

Medium-Term Plan “VISION 2027”

May18, 2022

japan elevator service



Japan Elevator Service Holdings (TSE Prime Market: 6544)

【Basic Strategy】

Over the 28 years since its founding in 1994 through 2022, Japan Elevator Service has grown to become the leading independent elevator service company in Japan, with over 75,000 elevators under maintenance contracts.

We aim to build upon the experience cultivated to date to accelerate growth and double the number of elevators under contract to more than 150,000 over the coming five years. As befits our TSE Prime market designation, we also aim to address social and environmental issues, respond to social change, and achieve sustainable growth in operations and corporate value.

【Key Indicators】

Growth	Profitability	Shareholder returns
Elevators under contract of 150,000, Sales of ¥60bn+	OPM 20% (excluding goodwill amortization)	Dividend payout ratio of 40% or more

- Growth and profitability metrics to be met by FY2027/3
- OPM excludes goodwill amortization (a transitory item), premised on progress with aggressive M&A

【Growth Strategy】

- Growth in Maintenance and Preservation Services sales driven by expanded domestic market share (organic & M&A)
- Tap demand for modernization through increase in number of elevators under contract
- Raise profitability by improving business productivity and efficiency through staff training, digitalization

Raise corporate value through growth, prosper together with all stakeholders

Double the number of elevators under maintenance contracts in Japan

Over 150,000

Net Sales

Over 60 billion yen

Operational growth

Profitability

Operating profit margin

20%

ESG

Shareholder returns

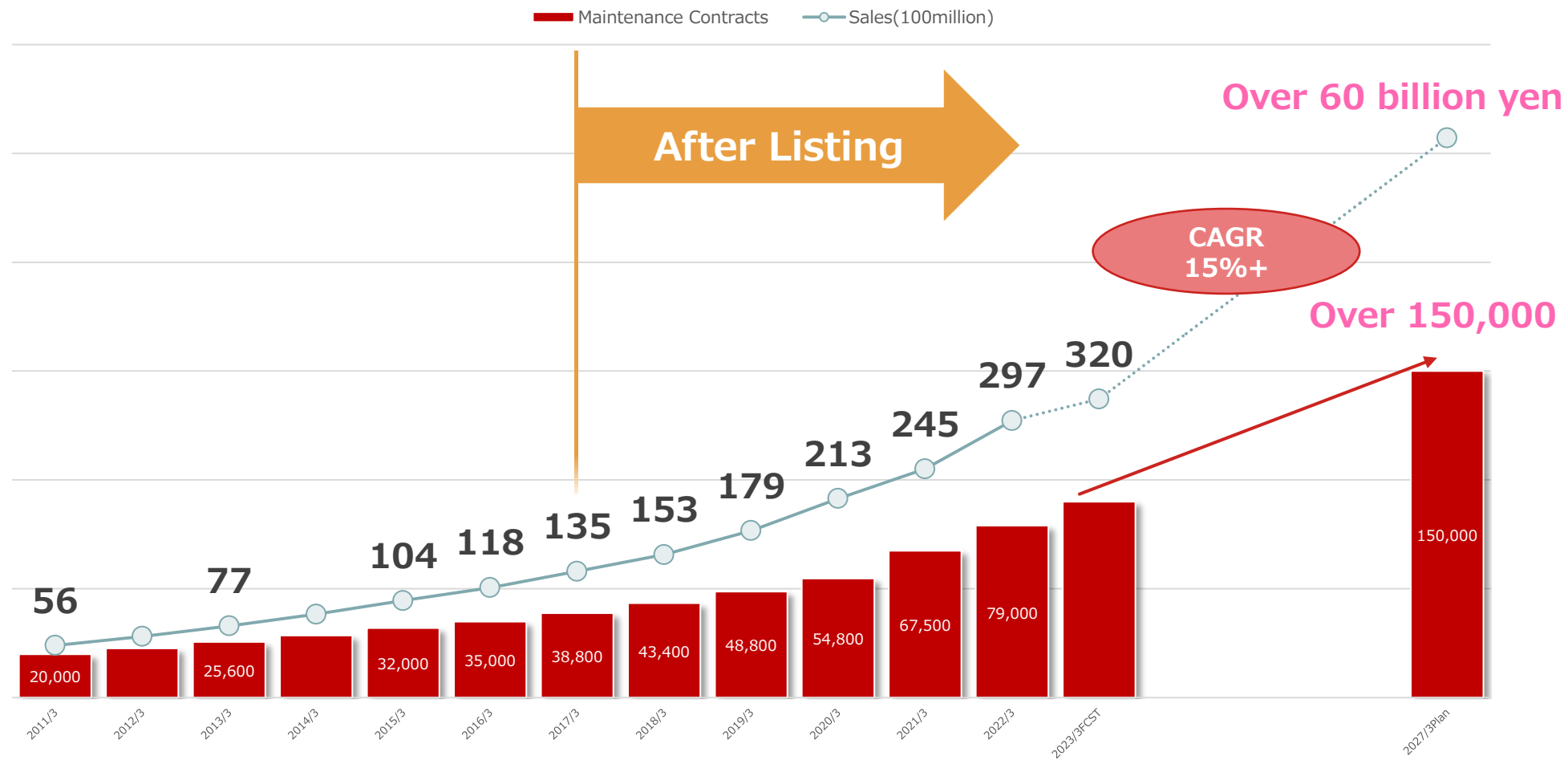
Dividend payout ratio

40% or more

Reduce environmental burden
Diversify staff
Enhance governance

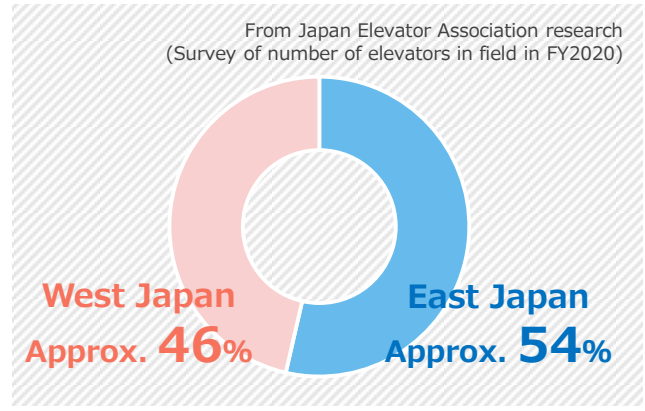
Raise elevators under contract to over 150,000 by 2027

Trends in elevators under contract, sales

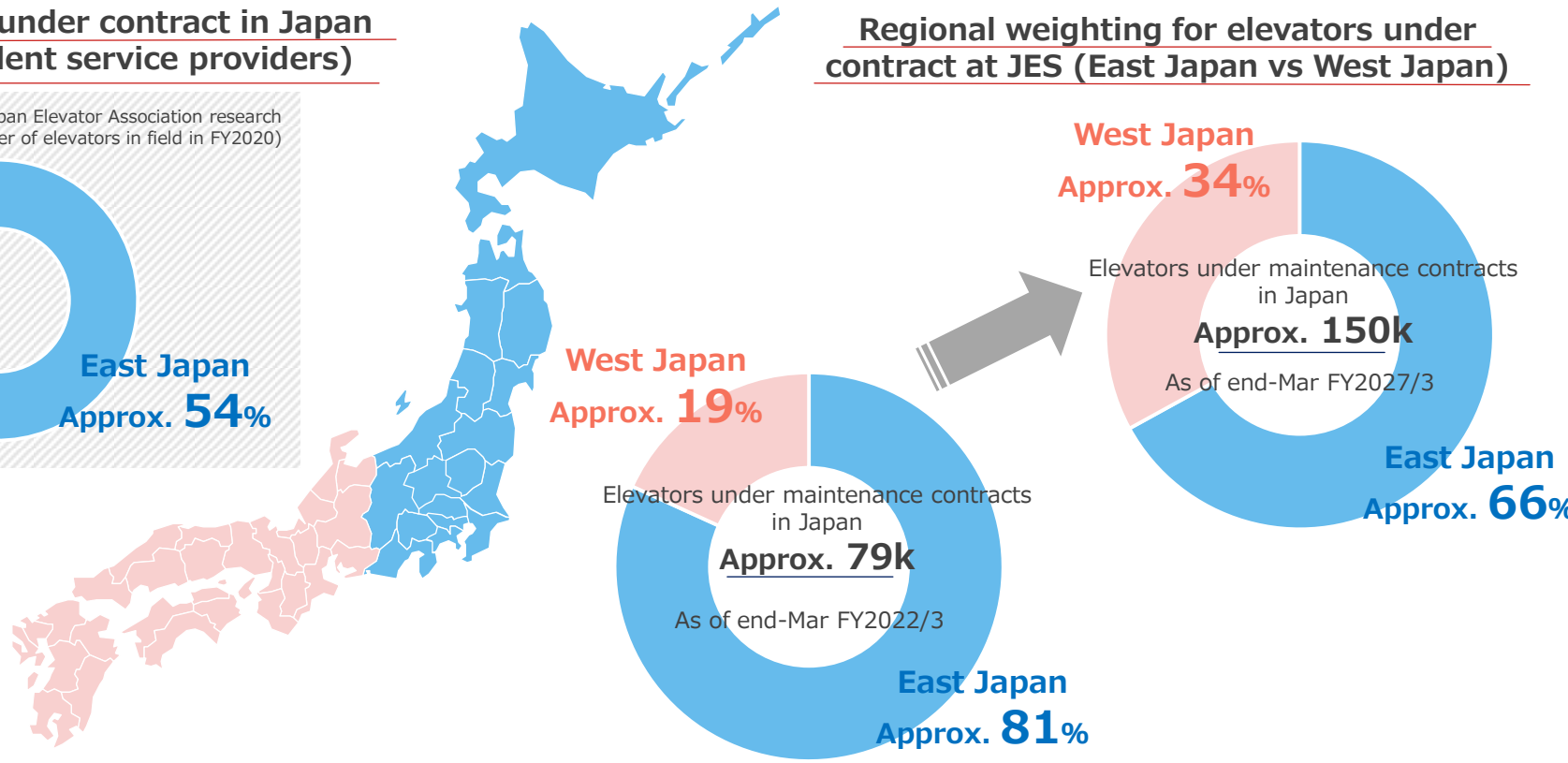


- Carried out upfront investment, focused especially on recruitment, to acquire share in West Japan and other new regions
- Kansai JIC (tentative name) completion slated for March 2024, should drive growth in sales, margins, service capacity
- Operating framework has been put in place to enable full-scale nationwide expansion from historical base of Tokyo, Saitama, Chiba, Kanagawa. Aim to double number of elevators under contract to 150,000 over the next five years

Number of elevators under contract in Japan (excluding independent service providers)



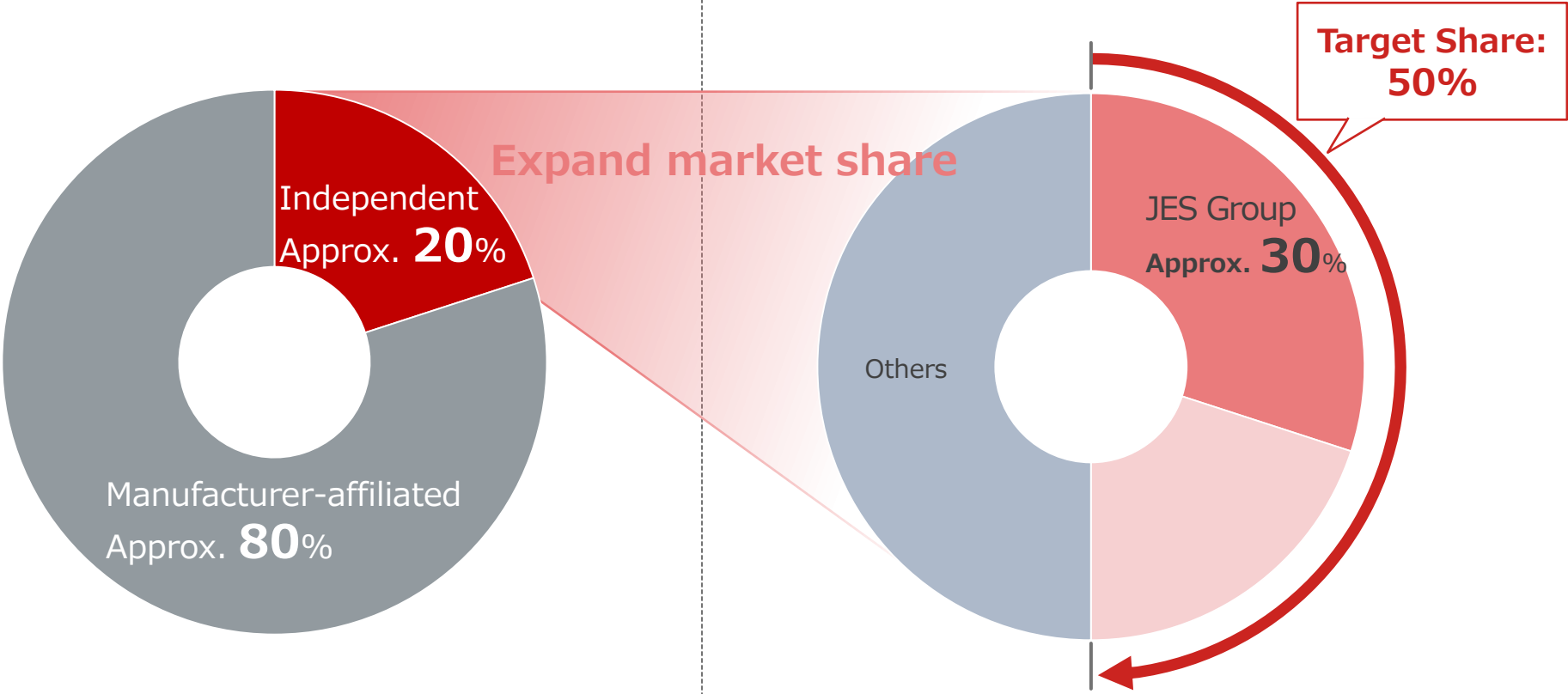
Regional weighting for elevators under contract at JES (East Japan vs West Japan)



Establish overwhelming lead among independent service providers through organic share capture plus M&A-driven operational expansion

Current Situation
Maintenance Ratio Affiliated to Independent

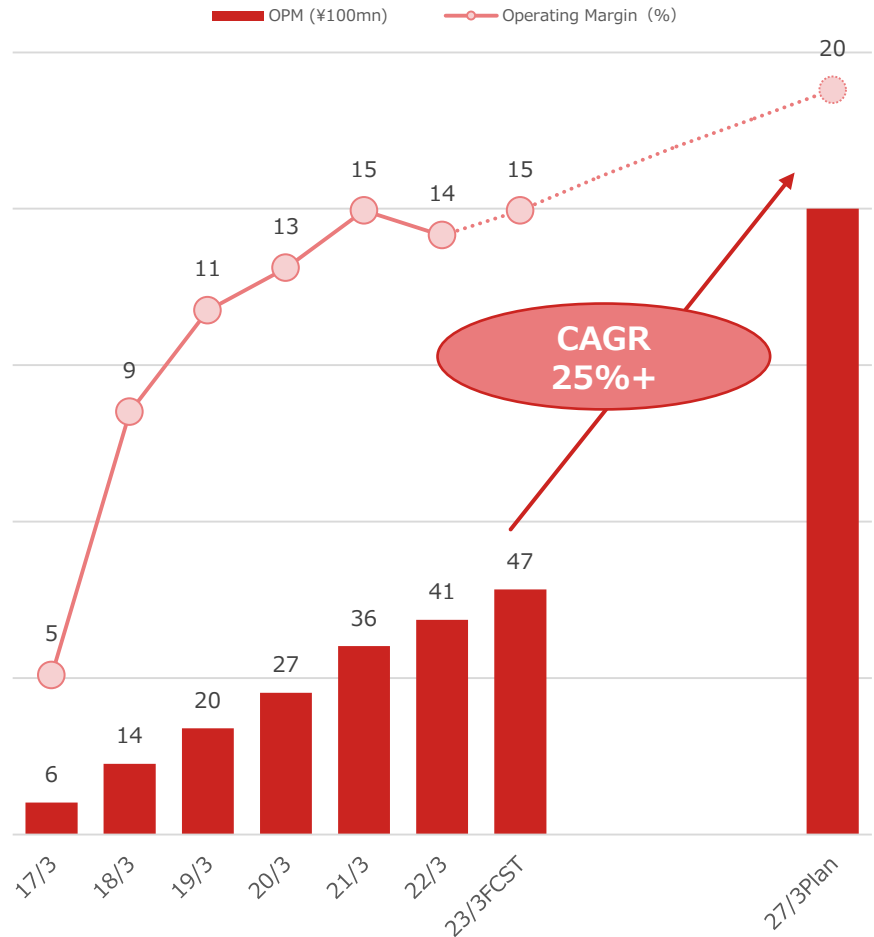
VISION
JES Group share amongst independent maintenance companies



Source: Mitsubishi UFJ Research & Consulting

Productivity-driven profitability improvements through increase in elevators under contract, staff training, digitalization

OPM (%) trends



- 1. Sales growth through increase in elevators under contract**
 - Win contracts on 100,000 elevators, chiefly in East Japan area
 - Obtain market share of 10%, chiefly in West Japan area
 - Potential for growth in Modernization revenue in proportion with growth in elevators under contract
- 2. Raise productivity, service capacity**
 - Increase in number of elevators per employee on increase in number of elevators under contract
 - Improve service capacity through staff training using internal training systems
 - Higher productivity, service capacity on completion of Kansai JIC (tentative name)
- 3. Cost reductions**
 - Use recycled or refurbished products to contribute to ESG
 - Reduce indirect fixed costs, procurement costs as increase in elevators under contract boosts economies of scale

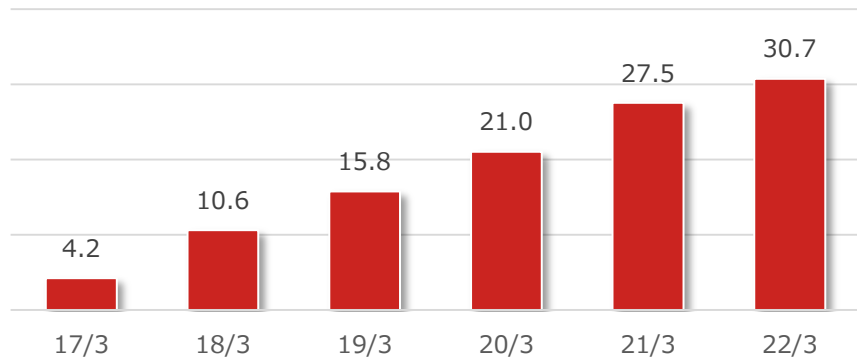
Improved profitability in parallel with number of elevators under contract

OPM: 20%

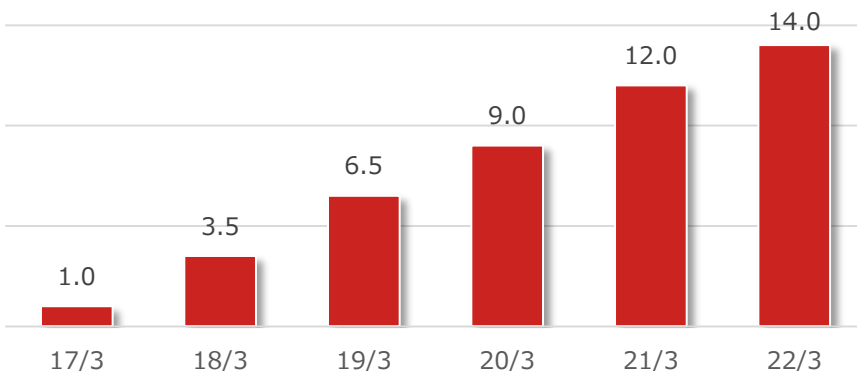
(When elevators under contract reaches 150,000; ex. goodwill amortization)

Stable increase in EPS and DPS; dividend payout ratio of 40% or more

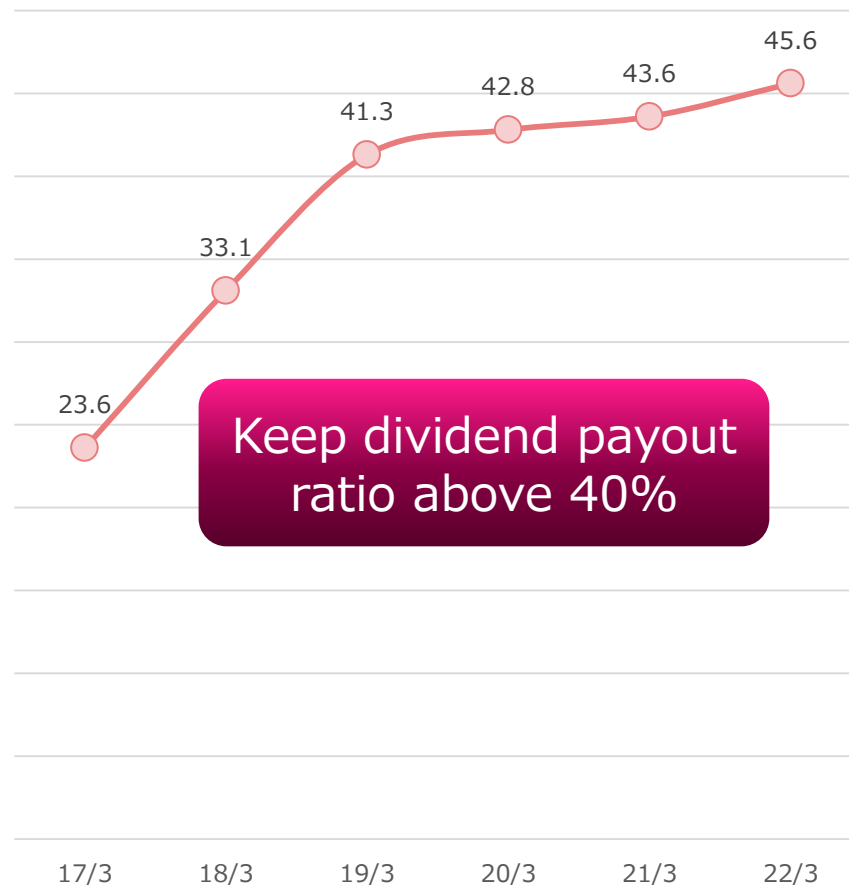
Adjusted EPS (¥)



Adjusted DPS (¥)



Dividend payout ratio (%)



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- While these materials have been prepared based on generally-known economic and social conditions and certain assumptions that we have determined to be reasonable, the information contained herein is subject to change without prior notice for reasons such as changes in the business environment

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