

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

November 7, 2017

Company name: Japan Elevator Service Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6544 URL <http://www.jes24.co.jp>
 Representative: Katsushi Ishida President CEO
 Director Senior Managing Executive Officer, CFO
 Inquiries: Kimihiko Imamura TEL +81-3-6262-1625
 Scheduled date to file Quarterly Securities Report: November 8, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2017 (from April 1, 2017 to September 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2017	7,083	–	531	–	530	–	344	–
Six months ended September 30, 2016	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2017	17.22	16.98
Six months ended September 30, 2016	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	8,650	2,355	26.8
As of March 31, 2017	7,848	2,072	26.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	0.00	–	8.00	8.00
Year ending March 31, 2018	–	0.00			
Year ending March 31, 2018 (Forecast)			–	11.00	11.00

(Notes) 1. The Company conducted a two-for-one share split of its common shares on October 1, 2017.
 2. Dividend amounts for the previous fiscal year are the amounts before the share split.

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	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	15,150	11.9	1,230	101.3	1,200	127.6	700	157.4	34.95

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2017
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2017	20,030,000 shares	As of March 31, 2017	20,030,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2017	– shares	As of March 31, 2017	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2017	20,030,000 shares	Six months ended September 30, 2016	– shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	1,140,146	949,535
Notes and accounts receivable - trade	1,721,711	1,760,714
Raw materials and supplies	1,067,890	1,164,136
Other	669,171	565,596
Allowance for doubtful accounts	(6,358)	(6,487)
Total current assets	4,592,561	4,433,496
Non-current assets		
Property, plant and equipment		
Construction in progress	939,607	1,843,608
Other, net	1,371,958	1,308,511
Total property, plant and equipment	2,311,565	3,152,120
Intangible assets		
Other	141,575	219,805
Total intangible assets	141,575	219,805
Investments and other assets		
Other	814,244	859,075
Allowance for doubtful accounts	(11,590)	(13,875)
Total investments and other assets	802,654	845,200
Total non-current assets	3,255,796	4,217,126
Total assets	7,848,358	8,650,622
Liabilities		
Current liabilities		
Accounts payable - trade	323,546	356,957
Short-term loans payable	2,010,200	2,805,000
Income taxes payable	142,923	189,097
Provision for bonuses	404,013	394,634
Other	1,227,396	1,529,968
Total current liabilities	4,108,080	5,275,658
Non-current liabilities		
Bonds payable	400,000	—
Long-term loans payable	374,000	172,500
Net defined benefit liability	459,914	494,259
Asset retirement obligations	108,458	113,054
Other	325,662	239,484
Total non-current liabilities	1,668,035	1,019,298
Total liabilities	5,776,116	6,294,957

(Thousands of yen)

	As of March 31, 2017	As of September 30, 2017
Net assets		
Shareholders' equity		
Capital stock	608,445	608,445
Capital surplus	1,044,746	1,044,746
Retained earnings	452,078	716,921
Total shareholders' equity	2,105,270	2,370,113
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,710	3,252
Foreign currency translation adjustment	(14,666)	(18,601)
Remeasurements of defined benefit plans	(35,896)	(33,973)
Total accumulated other comprehensive income	(47,852)	(49,322)
Non-controlling interests	14,823	34,874
Total net assets	2,072,241	2,355,665
Total liabilities and net assets	7,848,358	8,650,622

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)
	Six months ended September 30, 2017
Net sales	7,083,968
Cost of sales	4,647,227
Gross profit	2,436,741
Selling, general and administrative expenses	1,905,710
Operating profit	531,031
Non-operating income	
Insurance premiums refunded cancellation	7,551
Refunded consumption taxes	4,785
Other	7,240
Total non-operating income	19,578
Non-operating expenses	
Interest expenses	13,259
Share of loss of entities accounted for using equity method	6,006
Other	837
Total non-operating expenses	20,103
Ordinary profit	530,506
Extraordinary income	
Other	1,007
Total extraordinary income	1,007
Extraordinary losses	
Loss on retirement of non-current assets	3,287
Total extraordinary losses	3,287
Profit before income taxes	528,226
Income taxes - current	164,564
Income taxes - deferred	27,070
Total income taxes	191,635
Profit	336,591
Loss attributable to non-controlling interests	(8,371)
Profit attributable to owners of parent	344,962

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

Six months ended

September 30, 2017

Profit	336,591
Other comprehensive income	
Valuation difference on available-for-sale securities	541
Foreign currency translation adjustment	(2,205)
Remeasurements of defined benefit plans, net of tax	1,922
Share of other comprehensive income of entities accounted for using equity method	(1,728)
Total other comprehensive income	(1,469)
Comprehensive income	335,121
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	342,573
Comprehensive income attributable to non-controlling interests	(7,452)

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2017
Cash flows from operating activities	
Profit before income taxes	528,226
Depreciation	185,705
Increase (decrease) in allowance for doubtful accounts	2,413
Increase (decrease) in provision for bonuses	(9,379)
Increase (decrease) in net defined benefit liability	34,344
Interest expenses	13,259
Share of (profit) loss of entities accounted for using equity method	6,006
Surrender value of insurance	(7,551)
Loss on retirement of non-current assets	3,287
Decrease (increase) in notes and accounts receivable - trade	(42,974)
Decrease (increase) in inventories	(105,811)
Increase (decrease) in notes and accounts payable - trade	33,411
Other, net	92,541
Subtotal	733,479
Interest and dividend income received	114
Interest expenses paid	(13,701)
Income taxes paid	(120,416)
Income taxes refund	51,659
Net cash provided by (used in) operating activities	651,134
Cash flows from investing activities	
Payments into time deposits	(57,000)
Proceeds from withdrawal of time deposits	65,000
Purchase of property, plant and equipment	(1,028,016)
Purchase of intangible assets	(112,098)
Purchase of insurance funds	(50,327)
Proceeds from cancellation of insurance funds	12,521
Other, net	(3,384)
Net cash provided by (used in) investing activities	(1,173,305)
Cash flows from financing activities	
Net increase (decrease) in short-term loans payable	794,800
Repayments of long-term loans payable	(261,500)
Cash dividends paid	(80,120)
Repayments of lease obligations	(101,810)
Other, net	(7,875)
Net cash provided by (used in) financing activities	343,494
Effect of exchange rate change on cash and cash equivalents	(3,934)
Net increase (decrease) in cash and cash equivalents	(182,610)
Cash and cash equivalents at beginning of period	1,105,146
Cash and cash equivalents at end of period	922,535