

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 7, 2018

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, TEL +81-3-6262-1625
 CFO
 Inquiries: Kimihiko Imamura
 Scheduled date to file Quarterly Securities Report: February 8, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

(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	%
Nine months ended December 31, 2017	11,161	14.1	941	209.3	938	219.8	534	257.6
Nine months ended December 31, 2016	9,780	–	304	–	293	–	149	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	26.68		26.21	
Nine months ended December 31, 2016	9.41		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen	%	Millions of yen	%		
As of December 31, 2017	10,064		2,547		24.9	
As of March 31, 2017	7,848		2,072		26.2	

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, 2017	–	0.00	–	8.00	8.00
Year ending March 31, 2018	–	0.00	–		
Year ending March 31, 2018 (Forecast)				11.00	11.00

(Notes) 1. The Company conducted a two-for-one share split of its common shares on October 1, 2017.

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

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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
Full year	15,150	11.9	1,230	101.3	1,200	127.6	700	157.4	34.95

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017
(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 December 31, 2017	20,030,000 shares	As of March 31, 2017	20,030,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	28 shares	As of March 31, 2017	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2017	20,029,996 shares	Nine months ended December 31, 2016	15,880,000 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	1,140,146	1,267,194
Notes and accounts receivable - trade	1,721,711	1,855,371
Raw materials and supplies	1,067,890	1,138,307
Other	669,171	635,208
Allowance for doubtful accounts	(6,358)	(6,836)
Total current assets	4,592,561	4,889,243
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	424,064	3,056,368
Construction in progress	939,607	–
Other, net	947,894	1,014,941
Total property, plant and equipment	2,311,565	4,071,309
Intangible assets		
Other	141,575	275,082
Total intangible assets	141,575	275,082
Investments and other assets		
Other	814,244	843,001
Allowance for doubtful accounts	(11,590)	(13,705)
Total investments and other assets	802,654	829,295
Total non-current assets	3,255,796	5,175,686
Total assets	7,848,358	10,064,930
Liabilities		
Current liabilities		
Accounts payable - trade	323,546	416,506
Short-term loans payable	2,010,200	2,396,300
Income taxes payable	142,923	232,849
Provision for bonuses	404,013	240,874
Other	1,227,396	1,794,736
Total current liabilities	4,108,080	5,081,267
Non-current liabilities		
Bonds payable	400,000	–
Long-term loans payable	374,000	1,500,650
Net defined benefit liability	459,914	513,228
Asset retirement obligations	108,458	224,972
Other	325,662	197,396
Total non-current liabilities	1,668,035	2,436,247
Total liabilities	5,776,116	7,517,514

(Thousands of yen)

As of March 31, 2017

As of December 31, 2017

	As of March 31, 2017	As of December 31, 2017
Net assets		
Shareholders' equity		
Capital stock	608,445	608,445
Capital surplus	1,044,746	1,044,746
Retained earnings	452,078	906,261
Treasury shares	—	(49)
Total shareholders' equity	2,105,270	2,559,404
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,710	3,590
Foreign currency translation adjustment	(14,666)	(19,972)
Remeasurements of defined benefit plans	(35,896)	(33,011)
Total accumulated other comprehensive income	(47,852)	(49,393)
Non-controlling interests	14,823	37,405
Total net assets	2,072,241	2,547,416
Total liabilities and net assets	7,848,358	10,064,930

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

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	9,780,832	11,161,524
Cost of sales	6,659,401	7,291,164
Gross profit	3,121,431	3,870,360
Selling, general and administrative expenses	2,816,945	2,928,619
Operating profit	304,485	941,740
Non-operating income		
Insurance premiums refunded cancellation	5,607	8,766
Refunded consumption taxes	–	6,069
Other	13,587	10,481
Total non-operating income	19,195	25,317
Non-operating expenses		
Interest expenses	20,432	18,613
Share of loss of entities accounted for using equity method	7,565	8,695
Other	2,178	1,210
Total non-operating expenses	30,176	28,519
Ordinary profit	293,503	938,539
Extraordinary income		
Gain on sales of non-current assets	479	–
Gain on sales of investment securities	300	–
Other	–	1,047
Total extraordinary income	779	1,047
Extraordinary losses		
Loss on retirement of non-current assets	7,710	5,772
Office transfer expenses	–	34,806
Total extraordinary losses	7,710	40,579
Profit before income taxes	286,572	899,007
Income taxes - current	56,855	239,284
Income taxes - deferred	84,466	137,971
Total income taxes	141,322	377,256
Profit	145,250	521,751
Loss attributable to non-controlling interests	(4,155)	(12,551)
Profit attributable to owners of parent	149,405	534,302

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	145,250	521,751
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,296)	880
Foreign currency translation adjustment	(11,027)	(3,713)
Remeasurements of defined benefit plans, net of tax	1,769	2,884
Share of other comprehensive income of entities accounted for using equity method	(8,671)	(1,593)
Total other comprehensive income	(19,227)	(1,540)
Comprehensive income	126,023	520,210
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	130,300	531,890
Comprehensive income attributable to non-controlling interests	(4,277)	(11,679)