



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024

August 8, 2023

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Scheduled filing date of quarterly report August 9, 2023 Scheduled date of dividend payment -
 Preparation of supplementary materials for quarterly financial results: Yes
 Quarterly financial results meeting: No

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

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results (Cumulative)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three Months Ended June 2023	9,494	21.4	1,308	35.7	1,326	25.0	837	20.5
Three Months Ended June 2022	7,818	16.1	963	11.3	1,061	10.4	694	14.8

(Note) Comprehensive income Three months ended June 2023: 864 million yen (26.0%) Three months ended June 2022: 686 million yen (10.9%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three Months Ended June 2023	9.40	9.37
Three Months Ended June 2022	7.83	7.78

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	28,903	13,029	44.5
As of March 31, 2023	29,002	13,678	46.6

(Reference) Shareholders' equity As of June 30, 2023 12,847million yen As of March 31, 2023 13,513million yen

2. Dividends

	Annual dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Total amount
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2023	-	-	-	17.00	17.00
Fiscal year ending March 2024	-	-	-	-	-
Fiscal year ending March 2024 (forecast)	-	-	-	-	-

(Notes) 1. Revision of dividend forecast from the latest announcement: None
 2. The year-end dividend for the fiscal year ending March 31, 2024 is pending at this time.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentage figures are changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	41,000	17.5	6,600	31.7	6,600	29.4	4,100	30.0	46.04

(Notes) 1. Revision of earnings forecast from the latest announcement: Yes
 2. Since we have changed to an annual performance management system, we disclose only the full year results.

* Notes

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

None

Newly added: -, Excluded: -

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

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

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

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

(iii) Changes in accounting estimates : None

(iv) Restatement : None

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

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

1Q FY Mar 2024	89,067,200shares	Year ended March 2023	89,067,200shares
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(ii) Treasury shares at the end of the period

1Q FY Mar 2024	8,987shares	Year ended March 2023	8,819shares
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(iii) Average number of shares during the period (cumulative quarterly period)

1Q FY Mar 2024	89,058,271shares	1Q FY Mar 2023	88,739,853shares
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The quarterly financial results are not subject to quarterly review by a certified public accountant or auditing firm.

Explanation of appropriate use of earnings forecasts and other special notes

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

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

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Qualitative information on the current quarterly financial results

(1) Explanation of results of operation

During the first quarter of the current consolidated fiscal year, the Japanese economy has been recovering moderately due to the normalization of economic activities, which has been accompanied by the easing of behavioral restrictions caused by the new type of coronavirus infection. However, the outlook remains uncertain due to the prolonged situation in Ukraine, rising prices associated with the rapid depreciation of the yen, and other factors, and companies' needs for cost reduction are expected to increase more than ever.

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

In this market environment, the Group has been working to respond to the cost reduction needs of companies by switching contracts to independent maintenance companies, improving its nationwide network, acquiring and training personnel to strengthen quality and safety, and reinforcing its sales structure.

In the maintenance and repair business, the number of units under maintenance contracts remained strong, and net sales for the first quarter of the current fiscal year totaled 6,142 million yen (up 12.3% YoY). In the modernization business, net sales for the first quarter of the current fiscal year were 3,016 million yen (up 37.6% YoY) due to the reinforcement of the sales structure in preparation for business expansion and the strengthening of proposals for properties with suspended parts supply.

As a result of the above, consolidated business results for the first quarter of the current fiscal year were as follows: net sales were 9,494 million yen (up 21.4% YoY), operating profit was 1,308 million yen (up 35.7% YoY), ordinary profit was 1,326 million yen (up 25.0% YoY), and profit attributable to owners of parent was 837 million yen (up 20.5% YoY).

(2) Explanation of financial condition

(Assets)

Total assets at the end of the first quarter of the current fiscal year amounted to 28,903 million yen, down 98 million yen from the end of the previous fiscal year. This was mainly due to an increase of 321 million yen in raw materials and supplies, while cash and deposits and notes and accounts receivable - trade, and contract assets decreased by 297 million yen and 161 million yen, respectively.

(Liabilities)

Total liabilities at the end of the first quarter of the current fiscal year amounted to 15,874 million yen, up 550 million yen from the end of the previous fiscal year. This was mainly due to an increase of 1,130 million yen in current portion of long-term borrowings and a decrease of 654 million yen in short-term borrowings.

(Net assets)

Net assets at the end of the first quarter of the current fiscal year were 13,029 million yen, a decrease of 649 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 1,513 million yen in dividends paid, while retained earnings increased due to the recording of 837 million yen in profit attributable to owners of parent.

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

With regard to the consolidated earnings forecast for the fiscal year ending March 31, 2024, we have revised the second quarter (cumulative) earnings forecast and the full-year earnings forecast announced on May 12, 2023. For details, please refer to the "Notice of Revision of Consolidated Earnings Forecasts for the Full Year and Revision (Withdrawal) of Forecasts for the Second Quarter (Cumulative)" separately announced today.

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

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheets

(Thousands of yen)

	Previous Fiscal Year As of March 31, 2023	Current Fiscal Year As of June 30, 2023
Assets		
Current assets		
Cash and deposits	2,034,193	1,736,781
Notes and accounts receivable - trade, and contract assets	4,865,280	4,703,776
Raw materials and supplies	2,964,343	3,285,530
Other	1,125,235	1,037,338
Allowance for doubtful accounts	(17,010)	(6,314)
Total current assets	10,972,042	10,757,111
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,317,299	5,268,940
Tools, furniture and fixtures, net	4,364,989	4,482,624
Other, net	2,013,026	2,435,069
Total property, plant and equipment	11,695,315	12,186,634
Intangible assets		
Goodwill	2,352,242	2,285,494
Other	2,142,989	2,160,904
Total intangible assets	4,495,232	4,446,399
Investments and other assets		
Other	1,871,196	1,543,687
Allowance for doubtful accounts	(31,637)	(29,955)
Total investments and other assets	1,839,558	1,513,731
Total non-current assets	18,030,106	18,146,765
Total assets	29,002,148	28,903,876
Liabilities		
Current liabilities		
Accounts payable - trade	1,331,046	1,428,492
Short-term borrowings	4,526,557	3,872,496
Current portion of long-term borrowings	1,434,958	2,565,543
Income taxes payable	1,279,598	528,297
Provision for bonuses	799,746	466,787
Other	2,466,168	2,752,724
Total current liabilities	11,838,076	11,614,342
Non-current liabilities		
Long-term borrowings	1,765,017	2,535,310
Retirement benefit liability	1,211,296	1,216,042
Asset retirement obligations	428,030	430,990
Other	81,104	77,834
Total non-current liabilities	3,485,449	4,260,177
Total liabilities	15,323,526	15,874,519

(Unit: thousands of yen)

	Previous fiscal year (as of March 31, 2023)	First quarter of current fiscal year (as of June 30, 2023)
Net assets		
Shareholders' equity		
Share capital	2,493,058	2,493,058
Capital surplus	2,576,830	2,576,830
Retained earnings	8,589,342	7,912,936
Treasury shares	(13,579)	(13,679)
Total shareholders' equity	13,645,652	12,969,146
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	955	1,148
Foreign currency translation adjustment	(75,401)	(67,188)
Remeasurements of defined benefit plans	(57,488)	(55,184)
Total accumulated other comprehensive income	(131,935)	(121,224)
Non-controlling interests	164,905	181,434
Total net assets	13,678,622	13,029,356
Total liabilities and net assets	29,002,148	28,903,876

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

(Unit: thousands of yen)

	Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)
Net sales	7,818,590	9,494,293
Cost of sales	4,841,085	5,998,178
Gross profit	2,977,504	3,496,114
Selling, general and administrative expenses	2,013,706	2,188,101
Operating profit	963,797	1,308,012
Non-operating income		
Surrender value of insurance policies	67,499	16,126
Other	50,955	15,797
Total non-operating income	118,455	31,923
Non-operating expenses		
Interest expenses	4,435	5,083
Depreciation	1,311	3,713
Other	15,121	4,238
Total non-operating expenses	20,868	13,034
Ordinary profit	1,061,385	1,326,901
Extraordinary income		
Gain on sale of non-current assets	15,399	2,371
Total extraordinary income	15,399	2,371
Extraordinary losses		
Loss on retirement of non-current assets	314	582
Other	631	365
Total extraordinary losses	945	948
Profit before income taxes	1,075,839	1,328,324
Income taxes - current	224,477	283,282
Income taxes - deferred	149,478	194,785
Total income taxes	373,956	478,068
Profit	701,882	850,256
Profit attributable to non-controlling interests	6,996	12,668
Profit attributable to owners of parent	694,885	837,587

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

(Unit: thousands of yen)

	Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)
Profit	701,882	850,256
Other comprehensive income		
Valuation difference on available-for-sale securities	(448)	193
Foreign currency translation adjustment	(17,319)	12,073
Remeasurements of defined benefit plans, net of tax	1,992	2,304
Total other comprehensive income	(15,775)	14,571
Comprehensive income	686,107	864,827
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	676,311	848,298
Comprehensive income attributable to non-controlling interests	9,795	16,529

- (3) Notes to quarterly consolidated financial statements
 - (Notes on going concern assumption)
 - Not applicable.
 - (Notes in the event of significant changes in shareholders' equity)
 - Not applicable.
 - (Changes in significant subsidiaries during the period)
 - Not applicable.

- 3. Other
 - Not applicable.