

## Daiki Axis' Business Strategies and Earnings Reviewed by KCR

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NOTE TO EDITORS: This release contains 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., is an eco-creation and development company that creates social infrastructure centered on water-related businesses. Their efforts are focused on environmental facility-related businesses, which include policies aimed at aggressive overseas development.

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

KCR's forecast for the fiscal year ending December 2017 calls for net sales of JPY34,418 million (up 4.8% YoY), operating income of JPY1,136 million (up 22.0% YoY), ordinary income of JPY1,342 million (up 18.1% YoY) and net income of JPY872 million (up 34.5% YoY). In line with the Company's plans, sales and income are expected to reach new heights, with the potential for further dividend increases.

The market environment is bright. In July 2017, the Ministry of the Environment formulated Basic Strategies to Promote Japanese Environmental Infrastructure Overseas. This is a promising trend because septic tanks are included the action items of each environmental infrastructure area targeting ASEAN countries. Additionally, as "water" is the research theme of the Crown Prince's life work, there is a possibility that national interest will grow going forward.

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.

Promising as an overseas water infrastructure-related theme stock, KCR assigns a rating of +1 (Strong Buy 5 stars) to Daiki Axis and maintains its buy recommendation (issues expected to outperform +20%~ within one year) as an investment decision, with an immediate target share price of JPY1,742.

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

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

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

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

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