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# Earnings Supplement

## for the Fiscal Year Ended March, 2025

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May 13 2025

japan elevator service



# Japan Elevator Service Holdings Co., Ltd.

(TSE Prime Market : 6544)

**1**

**Results for the Fiscal Year Ended March 2025**

**2**

**Forecasts for the Fiscal Year Ending March 2026**



## Results Summary for FY Mar 2025

- Coverage and sales force expansion resulted in record net increase of 13,000 units under contract
- Strong performance across all businesses, led by repair sales, with sales and profits exceeding our initial forecast
- Dividend forecast revised upward due to significant improvement in cash flow and financial strength

## Steady expansion of contracts and modernization shipments increased in line with our expectations

- The number of domestic maintenance contracts was 113,520. Net organic growth reached a record high of approximately 13,000\* units driven by nationwide expansion and sales force reinforcement
- Demand for modernization remained strong, and shipments increased as expected to 2,230 units (up 300 units from last year) due to the strengthening of the sales structure and the contribution of JIK
- Following Saga and Yamaguchi, the Company opened an office in Nagasaki in April, bringing the total number of offices to 149 as of May 1. In line with our intention to strengthen the workforce the number of employees increased by 160 from the previous fiscal year including 112 technical personnel and 24 sales personnel

\*Adjusted for approximately 230 units of Showa Yusoki Tohoku Co., Ltd., which was acquired on October 1, 2024

(units, person)

	FY ended March 2021 Actual	FY ended March 2022 Actual	FY ended March 2023 Actual	FY ended March 2024 Actual	Fiscal Year ended March 2025 Actual	(Change YtD)
Maintenance contracts	67,500	79,000	88,630	100,230	113,520	+ 13,290
Modernization (cumulative)	920	1,150	1,530	1,930	2,230	+ 300
Parking equipment	--	18,830	22,050	24,660	26,740	+ 2,080
No. of offices	101	124	132	138	148	+ 10
No. of Employees	1,398	1,618	1,766	1,868	2,028	+ 160
Technical personnel	881	1,003	1,096	1,159	1,271	+ 112
Sales personnel	156	195	218	248	272	+ 24

(Note) The number of offices as of March 31, 2024 was previously stated as 141, but this was the actual number as of May 1, 2024 when we held the analyst meeting, and the actual number as of March 31, 2024 was 138.

## Both Maintenance & Repair and Modernization performed as expected, especially Repair sales, and sales exceeded initial forecast

- Maintenance sales continue to grow steadily in line with the increase in the number of maintenance contracts
- Sales of repair exceeded expectations, due in part to aggressive sales activities
- Demand for modernization remained strong. Both unit volumes and average unit prices were higher than in the previous year, contributing to revenue growth of over 20%



(millions of yen, %)

	Fiscal Year ended March 2024		Fiscal Year ended March 2025		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Maintenance & Repair	26,531	62.8	30,538	61.8	4,006	15.1
Modernization	14,255	33.8	17,325	35.1	3,070	21.5
Other	1,429	3.4	1,511	3.1	81	5.7
<b>Total</b>	<b>42,216</b>	<b>100.0</b>	<b>49,375</b>	<b>100.0</b>	<b>7,158</b>	<b>17.0</b>

## Performance exceeded the initial forecast and achieved the highest profit in the past due to the demonstration of our abilities in all fields

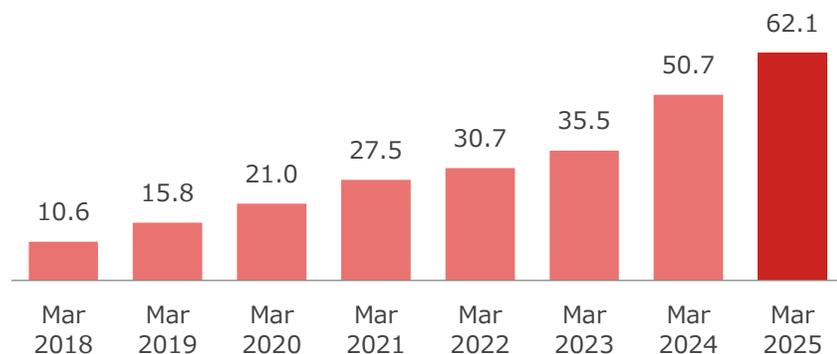
- Fiscal year ended March 31, 2024 was marked by a significant increase in sales and profit due to changes in the business environment. In fiscal year ended March 31, 2025 the business environment continued to be favorable and each business performed well, especially repair sales, resulting in sales exceeding the initial forecast
- The OP margin improved 1.3% to 17.5% YoY, thanks to productivity gain resulting from an increase in the number of maintenance contracts, a lower labor cost ratio due to the effect of hiring new graduates, and thorough control of SG&A expenses
- Net income attributable to owners of parent exceeded the original forecast of 5.1 billion yen to reach a record high, despite the impairment loss

(millions of yen, yen, %)

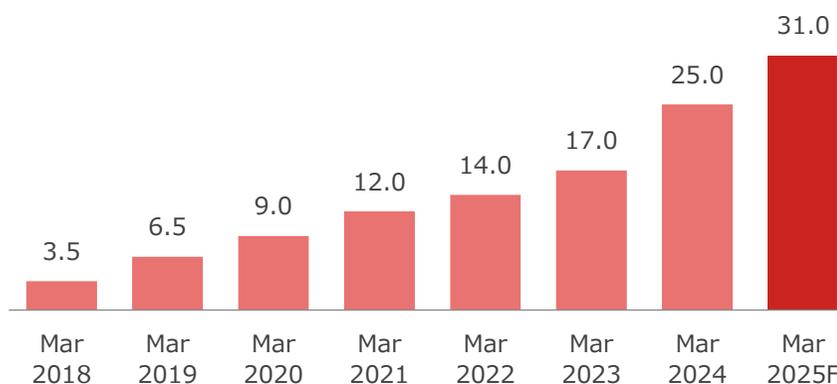
	Fiscal Year ended March 2024		Fiscal Year ended March 2025		YoY change	
	Amount	% of sales	Amount	% of sales	Amount	%
Net sales	42,216	100.0	49,375	100.0	7,158	17.0
Operating profit	6,821	16.2	8,624	17.5	1,803	26.4
Ordinary profit	6,851	16.2	8,621	17.5	1,769	25.8
Profit attributable to owners of parent	4,515	10.7	5,530	11.2	1,014	22.5
(Depreciation)	1,403	3.3	1,562	3.2	159	11.3
(Amortization)	269	0.6	276	0.6	6	2.3
OP before amortization	7,090	16.8	8,900	18.0	1,809	25.5
EPS	50.71	--	62.10	--	11.39	22.5

- Our shareholder return policy is based on a dividend payout ratio of at least 40% and aims for stable increases in EPS and DPS
- Dividend for the FY2025 March has been revised upward from 30 yen announced in November 2024 to 31 yen against the backdrop of steady business expansion. An increase of 6 yen YoY, and dividend payout ratio is expected to be 49.9%

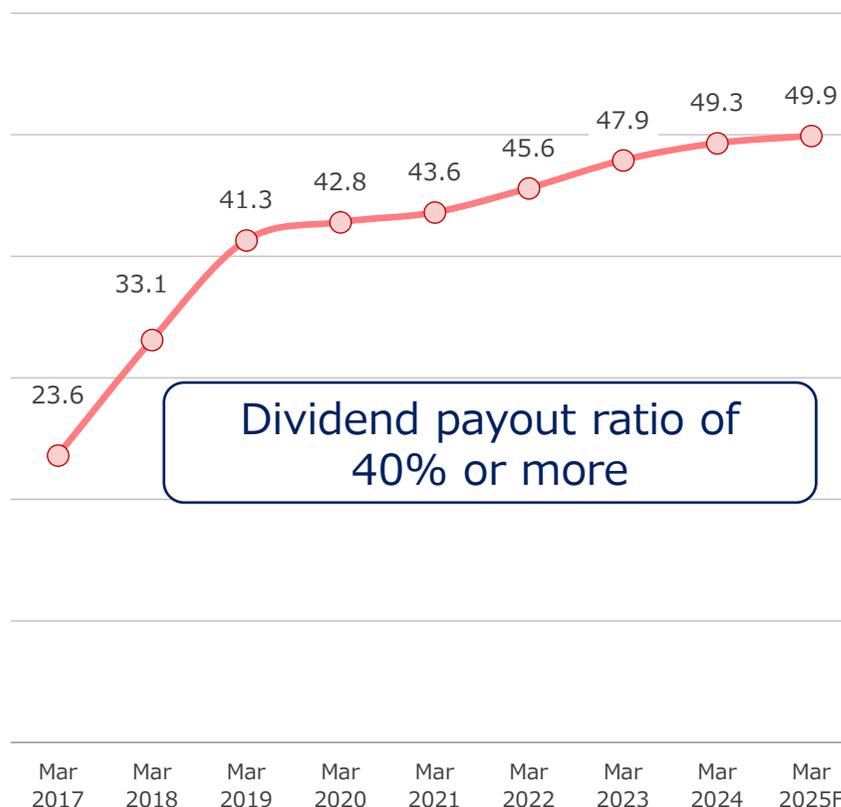
### Adjusted EPS (yen)



### Adjusted DPS (yen)



### Dividend Payout Ratio (%)

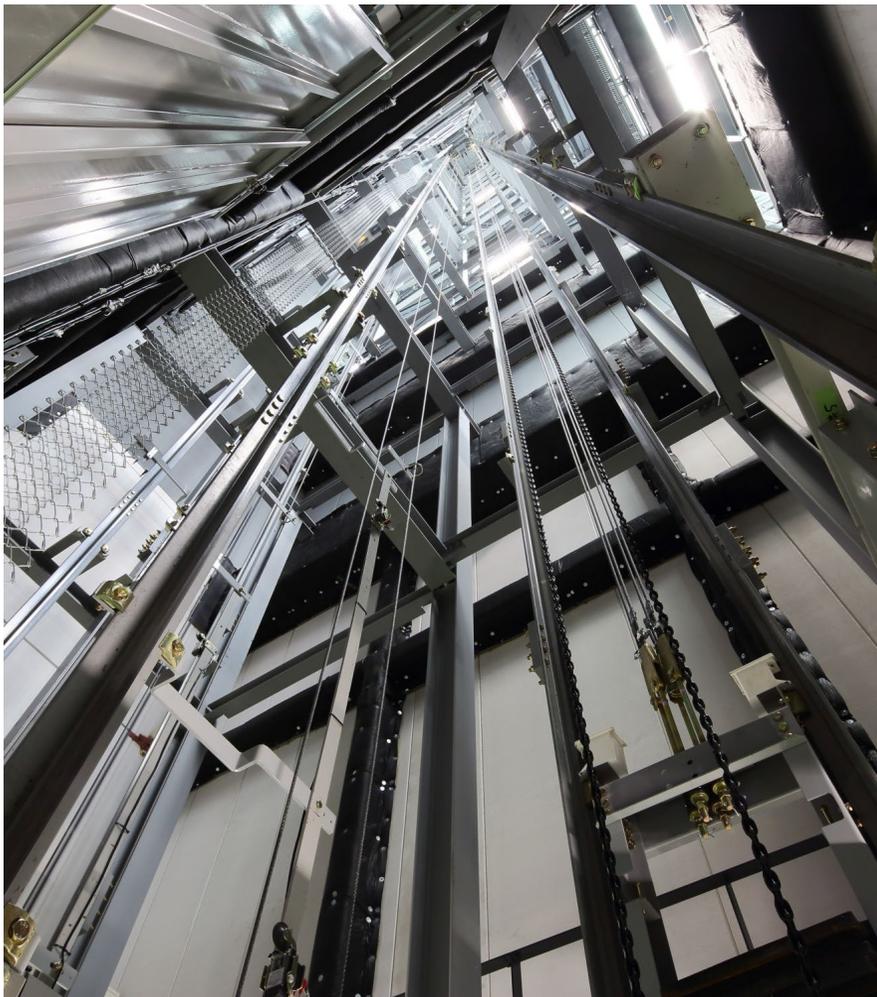


- Net profit increased, liabilities decreased due to the repayment of loans, and the equity ratio was 56.4%, showing progress in strengthening the company's financial position
- Free cash flow increased significantly due to the expansion of operating cash flow and the end of capital investment

(millions of yen)

	Fiscal Year ended March 2024	Fiscal Year ended March 2025	Change
Cash and cash equivalents	2,184	2,344	+ 159
Property, plant and equipment	12,612	12,348	- 263
Intangible assets	4,424	4,232	- 191
Borrowings	6,714	5,004	- 1,709
Net assets	16,789	20,315	+ 3,526
Total assets	32,539	35,407	+ 2,868

	Fiscal Year ended March 2024	Fiscal Year ended March 2025	Change
Cash flows from operating activities	+ 5,280	+ 5,643	+ 362
Depreciation	+ 1,403	+ 1,562	+ 159
Amortization of goodwill	+ 269	+ 276	+ 6
Cash flows from investing activities	- 2,841	- 1,521	+ 1,319
Purchase of property, plant and equipment	- 1,958	- 1,015	+ 943
Free cash flow	+ 2,439	+ 4,122	+ 1,682
Cash flows from financing activities	- 2,529	- 3,962	- 1,432
Increase (decrease) in borrowings	- 1,012	- 1,711	- 698
Increase in issued shares	-	-	-
Dividend paid	- 1,513	- 2,226	- 712
Net increase (decrease) in cash and cash equivalents	- 79	+ 187	+ 267



## Forecasts for FY Mar 2026

- Forecasts are based on conservative assumptions
- OP margin is expected to improve as a result of productivity improvements and control of SG&A while the number of contracted units increases
- As a result, both sales and profits are expected to reach record highs

## Record-high net sales and profits are expected due to the steady accumulation of maintenance contracts

- In the maintenance & repair, net growth in the number of maintenance contracts is expected to continue, and in the modernization, growth in the number of shipments and unit price is expected. However, the earnings forecast is based on a conservative assumption of the same level as the previous year
- In addition to productivity improvements due to the increase in the number of contracts, the company expects to continue to control SG&A and achieve an OP margin of over 18%. As a result, both sales and profits are expected to reach new highs

(millions of yen, %)

	March 2025		March 2026 Forecast		
	Amount	% of sales	Amount	% of sales	YoY
Maintenance & repair services	30,538	61.8	33,000	60.0	108.1
Modernization services	17,325	35.1	20,600	37.5	118.9
Other	1,511	3.1	1,400	2.5	92.7
Net Sales	49,375	100.0	55,000	100.0	111.4

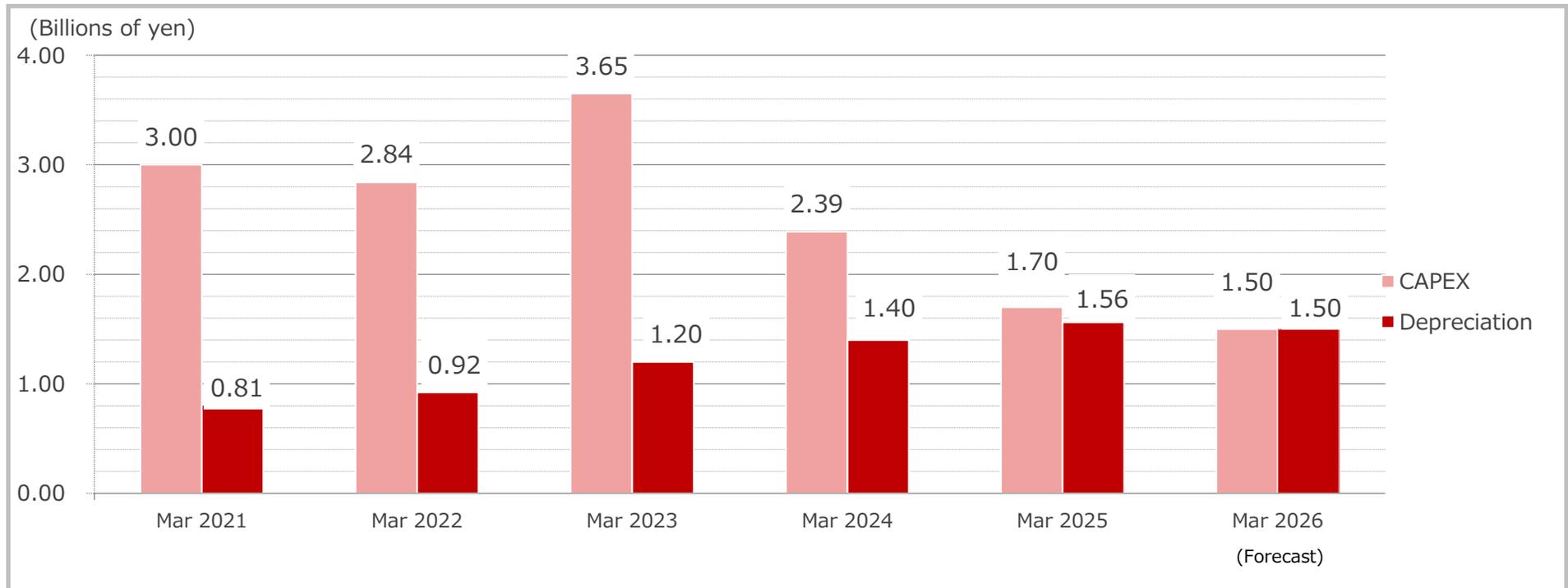
(millions of yen, %)

	March 2025		March 2026 Forecast		
	Amount	Margins	Amount	Margins	YoY
Net sales	49,375		55,000		111.4
Operating profit	8,624	17.5	10,000	18.2	115.9
Ordinary profit	8,621	17.5	10,000	18.2	116.0
Profit attributable to owners of parent	5,530	11.2	6,000	10.9	108.5
(Depreciation)	1,562	3.2	1,500	2.7	96.0
(Amortization of goodwill)	276	0.6	267	0.5	96.9
OP before amortization	8,900	18.0	10,267	18.7	115.4

(Billions of yen)

	FY2025 (Actual)	FY2026 (Forecast)	Items
<b>C a p i t a l E x p e n d i t u r e</b>	<b>1.70</b>	<b>1.50</b>	Investments related to PRIME, a remote inspection service, etc.
<b>D e p r e c i a t i o n</b>	<b>1.56</b>	<b>1.50</b>	

## Capital Expenditures and Depreciation





# References

## ■ Basic Strategy

- As a company qualified for the TSE Prime Market, we aim to achieve sustainable growth and increase corporate value, adapting to changes in the social environment, by addressing not only business growth but also social and global environmental issues from a medium- to long-term perspective

## ■ Growth Strategy

- Grow maintenance and repair services sales driven by expanded domestic market share (organic & M&A)
- Tap demand for modernization through increase in number of elevators under contract

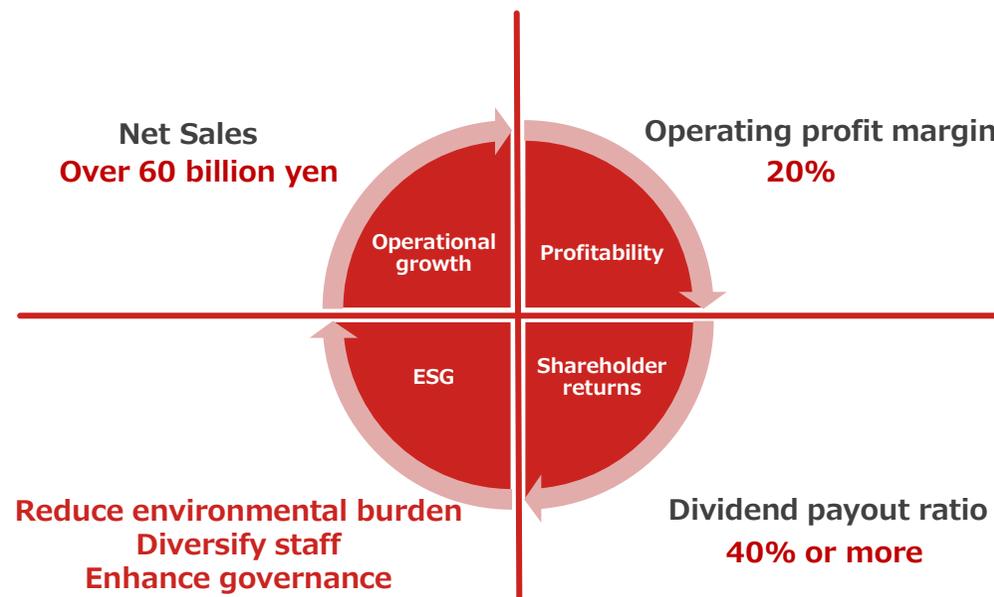
=> **Net sales of 60 billion yen**

- Improve profitability by enhancing business productivity and operational efficiency through human resource development and the use of digital technology

=> **Operating margin of 20%** (before amortization)

## ■ Key Indicators

**Raise corporate value through growth,  
prosper together with all stakeholders**



- Growth and profitability metrics to be met by FY2027/3
- OP Margin excludes goodwill amortization

## Reconciliation of 60 billion yen in Net Sales and Operating Margin of 20% with Growing Maintenance Contracts

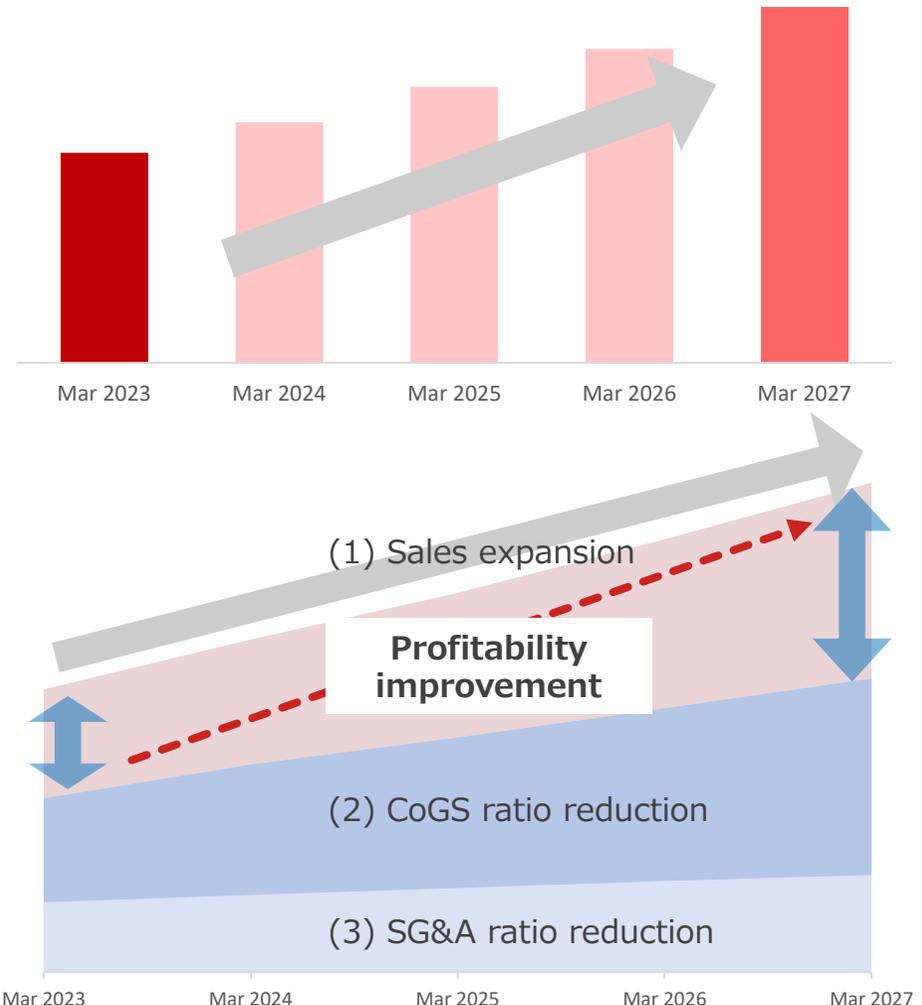
### 1. Achieve net sales of 60 billion yen by expanding the market and increasing share in Japan

- As of March 31, 2025, our domestic maintenance market share will be approximately 10% (our estimate)
- There is ample room to expand market share, especially in newly penetrated areas, by leveraging our high-quality, reasonably priced services, and we will expand our maintenance sales system and personnel to capture new customers
- Sales expansion by capturing modernization demand due to increase in number of units

### 2. Improve operating profit margins through higher productivity

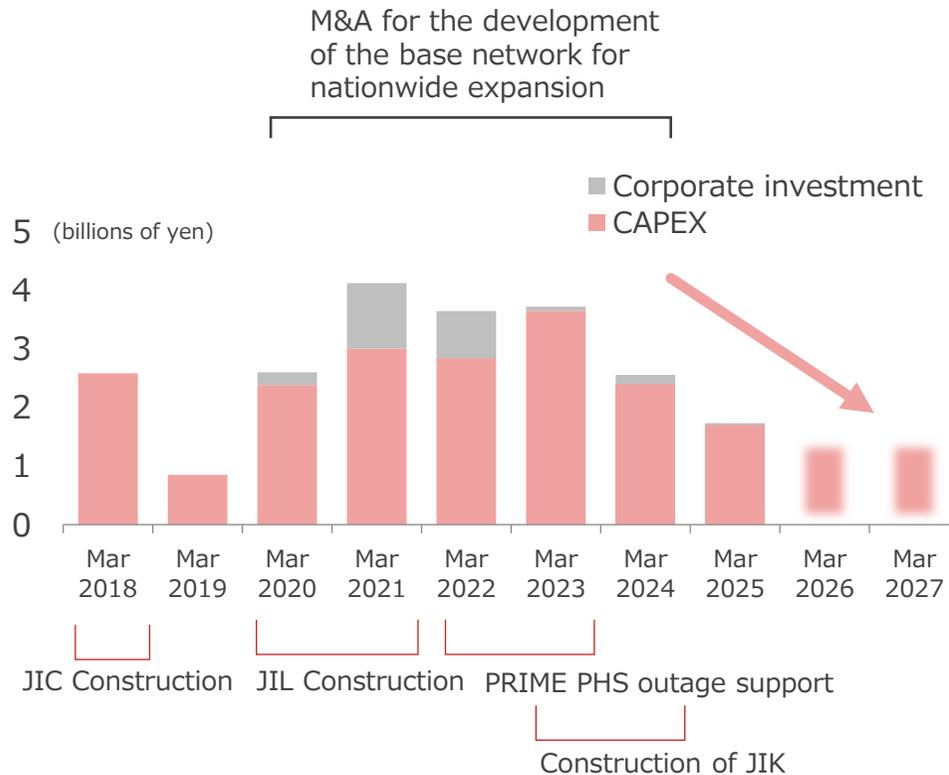
- Increase contribution from high margin maintenance sales  
Improve margins in newly expanded areas with low market share by increasing the number of maintenance contracts
- Reduction in CoGS ratio  
Despite our continued effort to increase the number of technical personnel, costs should be under control since we are hiring new graduates and training them  
Improve the number of units managed by technical personnel  
Curbing material costs by utilizing refurbished products
- Reduction in SG&A ratio  
Reduce administrative costs by optimizing staffing and utilizing IT systems

**Increased number of maintenance contracts should improve profit step by step and lead to operating profit margin of 20%**



## Domestic M&A and Capital Expenditures have Peaked, Positive FCF Trend Expected

### Investment trends



- Capital expenditures peaked in FY2023, and after the completion of the JIK in FY2024, CAPEX shall be limited to installation of PRIME terminal as contract increases, system investments and R&D
- M&A for the development of the base network for nationwide expansion is almost completed. Going forward, small-scale investments are expected to focus on expanding market share in specific regions and business succession issues.

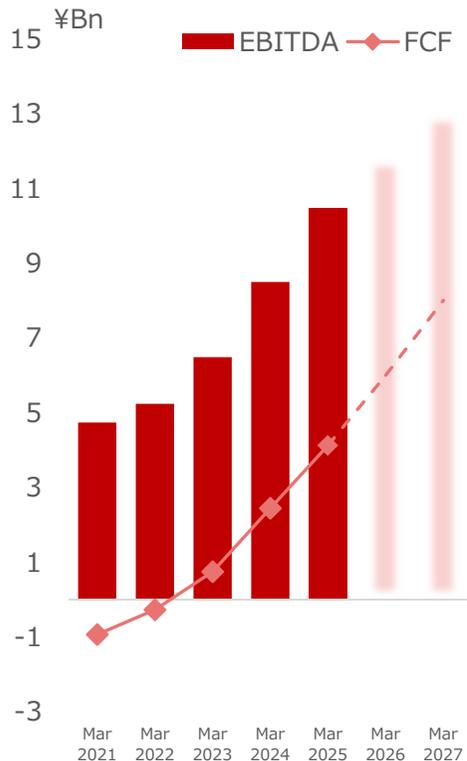
EBITDA and free cash flow expected to trend upward in parallel going forward

(Note) Corporate investment represents capital spending for the acquisition of subsidiaries.

## Sharing free cash flow with stakeholders for sustainable growth

- Capital investment peaked in FY 2023 and then begin to decline
- Free cash flow should be on an upward trend due to business expansion as number of maintenance contracts increases and improve profitability

### EBITDA FCF Forecast



### Cash flow management

#### Shareholder returns

Dividend payout ratio  
40% or more  
Sharing profit growth with  
shareholder

- Increase dividend payout ratio from 49.3% to 49.9%
- Dividend is 31 yen, an increase of 6 yen YoY
- Sharing profit growth with shareholder through dividends

- Aiming for net cash for the time being

#### Investment in inorganic growth

Continue domestic M&A  
Prepare for full-scale  
expansion overseas

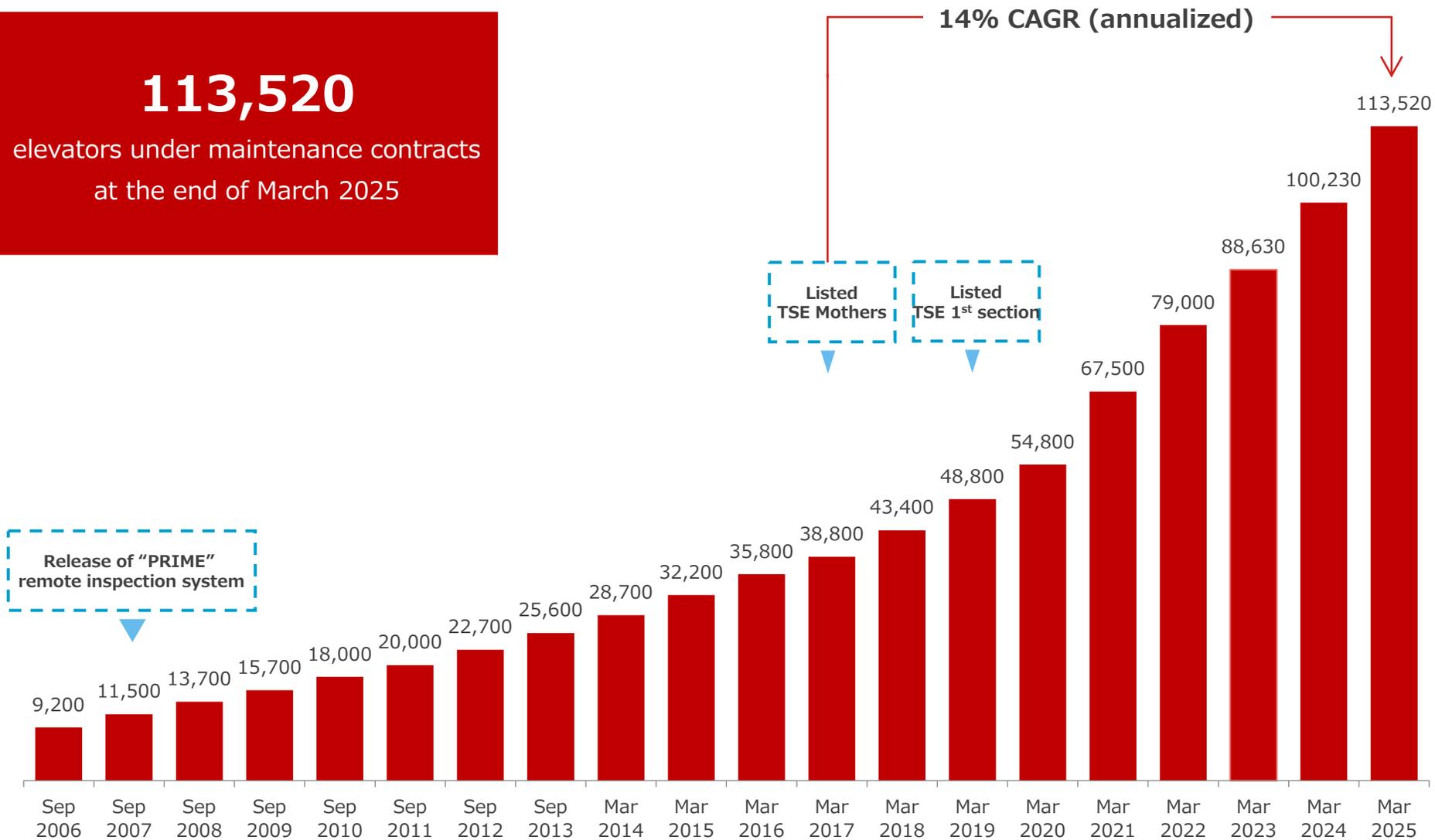
- Continue bolt-on acquisition in Japan taking advantage of share expansion and succession issues
- Recognize current overseas business as a period of know-how accumulation
- Enhance risk tolerance through domestic business expansion and prepare for full-scale expansion in the future

#### Investment in continuing business

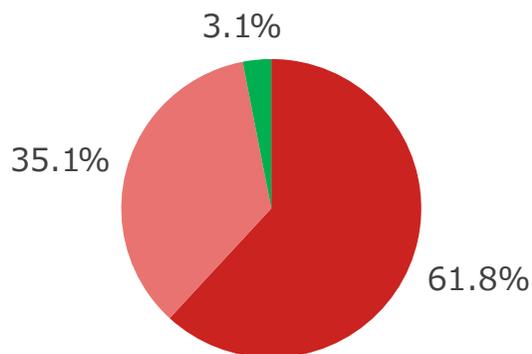
Investment in human  
resources, digital  
promotion, R&D, etc.

- Continue to invest in improving service quality, the source of our competitive edge
- Characteristically, profitability should improve along with top-line growth
- Accelerate investment in human resources once OP margin exceeded 20%

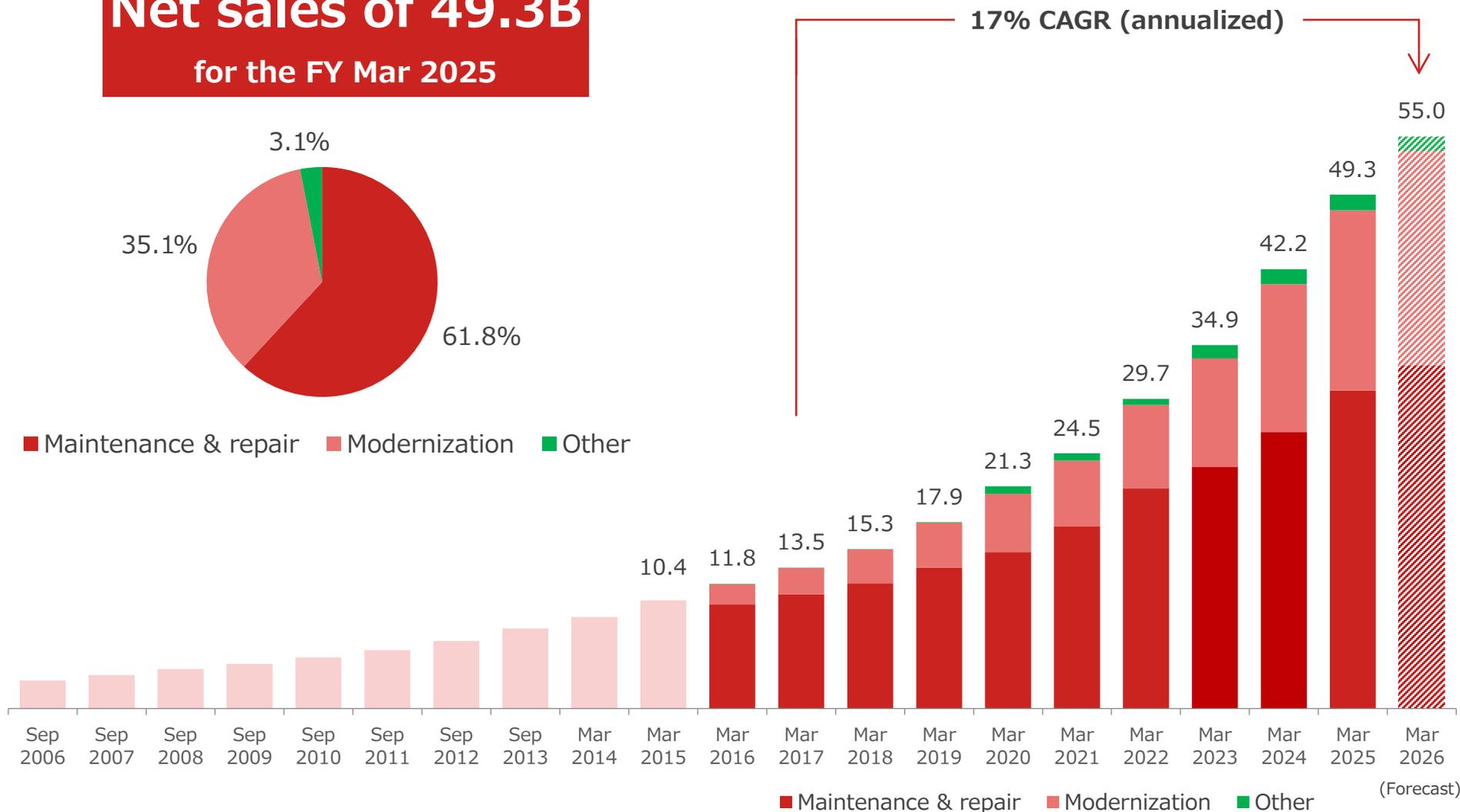
**113,520**  
elevators under maintenance contracts  
at the end of March 2025



## Net sales of 49.3B for the FY Mar 2025



■ Maintenance & repair ■ Modernization ■ Other



(Note: Due to a change in the fiscal year end, the fiscal year ended March 31, 2014 is a six-month period. The above figures are annualized.)

**As of May 1, 2025**  
**149 offices**

## Hokuriku

- ▶ Hokuriku Shisetsu Co., Ltd. (equity method affiliate)

## Tokai / Koshinetsu

- ▶ Japan Elevator Service Tokai Co., Ltd.
- ▶ Japan Elevator Service Jyosai Co., Ltd.
- ▶ Nagano Elevator Co., Ltd. **M&A**
- ▶ Joshin Building Service Co., Ltd. **M&A** (Building maintenance)

## Kansai

- ▶ Japan Elevator Service Kansai Co., Ltd.
- ▶ NS Elevator Co., Ltd. **M&A**

## Chugoku / Shikoku

Established 2022.4

- ▶ Japan Elevator Service Chushikoku Co., Ltd.
- ▶ Miyoshi Elevator Co., Ltd. **M&A**
- ▶ Ehime Elevator Service Co., Ltd. **M&A**
- ▶ Shikoku Shoukouki Service Co., Ltd. **M&A**
- ▶ Shikoku Elevator Service Co., Ltd. **M&A**

## Kyushu/Okinawa

Established 2019.4

- ▶ Japan Elevator Service Kyushu Co., Ltd.
- ▶ Eledoc Okinawa Co., Ltd. **M&A**

## Hokkaido

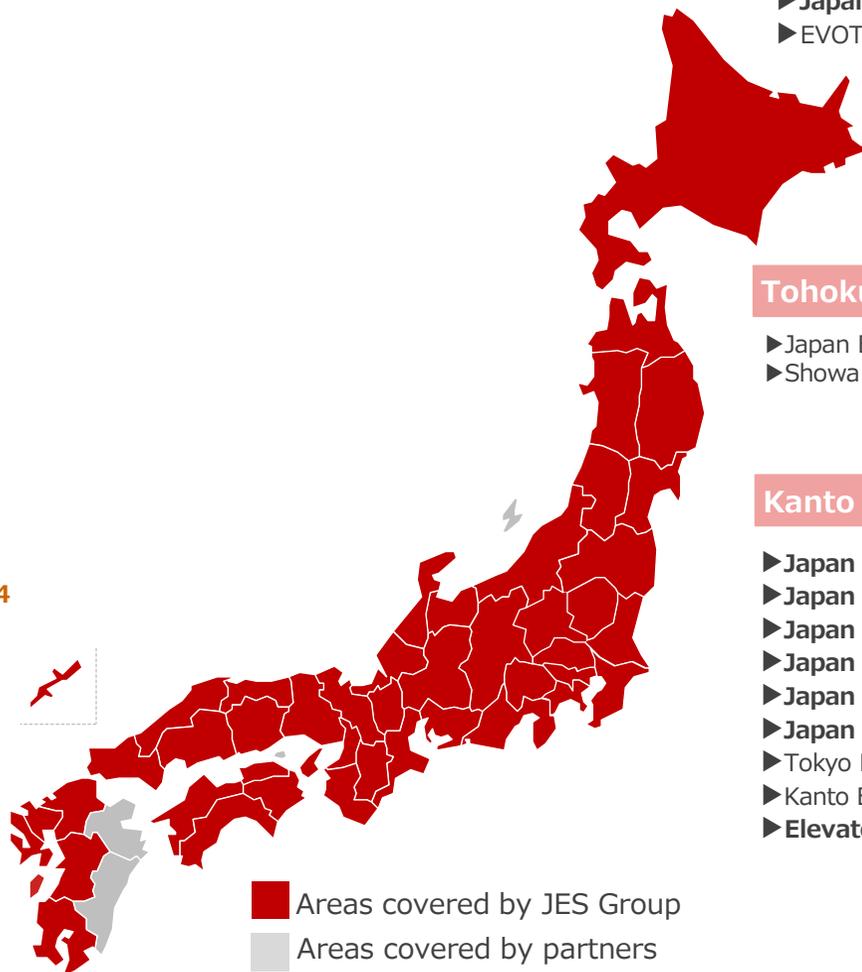
- ▶ Japan Elevator Service Hokkaido Co., Ltd.
- ▶ EVOTECH Co., Ltd. **M&A**

## Tohoku

- ▶ Japan Elevator Service Jyosai Co., Ltd. (Tohoku Branch)
- ▶ Showa Yusoki Tohoku Co., Ltd. **M&A**

## Kanto

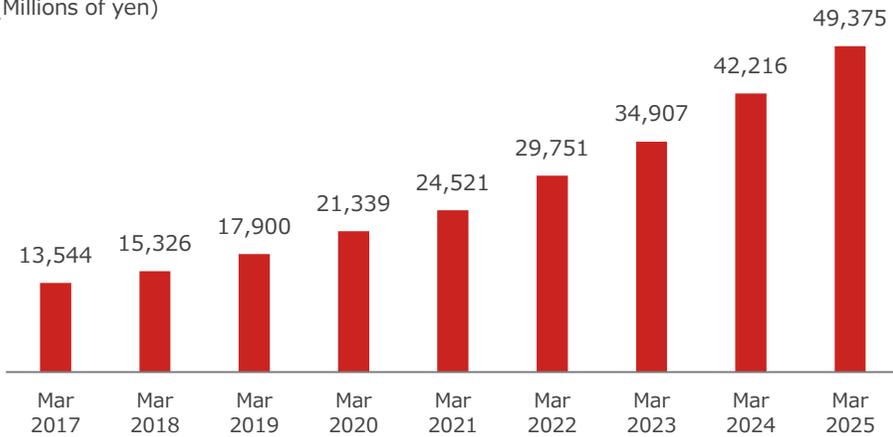
- ▶ Japan Elevator Service Holdings Co., Ltd.
- ▶ Japan Elevator Service Jyonan Co., Ltd.
- ▶ Japan Elevator Service Jyosai Co., Ltd.
- ▶ Japan Elevator Service Kanagawa Co., Ltd.
- ▶ Japan Elevator Parts Co., Ltd.
- ▶ Japan Parking Service Co., Ltd.
- ▶ Tokyo Elevator Co., Ltd. **M&A**
- ▶ Kanto Elevator System Co., Ltd. **M&A**
- ▶ Elevator Media Co., Ltd. (LiftSPOT)



(\*) Group companies other than maintenance and repair and modernization operations such as elevators  
(Note) Cosmo Japan Co., Ltd., which became a subsidiary on October 2, 2020, was merged into Japan Elevator Service Jyosai Co., Ltd. on September 1, 2022. Kansai Elevator Corporation, which became a subsidiary on November 11, 2020, was merged into Japan Elevator Service Kansai Co., Ltd. as of May 1, 2023. Seiko Elevator Co., Ltd., which became a subsidiary on May 20, 2020, was merged into Japan Elevator Service Jyonan Co., Ltd. on July 1, 2023. Ikuta Building Maintenance Co., Ltd., which became a subsidiary on October 3, 2022, was merged into Shikoku Elevator Service Co., Ltd. on September 1, 2023. Toyota Facility Service Co., Ltd., which became a subsidiary on May 13, 2021, was merged into Japan Elevator Service Jyosai Co., Ltd. on December 1, 2023. Emic Co., Ltd., which became a subsidiary on September 1, 2023 was merged into Japan Elevator Service Hokkaido Co., Ltd. on April 1, 2024.

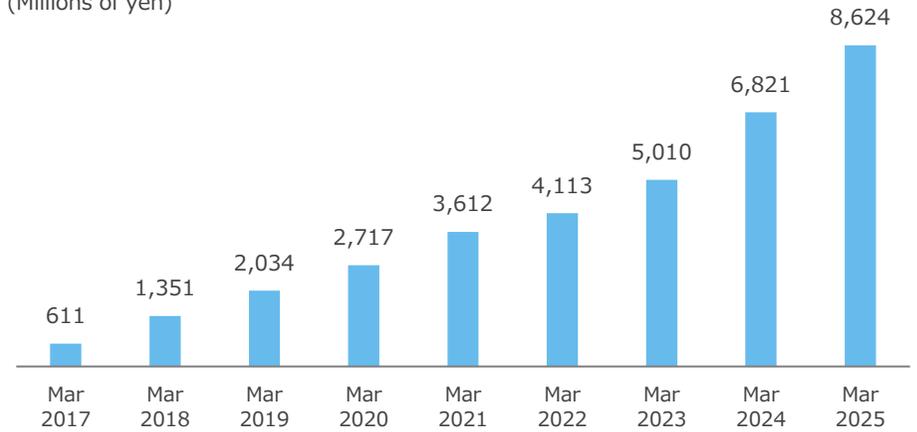
## Net sales

(Millions of yen)



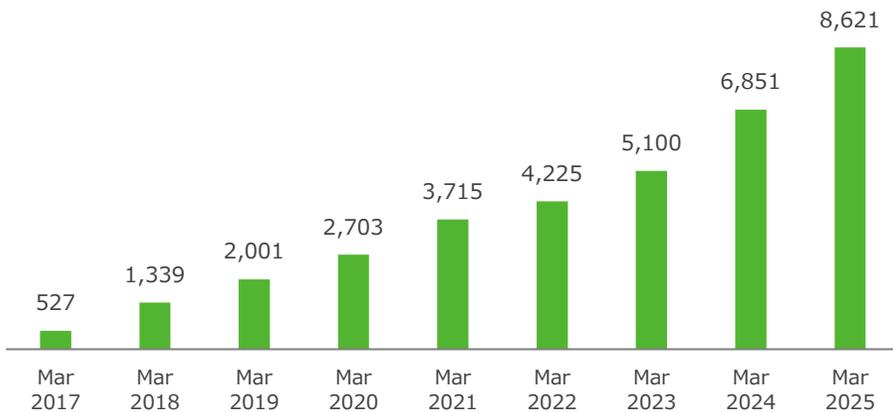
## Operating profit

(Millions of yen)



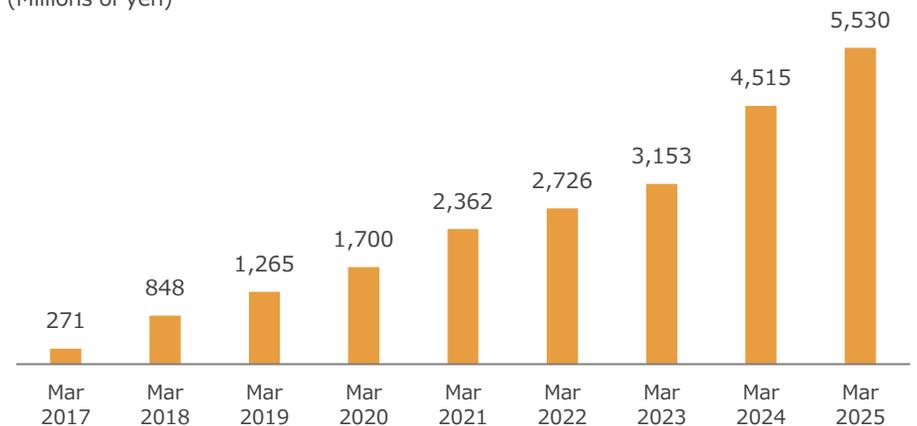
## Ordinary profit

(Millions of yen)



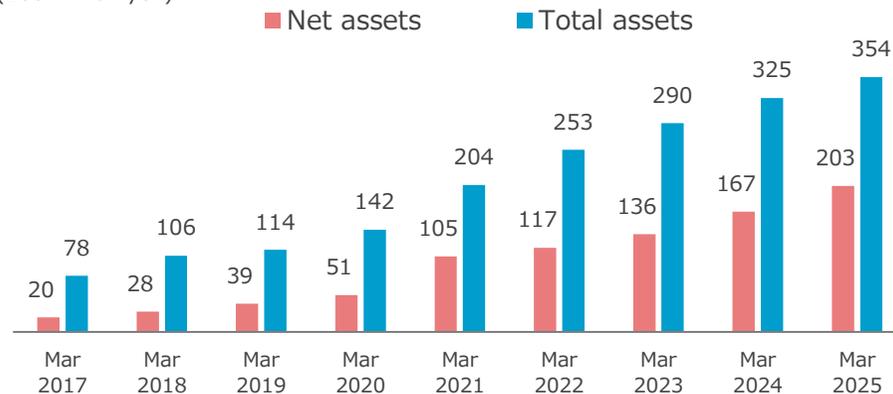
## Profit attributable to owners of parent

(Millions of yen)



## Net assets / Total assets

(100 million yen)



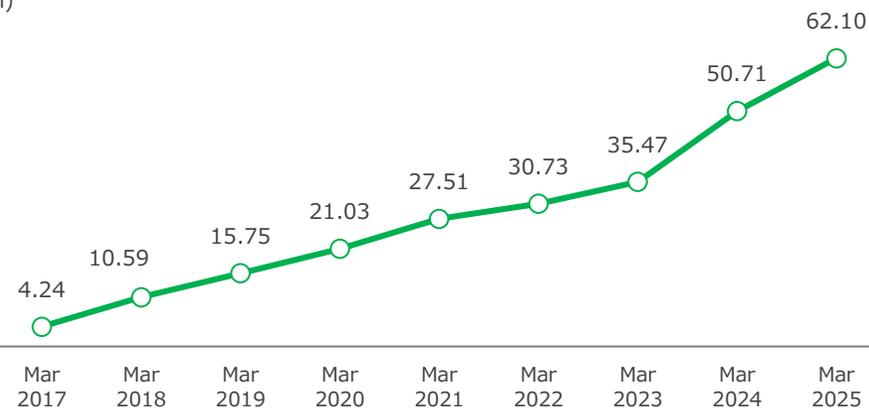
## Net assets per share

(Yen)



## Earnings per share

(Yen)



Stock splits history: two-for-one effective on October 1, 2017 two-for-one effective on October 1, 2018 two-for-one effective on January 1, 2021

## 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.

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- 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.