

## Translation

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# Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 7, 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 to file Quarterly Securities Report: August 8, 2018  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

### (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	%
Three months ended June 30, 2018	4,029	17.0	345	66.7	340	59.1	201	41.9
Three months ended June 30, 2017	3,445	–	207	–	213	–	141	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	10.05	9.75
Three months ended June 30, 2017	7.08	7.00

(Notes)

- Year-on-year changes for the first quarter of the fiscal year ended March 31, 2018 are not included as we only began disclosing first quarter earnings information in the fiscal year ended March 31, 2018, following our listing on the Mothers market of the Tokyo Stock Exchange on March 17, 2017.
- We conducted a two-for-one stock split of our common stock on October 1, 2017. Accordingly, quarterly earnings per share and quarterly diluted earnings per share were calculated assuming that the stock split was conducted at the beginning of the previous consolidated accounting period.

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	10,611	2,773	25.7
As of March 31, 2018	10,624	2,870	26.5

## 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, 2018	–	0.00	–	14.00	14.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	–	–	–	–

## 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

#### 4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018  
(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: Yes
- 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 June 30, 2018	20,030,000 shares	As of March 31, 2018	20,030,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	28 shares	As of March 31, 2018	28 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2018	20,029,972 shares	Three months ended June 30, 2017	20,030,000 shares
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# Quarterly consolidated financial statements

## Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	1,295,477	1,272,681
Notes and accounts receivable - trade	1,993,111	1,828,911
Raw materials and supplies	1,208,354	1,281,143
Other	425,121	453,485
Allowance for doubtful accounts	(2,131)	(1,956)
Total current assets	4,919,933	4,834,265
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,032,019	3,004,917
Other, net	1,157,413	1,147,880
Total property, plant and equipment	4,189,432	4,152,797
Intangible assets		
Other	339,780	392,887
Total intangible assets	339,780	392,887
Investments and other assets		
Other	1,180,447	1,237,711
Allowance for doubtful accounts	(5,006)	(6,424)
Total investments and other assets	1,175,440	1,231,287
Total non-current assets	5,704,653	5,776,973
Total assets	10,624,586	10,611,238
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	458,762	395,146
Short-term loans payable	3,015,550	3,200,550
Income taxes payable	426,246	203,962
Provision for bonuses	467,849	688,818
Other	1,634,386	1,641,176
Total current liabilities	6,002,795	6,129,653
Non-current liabilities		
Long-term loans payable	807,750	769,350
Net defined benefit liability	553,991	574,603
Asset retirement obligations	225,419	225,869
Other	164,046	138,677
Total non-current liabilities	1,751,207	1,708,500
Total liabilities	7,754,003	7,838,154

	(Thousands of yen)	
	As of March 31, 2018	As of June 30, 2018
Net assets		
Shareholders' equity		
Capital stock	608,445	608,445
Capital surplus	1,044,746	1,044,746
Retained earnings	1,220,046	1,140,836
Treasury shares	(49)	(49)
Total shareholders' equity	2,873,189	2,793,978
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,721	—
Foreign currency translation adjustment	(14,896)	(24,650)
Remeasurements of defined benefit plans	(46,480)	(45,158)
Total accumulated other comprehensive income	(58,656)	(69,809)
Share acquisition rights	23,218	23,218
Non-controlling interests	32,832	25,696
Total net assets	2,870,583	2,773,084
Total liabilities and net assets	10,624,586	10,611,238

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

**Consolidated statements of income (cumulative)**

	(Thousands of yen)	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	3,445,012	4,029,267
Cost of sales	2,294,646	2,614,573
Gross profit	1,150,365	1,414,694
Selling, general and administrative expenses	943,175	1,069,325
Operating profit	207,189	345,368
Non-operating income		
Insurance premiums refunded cancellation	7,068	2,200
Refunded consumption taxes	3,763	—
Other	4,205	2,298
Total non-operating income	15,038	4,498
Non-operating expenses		
Interest expenses	5,402	5,287
Share of loss of entities accounted for using equity method	2,423	2,607
Other	541	1,662
Total non-operating expenses	8,366	9,557
Ordinary profit	213,861	340,309
Extraordinary income		
Gain on sales of investment securities	—	4,073
Other	19	19
Total extraordinary income	19	4,093
Extraordinary losses		
Loss on retirement of non-current assets	3,185	—
Other	—	371
Total extraordinary losses	3,185	371
Profit before income taxes	210,695	344,031
Income taxes - current	121,674	198,193
Income taxes - deferred	(48,809)	(50,212)
Total income taxes	72,865	147,981
Profit	137,830	196,050
Loss attributable to non-controlling interests	(3,953)	(5,152)
Profit attributable to owners of parent	141,784	201,203

# Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	137,830	196,050
Other comprehensive income		
Valuation difference on available-for-sale securities	375	(2,721)
Foreign currency translation adjustment	(5,853)	(7,963)
Remeasurements of defined benefit plans, net of tax	961	1,322
Share of other comprehensive income of entities accounted for using equity method	(1,876)	(1,789)
Total other comprehensive income	(6,393)	(11,153)
Comprehensive income	131,437	184,897
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	134,649	190,545
Comprehensive income attributable to non-controlling interests	(3,212)	(5,648)