



Financial Results Briefing for the Fiscal Year Ended March 31, 2023

May 17, 2023

Japan Elevator Service Holdings Co., Ltd.

(TSE Prime Market: 6544)



Review of Results for FY2023
and Initiatives for FY2024

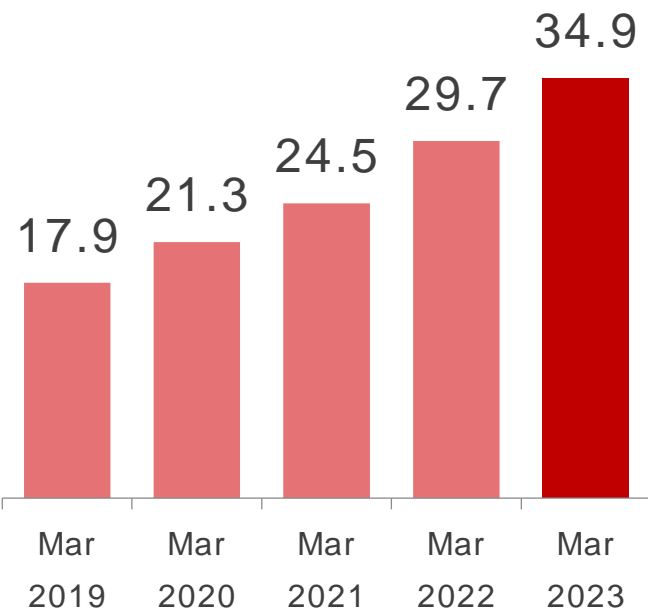
Record Performance of Double-digit Growth in Both Sales and Profit

- Continued growth in maintenance contracts, strong modernization demand
- A record high net sales of 117.3% compared to the previous year
- Beaten even revised forecasts

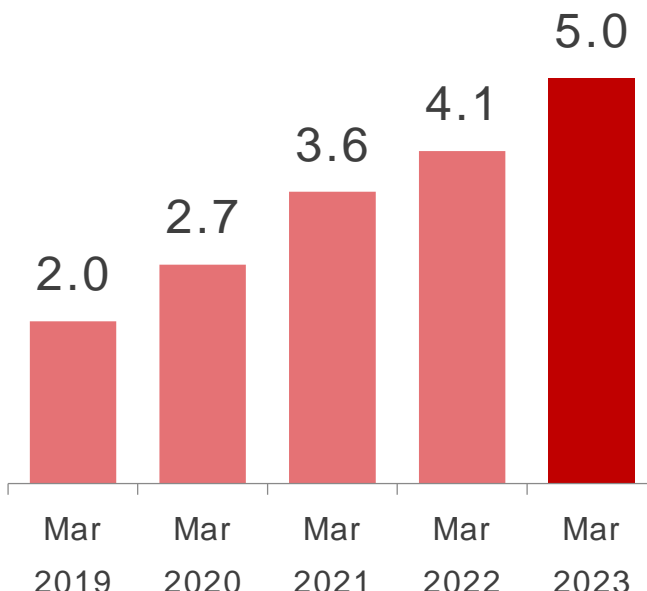
- Efficiency gains resulted in OP 121.8% of the previous year
- Operating margin improved to 14.4%
- Beaten even revised forecast of 4.7B

- 400 million yen increase
- 115.6% from the previous period
- Another record high since listed

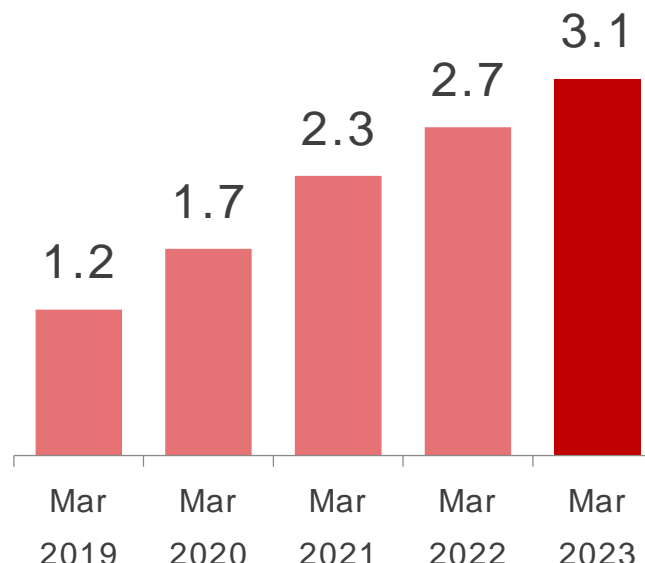
Net sales



Operating profit



Net income

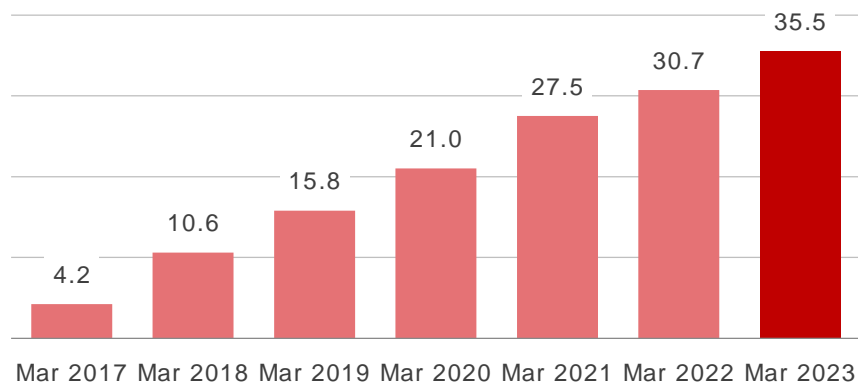


Unit: Billions of yen

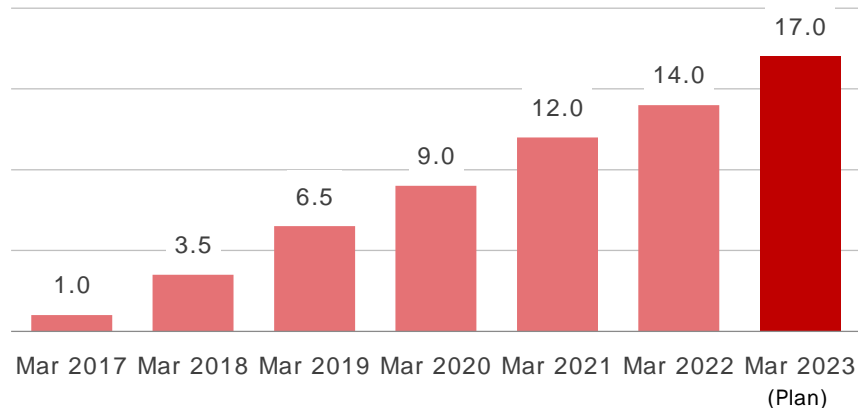
	Achievements
Maintenane and repair	<ul style="list-style-type: none"> • Domestic maintenance contracts totaled 88,630 units (112.2% of previous FY-end), market share increased to 8% • Organic net increase of 9,630 units, a slightly shy of 10,000 units but a record high • Opened offices in Kumamoto and Akita, bringing total number of offices to 132 (124 as of previous FY-end) • Launched JES-Authorized refurbished parts in June 2022, with cumulative sales of 200 million yen • Invested in Hokuriku Shisetsu Co., Ltd. in Mar 2023 with a view to developing the Hokuriku region • Multi-level parking 22,050 pallets
Modernization	<ul style="list-style-type: none"> • Cumulative total of 1,530 units shipped (previous year: 1,150 units) • Shipping capacity now at 150 units/mo in FY2024 • 16 Quick Renewal models has been completed, covering all models subject to our maintenance among those subject to suspension of parts supply
Media	<ul style="list-style-type: none"> • Number of LiftSPOT contracts surpassed 10,000 • Enhanced video analysis capabilities • Aiming for growth in advertising revenue, increase the number of units installed mainly at properties in Tokyo's 23 wards, where advertising is highly effective
Overseas Business	<ul style="list-style-type: none"> • Vietnam and Indonesia markets are expanding steadily • Acquisition of 80% stake in Cofreth of Malaysia in Jun 2022
Environment	<ul style="list-style-type: none"> • Sustainability Committee established in May 2022 • TCFD endorsement in November 2022 • Sustainability Report 2022 published in March 2023 (Environmental materiality was set and the Group began disclosing environmental and social data, including SCOPE 1-2 GHG emissions)
Organization	<ul style="list-style-type: none"> • Number of employees: 1,766 (1,618 at the end of the previous FY-end) • Taken a good balance of new graduates and mid-career workers, bringing to 1,096 of technical personnel and 218 of sales personnel • Started G1 and G2 grading system • 130 new graduates joined in April 2023

Stable Increase in EPS and DPS, Dividend Payout Ratio Over 40%

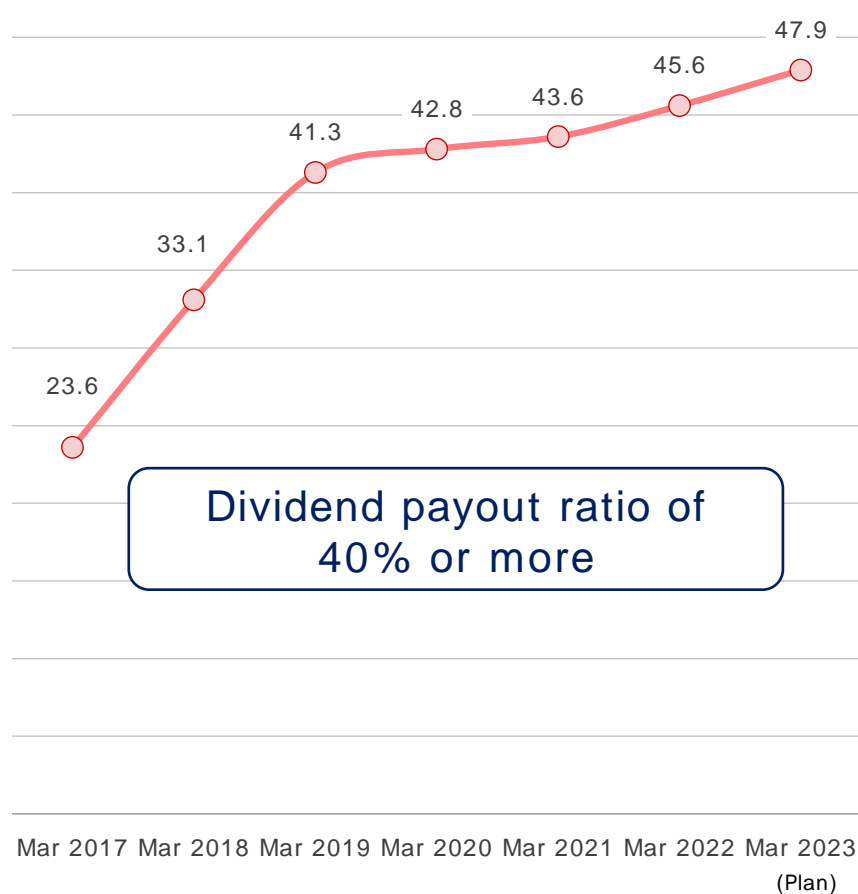
Adjusted EPS (yen)



Adjusted DPS (yen)



Dividend Payout Ratio (%)



n Basic Strategy

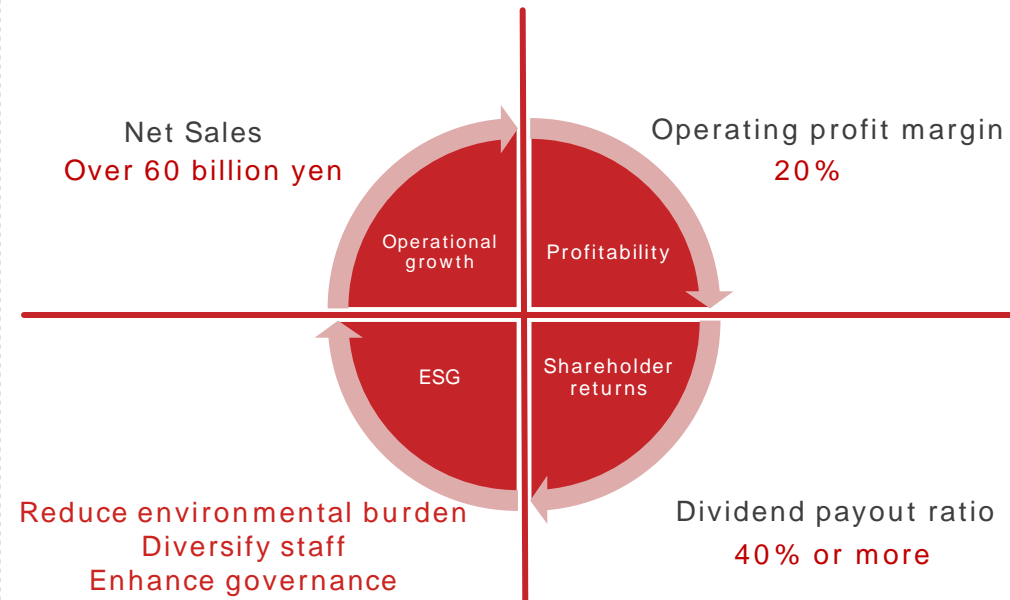
- As a company qualified for the TSE Prime Market, we aim to achieve sustainable growth and increase corporate value, adapting to changes in the social environment, by addressing not only business growth but also social and global environmental issues from a medium- to long-term perspective.

n Growth Strategy

- Grow Maintenance and repair Services sales driven by expanded domestic market share (organic & M&A)
- Tap demand for modernization through increase in number of elevators under contract
 - => Net sales of 60 billion yen
- Improve profitability by enhancing business productivity and operational efficiency through human resource development and the use of digital technology
 - => Operating margin of 20% (before amortization)

nKey Indicators

Raise corporate value through growth, prosper together with all stakeholders



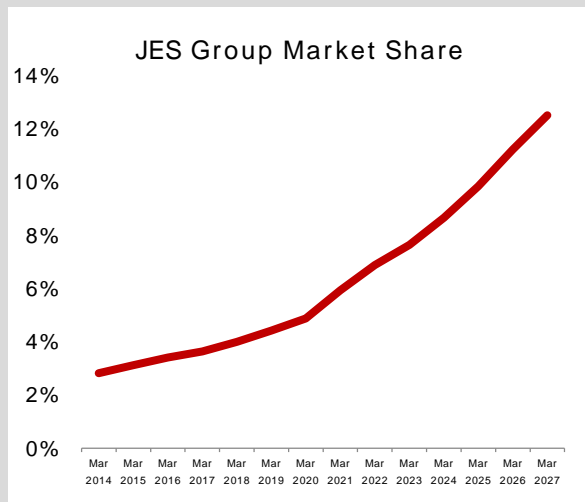
- Growth and profitability metrics to be met by FY2027/3
- OP Margin excludes goodwill amortization

Elevator maintenance market in Japan:

- | There are an estimated 1.1 million elevators installed & maintained
- | 1-2% annual growth to 1.2 million in Mar 2027
- | Five OEMs* and affiliated companies handle manufacturing, installation, and maintenance
- | Approximately 300 independent companies generally specialize in maintenance

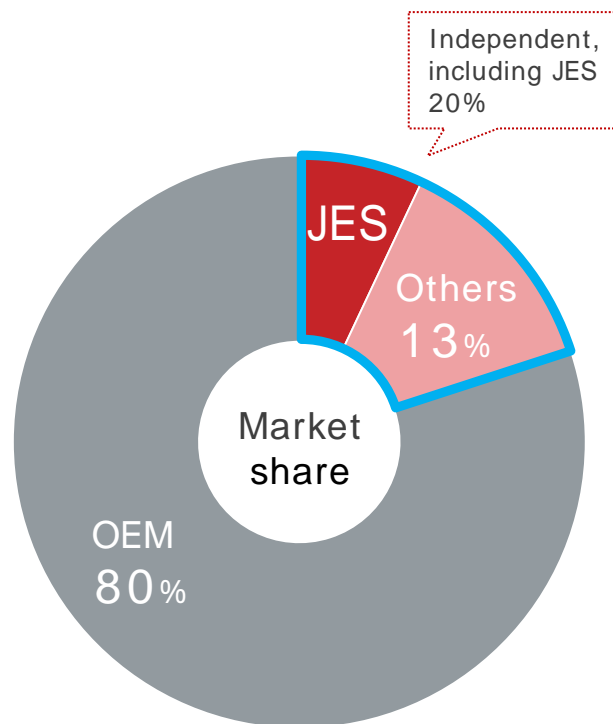
Market share:

- | OEM market share is approximately 80%
- | Independents' share is expected to grow moderately, reaching 25% by 2027 (generally 50-60% in European and U.S. markets)
- | The Group's market share is expected to be over 13%, the majority of the independent



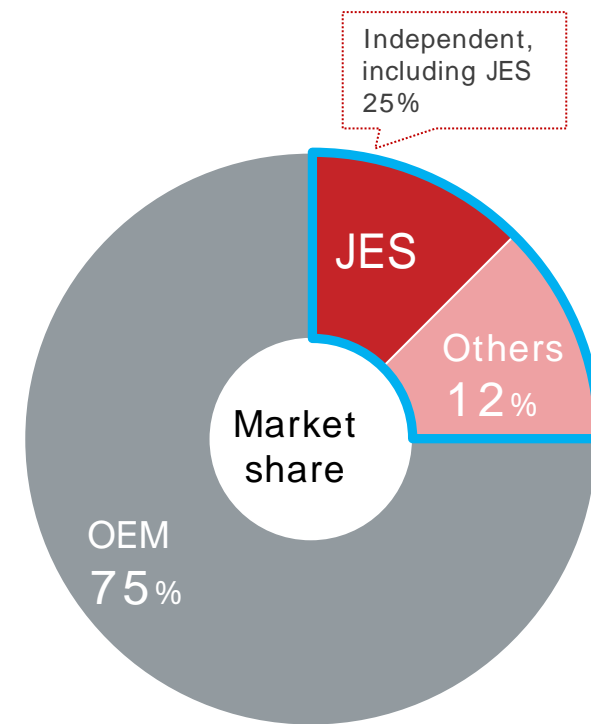
*Mitsubishi Electric Building Solutions, Hitachi Building Systems, Toshiba Elevator and Building Systems, Otis Elevator Japan, Fujitec

Year ending March 31, 2023



JES 8%

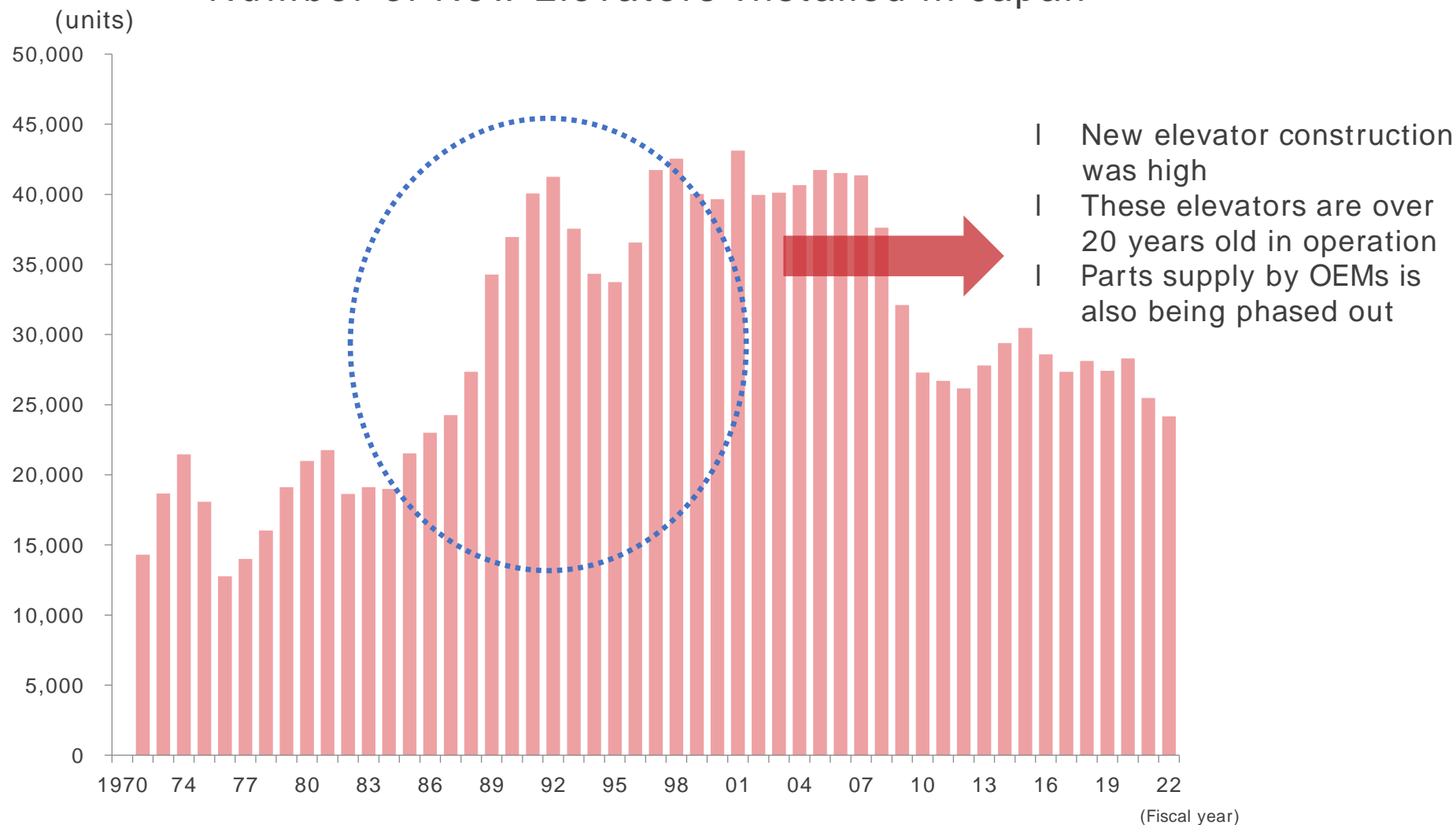
VISION2027



JES 13%

(Source) Japan Elevator Service Holdings Co., Ltd. estimates based on data from Japan Elevator Association.

Number of New Elevators Installed in Japan



(Source) Compiled by Japan Elevator Service Holdings Co., Ltd. from various issues of Elevator Journal, published by Japan Elevator Association.

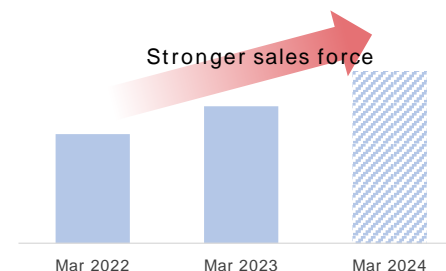
Strengthen Sales Force to Increase Contracts and Sales

Maintenance & repair

- | Aggressive hiring of maintenance sales personnel to 100
- | Sales force strategically positioned as number of offices increases
- | Efficiency through CRM
- | Increase the number of contracts per sales personnel



Increase the number of contracts per sales personnel by improving both the quantity and quality of the sales force

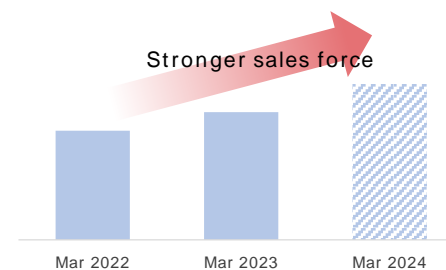


Modernization

- | Growing demand for modernization as OEMs stops supplying parts for earlier generation of elevators
- | Developed our own traction machines, control panels and started phased modernization
- | In new areas such as western Japan, the number of modernization sales personnel is being increased to meet customer needs



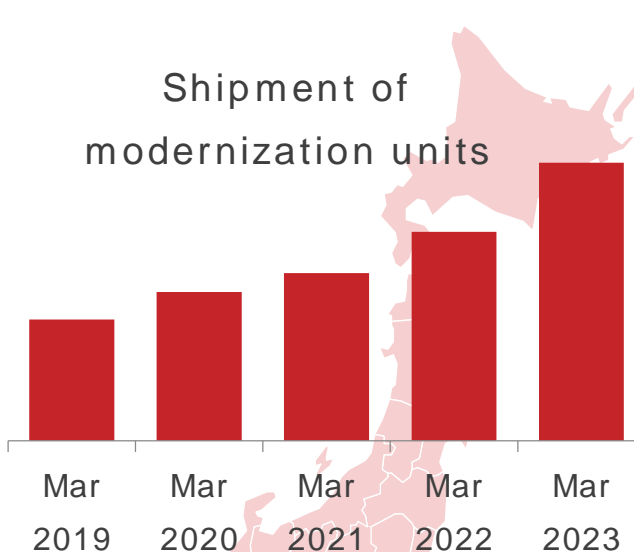
Growing demand, Launch Phased Modernization, Stronger sales force



Kansai JIC to Increase Shipping Volume and Improve Efficiency

- Continued to increase shipping capacity in response to strong demand
- Construction of Kansai JIC (name TBD) is scheduled to be completed in March 2024
- Cost efficiencies from increased shipments and reduced transportation costs to western Japan are expected

Shipment of modernization units



Kansai JIC



Location	Takarazuka City, Hyogo
Site area	3,675.49m ²
Floor area	3,335.00m ²
Completion	Scheduled in March 2024

JIC



Location	Wako City, Saitama
Site area	4,923.61m ²
Floor area	5,608.73m ²
Completion	October 13, 2017

Continue to Develop Nationwide Coverage, Strengthen Quality and Safety by Acquiring and Training Human Resources

Number of Locations

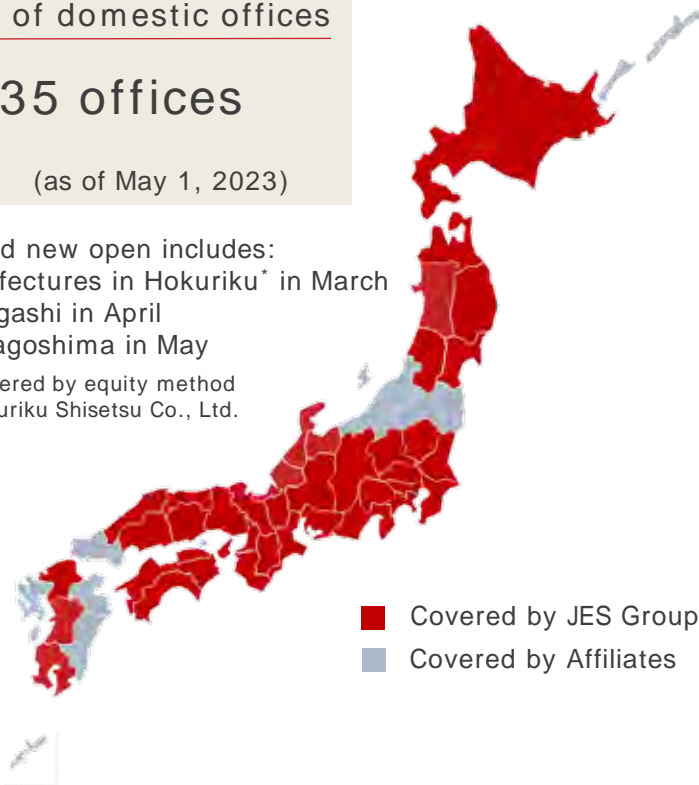
Number of domestic offices

135 offices

(as of May 1, 2023)

Announced new open includes:
Three prefectures in Hokuriku* in March
Sendai Higashi in April
Himeji, Kagoshima in May

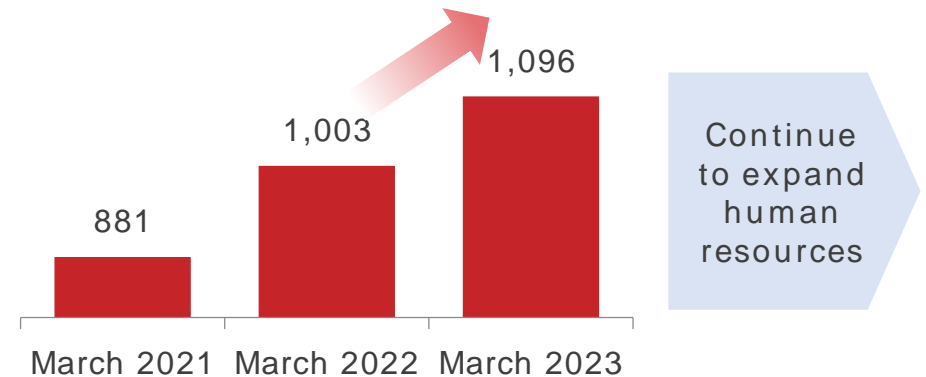
*Offices covered by equity method
affiliate Hokuriku Shisetsu Co., Ltd.



Coverage throughout Japan,
Market share continue to go up

Technical Personnel

Number of Technical Personnel



- I Hired 123 new graduates as technical personnel in 2024
- I The Group developed the in-house training program "STEP24," and human resources development program through unique technical personnel evaluation qualification system including new qualifications G1 and G2 to deepen expertise
- I Meister System, a system for training next-generation managers for quality control

Strengthen quality through acquisition and training of human resources

Update on New Business

LiftSPOT



LiftSPOT

Strategy

Over 10,000 units of Digital Signage Service with Security Camera installed by the end of March 2023

Aiming to increase advertising sales by increasing the number of units installed, mainly in buildings and condominiums in the Tokyo metropolitan area



Increase Media Value and Advertising Revenues

- | Established as one of the largest digital signage with sound in elevators in Japan
- | Through a business alliance with a company with abundant technological capabilities and a proven track record, we have achieved AI video analysis that enables high-accuracy measurement of advertising effectiveness in a variety of elevator environments
- | Maximize advertising revenue by optimizing display content according to attributes through reporting to advertisers using ad measurement data and utilizing the data to improve ad content

Contribution to Regional Development

- | Promoting initiatives to advertise hometowns and other local initiatives for the SDG purpose
(Actual results for the FY March 2023: Shizuoka City, Niseko Town, Kagoshima City)

Overseas Business



Strategy

Continue entry & expansion in ASEAN markets
Increase sales and profit in the ASEAN area, where the share of independent companies is higher than in Japan and many Japanese companies are expanding business



Already Expanding in Three Countries in the Region

Indonesia	Establishment of joint venture with local company in March 2020 Business: maintenance and modernization of elevators Expanding business in local stores for Japanese retailers
Vietnam	Acquisition of 51% interest in a local company in November 2021 Business: Sales, installation, and maintenance of elevators Business expanding from Hanoi to Ho Chi Minh City
Malaysia	Acquisition of 80% interest in local company in August 2022 Business: Facility Management Expanding in building maintenance for Japanese companies

Promoting Economic, Social, and Environmental Value through Sustainability Management

Established Sustainability Committee in May 2022 to promote stronger governance and risk management for sustainability
 In FY2024, while updating previously disclosed initiatives, the company will primarily work on the following initiatives:

Strengthening Environmental Information Disclosure

- | Endorsement to the Task Force on Climate-related Financial Disclosures in November 2022
- | Disclosed information in accordance with the disclosure standards recommended by the TCFD in the Sustainability Report published in March 2023
- | We calculated the Group's Scope 1 and 2 emissions based on the emissions categories established in the Greenhouse Gas (GHG) Protocol, the international standard for calculating and reporting greenhouse gas emissions
- | In FY2024, we plan to assess emissions throughout the supply chain and study and implement initiatives to reduce emissions toward a carbon-neutral society by 2050

Environmental Data Disclosed



Sustainability Report 2022





FY2024 Earnings Forecast and Medium-Term Business Model

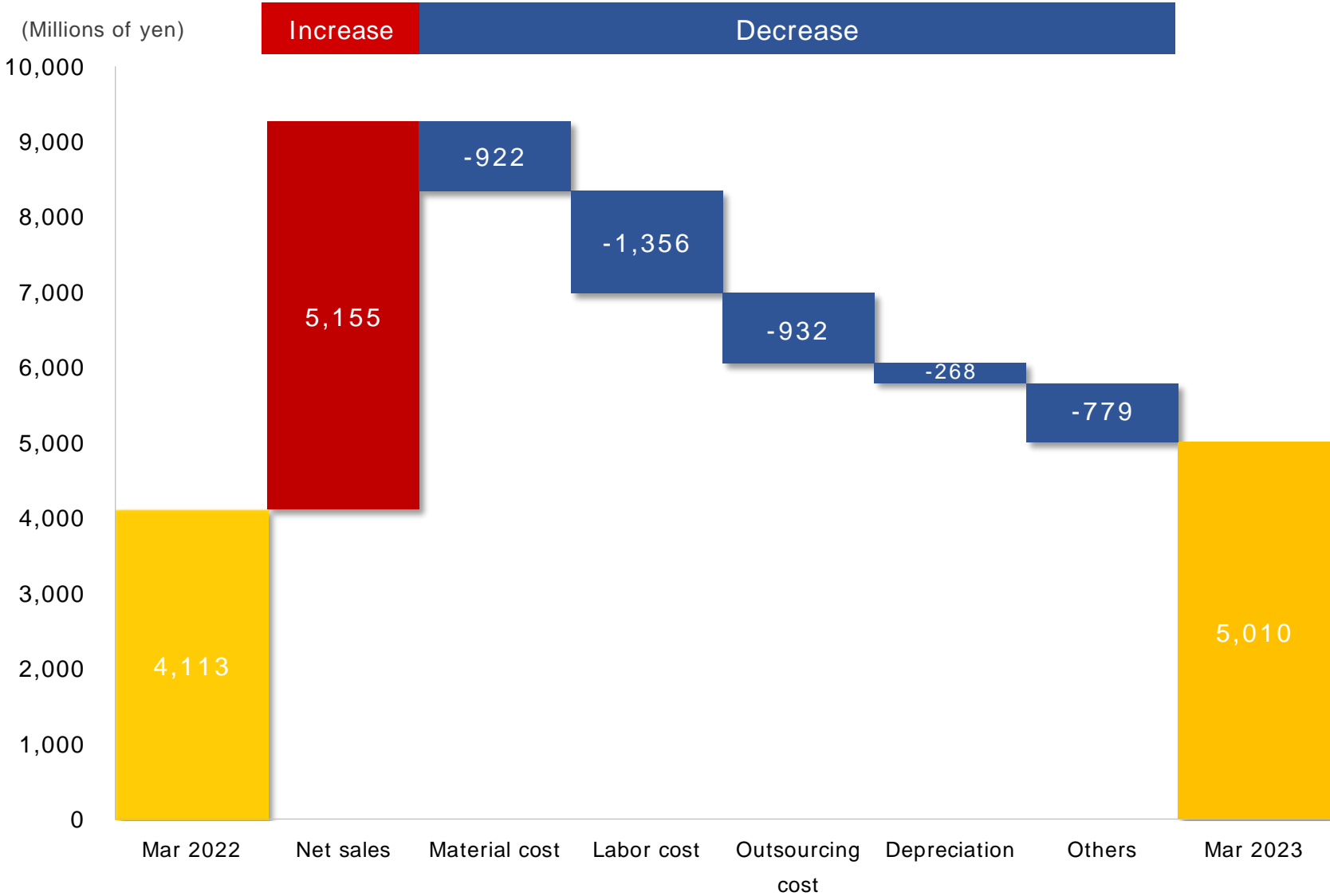
A Year of Record Sales and Profits

- I 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.
- I 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.

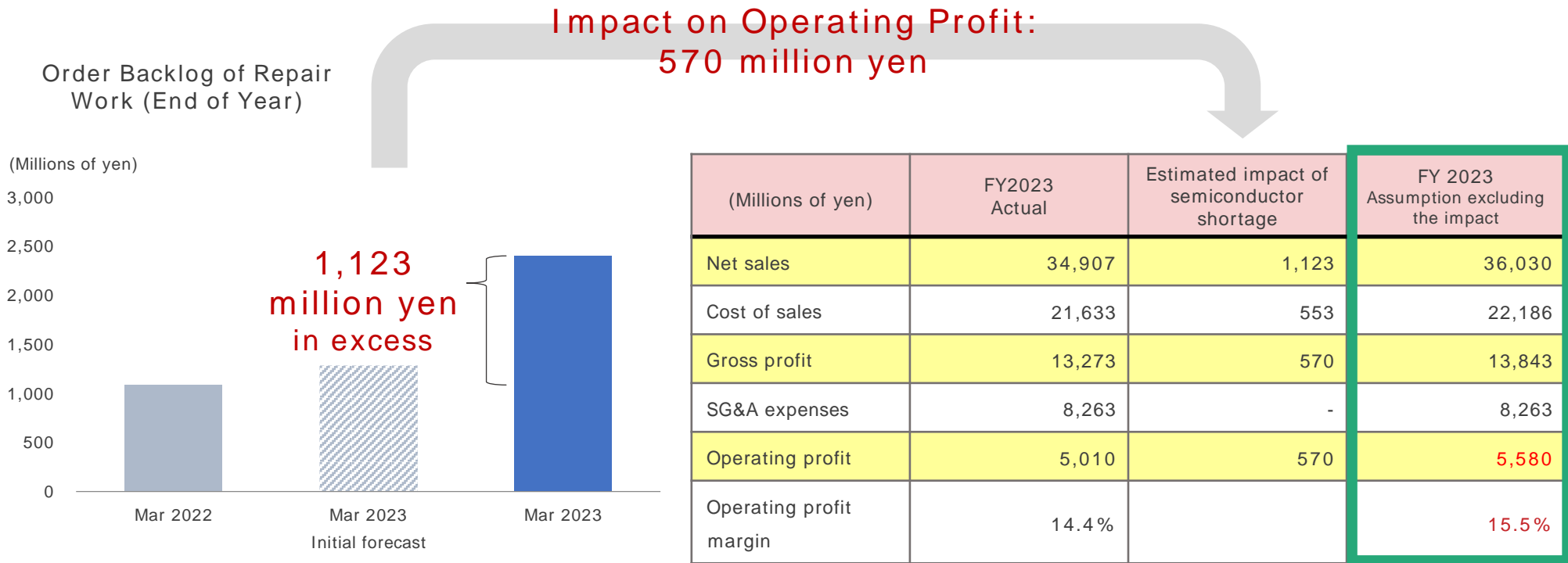
(millions of yen, yen, %)

	Fiscal Year ended March 2022		Fiscal Year ended March 2023		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Net sales	29,751	100.0	34,907	100.0	5,155	17.3
Operating profit	4,113	13.8	5,010	14.4	897	21.8
Ordinary profit	4,225	14.2	5,100	14.6	874	20.7
Profit attributable to owners of parent	2,726	9.2	3,153	9.0	426	15.6
(Depreciation)	927	3.1	1,207	3.5	280	30.3
(Amortization)	196	0.7	266	0.8	70	35.6
EBITDA	5,236	17.6	6,485	18.6	1,248	23.8
EPS	30.73	--	35.47	--	4.74	15.4

Factors for Change in Operating Profit



- | The global shortage of semiconductors caused delays in the completion of repair works.
- | Nonetheless the number of units under maintenance contract increased steadily, and orders for repair work increased accordingly, resulting in a repair order backlog of 2.40 billion yen at the end of March 2023, 1.12 billion yen higher than the initial forecast of 1.28 billion yen.
- | The 1.12 billion yen in repair sales that exceed the initial forecast is expected to be reflected in the FY2024 and beyond.
 - (If the supply of parts had recovered to the level of the previous fiscal year, operating income would have increased by **570 million yen**, and operating income would have been **5.58 billion yen**, and the operating margin would have been **15.6%**.)



Another Year of Record Sales and Profits on the Back of Steady Contract Growth

- I Maintenance and renewal work continues to expand. Although the company is emerging from the effects of parts shortages, delivery times are not expected to shorten and the company has adopted a conservative forecast.
- I Operating profit is forecast to reach a record high due to cost and SG&A cost controls.

(millions of yen, %)

	First Half			Second Half			Fiscal Year		
	March 2023 Amount	March 2024 Amount	YoY	March 2023 Amount	March 2024 Amount	YoY	March 2023 Amount	March 2024 Amount	YoY
Net sales	15,987	18,100	113.2	18,919	20,900	110.5	34,907	39,000	111.7
Operating profit	2,073	2,200	106.1	2,937	3,500	119.1	5,010	5,700	113.8
Ordinary profit	2,168	2,200	101.5	2,932	3,500	119.4	5,100	5,700	111.8
Profit attributable to owners of parent	1,401	1,405	100.3	1,752	2,145	122.4	3,153	3,550	112.6
	% of sales	% of sales		% of sales	% of sales		% of sales	% of sales	
Gross profit margins	38.0	36.5		38.0	38.8		38.0	37.7	
SG&A to sales	25.1	24.4		22.5	22.0		23.7	23.1	
Operating profit margins	13.0	12.2		15.5	16.7		14.4	14.6	
Ordinary profit margins	13.6	12.2		15.5	16.7		14.6	14.6	
Profit margins	8.8	7.8		9.3	10.3		9.0	9.1	

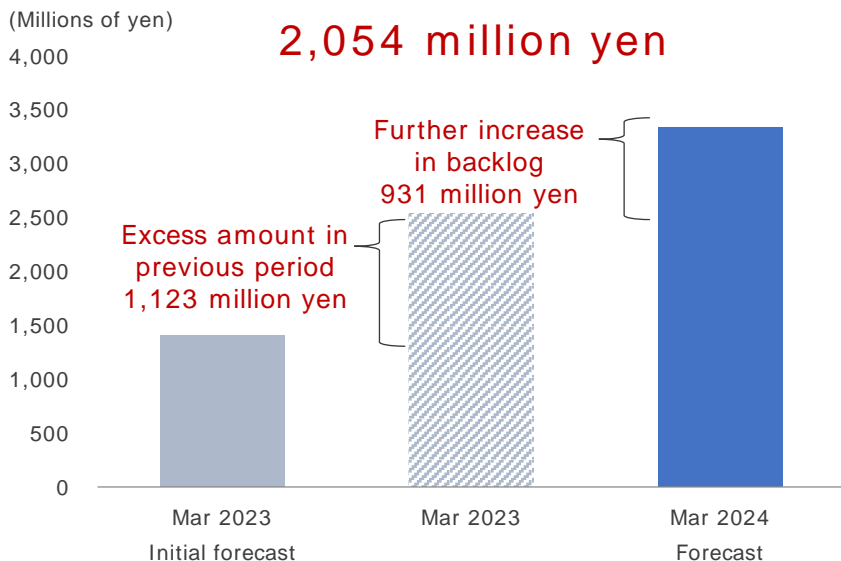
(millions of yen, %)

	First Half			Second Half			Fiscal Year		
	March 2023 Amount	March 2024 Amount	YoY	March 2023 Amount	March 2024 Amount	YoY	March 2023 Amount	March 2024 Amount	YoY
Maintenance & repair services	11,184	12,100	108.2	11,993	13,000	108.4	23,178	25,100	108.3
Modernization services	4,287	5,300	123.6	6,180	7,200	116.5	10,468	12,500	119.4
Other	514	700	136.1	745	700	94.0	1,259	1,400	111.2
Net Sales	15,987	18,100	113.2	18,919	20,900	110.5	34,907	39,000	111.7

- Given the possibility of continued delays in component delivery due to the shortage of semiconductors, the earnings forecast is based on the expectation of delays in the completion of repair work.
- In addition to the order backlog from the previous fiscal year, contracts are expected to increase due to an increase in the number of maintenance contracts, and we forecast repair work order backlog at the end of March 2024 to be 3.34 billion yen, a **930 million yen** increase from the 2.40 billion yen order backlog in the previous fiscal year.
- If the delays in delivery are resolved and repair work on the 1.12 billion yen excess order backlog for the previous fiscal year and the 930 million yen order backlog for the current fiscal year is completed, net sales will increase by 2.05 billion yen from the current forecast, and **operating profit would increase by 1.04 billion yen** and the operating profit margin will be **16.4%**.

Impact on Operating Profit: 1,042 million yen

Order Backlog of Repair Work (Forecast)

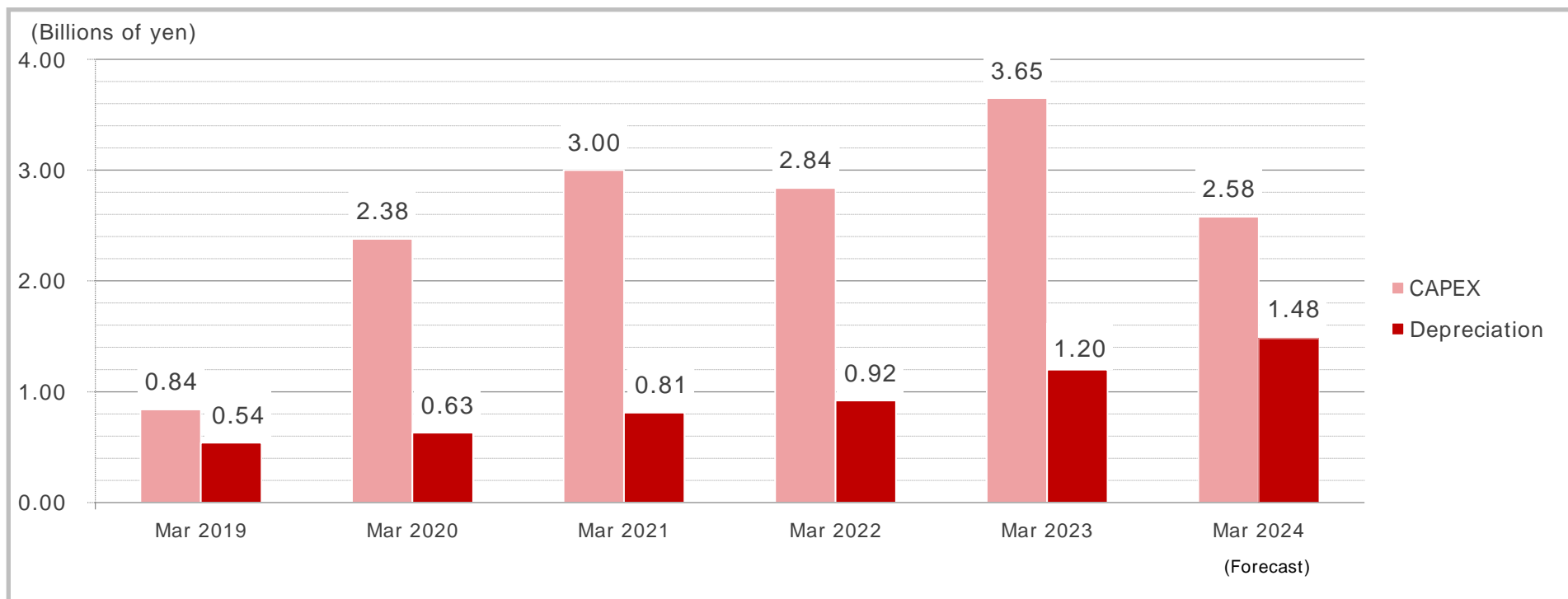


(Millions of yen)	FY 2024 Forecast	Estimated impact of semiconductor shortage	FY2024 Assumption excluding the impact
Net sales	39,000	2,054	41,054
Cost of sales	24,222	1,013	25,235
Gross profit	14,777	1,042	15,819
SG&A expenses	9,077	-	9,077
Operating profit	5,700	1,042	6,742
Operating profit margin	14.6%		16.4%

(Billions of yen)

	FY2023 (Actual)	FY2024 (Forecast)	Items
Capital Expenditure	3.65	2.58	Investments related to PRIME, a remote inspection service, etc.
Depreciation	1.20	1.48	

Capital Expenditures and Depreciation



Reconciliation of 60 billion yen in Net Sales and Operating Margin of 20% with Growing Maintenance Contracts

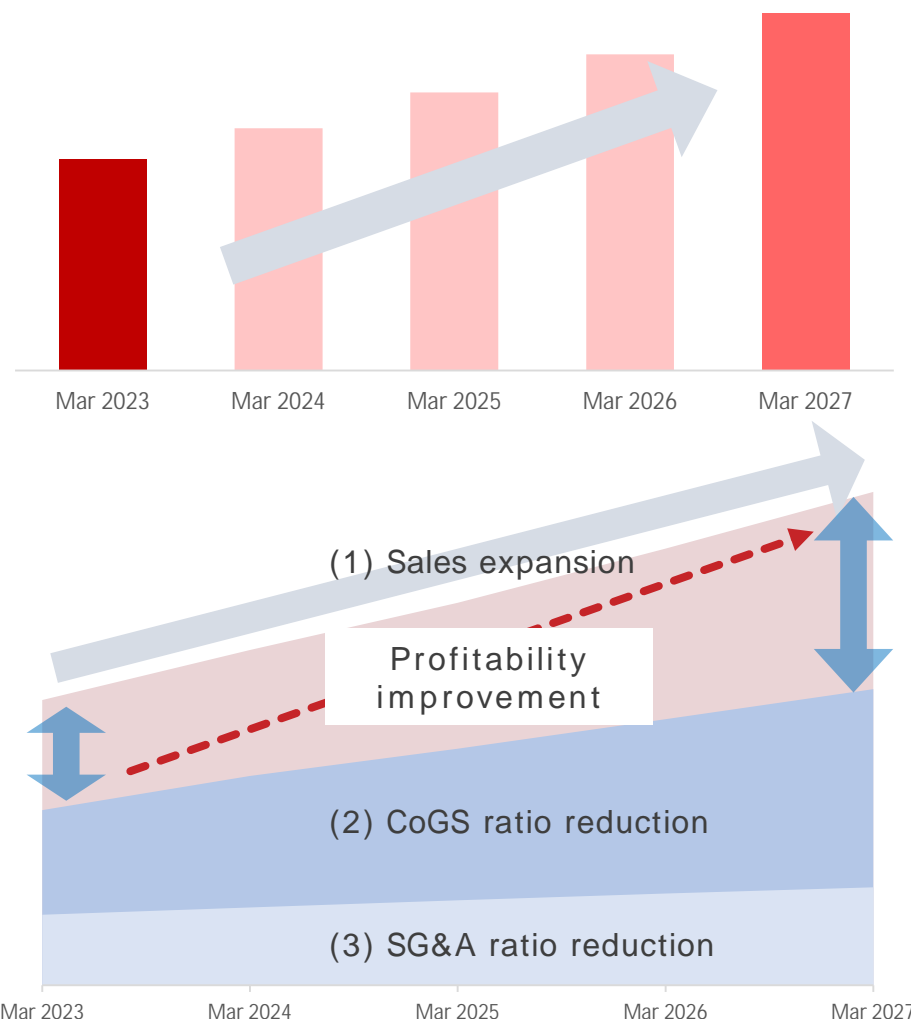
1. Achieve net sales of 60 billion yen by expanding the market and increasing share in Japan

- | As of March 31, 2023, our domestic maintenance market share will be approximately 8% (our estimate)
- | There is ample room to expand market share, especially in newly penetrated areas, by leveraging our high-quality, reasonably priced services, and we will expand our maintenance sales system and personnel to capture new customers
- | Sales expansion by capturing modernization demand due to increase in number of units

2. Improve operating profit margins through higher productivity

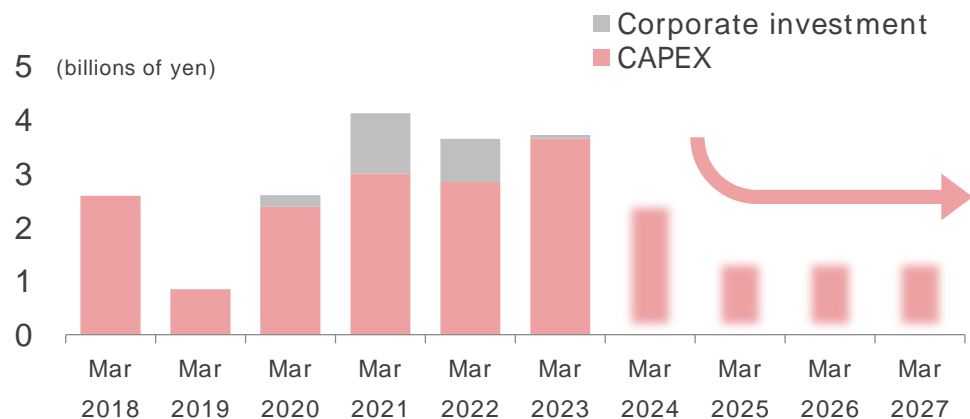
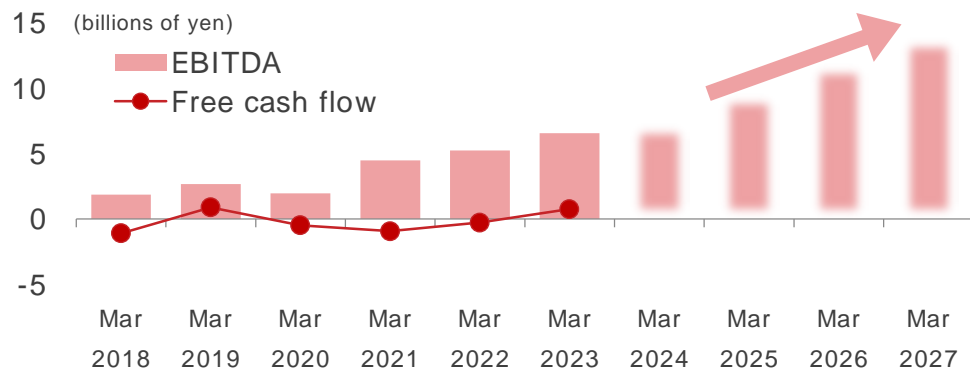
- | Increase contribution from high margin maintenance sales
 - Improve margins in newly expanded areas with low market share by increasing the number of maintenance contracts
- | Reduction in CoGS ratio
 - Despite our continued effort to increase the number of technical personnel, costs should be under control since we are hiring new graduates and training them
 - Improve the number of units managed by technical personnel
 - Curbing material costs by utilizing refurbished products
- | Reduction in SG&A ratio
 - Reduce administrative costs by optimizing staffing and utilizing IT systems

Increased number of maintenance contracts should improve profit step by step and lead to operating profit margin of 20%



Capital Expenditures Peaking and Positive FCF Trend Expected The Company Aims for a Strong Balance Sheet

Trends in EBITDA, free cash flow, and growth investment



JIC Construction JIL Construction PRIME PHS outage support
Kansai JIC Construction

(Note) Corporate investment represents capital spending for the acquisition of subsidiaries.

- Capital expenditures peaked in FY2023, and after the completion of the Kansai JIC (name TBD) in FY2024, CAPEX shall be limited to installation of PRIME and LiftSPOT terminals as contract increases, and system investments and R&D
- M&A considered only as opportunities arise



EBITDA and free cash flow expected to trend upward in parallel going forward



- Investment in human capital as an investment for growth
- Repayment of long-term borrowings
- Maintain a dividend payout ratio of over 40% for shareholder returns
- Considering share buybacks when the time is right

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About Us

Company Name	Japan Elevator Service Holdings Co., Ltd.
Established	October 3, 1994
Listed Market	TSE Prime Market (6544) since April 4, 2022
Headquarters	Tokyo Tatemono Nihonbashi Bldg. 5F, 1-3-13 Nihonbashi, Chuo-ku, Tokyo 103-0027
CEO	Katsushi Ishida (Born on March 25, 1966)
Number of Employees	1,766 (as of March 2023, consolidated basis)
Paid-in Capital	¥2,493 million (end of March 2023)
Net Sales	¥34,907 million (for the FY2023, consolidated basis)



Safety Above Anything Else

Our top priority is safety
Committed to monitor 24 hours a day, 365 days a year

No Cutting Corners

Safe operation without cutting corners because people don't see it

Building on Trust

Building trust with customers based on our unique position and strengths as an independent expert specialized in maintenance

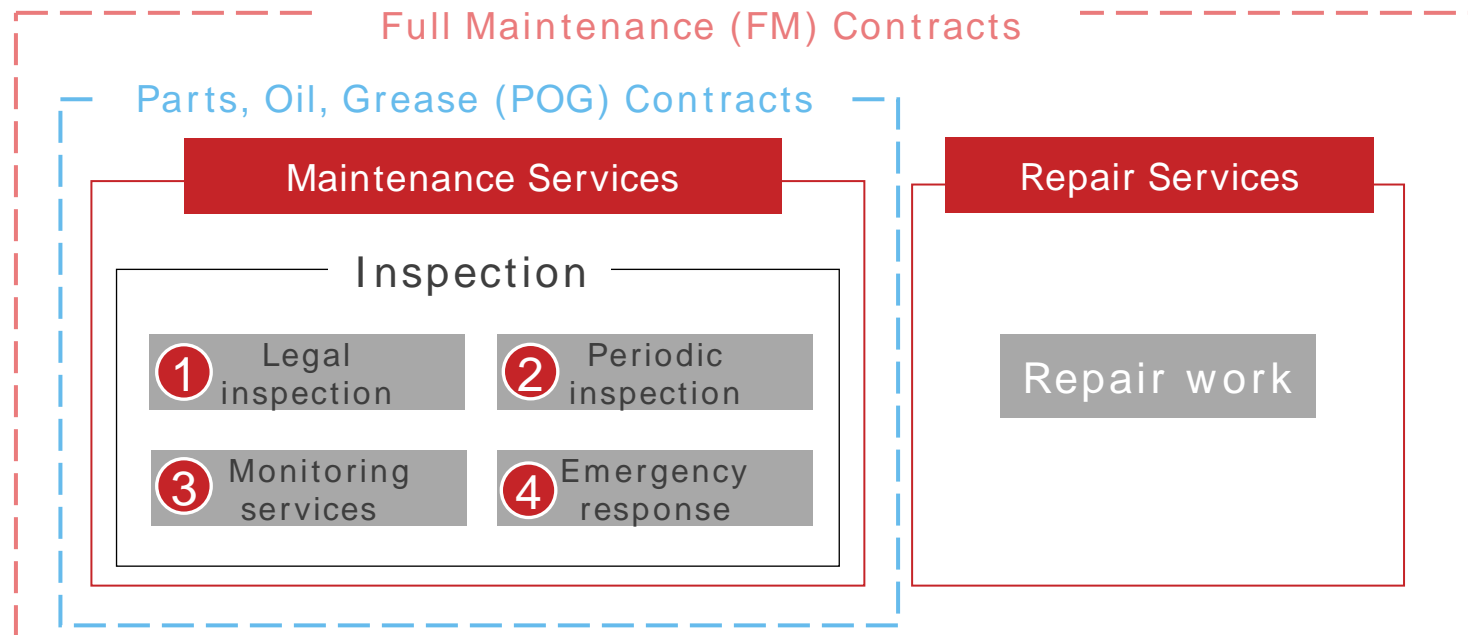
Maintenance Services



- 1 Legal inspection stipulated in the Building Standards Act
- 2 Periodic inspection (cleaning, oiling, adjustment, replacement of consumables, etc.)
- 3 Monitoring services (including examination, remote monitoring, and remote inspection for abnormalities and defects)
- 4 Emergency response

Repair Services

Replacement and repair of deteriorated parts based on our reasonable judgement in light of inspection results



Modernization Services



- ▮ The legal depreciable life of a lift is 17 years. The Life Cycle Cost Assessment Index planned service life proposed by the Building Maintenance and Preservation Association is 25 years.
- ▮ For some models, the OEM may stop supplying parts, so renewal is carried out after 20-25 years to ensure continued safe and reliable operation.
- ▮ Service will be suspended for about one week and replace major components such as control panels, traction machines, etc.

Traction Machine

before



after



Control Panel

before



after



Operation Panel

before



after

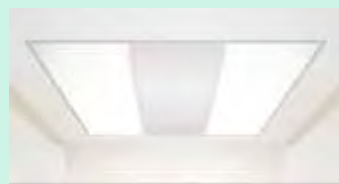


Lighting

before



after



Safer

- Eliminate steps
- Wheelchair-ready
- Preparation for earthquake
- Seismic retrofitting



Ecological




- Inverter control
- Operation panel
 - Digital sign
 - LED display



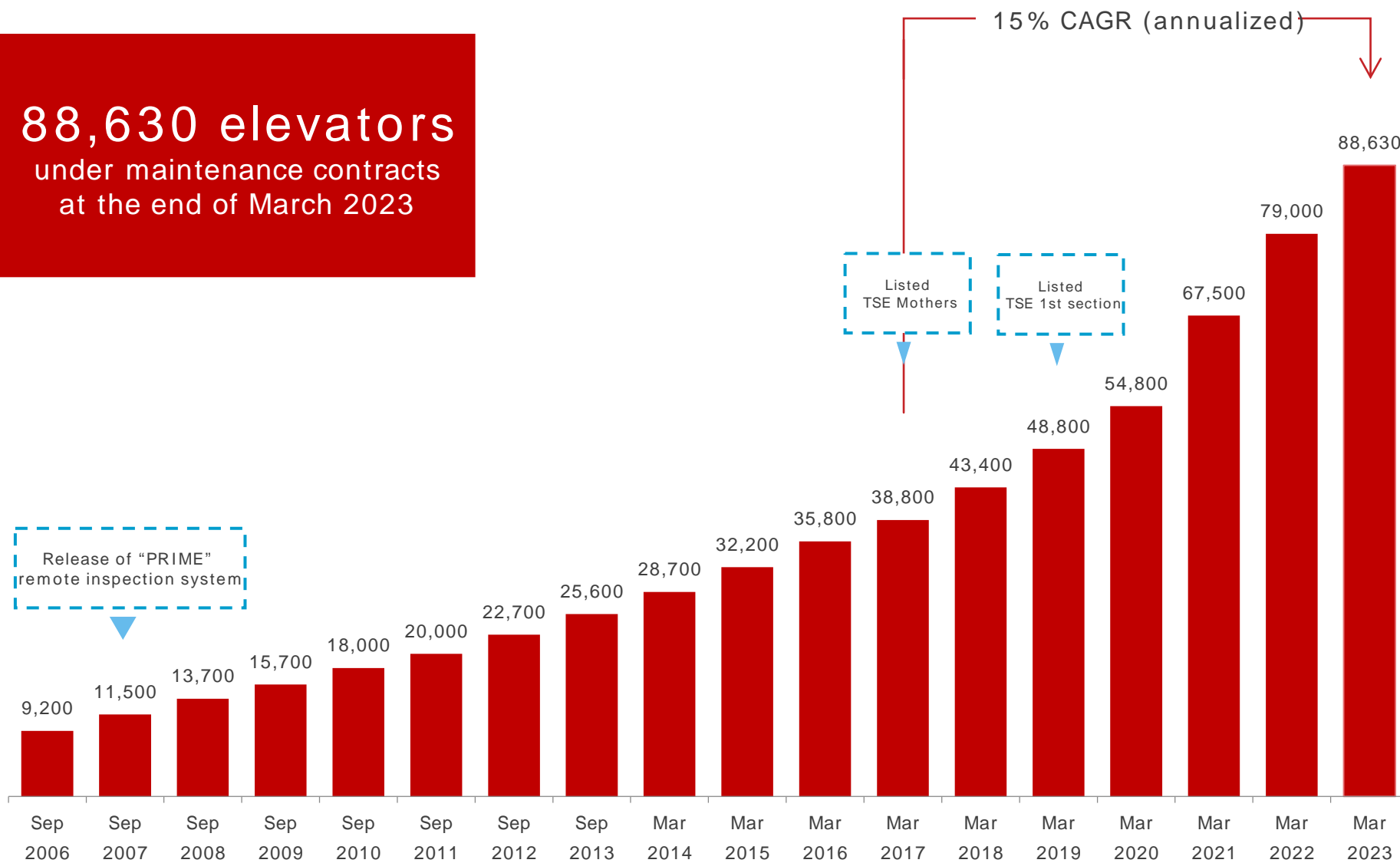
Stylish

- LED lighting, wall
- Entrance
- Materials or colors of choice

The only company that combines the quality of OEMs with the price competitiveness of an independent company

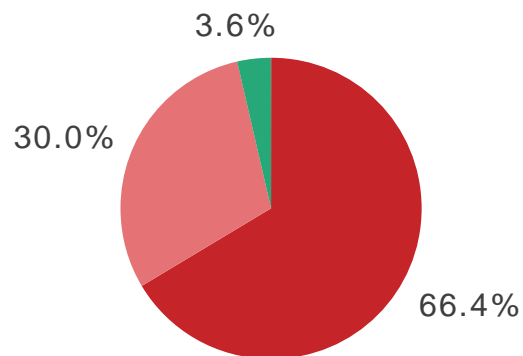
		vs OEMs	vs Independents
Technology	<ul style="list-style-type: none"> The only independent <u>remote inspection service (PRIME)</u> compatible with elevators from all OEMs enables us to provide inspection and monitoring services that are comparable to those of the OEMs (patented) 		
	<ul style="list-style-type: none"> The only independent company with <u>an R&D center with test towers that house 10 elevators</u> 		
Quality	<ul style="list-style-type: none"> The parts center <u>stocks over 200,000 genuine OEM parts</u>, allowing for quick response in the event of a failure. 		
	<ul style="list-style-type: none"> Engineers acquire maintenance and inspection know-how through our <u>proprietary training program "STEP24,"</u> and later acquire advanced skills through the Meister System and other programs 		
Price	<ul style="list-style-type: none"> After reviewing the pricing system of the OEM's perspective, we offer a <u>reasonable and yet overwhelmingly competitive price</u> 		
Credit & Capital	<ul style="list-style-type: none"> <u>The only company specializing in elevator maintenance listed on the Prime Market of the Tokyo Stock Exchange</u> 		

88,630 elevators
under maintenance contracts
at the end of March 2023

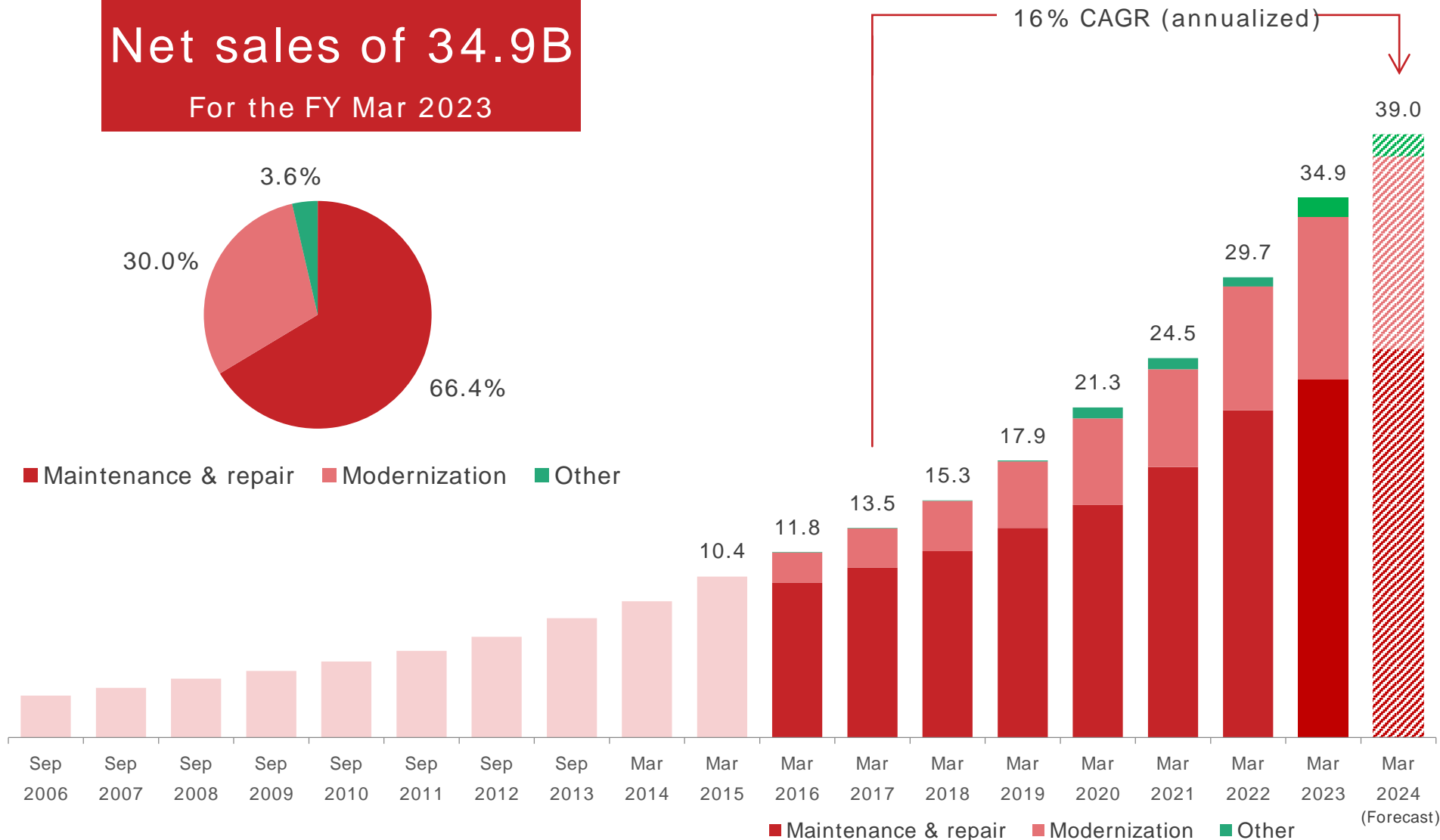


Net sales of 34.9B

For the FY Mar 2023



■ Maintenance & repair ■ Modernization ■ Other



(Note: Due to a change in the fiscal year end, the fiscal year ended March 31, 2014 is a six-month period. The above figures are annualized.)

As of May 1, 2023
135 offices

Hokuriku

- ▶ Hokuriku Shisetsu Co., Ltd. (equity method affiliate)

Tokai / Koshinetsu

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

Kansai

- ▶ Japan Elevator Service Kansai Co., Ltd.
- ▶ NS Elevator Co., Ltd. M&A

Chugoku / Shikoku

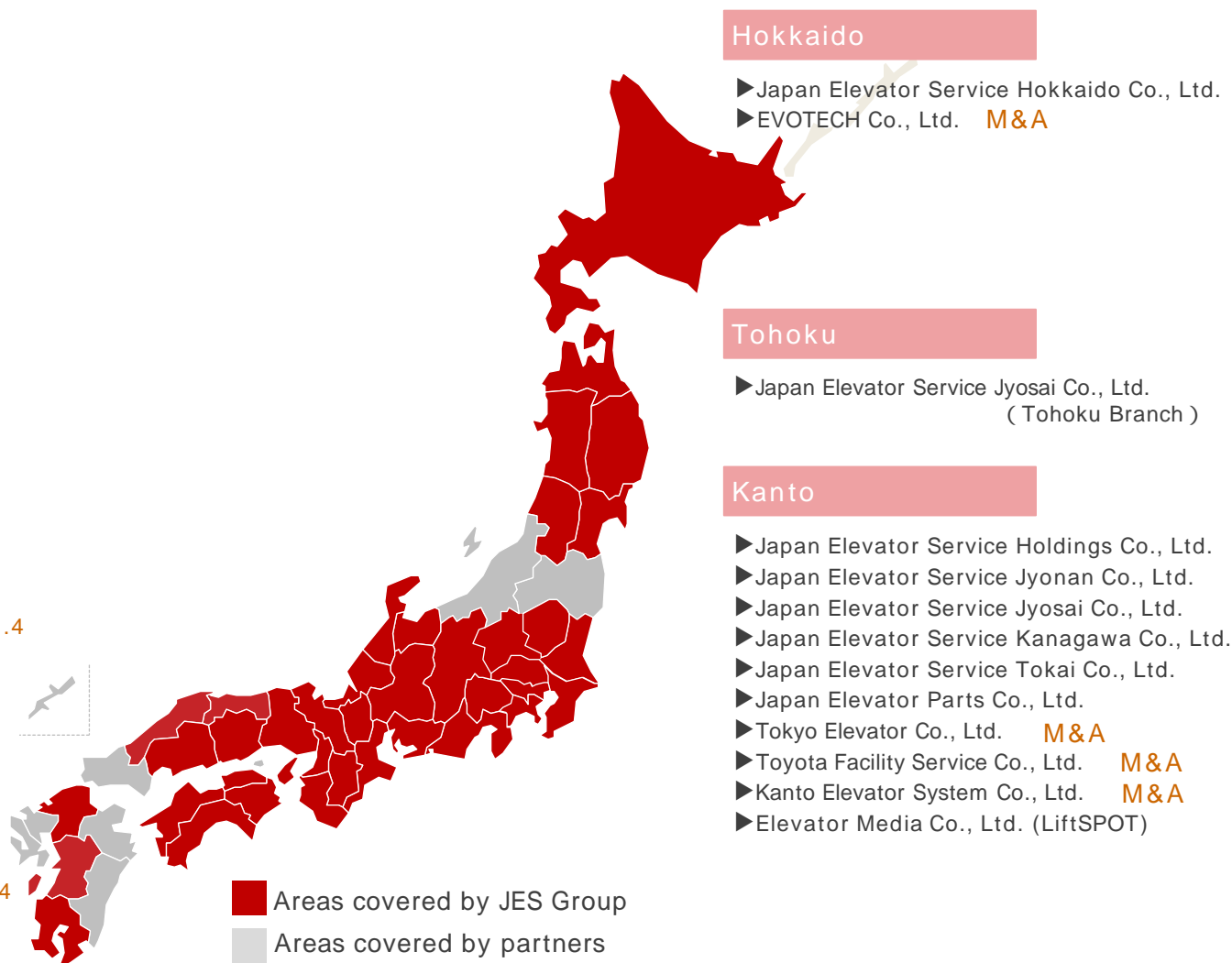
Established 2022.4

- ▶ Japan Elevator Service Chushikoku Co., Ltd.
- ▶ Miyoshi Elevator Co., Ltd. M&A
- ▶ Ehime Elevator Service Co., Ltd. M&A
- ▶ Shikoku Shoukouki Service Co., Ltd. M&A
- ▶ Shikoku Elevator Service Co., Ltd. M&A
- ▶ Ikuta Building Maintenance Co., Ltd. M&A

Kyushu

Established 2019.4

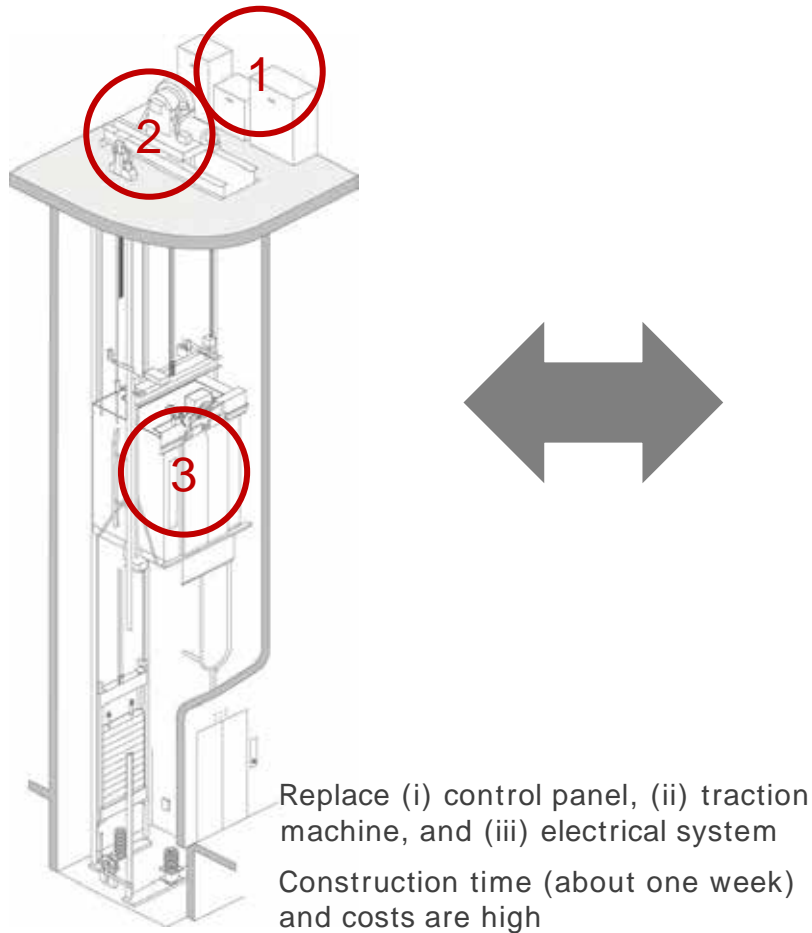
- ▶ Japan Elevator Service Kyushu Co., Ltd.



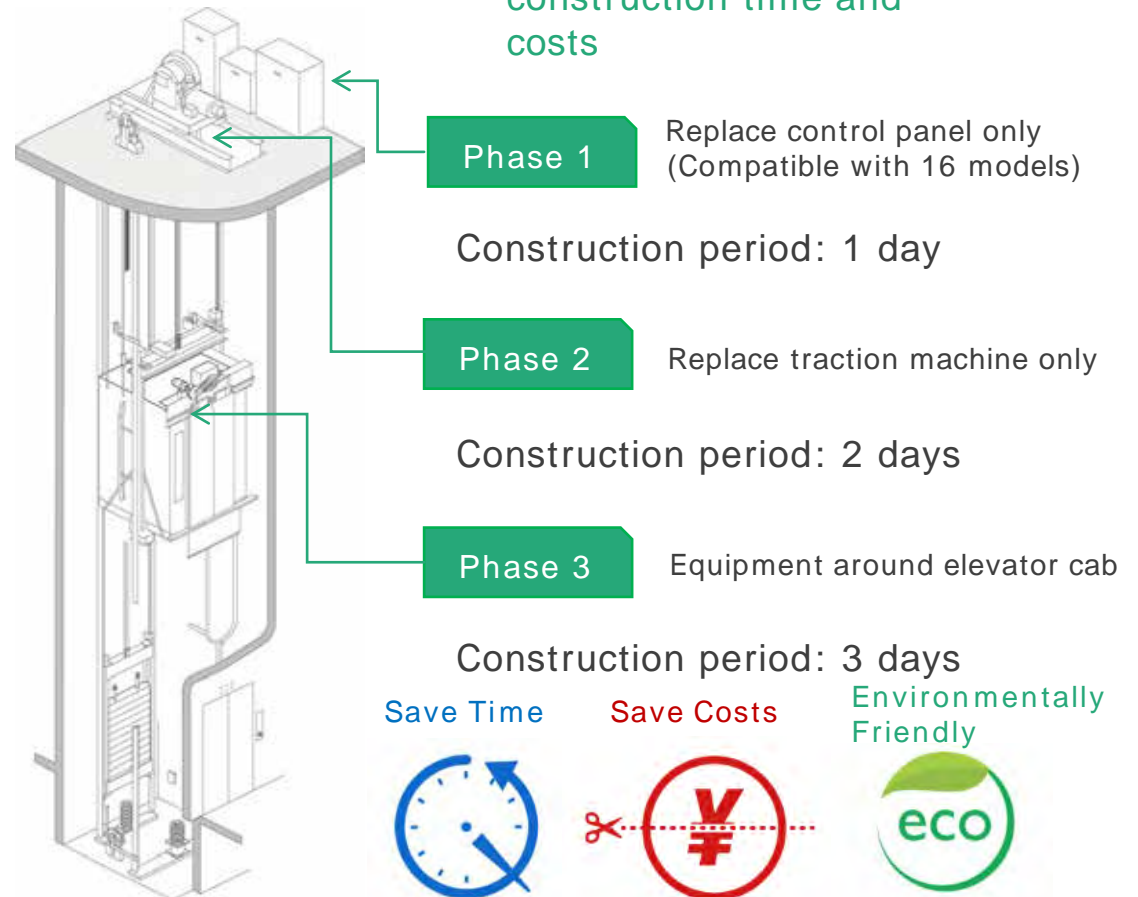
(*) Group companies other than maintenance and repair and modernization operations such as elevators
 (Note) Cosmo Japan Co., Ltd., which became a subsidiary on October 2, 2020, was merged into Japan Elevator Service Jyosai Co., Ltd. on September 1, 2022.
 (Note) Kansai Elevator Corporation, which became a subsidiary on November 11, 2020, was merged into Japan Elevator Service Kansai Co., Ltd. as of May 1, 2023.
 (Note) Seiko Elevator Co., Ltd., which became a subsidiary on May 20, 2020, is scheduled to be merged into Japan Elevator Service Jyonan Co., Ltd. on July 1, 2023.

Quick Renewal enables flexible modernization reflecting customer needs

One time modernization



Major components are replaced in stages, significantly reducing construction time and costs



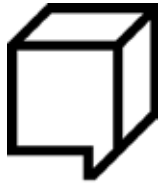
- | Only independent system capable of operating 10 elevators in a high-rise test tower
- | Research and development facilities that create our unique services such as PRIME and Quick Renewal
- | Over 200,000 items in stock in East Japan, an overwhelming inventory of parts centers
- | Technical support training facilities can accommodate hundreds of people
- | Once construction of the Kansai JIC (tentative name) is completed, Quick Renewal will be able to handle more units.
- | Environmental and BCP considerations such as solar power generation, emergency power generation equipment and connection to power supply vehicles
- | Control center redundancy is under consideration.

JES Innovation Center Lab (JIL)

Location Wako City, Saitama
 Site area 2,673.64m²
 Floor area 3,525.78m²
 Completion 2020.10.02



	JES Innovation Center Lab (JIL)	JES Innovation Center (JIC)	Kansai JIC (Name TBD, under construction)
Test tower	Height: 33 m (10 floors) 6 units	Height: 50 m (15 floors) 4 units	-
Control center	-	✓	Under consideration
Parts center	-	✓	✓
Modernization	-	✓	✓
Technical support	-	✓	✓
R & D	✓	✓	-



LiftSPOT

- | LiftSPOT is a service that combines digital signage with security cameras, helping prevent crime in elevators while providing a display for advertising and other content (patent acquired for security camera with ad display function).
- | Audio-enabled digital signage media for elevators, has grown to largest business of its kind in Japan by number of installations (around 10,000 units).
- | We aim to increase installation, mainly in Tokyo area office and residential buildings, thereby lift media value and boost advertising revenue.



LiftSPOT features

1. New medium, not relegated to background
2. Audio-enabled ads means high impact
3. Medium aligns naturally with daily activity

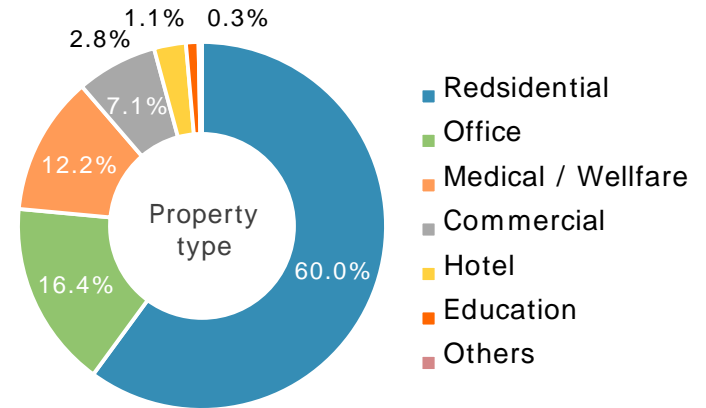
Advertising plans/main client industries

1. BtoC Residential building plan

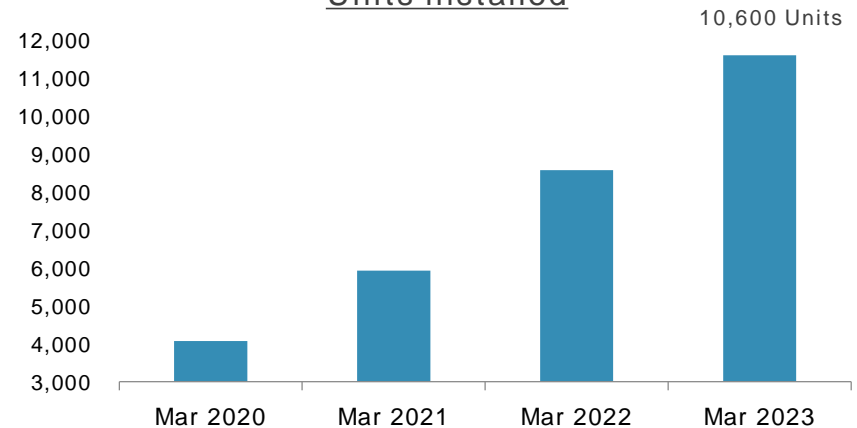
Banks, securities brokerages, retail, restaurants/bars, cram schools, general consumer goods

2. BtoB Office building plan

Marketing/sales support, HR solutions, accounting/management, security, employee benefits



Units installed





Refurbished parts are products collected during parts replacement, then repaired and refurbished. Components that pass our QA testing are certified as JES Authorized Refurbished Parts. JES Group is focusing on obtaining recycled parts and promoting growth in the refurbished parts business to ensure stable parts supply and address environmental issues.

1 . Greenhouse Gas Reduction

Refurbished products can reduce the production and manufacture of components, helping lower industrial waste. JES can create products that are in terms of quality, and using these can help reduce GHG emissions.



In FY 2022/3 we reduced 274t GHG from use of recycled/refurbished products

2 . Resolving social issue of parts shortages

The current global semiconductor shortage is causing delays in the delivery of parts from manufacturers.

The use of refurbished products can help in the following ways:
Rapid response for customers who want elevators back in working order quickly
Mitigates business risk of delayed supply of JES parts



Japan Elevator Service India Private Limited
Established in Feb 2016

Japan Elevator Service Hong Kong Company Limited
In Jul 2014 the Company established vehicle for research and investment in SE Asia



Acquired 51% interest in Unieco of Vietnam in Nov 2021



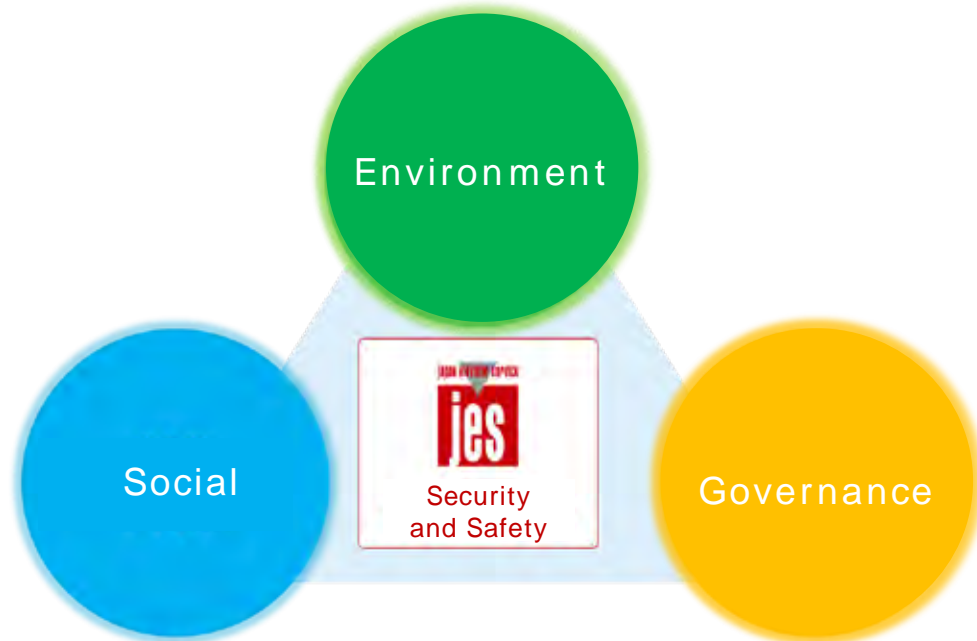
Acquired 80% interest in Cofreth of Malaysia in Jun 2022



Set up joint venture in which the Company took 40% share in Mar 2020

The Concepts of Environment, Society, and Governance Have Always been Integral to Our Operations Under the Banner of Safety and Peace-of-mind.

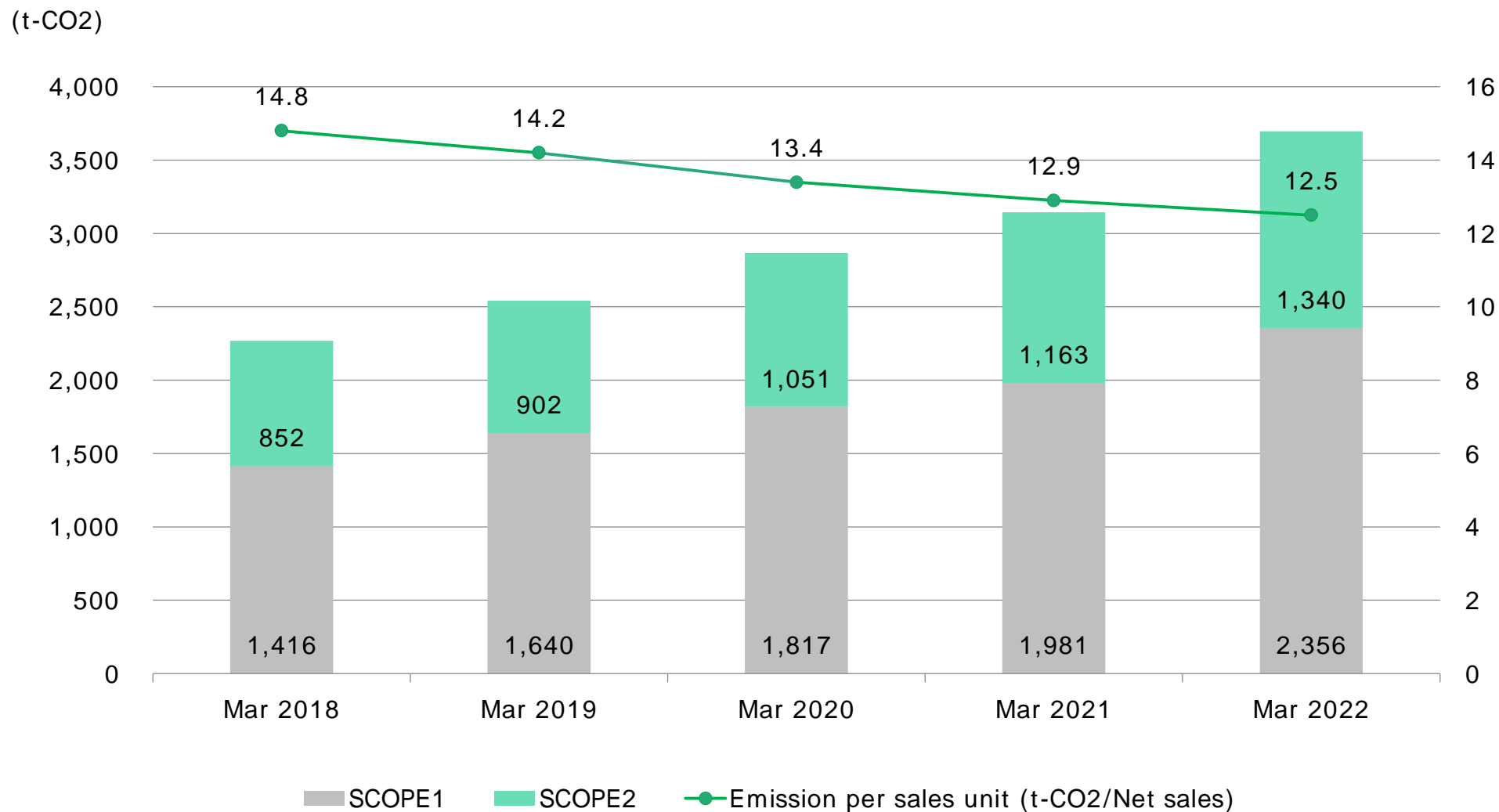
Keeping existing resources in operation through maintenance
Supplying recycled and refurbished products
Contributing to the environment through JIC&JIL



Facilitating female participation
Contributing to those with weaker social standing
Staff training and labor management
Promoting facility accessibility

Promoting the concepts of safety and peace-of-mind
Ensuring thorough compliance
Establishing and passing on technical expertise

Greenhouse Gas Emissions



Disclosure under the TCFD

Transition risks

Policy and law	Increased response costs due to stricter CO2 emission regulations, introduction of carbon tax, etc
	Increased response costs for increased renewable energy deployment due to renewable energy policies
Technology	Increased costs to transition existing products and services to low CO2
	Increased development costs for technological investments to reduce environmental impact
Market	Increased costs to meet growing market and customer demands for climate change
	Rising prices of procured goods due to accelerated decarbonization efforts
Reputation	Risk of lost sales opportunities in the event of delays in responding to customers' CO2 emission reduction needs
	Risk of increased shareholder disclosure requirements for listed companies that are reluctant to disclose climate-related information

Physical risks

Risk of sales decline due to service delivery delays caused by damage to business locations and supply chains as a result of weather-related disasters

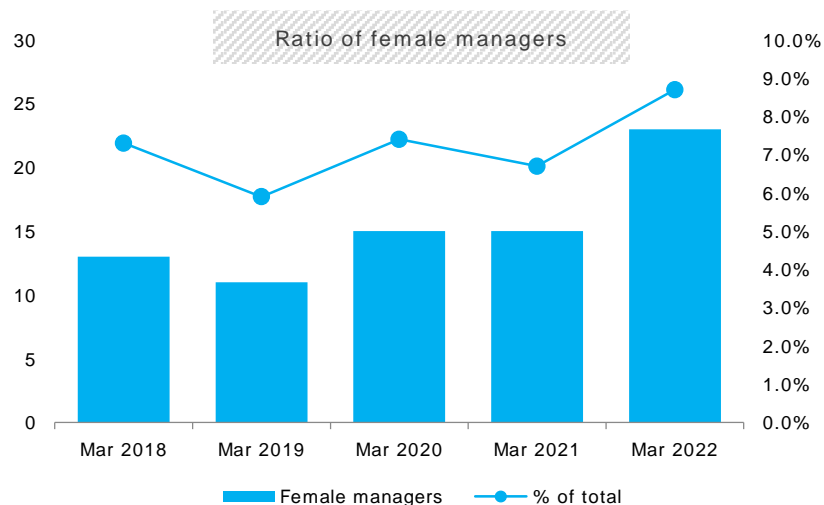
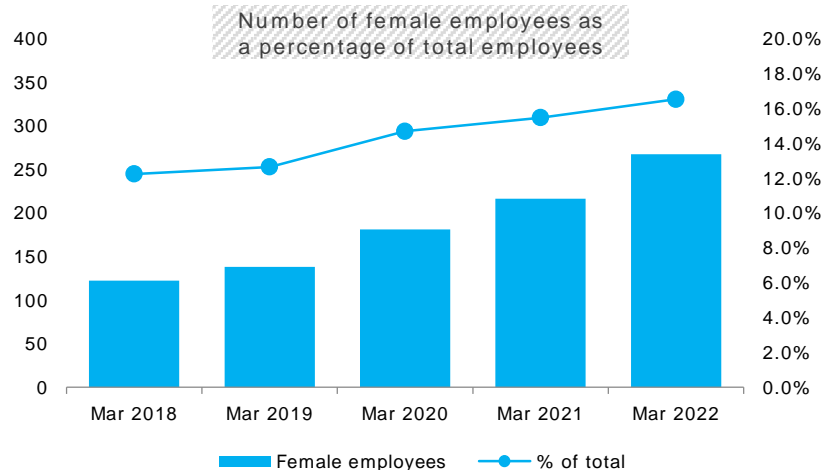
Opportunities

Resource efficiency	Growing demand for recycling and refurbishing business due to the progress of decarbonization in society
	Reduce the amount of energy used in corporate activities, thereby reducing operating costs
Energy source	Increased inquiries about recycling and refurbishing projects from companies looking to decarbonize their businesses
Products and services	Increased inquiries about recycling and refurbishing projects from companies looking to decarbonize their businesses
	Increased orders for repair work on damaged elevators and other equipment
Market	Increased demand for recycling and refurbishing services from companies looking to decarbonize
Toughness resilience	Increased demand for maintenance services with BCP systems in place

- 1.5°C Changes in climate and weather extremes are expected. Specific measures will be considered and implemented in anticipation of an increase in emergency response due to typhoons, flooding, power outages, etc.
- 2°C We assume that stricter GHG emission regulations, technological innovation, and a shift to new energy sources will occur. These will consider and implement specific measures to reduce financial risks and enhance opportunities in the JES Group's services.
- 4°C We assume that physical risks will arise. Natural disasters, rising temperatures, and other factors could adversely affect infrastructure and increase electricity prices, among other risks. Specific measures will be considered and implemented to mitigate the impact of electricity price fluctuations caused by natural disasters.

Promotion of Gender Equal Activities

- Significant increase in the number of women employed and the number of women in management positions since listing on the TSE
- Continue to create a working environment where both men and women can demonstrate their abilities and play an active role



Work and Benefits

Flexible work-style (promotion of direct work and remote work)

- Promoted telework and direct return to work in accordance with the government's policy of reforming work styles
- Promoting telework among corporate staff to diversify work styles and prevent coronary infections

Welfare programme

- Provide and promote the use of employee benefits tailored to the life stages of employees
- Promoting effective use of enhanced benefit packages "childcare support," "childcare allowance," etc.
- Ensure a "safe and secure" base for employees

Company housing

- New company housing in Wako where JIC/JIL is located (to be completed in June 2022)
- Employees on standby within walking distance of JIC's control center to further pursue "safety and security" as a disaster countermeasure

Human Resource Development

STEP24 (In-house qualification system)

Expansion of career paths and improvement of technical skills through an in-house qualification system

Technical Championship

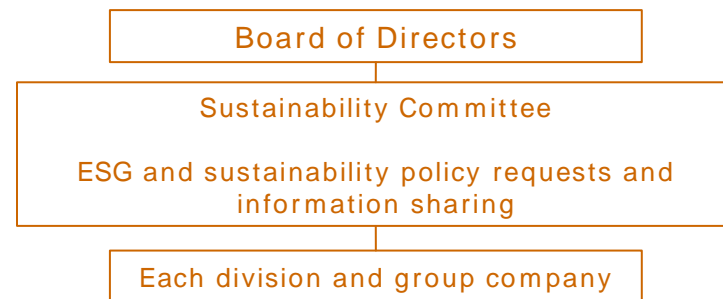
Competitions for technical skills of domestic and overseas group companies

Well-developed training system

Training programs adapted to diversifying careers, including management and specialized skills training for different levels, such as new recruits, mid-level employees and managers

Sustainability Committee Established

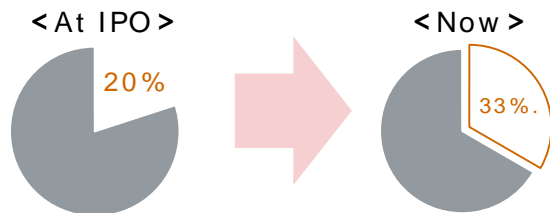
- I Sustainability Committee established directly under the Board of Directors in May 2022
- I In addition to the traditional "going concern" approach in business administration, the concept of ESG has been introduced, and the Company has been asked to consider "measures and targets" for ESG and sustainability that it should address in the future, and to implement specific measures in each division and the entire Group



Corporate Governance Structure

Ratio of Outside Directors

One more outside director has been appointed since listing, bringing the ratio of outside directors to 33%.



Introduction of incentive plans (to promote shareholder conversion)

- Director**
 - May 2018
 - Introduction of restricted stock compensation plan
- Employee**
 - February 2022
 - Introduction of restricted stock incentive for employee stock ownership
 - Foster awareness as a shareholder

Strengthening of compliance system

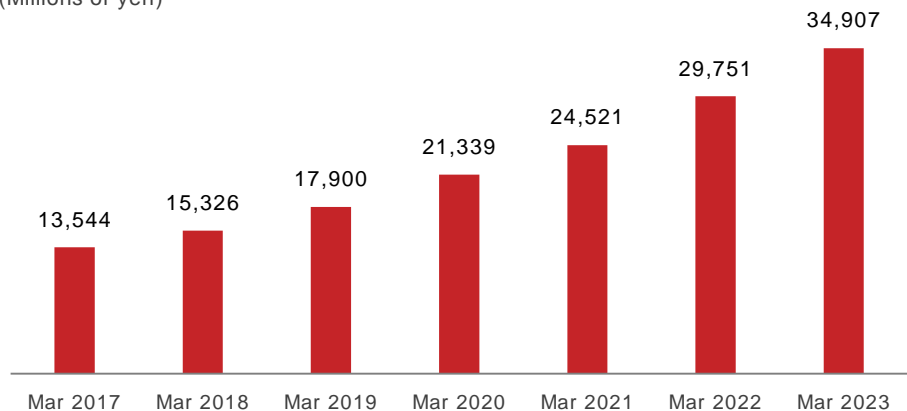
- I Established Compliance Committee and conducted compliance training for directors and employees of the Company and the Group
- I As in the past, established an internal reporting system for violations of internal rules and regulations, harassment, and misconduct through the "JES Hotline" as a completely independent body.
- I Reduced failure rate through technical guidance and safety training for M&A subsidiaries



References

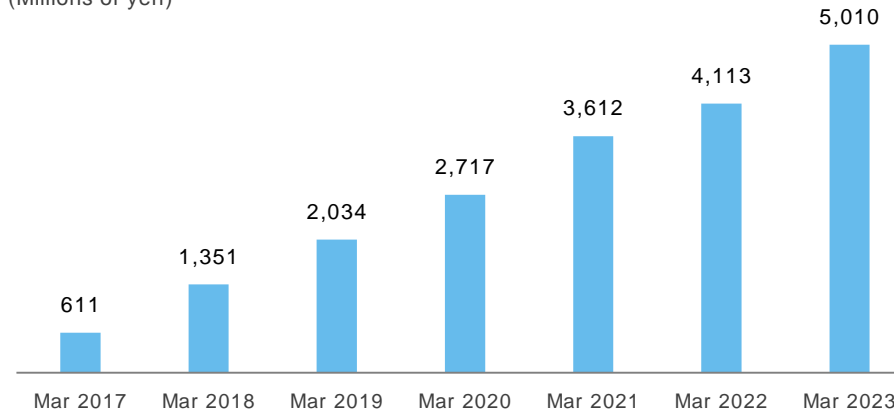
Net sales

(Millions of yen)



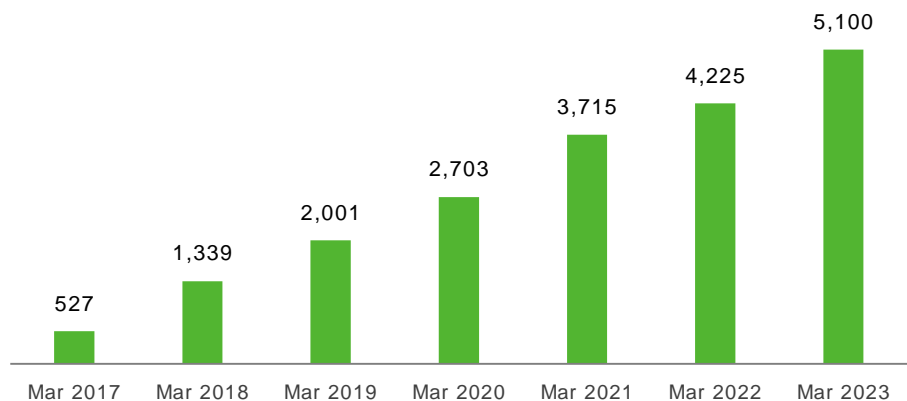
Operating profit

(Millions of yen)



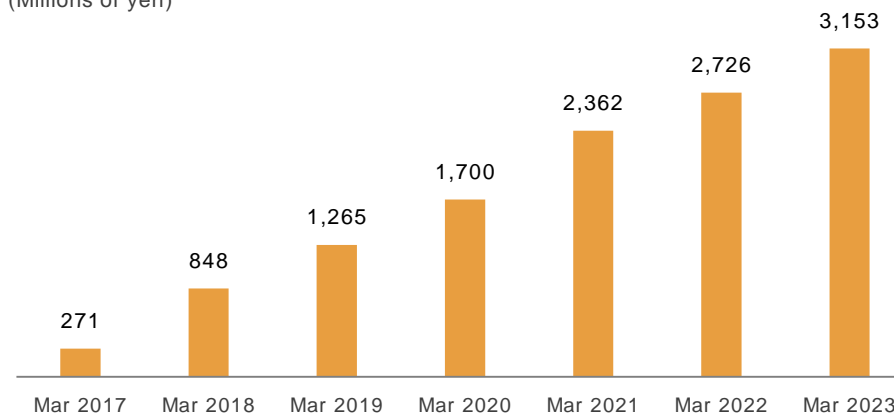
Ordinary profit

(Millions of yen)

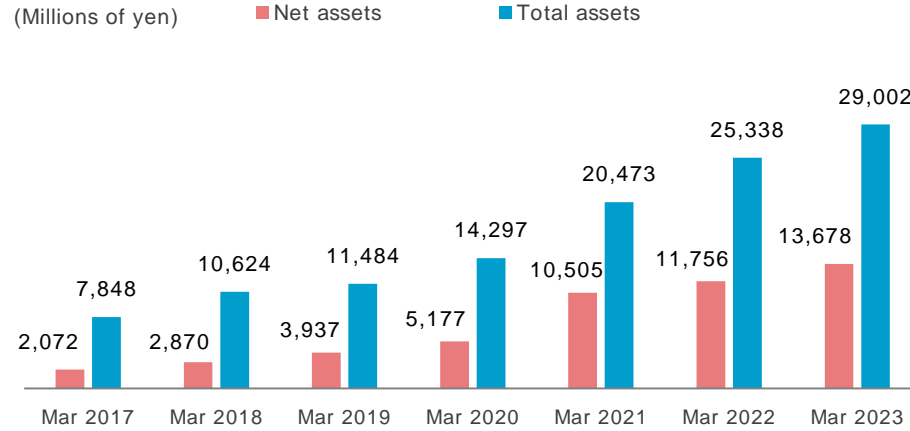


Profit attributable to owners of parent

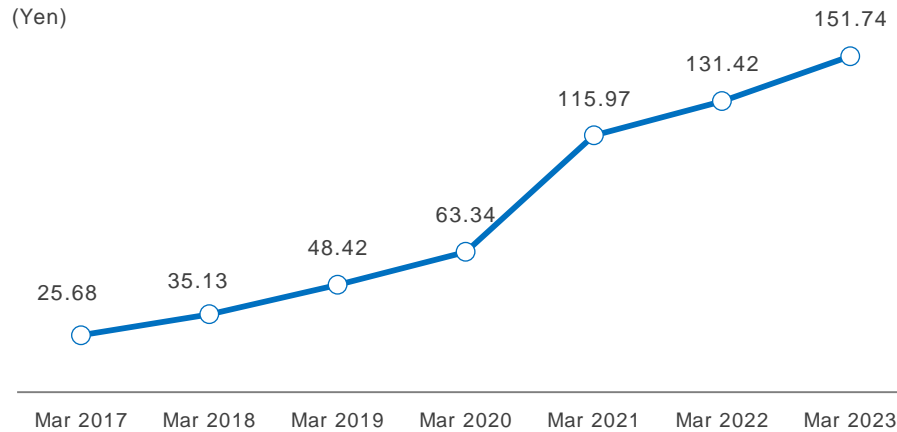
(Millions of yen)



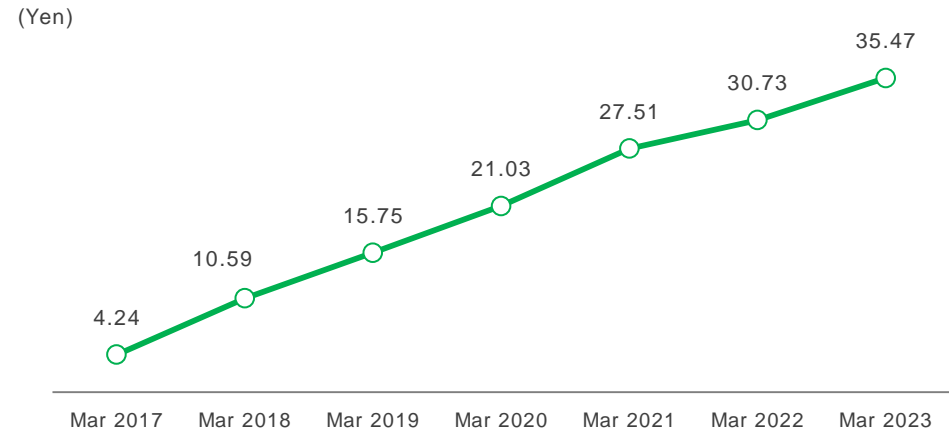
Net assets / Total assets



Net assets per share



Earnings per share



Stock splits history: two-for-one effective on October 1, 2017 two-for-one effective on October 1, 2018 two-for-one effective on January 1, 2021

Disclaimer

- | Japan Elevator Service Holdings (the “Company”) has prepared these materials for your reference, so that you may understand the current status of the Company.
- | 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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- | The data and information in this presentation contains forward-looking statements. These statements are based on certain assumptions underlying current expectations, forecasts, and risks, and carry with them uncertainties which could cause actual results to substantially differ from the projected figures.
- | 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.
- | The Company has no obligation to revise the forward-looking statements contained in this presentation at a later date, even if new information and/or future events emerge.