

Daiki Axis' Business Strategies and Earnings Reviewed by KCR

NOTE TO EDITORS: The following is an investment opinion issued by KCR Inc.

Tokyo –[Daiki Axis CO., Ltd. \(TOKYO:4245\)](#), an eco-creation and development company that creates social infrastructure centered on water-related businesses, recently has been reviewed by KCR Inc., an independent research and investor relations support company providing reports on various publicly traded Japanese companies. In this report, KCR provides analysis of the company's business model and earnings.

Report Highlights

Daiki Axis Co., Ltd's efforts are focused on environmental equipment-related businesses, which include policies aimed at aggressive overseas development.

In Japan, the Company's environmental equipment-related business aims to increase profitability through a focus on stock businesses including maintenance and water supply businesses.

The Company forecast for the fiscal year ending December 2016 calls for net sales of ¥33,430 million (up 3.3% YoY), operating income of ¥1.0 billion (up 5.7% YoY), ordinary income of ¥1,103 million (up 4.4% YoY) and net income of ¥720 million (up 116.3% YoY). This fiscal year, the Company expects sales and income to reach new highs.

The Company's three-year medium-term management plan targets net sales of ¥35.6 billion (of which ¥1,224 million is from overseas), operating income of ¥1,350 million, ordinary income of ¥1.5 billion and net income of ¥1.0 billion.

The Company has an aggressive stance with respect to shareholders' return. Having introduced a shareholders' benefit plan, the Company aims for a consolidated payout ratio of 30% or higher in the fiscal year ending December 2018.

KCR expects sales and profits to exceed Company plans for the current fiscal year. KCR assigns an overall rating of +2 (BUY) to Daiki Axis and maintains its buy recommendation with an immediate target share price of ¥1,450.

Read the full research report (KCR Inc.), please see:

<http://contents.xj->

storage.ip/xcontents/AS03821/35fd2190/5d5c/4308/bc3c/8de5e93b9c15/20161202132049074s.pdf

For details about Daiki Axis Co., Ltd. (TOKYO:4245), please see:

<http://www.daiki-axis.com/english/>

Attentions

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