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Results Supplement

for the First Quarter of the Fiscal Year Ending March 2025

August 8 2024



Japan Elevator Service Holdings Co., Ltd.

(TSE Prime Market : 6544)

1

**Three Months Results
for the Fiscal Year Ending Mar 2025**

2

Fiscal Year Ending March 2025 Forecasts



Three Months Results for FY Mar 2025

A good start as both the number of maintenance contracts and modernization shipments continued to increase

- The number of maintenance contracts in Japan was 104,670 units. Net increase of 4,440 units was the highest quarterly organic net increase
- Strong demand drove the number of modernization shipment to 530 units, up 100 units YoY
- The number of offices increased to 144 (as of August 1). The Company aims to expand its market share in the Chugoku and Kyushu regions by opening sales offices in Yamaguchi and Saga

(units, person)

	FY ended March 2021 Actual	FY ended March 2022 Actual	FY ended March 2023 Actual	FY ended March 2024 Actual	3 months ended June 2024 Actual	(Change YtD)
Maintenance contracts	67,500	79,000	88,630	100,230	104,670	+ 4,440
Modernization (cumulative)	920	1,150	1,530	1,930	530	+ 100
Parking equipment	--	18,830	22,050	24,660	25,770	+ 1,110
No. of offices	101	124	132	141	144	+ 3
No. of Employees	1,398	1,618	1,766	1,868	2,001	+ 133
Technical personnel	881	1,003	1,096	1,159	1,270	+ 111
Sales personnel	156	195	218	248	261	+ 13

Sales up by 21.6% YoY in line with annual expectation with maintenance and repair sales increased at a high level due to a recovery in the volume of repair work

- Sales of maintenance services continue to grow steadily as the number of maintenance contracts increases
- With the normalization of the supply of genuine parts, the volume of repair work has recovered throughout the previous year, and achieved significant YoY growth in the quarter
- Demand for modernization remained strong with sales up 28.9% YoY



(millions of yen, %)

	3 months ended June 2023		3 months ended June 2024		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Maintenance & Repair	6,142	64.7	7,269	63.0	1,127	18.3
Modernization	3,016	31.8	3,887	33.7	870	28.9
Other	335	3.5	387	3.4	52	15.6
Total	9,494	100.0	11,544	100.0	2,050	21.6

Achieved record highs in both sales and profits, in line with the forecast announced on May 13

- The increase of net sales was due to higher maintenance sales resulting from an increase in the number of maintenance contracts, as well as a high level of repair and modernization sales
- The operating margin hit a record high of 16.7% driven by a decline in personnel expenses as a percentage of net sales and SG&A cost containment
- As a result, operating profit and other profit indicators increased approximately 50% YoY

(millions of yen, yen, %)

	3 months ended June 2023		3 months ended June 2024		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Net sales	9,494	100.0	11,544	100.0	2,050	21.6
Operating profit	1,308	13.8	1,924	16.7	616	47.1
Ordinary profit	1,326	14.0	1,945	16.9	618	46.6
Profit attributable to owners of parent	837	8.8	1,256	10.9	418	50.0
(Depreciation)	332	3.5	370	3.2	38	11.5
(Amortization)	67	0.7	66	0.6	-0	-0.9
EBITDA	1,707	18.0	2,361	20.5	653	38.3
EPS	9.40	--	14.11	--	4.70	50.0

- Net assets decreased from the end of March 2024 due to the payment of dividends. Equity ratio decreased slightly from the end of the previous fiscal year to 48.4%

(millions of yen)

	Fiscal Year ended March 2024	End of June 2024	Change
Cash and cash equivalents	2,184	2,205	+ 20
Property, plant and equipment	12,612	12,661	+ 48
Intangible assets	4,424	4,355	- 69
Borrowings	6,714	8,613	+ 1,899
Net assets	16,789	15,836	- 952
Total assets	32,539	32,181	- 357



FY Mar 2025 Financial Forecasts

Expect record sales and profits on the back of stable growth in maintenance and repair, and a strong modernization business

- Stable growth in maintenance services due to strong net increase in contracts, and repair services also on track for stable growth after sharp increase in the previous year. Modernization services is also expected to grow in terms of volume and unit price, backed by strong demand, and as JIK is now operational
- Operating profit margin should continue to improve and reach a record high due to CoGS and SG&A cost controls
- Progress in the first quarter in line with the initial forecast, therefore no change to forecast disclosed on May 13

(millions of yen, %)

	March 2024		March 2025 Forecast		
	Amount	% of sales	Amount	% of sales	YoY
Maintenance & repair services	26,531	62.8	28,800	61.3	108.6
Modernization services	14,255	33.8	16,800	35.7	117.8
Other	1,429	3.4	1,400	3.0	97.9
Net Sales	42,216	100.0	47,000	100.0	111.3

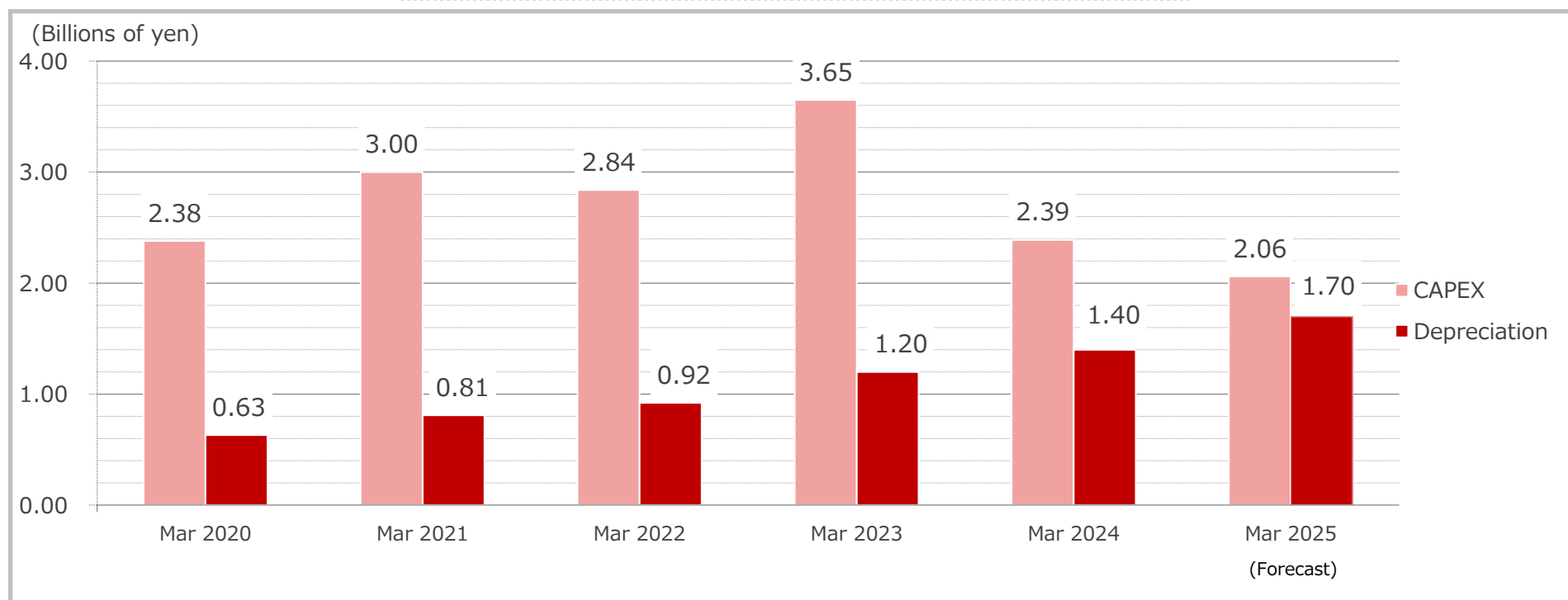
(millions of yen, %)

	March 2024		March 2025 Forecast		
	Amount	Margins	Amount	Margins	YoY
Net sales	42,216		47,000		111.3
Operating profit	6,821	16.2	8,000	17.0	117.3
Ordinary profit	6,851	16.2	8,000	17.0	116.8
Profit attributable to owners of parent	4,515	10.7	5,100	10.9	112.9

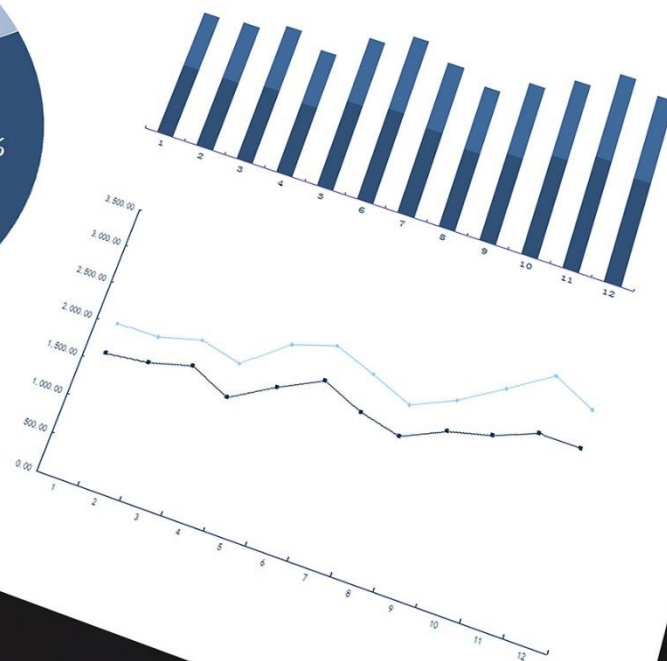
(Billions of yen)

	FY2024 (Actual)	FY2025 (Forecast)	Items
C a p i t a l Expenditure	2.39	2.06	Investments related to PRIME, a remote inspection service, etc.
Depreciation	1.40	1.70	

Capital Expenditures and Depreciation



References



■ Basic Strategy

- As a company qualified for the TSE Prime Market, we aim to achieve sustainable growth and increase corporate value, adapting to changes in the social environment, by addressing not only business growth but also social and global environmental issues from a medium- to long-term perspective

■ Growth Strategy

- Grow maintenance and repair services sales driven by expanded domestic market share (organic & M&A)
- Tap demand for modernization through increase in number of elevators under contract

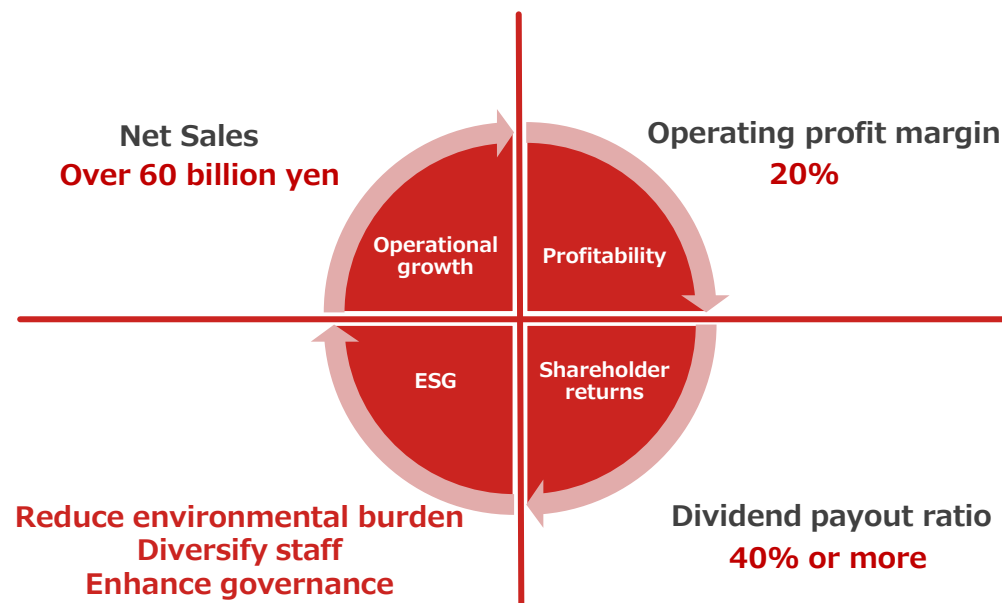
=> **Net sales of 60 billion yen**

- Improve profitability by enhancing business productivity and operational efficiency through human resource development and the use of digital technology

=> **Operating margin of 20%** (before amortization)

■ Key Indicators

**Raise corporate value through growth,
prosper together with all stakeholders**



- Growth and profitability metrics to be met by FY2027/3
- OP Margin excludes goodwill amortization

Reconciliation of 60 billion yen in Net Sales and Operating Margin of 20% with Growing Maintenance Contracts

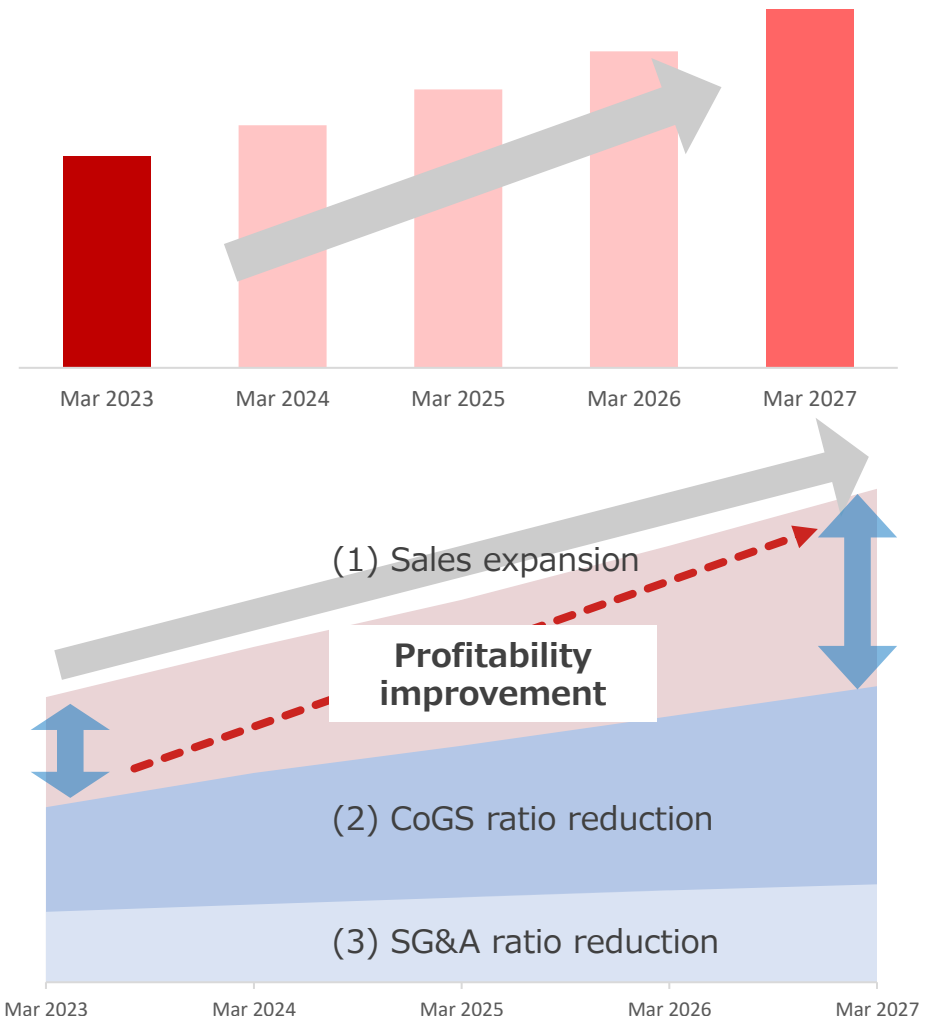
1. Achieve net sales of 60 billion yen by expanding the market and increasing share in Japan

- As of March 31, 2024, our domestic maintenance market share will be approximately 9% (our estimate)
- There is ample room to expand market share, especially in newly penetrated areas, by leveraging our high-quality, reasonably priced services, and we will expand our maintenance sales system and personnel to capture new customers
- Sales expansion by capturing modernization demand due to increase in number of units

2. Improve operating profit margins through higher productivity

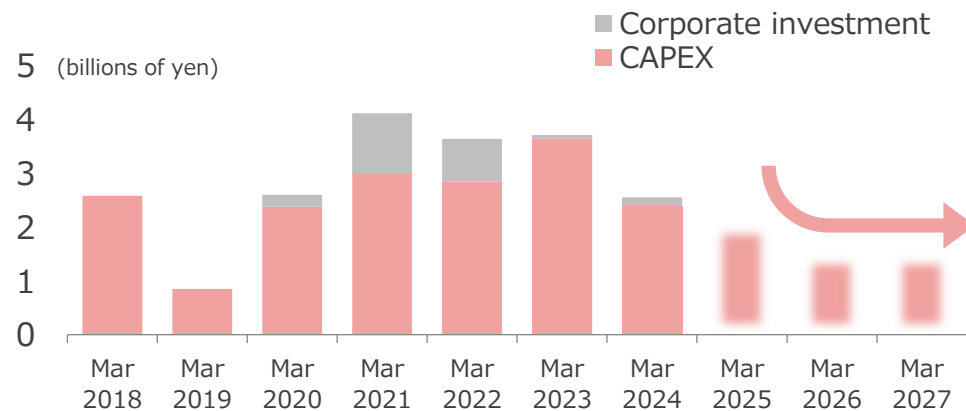
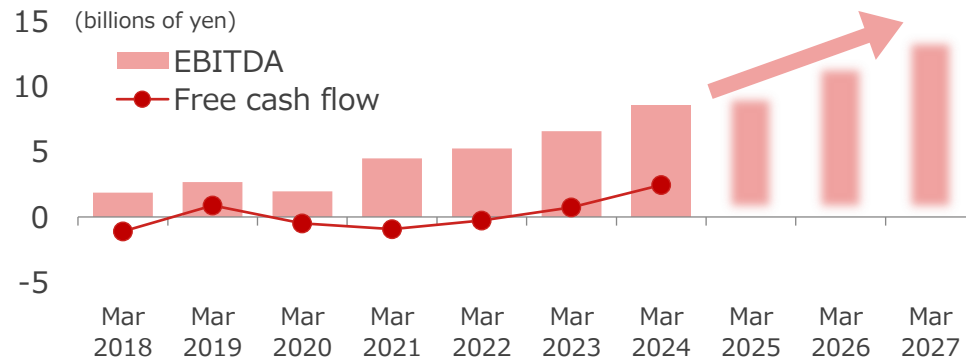
- Increase contribution from high margin maintenance sales
Improve margins in newly expanded areas with low market share by increasing the number of maintenance contracts
- Reduction in CoGS ratio
Despite our continued effort to increase the number of technical personnel, costs should be under control since we are hiring new graduates and training them
Improve the number of units managed by technical personnel
Curbing material costs by utilizing refurbished products
- Reduction in SG&A ratio
Reduce administrative costs by optimizing staffing and utilizing IT systems

Increased number of maintenance contracts should improve profit step by step and lead to operating profit margin of 20%



Capital Expenditures Peaking and Positive FCF Trend Expected The Company Aims for a Strong Balance Sheet

Trends in EBITDA, free cash flow, and growth investment



JIC Construction JIL Construction PRIME PHS outage support

Construction of JIK

(Note) Corporate investment represents capital spending for the acquisition of subsidiaries.

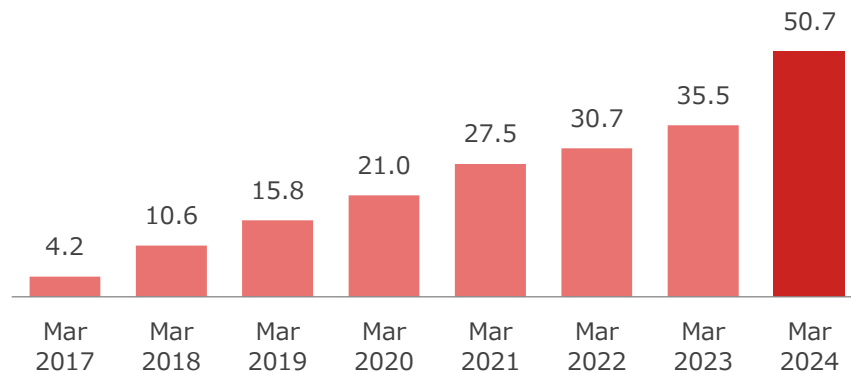
- Capital expenditures peaked in FY2023, and after the completion of the JIK in FY2024, CAPEX shall be limited to installation of PRIME and LiftSPOT terminals as contract increases, and system investments and R&D
- M&A considered only as opportunities arise

EBITDA and free cash flow expected to trend upward in parallel going forward

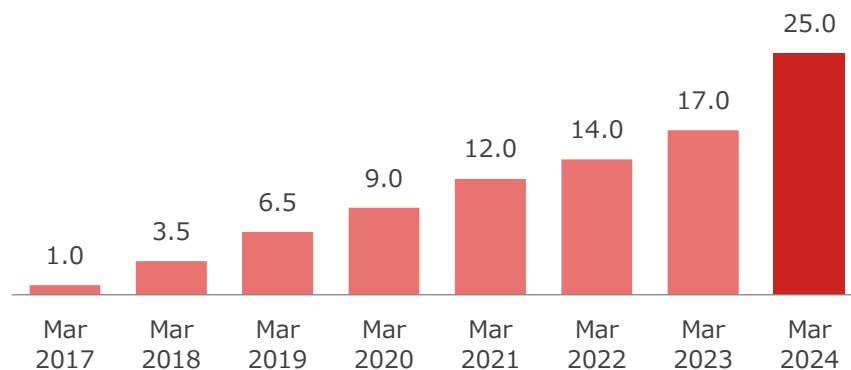
- Investment in human capital as an investment for growth
- Repayment of long-term borrowings
- Maintain a dividend payout ratio of over 40% for shareholder returns
- Considering share buybacks when the time is right

- Our shareholder return policy is based on a dividend payout ratio of at least 40% and aims for stable increases in EPS and DPS
- Dividend for the fiscal year was 25 yen (payout ratio 49.3%), an increase of 8 yen YoY
- Dividend for the fiscal year ending March 2025 is yet to be determined

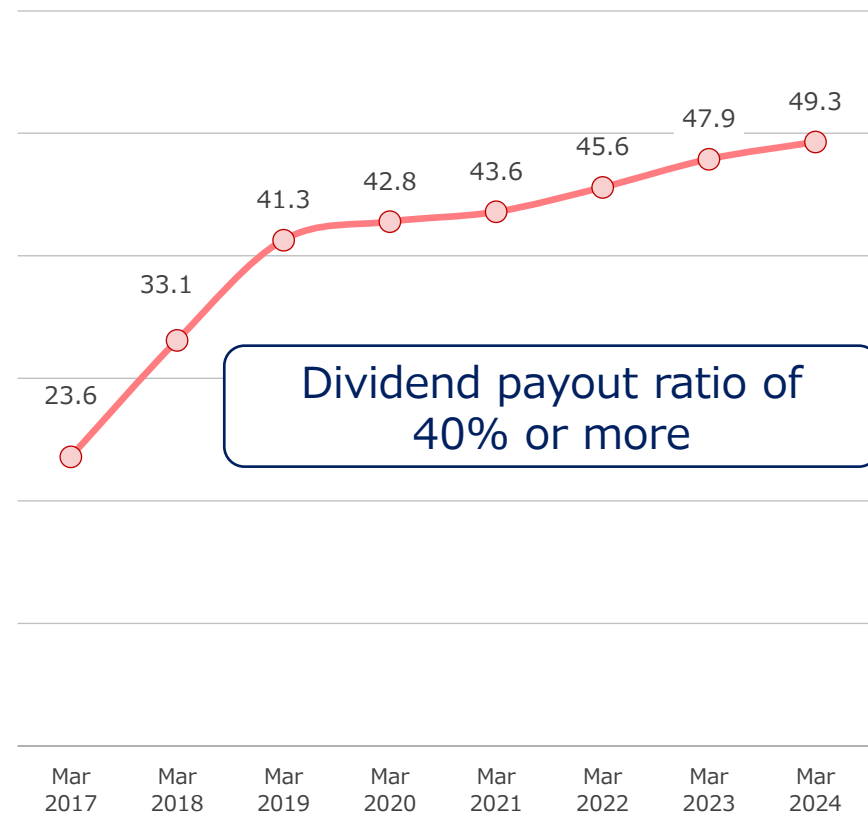
Adjusted EPS (yen)



Adjusted DPS (yen)

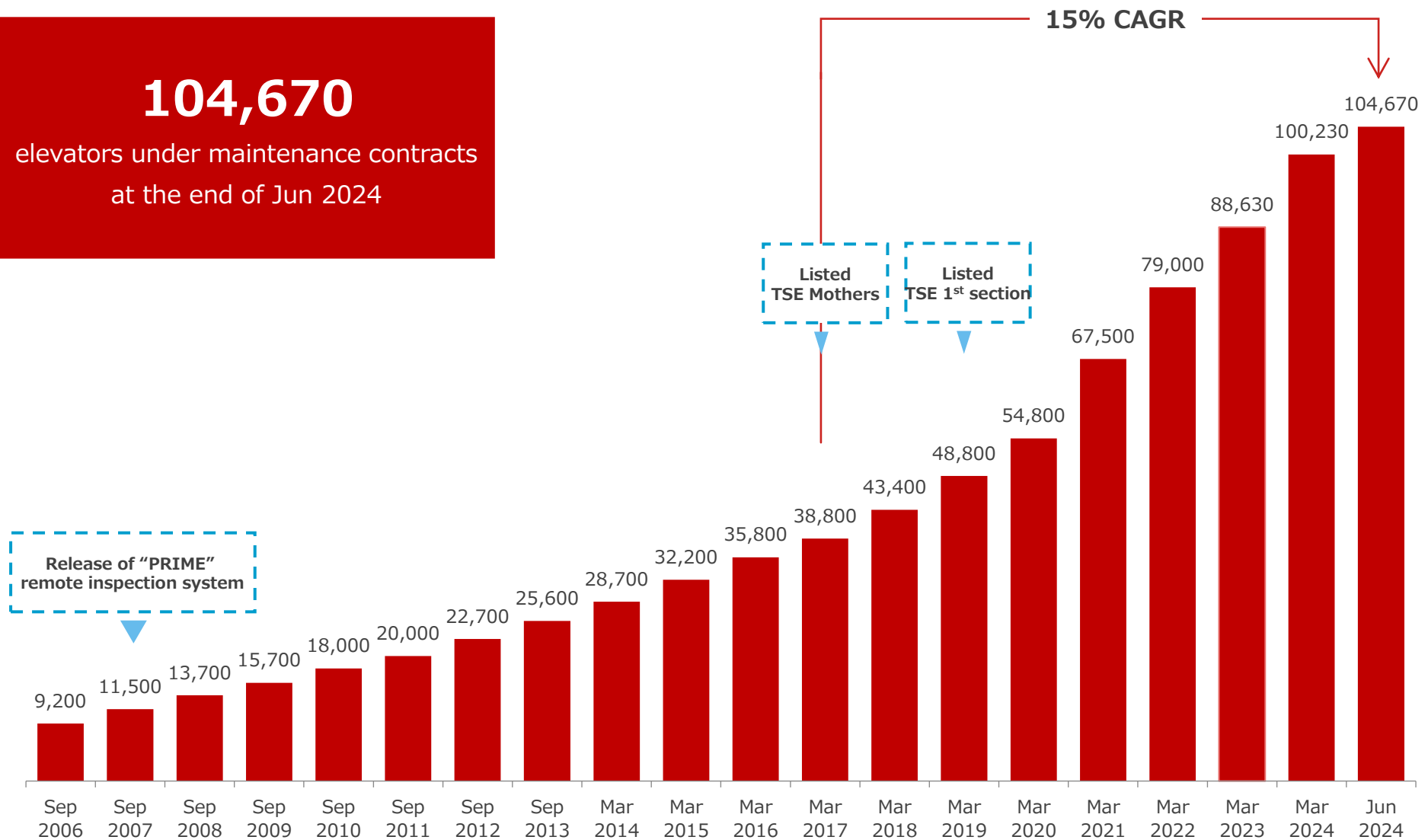


Dividend Payout Ratio (%)

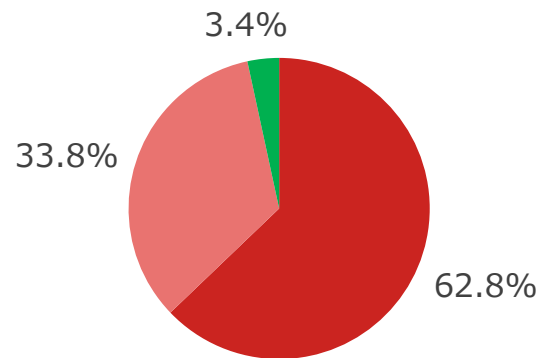


104,670

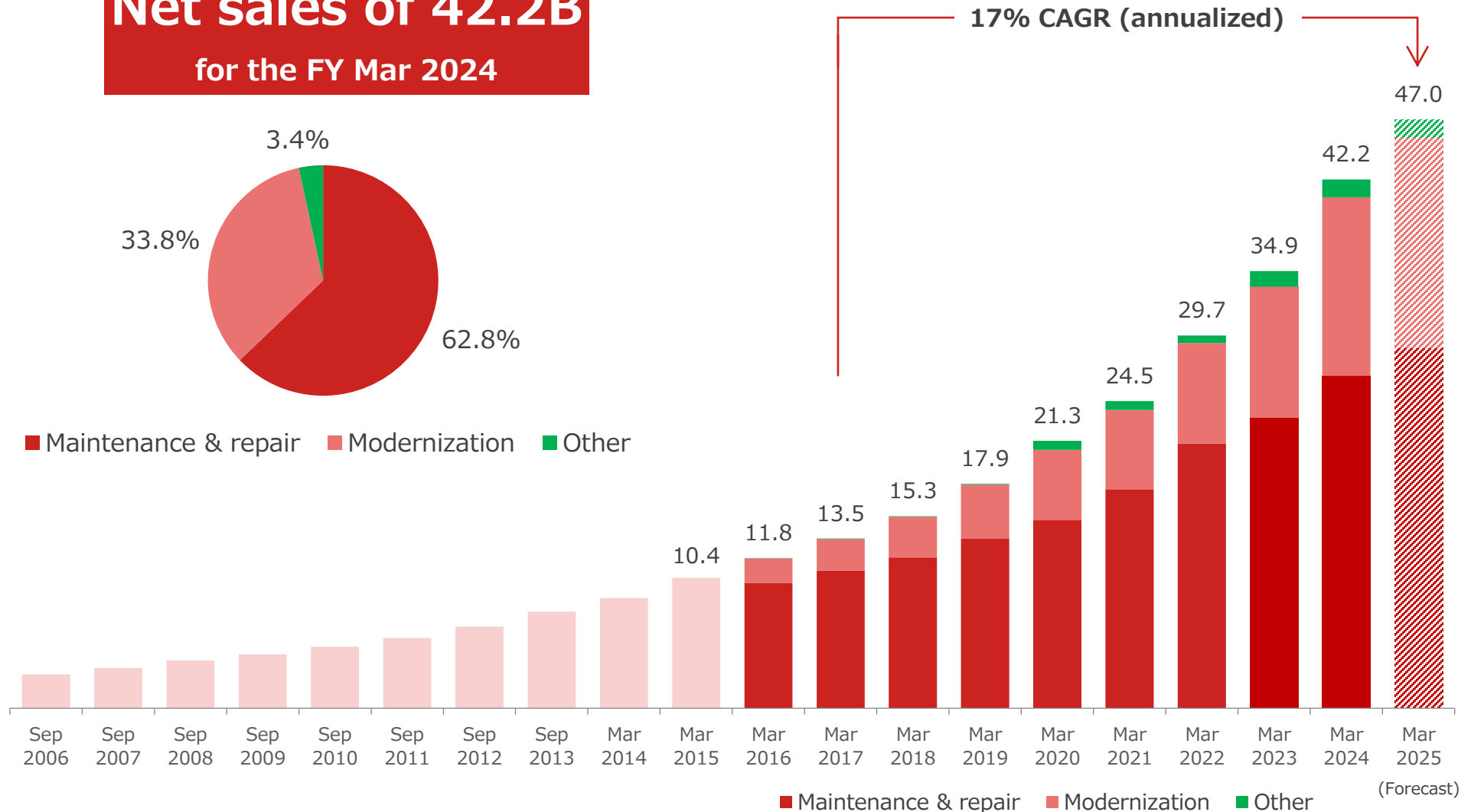
elevators under maintenance contracts
at the end of Jun 2024



Net sales of 42.2B
for the FY Mar 2024



■ Maintenance & repair ■ Modernization ■ Other



(Note: Due to a change in the fiscal year end, the fiscal year ended March 31, 2014 is a six-month period. The above figures are annualized.)

As of Aug 1, 2024
144 offices

Hokuriku

- ▶ Hokuriku Shisetsu Co., Ltd.
(equity method affiliate)

Tokai / Koshinetsu

- ▶ Japan Elevator Service Tokai Co., Ltd.
- ▶ Japan Elevator Service Jyosai Co., Ltd.
- ▶ Nagano Elevator Co., Ltd. **M&A**
- ▶ Joshin Building Service Co., Ltd. **M&A**
(Building maintenance)

Kansai

- ▶ Japan Elevator Service Kansai Co., Ltd.
- ▶ NS Elevator Co., Ltd. **M&A**

Chugoku / Shikoku

Established 2022.4

- ▶ Japan Elevator Service Chushikoku Co., Ltd.
- ▶ Miyoshi Elevator Co., Ltd. **M&A**
- ▶ Ehime Elevator Service Co., Ltd. **M&A**
- ▶ Shikoku Shoukouki Service Co., Ltd. **M&A**
- ▶ Shikoku Elevator Service Co., Ltd. **M&A**

Kyushu/Okinawa

Established 2019.4

- ▶ Japan Elevator Service Kyushu Co., Ltd.
- ▶ Eledoc Okinawa Co., Ltd. **M&A**

Hokkaido

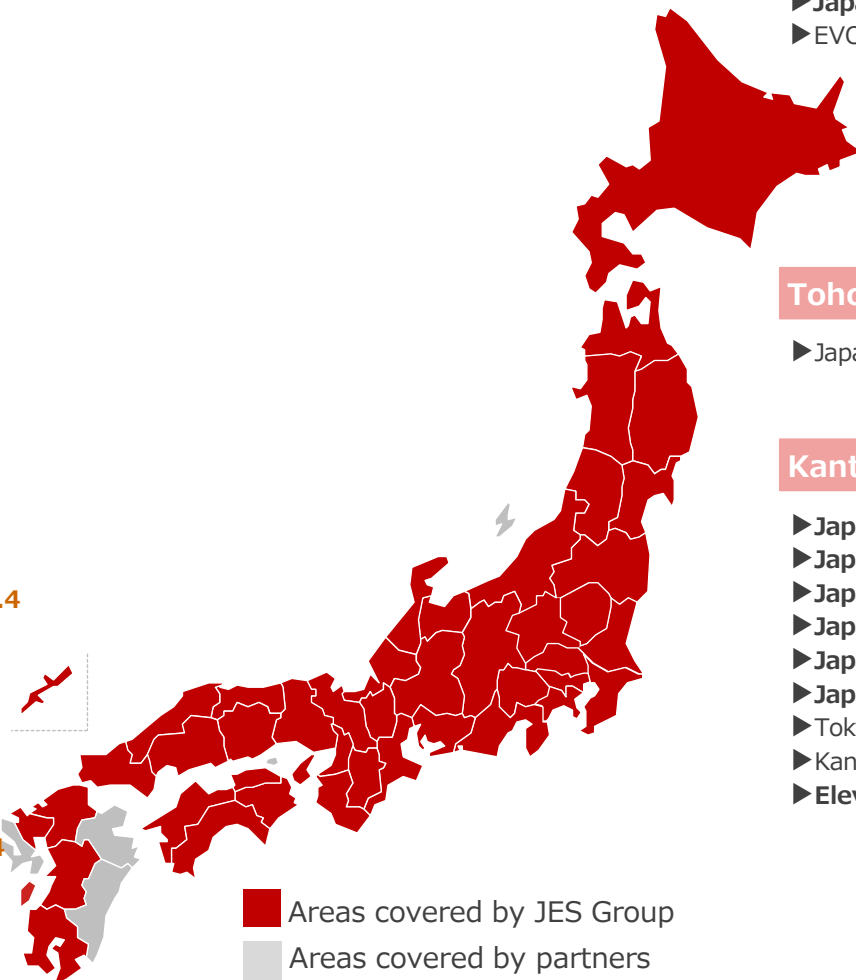
- ▶ Japan Elevator Service Hokkaido Co., Ltd.
- ▶ EVOTECH Co., Ltd. **M&A**

Tohoku

- ▶ Japan Elevator Service Jyosai Co., Ltd.
(Tohoku Branch)

Kanto

- ▶ Japan Elevator Service Holdings Co., Ltd.
- ▶ Japan Elevator Service Jyonan Co., Ltd.
- ▶ Japan Elevator Service Jyosai Co., Ltd.
- ▶ Japan Elevator Service Kanagawa Co., Ltd.
- ▶ Japan Elevator Parts Co., Ltd.
- ▶ Japan Parking Service Co., Ltd.
- ▶ Tokyo Elevator Co., Ltd. **M&A**
- ▶ Kanto Elevator System Co., Ltd. **M&A**
- ▶ Elevator Media Co., Ltd. (LiftSPOT)

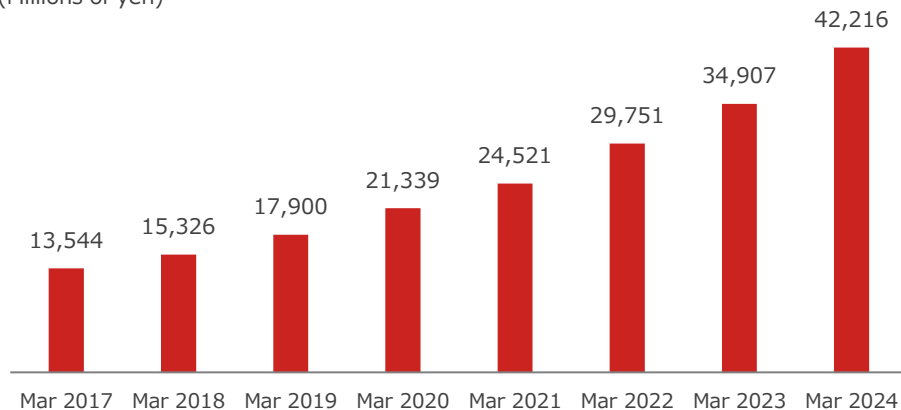


■ Areas covered by JES Group
■ Areas covered by partners

(*) Group companies other than maintenance and repair and modernization operations such as elevators
(Note) Cosmo Japan Co., Ltd., which became a subsidiary on October 2, 2020, was merged into Japan Elevator Service Jyosai Co., Ltd. on September 1, 2022. Kansai Elevator Corporation, which became a subsidiary on November 11, 2020, was merged into Japan Elevator Service Kansai Co., Ltd. as of May 1, 2023. Seiko Elevator Co., Ltd., which became a subsidiary on May 20, 2020, was merged into Japan Elevator Service Jyonan Co., Ltd. on July 1, 2023. Ikuta Building Maintenance Co., Ltd., which became a subsidiary on October 3, 2022, was merged into Shikoku Elevator Service Co., Ltd. on September 1, 2023. Toyota Facility Service Co., Ltd., which became a subsidiary on May 13, 2021, was merged into Japan Elevator Service Jyosai Co., Ltd. on December 1, 2023. Emic Co., Ltd., which became a subsidiary on September 1, 2023 was merged into Japan Elevator Service Hokkaido Co., Ltd. On April 1, 2024.

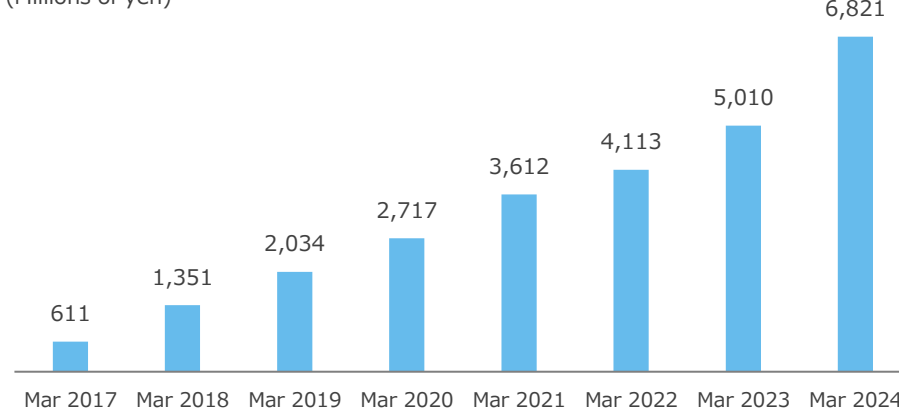
Net sales

(Millions of yen)



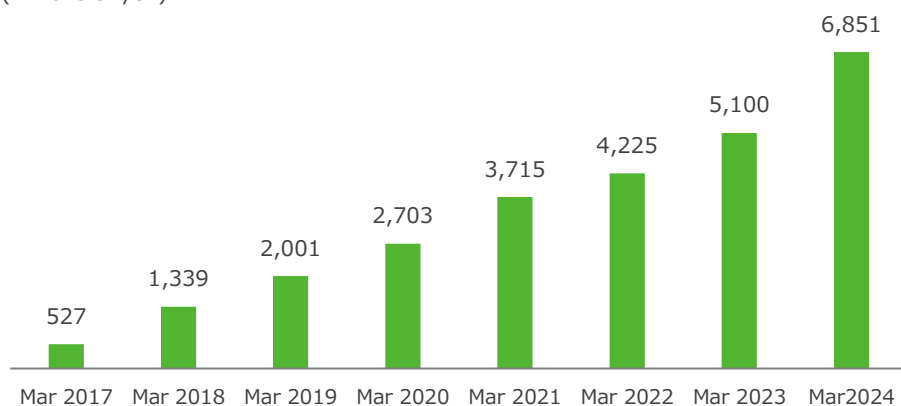
Operating profit

(Millions of yen)



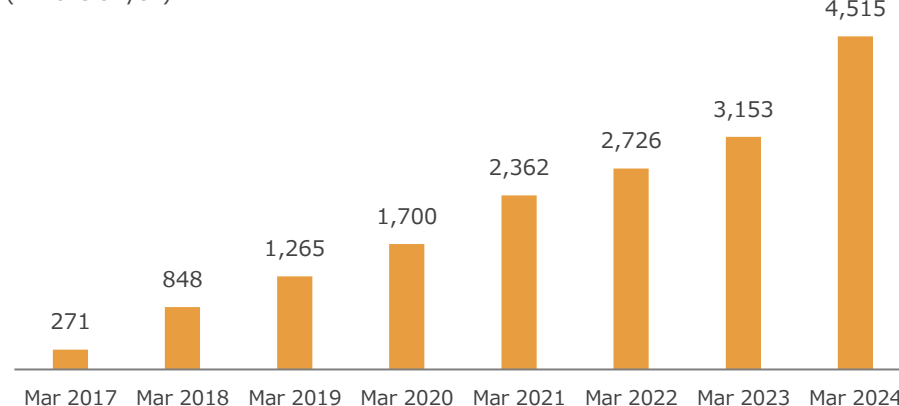
Ordinary profit

(Millions of yen)



Profit attributable to owners of parent

(Millions of yen)

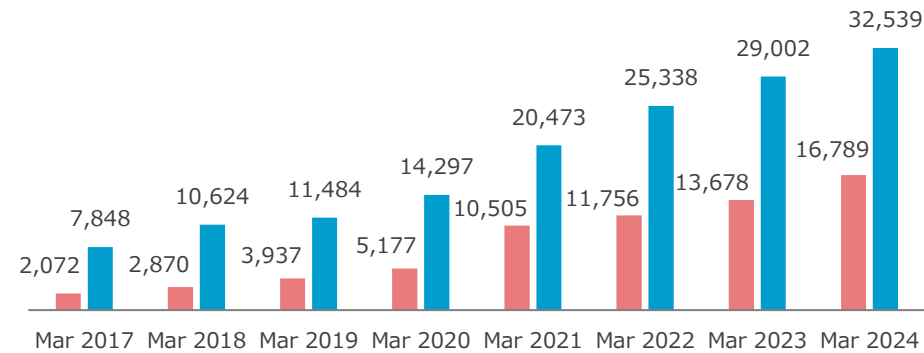


Net assets / Total assets

(Millions of yen)

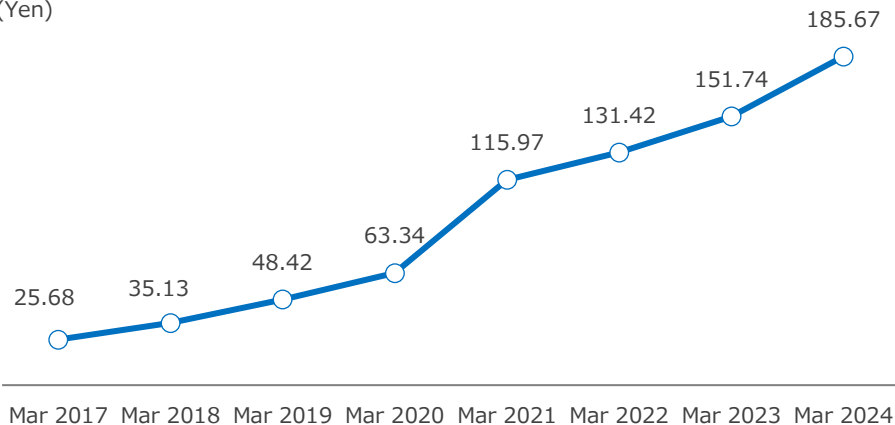
Net assets

Total assets



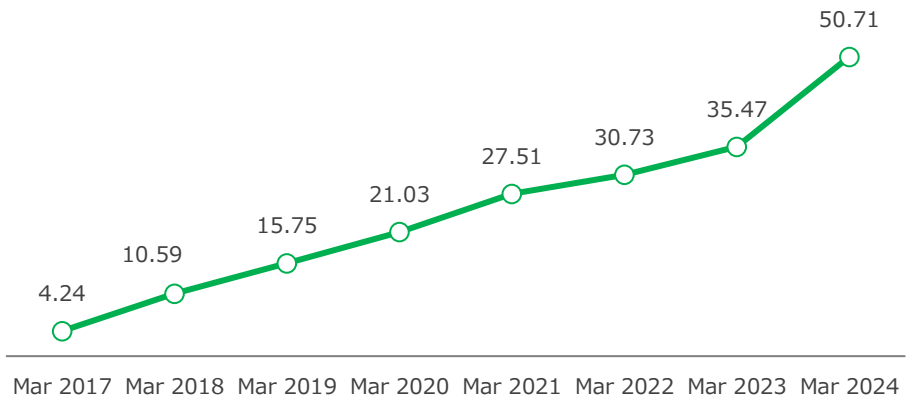
Net assets per share

(Yen)



Earnings per share

(Yen)



Stock splits history: two-for-one effective on October 1, 2017 two-for-one effective on October 1, 2018 two-for-one effective on January 1, 2021

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