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Supplementary Schedule to the 31st Annual General Meeting of Shareholders

(Matters not included in the document to be delivered upon request for delivery of documents in accordance with laws and regulations and the Articles of Incorporation among the matters to be provided electronically)

(i) System to ensure proper business operations and the status of operation of such system
(ii) Notes to Consolidated Financial Statements
(iii) Notes to the Financial Statements

31st Fiscal Period (April 1, 2024 to March 31, 2025)

Japan Elevator Service Holdings Co., Ltd.

The above matters are not included in the documents to be delivered to shareholders who have requested the delivery of documents in accordance with laws and regulations and Article 14 of the Articles of Incorporation of the Company.
At this General Meeting of Shareholders, regardless of whether or not a request for delivery of the document has been made, a document containing the items listed above from the items to be provided electronically will be uniformly sent to all shareholders.

System to ensure proper business operations and the status of operation of such system

(1) Summary of decisions on systems to ensure proper business operations

The following is a summary of decisions made regarding systems to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and other systems to ensure proper business operations of the Company.

(i) Systems to ensure that the execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation

A. Directors and employees shall act in accordance with the Code of Conduct and Compliance Rules, and in compliance with laws, the Articles of Incorporation, and social norms.

B. The Compliance Committee shall be established to oversee compliance-related efforts and to provide compliance education to directors and employees of the Company and its subsidiaries.

C. The Internal Audit Office, which is independent of the executive divisions as the internal audit division, shall audit the status of compliance.

D. In the event that directors and employees discover material violations of laws and regulations or other important facts concerning compliance at the Company, they shall immediately report such violations to the Information Management Officer, and shall supplement such violations with a system (Hotline Rules) to eliminate omissions in the discovery of such violations and other important facts. The whistleblower service, which is available via dedicated e-mail, website, and written mail, is outsourced to Fair Links Consulting, Inc.

E. When an Audit & Supervisory Board member finds a problem in the operation of the Company's legal compliance system and internal reporting rules (hotline rules), he/she may express his/her opinion and request the Company to formulate remedial measures.

(ii) System for the storage and management of information related to the execution of duties by directors

Information related to the execution of duties by the Company's Directors shall be stored and managed appropriately and reliably in a highly retrievable state according to the storage medium, in accordance with laws and regulations, the Document Management Regulations, and the Regulations for the Protection of Personal Information and Specified Personal Information. The Company's Directors and Audit & Supervisory Board members shall have access to these documents at all times.

(iii) Rules and other systems for managing risk of loss

A. The heads of the Company, its subsidiaries, headquarters, branches, branch offices, departments, offices, divisions, sales offices, etc. shall perform their duties within the scope of authority granted to them in accordance with the Rules on Division of Duties and Administrative Authority, etc. When performing duties that exceed the authority granted, they shall apply for and obtain approval from a higher authority in accordance with the

Rules on Administrative Authority, and shall manage the risk of losses associated with the performance of the duties for which approval is granted.

B. The representative directors, general managers, and branch managers of the Company and its subsidiaries shall assume various business risks that may occur in the relevant headquarters, offices, and branch offices, and shall strive to avoid such risks in advance, and in the event of the occurrence of a fact that could be a risk, shall respond promptly and appropriately to prevent and minimize the spread of damage.

C. In the event of unforeseen circumstances or the need to respond to newly arising risks, the Company and its subsidiaries shall report the matter to the Board of Directors, which shall determine a responsible person and take prompt action.

(iv) Systems to ensure the efficient execution of duties by directors

A. The Board of Directors of the Company and its subsidiaries shall make decisions on management execution policies, matters required by law and other important management matters, and supervise the execution of business by the directors of the Company and its subsidiaries.

B. As a system to ensure that the directors of the Company and its subsidiaries execute their duties efficiently, meetings of the Board of Directors of the Company and its subsidiaries shall be held once a month in principle, and extraordinary meetings shall be held as necessary.

C. The Board of Directors of the Company and its subsidiaries shall formulate and review management targets and budgets, the directors of the Company and its subsidiaries shall perform their duties to achieve them, and the Board of Directors shall manage their performance.

(v) Systems to ensure proper business operations of the corporate group consisting of the Company and its subsidiaries

A. The Company and its subsidiaries shall endeavor to ensure proper business operations of the Company and its subsidiaries by making the Company and its subsidiaries as a whole aware of the common management policies of the Company and its subsidiaries.

B. Regular meetings attended by the directors of the Company and the representative directors of the Company's subsidiaries shall be held to share information among the Company and its subsidiaries.

C. In order to ensure proper business operations at the Company and its subsidiaries, the Company and its subsidiaries shall establish matters to be managed by each company in accordance with the Affiliate Company Management Regulations applicable to the Company and all of its subsidiaries.

D. The Internal Audit Office of the Company shall conduct or supervise internal audits of the Company and its subsidiaries to ensure the effectiveness and adequacy of internal control over the overall operations of the Company and its subsidiaries.

E. A system shall be established for the immediate reporting of the discovery of violations of laws and regulations and other important compliance-related matters within the Company and its subsidiaries.

(vi) Matters concerning employees assigned to assist Audit & Supervisory Board members' duties when Audit & Supervisory Board members request the assignment of such employees, matters concerning the independence of such employees from Directors, and matters concerning ensuring the effectiveness of Audit & Supervisory Board members' instructions to such employees

The Company shall assign employees to assist the duties of the Audit & Supervisory Board members when required by the Members. The Company's Audit & Supervisory Board members shall have the authority to direct and order the employees, and their appointment, transfer, evaluation, and disciplinary actions shall be made after hearing the opinions of the Audit & Supervisory Board and exchanging views with the directors, thereby ensuring the independence of such employees from the directors. The Company shall ensure the independence of such employees from directors.

(vii) System for reporting to the Company's Audit & Supervisory Board member by directors and employees, as well as directors, Audit & Supervisory Board member, employees and employees who execute business of subsidiaries, or those who receive reports from them.

Audit & Supervisory Board members attend meetings of the Board of Directors and other important decision-making meetings, and receive reports on important matters from directors, employees, and others. In addition, the Company's Audit & Supervisory Board members receive reports from directors, employees, etc. on the status of management of subsidiaries, etc. Notwithstanding the foregoing, the Company's Audit & Supervisory Board members may, at any time and as necessary, request reports from the directors, employees, etc. of the Company and its subsidiaries.

(viii)Systems to ensure that a person who makes a report under the preceding item will not be subjected to any disadvantageous treatment on the basis of such report.

The Company shall prohibit any disadvantageous treatment of any person who makes a report to the Company's Audit & Supervisory Board members by reason of such report, and shall ensure that the Directors and employees of the Company and its subsidiaries are informed of such prohibition.

(ix) Matters concerning the policy for the treatment of expenses or debts arising from the execution of duties by Audit & Supervisory Board members

When a Audit & Supervisory Board member makes a request for advance payment of expenses, etc. to the Company for the performance of his/her duties, the Company shall promptly comply with such request, except in cases where the expenses or obligations in connection with such request are not deemed necessary for the performance of the Audit & Supervisory Board members' duties.

(x) Other systems to ensure that Audit & Supervisory Board member audits are conducted effectively

A. In accordance with the Audit & Supervisory Board Member Auditing Standards, the Audit & Supervisory Board Member may attend meetings of the Board of Directors and other important meetings, inspect important corporate information, and request explanations from directors, employees, and others as necessary.

B. In order to conduct efficient audits, the Company Audit & Supervisory Board member shall hold periodic discussions or exchanges of opinions with the accounting auditors, etc., to complement each other's audits.

C. Audit & Supervisory Board members shall meet regularly with the Representative Director. The Audit & Supervisory Board members shall meet regularly with the Representative Director to confirm business execution policies and exchange opinions on issues to be addressed by the Company, risks surrounding the Company, the state of the audit environment, and important audit-related issues.

D. Ensure management transparency by having at least half of the Company's Audit & Supervisory Board members be external Audit & Supervisory Board members.

(xi) System to ensure the reliability of financial reporting

A. In order to ensure proper accounting treatment and improve the reliability of financial reporting, the Company shall develop and improve the effectiveness of its internal control system for financial reporting.

B. The Company and its subsidiaries and their internal audit offices shall evaluate the effectiveness of internal control over financial reporting each period. The department receiving the effectiveness evaluation shall take measures to correct and improve the situation when necessary.

(xii) System for eliminating antisocial forces

The Company and its subsidiaries shall not have any relationship, including business relationships, with antisocial forces that pose a threat to social order and sound corporate activities. In addition, the entire organization shall take a firm stand against unjustified demands from antisocial forces.

(2) Outline of the operation of the system to ensure proper business operations

The following is an overview of the operation of the system to ensure proper business operations.

(i) Execution of duties by directors

As of the end of the fiscal year, the Company's Board of Directors consists of five directors (including three outside directors) and makes decisions on important matters related to the Company's business operations, matters required by law, and other important management matters. In principle, regular meetings of the Board of Directors are held once a month, and extraordinary meetings of the Board of Directors are held as necessary and appropriate.

(ii) Risk management and compliance systems

Regarding risks associated with the promotion of management strategies, the director in charge and each department in charge analyze and examine the respective risks, and if necessary, the Group Management Committee and the Board of Directors deliberate on the risks and take appropriate measures for risk management. In addition, the Company has established a Code of Conduct for Employees and Compliance Regulations regarding business promotion risks, and through the Compliance Committee established in accordance with the Compliance

Regulations, the Company promotes compliance-related initiatives, investigates the status of legal compliance by officers and employees and instructs them to make improvements, and develops measures to prevent recurrence of such risks.

The Compliance Committee strives for early detection and prevention of risks by sharing information with the compliance officers appointed at each subsidiary.

In addition, the Company has established an internal reporting system, with FairLinks Consulting K.K. as the contact point, to prevent and detect misconduct and other misconduct at an early stage by establishing an appropriate mechanism for handling reports of organizational or individual violations of laws and regulations or misconduct.

(iii) Management control of subsidiaries

For management control of subsidiaries, the Company dispatches its officers or employees as directors or Audit & Supervisory Board members to ensure proper business operations of subsidiaries. In addition, in accordance with the Affiliate Company Management Regulations, important business operations at subsidiaries are either approved in advance by the Board of Directors of the Company or reported as appropriate.

(iv) Audit by Audit & Supervisory Board

The Audit & Supervisory Board is composed of one full-time Audit & Supervisory Board member and two outside Audit & Supervisory Board members. In principle, the Audit & Supervisory Board meets once a month. In addition, the Audit & Supervisory Board members hold discussions and exchange opinions with each other as necessary to ensure that the status of compliance with laws, regulations, and other rules by directors and operational and accounting audits are conducted effectively.

In addition to attending meetings of the Board of Directors and other important meetings, corporate auditors conduct proper monitoring of management through auditing procedures such as inspection of important documents and questioning of officers and employees. The Company also strives to conduct appropriate audits in cooperation with the Internal Audit Office and the accounting auditor.

Notes to Consolidated Financial Statements

1. Notes to Basis of Presenting Consolidated Financial Statements, etc.

(1) Scope of consolidation

Consolidated Subsidiaries

Number of consolidated subsidiaries: 30

Name of principal consolidated subsidiaries

Names of major consolidated subsidiaries are omitted since they are listed in "1. Status of the Group (3) Significant Parent Companies and Subsidiaries" in the Business Report.

In the current fiscal year, Showa Yusoki Tohoku Co., Ltd. became a consolidated subsidiary due to the acquisition of shares in the company.

(2) Application of the equity method

Affiliates to which the equity method was applied

Number of affiliates accounted for by the equity method: 5

Name of the Company Lighthouse Elevator Engineering Limited and four other companies

The financial statements of the fiscal year of each company are used for those companies accounted for by the equity method whose fiscal year ends on a different date than the consolidated fiscal year end.

(3) Fiscal year of consolidated subsidiaries

JAPAN ELEVATOR SERVICE HONG KONG COMPANY LIMITED, PT. Japan Elevator Service Indonesia, JAPAN UNIECO ELEVATOR SERVICE COMPANY LIMITED, and COFRETH (M) SDN. BHD. have a fiscal year ending December 31. In preparing the consolidated financial statements, the financial statements as of December 31 were used, and adjustments necessary for consolidation were made for significant transactions that occurred between December 31 and the consolidated balance sheet date.

In addition, the closing date of JAPAN JINDAL ELEVATOR SERVICE PRIVATE LIMITED is March 31, and in preparing the consolidated financial statements, provisional financial statements as of December 31, the closing date of JAPAN ELEVATOR SERVICE HONG KONG COMPANY LIMITED, the direct parent company, were used, and adjustments necessary for consolidation were made for significant transactions that occurred between December 31 and the consolidated closing date.

(4) Matters Related to Accounting Policies

(i) Valuation standards and methods for significant assets

A. Marketable securities

Available-for-sale securities

Other than stocks and other securities with no market price

Market value method (unrealized gains and losses are accounted for as a component of net assets, and the cost of securities sold is determined by the moving-average method) is applied.

Stocks with no market price

Mainly stated at cost determined by the moving-average method.

B. Inventories

Work in progress

Stated at cost determined by the specific identification method (the amount stated in the balance sheet is calculated by writing down the book value based on a decline in profitability).

Raw materials

Mainly stated at cost determined by the weighted average method (the amount stated in the balance sheet is calculated by writing down the book value based on a decline in profitability).

Supplies

Stated at cost based on the last purchase price method (the amount stated in the balance sheet is calculated by writing down the book value based on a decline in profitability).

(ii) Depreciation method for significant depreciable assets

A. Property, plant and equipment (excluding leased assets)

The straight-line method is mainly used.

The main useful lives are as follows: Buildings and structures

Buildings and structures	3 to 50 years
Machinery, equipment and vehicles	2 to 17 years
Tools, furniture and fixtures	2 to 17 years

B. Intangible assets (excluding lease assets and goodwill)

The straight-line method is used.

Software for internal use is amortized over the estimated useful life (5 years).

C. Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

The straight-line method is used, where the lease period is deemed as the useful life of the asset and the residual value is set as zero.

(iii) Basis for significant provisions

A. Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible losses on accounts receivable, loans receivable and other receivables. The allowance for doubtful accounts is provided for general receivables based on historical default rates, and for specific receivables for which there is some concern regarding collectability, an estimated uncollectible amount is provided for each individual account.

B. Allowance for bonuses

To provide for the payment of bonuses to employees, an amount accrued for the current fiscal year is recorded based on the estimated amount of payment.

(iv) Basis for recording revenues and expenses

The Group's principal business is the maintenance, repair, and modernization work of elevators and other equipment.

With respect to maintenance services for elevators and other equipment, the Company recognizes revenue as services are rendered over the contract period because the Company satisfies its performance obligation over a certain period of time through the provision of services during the contract period with the customer.

For repair and modernization services, except for work with a very short period of time, the Company estimates the degree of completion related to the fulfillment of performance obligations and recognizes revenue over a certain period based on the degree of completion.

For construction contracts with a very short period of time from the transaction commencement date to the point when the performance obligation is expected to be fully satisfied, an alternative treatment is applied, whereby revenue is not recognized over a certain period of time and revenue is recognized when the customer accepts the contract.

The consideration for the transaction is received within one year of satisfaction of the performance obligation and does not include a significant financial component.

(v) Other important matters for the preparation of consolidated financial statements

A. Basis for recognition of retirement benefit liability

Method of attributing estimated retirement benefits to periods of service

The estimated amount of retirement benefits is attributed to the period up to the end of the current fiscal year.

Method of amortizing actuarial gains and losses

Actuarial gains and losses are amortized over a certain number of years (9 years) within the average remaining service period of employees at the time the gains or losses are recognized, using the straight-line method, beginning with the following fiscal year in which they are recognized.

Adoption of the Simplified Method by Smaller Enterprises, etc.

Certain consolidated subsidiaries apply the simplified method for the calculation of retirement benefit liability and retirement benefit expenses, using the amount payable at the end of the fiscal year as the retirement benefit obligation.

B. Amortization method and period of goodwill

Goodwill is amortized by the straight-line method over a reasonable number of years not exceeding 20 years, based on the judgment of each individual case.

C. Basis for translation of significant assets or liabilities denominated in foreign currencies into Japanese currency

Monetary receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate prevailing on the consolidated balance sheet date, with translation differences recognized as gains or losses. Assets and liabilities of overseas subsidiaries are translated into yen at the spot exchange rate as of the balance sheet date of the overseas subsidiaries (including the provisional closing date), while revenues and expenses are translated into yen at the average exchange rate during the period.

2. Notes on Changes in Accounting Policies

(Application of the Accounting Standard for Income taxes - current etc.)

The Company has adopted the "Accounting Standard for Corporate, Inhabitant and Enterprise Taxes" (ASBJ Statement No. 27, October 28, 2022; hereafter referred to as the "2022 Revised Accounting Standard") from the beginning of the current consolidated fiscal year.

For revisions regarding the classification of income taxes (taxation on other comprehensive income), the Company follows transitional treatment stipulated in the proviso of paragraph 20-3 of the Revised Accounting Standard for 2022 and in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, hereafter referred to as the "Revised 2022 Guidance").

There is no effect of this change in accounting policy on the consolidated financial statements.

3. Notes on Changes in Presentation Method

(Consolidated Statements of Income)

(i) "Commission income" (9 million yen in fiscal year) in "Non-operating income", which was separately presented in the previous fiscal year, is included in "Others" from this fiscal year because it became insignificant in terms of amount.

(ii) "Gain on sale of scraps" (9 million yen in the previous fiscal year), which was included in "Others" under "Non-operating income" in the previous fiscal year, has become significant in terms of amount and is therefore presented separately in the current fiscal year.

(iii) "Loss on retirement of non-current assets " (12 million yen in fiscal year) in "Extraordinary losses", which was separately presented in the previous fiscal year, is included in "Others" from this fiscal year because it became insignificant in terms of amount.

4. Notes on Accounting Estimates

Impairment of goodwill

（1）Amounts recorded in the consolidated financial statements fiscal year

Impairment losses - million yen, Goodwill 1,835 million yen

(No Impairment losses were recorded in the current fiscal year, but they are identified as a disclosure item in view of the risk of material impact on the consolidated financial statements for the following fiscal year.)

(2) Other information that contributes to the understanding of users of the consolidated financial statements

(i) Calculation method

The Company confirms the operating profit and the achievement of future cash flows based on the future business plans of each company prepared at the time of acquisition, and identifies any signs of impairment. When there is an indication of impairment, the Company determines whether an impairment loss should be recognized. For goodwill for which an impairment loss should be recognized, the carrying amount is reduced to the recoverable amount and the amount of such reduction is recognized as an impairment loss.

(ii) Key Assumptions

The main assumption in each company's future business plan is that sales will be derived from maintaining and increasing the number of contracts for maintenance and repair services, etc., through enhanced sales activities.

(iii) Effect on the consolidated financial statements for the following fiscal year

The key assumption, sales in each company's future business plan, is subject to estimation uncertainty and carries a risk of significant impact on the determination of goodwill impairment.

5. Notes to Consolidated Balance Sheets

(1) Overdraft and commitment line agreements

The Company has overdraft and commitment line agreements with correspondent banks for the purpose of efficient and stable working capital procurement. The following are unused lines of credit based on these agreements as of the end of the fiscal year In addition, the loan commitment line agreements contain financial covenants with certain conditions regarding net assets and earnings.

Total amount of current account overdrafts and commitment lines of credit	11,470 million yen
Loan balance	2,220 million yen
subtotal	9,249 million yen

（2）The amount of contract liabilities included in "Other" under current liabilities is as follows

Contract liabilities	731 million yen

6. Notes to Consolidated Statement of Changes in Net Assets

(1) Class and total number of shares issued and outstanding at the end of the fiscal year

Common stock	89,067,200 shares

(2) Matters concerning dividends from surplus

(i) Dividends paid, etc.

Resolved	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (yen)	Record Date	Effective date
June 21, 2024 Annual General Meeting of Shareholders	Common stock	2,226	25	March 31, 2024	June 24, 2024

(ii) Dividends with a record date falling on the current fiscal year and an effective date falling on the following fiscal year

Scheduled to be resolved	Type of shares	Source of dividends	Total amount of dividends (Millions of yen)	Dividends per share (yen)	Record Date	Effective date
June 24, 2025 Annual General Meeting of Shareholders	Common stock	Retained earnings	2,760	31	March 31, 2025	June 25, 2025

(3) Class and number of shares to be issued or transferred upon exercise of stock acquisition rights (excluding those for which the first day of the exercise period has not yet arrived) as of the end of the current consolidated fiscal year

Common stock	324,800 shares

7. Notes to Financial Instruments

(1) Matters Concerning the Status of Financial Instruments

(i) Policy for financial instruments

The Group's approach to financial instruments is to limit fund management to short-term deposits, etc., and to procure funds through bank loans, etc.

(ii) Description of financial instruments and their risks

Trade receivables, such as notes receivable - trade and accounts receivable - trade, are exposed to customer credit risk.

Investment securities are equity securities and are exposed to market price fluctuation risk.

Deposits and guarantees are mainly deposits and guarantees that the Company places with lenders for the use of leased properties for new sales offices, and are exposed to the credit risk of the lenders.

Corporate income tax, inhabitant tax (prefectural and municipal) tax, enterprise tax, and consumption tax payable are all due and payable within two months of the balance sheet date.

Accounts payable - other and accounts payable - trade, which are trade payables, are due within one year and mainly relate to domestic transactions.

Short-term borrowings are mainly for short-term working capital, and long-term borrowings are mainly for capital expenditures.

In addition, trade payables and borrowings are exposed to liquidity risk.

(iii) Risk management system for financial instruments

A. Management of credit risk (risk related to nonperformance by counterparties)

For trade receivables (notes receivable - trade and accounts receivable - trade), the Company manages due dates and outstanding balances by counterparty and monitors the credit status of each counterparty.

The balance of security deposits and guarantee money is managed by the Company for each counterparty, and efforts are made to monitor the credit status of each counterparty.

B. Management of market risk (risk of fluctuations in foreign exchange rates, interest rates, etc.)

For investment securities, the Company periodically monitors the market value and financial conditions of the issuing entity (counterparty company).

C. Management of liquidity risk (risk of being unable to make payments on due dates) related to fund procurement

The Group has a cash management system in place, which is managed by the parent company through methods such as the preparation of a group-wide cash management plan. In addition, the Company has overdraft and commitment line agreements with correspondent banks, which enable the Company to flexibly procure funds.

(iv) Supplementary information on fair value of financial instruments

The calculation of the fair value of financial instruments includes values based on market prices and, in the absence of market prices, reasonably estimated values. Since certain assumptions, etc., are used in the calculation of such value, such value may vary if different assumptions, etc., are used.

(2) Matters related to the fair value of financial instruments

Consolidated balance sheet amount, fair value and their differences are as follows.

(unit: millions of yen)

	Consolidated Balance Sheet Amount	Market value	Difference
(1) Notes receivable - trade	34	34	-
(2) Accounts receivable - trade	7,224	7,224	-
(3) Investment securities			
Available-for-sale securities	17	17	-
(4) Deposits and guarantees	603	526	(77)
Total Assets	7,880	7,802	(77)
(1) Accounts payable - trade	2,017	2,017	-
(2) Short-term borrowings	2,220	2,220	-
(3) Accounts payable - other	1,111	1,111	-
(4) Income taxes payable	2,029	2,029	-
(5) Accrued consumption taxes	662	662	-
(6) Long-term borrowings (including current portion of long-term borrowings)	2,783	2,783	(0)
Total liabilities	10,825	10,824	(0)

(*1) "Cash and deposits" are omitted because they are cash and deposits are settled in a short period of time and their fair value approximates their book value.

(*2) Stocks with no market price are not included in (3) Investment securities. The carrying amounts of such financial instruments in the consolidated balance sheets are as follows

Classification	Consolidated Balance Sheet Amount (Millions of yen)
Shares of subsidiaries and affiliates	43
Unlisted stocks	3

(Notes) 1. Redemption schedule of monetary claims after the consolidated balance sheet date

Classification	Within one year (Millions of yen)
Deposit	2,339
Notes receivable - trade	34
Accounts receivable - trade	7,224
Total amount	9,598

(*) Lease and guarantee deposits are not included in the redemption schedule because the repayment dates are not clearly ascertainable.

2. Amount to be repaid after the consolidated balance sheet date for short-term borrowings and long-term borrowings

(unit: millions of yen)

	Within one year	Over one year Within 2 years	Over 2 years Within 3 years	Over 3 years Within 4 years	Over 4 years Within 5 years	Over 5 years
Short-term borrowings	2,220	-	-	-	-	-
Long-term borrowings (including current portion of Long-term borrowings)	1,768	869	145	-	-	-
Total amount	3,988	869	145	-	-	-

(3) Breakdown of the market value of financial instruments by level

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: Fair value calculated based on (unadjusted) quoted market prices in active markets for identical assets or liabilities

Level 2 fair value: Fair value calculated using directly or indirectly observable inputs other than Level 1 inputs

Level 3 fair value: Fair value calculated using significant unobservable inputs

When multiple inputs that have a significant impact on the calculation of fair value are used, fair value is classified to the level with the lowest priority in the calculation of fair value among the levels to which each of those inputs belongs.

(i) Financial assets and liabilities with fair value in the consolidated balance sheet

Classification	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total amount
Investment securities Available-for-sale securities	17	-	-	17

(ii) Financial assets and liabilities that do not have a fair value in the consolidated balance sheet

Classification	Market value (Millions of yen)			
	Level 1	Level 2	Level 3	Total amount
Notes receivable - trade	-	34	-	34
Accounts receivable - trade	-	7,224	-	7,224
Lease and guarantee deposits		526	-	526
Total Assets	-	7,785	-	7,785
Accounts payable - trade	-	2,017	-	2,017
Short-term borrowings	-	2,220	-	2,220
Accounts payable - other	-	1,111	-	1,111
Income taxes payable	-	2,029	-	2,029
Accrued consumption taxes	-	662	-	662
Long-term borrowings (including current portion of long-term borrowings)	-	2,783	-	2,783
Total liabilities	-	10,824	-	10,824

(Note) Explanation of valuation techniques used in the calculation of fair value and inputs related to the calculation of fair value

Investment securities

Listed stocks are valued using quoted market prices. Since listed stocks are traded in active markets, their fair value is classified as Level 1 fair value.

Notes receivable - trade, accounts receivable - trade and security deposits

The fair value of these loans is calculated using the discounted present value method based on the amount of the loan, the period to maturity, and the interest rate that takes into account credit risk for each loan classified by a certain period of time, and is classified as Level 2 fair value.

Accounts payable - trade short-term borrowings, accrued income taxes and accrued consumption taxes accounts payable - other

The fair value of these loans is calculated using the discounted present value method based on the future cash flows of each debt classified by a certain period of time and an interest rate that takes into account the period until the due date and credit risk, and is classified as Level 2 fair value.

Long-term borrowings

The fair value of these loans is determined using the discounted present value method based on the sum of the principal and interest, plus an interest rate that takes into account the remaining term of the debt and credit risk, and is classified as Level 2 fair value.

8. Notes to revenue recognition

(1) Information disaggregating revenue from contracts with customers

(Millions of yen)

	Net sales
Maintenance and repair services	30,538
Modernization services	17,325
Other	1,511
Revenue from contracts with customers	49,375
Other income	-
Sales to external customers	49,375

(2) Information that provides a basis for understanding revenue arising from contracts with customers

Basis for understanding revenues arising from contracts with customers is described in "1. Notes to Significant Accounting Policies (4)Accounting Policies (iv) Basis for recording revenues and expenses".

(3) Information to understand the amount of revenue for the current and subsequent fiscal years

(i) Outstanding contract assets and liabilities, etc.

(Millions of yen)

	Current fiscal year
Receivables arising from contracts with customers (beginning balance)	
Notes receivable - trade	53
Accounts receivable - trade	6,386
Receivables arising from contracts with customers (ending balance)	
Notes receivable - trade	34
Accounts receivable - trade	7,224
Contract liabilities (beginning balance)	712
Contract liabilities at end of period	731

Contract liabilities held at the beginning of the current fiscal year are mainly recognized as income in the current fiscal year.

Contract liabilities increase mainly due to the receipt of unearned consideration for modernization services and decrease due to the satisfaction of performance obligations.

(ii) Transaction price allocated to the remaining performance obligations

Since there are no material contracts with an initial expected contract term exceeding one year, the practical expedient method is applied and the description is omitted.

9. Notes to Per Share Information

(1) Net assets per share	224.13 yen
(2) Profit per share	62.10 yen

10. Notes on Significant Subsequent Events

Not applicable.

11. Other Notes

Change the unit of measure for displaying amounts

Effective from the fiscal year ended March 31, 2025, the unit of presentation for monetary amounts has been changed from thousands of yen to millions of yen.

Notes to the Financial Statements

1. Notes to Significant Accounting Policies

(1) Valuation standards and methods for assets

Marketable securities

Shares of subsidiaries and affiliates

Stated at cost determined by the moving-average method.

Available-for-sale securities

Stocks with no market price

Mainly stated at cost determined by the moving-average method.

(2) Depreciation method for fixed assets

(i) Property, plant and equipment (excluding leased assets)

The straight-line method is mainly used.

The main useful lives are as follows: Buildings and structures

Buildings and structures	3 to 50 years
Tools, furniture and fixtures	2 to 17 years

(ii) intangible assets (excluding leased assets)

The straight-line method is used.

Software for internal use is amortized over the estimated useful life (5 years).

(iii) Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

The straight-line method is used, where the lease period is deemed as the useful life of the asset and the residual value is set as zero.

(3) Accounting standards for reserves

(i) Allowance for doubtful accounts: To provide for possible losses on accounts receivable, loans receivable and other receivables, an allowance for doubtful accounts is provided for the estimated uncollectible amount based on the historical write-off ratio for general receivables and on an individual assessment of collectibility for specific receivables such as doubtful receivables.

(ii) Provision for bonuses To provide for the payment of bonuses to employees, an amount accrued for the current fiscal year is recorded based on the estimated amount of bonus payments.

(iii) Allowance for retirement benefits

Method of attributing estimated retirement benefits to periods of service

In calculating the retirement benefit obligation, the estimated amount of retirement benefits is attributed to the period up to the end of the current fiscal year based on the benefit calculation method.

Method of amortizing actuarial gains and losses

Actuarial gains and losses are amortized by the straight-line method over a fixed number of years (9 years) within the average remaining service period of employees at the time of occurrence of each fiscal year, with the amount prorated from the following fiscal year of occurrence.

(iv) Allowance for loss on business of subsidiaries and affiliates

To provide for losses in the business of affiliated companies, the estimated amount of losses that the Company will have to bear in excess of its investment in the affiliated companies is provided for.

(4) Basis for recording revenues and expenses

The Company's revenues consist of management guidance fees and business management fees from subsidiaries. For management guidance fees and operational management fees, the Company recognizes revenues based on the provision of contracted services to subsidiaries over the contract period, as the performance obligation is satisfied over a certain period of time through the provision of contracted services to the subsidiaries.

(5) Other important matters that form the basis for the preparation of the financial statements.

Translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate prevailing at the end of the fiscal year, with translation differences recognized as gains or losses.

2. Notes on Changes in Accounting Policies

(Application of the Accounting Standard for Income taxes - current etc.)

The Company has adopted the "Accounting Standard for Corporate, Inhabitant and Enterprise Taxes" (ASBJ Statement No. 27, October 28, 2022; hereafter referred to as the "2022 Revised Accounting Standard") from the beginning of the current fiscal year.

Revisions regarding the classification of income taxes (taxation on Other comprehensive income) are in accordance with the transitional treatment stipulated in the proviso of the Revised Accounting Standard 20-3 of 2022.

There is no impact of this change in accounting policy on the financial statements.

3. Notes on Changes in Presentation Method

(Statements of income)

(i) Depreciation " (14 million yen in the previous fiscal year), which was included in "Others" of "Non-operating expenses" in the previous fiscal year, is separately presented in the current fiscal year due to its increased monetary importance.

(ii) Extraordinary losses Loss on retirement of non-current assets " (2 million yen for the current fiscal year), which was separately presented in the previous fiscal year, is included in "Others" from the current fiscal year because it has become immaterial in terms of amount.

4. Notes on Accounting Estimates

Valuation of stocks of subsidiaries and affiliates

(1) Amounts recorded in the financial statements for the current fiscal year

Shares of subsidiaries and affiliates	4,505 million yen
Allowance for loss on business of subsidiaries and affiliates	329 million yen
Provision for loss on business of subsidiaries and affiliates	19 million yen

(2) Other information that contributes to the understanding of the users of the financial statements

(i) Calculation method

For stocks of subsidiaries and affiliates that do not have quoted market prices, the Company compares the actual value of the stock with the cost of acquisition. If the actual value of the stock declines significantly, the Company reduces the value of the stock by a reasonable amount, unless the recoverability of the stock is supported by sufficient evidence, in which case the amount of the decline is recognized as a loss on valuation of stocks of subsidiaries and affiliates.
In particular, shares of affiliated companies (totaling 3,101 million yen) related to affiliated companies acquired through mergers and acquisitions are valued based on the excess earning power calculated by enterprise value measurement at the time of acquisition of the companies in question to the actual value. The existence of damage to excess earning capacity is determined by confirming the achievement of operating profit and future cash flows based on future business plans. As of the end of the current fiscal year, the Company believes that its excess earning capacity is not impaired.
In the event that the estimated amount of losses to be incurred by the Company for an affiliated company exceeds the amount of claims against the company, an allowance for loss on business of the affiliated company is provided for the excess amount of losses.

(ii) Key Assumptions

The main assumption in each company's future business plan is that sales will be derived from maintaining and increasing the number of contracts for maintenance and repair services, etc., through enhanced sales activities.

(iii) Effect on the financial statements for the following fiscal year

The key assumption, sales in each company's future business plan, is subject to estimation uncertainty, and there is a risk that this could materially affect the decision to value the shares of affiliated companies.

5. Notes to Balance Sheet

(1) Overdraft and commitment line agreements

The Company has overdraft and commitment line agreements with correspondent banks for the purpose of efficient and stable working capital procurement. The following are unused lines of credit based on these agreements as of the end of the current fiscal year. In addition, the loan commitment line agreements contain financial covenants with certain conditions regarding net assets and earnings.

Total amount of current account overdrafts and commitment lines of credit	11,400 million yen
Loan balance	2,180 million yen
subtotal	9,219 million yen

(2) Receivables from and payables to affiliated companies are as follows (excluding those presented separately)

(i) Short-term monetary claims	15 million yen
(ii) Long-term monetary claims	44 million yen
(iii) Short-term monetary obligations	11 million yen

6. Notes to Statements of Income

Transactions with subsidiaries and affiliates	
Transaction volume from business transactions	
Operating revenue	8,324 million yen
Operating expenses	36 million yen
Non-operating transactions	37 million yen

7. Notes to Non-consolidated Statement of Changes in Net Assets

Type and number of treasury shares at the end of the current fiscal year

Common stock	9,981 shares

8. Notes to Tax Effect Accounting

Significant components of deferred tax assets and liabilities

Deferred tax asset	
Provision for bonuses	40 million yen
Allowance for retirement benefits	373 million yen
Asset retirement obligations	145 million yen
Shares of subsidiaries and affiliates	329 million yen
Other	372 million yen
Deferred tax assets subtotal	1,261 million yen
Valuation allowance	(433) million yen
Total deferred tax assets	828 million yen
Deferred tax liabilities	
Removal costs corresponding to asset retirement obligations	(98) million yen
Total deferred tax liabilities	(98) million yen
Net deferred tax assets	729 million yen

9. Notes on Transactions with Related Parties

Subsidiaries and affiliates, etc.

type	Name of Company, etc.	Percentage of voting rights, etc. held (held)	Relationship with related parties	Transaction details	Amount of transaction (Millions of yen)	Transaction details	Balance at end of year (Millions of yen)
Subsidiary	Japan Elevator Service Jyonan Co., Ltd.	Ownership Direct 100.0%	Loans and borrowing of funds Various management guidance Concurrent directors	Borrowing of funds Various management fee Interest payments	230 1,526 1	Short-term borrowings Accrued interest	275 0
Subsidiary	Japan Elevator Service Jyosai Co., Ltd.	Ownership Direct 100.0%	Loans and borrowing of funds Various management guidance Concurrent directors	Borrowing of funds Various management fee Interest payments	205 1,531 1	Short-term borrowings Accrued interest	237 0
Subsidiary	Japan Elevator Service Kanagawa Co., Ltd.	Ownership Direct 100.0%	Loans and borrowing of funds Various management guidance Concurrent directors	Borrowing of funds Various management fee Interest payments	209 1,069 1	Short-term borrowings Accrued interest	294 0
Subsidiary	Japan Elevator Service Tokai Co., Ltd.	Ownership Direct 100.0%	Loans and borrowing of funds Various management guidance Concurrent directors	Borrowing of funds Interest payments	484 2	Short-term borrowings Accrued interest	580 0
Subsidiary	Japan Elevator Parts Co., Ltd.	Ownership Direct 100.0%	Loans and borrowing of funds Various management guidance Concurrent directors	Loan of funds Various management fee Receipt of interest	2,868 1,068 17	short-term loans receivable Accrued interest	2,916 1
Subsidiary	Miyoshi Elevator Co., Ltd.	Ownership Direct 100.0%	Loans and borrowing of funds Concurrent directors	Borrowing of funds Interest payments	635 3	Short-term borrowings	739
Subsidiary	Japan Elevator Service Kansai Co., Ltd.	Ownership Direct 100.0%	Loans and borrowing of funds Various management guidance Concurrent directors	Borrowing of funds Interest payments	403 2	Short-term borrowings Accrued interest	550 0
Subsidiary	Japan Elevator Service Kyushu Co., Ltd.	Ownership Direct 100.0%	Loans and borrowing of funds Various management guidance Concurrent directors	Borrowing of funds Interest payments	168 0	Short-term borrowings Accrued interest	254 0
Subsidiary	Joshin Building Service Co., Ltd.	Ownership Direct 100.0%	Borrowing of funds Concurrent directors	Borrowing of funds Interest payments	80 1	Short-term borrowings	272

Terms and conditions of transactions and policy for determining terms and conditions of transactions, etc.

(Notes) 1. Loans and borrowings of funds are transactions in the Group's cash management system (CMS), and the transaction amounts are the average balances during the period. Interest rates are determined based on market interest rates.

2. Loans of funds are determined based on market interest rates.

10. Notes to Revenue Recognition

Notes have been omitted because the same information that forms the basis for understanding revenues from contracts with customers is presented in "Notes on Significant Accounting Policies (4) Basis for Recognition of Revenues and Expenses" in "Notes to Non-Consolidated Financial Statements.

11. Notes to Per Share Information

(1) Net assets per share	118.13 yen
(2) Profit per share	27.52 yen

12. Notes on Significant Subsequent Events

Not applicable.

13. Other Notes

Change the unit of measure for displaying amounts

Effective from the current fiscal year, the unit of presentation for monetary amounts has been changed from thousands of yen to millions of yen.