

Translation

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Summary of Consolidated Financial Results for the Year Ended September 30, 2015 (Based on Japanese GAAP)

November 12, 2015

Company name: NISHIO RENT ALL CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 9699 URL <http://www.nishio-rent.co.jp/>
 Representative: PRESIDENT MASASHI NISHIO
 Inquiries: MANAGING DIRECTOR, managing KAZUSO NITTA TEL 06-6251-7302
 Administrative Divisions in Head Quarters
 Scheduled date of ordinary general meeting of shareholders: December 18, 2015
 Scheduled date to file Securities Report: December 21, 2015
 Scheduled date to commence dividend payments: December 21, 2015
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended September 30, 2015 (from October 1, 2014 to September 30, 2015)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2015	111,405	7.0	12,954	(7.7)	12,715	(11.3)	7,561	(14.9)
Year ended September 30, 2014	104,094	12.8	14,033	51.2	14,334	48.2	8,881	63.7

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2015	282.88	282.67	11.9	9.0	11.6
Year ended September 30, 2014	332.28	332.04	15.8	11.1	13.5

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2015	144,771	69,383	46.2	2,503.55
As of September 30, 2014	137,987	62,275	43.7	2,254.83

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2015	13,359	(6,104)	(10,396)	26,722
Year ended September 30, 2014	16,821	(694)	(8,019)	29,895

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2014	–	0.00	–	50.00	50.00	1,336	15.0	2.4
Year ended September 30, 2015	–	0.00	–	50.00	50.00	1,336	17.7	2.1
Year ending September 30, 2016 (Forecast)	–	0.00	–	57.00	57.00		20.0	

3. Forecast of consolidated financial results for the year ending September 30, 2016 (from October 1, 2015 to September 30, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2016	63,158	6.7	9,320	2.7	9,078	(1.6)	5,372	(3.4)	200.99
Full year	117,660	5.6	13,374	3.2	12,811	0.8	7,636	1.0	285.69

4. Notes

(1) Changes in significant subsidiaries during the year ended September 30, 2015

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements after error corrections: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2015	27,089,764 shares	As of September 30, 2014	27,089,764 shares
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Number of treasury shares at the end of the period

As of September 30, 2015	358,668 shares	As of September 30, 2014	360,868 shares
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Average number of shares during the period

Year ended September 30, 2015	26,730,624 shares	Year ended September 30, 2014	26,729,507 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2014	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	28,905	25,733
Notes and accounts receivable - trade	29,733	31,215
Lease investment assets	3	1
Securities	1,000	1,000
Merchandise and finished goods	620	681
Work in process	926	684
Raw materials and supplies	776	871
Deferred tax assets	1,297	1,190
Other	5,472	3,933
Allowance for doubtful accounts	(380)	(273)
Total current assets	68,356	65,036
Non-current assets		
Property, plant and equipment		
Assets for rent, net	38,987	44,017
Buildings and structures, net	5,997	6,950
Machinery, equipment and vehicles, net	544	685
Land	18,618	21,921
Leased assets, net	752	880
Construction in progress	590	1,144
Other, net	301	274
Total property, plant and equipment	65,791	75,874
Intangible assets		
Goodwill	58	38
Leased assets	2	1
Other	457	373
Total intangible assets	518	412
Investments and other assets		
Investment securities	529	590
Long-term loans receivable	288	205
Deferred tax assets	386	311
Other	2,485	2,645
Allowance for doubtful accounts	(368)	(306)
Total investments and other assets	3,321	3,446
Total non-current assets	69,631	79,734
Total assets	137,987	144,771

(Millions of yen)

	As of September 30, 2014	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,886	16,429
Short-term loans payable	2,480	2,270
Current portion of long-term loans payable	4,334	1,182
Current portion of bonds	1,011	998
Lease obligations	6,286	7,987
Income taxes payable	2,959	2,448
Deferred tax liabilities	0	5
Provision for bonuses	1,746	1,944
Provision for directors' bonuses	113	127
Accounts payable - facilities	8,996	7,154
Other	4,546	4,731
Total current liabilities	48,362	45,280
Non-current liabilities		
Bonds payable	3,314	2,854
Long-term loans payable	4,824	6,871
Lease obligations	17,761	18,774
Deferred tax liabilities	190	245
Provision for directors' retirement benefits	127	147
Net defined benefit liability	527	561
Asset retirement obligations	403	460
Other	200	191
Total non-current liabilities	27,349	30,107
Total liabilities	75,712	75,387
Net assets		
Shareholders' equity		
Capital stock	6,045	6,045
Capital surplus	7,355	7,355
Retained earnings	47,451	53,673
Treasury shares	(678)	(674)
Total shareholders' equity	60,174	66,399
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	119	152
Deferred gains or losses on hedges	(5)	9
Foreign currency translation adjustment	(18)	361
Total accumulated other comprehensive income	94	522
Subscription rights to shares	17	25
Minority interests	1,989	2,436
Total net assets	62,275	69,383
Total liabilities and net assets	137,987	144,771

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended September 30, 2014	Fiscal year ended September 30, 2015
Net sales		
Rent income	88,835	95,559
Net sales of merchandise and finished goods	15,258	15,845
Total net sales	104,094	111,405
Cost of sales		
Rent cost	50,183	54,604
Cost of merchandise and finished goods sold	9,835	10,257
Total cost of sales	60,019	64,862
Gross profit	44,075	46,542
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	66	(17)
Salaries and bonuses	11,693	13,119
Provision for bonuses	1,583	1,887
Provision for directors' bonuses	110	127
Retirement benefit expenses	267	320
Provision for directors' retirement benefits	19	22
Depreciation	1,131	1,333
Insurance expenses	1,842	2,024
Rent expenses	3,507	3,890
Amortization of goodwill	21	20
Other	9,797	10,861
Total selling, general and administrative expenses	30,041	33,588
Operating income	14,033	12,954
Non-operating income		
Interest income	50	57
Dividend income	6	25
Commission fee	100	77
Land and house rent received	38	66
Insurance income	71	61
Foreign exchange gains	253	–
Share of profit of entities accounted for using equity method	117	–
Other	343	306
Total non-operating income	981	595
Non-operating expenses		
Interest expenses	605	592
Bond issuance cost	8	5
Foreign exchange losses	–	128
Other	66	107
Total non-operating expenses	680	833
Ordinary income	14,334	12,715
Extraordinary income		
Gain on sales of non-current assets	11	19
Gain on step acquisitions	312	–
Gain on bargain purchase	62	–
Compensation income	11	–
Total extraordinary income	397	19

(Millions of yen)

	Fiscal year ended September 30, 2014	Fiscal year ended September 30, 2015
Extraordinary losses		
Loss on sales and retirement of non-current assets	127	147
Loss on liquidation of subsidiaries and associates	39	—
Total extraordinary losses	166	147
Income before income taxes and minority interests	14,565	12,588
Income taxes - current	5,606	4,489
Income taxes - deferred	(239)	217
Total income taxes	5,367	4,707
Income before minority interests	9,198	7,881
Minority interests in income	317	319
Net income	8,881	7,561

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2014	Fiscal year ended September 30, 2015
Income before minority interests	9,198	7,881
Other comprehensive income		
Valuation difference on available-for-sale securities	35	33
Deferred gains or losses on hedges	(5)	14
Foreign currency translation adjustment	(169)	589
Share of other comprehensive income of entities accounted for using equity method	(10)	–
Total other comprehensive income	(150)	638
Comprehensive income	9,048	8,519
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,816	7,989
Comprehensive income attributable to minority interests	231	530

Consolidated statements of changes in equity

Fiscal year ended September 30, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,045	7,355	39,371	(674)	52,098
Changes of items during period					
Dividends of surplus			(801)		(801)
Net income			8,881		8,881
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares					–
Transfer of loss on disposal of treasury shares					–
Net changes of items other than shareholders' equity					–
Total changes of items during period	–	–	8,079	(4)	8,075
Balance at end of current period	6,045	7,355	47,451	(678)	60,174

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	95	–	64	159	13	1,825	54,097
Changes of items during period							
Dividends of surplus				–			(801)
Net income				–			8,881
Purchase of treasury shares				–			(4)
Disposal of treasury shares				–			–
Transfer of loss on disposal of treasury shares				–			–
Net changes of items other than shareholders' equity	23	(5)	(83)	(64)	4	163	102
Total changes of items during period	23	(5)	(83)	(64)	4	163	8,178
Balance at end of current period	119	(5)	(18)	94	17	1,989	62,275

Fiscal year ended September 30, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,045	7,355	47,451	(678)	60,174
Changes of items during period					
Dividends of surplus			(1,336)		(1,336)
Net income			7,561		7,561
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(3)		4	1
Transfer of loss on disposal of treasury shares		3	(3)		–
Net changes of items other than shareholders' equity					–
Total changes of items during period	–	–	6,221	3	6,225
Balance at end of current period	6,045	7,355	53,673	(674)	66,399

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	119	(5)	(18)	94	17	1,989	62,275
Changes of items during period							
Dividends of surplus				–			(1,336)
Net income				–			7,561
Purchase of treasury shares				–			(0)
Disposal of treasury shares				–			1
Transfer of loss on disposal of treasury shares				–			–
Net changes of items other than shareholders' equity	33	14	379	427	7	447	882
Total changes of items during period	33	14	379	427	7	447	7,108
Balance at end of current period	152	9	361	522	25	2,436	69,383

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2014	Fiscal year ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	14,565	12,588
Depreciation	14,478	17,735
Amortization of goodwill	21	20
Increase (decrease) in allowance for doubtful accounts	(104)	(190)
Increase (decrease) in provision for bonuses	161	192
Increase (decrease) in provision for directors' bonuses	33	14
Increase (decrease) in provision for retirement benefits	(292)	–
Increase (decrease) in net defined benefit liability	333	30
Increase (decrease) in provision for directors' retirement benefits	8	19
Interest and dividend income	(57)	(83)
Interest expenses	605	592
Share of (profit) loss of entities accounted for using equity method	(117)	–
Loss (gain) on step acquisitions	(312)	–
Loss (gain) on sales and retirement of non-current assets	115	127
Transfer cost from sales of assets for rent	219	92
Purchase of assets for lease	(8,539)	(12,558)
Decrease (increase) in notes and accounts receivable - trade	(4,029)	(1,313)
Decrease (increase) in inventories	(282)	90
Increase (decrease) in notes and accounts payable - trade	1,781	527
Other, net	378	853
Subtotal	18,967	18,739
Interest and dividend income received	3,900	75
Interest expenses paid	(616)	(602)
Income taxes paid	(5,430)	(4,853)
Net cash provided by (used in) operating activities	16,821	13,359
Cash flows from investing activities		
Payments into time deposits	(17)	(17)
Proceeds from withdrawal of time deposits	17	17
Decrease (increase) in short-term loans receivable	(247)	(265)
Payments for transfer of business	(31)	(31)
Purchase of property, plant and equipment	(950)	(5,534)
Proceeds from sales of property, plant and equipment	33	18
Purchase of intangible assets	(157)	(71)
Purchase of investment securities	(22)	(5)
Purchase of shares of subsidiaries and associates	(37)	(12)
Payments for investments in capital of subsidiaries and associates	(20)	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	839	–
Purchase of investments in subsidiaries from minority shareholders	(1)	–
Payments of long-term loans receivable	(91)	(154)
Collection of long-term loans receivable	20	100
Payments for lease and guarantee deposits	(95)	(241)
Proceeds from collection of lease and guarantee deposits	68	92
Other, net	0	(0)
Net cash provided by (used in) investing activities	(694)	(6,104)

(Millions of yen)

	Fiscal year ended September 30, 2014	Fiscal year ended September 30, 2015
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(440)	(216)
Proceeds from long-term loans payable	3,865	3,540
Repayments of long-term loans payable	(4,271)	(4,644)
Proceeds from issuance of bonds	691	594
Redemption of bonds	(1,602)	(1,073)
Repayments of lease obligations	(5,351)	(7,151)
Repayments of installment payables	(17)	(25)
Cash dividends paid	(801)	(1,336)
Cash dividends paid to minority shareholders	(87)	(82)
Other, net	(4)	(0)
Net cash provided by (used in) financing activities	(8,019)	(10,396)
Effect of exchange rate change on cash and cash equivalents	(41)	(30)
Net increase (decrease) in cash and cash equivalents	8,064	(3,172)
Cash and cash equivalents at beginning of period	21,830	29,895
Cash and cash equivalents at end of period	29,895	26,722