

**USS**

Used car  
System  
Solutions

# Consolidated Results of Operations

fiscal year ended March 31, 2016

**USS Co., Ltd.**  
**May 2016**



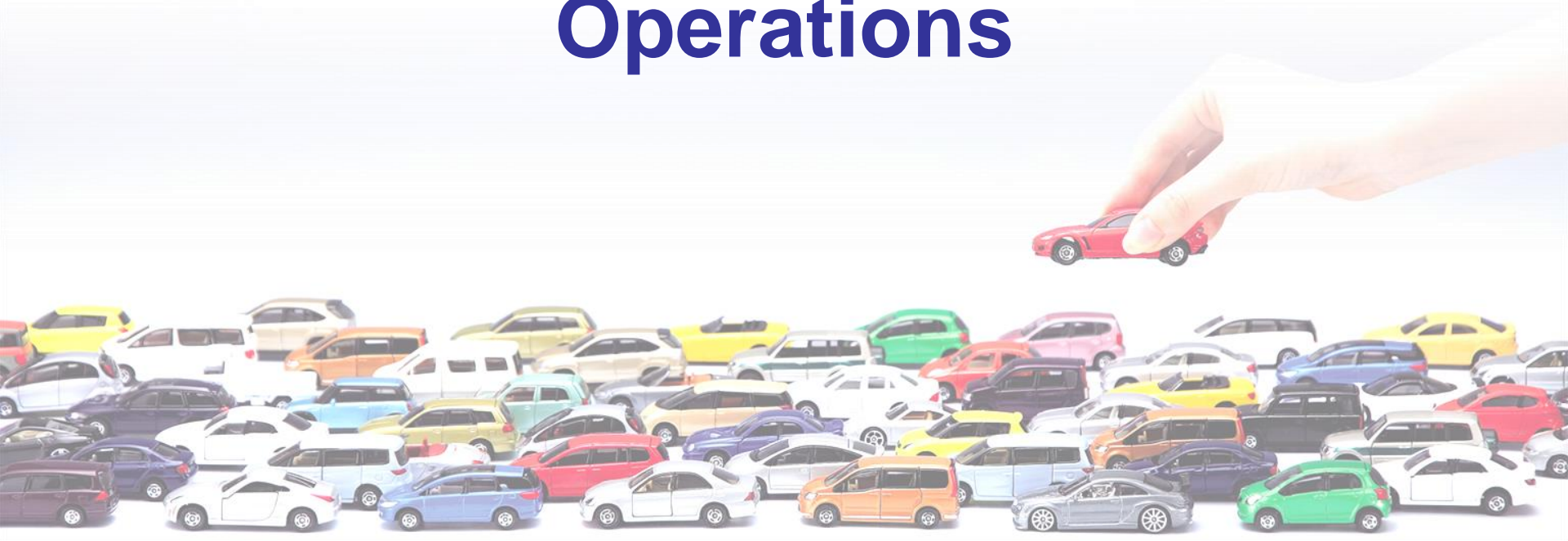
- This document has been translated from the original Japanese as a guide for non-Japanese investors.
- Forward-looking statements in this material are based on information available to management at the time this material was prepared and assumptions that management believes are reasonable. These statements are not promises by the Company regarding future performance. Actual results may differ significantly from these statements for a number of reasons.
- The information provided in this material may include unaudited figures.
- The amounts less than the units shown are discarded.
- Percentages are rounded to the hundredths place.

Japan Bike Auction Co., Ltd., included in the consolidation assuming the end of the third quarter as the acquisition date, is presented as JBA in these materials.

#### Reference materials

Japan Automobile Dealers Association, Japan Light Motor Vehicle and Motorcycle Association, Japan Automobile Recycling Promotion Center, USED CAR Co., Ltd., Trade Statistics of Japan Ministry of Finance, Ministry of Economy, Trade and Industry

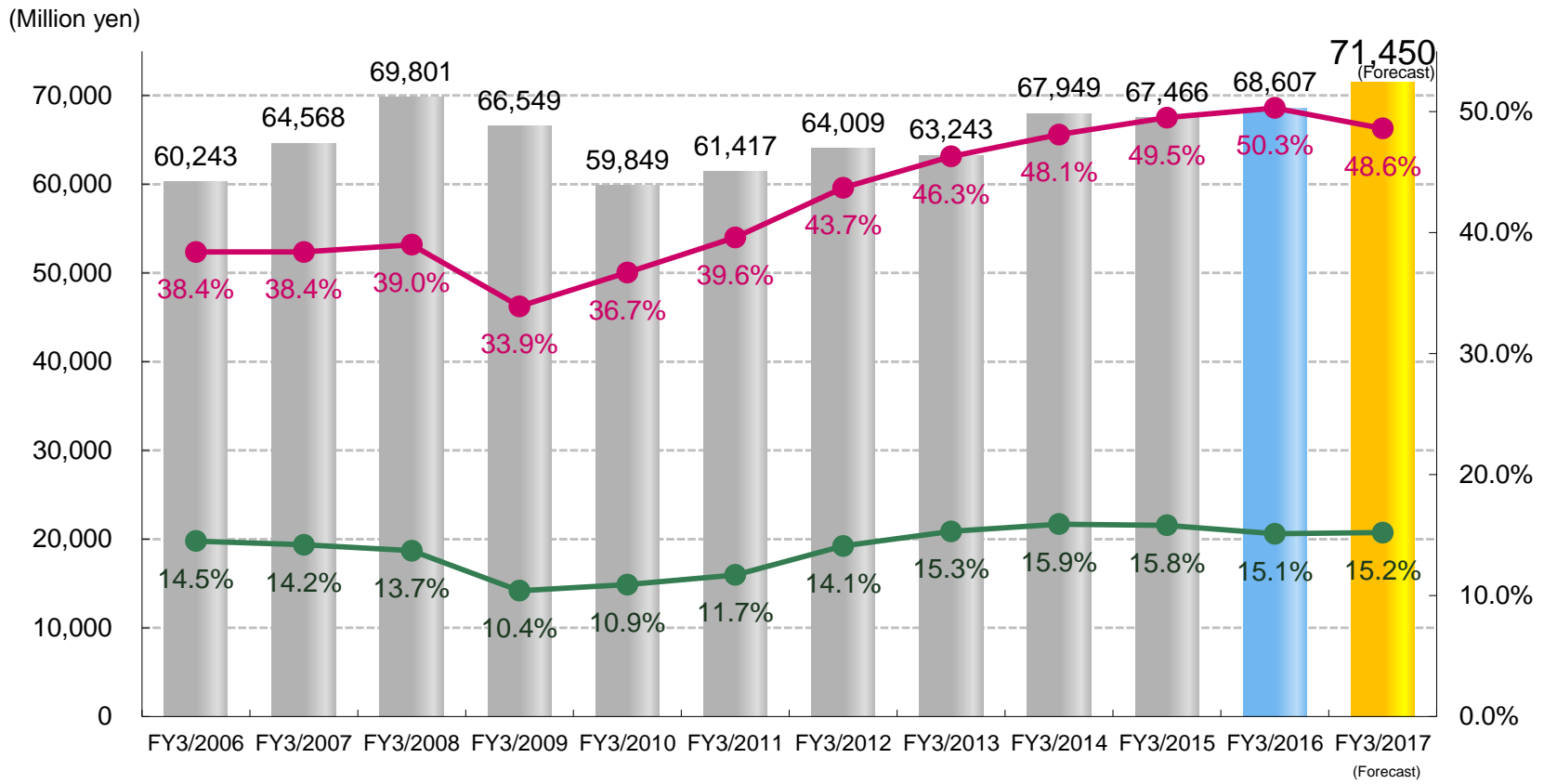
# USS Profile and Results of Operations



# (1) Consolidated Sales, Operating Margin and ROE

Strong growth in profitability, medium-term target is ROE of 15%

■ Net sales ● Operating margin ● ROE



**FY3/2006 – FY3/2016**

**Avg. 10-year growth rate    Sales 1.3%    Operating income 4.1%**

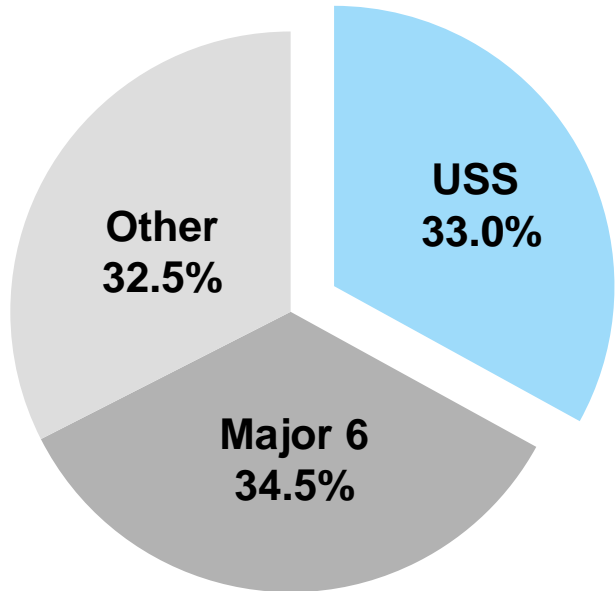
**Avg. 10-year operating margin 42.6%**

**Average 10-year ROE 13.7%**

# (2) Competitive Edge in Japan's Auto Auction Industry

## Largest Share of the Auto Auction Market

Market share (CY2015)



\*Major 6: TAA (9.9%), JAA (8.5%), CAA (5.3%), Arai AA (4.8%), KCAA (3.1%), JU Gifu (2.9%)

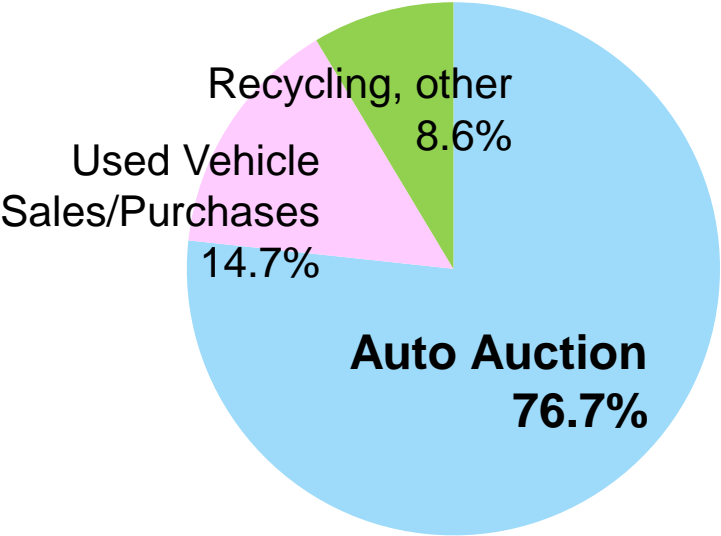
## The Superiority of USS

- Overwhelming lead in the number of members: 46,000 companies
- The industry leader with 17 auction sites nationwide
- High-volume auction sites in Tokyo, Nagoya and other locations
- Off-site bidding system using satellite TV and the Internet
- USS created the industry standards for vehicle evaluations and auction systems
- A sound financial position
  - equity ratio of 82.5%

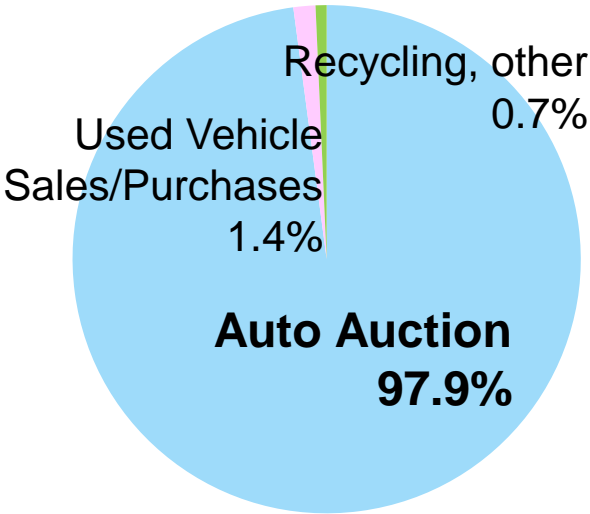
(As of end of Mar. 2016)

# (3) Breakdown of Net sales and Operating income

**Sales breakdown (FY3/16)**



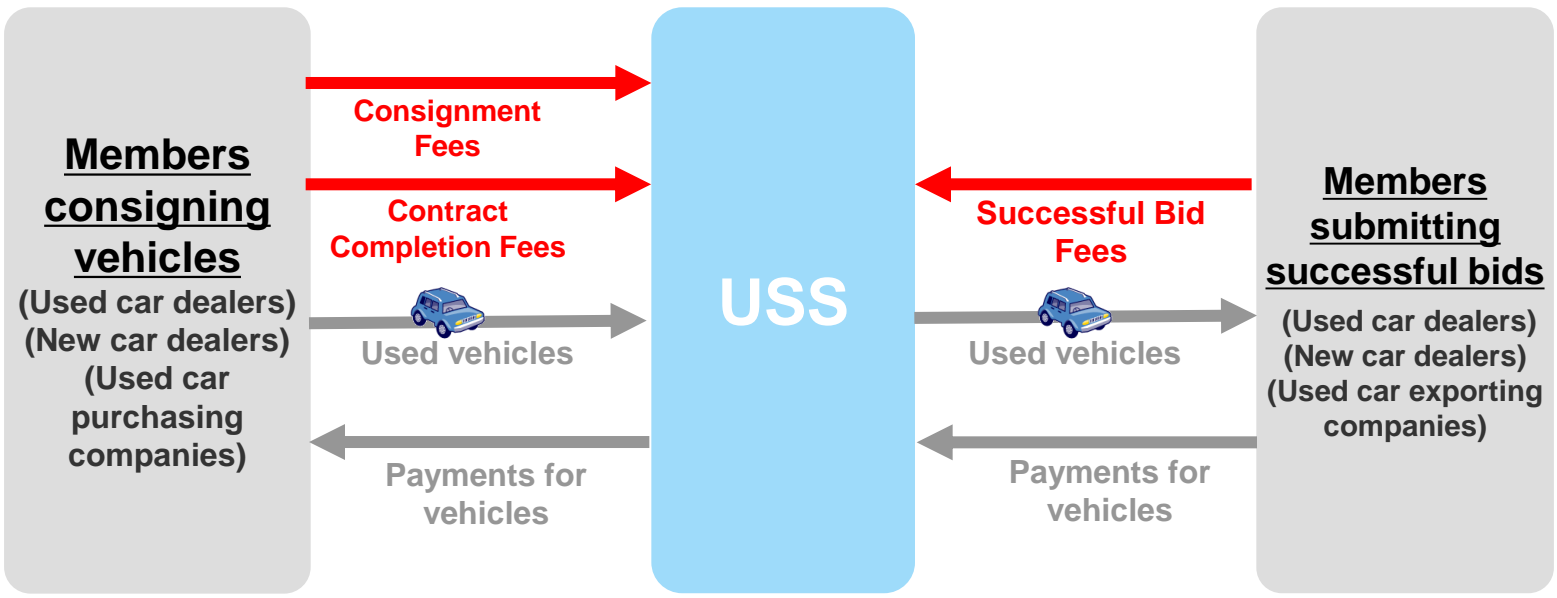
**Operating income breakdown (FY3/16)**



\*Sales are sales to external customers and operating income is based on business segment earnings.

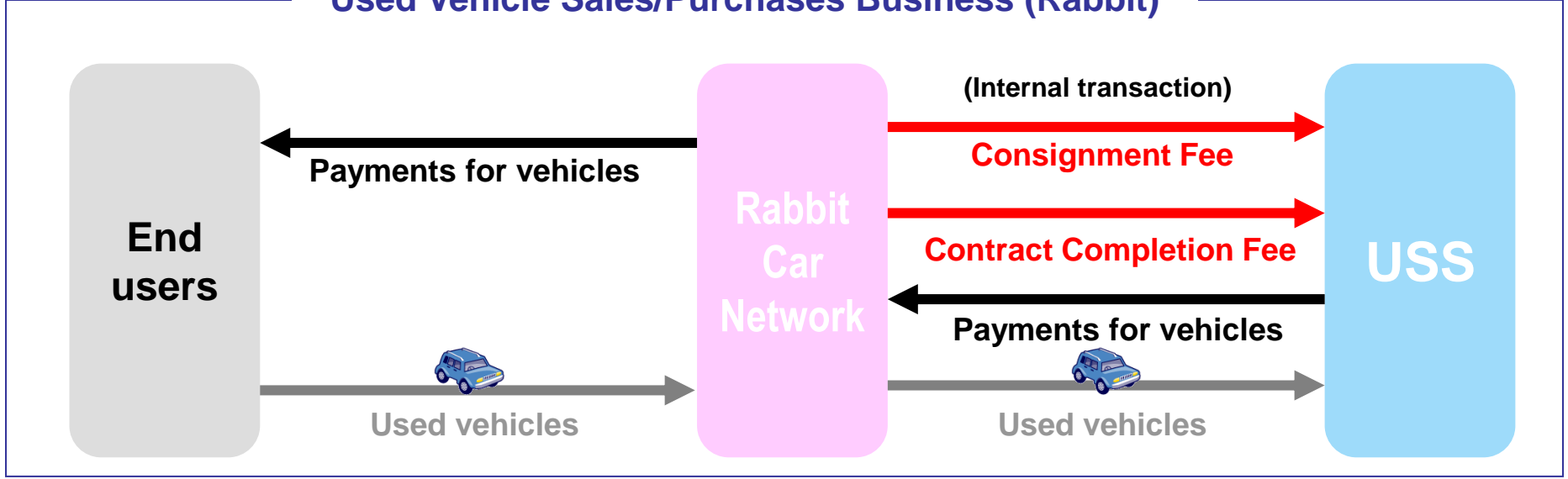
# (4) Business Models for Auto Auction Business

## Auto Auction Business

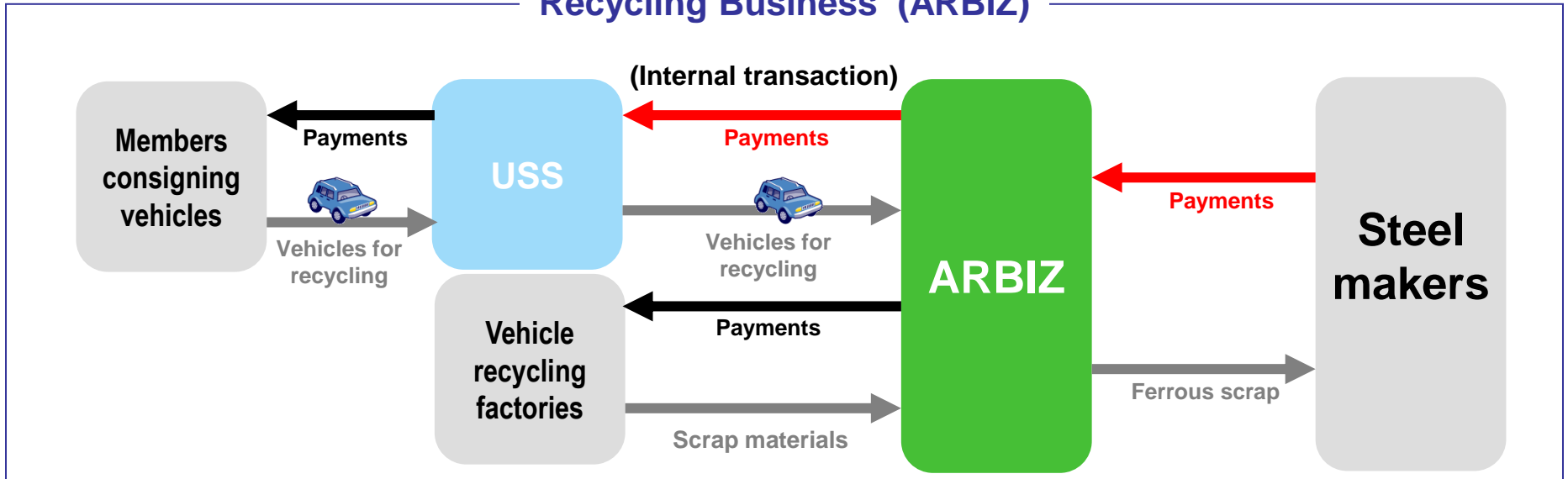


**(5) Business Models for Used Vehicle Sales/Purchases Business and Recycling Business**

**Used Vehicle Sales/Purchases Business (Rabbit)**

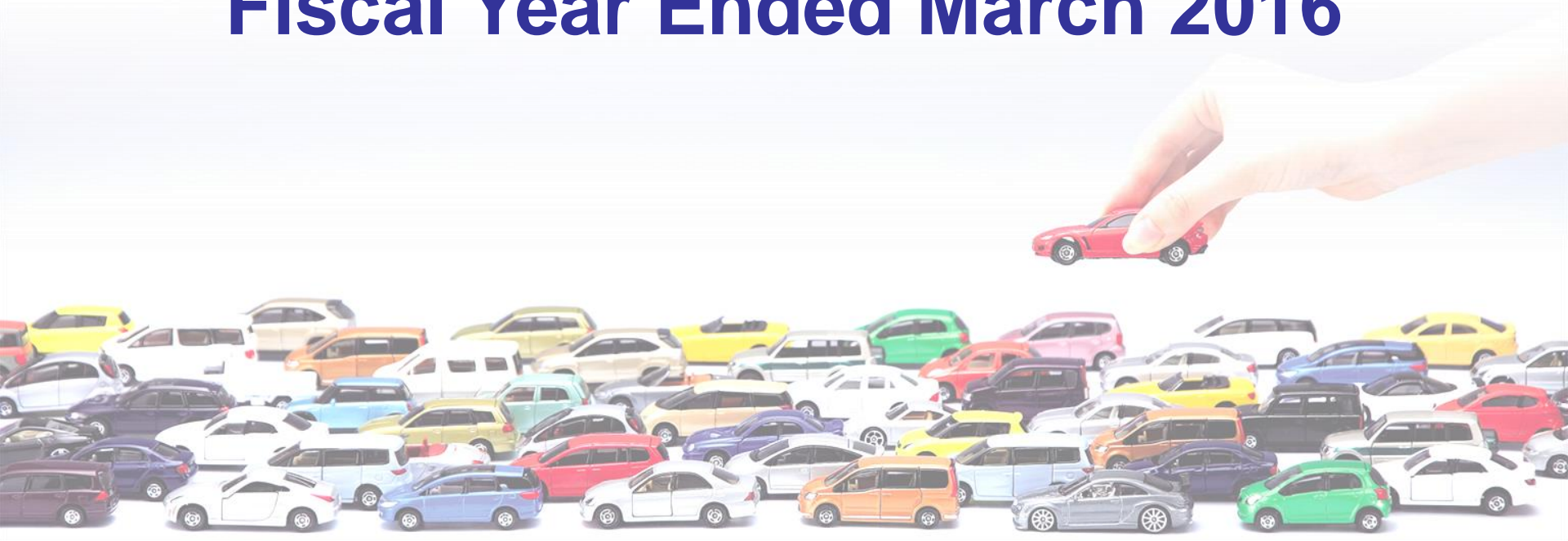


**Recycling Business (ARBIZ)**





# Results of Operations Fiscal Year Ended March 2016



- **Sales up 1.7% (YoY)**
  - Auto auction business sales up 4.6% (YoY)
  - Vehicles consigned up 1.7%, contracted vehicles up 1.1% (YoY) (excl. JBA)
  - Contract completion rate was 65.3% (65.7% one year earlier) (excl. JBA)
  - Off-site (Satellite TV and CIS (Internet)) successful bid ratio was 48.8% (50.1% one year earlier)
  - Used vehicle purchasing and selling business sales increased 0.1% (YoY)
  - Recycling and others sales decreased 16.7% (YoY)
  
- **Operating income up 3.2% and ordinary income up 3.5% (YoY)**
  - Auto auction business operating income increased 4.5% (YoY)
  - Used vehicle purchasing and selling business increased 4.5% (YoY)
  - Recycling and others operating income decreased 64.9% (YoY)
  - Operating margin improved from 49.5% to 50.3% (YoY)
  
- **Maintained a high equity ratio of 82.5%**

# FY3/2016 – Consolidated Income Statement

Record-high operating, ordinary and profit attributable to owners of parent for the fifth consecutive year

(Million yen)

	FY3/2015	FY3/2016	Year on year	Plan (As of Nov. 9, 2015)	VS. plan
Net sales	67,466	68,607	101.7%	70,000	98.0%
Cost of sales (Per sales)	25,774 (38.2%)	25,867 (37.7%)	100.4%	26,289 (37.6%)	98.4%
Gross profit (Per sales)	41,691 (61.8%)	42,740 (62.3%)	102.5%	43,710 (62.4%)	97.8%
Selling, general and administrative expenses (Per sales)	8,279 (12.3%)	8,248 (12.0%)	99.6%	8,510 (12.2%)	96.9%
Operating income (Per sales)	33,411 (49.5%)	34,491 (50.3%)	103.2%	35,200 (50.3%)	98.0%
Ordinary income (Per sales)	34,027 (50.4%)	35,218 (51.3%)	103.5%	35,900 (51.3%)	98.1%
Profit attributable to owners of parent (Per sales)	21,661 (32.1%)	22,477 (32.8%)	103.8%	23,400 (33.4%)	96.1%
Profit per share (yen)	83.79	86.92	103.7%	90.47	96.1%

## Net sales

- Fee income in the auto auction business (excl. JBA) increased, as the number of consigned vehicles rose and fee rates improved
- In the used vehicle purchasing and selling business (Rabbit), higher selling prices was the main reasons for sales growth

**Cost of sales** • Cost of goods sold increased

## SG&A expenses

- Increased in taxes and dues and enterprise tax
- Decreased in employee salaries and bonuses, expenses for supplies, and other items

# FY3/2016 – Consolidated Balance Sheet

Outstanding financial soundness even as substantial earnings distributions to shareholders continue

(Million yen)

	FY3/2015	FY3/2016	Changes
<b>Current assets</b>	<b>73,334</b>	<b>81,440</b>	<b>8,106</b>
Cash and deposits	49,862	62,290	12,427
Receivables due from member dealers at auction	7,885	10,612	2,727
Other	15,586	8,537	▲7,049
<b>Noncurrent assets</b>	<b>100,771</b>	<b>105,391</b>	<b>4,619</b>
Property, plant and equipment	91,388	96,101	4,712
Intangible assets	1,137	1,578	440
Investments and other assets	8,245	7,711	▲534
<b>Total assets</b>	<b>174,106</b>	<b>186,831</b>	<b>12,725</b>
<b>Current liabilities</b>	<b>23,910</b>	<b>25,937</b>	<b>2,027</b>
Payables due to member dealers at auction	9,753	13,288	3,535
Other	14,157	12,649	▲1,508
<b>Noncurrent liabilities</b>	<b>6,156</b>	<b>5,710</b>	<b>▲446</b>
Long-term loans payable	300	21	▲279
Other	5,855	5,688	▲166
<b>Total liabilities</b>	<b>30,067</b>	<b>31,647</b>	<b>1,580</b>
<b>Shareholders' equity</b>	<b>148,654</b>	<b>159,865</b>	<b>11,211</b>
Accumulated other comprehensive income	▲5,555	▲5,710	▲154
Subscription rights to shares	273	262	▲11
Non-controlling interests	666	765	98
<b>Total net assets</b>	<b>144,039</b>	<b>155,183</b>	<b>11,144</b>

## Current assets

- Accounts receivable - due from member dealers at auction increased by 2.72 billion yen due to factors related to year-end auction dates
- Other declined by 7.04 billion yen due to negotiable deposits maturity, etc.

## Noncurrent assets

- Property, plant and equipment increased by 4.71 billion yen due to completion of multi-level parking at Nagoya Auction Site. (Sale of Toyo Rubber Chips Co., Ltd. accounted for -1.32 billion yen of the total)

## Current liabilities

- Current liabilities rose by 3.53 billion yen due to an increase in due to member dealers at auction.
- Other decreased by 1.50 billion yen due to a decline in accrued consumption taxes. (Sale of Toyo Rubber Chips Co., Ltd. accounted for -320 million yen of the total)

# FY3/2016 – Consolidated Cash Flows

(Million yen)

	FY3/2015	FY3/2016	Changes
Net cash provided by operating activities	24,287	26,030	1,742
Income before income taxes	34,162	34,418	256
Depreciation and other amortization	3,532	3,413	▲118
Amortization of goodwill	5	20	14
Loss (▲gain) on sale and retirement of property, plant and equipment	64	196	131
Loss (▲gain) on sales and retirement of intangible assets	36	0	▲36
Loss (▲gain) on sales of shares of subsidiaries	-	641	641
Net change in due from/to member dealers at auction	▲1,282	886	2,169
Income taxes paid	▲13,444	▲11,974	1,470
Other	1,213	▲1,572	▲2,786
Net cash provided by investing activities	▲19,724	▲5,694	14,029
Purchase of property, plant and equipment	▲2,121	▲8,455	▲6,334
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	▲117	▲117
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	630	630
Other	▲17,602	2,248	19,851
Net cash provided by financing activities	▲9,718	▲12,427	▲2,709
Net increase (▲decrease) in loans payable	▲329	▲286	43
Purchases of treasury stock	▲0	▲1,145	▲1,145
Decrease (▲increase) in money held in trust for purchase of treasury stock	-	▲854	▲854
Cash dividends paid	▲9,656	▲10,266	▲609
Other	267	124	▲143
Net increase (▲decrease) in cash and cash equivalents	▲5,155	7,907	13,063
Cash and cash equivalents at beginning of period	34,618	29,462	▲5,155
Cash and cash equivalents at end of period	29,462	37,370	7,907

## Operating activities

- Income before income taxes: 34.41 billion yen
- Income taxes paid: 11.97 billion yen
- Other expenditures of 1.57 billion yen, including an increase in consumption taxes paid

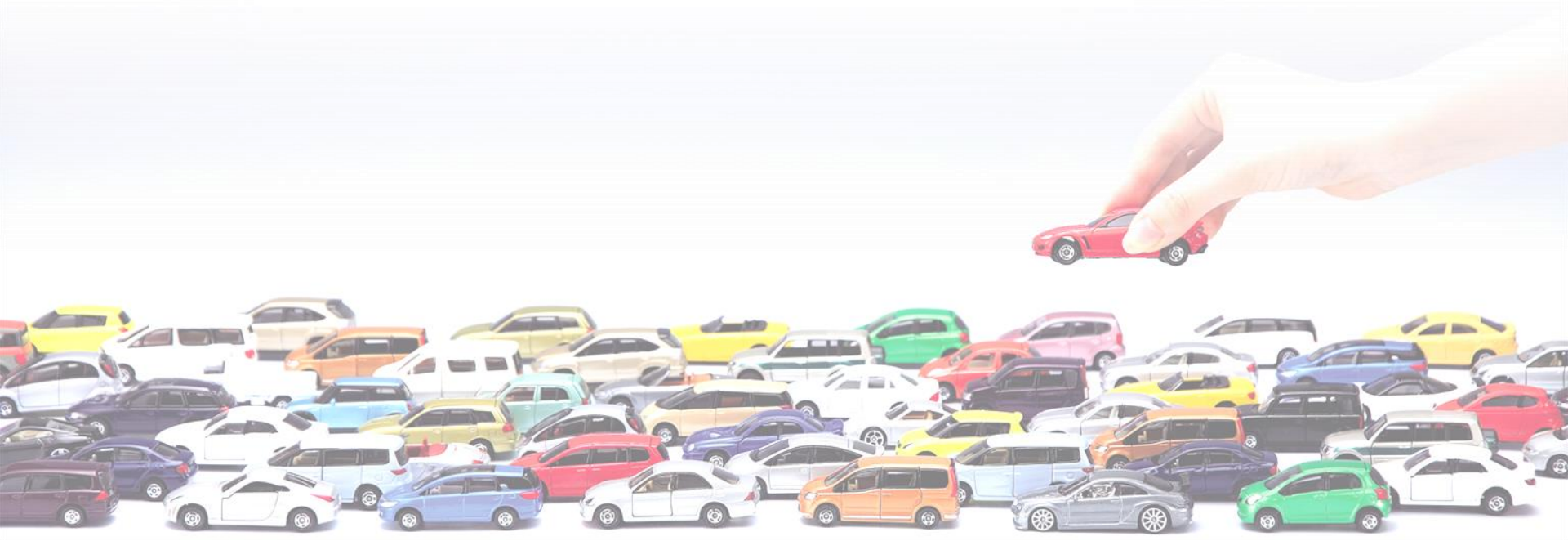
## Investing activities

- Purchase of property, plant and equipment includes disbursements of 8.45 billion yen for the multi-level parking at Nagoya Auction Site, etc.
- Other includes 2.24 billion yen proceeds from redemption at maturity of term deposits and negotiable deposits

## Financing activities

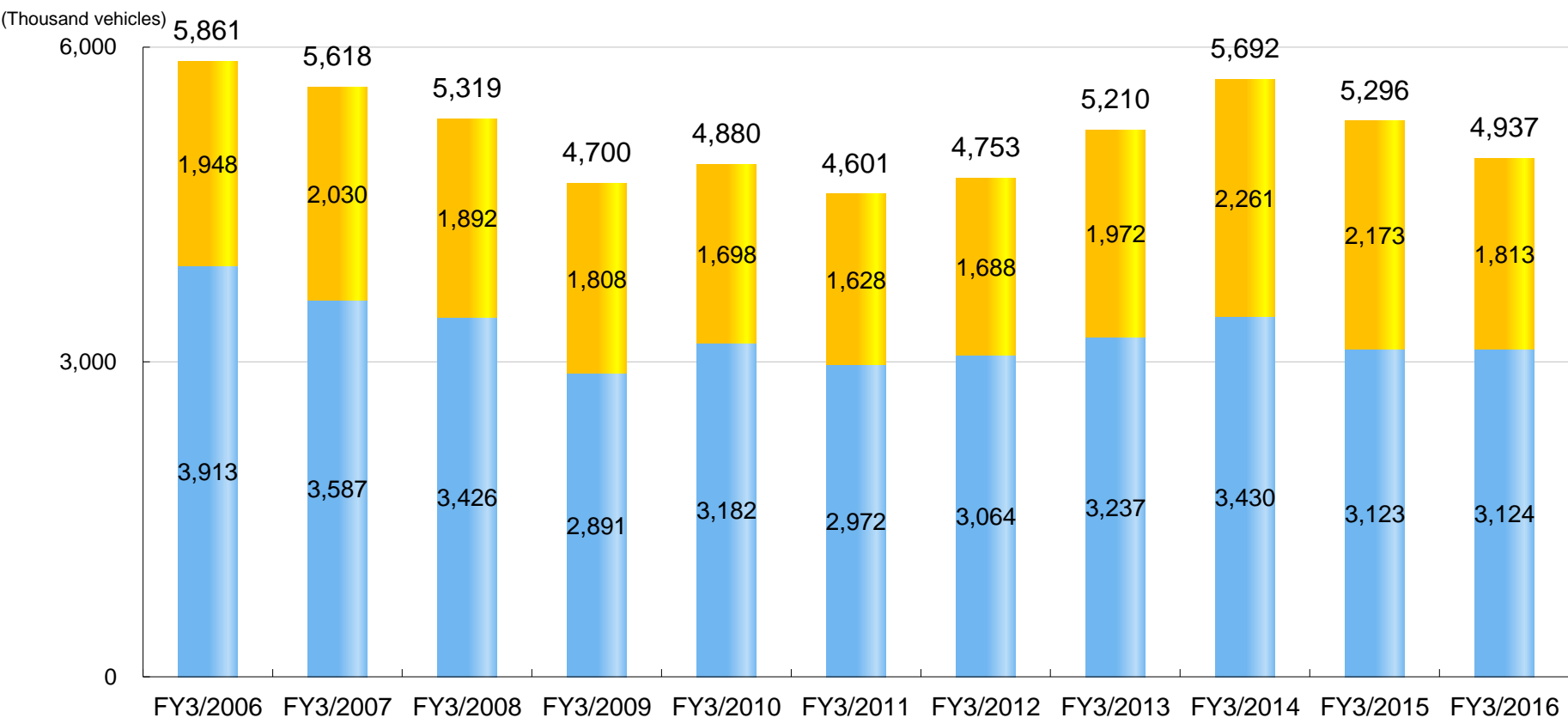
- Cash dividends paid: 10.26 billion yen

# Market Overview



# (1) New Car Registrations (April to March)

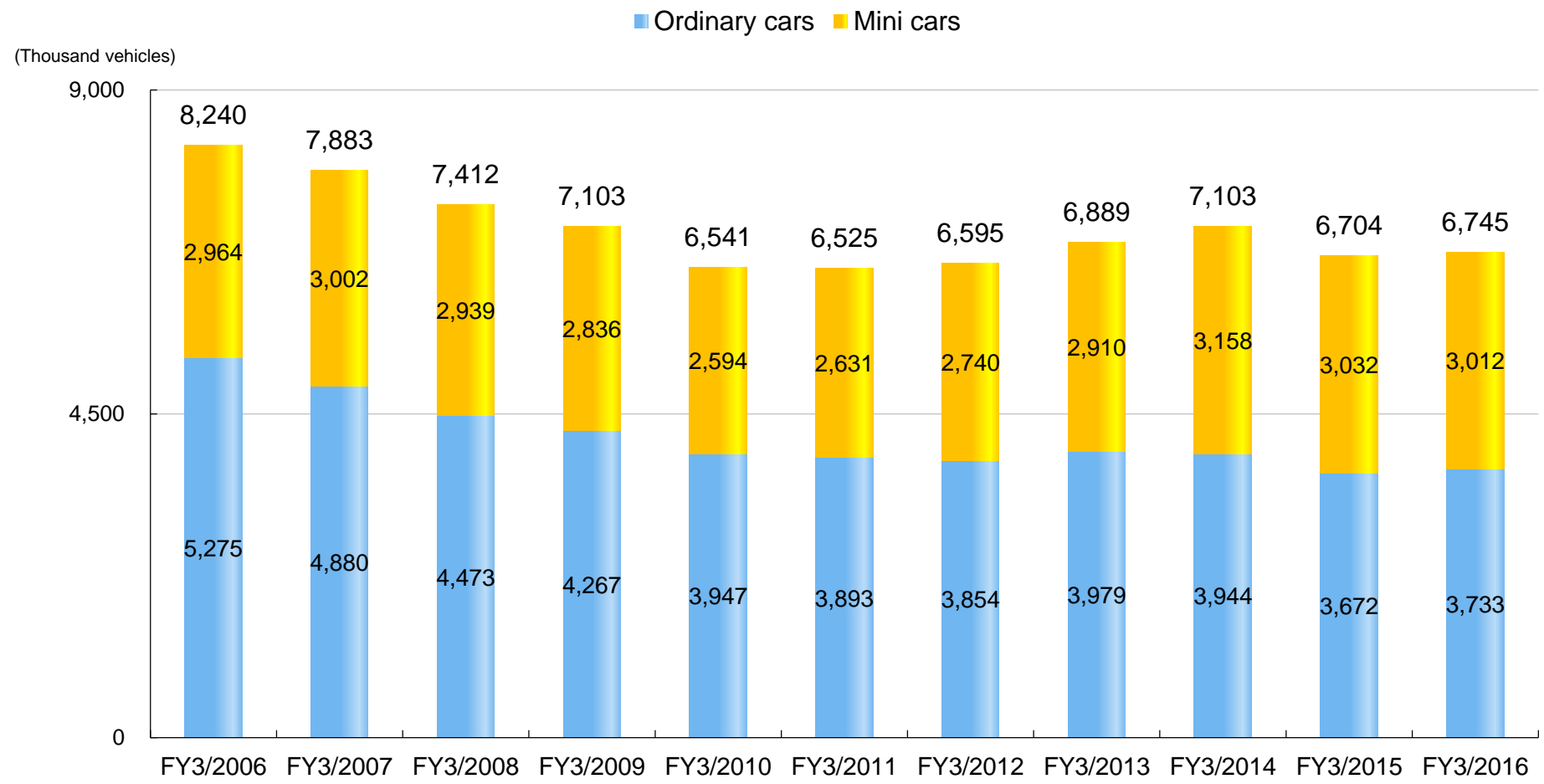
■ Ordinary cars ■ Mini cars



**New car registrations in FY3/16 decreased 6.8% to 4.93 million units**

- Ordinary car registrations in the new car registrations increased marginally. However, mini car registrations fell sharply as the Light Vehicle Tax rate was raised from April 2015.

# (2) Used Car Registrations (April to March)

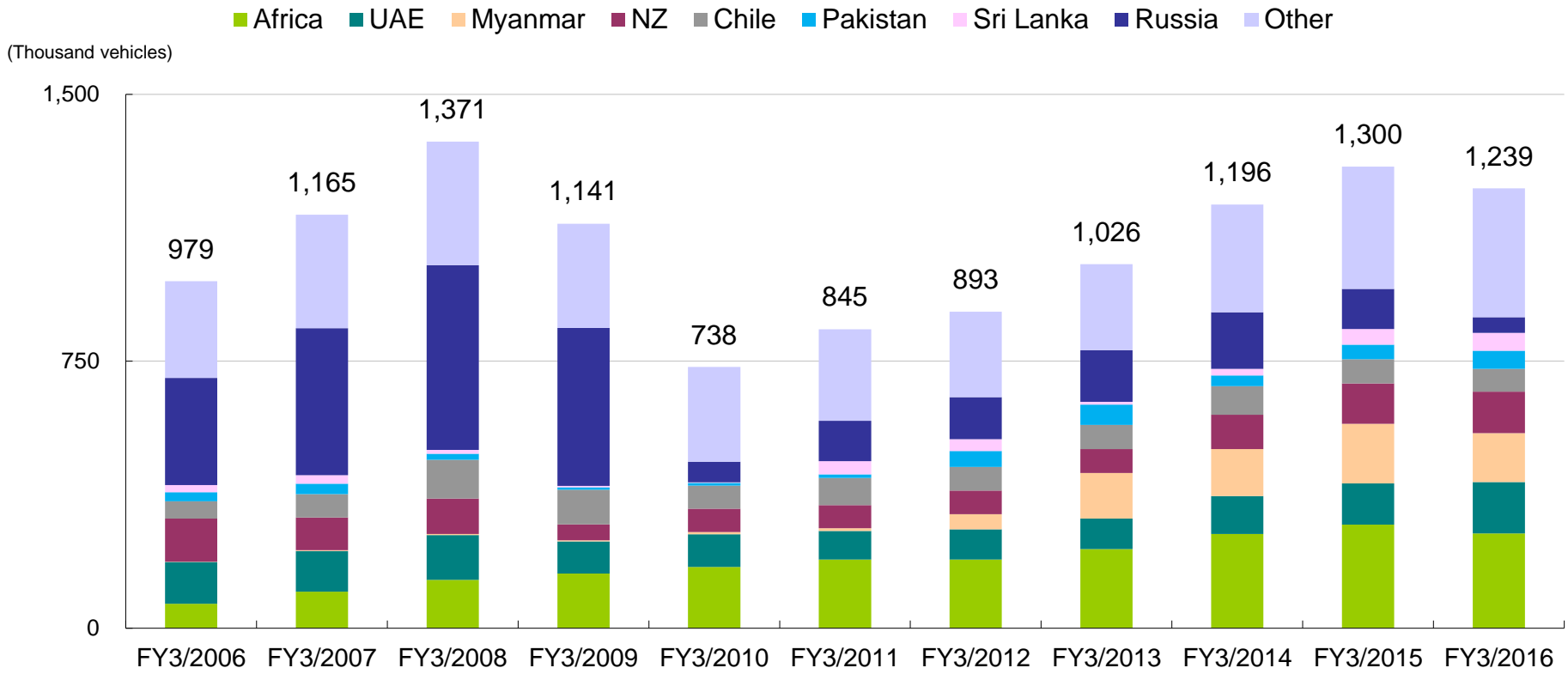


**Used car registrations in FY3/16 increased 0.6% to 6.74 million units**

- Ordinary car registrations in the used car registrations increased slightly; Mini car registrations declined marginally



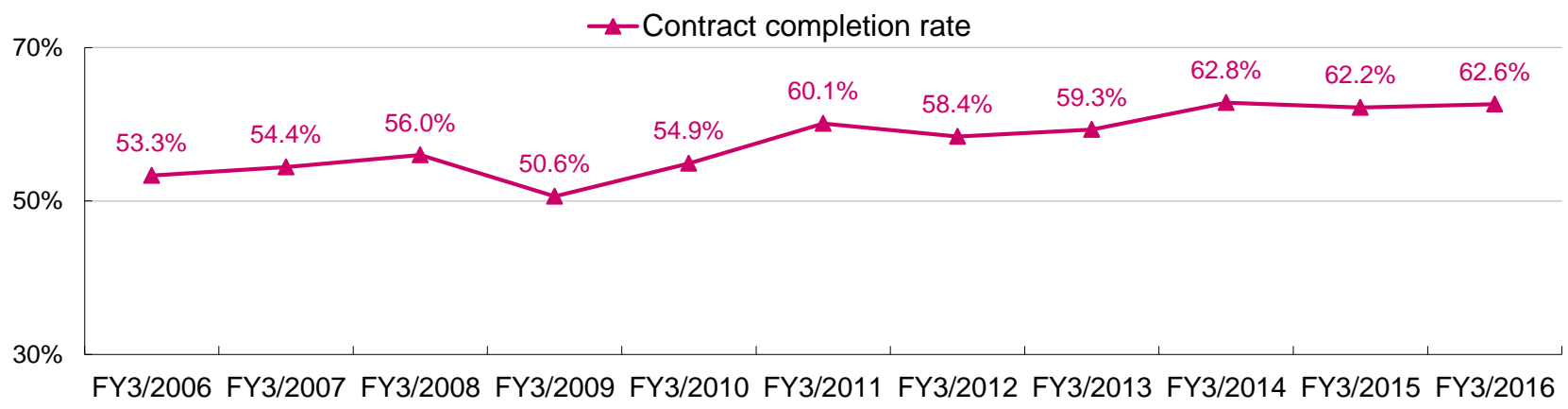
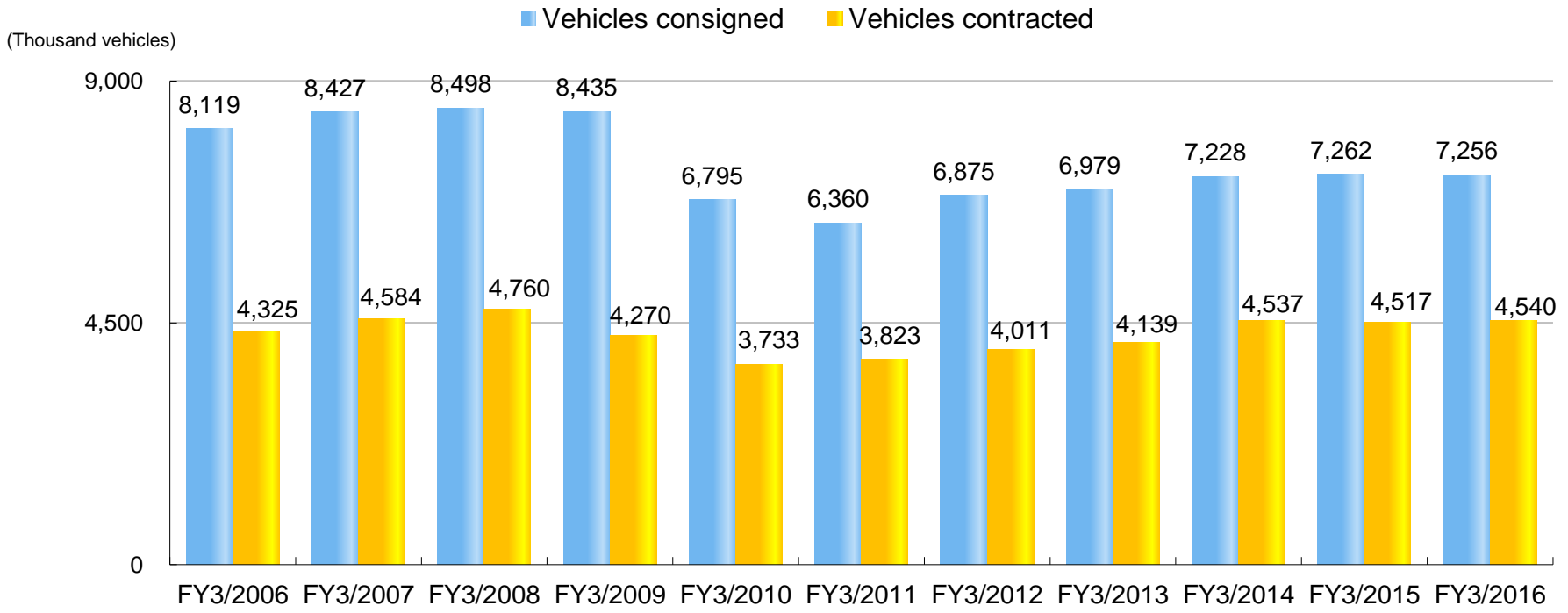
### (3) Used Car Exports (April to March)



**Used car exports in FY3/16 decreased 4.7% to 1.23 million units from one year earlier**

- Major destination countries  
 Africa 266,000 (down 8.7%), UAE 145,000 (up 24.4%), Myanmar 137,000 (down 17.8%), NZ 117,000 (up 2.9%)  
 Exports to Russia fell 60.3% from one year earlier to 44,000 because of the change in the foreign exchange rate
- Countries with large increases  
 Philippines 34,000 (up 16.3%), Bangladesh 32,000 (up 47.5%), Singapore 22,000 (up 264.6%)

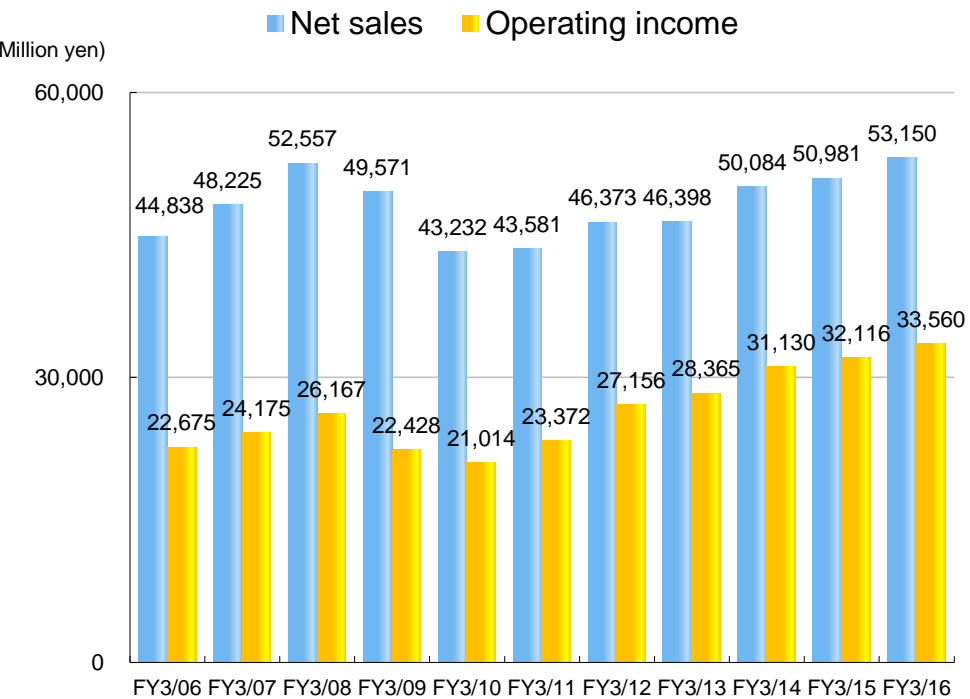
# (4) Auto Auction Market (April to March)



# Results of Operations (Segment Information)



# Auto Auction Business (1) – Results of Operations (April to March)



	(Million yen)		
	FY3/15	FY6/16	YoY
<b>Net sales</b>	<b>50,981</b>	<b>53,150</b>	<b>104.3%</b>
<b>Operating income (Per sales)</b>	<b>32,116 (63.0%)</b>	<b>33,560 (63.1%)</b>	<b>104.5%</b>

\*Figures for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

**Net sales increased 4.3% to 53,150 million yen from one year earlier**

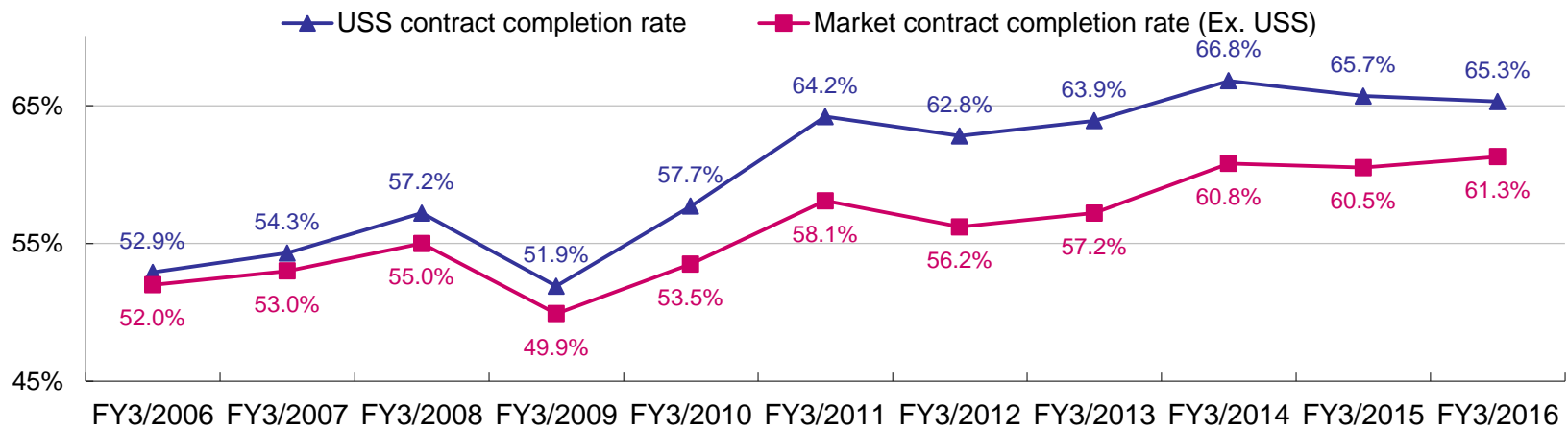
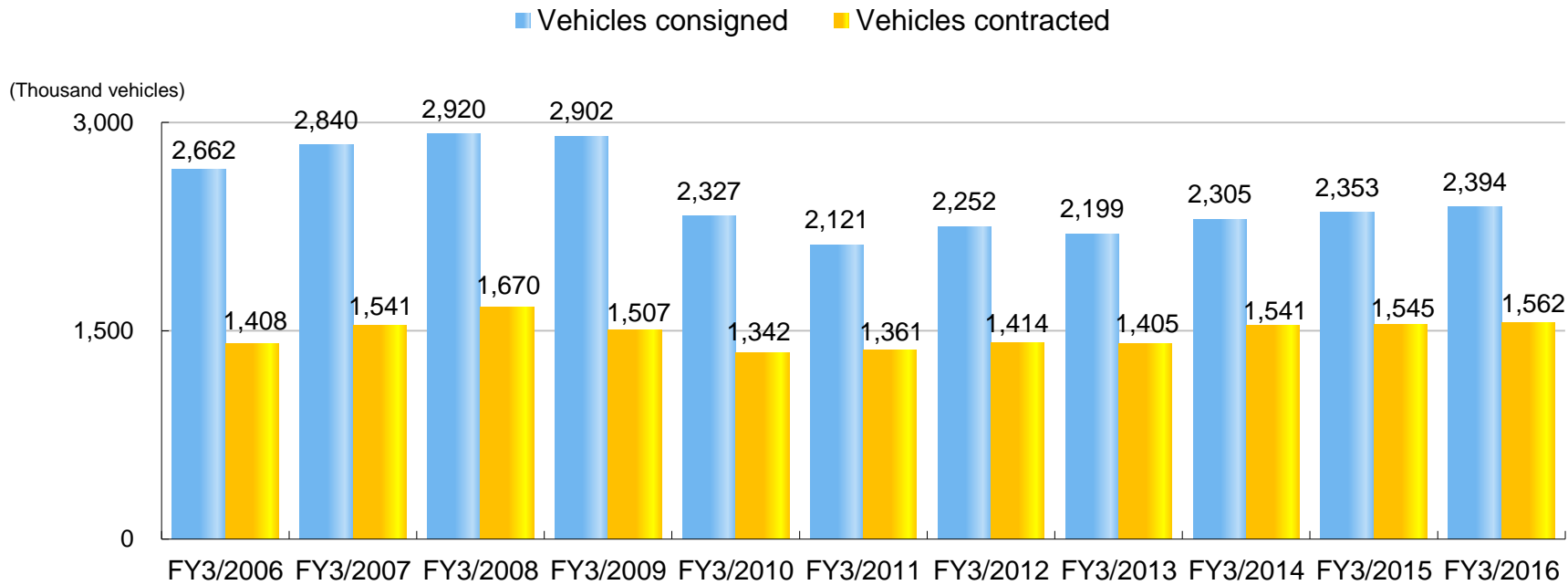
- Auto auction performance (excl. JBA)  
Vehicles consigned up 1.7% to 2,394 thousand; contracted vehicles up 1.1% to 1,562 thousand; contract completion rate decreased from 65.7% to 65.3%; the off-site successful bid ratio decreased from 50.1% to 48.8%

**Operating income increased 4.5% to 33,560 million yen from one year earlier**

- Decrease in depreciation expenses, expenses for supplies, and other items
- Increase in cost of goods sold, taxes and dues, and other items

\*The basis of aggregating successful bids received via satellite TV for calculating the off-site successful bid ratio is changed.

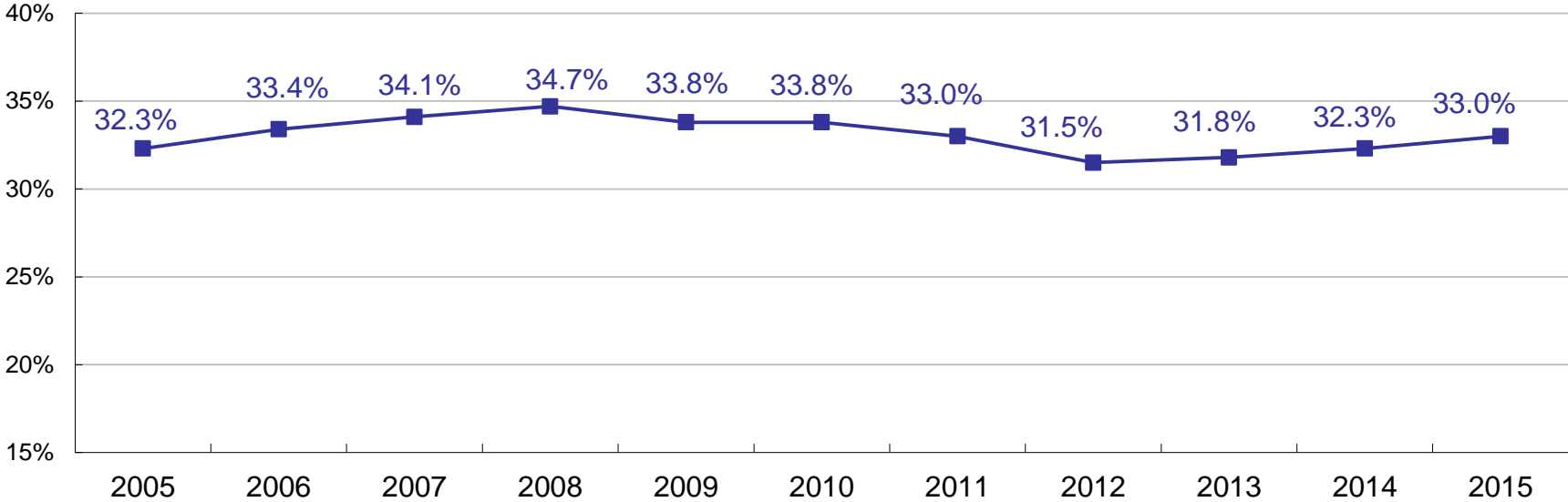
# Auto Auction Business (2) – USS Performance (April to March)



\*The figures in this slide do not include JBA data.

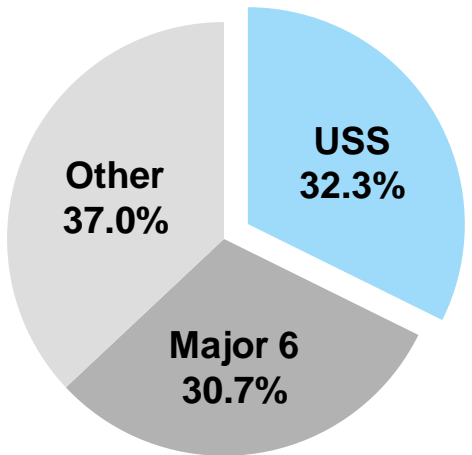
# Auto Auction Business (3) – Market Share (January to December)

USS Market Share



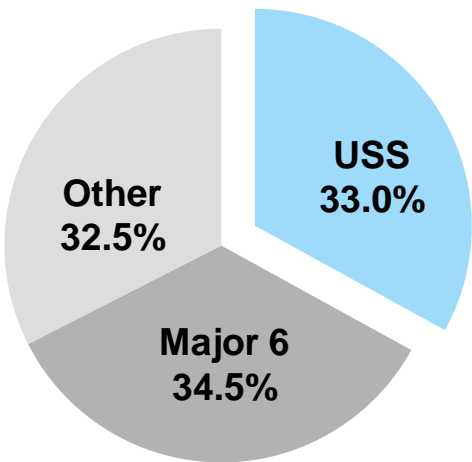
2005(CY) Market Share

- \*Major 6
- JAA (8.9%)
- TAA (7.1%)
- CAA (5.8%)
- Arai AA (4.5%)
- KCAA (2.4%)
- JU Gifu (2.0%)

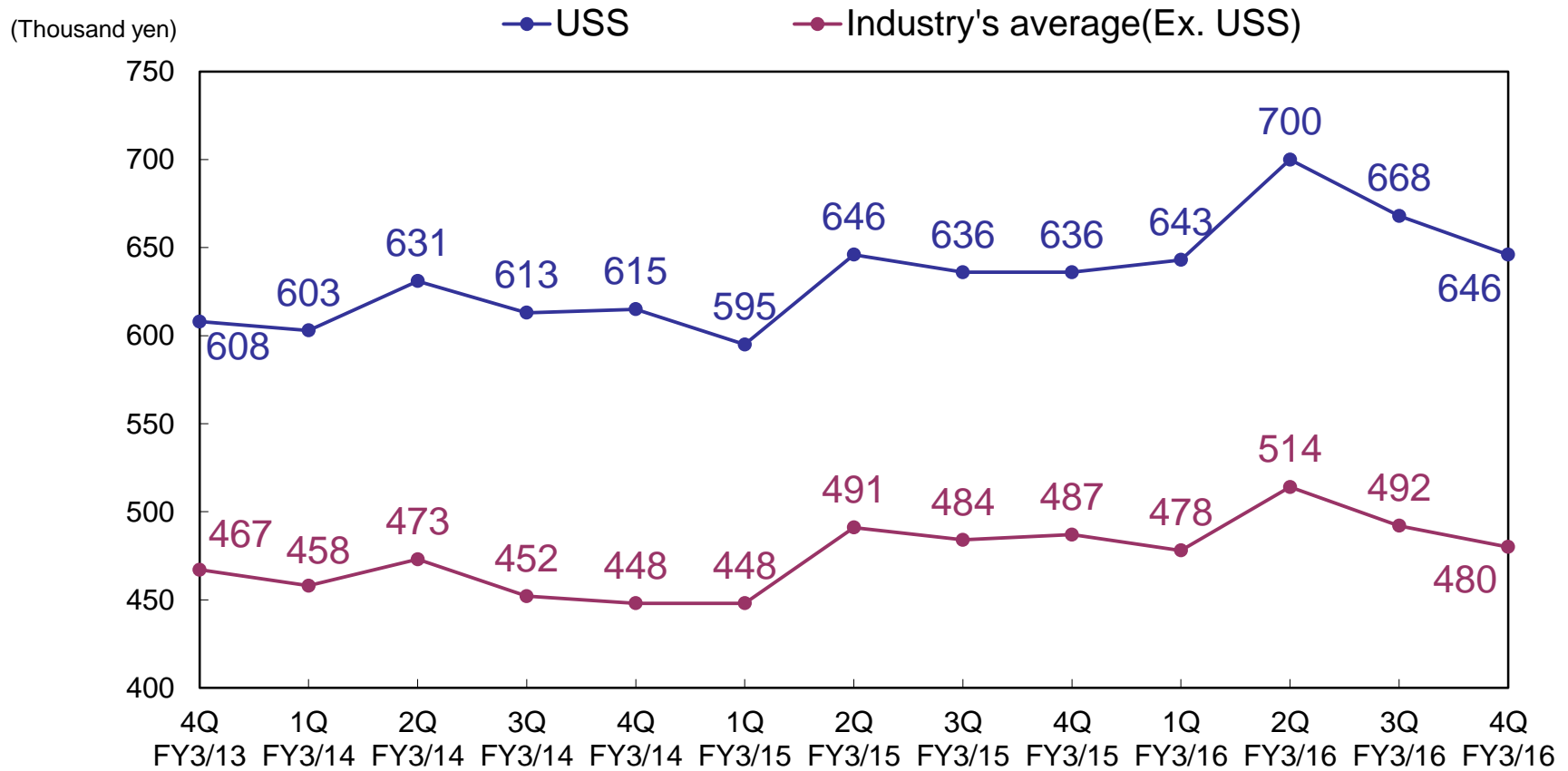


2015(CY) Market Share

- \*Major 6
- TAA (9.9%)
- JAA (8.5%)
- CAA (5.3%)
- Arai AA (4.8%)
- KCAA (3.1%)
- JU Gifu (2.9%)



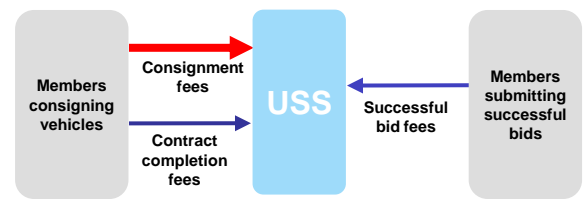
## Average Price of Vehicles Contracted



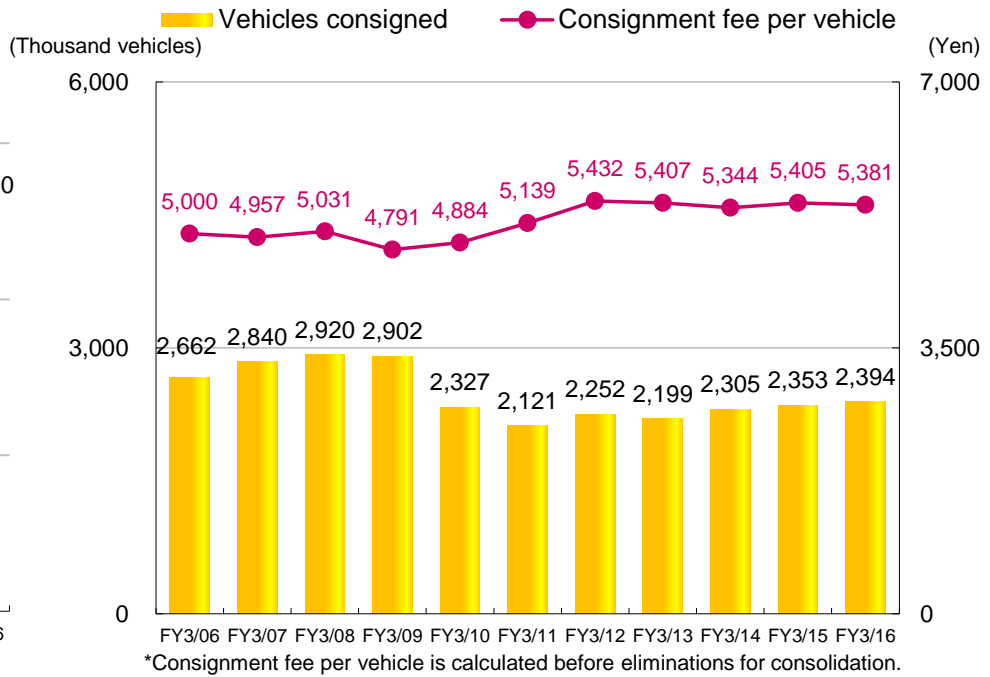
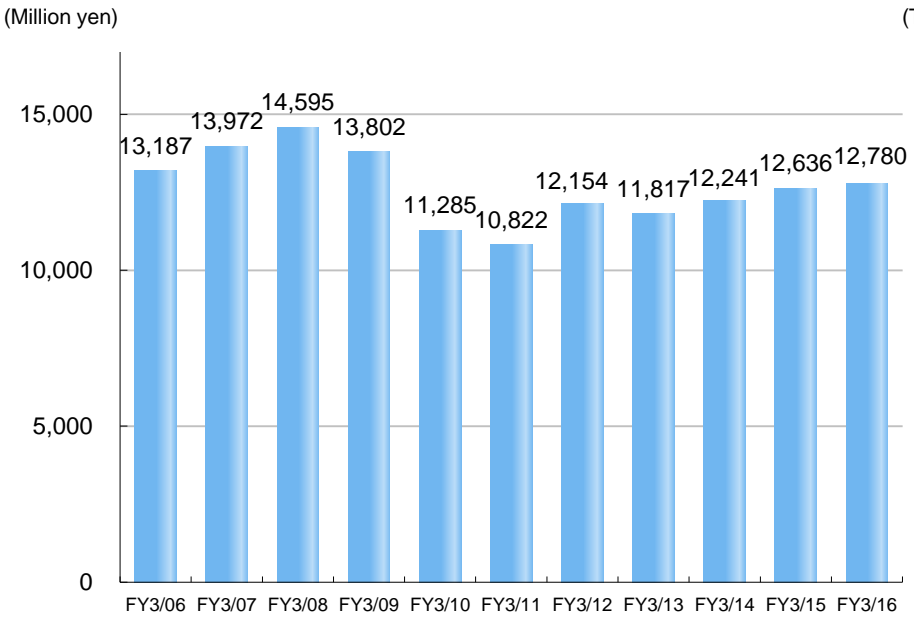
**Note:**

The average price per vehicle contracted is presented only for the purpose of comparison between the average price per vehicle contracted at USS and the auto auction industry average. Consignment, contract completion and successful bid fees for auto auctions in Japan are the same (fixed fees) for each category regardless of the purchase price. Therefore, the purchase price does not affect fees. See page 7 for more information about the auto auction business model.

# Auto Auction Business (5) – USS Vehicles Consigned and Consignment Fees



**Total of Consignment Fees**



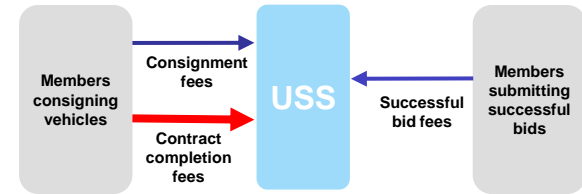
**Consignment fee per vehicle decreased by 24 yen to 5,381 yen from one year earlier**

- Consignment fees were reduced at certain sections in Osaka, Shizuoka and some other auction sites (negative effect)

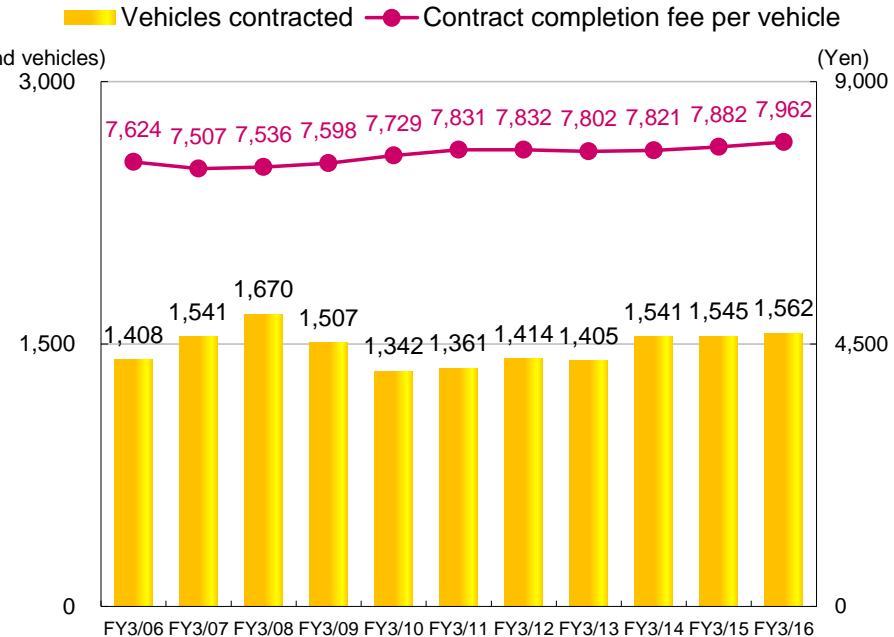
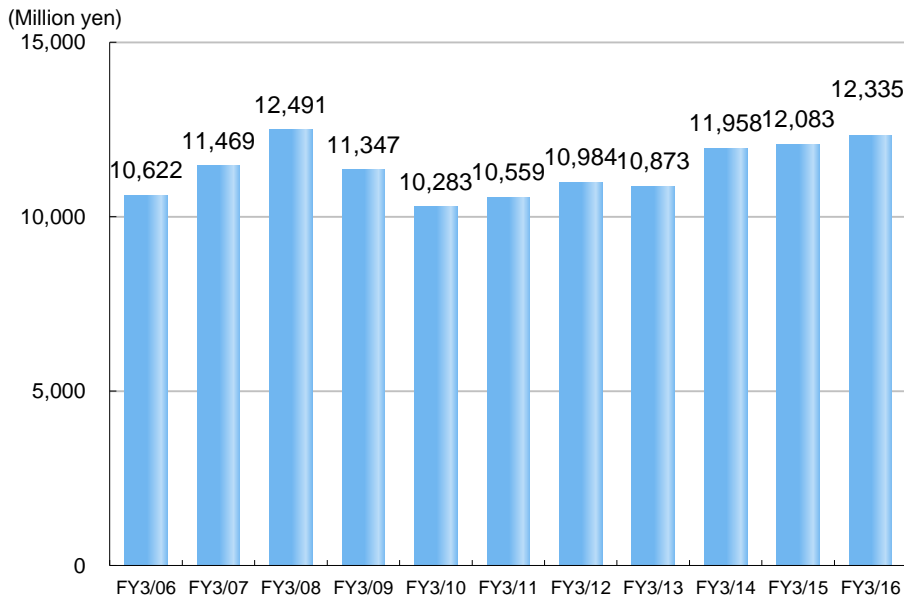
\*The figures in this slide do not include JBA data.



# Auto Auction Business (6) – USS Vehicles Contracted and Contract Completion Fees



## Total of Contract Completion Fees



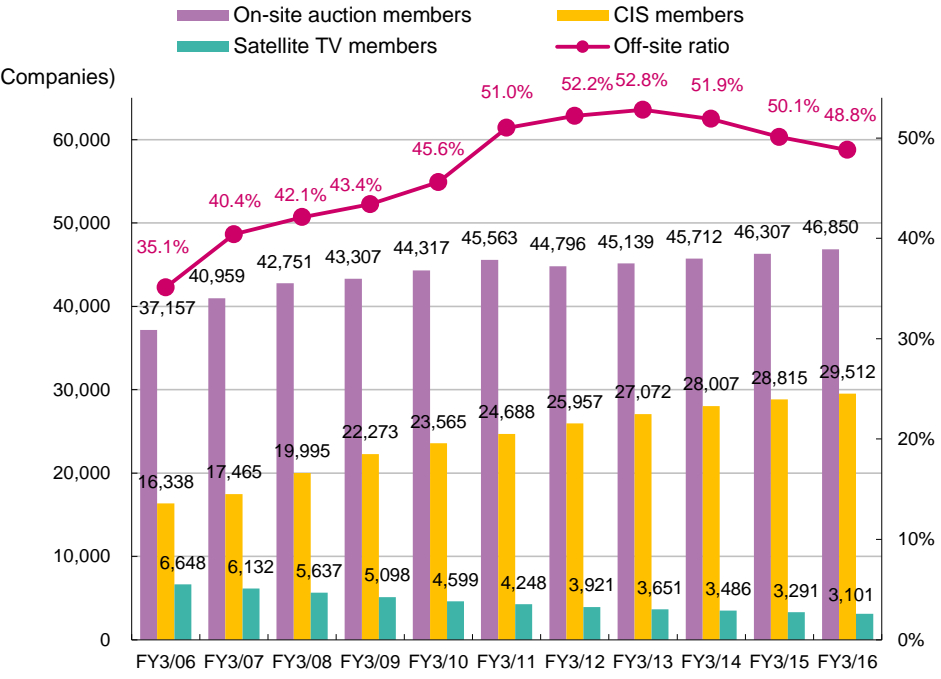
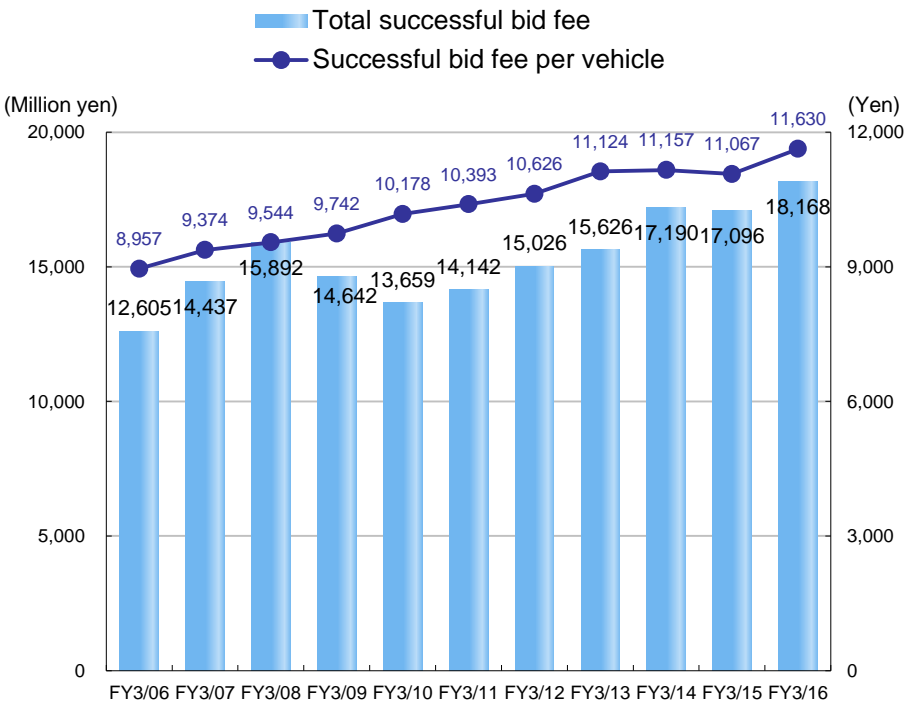
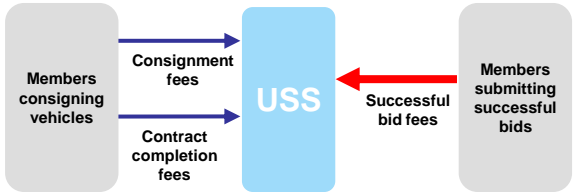
\*Contract completion fee per vehicle is calculated before eliminations for consolidation.

### Contract completion fee per vehicle increased by 80 yen to 7,962 yen from one year earlier

- Contract completion fees were raised at certain sections in Nagoya, Yokohama, Okayama and some other auction sites (positive effect)
- Increased share of vehicle contracted of major members who pay lower contract completion fees (negative effect)

\*The figures in this slide do not include JBA data.

# Auto Auction Business (7) – USS Successful Bid Fees and Off-site Successful Bid Ratio



\* Successful bid fee per vehicle is calculated before eliminations for consolidation.

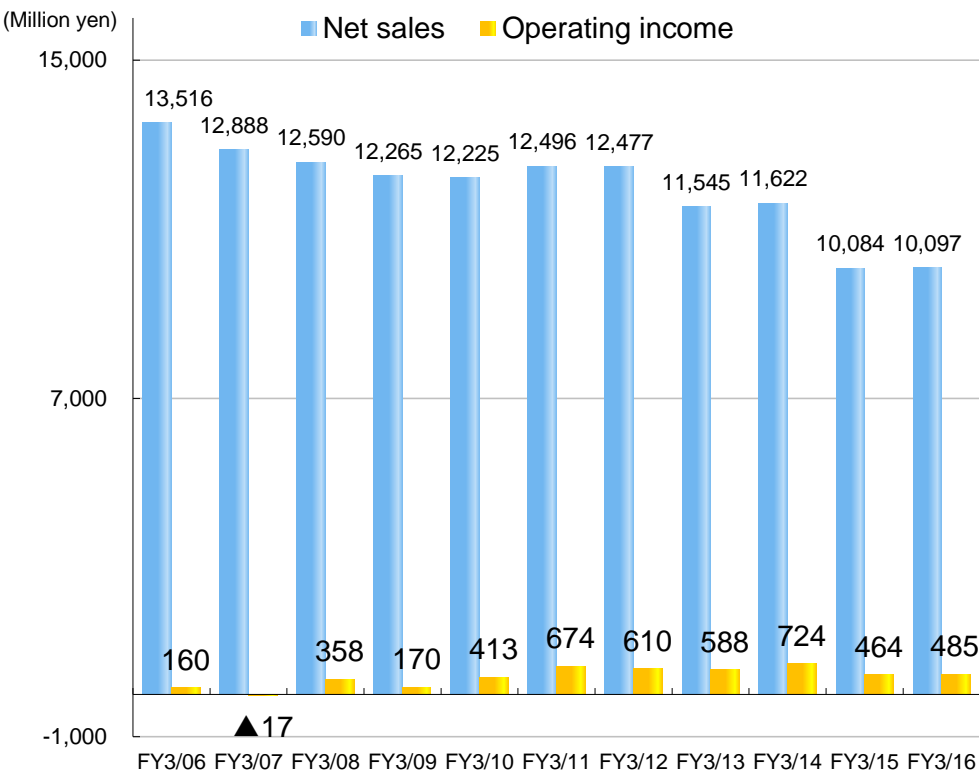
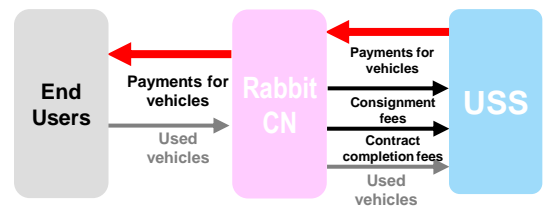
\*The basis of aggregating successful bids received via satellite TV for calculating the off-site successful bid ratio is changed effective from the fiscal year ended March 2011.  
 \*Starting in FY3/2012, the number of on-site auction members does not include sleeping members (members that have not been active for extended periods).

## Successful bid fee per vehicle increased by 563 yen to 11,630 yen from one year earlier

- Increased the off-site successful bid fee and negotiated purchase fee in July 2015 (Off-site successful bid fee was raised from 11,000 yen to 12,000 yen for satellite TV and from 16,000 yen to 17,000 yen for the Internet)
- The off-site successful bid ratio was 48.8% (50.1% one year earlier)

\*The figures in this slide do not include JBA data.

# Used Vehicle Purchasing and Selling Business – Results of Operations (April to March)



(Million yen)

	FY3/15	FY3/16	YoY
<b>Net sales</b>	<b>10,084</b>	<b>10,097</b>	<b>100.1%</b>
<b>Operating income (Per sales)</b>	<b>464 (4.6%)</b>	<b>485 (4.8%)</b>	<b>104.5%</b>

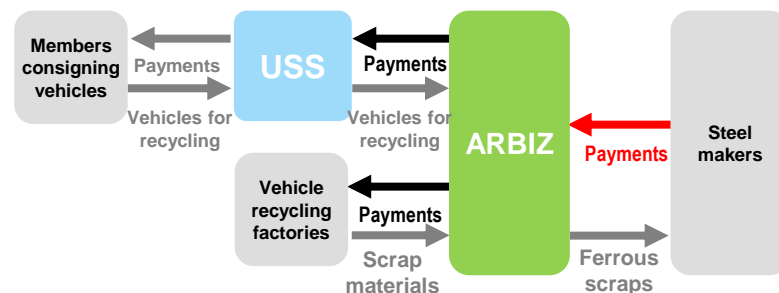
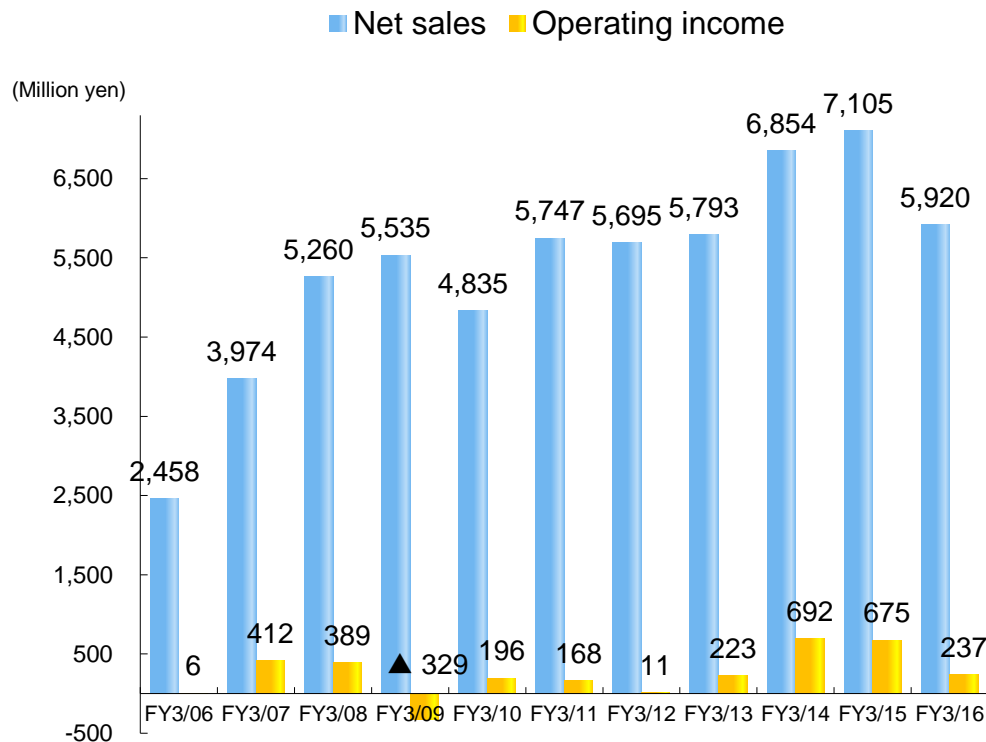
**Rabbit sales increased 0.4% to 6,765 million yen and operating income increased 6.0% to 386 million yen**

- Sales and operating income increased as the share of luxury cars rose and operating expenses, including commission payable, declined.

**Sales of accident-damaged vehicles decreased 0.5% to 3,331 million yen and operating income decreased 0.8% to 98 million yen**

- Sales and operating income fell due to lower gross profit per vehicle and lower vehicle prices.

# Other Business (Recycling Business) – Results of Operations (April to March)



	(Million yen)		
	FY3/15	FY3/16	YoY
<b>Net sales</b>	<b>7,105</b>	<b>5,920</b>	<b>83.3%</b>
<b>Operating income (Per sales)</b>	<b>675 (9.5%)</b>	<b>237 (4.0%)</b>	<b>35.1%</b>

ARBIZ sales decreased 7.1% to 4,670 million yen and operating income decreased 63.0% to 171 million yen

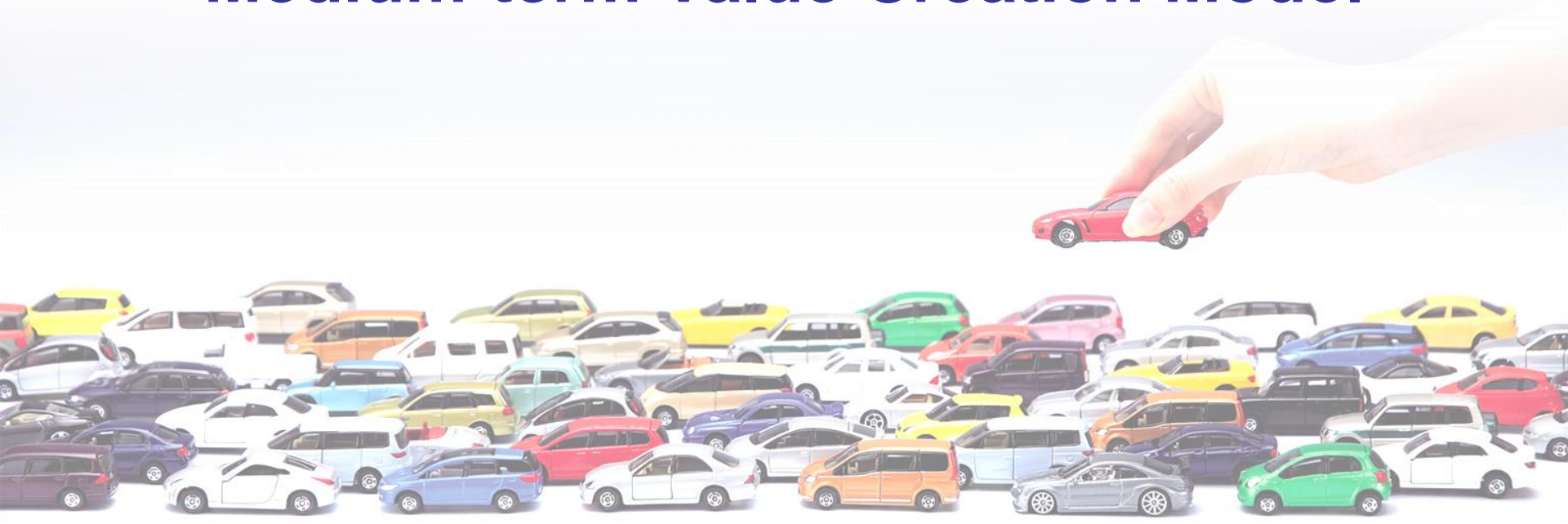
- Sluggish steel scrap market and downward trend non-ferrous metal prices brought down sales and operating income.

USS Logistics International Service sales decreased 13.2% to 529 million yen and operating income decreased 42.5% to 60 million yen

- Decline in the number of vehicles handled brought down sales and earnings

The scrap rubber recycling business is excluded from the scope of consolidation from October 2015, and was sold on December 1, 2015. Net sales: 636 million yen (up 7.3% YoY), Operating loss 18 million yen (Operating income 41 million yen one year earlier)

# Forecast for FY3/2017 Earnings Distributions Medium-term Value Creation Model



# FY3/2017 – Consolidated Forecast

(Million yen)

	FY3/2015 (Actual)	FY3/2016 (Actual)	FY3/2017 (Forecast)	VS. previous year
Net sales	67,466	68,607	71,450	104.1%
Cost of sales (Per sales)	25,774 (38.2%)	25,867 (37.7%)	27,614 (38.6%)	106.8%
Gross profit (Per sales)	41,691 (61.8%)	42,740 (62.3%)	43,835 (61.4%)	102.6%
Selling, general and administrative expenses (Per sales)	8,279 (12.3%)	8,248 (12.0%)	9,135 (12.8%)	110.8%
Operating income (Per sales)	33,411 (49.5%)	34,491 (50.3%)	34,700 (48.6%)	100.6%
Ordinary income (Per sales)	34,027 (50.4%)	35,218 (51.3%)	35,300 (49.4%)	100.2%
Profit attributable to owners of parent (Per sales)	21,661 (32.1%)	22,477 (32.8%)	23,800 (33.3%)	105.9%
Profit per share (yen)	83.79	86.92	92.69	106.6%

## Plan for auction volume in FY3/17

Number of consigned vehicles FY3/2017	YoY	Number of contract completions FY3/2017	YoY	Contract completion rate	
				FY3/2017	FY3/2016
2.500 million unit	104.4%	1.600 million unit	102.4%	64.0%	65.3%

\*The figures do not include JBA data.

## Creating more value for members primarily by using auction sites

Market conditions for used cars and automobile auctions will change as people buy more next-generation vehicles, Japan's used car exports increase and other events take place. USS will respond with flexibility to these changes while continuing to make investments in its nationwide network of auction sites.

Our goal is the overwhelming number-one market share as we offer members even more convenience by creating the best automobile auction facilities in each region of Japan.



Nagoya Auction Site  
Multi-level stock house  
(Capacity: 6,000 vehicles)  
Capital investment:  
Approximately ¥7,700 million  
Commenced operations in  
February 15, 2016

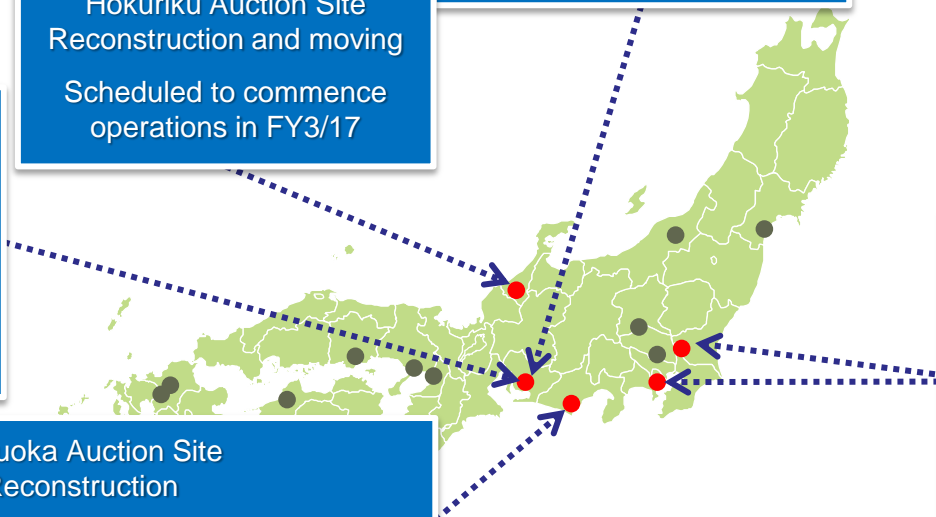
Hokuriku Auction Site  
Reconstruction and moving  
Scheduled to commence  
operations in FY3/17

Sapporo Auction Site  
Reconstruction  
Capital investment:  
Approximately ¥3,500 million  
Scheduled to commence  
operations in Spring 2017

R Nagoya Auction Site  
Reconstruction and moving  
within the Nagoya Auction Site  
Capital investment:  
Approximately ¥2,500 million  
Scheduled to commence  
operations in Jul. 2016

Installed state-of-the-art auction  
system at Tokyo and Yokohama  
Auction Site.  
Capital investment:  
Approximately ¥2,000 million  
Scheduled to commence  
operations in FY3/17

Shizuoka Auction Site  
Reconstruction  
Capital investment: Approximately ¥2,500 million  
Scheduled to commence operations in May 14, 2016



- ▶ Consolidated payout ratio : **More than 45 % to be raised to more than 50%** from the fiscal year ending March 2017
- ▶ Stock repurchase:  
USS shall repurchase its own stock in a flexible manner with due consideration to cash flows, capital investment plans, market environment and other relevant factors.  
(Stock repurchase program to acquire up to 5 million shares/10 billion yen from March 16, 2016 through September 23, 2016 is underway)
- ▶ Return on equity (ROE): Medium-term target **more than 15%**

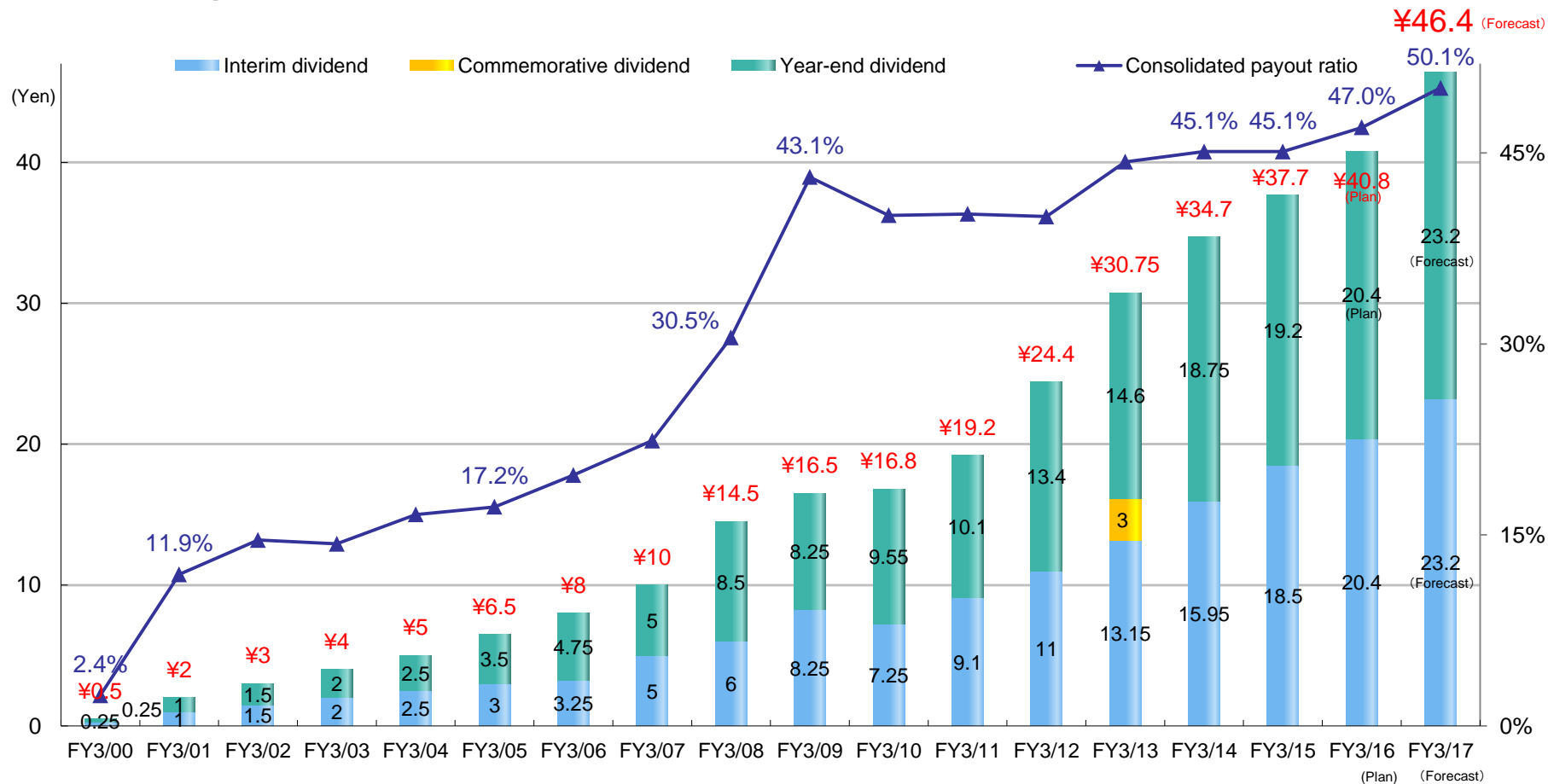


# Earnings Distributions (2) – Dividend Policy

- ▶ Planned dividend increase to reflect higher payout ratio (45% to 50%) from FY3/17

**Forecasted DPS: 46.4 yen (UP 5.6 yen from FY3/16)**

- ▶ Planning on the **17<sup>th</sup> consecutive dividend increase** since USS shares were listed

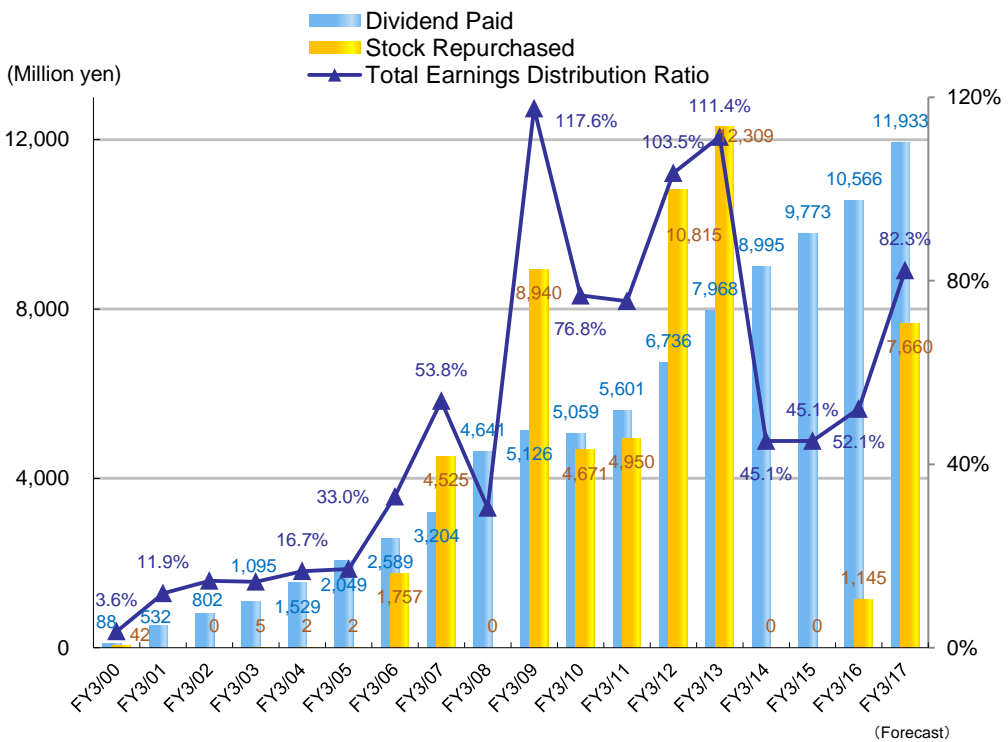


\*Dividend per share is retroactively adjusted to the number of shares outstanding as of the effective date (October 1, 2013) of the stock split.

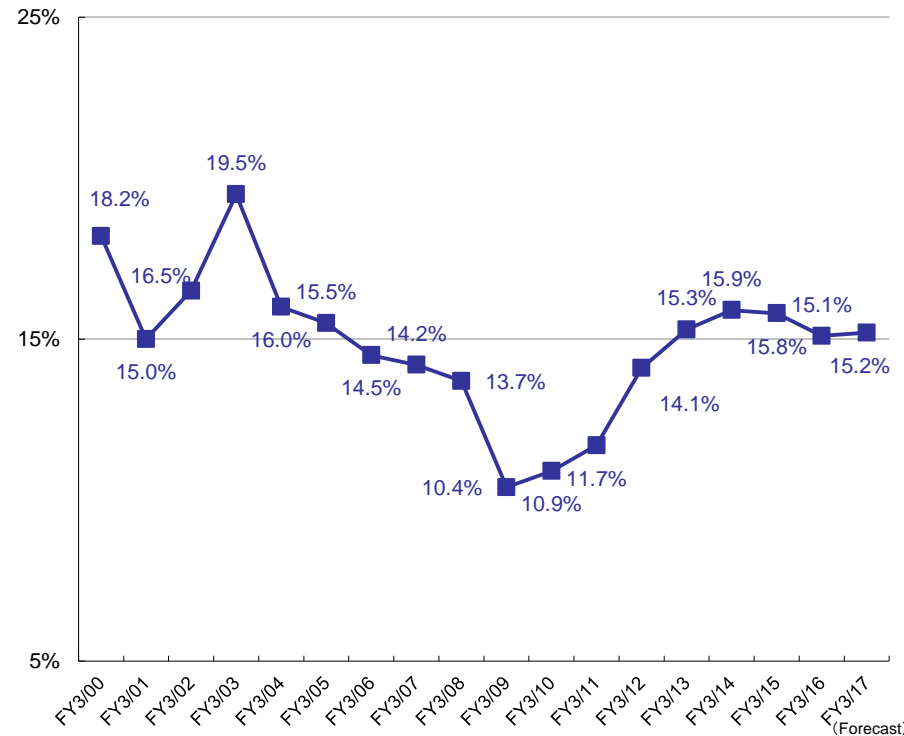
# Earnings Distributions (3) – Total Earnings Distribution Ratio and ROE

- ▶ Total earnings distribution ratio for FY March 2017 likely to reach **82.3%** after completion of the current stock repurchase program
- ▶ Return on equity (ROE) maintained at a high level of **15.0%**

Dividend Paid, Stock Repurchased, Total Earnings Distribution Ratio



ROE



\*Assumptions used for calculating FY 3/2017 data;  
 Number of stock repurchased in April is included, and calculation after May is based on April 28, 2016 closing price.

# Supplemental Data (1)

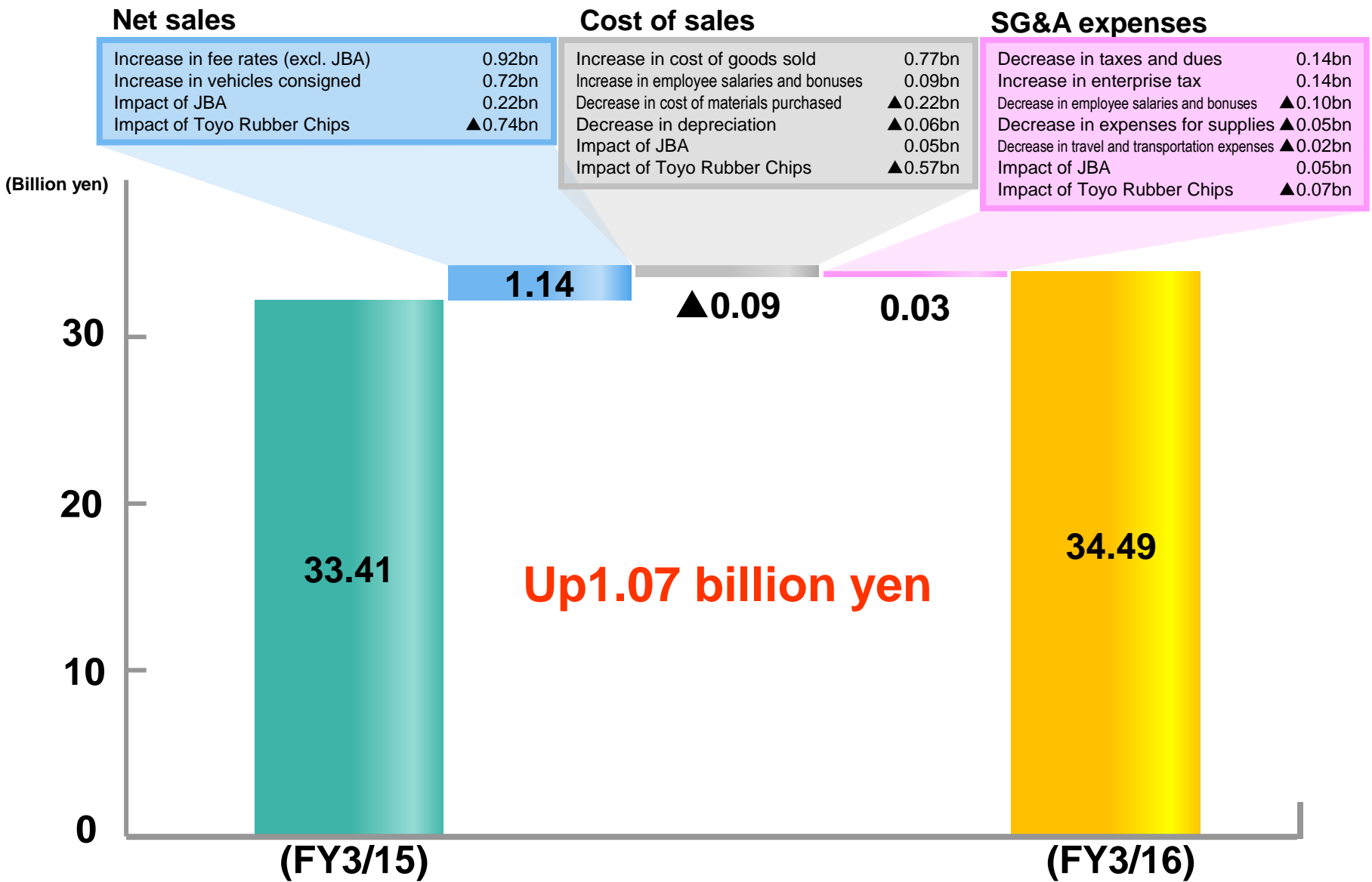
Consolidated performance of FY3/2016

Forecast for FY3/2017



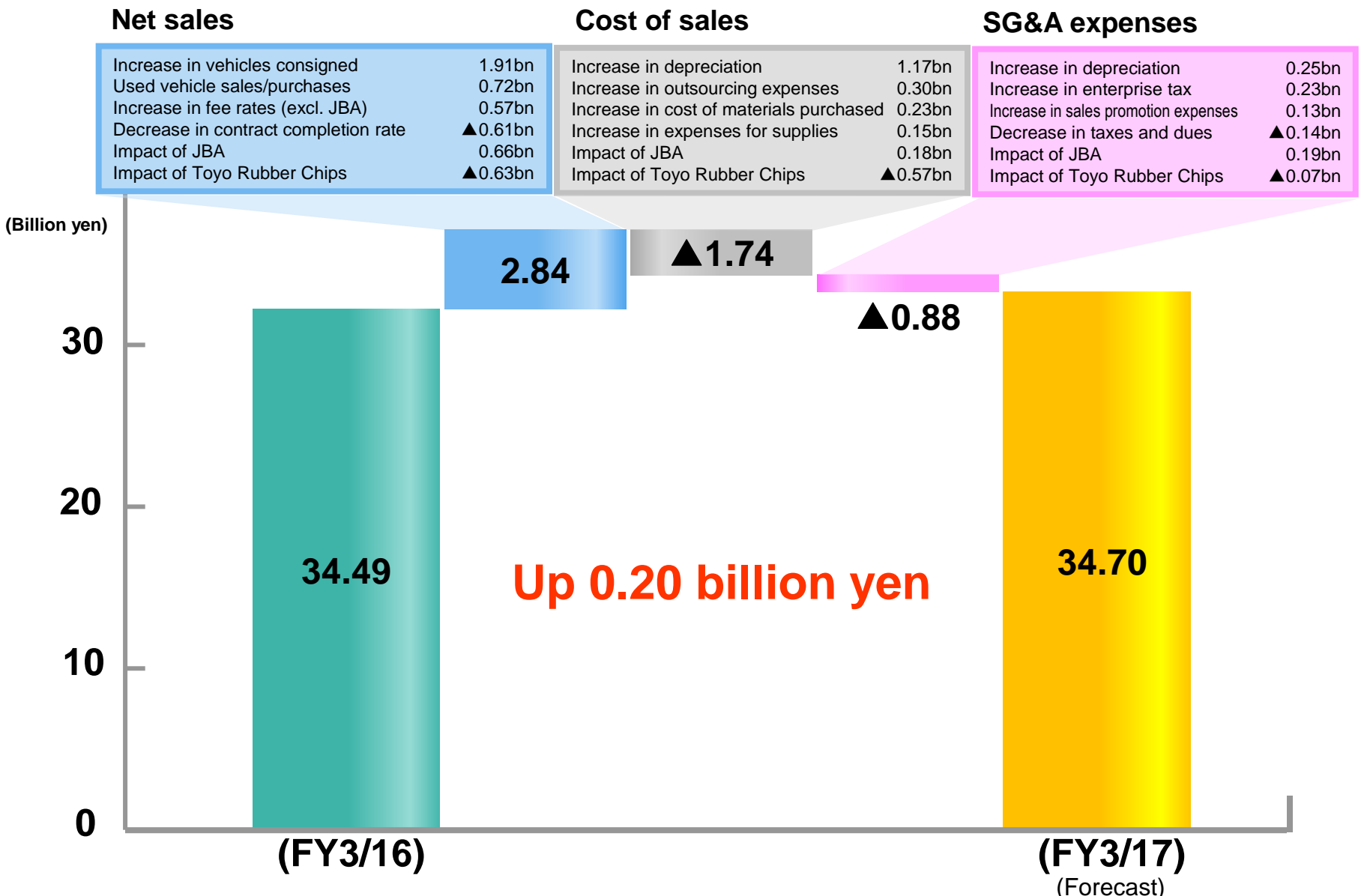
# FY3/2016 Reasons for Change in Operating Income (Actual)

## Reasons for change in operating income



# FY3/2017 Reasons for Change in Operating Income (Forecast)

## Reasons for change in operating income



# USS Auto Auction Results by Sites (FY3/2016)

(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	FY3/16	FY3/15	FY3/16	FY3/15	Changes	FY3/16	FY3/15	Changes	FY3/16	FY3/15
<b>Tokyo</b>	50	49	679,843	651,597	4.3%	480,568	460,240	4.4%	70.7%	70.6%
<b>Nagoya</b>	50	49	458,775	438,849	4.5%	278,999	268,131	4.1%	60.8%	61.1%
<b>Kyushu</b>	50	49	194,567	195,303	▲0.4%	118,490	117,854	0.5%	60.9%	60.3%
<b>Yokohama</b>	49	50	190,089	193,019	▲1.5%	129,068	135,994	▲5.1%	67.9%	70.5%
<b>Sapporo</b>	50	49	139,012	139,410	▲0.3%	81,334	83,660	▲2.8%	58.5%	60.0%
<b>R-Nagoya</b>	49	49	125,921	119,204	5.6%	106,153	103,978	2.1%	84.3%	87.2%
<b>Osaka</b>	49	49	119,200	127,377	▲6.4%	72,649	79,967	▲9.2%	60.9%	62.8%
<b>Shizuoka</b>	49	49	72,184	83,117	▲13.2%	43,605	48,060	▲9.3%	60.4%	57.8%
<b>Tohoku</b>	50	49	70,545	71,566	▲1.4%	52,635	52,939	▲0.6%	74.6%	74.0%
<b>Okayama</b>	49	49	68,718	70,244	▲2.2%	45,300	44,494	1.8%	65.9%	63.3%
<b>Gunma</b>	49	49	66,203	63,097	4.9%	43,457	43,538	▲0.2%	65.6%	69.0%
<b>Kobe</b>	50	49	55,493	44,794	23.9%	31,461	26,136	20.4%	56.7%	58.3%
<b>Saitama</b>	49	49	50,061	52,172	▲4.0%	28,617	28,088	1.9%	57.2%	53.8%
<b>Niigata</b>	50	49	43,150	39,238	10.0%	20,649	19,652	5.1%	47.9%	50.1%
<b>Fukuoka</b>	50	49	43,145	44,893	▲3.9%	18,711	19,409	▲3.6%	43.4%	43.2%
<b>Hokuriku</b>	49	49	17,103	19,261	▲11.2%	10,703	13,093	▲18.3%	62.6%	68.0%
<b>Total</b>	792	785	2,394,009	2,353,141	1.7%	1,562,399	1,545,233	1.1%	65.3%	65.7%

\*The figures in this slide do not include JBA data.

# Monthly USS Auto Auction Results

(Vehicles, %)

		Apr.	May	Jun.	Jul.	Aug.	Sep.	First Half	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Second Half	Fiscal Year
No. of Consigned Vehicles	FY3/14	210,673	169,208	177,966	178,045	161,830	183,512	1,081,234	211,744	207,958	165,509	177,304	201,844	259,596	1,223,955	2,305,189
	YoY Change	▲6.9	▲3.6	▲8.8	▲0.7	3.5	▲2.0	▲3.4	15.5	12.5	17.9	21.4	13.2	4.9	13.3	4.8
	FY3/15	225,022	181,292	177,858	193,656	157,114	191,153	1,126,095	220,851	195,116	167,056	177,089	206,068	260,866	1,227,046	2,353,141
	YoY Change	6.8	7.1	▲0.1	8.8	▲2.9	4.2	4.1	4.3	▲6.2	0.9	▲0.1	2.1	0.5	0.3	2.1
	FY3/16	240,027	180,560	188,060	198,744	143,557	196,546	1,147,494	221,602	188,116	173,302	179,967	208,405	275,123	1,246,515	2,394,009
	YoY Change	6.7	▲0.4	5.7	2.6	▲8.6	2.8	1.9	0.3	▲3.6	3.7	1.6	1.1	5.5	1.6	1.7
No. of Contracted Vehicles	FY3/14	132,619	116,364	120,690	121,819	109,824	124,352	725,668	139,285	134,837	108,286	122,646	139,446	170,839	815,339	1,541,007
	YoY Change	7.5	11.7	3.0	8.1	10.2	2.3	6.9	17.2	11.2	18.1	18.9	8.3	4.9	12.2	9.7
	FY3/15	134,692	115,560	115,299	125,786	104,082	130,918	726,337	146,176	127,786	108,731	121,659	142,503	172,041	818,896	1,545,233
	YoY Change	1.6	▲0.7	▲4.5	3.3	▲5.2	5.3	0.1	4.9	▲5.2	0.4	▲0.8	2.2	0.7	0.4	0.3
	FY3/16	146,183	116,850	128,131	134,479	99,117	129,929	754,689	146,362	122,078	111,421	118,004	135,810	174,035	807,710	1,562,399
	YoY Change	8.5	1.1	11.1	6.9	▲4.8	▲0.8	3.9	0.1	▲4.5	2.5	▲3.0	▲4.7	1.2	▲1.4	1.1
Contract Completion Rate	FY3/14	63.0	68.8	67.8	68.4	67.9	67.8	67.1	65.8	64.8	65.4	69.2	69.1	65.8	66.6	66.8
	FY3/15	59.9	63.7	64.8	65.0	66.2	68.5	64.5	66.2	65.5	65.1	68.7	69.2	65.9	66.7	65.7
	FY3/16	60.9	64.7	68.1	67.7	69.0	66.1	65.8	66.0	64.9	64.3	65.6	65.2	63.3	64.8	65.3

\*In February 2014, one auction at the Gunma Auction Site was canceled because of heavy snow in February 2014.

\*The figures in this slide do not include JBA data.

# 5 year Consolidated Performance

(Million yen)

	Results					Forecast
	FY3/2012	FY3/2013	FY3/2014 <sub>4</sub>	FY3/2015	FY3/2016	FY3/2017
<Auto Auction Business>						
Consignment Fees	12,154	11,817	12,241	12,636	12,780	13,520
Contract Completion Fees	10,984	10,873	11,958	12,083	12,335	12,711
Successful Bidding Fees	15,026	15,626	17,190	17,096	18,168	18,931
Motorcycle Auction Fees	-	-	-	-	183	758
Revenues from Sales of Goods	805	624	905	1,166	1,479	1,222
Other Revenues	6,869	6,967	7,184	7,299	7,647	7,902
<b>Auto Auction Business Total</b>	<b>45,840</b>	<b>45,909</b>	<b>49,479</b>	<b>50,281</b>	<b>52,594</b>	<b>55,047</b>
<Used Vehicle Sales/Purchases Business>						
Revenues from Used Vehicle Sales/Purchases	8,535	8,106	7,867	6,736	6,765	7,215
Revenues from Accident-damaged Vehicle Sales/Purchases	3,940	3,438	3,754	3,347	3,331	3,603
<b>Used Vehicle Sales/Purchases Business Total</b>	<b>12,476</b>	<b>11,545</b>	<b>11,621</b>	<b>10,083</b>	<b>10,097</b>	<b>10,819</b>
<Other Business>						
Revenues from Recycling End-of-Life Vehicles and Other Items	4,275	4,016	4,816	5,022	4,665	4,998
Revenues from Recycling Scrap Rubbers	1,250	1,335	1,498	1,383	636	-
Revenues from Used Vehicle Export Clearing Service	166	437	500	609	529	498
Other Revenues	-	-	32	84	83	86
<b>Other Business Total</b>	<b>5,692</b>	<b>5,789</b>	<b>6,848</b>	<b>7,100</b>	<b>5,915</b>	<b>5,583</b>
<b>Net Sales</b>	<b>64,009</b>	<b>63,243</b>	<b>67,949</b>	<b>67,466</b>	<b>68,607</b>	<b>71,450</b>
<b>Operating Income</b>	<b>27,952</b>	<b>29,304</b>	<b>32,680</b>	<b>33,411</b>	<b>34,491</b>	<b>34,700</b>
<b>Ordinary Income</b>	<b>28,588</b>	<b>29,884</b>	<b>33,275</b>	<b>34,027</b>	<b>35,218</b>	<b>35,300</b>
<b>Profit Attributable to Owners of Parent</b>	<b>17,054</b>	<b>18,346</b>	<b>19,966</b>	<b>21,661</b>	<b>22,477</b>	<b>23,800</b>

## Auto Auction Business \*1

(Vehicles, %, Yen, Companies, No. of shops)

No. of Consigned Vehicles	2,252,566	2,199,797	2,305,189	2,353,141	2,394,009	2,500,000
No. of Contracted Vehicles	1,414,813	1,405,072	1,541,007	1,545,233	1,562,399	1,600,000
Contract Completion Rate	62.8	63.9	66.8	65.7	65.3	64.0
Consignment Fees per Vehicle consigned *2	5,432	5,407	5,344	5,405	5,381	5,457
Contract Completion Fees per Vehicle Contracts completed *2	7,832	7,802	7,821	7,882	7,962	8,016
Successful Bidding Fees per Vehicle Contracts completed *2	10,626	11,124	11,157	11,067	11,630	11,833
On-site Auction Members	44,796	45,139	45,712	46,307	46,850	47,400
CIS (Internet) Members	25,957	27,072	28,007	28,815	29,512	30,172
TV (Satellite Auction) Members	3,921	3,651	3,486	3,291	3,101	2,933
Rabbit Chain Shops	180	180	171	170	170	183

## Capital Expenditures and Depreciation

(Million yen)

Capital Expenditures (Terms of Cash Flows) *3	804	1,620	8,858	2,490	8,731	10,196
Depreciation	3,885	3,432	3,672	3,397	3,325	4,763

\*1 The figures do not include JBA data. \*2 Each fee per vehicle is calculated before eliminations for consolidation. \*3 Capital expenditures include property, plant and equipment and intangible assets (software etc.).

\*4 Figures for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.



# Major Financial Indicators

(Million yen)

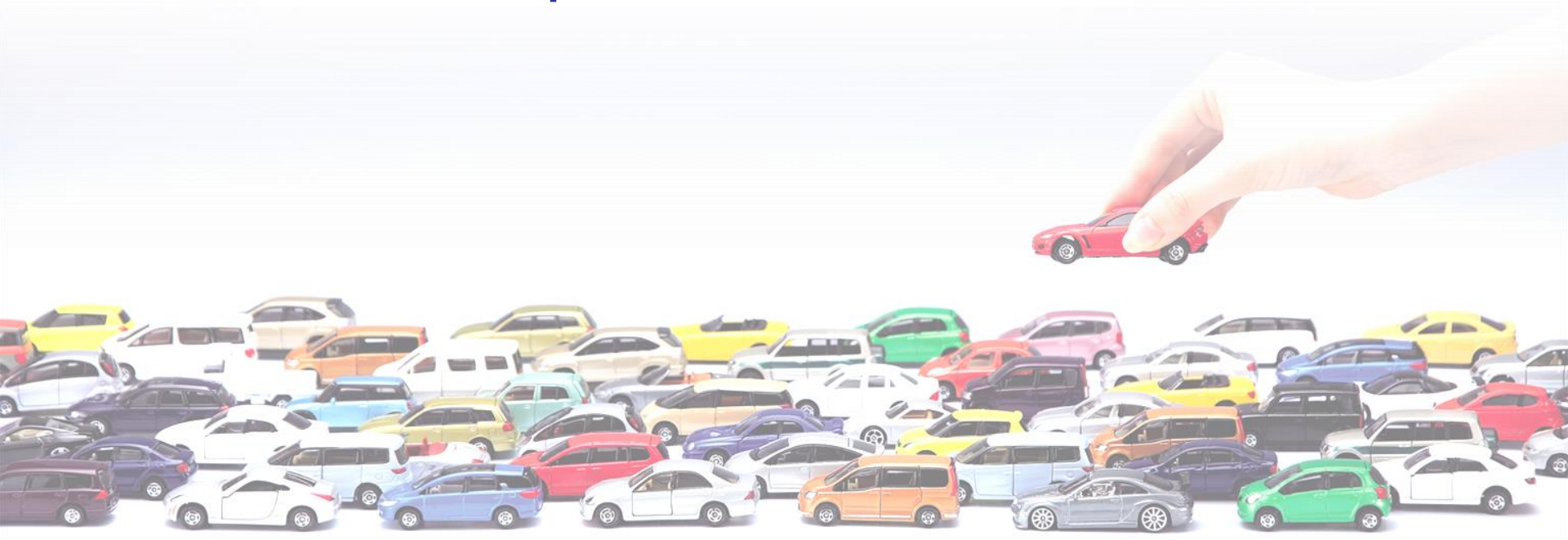
	FY3/06	FY3/07	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16	YoY	10 years average of % changes
<b>Results of Operations</b>													
Net Sales	60,243	64,568	69,801	66,549	59,849	61,417	64,009	63,243	67,949	67,466	68,607	1.7%	1.3%
Operating Income	23,103	24,817	27,200	22,568	21,940	24,332	27,952	29,304	32,680	33,411	34,491	3.2%	4.1%
Ordinary Income	23,544	25,360	27,490	22,503	22,511	24,643	28,588	29,884	33,275	34,027	35,218	3.5%	4.1%
Profit Attributable to Owners of Parent	13,203	14,390	15,200	12,003	12,717	13,971	17,054	18,346	19,966	21,661	22,477	3.8%	5.5%
<b>Financial Position</b>													
Total Assets	131,908	146,172	150,737	138,370	142,164	151,636	154,639	154,543	164,182	174,106	186,831	7.3%	3.5%
Cash and Deposits	19,995	21,149	26,280	18,445	29,681	30,980	36,840	37,033	46,318	49,862	62,290	24.9%	12.0%
Total Liabilities	33,841	40,184	33,159	23,428	23,773	29,689	33,541	34,866	32,080	30,067	31,647	5.3%	▲0.7%
Interest Bearing Debt	5,200	5,355	3,064	2,716	1,806	1,097	1,746	1,148	670	360	255	▲29.3%	▲26.0%
Total Net Assets	98,067	105,988	117,577	114,941	118,390	121,947	121,097	119,676	132,102	144,039	155,183	7.7%	4.7%
Equity Capital	97,391	104,985	117,130	114,771	118,146	121,638	120,582	119,112	131,348	143,098	154,155	7.7%	4.7%
<b>Per Share Information</b>													
EPS (Yen)	40.70	44.71	47.51	38.27	41.88	47.80	60.92	69.35	77.29	83.79	86.92	3.7%	7.9%
Dividend per Share (Yen)	8.00	10.00	14.50	16.50	16.80	19.20	24.40	30.75	34.70	37.70	40.80	8.2%	17.7%
<b>Others</b>													
Operating Margin (%)	38.4	38.4	39.0	33.9	36.7	39.6	43.7	46.3	48.1	49.5	50.3	—	—
ROE (%)	14.5	14.2	13.7	10.4	10.9	11.7	14.1	15.3	15.9	15.8	15.1	—	—
ROA (%)	19.0	18.2	18.5	15.6	16.0	16.8	18.7	19.3	20.9	20.1	19.5	—	—
Dividend Payout Ratio (%)	19.7	22.4	30.5	43.1	40.1	40.2	40.0	44.3	45.1	45.1	47.0	—	—
Equity Ratio (%)	73.8	71.8	77.7	82.9	83.1	80.2	78.0	77.1	80.0	82.2	82.5	—	—
Treasury Stock (shs.)	1,440,060	6,717,730	6,718,010	21,056,870	29,364,740	23,647,810	41,280,210	55,067,530	54,828,566	54,691,235	55,102,684	0.8%	44.0%
On-site Auction Members (Companies)	37,157	40,959	42,751	43,307	44,317	45,563	44,796	45,139	45,712	46,307	46,850	1.2%	2.3%

\*Per share information and treasury stock has been retroactively adjusted for the stock split on October 1, 2013.

\*Figures for the fiscal year ended March 2014 are retroactively adjusted to reflect changes in accounting methods.

# Supplemental Data (2)

Consolidated performance of 4Q FY3/2016



# 4Q FY3/2016 Consolidated Financial Highlights by Segments

(Million yen)

		4Q FY3/14	4Q FY3/15	4Q FY3/16	YoY
<b>Auto Auction Business</b>	<b>Net Sales</b>	<b>13,674</b>	<b>13,879</b>	<b>14,516</b>	<b>104.6%</b>
	<b>Operating Income (Per sales)</b>	<b>8,752 (64.0%)</b>	<b>9,001 (64.9%)</b>	<b>9,022 (62.2%)</b>	<b>100.2%</b>
<b>Used Vehicle Sales/Purchases Business</b>	<b>Net Sales</b>	<b>3,178</b>	<b>2,891</b>	<b>2,675</b>	<b>92.5%</b>
	<b>Operating Income (Per sales)</b>	<b>175 (5.5%)</b>	<b>157 (5.4%)</b>	<b>53 (2.0%)</b>	<b>34.1%</b>
<b>Other Business (Recycling business etc.)</b>	<b>Net Sales</b>	<b>2,023</b>	<b>1,865</b>	<b>1,184</b>	<b>63.5%</b>
	<b>Operating Income (Per sales)</b>	<b>261 (12.9%)</b>	<b>147 (7.9%)</b>	<b>36 (3.0%)</b>	<b>24.4%</b>
<b>Elimination of Inter-segment Transactions</b>	<b>Net Sales</b>	<b>▲176</b>	<b>▲184</b>	<b>▲130</b>	<b>-</b>
	<b>Operating Income</b>	<b>33</b>	<b>39</b>	<b>45</b>	<b>115.8%</b>
<b>Consolidated Total</b>	<b>Net Sales</b>	<b>18,699</b>	<b>18,452</b>	<b>18,246</b>	<b>98.9%</b>
	<b>Operating Income (Per sales)</b>	<b>9,222 (49.3%)</b>	<b>9,344 (50.6%)</b>	<b>9,157 (50.2%)</b>	<b>98.0%</b>

\*Figures for 4Q FY3/14 are retroactively adjusted to reflect changes in accounting methods

# USS Auto Auction Results by Sites (4Q FY3/2016)

From January 1, 2016 to March 31, 2016

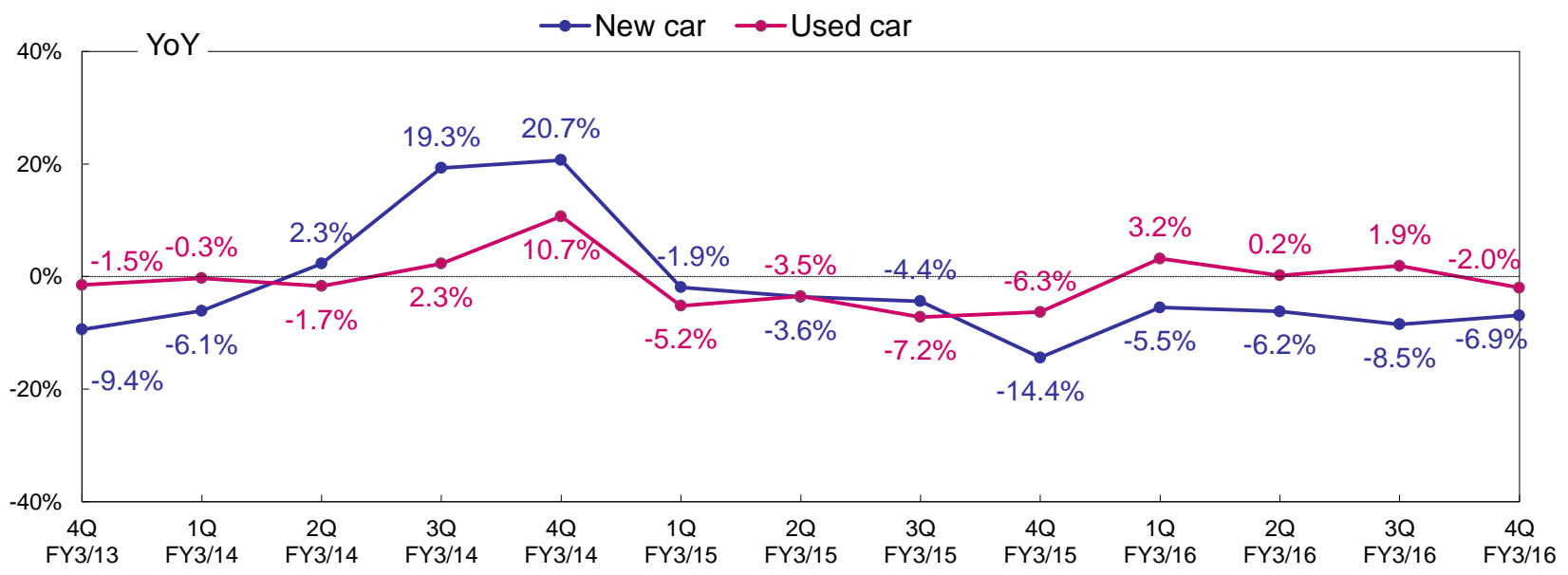
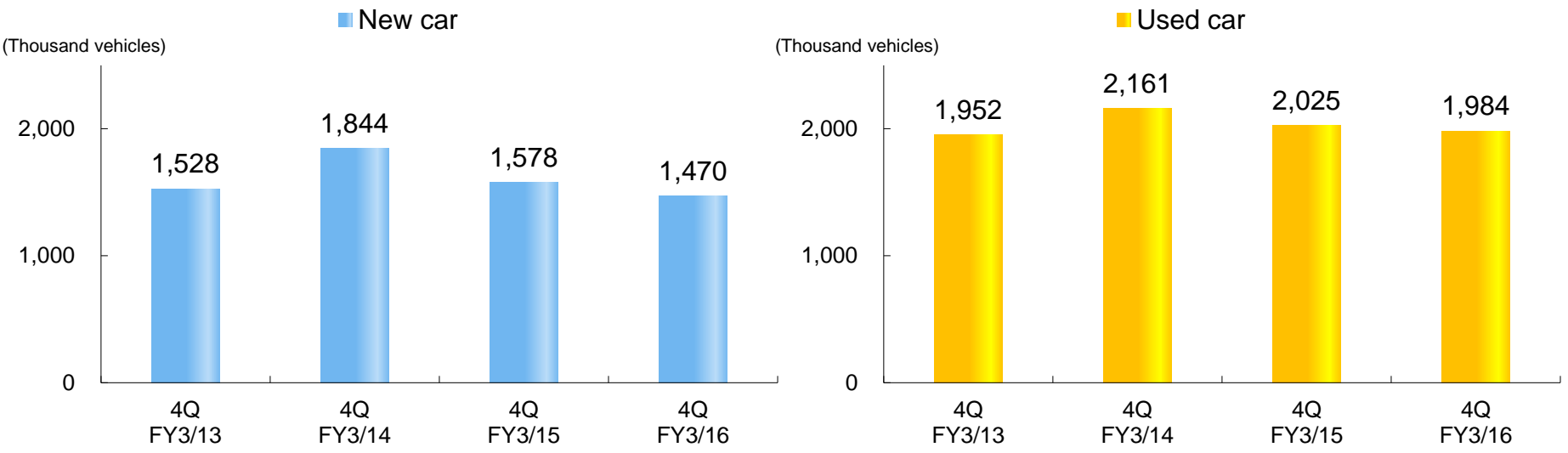
(Number of auctions held, Vehicles)

	Number of auctions		Number of consigned vehicles			Number of contract completions			Contract completion rate	
	4Q FY3/16	4Q FY3/15	4Q FY3/16	4Q FY3/15	Changes	4Q FY3/16	4Q FY3/15	Changes	4Q FY3/16	4Q FY3/15
<b>Tokyo</b>	13	12	196,611	178,035	10.4%	135,407	128,944	5.0%	68.9%	72.4%
<b>Nagoya</b>	12	12	125,592	122,814	2.3%	74,303	77,612	▲4.3%	59.2%	63.2%
<b>Kyushu</b>	12	12	52,215	55,411	▲5.8%	32,072	35,286	▲9.1%	61.4%	63.7%
<b>Yokohama</b>	12	12	53,290	54,312	▲1.9%	36,684	39,077	▲6.1%	68.8%	71.9%
<b>Sapporo</b>	13	12	34,796	33,453	4.0%	19,541	20,379	▲4.1%	56.2%	60.9%
<b>R-Nagoya</b>	13	13	37,279	36,985	0.8%	30,839	31,230	▲1.3%	82.7%	84.4%
<b>Osaka</b>	12	12	31,854	32,774	▲2.8%	18,817	21,349	▲11.9%	59.1%	65.1%
<b>Shizuoka</b>	12	12	19,056	22,903	▲16.8%	11,832	13,581	▲12.9%	62.1%	59.3%
<b>Tohoku</b>	12	12	20,703	18,710	10.7%	15,049	14,686	2.5%	72.7%	78.5%
<b>Okayama</b>	12	12	18,901	18,965	▲0.3%	12,370	13,052	▲5.2%	65.4%	68.8%
<b>Gunma</b>	12	12	18,099	17,112	5.8%	11,448	12,334	▲7.2%	63.3%	72.1%
<b>Kobe</b>	12	12	14,226	12,425	14.5%	8,583	7,387	16.2%	60.3%	59.5%
<b>Saitama</b>	12	12	13,278	13,524	▲1.8%	7,993	7,360	8.6%	60.2%	54.4%
<b>Niigata</b>	12	12	11,195	9,466	18.3%	5,104	4,862	5.0%	45.6%	51.4%
<b>Fukuoka</b>	13	12	12,517	12,444	0.6%	5,405	5,743	▲5.9%	43.2%	46.2%
<b>Hokuriku</b>	12	12	3,883	4,690	▲17.2%	2,402	3,321	▲27.7%	61.9%	70.8%
<b>Total</b>	196	193	663,495	644,023	3.0%	427,849	436,203	▲1.9%	64.5%	67.7%

\*The figures in this slide do not include JBA data.

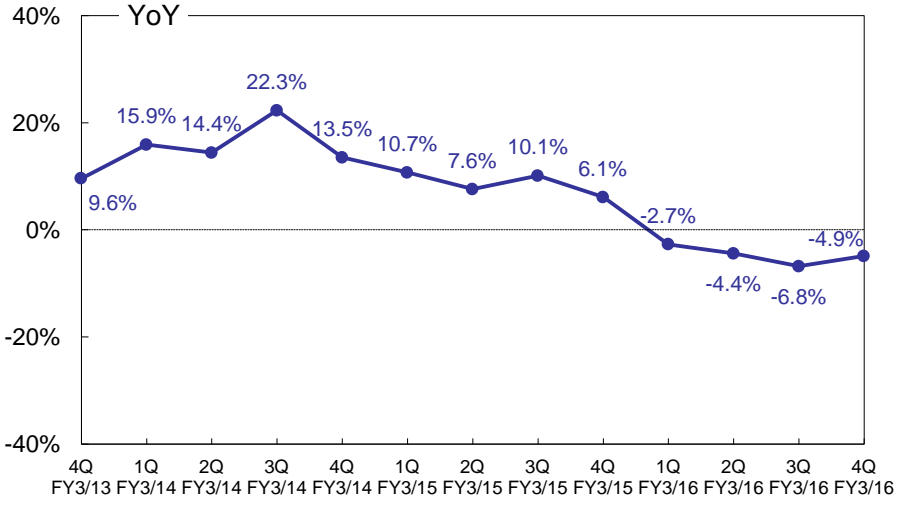
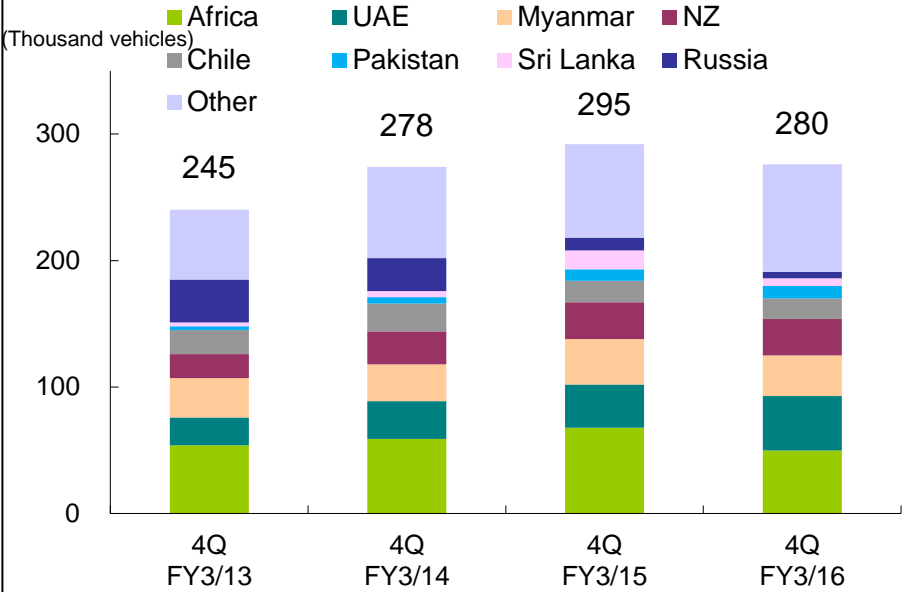
# Market Overview - Automobile Trading (1) (January to March)

## New Car and Used Car Registrations

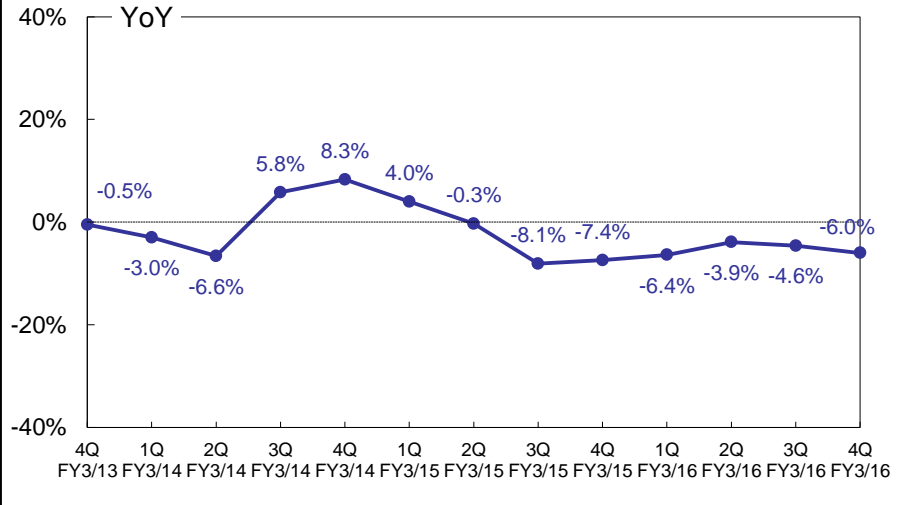
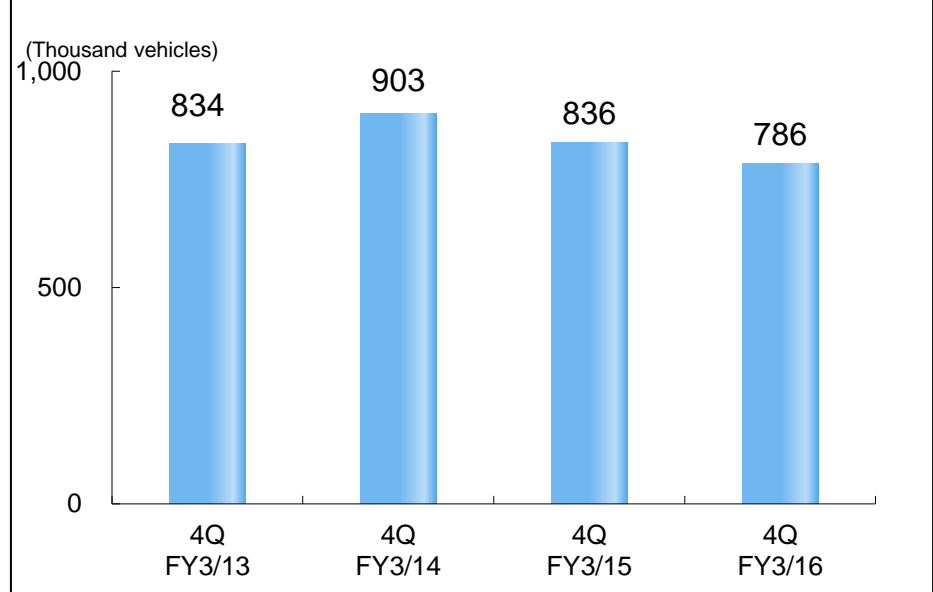


# Market Overview - Automobile Trading (2) (January to March)

## Used Car Exports

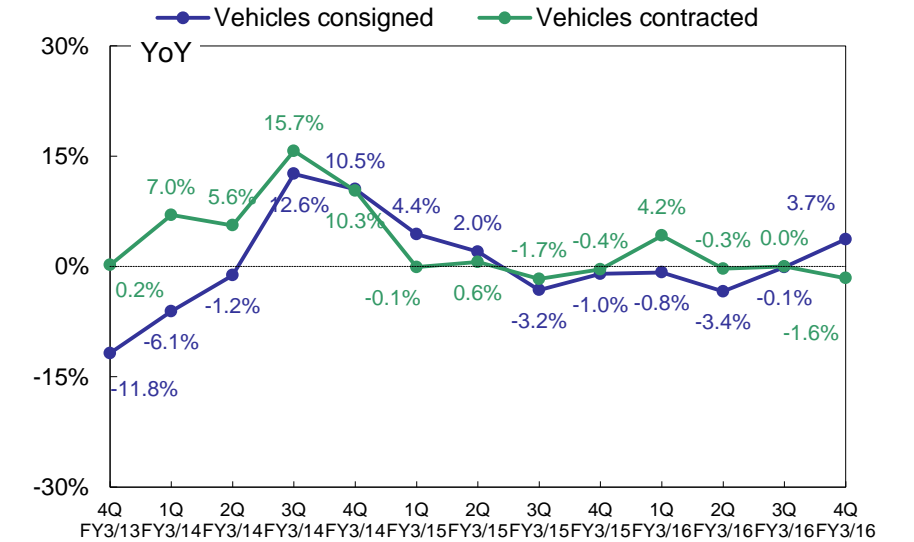
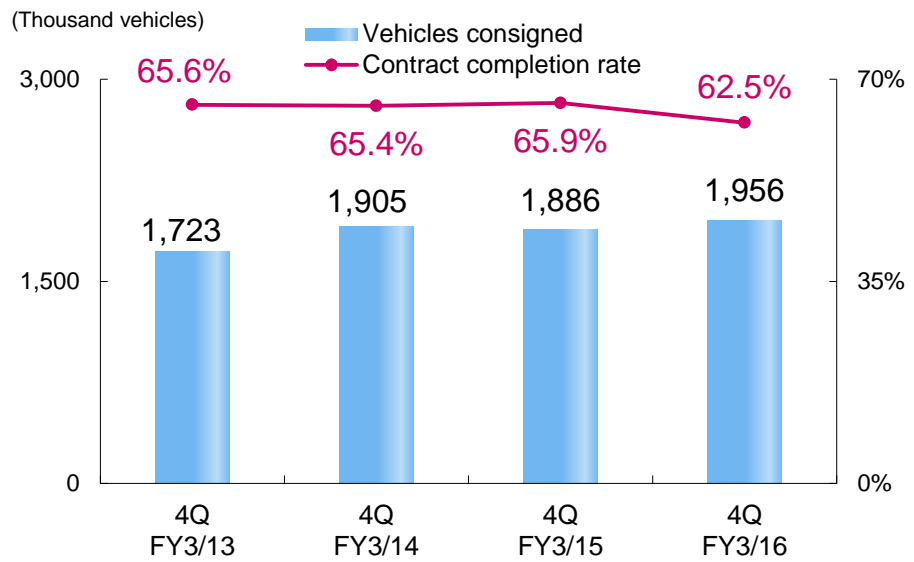


## Automobiles Recycled

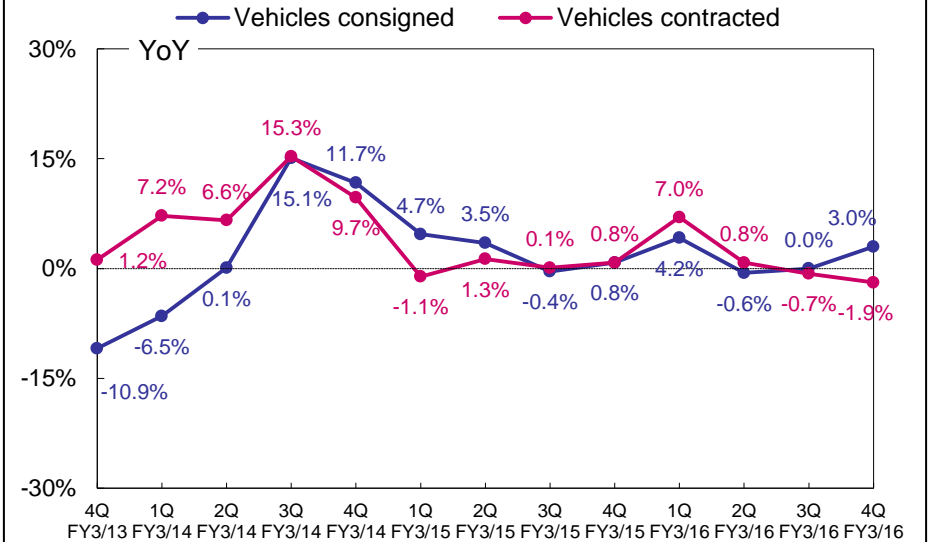
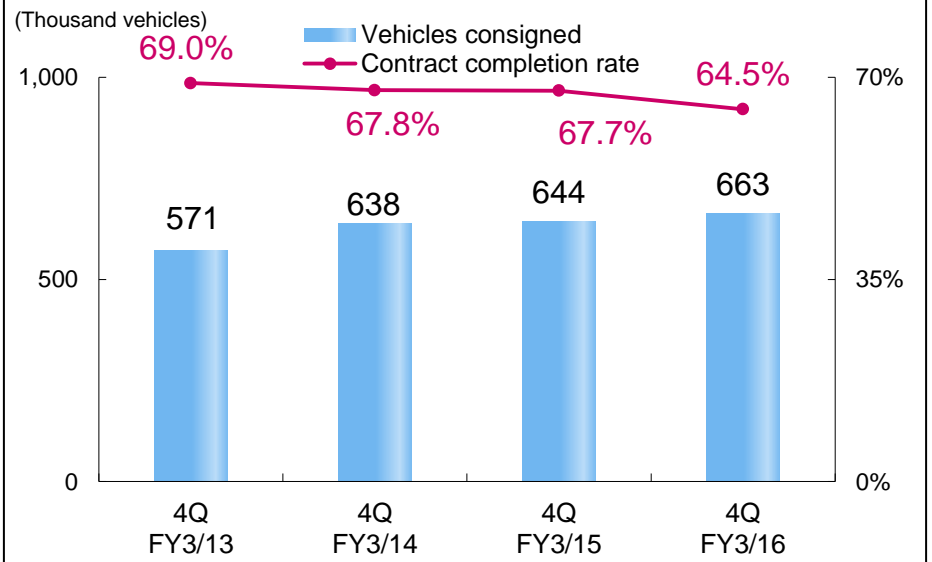


# Auto Auction Performance (January to March)

## Auto Auction Market

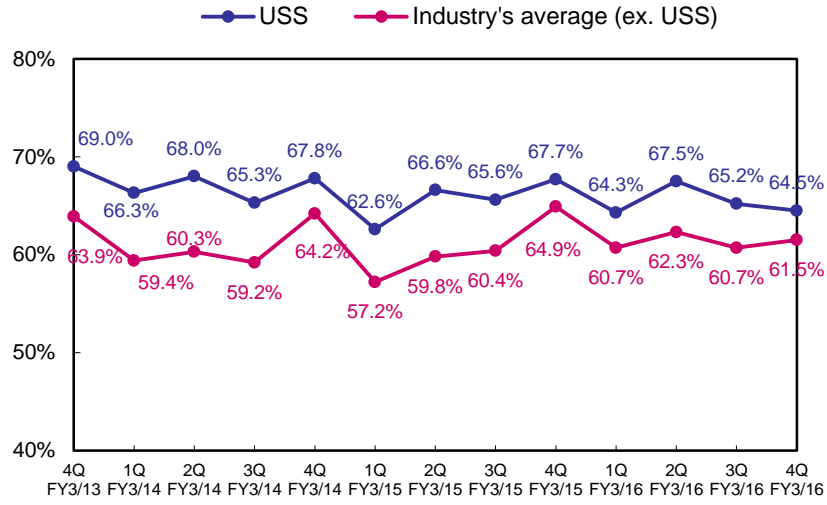


## USS Group Auto Auction Performance

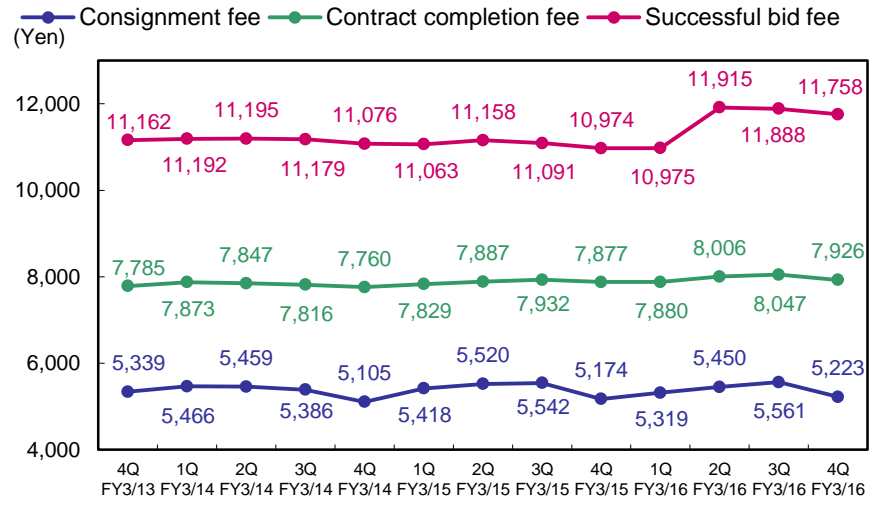


# USS Auto Auction Performance

### Contract Completion Rate

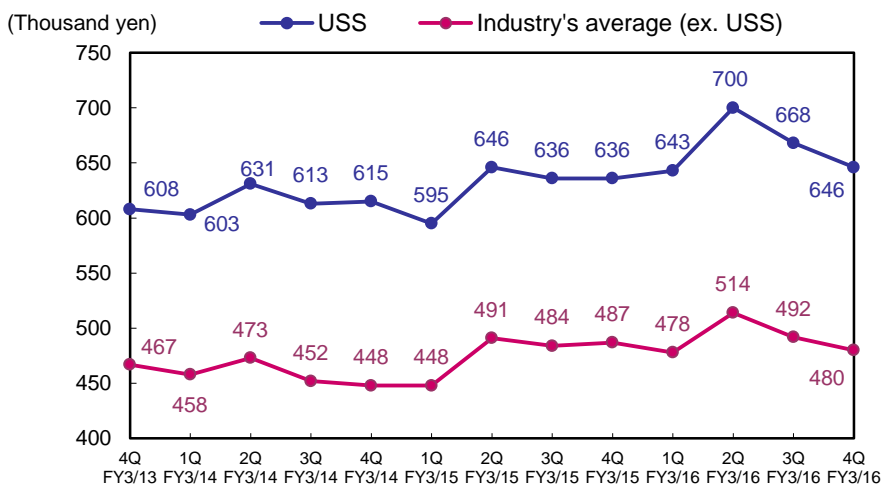


### Fees per Vehicle



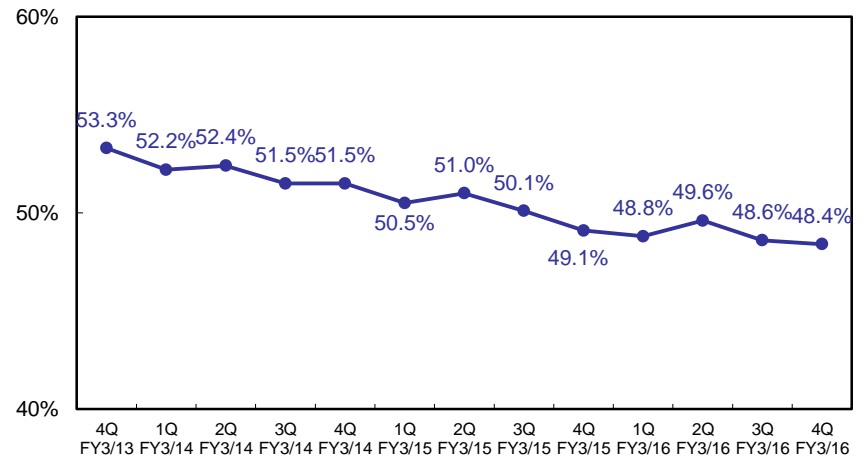
\* Contract completion fee per vehicle is calculated before eliminations for consolidation.

### Average Price of Vehicle Contracted



\*The figures in this slide do not include JBA data.

### Off-site Successful Bid Ratio



\* The basis of aggregating successful bids received via satellite TV for calculating the off-site successful bid ratio is changed effective from the fiscal year ended March 2016. Prior years data has been retroactively adjusted to reflect the revised method of aggregation.