

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2018  
(Based on Japanese GAAP)**

May 11, 2018

Company name: Japan Elevator Service Holdings Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 6544 URL <https://www.jes24.co.jp>  
 Representative: Katsushi Ishida President CEO  
 Director Deputy President and Executive Officer  
 Inquiries: Kimihiko Imamura TEL +81-3-6262-1625  
 CFO  
 Scheduled date of ordinary general meeting of shareholders: June 26, 2018  
 Scheduled date to file Securities Report: June 27, 2018  
 Scheduled date to commence dividend payments: June 27, 2018  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Consolidated operating results

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	%
Year ended March 31, 2018	15,326	13.2	1,351	121.2	1,339	154.0	848	211.8
Year ended March 31, 2017	13,544	13.9	611	(16.2)	527	(24.6)	271	(32.5)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2018	42.34	41.44	34.8	14.5	8.8
Year ended March 31, 2017	16.97	16.83	19.1	7.3	4.5

(Notes) The Company conducted a two-for-one share split of its common shares on October 1, 2017.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	10,624	2,870	26.5	140.52
As of March 31, 2017	7,848	2,072	26.2	102.72

(Notes) The Company conducted a two-for-one share split of its common shares on October 1, 2017.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2018	1,725	(2,828)	1,257	1,258
Year ended March 31, 2017	(152)	(1,286)	1,408	1,105

(Notes) The Company conducted a two-for-one share split of its common shares on October 1, 2017.

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2017	–	0.00	–	8.00	8.00	80	23.6	5.2
Year ended March 31, 2018	–	0.00	–	14.00	14.00	280	33.1	11.5
Year ending March 31, 2019 (Forecast)	–	0.00	–	–	–	–	–	–

(Notes) The Company conducted a two-for-one share split of its common shares on October 1, 2017.

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Six months ending September 30, 2018	7,900	11.5	580	9.2	600	13.1	345	0.0	17.22
Full year	16,800	9.6	1,600	18.3	1,600	19.5	920	8.5	45.93

(Notes) The Company conducted a two-for-one share split of its common shares on October 1, 2017.

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2018

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2018	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 March 31, 2018	28 shares	As of March 31, 2017	– shares
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Average number of shares during the period

Year ended March 31, 2018	20,029,990 shares	Year ended March 31, 2017	16,028,493 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	1,140,146	1,295,477
Notes and accounts receivable - trade	1,721,711	1,993,111
Work in process	44,445	35,362
Raw materials and supplies	1,067,890	1,208,354
Deferred tax assets	275,255	249,495
Other	349,470	389,759
Allowance for doubtful accounts	(6,358)	(2,131)
Total current assets	4,592,561	5,169,428
Non-current assets		
Property, plant and equipment		
Buildings and structures	659,689	3,281,288
Machinery, equipment and vehicles	102,486	118,300
Tools, furniture and fixtures	570,235	916,041
Land	188,080	317,638
Leased assets	1,048,004	818,621
Construction in progress	939,607	—
Accumulated depreciation and impairment loss	(1,196,538)	(1,262,457)
Total property, plant and equipment	2,311,565	4,189,432
Intangible assets		
Other	141,575	339,780
Total intangible assets	141,575	339,780
Investments and other assets		
Investment securities	60,183	102,666
Lease and guarantee deposits	373,474	355,967
Deferred tax assets	146,311	164,670
Other	234,274	307,647
Allowance for doubtful accounts	(11,590)	(5,006)
Total investments and other assets	802,654	925,945
Total non-current assets	3,255,796	5,455,158
Total assets	7,848,358	10,624,586

(Thousands of yen)

As of March 31, 2017

As of March 31, 2018

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	323,546	458,762
Short-term loans payable	2,010,200	3,015,550
Current portion of bonds	–	400,000
Current portion of long-term loans payable	133,000	153,600
Lease obligations	206,003	157,530
Accounts payable - other	340,319	343,061
Income taxes payable	142,923	426,246
Accrued consumption taxes	114,571	166,596
Provision for bonuses	404,013	467,849
Other	433,502	413,598
Total current liabilities	4,108,080	6,002,795
Non-current liabilities		
Bonds payable	400,000	–
Long-term loans payable	374,000	807,750
Lease obligations	325,662	164,046
Net defined benefit liability	459,914	553,991
Asset retirement obligations	108,458	225,419
Total non-current liabilities	1,668,035	1,751,207
Total liabilities	5,776,116	7,754,003
Net assets		
Shareholders' equity		
Capital stock	608,445	608,445
Capital surplus	1,044,746	1,044,746
Retained earnings	452,078	1,220,046
Treasury shares	–	(49)
Total shareholders' equity	2,105,270	2,873,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,710	2,721
Foreign currency translation adjustment	(14,666)	(14,896)
Remeasurements of defined benefit plans	(35,896)	(46,480)
Total accumulated other comprehensive income	(47,852)	(58,656)
Share acquisition rights	–	23,218
Non-controlling interests	14,823	32,832
Total net assets	2,072,241	2,870,583
Total liabilities and net assets	7,848,358	10,624,586

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

	(Thousands of yen)	
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	13,544,047	15,326,377
Cost of sales	9,162,631	10,011,207
Gross profit	4,381,415	5,315,170
Selling, general and administrative expenses	3,770,352	3,963,212
Operating profit	611,062	1,351,958
Non-operating income		
Interest income	15	1,740
Dividend income	423	158
Insurance premiums refunded cancellation	8,918	8,529
Refunded consumption taxes	–	7,687
Other	10,633	12,277
Total non-operating income	19,991	30,393
Non-operating expenses		
Interest expenses	29,017	28,683
Share of loss of entities accounted for using equity method	12,311	9,921
Other	62,589	4,650
Total non-operating expenses	103,918	43,255
Ordinary profit	527,135	1,339,096
Extraordinary income		
Gain on sales of non-current assets	479	–
Gain on sales of investment securities	300	–
Other	–	1,107
Total extraordinary income	779	1,107
Extraordinary losses		
Loss on retirement of non-current assets	7,706	5,772
Office transfer expenses	–	35,613
Other	–	1,975
Total extraordinary losses	7,706	43,361
Profit before income taxes	520,208	1,296,841
Income taxes - current	172,806	453,892
Income taxes - deferred	83,066	12,067
Total income taxes	255,872	465,959
Profit	264,336	830,881
Loss attributable to non-controlling interests	(7,628)	(17,205)
Profit attributable to owners of parent	271,964	848,087

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	264,336	830,881
Other comprehensive income		
Valuation difference on available-for-sale securities	131	11
Foreign currency translation adjustment	(8,154)	1,379
Remeasurements of defined benefit plans, net of tax	(9,727)	(10,584)
Share of other comprehensive income of entities accounted for using equity method	(2,811)	(1,610)
Total other comprehensive income	(20,561)	(10,803)
Comprehensive income	243,774	820,078
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	251,794	835,395
Comprehensive income attributable to non-controlling interests	(8,019)	(15,316)

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2017

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	86,000	589,073	180,114	(34,513)	820,673
Changes of items during period					
Issuance of new shares	522,445	522,445			1,044,890
Dividends of surplus		(37,318)			(37,318)
Profit attributable to owners of parent			271,964		271,964
Disposal of treasury shares		(29,453)		34,513	5,060
Net changes of items other than shareholders' equity					
Total changes of items during period	522,445	455,673	271,964	34,513	1,284,596
Balance at end of current period	608,445	1,044,746	452,078	–	2,105,270

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,578	(3,700)	(26,169)	(27,290)	–	793,383
Changes of items during period						
Issuance of new shares						1,044,890
Dividends of surplus						(37,318)
Profit attributable to owners of parent						271,964
Disposal of treasury shares						5,060
Net changes of items other than shareholders' equity	131	(10,966)	(9,727)	(20,561)	14,823	(5,738)
Total changes of items during period	131	(10,966)	(9,727)	(20,561)	14,823	1,278,858
Balance at end of current period	2,710	(14,666)	(35,896)	(47,852)	14,823	2,072,241

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	608,445	1,044,746	452,078	–	2,105,270
Changes of items during period					
Dividends of surplus			(80,120)		(80,120)
Profit attributable to owners of parent			848,087		848,087
Purchase of treasury shares				(49)	(49)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	767,967	(49)	767,918
Balance at end of current period	608,445	1,044,746	1,220,046	(49)	2,873,189

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	2,710	(14,666)	(35,896)	(47,852)	–	14,823	2,072,241
Changes of items during period							
Dividends of surplus							(80,120)
Profit attributable to owners of parent							848,087
Purchase of treasury shares							(49)
Net changes of items other than shareholders' equity	11	(230)	(10,584)	(10,803)	23,218	18,008	30,423
Total changes of items during period	11	(230)	(10,584)	(10,803)	23,218	18,008	798,341
Balance at end of current period	2,721	(14,896)	(46,480)	(58,656)	23,218	32,832	2,870,583

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	520,208	1,296,841
Depreciation	337,203	423,455
Increase (decrease) in allowance for doubtful accounts	1,776	(9,237)
Increase (decrease) in provision for bonuses	65,212	63,836
Increase (decrease) in net defined benefit liability	65,474	78,821
Interest and dividend income	(439)	(1,898)
Interest expenses	29,017	28,683
Share of loss (profit) of entities accounted for using equity method	12,311	9,921
Office transfer expenses	–	35,613
Loss on retirement of non-current assets	7,706	5,772
Decrease (increase) in notes and accounts receivable - trade	(243,824)	(268,519)
Decrease (increase) in inventories	(203,955)	(131,380)
Increase (decrease) in notes and accounts payable - trade	(86,348)	135,216
Increase (decrease) in accrued consumption taxes	(257,750)	148,929
Other, net	117,279	59,512
Subtotal	363,872	1,875,568
Interest and dividend income received	439	1,898
Interest expenses paid	(29,725)	(28,061)
Income taxes paid	(505,820)	(175,797)
Income taxes refund	19,141	51,659
Net cash provided by (used in) operating activities	(152,092)	1,725,267
Cash flows from investing activities		
Payments into time deposits	(75,000)	(117,000)
Proceeds from withdrawal of time deposits	95,000	115,000
Purchase of investment securities	–	(54,505)
Payments of loans receivable	–	(50,000)
Purchase of property, plant and equipment	(1,207,579)	(2,404,823)
Purchase of intangible assets	(35,970)	(248,954)
Purchase of insurance funds	(44,883)	(55,097)
Proceeds from cancellation of insurance funds	9,431	12,521
Payments for lease and guarantee deposits	(48,239)	(22,189)
Proceeds from collection of lease and guarantee deposits	28,134	39,696
Other, net	(7,314)	(43,354)
Net cash provided by (used in) investing activities	(1,286,421)	(2,828,707)

(Thousands of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	840,200	1,005,350
Proceeds from long-term loans payable	–	1,500,000
Repayments of long-term loans payable	(133,000)	(1,045,650)
Redemption of bonds	(32,000)	–
Proceeds from issuance of common shares	1,044,890	–
Proceeds from disposal of treasury shares	5,060	–
Proceeds from stock issuance to non-controlling shareholders from newly consolidated subsidiary	10,680	–
Proceeds from share issuance to non-controlling shareholders	–	52,927
Cash dividends paid	(37,318)	(80,120)
Repayments of lease obligations	(237,292)	(188,529)
Proceeds from issuance of share acquisition rights	–	23,218
Other, net	(52,708)	(10,192)
Net cash provided by (used in) financing activities	1,408,511	1,257,002
Effect of exchange rate change on cash and cash equivalents	(10,966)	(230)
Net increase (decrease) in cash and cash equivalents	(40,969)	153,331
Cash and cash equivalents at beginning of period	1,146,115	1,105,146
Cash and cash equivalents at end of period	1,105,146	1,258,477