



## Consolidated Earning Results for the Second Quarter ended September 30, 2009

November 4, 2009

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

Stock Exchanges Listings : Tokyo and Nagoya

Stock Code : 4732

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President : Yukihiro Ando

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Junior Managing Director & Officer of Supervisory Office

Date of Filing of Quarterly Report (Scheduled): November 12, 2009

Starting Date of Dividend Payment (Scheduled): December 10, 2009

### 1. Consolidated Results for the Second Quarter ended September 30, 2009 (April 1, 2009 – September 30, 2009)

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

(millions of yen)

	Net sales	Operating income	Ordinary income
Six months ended Sep. 30, 2009	28,715 (21.2)%	10,026 (24.8)%	10,354 (22.6)%
Six months ended Sep. 30, 2008	36,430 —	13,338 —	13,381 —

	Net income	Net income per share (yen)	Diluted net income per share (yen)
Six months ended Sep. 30, 2009	5,802 (20.0)%	189.68	—
Six months ended Sep. 30, 2008	7,256 —	227.47	—

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

#### (2) Consolidated Financial Position

(millions of yen)

	Total assets	Net assets	Equity ratio (%)	Equity per share (yen)
As of Sep. 30, 2009	138,854	118,244	85.0	3,860.34
As of March 31, 2009	138,370	114,941	82.9	3,751.90

Reference: Shareholders' equity (millions of yen): As of Sep. 30, 2009: 118,089 As of March 31, 2009: 114,771

### 2. Dividends

(Reference date)	Dividend per share (yen)				
	First quarter	Second quarter	Third quarter	Fiscal year	Annual total
Year ended March 31, 2009	—	82.50	—	82.50	165.00
Year ending March 31, 2010	—	72.50			
Year ending March 31, 2010 (Estimated)			—	72.50	145.00

Note: Revision of dividends forecast for this period: No

### 3. Consolidated Outlook for Fiscal 2009 (April 1, 2009 – March 31, 2010)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
For the year	58,000 (12.8)%	20,000 (11.4)%	20,200 (10.2)%	11,000 (8.4)%	359.59

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

Note: Revision of outlook for this period: Yes

#### **4. Other Information**

- (1) Significant change of subsidiaries during the term (changes of specified subsidiaries that affected the scope of consolidated reporting): No
- (2) Use of simplified accounting method and special accounting policy for quarterly financial reporting: Yes
- (3) Changes in accounting principles, methods or reporting methods affecting the production of the consolidated financial statements (fundamental changes in main reported items for the production of the consolidated financial statements)
  - ① Changes caused by revisions to accounting standard: No
  - ② Other changes: No
- (4) Number of shares issued (common shares):
  - ① Number of shares issued (including treasury stock):  
As of Sep. 30, 2009: 32,695,982 shares    As of March 31, 2009: 32,695,982 shares
  - ② Number of treasury stock:  
As of Sep. 30, 2009: 2,105,691 shares    As of March 31, 2009: 2,105,687 shares
  - ③ Average number of outstanding stock for each period (cumulative term):  
As of Sep. 30, 2009: 30,590,293 shares    As of Sep. 30, 2008: 31,901,372 shares

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

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

## 5. Quarterly Consolidated Financial Statements

### (1) Consolidated Quarterly Balance Sheets

(millions of yen)

	FY2009 Second Quarter (As of Sep. 30, 2009)	FY 2008 (As of March 31, 2009)
<b>Assets</b>		
<b>Current assets:</b>		
Cash and deposits	23,781	18,445
Receivables due from member dealers at auction	4,910	6,482
Notes and accounts receivable-trade	2,301	2,804
Inventories	891	839
Other	2,025	1,949
Allowance for doubtful accounts	(108)	(92)
Total current assets	33,802	30,430
<b>Noncurrent assets:</b>		
Property, plant and equipment		
Buildings and structures, net	36,726	38,001
Land	52,852	52,863
Construction in progress	24	20
Other, net	5,383	6,140
Total property, plant and equipment	94,987	97,027
Intangible assets		
Goodwill	758	1,095
Other	1,184	1,274
Total intangible assets	1,943	2,370
Investments and other assets		
Investments and other assets	8,202	8,703
Allowance for doubtful accounts	(81)	(160)
Total investments and other assets	8,121	8,543
Total noncurrent assets	105,052	107,940
Total assets	138,854	138,370

(millions of yen)

	FY2009 Second Quarter (As of Sep. 30, 2009)	FY 2008 (As of March 31, 2009)
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Payables due to member dealers at auction	5,587	6,530
Notes and accounts payable-trade	518	522
Short-term loans payable	291	787
Income taxes payable	3,337	3,102
Provision	468	515
Other	3,834	5,193
Total current liabilities	14,037	16,651
<b>Noncurrent liabilities:</b>		
Long-term loans payable	471	571
Provision	76	126
Other	6,024	6,078
Total noncurrent liabilities	6,572	6,777
Total liabilities	20,609	23,428
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	18,881	18,881
Capital surplus	27,992	27,992
Retained earnings	90,879	87,600
Treasury stock	(14,710)	(14,710)
Total shareholders' equity	123,042	119,763
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	24	(14)
Revaluation reserve for land	(4,977)	(4,977)
Total valuation and translation adjustments	(4,952)	(4,991)
<b>Subscription rights to shares</b>	12	8
<b>Minority interests</b>	142	161
Total net assets	118,244	114,941
Total liabilities and net assets	138,854	138,370

**(2) Consolidated Quarterly Statements of Income****[Results for the first half]**

(millions of yen)

	Six months ended Sep.30,2008	Six months ended Sep.30,2009
<b>Net sales</b>	36,430	28,715
<b>Cost of sales</b>	16,898	13,289
<b>Gross profit</b>	19,532	15,425
<b>Selling, general and administrative expenses</b>	6,193	5,399
<b>Operating income</b>	13,338	10,026
<b>Non-operating income:</b>		
Interest income	7	21
Real estate rent	78	79
Gain on valuation of compound financial instruments	—	165
Miscellaneous income	84	79
Total non-operating income	170	346
<b>Non-operating expenses:</b>		
Interest expenses	20	8
Rent cost of real estate	9	7
Loss on valuation of derivatives	82	—
Miscellaneous loss	15	2
Total non-operating expenses	127	18
<b>Ordinary income</b>	13,381	10,354
<b>Extraordinary income:</b>		
Gain on sales of noncurrent assets	5	9
Reversal of allowance for doubtful accounts	12	15
Other	—	0
Total extraordinary income	18	25
<b>Extraordinary losses:</b>		
Loss on sales of noncurrent assets	0	8
Loss on retirement of noncurrent assets	289	24
Loss on valuation of investment securities	—	168
Directors' retirement benefits	101	—
Loss on cancellation of leasehold contracts	218	10
Other	18	2
Total extraordinary losses	628	213
<b>Income before income taxes and minority interests</b>	12,771	10,165
<b>Income taxes</b>	5,446	4,382
<b>Minority interests in income (loss)</b>	68	(18)
<b>Net income</b>	7,256	5,802

[Results for the second quarter]

(millions of yen)

	three months ended Sep.30,2008	three months ended Sep.30,2009
<b>Net sales</b>	17,753	14,511
<b>Cost of sales</b>	8,399	6,739
<b>Gross profit</b>	9,354	7,772
<b>Selling, general and administrative expenses</b>	3,105	2,648
<b>Operating income</b>	6,248	5,123
<b>Non-operating income:</b>		
Interest income	6	20
Real estate rent	37	41
Gain on valuation of compound financial instruments	—	28
Miscellaneous income	41	40
Total non-operating income	85	129
<b>Non-operating expenses:</b>		
Interest expenses	10	4
Rent cost of real estate	3	3
Loss on valuation of derivatives	82	—
Miscellaneous loss	8	1
Total non-operating expenses	104	9
<b>Ordinary income</b>	6,229	5,244
<b>Extraordinary income:</b>		
Gain on sales of noncurrent assets	2	7
Reversal of allowance for doubtful accounts	6	16
Other	—	0
Total extraordinary income	9	23
<b>Extraordinary losses:</b>		
Loss on sales of noncurrent assets	—	8
Loss on retirement of noncurrent assets	91	19
Loss on valuation of investment securities	—	168
Loss on cancellation of leasehold contracts	19	10
Other	0	2
Total extraordinary losses	111	208
<b>Income before income taxes and minority interests</b>	6,127	5,060
<b>Income taxes</b>	2,612	2,234
<b>Minority interests in income (loss)</b>	1	(4)
<b>Net income</b>	3,513	2,829

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

(millions of yen)

	FY2008 Second Quarter (April 1, 2008 through Sep. 30, 2008)	FY2009 Second Quarter (April 1, 2009 through Sep. 30, 2009)
<b>Net cash provided by (used in) operating activities:</b>		
Income before income taxes and minority interests	12,771	10,165
Depreciation and other amortization	2,817	2,804
Amortization of goodwill	392	396
Increase (decrease) in allowance for doubtful accounts	33	(62)
Increase (decrease) in provision for bonuses	9	(46)
Increase (decrease) in provision for retirement benefits	12	(50)
Increase (decrease) in provision for directors' retirement benefits	(2)	—
Interest and dividends income	(15)	(25)
Interest expenses	20	8
Loss(gain) on valuation of investment securities	—	168
Loss(gain) on valuation of derivatives	82	—
Loss (gain) on valuation of compound financial instruments	—	(165)
Loss (gain) on sales and retirement of property, plant and equipment	140	17
Net change in due from/to member dealers at auction	1,458	628
Decrease (increase) in notes and accounts receivable-trade	497	503
Increase (decrease) in notes and accounts payable-trade	31	(3)
Increase (decrease) in deposits received	(1,093)	(686)
Other, net	(1,346)	(157)
Subtotal	15,808	13,493
Interest and dividends income received	10	24
Interest expenses paid	(21)	(7)
Income taxes paid	(7,713)	(4,276)
Net cash provided by (used in) operating activities	8,083	9,234

(millions of yen)

	FY2008 Second Quarter (April 1, 2008 through Sep. 30, 2008)	FY2009 Second Quarter (April 1, 2009 through Sep. 30, 2009)
<b>Net cash provided by (used in) investing activities:</b>		
Decrease (increase) in time deposits	—	500
Purchase of property, plant and equipment	(3,287)	(910)
Proceeds from sales of property, plant and equipment	10	58
Purchase of intangible assets	(175)	(131)
Purchase of investment securities	(500)	(100)
Purchase of long-term prepaid expenses	(36)	(29)
Purchase of investments in subsidiaries	—	(59)
Other, net	(25)	3
Net cash provided by (used in) investing activities	(4,013)	(669)
<b>Net cash provided by (used in) financing activities:</b>		
Net increase (decrease) in short-term loans payable	—	(191)
Repayments of long-term loans payable	(1,902)	(404)
Proceeds from guarantee deposits received from member dealers	130	116
Repayment of guarantee deposits received from member dealers	(62)	(56)
Purchase of treasury stock	(3,478)	(0)
The subsidiary's purchase of its own treasury stock	(84)	—
Cash dividends paid	(2,722)	(2,523)
Repayment of finance lease obligations	—	(169)
Net cash provided by (used in) financing activities	(8,119)	(3,229)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4,050)</b>	<b>5,335</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>26,280</b>	<b>18,445</b>
<b>Cash and cash equivalents at end of period</b>	<b>22,230</b>	<b>23,781</b>