

Daiki Axis Co., Ltd. (4245, First Section, Tokyo Stock Exchange) Issues Operating Performance in the Third Quarter of the Fiscal Year Ending December 2016

TOKYO— <u>Daiki Axis</u> (TOKYO:4245) is pleased to announce the results for its 2016 third quarter.

Summary

Cumulative results in the third quarter of the fiscal year ending December 2016, were net sales of ¥23,765 million (down 1.6% YoY), operating income of ¥664 million (up 14.7% YoY), ordinary income of ¥812 million (up 19.1% YoY) and net income of ¥485 million (up 39.5% YoY).

Daiki Axis core businesses are the environmental equipment and housing equipment-related businesses. In the environmental equipment-related business, overseas sales grew substantially, with net sales rising 5.0% year on year, to ¥1,186, million and segment income (operating income) increasing 16.0% year on year, to ¥869 million.

In the housing equipment-related business, segment sales were lower compared to the previous fiscal year due to a drop in sales to construction-related operators after an unusually high amount of LED lighting sales in the previous year, resulting in net sales declining 8.4% year on year, to ¥11,394, million and segment income (operating income) decreasing 20.9% year on year, to ¥330 million.

In other businesses, The CleCla business grew slightly compared to the previous fiscal year, while the BDF business increased significantly due to sales of BDF plans. As a result, other business net sales increased 18.3% year on year, to ¥564 million, and segment income (operating income) was ¥30 million (compared to an operating loss of ¥69 million in the previous fiscal year).

The Company formulated the medium-term management plan V-PLAN60 for the three year period from fiscal 2016 to fiscal 2018. Based on the "hop-step-jump" concept, this fiscal year is regarded as the "hop" year in which the Company will launch initiatives aimed at further enhancing corporate value.

Daiki Axis Co., Ltd. (4245, First Section, TSE) 'Summary of Consolidated Financial Results for the Nine Month Ended September 30, 2016' are available.

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Release Inquiries

Borderless IR Co., Ltd.

Sixth Floor, Toyo Building 1-2-10 Nihonbashi, Chuo-ku, Tokyo 103-0027 JAPAN

TEL: +81-3-4588-6706

info@b-ir.co.jp

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