

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 7, 2022

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: February 8, 2022
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	21,670	25.8	2,945	14.3	3,050	14.6	1,899	10.9
Nine months ended December 31, 2020	17,230	9.5	2,577	30.8	2,663	36.0	1,712	42.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	21.41		21.26	
Nine months ended December 31, 2020	20.16		19.59	

(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 December 31, 2021	23,532	10,961	46.3
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	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	–	–	12.00	12.00
Year ending March 31, 2022	–	–	–		
Year ending March 31, 2022 (Forecast)				13.00	13.00

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
Full year	28,500	16.2	4,100	13.5	4,200	13.0	2,600	10.0	29.30

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2021	88,753,600 shares	As of March 31, 2021	88,574,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	315 shares	As of March 31, 2021	230 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	88,736,784 shares	Nine months ended December 31, 2020	84,984,012 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	1,674,107	1,850,686
Notes and accounts receivable - trade	3,606,693	–
Notes and accounts receivable - trade, and contract assets	–	3,734,337
Raw materials and supplies	2,126,781	2,417,601
Other	767,712	1,210,787
Allowance for doubtful accounts	(6,998)	(6,021)
Total current assets	8,168,296	9,207,391
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,683,704	4,667,727
Tools, furniture and fixtures, net	1,995,000	2,674,680
Other, net	1,496,341	1,717,816
Total property, plant and equipment	8,175,047	9,060,224
Intangible assets		
Goodwill	1,661,929	2,228,640
Other	948,130	1,652,300
Total intangible assets	2,610,060	3,880,940
Investments and other assets		
Other	1,571,283	1,428,406
Allowance for doubtful accounts	(50,948)	(44,145)
Total investments and other assets	1,520,335	1,384,261
Total non-current assets	12,305,442	14,325,426
Total assets	20,473,739	23,532,817
Liabilities		
Current liabilities		
Accounts payable - trade	970,930	923,696
Short-term borrowings	2,038,180	5,415,438
Income taxes payable	938,528	298,237
Provision for bonuses	614,130	392,922
Other	2,680,810	3,232,561
Total current liabilities	7,242,580	10,262,855
Non-current liabilities		
Long-term borrowings	1,418,034	912,385
Retirement benefit liability	865,134	933,332
Asset retirement obligations	393,532	407,185
Other	49,103	55,304
Total non-current liabilities	2,725,803	2,308,207
Total liabilities	9,968,384	12,571,063

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
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	5,851,297
Treasury shares	(209)	(416)
Total shareholders' equity	10,371,256	10,988,729
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,035	1,039
Foreign currency translation adjustment	(67,544)	(73,169)
Remeasurements of defined benefit plans	(35,102)	(30,888)
Total accumulated other comprehensive income	(99,611)	(103,018)
Non-controlling interests	233,710	76,043
Total net assets	10,505,355	10,961,754
Total liabilities and net assets	20,473,739	23,532,817

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

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	17,230,445	21,670,379
Cost of sales	10,478,010	13,271,417
Gross profit	6,752,435	8,398,961
Selling, general and administrative expenses	4,174,973	5,453,427
Operating profit	2,577,461	2,945,533
Non-operating income		
Surrender value of insurance policies	96,008	106,728
Other	16,570	20,498
Total non-operating income	112,579	127,226
Non-operating expenses		
Interest expenses	9,330	9,955
Commission expenses	1,677	4,741
Foreign exchange losses	589	4,812
Other	15,255	2,329
Total non-operating expenses	26,852	21,838
Ordinary profit	2,663,188	3,050,921
Extraordinary income		
Gain on sale of non-current assets	19	6,701
Gain on step acquisitions	14,972	-
Total extraordinary income	14,992	6,701
Extraordinary losses		
Loss on retirement of non-current assets	2,386	2,091
Other	2,536	414
Total extraordinary losses	4,922	2,505
Profit before income taxes	2,673,258	3,055,117
Income taxes - current	877,153	962,314
Income taxes - deferred	87,777	143,812
Total income taxes	964,931	1,106,127
Profit	1,708,327	1,948,990
Profit (loss) attributable to non-controlling interests	(4,631)	49,420
Profit attributable to owners of parent	1,712,958	1,899,570

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	1,708,327	1,948,990
Other comprehensive income		
Valuation difference on available-for-sale securities	2,400	(1,995)
Foreign currency translation adjustment	(11,361)	(5,205)
Remeasurements of defined benefit plans, net of tax	3,433	4,213
Total other comprehensive income	(5,527)	(2,987)
Comprehensive income	1,702,800	1,946,003
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,707,272	1,896,163
Comprehensive income attributable to non-controlling interests	(4,472)	49,839