



February 7, 2023

Nine Months Results for FY Mar 2023



Japan Elevator Service Holdings

(TSE Prime Market : 6544)

< Caution >

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FY Mar 2023 Nine Months Results

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FY Mar 2023 Financial Forecasts



FY Mar 2023 Nine Months Results

10,000 Net Organic Growth of Maintenance Contract in Sight

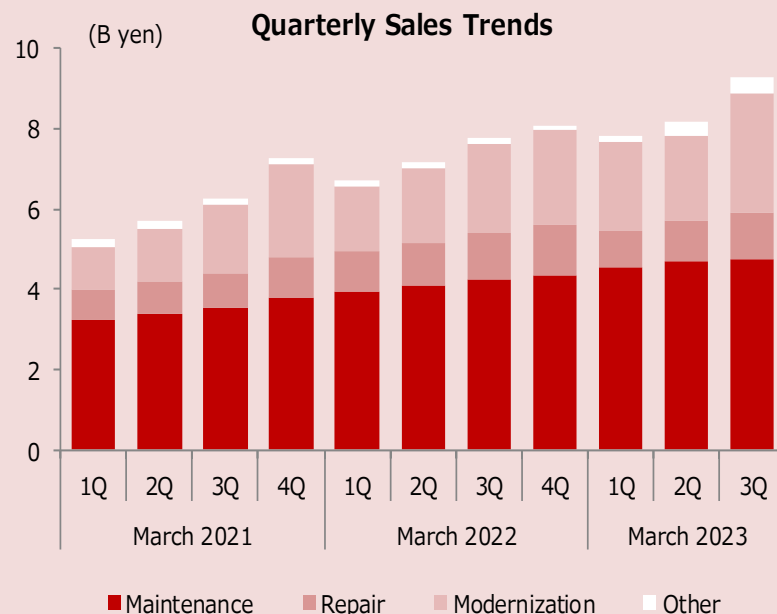
- Net increase in domestic maintenance contracts was a record high of over 8,000 units in organic terms, bringing the total number of contracts in force to 87,030 units.
- Strong demand led to modernization projects of 1,080 units (an increase of 260 units YoY).
- The number of LiftSPOT contracts signed exceeded 10,000 units.
- The number of locations expanded to 129 (including Ikuta Building Maintenance). In newly expanded areas, bases were established in Akita and Kumamoto.
- The number of employees increased, mainly newly graduated engineers.

(units, person)

	FY Ended March 2019 Actual	FY Ended March 2020 Actual	FY Ended March 2021 Actual	FY Ended March 2022 Actual	9 months ended December 2022 Actual	(Change YtD)
Maintenance contracts	48,800	54,800	67,500	79,000	87,030	+ 8,030
Modernization (cumulative)	670	820	920	1,150	1,080	+ 260
Parking equipments	--	--	--	18,830	21,400	+ 2,570
No. of offices	71	78	101	124	129	+ 5
No. of Employees	1,093	1,234	1,398	1,618	1,792	+ 174
Technical personnel	708	781	881	1,003	1,098	+ 95
Sales personnel	108	135	156	195	214	+ 19

Stable sales growth in maintenance and accelerated modernization sales led to a 16.6% increase in sales YoY

- Maintenance sales grew steadily as contracts increased. While no significant progress was made in delayed construction for repair work due to parts shortages, modernization sales continued to grow above expectations as we steadily captured the needs of our customers.
- Media business sales grew steadily. The Malaysian subsidiary, which became a consolidated subsidiary from the second quarter, made a significant contribution to other sales.



(millions of yen, %)

	9 months ended December 2021		9 months ended December 2022		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Maintenance & Repair	15,536	71.7	17,079	67.6	1,542	9.9
Modernization	5,674	26.2	7,294	28.9	1,619	28.5
Other	459	2.1	904	3.6	445	97.1
Total	21,670	100.0	25,278	100.0	3,607	16.6

Net Sales and Margins Continue to Grow...

- Higher maintenance sales on the back of an increase in the number of contracts and higher-than-expected modernization sales contributed to the increase in revenue. Slower sales of repair was offset by contributions from overseas subsidiaries and growth in media sales, all of which accelerating the pace of revenue growth.
- Operating income growth was driven by growth in modernization sales, growth in new regions including M&A, and contributions from overseas operations engaged in building maintenance.

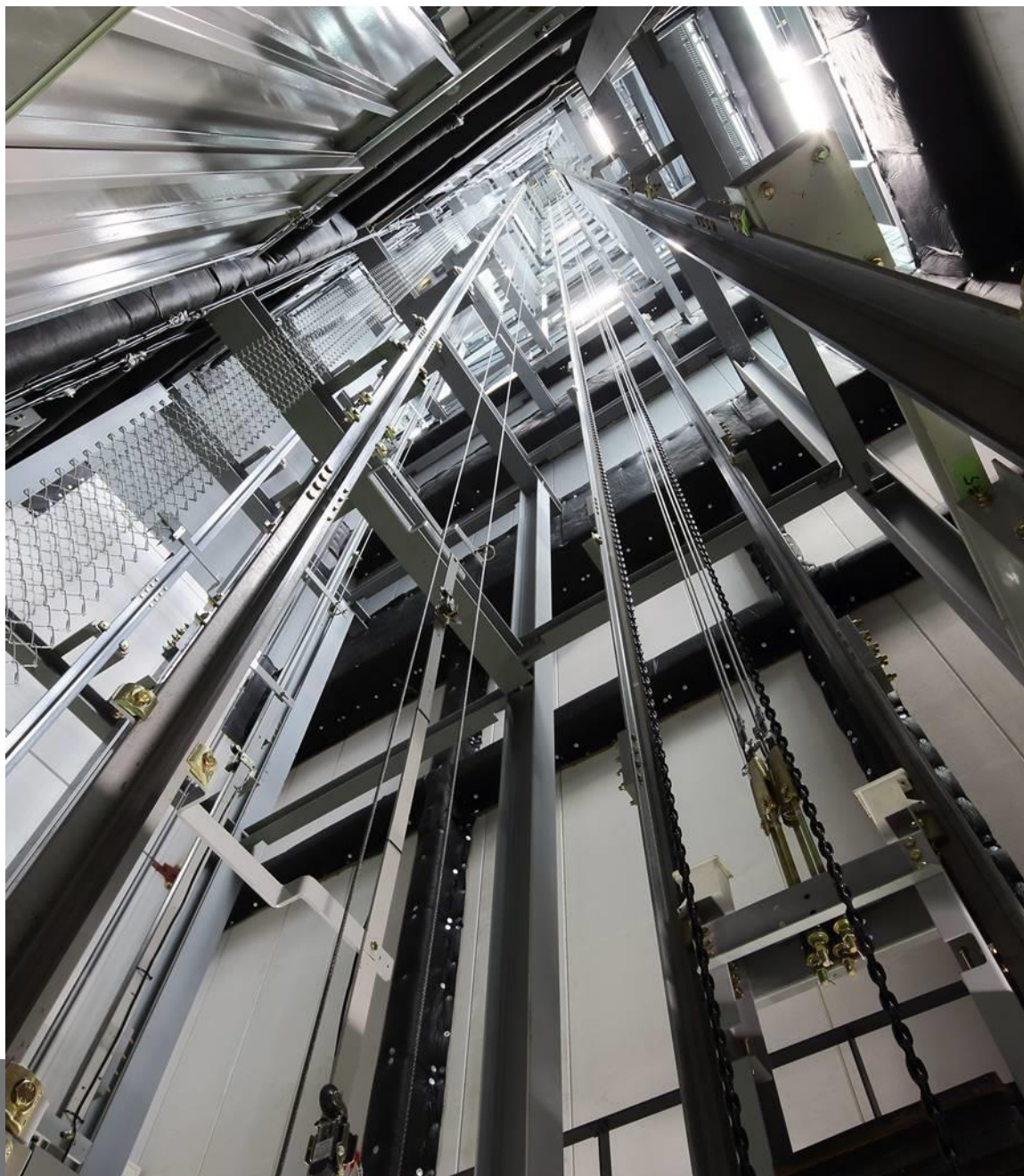
(millions of yen, yen, %)

	9 months ended December 2021		9 months ended December 2022		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Net sales	21,670	100.0	25,278	100.0	3,607	16.6
Operating profit	2,945	13.6	3,501	13.9	556	18.9
Ordinary profit	3,050	14.1	3,598	14.2	547	17.9
Profit attributable to owners of parent	1,899	8.8	2,306	9.1	406	21.4
(Depreciation)	667	3.1	875	3.5	207	31.1
(Amortization)	140	0.6	197	0.8	57	40.9
EBITDA	3,753	17.3	4,575	18.1	821	21.9
EPS	21.41	--	25.96	--	4.55	21.3

- Increased working capital due to business expansion and capital expenditures due to an increase in the number of maintenance contracts are supported by borrowings and own funds. Equity ratio steadily improved on a quarter-on-quarter basis.

(millions of yen)

	Fiscal Year ended March 2022	End of December 2022	Change
Cash and cash equivalents	2,179	2,258	+ 78
Fixed Tangible assets	9,559	11,007	+ 1,448
Fixed Intangible assets	4,307	4,518	+ 211
Borrowings	7,323	8,985	+ 1,662
Net Assets	11,756	12,854	+ 1,098
Total Assets	25,338	28,315	+ 2,977



FY Mar 2023 Financial Forecasts

The Company reiterates guidance announced on November 10, 2022

- Order outstanding for repair continues to mount as expected and expected to contribute to next fiscal year and after.
- The Company reiterates guidance announced on November 10, 2022.

(millions of yen, %)

	First Half			Second Half			Fiscal Year		
	March 2022 Amount	March 2023 Amount	YoY	March 2022 Amount	March 2023 Amount	YoY	March 2022 Amount	March 2023 Amount	YoY
Net sales	13,906	15,987	115.0	15,844	18,013	113.7	29,751	34,000	114.3
Operating profit	1,828	2,073	113.3	2,284	2,627	115.0	4,113	4,700	114.3
Ordinary profit	1,932	2,168	112.2	2,293	2,632	114.8	4,225	4,800	113.6
Profit attributable to owners of parent	1,212	1,401	115.6	1,514	1,599	105.6	2,726	3,000	110.0
	% of sales	% of sales		% of sales	% of sales		% of sales	% of sales	
Gross profit margins	38.5	38.0		38.8	39.1		38.6	38.6	
SG&A to sales	25.3	25.1		24.4	24.5		24.8	24.8	
Operating profit margins	13.2	13.0		14.4	14.6		13.8	13.8	
Ordinary profit margins	13.9	13.6		14.5	14.6		14.2	14.1	
Profit margins	8.7	8.8		9.6	8.9		9.2	8.8	

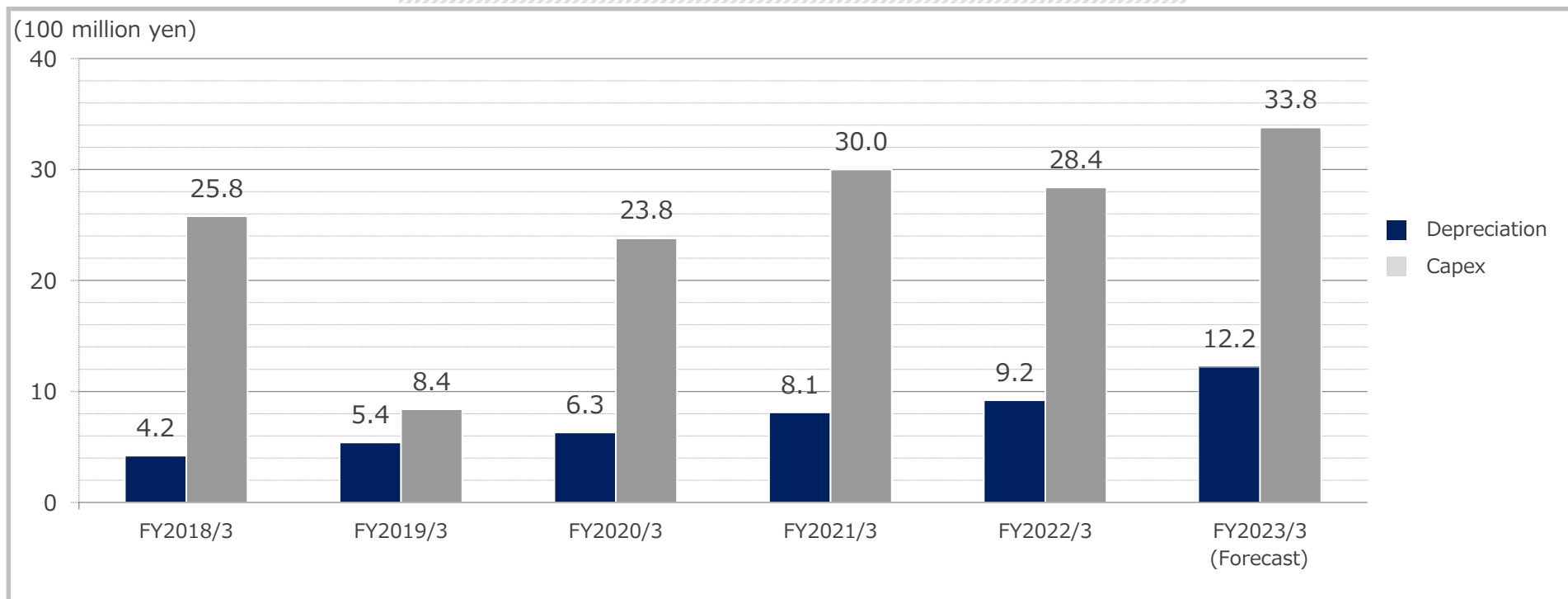
(millions of yen, %)

	First Half			Second Half			Fiscal Year		
	March 2022 Amount	March 2023 Amount	YoY	March 2022 Amount	March 2023 Amount	YoY	March 2022 Amount	March 2023 Amount	YoY
Maintenance & repair services	10,112	11,184	110.6	11,024	11,616	105.4	21,137	22,800	107.9
Modernization services	3,483	4,287	123.1	4,536	5,812	128.1	8,020	10,100	125.9
Other	310	514	165.6	283	585	206.7	593	1,100	185.5
Net Sales	13,906	15,987	115.0	15,844	18,013	113.7	29,751	34,000	114.3

(100 million yen)

	FY Mar 2022	FY Mar 2023 (Forecast)	Comments
Depreciation	9.2	12.2	
Capex	28.4	33.8	Investment in remote inspection service PRIME

Trends in Capex and Depreciation



■ Basic Strategy

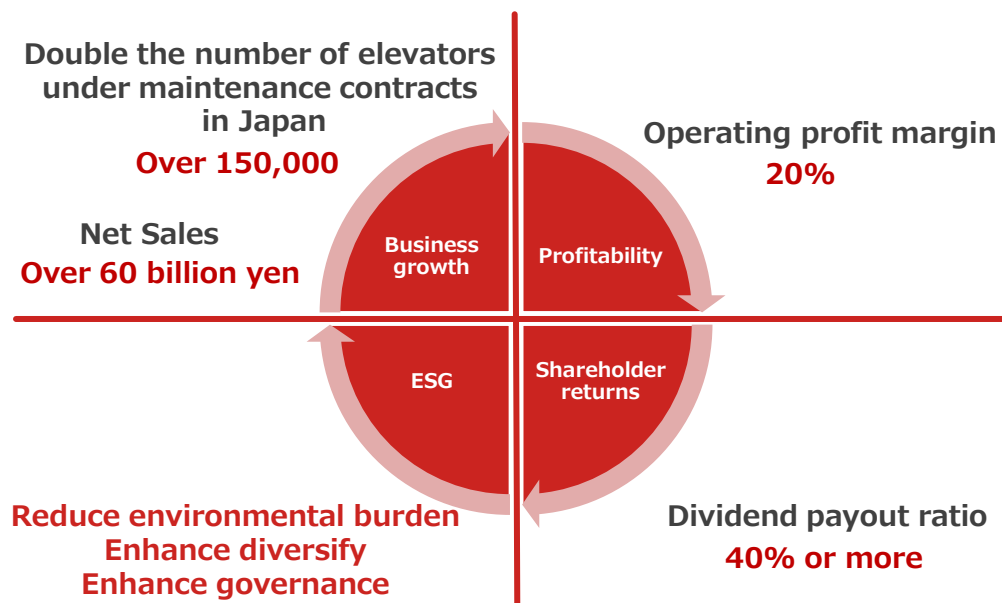
- Aim to accelerate growth and double the number of elevators under contract to more than 150,000 over five years from now on
- As befits our TSE Prime market designation, aim to address social and environmental issues, respond to social change, and achieve sustainable growth in operations and corporate value

■ Growth Strategy

- Growth in Maintenance and Preservation Services sales driven by expanded domestic market share (organic & M&A)
- Tap demand for modernization through increase in number of elevators under contract
- Raise profitability by improving business productivity and efficiency through staff training, digitalization

■ Key Indicators

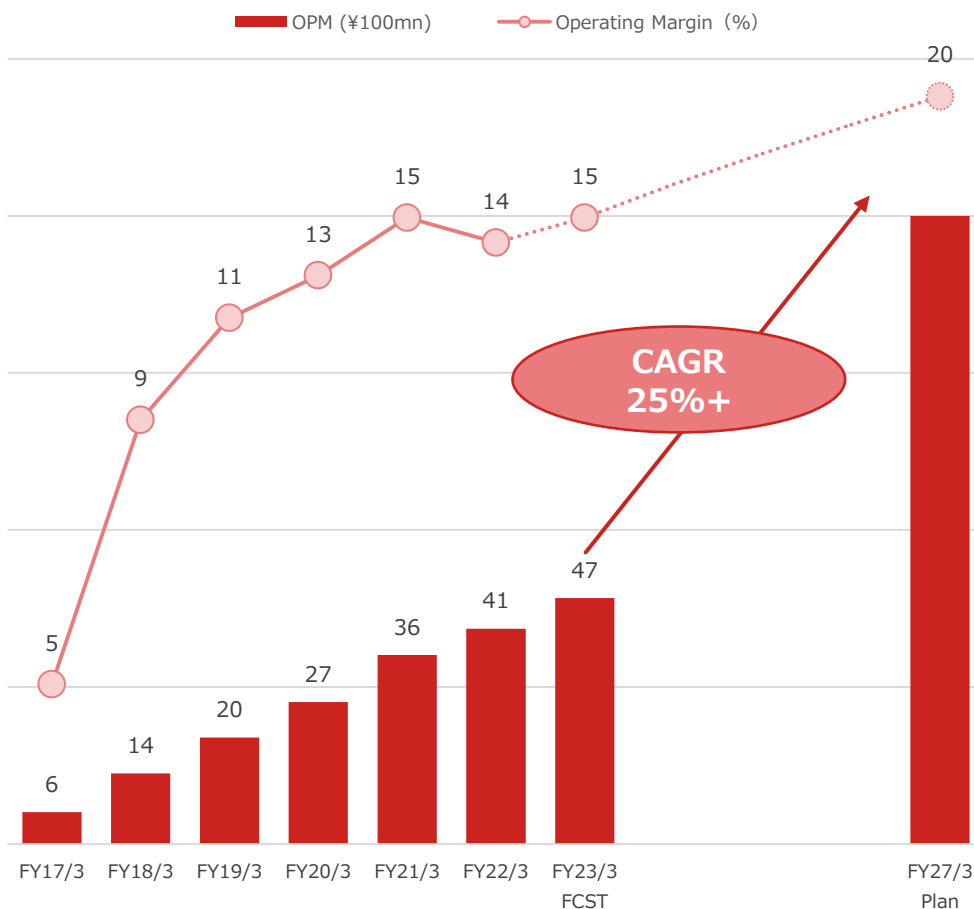
**Raise corporate value through growth,
prosper together with all stakeholders**



- Growth and profitability metrics to be met by FY Mar 2027
- Since we actively explore M&A opportunities, operating margins excludes goodwill amortization

Productivity-driven profitability improvements through increase in elevators under contract, staff training, digitalization

OPM (%) Trends



1. Sales growth through increase in elevators under contract

- Win contracts on 100,000 elevators, chiefly in East Japan area
- Obtain market share of 10%, chiefly in West Japan area
- Potential for growth in Modernization revenue in proportion with growth in elevators under contract

2. Raise productivity, service capacity

- Increase in number of elevators per employee on increase in number of elevators under contract
- Improve service capacity through staff training using internal training systems
- Higher productivity, service capacity on completion of Kansai JIC (tentative name)

3. Cost reductions

- Use recycled or refurbished products to contribute to ESG
- Reduce indirect fixed costs, procurement costs as increase in elevators under contract boosts economies of scale

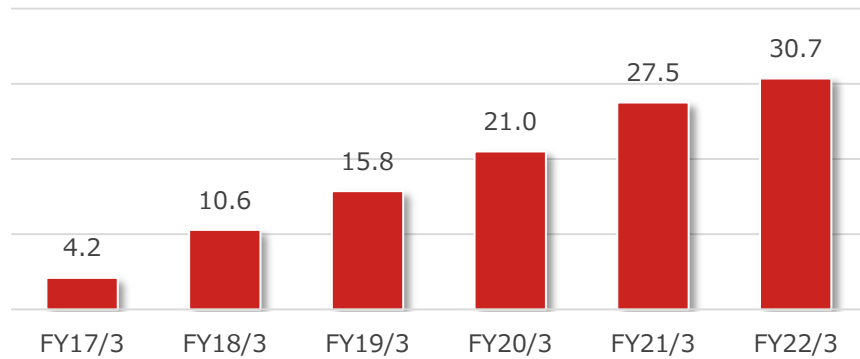
Improved profitability as we grow the number of elevators under contract

OP Margin: 20%

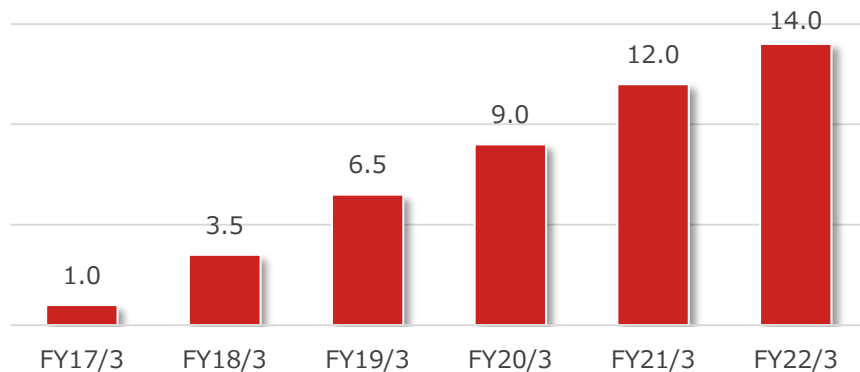
(When elevators under contract reaches 150,000; ex. goodwill amortization)

Stable increase in EPS and DPS; dividend payout ratio of 40% or more

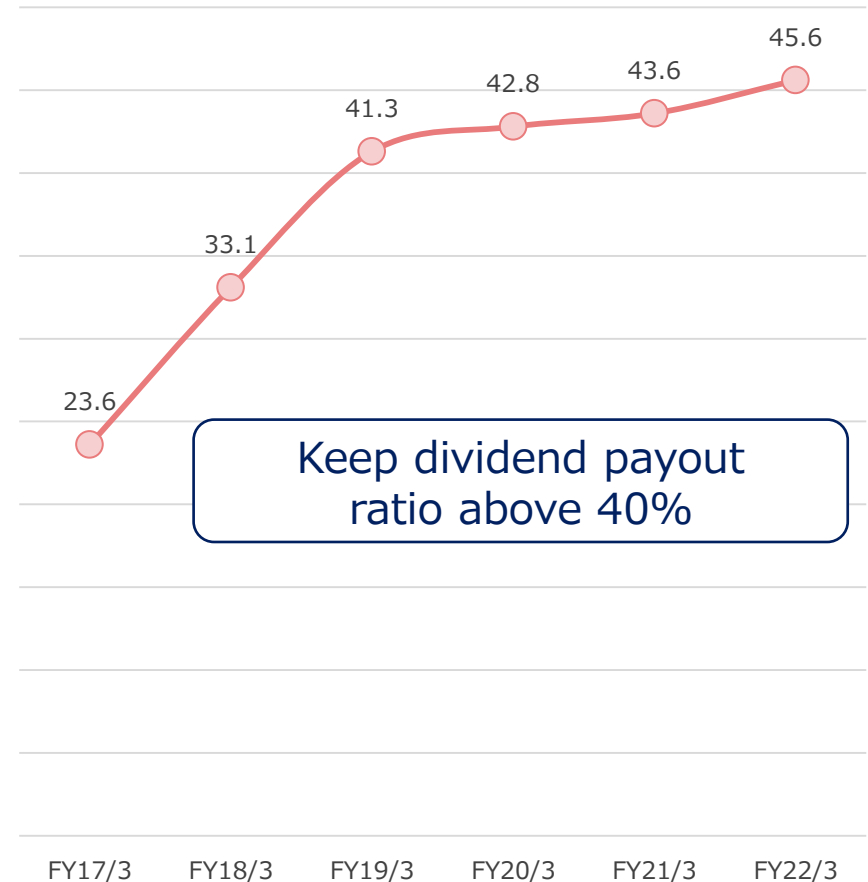
Adjusted EPS (¥)



Adjusted DPS (¥)



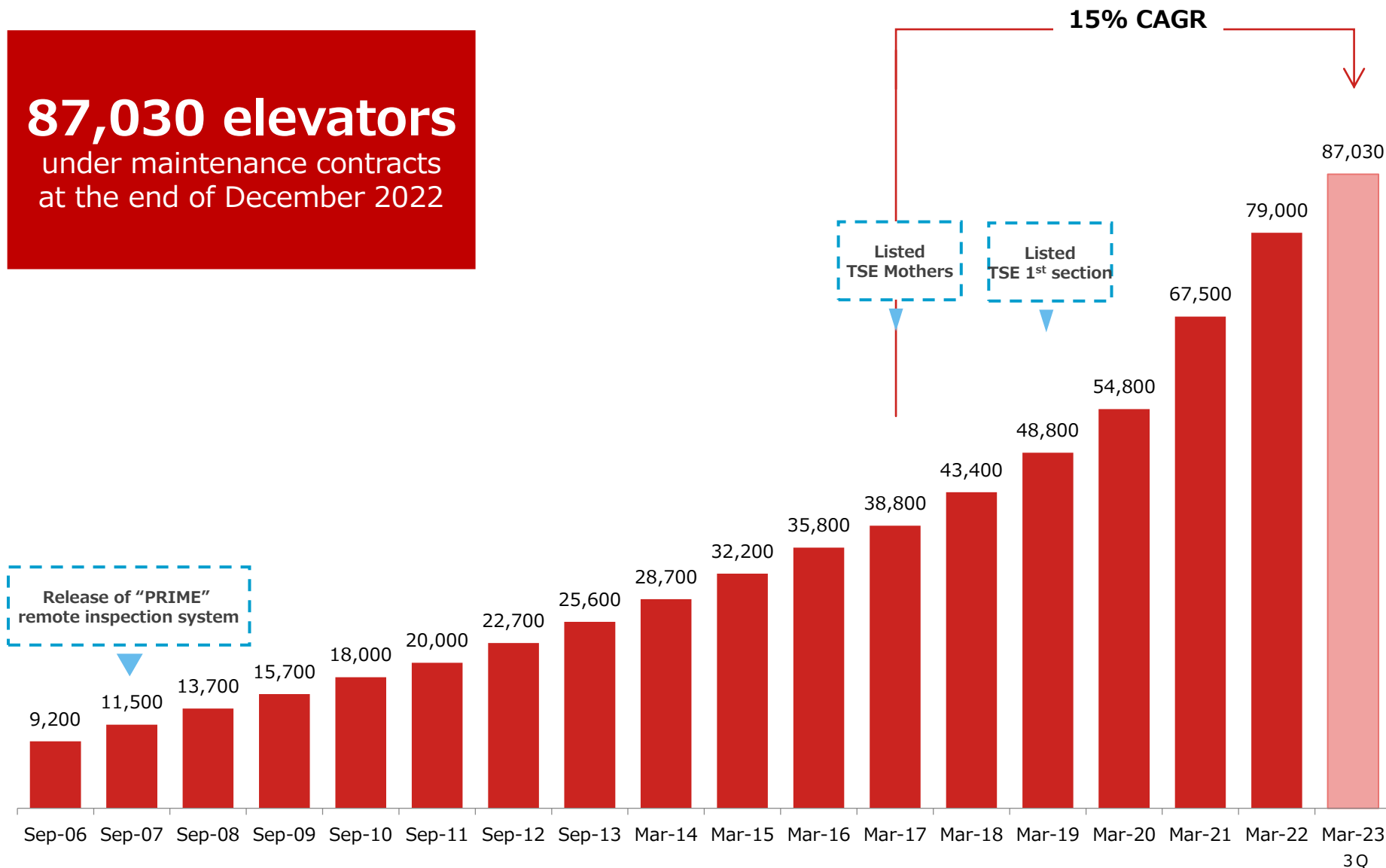
Dividend Payout Ratio (%)



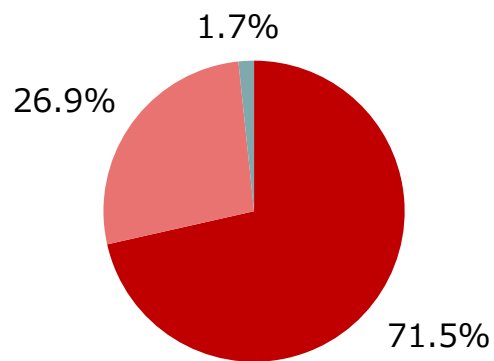


References

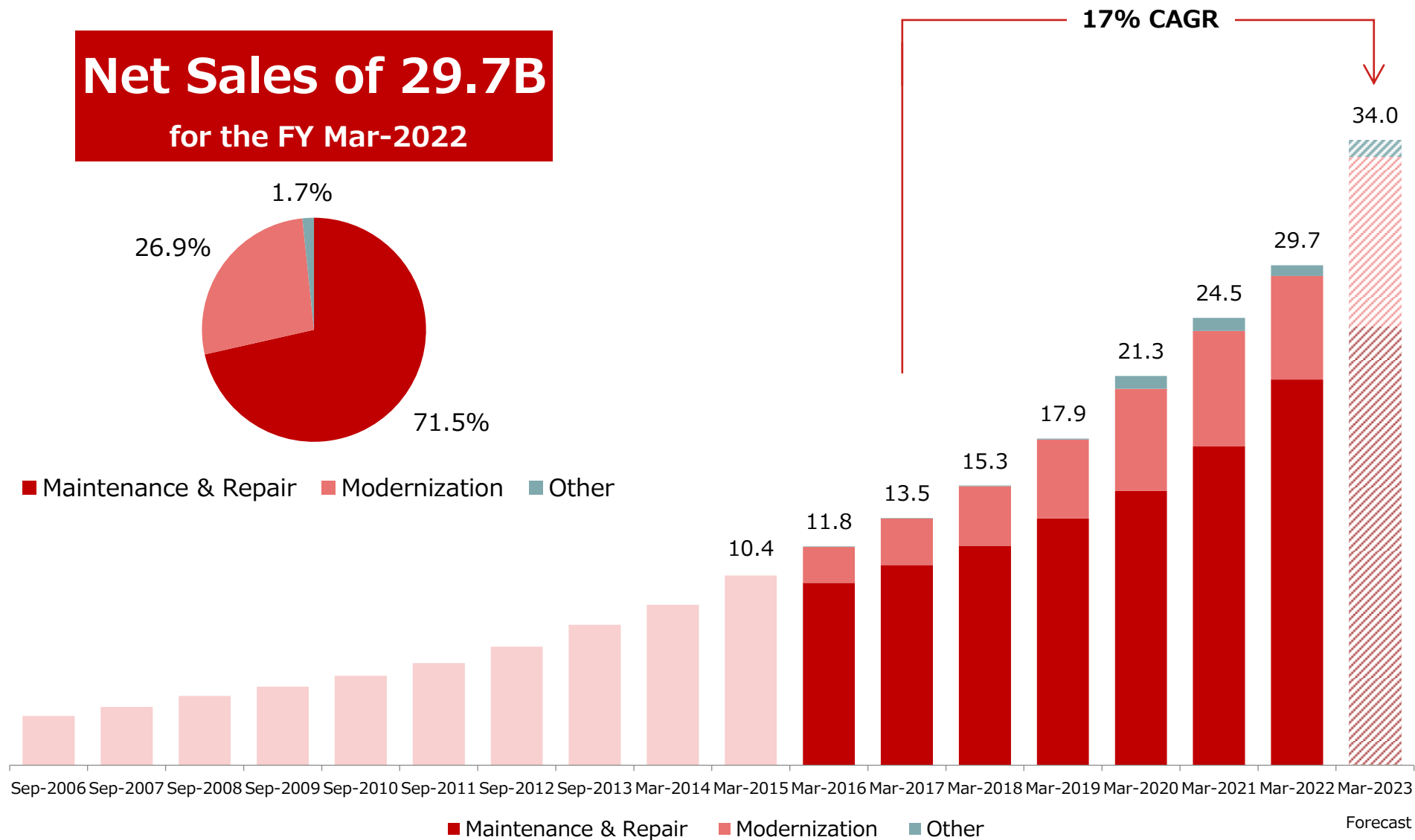
87,030 elevators
under maintenance contracts
at the end of December 2022



Net Sales of 29.7B
for the FY Mar-2022



■ Maintenance & Repair ■ Modernization ■ Other



As of Dec 2022
No. of Office: 129

Kansai

- ▶ Japan Elevator Service Kansai Co., Ltd.
- ▶ NS Elevator Co., Ltd.
- ▶ Kansai Elevator Co., Ltd.

Chugoku/ Shikoku

- ▶ Japan Elevator Service Chusikoku Co., Ltd.
- ▶ Miyoshi Elevator Co., Ltd.
- ▶ Ehime Elevator Service Co., Ltd.
- ▶ Shikoku Shoukouki Service Co., Ltd.
- ▶ Shikoku Elevator Service Co., Ltd.
- ▶ Ikuta Building Maintenance Co., Ltd.

Kyusyu

- ▶ Japan Elevator Service Kyusyu Co., Ltd.

Tokai / Koshinetsu

- ▶ Japan Elevator Service Tokai Co., Ltd.
- ▶ Nagano Elevator Co., Ltd.
- ▶ Joshin Building Service Co., Ltd.
(Building maintenance)

Hokkaido

- ▶ Japan Elevator Service Hokkaido Co., Ltd.
- ▶ EVOTECH Co., Ltd.

Tohoku

- ▶ Japan Elevator Service Jyosai Co., Ltd.
(Tohoku Branch)

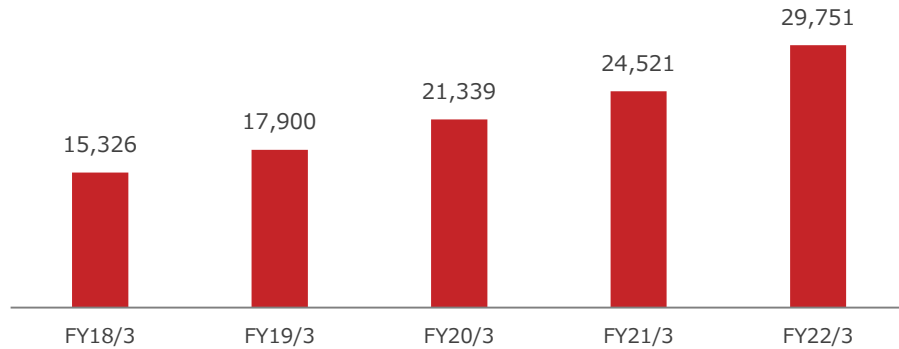
Kanto

- ▶ Japan Elevator Service Holdings Co., Ltd.
- ▶ Japan Elevator Service Jyonan Co., Ltd.
- ▶ Japan Elevator Service Jyosai Co., Ltd.
- ▶ Japan Elevator Service Kanagawa Co., Ltd.
- ▶ Japan Elevator Parts Co., Ltd.
- ▶ Japan Parking Service Co., Ltd.
- ▶ Seiko Elevator Co., Ltd.
- ▶ Tokyo Elevator Co., Ltd.
- ▶ Toyota Facility Service Co., Ltd.
- ▶ Kanto Elevator System Co., Ltd.
- ▶ Elevator Media Co., Ltd. (LiftSPOT)

- Covered by JES Group
- Covered by alliance

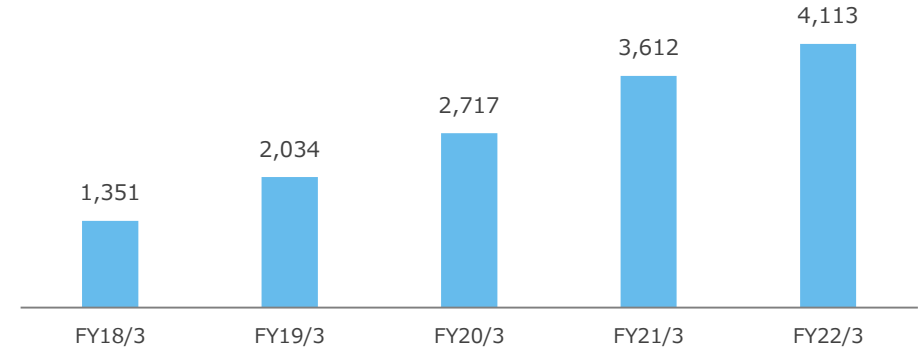
Net sales

(Million yen)



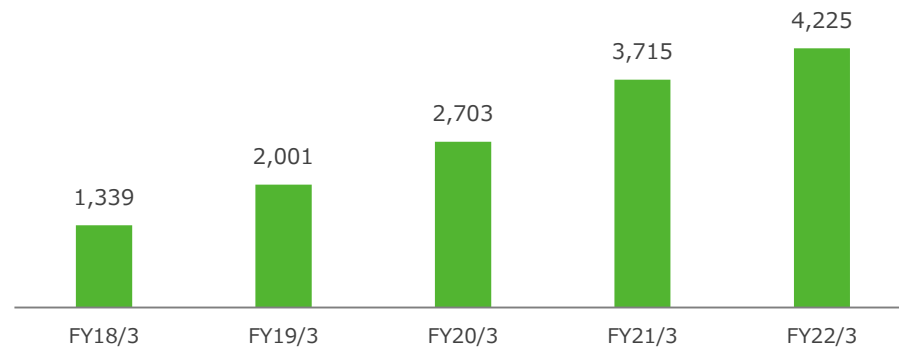
Operating profit

(Million yen)



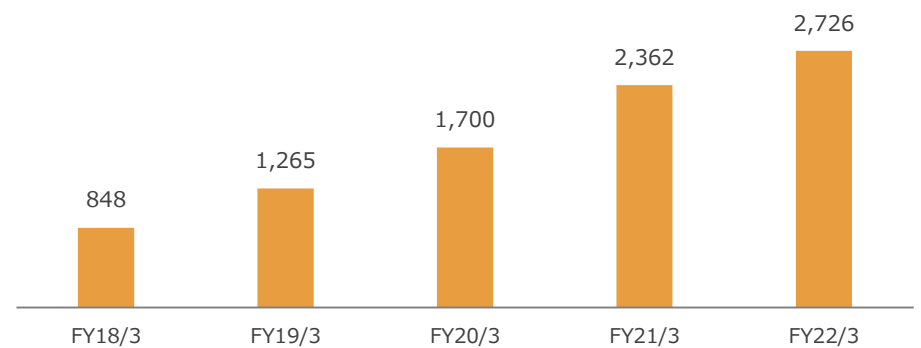
Ordinary profit

(Million yen)

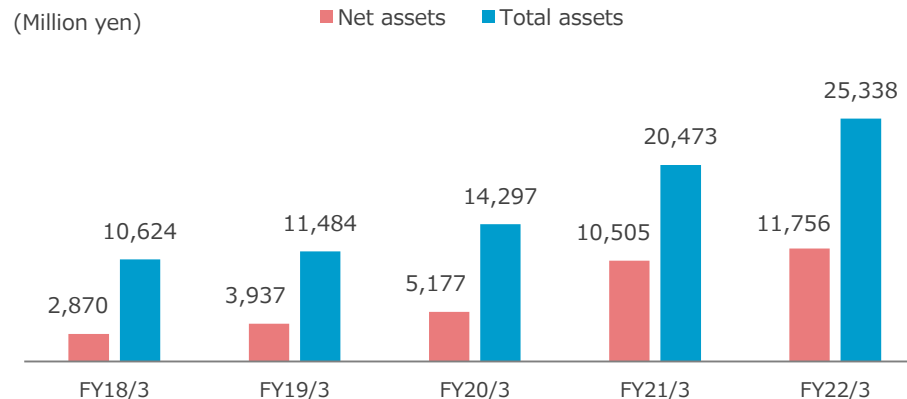


Profit attributable to owners of parent

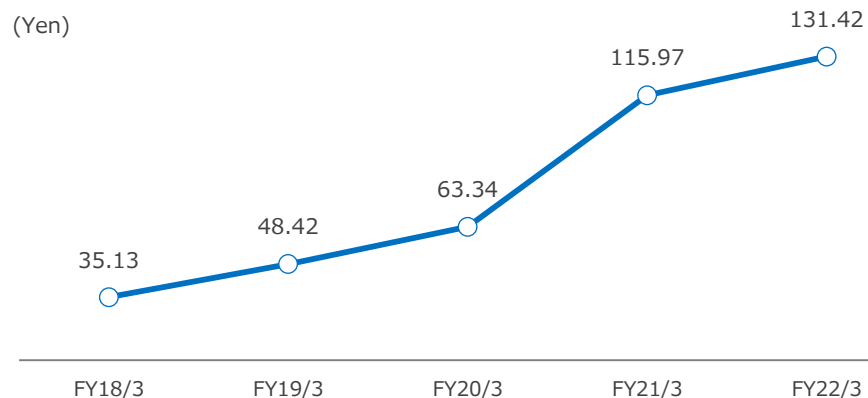
(Million yen)



Net assets / total assets

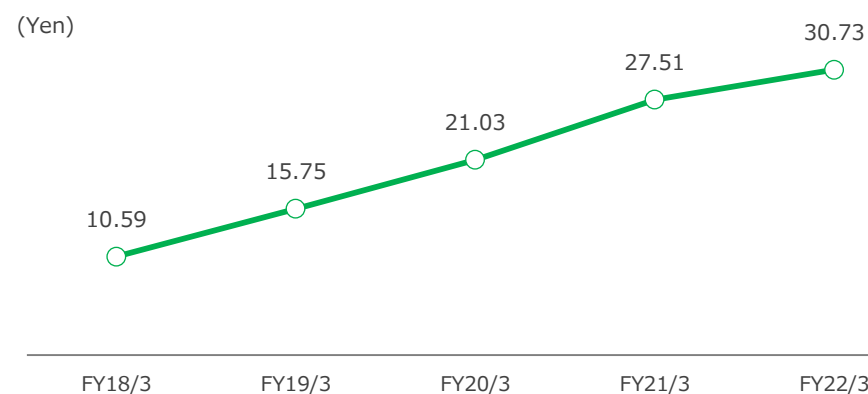


Net assets per share



Note: Two-for-one stock split of its common shares was conducted on Jan.1,2021.Figures are considered this stock split.

Net income per share



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- While these materials have been prepared based on generally-known economic and social conditions and certain assumptions that we have determined to be reasonable, the information contained herein is subject to change without prior notice for reasons such as changes in the business environment

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- These risks and uncertainties include general industry and market conditions, as well as general domestic and international economic conditions, such as changes in interest rates and exchange rates
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