



Consolidated Earning Results for the Third Quarter ended December 31, 2009

February 2, 2010

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

Stock Exchanges Listings : Tokyo and Nagoya

Stock Code : 4732

Phone : +81-52-689-1129

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

President : Yukihiro Ando

Contact : Masafumi Yamanaka

Junior Managing Director & Officer of Supervisory Office

Date of Filing of Quarterly Report (Scheduled): February 12, 2010

1. Consolidated Results for the Third Quarter ended December 31, 2009 (April 1, 2009 – December 31, 2009)

(1) Consolidated Operating Results (Accumulated)

(millions of yen)

	Net sales	Operating income	Ordinary income
Nine months ended Dec. 31, 2009	43,572 (15.9)%	15,615 (12.3)%	16,016 (9.5)%
Nine months ended Dec. 31, 2008	51,803 —	17,801 —	17,699 —

	Net income	Net income per share (yen)	Diluted net income per share (yen)
Nine months ended Dec. 31, 2009	9,064 (4.2)%	297.10	297.09
Nine months ended Dec. 31, 2008	9,464 —	299.29	—

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, 2009	132,243	116,814	88.2	3,870.20
As of March 31, 2009	138,370	114,941	82.9	3,751.90

Reference: Shareholders' equity (millions of yen): As of Dec. 31, 2009: 116,633 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)%	361.63

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: No

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 Dec. 31, 2009: 32,695,982 shares As of March 31, 2009: 32,695,982 shares
 - ② Number of treasury stock:
As of Dec. 31, 2009: 2,559,653 shares As of March 31, 2009: 2,105,687 shares
 - ③ Average number of outstanding stock for each period (cumulative term):
As of Dec. 31, 2009: 30,510,798 shares As of Dec. 31, 2008: 31,622,579 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 Third Quarter (As of Dec 31, 2009)	FY 2008 (As of March 31, 2009)
Assets		
Current assets:		
Cash and deposits	21,313	18,445
Receivables due from member dealers at auction	2,636	6,482
Notes and accounts receivable-trade	2,175	2,804
Inventories	918	839
Other	1,703	1,949
Allowance for doubtful accounts	(82)	(92)
Total current assets	28,664	30,430
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	36,006	38,001
Land	52,812	52,863
Construction in progress	17	20
Other, net	4,858	6,140
Total property, plant and equipment	93,695	97,027
Intangible assets		
Goodwill	558	1,095
Other	1,118	1,274
Total intangible assets	1,676	2,370
Investments and other assets		
Investments and other assets	8,306	8,703
Allowance for doubtful accounts	(98)	(160)
Total investments and other assets	8,208	8,543
Total noncurrent assets	103,579	107,940
Total assets	132,243	138,370

(millions of yen)

	FY2009 Third Quarter (As of Dec 31, 2009)	FY 2008 (As of March 31, 2009)
Liabilities		
Current liabilities:		
Payables due to member dealers at auction	2,588	6,530
Notes and accounts payable-trade	411	522
Short-term loans payable	197	787
Income taxes payable	1,879	3,102
Provision	199	515
Other	3,666	5,193
Total current liabilities	8,942	16,651
Noncurrent liabilities:		
Long-term loans payable	406	571
Provision	82	126
Other	5,997	6,078
Total noncurrent liabilities	6,486	6,777
Total liabilities	15,429	23,428
Net assets		
Shareholders' equity		
Capital stock	18,881	18,881
Capital surplus	27,992	27,992
Retained earnings	91,923	87,600
Treasury stock	(17,207)	(14,710)
Total shareholders' equity	121,589	119,763
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	21	(14)
Revaluation reserve for land	(4,977)	(4,977)
Total valuation and translation adjustments	(4,956)	(4,991)
Subscription rights to shares	15	8
Minority interests	165	161
Total net assets	116,814	114,941
Total liabilities and net assets	132,243	138,370

(2) Consolidated Quarterly Statements of Income**[Results for the nine months]**

(millions of yen)

	Nine months ended Dec.31,2008	Nine months ended Dec.31,2009
Net sales	51,803	43,572
Cost of sales	24,836	19,911
Gross profit	26,967	23,661
Selling, general and administrative expenses	9,165	8,045
Operating income	17,801	15,615
Non-operating income:		
Interest income	17	23
Real estate rent	115	117
Gain on valuation of compound financial instruments	—	186
Miscellaneous income	125	102
Total non-operating income	258	431
Non-operating expenses:		
Interest expenses	24	11
Rent cost of real estate	13	11
Loss on valuation of derivatives	299	—
Miscellaneous loss	23	7
Total non-operating expenses	360	30
Ordinary income	17,699	16,016
Extraordinary income:		
Gain on sales of noncurrent assets	7	32
Reversal of allowance for doubtful accounts	22	34
Other	—	1
Total extraordinary income	30	68
Extraordinary loss:		
Loss on sales of noncurrent assets	0	8
Loss on retirement of noncurrent assets	289	43
Loss on valuation of investment securities	—	168
Directors' retirement benefits	101	—
Loss on cancellation of leasehold contracts	218	—
Other	22	26
Total extraordinary losses	633	247
Income before income taxes and minority interests	17,097	15,837
Income taxes	7,692	6,769
Minority interests in income (loss)	(59)	3
Net income	9,464	9,064

[Results for the three months]

(millions of yen)

	three months ended Dec.31,2008	three months ended Dec.31,2009
Net sales	15,372	14,857
Cost of sales	7,937	6,621
Gross profit	7,434	8,235
Selling, general and administrative expenses	2,980	2,652
Operating income	4,454	5,582
Non-operating income:		
Interest income	9	1
Real estate rent	36	38
Gain on valuation of compound financial instruments	—	20
Miscellaneous income	41	23
Total non-operating income	88	84
Non-operating expenses:		
Interest expenses	3	2
Rent cost of real estate	3	3
Loss on valuation of derivatives	217	—
Miscellaneous loss	7	5
Total non-operating expenses	232	11
Ordinary income	4,309	5,655
Extraordinary income:		
Gain on sales of noncurrent assets	1	23
Reversal of allowance for doubtful accounts	18	26
Other	—	0
Total extraordinary income	20	50
Extraordinary loss:		
Loss on sales of noncurrent assets	0	0
Loss on retirement of noncurrent assets	0	19
Loss on cancellation of leasehold contracts	—	12
Other	3	1
Total extraordinary losses	4	33
Income before income taxes and minority interests	4,325	5,671
Income taxes	2,246	2,386
Minority interests in income (loss)	(128)	22
Net income	2,207	3,262

(3) Consolidated Quarterly Statements of Cash Flows

(millions of yen)

	FY2008 Third Quarter (April 1, 2008 through Dec. 31, 2008)	FY2009 Third Quarter (April 1, 2009 through Dec. 31, 2009)
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	17,097	15,837
Depreciation and other amortization	4,335	4,216
Amortization of goodwill	588	596
Increase (decrease) in allowance for doubtful accounts	(31)	(71)
Increase (decrease) in provision for bonuses	(282)	(315)
Increase (decrease) in provision for retirement benefits	(16)	(43)
Increase (decrease) in provision for directors' retirement benefits	(2)	—
Interest and dividends income	(30)	(27)
Interest expenses	24	11
Loss(gain) on valuation of investment securities	—	168
Loss(gain) on valuation of derivatives	299	—
Loss (gain) on valuation of compound financial instruments	—	(186)
Loss (gain) on sales and retirement of property, plant and equipment	139	(3)
Net change in due from/to member dealers at auction	(70)	(96)
Decrease (increase) in notes and accounts receivable-trade	948	629
Increase (decrease) in notes and accounts payable-trade	(247)	(110)
Increase (decrease) in deposits received	(1,483)	(927)
Other, net	(757)	311
Subtotal	20,509	19,988
Interest and dividends income received	15	26
Interest expenses paid	(25)	(9)
Income taxes paid	(13,188)	(8,222)
Net cash provided by (used in) operating activities	7,311	11,782

(millions of yen)

	FY2008 Third Quarter (April 1, 2008 through Dec. 31, 2008)	FY2009 Third Quarter (April 1, 2009 through Dec. 31, 2009)
Net cash provided by (used in) investing activities:		
Net decrease (increase) in time deposits	—	(350)
Purchase of property, plant and equipment	(5,149)	(986)
Proceeds from sales of property, plant and equipment	12	137
Purchase of intangible assets	(219)	(167)
Purchase of investment securities	(500)	(150)
Purchase of long-term prepaid expenses	(36)	(29)
Purchase of investments in subsidiaries	—	(59)
Other, net	48	(15)
Net cash provided by (used in) investing activities	(5,844)	(1,621)
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	—	(300)
Repayment of long-term loans payable	(1,937)	(455)
Proceeds from guarantee deposits received from member dealers	196	166
Repayment of guarantee deposits received from member dealers	(89)	(89)
Purchase of treasury stock	(8,940)	(2,496)
The subsidiary's purchase of its own treasury stock	(84)	—
Cash dividends paid	(5,324)	(4,741)
Repayments of finance lease obligations	(48)	(226)
Net cash provided by (used in) financing activities	(16,230)	(8,143)
Net increase (decrease) in cash and cash equivalents	(14,763)	2,017
Cash and cash equivalents at beginning of period	26,280	18,445
Cash and cash equivalents at end of period	11,517	20,463