

Consolidated Earning Results for the Third Quarter ended December 31, 2008

January 29, 2009

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

Stock Code : 4732

(URL <http://www.ussnet.co.jp>)

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1. Consolidated Results for the Third Quarter ended December 31, 2008 (April 1, 2008 – December 31, 2008)

(1) Consolidated Operating Results (Accumulated)

(millions of yen)

	Net sales	Operating income	Ordinary income
Nine months ended Dec. 31, 2008	51,803 -	17,801 -	17,699 -
Nine months ended Dec. 31, 2007	50,354 7.4%	19,554 8.7%	19,793 7.5%

	Net income	Net income per share (yen)	Diluted net income per share (yen)
Nine months ended Dec. 31, 2008	9,464 -	299.29	-
Nine months ended Dec. 31, 2007	10,891 6.5%	340.58	340.51

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 Dec. 31, 2008	128,256	112,538	87.5	3,668.88
As of March 31, 2008	150,737	117,577	77.7	3,657.55

Reference: Shareholders' equity (millions of yen): As of Dec. 31, 2008: 112,232 As of March 31, 2008: 117,130

2. Dividends

(Reference date)	Dividend per share (yen)				
	First quarter	Second quarter	Third quarter	Fiscal year	Annual total
Year ended March 31, 2008	-	60.00	-	85.00	145.00
Year ending March 31, 2009	-	82.50	-	—	—
Year ending March 31, 2009 (Estimated)	—	—	—	82.50	165.00

Note: Revision of dividends forecast for this period: None

3. Consolidated Outlook for Fiscal 2008 (April 1, 2008 – March 31, 2009)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
For the year	65,500 (6.2)%	21,500 (21.0)%	21,300 (22.5)%	11,450 (24.7)%	374.30

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): None
- (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: Yes
 - ② Other changes: Yes
- (4) Number of shares issued (common shares):
 - ① Number of shares issued (including treasury stock):
As of Dec. 31, 2008: 32,695,982 shares As of March 31, 2008: 32,695,982 shares
 - ② Number of treasury stock:
As of Dec. 31, 2008: 2,105,687 shares As of March 31, 2008: 671,801 shares
 - ③ Average number of outstanding stock for each period (cumulative term):
As of Dec. 31, 2008: 31,622,579 shares As of Dec. 31, 2007: 31,979,381 shares

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

1. 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.

2. Effective from the current fiscal year, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) have been applied. Quarterly consolidated financial statements have been prepared in accordance with "Regulation for Quarterly Consolidated Financial Reporting".

5. Quarterly Consolidated Financial Statements

(1) Consolidated Quarterly Balance Sheets

(millions of yen)

	FY2008 Third Quarter (As of Dec. 31, 2008)	FY 2007 (As of March 31, 2008)
Assets		
Current assets:		
Cash and deposits	11,517	26,280
Receivables due from member dealers at auction	2,778	11,879
Notes and accounts receivable-trade	2,579	3,527
Inventories	1,091	1,365
Other	2,679	1,677
Allowance for doubtful accounts	(92)	(75)
Total current assets	20,552	44,655
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	35,222	36,087
Land	52,859	52,184
Construction in progress	2,297	285
Other, net	6,307	5,724
Total property, plant and equipment	96,686	94,282
Intangible assets		
Goodwill	1,291	1,879
Other	1,283	1,390
Total intangible assets	2,574	3,269
Investments and other assets		
Investments and other assets	8,530	8,666
Allowance for doubtful accounts	(88)	(137)
Total investments and other assets	8,441	8,529
Total noncurrent assets	107,703	106,081
Total assets	128,256	150,737

(millions of yen)

	FY2008 Third Quarter (As of Dec. 31, 2008)	FY 2007 (As of March 31, 2008)
Liabilities		
Current liabilities:		
Payables due to member dealers at auction	2,788	11,959
Notes and accounts payable-trade	395	643
Short-term loans payable	807	2,305
Income taxes payable	937	5,919
Provision	224	506
Other	3,983	6,106
Total current liabilities	9,137	27,442
Noncurrent liabilities:		
Long-term loans payable	319	759
Provision	126	145
Other	6,134	4,813
Total noncurrent liabilities	6,579	5,717
Total liabilities	15,717	33,159
Net assets		
Shareholders' equity		
Capital stock	18,881	18,881
Capital surplus	27,992	27,992
Retained earnings	85,060	80,921
Treasury stock	(14,710)	(5,770)
Total shareholders' equity	117,223	122,024
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(13)	83
Revaluation reserve for land	(4,977)	(4,977)
Total valuation and translation adjustments	(4,991)	(4,894)
Subscription rights to shares	6	2
Minority interests	299	444
Total net assets	112,538	117,577
Total liabilities and net assets	128,256	150,737

(2) Consolidated Quarterly Statements of Income

(millions of yen)

	FY2008 Third Quarter (April 1, 2008 through Dec. 31, 2008)
Net sales	51,803
Cost of sales	24,836
Gross profit	26,967
Selling, general and administrative expenses	9,165
Operating income	17,801
Non-operating income	
Interest income	17
Real estate rent	115
Miscellaneous income	125
Total non-operating income	258
Non-operating expenses:	
Interest expenses	24
Rent cost of real estate	13
Loss on valuation of derivatives	299
Miscellaneous loss	23
Total non-operating expenses	360
Ordinary income	17,699
Extraordinary income:	
Gain on sales of noncurrent assets	7
Reversal of allowance for doubtful accounts	22
Total extraordinary income	30
Extraordinary losses:	
Loss on sales of noncurrent assets	0
Loss on retirement of noncurrent assets	289
Directors' retirement benefits	101
Loss on cancellation of leasehold contracts	218
Other	22
Total extraordinary losses	633
Income before income taxes and minority interests	17,097
Income taxes	7,692
Minority interests in income	(59)
Net income	9,464

(3) Consolidated Quarterly Statements of Cash Flows

(millions of yen)

FY2008 Third Quarter
(April 1, 2008 through
Dec. 31, 2008)

Net Cash provided by (used in) operating activities:	
Income before income taxes and minority interests	17,097
Depreciation and other amortization	4,335
Amortization of goodwill	588
Increase (decrease) in allowance for doubtful accounts	(31)
Increase (decrease) in provision for bonus	(282)
Increase (decrease) in provision for retirement benefits	(16)
Increase (decrease) in provision for directors' retirement benefits	(2)
Interest and dividends income	(30)
Interest expenses	24
Loss on valuation of derivatives	299
Loss (gain) on sale and retirement of property, plant and equipment	139
Net change in due from/to member dealers at auction	(70)
Increase (decrease) in notes and accounts receivable-trade	948
Increase (decrease) in notes and accounts payable-trade	(247)
Increase (decrease) in deposits received	(1,483)
Other, net	(757)
Subtotal	20,509
Interest and dividends income received	15
Interest expenses paid	(25)
Income taxes paid	(13,188)
Net cash provided by (used in) operating activities	7,311

(millions of yen)

FY2008 Third Quarter
(April 1, 2008 through
Dec. 31, 2008)

Net cash provided by (used in) investment activities:	
Purchase of property, plant and equipment	(5,149)
Proceeds from sales of property, plant and equipment	12
Purchase of intangible assets	(219)
Purchase of investment securities	(500)
Purchase of long-term prepaid expenses	(36)
Other, net	48
Net cash provide by (used in) investment activities	(5,844)
Net cash provided by (used in) financing activities:	
Repayments of long-term loans payable	(1,937)
Proceeds from guarantee deposits received from member dealers	196
Repayment of guarantee deposits received from member dealers	(89)
Purchases of treasury stock	(8,940)
The subsidiary's purchase of its own treasury stock	(84)
Cash dividends paid	(5,324)
Repayment of finance lease obligations	(48)
Net cash provided by (used in) financing activities	(16,230)
Net increase (decrease) in cash and cash equivalents	(14,763)
Cash and cash equivalents at beginning of period	26,280
Cash and cash equivalents at end of period	11,517

Reference:**FY2007 Third Quarter Consolidated Financial Statements****(1) Consolidated Quarterly Statement of Income (Summary)**

(millions of yen)

Item	FY2007 Third Quarter (April 1, 2007 through Dec. 31, 2007)
	Amount
Net sales	50,354
Cost of sales	21,747
Gross profit	28,606
Selling, general and administrative expenses	9,052
Operating income	19,554
Non-operating income:	312
Interest income	8
Real estate rent	132
Miscellaneous income	170
Non-operating expenses:	72
Interest expenses	47
Miscellaneous loss	24
Ordinary income	19,793
Extraordinary income:	20
Gain on sales of noncurrent assets	6
Reversal of allowance for doubtful accounts	12
Other extraordinary income	0
Extraordinary losses:	207
Loss on sales of noncurrent assets	1
Loss on retirement of noncurrent assets	24
Directors' retirement benefits	123
Cancellation fees for lease and other contracts	40
Other extraordinary loss	18
Income before income taxes and minority interests	19,606
Income taxes-current	8,513
Minority interests in income	201
Net income	10,891

(2) Consolidated Quarterly Statement of Cash Flows (Summary)

(millions of yen)

	FY2007 Third Quarter (April 1, 2007 through Dec. 31, 2007)
Item	Amount
Net Cash provided by (used in) operating activities:	
Income before income taxes and minority interests	19,606
Depreciation and other amortization	4,090
Amortization of goodwill	633
Increase in allowance for doubtful accounts	11
Decrease in provision for bonus	(205)
Increase in provision for retirement benefits	11
Decrease in provision for directors' retirement benefits	(419)
Interest and dividends income	(15)
Interest expenses	47
Loss on sale and retirement of property, plant and equipment	15
Loss on sale and retirement of intangible assets	0
Net change in due from/to member dealers at auction	(565)
Increase in notes and accounts receivable-trade	(880)
Decrease in notes and accounts payable-trade	(134)
Decrease in deposits received	(1,679)
Other, net	(382)
Subtotal	20,133
Interest and dividends income received	14
Interest expenses paid	(36)
Income taxes paid	(11,748)
Net cash provided by (used in) operating activities	8,363

(millions of yen)

	FY2007 Third Quarter (April 1, 2007 through Dec. 31, 2007)
Item	Amount
Net cash provided by (used in) investment activities:	
Purchase of property, plant and equipment	(4,162)
Proceeds from sales of property, plant and equipment	12
Purchase of intangible assets	(381)
Purchase of investment securities	(0)
Proceeds from sale of investment securities	101
Purchase of long-term prepaid expenses	(40)
Purchase of shares of consolidated subsidiaries	(658)
Proceeds from purchase of investments in subsidiary resulted in change in scope of consolidation	50
Other, net	137
Net cash provide by (used in) investment activities	(4,942)
Net cash provided by (used in) financing activities:	
Repayments of long-term loans payable	(1,745)
Proceeds from guarantee deposits received from member dealers	222
Repayment of guarantee deposits received from member dealers	(96)
Proceeds from issuance of common stock	599
Purchases of treasury stock	(0)
Cash dividends paid	(3,515)
Net cash provided by (used in) financing activities	(4,536)
Net increase in cash and cash equivalents	(1,115)
Cash and cash equivalents at beginning of period	21,149
Cash and cash equivalents at end of period	20,034