

Consolidated Earning Results for the Year ended March 31, 2009

May 12, 2009

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

Stock Exchanges Listings : Tokyo and Nagoya

Stock Code : 4732

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

President : Yukihiro Ando

Contact : Masafumi Yamanaka

Junior Managing Director & Officer of Supervisory Office

Date of Annual General Meeting of Shareholders (Scheduled): June 24, 2009

Starting Date of Dividend Payment (Scheduled): June 25, 2009

Date of Filing of Securities Report (Scheduled): June 25, 2009

1. Consolidated Results for the Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(1) Consolidated Operating Results

(millions of yen)

	Net sales		Operating income		Ordinary income		Net income	
Year ended March 31, 2009	66,549	(4.7)%	22,568	(17.0)%	22,503	(18.1)%	12,003	(21.0)%
Year ended March 31, 2008	69,801	8.1%	27,200	9.6%	27,490	8.4%	15,200	5.6%

	Net income per share (yen)	Diluted net income per share (yen)	ROE (%)	ROA (%)	Operating margin
Year ended March 31, 2009	382.72	—	10.4	15.6	33.9
Year ended March 31, 2008	475.14	475.06	13.7	18.5	39.0

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

Reference: Gain (loss) on investment by equity method (millions of yen): As of March 31, 2009: - As of March 31, 2008: -

(2) Consolidated Financial Position

(millions of yen)

	Total assets	Net assets	Equity ratio (%)	Equity per share (yen)
As of March 31, 2009	138,370	114,941	82.9	3,751.90
As of March 31, 2008	150,737	117,577	77.7	3,657.55

Reference: Shareholders' equity (millions of yen): As of March 31, 2009: 114,771 As of March 31, 2008: 117,130

(3) Consolidated Cash Flows

(millions of yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalent at end of period
Year ended March 31, 2009	15,979	(7,711)	(16,102)	18,445
Year ended March 31, 2008	18,780	(8,029)	(5,620)	26,280

2. Dividends

(Reference date)	Dividend per share (yen)					Total dividends (Fiscal year) (millions of yen)	Dividends payout rate (Consolidated) (%)	Dividends rate for net assets (Consolidated) (%)
	First quarter	Second quarter	Third quarter	Fiscal year end	Fiscal year			
Year ended March 31, 2008	—	60.00	—	85.00	145.00	4,641	30.5	4.2
Year ended March 31, 2009	—	82.50	—	82.50	165.00	5,126	43.1	4.5
Year ending March 31, 2010 (Estimated)	—	72.50	—	72.50	145.00		41.3	

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)
Second quarter	28,900 (20.7)%	9,200 (31.0)%	9,300 (30.5)%	5,050 (30.4)%	165.08
For the year	60,000 (9.8)%	20,000 (11.4)%	20,070 (10.8)%	10,750 (10.4)%	351.41

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

4. Other Information

- (1) Significant change of subsidiaries during the term (changes of specified subsidiaries that affected the scope of consolidated reporting): None
- (2) 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: None
- (4) Number of shares issued (common shares):
 - ① Number of shares issued (including treasury stock):
As of March 31, 2009: 32,695,982 shares As of March 31, 2008: 32,695,982 shares
 - ② Number of treasury stock:
As of March 31, 2009: 2,105,687 shares As of March 31, 2008: 671,801 shares

Reference: Non-consolidated Results

1. Non-consolidated Results for Fiscal 2008 (April 1, 2008 – March 31, 2009)**(1) Non-consolidated Operating Result**

(millions of yen)

	Operating revenues	Operating income	Recurring profit	Net income
Year ended March 31, 2009	29,505 (5.1)%	15,772 (9.7)%	25,639 21.5%	19,022 39.9%
Year ended March 31, 2008	31,085 8.8%	17,471 8.6%	21,093 18.0%	13,595 14.2%

	Net income per share (yen)	Diluted net income per share (yen)
Year ended March 31, 2009	606.48	606.42
Year ended March 31, 2008	424.99	424.92

(Percent indication shows percentage of change from corresponding figures for the prior fiscal year.)

(2) Non-consolidated Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)	Equity per share (yen)
As of March 31, 2009	118,773	102,294	86.1	3,343.75
As of March 31, 2008	121,849	97,628	80.1	3,048.52

Note: Shareholders' equity (millions of yen): As of March 31, 2009: 102,286 As of March 31, 2008: 97,626

***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.

Consolidated Financial Statements

(1) Consolidated Quarterly Balance Sheets

(millions of yen)

	FY 2007 (As of March 31, 2008)	FY 2008 (As of March 31, 2009)
Assets		
Current assets:		
Cash and deposits	26,280	18,445
Receivables due from member dealers at auction	11,879	6,482
Notes and accounts receivable-trade	3,527	2,804
Inventories	1,365	839
Prepaid expenses	225	203
Deferred tax assets	832	711
Other	619	1,034
Allowance for doubtful accounts	(75)	(92)
Total current assets	44,655	30,430
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	36,087	38,001
Machinery, equipment and vehicles, net	1,500	1,241
Tools, furniture and fixtures, net	4,224	3,582
Land	52,184	52,863
Lease assets, net	-	1,316
Construction in progress	285	20
Total property, plant and equipment	94,282	97,027
Intangible assets		
Goodwill	1,879	1,095
Other	1,390	1,274
Total intangible assets	3,269	2,370
Investments and other assets		
Investment securities	1,033	1,002
Long-term loans receivable	17	15
Long-term prepaid expenses	692	587
Deferred tax assets	749	1,003
Deferred tax assets for land revaluation	3,352	3,352

(millions of yen)

	FY 2007 (As of March 31, 2008)	FY 2008 (As of March 31, 2009)
Real estate for investment, net	1,728	1,724
Other	1,093	1,017
Allowance for doubtful accounts	(137)	(160)
Total investments and other assets	8,529	8,543
Total noncurrent assets	106,081	107,940
Total assets	150,737	138,370
Liabilities		
Current liabilities:		
Payables due to member dealers at auction	11,959	6,530
Notes and accounts payable-trade	643	522
Short-term loans payable	2,305	787
Lease obligations	-	301
Income taxes payable	5,919	3,102
Deposits received	2,460	1,889
Provision for bonuses	506	515
Other	3,646	3,002
Total current liabilities	27,442	16,651
Noncurrent liabilities:		
Long-term loans payable	759	571
Long-term accounts payable-other	543	653
Lease obligations	-	1,055
Provision for retirement benefits	142	126
Provision for directors' retirement benefits	2	-
Long-term guarantee deposited	3,799	3,898
Deferred tax liabilities for land revaluation	470	470
Total noncurrent liabilities	5,717	6,777
Total liabilities	33,159	23,428

(millions of yen)

	FY 2007 (As of March 31, 2008)	FY 2008 (As of March 31, 2009)
Net assets		
Shareholders' equity		
Capital stock	18,881	18,881
Capital surplus	27,992	27,992
Retained earnings	80,921	87,600
Treasury stock	(5,770)	(14,710)
Total shareholders' equity	122,024	119,763
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	83	(14)
Revaluation reserve for land	(4,977)	(4,977)
Total valuation and translation adjustments	(4,894)	(4,991)
Subscription rights to shares	2	8
Minority interests	444	161
Total net assets	117,577	114,941
Total liabilities and net assets	150,737	138,370

(2) Consolidated Statements of Income

(millions of yen)

	FY2007 (April 1, 2007 through March 31, 2008)	FY2008 (April 1, 2008 through March 31, 2009)
Net sales	69,801	66,549
Cost of sales	30,288	31,798
Gross profit	39,512	34,751
Selling, general and administrative expenses		
Advertising expenses	845	702
Promotion expenses	1,962	1,885
Provision of allowance for doubtful accounts	60	177
Directors' compensation	476	537
Employees' salaries and bonuses	3,330	3,247
Provision for bonuses	249	245
Depreciation	509	516
Taxes and dues	173	177
Amortization of goodwill	829	784
Enterprise tax	197	163
Other	3,675	3,745
Total selling, general and administrative expenses	12,311	12,182
Operating income	27,200	22,568
Non-operating income		
Interest income	11	23
Real estate rent	172	152
Insurance income	3	10
Compensation income	15	-
Commission fee	15	-
Miscellaneous income	169	161
Total non-operating income	387	348
Non-operating expenses		
Interest expenses	61	29
Commission for syndicate loan	3	-
Rent cost of real estate	17	17

(millions of yen)

	FY2007 (April 1, 2007 through March 31, 2008)	FY2008 (April 1, 2008 through March 31, 2009)
Loss on valuation of derivatives	-	330
Miscellaneous loss	15	37
Total non-operating expenses	97	413
Ordinary income	27,490	22,503
Extraordinary income:		
Gain on sales of noncurrent assets	9	8
Reversal of allowance for doubtful accounts	7	28
Gain on sales of investment securities	0	-
Other	-	3
Total extraordinary income	17	39
Extraordinary losses:		
Loss on sales of noncurrent assets	2	0
Loss on retirement of noncurrent assets	163	399
Loss of sales of investment securities	0	-
Directors' retirement benefits	123	101
Cancellation fees for lease and other contracts	40	-
Loss from prior period adjustment	16	-
Loss on cancellation of leasehold contracts	-	219
Other	1	56
Total extraordinary losses	347	777
Income before income taxes	27,160	21,765
Income taxes-current	11,635	10,026
Income taxes-deferred	103	(67)
Total income taxes	11,738	9,959
Minority interests in income	221	(198)
Net income	15,200	12,003

(3) Consolidated Statement of Changes in Net Assets

(millions of yen)

	FY2007 (April 1, 2007 through March 31, 2008)	FY2008 (April 1, 2008 through March 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	18,581	18,881
Changes of items during the period		
Issuance of new shares	299	-
Total changes of items during the period	299	-
Balance at the end of period	18,881	18,881
Capital surplus		
Balance at the end of previous period	27,692	27,992
Changes of items during the period		
Issuance of new shares	299	-
Total changes of items during the period	299	-
Balance at the end of period	27,992	27,992
Retained earnings		
Balance at the end of previous period	69,237	80,921
Changes of items during the period		
Dividends from surplus	(3,515)	(5,324)
Net income	15,200	12,003
Total changes of items during the period	11,684	6,678
Balance at the end of period	80,921	87,600
Treasury stock		
Balance at the end of previous period	(5,770)	(5,770)
Changes of items during the period		
Purchase of treasury stock	(0)	(8,940)
Total changes of items during the period	(0)	(8,940)
Balance at the end of period	(5,770)	(14,710)

(millions of yen)

	FY2007 (April 1, 2007 through March 31, 2008)	FY2008 (April 1, 2008 through March 31, 2009)
Total shareholders' equity		
Balance at the end of previous period	109,741	122,024
Changes of items during the period		
Issuance of new shares	599	-
Dividends from surplus	(3,515)	(5,324)
Net income	15,200	12,003
Purchase of treasury stock	(0)	(8,940)
Total changes of items during the period	12,283	(2,261)
Balance at the end of period	122,024	119,763
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	223	83
Changes of items during the period		
Net changes of items other than shareholders' equity	(140)	(97)
Total changes of items during the period	(140)	(97)
Balance at the end of period	83	(14)
Revaluation reserve for land		
Balance at the end of previous period	(4,978)	(4,977)
Changes of items during the period		
Net changes of items other than shareholders' equity	1	0
Total changes of items during the period	1	0
Balance at the end of period	(4,977)	(4,977)
Total valuation and translation adjustments		
Balance at the end of previous period	(4,755)	(4,894)
Changes of items during the period		
Net changes of items other than shareholders' equity	(138)	(97)
Total changes of items during the period	(138)	(97)
Balance at the end of period	(4,894)	(4,991)

(millions of yen)

	FY2007 (April 1, 2007 through March 31, 2008)	FY2008 (April 1, 2008 through March 31, 2009)
Subscription rights to share		
Balance at the end of previous period	-	2
Changes of items during the period		
Net changes of items other than shareholders' equity	2	6
Total changes of items during the period	2	6
Balance at the end of period	2	8
Minority interests		
Balance at the end of previous period	1,002	444
Changes of items during the period		
Net changes of items other than shareholders' equity	(557)	(282)
Total changes of items during the period	(557)	(282)
Balance at the end of period	444	161
Total net assets		
Balance at the end of previous period	105,988	117,577
Changes of items during the period		
Issuance of new shares	599	-
Dividends from surplus	(3,515)	(5,324)
Net income	15,200	12,003
Purchase of treasury stock	(0)	(8,940)
Net changes of items other than shareholders' equity	(694)	(373)
Total changes of items during the period	11,588	(2,635)
Balance at the end of period	117,577	114,941

(4) Consolidated Statements of Cash Flows

(millions of yen)

	FY2007 (April 1, 2007 through March 31, 2008)	FY2008 (April 1, 2008 through March 31, 2009)
Net Cash provided by (used in) operating activities:		
Income before income taxes	27,160	21,765
Depreciation and other amortization	5,677	5,942
Amortization of goodwill	829	784
Increase (decrease) in allowance for doubtful accounts	44	40
Increase (decrease) in provision for bonus	88	8
Increase (decrease) in provision for retirement benefits	27	(15)
Increase (decrease) in provision for directors' retirement benefits	(419)	(2)
Interest and dividends income	(18)	(36)
Interest expenses	61	29
Loss on valuation of derivatives	-	330
Loss (gain) on sale and retirement of property, plant and equipment	149	354
Loss (gain) on sales and retirement of intangible assets	4	37
Net change in due from/to member dealers at auction	(1,752)	(32)
Increase (decrease) in deposits received	(369)	(571)
Increase (decrease) in notes and accounts receivable-trade	(1,569)	722
Increase (decrease) in notes and accounts payable-trade	115	(120)
Other, net	444	(219)
Subtotal	30,475	29,015
Interest and dividends income received	17	35
Interest expenses paid	(62)	(32)
Income taxes paid	(11,649)	(13,039)
Net cash provided by (used in) operating activities	18,780	15,979

(millions of yen)

	FY2007 (April 1, 2007 through March 31, 2008)	FY2008 (April 1, 2008 through March 31, 2009)
Net cash provided by (used in) investment activities:		
Purchase of property, plant and equipment	(7,134)	(6,649)
Proceeds from sales of property, plant and equipment	17	15
Purchase of intangible assets	(504)	(264)
Purchase of investment securities	(0)	(500)
Proceeds from sales of investment securities	101	-
Purchase of long-term prepaid expenses	(46)	(36)
Purchase of investments in subsidiaries	(658)	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	50	-
Other, net	146	(276)
Net cash provide by (used in) investment activities	(8,029)	(7,711)
Net cash provided by (used in) financing activities:		
Increase in short-term loans payable	-	300
Proceeds from long-term loans payable	-	300
Repayment of long-term loans payable	(2,871)	(2,305)
Proceeds from guarantee deposits received from member dealers	283	254
Repayment of guarantee deposits received from member dealers	(116)	(125)
Proceeds from issuance of common stock	599	-
Purchases of treasury stock	(0)	(8,940)
The subsidiary's purchase of its own treasury stock	-	(84)
Cash dividends paid	(3,515)	(5,324)
Repayment of finance lease obligations	-	(175)
Net cash provided by (used in) financing activities	(5,620)	(16,102)
Net increase (decrease) in cash and cash equivalents	5,130	(7,834)
Cash and cash equivalents at beginning of period	21,149	26,280
Cash and cash equivalents at end of period	26,280	18,445