
Daiki-AXIS

Financial Results Briefing
for the Year Ended
December 31, 2025

February 27, 2026

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Appendix

- Medium-Term Management Plan (2025-2027)
- Others

- Net Sales** | Environmental equipment grew steadily due to progress on large projects; housing equipment also rose steadily, centered on refrigerated/frozen and HVAC installation works.
- Gross Profit** | Price pass-through of higher procurement and subcontracting costs progressed; high-margin HVAC installation work in the housing equipment business also contributed to gross profit growth.
- Operating Profit** | While accelerating growth-strategy investments (advertising, regional contribution, digital, human capital), improved profitability led to higher operating profit.

	FY2023		FY2024		FY2025		vs. FY2024	
	Amount (million yen)	Sales ratio	Amount (million yen)	Sales ratio	Amount (million yen)	Sales ratio	Amount(million yen)	change
Net Sales	42,681	—	46,818	—	48,321	—	+1,502	+3.2%
Gross Profit	8,866	20.8%	10,217	21.8%	10,712	22.2%	+495	+4.9%
SG&A Expenses	8,206	19.2%	9,168	19.6%	9,440	19.5%	+272	+3.0%
Operating Profit	660	1.5%	1,048	2.2%	1,272	2.6%	+223	+21.3%
Ordinary Profit	837	2.0%	1,141	2.4%	1,301	2.7%	+159	+14.0%
Profit Attributable to Owners of Parent	205	0.5%	352	0.8%	461	1.0%	+109	+31.1%
Capital Expenditures	1,391	—	1,250	—	1,913	—	+662	+53.0%
Depreciation	764	—	775	—	813	—	+37	+4.9%

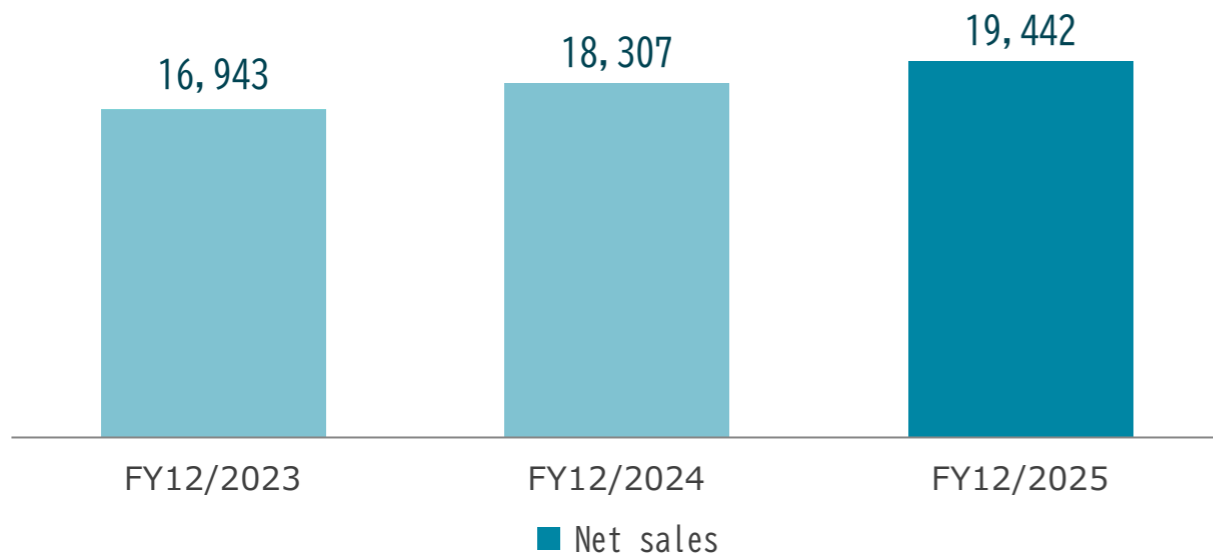
Results by Segment (Sales and Operating Profit Summary)

		FY2023		FY2024		FY2025		vs. FY2024	
		Amount (million yen)	Sales ratio	Amount (million yen)	Sales ratio	Amount (million yen)	Sales ratio	Amount (million yen)	change
Net sales		42,681	—	46,818	—	48,321	—	+1,502	+3.2%
	Environmental Equipment Businesses	21,010	49.2%	23,649	50.5%	24,681	51.1%	+1,031	+4.4%
	Overseas Sale	1,477	3.5%	2,430	5.2%	2,026	4.2%	(403)	(16.6%)
	Household Equipment Businesses	18,302	42.9%	19,844	42.4%	20,631	42.7%	+787	+4.0%
	Renewable Energy Businesses	2,746	6.4%	2,708	5.8%	2,430	5.0%	(278)	(10.3%)
	Other Businesses	622	1.5%	616	1.3%	578	1.2%	(37)	(6.1%)
		FY2023		FY2024		FY2025		vs. FY2024	
		Amount (million yen)	Sales ratio	Amount (million yen)	Sales ratio	Amount (million yen)	Sales ratio	Amount (million yen)	change
Operating profit		660	1.5%	1,048	2.2%	1,272	2.6%	+223	+21.3%
	Environmental Equipment Businesses	1,424	6.8%	2,029	8.6%	1,898	7.7%	(130)	(6.5%)
	Household Equipment Businesses	278	1.5%	451	2.3%	715	3.5%	+263	+58.4%
	Renewable Energy businesses	259	9.4%	123	4.6%	117	4.8%	(6)	(5.2%)
	Other Businesses	38	6.2%	(29)	—	(22)	—	+6	—
Adjustments (Amount of company-wide expenses and elimination)		(1,339)	—	(1,526)	—	(1,436)	—	+90	—



(unit : million yen)

Johkasou/Wastewater Treatment Systems(Japan domestic)



Topics

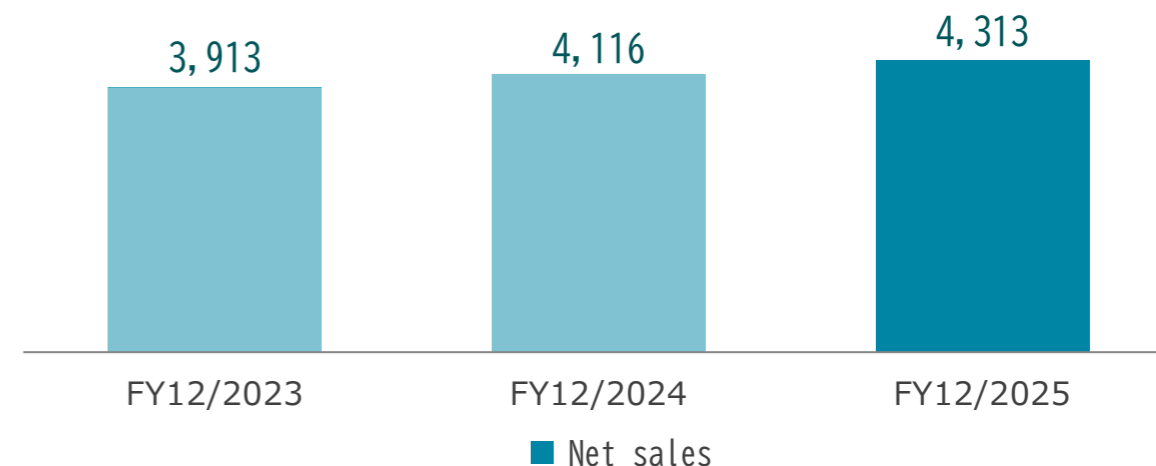
- Market shrinking due to lower housing starts, but our share remains stable.
- Growing demand for CapEx and renovation/replacement of aging facilities.
- Rising costs for raw materials, outsourcing, and logistics.

Drivers/Factors for change

- Sales increased due to progress on large-scale industrial wastewater treatment projects.
- Improving win rates and margins through cross-selling and stronger design-firm relations.
- Ongoing price pass-through of rising costs to focus on boosting profitability.

Operating Profit: 93.5% of FY2024

Johkasou/Wastewater Treatment Systems(Japan Maintenance)



Topics

- Strong demand driven by a favorable order environment.
- Rising maintenance demand due to stricter government regulations.
- New integrated sales model for equipment and maintenance contracts.

Drivers/Factors for change

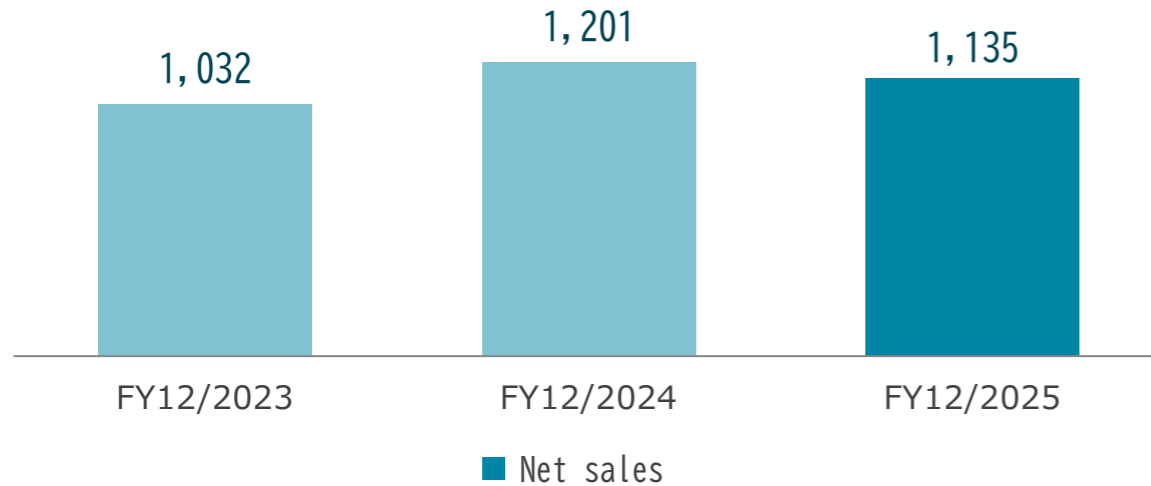
- Steady growth in contracts and sales driven by long-term repair proposals.
- Rising maintenance contracts fueled by sales of industrial treatment and disposer units.
- Focusing on price adjustments and service upgrades during contract renewals.

Japan growth driven by large project progress, offset by a decline in overseas sales as previous-year large projects concluded.



(unit : million yen)

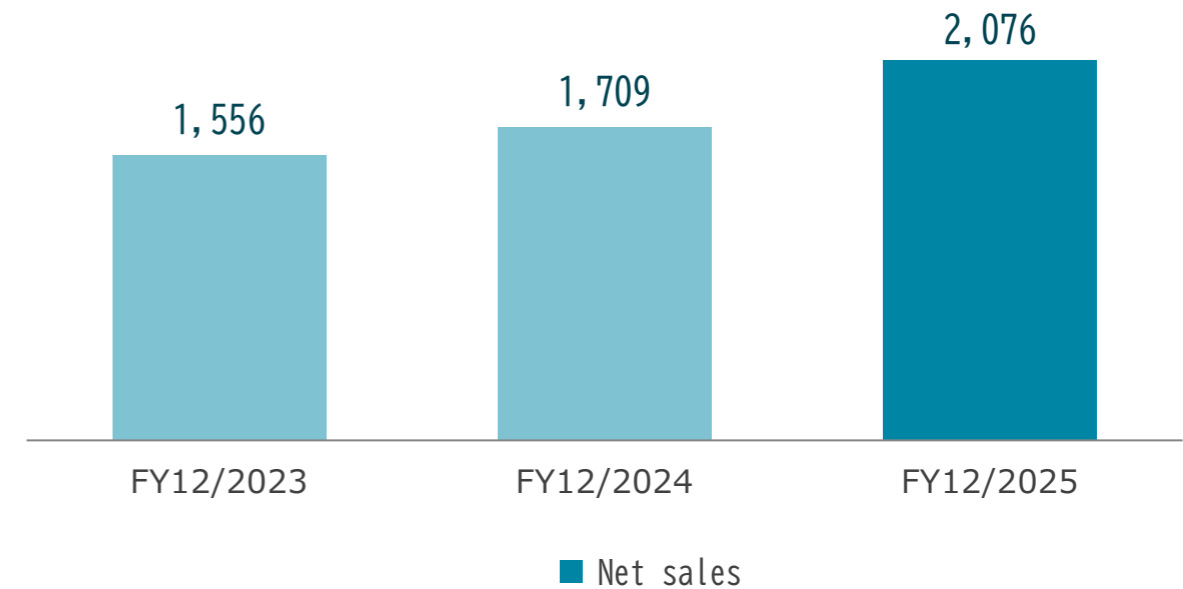
Groundwater Treatment system for Drinking



Topics	Drivers/Factors for change
<ul style="list-style-type: none"> • Growing demand for groundwater treatment systems due to rising water rates and BCP needs. • Strengthening sales with an integrated model for wastewater and groundwater treatment. 	<ul style="list-style-type: none"> • Steady growth in ESCO contract numbers. • Steady increase in maintenance contracts following groundwater system sales. • Sales declined due to the absence of a large number of projects in the previous year.

*ESCO Contract: A model where we cover all equipment and operating costs, while the client pays a monthly fee based on their water usage.

Building Integrated Management*

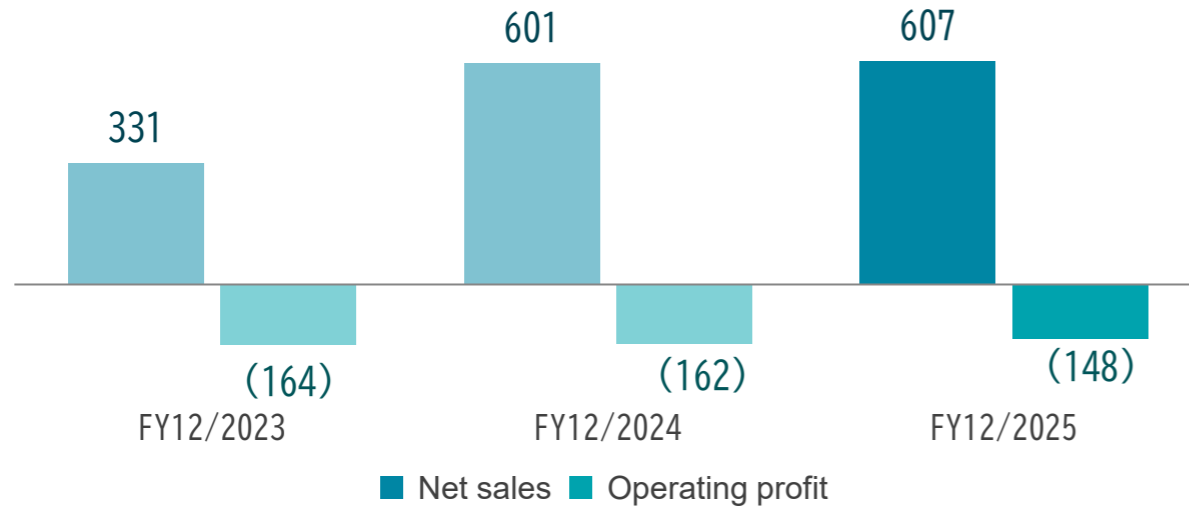


Topics	Drivers/Factors for change
<ul style="list-style-type: none"> • Reducing owners' costs through integrated facility management for stores and commercial buildings. • Expanding service areas and inspection items to further enhance our expertise. 	<ul style="list-style-type: none"> • New orders from DCM's store expansion contributed to sales growth. • Increase in spot projects also pushed up revenue.

*Comprehensive Building Management: Providing cleaning, environmental testing, and facility maintenance/repairs for store, building, and apartment owners.



India



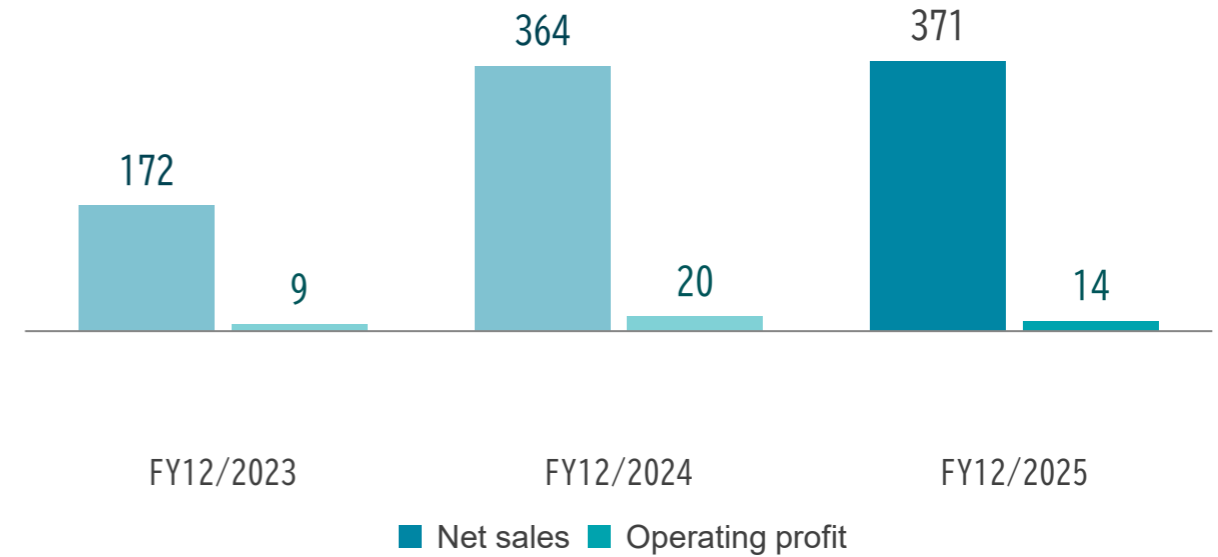
Topics

- Strong demand from both public and private sectors; however, cultural factors such as a different sense of time continue to cause project delays.
- The government is increasingly concerned about water quality, leading to the injection of public funds into related projects.

Drivers/Factors for change

- Sales remained flat YoY as a steady accumulation of medium-sized projects offset the decline in large-scale orders.
- Prioritizing R&D for new manufacturing methods to boost efficiency, with upfront investments in human resources and equipment.

Sri Lanka



Topics

- Strong demand in both public and private sectors amid a stable and active business environment.
- Launched local assembly of small-scale Johkasou to strengthen production, switching from Indonesian imports.
- Leveraging the Presidential Environmental Award and Green Label certification to boost sales.

Drivers/Factors for change

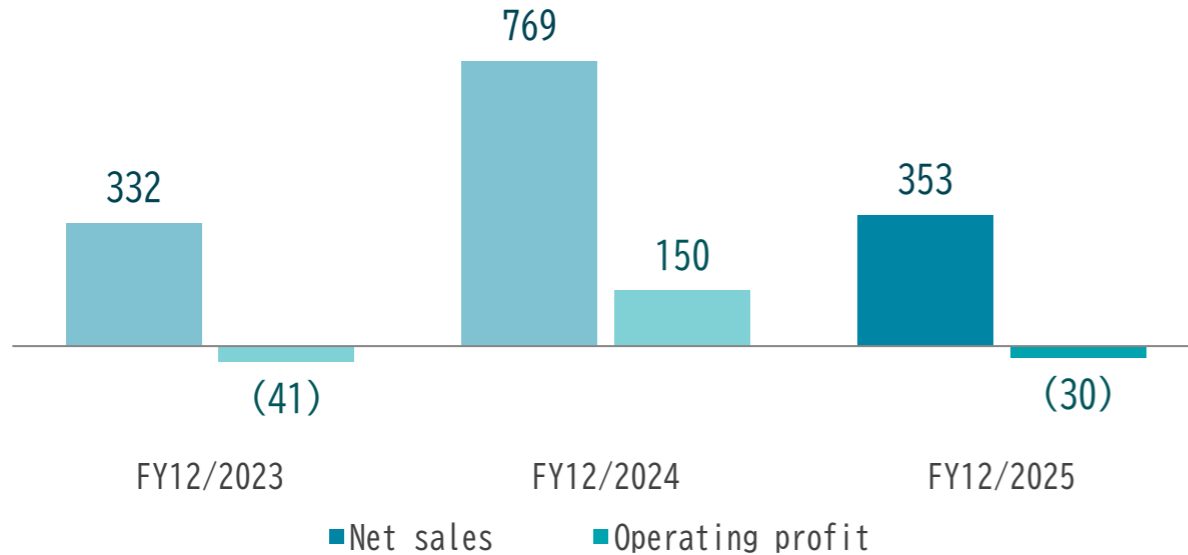
- Sales remained flat YoY, supported by the completion of large-scale projects.
- Profit decreased slightly due to investments in hiring (sales/technical) and marketing, including exhibitions and CSR events.

Operating Profit (Global) : Down YoY due to the absence of large projects in Indonesia and ongoing upfront investment to boost production efficiency in India.



*Note: Operating profit by country is before consolidation eliminations. (unit : million yen)

Indonesia



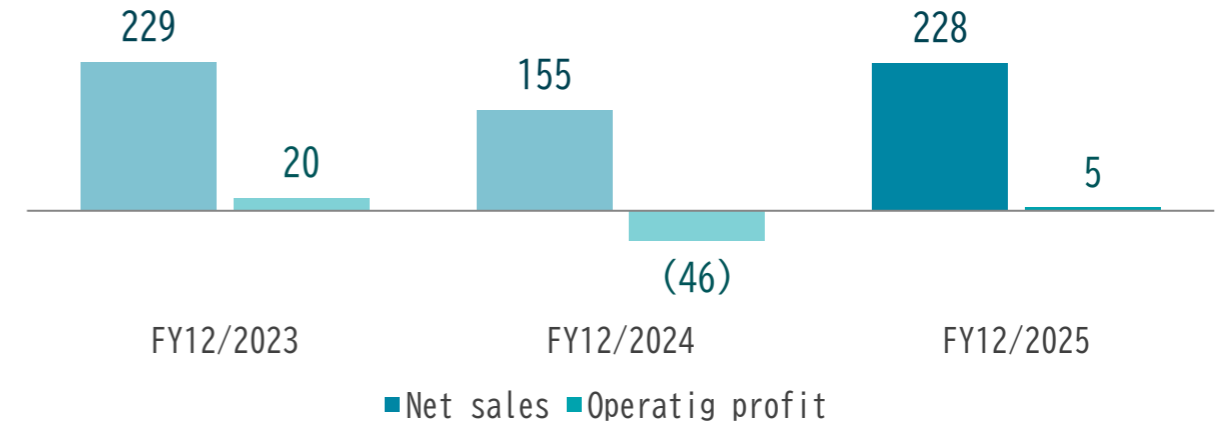
Topics

- Market remains highly price-sensitive, with low-cost options prioritized over quality.
- Restructuring to target industrial wastewater projects, including R&D with local universities and collaborating on government standards.

Drivers/Factors for change

- Sales and profit declined due to lower unit shipments and the absence of prior-year large-scale projects.
- Developing specialized and optimized products in response to updated water quality regulations to enhance competitiveness.

China



Topics

- Weak demand for CapEx as economic uncertainty in China leads to Japanese companies withdrawing or scaling back.
- Local low-cost manufacturers, though lower in quality, are gaining market share due to price competitiveness.
- Business structure reforms were implemented in 2024.

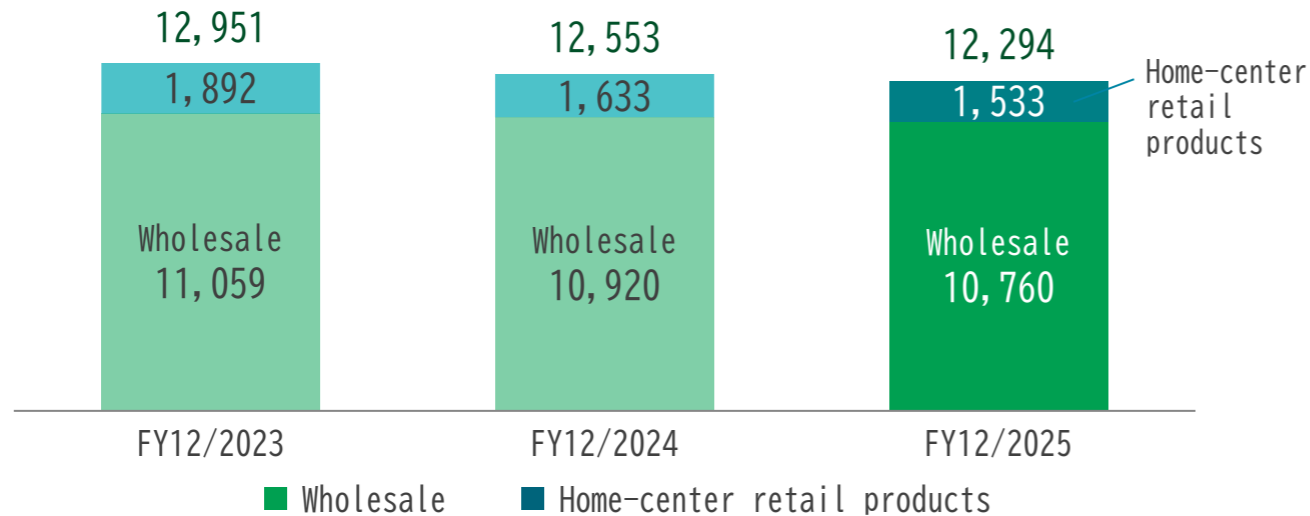
Drivers/Factors for change

- Sales increased steadily due to membrane product sales and large construction projects.
- Significant SG&A cost reductions from the restructuring improved operating profit.
- The company is promoting repair and renovation proposals for facilities long after handover.



(unit : million yen)

Housing Equipment Sales & Distribution



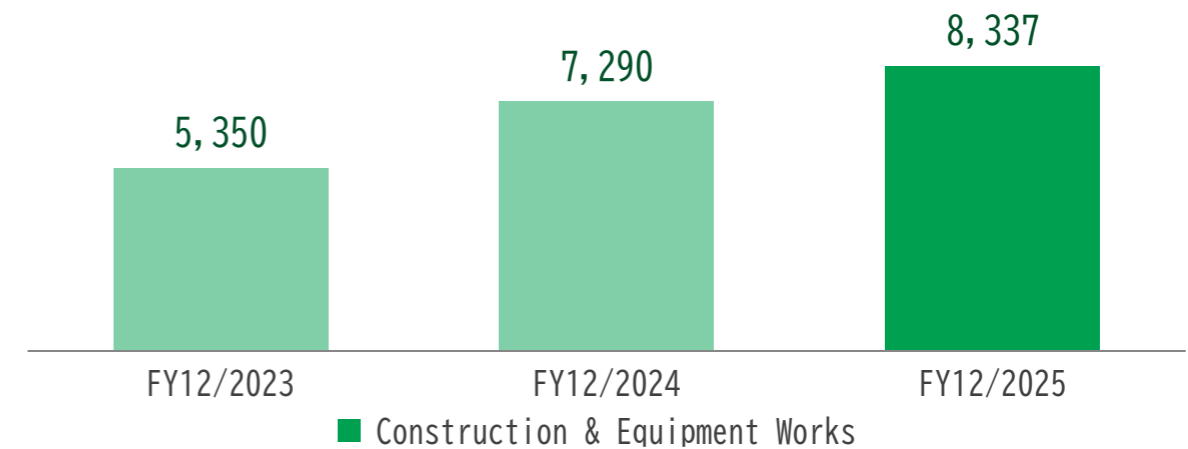
Topics

- New housing starts continue to decline; demand for pre-owned homes is rising, while renovation demand remains flat.
- Public investment is trending upward, and demand for apartment complexes (condos) remains solid.
- Lower foot traffic at home centers; rising competition with EC.

Drivers/Factors for change

- New customer acquisition, strengthened order capture, and cross-selling by area helped limit sales decline.
- Sales decreased due to weakened consumer sentiment and intensified competition from new entrants.
- Smooth pass-through of material and shipping costs and reducing expenses by secondary logistics.

Construction & Equipment Works



Topics

- Construction material costs remain high and shortages of skilled craftsmen have progressed.
- Recent heatwaves increased demand for HVAC-related works.

Drivers/Factors for change

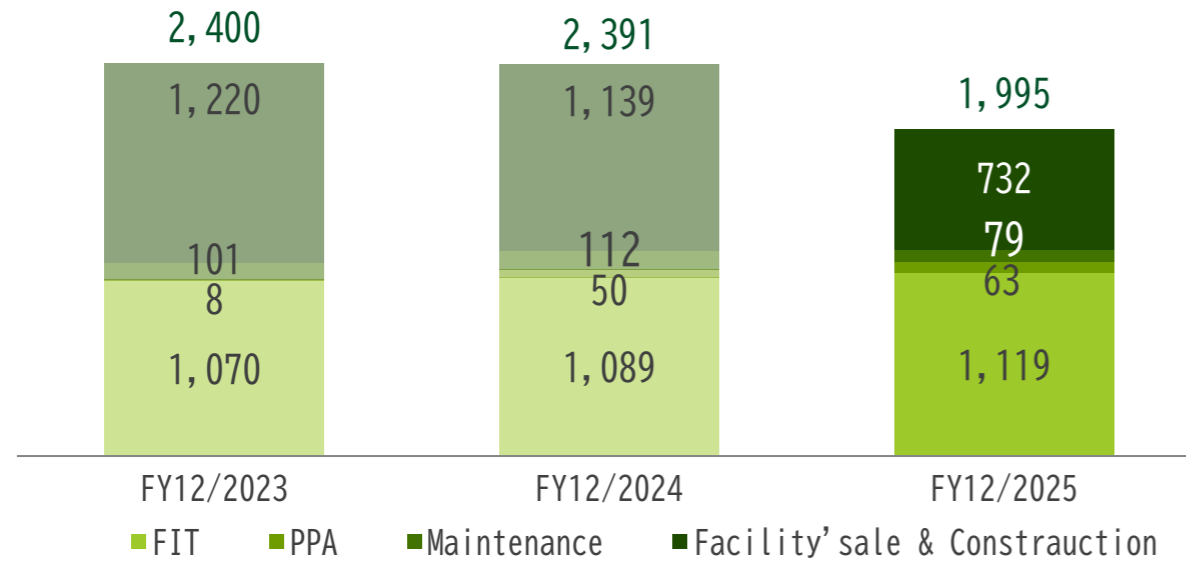
- Ref/HVAC: Sales and profit surged due to East Japan expansion and strong subsidiary orders.
- Exterior wall works and educational facility projects progressed well; agricultural greenhouse projects declined due to prior-year reaction.
- Wood-structure business and smart-home services remained steady.

Operating Profit: 158.4% of FY2024 Refrigerated/frozen and HVAC installation works drove profit growth, supported by various cost-reduction measures.



(unit : million yen)

Solar Power Generation



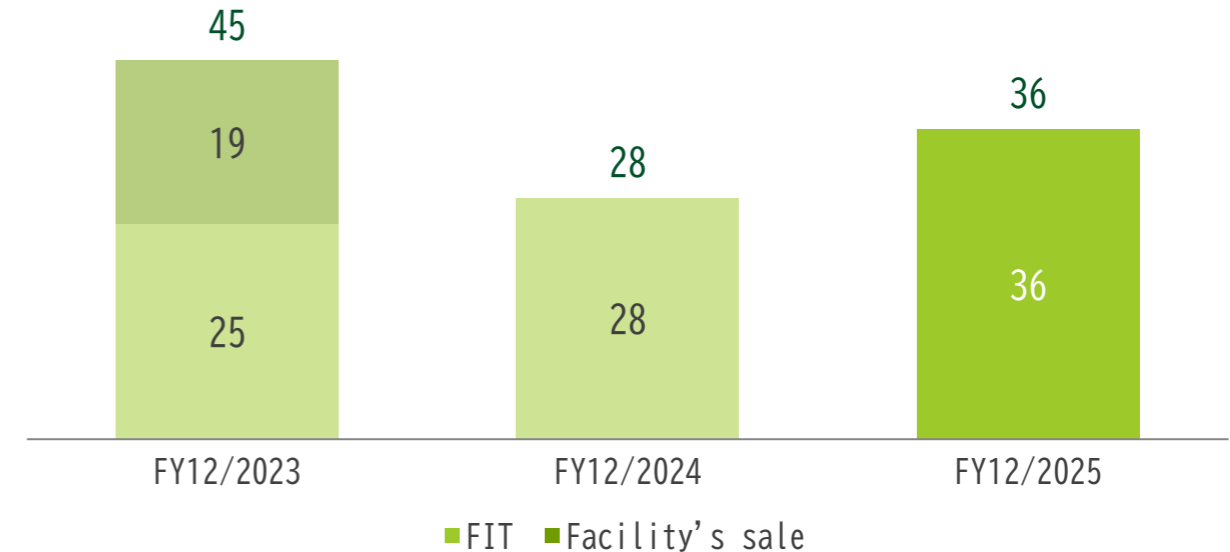
Topics

- The 7th Basic Energy Plan (Feb 2025)※ raises the solar share from 10% (FY2023) to 23–29% by 2040.
- Renewable demand is expanding down to small and medium enterprises and remains steady.
- Copper wire theft at solar sites is declining, while material costs, including panels, continue to rise.

Drivers/Factors for change

- Increased due to favorable summer weather and reduced output curtailment.
- Decrease in theft-related construction work reduced maintenance revenue.
- Volume flat, but revenue down due to a lack of large projects YoY.

Wind Power Generation



Topics

- The 7th Basic Energy Plan raises wind share from 1% (FY2023) to 4–8% by 2040.
- Overall demand remains steady, but the main Hokkaido area is not strong.
- Output curtailment by utilities continues.

Drivers/Factors for change

- FIT : 35 sites are operational; sites completed in the prior year contributed to annualized revenue.
- Some sites experienced downtime due to failures and winter maintenance difficulties; efforts to improve operational efficiency are ongoing.

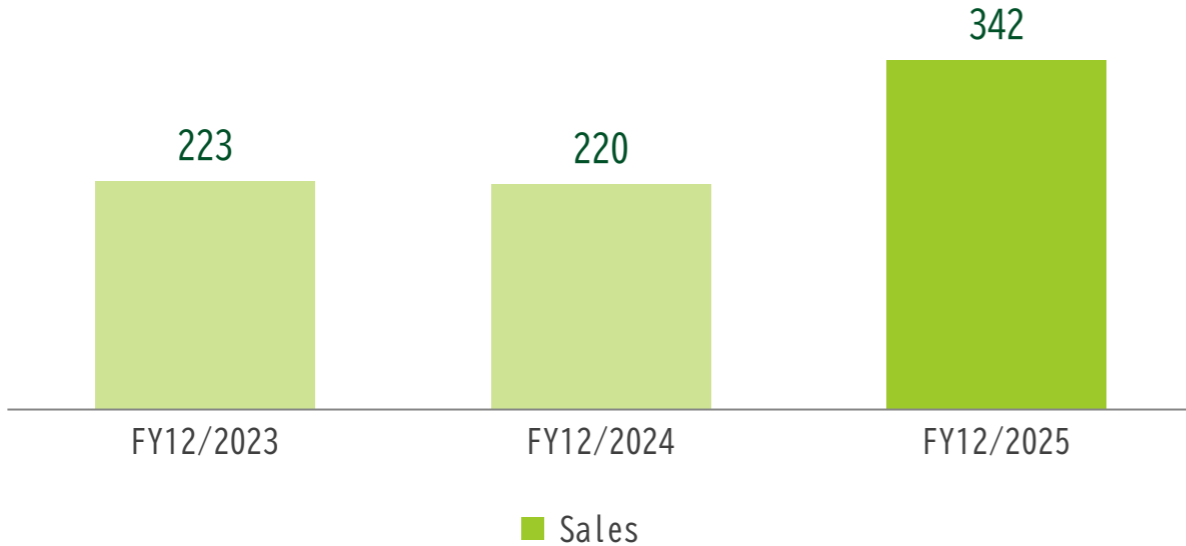
※The 7th Strategic Energy Plan is Japan's key policy that defines what types of energy the country will use and in what proportions.

Operating Profit(as a whole): 94.8% of FY2024 Biodiesel contributed positively but reduced solar construction activity was a drag.



(unit : million yen)

Biodiesel Fuels



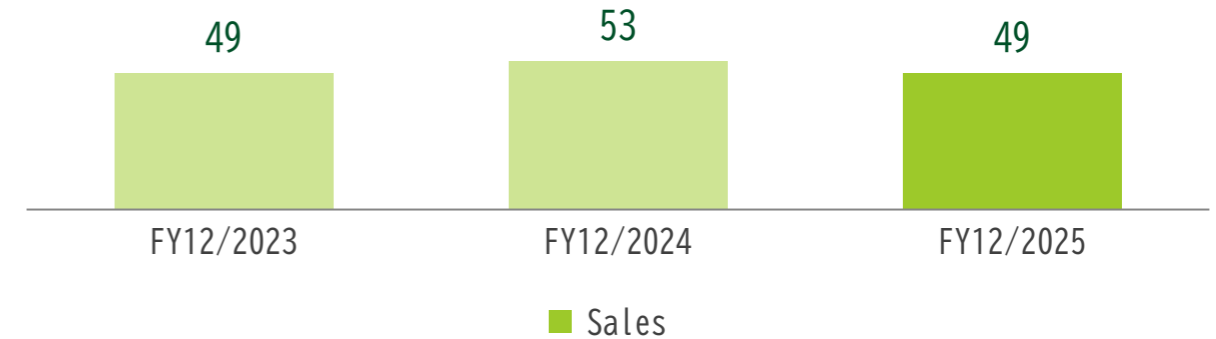
Topics

- The 7th Basic Energy Plan envisions biofuels not only for automobiles but also for aviation and marine fuels.
- Feedstock competition and the diesel-biodiesel price gap.
- The company supplied biodiesel for international marlin fishing events and urban illumination to raise brand awareness.

Drivers/Factors for change

- East Japan : Supply to convenience-store delivery vehicles and participation in biodiesel bus operations in Oku-Nikko contributed to sales growth, including plant sales.
- West Japan : New customer acquisition and increased usage by existing customers, including airport vehicles, supported steady sales increases.

Hydrothermal Treatment



Topics

- Domestic companies and government show high interest in volume reduction and reuse via hydrothermal treatment.
- Interest is also high across Asia and exhibitions are active.

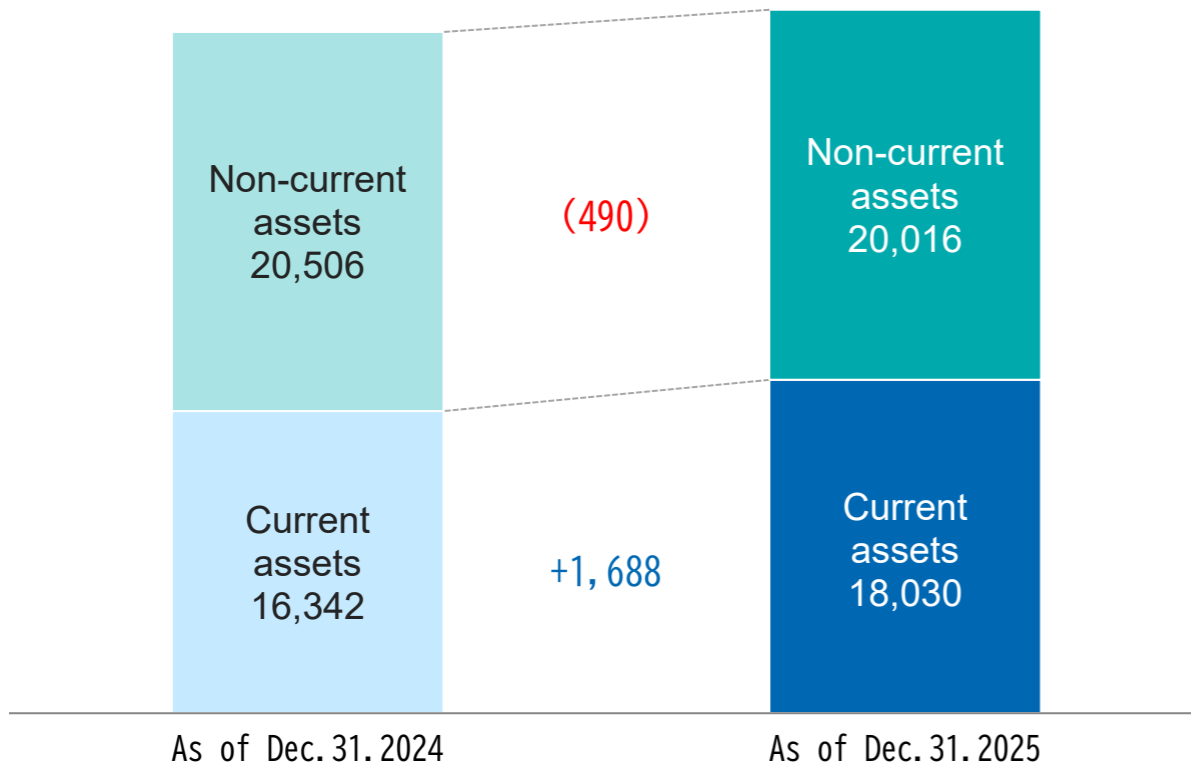
Drivers/Factors for change

- Orders for commissioned experiments and sales of test equipment maintained typical revenue.
- Knowledge was increased variety of commissioned tests improved the company's expertise.
- Building a coordinated sales structure across the group between hydrothermal and wastewater treatment businesses.

(unit : million yen)

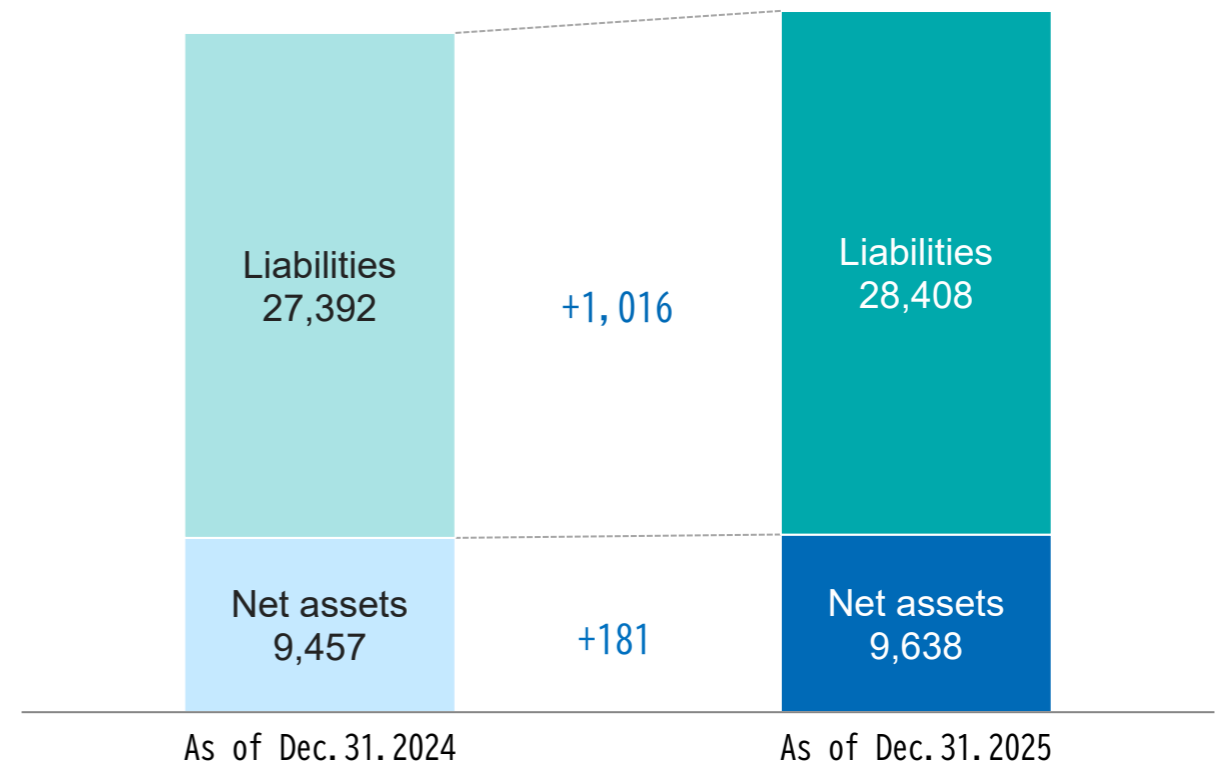
Assets

- **Current assets** : Cash decreased due to venture capital investments.
- **Non-current assets** : An increase in tangible fixed assets from renewable energy investments and higher investment securities from venture capital activity.



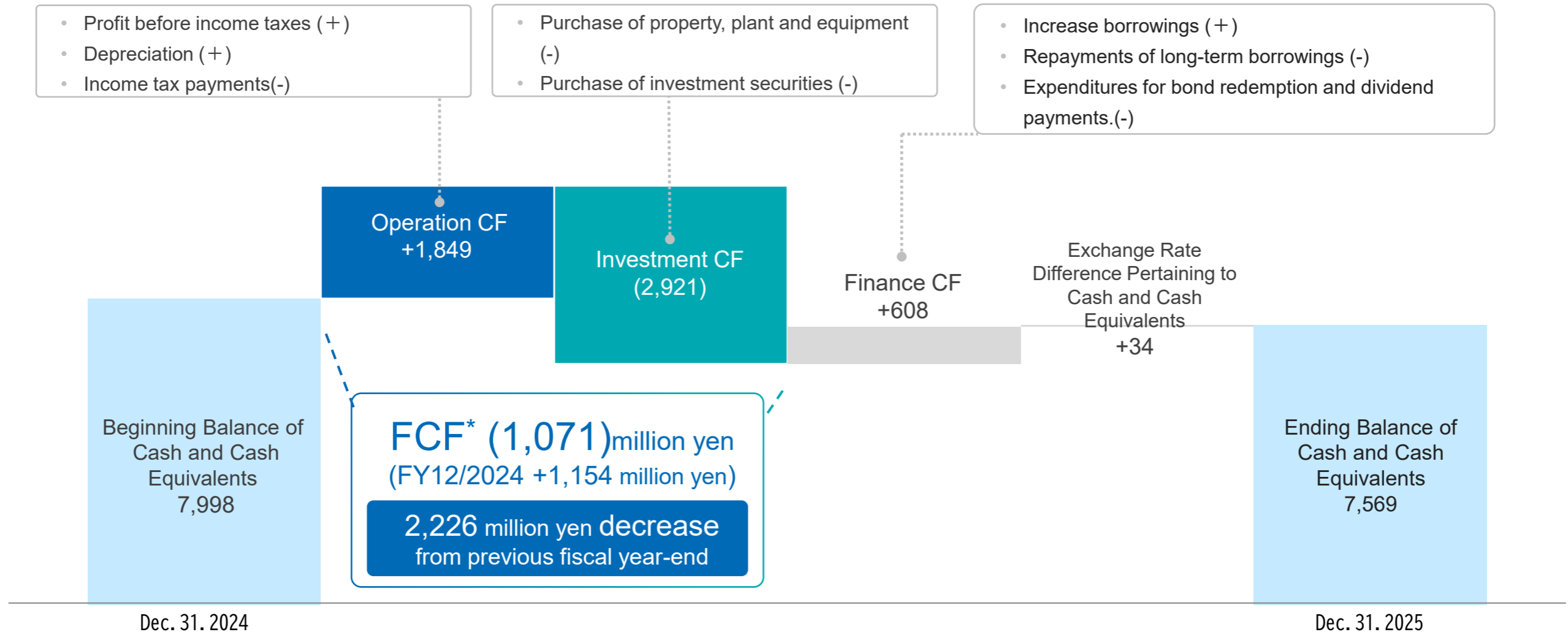
Liabilities and Net Assets

- **Current liabilities** : Short-term loans increased due to meet working capital needs amid strong demand; long-term borrowings increased for renewable energy capital expenditures..
- **Non-current liabilities** : Increase in long-term debt due to capital expenditures in the renewable energy businesses.



Although operating cash flow was positive, free cash flow (FCF) turned negative due to capital expenditures in the renewable energy business and investments in the venture capital business.

(unit : million)



- Profit before income taxes (+)
- Depreciation (+)
- Income tax payments(-)

- Purchase of property, plant and equipment (-)
- Purchase of investment securities (-)

- Increase borrowings (+)
- Repayments of long-term borrowings (-)
- Expenditures for bond redemption and dividend payments.(-)

FCF* (1,071) million yen
 (FY12/2024 +1,154 million yen)
2,226 million yen decrease
 from previous fiscal year-end

Net Sales | Increase by large projects, overseas growth, and the launch of the Green Data Center.

Gross Profit | Higher margins in environmental equipment and construction wholesale, plus data center contributions.

Operating Profit | Growth expected as cost cuts and production efficiency offset HR investments and housing market declines.

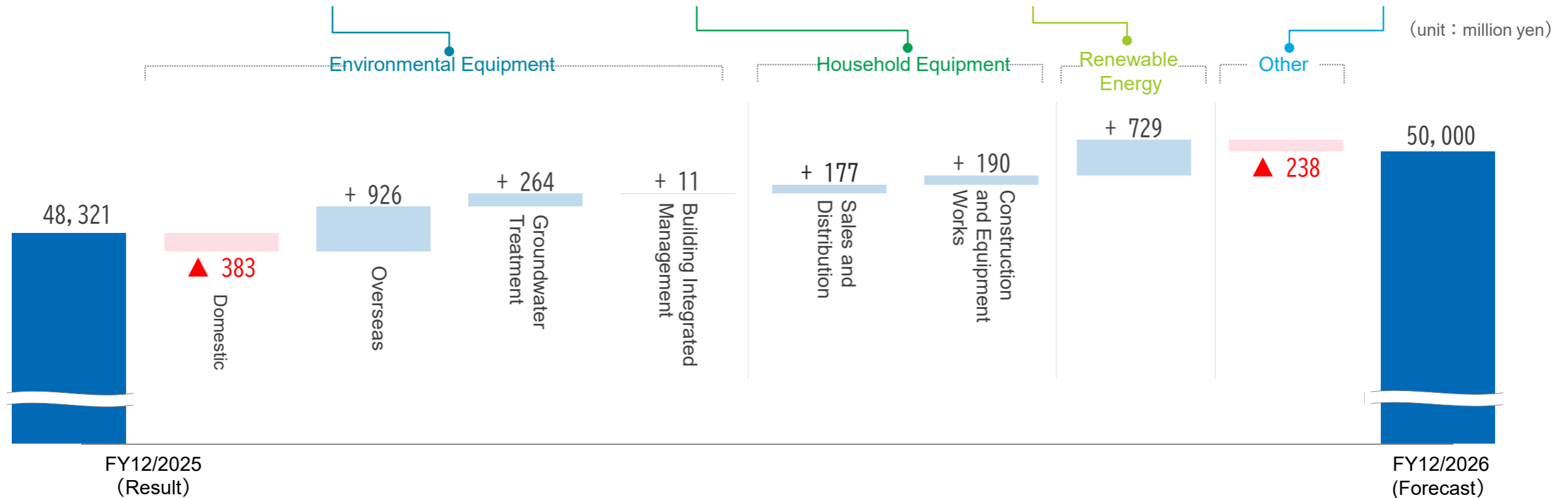
	FY2024 【Result】		FY2025 【Result】		FY2026 【Plan】		vs.FY2024	
	Amount (million yen)	Sales ratio	Amount (million yen)	Sales ratio	Amount (million yen)	Sales ratio	Amount (million yen)	change
Net Sales	46,818	—	48,321	—	50,000	—	+1,678	+3.5%
Gross Profit	10,217	21.8%	10,712	22.2%	11,430	22.9%	+717	+6.7%
Selling, General and Administrative Expenses	9,168	19.6%	9,440	19.5%	9,980	20.0%	+539	+5.7%
Operating Profit	1,048	2.2%	1,272	2.6%	1,450	2.9%	+177	+14.0%
Ordinary Profit	1,141	2.4%	1,301	2.7%	1,350	2.7%	+48	+3.7%
Net income (Attributable to Owners of Parents)	352	0.8%	461	1.0%	540	1.1%	+78	+17.0%
Capital Investment	1,250	—	1,913	—	2,116	—	+202	+10.6%
Depreciation Expenses	775	—	813	—	1,200	—	+386	+47.6%

	FY2024 【Result】		FY2025 【Result】		FY2026 【Plan】		vs.FY2025	
	Amount (million yen)	Sales ratio	Amount (million yen)	Sales ratio	Amount(million yen)	Sales ratio	Amount (million yen)	Change
Net Sales	46,818	—	48,321	—	50,000	—	+1,679	+3.5%
Environmental Equipment Businesses	23,649	50.5%	24,681	51.1%	25,500	51.0%	+818	+3.3%
overseas	2,434	5.2%	2,026	4.2%	2,952	5.9%	+926	+45.7%
Household Equipment Businesses	19,844	42.4%	20,631	42.7%	21,000	42.0%	+368	+1.8%
Renewable Energy Businesses	2,708	5.8%	2,430	5.0%	3,160	6.3%	+729	+30.0%
Other Business	616	1.3%	578	1.2%	340	0.7%	(238)	△41.2%

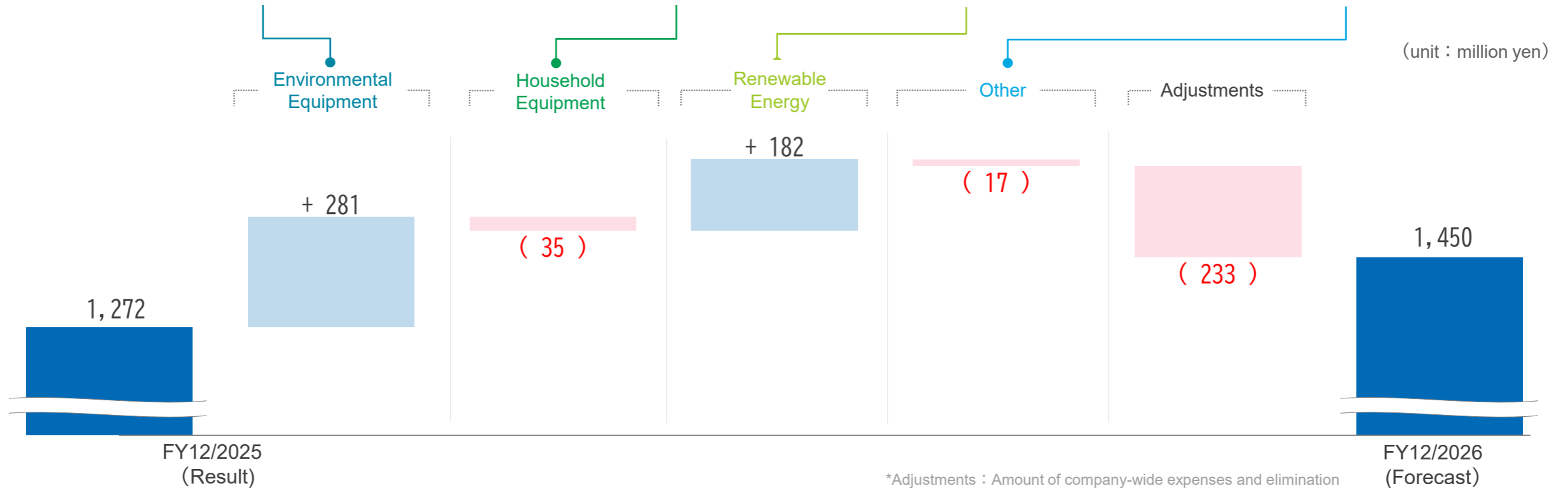
	FY2024 【Result】		FY2025 【Result】		FY2026 【Plan】		vs.FY2025	
	Amount (million yen)	Sales ratio	Amount (million yen)	Sales ratio	Amount(million yen)	Sales ratio	Amount (million yen)	Change
Operating Profit	1,048	2.2%	1,272	2.6%	1,450	2.9%	+177	+14.0%
Environmental Equipment Businesses	2,029	8.6%	1,898	7.7%	2,180	8.5%	+281	+14.8%
Household Equipment Businesses	451	2.3%	715	3.5%	680	3.2%	(35)	△5.0%
Renewable Energy Businesses	123	4.6%	117	4.8%	300	9.5%	+182	+155.6%
Other business	(29)	—	(22)	—	(40)	—	(17)	—
Adjustments*	(1,526)	—	(1,436)	—	(1,670)	—	(138)	—

※Adjustments : Amount of company-wide expenses and elimination

	Environmental Equipment Business	Household Equipment Business	Renewable Energy Business	Other Business
Consolidated Net Sales	<ul style="list-style-type: none"> Domestic: Revenue growth in ground water/wastewater projects and stronger Group synergy in R&D and sales. Overseas: Increased production in India, large projects in Indonesia, and profitability in Bangladesh. 	<ul style="list-style-type: none"> Revenue growth in construction & Equipment segment by multiple large orders. Growth expected especially in wood-structure, educational facilities, and environmentally conscious products. 	<ul style="list-style-type: none"> Solar — green data center to begin full operation Hydrothermal treatment — expected sales from actual equipment sales. 	<ul style="list-style-type: none"> Revenue decrease from sale of the bottled water business Axis Water(automatic water servers) sales expected to increase.



	Environmental Equipment Business	Household Equipment Business	Renewable Energy Business	Other Business
Consolidated Operating Profit	<ul style="list-style-type: none"> Domestic —OP expected down due to ongoing investment in human capital. Overseas — Improved sales capability and manufacturing efficiency (especially India) will increase profit. 	<ul style="list-style-type: none"> A profit is down due to a prior-year high-margin project at a subsidiary. Driving margin improvement through centralized inventory, staff reallocation, IT integration, and environmental synergy. 	<ul style="list-style-type: none"> Green data center (solar) and hydrothermal equipment sales are expected to profit increases M&A synergies (purchasing power) from consolidation of renewable subsidiaries will reduce costs. 	<ul style="list-style-type: none"> Revenue decline from sale of the bottled water business Axis Water (automatic water servers) gross margin expected to improve.



(unit : 100 million yen)

		FY2025		FY2026	FY2027	
		Plan	Result	Plan	Plan	
Environmental Equipment Business	Japan	Net Sales	216	227	225	230
		Operating Profit	22.3	24.0	23.5	27.2
	Global	Net Sales	27	20	30	50
		Operating Profit	(2.9)	(5.0)	(1.7)	(0.5)
Household Equipment Business		Net Sales	200	206	210	210
		Operating Profit	4.7	7.2	6.8	5.7
Renewable Energy Business		Net Sales	29	24	32	35
		Operating Profit	1.9	1.2	3.0	2.2

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

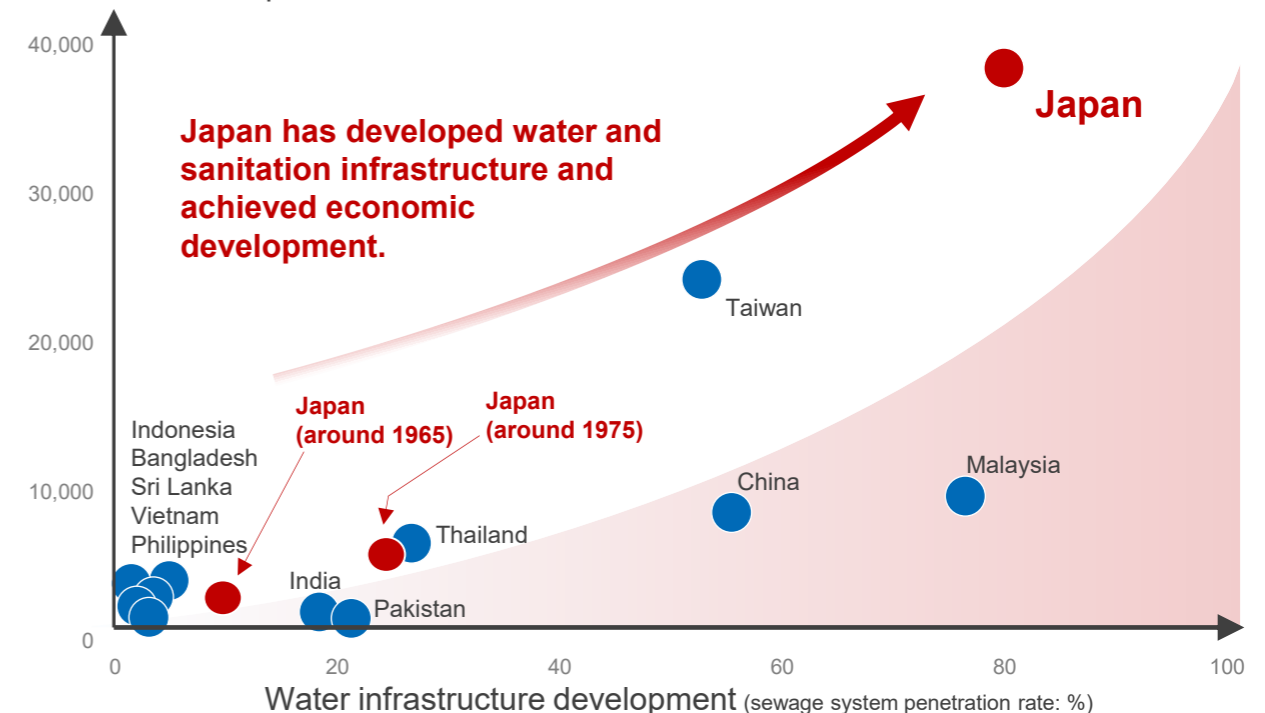
360,000 infants under the age of 5 die annually from diarrheal diseases

The mortality rate from diarrheal diseases in low-income countries is **about 230 times** that of high-income countries

Sources: Water Project Summit with CDP Japan water launch 2016
 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 Appropriate Technology for Sewage Treatment"
 World Health Organization 2019

Water and Sanitation Infrastructure Development Correlates with Economic Development

Economic development (nominal GDP per capita: USD)



Source: JICA "Development Issues of Sewage Treatment in Developing Countries" 2019
 Japan's nominal GDP per capita:
 (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%

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

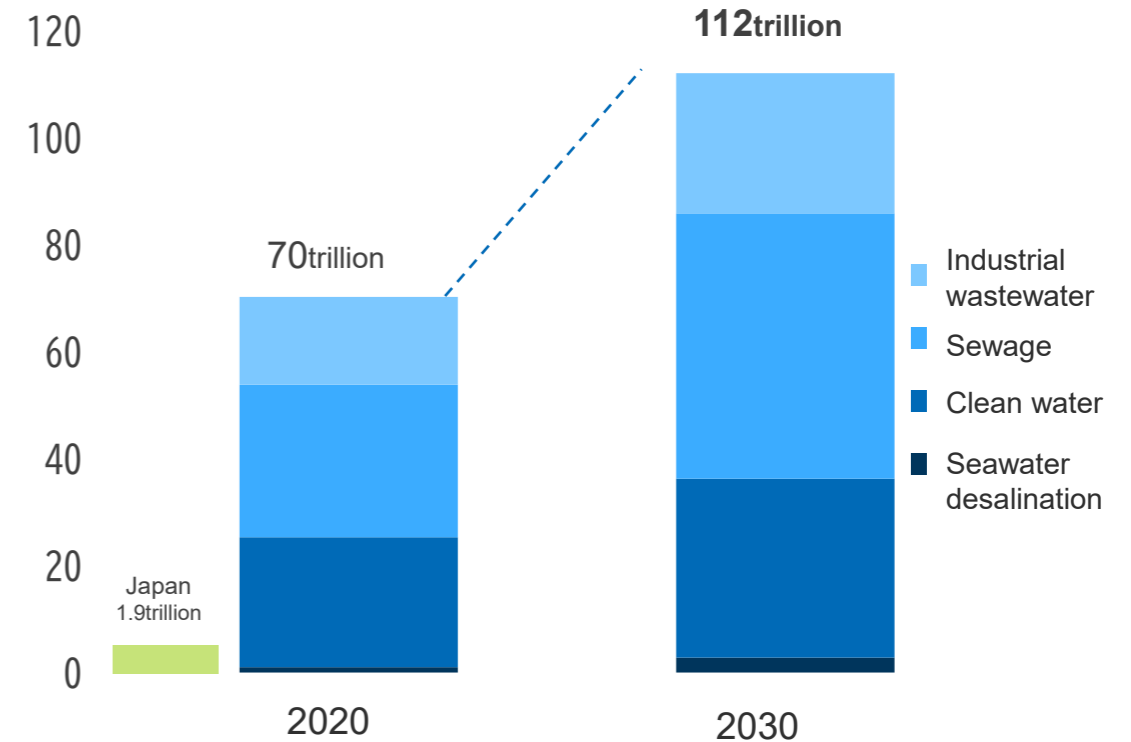
- Group countries by stages of development in developing countries and enter markets when they become viable

Global Market Entry Image



The Global Water Business Market Exceeds 100 Trillion yen

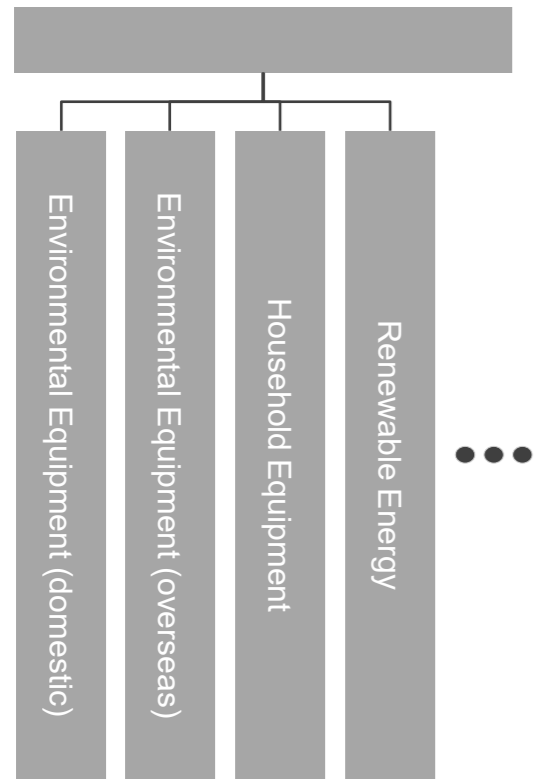
- The global market has grown **1.6 times** in 10 years
- No further growth is expected in the Japanese market



Sources:
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"

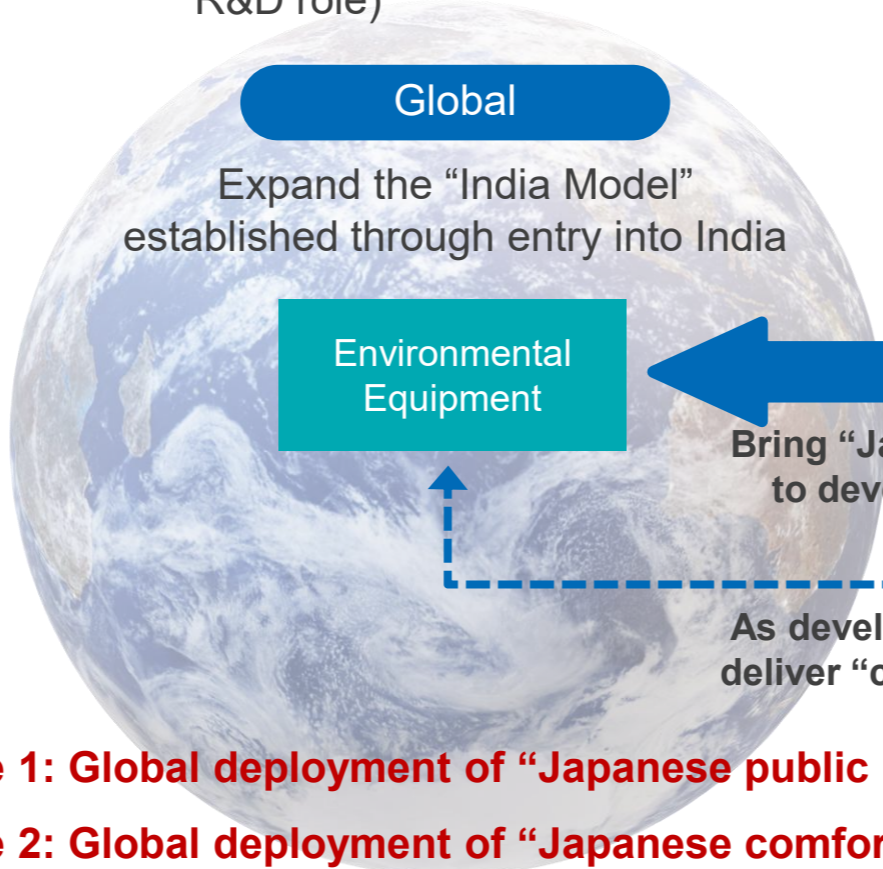
Each business will cooperate to pursue synergies on a global basis.

Portfolio Model



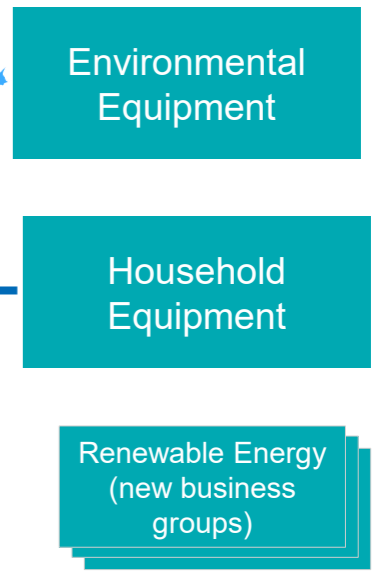
Synergy Model

- Time lag in water issues around the world
- Deploy technologies and solutions developed in Japan to developing countries (Japan's domestic market serves as a revenue engine while also playing an R&D role)



Japanese Market

Develop/deploy solutions

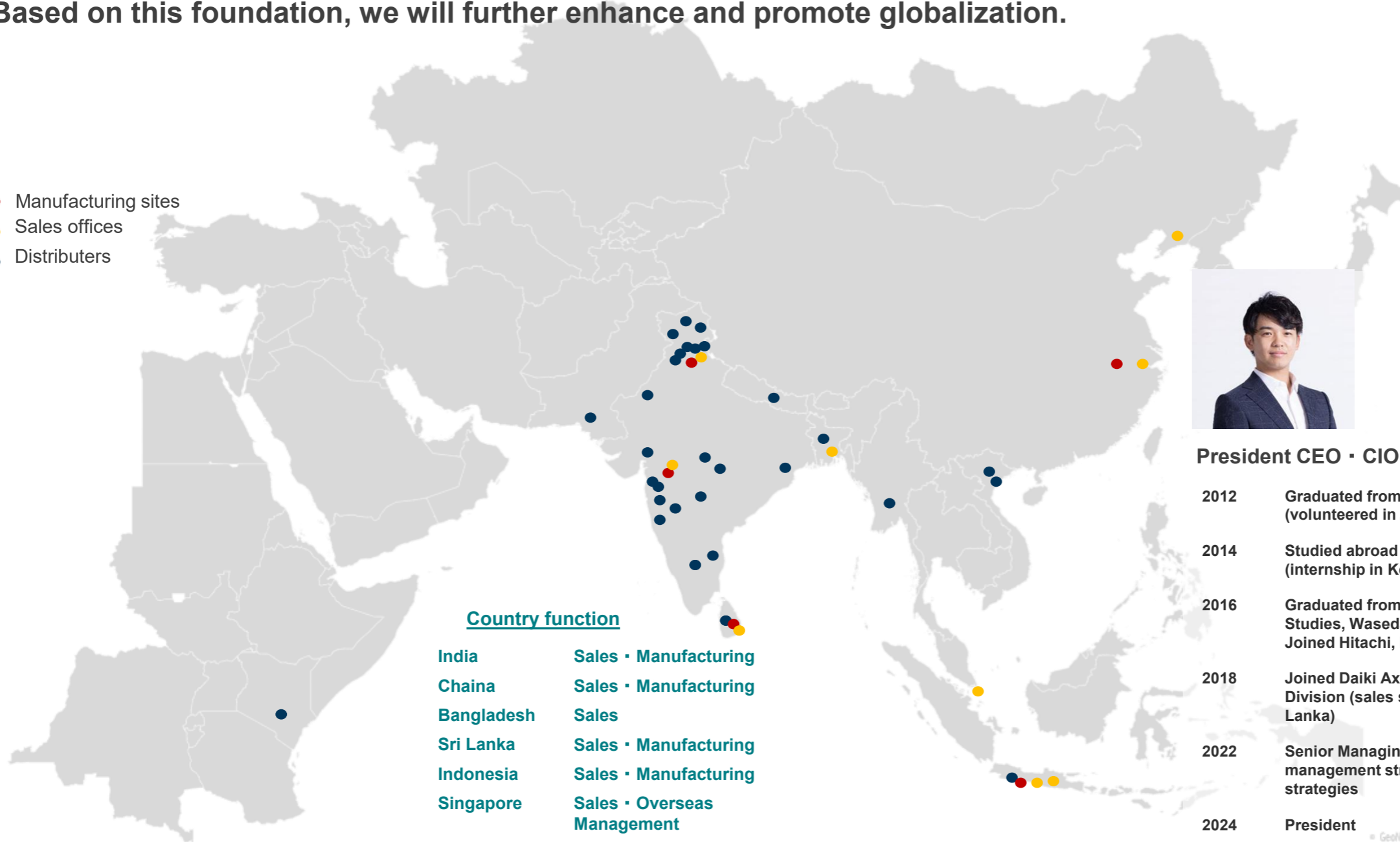


Wave 1: Global deployment of "Japanese public health"

Wave 2: Global deployment of "Japanese comfort"

We have 5 manufacturing sites, 9 sales offices, and 31 distributors worldwide. Based on this foundation, we will further enhance and promote globalization.

- Manufacturing sites
- Sales offices
- Distributers



Country function

India	Sales · Manufacturing
China	Sales · Manufacturing
Bangladesh	Sales
Sri Lanka	Sales · Manufacturing
Indonesia	Sales · Manufacturing
Singapore	Sales · Overseas Management



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)
- 2024 President

(Unit: billion yen)

FY2024
Results

FY2027
Plan

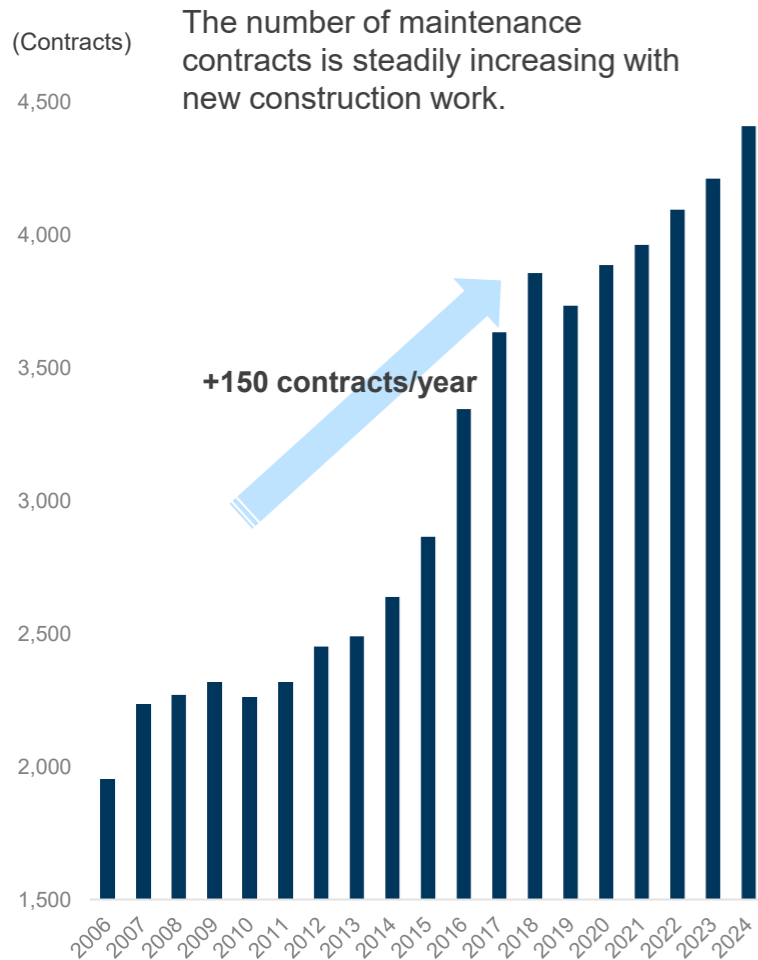
Vs. FY2024

			(Unit: billion yen)	FY2024 Results	FY2027 Plan	Vs. FY2024	
Environmental Equipment	Japanese Market	<p>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 businesses.</p> <p>Providing comprehensive services including manufacturing, sales, installation, and maintenance, with strengths in nationwide 24-hour service.</p> <p>In addition, we have strengths in decentralized water infrastructure, such as groundwater treatment systems.</p>	Sales	21.2	23.0	108%	
			Operating profit	2.36	2.72	115%	
	Global	<p>Deploying Johkasou as a solution to sewage treatment problems in developing countries.</p> <p>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.</p>		Sales	2.4	5.0	208%
				Operating profit	(0.33)	(0.05)	-
			India	Sales	0.6	2.1	350%
Operating profit				(0.16)	0.18	-	
Household Equipment	<p>“Wholesale business for water-related equipment for toilets, kitchens,” and baths (established top regional market share as a manufacturer’s agent by utilizing our customer base in Shikoku).</p> <p>Design and construction of exteriors, interiors, water-related facilities, and air conditioning systems.</p> <p>The 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 strength while blending with nature.</p>		Sales	19.8	21.0	106%	
			Operating profit	0.45	0.57	127%	
Renewable Energy	<p>Solar power plant operation is the main business.</p> <p>We have handled over 200 projects, encompassing everything from EPC (project scrutiny, arrangement of construction companies, explanatory meetings for local residents, etc.) to electricity sales.</p> <p>Additionally, we have started supplying biodiesel fuel for delivery vehicles of major convenience store chains in the Tokyo metropolitan area.</p>		Sales	2.7	3.5	130%	
			Operating profit	0.12	0.22	183%	



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.

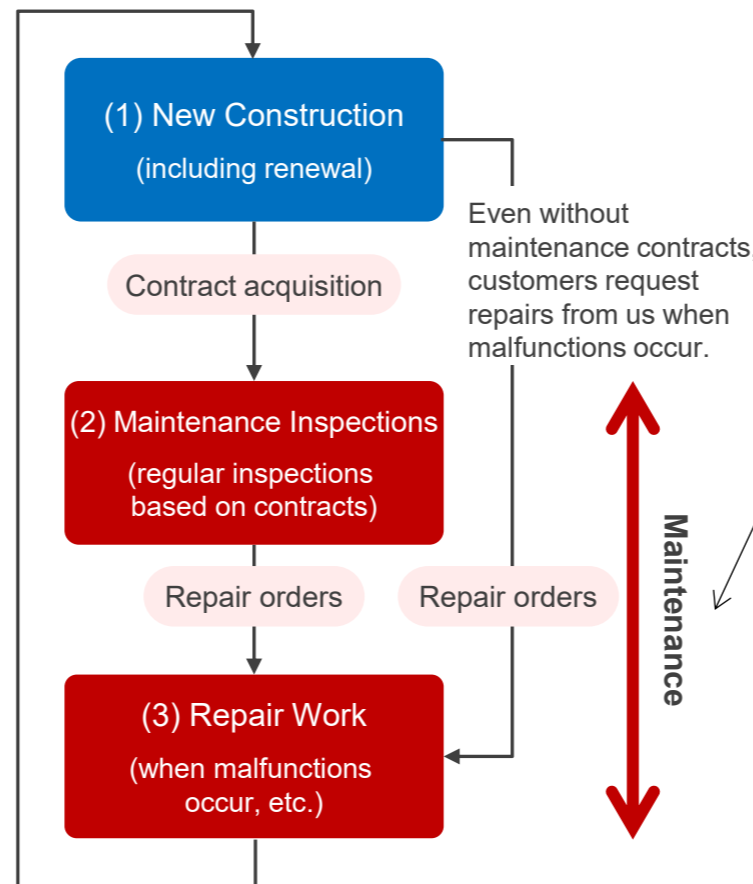
Maintenance Contracts Increasing Annually



*Based on our data

Structure of this Business

Total number of our installed units = Annual new installation units × 30 years or more



Maintenance customers request new construction work from us.

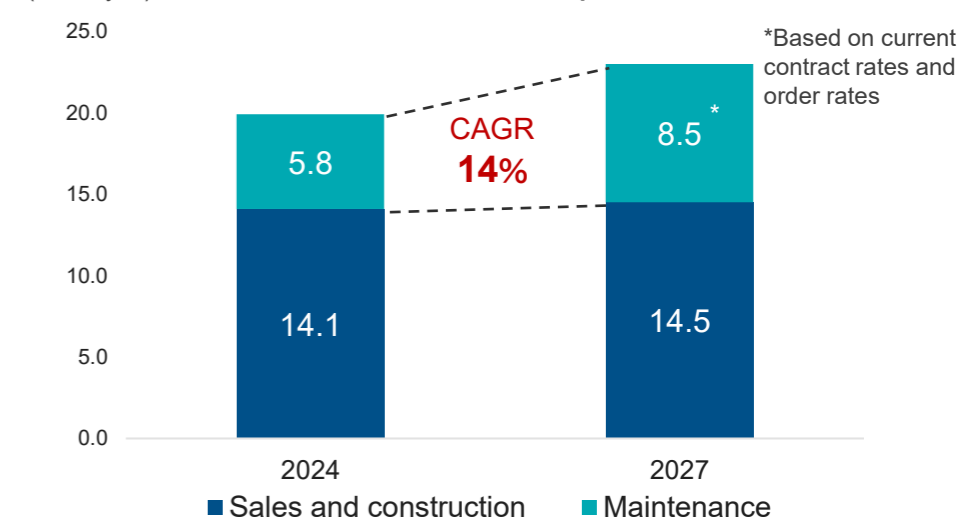
Recurring Business Development

Sales Stabilization
(predictable future sales)

Contribution to Profit
(high profit margin)

Improved Sales Efficiency
(customer assets lead to next orders)

Sales forecast in the Japanese market



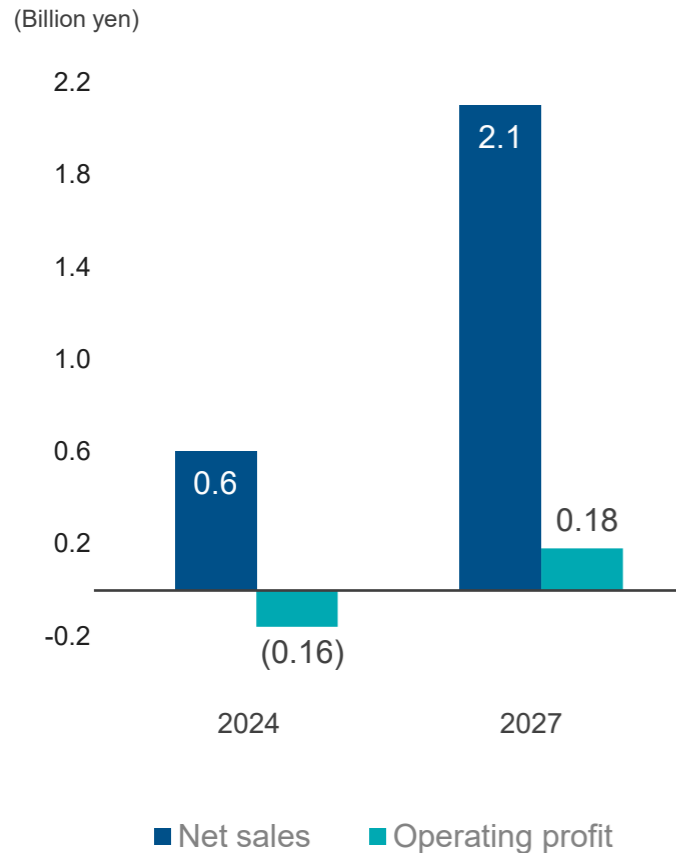
*Based on our data



**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

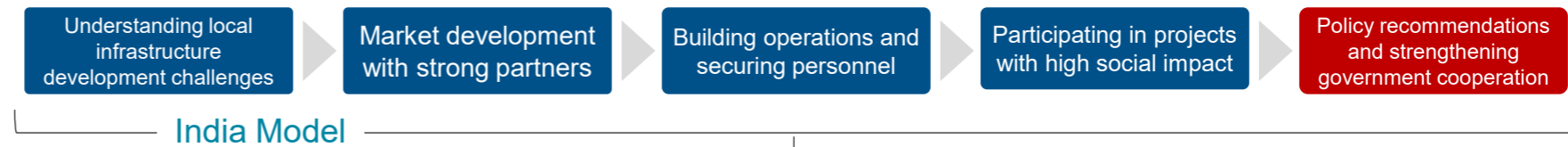
Turned profitable through increased orders



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



Expansion status in each country	India Model				
	Establishing entry foundation	Securing sales capability	Securing production capacity	Legal framework development	Order expansion (strengthening production capacity)
India	●	●	●	●	●
Indonesia	●	●	●	●	●
Sri Lanka	●	●	●	●	●
Bangladesh	●	●	●	●	●
⋮					
Middle East	●	●			
Africa	●	●			

● Completed
● To be completed by 2027

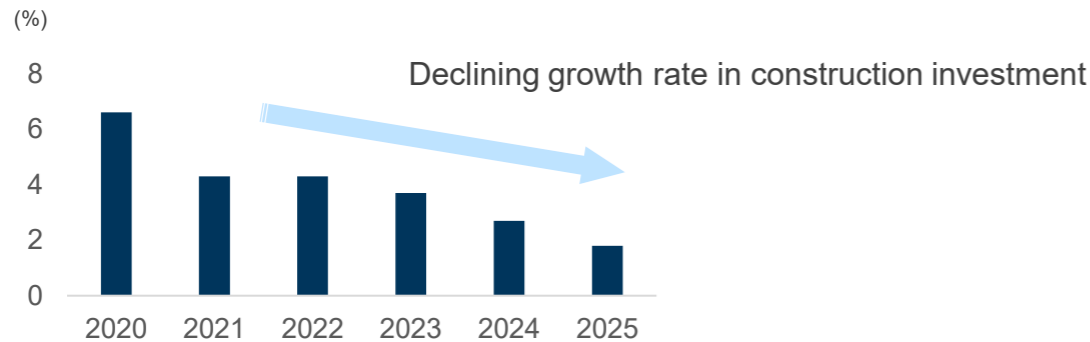


From growth business to “core business.” We will focus on strengthening our profit structure.

Business Structure (Sales Composition)

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

Transformation to a “Core Business”



(3-horizon model)

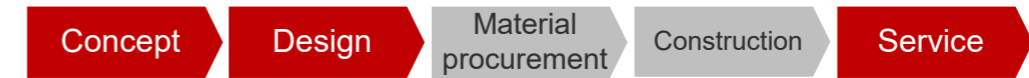


(Unit: billion yen)	FY2024 Results	FY2027 Plan	Vs. FY2024
Sales	19.8	21.0	106%
Operating profit	0.45	0.57	127%

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.



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).”

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

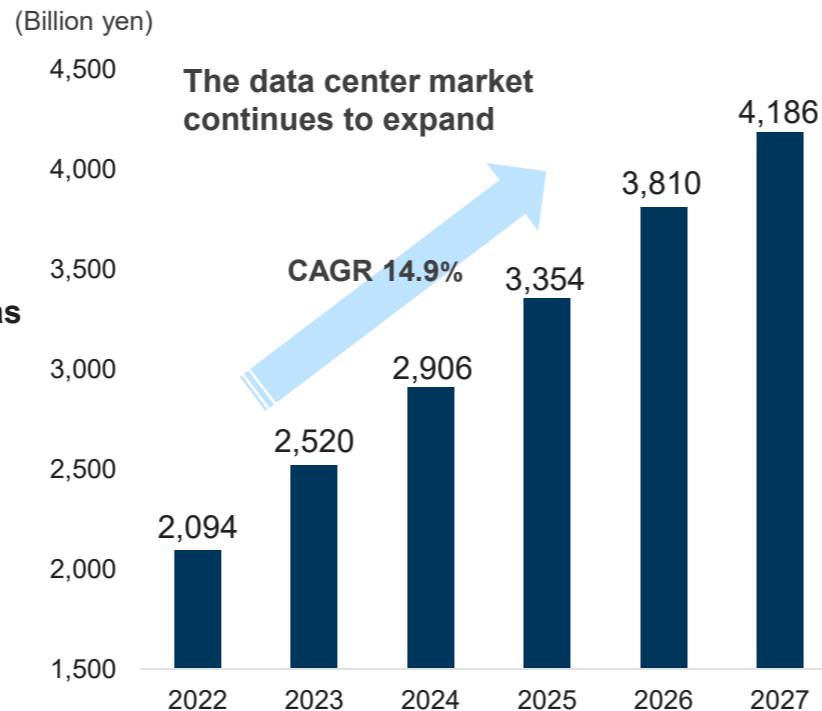
Biodiesel Fuels

Hydrothermal Treatment

Focus areas

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.



*Source: IDC Japan "Japan Data Center Services Market Forecast, 2023-2027"

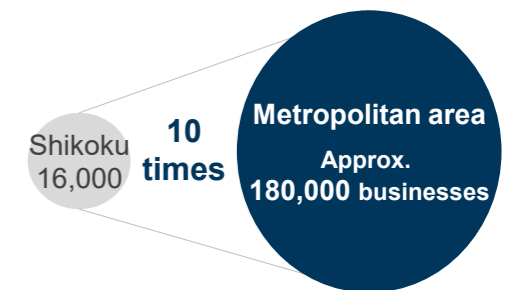
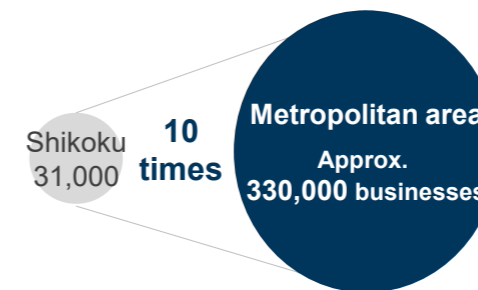
Biodiesel Fuels Business Expands into Tokyo Metropolitan Area

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

Collection Volume

Usage Volume



*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

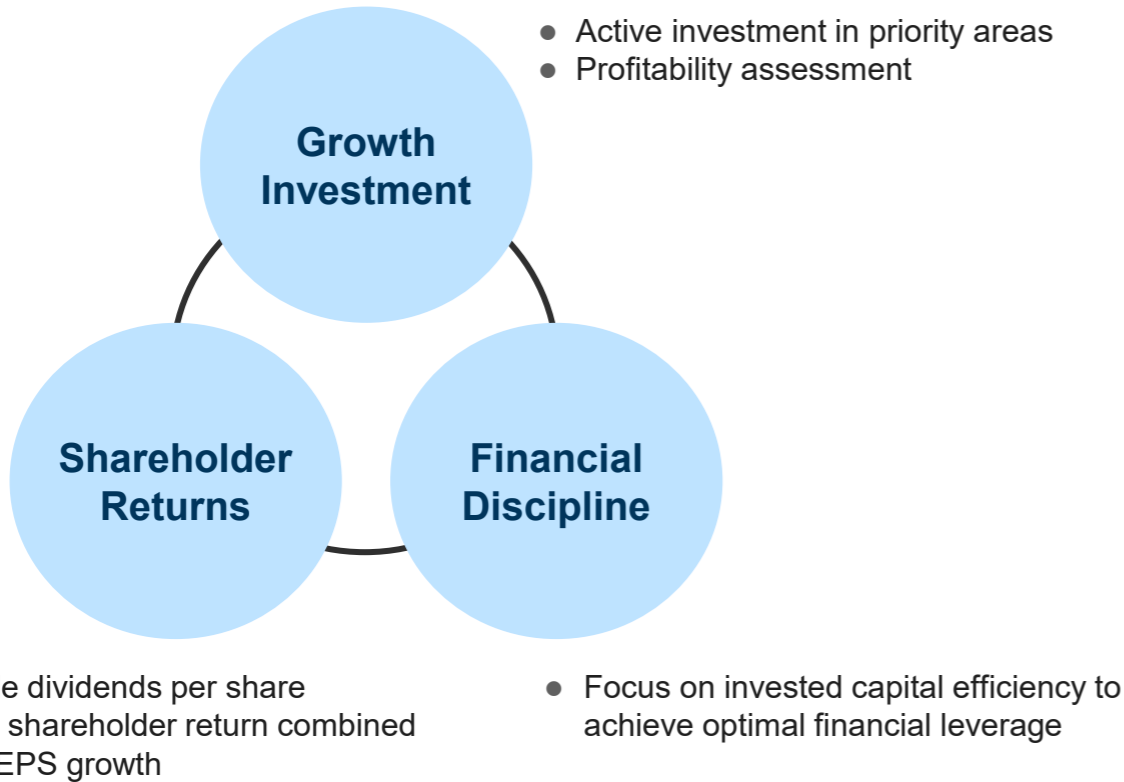
We will aim for net sales of 53 billion yen and ordinary income of 1.55 billion yen in FY2027.

	FY ended December 2024 Results	FY ending 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%
Net Income (Attributable to Owners of Parents)	0.35billion	1.10billion	46.2%
Equity Ratio	25.7%	31%	-
ROE (Attributable to Owners of Parents)	3.7%	9.7%	-

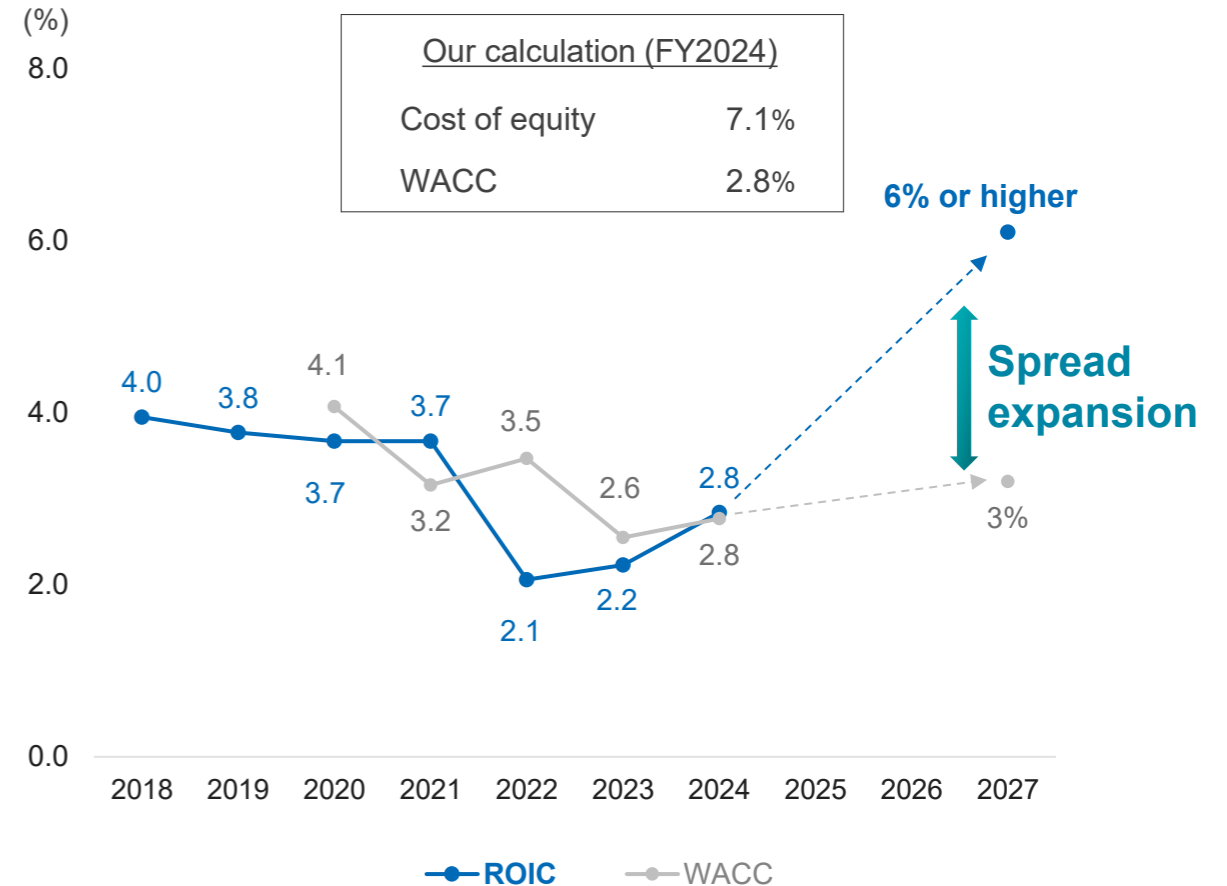
We will establish a cash allocation framework for “growth investments” while simultaneously maintaining “optimal financial leverage.”

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

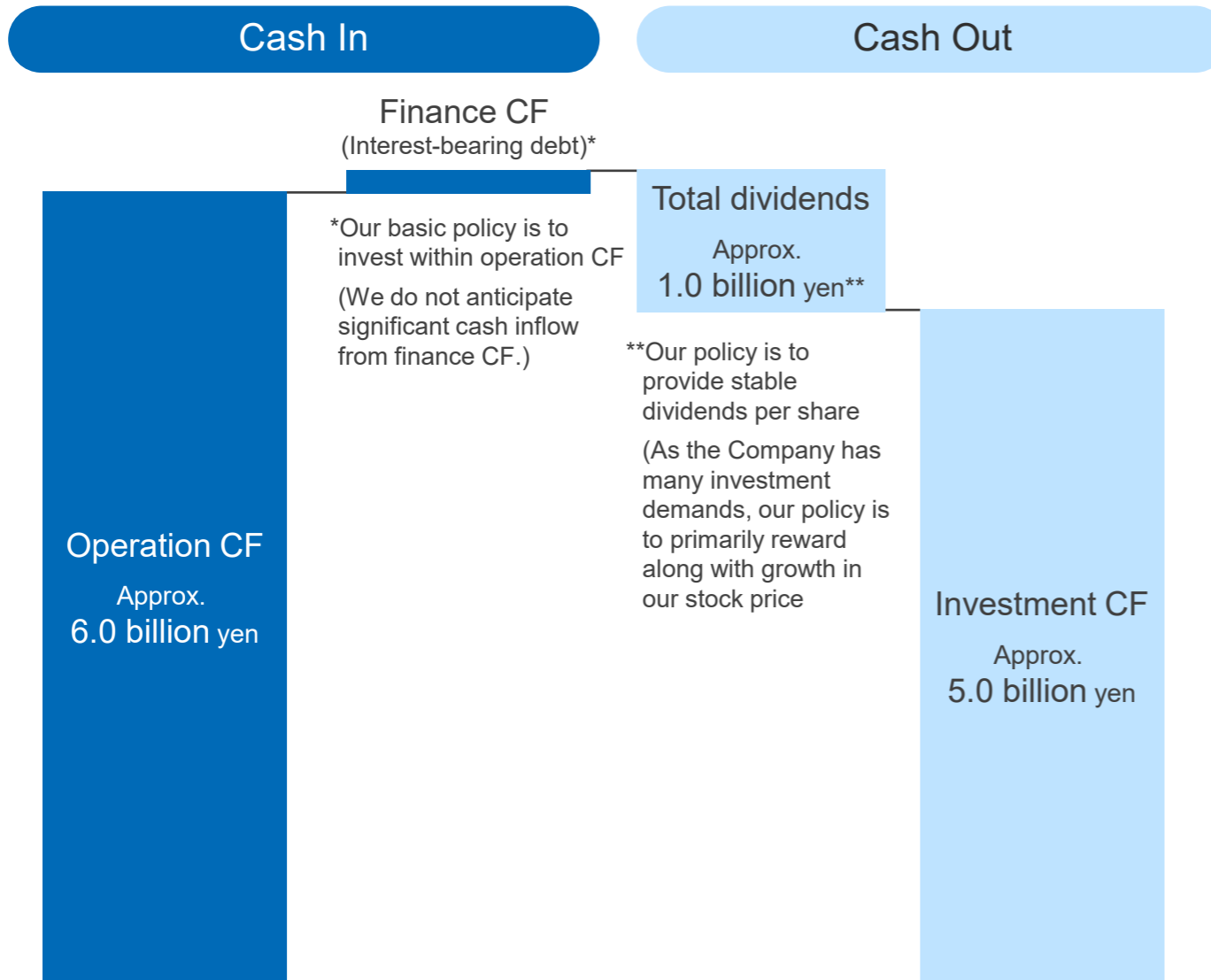
Basic Policy for Financial Strategy



ROIC Trend



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.

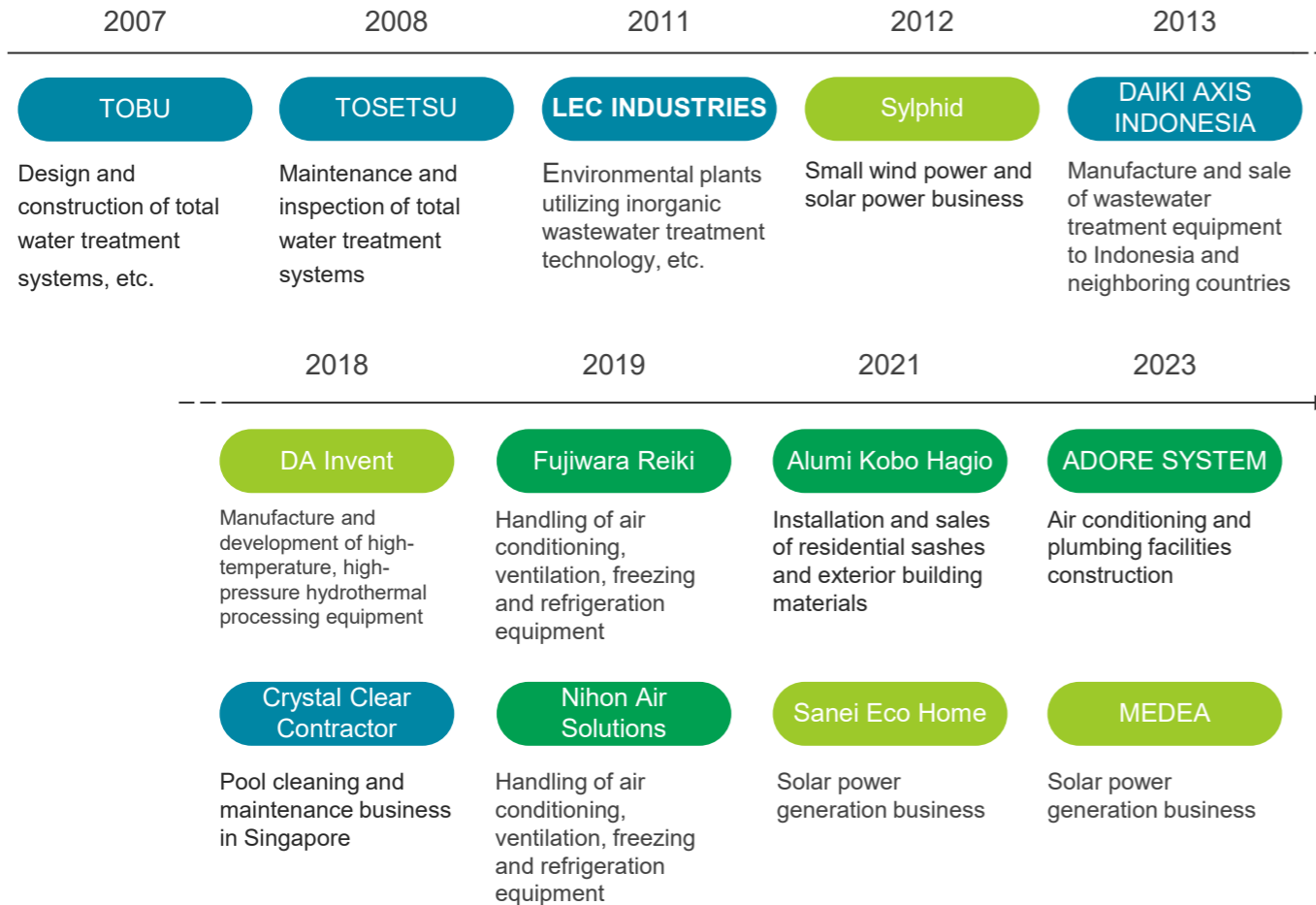


Growth investment (investment in priority areas) framework: 5.0 billion yen

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

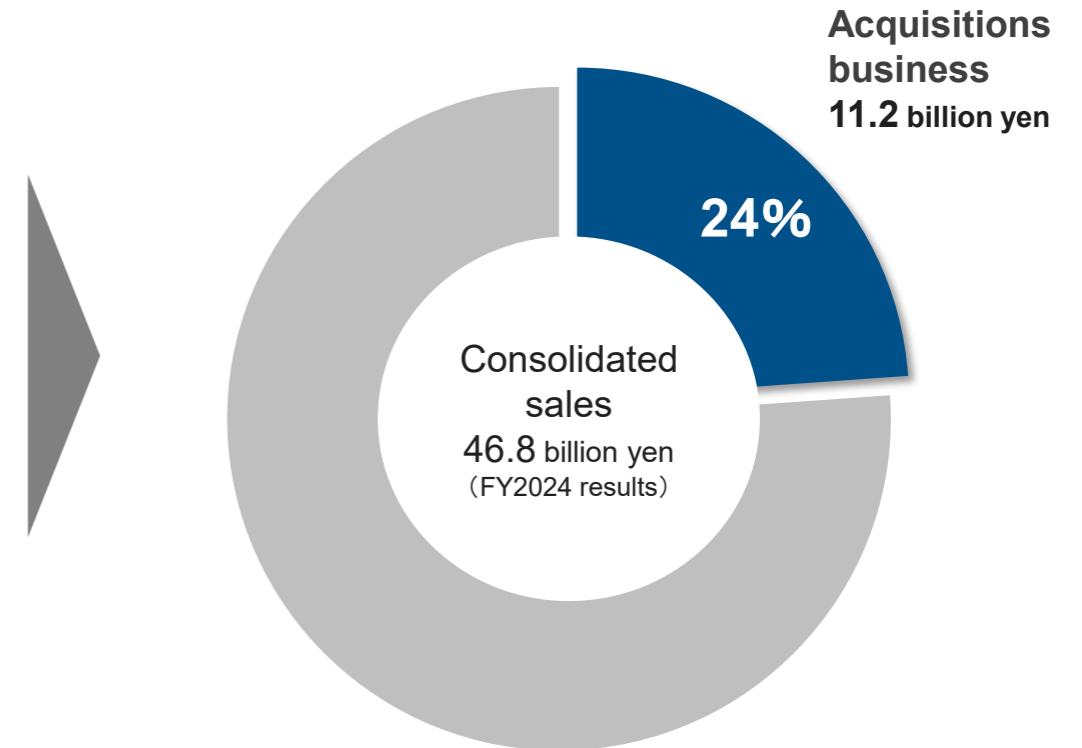
We conducted 13 M&A in the past 20 years and acquisitions business accounts for 24% of total sales. We will continue to aggressively proceed M&A in priority areas.

M&A Achievements



Environmental equipment
 Household equipment
 Renewable energy

Contribution to Consolidated Net Sales



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

<u>2024</u> Results	<u>2027</u> Plan
26.6 yen	78.7 yen



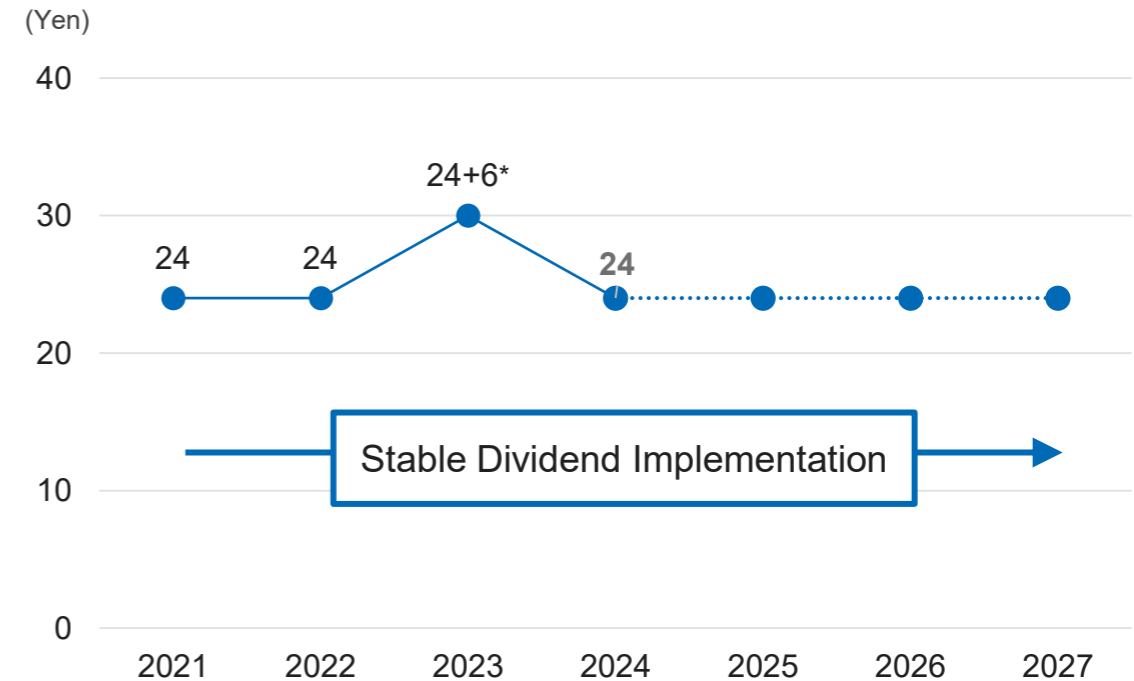
Dividends

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

Shareholder Benefits

Daiki Axis Premium Benefits Club

Dividend per Share Trend (DPS)



*65th anniversary commemorative dividend of 6 yen added

Company Name	Daiki Axis Co., Ltd.	Net Sales	48,321million yen (Consolidated for FY ended December 2025)
Establishment	July 12, 2005 (Founded in 1958)	Ordinary Income	1,301million yen (Consolidated for FY ended December 2025)
Head Office	<p>Matsuyama Headquarters : 1-9-1 Misawa, Matsuyama-shi, Ehime</p> <p>Tokyo Headquarters : PMO Higashi Nihonbashi, 2-15-4 Higashi Nihonbashi, Chuo-ku, Tokyo</p>	Net Income Attributable to Owners of Parents	461million yen (Consolidated for FY ended December 2025)
Business Activities	<ul style="list-style-type: none"> • 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. 	Capital	2,556million yen (Consolidated for FY ended December 2025)
		Number of Employees	1,088※ (Consolidated for FY ended December 2025) ※Excludes 234 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.

- 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
Daiki Axis Venture Partners Co.,Ltd.				•	Tokyo	Consolidated subsidiary	Investment Management
DAMP Venture No.1 Investment Limited Partnership				•	Tokyo	Consolidated subsidiary	Formation of a Limited Liability Partnership for Investment Business, and Investment management
DAMP Venture Target Funds for SUSTECH Investment Limited Partnership				•	Tokyo	Consolidated subsidiary	Formation of a Limited Liability Partnership for Investment Business, and Investment management

- 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
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 subsidiaries
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

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

- Drinking water business
- Venture Capital Investment Business



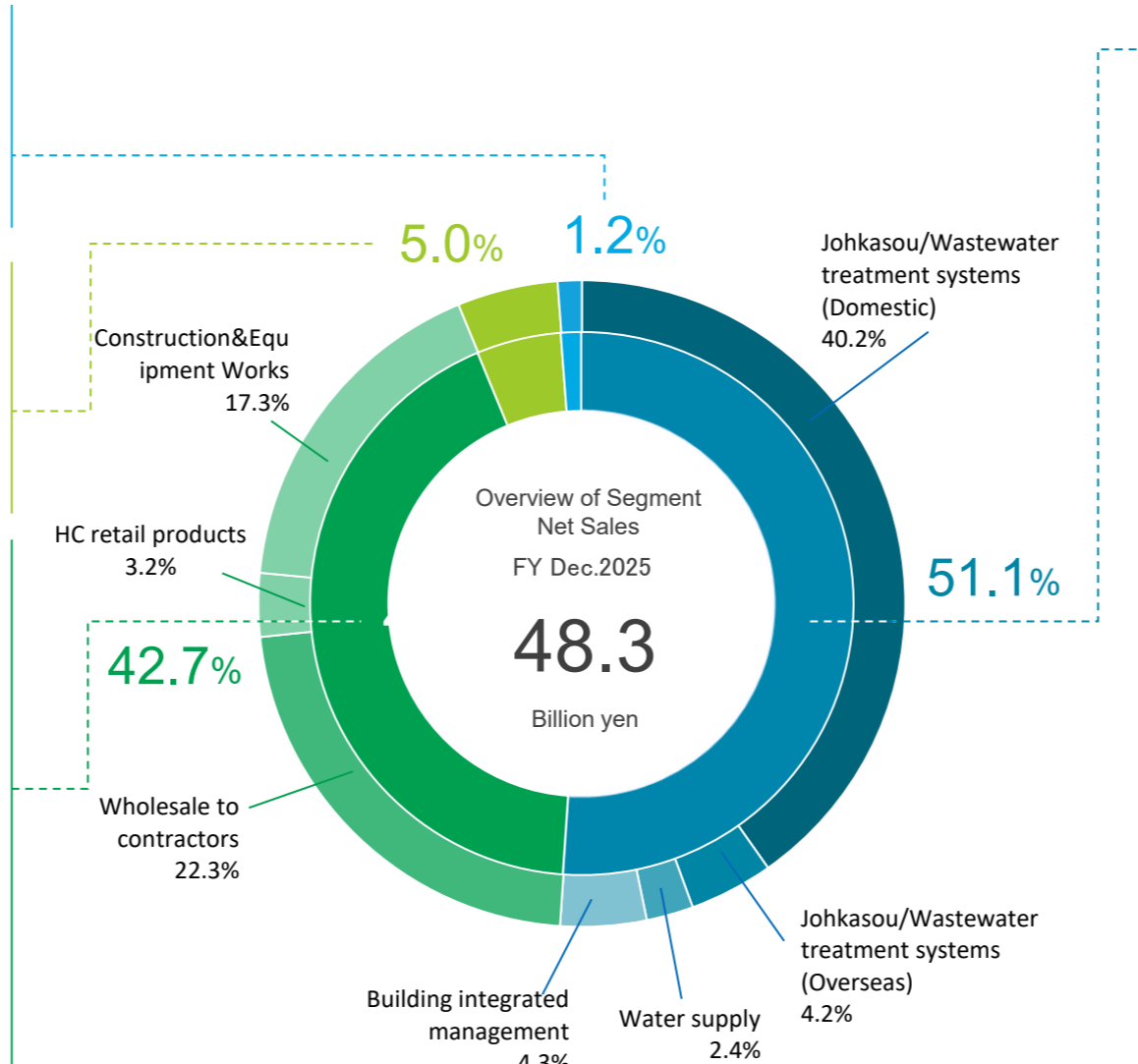
Renewable Energy Business

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



Household Equipment Business

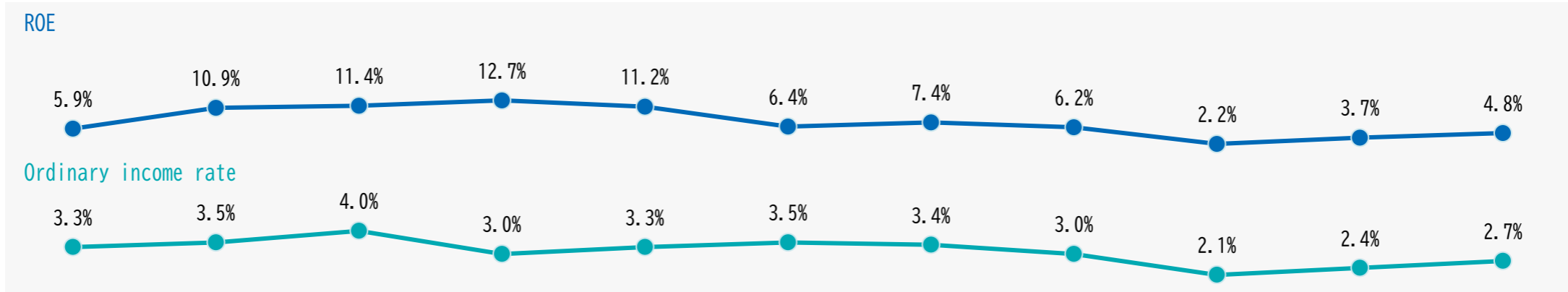
- Sales & Distribution
 - wholesale to contractors
 - Home-center retail products
- Construction & Equipment Works
 - Exterior wall and roof Construction
 - Agricultural greehosue
 - Air conditioning
 - Freezing and refrigeration equipment etc...



Environmental Equipment Business

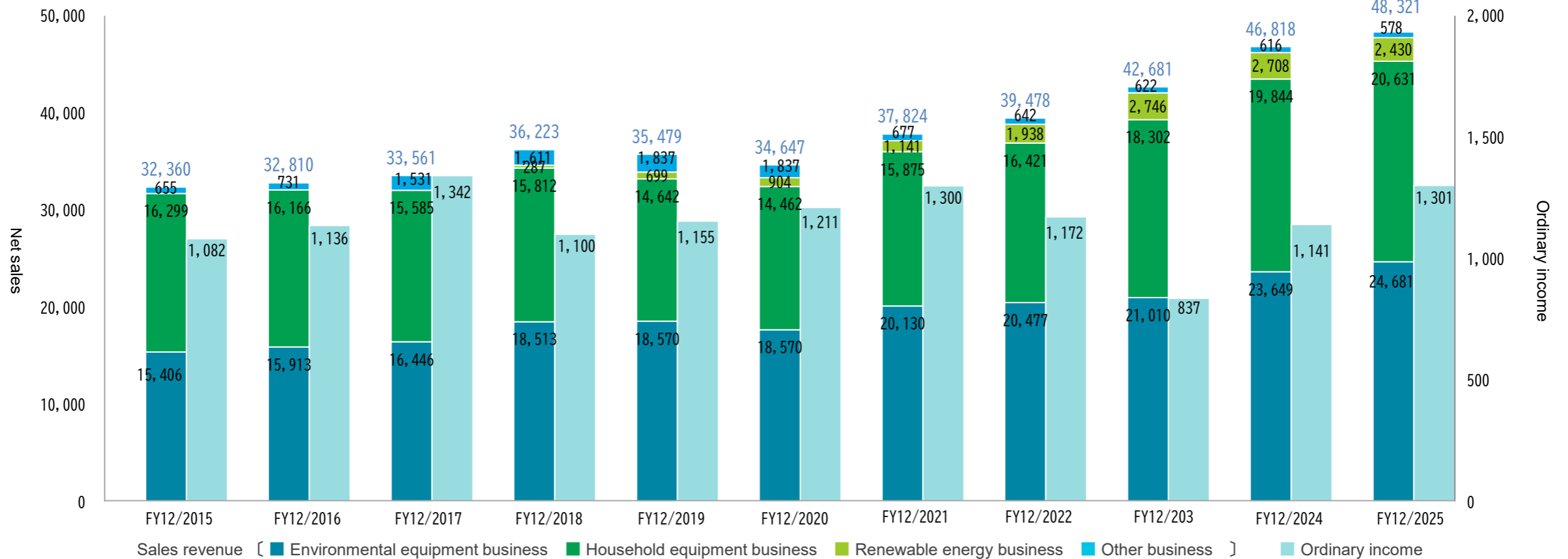
- Johkasou and wastewater treatment systems(including maintenance)
- Global(China, Southeast Asia, South Asia)

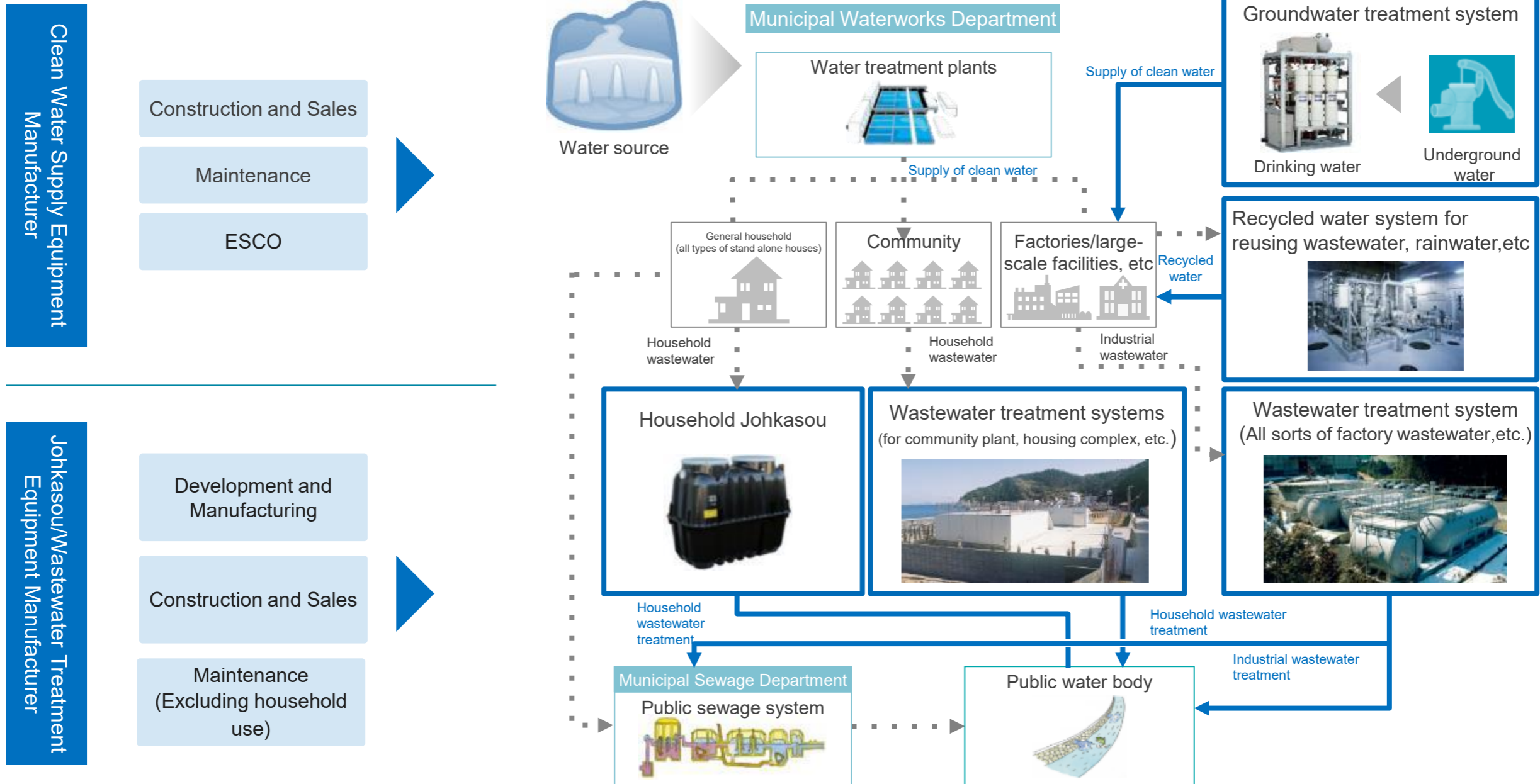




Consolidated Financial statement

(unit : million yen)

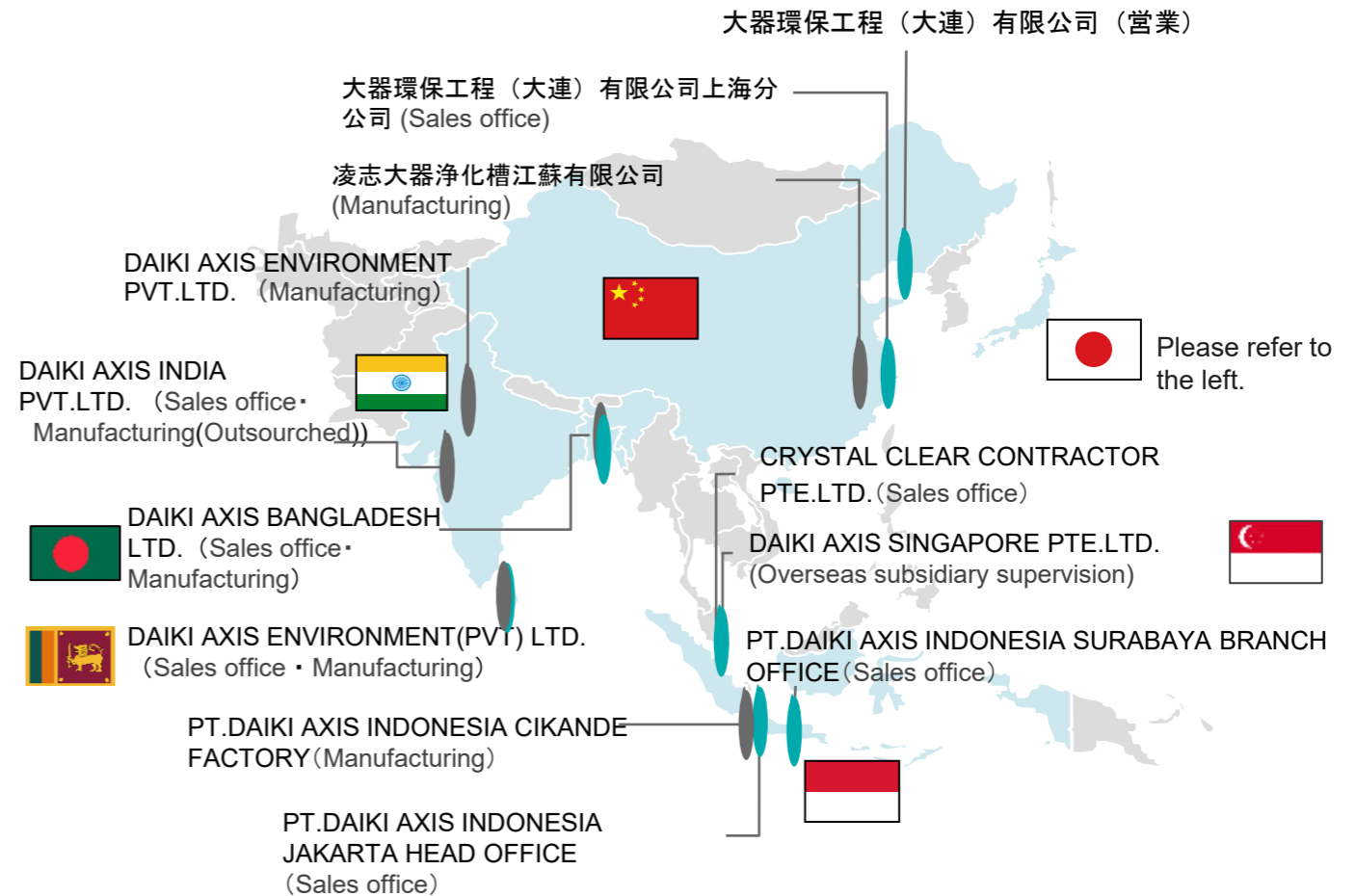
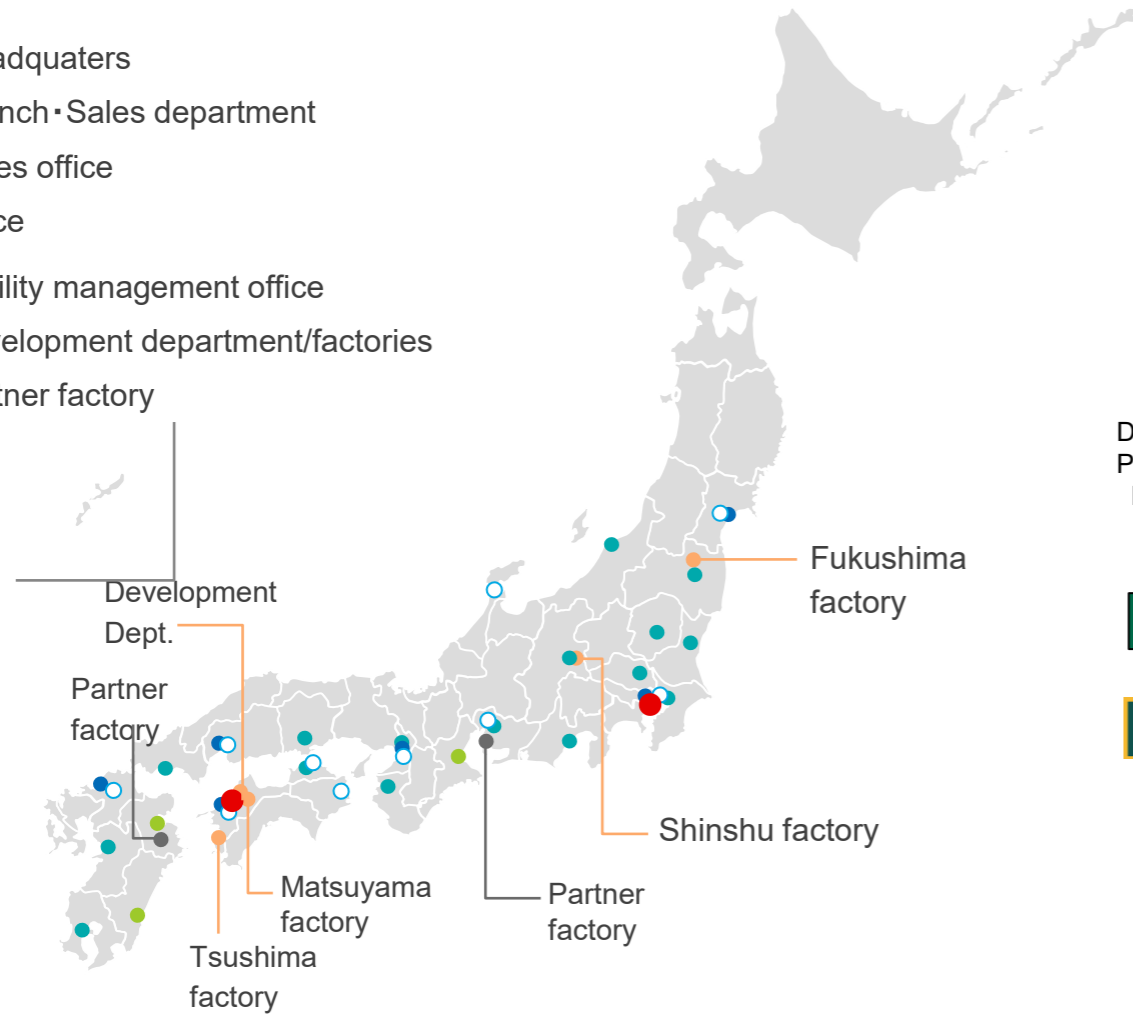






- Covers major cities in Japan, promotes R&D, and manufacturing takes place at four locations. Daiki Axis utilizes the network of DAIE INDUSTRY Co., Ltd. to improve operational efficiency.
- Out of our overseas company bases, three are located in China (two sales offices and one production joint venture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

- Headquarters
- Branch・Sales department
- Sales office
- office
- Facility management office
- Development department/factories
- Partner factory





- 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 Government 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



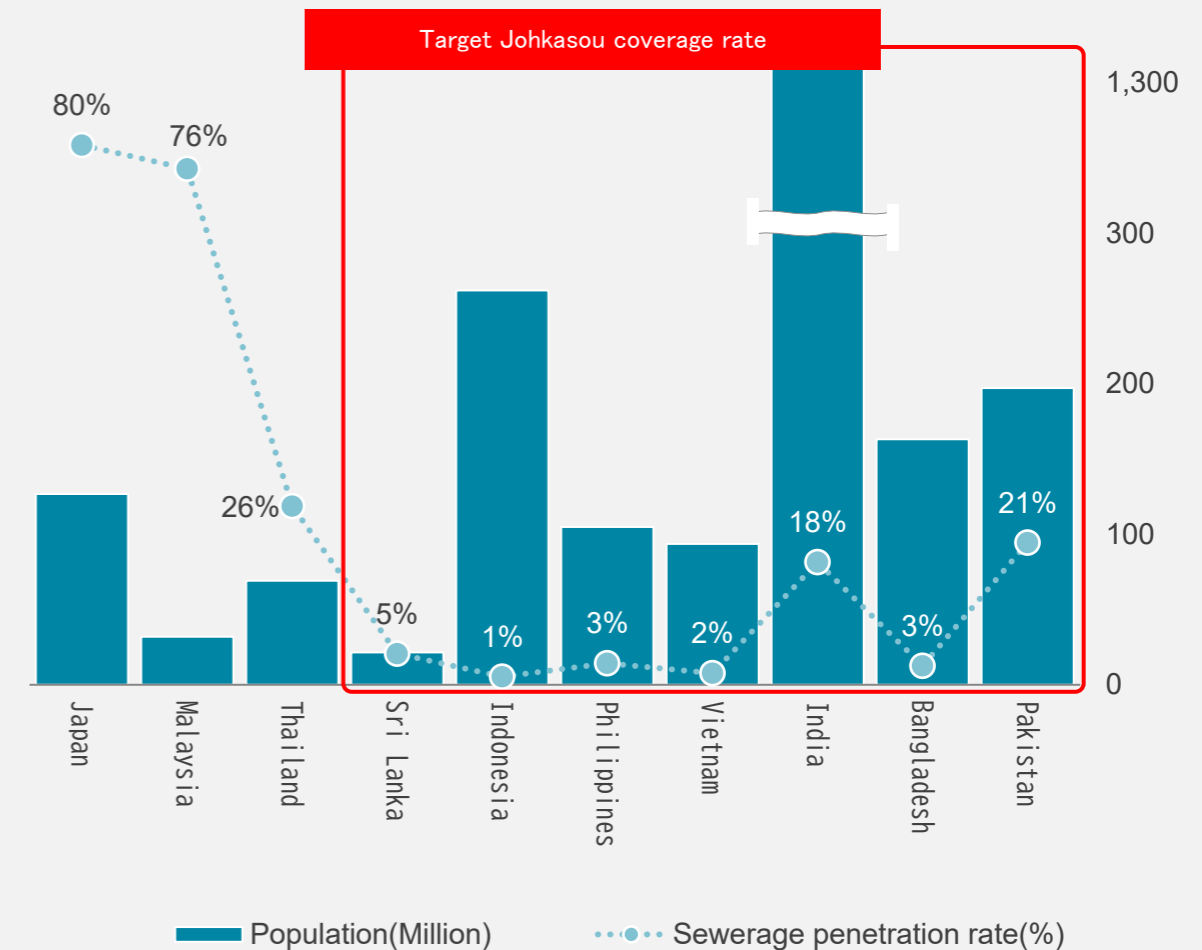
- Global water business market expected to expand significantly over the next decade, with wastewater nearly doubling from 2019 to 2030
- Sewage system coverage rates remain extremely low in Asia, which has a huge population, meaning there is huge potential for the popularization of Johkasou moving forward

Global Water Business Market Scale

Unit : trillion Top figure : 2030 Bottom figure : (2019年)	Facility establishment	Maintenance	Total by Sector
2030 Global Market Total	49.5 (26.2)	63.0 (456)	112.5 (71.9)
Water Supply	13.4 (8.2)	20.0 (16.2)	33.4 (24.4)
Sewage	29.6 (13.9)	20.5 (14.5)	50.1 (28.4)
Industrial Wastewater	5.1 (3.7)	21.1 (14.5)	26.2 (18.1)
Seawater Desalination	1.4 (0.3)	1.4 (0.5)	2.8 (0.9)

Source : Calculated by the Ministry of Economy, Trade and Industry based on Water Data
Exchange rate : 1USD=109 yen

Sewerage Penetration Rate and Population in Asia



Source : 「Global Water Market 2017」 (Global Water Intelligence)



Wholesale to Construction-Related Customers

Housing-related 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



Integrated toilet



Integrated bathroom



Integrated kitchen

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.



Exterior wall work (hospital)



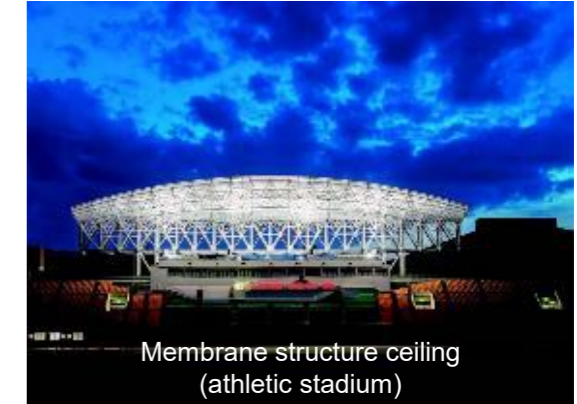
Agricultural greenhouse

Eco-friendly Type products

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



Radiant heating and cooling (gymnasium)



Membrane structure ceiling (athletic stadium)

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.



Wooden structure (nursery school)

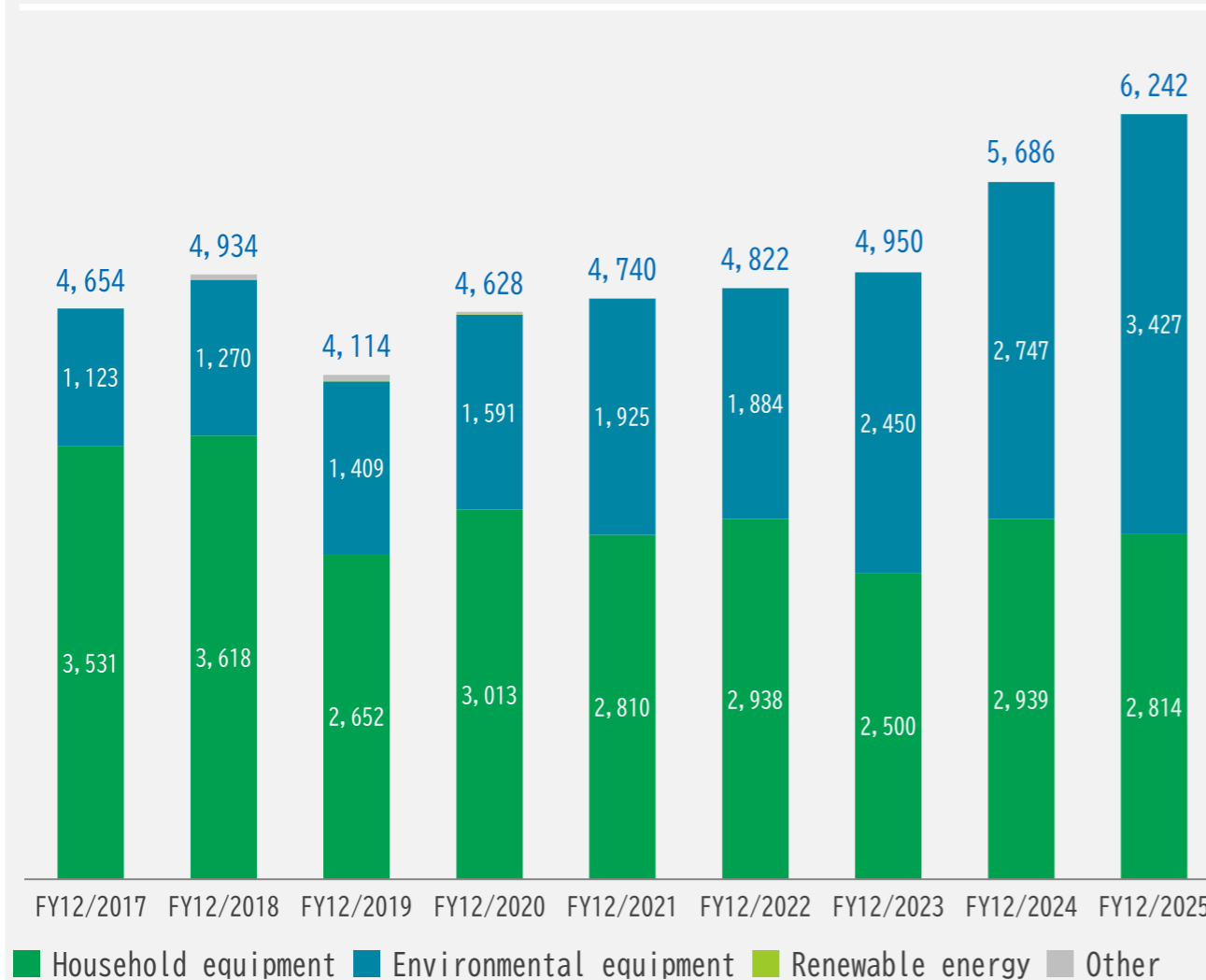


Wooden structure (restaurant)



- The Home Center network of the DCM Group is the strongest channel of the household equipment business
- Beyond retail sales, we provide integrated installation, sales, and management for store facilities through environmental and household equipment synergies.

Sales Trend for the DCM Group (unit : million yen)



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.)





- 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.



Solar Power Generation Business



PPA site(Gunma prefecture)



Agrivoltaics(Saitama prefecture)



Biodiesel Fuel Business



Manufacturing plant (Matsuyama works)



Demonstrative experiment on towing tractor (Kochi Ryoma Airport)



Wind Power Generation Business



Generation capacity of 5kw/unit (Hokkaido)



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

- Business Activities
- R&D, manufacturing and sales of wind power generators
 - Electricity supply business 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

WEB <https://dasp.daiki-axis.com/>



Supplying Bio-fuel for 7-Eleven Delivery Fleet — Launched Dec 2024 in Ushiku, Ibaraki —

Since December 2024, Daiki Axis Sustainable Power (DASP) has been supplying biofuel to a portion of the delivery vehicles serving 7-Eleven Japan Co., Ltd. stores in the Ushiku area of Ibaraki Prefecture.

- In this initiative, led by Ushiku City in collaboration with nine neighboring municipalities, we purchase B100 (high-quality biodiesel fuel) produced from waste cooking oil collected from school meal centers, households, and private businesses, and use it to produce B5 diesel fuel at the DASP facility.

In May 2024, DASP opened an office in Ibaraki Prefecture and constructed its own BDF manufacturing plant, thereby strengthening its sales activities in the Kanto region.



▲ B5 燃料活用車両とステッカー

Supplying biofuel to the biofuel buses operated by the Tobu Group in the Okunikko area

From August 6, 2025, DASP with Fuyo General Lease Co., Ltd., began supplying the biofuel “B5” to biofuel buses operated by Tobu Bus Nikko Co., Ltd.—a group company of Tobu Railway Co., Ltd.—that run in the Okunikko area, which has been designated as a Decarbonization Pioneer Region by the Ministry of the Environment.

- In this full-scale operation, DASP is responsible for the construction of the biofuel plant, the collection of used cooking oil, and the refining of biofuel. The “B5” biodiesel-blended diesel fuel we supply is a blend containing 5% of the high-quality biodiesel fuel “D·Oil N” and is an Eco Mark-certified product.





- 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

- Launched "Axis Water," a fully automatic water server planned in-house and co-developed with partners, across the Chugoku and Shikoku regions.



Fully automatic water server

Venture Capital Business

- Formed the first fund and executed investments in startups addressing environmental issues



*Only showing investment destinations for which permission has been granted

Empowering Sri Lanka's Youth: ~Drawing Water Resources & Our Future~ — Workshop & Illustration Contest —

DAIKI AXIS ENVIRONMENT (PVT) LTD. hosted 202 participants, including children and parents, for an educational session on water environments and Johkasou systems. 116 children expressed their visions of a sustainable future through art.

Illustration Contest Awards Ceremony

- Later, we invited all 116 children to attend the awards ceremony for the illustration contest. The Deputy Minister of the Environment from Sri Lanka's Central Environment Authority graced the event with his presence, delivering a warm message to the children and speaking about the importance of environmental protection. Our company president, Mr. Ogame, also attended and presented certificates and commemorative gifts to the winning children.



Johkasou Donation & Environmental Education in Uwajima, Ehime-pre. — Supporting our community through Corporate Hometown Tax & youth workshops. —

We made an in-kind donation of Johkasou and kitchen equipment through the Corporate Hometown Tax Program. Uwajima City is where our group has operated Johkasou manufacturing facility since 1971, and we delivered the equipment to “Beach Village Isho,” a former elementary school that has been repurposed as a regional innovation hub.

Educational event of Johkasou and Factory tour

- Hosted 33 students from Tsurushima Elementary School for a Johkasou factory tour and workshop. The event featured a cross-border online exchange with children in Sri Lanka.
- We have released a special corporate Hometown Tax video titled “Together with the Community, Together with Johkasou” on YouTube. <https://www.youtube.com/watch?v=7pXuZyqEnvk>



Notes on forecasts

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

Irrespective of the purpose of use of this document, it is assumed that investors will aid the information in the document with their own judgment and use the information on their own responsibility. The company shall not bear any responsibility regarding the effects of use of the information provided in this document.

**Queries
concerning IR**



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