

Translation

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Summary of Consolidated Financial Results for the Three Months Ended December 31, 2017 (Based on Japanese GAAP)

February 6, 2018

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, 2018
 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, 2017 (from October 1, 2017 to December 31, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2017	34,940	9.1	4,609	29.0	4,662	31.0	2,989	40.7
Three months ended December 31, 2016	32,029	4.7	3,573	(10.0)	3,558	(10.6)	2,123	(12.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2017	117.08		116.98	
Three months ended December 31, 2016	79.46		79.39	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	167,178	78,913	45.2
As of September 30, 2017	159,413	77,017	46.4

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, 2017	–	0.00	–	57.00	57.00
Year ending September 30, 2018	–				
Year ending September 30, 2018 (Forecast)		0.00	–	59.00	59.00

3. Forecast of consolidated financial results for the year ending September 30, 2018 (from October 1, 2017 to September 30, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		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, 2018	69,220	7.5	7,820	5.3	7,500	1.4	4,720	2.5	184.87
Full year	132,700	7.4	12,700	14.2	12,000	8.9	7,450	3.9	291.79

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 2017
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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: Yes
- 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, 2017	27,091,364 shares	As of September 30, 2017	27,091,364 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	1,559,720 shares	As of September 30, 2017	1,559,617 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2017	25,531,709 shares	Three months ended December 31, 2016	26,730,702 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	21,481	19,279
Notes and accounts receivable - trade	35,136	38,045
Merchandise and finished goods	741	1,292
Work in process	1,193	1,455
Raw materials and supplies	923	927
Other	7,353	6,104
Allowance for doubtful accounts	(214)	(212)
Total current assets	66,616	66,891
Non-current assets		
Property, plant and equipment		
Assets for rent, net	52,363	56,271
Land	23,835	24,163
Other, net	11,949	12,802
Total property, plant and equipment	88,148	93,237
Intangible assets		
Goodwill	390	2,446
Other	465	494
Total intangible assets	855	2,940
Investments and other assets		
Other	4,031	4,344
Allowance for doubtful accounts	(238)	(236)
Total investments and other assets	3,793	4,108
Total non-current assets	92,797	100,286
Total assets	159,413	167,178
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,451	20,872
Short-term loans payable	2,906	2,963
Current portion of long-term loans payable	2,621	3,164
Current portion of bonds	1,498	1,498
Lease obligations	9,928	9,746
Income taxes payable	2,299	1,344
Provision for bonuses	2,011	1,042
Provision for directors' bonuses	115	52
Other	15,748	19,687
Total current liabilities	55,582	60,371

(Millions of yen)

	As of September 30, 2017	As of December 31, 2017
Non-current liabilities		
Bonds payable	847	827
Long-term loans payable	4,306	6,461
Lease obligations	19,440	18,415
Provision for directors' retirement benefits	204	194
Net defined benefit liability	710	675
Asset retirement obligations	704	697
Other	602	620
Total non-current liabilities	26,814	27,892
Total liabilities	82,396	88,264
Net assets		
Shareholders' equity		
Capital stock	6,048	6,048
Capital surplus	7,331	7,331
Retained earnings	64,910	66,444
Treasury shares	(4,637)	(4,638)
Total shareholders' equity	73,652	75,186
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	217	245
Deferred gains or losses on hedges	40	8
Foreign currency translation adjustment	28	141
Total accumulated other comprehensive income	286	395
Subscription rights to shares	31	30
Non-controlling interests	3,047	3,301
Total net assets	77,017	78,913
Total liabilities and net assets	159,413	167,178

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, 2016	Three months ended December 31, 2017
Net sales	32,029	34,940
Cost of sales	18,663	19,964
Gross profit	13,366	14,976
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	(2)	8
Salaries and bonuses	3,434	3,601
Provision for bonuses	943	984
Provision for directors' bonuses	43	52
Retirement benefit expenses	81	98
Provision for directors' retirement benefits	5	7
Other	5,286	5,614
Total selling, general and administrative expenses	9,793	10,366
Operating profit	3,573	4,609
Non-operating income		
Interest income	15	11
Dividend income	3	3
Foreign exchange gains	–	49
Other	152	166
Total non-operating income	171	231
Non-operating expenses		
Interest expenses	151	158
Foreign exchange losses	22	–
Other	11	20
Total non-operating expenses	185	178
Ordinary profit	3,558	4,662
Extraordinary income		
Gain on sales of non-current assets	13	1
Total extraordinary income	13	1
Extraordinary losses		
Loss on sales and retirement of non-current assets	22	23
Total extraordinary losses	22	23
Profit before income taxes	3,549	4,640
Income taxes - current	1,120	1,190
Income taxes - deferred	224	359
Total income taxes	1,345	1,550
Profit	2,204	3,090
Profit attributable to non-controlling interests	80	101
Profit attributable to owners of parent	2,123	2,989

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended December 31, 2016	Three months ended December 31, 2017
Profit	2,204	3,090
Other comprehensive income		
Valuation difference on available-for-sale securities	54	28
Deferred gains or losses on hedges	24	(31)
Foreign currency translation adjustment	(354)	133
Total other comprehensive income	(275)	130
Comprehensive income	1,928	3,220
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,894	3,098
Comprehensive income attributable to non-controlling interests	34	121