

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 8, 2019

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: February 12, 2019
 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	12,823	14.9	1,422	51.1	1,395	48.7	867	62.3
Nine months ended December 31, 2017	11,161	14.1	941	209.3	938	219.8	534	257.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	21.61		20.58	
Nine months ended December 31, 2017	13.34		13.10	

(Note)

The Company conducted a two-for-one share split of its common shares on October 1, 2017 and again on October 1, 2018. Therefore, earnings per share is calculated on the assumption that the share splits were conducted at the beginning of the fiscal year ended March 31, 2018.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2018	11,216		3,551		31.3	
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				
Year ended March 31, 2018	–	0.00	–	14.00	14.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	–	–	12.00	12.00

(Notes)

1. Year ending March 31, 2019 (Forecast)

Ordinary dividend ¥10.00, Commemorative dividend ¥2.00 (Commemorative Dividend for Transfer to TSE First Section)

2. The Company conducted a two-for-one share split of its common shares on October 1, 2018. The amount of annual dividend per share when converted into the amount of year-end dividend per share before the share split is ¥24.00 (ordinary dividend of ¥20.00 and commemorative dividend of ¥4.00).

3. Dividend amounts for the previous fiscal year are the actual amounts before the said share split.

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
Full year	17,500	14.2	1,920	42.0	1,900	41.9	1,120	32.1	27.88

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2018	40,290,800 shares	As of March 31, 2018	40,060,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	56 shares	As of March 31, 2018	56 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	40,130,396 shares	Nine months ended December 31, 2017	40,059,992 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	1,295,477	1,289,806
Notes and accounts receivable - trade	1,993,111	2,169,163
Raw materials and supplies	1,208,354	1,582,922
Other	425,121	421,608
Allowance for doubtful accounts	(2,131)	(2,292)
Total current assets	4,919,933	5,461,208
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,032,019	2,970,970
Tools, furniture and fixtures, net	510,509	672,930
Other, net	646,903	506,933
Total property, plant and equipment	4,189,432	4,150,833
Intangible assets		
Other	339,780	510,539
Total intangible assets	339,780	510,539
Investments and other assets		
Other	1,180,447	1,100,059
Allowance for doubtful accounts	(5,006)	(6,393)
Total investments and other assets	1,175,440	1,093,665
Total non-current assets	5,704,653	5,755,039
Total assets	10,624,586	11,216,248
Liabilities		
Current liabilities		
Accounts payable - trade	458,762	523,874
Short-term loans payable	3,015,550	3,345,550
Income taxes payable	426,246	251,953
Provision for bonuses	467,849	279,511
Other	1,634,386	1,519,573
Total current liabilities	6,002,795	5,920,463
Non-current liabilities		
Long-term loans payable	807,750	825,109
Net defined benefit liability	553,991	609,952
Asset retirement obligations	225,419	231,997
Other	164,046	76,866
Total non-current liabilities	1,751,207	1,743,925
Total liabilities	7,754,003	7,664,388

(Thousands of yen)

As of March 31, 2018

As of December 31, 2018

	As of March 31, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	608,445	671,195
Capital surplus	1,044,746	1,107,497
Retained earnings	1,220,046	1,806,861
Treasury shares	(49)	(49)
Total shareholders' equity	2,873,189	3,585,504
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,721	–
Foreign currency translation adjustment	(14,896)	(32,918)
Remeasurements of defined benefit plans	(46,480)	(42,514)
Total accumulated other comprehensive income	(58,656)	(75,432)
Share acquisition rights	23,218	23,218
Non-controlling interests	32,832	18,569
Total net assets	2,870,583	3,551,859
Total liabilities and net assets	10,624,586	11,216,248

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

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	11,161,524	12,823,801
Cost of sales	7,291,164	8,152,341
Gross profit	3,870,360	4,671,459
Selling, general and administrative expenses	2,928,619	3,248,568
Operating profit	941,740	1,422,891
Non-operating income		
Insurance premiums refunded cancellation	8,766	7,505
Other	16,551	11,418
Total non-operating income	25,317	18,923
Non-operating expenses		
Interest expenses	18,613	14,995
Commission fee	130	20,130
Share of loss of entities accounted for using equity method	8,695	8,633
Other	1,079	2,910
Total non-operating expenses	28,519	46,669
Ordinary profit	938,539	1,395,145
Extraordinary income		
Gain on sales of non-current assets	-	4,304
Gain on sales of investment securities	-	4,073
Other	1,047	-
Total extraordinary income	1,047	8,378
Extraordinary losses		
Loss on retirement of non-current assets	5,772	113
Other	34,806	704
Total extraordinary losses	40,579	817
Profit before income taxes	899,007	1,402,706
Income taxes - current	239,284	464,070
Income taxes - deferred	137,971	86,717
Total income taxes	377,256	550,787
Profit	521,751	851,918
Loss attributable to non-controlling interests	(12,551)	(15,315)
Profit attributable to owners of parent	534,302	867,234

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	521,751	851,918
Other comprehensive income		
Valuation difference on available-for-sale securities	880	(2,721)
Foreign currency translation adjustment	(3,713)	(16,818)
Remeasurements of defined benefit plans, net of tax	2,884	3,966
Share of other comprehensive income of entities accounted for using equity method	(1,593)	(149)
Total other comprehensive income	(1,540)	(15,723)
Comprehensive income	520,210	836,194
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	531,890	850,457
Comprehensive income attributable to non-controlling interests	(11,679)	(14,263)