

Daiki Axis Co., Ltd. (4245, First Section, Tokyo Stock Exchange) Issues Operating Performance for the Three Months Ended March 31, 2017

TOKYO—<u>Daiki Axis</u> (TOKYO: 4245) is pleased to announce its results for the three months ended March 31, 2017.

Summary of Results

Under V-PLAN60, the Company's medium-term management plan for the three-year period from fiscal 2016 to fiscal 2018, fiscal 2017 is regarded as the "step" year. This involves reinforcing strategies and commencing initiatives that will lead into the "jump" year that follows. Putting its focus on ensuring future revenue and profits, the Company is working to generate recurring revenue through energy service company (ESCO) businesses in the area of maintenance and water utilities, bolster overseas sales, remain faithful in the housing equipment-related business segment to a style of sales that adheres faithfully to the Company's roots, and cultivate new customers.

During the first three months of the fiscal year ending in December 2017, the Company generated net sales of JPY9,407 million (up 3.9% YoY), operating income of JPY562 million (up 51.4% YoY) and ordinary income of JPY575 million (up 27.5% YoY). Profit attributable to owners of parent was JPY350 million (up 10.9% YoY), due to the recording of an impairment loss as an extraordinary loss.

In the environmental equipment business, sales of wastewater treatment systems were up significantly year on year, with the completion of major projects making a particularly large contribution to overseas sales. Segment sales accordingly came to JPY5,279 million (up 20.5% YoY), and segment income (operating income) was JPY621 million (up 86.8% YoY).

In the housing equipment-related business, performance was firm, as sales to constructionrelated companies benefited from the company's general efforts to cultivate customers. Segment sales were JPY3,983 million (down 11.1% YoY) and segment income (operating income) was JPY166 million (down 19.1%).

In other businesses, the CleCla business was down slightly, and performance in the BDF

business was down sharply due to a lack of sales of BDF plants. As a result, segment sales were JPY144 million (down 25.8% YoY) and the segment loss (operating loss) was JPY4 million, compared with segment income (operating income) of JPY16 million in the same period of the preceding year.

Daiki Axis Co., Ltd. (4245, First Section, TSE) "Summary of Consolidated Financial Results for the Three Months Ended March 31, 2017" is available here:

http://contents.xj-

storage.jp/xcontents/AS03821/cd9ab75a/3aa2/4623/9ada/95c084caf74f/20170522184206 294s.pdf

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