

# Semi-annual Consolidated Earning Results for Fiscal 2007



November 6, 2007

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

Stock Exchanges Listings : Tokyo and Nagoya

Stock Code : 4732

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Junior Managing Director & Officer of Supervisory Office

Date of Filing of Semi-annual Report (Scheduled): December 20, 2007

Starting Date of Dividend Payment (Scheduled): December 10, 2007

## 1. Semi-annual Consolidated Results for Fiscal 2007 (April 1, 2007 – September 30, 2007)

### (1) Consolidated Operating Results

(millions of yen)

	Operating revenues		Operating income		Recurring profit	
Six months ended Sep. 30, 2007	33,219	6.5%	12,807	5.7%	13,010	5.7%
Six months ended Sep. 30, 2006	31,201	6.4%	12,115	8.2%	12,304	8.6%
Year ended March 31, 2007	64,568	-	24,817	-	25,360	-

	Net income (millions of yen)		Net income per share (yen)		Diluted net income per share (yen)	
Six months ended Sep. 30, 2007	7,035	2.1%	220.14		220.03	
Six months ended Sep. 30, 2006	6,890	5.7%	213.35		212.99	
Year ended March 31, 2007	14,390	-	447.12		446.62	

(Percent indication shows percentage of change from corresponding figure for the semi-annual period of the prior fiscal year.)

Note: Earnings or loss under the equity method (million of yen):

Six months ended Sep. 30, 2007: - Six month ended Sep. 30, 2006: - Year ended March 31, 2007: -

### (2) Consolidated Financial Position

	Total assets (millions of yen)	Equity (millions of yen)	Equity ratio (%)	Equity per share (yen)
As of Sep. 30, 2007	149,936	111,946	73.9	3,462.48
As of Sep. 30, 2006	138,427	101,764	72.9	3,138.57
As of March 31, 2007	146,172	105,988	71.8	3,287.75

Note: Shareholders' equity (millions of yen):

As of Sep. 30, 2007: 110,763 As of Sep. 30, 2006: 100,932 As of March 31, 2007: 104,985

### (3) Consolidated Cash Flows

(millions of yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of period
Six months ended Sep. 30, 2007	8,059	( 2,424 )	( 2,848 )	23,936
Six months ended Sep. 30, 2006	8,112	( 5,502 )	( 2,017 )	20,087
Year ended March 31, 2007	21,009	( 12,539 )	( 6,815 )	21,149

## 2. Dividends

(yen)

(Reference date)	Dividend per share		
	Interim	Fiscal year end	Fiscal year
Year ended March 31, 2007	50.00	50.00	100.00
Year ending March 31, 2008	60.00		120.00
Year ending March 31, 2008 (Estimated)		60.00	

### 3. Consolidated Outlook for Fiscal 2007 (April 1, 2007 - March 31, 2008)

(millions of yen)

	Operating revenues	Operating income	Recurring profit	Net income	Net income per share (yen)
For the year	69,350 7.4%	26,600 7.2%	26,900 6.1%	15,100 4.9%	472.02

(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
- (3) Number of shares issued (common shares):
  - ① Number of shares issued (including treasury stock):  
As of Sep. 30, 2007: 32,661,312 shares As of Sep. 30, 2006: 32,590,532 shares As of March 31, 2007: 32,604,062 shares
  - ② Number of treasury stock:  
As of Sep. 30, 2007: 671,784 shares As of Sep. 30, 2006: 431,897 shares As of March 31, 2007: 671,773 shares

Reference: Non-consolidated Results

### Semi-annual Non-consolidated Results for Fiscal 2007 (April 1, 2007 – September 30, 2007)

#### (1) Non-consolidated Operating Result

(millions of yen)

	Operating revenues	Operating income	Recurring profit
Six month ended Sep. 30, 2007	14,927 11.7%	8,316 7.9%	11,744 28.0%
Six month ended Sep. 30, 2006	13,367 3.1%	7,708 6.6%	9,172 24.3%
Year ended March 31, 2007	28,579 -	16,094 -	17,878 -

	Net income (millions of yen)	Net income per share (yen)
Six month ended Sep. 30, 2007	8,135 35.0%	254.57
Six month ended Sep. 30, 2006	6,024 35.8%	186.53
Year ended March 31, 2007	11,901 -	369.77

(Percent indication shows percentage of change from corresponding figure for the semi-annual period of the prior fiscal year.)

#### (2) Non-consolidated Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)	Net assets per share (yen)
As of Sep. 30, 2007	122,382	93,964	76.8	2,937.33
As of Sep. 30, 2006	114,827	84,656	73.7	2,632.46
As of March 31, 2007	118,938	87,086	73.2	2,727.21

Note: Shareholders' equity (millions of yen):

As of Sep. 30, 2007: 93,963 As of Sep. 30, 2006: 84,656 As of March 31, 2007: 87,086

Note: The above forecast has been prepared based on information available at the time of this writing. However, actual performance is subject to various factors and is therefore to change.

**1. Consolidated Balance Sheets**

(millions of yen)

	As of Sep. 30, 2006		As of Sep. 30, 2007		As of March 31, 2007	
		%		%		%
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	20,087		23,936		21,149	
Receivables due from member dealers at auction	13,574		14,643		14,983	
Trade notes and accounts receivable	883		3,220		1,957	
Inventories	730		971		1,061	
Other current assets	2,291		2,215		1,960	
Allowance for doubtful accounts	(35)		(62)		(46)	
Total current assets	37,531	27.1	44,924	30.0	41,066	28.1
<b>Fixed assets:</b>						
Property and equipment:						
Buildings and structures	33,259		37,295		36,793	
Land	46,406		49,889		48,910	
Construction in progress	3,452		42		1,519	
Other property and equipment	5,752		5,333		5,252	
Total property and equipment	88,871	64.2	92,560	61.7	92,476	63.3
Intangible assets:						
Goodwill	2,697		2,391		2,532	
Other intangible assets	980		1,336		1,173	
Total intangible assets	3,678	2.7	3,728	2.5	3,706	2.5
Investments and other assets:						
Investments and other assets	8,476		8,844		9,040	
Allowance for doubtful accounts	(131)		(122)		(117)	
Total investments and other assets	8,345	6.0	8,722	5.8	8,922	6.1
Total fixed assets	100,895	72.9	105,011	70.0	105,105	71.9
Total assets	138,427	100.0	149,936	100.0	146,172	100.0

(millions of yen)

	As of Sep. 30, 2006		As of Sep. 30, 2007		As of March 31, 2007	
		%		%		%
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Payables due to member dealers at auction	15,310		17,875		16,811	
Trade notes and accounts payable	345		490		527	
Short-term borrowings	2,716		2,305		2,305	
Income taxes payable	4,999		5,021		5,945	
Allowance for bonus	354		462		417	
Allowance for directors' and statutory auditors' bonuses	35		-		-	
Other current liabilities	4,858		5,045		6,503	
Total current liabilities	28,620	20.7	31,201	20.8	32,510	22.2
<b>Long-term debt:</b>						
Long-term borrowings	3,584		1,919		3,049	
Long-term accounts payable	-		543		-	
Employee retirement benefit liability	97		123		114	
Directors' and statutory auditors' severance indemnities	402		1		421	
Guarantee deposits received from member dealers	3,488		3,729		3,617	
Deferred tax liabilities for revaluation	470		470		470	
Total long-term debt	8,042	5.8	6,788	4.5	7,674	5.3
Total liabilities	36,662	26.5	37,990	25.3	40,184	27.5
<b>Equity</b>						
<b>Shareholders' equity</b>						
Common stock	18,538	13.4	18,768	12.5	18,581	12.7
Additional paid-in capital	27,649	20.0	27,879	18.6	27,692	18.9
Retained earnings	63,420	45.8	74,675	49.8	69,237	47.4
Treasury stock	(4,012)	(2.9)	(5,770)	(3.8)	(5,770)	(3.9)
Total shareholders' equity	105,595	76.3	115,553	77.1	109,741	75.1
<b>Valuation and translation adjustments</b>						
Net unrealized gains on available-for-sale securities	316	0.2	189	0.1	223	0.1
Land revaluation decrement	(4,980)	(3.6)	(4,979)	(3.3)	(4,978)	(3.4)
Total valuation and translation adjustments	(4,663)	(3.4)	(4,790)	(3.2)	(4,755)	(3.3)
<b>Share Warrant</b>	-	-	0	0.0	-	-
<b>Minority interests in consolidated subsidiaries</b>	832	0.6	1,182	0.8	1,002	0.7
Total equity	101,764	73.5	111,946	74.7	105,988	72.5
Total liabilities and equity	138,427	100.0	149,936	100.0	146,172	100.0

**2. Consolidated Statements of Income**

(millions of yen)

	Six Months Ended Sep. 30, 2006			Six Months Ended Sep. 30, 2007			Year Ended March 31, 2007		
			%			%			%
<b>Operating Revenues</b>		31,201	100.0		33,219	100.0		64,568	100.0
<b>Costs of revenues</b>		13,234	42.4		14,354	43.2		27,580	42.7
<b>Gross profit</b>		17,966	57.6		18,864	56.8		36,988	57.3
<b>Selling, general and administrative expenses:</b>									
Advertising	524			417			1,115		
Sales promotion expenses	758			926			1,731		
Provision for doubtful accounts	6			24			17		
Remuneration for directors and statutory auditors	185			228			394		
Employee salaries and bonuses	1,528			1,559			3,245		
Bonuses for directors and statutory auditors	-			-			83		
Provision for directors' and statutory auditors' bonuses	35			-			-		
Provision for bonuses	196			231			205		
Depreciation	220			247			487		
Amortization of goodwill	391			437			777		
Others	2,002	5,851	18.8	1,985	6,057	18.2	4,113	12,171	18.9
Operating income		12,115	38.8		12,807	38.6		24,817	38.4
<b>Non-operating Income:</b>									
Interest received	9			6			20		
Lease of real estate	89			90			176		
Compensation received	12			4			22		
Commission earned	18			14			28		
Other income	101	231	0.7	143	259	0.8	386	634	1.0
<b>Non-operating Expenses:</b>									
Interest expense	16			33			49		
Fees on syndicated loan	-			-			3		
Costs of real estate lease	5			8			11		
Other expenses	19	42	0.1	13	56	0.2	26	90	0.1
Recurring profit		12,304	39.4		13,010	39.2		25,360	39.3

(millions of yen)

	Six Months Ended Sep. 30, 2006			Six Months Ended Sep. 30, 2007			Year Ended March 31, 2007		
			%			%			%
<b>Extraordinary gains:</b>									
Gain on sales of property and equipment	147			2			151		
Gain on sales of investment securities	-			0			-		
Reversal of allowance for doubtful accounts	20	167	0.6	4	8	0.0	23	174	0.3
<b>Extraordinary losses:</b>									
Loss on sales of property and equipment	0			1			0		
Loss on disposal of property and equipment	23			21			34		
Loss on sales of investment securities	-			0			-		
Impairment loss on fixed assets	-			-			12		
Retirement benefits to directors	-			123			-		
Cancellation fees for lease and other contracts	-			39			-		
Loss on prior-term adjustment	46			16			46		
Other extraordinary losses	22	93	0.3	-	202	0.6	22	116	0.2
Income before income taxes and minority interests		12,379	39.7		12,816	38.6		25,419	39.4
Income taxes	5,164			5,533			10,864		
Deferred income taxes	167	5,331	17.1	61	5,595	16.8	(164)	10,700	16.6
Minority interests in net income of consolidated subsidiaries		157	0.5		185	0.6		327	0.5
Net income		6,890	22.1		7,035	21.2		14,390	22.3

### 3. Semi-annual Consolidated Statements of Changes in Equity

April 1, 2006 through September 30, 2006

(millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	18,249	27,360	58,140	(1,768)	101,982
Changes of items during the period					
Issuance of new shares	289	289	-	-	578
Dividends as profit appropriation	-	-	(1,536)	-	(1,536)
Bonuses paid to directors and statutory auditors	-	-	(74)	-	(74)
Net income	-	-	6,890	-	6,890
Purchase of treasury stock	-	-	-	(2,244)	(2,244)
Changes of other items during the period (net)	-	-	-	-	-
Total changes of items during the period	289	289	5,279	(2,244)	3,613
Balance at Sep. 30, 2006	18,538	27,649	63,420	(4,012)	105,595

	Valuation and translation adjustments			Minority interests in consolidated subsidiaries	Total equity
	Net unrealized gains on available-for-sale securities	Land revaluation decrement	Total valuation and translation adjustments		
Balance at March 31, 2006	389	(4,979)	(4,590)	675	98,067
Changes of items during the period					
Issuance of new shares	-	-	-	-	578
Dividends as profit appropriation	-	-	-	-	(1,536)
Bonuses paid to directors and statutory auditors	-	-	-	-	(74)
Net income	-	-	-	-	6,890
Purchase of treasury stock	-	-	-	-	(2,244)
Changes of other items during the period (net)	(72)	(0)	(72)	156	83
Total changes of items during the period	(72)	(0)	(72)	156	3,697
Balance at Sep. 30, 2006	316	(4,980)	(4,663)	832	101,764

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	18,581	27,692	69,237	(5,770)	109,741
Changes of items during the period					
Issuance of new shares	186	186	-	-	373
Cash dividends paid from surplus	-	-	(1,596)	-	(1,596)
Net income	-	-	7,035	-	7,035
Purchase of treasury stock	-	-	-	(0)	(0)
Changes of other items during the period (net)	-	-	-	-	-
Total changes of items during the period	186	186	5,438	(0)	5,812
Balance at Sep. 30, 2007	18,768	27,879	74,675	(5,770)	115,553

	Valuation and translation adjustments			Share warrant	Minority interests in consolidated subsidiaries	Total equity
	Net unrealized gains on available-for-sale securities	Land revaluation decrement	Total valuation and translation adjustments			
Balance at March 31, 2007	223	(4,978)	(4,755)	-	1,002	105,988
Changes of items during the period						
Issuance of new shares	-	-	-	-	-	373
Cash dividends paid from surplus	-	-	-	-	-	(1,596)
Net income	-	-	-	-	-	7,035
Purchase of treasury stock	-	-	-	-	-	(0)
Changes of other items during the period (net)	(34)	(0)	(34)	0	180	145
Total changes of items during the period	(34)	(0)	(34)	0	180	5,958
Balance at Sep. 30, 2007	189	(4,979)	(4,790)	0	1,182	111,946



	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	18,249	27,360	58,140	(1,768)	101,982
Changes of items during the period					
Issuance of new shares	332	332	-	-	664
Dividends as profit appropriation	-	-	(1,536)	-	(1,536)
Cash dividends paid from surplus	-	-	(1,607)	-	(1,607)
Bonuses paid to directors and statutory auditors	-	-	(74)	-	(74)
Net income	-	-	14,390	-	14,390
Purchase of treasury stock	-	-	-	(4,525)	(4,525)
Retirement of treasury stock	-	-	(75)	523	448
Changes of other items during the period (net)	-	-	-	-	-
Total changes of items during the period	332	332	11,096	(4,001)	7,759
Balance at March 31, 2007	18,581	27,692	69,237	(5,770)	109,741

	Valuation and translation adjustments			Minority interests in consolidated subsidiaries	Total equity
	Net unrealized gains on available-for-sale securities	Land revaluation decrement	Total valuation and translation adjustments		
Balance at March 31, 2006	389	(4,979)	(4,590)	675	98,067
Changes of items during the period					
Issuance of new shares	-	-	-	-	664
Dividends as profit appropriation	-	-	-	-	(1,536)
Cash dividends paid from surplus	-	-	-	-	(1,607)
Bonuses paid to directors and statutory auditors	-	-	-	-	(74)
Net income	-	-	-	-	14,390
Purchase of treasury stock	-	-	-	-	(4,525)
Retirement of treasury stock	-	-	-	-	448
Changes of other items during the period (net)	(165)	0	(164)	326	162
Total changes of items during the period	(165)	0	(164)	326	7,921
Balance at March 31, 2007	223	(4,978)	(4,755)	1,002	105,988

**4. Consolidated Statements of Cash Flows**

(millions of yen)

	Six Months Ended Sep. 30, 2006	Six Months Ended Sep. 30, 2007	Year Ended March 31, 2007
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	12,379	12,816	25,419
Adjustments for:			
Depreciation and amortization	2,466	2,675	5,253
Impairment loss on fixed assets	-	-	12
Amortization of goodwill	391	437	777
Increase (decrease) in allowance for doubtful accounts	(258)	17	(264)
Increase in allowance for bonus	17	44	76
Increase in allowance for directors' and statutory auditors' bonuses	35	-	-
Increase in employee retirement benefit liability	2	9	6
Increase (decrease) in accrued severance indemnities for officers	19	(419)	39
Interest and dividend income	(10)	(7)	(25)
Interest expense	16	33	49
Gain (Loss) on sale and disposal of property and equipment	(124)	16	(118)
Loss on sale and disposal of intangible assets	0	0	0
Net change in due from/to member dealers at auction	158	1,399	248
Increase in trade notes and accounts receivable	(170)	(1,262)	(1,244)
Increase (Decrease) in trade notes and accounts payable	8	(36)	190
Decrease in deposits received	(1,253)	(1,233)	(18)
Bonuses paid to directors and statutory auditors	(74)	-	(74)
Other, net	68	49	1,033
Sub-total	13,674	14,539	31,363
Interest and dividend received	5	6	15
Interest paid	(16)	(34)	(49)
Income taxes paid	(5,551)	(6,451)	(10,319)
Net cash provided by operating activities	8,112	8,059	21,009

(millions of yen)

	Six Months Ended Sep. 30, 2006	Six Months Ended Sep. 30, 2007	Year Ended March 31, 2007
<b>Cash flows from investing activities:</b>			
Net decrease in time deposits	500	-	500
Acquisition of property and equipment	(6,523)	(2,380)	(13,186)
Proceeds from sale of property and equipment	222	7	231
Purchase of intangible assets	(136)	(304)	(454)
Payments for purchase of investment securities	-	(0)	(300)
Proceeds from sale of investment securities	350	101	472
Increase in long-term prepaid expenses	(122)	(38)	(137)
Purchase of shares of consolidated subsidiary	(0)	(4)	(0)
Purchase of shares of subsidiary due to change in scope of consolidation	-	50	123
Other, net	207	144	211
Net cash used in investing activities	(5,502)	(2,424)	(12,539)
<b>Cash flows from financing activities:</b>			
Net decrease in short-term borrowings	(150)	-	(610)
Proceeds from long-term debt	2,000	-	2,450
Repayments of long-term debt	(750)	(1,711)	(1,844)
Proceeds from guarantee deposits received from member dealers	131	152	283
Repayment of guarantee deposits received from member dealers	(46)	(66)	(89)
Issuance of new shares	578	373	664
Payments for the purchases of treasury stock	(2,244)	(0)	(4,525)
Dividends paid	(1,536)	(1,596)	(3,144)
Net cash used in financing activities	(2,017)	(2,848)	(6,815)
<b>Increase in cash and cash equivalents</b>	<b>592</b>	<b>2,787</b>	<b>1,654</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>19,495</b>	<b>21,149</b>	<b>19,495</b>
<b>Cash and cash equivalents at end of period</b>	<b>20,087</b>	<b>23,936</b>	<b>21,149</b>