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

February 12, 2025

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 Securities code 6544 URL <https://www.jes24.co.jp>
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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 Third Quarter of the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to December 31, 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	%
Nine Months Ended December 2024	35,549	16.6	6,120	28.2	6,146	28.1	3,904	27.9
Nine Months Ended December 2023	30,487	20.6	4,772	36.3	4,798	33.4	3,051	32.3

(Note) Comprehensive income Nine months ended December 2024: 4,035 million yen (29.4%) Nine months ended December 2023: 3,118 million yen (32.2%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine Months Ended December 2024	43.84	43.68
Nine Months Ended December 2023	34.27	34.15

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	34,919	18,592	52.3
As of March 31, 2024	32,539	16,789	50.8

(Reference) Shareholders' equity As of December 31, 2024 18,265 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)				30.00	30.00

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

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)

3Q FY Mar 2025	89,067,200shares	Year ended March 2024	89,067,200shares
3Q FY Mar 2025	9,831shares	Year ended March 2024	9,477shares
3Q FY Mar 2025	89,057,559shares	3Q FY Mar 2024	89,058,121shares

(ii) Treasury shares at the end of the period

(iii) Average number of shares during the period
(cumulative quarterly period)

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 was changed to units of millions of yen.

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

Table of Contents of the Attachments

1. Qualitative information on the current quarterly financial results	2
(1) Explanation of results of operation	2
(2) Explanation of financial position	2
(3) Explanation of consolidated earnings forecasts and other forward-looking information	2
2. Quarterly consolidated financial statements and major notes	3
(1) Quarterly consolidated balance sheets	3
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income.....	5
Quarterly consolidated statements of income	
Nine months cumulative.....	5
Quarterly consolidated statements of comprehensive income	
Nine months cumulative	6
(3) Notes to quarterly consolidated financial statements	7
(Notes to the segment information)	7
(Notes in the event of significant changes in shareholders' equity)	7
(Notes to going concern assumption)	7
(Notes to the quarterly consolidated cash flow statement)	7
(Significant changes in scope of consolidation during the current quarter)	7
3. Other	7

Qualitative information on the current quarterly financial results

(1) Explanation of results of operation

During the third 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 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 third quarter of the current fiscal year totaled 22,429 million yen (up 15.1% YoY). In the modernization business, net sales for the third quarter of the current fiscal year were 11,982 million yen (up 20.2% 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 third quarter of the current fiscal year were as follows: net sales were 35,549 million yen (up 16.6% YoY), operating profit was 6,120 million yen (up 28.2% YoY), ordinary profit was 6,146 million yen (up 28.1% YoY), and profit attributable to owners of parent was 3,904 million yen (up 27.9% YoY).

(2) Explanation of financial condition

(Assets)

Total assets at the end of the third quarter of the current fiscal year amounted to 34,919 million yen, up 2,380 million yen from the end of the previous fiscal year. This was mainly due to an increase of 1,811 million yen in raw materials and supplies and 711 million yen in cash and deposits.

(Liabilities)

Total liabilities at the end of the third quarter of the current fiscal year amounted to 16,327 million yen, up 577 million yen from the end of the previous fiscal year. This was mainly due to an increase of 609 million yen in short-term borrowings, 470 million yen in long-term borrowings and a decrease of 698 million yen in income taxes payable.

(Net assets)

Net assets at the end of the third quarter of the current fiscal year were 18,592 million yen, an increase of 1,802 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 3,904 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 December 31, 2024
Assets		
Current assets		
Cash and deposits	2,184	2,896
Notes and accounts receivable - trade, and contract assets	6,439	6,235
Raw materials and supplies	4,243	6,055
Other	723	1,207
Allowance for doubtful accounts	(16)	(15)
Total current assets	13,575	16,378
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,256	6,129
Tools, furniture and fixtures, net	4,618	4,659
Other, net	1,737	1,774
Total property, plant and equipment	12,612	12,562
Intangible assets		
Goodwill	2,093	1,901
Other	2,330	2,390
Total intangible assets	4,424	4,291
Investments and other assets		
Other	1,970	1,720
Allowance for doubtful accounts	(43)	(33)
Total investments and other assets	1,926	1,686
Total non-current assets	18,963	18,540
Total assets	32,539	34,919
Liabilities		
Current liabilities		
Accounts payable - trade	1,616	1,855
Short-term borrowings	3,535	4,145
Current portion of long-term borrowings	2,274	2,171
Income taxes payable	1,788	1,089
Provision for bonuses	948	579
Other	2,811	3,146
Total current liabilities	12,974	12,987
Non-current liabilities		
Long-term borrowings	903	1,374
Retirement benefit liability	1,287	1,378
Asset retirement obligations	445	456
Other	138	129
Total non-current liabilities	2,774	3,339
Total liabilities	15,749	16,327

(Unit: millions of yen)

	Previous fiscal year As of March 31, 2024	Current fiscal year As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	2,493	2,493
Capital surplus	2,576	2,570
Retained earnings	11,591	13,268
Treasury shares	(13)	(13)
Total shareholders' equity	16,647	18,318
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	1
Foreign currency translation adjustment	(69)	(17)
Remeasurements of defined benefit plans	(44)	(38)
Total accumulated other comprehensive income	(112)	(53)
Non-controlling interests	254	327
Total net assets	16,789	18,592
Total liabilities and net assets	32,539	34,919

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

(Unit: millions of yen)

	Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Net sales	30,487	35,549
Cost of sales	19,044	21,999
Gross profit	11,442	13,549
Selling, general and administrative expenses	6,670	7,429
Operating profit	4,772	6,120
Non-operating income		
Surrender value of insurance policies	21	21
Rental income	19	25
Other	31	36
Total non-operating income	73	82
Non-operating expenses		
Interest expenses	16	27
Other	31	30
Total non-operating expenses	47	57
Ordinary profit	4,798	6,146
Extraordinary income		
Gain on sale of non-current assets	3	3
Gain on bargain purchase	2	-
Total extraordinary income	6	3
Extraordinary losses		
Loss on retirement of non-current assets	8	11
Other	2	3
Total extraordinary losses	10	15
Profit before income taxes	4,794	6,134
Income taxes - current	1,565	1,956
Income taxes - deferred	136	207
Total income taxes	1,701	2,164
Profit	3,092	3,969
Profit attributable to non-controlling interests	40	65
Profit attributable to owners of parent	3,051	3,904

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

(Unit: millions of yen)

	Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Profit	3,092	3,969
Other comprehensive income		
Valuation difference on available-for-sale securities	1	(0)
Foreign currency translation adjustment	17	59
Remeasurements of defined benefit plans, net of tax	6	6
Total other comprehensive income	25	65
Comprehensive income	3,118	4,035
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,066	3,962
Comprehensive income attributable to non-controlling interests	51	72

(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 nine months ended December 31, 2024. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31 are as follows:

	(Unit: millions of yen)	
	Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation	1,031	1,152
Amortization of goodwill	202	209

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

Not applicable.

Although not applicable to changes in specified subsidiaries, Showa Yusoki Tohoku Co., Ltd. became a consolidated subsidiary during the third quarter of the current fiscal year due to the acquisition of its shares.

3. Other

Not applicable.