

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 6, 2021

Company name: Japan Elevator Service Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6544 URL <https://www.jes24.co.jp>
 Representative: Katsushi Ishida Representative Director CEO
 Director Deputy President and Executive
 Officer CFO TEL +81-3-6262-1625
 Inquiries: Kimihiko Imamura
 Scheduled date to file Quarterly Securities Report: August 11, 2021
 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, 2021 (from April 1, 2021 to June 30, 2021)

(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, 2021	6,732	27.9	865	14.1	961	13.2	605	5.0
Three months ended June 30, 2020	5,263	8.6	758	48.0	849	67.3	576	96.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	6.82		6.77	
Three months ended June 30, 2020	7.11		6.63	

(Note)

The Company conducted a two for one share split of its common shares on January 1, 2021. 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, 2021.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2021	20,692		10,041		47.2	
As of March 31, 2021	20,473		10,505		50.2	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	–	–	12.00	12.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	12,400	13.1	1,750	8.2	1,800	5.7	1,120	1.3	12.64
Full year	27,000	10.1	4,100	13.5	4,200	13.0	2,600	10.0	29.35

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
 (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: Yes
 - Changes in accounting policies due to other reasons: Yes
 - Changes in accounting estimates: Yes
 - 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, 2021	88,743,600 shares	As of March 31, 2021	88,574,000 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2021	230 shares	As of March 31, 2021	230 shares
---------------------	------------	----------------------	------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	88,707,959 shares	Three months ended June 30, 2020	81,077,011 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	1,674,107	1,933,025
Notes and accounts receivable - trade	3,606,693	-
Notes and accounts receivable - trade, and contract assets	-	3,190,066
Raw materials and supplies	2,126,781	2,220,413
Other	767,712	906,509
Allowance for doubtful accounts	(6,998)	(5,743)
Total current assets	8,168,296	8,244,271
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,683,704	4,655,996
Tools, furniture and fixtures, net	1,995,000	2,215,855
Other, net	1,496,341	1,510,158
Total property, plant and equipment	8,175,047	8,382,009
Intangible assets		
Goodwill	1,661,929	1,799,439
Other	948,130	1,002,637
Total intangible assets	2,610,060	2,802,077
Investments and other assets		
Other	1,571,283	1,319,751
Allowance for doubtful accounts	(50,948)	(55,778)
Total investments and other assets	1,520,335	1,263,972
Total non-current assets	12,305,442	12,448,060
Total assets	20,473,739	20,692,332
Liabilities		
Current liabilities		
Accounts payable - trade	970,930	772,147
Short-term borrowings	2,038,180	4,701,481
Income taxes payable	938,528	166,625
Provision for bonuses	614,130	350,317
Other	2,680,810	2,765,048
Total current liabilities	7,242,580	8,755,619
Non-current liabilities		
Long-term borrowings	1,418,034	568,169
Retirement benefit liability	865,134	879,254
Asset retirement obligations	393,532	401,266
Other	49,103	46,741
Total non-current liabilities	2,725,803	1,895,430
Total liabilities	9,968,384	10,651,050

	(Thousands of yen)	
	As of March 31, 2021	As of June 30, 2021
Net assets		
Shareholders' equity		
Share capital	2,460,276	2,467,314
Capital surplus	2,896,577	2,858,799
Retained earnings	5,014,612	4,557,039
Treasury shares	(209)	(209)
Total shareholders' equity	10,371,256	9,882,943
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,035	1,310
Foreign currency translation adjustment	(67,544)	(74,667)
Remeasurements of defined benefit plans	(35,102)	(33,697)
Total accumulated other comprehensive income	(99,611)	(107,055)
Non-controlling interests	233,710	265,393
Total net assets	10,505,355	10,041,281
Total liabilities and net assets	20,473,739	20,692,332

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, 2020	Three months ended June 30, 2021
Net sales	5,263,986	6,732,630
Cost of sales	3,220,179	4,122,163
Gross profit	2,043,806	2,610,466
Selling, general and administrative expenses	1,285,064	1,744,581
Operating profit	758,741	865,885
Non-operating income		
Surrender value of insurance policies	91,928	96,700
Other	3,745	6,409
Total non-operating income	95,673	103,109
Non-operating expenses		
Interest expenses	4,212	3,931
Foreign exchange losses	260	2,477
Other	576	1,155
Total non-operating expenses	5,048	7,564
Ordinary profit	849,366	961,430
Extraordinary income		
Gain on sale of non-current assets	19	–
Gain on step acquisitions	14,972	–
Total extraordinary income	14,992	–
Extraordinary losses		
Loss on retirement of non-current assets	6	1,965
Other	722	226
Total extraordinary losses	728	2,191
Profit before income taxes	863,631	959,239
Income taxes - current	177,412	192,644
Income taxes - deferred	110,725	141,714
Total income taxes	288,137	334,358
Profit	575,493	624,880
Profit (loss) attributable to non-controlling interests	(988)	19,568
Profit attributable to owners of parent	576,482	605,311

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	575,493	624,880
Other comprehensive income		
Valuation difference on available-for-sale securities	873	(1,725)
Foreign currency translation adjustment	(12,328)	(6,140)
Remeasurements of defined benefit plans, net of tax	1,144	1,404
Total other comprehensive income	(10,311)	(6,461)
Comprehensive income	565,182	618,419
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	566,933	597,868
Comprehensive income attributable to non-controlling interests	(1,750)	20,551