

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 7, 2019

Company name: Japan Elevator Service Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6544 URL <https://www.jes24.co.jp>
 Representative: Katsushi Ishida President CEO
 Director Deputy President and Executive Officer
 Inquiries: Kimihiko Imamura TEL +81-3-6262-1625
 CFO
 Scheduled date to file Quarterly Securities Report: August 8, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2019	4,847	20.3	512	48.4	507	49.2	293	45.9
Three months ended June 30, 2018	4,029	17.0	345	66.7	340	59.1	201	41.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	7.28	6.81
Three months ended June 30, 2018	5.02	4.88

(Note)

The Company conducted a two-for-one share split of its common shares on October 1, 2018. Therefore, earnings per share is calculated on the assumption that the share splits were conducted at the beginning of the fiscal year ended March 31, 2019.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	12,803	3,718	28.8
As of March 31, 2019	11,484	3,937	34.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	–	–	13.00	13.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	–	–

(Note)

Year ending March 31, 2019

Ordinary dividend ¥11.00, Commemorative dividend ¥2.00 (Commemorative Dividend for Transfer to TSE First Section)

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2019	9,600	17.1	950	23.0	950	27.2	530	17.5	13.15
Full year	20,000	11.7	2,300	13.1	2,300	14.9	1,350	6.7	33.51

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2019	40,362,800 shares	As of March 31, 2019	40,290,800 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	86 shares	As of March 31, 2019	86 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	40,334,230 shares	Three months ended June 30, 2018	40,059,944 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	1,045,641	1,154,610
Notes and accounts receivable - trade	2,544,093	2,532,614
Raw materials and supplies	1,634,764	1,644,442
Other	346,454	427,818
Allowance for doubtful accounts	(2,340)	(4,035)
Total current assets	5,568,613	5,755,450
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,950,234	2,944,161
Tools, furniture and fixtures, net	758,907	795,510
Other, net	470,789	1,154,948
Total property, plant and equipment	4,179,931	4,894,620
Intangible assets		
Goodwill	3,427	290,229
Other	571,025	607,797
Total intangible assets	574,453	898,027
Investments and other assets		
Other	1,167,558	1,262,316
Allowance for doubtful accounts	(6,360)	(6,597)
Total investments and other assets	1,161,198	1,255,719
Total non-current assets	5,915,583	7,048,366
Total assets	11,484,197	12,803,817
Liabilities		
Current liabilities		
Accounts payable - trade	644,854	496,347
Short-term borrowings	2,599,000	3,125,000
Income taxes payable	583,060	243,014
Provision for bonuses	501,261	745,351
Other	1,577,019	2,168,250
Total current liabilities	5,905,196	6,777,963
Non-current liabilities		
Long-term borrowings	736,669	1,385,882
Retirement benefit liability	618,906	638,372
Asset retirement obligations	235,914	244,506
Other	50,246	38,409
Total non-current liabilities	1,641,738	2,307,169
Total liabilities	7,546,934	9,085,132

	(Thousands of yen)	
	As of March 31, 2019	As of June 30, 2019
Net assets		
Shareholders' equity		
Share capital	671,195	677,171
Capital surplus	1,107,497	1,113,473
Retained earnings	2,204,884	1,975,640
Treasury shares	(112)	(112)
Total shareholders' equity	3,983,464	3,766,172
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	—	437
Foreign currency translation adjustment	(45,223)	(43,758)
Remeasurements of defined benefit plans	(36,440)	(35,236)
Total accumulated other comprehensive income	(81,663)	(78,557)
Share acquisition rights	23,218	23,218
Non-controlling interests	12,244	7,851
Total net assets	3,937,263	3,718,684
Total liabilities and net assets	11,484,197	12,803,817

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	4,029,267	4,847,183
Cost of sales	2,614,573	3,064,453
Gross profit	1,414,694	1,782,730
Selling, general and administrative expenses	1,069,325	1,270,178
Operating profit	345,368	512,551
Non-operating income		
Surrender value of insurance policies	2,200	2,212
Subsidy income	400	2,289
Other	1,898	1,880
Total non-operating income	4,498	6,382
Non-operating expenses		
Interest expenses	5,287	3,470
Share of loss of entities accounted for using equity method	2,607	4,298
Other	1,662	3,439
Total non-operating expenses	9,557	11,207
Ordinary profit	340,309	507,726
Extraordinary income		
Gain on sales of non-current assets	19	70
Gain on sales of investment securities	4,073	—
Total extraordinary income	4,093	70
Extraordinary losses		
Loss on retirement of non-current assets	—	273
Other	371	129
Total extraordinary losses	371	402
Profit before income taxes	344,031	507,394
Income taxes - current	198,193	283,692
Income taxes - deferred	(50,212)	(64,568)
Total income taxes	147,981	219,123
Profit	196,050	288,270
Loss attributable to non-controlling interests	(5,152)	(5,264)
Profit attributable to owners of parent	201,203	293,535

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	196,050	288,270
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,721)	437
Foreign currency translation adjustment	(7,963)	591
Remeasurements of defined benefit plans, net of tax	1,322	1,203
Share of other comprehensive income of entities accounted for using equity method	(1,789)	1,744
Total other comprehensive income	(11,153)	3,977
Comprehensive income	184,897	292,248
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	190,545	296,641
Comprehensive income attributable to non-controlling interests	(5,648)	(4,392)