

**USS**

Used car  
System  
Solutions

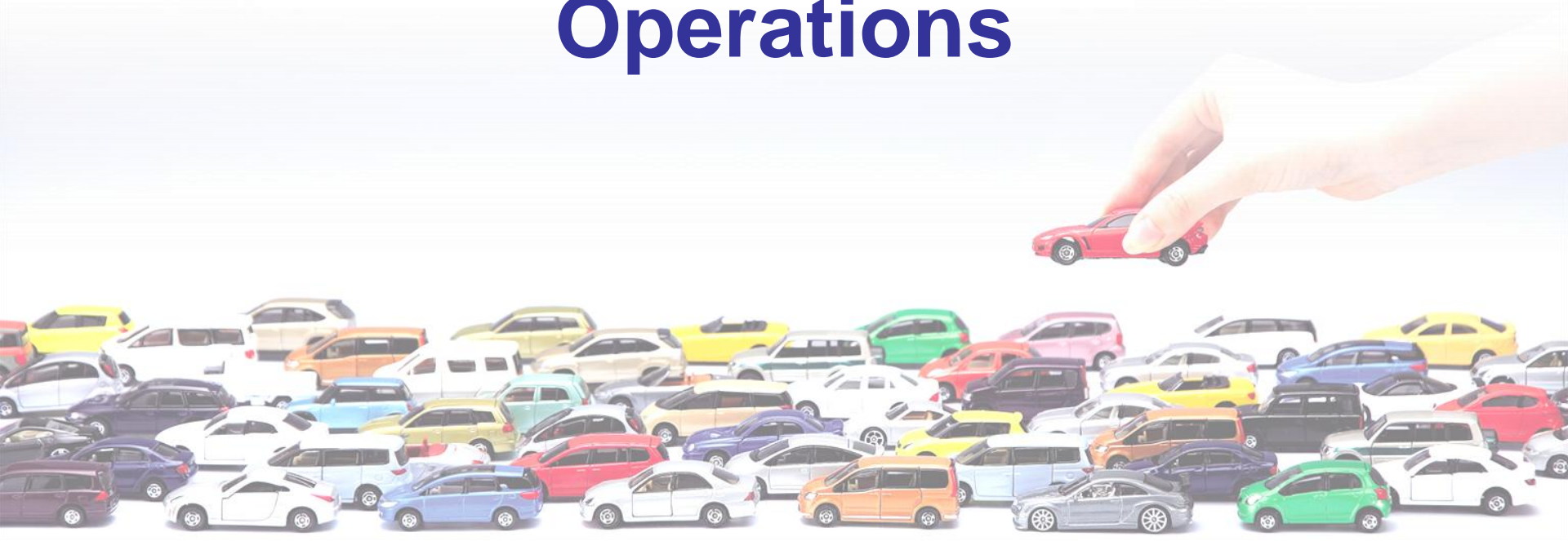
# Consolidated Results of Operations

The second quarter, fiscal year ending March 31, 2015

**USS Co., Ltd.**  
**November 2014**



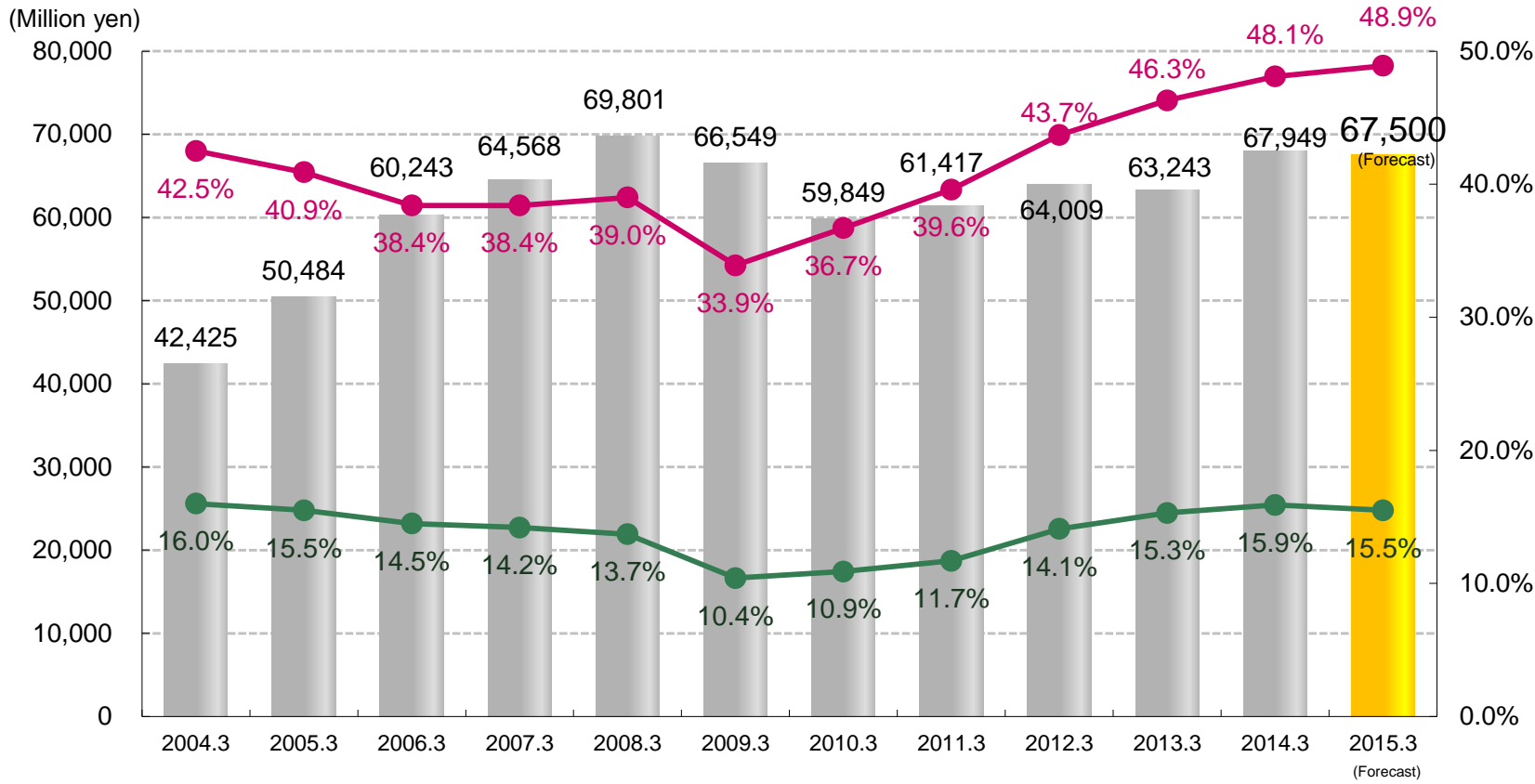
# USS Profile and Results of Operations



# (1) Consolidated Sales, Operating Margin and ROE

ROE target is 15% backed by medium-term growth and high profitability

■ Net sales ● Operating margin ● ROE

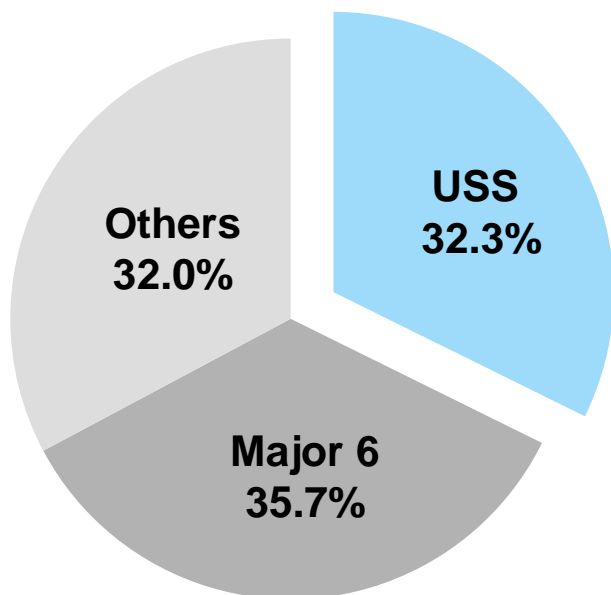


**2004.3 - 2014.3**  
**Avg. 10-year growth rate Sales 4.8% Operating income 6.1%**  
**Avg. 10-year operating margin 40.5%**  
**Average 10-year ROE 13.6%**

# (2) Competitive Edge in Japan's Auto Auction Industry

## Largest Share of the Auto Auction Market

Market share (1H 2014)



\*Major 6 : TAA(9.9%), JAA(8.2%), CAA(6.0%), Arai AA(4.9%), Honda(3.6%), KCAA(3.1%)

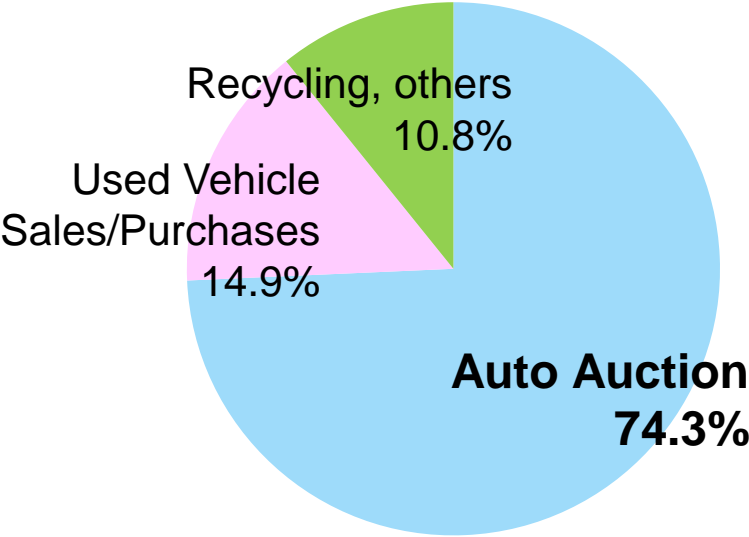
## The Superiority of USS

- 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 83.3%

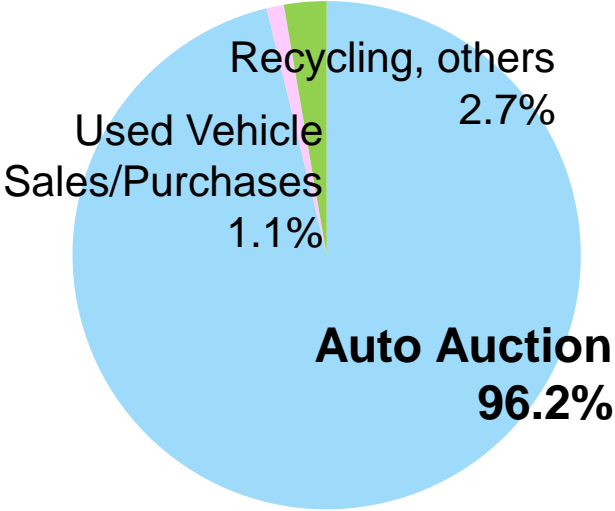
(As of end of Sep. 2014)

# (3) Breakdown of Net sales and Operating income

**Sales breakdown (1H FY3/15)**



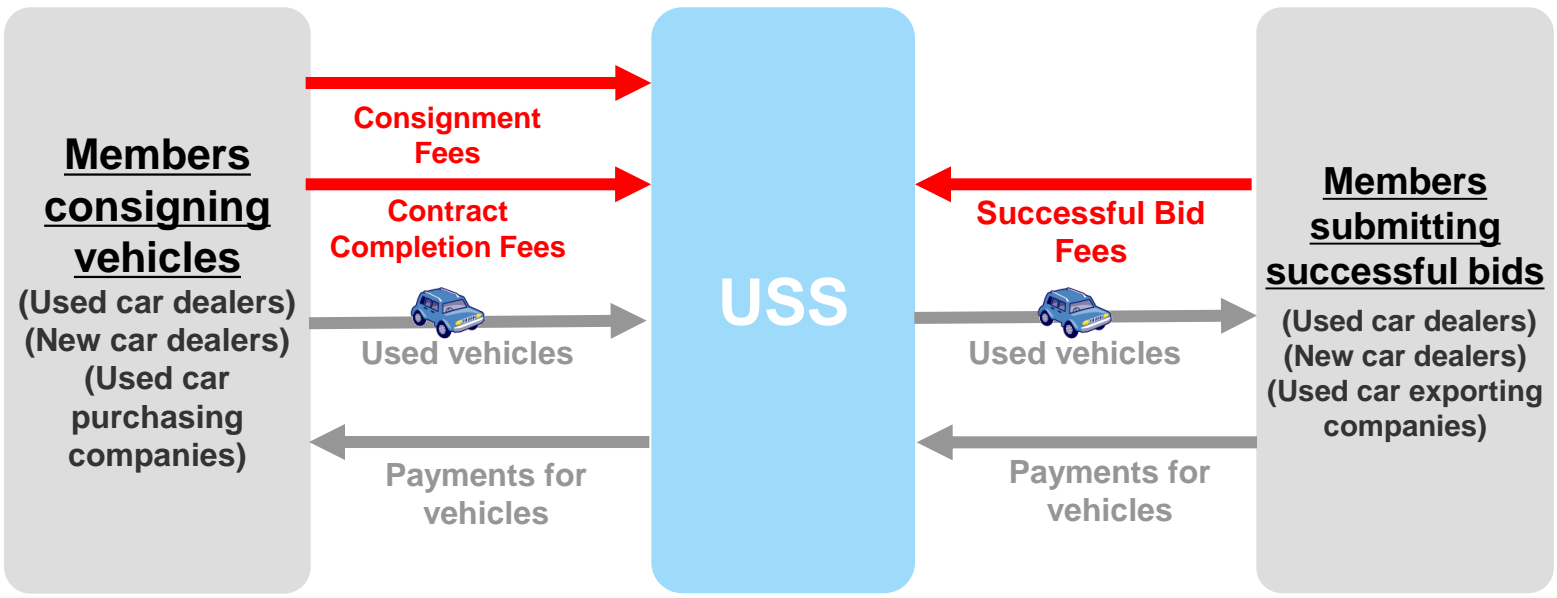
**Operating income breakdown (1H FY3/15)**



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

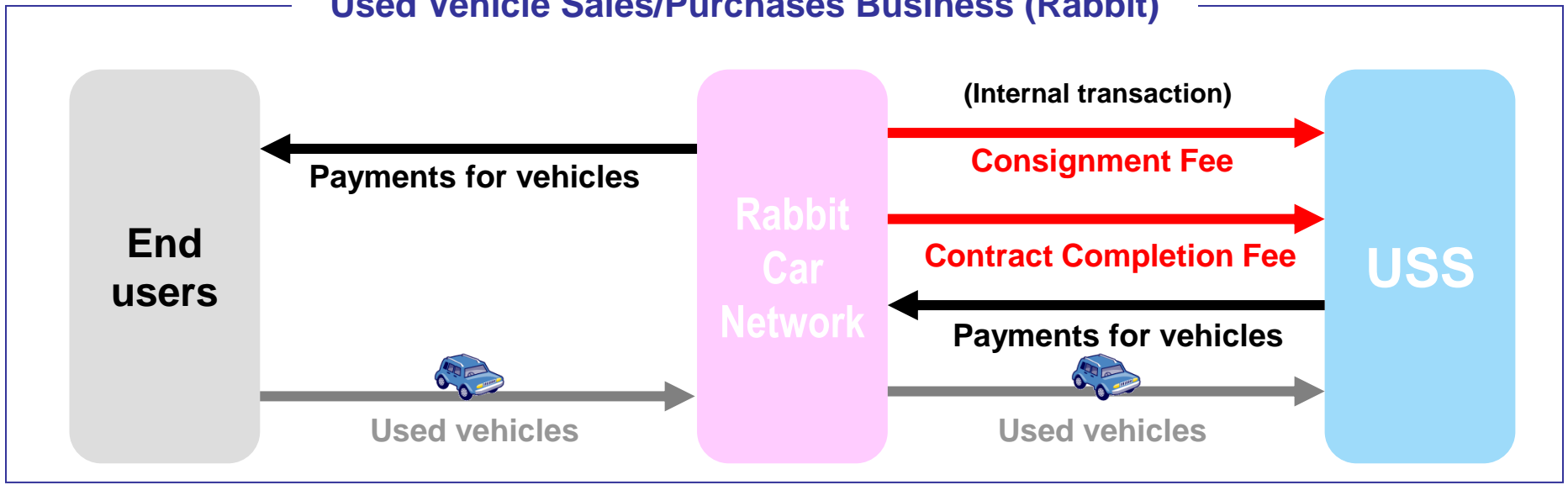
# (4) Business Models for Auto Auction Business

## Auto Auction Business

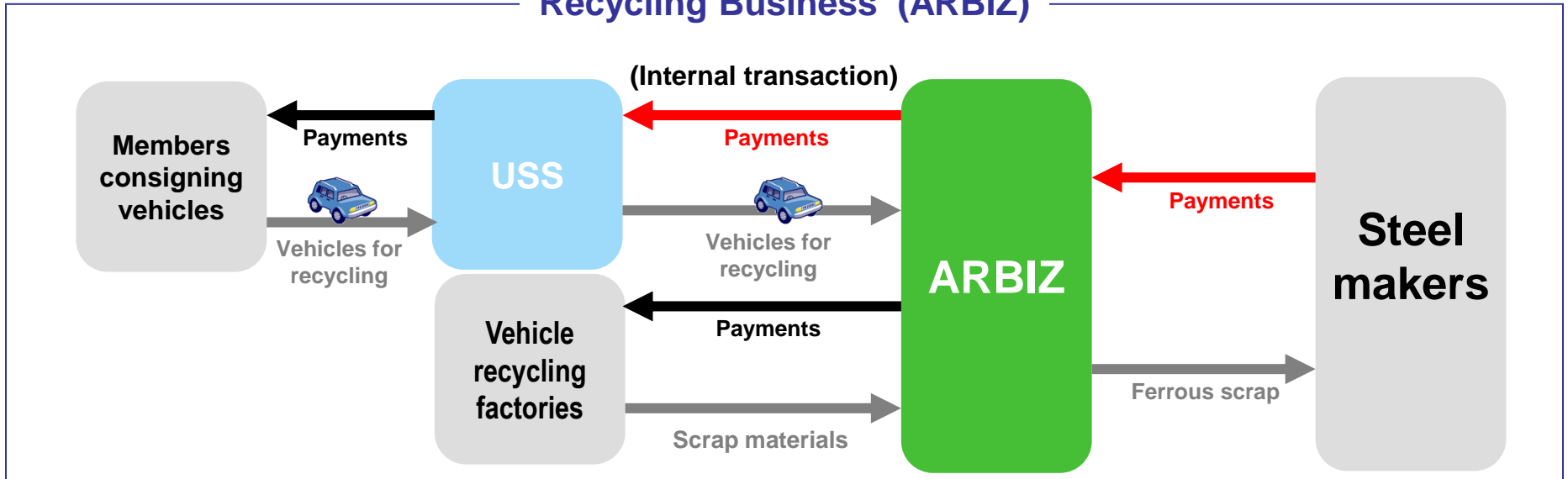


**(5) Business Models for Used Vehicle Sales/Purchases Business and Recycling Business**

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



**Recycling Business (ARBIZ)**



# Results of Operations

## First Half

### Fiscal Year Ending March 2015





- **Sales down 0.4% (YoY)**
  - Auto auction business sales up 1.7% (YoY)
  - Vehicles consigned up 4.1%, contracted vehicles up 0.1% (YoY)
  - Contract completion rate was 64.5% (67.1% one year earlier)
  - Off-site (Satellite TV and Internet) successful bid ratio was 48.8% (50.5% one year earlier)
  - Used vehicle purchasing and selling business sales decreased 15.5% (YoY)
  - Recycling and others sales increased 11.5% (YoY)
  
- **Operating income up 3.9% and ordinary income up 3.9% (YoY)**
  - Auto auction business operating income increased 4.1% (YoY)
  - Used vehicle purchasing and selling business decreased 52.7% (YoY)
  - Recycling and others operating income increased 79.1% (YoY)
  - Lower taxes and dues, expenses for supplies, sales promotion and other expenses in the auto auction business
  - Operating margin improved from 46.8% to 48.8% (YoY)
  
- **Maintained a high equity ratio of 83.3%**

# 1H FY3/2015 – Consolidated Income Statement

Record-high first half operating income for the three consecutive years, and ordinary and net income for the four consecutive years

(Million yen)

	1H FY3/14	1H FY3/15	Year on year	Plan	VS. Plan
<b>Net Sales</b>	<b>32,379</b>	<b>32,254</b>	<b>99.6%</b>	<b>32,900</b>	<b>98.0%</b>
<b>Cost of sales (Per sales)</b>	<b>12,730 (39.3%)</b>	<b>12,419 (38.5%)</b>	<b>97.6%</b>	<b>13,066 (39.7%)</b>	<b>95.0%</b>
<b>Gross profit (Per sales)</b>	<b>19,649 (60.7%)</b>	<b>19,835 (61.5%)</b>	<b>100.9%</b>	<b>19,833 (60.3%)</b>	<b>100.0%</b>
<b>Selling, general and administrative expenses (Per sales)</b>	<b>4,503 (13.9%)</b>	<b>4,104 (12.7%)</b>	<b>91.1%</b>	<b>4,283 (13.0%)</b>	<b>95.8%</b>
<b>Operating income (Per sales)</b>	<b>15,145 (46.8%)</b>	<b>15,731 (48.8%)</b>	<b>103.9%</b>	<b>15,550 (47.3%)</b>	<b>101.2%</b>
<b>Ordinary income (Per sales)</b>	<b>15,428 (47.6%)</b>	<b>16,028 (49.7%)</b>	<b>103.9%</b>	<b>15,800 (48.0%)</b>	<b>101.4%</b>
<b>Net income (Per sales)</b>	<b>9,305 (28.7%)</b>	<b>10,384 (32.2%)</b>	<b>111.6%</b>	<b>10,150 (30.9%)</b>	<b>102.3%</b>
<b>Net income per share (yen)</b>	<b>36.03</b>	<b>40.18</b>	<b>111.5%</b>	<b>39.27</b>	<b>102.3%</b>

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

## Net sales

- Higher fees in the auto auction business because of more vehicles consigned
- Lower sales in the used vehicle purchasing and selling business because of decline in the number of vehicles handled and higher pct. of lower-priced vehicles handled
- Sales were up in the recycling and others as the volume handled increased

## Cost of sales

- Merchandise cost of sales declined in the used vehicle purchasing and selling business

## SG&A expenses

- Lower taxes and dues, sales promotion expenses and other expenses in the auto auction business

# 1H FY3/2015 – Consolidated Balance Sheet

Outstanding financial soundness even as substantial earnings distributions to shareholders continue

(Million yen)

	FY3/14	1H FY3/15	Changes
<b>Current assets</b>	<b>60,477</b>	<b>60,892</b>	<b>414</b>
Cash and deposits	46,318	41,954	▲4,363
Receivables due from member dealers at auction	8,701	7,559	▲1,141
Other	5,458	11,377	5,919
<b>Noncurrent assets</b>	<b>103,704</b>	<b>103,304</b>	<b>▲400</b>
Property, plant and equipment	92,337	92,334	▲3
Intangible assets	1,068	1,214	146
Investments and other assets	10,299	9,755	▲544
<b>Total assets</b>	<b>164,182</b>	<b>164,196</b>	<b>14</b>
<b>Current liabilities</b>	<b>25,657</b>	<b>20,253</b>	<b>▲5,403</b>
Payables due to member dealers at auction	11,852	9,147	▲2,704
Short-term loans payable	80	34	▲46
Other	13,724	11,071	▲2,652
<b>Noncurrent liabilities</b>	<b>6,423</b>	<b>6,226</b>	<b>▲196</b>
Long-term loans payable	549	427	▲122
Other	5,873	5,799	▲74
<b>Total liabilities</b>	<b>32,080</b>	<b>26,479</b>	<b>▲5,600</b>
<b>Shareholders' equity</b>	<b>136,466</b>	<b>142,120</b>	<b>5,653</b>
Accumulated other comprehensive income	▲5,117	▲5,289	▲171
Subscription rights to shares	242	276	33
Minority interests	510	608	98
<b>Total net assets</b>	<b>132,102</b>	<b>137,716</b>	<b>5,614</b>

## Current assets

- Down 4.36 billion yen in cash and deposits
- Other current assets rose 5.91 billion yen reflecting an increase in negotiable deposits and other factors

## Current liabilities

- Other current liabilities decreased 2.65 billion yen mainly because of lower income taxes payable

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

# 1H FY3/2015 – Consolidated Cash Flows

(Million yen)

	1H FY3/14	1H FY3/15	Changes
<b>Net cash provided by operating activities</b>	<b>9,086</b>	<b>7,548</b>	<b>▲1,537</b>
Income before income taxes and minority interests	15,234	16,306	1,071
Depreciation and other amortization	1,829	1,790	▲39
Amortization of goodwill	14	5	▲8
Loss (▲gain) on sale and retirement of property, plant and equipment	168	26	▲142
Loss (▲gain) on sales and retirement of intangible assets	1	2	0
Net change in due from/to member dealers at auction	▲1,099	▲1,563	▲463
Income taxes paid	▲5,509	▲8,024	▲2,514
Other	▲1,553	▲994	559
<b>Net cash provided by investing activities</b>	<b>▲10,247</b>	<b>▲9,314</b>	<b>933</b>
Purchase of property, plant and equipment	▲4,177	▲1,483	2,693
Other	▲6,070	▲7,830	▲1,760
<b>Net cash provided by financing activities</b>	<b>▲3,936</b>	<b>▲4,898</b>	<b>▲962</b>
Net increase in loans payable	▲162	▲169	▲6
Purchases of treasury stock	-	▲0	▲0
Cash dividends paid	▲3,783	▲4,860	▲1,077
Other	9	131	121
<b>Net increase (▲decrease) in cash and cash equivalents</b>	<b>▲5,097</b>	<b>▲6,663</b>	<b>▲1,566</b>
Cash and cash equivalents at beginning of period	34,833	34,618	▲214
Cash and cash equivalents at end of period	29,736	27,954	▲1,781

## Operating activities

- Income before income taxes: 16.30 billion yen
- Income taxes paid: 8.02 billion yen

## Investing activities

- Purchase of property, plant and equipment of 1.48 billion yen includes part of the cost of building the new Okayama Auction Site
- Increase in Other is due mainly to an increase of 7.83 billion yen in other fixed deposits and negotiable deposits

## Financing activities

- Cash dividends paid: 4.86 billion yen

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

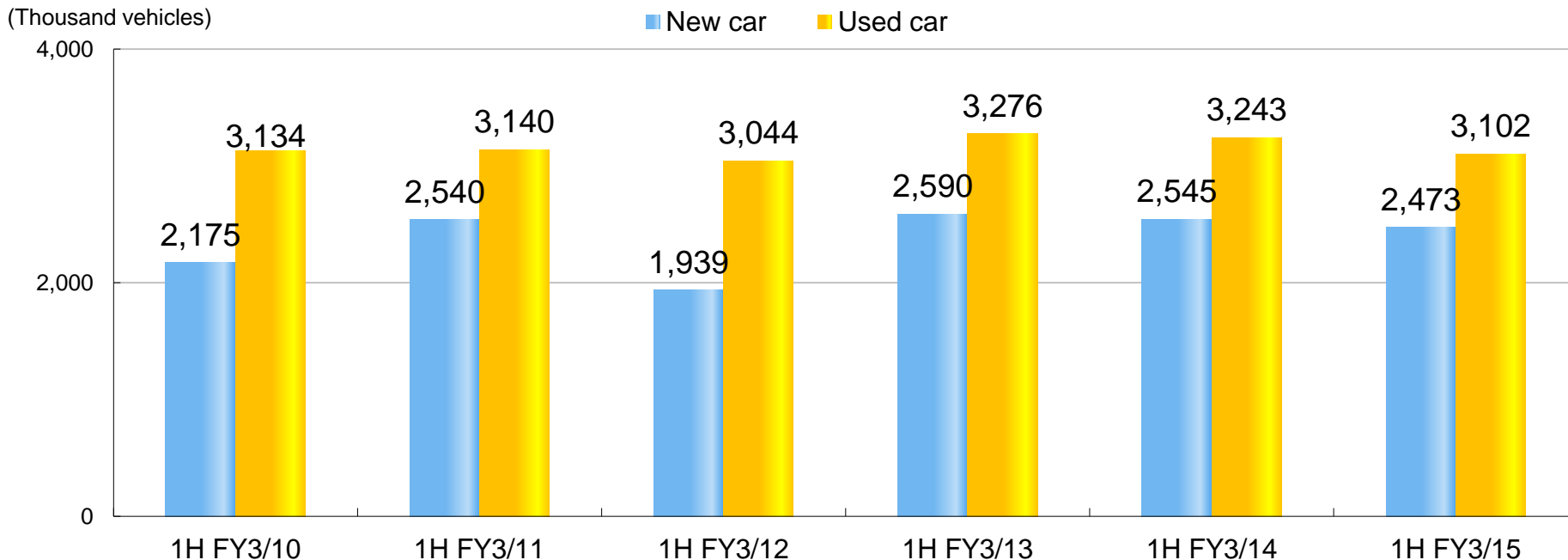
# **Market Overview**

## **First Half**

### **Fiscal Year Ending March 2015**



# (1) New/Used Car Registrations in Japan (April to September)



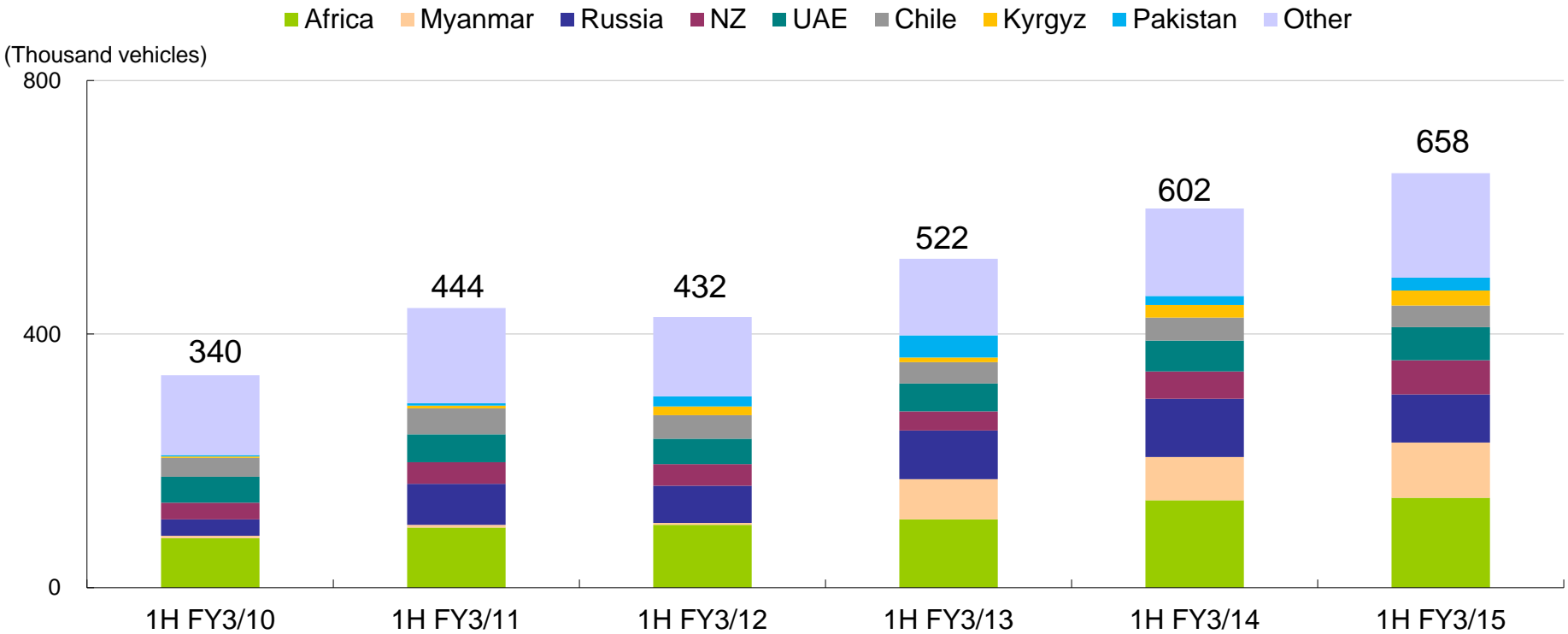
New car registrations in 1H FY3/15 decreased 2.8% to 2.47 million units from one year earlier

- Decline was caused by the drop in demand following the rush to buy prior to the April 2014 consumption tax hike

Used car registrations in 1H FY3/15 were down 4.4% to 3.10 million units from one year earlier

- Down because of the smaller number of new cars sold

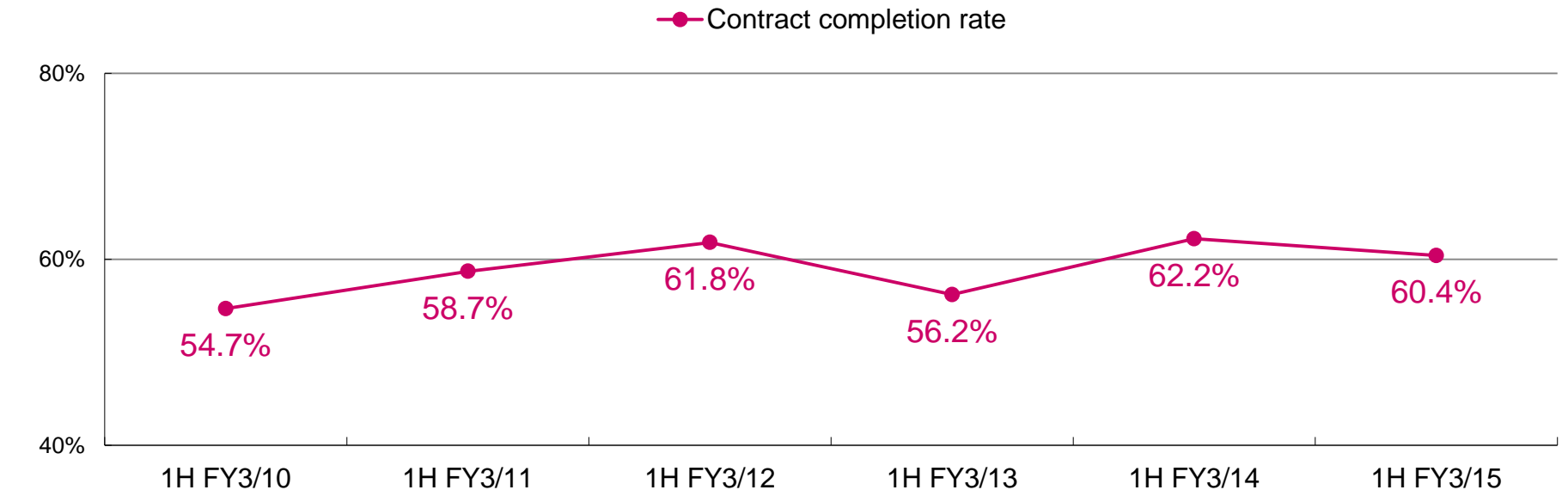
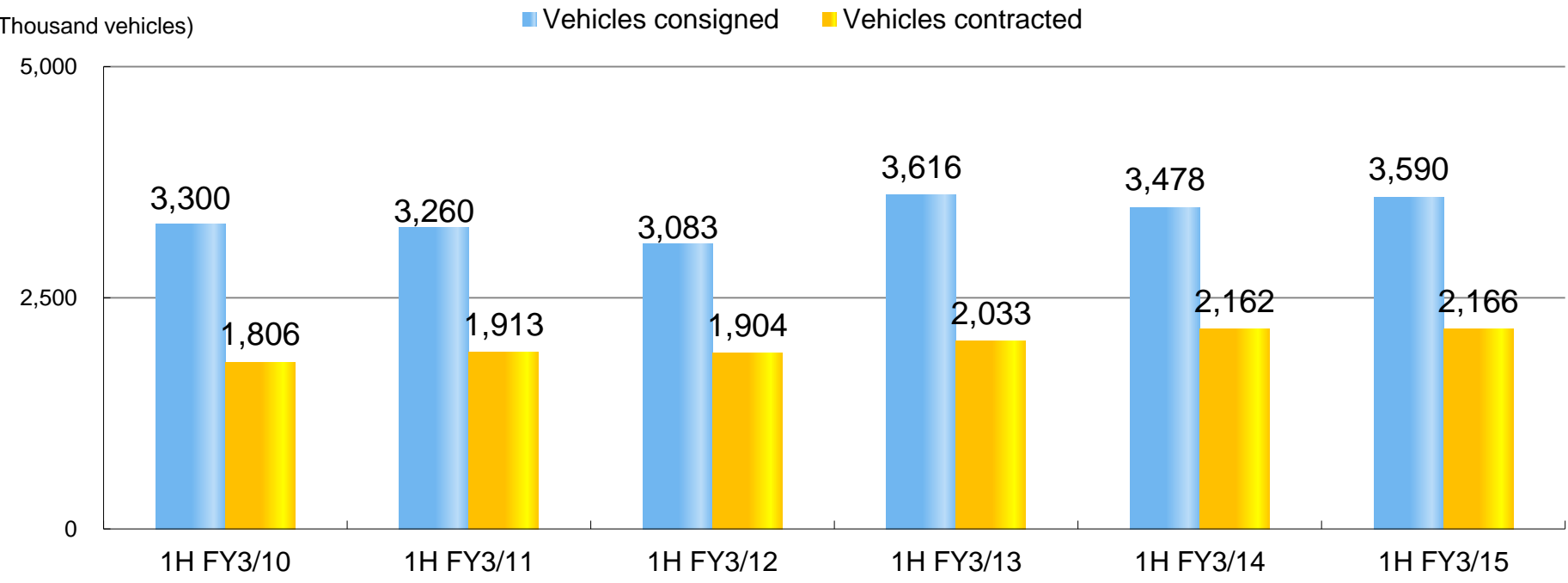
## (2) Used car exports (April to September)



**Used car exports in 1H FY3/15 increased 9.2% to 658,000 units from one year earlier**

- Major destination countries  
 Africa 142,000 (up 2.8%), Myanmar 87,000 (up 27.4%), Russia 76,000 (down 17.5%),  
 New Zealand 54,000 (up 24.2%)
- Countries with large increases  
 Georgia 18,000 (up 132.9%), Sri Lanka 15,000 (up 51.7%), Philippines 14,000 (up 13.0%),  
 Malaysia 14,000 (up 5.4%)

# (3) Auto Auction Market (April to September)

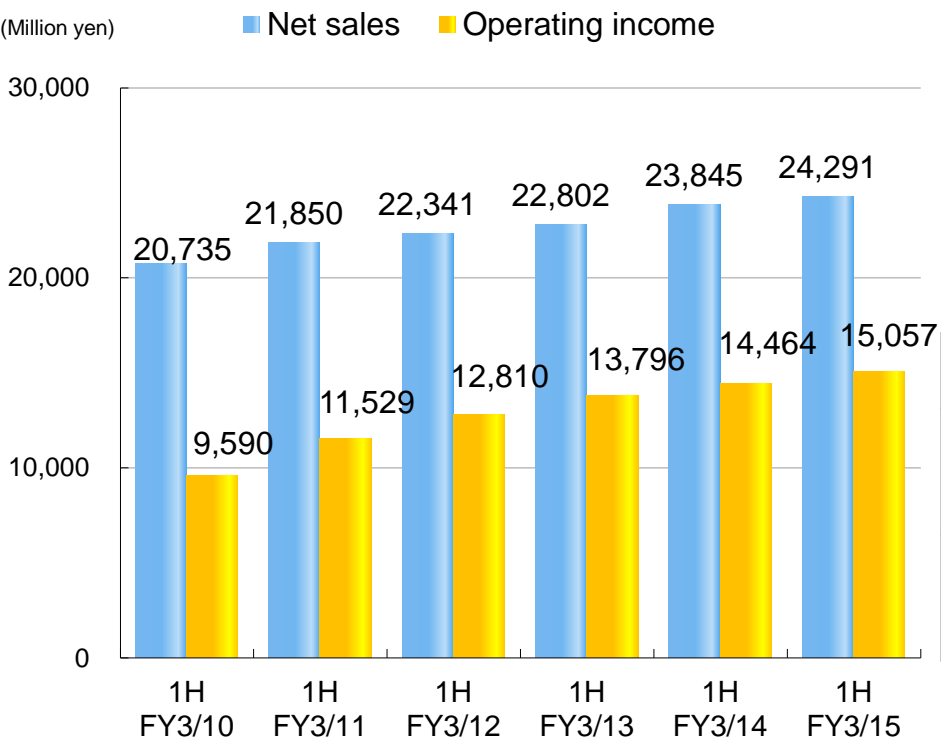




# Results of Operations First Half Fiscal Year Ending March 2015 (Segment Information)



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



	(Million yen)		
	1H FY3/14	1H FY3/15	YoY
<b>Net sales</b>	<b>23,845</b>	<b>24,291</b>	<b>101.9%</b>
<b>Operating income (Per sales)</b>	<b>14,464 (60.7%)</b>	<b>15,057 (62.0%)</b>	<b>104.1%</b>

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

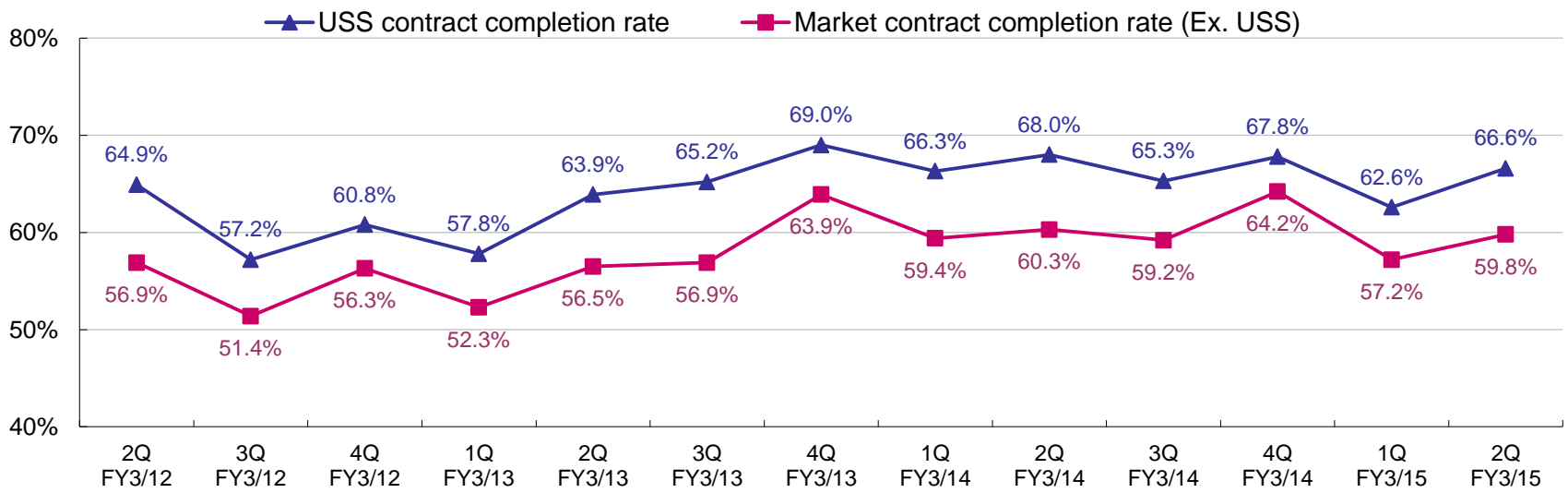
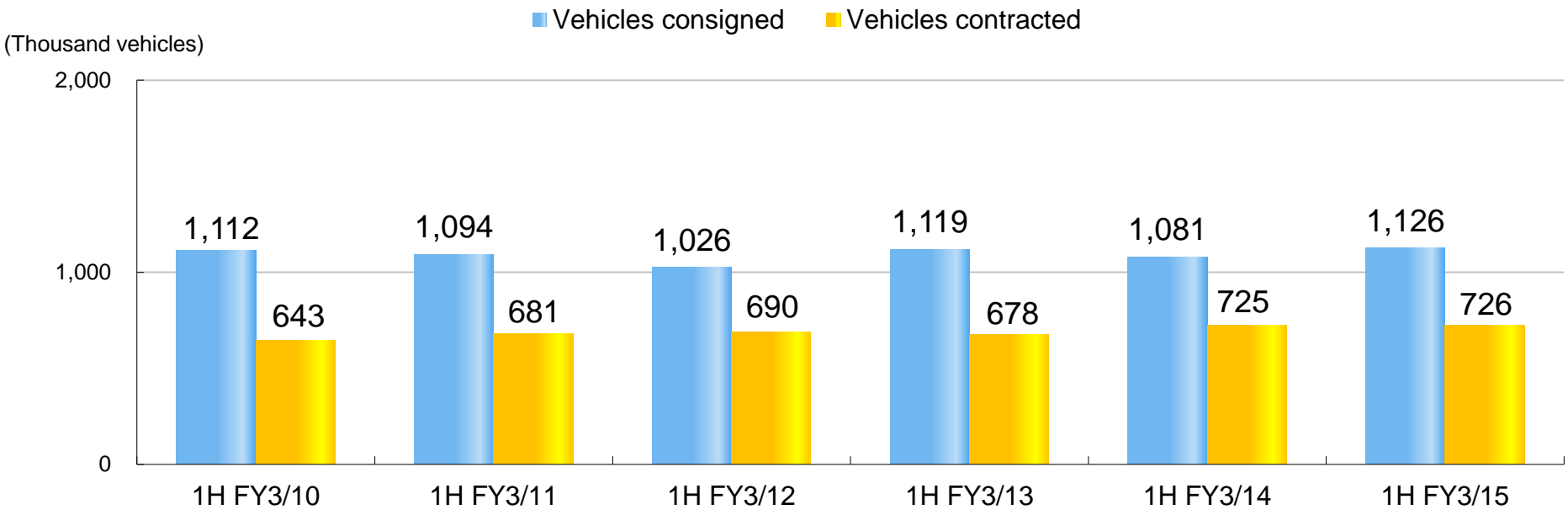
**Net sales increased 1.9% to 24,291 million yen from one year earlier**

- Vehicles consigned up 4.1% to 1,126 thousand; contracted vehicles up 0.1% to 726 thousand; contract completion rate decreased from 67.1% to 64.5%
- The off-site successful bid ratio was 48.8% (50.5% one year earlier)

**Operating income increased 4.1% to 15,057 million yen from one year earlier**

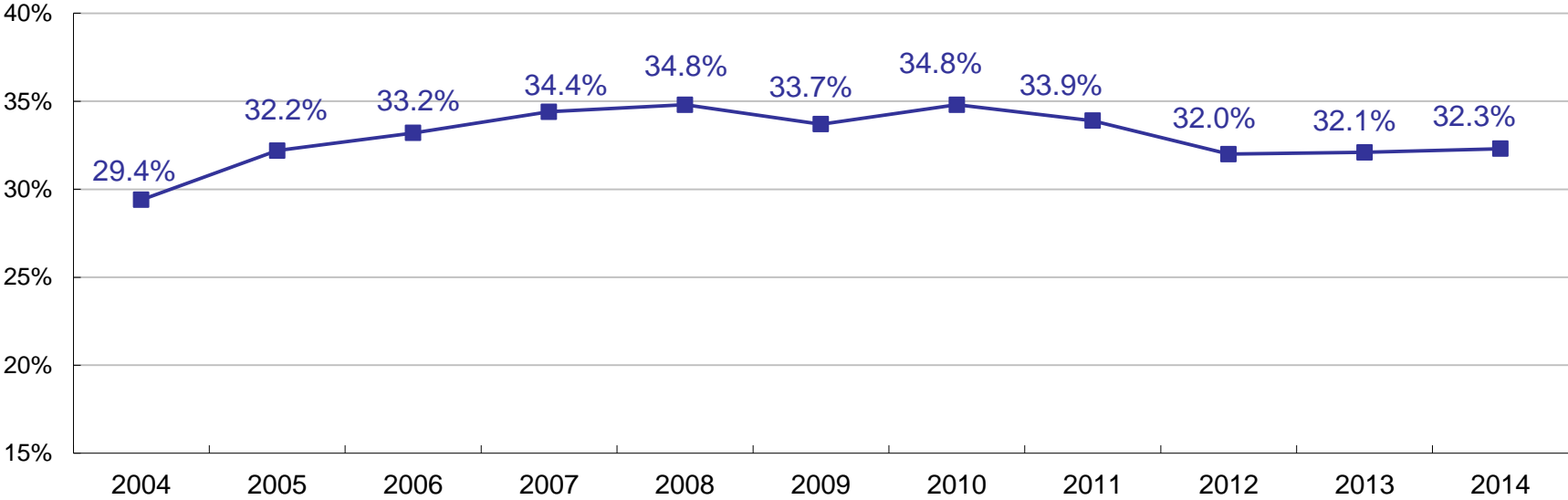
- Increase in merchandise cost of sales
- Decrease in taxes and dues and expenses for supplies associated with construction of the new Nagoya Auction Site in the prior fiscal year and decline in sales promotion expenses

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



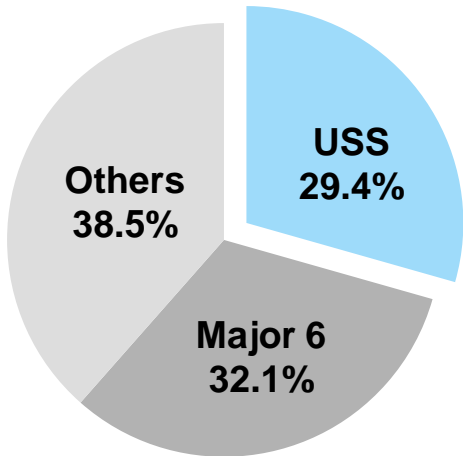
# Auto Auction Business (3) – Market Share (January to June)

USS Market Share



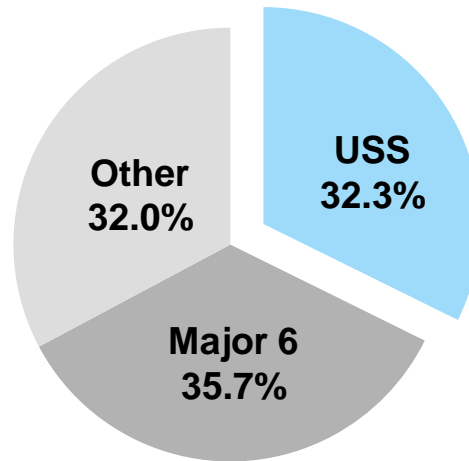
Jan – Jun 2004 Market Share

- \*Major 6
- JAA (9.7%)
- TAA (6.7%)
- CAA (6.1%)
- Arai AA (5.0%)
- KCAA (2.5%)
- LAA (2.1%)

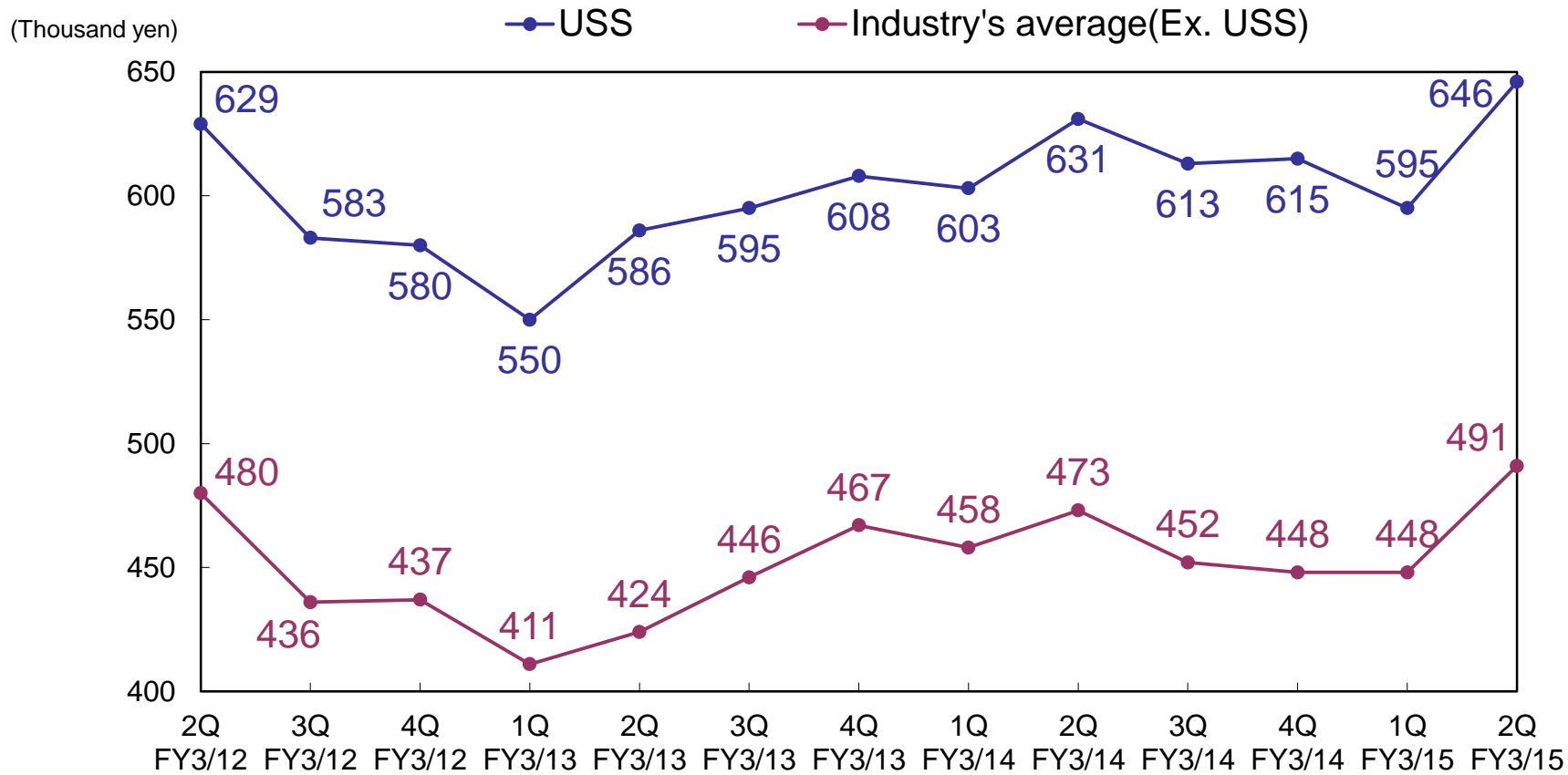


Jan – Jun 2014 Market Share

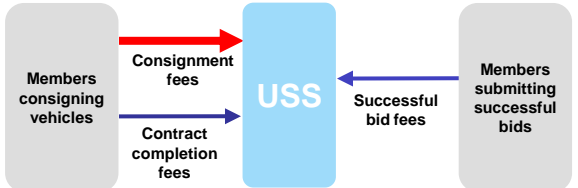
- \*Major 6
- TAA (9.9%)
- JAA (8.2%)
- CAA (6.0%)
- Arai AA (4.9%)
- Honda (3.6%)
- KCAA (3.1%)



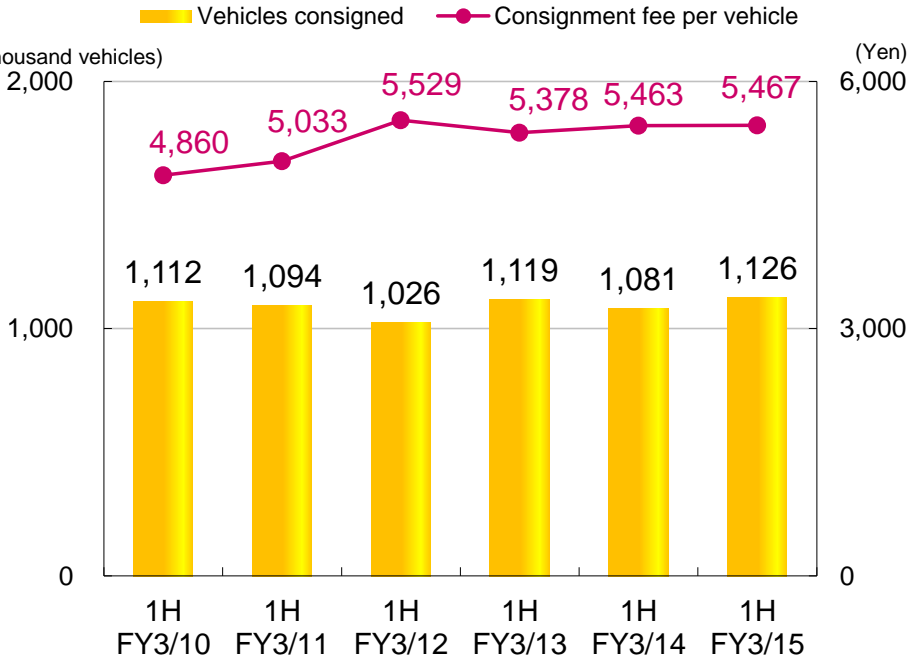
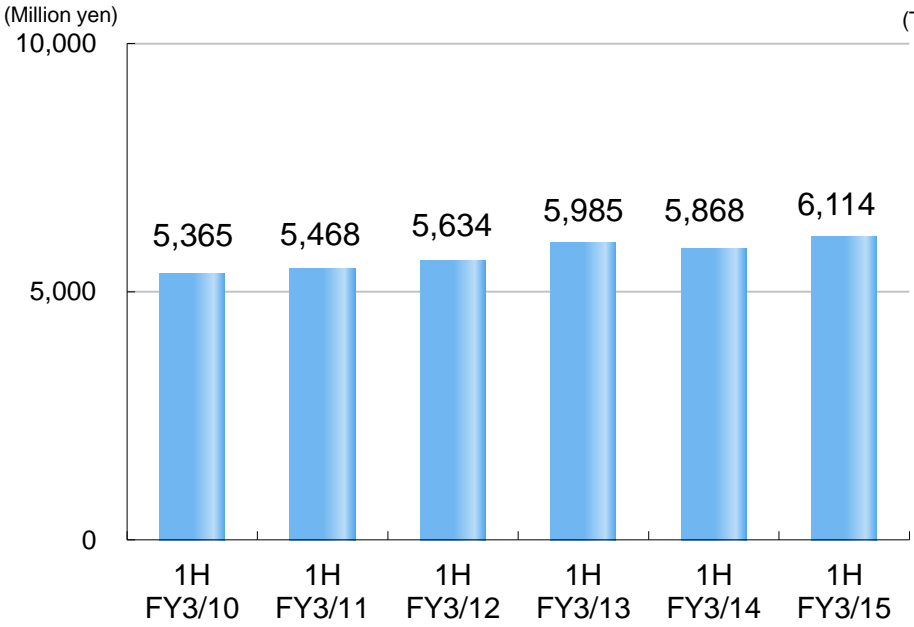
## Average Price of Vehicles Contracted



Note:  
 The average price per vehicle contracted is presented only for comparison (reference) between the average price per vehicle contracted at USS and the industry average. Consignment, contract completion and successful bid fees for auto auctions in Japan are the same (fixed fees) for each category regardless of the purchase price. Therefore, the purchase price does not affect fees. See page 6 for more information about the auto auction business model.



Total of Consignment Fees

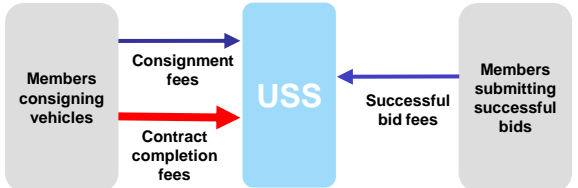


\*Consignment fee per vehicle is calculated before eliminations for consolidation.

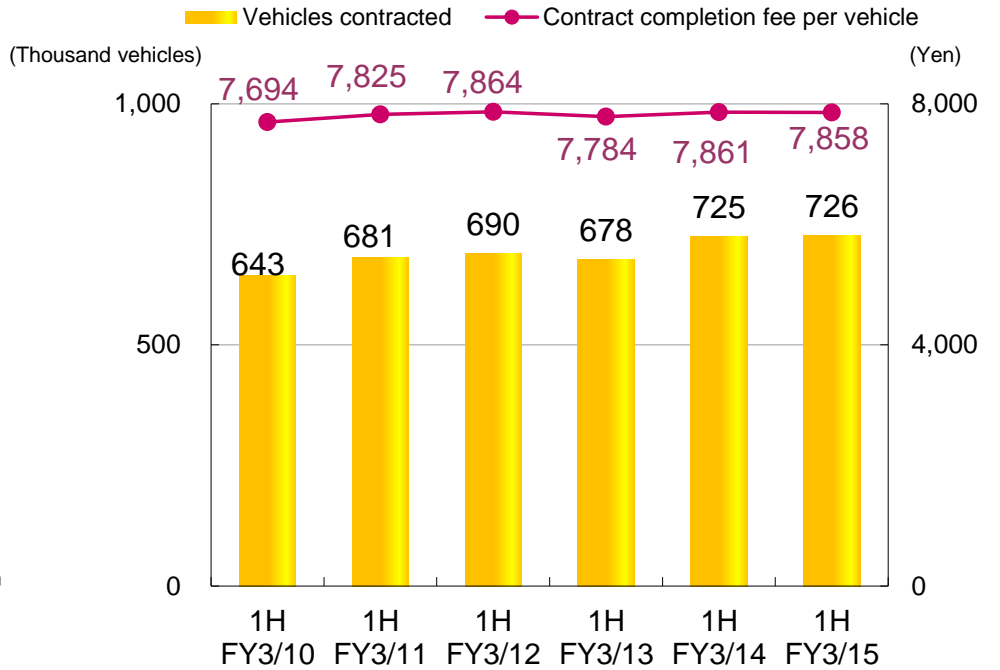
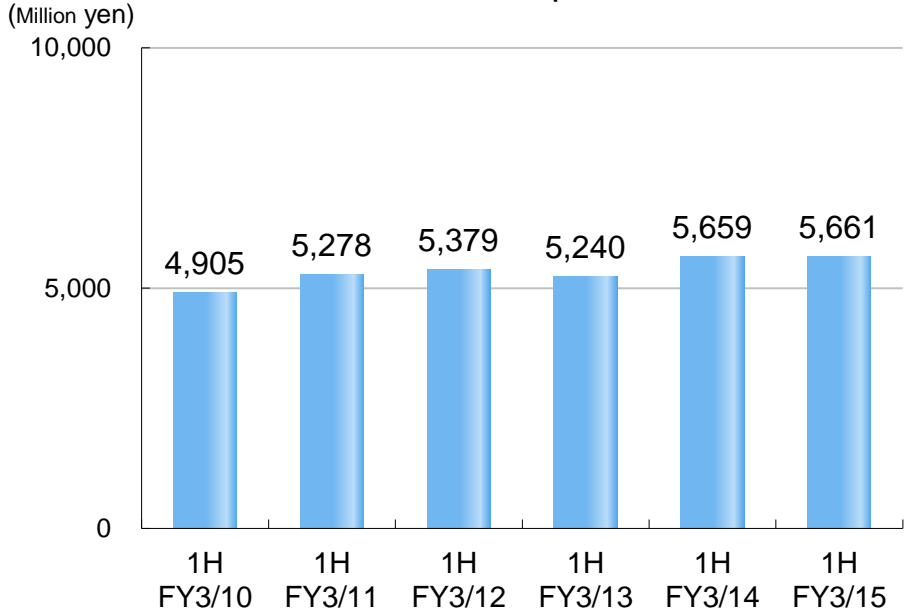
**Consignment fee per vehicle increased by 4 yen to 5,467 yen from one year earlier**

- Due to curbing off discounted fee events at some auction sites (positive effect)
- Increased share of vehicle consignment of major members who pay lower consignment fees (negative effect)

# Auto Auction Business (6) – Vehicles Contracted and Contract Completion Fees



Total of Contract Completion Fees

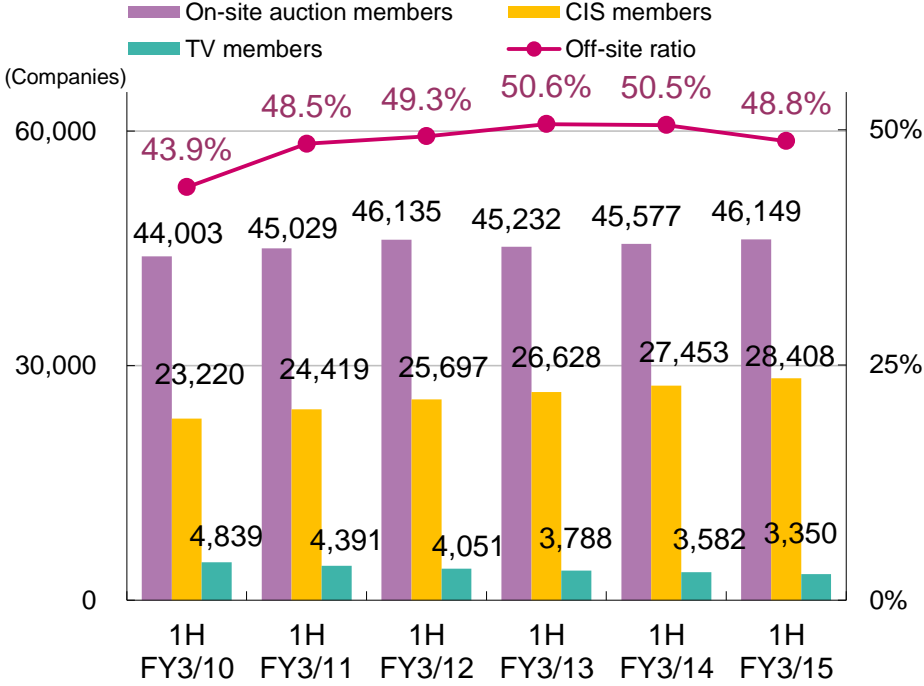
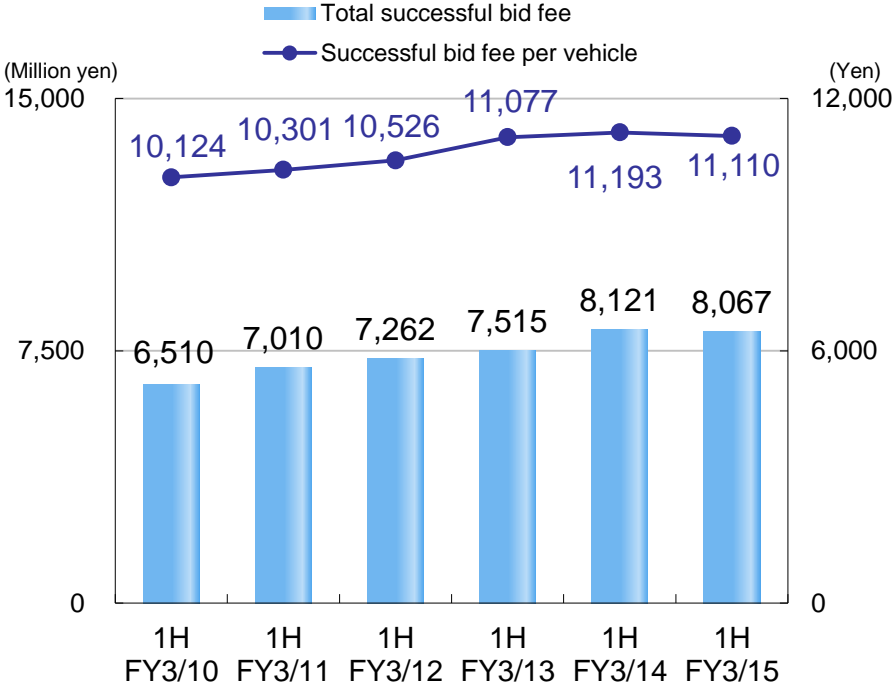
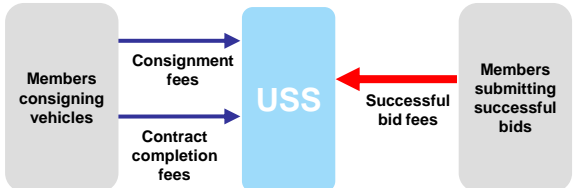


\*Contract Completion fee per vehicle is calculated before eliminations for consolidation.

Contract completion fee per vehicle decreased by 3 yen to 7,858 yen from one year earlier

- Unit contract completion fee was largely the same as in the previous fiscal year

# Auto Auction Business (7) – Successful Bid Fees and Off-site Successful Bid Ratio



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

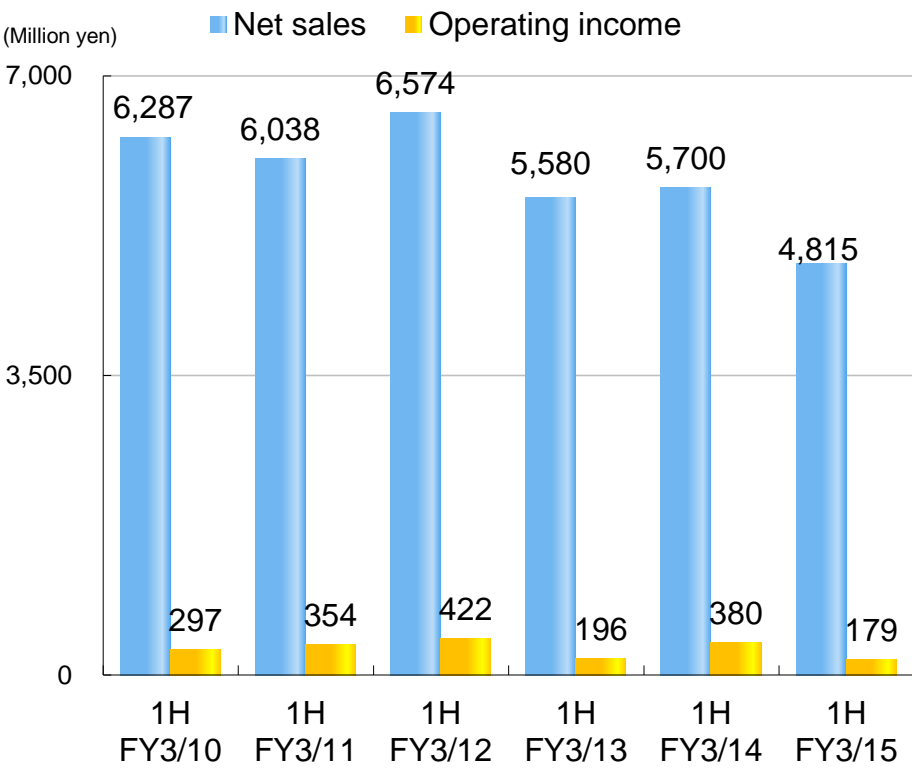
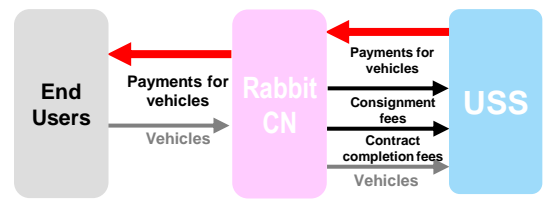
\*Starting in 1H FY3/13, the number of on-site auction members does not include sleeping members (members that have not been active for extended periods).

Successful bid fee per vehicle decreased by 83 yen to 11,110 yen from one year earlier

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



# Used Vehicle Purchasing and Selling Business – Results of Operations (1H)



	(Million yen)		
	1H FY3/14	1H FY3/15	YoY
<b>Net sales</b>	<b>5,700</b>	<b>4,815</b>	<b>84.5%</b>
<b>Operating income (Per sales)</b>	<b>380 (6.7%)</b>	<b>179 (3.7%)</b>	<b>47.3%</b>

Rabbit Car Network sales decreased 16.8% to 3,190 million yen and operating income decreased 46.6% to 140 million Yen

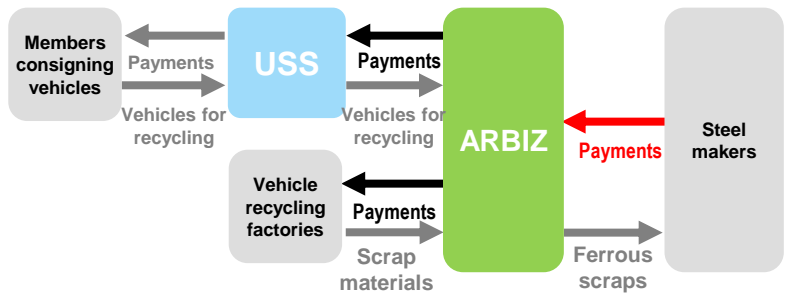
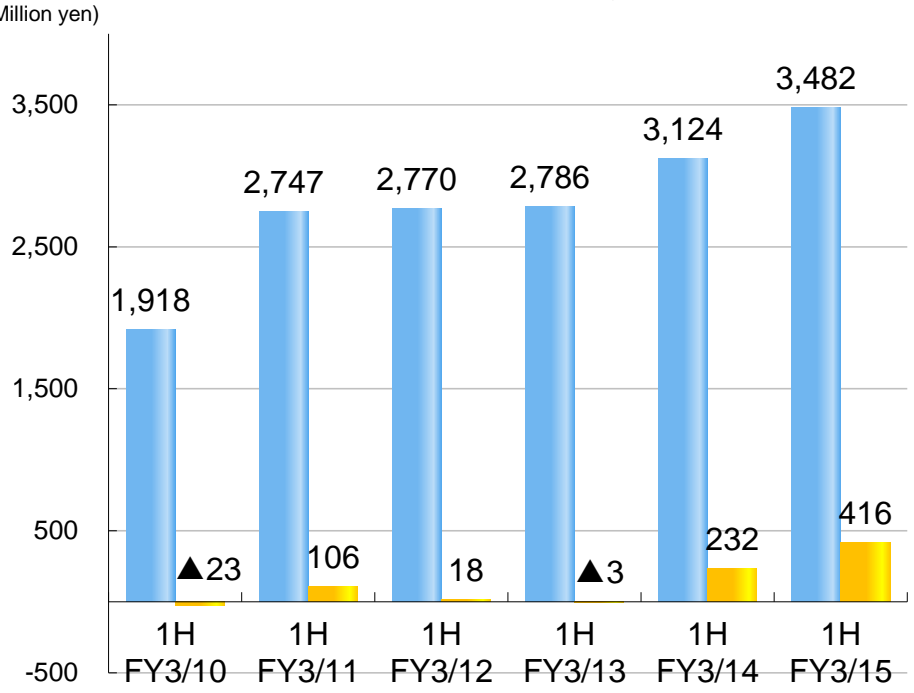
- Increased share of low-priced vehicles handled
- Decreases were caused mainly by the decline in the number of vehicles handled

Sales of accident-damaged vehicles (R&W) decreased 13.0% to 1,624 million yen and operating income decreased 66.4% to 39 million yen ▪ A smaller number of vehicles handled was the main cause

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

# Other Business (Recycling Business) – Results of Operations (1H)

■ Net sales ■ Operating income



	(Million yen)		
	1H FY3/14	1H FY3/15	YoY
<b>Net sales</b>	<b>3,124</b>	<b>3,482</b>	<b>111.5%</b>
<b>Operating income (Per sales)</b>	<b>232 (7.4%)</b>	<b>416 (12.0%)</b>	<b>179.1%</b>

ARBIZ sales increased 11.2% to 2,536 million yen and operating income increased 50.0% to 295 million yen

- Growth in handling volume of end-of-life vehicles
- Stable scrap materials market

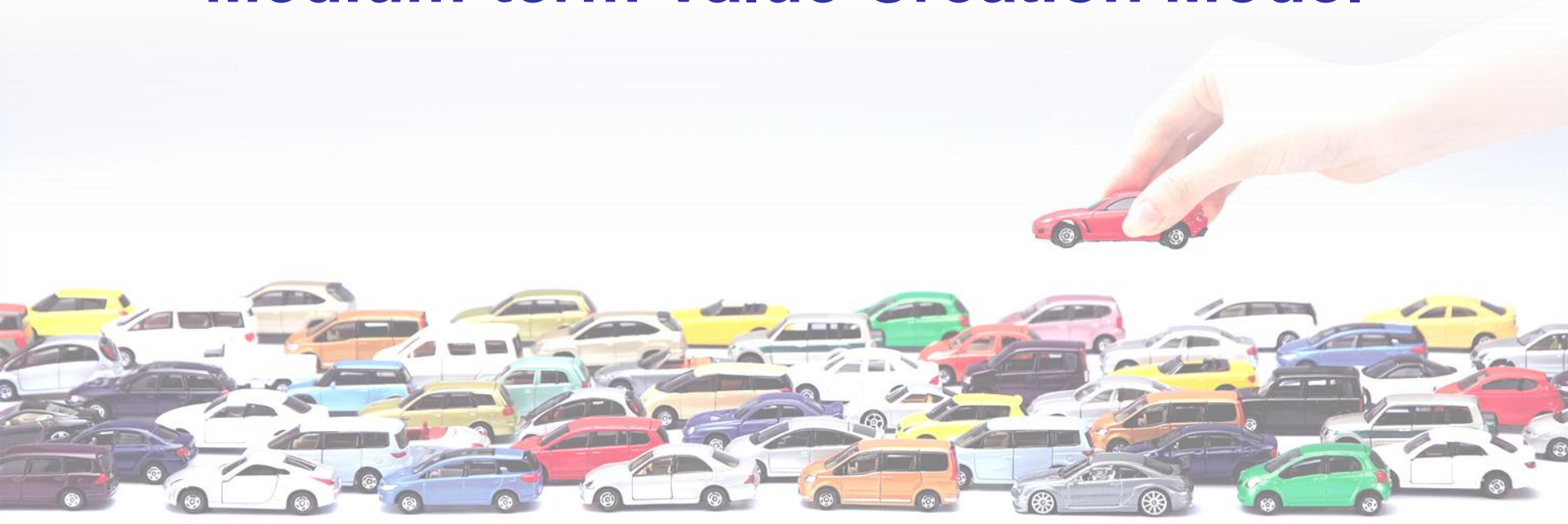
CAR QUEST Toyo sales increased 1.6% to 593 million yen and operating income increased 311.6% to 41 million yen

- Volume of rubber products for elastic paving, led by high-margin colored rubber products for elastic paving, increased

USS Logistics International Service sales increased 17.6% to 304 million yen and operating income increased 136.6% to 61 million yen

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

# Forecast for FY3/2015 Earnings Distributions Medium-term Value Creation Model



# FY3/2015 – Consolidated Forecast

(Million yen)

	FY3/2014 Actual	FY3/2015 Initial plan (May 8, 2014)	Change	FY3/2015 Revised Plan (Nov. 11, 2014)	Revised Plan vs FY3/2014
Net Sales	67,949	68,200	▲700	67,500	99.3%
Cost of sales (Per sales)	26,459 (38.9%)	26,400 (38.7%)	▲532	25,868 (38.3%)	97.8%
Gross profit (Per sales)	41,489 (61.1%)	41,799 (61.3%)	▲167	41,631 (61.7%)	100.3%
Selling, general and administrative expenses (Per sales)	8,808 (13.0%)	8,799 (12.9%)	▲167	8,631 (12.8%)	98.0%
Operating income (Per sales)	32,680 (48.1%)	33,000 (48.4%)	—	33,000 (48.9%)	101.0%
Ordinary income (Per sales)	33,275 (49.0%)	33,500 (49.1%)	—	33,500 (49.6%)	100.7%
Net income (Per sales)	19,966 (29.4%)	21,300 (31.2%)	—	21,300 (31.6%)	106.7%
Net income per share (yen)	77.29	82.42	—	82.40	106.6%

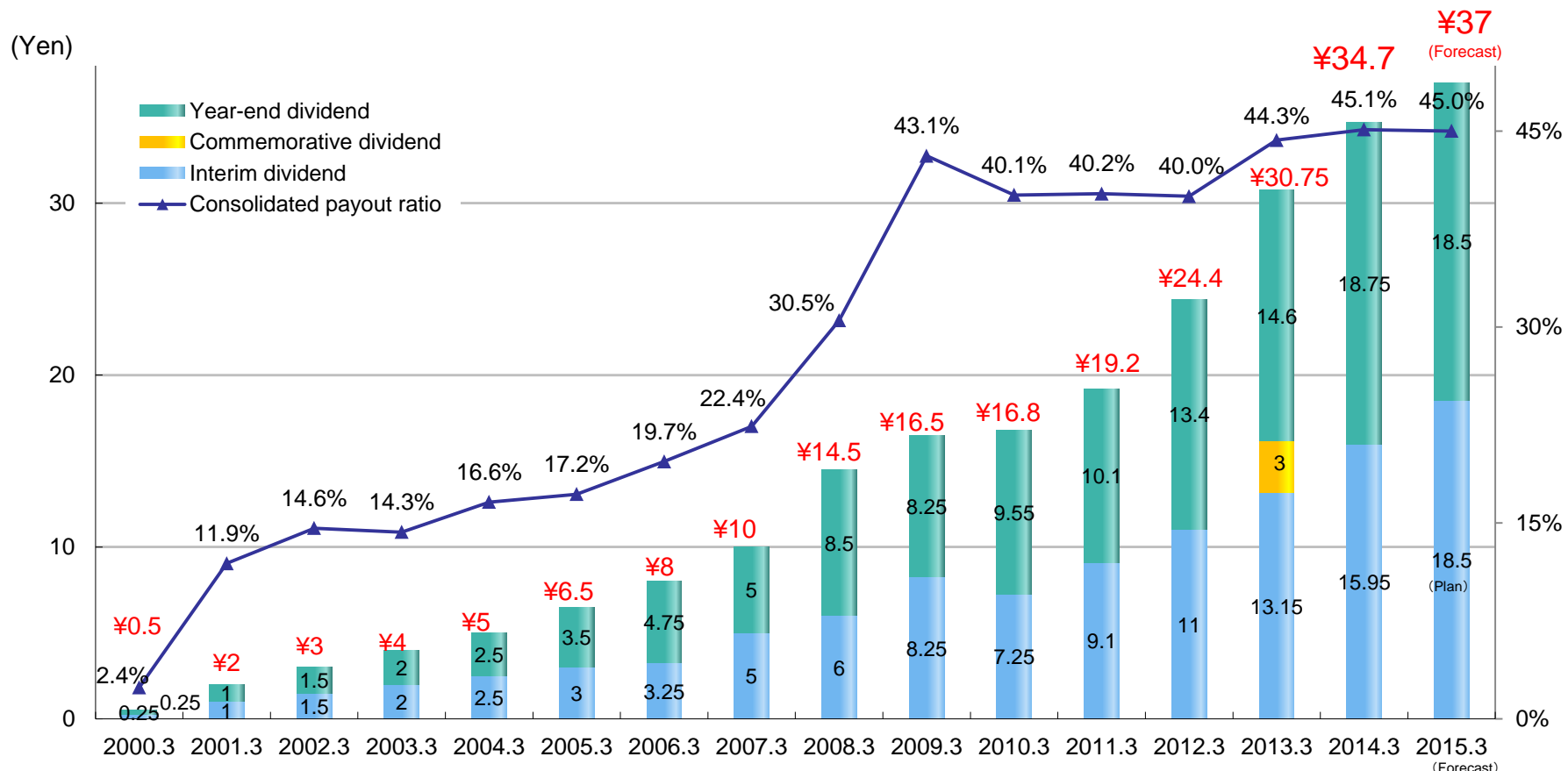
\*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

	Number of consigned vehicles FY3/2015	YoY	Number of contract completions FY3/2015	YoY	Contract completion rate	
					FY3/2015	FY3/2014
Initial plan (Announced May 8, 2014)	2.450 million unit	106.3%	1.519 million unit	98.6%	62.0%	66.8%
Revised	▲0.042 million unit	▲1.8%	—	—	+1.1%	—
Revised Plan (Announced Nov. 11, 2014)	2.408 million unit	104.5%	1.519 million unit	98.6%	63.1%	66.8%

# Earnings Distributions (1) – Dividend Policy

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

Plan to pay **37.0 yen** dividend per share for FY3/15 (up 2.3 yen)



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

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

(Million yen)

	2000.3	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3
Net Income	3,543	4,493	5,489	7,645	8,907	11,814	13,203	14,390
Dividend Paid	88	532	802	1,095	1,529	2,049	2,589	3,204
Stock Repurchased	42	-	0	5	2	2	1,757	4,525
Total amount returned to shareholders	130	532	802	1,100	1,532	2,051	4,346	7,730
Total Earnings Distribution Ratio	3.6%	11.9%	14.6%	14.4%	16.7%	17.2%	33.0%	53.8%

	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3	2014.3
Net Income	15,200	12,003	12,717	13,971	17,054	18,346	19,966
Dividend Paid	4,641	5,126	5,059	5,601	6,736	7,968	8,995
Stock Repurchased	0	8,940	4,671	4,950	10,815	12,309	0
Total amount returned to shareholders	4,641	14,066	9,731	10,552	17,551	20,278	8,995
Total Earnings Distribution Ratio	30.5%	117.6%	76.8%	75.6%	103.5%	111.4%	45.1%

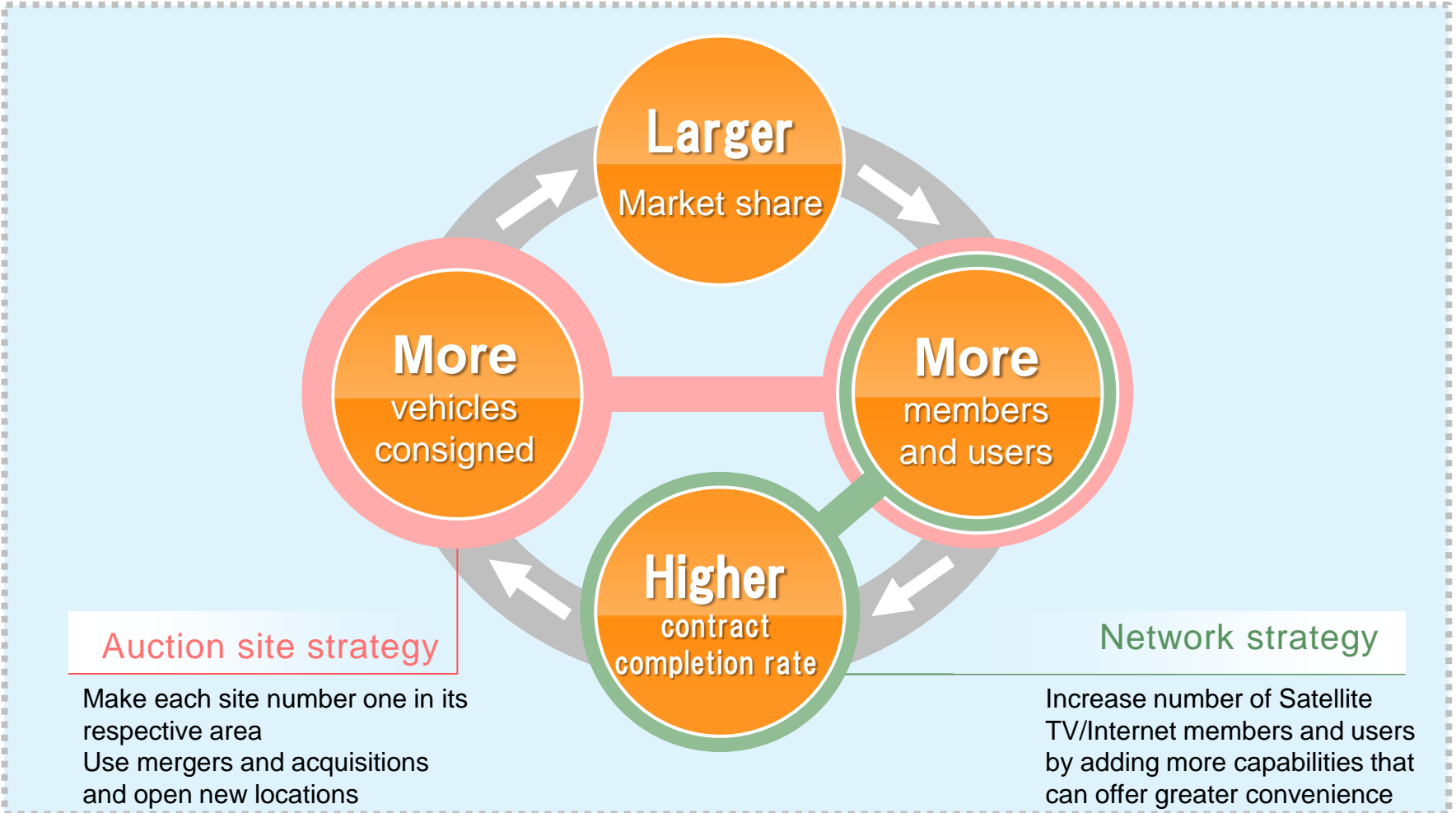
\*Stock repurchased does not include purchases by the trust for the USS employee stock ownership plan trust.

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

# Medium-term Goals and Value Creation Model

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

**Capture market share, cut costs and increase earnings**  
 (Avoid competition based on price alone)



**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

# Strategic Initiatives Based on Medium-term Goals

## ■ Network strategy

### ➤ August 2013

The rebuilt Nagoya Auction Site opened; capital expenditure was about 8 billion yen

The number of vehicles consigned is 1H FY3/2015 increased by 6.0% year-on-year

### ➤ August 2014

The new Okayama Auction Site, located beside the Sanyo Interchange of the Sanyo Expressway, began operations on August 23, 2014. The total investment was about 3.4 billion yen.

➤ Considering reconstruction of Sapporo and Shizuoka auction sites in order to increase vehicle consignment.

➤ Considering additional investments at other auction sites too; in order to increase vehicles consigned and to improve members' convenience

## ■ Network services

➤ Conducting a large-scale campaign to increase the number of satellite TV and Internet auction members

➤ USS entered into a business alliance with the JAA Group, the third largest in the industry, with regard to linking JAA Group's auction sites to USS satellite TV auction network

**Satellite TV network auction business share increased from 47.0% to 55.2%** (estimated based on the market share from Jan. to Jun. 2014)

Satellite link start-up schedule : JAA (Tokyo) November 2014 (Market share: 2.1% - Jan. – Jun. 2014 average)

HAA Kobe (Hyogo Prefecture) May 2015 (Market share 6.2% - Jan. – Jun. 2014 average)



**General Affairs Department  
Supervisory Division  
USS Co., Ltd.**

**507-20 Shinpo-machi, Tokai-City, Aichi Prefecture 476-0005**

**Telephone: +81-52-689-1129**

**Facsimile: +81-52-604-1915**

**E-mail: [irinfo@ussnet.co.jp](mailto:irinfo@ussnet.co.jp)**

Reference materials

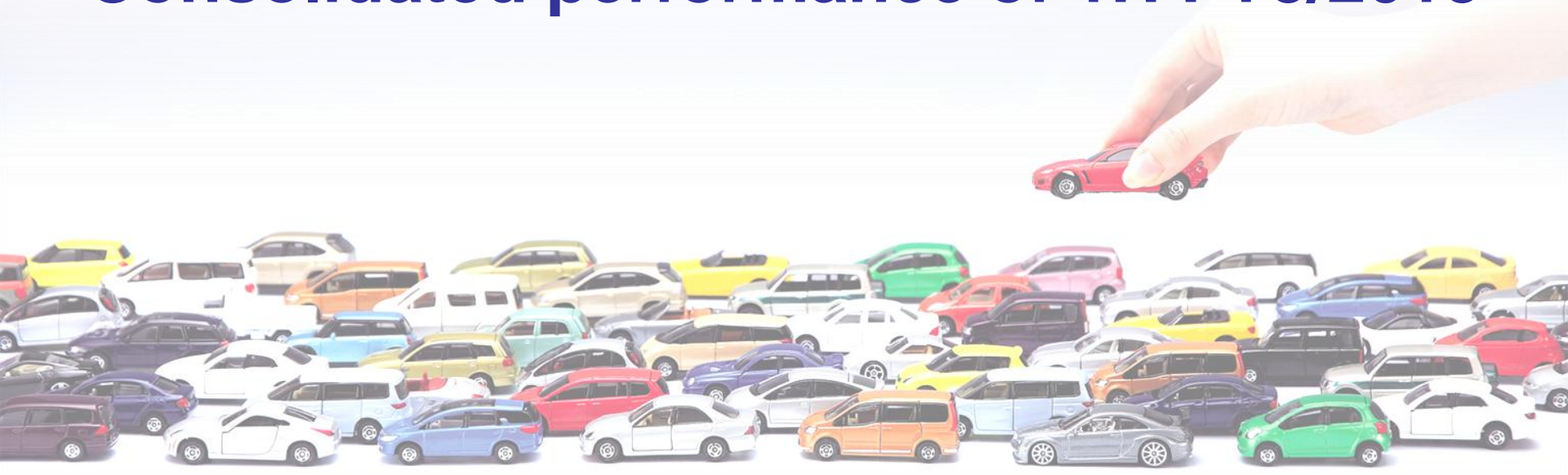
**JAPAN AUTOMOBILE DEALERS ASSOCIATION,  
Japan Light Motor Vehicle and Motorcycle Association,  
Japan Automobile Recycling Promotion Center, USED CAR Co., Ltd.,  
Trade Statistics of Japan,**

**(Precautions concerning these materials)**

These materials contain forward-looking statements that are based on the judgments of management in accordance with information that is currently available. These statements include assumptions and beliefs based on these assumptions. Depending on changes in the operating environment, these assumptions and beliefs may differ from actual results. Statements by USS or its management concerning expectations or beliefs about future performance are not guarantees that these expectations or beliefs will be achieved, or that actual performance will be near these expectations or beliefs. Furthermore, as provided by law, unless stated otherwise, USS has no obligation to update any forecast to the latest version.

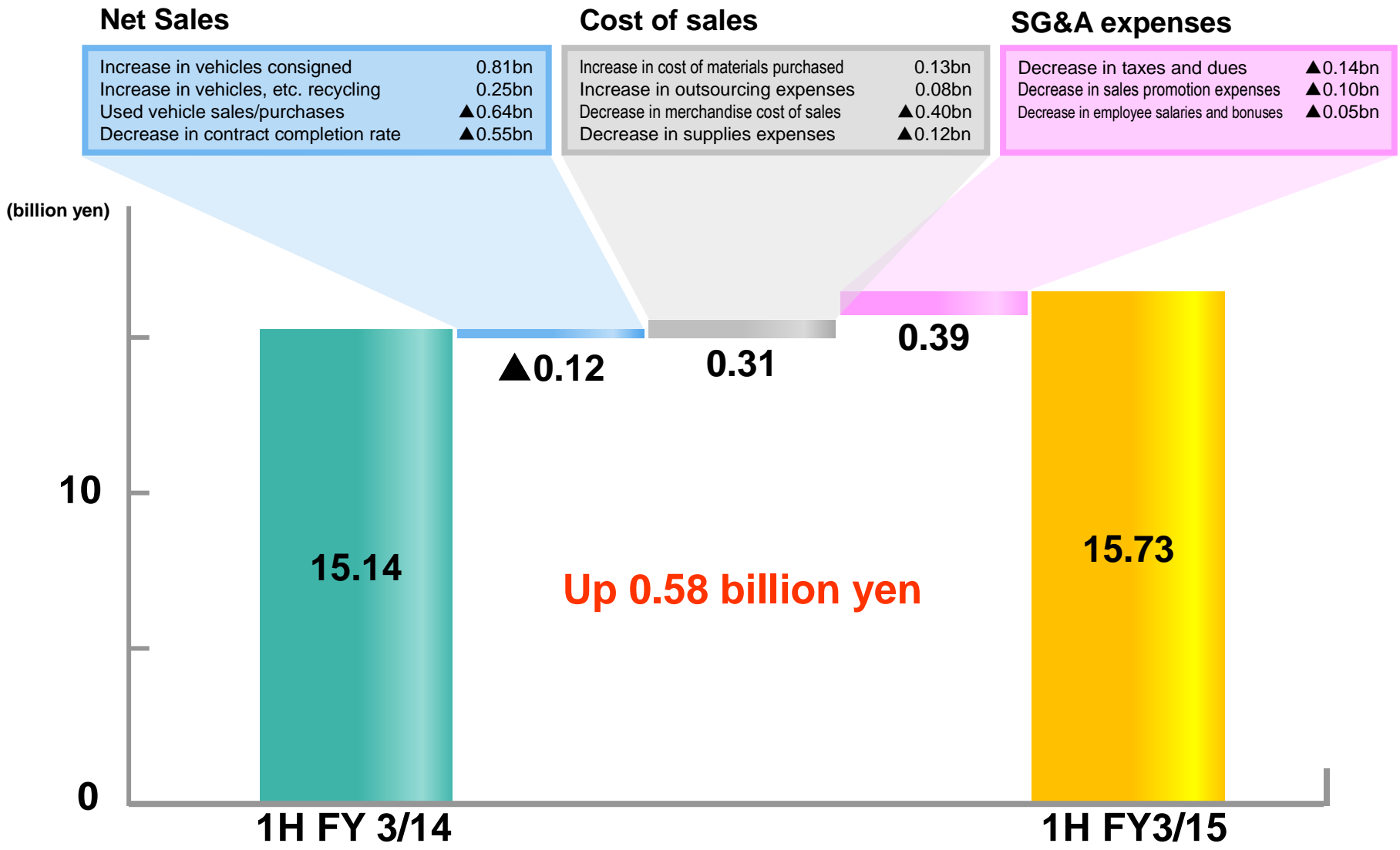
# Supplemental Data

## Consolidated performance of 1H FY3/2015



# 1H FY3/2015 Reasons for Change in Operating Income (Actual)

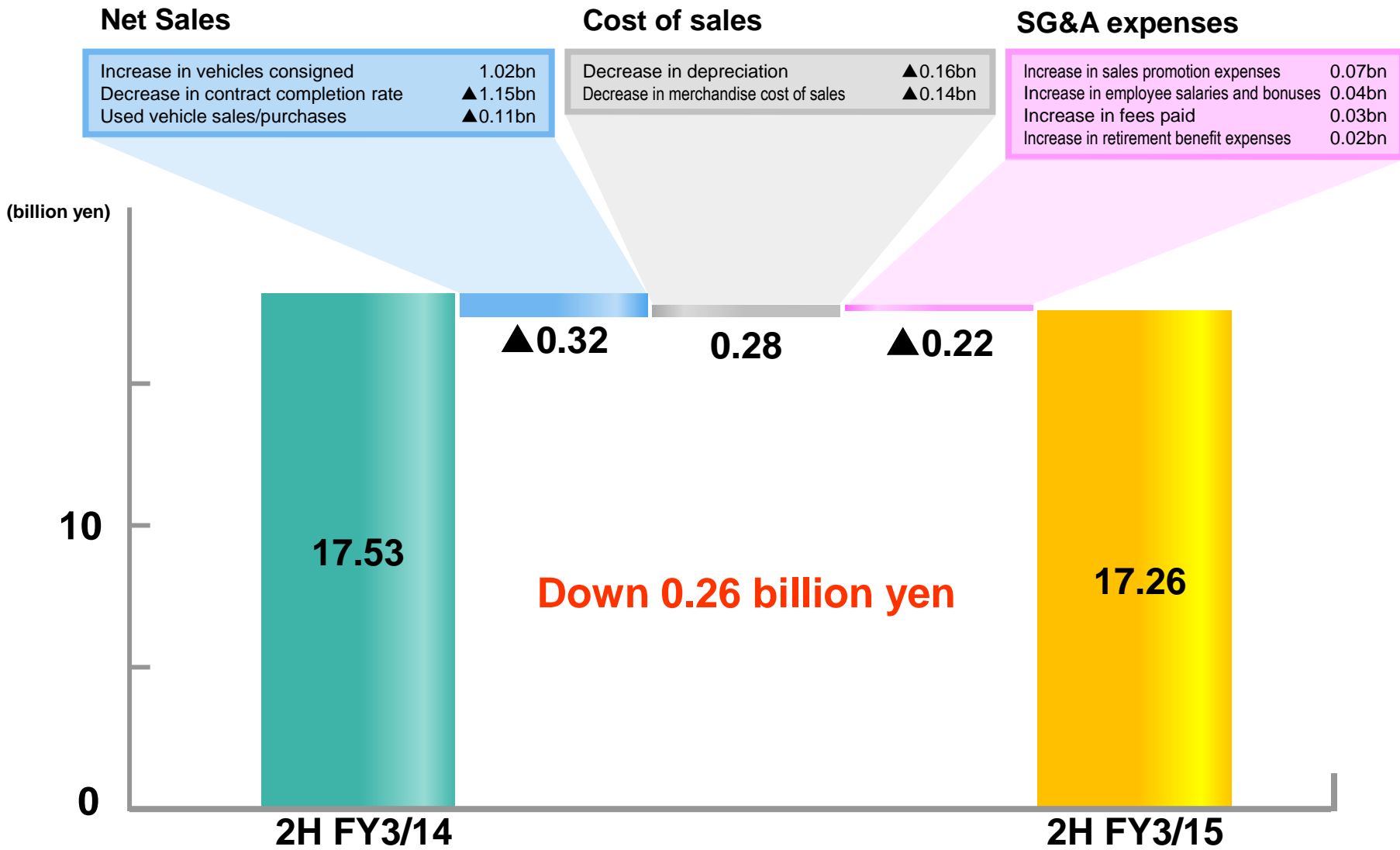
## Reasons for change in operating income



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

# 2H FY3/2015 Reasons for change in operating income (Forecast)

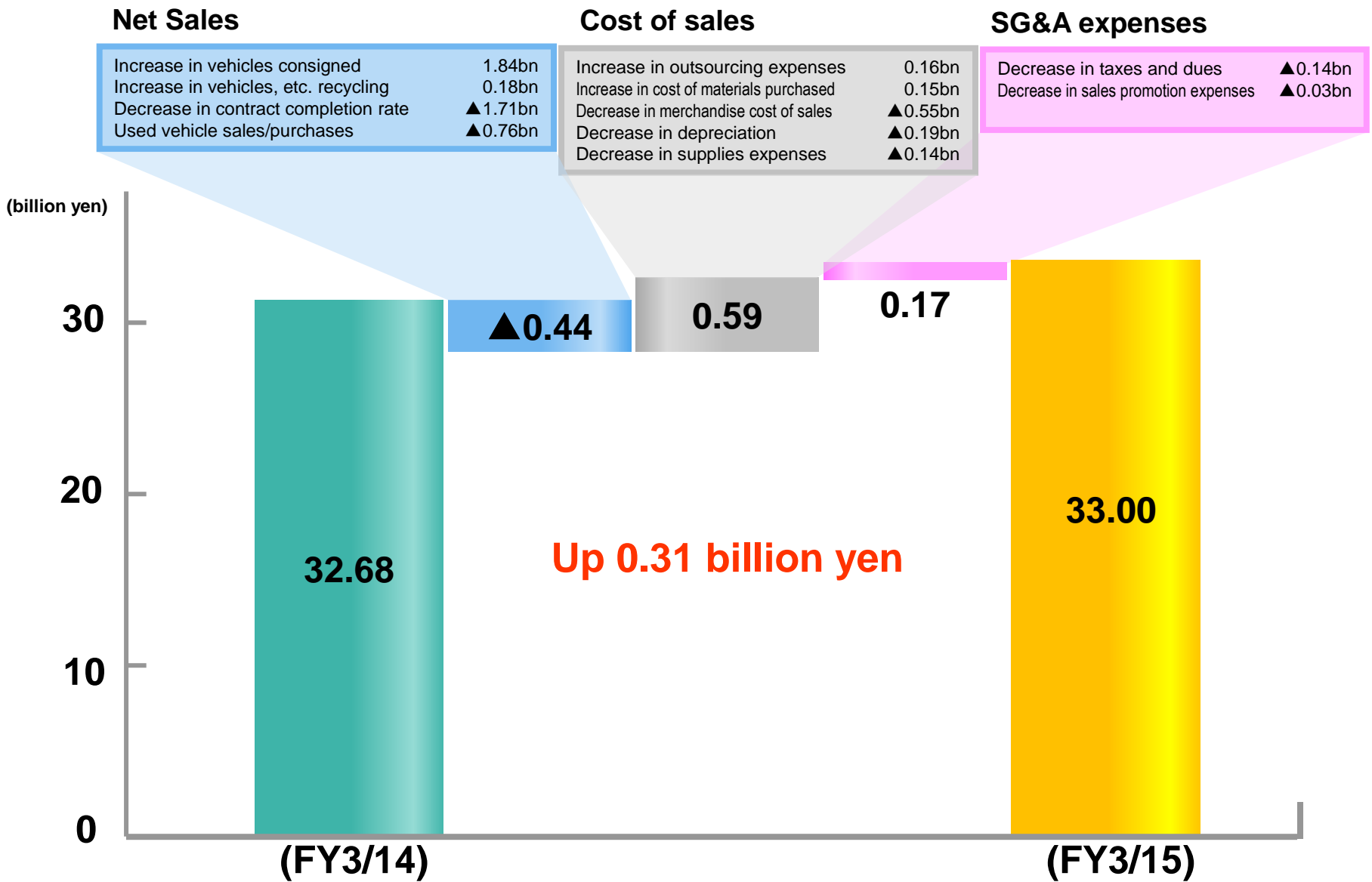
## Reasons for change in operating income



\*Amounts for 2H FY3/14 are retroactively adjusted to reflect changes in accounting methods.

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

## Reasons for change in operating income



\*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods. (Forecast)

# 1H FY3/2015 – Results by Sites

From April 1, 2014 to September 30, 2014

(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	1H FY3/15	1H FY3/14	1H FY3/15	1H FY3/14	Changes	1H FY3/15	1H FY3/14	changes	1H FY3/15	1H FY3/14
<b>Tokyo</b>	24	24	311,554	292,461	6.5%	216,151	212,075	1.9%	69.4%	72.5%
<b>Nagoya</b>	24	24	207,338	195,530	6.0%	124,255	125,269	▲0.8%	59.9%	64.1%
<b>Yokohama</b>	26	24	95,860	90,422	6.0%	65,944	63,977	3.1%	68.8%	70.8%
<b>Kyushu</b>	24	24	89,788	90,250	▲0.5%	52,857	54,759	▲3.5%	58.9%	60.7%
<b>Sapporo</b>	24	24	68,708	66,924	2.7%	41,098	42,600	▲3.5%	59.8%	63.7%
<b>Osaka</b>	24	24	61,759	55,095	12.1%	38,172	36,414	4.8%	61.8%	66.1%
<b>R-Nagoya</b>	24	25	53,751	53,600	0.3%	46,993	44,780	4.9%	87.4%	83.5%
<b>Shizuoka</b>	24	24	40,223	40,112	0.3%	23,145	24,016	▲3.6%	57.5%	59.9%
<b>Okayama</b>	24	24	35,137	32,123	9.4%	20,818	20,579	1.2%	59.2%	64.1%
<b>Tohoku</b>	24	24	34,419	33,884	1.6%	24,681	25,875	▲4.6%	71.7%	76.4%
<b>Gunma</b>	24	24	29,856	30,594	▲2.4%	20,122	20,366	▲1.2%	67.4%	66.6%
<b>Saitama</b>	24	24	25,454	26,716	▲4.7%	14,027	15,021	▲6.6%	55.1%	56.2%
<b>Kobe</b>	24	24	21,185	19,884	6.5%	12,323	11,448	7.6%	58.2%	57.6%
<b>Fukuoka</b>	24	24	20,869	21,583	▲3.3%	9,059	9,946	▲8.9%	43.4%	46.1%
<b>Niigata</b>	24	24	20,103	19,257	4.4%	9,990	10,156	▲1.6%	49.7%	52.7%
<b>Hokuriku</b>	24	24	10,091	12,799	▲21.2%	6,702	8,387	▲20.1%	66.4%	65.5%
<b>Total</b>	386	385	1,126,095	1,081,234	4.1%	726,337	725,668	0.1%	64.5%	67.1%

# Monthly USS Group Auto Auction Results (Fiscal Year)

(Vehicles, %)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	First Half	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Second Half	Fiscal Year
No. of Consigned Vehicles	FY 2013.3	226,176	175,567	195,032	179,372	156,301	187,172	1,119,620	183,316	184,820	140,329	146,072	178,286	247,354	1,080,177	2,199,797
	YoY Change	11.5	33.3	11.6	4.0	7.2	▲5.9	9.1	▲11.9	▲10.3	▲17.6	▲9.3	▲13.4	▲10.0	▲11.9	▲2.3
	FY 2014.3	210,673	169,208	177,966	178,045	161,830	183,512	1,081,234	211,744	207,958	165,509	177,304	201,844	259,596	1,223,955	2,305,189
	YoY Change	▲6.9	▲3.6	▲8.8	▲0.7	3.5	▲2.0	▲3.4	15.5	12.5	17.9	21.4	13.2	4.9	13.3	4.8
	FY 2015.3	225,022	181,292	177,858	193,656	157,114	191,153	1,126,095	220,851						220,851	1,346,946
	YoY Change	6.8	7.1	▲0.1	8.8	▲2.9	4.2	4.1	4.3						-	-
No. of Contracted Vehicles	FY 2013.3	123,375	104,202	117,187	112,650	99,623	121,600	678,637	118,831	121,237	91,679	103,111	128,751	162,826	726,435	1,405,072
	YoY Change	▲7.7	8.0	▲5.9	▲4.2	5.6	▲1.6	▲1.7	▲2.5	5.4	▲5.9	3.6	0.7	0.2	0.3	▲0.7
	FY 2014.3	132,619	116,364	120,690	121,819	109,824	124,352	725,668	139,285	134,837	108,286	122,646	139,446	170,839	815,339	1,541,007
	YoY Change	7.5	11.7	3.0	8.1	10.2	2.3	6.9	17.2	11.2	18.1	18.9	8.3	4.9	12.2	9.7
	FY 2015.3	134,692	115,560	115,299	125,786	104,082	130,918	726,337	146,176						146,176	872,513
	YoY Change	1.6	▲0.7	▲4.5	3.3	▲5.2	5.3	0.1	4.9						-	-
Contract Completion Rate	FY 2013.3	54.5	59.4	60.1	62.8	63.7	65.0	60.6	64.8	65.6	65.3	70.6	72.2	65.8	67.3	63.9
	FY 2014.3	63.0	68.8	67.8	68.4	67.9	67.8	67.1	65.8	64.8	65.4	69.2	69.1	65.8	66.6	66.8
	FY 2015.3	59.9	63.7	64.8	65.0	66.2	68.5	64.5	66.2						-	-

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

# 5 year Consolidated Performance

(Million yen)

	Results					Forecast
	2010.3	2011.3	2012.3	2013.3	2014.3 *3	2015.3
<b>&lt;Auto Auction Business&gt;</b>						
Consignment Fees	11,285	10,822	12,154	11,817	12,241	12,941
Contract Completion Fees	10,283	10,559	10,984	10,873	11,958	11,814
Successful Bidding Fees	13,659	14,142	15,026	15,626	17,190	16,942
Revenues from Sales of Goods	746	848	805	624	905	969
Other Revenues	6,816	6,804	6,869	6,967	7,184	7,250
<b>Auto Auction Business Total</b>	<b>42,791</b>	<b>43,177</b>	<b>45,840</b>	<b>45,909</b>	<b>49,479</b>	<b>49,919</b>
<b>&lt;Used Vehicle Sales/Purchases Business&gt;</b>						
Revenues from Used Vehicle Sales/Purchases	8,289	8,456	8,535	8,106	7,867	7,103
Revenues from Accident-damaged Vehicle Sales/Purchases	3,935	4,038	3,940	3,438	3,754	3,429
<b>Used Vehicle Sales/Purchases Business Total</b>	<b>12,224</b>	<b>12,494</b>	<b>12,476</b>	<b>11,545</b>	<b>11,621</b>	<b>10,533</b>
<b>&lt;Other Business&gt;</b>						
Revenues from Recycling End-of-Life Vehicles and Other Items	3,734	4,566	4,275	4,016	4,816	5,002
Revenues from Recycling Scrap Rubbers	1,098	1,178	1,250	1,335	1,498	1,379
Revenues from Used Vehicle Export Clearing Service	-	-	166	437	500	586
Other Revenues	-	-	-	-	32	78
<b>Other Business Total</b>	<b>4,832</b>	<b>5,745</b>	<b>5,692</b>	<b>5,789</b>	<b>6,848</b>	<b>7,047</b>
<b>Net Sales</b>	<b>59,849</b>	<b>61,417</b>	<b>64,009</b>	<b>63,243</b>	<b>67,949</b>	<b>67,500</b>
<b>Operating Income</b>	<b>21,940</b>	<b>24,332</b>	<b>27,952</b>	<b>29,304</b>	<b>32,680</b>	<b>33,000</b>
<b>Ordinary Income</b>	<b>22,511</b>	<b>24,643</b>	<b>28,588</b>	<b>29,884</b>	<b>33,275</b>	<b>33,500</b>
<b>Net Income</b>	<b>12,717</b>	<b>13,971</b>	<b>17,054</b>	<b>18,346</b>	<b>19,966</b>	<b>21,300</b>

## Auto Auction Business

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

No. of Consigned Vehicles	2,327,515	2,121,948	2,252,566	2,199,797	2,305,189	2,408,000
No. of Contracted Vehicles	1,342,958	1,361,599	1,414,813	1,405,072	1,541,007	1,519,000
Contract Completion Rate	57.7	64.2	62.8	63.9	66.8	63.1
Consignment Fees per Vehicle consigned *1	4,884	5,139	5,432	5,407	5,344	5,408
Contract Completion Fees per Vehicle Contracts completed *1	7,729	7,831	7,832	7,802	7,821	7,838
Successful Bidding Fees per Vehicle Contracts completed *1	10,178	10,393	10,626	11,124	11,157	11,155
On-site Auction Members	44,317	45,563	44,796	45,139	45,712	46,300
CIS (Internet) Members	23,565	24,688	25,957	27,072	28,007	28,700
TV (Satellite Auction) Members	4,599	4,248	3,921	3,651	3,486	3,300
Rabbit Chain Shops	189	176	180	180	171	174

## Capital Expenditures and Depreciation

(Million yen)

Capital Expenditures (Terms of Cash Flows) *2	1,285	7,629	804	1,620	8,858	3,600
Depreciation	5,482	4,529	3,885	3,432	3,672	3,465

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

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



# Major Financial Indicators (Fiscal year)

(Million yen)

	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3	2010.3	2011.3	2012.3	2013.3	2014.3	YoY	10 years average of % changes
<b>Results of Operations</b>													
Net Sales	42,425	50,484	60,243	64,568	69,801	66,549	59,849	61,417	64,009	63,243	67,949	7.4%	4.8%
Operating Income	18,017	20,673	23,103	24,817	27,200	22,568	21,940	24,332	27,952	29,304	32,680	11.5%	6.1%
Ordinary Income	18,207	21,096	23,544	25,360	27,490	22,503	22,511	24,643	28,588	29,884	33,275	11.3%	6.2%
Net Income	8,907	11,814	13,203	14,390	15,200	12,003	12,717	13,971	17,054	18,346	19,966	8.8%	8.4%
<b>Financial Position</b>													
Total Assets	92,538	115,704	131,908	146,172	150,737	138,370	142,164	151,636	154,639	154,543	164,182	6.2%	5.9%
Cash and Deposits	15,168	15,818	19,995	21,149	26,280	18,445	29,681	30,980	36,840	37,033	46,318	25.1%	11.8%
Total Liabilities	24,284	29,901	33,841	40,184	33,159	23,428	23,773	29,689	33,541	34,866	32,080	▲8.0%	2.8%
Interest Bearing Debt	7,331	7,490	5,200	5,355	3,064	2,716	1,806	1,097	1,746	1,148	670	▲41.6%	▲21.3%
Total Net Assets	68,254	85,803	98,067	105,988	117,577	114,941	118,390	121,947	121,097	119,676	132,102	10.4%	6.8%
Owners' Equity	67,497	84,877	97,391	104,985	117,130	114,771	118,146	121,638	120,582	119,112	131,348	10.3%	6.9%
<b>Per Share Information</b>													
EPS (Yen)	30.07	37.76	40.70	44.71	47.51	38.27	41.88	47.80	60.92	69.35	77.29	11.4%	9.9%
Dividend per Share (Yen)	5.00	6.50	8.00	10.00	14.50	16.50	16.80	19.20	24.40	30.75	34.70	12.8%	21.4%
<b>Others</b>													
Operating Margin (%)	42.5	40.9	38.4	38.4	39.0	33.9	36.7	39.6	43.7	46.3	48.1	—	—
ROE (%)	16.0	15.5	14.5	14.2	13.7	10.4	10.9	11.7	14.1	15.3	15.9	—	—
ROA (%)	20.1	20.3	19.0	18.2	18.5	15.6	16.0	16.8	18.7	19.3	20.9	—	—
Dividend Payout Ratio (%)	16.6	17.2	19.7	22.4	30.5	43.1	40.1	40.2	40.0	44.3	45.1	—	—
Owners' Equity Ratio (%)	72.9	73.4	73.8	71.8	77.7	82.9	83.1	80.2	78.0	77.1	80.0	—	—
Treasury Stock (shs.)	14,950	17,890	1,440,060	6,717,730	6,718,010	21,056,870	29,364,740	23,647,810	41,280,210	55,067,530	54,828,566	▲0.4%	127.2%
On-site Auction Members (Companies)	30,195	34,420	37,157	40,959	42,751	43,307	44,317	45,563	44,796	45,139	45,712	1.3%	4.2%

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

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

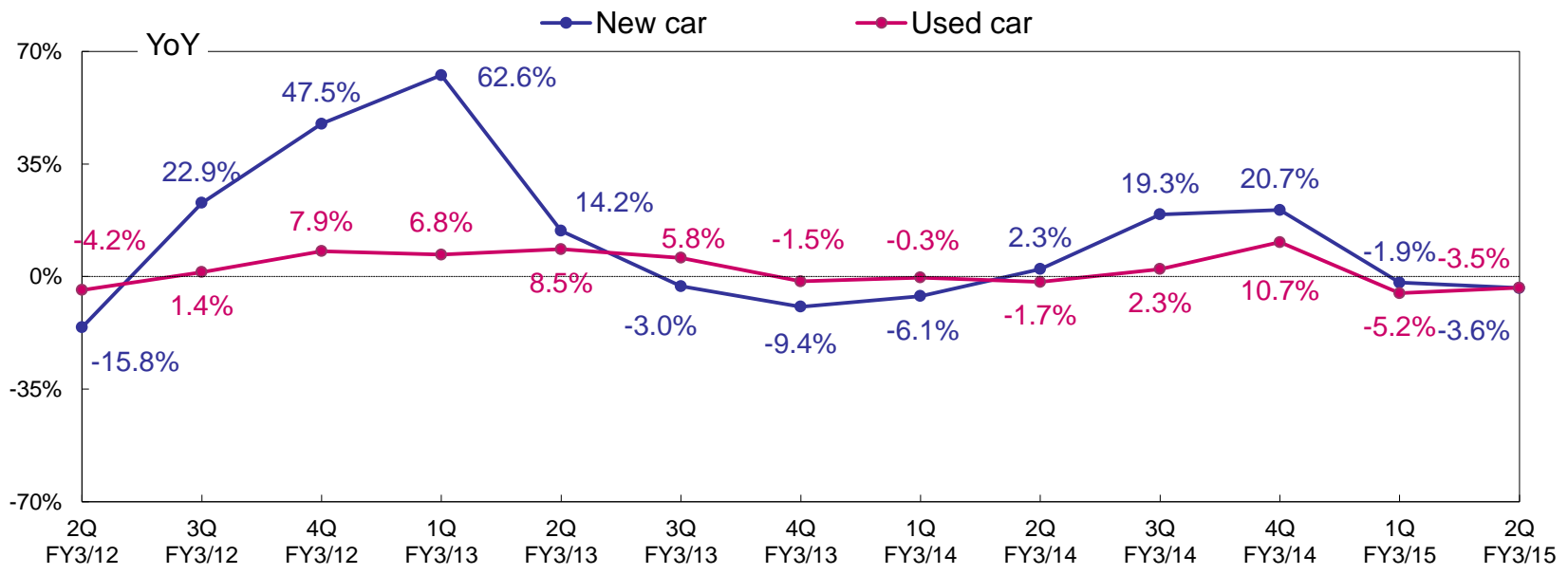
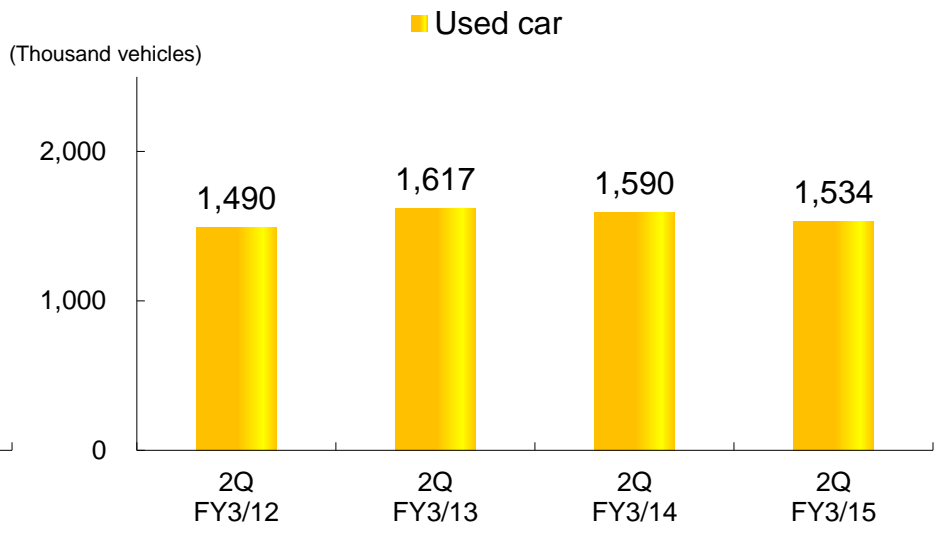
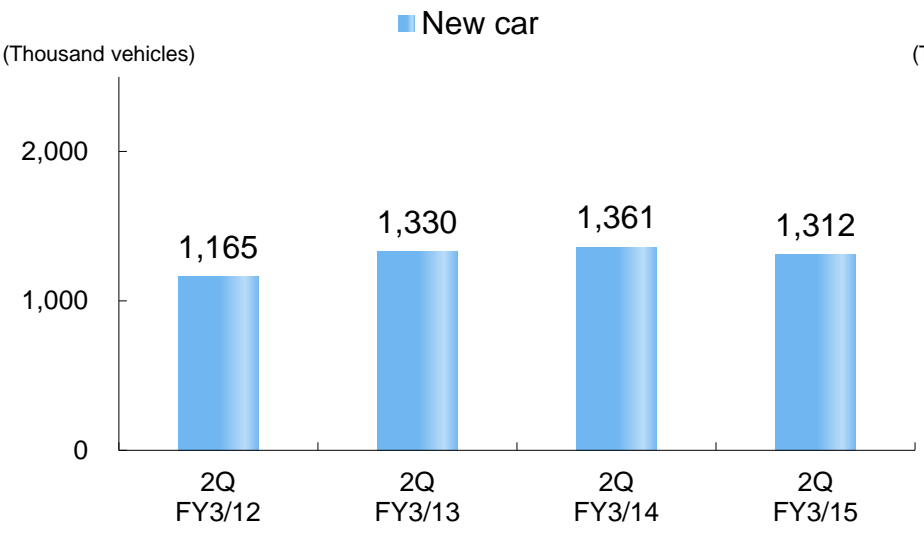
# Supplemental Data

## Market Overview of 2Q FY3/2015



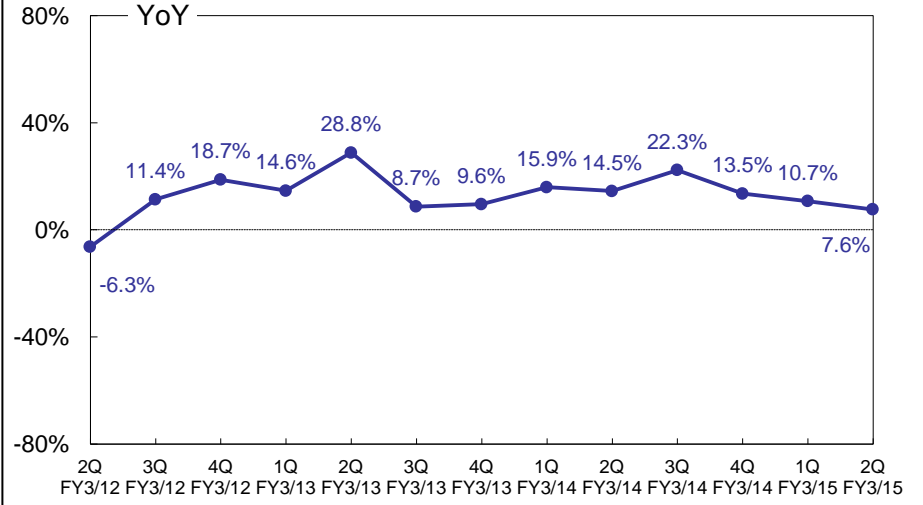
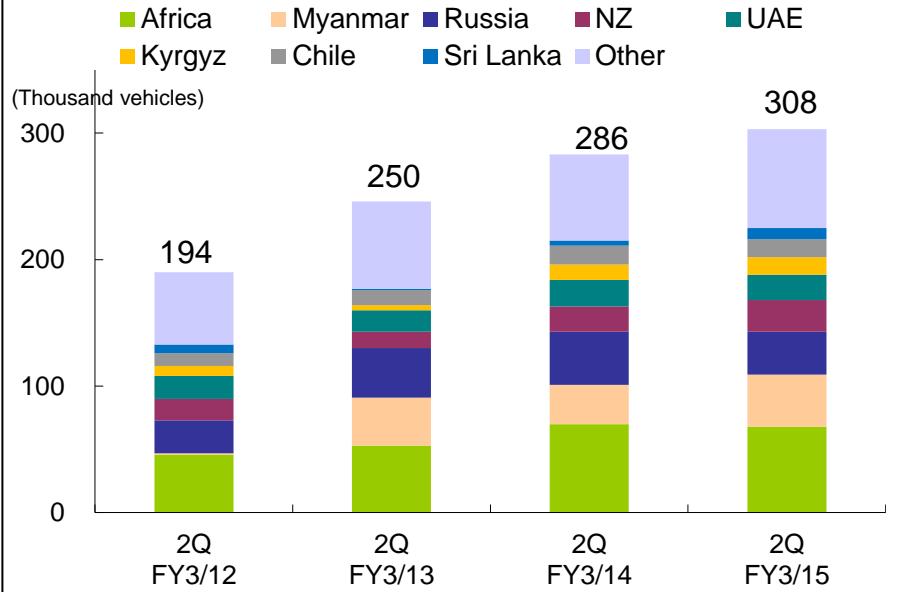
# Market Overview - Automobile Trading (1) < July to September >

## New car and used car registrations

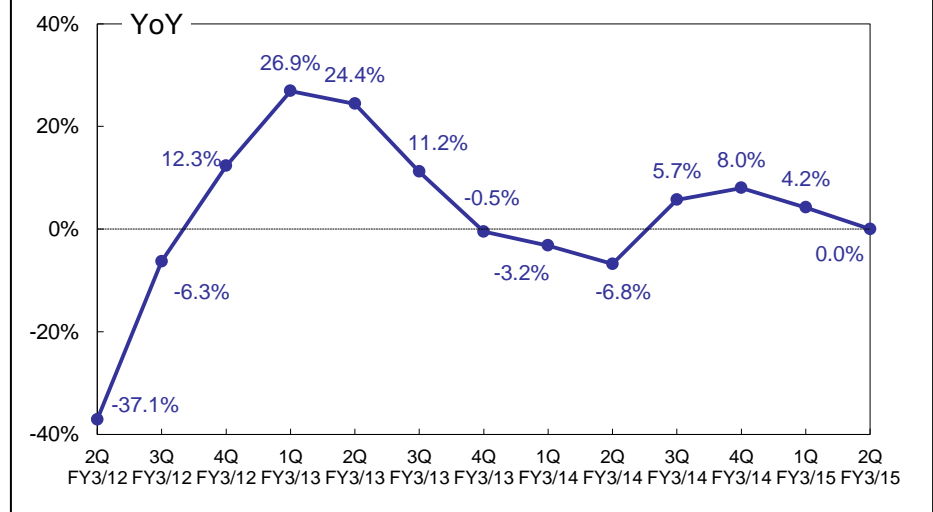
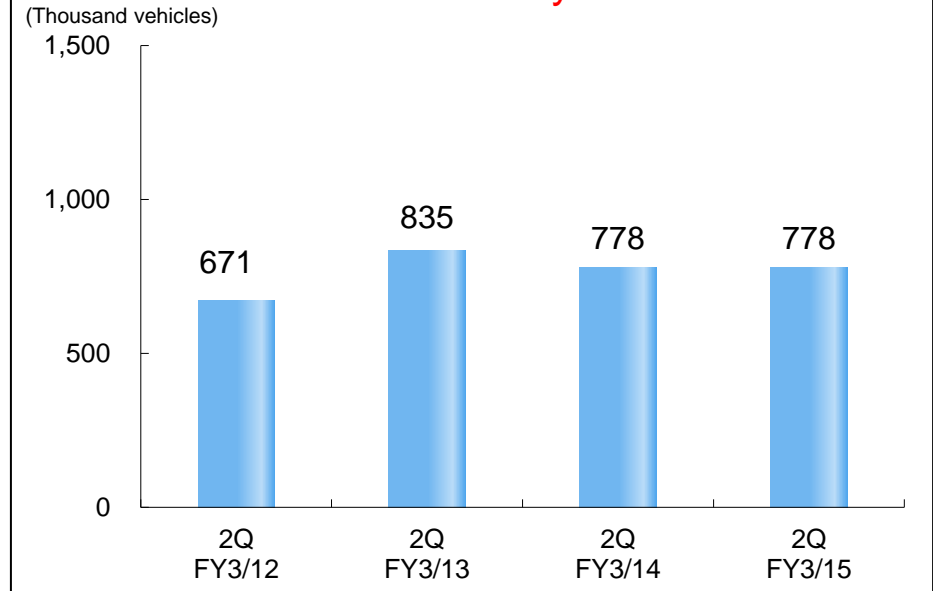


# Market Overview - Automobile Trading (2) < July to September >

## Used Car Exports

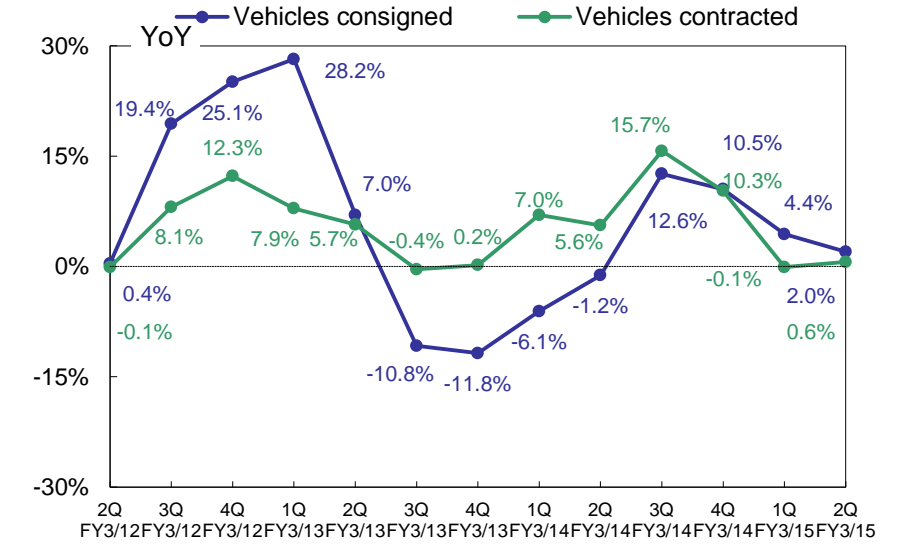
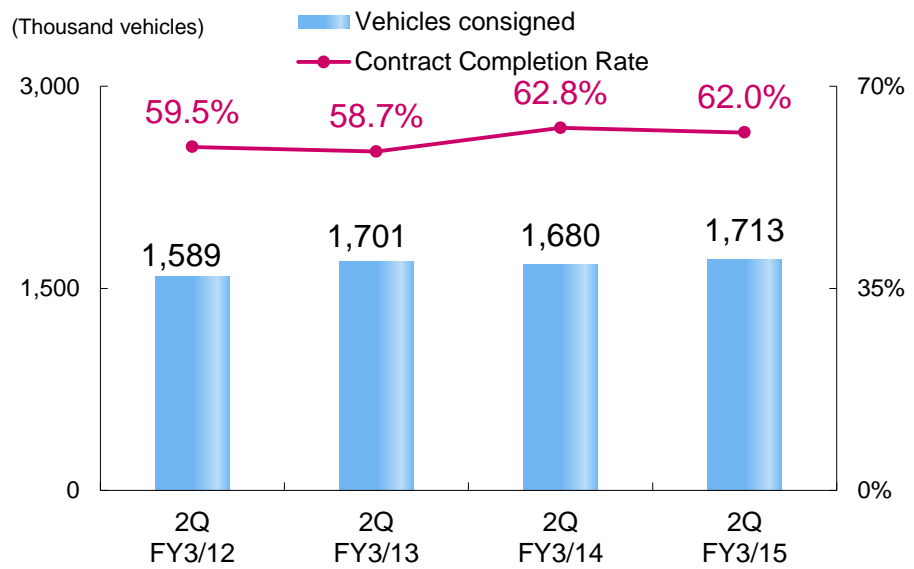


## Automobiles Recycled

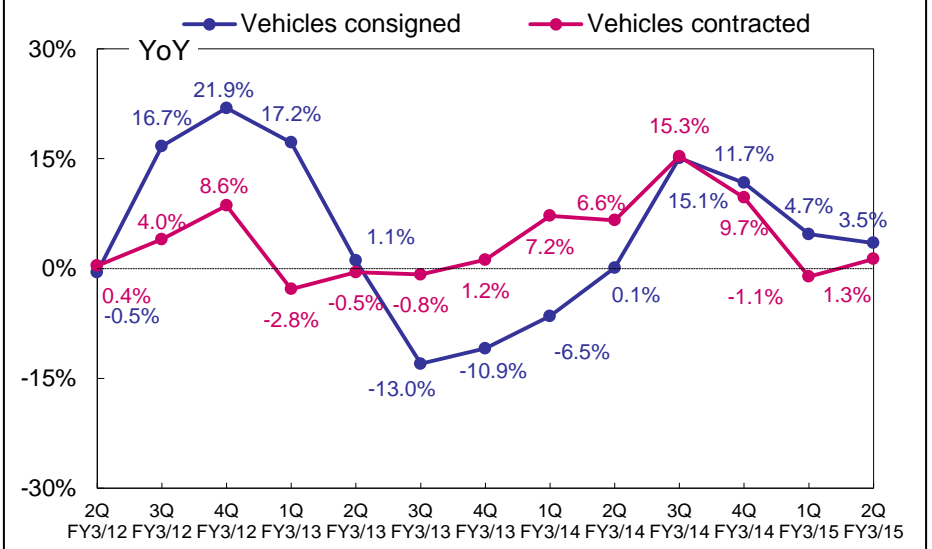
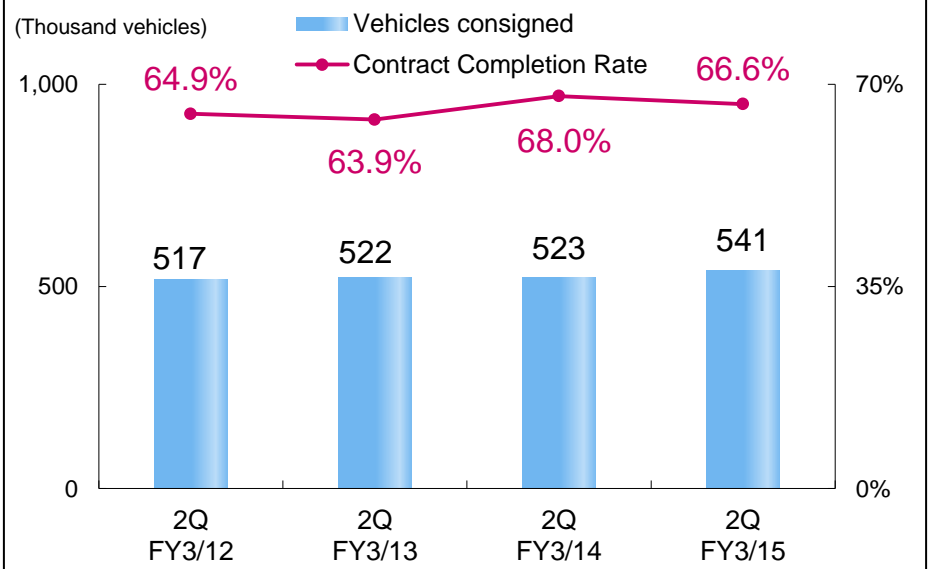


# USS Group Auto Auction Performance < July to September >

## Auto Auction Market



## USS Group Auto Auction Performance



# 2Q FY3/2015 Financial Highlights

## Consolidated Total

(Million yen)

	2Q FY3/13	2Q FY3/14	2Q FY3/15	YoY Change
<b>Net sales</b>	<b>15,259</b>	<b>15,978</b>	<b>15,971</b>	<b>100.0%</b>
<b>Operating income</b>	<b>6,927</b>	<b>7,173</b>	<b>7,677</b>	<b>107.0%</b>

\*Amounts for 2Q FY3/14 are retroactively adjusted to reflect changes in accounting methods

## Auto Auction Business

(Million yen)

	2Q FY3/13	2Q FY3/14	2Q FY3/15	YoY Change
<b>Net sales</b>	<b>11,106</b>	<b>11,662</b>	<b>11,986</b>	<b>102.8%</b>
<b>Operating income</b>	<b>6,784</b>	<b>6,822</b>	<b>7,396</b>	<b>108.4%</b>

\*Amounts for 2Q FY3/14 are retroactively adjusted to reflect changes in accounting methods

## Used Vehicle Sales/Purchases Business

(Million yen)

	2Q FY3/13	2Q FY3/14	2Q FY3/15	YoY Change
<b>Net sales</b>	<b>2,883</b>	<b>2,847</b>	<b>2,428</b>	<b>85.3%</b>
<b>Operating income</b>	<b>128</b>	<b>192</b>	<b>84</b>	<b>44.0%</b>

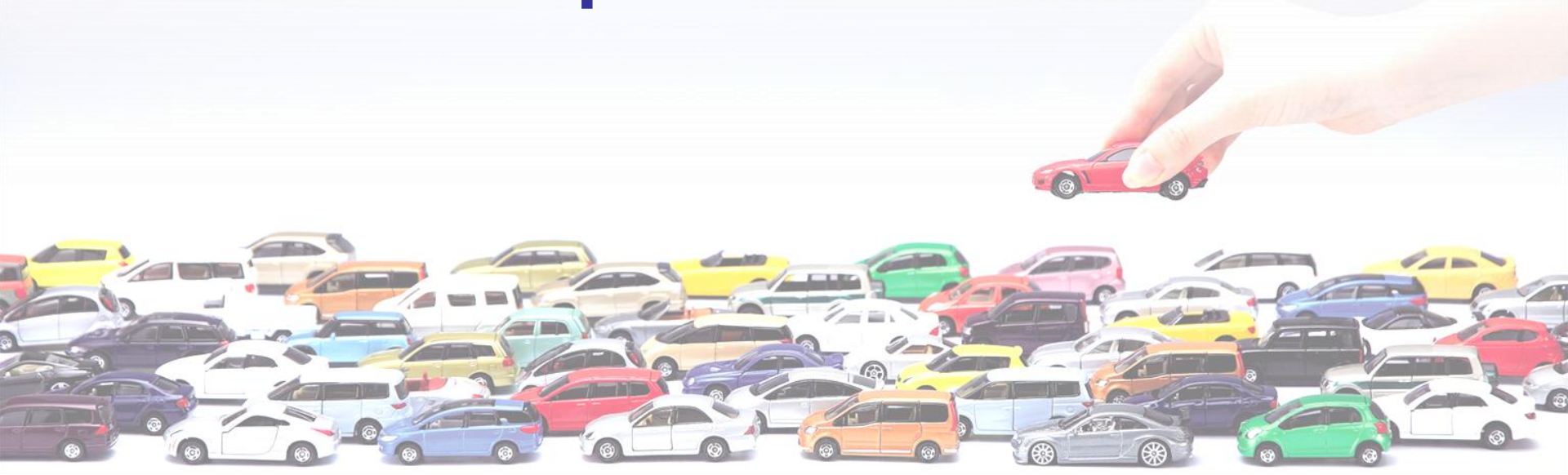
## Other Business (Recycling etc.)

(Million yen)

	2Q FY3/13	2Q FY3/14	2Q FY3/15	YoY Change
<b>Net sales</b>	<b>1,380</b>	<b>1,612</b>	<b>1,714</b>	<b>106.3%</b>
<b>Operating income</b>	<b>▲16</b>	<b>125</b>	<b>157</b>	<b>126.0%</b>

# Supplemental Data

## Consolidated performance of FY3/2014



# FY3/2014 – Consolidated Income Statement

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

	FY3/2013	FY3/2014	Year on year
<b>Net Sales</b>	<b>63,243</b>	<b>67,949</b>	<b>107.4%</b>
<b>Cost of sales (Per sales)</b>	<b>24,982 (39.5%)</b>	<b>26,459 (38.9%)</b>	<b>105.9%</b>
<b>Gross profit (Per sales)</b>	<b>38,260 (60.5%)</b>	<b>41,489 (61.1%)</b>	<b>108.4%</b>
<b>Selling, general and administrative expenses (Per sales)</b>	<b>8,955 (14.2%)</b>	<b>8,808 (13.0%)</b>	<b>98.4%</b>
<b>Operating income (Per sales)</b>	<b>29,304 (46.3%)</b>	<b>32,680 (48.1%)</b>	<b>111.5%</b>
<b>Ordinary income (Per sales)</b>	<b>29,884 (47.3%)</b>	<b>33,275 (49.0%)</b>	<b>111.3%</b>
<b>Net income (Per sales)</b>	<b>18,346 (29.0%)</b>	<b>19,966 (29.4%)</b>	<b>108.8%</b>
<b>Net income per share (yen)</b>	<b>69.35</b>	<b>77.29</b>	<b>111.4%</b>

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

## Net sales

- Auction fee revenues increased along with increases in number of vehicles consigned and the contract completion rate
- Higher sales in the recycling business, including end-of-life vehicles, due to increase in volume handled and higher prices for ferrous scrap

## Cost of sales

- Higher merchandise cost of sales, higher cost of purchasing materials in the recycling business
- Depreciation increased because of the reconstruction of the Nagoya Auction Site and plan to relocate the Okayama Auction Site
- Higher cost of supplies expenses due to the reconstruction of the Nagoya Auction Site

**SG&A expenses** • Decreases in sales promotion expenses



# FY3/2014 – Consolidated Balance Sheet

Outstanding financial soundness even as substantial earnings distributions to shareholders continue

(Million yen)

	2013.3	2014.3	Changes
<b>Current assets</b>	<b>56,047</b>	<b>60,477</b>	<b>4,430</b>
Cash and deposits	37,033	46,318	9,285
Receivables due from member dealers at auction	13,660	8,701	▲4,959
Other	5,353	5,458	104
<b>Noncurrent assets</b>	<b>98,496</b>	<b>103,704</b>	<b>5,208</b>
Property, plant and equipment	88,470	92,337	3,866
Intangible assets	818	1,068	249
Investments and other assets	9,206	10,299	1,092
<b>Total assets</b>	<b>154,543</b>	<b>164,182</b>	<b>9,639</b>
<b>Current liabilities</b>	<b>28,165</b>	<b>25,657</b>	<b>▲2,508</b>
Payables due to member dealers at auction	16,185	11,852	▲4,332
Short-term loans payable	93	80	▲12
Other	11,886	13,724	1,837
<b>Noncurrent liabilities</b>	<b>6,701</b>	<b>6,423</b>	<b>▲278</b>
Long-term loans payable	864	549	▲314
Other	5,837	5,873	36
<b>Total liabilities</b>	<b>34,866</b>	<b>32,080</b>	<b>▲2,786</b>
<b>Shareholders' equity</b>	<b>124,273</b>	<b>136,466</b>	<b>12,193</b>
Accumulated other comprehensive income	▲5,160	▲5,117	42
Subscription rights to shares	237	242	5
Minority interests	327	510	183
<b>Total net assets</b>	<b>119,676</b>	<b>132,102</b>	<b>12,425</b>

## Current assets

- Auction receivables down 4.95 billion yen due to the calendar factors on the fiscal year-end auctions

## Noncurrent assets

- Property, plant and equipment up 3.86 billion yen due mainly to rebuilding of the Nagoya Auction Site

## Current liabilities

- Auction payables decreased 4.33 billion yen due to the calendar factors on the fiscal year-end auctions
- Other current liabilities increased 1.83 billion yen mainly because of higher income taxes payable

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

# FY3/2014 – Consolidated Cash Flows

(Million yen)

	2013.3	2014.3	Changes
Net cash provided by operating activities	22,059	26,642	4,582
Income before income taxes and minority interests	29,827	32,676	2,849
Depreciation and other amortization	3,582	3,823	241
Amortization of goodwill	▲0	20	20
Loss (▲gain) on sale and retirement of property, plant and equipment	38	199	161
Loss (▲gain) on sales and retirement of intangible assets	0	1	1
Net change in due from/to member dealers at auction	1,005	626	▲378
Income taxes paid	▲12,194	▲10,152	2,041
Other	▲200	▲553	▲353
Net cash provided by investing activities	4,679	▲18,751	▲23,430
Purchase of property, plant and equipment	▲1,441	▲8,298	▲6,856
Other	6,120	▲10,453	▲16,574
Net cash provided by financing activities	▲20,446	▲8,105	12,340
Net increase in loans payable	▲310	▲326	▲16
Purchases of treasury stock	▲12,309	▲0	12,309
Cash dividends paid	▲7,811	▲7,918	▲106
Other	▲15	139	154
Net increase in cash and cash equivalents	6,292	▲214	▲6,507
Cash and cash equivalents at beginning of period	28,540	34,833	6,292
Cash and cash equivalents at end of period	34,833	34,618	▲214

## Operating activities

- Income before income taxes: 32.67 billion yen
- Income taxes paid: 10.15 billion yen

## Investing activities

- Expenses for the purchase of property, plant and equipment include 8.29 billion yen for rebuilding the Nagoya Auction Site and other expenditures
- Other includes 10.45 billion yen provided by a increase in time deposits

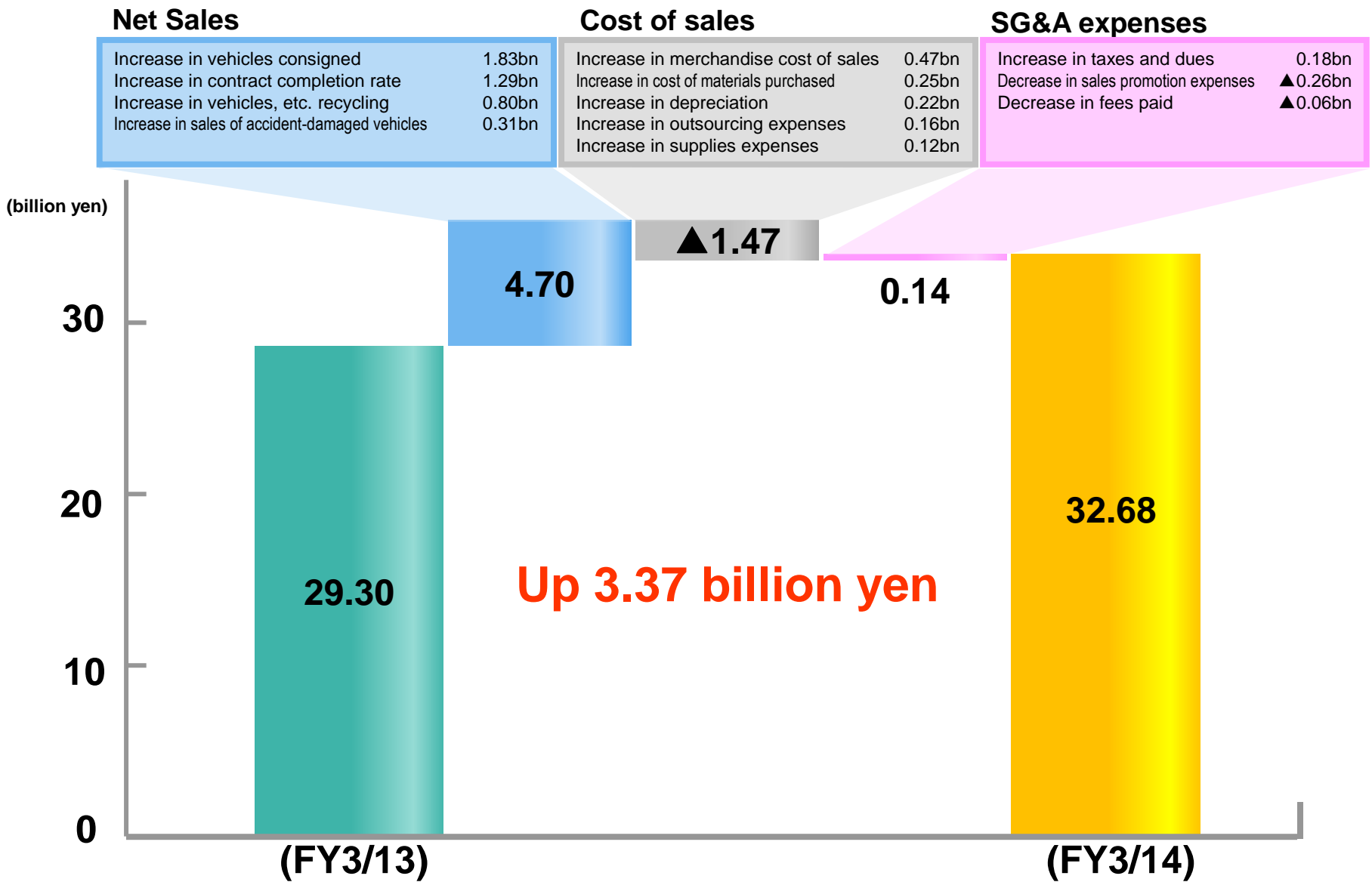
## Financing activities

- Cash dividends paid: 7.91 billion yen

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

# FY3/2014 Reasons for Change in Operating Income (Actual)

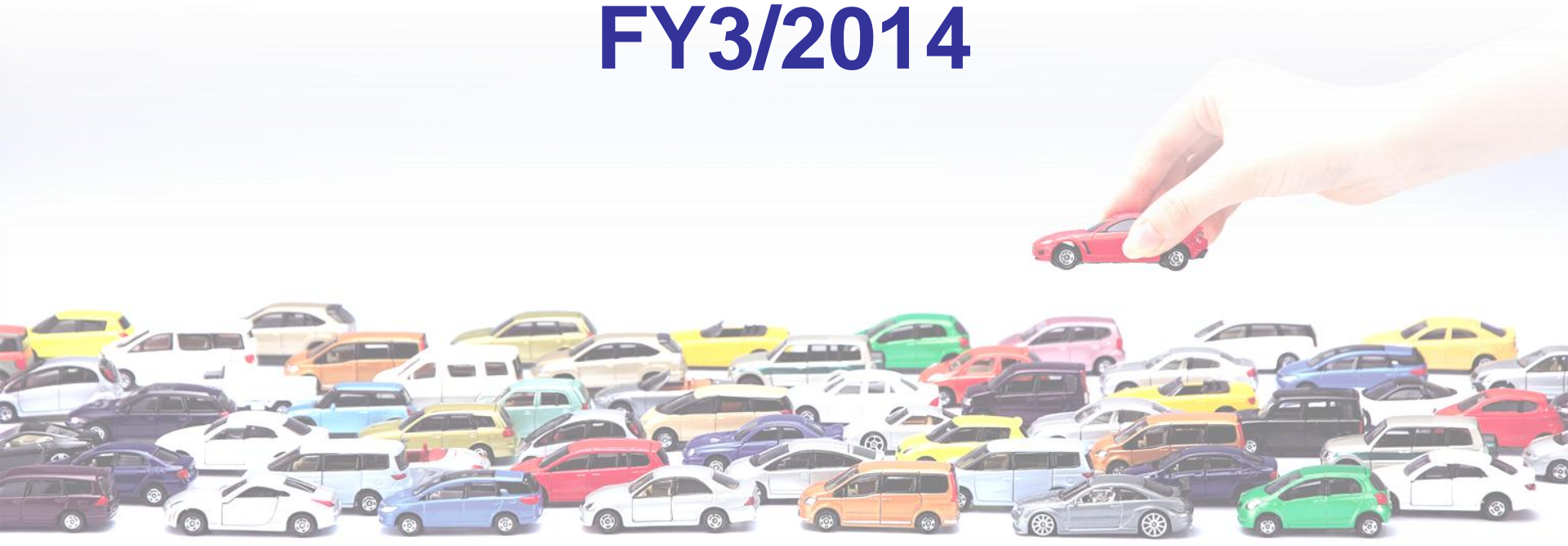
## Reasons for change in operating income



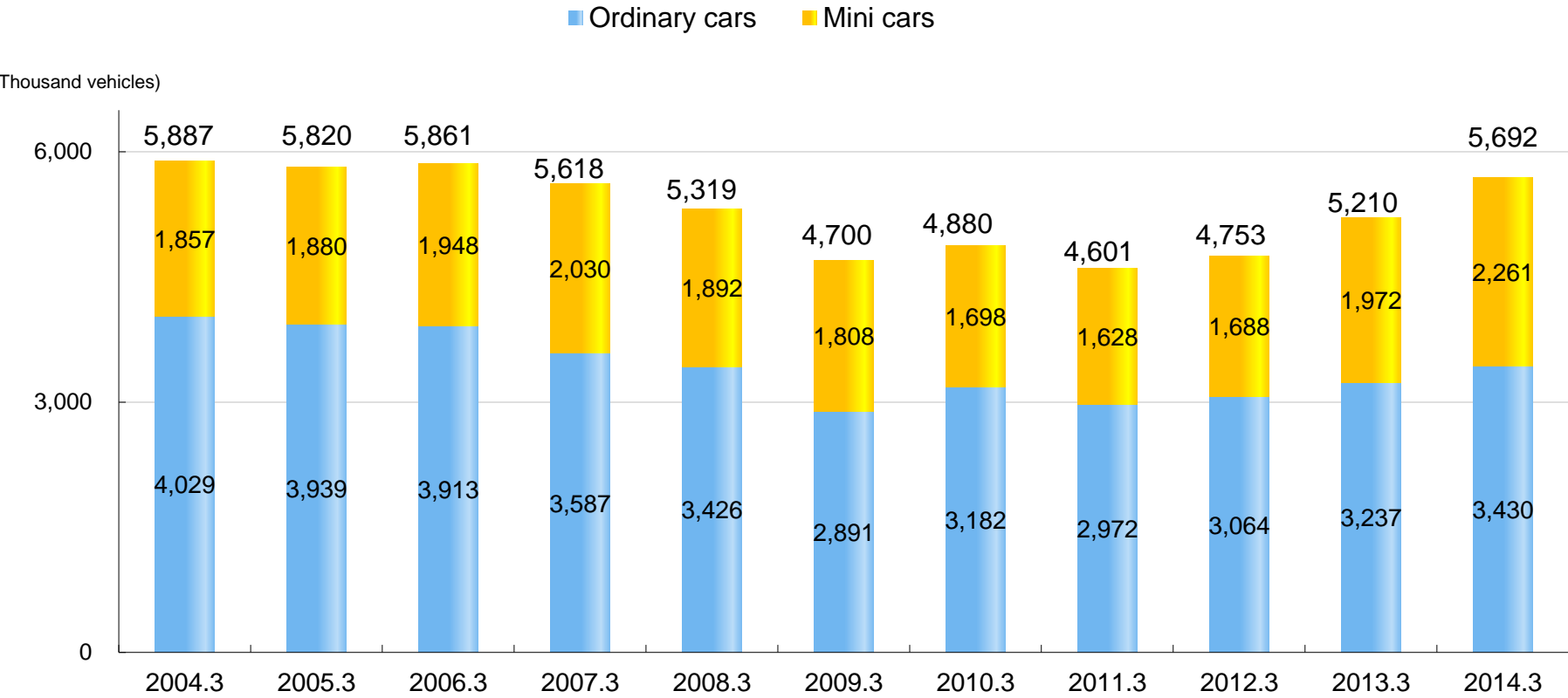
\*Amounts for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

# Market Overview

## FY3/2014



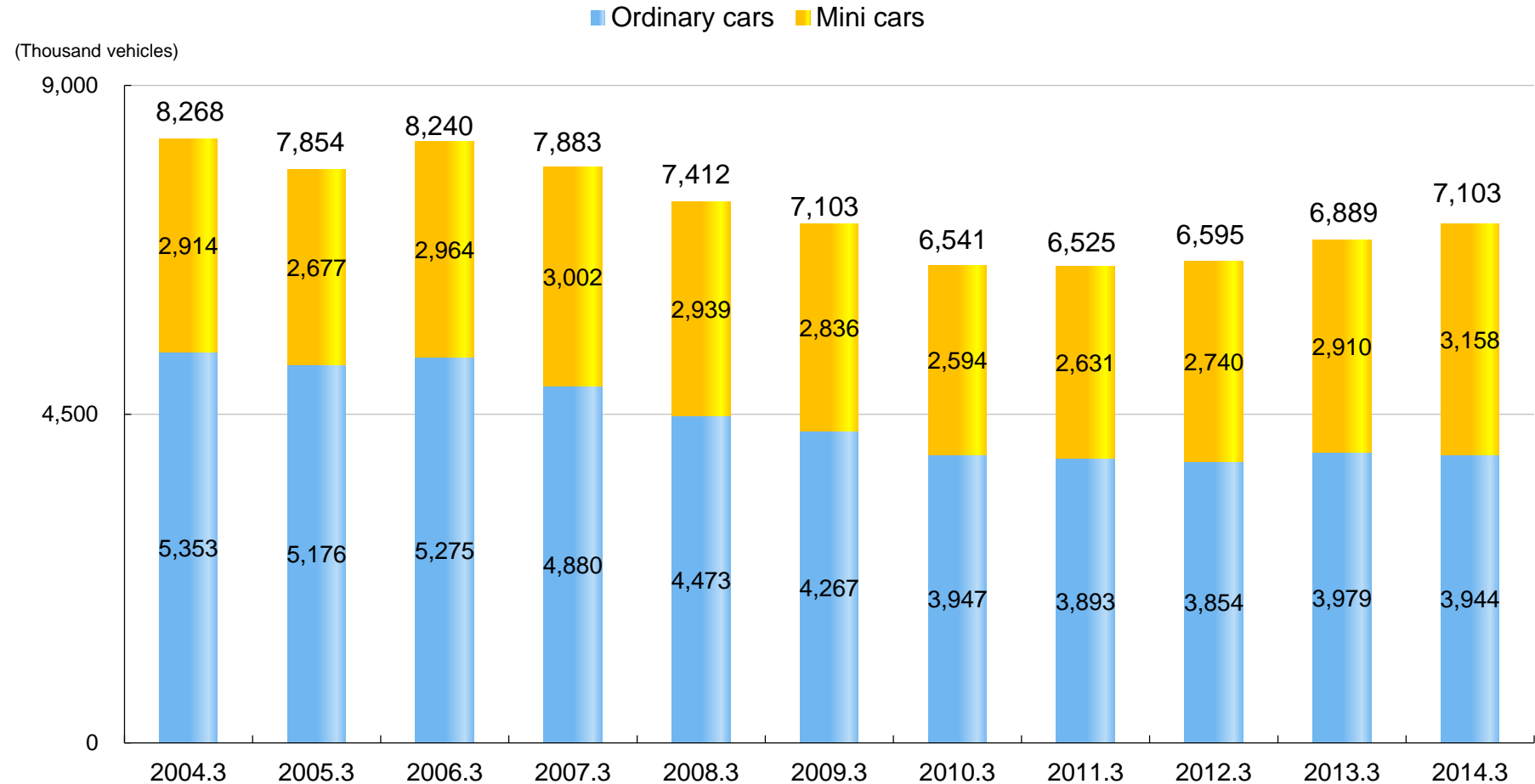
# (1) New Car Registrations (April to March)



New car registrations increased 9.2% to 5.69 million units

- Growth was caused by the rush to buy cars before the April 2014 consumption tax hike

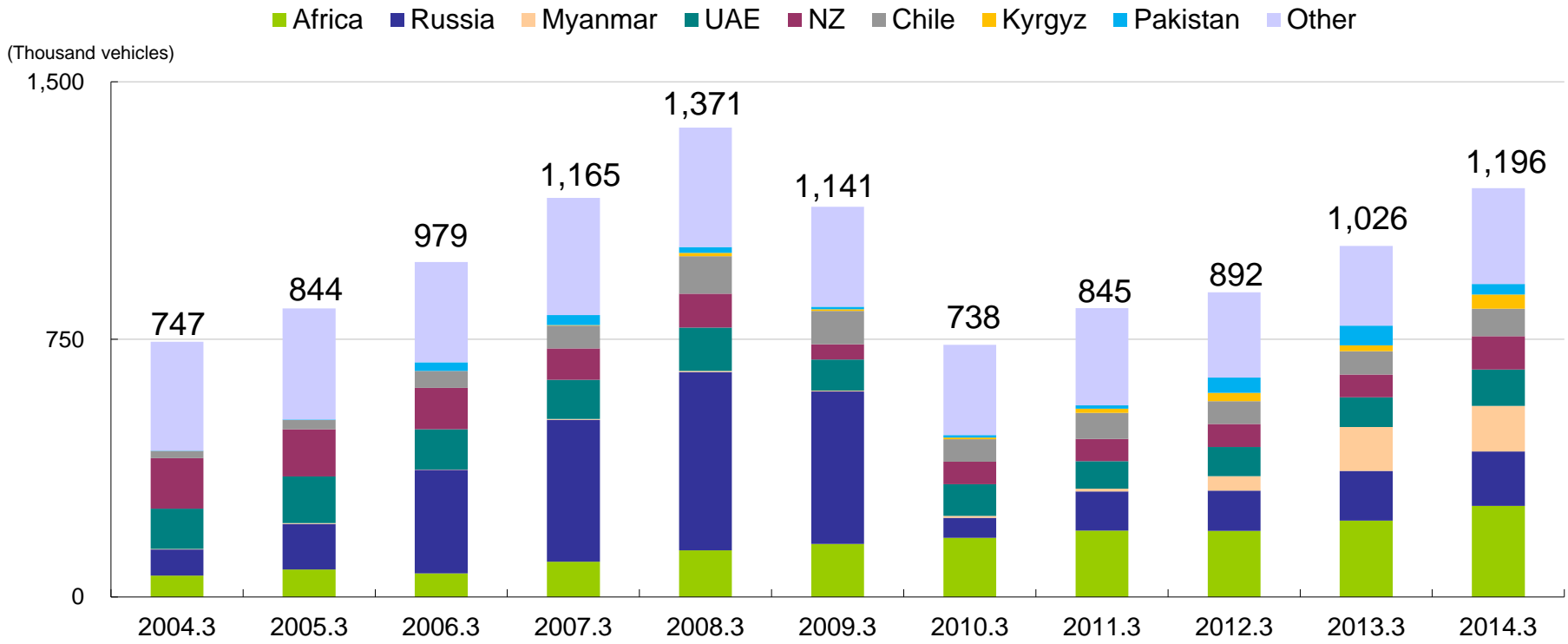
# (2) Used Car Registrations (April to March)



Used car registrations increased 3.1% to 7.10 million units

- Increase was the result of growth in trade-in vehicles associated with the larger number of new car registrations

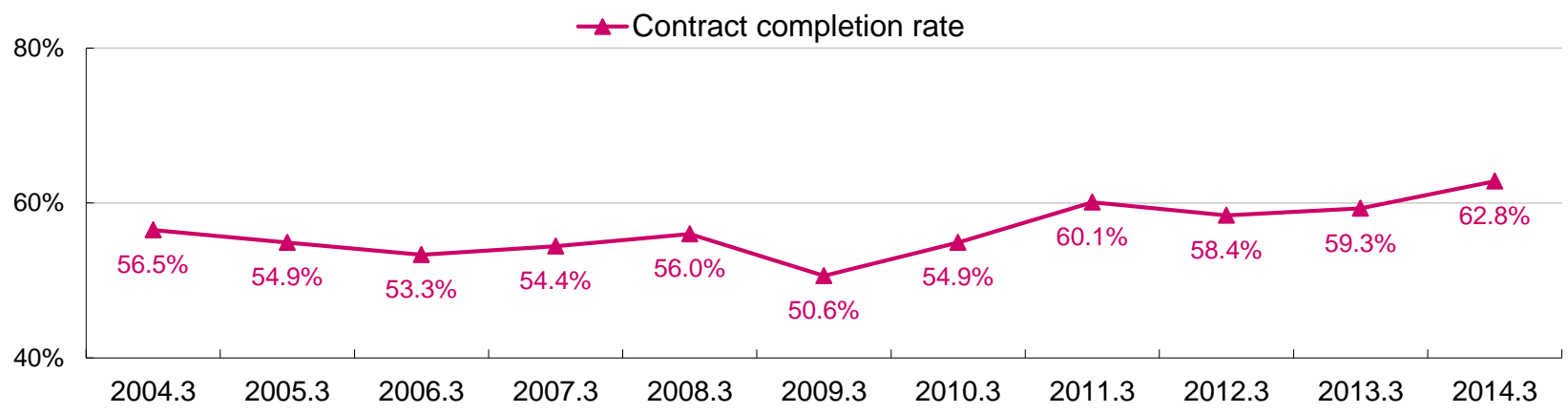
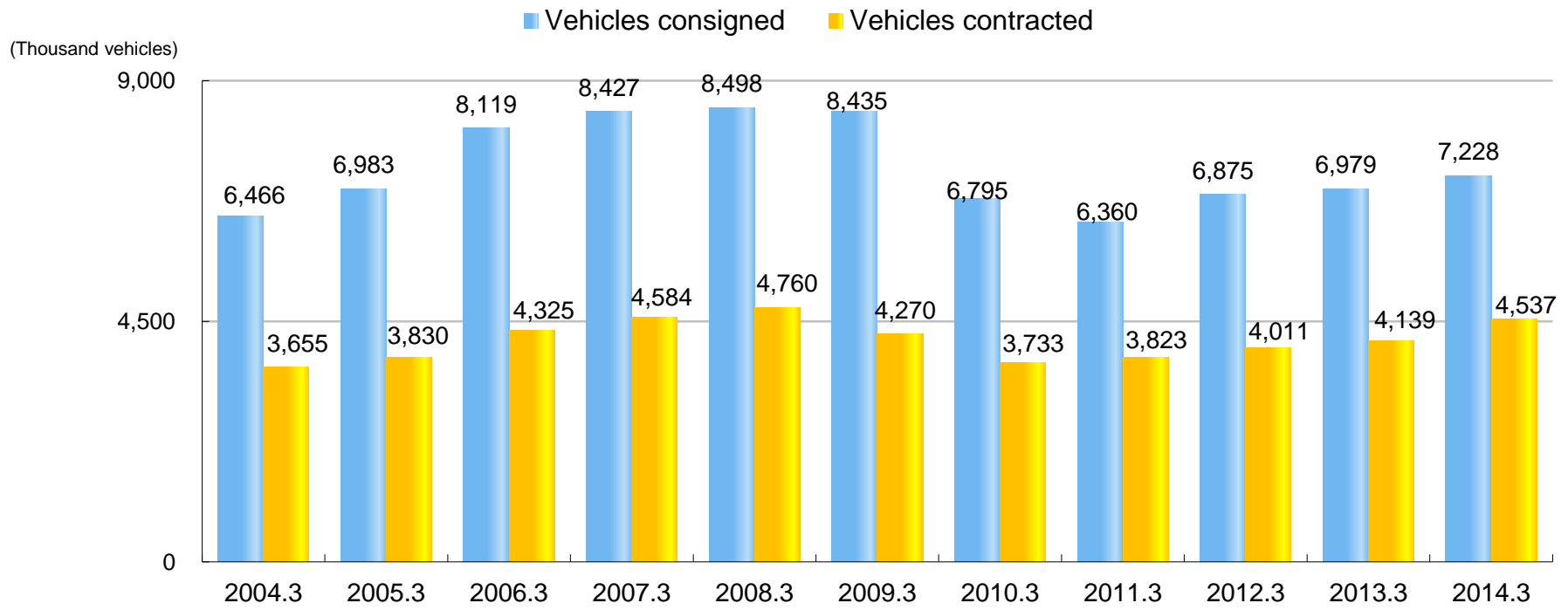
### (3) Used Car Exports (April to March)



**Used car exports increased 16.6% to 1.19 million units**

- Major destination countries  
Africa 265,000 (up 19.6%), Russia 159,000 (up 9.6%), Myanmar 132,000 (up 3.4%), UAE 106,000 (up 24.0%)
- Countries with large increases  
Mongolia 34,000 (up to 10.3%), Malaysia 26,000 (up to 10.3%), Philippines 26,000 (up to 8.4%), Georgia 22,000 (up to 134.2%), Sri Lanka 19,000 (up to 139.7%), Bangladesh 15,000 (up to 99.2%)

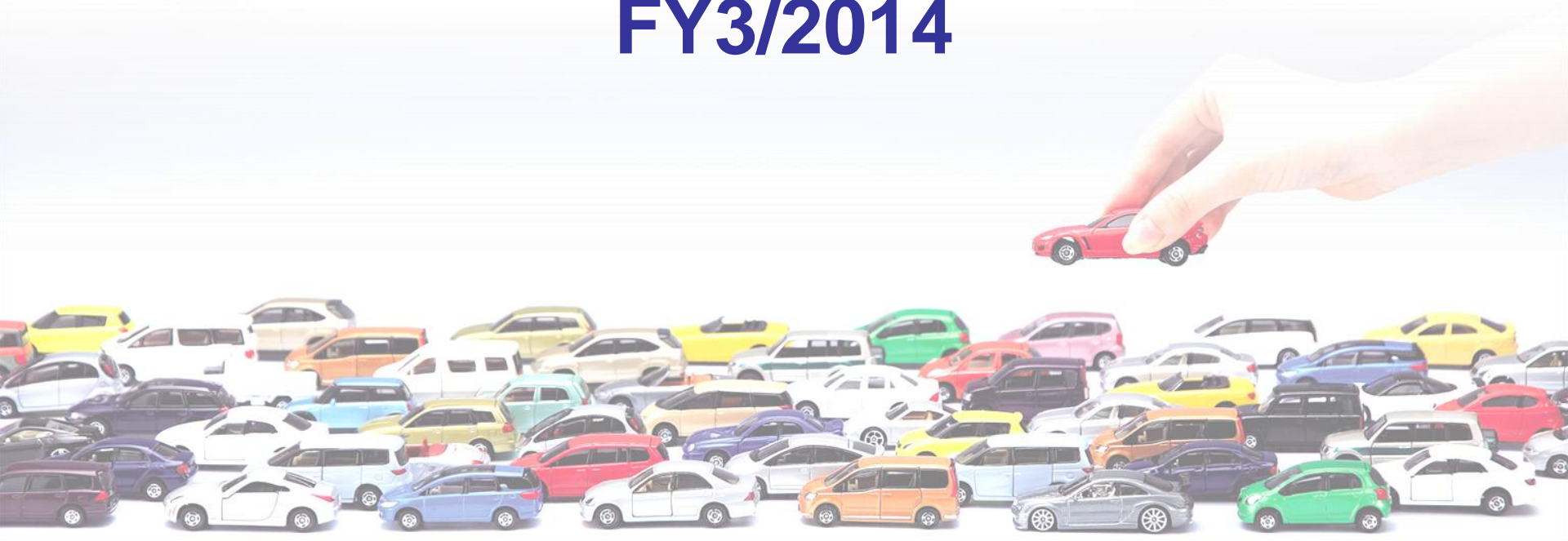
# (4) Auto Auction Market (April to March)



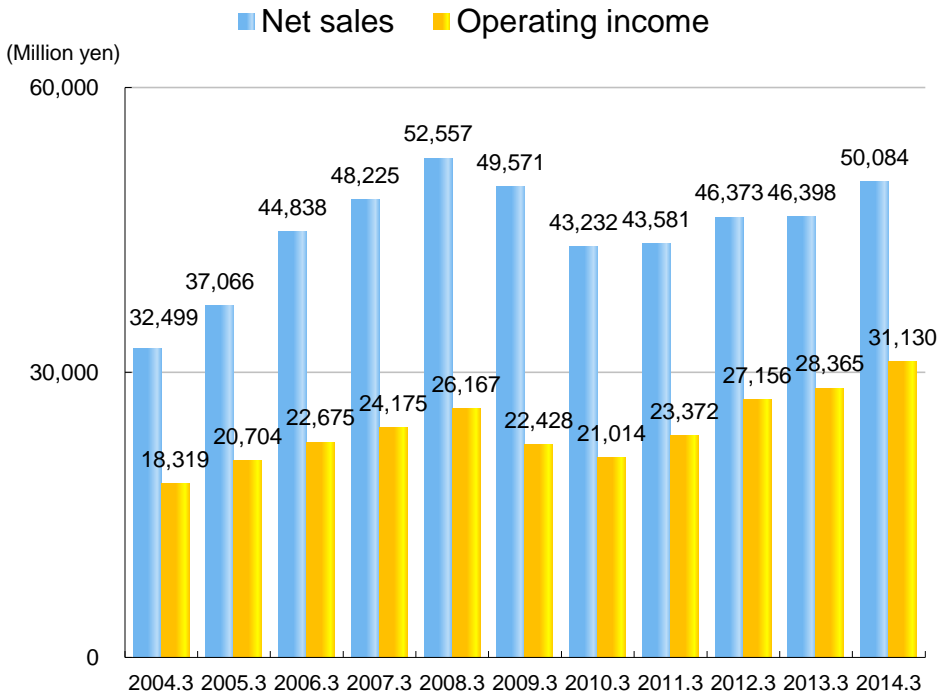


# Business Segment Information

## FY3/2014



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



	(Million yen)		
	2013.3	2014.3	YoY
<b>Net sales</b>	<b>46,398</b>	<b>50,084</b>	<b>107.9%</b>
<b>Operating income (Per sales)</b>	<b>28,365 (61.1%)</b>	<b>31,130 (62.2%)</b>	<b>109.7%</b>

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

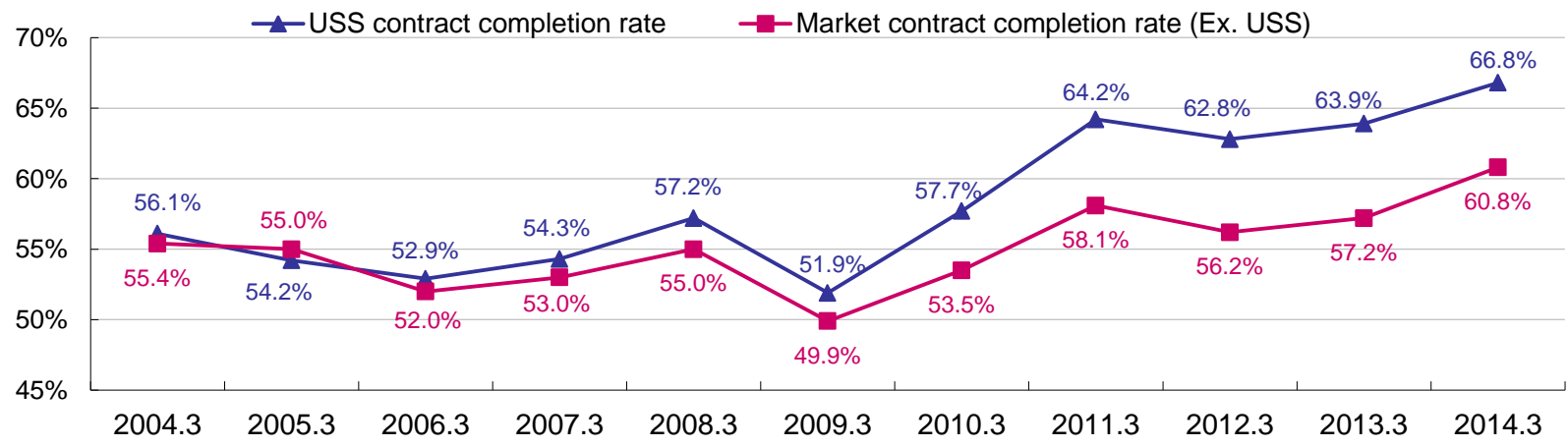
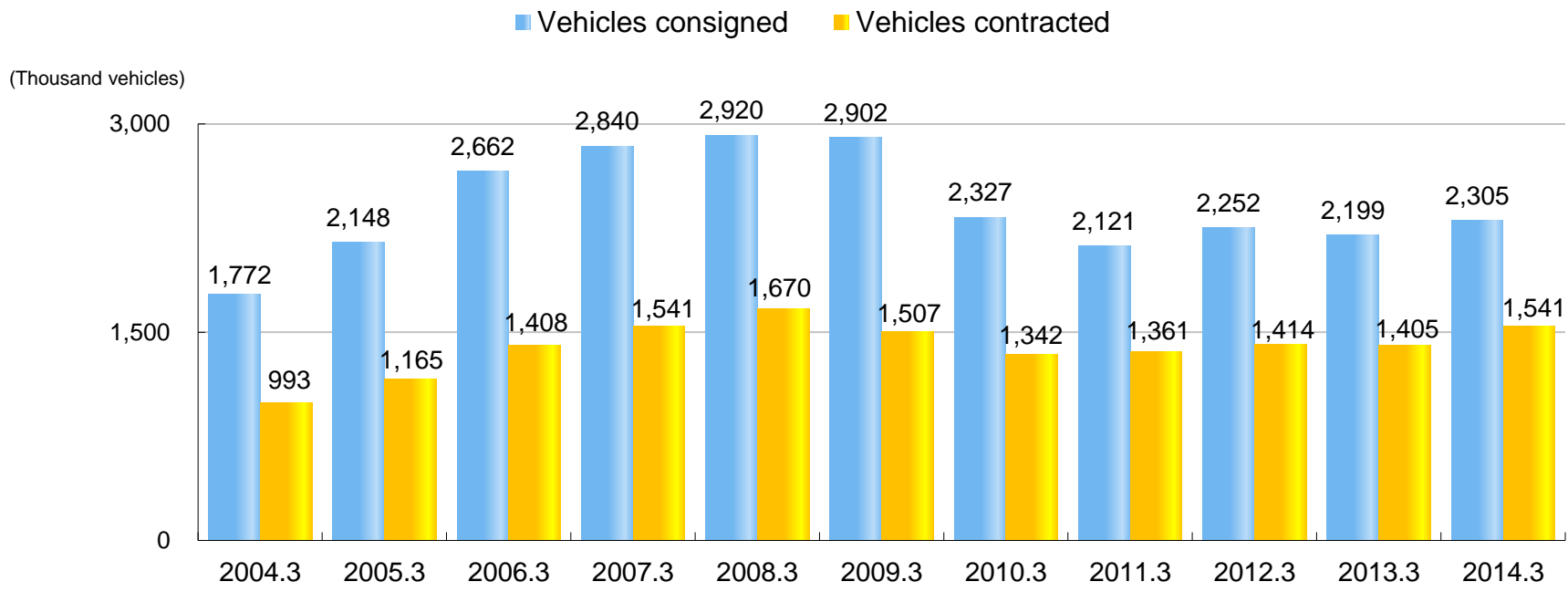
**Net sales increased 7.9% to 50,084 million yen**

- Vehicles consigned up 4.8% to 2,305 thousand; contracted vehicles up 9.7% to 1,541 thousand; contract completion rate increased from 63.9 % to 66.8 %
- The off-site successful bid ratio was 50.1% compared with 50.8% one year earlier

**Operating income increased 9.7% to 31,130 million yen**

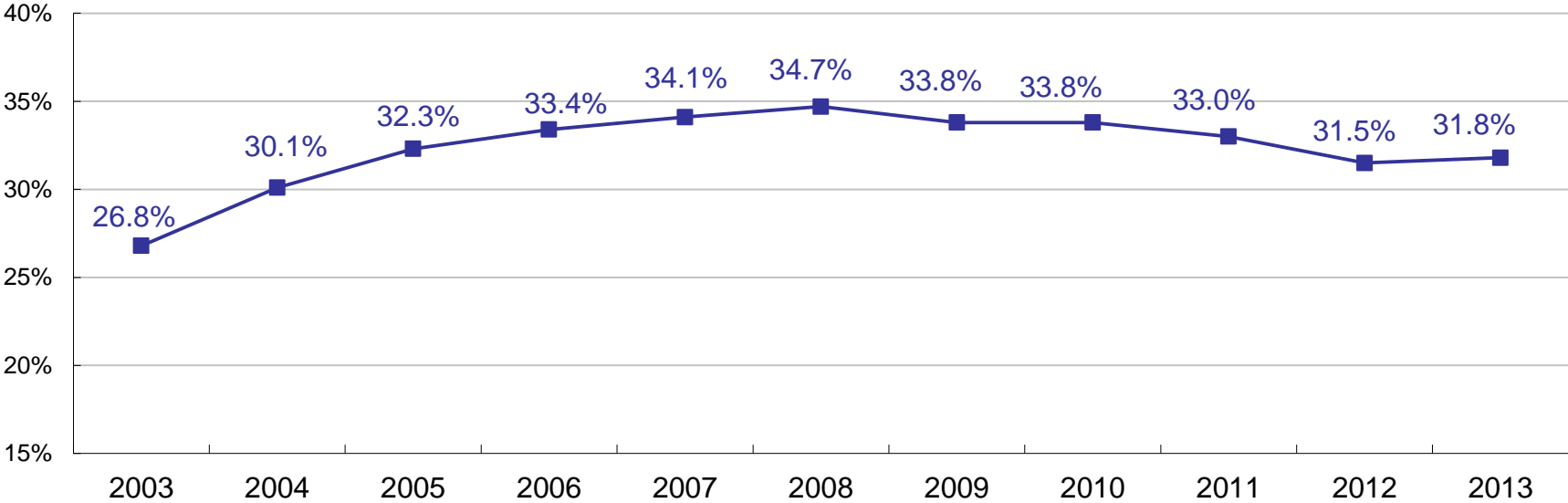
- Depreciation increased because of the reconstruction of the Nagoya Auction Site and plan to relocate the Okayama Auction Site
- Higher taxes and dues and supplies expenses due to the reconstruction of the Nagoya Auction Site
- Decreases in sales promotion expenses

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



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

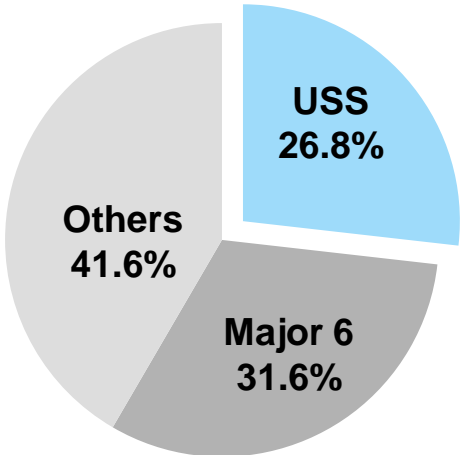
USS Market Share



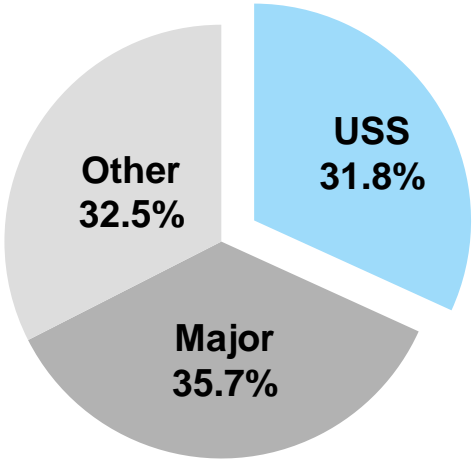
2003 (CY) Market Share

2013 (CY) Market Share

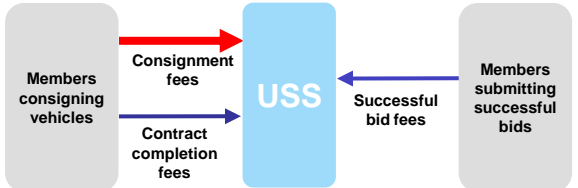
- \*Major 6
- TAA (6.7%)
- JAA (9.8%)
- CAA (5.2%)
- Arai AA (5.6%)
- KCAA (2.6%)
- LAA (1.7%)



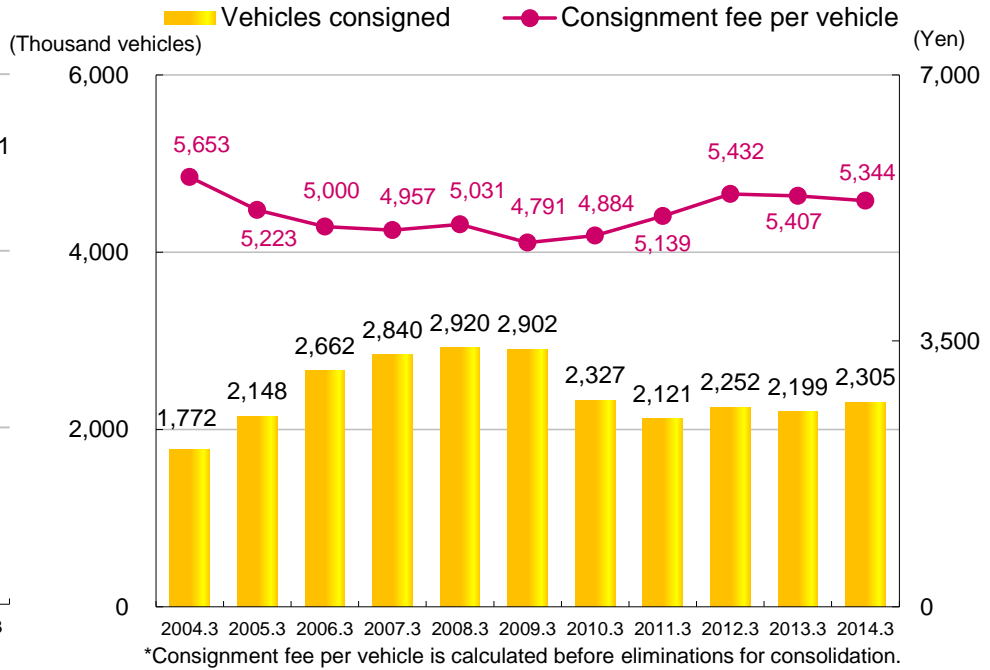
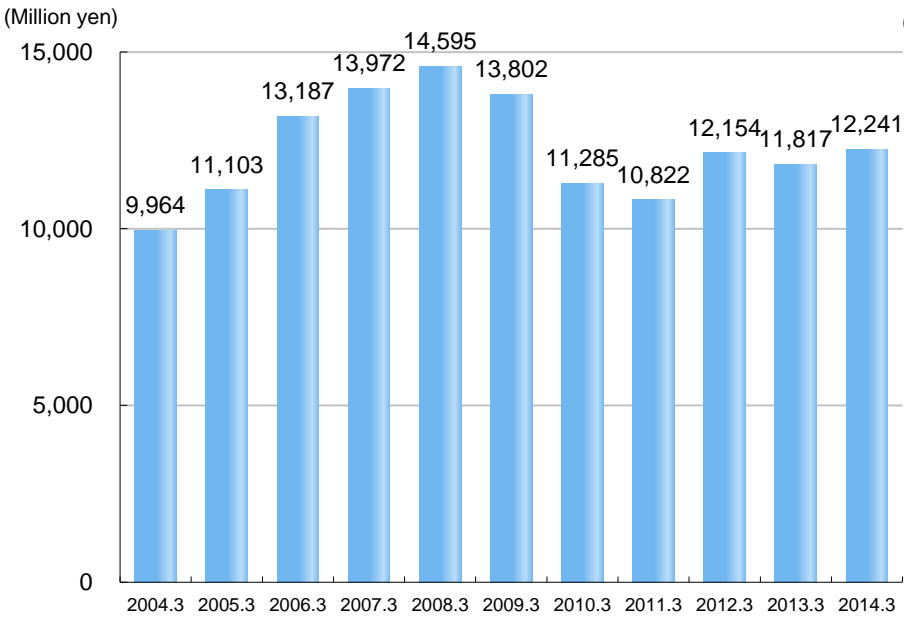
- \*Major 6
- TAA (9.6%)
- JAA (8.8%)
- CAA (6.4%)
- Arai AA (4.9%)
- KCAA (3.2%)
- LAA (2.8%)



# Auto Auction Business (4) – Vehicles Consigned and Consignment Fees



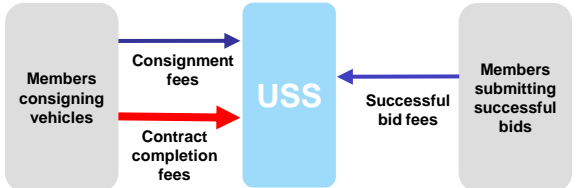
### Total of Consignment Fees



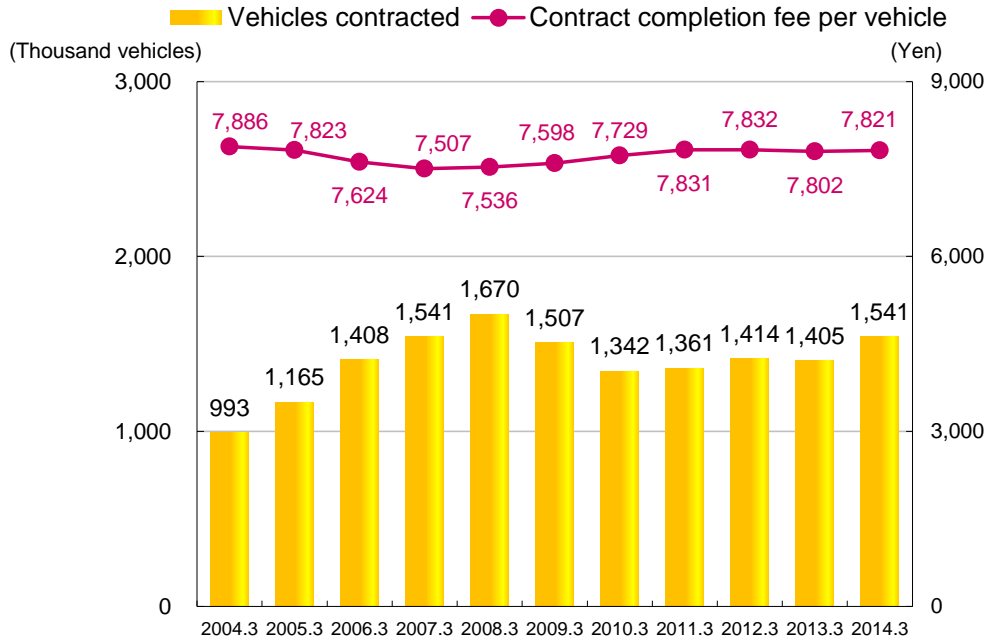
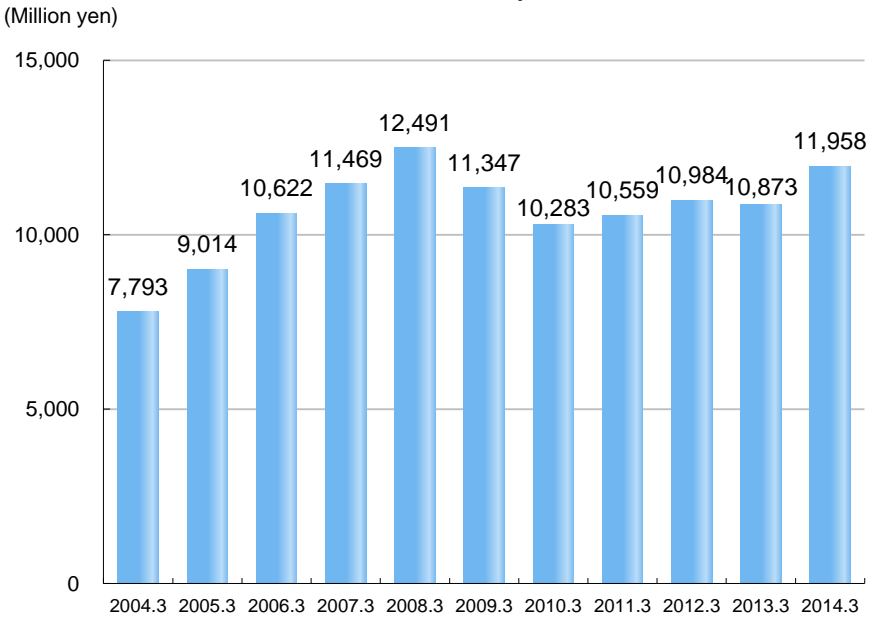
**Consignment fee per vehicle decreased by 63 yen to 5,344 yen**

- Conducted a consignment fee discount campaign at Nagoya and other auction sites (negative factor)
- Reexamined the rebate system for high-volume members at some auction sites (positive factor)

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



### Total of Contract Completion Fees

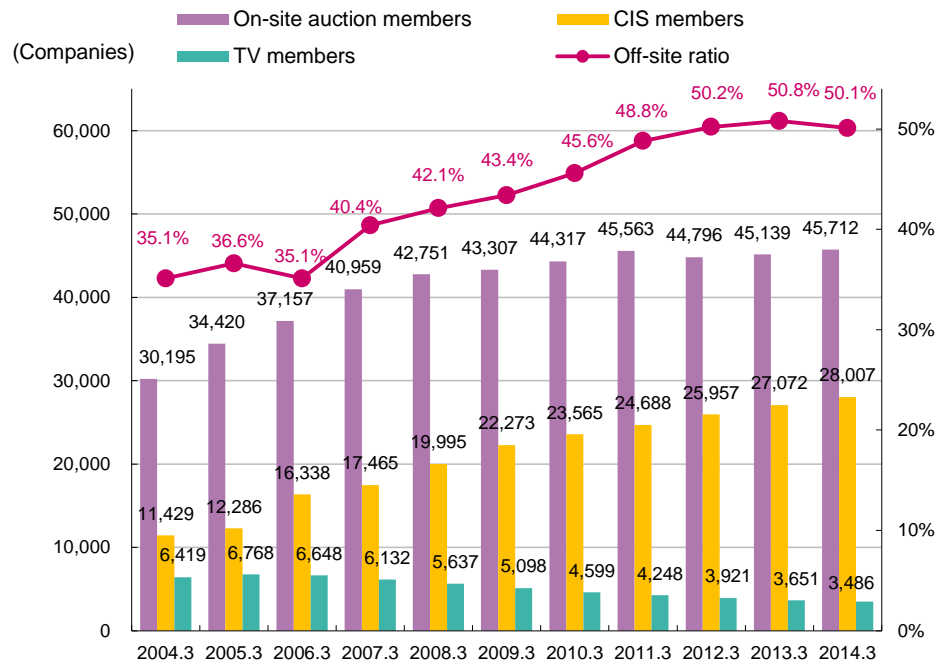
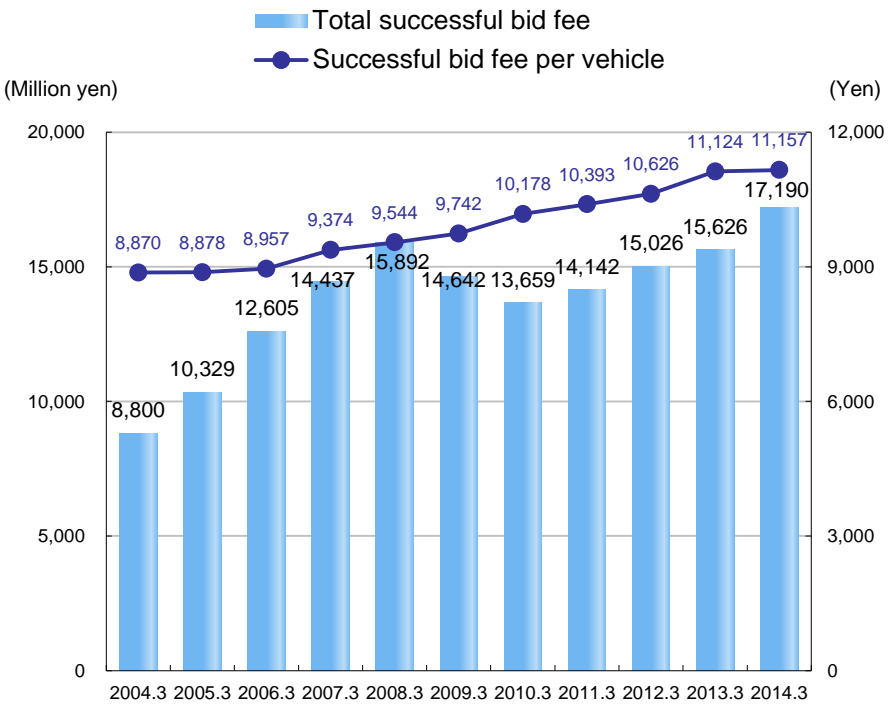
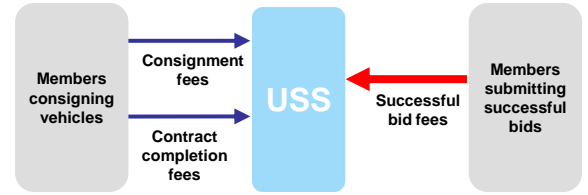


\*Contract Completion fee per vehicle is calculated before eliminations for consolidation.

**Contract completion fee per vehicle increased by 19 yen to 7,821 yen**

- Increase in number of vehicles contracted of higher fees corners

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



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

\*Starting in 2012.3, the number of on-site auction members does not include sleeping members (members that have not been active for extended periods).

## Successful bid fee per vehicle increased by 33 yen to 11,157 yen

- Revised successful bid fee for bids submitted using the satellite TV system in July 2012
- The off-site successful bid ratio was 50.1% compared with 50.8% one year earlier

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

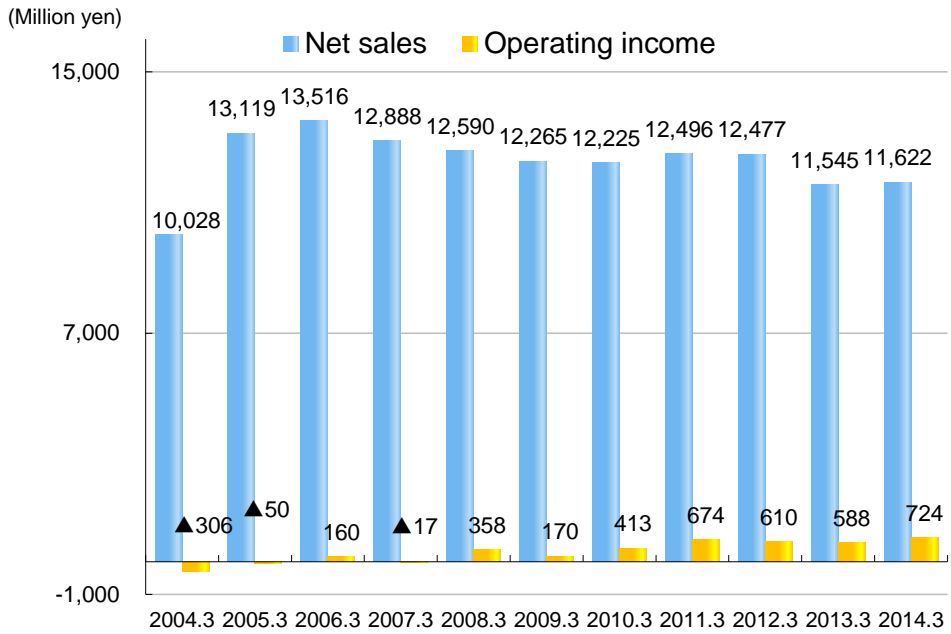
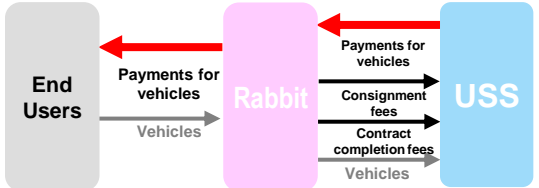
(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	2014.3	2013.3	2014.3	2013.3	Changes	2014.3	2013.3	Changes	2014.3	2013.3
<b>Tokyo</b>	49	49	630,429	601,287	4.8%	453,989	422,017	7.6%	72.0%	70.2%
<b>Nagoya</b>	49	48	413,075	371,853	11.1%	263,404	238,257	10.6%	63.8%	64.1%
<b>Kyushu</b>	48	48	190,449	175,066	8.8%	115,921	102,751	12.8%	60.9%	58.7%
<b>Yokohama</b>	48	49	188,916	182,673	3.4%	133,648	121,517	10.0%	70.7%	66.5%
<b>Sapporo</b>	49	49	139,094	133,409	4.3%	86,673	78,270	10.7%	62.3%	58.7%
<b>Osaka</b>	49	48	123,371	105,338	17.1%	80,154	66,333	20.8%	65.0%	63.0%
<b>R-Nagoya</b>	50	49	115,956	107,322	8.0%	98,086	84,846	15.6%	84.6%	79.1%
<b>Shizuoka</b>	49	48	88,719	88,297	0.5%	52,560	49,297	6.6%	59.2%	55.8%
<b>Okayama</b>	49	48	71,840	72,636	▲1.1%	44,948	39,403	14.1%	62.6%	54.2%
<b>Tohoku</b>	49	49	71,663	71,570	0.1%	54,752	50,608	8.2%	76.4%	70.7%
<b>Gunma</b>	48	48	65,612	64,406	1.9%	43,592	41,759	4.4%	66.4%	64.8%
<b>Saitama</b>	49	48	56,291	57,585	▲2.2%	30,959	30,453	1.7%	55.0%	52.9%
<b>Fukuoka</b>	49	49	45,048	54,488	▲17.3%	21,277	20,973	1.4%	47.2%	38.5%
<b>Kobe</b>	49	49	40,531	38,944	4.1%	24,210	21,169	14.4%	59.7%	54.4%
<b>Niigata</b>	49	49	39,849	47,666	▲16.4%	20,472	20,822	▲1.7%	51.4%	43.7%
<b>Hokuriku</b>	49	48	24,346	27,257	▲10.7%	16,362	16,597	▲1.4%	67.2%	60.9%
<b>Total</b>	782	776	2,305,189	2,199,797	4.8%	1,541,007	1,405,072	9.7%	66.8%	63.9%

\*In FY3/2014, one auction at the Gunma Auction Site was canceled because of heavy snow in February 2014.



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



	(Million yen)		
	2013.3	2014.3	YoY
<b>Net sales</b>	<b>11,545</b>	<b>11,622</b>	<b>100.7%</b>
<b>Operating income (Per sales)</b>	<b>588 (5.1%)</b>	<b>724 (6.2%)</b>	<b>123.0%</b>

Rabbit sales decreased 3.0% to 7,867 million yen and operating income increased 17.5% to 499 million yen

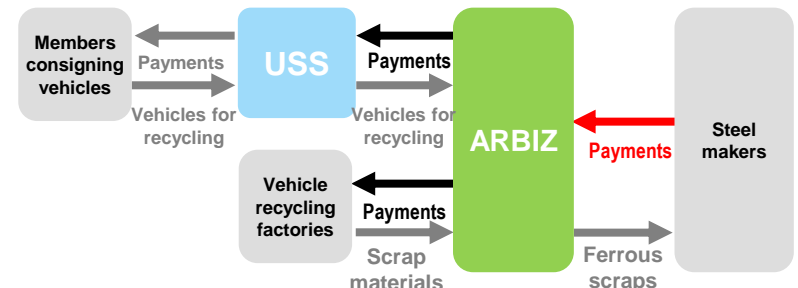
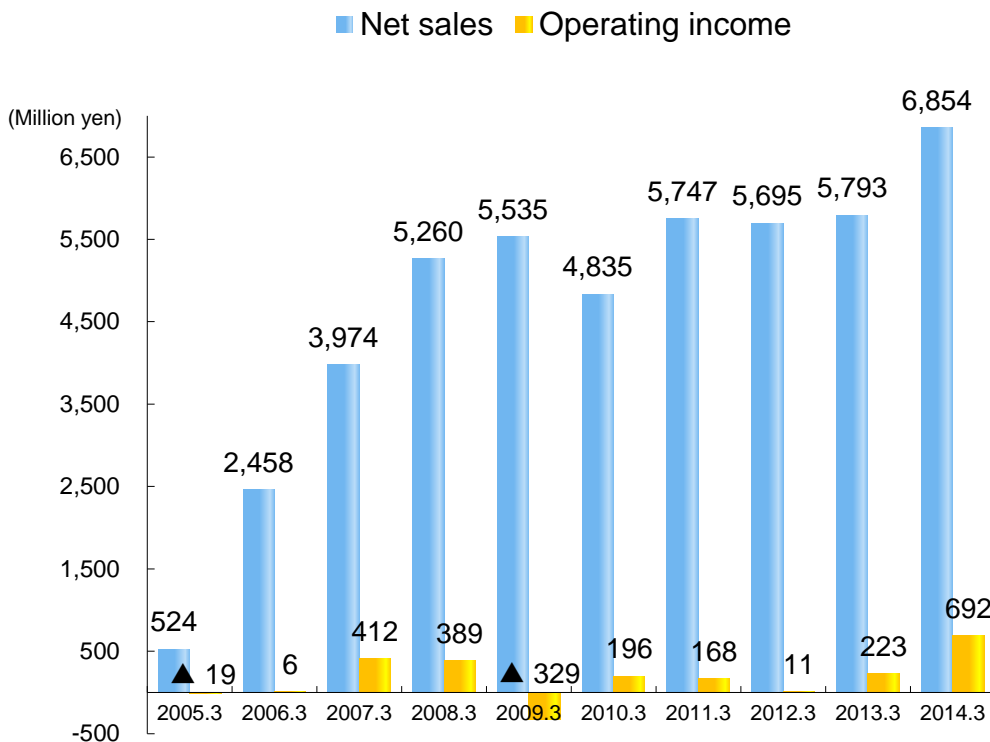
- A decline in the number of vehicles purchased and higher pct. of lower-priced vehicles purchased caused sales to decrease
- Profit per vehicle improved as the auction market stayed at high levels

Sales of accident-damaged vehicles increased 9.2% to 3,754 million yen and operating income increased 37.1% to 224 million yen

- Profit per vehicle improved as the auction market stayed at high levels

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

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



	(Million yen)		
	2013.3	2014.3	YoY
<b>Net sales</b>	<b>5,793</b>	<b>6,854</b>	<b>118.3%</b>
<b>Operating income (Per sales)</b>	<b>223 (3.9%)</b>	<b>692 (10.1%)</b>	<b>310.3%</b>

**ARBIZ sales increased 20.0% to 4,821 million yen and operating income increased 389.6 % to 506 million yen**

- Growth in handling volume of end-of-life vehicles
- The ferrous scrap market improved during the fiscal year, although there was a downturn in the fourth quarter
- Recycling technology developed in house brought down recycling costs

**CAR QUEST Toyo sales increased 12.2% to 1,498 million yen and operating income increased 44.8% to 129 million yen**

- Orders were higher for colored elastic pavement products, the most profitable type of rubber used in elastic pavement

**USS Logistics International Service sales increased 14.5% to 502 million yen and operating income increased 54.1% to 46 million yen**

- Sales and earnings increased along with growth in vehicles handled