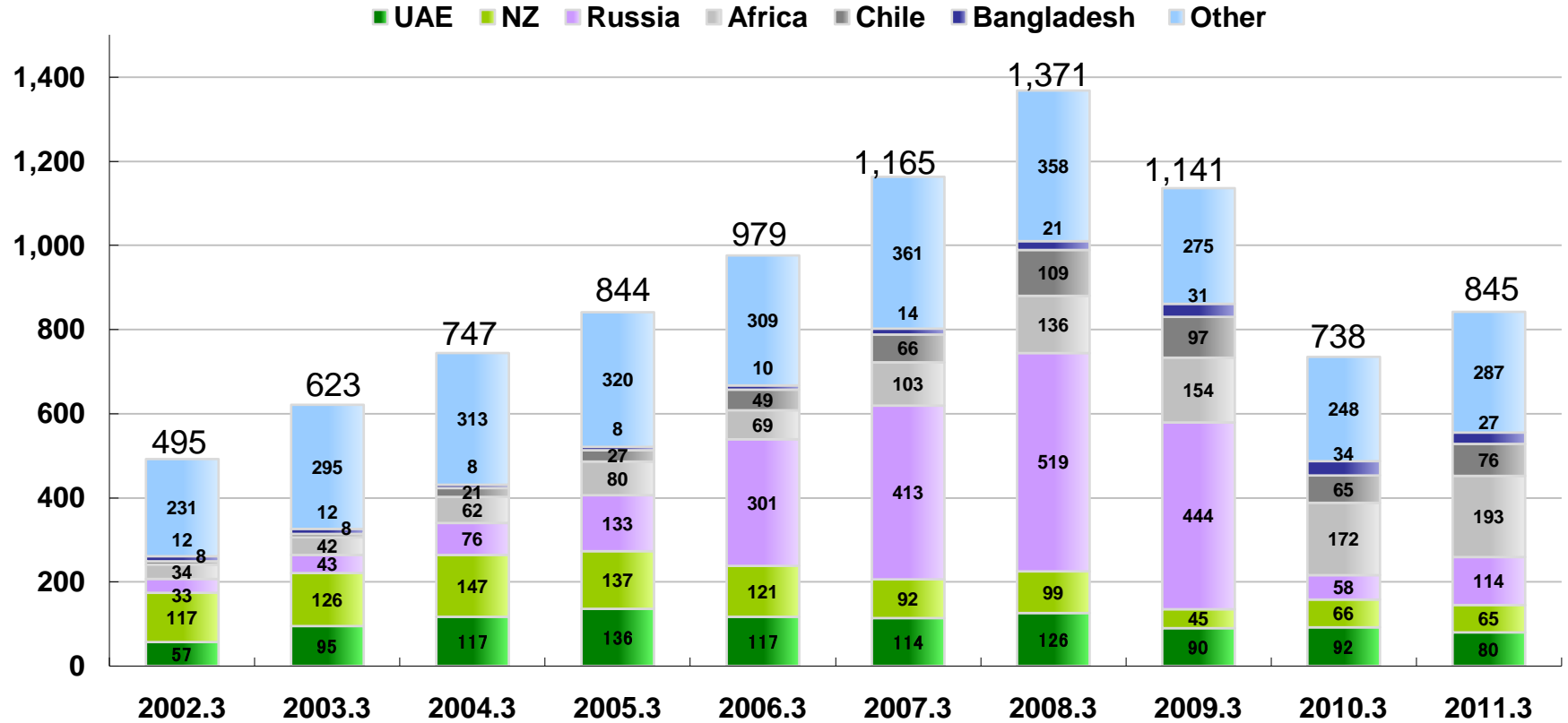
Used car registrations in FY2011.3 were down 0.2% to 6.52 million units.

- Although lower new car registrations reduced the supply of used cars, there was a tight supply of used cars due to steady demand for used vehicles and exported used vehicles.

(3) Used Car Exports from Japan (April to March)

Exports to Africa, the Middle East and other regions are strong and exports to Russia rebounded

(Thousand vehicles)

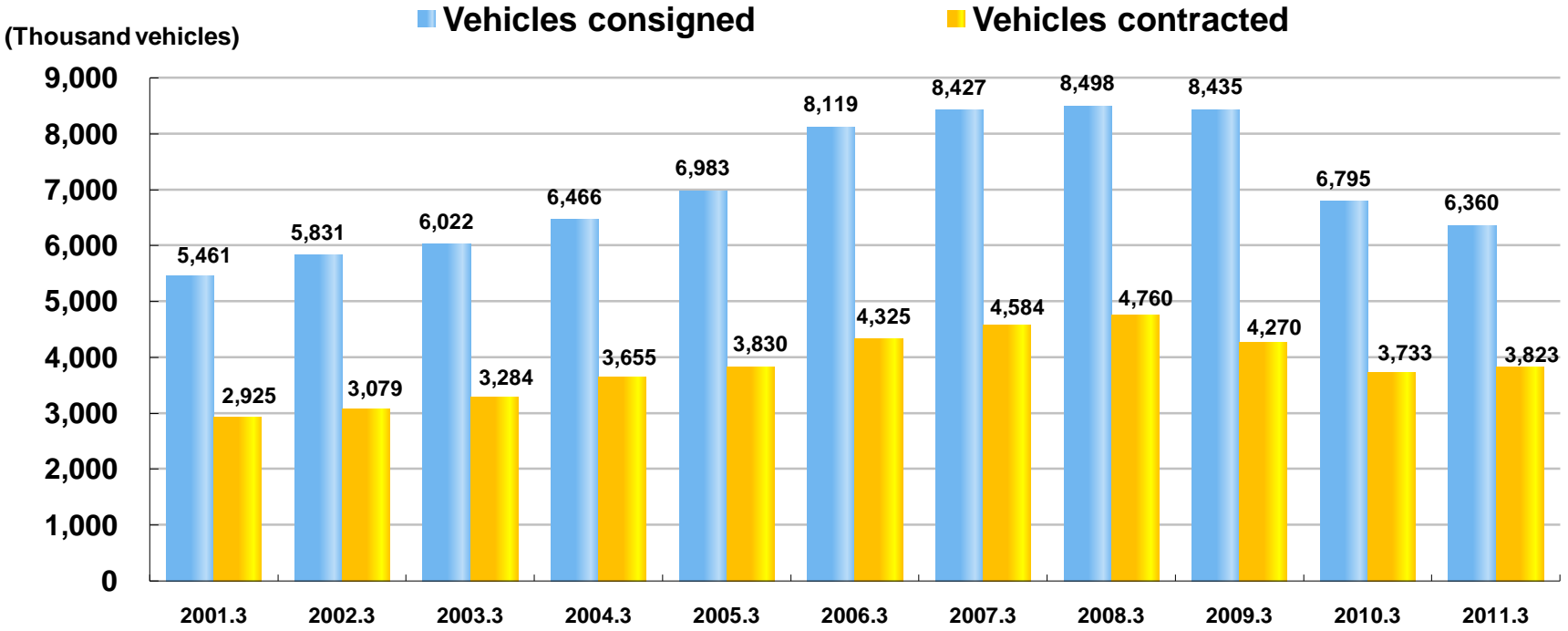


Used car exports in FY2011.3 increased 14.6% to 840,000 units.

- Exports to Russia are recovering
- Strong demand in South Africa, Kenya and other African countries, in Chile and in other regions

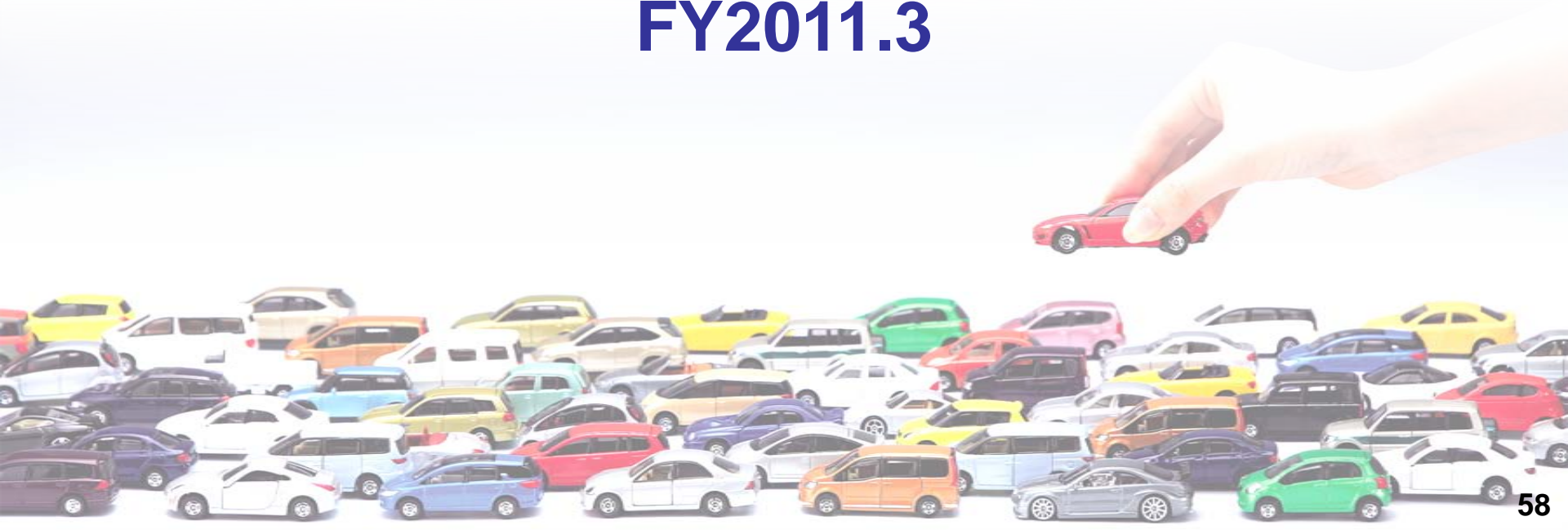
(4) The Auto Auction Market (April to March)

Vehicles consigned were down but vehicles contracted increased

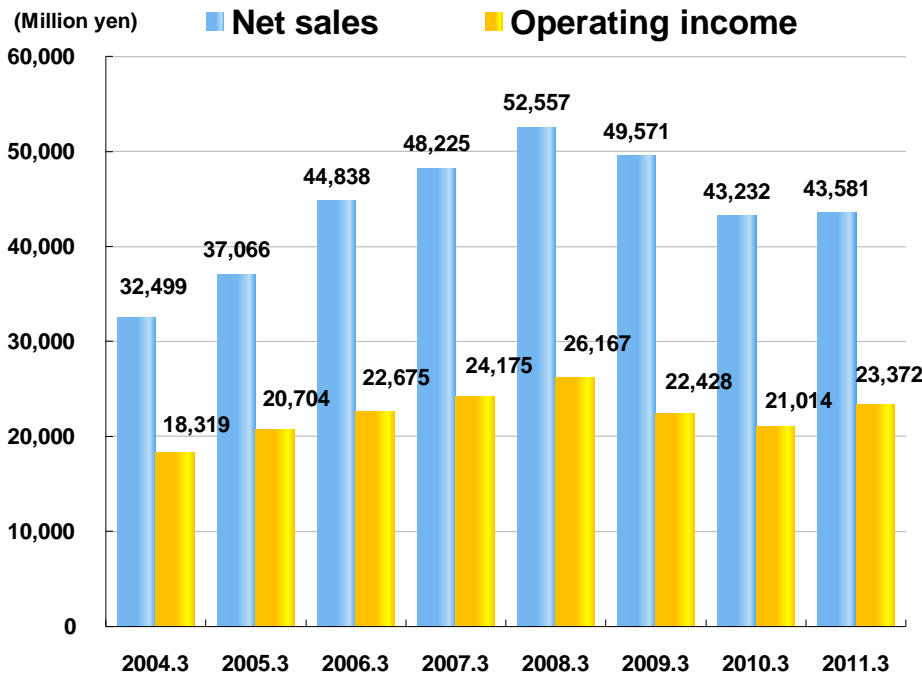


Business Segment Information

FY2011.3



Earnings were much higher as depreciation and goodwill amortization decreased and the operating margin improved, too



	(Million yen)		
	2010.3	2011.3	YoY
Net sales	43,232	43,581	100.8%
Operating income (Per sales)	21,014 (48.6%)	23,372 (53.6%)	111.2%

Net sales increased 0.8% to 43,581 million yen

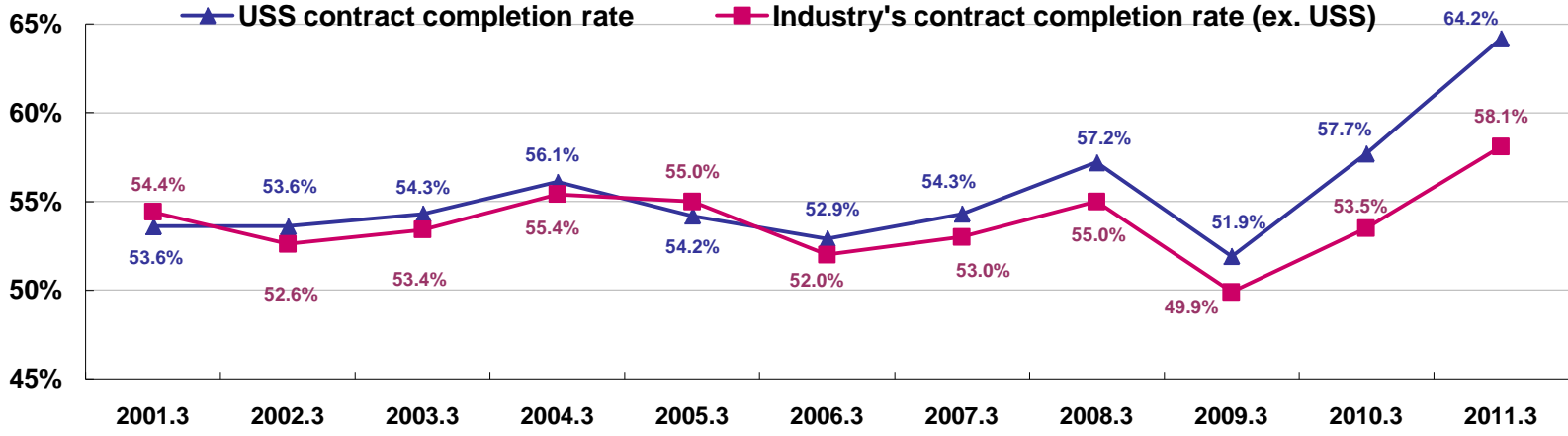
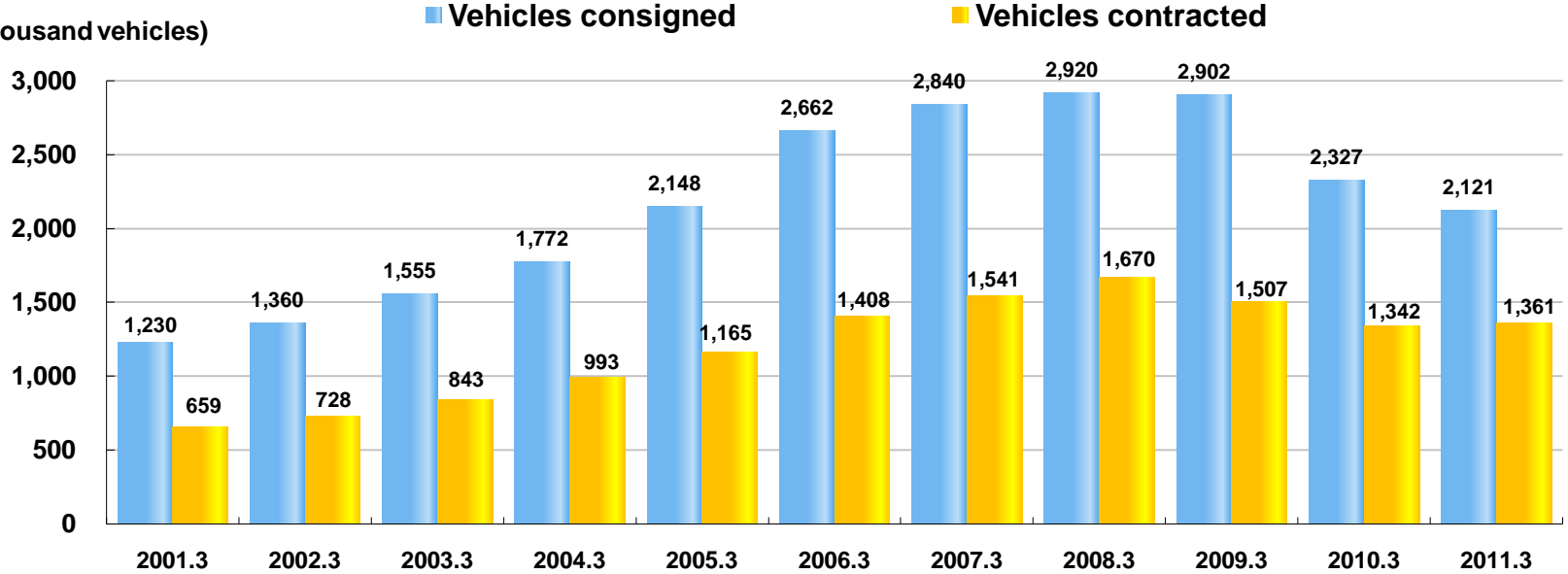
- A small increase in sales as consignment fee income declined along with the decrease in the number of vehicles consigned but there were increases in contract completion fees and successful bid fees because of the higher contract completion rate

Operating income increased 11.2% to 23,372 million yen

- Depreciation decreased 870 million yen and goodwill amortization decreased 740 million yen

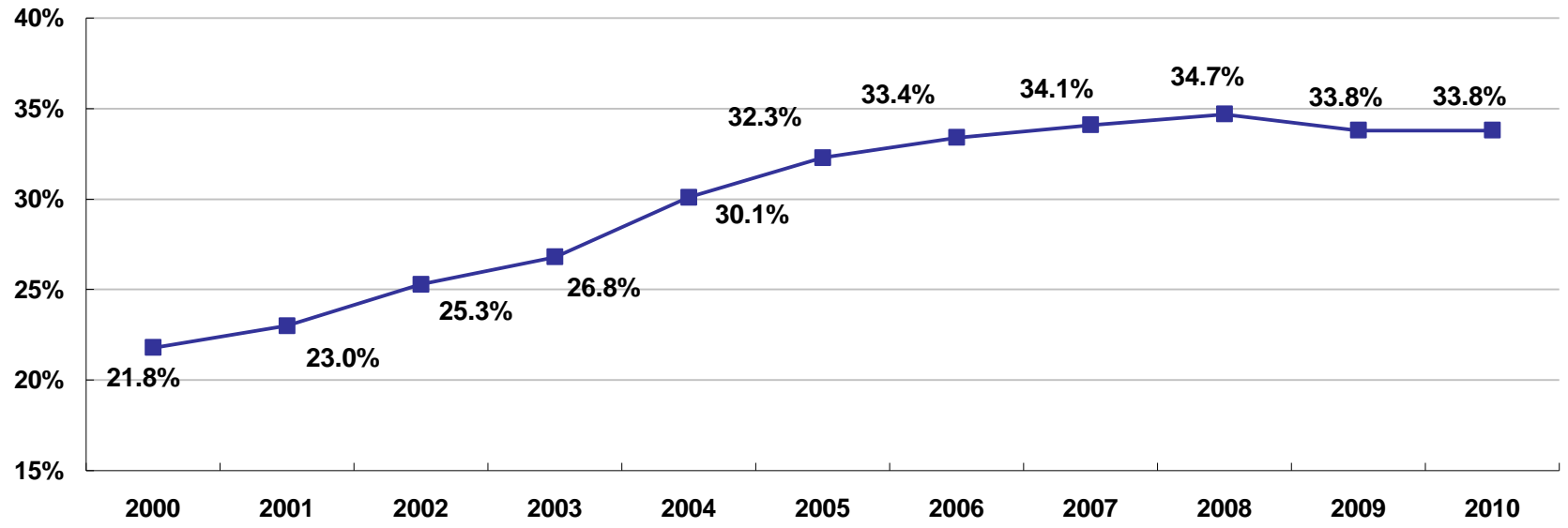
Vehicles consigned down 8.8% but vehicles contracted up 1.4% because of higher contract completion rate

(Thousand vehicles)



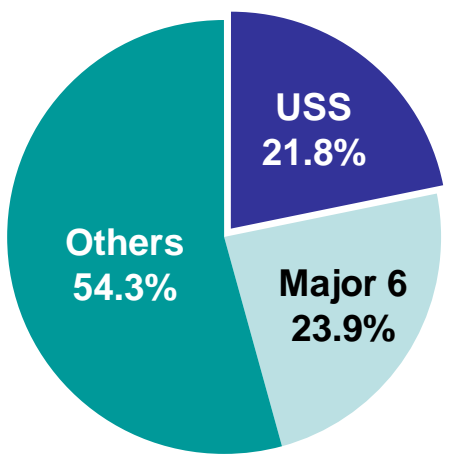
Medium-term growth in market share

USS Market Share



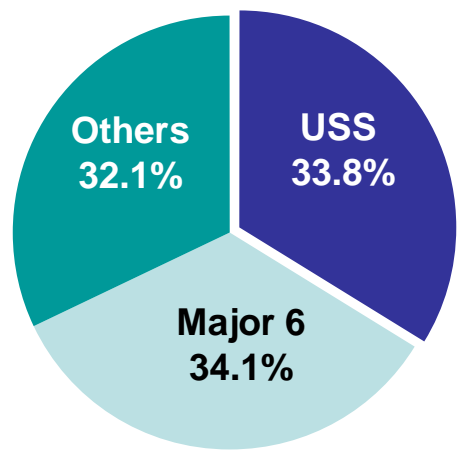
2000 (CY) Market Share

- *Major 6
- JAA (6.0%)
- TAA (4.1%)
- CAA (4.1%)
- Arai AA(5.6%)
- KCAA (2.9%)
- LAA (1.2%)

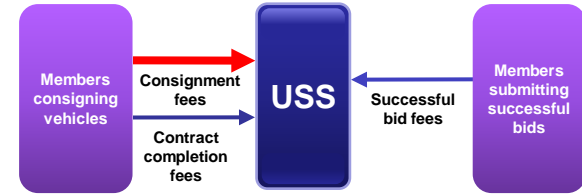


2010 (CY) Market Share

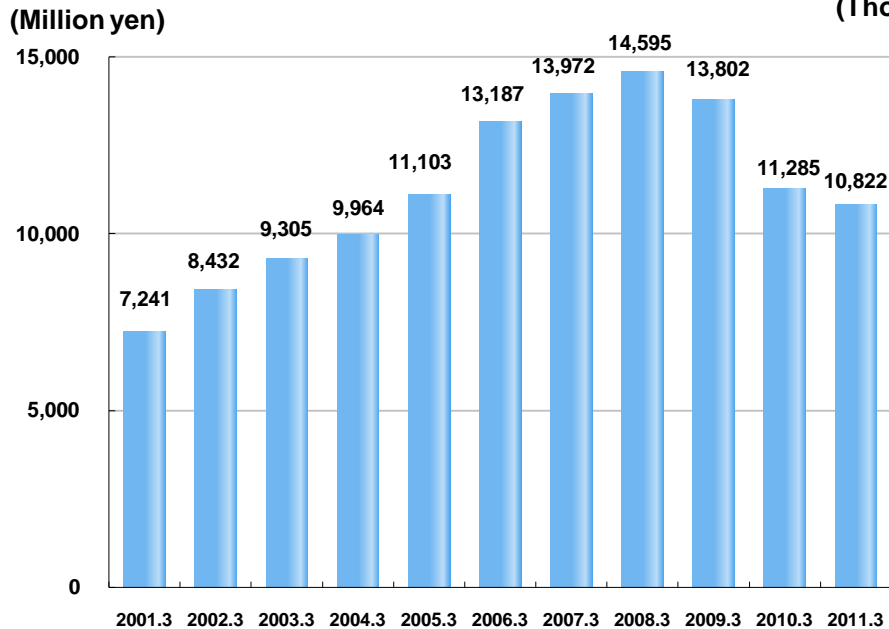
- *Major 6
- JAA(8.8%)
- TAA(8.3%)
- CAA(6.1%)
- Arai AA(4.5%)
- KCAA(3.2%)
- LAA(3.1%)



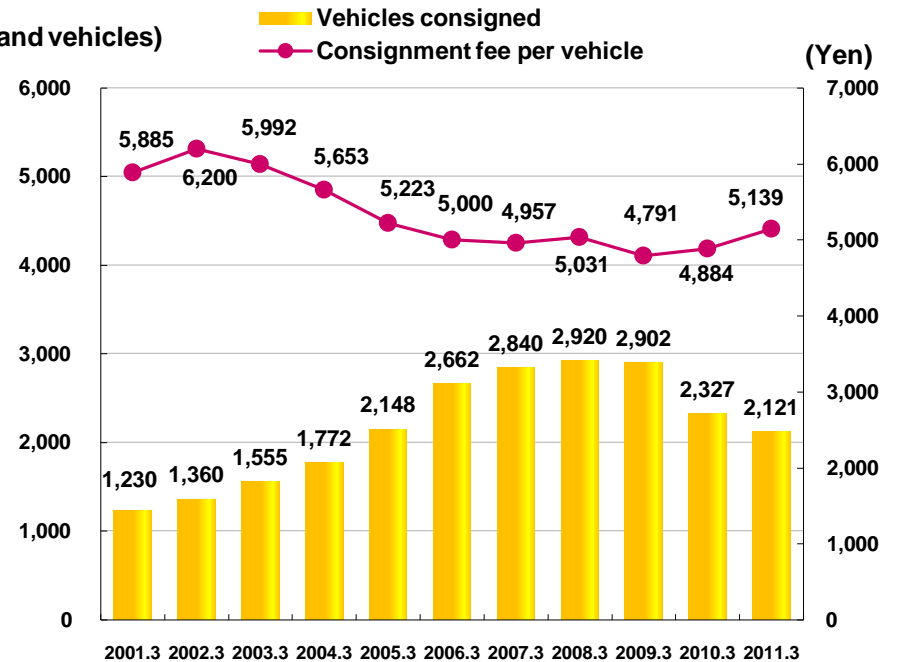
Consignment fee per vehicle increased despite the decline in vehicles consigned



Total of consignment fees



(Thousand vehicles)

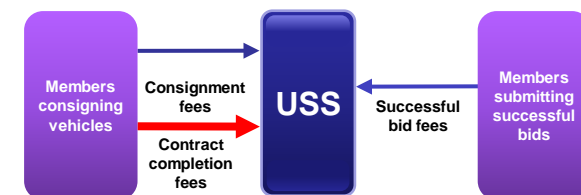


*Consignment fee per vehicle is calculated before eliminations for consolidation.

Consignment fee per vehicle increased despite the decline in vehicles consigned

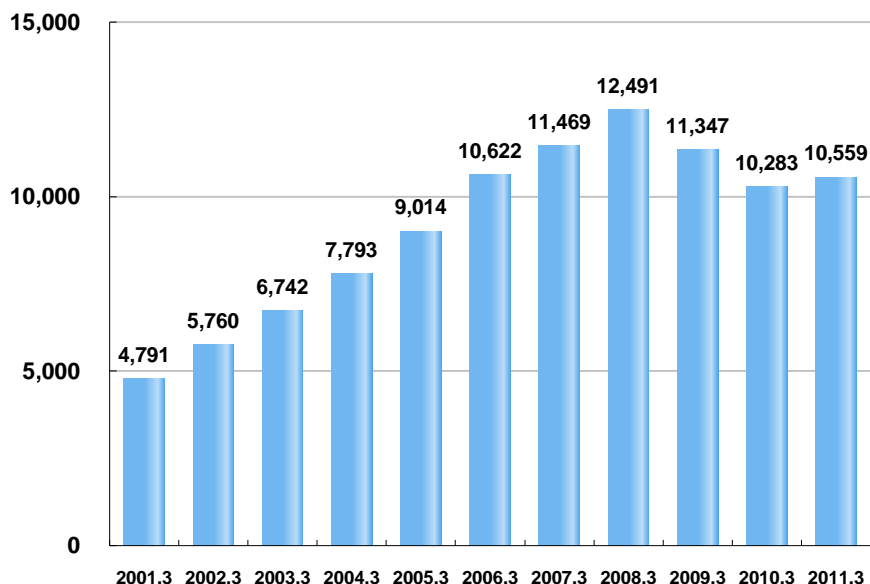
- Consignment fee per vehicle increased by 255 yen from 4,884 yen to 5,139 yen
- Reexamined the consignment fee discount offered during a special marketing campaign
- Consignment fee per vehicle improved because of the higher share of vehicles consigned at large auction sites (Tokyo, Nagoya and others) where consignment fees are higher.

Higher share of contracted vehicles at large auction sites where fees are higher

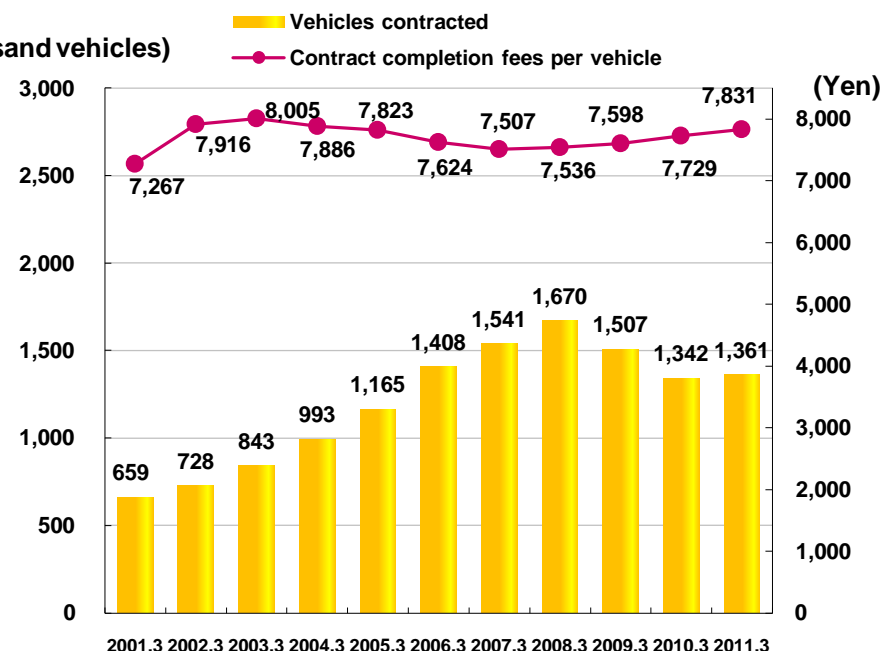


Total of Contract Completion Fees

(Million yen)



(Thousand vehicles)

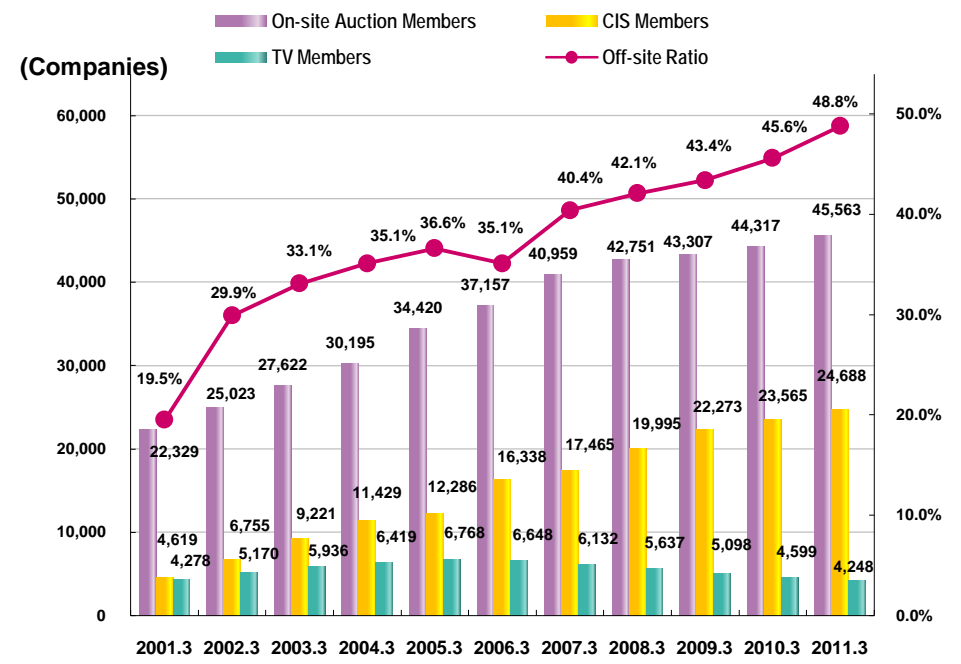
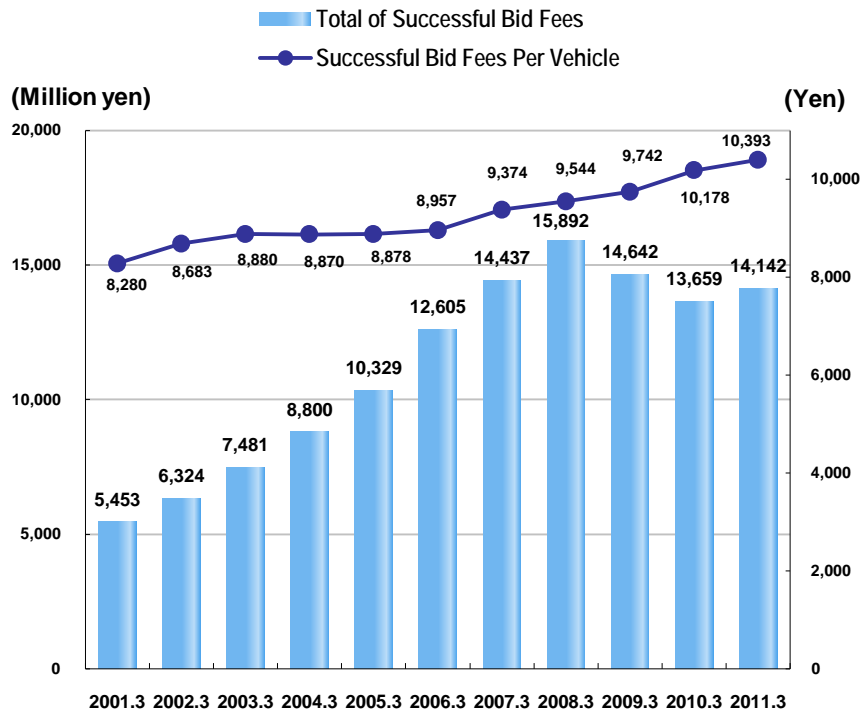
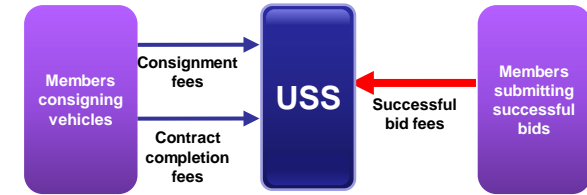


* Contract completion fee per vehicle is calculated before eliminations for consolidation.

Contract completion fee per vehicle increased by 102 yen from 7,729 yen to 7,831 yen

- Contract completion fee per vehicle improved because of the higher share of vehicles contracted at large auction sites (Tokyo, Nagoya and others) where contract completion fees are higher.
- Raised the contract completion fee at the Tohoku Auction Site in April 2010 due to a revision in fees at this location

Higher share of successful off-site bids, which have a higher contract completion fee rate



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

Successful bid fee per vehicle increased by 215 yen from 10,178 yen to 10,393 yen

- The successful bid fee per vehicle increased as the off-site successful bid ratio rose from 45.6% to 48.8%.
- The number of CIS members increased because new auction members are urged to sign up for the Internet service at the same time.

FY2011.3 (From April 1, 2010 to March 31, 2011)

(Vehicles, Number of auctions held)

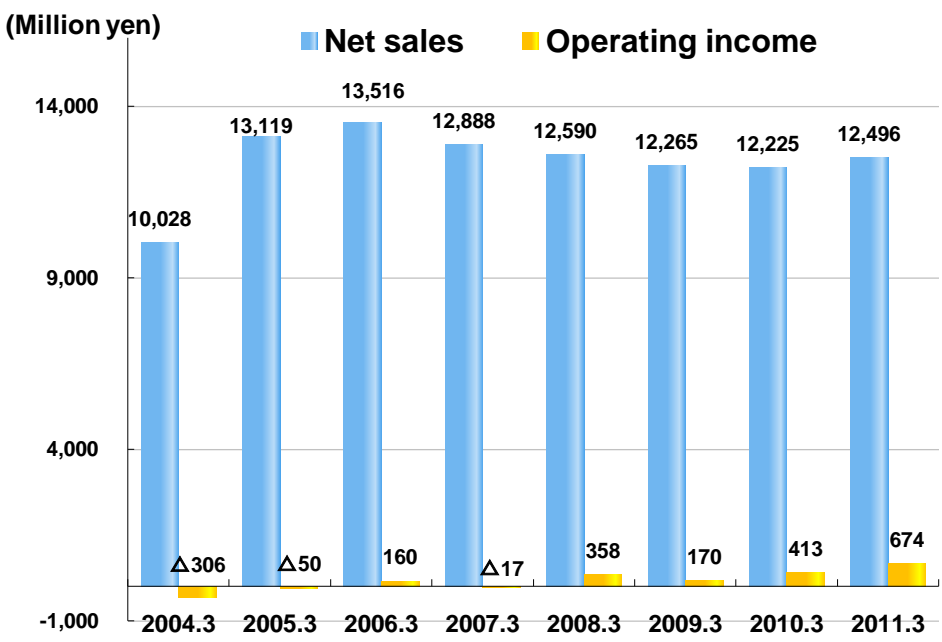
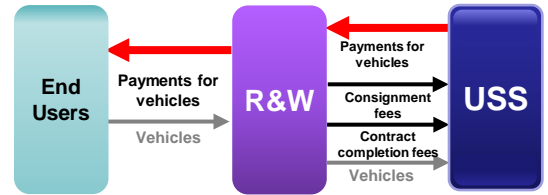
	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	2011.3	2010.3	2011.3	2010.3	Changes	2011.3	2010.3	Changes	2011.3	2010.3
Tokyo	48	50	570,237	612,787	▲6.9%	404,013	395,911	2.0%	70.9%	64.6%
Nagoya	49	49	332,952	331,018	0.6%	220,930	206,740	6.9%	66.4%	62.5%
Yokohama	49	49	181,532	206,125	▲11.9%	111,289	110,228	1.0%	61.3%	53.5%
Kyushu	50	50	163,441	170,756	▲4.3%	97,264	89,703	8.4%	59.5%	52.5%
Sapporo	49	50	128,220	122,751	4.5%	77,223	72,069	7.2%	60.2%	58.7%
Osaka	50	50	96,777	107,720	▲10.2%	62,828	65,254	▲3.7%	64.9%	60.6%
R-Nagoya	49	49	90,875	93,081	▲2.4%	72,935	73,947	▲1.4%	80.3%	79.4%
Shizuoka	49	49	83,116	86,550	▲4.0%	49,456	45,686	8.3%	59.5%	52.8%
Gunma	49	49	74,522	81,624	▲8.7%	50,225	48,001	4.6%	67.4%	58.8%
Tohoku	48	51	69,540	89,809	▲22.6%	49,831	59,850	▲16.7%	71.7%	66.6%
Fukuoka	50	50	64,778	77,235	▲16.1%	22,935	25,959	▲11.6%	35.4%	33.6%
Okayama	50	50	64,773	68,676	▲5.7%	35,182	31,956	10.1%	54.3%	46.5%
Ryutsu	49	51	62,015	104,861	▲40.9%	26,849	33,891	▲20.8%	43.3%	32.3%
Saitama	49	50	44,777	58,856	▲23.9%	27,121	26,457	2.5%	60.6%	45.0%
Kobe	49	49	38,426	41,880	▲8.2%	21,738	22,577	▲3.7%	56.6%	53.9%
Niigata	50	51	30,784	27,513	11.9%	15,737	13,859	13.6%	51.1%	50.4%
Hokuriku	49	49	25,183	27,075	▲7.0%	16,043	15,677	2.3%	63.7%	57.9%
Fujioka	-	38	-	19,198	-	-	5,193	-	-	27.0%
Total	836	884	2,121,948	2,327,515	▲8.8%	1,361,599	1,342,958	1.4%	64.2%	57.7%

* Auction data for Shikoku, opened in September 2010, is included in the data for Okayama.

* The USS Fujioka auction site and the USS Gunma auction site were merged in Jan. 2010

Used Car Purchasing and Selling Business – Results of Operations

Sales and earnings higher along with growth in vehicles purchased and gross profit per vehicle



	(Million yen)		
	2010.3	2011.3	YoY
Net Sales	12,225	12,496	102.2%
Operating Income (Per sales)	413 (3.4%)	674 (5.4%)	163.1%

Rabbit (used car purchasing and selling shops) sales increased 2.0% to 8,456 million yen and operating income was up 137.4% to 377 million yen.

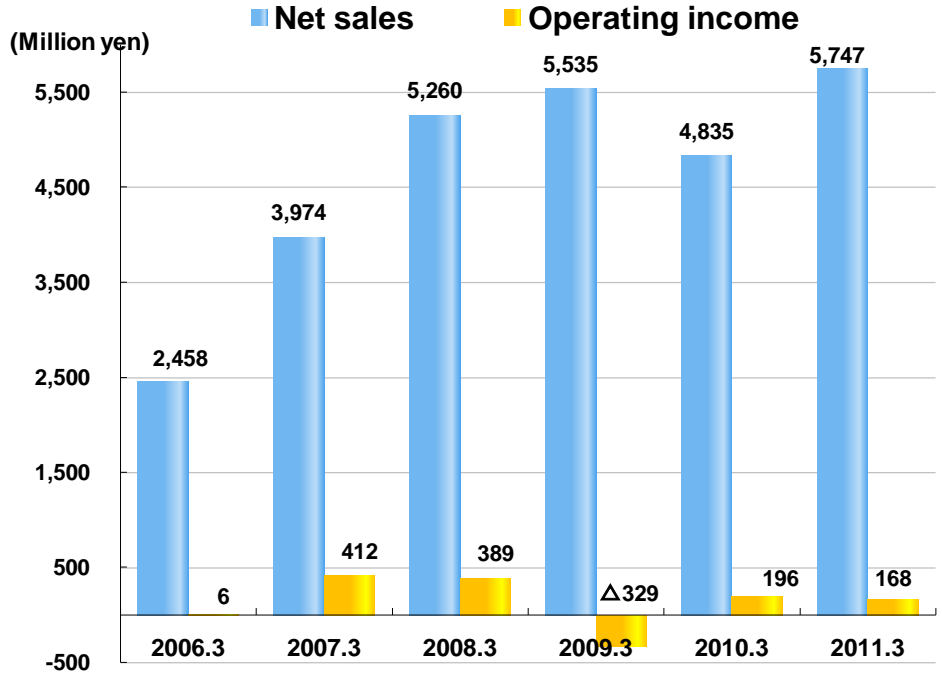
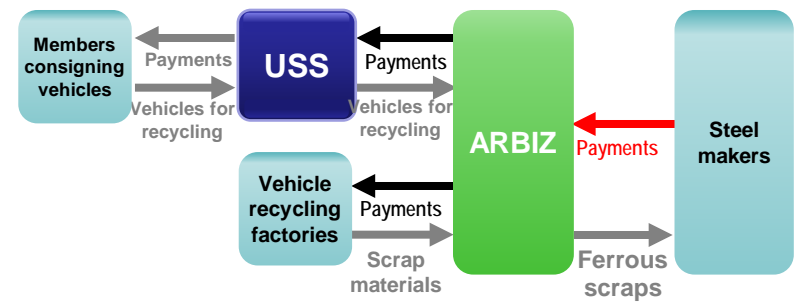
- Sales and earnings were up due to increases in vehicles purchases and gross profit per vehicle as well as a reexamination of operating expenses.

Sales of accident-damaged vehicles increased 2.7% to 4,040 million yen and operating income was up 16.6% to 296 million yen.

- Sales and earnings were up due to increases in vehicles purchased and gross profit per vehicle.

Recycling Business – Results of Operations

Sales up but earnings down despite a higher volume of materials handled because of an increase in operating expenses



	(Million yen)		
	2010.3	2011.3	YoY
Net Sales	4,835	5,747	118.9%
Operating Income (Per sales)	196 (4.1%)	168 (2.9%)	85.8%

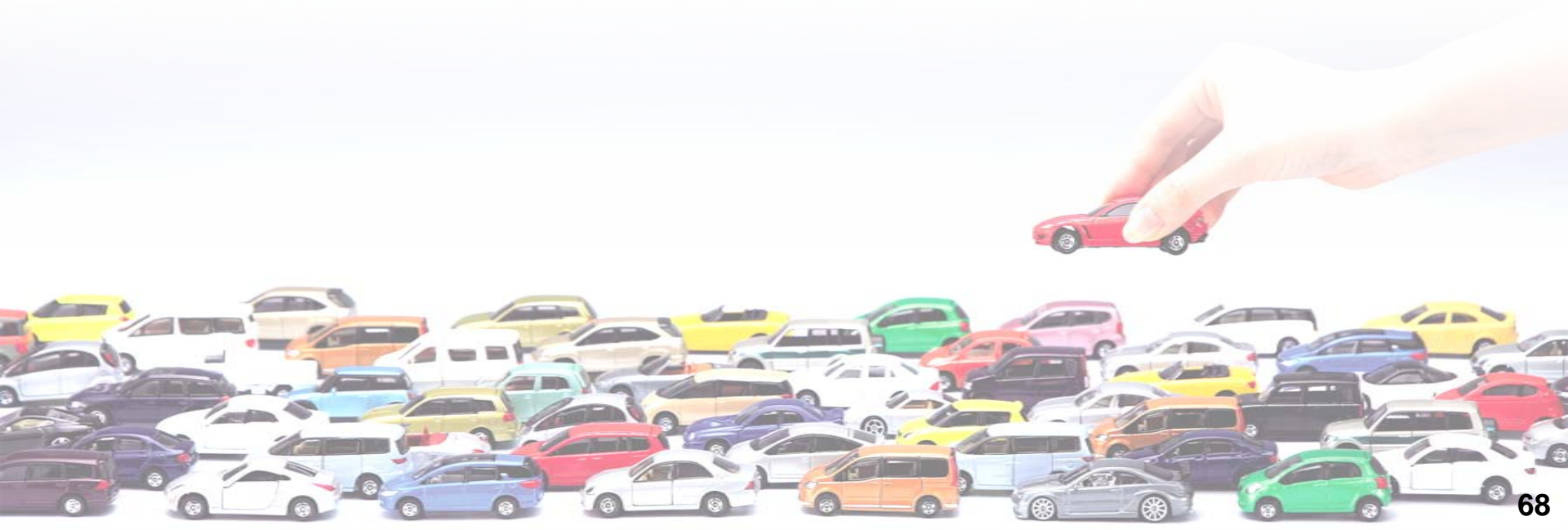
ARBIZ sales increased 22.3% to 4,569 million yen but operating income fell 44.2% to 68 million yen.

- Higher handling volume of ferrous scrap and used parts but personnel and other expense categories caused operating expenses to increase; the result was higher sales but lower earnings.

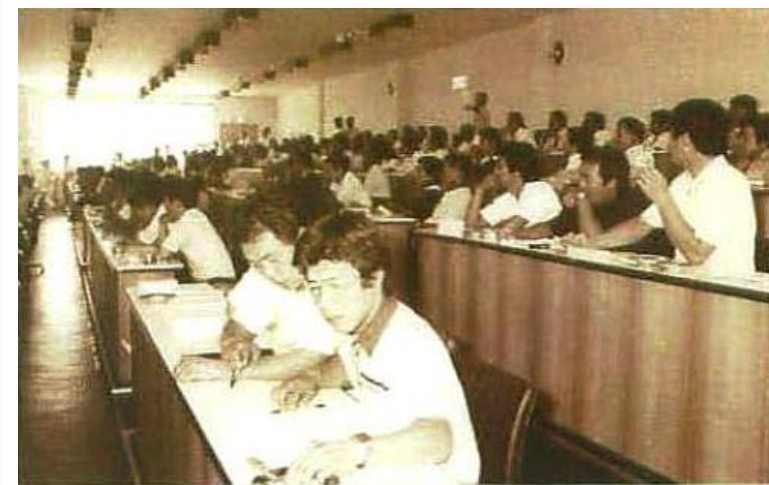
USS Toyo sales increased 7.3% to 1,178 million yen and operating income increased 38.4% to 101 million yen.

- Sales and earnings were higher along with growth in the handling volume of rubber products used in elastic pavement.

USS Auction



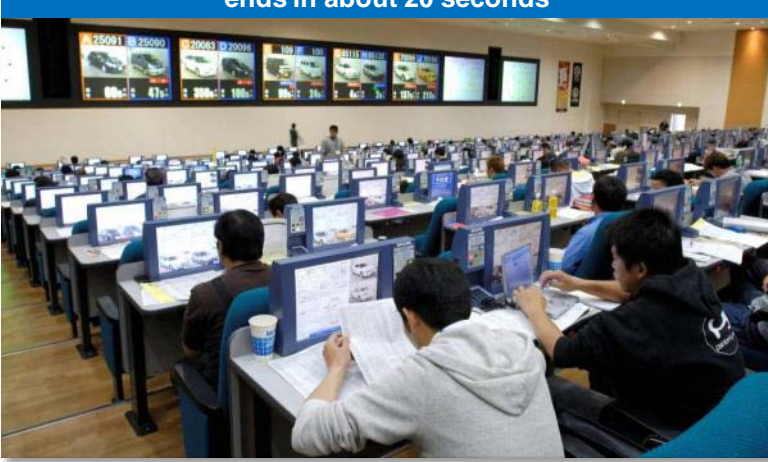
The first USS used car auction was held in August 1982. There were no computers; participants bid by raising their hands. The event attracted 380 buyers from Hokkaido to Okinawa, which was more than expected. Furthermore, the contract completion rate was high as 75.9% of the vehicles consigned were sold.



Stockyard



10 lanes of vehicles are auctioned at once; each auction ends in about 20 seconds



Prospective buyers inspect vehicles



The price adjustment room

