

Consolidated Earning Results for the Year ended March 31, 2013

May 14, 2013

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

Stock Exchanges Listings : Tokyo and Nagoya
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Representative: Yukihiro Ando, Chairman & President
 Contact : Masafumi Yamanaka , Senior Managing Director & Officer of Supervisory Office
 Date of Annual General Meeting of Shareholders (Scheduled): June 25, 2013
 Date of Filing of Securities Report (Scheduled) : June 26, 2013
 Starting Date of Dividend Payment (Scheduled): June 26, 2013
 Preparation of supplementary materials for financial results: Yes
 Information meeting for financial results to be held: Yes

1. Consolidated Results for the Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(1) Consolidated Operating Results

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Year ended March. 31, 2013	63,243 (1.2%)	29,304 4.8%	29,884 4.5%	18,346 7.6%
Year ended March. 31, 2012	64,009 4.2%	27,952 14.9%	28,588 16.0%	17,054 22.1%

Note: Comprehensive Income (millions of yen): As of March 31, 2013: 18,453 +10.2% As of March 31, 2012: 16,752 +19.7 %

	Net income per share (yen)	Diluted net income per share (yen)	ROE (%)	ROA (%)	Operating margin
Year ended March. 31, 2013	693.52	692.16	15.3	19.3	46.3
Year ended March. 31, 2012	609.24	608.20	14.1	18.7	43.7

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, 2013	154,543	119,676	77.1	4,626.96
As of March 31, 2012	154,639	121,097	78.0	4,450.26

Reference: Shareholders' equity (millions of yen): As of March 31, 2013: 119,112 As of March 31, 2012: 120,582

(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, 2013	22,059	4,679	(20,446)	34,833
Year ended March 31, 2012	24,014	(7,699)	(17,053)	28,540

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, 2012	—	110.00	—	134.00	244.00	6,736	40.0	5.6
Year ended March 31, 2013	—	161.50	—	146.00	307.50	7,968	44.3	6.8
Year ending March 31, 2014 (Estimated)	—	159.50	—	159.50	319.00		45.1	

Note: 1. Second quarter dividend for FY3/2013 includes 30 yen commemorative dividend.

2. Total dividends as of March 31, 2012 include 16million yen, and as of March 31, 2013 include 31 million yen, the USS Employee Stock Ownership Plan Trust.

3. Consolidated Outlook for Fiscal 2013(April 1, 2013 – March 31, 2014)

(millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Second quarter	31,250 1.0%	13,850 (1.4%)	14,100 (1.1%)	8,580 (2.0%)	331.08
For the year	64,300 1.7%	29,500 0.7%	30,000 0.4%	18,350 0.0%	708.07

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

(Changes in the method of depreciation)

In conjunction with changes to the Corporation Tax Act, from the current consolidated fiscal year, the Company and its consolidated subsidiaries have adopted a new depreciation method for tangible fixed assets acquired on and after April 1, 2012 based on the revised law. This change will have minimal impact on earnings.

2) Other changes in accounting principals : No

3) Changes in accounting-based estimates: Yes

(Changes in the period of depreciation)

Plans call for rebuilding the buildings and structures and replacing tools and fixtures at the Nagoya Auction site in the current consolidated fiscal year. Therefore, the useful lives of assets expected to be removed has been shortened to the scheduled month of removal.

As a result of this change, depreciation expenses for the current consolidated fiscal year increased by 159 million yen and operating income, ordinary income and income before income taxes and minority interests each decreased by an equivalent amount compared to the amounts that would have been reported if the previous method had been applied consistently.

4) Revised restatements : No

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

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

As of March 31, 2013: 31,325,000 shares As of March 31, 2012: 31,325,000 shares

2) Number of treasury stock:

As of March 31, 2013: 5,506,753 shares As of March 31, 2012: 4,128,021 shares

3) Average number of shares :

As of March 31, 2013: 26,454,324 shares As of March 31, 2012: 27,993,150 shares

Note: Number of Treasury stock as of March 31, 2012 includes 119,980 shares, and as of March 31, 2013 includes 96,930 shares held by the USS Employee Stock Ownership Plan Trust.

Reference: Non-consolidated Results

1. Non-consolidated Results for Fiscal 2012(April 1, 2012 – March 31, 2013)

(1) Non-consolidated Operating Result

(millions of yen)

	Net Sales		Operating income		Ordinary income		Net income	
Year ended March 31, 2013	38,621	13.1%	22,059	12.5 %	28,515	17.6 %	22,332	27.6 %
Year ended March 31, 2012	34,161	23.8%	19,608	22.2 %	24,243	15.4 %	17,495	26.5 %

	Net income per share (yen)	Diluted net income per share (yen)
Year ended March 31, 2013	844.17	842.52
Year ended March 31, 2012	625.00	623.93

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, 2013	145,230	114,094	78.4	4,424.19
As of March 31, 2012	138,538	111,572	80.4	4,112.00

Note: Shareholders' equity (millions of yen): As of March 31, 2013: 113,857 As of March 31, 2012: 111,342

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 16, 2013. 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 2011 (As of March 31, 2012)	FY 2012 (As of March 31, 2013)
Assets		
Current assets:		
Cash and deposits	36,840	37,033
Receivables due from member dealers at auction	11,635	13,660
Notes and accounts receivable-trade	2,734	2,662
Short-term investment securities	100	508
Inventories	962	947
Prepaid expenses	138	159
Deferred tax assets	850	718
Other	533	398
Allowance for doubtful accounts	(63)	(41)
Total current assets	53,731	56,047
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	29,762	27,537
Machinery, equipment and vehicles, net	573	434
Tools, furniture and fixtures, net	1,223	860
Land	58,873	58,190
Lease assets, net	531	250
Construction in progress	9	1,197
Total property, plant and equipment	90,974	88,470
Intangible assets		
Goodwill	17	17
Other	847	800
Total intangible assets	865	818
Investments and other assets		
Investment securities	1,605	1,185
Long-term loans receivable	23	18
Long-term prepaid expenses	481	345
Deferred tax assets	1,361	1,286

(millions of yen)

	FY 2011 (As of March 31, 2012)	FY 2012 (As of March 31, 2013)
Deferred tax assets for land revaluation	2,928	2,927
Real estate for investment, net	2,386	3,216
Other	369	317
Allowance for doubtful accounts	(87)	(91)
Total investments and other assets	9,068	9,206
Total noncurrent assets	100,908	98,496
Total assets	154,639	154,543

(millions of yen)

	FY 2011 (As of March 31, 2012)	FY 2012 (As of March 31, 2013)
Liabilities		
Current liabilities:		
Payables due to member dealers at auction	13,154	16,185
Notes and accounts payable-trade	560	556
Short-term loans payable	93	93
Lease obligations	296	182
Income taxes payable	5,900	4,921
Deposits received	2,440	2,410
Provision for bonuses	534	523
Other	3,346	3,291
Total current liabilities	26,326	28,165
Noncurrent liabilities:		
Long-term loans payable	1,174	864
Lease obligations	182	9
Long-term accounts payable-other	466	420
Deferred tax liabilities for land revaluation	417	417
Provision for retirement benefits	155	75
Long-term guarantee deposited	4,135	4,227
Asset retirement obligations	683	687
Total noncurrent liabilities	7,215	6,701
Total liabilities	33,541	34,866

(millions of yen)

	FY 2011 (As of March 31, 2012)	FY 2012 (As of March 31, 2013)
Net assets		
Shareholders' equity		
Capital stock	18,881	18,881
Capital surplus	18,972	18,969
Retained earnings	115,066	125,599
Treasury stock	(27,110)	(39,177)
Total shareholders' equity	125,809	124,273
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	93	158
Revaluation reserve for land	(5,320)	(5,319)
Total other accumulated comprehensive income	(5,227)	(5,160)
Subscription rights to shares	230	237
Minority interests	284	327
Total net assets	121,097	119,676
Total liabilities and net assets	154,639	154,543

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

(millions of yen)

	FY 2011 (April 1, 2011 through March 31, 2012)	FY 2012 (April 1, 2012 through March 31, 2013)
Net sales	64,009	63,243
Cost of sales	26,161	24,982
Gross profit	37,848	38,260
Selling, general and administrative expenses		
Advertising expenses	492	469
Promotion expenses	1,325	1,183
Provision of allowance for doubtful accounts	28	25
Directors' compensations	488	372
Employees' salaries and bonuses	2,972	2,929
Provision for bonuses	275	256
Depreciation	337	301
Taxes and dues	129	124
Amortization of goodwill	91	-
Enterprise tax	138	118
Other	3,616	3,173
Total selling, general and administrative expenses	9,895	8,955
Operating income	27,952	29,304
Non-operating income		
Interest income	32	26
Real estate rent	220	426
Gain on valuation of compound financial instruments	66	29
Miscellaneous income	394	189
Total non-operating income	715	672

(millions of yen)

	FY 2011 (April 1, 2011 through March 31, 2012)	FY 2012 (April 1, 2012 through March 31, 2013)
Non-operating expenses		
Interest expenses	5	6
Rent cost of real estate	33	66
Miscellaneous loss	40	19
Total non-operating expenses	79	92
Ordinary income	28,588	29,884
Extraordinary income:		
Gain on sales of noncurrent assets	40	20
Other	-	1
Total extraordinary income	40	22
Extraordinary loss:		
Loss on sales of noncurrent assets	24	0
Loss on retirement of noncurrent assets	23	59
Retirement benefit expenses	-	14
Other	1	5
Total extraordinary losses	50	79
Income before income taxes and minority interests	28,579	29,827
Income taxes-current	11,440	11,266
Income taxes-deferred	77	172
Total income taxes	11,517	11,438
Income before minority interests	17,061	18,388
Minority interests in income	6	42
Net income	17,054	18,346

(Consolidated Statements of Comprehensive Income)

(millions of yen)

	FY 2011 (April 1, 2011 through March 31, 2012)	FY 2012 (April 1, 2012 through March 31, 2013)
Income before minority interests	17,061	18,388
Other comprehensive income		
Valuation difference on available-for-sale securities	50	65
Revaluation reserve for land	(359)	-
Total other comprehensive income	(309)	65
Comprehensive income	16,752	18,453
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	16,745	18,411
Comprehensive income attributable to minority interests	6	42

(3) Consolidated Statement of Changes in Net Assets

(millions of yen)

	FY2011 (April 1, 2011 through March 31, 2012)	FY2012 (April 1, 2012 through March 31, 2013)
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	18,972	18,972
Changes of items during the period		
Disposal of treasury stock	0	(3)
Total changes of items during the period	0	(3)
Balance at the end of current period	18,972	18,969
Retained earnings		
Balance at the beginning of current period	104,012	115,066
Changes of items during the period		
Dividends from surplus	(6,001)	(7,811)
Net income	17,054	18,346
Reversal of revaluation reserve for land	-	(1)
Total changes of items during the period	11,053	10,533
Balance at the end of current period	115,066	125,599
Treasury stock		
Balance at the beginning of current period	(15,310)	(27,110)
Changes of items during the period		
Purchase of treasury stock	(11,812)	(12,309)
Disposal of treasury stock	12	242
Total changes of items during the period	(11,800)	(12,066)
Balance at the end of current period	(27,110)	(39,177)

(millions of yen)

	FY2011 (April 1, 2011 through March 31, 2012)	FY2012 (April 1, 2012 through March 31, 2013)
Total shareholders' equity		
Balance at the beginning of current period	126,556	125,809
Changes of items during the period		
Dividends from surplus	(6,001)	(7,811)
Net income	17,054	18,346
Purchase of treasury stock	(11,812)	(12,309)
Disposal of treasury stock	12	239
Reversal of revaluation reserve for land	-	(1)
Total changes of items during the period	(746)	(1,536)
Balance at the end of current period	125,809	124,273
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	43	93
Changes of items during the period		
Net changes of items other than shareholders' equity	50	65
Total changes of items during the period	50	65
Balance at the end of current period	93	158
Revaluation reserve for land		
Balance at the beginning of current period	(4,961)	(5,320)
Changes of items during the period		
Net changes of items other than shareholders' equity	(359)	1
Total changes of items during the period	(359)	1
Balance at the end of current period	(5,320)	(5,319)
Total valuation and translation adjustments		
Balance at the beginning of current period	(4,918)	(5,227)
Changes of items during the period		
Net changes of items other than shareholders' equity	(309)	66
Total changes of items during the period	(309)	66
Balance at the end of current period	(5,227)	(5,160)

(millions of yen)

	FY2011 (April 1, 2011 through March 31, 2012)	FY2012 (April 1, 2012 through March 31, 2013)
Subscription rights to shares		
Balance at the beginning of current period	31	230
Changes of items during the period		
Net changes of items other than shareholders' equity	199	6
Total changes of items during the period	199	6
Balance at the end of current period	230	237
Minority interests		
Balance at the beginning of current period	278	284
Changes of items during the period		
Net changes of items other than shareholders' equity	6	42
Total changes of items during the period	6	42
Balance at the end of current period	284	327
Total net assets		
Balance at the beginning of current period	121,947	121,097
Changes of items during the period		
Dividends from surplus	(6,001)	(7,811)
Net income	17,054	18,346
Purchase of treasury stock	(11,812)	(12,309)
Disposal of treasury stock	12	239
Reversal of revaluation reserve for land	-	(1)
Net changes of items other than shareholders' equity	(102)	115
Total changes of items during the period	(849)	(1,421)
Balance at the end of current period	121,097	119,676

(4) Consolidated Statements of Cash Flows

(millions of yen)

	FY 2011 (April 1, 2011 through March 31, 2012)	FY 2012 (April 1, 2012 through March 31, 2013)
Net Cash provided by (used in) operating activities:		
Income before income taxes and minority interests	28,579	29,827
Depreciation and other amortization	4,034	3,582
Amortization of goodwill	91	(0)
Increase (decrease) in allowance for doubtful accounts	(30)	(19)
Increase (decrease) in provision for bonuses	41	(10)
Increase (decrease) in provision for retirement benefits	22	(80)
Interest and dividends income	(47)	(40)
Interest expenses	5	6
Loss (gain) on valuation of compound financial instruments	(66)	(29)
Loss (gain) on sales and retirement of property, plant and equipment	7	38
Loss (gain) on sales and retirement of intangible assets	0	0
Net change in due from/to member dealers at auction	1,168	1,005
Decrease (Increase) in notes and accounts receivable-trade	(48)	72
Increase (decrease) in notes and accounts payable-trade	(89)	(3)
Increase (decrease) in deposits received	264	(29)
Other, net	542	(99)
Subtotal	34,473	34,219
Interest and dividends income received	45	41
Interest expenses paid	(4)	(6)
Income taxes paid	(10,499)	(12,194)
Net cash provided by (used in) operating activities	24,014	22,059

(millions of yen)

	FY 2011 (April 1, 2011 through March 31, 2012)	FY 2012 (April 1, 2012 through March 31, 2013)
Net cash provided by (used in) investing activities:		
Net decrease (increase) in time deposits	(6,600)	6,100
Purchase of property, plant and equipment	(655)	(1,441)
Proceeds from sales of property, plant and equipment	123	48
Purchase of intangible assets	(149)	(178)
Purchase of investment securities	(210)	-
Proceeds from sales of investment securities	53	41
Proceeds from redemption of investment securities	-	100
Purchase of long-term prepaid expenses	(8)	(13)
Purchase of stocks of subsidiaries and affiliates	(268)	-
Other, net	15	23
Net cash provide by (used in) investing activities	(7,699)	4,679
Net cash provided by (used in) financing activities:		
Proceeds from long-term loans payable	1,100	-
Repayments of long-term loans payable	(188)	(310)
Proceeds from guarantee deposits received from member dealers	222	202
Repayment of guarantee deposits received from member dealers	(86)	(79)
Purchases of treasury stock	(11,812)	(12,309)
Proceeds from sales of treasury stock	-	202
Cash dividends paid	(6,001)	(7,811)
Repayment of finance lease obligations	(287)	(340)
Other, net	-	0
Net cash provided by (used in) financing activities	(17,053)	(20,446)
Net increase (decrease) in cash and cash equivalents	(739)	6,292
Cash and cash equivalents at beginning of period	29,280	28,540
Cash and cash equivalents at end of period	28,540	34,833