



# Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023

February 7, 2023

Company name Japan Elevator Service Holdings Co., Ltd. Stock Exchange listing: Tokyo  
 Securities code 6544 URL <https://www.jes24.co.jp>  
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Scheduled filing date of quarterly report February 8, 2023 Scheduled date of dividend payment -  
 Preparation of supplementary materials for quarterly financial results: Yes  
 Quarterly financial results meeting: No

(Millions of yen, rounded down to the nearest million)

## 1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to December 31, 2022)

### (1) Consolidated Operating Results (Cumulative)

(Percentage figures represent changes from the same period of the previous year.)

	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 2023	25,278	16.6	3,501	18.9	3,598	17.9	2,306	21.4
Nine Months Ended December 2022	21,670	25.8	2,945	14.3	3,050	14.6	1,899	10.9

(Note) Comprehensive income Nine months ended December 2022: 2,357 million yen (21.2%) Nine Months Ended December 2021: 1,946 million yen (14.3%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine Months Ended December 2022	25.96	25.81
Nine Months Ended December 2021	21.41	21.26

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2023	28,315	12,854	44.8
March 31, 2022	25,338	11,756	46.0

(Reference) Shareholders' equity Nine months ended December 2022 12,693million yen Year ended March 31, 2022 11,661million yen

## 2. Dividends

	Annual dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Total amount
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March, 2022	-	-	-	14.00	14.00
Fiscal year ending March 2023	-	-	-	-	-
Fiscal year ending March 2023 (forecast)	-	-	-	15.00	15.00

(Note) Revision of dividend forecast from the latest announcement: None

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentage figures are changes from the previous year)

	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	34,000	14.3	4,700	14.3	4,800	13.6	3,000	10.0	33.81

(Note) Revision of earnings forecast from the latest announcement: None

\* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation):

None

Newly added: -, Excluded: -,

(2) Adoption of accounting methods specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revision of accounting standards : None

(ii) Changes in accounting policies other than (i) : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of shares issued and outstanding (common stock)

(i) Number of shares outstanding at end of period (including treasury shares )

3Q FY Mar 2023	89,067,200shares	Year ended March 2022	88,753,600shares
3Q FY Mar 2023	8,628shares	Year ended March 2022	18,815shares
3Q FY Mar 2023	88,845,527shares	3Q FY Mar 2022	88,736,784shares

(ii) Treasury shares at the end of the period

(iii) Average number of shares during the period (cumulative quarterly period)

The quarterly financial results are not subject to quarterly review by a certified public accountant or auditing firm.

Explanation of appropriate use of earnings forecasts and other special notes

(Cautionary statement regarding forward-looking statements, etc.)

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors. Please refer to "1. Qualitative information on the current quarterly financial results (3) Explanation of consolidated earnings forecasts and other forward-looking information" on page 2 of the attached materials for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

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## Qualitative information on the current quarterly financial results

### (1) Explanation of results of operation

During the third quarter of the current consolidated cumulative period, the Japanese economy showed signs of recovery in economic trends due to measures against new coronavirus infection and the effects of various policies, but the outlook remains uncertain due to the prolonged situation in Ukraine and price hikes resulting from the rapid depreciation of the yen. The need for cost reduction by companies is expected to increase more than ever.

In the elevator maintenance industry, the market is on a gradual expansion trend due to the steady increase in the number of condominium units in stock and the increased supply of office buildings.

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, the JES Innovation Center (commonly known as JIC) and JES Innovation Center Lab (commonly known as JIL) are showing the effects of being important bases for the Group's growth by strengthening parts supply capacity through parts center expansion, accelerating R&D through consolidation of development-related departments, and providing actual equipment for engineer training using a total of 10 test towers. The effects of these facilities as important bases supporting the Group's growth, such as training programs, are becoming evident.

In the maintenance and repair business, the number of units under maintenance contracts remained steady, and sales of the maintenance and repair business increased 9.9% year on year to 17,079 million yen in the third quarter of the current fiscal year. As for modernization operations, sales of modernization operations for the period under review were 7,294 million yen (up 28.5% from the same period of the previous 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 of the above, the Company reported consolidated net sales of 25,278 million yen (up 16.6% year-on-year), operating profit of 3,501 million yen (up 18.9% year-on-year), ordinary profit of 3,598 million yen (up 17.9% year-on-year), and profit attributable to owner of parent of 2,306 million yen (up 21.4% year-on-year) for the first nine months of the current fiscal year.

### (2) Explanation of financial condition

#### (Assets)

Total assets at the end of the third quarter of the current fiscal year amounted to 28,315 million yen, up 2,977 million yen from the end of the previous fiscal year. This was mainly due to increases of 606 million yen in notes and accounts receivable - trade, and contract assets, 521 million yen in raw materials and supplies, and 1,448 million yen in property, plant and equipment.

#### (Liabilities)

Total liabilities at the end of the third quarter amounted to 15,461 million yen, up 1,878 million yen from the end of the previous fiscal year. This was mainly due to a 3,000 million yen increase in short term borrowings and a 1,043 million yen decrease in long-term borrowings.

#### (Net assets)

Net assets at the end of the third quarter of the current fiscal year were 12,854 million yen, up 1,098 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 1,242 million yen resulting from dividend payments, while retained earnings increased due to the recording of 2,306 million yen profit attributable to owners of parent.

### (3) Explanation of consolidated earnings forecasts and other forward-looking information

The consolidated earnings forecast for the fiscal year ending March 31, 2023 remains unchanged from the full-year earnings forecast announced on November 10, 2022.

The forecasts are based on currently available information, but actual results may differ from the forecasts due to various factors.

## 2. Quarterly consolidated financial statements and major notes

### (1) Quarterly consolidated balance sheets

(Unit: thousands of yen)

	Previous fiscal year (as of March 31, 2022)	Third quarter of current fiscal year (as of December 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	2,179,838	2,258,086
Notes and accounts receivable – trade, and contract assets	4,154,618	4,761,566
Raw materials and supplies	2,434,260	2,955,303
Other	1,061,443	1,302,606
Allowance for doubtful accounts	(7,192)	(8,312)
Total current assets	9,822,968	11,269,250
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,687,378	5,370,172
Tools, furniture and fixtures, net	3,060,199	3,967,282
Other, net	1,811,805	1,670,340
Total property, plant and equipment	9,559,384	11,007,795
Intangible assets		
Goodwill	2,547,248	2,425,145
Other	1,760,461	2,093,827
Total intangible assets	4,307,710	4,518,973
Investments and other assets		
Other	1,698,955	1,551,419
Allowance for doubtful accounts	(50,222)	(31,463)
Total investments and other assets	1,648,733	1,519,956
Total non-current assets	15,515,828	17,046,725
Total assets	25,338,796	28,315,976
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,001,125	1,236,568
Short term borrowings	2,198,784	5,199,421
Income taxes payable	821,764	435,024
Provision for bonuses	687,900	483,138
Other	3,996,592	4,194,505
Total current liabilities	8,706,167	11,548,658
Non-current liabilities		
Long-term borrowings	3,288,183	2,244,228
Retirement benefit liability	1,096,189	1,163,671
Asset retirement obligations	416,033	425,875
Other	76,123	79,181
Total non-current liabilities	4,876,530	3,912,956
Total liabilities	13,582,697	15,461,615

(Unit: thousands of yen)

	Previous fiscal year (as of March 31, 2022)	Third quarter of current fiscal year (as of December 31, 2022)
Net assets		
Shareholders' equity		
Share capital	2,480,044	2,493,058
Capital surplus	2,657,803	2,576,830
Retained earnings	6,678,340	7,742,168
Treasury shares	(30,303)	(13,542)
Total shareholders' equity	11,785,885	12,798,515
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	623	613
Foreign currency translation adjustment	(71,697)	(58,987)
Remeasurements of defined benefit plans	(53,015)	(47,036)
Total accumulated other comprehensive income	(124,088)	(105,410)
Non-controlling interests	94,302	161,255
Total net assets	11,756,098	12,854,360
Total liabilities and net assets	25,338,796	28,315,976

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income  
(Quarterly consolidated statements of income)  
(Nine months cumulative)

(Unit: thousands of yen)

	Nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)
Net sales	21,670,379	25,278,177
Cost of sales	13,271,417	15,643,854
Gross profit	8,398,961	9,634,323
Selling, general and administrative expenses	5,453,427	6,132,504
Operating profit	2,945,533	3,501,818
Non-operating income		
Surrender value of insurance policies	106,728	74,950
Commission income	1,963	41,300
Other	18,535	37,290
Total non-operating income	127,226	153,542
Non-operating expenses		
Interest expenses	9,955	17,335
Other	11,883	39,884
Total non-operating expenses	21,838	57,220
Ordinary profit	3,050,921	3,598,140
Extraordinary income		
Gain on sale of non-current assets	6,701	15,444
Total extraordinary income	6,701	15,444
Extraordinary losses		
Loss on retirement of non-current assets	2,091	1,777
Other	414	1,689
Total extraordinary losses	2,505	3,466
Profit before income taxes	3,055,117	3,610,118
Income taxes - current	962,314	1,158,529
Income taxes - deferred	143,812	118,760
Total income taxes	1,106,127	1,277,290
Profit	1,948,990	2,332,827
Profit attributable to non-controlling interests	49,420	26,703
Profit attributable to owners of parent	1,899,570	2,306,124

(Quarterly consolidated statements of comprehensive income)  
(Nine months cumulative)

(Unit: thousands of yen)

	Nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)
Profit	1,948,990	2,332,827
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,995)	(10)
Foreign currency translation adjustment	(5,205)	19,136
Remeasurements of defined benefit plans, net of tax	4,213	5,978
Total other comprehensive income	(2,987)	25,104
Comprehensive income	1,946,003	2,357,932
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,896,163	2,324,802
Comprehensive income attributable to non-controlling interests	49,839	33,130



(3) Notes to quarterly consolidated financial statements

(Notes on premise of a going concern)

Not applicable.

(Notes in the event of significant changes in shareholders' equity)

Not applicable.

(Changes in significant subsidiaries during the period)

Not applicable.

Although not a specified subsidiary, COFRETH (M) SDN.BHD. became a consolidated subsidiary during the first quarter of the current fiscal year due to the acquisition of shares of COFRETH (M) SDN.BHD.

In addition, the Company acquired shares of Ikuta Building Maintenance Co., Ltd. during the third quarter of the current fiscal year, making it a consolidated subsidiary.

3. Other

Not applicable.