



2023

**Japan Elevator Service**  
**Sustainability Report**

Japan Elevator Service Holdings Co., Ltd.

# Table of Contents

Table of Contents	2
Messages from CEO/CFO Sustainability Chair	3
Editorial Policy	4

## 1. JES Profile

Corporate Profile, Philosophy and Vision	5
Financial Highlights	6
Business Domains of JES Group	7
Medium-term Management Plan VISION2027	10

## 2. Sustainability Management

Our Approach to Sustainability	12
Basic Sustainability Policy, Materiality and Management Structure	13
Communication with Stakeholders	14

## 3. Environment

Our Approach to the Environment	15
Initiatives for Climate Change	16
Water Resources / Conservation of Biodiversity	17
Disclosure Based on TCFD	18
Considerations for the Environment Through Our Business	19
Environmental Data	21

## 4. Social

Contributing to Society Through Our Business	22
--	----

Quality and Safety	23
Technical Support System	24
Disaster Response	25
Initiatives to Improve User Satisfaction	26
Engagement in Worker Safety	27
Initiatives to Secure Human Resources	28
Occupational Safety and Health	29
Creating a Good Work Environment	30
Diversity & Inclusion	31
Social and Community Activities	33
Social Data	34

## 5. Governance

Basic Governance Policy / Our Approach to Governance	35
Governance Structure	36
Independent Outside Directors / Board Diversity / Succession Planning / Compliance / Anti-Corruption Policy / Tax Policy	38
Supplier Management / Information Security	39
Privacy Policy / Policy on R & D and Intellectual Property	40
Communication with Shareholders	41

## 6. Initiatives / Reference to GRI Standard

Participation in Various Initiatives	42
Reference to GRI Standard	43

### Table of Contents

1. JES Profile
2. Sustainability Management
3. Environment
4. Social
5. Governance
6. Initiatives, Reference to GRI

Japan Elevator Service  
Holdings Co., Ltd.

Sustainability Report

2023

## Message from CEO

### Safety above anything else, We will accelerate our sustainability management

Representative Director CEO  
**Katsushi Ishida**



Thank you for reading our Sustainability Report 2023. The JES Group continues to grow by solving social issues through its business based on the management principles of "Safety above anything else," "No cutting corners," and "Building on trust."

In order to continue sustainable growth, we believe it is essential to promote harmony with the environment and society, and to work to solve social issues through our business.

The maintenance services we provide for elevators and other equipment are intended to support the safe and secure operation of elevators as a means of transportation for personal and corporate activities, thereby creating a rich living environment by supporting the lives of all users.

As a result of establishing a nationwide network of offices in Japan and promoting the business by allocating the necessary human resources, we achieved a net increase of 10,000 units in maintenance contracts in the fiscal year ended March 31, 2023, growing to 97,000 units as of December 31, 2023. It is estimated that there are approximately 1.1 million elevators in Japan, and the JES Group has a market share of over 8%.

As the number of maintenance contracts increases, the number of users naturally increases, and we recognize that our social responsibility for our services has increased.

The Basic Sustainability Policy adopted by the Board of Directors in November 2021, as well as "Quality and Safety" and "Occupational Safety and Employee Engagement" as set out in the Materiality, continued to be the foundation of our sustainability and we have been strengthening them as the engine of our business growth.

Specifically, the Group strengthened its quality standards, recruitment, and human resources. The number of employees was 1,870 at the end of December 2023, and the number of technical personnel was 1,178. These numbers have increased by 104 and 82, respectively, since the end of March 2023. In April 2023, we hired a record number of new graduates and promoted the development of a structure to support business growth and safety and security in accordance with our medium-term management plan.

In addition, as a company listed on the Prime Market, we have made efforts to understand the reality of climate change and other environmental issues as they affect our business. We calculated the amount of greenhouse gas (GHG) emissions for the entire Group, including the supply chain for the fiscal year ended March 2023.

We will continue to develop reduction targets based on our business plan. Our various efforts will contribute to solving social issues and contribute to the creation of a sustainable society with you.

We appreciate your continued support.

## Message from CFO Sustainability Chair

### Pursuing Solutions for Social Issues and Business Development

Director Deputy President and Executive Officer CFO  
General Manager, Corporate Administration Headquarters  
Sustainability Committee Chairman  
**Kimihiko Imamura**



Thank you all for your cooperation in the development of the JES Group. The JES Group has expressed its strong commitment to ESG management in VISION2027. As the environment surrounding our business activities is becoming increasingly uncertain and various changes are expected in the future, ESG strategies will become more important for strong resilience.

In May 2022, we established a Sustainability Committee to analyze risks and opportunities related to sustainability and to organize issues necessary for growth.

The company recorded record earnings for the fiscal year ending March 31, 2023, and is forecasting record earnings for the fiscal year ending March 31, 2024 as well (as of December 2023.)

As a publicly listed company, it is meaningless to conduct business development and management with only social contribution in mind. It is important to incorporate ESG strategies into our business and contribute to society through the growth of that business.

■ Contributing to society through nationwide expansion  
The JES Group is expanding its network of offices throughout Japan, and in developing high-quality services at each location, we are focusing on securing and training human resources. We create jobs in each region and create an environment in which these employees can build their careers by acquiring a high level of expertise.

Based on this system, we are working to protect the safety and security of users of elevators and other facilities so that they can live comfortable and sustainable lives.

■ Strengthening Governance  
In June 2022, the Nominating and Compensation Committee was established to provide an advisory body for the selection and compensation of directors. We strive to strengthen governance in accordance with JES Group policies such as compliance observance and anti-corruption. In communication with our shareholders, we also create opportunities for them to learn more about the JES Group by proactively conducting investor interviews.

■ Environmental Considerations  
As part of our environmental efforts through our business, we are making efforts to contribute to the reduction of greenhouse gas emissions by switching to LED lighting in elevators, recycling parts used for repair and other purposes, and promoting refurbishing projects. In addition to aggregating its own greenhouse gas emissions, starting in the fiscal year ended March 31, 2023, the company began aggregating the emissions of its entire supply chain. We will assess our company's actual situation and plan and implement specific initiatives that can reduce

In this report, we would like to share with you our past efforts and future intentions.

### Messages from CEO / CFO Sustainability Chair

1. JES Profile
2. Sustainability Management
3. Environment
4. Social
5. Governance
6. Initiatives, Reference to GRI

Japan Elevator Service  
Holdings Co., Ltd.

Sustainability Report

2023

# Editorial Policy

## Basis of Presentation

This report focuses on the main initiatives in the fiscal year ended March 2023 with regard to the realization of a sustainable society and the sustainability of the JES Group. We are committed to fulfilling our accountability to society and enhancing communication with our stakeholders. This report refers to the disclosure requirements of the GRI Standards in order to disclose information as an engagement tool with all stakeholders. In addition, various information on climate change is disclosed based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

## Scope of Presentation

Period	April 1, 2022 to March 31, 2023, including some activities in prior years and after April 2023
Organization	Japan Elevator Service Holdings Co., Ltd. and consolidated subsidiaries
Performance	Financials: Japan Elevator Service Holdings Co., Ltd. Corporation and its consolidated subsidiaries and equity method affiliates Environment: Japan Elevator Service Holdings Co., Ltd. and consolidated subsidiaries However, some group companies that have completed acquisitions are not included in the scope of coverage, but the environmental impact data from their business activities covers more than 90% of the total impact of the entire group Social: Data scope is described separately
Schedule	To be published annually as an annual report

Description	JES Group : Japan Elevator Service Holdings Co., Ltd. and consolidated subsidiaries JESHD : Japan Elevator Service Holdings Co., Ltd.	Reference Guidelines	GRI Standard (Global Reporting Initiative) Ministry of the Environment Environmental Reporting Guidelines (2018)
-------------	--	----------------------	---

### Disclaimer

This report has been prepared by Japan Elevator Service Holdings Co.,Ltd. (the "Company") for the purpose of providing readers with a better understanding of the current status of the Company.

The information contained in this report is based on economic, social, and other conditions generally recognized at the present time and on certain assumptions that we have judged to be reasonable, but may be subject to change without notice due to changes in the business environment or for other reasons.

### Cautionary Statement Regarding Forward-Looking Statements

The materials and information provided in this disclosure include so-called "forward-looking statements". They are based on current estimates, forecasts, and assumptions that involve risks and involve uncertainties that could cause results to differ materially from those in the statements.

These risks and uncertainties include general industry and market conditions, and general national and international economic conditions such as interest rate, currency, and exchange rate fluctuations. We are under no obligation to update or revise the "forward-looking information" contained in this disclosure, even if new information or future events arise in the future.

**Inquiry for Sustainability Report :** Japan Elevator Service Holdings Co., Ltd. tel: +813-6262-1625

### Editorial Policy

1. JES Profile
2. Sustainability Management
3. Environment
4. Social
5. Governance
6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

1



# JES Profile

# Corporate Profile, Philosophy and Vision

Since its foundation in 1994, the JES Group has placed the safety of our customers at the forefront of its activities, carrying out the business of maintenance and modernisation of elevators and other social infrastructure equipment, with a commitment to improving the management base, quality of service and technical skills of its employees.

Thanks to the support of our stakeholders, we were listed on the Tokyo Stock Exchange in 2017 and changed to the Prime Market in April 2022.

Our performance and number of employees have grown year after year, and we have been able to rise to become the number one independent elevator maintenance company.

## Company Profile

<b>Company Name</b>	Japan Elevator Service Holdings Co., Ltd.
<b>Established</b>	October 3, 1994
<b>Listed Market</b>	Prime Market of the Tokyo Stock Exchange (Securities Code; 6544) Market change on April 4, 2022
<b>Head Office</b>	〒103-0027 Tokyo Tatemono Nihonbashi Building 5F, 1-3-13 Nihonbashi, Chuo-ku, Tokyo
<b>Representative</b>	Representative Director CEO Katsushi Ishida (born on March 25, 1966)
<b>No. of Employees</b>	1,870 (as of December 31, 2023, consolidated)
<b>Capital</b>	2,493 million yen (as of March 31, 2023)
<b>Net sales</b>	34,907 million yen (for the fiscal year ended March 2023, consolidated)

## Corporate Philosophy

### Safety Above Anything Else

Safety is our lifeblood above anything else  
We are committed to monitoring 24 hours a day, 365 days a year

### No Cutting Corners

We do not cut corners because people don't see, and we work for safe operation

### Building on Trust

Building relationships of trust with customers based on our position and strengths as an expert specializing in maintenance

The elevator maintenance services provided by the JES Group ensure the safety and security of everyone who uses elevators, which are social infrastructure.

Elevators, which are used daily as a means of transportation for lifting people up and down, must be safe and comfortable, and must be able to recover quickly in the event of an earthquake or other natural disaster.

Therefore, we recognize that our mission is to contribute to the creation of a safe and secure society by striving to improve the quality and technical capabilities of our maintenance services, and we are working daily toward sustainable growth based on our corporate philosophy.

## Corporate Vision

**Challenging and inspiring service!  
To be a maintenance manufacturer that creates  
the future of the industry!**

The elevator maintenance and modernization market is expanding year after year, both in Japan and in Asian countries.

JES Group will continue to take on the challenge of leading the maintenance industry as a maintenance company that has established a business model of global standards, providing high-quality services at reasonable prices.

Table of Contents

### 1. JES Profile

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Financial Highlights

Thanks to the cooperation of various stakeholders, JES Group has continued to grow in net sales, operating profit, and profit since its listing on the Tokyo Stock Exchange. For the fiscal year ended March 31, 2023, net sales amounted to 34.9 billion yen (29.7 billion yen in the previous year) and operating profit was 5.0 billion yen (4.1 billion yen in the previous year), a significant increase in both sales and income.

The JES Group needs to make up-front and ongoing investments in human resources, research and development, and other areas in order to expand its domestic market share and expand its business. The Group is working to secure internal reserves in preparation for capital needs and stabilize its financial base by procuring funds through borrowings and other means.

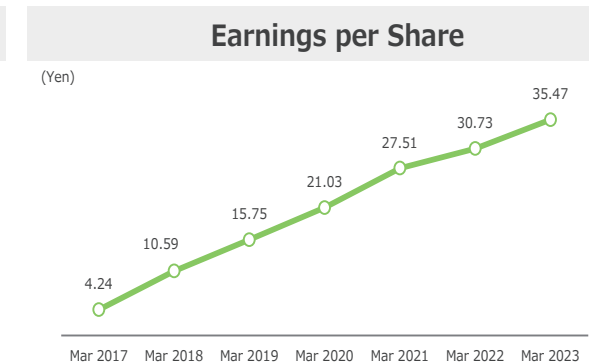
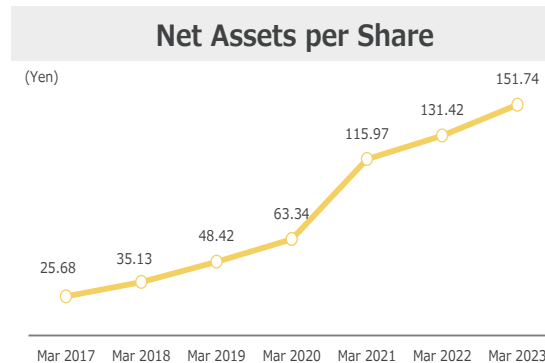
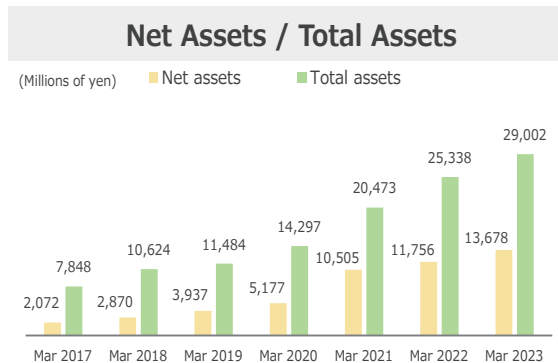
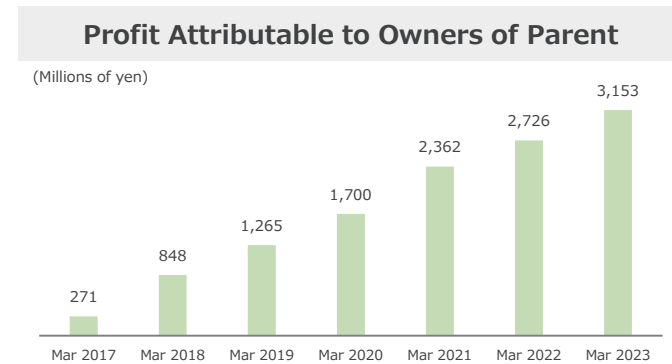
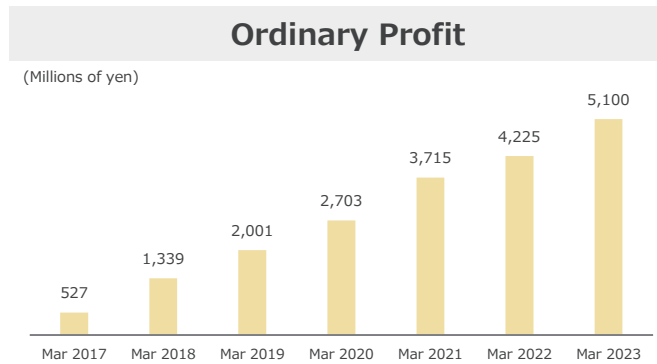
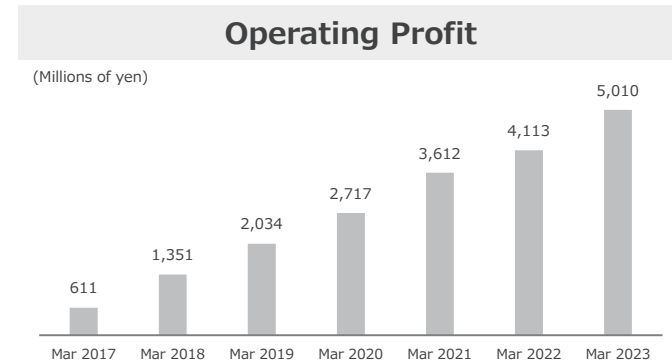
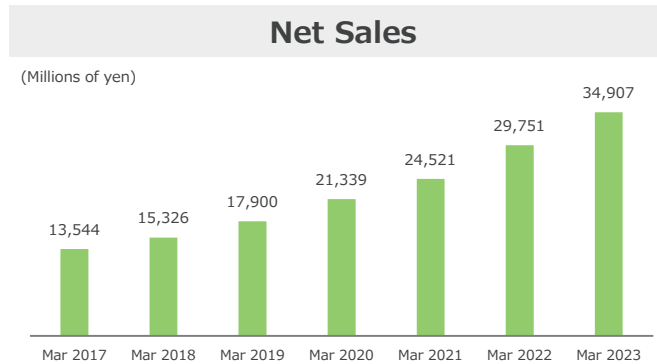


Table of Contents

**1. JES Profile**

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

**2023**

# Business Domains of JES Group

## Business Overview

The JES Group is engaged in maintenance and repair, and modernization services for elevators and other equipment. Since its establishment, the company continues to increase the number of maintenance contracts in Japan, leveraging its high technical capabilities to handle all major domestic manufacturers' models, its ability to procure genuine parts, and its scale of stock. The number of contracts continues to increase, reaching 88,630 units at the end of March 2023 and 96,740 units at the end of December 2023, giving the company a domestic market share of more than 8% (Company estimate).

Major elevator manufacturers have a high share of maintenance contracts in Japan, while independent elevator maintenance companies, including the JES Group, have about a 20% share.

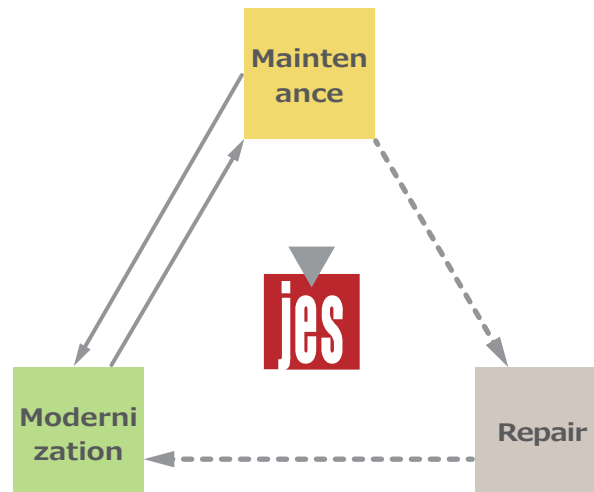
The JES Group has the No. 1 market share among independent elevator maintenance companies. Elevators and escalators are social infrastructure used on a daily basis for personal and business activities and, as with transport infrastructure, we put the safety and security of users first in the operation of our business.

As the number of maintenance contracts increases, the JES Group is focusing on improving service quality and training technical personnel to ensure safety and security.

We believe that our important mission is to continue to contribute to society as a service company that supports social infrastructure, based on the trust of our users.

## Business Model

The JES Group's business model, in which maintenance and repair, and modernization operations are interlocked on the strength of its high-quality services, creates a virtuous cycle that sets it apart from its competitors and gives it a competitive edge in the market.



## Maintenance and Repair Services

Maintenance services include statutory inspections as required by the Building Standards Act, periodic inspections (cleaning, lubrication, adjustment, replenishment and replacement of consumables, etc.), monitoring services (including investigation of abnormalities and defects, remote monitoring and remote inspection), and emergency response.

Repair services include replacement of deteriorated parts and repair of malfunctions based on reasonable judgments based on inspection results.

We have a wealth of maintenance experience and are capable of maintaining all major domestic manufacturers' models. Each elevator manufacturer has various differences in error analysis, adjustment standards, and parts replacement standards, but our accumulated maintenance experience enables us to provide maintenance that meets these differences.

## Maintenance Services



- i. Legal inspections as stipulated in the Building Standards Act
- ii. Periodic inspections, etc. (cleaning, lubrication, adjustment, replenishment/replacement of consumables, etc.)
- iii. Monitoring services (including investigation of abnormalities and defects, remote monitoring and remote inspection)
- iv. Emergency response

## Repair Services

Replace or repair deteriorated parts based on reasonable judgment based on inspection results.

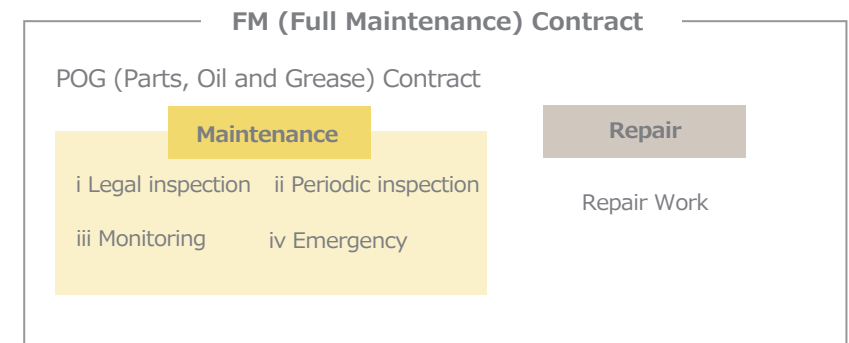


Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023



# Business Domains of JES Group

## Modernization Services

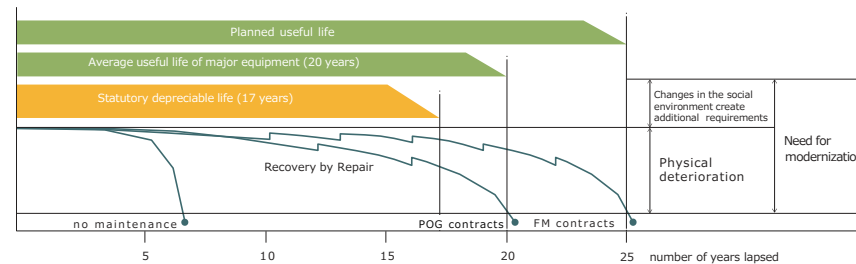
The legal service life of an elevator is 17 years, while the Life Cycle Assessment of the Long Life Building Promotion Association (BELCA) states that the expected service life of a standard elevator is 25 years.

For elevators that have been installed for about 20 years, the JES Group offers modernization services ranging from cost-oriented modernization of control panels and hoisting machines alone to performance improvement of the entire elevator, including design, with the aim of improving reliability, safety, and operating efficiency. From removal and renovation of existing items to elimination of existing nonconformities due to revised laws and regulations, our professional engineers will design and construct work that meets your needs in a safe and secure manner.

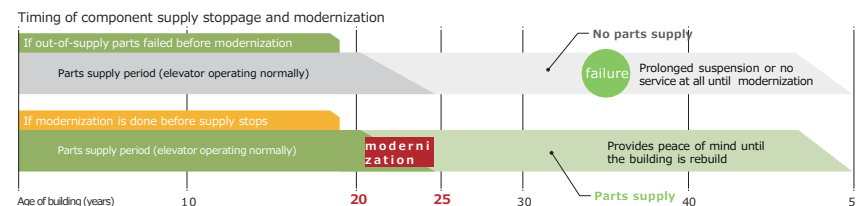
Some parts are no longer distributed once manufacturers suspended supply of spare parts. In the event of future malfunctions, etc., it may not be possible to restore the system due to the difficulty of obtaining parts. We propose a modernization work to replace the control panel including out-of-supply parts with the latest microcomputer control system, and to replace aged deteriorated electric motors and related equipment.

A wide variety of components are available to elaborate the design of elevators, including operating panels, buttons, wallpaper, mats, and other materials that enhance operability and comfort. Because we are well versed in elevators, we are able to propose renewals that match the shape of the elevator.

## Elevator Service Life



## Component Supply Risk



## Quick Renewal



The JES Group offers its own modernization service, "Quick Renewal."

By replacing only the control panel, elevator downtime can be significantly shortened and costs can be dramatically reduced. By minimizing the number of replacement parts, this next-generation service minimizes waste and is environmentally friendly.

## Strengths of the JES Group

### ■ Control Center

The control center, which operates 24 hours a day, 365 days a year, receives failure signals through PRIME, the remote inspection device only JES can develop among independents, and handles calls directly from customers. When a failure signal is received, we have established a system that allows us to determine the current location of technical personnel in real time using GPS, and to accurately determine and arrange the means of transportation and technical capabilities.

"PRIME" has been developed with multiple patented technologies to constantly monitor elevator operation and conditions and detect signs of failure, enabling trouble prevention and quick recovery. Among independent maintenance companies, only JES Group can provide this service.



### ■ Parts Center

We have established efficient stocking of parts at our 8 parts centers nationwide and approximately 130 sales offices throughout Japan. We use genuine manufacturer parts for maintenance and repair of main equipment, and the company boasts the largest number of independent parts items, approximately 3 billion yen and over 200,000 items.

We have parts engineers on duty 24 hours a day, 365 days a year, day and night, and on holidays, to establish a quick delivery system in case of emergencies. As part of our efforts to ensure a stable supply of parts and to address environmental issues, we are engaged in the refurbished parts business (parts that have passed our quality control tests after being repaired and serviced from parts collected at the time of replacement), which enables us to respond to parts that are no longer supplied by manufacturers or to delays in the supply of manufacturer parts due to the global shortage of semiconductors. In addition, this process contributes to the reduction of greenhouse gas emissions compared to the manufacturing process of new parts.

### ■ Technical Support

Maintenance is performed by multi-specialists who have undergone "STEP24," a unique training program that ensures acquisition of basic knowledge and know-how of each model. The program is designed to create engineers who not only have the technical skills to handle a variety of models, but who can also be trusted as human beings.

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

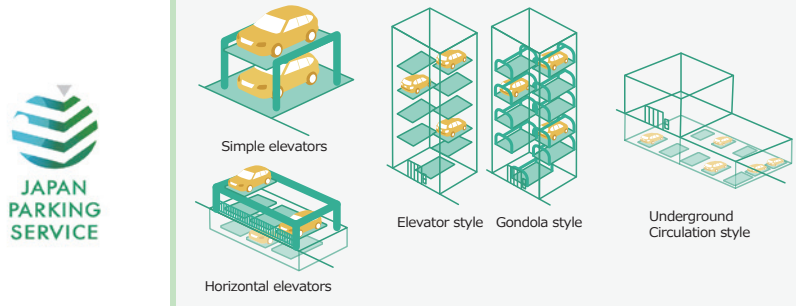
# Business Domains of JES Group

## New Initiatives

### Mechanical Parking Equipment

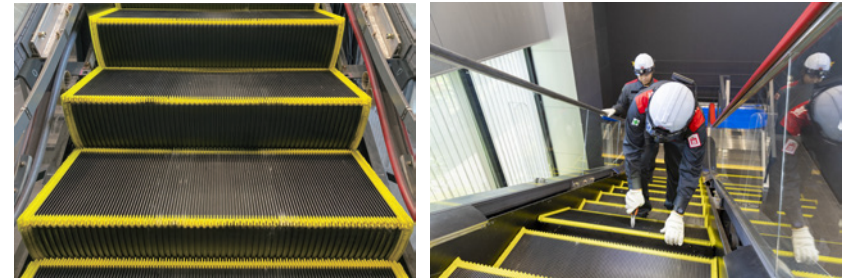
In March 2021, the Holding Company established Japan Parking Service Co., Ltd. a joint venture with NC Holdings Co., Ltd. The Joint venture combines the strengths of independent maintenance companies and manufacturers to deliver highly satisfactory maintenance services.

With a clear pricing structure that fundamentally revised manufacturer-driven pricing, we are able to reduce costs by up to 50% compared to manufacturer maintenance, and by leveraging our strengths such as our ability to provide maintenance support for a variety of models and to handle repairs and installation work in collaboration with manufacturers, we have grown to have maintenance contracts for approximately 22,000 pallets as of the fiscal year ended March 2023.



### Escalator Maintenance

JES Group provides escalator maintenance for all major Japanese manufacturers' models. In order to provide escalator maintenance services with a high degree of satisfaction, we focus on improving the skills of our technical personnel through an extensive curriculum that includes training on actual equipment. The "ES Group" was established in the JESHD Engineering Headquarters to train specialists, improve the skills of all technical personnel, and enhance maintenance quality in order to pass on escalator skills, which require different skills from those of elevators, to the next generation.



### Overseas Business

The JES Group is promoting overseas business as part of its growth strategy.

The elevator maintenance and modernization market is expanding year after year, not only in Japan but also overseas and in Asian countries where economic growth continues. We are expanding overseas based on overseas market needs and market research, and are aiming for a global standard that balances new construction, maintenance, and modernization.

We are expanding our business mainly in ASEAN, establishing a joint venture in Indonesia in 2020, acquiring an independent elevator maintenance company in Vietnam in 2021, and acquiring a company operating facility management business in Malaysia as a subsidiary in 2022. Since joining the Group, there companies have continued to grow through sales activities that leverage the JES brand and by improving quality through technical guidance.



- ① PT. Japan Elevator Service Indonesia
- ② JAPAN UNIECO ELEVATOR SERVICE COMPANY LIMITED
- ③ COFRETH (M) SDN.BHD.

### Digital Signage with Security Camera Function "LiftSPOT"

The JES Group offers the LiftSPOT service, a proprietary digital signage system with security camera functions. In addition to enhancing security inside the elevator by adding a security camera function, the system also improves the safety and comfort of the elevator space by broadcasting various information contents.

We have acquired several patented technologies that enable LiftSPOT to work beyond the manufacturer's boundaries.

With more than 10,000 units installed as of March 2023, it has grown to become one of the largest digital signage media with audio in elevators in Japan, and aims to increase advertising sales by improving media value.



Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Medium-term Management Plan VISION2027

## Achieving Sustainable Growth

In addition to business growth, profitability, and shareholder return targets, the medium-term management plan "VISION2027," formulated and announced in May 2022, sets the goal of incorporating and strengthening the essence of ESG into management and operations. The fiscal year ended March 31, 2023 was the first year of our medium-term management plan, and we are making good progress.

### Basic Strategy

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

### Growth Strategy

- Net sales growth through expansion of maintenance and repair services due to an increase in the number of maintenance contracts and acquisition of modernization demand
- Improve business productivity through human resource development and DX promotion, and improve profitability by increasing operational efficiency
- Stable returns to shareholders
- Enhance the sustainability of society and business by taking on the challenge of a sustainable society

Table of Contents

#### 1. JES Profile

2. Sustainability Management

3. Environment

4. Social

5. Governance

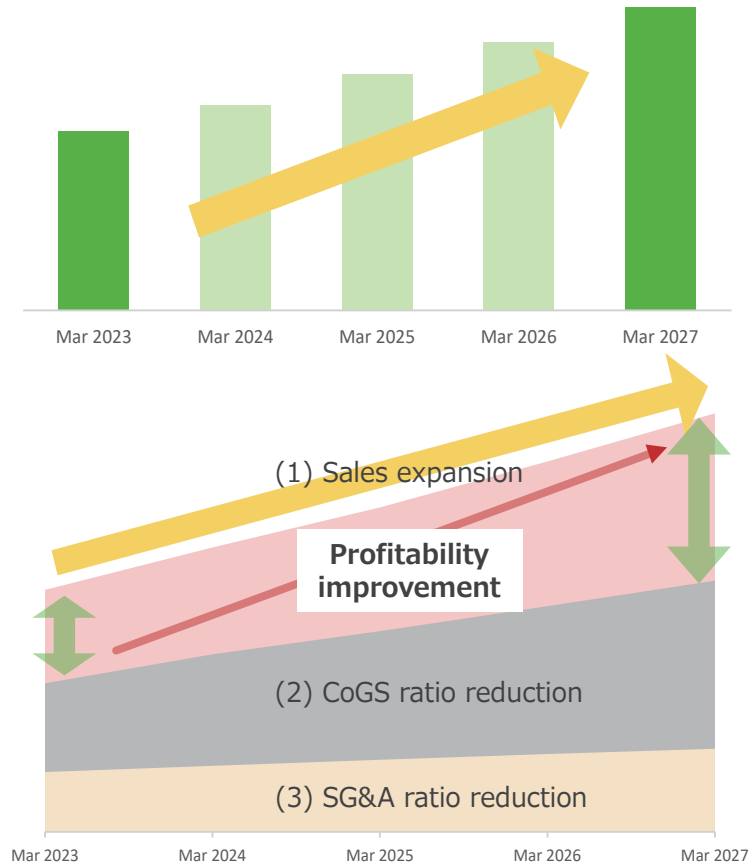
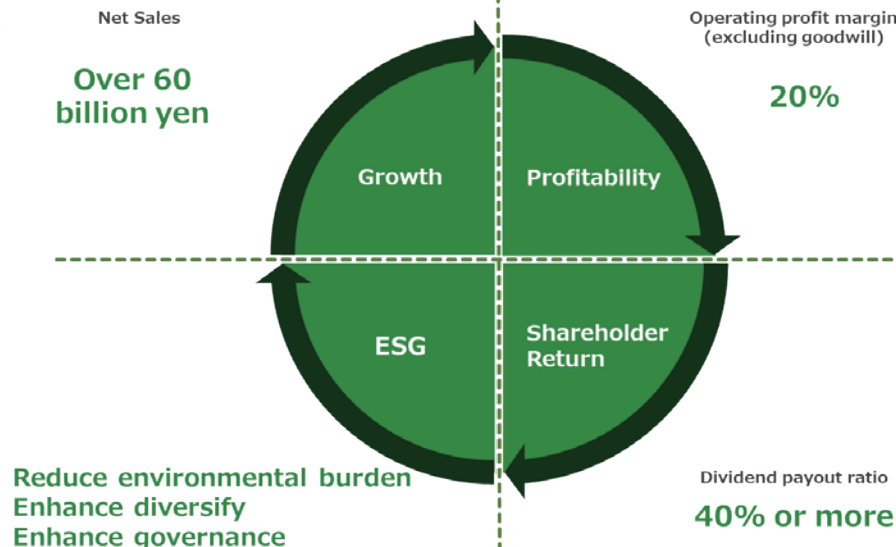
6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

## Increase Corporate Value Through Growth and Prosper with Stakeholders



# Medium-term Management Plan VISION2027

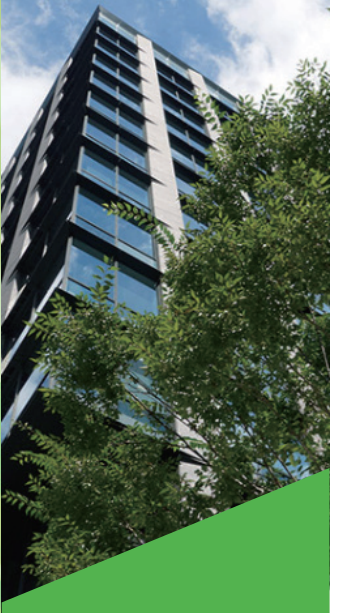


Table of Contents

**1. JES Profile**

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

**2023**

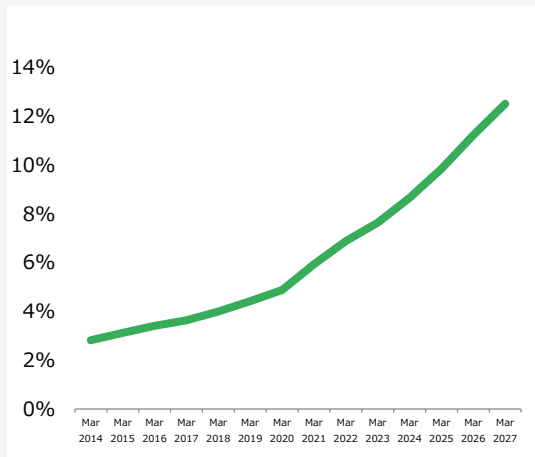
## Domestic Elevator Maintenance Market

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

## Market Share

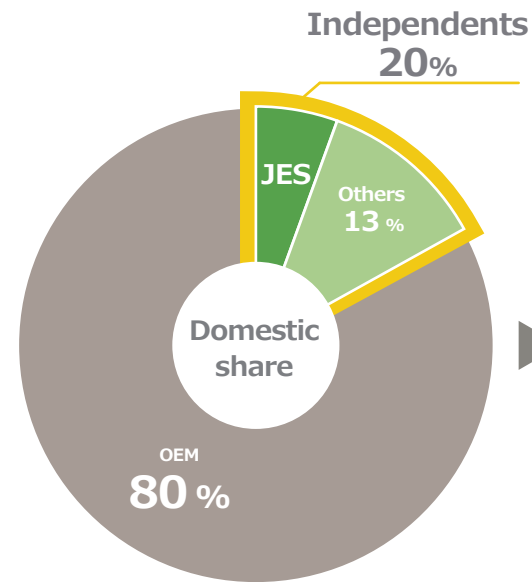
- OEM market share is approximately 80%
- Independents' share is expected to grow moderately, reaching 25% by 2027 (generally 50-60% in European and U.S. markets)
- The Group's market share is expected to be over 13%, the majority of the independent

## JES Group Market Share



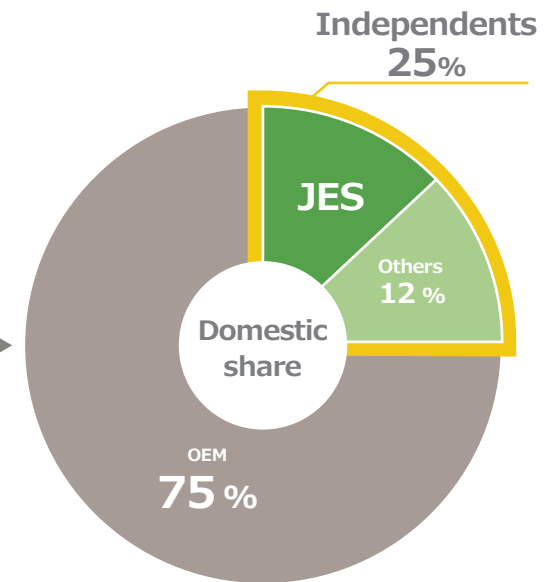
\*Mitsubishi Electric Building Solutions, Hitachi Building Systems, Toshiba Elevator and Building Systems, Otis Elevator Japan, Fujitec

### FY March 2023



**JES: 8 %**

### VISION2027



**JES: 13 %**

2

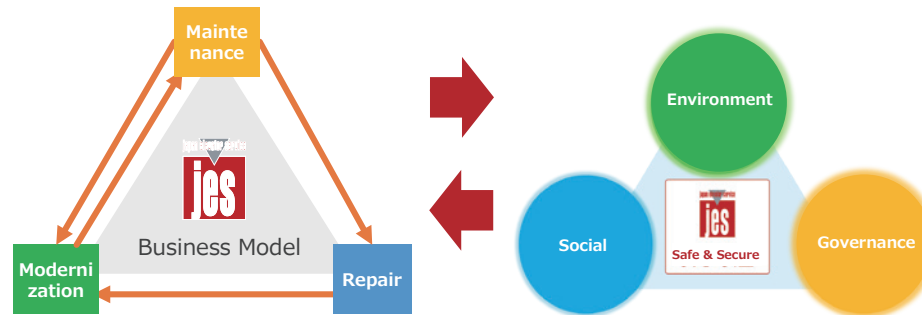


# Sustainability Management

# Our Approach to Sustainability

JES Capital	
Financial capital	Net assets 13.6 billion yen (FY March 2023)
Human capital	1,766 employees (FY March 2023)
Social capital	Number of locations: 132 (FY March 2023)
Sound financial position Human Resources Supporting Services Nationwide network	

Achieve sustainable growth by incorporating the essence of sustainability into our business



Medium-term Management Plan VISION2027	
Net sales	60 billion yen
Profit	20% OP margin (Before amortization of goodwill)
Shareholder return	Dividend payout ratio of 40% or more
ESG	Contributing to the environment through our business Diverse workforce Permanent Governance Enhancement

Table of Contents

1. JES Profile

**2. Sustainability Management**

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

## We Practice Sustainability Management to Increase Economic, Social and Environmental Value

The future is becoming increasingly difficult to predict in an increasingly complex macro environment, with a declining birthrate, an ageing population, increasing use of digital technologies and a worsening market environment due to climate change. In order for the JES Group to develop sustainability in an uncertain and uncertain society, we have set "quality and safety" in the elevator maintenance business and "occupational safety and employee engagement" supporting it as materiality.

Today, companies are not valued solely on the basis of economic growth, and it is difficult for them to continue their business in this society. Therefore, in its mid-term management plan VISION2027, the JES Group stipulated that it will promote activities aimed at solving social issues by incorporating ESG perspectives into its business, rather than just economic goals.

Social and environmental issues also affect our business. Our company operates mainly in Japan. In Japan, we are facing a declining workforce due to the falling birthrate and aging population, and we recognize that this is an important issue in securing the human resources that will support our business growth. Given our market share in Japan and our history of growth, there is still plenty of room for expansion, but we recognize that acquiring and securing the human resources needed to do so is an issue that must be given top priority. In order to attract and retain human resources, it is important that the JES Group is an environment in which people want to work and are comfortable working, and it is necessary to have an advantage over other compa-

nies. More than ever, the key point is to recognize the diversity of human resources in society and how we can appeal to the appeal of the JES Group in that society.

Environmental challenges include the impact of extreme weather events due to climate change. In elevator maintenance, typhoons and other extreme weather events are highly likely to cause failures, creating a risk of unavailability for users. We are checking elevator operating status and working to restore operations as appropriate, but the risk of impact on users increases as the severity and frequency of extreme weather events intensifies, which is expected to interfere with maintenance. We recognize that environmental issues caused by climate change will affect the JES Group's business, and we are determined to contribute as much as we can as a company. The JES Group has calculated the greenhouse gas emissions of the entire group for the fiscal year ended March 31, 2023. Since we do not manufacture our own elevators, our emissions are at a lower level than those of manufacturers and other companies that have their own factories. However, as mentioned above, we consider environmental issues caused by climate change as one of our management issues, and we set a goal of reducing greenhouse gas emissions.

As a short-term target, we aim to reduce net sales per unit of production compared to the previous year. We will also establish greenhouse gas emission reduction targets toward our long-term goal of achieving a carbon-neutral society by 2050.



## Basic Sustainability Policy

Based on our corporate philosophy of "Safety Above Anything Else," "Never Cutting Corners," and "Building on Trust," the JES Group has identified the two materialities as "Quality and Safety" and "Occupational Safety and Employee Engagement," and will work to realize a sustainable society, aiming to be a company that is trusted and needed by all of our stakeholders.

We will fulfill the resolution of social issues through our corporate and business activities, and also contribute to the achievement of the SDGs goals related to each materiality.

## Materiality

### Quality and Safety

We consider "maintaining quality" and "providing security" as our major social responsibility, and aim to contribute to society by providing high quality and safe services that satisfy our customers.



### Work Safety and Employee Engagement

We believe that the most important foundation supporting our business is our human resources, and by ensuring the safety of our employees and by creating an environment in which each and every employee can perform his or her duties with ease and satisfaction, we will lead to the sustainable development of the JES Group.



## Management Structure

Recently, interest in sustainability as a factor leading to sustainable corporate growth and enhancement of corporate value over the medium to long term has been growing, and companies are increasingly being asked to proactively address issues related to sustainability and disclose such information.

Against this backdrop, we have established the Sustainability Committee to promote sustainability initiatives linked to the management plan by resolving materiality issues related to sustainability and identifying opportunities and risks. The Committee was chaired by the Director Deputy President and Executive Officer CFO, and its members consisted of those deemed appropriate in light of the Committee's purpose and based on their duties. We will check for consistency with management and operations, as well as manage and oversee measures in conjunction with environmental, social, governance, and other sustainability issues.

The committee mainly deliberates on the formulation of the JES Group's sustainability strategies and plans, identification and assessment of risks, consideration of countermeasures and management of progress, setting of indicators to be used as targets, etc., as well as monitoring the status of initiatives and making reports and proposals to the Board of Directors.



Table of Contents

1. JES Profile

**2. Sustainability Management**

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Communication with Stakeholders

Stakeholders	Communication Channel	Act of Engagement
<b>Shareholders</b>	General Meeting of Shareholders IR meetings Financial Results Briefing Official Website	The JES Group has set the goal of stable shareholder returns in its medium-term management plan and paid a dividend of 17 yen per share for the fiscal year ended March 31, 2023. We will continue our efforts to return profits to shareholders, taking into consideration our business performance and financial condition. We hold biannual financial results briefings to explain business conditions for the first half and the full year. In addition, the IR Office plays a central role in enhancing dialogue with investors on a daily basis. We strive to disclose our official website and various disclosure materials in Japanese and English in a timely manner to improve accessibility for shareholders to make investment decisions.
<b>Customers</b>	Maintenance and repair services Modernization services Nationwide sales offices Control center Official website (special page)	We strive to improve customer satisfaction through daily communication. Through our nationwide expansion, we will provide higher quality and more reasonably priced services than ever before to protect the safety and security of elevators.  Number of maintenance contracts in Japan: 96,740 units as of December 31, 2023 Number of domestic bases: 137 as of February 1, 2024
<b>Employees</b>	Training program STEP24 Technical championship Meister system Hierarchy-specific training	We are actively recruiting and training personnel, particularly technical personnel. Number of employees: 1,766 of which 1,096 technical personnel as of March 31, 2023,
<b>Community</b>	Wako City, Saitama Prefecture : JIC (JES Innovation Center) JIL (JES Innovation Center Lab) LiftSPOT	For the children who will lead the next generation, we are releasing it as a place for social studies tours. The facility is certified as a "Baby's Station" under the Saitama Prefecture initiative. Starting in 2022, a video distribution project to support the promotion of local governments has been launched on the "LiftSPOT" digital signage in elevators.

Table of Contents

1. JES Profile

**2. Sustainability Management**

3. Environment

4. Social

5. Governance

6. Initiatives,  
Reference to GRI

Japan Elevator Service  
Holdings Co., Ltd.

Sustainability Report

**2023**



3



# Environment

# Our Approach to the Environment

Environmental issues are of great concern to the international community and have serious implications for humanity and the planet. Climate change, destruction of ecosystems due to deforestation, pollution of water resources, and protection of biodiversity are just a few examples of the global trends that require individuals and companies to implement and sustain long-term environmental initiatives.

It requires international coordination and cooperation, and the collaboration of governments, businesses, and individuals is essential. It is important to use international frameworks, such as the Sustainable Development Goals (SDGs), to implement strategies and measures to address environmental issues.

## Basic Policy

The JES Group has been committed to supporting the safety and security of society through maintenance services for elevators and other elevating equipment.

The JES Group is committed to preserving the environment through its business activities. To mitigate the effects of climate change, we are focusing on environmentally friendly initiatives and addressing issues such as sustainable use of resources. We consider this as an important long-term issue to be addressed by the JES Group and will implement it based on the following environmental concepts.

The JES Group recognizes the impact of environmental issues on sustainable growth, and will manage risk and governance with the Sustainability Committee playing a central role in specific measures.

### (i) Basic Stance

We will take into consideration the preservation of the environment in accordance with the JES Group Code of Conduct,

### (ii) Compliance with related laws and regulations

Comply with environmental laws and regulations,

### (iii) Environmental considerations

Consideration will be given to preservation of the environment and biodiversity,

### (iv) Effective use of resources and energy

Strive to make effective use of resources and energy,

### (v) Contribution to the construction of a circular economy

Strive to reduce waste, reuse and recycle consumables and other materials required for business activities, and

### (vi) Utilization of environmental management system

Using an environmental management system, we will establish environmental objectives and targets, make continuous improvements, and strive to prevent environmental pollution.

## Environmental Communication

The JES Group strives to disclose environmental information through its Sustainability Report. In July 2023, we responded to the official version of the Carbon Disclosure Project (CDP) questionnaire as part of our climate change-related disclosure. We will also enhance the disclosure of information on climate change and environmental management so that our clients can understand the various initiatives of the JES Group, such as our efforts toward a carbon neutral society by 2050 and information disclosure based on the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure).

Table of Contents

1. JES Profile

2. Sustainability Management

**3. Environment**

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023



# Initiatives for Climate Change

The JES Group supports the goal of international organizations and the Japanese government to achieve a carbon neutral society by 2050. We recognize that global warming has the potential to cause severe weather, sea level rise, and ecosystem changes that could have serious impacts on humanity and ecosystems. Currently, many extreme weather events are occurring due to climate change. In Japan, torrential rain disasters have caused damage, which has also affected the elevator maintenance business, such as in response to malfunctions.

The reason for becoming a carbon neutral society is to reduce greenhouse gas (GHG) emissions and mitigate climate change, and the transition to a carbon neutral society is an important step in limiting rising temperatures.

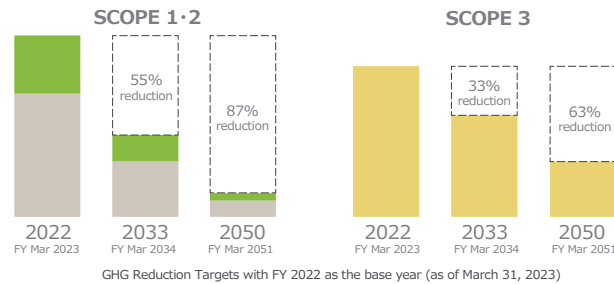
We recognize that economic activity requires an environment in which people can live healthily and safely, and that individuals and businesses have a social responsibility to take environmentally responsible actions to address the impacts of climate change that impede such activity. Compliance with the Paris Agreement and other international climate change agreements is important and essential to building a sustainable future.

The JES Group is committed to contributing to the environment by striving to develop its business in an environmentally friendly manner.

## Indicators and Targets

In the fiscal year ended March 31, 2023, we began measuring greenhouse gas emissions in accordance with Science Based Targets (SBT), and in November 2022, we submitted a commitment letter to the Science Based Targets Initiative (SBTi) to set targets within two years.

While our short-term goal is to reduce emissions per unit of sales, we also plan to establish medium- and long-term targets in accordance with the SBT.



## Assumptions for Targets

In establishing reduction targets, it is assumed that there will be no impediments to the execution of the business plan, materiality quality and safety, occupational safety, and employee engagement.

For example, technical personnel perform maintenance in each area, but travel to managed properties is primarily by automobile. Automobiles are primarily gasoline-powered vehicles, and while the use of gasoline produces greenhouse gases, there is no alternative to not using automobiles. Regular maintenance and access to transportation that can be quickly rushed to the site in the event of a disaster are essential.

As a publicly listed company, the JES Group continues to grow economically, and the number of offices and employees is increasing in proportion to growth, and this trend will not change as we work toward achieving our mid-term management plan. Therefore, emissions are expected to increase under the normal scenario because the amount of economic activity will increase. Goals are to be formulated on the assumption that the volume of activities will increase in proportion to the increase in net sales.

It is our policy to consider and implement environmentally friendly initiatives while keeping our business plan in mind and not taking options that would hinder the sustainability of our business.

## JES Group Greenhouse Gas Emissions for the Year Ended March 31, 2023

The JES Group has calculated the group's total greenhouse gas emissions for the fiscal year ended March 31, 2023, for the entire supply chain, including Scope 1 and 2 (in-house emissions) as well as Scope 3 (non-JES Group) emissions. Greenhouse gas emissions for Scope 1, Scope 2, and Scope 3 for the fiscal year ended March 31, 2023 were calculated to be 3,512 t-CO<sub>2</sub>, 1,648 t-CO<sub>2</sub>, and 54,239 t-CO<sub>2</sub>, respectively.

By setting the fiscal year ended March 31, 2023 as the base year and establishing future reduction targets, we hope to clarify our efforts to contribute to the environment.

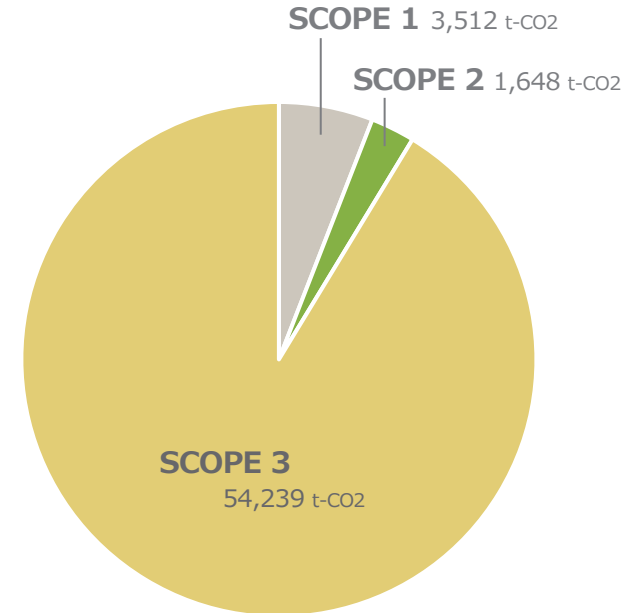


Table of Contents

1. JES Profile

2. Sustainability Management

**3. Environment**

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Initiatives for Climate Change

## Reduction of CO2



### Scope 1 Reduction

Scope 1 mainly consists of gasoline for vehicles used to inspect managed properties and respond to failures. The total usage for the fiscal year ended March 31, 2023 was 1,280 kiloliters.

The number of managed properties is increasing every year, and the number of vehicles is expected to increase as the business tends to expand, including the opening of new offices in newly expanding areas.

In order to reduce emissions, we are currently working on switching from automobiles to motorcycles, especially in urban areas where properties are densely located, as well as testing the introduction of electric bicycles. Our policy is to promote the switchover to the extent that it does not interfere with service quality.

Electric vehicles do not use gasoline, so the Scope 1 reduction effect is significant, but the expansion and penetration of the recharging infrastructure is still to come, and will be considered based on the supply situation and its impact on our business.

### Scope 2 Reduction

The main component of Scope 2 is electricity used at our offices. JES Group offices are located throughout Japan, and electricity is purchased from electric power companies and other companies that have jurisdiction over each office.

In order to reduce the amount of emission, the electric power source to be purchased is switched to a renewable energy source. However, we recognize that the capacity of non-fossil fuels held by electric utilities is finite, and without an increase in supply due to technological innovation and changes in social infrastructure, stable and continuous switching will be difficult. Therefore, we intend to promote the reduction of greenhouse gas emissions through a gradual switchover while continuing to gather information from electric power companies.

### Scope 3 Reduction

Scope 3 is the GHG gas emissions of companies other than our own, and the majority for us comes from Category 1 "Purchased Goods and Services".

JES Group purchases control panels, ropes, and other parts for use in elevator maintenance and repair, and modernization operations for a variety of models. Parts are necessary for elevator safety, and the volume of purchases is expected to increase in proportion to the increase in the number of properties under management.

Cooperation from suppliers is essential for Category 1 reduction, as their commitment to GHG reduction is a key point. We will consider our response based on friendly relationships with our business partners and in light of the status of social demands.

Emission reductions for other categories are considered as individual issues.

# Water Resources

We recognize that wasting and pollute water resources is a serious problem in the earth's ecosystem.

Since JES Group is not a manufacturer and does not have a manufacturing plant, we recognize that the impact on water resources through our business is very minor.



# Conservation of Biodiversity

We recognize the importance of protecting ecological diversity and limiting negative impacts on human sustainability.

Since the JES Group is not a manufacturer and does not have a manufacturing plant, it does not engage in deforestation or other activities that directly affect the ecosystem, and we recognize that the impact will be very minor. In addition, JIC/JIL, located in Wako, Saitama Prefecture, is engaged in tree-planting activities to contribute to the neighborhood.



Table of Contents

1. JES Profile

2. Sustainability Management

**3. Environment**

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report


2023

# Disclosure Based on TCFD

## Risks/Opportunities

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

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

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

**1.5°C** Changes in climate and weather extremes are expected. The Group will consider and implement specific measures in anticipation of an increase in emergency response due to typhoons, flooding, power outages, etc.

**2 °C** Stricter GHG emission regulations, technological innovation, and a shift to new energy sources are expected. The Group will consider and implement specific measures to reduce financial risks and enhance opportunities in the JES Group's services.

**4 °C** Physical risks are expected. Natural disasters, rising temperatures, and other factors could adversely affect infrastructure and increase electricity prices, among other risks. Specific measures will be considered and implemented to mitigate the impact of electricity price fluctuations caused by natural disasters.

Table of Contents

1. JES Profile

2. Sustainability Management

**3. Environment**

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Consideration for the Environment Through Our Business

## Maintenance and Repair Services

The JES Group is the only independent elevator maintenance company to offer a unique remote inspection service called PRIME. Elevators can be remotely monitored for operation and condition with accuracy comparable to that of manufacturer-affiliated maintenance companies. By quickly detecting signs of failure, it is possible to respond to problems before they occur, thereby reducing downtime during inspections. The increased maintenance efficiency of the technical personnel has also been a plus in terms of reduced travel time and improved work styles.



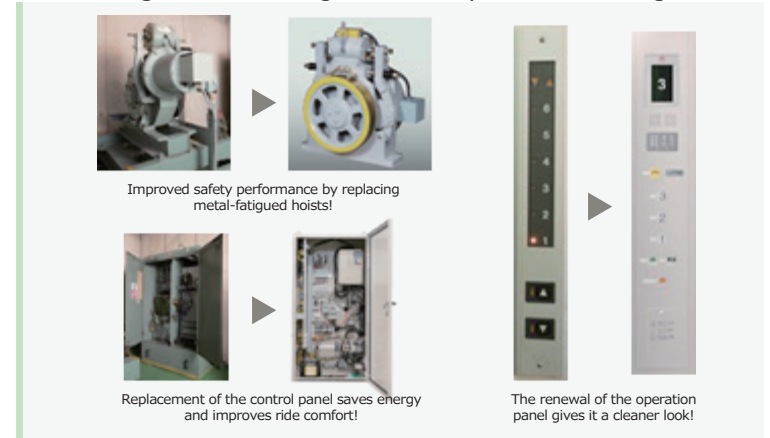
## Remote Inspection Service "PRIME"



- Point 1** 24 hours a day, 365 days a year, maintenance on behalf of people  
Fewer manned inspections reduce elevator downtime
- Point 2** Monitor elevator operation and conditions  
Address problems before they happen/reduce failure rates
- Point 3** Detects small abnormalities that can lead to major problems, such as abnormal door opening/closing and abnormal steps  
Smooth restoration by being able to assess the general situation prior to arrival on site.

## Modernization Services

Elevators are equipment and have a limited service life, and the renewal work provided by the JES Group can extend the use of elevators in an environmentally and resource-conscious manner by replacing control panels, hoisting machines, and other major components to make use of the parts that can go, rather than replacing the elevator itself. This is an environmentally friendly and resource-efficient way to extend the use of elevators. This allows elevators to be used safely without having to manufacture or build new elevators, thereby contributing to the reduction of greenhouse gas emissions generated by manufacturing.



## Low Cost, Short Lead Time Quick Renewal

This is JES Group's unique modernization service that achieves significant "low cost" and "short time" by replacing only the "control panel," which is the "brain (control tower)" of the elevator.



- Point 1** Construction period is about half a day  
Significantly shortens elevator shutdown time from about a week to about half a day.
- Point 2** Less than half the cost  
By replacing only the necessary parts, we have succeeded in reducing the cost to less than half that of conventional products (compared to our conventional products).
- Point 3** Environmentally friendly  
Environmentally friendly with minimal waste as only the control panel is replaced, and energy is saved by replacing aging control panels

Table of Contents

- 1. JES Profile
- 2. Sustainability Management

### 3. Environment

- 4. Social
- 5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Consideration for the Environment Through Our Business

## Refurbished Parts



### ■ What is refurbished parts?

The JES Group promotes recycling and refurbishing of parts generated through its elevator maintenance operations.

"JES Certified Refurbished Parts" service was released in 2022. Refurbished parts are parts that have passed quality control tests after being repaired and serviced from parts recovered at the time of replacement. As part of our efforts to ensure a stable supply of parts and to address environmental issues, we are focusing on increasing refurbished parts.

### ■ Effects on the environment

The 3Rs (Reduce, Reuse, Recycle) and Circular Economy are trends toward a sustainable society. Since resources are limited, recycling and effective utilization of resources, as well as recovery and recycling of no longer used items, will enable us to develop environmentally friendly business operations.

In addition to the economic aspect of reducing the procurement of new products, we believe that this is a direct environmental service through our business, as it reduces the manufacture of new products.



### Point 1 Stable supply of parts

Eliminates parts supply delays and ensures a stable supply of parts

### Point 2 Improved eco-efficiency

Use of recycled parts reduces greenhouse gas emissions

### Point 3 Quality Assurance

Only parts that have passed quality standard tests are certified as refurbished products, with warranty period.

▼Visual inspection



▼Operation Inspection



## Switch to LED Lighting

LED lighting is more power efficient and can be used for a longer period of time than fluorescent lighting. We recognize that the switch to LEDs in commercial and residential facilities is progressing.

We are proposing to replace the lighting in the elevators and escalators with LEDs.

Since 2019, we have replaced a total of approximately 55,000 units, contributing to the reduction of electricity consumption and greenhouse gas emissions. When lighting is used 24 hours a day, 365 days a year, the greenhouse gas reduction effect is 4,300t-CO<sub>2</sub> (JES estimate).

### Point 1 Cost reduction

Electricity costs can be reduced by approximately 70% for elevators and 50% for escalators on an annual basis

### Point 2 Long life

LED lighting should be replaced approximately 8 years for elevators and 10 years for escalators.

### Point 3 Energy-saving eco-friendly control panels

Reduced energy consumption and CO<sub>2</sub> emissions



Table of Contents

1. JES Profile
2. Sustainability Management

### 3. Environment

4. Social
5. Governance
6. Initiatives, Reference to GRI

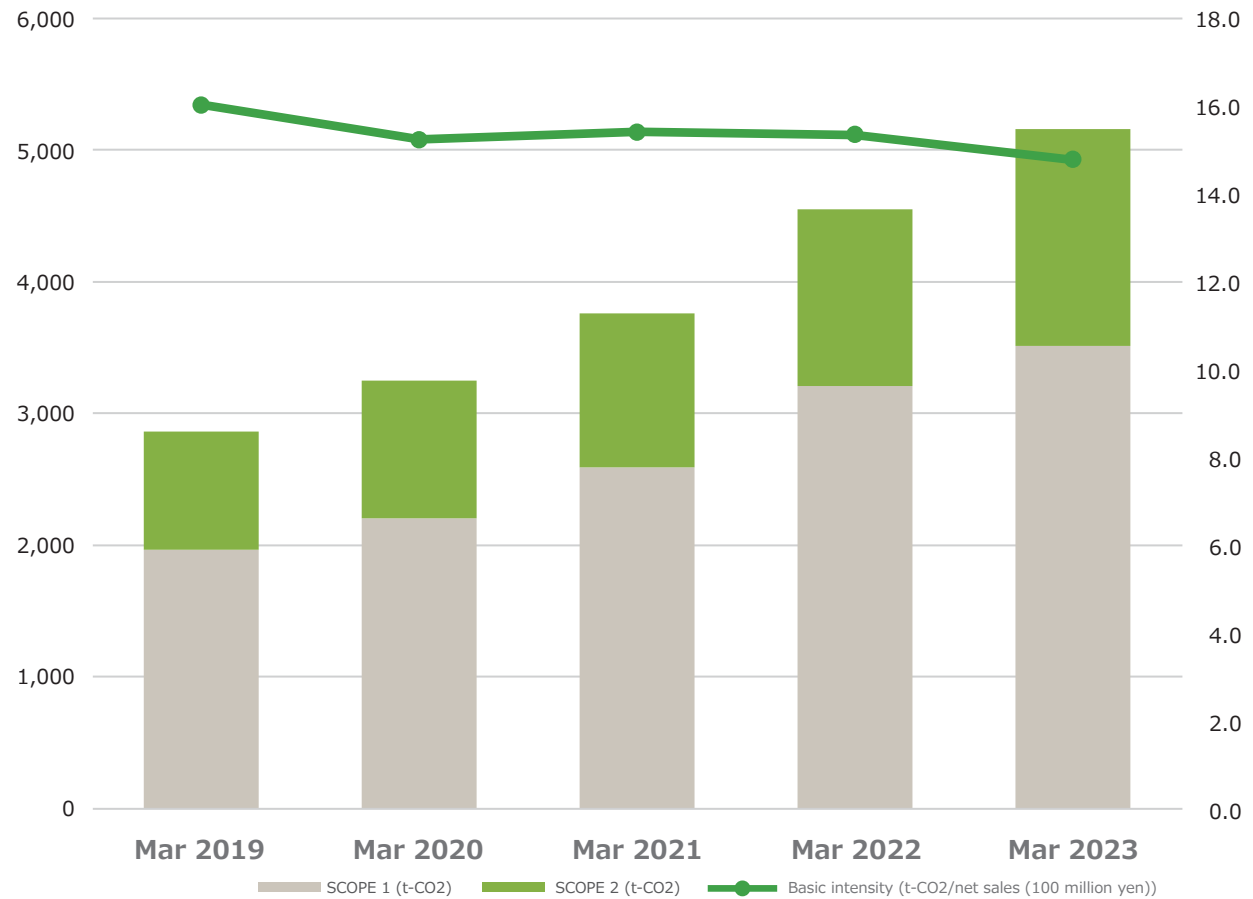
Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Environmental Data

## SCOPE 1 & 2



	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023
SCOPE 1 (t-CO2)	1,963	2,199	2,592	3,208	3,512
SCOPE 2 (t-CO2)	902	1,051	1,163	1,340	1,648
Basic intensity (t-CO2/net sales (100 million yen))	16.0	15.2	15.4	15.3	14.8
Net sales (100 million yen)	179	213	244	296	349

※Japan Elevator Service Holdings Co., Ltd. and domestic consolidated subsidiaries/estimated figures for the period from March 2019 to March 2022

※Japan Elevator Service Holdings Co., Ltd. and consolidated subsidiaries / Actual figures for the year ended March 31, 2023

Table of Contents

1. JES Profile

2. Sustainability Management

**3. Environment**

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023



4



**Social**

# Contribution to Society Through Our Business

## Social Impact by the JES Group

Protecting the safety and security of elevators is the mission of the JES Group as it makes the greatest impact on society. As urbanization progresses, buildings and condominiums are becoming taller and taller, and elevators and other means of vertical transportation have established themselves as social infrastructure, or a means of transportation used on a daily basis.

We estimate that there are approximately 1.1 million elevators and other equipment in Japan, and the number of maintenance contracts for the JES Group has been steadily increasing, with 88,630 units in March 2023 and 96,740 units in December 2023, growing to a market share of more than 8%. This means that the JES Group's services are increasingly supporting the lives of its users.

In this business environment, the JES Group has set "quality and safety" and "occupational safety and employee engagement" as materiality, and as a corporate group that constantly supports safety and security, we will continue to rotate the two wheels of sustainable growth of society and sustainable growth of our company.

## Quality and Safety

As a social infrastructure used by many people in commercial and residential buildings, elevators are expected to operate 24 hours a day, 365 days a year without interruption. Through our maintenance business for elevators and other equipment, we look after the daily accessibility and safe operation of users. To this end, we have positioned quality and safety as key issues, and are striving to enhance user satisfaction by enhance its technological capabilities and strengthening research and development. For quality and safety, we focus on organization and structure, and human resource development for this purpose. "PRIME," a remote inspection service, was developed using multiple patented technologies to constantly monitor elevator operation and conditions to detect signs of failure, prevent problems before they occur, and restore service in a short period of time.

This is a service that only the JES Group can provide as an independent maintenance company, and we are working hard to develop this service on a daily basis. Elevator maintenance is done behind the scenes of social infrastructure under the corporate philosophy of "No cutting corners even when others don't see it," and we work tirelessly for the daily lives of users, to solve their concerns and inconveniences, and to bring smiles to their faces. We are tirelessly putting forth our best efforts for the daily lives of our users, for solving their concerns and inconveniences, and for putting smiles on their faces.



## Engagement in Worker Safety

We believe that the most important foundation supporting our business is our human resources, and by ensuring the safety of our employees and creating an environment in which each employee can perform his or her duties with ease and satisfaction, we will lead to the sustainable development of the JES Group. The number of employees (based on the annual securities report) as of March 31, 2023 was 1,766, and the headcount is increasing due to the hiring of new graduates and mid-career workers in line with business growth.

At the same time, we promote the improvement of technical skills through various training programs, such as our own in-house training program "STEP24." To ensure that employees can work with peace of mind, we have established rules and regulations regarding harassment prevention and focus on human rights considerations through an internal reporting system. In addition, we are practicing management with well-being in mind by expanding our personnel system.

Our efforts include ensuring the safety of our employees, creating a system that allows for a variety of comfortable work styles, accepting a diverse workforce, and a human resource development plan that allows all employees to play an active role in the company.



Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

**4. Social**

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Quality and Safety

## Basic Policy

Based on our corporate philosophy of "Safety Above Anything Else," "No Cutting Corners," and "Building on Trust," the JES Group, as an expert company specializing in maintenance, puts safety first and foremost and strives to build relationships of trust with our many customers.

## Quality Control Initiatives

### Identify failure trends at each sales office

We strive to reduce failures by analyzing failure trends in each region and implementing countermeasures. These efforts improve technical capabilities and site conditions, and also reduce working hours.

### Maintenance and Inspection Manual and Inspection Check Sheet

They are formulated based on guidelines established by the Ministry of Land, Infrastructure, Transport and Tourism and manufacturers' technical information. We conduct inspections with higher accuracy and stricter standards by utilizing our own technical information and statistics from our experiences.

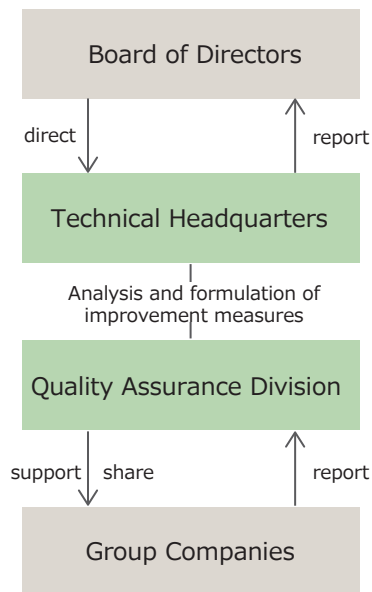
### Establishment of a Trouble-shooting desk (help desk)

By centralizing technical consultation window in one location, there are advantages such as early completion of fault handling, creation of an environment where technical personnel can easily consult, and securing time off for off-duty technical personnel.

### Response to Prolonged Failures

Information on long-time failures such as confinements and stoppages at 9:00, 13:00, and 17:00 is shared within the company, and telephone follow-up and dispatch response are conducted to reduce long-time failures and restore the system as soon as possible. By being able to visually see "when," "where," and "what kind of malfunction" is occurring, the system aims to reduce the time customers are unable to use the elevator by providing prompt approach and follow-up.

### Quality Control System Chart



## Quality Improvement Initiatives

The results of quality control, which are tabulated monthly, are analyzed by the Technical Headquarters and other operating companies to reduce failures. In addition, once a half year, a meeting is held for technical managers from all operating companies to share information face to face, confirm failure trends, and horizontally deploy their experiences.

### Meister System

The Meister System is a system that recruits personnel from operating companies nationwide and trains them to recall next-generation executive candidates for quality control operations.

This system is designed to develop department candidates as early as possible. By taking steps to deal with difficult repair sites, this program is designed to hone role performance skills while gaining quality experience, and to acquire and strengthen further knowledge, attitude, skills, and habits.

## Achieving Sustainable Growth

We are promoting the establishment of a quality control function in all operating companies to prepare for the increase in the number of maintenance contracts to realize our medium-term management plan.

To this end, we provide education through our "Meister System" and deploy trained technical personnel throughout Japan to further improve quality in each area.

### Strengthening Quality Control System for Sustainable Growth



Table of Contents

1. JES Profile
2. Sustainability Management
3. Environment

#### 4. Social

5. Governance
6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Technical Support System

## Expansion of Office Network

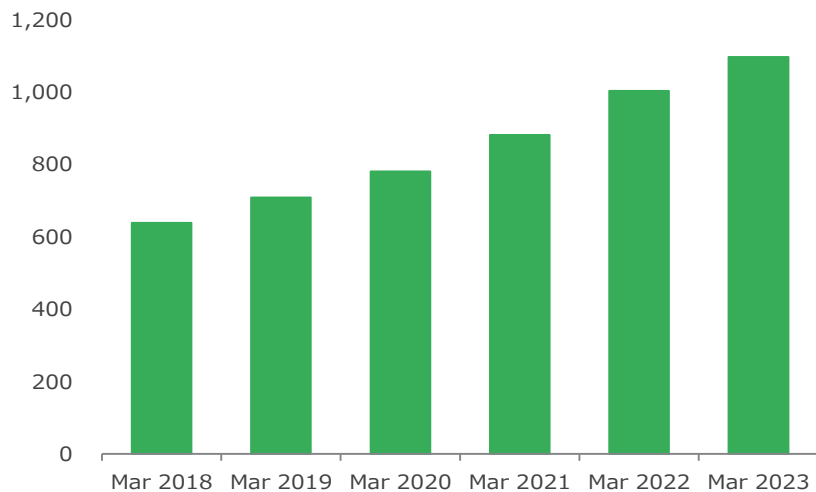
In order for the JES Group to provide high quality, reasonably priced services, it is necessary to establish an office network to gain access to elevators and other equipment maintained by the Group.

The JES Group is expanding nationwide through new office openings and M&A. As of March 31, 2023, the number of offices was 132, which subsequently increased to 137 as of February 1, 2024 with the establishment of new offices in Kagoshima, Niigata, and Fukushima prefectures.

## Securing Technical Personnel

The JES Group assigns appropriate technical personnel based on the number of units under maintenance contracts. Therefore, securing technical personnel is an important management issue, and we are working hard to recruit and retain them. The number of technical personnel in the fiscal year ended March 31, 2023 reached 1,096. We are hiring a wide range of new graduates and mid-career professionals.

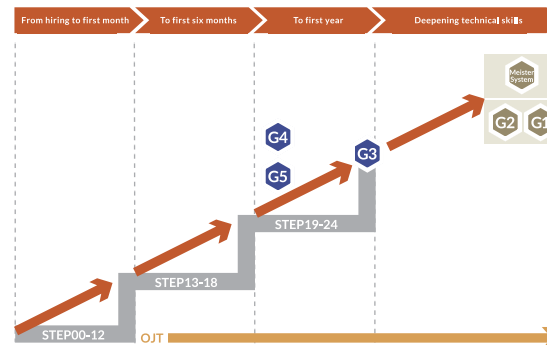
## Number of Technical Personnel



## In-house Training System

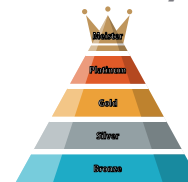
JES's competitive advantage lies in its ability to provide advanced support for multiple manufacturers' products. There are no official qualifications for elevator inspections, although there are those related to inspections. In light of this current situation, JES believes it is necessary to enhance various in-house qualification systems to guarantee elevator safety. To this end, we have established a wide variety of education and qualification programs, and are making the utmost efforts to secure and foster excellent human resources.

## Training Program "STEP24"



The JES Group's strength is its advanced maintenance quality for major domestic manufacturers' products. We have established our own training program "STEP24" and an in-house qualification system to ensure that our employees acquire basic knowledge and know-how of major domestic manufacturers' products and improve their technical skills.

## Meister System



Our "Meister System" is designed to train specialists to deal with failures, such as cases that require lengthy repairs. Employees who are selected through an internal selection process after an open recruitment process undergo a two-year training program at the head office, where they learn advanced skills, safety management attitude, and manners to serve as role models for other employees.

## Ongoing Training

To cultivate specialists who can handle a variety of models from each of Japan's major manufacturers, we continuously provide various types of education and training according to the level of technical proficiency. We strive to improve the skills of our employees through a detailed and diverse curriculum that includes an understanding of the characteristics of each manufacturer's model, explanations related to statutory inspections and modernizations, and training on actual equipment.

## Overseas Human Resource Development

Subsidiaries in Indonesia and Vietnam are engaged in the elevator maintenance business.

We provide the same safe and secure service as in Japan under the different cultures, working styles, and elevator regulations in each country. Technical personnel are dispatched from Japan to identify and reduce failure rates, and to train personnel. Recently, we have been promoting the overseas development of STEP24, a Japanese training curriculum, to increase loyalty to the company through improved technique.

The Overseas Business Strategy Office plays a central role in promoting the expansion of fast-growing overseas markets through close communication with local management.

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Disaster Response

## Disaster Management System and Initiatives

In preparation for disasters, each group company conducts annual disaster drills, simulating everything from receiving calls to making arrangements. In addition, as part of advance preparations, we constantly check the maintenance of customer information and the preparation of necessary equipment such as a flood recovery set. In accordance with the JES Group Disaster Manual, in the event of a disaster, the first priority is to ensure personal safety, including that of family members, while acting in accordance with the roles of each department according to the level of activation.

## Response to Disasters

In the event of an earthquake, typhoon, or other disaster, the disaster level is determined based on the situation and a disaster response headquarters is set up.

The headquarters immediately activates the disaster system to assess the disaster situation.

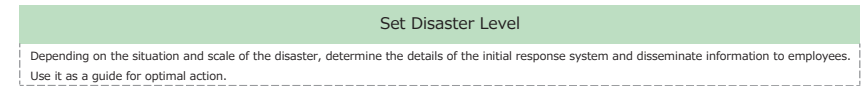
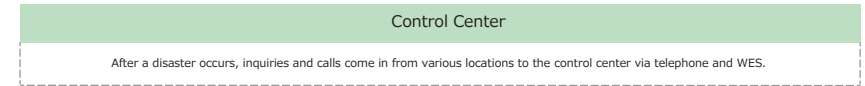
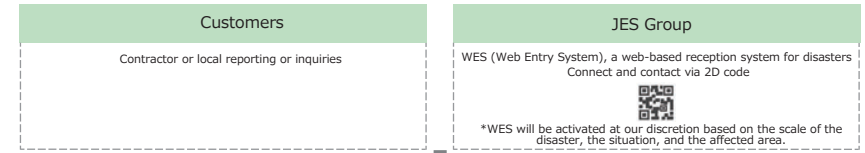
We have also introduced our own web-based reception system, WES (Web Entry System). Because WES uses Internet lines, it can be accessed without congestion even during disasters, when telephone lines tend to be congested. Quick communication of information ensures that emergency calls are accepted.

## Emergency Power Supply (JES Innovation Center)

As part of its BCP efforts, the JES Innovation Center (JIC) has installed an emergency power supply equipped with solar power generation and is ready to operate 81 hours a day in the event of an emergency.

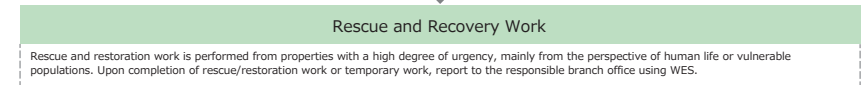


## Post-disaster Response



	< Earthquake >	< Typhoon >
Level 7	Seismic intensity 6 or higher	—
Level 6	Seismic intensity 5+ to around 6	Evacuation Advisory Issued
Level 5	Seismic intensity 5-	The storm warning area is directly overhead and the typhoon is "very strong."
Level 4	Seismic intensity 4	The storm warning area is directly in front of the typhoon and the typhoon is "strong" or a JMA "warning" is issued.
Level 3	Seismic intensity 3	Storm watch area is not a direct hit, or a JMA "warning" is issued
Level 2	Seismic intensity 2 or lower	If it is not a direct hit to the controlled area and takes about 48 hours or more to reach the area
Level 1	Normal conditions	Normal conditions

Establish a disaster Headquarters depending on the level of the disaster. If it is at night or on weekends or holidays, come to work in an emergency.



Normal Times	Disaster Training
	Each operating company conducts annual disaster drills in preparation for disasters. Under the assumption that an earthquake of intensity 4 has occurred, simulations are conducted to determine whether there are any deficiencies in the response to incoming calls from customers and restoration arrangements.

Pre-Disaster Preparation	When typhoons, heavy snowfalls, etc. can be predicted in advance
	Properties that have been flooded or affected by typhoons in the past will be entered into the in-house system and shared internally. Contact contractors of properties that need to be shut down in advance of a typhoon or other disaster, and if possible, post a sign and shut down the property.

Table of Contents

1. JES Profile
2. Sustainability Management
3. Environment

4. Social

5. Governance
6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Initiatives to Improve User Satisfaction

We believe that the growth of the JES Group is dependent on the continuation of contracts by ensuring the ongoing satisfaction of all users and customers. The axes of satisfaction may vary in terms of quality, ability to respond to disasters, price, etc. The fact that the number of maintenance contracts continues to increase is proof that the JES Group's services are trusted and satisfactory.

We strive to maintain and improve customer satisfaction by checking and improving customer feedback through our daily sales activities and maintenance.

In addition, there are services that can be provided only by the JES Group.

## Four services that only the JES Group can provide

We aim to improve the satisfaction of all customers, including building and building managers and end-users

### Remote inspection/diagnosis "PRIME"

"PRIME" is a service that remotely monitors elevator operations and conditions 24 hours a day, 365 days a year from a control center, detecting even minor abnormalities to provide safety and peace of mind. We have acquired multiple patented technologies and are able to work across manufacturer boundaries.



### Integrated security camera and digital signage "LiftSPOT"

"LiftSPOT" is a digital signage system equipped with a security camera. In addition to enhancing security in the elevator, the system delivers a variety of content to improve the safety and comfort of the elevator space.



### Low cost, short lead time "Quick Renewal"

"Quick Renewal" is a service that enables significant "low-cost" and "quick" installation by replacing only the control panel, the command tower of the elevator. Elevator re-installation work, which normally takes more than a week, can be completed in as little as half a day. Since only the necessary parts are replaced, in addition to being low-cost, the system reduces waste, is environmentally friendly, and saves energy.



### Maintenance and modernization of mechanical parking equipment

We also offer mechanical parking equipment maintenance, which provides a single point of contact with elevator maintenance and can reduce costs by up to 50% compared to conventional manufacturer maintenance. We accept a wide range of models, including simple elevators, horizontal elevators, elevator types, gondola types, and underground circulation types.



Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Engagement in Worker Safety

The foundation that supports the sustainable growth of the JES Group is its human resources. In a society with a shrinking workforce, we recognize that securing human resources is a top management priority. Recruitment, career development support, appropriate evaluation, compensation, training, and health management, as well as the creation of a safe and secure working environment for employees, are important in securing human resources. This section provides an overview of the JES Group's approach and system.

## Human Rights

### Basic Policy

The JES Group regards the protection of internationally agreed-upon human rights as a fundamental premise of its corporate activities, and has established in the JES Group "Code of Conduct" that it will ensure a healthy working environment in which employees are not harassed or discriminated against because of their race, creed, ethnicity, gender, religion, nationality, language, physical characteristics, property, place of origin, etc.

#### - Excerpts from the JES Group Code of Conduct -

The Group shall ensure a healthy work environment free from harassment or discrimination on the basis of race, creed, ethnicity, gender, religion, nationality, language, physical characteristics, property, or place of origin. In particular, the company will not tolerate sexual harassment or power harassment.

## Whistle-blower System

The Company has established an internal reporting system. By establishing a system for the proper handling of consultations and reporting of misconduct and legal violations, we strive to ensure the early detection and correction of misconduct and to maintain public confidence in our company. The reports received are reported to the full-time Audit & Supervisory Board member after appropriate action is taken.

## Harassment Prevention System

We are fully aware that noncompliance, including harassment, can shake the foundation of management, and have established compliance rules. The Compliance Committee has been established to prevent compliance violations and to respond to violations. To create an environment where harassment does not occur, we conduct harassment training and make every effort to prevent harassment.

## Respect for Human Rights in Overseas Operations

As part of its growth strategy, the JES Group is promoting overseas business, particularly in the ASEAN region. We have consolidated subsidiaries in Indonesia, Vietnam, Malaysia, Hong Kong, and India, and we ensure a healthy work environment that values respect for human rights. Special attention is given to managing gender, children, the elderly, indigenous peoples, immigrants, ethnic minorities, and other vulnerable individuals and groups in society because of the high risk they pose to human rights.

## Compliance Committee Initiatives

- Draft/revise compliance regulations
- Implementation of harassment training

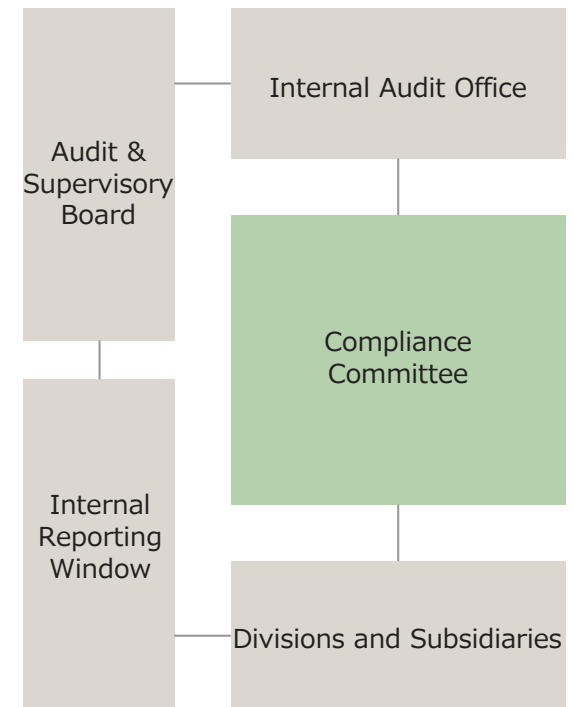


Table of Contents

1. JES Profile
2. Sustainability Management
3. Environment

**4. Social**

5. Governance
6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Initiatives to Secure Human Resources

## Basic Policy

The JES Group believes that the recruitment and development of human resources with diverse values and abilities is extremely important for sustainable growth and development of the Group, and places particular emphasis on the following initiatives.

## Recruitment

The JES Group is strengthening its recruitment of human resources, particularly technical personnel, to increase the number of maintenance contracts and expand its market share in Japan. We have long been striving for a balance between new graduates and mid-career hires, and as of March 31, 2023, we had 1,766 employees (as disclosed in the Annual Securities Report), an increase of 148 from March 2022.

The JES Group contributes to job creation in rural areas by establishing sales offices and other facilities in each area of Japan and conducting recruitment activities. For example, we have established an environment where employees who were born in a rural area and work in Tokyo can work in the area where they were born.

## Evaluation and Compensation System

A personnel system that allows employees to work with peace of mind for a long time is important for a company to continue to develop and grow sustainability. JESH and its operating companies have designed their personnel systems around stable promotions and pay raises, giving back to those who have achieved results, and support for child-rearing generations. We are committed to making necessary revisions and adaptations based on changing times and social trends.

## Stable Promotion and Salary Increase

A grading system (Grades J8 to M0) has been established to treat employees according to their duties and job functions. Salary ranges are established for each grade, and raises are given according to personnel evaluations (in principle, raises are given once a year in April). In addition, managers and supervisors, such as general managers, section managers, and branch managers, are paid position-based allowances according to their positions. To accommodate the diversity of careers, we have also created specialized positions that focus on training and mentoring rather than organizational management.

## Rewarding Those Who Achieve Results

The amount of bonus paid twice a year is determined according to the personnel evaluation. Evaluations are divided into six levels, and calculations are made by multiplying a higher coefficient for employees with higher evaluations, thereby establishing a system whereby higher bonuses are paid to employees who have achieved higher results.

## Support for Child Rearing Generation

Based on the social context, we are enhancing our support for households raising children.

Until the end of the fiscal year in which the child reaches the age of 18, a monthly allowance of 12,000 yen per child will be provided as a "child allowance."

In addition to the above, a separate "childcare allowance" of 5,000 yen per month per child is provided until the end of the fiscal year in which the child reaches the age of 3 years old, for the purpose of supporting childcare during the childcare period.

## Evaluation System

JES Group conducts personnel evaluations twice a year, in the first and second half of the year.

Evaluation is based on two axes: outcome evaluation (results) and role evaluation (process). The performance evaluation is mainly reflected in bonuses (short-term compensation), and the role evaluation is mainly reflected in salary increases and promotions, each of which is quantified numerically to enable employees to realize their own growth.

## Long-term Employment Support

In addition to the retirement allowance system, the company offers a financial savings plan, an employee stock ownership plan, and a defined contribution pension plan (401k) as benefit packages.

Although asset building is a matter of personal choice, and therefore membership and premiums are at the discretion of individual employees, we have introduced a system that contributes to asset building, thereby enhancing well-being.

In 2022, we granted Restricted Stock (RS) for Employee Stock Ownership Plan to increase loyalty and business motivation as JES Group.

## Human Resource Development

The JES Group is a corporate group with a diverse workforce. To ensure that our employees experience career advancement after joining our company, we focus not only on growth through work, but also on human resource development.

In addition to the training of technical personnel through "STEP24" and other programs, we are also working to motivate employees to work longer by providing training for other positions by job classification and monitoring them through an evaluation system.

## Hierarchy-specific Training Overview

	Required Training	Specialized Technical Training	Object Specific Training
Senior Manager	Various Management Training	Specialized Technical Training Training for practical skills in new technologies and revised new standards (as needed)	Japan Maintenance Examiner Training for managers at branch offices, training of examiners
	Hierarchy-specific Training		
Manager	Training for New Manager	Annual training (mid-level employees) 50 training sessions per year for technical personnel who have completed STEP 24	Instructor Training STEP24 Training Instructor Training of OJT instructors for technical personnel at branch offices
	Hierarchy-specific Training		
Mid-level	Training for Mid-level Employee	STEP24 A total of 24 training courses will be conducted, and it will be obligatory for eligible participants to take all courses.	Training for Legal Inspector (national certification) Training for Safety License Renewal Training for foreman/operation supervisors Full harness special training
	Hierarchy-specific Training		
From 1st Year to 3rd Year	Brush-up Training for New Employee	*The purpose of this program is to pass internal certifications and improve technical skills.	
	Business Manner Training for New Employee		
	Training for Sales Personnel		

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023



# Occupational Safety and Health

## Group Safety and Health Management System

The JES Group conducts elevator maintenance business and has established an occupational health and safety management system for the safety and health of its employees.

Always aiming for "zero occupational accidents," we manage frequency and intensity ratios as indicators and report regularly to the Board of Directors.

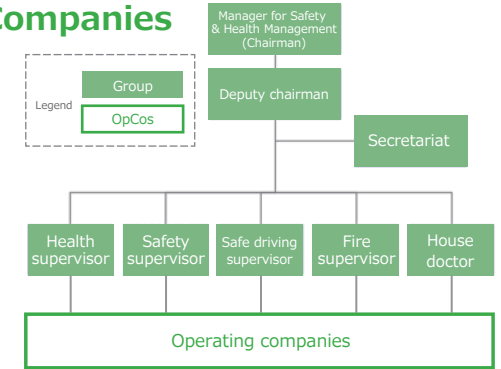
The Board of Directors of operating companies also requests reports on occupational accidents, and when events requiring improvement occur, the Safety Promotion Department discusses them with each company and implements group-wide risk countermeasures.

The JES Group established a Health and Safety Committee, and representatives from each operating company gather once a month to fully investigate and deliberate on measures that should serve as the basis for preventing possible hazards and health problems for workers (causes of industrial accidents and measures to prevent recurrence, etc.).

By sharing information from each operating company, we strive to normalize safety awareness and unify safety throughout the Group.

## Systems at Group Companies

Each operating company has its own Health and Safety Committee, which appoints a health manager, a safety manager, a safe driving manager, and a fire prevention manager, and conducts thorough investigations and deliberations once a month on basic measures to prevent possible hazards and health problems for workers.



Main methods	Description
<b>Safety Licensing System for Technical Personnel</b>	A safety licensing system is in place to ensure that on-site technical personnel acquire knowledge and skills. JES technical personnel are not allowed to work without a safety license. The prescribed points are awarded for violations of safety obligations, work-related accidents, and traffic accidents in the past three years. Points are also awarded for violations of the duty of care for safety during regular in-house safety patrols and on-site inspections by the Safety Promotion Department. If the total number of points reaches a certain standard, the safety license is suspended, and the punishment is not lifted until the safety training course is taken and safe work is confirmed through on-site practice for a designated period of time. This safety licensing system is designed to improve the safety awareness of our technical personnel.
<b>Risk assessment</b>	Through risk prediction activities and toolbox meetings, we estimate risks on a daily basis and strive to take risk reduction measures in daily operations (inspections, construction work, failure response, etc.). The Health and Safety Committee has established a system to prevent occupational accidents throughout the Group by compiling and sharing information on high-risk work reported by each operating company.
<b>VR industrial accident simulator</b>	We have introduced a VR-based training curriculum for on-site technical personnel. The purpose of this program is to raise safety awareness by making participants feel as if they were in a disaster themselves, which they would not normally be able to experience.
<b>Thorough on-site safety work confirmation</b>	On-site engineers have gone through "STEP24" training, acquisition of various in-house certifications, and necessary special safety training to become on-site personnel. Our dedicated Safety Promotion Department staff conducts unannounced daily on-site and workplace inspections to ensure that work is being performed in accordance with safety regulations and to confirm that on-site technical personnel are working safely.
<b>Regular hygiene training</b>	The Health and Safety Committee assesses the health and disaster prevention plan, and ensures that all Group employees are thoroughly educated to raise awareness of health and safety in the workplace environment by disseminating the plan within the committee, posting topics on the company website, lectures by industrial physicians, and site and workplace inspections by the Health and Safety Committee members.
<b>Mental health care</b>	We aim to create a workplace environment in which each and every Group employee is physically and mentally sound and can work with a sense of fulfillment. Mental health, in particular, is one of the most important issues for companies. Mental health care We understand that mental health, in particular, is one of the most important issues for companies, and as part of this effort, we provide self-care through e-learning, conduct stress checks, and provide all employees with stress-related materials. We also provide training for managers by industrial physicians, and focus on care through the line, such as early detection of ailing employees.

### Table of Contents

1. JES Profile
2. Sustainability Management
3. Environment

### 4. Social

#### 5. Governance

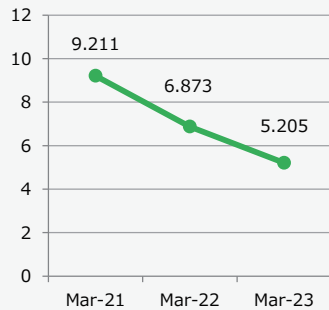
#### 6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

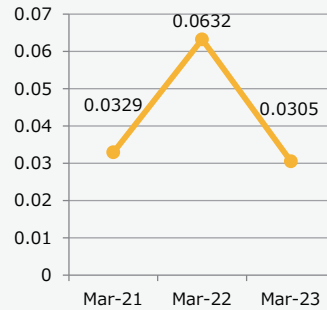
Sustainability Report

2023

Frequency Ratio



Intensity Ratio



[Frequency ratio] The number of fatalities and injuries due to occupational accidents per million actual working hours, which represents the frequency of accidents.

$$\text{Frequency ratio} = \frac{\text{Number of deaths and injuries due to work-related accidents}}{\text{Actual working hours}} \times 1,000,000$$

[Intensity ratio] The number of fatalities and injuries due to occupational accidents per million actual working hours, which represents the intensity of accidents.

$$\text{Intensity ratio} = \frac{\text{Number of days of lost work}}{\text{Actual working hours}} \times 1,000$$

# Creating a Good Work Environment

## Workplace Environment

The JES Group is improving the workplace environment with reference to the "Comfortable Workplace Guidelines" of the Ministry of Health, Labour and Welfare, by improving facilities for managing the work environment and recovering from fatigue. We form a comfortable work environment where employees are less likely to feel tired and stressed about the workplace where they spend most of their time.



## Systems Related to Childcare, Nursing Care

To enable employees to balance work and childcare/nursing care with peace of mind, we are working to improve the workplace environment by enhancing our support system for balancing work and childcare.

In addition, employees with children receive childcare allowance (5,000 yen/month/person) until the first March 31 after the child reaches 3 years of age, and child allowance (12,000 yen/month/person) until the first March 31 after the child reaches 18 years of age.

With regard to nursing care, the Company provides support to enable employees to continue working by offering parental leave, shorter working hours for nursing care, and a parental leave system.

### Childcare and Nursing Care Programs Provided

Pregnancy		Delivery	Childcare				Nursing care	
Maternal health care period			1 yr old	2 yrs old	3 yrs old	Elementary school	18 yrs old	
Maternity leave (6 weeks)	Maternity leave (8 weeks)	Childcare leave				Nursing care leave		
		Exemption from overtime work				Exemption from overtime work		
		Short working hours for childcare (6 hours/day)*note 1				Short working hours for nursing care (6 hours/day)		
		Limited overtime work				Limited overtime work		
		Restrictions on late-night work				Restrictions on late-night work		
		Child nursing care leave (5 or 10 days/year)				Nursing care leave (5 or 10 days/year)		
		Childcare allowance (5,000 yen/month/person)						
		Child allowance (12,000 yen/month/person)						

(Note 1) In addition, two incremental requests for childcare time of 30 minutes each may be made.

## Support for Flexible Work Styles

In the past, technical personnel had to come to the office once before traveling to managed properties, but now they are encouraged to go directly home and back to the job site, depending on the region. We are promoting the digitization of inspection reports and other documents that were previously issued on site, and have introduced and upgraded systems to enable digital processing and support flexible work styles for employees.

In addition, the COVID-19 provided an environment in which remote work could be implemented and telecommuting was made possible.

## Actions for Improvement

The Domestic Business Headquarters, which provides business support to Group companies, collects work-related issues from employees at each Group company and base, sets priorities, and works as a unified Group to resolve issues.

We strive to create a comfortable work environment, focusing on initiatives that enhance work productivity.

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

**4. Social**

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Diversity & Inclusion

## Basic Policy

The JES Group aims to realize a society in which each and every employee can live a rewarding and vibrant life as a provider of high-quality services.

Diversity & Inclusion (D&I) is the source of sustainable growth in a changing society, and we promote D&I as part of our management policy.

Diversity means respect for diversity in terms of race, nationality, gender, age, beliefs, values, and work style, as well as the diversity of the company.

The JES Group believes that respect for diversity and the willingness and skill to be active are the source of increased corporate value.

We will promote employees to respect diversity, recognize each other, and support each other to overcome various challenges together.

## Promoting the Active Role of Female Employee

In accordance with laws and regulations such as the Equal Employment Opportunity Law and the Law for the Promotion of Women's Advancement and the spirit of gender equality in the SDGs set forth by the United Nations, the number of female employees has increased since the company was listed, creating an environment of gender equality.

The JES Group provides maintenance services for elevators and other equipment, with technical personnel accounting for more than 60% of its workforce.

Due to the nature of the business, most of the technical positions are held by men, resulting in a female employee ratio of 15.2%.

This trend is expected to continue, as the increase in the number of technical personnel is proportional to the increase in the number of maintenance contracts. However, the number of female employees in sales and administrative positions is increasing, and we are striving to create work opportunities and a work environment that allows employees to be active regardless of their gender.

We have established personnel systems for childbirth and childcare in accordance with laws and regulations, as well as personnel systems such as "Childcare Allowance" and "Child Allowance" to support employees after childbirth.

After returning to work, we offer flexible work arrangements, including reduced hours, to support flexible work styles.

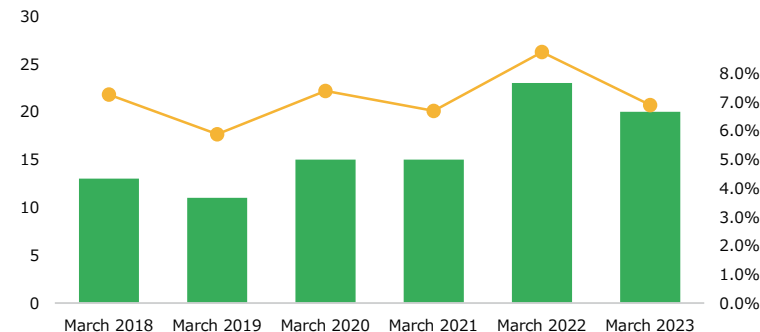
### Ratio of Female Managers

There are 20 female managers in the JES Group (excluding companies made subsidiaries through M&A), and the ratio of women in management positions is 6.8%.

As mentioned above, the JES Group has a high ratio of technical personnel. For the time being, the Group will not set a target for the ratio of women in management positions, but will set the year-on-year increase in the number of female managers as an indicator to strengthen human resource development and internal environmental improvement.

To achieve this goal, we aim to have human resources who can play an active role in management positions by implementing the general action plan based on the Law for the Promotion of Women's Advancement.

## Number and Ratio of Female Managers



## Employment of Foreigners

Japan's declining birthrate and aging population have led to the utilization of foreign nationals in a variety of industries. The government is taking the lead in promoting the employment of foreign nationals in order to secure the labor force for the declining working population, and it is hoped that this will help solve this problem.

We recognize that there is no labor shortage in Japan at this time due to our efforts to recruit and develop human resources, but we will consider employment of foreign nationals to address this issue, which is increasing year by year.

### Activities of Foreign Nationals Abroad

The JES Group is expanding overseas, mainly in ASEAN.

We are expanding our business in the ASEAN region, and have appointed six non-Japanese (including two women) to the management team of our consolidated subsidiaries in the ASEAN region. Based on the characteristics of each country's business, we promote business development mainly by local nationals.



Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

**4. Social**

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Diversity & Inclusion

## Supporting Elderly People in The Workforce

The JES Group (excluding companies made subsidiaries through mergers and acquisitions) currently sets the retirement age at 60. However, employees who wish to continue working after retirement are rehired as contract employees, and some continue to work beyond the age of 70.

Although age affects each person differently in terms of thinking and health, we promote the creation of a comfortable work environment as a form of employment and job descriptions that suit diverse personalities and abilities so that employees who have reached retirement age can continue to work while maintaining their motivation and health.

## Employment of People with Disabilities

The JES Group respects the performance of diverse human resources and aims to build a society where people can work regardless of their disabilities, making the most of their own wishes and skills.

As of March 2023, there are 22 employees with disabilities, and we are promoting the development of a work environment where all employees can work while helping each other and where everyone working for the JES Group can play an active role.

We will conduct systematic recruitment in the future.

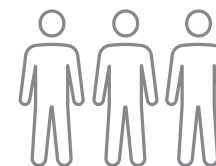
## Mid-career Employee

Society has shifted from the era of lump-sum hiring of new graduates to comprehensive recruiting activities that include mid-career hires.

The JES Group hires new graduates and mid-career professionals. Mid-career hires cover a wide range of technical, sales, and clerical positions, and we actively hire experienced workers. As a result of our human resource development and internal environment improvement efforts, the percentage of mid-career hires in management positions has reached a high level.

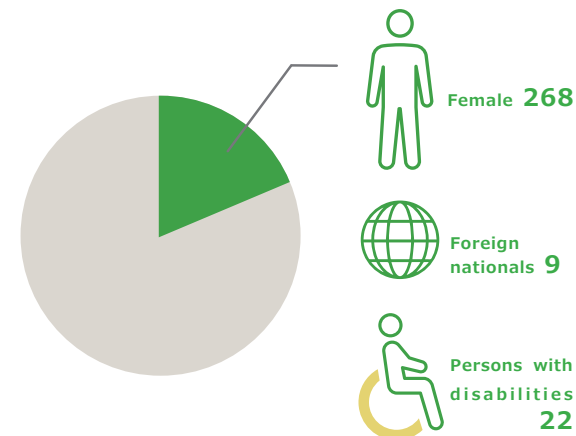
The Company does not set specific targets for the promotion of mid-career hires to management positions, as it is the Company's policy to promote suitable personnel to management positions, regardless of whether they are new graduates or mid-career hires.

## Diversity for the Fiscal Year Ended March 2023



Number of JES Group Employees  
**1,766**

\* JESH and consolidated subsidiaries  
\* As of March 31, 2023



## Number and Percentage of Female Employees

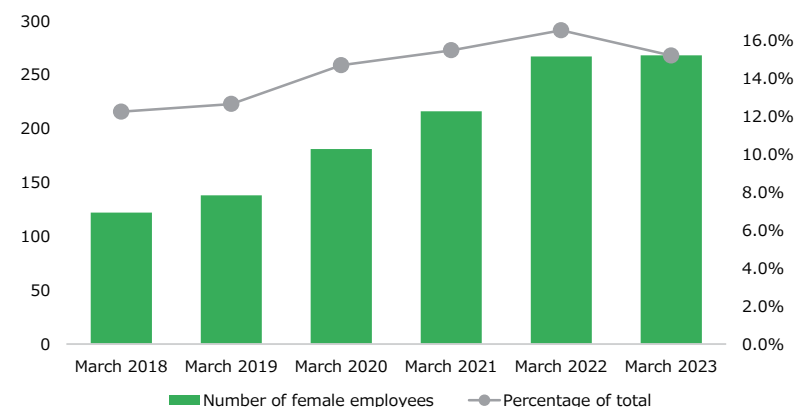


Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

**4. Social**

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

**2023**

# Social and Community Activities

The JES Group aims to coexist with local communities through various social contribution activities. Located in Wako, Saitama Prefecture, JIC/JIL is an innovation center with a high-rise elevator test tower that contributes to society through the following initiatives.

## Activities at JIC / JIL

Based on the Regional Future Investment Promotion Act, Saitama Prefecture's "Regional Economic Traction Business Plan" was formulated and approved in August 2019.

- Strategically develop an environment in which companies in the prefecture with superior technological capabilities can enter growth fields and make further progress
- Further promote the location of cutting-edge and next-generation industries with large economic benefits, and food manufacturing and distribution processing industries with large employment benefits

Wako City, Saitama Prefecture, where JIC/JIL is located, certified us as a Wako City Corporate Citizen in May 2018.

- Environmental repair the planting of the north sidewalk
- Community Development and Local Community : Established "Baby Stations"
- Partial outsourcing of plant management to people with disabilities through the Social Welfare : Wako City Council of Social Welfare
- Working with the local fire department to open the test tower for rescue training and training for nearby fire departments,
- Conducted evacuation drills under the guidance of the Wako City Fire Department
- Bus service in collaboration with neighboring facilities
- Installed vending machines for disaster vendors to provide free drinking water in times of disaster.

## Completion of JES Innovation Center Kansai (JIK)

To expand business in western Japan, construction of JIK will be completed in March 2024 in Takarazuka City, Hyogo Prefecture. JIK also plans to support local residents during emergencies by opening its parking lot as a temporary evacuation site for local residents in the event of a disaster, and by installing a power supply facility that can be used to charge cell phones and other devices from outside the building.

## Activities Through LiftSPOT Business

Elevator Media Co., Ltd. which provides the LiftSPOT elevator signage media, has been developing the "Regional Creation Support Project" since October 2022.

In the past, videos promoting the products and services of private companies were aired on the "LiftSPOT" digital signage installed in elevators nationwide. The project was launched to support local governments by utilizing the assets of the JES Group.

PR videos for local development projects (tourism, hometown tax payment, immigration, etc.) can be aired, using audio and video to convey information on the attractions that each municipality has to offer.

## Activities Through Sports

JESHD established a Judo Team in April 2023.

We believe that the human resource development attitude centered on the spirit of "vigorous good use of energy" and "mutual prosperity for oneself and others," with an emphasis on judo's civility, self-reliance, integrity, and dignity has much in common in the idea that "maintenance is a service industry," which is incorporated in the company name of the JES Group, and the corporate philosophy "Safety Above Anything Else," "No Cutting corners" and "Building on Trust."

Together with the Judo Team, we aim to become a group of engineers who are trusted not only for their technical skills, but also for their common sense and business manners as members of society, and we will work to further foster a sense of unity among Group employees. We are also committed to contributing to society through sports and developing diverse human resources who can play an active role internationally at major national and international competitions as well as the Olympics.

## Organizing Judo Workshop

In November 2023, the 1st JES Judo Workshop was held at the Saitama Prefectural Budokan, with approximately 140 elementary school students participating. In December, the 2nd JES Judo Workshop was held at the Kochi Prefectural Budokan, with approximately 120 elementary, junior high, high school, and university students participating.



Table of Contents

1. JES Profile
2. Sustainability Management
3. Environment

### 4. Social

5. Governance
6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Social Data

Employee Data		March 2019	March 2020	March 2021	March 2022	March 2023
Number of employees by gender (number of persons)	Male	955	1,053	1,182	1,351	1,498
	Female	138	181	216	267	268
	(Percentage of female)	12.6%	14.7%	15.5%	16.5%	15.2%
<b>Total</b>		<b>1,093</b>	<b>1,234</b>	<b>1,398</b>	<b>1,618</b>	<b>1,766</b>

[Scope of presentation] Japan Elevator Service Holdings Co., Ltd. Inc. and its consolidated subsidiaries

Diversity Data	March 2019	March 2020	March 2021	March 2022	March 2023
Female managers (person)	11	15	15	23	20
Percentage of female managers	5.9%	7.4%	6.7%	8.7%	6.9%
Persons with disabilities (person)	14	17	23	25	22
Foreign nationals (person)	5	5	6	8	9

[Scope of presentation] Japan Elevator Service Holdings Co., Ltd. and its domestic consolidated subsidiaries (excluding companies made subsidiaries through M&A)

Recruitment Data	March 2019	March 2020	March 2021	March 2022	March 2023
Graduate recruitment	32	52	64	71	111
Mid-career recruitment	137	168	168	214	116
<b>Total</b>	<b>169</b>	<b>220</b>	<b>232</b>	<b>285</b>	<b>227</b>

[Scope of presentation] Japan Elevator Service Holdings Co., Ltd. and its domestic consolidated subsidiaries (excluding companies made subsidiaries through M&A)

Occupational Safety and Health	March 2019	March 2020	March 2021	March 2022	March 2023
Percentage of employees taking paid leave	56.6%	46.8%	47.7%	60.3%	63.9%
Number of work-related accidents	15	11	23	16	19

[Scope of presentation] Japan Elevator Service Holdings Co., Ltd. and its domestic consolidated subsidiaries (excluding companies made subsidiaries through M&A)

Table of Contents

1. JES Profile

2. Sustainability  
Management

3. Environment

**4. Social**

5. Governance

6. Initiatives,  
Reference to GRI

Japan Elevator Service  
Holdings Co., Ltd.

Sustainability Report

**2023**

5



# Governance

# Governance Basic Policy

## Basic Policy

1. We will, strive to ensure that the rights of shareholders and the equality of shareholders are substantially secured,
2. We will strive for appropriate collaboration with various stakeholders, including employees, customers, suppliers, creditors, and local communities,
3. We will disclose corporate information in an appropriate manner and strive to provide information that is highly useful,
4. The Board of Directors shall endeavor to properly fulfill its roles and responsibilities in light of its fiduciary responsibility and accountability to shareholders, and
5. We will engage in constructive communication with shareholders in order to contribute to the sustainable growth of the company and the enhancement of its corporate value over the medium to long term.

# Our Approach to Governance

## Governance is the Cornerstone of Sustainable Growth

Stronger governance leads to greater transparency in organizational and corporate operations, greater responsibility as a publicly traded company, and greater business efficiency.

Strengthening governance provides transparency to the corporate group's internal and external stakeholders. Transparency leads to better understanding of organizational processes and greater credibility for shareholders, customers, employees, and other stakeholders. By clarifying roles and responsibilities within the organization, it serves to monitor the process and clarify responsibilities when problems arise.

Governance leads to risk management and compliance. It helps the corporate group to comply with laws and regulations, minimize risks, and reduce reputation risks due to violations of laws and regulations.

From the above, governance leads to long-term profitability and competitiveness. It enhances the long-term sustainability and credibility of the company, thereby benefiting its various stakeholders.

The JES Group recognizes that strengthening corporate governance is one of the most important management issues in order to continuously increase corporate value and achieve management stability.

We will place particular emphasis on strengthening oversight of management, ensuring compliance, and prompt, accurate, and fair disclosure of information to all stakeholders, and will further enhance these efforts.

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

**5. Governance**

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

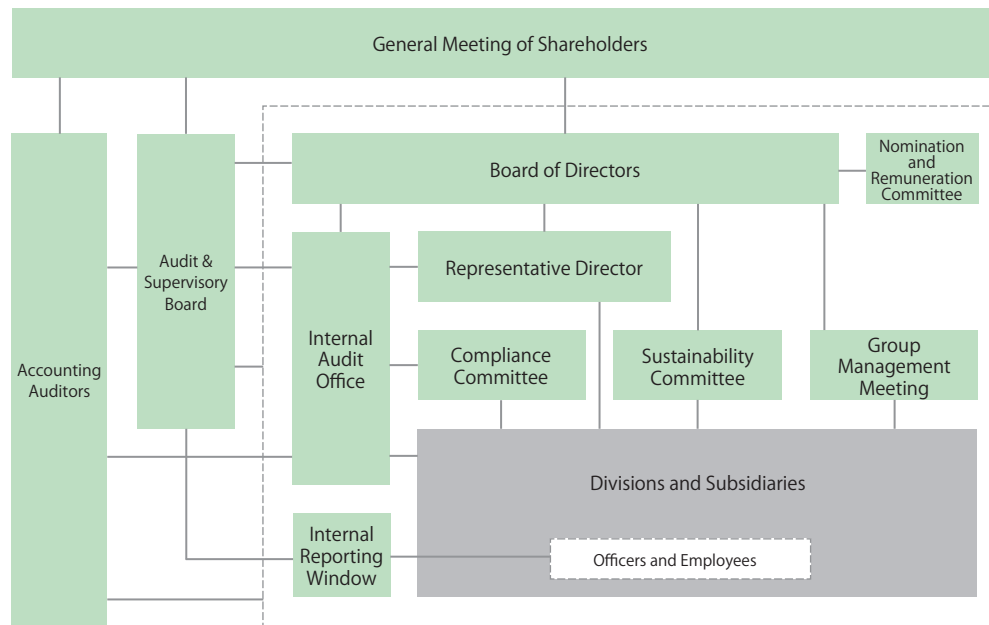
Sustainability Report

2023





# Governance Structure



## Directors and Board of Directors

The Board of Directors of JESHD consists of 8 directors (including 3 outside directors). It holds regular meetings once a month in principle for the purpose of making decisions on important matters related to the company's business operations, matters required by law, and other important management matters, and it calls for an extraordinary meetings when important matters arise. The Board of Directors is chaired by Katsushi Ishida, Representative Director CEO, and the other members are Kimihiko Imamura, Director Deputy President Executive Office CFO, Shuji Kuramoto, Director Deputy President and Executive Officer, Shinsuke Uno, Director Senior Managing Executive Officer, Daiki Murakami, Director Managing Executive Officer, Outside Director Hitoshi Watanabe, Outside Director Noriko Endo, Outside Director Mika Yano.

## Activities of the Board of Directors

The Board of Directors, in accordance with the bylaws on matters to be discussed and reported to the Board of Directors, adopts resolutions on basic policies concerning the management of the Company, important business execution matters, authorized by a resolution of the General Meeting of Shareholders, and other matters stipulated by laws and regulations and the Articles of Incorporation, and also receives reports on matters stipulated by laws and regulations and the execution of important business operations. During the fiscal year under review, attendance for the fiscal year ended March 31, 2023 was 100%.

## Director Skill Matrix

The following table summarizes the skills required for the board of directors by sector and discloses in which areas the directors and auditors have knowledge, expertise and experience.

Name	Position and title in the Company	Gender	Business Management	Finance Accounting	Legal Affairs 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			○			○

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

**5. Governance**

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Governance Structure

## Audit & Supervisory Board and Its Member

The Audit & Supervisory Board meets once a month in principle, and when necessary, the Audit & Supervisory Board members hold discussions and exchange opinions with each other in order to ascertain the status of compliance by directors with laws, regulations, the Articles of Incorporation and other rules, and to ensure that operational and accounting audits are conducted effectively. The Audit & Supervisory Board is chaired by Kei Tachibana, Audit & Supervisory Board Member, and its other members are Hitoshi Maeda and Shigeru Haga, Outside Audit & Supervisory Board Members.

In addition to attending meetings of the Board of Directors and other important meetings, Audit & Supervisory Board members conduct proper monitoring of management through inspection of important documents, questioning of officers and employees, and other auditing procedures. The Company also strives to conduct appropriate audits in cooperation with the Internal Audit Office and the accounting auditor.

Audit & Supervisory Board Members strictly audit the overall operations of the Company and its subsidiaries in accordance with the audit plan, audit methods and work assignments determined by the Audit & Supervisory Board.

During the fiscal year under review, the Company held 18 meetings of the Board of Audit & Supervisory Board, and the attendance rate during the fiscal year ended March 31, 2023 was 100%.

The Board of Corporate Auditors specifically considers audit items (compliance with laws and regulations, risk prevention, information security, and the status of establishment and operation of internal control systems) specified in the audit policy and plan, as well as evaluations of the accounting auditor's audit.

## Sustainability Committee

The Sustainability Committee, which reports directly to the Board of Directors, was established to promote sustainability initiatives linked to the management plan by resolving sustainability-related issues and identifying risks and opportunities in order to achieve sustainable growth and enhance corporate value over the medium to long term.

The committee consists of the director in charge of sustainability and members deemed appropriate based on their duties.

The Committee identifies environmental, social, governance, and other sustainability issues, and manages and oversees various measures.

## Nomination and Compensation Committee

In order to strengthen the independence, objectivity, and accountability of the Board of Directors' functions related to the nomination and compensation of senior management and directors, the Company's Board of Directors, at its meeting held on June 23, 2022, resolved to establish a Nomination and Compensation Committee as an advisory body to the Board of Directors. The committee consists of three members, a representative director and two outside directors, and is

chaired by the representative director. The independence of the committee is ensured by having a majority of the committee members be independent outside directors. The Committee shall deliberate on matters relating to the election and dismissal of directors and officers, as well as policies and procedures necessary to determine directors' remuneration, etc., and shall provide advice and recommendations to the Board of Directors.

## Activities of the Nomination and Compensation Committee

The Nomination and Compensation Committee held one meeting during the fiscal year under review. In addition, the Nomination and Compensation Committee met to advise the Company on the election of directors, a resolution of the Company's Annual General Meeting of Shareholders held on June 23, 2023, with respect to nomination and compensation.

## Internal Audit Office

An Internal Audit Office has been established under the direct control of the Representative Director. The Internal Audit Office, consisting of one person, audits all divisions of the Company and all subsidiaries for rationality, efficiency, appropriateness, and appropriateness of business execution in accordance with the annual internal audit plan. Audit results are reported to the Representative Director, who gives instructions for improvement to the person in charge of the audited department, and the status of improvement is monitored through follow-up audits, etc.

The Internal Audit Office regularly visits each subsidiary and office to interview employees regarding their work styles and work environment, and to identify issues. In addition, the Board of Directors is regularly briefed on the status of activities and discusses measures for improvement.

## Compliance Committee

The Compliance Committee has been established as a body to ensure compliance within the Group. The committee is composed of the director in charge, general manager, general manager of the internal audit department, full-time audit & supervisory board member, representative directors of subsidiaries, etc., and meets whenever necessary.



Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023



Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

**5. Governance**

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

**2023**

## Independent Outside Directors

The Company has three outside directors and two outside Audit & Supervisory Board members.

There is no personal, capital, business or other relationship of interest between the outside directors and outside corporate Audit & Supervisory Board members and JES.

All of the outside directors and outside Audit & Supervisory Board members are registered with the Tokyo Stock Exchange as independent directors/auditors who are not likely to have a conflict of interest with general shareholders.

Although the Company has not established its own criteria for determining independence, the Company uses the fulfillment of the requirements for independent directors and auditors established by the Tokyo Stock Exchange as a standard as a guideline for the appointment of independent directors and auditors.

## Diversity of Board Members

The percentage of female officers (directors and Audit & Supervisory Board members) is 18.1%.

The government's "Women's Version of the Framework Policy" calls for prime market listed companies to appoint at least one female board member by 2025 and to increase the percentage of women on their boards to 30% by 2030.

At this time, we have two female directors and have been able to appoint at least one female director, but we have not yet achieved the 30% ratio of women on the board of directors. The company has submitted an action plan based on the Law for the Promotion of Women's Advancement within the company, and will strive to increase the ratio of managerial positions from efforts in line with the plan. In addition, we will select personnel who will contribute to the growth of the Company's business in terms of external appointments.

## Succession Planning

The Corporate Governance Code stipulates that "the board of directors should be proactively involved in the formulation and operation of succession plans (planning) for the CEO and other officers, based on the company's goals (management philosophy, etc.) and specific management strategies, and should appropriately supervise the training of potential successors in a systematic manner, taking sufficient time and resources.

In order to achieve sustainable growth and increase corporate value over the medium to long term, we will devote sufficient time and resources to succession planning to ensure that the most appropriate personnel are appointed to the CEO and key management positions supporting the CEO. At the same time, we will prepare for CEO contingencies and consider candidates for the next CEO.

## Compliance

### Basic Approach to Compliance Risk

The Compliance Committee has been established as a body for compliance efforts. The committee is composed of the director in

charge, Headquarters manager, general manager of the internal audit office, full-time Audit & Supervisory Board member, representative directors of subsidiaries, etc., and meets whenever necessary. The Committee reports and discusses the status of internal reporting and compliance activities.

### Compliance System

Each operating company has designated a compliance manager. The Headquarters of the committee conducts a hearing once a month with the person in charge of compliance, and conducts periodic checks, including reminders to ensure that there are no omissions in the response. In addition, when a compliance-related problem arises, it must be reported to JESHD's Compliance Committee on the same day, without waiting for periodic confirmation, and JESHD and the operating companies have established a system that enables them to work together to quickly resolve the problem.

Other initiatives at JESHD headquarters include regular weekly meetings to share information on compliance issues. The Compliance Committee also meets four times a year, bringing together managers from JESHD and all operating companies to provide a forum for the exchange of information on compliance matters.

## Anti-Corruption Policy

### Basic Policy

JES Group and its officers and employees are committed to conducting business activities in an ethical manner. We will not tolerate bribery or corruption in any form and will comply with applicable laws prohibiting bribery and corruption ("anti-corruption laws").

Violations of anti-corruption laws can have serious consequences, including large fines, imprisonment or jail time, loss of public trust, and business losses.

We will require third parties who work for us, such as agents, consultants, advisors, sales representatives, suppliers, and contractors, to act in compliance with anti-corruption laws at all times.

## Tax Policy

The JES Group has a tax policy. The tax redistribution function is an essential part of society in all countries and regions, and tax reporting and payment in accordance with each country's tax system are regarded as important issues to be considered. We not only understand and comply with international frameworks such as the OECD Transfer Pricing Guidelines and the BEPS Action Plan, as well as all applicable tax laws and regulations in each country and region, and file tax returns and pay taxes appropriately, but also ensure that our employees are fully aware of these laws and regulations to prevent any violations from occurring. At the same time, we are building a risk management system by identifying and appropriately handling tax risks.

# Supplier Management

Supplier management is a key element across procurement, the procurement chain, and business processes as processes and activities that enable companies and organizations to effectively manage supplier relationships and achieve optimal value and results. In selecting suppliers, the JES Group endeavors to select the most appropriate cooperative organization, taking into consideration factors such as quality, price, delivery time, and reliability. We manage risk with respect to potential risks to our business with customers, including supplier financial health and supply risk. At the same time, we are building friendly relationships with suppliers and collaborating to grow together, including technical assistance. We will promote increased competitiveness by strengthening relationships with suppliers in terms of efficiency, risk management, and quality improvement.

# Information Security

## Basic Policy

To prevent information leaks and security incidents, we are continuously working to strengthen our information management and operational systems.

We are committed to continuous operation by taking measures not only against external attacks (cyber attacks, malware, ransom attacks, etc.) but also against information leaks from within.

## Information Security System

We have established and are operating an Information Security Policy.

Regarding the system and members related to information security, we have established and are operating a system based on the following rules.

The Chief Information Security Officer shall be appointed as the person in charge of information security in the Company.

The Chief Information Security Officer shall be the Director of General Affairs Headquarters.

To assist the Chief Information Security Officer, a Chief Information Security Officer shall be appointed at the Company and each subsidiary.

The information security officer shall be the Headquarters manager and the representative director of each subsidiary.

The Company shall establish an Information Security Committee. The Committee shall formulate policies, check compliance with the policies, investigate areas for improvement, and update the policies, as well as conduct educational and awareness-raising activities.

Information Security" is composed of the following members

- (1) Chairperson: Chief Information Security Officer
- (2) Committee members: Information security officers and others with expertise in information security

## Information Security Management

The Information Security Committee meets regularly.

The Information Security Committee reports on recent security trends, formulates countermeasures, disseminates them internally, and alerts employees to them.

In addition, the Company has taken steps to prevent information leaks by establishing rules for operating laptop computers and cell phones in the event that they are lost or stolen, and by establishing rules for operating computers in the event that they might be infected with a virus.

We have formulated the "Information Security Policy" as rules and guidelines for information security, and are implementing the policy by making it known to all employees.

## Training for Information Security

Training is provided to all employees on the handling of personal information and IT security.

Whenever we receive important IT security information, such as the spread of malware worldwide, we alert all employees and inform them of the importance of IT security.

## Commitment to Personal Information

As part of our efforts to protect personal information, we have formulated and are operating "Rules for the Protection of Personal Information and Specified Personal Information".

Specifically, we have established and are operating a system to explain in advance how personal information is used and how it is provided to third parties, and to ensure that information is properly managed.

## Measures Against Cyber Attack

Combined measures are in place to deal with cyber-attacks from outside.

Specifically, we have established and are operating a complex of system security measures such as "installation of firewalls" and "installation of anti-virus software" as well as "measures to improve individual IT literacy (do not access suspicious websites, do not open unknown emails)".

In addition, IT asset management software is installed on all terminals, and a mechanism is in place to detect unauthorized actions and operations.

## Unauthorized Access

In order to prevent information leakage due to unauthorized access, important files stored on our file server are encrypted and managed.

In addition, we have established a mechanism to check access to external sites using computer access logs and firewall logs, in case information leakage is suspected.

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

**5. Governance**

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# Privacy Policy

We have established rules for the protection of personal information and specified personal information to appropriately protect personal information, personal numbers, and other specified personal information handled by the company in the course of conducting its business, to prevent leaks, and to use such information in an appropriate manner.

When the management of personal information, etc., is entrusted to a third party, the third party to whom the information is entrusted is also required to comply.



# R&D and Intellectual Property

## Basic Policy

We conduct research and development to provide our clients with not one, but many options including pricing and time frames. We also aim to create products that are flexible to the common practices of the elevator industry and offer appropriate proposals.

We will do this as part of our business growth, mainly in research and development, so that intellectual property can be protected and effectively utilized.

A management department has been established in the Development Division to compile information on R&D, related products, and related companies to obtain intellectual property rights.

The JES Group recognizes the importance of intellectual property rights and strives to comply with all relevant laws and regulations, respects the intellectual property of others, and ensures the repair and appropriate management of its own intellectual property.

Through further investment in intellectual property and intangible assets, we aim to accelerate our technological innovation and enhance our corporate value over the medium to long term.

## Major Intellectual Property



LiftSPOT



Table of Contents

- 1. JES Profile
- 2. Sustainability Management
- 3. Environment
- 4. Social

**5. Governance**

6. Initiatives,  
Reference to GRI

Japan Elevator Service  
Holdings Co., Ltd.

Sustainability Report

2023

# Communication with Shareholders

## Policy and Promotion for Communication

### Designation of management or directors who are attentive to the overall communication with shareholders

Communication with shareholders and investors is overseen by the Representative Director. In principle, the actual interview will be conducted by the representative director and IR staff, depending on the purpose of the meeting.

### Measures for organic coordination of internal departments, etc. that assist in communication

In order to enhance the effectiveness of communication with shareholders and investors, the IR Office plays a central role in coordinating information with the Company's divisions and subsidiaries.

### Efforts to Enhance Means of Communication

The Company holds briefings for individual investors, holds financial results briefings for institutional investors and visits institutional investors, and provides financial results and other materials on its website.

### Measures to ensure effective feedback of shareholder opinions and concerns

The knowledge and other information obtained through communication is fed back to the Board of Directors, management and related departments as necessary to disseminate and share information.

### Policies for managing insider information in communication

We strive to disclose corporate information in a fair, equitable, and timely manner in accordance with our separately established information disclosure policy. We manage insider information by limiting the number of contact points for IR activities, refraining from communication during the quiet period, and complying with insider trading prevention and control rules.

Disclosure Policy : <https://www.jes24.co.jp/en/ir/policy.html>

## Activity Results

The status of communication between management and shareholders during the fiscal year ended March 31, 2023 is as follows

### (i) IR interview results

The total number of IR interviews from April 1, 2022 to March 31, 2023 was 190.

(ii) Principal Respondents to the Communication with Shareholders Representative Director, Chairman, President and CEO; Executive Vice President, CFO; General Manager, Investor Relations Office (Managing Executive Officer)

(iii) Summary of shareholders with whom communication was held 81 domestic investors, 109 foreign investors We meet with fund managers, analysts, etc.

### (iv) Main themes of the communication

The main content of the communication is related to the Company's growth potential and profitability, including information on the Company's financial results and the status of the Company's initiatives in its mid-term management plan.

Shareholder opinions identified in the communication are to be fed back to management as necessary, and necessary improvements are to be made.

## Actions to Make Management Conscious of Cost of Capital and Stock Price

As a company listed on the Prime Market of the Tokyo Stock Exchange, we manage our business with an awareness of our stock price.

We believe that the share price is the corporate value as evaluated by the market, and that improving capital efficiency and communication with shareholders are important to raise corporate value. The Company considers ROE (return on shareholders' equity) as a measure of capital efficiency.

Our ROE for the year ending March 31, 2023 is 25.1%, which is above the cost of Shareholders' equity. We will periodically analyze the current situation, and if any issues are identified, we will establish policies and targets for improvement and report them to the Board of Directors.

In the fiscal year ending March 31, 2023, the Board of Directors is reporting on financial analysis and analysis of investor trends as an effort to be aware of stock prices.



Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

5. Governance

6. Initiatives, Reference to GRI

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023

# 6

## Initiatives, Reference to GRI

# Participation in Various Initiatives

With growing concern about issues related to climate change and human rights, various ESG-related initiatives are being developed internationally to promote efforts to address social issues. We believe that the collaboration of companies around the world under the Initiative is the driving force behind our efforts to address international social issues.

The JES Group participates in initiatives that encourage corporate efforts in the social context and promotes various initiatives to contribute to the realization of a sustainable society.

Regarding climate change, we have set ambitious goals for carbon neutrality and are working to achieve them.

In accordance with their respective policies on "TCFD" and "SBTi," we incorporate actions consistent with disclosure standards and future goals.

## TCFD

Climate-related Financial Disclosure Task Force  
(Task Force on Climate-related Financial Disclosures)

In November 2022, we expressed our endorsement of the TCFD. In addition to disclosing information based on the TCFD recommendations, we will work to achieve environmental sustainability based on an analysis of business risks and opportunities based on these recommendations.



## SBTi

(Science Based Targets initiative)

In addition to measuring greenhouse gases in accordance with the SBTi, we announced in November 2022 that we would set targets within two years. Although we have just begun measuring these emissions, setting future reduction targets will clarify the JES Group's commitment to these reductions.

## Corporation with Excellent Health Management

JESHD was recognized by the Ministry of Economy, Trade and Industry as a "Corporation with Excellent Health Management 2023" on March 8, 2023.

Under the Health Declaration, JESHD recognizes the importance of human capital, considers employee health management as a management issue, and promotes the improvement of the workplace environment.

[The Certification System for Corporations with Excellent Health Management]

The Certification System for Excellent Corporations for Health Management is a system to recognize corporations, including large corporations and small and medium-sized enterprises, that practice

particularly excellent health management, based on their efforts to address local health issues and the promotion of health promoted by the Nippon Kenko Kaigi (Japan Health Conference).



## Declaration of Health

Based on our "Corporate Philosophy," it is essential that our employees themselves be healthy in order to ensure the safe operation of our elevators and escalators; without good health, we will not be able to gain the trust of our customers. We regard the physical and mental health of our employees and their families, who support the growth of the company, as one of our important management resources, and aim to be a company that contributes to the development of a rich, comfortable, and healthy social life and economy for our employees by actively supporting their health maintenance and promotion activities and promoting organized health promotion.

In order to promote and implement health management, the Health Management Promotion Team, led by the General Affairs Department, will monitor the health status of employees and the implementation of measures, and work with each committee, industrial physicians, and the health insurance association to make continuous improvements to maintain and promote employee health.

## Specific Initiatives

- Maintained employee health care system after coronary infection moved to category 5 infection.
- Distribute smartphone apps such as "Calorie-mama+" and "Quit Smoking Watch" to employees to prevent adult diseases and reduce smoking rate.
- In September 2023, a "Health Seminar for Women" was held for all employees.

Table of Contents

1. JES Profile
2. Sustainability Management
3. Environment
4. Social
5. Governance

**6. Initiatives,  
Reference to GRI**

Japan Elevator Service  
Holdings Co., Ltd.

Sustainability Report

2023



# GRI Reference Table

## General Disclosures

GRI2: General Disclosures 2021	Section referred to in this report	
<b>Organization and Reporting Practices</b>		
2-1 Organizational details	1. JES Profile	Corporate Profile
2-2 Entities included in the organization's sustainability reporting	Editorial Policy	
2-3 Reporting period, frequency and contact point	Editorial Policy	
<b>Activities and workers</b>		
2-6 Activities, value chain and other business relationships	1. JES Profile	Business Domains of JES Group
2-7 Employees	4. Social	Social Data
2-8 Workers who are not employees	-	Annual Securities Report
<b>Governance</b>		
2-9 Governance structure and composition	-	Corporate Governance Report
2-10 Nomination and selection of the highest governance body	-	Corporate Governance Report
2-11 Chair of the highest governance body	-	Corporate Governance Report
2-12 Role of the highest governance body in overseeing the management of impacts	-	Corporate Governance Report
2-13 Delegation of responsibility for managing impacts	2. Sustainability Management	Sustainability Management Structure
2-14 Role of the highest governance body in sustainability reporting	2. Sustainability Management	Sustainability Management Structure
2-15 Conflicts of interest	-	Corporate Governance Report
2-16 Communication of critical concerns	-	Corporate Governance Report
2-17 Collective knowledge of the highest governance body	-	Corporate Governance Report
2-18 Evaluation of the performance of the highest governance body	-	Corporate Governance Report
2-19 Remuneration policies	-	Annual Securities Report
2-20 Process to determine remuneration	-	Annual Securities Report
2-21 Annual total compensation ratio	-	Annual Securities Report
<b>Strategy, policies and practices</b>		
2-22 Statement on sustainable development strategy	Messages from CEO / CFO	Sustainability Chair
2-23 Policy commitments	2. Sustainability Management	Basic Sustainability Policy
2-24 Embedding policy commitments	2. Sustainability Management	Basic Sustainability Policy
2-25 Processes to remediate negative impacts	5. Governance	Compliance
2-26 Mechanisms for seeking advice and raising concerns	5. Governance	Compliance
2-27 Compliance with laws and regulations	5. Governance	Compliance
2-28 Membership associations	6. Initiatives	Participation in Various Initiatives
<b>Stakeholder engagement</b>		
2-29 Approach to stakeholder engagement	2. Sustainability Management	Communication with Stakeholders
2-30 Collective bargaining agreements	4. Social	
<b>GRI 3: Material Topics 2021</b>	Section referred to in this report	
3-1 Process to determine material topics	2. Sustainability Management	
3-2 List of material topics	2. Sustainability Management	
3-3 Management of material topics	2. Sustainability Management	
<b>GRI 201: Economic Performance 2016</b>	Section referred to in this report	
201-1 Direct economic value generated and distributed	4. Social	Contribution to Society Through Our Business
201-2 Financial implications and other risks and opportunities due to climate change	3. Environment	Disclosure Based on TCFD
201-3 Defined benefit plan obligations and other retirement plans	-	Annual Securities Report
<b>GRI 205: Anti-corruption 2016</b>	Section referred to in this report	
205-2 Communication and training about anti-corruption policies and procedures	5. Governance	Compliance
<b>GRI 207: Tax 2019</b>	Section referred to in this report	
207-1 Approach to tax	5. Governance	Tax Policy
207-2 Tax governance, control, and risk management	5. Governance	Tax Policy

GRI 301: Materials 2016	Section referred to in this report	
301-2 Recycled input materials used	3. Environment	Contribution to Society Through Our Business
301-3 Reclaimed products and their packaging materials	3. Environment	Contribution to Society Through Our Business
<b>GRI 302: Energy 2016</b>	Section referred to in this report	
302-1 Energy consumption within the organization	3. Environment	Environmental Data
302-3 Energy intensity	3. Environment	Environmental Data
302-4 Reduction of energy consumption	3. Environment	Environmental Data
<b>GRI 303: Water and Effluents 2018</b>	Section referred to in this report	
303-1 Interaction with water as a shared resource	3. Environment	Initiatives for Climate Change
<b>GRI 304: Biodiversity 2016</b>	Section referred to in this report	
304-2 Significant Impacts of activities, products, and services on biodiversity	3. Environment	Initiatives for Climate Change
<b>GRI 305: Emissions 2016</b>	Section referred to in this report	
305-1 Direct (Scope 1) GHG emissions	3. Environment	Initiatives for Climate Change
305-2 Energy indirect (Scope 2) GHG emissions	3. Environment	Initiatives for Climate Change
305-3 Other indirect (Scope 3) GHG emissions	3. Environment	Initiatives for Climate Change
305-4 GHG emissions intensity	3. Environment	Initiatives for Climate Change
305-5 Reduction of GHG emissions	3. Environment	Initiatives for Climate Change
<b>GRI 308: Supplier Environmental Assessment 2016</b>	Section referred to in this report	
308-2 Negative environmental impacts in the supply chain and actions taken	5. Governance	Supplier Management
<b>GRI 401: Employment 2016</b>	Section referred to in this report	
401-1 New employee hires and employee turnover	4. Social	Social Data
401-3 Parental leave	4. Social	Creating A Good Work Environment
<b>GRI 403: Occupational Health and Safety 2018</b>	Section referred to in this report	
403-1 Occupational health and safety management system	4. Social	Occupational Safety and Health
403-2 Hazard identification, risk assessment, and incident investigation	4. Social	Occupational Safety and Health
403-3 Occupational health services	4. Social	Occupational Safety and Health
403-4 Worker participation, consultation, and communication on occupational health and safety	4. Social	Occupational Safety and Health
403-5 Worker training on occupational health and safety	4. Social	Occupational Safety and Health
403-6 Promotion of worker health	6. Initiatives	Participation in Various Initiatives
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4. Social	Occupational Safety and Health
403-8 Workers covered by an occupational health and safety management system	4. Social	Occupational Safety and Health
403-9 Work-related injuries	4. Social	Occupational Safety and Health
403-10 Work-related ill health	4. Social	Occupational Safety and Health
<b>GRI 404: Training and Education 2016</b>	Section referred to in this report	
404-2 Programs for upgrading employee skills and transition assistance programs	4. Social	Initiatives to Secure Human Resources
404-3 Percentage of employees receiving regular performance and career development reviews	4. Social	Initiatives to Secure Human Resources
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	Section referred to in this report	
405-1 Diversity of governance bodies and employees	4. Social	Diversity & Inclusion

Table of Contents

1. JES Profile

2. Sustainability Management

3. Environment

4. Social

5. Governance

**6. Initiatives, Reference to GRI**

Japan Elevator Service Holdings Co., Ltd.

Sustainability Report

2023