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# Results Supplement

## for the Second Quarter of the Fiscal Year Ending March 2025

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November 12 2024



Japan Elevator Service Holdings Co., Ltd.

(TSE Prime Market : 6544)

**1**

## **Six Months Results for the Fiscal Year Ending Mar 2025**

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## **Fiscal Year Ending March 2025 Forecasts**



## Six Months Results for FY Mar 2025

## Both the net increase in maintenance contracts and the number of modernization shipments exceeded the previous year's number

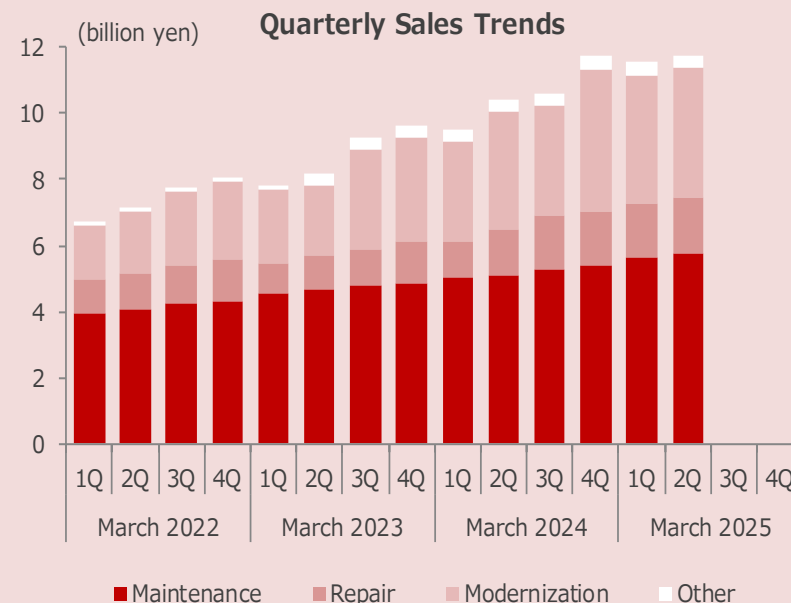
- The number of maintenance contracts in Japan was 107,710 units. The net increase was 7,480 units, continuing the pace of exceeding the annual net increase achieved in the previous year. Recently joined Showa Yusoki Tohoku Co., Ltd. will be reflected in the third quarter
- Strong demand drove the number of modernization shipment to over 1,000 units in the first half of the year, up 130 units YoY
- The number of offices increased to 146 (as of November 1). The Company aims to expand its market share in the Chugoku and Kyushu regions by opening sales offices in Yamaguchi and Saga. Also strengthened the Tohoku region through Showa Yusoki Tohoku

(units, person)

	FY ended March 2021 Actual	FY ended March 2022 Actual	FY ended March 2023 Actual	FY ended March 2024 Actual	6 months ended September 2024 Actual	(Change YtD)
Maintenance contracts	67,500	79,000	88,630	100,230	107,710	+ 7,480
Modernization (cumulative)	920	1,150	1,530	1,930	1,060	+ 130
Parking equipment	--	18,830	22,050	24,660	26,420	+ 1,760
No. of offices	101	124	132	141	146	+ 5
No. of Employees	1,398	1,618	1,766	1,868	1,997	+ 129
Technical personnel	881	1,003	1,096	1,159	1,249	+ 90
Sales personnel	156	195	218	248	266	+ 18

## Robust maintenance & repair sales thanks to sales efforts. The impact of short-term fluctuating factors receded yet sales up 17.0% YoY, progressing steadily as expected

- Maintenance sales continue to grow steadily in line with the increase in the number of maintenance contracts.
- The impact of short-term fluctuations in maintenance operations has subsided, but sales continue to grow strongly due to active sales activities
- Modernization sales showed remarkable growth in the same period of the last year due to the combined effect of increased capacity and improved unit prices, yet needs remain strong this year, and both volume and unit prices have improved



(millions of yen, %)

	6 months ended September 2023		6 months ended September 2024		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Maintenance & Repair	12,599	63.4	14,691	63.1	2,091	16.6
Modernization	6,616	33.3	7,822	33.6	1,206	18.2
Other	670	3.4	750	3.2	80	12.0
Total	19,887	100.0	23,264	100.0	3,377	17.0

## Steady progress in both sales and profits, with a 17% increase in sales and a 30% increase in profits YoY

- 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 improved 1.8 points YoY to 16.9% as the ratio of labor cost to sales fell and SG&A cost containment continued. As a result, operating profit and other profit indicators were all up by approximately 30% YoY

(millions of yen, yen, %)

	6 months ended September 2023		6 months ended September 2024		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Net sales	19,887	100.0	23,264	100.0	3,377	17.0
Operating profit	3,005	15.1	3,926	16.9	921	30.6
Ordinary profit	3,031	15.2	3,946	17.0	914	30.2
Intreim profit attributable to owners of parent	1,930	9.7	2,522	10.8	591	30.6
(Depreciation)	676	3.4	756	3.3	79	11.8
(Amortization)	134	0.7	133	0.6	-1	-0.8
EBITDA	3,816	19.2	4,816	20.7	999	26.2
EPS	21.68	--	28.32	--	6.64	30.6

- Free cash flow almost doubled YoY as capital expenditures slows
- Cash flow remains positive even after payments of taxes and dividends

(millions of yen)

	Fiscal Year ended March 2024	End of September 2024	Change
Cash and cash equivalents	2,184	2,448	+ 263
Property, plant and equipment	12,612	12,653	+ 40
Intangible assets	4,424	4,315	- 109
Borrowings	6,714	7,592	+ 878
Net assets	16,789	17,140	+ 351
Total assets	32,539	33,637	+ 1,098

	6 months ended September 2023	6 months ended September 2024	Change
Cash flows from operating activities	+ 2,555	+ 2,375	- 180
Depreciation	+ 676	+ 756	+ 79
Amortization of goodwill	+ 134	+ 133	- 1
Cash flows from investing activities	- 1,693	- 738	+ 954
Purchase of property, plant and equipment	- 1,251	- 581	+ 670
Free cash flow	+ 862	+ 1,637	+ 774
Cash flows from financing activities	- 1,578	- 1,357	+ 221
Increase (decrease) in borrowings	- 56	+ 878	+ 935
Increase in issued shares	-	-	-
Dividend paid	- 1,513	- 2,226	- 712
Net increase (decrease) in cash and cash equivalents	- 702	+ 304	+ 1,006





## FY Mar 2025 Financial Forecasts



## Earnings forecast unchanged as steady progress confirmed, full-year dividend forecast is now set 30 yen per share

- Stable growth in Maintenance & repair services due to strong net increase in contracts and Modernization services is also expected to grow in terms of volume and unit price due to strong demand and the new operation of JIK. OP margin should continue to improve and reach a record high through CoGS and SG&A cost controls
- Full-year dividend forecast disclosed as the Company confirms steady progress

(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

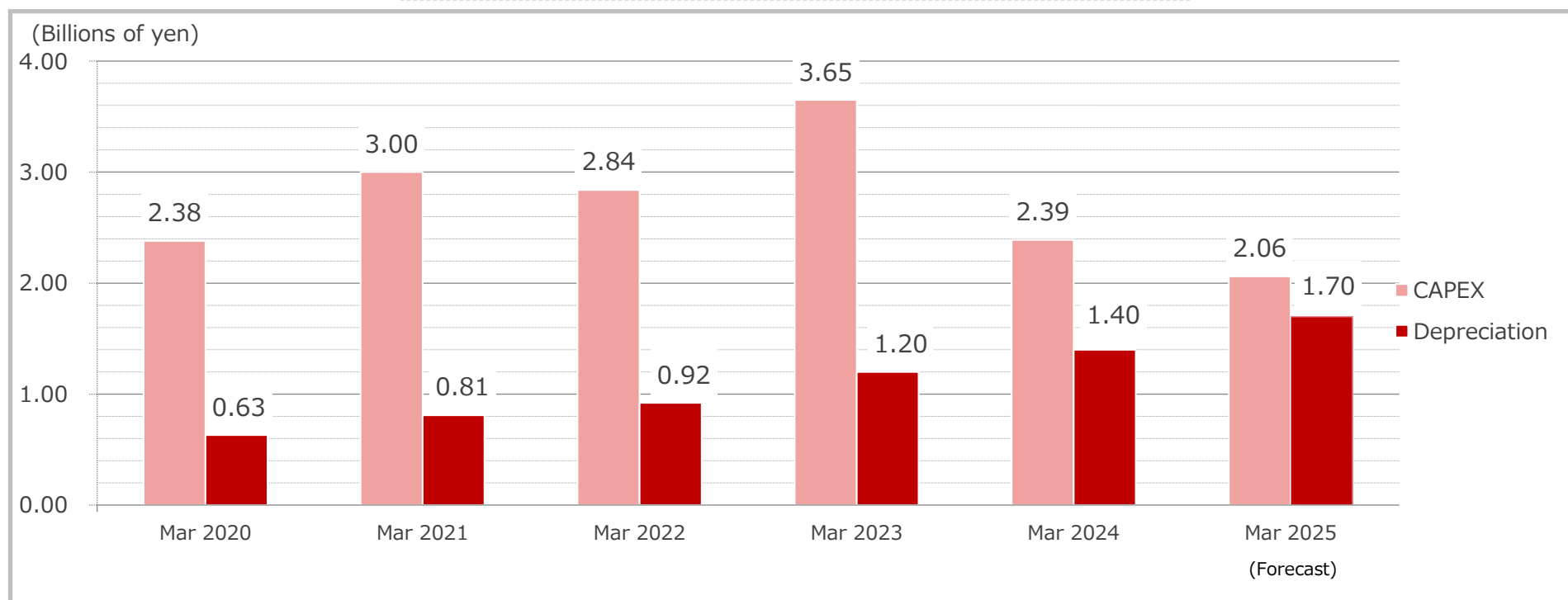
(millions of yen, %)

	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)

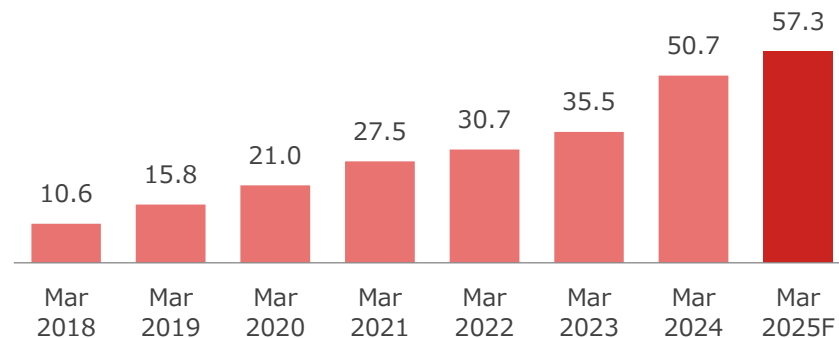
	FY2024 (Actual)	FY2025 (Forecast)	Items
<b>C a p i t a l Expenditure</b>	<b>2.39</b>	<b>2.06</b>	Investments related to PRIME, a remote inspection service, etc.
<b>Depreciation</b>	<b>1.40</b>	<b>1.70</b>	

## Capital Expenditures and Depreciation

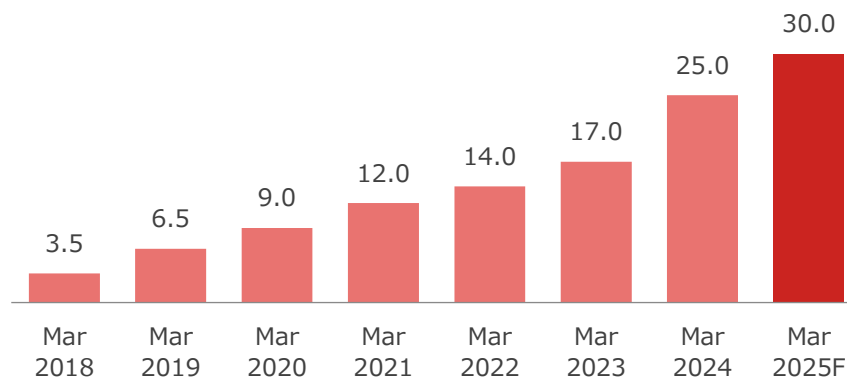


- Our shareholder return policy is based on a dividend payout ratio of at least 40% and aims for stable increases in EPS and DPS
- Dividend for the fiscal year ending March 2025 is now set at 30 yen (payout ratio 52.4%), an increase of 5 yen YoY, on the back of steady earnings growth

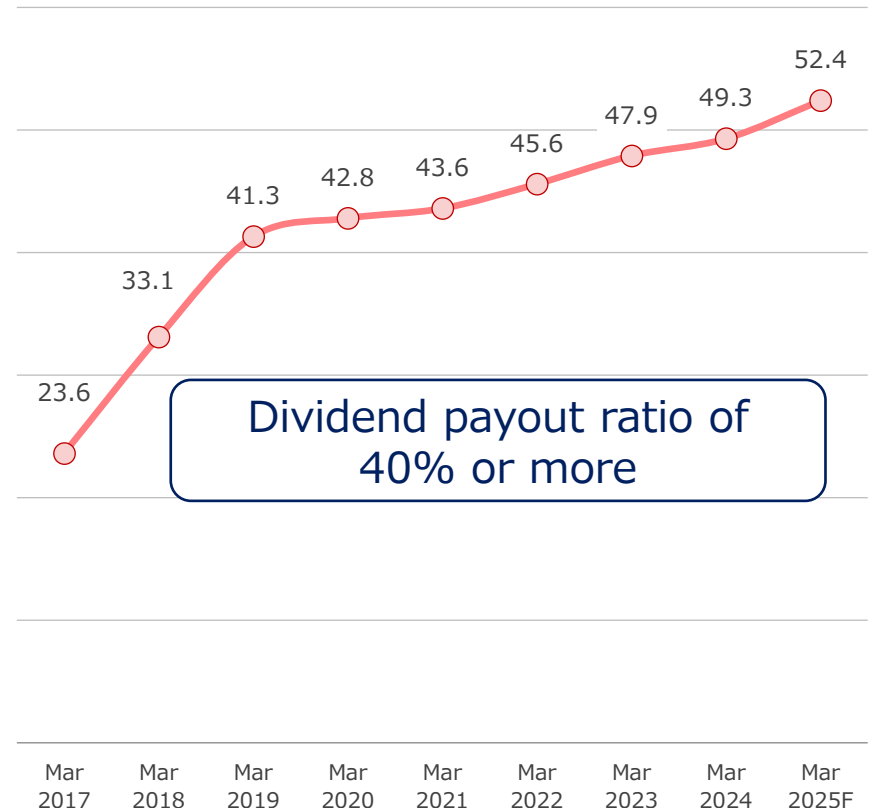
## Adjusted EPS (yen)



## Adjusted DPS (yen)



## Dividend Payout Ratio (%)



## 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

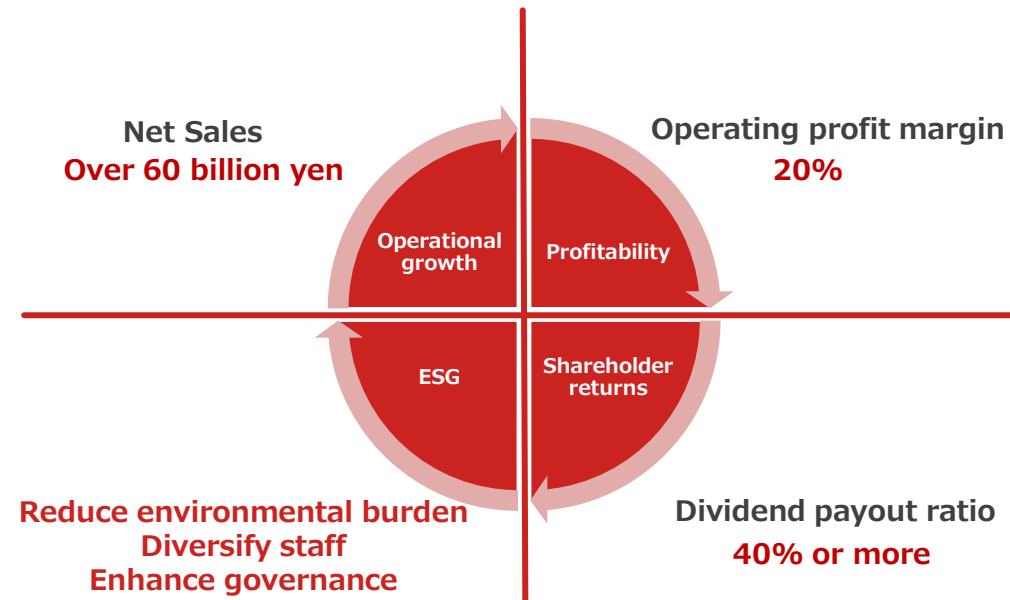
=> **Net sales of 60 billion yen**

- 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

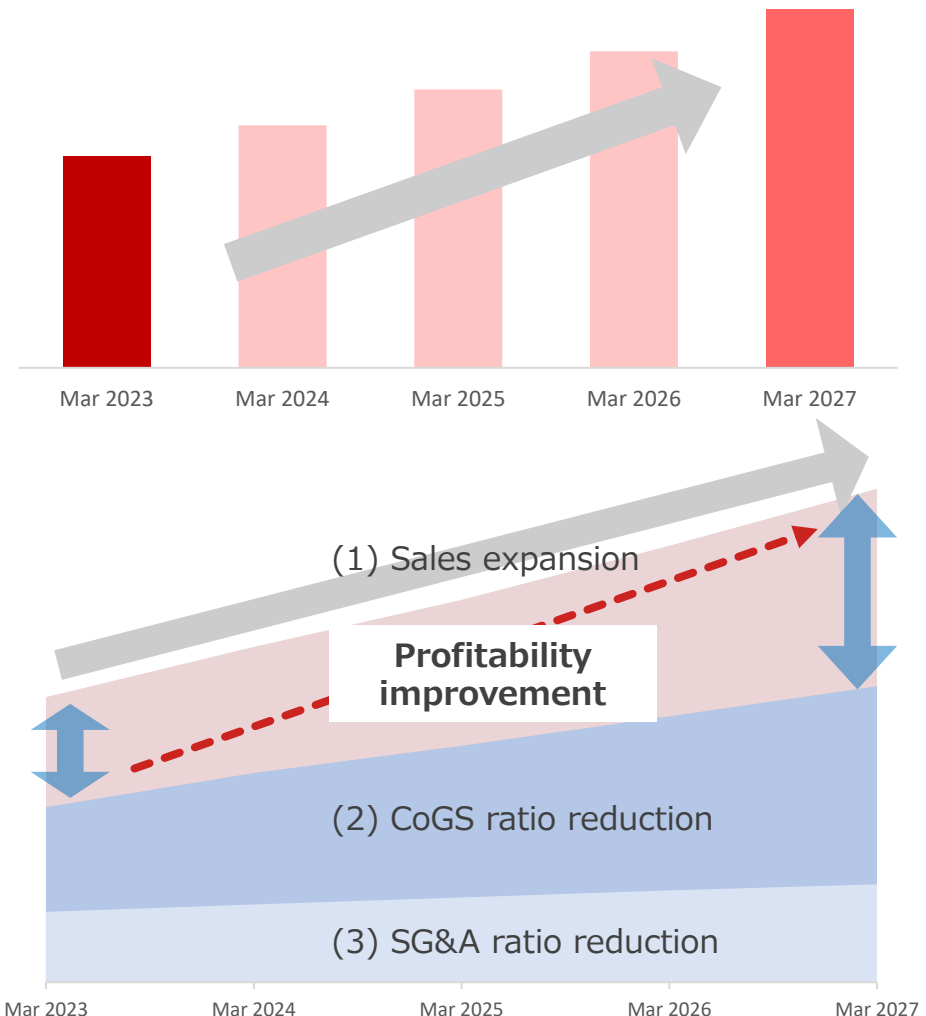
### 1. Achieve net sales of 60 billion yen by expanding the market and increasing share in Japan

- 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

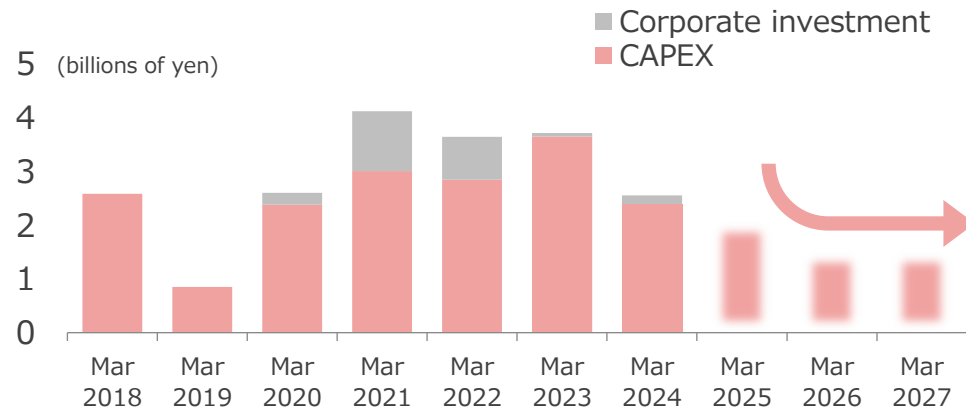
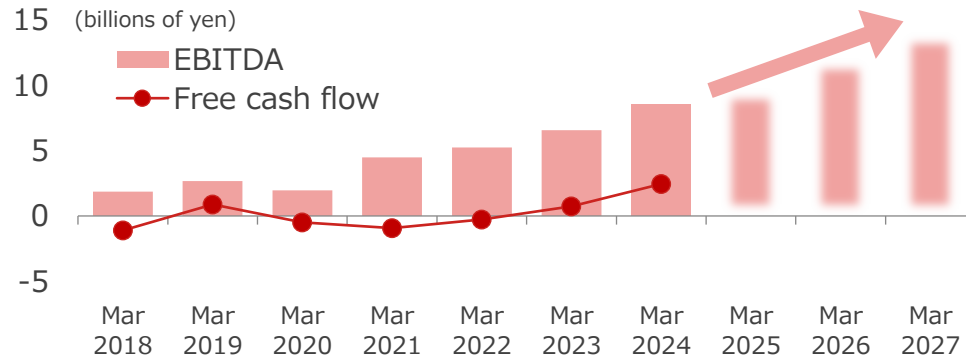
- Increase contribution from high margin maintenance sales  
Improve margins in newly expanded areas with low market share by increasing the number of maintenance contracts
- Reduction in CoGS ratio  
Despite our continued effort to increase the number of technical personnel, costs should be under control 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.

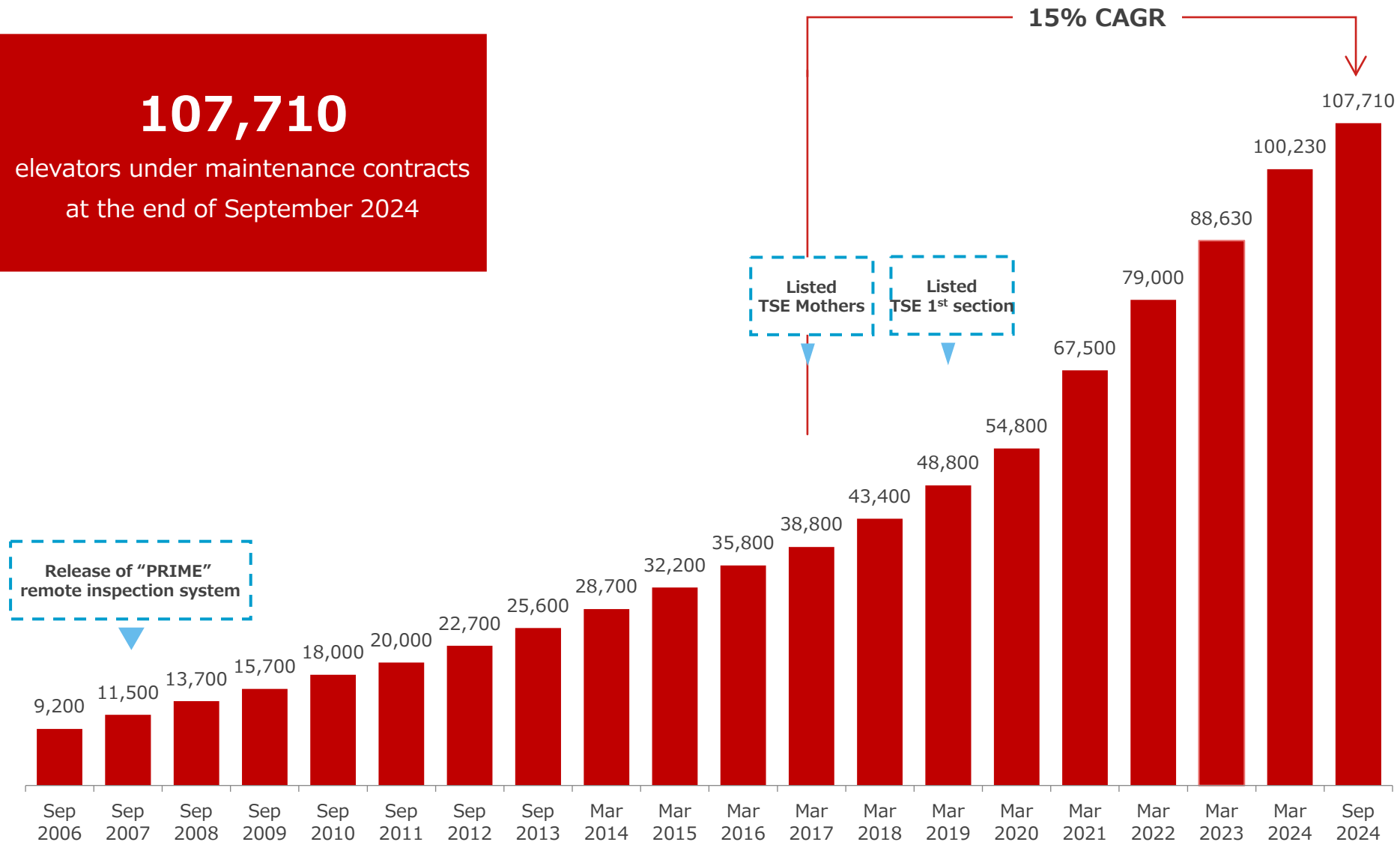
- Capital expenditures peaked in FY2023, and after the completion of the JIK in FY2024, CAPEX shall be limited to installation of PRIME and LiftSPOT terminals as contract increases, and system investments and R&D
- M&A considered only as opportunities arise

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

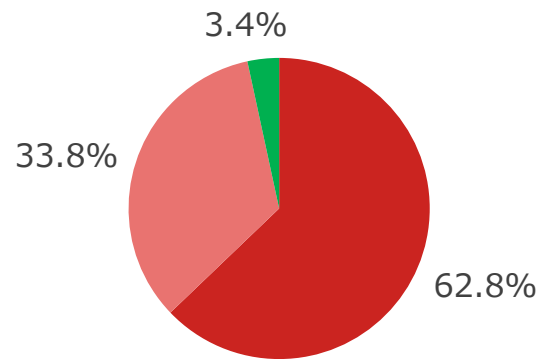
- Investment in human capital as an investment for growth
- Repayment of long-term borrowings
- Maintain a dividend payout ratio of over 40% for shareholder returns
- Considering share buybacks when the time is right

## 107,710

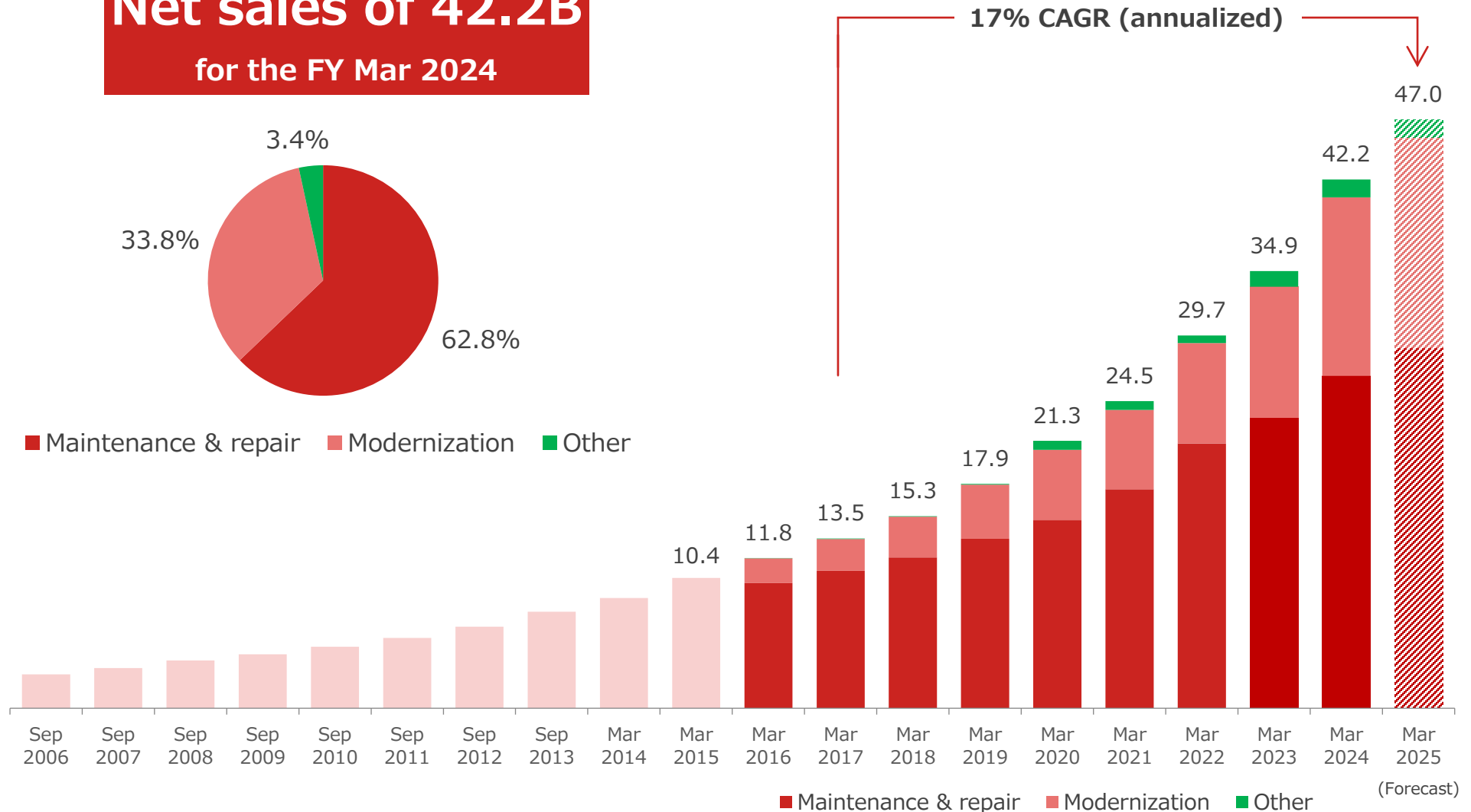
elevators under maintenance contracts  
at the end of September 2024



**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 November 1, 2024**  
**146 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

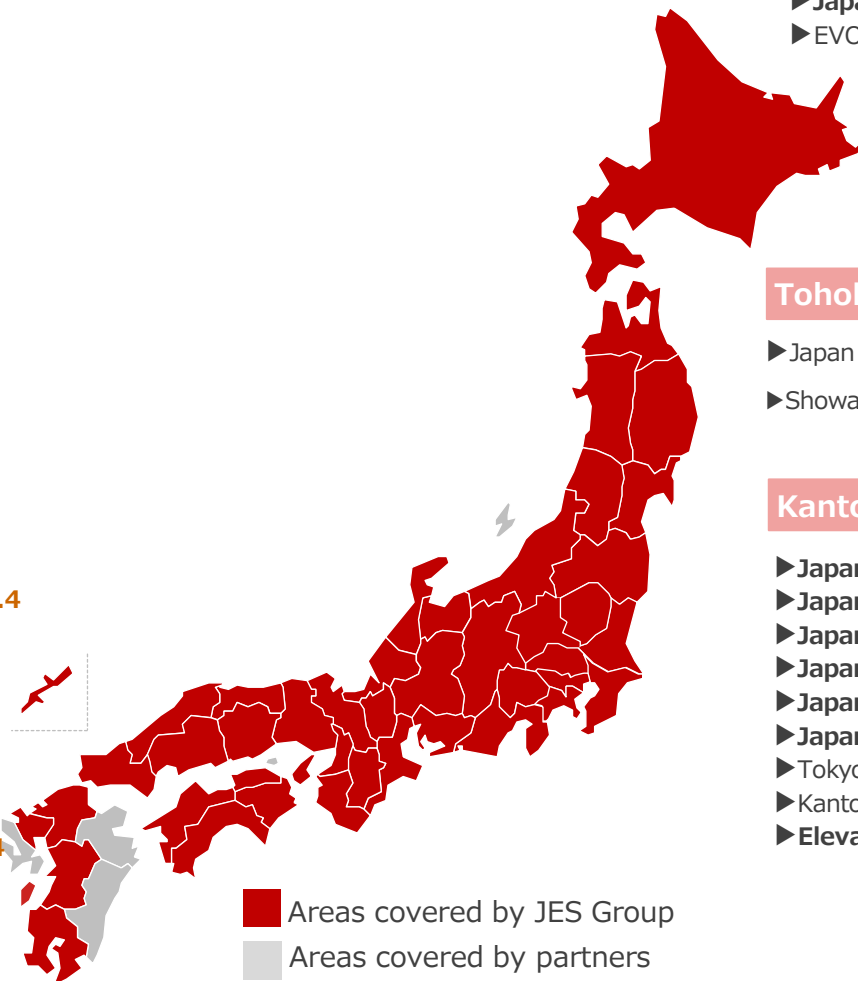
- ▶ **Japan Elevator Service Hokkaido Co., Ltd.**
- ▶ EVOTECH Co., Ltd. **M&A**

## Tohoku

- ▶ Japan Elevator Service Jyosai Co., Ltd. (Tohoku Branch)
- ▶ Showa Yusoki Tohoku Co., Ltd. **M&A**

## 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)**



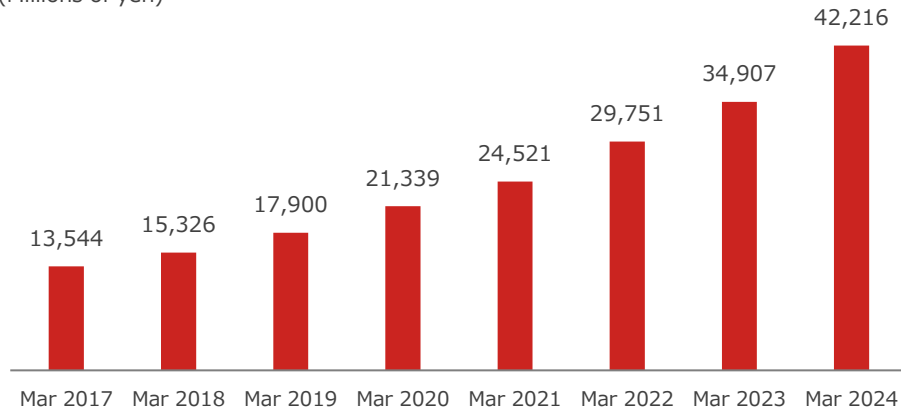
(\*) Group companies other than maintenance and repair and modernization operations such as elevators

(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.



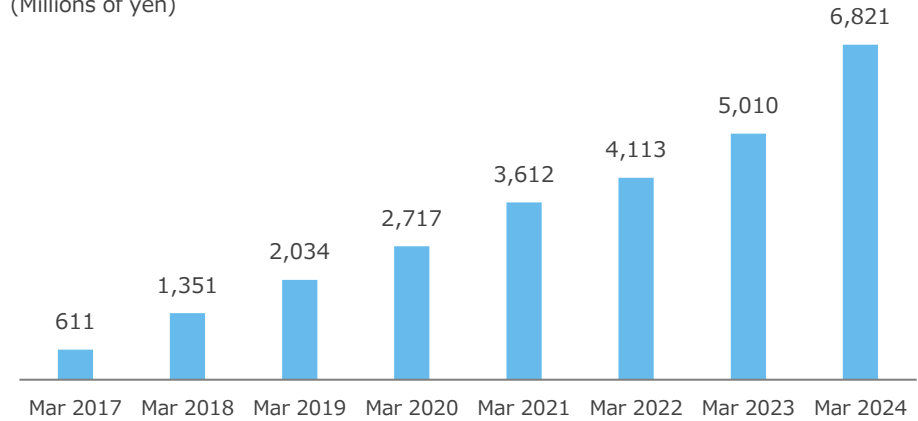
## Net sales

(Millions of yen)



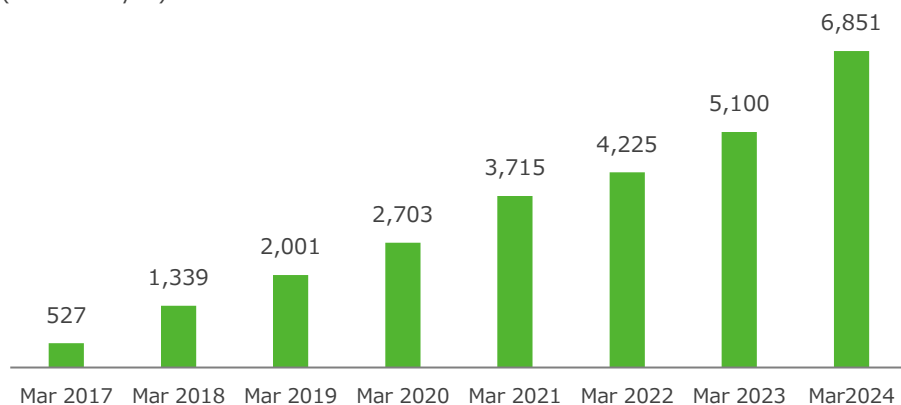
## Operating profit

(Millions of yen)



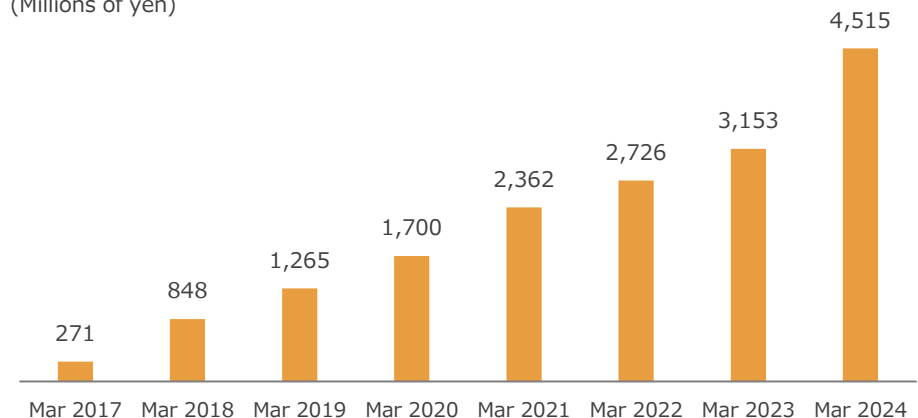
## Ordinary profit

(Millions of yen)



## Profit attributable to owners of parent

(Millions of yen)

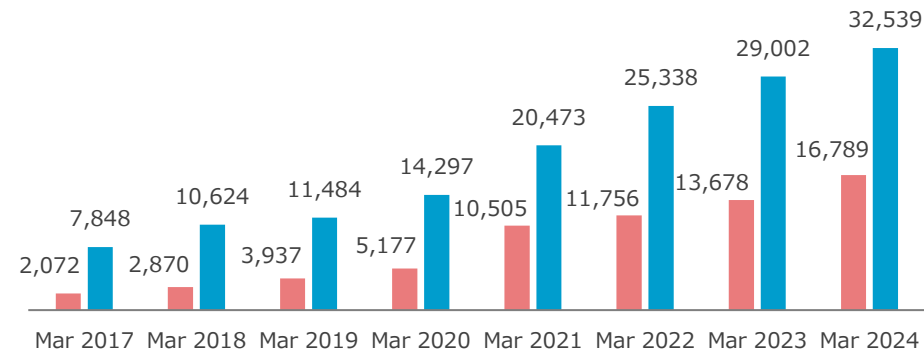


## Net assets / Total assets

(Millions of yen)

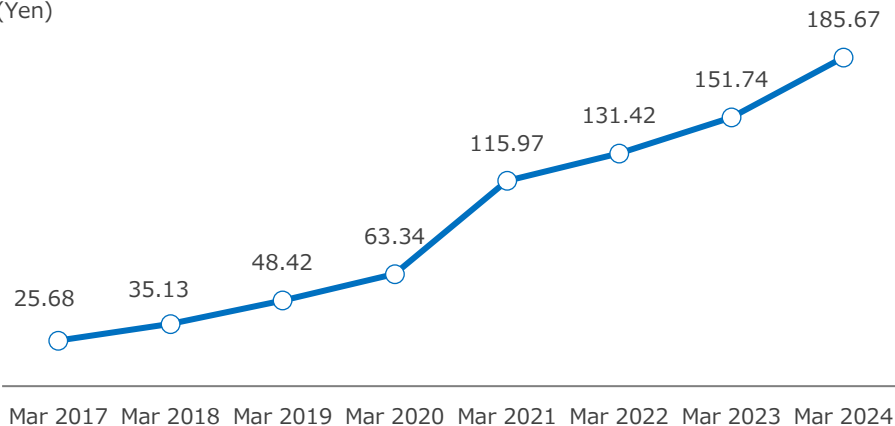
Net assets

Total assets



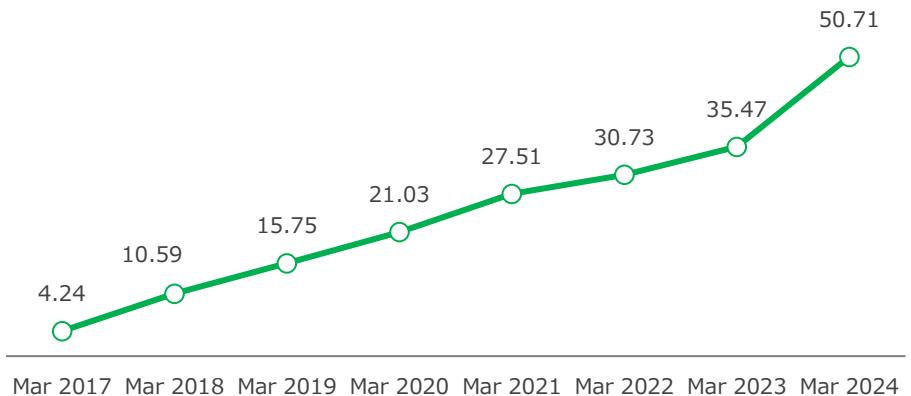
## Net assets per share

(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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- Japan Elevator Service Holdings (the “Company”) has prepared these materials for your reference, so that you may understand the current status of the Company.
- While these materials have been prepared based on generally-known economic and social conditions and certain assumptions that we have determined to be reasonable, the information contained herein is subject to change without prior notice for reasons such as changes in the business environment.

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