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Results Supplement

for the Third Quarter of the Fiscal Year Ending March 2025

February 12 2025

japan elevator service
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Japan Elevator Service Holdings Co., Ltd.

(TSE Prime Market：6544)

Contents

Nine Months Results for FY Mar 2025

- **Disruption in supply chain is almost over; the business environment is now quite favorable as demand and our competitive position improve**
- **Net organic growth for the nine months has increased steadily and exceeds the 12-month total for the previous year**
- **Good progress in both sales and profits against internal targets exceeding conservative published forecast**

Continued steady growth in the number of maintenance contracts and robust growth in the number of modernization shipments

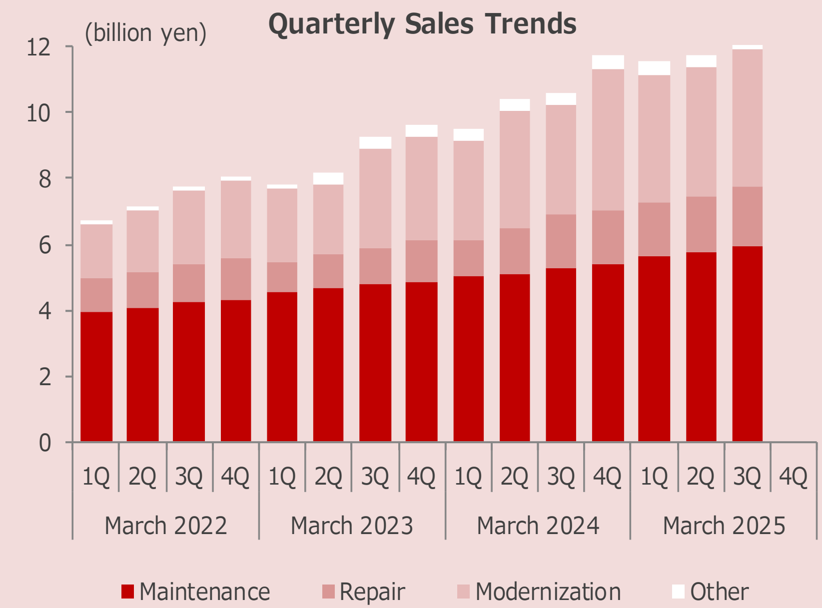
- The number of maintenance contracts in Japan was 110,650 units. Excluding the impact of Showa Yusoki Tohoku Co., Ltd. of about 230 units, net increase exceeds the previous year's organic net increase of about 10,000 units in just 9 months
- In order to meet the strong demand, the Company strengthened construction management system and the total number of modernization shipment reached 1,600 units (1,390 units in the same period of the previous year) in line with our plan
- The number of offices increased to 148 as of February 1. This fiscal year the Company opened seven new offices, mainly in western Japan, including its first foray into Yamaguchi and Saga. And the Company continues to recruit necessary work force such as technical and sales personnel

(units, person)

	FY ended March 2021 Actual	FY ended March 2022 Actual	FY ended March 2023 Actual	FY ended March 2024 Actual	9 months ended December 2024 Actual	(Change YtD)
Maintenance contracts	67,500	79,000	88,630	100,230	110,650	+ 10,420
Modernization (cumulative)	920	1,150	1,530	1,930	1,600	+ 210
Parking equipment	--	18,830	22,050	24,660	26,780	+ 2,120
No. of offices	101	124	132	141	148	+ 7
No. of Employees	1,398	1,618	1,766	1,868	2,024	+ 156
Technical personnel	881	1,003	1,096	1,159	1,260	+ 101
Sales personnel	156	195	218	248	272	+ 24

Sales up by 16.6% YoY due to stable growth of maintenance & repair and expansion of modernization business

- 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 faster than the number of contracts thanks to active sales activities
- Unit price continues to increase due to strong demand for modernization. Unit volume also increased as planned, with a strong 24.1% sales growth in the third quarter alone



(millions of yen, %)

	9 months ended December 2023		9 months ended December 2024		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Maintenance & Repair	19,491	63.9	22,429	63.1	2,937	15.1
Modernization	9,968	32.7	11,982	33.7	2,014	20.2
Other	1,027	3.4	1,137	3.2	110	10.7
Total	30,487	100.0	35,549	100.0	5,062	16.6

Nine Months Results for FY Mar 2025 (Overview)

Both sales and profits accumulated steadily, with operating income reaching a high 77% of the full-year forecast

- The increase of net sales was due to higher maintenance & repair sales resulting from an increase in the number of maintenance contracts, as well as a high level of modernization sales
- The gross profit margin improved by 0.6 percentage points YoY mainly due to productivity improvements and a reduction in the labor cost ratio as a result of hiring new graduates. The operating profit margin improved by 1.6 points to 17.2% as a results of disciplined spending on SG&A expenses such as personnel expenses
- As a result, sales increased by 16.6% YoY and operating profit increased by 28.2% YoY

(millions of yen, yen, %)

	9 months ended December 2023		9 months ended December 2024		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Net sales	30,487	100.0	35,549	100.0	5,062	16.6
Operating profit	4,772	15.7	6,120	17.2	1,347	28.2
Ordinary profit	4,798	15.7	6,146	17.3	1,347	28.1
Profit attributable to owners of parent	3,051	10.0	3,904	11.0	852	27.9
(Depreciation)	1,031	3.4	1,152	3.2	121	11.8
(Amortization)	202	0.7	209	0.6	6	3.4
EBITDA	6,006	19.7	7,481	21.0	1,475	24.6
EPS	34.27	--	43.84	--	9.57	27.9

Nine Months Results for FY Mar 2025 (Balance Sheets)

- Net debt decreased to 4.7 billion yen from 6.4 billion yen at the end of June, as cash and deposits increased due to the accumulation of net income and debt repayment progressed
- Even after the dividend payment, the equity ratio improved every quarter and rose to 52.3% at the end of December

(millions of yen)

	Fiscal Year ended March 2024	End of December 2024	Change
Cash and cash equivalents	2,184	2,896	+ 711
Property, plant and equipment	12,612	12,562	- 50
Intangible assets	4,424	4,291	- 133
Borrowings	6,714	7,690	+ 976
Net assets	16,789	18,592	+ 1,802
Total assets	32,539	34,919	+ 2,380

FY Mar 2025 Financial Forecasts

- Earnings forecast unchanged
- Capital Expenditures and Depreciation Forecasts unchanged
- Full-year dividend forecast unchanged

FY March 2025 Financial Forecasts (Summary)

Earnings and full-year dividend forecast are unchanged as steady progress confirmed

- 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
- Earnings and dividend forecasts remain unchanged as steady progress was confirmed through the third quarter against internal targets exceeding conservative forecast

(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, %)

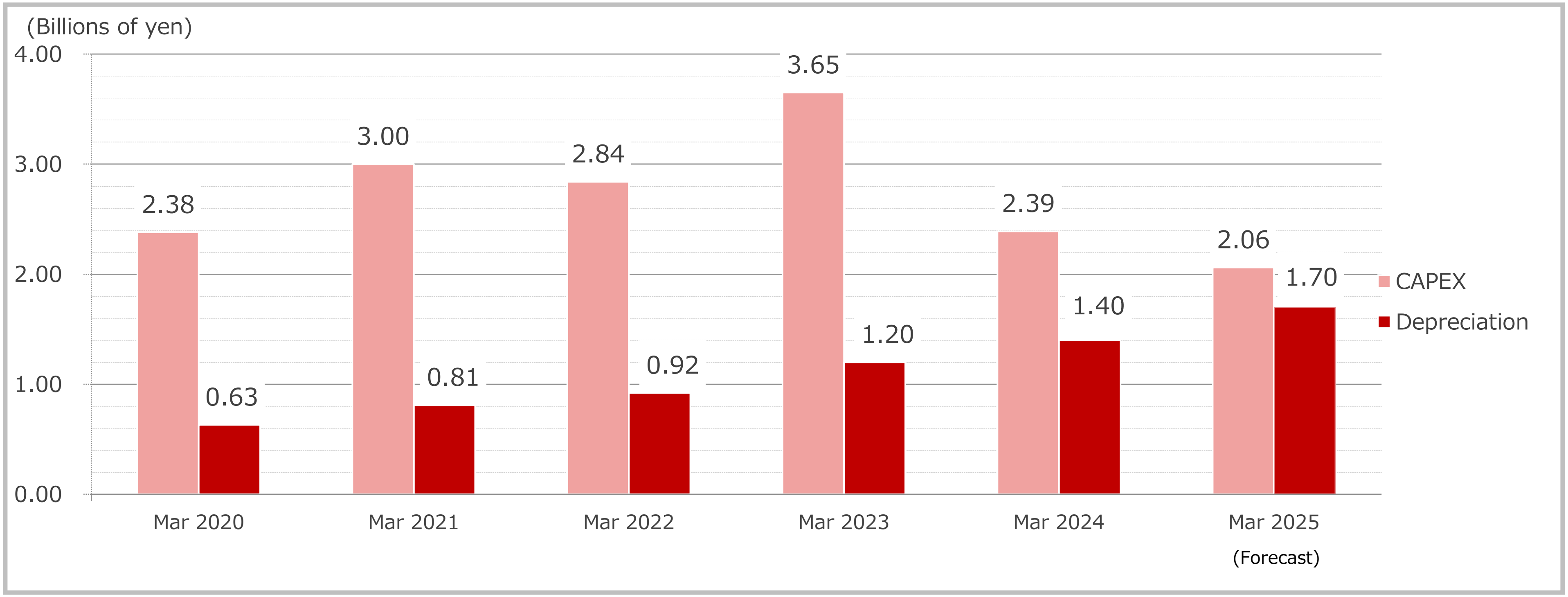
	March 2024		March 2025 Forecast		
	Amount	Margins	Amount	Margins	YoY
Net sales	42,216		47,000		111.3
Operating profit	6,821	16.2	8,000	17.0	117.3
Ordinary profit	6,851	16.2	8,000	17.0	116.8
Profit attributable to owners of parent	4,515	10.7	5,100	10.9	112.9

FY March 2025 Capital Expenditures and Depreciation Forecasts

(Billions of yen)

	FY2024 (Actual)	FY2025 (Forecast)	Items
Capital Expenditure	**2.39**	**2.06**	**Investments related to PRIME, a remote inspection service, etc.**
Depreciation	**1.40**	**1.70**	

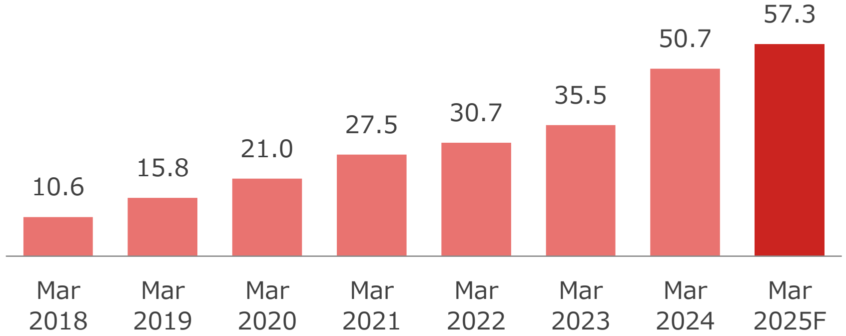
Capital Expenditures and Depreciation



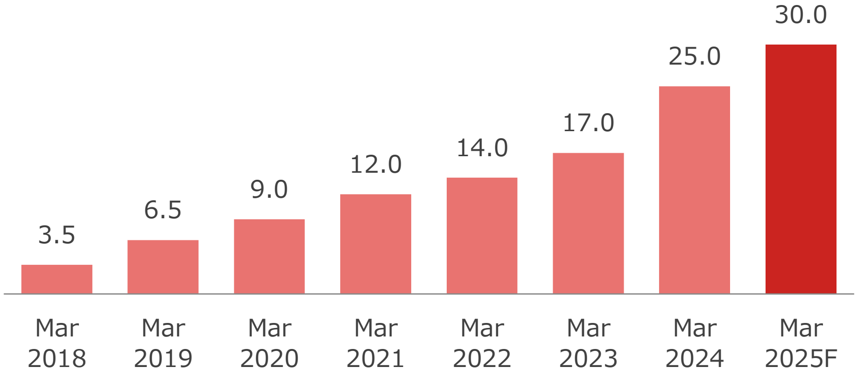
Shareholder Return : dividend forecast

- 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 remains unchanged at 30 yen (payout ratio 52.4%), an increase of 5 yen YoY, on the back of steady earnings growth

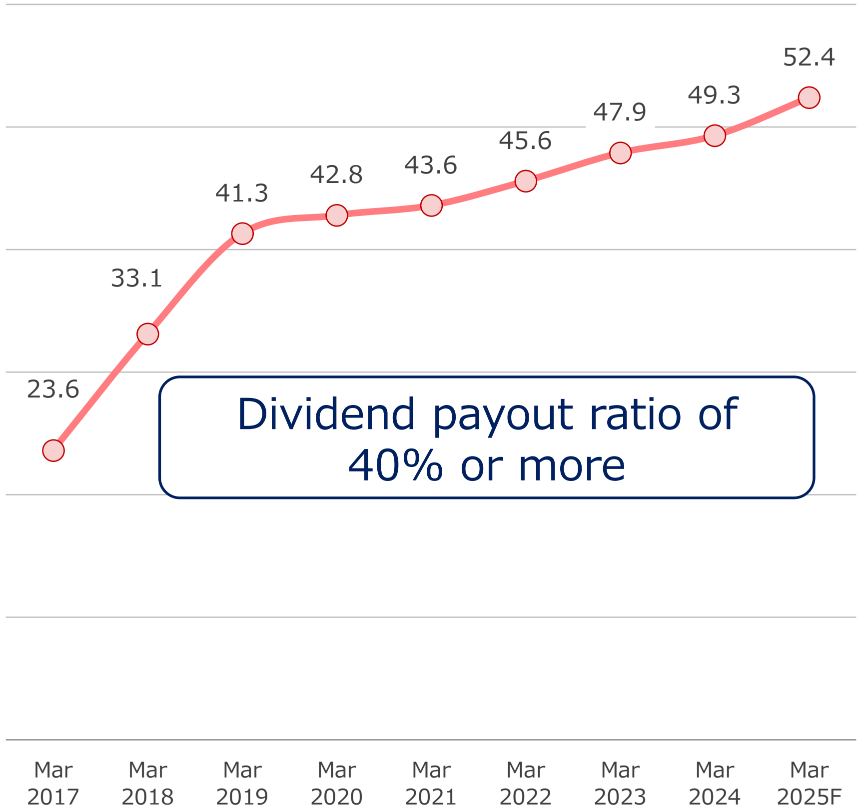
Adjusted EPS (yen)



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

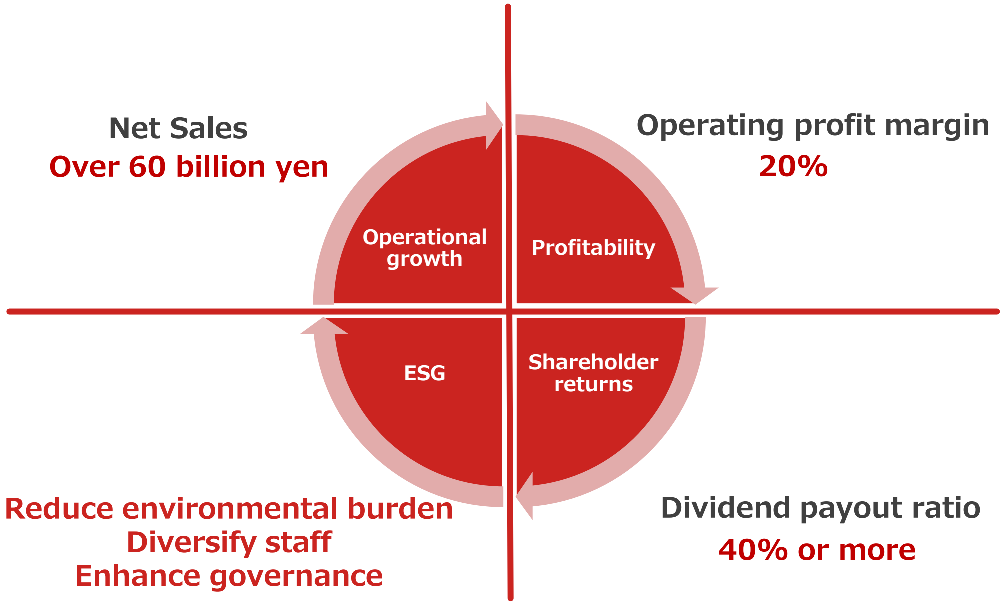
=> **Net sales of 60 billion yen**

- 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

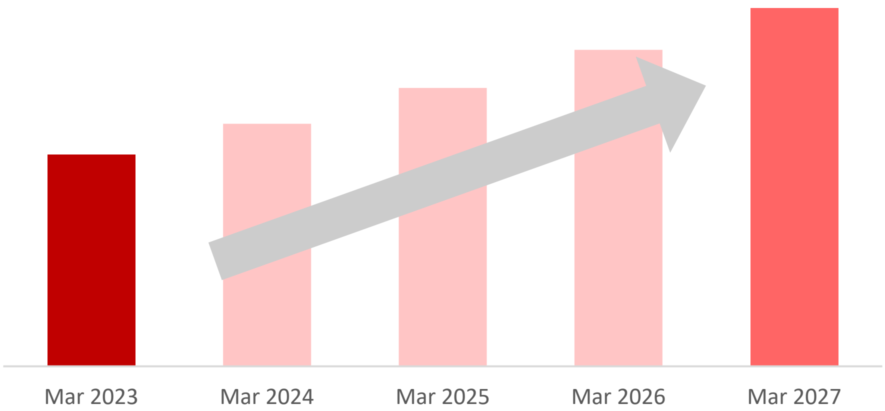


- Growth and profitability metrics to be met by FY2027/3
- OP Margin excludes goodwill amortization

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

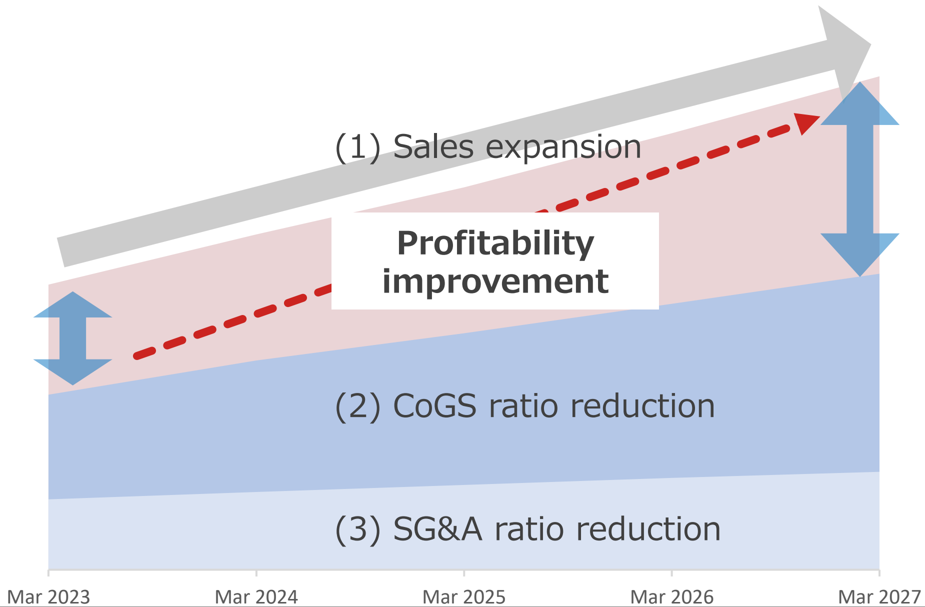
1. Achieve net sales of 60 billion yen by expanding the market and increasing share in Japan

- 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 controll 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



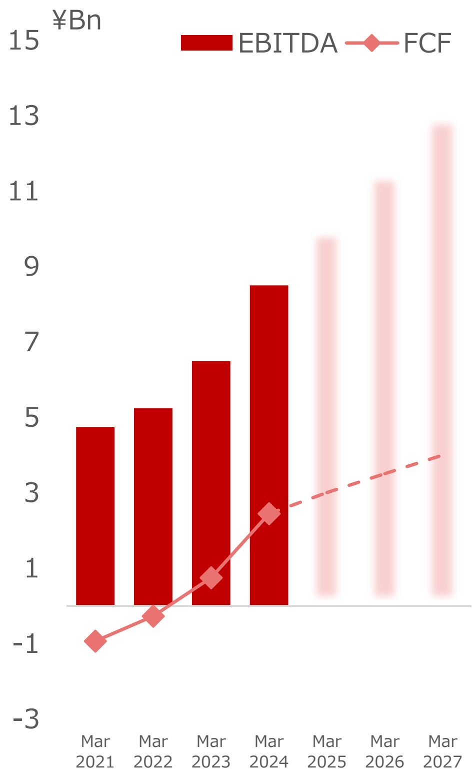
Increased number of maintenance contracts should improve profit step by step and lead to operating profit margin of 20%

VISION2027: Cash Flow Management

Sharing free cash flow with stakeholders for sustainable growth

- Capital investment peaked in FY 2023 and then begin to decline
- Free cash flow should be on an upward trend due to business expansion as number of maintenance contracts increases and improve profitability

EBITDA FCF Forecast



Cash flow management

Shareholder returns

Dividend payout ratio 40% or more
Sharing profit growth with shareholder

- Increase dividend payout ratio from 49.3% to 52.4%
- Dividend is 30 yen, an increase of 5 yen YoY
- Sharing profit growth with shareholder through dividends
- Aiming for net cash for the time being

Investment in inorganic growth

Continue domestic M&A
Prepare for full-scale expansion overseas

- Continue bolt-on acquisition in Japan taking advantage of share expansion and succession issues
- Recognize current overseas business as a period of know-how accumulation
- Enhance risk tolerance through domestic business expansion and prepare for full-scale expansion in the future

Investment in continuing business

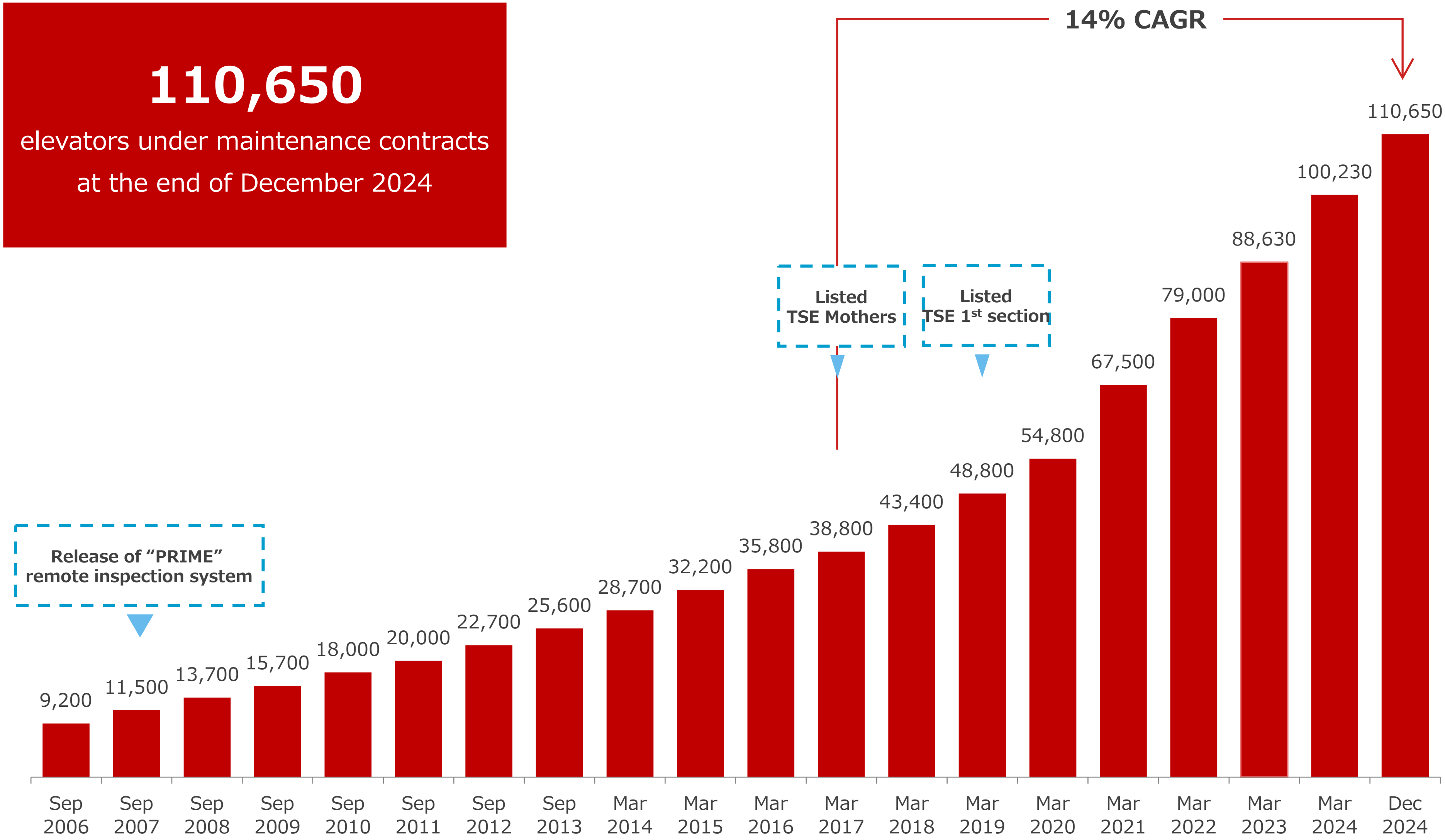
Investment in human resources, digital promotion, R&D, etc.

- Continue to invest in improving service quality, the source of our competitive edge
- Characteristically, profitability should improve along with top-line growth
- Accelerate investment in human resources once OP margin exceeded 20%

Growth in Domestic Maintenance Contracts

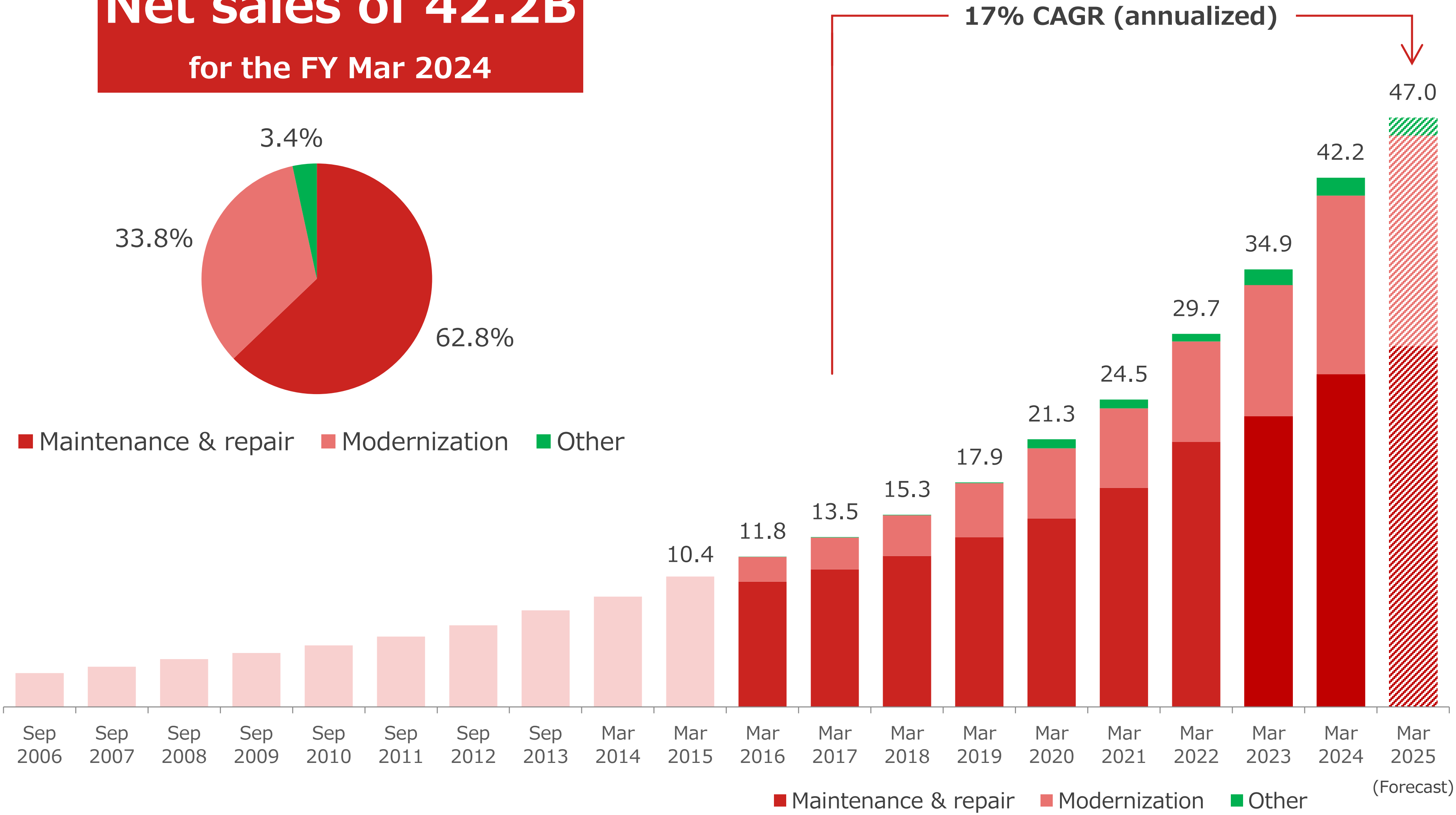
110,650

elevators under maintenance contracts at the end of December 2024



Growth in Net Sales

Net sales of 42.2B
for the FY Mar 2024



(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.

Expanding Presence

As of February 1, 2025
148 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

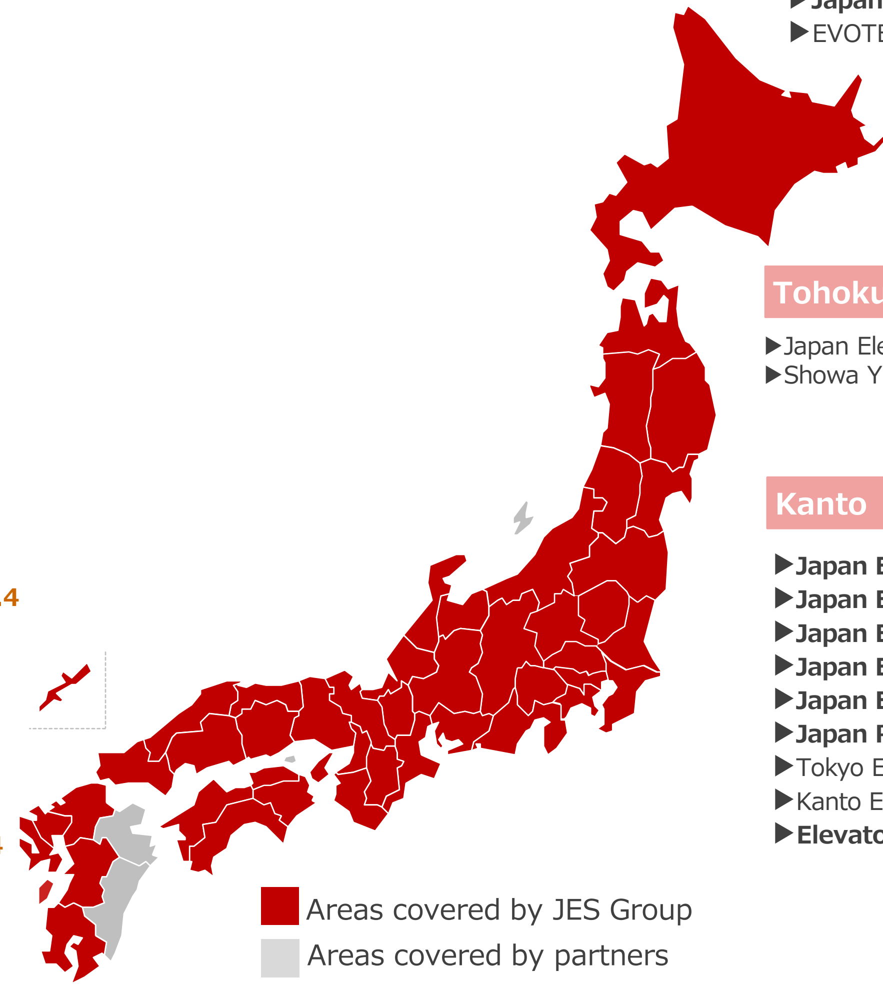
Established 2022.4

▶**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

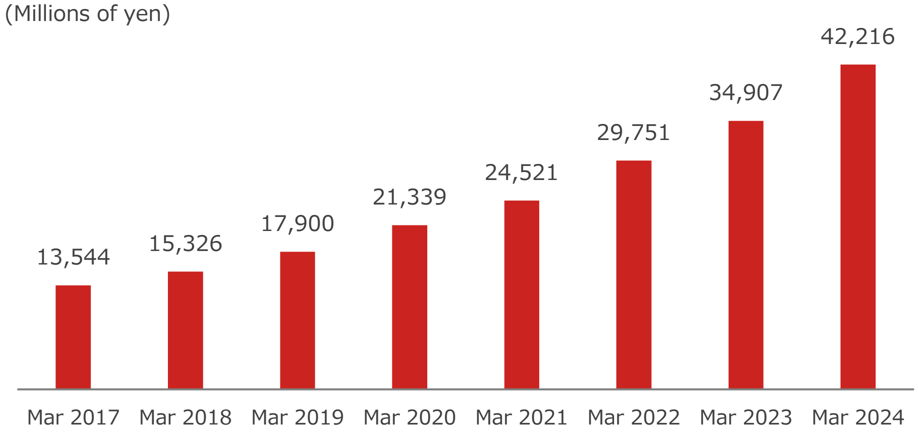
▶Japan Elevator Service Jyosai Co., Ltd. (Tohoku Branch)
▶Showa Yusoki Tohoku Co., Ltd. **M&A**

Kanto

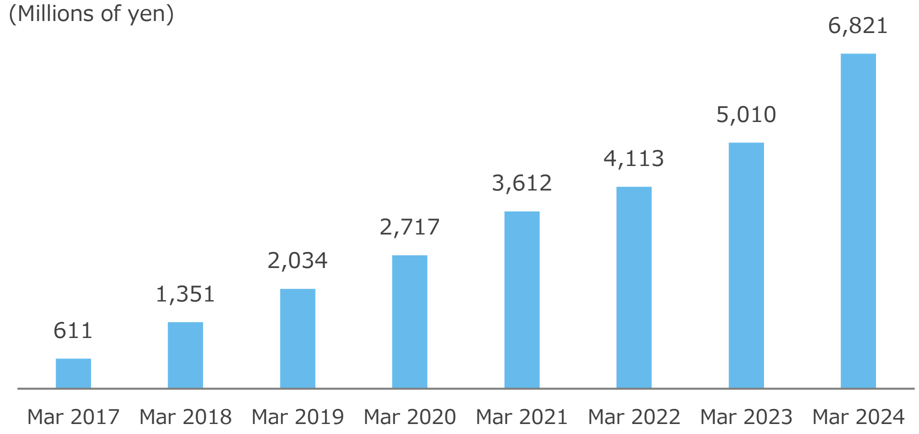
▶**Japan Elevator Service Holdings Co., Ltd.**
▶**Japan Elevator Service Jyonan Co., Ltd.**
▶**Japan Elevator Service Jyosai Co., Ltd.**
▶**Japan Elevator Service Kanagawa Co., Ltd.**
▶**Japan Elevator Parts Co., Ltd.**
▶**Japan Parking Service Co., Ltd.**
▶Tokyo Elevator Co., Ltd. **M&A**
▶Kanto Elevator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

(*) Group companies other than maintenane 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.

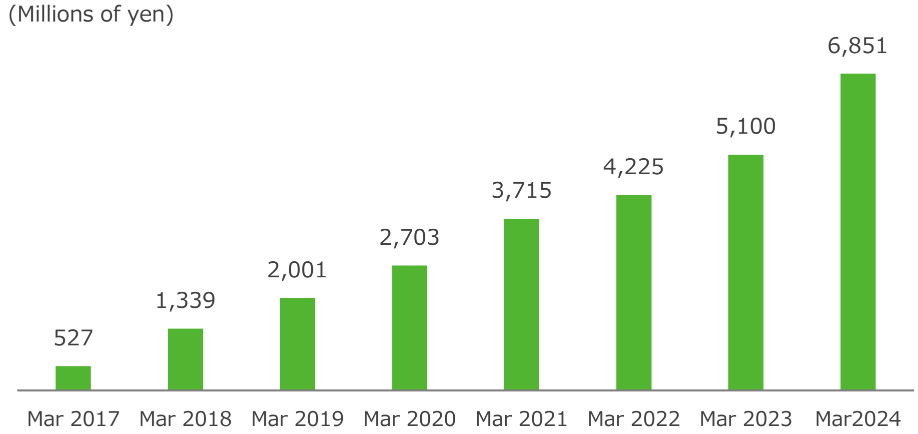
Net sales



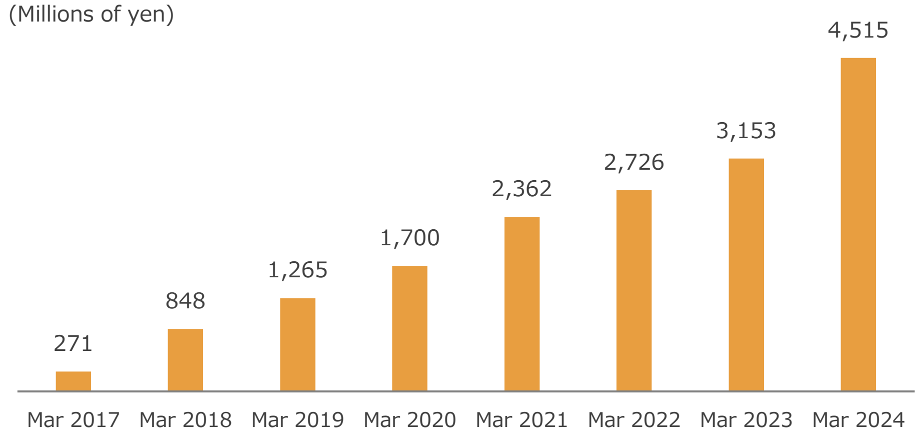
Operating profit



Ordinary profit

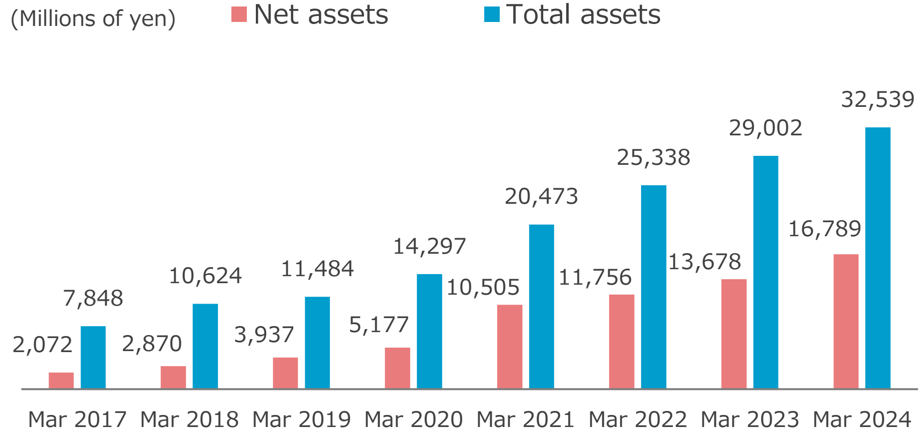


Profit attributable to owners of parent

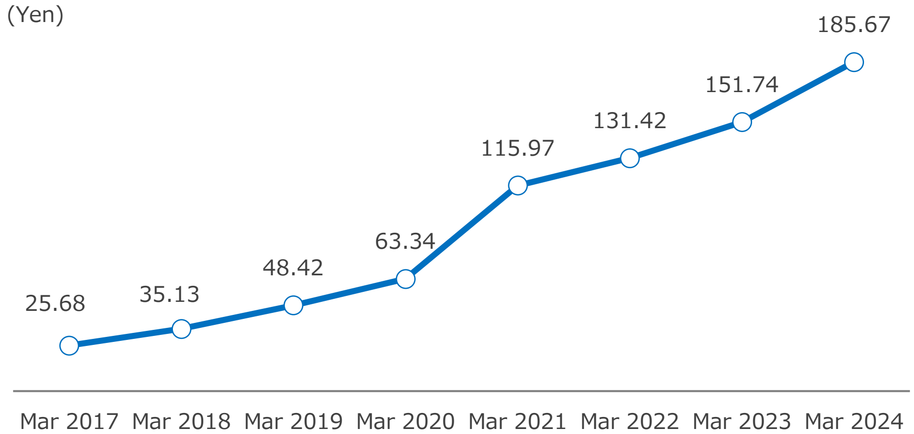


Financial Highlights (2/2)

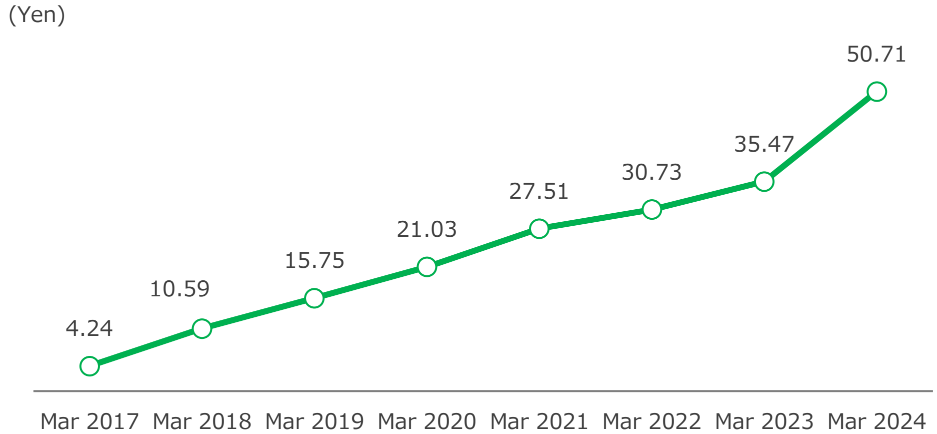
Net assets / Total assets



Net assets per share



Earnings per share



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

Disclaimer and Caution Concerning Forward-looking Statements

Disclaimer

- 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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- These risks and uncertainties include general industry and market conditions, as well as general domestic and international economic conditions, such as changes in interest rates and exchange rates.
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