



FY2022/3 Third Quarter Results

Japan Elevator Service Holdings

(TSE 1st Section: 6544)

February 7, 2022

1

FY2022/3 Third Quarter Results

2

FY2022/3 Consolidated Financial Forecasts



FY2022/3 Third Quarter Results

FY2022/3 Third Quarter Results (Performance)

(Million yen)

	FY2021/3 3Q		FY2022/3 3Q		YoY (%)
	Actual	Ratio to sales (%)	Actual	Ratio to sales (%)	
Net sales	17,230	100.0	21,670	100.0	125.8
Cost of sales	10,478	60.8	13,271	61.2	126.7
Gross profit	6,752	39.2	8,398	38.8	124.4
SG&A	4,174	24.2	5,453	25.2	130.6
Operating profit	2,577	15.0	2,945	13.6	114.3
Non-operating income	112	0.7	127	0.6	113.0
Non-operating expenses	26	0.2	21	0.1	81.3
Ordinary profit	2,663	15.5	3,050	14.1	114.6
Extraordinary income	14	0.1	6	0.0	44.7
Extraordinary losses	4	0.0	2	0.0	50.9
Profit before income taxes	2,673	15.5	3,055	14.1	114.3
Profit attributable to owners of parent	1,712	9.9	1,899	8.8	110.9

(Million yen)

	FY2021/3 3Q		FY2022/3 3Q		YoY (%)
	Actual	Ratio (%)	Actual	Ratio (%)	
Maintenance and Preservation Services	12,657	73.5	15,536	71.7	122.8
Modernization Services	4,021	23.3	5,674	26.2	141.1
Other	552	3.2	459	2.1	83.1
Total	17,230	100.0	21,670	100.0	125.8



FY2022/3 Consolidated Financial Forecasts

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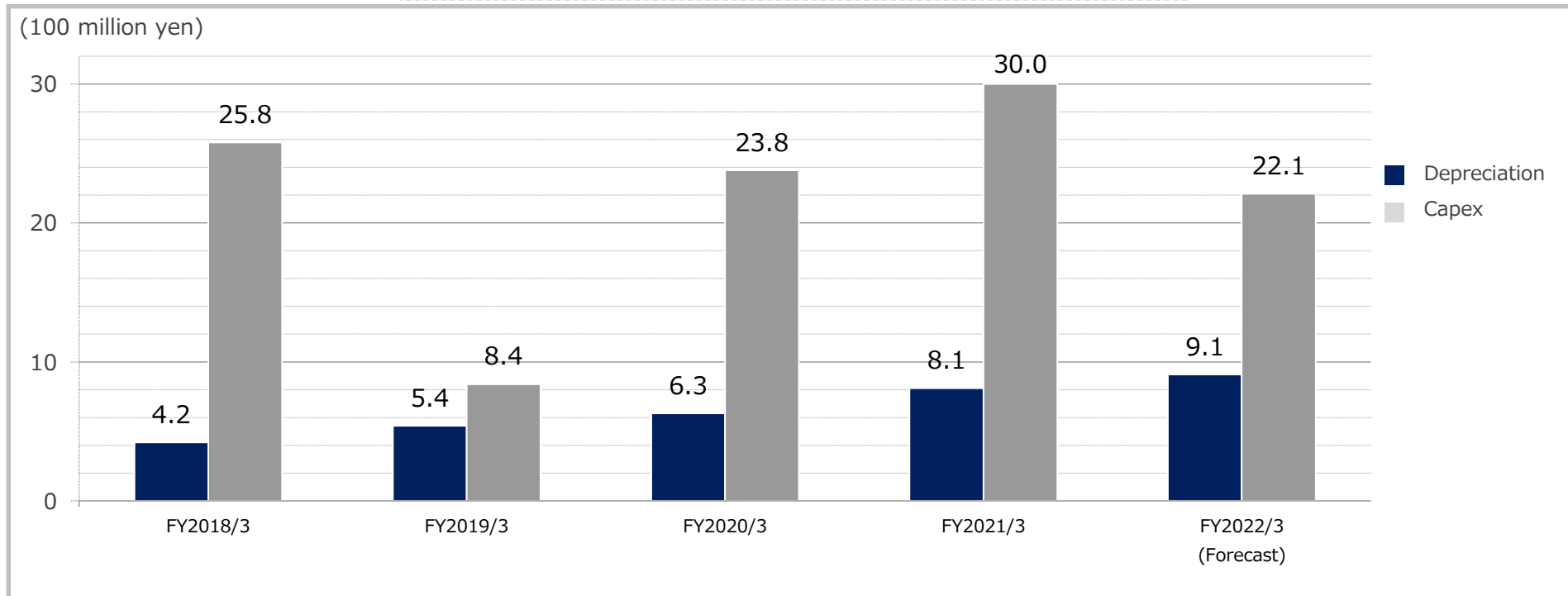
Unit: million yen; %	1H				2H				Full year			
	FY 2021/3	FY2022/3 Forecast	FY2022/3 Result		FY 2021/3	FY2022/3 Forecast (initial)	FY2022/3 Forecast		FY 2021/3	FY2022/3 Forecast (initial)	FY2022/3 Forecast	
				YoY				YoY				YoY
Net sales	10,967	12,400	13,906	126.8	13,553	14,600	14,594	107.6	24,521	27,000	28,500	116.2
Operating profit	1,617	1,750	1,828	113.1	1,994	2,350	2,272	113.9	3,612	4,100	4,100	113.5
Ordinary profit	1,703	1,800	1,932	113.5	2,012	2,400	2,268	112.7	3,715	4,200	4,200	113.0
Profit attributable to owners of parent	1,105	1,120	1,212	109.6	1,256	1,480	1,388	110.5	2,362	2,600	2,600	110.0
	Ratio to sales	Ratio to sales	Ratio to sales		Ratio to sales	Ratio to sales	Ratio to sales		Ratio to sales	Ratio to sales	Ratio to sales	
Gross profit margin	39.0	39.1	38.5		38.0	39.7	39.5		38.5	39.4	39.0	
SG&A expenses ratio	24.3	25.0	25.3		23.3	23.6	23.9		23.7	24.2	24.6	
Operating margin	14.7	14.1	13.2		14.7	16.1	15.6		14.7	15.2	14.4	
Ordinary profit margin	15.5	14.5	13.9		14.8	16.4	15.5		15.2	15.6	14.7	
Profit margin	10.1	9.0	8.7		9.3	10.1	9.5		9.6	9.6	9.1	

Unit: million yen; %	1H				2H				Full year			
	FY 2021/3	FY2022/3 Forecast	FY2022/3 Result		FY 2021/3	FY2022/3 Forecast (initial)	FY2022/3 Forecast		FY 2021/3	FY2022/3 Forecast (initial)	FY2022/3 Forecast	
	Amount	Amount	Amount	YoY	Amount	Amount	Amount	YoY	Amount	Amount	Amount	YoY
Maintenance and Preservation Services	8,240	9,100	10,112	122.7	9,235	10,300	10,297	111.5	17,476	19,400	20,410	116.8
Modernization Services	2,344	3,000	3,483	148.6	3,985	4,000	3,996	100.3	6,330	7,000	7,480	118.2
Other	382	300	310	81.3	332	300	300	90.3	714	600	610	85.4
Total	10,967	12,400	13,906	126.8	13,553	14,600	14,594	107.7	24,521	27,000	28,500	116.2

(100 million yen)

	FY2021/3	FY2022/3 (Forecast)	Comments
Depreciation	8.1	9.1	
Capex	30.0	22.1	Investment in remote inspection service PRIME

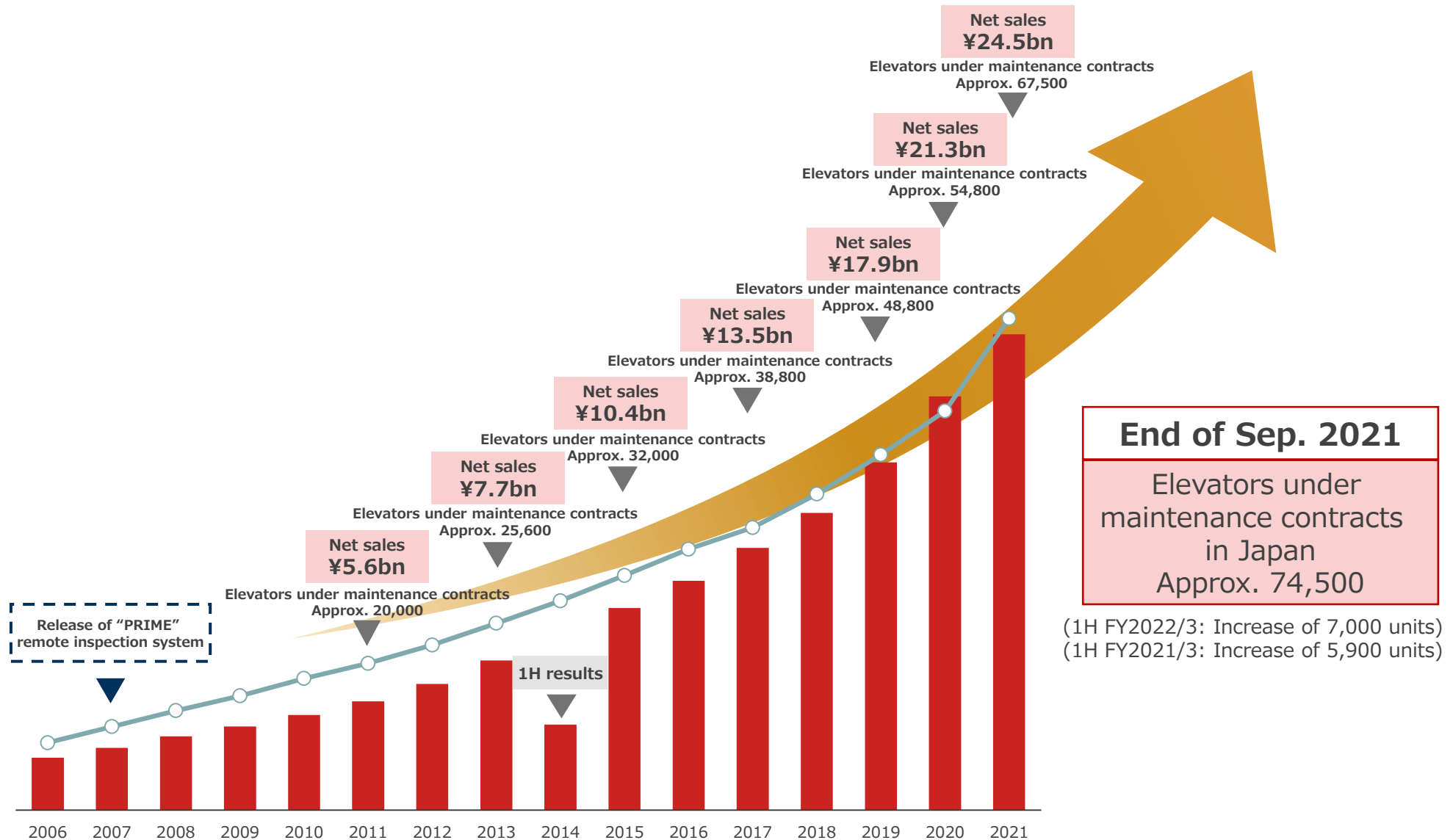
Trends in depreciation and capex



		FY2020/3	FY2021/3	FY2022/3	YoY
		Actual	Actual	Plan	
Annual dividend amount		¥18	¥12	¥13	+¥1
	Year-end dividend	¥18	¥12	¥13	+¥1
	Commemorative dividend	-	-	-	-
Total dividend amount		¥729million	¥1,062million	¥1,153million	+¥91million
Payout ratio (consolidated)		42.8%	43.6%	44.4%	+0.8p
	Except for Commemorative dividend	42.8%	43.6%	44.4%	+0.8p
DOE (consolidated)		16.1%	13.4%	10.4%	-3.0p

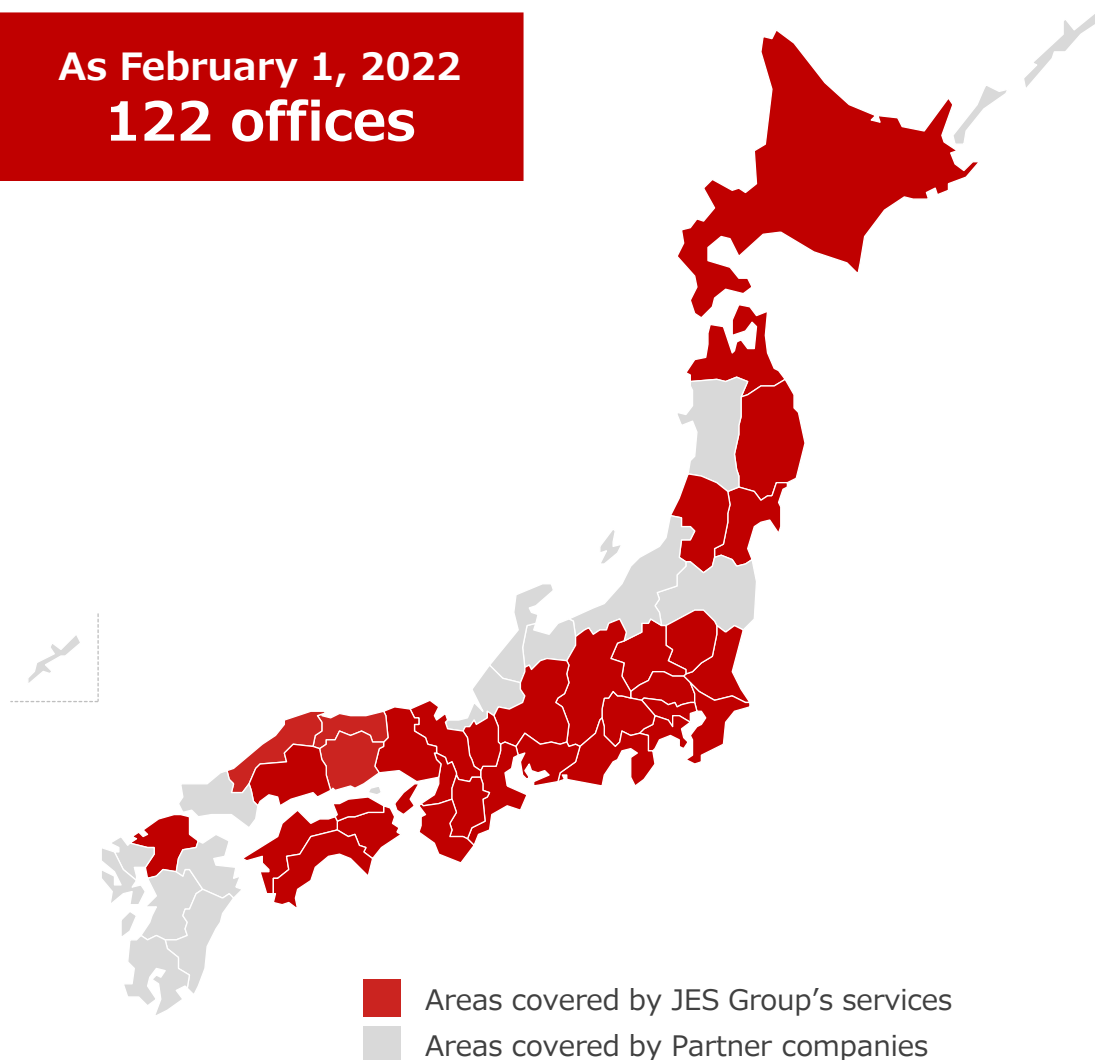
Financial Supplement





Note 1: FY2014 is a 6-month period due to the fiscal year-end being adjusted
Note 2: Results are on a consolidated basis for FY2015 and onward

As February 1, 2022
122 offices



JES HD	: 3 offices
JES Hokkaido	: 9 offices
JES Jyonan	: 16 offices
JES Jyosai	: 22 offices (+7)
JES Kanagawa	: 19 offices (+3)
JES Tokai	: 9 offices (+2)
JES Kansai	: 9 offices (+2)
JES Kyusyu	: 1 office
Japan Elevator Parts	: 8 offices
Japan Parking Service	: 3 offices (+1)

[M&A]	
Seiko Elevator Co., Ltd.	: 1 office
NS Elevator Co., Ltd.	: 2 offices
Miyoshi Elevator Co., Ltd.	: 6 offices
[Cosmo Japan, Inc.	: 5 offices]
Nagano Elevator Co., Ltd.	: 1 office
Kansai Elevator Co., Ltd.	: 1 office
Tokyo Elevator Co., Ltd.	: 1 office
Toyota Facility Service Co., Ltd.	: 3 offices (+3)
Ehime Elevator Service Co., Ltd.	: 3 offices (+3)
Shikoku Shoukouki Service Co., Ltd.	: 1 office (+1)
Shikoku Elevator Service Co., Ltd.	: 1 office (+1)
Kanto Elevator System Co., Ltd.	: 3 office (+3)

() Movement from end-March 2021

[] Shared office excluded from count

Elevators under maintenance contracts in Japan

Approx. **74,500**

(As of September 30, 2021)

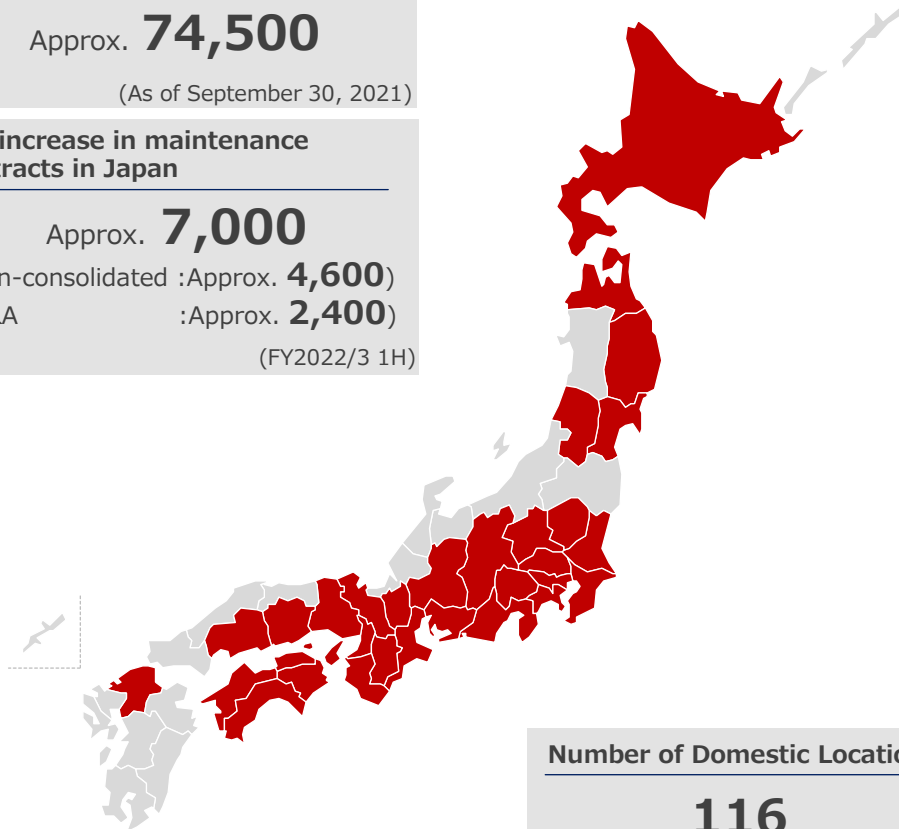
Net increase in maintenance contracts in Japan

Approx. **7,000**

(Non-consolidated : Approx. **4,600**)

(M&A : Approx. **2,400**)

(FY2022/3 1H)



Number of Domestic Locations

116

(As of September 30, 2021)

M&A (Total)

11 companies

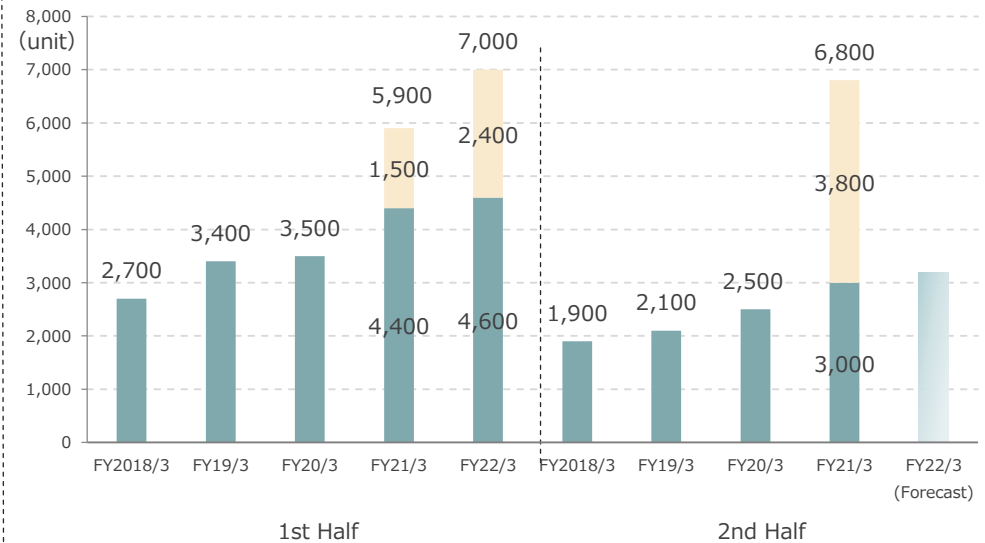
25 locations

■ Areas covered by JES Group's services

■ Areas covered by Partner companies

Net increase in maintenance contracts

■ Non-consolidated ■ M&A



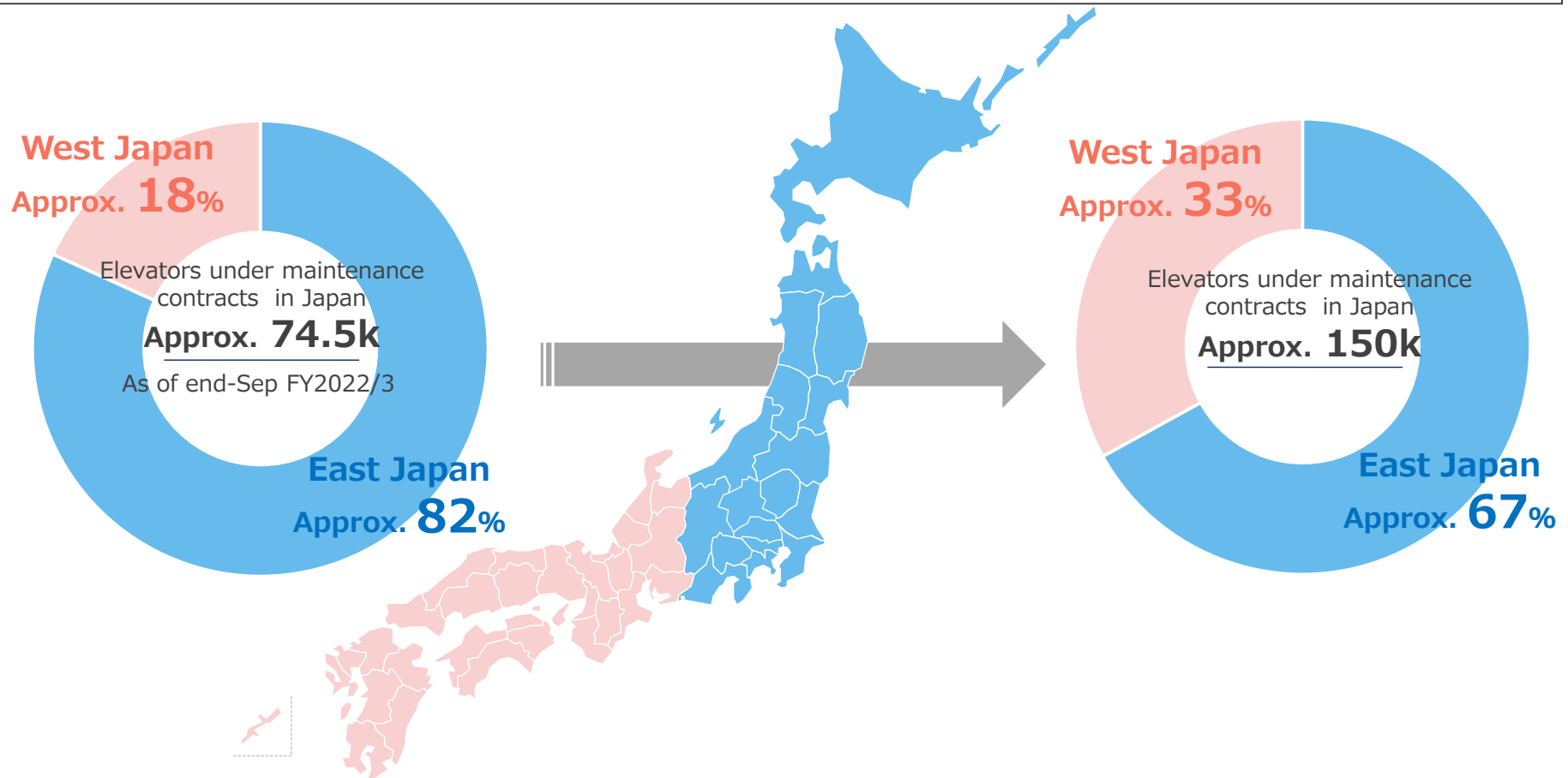
- Net increase in 1H FY2022/3 a record high at around 7,000 (inc. M&A)
- Since listing, we have achieved net growth in elevators under contract every year by expanding our geographical scope and raising client trust and brand recognition
- We aim to achieve full-year net growth of over 10,000 in the near future through further market expansion

Reference:

First Half Financial Highlights: Share Growth in Japan

15

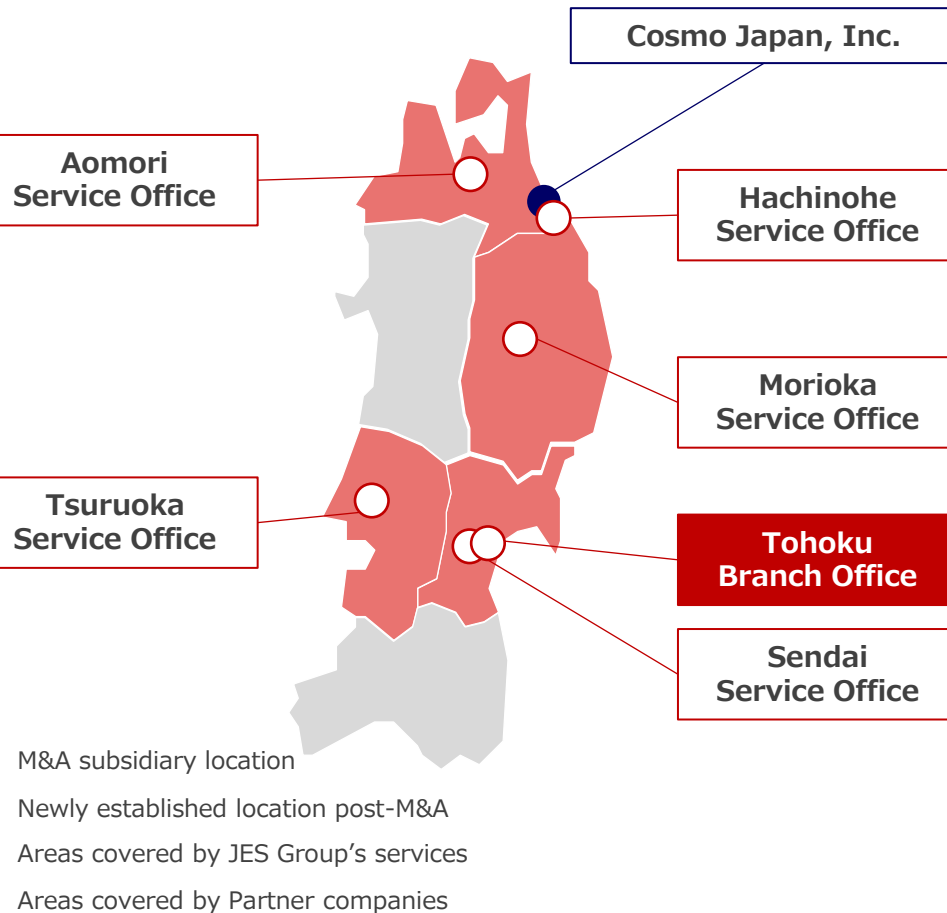
- Used M&A to tap into new markets in both East and West Japan, where we were previously inactive (Tohoku, Chugoku, Shikoku regions)
- Carried out upfront investment to open offices and build sales networks, in order to take share in new areas
- Aim for OPM of 20% on increase in elevators under contract in each region, productivity improvements



Reference: First Half Financial Highlights: Expansion into New Regions

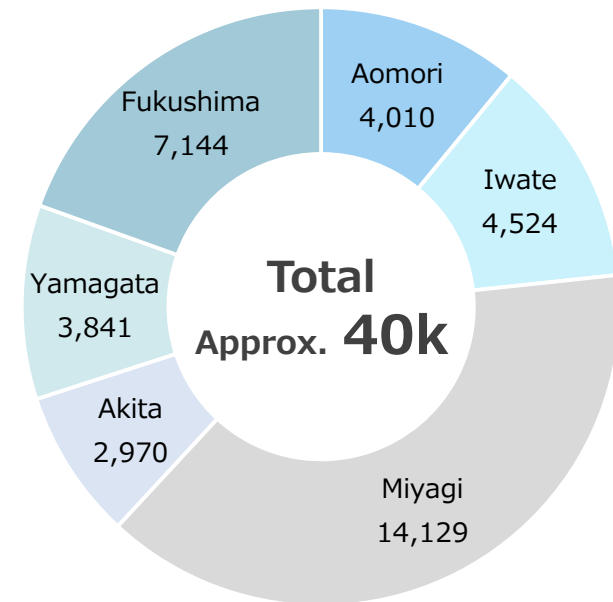
16

Tohoku Region



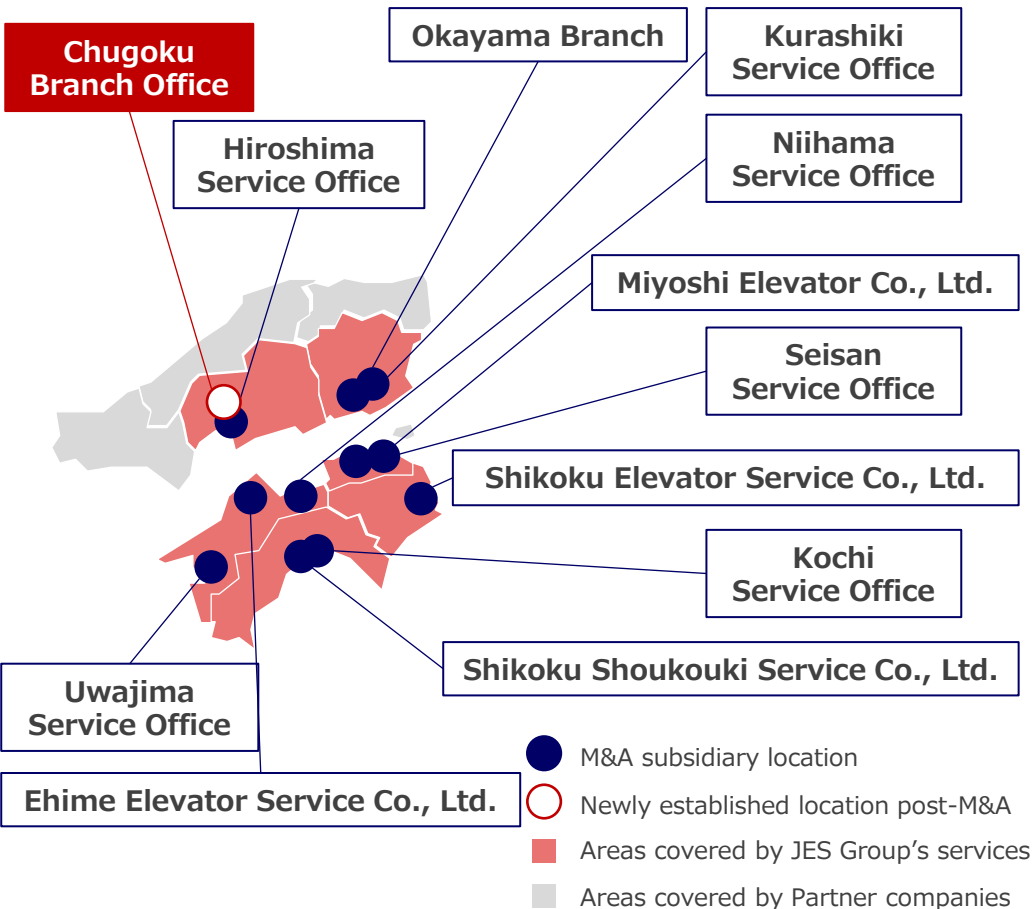
Number of elevators in scope for maintenance services in Tohoku region

From Japan Elevator Association research
(Survey of number of elevators in field in FY20)



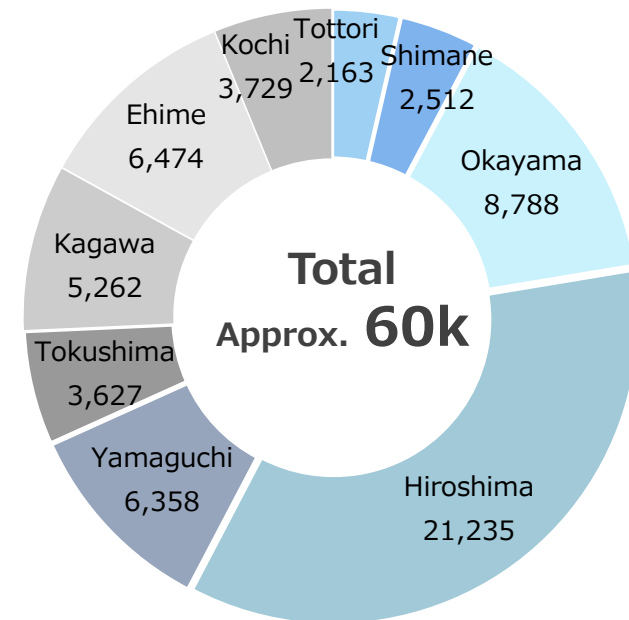
- Entered new market with around 40,000 elevators by focusing on Tohoku region
- Opened Tohoku office in Sendai, Miyagi prefecture, enhancing sales function
- Opened five new JES sales offices, enhancing maintenance function

Chugoku/Shikoku Region



Number of elevators in scope for maintenance services in Chugoku/Shikoku region

From Japan Elevator Association research
(Survey of number of elevators in field in FY20)



- Entered new market with around 60,000 elevators by focusing on Chugoku/Shikoku region
- Largest independent maintenance companies in each prefecture converted to subsidiaries
- Opened Chugoku office in Hiroshima, Hiroshima prefecture, enhancing sales function

State of PMI for acquired companies

We are steadily progressing with PMI
Specific measures include the following:

Sales growth

- Support for building sales operations, provision of materials and supplies, brand-building/establishing trust as new member of JES group

Cost reductions

- Centralized group procurement of parts, materials, and consumables provides economies of scale and lowers purchasing price
- Reduce indirect costs by sharing manufacturing and SG&A functions across the group

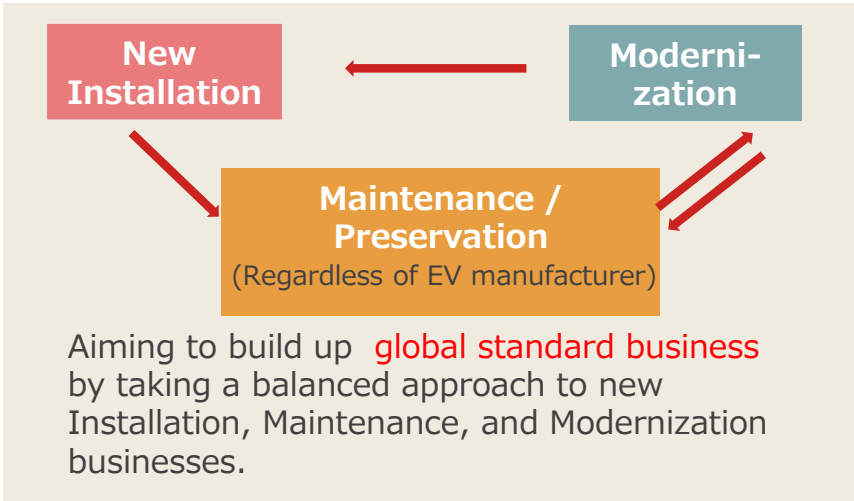
Product quality

- Implement JES Group's STEP24 training to maintain and improve quality across the group
- Setting JES engineer overseers in each company, integrate building management and other systems, centralized management

**Use these measures to boost net sales, lower costs,
and improve quality in acquired companies**

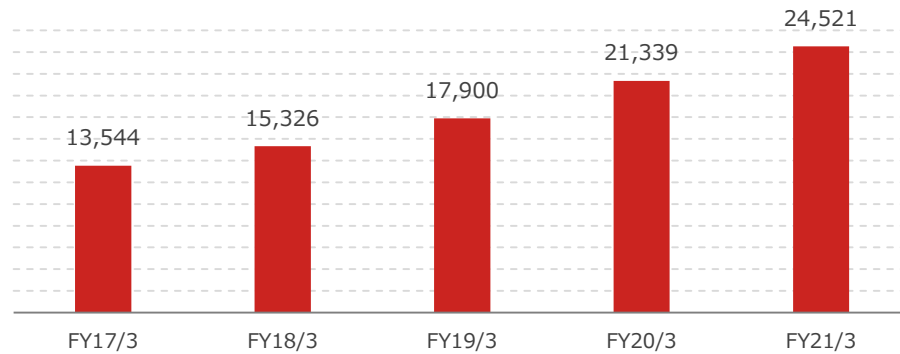


Raise corporate value of group overall, including acquired companies

Business	Domestic		Overseas (mainly Southeast Asia)
	Now	Onwards	Now and Onwards
Maintenance and Preservation	Steady increase in number of maintenance contracts in areas where we have a presence	Aiming to reach a business scale on par with EV manufacturer-affiliated companies	Conduct research for local needs and market assessments, etc. to explore possibilities including alliance with overseas manufacturers
Modernization	One-time Modernization: Reinforced sales to clients and others Quick Renewal: Increasing number of new control cabinets	Provide quality modernization services to meet customer needs	 <p>Aiming to build up global standard business by taking a balanced approach to new Installation, Maintenance, and Modernization businesses.</p>
New Installation	No plan at present (However, substantial new installation of JES EV in Modernization business)		
New Business (Media Business)	Launch Media businesses to capture business opportunities in EV and to add value to maintenance business There are plans to promptly introduce a facial recognition system to add marketing support functionality		Developing Media businesses in overseas markets

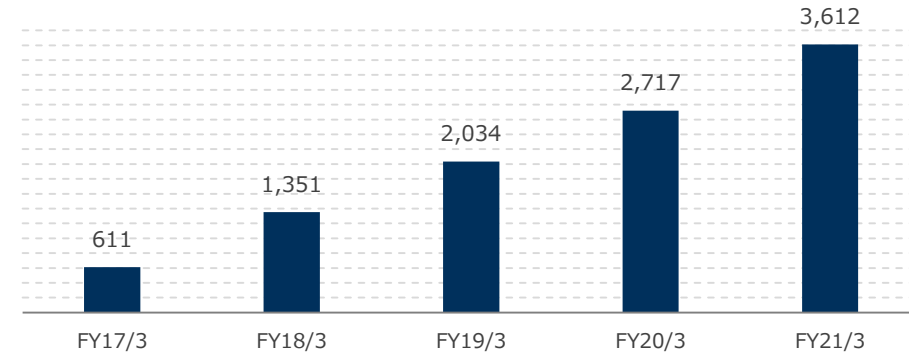
Net sales

(Million yen)



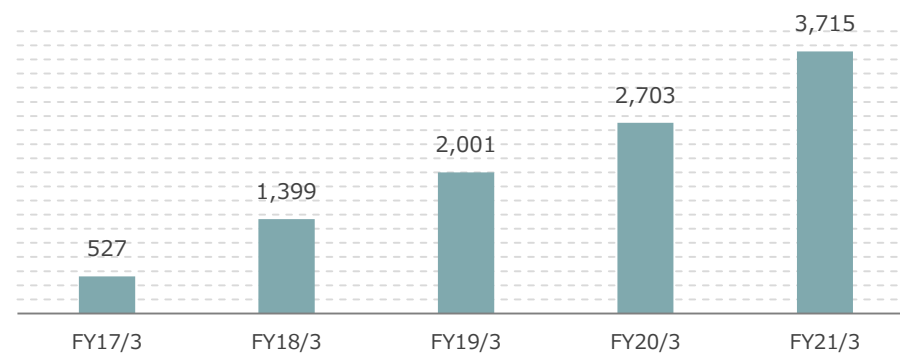
Operating profit

(Million yen)



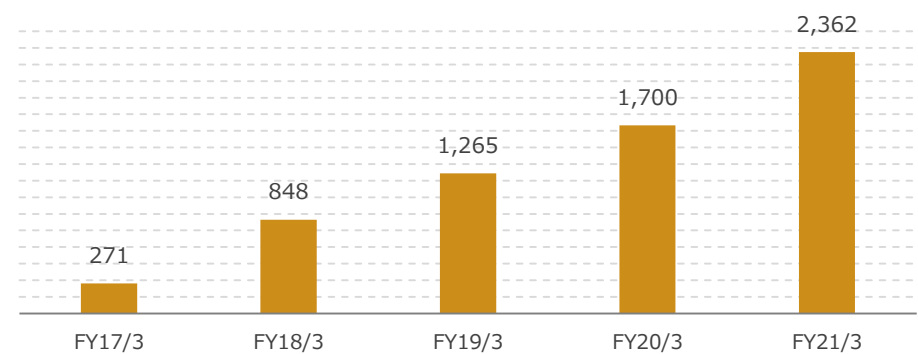
Ordinary profit

(Million yen)



Profit attributable to owners of parent

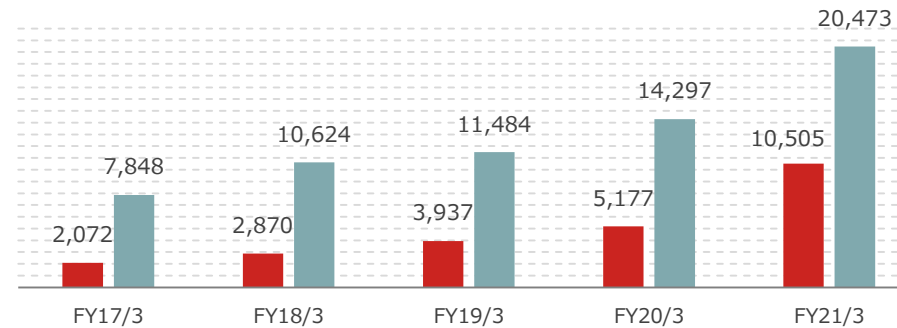
(Million yen)



Net assets / total assets

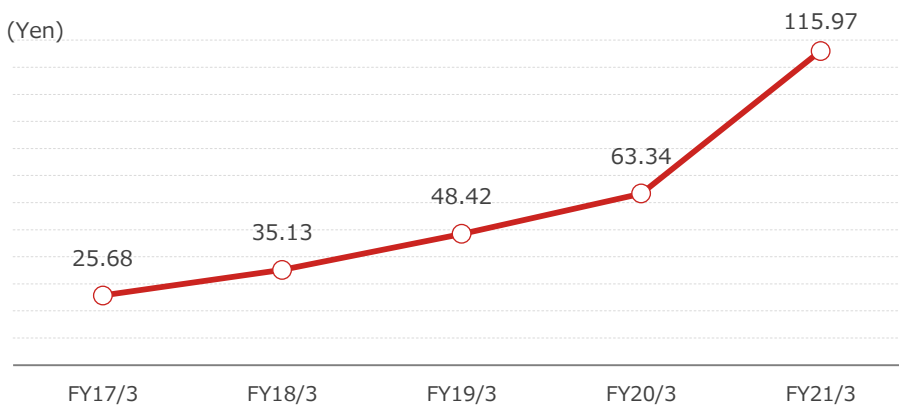
(Million yen)

■ Net assets ■ Total assets



Net assets per share

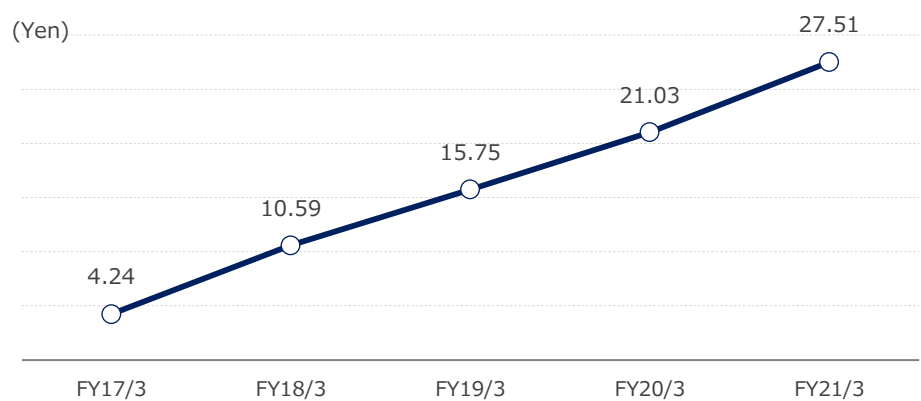
(Yen)



Note 1: Two-for-one stock split of its common shares was conducted on Jan.1,2021.Figures are considered this stock split.

Net income per share

(Yen)



Note 1: Two-for-one stock split of its common shares was conducted on Jan.1,2021.Figures are considered this stock split.

Disclaimer

- Japan Elevator Service Holdings (the “Company”) has prepared these materials for your reference, so that you may understand the current status of the Company
- While these materials have been prepared based on generally-known economic and social conditions and certain assumptions that we have determined to be reasonable, the information contained herein is subject to change without prior notice for reasons such as changes in the business environment

Caution concerning forward-looking statements

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