

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended March 31, 2017
(Based on Japanese GAAP)**

May 10, 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
 MANAGING DIRECTOR, managing
 Inquiries: Administrative Divisions KAZUSO NITTA TEL 06(6251)7302
 in Head Quarters
 Scheduled date to file Quarterly Securities Report: May 12, 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 six months ended March 31, 2017 (from October 1, 2016 to March 31, 2017)

(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, 2017	64,384	5.5	7,423	(11.4)	7,398	(10.7)	4,603	(9.9)
Six months ended March 31, 2016	61,017	3.0	8,376	(7.7)	8,287	(10.2)	5,108	(8.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2017	173.85		173.71	
Six months ended March 31, 2016	191.12		190.97	

(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, 2017	160,350	74,159	44.5	2,793.61
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	Yen	Yen	Yen	Yen
Year ended September 30, 2016	–	0.00	–	57.00	57.00
Year ending September 30, 2017	–	0.00			
Year ending September 30, 2017 (Forecast)			–	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
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 six months ended March 31, 2017
 (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 March 31, 2017	27,091,364 shares	As of September 30, 2016	27,089,764 shares
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Number of treasury shares at the end of the period

As of March 31, 2017	1,559,413 shares	As of September 30, 2016	359,058 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, 2017	26,480,715 shares	Six months ended March 31, 2016	26,730,956 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	22,241	19,384
Notes and accounts receivable - trade	32,790	37,648
Merchandise and finished goods	635	611
Work in process	785	930
Raw materials and supplies	898	971
Other	5,140	9,184
Allowance for doubtful accounts	(240)	(283)
Total current assets	62,252	68,448
Non-current assets		
Property, plant and equipment		
Assets for rent, net	48,610	51,726
Land	23,744	23,747
Other, net	11,447	11,853
Total property, plant and equipment	83,802	87,326
Intangible assets		
Goodwill	451	438
Other	388	437
Total intangible assets	840	875
Investments and other assets		
Other	3,973	3,967
Allowance for doubtful accounts	(238)	(267)
Total investments and other assets	3,734	3,699
Total non-current assets	88,378	91,901
Total assets	150,630	160,350
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,112	20,748
Short-term loans payable	2,329	2,712
Current portion of long-term loans payable	2,160	2,226
Current portion of bonds	1,092	1,878
Lease obligations	8,911	9,662
Income taxes payable	1,828	2,869
Provision for bonuses	1,928	1,928
Provision for directors' bonuses	111	77
Other	13,365	16,445
Total current liabilities	48,842	58,549

(Millions of yen)

	As of September 30, 2016	As of March 31, 2017
Non-current liabilities		
Bonds payable	2,178	1,026
Long-term loans payable	5,346	5,102
Lease obligations	17,924	19,482
Provision for directors' retirement benefits	168	175
Net defined benefit liability	610	636
Asset retirement obligations	625	653
Other	396	564
Total non-current liabilities	27,251	27,641
Total liabilities	76,093	86,191
Net assets		
Shareholders' equity		
Capital stock	6,045	6,048
Capital surplus	7,335	7,331
Retained earnings	59,261	62,342
Treasury shares	(675)	(4,637)
Total shareholders' equity	71,967	71,085
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	108	174
Deferred gains or losses on hedges	(41)	(17)
Foreign currency translation adjustment	(184)	84
Total accumulated other comprehensive income	(117)	241
Subscription rights to shares	29	31
Non-controlling interests	2,657	2,801
Total net assets	74,536	74,159
Total liabilities and net assets	150,630	160,350

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, 2016	Six months ended March 31, 2017
Net sales	61,017	64,384
Cost of sales	34,667	37,545
Gross profit	26,350	26,838
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	36	101
Salaries and bonuses	6,212	6,747
Provision for bonuses	1,854	1,870
Provision for directors' bonuses	82	77
Retirement benefit expenses	156	163
Provision for directors' retirement benefits	11	11
Other	9,620	10,442
Total selling, general and administrative expenses	17,973	19,415
Operating income	8,376	7,423
Non-operating income		
Interest income	32	27
Dividend income	3	3
Foreign exchange gains	0	12
Other	255	265
Total non-operating income	291	308
Non-operating expenses		
Interest expenses	288	305
Other	91	28
Total non-operating expenses	380	334
Ordinary income	8,287	7,398
Extraordinary income		
Gain on sales of non-current assets	20	21
Total extraordinary income	20	21
Extraordinary losses		
Loss on sales and retirement of non-current assets	40	33
Total extraordinary losses	40	33
Profit before income taxes	8,267	7,386
Income taxes - current	3,143	2,787
Income taxes - deferred	(129)	(160)
Total income taxes	3,014	2,626
Profit	5,253	4,759
Profit attributable to non-controlling interests	144	155
Profit attributable to owners of parent	5,108	4,603

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended March 31, 2016	Six months ended March 31, 2017
Profit	5,253	4,759
Other comprehensive income		
Valuation difference on available-for-sale securities	(38)	66
Deferred gains or losses on hedges	5	23
Foreign currency translation adjustment	(286)	337
Total other comprehensive income	(319)	427
Comprehensive income	4,934	5,186
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,895	4,962
Comprehensive income attributable to non-controlling interests	39	223

Consolidated statements of cash flows

(Millions of yen)

	Six months ended March 31, 2016	Six months ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	8,267	7,386
Depreciation	9,361	10,409
Amortization of goodwill	6	52
Increase (decrease) in allowance for doubtful accounts	11	65
Increase (decrease) in provision for bonuses	(32)	(1)
Increase (decrease) in provision for directors' bonuses	(45)	(34)
Increase (decrease) in net defined benefit liability	21	22
Increase (decrease) in provision for directors' retirement benefits	4	6
Interest and dividend income	(35)	(31)
Interest expenses	288	305
Loss (gain) on sales and retirement of non-current assets	19	11
Transfer cost from sales of assets for rent	36	158
Purchase of assets for lease	(7,444)	(6,262)
Decrease (increase) in notes and accounts receivable - trade	(3,835)	(4,711)
Decrease (increase) in inventories	(5)	(188)
Increase (decrease) in notes and accounts payable - trade	2,132	3,606
Other, net	(2,354)	177
Subtotal	6,397	10,971
Interest and dividend income received	31	27
Interest expenses paid	(280)	(311)
Income taxes paid	(2,545)	(1,850)
Net cash provided by (used in) operating activities	3,603	8,837
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	4	-
Purchase of property, plant and equipment	(2,183)	(1,140)
Proceeds from sales of property, plant and equipment	45	26
Purchase of intangible assets	(32)	(123)
Payments for transfer of business	(31)	-
Purchase of investment securities	(1)	(5)
Payments of long-term loans receivable	(104)	(32)
Collection of long-term loans receivable	16	153
Payments for lease and guarantee deposits	(185)	(45)
Proceeds from collection of lease and guarantee deposits	49	56
Advance payments for share transfer agreement	(1,810)	-
Other, net	-	(0)
Net cash provided by (used in) investing activities	(4,236)	(1,114)

(Millions of yen)

	Six months ended March 31, 2016	Six months ended March 31, 2017
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	702	136
Proceeds from long-term loans payable	800	836
Repayments of long-term loans payable	(1,602)	(1,175)
Proceeds from issuance of bonds	496	198
Redemption of bonds	(524)	(566)
Repayments of lease obligations	(4,049)	(4,462)
Repayments of installment payables	(18)	(13)
Purchase of treasury shares	(0)	(3,961)
Cash dividends paid	(1,336)	(1,523)
Dividends paid to non-controlling interests	(82)	(58)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(5,614)	(10,589)
Effect of exchange rate change on cash and cash equivalents	(11)	6
Net increase (decrease) in cash and cash equivalents	(6,259)	(2,860)
Cash and cash equivalents at beginning of period	26,722	22,230
Increase in cash and cash equivalents from newly consolidated subsidiary	207	–
Cash and cash equivalents at end of period	20,670	19,370