

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 5, 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 Senior Managing Executive Officer
 Inquiries: Kimihiko Imamura CFO TEL +81-3-6262-1625
 Scheduled date to file Quarterly Securities Report: February 9, 2021
 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 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 | % |
| Nine months ended December 31, 2020 | 17,230 | 9.5 | 2,577 | 30.8 | 2,663 | 36.0 | 1,712 | 42.6 |
| Nine months ended December 31, 2019 | 15,732 | 22.7 | 1,969 | 38.4 | 1,957 | 40.3 | 1,201 | 38.5 |

| | Earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2020 | 20.16 | 19.39 |
| Nine months ended December 31, 2019 | 14.86 | 13.87 |

(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 |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2020 | 19,390 | 9,827 | 49.7 |
| 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) | | | | 11.00 | 11.00 |

(Note)

The Company conducted a two for one share split of its common shares on January 1, 2021. The fiscal year-end dividends for the year ending March 31, 2021 (forecast) presents the amount after the share split. If the share split were not taken into account, the fiscal year-end dividends for the year ending March 31, 2021 (forecast) would be 22 yen (pre-split conversion).

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 |
| Full year | 24,000 | 12.5 | 3,550 | 30.6 | 3,650 | 35.0 | 2,300 | 35.2 | 26.85 |

(Note)

The Company conducted a two for one share split of its common shares on January 1, 2021. For "Earnings per share" in the forecast of consolidated financial results, the impact of this matter is considered.

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2020 | 88,554,000 shares | As of March 31, 2020 | 81,077,200 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|------------|----------------------|------------|
| As of December 31, 2020 | 230 shares | As of March 31, 2020 | 172 shares |
|-------------------------|------------|----------------------|------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Nine months ended December 31, 2020 | 84,984,012 shares | Nine months ended December 31, 2019 | 80,820,536 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

| | As of March 31, 2020 | As of December 31, 2020 |
|---------------------------------------|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,145,583 | 1,960,472 |
| Notes and accounts receivable - trade | 2,781,798 | 3,112,644 |
| Raw materials and supplies | 1,816,533 | 2,165,498 |
| Other | 615,352 | 742,128 |
| Allowance for doubtful accounts | (2,799) | (6,850) |
| Total current assets | 6,356,468 | 7,973,894 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 2,897,536 | 4,709,244 |
| Tools, furniture and fixtures, net | 1,125,615 | 1,776,947 |
| Other, net | 1,649,345 | 1,299,226 |
| Total property, plant and equipment | 5,672,496 | 7,785,418 |
| Intangible assets | | |
| Goodwill | 265,342 | 1,536,175 |
| Other | 779,257 | 897,375 |
| Total intangible assets | 1,044,599 | 2,433,550 |
| Investments and other assets | | |
| Other | 1,248,005 | 1,244,837 |
| Allowance for doubtful accounts | (24,346) | (47,579) |
| Total investments and other assets | 1,223,659 | 1,197,258 |
| Total non-current assets | 7,940,755 | 11,416,227 |
| Total assets | 14,297,223 | 19,390,122 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 695,229 | 824,007 |
| Short-term borrowings | 2,346,500 | 3,504,868 |
| Income taxes payable | 601,168 | 426,620 |
| Provision for bonuses | 503,500 | 334,109 |
| Other | 2,205,910 | 2,333,341 |
| Total current liabilities | 6,352,310 | 7,422,947 |
| Non-current liabilities | | |
| Long-term borrowings | 1,814,174 | 874,571 |
| Retirement benefit liability | 693,074 | 828,844 |
| Asset retirement obligations | 250,950 | 386,206 |
| Other | 9,624 | 49,580 |
| Total non-current liabilities | 2,767,823 | 2,139,203 |
| Total liabilities | 9,120,133 | 9,562,150 |

| | (Thousands of yen) | |
|---|----------------------|-------------------------|
| | As of March 31, 2020 | As of December 31, 2020 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 700,321 | 2,459,166 |
| Capital surplus | 1,136,623 | 2,895,467 |
| Retained earnings | 3,381,715 | 4,364,980 |
| Treasury shares | (112) | (209) |
| Total shareholders' equity | 5,218,548 | 9,719,404 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 910 | 3,311 |
| Foreign currency translation adjustment | (54,537) | (66,057) |
| Remeasurements of defined benefit plans | (29,267) | (25,834) |
| Total accumulated other comprehensive income | (82,894) | (88,580) |
| Share acquisition rights | 23,218 | — |
| Non-controlling interests | 18,217 | 197,147 |
| Total net assets | 5,177,089 | 9,827,971 |
| Total liabilities and net assets | 14,297,223 | 19,390,122 |

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, 2019 | Nine months ended December 31, 2020 |
| Net sales | 15,732,927 | 17,230,445 |
| Cost of sales | 9,968,812 | 10,478,010 |
| Gross profit | 5,764,115 | 6,752,435 |
| Selling, general and administrative expenses | 3,794,266 | 4,174,973 |
| Operating profit | 1,969,848 | 2,577,461 |
| Non-operating income | | |
| Surrender value of insurance policies | 2,732 | 96,008 |
| Other | 11,635 | 16,570 |
| Total non-operating income | 14,368 | 112,579 |
| Non-operating expenses | | |
| Interest expenses | 10,372 | 9,330 |
| Share issuance costs | — | 14,248 |
| Share of loss of entities accounted for using equity method | 9,030 | — |
| Other | 7,157 | 3,273 |
| Total non-operating expenses | 26,560 | 26,852 |
| Ordinary profit | 1,957,656 | 2,663,188 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 440 | 19 |
| Gain on step acquisitions | — | 14,972 |
| Total extraordinary income | 440 | 14,992 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 273 | 2,386 |
| Other | 1,662 | 2,536 |
| Total extraordinary losses | 1,935 | 4,922 |
| Profit before income taxes | 1,956,162 | 2,673,258 |
| Income taxes - current | 673,427 | 877,153 |
| Income taxes - deferred | 90,140 | 87,777 |
| Total income taxes | 763,568 | 964,931 |
| Profit | 1,192,594 | 1,708,327 |
| Loss attributable to non-controlling interests | (8,564) | (4,631) |
| Profit attributable to owners of parent | 1,201,159 | 1,712,958 |

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Nine months ended December 31, 2019 | Nine months ended December 31, 2020 |
|---|--|--|
| Profit | 1,192,594 | 1,708,327 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 797 | 2,400 |
| Foreign currency translation adjustment | (12,267) | (11,361) |
| Remeasurements of defined benefit plans, net of tax | 3,609 | 3,433 |
| Share of other comprehensive income of entities accounted for using equity method | (473) | — |
| Total other comprehensive income | (8,334) | (5,527) |
| Comprehensive income | 1,184,260 | 1,702,800 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,193,015 | 1,707,272 |
| Comprehensive income attributable to non-controlling interests | (8,755) | (4,472) |