

Translation

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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2016 (Based on Japanese GAAP)

May 11, 2016

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
 MANAGING DIRECTOR, managing
 Inquiries: Administrative Divisions KAZUSO NITTA TEL 06-6251-7302
 in Head Quarters
 Scheduled date to file Quarterly Securities Report: May 13, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended March 31, 2016 (from October 1, 2015 to March 31, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended March 31, 2016	61,017	3.0	8,376	(7.7)	8,287	(10.2)	5,108	(8.1)
Six months ended March 31, 2015	59,217	7.4	9,077	(6.4)	9,228	(6.4)	5,561	(3.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2016	191.12		190.97	
Six months ended March 31, 2015	208.07		207.92	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	155,303	72,944	45.4	2,637.49
As of September 30, 2015	144,771	69,383	46.2	2,503.55

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2015	–	0.00	–	50.00	50.00
Year ending September 30, 2016	–	0.00			
Year ending September 30, 2016 (Forecast)			–	57.00	57.00

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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	115,400	3.6	12,000	(7.4)	11,600	(8.8)	7,000	(7.4)	261.87

4. Notes

- (1) Changes in significant subsidiaries during the six months ended March 31, 2016
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of March 31, 2016	27,089,764 shares	As of September 30, 2015	27,089,764 shares
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Number of treasury shares at the end of the period

As of March 31, 2016	358,980 shares	As of September 30, 2015	358,668 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2016	26,730,956 shares	Six months ended March 31, 2015	26,730,136 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	25,733	20,684
Notes and accounts receivable - trade	31,215	35,062
Securities	1,000	–
Merchandise and finished goods	681	746
Work in process	684	563
Raw materials and supplies	871	925
Other	5,124	12,180
Allowance for doubtful accounts	(273)	(292)
Total current assets	65,036	69,870
Non-current assets		
Property, plant and equipment		
Assets for rent, net	44,017	47,408
Land	21,921	23,181
Other, net	9,936	10,881
Total property, plant and equipment	75,874	81,472
Intangible assets		
Goodwill	38	31
Other	374	334
Total intangible assets	412	365
Investments and other assets		
Other	3,753	3,883
Allowance for doubtful accounts	(306)	(288)
Total investments and other assets	3,446	3,594
Total non-current assets	79,734	85,432
Total assets	144,771	155,303
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,429	18,546
Short-term loans payable	2,270	2,883
Current portion of long-term loans payable	1,182	1,488
Current portion of bonds	998	1,124
Lease obligations	7,987	9,030
Income taxes payable	2,448	3,116
Provision for bonuses	1,944	1,907
Provision for directors' bonuses	127	82
Other	11,891	14,607
Total current liabilities	45,280	52,786

(Millions of yen)

	As of September 30, 2015	As of March 31, 2016
Non-current liabilities		
Bonds payable	2,854	2,704
Long-term loans payable	6,871	5,763
Lease obligations	18,774	19,492
Provision for directors' retirement benefits	147	152
Net defined benefit liability	561	581
Asset retirement obligations	460	487
Other	436	391
Total non-current liabilities	30,107	29,572
Total liabilities	75,387	82,359
Net assets		
Shareholders' equity		
Capital stock	6,045	6,045
Capital surplus	7,355	7,355
Retained earnings	53,673	57,450
Treasury shares	(674)	(675)
Total shareholders' equity	66,399	70,175
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	152	115
Deferred gains or losses on hedges	9	15
Foreign currency translation adjustment	361	196
Total accumulated other comprehensive income	522	326
Subscription rights to shares	25	29
Non-controlling interests	2,436	2,412
Total net assets	69,383	72,944
Total liabilities and net assets	144,771	155,303

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended March 31, 2015	Six months ended March 31, 2016
Net sales	59,217	61,017
Cost of sales	33,270	34,667
Gross profit	25,946	26,350
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	–	36
Salaries and bonuses	5,816	6,212
Provision for bonuses	1,753	1,854
Provision for directors' bonuses	91	82
Retirement benefit expenses	151	156
Provision for directors' retirement benefits	9	11
Other	9,046	9,620
Total selling, general and administrative expenses	16,869	17,973
Operating income	9,077	8,376
Non-operating income		
Interest income	27	32
Dividend income	14	3
Foreign exchange gains	176	0
Other	278	255
Total non-operating income	497	291
Non-operating expenses		
Interest expenses	299	288
Other	46	91
Total non-operating expenses	346	380
Ordinary income	9,228	8,287
Extraordinary income		
Gain on sales of non-current assets	15	20
Total extraordinary income	15	20
Extraordinary losses		
Loss on sales and retirement of non-current assets	50	40
Total extraordinary losses	50	40
Income before income taxes and minority interests	9,193	8,267
Income taxes - current	3,342	3,143
Income taxes - deferred	57	(129)
Total income taxes	3,399	3,014
Profit	5,794	5,253
Profit attributable to non-controlling interests	232	144
Profit attributable to owners of parent	5,561	5,108

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended March 31, 2015	Six months ended March 31, 2016
Profit	5,794	5,253
Other comprehensive income		
Valuation difference on available-for-sale securities	31	(38)
Deferred gains or losses on hedges	(2)	5
Foreign currency translation adjustment	431	(286)
Total other comprehensive income	460	(319)
Comprehensive income	6,254	4,934
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,881	4,895
Comprehensive income attributable to non-controlling interests	373	39

Consolidated statements of cash flows

(Millions of yen)

	Six months ended March 31, 2015	Six months ended March 31, 2016
Cash flows from operating activities		
Income before income taxes and minority interests	9,193	8,267
Depreciation	8,193	9,361
Amortization of goodwill	11	6
Increase (decrease) in allowance for doubtful accounts	(90)	11
Increase (decrease) in provision for bonuses	50	(32)
Increase (decrease) in provision for directors' bonuses	(21)	(45)
Increase (decrease) in net defined benefit liability	1	21
Increase (decrease) in provision for directors' retirement benefits	6	4
Interest and dividend income	(42)	(35)
Interest expenses	299	288
Loss (gain) on sales and retirement of non-current assets	35	19
Transfer cost from sales of assets for rent	76	36
Purchase of assets for lease	(6,868)	(7,444)
Decrease (increase) in notes and accounts receivable - trade	(4,563)	(3,835)
Decrease (increase) in inventories	245	(5)
Increase (decrease) in notes and accounts payable - trade	2,075	2,132
Other, net	(904)	(2,354)
Subtotal	7,699	6,397
Interest and dividend income received	42	31
Interest expenses paid	(287)	(280)
Income taxes paid	(2,939)	(2,545)
Net cash provided by (used in) operating activities	4,515	3,603
Cash flows from investing activities		
Payments into time deposits	(13)	(13)
Proceeds from withdrawal of time deposits	10	10
Decrease (increase) in short-term loans receivable	(172)	4
Purchase of property, plant and equipment	(4,466)	(2,183)
Proceeds from sales of property, plant and equipment	13	45
Purchase of intangible assets	(29)	(32)
Payments for transfer of business	(31)	(31)
Purchase of investment securities	(3)	(1)
Purchase of shares of subsidiaries and associates	(12)	-
Payments of long-term loans receivable	(80)	(104)
Collection of long-term loans receivable	62	16
Payments for lease and guarantee deposits	(96)	(185)
Proceeds from collection of lease and guarantee deposits	43	49
Advance payments for share transfer agreement	-	(1,810)
Other, net	(0)	-
Net cash provided by (used in) investing activities	(4,777)	(4,236)

(Millions of yen)

	Six months ended March 31, 2015	Six months ended March 31, 2016
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(73)	702
Proceeds from long-term loans payable	3,440	800
Repayments of long-term loans payable	(3,904)	(1,602)
Proceeds from issuance of bonds	594	496
Redemption of bonds	(549)	(524)
Repayments of lease obligations	(3,373)	(4,049)
Repayments of installment payables	(7)	(18)
Cash dividends paid	(1,336)	(1,336)
Dividends paid to non-controlling interests	(82)	(82)
Other, net	(0)	(1)
Net cash provided by (used in) financing activities	(5,292)	(5,614)
Effect of exchange rate change on cash and cash equivalents	0	(11)
Net increase (decrease) in cash and cash equivalents	(5,554)	(6,259)
Cash and cash equivalents at beginning of period	29,895	26,722
Increase in cash and cash equivalents from newly consolidated subsidiary	–	207
Cash and cash equivalents at end of period	24,340	20,670