

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

February 6, 2017

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 to file Quarterly Securities Report: February 8, 2017
 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 three months ended December 31, 2016 (from October 1, 2016 to December 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	%
Three months ended December 31, 2016	32,029	4.7	3,573	(10.0)	3,558	(10.6)	2,123	(12.3)
Three months ended December 31, 2015	30,582	3.8	3,970	(8.4)	3,979	(12.4)	2,423	(10.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2016	79.46		79.39	
Three months ended December 31, 2015	90.64		90.58	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2016	156,088	74,856	46.3	2,701.52
As of September 30, 2016	150,630	74,536	47.7	2,687.91

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, 2016	–	0.00	–	57.00	57.00
Year ending September 30, 2017	–				
Year ending September 30, 2017 (Forecast)		0.00	–	57.00	57.00

3. Forecast of consolidated financial results for the year ending September 30, 2017 (from October 1, 2016 to September 30, 2017)

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
Six months ending March 31, 2017	64,300	5.4	8,070	(3.7)	7,890	(4.8)	4,960	(2.9)	185.55
Full year	123,800	6.8	12,430	5.3	12,000	6.3	7,690	11.1	287.68

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 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: No
 - Changes in accounting policies due to other reasons: Yes
 - 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 December 31, 2016	27,089,764 shares	As of September 30, 2016	27,089,764 shares
-------------------------	-------------------	--------------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2016	359,130 shares	As of September 30, 2016	359,058 shares
-------------------------	----------------	--------------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2016	26,730,702 shares	Three months ended December 31, 2015	26,731,082 shares
--------------------------------------	-------------------	--------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	22,241	20,953
Notes and accounts receivable - trade	32,790	36,379
Merchandise and finished goods	635	689
Work in process	785	934
Raw materials and supplies	898	906
Other	5,140	6,367
Allowance for doubtful accounts	(240)	(238)
Total current assets	62,252	65,991
Non-current assets		
Property, plant and equipment		
Assets for rent, net	48,610	50,118
Land	23,744	23,749
Other, net	11,447	11,717
Total property, plant and equipment	83,802	85,584
Intangible assets		
Goodwill	451	427
Other	388	421
Total intangible assets	840	848
Investments and other assets		
Other	3,973	3,896
Allowance for doubtful accounts	(238)	(232)
Total investments and other assets	3,734	3,663
Total non-current assets	88,378	90,097
Total assets	150,630	156,088
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,112	19,337
Short-term loans payable	2,329	2,778
Current portion of long-term loans payable	2,160	2,109
Current portion of bonds	1,092	1,092
Lease obligations	8,911	9,185
Income taxes payable	1,828	1,108
Provision for bonuses	1,928	995
Provision for directors' bonuses	111	43
Other	13,365	17,185
Total current liabilities	48,842	53,835

(Millions of yen)

	As of September 30, 2016	As of December 31, 2016
Non-current liabilities		
Bonds payable	2,178	2,158
Long-term loans payable	5,346	5,005
Lease obligations	17,924	18,333
Provision for directors' retirement benefits	168	169
Net defined benefit liability	610	629
Asset retirement obligations	625	639
Other	396	461
Total non-current liabilities	27,251	27,396
Total liabilities	76,093	81,232
Net assets		
Shareholders' equity		
Capital stock	6,045	6,045
Capital surplus	7,335	7,329
Retained earnings	59,261	59,862
Treasury shares	(675)	(676)
Total shareholders' equity	71,967	72,560
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	108	162
Deferred gains or losses on hedges	(41)	(17)
Foreign currency translation adjustment	(184)	(492)
Total accumulated other comprehensive income	(117)	(347)
Subscription rights to shares	29	31
Non-controlling interests	2,657	2,611
Total net assets	74,536	74,856
Total liabilities and net assets	150,630	156,088

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended December 31, 2015	Three months ended December 31, 2016
Net sales	30,582	32,029
Cost of sales	17,522	18,663
Gross profit	13,060	13,366
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	10	(2)
Salaries and bonuses	3,164	3,434
Provision for bonuses	933	943
Provision for directors' bonuses	48	43
Retirement benefit expenses	78	81
Provision for directors' retirement benefits	5	5
Other	4,847	5,286
Total selling, general and administrative expenses	9,089	9,793
Operating income	3,970	3,573
Non-operating income		
Interest income	15	15
Dividend income	2	3
Foreign exchange gains	6	–
Other	156	152
Total non-operating income	182	171
Non-operating expenses		
Interest expenses	144	151
Foreign exchange losses	–	22
Other	29	11
Total non-operating expenses	173	185
Ordinary income	3,979	3,558
Extraordinary income		
Gain on sales of non-current assets	10	13
Total extraordinary income	10	13
Extraordinary losses		
Loss on sales and retirement of non-current assets	20	22
Total extraordinary losses	20	22
Profit before income taxes	3,968	3,549
Income taxes - current	1,212	1,120
Income taxes - deferred	271	224
Total income taxes	1,483	1,345
Profit	2,485	2,204
Profit attributable to non-controlling interests	62	80
Profit attributable to owners of parent	2,423	2,123

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended December 31, 2015	Three months ended December 31, 2016
Profit	2,485	2,204
Other comprehensive income		
Valuation difference on available-for-sale securities	15	54
Deferred gains or losses on hedges	(3)	24
Foreign currency translation adjustment	(453)	(354)
Total other comprehensive income	(441)	(275)
Comprehensive income	2,043	1,928
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,122	1,894
Comprehensive income attributable to non-controlling interests	(79)	34