

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 3, 2020

Company name: Japan Elevator Service Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6544 URL <https://www.jes24.co.jp>
 Representative: Katsushi Ishida President CEO
 Director Senior Managing Executive Officer
 Inquiries: Kimihiko Imamura CFO TEL +81-3-6262-1625
 Scheduled date to file Quarterly Securities Report: August 11, 2020
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	5,263	8.6	758	48.0	849	67.3	576	96.4
Three months ended June 30, 2019	4,847	20.3	512	48.4	507	49.2	293	45.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	14.22		13.26	
Three months ended June 30, 2019	7.28		6.81	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	15,074	5,012	33.0
As of March 31, 2020	14,297	5,177	35.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	—	—	—	18.00	18.00
Year ending March 31, 2021	—	—	—	—	—
Year ending March 31, 2021 (Forecast)	—	—	—	—	—

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2020	11,000	6.1	1,350	11.5	1,350	12.0	800	9.8	19.73
Full year	23,000	7.8	3,100	14.1	3,100	14.7	1,900	11.7	46.87

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2020	40,538,600 shares	As of March 31, 2020	40,538,600 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	115 shares	As of March 31, 2020	86 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	40,538,505 shares	Three months ended June 30, 2019	40,334,230 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	1,145,583	1,517,622
Notes and accounts receivable - trade	2,781,798	2,565,072
Raw materials and supplies	1,816,533	1,886,485
Other	615,352	799,039
Allowance for doubtful accounts	(2,799)	(3,075)
Total current assets	6,356,468	6,765,145
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,897,536	2,877,144
Tools, furniture and fixtures, net	1,125,615	1,271,451
Other, net	1,649,345	1,882,188
Total property, plant and equipment	5,672,496	6,030,783
Intangible assets		
Goodwill	265,342	429,937
Other	779,257	842,430
Total intangible assets	1,044,599	1,272,367
Investments and other assets		
Other	1,248,005	1,033,887
Allowance for doubtful accounts	(24,346)	(27,416)
Total investments and other assets	1,223,659	1,006,471
Total non-current assets	7,940,755	8,309,623
Total assets	14,297,223	15,074,768
Liabilities		
Current liabilities		
Accounts payable - trade	695,229	529,812
Short-term borrowings	2,346,500	4,283,600
Income taxes payable	601,168	141,838
Provision for bonuses	503,500	275,644
Other	2,205,910	2,670,192
Total current liabilities	6,352,310	7,901,088
Non-current liabilities		
Long-term borrowings	1,814,174	1,180,973
Retirement benefit liability	693,074	715,025
Asset retirement obligations	250,950	253,006
Other	9,624	12,194
Total non-current liabilities	2,767,823	2,161,198
Total liabilities	9,120,133	10,062,286

	(Thousands of yen)	
	As of March 31, 2020	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	700,321	700,321
Capital surplus	1,136,623	1,136,623
Retained earnings	3,381,715	3,228,505
Treasury shares	(112)	(209)
Total shareholders' equity	5,218,548	5,065,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	910	1,784
Foreign currency translation adjustment	(54,537)	(66,104)
Remeasurements of defined benefit plans	(29,267)	(28,123)
Total accumulated other comprehensive income	(82,894)	(92,443)
Share acquisition rights	23,218	23,218
Non-controlling interests	18,217	16,466
Total net assets	5,177,089	5,012,481
Total liabilities and net assets	14,297,223	15,074,768

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	4,847,183	5,263,986
Cost of sales	3,064,453	3,220,179
Gross profit	1,782,730	2,043,806
Selling, general and administrative expenses	1,270,178	1,285,064
Operating profit	512,551	758,741
Non-operating income		
Surrender value of insurance policies	2,212	91,928
Subsidy income	2,289	—
Other	1,880	3,745
Total non-operating income	6,382	95,673
Non-operating expenses		
Interest expenses	3,470	4,212
Share of loss of entities accounted for using equity method	4,298	—
Other	3,439	836
Total non-operating expenses	11,207	5,048
Ordinary profit	507,726	849,366
Extraordinary income		
Gain on sales of non-current assets	70	19
Gain on step acquisitions	—	14,972
Total extraordinary income	70	14,992
Extraordinary losses		
Loss on retirement of non-current assets	273	6
Other	129	722
Total extraordinary losses	402	728
Profit before income taxes	507,394	863,631
Income taxes - current	283,692	177,412
Income taxes - deferred	(64,568)	110,725
Total income taxes	219,123	288,137
Profit	288,270	575,493
Loss attributable to non-controlling interests	(5,264)	(988)
Profit attributable to owners of parent	293,535	576,482

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	288,270	575,493
Other comprehensive income		
Valuation difference on available-for-sale securities	437	873
Foreign currency translation adjustment	591	(12,328)
Remeasurements of defined benefit plans, net of tax	1,203	1,144
Share of other comprehensive income of entities accounted for using equity method	1,744	—
Total other comprehensive income	3,977	(10,311)
Comprehensive income	292,248	565,182
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	296,641	566,933
Comprehensive income attributable to non-controlling interests	(4,392)	(1,750)