



2022

Japan Elevator Service Sustainability Report

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report 2022

Table of Contents

1.JES Profile

Introduction	4
Corporate Profile, Corporate Philosophy, and Vision	5
Financial Highlights	6
Business Domains of JES Group	7
Growth Strategy	9
Medium-term Management Plan VISION2027	10

2.Sustainability Management

Messages from CEO / CFO Sustainability Chair	11
Basic Sustainability Policy / Materiality / Sustainability Management Structure	12
Communication with Stakeholders	13

3.Environment

Our Approach to the Environment and Communication	14
Efforts to Achieve Carbon Neutrality by 2050 / Participation in Initiatives	15
Disclosure based on TCFD	16
Response to Risks and Opportunities	17
Environmental Data	18

4.Social

Contributing to Society Through Our Business	19
Quality and Safety	20
Improvement of User Satisfaction	21
Response to Disasters	22
Respect for Human Rights	23
Human Resources and Training	24
Diversity & Inclusion	25
Creating a good working environment / Fair Evaluation and Benefits	26
Occupational Safety and Health	27
Social and Community Activities	28
Social Data	29

5.Governance

Corporate Governance	30
Policy on Directors' Remuneration / Compliance / Anti-corruption / Tax policy / Supplier Management	31
Basic Policy on Information Security / Privacy Policy / R&D and Intellectual Property / Dialogue with Shareholders	32

6.GRI Standards Comparison Table

GRI Standards Comparison Table	33
--------------------------------	----

Table of Contents

1.JES Profile

2.Sustainability Management

3.Environment

4.Social

5.Governance

6.GRI Standards Table

Sustainability Report Editorial Policy

Basic Concept

This report focuses on the realization of a sustainable society and the sustainability of the JES Group, with a focus on major initiatives for fiscal year 2022. We are committed to fulfilling our accountability to society and enhancing communication with our stakeholders. This report refers to the disclosure requirements of the GRI Standards in order to disclose information as an engagement tool with all stakeholders. In addition, various information on climate change is disclosed based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Scope of This Report

Period	From April 1, 2021 to March 31, 2022 Partially includes activities after April 2022 and reports from previous years.
Organization	Japan Elevator Service Holdings Co., Ltd. and consolidated subsidiaries
Performance	Finance : Japan Elevator Service Holdings Co., Ltd. and consolidated subsidiaries and companies accounted for by equity method Environment : Japan Elevator Service Holdings Co., Ltd. and consolidated subsidiaries in Japan Some group companies that have been acquired by the Company are not included in the scope of coverage, but the environmental impact data from business activities covers more than 90% of the total impact of the entire group. Social : Data scope is described separately.
Schedule	Reported annually

Description	JES Group : Japan Elevator Service Holdings Co., Ltd. and consolidated subsidiaries	Reference Guidelines	GRI Standard (Global Reporting Initiative)
	JESHD : Japan Elevator Service Holdings Co., Ltd.		Ministry of the Environment Environmental Reporting Guidelines (2018)

Disclaimer

This report has been prepared for your reference to help you understand the current situation of Japan Elevator Service Holdings Co., Ltd. (hereinafter referred to as "the Company"). The information contained in this report is based on economic, social, and other conditions generally recognized at the present time and on certain assumptions that we have judged to be reasonable, but may be subject to change without notice due to changes in the business environment or for other reasons.

Cautionary Statement Regarding Forward-Looking Statements

The materials and information provided in this disclosure include so-called "forward-looking statements". They are based on current estimates, forecasts, and assumptions that involve risks and involve uncertainties that could cause results to differ materially from those in the statements. These risks and uncertainties include general industry and market conditions, and general national and international economic conditions such as interest rate, currency, and exchange rate fluctuations. We are under no obligation to update or revise the "forward-looking information" contained in this disclosure, even if new information or future events arise in the future.

Sustainability Report Contact: Japan Elevator Service Holdings Co., Ltd tel: +813-6262-1625

Table of Contents

Editorial Policy

1.JES Profile

2.Sustainability Management

3.Environment

4.Social

5.Governance

6.GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

1



JES Profile

JESグループについて

Introduction



Table of Contents

1.JES Profile
Introduction

2.Sustainability Management

3.Environment

4.Social

5.Governance

6.GRI Standard Tables

Japan Elevator Service
Sustainability Report

2022

We are enhancing economic value and social and environmental value by practicing sustainability management

As a company specializing in the maintenance, repair, and modernization of elevators and other equipment, the JES Group strives to operate its business with the safety and security of its customers as its top priority. Being an independent maintenance specialist, we believe that our important mission is to continue to provide high quality services at reasonable prices and to realize a comfortable and environmentally friendly society for our users.

Since our listing in 2017, we have seen continued growth in sales and operating profit due to an increase in the number of maintenance contracts for elevators and other equipment.

At the same time, through maintenance, preservation, and renewal work on elevators and other equipment, we consider the environment by contributing to extending the durability of elevators and utilizing recycled products. We are also committed to sustainable business growth and strengthening our human resources through human resource development initiatives to improve the business and technical

skills of our employees.

And as a company listed on Prime Market, we are developing our governance system in accordance with the Corporate Governance Code.

We have been working on ESG in the past, but in recent years, as climate change and other risks to global sustainability have increased, individuals and companies are expected to proactively respond to the risks. We recognize that it is our social responsibility to take concrete measures to address these risks.

In May 2022, we also announced our medium-term management plan, VISION2027, in which we declared our commitment to ESG, not just financial indicators.

As a company listed on Prime Market, we contributes to a sustainable society by enhancing economic value and social and environmental value.

Corporate Profile/Philosophy/VISION

Since its establishment in 1994, the JES Group has been promoting the maintenance and modernization business of elevators and other social infrastructure based on a strengthened management foundation, striving to improve the quality of service and the technical skills of its employees, with the safety and security of our customers as our top priority.

Thanks to the support of our stakeholders, we were listed on the Tokyo Stock Exchange in 2017 and designated to the Prime Market in April 2022.

Our performance and number of employees have grown year after year, and we have risen to become the number one independent elevator maintenance company.

Corporate Profile

Company Name	Japan Elevator Service Holdings Co., Ltd.
Established	October 3, 1944
Listed market	Tokyo Stock Exchange Prime Market (Securities Code : 6544) Market change on April 4, 2022
Head Office	〒103-0027 Tokyo Tatemono Nihonbashi Building 5F, 1-3-13 Nihonbashi, Chuo-ku, Tokyo
Representative	Representative Director CEO Katsushi Ishida (March 25, 1966)
Number of Employees	1,792 (as of December 31, 2022)
Share capital	2,493 million yen (as of December 31, 2022)
Net sales	29,751 million yen (FY3/2022)

Corporate Philosophy

Safety above anything else

Our lifeline is "safety" above anything else
Committed to watch over 24 hours a day, 365 days a year

No cutting corners even when others don't see it

Aiming for safe operation without cutting corners

Building on Trust

As an expert company specializing in maintenance,
we are committed to building relationships of trust with our many customers
based on our position and strengths as a company that is not a manufacturer.

With population growth, concentration of population in cities, and the aging of society, elevators are an essential piece of social infrastructure that is indispensable for vertical movement within buildings. It is not just a means of transportation, but is required to be safe and comfortable, and in the event of an abnormal situation such as an earthquake or natural disaster, it is also required to prevent confinement and to restore the system as soon as possible.

The role of maintenance is important to ensure the safety and security of users, and we have adopted the corporate philosophy of "safety above anything else," "No cutting corners even when others don't see it," and "Building on Trust."

Our mission is to create safety for elevators and peace of mind for users through our services, and we are working daily toward sustainable growth.

VISION

Challenge to inspiring service!

To be a maintenance manufacturer that creates the future of the industry!

The elevator maintenance and modernization market is expanding year after year, both in Japan and in Asian countries.

JES Group will continue to take on the challenge of leading the maintenance industry as a maintenance company that has established a business model of global standards, providing high-quality services at reasonable prices.

Table of Contents

1.JES Profile
Profile/Philosophy/VISION

2.Sustainability Management

3.Environment

4.Social

5.Governance

6.GRI Standard Tables

Japan Elevator Service
Sustainability Report

2022

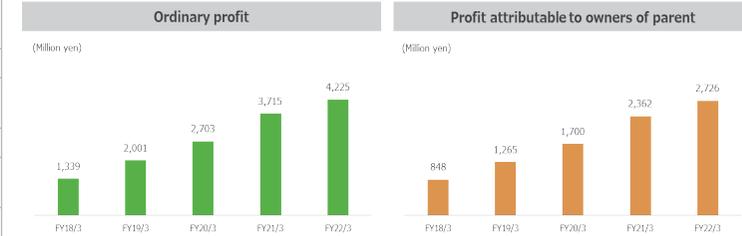
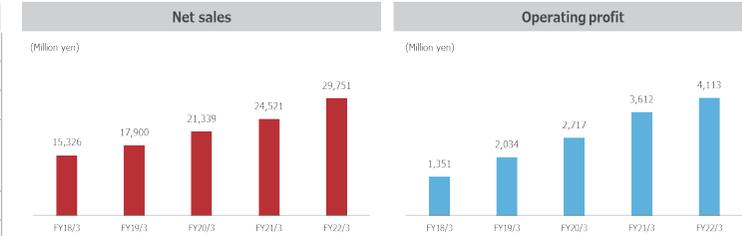
Financial Highlights

Thanks to our stakeholders, JES Group has continued to grow in sales and operating profit since listing on the Tokyo Stock Exchange in March 2017. While upfront and ongoing investments in human resources, research and development, and other areas are necessary for business expansion, we are working to stabilize our financial base by securing internal reserves in preparation for capital needs and raising funds through borrowings and other means.

In addition, the medium-term management plan calls for maintaining a dividend payout ratio of 40% or more.

Results of Operations

(Millions of yen)	March 2018	March 2019	March 2020	March 2021	March 2022
Net sales	15,326	17,900	21,339	24,521	29,751
Cost of goods	10,011	11,419	13,523	15,090	18,253
Gross profit	5,315	6,480	7,816	9,431	11,497
Sales, general, and administrative expenses	3,963	4,446	5,098	5,818	7,384
Operating profit	1,351	2,034	2,717	3,612	4,113
Non-operating income	30	22	29	136	162
Non-operating expenses	43	55	43	33	49
Ordinary profit	1,339	2,001	2,703	3,715	4,225
Extraordinary income	1	8	0	15	8
Extraordinary losses	43	1	22	5	3
Profit before income taxes	1,296	2,008	2,681	3,725	4,230
Profit attributable to owners of parent	848	1,265	1,700	2,362	2,726



Financial Conditions

(Millions of yen)	March 2018	March 2019	March 2020	March 2021	March 2022
Current assets	4,919	5,568	6,356	8,168	9,822
Cash and deposits	1,295	1,045	1,145	1,674	2,179
Notes and accounts receivable - trade	1,993	2,544	2,781	3,606	4,154
Property, plant and equipment	4,189	4,179	5,672	8,175	9,559
Intangible assets	339	574	1,044	2,610	4,307
Investments and other assets	1,175	1,161	1,223	1,520	1,648
Non-current assets	5,704	5,915	7,940	12,305	15,515
Total assets	10,624	11,484	14,297	20,473	25,338
Current liabilities	6,002	5,905	6,352	7,242	8,706
Non-current liabilities	1,751	1,641	2,767	2,725	4,876
Total liabilities	7,754	7,546	9,120	9,968	13,582
Total net assets	2,870	3,937	5,177	10,505	11,756
Total liabilities and net assets	10,624	11,484	14,297	20,473	25,338

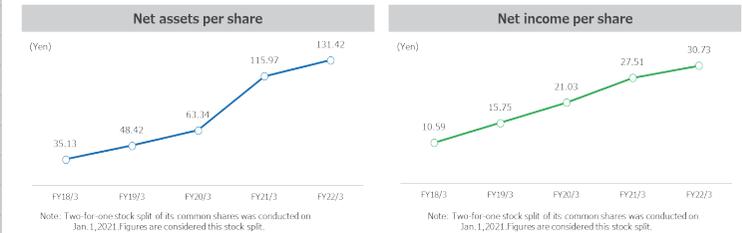
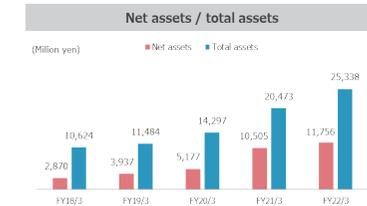


Table of Contents

1. JES Profile
Financial Highlights

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. GRI Standard Tables

Japan Elevator Service
Sustainability Report

2022

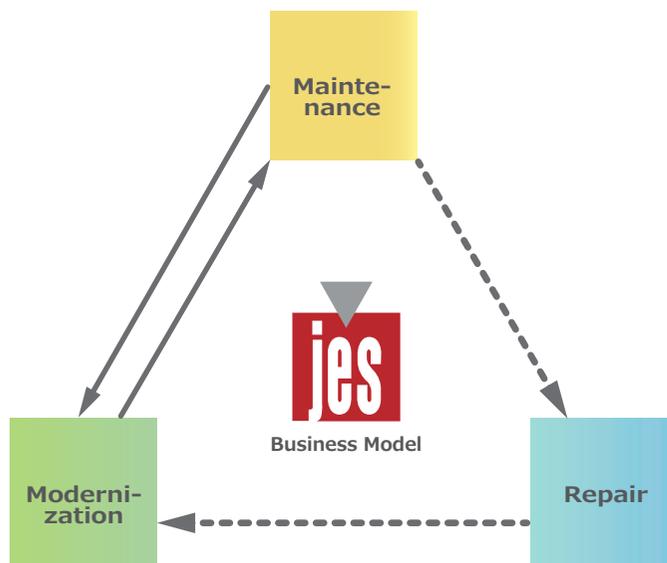
Business Domains of the JES Group

The JES Group is engaged in the maintenance, repair, and modernization business of elevators and other equipment.

Since its establishment in 1994, the company has continued to grow on the strength of its advanced technological capabilities to handle models from all major Japanese manufacturers and its ability to procure genuine parts, and the number of maintenance contracts for elevators and other equipment reached approximately 79,000 units at the end of the fiscal year ended March 2022.

We provide services centered on maintenance work to inspect elevators on a monthly basis, maintenance work to repair malfunctions and defects, and renewal work to perform renewal work, as well as related optional services at reasonable prices.

As a company specializing in the maintenance and repair and modernization business of elevators and other equipment, we believe that our important mission is to realize a comfortable and environmentally friendly society by continuing to provide high-quality services at reasonable prices as an independent maintenance company, while always placing the safety and security of our customers as our top priority in our business operations.



Maintenance and Repair Services

Maintenance services include statutory inspections, periodic inspections (cleaning, lubrication, adjustment, replenishment and replacement of consumables, etc.), and monitoring services (investigation of abnormalities and defects, including remote monitoring and remote inspection) as stipulated in the Building Standard Law.

Repair services include replacement of deteriorated parts and repair of malfunctions based on reasonable judgments based on inspection results.

We have a wealth of maintenance experience and are capable of maintaining all major domestic manufacturers' models. Although each manufacturer has its own error analysis, adjustment standards, and parts replacement standards for elevators, our strength is that we can provide maintenance from a variety of angles based on our many accumulated maintenance achievements.

We have also fundamentally reviewed our pricing structure and established a fair price structure based on the processes and services that are truly necessary to deliver a high level of satisfaction.

Strengths of the JES Group

◆Control Center

The control center, which operates 24 hours a day, 365 days a year, receives failure signals through PRIME, the only independent JES remote inspection device, and handles calls directly from customers. We have established a system in which the location of technical personnel is monitored in real time by GPS, and when we receive a failure signal, we can properly determine the means of transportation and the capabilities of the technical personnel and make the necessary arrangements.

"PRIME" has been developed with multiple patented technologies to constantly monitor elevator operation and conditions and detect signs of failure, enabling trouble prevention and quick recovery. Among independent maintenance companies, only JES Group can provide this service.



◆Parts Center

We have realized efficient stocking of parts at our 8 parts centers nationwide and approximately 130 sales offices throughout Japan. Major parts are genuine manufacturer parts, and the company boasts the largest number of independent parts items, approximately 3 billion yen and more than 100,000 items.

We have parts engineers on duty 24 hours a day, 365 days a year, day and night, and on holidays to establish a quick turnaround system in case of emergencies. As part of our efforts to ensure a stable supply of parts and to address environmental issues, we are engaged in the refurbished parts business (parts that have passed our quality control tests after being repaired and serviced from parts collected at the time of replacement), which enables us to respond to parts that are no longer supplied by manufacturers or to delays in the supply of manufacturer parts due to the global shortage of semiconductors. In addition, this process contributes to the reduction of green-house gas emissions compared to the manufacturing process of new parts.



◆Technical Support

Maintenance is performed by multi-specialists who have undergone "STEP24," a unique training program that ensures acquisition of basic knowledge and know-how of each model. The program is designed to create technical personnel who not only have the technical skills to handle a variety of models, but who can also be trusted as human beings.

Table of Contents

1.JES Profile

Business Domains

2.Sustainability Management

3.Environment

4.Social

5.Governance

6.GRI Standard Tables

Japan Elevator Service
Sustainability Report

2022

Business Domains of the JES Group

Modernization services

The legal depreciable life of an elevator is 17 years, while the Life Cycle Assessment of the Long Life Building Promotion Association (BELCA) states that the expected life of a standard elevator is 25 years. The JES Group mainly targets elevators that have been installed for about 20 years or so. To improve reliability, safety, and efficient operation, the Group performs removal and repair work on existing equipment, including complete replacement of control panels, hoisting machines, and other major components. It prevents the risk of failure due to aging deterioration and addresses the risk of non-recovery due to parts supply stoppage.

We also offer a wide variety of components to elaborate the elevator design, including control panels, buttons, wallpaper, and mats that enhance operability and comfort. Because we are familiar with elevators, we can propose modernization to match the shape of the elevator.



Quick Renewal

We offer our own latest modernization service, Quick Renewal.

By replacing only the control panel, it can significantly shorten elevator suspension time and dramatically reduce costs. By minimizing the number of replacement parts, waste is minimized, making this next-generation service environmentally friendly.



New Initiatives

Mechanical Parking Equipment



In March 2021, JESHD established Japan Parking Service Co., Ltd., a joint venture with NC Holdings Corporation, which owns Nippon Conveyor Corporation, a multi-level parking facility manufacturer. Our maintenance services combine the strengths of an independent maintenance company with those of a manufacturer, resulting in high customer satisfaction.

Digital Signage with Security Camera "LiftSPOT"

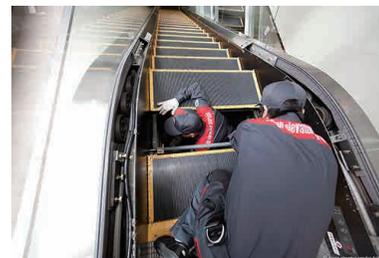


LiftSPOT

This is a proprietary digital signage with security camera functionality. In addition to reinforcing security inside the elevator, the system delivers a variety of content to improve the safety and comfort of the elevator space. "LiftSPOT" has acquired multiple patented technologies and can be used across manufacturer boundaries.

It has grown to become the largest installed digital signage media with voice in elevators in Japan, and we will continue to increase the number of units installed to improve media value and increase advertising sales.

Escalator Maintenance



We can handle escalator maintenance for all major domestic manufacturers' models. In order to deliver escalator maintenance with a high level of satisfaction, we focus on improving the skills of our employees through an extensive curriculum that includes training on actual equipment.

Overseas Business

For sustainable growth, we are strengthening our overseas expansion as well as domestic expansion. In particular, we will expand our business bases mainly in Southeast Asia and utilize our technical capabilities and educational and training know-how that we have cultivated in the Japanese market to handle elevators and other equipment from multiple manufacturers, in order to expand and grow in overseas markets.

Table of Contents

1. JES Profile
Business Domains

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. GRI Standard Tables

Japan Elevator Service
Sustainability Report

2022

Growth Strategy

The JES Group has three growth strategies for sustainable enhancement of corporate value: "Increase domestic market share," "Strengthen modernization business" and "Overseas strategy."

1 Increase Domestic Market Share

It is estimated that there are approximately 1.1 million elevators maintained in Japan, with elevator manufacturers and their affiliates holding approximately 80% of the market share. About 20% are independent maintenance companies, including the JES Group, and we are leading the expansion of their market share.

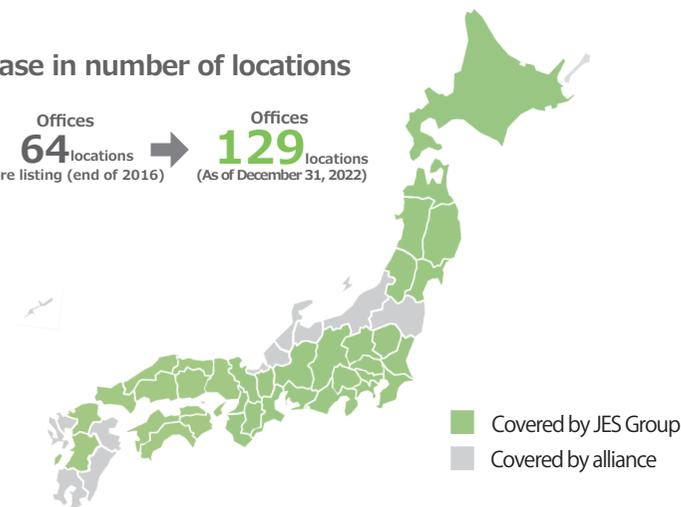
In recent years, we have been strengthening our system in new areas, mainly in western Japan, and have increased the number of maintenance contracts. We will continue to provide high-quality, reasonably priced services and increase our market share in Japan.

Market share expansion



Increase in number of locations

Offices **64** locations Before listing (end of 2016) → **129** locations (As of December 31, 2022)



2 Strengthen Modernization Business

As the number of maintenance contracts increases, demand for modernization is expected to rise, and we are working to strengthen our modernization system to capture this demand. In October 2017, we completed construction of the "JES Innovation Center (commonly known as JIC)" and in October 2020, the "JES Innovation Center Lab (commonly known as JIL)" in order to expand the number of units that can support modernization.



In addition, we have developed and started service of our own control panel, Quick Renewal, which achieves significant "low cost" and "short time". We provide environmentally friendly services with the minimum amount of construction required.



3 Overseas Strategy

The elevator maintenance and modernization market is expanding year after year, both in Japan and in Asian countries. We are expanding overseas based on overseas market needs, market research, etc., and are aiming for a global standard that balances new construction, maintenance, and modernization.

Currently, we are expanding our presence in Indonesia, Vietnam, and Malaysia, and are working to expand our presence in the ASEAN market.

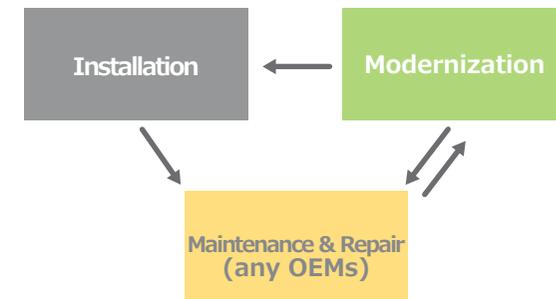


Table of Contents

1.JES Profile
Growth Strategy

2.Sustainability Management

3.Environment

4.Social

5.Governance

6.GRI Standard Tables

Japan Elevator Service
Sustainability Report

2022

Medium-term Management Plan VISION2027

For the Next Five Years of Growth

In May 2022, JES Group formulated and announced its first medium-term management plan. Our goal is to continue to grow our business, improve profitability, provide stable shareholder returns, and strengthen ESG management through our business to ensure continued sustainable growth.

Basic Strategy

- Accelerate growth with the goal of serving 150,000 units in 5 years, double the current number of units under management.
- Achieve sustainable growth and increased corporate value by adapting to changes in the social environment as a company designated for the Prime Market listing, while addressing social and global environmental issues.

Growth Strategy

- Grow sales of maintenance and repair services through expansion of domestic market share
- Capture demand for modernization due to an increase in the number of maintenance contracts
- Improve business productivity and operational efficiency and profitability through human resource development and the use of digital technology

Raise corporate value through growth, prosper together with all stakeholders

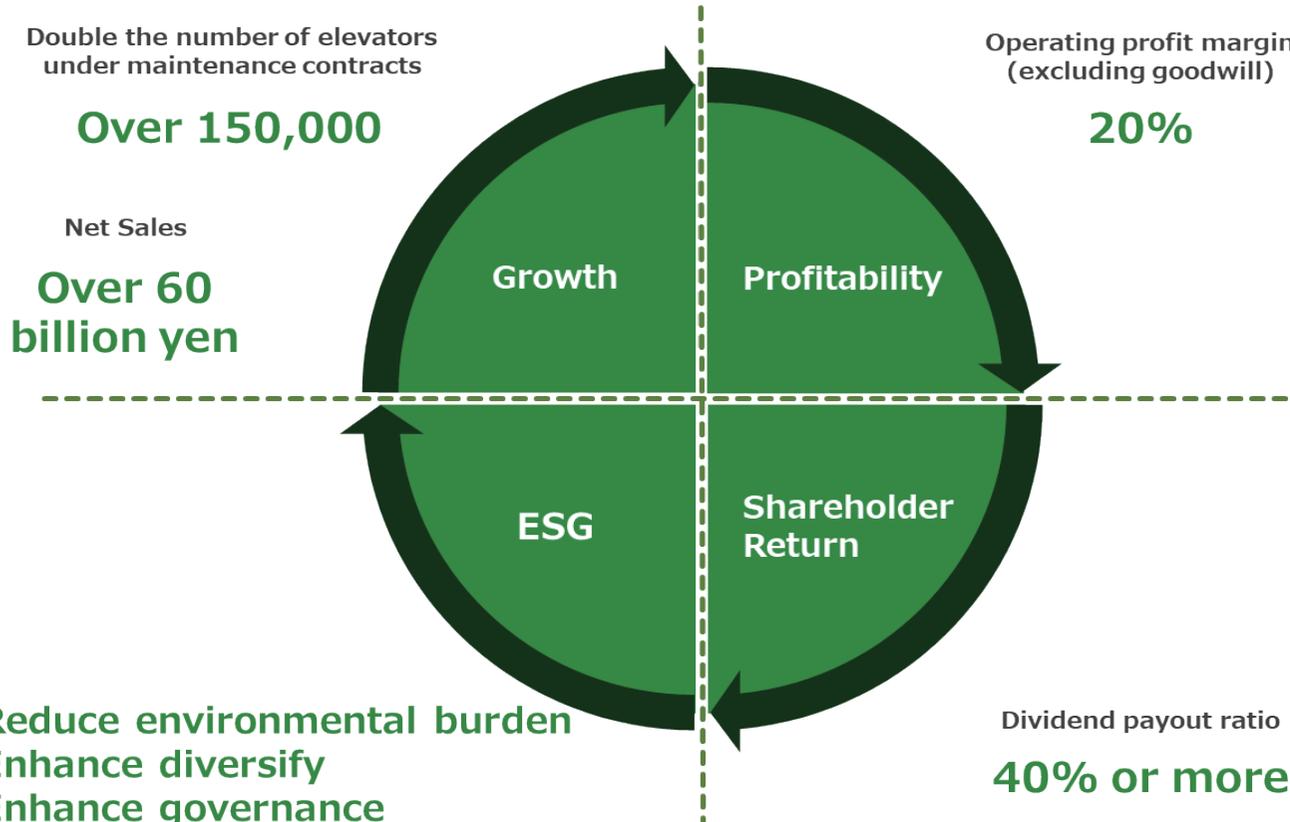


Table of Contents

1.JES Profile
VISION2027

2.Sustainability Management

3.Environment

4.Social

5.Governance

6.GRI Standard Tables

Japan Elevator Service
Sustainability Report

2022

2



Sustainability Management

サステナビリティマネジメント

Message from CEO

Representative Director CEO
Katsushi Ishida



JES Group have been specializing in the maintenance of elevators and other equipment since our establishment in 1994 under the corporate philosophy of "safety above anything else", "No cutting corners even when others don't see it", and "Building on Trust". Because we are a fabless company independent of manufacturers, we are able to provide environmentally friendly, high-quality services at reasonable prices, and fulfill an important role and responsibility in the establishment of a sustainable society.

As buildings become taller and more barrier-free in response to social trends such as urban redevelopment and an aging society with a declining birthrate, elevators have become one type of infrastructure that is friendly to people. However, in order to protect the safety of our customers and earn their trust, we, as an independent elevator maintenance company, have taken on numerous challenges and efforts in hidden areas, such as developing technologies that defy common sense, providing 24-hour remote maintenance service, strengthening the supply chain, and training human resources.

Thanks to these efforts, we achieved record sales (29.75 billion yen) and operating profit (4.11 billion yen) in the fiscal year ended March 31, 2022, despite the difficult economic conditions caused by COVID-19 and other factors. The elevator maintenance and modernization market is expanding year by year in Japan as well as in Asian countries. Based on the safety and reliability know-how we have cultivated in the Japanese market, we are developing the global standards of "maintenance and repair", "modernization" and "Installation" as our mid- to long-term strategy to overseas markets, especially in South-east Asian countries.

In advancing these social capitals of quality and product safety, our employees are the key to the growth of the JES Group.

We are committed to ensuring the safety and engagement of our employees by providing thorough "Technical Support" training, which adds our own safety standards to those established in the elevator industry, expanding career paths, introducing "STEP24," an in-house qualification system to improve technical skills, holding technical championships, and implementing an extensive training program that enables career development regardless of gender or other factors.

Our efforts and growth will contribute to environmental and social issues, and we will work together with our stakeholders to create a sustainable society.

We appreciate your continued support.

Message from CFO Sustainability Chair

Director Deputy President and Executive Officer CFO
General Manager, Corporate Administration Headquarters
Sustainability Committee Chairman
Kimihiko Imamura



We established the Sustainability Committee in May 2022 and built an organizational structure to further advance the sustainability of the JES Group. The Sustainability Committee aims to manage and enhance environmental and social risks in our business through a comprehensive overview of "financial" and "non-financial" information. Through this report, we report to our stakeholders what the JES Group has been working on.

Climate change is an issue that threatens the security of people across borders, whether in developed or developing countries. The increase in greenhouse gas emissions, which is considered one of the causes of climate change, is believed to be contributing to global warming and having a significant negative impact on natural ecosystems, etc., and requires action by countries around the world.

Although our business produces fewer greenhouse gas emissions than the manufacturing industry, we recognize that climate change and other environmental issues are important issues. The Japanese government has declared its commitment to achieving a decarbonized society by taking on the challenge of becoming "carbon neutral by 2050," which would reduce overall greenhouse gas emissions to zero by 2050. We agree with the declaration and are working to improve product life cycles through maintenance, promoting the use of refurbished and recycled products, switching to LED lights, and solar power generation in order to achieve carbon neutrality by 2050. We will deepen these efforts to solve social issues through our business and increase both social and economic value.

At the same time, we consider "quality and safety" and "occupational safety engagement" as materiality (key issues), and are focusing on strengthening quality control to ensure the safety and security of users. We believe that human resources are an important foundation for quality and safety, and it is essential to ensure the safety of our employees and create an environment in which they can work comfortably and with a sense of fulfillment. We strongly believe that expanding our human capital through securing and developing human resources will lead to sustainable development in the future.

Our business model of providing high quality services at reasonable prices has also built resilience in the unstable social environment caused by the recent coronavirus outbreak and the rising cost of living due to the situation in Russia and Ukraine.

We will continue to develop and provide environmentally friendly services to deliver security and safety to all people living in an aging society with a declining birthrate and urbanization.

Table of Contents

1. JES Profile

2. Sustainability Management

Message from CEO
Message from CFO

3. Environment

4. Social

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Basic Sustainability Policy

Based on our corporate philosophy of "safety above anything else," "no cutting corners even when others don't see it" and "building on trust," the JES Group has have identified two material issues, (1) "Quality and Safety" and (2) "Occupational Safety and Employee Engagement," that we must give priority to while leveraging our strengths through our business activities, and we will work to realize a sustainable society, aiming to be a company that is trusted and sought after by our stakeholders.

We will fulfill the resolution of social issues through our corporate and business activities, and contribute to the achievement of the SDGs goals related to each materiality.

Materiality

(i) Quality and safety

We consider "maintaining quality" and "providing security" as our major social responsibility, and aim to contribute to society by providing high quality and safe services that satisfy our customers.



(ii) Occupational safety and employee engagement

We believe that the most important foundation supporting our business is our human resources, and by ensuring the safety of our employees and by creating an environment in which each and every employee can perform his or her duties with ease and satisfaction, we will lead to the sustainable development of the JES Group.



Sustainability Management Structure

Recently, interest in sustainability as a factor leading to sustainable corporate growth and enhancement of corporate value over the medium to long term has been growing, and companies are increasingly being asked to proactively address issues related to sustainability and disclose such information.

Against this backdrop, the Sustainability Committee was established to promote sustainability initiatives linked to the management plan by resolving materiality issues related to sustainability and identifying opportunities and risks. The Committee was chaired by the Director Deputy President and Executive Officer, CFO, and its members consisted of those deemed appropriate in light of the Committee's purpose and based on their duties. We will check for consistency with management and operations, as well as manage and oversee measures in conjunction with environmental, social, governance, and other sustainability issues.

The committee mainly deliberates on the formulation of the JES Group's sustainability strategies and plans, identification and assessment of risks, consideration of countermeasures and management of progress, setting of indicators to be used as targets, etc., as well as monitoring the status of initiatives and making reports and proposals to the Board of Directors.



Table of Contents

1. JES Profile

2. Sustainability Management

Basic Sustainability Policy
Materiality
Management Structure

3. Environment

4. Social

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Communication with Stakeholders

Stakeholders	Communication Channel	Examples of Engagement
Shareholders	IR Quarterly financial summary Financial results briefing General Meeting of Shareholders Website	For the fiscal year ended March 31, 2022, we paid a dividend of 14 yen per share. With regard to the future distribution of surplus earnings, we will proactively work to return profits to shareholders, taking into consideration our business performance, financial condition, and investment plans from a medium- to long-term perspective. In addition, we have completely revised our official website (in English) to improve accessibility so that shareholders and investors can easily disclose and obtain the information they deem necessary for investment decisions.
Customers	Maintenance service Control center Website	Our goal is to expand into new areas in Japan and to expand the market in existing areas. We will continue to expand our provision of high-quality, reasonably priced services throughout Japan to protect the safety and security of elevators. [Number of units under maintenance contract in Japan] 79,000 units as of March 31, 2022 87,000 units as of December 31, 2022
Employees	STEP24 Technical Championship Various training programs Tiered training Meister system	To expand our business, we will actively hire mainly technical personnel and expand our training system. [Number of JES Group employees] 1,618 of which technical personnel 1,003 as of March 31, 2022 1,792 of which technical personnel 1,098 as of December 31, 2022 (based on annual securities report, excluding contract and part-time employees)
Community	Wako City, Saitama: JIC (JES Innovation Center) JIL (JES Innovation Center Lab)	JIC/JIL has taken BCP measures such as securing emergency power. It is also opened as a place for social studies tours for the children who will lead the next generation. The facility is certified as a "Baby's Station" under the Saitama Prefecture initiative.

Table of Contents

1. JES Profile

2. Sustainability Management

Communication with Stakeholders

3. Environment

4. Social

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

3



Environment

環境

Our Approach to the Environment and Communication

Our Approach to the Environment

In order to solve global environmental issues and in response to the global trend toward decarbonization, companies are expected to implement and sustain long-term environmental initiatives.

The JES Group recognizes that environmental issues, including climate change, affect business continuity, and the Sustainability Committee will work together to examine specific measures related to climate change, including the content of responses to issues, indicators, and targets.

We will work to reduce greenhouse gas emissions throughout the value chain through the JES service system that has been implemented to date, including taking the initiative in environmentally conscious actions from management to all employees, and developing ideas and services to address risks and opportunities.

Communication

We recognize the importance of expanding disclosure of environmental information in order to demonstrate sustainable corporate growth.

Strengthen disclosure of information on climate change and environmental management so that stakeholders can understand the safety and security of our efforts as the JES Group toward a carbon neutral society by 2050 and information disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

Our Approach and Communication

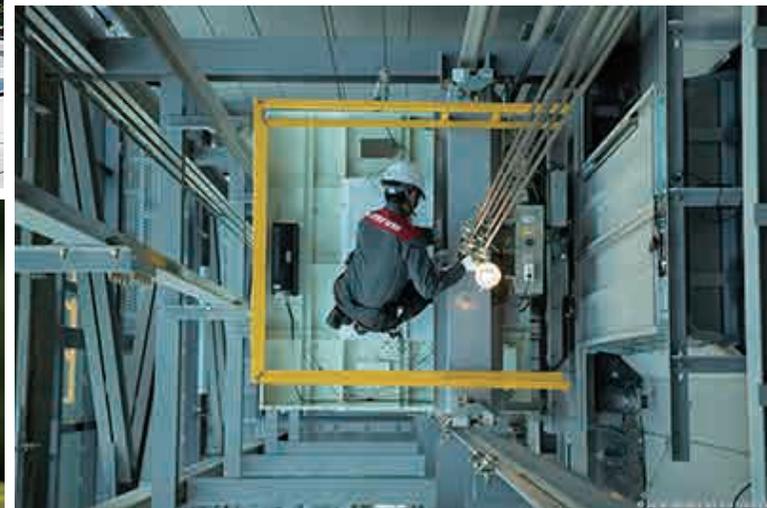
4. Social

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022



Efforts to Achieve Carbon Neutrality by 2050

In October 2020, the Japanese government declared its goal of becoming carbon neutral, which means virtually eliminating greenhouse gas emissions by 2050. To achieve carbon neutrality, it is necessary to promote the reduction of greenhouse gas emissions.

The risks associated with climate change are expected to increase, and it has been pointed out that in Japan, water resources, natural ecosystems, natural disasters, health, and industrial and economic activities will be affected.

Greenhouse gases that contribute to climate change are emitted as a result of economic activities and daily life. Carbon neutrality is a decarbonized society in which all companies are working to create a sustainable economy and society.

Since its listing on the stock exchange, the JES Group's greenhouse gas emissions have been on the rise as the number of locations has increased in line with the growth in the number of maintenance contracts, and the number of group companies has also increased through mergers and acquisitions. However, GHG emissions per unit of sales are trending downward due to our efforts to improve business productivity.

We will take concrete and feasible measures to achieve carbon neutrality in 2050.

- Consider switching to renewable energy sources
- Examine measures for energy efficiency and conservation
- Optimizing the placement of an increasing number of offices
- Consider gradual switch to more fuel-efficient vehicles
- Reduction of greenhouse gas emissions through the use of recycled and refurbished products



Participation in Initiatives

The JES Group is participating in initiative to encourage companies to take action and set ambitious goals for carbon neutrality, as well as promote the initiative.

In accordance with their respective policies on "TCFD" and "SBT," we incorporate actions consistent with disclosure standards and future goals.

After review by the Sustainability Committee, we endorsed the TCFD and made a commitment regarding SBTi (expressing our intention to establish SBT within 2 years).

TCFD

(Task Force on Climate-related Financial Disclosures)

In November 2022, we expressed our endorsement of the TCFD. In addition to disclosing information based on the TCFD recommendations, we will work to achieve environmental sustainability based on an analysis of business risks and opportunities based on these recommendations.



SBTi

(Science Based Targets initiative)

In addition to measuring greenhouse gases in accordance with the SBT, we announced in November 2022 that we would set targets within two years. Although we have just begun measuring these emissions, setting future reduction targets will clarify the JES Group's commitment to these reductions.

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

Efforts to Achieve Carbon Neutrality by 2050
Participation in Initiatives

4. Social

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Disclosure Based on TCFD

Risks/Opportunities

Transition risk	
Policy and Law	Increased costs responding to stricter CO2 emission regulations and others including introduction of carbon tax
	Increased costs responding to increased renewable energy deployment due to renewable energy policies
Technology	Increased costs to transition existing products and services to lower Co2 emissions
	Increased development costs for technological investments to reduce environmental impact
Market	Increased costs to meet growing market and customer demands for climate change
	Rising prices of procured goods due to accelerated decarbonization efforts
Reputation	Risk of lost sales opportunities in the event of delays in responding to customers' CO2 emission reduction needs
	Risk of increased shareholder disclosure requirements for listed companies that are reluctant to disclose climate-related information

Physical Risk	
Risk of sales decline due to service delivery delays caused by damage to business locations and supply chains as a result of weather-related disasters	

Opportunities	
Efficiency	Growing demand for recycled and refurbished products due to the progress of the decarbonization trend in society
	Reduce the amount of energy used in corporate activities, reducing operating costs
Energy Source	Increased inquiries about recycled and refurbished products from companies aiming to decarbonize their businesses
Products and Service	Increased inquiries about recycled and refurbished products from companies aiming to decarbonize their businesses
Market	Expanding orders for repair work on damaged elevators and other equipment
	Increased demand for recycled and refurbished products from companies looking to decarbonize
Resilience	Increased demand for maintenance services with BCP systems in place

- 1.5°C** Extreme changes in climatic and weather phenomena are expected. We will consider and implement specific measures in anticipation of an increase in emergency response due to typhoons, flooding, power outages, etc.
- 2°C** We assume that stricter GHG emission regulations, technological innovation, and a shift to new energy sources will occur. We will consider and implement specific measures to ensure that these reduce financial risks and enhance opportunities in the JES Group's services.
- 4°C** We assume that physical risks will arise. Natural disasters, rising temperatures, and other factors could adversely affect infrastructure and increase electricity prices, among other risks. Specific measures will be considered and implemented to mitigate the impact of electricity price fluctuations caused by natural disasters.



Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

Disclosure Based on TCFD

4. Social

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Response to Risk and Opportunities

Remote Inspection Service "PRIME"

We are the only independent elevator maintenance company to offer a unique remote inspection service called PRIME (including remote diagnosis and monitoring).

Elevator operation and condition can be monitored remotely with accuracy comparable to that of manufacturer-affiliated maintenance companies.

It enables early detection of signs of failure and response to failures before they occur, thereby reducing downtime during inspections.



Point1 : 24 hours a day, 365 days a year, maintenance on behalf of people
Fewer manned inspections reduce elevator downtime

Point2 : Monitor elevator operation and conditions
Address problems before they happen/reduce failure rates

Point3 : Detects small abnormalities that can lead to major problems, such as abnormal door opening/closing and abnormal steps
Smooth restoration by being able to assess the general situation prior to arrival on site

Quick Renewal

This is JES Group's unique modernization service that achieves significantly lower cost and shorter time by replacing only the "control panel," the brain (control tower) of the elevator.



Point1 : Construction takes about half a day
Significantly shortens elevator shutdown time from about a week to about half a day

Point2 : Less than half the cost
By replacing only the necessary parts, we have succeeded in reducing the cost to less than half that of conventional products (compared to our conventional products).

Point3 : Environmentally friendly
Environmentally friendly with minimal waste as only the control panel is replaced, and energy is saved by replacing aging control panels

JES-certified refurbished products

Refurbished parts are parts that have been repaired and serviced from parts recovered at the time of replacement and have passed our quality control tests. These are certified as "JES Authorized Refurbishment Parts".

The JES Group is promoting the refurbished parts by focusing on obtaining recycled parts as part of its efforts to ensure a stable supply of parts and to address environmental issues.



Point1: Stable supply of parts
Eliminates parts supply delays and ensures a stable supply of parts

Point2 : Environmental efficiency
Reduces greenhouse gas emissions

Point3 : Quality Assurance
Only parts that have passed quality standard tests are certified as refurbished products, with warranty period

Promotion of LED replacement

We are promoting LED replacement of fluorescent lamps used in elevators and escalators to help our customers reduce greenhouse gas emissions.

The greenhouse gas reduction value based on the number of LED lights replaced over the past year is approximately 950 tons.



Point1 : Cost reduction
Electricity costs can be reduced by approximately 70% for elevators and 50% for escalators on an annual basis

Point2 : Long life
LED lighting should be replaced about 8 years for elevators and about 10 years for escalators.

Point3 : Energy-saving and eco-friendly control panel only
Reduced energy consumption and CO2 emissions

Table of Contents

1.JES Profile

2.Sustainability Management

3.Environment

Response to Risk/Opportunities

4.Social

5.Governance

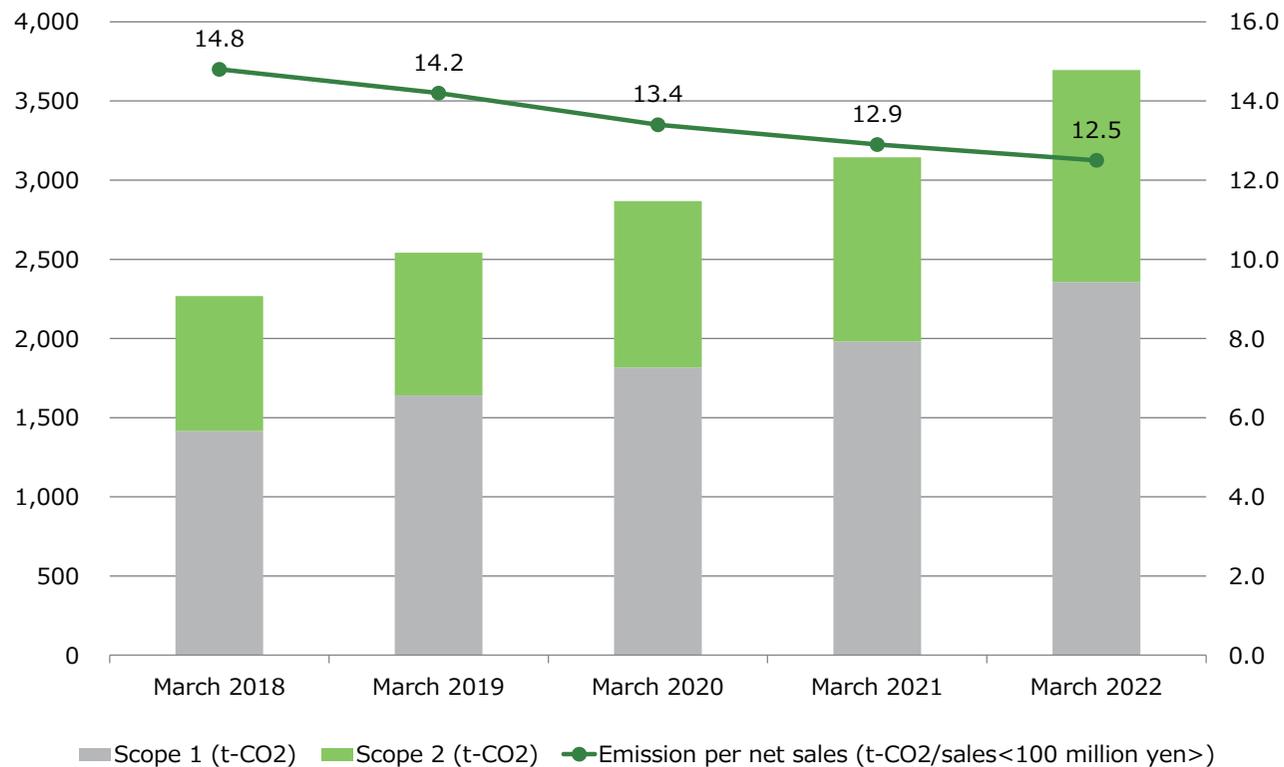
6.GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Environmental Data

SCOPE1·2



	March 2018	March 2019	March 2020	March 2021	March 2022
SCOPE1 (t-CO2)	1,416	1,640	1,817	1,981	2,356
SCOPE2 (t-CO2)	852	902	1,051	1,163	1,340
Emission per net sales (t-CO2/sales < 100M yen >)	14.8	14.2	13.4	12.9	12.5
Net Sales (100 million yen)	153	179	213	244	296

Table of Contents

1.JES Profile

2.Sustainability Management

3.Environment
Environmental Data

4.Social

5.Governance

6.GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

4



Social

社会

Contribution to Society Through Our Business

Based on our corporate philosophy of "safety above anything else," "no cutting corners even when others don't see it" and "building on trust," the JES Group has identified two material issues, (1) "Quality and Safety" and (2) "Occupational Safety and Employee Engagement," that we must give priority to while leveraging our strengths through our business activities, and we will work to realize a sustainable society, aiming to be a company that is trusted and sought after by our stakeholders.

This section introduces the JES Group's contribution to society through its business.

Quality and Safety Initiatives

Elevators continue to operate 24 hours a day, 365 days a year without a break as social infrastructure used by many people in commercial and residential facilities on a daily basis. Through our maintenance business for elevators and other equipment, we look after the daily accessibility and safe operation of users. To this end, we have positioned quality and safety as key issues, and are striving to enhance user satisfaction by improving quality and technical capabilities and strengthening research and development.

For quality and safety, we focus on organization and structure, and human resource development for this purpose. PRIME, a remote inspection service, was developed using multiple patented technologies to constantly monitor elevator operation and conditions to detect signs of failure, prevent problems before they occur, and restore service in a short period of time. This is a service that only the JES Group can provide as an independent maintenance company, and we are constantly working to develop this service.

Elevator maintenance is done behind the scenes of social infrastructure under our corporate philosophy of "No cutting corners even when others don't see it," and we work tirelessly for the daily lives of users, to solve their concerns and inconveniences, and to bring smiles to their faces.



Human Rights and Human Resources Initiatives

We believe that the most important foundation supporting our business is our human resources, and we ensure the safety of our employees and create an environment in which each employee can perform his or her duties with ease and satisfaction, which will lead to the sustainable development of the JES Group.

The number of employees at the end of March 2022 was 1,618 and the headcount is increasing due to the hiring of new graduates and mid-career workers in line with business growth. At the same time, we promote the improvement of technical skills through various training programs, such as our own in-house training program "STEP24."

To ensure that our employees can work with peace of mind, we have established regulations regarding the prevention of harassment and focus on human rights concerns through an internal reporting system. In addition, we are practicing management with wellbeing in mind by expanding our personnel system.

Diversity is not just about respecting the human rights and improving the quality of life of people with disabilities, pregnant and parenting mothers, and the elderly, but also about engaging our employees, who are the key players in creating a barrier-free world through their services.

Our efforts include ensuring the safety of our employees, creating a system that allows for a variety of comfortable work styles, accepting a diverse workforce, and a human resource development plan that allows all employees to play an active role in the company.



Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

Contribution to Society

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Quality and Safety

Basic Policy

Based on the corporate philosophy of "safety above anything else", "no cutting corners even when others don't see it" and "building on trust", JES Group, as an expert company specializing in maintenance, puts safety first and foremost and strives to build relationships of trust with its many customers.

Quality Control

Identify failure trends at each office

We strive to reduce breakdowns by analyzing breakdown trends in each region and implementing countermeasures. These efforts have improved technical capabilities and site conditions, and also reduced working hours.

Maintenance and Inspection Manual and Inspection Check Sheet

Manuals and check sheet are formulated based on guidelines established by the Ministry of Land, Infrastructure, Transport and Tourism and manufacturers' technical data. We conduct inspections with higher accuracy and stricter standards by utilizing our own technical data and statistical data from our experience cases.

Establishment of a trouble-shooting desk (help desk)

Centralizing technical consultation in one location has the following advantages: early completion of breakdowns, creation of an environment in which technical personnel can easily consult, and securing time off for off-duty technical personnel.

Response to prolonged breakdowns

Information on long-time breakdowns such as confinements and stoppages at 9:00, 13:00, and 17:00 is shared within the company, and telephone follow-up and dispatch response are conducted to reduce long-time breakdowns and restore the system as soon as possible. By visually identifying "when," "where," and "what kind of malfunction" is occurring, the system aims to reduce the time customers are unable to use the elevator by providing prompt approach and follow-up.

Quality Control System



Quality Improvement Activities

Quality control results, which are tabulated monthly, are analyzed by the Technical Division and other operating companies to reduce breakdowns. In addition, a meeting is held semi-annually for technical managers from all operating companies to share information face to face, confirm failure trends, and horizontally deploy their experiences.

Actions to Realize Medium-term Management Plan

In preparation for the increase in the number of maintenance contracts to realize the medium-term management plan, we plan to establish a Quality Control Section in all operating companies in 2024 as an organization under the direct control of the JESHD Quality Department. To this end, we will provide education through the "Meister System" and deploy trained technical personnel throughout the country. As a pioneering step, quality control sections were established at three operating companies in the Kanto region in April 2022 and are operating on a pilot basis.

Meister System

The Meister System is a system for recruiting personnel from operating companies nationwide and quickly developing next-generation executive candidates for quality control operations.

By taking steps to deal with difficult and advanced repair sites, the program is designed to hone role performance skills while gaining quality experience, and to acquire and strengthen further knowledge, attitude, skills, and habits.

Strengthen quality control to realize mid-term management plan



Table of Contents

1.JES Profile

2.Sustainability Management

3.Environment

4.Social

Quality and Safety

5.Governance

6.GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Improvement of User Satisfaction

Four services that only the JES Group can provide
We aim to improve the satisfaction of all customers, including building and building managers and end users

(i) Remote inspection and diagnosis
"PRIME"



"PRIME" is a service that remotely monitors elevator operations and conditions 24 hours a day, 365 days a year from a control center, detecting even minor abnormalities to provide safety and peace of mind. We have acquired multiple patented technologies and can respond across manufacturer boundaries.

(iii) Integration of security cameras and digital signage
"LiftSPOT"



LiftSPOT

"LiftSPOT" is a digital signage system equipped with a security camera. In addition to enhancing security in the elevator, the system delivers a variety of content to improve the safety and comfort of the elevator space.

There is no initial or monthly fee for maintenance or modernization subscriptions.

(ii) Low cost and short construction time
"Quick Renewal"



"Quick Renewal" is a service that enables significant "low-cost" and "short-term" construction by replacing only the control panel, which is the control tower of the elevator.

Elevator re-installation work, which normally takes more than a week, can be completed in as little as half a day. Since only the necessary parts are replaced, in addition to being low-cost, the system reduces waste, is environmentally friendly, and saves energy.

(iv) Multi-level parking lot maintenance and modernization
"Mechanical Parking Equipment"



We also offer multi-story parking garage maintenance, which can reduce costs by up to 50% compared to conventional manufacturer maintenance by integrating a single point of contact with elevator maintenance. We accept a wide range of models, including simple elevators, transverse elevators, elevator types, gondola types, and underground circulation types.

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

Improvement of User Satisfaction

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Response to Disasters

Disaster Management System and Initiatives

In preparation for disasters, each group company conducts annual disaster drills, simulating everything from receiving power to making arrangements. In addition, as part of advance preparations, we confirm the maintenance of customer information and the preparation of necessary equipment such as a flood recovery set. In accordance with the JES Group Disaster Manual, in the event of a disaster, the first priority is to ensure personal safety, including that of family members, while acting in accordance with the roles of each department according to the level of activation.

Post-disaster response

In the event of an earthquake, typhoon, or other disaster, the disaster level is determined based on the situation and a disaster response headquarters is set up.

The headquarters immediately activates the disaster system to assess the disaster situation.

We have also introduced our own web-based reception system, WES (Web Entry System). Because WES uses Internet lines, it can be accessed without congestion even during disasters, when telephone lines tend to be congested. Quick communication of information ensures that emergency calls are accepted.

Emergency power supply (JES Innovation Center)

As part of its BCP efforts, the JES Innovation Center (JIC) has installed an emergency power supply equipped with solar power generation and is ready to operate 81 hours a day in the event of an emergency.



Response to Disasters

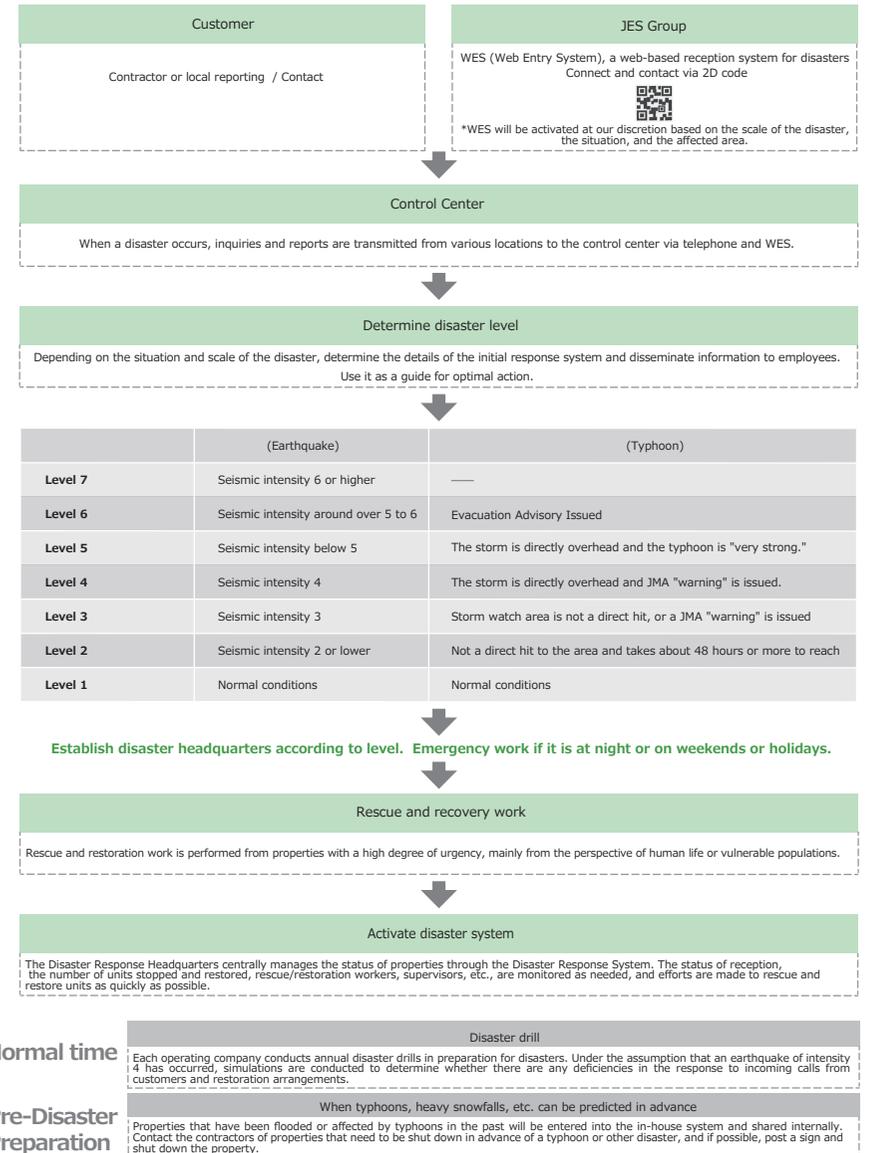


Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

Response to Disasters

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Respect for Human Rights

Basic Concept

The JES Group, based on the premise that its corporate activities support and respect the protection of internationally agreed-upon human rights, stipulates in its Code of Conduct that it will ensure a healthy work environment free from harassment or discrimination on the basis of race, creed, ethnicity, gender, religion, nationality, language, physical characteristics, property, place of origin, or any other grounds. The Company prohibits harassment, discrimination, and human rights violations in its anti-harassment regulations, and provides employees with educational guidance.

We will take necessary measures promptly and appropriately when a problem arises with an employee.

Internal Reporting

The Company has established an internal reporting system. By establishing a system for the proper handling of consultations and reporting of misconduct and legal violations, we strive to ensure the early detection and correction of misconduct and to maintain public confidence in our company. The reports received are processed as appropriate and reported to a full-time Audit & Supervisory Board member.

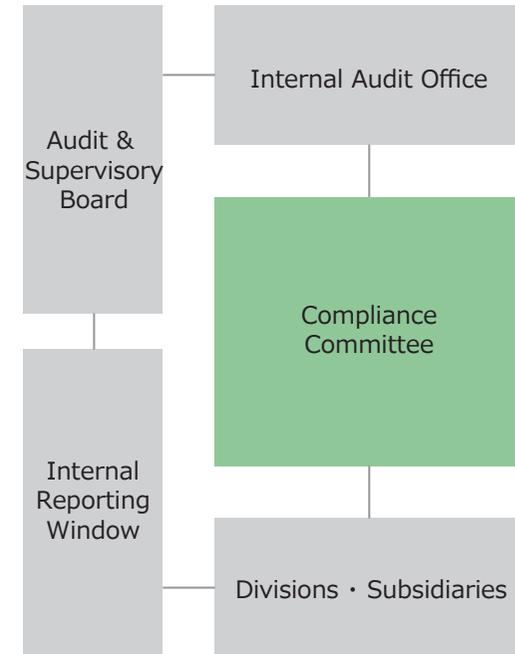
System to Prevent Harassment

We are fully aware that noncompliance, including harassment, can shake the foundation of management, and have established compliance rules. A "Compliance Committee" has been established to prevent compliance violations and to respond to violations.

To create an environment where harassment does not occur, we conduct harassment training and make every effort to prevent harassment.

Respect for Human Rights in Overseas Operations

We are developing our overseas business with a focus on ASEAN. As stipulated in our Code of Conduct, we ensure a healthy work environment based on respect for human rights. Women, children, the elderly, indigenous peoples, immigrants, ethnic or racial minorities, and other vulnerable individuals and groups in society are given special attention and confirmation because they are more likely to be affected by human rights violations.



Initiatives by Compliance Committee

- Formulate and revise compliance rules and regulations
- Implement harassment training



Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

Respect for Human Rights

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Human Resources and Training

Basic Concept

The JES Group believes that the recruitment and development of human resources with diverse values and abilities is extremely important for sustainable growth and development, and will place particular emphasis on the following initiatives.

Recruitment

In order to achieve sustainable growth and realize our mid-term management plan, we hire a large number of employees, both new graduates and mid-career workers, regardless of their experience in the elevator business. With the increase in the number of contracts, our main focus is on technical personnel who perform elevator maintenance, but we are also hiring sales and administrative personnel.

Human Resource Development

Our competitive advantage lies in our ability to provide advanced support for multiple elevator manufacturer models, and we recognize that human resource development is a top priority to ensure elevator safety. To this end, we are implementing the following concepts and human resource development initiatives.

We train multi-specialists who can handle all types of models from major manufacturers



Elevator and escalator maintenance requires specialized knowledge and skills. The JES Group's training program is designed to develop multi-specialists who can handle a wide range of models, and is based on the know-how of skilled engineers who are familiar with the models of each of the major manufacturers and their many years of experience.

We have also introduced our own evaluation qualification system for engineers. The basic qualifications are divided into three levels: G5 (Elevator Safety Work Qualification), G4 (Elevator Semi-Maintenance Qualification), and G3 (Elevator Maintenance Qualification), all of

which must be cleared before a person can take charge of a site alone or provide emergency response during nights and holidays. This ensures that the properties under our clients' care are managed by engineers who have the knowledge and skills to guarantee safety. Furthermore, we have established the G1 and G2 qualifications, which visualize the knowledge and skills accumulated by our engineers as points, and the Meister System, which trains specialists to deal with serious failures, in an effort to develop engineers with advanced technical skills and safety awareness.



Train engineers to be trusted as human beings, not only in technical skills but also in business manners

We invite outside lecturers to provide education and training in common sense, manners, and behavior as a member of society, in order to learn essential business manners as a member of society before becoming an engineer. We train service experts who are not ashamed to go anywhere and who can be trusted as human beings by acquiring common sense in speech and behavior and then acquiring specialized know-how.

Provide training by job level (training and education for employees in Japan)

We conduct training for newly appointed managers and position-specific training targeting a defined position hierarchy in order to achieve further organizational strength by strengthening middle management, to curb retirement by improving management skills and communication with subordinates, and to quickly develop candidates for future management of operating companies. Starting with business etiquette, we customize a wide variety of items from year to year, including leadership, coaching feedback, use of the PDCA cycle, logical thinking, evaluator training, business writing, and more. In the fiscal year ended March 31, 2022, a total of 319 employees participated in the training program, bringing the total number of participants to 1,138 since the program began.

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

Human Resources and Training

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Diversity & Inclusion

Basic Concept

In order for the JES Group to continue its sustainable growth in an ever more rapidly changing social environment, it is crucial to secure human resources with a variety of values suited to the business, and it is extremely important that employees, regardless of gender, age, etc., are able to maximize their abilities and play an active role in the company. In addition, with Japan's declining birthrate and aging population, it is more essential than ever to utilize a diverse workforce.

Promotion of female activities

In the spirit of the Equal Employment Opportunity Law and the gender equality of the SDGs, the number of women employed has increased since its listing on the TSE, creating gender equal opportunities.

Since we are in the elevator maintenance business, we have a high percentage of technical personnel, most of whom are male.

However, the number of female employees in sales and administrative positions is also increasing, and we are striving to provide work opportunities and a work environment in which employees can play an active role regardless of gender.

In addition, we have a personnel system that supports childbirth and childcare, and after returning to work, we offer flexible work styles and environments.

Working with the elderly

In light of the arrival of an aging population, securing a workforce has become a challenge. Employees who wish to continue working after the retirement age of 60 are rehired as contract employees thereafter. Since the effects of age vary greatly from person to person, we are promoting the creation of a comfortable workplace with employment forms and job descriptions suited to diverse personalities and abilities so that employees who have reached retirement age can continue to work while maintaining their motivation and health.

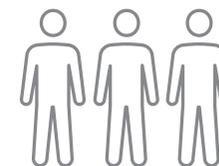
Employment of people with disabilities

Our goal is to build a society in which each individual, regardless of disability, can play an active role in accordance with his or her own desires and skills. We promote the employment of people with disabilities with the aim of creating a work environment in which all employees help each other.

Employment of Foreigners

In Japan, the number of young workers is decreasing due to the falling birthrate and aging population. Hiring foreign workers is expected to solve the problem of worker shortages that companies face. Although no issues of worker shortages have arisen at this time as a result of recruitment and human resource development to date, we will consider hiring foreign nationals in light of social conditions and other factors.

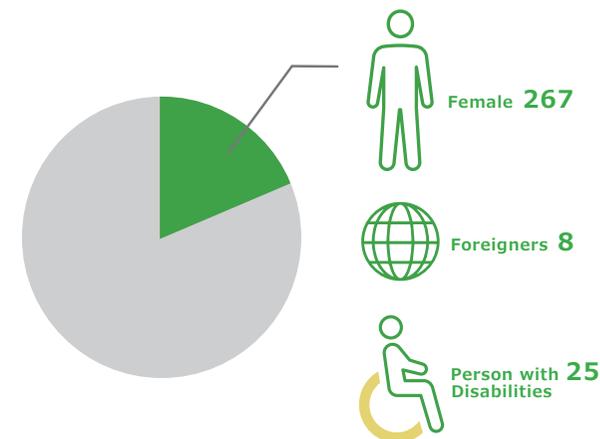
Employee Diversity



Number of JES Group Employees

1,618

* JESHD and consolidated subsidiaries
* As of March 31, 2022



Number and Percentage of Female Employees

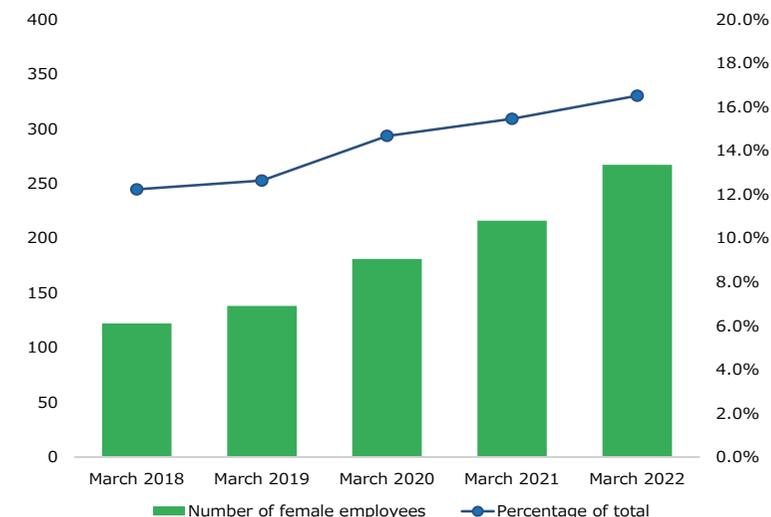


Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social
Diversity & Inclusion

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Creating a Good Work Environment

Work Environment

With reference to the "Comfortable Workplace Guidelines" of the Ministry of Health, Labor and Welfare, we are improving the workplace environment by enhancing facilities for managing the work environment and recovering from fatigue. We form a comfortable work environment where employees are less likely to feel tired and stressed about the workplace where they spend most of their time.

In June 2022, we completed construction of company housing in Wako, Saitama Prefecture, where JIC/JIL is located. In addition to employee benefits, we are improving our services in the event of a disaster by improving access to our control center.



Company housing (completed in 2022)

Support system for childcare, nursing care

Pregnancy	Delivery	Childcare	Nursing care
Maternal health care period		1 yr old 2 yrs old 3 yrs old Elementary school 18 yrs old	
Maternity leave (6 weeks)	Maternity leave (8 weeks)	Childcare leave	Nursing care leave
		Exemption from overtime work	Exemption from overtime work
		Short working hours for childcare (6 hours/day)*note 1	Short working hours for nursing care(6 hours/day)
		Limited overtime work	Limited overtime work
		Restrictions on late-night work	Restrictions on late-night work
		Child nursing care leave (5 or 10 days/year)	Nursing care leave (5 or 10 days/year)
		Childcare allowance (5,000 yen/month/person)	
		Child allowance (12,000 yen/month/person)	

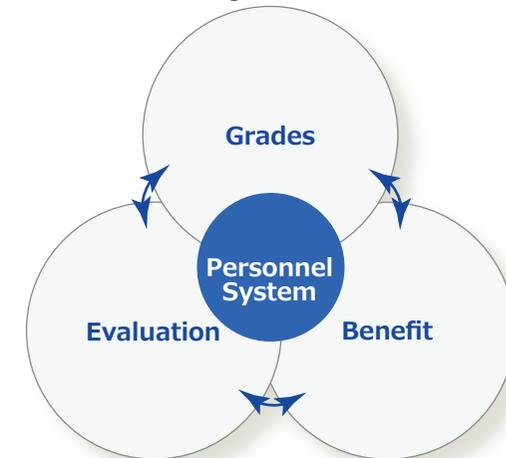
(Note 1) In addition, two incremental requests for childcare time of 30 minutes each may be made.

Fair Evaluation and Benefits

Basic Concept

The JES Group clearly defines its goals and the mission of the organization, and the actions taken to achieve them are also subject to evaluation. By linking the personnel evaluation system with organizational goals, employees themselves can work with a sense of purpose, which also contributes to improved business performance.

In addition, feedback of personnel evaluation results leads to increased motivation and voluntary skill improvement, contributing to the revitalization of the entire organization.



Support for Flexible Work Styles

The spread of coronavirus infection was the catalyst for a change in the way we work. Technical personnel are encouraged to go directly home and back to the site depending on the region, and the introduction of telework has enabled employees, mainly in administrative positions, to work from home, supporting flexible work styles.

Establishment of systems for childcare, nursing care

To enable employees to balance work and childcare/nursing care with peace of mind, we are working to improve the workplace environment by enhancing our support system for balancing work and childcare.

In addition, employees with children receive childcare allowance (5,000 yen/month/person) until the first March 31 after the child reaches 3 years of age, and child allowance (12,000 yen/month/person) until the first March 31 after the child reaches 18 years of age. (12,000 yen/person/month) until the first March 31 after the child reaches 18 years of age, and other support is provided in accordance with the stage of life.

With regard to nursing care, the Company provides support to enable employees to continue working by offering nursing care leave, shorter working hours for nursing care, and a nursing care leave system.

Table of Contents

1.JES Profile

2.Sustainability Management

3.Environment

4.Social

Creating a Good Work Environment
Fair Evaluation and Benefits

5.Governance

6.GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Occupational Safety and Health

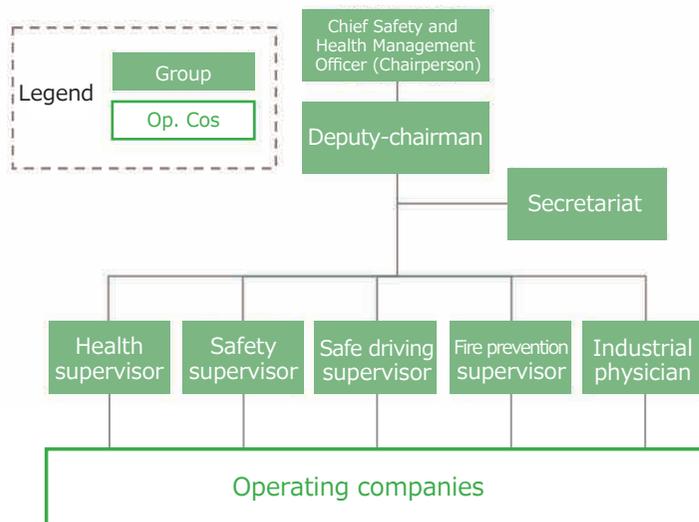
Group Health and Safety Management

The JES Group Safety and Health Committee has been established, and representatives from each operating company gather once a month to fully investigate and deliberate on measures that should serve as the basis for preventing possible hazards and health problems for workers (causes of industrial accidents and measures to prevent recurrence, etc.).

By sharing information from each operating company, we strive to normalize safety awareness and unify safety throughout the Group.

Health and safety management for operating company

Each operating company has its own Health and Safety Committee, which appoints a health manager, a safety manager, a safe driving manager, and a fire prevention manager, and conducts thorough investigations and deliberations once a month on basic measures to prevent possible hazards and health problems for workers.



Main management methods	Description
Safety Licensing System for Technical Engineers	A safety licensing system is in place to ensure that on-site technical engineers acquire knowledge and skills. JES technical engineers are not allowed to work without a safety license. The prescribed points are issued for violations of safety obligations, work-related accidents, and traffic accidents in the past three years. Points are also issued for violations of the duty of care for safety during regular in-house safety patrols and on-site inspections by the Safety Promotion Division. If the total number of points reaches a certain standard, the safety license is suspended, and the punishment is not lifted until the safety training course is taken and safe work is confirmed through on-site practice for a designated period of time. This safety licensing system is designed to improve the safety awareness of our technical engineers.
Risk assessment	Through risk prediction activities and toolbox meetings, we estimate risks on a daily basis and strive to take risk reduction measures in daily operations (inspections, inspections, construction work, breakdown response, etc.). The Health and Safety Committee has established a system to prevent occupational accidents throughout the Group by compiling and sharing information on high-risk operations from each operating company.
VR equipment to simulate occupational accidents	We have introduced a VR-based training curriculum for on-site engineers. The purpose of this program is to raise safety awareness by making participants feel as if they were in a disaster themselves, which they would not normally be able to experience.
On-site safety work confirmation	Field engineers are in charge of the field after going through STEP24 training, obtaining various in-house certifications, and necessary special safety training. Our dedicated Safety Promotion Section staff conducts unannounced daily on-site and workplace inspections to ensure that work is being performed in accordance with safety regulations, and to confirm that on-site engineers are performing safe work.
Regular hygiene training	The Health and Safety Committee assesses the health and disaster prevention plan, and ensures that all Group employees are thoroughly educated to raise awareness of health and safety in the workplace environment by disseminating the plan within the committee, posting topics on the company website, lectures by industrial physicians, and site and workplace inspections by the Health and Safety Committee members.
Mental health care	We aim to create a workplace environment in which each and every Group employee is physically and mentally sound and can work with a sense of fulfillment. We understand that mental health, in particular, is one of the most important issues for companies, and as part of this effort, we provide self-care through e-learning, conduct stress checks, and provide all employees with stress-related materials. We also provide training for managers by industrial physicians, and focus on care through the line, such as early detection of ailing employees.

Table of Contents

1.JES Profile

2.Sustainability Management

3.Environment

4.Social

Occupational safety and health

5.Governance

6.GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Social and Community Activities

The JES Group aims to coexist with local communities by conducting social contribution activities through its business.

JIC/JIL, located in Wako, Saitama Prefecture, is an innovation center with a high-rise elevator test tower, but also contributes to society through the following initiatives

1. Based on the Regional Future Investment Promotion Act, Saitama Prefecture's "Regional Economic Traction Business Plan" was formulated and approved in August 2019. The objectives of the "Regional Economic Traction Project Plan" are: (i) to strategically develop an environment in which companies in the prefecture with superior technological capabilities can advance into growth areas and make further progress; (ii) to further promote the location of advanced and next-generation industries with large economic impact, and food manufacturing and distribution processing industries with large employment impact.

2. The city of Wako, where the facility is located, certified us as a Wako City Corporate Citizen in May 2018. We mainly practice the following civic activities:

"Environmental protection": North sidewalk planting

"Community Development and Local Community": Establishment of "Baby Stations"

"Social Welfare": Commissioning of some plant management to people with disabilities through the Wako City Council of Social Welfare

3. In cooperation with the local fire department, we open our test tower for rescue drills and training by the neighboring fire department and conduct evacuation drills under the guidance of the Wako City Fire Department.

4. Bus service is provided jointly with neighboring facilities.

5. Vending machines for disaster vendors have been installed to provide free drinking water in the event of a disaster.

In addition, we plan to establish an innovation center (tentative name: Kansai JIC) in the Kansai region to support business expansion in the western Japan area.

Plans include opening the parking lot as a temporary evacuation site so that local residents can be assisted in the event of a disaster, installing electrical outlets that can be used from outside the building to charge cell phones, making Wi-Fi available free of charge, and installing a well on the premises to provide water in the event of a disaster.



Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

Social and Community Activities

5. Governance

6. GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Social Data

Employee Data		March 2018	March 2019	March 2020	March 2021	March 2022
Employees by Gender (persons)	Male	876	955	1,053	1,182	1,351
	Female	122	138	181	216	267
	(female participation)	12.2%	12.6%	14.7%	15.5%	16.5%
Total		998	1,093	1,234	1,398	1,618

[Scope] Japan Elevator Service Holdings Co., Ltd. and consolidated subsidiaries

Diversity	March 2018	March 2019	March 2020	March 2021	March 2022
Female managers (persons)	13	11	15	15	23
Ratio of female managers	7.3%	5.9%	7.4%	6.7%	8.7%
Persons with disabilities (persons)	15	14	17	23	25
Foreign employees (persons)	4	5	5	6	8

[Scope] Japan Elevator Service Holdings Co., Ltd. and its consolidated subsidiaries in Japan (excluding companies made subsidiaries through M&A)

Employment Data	March 2018	March 2019	March 2020	March 2021	March 2022
New graduate recruitment	33	32	52	64	71
Mid-career recruitment	104	137	168	168	214
Total	137	169	220	232	285

[Scope] Japan Elevator Service Holdings Co., Ltd. and its consolidated subsidiaries in Japan (excluding companies made subsidiaries through M&A)

Occupational safety and health	March 2018	March 2019	March 2020	March 2021	March 2022
Percentage of employees taking paid leave	51.7%	56.6%	46.8%	47.7%	60.3%
Number of work-related accidents	13	15	11	23	16

[Scope] Japan Elevator Service Holdings Co., Ltd. and its consolidated subsidiaries in Japan (excluding companies made subsidiaries through M&A)

Table of Contents

1.JES Profile

2.Sustainability Management

3.Environment

4.Social

Social Data

5.Governance

6.GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

5



Governance

ガバナンス

Corporate Governance

Basic Concept

The JES Group recognizes that strengthening corporate governance is one of the most important management issues in order to continuously increase corporate value and achieve management stability.

We will place particular emphasis on strengthening oversight of management, ensuring compliance, and prompt, accurate, and fair disclosure of information to all stakeholders, and will further enhance these efforts.

Basic Policy

1. Ensure that the rights of shareholders and the equality of shareholders are substantially secured,
2. Strive for appropriate collaboration with various stakeholders, including employees, customers, suppliers, creditors, and local communities,
3. Disclose corporate information in an appropriate manner and strive to provide information that is highly useful,
4. The Board of Directors shall endeavor to properly fulfill its roles and responsibilities in light of its fiduciary responsibility and accountability to shareholders, and
5. Engage in constructive dialogue with shareholders in order to contribute to the sustainable growth of the company and the enhancement of its corporate value over the medium to long term.

Corporate Governance Structure

Board of Directors

The Board of Directors, consisting of nine directors (including three outside directors), meets once a month in principle for the purpose of making decisions on important matters related to the company's business operations, matters required by law, and other important management matters.

Audit & Supervisory Board

The Audit & Supervisory Board is composed of one full-time Audit & Supervisory Board member and two part-time Audit & Supervisory Board members (including two outside Audit & Supervisory Board members). In principle, the Audit & Supervisory Board meets once a month, and when necessary, the Audit & Supervisory Board members hold discussions to exchange opinions. The Company strives to ensure that directors' compliance with laws, regulations, the Articles of Incorporation, and rules, as well as operational and accounting audits, are conducted effectively.

Internal Audit Office

In accordance with the annual internal audit plan, all divisions and subsidiaries are audited for rationality, efficiency, appropriateness, and appropriateness of business execution. Audit results are reported to the Representative Director, who instructs the person in charge of the audited department to make improvements, and monitors the status of improvements through follow-up audits and other means.

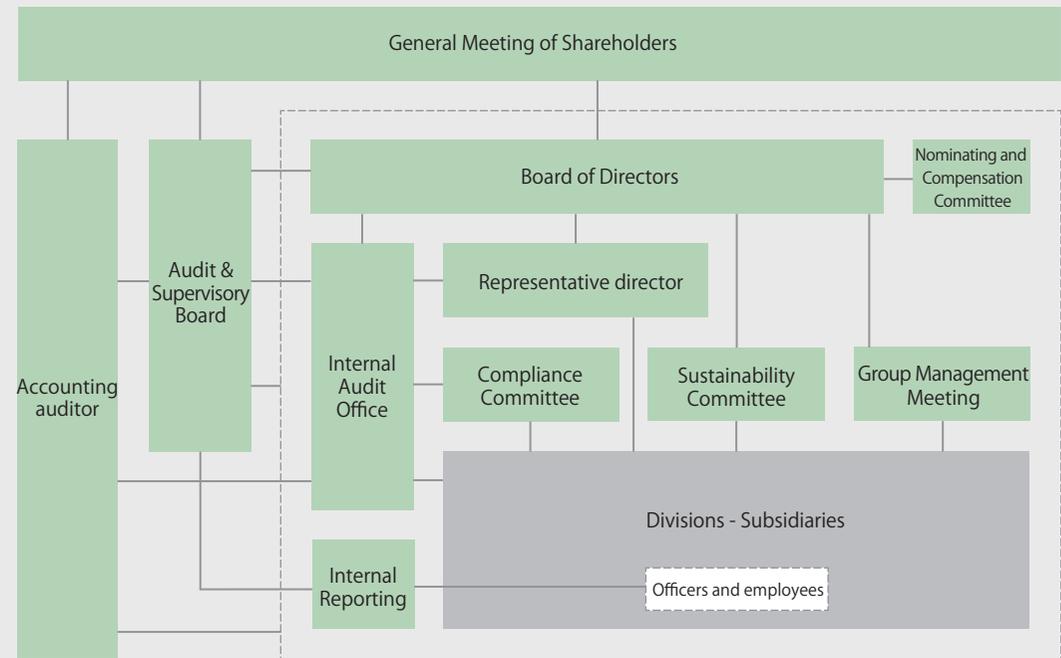


Table of Contents

1.JES Profile

2.Sustainability Management

3.Environment

4.Social

5.Governance
Corporate Governance

6.GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Policy on Directors' Remuneration

Matters Concerning the Amount and the Method for Calculating Directors' Remuneration

Remuneration for directors (excluding outside directors) consists of "base remuneration" and "non-monetary remuneration, etc.," which is intended to provide incentives to continuously improve the Company's corporate value and to promote further value sharing with shareholders. JES Group's fixed remuneration for directors is calculated within the limits of the remuneration for directors approved by the General Meeting of Shareholders, and is determined by the Representative Director with the discretion of the Board of Directors, based on factors such as the (i) duties for which they are responsible, (ii) responsibilities and (iii) performance, and in consultation with the Nomination and Compensation Committee.

The remuneration of Audit & Supervisory Board members is determined by consultation with the Audit & Supervisory Board within the limits of the remuneration of Audit & Supervisory Board members approved by the above-mentioned shareholders' meeting.

Compliance

Basic Approach to Compliance Risk

The Compliance Committee has been established as a body for addressing compliance efforts. The Committee is composed of the director in charge, the general manager, the general manager of the Internal Audit Department, full-time Audit & Supervisory Board members, and representative directors of subsidiaries, and meets whenever necessary. This committee reports and discusses the status of internal reporting and compliance activities.

System of Compliance

Each operating company has designated a compliance manager. The head office of the committee conducts a hearing once a month with the person in charge of compliance, and conducts periodic checks, including reminders to ensure that no action has been omitted. In addition, when a compliance-related problem arises, the company is required to report it to the Compliance Committee of the Holdings on the same day, without waiting for periodic confirmation, thereby establishing a system that allows the Holdings and operating companies to work together to quickly resolve the problem.

In addition, as an initiative at the holding company, regular meetings are held once a week to share information on compliance issues. The Compliance Committee also meets four times a year, bringing together managers from Holdings and all operating companies to provide a forum for the exchange of information on compliance matters.

Anti-Corruption

Basic Concept

JES Group and its officers and employees are committed to conducting business activities in an ethical manner. We will not tolerate bribery or corruption in any form and will comply with applicable laws prohibiting bribery and corruption ("anti-corruption laws").

Violations of anti-corruption laws can have serious consequences, including large fines, imprisonment or jail time, loss of public trust, and business losses.

We will require third parties who work for us, such as agents, consultants, advisors, sales representatives, suppliers, and contractors, to act in compliance with anti-corruption laws at all times.

Tax Policy

The JES Group sets a tax policy. The tax redistribution function is an essential part of society in all countries and regions, and tax reporting and payment in accordance with each country's tax system are regarded as important issues to be considered. We not only understand and comply with international frameworks such as the OECD Transfer Pricing Guidelines and the BEPS Action Plan, as well as all applicable tax laws and regulations in each country and region, and file tax returns and pay taxes appropriately, but also ensure that our employees are fully aware of these laws and regulations to prevent any violations from occurring. At the same time, we are building a risk management system by identifying and appropriately handling tax risks.

Supplier Management

The JES Group aims to contribute to sustainable development and the resolution of environmental and social issues. In conducting business activities in various areas, including the supply chain, it is essential not only to comply with laws and regulations but also to act in accordance with high ethical standards. We are committed to building sustainable relationships with our business partners, vendors, suppliers, consultants and contractors for mutual development by actively working to correct trade and business practices that hinder such development.

Table of Contents

1.JES Profile

2.Sustainability Management

3.Environment

4.Social

5.Governance

Remuneration, Compliance etc,

6.GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

Basic Policy on Information Security | R&D and Intellectual Property

The JES Group is continuously working to strengthen its information management and operational structure and other systems to prevent information leaks and security incidents.

In addition to countermeasures against external attacks (cyber attacks, malware, ransom attacks, etc.), we also take measures regarding information leaks from within to ensure continuous operation.

In order to implement the above initiatives, we have established and are operating an Information Security Policy.

Privacy Policy

We have established rules for the protection of personal information and specified personal information to appropriately protect personal information, personal numbers, and other specified personal information handled by the company in the course of conducting its business, prevent leaks, and appropriately use such information.

When the management of personal information, etc., is entrusted to a third party, we require that the third party to which we entrust the management of personal information, etc., also comply.



Basic Concept

The JES Group recognizes the importance of intellectual property rights and strives to comply with related laws and regulations, respects the intellectual property of others, and ensures that its own intellectual property is repaired and properly managed.

We also aim to create products that are flexible and offer appropriate proposals to the common sense of the elevator industry. We are conducting research and development to offer our customers multiple options, including price and duration.

We do this as part of our business growth, mainly in research and development, so that intellectual property can be protected and used effectively.

A management department has been established in the Development Division to compile information on R&D, related products, and related companies, and to obtain intellectual property rights.

Through further investment in intellectual property and intangible assets, we will accelerate our technological innovation and enhance our corporate value over the medium to long term.

Major Intellectual Property



LiftSPOT

Dialogue with Shareholders

In order to gain the understanding and trust of our shareholders and investors, we promote proactive investor relations activities and strive to disclose information on management policies, strategies, and business performance in a timely and appropriate manner. We also strive to reflect the opinions and results of dialogue with our shareholders and investors in our management.



Table of Contents

1.JES Profile

2.Sustainability Management

3.Environment

4.Social

5.Governance

Information Security, Privacy, IP

6.GRI Standards Table

Japan Elevator Service
Sustainability Report

2022

6



GRI Standards Comparison Table

GRIスタンダード対照表

GRI Standards Table

General Disclosures

GRI102:General Disclosures		Reference	
1.Organization profile			
102-1	Name of organization	1.JES Profile	Profile/Philosophy/VISION
102-2	Activities, brands, products and services	1.JES Profile	Business Domains of JES
102-3	Location of headquarters	1.JES Profile	Profile/Philosophy/VISION
102-4	Location of operations	1.JES Profile	Profile/Philosophy/VISION
102-5	Ownership and legal form	1.JES Profile	Profile/Philosophy/VISION
102-6	Markets served	1.JES Profile	Financial Highlights
102-7	Scale of the organization	1.JES Profile	Profile/Philosophy/VISION
102-8	Information on employees and other workers	4.Social	Diversity & Inclusion
102-9	Supply chain	5.Governance	Supplier Management
102-10	Significant changes to the organization and its supply chain	-	-
102-11	Precautionary principle or approach	-	-
102-12	External initiatives	3.Environment	Participation in Initiatives Disclosure based on TCFD
102-13	Membership of associations	-	-
2.Strategy			
102-14	Statement from senior decision-maker	2.Sustainability Management	Message from CEO Message from CFO
102-15	Key impacts, risks, and opportunities	2.Sustainability Management 3.Environment	Materiality Disclosure based on TCFD
3.Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	1.JES Profile	Corporate Philosophy
102-17	Mechanism for advice and concerns about ethics	5.Governance	Compliance
4.Governance			
102-18	Governance structure	-	Corporate Governance Report
102-19	Delegating authority	-	Corporate Governance Report
102-20	Executive level responsibility for economic, environmental, and social topics	-	Corporate Governance Report
102-21	Consulting stakeholders on economic, environmental, and social topics	-	Corporate Governance Report
102-22	Composition of the highest governance body and its committees	-	Corporate Governance Report
102-23	Chair of the highest governance body	-	Corporate Governance Report
102-24	Nominating and selecting th highest governance body	-	Corporate Governance Report
102-25	Conflict of interest	-	Corporate Governance Report
102-26	Role of highest governance body in setting purpose, values, and strategy	-	Corporate Governance Report
102-27	Collective knowledge of highest governance body	-	Corporate Governance Report
102-28	Evaluating the highest governance body's performance	-	Corporate Governance Report

GRI102: General Disclosures		Reference	
4.Governance			
102-29	Identifying and managing economic, environmental, and social impacts	2.Sustainability Management 3.Environment	Materiality Disclosure based on TCFD
102-30	Effectiveness of risk management proesses	2.Sustainability Management	Materiality Disclosure based on TCFD
102-31	Review of economic, environmental, and social issues	2.Sustainability Management	Sustainability Management Structure
102-32	Highest governance body's role in sustainability reporting	2.Sustainability Management	Sustainability Management Structure
102-33	Communicating critical concerns	5.Governance	Corporate Governance
102-34	Nature and total number of critical concerns	5.Governance	Corporate Governance
102-35	Remuneration policies	-	Annual Securities Report
102-36	Process for determining remuneration	-	Annual Securities Report
102-37	Stakeholders' involvement n remuneration	-	Annual Securities Report
102-38	Annual total compensation ratio	-	-
102-39	Percentage increase in annual total compensation ratio	-	-
5.Stakeholder engagement			
102-40	List of stakeholder groups	2.Sustainability Management	Communication with Stakeholders
102-41	Collective bargaining agreements	-	-
102-42	Identifying and selecting stakeholders	2.Sustainability Management	Communication with Stakeholders
102-43	Approach to stakeholder engagement	2.Sustainability Management	Communication with Stakeholders
102-44	Key topics and concerns raised	2.Sustainability Management	Materiality
6.Reporting practice			
102-45	Entities included in the consolidated financial statements	Editorial Policy	Scope of This Report
102-46	Defining report content and topic Boundaries	Editorial Policy	Editorial Policy
102-47	List of material topics	2.Sustainability Management	Materiality
102-48	Restatements of information	-	-
102-49	Changes in reporting	-	-
102-50	Reporting period	Editorial Policy	Period
102-51	Date of most recent report	-	-
102-52	Reporting cycle	Editorial Policy	Schedule
102-53	Contact point for questions regarding the report	Editorial Policy	Contact
102-54	Claims of reporting in accordance with the GRI standards	6.GRI Standards Table	GRI Comparison Table
102-55	GRI content index	6.GRI Standards Table	GRI Comparison Table
102-56	External assurance	-	-
GRI103: Management Approach		Reference	
103-1	Explanation of the material topic and its Boundary	2.Sustainability Management	Materiality
103-2	The management approach and its components	2.Sustainability Management	Sustainability Management Structure
103-3	Evaluation of the management approach	2.Sustainability Management	Sustainability Management Structure

Table of Contents

1.JES Profile

2.Sustainability Management

3.Environment

4.Social

5.Governance

6.GRI Standards Table

Japan Elevator Service
Sustainability Report

2022