



# FY2021/3 Financial Results

May 20, 2021

japan elevator service



## Japan Elevator Service Holdings Co., Ltd.

(TSE 1st Section: 6544)

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## Priority Issues for the Current Fiscal Year

## Elevators under maintenance contracts in Japan

Approx. **67,500**

(As of March 31, 2021)

## Net increase in maintenance contracts in Japan

Approx. **12,700**

(Non-consolidated : Approx. **7,400**)

(M&A : Approx. **5,300**)

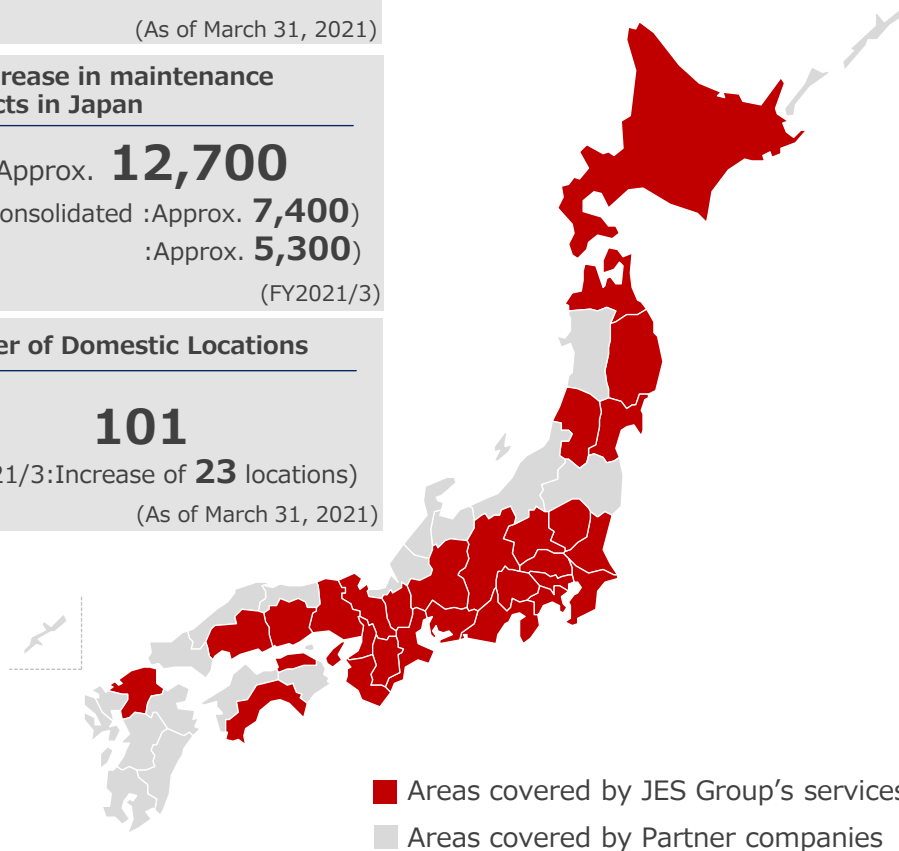
(FY2021/3)

## Number of Domestic Locations

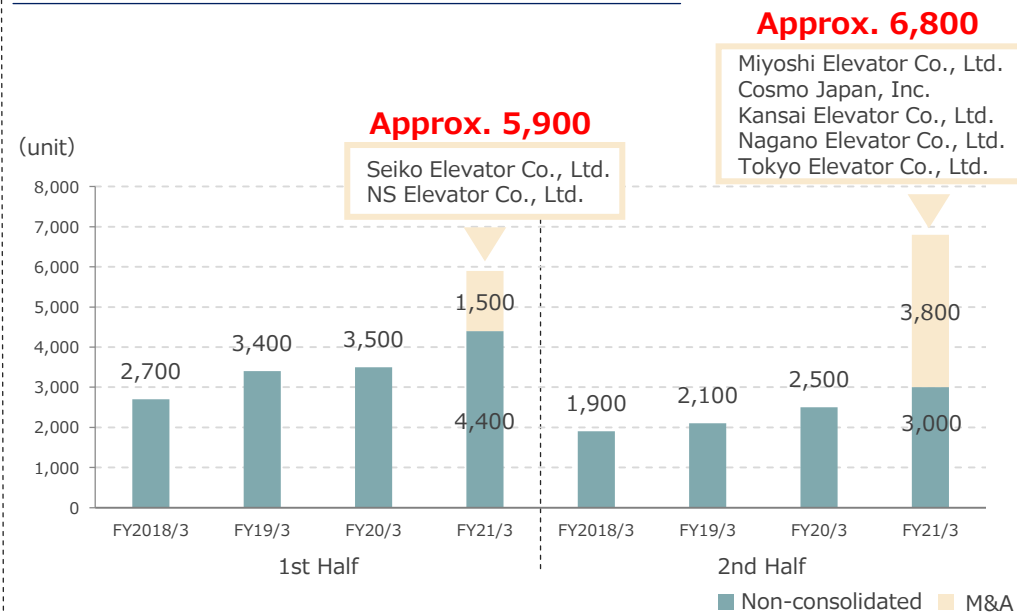
**101**

(FY2021/3: Increase of **23** locations)

(As of March 31, 2021)



## Net increase in maintenance contracts



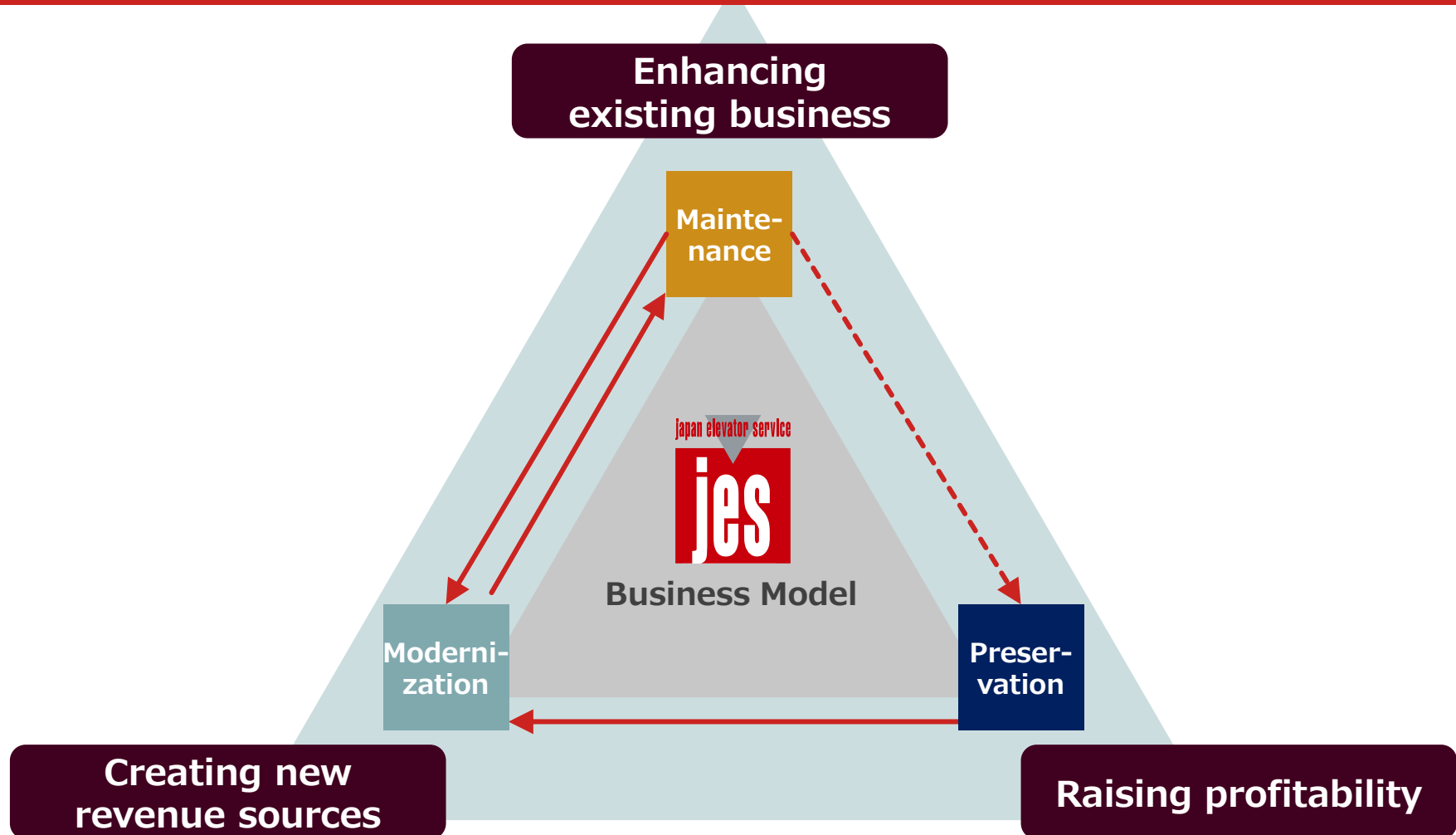
## Increase in domestic share through friendly M&A

### Independent M&A completed in FY2021/3

- |                               |           |                    |
|-------------------------------|-----------|--------------------|
| 1. Seiko Elevator Co., Ltd.   | 1 office  | (Kanto)            |
| 2. NS Elevator Co., Ltd.      | 2 offices | (Kansai)           |
| 3. Miyoshi Elevator Co., Ltd. | 6 offices | (Chugoku, Shikoku) |
| 4. Cosmo Japan, Inc.          | 5 offices | (Tohoku)           |
| 5. Kansai Elevator Co., Ltd.  | 1 office  | (Kansai)           |
| 6. Nagano Elevator Co., Ltd.  | 1 office  | (Koshinetsu)       |
| 7. Tokyo Elevator Co., Ltd.   | 1 office  | (Kanto)            |

- Focus on the Kansai, Tokai, Kyushu, Tohoku regions
- Seek to further boost productivity by increasing market share in the Tokyo metropolitan area
- Aim to boost share in Japan through friendly M&A

Targeting 100,000 elevators under contract, OPM of 20% in short-to-medium term, by enhancing existing business, creating new revenue sources, and raising profitability





## ESG Initiatives

In order to provide a high-quality service, we view “Safety-Ensuring Quality”, “Occupational Safety”, and “Employee Engagement” as high materiality issues

## Management Principles

### Safety above anything else

Our number one priority is safety  
Around-the-clock monitoring, every day of the year

### No cutting corners

Pursuing stable operation without cutting corners

### Trust and reliability

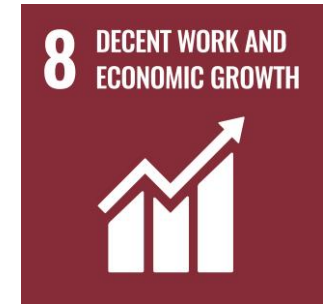
Building trust with customers based on our independent position and strengths as an expert firm specialized in maintenance

## Material SDGs

### 1. Safety-Ensuring Quality



### 2. Occupational Safety and Employee Engagement



Our Parts Center, Technical Support, and Control Center work in tandem to create a virtuous cycle and enable the provision of high-quality services

## Technical Support



## Parts Center



Safety-Ensuring  
Quality

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Occupational  
Safety

Employee  
Engagement

## Control Center



## ● Environment Initiatives

- Recycling and Repair Business
- LED lights installed in elevators
- Quick Renewal service
- Greenery Development Project

## ● Social Initiatives

- Technical Support
- Control Center
- Test tower
  - R&D
  - Training
- Educational field trips
- Test Tower leased out as high-rise training facility
- Certified as a Baby Station (family-friendly facility) by Saitama Prefecture



Left : JES Innovation Center(JIC)

Right : JES Innovation Center Lab(JIL)



## FY2021/3 Financial Results

(Million yen)

	FY2020/3		FY2021/3		YoY (%)	Change (YoY) (%)	Earnings Outlook (Revised)
	Actual	Ratio to sales (%)	Actual	Ratio to sales (%)			
Net sales	21,339	100.0	<u>24,521</u>	100.0	114.9	102.2	24,000
Cost of sales	13,523	63.4	15,090	61.5	111.6		
Gross profit	7,816	36.6	9,431	38.5	120.7		
SG&A	5,098	23.9	5,818	23.7	114.1		
Operating profit	2,717	12.7	<u>3,612</u>	14.7	132.9	101.8	3,550
Non-operating income	29	0.1	136	0.6	462.4		
Non-operating expenses	43	0.2	33	0.1	76.4		
Ordinary profit	2,703	12.7	<u>3,715</u>	15.2	137.4	101.8	3,650
Extraordinary income	0	0.0	15	0.1	–		
Extraordinary losses	22	0.1	5	0.0	24.6		
Profit before income taxes	2,681	12.6	3,725	15.2	138.9		
Profit attributable to owners of parent	1,700	8.0	<u>2,362</u>	9.6	138.9	102.7	2,300

(Million yen)

	FY2020/3		FY2021/3		YoY (%)
	Amount	Ratio (%)	Actual	Ratio (%)	
Maintenance and Preservation Services	15,030	70.4	17,476	71.3	116.3
Modernization Services	5,599	26.2	6,330	25.8	113.0
Other	709	3.4	714	2.9	100.8
Total	<u>21,339</u>	100.0	<u>24,521</u>	100.0	114.9

(Million yen)

	FY2020/3		FY2021/3		YoY (%)
	Actual	Ratio (%)	Actual	Ratio (%)	
Current assets	6,356	44.5	8,168	39.9	128.5
Cash and deposits	1,145	8.0	1,674	8.2	146.1
Notes and accounts receivable	2,781	19.5	3,606	17.6	129.7
Property, plant and equipment	5,672	39.7	8,175	39.9	144.1
Intangible assets	1,044	7.3	2,610	12.7	249.9
Investments and other assets	1,223	8.6	1,520	7.4	124.2
Non-current assets	7,940	55.5	12,305	60.1	155.0
Total assets	14,297	100.0	20,473	100.0	143.2
Current liabilities	6,352	44.4	7,242	35.4	114.0
Non-current liabilities	2,767	19.4	2,725	13.3	98.5
Total liabilities	9,120	63.8	9,968	48.7	109.3
Total net assets	5,177	36.2	10,505	51.3	202.9
Total liabilities and net assets	14,297	100.0	20,473	100.0	143.2

(Million yen)

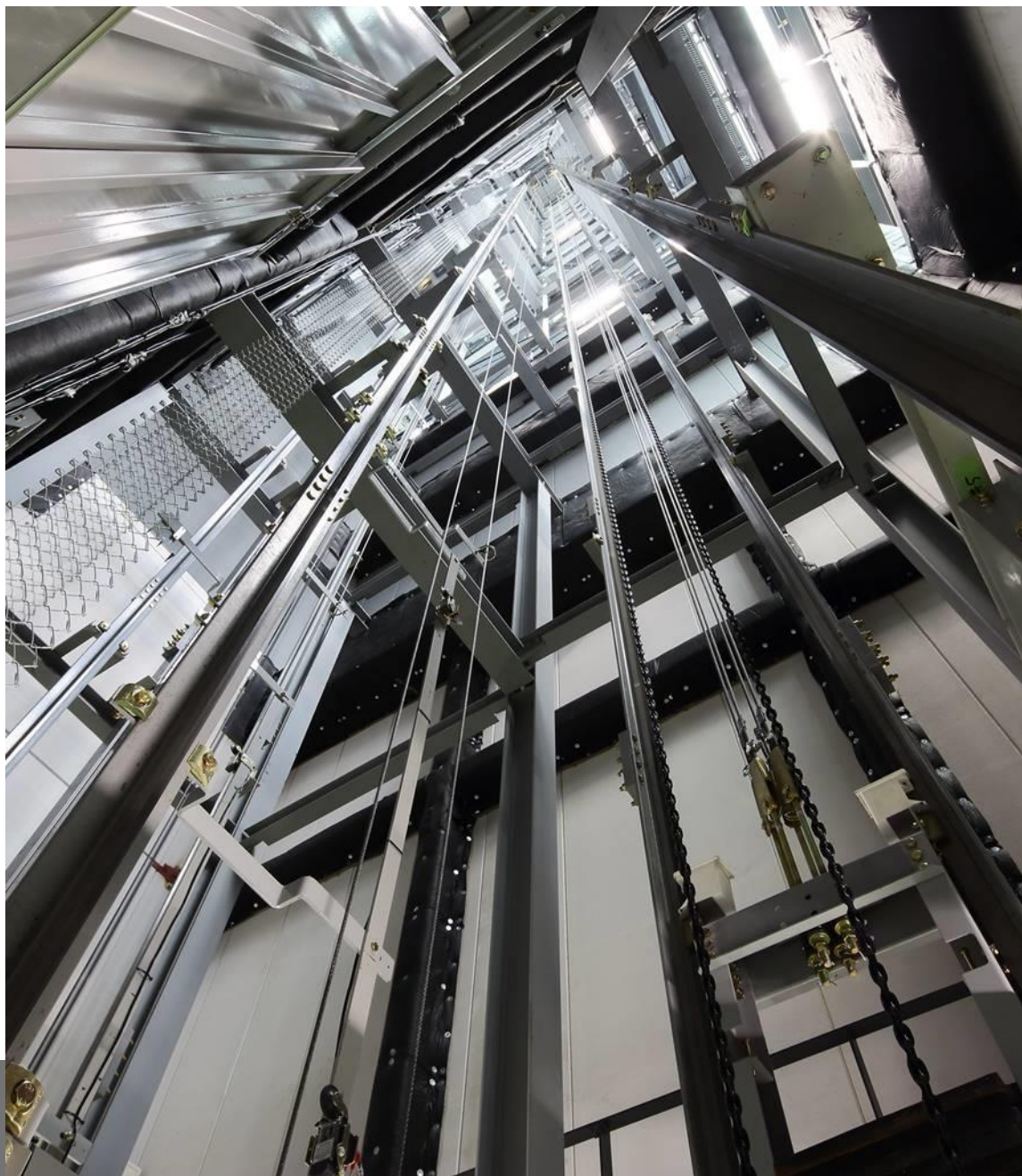
	FY2020/3	FY2021/3	Change from previous period
	Actual	Actual	
Cash and cash equivalents at beginning of period	1,045	1,145	99
Cash flows from operating activities	1,963	3,018	1,055
Cash flows from investing activities	△2,454	△3,955	△1,500
Free cash flow	△491	△937	△445
Cash flows from financing activities	593	1,460	866
Effect of exchange rate change on cash and cash equivalents	△2	△8	△5
Cash and cash equivalents at end of period	1,145	1,660	514

(Yen)

		FY2020/3	FY2021/3	Change from previous period
		Actual	Actual	
Annual dividends per share		¥ 18	¥ 24 [ ¥ 12 ]	+ ¥ 6
	2nd quarter-end dividend	—	—	—
	Fiscal year-end dividend	¥ 18	¥ 24 [ ¥ 12 ]	+ ¥ 6
	Commemorative dividend	—	—	—
Total cash dividends (Total)		¥729M	¥ 1,062M	+ ¥ 333M
Dividend payout ratio (Consolidated)		42.8%	43.6%	+ 0.8 p
	Except for Commemorative dividend	42.8%	43.6%	+ 0.8 p
Ratio of dividends to net assets (consolidated)		16.1%	13.4%	△ 2.7 p

\*We conducted a two-for-one share split of its common shares on January 1, 2021.

\*The amounts of dividends per share are the amounts before the share split, with the amounts after the share split shown in brackets ("[ ]").

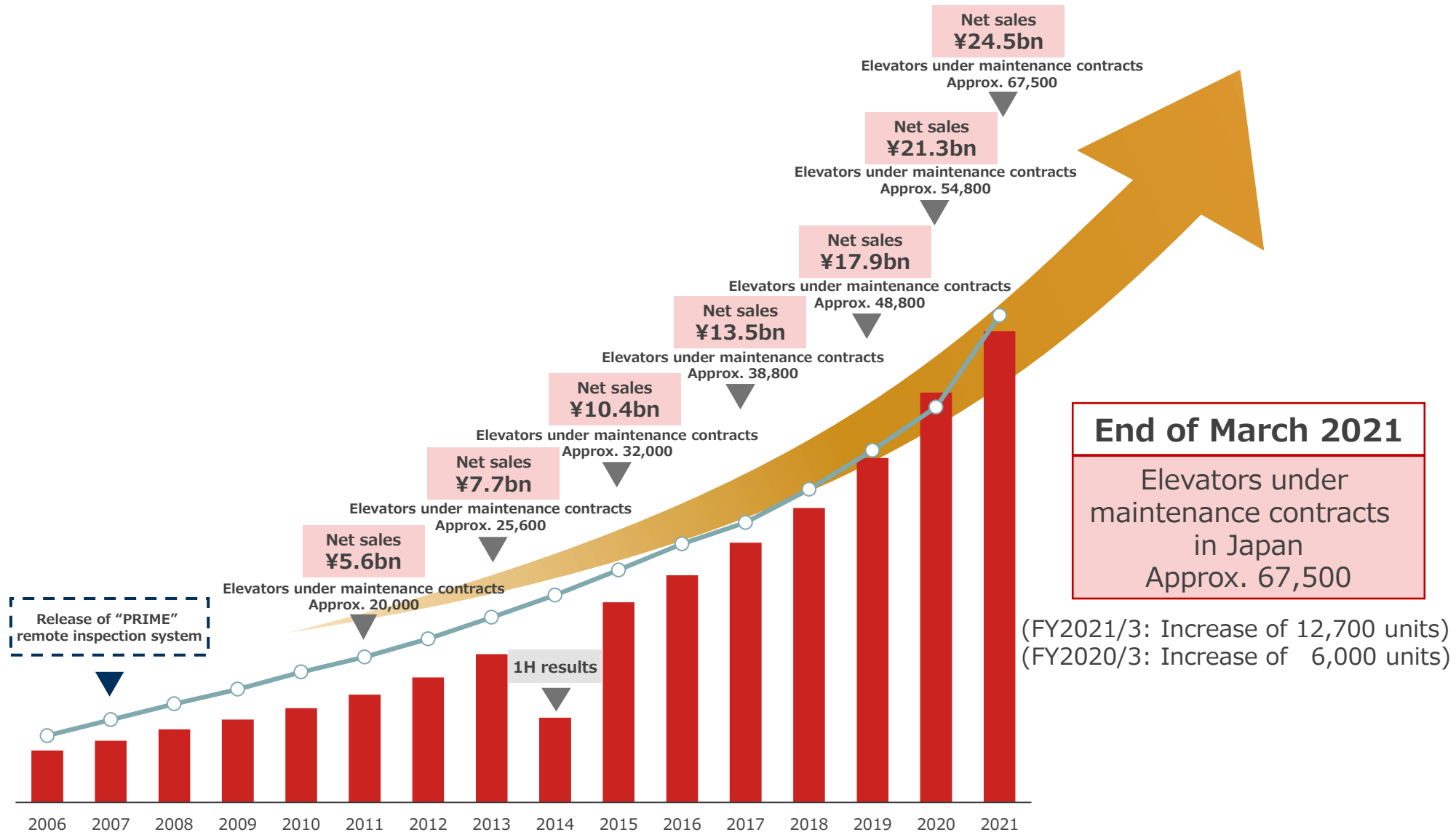


## **FY2022/3 Financial Forecasts**

Unit: million yen; %	1H			2H			Full year		
	FY 2021/3	FY2022/3 Forecast		FY 2021/3	FY2022/3 Forecast		FY 2021/3	FY2022/3 Forecast	
	Amount	Amount	YoY	Amount	Amount	YoY	Amount	Amount	YoY
Net sales	10,967	12,400	113.1	13,553	14,600	107.7	24,521	27,000	110.1
Operating profit	1,617	1,750	108.2	1,994	2,350	117.8	3,612	4,100	113.5
Ordinary profit	1,703	1,800	105.7	2,012	2,400	119.3	3,715	4,200	113.0
Net income attributable to owners of the parent	1,105	1,120	101.3	1,256	1,480	117.8	2,362	2,600	110.0
	Ratio to sales	Ratio to sales		Ratio to sales	Ratio to sales		Ratio to sales	Ratio to sales	
Gross profit margin	39.0	39.1		38.0	39.7		38.5	39.4	
SG&A expenses ratio	24.3	25.0		23.3	23.6		23.7	24.2	
Operating margin	14.7	14.1		14.7	16.1		14.7	15.2	
Ordinary profit margin	15.5	14.5		14.8	16.4		15.2	15.6	
Profit margin	10.1	9.0		9.3	10.1		9.6	9.6	

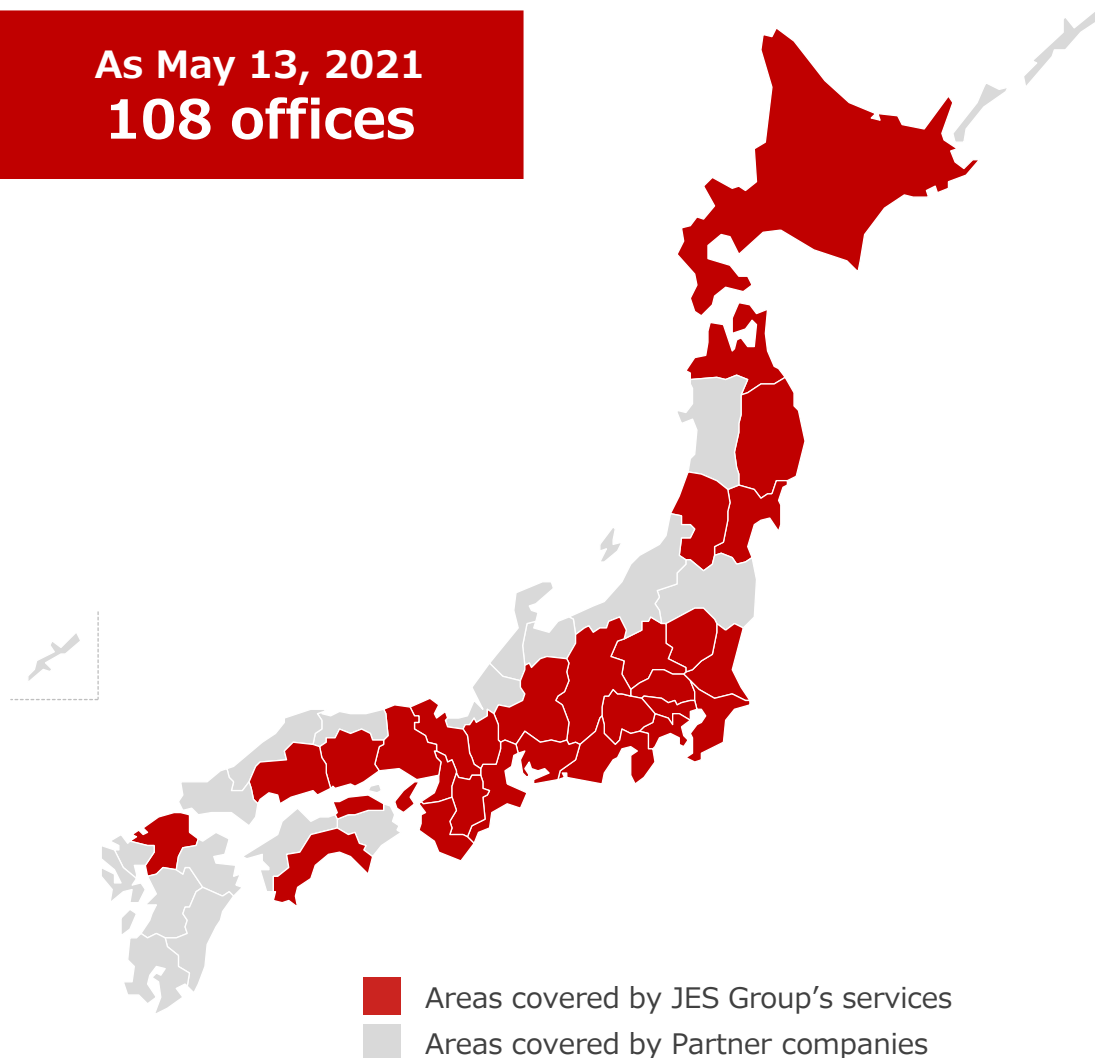
Unit: million yen; %	1H			2H			Full year		
	FY 2021/3	FY2022/3 Result		FY 2021/3	FY2022/3 Forecast		FY 2021/3	FY2022/3 Forecast	
	Amount	Amount	YoY	Amount	Amount	YoY	Amount	Amount	YoY
Maintenance and Preservation Services	8,240	9,100	110.4	9,235	10,300	111.5	17,476	19,400	111.0
Modernization Services	2,344	3,000	127.9	3,985	4,000	100.4	6,330	7,000	110.6
Other	382	300	78.5	332	300	90.3	714	600	84.0
<b>Total</b>	<b>10,967</b>	<b>12,400</b>	<b>113.1</b>	<b>13,553</b>	<b>14,600</b>	<b>107.7</b>	<b>24,521</b>	<b>27,000</b>	<b>110.1</b>

## Financial Supplement



Note 1: FY2014 is a 6-month period due to the fiscal year-end being adjusted  
Note 2: Results are on a consolidated basis for FY2015 and onward

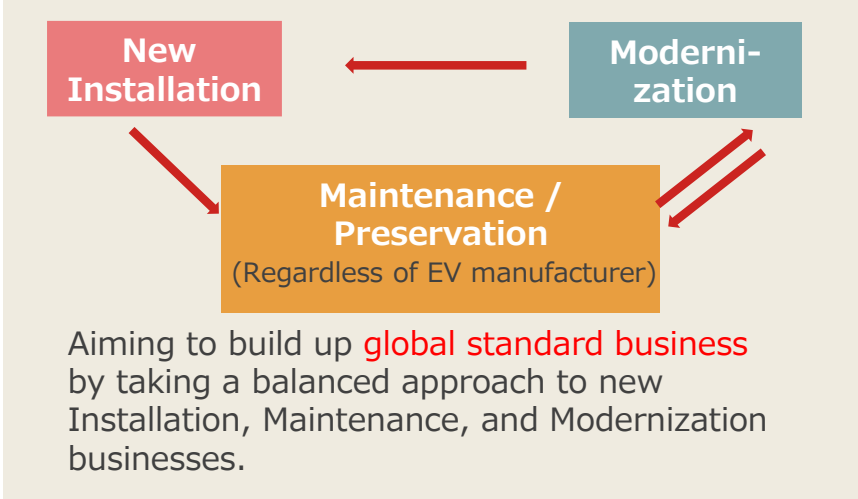
As May 13, 2021  
108 offices



JES HD	: 3 offices
JES Hokkaido	: 9 offices
JES Jyonan	: 16 offices
JES Jyosai	: 17 offices (+2)
JES Kanagawa	: 18 offices (+2)
JES Tokai	: 7 offices
JES Kansai	: 7 offices
JES Kyusyu	: 1 office
Japan Elevator Parts	: 8 offices
Japan Parking Service	: 2 offices

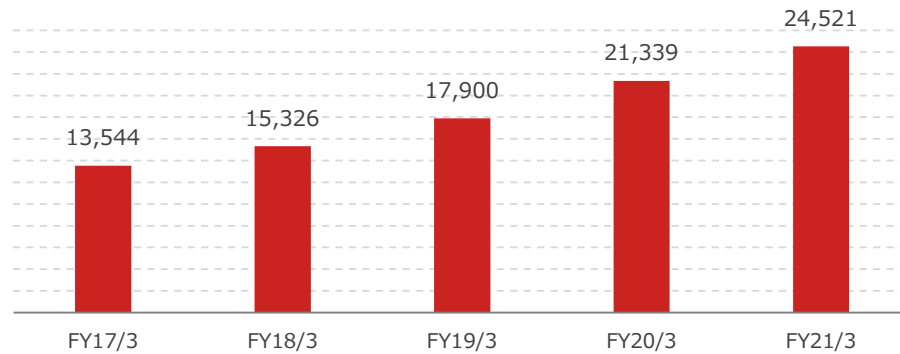
【M&A】	
Seiko Elevator Co., Ltd.	: 1 office
NS Elevator Co., Ltd.	: 2 offices
Miyoshi Elevator Co., Ltd.	: 6 offices
Cosmo Japan, Inc.	: 5 offices
Kansai Elevator Co., Ltd.	: 1 office
Nagano Elevator Co., Ltd.	: 1 office
Tokyo Elevator Co., Ltd.	: 1 office
Toyota Facility Service Co., Ltd	: 3 offices (+3)

( ) Number of changes from the end of March 2021

Business	Domestic		Overseas (mainly Southeast Asia)
	Now	Onwards	Now and Onwards
<b>Maintenance and Preservation</b>	Steady increase in number of maintenance contracts in areas where we have a presence	Aiming to reach a business scale on par with EV manufacturer-affiliated companies	Conduct research for local needs and market assessments, etc. to explore possibilities including alliance with overseas manufacturers
<b>Modernization</b>	<p>One-time Modernization: Reinforced sales to clients and others</p> <p>Quick Renewal: Increasing number of new control cabinets</p>	Provide quality modernization services to meet customer needs	 <p>Aiming to build up <b>global standard business</b> by taking a balanced approach to new Installation, Maintenance, and Modernization businesses.</p>
<b>New Installation</b>	No plan at present (However, substantial new installation of JES EV in Modernization business)		
<b>New Business</b> (Media Business)	<p>Launch Media businesses to capture business opportunities in EV and to add value to maintenance business</p> <p>There are plans to promptly introduce a facial recognition system to add marketing support functionality</p>		Developing Media businesses in overseas markets

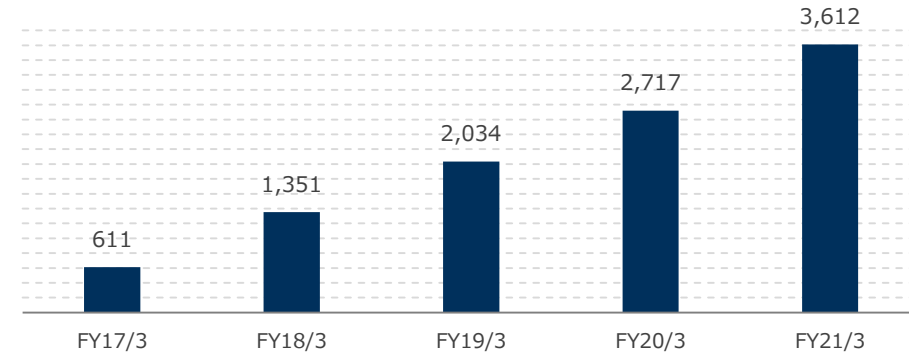
## Net sales

(Million yen)



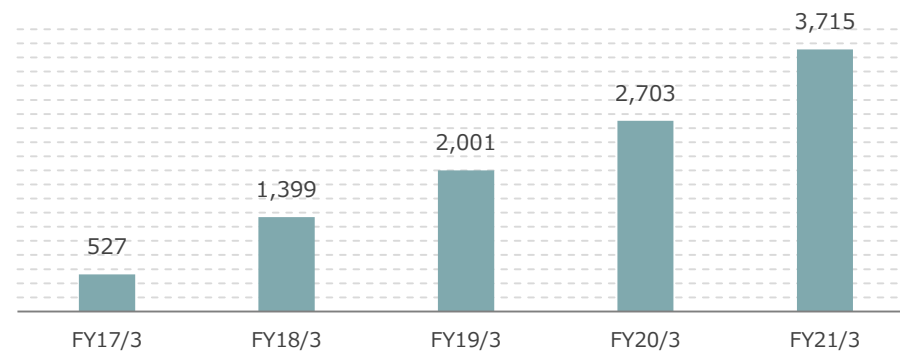
## Operating profit

(Million yen)



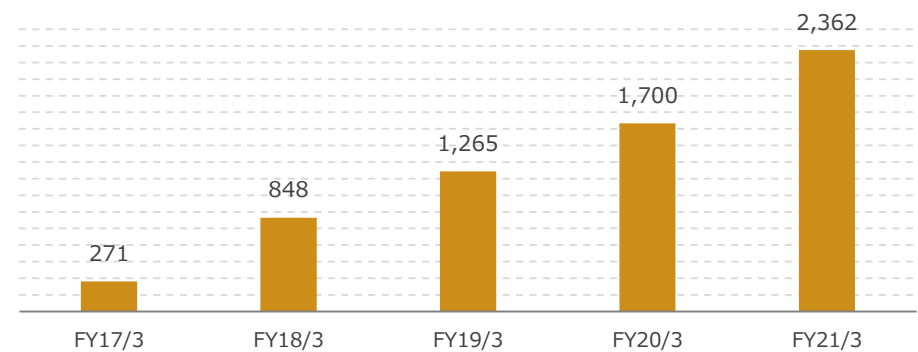
## Ordinary profit

(Million yen)



## Profit attributable to owners of parent

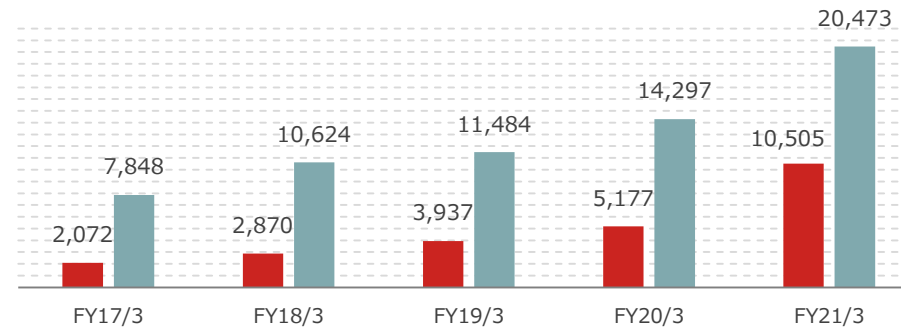
(Million yen)



## Net assets / total assets

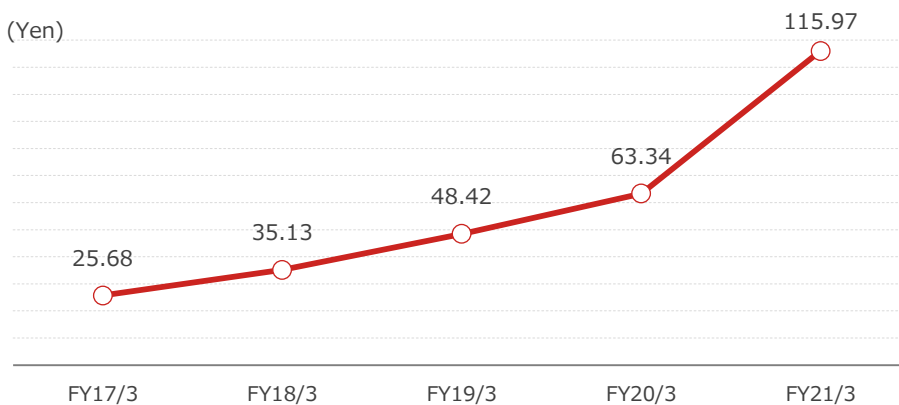
(Million yen)

■ Net assets ■ Total assets



## Net assets per share

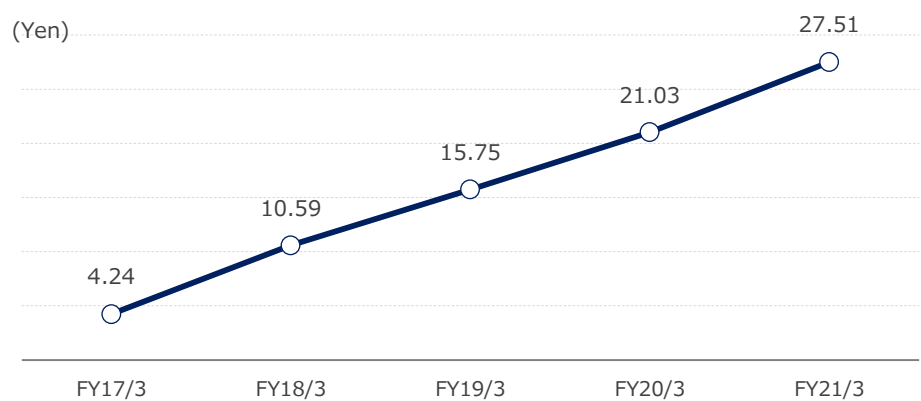
(Yen)



Note 1: Two-for-one stock split of its common shares was conducted on Jan.1,2021.Figures are considered this stock split.

## Net income per share

(Yen)



Note 1: Two-for-one stock split of its common shares was conducted on Jan.1,2021.Figures are considered this stock split.

## Disclaimer

- Japan Elevator Service Holdings (the “Company”) has prepared these materials for your reference, so that you may understand the current status of the Company
- While these materials have been prepared based on generally-known economic and social conditions and certain assumptions that we have determined to be reasonable, the information contained herein is subject to change without prior notice for reasons such as changes in the business environment

## Caution concerning forward-looking statements

- The data and information in this presentation contains forward-looking statements. These statements are based on certain assumptions underlying current expectations, forecasts, and risks, and carry with them uncertainties which could cause actual results to substantially differ from the projected figures
- These risks and uncertainties include general industry and market conditions, as well as general domestic and international economic conditions, such as changes in interest rates and exchange rates
- The Company has no obligation to revise the forward-looking statements contained in this presentation at a later date, even if new information and/or future events emerge