



Daiki Axis Co., Ltd. (4245, First Section, Tokyo Stock Exchange) Issues Operating Performance for the Six Months Ended June 30, 2017

TOKYO—[Daiki Axis](#) (TOKYO: 4245) is pleased to announce its results for the six months ended June 30, 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.

To accelerate business diversification and overseas development, Daiki Axis has introduced a system of business divisions. The company set up the global business division, which oversees its overseas subsidiaries and is headed by the president and CEO. The company plans to increase its speed of overseas development under this new arrangement.

In order to respond flexibly for future M&A and the new establishment and enhancement of overseas production facilities, the company has expanded its commitment line agreements (through March 31, 2020), that make available funds of JPY11.0 billion, JPY3.0 billion more than its previous commitment lines totaling JPY8.0 billion.

During the first six months of the fiscal year ending in December 2017, the Company generated net sales of JPY16,637 million (up 3.9% YoY), operating income of JPY590 million (up 23.7% YoY) and ordinary income of JPY648 million (up 9.0% YoY). Profit attributable to owners of parent was JPY379 million (up 1.8% YoY), affected by the recording of an impairment loss of JPY15 million (impairment due to the worsening profitability of a water supply plant in the city of Oita) as an extraordinary loss.

In the environmental equipment business, sales of wastewater treatment systems were up year on year, with the completion of major projects making a particularly large contribution to overseas sales. Segment sales accordingly came to JPY8,686 million (up 9.0% YoY),

and segment income (operating income) was JPY762 million (up 33.5% YoY)

In the housing equipment-related business, exterior wall construction was down. As a result, segment sales were JPY7,447 million (down 3.2% YoY) and segment income (operating income) was JPY269 million (up 2.6%).

In other businesses, the company had no sales of production plants in the BDF business. However, Daiki Axis did post sales in the compact wind generator business, which had no sales in the first half of the preceding fiscal year. Also, in the first quarter the company converted Kishimoto Co., Ltd., to a subsidiary, and this company's results were included in Daiki Axis's consolidated performance from April. As a result of these factors, segment sales were JPY503 million (up 43.8% YoY) and the segment loss (operating loss) was JPY17 million, compared with segment income (operating income) of JPY15 million in the same period of the preceding year.

Daiki Axis Co., Ltd. (4245, First Section, TSE) "Summary of Consolidated Financial Results for the Six Months Ended June 30, 2017" is available here:

<http://www.daiki-axis.com/ir/info/index09.html>

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