



FY2023/3 First Quarter Results

Japan Elevator Service Holdings

(TSE Prime Market : 6544)

August 9, 2022

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FY2023/3 First Quarter Results

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FY2023/3 Consolidated Financial Forecasts



FY2023/3 First Quarter Results

(million yen)

	FY2022/3 1Q		FY2023/3 1Q		YoY (%)
	Actual	Ratio to sales (%)	Actual	Ratio to sales (%)	
Net sales	6,732	100.0	7,818	100.0	116.1
Cost of sales	4,122	61.2	4,841	61.9	117.4
Gross profit	2,610	38.8	2,977	38.1	114.1
SG&A	1,744	25.9	2,013	25.8	115.4
Operating profit	865	12.9	963	12.3	111.3
Non-operating income	103	1.5	118	1.5	114.9
Non-operating expenses	7	0.1	20	0.3	275.9
Ordinary profit	961	14.3	1,061	13.6	110.4
Extraordinary income	—	—	15	0.2	—
Extraordinary losses	2	0.0	0	0.0	43.2
Profit before income taxes	959	14.2	1,075	13.8	112.2
Profit attributable to owners of parent	605	9.0	694	8.9	114.8

(million yen)

	FY2022/3 1Q		FY2023/3 1Q		YoY (%)
	Amount	Ratio (%)	Actual	Ratio (%)	
Maintenance and Preservation Services	4,970	73.8	5,470	70.0	110.1
Modernization Services	1,606	23.9	2,192	28.0	136.4
Other	154	2.3	155	2.0	100.6
Total	6,732	100.0	7,818	100.0	116.1



FY2023/3 Consolidated Financial Forecasts

Unit: million yen; %	1H			2H			Full year		
	FY 2022/3	FY2023/3 Forecast		FY 2022/3	FY2023/3 Forecast		FY 2022/3	FY2023/3 Forecast	
	Amount	Amount	YoY	Amount	Amount	YoY	Amount	Amount	YoY
Net sales	13,906	15,500	111.5	15,844	16,500	104.1	29,751	32,000	107.6
Operating profit	1,828	2,050	112.1	2,284	2,650	116.0	4,113	4,700	114.3
Ordinary profit	1,932	2,050	106.1	2,293	2,650	115.6	4,225	4,700	111.2
Profit attributable to owners of parent	1,212	1,300	107.2	1,514	1,650	109.0	2,726	2,950	108.2
	Ratio to sales	Ratio to sales		Ratio to sales	Ratio to sales		Ratio to sales	Ratio to sales	
Gross profit margin	38.5	38.6		38.8	40.2		38.6	39.4	
SG&A expenses ratio	25.3	25.4		24.4	24.2		24.8	24.8	
Operating margin	13.2	13.2		14.4	16.1		13.8	14.7	
Ordinary profit margin	13.9	13.2		14.5	16.1		14.2	14.7	
Profit margin	8.7	8.4		9.6	10.0		9.2	9.2	

FY2023/3 Consolidated Financial Forecasts (Sales by Business)

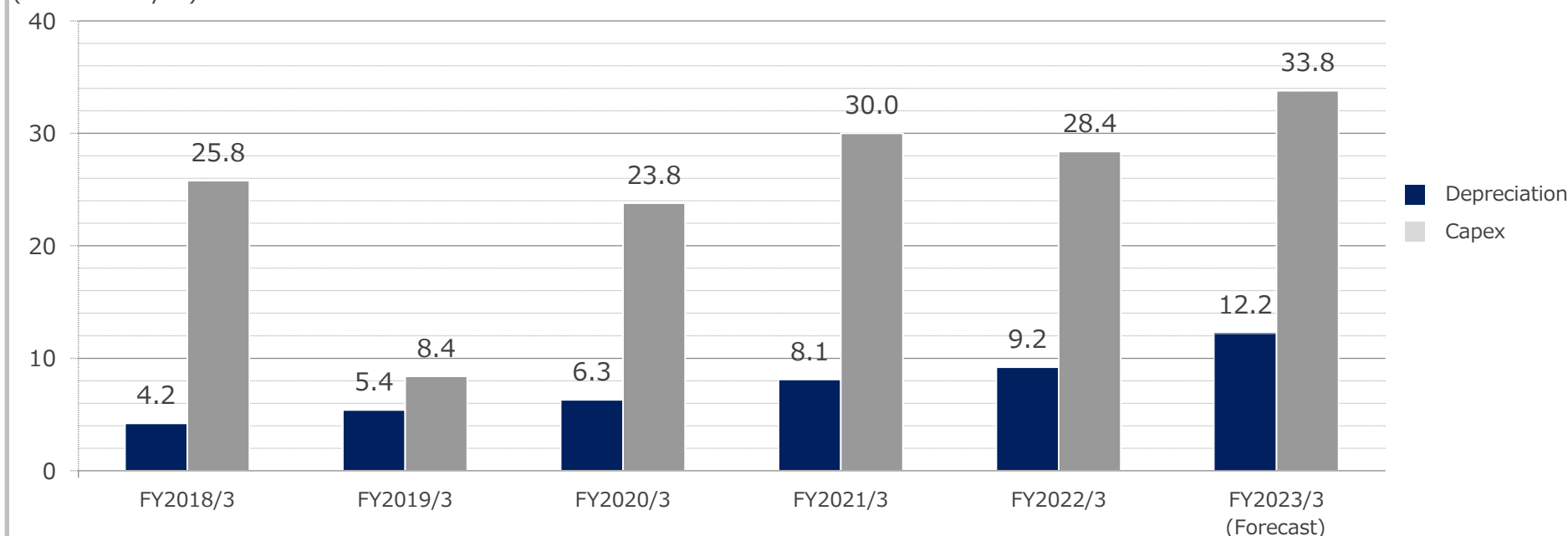
Unit: million yen; %	1H			2H			Full year		
	FY 2022/3	FY2023/3 Forecast		FY 2022/3	FY2023/3 Forecast		FY 2022/3	FY2023/3 Forecast	
	Amount	Amount	YoY	Amount	Amount	YoY	Amount	Amount	YoY
Maintenance and Preservation Services	10,112	11,100	109.8	11,024	11,500	104.3	21,137	22,600	106.9
Modernization Services	3,483	4,100	117.7	4,536	4,700	103.6	8,020	8,800	109.7
Other	310	300	96.6	283	300	105.9	593	600	101.0
Total	13,906	15,500	111.5	15,844	16,500	104.1	29,751	32,000	107.6

(100 million yen)

	FY2022/3	FY2023/3 (Forecast)	Comments
Depreciation	9.2	12.2	
Capex	28.4	33.8	Investment in remote inspection service PRIME

Trends in depreciation and capex

(100 million yen)



Financial Supplement



■ Basic Strategy

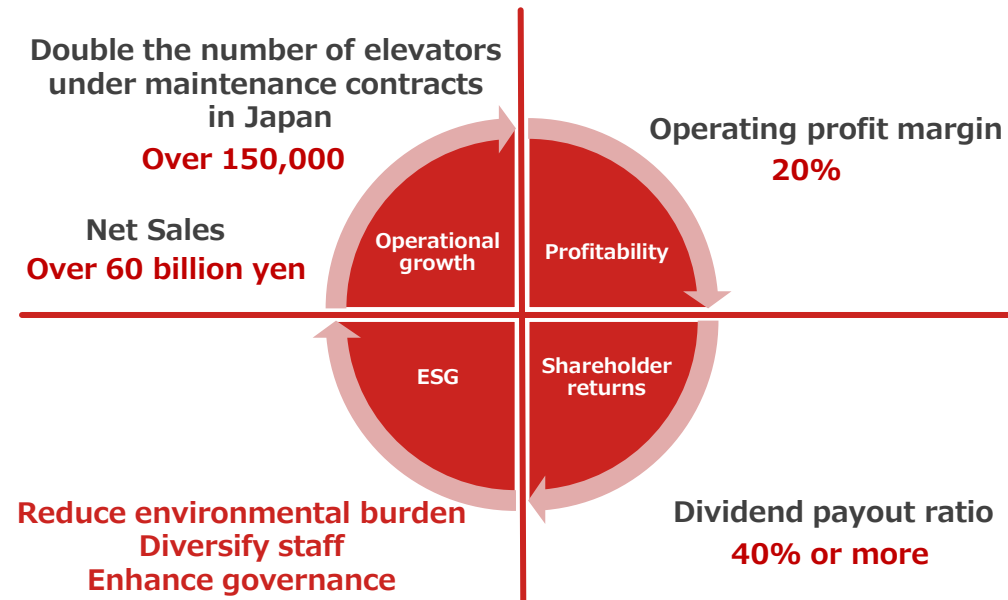
- Aim to accelerate growth and double the number of elevators under contract to more than 150,000 over five years
- As befits our TSE Prime market designation, aim to address social and environmental issues, respond to social change, and achieve sustainable growth in operations and corporate value

■ 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

■ Key Indicators

**Raise corporate value through growth,
prosper together with all stakeholders**

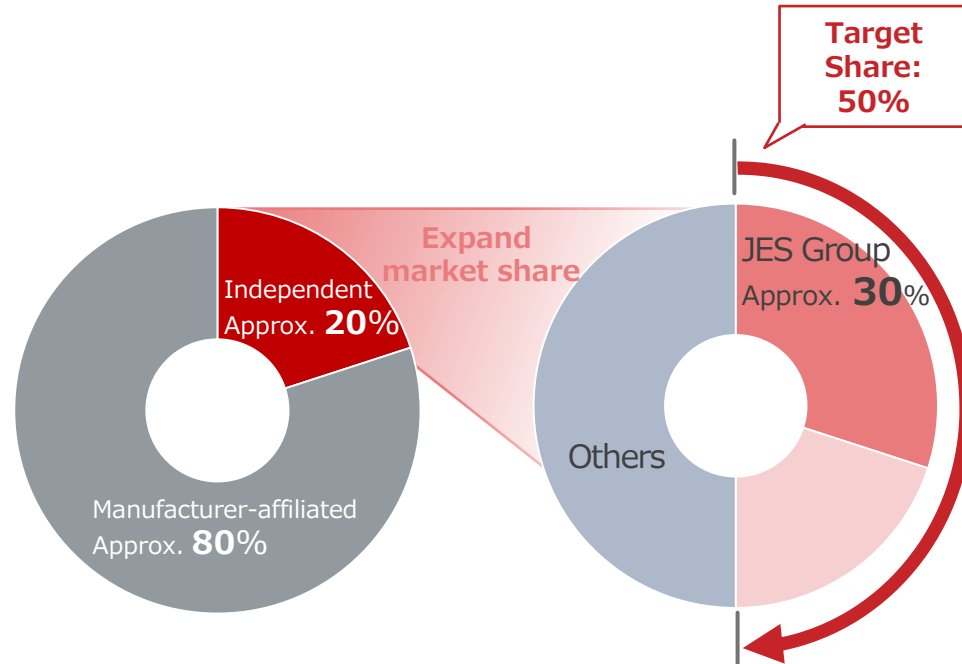


- Growth and profitability metrics to be met by FY2027/3
- OPM excludes goodwill amortization (a transitory item), premised on progress with aggressive M&A

- 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

Maintenance ratio affiliated to independent

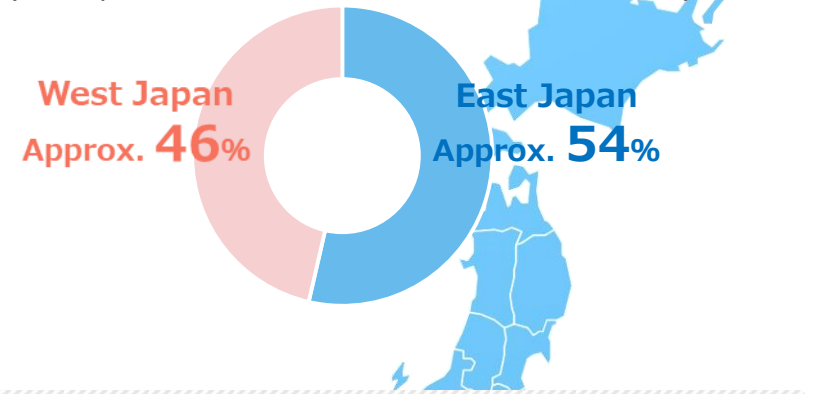
JES Group share amongst independent maintenance companies



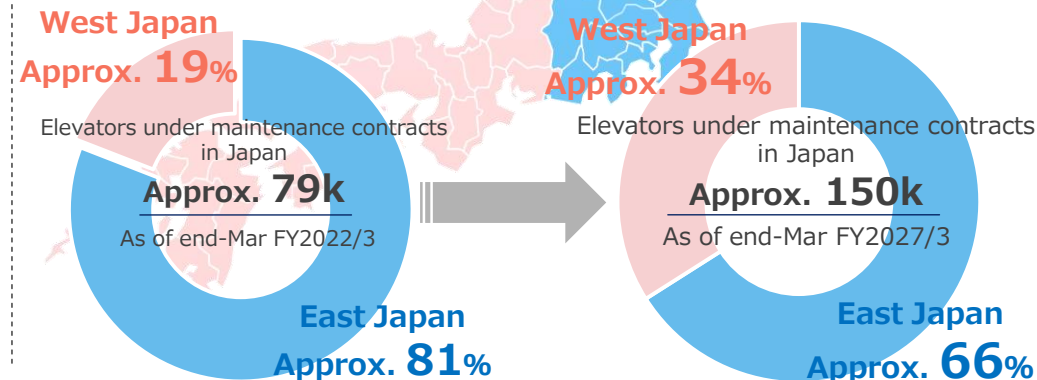
Source: Mitsubishi UFJ Research & Consulting

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

From Japan Elevator Association research
(Survey of number of elevators in field in FY2020)

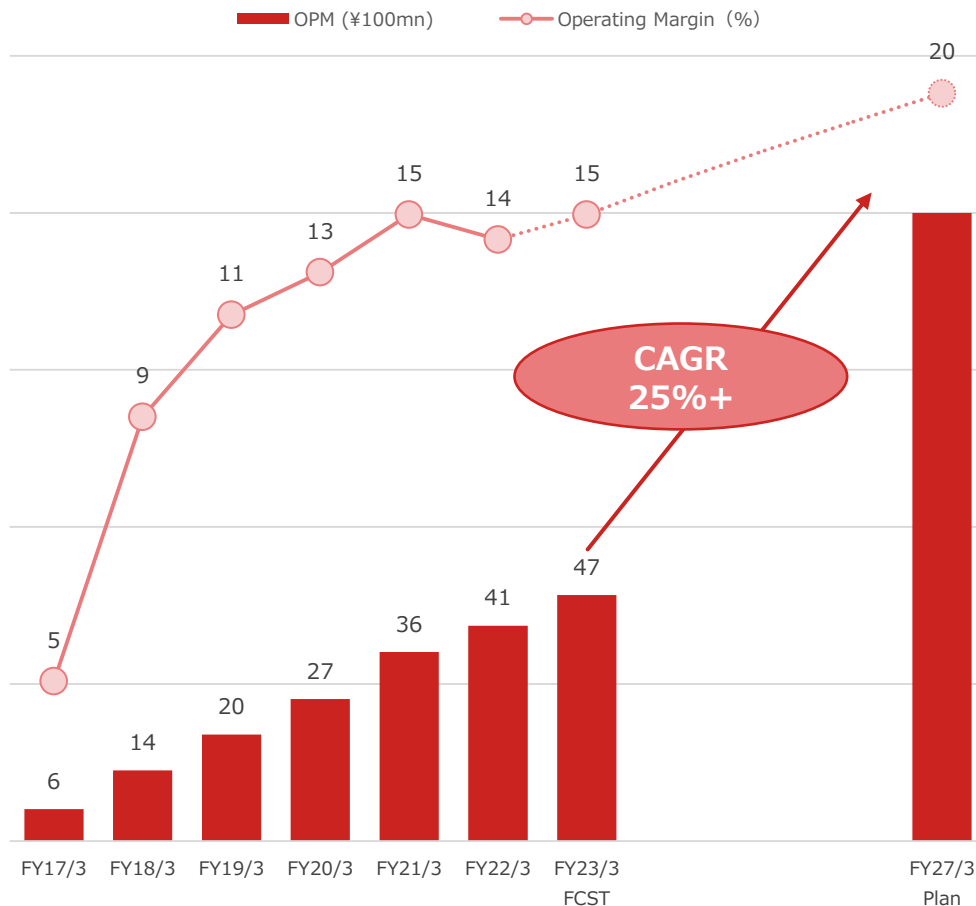


Regional weighting for elevators under contract at JES (East Japan vs West Japan)



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

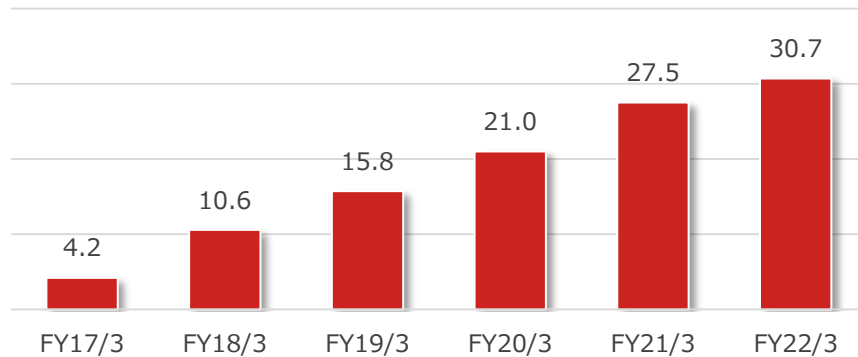
**Improved profitability in parallel
with number of elevators under contract**

OPM: 20%

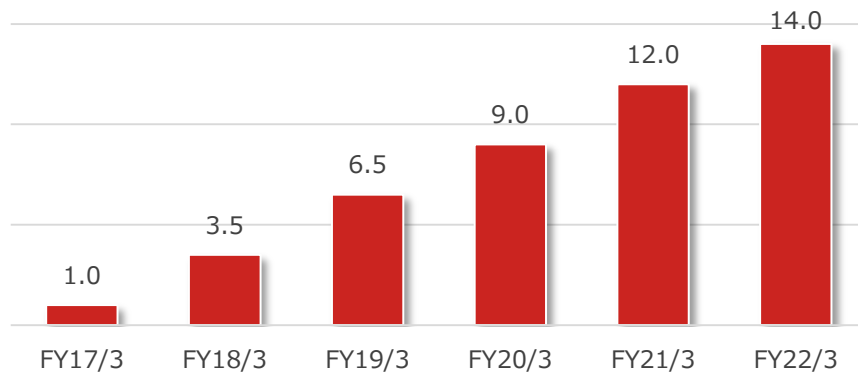
(When elevators under contract reaches 150,000;
ex. goodwill amortization)

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

Adjusted EPS (¥)

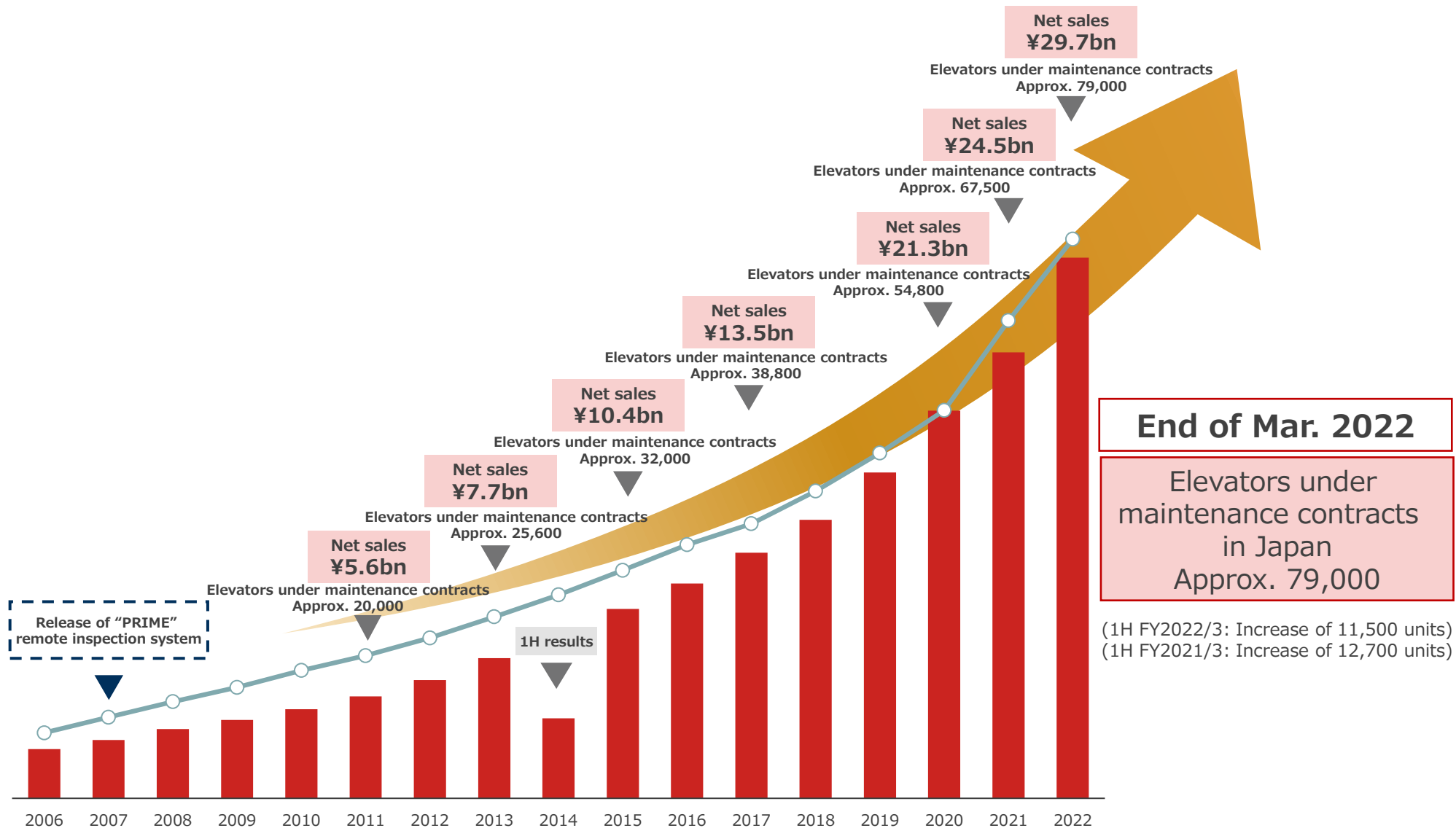


Adjusted DPS (¥)



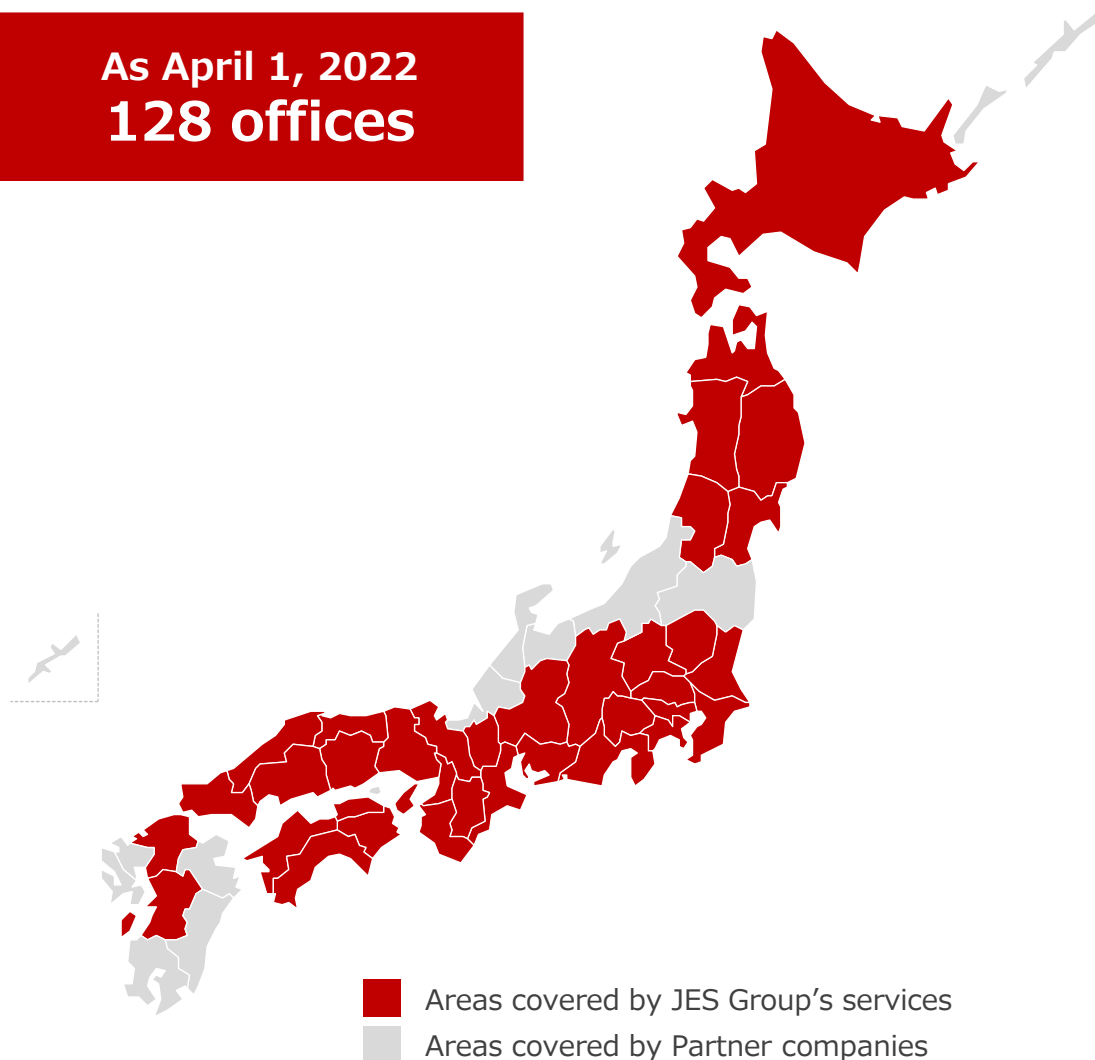
Dividend Payout Ratio (%)





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

As April 1, 2022
128 offices

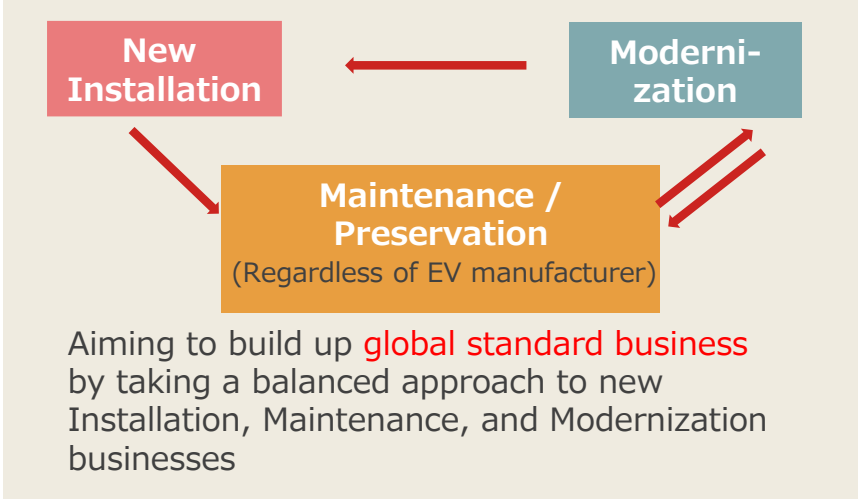


JES HD	: 3 offices
JES Hokkaido	: 9 offices
JES Jyonan	: 17 offices (+1)
JES Jyosai	: 25 offices (+2)
JES Kanagawa	: 20 offices (+1)
JES Tokai	: 9 offices
JES Kansai	: 7 offices (− 2)
JES Chushikoku	: 5 offices (+5)
JES Kyusyu	: 2 office (+1)
Japan Elevator Parts	: 8 offices
Japan Parking Service	: 3 offices

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

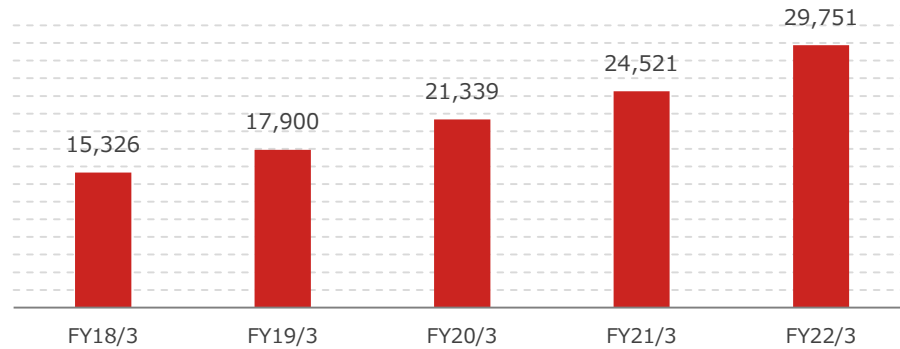
() Movement from end-March 2022
[] Shared office excluded from count

Reference: Future Business Development (Aiming to Build Up Global Standard Business)

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

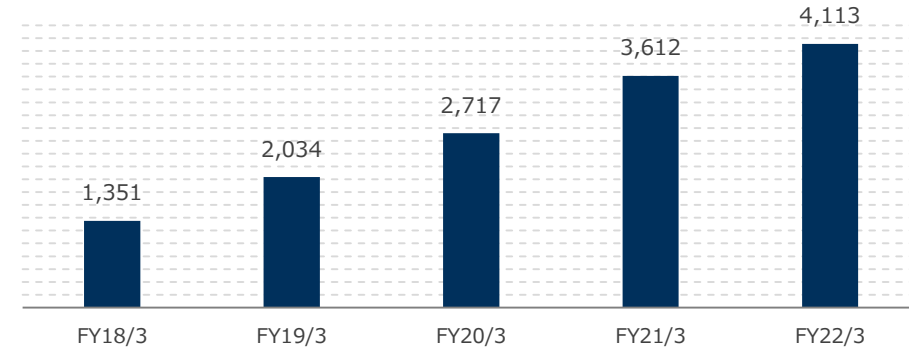
Net sales

(Million yen)



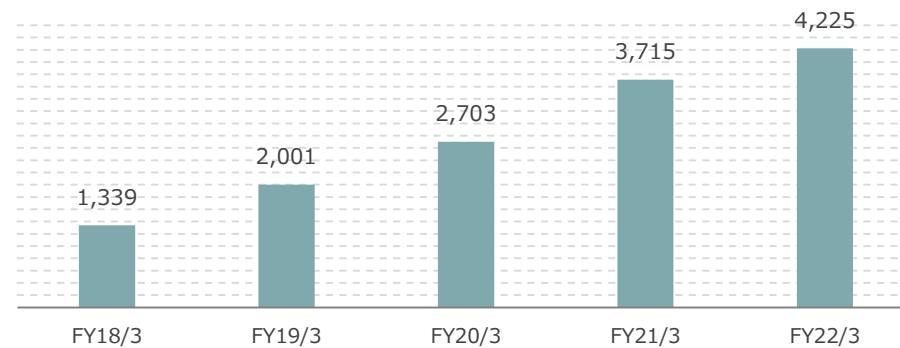
Operating profit

(Million yen)



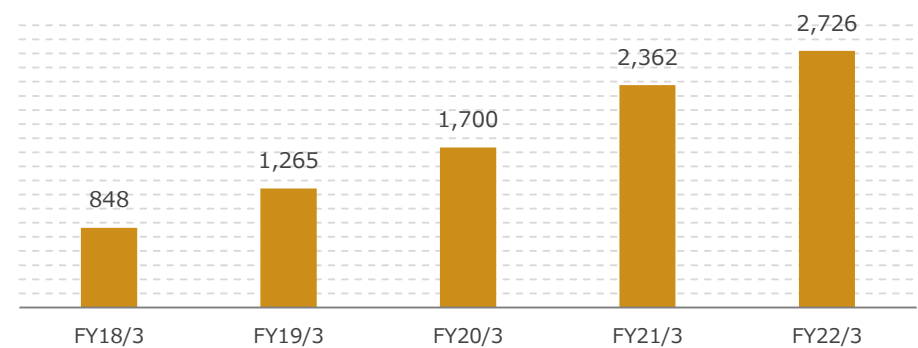
Ordinary profit

(Million yen)



Profit attributable to owners of parent

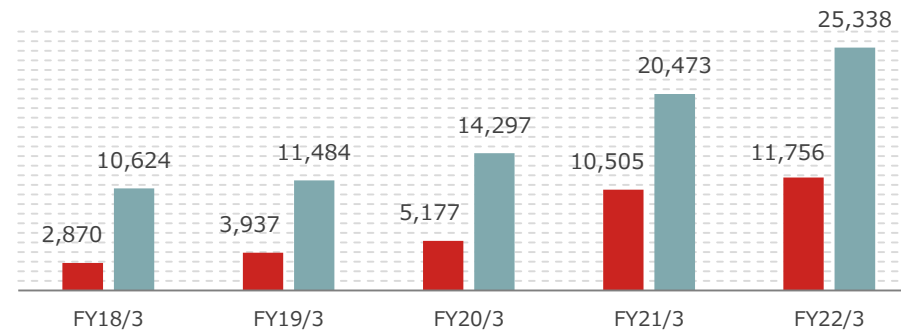
(Million yen)



Net assets / total assets

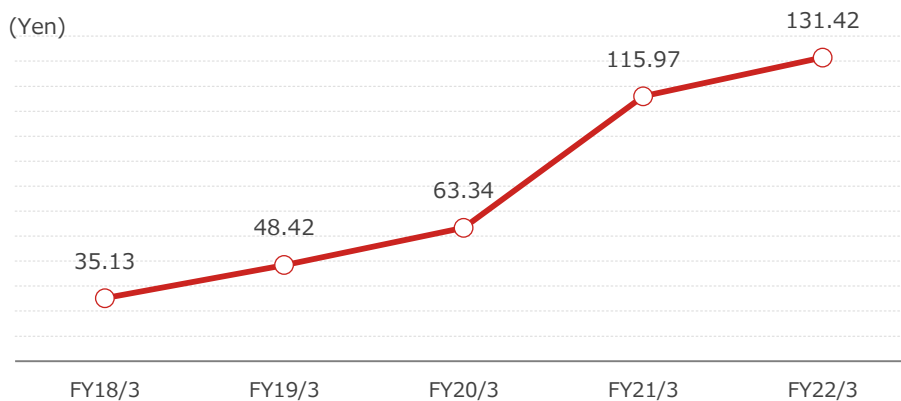
(Million yen)

■ Net assets ■ Total assets



Net assets per share

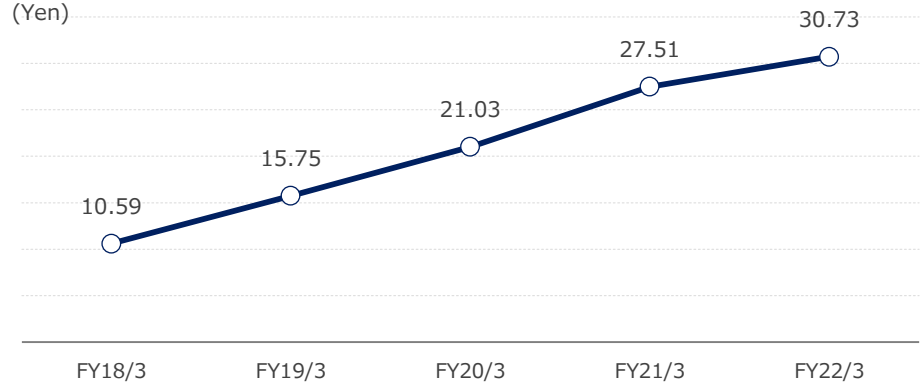
(Yen)



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

Net income per share

(Yen)



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Disclaimer

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

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