

Consolidated Earning Results for the Year ended March 31, 2012

May 8, 2012

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

Stock Exchanges Listings : Tokyo and Nagoya
 Phone : +81-52-689-1129

President : Yukihiro Ando

Contact : Masafumi Yamanaka

Junior Managing Director & Officer of Supervisory Office

Date of Annual General Meeting of Shareholders (Scheduled): June 26, 2012

Date of Filing of Securities Report (Scheduled): June 27, 2012

Starting Date of Dividend Payment (Scheduled): June 27, 2012

Preparation of supplementary materials for quarterly financial results: Yes

Information meeting for quarterly financial results to be held: Yes

1. Consolidated Results for the Year ended March 31, 2012 (April 1, 2011 – March 31, 2012)

(1) Consolidated Operating Results

(millions of yen)

	Net sales		Operating income		Ordinary income	
Year ended March. 31, 2012	64,009	4.2%	27,952	14.9%	28,588	16.0%
Year ended March. 31, 2011	61,417	2.6%	24,332	10.9%	24,643	9.5%

Note: Comprehensive Income (millions of yen): As of March 31, 2012: 16,752 +19.7% As of March 31, 2011: 13,994 +8.9%

	Net income		Net income per share (yen)	Diluted net income per share (yen)
Year ended March. 31, 2012	17,054	22.1%	609.24	608.20
Year ended March. 31, 2011	13,971	9.9%	478.00	477.74

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

(2) Consolidated Financial Position

(millions of yen)

	Total assets	Net assets	Equity ratio (%)	Equity per share (yen)
As of March 31, 2012	154,639	121,097	78.0	4,450.26
As of March 31, 2011	151,636	121,947	80.2	4,200.18

Reference: Shareholders' equity (millions of yen): As of March 31, 2012: 120,582 As of March 31, 2011: 121,638

(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, 2012	24,014	(7,699)	(17,053)	28,540
Year ended March 31, 2011	20,512	(9,786)	(11,127)	29,280

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, 2011	—	91.00	—	101.00	192.00	5,601	40.2	4.7
Year ended March 31, 2012	—	110.00	—	134.00	244.00	6,736	40.0	5.6
Year ending March 31, 2013 (Estimated)	—	161.50	—	131.50	293.00		44.6	

3. Consolidated Outlook for Fiscal 2012(April 1, 2012 – March 31, 2013)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Second quarter	31,800 1.2%	14,000 5.2%	14,100 5.1%	8,650 9.0%	316.65
For the year	65,000 1.5%	29,000 3.7%	29,250 2.3%	17,950 5.2%	657.10

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): No

(2) 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 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

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

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

As of March 31, 2012: 31,325,000 shares As of March 31, 2011: 31,325,000 shares

2) Number of treasury stock:

As of March 31, 2012: 4,128,021 shares As of March 31, 2011: 2,364,781 shares

3) Average number of shares :

As of March 31, 2012: 27,993,150 shares As of March 31, 2011: 29,228,613 shares

Note: Number of Treasury stock as of March 31, 2012 includes 119,980 shares held by the USS Employee Stock Ownership Plan Trust.

Reference: Non-consolidated Results

1. Non-consolidated Results for Fiscal 2011(April 1, 2011 – March 31, 2012)**(1) Non-consolidated Operating Result**

(millions of yen)

	Operating revenues	Operating income	Ordinary income	Net income
Year ended March 31, 2012	34,161 23.8%	19,608 22.2 %	24,243 15.4 %	17,495 26.5 %
Year ended March 31, 2011	27,587 3.2%	16,044 2.7 %	21,009 (7.4) %	13,827 (12.0) %

	Net income per share (yen)	Diluted net income per share (yen)
Year ended March 31, 2012	625.00	623.93
Year ended March 31, 2011	473.07	472.81

Note: 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, 2012	138,538	111,572	80.4	4,112.00
As of March 31, 2011	132,370	112,039	84.6	3,867.66

Note: Shareholders' equity (millions of yen): As of March 31, 2012: 111,342 As of March 31, 2011: 112,008

Notes : *This financial results report is not subject to audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosures of this report, the audit procedures for the financial statements are in progress.

*We plan to hold an information meeting for financial results on May 10, 2012. We plan to post the materials that we distribute at this meeting on our website immediately afterward.

*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 Balance Sheets

(millions of yen)

	FY 2010 (As of March 31, 2011)	FY 2011 (As of March 31, 2012)
Assets		
Current assets:		
Cash and deposits	30,980	36,840
Receivables due from member dealers at auction	11,151	11,635
Notes and accounts receivable-trade	2,685	2,734
Short-term investment securities	-	100
Inventories	973	962
Prepaid expenses	209	138
Deferred tax assets	701	850
Other	449	533
Allowance for doubtful accounts	(76)	(63)
Total current assets	47,074	53,731
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	32,002	29,762
Machinery, equipment and vehicles, net	691	573
Tools, furniture and fixtures, net	1,837	1,223
Land	59,100	58,873
Lease assets, net	823	531
Construction in progress	23	9
Total property, plant and equipment	94,479	90,974
Intangible assets		
Goodwill	108	17
Other	1,005	847
Total intangible assets	1,114	865
Investments and other assets		
Investment securities	1,148	1,605
Long-term loans receivable	8	23
Long-term prepaid expenses	621	481
Deferred tax assets	1,614	1,361

(millions of yen)

	FY 2010 (As of March 31, 2011)	FY 2011 (As of March 31, 2012)
Deferred tax assets for land revaluation	3,339	2,928
Real estate for investment, net	1,899	2,386
Other	440	369
Allowance for doubtful accounts	(105)	(87)
Total investments and other assets	8,969	9,068
Total noncurrent assets	104,562	100,908
Total assets	151,636	154,639

(millions of yen)

	FY 2010 (As of March 31, 2011)	FY 2011 (As of March 31, 2012)
Liabilities		
Current liabilities:		
Payables due to member dealers at auction	11,502	13,154
Notes and accounts payable-trade	649	560
Short-term loans payable	188	93
Lease obligations	296	296
Income taxes payable	4,932	5,900
Deposits received	2,176	2,440
Provision for bonuses	493	534
Other	2,755	3,346
Total current liabilities	22,994	26,326
Noncurrent liabilities:		
Long-term loans payable	167	1,174
Lease obligations	444	182
Long-term accounts payable-other	671	466
Deferred tax liabilities for land revaluation	469	417
Provision for retirement benefits	133	155
Long-term guarantee deposited	4,099	4,135
Asset retirement obligations	705	683
Other	4	-
Total noncurrent liabilities	6,695	7,215
Total liabilities	29,689	33,541

(millions of yen)

	FY 2010 (As of March 31, 2011)	FY 2011 (As of March 31, 2012)
Net assets		
Shareholders' equity		
Capital stock	18,881	18,881
Capital surplus	18,972	18,972
Retained earnings	104,012	115,066
Treasury stock	(15,310)	(27,110)
Total shareholders' equity	126,556	125,809
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	43	93
Revaluation reserve for land	(4,961)	(5,320)
Total other accumulated comprehensive income	(4,918)	(5,227)
Subscription rights to shares	31	230
Minority interests	278	284
Total net assets	121,947	121,097
Total liabilities and net assets	151,636	154,639

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

(millions of yen)

	FY 2010 (April 1, 2010 through March 31, 2011)	FY 2011 (April 1, 2011 through March 31, 2012)
Net sales	61,417	64,009
Cost of sales	26,865	26,161
Gross profit	34,552	37,848
Selling, general and administrative expenses		
Advertising expenses	507	492
Promotion expenses	1,392	1,325
Provision of allowance for doubtful accounts	88	28
Directors' compensations	499	488
Employees' salaries and bonuses	3,084	2,972
Provision for bonuses	231	275
Depreciation	427	337
Taxes and dues	276	129
Amortization of goodwill	248	91
Enterprise tax	145	138
Other	3,318	3,616
Total selling, general and administrative expenses	10,220	9,895
Operating income	24,332	27,952
Non-operating income		
Interest income	45	32
Real estate rent	156	220
Insurance income	15	125
Transfer from guarantee deposits	-	113
Gain on valuation of compound financial instruments	-	66
Miscellaneous income	136	156
Total non-operating income	353	715

(millions of yen)

	FY 2010 (April 1, 2010 through March 31, 2011)	FY 2011 (April 1, 2011 through March 31, 2012)
Non-operating expenses		
Interest expenses	8	5
Rent cost of real estate	14	33
Commission for purchase of treasury stock	2	29
Loss on valuation of compound financial instruments	9	-
Miscellaneous loss	7	11
Total non-operating expenses	42	79
Ordinary income	24,643	28,588
Extraordinary income:		
Gain on sales of noncurrent assets	23	40
Reversal of allowance for doubtful accounts	40	-
Other	5	-
Total extraordinary income	69	40
Extraordinary loss:		
Loss on sales of noncurrent assets	0	24
Loss on retirement of noncurrent assets	37	23
Loss on valuation of investment securities	56	-
Impairment loss	998	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	462	-
Other	0	1
Total extraordinary losses	1,555	50
Income before income taxes and minority interests	23,156	28,579
Income taxes-current	9,757	11,440
Income taxes-deferred	(608)	77
Total income taxes	9,149	11,517
Income before minority interests	14,007	17,061
Minority interests in income	36	6
Net income	13,971	17,054

(Consolidated Statements of Comprehensive Income)

(millions of yen)

	FY 2010 (April 1, 2010 through March 31, 2011)	FY 2011 (April 1, 2011 through March 31, 2012)
Income before minority interests	14,007	17,061
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	50
Revaluation reserve for land	3	(359)
Total other comprehensive income	(13)	(309)
Comprehensive income	13,994	16,752
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	13,958	16,745
Comprehensive income attributable to minority interests	36	6

(3) Consolidated Statement of Changes in Net Assets

(millions of yen)

	FY2010 (April 1, 2010 through March 31, 2011)	FY2011 (April 1, 2011 through March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	18,881	18,881
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	18,881	18,881
Capital surplus		
Balance at the beginning of current period	27,992	18,972
Changes of items during the period		
Disposal of treasury stock	(1)	0
Retirement of treasury stock	(9,018)	-
Total changes of items during the period	(9,019)	0
Balance at the end of current period	18,972	18,972
Retained earnings		
Balance at the beginning of current period	95,567	104,012
Changes of items during the period		
Dividends from surplus	(5,518)	(6,001)
Net income	13,971	17,054
Reversal of revaluation reserve for land	(7)	-
Total changes of items during the period	8,445	11,053
Balance at the end of current period	104,012	115,066
Treasury stock		
Balance at the beginning of current period	(19,382)	(15,310)
Changes of items during the period		
Purchase of treasury stock	(4,950)	(11,812)
Disposal of treasury stock	4	12
Retirement of treasury stock	9,018	-
Total changes of items during the period	4,072	(11,800)
Balance at the end of current period	(15,310)	(27,110)

(millions of yen)

	FY2010 (April 1, 2010 through March 31, 2011)	FY2011 (April 1, 2011 through March 31, 2012)
Total shareholders' equity		
Balance at the beginning of current period	123,058	126,556
Changes of items during the period		
Dividends from surplus	(5,518)	(6,001)
Net income	13,971	17,054
Purchase of treasury stock	(4,950)	(11,812)
Disposal of treasury stock	3	12
Reversal of revaluation reserve for land	(7)	-
Total changes of items during the period	3,497	(746)
Balance at the end of current period	126,556	125,809
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	59	43
Changes of items during the period		
Net changes of items other than shareholders' equity	(16)	50
Total changes of items during the period	(16)	50
Balance at the end of current period	43	93
Revaluation reserve for land		
Balance at the beginning of current period	(4,972)	(4,961)
Changes of items during the period		
Net changes of items other than shareholders' equity	11	(359)
Total changes of items during the period	11	(359)
Balance at the end of current period	(4,961)	(5,320)
Total valuation and translation adjustments		
Balance at the beginning of current period	(4,912)	(4,918)
Changes of items during the period		
Net changes of items other than shareholders' equity	(5)	(309)
Total changes of items during the period	(5)	(309)
Balance at the end of current period	(4,918)	(5,227)

(millions of yen)

	FY2010 (April 1, 2010 through March 31, 2011)	FY2011 (April 1, 2011 through March 31, 2012)
Subscription rights to shares		
Balance at the beginning of current period	18	31
Changes of items during the period		
Net changes of items other than shareholders' equity	12	199
Total changes of items during the period	12	199
Balance at the end of current period	31	230
Minority interests		
Balance at the beginning of current period	226	278
Changes of items during the period		
Net changes of items other than shareholders' equity	51	6
Total changes of items during the period	51	6
Balance at the end of current period	278	284
Total net assets		
Balance at the beginning of current period	118,390	121,947
Changes of items during the period		
Dividends from surplus	(5,518)	(6,001)
Net income	13,971	17,054
Purchase of treasury stock	(4,950)	(11,812)
Disposal of treasury stock	3	12
Reversal of revaluation reserve for land	(7)	-
Net changes of items other than shareholders' equity	59	(102)
Total changes of items during the period	3,556	(849)
Balance at the end of current period	121,947	121,097

(4) Consolidated Statements of Cash Flows

(millions of yen)

	FY 2010 (April 1, 2010 through March 31, 2011)	FY 2011 (April 1, 2011 through March 31, 2012)
Net Cash provided by (used in) operating activities:		
Income before income taxes and minority interests	23,156	28,579
Depreciation and other amortization	4,685	4,034
Impairment loss	998	-
Amortization of goodwill	248	91
Increase (decrease) in allowance for doubtful accounts	(5)	(30)
Increase (decrease) in provision for bonuses	47	41
Increase (decrease) in provision for retirement benefits	41	22
Interest and dividends income	(48)	(47)
Interest expenses	8	5
Loss (gain) on valuation of investment securities	56	-
Loss (gain) on valuation of compound financial instruments	9	(66)
Loss (gain) on sales and retirement of property, plant and equipment	1	7
Loss (gain) on sales and retirement of intangible assets	11	0
Loss on adjustment for changes of accounting standard for asset retirement obligations	462	-
Net change in due from/to member dealers at auction	(458)	1,168
Decrease (Increase) in notes and accounts receivable-trade	250	(48)
Increase (decrease) in notes and accounts payable-trade	71	(89)
Increase (decrease) in deposits received	62	264
Other, net	(102)	542
Subtotal	29,498	34,473
Interest and dividends income received	47	45
Interest expenses paid	(7)	(4)
Income taxes paid	(9,026)	(10,499)
Net cash provided by (used in) operating activities	20,512	24,014

(millions of yen)

	FY 2010 (April 1, 2010 through March 31, 2011)	FY 2011 (April 1, 2011 through March 31, 2012)
Net cash provided by (used in) investing activities:		
Net decrease (increase) in time deposits	(1,700)	(6,600)
Purchase of property, plant and equipment	(7,303)	(655)
Proceeds from sales of property, plant and equipment	33	123
Purchase of intangible assets	(326)	(149)
Purchase of investment securities	-	(210)
Proceeds from sales of investment securities	-	53
Purchase of long-term prepaid expenses	(302)	(8)
Purchase of stocks of subsidiaries and affiliates	-	(268)
Other, net	(187)	15
Net cash provide by (used in) investing activities	(9,786)	(7,699)
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	(200)	-
Proceeds from long-term loans payable	-	1,100
Repayments of long-term loans payable	(199)	(188)
Proceeds from guarantee deposits received from member dealers	206	222
Repayment of guarantee deposits received from member dealers	(83)	(86)
Purchases of treasury stock	(4,950)	(11,812)
Cash dividends paid	(5,518)	(6,001)
Repayment of finance lease obligations	(396)	(287)
Other, net	15	-
Net cash provided by (used in) financing activities	(11,127)	(17,053)
Net increase (decrease) in cash and cash equivalents	(401)	(739)
Cash and cash equivalents at beginning of period	29,681	29,280
Cash and cash equivalents at end of period	29,280	28,540