



**Daiki Axis Co., Ltd. (4245, First Section, Tokyo Stock Exchange)  
Issues Operating Performance for the Fiscal Year Ended Dec. 31, 2017**

TOKYO—[Daiki Axis](#) (TOKYO: 4245) is pleased to announce its results for the fiscal year ended December 31, 2017.

**Summary of Results**

Daiki Axis has introduced a system of business divisions in the aim of securing future revenues and profits and to accelerate business diversification and overseas development. The Company set up the global business division, which oversees its overseas subsidiaries and is headed by the president and CEO. The Company is increasing its speed of overseas development under this new arrangement.

In order to respond flexibly to domestic and overseas M&A opportunities and establish and enhance overseas production facilities, the Company has expanded its commitment line agreements. These agreements make available funds of JPY11.0 billion, up from previous commitment lines totaling JPY8.0 billion.

During the fiscal year ended December 31, 2017, the Company generated net sales of JPY33,561 million (up 2.3% YoY), operating income of JPY1,143 million (up 22.8% YoY) and ordinary income of JPY1,342 million (up 18.2% YoY). Profit attributable to owners of parent was JPY744 million (down 14.8% YoY). Since first publicizing accounts on a consolidated basis, the Company has reported year-on-year increases in net sales and ordinary income for six consecutive fiscal years. This year, operating income and profit attributable to owners of parent both reached historic highs.

In the environmental equipment business, sales of wastewater treatment systems were up slightly year on year, with the completion of major projects making a particularly large contribution to overseas sales. Sales in the maintenance business, which is a recurring-revenue business, were up slightly year on year, and ESCO revenues in the water supply business increased. Segment sales accordingly came to JPY16,445 million (up 3.3% YoY), and segment income (operating income) was JPY1,356 million (up 13.2% YoY).

In the housing equipment-related business, sales of DIY store retail merchandise edged up, but sales were down substantially for exterior wall construction in the construction of residential machinery category. As a result, segment sales were JPY15,584 million (down 3.6% YoY) and segment income (operating income) was JPY578 million (up 16.4%).

In other businesses, performance was up slightly in the CleCla business, due to expansion of the sales area. In the biodiesel fuel (BDF)-related business, performance was down substantially due to a lack of sales of BDF plants during the period. Sales in the compact wind generator business also fell significantly. However, in the first quarter the Company converted Kishimoto Co., Ltd. (now DAD Co., Ltd.), to a subsidiary, and this company's results were included in Daiki Axis's consolidated performance from the second quarter, beginning in April. As a result of these factors, segment sales were JPY1,530 million (up 109.2% YoY), with segment income (operating income) of JPY13 million (down 39.4% YoY).

Fiscal 2018 marks the final year to the V-PLAN60 medium-term management plan. Under this plan, the Company will work to enhance corporate value. For the fiscal year ending December 31, 2018, the Company forecasts consolidated net income of JPY35.6 billion, ordinary income of JPY1.5 billion, and profit attributable to owners of parent of JPY1.0 billion.

Daiki Axis's basic policy on dividends targets a consolidated payout ratio of 25% or more for the time being, but ultimately the Company aims to increase this figure to 30%. For the upcoming fiscal year, the Company forecasts total dividends of JPY24 per share, including interim and year-end dividends of JPY12 each.

For some time, the Daiki Axis Group has been pursuing the infrastructure business, and on January 9, 2018, it announced the start of a business of selling electricity generated by solar power. Renewable energy is a new business category within the infrastructure business. This business is one aspect of the Group's environmental improvement activities (part of its ESG efforts), and is expected to bolster profitability.

**[Daiki Axis Co., Ltd. \(4245, First Section, TSE\)](#) “Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2017”** is available here:

[www.daiki-axis.com/ir/info/index09.html](http://www.daiki-axis.com/ir/info/index09.html)

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