



FY2021/3 Third Quarter Results

February 5, 2020

japan elevator service



Japan Elevator Service Holdings Co., Ltd.

(TSE 1st Section: 6544)

1

FY2021/3 Third Quarter Results

2

FY2021/3 Consolidated Financial Forecasts



FY2021/3 Third Quarter Results

(Million yen)

	FY2020/3 3Q		FY2021/3 3Q		YoY (%)
	Actual	Ratio to sales (%)	Actual	Ratio to sales (%)	
Net sales	15,732	100.0	17,230	100.0	109.5
Cost of sales	9,968	63.4	10,478	60.8	105.1
Gross profit	5,764	36.6	6,752	39.2	117.1
SG&A	3,794	24.1	4,174	24.2	110.0
Operating profit	1,969	12.5	2,577	15.0	130.8
Non-operating income	14	0.1	112	0.7	783.5
Non-operating expenses	26	0.2	26	0.2	101.1
Ordinary profit	1,957	12.4	2,663	15.5	136.0
Extraordinary income	0	0.0	14	0.1	—
Extraordinary losses	1	0.0	4	0.0	254.4
Profit before income taxes	1,956	12.4	2,673	15.5	136.7
Profit attributable to owners of parent	1,201	7.6	1,712	9.9	142.6

(Million yen)

	FY2020/3 3Q		FY2021/3 3Q		YoY (%)
	Amount	Ratio (%)	Actual	Ratio (%)	
Maintenance and Preservation Services	11,126	70.7	12,657	73.5	113.8
Modernization Services	4,085	26.0	4,021	23.3	98.4
Other	521	3.3	552	3.2	105.9
Total	15,732	100.0	17,230	100.0	109.5



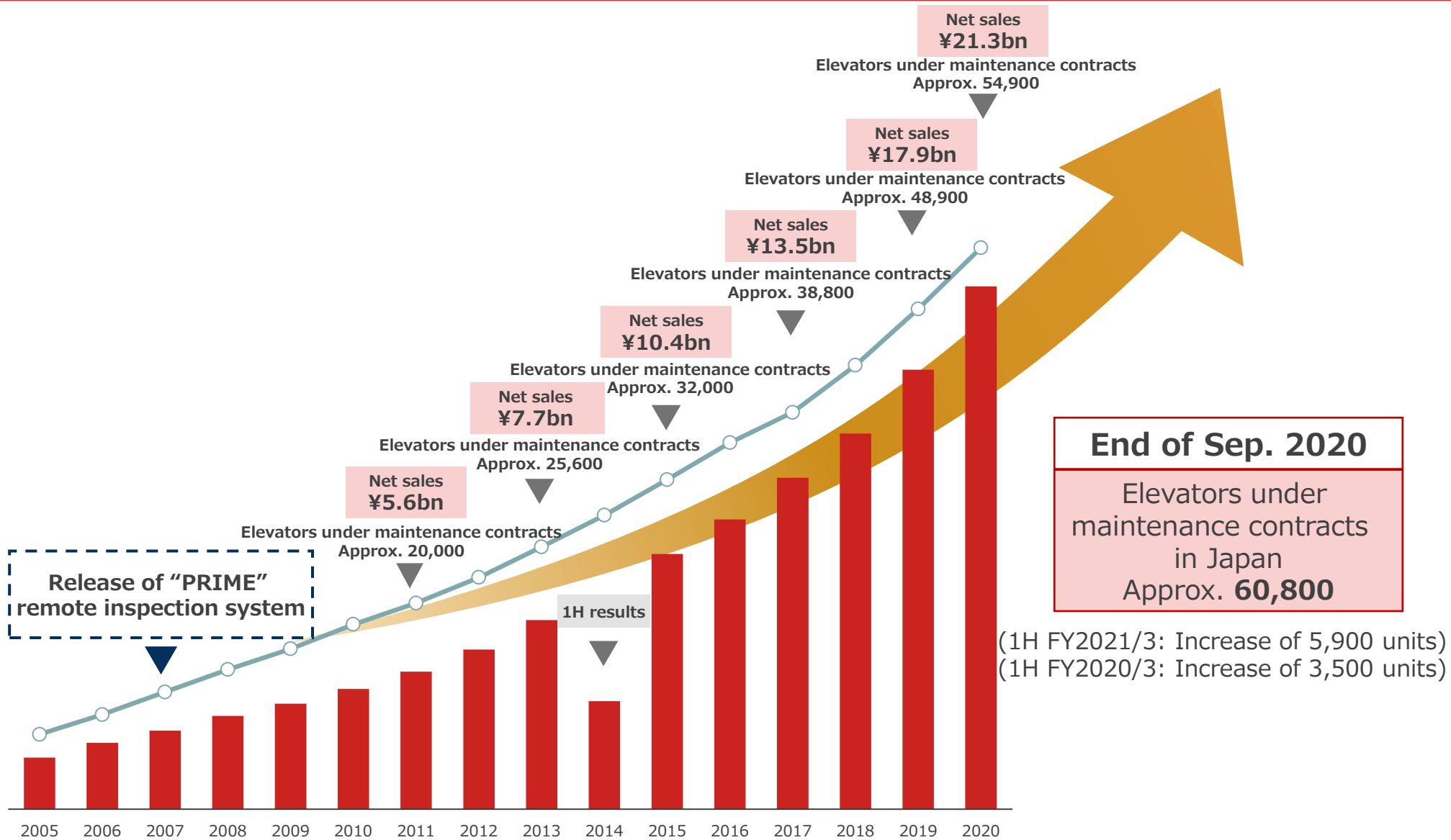
FY2021/3 Consolidated Financial Forecasts

FY2021/3 Consolidated Financial Forecasts

Unit: million yen; %	1H				2H				Full year			
	FY 2020/3	FY2021/3 Forecast	FY2021/3 Result		FY 2020/3	FY2021/3 Forecast (initial)	FY2021/3 Forecast		FY 2020/3	FY2021/3 Forecast (initial)	FY2021/3 Forecast	
				YoY				YoY				YoY
Net sales	10,370	11,000	10,967	105.8	10,968	12,000	13,033	118.8	21,339	23,000	24,000	112.5
Operating profit	1,210	1,350	1,617	133.6	1,507	1,750	1,933	128.2	2,717	3,100	3,550	130.6
Ordinary profit	1,205	1,350	1,703	141.3	1,498	1,750	1,947	130.0	2,703	3,100	3,650	135.0
Profit attributable to owners of parent	728	800	1,105	151.8	971	1,100	1,195	122.8	1,700	1,900	2,300	135.2
	Ratio to sales	Ratio to sales	Ratio to sales		Ratio to sales	Ratio to sales	Ratio to sales		Ratio to sales	Ratio to sales	Ratio to sales	
Gross profit margin	36.3	37.1	39.0		37.0	37.8	37.8		36.6	37.5	38.4	
SG&A expenses ratio	24.6	24.8	24.3		23.2	23.3	23.0		23.9	24.0	23.6	
Operating margin	11.7	12.3	14.7		13.7	14.6	14.8		12.7	13.5	14.8	
Ordinary profit margin	11.6	12.3	15.5		13.7	14.6	14.9		12.7	13.5	15.2	
Profit margin	7.0	7.3	10.1		8.9	9.2	9.2		8.0	8.3	9.6	

Unit: million yen; %	1H			2H			Full year		
	FY 2020/3	FY2021/3 Result		FY 2020/3	FY2021/3 Forecast (as of November 12, 2020)		FY 2020/3	FY2021/3 Forecast (as of November 12, 2020)	
	Amount	Amount	YoY	Amount	Amount	YoY	Amount	Amount	YoY
Maintenance and Preservation Services	7,320	8,240	112.6	7,710	9,060	117.5	15,030	17,300	115.1
Modernization Services	2,710	2,344	86.5	2,889	3,655	126.5	5,599	6,000	107.1
Other	340	382	112.3	368	318	86.4	709	700	98.8
Total	10,370	10,967	105.8	10,968	13,033	118.8	21,339	24,000	112.5

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

	FY2019/3	FY2020/3	FY2021/3	YoY
	Actual	Actual	Plan	
Annual dividend amount	¥13	¥18	¥22 [¥11]	+¥4
Year-end dividend	¥11	¥18	¥22 [¥11]	+¥4
Commemorative dividend	¥2	-	-	-
Total dividend amount	¥523million	¥729million	¥969million	+¥240million
Payout ratio (consolidated)	41.3%	42.8%	41.0%	-1.8p
Except for Commemorative dividend	34.9%	42.8%	41.0%	-1.8p
DOE (consolidated)	15.6%	16.1%	12.4%	-3.7p

*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 ("[]").

Elevators under maintenance contracts

End of Sep. 2020

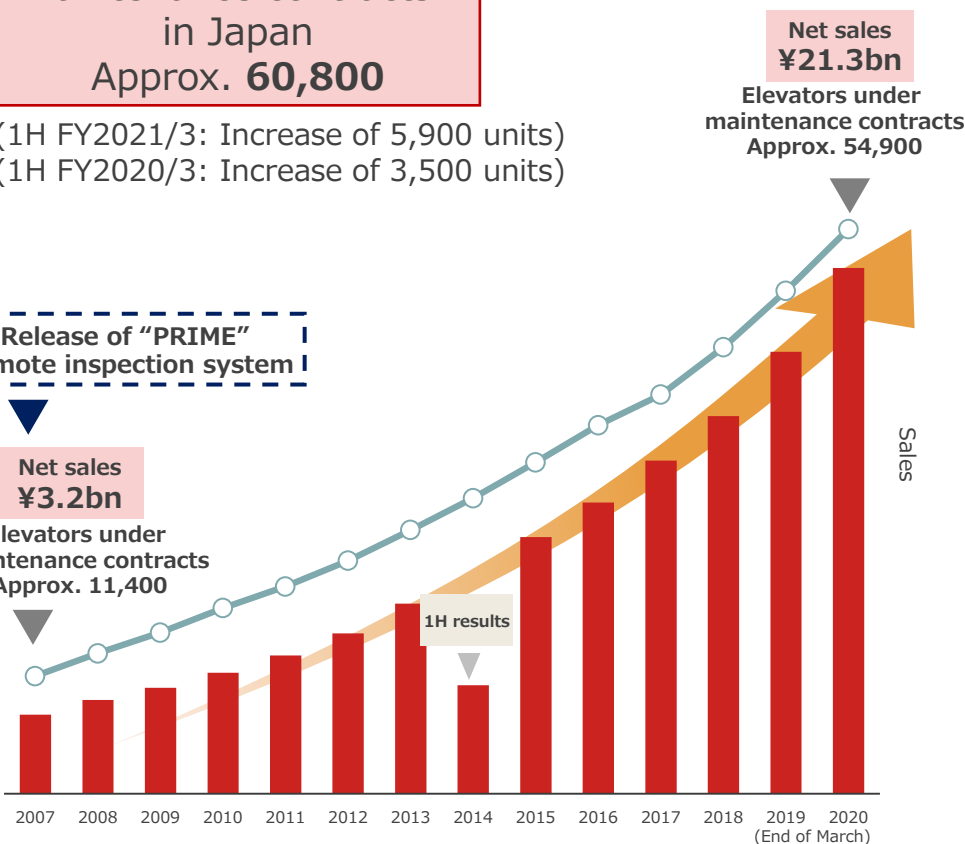
Elevators under
maintenance contracts
in Japan
Approx. **60,800**

(1H FY2021/3: Increase of 5,900 units)
(1H FY2020/3: Increase of 3,500 units)

Release of "PRIME"
remote inspection system

Net sales
¥3.2bn

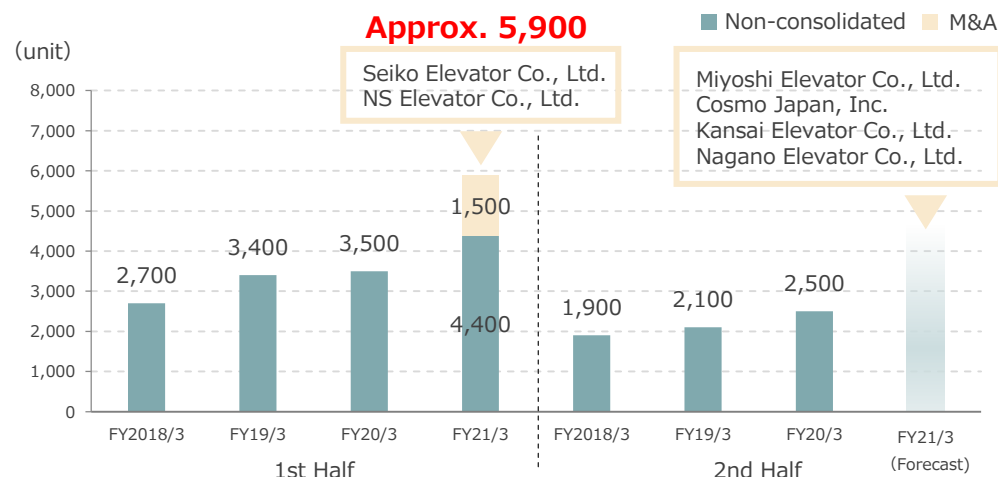
Elevators under
maintenance contracts
Approx. 11,400



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

Net increase in maintenance contracts



Friendly M&A and office openings

Independent M&A completed in FY2021/3

April	Seiko Elevator Co., Ltd.	1 office (Kanto)
August	NS Elevator Co., Ltd.	2 offices (Kansai)
October	Miyoshi Elevator Co., Ltd.	6 offices (Chugoku, Shikoku)
October	Cosmo Japan, Inc.	5 offices (Tohoku)
November	Kansai Elevator Co., Ltd.	1 office (Kansai)
November	Nagano Elevator Co., Ltd.	1 office (Koshinetsu)

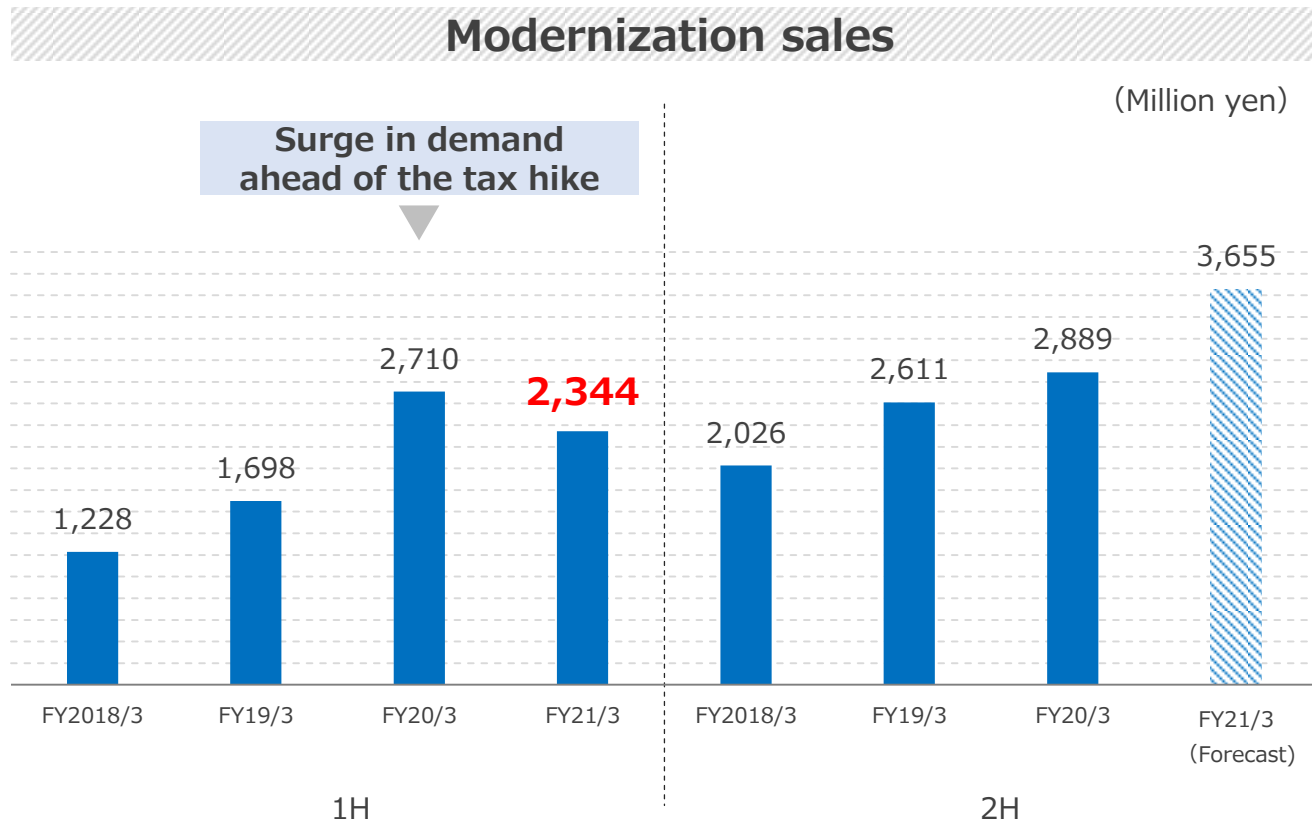
New locations in FY2021/3

April	Kasugai Service Office (JES Tokai)
	Shiga Service Office (JES Kansai)
December	Sendai Branch Office (JES Josai)

Following the acquisition of Cosmo Japan, Inc., a local branch was set up for a plan to step up business expansion in Tohoku region.

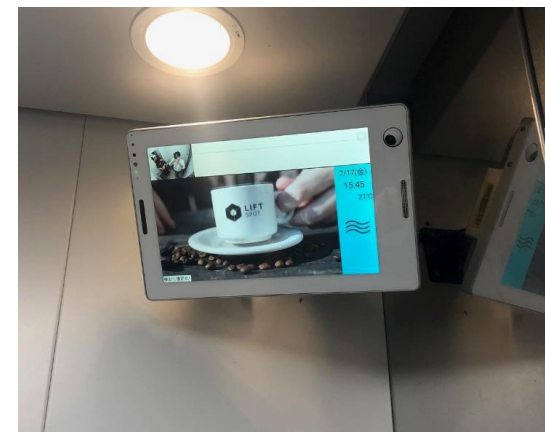
One-time Modernization

Performance declined year on year in 1H due to postponement of projects amid the new coronavirus pandemic and the backlash from a last-minute surge before a tax hike in the same period of the previous year, but full-year performance is expected to exceed the previous year's performance level.



Increase in equipped units

- Launch a Media business for the purpose of providing added value to maintenance business and cultivating a new source of revenue in April 2019
- Aim to increase the number of equipped units as an effective approach to advertisers
 - ⇒ Aim for 10,000 equipped units at the earliest possible time
- Achieved the target number of 3,000 equipped units as of the end of March 2020
 - ⇒ Contracted elevators as of the end of March 2020: about 3,600 units
 - ⇒ Contracted elevators as of the end of September 2020: about 5,300 units



Example of equipped LiftSPOT screen

Advertising performance

*As of November 10, 2020. Excerpt from LiftSPOT media material



INFORICH INC.



menu, Inc.



MouseComputer CO.,LTD.



WOWOW Inc.



SHOCHIKU Co.,Ltd.



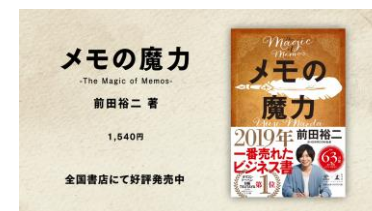
GAGA CORPORATION.



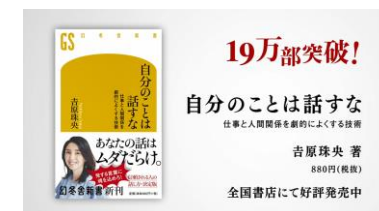
TOHO CO.,LTD.



TOHO CO.,LTD.



Gentosha Inc.



Gentosha Inc.

JES Innovation Center Lab (JIL)

Three-floor building with about 33-meter high-rise test tower, Six test elevators

- Relocated development-related division here to improve R&D function
- Enhanced performance inspection capability for parts procured overseas
- Enabled acceleration of development process for Quick Renewal, JES' unique modernization service that reduced costs and shortened time
- Further expanded parts centers to create a structure that allows enhanced capability to respond to failures

Completed on October 2, 2020

Site area:
2,673.64 m²

Gross floor space:
3,525.78 m²

Completed on
October 2, 2020
(Wako, Saitama)



Reference: JES Innovation Center (JIC)

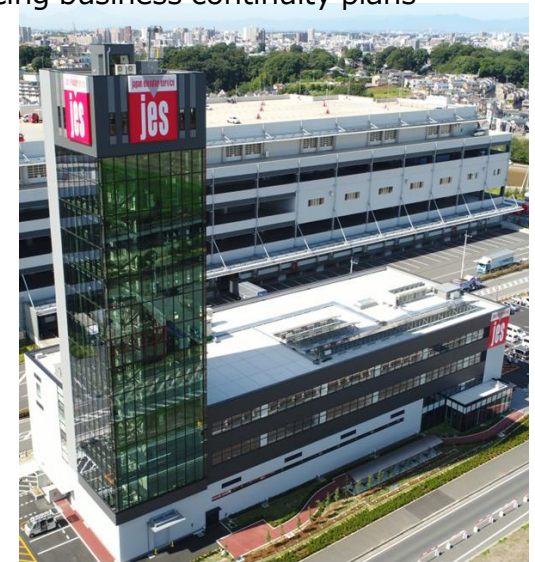
Three-floor building with about 50-meter high-rise test tower, Four test elevators

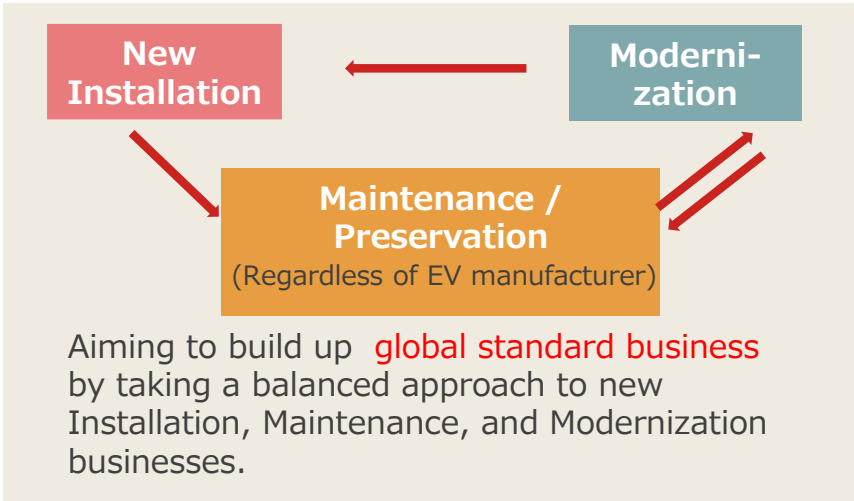
- Installed the first high-rise test tower as an independent company
- Enabled development of cutting-edge technology and accelerated upgrading of "PRIME"
- Improved the quality of STEP24, our unique training system, through enhanced training using actual equipment and simultaneous training
- Modernization Business now has a structure to double production volumes
- Control center is now ready for emergency power, photovoltaic power generation and power supply using mobile power supply vehicles (81 hours), and realized equipment that can withstand major disasters by enhancing business continuity plans

Site area:
4,923.61 m²

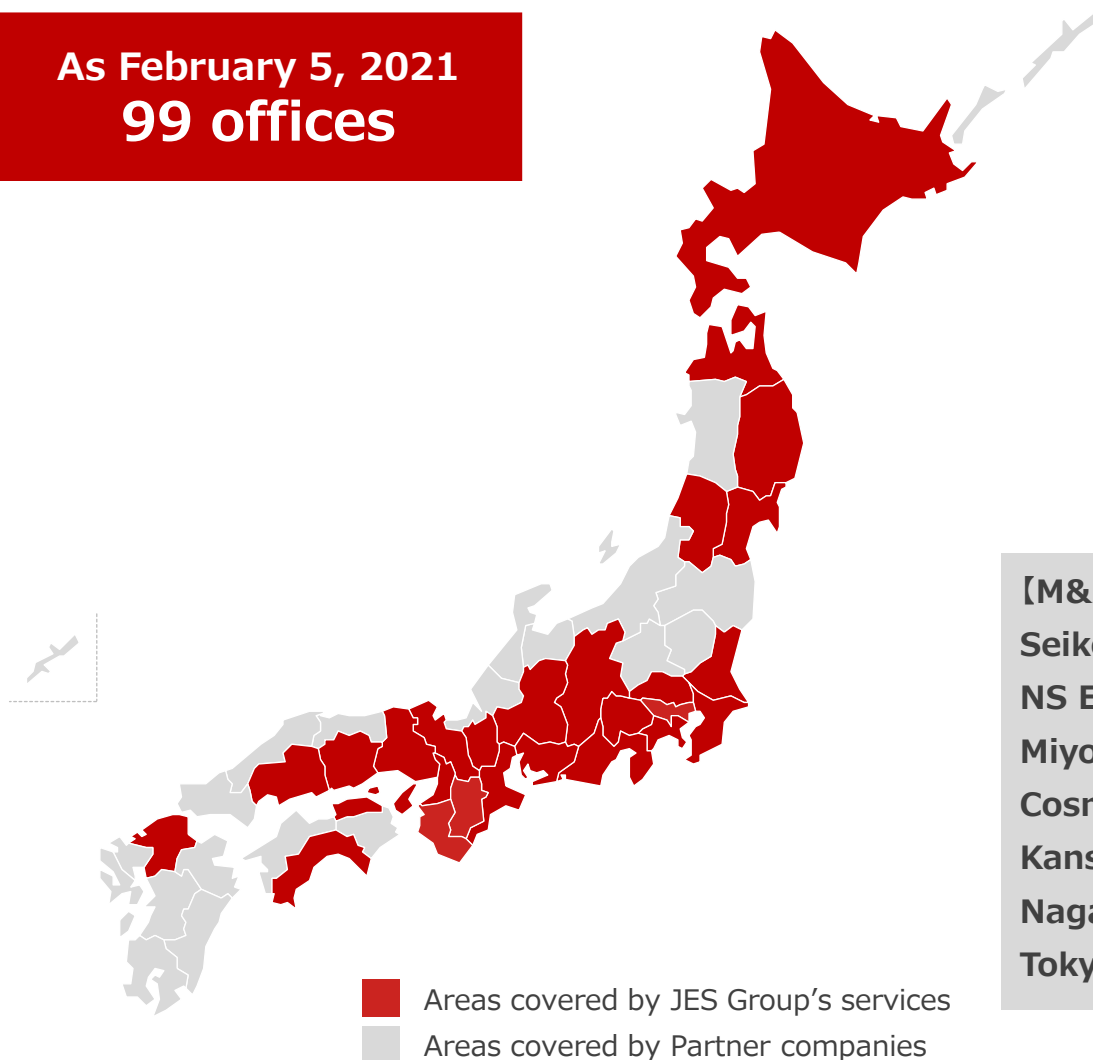
Gross floor space:
5,608.73 m²

Completed on
October 13, 2017
(Wako, Saitama)



Business	Domestic		Overseas (mainly Southeast Asia)
	Now	Onwards	Now and Onwards
Maintenance and Preservation	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
Modernization	<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 global standard business by taking a balanced approach to new Installation, Maintenance, and Modernization businesses.</p>
New Installation	No plan at present (However, substantial new installation of JES EV in Modernization business)		
New Business (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

As February 5, 2021
99 offices



JES Hokkaido	: 9 offices	
JES HD	: 3 offices	(+1)
JES Jyonan	: 16 offices	
JES Jyosai	: 15 offices	(+1)
Japan Elevator Parts	: 8 offices	
JES Kanagawa	: 16 offices	
JES Tokai	: 7 offices	(+1)
JES Kansai	: 7 offices	(+1)
JES Kyusyu	: 1 office	

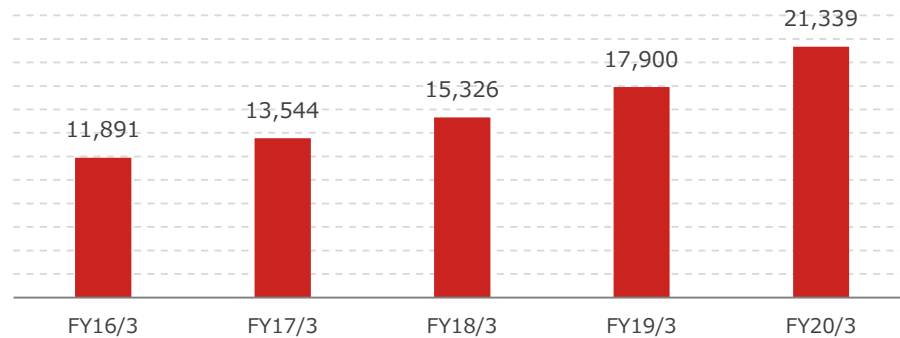
【M&A】

Seiko Elevator Co., Ltd.	: 1 office	(+1)
NS Elevator Co., Ltd.	: 2 offices	(+2)
Miyoshi Elevator Co., Ltd.	: 6 offices	(+6)
Cosmo Japan, Inc.	: 5 offices	(+5)
Kansai Elevator Co., Ltd.	: 1 office	(+1)
Nagano Elevator Co., Ltd.	: 1 office	(+1)
Tokyo Elevator Co., Ltd.	: 1 office	(+1)

() Number of changes from the end of March 2020

Net sales

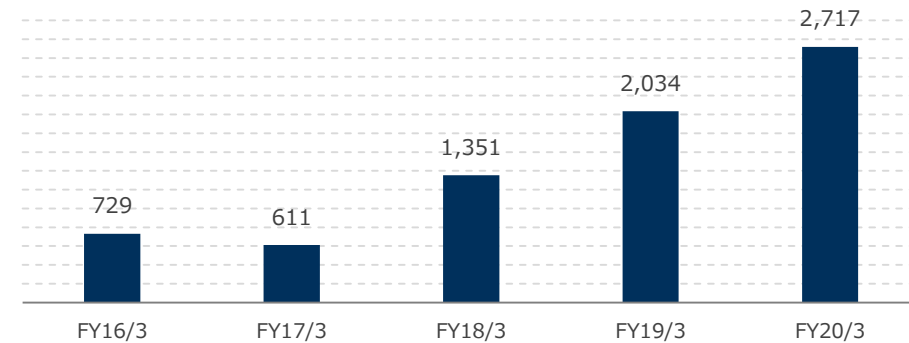
(Million yen)



Note 1: Results are on a consolidated basis for FY2015 and onward

Operating profit

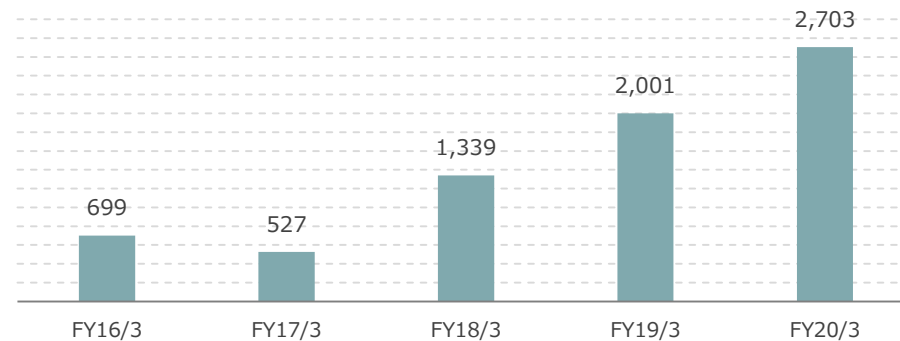
(Million yen)



Note 1: Results are on a consolidated basis for FY2015 and onward

Ordinary profit

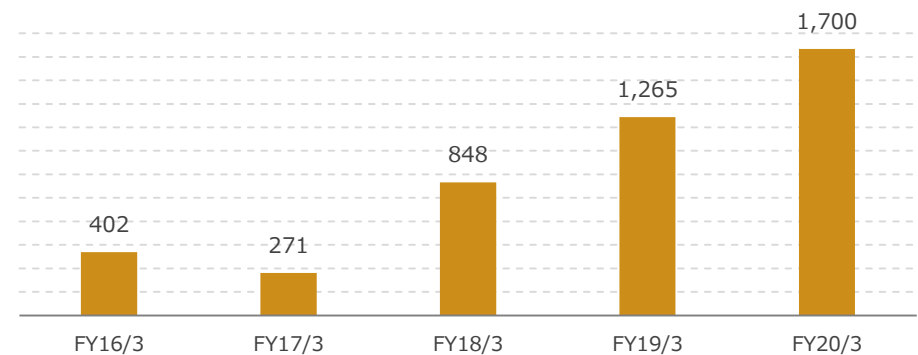
(Million yen)



Note 1: Results are on a consolidated basis for FY2015 and onward

Profit attributable to owners of parent

(Million yen)

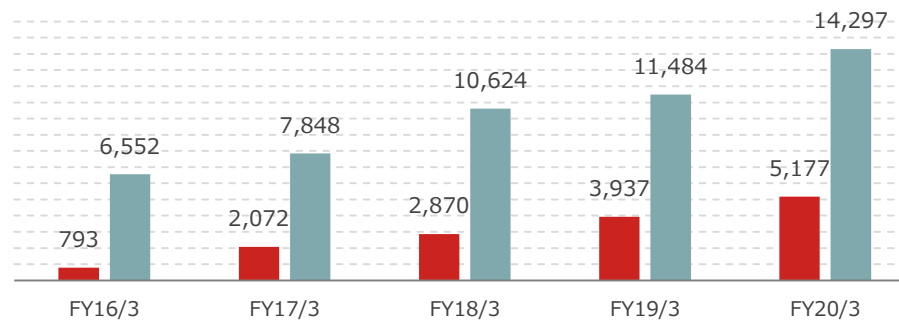


Note 1: Results are on a consolidated basis for FY2015 and onward

Net assets / total assets

(Million yen)

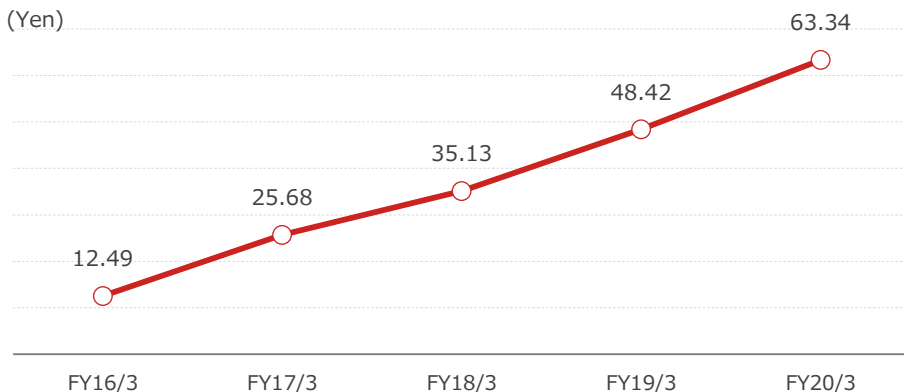
■ Net assets ■ Total assets



Note 1: Results are on a consolidated basis for FY2015 and onward

Net assets per share

(Yen)

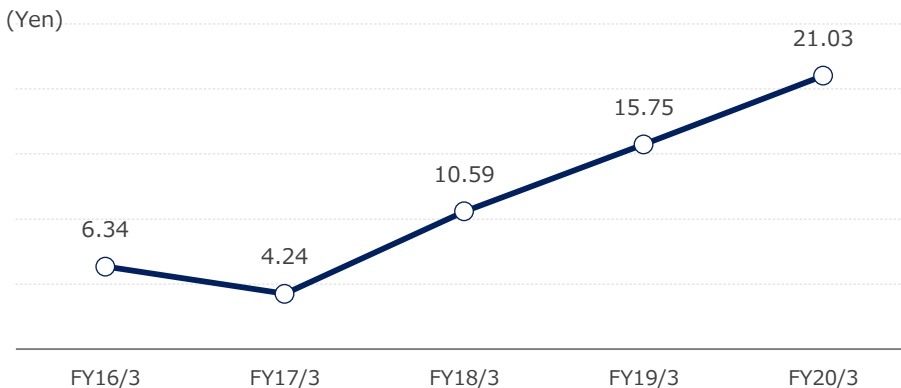


Note 1: Results are on a consolidated basis for FY2015 and onward

Note 2: 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: Results are on a consolidated basis for FY2015 and onward

Note 2: 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