

Translation

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Summary of Consolidated Financial Results for the Six Months Ended March 31, 2019 (Based on Japanese GAAP)

May 10, 2019

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
 Director, managing Administrative Divisions
 Inquiries: in Head Quarters. KAZUO YOTSUMOTO TEL 06(6251)7302
 President's office
 Scheduled date to file Quarterly Securities Report: May 13, 2019
 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, 2019 (from October 1, 2018 to March 31, 2019)

(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, 2019	78,880	13.9	9,691	7.6	9,437	5.0	5,946	4.6
Six months ended March 31, 2018	69,236	7.5	9,002	21.3	8,988	21.5	5,684	23.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended March 31, 2019	212.10		211.94	
Six months ended March 31, 2018	219.89		219.71	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2019	206,404	96,573	45.1
As of September 30, 2018	188,224	92,819	47.5

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, 2018	–	0.00	–	70.00	70.00
Year ending September 30, 2019	–	0.00			
Year ending September 30, 2019 (Forecast)			–	70.00	70.00

3. Forecast of consolidated financial results for the year ending September 30, 2019 (from October 1, 2018 to September 30, 2019)

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	147,860	8.2	15,880	7.5	15,500	7.0	9,600	3.0	342.45

4. Notes

- (1) Changes in significant subsidiaries during the six months ended March 31, 2019
 (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: 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, 2019	28,391,464 shares	As of September 30, 2018	28,391,464 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	354,359 shares	As of September 30, 2018	358,362 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, 2019	28,035,156 shares	Six months ended March 31, 2018	25,850,025 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	28,902	29,693
Notes and accounts receivable - trade	39,660	43,496
Merchandise and finished goods	1,420	1,841
Work in process	1,548	1,636
Raw materials and supplies	994	1,134
Other	7,895	11,572
Allowance for doubtful accounts	(257)	(249)
Total current assets	80,165	89,126
Non-current assets		
Property, plant and equipment		
Assets for rent, net	60,703	66,875
Land	24,208	25,807
Other, net	14,380	16,074
Total property, plant and equipment	99,293	108,757
Intangible assets		
Goodwill	2,122	1,796
Other	1,159	1,171
Total intangible assets	3,281	2,968
Investments and other assets		
Other	5,807	5,896
Allowance for doubtful accounts	(323)	(343)
Total investments and other assets	5,483	5,552
Total non-current assets	108,058	117,278
Total assets	188,224	206,404
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,400	23,787
Short-term loans payable	2,731	4,055
Current portion of long-term loans payable	2,901	4,396
Current portion of bonds	993	1,049
Lease obligations	10,574	11,316
Income taxes payable	3,020	3,410
Provision for bonuses	2,235	2,154
Provision for directors' bonuses	147	93
Other	18,280	22,455
Total current liabilities	62,285	72,720

(Millions of yen)

	As of September 30, 2018	As of March 31, 2019
Non-current liabilities		
Bonds payable	437	1,586
Long-term loans payable	7,411	6,670
Lease obligations	22,907	26,513
Provision for directors' retirement benefits	219	206
Net defined benefit liability	709	735
Asset retirement obligations	751	813
Other	681	584
Total non-current liabilities	33,118	37,110
Total liabilities	95,404	109,831
Net assets		
Shareholders' equity		
Capital stock	8,100	8,100
Capital surplus	9,629	9,571
Retained earnings	72,778	76,762
Treasury shares	(1,065)	(1,053)
Total shareholders' equity	89,443	93,381
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	211	173
Deferred gains or losses on hedges	0	(3)
Foreign currency translation adjustment	(275)	(392)
Total accumulated other comprehensive income	(64)	(222)
Share acquisition rights	30	30
Non-controlling interests	3,409	3,384
Total net assets	92,819	96,573
Total liabilities and net assets	188,224	206,404

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, 2018	Six months ended March 31, 2019
Net sales	69,236	78,880
Cost of sales	39,489	45,976
Gross profit	29,746	32,904
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	46	83
Salaries and bonuses	7,175	8,099
Provision for bonuses	2,000	2,077
Provision for directors' bonuses	87	93
Retirement benefit expenses	188	216
Provision for directors' retirement benefits	13	12
Other	11,231	12,628
Total selling, general and administrative expenses	20,743	23,213
Operating profit	9,002	9,691
Non-operating income		
Interest income	22	29
Dividend income	3	4
Insurance income	45	88
Foreign exchange gains	53	–
Other	237	221
Total non-operating income	363	344
Non-operating expenses		
Interest expenses	330	402
Foreign exchange losses	–	102
Other	47	92
Total non-operating expenses	377	598
Ordinary profit	8,988	9,437
Extraordinary income		
Gain on sales of non-current assets	4	9
Total extraordinary income	4	9
Extraordinary losses		
Loss on sales and retirement of non-current assets	58	21
Total extraordinary losses	58	21
Profit before income taxes	8,934	9,425
Income taxes - current	3,120	3,471
Income taxes - deferred	(99)	(228)
Total income taxes	3,021	3,242
Profit	5,913	6,182
Profit attributable to non-controlling interests	229	236
Profit attributable to owners of parent	5,684	5,946

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended March 31, 2018	Six months ended March 31, 2019
Profit	5,913	6,182
Other comprehensive income		
Valuation difference on available-for-sale securities	(25)	(38)
Deferred gains or losses on hedges	(40)	(2)
Foreign currency translation adjustment	354	(115)
Total other comprehensive income	288	(156)
Comprehensive income	6,201	6,026
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,926	5,787
Comprehensive income attributable to non-controlling interests	275	238

Consolidated statements of cash flows

(Millions of yen)

	Six months ended March 31, 2018	Six months ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	8,934	9,425
Depreciation	9,685	11,474
Amortization of goodwill	145	259
Increase (decrease) in allowance for doubtful accounts	10	14
Increase (decrease) in provision for bonuses	57	(80)
Increase (decrease) in provision for directors' bonuses	(27)	(54)
Increase (decrease) in net defined benefit liability	(23)	25
Increase (decrease) in provision for directors' retirement benefits	(3)	(12)
Interest and dividend income	(26)	(34)
Interest expenses	330	402
Loss (gain) on sales and retirement of non-current assets	53	11
Transfer cost from sales of assets for rent	141	325
Purchase of assets for lease	(7,781)	(7,536)
Decrease (increase) in notes and accounts receivable - trade	(4,143)	(3,859)
Decrease (increase) in inventories	(1,088)	(676)
Increase (decrease) in notes and accounts payable - trade	3,486	2,396
Other, net	522	(565)
Subtotal	10,273	11,516
Interest and dividend income received	30	34
Interest expenses paid	(329)	(389)
Income taxes paid	(2,270)	(3,056)
Net cash provided by (used in) operating activities	7,703	8,105
Cash flows from investing activities		
Payments into time deposits	(213)	(213)
Proceeds from withdrawal of time deposits	217	210
Decrease (increase) in short-term loans receivable	150	(28)
Purchase of property, plant and equipment	(1,717)	(3,241)
Proceeds from sales of property, plant and equipment	5	25
Purchase of intangible assets	(106)	(165)
Purchase of investment securities	(6)	(1)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,681)	–
Payments of long-term loans receivable	(4)	(11)
Collection of long-term loans receivable	1	19
Payments for lease and guarantee deposits	(88)	(32)
Proceeds from collection of lease and guarantee deposits	42	45
Other, net	(0)	(0)
Net cash provided by (used in) investing activities	(4,401)	(3,393)

(Millions of yen)

	Six months ended March 31, 2018	Six months ended March 31, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(418)	1,380
Proceeds from long-term loans payable	5,779	2,518
Repayments of long-term loans payable	(1,515)	(1,656)
Proceeds from issuance of bonds	693	1,478
Redemption of bonds	(1,319)	(294)
Proceeds from issuance of common shares	4,104	–
Repayments of lease obligations	(4,704)	(5,014)
Repayments of installment payables	(17)	(17)
Purchase of treasury shares	(0)	(0)
Proceeds from sales of treasury shares	3,788	–
Purchase of treasury shares of subsidiaries	–	(241)
Cash dividends paid	(1,455)	(1,962)
Dividends paid to non-controlling interests	(72)	(136)
Other, net	0	0
Net cash provided by (used in) financing activities	4,863	(3,946)
Effect of exchange rate change on cash and cash equivalents	(7)	22
Net increase (decrease) in cash and cash equivalents	8,157	787
Cash and cash equivalents at beginning of period	21,263	28,692
Cash and cash equivalents at end of period	29,420	29,479