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Annual Securities Report

Filing of report pursuant to Article 24, Paragraph 1 of
the Financial Instruments and Exchange Act

Fiscal Year	From April 1, 2021
(28th)	To March 31, 2022

Japan Elevator Service Holdings Co., Ltd.

1-3-13 Nihombashi, Chuo-ku, Tokyo

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[Cover]

[Documents to be filed]	Annual Securities Report
[Legal basis of documents]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Law
[Filed with]	Director-General of Kanto Finance Bureau
[Date of filing]	June 24, 2022
[Fiscal year]	28th Fiscal Period (April 1, 2021 to March 31, 2022)
[Company name]	ジャパンエレベーターサービスホールディングス株式会社
[English translation name]	JAPAN ELEVATOR SERVICE HOLDINGS CO.,LTD.
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[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

Part I [Corporate Information]

Item 1 [Company Overview]

1. [Trends in Key Management Indicators]

(1) Consolidated Management Indicators

Term		24th	25th	26th	27th	28th
Fiscal Year End		March 2018	March 2019	March 2020	March 2021	March 2022
Net sales	(thousands of yen)	15,326,377	17,900,056	21,339,756	24,521,058	29,751,566
Ordinary profit	(thousands of yen)	1,339,096	2,001,092	2,703,523	3,715,453	4,225,914
Profit attributable to owners of parent	(thousands of yen)	848,087	1,265,257	1,700,610	2,362,590	2,726,613
Comprehensive income	(thousands of yen)	820,078	1,221,661	1,690,273	2,366,025	2,756,961
Net assets	(thousands of yen)	2,870,583	3,937,263	5,177,089	10,505,355	11,756,098
Total assets	(thousands of yen)	10,624,586	11,484,197	14,297,223	20,473,739	25,338,796
Net assets per share	(yen)	35.13	48.42	63.34	115.97	131.42
Earnings per share	(yen)	10.59	15.75	21.03	27.51	30.73
Diluted earnings per share	(yen)	10.36	14.94	19.64	26.67	30.51
Equity ratio (%)	(%)	26.5	34.0	35.9	50.2	46.0
Return on equity	(%)	34.8	37.7	37.6	30.7	24.9
Price / earnings ratio	(times)	54.3	71.4	59.0	86.5	52.0
Cash flows from operating activities	(thousands of yen)	1,725,267	1,617,798	1,963,085	3,018,188	3,005,817
Cash flows from investing activities	(thousands of yen)	(2,828,707)	(736,428)	(2,454,573)	(3,955,439)	(3,279,101)
Cash flows from financing activities	(thousands of yen)	1,257,002	(1,094,497)	593,978	1,460,038	765,202
Cash and cash equivalents at end of year	(thousands of yen)	1,258,477	1,045,641	1,145,583	1,660,207	2,161,938
Number of employees	(person)	998	1,093	1,234	1,398	1,618

(Note) The Company conducted a 2-for-1 stock split of shares of common share on October 1, 2017, a 2-for-1 stock split of shares of common share on October 1, 2018, and a 2-for-1 stock split of shares of common share on January 1, 2021. Therefore, net assets per share, earnings per share, and diluted earnings per share are calculated as if such stock split had been conducted at the beginning of the 24th fiscal year.

(2) Management Indicators of the Filing Company

Term		24th	25th	26th	27th	28th
Fiscal Year End		March 2018	March 2019	March 2020	March 2021	March 2022
Operating revenue	(thousands of yen)	2,713,690	2,962,302	4,916,093	5,365,687	6,293,866
Ordinary profit	(thousands of yen)	450,361	358,608	2,015,631	2,109,683	2,200,738
Profit	(thousands of yen)	333,942	248,388	1,345,034	1,719,421	2,064,818
Share capital	(thousands of yen)	608,445	671,195	700,321	2,460,276	2,480,044
Total number of shares issued and outstanding	(shares)	20,030,000	40,290,800	40,538,600	88,574,000	88,753,600
Net assets	(thousands of yen)	2,096,905	2,187,589	3,067,097	7,553,418	8,564,794
Total assets	(thousands of yen)	8,546,732	8,682,106	10,435,682	15,433,972	19,724,345
Net assets per share	(yen)	25.88	26.86	37.54	85.28	96.52
Dividend per share common share (of which interim dividend per share)	(yen)	14.00 (-)	13.00 (-)	18.00 (-)	12.00 (-)	14.00 (-)
Earnings per share	(yen)	4.17	3.09	16.63	20.02	23.27
Diluted earnings per share	(yen)	4.08	2.93	15.54	19.41	23.11
Equity ratio	(%)	24.3	24.9	29.2	48.9	43.4
Return on equity	(%)	17.2	11.7	51.7	32.5	25.6
Price / earnings ratio	(times)	138.0	363.9	74.6	118.9	68.7
Dividend payout ratio	(%)	84.0	210.4	54.1	59.9	60.2
Number of employees	(person)	128	142	161	184	233
Total shareholder return	(%)	408.8	801.8	890.5	1,703.9	1,161.8
(Comparison index: TOPIX including dividends)	(%)	(115.9)	(110.0)	(99.6)	(141.5)	(144.3)
Stock prices: period high	(yen)	2,325 2,799	3,565 2,398	3,090	5,170 2,767	2,992
Stock Prices: period low	(yen)	994 * 1,083	1,866 * 1,359	1,901	2,280 * 2,036	1,424

(Notes) 1 On October 1, 2017, the Company conducted a 2-for-1 stock split of common shares. As a result, the total number of outstanding shares increased by 10,015,000. In addition, on October 1, 2018, the Company conducted a 2-for-1 stock split of its common share. As a result, the total number of outstanding shares increased by 20,064,000. On January 1, 2021, the Company conducted a 2-for-1 stock split of shares of common share. As a result, the total number of outstanding shares increased by 44,277,000.

2 Dividend payout ratio is calculated by dividing dividend per share of common share by earnings per share.

3 The Company's shares were listed on the Mothers section of the Tokyo Stock Exchange on March 17, 2017, and share prices after that date are those on that market.

4 The Company's stock price was changed to the First Section of the Tokyo Stock Exchange on September 10, 2018, and the share prices after that date are those on the First Section of the Tokyo Stock Exchange.

5 Highest and lowest share prices marked with an asterisk (*) are those after ex-rights due to stock split.

6 The Company conducted a 2-for-1 stock split of shares of common share on October 1, 2017, a 2-for-1 stock split of shares of common share on October 1, 2018, and a 2-for-1 stock split of shares of common share on January 1, 2021. Therefore, net assets per share, earnings per share and diluted earnings per share are calculated based on the assumption that the stock split was conducted at the beginning of the 24th fiscal year.

2. [History]

In October 1994, Mr. Katsushi Ishida, Representative Director CEO, established "Japan Elevator Service Co., Ltd." as a company specializing in the maintenance of elevators and other equipment.

Subsequently, in April 2015, the company was split off and changed its name to "Japan Elevator Service Holdings Co., Ltd." as a holding company.

Time	Events
October 1994	Japan Elevator Service Co., Ltd. is established in Iwamoto-cho, Chiyoda-ku, Tokyo.
April 1999	Head office relocated to Higashi-Kanda, Chiyoda-ku, Tokyo.
May 2007	Developed PRIME, a remote inspection service.
June 2007	A control center dedicated to monitoring and responding to inquiries about the operational status of elevators 24 hours a day, 365 days a year, is established in the head office.
April 2010	KI Holdings, Inc. is established through a share transfer. KI Holdings becomes the parent company of the Company.
March 2014	The Company merged with KI Holdings Co., Ltd., whose business purpose is to manage subsidiaries, and Japan Elevator Service Chiba Co., Ltd. (changed its name to Japan Elevator Parts Co., Ltd. in March 2014), which was a subsidiary of KI Holdings became a subsidiary of the Company. Merged with Step Co., Ltd., whose main business was elevator maintenance.
April 2014	The procurement and sales operations related to elevator and other parts are transferred through an absorption-type demerger to Japan Elevator Parts Co., Ltd.
July 2014	Modernization Headquarters and Japan Elevator Parts Co., Ltd. moved to JES Solution Square (Shiohama, Koto-ku, Tokyo).
July 2014	Subsidiary JAPAN ELEVATOR SERVICE HONG KONG COMPANY LIMITED is established in Hong Kong.
January 2015	Five operating subsidiaries were established prior to the transformation into a holding company on April 1, 2015. (Note)
April 2015	Company name changed to JAPAN ELEVATOR SERVICE HOLDINGS CO., LTD. Through an absorption-type demerger, the Company's business related to maintenance and repair operations was transferred to five operating subsidiaries, and modernization operations were transferred to Japan Elevator Parts Co., Ltd.
October 2015	Acquired shares of Joint Venture Ltd. through JAPAN ELEVATOR SERVICE HONG KONG COMPANY LIMITED and made it an affiliate accounted for by the equity method.
January 2016	Invested in Lighthouse Elevator Engineering Limited, an elevator maintenance company in Hong Kong, through Joint Venture Ltd.
February 2016	Established a subsidiary, Japan Elevator Service India Private Limited, in India.
April 2016	Head office relocated to Nihonbashi, Chuo-ku, Tokyo.
June 2016	JAPAN JINDAL ELEVATOR SERVICE PRIVATE LIMITED is established in India as a joint venture with Jindal Prefab Private Limited.
March 2017	Listed on the Mothers section of the Tokyo Stock Exchange.
May 2017	Japan Elevator Service Kansai Co., Ltd. is established to expand business in the Kansai region.
October 2017	Completed construction of the JES Innovation Center (JIC), a state-of-the-art research facility equipped with the first independent elevator test tower.
May 2018	Elevator Media Co., Ltd. is established to develop an in-elevator video advertising distribution business.
September 2018	The Company share is listed on the First Section of the Tokyo Stock Exchange.
April 2019	Japan Elevator Service Kyushu Co., Ltd. is established to expand business in the Kyushu region. Company acquires Joshin Building Service Co., Ltd. as a subsidiary for the purpose of expanding business in the Shinetsu area.
March 2020	Japan Elevator Service Indonesia was established in Indonesia as a joint venture with PT. Bangun Karunia Prima Langgeng and PT.Cahaya Daya Esa.
April 2020	Seiko Elevator Co., Ltd. becomes a subsidiary.

Time	Events
August 2020	NS Elevator Co., Ltd. becomes a subsidiary.
October 2020	Completed construction of "JES Innovation Center Lab (JIL)" for various research and development activities in the modernization business. Miyoshi Elevator Co., Ltd. and Cosmo Japan Co., Ltd. become subsidiaries.
November 2020	Kansai Elevator Co., Ltd. and Nagano Elevator Co., Ltd. became subsidiaries.
January 2021	Tokyo Elevator Co., Ltd. becomes a subsidiary.
March 2021	With the aim of expanding its business domain, Japan Parking Service Co., Ltd. is established through a merger with NC Holdings, Inc.
May 2021	Toyota Facility Service Co., Ltd. becomes a subsidiary.
July 2021	Ehime Elevator Service Co., Ltd. becomes a subsidiary.
August 2021	Shikoku Shoukouki Service Co., Ltd. becomes a subsidiary.
October 2021	Shikoku Elevator Service Co., Ltd. becomes a subsidiary.
November 2021	JAPAN UNIECO ELEVATOR SERVICE COMPANY LIMITED became a subsidiary.
January 2022	Kanto Elevator System Co., Ltd. becomes a subsidiary.
February 2022	EVOTECH Co., Ltd. becomes a subsidiary.

(Notes) 1 5 operating subsidiaries are: Japan Elevator Service Hokkaido Co., Ltd., Japan Elevator Service Jyonan Co., Ltd., Japan Elevator Service Jyosai Co., Ltd., Japan Elevator Service Kanagawa Co., Ltd., and Japan Elevator Service Tokai Co., Ltd.

2 On April 4, 2022, the Company moved from the First Section to the Prime Market due to the revision of the market classification of the Tokyo Stock Exchange.

3. [Business]

The Group (the Company, consolidated subsidiaries, and equity-method affiliates) consists of the Company as a holding company, 30 consolidated subsidiaries, and 4 equity-method affiliates, and is engaged in a single segment of the maintenance business, which includes maintenance and repair services for elevators and other equipment and modernization services for elevators.

As a holding company, the Company formulates strategies for each group company, provides general management guidance to group companies, and performs maintenance of certain elevators and other equipment.

The Company constitutes as a Specified Listed Company, etc. as defined in Article 49, Paragraph 2 of the Cabinet Office Order on Restrictions on Securities Transactions. As a result, the minor standard of material fact for insider trading regulations shall be determined based on consolidated figures.

The main businesses of our group companies are as follows.

Main Businesses	Main Company
Maintenance and repair services	The Company (Consolidated subsidiaries) Japan Elevator Service Hokkaido Co., Ltd. Japan Elevator Service Jyonan Co., Ltd. Japan Elevator Service Jyosai Co., Ltd. Japan Elevator Service Kanagawa Co., Ltd. Japan Elevator Service Tokai Co., Ltd. Japan Elevator Service Kansai Co., Ltd. Japan Elevator Service Kyushu Co., Ltd. JAPAN JINDAL ELEVATOR SERVICE PRIVATE LIMITED PT. Japan Elevator Service Indonesia JAPAN UNIECO ELEVATOR SERVICE COMPANY LIMITED
Modernization services	(Consolidated subsidiaries) Japan Elevator Service Hokkaido Co., Ltd. Japan Elevator Parts Co., Ltd. JAPAN JINDAL ELEVATOR SERVICE PRIVATE LIMITED PT. Japan Elevator Service Indonesia
Other	(Consolidated subsidiaries) Japan Elevator Parts Co., Ltd. Elevator Media Co., Ltd. Japan Elevator Service India Private Limited
Holding company	The Company (Consolidated subsidiaries) JAPAN ELEVATOR SERVICE HONG KONG COMPANY LIMITED

(1) Business Characteristics

a. Pricing

Since its establishment in October 1994, the Group, as a company specializing in the maintenance of elevators and other equipment, has been providing high-quality maintenance services to ensure that everyone can use elevators with peace of mind under the management philosophies of "Safety above anything else," "No cutting corners even when others don't see it," and "Building on trust. "

At the time of the establishment of the Company, in the elevator maintenance industry, it was common for elevator manufacturers to maintain only their own products through their own maintenance companies or affiliated maintenance companies. As a result, it was difficult for competition to influence prices and service content.

As an independent maintenance company, the Group provides services to its customers at market-competitive prices, free from manufacturer-led prices.

b. Ability to support models made by major Japanese manufacturers

The Group mainly provides maintenance and repair services for models manufactured by major Japanese manufacturers, including Mitsubishi Electric Corporation, Hitachi, Ltd., Toshiba Elevator and Building Systems Corporation, Nippon Otis Elevator Company, and Fujitec Co., Ltd.

As an independent maintenance company, we believe that our group's strength lies in the fact that we have the technical capabilities and engineers to handle models manufactured by various companies.

c. Nationwide network of offices for quick response

The Group operates nationwide, mainly in the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba, and Saitama prefectures), and has established a network of offices with the goal of reaching the site within 30 minutes of being contacted in the event of a life-threatening emergency.

d. Providing total services of maintenance, repair and modernization

When an elevator deteriorates over time after installation, or when its equipment becomes obsolete and no longer meets the needs of the times, the Group can renew major equipment including control panel, hoisting machine, motor, and other major equipment to ensure longer and more efficient use of the elevators (which is called modernization). Our group strives to improve the quality of our services by offering proposals from a total perspective on the life of the elevator, including maintenance after modernization.

As for escalators, we focus on maintenance and repair services for escalators made by major domestic manufacturers, performing maintenance and inspections in principle once a month and periodic inspections once a year as specified by Building Standard Law.

(2) Characteristics of specific products, goods or services

While the Group is comprised of a single segment, the maintenance business, and does not disclose business segments, the business activities of the Group are as follows;

(Maintenance and repair services)

Stairs, escalators, and elevators are the most common means of vertical movement in society, and in today's society, where buildings are becoming taller and taller, elevators and escalators are positioned as very useful means of vertical movement.

On the other hand, elevators, like airplanes and automobiles, are considered to be vehicles that, if not properly maintained and operated, may endanger the safety of users due to "unintended car movement (an event in which the elevator runs with the doors open)," "lock-in failure," "brake failure," and other reasons.

The Group provides maintenance and repair services for elevators and other equipment, placing the highest priority on the safety of users.

a. Maintenance and repair services

As a rule, elevators and escalators must be maintained and inspected once a month and periodically inspected once a year as required by the Building Standard Law.

The Group defines maintenance and repair services as follows

Maintenance services	Legal inspections as stipulated in the Building Standard Law (Maintenance and inspection) ž Cleaning, lubrication, adjustment, replenishment and replacement of consumables (Note 1), etc. ž Inspecting elevators for abnormalities and defects related to damage, deformation, wear, corrosion, noise, and determining whether maintenance or other measures are required (including remote monitoring and remote inspection (Note 2)).
Repair services	Replacement or repair of deteriorated parts, etc., based on reasonable judgment based on inspection results. Depending on the nature of the contract, this may be done for a fee (repair sales) or free of charge.

(Notes) 1 Consumables: Light bulbs in elevators, various fuses, screws and nuts, various relay lead wires, etc.

2 Remote monitoring: The Group's control center shall constantly monitor elevators for abnormalities and malfunctions using communication lines, directly communicate with the control center via intercom in the elevator when a person is trapped in the elevator, and also monitor "trapped failure", "power failure", and other situations.

Remote inspection: In addition to "remote monitoring," control center shall inspect the operational status of the elevator and the normal or abnormal operation of each piece of equipment by using a communication line, targeting the points that need to be inspected for elevator operation.

b. Type of contract

The Group offers two types of contracts: Full Maintenance Contracts (FM Contracts) and Inspection Contracts (POG Contracts).

Contracts are generally for a period of one year, and we continuously provide services and prices that meet the needs of our clients.

Contract type	Summary of contract
FM Contracts	A contract that provides for periodic maintenance and inspection of equipment and devices, as well as replacement and repair of deteriorated parts based on reasonable judgments based on inspection results.
POG Contracts	POG stands for "Parts, Oil, and Grease," and this contract only covers periodic maintenance and inspection of equipment and devices and does not include replacement or repair of deteriorated parts.

c. Policy on services for maintenance and repair work

(i) The Group conducts inspections of items specified in Building Standard Law (legal inspections) at our Inspection Section, which is independent of the engineers who perform routine maintenance and inspections. At the same time, the Group positions inspection work as a quality audit of maintenance and inspections, and strives to maintain and improve service quality.

(ii) Architecture repair Maintenance and inspection manuals based on common specifications for operations (Note 1) and manufacturer's instruction manuals

Based on the common specifications for building repair work, the Group has developed its own manuals for maintenance work on elevators (machine room-less (Note 2), rope-type, and hydraulic type) and escalators.

(iii) Inspection checklist

In performing maintenance work, check sheets linked to manuals are used to prevent inspection omissions.

(iv) Sharing and utilization of empirical examples

Parts replacement procedures and past failure cases experienced in the field are shared in the form of "adjustment guidelines" and "failure case reports" to improve the accuracy of inspections and parts replacement work.

(v) Reporting of inspection results and inspections

We prepare and issue "Periodic Inspection Reports," "Maintenance and Construction Work Reports," and "Remote Inspection Reports" for each of the annual periodic inspection, regular manned inspection, and remote inspection.

(vi) If, as a result of inspections, replacement or repair of deteriorated parts is required, the Company will, in principle, respond with safety-conscious parts, mainly genuine parts from the manufacturer.

(Notes) 1 Specifications of work standards for periodic inspections, daily inspections, maintenance, operation and monitoring of buildings established by the Ministry of Land, Infrastructure, Transport and Tourism.

2 Machine room-less elevators are classified as rope-type elevators, which do not have a machine room and all elevator equipment is housed in the hoistway.

d. Control Center

The Group's control center monitors elevator conditions 24 hours a day, 365 days a year to ensure prompt response to any problems that may occur.

Control Center Functions

Control with "PRIME	The remote diagnosis operation and remote monitoring status management of our group's remote inspection service "PRIME" enables us to constantly monitor the condition of elevators and take immediate action in the event of an abnormality.
Control with GPS	Our control center constantly manages the location and status of the engineers via GPS, making it possible to dispatch an engineer in an emergency (while simultaneously transmitting details of the elevator's malfunction) and to centrally manage reports from the engineers.
Support by telephone line	Direct calls are made to and from passengers in the elevator. Specialized staffs are always on standby and can call directly to check and respond to the situation from the elevator's occupants.

e. Remote inspection service "PRIME"

This is a remote inspection service developed originally by the Group. With "PRIME," it is possible to predict abnormalities through automatic diagnostic operation, and with internet connection we can remotely monitor, identify problems in advance, and perform maintenance. We have acquired patents for the various technologies used in PRIME, and they make a significant contribution to the detailed assessment of conditions and prompt response that are essential for elevator maintenance.

In addition, we believe that the Group's technological capability to adapt "PRIME" to each model of major Japanese manufacturers is one of its strengths.

(Note) There are some models, such as older models that do not use a circuit board and latest elevators that have only recently been installed, for which we are unable to install PRIME. Instead of "PRIME," we are installing "PRIME Lite," which excludes remote diagnostic functions.

(Modernization services)

In maintenance and repair services, maintenance, inspection, replacement of parts, and repairs are performed to maintain performance and safe operation. However, even with proper management, elevators deteriorate over time. The legal depreciable life of an elevator is 17 years, and according to a life cycle assessment by the Building and Equipment Life Cycle Assessment Association (BELCA), the expected life of a standard elevator is 25 years.

In addition, when a long period of time has passed since the production, manufacturers may stop supplying maintenance parts due to difficulties in obtaining the elements and materials that make up maintenance parts, which may make it difficult for us to replace or repair parts for models that are currently in operation.

In light of this situation, our group mainly targets elevators that have been installed for about 20 years or so and carries out complete replacement work (modernization) of major components such as control panels and hoisting machines, as well as removal and installation of existing products, in order to improve reliability, safety, and operating efficiency.

In the modernization business, the Group receives orders, determines construction details, and corresponds with the government, and mainly uses subcontractors for construction.

a. Types of elevator modernization

Control system modernization	We will update mainly the control system.
Part-replacement modernization	We will remove and install a new unit, utilizing a portion of the existing one (parts fixed to the building, such as doorway frames, thresholds, guide rails, etc.).
Total-replacement modernization	All existing equipment will be removed and a new state-of-the-art elevator will be installed.

b. Major modernization work performed by the Group

	Characteristics	Contents and Effects
Safety and Security	Elimination of step difference	Prevent tripping when getting on and off elevators
	Wheelchair-accessibility	Lower operation panel, rear view mirror, handrail, and photoelectric multi-axis sensor for wheelchair users
		Extended door release time and reduced door closing speed
	Reinforcement of earthquake countermeasures	Earthquake controlled operation with P-wave sensor and restart function during earthquake
	Seismic retrofitting work	Compliance with the 2009 edition of the Guidelines for the Seismic Design and Construction of Elevators and Escalators and the 2014 edition of the Guidelines for the Seismic Design and Construction of Elevators (see note)
Comfort and Ecology	Introduction of inverter control	Smooth ride with minimal vibration and noise
		Reduced power consumption and carbon dioxide emissions
	Operation Panel Indicator Digital display Adoption of liquid crystal display	Improved visibility
Improved design	Adoption of LED ceiling in elevator, latest design materials and colors around side panels, floor, and door halls	Allows for the provision of sophisticated spaces

(Notes) 1 2009 revision: Cages (box-like structures for people to ride on) during earthquakes, rail strength reinforcement of balancing weights, and protective measures to ensure operational safety.
2014 revision: implementation of structural strengthening reinforcement of machine beds and balancing weights.

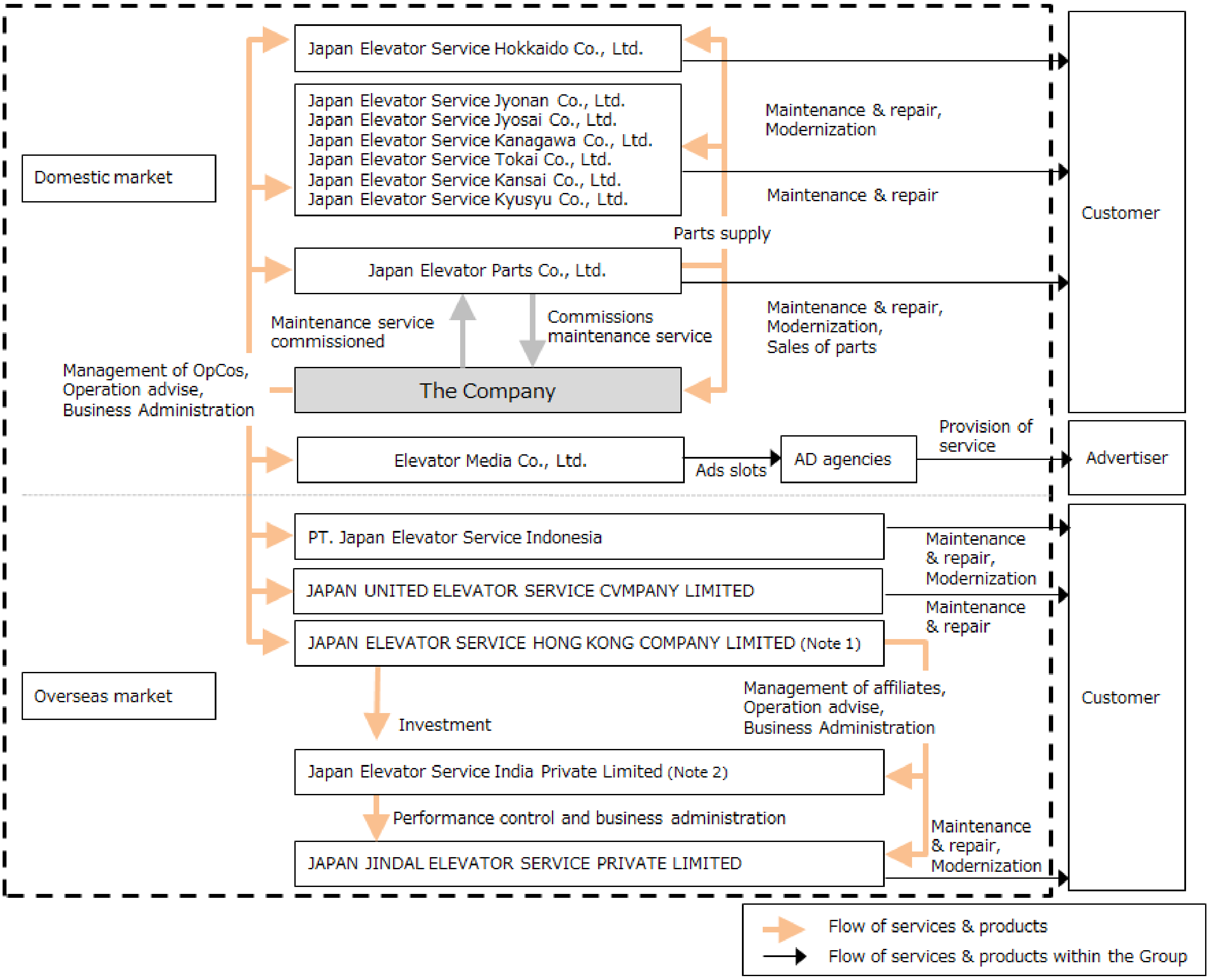
(Other)

The company sells maintenance parts for elevators and other equipment through Japan Elevator Parts Co., Ltd.

Elevator Media, Co., Ltd. provides media services for elevators. This business is intended to improve the convenience and safety of the elevator by installing flat display panel with built-in security camera in the elevator and providing security services in addition to advertising distribution services, which we believe will provide new added value to our maintenance operations.

The following chart shows the main business activities of the Company and its group companies.

[Business Chart]



(Notes) 1 JAPAN ELEVATOR SERVICE HONG KONG COMPANY LIMITED is mainly engaged in market research in Asia (excluding Japan) and investment in local elevator and related companies, including Joint Venture Ltd. and Japan Elevator Service India Private Limited.

2 Japan Elevator Service India Private Limited is mainly engaged in investment in elevator maintenance companies in India.

4. [Affiliated Companies]

Company	Address	Capital (thousand yen)	Principal Businesses	Percentage of voting rights held (%)	Relation with the Company
(Consolidated subsidiary) Japan Elevator Service Hokkaido Co., Ltd.	Toyohira-ku, Sapporo, Hokkaido	10,000	Maintenance, repair and modernization of elevators, etc.	100.0	Management guidance, business administration, etc. Directors serve concurrently.
Japan Elevator Service Jyonan Co., Ltd. (Note) 1,6	Chiyoda-ku, Tokyo	10,000	Maintenance and repair services for elevators, etc.	100.0	Management guidance, business administration, etc. Directors serve concurrently.
Japan Elevator Service Jyosai Co., Ltd. (Note) 1,7	Shinjuku-ku, Tokyo	10,000	Maintenance and repair services for elevators, etc.	100.0	Management guidance, business administration, etc. Directors serve concurrently.
Japan Elevator Service Kanagawa Co., Ltd. (Note) 1,8	Kanagawa-ku, Yokohama City, Kanagawa	10,000	Maintenance and repair services for elevators, etc.	100.0	Management guidance, business administration, etc. Directors serve concurrently.
Japan Elevator Service Tokai Co., Ltd.	Naka-ku, Nagoya City, Aichi	10,000	Maintenance and repair services for elevators, etc.	100.0	Management guidance, business administration, etc. Directors serve concurrently.
Japan Elevator Service Kansai Co., Ltd.	Chuo-ku, Osaka City, Osaka	10,000	Maintenance and repair services for elevators, etc.	100.0	Management guidance, business administration, etc. Directors serve concurrently.
Japan Elevator Service Kyushu Co., Ltd.	Hakata-ku, Fukuoka City, Fukuoka	10,000	Maintenance and repair services for elevators, etc.	100.0	Management guidance, business administration, etc. Directors serve concurrently.
Japan Elevator Parts Co., Ltd. (Note) 1,9	Wako-shi, Saitama	10,000	Elevator modernization services and storage and sales of elevator and related parts	100.0	Management guidance, business administration, etc. Supplies elevator and escalator related parts to our group. Directors serve concurrently.
JAPAN ELEVATOR SERVICE HONG KONG COMPANY LIMITED (Note 1,2)	Hong Kong SAR, China	HK$52,900 thousand	Other	100.0	Management guidance, business administration, etc. Directors serve concurrently.
Japan Elevator Service India Private Limited (Note 1,3,4)	Haryana, India	307,426 thousand Indian rupees	Other	100.0 (74.2)	Directors serve concurrently.
Other consolidated subsidiaries: 20					

Company	Address	Capital (thousand yen)	Principal Businesses	Percentage of voting rights held (%)	Relation with the Company
(Affiliate accounted for by the equity method) Lighthouse Elevator Engineering Limited (Note 4)	Hong Kong SAR, China	HK$4,500 thousand	Maintenance and repair services for elevators, etc.	27.0 (27.0)	Investment Directors serve concurrently.
Other equity-method affiliates: 3 companies					

(Notes) 1 It is a specified subsidiary.

2 JAPAN ELEVATOR SERVICE HONG KONG COMPANY LIMITED is mainly engaged in market research in Asia (excluding Japan) and investment in local elevator and related companies.

3 Japan Elevator Service India Private Limited is primarily engaged in investing in elevator maintenance companies in India.

4 Figures in parentheses in the voting rights ownership ratio include the indirect ownership ratio.

5 No company has filed a securities registration statement or securities report.

6 For Japan Elevator Service Jyonan Co., Ltd., sales (excluding inter-company sales among consolidated companies) account for more than 10 % of consolidated sales.

Main Profit and Loss Information for the fiscal year Ended March 31, 2022

(i) Net sales	5,340,883 thousand yen
(ii) Ordinary profit	931,286 thousand yen
(iii) Profit	607,504 thousand yen
(iv) Net assets	1,001,036 thousand yen
(v) Total assets	1,417,652 thousand yen

7 For Japan Elevator Service Jyosai Co., Ltd., sales (excluding inter-company sales among consolidated companies) account for more than 10 % of consolidated net sales.

Main Profit and Loss Information for the fiscal year Ended March 31, 2022

(i) Net sales	4,907,234 thousand yen
(ii) Ordinary profit	625,287 thousand yen
(iii) Profit	434,996 thousand yen
(iv) Net assets	535,272 thousand yen
(v) Total assets	868,092 thousand yen

8 For Japan Elevator Service Kanagawa Co., Ltd., sales (excluding inter-company sales among consolidated companies) account for more than 10 % of consolidated net sales.

Main Profit and Loss Information for the fiscal year Ended March 31, 2022

(i) Net sales	3,761,193 thousand yen
(ii) Ordinary profit	578,497 thousand yen
(iii) Profit	400,726 thousand yen
(iv) Net assets	496,366 thousand yen
(v) Total assets	752,743 thousand yen

9 For Japan Elevator Parts Co., Ltd., sales (excluding inter-company sales among consolidated companies) account for more than 10 % of consolidated net sales.

Main Profit and Loss Information for the fiscal year Ended March 31, 2022

(i) Net sales	10,592,232 thousand yen
(ii) Ordinary profit	1,213,342 thousand yen
(iii) Profit	803,972 thousand yen
(iv) Net assets	997,702 thousand yen
(v) Total assets	3,320,390 thousand yen

5. [Employees]

(1) Consolidated Companies

As of March 31, 2022

Name of segment	Number of employees (persons)
Maintenance Business	1,618

(Notes) 1 The number of employees is the number of full-time employees (excluding employees transferred from the Group to outside the Group and including employees transferred from outside the Group to the Group). The number of temporary employees is omitted because it is less than 10/100 of the total number of employees.

2 The number of employees increased by 220 from the end of the previous fiscal year, mainly due to new hires in connection with business expansion.

3 Segment information is omitted because the Group consists of a single segment, the maintenance business.

(2) Status of Filing Company

As of March 31, 2022

Number of employees (persons)	Average age (years)	Average years of service (years)	Average annual salary (thousand yen)
233	40.3	5.6	6,569

(Notes) 1 The number of employees is the number of full-time employees (excluding employees transferred from the Company to other companies and including employees transferred from other companies to the Company). The number of temporary employees is less than 10/100 of the total number of employees. The number of temporary employees is omitted because it is less than 10/100 of the total number of employees.

2 Average annual salary includes bonuses and substandard wages.

3 The number of employees increased by 49 from the end of the previous fiscal year, mainly due to new hires in connection with business expansion.

4 Segment information is omitted because the Company operates in a single segment of the maintenance business.

(3) Labor union status

The Group has not formed a labor union, but labor-management relations are amicable.

Item 2 [Status of Business]

1. [Management Policy, Business Environment and Issues to be Addressed]

(1) Basic Management Policy of the Company

As an independent maintenance company, the Group is committed to "Safety above anything else", "No cutting corners even when others don't see it", and "Building on trust". Under our corporate philosophy, we are striving to improve the quality of our maintenance services and to "realize fair prices" by reviewing the manufacturer-led pricing.

(2) Management Indicators We Target

The Group recognizes that shareholder-oriented management is to enhance growth and profitability and to continuously increase corporate value through stable business growth. We regard the sales growth rate as an important indicator for growth and the operating income margin as an important indicator for profitability.

(3) Medium- to Long-term Management Strategies

In order to achieve continuous growth, the Group formulates and implements the following strategies for the medium- to long-term.

(i) Promote maintenance and repair business

Further growth of the maintenance and repair business, a core business, will be achieved by strengthening the sales force in each region through the adoption of a business subsidiary system for each region and by expanding the business area through M&A.

(ii) Strengthen modernization business

The company will strengthen the modernization business by expanding its sales force and developing its own products, and make it a new core business following the maintenance and repair business.

(iii) Secure and develop human resources

Secure human resources to support stable growth by strengthening recruitment capabilities.
Improve technical standards and maintenance quality through human resource development.

(iv) Stabilization of financial base

Improve the financial structure to enable the above strategies.

(4) Business and Financial Issues That Need to be Addressed as a Priority

In the elevator and escalator maintenance industry, business opportunities are increasing due to an increase in the number of elevators and escalators resulting from an increase in the supply of real estate and the cost reduction demands of property owners and building management companies, etc. On the other hand, the growing social demand for the safe operation of elevators and escalators requires the provision of high-quality services.

Meanwhile, the Japanese economy is still in a severe situation, although the number of newly infected cases is gradually decreasing and economic trends are showing signs of recovery due to the spread of vaccination against COVID-19 and the effects of various policies, and companies' needs for cost reduction are expected to increase more than ever. Since the Group's maintenance business for elevators and other equipment is a necessary service for maintaining social life, we will continue to operate our business, paying attention to the expansion of COVID-19. In this business environment, we recognize that the main issues to be addressed by the Group are as follows;

(i) Build and expand domestic business base,

We recognize that building and expanding our business base is a challenge for the Group to achieve stable growth. Specifically, we believe that the most important thing is to increase the number of maintenance contracts, which will lead to ongoing revenue and expansion into repair and modernization operations. The Group's maintenance business is not expected to be materially affected by the COVID-19 expansion, as this service is necessary to maintain social life.

(ii) Secure and develop human resources,

The foundation of the Group's business competitiveness is human resources capable of providing the high-quality maintenance services required for the safe operation of elevators, and we believe that securing and training such personnel is essential for the future growth of our Group.

The Group will continue strengthening the training it has provided to employees and establish an in-house technical and quality certification system to develop human resources with high skill levels.

In addition, the Group will seek to improve public awareness of the Group and working conditions, actively increase the number of new graduates and mid-career hires, and supplement its workforce as appropriate through the use of subcontractors that can guarantee the quality demanded by the Group.

(iii) Develop overseas business,

We believe that demand for high-quality maintenance services exists widely not only in the Japanese market but also in overseas markets. By leveraging the Group's technical capabilities to handle elevators from multiple manufacturers and its expertise in education and training, which it has cultivated in the Japanese market, the Company intends to expand and grow in overseas markets.

(iv) Consider capital and business alliances to expand business,

We will consider acquiring other companies, forming joint ventures or business alliances with other companies that would contribute to improving the corporate value of our group.

(v) Promote research and development,

The JES Innovation Center (JIC), a research and development facility equipped with a 50-meter elevator test tower, and the JES Innovation Center Lab (JIL), located adjacent to the JIC, promote research and development activities such as elevator modernization. JES Innovation Center Lab (JIL), which is adjacent to JIC. In particular, JIL is strengthening various R&D activities, focusing on expanding production capacity in the modernization business and increasing the number of models compatible with Quick Renewal, a new low-cost, quick-delivery service.

(vi) Stabilize financial base,

The future expansion of the Group's business will require upfront and ongoing investment to accommodate evolving technologies relates to elevators, including research and development, investment in human resources, and expansion of training facilities. To prepare for future capital needs, the Company shall secure internal reserves and stabilize its financial position by raising funds through borrowings and other means.

2. [Risk Factors]

Below is a list of major risk factors that may affect the business development of our group (the Company, consolidated subsidiaries, and equity-method affiliates). In addition, matters that do not necessarily fall under business development risks but are considered important for investors' investment decisions are described from the viewpoint of proactive information disclosure to investors.

While the Company recognizes the possibility that these risks may occur and has a policy of working to avoid such risks and to respond to them if they do occur, the Company believes that investment decisions regarding the Company's shares should be made after careful consideration of this section and other sections of the securities report.

In addition, the following description is not intended to be an exhaustive list of all the risks associated with investing in our stock.

Unless otherwise noted, the following statements are as of the end of the current fiscal year, and forward-looking statements are based on the judgment of the Group as of the end of the current fiscal year. Since there are uncertainties concerning matters related to the future, and the results may differ from the results that will arise in the future, judgments regarding the matters described should be made with caution in conjunction with the matters described below and other items described in this section.

(1) Risk of dependence on specific suppliers

The Group's principal business is the maintenance of elevators and other equipment.

The Group strives to reduce the risk of not being able to secure parts for maintenance of elevators by purchasing parts from multiple suppliers, but for the purpose of maintaining quality, some parts are purchased only from manufacturers (including affiliated companies) of elevators subject to maintenance.

The Group prepares for shortages or delays in the supply of these parts by holding a certain amount of inventory, recycling parts, and considering procurement from overseas markets. However, if for some reason we are unable to secure these parts in a timely manner and in adequate quantities, we may not be able to perform our maintenance operations in a timely manner.

In addition, if the prices of these parts increase for reasons such as the rising prices of the materials that make up these parts and we are unable to pass these costs on to our service prices, our group's financial position and operating results may be affected.

(2) Risks related to competition

In the maintenance market, there are many competitors of various sizes, including manufacturers of elevators and other equipment, maintenance specialists affiliated with manufacturers, and independent maintenance companies, etc. Intensifying competition may result in a decrease in the number of new contracts or contract switching, which could reduce the Group's market share. In addition, a decline in service prices could affect the financial position and operating results of the Group, which is engaged in a single business of maintenance.

(3) Technological innovation

New elevator and escalator models are constantly being released and installed, and the Group is working to improve its technical standards so that it can maintain any model from any of the major domestic manufacturers. However, if the Group is unable to respond in a timely manner to rapid technological innovation by manufacturers, it may affect the financial position, business performance, and future business development of the Group.

(4) Regulations

(i) The legal inspections of the maintenance and repair services performed by our group are stipulated in Building Standard Law to be performed by qualified inspectors of elevators and escalators, etc. However, if for some reason we are unable to secure enough inspectors for elevators and escalators, it may affect our financial position and business performance.

(ii) In the modernization services conducted by the Group, we operate under a license for machinery and equipment installation work business based on the Construction Business Act. However, the revision or abolition of the Construction Business Act, Building Standard Law, and other related laws and regulations could affect the financial position and business performance of the Group for reasons such as the need to change product specifications.

(5) Intellectual Property Rights

The Group owns, maintains, and manages a number of intellectual property rights, and strives to avoid the occurrence of infringement of intellectual property rights by conducting technical surveys, etc., as necessary.

However, there is a possibility that the Group's intellectual property rights may be invalidated or imitated, and if the protection of the Group's intellectual property rights is undermined, the Group's business results may be affected. In addition, the Group may be liable for damages to a third party due to infringement of the intellectual property rights of a third party.

(6) Inventory and valuation risk of maintenance parts

The Group holds inventories of parts for maintenance and repair and modernization of elevators and other equipment. However, inventories may increase because the type of elevators and other equipment subject to maintenance are many and the maintenance period is expected to be long.

The Group manages inventory according to the importance of the parts, such as by controlling the number of standard inventories. However, if the asset value of inventory assets declines due to a decline in profitability or other factors, the Group's financial position and operating results may be affected.

(7) Risks associated with accidents, disasters, etc.

The Group is engaged in maintenance, repair and modernization services for elevators and other equipment.

In performing these services, our group takes sufficient care to ensure the safety of our clients and users by complying with the "Common Specifications for Building Repair Services" set by the Ministry of Land, Infrastructure, Transport and Tourism, as well as our own safety standards established within the company.

However, in addition to accidents caused by earthquakes and other disasters, user usage, and defects in elevators and other equipment, accidents involving damage to equipment and, in some cases, personal injury may occur due to human error on the part of the Group's employees or contractors during maintenance work.

Although we strive to avoid risk by providing thorough safety instructions to Group employees and contractors and by purchasing liability insurance, the occurrence of losses that cannot be covered by insurance or a loss of trust in us could affect our Group's operating results.

(8) Risks related to industrial accidents

Since maintenance work on elevators and other equipment is hazardous work, the Group has adopted "safety above anything else" as one of its management philosophies and strives to prevent accidents by providing thorough safety training to its workers.

However, in the unlikely event of a serious accident or work-related injury, the Group may incur a temporary burden of compensation and other costs, which may seriously affect the Group's social credibility and affect its financial position and operating results.

(9) Risks related to acquisitions or business alliances

The Group acquires other companies and engages in joint ventures and business alliances with other companies. However, if acquisitions or alliances do not go smoothly, or if the acquired company's business, joint venture, or business alliance does not produce the expected benefits in the expected time frame as originally anticipated, the financial position and operating results of our group may be affected.

(10) Risks associated with overseas business development

The Group is expanding its business overseas, and there are several risks associated with doing business in overseas markets, including the following;

(i) Unexpected changes in laws and regulations,
(ii) Changes in social, political and economic conditions or deterioration of public safety,
(iii) Adverse changes in various tax systems or taxation,
(iv) Credit risk of counterparties due to different business practices, etc.,
(v) Changes in the working environment and difficulties in securing and training human resources, and
(vi) Foreign exchange risk

To minimize risks listed above, we intend to build a system that will enable us to quickly and promptly take countermeasures from local legal counsel, accounting firms, and other sources. However, the emergence of risks may make it difficult to provide services, which may affect the financial position and business performance of our group.

(11) Liability for defect warranty, etc.

If any part of an elevator that has undergone modernization work (our product) fails during the warranty period (12 months from delivery) under specified conditions, such as proper installation, connection, maintenance, and inspection control in accordance with the instruction manual, etc., we will repair or replace the failed part free of charge according to the method specified by us.

The Group is also liable for compensation for damages to customers directly caused by material defects in its products or gross negligence in the fabrication and installation of its products.

If for some reason the Group is pursued for liability for defects or damages, and is held liable for compensation, the financial position and business performance of the Group may be affected.

(12) Securing and Training Human Resources

The Group is working to secure highly specialized technical personnel and to increase the number of sales and administrative personnel in anticipation of future business expansion. We also focus on human resource development and strive to improve our technical capabilities and strengthen and enhance our internal management system. Failure to take these measures in a timely and appropriate manner could affect the financial position and operating results of the Group, such as when the Company increases its workforce in advance of business expansion and incurs expenses in advance, or when it is unable to secure the necessary personnel for its business, or when human resource development does not progress as expected.

(13) Management of customer information

Since the Group handles a large amount of customer information, including that related to maintenance, repair, and modernization contracts, it has introduced a system to prevent information leaks from within as well as countermeasures against unauthorized network intrusion from outside, and has established an "Information Security Policy" and "Rules for the Protection of Personal Information and Specified Personal Information" to prevent information leakage.

However, in the unlikely event that customer information is leaked outside the Group due to unforeseen circumstances, the Group's financial position and operating results may be affected by a loss of trust and claims for damages.

(14) System failure

Our control center monitors the condition of elevators and other equipment 24 hours a day, 365 days a year to ensure that we can respond to any problems without delay.

Since the control center services are provided through computer systems and communication networks, we make every effort to prevent or avoid system problems by taking backups on a regular basis, but if a natural disaster, unforeseen accident, temporary overload due to a sudden increase in access that exceeds expectations, or other factors cause computer system problems, our group's financial position and operating results may be affected.

(15) Interest-bearing debt

The balance of the Group's interest-bearing debt (including lease obligations) was 7,323 million yen as of the end of the fiscal year ending March 31, 2022, making the Group 28.9 % dependent on interest-bearing debt. Therefore, if refinancing becomes difficult due to turmoil in the financial markets, economic stagnation, or changes in the lending attitudes of financial institutions, or if interest expenses increase sharply due to a rapid rise in market interest rates, etc., the financial position and operating results of our group may be affected.

Certain borrowings are subject to financial covenants. In the event of a breach of financial covenants, the Group's financial position and cash flows could be affected because it would lose the benefit of time if requested by the lender and would need funds to repay the debt immediately.

Details of the financial covenants are as described in "Item 5 [Financial Statements and Supplementary Data] 1, Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements (Notes to Consolidated Balance Sheets), 2 Financial Covenants" and "Item 5 [Financial Statements and Supplementary Data] 2, Financial Statements, (1) Notes to Financial Statements (Notes to Balance Sheets), 2 Financial Covenants".

(16) Impact of COVID-19

Since our group often works directly indoors, we take the utmost precautions to prevent COVID-19 infections among our employees and take infection control measures. In response to COVID-19 infection, the Group has been working to enable remote work by establishing a work at home environment in the administrative department, as well as staggered work hours and online meetings, but if any of the Group's employees become infected or otherwise have difficulty continuing operations for an extended period of time, the Group's financial position and business performance could be affected.

3. [Management's Discussion and Analysis of Financial Condition, Operating Results and Cash Flows]

The following is a summary of the recognition, analysis and discussion of the Group's operating results from the management's perspective. Forward-looking statements in the text are based on judgments made as of the end of the current fiscal year.

(1) Recognition, Analysis and Discussion of Operating Results for the Current Fiscal Year

In the current fiscal year, the number of new cases of infection in the Japanese economy gradually decreased due to the spread of COVID-19 vaccination and the effects of various policies, and although there are some signs of a recovery in economic trends, the situation remains severe and the need for cost reduction by companies is expected to be greater than ever. However, the economy is still in a severe condition, and companies' needs for cost reduction are expected to increase more than ever.

In the elevator and other maintenance industry, the market is on a gradual expansion trend due to factors such as an increase in the number of condominium units for sale, supported by low interest rates and other factors due to monetary easing policies.

In this market environment, the Group has expanded its workforce and strengthened its sales structure by expanding its sales area by entering the Tohoku and Chugoku-Shikoku regions and increasing its market share through M&A of other companies in the industry in order to meet the rapidly growing cost reduction needs of companies by switching contracts to independent maintenance companies. In addition, at the JES Innovation Center Lab (commonly known as JIL), which was completed in the previous fiscal year, we will consolidate high-rise test towers, R&D centers, and other development-related departments to further strengthen the Company's R&D structure.

As for maintenance and repair services, the number of units under maintenance contracts remained steady, and sales of maintenance and repair services for the current fiscal year amounted to 21,137 million yen (up 20.9 % from the same period of the previous year). As for modernization services, sales of modernization services for the current fiscal year were 8,020 million yen (up 26.7 % from the same period of the previous year) due to the strengthening of the sales structure in preparation for business expansion and proposals for properties where parts supply has been suspended.

As a result of the above, for the fiscal year under review, net sales were 29,751 million yen (up 21.3 % year-on-year), operating profit was 4,113 million yen (up 13.9 %), ordinary profit was 4,225 million yen (up 13.7 %), and profit attributable to owners of parent was 2,726 million yen (up 15.4 %).

Our group has a single segment, "Maintenance Business", and sales by type of sales (maintenance and repair services, modernization services, and others) are shown below.

(Unit: millions of yen)

Sales type	Year ending March 31, 2022			Year ending March 31, 2021	
	Amount	Percentage of total	Percentage change from the previous period	Amount	Percentage of total
Maintenance and repair services	21,137	71.0 %	20.9 %	17,476	71.3 %
Modernization services	8,020	27.0 %	26.7 %	6,330	25.8
Other	593	2.0 %	(16.9 %)	714	2.9 %
Total amount	29,751	100.0 %	21.3 %	24,521	100.0 %

(i) Analysis of Operating Results

(Net sales)

The number of maintenance contracts remained steady at approximately 79,000 units due to the strengthening of sales and expansion of sales areas in the maintenance and repair services, resulting in sales of 21,137 million yen (up 20.9 % from the previous fiscal year) in the maintenance and repair services. As for modernization services, sales from modernization services amounted to 8,020 million yen (up 26.7 % from the previous fiscal year) due to the reinforcement of the sales structure in preparation for business expansion and the strengthening of proposals for properties where parts supply has been suspended.

As a result, net sales for the fiscal year totaled 29,751 million yen (up 21.3 % from the previous fiscal year).

(Gross Profit)

Cost of sales for the current fiscal year was 18,253 million yen (up 21.0 % from the previous fiscal year) due to increased material purchases and subcontracting costs resulting from the increase in the number of maintenance contracts, and increased personnel costs resulting from the increase in the number of engineering (maintenance and construction) personnel.

As a result, gross profit for the current fiscal year was 11,497 million yen (up 21.9 % from the previous fiscal year).

(Operating profit)

Selling, general and administrative expenses were 7,384 million yen (up 26.9 % from the previous fiscal year) as a result of an increase in personnel and other expenses due to an increase in personnel in line with business expansion, as well as an increase in depreciation expenses.

As a result, operating profit for the current fiscal year was 4,113 million yen (up 13.9 % from the previous fiscal year).

(Ordinary profit)

Non-operating income was 162 million yen (up 18.9 % from the previous fiscal year), and non-operating expenses were 49 million yen (up 48.5 % from the previous fiscal year).

Non-operating income consisted mainly of 114 million yen in insurance cancellation refunds, while non-operating expenses consisted mainly of 15 million yen in interest expenses and 10 million yen in loss on investment in silent partnership.

As a result, ordinary profit was 4,225 million yen (up 13.7 % from the previous fiscal year).

(Profit before income taxes)

Extraordinary income was 8 million yen (down 45.0 % from the previous fiscal year) and extraordinary loss was 3 million yen (down 34.3 % from the previous fiscal year).

As a result, profit before income taxes was 4,230 million yen (up 13.6 % from the previous fiscal year).

(Profit attributable to owners of parent)

Tax expenses, including corporate, inhabitant and enterprise taxes and income taxes-deferred, totaled 1,446 million yen (up 7.7 % from the previous fiscal year).

As a result, profit attributable to owners of parent for the current fiscal year was 2,726 million yen (up 15.4 % from the previous fiscal year).

(ii) Analysis of financial condition

(Assets)

Total assets at the end of the current fiscal year increased 4,865 million yen from the end of the previous fiscal year to 25,338 million yen. This was mainly due to a 1,384 million yen increase in property, plant and equipment and a 1,697 million yen increase in intangible assets.

(Liabilities)

Liabilities increased 3,614 million yen from the end of the previous fiscal year to 13,582 million yen. This was mainly due to increases of 1,870 million yen in long-term borrowings, 863 million yen in current portion of long-term borrowings, and 231 million yen in liabilities for retirement benefits.

(Net assets)

Net assets increased 1,250 million yen from the end of the previous fiscal year to 11,756 million yen. This was mainly due to a decrease of 1,062 million yen resulting from dividend payments, while retained earnings increased due to the recording of 2,726 million yen in profit attributable to parent company shareholders.

(iii) Analysis of cash flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the current fiscal year increased 501 million yen from the end of the previous fiscal year to 2,161 million yen.

The status of each cash flow and their factors during the current fiscal year are as follows.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities amounted to 3,005 million yen (3,018 million yen in the same period of the previous year). This was mainly due to such positive factors as profit before income taxes and minority interests of 4,230 million yen and depreciation and amortization of 927 million yen, while there were such negative factors as an increase in notes and accounts receivable-trade of 368 million yen and income taxes paid of 1,598 million yen.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities amounted to 3,279 million yen (3,955 million yen used in the same period of the previous year). This was mainly due to purchase of property, plant and equipment of 1,577 million yen and purchase of intangible assets of 1,117 million yen.

(Net cash provided by (used in) financing activities)

Net cash provided by financing activities amounted to 765 million yen (1,460 million yen in the same period of the previous year). This was mainly due to such cash outflows as repayment of long-term borrowings of 1,967 million yen and cash dividends paid of 1,062 million yen, against such cash inflows as proceeds from long-term borrowings of 4,701 million yen.

(iv) Analysis of capital resources and liquidity of funds

The Group strives to generate stable operating cash flow and secure a wide range of funding sources in order to secure adequate funds for its business activities, maintain liquidity, and achieve a sound financial position. Working capital requirements are mainly due to procurement of parts for elevators and other equipment, personnel expenses and other operating expenses, as well as tax payment funds, etc., for the provision of the Group's services. Working capital and recurring capital expenditures are financed by cash on hand, indirect financing, and lease transactions. We will continue to work on a variety of financing methods to support our business activities, focusing on securing low-cost, stable and flexible funds.

(v) Significant accounting policies and estimates

The consolidated financial statements of the Group are prepared in accordance with accounting principles generally accepted in Japan. Their preparation requires management to make estimates and assumptions that affect the selection and application of accounting policies, the reported amounts of assets and liabilities and revenues and expenses, and disclosures. Management has made reasonable judgments about these estimates based on past performance and circumstances, but actual results may differ from these estimates due to the uncertainties inherent in estimates.

Significant accounting estimates used in the preparation of the consolidated financial statements and the assumptions used in making such estimates are described in Note (Significant Accounting Estimates) to the consolidated financial statements.

(vi) Management's recognition of the problem and future plans

In the elevator and other maintenance market, of which our group is a part, we expect that customers will become increasingly cost-conscious and demand for safety in the operation of elevators and other equipment will intensify.

Since its establishment, the Group is committed to "Safety above anything else", "No cutting corners even when others don't see it", and "Building on trust." Under our corporate philosophy, we are striving to improve the quality of our maintenance services and to "realize fair prices" by reviewing the manufacturer-led pricing system. In order to achieve sustainable growth in the future, we recognize the particular importance of "improving customer satisfaction through prompt provision of services by operating companies in each area," "expanding business areas in Japan and overseas, including M&A," and "securing and training human resources capable of providing high-quality maintenance.

The Company's management is committed to developing and implementing the best possible management policies to appropriately address these issues.

Management's recognition of issues and future policies other than those mentioned above are described in "Item 2 [Status of Business], 1. [Management Policy, Business Environment and Issues to be Addressed.]"

(2) Production, Orders and Sales

Since our group consists of a single segment of maintenance business, "Production, Orders, and Sales Results" by segment is omitted.

(i) Production

Not applicable since the Group is not engaged in production activities.

(ii) Orders received

Orders received in the current fiscal year by sales type are as follows.

Name of sales type	Current fiscal year (From April 1, 2021 to March 31, 2022)			
	Orders received (Thousands of yen)	YoY change (%)	Order backlog (thousand yen)	YoY change (%)
Modernization services	8,532,023	127.3	3,280,650	115.0
Total amount	8,532,023	127.3	3,280,650	115.0

(Note) Although the Group provides services on an order basis, information on maintenance and repair services and other services is omitted because of the short period of time between receipt of orders and sales.

(iii) Sales

The table below shows sales performance by type of sales in the current fiscal year.

Name of sales type	Current fiscal year (From April 1, 2021 to March 31, 2022)	
	Sales (Thousands of yen)	YoY change (%)
Maintenance and repair services	21,137,163	120.9
Modernization services	8,020,435	126.7
Other	593,967	83.1
Total amount	29,751,566	121.3

(Note) Sales results by major customer and the percentage of such sales results to total sales results are omitted because there is no customer that accounts for 10 % or more of total sales results.

4. [Important Management Contracts]

Not applicable.

5. [Research and Development]

In our group, research and development activities are conducted solely by the Company.

In order to respond to the increasing number of elevators installed and the increasing dependence of society on them, we are conducting research and development activities to improve the quality of elevator maintenance by promptly adopting various latest elemental technologies.

Research and development during the fiscal year under review focused on improving the functionality and sophistication of PRIME server consoles, enhancing the functionality of remote monitoring terminals to reduce equipment and personnel costs, and developing "Quick Renewal" products to reduce modernization costs and shorten construction periods.

As a result, the cost of research and development activities for the current fiscal year was 430,638 thousand yen (including the capitalized portion), and we achieved results in expanding the number of models of elevators that we can handle remotely and handle breakdowns through our proprietary maintenance consoles. In addition, we will absorb feedback from the field where "Quick Renewal" has already been launched and continue to push forward with development work for the expansion of models compatible with "Quick Renewal."

As the Group consists of a single segment of maintenance business, the description of each segment is omitted.

The Group conducts ongoing research and development in the Technology Division, the basic policy of which is as follows.

(1) Research and development related to remote inspection service "PRIME"

"PRIME" is the generic name for our proprietary remote inspection system and the services we provide using it.

The elevator remote monitoring system consists of a remote monitoring terminal connected to the elevator to monitor its operating status, a monitoring server to receive reports and warnings from the terminal, and a monitoring console for the monitors to check the reports and warnings.

(1-a) Remote monitoring terminal

For remote monitoring terminals, we are conducting research and development of technologies for monitoring operating conditions in order to make elevators made by various manufacturers compatible with remote monitoring systems. Although the main focus is on wired communication technology, we have been conducting a wide range of studies and investigations without limiting the scope of hardware, software protocols, and technologies.

As a means of collecting operating status, in addition to acquisition from the elevator control panel, we are continuing research to diversify methods of monitoring operating status, such as acquisition using various sensors, including acceleration sensors and temperature sensors.

The communication infrastructure for transmitting various information from remote monitoring terminals uses LTE (4G) communication, which is the mainstream wireless communication network these days, and our own closed network, which is highly resistant to outside interference and computer viruses, is installed to ensure network communication security. In addition, the development of PHS-based remote monitoring terminals for continued use after the PHS outage has been completed and replacement has begun. In addition, as an M2M/IoT communication terminal, we are investigating even wider and more stable wireless communications.

(Note) M2M/IoT communication: Technology to collect information and improve services over a wide area by applying cell phone communication to communication between devices and equipment.

(1-b) Monitoring server

The monitoring server is a device that temporarily stores information from remote monitoring terminals and notifies the connected monitoring consoles. In order to receive the operating status of the elevators to be monitored, information communication from a considerable number of nodes is concentrated, so the system must be able to withstand the concentration of alarms during disasters such as earthquakes and typhoons and the collection of information from various sensors at remote terminals to be installed in the future. The system must also be able to connect to a multi-point monitoring console for monitoring work at each of the Company's locations.

As business continuity measures for these facilities, data centers with disaster countermeasures have begun operating in the Kanto and Kansai regions, and the installation of closed networks for multiple telecommunications carriers has been completed for telecommunications lines. In addition, we have begun verification of the parallel use of public cloud (cloud services) with various server systems under our own operation. This is expected to facilitate server resource adjustment in response to an increase in the number of elevators managed, and to improve safety and business continuity in the event of disasters and failures.

For the elevator intercom used for rescue calls from inside the elevator, we are working on measures to realize low-cost calling functions by using voice lines that have been added with the development of communication media and infrastructure, and by eliminating our internal facilities.

(1-c) Monitoring console

The monitoring console is a PC program that displays elevator anomalies detected by the remote monitoring terminal on a monitor to enable checking of elevator operation status and remote operation of the elevator. We have researched and developed a mechanism to ensure stable operation of elevators even under conditions where a large number of abnormalities are detected, such as in the event of a disaster, and have deployed and are operating the system at the control center. In addition, we are continuing measures and development for higher functionality and higher efficiency of monitoring work, and are developing programs to visualize some of the various sensor data sent from remote monitoring terminals so that some monitoring and elevator maintenance work can be performed with smart phone terminals and tablet terminals.

(2) Research and development related to in-house elevator control panels

Currently, we purchase various parts including control panels from domestic and overseas subcontractors and customize them for each elevator to be installed, and then perform modernization work. In the future, we will promote proposals that meet the various needs of our customers (full renovation, low-cost modernization, and modernization in a very short construction period) by combining our new Quick Renewal products with the control panels we have developed, and reduce maintenance costs by closely linking them with our elevator remote monitoring system. In addition, through technical tie-ups with overseas manufacturers, we will promote the development of lower-cost, high-performance elevator control panels to further lower costs in the modernization business and develop products with an eye on overseas markets.

Furthermore, the development of hydraulically controlled elevator control panels has been completed, making it possible to implement Quick Renewal for hydraulic elevators, and we have been working to expand the number of models that are compatible with Quick Renewal for hydraulic elevators. As a result, the development required to support Quick Renewal for yet another model has been completed.

We will continue to develop Quick Renewal products to expand the range of manufacturers and models that can be supported and meet a wide range of customer needs.

Item 3 [Facilities]

1. [Capital Investment]

During the current fiscal year, the Group made capital investments totaling 2,843,656 thousand yen, mainly in the elevator maintenance business.
The main component was the acquisition of PRIME, a remote inspection system, for 1,060,112 thousand yen.
Segment information is omitted because the Group operates in a single segment of the maintenance business.

2. [Principal Facilities]

Major facilities in our group are as follows.
(1) Filing company

As of March 31, 2022

Office (Location)	Equipment	Book value						Number of employees (persons)
		Buildings and structures (Thousands of yen)	Tools, furniture and fixtures (Thousands of yen)	Land (Thousands of yen) (Area m2)	Software (Thousands of yen)	Other (Thousands of yen)	Total (Thousands of yen)	
Head office and others (Chuo-ku, Tokyo, etc.)	Office equipment, electrical equipment, server equipment for internal operations, communications equipment, research equipment, etc.	1,770,810	2,852,626	229,588 (3,194.07)	1,120,218	460,971	6,434,215	233

(Notes) 1 Book value does not include construction in progress and software in progress.
2 The number of employees is the number of full-time employees (excluding employees transferred from the Group to outside the Group and including employees transferred from outside the Group to the Group).
The number of temporary employees is omitted because it is less than 10/100 of the total number of employees.
3 All or part of the buildings of the head office and each subsidiary are leased, except for the properties owned by the Company. Rental expenses for the current fiscal year amounted to 766,645 thousand yen.
4 Segment information is omitted because the Group operates in a single segment of the maintenance business.

(2) Domestic subsidiaries

As of March 31, 2022

Office (Location)	Equipment	Book value						Number of employees (persons)
		Buildings and structures (thousands of yen)	Tools, furniture and fixtures (thousands of yen)	Land (thousands of yen) (Area m2)	Software (thousands of yen)	Other (thousands of yen)	Total (thousands of yen)	
Japan Elevator Service Hokkaido Co., Ltd. Head office and others (Toyohira-ku, Sapporo, Hokkaido, etc.)	Subsidiary Office equipment, electrical equipment, parts warehouse equipment, sales vehicles, etc.	175,125	4,817	145,925 (1,425.67)	-	0	325,868	124
Japan Elevator Service Jyonan Co., Ltd. Head office and others (Chiyoda-ku, Tokyo, etc.)	Subsidiary Office equipment, electrical equipment, etc.	20,731	29,748	- (-)	-	-	50,479	237
Japan Elevator Service Jyosai Co., Ltd. Head office and others (Shinjuku-ku, Tokyo, etc.)	Subsidiary Office equipment, electrical equipment, etc.	32,088	33,781	- (-)	-	-	65,870	244
Japan Elevator Service Kanagawa Co., Ltd. Head office and others (Kanagawa-ku, Yokohama City, Kanagawa, etc.)	Subsidiary Office equipment, electrical equipment, etc.	33,471	22,138	- (-)	-	-	55,610	189
Japan Elevator Service Tokai Co., Ltd. Head office and others (Naka-ku, Nagoya City, Aichi, etc.)	Subsidiary Office equipment, electrical equipment, parts warehouse equipment, etc.	21,043	18,404	- (-)	-	-	39,447	97
Japan Elevator Service Kansai Co., Ltd. Head office and others (Chuo-ku, Osaka City, Osaka, etc.)	Subsidiary Office equipment, electrical equipment, parts warehouse equipment, etc.	18,507	32,207	- (-)	-	-	50,715	100
Japan Elevator Service Kyushu Co., Ltd. Head office and others (Hakata-ku, Fukuoka City, Fukuoka)	Subsidiary Office equipment, electrical equipment, etc.	10,770	12,071	- (-)	-	-	22,842	31
Japan Elevator Parts Co., Ltd. Head office and others (Wako City, Saitama Pref., etc.)	Subsidiary Office equipment, electrical equipment, parts warehouse equipment, etc.	2,354,512	46,651	- (-)	5,921	30,096	2,437,182	162

(Notes) 1 Book value does not include construction in progress and software in progress.
2 The number of employees is the number of full-time employees (excluding employees transferred from the Group to outside the Group and including employees transferred from outside the Group to the Group). The number of temporary employees is omitted because it is less than 10/100 of the total number of employees.
3 Facilities of domestic subsidiaries, with some exceptions, are leased from the filing company.
4 Segment information is omitted because the Group operates in a single segment of the maintenance business.

(3) Overseas subsidiaries

The information is omitted due to immateriality.

3. [Plans for Installation or Retirement of Facilities]

Not applicable.

Item 4 [Filing Company]

1. [Status of Shares]

(1) [Total number of shares]

(i) [Total number of shares]

Type of shares	Total number of shares authorized to be issued (shares)
Common share	224,000,000
Total	224,000,000

(ii) [Outstanding shares]

Type of shares	Number of shares issued as of the end of the fiscal year (shares) (March 31, 2022)	Number of shares issued as of the date of submission (June 24, 2022)	Name of listed financial instruments exchange or registered and licensed financial instruments association	Contents
Common share	88,753,600	88,753,600	Tokyo Stock Exchange First Section of the Market (as of the end of the fiscal year) Prime Market (as of date of submission)	The shares have full voting rights and are the Company's standard shares with no restrictions on their rights. The number of shares constituting one unit is 100 shares.
Total	88,753,600	88,753,600	-	-

(Notes) 1 Restricted stock compensation was granted on August 12, 2021. As a result, the total number of shares issued increased by 10,000.

2 Share acquisition rights are exercised. As a result, the total number of shares issued increased by 169,600.

3 The number of shares issued as of the date of submission does not include the number of shares issued upon exercise of share acquisition rights from June 1, 2022 to the date of submission of this annual securities report.

(2) [Status of share acquisition rights]

(i) [Details of stock option plan]

Share acquisition rights issued in accordance with the Companies Act are as follows

March 15, 2016 Extraordinary General Meeting of Shareholders Resolution
(Series 1 Share acquisition Rights)

classification	As of the end of the fiscal year (March 31, 2022)
Classification and number of grantees (persons)	Outside collaborator 1
Number of share acquisition rights	798
Class of shares to be issued or transferred upon exercise of share acquisition rights *	Common share
Number of shares to be issued upon exercise of share acquisition rights (shares) *	638,400 (Note) 1,5
Amount to be paid-in upon exercise of the new share subscription rights (yen) *	83 (Note 2,5)
Exercise period of share acquisition rights *	From April 1, 2019 To March 31, 2026
Issue price and amount paid into capital when shares are issued upon exercise of share acquisition rights (yen) *	Issue price 83 Capitalization 41.5 (Note 5)
Terms and conditions to exercise subscription rights to shares *	(Note 3)
Matters concerning the transfer of share acquisition rights *	Any transfer of these share acquisition rights must be approved by the Board of Directors.
Matters concerning issuance of subscription rights to shares in connection with reorganization *	(Note 4)

*These are as of the end of the current fiscal year (March 31, 2022). As of the end of the month prior to the date of submission (May 31, 2022), there has been no change in the contents to be described from those as of the end of the current fiscal year, so the description as of the end of the month prior to the date of submission has been omitted.

(Notes) 1 The number of shares to be issued upon exercise of one share acquisition right is 800 shares. However, the number of shares to be issued upon exercise of one Share acquisition Right may be adjusted in accordance with the following provisions.

If the Company splits or consolidates its shares, the number of shares to be issued upon exercise of the Share acquisition Rights shall be adjusted in accordance with the following formula. Such adjustment shall be made only with respect to the number of shares to be issued upon exercise of the share acquisition rights that have not been exercised as of such time. Any fractional shares resulting from the adjustment shall be rounded down.

Number of shares after adjustment = Number of shares before adjustment × Ratio of split or consolidation

2 The amount to be paid upon exercise of the Share acquisition Rights is subject to adjustment in accordance with the following provisions.

If the Company conducts a stock split or reverse stock split of its common share after the date of resolution for the issuance of these equity warrants, the exercise price for the exercise of equity warrants shall be adjusted in accordance with the following formula, and any fraction less than one yen resulting from the adjustment shall be rounded up.

Exercise price after adjustment = Exercise price before adjustment ÷ Ratio of split or consolidation

3 The conditions for exercising share acquisition rights are as follows

Subject to the satisfaction of other conditions, the holders of the Share acquisition Rights shall be granted the right to exercise the number of Share acquisition Rights (Vesting Share acquisition Rights) as specified below at the time specified below.

Time	Number of vested share acquisition rights
After April 1, 2019	33 % of the number of allotments
After April 1, 2021	66 % of the number of allotments
On or after April 1 2024	100 % of the number of allotments

However, if the Company's shares are listed on the Tokyo Stock Exchange or any other domestic or foreign financial instruments exchange, the Share acquisition Rights, including vested Share acquisition Rights, may not be exercised for 180 days from the date of such listing. In addition, in the event that the Consulting Services Agreement dated April 1, 2016 between the share acquisition rights holder and the Company is terminated, the Company may acquire all of the share acquisition rights except for the share acquisition rights already vested as of the date of termination of the Consulting Services Agreement.

In the event that the Company needs to adjust the number of shares granted due to a merger, corporate split, share exchange, share transfer or other reorganization, or in any other case where adjustment of the number of shares granted is necessary, the Company will adjust the number of shares granted appropriately to the extent reasonable.

The Company conducted a 100-for-1 stock split of shares of common share on August 31, 2016, a 2-for-1 stock split of shares of common share on October 1, 2017, a 2-for-1 stock split of shares of common share on October 1, 2018, and a 2-for-1 stock split of shares of common share on January 1, 2021. The Company conducted a 2-for-1 stock split on October 1, 2018 and a 2-for-1 stock split on January 1, 2021. As a result, "Number of shares to be issued upon exercise of share acquisition rights," "Amount to be paid upon exercise of share acquisition rights," and "Issue price and amount paid into capital when shares are issued upon exercise of share acquisition rights" are adjusted.

(ii) [Contents of Rights Plan]

Not applicable.

(iii) [Status of other share acquisition rights]

Not applicable.

(3) [Status of Exercise of Bonds with Share acquisition Rights with Exercise Price Revision Clause]

Not applicable.

(4) [Total number of shares issued, share capital]

Date	Increase/decrease in total number of shares issued and outstanding (shares)	Total number of shares outstanding (shares)	Increase (decrease) in share capital (thousand yen)	Balance of share capital (thousand yen)	Increase (decrease) in capital reserve (thousand yen)	Balance of capital reserve (thousand yen)
October 1, 2017 (Note 1)	Common share 10,015,000	Common share 20,030,000	-	608,445	-	566,230
August 16, 2018 (Note 2)	Common share 34,000	Common share 20,064,000	44,761	653,206	44,761	610,991
October 1, 2018 (Note 1)	Common share 20,064,000	Common share 40,128,000	-	653,206	-	610,991
April 1, 2018 - March 31, 2019 (Note 3)	Common share 162,800	Common share 40,290,800	17,989	671,195	17,989	628,980
August 9, 2019 (Note 4)	Common share 3,000	Common share 40,293,800	4,056	675,251	4,056	633,036
April 1, 2019 - March 31, 2020 (Note 3)	Common share 244,800	Common share 40,538,600	25,070	700,321	25,070	658,106
April 1, 2020 - December 31, 2020 (Note 3)	Common share 3,738,400	Common share 44,277,000	1,758,844	2,459,166	1,758,844	2,416,951
January 1, 2021 (Note 1)	Common share 44,277,000	Common share 88,554,000	-	2,459,166	-	2,416,951
January 1, 2021 - March 31, 2021 (Note 3)	Common share 20,000	Common share 88,574,000	1,110	2,460,276	1,110	2,418,061
April 20, 2021 (Note 3)	Common share 169,600	Common share 88,743,600	7,038	2,467,314	7,038	2,425,099
August 12, 2021 (Note 5)	Common share 10,000	Common share 88,753,600	12,730	2,480,044	12,730	2,437,829

(Notes) 1 Due to a stock split (two for one).

2 Restricted stock compensation
Issue price 2,633 yen
Amount incorporated in capital 1,316.5 yen
Allotted to: 9 directors of the Company (excluding outside directors)

3 due to the exercise of share acquisition rights.

4 Restricted stock compensation
Issue price 2,704 yen
Capital contribution 1,352 yen
Allotted to: One director of the Company (excluding outside directors)

5 Restricted stock compensation
Issue price 2,546 yen
Capital contribution 1,273 yen
Allotted to: One director of the Company (excluding outside directors)

(5) [Status by Owner]

As of March 31, 2022

Shareholder type	Status of Shares (Number of Shares per Unit: 100 shares)								Status of odd-lot shares (shares)
	Governments and local public entities	Financial institutions	Stock brokers	Other corporations	Foreigners		Individuals and Others	Total	
					Institutions	Individuals			
Number of shareholders (persons)	-	19	30	83	189	19	8,600	8,940	-
Number of shares held (Unit)	-	178,410	8,074	260,083	362,836	86	77,939	887,428	10,800
Percentage of shares held (%)	-	20.10	0.91	29.31	40.89	0.01	8.78	100.00	-

(Note) treasury shares of 18,815 shares are included in 188 units in "Individuals and others" and 15 shares in "Status of odd-lot shares".

(6) [Status of Major Shareholders]

As of March 31, 2022

Name or Institution	Address	Number of shares held (Thousand shares)	Ratio of shares held to total number of shares issued (excluding treasury shares) (%)
KI Corporation	23-2, Toranomon 1-chome, Minato-ku, Tokyo	25,294	28.50
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Business Department)	ONE LINCOLN STREET, BOSTON MA USA 02111 (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	13,896	15.66
The Master Trust Bank of Japan, Ltd.	2-11-3 Hamamatsucho, Minato-ku, Tokyo	11,109	12.51
Japan Custody Bank, Ltd.	1-8-12 Harumi, Chuo-ku, Tokyo	3,532	3.98
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	2,270	2.55
J.P. MORGAN BANK LUXEMBOURG S.A. 384513 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	EUROPEAN BANK AND BUSINESS CENTER 6, ROUTE DE TREVES, L-2633 SENNINGERBERG, LUXEMBOURG (15-1, Konan 2-chome, Minato-ku, Tokyo)	1,696	1.91
Japan Elevator Service Employee Stock Ownership Plan	1-3-13 Nihonbashi, Chuo-ku, Tokyo	1,100	1.24
Nomura Trust & Banking Co. (Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	1,043	1.17
The Dai-ichi Life Insurance Co. (Standing proxy: The Custody Bank of Japan, Ltd.)	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	1,029	1.15
JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (15-1, Konan 2-chome, Minato-ku, Tokyo)	982	1.10
Total	-	61,954	69.81

(7) [Status of voting rights]

(i) [Outstanding shares]

As of March 31, 2022

	Number of shares	Number of voting rights	Contents
non-voting stock	-	-	-
Shares with restricted voting rights (treasury shares, etc.)	-	-	-
Shares with restricted voting rights (Other)	-	-	-
Full voting shares (treasury shares, etc.)	Common share 18,800	-	-
Shares with full voting rights (Other)	Common share 88,724,000	887,240	Standard shares of the Company with no restrictions on rights
Odd lot shares	Common share 10,800	-	-
Total number of shares issued and outstanding	88,753,600	-	-
Voting rights of all shareholders	-	887,240	-

(Note) "Shares less than one unit" includes 15 treasury shares held by the Company.

(ii) [Treasury shares]

As of March 31, 2022

Name or Institution of owner	Address	Number of shares held in treasury (shares)	Number of shares held in the name of others (shares)	Total number of shares held (shares)	Ratio of shares held to total number of shares issued and outstanding (%)
Japan Elevator Service Holdings Co., Ltd.	1-3-13 Nihonbashi, Chuo-ku, Tokyo	18,800	-	18,800	0.02
Total	-	18,800	-	18,800	0.02

2. [Treasury Shares]

[Type of shares] Acquisition of common share falling under Article 155, Item 3 of the Companies Act and acquisition of common share falling under Article 155, Item 7 of the Companies Act(1) [Status of acquisition by resolution of the General Meeting of Shareholders]

Not applicable.

(2) [Status of acquisition by resolution of the Board of Directors]

classification	Number of shares	Total value (yen)
Board of Directors Meeting (February 7, 2022) (Acquisition period February 8, 2022 - March 31, 2022)	18,500	29,887,100
Acquisition treasury shares before the fiscal year in question	-	-
Acquisition treasury shares during the fiscal year	18,500	29,887,100
Total number and value of remaining resolution shares	-	-
Unexercised ratio as of the end of the current fiscal year (%)	-	-
Acquisition treasury shares during the period	-	-
Unexercised ratio as of the date of submission (%)	-	-

(3) [Details of items not based on resolutions of the General Meeting of Shareholders or the Board of Directors]

classification	Number of shares	Total value (yen)
Acquisition treasury shares in the current fiscal year	85	206,936
Acquisition treasury shares during the period	10	-

(Notes) 1 In the current fiscal year, treasury shares were purchased. As a result, 85 treasury shares were acquired.

2 Of the treasury shares acquired during the period, 10 shares were acquired without compensation from employees who retired from the restricted stock compensation plan.

3 Treasury shares acquired during the period do not include the number of shares acquired through the purchase of odd-lot shares from June 1, 2022 to the filing of the Annual Securities Report and the number of shares acquired free of charge by retirees of the restricted stock compensation plan.

(4) [Status of disposal and holding of acquired treasury shares]

classification	Current fiscal year		the current term	
	Number of shares	Total amount of disposal value (thousand yen)	Number of shares	Total amount of disposal value (thousand yen)
Acquired treasury shares offered to subscribers	-	-	-	-
Acquired treasury stock disposed of for cancellation	-	-	-	-
Acquired treasury shares transferred in connection with a merger, share exchange, share issuance, or corporate separation	-	-	-	-
Other (Disposal of treasury shares through restricted stock compensation)	-	-	7,450	12,262
Number of treasury shares held	18,815	-	11,375	-

(Note) The number of treasury shares held during the period under review does not include the number of shares held from June 1, 2022 to the date of submission of this annual securities report due to the purchase and sale of odd-lot shares and the number of shares held by retirees of the restricted stock compensation plan due to their free acquisition.

3. [Dividend Policy]

The Company recognizes that returning profits to shareholders is one of its most important management policies, and its basic policy is to maintain stable dividends while securing the internal reserves necessary to strengthen the management base in response to changes in the business environment and for future business development.

For the 28th fiscal year, we have decided to pay a dividend of 14.00 yen per share of common share based on the above policy.

Regarding the future distribution of retained earnings, our policy is to actively return profits to shareholders, taking into consideration our business performance, financial condition, and investment plans from a medium- to long-term perspective.

The Company intends to use retained earnings to invest in research and development and to strengthen its financial position in order to further increase its corporate value.

The Company's basic policy is to distribute dividends from surplus once a year for common share.

The Company's Articles of Incorporation stipulate that matters listed in Article 459, Paragraph 1 of the Companies Act may be determined by a resolution of the Board of Directors, unless otherwise provided by law.

Dividends from surplus for the 28th fiscal year are as follows

Date of resolution	Total amount of dividends (thousand yen)	Dividend per share (yen)
June 23, 2022 Resolution of the Annual general Meeting of Shareholders	1,242,286	14.00

4. [Corporate Governance]

(1) [Overview of Corporate Governance]

(i) Basic Policy on Corporate Governance

The Group recognizes that the establishment of corporate governance is the most important issue in corporate management. With the aim of ensuring sound corporate management and improving transparency and efficiency, we will strengthen our compliance system, further enhance disclosure through proactive investor relations activities, etc., and promote more efficient corporate behavior. We will also strive to increase corporate value and return profits to shareholders and other stakeholders.

(ii) Outline of corporate governance system and reasons for adopting such system

(a) Outline of corporate governance system

(Directors and Board of Directors)

As of the date of submission of the Annual Securities Report, the Company's Board of Directors consists of nine directors (including three outside directors). In addition to regular monthly meetings, extraordinary meetings of the Board of Directors are held whenever important matters arise. The Board of Directors is chaired by Katsushi Ishida, Representative Director CEO, and the other members are Kimihiko Imamura, Director, Deputy President and Executive Officer CFO, Shuji Kuramoto, Director, Senior Managing Executive Officer, Shinsuke Uno, Director, Senior Managing Executive Officer, Takeshi Watanabe, Director, Managing Executive Officer, Daiki Murakami, Director, Managing Executive Officer, Hitoshi Maeda, outside director, Noriko Endo, outside director, Mika Yano.

(Audit & Supervisory Board and Board Members)

The Audit & Supervisory Board meets once a month in principle, and when necessary, the Audit & Supervisory Board members hold discussions and exchange opinions with each other in order to ascertain the status of compliance by directors with laws, regulations, the Articles of Incorporation and other rules, and to ensure that operational and accounting audits are conducted effectively. The Audit & Supervisory Board is chaired by Kei Tachibana, Audit & Supervisory Board member, and its other members are Hitoshi Maeda and Shigeru Haga, Outside Audit & Supervisory Board members.

Audit & Supervisory Board members attend meetings of the Board of Directors and other important meetings, inspect important documents, ask questions of officers and employees, and perform other audit procedures to ensure proper monitoring of management. The Company also strives to conduct appropriate audits in cooperation with the Internal Audit Office and the accounting auditor.

(Nominating and Compensation Committee)

In order to strengthen the independence, objectivity, and accountability of the Board of Directors' functions related to the nomination and compensation of senior management and directors, the Company's Board of Directors, at its meeting held on June 23, 2022, resolved to establish a Nominating and Compensation Committee as an advisory body to the Board of Directors. The committee consists of three members, including the Chairman and President and two outside directors, and is chaired by the Chairman and President. The independence of the committee is ensured by having a majority of the committee members be independent outside directors. The Committee shall deliberate on matters relating to the election and dismissal of directors and officers, as well as policies and procedures necessary to determine directors' remuneration, etc., and shall provide advice and recommendations to the Board of Directors.

(Group Management Committee)

The Company has established a Group Management Committee for the purpose of thorough implementation of management policies as a group and discussion or sharing of management information and issues. The meeting is composed of the director in charge, the general manager, the general manager of the Internal Audit Department, and the representative directors of subsidiaries, and is held once a month in principle, and whenever necessary.

(Internal Audit Office)

The Company has established an Internal Audit Office under the direct control of the President and CEO. The Internal Audit Office, consisting of one person, audits all divisions of the Company and all subsidiaries for rationality, efficiency, appropriateness, and appropriateness of business execution in accordance with the annual internal audit plan. Audit results are reported to the Representative Director, who gives instructions for improvement to the person in charge of the audited department, and the status of improvement is monitored through follow-up audits, etc.

(Compliance Committee)

The Company has established a Compliance Committee as a body to ensure that compliance is observed by the Group. The Committee is composed of the director in charge, the general manager, the general manager of the Internal Audit Department, a full-time Audit & Supervisory Board member, and a representative director of a subsidiary, and meets as necessary.

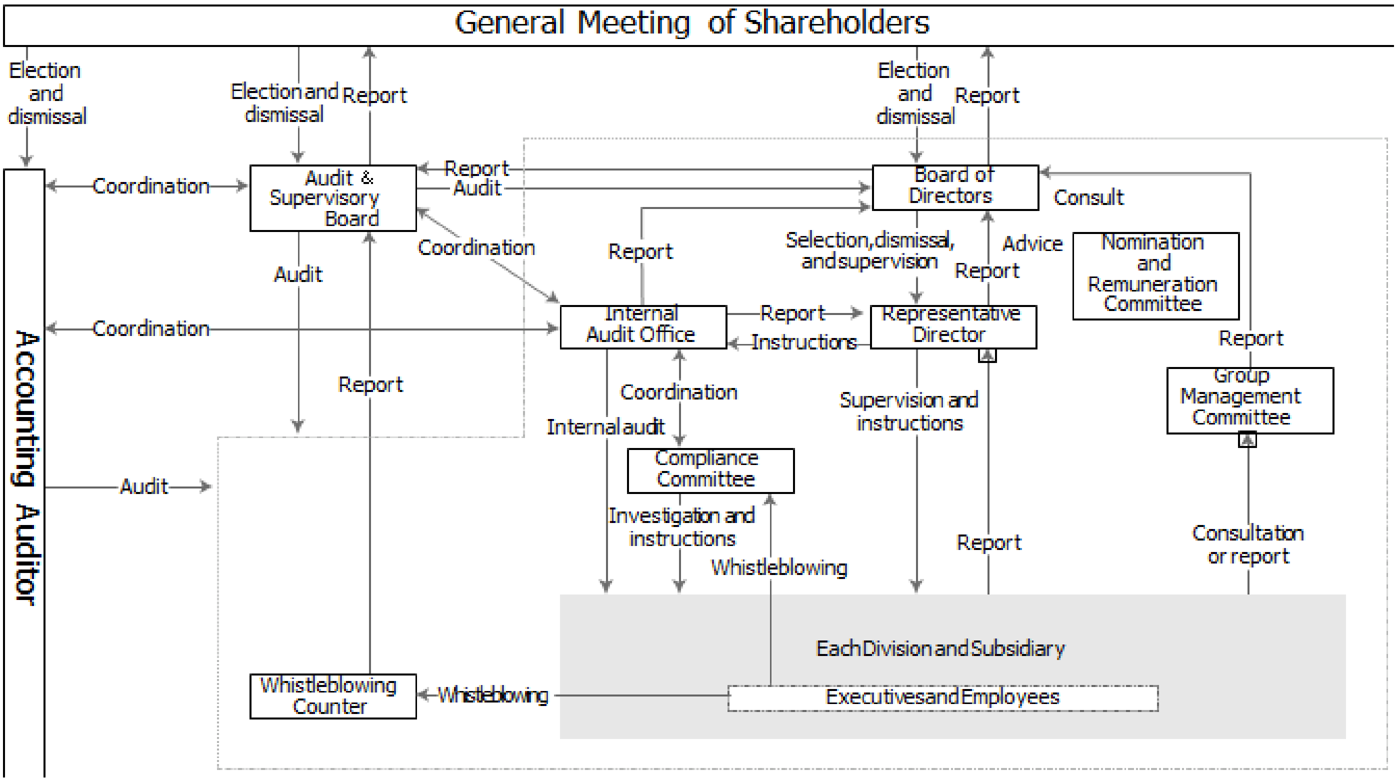
(Accounting Auditor)
The Company has entered into an audit contract with EY Ernst & Young ShinNihon LLC.

(b) Reasons for adopting the corporate governance system

We have adopted a company-with-a-board-of-directors and a company-with-audit & supervisory board system, in which the Board of Directors supervises the execution of business operations and the Audit & Supervisory Board and its members conduct audits to provide a dual check function. In addition, outside directors and outside Audit & Supervisory Board members attend Board of Directors meetings and speak from a highly independent standpoint, thereby strengthening the management oversight function. We also believe that the current system, in which Audit & Supervisory Board members, the internal audit, and auditing firm work together as appropriate to monitor business execution, and in which internal and external management oversight functions are fully exercised, is optimal for ensuring the effectiveness of corporate governance.

(c) Schematic diagram of corporate governance structure

A schematic diagram of the Company's corporate governance structure is shown below.



(iii) Other matters related to corporate governance

(a) Status of Internal Control System

At a meeting of the Board of Directors held on October 15, 2015, the Company resolved a basic policy for the establishment of an internal control system in accordance with the enforcement of the Companies Act. Based on this basic policy, we have established an internal control system structure. In addition, the Company conducts reviews in accordance with changes in the business environment and other factors.

(1) System to ensure that the execution of duties by directors and employees of the Company and its subsidiaries complies with laws and regulations and the Articles of Incorporation

1) Directors and employees of the Company and its subsidiaries shall act in accordance with the Code of Conduct and Compliance Rules, and shall comply with laws, the Articles of Incorporation and social norms.

2) The Company shall establish a Compliance Committee to oversee compliance-related efforts and provide compliance education to directors and employees of the Company and its subsidiaries.

3) The Internal Audit Office, which is independent from the executive departments as an internal audit division, shall audit the status of compliance.

4) In the event that any director or employee of the Company or its subsidiaries discovers any material violation of laws or ordinances or any other material fact concerning compliance at the Company, he/she shall immediately report such violation to the Information Management Officer, and shall supplement such violation with a system (hotline rules) to eliminate any omission in the discovery of such violation or other material fact. The Company shall also supplement this system through the Hotline Regulations.

The whistleblower service, which is available via dedicated e-mail, website, and written mail, is outsourced to Fairlinx Consulting, Inc.

5) If the Audit & Supervisory Board member finds any problem in the operation of the Company's legal compliance system and internal reporting rules (hotline rules), he/she may express his/her opinion and request the Company to formulate improvement measures.

(2) System for the storage and management of information related to the execution of duties by the Company's directors

Information related to the execution of duties by the Company's directors shall be stored and managed appropriately and reliably in a highly retrievable state according to the storage medium, in accordance with laws and regulations, the Document Management Rules, and the Rules for the Protection of Personal Information and Specified Personal Information. The Company's directors and Audit & Supervisory Board members shall have access to these documents at all times.

(3) Regulations and other systems for managing the risk of loss of the Company and its subsidiaries

(1) The heads of the headquarters, branches, branch offices, departments, offices, divisions, sales offices, etc. of the Company and its subsidiaries shall perform their duties within the scope of authority granted to them in accordance with the Rules on Division of Duties and Administrative Authority, etc. When performing duties that exceed the authority granted, they shall apply for and obtain approval from a higher authority in accordance with the Rules on Administrative Authority, and shall manage the risk of loss associated with the performance of the duties for which approval is granted.

(2) The representative directors, general managers, general managers, and branch managers of the Company and its subsidiaries shall assume various business risks that may occur in the relevant headquarters, offices, and branch offices, and shall endeavor to avoid such risks in advance, and in the event of the occurrence of a fact that could become a risk, shall respond promptly and appropriately to prevent and minimize the spread of damage.

(3) In the event of unforeseen circumstances or the need to respond to newly arising risks, the Company and its subsidiaries' Board of Directors shall report the matter to the Board of Directors, which shall determine a responsible person and take prompt action.

(4) Systems to ensure the efficient execution of duties by directors of the Company and its subsidiaries

(1) The Board of Directors of the Company and its subsidiaries shall make decisions on management execution policies, matters required by law and other important management matters, and supervise the execution of business by the directors of the Company and its subsidiaries.

(2) As a system to ensure that the directors of the Company and its subsidiaries execute their duties efficiently, meetings of the Board of Directors of the Company and its subsidiaries shall be held once a month in principle, and extraordinary meetings shall be held as necessary.

(3) The Board of Directors of the Company and its subsidiaries shall formulate and review management targets and budgets, the directors of the Company and its subsidiaries shall perform their duties to achieve them, and the Board of Directors shall manage their performance.

(5) System to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries

1) The Company and its subsidiaries shall endeavor to ensure the appropriateness of business operations of the Company and its subsidiaries by making the management policies common to the Company and its subsidiaries known to the Company and its subsidiaries as a whole.

2) Regular meetings attended by the Company's directors and representative directors of the Company's subsidiaries shall be held to share information among the Company and its subsidiaries.

3) In order to ensure the appropriateness of business operations at the Company and its subsidiaries, the Company and its subsidiaries shall establish matters to be managed by each company in accordance with the Affiliate Company Management Regulations applicable to the Company and all of its subsidiaries.

4) The Internal Audit Office of the Company shall conduct or supervise internal audits of the Company and its subsidiaries to ensure the effectiveness and adequacy of internal control over the overall operations of the Company and its subsidiaries.

5) A system shall be established to immediately report any violation of laws and regulations or other important compliance-related matters discovered within the Company and its subsidiaries.

(6) Matters concerning employees to assist the Audit & Supervisory Board member in the event that the Audit & Supervisory Board member requests the appointment of such employees, matters concerning the independence of such employees from directors, and matters concerning the maintenance of the effectiveness of the Audit & Supervisory Board member's instructions to such employees

The Company shall assign employees to assist the duties of the Audit & Supervisory Board members when required by the Members. The Company's Audit & Supervisory Board members shall have the authority to direct and order the employees, and their appointment, transfer, evaluation, and disciplinary actions shall be made after hearing the opinions of the Audit & Supervisory Board and exchanging views with the directors, thereby ensuring the independence of such employees from the directors.

(7) System for reporting to the Company's Audit & Supervisory Board member by the Company's Directors and employees, as well as Directors, Audit & Supervisory Board members, employees, and employees of the Company's subsidiaries, or persons receiving reports from these persons.

The Company's Audit & Supervisory Board members shall attend meetings of the Board of Directors and other important decision-making meetings of the Company and shall receive reports on important matters from the Company's Directors, employees, and others. In addition, the Company's Audit & Supervisory Board members shall receive reports from the Company's Directors, employees, etc. on the status of management of the Company's subsidiaries, etc. Notwithstanding the foregoing, the Company's Audit & Supervisory Board members may, at any time and as necessary, request reports from the directors, employees, etc. of the Company and its subsidiaries.

(8) System to ensure that a person who makes a report to the Company's Audit & Supervisory Board members is not subject to any disadvantageous treatment for making such a report

The Company shall prohibit any disadvantageous treatment of any person who makes a report to the Company's Audit & Supervisory Board members by reason of such report, and shall ensure that the Directors and employees of the Company and its subsidiaries are informed of such prohibition.

(9) Matters concerning procedures for advance payment or reimbursement of expenses incurred in the performance of duties by the Company's Audit & Supervisory Board members and other policies concerning the treatment of expenses or liabilities incurred in the performance of such duties

When an Audit & Supervisory Board member makes a request for advance payment of expenses, etc. to the Company for the performance of his/her duties, the Company shall promptly comply with such request, except in cases where the expenses or obligations in connection with such request are not deemed necessary for the performance of the Audit & Supervisory Board members' duties.

(10) Other systems to ensure that the audits of the Company's Audit & Supervisory Board members are conducted effectively

1) In accordance with the Audit & Supervisory Board member Auditing Standards, the Audit & Supervisory Board member may attend meetings of the Board of Directors and other important meetings of the Company, inspect important corporate information, and request explanations from directors, employees, and others as necessary.

2) In order to conduct efficient audits, the Audit & Supervisory Board members of the Company shall hold periodic discussions or exchanges of opinions with the accounting auditor and other relevant parties to complement each other's audits.

3) The Audit & Supervisory Board member of the Company shall meet regularly with the representative director of the Company to confirm business execution policies and to exchange opinions on issues to be addressed by the Company, risks surrounding the Company, the state of the audit environment, and important audit issues.

4) Ensure management transparency by having at least half of our Audit & Supervisory Board members be outside Audit & Supervisory Board members.

(11) System to ensure the reliability of financial reporting

1) In order to ensure proper accounting treatment and improve the reliability of financial reporting, the Company shall develop and improve the effectiveness of its internal control system for financial reporting.

2) The Company, its subsidiaries and their internal audit offices shall evaluate the effectiveness of internal control over financial reporting each fiscal year. The department receiving the effectiveness

evaluation shall take measures to correct and improve the situation when necessary.

(12) System to eliminate antisocial forces

The Company and its subsidiaries shall not have any relationship, including business relationships, with antisocial forces that pose a threat to social order and sound corporate activities. In addition, the entire organization shall take a firm stand against unjustified demands from antisocial forces.

(b) Status of risk management system

The Company recognizes that risk management is an extremely important management activity. Specifically, the directors and the Board of Directors strive to execute and supervise business operations. At the same time, to strengthen the risk management system, the Company is working to enhance internal control functions within the Company by formulating business plans, controlling budgets, operating and checking operations based on various regulations, and strengthening internal audits.

(c) Status of systems to ensure the appropriateness of operations of subsidiaries

The overall management of the subsidiaries is overseen by the Sales Administration Department for domestic subsidiaries and the Overseas Business Strategy Office for overseas subsidiaries.

In order to ensure the appropriateness of business operations of subsidiaries, the Company has established "Affiliated Company Management Regulations" and has designated an approver for each important matter of corporate management at subsidiaries, and the prescribed procedures are to be followed in advance.

The financial condition and operating results and other matters are designated as matters to be reported by the subsidiaries to the Company, and important matters are reported to the Board of Directors of the Company through the Business Administration Division or the Sales Division.

Internal audits of subsidiaries are conducted by the Internal Audit Office and audits of subsidiaries are conducted by Audit & Supervisory Board.

(d) Outline of the contents of the liability limitation agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each outside director and each Audit & Supervisory Board member to limit their liability for damages under Article 423, Paragraph 1 of the same law. The maximum amount of liability for damages under such contracts is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. Such limitation of liability is limited to cases where the outside directors and Audit & Supervisory Board members perform their duties in good faith and without gross negligence.

(e) Outline of the contents of the directors' and officers' liability insurance policies that have been concluded with the directors and officers, etc. as insureds.

The Company has concluded a directors' and Audit & Supervisory Boards' liability insurance policy with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which insures the directors, Audit & Supervisory Board members, and executive officers of the Company and its subsidiaries (including those who were in office during the fiscal year under review).

The insurance contract is renewed annually. The insurance company will compensate the insured for damages that may arise from the insured being held liable for the performance of his/her duties or being subject to claims related to the pursuit of such liability.

In addition, the insurance policy provides for an exemption from liability for damages in the event that the Company pursues liability for damages against the officer in question, and by setting a limit on the amount to be covered, the Company has taken measures to ensure that the officer's performance of his duties is not impaired. The same information will be updated in the next update.

(f) Fixed number of directors and requirements for resolution of election of directors

The Company's Articles of Incorporation stipulate that the number of directors shall not exceed 14.

The Company's Articles of Incorporation stipulate that resolutions for the election of directors shall be adopted by a majority of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.

The Articles of Incorporation also stipulate that the resolution for the election of directors shall not be by cumulative voting.

(g) Matters that may be resolved at the General Meeting of Shareholders may be resolved by the Board of Directors and the reasons thereof

(Decision-making body for dividends from surplus)

In order to pursue a flexible capital and dividend policy, the Company's Articles of Incorporation stipulate that matters listed in each item of Article 459, Paragraph 1 of the Companies Act, such as the distribution of surplus, may be determined by a resolution of the Board of Directors unless otherwise provided by laws and ordinances.

(Acquisition of treasury stock)

The Company's Articles of Incorporation stipulate that the Company may acquire its own shares through market transactions, etc. by a resolution of the Board of Directors pursuant to Article 165, Paragraph 2 of the Companies Act. The purpose of this change is to execute a flexible capital policy in response to changes in the business environment.

(Exemption of Directors and Audit & Supervisory Board Members from Liability)
In order to enable directors and Audit & Supervisory Board members to fully perform their expected roles, the Company, pursuant to Article 426, Paragraph 1 of the Companies Act, may, by a resolution of the Board of Directors, request that directors (including those who were previously directors) and Audit & Supervisory Board members (including those who were previously Members) be appointed as Audit & Supervisory Board member with respect to acts stipulated in Article 423, Paragraph 1 of the said Act.

(h) Requirements for Special Resolution of General Meeting of Shareholders
The Company's Articles of Incorporation stipulate that resolutions of the general meeting of shareholders stipulated in Article 309, Paragraph 2 of the Companies Act shall be adopted by two-thirds or more of the votes of shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise voting rights are present. The purpose of this measure is to facilitate the smooth operation of the general meeting of shareholders by relaxing the quorum for special resolutions at the general meeting of shareholders.

(2) [Status of Directors and Audit & Supervisory Board Members]

(i) Directors and Officers

Male: 10 Female: 2 (16.7 % of board members are female)

Title	Name	Date of birth	Career summary		Term of office	Number of shares held (shares)
President, Representative Director CEO	Katsushi Ishida	March 25, 1966	April 1985 June 1991 July 1992 October 1994 January 2015 May 2015 June 2017 June 2020 April 2022	Joined SEC Elevator Co., Ltd. Joined Ikuei Kanzai Co., Ltd. Joined PEMS Co., Ltd. Established the Company, President and Representative Director Representative Director President, Representative Director President, Representative Director CEO Representative Director CEO President, Representative Director CEO (to present)	(Note 3)	25,318,500 (Note 5)
Director, Deputy President and Executive Officer CFO General Manager, Business Administration Division	Kimihiko Imamura	June 18, 1978	December 2006 May 2013 April 2016 January 2017 June 2017 April 2018 April 2020 April 2021	Joined KPMG AZSA LLC Joined Digital Advertising Consortium, Inc. Deputy General Manager, Business Management Headquarter Joined the Company Director, Senior Executive Officer, CFO Director, Deputy President and Executive Officer CFO Director, Senior Management Executive Officer, CFO Director, Deputy President and Executive Officer CFO (to present)	(Note 3)	26,500
Director, Senior Managing Executive Officer Technology Director, General Manager of Domestic Business Headquarters	Shuji Kuramoto	August 9, 1981	December 2002 October 2005 October 2014 April 2015 December 2015 April 2017 April 2020 April 2021 April 2022	Joined Kamakura Cable Communications Co., Ltd. (now J:COM Shonan Kanagawa Co., Ltd,) Joined the Company General Manager of Yokohama Branch Office President, Japan Elevator Service Kanagawa Co., Ltd. Director, Managing Executive Officer, General Manager of Business Strategy Office Director, Senior Executive Officer Director, Senior Executive Officer, General Manager of Technology Headquarters and General Manager of Business Promotion Headquarter Director, Senior Managing Executive Officer, General Manager of Technology Headquarter Director, Senior Managing Executive Officer, Technology Director, General Manager of Domestic Business Headquarters (to present)	(Note 3)	16,000
Director, Senior Managing Executive Officer West Japan Business Director (to present)	Shinsuke Uno	May 29, 1967.	April 1991 April 2003 January 2007 February 2017 May 2017 June 2019 April 2020 April 2021 June 2021	Joined Takachiho Electric Co., Ltd. (now Elematec Corporation) General Manager of Kakogawa Branch Joined King's Arms Co., Ltd. Joined the Company Executive Officer President of Japan Elevator Service Kansai Co., Ltd. (to present) Director, Senior Managing Executive Officer, in charge of West Japan and Tokai Business Director, Senior Executive Officer Director, Senior Managing Executive Officer Director, Senior Managing Executive Officer, West Japan Business Director (to present)	(Note 3)	6,000

Title	Name	Date of Birth	Career summary	Term of office	Number of shares held (shares)
Director, Managing Executive Officer, General Manager of Sales & Marketing Headquarters	Takeshi Watanabe	September 18, 1978	April 2001 Joined Bic Camera, Inc. August 2010 Manager of Shinjuku East Exit Store April 2013 Manager of Sales Division April 2014 Manager of Sales Division of Kojima Co., Ltd. January 2015 General Manager of AS Business Division September 2016 Representative director and President, Selen Inc. February 2017 Representative director and President, Sofmap Corporation February 2021 Joined the Company April 2021 Senior Executive Officer, General Manager of Sales & Marketing Headquarters April 2022 Managing Executive Officer, General Manager of Sales & Marketing headquarters June 2022 Director, Managing Executive Officer, General Manager of Sales & Marketing Headquarters (to present)	(Note 3)	-
Director, Managing Executive Officer, General Manager of Technology Headquarters	Daiki Murakami	September 9, 1969	April 1988 Joined Nippon Otis Elevator Company December 2009 Joined the Company October 2011 Manager of Jyosai Branch Office April 2012 Executive Officer, General Manager of Technology Headquarters and Manager of Jyosai Branch Office October 2012 Managing Executive Officer, General Manager of Technology Headquarters February 2015 Managing Executive Officer, General Manager of Renewal Service Department April 2015 Executive Manager of Renewal Service Department and General Manager of Quality Assurance Department at Japan Elevator Parts Co., Ltd. December 2015 Director, Managing Executive Officer June 2017 Director, Managing Executive Officer in charge of Technology April 2020 Fellows April 2022 Managing Executive Officer, General Manager of Technology Headquarters June 2022 Director, Managing Executive Officer, General Manager of Technology Headquarters (to present)	(Note 3)	8,000
Director	Hitoshi Watanabe	March 15, 1965	September 1987 Joined Tokyo C.P.A. Special College October 1988 Joined Showa Ota & Co. (now Ernst & Young ShinNihon LLC) January 1994 Resident at E&Y's Sydney Office August 2001 Head of Watanabe CPA Office (to present) June 2008 President of R&J Co., Ltd. (to present) April 2015 Outside Director of the Company (to present)	(Note 3)	-
Director	Noriko Endo	May 6, 1968.	June 1994 Joined Diamond Inc. March 2006 Deputy Editor, Editorial Department of Weekly Diamond September 2013 Visiting Researcher, Policy Alternatives research Institute of the University of Tokyo April 2015 Project Professor, Graduate School of Media and Governance, Keio University June 2016 Outside director of NTT DOCOMO, INC. July 2018 Outside director of AIN Holdings, Inc. June 2019 Outside director, Hankyu Hanshin Holdings, Inc. April 2020 Project Professor, Global Research Institute, Keio University (current position) March 2021 Outside director of Techpoint, Inc. June 2021 Outside director of the Company (to present)	(Note 3)	1,300

Title	Name	Date of birth	Career summary	Term of office	Number of shares held (shares)
Director	Mika Yano	June 7, 1973.	September 1999 Joined Plum Creek Timber Company, Inc. October 2001 Joined Skadden Arps Foreign Law Office May 2002 Admitted to the New York State Bar, U.S.A. October 2007 Joined Morgan Stanley Capital K.K. July 2008 Re-admitted to Skadden Arps Foreign Law Office July 2009 Joined Sumitomo Life Insurance Company September 2012 President and Representative director of Mizenka Corporation (to present) June 2016 Joined Colt Technology Services, Inc. April 2018 Director and General Manager, Asia and U.S. Legal Office, Colt Technology Services, Inc. May 2019 Director, Head of Legal in Asia and U.S., Colt Technology Services, Co. May 2020 Representative director, Market Prism Japan Co., Ltd. (to present) November 2020 Director, Vice President and head of Legal at Asia & U.S., Colt Technology Services Co. (to present) June 2022 Outside director of the Company (to present)	(Note 3)	-
Audit & Supervisory Board Member	Kei Tachibana	August 8, 1973	April 1997 Joined The Asahi Bank, Ltd. April 2005 General Manager of Accounting Dept. November 2013 General Manager of Finance Department, Administration Division April 2017 Executive Officer and General Manager of Finance Department, Accounting and Finance Division June 2017 Executive Officer and General Manager of Finance Department, Corporate Administration Division June 2020 Audit & Supervisory Board member of the Company (present post)	(Note 4)	9,100
Audit & Supervisory Board Member	Hitoshi Maeda	September 12, 1950	April 1974 Joined Yasuda Trust & Banking Co. May 1998 General Manager of Corporate Planning Dept. June 2000 Executive Officer and General Manager of Corporate Planning Department of the Bank June 2001 Director and General Manager of Corporate Planning Department of the bank May 2002 Mizuho Asset Trust & Banking Co. Director, General Manager of Corporate Planning Dept. Managing director and Senior Executive Officer of the Bank March 2003 Managing director, Mizuho Trust & Banking Co. Managing Executive Officer April 2005 Director, Trust & Custody Services Bank, Ltd. June 2006 Director, Executive Vice President April 2007 Director and President June 2016 Audit & Supervisory Board member of the Company (to present)	(Note 4)	-
Audit & Supervisory Board Member	Shigeru Haga	January 2, 1953	March 1979 Researcher, Japan National Railway Labor Science Institute April 1987 Senior Researcher, Railway Technical Research Institute October 1995 Associate Professor, Department of Industrial Engineering, Faculty of Engineering, Towa University April 1998 Associate Professor, Department of Psychology, Faculty of Letters, Rikkyo University April 2002 Professor, Department of Psychology, Faculty of Letters, Rikkyo University April 2006 Professor, Department of Psychology, Faculty of Contemporary Psychology, Rikkyo University April 2018 Professor Emeritus, Rikkyo University April 2018 Technical Advisor, Social Safety Research Institute, Inc. June 2020 Audit & Supervisory Board member of the Company (to present)	(Note 4)	-
Total					25,385,400

(Notes) 1 Directors Hitoshi Watanabe, Noriko Endo and Mika Yano are outside directors.
2 Audit & Supervisory Board member Hitoshi Maeda and Shigeru Haga are outside Audit & Supervisory Board members.
3 Term of office is from the close of the annual general meeting of shareholders held on June 23, 2022 to the close of the annual general meeting of shareholders for the fiscal year ending March 31, 2023.
Term of office is from the close of the annual general meeting of shareholders held on June 24, 2020 to the close of the annual general meeting of shareholders for the fiscal year ending March 31, 2024.
The number of shares held by Katsushi Ishida, President, Representative Director CEO, includes the number of shares held by his asset management company, KI Corporation.
Noriko Endo's name in the family register is Noriko Tsujihiro.

(ii) Outside Directors and Outside Audit & Supervisory Board Members

The Company has three outside directors and two outside Audit & Supervisory Board members.

Outside director Hitoshi Watanabe has extensive knowledge and experience as a certified public accountant who has been involved in auditing many companies at auditing firms, etc. He is appointed as an outside director to utilize his expertise in strengthening the corporate governance of the Company.

Noriko Endo, an outside director, was appointed as an outside director in order to utilize her experience in strengthening the Company's corporate governance, based on the knowledge she has gained through her research on public policy and her reporting activities as an editor of an economic magazine, as well as her experience as an outside director at other listed companies.

Outside director Mika Yano has extensive experience, experience and insight in corporate legal affairs as a lawyer in the State of New York, U.S.A., as well as experience as a corporate manager. She is appointed as an outside director to utilize her experience in strengthening the corporate governance of the Company.

Outside directors Hitoshi Watanabe, Noriko Endo and Mika Yano have no personal, capital, business or other interest in the Company.

Hitoshi Maeda is appointed as an Outside Audit & Supervisory Board and Board members because of his extensive experience and insight as a business manager.

Shigeru Haga, an outside Audit & Supervisory Board member, is appointed as an outside Audit & Supervisory Board member because of his excellent character and high level of insight, having worked as an advisor on safety issues for several business companies.

There are no personal, capital, business, or other interests between Hitoshi Maeda and Shigeru Haga, Outside Audit & Supervisory Board members, and the Company.

The Company has notified the Tokyo Stock Exchange of all of its outside directors and outside Audit & Supervisory Board members as independent directors and Audit & Supervisory Board members who are not likely to have a conflict of interest with general shareholders.

Although the Company has not established its own criteria for determining independence, the Company uses the fulfillment of the requirements for independent directors and auditors established by the Tokyo Stock Exchange as a standard as a guideline for the appointment of independent directors and auditors.

The criteria for determining independence are based on a comprehensive assessment of the employment relationship between the candidate for outside director/auditor (close relative) and the Company, including: (i) Employment relationship (ii) Voting rights held by the candidate (iii) Business relationship.

(iii) Relationship between supervision or auditing by outside directors or outside Audit & Supervisory Board members and internal audits, audits by Audit & Supervisory Board and its members, and accounting audits, and relationship with the internal control division

Supervision or auditing by outside directors and outside Audit & Supervisory Board and its members is carried out in cooperation with auditing by Audit & Supervisory Board members, internal auditing, and accounting auditing through comments and exchanges of opinions at meetings of the Board of Directors and Audit & Supervisory Board as appropriate.

(3) [Status of Audits]

(i) Audit & Supervisory Board Member Status of Audits

The Audit & Supervisory Board meets once a month in principle, and when necessary, the Audit & Supervisory Board members hold discussions and exchange opinions with each other in order to ascertain the status of compliance by directors with laws, regulations, the Articles of Incorporation and other rules, and to ensure that operational and accounting audits are conducted effectively. The Audit & Supervisory Board is chaired by Kei Tachibana, Audit & Supervisory Board member, and its other members are Hitoshi Maeda and Shigeru Haga, Outside Audit & Supervisory Board members. Audit & Supervisory Board member Kei Tachibana has many years of experience in the Company's finance and accounting operations and has expert knowledge in finance and accounting.

Audit & Supervisory Board members strictly audit the overall operations of the Company and its subsidiaries in accordance with the audit plan, audit methods and work assignments determined by the Audit & Supervisory Board.

The Company held 18 meetings of the Audit & Supervisory Board during the fiscal year under review, and the attendance of each Audit & Supervisory Board member is as follows.

Name	Number of times held	Number of Attendances
Kei Tachibana	18 times	18 times
Hitoshi Maeda	18 times	18 times
Shigeru Haga	18 times	18 times

Audit & Supervisory Board The main matters to be considered in the audit of the Company's financial statements (including the status of compliance with laws and regulations, risk prevention, information security, and the establishment and operation of internal control systems), which are specified in the audit policy and plan, as well as the evaluation of the accounting auditor's audit.

Audit & Supervisory Board members attend meetings of the Board of Directors and other important meetings, and conduct appropriate monitoring of management through auditing procedures such as inspection of important documents and questioning of officers and employees. The Company also strives to conduct appropriate audits in cooperation with the Internal Audit Office and the accounting auditor.

(ii) Status of internal audits

The Company has established an Internal Audit Office (one person in charge of internal audit) under the direct control of the President. The Internal Audit Office audits all divisions of the Company and all subsidiaries for rationality, efficiency, appropriateness, and appropriateness of business execution in accordance with the annual internal audit plan. Audit results are reported to the representative director, who gives instructions for improvement to the person in charge of the audited department, and the status of improvement is monitored through follow-up audits, etc. The Company also works with Audit & Supervisory Board members, the Audit & Supervisory Board, and the independent auditors to conduct appropriate audits.

(iii) Status of accounting audit

a. Name of Audit Firm

EY Ernst & Young ShinNihon LLC

b. Continuous audit period

4 years

c. Certified Public Accountants who have performed services

Masayoshi Yoshikata

Rentaro Miki

d. Composition of assistants for audit services

The Company's assistants for accounting audit services are 3 certified public accountants, 2 persons who have passed the accountant examination, etc., and 10 other persons.

e. Audit Firm Selection Policy and Rationale

In selecting an accounting auditor, the Audit & Supervisory Board comprehensively considers the expertise, audit quality, and independence required of the Company's accounting auditor, as well as the quality control system to ensure that the Company's accounting audit is conducted properly and appropriately.

The Audit & Supervisory Board shall decide the content of the proposal for dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders if it determines that such action is necessary, such as when there is a problem with the accounting auditor's performance of its duties.

In addition, the Audit & Supervisory Board will dismiss the Accounting Auditor with the unanimous consent of the Audit & Supervisory Board members if the Accounting Auditor is deemed to fall under any of the items of Article 340, Paragraph 1 of the Companies Act. In this case, the member selected by the Audit & Supervisory Board shall report the dismissal of the accounting auditor and the reasons thereof at the first general meeting of shareholders convened after the dismissal.

f. Audit & Supervisory Board member and Audit & Supervisory Board evaluation of the audit firm.

The Company's Audit & Supervisory Board and its Members evaluate audit firms in accordance with the "Practical Guidelines for Audit & Supervisory Boards and Others Concerning the Evaluation of Accounting Auditors and the Establishment of Selection Criteria" published by the Japan Corporate Auditors Association, and other guidelines. As a result, we evaluated that the performance of duties by the accounting auditor was appropriate and resolved to reappoint EY Ernst & Young ShinNihon LLC.

(iv) Details of audit fees, etc.

a. Details of remuneration paid to certified public accountants, etc. for auditing

classification	Previous fiscal year		Current fiscal year	
	Compensation based on audit attestation services (Thousands of yen)	Compensation for non-audit services (Thousands of yen)	Compensation based on audit attestation services (Thousands of yen)	Compensation for non-audit services (Thousands of yen)
Filing company	36,750	-	41,300	-
Consolidated subsidiaries	-	-	-	-
total	36,750	-	41,300	-

b. Compensation to the same network (Ernst & Young) as the CPAs (excluding a.)
Not applicable.

c. Details of compensation for other significant audit attestation services
Not applicable.

d. Policy for determining audit fees
The Company's policy is to determine the amount of compensation to be paid to the Company's auditing certified public accountants, etc. with the consent of the Audit & Supervisory Board, taking into consideration the number of personnel involved in audit certification services, the number of audit days, and other factors.

e. Reasons why Audit & Supervisory Board agreed to the remuneration of the accounting auditor
The Audit & Supervisory Board of the Company conducted necessary verification on the appropriateness of the content of the audit plan of the accounting auditor, the performance of duties by the accounting auditor, and the basis for calculation of the remuneration estimate, and based on the results of such verification, made a decision to agree on the amount of remuneration, etc.

(4) [Remuneration, etc. of Directors and Audit & Supervisory Boards]

(i) Matters pertaining to the policy for determining the amount of remuneration for directors and Audit & Supervisory Board members or the method for calculating the amount of 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.

The maximum amount of remuneration for directors was resolved at the 19th Annual General Meeting of Shareholders held on November 29, 2013 to be no more than ¥700 million per year (not including salaries for employees). The number of directors as of the close of this General Meeting of Shareholders is five. In addition, at the 24th Annual General Meeting of Shareholders held on June 26, 2018, as a separate line from the amount of remuneration, etc. for directors above, the Company resolved to set the amount of remuneration for the grant of restricted stock at no more than 350 million yen per year and the maximum number of shares at 170,000 shares annually (outside directors are not eligible for the grant, and employee salaries are not included). (The maximum number of shares is 680,000 shares per year after adjustment due to a 2-for-1 stock split of common shares implemented on October 1, 2018 and a 2-for-1 stock split of common shares implemented on January 1, 2021). The number of directors (excluding outside directors) at the conclusion of the said General Meeting of Shareholders is 10.

The maximum amount of remuneration for Audit & Supervisory Board members was resolved at the 19th Annual general Meeting of Shareholders held on November 29, 2013 to be 50 million yen per year. The number of Audit & Supervisory Board members as of the close of this General Meeting of Shareholders is one.

The Company calculates the fixed remuneration of directors within the limits of the directors' remuneration approved by the above 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, (iii) performance and other factors. In the current fiscal year, the Board of Directors resolved at its meeting held on June 25, 2021 to appoint a representative director. The remuneration of Audit & Supervisory Board members is determined by consultation of the Audit & Supervisory Board within the limits of the remuneration of Audit & Supervisory Board members approved by the aforementioned shareholders' meeting.

The Company's Board of Directors, at its meeting held on February 16, 2021, approved a policy for determining the details of individual director compensation.

The Board of Directors has also confirmed that the method of determining the details of remuneration, etc. for individual directors for the fiscal year under review and the details of remuneration, etc. determined are consistent with such determination policy and are deemed to be in line with such policy.

The details of the policy for determining the details of remuneration, etc. of individual directors are as follows

1. Basic Policy

The Company's basic policy is to set the remuneration of individual directors at an appropriate level based on their respective responsibilities when determining their remuneration. Specifically, the remuneration for executive directors shall consist of base remuneration as fixed remuneration and stock-based remuneration, while outside directors, who are responsible for supervisory functions, shall be paid only base remuneration in light of their duties.

2. Policy regarding the determination of the amount of compensation, etc. for each individual for basic compensation (monetary compensation) (including policy regarding the determination of the timing or conditions of granting compensation, etc.)

The basic remuneration of the Company's directors shall be a monthly fixed remuneration, which shall be determined in accordance with their position, responsibilities, and years in office, comprehensively taking into consideration the level of other companies, the Company's performance, and the level of employee salaries.

3. Policy regarding the determination of the details of non-monetary compensation and the method of calculation of the amount or number of non-monetary compensation (including policy regarding the determination of the timing or conditions of granting compensation, etc.)

Non-monetary compensation shall be in the form of restricted stock with a restriction period of up to 35 years, and shall be granted at a time determined by a resolution of the Board of Directors to the executive directors determined by the same resolution. The grantee, the number of shares to be granted, and the timing of the grant shall be determined by comprehensively taking into consideration the position, responsibilities, the level of other companies, and the Company's business performance.

4. Policy regarding the determination of the amount of monetary and non-monetary compensation as a percentage of the amount of compensation, etc., paid to each individual director

The ratio of remuneration for each type of executive director shall be determined based on monthly fixed remuneration, while taking into consideration his/her position, responsibilities, the level of other companies, and the Company's business performance, as well as taking into account the Company's overall performance.

5. Matters concerning the determination of the details of remuneration, etc. of individual directors

The Chairman of the Board of Directors shall be authorized to delegate the specific details of the amount of remuneration for each individual director based on a resolution of the Board of Directors, and the details of such delegation shall be the amount of base remuneration for each director. In order to ensure that such authority is properly exercised by the Chairman of the Board of Directors, the Chairman of the Board of Directors shall consult with the President of the Board of Directors, etc., and shall determine the amount of compensation for each individual with respect to such consultation. The number of shares of restricted stock (stock-based compensation) to be allocated (granted) to each individual shall be determined by a resolution of the Board of Directors.

In order to strengthen the independence, objectivity, and accountability of the Board of Directors' functions related to the nomination and compensation of senior management and directors, the Company's Board of Directors, at its meeting held on June 23, 2022, resolved to establish a Nominating and Compensation Committee as an advisory body to the Board of Directors. The committee consists of three members, including the Chairman and President and two outside directors, and is chaired by the Chairman and President. In addition, the independence of the committee is ensured by having a majority of the committee members be independent outside directors. Such committee shall deliberate on matters relating to the election and dismissal of directors and officers, as well as policies and procedures necessary to determine directors' remuneration, etc., and shall provide advice and recommendations to the Board of Directors.

(ii) Total amount of remuneration, etc., by category of officer, total amount of remuneration, etc., by type of remuneration, etc., and number of officers subject to remuneration, etc.

Executive Classification	Total amount of compensation, etc. (thousand yen)	Total amount of remuneration, etc. by type (thousands of yen)			Number of officers covered (persons)
		basic remuneration	restricted stock compensation	Non-monetary compensation, etc., of the left	
Director (excluding outside directors)	212,528	195,552	16,976	16,976	7
Audit & Supervisory Board member (Excluding Outside Audit & Supervisory Board members)	12,000	12,000	-	-	1
Outside directors	28,200	28,200	-	-	5

(Notes) 1 In addition to the above, two directors (excluding outside directors) were paid 34,200 thousand yen as total compensation from the Company's subsidiary.
2 The above restricted stock compensation is the amount recorded as expenses for the current fiscal year.

(iii) Total amount of consolidated remuneration, etc. per director
Not applicable.

(iv) Significant employee salaries of officers concurrently serving as employees.
Not applicable.

(5) [Shareholdings]

(i) Criteria and approach for classification of investment shares

The Company classifies its holdings of investment shares for purposes other than pure investment as those for which the purpose of holding the shares is to profit from changes in the value of the shares or from dividends on the shares, while other investments are classified as those for purposes other than pure investment.

In principle, the Company's policy is not to hold stocks for pure investment purposes.

(ii) Shareholdings by Joshin Building Service Co., Ltd.

Among the Company and its consolidated subsidiaries, the company with the largest amount of investment stocks on its balance sheet is Joshin Building Service Co., Ltd. and its shareholdings are described below.

(a) Investment shares held for purposes other than pure investment

a. Methods for verifying the rationality of holding policies and holdings, and details of verification by the Board of Directors, etc. regarding the appropriateness of holding individual issues.

From a medium- to long-term perspective, the Company holds shares that are deemed to contribute to increasing the Company's corporate value through the maintenance and strengthening of business relationships with partner companies and the facilitation of transactions.

The appropriateness of holding these assets is determined based on periodic and comprehensive consideration of such factors as reconfirmation of the significance of holding the assets, the status of transactions, and the benefits associated with holding the assets.

b. Number of stocks and balance sheet amount

	Number of issues (stocks)	Total amount shown on balance sheet (thousand yen)
Unlisted stocks	1	1,000
Shares other than unlisted shares	2	14,952

(Stocks whose number of shares increased in the current fiscal year)

	Number of issues (stocks)	Total acquisition cost related to increase in number of shares (thousand yen)	Reason for increase in number of shares
Unlisted stocks	-	-	-
Shares other than unlisted shares	1	204	Acquisition of shares through business partners' shareholding associations

(Stocks whose number of shares decreased in the current fiscal year)

Not applicable.

c. Information on the number of shares, balance sheet amount, etc. of specified investment shares and deemed investment shares by issue

Specified Investment Stocks

description	Current fiscal year	Previous fiscal year	Purpose of holding, quantitative effect of holding and the reason for the increase in the number of shares	Shareholding in the Company
	Number of shares	Number of shares		
	Amount shown on Balance Sheet (thousand yen)	Amount shown on Balance Sheet (thousand yen)		
Nippon Kanzai Co.	1,895	1,818	(Purpose of investment) Purpose of facilitating business transactions (Reason for increase in number of shares) Acquisition of shares through business partners' shareholding associations	nil
	5,352	3,963		
Axial Retailing Corporation	3,000	3,000	(Purpose of investment) Purpose of facilitating business transactions	nil
	9,600	14,445		

Deemed stock holdings
Not applicable.

(iii) Shareholdings by the filing company
The Company's shareholdings are as follows
(a) Investment shares held for purposes other than pure investment
a. Methods for verifying holding policies and rationality of holdings, and details of verification by the Board of Directors, etc. regarding the appropriateness of holding individual issues.

From a medium- to long-term perspective, the Company holds shares that are deemed to contribute to increasing the Company's corporate value through the maintenance and strengthening of business relationships with partner companies and the facilitation of transactions.

The appropriateness of holding these assets is determined based on periodic and comprehensive consideration of such factors as reconfirmation of the significance of holding the assets, the status of transactions, and the benefits associated with holding the assets.

b. Number of stocks and balance sheet amount

	Number of issues (stocks)	Total amount shown on balance sheet (thousand yen)
unlisted stocks	1	2,000
Shares other than unlisted shares	-	-

(Stocks whose number of shares increased in the current fiscal year)
Not applicable.

(Stocks whose number of shares decreased in the current fiscal year)
Not applicable.

c. Information on the number of shares, balance sheet amount, etc. of specified investment shares and deemed investment shares by issue
Not applicable.

Item 5 [Financial Statements and Supplementary Data]

1. Method of Preparation of Consolidated Financial Statements and Financial Statements

(1) The consolidated financial statements of the Company are prepared in accordance with the "Regulations Concerning Terms, Forms and Preparation Method of Consolidated Financial Statements" (Ministry of Finance Ordinance No. 28 of 1976).

(2) The Company's financial statements are prepared in accordance with the "Regulations Concerning Terms, Forms and Preparation Method of Financial Statements" (Ministry of Finance Ordinance No. 59 of 1963, hereinafter referred to as the "Regulations for Financial Statements").

In addition, the Company falls under the category of a special financial statement filing company and prepares its financial statements in accordance with Article 127 of the Regulations Concerning Financial Statements.

2. Audit Certification

The Company's consolidated financial statements for the fiscal year (April 1, 2021 to March 31, 2022) and business year (April 1, 2021 to March 31, 2022) have been audited by EY Ernst & Young ShinNihon LLC in accordance with the provisions of Article 193-2-1 of the Financial Instruments and Exchange Law. EY Ernst & Young ShinNihon LLC.

3. Special Efforts to Ensure the Appropriateness of Consolidated Financial Statements, etc.

The Company takes special measures to ensure the appropriateness of its consolidated financial statements. Specifically, the Company participates in training programs sponsored by auditing firms and other organizations in order to appropriately grasp the content of accounting standards, etc., and to develop a system that enables it to respond appropriately to changes in accounting standards, etc.

1. [Consolidated Financial Statements]

(1)[Consolidated Financial Statements and Notes]

(i) [Consolidated Balance Sheet]

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Assets		
Current assets		
Cash and deposits	1,674,107	2,179,838
Notes and accounts receivable-trade	3,606,693	-
Notes receivable - trade	-	24,236
Accounts receivable - trade	-	4,130,381
Work in progress	47,584	88,251
Raw materials and supplies	2,126,781	2,434,260
Other	720,128	973,192
Allowance for doubtful accounts	(6,998)	(7,192)
Total current assets	8,168,296	9,822,968
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,318,008	5,615,885
Tools, furniture and fixtures	3,179,330	4,639,572
Land	694,028	829,019
Construction in progress	732,760	885,377
Other	193,848	268,080
Accumulated depreciation and impairment	(1,942,929)	(2,678,551)
Total property, plant and equipment	8,175,047	9,559,384
Intangible assets		
Goodwill	1,661,929	2,547,248
Software	888,107	1,132,196
Other	60,022	628,265
Total intangible assets	2,610,060	4,307,710
Investments and other assets		
Investment securities	(Note 3) 120,005	(Note 3) 118,310
Leasehold and guarantee deposits	492,244	551,355
Deferred tax assets	697,406	809,313
Other	261,628	219,976
Allowance for doubtful accounts	(50,948)	(50,222)
Total investments and other assets	1,520,335	1,648,733
Total non-current assets	12,305,442	15,515,828
Total assets	20,473,739	25,338,796

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Liabilities		
Current liabilities		
Accounts payable - trade	970,930	1,001,125
Short-term borrowings	(Note 1, 2) 2,038,180	(Note 1, 2) 2,198,784
Current portion of long-term borrowings	946,140	1,809,528
Accounts payable - other	678,324	901,865
Income tax payable	938,528	821,764
Accrued consumption taxes	365,489	470,835
Provision for bonuses	614,130	687,900
Other	690,857	4 814,362
Total current liabilities	7,242,580	8,706,167
Non-current liabilities		
Long-term borrowings	1,418,034	3,288,183
Retirement benefit liability	865,134	1,096,189
Asset retirement obligations	393,532	416,033
Other	49,103	76,123
Total non-current liabilities	2,725,803	4,876,530
Total liabilities	9,968,384	13,582,697
Net assets		
Shareholders' equity		
Share capital	2,460,276	2,480,044
Capital surplus	2,896,577	2,657,803
Retained earnings	5,014,612	6,678,340
Treasury shares	(209)	(30,303)
Total shareholders' equity	10,371,256	11,785,885
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,035	623
Foreign currency translation adjustment	(67,544)	(71,697)
Remeasurements of defined benefit plans	(35,102)	(53,015)
Total accumulated other comprehensive income	(99,611)	(124,088)
Non-controlling interests	233,710	94,302
Total net assets	10,505,355	11,756,098
Total liabilities and net assets	20,473,739	25,338,796

(ii) [Consolidated Statements of Income and Consolidated Statements of Comprehensive Income]

[Consolidated Statements of Income]

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Net sales	24,521,058	29,751,566
Cost of sales	(Note 1) 15,090,029	(Note 1) 18,253,752
Gross profit	9,431,028	11,497,813
Selling, general and administrative expenses	(Notes 2, 3) 5,818,805	(Notes 2, 3) 7,384,722
Operating profit	3,612,223	4,113,091
Non-operating income		
Surrender value of insurance policies	110,365	114,125
Subsidy income	7,464	28,100
Other	18,870	20,295
Total non-operating income	136,701	162,520
Non-operating expenses		
Interest expenses	11,813	15,225
Commission expenses	2,175	7,423
Foreign exchange losses	22	8,942
Loss on investment in silent partnerships	-	10,207
Other	19,460	7,897
Total non-operating expenses	33,471	49,697
Ordinary profit	3,715,453	4,225,914
Extraordinary income		
Gain on sale of non-current assets	(Note 4) 730	(Note 4) 8,548
Gain on step acquisitions	14,972	-
Other	-	85
Total extraordinary income	15,703	8,633
Extraordinary losses		
Loss on retirement of non-current assets	5 2,427	5 2,940
Other	3,027	645
Total extraordinary losses	5,454	3,586
Profit before income taxes	3,725,702	4,230,962
Income taxes - current	1,432,916	1,499,213
Income taxes - deferred	(89,519)	(52,812)
Total income taxes	1,343,396	1,446,401
Profit	2,382,306	2,784,561
Profit attributable to non-controlling interests	19,715	57,947
Profit attributable to owners of parent	2,362,590	2,726,613

[Consolidated Statements of Comprehensive Income]

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Profit	2,382,306	2,784,561
Other comprehensive income		
Valuation difference on available-for-sale securities	2,124	(2,411)
Foreign currency translation adjustment	(12,570)	(7,275)
Remeasurements of defined benefit plans, net of tax	(5,834)	(17,912)
Total other comprehensive income	(16,280)	(27,599)
Comprehensive income	2,366,025	2,756,961
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,345,873	2,702,136
Comprehensive income attributable to non-controlling interests	20,151	54,825

(iii)[Consolidated Statement of Changes in Net Assets]

Previous fiscal year (from April 1, 2020 to March 31, 2021)

(Unit: thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	700,321	1,136,623	3,381,715	(112)	5,218,548
Changes of items during period					
Exercise of share acquisition rights	1,759,954	1,759,954			3,519,908
Dividends of surplus			(729,693)		(729,693)
Profit attributable to owners of parent			2,362,590		2,362,590
Purchase of treasury shares				(97)	(97)
Net changes of items other than shareholders' equity					
Total changes of items during period	1,759,954	1,759,954	1,632,897	(97)	5,152,708
Balance at end of period	2,460,276	2,896,577	5,014,612	(209)	10,371,256

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income			
Balance at beginning of period	910	(54,537)	(29,267)	(82,894)	23,218	18,217	5,177,089
Changes of items during period							
Exercise of share acquisition rights							3,519,908
Dividends of surplus							(729,693
Profit attributable to owners of parent							2,362,590
Purchase of treasury shares							(97)
Net changes of items other than shareholders' equity	2,124	(13,006)	(5,834)	(16,716)	(23,218)	215,492	175,557
Total changes of items during period	2,124	(13,006)	(5,834)	(16,716)	(23,218)	215,492	5,328,265
Balance at end of period	3,035	(67,544)	(35,102)	(99,611)	-	233,710	10,505,355

Current fiscal year (from April 1, 2021 to March 31, 2022)

(Unit: thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,460,276	2,896,577	5,014,612	(209)	10,371,256
Changes of items during period					
Issuance of new shares	12,730	12,730			25,460
Exercise of share acquisition rights	7,038	7,038			14,076
Dividends of surplus			(1,062,885)		(1,062,885)
Profit attributable to owners of parent			2,726,613		2,726,613
Purchase of treasury shares				(30,094)	(30,094)
Increase/decrease in equity resulting from acquisition of shares of consolidated subsidiaries		(258,542)			(258,542)
Net changes of items other than shareholders' equity					
Total changes of items during period	19,768	(238,774)	1,663,728	(30,094)	1,414,628
Balance at end of period	2,480,044	2,657,803	6,678,340	(30,303)	11,785,885

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income		
Balance at beginning of period	3,035	(67,544)	(35,102)	(99,611)	233,710	10,505,355
Changes of items during period						
Issuance of new shares						25,460
Exercise of share acquisition rights						14,076
Dividends of surplus						(1,062,885)
Profit attributable to owners of parent						2,726,613
Purchase of treasury shares						(30,094)
Increase/decrease in equity resulting from acquisition of shares of consolidated subsidiaries						(258,542)
Net changes of items other than shareholders' equity	(2,411)	(4,152)	(17,912)	(24,477)	(139,407)	(163,884)
Total changes of items during period	(2,411)	(4,152)	(17,912)	(24,477)	(139,407)	1,250,743
Balance at end of period	623	(71,697)	(53,015)	(124,088)	94,302	11,756,098

(iv) [Consolidated Statement of Cash Flows]

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	3,725,702	4,230,962
Depreciation	810,387	927,168
Amortization of goodwill	69,530	196,609
Increase (decrease) in allowance for doubtful accounts	26,558	(1,164)
Increase (decrease) in provision for bonuses	100,716	56,459
Increase (decrease) in retirement benefit liability	81,182	69,671
Interest expenses	11,813	15,225
Gain on sale of non-current assets	(730)	(8,548)
Loss on retirement of non-current assets	2,427	2,940
Surrender value of insurance policies	(110,365)	(114,125)
Subsidy income	(7,464)	(28,100)
Loss (gain) on step acquisitions	(14,972)	-
Decrease (increase) in trade receivables	(627,157)	(368,076)
Decrease (increase) in inventories	(312,085)	(320,920)
Decrease (Increase) in accounts receivable-other	21,895	(143,980)
Increase (decrease) in trade payables	244,088	(1,986)
Increase (decrease) in accrued consumption taxes	23,342	91,909
Other, net	(16,608)	7,853
Subtotal	4,028,259	4,611,898
Interest and dividends received	703	900
Interest paid	(11,937)	(16,783)
Subsidies received	7,464	8,200
Income taxes paid	(1,006,301)	(1,598,398)
Net cash provided by (used in) operating activities	3,018,188	3,005,817
Cash flows from investing activities		
Purchase of investment securities	(99,593)	(3,204
Purchases of property, plant and equipment	(2,519,930)	(1,577,642)
Purchase of intangible assets	(394,312)	(1,117,071)
Proceeds from cancellation of insurance funds	236,246	250,060
Payment of leasehold and guarantee deposits	(77,385)	(63,302)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(Note 2) (1,117,055)	(Note 2) (799,265)
Other, net	16,591	31,322
Net cash provided by (used in) investing activities	(3,955,439)	(3,279,101)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,061,588)	(461,666)
Proceeds from long-term borrowings	1,000,000	4,701,356
Repayments of long-term borrowings	(1,217,304)	(1,967,819)
Purchase of treasury shares	(97)	(30,094)
Proceeds from stock issuance to non-controlling shareholders from newly consolidated subsidiary	10,000	-
Dividends paid	(729,693)	(1,062,885)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	3,496,690	31,052
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(450,002)
Other, net	(37,968)	5,260
Net cash provided by (used in) financing activities	1,460,038	765,202
Effect of exchange rate change on cash and cash equivalents	(8,163)	9,811
Net increase (decrease) in cash and cash equivalents	514,624	501,730
Cash and cash equivalents at beginning of period	1,145,583	1,660,207
Cash and cash equivalents at end of period	1,660,207	1 2,161,938

[Note]

(Basis of Presenting Consolidated Financial Statements)

Scope of Consolidation

(1) Number of consolidated subsidiaries: 30

Names of major consolidated subsidiaries are omitted since they are listed in "1.

Of these, Toyota Facility Service Co., Ltd., Ehime Elevator Service Co., Ltd., Shikoku Elevator Service Co., Ltd., JAPAN UNIECO ELEVATOR SERVICE COMPANY LIMITED (formerly UNIECO VIETNAM COMPANY LIMITED), Shikoku Elevator Service Co., Ltd., Kanto Elevator System Co., Ltd., and EVOTECH Co., Ltd. were made consolidated subsidiaries due to the acquisition of their shares.

(2) Names of non-consolidated subsidiaries

Not applicable.

2. Application of equity method

(1) Number of affiliates accounted for by the equity method: 4

Names of major equity-method affiliates are omitted since they are listed in "Item 1 [Company Overview], 4 [Affiliated Companies.]"

(2) There are no unconsolidated subsidiaries or affiliates not accounted for by the equity method.

(3) For those companies accounted for by the equity method whose fiscal year ends on a different date from the fiscal year end, the financial statements for the fiscal year of each company are used.

3. Fiscal Year of Consolidated Subsidiaries

Of the consolidated subsidiaries, JAPAN ELEVATOR SERVICE HONG KONG COMPANY LIMITED, PT. In preparing the consolidated financial statements, the financial statements as of December 31 are used, and necessary adjustments are made for significant transactions that occurred between December 31 and the consolidated balance sheet date.

The closing date of JAPAN JINDAL ELEVATOR SERVICE PRIVATE LIMITED is March 31, and in preparing the consolidated financial statements, provisional financial statements as of December 31, the closing date of JAPAN ELEVATOR SERVICE HONG KONG COMPANY LIMITED, the direct parent company, are used and adjustments necessary for consolidation were made for significant transactions that occurred between March 31 and the consolidated closing date.

Matters Related to Accounting Policies

(1) Valuation standards and methods for significant assets

a. Securities Marketable securities

Available-for-sale securities

Other than stocks and other securities with no market price

Market value method (unrealized gains and losses are accounted for as a component of net assets, and the cost of securities sold is determined by the moving-average method).

Non-marketable equity securities, etc.

Mainly stated at cost determined by the moving-average method.

(b) Inventories

Work in progress

Stated at cost determined by the specific identification method (the amount stated in the balance sheet is calculated by writing down the book value based on a decline in profitability).

Raw materials

Mainly stated at cost determined by the weighted average method (the amount stated in the balance sheet is calculated by writing down the book value based on a decline in profitability).

Supplies

Stated at cost based on the last purchase price method (the amount stated in the balance sheet is calculated by writing down the book value based on a decline in profitability).

(2) Depreciation method for significant depreciable assets

a. Property, plant and equipment (excluding leased assets) Tangible fixed assets (excluding leased assets)

The straight-line method is mainly used.

The main useful lives are as follows: Buildings and structures

Buildings and structures	3 to 50 years
Machinery, equipment and vehicles	2 to 17 years
Tools, furniture and fixtures	2 to 17 years

b. Intangible fixed assets (excluding leased assets and goodwill) Intangible fixed assets (excluding lease assets and goodwill)

The straight-line method is used.

Software for internal use is amortized over the estimated useful life (5 years).

C. Leased assets Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

The straight-line method is used, where the lease period is deemed as the useful life of the asset and the residual value is set as zero.

(3) Basis for significant reserves

a. Allowance for doubtful accounts Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible losses on accounts receivable, loans receivable and other receivables. For general receivables, the allowance is provided based on historical default rates, and for specific doubtful accounts, the allowance is provided for the estimated uncollectible amount after individually evaluating the collectability of each account.

b. Allowance for bonuses Allowance for bonuses

To provide for the payment of bonuses to employees, the burden amount in the current fiscal year of the expected amount of payment is appropriated.

(4) Accounting for retirement benefits

a. Method of attributing retirement benefits Method of attributing estimated retirement benefits to periods
The estimated amount of retirement benefits is attributed to the period up to the end of the current fiscal year based on the benefit calculation method.

b. Method of amortizing actuarial differences Method of Amortization of Unrecognized Actuarial Differences
Actuarial gains and losses are amortized by the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time of occurrence in each fiscal year, and the amount is amortized from the following fiscal year of occurrence.

c. Adoption of the Simplified Method by Smaller Enterprises
Certain consolidated subsidiaries use a simplified method to calculate liabilities for retirement benefits and retirement benefit expenses, using the amount payable at the end of the fiscal year as the retirement benefit obligation.

(5) Basis for recording significant revenues and expenses

The Group's principal business is the maintenance and servicing of elevators and other equipment (repair and modernization construction).

With respect to maintenance services for elevators and other equipment, the Company recognizes revenue as services are rendered over the contract period because the Company satisfies its performance obligation over a certain period of time through the provision of services during the contract period with the customer.

For maintenance work (repair work and modernization work), except for work with very short durations, the Company estimates the degree of completion related to the fulfillment of performance obligations and recognizes revenue over a specified period based on the degree of completion.

For construction contracts with a very short period of time from the transaction commencement date to the point when the performance obligation is expected to be fully satisfied, an alternative treatment is applied, whereby revenue is not recognized over a certain period of time and revenue is recognized when the customer accepts the contract.

The consideration for the transaction is received within one year of satisfaction of the performance obligation and is not adjusted for significant financial factors.

(6) Basis of translation of significant assets or liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate on the consolidated balance sheet date, with translation differences recognized as gains or losses. Assets and liabilities of overseas subsidiaries are translated into yen at the spot exchange rate as of the balance sheet date (including the date of provisional settlement of accounts), while revenues and expenses are translated into yen at the average exchange rate during the period, with translation differences included in foreign currency translation adjustment and non-controlling interests as a component of net assets.

(7) Amortization method and period of goodwill

Goodwill is amortized by the straight-line method over a reasonable number of years not exceeding 20 years, based on the judgment of each individual case.

(8) Scope of funds in the consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, deposits that can be withdrawn on demand, and short-term investments with maturities of three months or less at the time of acquisition that are readily convertible into cash and are exposed to insignificant risk of changes in value.

(Critical Accounting Estimates)

Impairment of goodwill

(1) Amount recorded in the consolidated financial statements for the current fiscal year

(Unit: thousands of yen)

	Previous fiscal year	Current fiscal year
Impairment loss	-	-
Goodwill	1,661,929	2,547,248

(Although no impairment loss was recorded in the current fiscal year, it is identified as a disclosure item in view of the risk of material impact on the consolidated financial statements in the following fiscal year.)

(2) Other information that contributes to the understanding of users of the consolidated financial statements.

(i) Calculation Method

The Company confirms the achievement of operating income and future cash flows based on the future business plans of each company prepared at the time of acquisition, and identifies any signs of impairment. When there is an indication of impairment, the Company determines whether an impairment loss should be recognized. For goodwill for which an impairment loss should be recognized, the carrying amount is reduced to the recoverable amount and the amount of such reduction is recognized as an impairment loss.

(ii) Key Assumptions

The main assumption in each company's future business plan is that sales will be derived from maintaining and increasing the number of contracts for maintenance and repair services, etc., through enhanced sales activities.

(iii) Effect on the consolidated financial statements of the following year

The key assumption, sales in each company's future business plan, is subject to estimation uncertainty and carries a risk of significant impact on the determination of goodwill impairment.

(Change in accounting policy)

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as "Accounting Standard for Revenue Recognition") and others from the beginning of the current fiscal year, and recognized revenue at the amount expected to be received in exchange for the promised goods or services when control of the promised goods or services has been transferred to the customer.

As a result, the percentage-of-completion method was previously applied to maintenance contracts for which the outcome of the construction activity is deemed certain during the course of the activity, while the completed-contract method was applied to other construction contracts. The percentage-of-completion method is applied to all other construction contracts. For construction contracts with a very short period of time between the transaction commencement date and the point in time when the performance obligation is expected to be fully satisfied, an alternative treatment is applied, whereby revenue is not recognized over a certain period of time and revenue is recognized when the performance obligation is fully satisfied.

In accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospective application of the new accounting policy prior to the beginning of the current fiscal year is added to or deducted from retained earnings at the beginning of the current fiscal year, and the new accounting policy is applied from such beginning balance. However, the new accounting policy was not applied retrospectively to contracts for which almost all revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the current fiscal year by applying the method prescribed in Paragraph 86 of the Accounting Standard for Revenue Recognition. In addition, the Company has applied the method prescribed in Paragraph 86 and Note (1) of the Accounting Standard for Revenue Recognition to account for contract modifications made prior to the beginning of the current fiscal year based on the contract terms after reflecting all contract modifications, and the cumulative effect of such modifications has been added to or deducted from retained earnings at the beginning of the current fiscal year.

As a result, there is no impact on profit and loss for the current fiscal year. There is no effect on the balance of retained earnings at the beginning of the period.

Due to the application of the Accounting Standard for Revenue Recognition, "Notes and accounts receivable," which were included in "Current assets" in the consolidated balance sheet in the previous fiscal year, are included in "Notes receivable" and "Accounts receivable" in the current fiscal year. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made for the previous fiscal year using the new presentation. Furthermore, in accordance with the transitional treatment stipulated in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, the "Revenue Recognition-Related" notes for the previous fiscal year are not presented.

(Application of Accounting Standard for Measurement of Fair Value)

The new accounting policies prescribed by the "Accounting Standard for Fair Value Calculation, etc. (ASBJ Statement No. 30, July 4, 2019: Hereinafter referred to as "Accounting Standard for Fair Value Calculation")" are applied from the beginning of the current fiscal year. The Company has decided to apply this new accounting policy prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Calculation and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), and are to be applied prospectively.

This change has no impact on the consolidated financial statements for the current fiscal year.

In addition, in the notes to "Financial Instruments," the Company has decided to provide notes on items such as the breakdown of the fair value of financial instruments by level. However, in accordance with the transitional treatment prescribed in paragraph 7-4 of the "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, July 4, 2019), such notes for the previous fiscal year are not presented.

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

(Change in depreciation method for tangible fixed assets)

The Company and its domestic consolidated subsidiaries have changed the depreciation method for tools, furniture and fixtures from the declining-balance method to the straight-line method effective from the current fiscal year.

This change was made as a result of a review of the utilization status of tools, furniture, and fixtures in conjunction with the formulation of a capital investment plan in response to changes in the telecommunications environment. As a result, the Company determined that, compared to the previous model, the main assets are expected to operate stably during their useful life due to functional improvements, and therefore, the straight-line method of equal cost allocation over the period of useful life would more appropriately reflect the actual use of the assets.

As a result of this change, operating income, ordinary income, and income before income taxes and minority interests increased by 212,335 thousand yen in the current fiscal year, compared with those based on the previous method.

(Change of basis of the presentation)
(Consolidated Statements of Income)

Subsidy income," which was included in "Other" under "Non-operating income" in the previous fiscal year, is separately presented in the current fiscal year due to its increased importance in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 7,464 thousand yen presented as "Other" under "Non-operating income" in the consolidated statement of income for the previous fiscal year has been reclassified as "Subsidy income.

Stock issuance expenses" under "Non-operating expenses," which was independently presented in the previous fiscal year, is included in "Others" in the current fiscal year because it became insignificant in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 14,573 thousand yen presented as "stock issuance expenses" under "non-operating expenses" in the consolidated statement of income for the previous fiscal year has been reclassified as "other.

Commission fee" which was included in "Other" under "Non-operating Expenses" in the previous fiscal year, is separately stated from the current fiscal year due to its increased importance in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 2,175 thousand yen presented as "Other" under "Non-operating expenses" in the consolidated statement of income for the previous fiscal year has been reclassified as "Commission fee paid.

Foreign exchange loss," which was included in "Other" under "Non-operating Expenses" in the previous fiscal year, is separately stated from the current fiscal year due to its increased importance in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 22 thousand yen presented as "Other" under "Non-operating expenses" in the consolidated statement of income for the previous fiscal year has been reclassified as "Exchange loss".

(Consolidated Statements of Cash Flows)

Subsidy income" and "Subsidy received" in "Net cash provided by (used in) operating activities" are separately presented in the current period due to their increased importance in terms of amount. The consolidated financial statements for the previous fiscal year have been reclassified to conform to this presentation.

As a result, "Subsidy income" (7,464 thousand yen) and "Subsidy received" (7,464 thousand yen) in "Cash flows from operating activities" are independently presented in the consolidated statements of cash flows for the previous fiscal year, and "Subtotal" of 4,035,723 thousand yen was changed to 4,028,259 thousand yen.

Gain on sale of noncurrent assets," which was included in "Other" under "Cash flows from operating activities" in the previous fiscal year, is separately presented in the current fiscal year due to its increased importance in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, (730) thousand yen presented as "Other" in "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified as "Gain on sale of fixed assets" (730) thousand yen.

Interest and dividends income" and "Equity in earnings (losses) of affiliates" under "Net cash provided by (used in) operating activities," which were separately presented in the previous fiscal year, are included in "Other" in the current fiscal year because they have become insignificant in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, (703) thousand yen and (872) thousand yen presented as "Interest and dividends income" and "Equity in earnings of affiliates" in "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year have been reclassified as "Other.

Purchase of treasury shares," which was included in "Other" under "Cash flows from financing activities" in the previous fiscal year, has been presented as a separate line item in the current fiscal year due to its increased importance in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, (97 thousand yen) presented as "Other" in "Cash flows from financing activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified as "Purchase of treasury shares" (97 thousand yen).

(Additional Information)

(Accounting estimate of the impact of COVID-19)

No material impact on the financial position or results of operations of the Group has occurred with respect to COVID-19. Therefore, the Group does not believe that COVID-19 will have a material impact on accounting estimates of the recoverability of deferred tax assets.

(Notes to Consolidated Balance Sheets)

*1 Overdraft and commitment line agreements

The Company has overdraft and commitment line agreements with correspondent banks for the purpose of efficient and stable working capital procurement. The following are unused lines of credit based on these agreements as of the end of the current fiscal year.

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Total amount of current account overdrafts and commitment lines of credit	6,870,000	8,970,000
Loan balance	1,954,846	2,179,514
subtotal	4,915,154	6,790,486

*2 Financial covenants

Previous fiscal year (As of March 31, 2021)

The Company's commitment line agreements contain financial covenants with certain conditions regarding net assets and earnings.

Current fiscal year (As of March 31, 2022)

The Company's commitment line agreements contain financial covenants with certain conditions regarding net assets and earnings.

*3 Items related to affiliated companies are as follows

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Investment securities	98,527	100,296

*4 "Other" in Current Liabilities is against contract liabilities as follows.

(Unit: thousands of yen)

	Current fiscal year (As of March 31, 2022)
Contract liabilities	393,577

(Notes to Consolidated Statements of Income)

*1 Ending inventory is the amount after devaluation of book value due to decline in profitability, and the following loss on valuation of inventories is included in cost of sales. The amounts below are after offsetting the reversal amount.

(Unit: thousands of yen)

Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
29,486	37,693

*2 Major items and amounts of selling, general and administrative expenses are as follows

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Salary and allowances	1,894,151	2,385,862
Provision for bonuses	186,609	218,736
Retirement benefit expenses	44,087	46,149
Allowance for doubtful accounts	26,558	95

*3 Total research and development expenses included in general and administrative expenses are as follows

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
	52,447	63,527

*4 Details of gain on sale of fixed assets are as follows

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Machinery, equipment and vehicles	730	6,756
Leased assets	-	1,791
total	730	8,548

*5 Details of loss on disposal of fixed assets are as follows

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Buildings and structures	2,421	2,940
Machinery, equipment and vehicles	6	0
Tools, furniture and fixtures	0	0
total	2,427	2,940

(Notes to Consolidated Statements of Comprehensive Income)

* Reclassification adjustment and tax effects related to other comprehensive income

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Net unrealized gains (losses) on available-for-sale securities:		
Amount accrued in the current period	3,231	(3,668)
reclassification adjustment	-	-
Before tax effect adjustment	3,231	(3,668)
Tax effect amount	(1,107)	1,256
Valuation difference on available-for-sale securities	2,124	(2,411)
Foreign currency translation adjustment		
Amount accrued in the current period	(12,570)	(7,275)
Foreign currency translation adjustment	(12,570)	(7,275)
Adjustment for retirement benefits:		
Amount accrued in the current period	(15,006)	(33,916)
reclassification adjustment	6,597	8,098
Before tax effect adjustment	(8,409)	(25,818)
Tax effect amount	2,574	7,905
Remeasurements of defined benefit plans, net of tax	(5,834)	(17,912)
Total other comprehensive income	(16,280)	(27,599)

(Notes to Consolidated Statement of Changes in Net Assets)

Previous fiscal year (April 1, 2020 to March 31, 2021)

Matters concerning the class and total number of outstanding shares and the class and number of treasury shares

	Current fiscal year Number of shares at the beginning of the period (shares)	Current fiscal year Increase in number of shares (shares)	Current fiscal year Decrease in number of shares (shares)	Number of shares at the end of the current fiscal year (shares)
Outstanding stocks				
Common share (Note 1,2)	40,538,600	48,035,400	-	88,574,000
total amount	40,538,600	48,035,400	-	88,574,000
Treasury shares				
Common share (Note 1,3)	86	144	-	230
total amount	86	144	-	230

(Notes) 1 (The Company conducted a 2-for-1 stock split of shares of common share on January 1, 2021.

2 The increase of 48,035,400 shares in the total number of outstanding shares of common share is due to an increase of 44,277,000 shares resulting from a stock split and an increase of 3,758,400 shares resulting from the issuance of new shares upon exercise of stock options.

3 The increase in treasury shares of common share of 144 shares is due to an increase of 115 shares resulting from a stock split and an increase of 29 shares resulting from the purchase of odd-lot shares.

Matters related to dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends (thousand yen)	Dividend per share (yen)	Record Date	effective date
June 24, 2020 Annual General Meeting of Shareholders	common share	729,693	18	March 31, 2020	June 25, 2020

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

(Resolution)	Type of shares	Total amount of dividends (thousand yen)	Source of dividends	Dividend per share (yen)	Record Date	effective date
June 25, 2021 Annual General Meeting of Shareholders	common share	1,062,885	Retained earnings	12	March 31, 2021	June 28, 2021

Current fiscal year (from April 1, 2021 to March 31, 2022)

1. Matters concerning the class and total number of outstanding shares and the class and number of treasury shares

	Current fiscal year Number of shares at the beginning of the period (shares)	Current fiscal year Increase in number of shares (shares)	Current fiscal year Decrease in number of shares (shares)	Number of shares at the end of the current fiscal year (shares)
Outstanding stocks				
Common share (Note 1)	88,574,000	179,600	-	88,753,600
total amount	88,574,000	179,600	-	88,753,600
Treasury shares				
Common share (Note 2)	230	18,585	-	18,815
total amount	230	18,585	-	18,815

(Notes) 1 The increase of 179,600 shares in the total number of outstanding shares of common share was due to an increase of 169,600 shares resulting from the issuance of new shares upon exercise of stock options and an increase of 10,000 shares resulting from the issuance of new shares as restricted stock compensation.

2 The increase of 18,585 common shares in treasury shares represents an increase of 18,500 shares as a result of a resolution of the Board of Directors and an increase of 85 shares as a result of the purchase of odd-lot shares.

Matters related to dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends (thousand yen)	Dividend per share (yen)	Record Date	Effective date
June 25, 2021 Annual General Meeting of Shareholders	common share	1,062,885	12	March 31, 2021	June 28, 2021

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

(Resolution)	Type of shares	Total amount of dividends (thousand yen)	Source of dividends	Dividend per share (yen)	Record Date	Effective date
June 23, 2022 Annual General Meeting of Shareholders	common share	1,242,286	Retained earnings	14	March 31, 2022	June 24, 2022

(Notes to Consolidated Statements of Cash Flows)

* 1 Reconciliation of cash and cash equivalents at the end of the period to the accounts reported in the consolidated balance sheets.

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Cash and bank deposits	1,674,107	2,179,838
Time deposits with maturities longer than three months	(13,900)	(17,900)
Cash and cash equivalents	1,660,207	2,161,938

* 2 Breakdown of assets and liabilities of the company newly consolidated as a result of the acquisition of its shares

Previous fiscal year (April 1, 2020 to March 31, 2021)

Newly consolidated Kansai Elevator Co., Ltd. ("Kansai Elevator") due to the acquisition of shares. The following is a breakdown of assets and liabilities at the time of consolidation and the relationship between the acquisition cost of the shares and expenditures (net) for the acquisition, resulting from the consolidation of Kansai Elevator.

	(Unit: thousands of yen)
Current assets	91,516
Non-current assets	372,021
Goodwill	513,265
Current liabilities	(352,828
Non-current liabilities	(30,974)
Acquisition price of Kansai Elevator shares	593,000
Kansai Elevator Cash and Cash Equivalents	(29,269)
Difference: Expenditures for acquisition of Kansai Elevator	563,730

The amounts of assets and liabilities of other companies that became newly consolidated subsidiaries as a result of the acquisition of their shares are omitted because they are immaterial.

Current fiscal year (April 1, 2021 to March 31, 2022)

The information is omitted due to lack of materiality.

(Lease transactions)

(Lessee's side)

1. Finance lease transactions

The information is omitted due to lack of materiality.

2. Operating lease transactions

Future minimum lease payments under non-cancelable operating leases

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
within one year	484,172	591,965
More than 1 year	2,388,167	2,319,797
Total	2,872,339	2,911,763

(Financial instruments)

Matters Concerning the Status of Financial Instruments

(1) Policy for financial instruments

The Group's approach to financial instruments is to limit fund management to short-term deposits, etc., and to procure funds through bank loans, etc.

(2) Description of financial instruments and their risks

Trade notes and accounts receivable are exposed to customer credit risk.

Investment securities are equity securities and are exposed to market price fluctuation risk.

Deposits and guarantees are mainly deposits and guarantees that the Company places with lenders for the use of leased properties for new sales offices, and are exposed to the credit risk of the lenders.

The corporate tax, inhabitant tax (prefectural and municipal), enterprise tax, and consumption tax payable are all due and payable within two months of the balance sheet date. Almost all of the unpaid corporate tax, inhabitant tax (meaning prefectural inhabitants' tax and municipal inhabitants' tax), enterprise tax, and consumption tax are due and payable within two months of the balance sheet date.

Accounts payable-other and accounts payable-trade, which are trade payables, are due within one year and mainly relate to domestic transactions.

Short-term borrowings are mainly for short-term working capital, and long-term borrowings are mainly for capital investment.

In addition, trade payables and borrowings are exposed to liquidity risk.

(3) Risk Management System for Financial Instruments

(i) Management of credit risk (risk related to nonperformance by counterparties)

The Company has a system to manage due dates and outstanding balances of trade notes and accounts receivable, which are trade receivables, and to monitor the credit status of each business partner.

The balance of security deposits and guarantee money is managed by the Company for each counterparty and efforts are made to monitor the credit status of each counterparty.

(2) Management of market risk (risk of fluctuations in foreign exchange rates, interest rates, etc.)

For investment securities, the Company periodically monitors the market value and financial conditions of the issuing entity (counterparty company).

(iii) Management of liquidity risk (risk of being unable to make payments on due dates) related to fund procurement

The Group has a cash management system in place, which is managed by the parent company through methods such as the preparation of a group-wide cash management plan. In addition, the Company has overdraft and commitment line agreements with correspondent banks, which enable the Company to flexibly procure funds.

(4) Supplementary Explanation on Matters Concerning Fair Value, etc. of Financial Instruments

The calculation of the fair value of financial instruments includes values based on market prices and, in the absence of market prices, reasonably estimated values. Since certain assumptions, etc., are used in the calculation of such value, such value may vary if different assumptions are used.

2. Fair value of financial instruments

Consolidated balance sheet amounts, fair values and their differences are as follows.

Previous fiscal year (As of March 31, 2021)

(Unit: thousands of yen)

	Amount shown on consolidated balance sheet	Market value	Difference
(1) Notes and accounts receivable-trade	3,606,693	3,606,693	-
(2) Investment securities(*2)			
Available-for-sale securities	18,478	18,478	-
(3) Lease and guarantee deposits	492,244	481,794	(10,449)
Total assets	4,117,415	4,106,966	(10,449)
(1) Accounts payable	970,930	970,930	-
(2) Short-term borrowings	2,038,180	2,038,180	-
(3) Accounts payable	678,324	678,324	-
(4) Income taxes payable	938,528	938,528	-
(5) Accrued consumption taxes	365,489	365,489	-
(6) Long-term borrowings (including current portion of long-term borrowings)	2,364,174	2,362,217	(1,956)
Total liabilities	7,355,626	7,353,669	(1,956)

(*1) "Cash and deposits" are omitted because they are cash and deposits are settled in a short period of time and their fair value approximates their book value.

(*2) The following financial instruments are not included in "(2) Investment securities" because they do not have market prices and it is extremely difficult to determine their fair value. The carrying amounts of such financial instruments in the consolidated balance sheets are as follows

	Previous fiscal year (Thousands of yen)
Shares of affiliated companies	98,527
Unlisted stocks	3,000

Current fiscal year (As of March 31, 2022)

(Unit: thousands of yen)

	Amount shown on consolidated balance sheet	Market value	Difference
(1) Notes receivable	24,236	24,236	-
(2) Accounts receivable	4,130,381	4,130,381	-
(3) Investment securities(*2)			
Available-for-sale securities	15,014	15,014	-
(4) Lease and guarantee deposits	551,355	536,701	(14,654)
Total assets	4,720,988	4,706,334	(14,654)
(1) Accounts payable	1,001,125	1,001,125	-
(2) Short-term borrowings	2,198,784	2,198,784	-
(3) Accounts payable	901,865	901,865	-
(4) Income taxes payable	821,764	821,764	-
(5) Accrued consumption taxes	470,835	470,835	-
(6) Long-term borrowings (including current portion of long-term borrowings)	5,097,711	5,113,592	15,881
Total liabilities	10,492,087	10,507,969	15,881

(*1) "Cash and deposits" are omitted because they are cash and deposits are settled in a short period of time and their fair value approximates their book value.

(*2) Stocks and other securities without market prices are not included in "(3) Investment securities". The carrying amounts of such financial instruments in the consolidated balance sheets are as follows

	Current fiscal year (Thousands of yen)
Shares of affiliated companies	100,296
Unlisted stocks	3,000

(Note 1) Scheduled redemption amount of monetary claims after the consolidated balance sheet date

Previous fiscal year (As of March 31, 2021)

	Within 1 year (Thousands of yen)
Deposit	1,671,526
Notes and accounts receivable-trade	3,606,693
Total amount	5,278,219

(*) Lease and guarantee deposits are not included in the redemption schedule because the repayment dates are not clearly ascertainable.

Current fiscal year (As of March 31, 2022)

	Within 1 year (Thousands of yen)
Deposit	2,173,120
Bills receivable	24,236
Accounts receivable	4,130,381
Total amount	6,327,739

(*) Lease and guarantee deposits are not included in the redemption schedule because the repayment dates are not clearly ascertainable.

(Note 2) Scheduled repayment amount of short-term and long-term borrowings after the consolidated balance sheet date

Previous fiscal year (As of March 31, 2021)

(Unit: thousands of yen)

	Within 1 year	Due after one year through two years	Due after 2 years through 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Short-term borrowings	2,038,180	-	-	-	-	-
Long-term borrowings	946,140	948,996	445,638	3,600	3,600	16,200
Total amount	2,984,320	948,996	445,638	3,600	3,600	16,200

Current fiscal year (As of March 31, 2022)

(Unit: thousands of yen)

	Within 1 year	Due after one year through two year	Due after 2 years through 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Short-term borrowings	2,198,784	-	-	-	-	-
Long-term borrowings	1,809,528	1,545,578	1,055,068	687,537	-	-
Total amount	4,008,312	1,545,578	1,055,068	687,537	-	-

3. Matters concerning the breakdown of the fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: Fair value calculated based on (unadjusted) quoted prices in active markets for identical assets or liabilities

Level 2 fair value: Fair value calculated using directly or indirectly observable inputs other than Level 1 inputs

Level 3 fair value: Fair value calculated using significant unobservable inputs

When multiple inputs that have a significant impact on the calculation of fair value are used, fair value is classified to the level with the lowest priority in the calculation of fair value among the levels to which each of those inputs belongs.

(1) Financial assets and financial liabilities with fair value reported in the consolidated balance sheets

Current fiscal year (As of March 31, 2022)

	Market value (Thousands of yen)			
	Level 1	Level 2	Level 3	total amount
Investment securities				
Available-for-sale securities	15,014	-	-	15,014

(2) Financial assets and liabilities that do not have fair value on the consolidated balance sheet

Current fiscal year (As of March 31, 2022)

classification	Market value (Thousands of yen)			
	Level 1	Level 2	Level 3	total amount
Notes receivable - trade	-	24,236	-	24,236
Accounts receivable - trade	-	4,130,381	-	4,130,381
Lease and guarantee deposits	-	536,701	-	536,701
Total assets	-	4,691,319	-	4,691,319
Accounts payable - trade	-	1,001,125	-	1,001,125
Short-term borrowings	-	2,198,784	-	2,198,784
Accounts payable - other	-	901,865	-	901,865
Accrued income taxes	-	821,764	-	821,764
Accrued consumption taxes	-	470,835	-	470,835
Long-term borrowings (including current portion of long-term borrowings)	-	5,113,592	-	5,113,592
Total liabilities	-	10,507,969	-	10,507,969

(Note) Explanation of valuation techniques used to calculate fair value and inputs related to the calculation of fair value

Investment securities

Listed stocks are valued using quoted market prices. Since listed stocks are traded in active markets, their fair value is classified as Level 1 fair value.

Notes and accounts receivable, trade, and lease and guarantee deposits

The fair value of these loans is calculated using the discounted present value method based on the amount of the loan, the period to maturity, and the interest rate that takes credit risk into account for each loan classified by a certain period of time, and classified as Level 2 fair value.

Accounts payable-trade, short-term borrowings, accounts payable-other, income taxes payable, and consumption taxes payable

The fair value of these loans is calculated using the discounted present value method based on the future cash flows of each debt classified by a certain period of time and an interest rate that takes into account the period until the due date and credit risk, and is classified as Level 2 fair value.

Long-term borrowings

The fair value of these loans is determined using the discounted present value method based on the sum of the principal and interest, plus an interest rate that takes into account the remaining term of the debt and credit risk, and is classified as Level 2 fair value.

(Marketable securities)

1. Available-for-sale securities

Previous fiscal year (As of March 31, 2021)

	Type of securities	Amount shown on consolidated balance sheet (thousand yen)	Acquisition cost (thousand yen)	Difference (Thousands of yen)
Securities whose reported amounts in the consolidated balance sheets exceed acquisition cost	Stock	18,478	13,861	4,616
Securities whose reported amounts in the consolidated balance sheets do not exceed acquisition cost	Stock	-	-	-
Total amount		18,478	13,861	4,616

(Note) Unlisted stocks (consolidated balance sheet amount: 3,000 thousand yen) are not included in the table above because they do not have market prices and it is extremely difficult to determine their fair value.

Current fiscal year (As of March 31, 2022)

	Type of securities	Consolidated Balance Sheet Amount recorded (thousand yen)	Acquisition cost (thousand yen)	Difference (Thousands of yen)
Securities with carrying value exceeding acquisition cost	Stock	5,352	3,768	1,584
Securities with carrying value not exceeding acquisition cost	Stock	9,661	10,297	(635)
Total amount		15,014	14,065	948

(Note) Unlisted stocks (consolidated balance sheet amount: 3,000 thousand yen) are not included in the table above because they have no market price.

Other securities sold

Previous fiscal year (from April 1, 2020 to March 31, 2021)

Not applicable.

Current fiscal year (from April 1, 2021 to March 31, 2022)

Not applicable.

(Retirement benefits)

1. Outline of retirement benefit plans adopted

The Company and its consolidated subsidiaries have a non-funded defined benefit plan to provide for employee retirement benefits.

Certain consolidated subsidiaries use a simplified method to calculate liabilities for retirement benefits and retirement benefit expenses, using the amount payable at the end of the fiscal year as the liability for retirement benefits.

2. Defined benefit plans (including plans using the simplified method)

(1) Reconciliation of the beginning and ending balance of projected benefit obligation

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Retirement benefit liability at beginning of year	693,074	865,134
Service cost	114,104	126,270
Interest cost	691	781
Actuarial gains (losses)	15,006	33,916
Retirement benefits paid	(40,211)	(65,478)
Other	82,468	135,564
Retirement benefit liability at end of year	865,134	1,096,189

(2) Reconciliation of the liability for retirement benefits recorded in the consolidated balance sheets to the balance of retirement benefit liability at the end of the fiscal year

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Benefit obligation of non-funded plans	865,134	1,096,189
Liabilities recorded on consolidated balance sheets	865,134	1,096,189
Retirement benefit liability	865,134	1,096,189
Liabilities recorded on consolidated balance sheets	865,134	1,096,189

(3) Retirement benefit expenses and their breakdown

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Service cost	114,104	126,270
Interest cost	691	781
Amortization of actuarial gain or loss	6,597	8,098
Net periodic benefit cost related to defined benefit plans	121,392	135,149

(4) Remeasurements of defined benefit plans

The following is a breakdown of the items recorded as remeasurements of defined benefit plans (before tax effect deductions)

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Actuarial gains and losses	(8,409)	(25,818)
Total amount	(8,409)	(25,818)

(5) Accumulated remeasurements of defined benefit plans

Items recorded in accumulated remeasurements of defined benefit plans (before tax effect deductions) are as follows

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Unrecognized actuarial gains (losses)	(50,593)	(42,495)
Total amount	(50,593)	(42,495)

(6) Matters related to the basis of actuarial calculations

Principal Actuarial Basis

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Discount rate	0.1 %	0.1 %

(Stock options, etc.)

Amounts expensed for stock options and account titles

Not applicable.

Details, size and changes in stock options

(1) Details of stock options

	2016 Series 1 share acquisition rights (Options on own shares)
Classification and number of grantees	Outside collaborator 1
Type and number of shares granted (Note)	Common share 952,000 shares
Date of grant	March 31, 2016
Vesting conditions	The Consulting Services Agreement dated April 1, 2016 with the Company has not been terminated as of the vesting date.
Eligible work period	There is no fixed period of covered service.
Exercise period	April 1, 2019 through March 31, 2026

(Note) The above figures are based on the number of shares. The number of shares was adjusted for a 100-for-1 stock split of common share on August 31, 2016, a 2-for-1 stock split of common share on October 1, 2017, a 2-for-1 stock split of common share on October 1, 2018, and a 2-for-1 stock split of common share on January 1, 2021. The number of shares after adjustment due to these stock splits is shown.

(2) Size of stock options and changes in stock options

Stock options that existed during the fiscal year ended March 31, 2012 are included in the above table, and the number of stock options is converted into the number of shares.

(i) Number of stock options

	2016 Series 1 share acquisition rights (Options on own shares)
Pre-vesting (shares)	
As of March 31, 2012 As of March 31, 2011	638,400
Granted	-
Lapsed	-
Vesting	314,400
Unsettled balance	324,000
After vesting (shares)	
As of March 31, 2012 As of March 31, 2011	169,600
Vesting	314,400
Exercise of a right	169,600
Lapsed	-
Unexercised balance	314,400

Unit price information

	2016 Series 1 share acquisition rights (Options on own shares)
Exercise price (yen)	83
Average share price at the time of exercise (yen)	2,196
Fair value at the grant date (yen)	-

3. Estimated number of stock options vested

Basically, since it is difficult to reasonably estimate the number of future lapses, only the actual number of lapses is reflected.

4. The total intrinsic value of the stock options at the end of the fiscal year under review and the total intrinsic value of the stock options exercised during the fiscal year under review at the date of exercise, if the calculation is based on the intrinsic value per unit of stock options.

(1) Total intrinsic value at the end of the current fiscal year 967,814 thousand yen

(2) Total intrinsic value of rights exercised in the current fiscal year 358,364 thousand yen

(Tax effect accounting related)

Breakdown of deferred tax assets and deferred tax liabilities by major cause

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Deferred tax assets		
Accounts payable - other	90,580	82,646
Provision for bonuses	207,649	229,176
Loss on revaluation of inventories	69,087	81,808
Retirement benefit liability	267,433	341,615
Asset retirement obligations	120,499	127,389
Net operating loss carried forward (Note 2)	332,371	446,031
Other	162,299	188,813
Deferred tax assets subtotal	1,249,920	1,497,482
Valuation allowance for net operating loss carryforwards for tax purposes (Note 2)	(272,503)	(351,146)
Valuation allowance for total future deductible temporary differences, etc.	(180,097)	(235,083)
Subtotal of valuation allowance	(452,600)	(586,230)
Total deferred tax assets	797,319	911,251
Deferred tax liabilities		
Reserve for special depreciation	(413)	-
Removal costs corresponding to asset retirement obligations	(94,996)	(97,852)
Valuation difference on available-for-sale securities	(4,767)	(3,509)
Land valuation difference	(30,974)	(30,974)
Other	(4,071)	(4,404)
Total deferred tax liabilities	(135,223)	(136,740)
Net deferred tax assets (Note 1)	662,096	774,510

(Note 1) The net amount of deferred tax assets for the current fiscal year is included in the following items of the consolidated balance sheets

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Non-current assets - deferred tax assets	697,406	809,313
Long-term liabilities - other	35,309	34,802

(Note 2) Tax loss carryforwards and their deferred tax asset carryforwards by expiration date

Previous fiscal year (As of March 31, 2021)

(Unit: thousands of yen)

	Within 1 year	Due after one year through two years	Due after 2 years through 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years	Total
Tax loss carried forward(*)	-	1,383	246	927	28,631	301,182	332,371
Valuation allowance	-	-	-	(927)	(24,558)	(247,017)	(272,503)
Deferred tax assets	-	1,383	246	-	4,073	54,164	59,867

(*) Tax loss carryforwards are multiplied by the statutory tax rate.

Current fiscal year (As of March 31, 2022)

(Unit: thousands of yen)

	Within 1 year	Due after one year through two years	Due after 2 years through 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years	Total
Tax loss carried forward(*)	-	-	927	24,558	34,075	386,469	446,031
Valuation allowance	-	-	(927)	(24,558)	(31,765)	(293,895)	(351,146)
Deferred tax assets	-	-	-	-	2,310	92,574	94,884

(*) Tax loss carryforwards are multiplied by the statutory tax rate.

2. Significant differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting, by major item that caused the differences.

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Statutory effective tax rate	30.6 %	30.6 %
(Adjustment)		
Entertainment expenses and other items not permanently deductible for income tax purposes	0.2	0.6
Per capita inhabitant tax, etc.	0.5	0.5
Tax credit under the expanded income tax system	(0.4)	(2.4)
Change in valuation allowance	1.5	(0.6)
Difference in applicable tax rates of consolidated subsidiaries	3.7	3.7
Amortization of goodwill, etc.	0.6	1.4
Other	(0.6)	0.3
Effective tax rate after application of tax effect accounting	36.1	34.2

(Business Combinations)

Previous fiscal year (from April 1, 2020 to March 31, 2021)

Business combination through acquisition

At a meeting of the Board of Directors held on October 14, 2020, the Company resolved to acquire shares of Kansai Elevator Co., Ltd. to make it a subsidiary and entered into a share transfer agreement on the same date, acquiring all shares as of November 11, 2020.

Outline of Business Combination

(i) Name of the acquired company and its business

Name of acquired company: Kansai Elevator Co., Ltd.

Description of Business: Elevator maintenance business

(ii) Main reasons for the business combination

By adding Kansai Elevator Co., Ltd. to our group, we aim to further strengthen our business base in the Kansai area through an increase in the number of maintenance contracts, and to enable business collaboration that takes advantage of the superiority of the same industry, such as efficient maintenance through mutual utilization of human resources in common service areas, and improvement of service quality by providing technical know-how.

(iii) Date of business combination

November 11, 2020 (deemed acquisition date: December 31)

(iv) Legal form of business combination

Acquisition of shares for cash

(v) Name of company after combination

No change.

(vi) Percentage of voting rights acquired

100 %.

(vii) Main basis for determining the acquiring company
The Company acquired the shares for cash consideration.

2. Period of the acquired company's results included in the consolidated financial statements
From January 1, 2021 to March 31, 2021

Acquisition cost of the acquired company and breakdown by type of consideration

Consideration	Cash	594,900 thousand yen
Acquisition cost		594,900 thousand yen

Details and amounts of major acquisition-related expenses
Fees and commissions for advisory services 1,900 thousand yen

5. Amount of goodwill incurred, reason for incurrence, amortization method and amortization period
(i) Amount of goodwill incurred
513,265 thousand yen

(ii) Cause of Occurrence
The accrual arises from the future excess earning power expected from future business development.

(iii) Amortization method and period
The investment will be equally amortized over the period over which the investment effect is estimated to be realized. The period over which the investment effect will be realized is calculated to be 11 years.

6. Amounts of assets acquired and liabilities assumed on the date of business combination and their breakdown

Current assets	91,516	thousand yen
Non-current assets	372,021	
Total assets	463,537	
Current liabilities	352,828	
Non-current liabilities	30,974	
Total liabilities	383,803	

Current fiscal year (from April 1, 2021 to March 31, 2022)
Not applicable.

(Asset retirement obligations)

Asset retirement obligations recorded on the consolidated balance sheets

1. Summary of asset retirement obligations

Obligations to restore properties to their original condition in accordance with real estate lease contracts and fixed-term land lease contracts for the head office, offices at each location, and warehouses.

2. Calculation method of the amount of the asset retirement obligations

The estimated period of use is 15 to 50 years depending on the useful life of the asset, and a discount rate of 0.0 % to 1.0 % is used, which is based on the interest rate of government bond yields for the estimated period of use at the time of acquisition of the asset.

3. Increase/decrease in the total amount of such asset retirement obligations

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Balance at beginning of term	250,950	393,532
Increase due to acquisition of property, plant and equipment	143,027	23,258
Adjustment due to passage of time	2,264	2,730
Decrease due to fulfillment of asset retirement obligations	(2,710)	(3,486)
Balance at end of year	393,532	416,033

(Revenue Recognition)

1. Information disaggregating revenue from contracts with customers

Current fiscal year (from April 1, 2022 to March 31, 2022)

(Unit: thousands of yen)

	Net sales
Maintenance and Repair services	21,137,163
Modernization services	8,020,435
Other	593,967
Revenue from contracts with customers	29,751,566
Other revenues	-
Sales to external customers	29,751,566

2. Information that provides a basis for understanding the revenue arising from contracts with customers

Basis for understanding revenues from contracts with customers is described in "Basis of Presenting Consolidated Financial Statements, 4. Accounting Policies, (5) Basis for Recognition of Significant Revenues and Costs.

3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from such contracts, and the amount and timing of revenue expected to be recognized from contracts with customers that existed at the end of the current fiscal year and are expected to be recognized in the following fiscal year or later

(1) Contract assets and contract liabilities

(Unit: thousands of yen)

	Current fiscal year
Receivables arising from contracts with customers (beginning balance)	
Bills receivable	5,813
Accounts receivable	3,600,879
Receivables arising from contracts with customers (ending balance)	
Bills receivable	24,236
Accounts receivable	4,130,381
Contract liabilities (beginning balance)	272,256
Contractual liabilities (ending balance)	393,577

Contract liabilities held at the beginning of the current fiscal year are mainly recognized as revenue in the current fiscal year.

Contract liabilities increase mainly due to the receipt of unearned consideration for modernization services and decrease due to the satisfaction of performance obligations.

(2) Transaction prices allocated to remaining performance obligations

The Company and its consolidated subsidiaries apply the practical expedient method in noting the transaction price allocated to the remaining performance obligations and do not include in the notes contracts with an original expected contract term of one year or less.

(Segment Information)

[Segment Information]

Previous fiscal year (from April 1, 2020 to March 31, 2021)

This information is omitted because the Group has only one segment, the maintenance business.

Current fiscal year (from April 1, 2021 to March 31, 2022)

This information is omitted because the Group has only one segment, the maintenance business.

[Related information]

Previous fiscal year (from April 1, 2020 to March 31, 2021)

1. Information by product and service

All sales are from the maintenance business; therefore, this information is omitted.

2. Information by region

(1) Net sales

Omitted because sales to external customers in Japan exceed 90 % of net sales in the consolidated statements of income.

(2) Tangible fixed assets

The amount of property, plant and equipment located in Japan exceeds 90 % of the amount of property, plant and equipment on the consolidated balance sheet, so this information is omitted.

3. Information by major customer

There are no sales to specific external customers that account for 10 % or more of the net sales in the consolidated statements of income.

Current fiscal year (from April 1, 2021 to March 31, 2022)

Information by product and service

All sales are from the maintenance business; therefore, this information is omitted.

2. Information by region

(1) Net sales

Omitted because sales to external customers in Japan exceed 90 % of net sales in the consolidated statements of income.

(2) Tangible fixed assets

The amount of property, plant and equipment located in Japan exceeds 90 % of the amount of property, plant and equipment on the consolidated balance sheet, so this information is omitted.

3. Information by major customer

There are no sales to specific external customers that account for 10 % or more of the net sales in the consolidated statements of income.

[Information on impairment loss on fixed assets by reportable segment]

Previous fiscal year (from April 1, 2020 to March 31, 2021)

This information is omitted because the Group has only one segment, the maintenance business.

Current fiscal year (from April 1, 2021 to March 31, 2022)

This information is omitted because the Group has only one segment, the maintenance business.

[Information on amortization and unamortized balance of goodwill by reportable segment]

Previous fiscal year (from April 1, 2020 to March 31, 2021)

This information is omitted because the Group has only one segment, the maintenance business.

Current fiscal year (from April 1, 2021 to March 31, 2022)

This information is omitted because the Group has only one segment, the maintenance business.

Information on gain on negative goodwill by reportable segment] [Information on gain on negative goodwill by reportable segment

Previous fiscal year (from April 1, 2020 to March 31, 2021)

Not applicable.

Current fiscal year (from April 1, 2021 to March 31, 2022)

Not applicable.

[Related Party Information]

Transactions with related parties

Directors and major shareholders (limited to individuals) of the consolidated financial statements filing company etc.

Previous fiscal year (from April 1, 2020 to March 31, 2021)

Type	Name or institution	Location	Capital or investments in capital (thousands of yen)	Business or occupation	Percentage of voting rights, etc. held (%)	Relationship with related parties	Details of Transactions	Transaction amount (thousands of yen)	Accounted as	Balance at end of year (thousands of yen)
Companies, etc. in which the majority of voting rights are held by directors and their close relatives	Building Management Co., Ltd. (Note) 1	Chuo-ku, Tokyo	10,000	General cleaning services, interior work, and building equipment management	-	business partner	Providing maintenance and repair services (Note)2	15,444	accounts receivable	2,611
Officer	Katsushi Ishida	-	-	President, Representative Director CEO	ownership Direct 0.0	President, Representative Director CEO	Exercise of stock options (Note 3)	1,957,296	-	-
Officer	Kimihiko Imamura	-	-	Director of the Company	ownership Direct 0.0	Director of the Company	Exercise of stock options (Note 3)	296,421	-	-
Officer	Koji Ando	-	-	Director of the Company	ownership Direct 0.0	Director of the Company	Exercise of stock options (Note 3)	164,427	-	-
Officer	Shuji Kuramoto	-	-	Director of the Company	ownership Direct 0.0	Director of the Company	Exercise of stock options (Note 3)	238,331	-	-
Officer	Hideaki Seto	-	-	Director of the Company	ownership Direct 0.0	Director of the Company	Exercise of stock options (Note 3)	124,469	-	-
Officer	Shinsuke Uno	-	-	Director of the Company	ownership Direct 0.0	Director of the Company	Exercise of stock options (Note 3)	38,720	-	-
Officer	Mei Ho Li	-	-	Director of the Company	-	Director of the Company	Exercise of stock options (Note 3)	119,254	-	-
Officer	Sachiko Sakuma	-	-	Director of the Company	ownership Direct 0.0	Director of the Company	Exercise of stock options (Note 3)	77,440	-	-
Officer	Chika Tateishi	-	-	Director of the Company	ownership Direct 0.0	Director of the Company	Exercise of stock options (Note 3)	77,440	-	-

(Notes) 1 The brother-in-law of the Company's Chairman and CEO directly owns all voting rights.

2 Transaction terms for the provision of maintenance and repair services are the same general terms and conditions as those used for independent third parties, taking into consideration market prices.

The exercise during the fiscal year under review of stock options issued pursuant to the resolution of the General Meeting of Shareholders held on July 29, 2016 and the resolution of the Board of Directors held on February 15, 2018.

Current fiscal year (from April 1, 2021 to March 31, 2022)

Type	Name or institution	Location	Capital or investment (thousands of yen)	Business or occupation	Percentage of voting rights, etc. held (%)	Relationship with related parties	Details of Transactions	Transaction amount (thousands of yen)	Accounted as	Balance at end of year (thousands of yen)
Companies, etc. in which the majority of voting rights are held by directors and their close relatives	Building Management Co., Ltd. (Note) 1	Chuo-ku, Tokyo	10,000	General cleaning services, interior work, and building equipment management	-	business partner	Providing maintenance and repair services (Note)2	13,514	accounts receivable	2,418
Officer	Kohei Ueda	-	-	Director of the Company	ownership Direct 0.0	Director of the Company	Contribution in kind of monetary compensation claims (Note 3)	25,460	-	-

(Notes) 1 The brother-in-law of the Company's Chairman and CEO directly owns all voting rights.

2 Transaction terms for the provision of maintenance and repair services are the same general terms and conditions as those used for independent third parties, taking into consideration market prices.

Contribution in kind of monetary compensation claims in connection with the restricted stock compensation plan.

(Per Share Information)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Net assets per share	115.97 yen	131.42 yen
Earnings per share	27.51 yen	30.73 yen
Diluted earnings per share	26.67 yen	30.51 yen

(Notes) 1 The Company conducted a 2-for-1 stock split of shares of common share on January 1, 2021. Therefore, net assets per share, earnings per share and diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2 Basis for calculation of earnings per share and diluted earnings per share is as follows

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Earnings per share		
Profit attributable to owners of parent (thousand yen)	2,362,590	2,726,613
Amount not attributable to common shareholders (thousand yen)	-	-
Profit attributable to owners of parent related to common share (thousand yen)	2,362,590	2,726,613
Average number of shares of common share during the period (shares)	85,867,858	88,738,331
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (thousand yen)	-	-
Increase in common share (shares)	2,713,175	623,628
(Of which share acquisition rights (shares))	(2,713,175)	(623,628)
Summary of potential shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects	-	-

(Significant subsequent events)

Not applicable.

(v)[Consolidated supplementary schedules]

[Schedule of Bonds]
Not applicable.

[Schedule of Borrowings]

	Balance at the beginning of current period (thousands of yen)	Balance at the end of current period (thousands of yen)	Average interest rate (%)	Repayment due
Short-term borrowings	2,038,180	2,198,784	0.3	-
Current portion of long-term debt	946,140	1,809,528	0.2	-
Long-term debt (excluding current portion)	1,418,034	3,288,183	0.2	2023 - 2026
total amount	4,402,354	7,296,495	-	-

(Notes) 1 The average interest rate on loans is the weighted average interest rate on the balance of loans outstanding at the end of the fiscal year.
2 Scheduled repayments of long-term debt for five years from the consolidated balance sheet date are as follows:

	Due after one year through two years (thousands of yen)	Due after 2 years through 3 years (thousands of yen)	Over 3 years but within 4 years (thousands of yen)	Over 4 years but within 5 years (thousands of yen)
Long-term borrowings	1,545,578	1,055,068	687,537	-

[Schedule of Asset Retirement Obligations]
The items to be presented in this statement are omitted because they are presented as notes stipulated in Article 15-23 of the Regulations for Consolidated Financial Statements.

(2)[Others]

Quarterly information for the current fiscal year

(Cumulative period)	First Quarter	Second Quarter	Third Quarter	Current fiscal year
Net sales (Thousands of yen)	6,732,630	13,906,860	21,670,379	29,751,566
Profit before income taxes (thousand yen)	959,239	1,937,033	3,055,117	4,230,962
Profit attributable to owners of parent (thousand yen)	605,311	1,212,315	1,899,570	2,726,613
Earnings per share (yen)	6.82	13.66	21.41	30.73

(Accounting period)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Earnings per share (yen)	6.82	6.84	7.74	9.32

2. [Financial Statements]

(1) [Financial Statements and Notes]

(i)[Balance Sheet]

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Assets		
Current assets		
Cash and deposits	847,975	1,007,992
Short-term loans receivable from subsidiaries and affiliates	2,100,839	2,620,529
Other	3 700,492	3 865,498
Total current assets	3,649,307	4,494,020
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,140,530	5,207,232
Tools, furniture and fixtures	3,139,723	4,557,037
Land	375,514	375,514
Construction in progress	732,760	885,377
Other	101,125	73,622
Accumulated depreciation and impairment	(1,819,376)	(2,305,544)
Total property, plant and equipment	7,670,277	8,793,240
Intangible assets		
Software	880,836	1,126,140
Other	70,084	633,089
Total intangible assets	950,920	1,759,230
Investments and other assets		
Investment securities	2,000	2,000
Shares of subsidiaries and affiliates	2,298,216	3,831,311
Leasehold and guarantee deposits	436,817	490,673
Deferred tax assets	293,790	340,620
Other	132,877	13,718
Allowance for doubtful accounts	(234)	(469)
Total investments and other assets	3,163,467	4,677,854
Total non-current assets	11,784,665	15,230,325
Total assets	15,433,972	19,724,345

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Liabilities		
Current liabilities		
Short-term borrowings	(Notes 1, 2) 1,998,180	(Notes 1, 2) 2,139,514
Short-term borrowings to subsidiaries and affiliates	1,353,635	1,173,353
Current portion of long-term debt	946,140	1,809,528
Accounts payable - other	398,102	599,783
Income taxes payable	87,979	48,999
Provision for bonuses	80,706	100,639
Other	(Note 3) 510,590	(Note 3) 735,024
Total current liabilities	5,375,335	6,606,841
Non-current liabilities		
Long-term borrowings	1,388,034	3,288,183
Allowance for retirement benefits	723,652	830,547
Asset retirement obligations	393,532	416,033
Other	-	17,945
Total non-current liabilities	2,505,218	4,552,709
Total liabilities	7,880,553	11,159,550
Net assets		
Shareholders' equity		
Capital stock	2,460,276	2,480,044
Capital surplus		
Capital reserve	2,418,061	2,437,829
Other capital surplus	473,188	473,188
Total capital surplus	2,891,249	2,911,018
Retained earnings		
Statutory retained earnings reserve	10,250	10,250
Other retained earnings		
Reserve for special depreciation	937	-
Retained earnings brought forward	2,190,915	3,193,786
Total retained earnings	2,202,102	3,204,036
Treasury shares	(209)	(30,303)
Total shareholders' equity	7,553,418	8,564,794
Total net assets	7,553,418	8,564,794
Total liabilities and net assets	15,433,972	19,724,345

(2) [Income Statement]

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Operating revenue	(Note 1) 5,365,687	(Note 1) 6,293,866
Operating expenses	(Notes 1, 2) 3,332,058	(Notes 1, 2) 4,196,707
Operating profit	2,033,629	2,097,159
Non-operating income		
Interest income	(Notes 1) 11,768	(Notes 1) 17,162
Insurance premium refunded	92,524	91,717
Subsidy income	4,320	26,549
Other	2,596	3,535
Total non-operating income	111,210	138,964
Non-operating expenses		
Interest expenses	1 17,146	1 22,503
Commission expenses	2,175	7,423
Foreign exchange loss	-	3,589
Other	15,834	1,868
Total non-operating expenses	35,156	35,385
Ordinary profit	2,109,683	2,200,738
Extraordinary income		
Gain on sale of non-current assets	39	6,596
Total extraordinary profit	39	6,596
Extraordinary losses		
Loss on retirement of non-current assets	1,362	975
Loss on valuation of stocks of subsidiaries and affiliates	220,663	86,615
Other	819	141
Total extraordinary losses	222,845	87,732
Profit before income taxes	1,886,877	2,119,601
Income taxes - current	207,133	101,613
Income taxes - deferred	(39,677)	(46,830)
Total income taxes	167,456	54,782
Profit	1,719,421	2,064,818

(iii)[Statement of changes in stockholders' equity].
Previous fiscal year (from April 1, 2020 to March 31, 2021)

(Unit: thousands of yen)

	Shareholders' equity									
		Capital surplus			Retained earnings					
						Other retained earnings				
	Share capital	Capital reserve	Other capital surplus	Total capital surplus	Statutory retained earnings reserve	Reserve for special depreciation	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	700,321	658,106	473,188	1,131,295	10,250	1,955	1,200,169	1,212,374	(112)	3,043,879
Changes of items during period										
Exercise of share acquisition rights	1,759,954	1,759,954		1,759,954						3,519,908
Dividends of surplus							(729,693)	(729,693)		(729,693)
Profit							1,719,421	1,719,421		1,719,421
Reversal of reserve for special depreciation						(1,018)	1,018	-		-
Purchase of treasury shares									(97)	(97)
Net changes of items other than shareholders' equity										
Total changes of items during period	1,759,954	1,759,954	-	1,759,954	-	(1,018)	990,746	989,728	(97)	4,509,539
Balance at end of period	2,460,276	2,418,061	473,188	2,891,249	10,250	937	2,190,915	2,202,102	(209)	7,553,418

	Share acquisition rights	Total net assets
Balance at beginning of period	23,218	3,067,097
Changes of items during period		
Exercise of share acquisition rights		3,519,908
Dividends of surplus		(729,693)
Profit		1,719,421
Reversal of reserve for special depreciation		-
Purchase of treasury shares		(97)
Net changes of items other than shareholders' equity	(23,218)	(23,218)
Total changes of items during period	(23,218)	4,486,321
Balance at end of period	-	7,553,418

Current fiscal year (from April 1, 2021 to March 31, 2022)

(Unit: thousands of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Statutory retained earnings reserve	Other retained earnings		Total retained earnings		
						Reserve for special depreciation	Retained earnings brought forward			
Balance at beginning of period	2,460,276	2,418,061	473,188	2,891,249	10,250	937	2,190,915	2,202,102	(209)	7,553,418
Changes of items during period										
Issuance of new shares	12,730	12,730		12,730						25,460
Exercise of share acquisition rights	7,038	7,038		7,038						14,076
Dividends of surplus							(1,062,885)	(1,062,885)		(1,062,885)
Profit							2,064,818	2,064,818		2,064,818
Reversal of reserve for special depreciation						(937)	937	-		-
Purchase of treasury shares									(30,094)	(30,094)
Net changes of items other than shareholders' equity										
Total changes of items during period	19,768	19,768	-	19,768	-	(937)	1,002,870	1,001,933	(30,094)	1,011,376
Balance at end of period	2,480,044	2,437,829	473,188	2,911,018	10,250	-	3,193,786	3,204,036	(30,303)	8,564,794

	Total net assets
Balance at beginning of period	7,553,418
Changes of items during period	
Issuance of new shares	25,460
Exercise of share acquisition rights	14,076
Dividends of surplus	(1,062,885)
Profit	2,064,818
Reversal of reserve for special depreciation	-
Purchase of treasury shares	(30,094)
Net changes of items other than shareholders' equity	-
Total changes of items during period	1,011,376
Balance at end of period	8,564,794

[NOTES]

(Significant Accounting Policies)

1. Valuation standards and methods for assets

Marketable securities

(1) Shares of subsidiaries and affiliates

Stated at cost determined by the moving-average method.

(2) Other securities

Non-marketable equity securities, etc.

Mainly stated at cost determined by the moving-average method.

2. Depreciation method for fixed assets

(1) Property, plant and equipment (excluding lease assets)

The straight-line method is mainly used.

The main useful lives are as follows:

Buildings and structures	3-50 years
Tools, furniture and fixtures	2-17 years

(2) Intangible assets (excluding lease assets)

The straight-line method is used.

Software for internal use is amortized over the estimated useful life (5 years).

(3) Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

The straight-line method is used, where the lease period is deemed as the useful life of the asset and the residual value is set as zero.

3. Basis for reserves

(1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible losses on accounts receivable, loans receivable and other receivables. For general receivables, the allowance is provided based on historical default rates, and for specific doubtful accounts, the allowance is provided for the estimated uncollectible amount after individually evaluating the collectability of each account.

(2) Allowance for bonuses

To provide for the payment of bonuses to employees, an amount accrued for the current fiscal year is recorded based on the estimated amount of bonus payments.

(3) Allowance for retirement benefits

(i) Method of attributing estimated retirement benefits to periods of service

In calculating the retirement benefit obligation, the estimated amount of retirement benefits is attributed to the period up to the end of the current fiscal year based on the benefit calculation method.

(2) Method of Amortization of Actuarial Differences

Actuarial gains and losses are amortized by the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time of occurrence of each fiscal year, with the amount prorated from the following fiscal year of occurrence.

4. Basis for recording revenues and expenses

The Company's revenues consist of management fees and administrative fees from subsidiaries. Management fees and administrative fees are recognized as revenues based on the provision of contracted services to subsidiaries over a certain period of time.

5. Other important matters that serve as the basis for the preparation of financial statements

Translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate prevailing at the end of the fiscal year, with translation differences recognized as gains or losses.

(Critical Accounting Estimates)

Impairment loss on investments in subsidiaries and affiliates

(1) Amount recorded in the financial statements for the current fiscal year

(Unit: thousands of yen)

	Previous fiscal year	Current fiscal year
Loss on valuation of stocks of subsidiaries and affiliates	220,663	86,615
Shares of subsidiaries and affiliates	2,298,216	3,831,311

(2) Other information that contributes to the understanding of financial statement users.

(i) Calculation Method

The Company verifies the achievement of operating income and future cash flows based on each company's future business plans, and determines whether the real value reflecting excess earning capacity and other factors has declined significantly. In the event of a significant decline in the actual value, the amount of the decline is recognized as a loss on valuation of stocks of subsidiaries and affiliates, unless the possibility of recovery is supported by sufficient evidence.

(ii) Key Assumptions

The main assumption in each company's future business plan is that sales will be derived from maintaining and increasing the number of contracts for maintenance and repair services, etc., through enhanced sales activities.

(iii) Effect on the financial statements of the following year

The key assumption, sales in each company's future business plan, is subject to estimation uncertainty, and there is a risk that this could materially affect the decision to impair the shares of affiliated companies.

(Change in accounting policy)

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Accounting Standard for Revenue Recognition") and others from the beginning of the current fiscal year, and recognized revenue at the amount expected to be received in exchange for the promised goods or services when control of the promised goods or services has been transferred to the customer.

The cumulative effect of retrospective application of the new accounting policy prior to the beginning of the current fiscal year is added to or deducted from retained earnings at the beginning of the current fiscal year, and the new accounting policy is applied from the balance at the beginning of the current fiscal year. The new accounting policy is applied from the balance at the beginning of the current fiscal year. However, the new accounting policy was not applied retrospectively to contracts for which almost all revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the current fiscal year by applying the method prescribed in Paragraph 86 of the Accounting Standard for Revenue Recognition. In addition, the Company has applied the method prescribed in Paragraph 86 and Note (1) of the Accounting Standard for Revenue Recognition to account for contract changes made prior to the beginning of the current fiscal year based on the contract terms after reflecting all contract changes, and the cumulative effect of such changes has been added to or deducted from retained earnings at the beginning of the current fiscal year.

As a result, there is no impact on profit and loss for the current fiscal year. There is no effect on the balance of retained earnings at the beginning of the period.

(Application of Accounting Standard for Measurement of Fair Value)

"Accounting Standard for Fair Value Calculation" (ASBJ Statement No. 30, July 4, 2019. Hereafter referred to as "Accounting Standard for Fair Value Calculation") and others are applied from the beginning of the current fiscal year, and new accounting policies prescribed by the Accounting Standard for Fair Value Calculation and others are applied prospectively in accordance with the transitional treatment prescribed in paragraph 19 of the Accounting Standard for Fair Value Calculation and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019).

This change has no impact on the financial statements.

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

(Change in depreciation method for tangible fixed assets)

The Company previously used the declining-balance method for the depreciation of tools, furniture and fixtures, but has changed to the straight-line method beginning in the current fiscal year.

This change was made as a result of a review of the utilization status of tools, furniture, and fixtures in conjunction with the formulation of a capital investment plan in response to changes in the telecommunications environment. As a result, the Company determined that, compared to the previous model, the main assets are expected to operate stably during their useful life due to functional improvements, and therefore, the straight-line method of equal cost allocation over the period of useful life would more appropriately reflect the actual use of the assets.

As a result, operating income, ordinary income, and income before income taxes increased by 54,678,000 yen in the current fiscal year, compared with those based on the previous method.

(Change of basis of the presentation)

(Income Statement)

Subsidy income," which was included in "Other" under "Non-operating income" in the previous fiscal year, is separately presented in the current fiscal year due to its increased importance in terms of amount. The financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 4,320 thousand yen presented as "Other" under "Non-operating income" in the statement of income for the previous fiscal year has been reclassified as "Subsidy income.

Stock issuance expenses" under "Non-operating expenses," which was independently presented in the previous fiscal year, is included in "Others" in the current fiscal year because it became insignificant in terms of amount. The financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 14,573 thousand yen presented as "stock issuance expenses" under "non-operating expenses" in the statement of income for the previous fiscal year has been reclassified as "other.

Commission fee" which was included in "Other" under "Non-operating Expenses" in the previous fiscal year, is separately stated from the current fiscal year due to its increased importance in terms of amount. The financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 2,175 thousand yen presented as "Other" under "Non-operating expenses" in the statement of income for the previous fiscal year has been reclassified as "Commission fee paid.

(Additional Information)

(Accounting estimate of the impact of COVID-19)

No material impact on the Company's financial position or results of operations has occurred with respect to COVID-19. Therefore, the Company does not believe that COVID-19 will have a material effect on its accounting estimates of the recoverability of deferred tax assets.

(Notes to Balance Sheet)

*1 Overdraft and commitment line agreements

The Company has overdraft and commitment line agreements with correspondent banks for the purpose of efficient and stable working capital procurement. The following are unused lines of credit based on these agreements as of the end of the current fiscal year.

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Total amount of current account overdrafts and commitment lines of credit	6,800,000	8,900,000
Loan balance	1,914,846	2,139,514
Subtotal	4,885,154	6,760,486

*2 Financial covenants

Previous fiscal year (March 31, 2021)

The Company's commitment line agreements contain financial covenants with certain conditions regarding net assets and earnings.

Current fiscal year (March 31, 2022)

The Company's commitment line agreements contain financial covenants with certain conditions regarding net assets and earnings.

*3 Receivables from and payables to subsidiaries and affiliates (excluding those presented separately)

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Short-term monetary claims	7,024	10,762
Short-term monetary obligations	561	667

(Notes to Statements of Income)

*1 Transactions with affiliated companies are as follows

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Transaction volume from business transactions		
Operating revenue	5,334,219	6,259,306
Operating expenses	39,848	35,039
Non-operating transactions	15,549	23,987

*2 Major items and amounts of operating expenses are as follows

(Unit: thousands of yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Salary and allowances	1,037,383	1,394,913
Provision for bonuses	80,706	100,639
Retirement benefit expenses	23,918	27,566
Depreciation and amortization	408,730	547,075

(Change of basis of the presentation)

Commission fee," which was presented as a major expense item in the previous fiscal year, has been omitted from the notes beginning in the current fiscal year because it has become insignificant in terms of amount. Commission fee" in the previous fiscal year was 339,870 thousand yen.

(Marketable securities)

Previous fiscal year (March 31, 2021)

Shares of subsidiaries and affiliates (balance sheet amount: 2,298,216 thousand yen) are not stated because they do not have market prices and it is extremely difficult to determine their fair value.

Current fiscal year (March 31, 2022)

Stocks of subsidiaries and affiliates (balance sheet amount: 3,831,311 thousand yen) are not stated because they do not have market prices.

(Tax effect accounting related)

Breakdown of deferred tax assets and deferred tax liabilities by major cause

(Unit: thousands of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Deferred tax assets		
Provision for bonuses	24,712	30,815
Allowance for retirement benefits	221,582	254,313
Asset retirement obligations	120,499	127,389
Shares of subsidiaries and affiliates	309,172	335,881
Other	89,249	102,081
Deferred tax assets subtotal	765,216	850,482
Valuation allowance	(375,490)	(412,008)
Total deferred tax assets	389,726	438,473
Deferred tax liabilities		
Reserve for special depreciation	(413)	-
Removal costs corresponding to asset retirement obligations	(94,996)	(97,852)
Other	(526)	-
Total deferred tax liabilities	(95,935)	(97,852)
Net deferred tax assets	293,790	340,620

2. Significant differences between the statutory tax rate and the effective tax rate after the application of tax effect accounting, by major item that caused the differences.

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Statutory effective tax rate	30.6 %	30.6 %
(Adjustment)		
Entertainment expenses and other items not permanently deductible for income tax purposes	0.1 %	0.9 %
Per capita levy of inhabitant tax, etc.	0.4 %	0.3 %
Tax credit under the expanded income tax system	- %	(0.9 %)
Dividend income not includable in income	(25.6 %)	(30.0 %)
Change in valuation allowance	3.7 %	1.7 %
Other	(0.3 %)	(0.1 %)
Effective tax rate after application of tax effect accounting	8.9 %	2.6 %

(Revenue Recognition)

Notes are omitted since the same information is presented in "Notes to the Financial Statements (Significant Accounting Policies) 4. Basis for recording revenues and expenses".

(Significant subsequent events)

Not applicable.

(iv) [Annexed schedules]

[Schedule of Non-current Assets]

(Unit: thousands of yen)

	Type of Assets	Balance at the beginning of current period	Increase during the fiscal year	Decrease during the fiscal year	Amortization for the year	Balance at the end of current period	Accumulated depreciation
Property, plant and equipment	Buildings and structures	4,540,846	71,472	2,404	172,854	4,437,060	770,172
	Tools, furniture and fixtures	1,990,278	1,417,313	-	356,174	3,051,417	1,505,619
	Land	375,514	-	-	-	375,514	-
	Construction in progress	732,760	153,121	504	-	885,377	-
	Other	30,877	23,311	2,950	7,366	43,870	29,752
	total	7,670,277	1,665,218	5,859	536,395	8,793,240	2,305,544
Intangible Non-current assets	Software	880,836	604,284	-	358,979	1,126,140	-
	Other	70,084	623,715	56,930	3,779	633,089	-
	total	950,920	1,227,999	56,930	362,759	1,759,230	-

(Note) Major items in the amount of increase during the current period are as follows:
Tools, furniture and fixtures
Remote devices and other equipment for providing services1,060,112 thousand yen

Software
Development of remote monitoring terminals and control panels367,110 thousand yen

[Allowance Schedule]

(Unit: thousands of yen)

	Balance at the beginning of current period	Increase during the fiscal year	Decrease during the fiscal year	Balance at the end of current period
Allowance for doubtful accounts	234	469	234	469
Provision for bonuses	80,706	100,639	80,706	100,639

(2) [Major Assets and Liabilities]

The Company has omitted this information because it prepares consolidated financial statements.

(3) [Other]

Not applicable.

Item 6 [Summary of the Share Administration of the Filing Company]

Fiscal year	From April 1 of each year to March 31 of the following year
Annual General Meeting of Shareholders	Within 3 months after the end of each fiscal year
Record Date	March 31 of each year
Record Date for Dividends from Surplus	March 31 of each year
Number of shares per unit	100 shares
Purchase of odd-lot shares	
Handling location	1-3-3, Marunouchi, Chiyoda-ku, Tokyo Mizuho Trust & Banking Co. Securities Agent Department, Head Office
Administrator of shareholders' register	1-3-3, Marunouchi, Chiyoda-ku, Tokyo Mizuho Trust & Banking Co.
Agency	-
Purchase Commissions	Amount separately determined as an amount equivalent to the commission fee for entrustment of stock transactions
Method of Public Notice	Public notices of the Company shall be given by way of electronic public notices. However, in the event of an accident or other unavoidable circumstances that preclude electronic public notice, public notices will be posted in the Nihon Keizai Shimbun. URL for public notice https://www.jes24.co.jp
Benefits for Shareholders	nashi (Pyrus pyrifolia, esp. var. culta)

(Note) Pursuant to the provisions of the Articles of Incorporation, shareholders holding shares of less than one unit may not exercise any rights with respect to such shares of less than one unit other than the following rights.
(1) Rights listed in each item of Article 189, Paragraph 2 of the Companies Act
(2) Right to make a request pursuant to Article 166, Paragraph 1 of the Companies Act
(3) Right to receive allotment of offered shares and offered share acquisition rights in proportion to the number of shares held by shareholders

Item 7 [Reference Information on Filing Company]

1. [Information on the Filing Company's Parent Company]

The Company has no parent company, etc. as defined in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. [Other Reference Information]

The following documents were submitted between the beginning of the current fiscal year and the date of submission of the Annual Securities Report.

(1)Annual Securities Report and its attached documents and confirmation letter
Fiscal year (27th period) From April 1, 2020 to March 31, 2021 Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2021
(2) Internal control report and attached documents
Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2021
(3) Quarterly Report and Confirmation Statement
(First Quarter of 28th Period) From April 1, 2021 to June 30, 2021 Submitted to the Director-General of the Kanto Local Finance Bureau on August 11, 2021
(28th period, 2nd quarter) From July 1, 2021 to September 30, 2021 Submitted to the Director-General of the Kanto Local Finance Bureau on November 9, 2021
(28th period, 3rd quarter) From October 1, 2021 to December 31, 2021 Submitted to the Director-General of the Kanto Local Finance Bureau on February 8, 2022
(4) Extraordinary Report
Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2021
This is submitted in accordance with the provisions of Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.

(5) Status Report on Purchase of Own Shares
Reporting period (from February 1, 2022 to February 28, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau on March 15, 2022.
Reporting period (from March 1, 2010 to March 31, 2022) Submitted to the Director-General of the Kanto Local Finance Bureau on April 13, 2022.

Part II [Information on the Guarantee Company of the Fling Company]

Not applicable.

Independent Auditor's Report and Internal Controls Audit Report

June 23, 2022

Japan Elevator Service Holdings Co., Ltd.

To: Board of Directors

EY Ernst & Young ShinNihon LLC

Tokyo Office

Designated Limited Liability Partner Managing Partner	Certified public accountant	Masayoshi Yoshikata
Designated Limited Liability Partner Managing Partner	Certified public accountant	Rentaro Miki

<Audit of Financial Statements>

Audit Opinion

We have audited financial statements of Japan Elevator Service Holdings Co., Ltd. for the 28th fiscal year from Apr. 1, 2021 to Mar. 31, 2022, i.e., consolidated balance sheet, consolidated statements of income, consolidated statement of changes in net assets, important accounting policies, and other notes and associated schedules, listed in "Financial Statements and Supplementary Data", for the purpose of providing audit certification in accordance with the provisions of Article 193-2-1 of the Financial Instruments and Exchange Law.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Japan Elevator Service Holdings Corporation and consolidated subsidiaries as of March 31, 2022, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We are independent of the Company and its consolidated subsidiaries and fulfill our other ethical responsibilities as auditors in accordance with the rules of professional ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those that the auditor, as a professional expert, considered to be of particular importance in the audit of the consolidated financial statements for the current fiscal year. The major audit considerations are those matters that were addressed in the course of performing the audit of the consolidated financial statements as a whole and in forming our audit opinion, and we do not express an opinion on those matters individually.

Valuation of goodwill recorded as a result of mergers and acquisitions	
Details of major audit considerations and reasons for decisions	Audit Responses
As of March 31, 2022, the company has 2,547 million yen of goodwill on its consolidated balance sheet, which is equivalent to 10 % of its total assets. The company's business is centered on the maintenance of elevators and other equipment, and in recent years the amount of goodwill has increased as the company has used M&A to strengthen its business. (Basis of Presenting Consolidated Financial Statements)4. Matters Related to Accounting Policies, (7) Amortization Method and Period of Goodwill, goodwill recorded as a result of mergers and acquisitions is amortized over the period of its effect. The company assesses whether there is any indication of impairment of goodwill arising from mergers and acquisitions by focusing on whether the excess earning power expected at the time of acquisition will be realized over the period of its effect and by checking the achievement of operating income and future cash flows in the future business plan approved by management. A key assumption in the future business plan is the revenue from maintaining and increasing the number of contracts for maintenance and repair services, etc., through enhanced sales activities as described in the Notes (Critical Accounting Estimates). Because future business plans, which are the basis for determining the valuation of goodwill recorded as a result of mergers and acquisitions, are by their nature subject to uncertainties in management's judgments and estimates, we have concluded that the matter constitutes a major audit consideration.	In considering the valuation of goodwill recorded as a result of mergers and acquisitions, we primarily performed the following audit procedures ž In order to evaluate the design and operation of internal controls over the determination of goodwill impairment losses, we reviewed relevant vouchers and questioned internal control personnel. ž We reviewed the minutes at the meeting bodies of the subsidiaries where the M&A was conducted and questioned the management and company personnel to understand the business environment of the subsidiaries and to examine whether there were any subsidiaries that indicated signs of deterioration in their financial condition. ž Future operating income and future cash flows were reviewed for consistency with the underlying future business plan and the budget for the following year as approved by management. ž To assess the effectiveness of management's estimating process, the business plan and subsequent actual results were compared. ž The key assumptions included in the future business plan, i.e., sales revenues associated with maintaining and increasing the number of contracts for maintenance and repair work through enhanced sales activities, were discussed with management and reviewed for consistency with the business environment and business structure of the region in which the subsidiary is located.

Other Descriptions

Other information included in the annual report, other than the consolidated financial statements and financial statements and the audited reports thereon. Management is responsible for preparing and disclosing other statements. In addition, the Audit & Supervisory Board member and the Audit & Supervisory Board are responsible for monitoring the directors' performance of their duties in the development and operation of other stated reporting processes.

Our audit opinion on the consolidated financial statements does not include any other description, and we express no opinion on any other description.

Our responsibility in the audit of the consolidated financial statements is to read the other information carefully and, in the course of that reading, to consider whether there are material differences between the other information and the consolidated financial statements or our knowledge obtained in the audit, and to pay attention to whether there are any indication of material errors in the other information other than such material differences. In addition to such material differences, we also pay attention to whether there are any other indications of material errors in the other statements.

If, based on the work we have performed, we determine that there are material errors in the other entries, we are required to report those facts.

We have no other matters to report.

Responsibilities of Management, Audit & Supervisory Board and Audit & Supervisory Board members for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in conformity with accounting principles generally accepted in Japan. This includes the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on a going concern basis and for disclosing any matters related to going concern that are required to be disclosed in accordance with accounting principles generally accepted in Japan. The Company is responsible for the disclosure of such matters.

The Audit & Supervisory Board and the Audit & Supervisory Board member are responsible for monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's Responsibility in an Audit of Consolidated Financial Statements

The auditor is responsible for obtaining reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and for expressing an opinion on the consolidated financial statements that is independent in its audit report. A misstatement is considered to be material if it could have been caused by fraud or error and, individually or in the aggregate, could reasonably be expected to affect the decisions of users of the consolidated financial statements.

The auditor shall exercise professional judgment throughout the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan, and shall maintain professional skepticism and

- Identify and assess the risk of material misstatement due to fraud or error. In addition, audit procedures shall be designed and implemented to address the risks of material misstatement. The selection and application of audit procedures are at the auditor's discretion. In addition, we obtain sufficient and appropriate audit evidence on which to base our opinion.
- The purpose of an audit of consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control; however, in making those risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of the accounting policies and methods of application thereof adopted by management and the reasonableness of accounting estimates made by management and the adequacy of related note disclosures.
- Conclude whether it is appropriate for management to prepare the consolidated financial statements on a going concern basis and, based on the audit evidence obtained, whether there are material uncertainties regarding events or conditions that might cast significant doubt on the entity's ability to continue as a going concern. If a material uncertainty regarding the entity's ability to continue as a going concern exists, the auditor is required to draw attention in the auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the consolidated financial statements. The auditor's conclusion is based on audit evidence obtained up to the date of the auditor's report; however, future events or circumstances may cause the entity to cease to exist as a going concern.
- Evaluate whether the presentation and notes to the consolidated financial statements comply with accounting principles generally accepted in Japan, and whether the consolidated financial statements, including the related notes, present fairly the underlying transactions and accounting events, as well as the presentation, organization, and details of the consolidated financial statements.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to enable us to express our opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and performing the audit of the consolidated financial statements. The auditor is solely responsible for its audit opinion.

The auditor shall report to the Audit & Supervisory Board and the Audit & Supervisory Board members on the planned scope and timing of the audit, significant audit findings, including significant deficiencies in internal control identified during the course of the audit, and other matters required by auditing standards. and other matters required by auditing standards.

The auditor shall report to the Audit & Supervisory Board member and the Audit & Supervisory Board that the auditor has complied with the provisions of the Japanese Code of Professional Ethics regarding independence and any matters that could reasonably be considered to affect the auditor's independence and any safeguards, if any, to remove or reduce impediments.

The auditor shall determine the matters discussed with the Audit & Supervisory Board member and the Audit & Supervisory Board that are of particular importance in the audit of the consolidated financial statements for the current fiscal year and shall include those matters in the auditor's report. The matters discussed with the Board member and Audit & Supervisory Board are described in the auditor's report. However, such matters shall not be included in the auditor's report if the disclosure of such matters is prohibited by law or if, although extremely limited, the auditor determines that such matters should not be reported because the disadvantages of reporting such matters in the auditor's report are reasonably expected to outweigh the public interest.

＜Audit of Internal Control>

Audit Opinion

We have audited the internal control report of Japan Elevator Service Holdings Co., Ltd. as of March 31, 2022 for the purpose of providing audit certification in accordance with the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act.

In our opinion, the internal control report referred to above, in which Japan Elevator Service Holdings Corporation indicated that internal control over financial reporting as of March 31, 2022 was effective, presents fairly, in all material respects, the assessment results of internal control over financial reporting, based on criteria for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Audit Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibility is to express an opinion on the internal control over financial reporting based on our audit. We are independent of the Company and its consolidated subsidiaries and fulfill our other ethical responsibilities as auditors in accordance with the rules of professional ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Management and Audit & Supervisory Board and Its Members' Responsibility for Internal Control Report

Management is responsible for designing and operating internal control over financial reporting, and preparing and properly presenting an internal control report in accordance with the evaluation standards for internal control over financial reporting generally accepted in Japan.

The Audit & Supervisory Board member and the Audit & Supervisory Board are responsible for monitoring and verifying the design and operation of internal control over financial reporting.

It is possible that internal control over financial reporting will not completely prevent or detect misstatements in financial reporting.

Auditor's Responsibility in Audits of Internal Control

The auditor's responsibility is to obtain reasonable assurance about whether the internal control report is free of material misstatement based on the internal control audit performed by the auditor and to express an opinion on the internal control report from an independent standpoint in the internal control audit report.

In accordance with auditing standards for internal control over financial reporting generally accepted in Japan, the auditor, throughout the audit process, exercises professional judgment and maintains professional skepticism in

The Company shall perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in the internal control report. Audit procedures for internal control audits are selected and applied at the auditor's discretion, based on the materiality of the effect on the reliability of financial reporting.

The Board will consider the presentation of the internal control report as a whole, including the statements made by management regarding the scope of evaluation of internal control over financial reporting, the evaluation procedures and the evaluation results.

Obtain sufficient appropriate audit evidence regarding the results of the assessment of internal control over financial reporting in the internal control report. The auditor is responsible for directing, supervising, and performing the audit of the internal control report. The auditor is solely responsible for its audit opinion.

The auditor shall report to the Audit & Supervisory Board member and the Audit & Supervisory Board on the scope and timing of the planned internal control audit, the results of the internal control audit, any material weaknesses in internal control identified that should be disclosed, the results of their remediation, and internal control audit, the identified material deficiencies in internal control that should be disclosed, the results of their correction, and other matters required by the internal control audit standards.

The auditor shall report to the Audit & Supervisory Board member and the Audit & Supervisory Board that the auditor has complied with the provisions of the Japanese Code of Professional Ethics regarding independence and any matters that could reasonably be considered to affect the auditor's independence and any safeguards, if any, to remove or reduce impediments.

Interests

We have no interest in or relationship with the Company or its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Ends

(Notes) 1. The original of the above audit report is kept separately by the Company (securities report filing company).
2. XBRL data is not included in the scope of the audit.

Independent Auditor's Report

June 23, 2022

Japan Elevator Service Holdings Co., Ltd.

To: Board of Directors

EY Ernst & Young ShinNihon LLC

Tokyo Office

Designated Limited Liability Partner Managing Partner	Certified public accountant	Masayoshi Yoshikata
Designated Limited Liability Partner Managing Partner	Certified public accountant	Rentaro Miki

Audit Opinion

We have audited financial statements of Japan Elevator Service Holdings Co., Ltd. for the 28th fiscal year from Apr. 1, 2021 to Mar. 31, 2022, i.e., balance sheet, statements of income, statement of changes in net assets, important accounting policies, and other notes and associated schedules, listed in "Financial Statements and Supplementary Data", for the purpose of providing audit certification in accordance with the provisions of Article 193-2-1 of the Financial Instruments and Exchange Law.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Japan Elevator Service Holdings Co., Ltd. as of March 31, 2022, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in auditing standards is described in "Auditor's Responsibility in an Audit of Financial Statements. We are independent of the company and fulfill our other ethical responsibilities as auditors in accordance with the rules of professional ethics in our country. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those that the auditor, as a professional expert, considered to be of particular importance in the audit of the financial statements for the period under review. The major audit considerations are those matters addressed in the course of performing the audit of the financial statements as a whole and in forming our audit opinion, and we do not express an opinion on those matters individually.

Valuation of shares of affiliated companies acquired through M&A	
Details of major audit considerations and reasons for decisions	Audit Responses
The company is a holding company, and as of March 31, 2022, it has 3,831 million yen of stocks of affiliated companies on its balance sheet. The amount is equivalent to 19 % of total assets, the majority of which are shares in subsidiaries acquired through mergers and acquisitions. Shares of subsidiaries acquired through mergers and acquisitions include non-marketable equity securities and other securities acquired to reflect excess earning power. In considering whether an investment in an affiliate should be impaired, the company compares the acquisition price with the actual value reflecting excess earning power. The company focuses on whether the excess earning power projected at the time of acquisition will be realized over the life of the effect, including the achievement of operating income and future cash flows in future business plans approved by management. A key assumption in the future business plan is the revenue from maintaining and increasing the number of contracts for maintenance and repair services, etc., through enhanced sales activities as described in the Notes (Critical Accounting Estimates). Because the calculation of excess earning capacity included in such real value, as well as goodwill arising from mergers and acquisitions recorded on the consolidated balance sheet, is subject to uncertainties in management's judgments and estimates, we have concluded that the matter is a key audit consideration.	In considering the valuation of the shares of affiliated companies acquired through mergers and acquisitions, we primarily performed the following audit procedures; ž In order to evaluate the design and operation of internal control over the valuation of stocks of subsidiaries and affiliates, we reviewed relevant vouchers and asked questions to the persons in charge of internal control. ž The excess earning power included in the shares of affiliated companies is recorded as goodwill on the consolidated balance sheet. The audit responses related to the valuation of goodwill were implemented as described in the Key Audit Matters in the Independent Auditor's Report on the Consolidated Financial Statements.

Other Descriptions

Other information included in the annual report, other than the consolidated financial statements and financial statements and the audited reports thereon. Management is responsible for preparing and disclosing other statements. In addition, the Audit & Supervisory Board member and the Audit & Supervisory Board are responsible for monitoring the directors' performance of their duties in the development and operation of other stated reporting processes.

Our audit opinion on the financial statements does not include any other description, and we express no opinion on any other description.

Our responsibility in the audit of the financial statements is to read the other statements and, in the course of reading the other statements, to consider whether there are material differences between the other statements and the financial statements or our knowledge obtained in the audit, and to pay attention to whether there are any indication of material errors in the other statements other than such material differences. In addition to such material differences, we also pay attention to whether there are any other indications of material errors in the statements.

If, based on the work we have performed, we determine that there are material errors in the other entries, we are required to report those facts.

We have no other matters to report.

Management and Audit & Supervisory Board member and Audit & Supervisory Board responsibility for the financial statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in Japan. This includes the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing whether it is appropriate to prepare the financial statements on a going concern basis and for disclosing matters related to going concern when required to do so in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board and the Audit & Supervisory Board member are responsible for monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's Responsibility in an Audit of Financial Statements

The auditor's responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and to express an opinion on the financial statements that is independent in the auditor's report. A misstatement is considered to be material if it could have been caused by fraud or error and, individually or in the aggregate, could reasonably be expected to affect the decisions of users of the financial statements.

The auditor shall exercise professional judgment throughout the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan, and shall maintain professional skepticism and

ž Identify and assess the risk of material misstatement due to fraud or error. In addition, audit procedures shall be designed and implemented to address the risks of material misstatement. The selection and application of audit procedures are at the auditor's discretion. In addition, we obtain sufficient and appropriate audit evidence on which to base our opinion.

ž Although the purpose of an audit of financial statements is not to express an opinion on the effectiveness of internal control, the auditor considers internal control relevant to the audit in making those risk assessments in order to design audit procedures that are appropriate in the circumstances.

ž Evaluate the appropriateness of the accounting policies and methods of application thereof adopted by management and the reasonableness of accounting estimates made by management and the adequacy of related note disclosures.

ž Conclude whether it is appropriate for management to prepare the financial statements on a going concern basis and, based on the audit evidence obtained, whether there are material uncertainties regarding events or conditions that might cast significant doubt on the entity's ability to continue as a going concern. If a material uncertainty regarding the entity's ability to continue as a going concern is identified, the auditor is required to draw attention in the auditor's report to the notes to the financial statements or, if the notes to the financial statements regarding the material uncertainty are not appropriate, to express an opinion with qualifications on the financial statements. The auditor's conclusion is based on audit evidence obtained up to the date of the auditor's report; however, future events or circumstances may cause the entity to cease to exist as a going concern.

ž Assess whether the presentation and notes to the financial statements are in accordance with accounting principles generally accepted in Japan, as well as the presentation, organization, and content of the financial statements, including related notes, and whether the financial statements present fairly the underlying transactions and accounting events.

ž The auditor shall report to the Audit & Supervisory Board member and the Audit & Supervisory Board on the planned scope and timing of the audit, significant audit findings, including significant deficiencies in internal control identified during the course of the audit, and other matters required by auditing standards. and other matters required by auditing standards.

The auditor shall report to the Audit & Supervisory Board member and the Audit & Supervisory Board that the auditor has complied with the provisions of the Japanese Code of Professional Ethics regarding independence and any matters that could reasonably be considered to affect the auditor's independence and any safeguards, if any, to remove or reduce impediments.

The auditor shall determine the matters discussed with the Audit & Supervisory Board and the Audit & Supervisory Board members that are of particular importance in the audit of the financial statements for the current fiscal year, and shall include those matters in the auditor's report. However, such matters shall not be included in the auditor's report if the disclosure of such matters is prohibited by law or if, although extremely limited, the auditor determines that such matters should not be reported because the disadvantages of reporting such matters in the auditor's report are reasonably expected to outweigh the public interest.

Interests

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Ends

(Notes) 1. The original of the above audit report is kept separately by the Company (securities report filing company).
2. XBRL data is not included in the scope of the audit.

[Cover]

[Documents to be filed]	Internal Control Report
[Legal basis of the documents]	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Law
[Filed with]	Director-General of Kanto Finance Bureau
[Date of filing]	June 24, 2022
[Company name]	ジャパンエレベーターサービスホールディングス株式会社
[English translation name]	JAPAN ELEVATOR SERVICE HOLDINGS CO.,LTD.
[Title and name of representative]	Katsushi Ishida, President, Representative Director CEO
[Title and name of Chief Financial Officer]	Kimihiko Imamura, Director, Deputy President and Executive Officer CFO
[Location of head office]	1-3-13 Nihonbashi, Chuo-ku, Tokyo
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

1 [Matters related to the basic framework for internal control over financial reporting]

Katsushi Ishida, President, Representative Director CEO, and Kimihiko Imamura, Director, Deputy President and Executive Officer CFO, are responsible for establishing and operating internal control over financial reporting of the Company, its consolidated subsidiaries and equity method affiliates (hereinafter referred to as "the Group"). They maintain and operate internal control over financial reporting in accordance with the basic framework for internal control indicated in the "Opinion on Standards and Implementation Criteria of Management Assessment and Audit of Internal Control over Financial Reporting" issued by the Business Accounting Council. Since internal control attempts to achieve its objectives to a reasonable extent by organically linking and integrally functioning each basic element of internal control, it is possible that misstatements in financial reports may not be completely prevented or detected by internal control over financial reporting.

2 [Matters related to the scope of valuation, base date and valuation procedures]

The evaluation of internal control over financial reporting was conducted with a base date of March 31, 2022, the end of the current fiscal year, and in making the evaluation, the Company followed generally accepted standards for evaluating internal control over financial reporting. In this assessment, we evaluate internal controls that have a significant impact on overall financial reporting on a consolidated basis (company-wide internal controls), and then select business processes to be evaluated based on the results of the evaluation. In assessing the business process, we evaluated the effectiveness of internal control by analyzing the selected business process, identifying key control points that have a significant impact on the reliability of financial reporting, and evaluating the design and operation of those key control points. The scope of the assessment of internal control over financial reporting was determined for our group as necessary from the perspective of the materiality of its impact on the reliability of financial reporting. The materiality of the effects on the reliability of financial reporting was determined by considering the significance of monetary and qualitative effects, and the scope of assessment of internal control over business processes was reasonably determined based on the results of the assessment of company-wide internal control conducted for the Company and its 11 consolidated subsidiaries. With respect to the scope of evaluation of internal control over business processes, we checked the sales (after elimination of inter-company transactions) of each business location for the previous consolidated year and designated five business locations that reached approximately two-thirds of consolidated sales for the previous fiscal year as "important business locations. In the selected significant business locations, the business processes related to sales, accounts receivable, and inventories were evaluated as accounts that are significantly related to the company's business objectives. Furthermore, regardless of the significant business locations, for a scope that includes other business locations as well, business processes related to significant accounts that have a high likelihood of material misstatement and involve estimates and forecasts, and business processes related to businesses or operations that engage in high-risk transactions, are added to the scope of evaluation as significant business processes, taking into account their impact on financial reporting. The business process was added to the scope of evaluation as a business process with significant materiality. The business locations were selected.

3 [Matters related to evaluation results]

As a result of the above evaluation, we concluded that the Group's internal control over financial reporting was effective as of the end of the current fiscal year.

4 [Addendum]

There is nothing to be added.

5 [Special note]

There are no matters requiring special mention.

[Cover]

[Documents to be filed]	Certificate
[Legal basis of the documents]	Article 24-4-4-2, Paragraph 1 of the Financial Instruments and Exchange Law
[Filed with]	Director-General of Kanto Finance Bureau
[Date of filing]	June 24, 2022
[Company name]	ジャパンエレベーターサービスホールディングス株式会社
[English translation name]	JAPAN ELEVATOR SERVICE HOLDINGS CO.,LTD.
[Title and name of representative]	Katsushi Ishida, President, Representative Director CEO
[Title and name of Chief Financial Officer]	Kimihiko Imamura, Director, Deputy President and Executive Officer CFO
[Location of head office]	1-3-13 Nihonbashi, Chuo-ku, Tokyo
[Place for public inspection]	Tokyo Stock Exchange, Inc. (2-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)

1 [Matters concerning the appropriateness of the contents of securities reports].

Katsushi Ishida, President, Representative Director CEO, and Kimihiko Imamura, Director, Deputy President and Executive Officer CFO, have confirmed that the contents of the Annual Securities Report for the 28th fiscal year (from April 1, 2009 to March 31, 2022) of the Company are properly described in accordance with the Financial Instruments and Exchange Law.

2 [Special note]

There are no matters requiring special mention.