

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 7, 2020

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 CFO TEL +81-3-6262-1625
 Scheduled date to file Quarterly Securities Report: February 10, 2020
 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, 2019 (from April 1, 2019 to December 31, 2019)

(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, 2019	15,732	22.7	1,969	38.4	1,957	40.3	1,201	38.5
Nine months ended December 31, 2018	12,823	14.9	1,422	51.1	1,395	48.7	867	62.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	29.72	27.74
Nine months ended December 31, 2018	21.61	20.58

(Note)

The Company conducted a two-for-one share split of its common shares 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, 2019.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	13,357	4,655	34.7
As of March 31, 2019	11,484	3,937	34.0

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, 2019	–	–	–	13.00	13.00
Year ending March 31, 2020	–	–	–		
Year ending March 31, 2020 (Forecast)				16.00	16.00

(Note)

Year ending March 31, 2019

Ordinary dividend ¥11.00, Commemorative dividend ¥2.00 (Commemorative Dividend for Transfer to TSE First Section)

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	21,100	17.9	2,600	27.8	2,600	29.9	1,560	23.3	38.59

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019
(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 December 31, 2019	40,538,600 shares	As of March 31, 2019	40,290,800 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	86 shares	As of March 31, 2019	86 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, 2019	40,410,268 shares	Nine months ended December 31, 2018	40,130,396 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	1,045,641	1,242,531
Notes and accounts receivable - trade	2,544,093	2,623,822
Raw materials and supplies	1,634,764	1,714,668
Other	346,454	665,383
Allowance for doubtful accounts	(2,340)	(2,558)
Total current assets	5,568,613	6,243,848
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,950,234	2,924,758
Tools, furniture and fixtures, net	758,907	1,000,268
Other, net	470,789	1,092,148
Total property, plant and equipment	4,179,931	5,017,175
Intangible assets		
Goodwill	3,427	275,706
Other	571,025	725,344
Total intangible assets	574,453	1,001,050
Investments and other assets		
Other	1,167,558	1,102,498
Allowance for doubtful accounts	(6,360)	(7,111)
Total investments and other assets	1,161,198	1,095,387
Total non-current assets	5,915,583	7,113,613
Total assets	11,484,197	13,357,462
Liabilities		
Current liabilities		
Accounts payable - trade	644,854	554,272
Short-term borrowings	2,599,000	3,440,900
Income taxes payable	583,060	248,430
Provision for bonuses	501,261	323,792
Other	1,577,019	2,073,767
Total current liabilities	5,905,196	6,641,161
Non-current liabilities		
Long-term borrowings	736,669	1,116,806
Retirement benefit liability	618,906	677,003
Asset retirement obligations	235,914	248,924
Other	50,246	17,568
Total non-current liabilities	1,641,738	2,060,303
Total liabilities	7,546,934	8,701,465

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Net assets		
Shareholders' equity		
Share capital	671,195	700,321
Capital surplus	1,107,497	1,136,623
Retained earnings	2,204,884	2,882,264
Treasury shares	(112)	(112)
Total shareholders' equity	3,983,464	4,719,096
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	—	797
Foreign currency translation adjustment	(45,223)	(57,774)
Remeasurements of defined benefit plans	(36,440)	(32,830)
Total accumulated other comprehensive income	(81,663)	(89,807)
Share acquisition rights	23,218	23,218
Non-controlling interests	12,244	3,489
Total net assets	3,937,263	4,655,996
Total liabilities and net assets	11,484,197	13,357,462

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, 2018	Nine months ended December 31, 2019
Net sales	12,823,801	15,732,927
Cost of sales	8,152,341	9,968,812
Gross profit	4,671,459	5,764,115
Selling, general and administrative expenses	3,248,568	3,794,266
Operating profit	1,422,891	1,969,848
Non-operating income		
Subsidy income	3,296	4,566
Other	15,626	9,801
Total non-operating income	18,923	14,368
Non-operating expenses		
Interest expenses	14,995	10,372
Commission expenses	20,130	5,532
Share of loss of entities accounted for using equity method	8,633	9,030
Other	2,910	1,625
Total non-operating expenses	46,669	26,560
Ordinary profit	1,395,145	1,957,656
Extraordinary income		
Gain on sales of non-current assets	4,304	440
Gain on sales of investment securities	4,073	—
Total extraordinary income	8,378	440
Extraordinary losses		
Loss on retirement of non-current assets	113	273
Other	704	1,662
Total extraordinary losses	817	1,935
Profit before income taxes	1,402,706	1,956,162
Income taxes - current	464,070	673,427
Income taxes - deferred	86,717	90,140
Total income taxes	550,787	763,568
Profit	851,918	1,192,594
Loss attributable to non-controlling interests	(15,315)	(8,564)
Profit attributable to owners of parent	867,234	1,201,159

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	851,918	1,192,594
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,721)	797
Foreign currency translation adjustment	(16,818)	(12,267)
Remeasurements of defined benefit plans, net of tax	3,966	3,609
Share of other comprehensive income of entities accounted for using equity method	(149)	(473)
Total other comprehensive income	(15,723)	(8,334)
Comprehensive income	836,194	1,184,260
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	850,457	1,193,015
Comprehensive income attributable to non-controlling interests	(14,263)	(8,755)