Daiki-AXIS

# Briefing for Medium-Term Management Plan(2025-2027)

March 11, 2025



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# Record high sales (+9.7%) large increase in operating profit (+58.8%)

	FY ended De	cember 2023	FY	ended December 2	024
	Results(million yen)	Ratio to sales(%)	Results(million yen)	Ratio to sales(%)	Change(%)
Net sales	426	_	468	_	9.7
Environmental equipment businesses	210	49.2	236	50.5	12.6
Overseas sale	14	3.5	24	5.2	63.1
Household equipment businesses	183	42.9	198	42.4	8.4
Renewable energy businesses	27	6.4	27	5.8	(1.4)
Other businesses	6	1.5	6	1.3	(1.1)

	Results(million yen)	Rate(%)	Results(million yen)	Rate(%)	Change(%)
Operating profit	6.6	1.5	10.4	2.2	58.8
Environmental equipment businesses	14.2	6.8	20.2	8.6	42.5
Household equipment businesses	2.7	1.5	4.5	2.3	62.5
Renewable energy businesses	2.5	9.4	1.2	4.6	(52.3)
Other businesses	0.3	6.2	(0.2)	_	_
Adjustments (Amount of company-wide expenses and elimination)	(13.3)		(15.2)		-

### Net sales

- ✓ Environmental equipment and household equipment, our main segments, performed strongly due to the recording of large-scale projects, growth in overseas business, and M&A synergies
- ✓ Achieved record high

### Operating profit

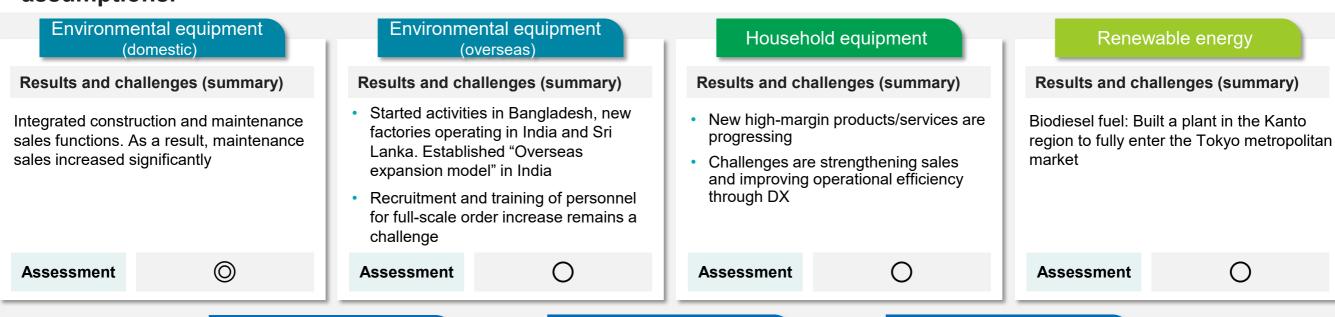
- √ The price pass-through of higher raw material and outsourcing costs has progressed, increasing the ratio of gross profit to sales.
- ✓ While investing in human capital, overseas business, and M&A (implemented in 2023) for growth, operating profit increased by approximately 59% compared to the previous period.

# Review of Previous Medium-Term Management Plan (Summary)



Achieved the previous medium-term management plan's FY2025 sales target (45.0 billion yen) one year early in FY2024

However, operating profit target was not achieved, mainly due to significant changes in external environment assumptions.



#### M&A Technology development IT promotion Results and challenges (summary) Results and challenges (summary) Results and challenges (summary) Internal communication tools have been fully Developing products tailored to each Implemented M&A in housing and renewable energy. Considering implemented overseas area strengthening the East Japan area Considering in-house production of Development for strengthening proposal and moving forward renewable energy equipment sales capabilities remains a challenge **Assessment** Δ Assessment Assessment

Medium-Term Management Plan 2025-2027 Management Strategies

Business Strategies

Financial Strategies

Medium-Term Management Plan 2025-2027 Management Strategies

(02) Business Strategies

Financial Strategies

# Management Strategy | Serious Global Situation



One in four people worldwide is forced to live in unsanitary water and sanitation environments. Over 80% of diseases in developing countries are said to be caused by poor water and sanitation. Many individuals suffer from pollution-related illnesses due to untreated industrial wastewater, and inadequate sewage treatment contaminates rivers and oceans, leading to numerous infant deaths.

Furthermore, rapid economic growth and explosive population growth in developing countries are exacerbating this problem.

The crisis caused by polluted water is not confined to specific regions. It is interconnected through oceans, and through marine product and agricultural supply chains, and it is poised to trigger a global crisis.

### Global water and sanitation issues

80% of the world's sewage is discharged into rivers and oceans without treatment

> **2.2 billion people** do not have access to safe drinking water and rely on poor-quality water sources

In developing countries, up to 50% of urban tap water is contaminated with bacteria

> Over 80% of diseases in developing countries are caused by poor water and sanitation

**2.4 billion people** cannot use safe sanitation facilities (toilets)

Approximately 1.4 million people die each year from diarrheal diseases caused by unsanitary water

### 360,000 infants under the age of 5 die annually from diarrheal diseases

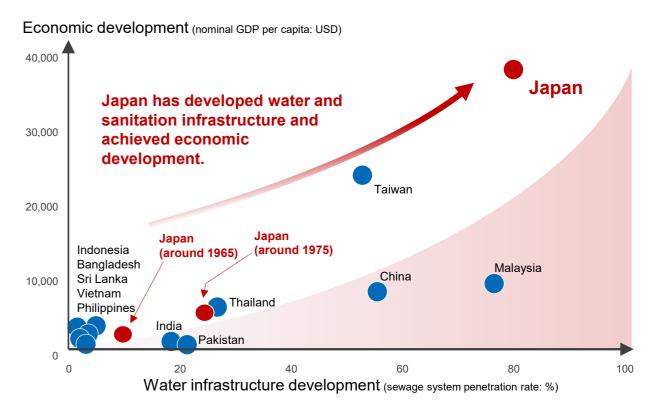
The mortality rate from diarrheal diseases in low-income

Japan International Cooperation Agency (JICA), August 2019, "Development Issues of Sewage Treatment in Developing Countries"

Professor Hideki Harada, Tohoku University, "The Crisis Here and Now: Water and Sanitation in Developing Countries and Development of

countries is about 230 times that of high-income countries

Water and sanitation infrastructure development correlates with economic development



(1) Exceeding 1,000 USD: Around 1965, national sewage system penetration rate: approx. 8% / Tokyo metropolitan area: 35% (2) Exceeding 5,000 USD: Around 1975, national sewage system penetration rate: approx. 23% / Tokyo metropolitan area: 63%

Japan's nominal GDP per capita:

Water Project Summit with CDP Japan water launch 2016

Source: JICA "Development Issues of Sewage Treatment in Developing Countries" 2019

Appropriate Technology for Sewage Treatment"

World Health Organization 2019

# **Our Social Mission**

Transfer public health technology
cultivated through Japan's trial and error to
countries around the world,
contributing to the creation of a safe and secure world

# Making Japan's safety and security a part of everyday life worldwide



# We aim to transform from a domestic Johkasou manufacturer to a "global water business player."

# Enter the global market based on technology cultivated in Japan

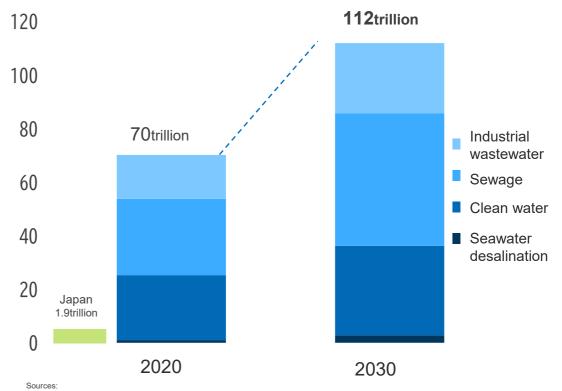
 Group countries by stages of development in developing countries and enter markets when they become viable

### **Gloal Market Entry Image**



### The global water business market exceeds 100 trillion yen

- The global market has grown 1.6 times in 10 years
- No further growth is expected in the Japanese market

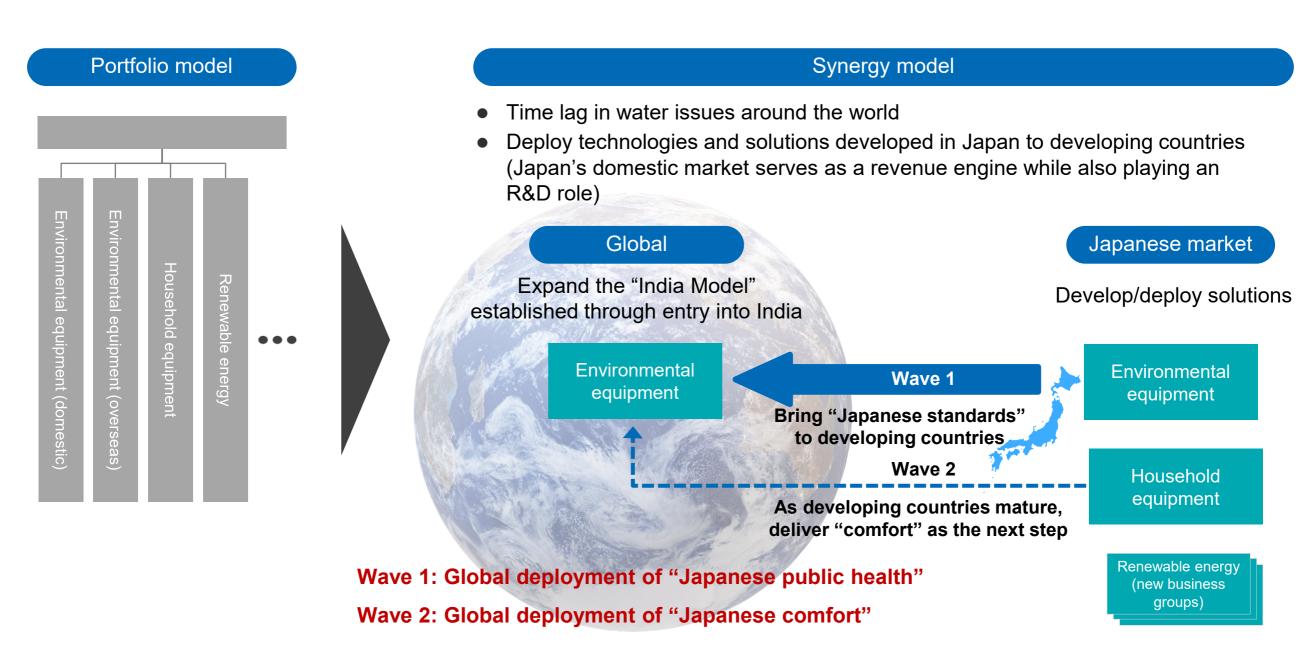


Ministry of Economy, Trade and Industry "Survey on the Review of 10 Years of Overseas Expansion Measures for Water Business and Future Development Directions"

Ministry of Economy, Trade and Industry "Survey Report on Overseas Expansion and Trend Monitoring Methods for Water Business"

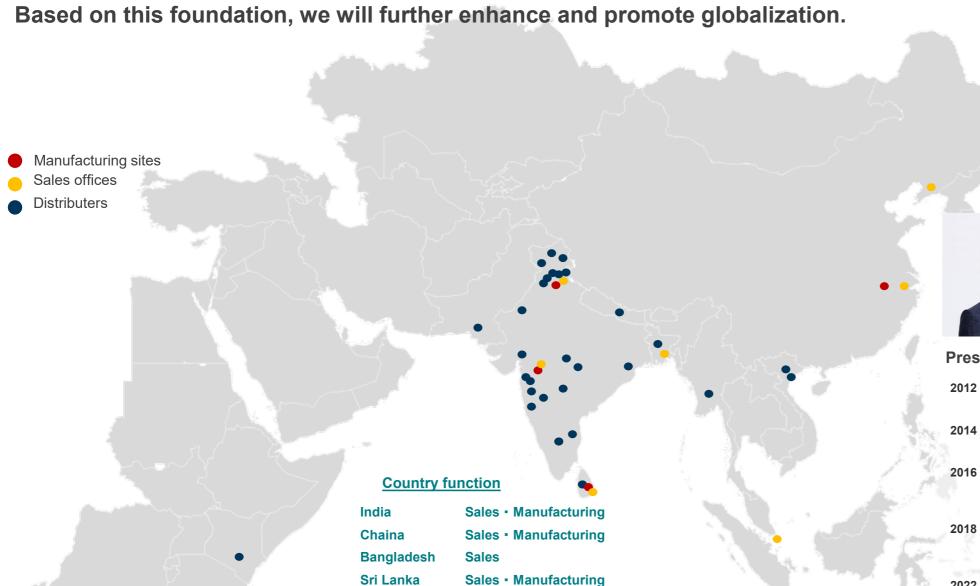


# Each business will cooperate to pursue synergies on a global basis.





We have 5 manufacturing sites, 9 sales offices, and 31 distributors worldwide.



Sales • Manufacturing

Sales · Overseas Management

Indonesia

**Singapore** 



2024

President

### President CEO · CIO OGAME Hiroki

2012	Graduated from Kumon High School in Switzerland (volunteered in Zambia)
2014	Studied abroad in England for one year (internship in Kenya and India)
2016	Graduated from School of International Liberal Studies, Waseda University Joined Hitachi, Ltd.
2018	Joined Daiki Axis, assigned to Global Business Division (sales support in Myanmar, India, and Sri Lanka)
2022	Senior Managing Director, (in charge of management strategies and overseas business strategies

Medium-Term Management Plan 2025-2027 Management Strategies

02 Business Strategies

Financial Strategies

# Business Strategy | Overview of Each Business



			(Unit: billion yen)	FY2024 Results	FY2027 Plan	Vs. FY2024
	Jap	The installation of Johkasou in areas lacking sewage systems, along with the implementation of wastewater treatment systems for large facilities such as food and chemical factories and hospitals, constitutes the main				
	Japanese	businesses.	Sales	21.2	23.0	108%
	e market	Providing comprehensive services including manufacturing, sales, installation, and maintenance, with strengths in nationwide 24-hour service.	Operating profit	2.36	2.72	115%
Environmental equipment	(et	In addition, we have strengths in decentralized water infrastructure, such as groundwater treatment systems.				
		Deploying Johkasou as a solution to sewage treatment problems in developing countries.	Sales	2.4	5.0	208%
	Global	Using legislative assistance to local governments regarding water treatment and product/qualification certification as a stepping-stone, we even handle the development of sales channels and networks of construction businesses.	Operating profit	(0.33)	(0.05)	
	bal		_ Sales	0.6	2.1	350%
			Operating profit	(0.16)	0.18	-
Household equipment	Sł D Tl	Wholesale business for water-related equipment for toilets, kitchens," and baths (established top regional marke hare as a manufacturer's agent by utilizing our customer base in Shikoku).  esign and construction of exteriors, interiors, water-related facilities, and air conditioning systems.  he new "wooden structure business" handles everything from material procurement to structural design and construction. Inquiries from educational and nursing care facilities are on the rise due to their ability to maintain trength while blending with nature.	t Sales Operating profit	19.8 0.45	21.0 0.57	106%
		olar power plant operation is the main business.  Ve have handled over 200 projects, encompassing everything from EPC (project scrutiny, arrangement of	Sales	2.7	3.5	130%
Renewable energy	1	onstruction companies, explanatory meetings for local residents, etc.) to electricity sales.				
	1	dditionally, we have started supplying biodiesel fuel for delivery vehicles of major convenience store chains in e Tokyo metropolitan area.	Operating profit	0.12	0.22	183%

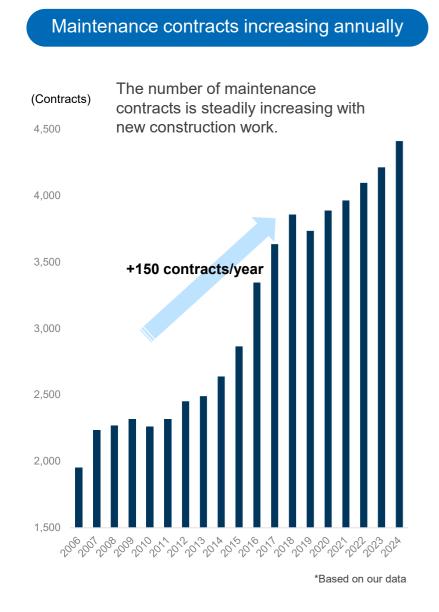
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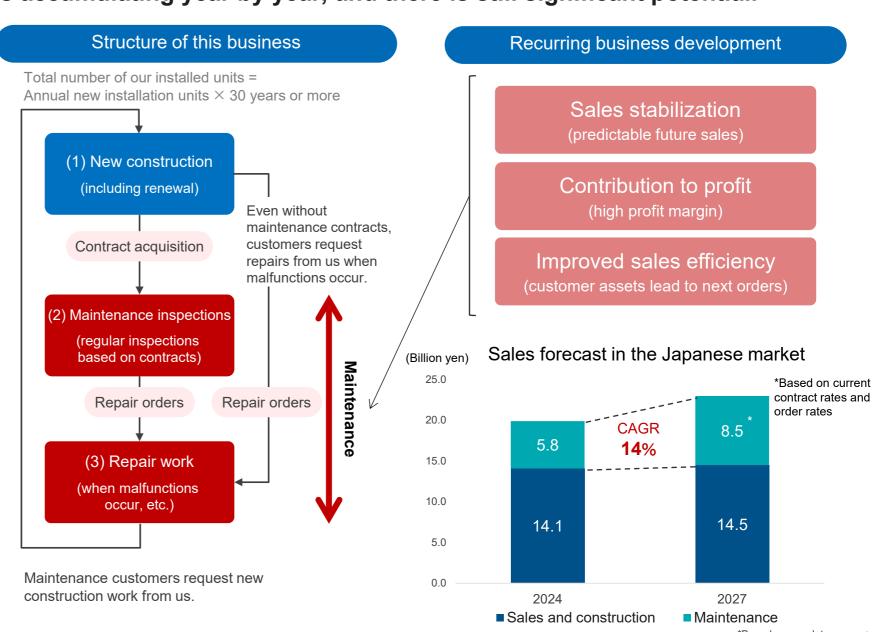






We will focus most on increasing maintenance (upkeep and repairs) to further expand recurring business. The number of maintenance contracts is accumulating year by year, and there is still significant potential.









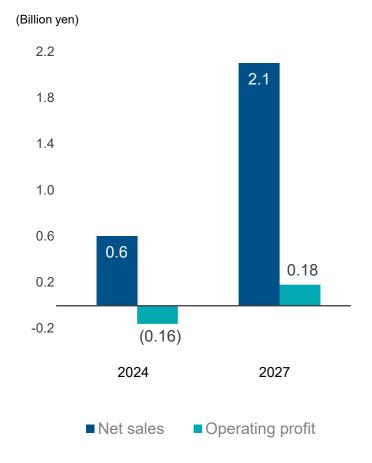




# After trial and error in global expansion, we have arrived at the "India Model." We will apply our specialty of "starting with rule-making" to global expansion.

India expansion beginning to show results

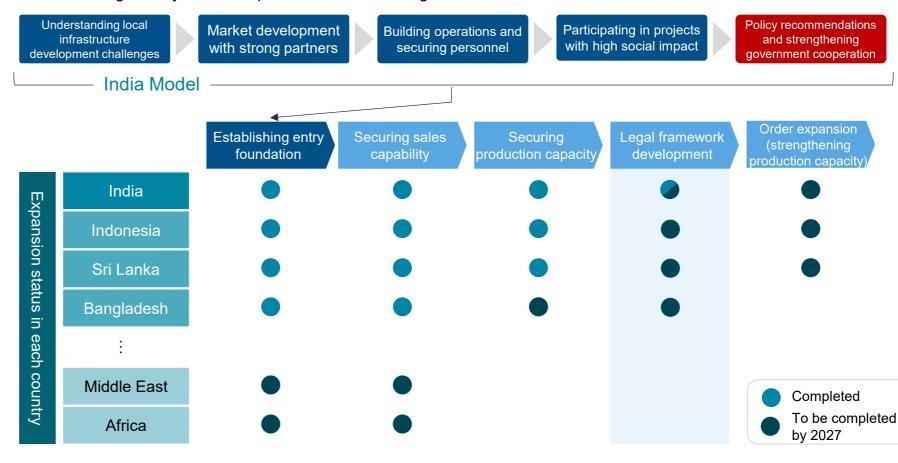
# Turned profitable through increased orders



### Maturation and global expansion of the India Model (tentative name)

### Success factors:

- Collaboration with local governments in establishing water quality standards, product standards, and qualification requirements ("starting with rule-making")
- Building friendly relationships with dealers covering wide areas









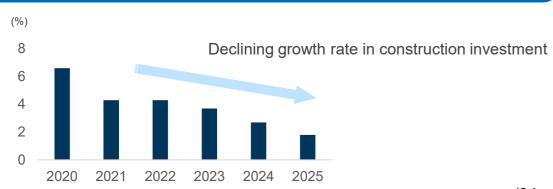


# From growth business to "core business." We will focus on strengthening our profit structure.

### Business structure (sales composition)

Sales of water-related manufacturer products to 66% Wholesale construction companies and home centers. Design and construction of exteriors, interiors, water-34% Construction related facilities, and air conditioning systems

### Transformation to a "core business"



New business stage Leverage uncertainty Milestone Management management

focus

Growth business stage Control uncertainty Pursue sales and market share

(3-horizon model) Core business stage Eliminate uncertainty Pursue profit

Profit enhancement action 1: Strengthening cost control

### **Expanding the span of the value chain**

In addition to conventional material procurement and construction, we handle everything from concept to service.

Concept

Design

Material procurement

Construction

Service

Example: Wood structure construction

We handle everything from design, wood procurement, and construction to after-sales service.



### Profit enhancement action 2: Strengthening the top line

### Transformation to "Solution-based business" (From "selling products" to "solving issues")

Example: Business model transformation in air conditioning work

In-house design capability

This enables us to transform from providing functional value such as "cooling/heating (air conditioning function)" to providing business value such as "increasing number of store visitors (issue solving)."

(Unit: billion yen)	FY2024 Results	FY2027 Plan	Vs. FY2024
Sales	19.8	21.0	106%
Operating profit	0.45	0.57	127%

When "safety and security" has been brought to developing countries to a certain scale through the environmental equipment business (Wave 1), the next requirement will be "comfort." The household equipment businesses will become a strategic business for global expansion (Wave 2).









# We will actively pursue green data centers and biodiesel fuels by leveraging our extensive investment and operational experience.

Daiki Axis Group's business lines

Solar power generation

Wind power generation

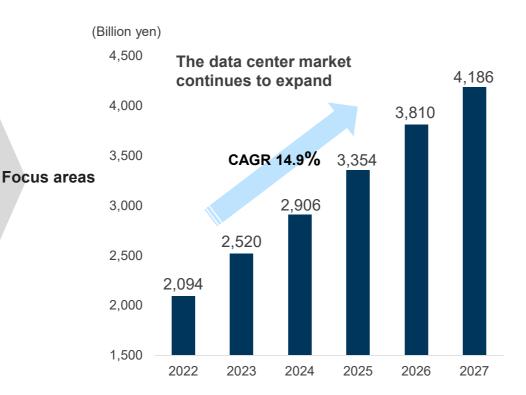
Green data centers

Biodiesel fuels

Hydrothermal treatment

### Investment in green data centers

We will advance green data center operations by leveraging our experience in investing in and operating solar and wind power generation facilities.

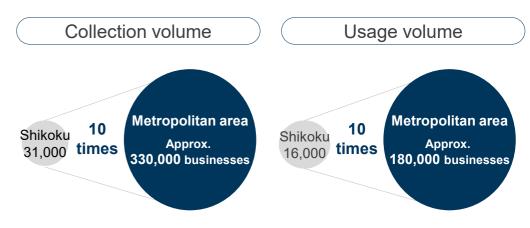


<sup>\*</sup>Source: IDC Japan "Japan Data Center Services Market Forecast, 2023-2027"

# Biodiesel fuels business expands into Tokyo metropolitan area

Leveraging our demonstration in the Shikoku area, we have started operating a new plant in Ibaraki Prefecture to enter the Tokyo metropolitan market. (We have already begun collaboration with TOBU BUS and Seven-Eleven.)

# The Tokyo metropolitan area market is over 10 times larger than Shikoku



\*Source: Statistics Bureau of Japan "Economic Census," Ministry of Land, Infrastructure, Transport and Tourism statistical materials

Total number of operators of food factories, processors, hotels, schools, hospitals, and restaurants

Total number of businesses with diesel vehicles and construction machinery, such as transportation, construction, and waste disposal businesses



We will aim for net sales of 53 billion yen and ordinary income of 1.55 billion yen in FY2027.

		FY ending	
	FY ended December 2024 Results	December 31,2027 Plan	CAGR
Net sales	46.8billion	53.0billion	4.2%
Operating income	1.04billion	1.45billion	11.4%
Ordinary income	1.14billion	1.55billion	10.7%
(attributable to the shareholders of the parent company)  Net income	0.35billion	1.10billion	46.2%
Equity ratio	25.7%	31%	-
(attributable to the shareholders of the parent company) ROE	3.7%	9.7%	-

Medium-Term Management Plan 2025-2027



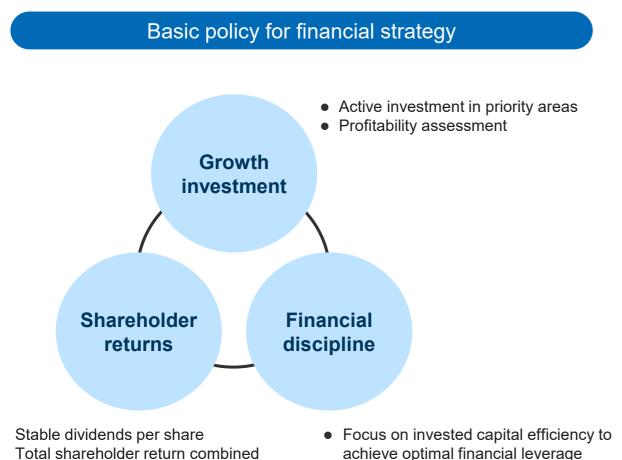
(02) Business Strategies

<sup>03</sup> Financial Strategies

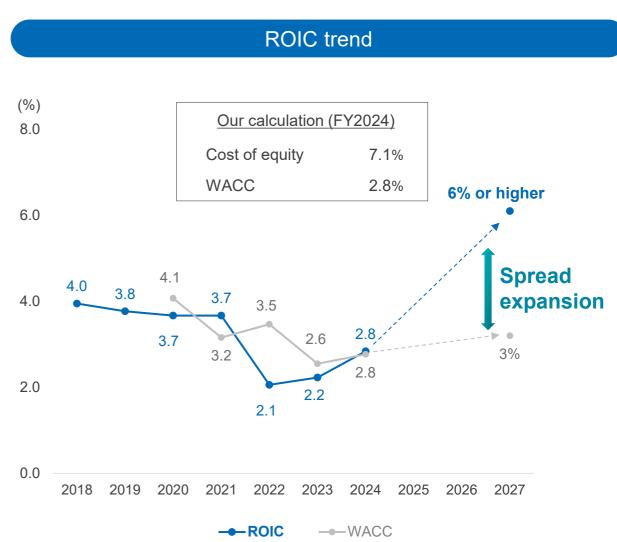


We will establish a cash allocation framework for "growth investments" while simultaneously maintaining "optimal financial leverage."

By doing so, we will improve ROIC and increase corporate value.



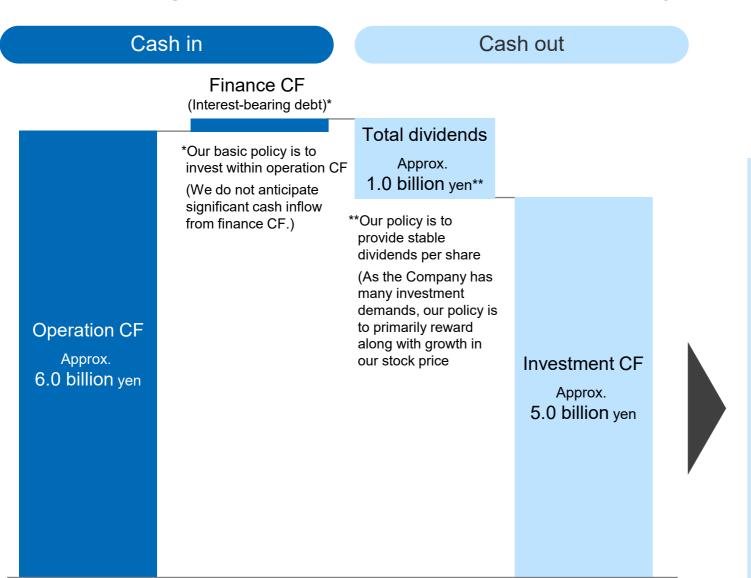
- with EPS growth
- achieve optimal financial leverage



# Financial Strategy | Cash Allocation



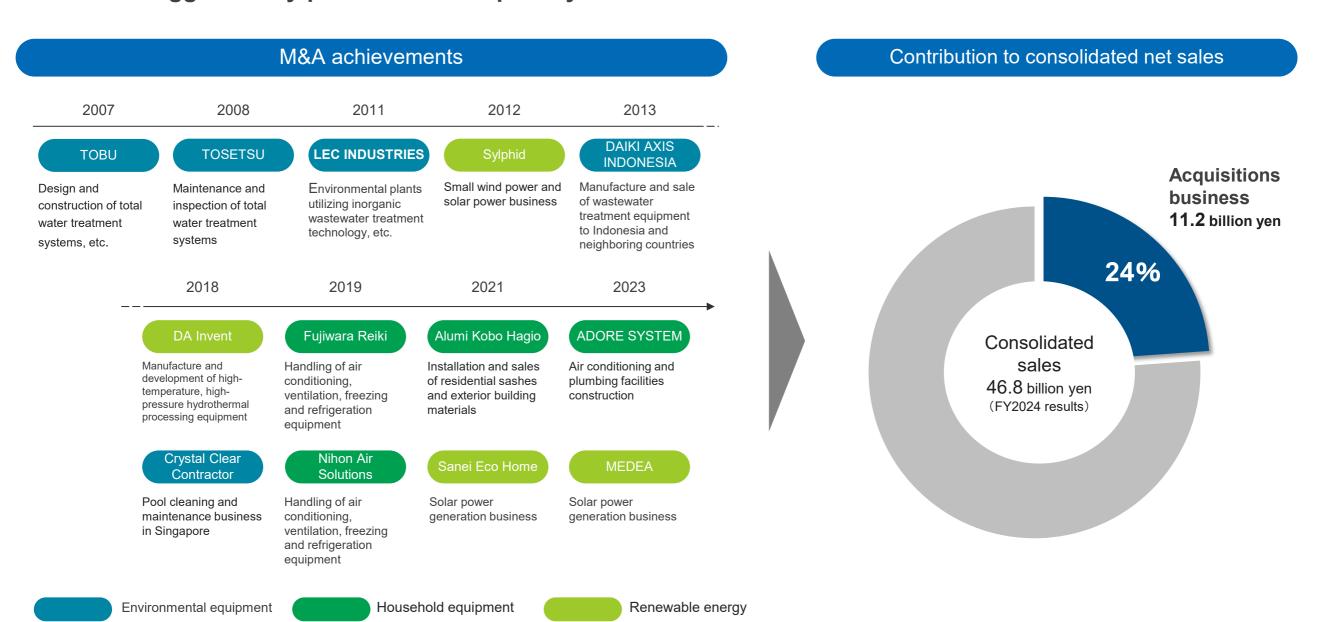
We will prioritize growth investments in our cash allocation, using operation cash flow as funds. We have set a growth investment framework of 5.0 billion yen for the next three years.



Growth investment (investment in priority areas) framework: 5.0 billion yen						
Item	Investment amount (billion yen)	Remarks				
Capital investment	0.5–1.0	Global production bases				
Human capital investment	Up to 0.5	Global human resource development and recruitment				
Digital investment	0.5–1.0	IT system implementation				
M&A investment	Up to 2.0	Including new business investment				
Renewable energy investment	Up to 2.0	Assuming additional procurement with equipment sales				



We conducted 13 M&A in the past 20 years and acquisitions business accounts for 24% of total sales. We will continue to aggressively proceed M&A in priority areas.



# Financial Strategy | Shareholder Returns



We aim to improve total shareholder returns through a combination of medium- to long-term EPS (Earnings Per Share) growth, dividends, and shareholder benefits.

We will continue to provide "stable dividends per share."

### Aiming for total shareholder returns



# **EPS** growth

Growth investments (5.0 billion yen over 3 years) to aim for medium- to long-term EPS growth

2024 Results 26.6 yen

Plan 78.7 yen

2027

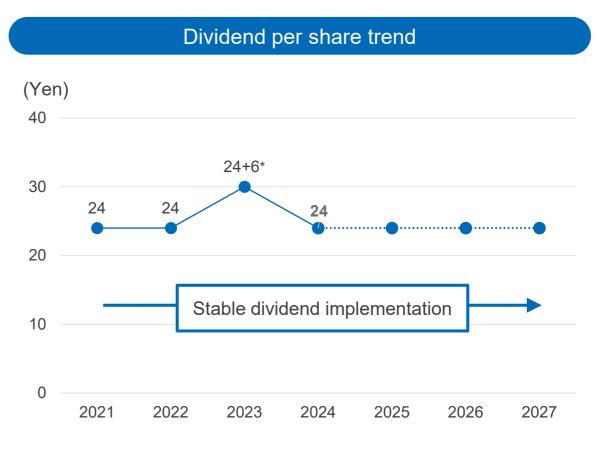


### **Dividends**

- 24.0 yen per share
- Total dividends over 3 years:
   Approx. 1.0 billion yen

### **Shareholder benefits**

Daiki Axis Premium Benefits Club



\*65th anniversary commemorative dividend of 6 yen added

### Notes on forecasts

This material is intended only for provision of information to investors, and not as a canvasing material for encouraging sales.

Moreover, the information provided through this document is based on goals and forecasts, and is not necessarily correct and does not guarantee anything of any sort. When using the information, be aware that the company's performance in future may differ from the current forecasts.

Even though the descriptions regarding the industry and business in this document have been created based on reliable data of various types, the company does not guarantee its authenticity and/or completeness.

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Queries concerning IR



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Net sales

In our two main segments (Environmental and Household), we achieved record-high sales due to price pass-through, large-scale projects, growth in overseas business, and synergies after M&A.

Gross profit

Ratio of gross profit to sales improved significantly due to price pass-through and high-profit-margin large-scale projects.

Operating profit

While investing in human capital and other growth investments, the ratio of operating profit also improved due to the improvement in ratio of gross profit to sales.

	FY ended Decem	her 2022	FY ended December 2023		FY ended December 2024		Compared to F	V 2023
	Results (million yen)	Ratio to sales	Results (million yen)	Ratio to sales	Results (million yen)	Ratio to sales	Change (million yen)	Change
Net sales	39,478	_	42,681	_	46,818	-	+4,137	+9.7%
Gross profit	8,174	20.7%	8,866	20.8%	10,217	21.8%	+1,350	+15.2%
Selling, general and administrative expenses	7,347	18.6%	8,206	19.2%	9,168	19.6%	+962	+11.7%
Operating profit	826	2.1%	660	1.5%	1,048	2.2%	+388	+58.8%
Ordinary income	1,172	3.0%	837	2.0%	1,141	2.4%	+304	+36.4%
(attributable to the shareholders of the parent company)  Net income	574	1.5%	205	0.5%	352	0.8%	+146	+71.5%
Capital investment	1,375	_	1,391	_	1,250	_	(141)	(10.2%)
Depreciation expenses	715	_	764	_	775	_	+11	+0.1%



						FY ended Dec	ember			
		FY ended Decemb	per 2022	FY ended Decemb	per 2023	2024		Compared to FY	Y 2023	
		Results (million yen)	Ratio to sales	Results (million yen)	Ratio to sales	Results (million yen)	Ratio to sales	Change (million yen)	Change	
Net sa	ales	39,478	_	42,681	_	46,818	_	+4,137	+9.7%	
<del>    </del>	Environmental equipment businesses	20,477	51.9%	21,010	49.2%	23,649	50.5%	+2,639	+12.6%	
	Overseas	2,247	5.7%	1,477	3.5%	2,434	5.2%	+956	+64.7%	
	Household equipment businesses	16,421	41.6%	18,302	42.9%	19,844	42.4%	+1,542	+8.4%	
	Renewable energy businesses	1,938	4.9%	2,746	6.4%	2,708	5.8%	(37)	(1.4%)	
ငိၥိ	Other businesses	642	1.6%	622	1.5%	616	1.3%	(6)	(1.1%)	

		FY ended December 2022		FY ended December 2023		FY ended Decemb	per 2024	Compared to FY	′ 2023
		Results (million yen)	Ratio to sales	Results (million yen)	Ratio to sales	Results (million yen)	Ratio to sales	Change (million yen)	Change
Opera	iting profit	826	2.1%	660	1.5%	1,048	2.2%	+338	+58.8%
	Environmental equipment businesses	1,497	7.3%	1,424	6.8%	2,029	8.6%	+605	+42.5%
	Household equipment businesses	321	2.0%	278	1.5%	451	2.3%	+173	+62.5%
	Renewable energy businesses	197	10.2%	259	9.4%	123	4.6%	(135)	(52.3%)
$^{\circ}$	Other businesses	48	7.6%	38	6.2%	(29)	_	(68)	_
	Adjustments*	(1,238)	_	(1,339)	_	(1,526)	_	(186)	_

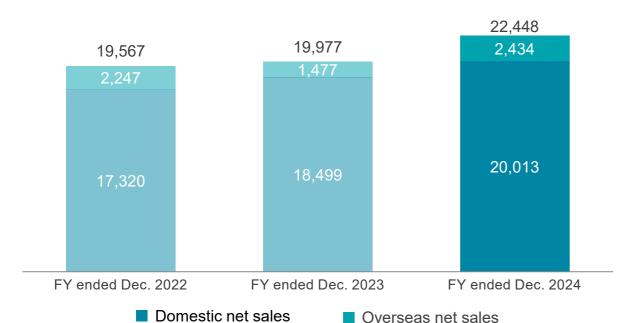








Johkasou/Wastewater treatment systems



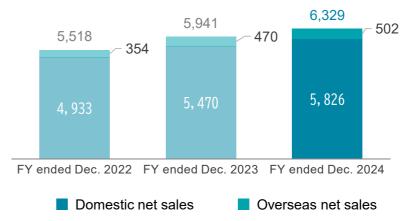
### **Business environment**

- Order climate favorable with expanding demand for capital investment
- Significant increase in long-distance transportation costs since April 2024, in addition to material and product procurement prices and outsourcing costs

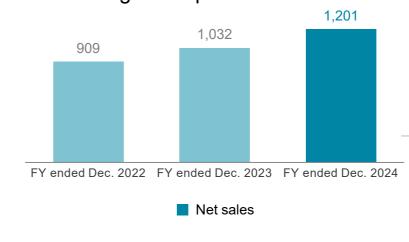
Increase/decrease analysis

- Increase in the number of repair works resulting from recovery in demand for capital investment
- Sales recognition also progressing with the progress of large-scale works projects centered on wastewater treatment
- Improved profitability with better order rate for Johkasou

# Johkasou/Wastewater treatment systems (maintenance)



# Groundwater treatment business for drinking water production



#### Business environment

 Steady demand continuing on the back of favorable order climate

### Increase/decrease analysis

- Actively implementing proposals for long-term repair plans, with contracts increasing year by year
- With a system enabling proposals through unified management from sales to maintenance, renovation and repair work are also increasing
- Contract prices reviewed and negotiated when renewing maintenance contracts.

#### Business environment

- Increasing demand for equipment sales of groundwater treatment systems
- Growing demand from municipalities as a BCP measure

#### Increase/decrease analysis

- Increase in new contracts with improved efficiency due to changes in sales structure
- Increase in after-sales maintenance contracts for equipment for groundwater treatment systems

Operating profit: 142.7% compared to the previous year, with price pass-through progressing smoothly and each division generating a profit and performing steadily















Business environment

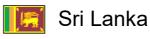
Net sales

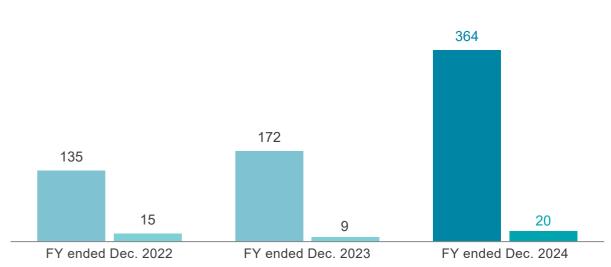
- Robust demand from both public and private sectors, strong orders on continued steady local demand
- Continued extensions of time for project completion due to cultural factors such as sense of time

### Increase/decrease analysis

Operating profit

- Inability to reduce material costs became a factor in declining profit margins despite favorable market conditions
- Government projects were steady, increasing sales
- Proactive investment in human resources in light of favorable market conditions put pressure on profits (hired experienced staff from leading local FRP manufacturers, etc.)





Net sales

### **Business environment**

- The core industry of tourism has regained its vitality, creating an environment where economic revitalization can be felt
- Demand from both public and private sectors remains robust. With new development plans beginning to move, there are many inquiries

### Increase/decrease analysis

Operating profit

- Increased sales due to improved business environment and business initiation with major developers
- Recognition of large-scale, high-profitrate projects
- Assembly plant operation progressing as planned

Operating profit (global): while some countries like China continue to face challenging environments, red ink overseas is steadily shrinking overall, with countries like Indonesia turning profitable



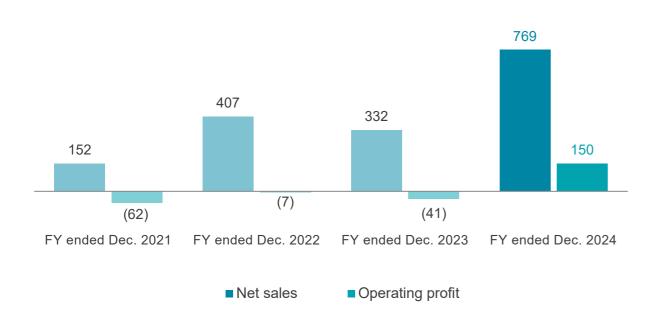






Note) Operating profit for each country is before consolidated eliminations



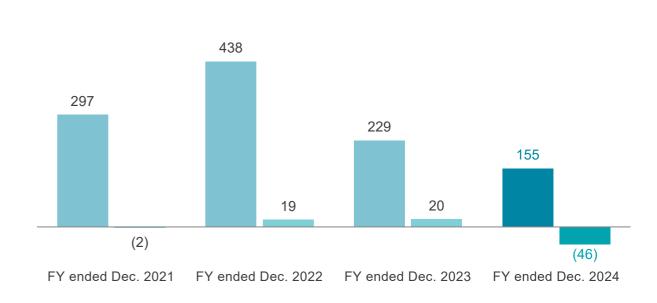


### **Business environment**

- There is indifference to regulations and quality in the local market with many competitors. Severe price competition continues
- · Exports from Indonesia are also steady

### Increase/decrease analysis

 Significant increase in sales and operating profit due to concluding largescale project contracts. Profitable for the full year



#### **Business environment**

Net sales

China

- Decline in demand for capital investment from Japanese companies due to uncertainty in the Chinese economy
- Rise of products from domestic Chinese manufacturers that are inferior in quality compared to Japanese products but competitive in price

### Increase/decrease analysis

Operating profit

- Following the first half, sales and profits decreased significantly due to the withdrawal of local Japanese companies and restraint on capital investment, resulting in a full-year deficit
- Economic compensation (equivalent to severance pay) recorded as extraordinary losses as part of business restructuring

# Financial Results for the Year Ended December 31, 2024 / Results by Segment [Household Equipment Businesses]

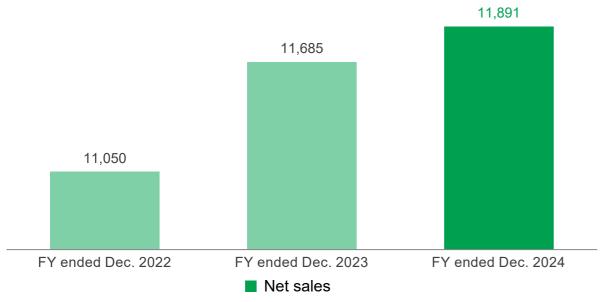






(Unit: million yen)

Construction-related customers



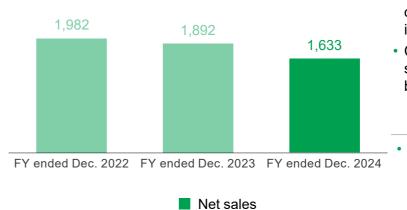
# Business environment

- Capital investment is increasing in both public and private sectors, including non-residential facilities such as urban hotels and hospitals, and apartment buildings
- In housing, the Kansai area is recovering, but the decline in new construction starts in the Shikoku area continues
- Increased demand due to the merger and closure of educational facilities

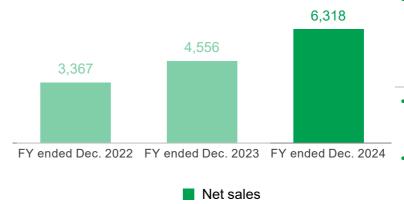
### Increase/decrease analysis

- Kansai (mainly Osaka) and Hiroshima areas handled many new construction projects and performed steadily
- Price pass-through of increased procurement costs progressed smoothly

### Home center retail products



# Housing facilities projects



#### Business environment

- Significant decrease in store visits due to poor weather and price increases
- Customer outflow due to strengthened renovation business by electronics retailers

#### Increase/decrease analysis

 Decreased purchasing motivation due to the above business environment changes

#### Business environment

 Demand for capital investment in works for agricultural greenhouses remains steady

#### Increase/decrease analysis

- Increased sales of works for agricultural greenhouses and apartment exterior walls
- Increased orders due to strengthened sales capabilities through air conditioning-related M&A
- Full-scale launch of wooden structure business

Operating profit: 162.5% compared to previous year, with price pass-through of increased procurement and transportation costs progressing smoothly, and with the housing facilities projects division performing well with high profit margins driven by strengthened sales capabilities through M&A, leading overall growth

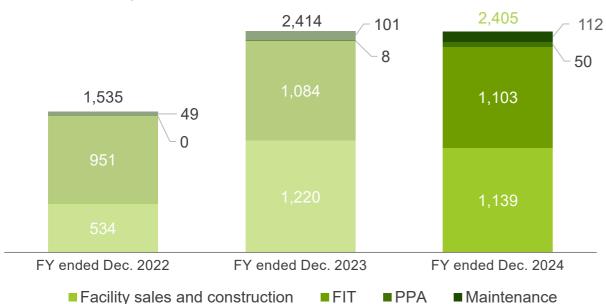
# Financial Results for the Year Ended December 31, 2024 / Results by Segment [Renewable Energy Businesses]





(Unit: million yen)

Solar power generation



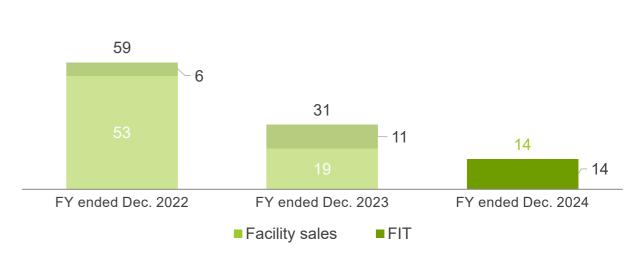
### Business environment

- Willingness to use renewable energy continues to be steady, with increasing consultations about electricity sales and interchange
- Facility sales and construction: increasing repair work for facilities due to continued theft of electric wires (copper) in the solar power generation industry
- FIT: curb on renewable energy electric output by power companies

### Increase/decrease analysis

- Facility sales and construction: construction sales from subsidiaries acquired through M&A contributed significantly
- FIT: sales fell below initial forecasts due to output curbs by power companies
- PPA: offsite and onsite PPAs for specific companies were completed, contributing to sales. PPA sales, which did not exist last year, are also accumulating

# Wind power generation



### Business environment

- While demand is generally steady, demand in the Hokkaido area—the business's main area—is not particularly strong
- Curb on renewable energy electric output by power companies

### Increase/decrease analysis

- Facility sales: previous period included sales related to the Ministry of Economy, Trade and Industry's demonstration project
- FIT: slight increase in sales according to wind power facility operation. 27 locations are operating stably. Other facilities are either completed and waiting for connection, under construction, or unable to operate stably due to mechanical failures or other issues (wind turbines have many parts and are prone to breakdowns)

Operating profit (renewable energy overall): 47.5% compared to the previous year, with profit margin declining due to the absence of a large-scale high-profit project from the previous period, although sales decreased only slightly









### Biodiesel fuels



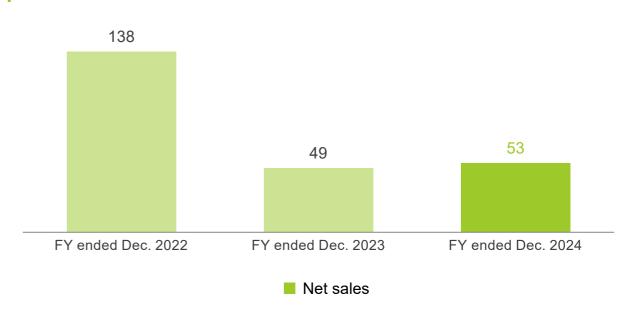
### Business environment

- Demand for biodiesel fuels remains steady
- Opened business sites in east Japan in May 2024 in anticipation of increasing demand in the Kanto area (built a biodiesel fuel refining plant)
- BDF business is booming. As competitors are also increasing, competition is expected to intensify in the future

### Increase/decrease analysis

- Business sites in western Japan have stable operation with steady demand.
   Supply to airport work vehicles for Japan Airlines has been realized in all four Shikoku prefectures
- Sales of BDF at business sites in east Japan were delayed from the initially planned April 2024 to July 2024

### Hydrothermal treatment



### **Business environment**

- R&D aimed at establishing new technologies. Conducting experiments not only for waste treatment but also for extracting specific compounds through hydrothermal treatment
- Growth in demand for effluent reduction
- Market interest is high, with increasing inquiries from governments and companies. Interest extends beyond Japan to Asian countries such as Nepal, South Korea, Thailand, and China, with exhibitions also active

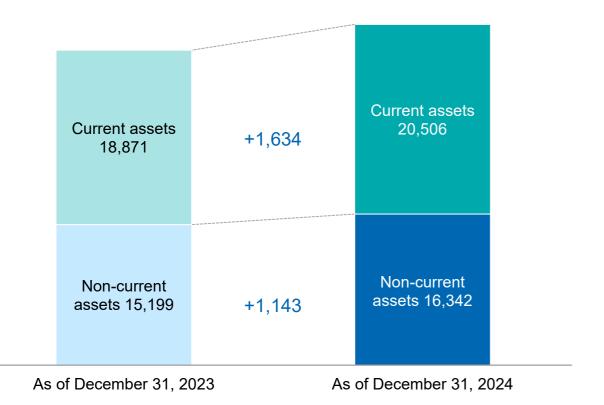
### Increase/decrease analysis

- With many projects in the experimental stage, sales increased slightly
- Continuing situation with many inquiries and experiment requests



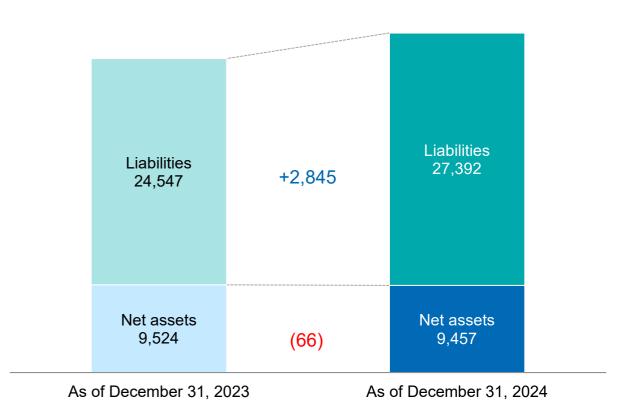
### **Assets**

- Mainly due to the progress of large-scale works projects, current assets increased compared to the previous year
- Non-current assets increased due to the establishment of a biodiesel fuel refining plant in Ibaraki Prefecture and a green data center, and active startup investments in the venture capital business



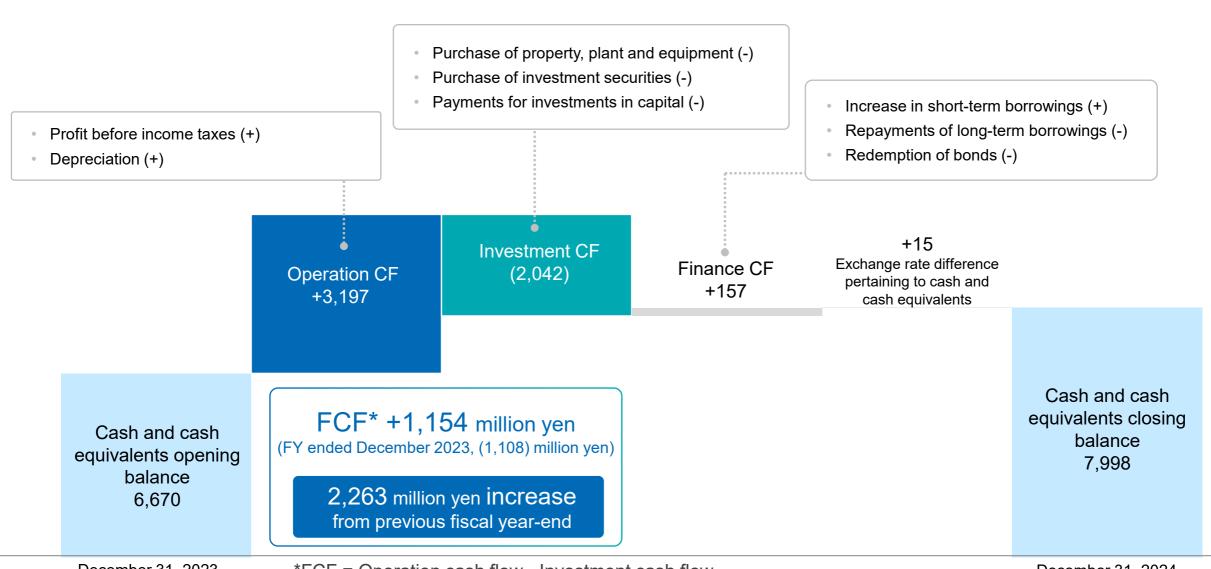
### Liabilities and net assets

- Current liabilities rose as a result of short-term borrowing for the construction of a biodiesel fuel refining plant in Ibaraki Prefecture, along with payments of bonuses exceeding the normal number of months.
- Non-current liabilities decreased due to the repayment of long-term borrowings for M&A and capital investment in the renewable energy businesses.





Actively invested in the construction of BDF refining plants and green data centers, increased bonus payments, and startups Free cash flow (FCF): while making growth investments in a wide range of areas, also allocated to shareholder returns



December 31, 2023

\*FCF = Operation cash flow - Investment cash flow

December 31, 2024



#### Previous Mid-term Business Plan / Overview

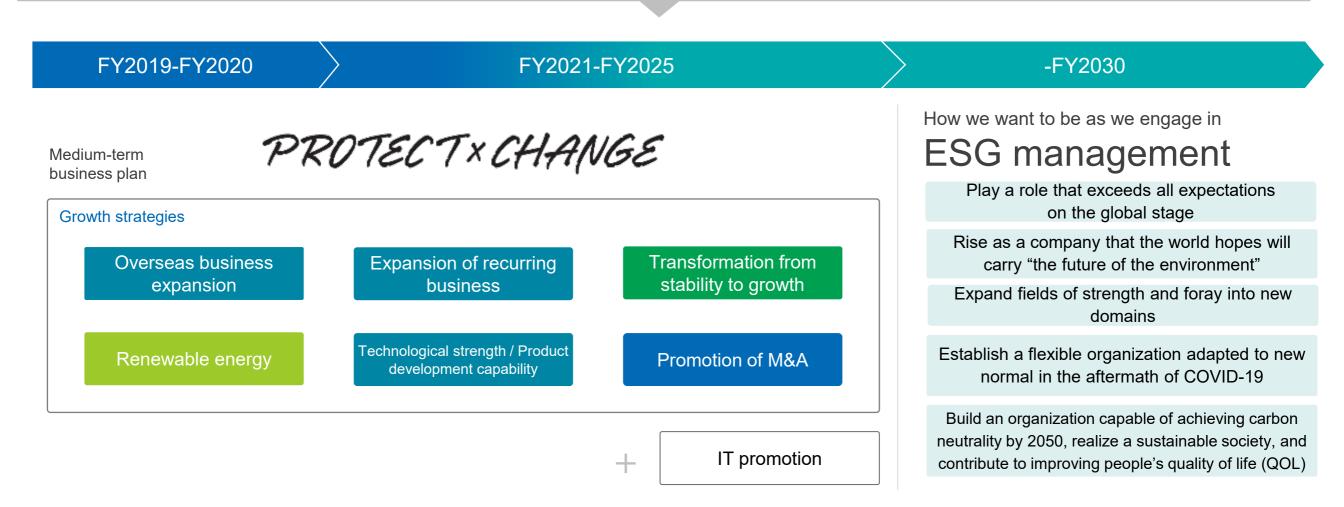


Corporate slogan and management philosophy

Mission: Protect the environment and change the future.

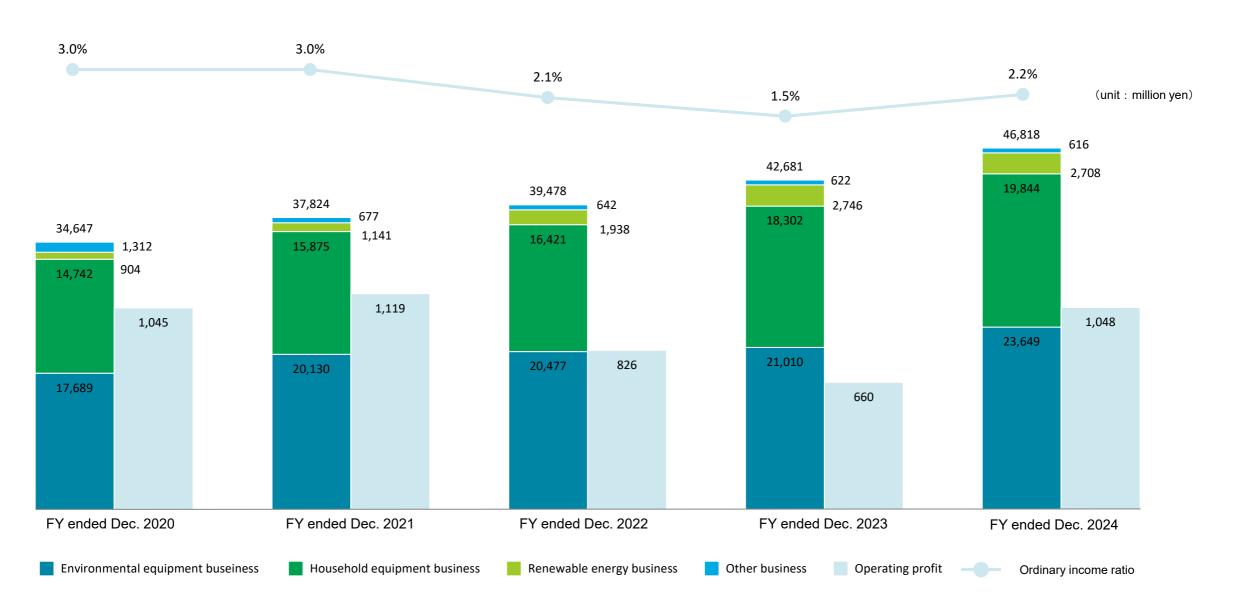
Purpose: Support life for people around the world by solving global environmental issues with innovated

technology and ideas.





Achieved the sales target of the previous mid-term plan one year ahead of schedule, and operating income to sales ratio turned up to 2.2%.





#### Net sales







### Operating income



Goal achievement.



Goal achievement.



### Previous Medium-term Management Plan / Results and Challenges of Growth Strategies



	Growth strategies	Results and challenges	Assessment
Overseas business expansion (Environmental equipment businesses)	<ul> <li>Set up local production system in areas where demand is high</li> <li>Actively hire human assets from abroad</li> <li>Review and newly establish systems and rules concerning overseas business</li> </ul>	<ul> <li>Put new factories in India and Sri Lanka into operation</li> <li>Established a subsidiary in Bangladesh and started taking orders</li> <li>Continuing active hiring of human assets and will develop an education system appropriate for local human assets</li> </ul>	
Expansion of recurring business	Expand recurring business that would serve as a stable profit base	<ul> <li>Orders increased in groundwater treatment business for drinking water production due to renewed efforts in thorough cost management and strengthened response to needs for equipment sales for groundwater treatment systems, not limited to ESCO contracts</li> <li>Completed integrating sales and maintenance teams in the wastewater treatment business. In the future, we will expand the scope of recurring business by actively proposing repair plans.</li> </ul>	
Transformation from stability to growth (Household equipment businesses)	<ul> <li>Expand trading areas for sales targeting home centers (whole of Japan)</li> <li>Cultivate new stores, introduce and sell new products, and gain new construction works</li> <li>Continue efforts to curb purchasing costs by introducing centralized purchasing system</li> <li>Develop human assets (enhancement of marketing capabilities)</li> <li>Visualize and equalize each operation including backend jobs (to allow employees to complement each other's work)</li> </ul>	<ul> <li>Expansion of trading areas for home centers in eastern Japan is not progressing as envisioned and will remain a future challenge.</li> <li>Cultivation of new dealers will continue. Plan to start expanding IoT smart houses as new products.</li> <li>Established a sales promotion management division to enhance overall sales capabilities by planning measures and analyzing/disseminating information. Also strengthened operational efficiency.</li> <li>Achieved purchasing cost reduction through centralized purchasing organization and reorganization.</li> <li>Human assets development and complementing of jobs among workers are progressing smoothly, and we have achieved the rejuvenation of the workforce ahead of schedule. Moving to the second stage, focusing on early skill development through education and training</li> </ul>	

<sup>\* ⊚=</sup>Exceeding O=Achieving △=Slightly behind schedule ×=Behind schedule

### Previous Medium-term Management Plan / Results and Challenges of Growth Strategies

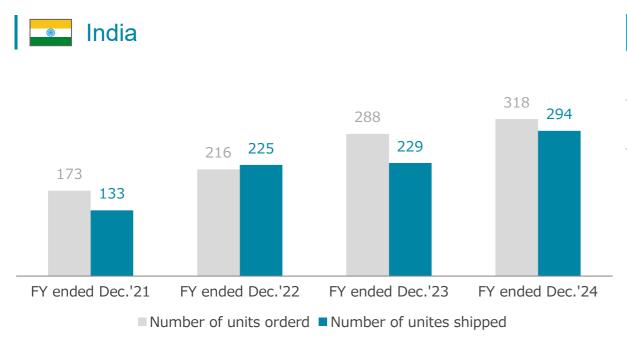


	Growth strategies	Results and challenges	Assessment
<b>a</b>	Expand sales volume of D-Oil and coverage area of waste cooking oil collection in cooperation with local	Built a works and BDF production facility in eastern Japan; will expand sales in the Kanto area	
Renewable energy businesses	<ul> <li>Study trends among, cooperate with, and make proposals to leading companies in renewable energy (participants of RE100 and RE Action)</li> </ul>	Study of trends among leading companies in renewable energy is progressing smoothly. Actively engaging in discussions aimed at cooperation by approaching existing business connections for cooperation and exchanging opinions on new technologies with emerging manufacturers	$\bigcirc$
	Aim for zero claims arising from manufacturing	Through monthly information-sharing meetings on claims and thorough compliance with ISO standards, claims in the manufacturing process have been drastically reduced	
<del>(iii</del>	processes     Develop human assets (enhancement of specialist	Completed product development for nitrogen regulation compliance in India and Indonesia	
Enhancement of technological	skills)	Testing for the development of Johkasou adapted to cold regions in India	^
strength/product development capability	Constantly develop and stably operate wind and solar power generation sites	Constant development and stable operation of wind and solar power generation sites are progressing smoothly	
Capability	Further reduce environmental burdens, evolve storage technology and make proposals for high value-added business in view of post-FIT that contributes to disaster prevention/mitigation and	Plan to expanding a business model of offering renewable energy and power plant as a package; construction of power plants and biodiesel fuel production facilities are progressing smoothly	
	local consumption of local products	For hydrothermal treatment, arranging points for organizational strengthening based on the current environment of increasing consultations, aiming for an organization that can move more proactively	
Daiki O		<ul> <li>Household equipment businesses: previous cases performing steadily; continuing to actively consider</li> </ul>	
Promotion of M&A AXIS	Expand trading areas and product lineup through M&As	Renewable energy businesses: smooth progress in M&As and improvement in technological strength and product development capability	
		For future M&As, exploring opportunities aimed at strengthening the East Japan area	
IT promotion	Aim to "increase profit margin by adding higher value to proposals" based on the recognition that IT promotion is an important measure that greatly affects operations, organization and human resources	<ul> <li>Built a system that enables us to focus on high value-added operations by replacing analogue work with IT to eliminate simple task redundancies</li> <li>Introduced communication tools that will help to create a psychologically safe climate</li> </ul>	
	I .	I .	

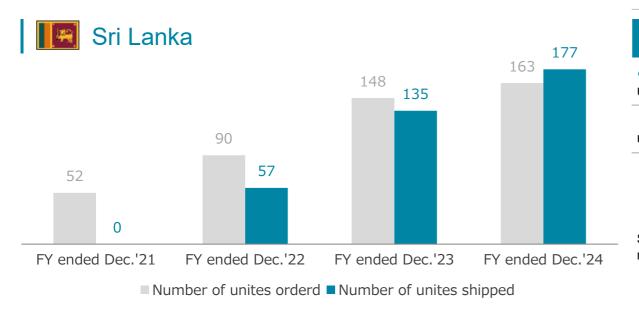
<sup>\* ©=</sup>Exceeding O=Achieving △=Slightly behind schedule ×=Behind schedule

### Previous Mid-term Business Plan / Status of Overseas Expansion





	FY ended Dec.2021	FY ended Dec.2022	FY ended Dec.2023	FY ended Dec.2024
<ul> <li>Number of unites ordered</li> </ul>	173	216	288	279
▲ Number of unites shipped	133	225	229	392
Status of manufacturing	<ul> <li>Manufacturing mainly at consignment production factories</li> <li>Partially importing from Indonesia factory</li> </ul>	<ul> <li>Manufacturing mainly at consignment production factories</li> <li>Partially importing from Indonesia factory</li> </ul>	<ul> <li>Manufacturing mainly at consignment production factories</li> <li>Partially importing from Indonesia factory</li> <li>New factory facing issues in training workers</li> </ul>	Own factory production increased     Factory production could not keep up with strong demand from both government and private sectors



	FY ended Dec.2021	FY ended Dce.2022	FY ended Dec.2023	FY ended Dec.2024
<ul> <li>Number of unites ordered</li> </ul>	52	90	148	163
▲ Number of unites shipped	0	57	135	177
Status of manufacturing	Establishment of local subsidiary	Importing from Indonesia factory	Assembly plant began operation in October 2022, which affected the FY2023 results because of the three- months' lag in reporting	Assembly plant operations progressed as planned.





Net sales

Top-line growth through expansion of maintenance services, market development at overseas bases, and reinforcement of production bases, etc.

**Gross profit** 

Profits increased due to the promotion of stock business, profitable overseas bases, and new products.

Operating profit

Increase in operating income due to revision of selling prices.

	FY ended Dec. 【Result】	2023	FY ended Dec.2024	【Result】	FY ending Dec.2025【Plan】		Compared to FY 2024		
	Amount (million yen)	Ratio to sales	Amount (million yen)	Ratio to sales	Amount (million yen)	Ratio to sales	Amount (million yen)	Change	
Net sales	42,681	_	46,818	_	47,800	_	+981	+2.1%	
Gross profit	8,866	20.8%	10,217	21.8% o to sales	10,585	22.1%	+367	+3.6%	
Selling, general and administrative expenses	8,206	19.2%	9,168	19.6%	9,485	19.8%	+316	+3.5%	
Operating profit	660	1.5%	1,048	2.2%	1,100	2.3%	+51	+4.9%	
Ordinary profit	837	2.0%	1,141	2.4%	1,150	2.4%	+8	+0.7%	
(attributable to the shareholders of the parent company) Net income	205	0.5%	352	0.8%	650	1.4%	+297	+84.6%	
Capital investment	1,391	_	1,250	_	1,366	_	+115	+9.2%	
Depreciation expenses	764	_	775	_	887	_	+111	+14.4%	

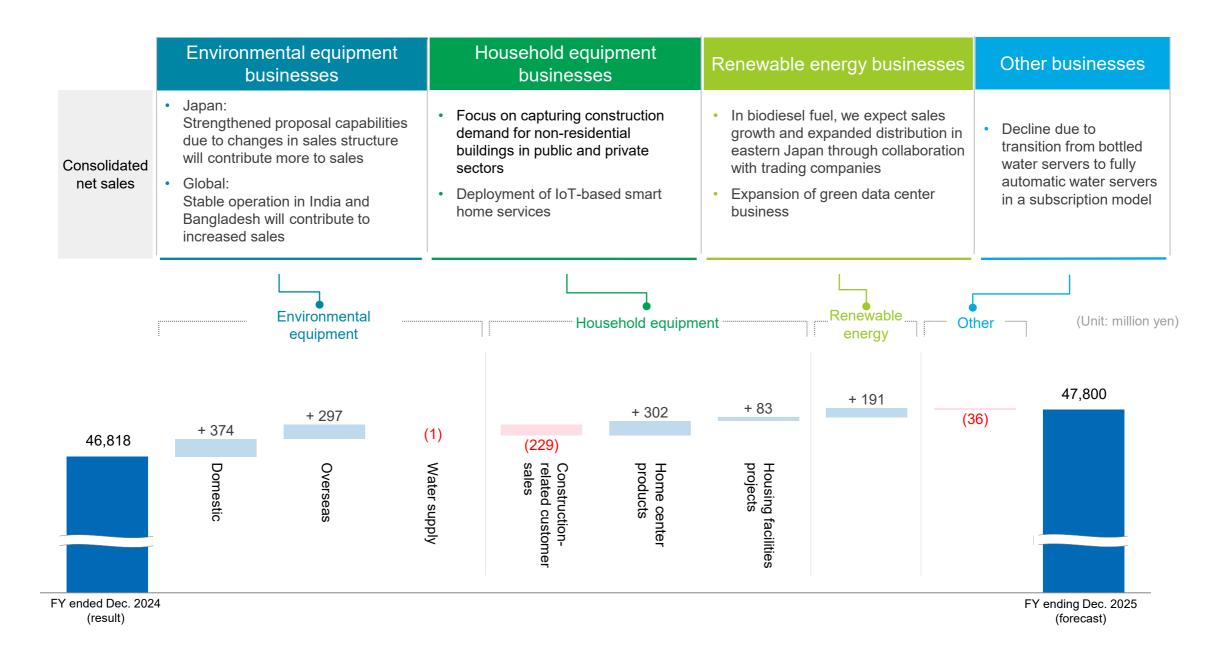


		FY ended Dec. 【Result】	FY ended Dec.2023 【Result】		FY ended Dec.2024 【Result】		FY ending Dec.2025【Plan】		Compared to 2024	
		Amount (million yen)	Ratio to sales	Amount (million yen)	Ratio to sales	Amount (million yen)	Ratio to sales	Amount (million yen)	Change	
Net sa	ales	42,681	_	46,818	_	47,800	_	+981	+2.1%	
<del>    </del>	Environmental equipment businesses	21,010	49.2%	23,649	50.5%	24,320	50.9%	+670	+2.8%	
	overseas	1,477	3.5%	2,434	5.2%	2,732	5.7%	+297	+12.2%	
	Household equipment businesses	18,302	42.9%	19,844	42.4%	20,000	41.8%	+155	+0.8%	
	Renewable energy businesses	2,746	6.4%	2,708	5.8%	2,900	6.1%	+191	+7.1%	
ငံဘဲ	Other business	622	1.5%	616	1.3%	580	1.2%	(36)	(5.9%)	

		FY ended Dec.2023 【Result】		FY ended Dec. 【Result】	2024	FY ending Dec.202	5【Plan】	Compared to 2024	
		Amount (million yen)	Ratio to sales	Amount (million yen)	Ratio to sales	Amount (million yen)	Ratio to sales	Amount (million yen)	Change
Opera	ting profit	660	1.5%	1,048	2.2%	1,100	2.3%	+51	+4.9%
111	Environmental equipment businesses	1,424	6.8%	2,029	8.6%	1,965	8.1%	(64)	△3.2%
	Household equipment businesses	278	1.5%	451	2.3%	465	2.3%	+13	+2.9%
(2)	Renewable energy businesses	259	9.4%	123	4.6%	186	6.4%	+62	+50.3%
ငံိ	Other business	38	6.2%	(29)	_	(16)	_	+13	_
	Adjustments*	(1,339)	_	(1,526)	_	(1,500)	_	+26	_

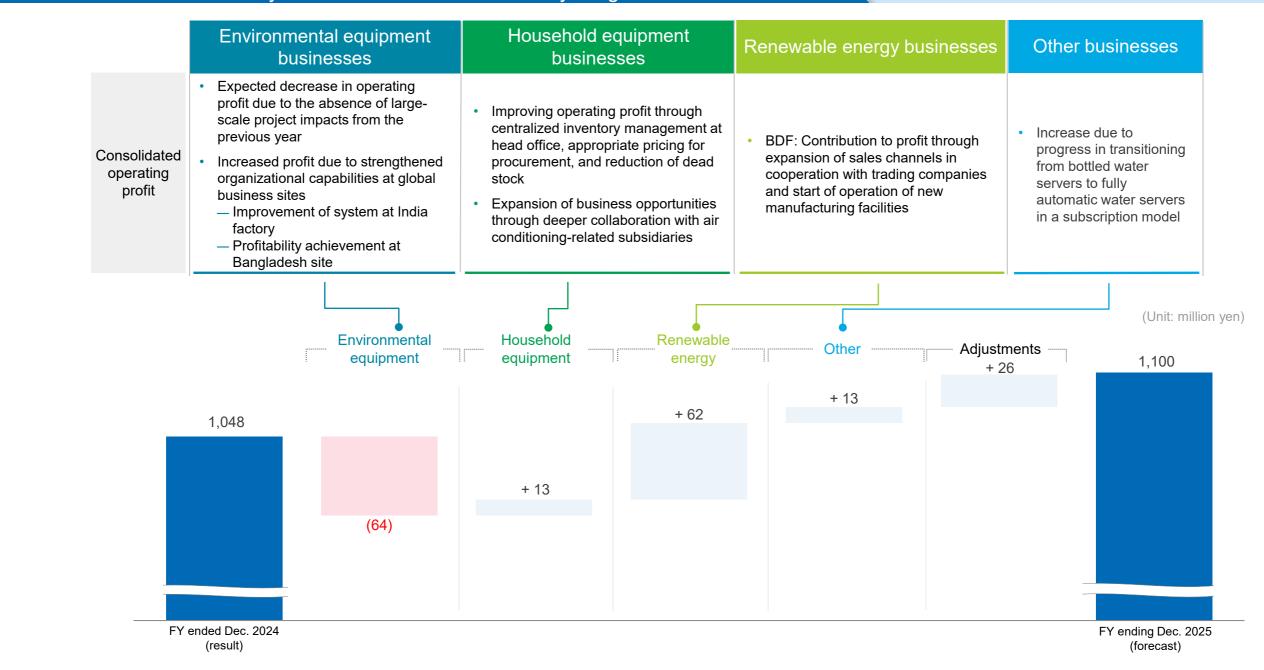
 $\fint Adjustments:$  Amount of company-wide expenses and elimination





## Forecast for the Financial Year Ending December 31, 2025 / Increase and Decrease Analysis of Results Forecasts by Segment





Appendix / Others

### Appendix / Company Profile



Company name

Daiki Axis Co., Ltd.

Establishment

July 12, 2005 (Founded in 1958)

Head office

Matsuyama Headquarters:

1-9-1 Misawa, Matsuyama-shi, Ehime

Tokyo Headquarters:

PMO Higashi Nihonbashi, 2-15-4 Higashi Nihonbashi, Chuo-ku, Tokyo

Business activities

- Design, construction, and maintenance of various types of wastewater treatment equipment
- Manufacturing, distribution, designing, and construction of products using synthetic resin and other materials
- Distribution and installation of various construction materials and household equipment
- Production and sale of drinking water
- Refining and sales of biodiesel fuel made from vegetable waste cooking oil and sales of refining plants
- Manufacture and sale of small wind power generators
- Sale of electricity from solar and small wind power generators, etc.

Net sales

46,818million yen
(Consolidated for FY ended December 2024)

Ordinary income

1,141 million yen
(Consolidated for FY ended December 2024)

Net income attributable to the shareholders of the parent company

352million yen
(Consolidated for FY ended December 2024)

Capital

2,556million yen
(Consolidated for FY ended December 2024)

Number of employees

1,073\* (Consolidated for FY ended December 2024) \*Excludes 254 part-time and contract employees

Securities code

4245 TSE's Standard Section





### Protect the environment and change the future

Due to inadequate public health infrastructure, particularly in wastewater treatment, millions of people worldwide suffer and die from waterborne diseases each year. In some regions, this hampers economic development and hinders people's ability to escape poverty.

We have established our corporate mission to protect all environments, including living spaces and the global ecosystem, in order to preserve a better future for both people and nature. Specifically, we aim to create a society where individuals around the world can live with peace of mind by promoting water treatment systems (Johkasou) that have been demonstrated in Japan, while also safeguarding the global water environment.

# Making Japan's safety and security a part of everyday life worldwide

And beyond that

### We want to deliver comfortable living to the world

With this in mind, we at Daiki Axis will play our role as opinion leaders providing solutions to environmental issues.

## Appendix / Daiki Axis Group Overview



- Use subsidiaries to supplement the areas and products of the environmental and household equipment businesses
- Renewable energy businesses conducted by subsidiaries

Company name	Environment equipment	Household equipment	Renewable energy	Others	Location	Category	Business
TOBU Co., Ltd.	•				Aichi(Nagoya)	Consolidated subsidiary	Design and construction of comprehensive water treatment facilities, etc.
DAITEC Co., Ltd.	•				Ehime	Consolidated subsidiary	Maintenance and inspection of wastewater treatment facilities, remodeling of facilities, building management
Environmental Analysis Center Co., Ltd.	•				Ehime	Consolidated subsidiary	Comprehensive environmental surveys, working environment measurements, and Large-scale store location law applications
Daiki Axis Sustainable Power Co., Ltd.			•		Tokyo.Other	Consolidated subsidiary	R&D, manufacturing and sales of wind power generators, and electricity sales related to solar and wind power generation  Design, construction, sales, and maintenance of solar power generation systems  Refining and sales of biodiesel fuel made from vegetable-based waste cooking oil and sales of refining plants  Hydrothermal Processing Business
Fujiwara Reiki Co., Ltd.		•			Ehime	Consolidated subsidiary	Comprehensive equipment services covering air conditioning, ventilation, plumbing, and electrical system, along with the sales of freezing and refrigeration equipment
Alumi Kobo Hagio Co., Ltd.		•			Ehime	Consolidated subsidiary	Construction and sales of window systems and exterior building materials
ADORE SYSTEM Co., Ltd.		•			Hiroshima	Consolidated subsidiary	Comprehensive Air Conditioning and Construction Services
MEDEA Co., Ltd.			•		Saitama	Consolidated subsidiary	Design, construction, sales, and maintenance of solar power generation systems, as well as electricity sales from solar power generation
Daiki Axis Venture Partners Co.,Ltd.				•	Tokyo	Consolidated subsidiary	Investment Management
DAVP Venture No.1 Investment Limited Partnership				•	Tokyo	Consolidated subsidiary	Formation of a Limited Liability Partnership for Investment Business, and Investment management

## Appendix / Daiki Axis Group Overview



- Use subsidiaries to supplement the areas and products of the environmental and household equipment businesses
- Renewable energy businesses conducted by subsidiaries

Company name		Household equipment	Renewable energy	Others	Location	Category	Business
Daqi Environmental Protection Engineering (Dalian) Co., Ltd.	•				China	Consolidated subsidiary	Design, construction, and sales of wastewater treatment equipment and water purification systems, as well as maintenance services for water purification systems
PT.DAIKI AXIS INDONESIA	•				Indonesia	Consolidated subsidiary	Manufacturing and Sales of wastewater treatment equipment in Indonesia
DAIKI AXIS SINGAPORE PTE.LTD.	•				Singapore	Consolidated subsidiary	Supervision of overseas subsidaiaries
DAIKI AXIS INDIA PRIVATE LIMITED	•				India	Consolidated subsidiary	Manufacturing and Sales of wastewater treatment equipment in India
CRYSTAL CLEAR CONTRACTOR PTE.LTD	•				Singapore	Consolidated subsidiary	Pool Maintenance services of condominiums, hotels and private residence, as well as wastewater system installation for pool facilities
DAIKI AXIS ENVIRONMENT(PVT)LTD.	•				Sri Lanka	Consolidated subsidiary	Manufacturing(Assembly) and Sales of Johkasou in Sri Lanka
DAIKI AXIS ENVIRONMENT PVT.LTD.	•				India	Consolidated subsidiary	Manufacturing of Johkasou in India
DAIKI AXIS BANGLADESH LTD.	•				Bangladesh	Consolidated subsidiary	Manufacturing(Assembly) and Sales of Johkasou in Bangladesh
Lingzhi Daiki Purification Tank Jiangsu Co., Ltd.	•				China	Affiliated company	Manufacturing and Sales of wastewater treatment equipment in China

### Appendix / Overview of operating results [Overview of Daiki Axis Group]



In addition to the household equipment business and environmental equipment business, which the company has been involved in since the early days of establishment, through the three pillars of renewable energy businesses that were segmented in 2018, we have contributed to protecting the global environment and changing the future for the better.

#### **Others**





Venture Capital Investment Business

#### Renewable energy business

- Solar Energy-Related business
- Biodiesel fuel business
- Wind power generation business



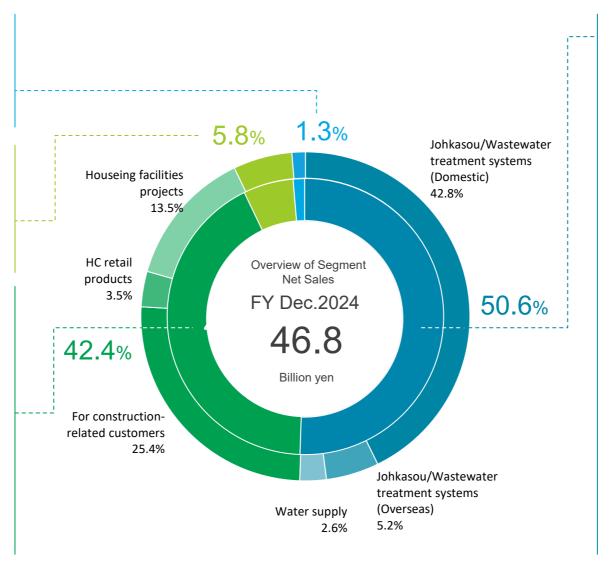
#### Household equipment business

- Wholesale of Construction-Related company
- Wholesale of Retail Products for Home Centers
- Construction of household equipment
- -Exterior wall and roof Construction
- -Agricultural greehosue
- -Home center store construction
- -Air conditioning
- -Freezing and refrigeration equipment etc...









#### **Environmental equipment business**

- Johkasou and wastewater treatment systems(including maintenance)
- · Global(China, Southeast Asia, South Asia)





Johkasou





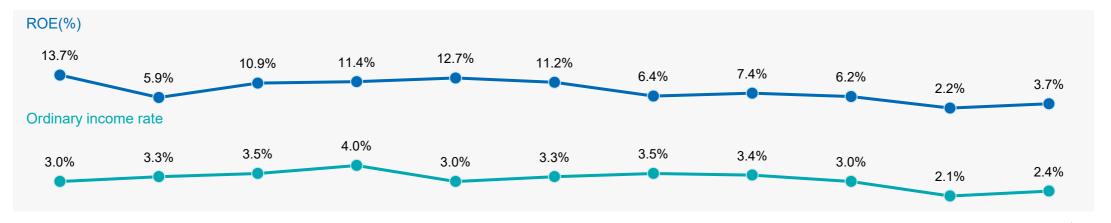
Wastewater treatment systems

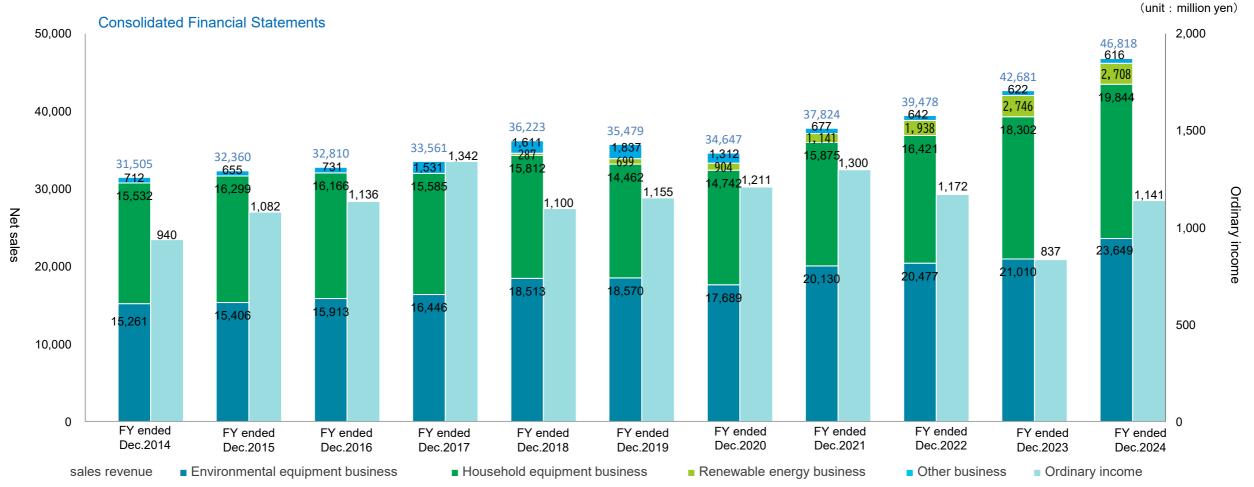


Groundwater beverage business (water supply business)

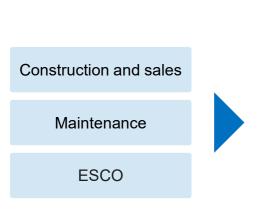
### Appendix / Overview of Operating Results [Consolidated Business Result Trends]



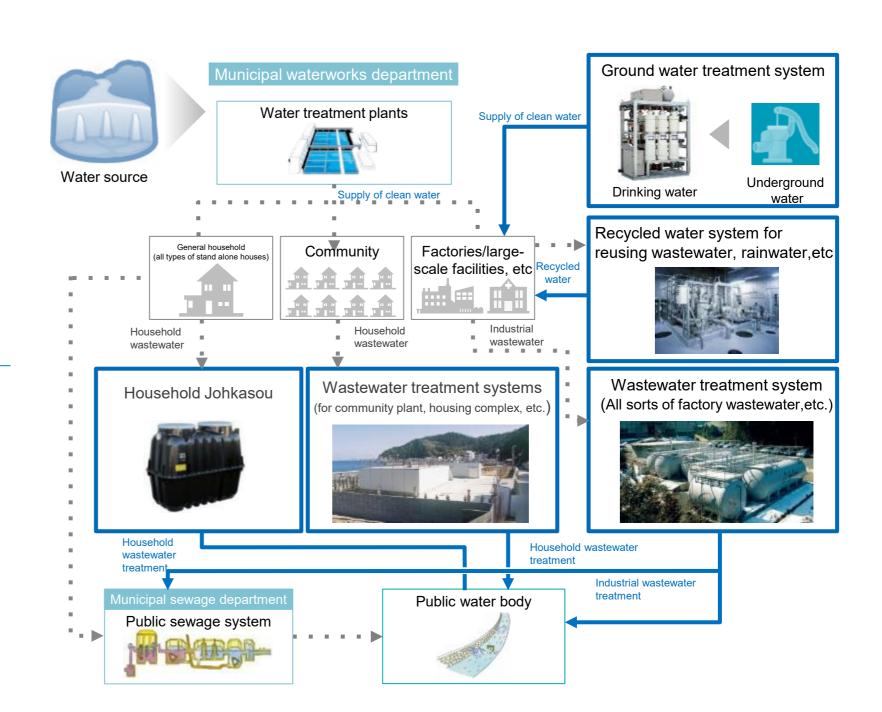






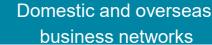






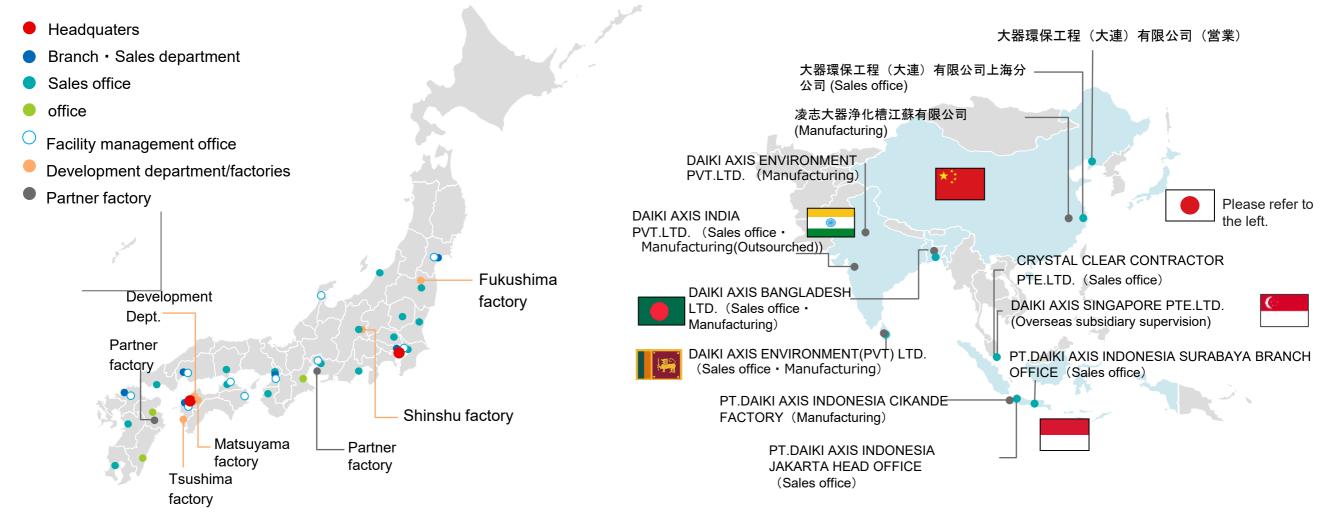
## Appendix / Business structure [Environmental equipment business]







- Covers major cities in Japan, promotes R&D, and manufacturing takes place at four locations. Daiki Axis utilizes the network of DAIE INDUSTRY Co., Ltd. to improve operational efficiency.
- Out of our overseas company bases, three are located in China (two sales offices and one production joint venture base), three are located in Indonesia (one manufacturing base and two sales offices), two in India (sales and manufacturing), two in Singapore (one general base and one sales office), one in Sri Lanka (sales and manufacturing), and one in Bangladesh (sales and manufacturing).











#### Wholesale to construction-related customers

Housingrelated goods Sale of integrated kitchens, toilets, and modular baths to general contractors, local construction firms, and homebuilders

Public facility goods

Dedicated personnel to handle all steps from construction work to sales of goods required for gymnasium floors, swimming pool, and other educational facilities







#### Housing facilities projects

Exterior wall and roof repairs

Focus on exterior wall work in hotels and apartments and roof repairs of factory buildings leveraging the company's extensive products

Agricultural products

Construction of storage tanks for water sources, factories, etc. and large-scale glass greenhouses for tourism by personnel specializing in agricultural products

**HVAC** 

Entered the field by M&A. Airconditioning projects in commercial facilities, etc.

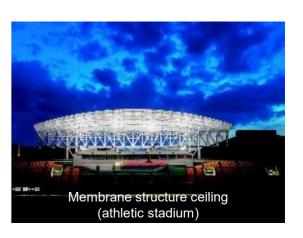




#### Eco-friendly type products

• Focus on eco-friendly type products such as radiant heating and cooling systems





#### Wooden structure business

- Providing total support from proposing methods for utilizing local materials to structural design, material procurement, sales, and construction support
- Contributing to sustainability as well as being an eco-friendly product





### Appendix / Home center network

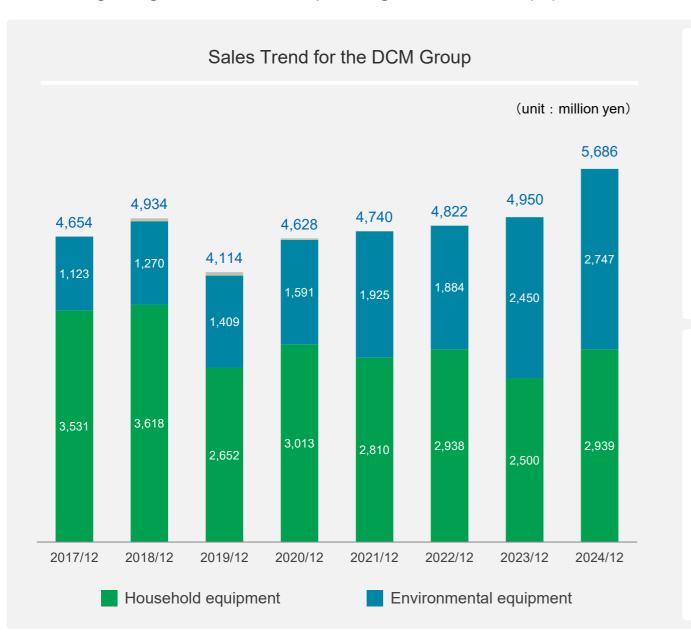








- The Home Center network of the DCM Group is the strongest channel of the household equipment business
- Offering integrated solutions spanning retail sales, equipment installation, and store management.



#### — Household equipment businesses

- Sale of household products such as kitchens, bathrooms, toilets, etc.
- · Sales of commercial products for renovators
- Sales and installation of store equipment



#### Environmental equipment business

- Installation and maintenance of Johkasou
- Store management operations (cleaning, firefighting, electrical inspections, etc.)

### Appendix / Business structure [Renewable energy business]









- Solar power/compact wind power sales business using the FIT scheme, sale of solar power generation facilities, and supply of power to major electricity consumers based on PPA model
- Manufacturing and sales of biodiesel fuel as well as the construction of refinery plants. Manufacturing plant built in Kanto region begins operation in 2024.
- Entering the green data center market starting in 2025.





PPA site(Gunma prefecture)



Agrivoltaics(Saitama prefecture)



Biodiesel fuel business

Compact wind power generation business



Manufacturing plant



(Matsuyama works)



Generation capacity of 5kw/unit (Hokkaido)



Demonstrative experiment on towing tractor (Kochi Ryoma Airport)



Generation capacity of 5kw/unit (Hokkaido)

Overseeing the Group's renewable energy businesses.



Date founded

February 14,2011

Headquarter

PMO Higashi Nihonbashi, 2-15-4 Higashi Nihonbashi, Chuo-ku, Tokyo

- R&D, manufacturing and sales of wind power generators
- Electricity supply business related to solar and wind power generation

**Business** Activities

- Design, construction, sales and maintenance of solar power generation systems
- Refining and sales of biodiesel fuel made from vegetable-based waste cooking oil and sales of refining plants
- Hydrothermal Processing Business

**WEB** 

https://dasp.daiki-axis.com/









- Household drinking water business that provides safe and reliable drinking water to households as a residential environment service specializing in "water"
- Venture capital business that connects the aspirations of startups addressing environmental issues with the corporate mission of the Daiki Axis Group: "Protect the environment and change the future."

### Household drinking water business

- Developing household drinking water business utilizing advanced water treatment technology, mainly in Ehime Prefecture and parts of the Shikoku and Chugoku regions
- Also started handling fully automatic water servers jointly developed with another company, planned by Daiki Axis



Water server (bottle type)

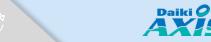


Fully automatic water server

## Venture capital business Formed the first fund and executed investments in startups addressing environmental issues Daiki 🥥 MORGENROT Zephyr waqua **W** welmo **FOOD REBORN ZENTECH**







- History of the popularization of Johkasou in Japan serve as a model for global expansion moving forward, and the expansion of the Johkasou market is projected to accelerate with further economic development.
- Focus on Asia and Africa in recreating the course set in Johkasou manufacturing and distribution in Japan by Daiki Axis, a company with a long history tracing back to Japan's high growth era.

#### Spread of Johkasou in Japan

Meiji era (1868- 1912)	Spread of European-style lifestyles
1955~ High economic growth period	Rapid development of individual treatment septic tanks in areas with undeveloped sewage systems with increasing demand for flushing toilets Water pollution from factory wastewater turns into social issue (1958 "Daiki Shoji" established)
1969	Distinction set between individual treatment septic tanks for treatment of toilet wastewater only and combined treatment Johkasou for treatment of toilet wastewater and miscellaneous household wastewater
1971	Water Pollution Prevention Act enforced = Regulations placed on factory wastewater, household wastewater draws attention as a primary main cause of water pollution
1983	Johkasou (Septic Tank) Act enforced
2001	Johkasou (Septic Tank) Act revised  Mandatory installation of combined treatment Johkasou in all areas with undeveloped sewage systems



Daiki B type Johkasou (1964)



Tama river, Tokyo (1973) Source: Tokyo Metropolitan Goverment Bureau of Environment

#### Current state of water pollution in Asia and Africa

- Water environment degradation in Asia and Africa is a serious issue
- Some regions lack sufficient monitoring and regulatory systems, as well as penalties, for discretions involving household wastewater, and regulations are being disregarded







2022 India

2019 Bangladesh

2020 Kenya



We push the importance of environmental regulations to governments/municipalities overseas based on Japan's history of Johkasou and pollution control measures, and promote the establishment of regulations and development of countries with an emphasis on water environment maintenance

### Appendix / Background of Overseas Expansion (2/2)



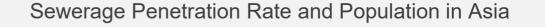


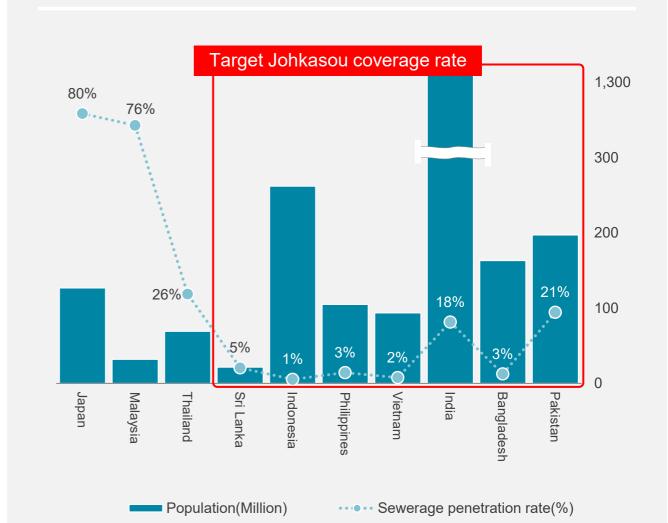


- Global water business market expected to expand significantly over the next decade, with wastewater nearly doubling from 2019 to 2030
- Sewage system coverage rates remain extremely low in Asia, which has a huge population, meaning there is huge potential for the popularization of Johkasou moving forward

Global	water	business	market	scale
Olobai	water		manct	Scale

Unit:trilion Top figure:2030 Bottom figure:(2019年)	Facility establishment	Maintenance	Total by sector
2030	49.5	63.0	112.5
Global market total	(26.2)	(456)	(71.9)
Water supply	13.4	20.0	33.4
	(8.2)	(16.2)	(24.4)
Sewage	29.6	20.5	50.1
	(13.9)	(14.5)	(28.4)
Industrial	5.1	21.1	26.2
wastewater	(3.7)	(14.5)	(18.1)
Seawater	1.4	1.4	2.8
desalination	(0.3)	(0.5)	(0.9)





### Appendix / Past Activities [Renewable Energy Businesses]





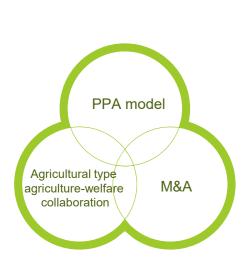




- Develop unique initiatives with personal consumption type solar power as well as agriculture and welfare/agricultural type solar power, aiming to offer solutions to resolve social issues toward discontinuation of FIT
- Wind power generator that has a rated output of 50 kW in the demonstrative project of the Ministry of the Environment demonstration project expects to witness significant market growth after practical application

#### Efforts to promote new forms of renewable energy

#### Sustainable business development towards discontinuation of FIT



- PPA model
  - In light of the growing demand for electricity in various forms due to growing environmental consciousness around the world, we have developed an electricity sales business for major electricity consumers based on a PPA model
- Agriculture and welfare collaboration
   Solar power is generated for agricultural use by using barren agricultural land while giving persons with disabilities an opportunity to work in agricultural production. This is a new initiative that

links agriculture, welfare, and energy

M&A

We will build a system able to respond quickly to variable demand by increasing our technological strength and purchasing power through M&As

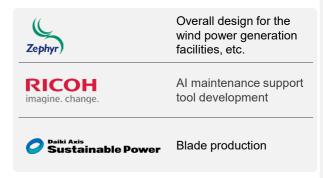




Agriculture and welfare/agricultural type solar power generation

#### Technological development of low-pressure wind power generators

- As a demonstrative project of the Ministry of the Environment, we will work on the development and distribution of a wind power generator that has a rated output of 50 kW in collaboration with two companies. The demonstration project has now ended, and participating companies are conducting demonstration experiments.
- The Daiki Axis Group is in charge of producing the blades using its molding technology (produced at the Tushima factory)



Blades will be put on the production line following the practical application and commercialization of the system, and sold through Daiki Axis' networks

#### Growing demand in local production/consumption of recycled energy

- Growing environmental consciousness has created active domestic demand for waste cooking oil used to make biodiesel fuel. We have built a plant in Ibaraki Prefecture and will start supplying the high-demand Kanto region.
- Along with the plant's operation, we will expand our supply of biodiesel fuel (B100) to work vehicles used at airports and increase profitability.

