

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 12, 2021

Company name: Japan Elevator Service Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6544 URL <https://www.jes24.co.jp>
 Representative: Katsushi Ishida Representative Director CEO
 Director Deputy President and Executive Officer CFO TEL +81-3-6262-1625
 Inquiries: Kimihiko Imamura
 Scheduled date of ordinary general meeting of shareholders: June 25, 2021
 Scheduled date to file Securities Report: June 28, 2021
 Scheduled date to commence dividend payments: June 28, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

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	%
Year ended March 31, 2021	24,521	14.9	3,612	32.9	3,715	37.4	2,362	38.9
Year ended March 31, 2020	21,339	19.2	2,717	33.6	2,703	35.1	1,700	34.4

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	27.51	26.67	30.7	21.4	14.7
Year ended March 31, 2020	21.03	19.64	37.6	21.0	12.7

(Note)

The Company conducted a two for one share split of its common shares on January 1, 2021. Therefore, earnings per share is calculated on the assumption that the share splits were conducted at the beginning of the fiscal year ended March 31, 2020.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	20,473	10,505	50.2	115.97
As of March 31, 2020	14,297	5,177	35.9	63.34

(Note)

The Company conducted a two for one share split of its common shares on January 1, 2021. Therefore, net assets per share is calculated on the assumption that the share splits were conducted at the beginning of the fiscal year ended March 31, 2020.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	3,018	(3,955)	1,460	1,660
Year ended March 31, 2020	1,963	(2,454)	593	1,145

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	—	—	—	18.00	18.00	729	42.8	16.1
Year ended March 31, 2021	—	—	—	12.00	12.00	1,062	43.6	13.4
Year ending March 31, 2022 (Forecast)	—	—	—	—	—		—	

(Notes)

1. The Company conducted a two for one share split of its common shares on January 1, 2021. The amount of annual dividend per share when converted into the amount of year-end dividend per share before the share split is 24.00.

2. Dividend amounts for the previous fiscal year are the actual amounts before the said share split.

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	12,400	13.1	1,750	8.2	1,800	5.7	1,120	1.3	12.64
Full year	27,000	10.1	4,100	13.5	4,200	13.0	2,600	10.0	29.35

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2021	88,574,000 shares	As of March 31, 2020	81,077,200 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	230 shares	As of March 31, 2020	172 shares
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Average number of shares during the period

Year ended March 31, 2021	85,867,858 shares	Year ended March 31, 2020	80,884,308 shares
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Consolidated financial statements
Consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	1,145,583	1,674,107
Notes and accounts receivable - trade	2,781,798	3,606,693
Work in process	40,431	47,584
Raw materials and supplies	1,816,533	2,126,781
Other	574,920	720,128
Allowance for doubtful accounts	(2,799)	(6,998)
Total current assets	6,356,468	8,168,296
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,360,687	5,318,008
Tools, furniture and fixtures	1,924,607	3,179,330
Land	375,514	694,028
Construction in progress	1,199,857	732,760
Other	425,126	193,848
Accumulated depreciation and impairment	(1,613,296)	(1,942,929)
Total property, plant and equipment	5,672,496	8,175,047
Intangible assets		
Goodwill	265,342	1,661,929
Software	749,760	888,107
Other	29,496	60,022
Total intangible assets	1,044,599	2,610,060
Investments and other assets		
Investment securities	27,985	120,005
Leasehold and guarantee deposits	415,083	492,244
Deferred tax assets	517,023	697,406
Other	287,912	261,628
Allowance for doubtful accounts	(24,346)	(50,948)
Total investments and other assets	1,223,659	1,520,335
Total non-current assets	7,940,755	12,305,442
Total assets	14,297,223	20,473,739

	(Thousands of yen)	
	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	695,229	970,930
Short-term borrowings	2,346,500	2,038,180
Current portion of long-term borrowings	737,304	946,140
Accounts payable - other	566,252	678,324
Income taxes payable	601,168	938,528
Accrued consumption taxes	323,470	365,489
Provision for bonuses	503,500	614,130
Other	578,883	690,857
Total current liabilities	6,352,310	7,242,580
Non-current liabilities		
Long-term borrowings	1,814,174	1,418,034
Retirement benefit liability	693,074	865,134
Asset retirement obligations	250,950	393,532
Other	9,624	49,103
Total non-current liabilities	2,767,823	2,725,803
Total liabilities	9,120,133	9,968,384
Net assets		
Shareholders' equity		
Share capital	700,321	2,460,276
Capital surplus	1,136,623	2,896,577
Retained earnings	3,381,715	5,014,612
Treasury shares	(112)	(209)
Total shareholders' equity	5,218,548	10,371,256
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	910	3,035
Foreign currency translation adjustment	(54,537)	(67,544)
Remeasurements of defined benefit plans	(29,267)	(35,102)
Total accumulated other comprehensive income	(82,894)	(99,611)
Share acquisition rights	23,218	—
Non-controlling interests	18,217	233,710
Total net assets	5,177,089	10,505,355
Total liabilities and net assets	14,297,223	20,473,739

Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

	(Thousands of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	21,339,756	24,521,058
Cost of sales	13,523,490	15,090,029
Gross profit	7,816,265	9,431,028
Selling, general and administrative expenses	5,098,516	5,818,805
Operating profit	2,717,749	3,612,223
Non-operating income		
Surrender value of insurance policies	14,945	110,365
Other	14,620	26,335
Total non-operating income	29,565	136,701
Non-operating expenses		
Interest expenses	13,668	11,813
Share issuance costs	—	14,573
Other	30,122	7,084
Total non-operating expenses	43,791	33,471
Ordinary profit	2,703,523	3,715,453
Extraordinary income		
Gain on sale of non-current assets	470	730
Gain on step acquisitions	—	14,972
Total extraordinary income	470	15,703
Extraordinary losses		
Impairment losses	19,887	—
Loss on retirement of non-current assets	454	2,427
Other	1,849	3,027
Total extraordinary losses	22,190	5,454
Profit before income taxes	2,681,803	3,725,702
Income taxes - current	1,044,751	1,432,916
Income taxes - deferred	(54,482)	(89,519)
Total income taxes	990,269	1,343,396
Profit	1,691,534	2,382,306
Profit (loss) attributable to non-controlling interests	(9,076)	19,715
Profit attributable to owners of parent	1,700,610	2,362,590

Consolidated statements of comprehensive income

	(Thousands of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	1,691,534	2,382,306
Other comprehensive income		
Valuation difference on available-for-sale securities	910	2,124
Foreign currency translation adjustment	(9,081)	(12,570)
Remeasurements of defined benefit plans, net of tax	7,172	(5,834)
Share of other comprehensive income of entities accounted for using equity method	(262)	—
Total other comprehensive income	(1,260)	(16,280)
Comprehensive income	1,690,273	2,366,025
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,699,380	2,345,873
Comprehensive income attributable to non-controlling interests	(9,106)	20,151

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	671,195	1,107,497	2,204,884	(112)	3,983,464
Changes during period					
Issuance of new shares	4,056	4,056			8,112
Exercise of share acquisition rights	25,070	25,070			50,140
Dividends of surplus			(523,779)		(523,779)
Profit attributable to owners of parent			1,700,610		1,700,610
Net changes in items other than shareholders' equity					
Total changes during period	29,126	29,126	1,176,831	–	1,235,084
Balance at end of period	700,321	1,136,623	3,381,715	(112)	5,218,548

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	–	(45,223)	(36,440)	(81,663)	23,218	12,244	3,937,263
Changes during period							
Issuance of new shares							8,112
Exercise of share acquisition rights							50,140
Dividends of surplus							(523,779)
Profit attributable to owners of parent							1,700,610
Net changes in items other than shareholders' equity	910	(9,313)	7,172	(1,230)	–	5,972	4,742
Total changes during period	910	(9,313)	7,172	(1,230)	–	5,972	1,239,826
Balance at end of period	910	(54,537)	(29,267)	(82,894)	23,218	18,217	5,177,089

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	700,321	1,136,623	3,381,715	(112)	5,218,548
Changes during period					
Exercise of share acquisition rights	1,759,954	1,759,954			3,519,908
Dividends of surplus			(729,693)		(729,693)
Profit attributable to owners of parent			2,362,590		2,362,590
Purchase of treasury shares				(97)	(97)
Net changes in items other than shareholders' equity					
Total changes during period	1,759,954	1,759,954	1,632,897	(97)	5,152,708
Balance at end of period	2,460,276	2,896,577	5,014,612	(209)	10,371,256

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	910	(54,537)	(29,267)	(82,894)	23,218	18,217	5,177,089
Changes during period							
Exercise of share acquisition rights							3,519,908
Dividends of surplus							(729,693)
Profit attributable to owners of parent							2,362,590
Purchase of treasury shares							(97)
Net changes in items other than shareholders' equity	2,124	(13,006)	(5,834)	(16,716)	(23,218)	215,492	175,557
Total changes during period	2,124	(13,006)	(5,834)	(16,716)	(23,218)	215,492	5,328,265
Balance at end of period	3,035	(67,544)	(35,102)	(99,611)	—	233,710	10,505,355

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	2,681,803	3,725,702
Depreciation	634,995	810,387
Amortization of goodwill	28,868	69,530
Increase (decrease) in allowance for doubtful accounts	16,708	26,558
Increase (decrease) in provision for bonuses	1,077	100,716
Increase (decrease) in retirement benefit liability	83,034	81,182
Interest and dividend income	(3,547)	(703)
Interest expenses	13,668	11,813
Share of loss (profit) of entities accounted for using equity method	19,273	872
Loss on retirement of non-current assets	454	2,427
Impairment losses	19,887	—
Surrender value of insurance policies	(14,945)	(110,365)
Loss (gain) on step acquisitions	—	(14,972)
Decrease (increase) in trade receivables	(182,159)	(627,157)
Decrease (increase) in inventories	(183,293)	(312,085)
Decrease (increase) in accounts receivable - other	(287,438)	21,895
Increase (decrease) in trade payables	47,516	244,088
Increase (decrease) in accrued consumption taxes	38,900	23,342
Other, net	27,583	(17,509)
Subtotal	2,942,388	4,035,723
Interest and dividends received	3,505	703
Interest paid	(12,546)	(11,937)
Income taxes paid	(970,262)	(1,006,301)
Net cash provided by (used in) operating activities	1,963,085	3,018,188
Cash flows from investing activities		
Purchase of investment securities	(161)	(99,593)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(217,747)	(1,117,055)
Purchase of property, plant and equipment	(1,865,586)	(2,519,930)
Purchase of intangible assets	(387,181)	(394,312)
Proceeds from cancellation of insurance funds	28,069	236,246
Payments of leasehold and guarantee deposits	(14,827)	(77,385)
Other, net	2,863	16,591
Net cash provided by (used in) investing activities	(2,454,573)	(3,955,439)

	(Thousands of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(292,500)	(1,061,588)
Proceeds from long-term borrowings	2,350,000	1,000,000
Repayments of long-term borrowings	(899,932)	(1,217,304)
Proceeds from stock issuance to non-controlling shareholders from newly consolidated subsidiary	—	10,000
Proceeds from share issuance to non-controlling shareholders	15,079	—
Dividends paid	(523,779)	(729,693)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	50,140	3,496,690
Other, net	(105,029)	(38,065)
Net cash provided by (used in) financing activities	593,978	1,460,038
Effect of exchange rate change on cash and cash equivalents	(2,548)	(8,163)
Net increase (decrease) in cash and cash equivalents	99,942	514,624
Cash and cash equivalents at beginning of period	1,045,641	1,145,583
Cash and cash equivalents at end of period	1,145,583	1,660,207