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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025

August 8, 2024

Company name Japan Elevator Service Holdings Co., Ltd.

Stock Exchange listing: Tokyo

Securities code 6544 URL <https://www.jes24.co.jp>

Representative (Title) President and Representative Director CEO (Name) Katsushi Ishida

Contact Person (Title) Director, Deputy President CFO (Name) Kimihiko Imamura Tel: +81-3-6262-1625

Scheduled date of dividend payment -

Preparation of supplementary materials for financial results: Yes

Financial results meeting: No

(Millions of yen, rounded down to the nearest million)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Cumulative)

(Percentage figures represent changes from the same period of the previous year.)

	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 June 2024	11,544	21.6	1,924	47.1	1,945	46.6	1,256	50.0
Three Months Ended June 2023	9,494	21.4	1,308	35.7	1,326	25.0	837	20.5

(Note) Comprehensive income Three months ended June 2024: 1,279 million yen (48.0%) Three months ended June 2023: 864 million yen (26.0%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three Months Ended June 2024	14.11	14.06
Three Months Ended June 2023	9.40	9.37

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	32,181	15,836	48.4
As of March 31, 2024	32,539	16,789	50.8

(Reference) Shareholders' equity As of June 30, 2024 15,560 million yen As of March 31, 2024 16,534 million yen

2. Dividends

	Annual dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Total amount
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2024	-	-	-	25.00	25.00
Fiscal year ending March 2025	-	-	-	-	-
Fiscal year ending March 2025 (forecast)	-	-	-	-	-

(Notes) 1. Revision of dividend forecast from the latest announcement: None

2. The year-end dividend for the fiscal year ending March 31, 2025 is pending at this time.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentage figures are changes from the previous year)

	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	47,000	11.3	8,000	17.3	8,000	16.8	5,100	12.9	57.27

(Note) Revision of earnings forecast from the latest announcement: None

* Notes

(1) Significant changes in scope of consolidation during the current quarter: None

Newly added: -, Excluded: -

(2) Adoption of accounting methods specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revision of accounting standards : None

(ii) Changes in accounting policies other than (i) : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of shares issued and outstanding (common stock)

(i) Number of shares outstanding at end of period
(including treasury shares)

1Q FY Mar 2025	89,067,200shares	Year ended March 2024	89,067,200shares
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(ii) Treasury shares at the end of the period

1Q FY Mar 2025	9,617shares	Year ended March 2024	9,477shares
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(iii) Average number of shares during the period
(cumulative quarterly period)

1Q FY Mar 2025	89,057,654shares	1Q FY Mar 2024	89,058,271shares
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Review of the attached consolidated quarterly financial statements by a certified public accountant or an audit firm: None

Explanation of appropriate use of earnings forecasts and other special notes

(Cautionary statement regarding forward-looking statements, etc.)

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors. Please refer to "1. Qualitative information on the current quarterly financial results (3) Explanation of consolidated earnings forecasts and other forward-looking information" on page 2 of the attached materials for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

(Changes in the display units for amounts)

The amounts for items listed in the quarterly consolidated financial statements and other items have hitherto been displayed in units of thousands of yen. Beginning in the consolidated first three-month period under review, this is changed to units of millions of yen.

For fair comparison, the amounts reported for both the first three-month period of the previous fiscal year and the entire previous fiscal year have been restated in units of millions of yen.

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Qualitative information on the current quarterly financial results

(1) Explanation of results of operation

During the first quarter of the current consolidated fiscal year, the Japanese economy has been recovering moderately along with the improvement of employment and compensation conditions. However, the outlook remains uncertain due to the prolonged situation in Ukraine and the effects of rising prices resulting from the yen's depreciation and other factors, and companies' needs for cost reduction are expected to increase more than ever.

In the maintenance for elevator and other equipment industry, the market is on a gradual expansion trend due to the steady increase in the number of condominium units in stock and the increase in the supply of office buildings.

In this market environment, the Group has been working to respond to the cost reduction needs of companies by switching contracts to independent maintenance companies, improving its nationwide network, acquiring and training personnel to strengthen quality and safety, and reinforcing its sales structure. JES Innovation Center Kansai (JIK) was completed in Takarazuka City, Hyogo in the previous fiscal year. With the completion of JIK, the Group will be able to further improve the quality of our services in the western Japan area by establishing a system that will enable us to supply parts quickly and stably and increase our modernization capacity.

In the maintenance and repair business, the number of units under maintenance contracts remained strong, and net sales for the first quarter of the current fiscal year totaled 7,269 million yen (up 18.3% YoY). In the modernization business, net sales for the first quarter of the current fiscal year were 3,887 million yen (up 28.9% YoY) due to the reinforcement of the sales structure in preparation for business expansion and the strengthening of proposals for properties with suspended parts supply.

As a result of the above, consolidated business results for the first quarter of the current fiscal year were as follows: net sales were 11,544 million yen (up 21.6% YoY), operating profit was 1,924 million yen (up 47.1% YoY), ordinary profit was 1,945 million yen (up 46.6% YoY), and profit attributable to owners of parent was 1,256 million yen (up 50.0% YoY).

(2) Explanation of financial condition

(Assets)

Total assets at the end of the first quarter of the current fiscal year amounted to 32,181 million yen, down 357 million yen from the end of the previous fiscal year. This was mainly due to an increase of 547 million yen in raw materials and supplies, while notes and accounts receivable - trade, and contract assets decreased by 735 million yen.

(Liabilities)

Total liabilities at the end of the first quarter of the current fiscal year amounted to 16,344 million yen, up 595 million yen from the end of the previous fiscal year. This was mainly due to an increase of 639 million yen in current portion of long-term borrowings, 1,272 million yen in long-term borrowings and a decrease of 1,084 million yen in income taxes payable.

(Net assets)

Net assets at the end of the first quarter of the current fiscal year were 15,836 million yen, a decrease of 952 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 2,226 million yen due to payment of dividends, while retained earnings increased due to the recording of 1,256 million yen in profit attributable to owners of parent.

(3) Explanation of consolidated earnings forecasts and other forward-looking information

The consolidated earnings forecast for the fiscal year ending March 31, 2025 remains unchanged from the full-year earnings forecast announced on May 13, 2024.

The forecasts are based on currently available information, but actual results may differ from the forecasts due to various factors.

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheets

(Unit: millions of yen)

	Previous Fiscal Year As of March 31, 2024	Current fiscal year As of June 30, 2024
Assets		
Current assets		
Cash and deposits	2,184	2,205
Notes and accounts receivable - trade, and contract assets	6,439	5,704
Raw materials and supplies	4,243	4,791
Other	723	845
Allowance for doubtful accounts	(16)	(14)
Total current assets	13,575	13,532
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,256	6,246
Tools, furniture and fixtures, net	4,618	4,662
Other, net	1,737	1,752
Total property, plant and equipment	12,612	12,661
Intangible assets		
Goodwill	2,093	2,030
Other	2,330	2,324
Total intangible assets	4,424	4,355
Investments and other assets		
Other	1,970	1,666
Allowance for doubtful accounts	(43)	(34)
Total investments and other assets	1,926	1,632
Total non-current assets	18,963	18,648
Total assets	32,539	32,181
Liabilities		
Current liabilities		
Accounts payable - trade	1,616	1,704
Short-term borrowings	3,535	3,524
Current portion of long-term borrowings	2,274	2,913
Income taxes payable	1,788	703
Provision for bonuses	948	567
Other	2,811	2,860
Total current liabilities	12,974	12,273
Non-current liabilities		
Long-term borrowings	903	2,175
Retirement benefit liability	1,287	1,314
Asset retirement obligations	445	451
Other	138	129
Total non-current liabilities	2,774	4,071
Total liabilities	15,749	16,344

(Unit: millions of yen)

	Previous fiscal year As of March 31, 2024	Current fiscal year As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	2,493	2,493
Capital surplus	2,576	2,570
Retained earnings	11,591	10,620
Treasury shares	(13)	(13)
Total shareholders' equity	16,647	15,671
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	2
Foreign currency translation adjustment	(69)	(70)
Remeasurements of defined benefit plans	(44)	(42)
Total accumulated other comprehensive income	(112)	(110)
Non-controlling interests	254	276
Total net assets	16,789	15,836
Total liabilities and net assets	32,539	32,181

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
(Quarterly consolidated statements of income)
(Three months cumulative)

(Unit: millions of yen)

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Net sales	9,494	11,544
Cost of sales	5,998	7,130
Gross profit	3,496	4,413
Selling, general and administrative expenses	2,188	2,489
Operating profit	1,308	1,924
Non-operating income		
Surrender value of insurance policies	16	18
Other	15	24
Total non-operating income	31	42
Non-operating expenses		
Interest expenses	5	6
Foreign exchange losses	1	6
Other	6	8
Total non-operating expenses	13	21
Ordinary profit	1,326	1,945
Extraordinary income		
Gain on sale of non-current assets	2	0
Total extraordinary income	2	0
Extraordinary losses		
Loss on retirement of non-current assets	0	4
Other	0	1
Total extraordinary losses	0	6
Profit before income taxes	1,328	1,939
Income taxes - current	283	414
Income taxes - deferred	194	251
Total income taxes	478	666
Profit	850	1,273
Profit attributable to non-controlling interests	12	17
Profit attributable to owners of parent	837	1,256

(Quarterly consolidated statements of comprehensive income)
(Three months cumulative)

(Unit: millions of yen)

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Profit	850	1,273
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	12	3
Remeasurements of defined benefit plans, net of tax	2	2
Total other comprehensive income	14	6
Comprehensive income	864	1,279
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	848	1,257
Comprehensive income attributable to non-controlling interests	16	22

(3) Notes to quarterly consolidated financial statements

(Notes to the segment information)

This information is omitted because the Group has only one segment, the maintenance business.

(Notes in the event of significant changes in shareholders' equity)

Not applicable.

(Notes to going concern assumption)

Not applicable.

(Notes to the quarterly consolidated cash flow statement)

There is no quarterly consolidated statement of cash flows for the three months ended June 30, 2024. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30 are as follows:

	(Unit: millions of yen)	
	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Depreciation	332	370
Amortization of goodwill	67	66

(Significant changes in scope of consolidation during the current quarter)

Not applicable.

3. Other

Not applicable.