

Consolidated Earning Results for the Third Quarter ended December 31, 2011

February 14, 2012

Company Name : **USS Co., Ltd.**
 Stock Code : 4732
 (URL <http://www.ussnet.co.jp>)

Stock Exchanges Listings : Tokyo and Nagoya
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President : Yukihiro Ando

Contact : Masafumi Yamanaka

Junior Managing Director & Officer of Supervisory Office

Date of Filing of Quarterly Report (Scheduled): February 14, 2012

Starting Date of Dividend Payment (Scheduled): —

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results to be held: No

1. Consolidated Results for the Third Quarter ended December 31 2011 (April 1, 2011 – December 31, 2011)

(1) Consolidated Operating Results (Accumulated)

(millions of yen)

	Net sales		Operating income		Ordinary income	
Nine months ended Dec. 31, 2011	46,728	3.5%	19,813	11.9%	20,163	12.6%
Nine months ended Dec. 31, 2010	45,164	3.7%	17,707	13.4%	17,904	11.8%

Note: Comprehensive Income (millions of yen): As of Dec 31, 2011: 11,558 +8.3% As of Dec 31, 2010: 10,672 -%

	Net income		Net income per share (yen)		Diluted net income per share (yen)	
Nine months ended Dec. 31, 2011	11,977	12.9%	424.57		423.86	
Nine months ended Dec. 31, 2010	10,606	17.0%	361.78		361.59	

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 (%)
As of Dec 31, 2011	135,811	118,633	87.0
As of March 31, 2011	151,636	121,947	80.2

Reference: Shareholders' equity (millions of yen): As of December 31, 2011: 118,165 As of March 31, 2011: 121,638

2. Dividends

(Reference date)	Dividend per share (yen)				
	First quarter	Second quarter	Third quarter	Fiscal year	Total
Year ended March 31, 2011	—	91.00	—	101.00	192.00
Year ending March 31, 2012	—	110.00	—		
Year ending March 31, 2012 (Estimated)				116.00	226.00

Note: Revision of dividends forecast for this period: No

3. Consolidated Outlook for Fiscal 2011 (April 1, 2011 – March 31, 2012)

(millions of yen)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (yen)	
For the year	62,600	1.9%	26,300	8.1%	26,500	7.5%	15,900	13.8%	566.91	

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

Calculation of tax expenses

The Company calculates interim income tax expense by multiplying reasonably estimated annual effective tax rate, which includes the effects of deferred taxes, by year-to-date income before income taxes for the reporting period.

The income taxes-deferred is included in income taxes.

(3) Changes in accounting principals, accounting-based estimates and revised restatements

1) Changes in accounting principals associated with changes in accounting standards: Yes

Effective from the first quarter of the current consolidated fiscal year, the Company has adopted "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2, issued on June 30, 2010) and "Guidance on Accounting Standard for Earnings Per Share"(ASBJ Guidance No. 4, issued on June 30, 2010).

The Company has changed the method used to calculate diluted net income per share. In calculation of the amount of diluted net income per share, the method of calculating rights of stock options that are to be confirmed after a certain period of time of employment; of the fair value of stock options, the amount related to future services to be provided to the Company is included in the amount that is assumed to be received by the Company through exercise of rights.

2) Other changes in accounting principals : No

3) Changes in accounting-based estimates: No

4) Revised restatements : No

(4) Number of shares issued (common shares):

1) Number of shares issued (including treasury stock):

As of December 31, 2011: 31,325,000 shares As of March 31, 2011: 31,325,000 shares

2) Number of treasury stock:

As of December 31, 2011: 3,768,221 shares As of March 31, 2011: 2,364,781 shares

3) Average number of outstanding stock for each period (cumulative term):

As of December 31, 2011: 28,209,792 shares As of December 31, 2010: 29,318,238 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)

	FY 2010 (As of March 31, 2011)	FY2011 Third Quarter (As of Dec 31, 2011)
Assets		
Current assets:		
Cash and deposits	30,980	25,866
Receivables due from member dealers at auction	11,151	2,149
Notes and accounts receivable-trade	2,685	2,102
Short-term investment securities	-	100
Inventories	973	922
Other	1,360	2,988
Allowance for doubtful accounts	(76)	(64)
Total current assets	47,074	34,066
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	32,002	30,293
Land	59,100	58,842
Construction in progress	23	24
Other, net	3,352	2,546
Total property, plant and equipment	94,479	91,706
Intangible assets		
Goodwill	108	40
Other	1,005	850
Total intangible assets	1,114	890
Investments and other assets		
Investments and other assets	9,074	9,240
Allowance for doubtful accounts	(105)	(92)
Total investments and other assets	8,969	9,147
Total noncurrent assets	104,562	101,745
Total assets	151,636	135,811

(millions of yen)

	FY 2010 (As of March 31, 2011)	FY2011 Third Quarter (As of Dec 31, 2011)
Liabilities		
Current liabilities:		
Payables due to member dealers at auction	11,502	2,822
Notes and accounts payable-trade	649	460
Short-term loans payable	188	233
Income taxes payable	4,932	3,225
Provision	493	277
Other	5,227	3,934
Total current liabilities	22,994	10,954
Noncurrent liabilities:		
Long-term loans payable	167	122
Provision	133	152
Asset retirement obligations	705	711
Other	5,689	5,238
Total noncurrent liabilities	6,695	6,224
Total liabilities	29,689	17,178
Net assets		
Shareholders' equity		
Capital stock	18,881	18,881
Capital surplus	18,972	18,972
Retained earnings	104,012	109,989
Treasury stock	(15,310)	(24,381)
Total shareholders' equity	126,556	123,461
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	43	24
Revaluation reserve for land	(4,961)	(5,320)
Total other accumulated comprehensive income	(4,918)	(5,296)
Subscription rights to shares	31	230
Minority interests	278	237
Total net assets	121,947	118,633
Total liabilities and net assets	151,636	135,811

(2) Consolidated Quarterly Statements of (Comprehensive) Income**(Consolidated Quarterly Statements of Income)**

(millions of yen)

	FY2010 Third Quarter (April 1, 2010 through December 31, 2010)	FY2011 Third Quarter (April 1, 2011 through December 31, 2011)
Net sales	45,164	46,728
Cost of sales	19,881	19,453
Gross profit	25,283	27,275
Selling, general and administrative expenses	7,575	7,461
Operating income	17,707	19,813
Non-operating income		
Interest income	24	27
Real estate rent	111	145
Transfer from guarantee deposits received	-	114
Miscellaneous income	120	203
Total non-operating income	256	490
Non-operating expenses		
Interest expenses	6	3
Rent cost of real estate	11	20
Loss on valuation of compound financial instruments	33	103
Miscellaneous loss	8	13
Total non-operating expenses	59	140
Ordinary income	17,904	20,163
Extraordinary income:		
Gain on sales of noncurrent assets	12	34
Reversal of allowance for doubtful accounts	46	-
Other	5	-
Total extraordinary income	64	34
Extraordinary loss:		
Loss on sales of noncurrent assets	0	24
Loss on retirement of noncurrent assets	29	21
Loss on valuation of investment securities	56	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	516	-
Other	0	1

(millions of yen)

	FY2010 Third Quarter (April 1, 2010 through December 31, 2010)	FY2011 Third Quarter (April 1, 2011 through December 31, 2011)
Total extraordinary losses	602	47
Income before income taxes and minority interests	17,365	20,150
Income taxes	6,680	8,214
Income before minority interests	10,685	11,936
Minority interests in income (loss)	78	(40)
Net income	10,606	11,977

(Consolidated Quarterly Statements of Comprehensive Income)

(millions of yen)

	FY2010 Third Quarter (April 1, 2010 through December 31, 2010)	FY2011 Third Quarter (April 1, 2011 through December 31, 2011)
Income before minority interests	10,685	11,936
Other comprehensive income		
Valuation difference on available-for-sale securities	(12)	(18)
Revaluation reserve for land	-	(359)
Total other comprehensive income	(12)	(378)
Comprehensive income	10,672	11,558
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	10,593	11,598
Comprehensive income attributable to minority interests	78	(40)

(3) Consolidated Quarterly Statements of Cash Flows

(millions of yen)

	FY2010 Third Quarter (April 1, 2010 through December 31, 2010)	FY2011 Third Quarter (April 1, 2011 through December 31, 2011)
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	17,365	20,150
Depreciation and other amortization	3,485	3,014
Amortization of goodwill	225	68
Increase (decrease) in allowance for doubtful accounts	(4)	(25)
Increase (decrease) in provision for bonuses	(207)	(216)
Increase (decrease) in provision for retirement benefits	33	19
Interest and dividends income	(27)	(36)
Interest expenses	6	3
Loss (gain) on valuation of investment securities	56	-
Loss (gain) on valuation of compound financial instruments	33	103
Loss (gain) on sales and retirement of property, plant and equipment	5	10
Loss on adjustment for changes of accounting standard for asset retirement obligations	516	-
Net change in due from/to member dealers at auction	(814)	321
Decrease (increase) in notes and accounts receivable-trade	769	583
Increase (decrease) in notes and accounts payable-trade	(97)	(189)
Increase (decrease) in deposits received	(1,133)	(1,160)
Other, net	(831)	(339)
Subtotal	19,381	22,307
Interest and dividends income received	26	35
Interest expenses paid	(6)	(4)
Income taxes paid	(9,088)	(10,085)
Net cash provided by (used in) operating activities	10,312	12,254

(millions of yen)

	FY2010 Third Quarter (April 1, 2010 through December 31, 2010)	FY2011 Third Quarter (April 1, 2011 through December 31, 2011)
Net cash provided by (used in) investing activities:		
Net decrease (increase) in time deposits	(700)	(3,100)
Purchase of property, plant and equipment	(2,292)	(487)
Proceeds from sales of property, plant and equipment	17	104
Purchase of intangible assets	(277)	(106)
Purchase of investment securities	-	(210)
Purchase of long-term prepaid expenses	(215)	(7)
Purchase of stocks of subsidiaries and affiliates	-	(268)
Other, net	4	40
Net cash provide by (used in) investing activities	(3,464)	(4,035)
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	(100)	150
Repayment of long-term loans payable	(149)	(149)
Proceeds from guarantee deposits received from member dealers	158	177
Repayments of guarantee deposits received from member dealers	(57)	(69)
Purchase of treasury stock	(4,950)	(9,070)
Cash dividends paid	(5,518)	(6,001)
Repayments of finance lease obligations	(295)	(212)
Net cash provided by (used in) financing activities	(10,913)	(15,176)
Net increase (decrease) in cash and cash equivalents	(4,064)	(6,958)
Cash and cash equivalents at beginning of period	29,681	29,280
Cash and cash equivalents at end of period	25,616	22,322