

< Caution >

This document is a 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.



## 29<sup>th</sup> Annual General Meeting of Shareholders

# Notice of Convocation

### | Date & Time |

Friday, June 23, 2023 at 10:00 a.m.

### | Place |

Congress Square Nihonbashi  
Convention Hall C & D,  
Tokyo Tatemono Nihonbashi Bldg. 3F,  
1-3-13 Nihonbashi, Chuo-ku, Tokyo  
(Please refer to the map of the General  
Meeting of Shareholders venue at the end of  
this document)

### | Matters to be approved |

Proposal 1: Appropriation of Surplus  
Proposal 2: Election of Eight (8) Directors

### | Table of Contents |

|   |    |
|---|----|
| Message from CEO .....  | 1  |
| Notice of Convocation of the 29th Annual<br>General Meeting of Shareholders ..... | 3  |
| Business Report .....   | 8  |
| Consolidated Financial Statements .....   | 27 |
| Financial Statements .....  | 30 |
| Audit Report .....  | 33 |
| Reference Documents for the General Meeting<br>of Shareholders .....              | 39 |

Japan Elevator Service Holdings Co., Ltd.

Securities Code 6544

# Message from CEO



President & Representative  
Director CEO

Katsushi Ishida

## Management Philosophy

### Safety above anything else

Our lifeline is "safety" above all else.  
A commitment to watch over you 24  
hours a day, 365 days a year

### No cutting corners even when others don't see it

Aiming for safe operation without  
cutting corners even when others  
don't see it.

### Building on Trust

As an expert company specializing  
in maintenance, we will build  
relationships of trust with many  
customers based on our position  
and strengths as a company that is  
by no means a manufacturer.

## To Our Shareholders

We would like to thank you for your continued support. We are pleased to present our Notice of the 29th Annual General Meeting of Shareholders.

In May 2022, we announced our medium-term management plan, VISION2027. Our goal is not only to grow our business, but also to contribute to a more comfortable and environmentally friendly society and further enhance our corporate value. In November 2022, the Company expressed its support for the TCFD, and in March 2023, the Company published its first sustainability report to explain its initiatives for ESG.

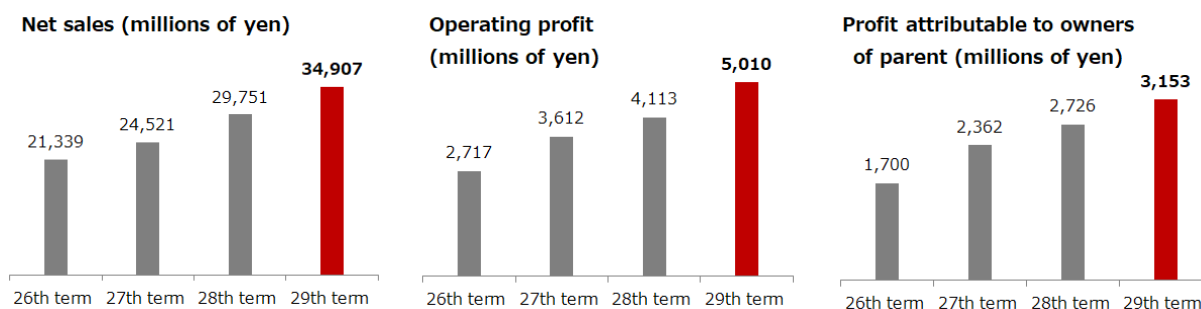
Results for the fiscal year ended March 31, 2023, the first year of our medium-term management plan, got off to a good start with net sales of 34.9 billion yen, up 17.3% YoY, operating profit of 5 billion yen, up 21.8% YoY, and profit attributable to owners of parent of 3.1 billion yen, up 15.6% YoY, marking record highs in both sales and profits. Accordingly, the Company proposes to pay a dividend of 17 yen per share.

Under the corporate philosophy of "safety above anything else", "No cutting corners even when others don't see it", and "Building on Trust", we have developed maintenance and repair and modernization services for elevators and other social infrastructure. We believe that our important mission is to continue to provide high quality services at reasonable prices, always placing the safety and security of our customers as our top priority in our business operations.

We would like to ask our shareholders for their continued support.

June 1, 2023

## Financial Highlights



## Mid-term Management Plan

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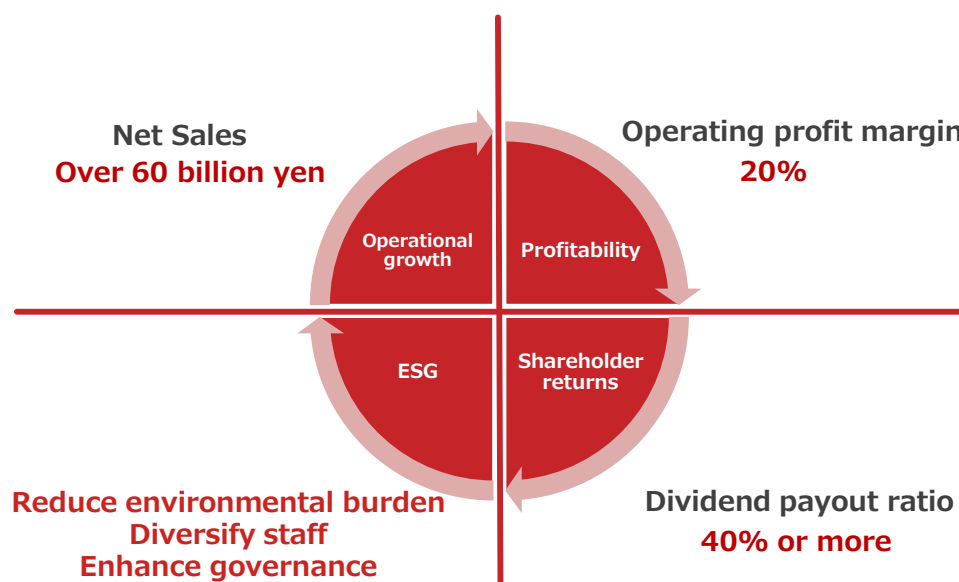
VISION2027 is our first five-year medium-term management plan. As a company listed on the Prime Market of the Tokyo Stock Exchange, we have formulated this plan with the aim of simultaneously achieving sustainable growth and increasing corporate value by addressing not only business growth but also social and environmental issues from a medium- to long-term perspective. It consists of four pillars: business growth, profitability, shareholder returns and ESG initiatives.

As a growth indicator, we aim to achieve consolidated sales of JPY 60 billion by increasing maintenance and servicing sales by expanding our domestic market share and accelerating sales growth by capturing renewal demand in line with the increase in the number of maintenance contracts. As a profitability indicator, we aim to achieve an operating profit margin (before goodwill amortization) of 20%. In addition to improving operational efficiency through human resource development and digital utilization, we will improve profitability by utilizing refurbished products and reducing indirect costs from an ESG perspective.

Our shareholder return policy is to maintain the existing dividend payout ratio of 40% or more, with the aim of increasing returns to shareholders along with profit growth.

We are developing various ESG initiatives, including strengthening our governance structure, which are summarized in our "Sustainability Report 2022" released in March.

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



To All Shareholders

Securities Code 6544

June 7, 2023

(Start date of electronic provisioning measures: June 1, 2023)

1-3-13 Nihonbashi, Chuo-ku, Tokyo

## Japan Elevator Service Holdings Co., Ltd.

Katsushi Ishida,

President & Representative Director CEO

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### Notice of Convocation of the 29th Annual General Meeting of Shareholders

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Dear Sir or Madam, we would like to express our sincere appreciation for your continued support. Notice is hereby given that the 29th Annual General Meeting of Shareholders of the Company will be held as follows

The Company has adopted an electronic method of providing the Notice of Convocation of the 29th Annual General Meeting of Shareholders, which is posted on the Company's website.

Our Website

<https://www.jes24.co.jp/en/ir/report2.html>



In addition to the Company's website, the matters regarding the electronic provision of information are also posted on the website of the Tokyo Stock Exchange (TSE), which can be found at the following link.

Tokyo Stock Exchange Website (TSE Listed Company Information Service)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



(Please access the above TSE website (TSE Listed Company Information Service), enter "Japan Elevator Service Holdings" in "Issue Name (Company Name)" or our securities code "6544" in "Code", select "Basic Information" and "Documents for public inspection/PR information" in that order, and check "Notice of General Shareholders Meeting/Information Materials for General Shareholders Meeting.")

**In exercising your voting rights in writing (by mail) or via the Internet, please review the Reference Documents for the General Meeting of Shareholders as described below and exercise your voting rights by 6:00 p.m. on June 22, 2023 (Thursday).**

Yours sincerely

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Note

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- 1. Date and time**      Friday, June 23, 2023 at 10:00 a.m.
- 2. Place**                      Congress Square Nihonbashi Convention Hall C & D,  
Tokyo Tatemono Nihonbashi Bldg. 3F, 1-3-13 Nihonbashi, Chuo-ku, Tokyo  
(Please refer to the "Map of the General Meeting of Shareholders Venue" at  
the end of this document.)
- 3. Meeting Agenda**
- |                               |   |
|-------------------------------|---|
| <b>Matters to be reported</b> | <ol style="list-style-type: none"><li>1. Business Report and Consolidated Financial Statements for the 29th fiscal year (from April 1, 2022 to March 31, 2023) and the Audit Reports of the Accounting Auditor and Audit &amp; Supervisory Board on the Consolidated Financial Statements</li><li>2. Financial statements for the 29th fiscal year (from April 1, 2022 to March 31, 2023)</li></ol> |
| <b>Matters to be resolved</b> | Proposal 1: Appropriation of Surplus<br>Proposal 2: Election of Eight (8) Directors   |
- 4. Information on the exercise of voting rights**      Please refer to [Information on the Exercise of Voting Rights] on pages from 5 to 7.
- 




Ends

- ◎ If you plan to attend the meeting in person, please submit the enclosed Voting Rights Exercise Form to the receptionist at the meeting. In order to conserve resources, we ask that you please take this Notice of Convocation with you.
- ◎ At this Shareholders' Meeting, the Company will uniformly send a document containing the electronic provision measure matters, irrespective of whether or not a request for the delivery of the document has been made. The following items among the items to be provided electronically are not included in the document to be sent in accordance with the provisions of the law and Article 14 of the Company's Articles of Association:
  - (i) "Systems to ensure proper business operations and the status of operation of such systems" in the Business Report,
  - (ii) "Notes to the consolidated financial statements" in the consolidated financial statements, and
  - (iii) "Notes to the non-consolidated financial statements" in the financial statements.Accordingly, the business report, consolidated financial statements, and financial statements included in this document are part of the subject documents audited by the accounting auditor in preparing the accounting audit report and by the auditors in preparing their audit report.
- ◎ If any revisions are made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Financial Statements, the revised items will be posted on the website on the Internet.
- ◎ Although the treatment of new coronavirus infection has been changed to a category 5 infectious disease, we ask that you exercise your voting rights in writing (by post) or via the internet in advance, taking into consideration the health and safety of your shareholders, your health condition up to the day of the vote and the infection situation in Japan, and not straining to do so.
- ◎ No souvenirs will be provided for shareholders attending the General Meeting of Shareholders. We appreciate your understanding.
- ◎ If any major changes occur to the schedule for holding and operating the General Meeting of Shareholders due to future circumstances, we will announce them on our website.

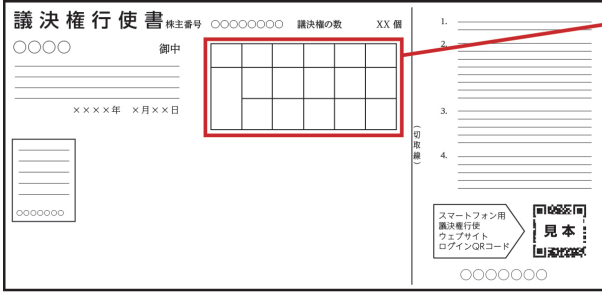


## Information on the Exercise of Voting Rights

The right to vote at shareholders' meetings is an important right for all shareholders. Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders as set forth below. There are three ways to exercise your voting rights

|   |  |   |
|---|--|---|
|  <p><b>If you are attending the General Meeting of Shareholders</b></p> <p>Please submit the enclosed voting form to the receptionist at the meeting.</p> <p>Day &amp; Time</p> <p><b>Friday, June 23, 2023<br/>10:00 A.M.</b></p> |  <p><b>If you exercise your voting rights in writing (by mail)</b></p> <p>Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it to us.</p> <p>Exercise deadline</p> <p><b>Thursday, June 22, 2023<br/>Up to 6:00 p.m. arrival</b></p> |  <p><b>If you exercise your voting rights via the Internet</b></p> <p>Please follow the directions on the next page to enter your approval or disapproval of the proposals.</p> <p>Exercise deadline</p> <p><b>Thursday, June 22, 2023<br/>Until 6:00 p.m.</b></p> |
|---|--|---|

## Information on how to fill out the Voting Rights Exercise Form



こちらに議案の賛否をご記入ください。

**第1号議案**

- 賛成の場合 >> 「賛」の欄に○印
- 反対する場合 >> 「否」の欄に○印

**第2号議案**

- 全員賛成の場合 >> 「賛」の欄に○印
- 全員反対する場合 >> 「否」の欄に○印
- 一部の候補者を反対する場合 >> 「賛」の欄に○印をし、反対する候補者の番号をご記入ください。

※議決権行使書用紙はイメージです。

If you exercise your voting rights in writing (by mail) and return the Voting Rights Exercise Form without indicating your approval or disapproval of the proposals, we will treat it as if you had exercised your voting rights in favor of the proposals.

If you exercise your voting rights both in writing (by mail) and via the Internet, etc., we will treat the exercise of voting rights via the Internet, etc. as a valid exercise of voting rights. If you exercise your voting rights more than once via the Internet, etc., the last vote will be treated as a valid exercise of your voting rights.



## Exercise of voting rights via the Internet, etc.

Exercise  
deadline

Thursday, June 22, 2023  
Until 6:00 p.m.

### How to read the login QR code "Smart Exercise."

You can log in to the voting website without entering  
your voting code and password.

- 1 議決権行使書用紙右下に記載のQRコードを読み取ってください。

※「QRコード」は株式会社デンソーウェブの登録商標です。

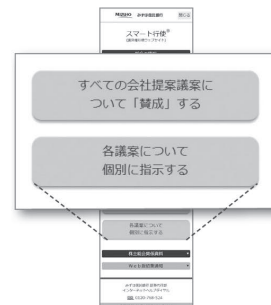


- 2 以降は画面の案内に従って賛否をご入力ください。

「スマート行使」での議決権行使は**1回のみ**。

議決権行使後に行使内容を変更する場合は、お手数ですがPC向けサイトへアクセスし、議決権行使書用紙に記載の「議決権行使コード」・「パスワード」を入力してログイン、再度議決権行使をお願いいたします。

※QRコードを再度読み取っていただくと、PC向けサイトへ遷移できます。

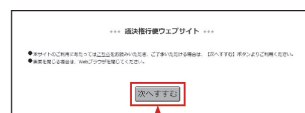


※議決権行使書用紙はイメージです。

# How to enter your voting code and password

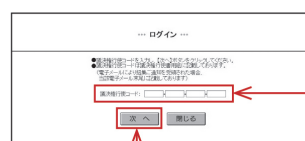
Voting website <https://soukai.mizuho-tb.co.jp/>

- 1 議決権行使ウェブサイトへアクセスしてください。



「次へすすむ」をクリック

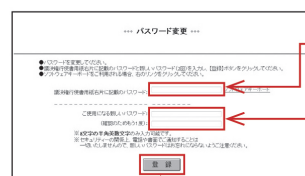
- 2 議決権行使書用紙に記載された「議決権行使コード」をご入力ください。



「議決権行使コード」を入力

「次へ」をクリック

- 3 議決権行使書用紙に記載された「パスワード」をご入力ください。



「パスワード」を入力

実際にご使用になる新しいパスワードを設定してください

「登録」をクリック

- 4 以降は画面の案内に従って賛否をご入力ください。

※操作画面はイメージです。

Please note that you may not be able to use the website for exercising voting rights depending on the Internet environment of your PC, smartphone or cell phone.

Inquiries regarding the exercise of voting rights via the Internet

Mizuho Trust & Banking, Stock Transfer Agency Department  
Internet Help Dial  
☎ 0120-768-524  
(Reception hours: 9:00-21:00)

To Institutional Investors:

Institutional investors may also exercise their voting rights for this General Meeting of Shareholders via the "Electronic Voting Platform" operated by ICJ, Inc.



# Business Report (from April 1, 2022 to March 31, 2023)

## 1 Current Status of the Group

### (1) Business status during the current fiscal year

#### (i) Business Progress and Results

During the fiscal year under review, the Japanese economy showed signs of recovery, partly due to the effects of various with-Corona policies, but the outlook remains uncertain due to the prolonged situation in Ukraine and the sharp depreciation of the yen, which has led to a rise in prices. In this environment, the need for corporate cost reduction 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 positive effects as important bases for the Group's growth, such as strengthening parts supply capacity by expanding parts centers, accelerating R&D by consolidating development-related departments, and providing actual equipment for engineer training using a total of 10 test towers.

The number of maintenance contracts remained steadily increasing, and net sales of maintenance and repair services amounted to 23,178 million yen (up 9.7% year-on-year). Net sales of modernization services was 10,468 million yen (up 30.5% year-on-year) due to the strengthening of the sales structure in preparation for business expansion and proposals for properties where parts supply has been suspended.

As a result of the above, the Group posted net sales of 34,907 million yen (up 17.3% year-on-year), operating profit of 5,010 million yen (up 21.8% year-on-year), ordinary profit of 5,100 million yen (up 20.7% year-on-year), and profit attributable to owners of parent of 3,153 million yen (up 15.6% year-on-year).

|  | 28th period<br>(Fiscal year ended<br>March 31, 2022) | 29th period<br>(Fiscal year ended<br>March 31, 2023) | Compared to the previous fiscal<br>year |                      |
|--|--|--|---|----------------------|
|  | Amount<br>(millions of yen)                          | Amount<br>(millions of yen)                          | Amount<br>(millions of yen)             | Percentage<br>change |
| Net sales                                  | 29,751   | 34,907   | +5,155                                  | +17.3%               |
| Operating profit                           | 4,113  | 5,010  | +897                                    | +21.8%               |
| Ordinary profit                            | 4,225  | 5,100  | +874                                    | +20.7%               |
| Profit attributable to owners<br>of parent | 2,726  | 3,153  | +426                                    | +15.6%               |

**(ii) Capital Expenditures**

The total amount of capital expenditures made by the Group during the current fiscal year was 3,654 million yen. The main part of this investment was in remote monitoring terminals. There were no disposals or sales of significant facilities during the current fiscal year.

**(iii) Financing**

In the current fiscal year, the Group raised funds of 2,327 million yen in the form of loans from financial institutions. The Group also raised 26 million yen through the exercise of stock acquisition rights (stock options).

**(iv) Transfer of business, absorption-type demerger or incorporation-type demerger**

There are no significant matters to be stated.

**(v) Acquisition of business of other companies**

There are no significant matters to be stated.

**(vi) Succession to rights and obligations relating to the business of other corporations, etc., as a result of absorption-type merger or absorption-type split**

There are no significant matters to be stated.

**(vii) Acquisition or disposal of shares, other equity interests or stock acquisition rights, etc. of other companies**

There are no significant matters to be stated.

## (2) Status of assets and profit and loss for the previous three fiscal years

### (i) Assets and profit/loss of the Group

|  |                   | 26th period<br>(Fiscal year<br>ended March<br>2020) | 27th period<br>(Fiscal year<br>ended March<br>31, 2021) | 28th period<br>(Fiscal year<br>ended March<br>31, 2022) | 29th period<br>(current fiscal<br>year)<br>(Fiscal year<br>ended March<br>31, 2023) |
|--|-------------------|---|---|---|---|
| <b>Net sales</b>                               | (millions of yen) | 21,339  | 24,521  | 29,751  | <b>34,907</b>   |
| <b>Ordinary profit</b>                         | (millions of yen) | 2,703   | 3,715   | 4,225   | <b>5,100</b>  |
| <b>Profit attributable to owners of parent</b> | (millions of yen) | 1,700   | 2,362   | 2,726   | <b>3,153</b>  |
| <b>Earnings per share</b>                      | (Yen)             | 21.03   | 27.51   | 30.73   | <b>35.47</b>  |
| <b>Total assets</b>                            | (millions of yen) | 14,297  | 20,473  | 25,338  | <b>29,002</b>   |
| <b>Net assets</b>                              | (millions of yen) | 5,177   | 10,505  | 11,756  | <b>13,678</b>   |
| <b>Net assets per share</b>                    | (Yen)             | 63.34   | 115.97  | 131.42  | <b>151.74</b>   |

### (ii) Assets and Profits and Losses of the Company

|                             |                   | 26th period<br>(Fiscal year<br>ended March<br>2020) | 27th period<br>(Fiscal year<br>ended March<br>2021) | 28th period<br>(Fiscal year<br>ended March<br>2022) | 29th period<br>(Current fiscal<br>year)<br>(Fiscal year<br>ended March<br>2023) |
|-----------------------------|-------------------|---|---|---|---|
| <b>Operating revenue</b>    | (millions of yen) | 4,916   | 5,365   | 6,293   | <b>6,876</b>  |
| <b>Ordinary profit</b>      | (millions of yen) | 2,015   | 2,109   | 2,200   | <b>2,302</b>  |
| <b>Profit</b>               | (millions of yen) | 1,345   | 1,719   | 2,064   | <b>2,065</b>  |
| <b>Earnings per share</b>   | (Yen)             | 16.63   | 20.02   | 23.27   | <b>23.23</b>  |
| <b>Total assets</b>         | (millions of yen) | 10,435  | 15,433  | 19,724  | <b>22,169</b>   |
| <b>Net assets</b>           | (millions of yen) | 3,067   | 7,553   | 8,564   | <b>9,430</b>  |
| <b>Net assets per share</b> | (Yen)             | 37.54   | 85.28   | 96.52   | <b>105.89</b>   |

- (Note) 1. On January 1, 2021, the Company conducted a 2-for-1 stock split of its common stock. Earnings per share and net assets per share are calculated based on the assumption that the stock split was conducted at the beginning of the 26th fiscal year.
2. Earnings per share is calculated based on the average number of shares outstanding during the period, excluding treasury shares.
3. Net assets per share is calculated based on the total number of shares outstanding at the end of the period, excluding treasury shares.

### (3) Significant Parent Company and Subsidiaries

#### (i) Parent Company

Not applicable.

#### (ii) Significant Subsidiaries

| Company Name                                | Share capital (millions of yen) | Percentage of voting rights held by the Company (%) | Principal Businesses   |
|---|---------------------------------|---|--|
| Japan Elevator Service Hokkaido Co., Ltd.   | 10                              | 100.0   | Maintenance, repair and modernization services for elevators and other equipment in the Hokkaido area.                     |
| Japan Elevator Service Jyonan Co., Ltd.     | 10                              | 100.0   | Maintenance and repair services for elevators and other equipment in the eastern Kanto and eastern Tokyo area              |
| Japan Elevator Service Jyosai Co., Ltd.     | 10                              | 100.0   | Maintenance and repair services for elevators and other equipment in the northern Kanto, western Tokyo, and Tohoku regions |
| Japan Elevator Service Kanagawa Co., Ltd.   | 10                              | 100.0   | Maintenance and repair services for elevators and other equipment in the Kanagawa area                                     |
| Japan Elevator Service Tokai Co., Ltd.      | 10                              | 100.0   | Maintenance and repair services for elevators and other equipment in the Tokai area  |
| Japan Elevator Service Kansai Co., Ltd.     | 10                              | 100.0   | Maintenance and repair services for elevators and other equipment in the Kansai area                                       |
| Japan Elevator Service Chushikoku Co., Ltd. | 10                              | 100.0   | Maintenance and repair services for elevators and other equipment in the Chugoku and Shikoku regions                       |
| Japan Elevator Service Kyushu Co., Ltd.     | 10                              | 100.0   | Maintenance and repair services for elevators and other equipment in the Kyushu area                                       |
| Japan Elevator Parts Co., Ltd.              | 10                              | 100.0   | Modernization service for elevators and other equipment and storage and sales of related parts                             |

(Note) On April 1, 2022, the Group established Japan Elevator Service Chushikoku Co., Ltd.

#### **(4) Issues to be addressed**

In the elevator and other maintenance industry, business opportunities are increasing due to an increase in the supply of elevators and other equipment as a result of the growing supply of real estate, and the demand for cost reductions by property owners and building management companies, etc. At the same time, there is a growing social demand for the safe operation of elevators and other equipment and the need to provide high-quality services. In this business environment, we recognize that the main issues to be addressed by the Group are as follows.

##### **(i) Build and expand domestic business base**

We recognize that building and expanding our business base is a challenge for the Group to achieve stable growth. Specifically, we believe it is most important to increase the number of maintenance contracts, which will lead to ongoing revenue and expansion into repair and modernization operations.

##### **(ii) Secure and develop human resources**

The foundation of the Group's business competitiveness is human resources capable of providing the high-quality maintenance services required for the safe operation of elevators, and we believe that securing and training such personnel is essential for the future growth of our Group.

The Group will continue strengthening the training it has provided to employees and establish an in-house technical and quality certification system to develop human resources with high skill levels.

In addition, the Group will seek to improve public awareness of the Group and working conditions, actively increase the number of new graduates and mid-career hires, and supplement its workforce as appropriate through the use of subcontractors that can guarantee the quality demanded by the Group.

##### **(iii) Develop overseas business**

We believe that demand for high-quality maintenance services exists widely not only in the Japanese market but also in overseas markets. By leveraging the Group's technical capabilities to handle elevators from multiple manufacturers and its expertise in education and training, which it has cultivated in the Japanese market, the Company intends to expand and grow in overseas markets.

##### **(iv) Consider capital and business alliances for business expansion**

We will consider acquiring other companies, forming joint ventures or business alliances with other companies that would contribute to improving the corporate value of our group.

**(v) Promote research and development**

The JES Innovation Center (JIC), a research and development facility equipped with a 50-meter elevator test tower, and the JES Innovation Center Lab (JIL), located adjacent to the JIC, promote research and development activities such as elevator modernization. In particular, JIL is strengthening various R&D activities, focusing on expanding production capacity in the modernization business and increasing the number of models compatible with Quick Renewal, a new low-cost, quick-delivery service.

**(vi) Stabilize financial base**

The future expansion of the Group's business will require upfront and ongoing investment to accommodate evolving technologies relates to elevators, including research and development, investment in human resources, and expansion of training facilities. To prepare for future capital needs, the Company shall secure internal reserves and stabilize its financial position by raising funds through borrowings and other means.

**(5) Principal Businesses (as of March 31, 2023)**

| <b>Business Segment</b> | <b>Business</b>  |
|-------------------------|--|
| Maintenance Business    | Maintenance, repair, and modernization of elevators and escalators |

**(6) Principal Offices** (as of March 31, 2023)

**(i) The Company**

| <b>Name</b>               | <b>Location</b>    |
|---------------------------|--------------------|
| Head office               | Chuo-ku, Tokyo     |
| JES Innovation Center     | Wako City, Saitama |
| JES Innovation Center Lab | Wako City, Saitama |

**(ii) Subsidiaries**

| <b>Name</b>                                 | <b>Location</b>                               |
|---|---|
| Japan Elevator Service Hokkaido Co., Ltd.   | Head office (Sapporo City, Hokkaido), etc.    |
| Japan Elevator Service Jyonan Co., Ltd.     | Head office (Chiyoda-ku, Tokyo), etc.         |
| Japan Elevator Service Jyosai Co., Ltd.     | Head office (Shinjuku-ku, Tokyo), etc.        |
| Japan Elevator Service Kanagawa Co., Ltd.   | Head office (Yokohama City, Kanagawa), etc.   |
| Japan Elevator Service Tokai Co., Ltd.      | Head office (Nagoya City, Aichi), etc.        |
| Japan Elevator Service Kansai Co., Ltd.     | Head office (Osaka City, Osaka), etc.         |
| Japan Elevator Service Chushikoku Co., Ltd. | Head office (Hiroshima City, Hiroshima), etc. |
| Japan Elevator Service Kyushu Co., Ltd.     | Head office (Fukuoka City, Fukuoka), etc.     |
| Japan Elevator Parts Co., Ltd.              | Head office (Wako City, Saitama), etc.        |

**(7) Employees (as of March 31, 2023)**

**(i) Employees of the Group** 1,766 (148 more than at the end of the previous period)

- (Note) 1. The number of employees is the number of full-time employees (excluding employees dispatched from the Group to outside the Group and including employees dispatched from outside the Group to the Group). The average number of temporary employees is omitted because it is less than 10/100 of the total number of employees.
2. The increase of 148 employees from the end of the previous fiscal year is mainly due to the hiring of new employees in line with business expansion.
3. The Company's group is composed of a single segment, the maintenance business only, and therefore, segment information is not provided.

**(ii) Employees of the Company**

| Number of employees | Change from the end of the previous fiscal year | Average age    | Average years of service |
|---------------------|---|----------------|--------------------------|
| 235 persons         | Increase of 2 persons                           | 40.8 years old | 7.0 years                |

- (Note) The number of employees is the number of full-time employees (excluding employees dispatched from the Company to outside companies and including employees dispatched from outside companies to the Company). The average number of temporary employees is omitted because it is less than 10% of the total number of employees.

**(8) Principal Lenders (as of March 31, 2023)**

| Lender                              | Amount borrowed       |
|-------------------------------------|-----------------------|
| Mizuho Bank, Ltd.                   | 1,912 millions of yen |
| Sumitomo Mitsui Banking Corporation | 1,911                 |
| The Bank of Mitsubishi UFJ, Ltd.    | 1,654                 |
| The Hokkaido Bank, Ltd.             | 402                   |
| The Bank of Yokohama, Ltd.          | 401                   |

**(9) Other important matters concerning the current status of the corporate group**

Not applicable.



## 2 Current Status of the Company

### (1) Status of Shares (as of March 31, 2023)

(i) Total number of shares authorized 224,000,000 shares

(ii) Total number of shares issued and outstanding 89,067,200 shares  
(including 8,819 treasury shares)

(Note: The total number of outstanding shares increased by 313,600 shares due to the exercise of stock acquisition rights.

(iii) Number of shareholders 8,514 persons

### (iv) Major shareholders

| Shareholder Name                                     | Number of shares held             | Shareholding ratio |
|--|-----------------------------------|--------------------|
| KI Corporation                                       | 25,294 <sup>thousand shares</sup> | 28.4%              |
| SSBTC CLIENT OMNIBUS ACCOUNT                         | 12,659                            | 14.2               |
| The Master Trust Bank of Japan, Ltd.                 | 11,973                            | 13.4               |
| The Custody Bank of Japan, Ltd.                      | 4,498                             | 5.0                |
| J.P. MORGAN BANK LUXEMBOURG S.A. 384513              | 1,507                             | 1.6                |
| STATE STREET BANK AND TRUST COMPANY 505001           | 1,306                             | 1.4                |
| BBH FOR MATTHEWS ASIA GROWTH FUND                    | 1,194                             | 1.3                |
| The Dai-ichi Life Insurance Co.                      | 1,155                             | 1.2                |
| TAIYO FUND, L.P.                                     | 1,099                             | 1.2                |
| Japan Elevator Service Employee Stock Ownership Plan | 1,075                             | 1.2                |

(Note) Shareholding ratio is calculated excluding treasury shares (8,819 shares).

**(v) Shares issued to the Company's officers as compensation for the execution of their duties during the fiscal year under review**

|   | <b>Number of shares</b> | <b>Number of grantees</b> |
|---|-------------------------|---------------------------|
| Directors (excluding outside directors) | 3,000 shares            | 1 person                  |

(Note) The details of the Company's stock-based compensation are described in "2. (3) (iv) Compensation, etc. of Directors and Audit & Supervisory Board member".

**(2) Stock acquisition rights, etc.**

**(i) Stock acquisition rights held by the Company's Directors and Corporate Auditors as of the end of the fiscal year under review that were issued in compensation for the execution of their duties**

Not applicable.

**(ii) Stock acquisition rights issued to employees, etc. as compensation for the execution of their duties during the fiscal year under review**

Not applicable.

**(iii) Other important matters concerning stock acquisition rights, etc.**

Details of stock acquisition rights issued to the Company's employees, etc. as of March 31, 2023 are as follows.

| Name   | First Series Stock Acquisition Rights  |
|--|--|
| Date of resolution   | March 15, 2016   |
| Number of stock acquisition rights   | 406 units  |
| Type and number of shares to be issued upon exercise of stock acquisition rights | Common stock 324,800 shares<br>(per stock acquisition right 800 shares)  |
| Amount to be paid in for stock acquisition rights                                | No payment is required in exchange for stock acquisition rights.   |
| Amount of assets to be contributed upon exercise of stock acquisition rights     | Per stock acquisition right 66,400 yen<br>(per share 83 yen)   |
| Exercise period  | April 1, 2019 through March 31, 2026   |
| Conditions for Exercise  | See notes  |
| Status of possession by employers, etc.  | Number of stock acquisition rights 406 units<br>Number of shares to be issued 324,800 shares<br>Number of holders 1 person |

(Notes) The conditions for exercising subscription rights to shares are as follows.

1. The holders of the Stock Acquisition Rights shall be granted the right to exercise the number of stock acquisition rights (vested stock acquisition rights) specified below at the time and in the manner specified below, subject to the fulfillment of other conditions.

| Schedule            | Number of vested stock acquisition rights |
|---------------------|---|
| After April 1, 2019 | 33% of allotment                          |
| After April 1, 2021 | 66% of allotment                          |
| After April 1, 2024 | 100% of allotted number of shares         |

2. The Company conducted a 100-for-1 stock split on August 31, 2016, a 2-for-1 stock split on October 1, 2017, a 2-for-1 stock split on October 1, 2018, and a 2-for-1 stock split on January 1, 2021. The Company conducted a 2-for-1 stock split on October 1, 2018 and a 2-for-1 stock split on January 1, 2021. As a result, "Number of shares to be issued upon exercise of stock acquisition rights" and "Value of assets to be contributed upon exercise of stock acquisition rights" were adjusted.

### (3) Directors and Corporate Auditors

#### (i) Directors and Audit & Supervisory Board member (as of March 31, 2023)

| Position in the Company                          | Name             | Responsibilities and Important Concurrent Positions   |
|--|------------------|---|
| President & Representative Director              | Katsushi Ishida  | CEO<br>Representative Director of KI Corporation  |
| Director, Deputy President and Executive Officer | Kimihiko Imamura | CFO, General Manager of Business Administration Headquarters  |
| Director, Senior Managing Executive Officer      | Shuji Kuramoto   | Technology Director, General Manager of Domestic Business Headquarters  |
| Director, Senior Managing Executive Officer      | Shinsuke Uno     | West Japan Business Director<br>President of Japan Elevator Service Kansai Co., Ltd.  |
| Director, Managing Executive Officer             | Takeshi Watanabe | General Manager of Sales & Marketing Headquarters   |
| Director, Managing Executive Officer             | Daiki Murakami   | General Manager of Technology Headquarters  |
| Director   | Hitoshi Watanabe | Head of Watanabe CPA Office<br>President of R&J Co., Ltd.   |
| Director   | Noriko Endo      | Outside Director of AIN Holdings, Inc.<br>Outside Director of Hankyu Hanshin Holdings, Inc.<br>Project Professor of Global Research Institute, Keio University<br>Outside Director of Techpoint, Inc.<br>Outside Director of Nippon Telegraph and Telephone Corporation |
| Director   | Mika Yano        | Representative Director and President of Mizenka Co., Ltd.<br>Representative Director of MarketPrism Japan Co., Ltd.<br>Director, Vice President and Head of Legal, Asia and the U.S. of Colt Technology Services Co., Ltd.   |
| Full-time Audit & Supervisory Board member       | Kei Tachibana    |   |
| Audit & Supervisory Board member                 | Hitoshi Maeda    |   |
| Audit & Supervisory Board member                 | Shigeru Haga     |   |

- (Notes) 1. Directors Hitoshi Watanabe, Noriko Endo and Mika Yano are outside directors.  
2. Audit & Supervisory Board member Hitoshi Maeda and Shigeru Haga are outside Audit & Supervisory Board members.  
3. Directors Kohei Ueda, Koji Ando and Reiko Yonezawa retired from their posts as directors of the Company at the conclusion of the 28th Ordinary General Meeting of Shareholders held on June 23, 2022, due to expiration of their terms of office.  
4. The Company has designated all of its outside directors and outside Audit & Supervisory Board members as independent directors/auditors as stipulated by the Tokyo Stock Exchange, and has notified the Tokyo Stock Exchange to that effect.  
5. Director Noriko Endo's name in the family register is Noriko Tsujihiro.  
6. Full-time Audit & Supervisory Board member Mr. Kei Tachibana had been in charge of the Company's accounting operations for many years in the past (15 years from 2005 to 2020) and has considerable years of knowledge in finance and accounting.

**(ii) Outline of the contents of the liability limitation agreement**

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each outside director and each Audit & Supervisory Board member to limit their liability for damages under Article 423, Paragraph 1 of the act.

The maximum amount of liability for damages under such contracts is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

Such limitation of liability is limited to cases where the outside directors and Audit & Supervisory Board members perform their duties in good faith and without gross negligence.

**(iii) Summary of contents of directors' and officers' liability insurance policies, etc.**

The Company has concluded a directors' and corporate auditors' liability insurance policy with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which insures the directors, corporate auditors, and executive officers of the Company and its subsidiaries (including those who were in office during the fiscal year under review).

The insurance contract is renewed annually. The insurance company will compensate the insured for damages that may arise from the insured being held liable for the performance of his/her duties or being subject to claims related to the pursuit of such liability.

In addition, the insurance policy provides for an exemption from liability for damages in the event that the Company pursues liability for damages against the officer in question, and by setting a limit on the amount to be covered, the Company has taken measures to ensure that the officer's performance of his duties is not impaired. The same information will be updated in the next update.

**(iv) Remuneration of directors and Audit & Supervisory Board member**

**A. Policy on determining the content of directors' remuneration**

The Company's Board of Directors, at its meeting held on February 16, 2021, approved a policy for determining the details of individual director compensation.

The Board of Directors has also confirmed that the method of determining the details of remuneration, etc. for individual directors for the fiscal year under review and the details of remuneration, etc. determined are consistent with such determination policy and are deemed to be in line with such policy.

The details of the policy for determining the details of remuneration, etc. of individual directors are as follows

**1. Basic Policy**

The Company's basic policy is to set the remuneration of individual directors at an appropriate level based on their respective responsibilities when determining their remuneration. Specifically, the remuneration for executive directors shall consist of base remuneration as fixed remuneration and stock-based remuneration, while outside directors, who are responsible for supervisory functions, shall be paid only base remuneration in light of their duties.

2. Policy regarding the determination of the amount of compensation, etc. for each individual for basic compensation (monetary compensation) (including policy regarding the determination of the timing or conditions of granting compensation, etc.)

The basic remuneration of the Company's directors shall be a monthly fixed remuneration, which shall be determined in accordance with their position, responsibilities, and years in office, comprehensively taking into consideration the level of other companies, the Company's performance, and the level of employee salaries.

3. Policy regarding the determination of the details of non-monetary compensation and the method of calculation of the amount or number of non-monetary compensation (including policy regarding the determination of the timing or conditions of granting compensation, etc.)

Non-monetary compensation shall be in the form of restricted stock with a restriction period of up to 35 years, and shall be granted at a time determined by a resolution of the Board of Directors to the executive directors determined by the same resolution. The grantee, the number of shares to be granted, and the timing of the grant shall be determined by comprehensively taking into consideration the position, responsibilities, the level of other companies, and the Company's business performance.

4. Policy regarding the determination of the amount of monetary and non-monetary compensation as a percentage of the amount of compensation, etc., paid to each individual director

The ratio of remuneration for each type of executive director shall be determined based on monthly fixed remuneration, while taking into consideration his/her position, responsibilities, the level of other companies, and the Company's business performance, as well as taking into account the Company's overall performance.

5. Matters concerning the determination of the details of remuneration, etc. of individual directors

The Chairman of the Board of Directors shall be authorized to delegate the specific details of the amount of remuneration for each individual director based on a resolution of the Board of Directors, and the details of such delegation shall be the amount of base remuneration for each director. In order to ensure that such authority is properly exercised by the Chairman of the Board of Directors, the Chairman of the Board of Directors shall consult with the President of the Board of Directors, etc., and shall determine the amount of compensation for each individual with respect to such consultation. The number of shares of restricted stock (stock-based compensation) to be allocated (granted) to each individual shall be determined by a resolution of the Board of Directors.

## B. Total amount of remuneration, etc. for the current fiscal year

|   | Total amount of compensation, etc. | Total amount of remuneration, etc. by type |                                 | Number of eligible directors and officers |
|---|------------------------------------|--|---------------------------------|---|
|   |                                    | Basic remuneration                         | Non-monetary compensation, etc. |   |
| Director<br>(Of which, outside directors)   | 155 million yen<br>(20)            | 144 million yen<br>(20)                    | 11 million yen<br>(-)           | 11 persons<br>(4)                         |
| Audit & Supervisory Board member<br>(of which outside Audit & Supervisory Board member) | 21<br>(9)                          | 21<br>(9)                                  | -                               | 3<br>(2)                                  |
| Total amount<br>(Of which, outside directors)   | 177<br>(30)                        | 165<br>(30)                                | 11<br>(-)                       | 14<br>(6)                                 |

(Notes) 1. The above includes three directors who retired at the conclusion of the 28th Annual General Meeting of Shareholders held on June 23, 2022.

- The maximum amount of remuneration for Directors was resolved at the 19th Annual General Meeting of Shareholders held on November 29, 2013 to be no more than 700 million yen per year (not including salaries for employees). The number of directors as of the close of this General Meeting of Shareholders is five. In addition, at the 24th Annual General Meeting of Shareholders held on June 26, 2018, as a separate line from the amount of remuneration, etc. for directors above, the Company resolved to set the amount of remuneration for the grant of restricted stock at no more than 350 million yen per year and the maximum number of shares at 170,000 shares per year (outside directors are not eligible for the grant. The maximum number of shares is adjusted to 680,000 shares per year after a 2-for-1 stock split of common shares implemented on October 1, 2018 and a 2-for-1 stock split of common shares implemented on January 1, 2021. The number of directors (excluding outside directors) as of the conclusion of this General Meeting of Shareholders was 10.
- Non-monetary compensation consists of restricted stock (common stock of the Company with a restricted period of 35 years), and the total amount of non-monetary compensation above shows the amount recorded as expenses in the current fiscal year.
- The maximum amount of remuneration for Audit & Supervisory Board members is 50 million yen per year as resolved at the 19th Ordinary General Meeting of Shareholders held on November 29, 2013. The number of Audit & Supervisory Board members at the end of the meeting was one.
- The Board of Directors delegates to Mr. Katsushi Ishida, President and Representative Director, the determination of the amount of base remuneration for each director.

The reason for the delegation is that the Company has determined that the President and Representative Director is the most appropriate person to determine the amount of base remuneration for each director, taking into consideration the Company's overall performance, position, and responsibilities. To ensure that such authority is properly exercised, the President and Representative Director determines the amount of compensation for each individual in consultation with the directors and others, respecting the content of such consultation.

**(v) Matters related to Outside Directors**

**A. Significant concurrent positions held at other companies and relationship between the Company and such companies**

- Mr. Hitoshi Watanabe, Director, is the Head of Watanabe CPA Office and the President of R&J Co., Ltd. There is no special relationship between the Company and the company where he holds concurrent positions.
- Ms. Noriko Endo, Director, is an Outside Director of AIN Holdings, Inc., an Outside Director of Hankyu Hanshin Holdings, Inc., a Project Professor of Global Research Institute of Keio University, an Outside Director of Techpoint, Inc. and an Outside Director of Nippon Telegraph and Telephone Corporation. There is no special relationship between the Company and the company where she holds concurrent positions.
- Ms. Mika Yano is Representative Director and President of Mizenka Co., Ltd., Representative Director of MarketPrism Japan Co., Ltd., and Director, Vice President and Head of Legal, Asia and the U.S. of Colt Technology Services Co., Ltd. There is no special relationship between the Company and the company where she holds concurrent positions.

**B. Major activities during the current fiscal year**

- Outside Director

| Name             | Attendance at Board of Directors meetings | Summary of statements and duties performed with respect to the expected role   |
|------------------|---|--|
| Hitoshi Watanabe | Held 18 times<br>Attended 18 of them      | Based on his expertise and extensive experience as a certified public accountant, he provides appropriate and necessary advice and recommendations from a neutral and objective standpoint as an outside director, not only in discussions of proposals but also in general corporate management, thereby fulfilling the expected roles and responsibilities.  |
| Noriko Endo      | Held 18 times<br>Attended 18 of them      | Based on her extensive experience and knowledge gained through editing economic journals and conducting public policy research, she provides appropriate and necessary advice and recommendations from a neutral and objective standpoint as an outside director, not only in discussions of proposals but also in general corporate management, thereby fulfilling the expected roles and responsibilities. |
| Mika Yano        | Held 13 times<br>Attended 13 of them      | Based on her extensive experience and insight in corporate legal affairs as an attorney admitted in New York, U.S.A., she provides appropriate and necessary advice and recommendations from a neutral and objective standpoint as an Outside Director, not only in discussions of proposals but also in general corporate management, thereby fulfilling the expected roles and responsibilities.           |

(Note) Outside director Mika Yano was newly appointed at the 28th Annual General Meeting of Shareholders held on 23 June 2022 and therefore the number of Board meetings held differs from other outside directors.



• Outside Audit & Supervisory Board member

| Name          | Attendance                           |                                      | Summary of duties performed   |
|---------------|--------------------------------------|--------------------------------------|---|
|               | Board of directors                   | Audit & Supervisory Board            |   |
| Hitoshi Maeda | Held 18 times<br>Attended 18 of them | Held 18 times<br>Attended 18 of them | Based on his extensive experience in business management, he provides advice and recommendations to ensure the adequacy and appropriateness of the Board of Directors and Audit & Supervisory Board from a neutral and objective standpoint as an outside Audit & Supervisory Board member.                     |
| Shigeru Haga  | Held 18 times<br>Attended 18 of them | Held 18 times<br>Attended 18 of them | Based on his extensive experience in human error and accident prevention, he provides advice and recommendations to ensure the adequacy and appropriateness of the Board of Directors and the Audit & Supervisory Board from a neutral and objective standpoint as an outside Audit & Supervisory Board member. |

#### **(4) Status of Accounting Auditor**

##### **(i) Name**

Ernst & Young ShinNihon LLC

##### **(ii) Amount of remuneration, etc.**

|   | <b>Amount of compensation, etc.</b> |
|---|-------------------------------------|
| Amount of remuneration, etc. of accounting auditor for the current fiscal year  | 41 million yen                      |
| Total amount of monetary and other financial benefits payable by the Company and its subsidiaries to the accounting auditor | 41 million yen                      |

(Notes) 1. The audit contract between the Company and the accounting auditor does not clearly distinguish between the amounts of audit fees, etc. for audits based on the Companies Act and those for audits based on the Financial Instruments and Exchange Act, and it is practically impossible to do so.

2. Audit & Supervisory Board made a decision to agree with the amount of remuneration, etc. of the accounting auditor after necessary verification of the appropriateness of the content of the audit plan of the accounting auditor, the performance of duties of the accounting audit, and the basis for calculation of the remuneration estimate.

##### **(iii) Non-audit services**

Not applicable.

##### **(iv) Policy on Dismissal or Non-reappointment of Accounting Auditor**

The Audit & Supervisory Board shall decide the content of the proposal for dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders if it determines that such action is necessary, such as when there is a problem with the accounting auditor's performance of its duties.

In addition, the Audit & Supervisory Board will dismiss the Accounting Auditor with the unanimous consent of the Audit & Supervisory Board Members if the Accounting Auditor is deemed to fall under any of the items of Article 340, Paragraph 1 of the Companies Act. In this case, the member selected by the Audit & Supervisory Board shall report the dismissal of the accounting auditor and the reasons thereof at the first general meeting of shareholders convened after the dismissal.

##### **(v) Summary of the contents of the liability limitation agreement**

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation of the Company stipulate that the Company and the accounting auditor may enter into an agreement to limit liability for damages as stipulated in Article 423, Paragraph 1 of the same law, but the Company has not entered into a liability limitation agreement.

##### **(vi) Summary of the contents of the indemnity agreement, etc.**

Not applicable.

### **3 Basic Policy on Control of the Company**

Not applicable.

### **4 Basic Policy on Dividends from Surplus**

The Company recognizes that returning profits to shareholders is one of its most important management policies, and its basic policy is to maintain stable dividends while securing the internal reserves necessary to strengthen the management base in response to changes in the business environment and for future business development.

Based on this policy, we will actively work to return profits to shareholders, taking into consideration our business performance, financial condition, and investment plans from a medium- to long-term perspective.

The Company's basic policy is to pay a year-end dividend once a year. The Company's Articles of Incorporation stipulate that matters listed in Article 459, Paragraph 1 of the Companies Act may be determined by a resolution of the Board of Directors, unless otherwise provided by law.

Based on the above policy, the Company plans to pay a year-end dividend of 17 yen per share for the current fiscal year.

# Consolidated financial statements

## Consolidated Balance Sheet (as of March 31, 2023)

(Unit: thousands of yen)

| Subject                                 | Amount            | Subject   | Amount            |
|---|-------------------|---|-------------------|
| <b>(Assets)</b>                         |                   | <b>(Liabilities)</b>                                  |                   |
| <b>Current assets</b>                   | <b>10,972,042</b> | <b>Current liabilities</b>                            | <b>11,838,076</b> |
| Cash and deposits                       | 2,034,193         | Accounts payable - trade                              | 1,331,046         |
| Notes receivable – trade                | 49,692            | Short-term borrowings                                 | 4,526,557         |
| Accounts receivable - trade             | 4,815,588         | Current portion of long-term borrowings               | 1,434,958         |
| Work in progress                        | 94,391            | Accounts payable - other                              | 1,105,069         |
| Raw materials and supplies              | 2,964,343         | Income taxes payable                                  | 1,279,598         |
| Other                                   | 1,030,844         | Accrued consumption taxes                             | 367,156           |
| Allowance for doubtful accounts         | (17,010)          | Provision for bonuses                                 | 799,746           |
|   |                   | Other   | 993,942           |
| <b>Non-current assets</b>               | <b>18,030,106</b> | <b>Non-current liabilities</b>                        | <b>3,485,449</b>  |
| Property, plant and equipment           | 11,695,315        | Long-term borrowings                                  | 1,765,017         |
| Buildings and structures                | 6,490,885         | Retirement benefit liability                          | 1,211,296         |
| Tools, furniture and fixtures           | 6,536,653         | Asset retirement obligations                          | 428,030           |
| Land                                    | 1,543,467         | Other   | 81,104            |
| Construction in progress                | 387,628           |   |                   |
| Other                                   | 270,209           | <b>Total liabilities</b>                              | <b>15,323,526</b> |
| Accumulated depreciation and impairment | (3,533,529)       | <b>(Total net assets)</b>                             |                   |
| <b>Intangible assets</b>                | <b>4,495,232</b>  | <b>Shareholders' equity</b>                           | <b>13,645,652</b> |
| Goodwill                                | 2,352,242         | Share capital   | 2,493,058         |
| Software                                | 1,177,272         | Capital surplus                                       | 2,576,830         |
| Other                                   | 965,717           | Retained earnings                                     | 8,589,342         |
|   |                   | Treasury shares                                       | (13,579)          |
| <b>Investments and other assets</b>     | <b>1,839,558</b>  | <b>Accumulated other comprehensive income</b>         | <b>(131,935)</b>  |
| Investment securities                   | 144,914           | Valuation difference on available-for-sale securities | 955               |
| Leasehold and guarantee deposits        | 566,068           | Foreign currency translation adjustment               | (75,401)          |
| Deferred tax assets                     | 986,170           | Remeasurements of defined benefit plans               | (57,488)          |
| Other                                   | 174,042           | <b>Non-controlling interests</b>                      | <b>164,905</b>    |
| Allowance for doubtful accounts         | (31,637)          |   |                   |
|   |                   | <b>Total net assets</b>                               | <b>13,678,622</b> |
| <b>Total assets</b>                     | <b>29,002,148</b> | <b>Total liabilities and net assets</b>               | <b>29,002,148</b> |

## Consolidated Statements of Income

(from April 1, 2022 to March 31, 2023)

(Unit: thousands of yen)

| Subject   | Amount    |                   |
|---|-----------|-------------------|
| <b>Net sales</b>                                    |           | <b>34,907,002</b> |
| <b>Cost of sales</b>                                |           | <b>21,633,343</b> |
| <b>Gross profit</b>                                 |           | <b>13,273,658</b> |
| <b>Selling, general and administrative expenses</b> |           | <b>8,263,012</b>  |
| <b>Operating profit</b>                             |           | <b>5,010,646</b>  |
| <b>Non-operating income</b>                         |           |                   |
| Surrender value of insurance policies               | 77,666    |                   |
| Commission income                                   | 41,701    |                   |
| Other   | 49,780    | 169,148           |
| <b>Non-operating expenses</b>                       |           |                   |
| Interest expenses                                   | 21,033    |                   |
| Commission expenses                                 | 11,339    |                   |
| Foreign exchange losses                             | 10,767    |                   |
| Depreciation  | 13,123    |                   |
| Other   | 22,912    | 79,177            |
| <b>Ordinary profit</b>                              |           | <b>5,100,617</b>  |
| <b>Extraordinary income</b>                         |           |                   |
| Gain on sale of non-current assets                  | 16,786    | 16,786            |
| <b>Extraordinary losses</b>                         |           |                   |
| Loss on retirement of non-current assets            | 1,777     |                   |
| Impairment loss                                     | 6,445     |                   |
| Other   | 1,689     | 9,912             |
| <b>Profit before income taxes</b>                   |           | <b>5,107,491</b>  |
| Income taxes - current                              | 2,080,346 |                   |
| Income taxes - deferred                             | (164,188) | 1,916,157         |
| <b>Profit</b>                                       |           | <b>3,191,334</b>  |
| Profit attributable to non-controlling interests    |           | 38,045            |
| <b>Profit attributable to owners of parent</b>      |           | <b>3,153,288</b>  |

## Consolidated Statements of Changes in Net Assets

(from April 1, 2022 to March 31, 2023)

(Unit: thousands of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at the beginning of period                   | 2,480,044            | 2,657,803       | 6,678,340         | (30,303)        | 11,785,885                 |
| Changes during period                                |                      |                 |                   |                 |                            |
| Exercise of stock acquisition rights                 | 13,014               | 13,014          |                   |                 | 26,028                     |
| Dividends of surplus                                 |                      |                 | (1,242,286)       |                 | (1,242,286)                |
| Profit attributable to owners of parent              |                      |                 | 3,153,288         |                 | 3,153,288                  |
| Purchase of treasury shares                          |                      |                 |                   | (76)            | (76)                       |
| Disposal of treasury shares                          |                      | 47              |                   | 16,800          | 16,848                     |
| Purchase of shares of consolidated subsidiaries      |                      | (94,034)        |                   |                 | (94,034)                   |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during the period                      | 13,014               | (80,972)        | 1,911,001         | 16,724          | 1,859,767                  |
| Balance at the end of the current fiscal year        | 2,493,058            | 2,576,830       | 8,589,342         | (13,579)        | 13,645,652                 |

|  | Accumulated other comprehensive income                |   |   |  | Non-controlling interest | Total net assets |
|--|---|---|---|--|--------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                          |                  |
| Balance at the beginning of period                   | 623   | (71,697)                                | (53,015)                                | (124,088)                                    | 94,302                   | 11,756,098       |
| Changes during period                                |   |   |   |  |                          |                  |
| Exercise of stock acquisition rights                 |   |   |   |  |                          | 26,028           |
| Dividends of surplus                                 |   |   |   |  |                          | (1,242,286)      |
| Profit attributable to owners of parent              |   |   |   |  |                          | 3,153,288        |
| Purchase of treasury shares                          |   |   |   |  |                          | (76)             |
| Disposal of treasury shares                          |   |   |   |  |                          | 16,848           |
| Purchase of shares of consolidated subsidiaries      |   |   |   |  |                          | (94,034)         |
| Net changes of items other than shareholders' equity | 331   | (3,704)                                 | (4,473)                                 | (7,847)                                      | 70,603                   | 62,755           |
| Total changes during period                          | 331   | (3,704)                                 | (4,473)                                 | (7,847)                                      | 70,603                   | 1,922,523        |
| Balance at the end of period                         | 955   | (75,401)                                | (57,488)                                | (131,935)                                    | 164,905                  | 13,678,622       |

# Financial statements

## Balance Sheet (as of March 31, 2023)

(Unit: thousands of yen)

| Subject  | Amount            | Subject   | Amount            |
|--|-------------------|---|-------------------|
| (Assets)   |                   | (Liabilities)   |                   |
| <b>Current assets</b>  | <b>3,881,273</b>  | <b>Current liabilities</b>                                    | <b>9,354,137</b>  |
| Cash and deposits  | 870,948           | Short-term borrowings   | 4,483,514         |
| Notes receivable - trade                                     | 13,807            | Short-term borrowings of subsidiaries and affiliates          | 1,764,970         |
| Short-term loans receivable from subsidiaries and affiliates | 2,095,462         | Current portion of long-term borrowings                       | 1,425,578         |
| Other  | 911,924           | Accounts payable - other                                      | 762,640           |
| Allowance for doubtful accounts                              | (10,869)          | Income taxes payable  | 59,871            |
| <b>Non-current assets</b>                                    | <b>18,288,027</b> | Provision for bonuses   | 100,455           |
| <b>Property, plant and equipment</b>                         | <b>10,826,609</b> | Other   | 757,106           |
| Buildings and structures                                     | 5,938,263         | <b>Non-current liabilities</b>                                | <b>3,384,658</b>  |
| Tools, furniture and fixtures                                | 6,388,523         | Long-term borrowings  | 1,742,605         |
| Land   | 1,068,263         | Allowance for retirement benefits                             | 955,404           |
| Construction in progress                                     | 387,058           | Asset retirement obligations                                  | 428,030           |
| Other  | 66,846            | Allowance for loss on business of subsidiaries and affiliates | 243,431           |
| Accumulated depreciation and impairment loss                 | (3,022,345)       | Other   | 15,187            |
| <b>Intangible assets</b>                                     | <b>2,134,370</b>  | <b>Total liabilities</b>                                      | <b>12,738,796</b> |
| Software   | 1,173,886         | <b>(Total net assets)</b>                                     |                   |
| Other  | 960,484           | <b>Shareholders' equity</b>                                   | <b>9,430,503</b>  |
| <b>Investments and other assets</b>                          | <b>5,327,047</b>  | <b>Share capital</b>  | <b>2,493,058</b>  |
| Investment securities  | 2,000             | <b>Capital surplus</b>  | <b>2,924,080</b>  |
| Shares of subsidiaries and affiliates                        | 4,297,276         | Capital reserve   | 2,450,843         |
| Lease and guarantee deposits                                 | 512,858           | Other capital surplus   | 473,236           |
| Deferred tax asset   | 503,119           | <b>Retained earnings</b>                                      | <b>4,026,944</b>  |
| Other  | 12,262            | Legal retained earnings reserve                               | 10,250            |
| Allowance for doubtful accounts                              | (469)             | Other retained earnings                                       | 4,016,694         |
|  |                   | Retained earnings brought forward                             | 4,016,694         |
|  |                   | <b>Treasury shares</b>  | <b>(13,579)</b>   |
| <b>Total assets</b>  | <b>22,169,300</b> | <b>Total net assets</b>                                       | <b>9,430,503</b>  |
|  |                   | <b>Total liabilities and net assets</b>                       | <b>22,169,300</b> |

**Income Statement** (from April 1, 2022 to March 31, 2023)

(Unit: thousands of yen)

| <b>Subject</b>  | <b>Amount</b> |                  |
|---|---------------|------------------|
| <b>Operating revenue</b>                                      |               | <b>6,876,992</b> |
| <b>Operating expenses</b>                                     |               | <b>4,573,147</b> |
| <b>Operating profit</b>                                       |               | <b>2,303,844</b> |
| <b>Non-operating income</b>                                   |               |                  |
| Interest income   | 15,365        |                  |
| Commission income   | 39,640        |                  |
| Other   | 13,211        | 68,216           |
| <b>Non-operating expenses</b>                                 |               |                  |
| Interest expenses   | 27,698        |                  |
| Commission expenses   | 10,574        |                  |
| Allowance for doubtful accounts                               | 10,858        |                  |
| Depreciation  | 13,123        |                  |
| Other   | 7,204         | 69,458           |
| <b>Ordinary profit</b>  |               | <b>2,302,602</b> |
| <b>Extraordinary income</b>                                   |               |                  |
| Gain on sale of non-current assets                            | 13,977        | 13,977           |
| <b>Extraordinary losses</b>                                   |               |                  |
| Loss on valuation of stocks of subsidiaries and affiliates    | 41,418        |                  |
| Provision for loss on business of subsidiaries and affiliates | 243,431       |                  |
| Other   | 7,024         | 291,873          |
| <b>Profit before tax</b>                                      |               | <b>2,024,706</b> |
| Income taxes - current  | 122,010       |                  |
| Income taxes - deferred                                       | (162,498)     | (40,488)         |
| <b>Profit</b>   |               | <b>2,065,195</b> |



## Statement of changes in net assets

(from April 1, 2022 to March 31, 2023)

(Unit: thousands of yen)

|  | Shareholders' equity |                 |                       |                       |                                   |                         |                         |
|--|----------------------|-----------------|-----------------------|-----------------------|-----------------------------------|-------------------------|-------------------------|
|  | Share capital        | Capital surplus |                       |                       | Retained earnings                 |                         |                         |
|  |                      | Capital reserve | Other Capital surplus | Total capital surplus | Legal retained earnings reserve   | Other retained earnings | Total retained earnings |
|  |                      |                 |                       |                       | Retained earnings brought forward |                         |                         |
| Balance at the beginning of period                   | 2,480,044            | 2,437,829       | 473,188               | 2,911,018             | 10,250                            | 3,193,786               | 3,204,036               |
| Changes of items during the period                   |                      |                 |                       |                       |                                   |                         |                         |
| Exercise of stock acquisition rights                 | 13,014               | 13,014          |                       | 13,014                |                                   |                         |                         |
| Dividends of surplus                                 |                      |                 |                       |                       |                                   | (1,242,286)             | (1,242,286)             |
| Profit   |                      |                 |                       |                       |                                   | 2,065,195               | 2,065,195               |
| Purchase of treasury shares                          |                      |                 |                       |                       |                                   |                         |                         |
| Disposal of treasury shares                          |                      |                 | 47                    | 47                    |                                   |                         |                         |
| Net changes of items other than shareholders' equity |                      |                 |                       |                       |                                   |                         |                         |
| Total changes during the period                      | 13,014               | 13,014          | 47                    | 13,061                | -                                 | 822,908                 | 822,908                 |
| Balance at the end of period                         | 2,493,058            | 2,450,843       | 473,236               | 2,924,080             | 10,250                            | 4,016,694               | 4,026,944               |

|  | Shareholders' equity |                            | Total net assets |
|--|----------------------|----------------------------|------------------|
|  | Treasury shares      | Shareholders' equity total |                  |
| Balance at the beginning of period                   | (30,303)             | 8,564,794                  | 8,564,794        |
| Changes of items during the period                   |                      |                            |                  |
| Exercise of stock acquisition rights                 |                      | 26,028                     | 26,028           |
| Dividends of surplus                                 |                      | (1,242,286)                | (1,242,286)      |
| Profit   |                      | 2,065,195                  | 2,065,195        |
| Purchase of treasury shares                          | (76)                 | (76)                       | (76)             |
| Disposal of treasury shares                          | 16,800               | 16,848                     | 16,848           |
| Net changes of items other than shareholders' equity |                      |                            | -                |
| Total changes during the period                      | 16,724               | 865,708                    | 865,708          |
| Balance at the end of period                         | (13,579)             | 9,430,503                  | 9,430,503        |

# Audit report

## Audit Report on the Consolidated Financial Statements

### Independent Auditor's Report

May 18, 2023

To the Board of Directors of Japan Elevator Service Holdings Co., Ltd.

Ernst & Young ShinNihon LLC

Tokyo Office

Designated and Engagement Partner

Certified public  
accountant

Masayoshi Zenpo

Designated and Engagement Partner

Certified public  
accountant

Rentaro Miki

#### Audit Opinion

Pursuant to the provisions of Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of Japan Elevator Service Holdings Co., Ltd. for the fiscal year from April 1, 2022 to March 31, 2023, namely, the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in equity, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Japan Elevator Service Holdings Co., Ltd. and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in conformity with accounting principles generally accepted in Japan.

#### Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. The audit corporation's responsibilities under the auditing standards are described in "Auditor's Responsibilities in the Audit of Consolidated Financial Statements." We are independent of the company and its consolidated subsidiaries and fulfill our other ethical responsibilities as auditors in accordance with the rules of professional ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

#### Other Descriptions

The other statements are the business report and its supporting schedules. Management is responsible for preparing and disclosing other statements. In addition, the Audit & Supervisory Board and its members are responsible for monitoring the directors' performance of their duties in the development and operation of other stated reporting processes.

Our audit opinion on the consolidated financial statements does not include any other description, and we express no opinion on any other description.

Our responsibility in the audit of the consolidated financial statements is to read the other information carefully and, in the course of reading the other information, to consider whether there are material differences between the other information and the consolidated financial statements or our knowledge obtained in the course of our audit, and to pay attention to whether there are any indication of material errors in the other information other than such material differences. In addition to such material differences, we also pay attention to whether there are any other indications of material errors in the other statements.

If, based on the work we have performed, we determine that there are material errors in the other entries, we are required to report those facts.

We have no other matters to report.

**Responsibilities of Management, Audit & Supervisory Board and its members for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes the development and operation of internal control determined by management to be necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating whether it is appropriate to present the consolidated financial statements on a going concern basis and for disclosing any matters related to going concern that are required to be disclosed in accordance with accounting principles generally accepted in Japan. The Company is responsible for the disclosure of such matters.

The Audit & Supervisory Board and its members are responsible for monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

The auditor is responsible for obtaining reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and for expressing an opinion on the consolidated financial statements from an independent standpoint in the auditor's report. A misstatement is considered to be material if it could have been caused by fraud or error and, individually or in the aggregate, could reasonably be expected to affect the decisions of users of the consolidated financial statements.

The auditor shall exercise professional judgment throughout the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan, and shall maintain professional skepticism and

- Identify and assess the risk of material misstatement due to fraud or error. In addition, audit procedures shall be designed and implemented to address the risks of material misstatement. The selection and application of audit procedures are at the auditor's discretion. In addition, we obtain sufficient and appropriate audit evidence on which to base our opinion.
- Examine internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, when making the risk assessment, although the auditor's audit of the consolidated financial statements is not intended to express an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of the accounting policies and methods of application thereof adopted by management and the reasonableness of the accounting estimates made by management and the appropriateness of the related notes.
- Conclude as to whether it is appropriate for management to prepare the consolidated financial statements on a going concern basis and, based on the audit evidence obtained, whether there are material uncertainties regarding events or conditions that might cast significant doubt on the entity's ability to continue as a going concern. If a material uncertainty regarding the entity's ability to continue as a going concern exists, the auditor is required to draw attention in the auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the consolidated financial statements. The auditor's conclusion is based on audit evidence obtained up to the date of the auditor's report; however, future events or circumstances may cause the entity to cease to exist as a going concern.
- Assess whether the presentation and notes to the consolidated financial statements conform to accounting principles generally accepted in Japan, and whether the consolidated financial statements, including the related notes, present fairly the transactions and accounting events on which the consolidated financial statements are based.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to enable us to express our opinion on the consolidated financial statements. The auditor is responsible for directing, supervising and performing the audit of the consolidated financial statements. The auditor is solely responsible for its audit opinion.

The auditor shall report to the Audit & Supervisory Board and its members on the planned scope and timing of the audit, significant audit findings, including significant deficiencies in internal control identified during the course of the audit, and other matters required by auditing standards, and other matters required by auditing standards.

The auditor shall report to the Audit & Supervisory Board and its members that the auditor has complied with the provisions of the Japanese Code of Professional Ethics regarding independence and any matters that could reasonably be considered to affect the auditor's independence and any safeguards, if any, to remove or reduce impediments.

**Interests**

We have no interest in or relationship with the Company or its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Ends

# Audit Report on Financial Statements

## Independent Auditor's Report

May 18, 2023

To the Board of Directors of Japan Elevator Service Holdings Co., Ltd.

Ernst & Young ShinNihon LLC

Tokyo Office

Designated and Engagement Partner

Certified public  
accountant

Masayoshi Zenpo

Designated and Engagement Partner

Certified public  
accountant

Rentaro Miki

### Audit Opinion

Pursuant to the provisions of Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements of Japan Elevator Service Holdings Co., Ltd. for the 29th fiscal year from April 1, 2022 to March 31, 2023, namely, the balance sheets, statements of income, statements of changes in net assets, notes to financial statements, and the accompanying supplemental schedules (hereinafter referred to as the "financial statements, etc.>").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Company for the period, for which the financial statements were prepared, in conformity with accounting principles generally accepted in Japan.

### Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility is to express an opinion on the financial statements based on our audit. We are independent of the company and fulfill our other ethical responsibilities as auditors in accordance with the rules of professional ethics in our country. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

### Other Descriptions

The other statements are the business report and its supporting schedules. Management is responsible for preparing and disclosing other statements. In addition, the Audit & Supervisory Board and its members are responsible for monitoring the directors' performance of their duties in the development and operation of other stated reporting processes.

Our audit opinion on the financial statements does not cover other matters and we express no opinion on them.

Our responsibility in the audit of the financial statements is to read the other information carefully and, in the course of reading the other information, to consider whether there are material differences between the other information and the financial statements or our knowledge obtained in the audit, and to pay attention to whether there are any indication of material errors in the other information other than such material differences. In addition to such material differences, we also pay attention to whether there are any other indications of material misstatement.

If, based on the work we have performed, we determine that there are material errors in the other entries, we are required to report those facts.

We have no other matters to report.

**Responsibility of management and Audit & Supervisory Board and its members for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in Japan. This includes the establishment and operation of internal controls deemed necessary by management for the preparation and fair presentation of financial statements and other financial information that are free from material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for evaluating whether it is appropriate to prepare the financial statements based on the going concern assumption and for disclosing matters related to a going concern if such disclosure is required under accounting principles generally accepted in Japan.

The Audit & Supervisory Board and its members are responsible for monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

**Auditor's Responsibility for the Audit of Financial Statements**

The auditor is responsible for obtaining reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and for expressing an opinion on the financial statements from an independent perspective in the auditor's report. A misstatement is considered to be material if it could have been caused by fraud or error and, individually or in the aggregate, could reasonably be expected to affect the decisions of users of the financial statements.

The auditor shall exercise professional judgment throughout the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan, and shall maintain professional skepticism and

- Identify and assess the risk of material misstatement due to fraud or error. In addition, audit procedures shall be designed and implemented to address the risks of material misstatement. The selection and application of audit procedures are at the auditor's discretion. In addition, we obtain sufficient and appropriate audit evidence on which to base our opinion.
- Examines internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, when making the risk assessment, although the auditor's audit of the financial statements is not intended to express an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of the accounting policies and methods of application thereof adopted by management and the reasonableness of the accounting estimates made by management and the appropriateness of the related notes.
- Conclude whether it is appropriate for management to prepare the financial statements on a going concern basis and, based on the audit evidence obtained, whether there are material uncertainties regarding events or conditions that might cast significant doubt on the entity's ability to continue as a going concern. If a material uncertainty regarding the entity's ability to continue as a going concern is recognized, the auditor is required to draw attention in the auditor's report to the notes to the financial statements or, if the notes to the financial statements are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the financial statements or the financial statements. The auditor's conclusion is based on audit evidence obtained up to the date of the auditor's report; however, future events or circumstances may cause the entity to cease to exist as a going concern.
- Evaluate whether the presentation and notes to the financial statements conform to accounting principles generally accepted in Japan, and whether the financial statements, including the related notes, present fairly the underlying transactions and accounting events, as well as the financial statement presentation, composition and details.

The auditor shall report to the Audit & Supervisory Board and its members on the planned scope and timing of the audit, significant audit findings, including significant deficiencies in internal control identified during the course of the audit, and other matters required by auditing standards. and other matters required by auditing standards.

The auditor shall report to the Audit & Supervisory Board and its members that the auditor has complied with the provisions of the Japanese Code of Professional Ethics regarding independence and any matters that could reasonably be considered to affect the auditor's independence and any safeguards, if any, to remove or reduce impediments.

**Interests**

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Ends

## Audit Report of the Audit & Supervisory Board

### Audit Report

The Audit & Supervisory Board has prepared this audit report on the directors' performance of their duties for the 29th fiscal year from April 1, 2022 to March 31, 2023, based on the audit reports prepared by each Audit & Supervisory Board member, and after due deliberation The Board of Directors of the Company hereby submits its audit report as follows.

#### **1. Method and content of audits by Audit & Supervisory Board and its members**

- (1) The Audit & Supervisory Board established audit policies, assignment of duties, etc., received reports from each Audit & Supervisory Board member on the status of implementation and results of audits, and received reports from directors and accounting auditors on the status of execution of their duties, We also received reports on the status of execution of their duties from directors and accounting auditors, and requested explanations as necessary.
- (2) Each Audit & Supervisory Board member complied with the Audit & Supervisory Board member audit standards established by the Audit & Supervisory Board, followed the audit policy, allocation of duties, etc., communicated with the directors, the Internal Audit Office and other employees, etc., collected information and prepared the audit environment.
  - (i) Attended meetings of the Board of Directors and other important meetings, received reports from directors, employees, and others on the status of execution of their duties, requested explanations as necessary, perused important approval documents, etc., and investigated the status of operations and assets at the head office and principal business offices. With respect to subsidiaries, we communicated and exchanged information with directors and Audit & Supervisory Board members of subsidiaries and received business reports from subsidiaries as necessary.
  - (ii) Received reports from directors, employees, and other relevant personnel regarding the details of the resolution of the Board of Directors concerning the establishment of an internal control system as stipulated in the Companies Act and the status of its establishment and operation, and requested explanations and expressed opinions as necessary. With respect to the internal control system in the corporate group, we also received reports from directors and employees of subsidiaries on the status of its establishment and operation, as necessary, and requested explanations.
  - (iii) Monitored and verified whether the accounting auditors maintained their independence and conducted appropriate audits, received reports from the accounting auditors on the performance of their duties, and requested explanations when necessary. In addition, we received notice from the accounting auditor that "systems to ensure that duties are performed properly" are being developed in accordance with the "Quality Control Standards for Audits" and other standards established by the Business Accounting Council, and sought explanations as necessary.

Based on the above methods, we have examined the business report and its supporting schedules, the financial statements and their supporting schedules, and the consolidated financial statements for the fiscal year under review.

## 2. Audit results

### (1) Results of audit of business reports, etc.

- (i) In our opinion, the business report and supporting schedules present fairly the condition of the Company in conformity with applicable laws and regulations and the Articles of Incorporation.
- (ii) We have found no misconduct or material fact of violation of laws, regulations or the Articles of Incorporation in connection with the Directors' performance of their duties.
- (iii) In our opinion, the content of the Board of Directors' resolution regarding the internal control system is appropriate. In addition, we have found no matters to be pointed out with respect to the descriptions in the business report and the execution of duties by the directors with respect to such internal control system.

### (2) Audit Results of Financial Statements and Supplementary Schedules

In our opinion, the auditing methods and results of the accounting auditor, Ernst & Young ShinNihon LLC, are appropriate.

### (3) Results of Audit of Consolidated Financial Statements

In our opinion, the auditing methods and results of the accounting auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 19, 2023

Audit & Supervisory Board of Japan Elevator Service Holdings Co., Ltd.

Full-time Audit & Supervisory Board member      Kei Tachibana ㊟

Outside Audit & Supervisory Board Member      Hitoshi Maeda ㊟

Outside Audit & Supervisory Board Member      Shigeru Haga ㊟

Ends

## Reference Documents for the General Meeting of Shareholders

### **Proposal No. 1** Appropriation of surplus

The Company recognizes that returning profits to shareholders is one of its most important management policies, and its basic policy is to maintain stable dividends while securing the internal reserves necessary to strengthen the management base in response to changes in the business environment and for future business development.

Taking into consideration future business development and other factors, we propose to pay a year-end dividend for the 29th fiscal year as follows.

#### Matters related to year-end dividends

##### **(i) Type of dividend property**

Cash

##### **(ii) Matters relating to the allocation of dividend assets and the total amount thereof**

17 yen per share of common stock

Total amount of dividends 1,513,992,477 yen

##### **(iii) Date on which the distribution of surplus becomes effective**

June 26, 2023



## Proposal No. 2 Election of Eight (8) Directors

At the conclusion of this General Meeting of Shareholders, the terms of office of all directors (9 directors) will expire.

Therefore, the Company proposes the election of eight (8) Directors.

The nominees for the Board of Directors are as follows

| Candidate No. | Name                    | Position in the Company                          |               |         |             |
|---------------|-------------------------|--|---------------|---------|-------------|
| 1             | <b>Katsushi Ishida</b>  | President & Representative Director              | Reappointment |         |             |
| 2             | <b>Kimihiko Imamura</b> | Director, Deputy President and Executive Officer | Reappointment |         |             |
| 3             | <b>Shuji Kuramoto</b>   | Director, Deputy President and Executive Officer | Reappointment |         |             |
| 4             | <b>Shinsuke Uno</b>     | Director, Senior Managing Executive Officer      | Reappointment |         |             |
| 5             | <b>Daiki Murakami</b>   | Director, Managing Executive Officer             | Reappointment |         |             |
| 6             | <b>Hitoshi Watanabe</b> | Director   | Reappointment | Outside | Independent |
| 7             | <b>Noriko Endo</b>      | Director   | Reappointment | Outside | Independent |
| 8             | <b>Mika Yano</b>        | Director   | Reappointment | Outside | Independent |

Reappointment

Candidates for reappointment as directors

Outside

Candidates for Outside Directors

Independent

Independent Director as stipulated by the Tokyo Stock Exchange

Candidate No. **1**

## Katsushi Ishida

Reappointment



### Brief personal history, position and responsibility in the Company

|              |  |                   |  |
|--------------|--|-------------------|--|
| April 1985   | Joined SEC Elevator Co., Ltd.                                | May 2015          | President & Representative Director of the Company                             |
| June 1991    | Joined Ikuei Kanzai Co., Ltd.                                |                   |  |
| July 1992    | Joined PEMS Co., Ltd.  | June 2017         | President & Representative Director CEO of the Company                         |
| October 1994 | Established the Company, President & Representative Director | June 2020         | Representative Director CEO of the Company                                     |
| January 2015 | Representative Director of the Company                       | <b>April 2022</b> | <b>President &amp; Representative Director CEO of the Company (to present)</b> |

**Date of Birth**  
March 25, 1966

**Number of shares of the Company held**  
25,318,500 shares

**Attendance at Board of Directors meetings**  
18/18 times

### Reason for nomination as candidate for director

Mr. Katsushi Ishida, a candidate for director, is the founder of the Company and has led the expansion of the Group's business through his excellent foresight, technical skills, and strong leadership as the Company's representative director for many years. We continue to nominate him as a candidate for director because of his extensive experience and broad knowledge in the elevator maintenance business and the industry in general, and because we expect him to continue to contribute to the enhancement of the corporate value of our Group.

Candidate No. **2**

## Kimihiko Imamura

Reappointment



### Brief personal history, position and responsibility in the Company

|               |  |            |  |
|---------------|--|------------|--|
| December 2006 | Joined KPMGAZSALLC                                       | June 2017  | Director, Senior Managing Executive Officer, CFO, General Manager of Business Administration Headquarters                  |
| May 2013      | Joined Digital Advertising Consortium Inc.               |            |  |
| April 2016    | Deputy General Manager, Business Management Headquarters | April 2018 | Director, Deputy President and Executive Officer CFO, General Manager of Business Administration Headquarters (to present) |
| January 2017  | Joined the Company                                       |            |  |

**Date of Birth**  
June 18, 1978

**Number of shares of the Company held**  
26,500 shares

**Attendance at Board of Directors meetings**  
18/18 times

### Reason for nomination as candidate for director

Since becoming a director of the Company, Mr. Kimihiko Imamura, a candidate for director, has overseen the Company's administrative division after the Company's listing, utilizing his professional expertise as a certified public accountant. He has extensive knowledge and experience in the areas of business management, corporate governance, and finance, and we believe that he is well qualified to continue to enhance the corporate value of our group. We therefore continue to nominate him as a candidate for director.

Candidate No. **3**

## Shuji Kuramoto

Reappointment



**Date of Birth**  
August 9, 1981

**Number of shares of the Company held**  
16,000 shares

**Attendance at Board of Directors meetings**  
18/18 times

### Brief personal history, position and responsibility in the Company

|               |  |            |   |
|---------------|--|------------|---|
| December 2002 | Joined Kamakura Cable Communications Co., Ltd. (Now J:COM Shonan Kanagawa Co., Ltd.) | April 2017 | Director, Senior Managing Executive Officer   |
|               |  | April 2021 | Director, Senior Managing Executive Officer, General Manager of Technology Headquarters                             |
| October 2005  | Joined the Company   | April 2022 | Director, Senior Managing Executive Officer, Technology Director, General Manager of Domestic Business Headquarters |
| October 2014  | Yokohama Branch Manager  |            |   |
| April 2015    | President of Japan Elevator Service Kanagawa Co., Ltd.                               | May 2023   | Director, Deputy President, Technology Director, General Manager of Domestic Business Headquarters (to present)     |
| December 2015 | Director, Managing Executive Officer, General Manager of Business Strategy Office    |            |   |

### Reason for nomination as candidate for director

Since his appointment to the Company's Board of Directors, Mr. Shuji Kuramoto, a candidate for Director, has overseen the Group's operating companies and technical divisions, contributing to the expansion of the Company's business. In addition, we have determined that his extensive experience and expertise in the elevator maintenance business make him an appropriate candidate to enhance the corporate value of our group, and we continue to nominate him as a candidate for director.

Candidate No. **4**

## Shinsuke Uno

Reappointment



**Date of Birth**  
May 29, 1967

**Number of shares of the Company held**  
6,000 shares

**Attendance at Board of Directors meetings**  
18/18 times

### Brief personal history, position and responsibility in the Company

|               |  |           |   |
|---------------|--|-----------|---|
| April 1991    | Joined Takachiho Electric Co., Ltd. (Now Elematec Corporation) | May 2017  | Executive Officer<br>President of Japan Elevator Service Kansai Co., Ltd. (to present)    |
| April 2003    | Kakogawa Branch Manager  |           |   |
| January 2007  | Joined Kings Arms Co., Ltd.                                    | June 2019 | Director, Senior Managing Executive Officer in charge of Western Japan and Tokai Business |
| February 2017 | Joined the Company   | June 2021 | Director, Senior Managing Executive Officer, West Japan Business Director (to present)    |

### Reason for nomination as candidate for director

Since joining the Company, Mr. Shinsuke Uno, a candidate for Director, has been in charge of the Company's business in the Kansai area and has contributed to the expansion of the Company's business in this area. In addition to the Kansai area, he is currently in charge of the Tokai, Chugoku, Shikoku, and Kyushu areas, where he is contributing to further business expansion in those areas.

Candidate No. **5**

## Daiki Murakami

Reappointment



**Date of Birth**  
September 9, 1969

**Number of shares of the Company held**  
8,000 shares

**Attendance at Board of Directors meetings**  
13/13 times

### Brief personal history, position and responsibility in the Company

|               |  |               |   |
|---------------|--|---------------|---|
| April 1988    | Joined Nippon Otis Elevator Company  | April 2015    | Executive Manager of Modernization Service Department and General Manager of Quality Assurance Division of Japan Elevator Parts Co., Ltd. |
| December 2009 | Joined the Company   |               |   |
| October 2011  | Josai Branch Manager   |               |   |
| April 2012    | Executive Officer, General Manager of Technology Headquarters and Josai Branch Manager | December 2015 | Director, Managing Executive Officer of the Company   |
| October 2012  | Managing Executive Officer, General Manager of Technology Headquarters                 | April 2020    | Fellow  |
|               |  | April 2022    | Managing Executive Officer, General Manager of Technology Headquarters  |
| February 2015 | Managing Executive Officer, General Manager of Modernization Service Department        | June 2022     | Director, Managing Executive Officer, General Manager of Technology Headquarters (to present)   |

### Reason for nomination as candidate for director

Mr. Daiki Murakami, a candidate for Director, continues to be a candidate for Director because of his extensive experience and expertise in the technical field of elevator maintenance over many years and his suitability to enhance the corporate value of the Group.

Candidate No. **6**

## Hitoshi Watanabe

Reappointment

Outside

Independent



**Date of birth**  
March 15, 1965

**Number of shares of the Company held**  
- shares

**Attendance at Board of Directors meetings**  
18/18 times

### Brief personal history, position and responsibility in the Company

|                |   |             |  |
|----------------|---|-------------|--|
| September 1987 | Joined Tokyo C.P.A. Special College                                   | August 2001 | Head of Watanabe CPA Office (to present)     |
| October 1988   | Joined Showa Ohta Audit Corporation (now Ernst & Young ShinNihon LLC) | June 2008   | President of R&J Co., Ltd. (to present)      |
| January 1994   | Located in E&Y's Sydney office  | April 2015  | Outside Director of the Company (to present) |

### Reasons for nomination as candidates for outside directors and summary of expected roles

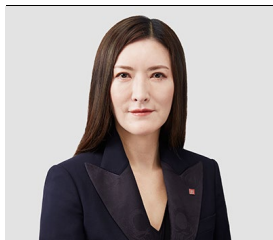
Mr. Hitoshi Watanabe, a candidate for Outside Director, has a high level of expertise and a wealth of experience cultivated as a certified public accountant, and we continue to nominate him as a candidate for Outside Director in the expectation that he will not only strengthen our overall management monitoring and supervision functions, but also apply his insight and knowledge, etc. to the overall management of the Company.

Candidate No. **7****Noriko Endo**

Reappointment

Outside

Independent

**Date of Birth**

May 6, 1968

**Number of shares of the Company held**

2,000 shares

**Attendance at Board of Directors meetings**

18/18 times

**Brief personal history, position and responsibility in the Company**

|                |  |            |  |
|----------------|--|------------|--|
| June 1994      | Joined DIAMOND, Inc.   | June 2019  | Outside Director of Hankyu Hanshin Holdings, Inc. (to present)               |
| March 2006     | Deputy Editor, Editorial Department of Diamond Weekly, DIAMOND, Inc.                   | April 2020 | Project Professor of Global Research Institute, Keio University (to present) |
| September 2013 | Visiting Researcher, Policy Alternatives Research Institute of the University of Tokyo | March 2021 | Outside Director of Techpoint, Inc. (to present)                             |
| April 2015     | Project Professor of Graduate School of Media and Governance, Keio University          | June 2021  | Outside Director of the Company (to present)                                 |
| June 2016      | Outside Director of NTT DOCOMO, Inc.   | June 2022  | Outside Director of Nippon Telegraph and Telephone Corporation (to present)  |
| July 2018      | Outside Director of AIN Holdings, Inc. (to present)                                    |            |  |

**Reasons for nomination as candidates for outside directors and summary of expected roles**

Ms. Noriko Endo, a candidate for outside director, continues to be nominated as an outside director in the expectation that she will not only strengthen the monitoring and supervision of overall management, but also apply her insight and knowledge to the overall management of the Company. She is nominated as a candidate for outside director of the board in the expectation that she will not only strengthen the monitoring and supervision of overall management, but also apply her insight and knowledge to the overall management of the Company.

Candidate No. **8****Mika Yano**

Reappointment

Outside

Independent

**Date of Birth**

June 7, 1973

**Number of shares of the Company held**

- shares

**Attendance at Board of Directors meetings**

13/13 times

**Brief personal history, position and responsibility in the Company**

|                |  |               |  |
|----------------|--|---------------|--|
| September 1999 | Joined Plum Creek Timber Company, Inc.                                 | June 2016     | Joined Colt Technology Services, Co., Ltd.   |
| October 2001   | Joined Skadden Arps, Slate, Meagher & Flom LLP                         | April 2018    | Director and Head of Legal, Asia and U.S., Colt Technology Services, Co., Ltd.                                 |
| May 2002       | Admitted to the New York State Bar, U.S.A.                             | May 2019      | Director, Director and Head of Legal, Asia and U.S., Colt Technology Services, Co., Ltd.                       |
| October 2007   | Joined Morgan Stanley Capital K.K.                                     | May 2020      | Representative Director, MarketPrism Japan Co., Ltd. (to present)  |
| July 2008      | Re-admitted to Skadden Arps, Slate, Meagher & Flom LLP                 | November 2020 | Director, Vice President and Head of Legal, Asia and the U.S., Colt Technology Services Co., Ltd. (to present) |
| July 2009      | Joined Sumitomo Life Insurance Company                                 | June 2022     | Outside Director of the Company (to present)   |
| September 2012 | Representative Director and President, Mizzenka Co., Ltd. (to present) |               |  |

**Reasons for nomination as candidates for outside directors and summary of expected roles**

Ms. Mika Yano, a candidate for Outside Director, has extensive experience, experience and insight in corporate legal affairs as a lawyer in the State of New York, U.S.A., as well as experience as a corporate manager. We expect that she will apply her wide range of experience and insight to the management of our Group, and therefore we continue to nominate her for Outside Director.

- (Notes)
1. There is no special interest between each candidate and the Company.
  2. Mr. Hitoshi Watanabe, Ms. Noriko Endo and Ms. Mika Yano are candidates for outside director.
  3. Mr. Hitoshi Watanabe is currently an outside director of the Company, and his term of office as an outside director will be 8 years and 2 months at the conclusion of this General Meeting of Shareholders.
  4. Ms. Noriko Endo is currently an outside director of the Company, and her term of office as an outside director will be two years at the conclusion of this General Meeting of Shareholders.
  5. Ms. Mika Yano is currently an outside director of the Company, and her term of office as an outside director will be one year at the conclusion of this General Meeting of Shareholders.
  6. Mr. Hitoshi Watanabe, Ms. Noriko Endo and Ms. Mika Yano are currently outside directors of the Company, and the Company has entered into a limited liability contract with each of them, which limits their liability to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If their reappointment is approved, the Company intends to continue the above liability limitation agreement with each of them.
  7. The Company has registered Mr. Hitoshi Watanabe, Ms. Noriko Endo and Ms. Mika Yano as independent directors as stipulated by the Tokyo Stock Exchange. If each of them is reappointed, the Company will continue to appoint each of them as independent directors.
  8. The Company has concluded a directors' and officers' liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and a summary of the contents of such insurance contract is shown on page 20 of the Business Report. If the election of the director nominees is approved, they will be included as insureds under the policy. The policy is scheduled to be renewed with the same terms and conditions at the next renewal.
  9. The number of shares held by Mr. Katsushi Ishida, Chairman and President, includes the number of shares held by his asset management company, KI Corporation.
  10. Ms. Noriko Endo's name in the family register is Noriko Tsujihiro.

Ends

(Reference)

Director and Audit & Supervisory Board member skills matrix (if each director candidate is elected at this meeting)

| Name             | Position and title in the Company                    | Gender               | Management          | Financial affairs  | Legal/Risk                       | Technology | Sales/Marketing | Academic background |
|------------------|--|----------------------|---------------------|--------------------|----------------------------------|------------|-----------------|---------------------|
|                  |  | Male: M<br>Female: F | Business Management | Finance Accounting | Legal Affairs<br>Risk Compliance | Technology | Sales Marketing | Academic background |
| Katsushi Ishida  | President & Representative Director CEO              | M                    | ○                   |                    |                                  | ○          | ○               |                     |
| Kimihiko Imamura | Director, Deputy President and Executive Officer CFO | M                    | ○                   | ○                  | ○                                |            |                 |                     |
| Shuji Kuramoto   | Director, Deputy President and Executive Officer     | M                    | ○                   |                    |                                  | ○          | ○               |                     |
| Shinsuke Uno     | Director and Senior Managing Executive Officer       | M                    | ○                   |                    |                                  |            | ○               |                     |
| Daiki Murakami   | Director Managing Executive Officer                  | M                    | ○                   |                    |                                  | ○          |                 |                     |
| Hitoshi Watanabe | Outside Director                                     | M                    |                     | ○                  |                                  |            |                 |                     |
| Noriko Endo      | Outside Director                                     | F                    | ○                   |                    | ○                                |            |                 | ○                   |
| Mika Yano        | Outside Director                                     | F                    | ○                   |                    | ○                                |            |                 |                     |
| Kei Tachibana    | Full-time Audit & Supervisory Board member           | M                    |                     | ○                  | ○                                |            |                 |                     |
| Hitoshi Maeda    | Outside Audit & Supervisory Board Member             | M                    | ○                   |                    | ○                                |            |                 |                     |
| Shigeru Haga     | Outside Audit & Supervisory Board Member             | M                    |                     |                    | ○                                |            |                 | ○                   |

## Map of the General Meeting of Shareholders venue

|                                 |   |                       |   |
|---------------------------------|---|-----------------------|---|
| Place                           | <b>Congress Square Nihonbashi Convention Hall C &amp; D</b>                               |                       |   |
|                                 | Tokyo Tatemono Nihonbashi Bldg. 3F, 1-3-13 Nihonbashi, Chuo-ku, Tokyo<br>TEL 03-3275-2088 |                       |   |
| Access by public transportation | Tokyo Metro Tozai Line, Tokyo Metro Ginza Line, Toei Asakusa Line                         | Nihonbashi Station    | <b>Direct connection from Exit B9</b>   |
|                                 | Tokyo Metro Hanzomon Line   | Mitsukoshimae Station | <b>3 minute walk from Exit B5</b>   |
|                                 | JR Line   | Tokyo Station         | <b>10 minute walk from Yaesu North Exit 10<br/>5 minute walk from Nihonbashi Exit 5</b> |

