



FY2019/3 First Quarter Results

Japan Elevator Service Holdings

TSE Mothers: 6544



Aug 7, 2018

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FY2019/3 Financial Forecasts



FY2019/3 First Quarter Results

FY2019/3 First Quarter Results (Performance)

(million yen)

	FY2018/3 1Q		FY2019/3 1Q		y/y (%)
	Actual	Ratio to sales (%)	Actual	Ratio to sales (%)	
Net sales	3,445	100.0	4,029	100.0	117.0
Cost of sales	2,294	66.6	2,614	64.9	113.9
Gross profit	1,150	33.4	1,414	35.1	123.0
SG&A	943	27.4	1,069	26.5	113.4
Operating income	207	6.0	345	8.6	166.7
Non-operating income	15	0.4	4	0.1	29.9
Non-operating expenses	8	0.2	9	0.2	114.2
Ordinary income	213	6.2	340	8.4	159.1
Extraordinary gain	0	0.0	4	0.1	—
Extraordinary loss	3	0.1	0	0.0	11.7
Net income before taxes	210	6.1	344	8.5	163.3
Net income attributable to owners of the parent	141	4.1	201	5.0	141.9

FY2019/3 First Quarter Results (Sales by Business)

(million yen)

	FY2018/3 1Q		FY2019/3 1Q		y/y (%)
	Amount	Ratio (%)	Actual	Ratio (%)	
Maintenance Services (including Preservation)	2,879	83.6	3,221	79.9	111.9
Modernization Services	561	16.3	799	19.8	142.4
Other	4	0.1	8	0.2	197.1
Total	3,445	100.0	4,029	100.0	117.0



FY2019/3 Financial Forecasts

We expect record high sales, operating income, ordinary income, and net income again in the current fiscal year

This year, we do not expect to book corporate tax reductions, etc. resulting from tax credits for salary growth, a special factor in the previous fiscal year

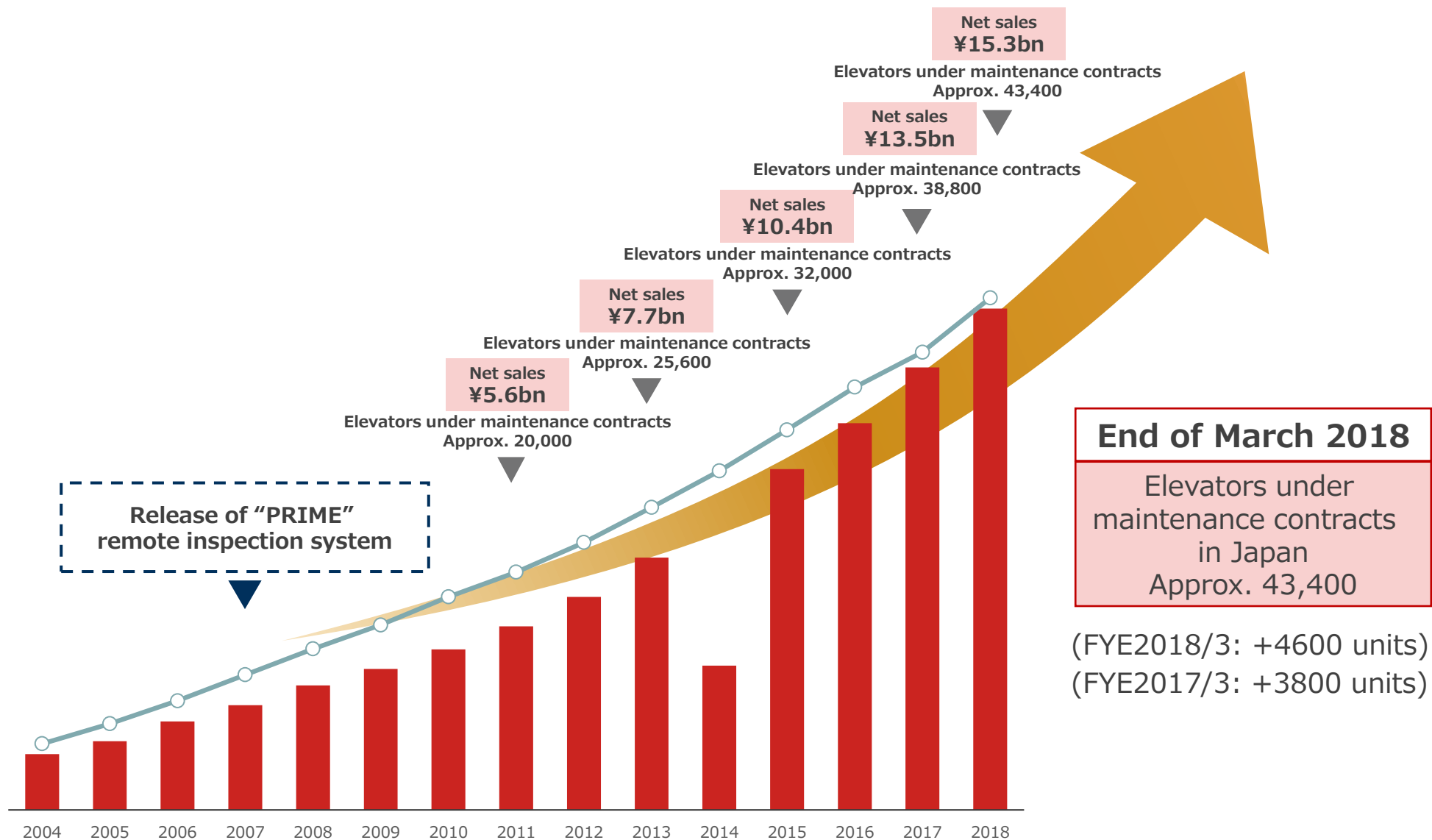
Unit: million yen; %	1H			2H			Full year		
	FY 2018/3	FY2019/3 Forecast		FY 2018/3	FY2019/3 Forecast		FY 2018/3	FY2019/3 Forecast	
	Amount	Amount	y/y	Amount	Amount	y/y	Amount	Amount	y/y
Net sales	7,083	7,900	111.5	8,243	8,900	108.0	15,326	16,800	109.6
Operating income	531	580	109.2	820	1,020	124.2	1,351	1,600	118.3
Ordinary income	530	600	113.1	809	1,000	123.7	1,339	1,600	119.5
Net income attributable to owners of the parent	344	345	100.0	504	575	114.3	848	920	108.5
	Ratio to sales	Ratio to sales		Ratio to sales	Ratio to sales		Ratio to sales	Ratio to sales	
Gross profit margin	34.4	34.8		34.9	36.6		34.7	35.7	
SG&A expenses ratio	26.9	27.5		25.0	25.1		25.9	26.2	
Operating margin	7.5	7.3		10.0	11.5		8.8	9.5	
Ordinary income margin	7.5	7.6		9.8	11.2		8.7	9.5	
Net income margin	4.9	4.4		6.1	6.5		5.5	5.5	

We expect to see continued growth from the previous period
for both Maintenance and Modernization businesses

Unit: million yen; %	1H			2H			Full year		
	FY2018/3	FY2019/3 Forecast		FY2018/3	FY2019/3 Forecast		FY2018/3	FY2019/3 Forecast	
	Amount	Amount	y/y	Amount	Amount	y/y	Amount	Amount	y/y
Maintenance Services (including Preservation)	5,843	6,285	107.6	6,192	6,495	104.9	12,035	12,780	106.2
Modernization Services	1,228	1,601	130.3	2,026	2,382	117.6	3,254	3,983	122.4
Other	12	12	100.0	23	23	100.0	36	36	100.0
Total	7,083	7,900	111.5	8,241	8,900	108.0	15,326	16,800	109.6

Financial Supplement





Note 1: FY2014 is a 6-month period due to the fiscal year-end being adjusted

Note 2: Results are on a consolidated basis for FY2015 and onward

1. Reinforcement of Modernization Business

(1) Split Modernization

(Service name: "Quick Renewal")

- Develop Quick Renewal control panels for 15-16 popular EV types by through enhancement of JIC.
- Launch Quick Renewal services, with prices starting from 2.5 million yen.



Quick Renewal Market in 2years (units)

	Our Clients	Total Market(est)
FY 2018	1,600	40,000
FY 2019	1,600	40,000
Total	3,200	80,000

Quick Renewal will be applied to 9 EV models until end of March, 2020.



We will expand JIC depending on

- ①Modernization Market's response to Quick Renewal
- ②Speed of Modernization Market growth

(2)One-Time Modernization

- Strengthen approach to maintenance clients. (around 43,400 as of March 31, 2018)
- Strengthen efforts to capture other companies' maintenance clients.



2. Media Business

○Launch Media Business to provide additional value to our maintenance business and create another revenue source.

- We will install signage screens with security cameras inside elevators for free to deliver ads and gain ad revenue.

Our service: Lift SPOT

Trials from 23 wards in Tokyo and some major metropolitan areas such as Osaka and Nagoya.

Aim (Aiming) for installation of 10,000 units within 3 years

- We established our subsidiary Elevator Media Co., Ltd. on May 2018 to promote the media business through collaboration with INFORICH INC., which has strengths in developing equipment for signage screens and conducting research for advertisers
- We established our subsidiary Elevator Media Co., Ltd. in May 2018.



Lift SPOT logo



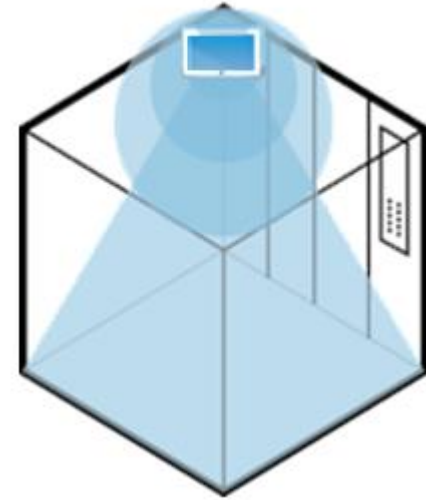
Lift SPOT front

○Value of Lift SPOT

To JES Differentiating our maintenance services from competitors by installing Lift SPOT, as well as:

- ① Accelerating acquisition of new maintenance contracts.
- ② Improving customer satisfaction.
- ③ Receiving ad revenue.

To EV owners Ensuring safety at no extra cost.
Providing convenience.



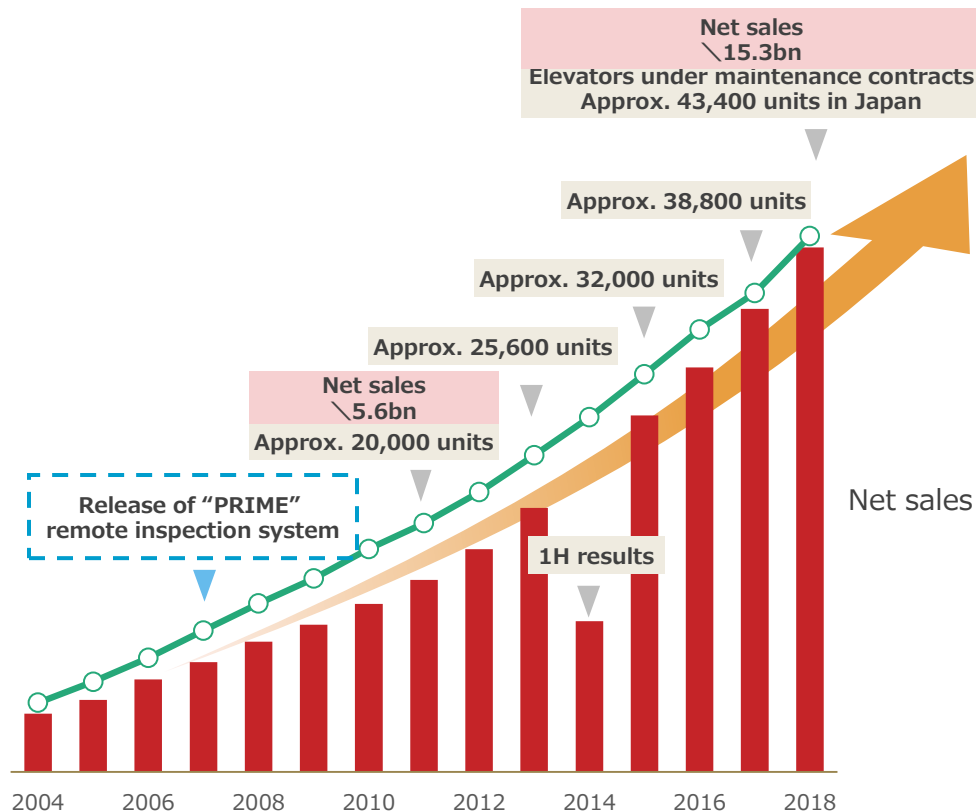
Conceptual diagram of Lift SPOT installation in EV



Lift SPOT in EV

3. Reinforce ability to acquire new maintenance contracts

- Concentrating our efforts on Kansai and the Tokai Region considering market size and our share in both markets.
- In the Kansai Region, our sales performance has been excellent, and we even opened a new office in June 2017.



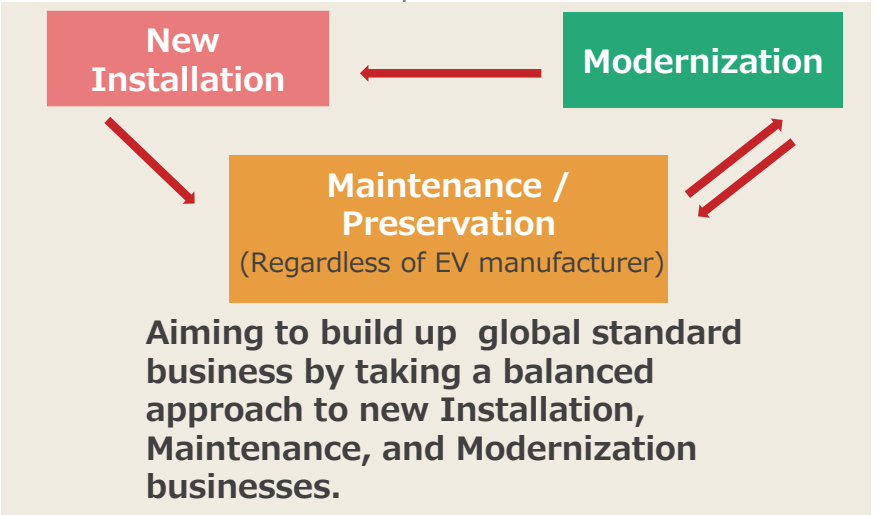
4. Reinforce Repair-Parts

- Factors contributing to reinforcement of repair-parts business.
 - Rising number of discontinued products.
 - EV manufacturers also use repair-parts.
- Effects of reinforcing repair-parts business
 - Ability to offer various services meeting client's needs for Modernization since using repair-parts buys time until Modernization.
 - Repair-parts are more profitable than new parts.
 - Using repair-parts is eco-friendly.

5. Overseas

We are aiming to build up our global standard business through which we operate maintenance, new installation, and modernization businesses in India.

- Since starting the business in January 2017, we have secured over 500 maintenance contracts as of the end of March 2018.
- We have already built up a track of new installations and modernization in India.

Business	Domestic		Overseas	
	Now to 3 years	3 years and onwards	Now to 3 years	3 years and onwards
Maintenance • 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	Developing business in the Indian market	Developing business in Southeast Asian market
Modernization	One-time Modernization: Reinforced sales to clients and others Quick Renewal: Increasing number of new control panels	Provide quality Modernization services to meet customer needs		
New Installation	No plan at present (However, substantial new installation of JES EV in Modernization business)			
New Business (Media Business)	Launch Media businesses to capture business opportunities in EV and to add value to maintenance business		Developing Media businesses in overseas markets	

Profitability

⇒Aiming to reach an ordinary profit ratio 12% in three years

As of June 30, 2018
69 offices

JES Hokkaido
9 offices

JES HD
2 offices

JES Jonan
14 offices

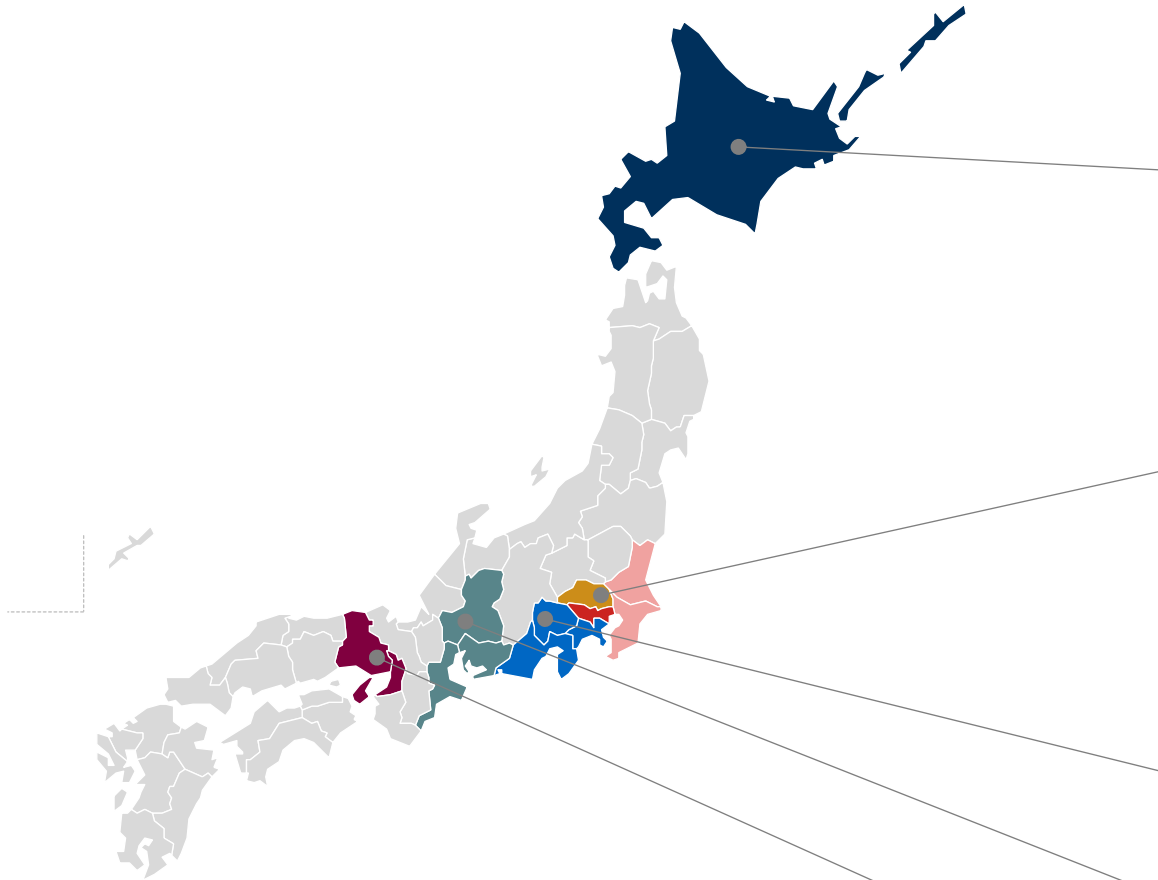
JES Josai
14 offices

Japan Elevator Parts
7 offices

JES Kanagawa
16 offices

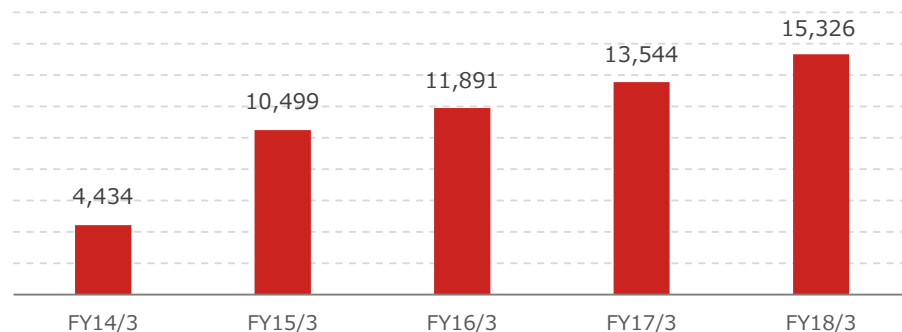
JES Tokai
4 offices

JES Kansai
3 offices



Net sales

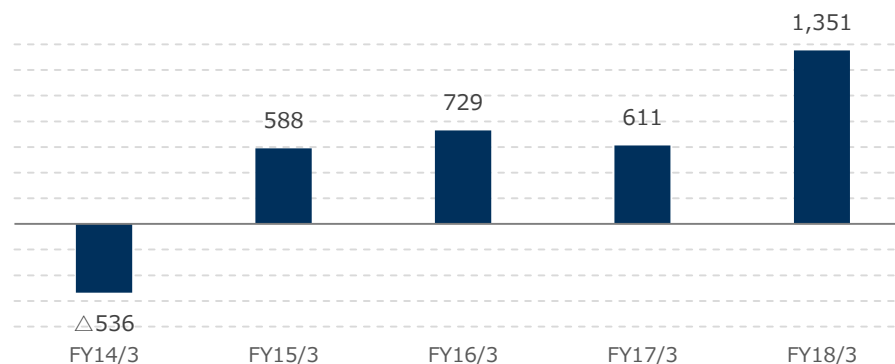
(Million yen)



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

Operating income

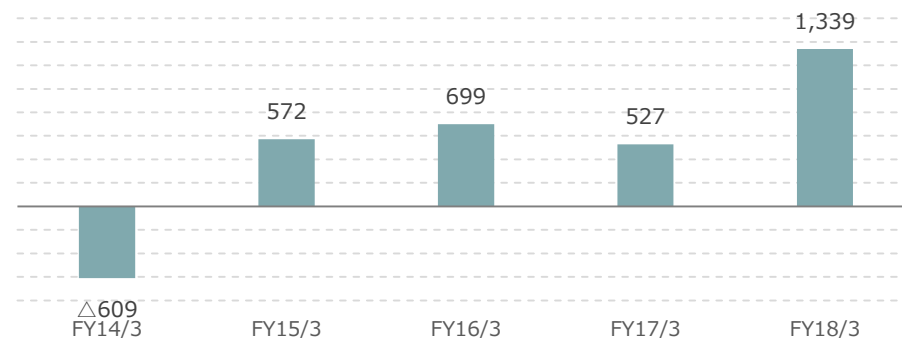
(Million yen)



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Ordinary income

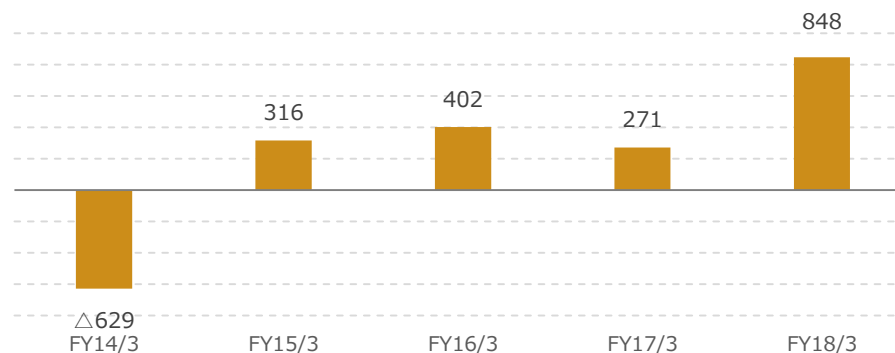
(Million yen)



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Net income attributable to owners of the parent

(Million yen)

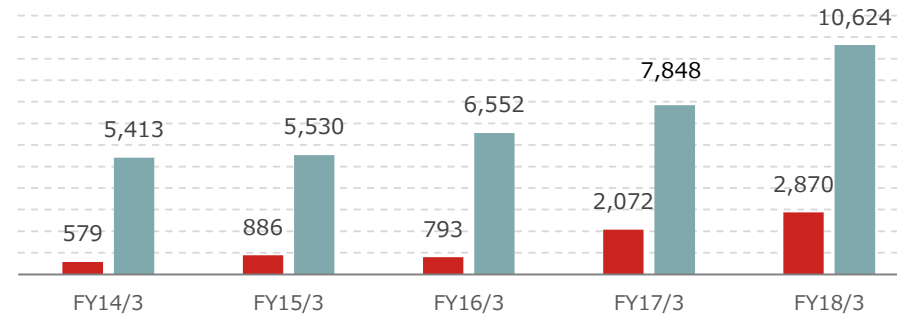


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Net assets / total assets

(Million yen)

■ Net assets ■ Total assets

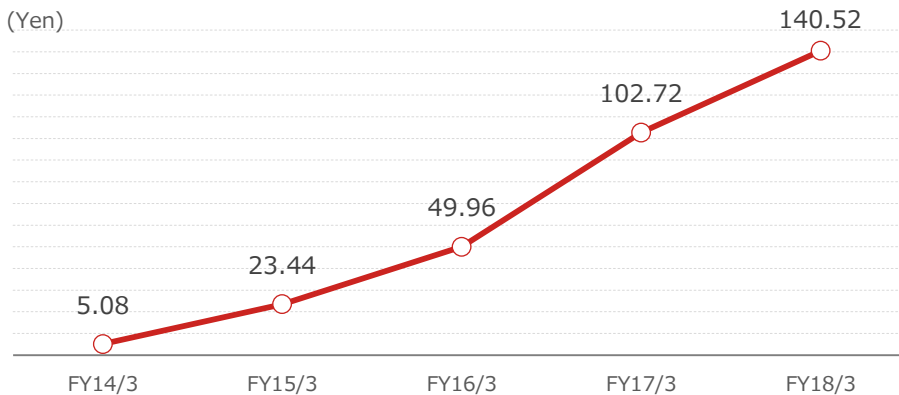


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Net assets per share

(Yen)



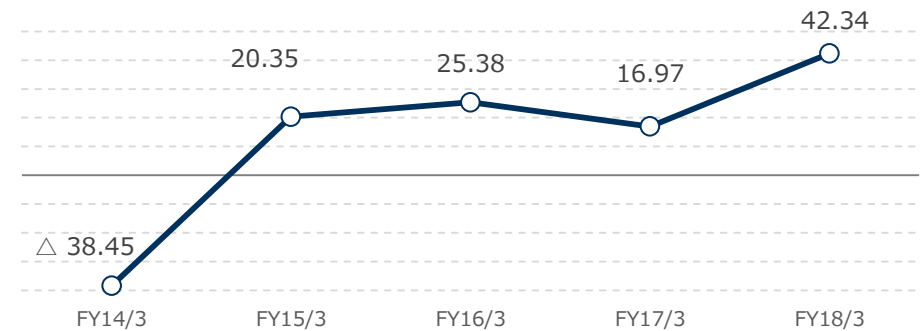
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Note 3: Two-for-one stock split of its common shares was conducted on Oct.1,2017.Figures are considered this stock split.

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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- The data and information in this presentation contains forward-looking statements. These statements are based on certain assumptions underlying current expectations, forecasts, and risks, and carry with them uncertainties which could cause actual results to substantially differ from the projected figures
- These risks and uncertainties include general industry and market conditions, as well as general domestic and international economic conditions, such as changes in interest rates and exchange rates
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