

Translation

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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2018 (Based on Japanese GAAP)

May 9, 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: May 11, 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 six months ended March 31, 2018 (from October 1, 2017 to March 31, 2018)

(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	%
Six months ended March 31, 2018	69,236	7.5	9,002	21.3	8,988	21.5	5,684	23.5
Six months ended March 31, 2017	64,384	5.5	7,423	(11.4)	7,398	(10.7)	4,603	(9.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2018	219.89		219.71	
Six months ended March 31, 2017	173.85		173.71	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2018	186,884	89,905	46.2
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	–	0.00			
Year ending September 30, 2018 (Forecast)			–	61.00	61.00

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
Full year	132,840	7.5	13,750	23.6	13,330	21.0	8,270	15.3	295.01

4. Notes

- (1) Changes in significant subsidiaries during the six months ended March 31, 2018
 (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 March 31, 2018	28,391,464 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 March 31, 2018	358,220 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)

Six months ended March 31, 2018	25,850,025 shares	Six months ended March 31, 2017	26,480,715 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	21,481	29,634
Notes and accounts receivable - trade	35,136	39,528
Merchandise and finished goods	741	1,820
Work in process	1,193	1,549
Raw materials and supplies	923	1,152
Other	7,353	11,246
Allowance for doubtful accounts	(214)	(230)
Total current assets	66,616	84,701
Non-current assets		
Property, plant and equipment		
Assets for rent, net	52,363	58,033
Land	23,835	24,215
Other, net	11,949	12,851
Total property, plant and equipment	88,148	95,100
Intangible assets		
Goodwill	390	2,030
Other	465	1,259
Total intangible assets	855	3,289
Investments and other assets		
Other	4,031	4,034
Allowance for doubtful accounts	(238)	(241)
Total investments and other assets	3,793	3,792
Total non-current assets	92,797	102,183
Total assets	159,413	186,884
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,451	22,273
Short-term loans payable	2,906	2,347
Current portion of long-term loans payable	2,621	3,530
Current portion of bonds	1,498	589
Lease obligations	9,928	10,482
Income taxes payable	2,299	3,304
Provision for bonuses	2,011	2,070
Provision for directors' bonuses	115	87
Other	15,748	18,981
Total current liabilities	55,582	63,667

(Millions of yen)

	As of September 30, 2017	As of March 31, 2018
Non-current liabilities		
Bonds payable	847	1,136
Long-term loans payable	4,306	7,706
Lease obligations	19,440	21,919
Provision for directors' retirement benefits	204	200
Net defined benefit liability	710	688
Asset retirement obligations	704	720
Other	602	938
Total non-current liabilities	26,814	33,311
Total liabilities	82,396	96,978
Net assets		
Shareholders' equity		
Capital stock	6,048	8,100
Capital surplus	7,331	9,605
Retained earnings	64,910	69,139
Treasury shares	(4,637)	(1,065)
Total shareholders' equity	73,652	85,780
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	217	192
Deferred gains or losses on hedges	40	–
Foreign currency translation adjustment	28	336
Total accumulated other comprehensive income	286	528
Subscription rights to shares	31	30
Non-controlling interests	3,047	3,566
Total net assets	77,017	89,905
Total liabilities and net assets	159,413	186,884

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, 2017	Six months ended March 31, 2018
Net sales	64,384	69,236
Cost of sales	37,545	39,489
Gross profit	26,838	29,746
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	101	46
Salaries and bonuses	6,747	7,175
Provision for bonuses	1,870	2,000
Provision for directors' bonuses	77	87
Retirement benefit expenses	163	188
Provision for directors' retirement benefits	11	13
Other	10,442	11,231
Total selling, general and administrative expenses	19,415	20,743
Operating profit	7,423	9,002
Non-operating income		
Interest income	27	22
Dividend income	3	3
Foreign exchange gains	12	53
Other	265	283
Total non-operating income	308	363
Non-operating expenses		
Interest expenses	305	330
Other	28	47
Total non-operating expenses	334	377
Ordinary profit	7,398	8,988
Extraordinary income		
Gain on sales of non-current assets	21	4
Total extraordinary income	21	4
Extraordinary losses		
Loss on sales and retirement of non-current assets	33	58
Total extraordinary losses	33	58
Profit before income taxes	7,386	8,934
Income taxes - current	2,787	3,120
Income taxes - deferred	(160)	(99)
Total income taxes	2,626	3,021
Profit	4,759	5,913
Profit attributable to non-controlling interests	155	229
Profit attributable to owners of parent	4,603	5,684

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended March 31, 2017	Six months ended March 31, 2018
Profit	4,759	5,913
Other comprehensive income		
Valuation difference on available-for-sale securities	66	(25)
Deferred gains or losses on hedges	23	(40)
Foreign currency translation adjustment	337	354
Total other comprehensive income	427	288
Comprehensive income	5,186	6,201
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,962	5,926
Comprehensive income attributable to non-controlling interests	223	275

Consolidated statements of cash flows

(Millions of yen)

	Six months ended March 31, 2017	Six months ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	7,386	8,934
Depreciation	10,409	9,685
Amortization of goodwill	52	145
Increase (decrease) in allowance for doubtful accounts	65	10
Increase (decrease) in provision for bonuses	(1)	57
Increase (decrease) in provision for directors' bonuses	(34)	(27)
Increase (decrease) in net defined benefit liability	22	(23)
Increase (decrease) in provision for directors' retirement benefits	6	(3)
Interest and dividend income	(31)	(26)
Interest expenses	305	330
Loss (gain) on sales and retirement of non-current assets	11	53
Transfer cost from sales of assets for rent	158	141
Purchase of assets for lease	(6,262)	(7,781)
Decrease (increase) in notes and accounts receivable - trade	(4,711)	(4,143)
Decrease (increase) in inventories	(188)	(1,088)
Increase (decrease) in notes and accounts payable - trade	3,606	3,486
Other, net	177	522
Subtotal	10,971	10,273
Interest and dividend income received	27	30
Interest expenses paid	(311)	(329)
Income taxes paid	(1,850)	(2,270)
Net cash provided by (used in) operating activities	8,837	7,703
Cash flows from investing activities		
Payments into time deposits	(13)	(213)
Proceeds from withdrawal of time deposits	10	217
Decrease (increase) in short-term loans receivable	-	150
Purchase of property, plant and equipment	(1,140)	(1,717)
Proceeds from sales of property, plant and equipment	26	5
Purchase of intangible assets	(123)	(106)
Purchase of investment securities	(5)	(6)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(2,681)
Payments of long-term loans receivable	(32)	(4)
Collection of long-term loans receivable	153	1
Payments for lease and guarantee deposits	(45)	(88)
Proceeds from collection of lease and guarantee deposits	56	42
Other, net	(0)	(0)
Net cash provided by (used in) investing activities	(1,114)	(4,401)

(Millions of yen)

	Six months ended March 31, 2017	Six months ended March 31, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	136	(418)
Proceeds from long-term loans payable	836	5,779
Repayments of long-term loans payable	(1,175)	(1,515)
Proceeds from issuance of bonds	198	693
Redemption of bonds	(566)	(1,319)
Proceeds from issuance of common shares	–	4,104
Repayments of lease obligations	(4,462)	(4,704)
Repayments of installment payables	(13)	(17)
Purchase of treasury shares	(3,961)	(0)
Proceeds from sales of treasury shares	–	3,788
Cash dividends paid	(1,523)	(1,455)
Dividends paid to non-controlling interests	(58)	(72)
Other, net	(0)	0
Net cash provided by (used in) financing activities	(10,589)	4,863
Effect of exchange rate change on cash and cash equivalents	6	(7)
Net increase (decrease) in cash and cash equivalents	(2,860)	8,157
Cash and cash equivalents at beginning of period	22,230	21,263
Cash and cash equivalents at end of period	19,370	29,420