

FY2023 Financial Results (January-December)

EPCO Co., Ltd. Securities Code : 2311 February 13, 2024

CHALLENGE TO EVOLUTION

Carbon-Neutral × DX Strategy

**We support Housing, Living and Global Environment
by adopting Digital Transformation**

PURPOSE

HCDs

HOUSING CARBON NEUTRALITY DIGITAL SOLUTIONS



01. FY2023 Results

02. FY2024 Forecast

03. Shareholder Returns

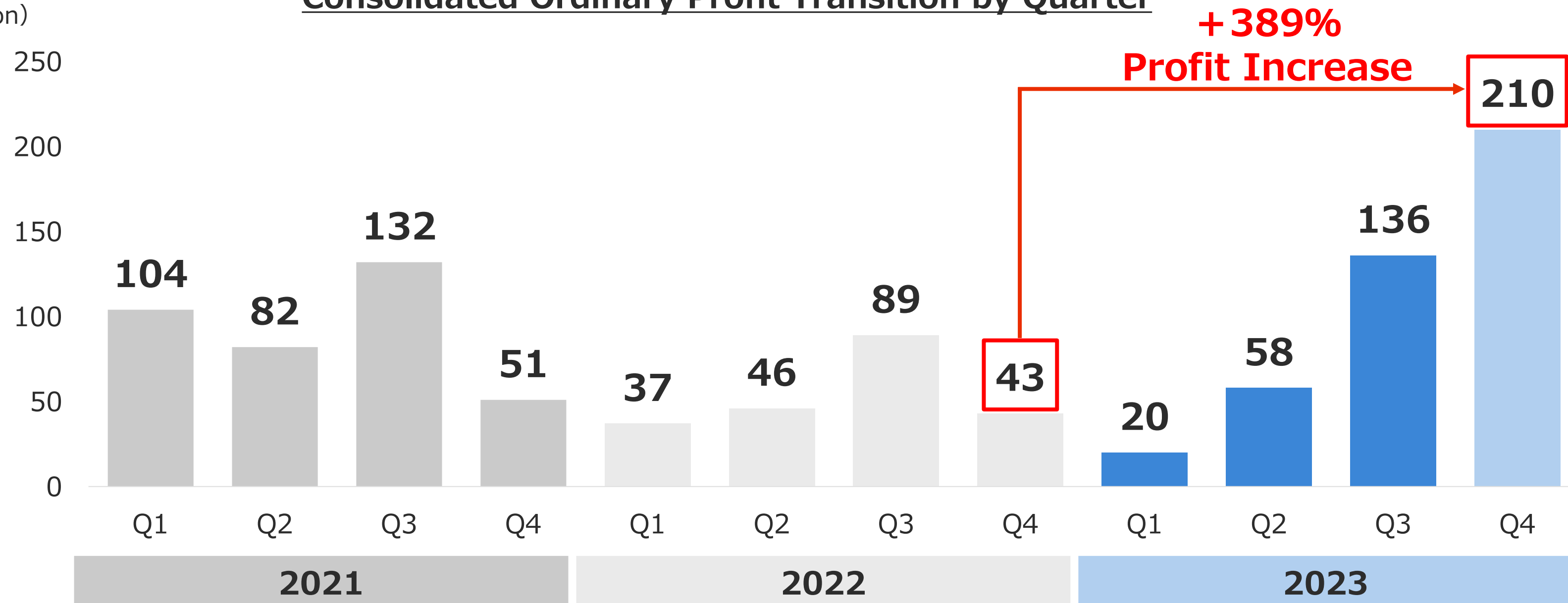
04. Appendix.





FY2023 Results | Key Message

Consolidated ordinary profit has been on a recovery trend since Q2 2023 (Apr-Jun). FY2023 Q4 (Oct-Dec), the increase in profit from renewable energy services and design services resulted in a significant increase of +389%.

Consolidated Ordinary Profit Transition by Quarter

(JPY Million)



<h2>FY2023 Results</h2>	<p>Ordinary Profit YoY</p>	<p>JPY425mil. + 96.3%</p>	<p>Significant increase in profit owing to profit growth in renewable energy services and profit recovery in design services</p>	
<h2>Renewable Energy Solutions</h2>	<p>Ordinary Profit YoY</p>	<p>JPY315mil. +132.0%</p>	<p>Renewable energy equipment-related businesses in Japan and China both performed strong, and it led significant increase in profit</p>	
<h2>Maintenance</h2>	<p>Ordinary Profit YoY</p>	<p>JPY250mil. +2.3%</p>	<p>Profit increase by increasing in energy-related sales despite higher investment costs for new base (Kanazawa) for the purpose of BCP measures</p>	
<h2>Design</h2>	<p>Ordinary Profit YoY</p>	<p>JPY275mil. +59.9%</p>	<p>Profit increase due to implementation of measures to reduce design costs in response to decline in housing starts (Conversion of EPCO SZ to joint venture etc.)</p>	

FY2023 Results | Consolidated Summary (YoY)



Achieve rapid recovery of profit by implementing profit-and-loss improvement measures in each segment

(JPY Million)	FY22 Results	FY23 Results	Changes	Ratio
Net Sales	4,818	5,059	+241	+5.0%
Ordinary Profit	216	425	+208	+96.3%
Net Profit	359	626	+267	+74.4%

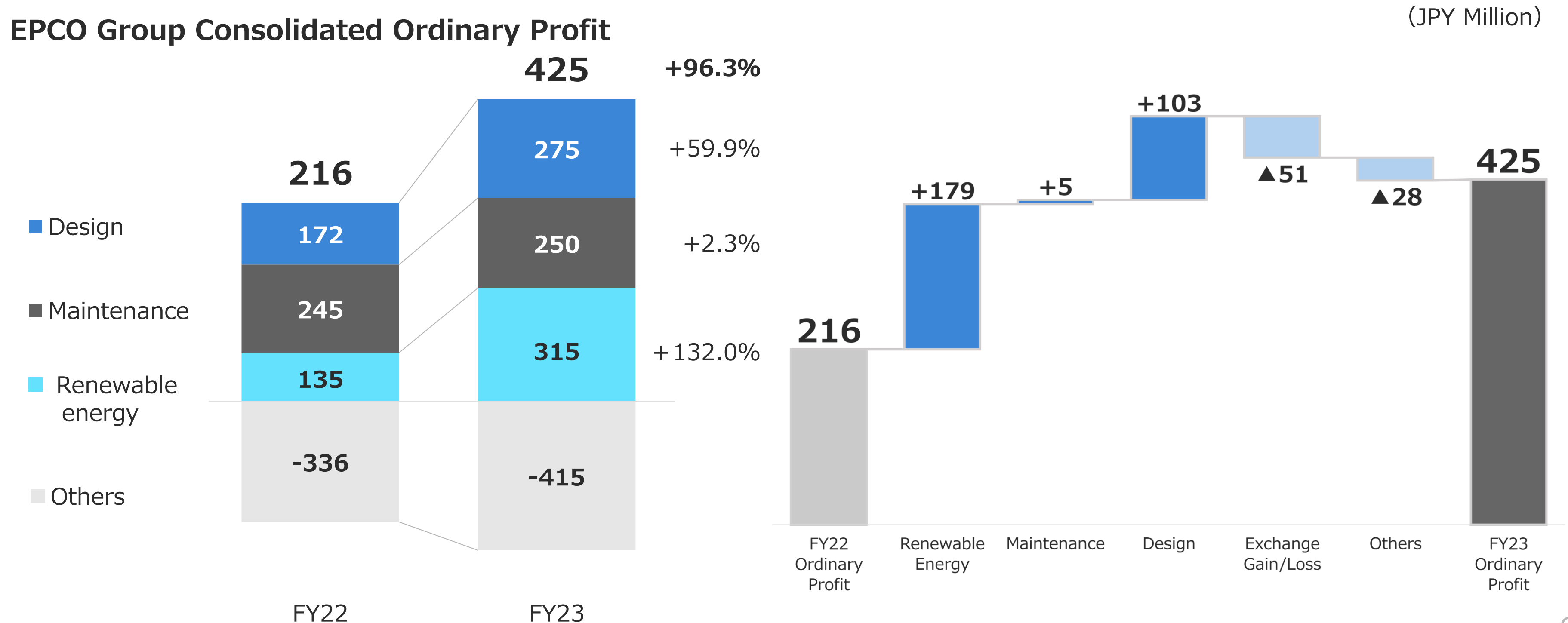
*Factor of net profit increase
 Gain on sales of investment securities
 Gain on sales of investment in affiliates

254	280
-	70

FY2023 Results | Consolidated Ordinary Profit by Segment



Significant increases in profits were achieved owing to business expansion in renewable energy services and operational improvements in design services.

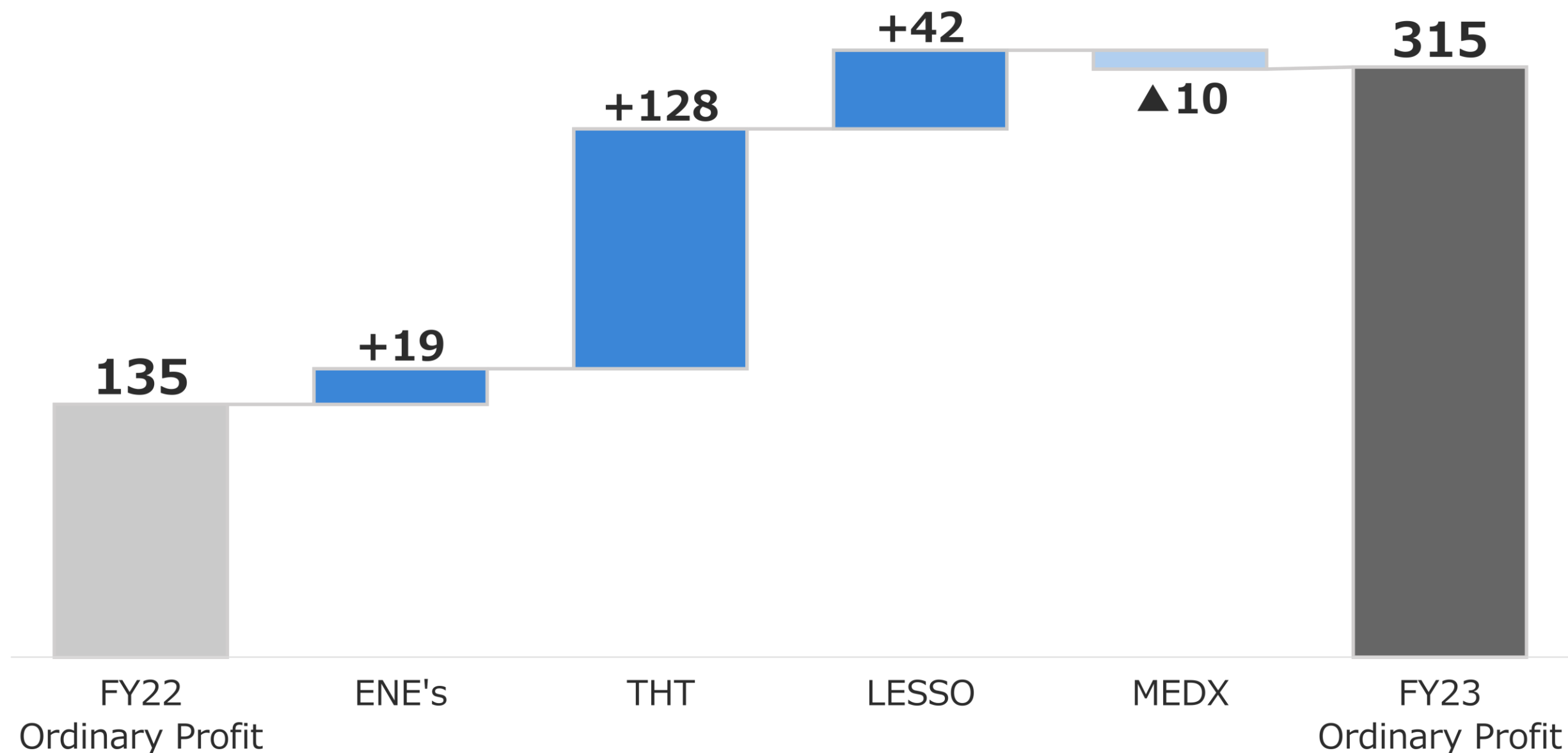


The increase in profit from renewable energy solution is mainly owing to an increase in equity in earnings of affiliates related to TEPCO Home Tech (THT).

In addition, ENE's and LESSO also turned profitable in the end of the year owing to improved profit/loss in the second half of the year.

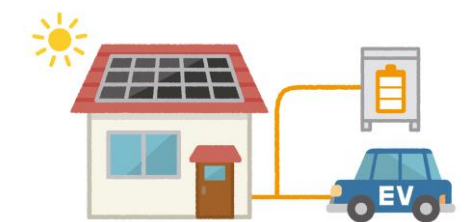
(JPY Million)

Renewable Energy Solution Ordinary Profit Fluctuation Analysis



■ ENE's

- Increase in contracts for installation of solar power generation system, storage batteries and EV chargers.



■ LESSO

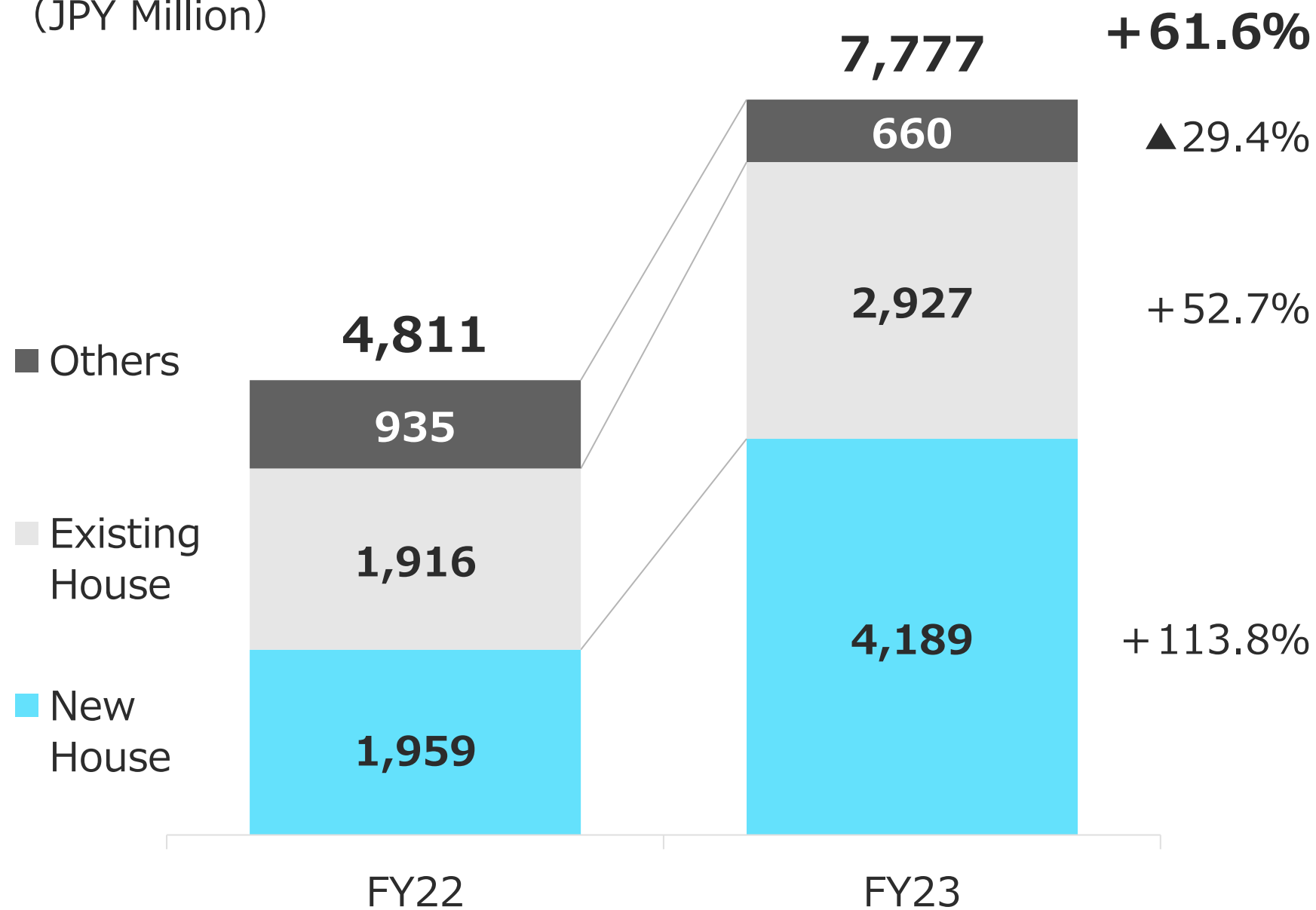
- Increase in profit owing to start of contracted solar power generation design business for the Chinese market



By the backing from the Japanese government and local governments for policy support to installation of renewable energy facilities, our sales and profits from the installation of renewable energy facilities for both new and existing house have shown significant growth.

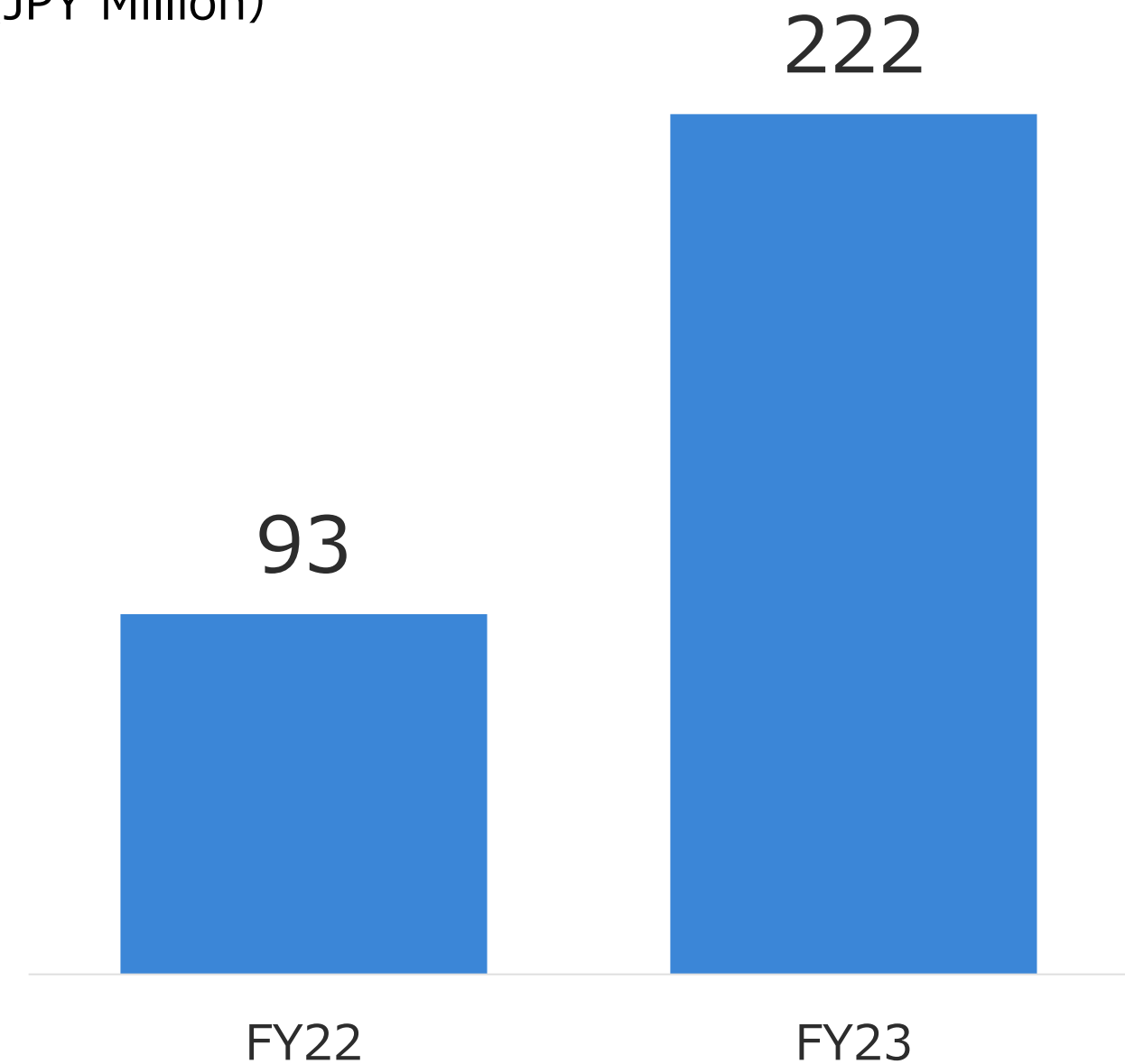
TEPCO HomeTech Net Sales (YoY)

(JPY Million)



TEPCO HomeTech Equity in Earnings (YoY)

(JPY Million)



Sales to new housing are showing steady growth owing to an increase in the number of companies adopting Enecari by real estate and detached house companies.



Decarbonization project with TEPCO as "SUMIFUXENECARI"

すみふ × エネカリ



Adopted for detached houses for sale 75 houses in Yokohama and Kashiwa



Adopted for "Almost new" renovated house project



Adopted for "ZEH" project



2021.9

2021.10

2021.11

2022.1

2022.4

2023.3

2023.4

2023.8



Adopted for all detached house for sale in Tokyo/Kanagawa area



ファイブイズホーム
Fiveishome Co.,Ltd.

Adopted on detached house for sale



Adopted for "Midorigaoka Bright Garden" estate.



Adopted for detached house "Leafia Komae" 10 houses

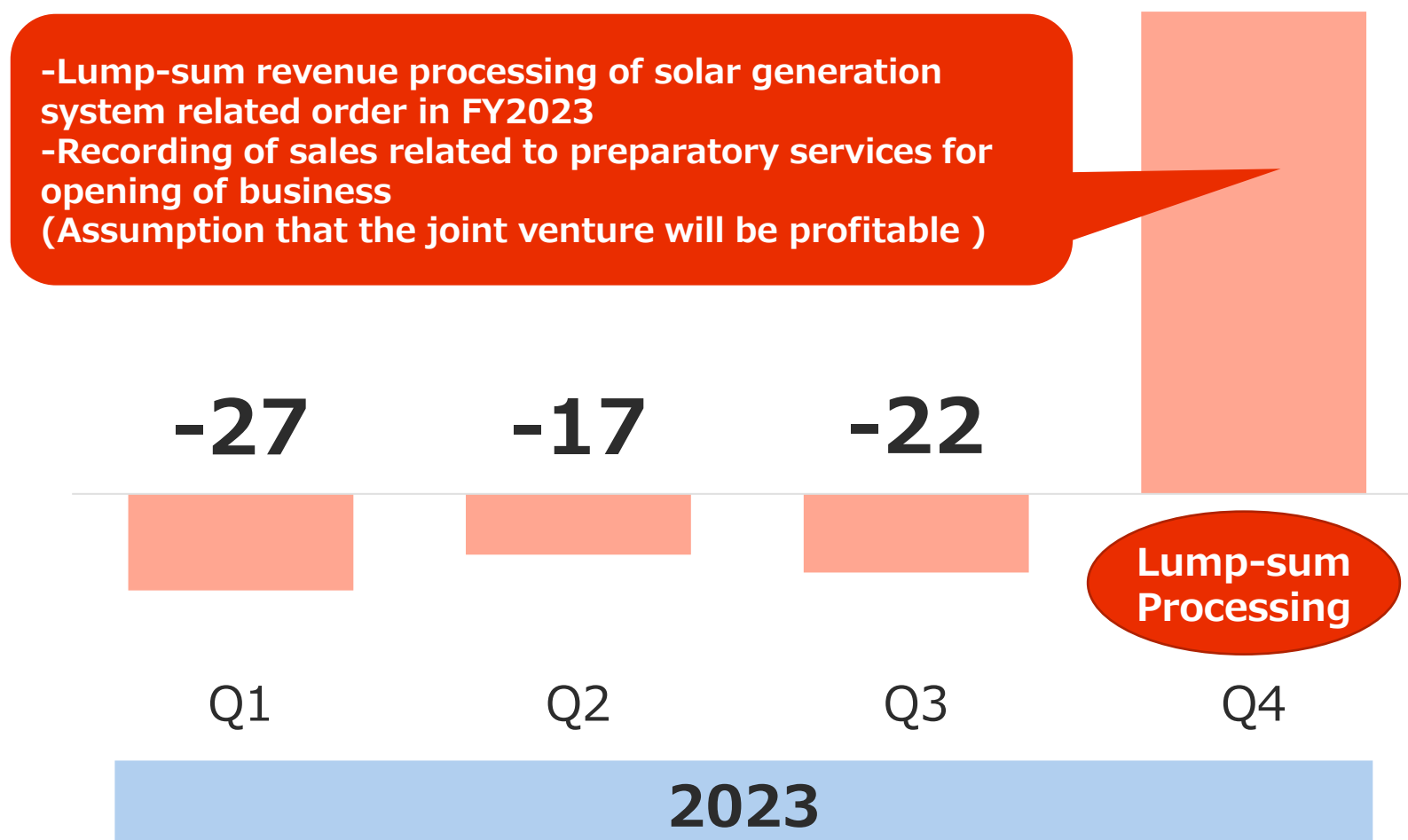


LESSO : The significant increase was owing to the recording of sales and profits from the joint venture agreement with LESSO in Q4.

ENE's : Contracts for installation of renewable energy equipment (PV, storage batteries, EV charging equipment) are increasing quarter by quarter.

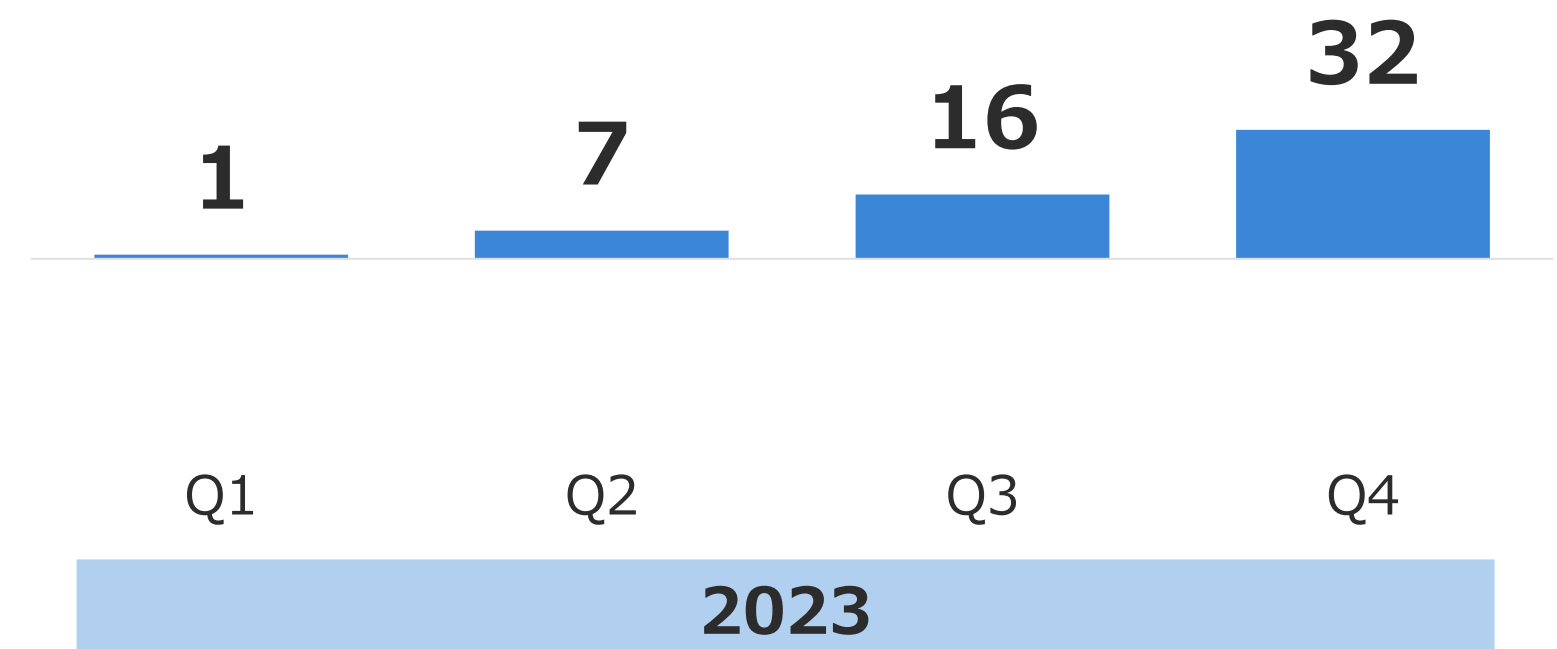
LESSO Transition of equity in earnings

(JPY Million)



ENE's Transition of Ordinary Profit

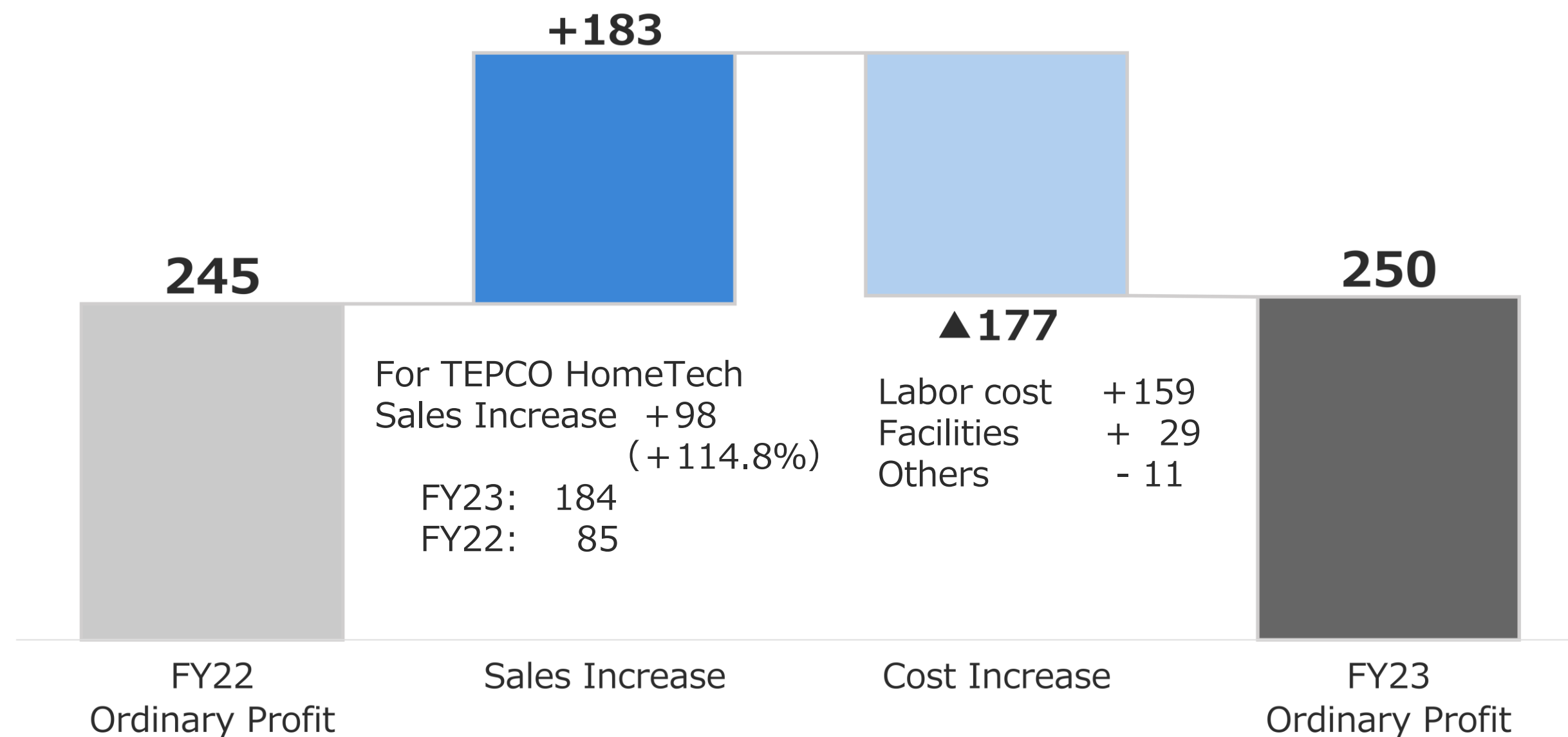
(JPY Million)



Although personnel costs and infrastructure costs were increased for new business sites due to BCP measures (decentralization of business sites, etc.), however, an increase in contracts from energy-related companies such as TEPCO HomeTech and others have resulted in an increase in profit.

Maintenance Ordinary Profit Fluctuation Analysis

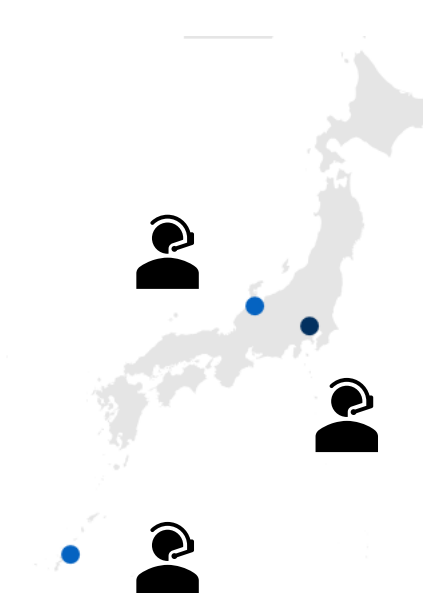
(JPY Million)



Maintenance No. of employee

Site	FY22	FY23	YoY
Okinawa	230	241	+11
Tokyo	18	29	+11
Kanazawa	14	21	+7
Total	262	291	+29

【Purpose : Disaster-resilient maintenance base office】



Distribute workload to new site (Tokyo, Kanazawa)

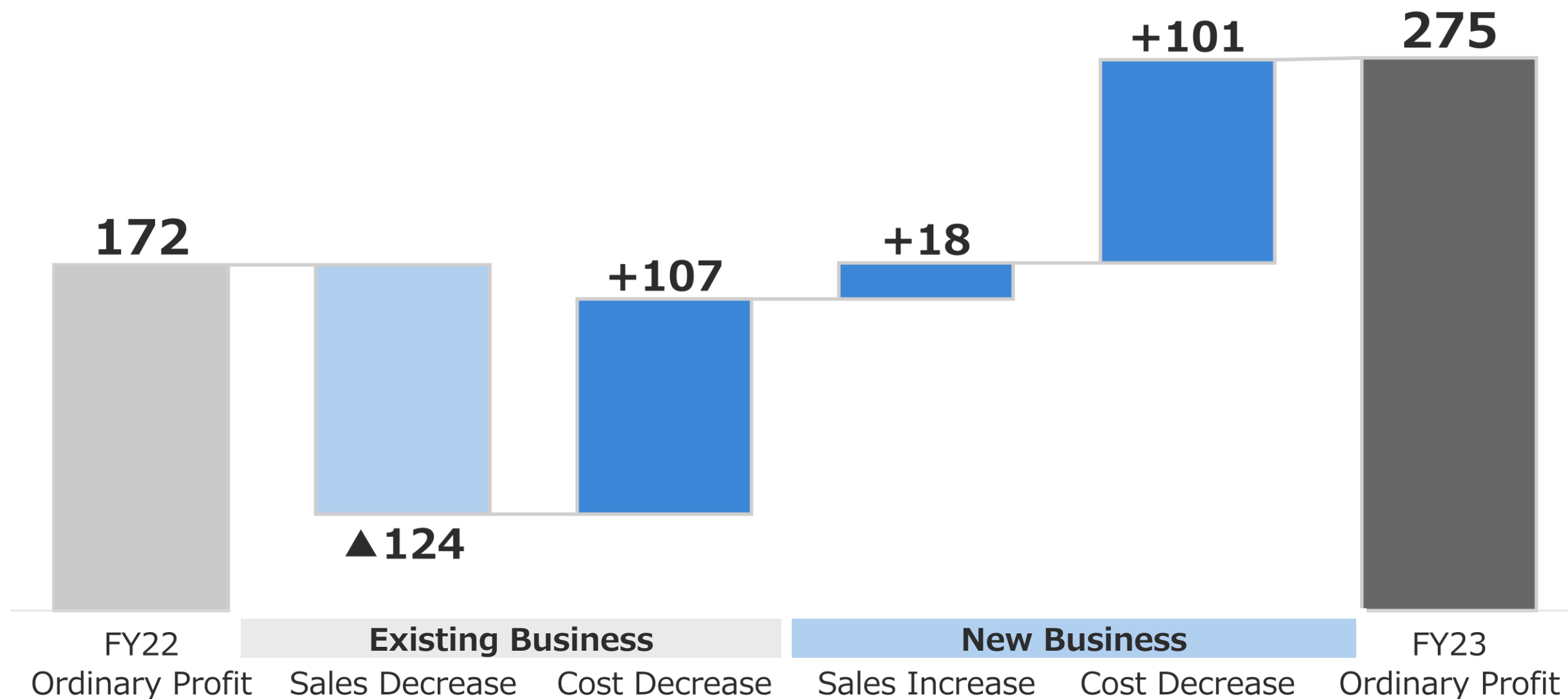
- (Anticipated results)
- Reduce risk of business interruption due to natural disasters
 - Increase in contracts due to contribute to BCP measures of clients

FY2023 Results | Design Service Ordinary Profit

While sales of existing business decreased, secured profit increase by reducing design cost with conversion EPCO SZ to joint venture. We expect further profit improvement through expansion of new business as BIM related sales is getting increasing.

Design Service Ordinary Profit Fluctuation Analysis

(JPY Million)



■ Factors for sales decrease

Housing Starts (Owner-occupied)
YoY▲11.4%

■ Factor of profit increase

Conversion EPCO SZ to joint venture.
⇒Design staff decreased on existing/new business

■ Future Prospects

1. Expansion of new business (BIM related)
2. Effect of price revision (Ref) Breakdown of design service

FY23	Existing	New	Total
Net Sales	1,913	87	2,000
OP Expenses	1,598	127	1,725
Ordinary Profit	315	-39	275

(JPY Million)	FY22 Results	FY23 Results	Changes	Ratio
Net Sales (Consolidated)	4,818	5,059	+241	+5.0%
Renewable Energy Solutions	953	1,117	+164	+17.2%
Maintenance	1,758	1,941	+183	+10.4%
Design	2,106	2,000	-105	-5.0%

(JPY Million)	FY22 Results	FY23 Results	Changes	Ratio
Ordinary Profit (Consolidated)	216	425	+208	+96.3%
Renewable Energy Solutions	135	315	+179	+132.0%
ENE' s	38	57	+19	+50.4%
TEPCO HomeTech	93	222	+128	+137.2%
LESSO	27	69	+42	+155.5%
MEDX	-23	-34	-10	-
Maintenance	245	250	+5	+2.3%
Design	172	275	+103	+59.9%
Others (Corporate expenses·Non-operating profit/loss)	-336	-415	-79	-

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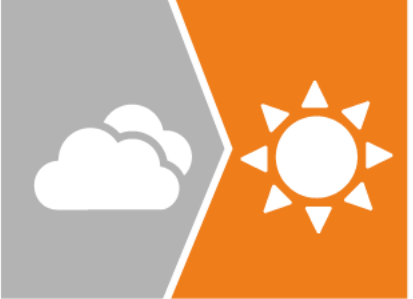
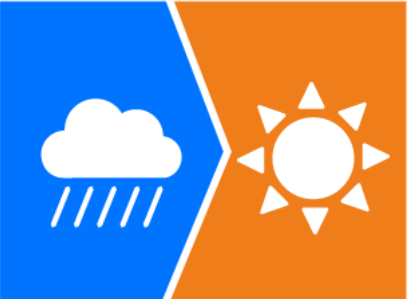
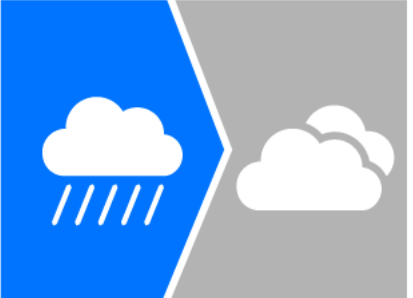

04. Appendix.

FY2024 | Consolidated Forecast Summary



Growth lead by renewable energy solutions will continue, but ordinary profit is expected conservatively due to investments to gain a foothold.

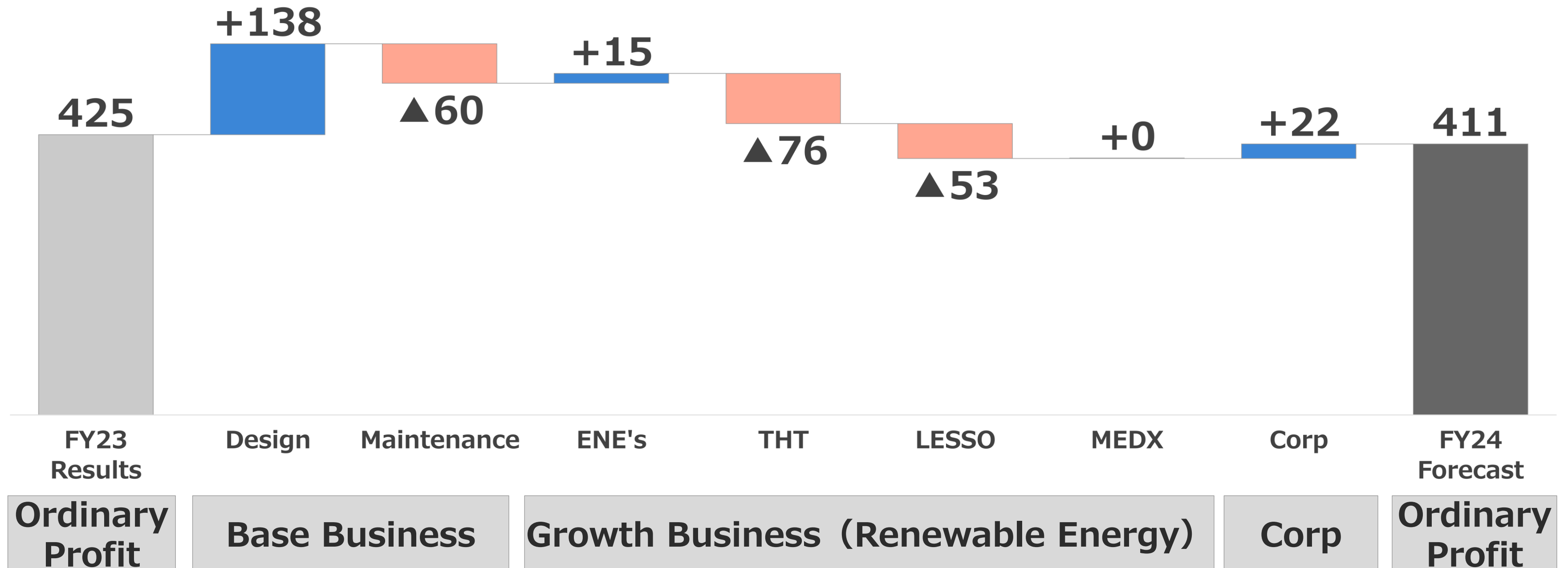
(JPY Million)	FY23 Results	FY24 Forecast	Changes	Ratio
Net Sales	5,059	5,660	+600	+11.9%
Ordinary Profit	425	411	-14	-3.3%
Net Profit	626	485	-141	-22.6%
*Factor of net profit increase				
Gain on sales of investment securities	280	244		
Gain on sales of subsidiary shares in affiliates	70	-		

<h2>FY2024 Forecast</h2>	<p>Ordinary Profit YoY</p>	<p>JPY 411mil. -3.3%</p>	<p>Reinforcing strategies to expand renewable energy (THT: FY26 sales target JPY 15bln.) This year is to gain a foothold for sustainable growth</p>	
<h2>Renewable Energy</h2>	<p>Ordinary Profit YoY</p>	<p>JPY 200mil. -36.4%</p>	<ul style="list-style-type: none"> •(JPN)Continued growth, but investment for a solid footing (personnel and facilities) •(CHN)Considering the downturn of real estate market, expecting profit decrease 	
<h2>Maintenance</h2>	<p>Ordinary Profit YoY</p>	<p>JPY 190mil. -24.1%</p>	<p>Decrease in profit due to investment in for new business development and multiple locations for BCP measures. *Noto earthquake in Jan didn't affect on our operation.</p>	
<h2>Design</h2>	<p>Ordinary Profit YoY</p>	<p>JPY 413mil. +50.2%</p>	<ul style="list-style-type: none"> •Expecting growth with increasing in EV charger related contracts •Steady progress in business development, BIM business will be turn to profitability 	

Gain: Expanding Electric Vehicle (EV) charging infrastructure equipment related service (Design·ENE's)

Loss: Increase in personnel and facilities in anticipation of further business expansion (THT·Maintenance·LESSO)

(JPY Million)



Further growth is expected in the installation market for solar power generation, storage batteries, and EV chargers

Business

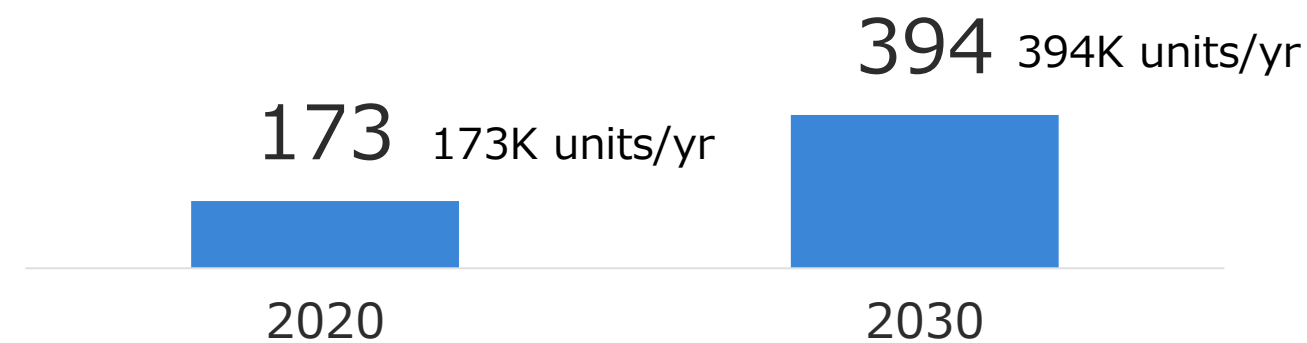
Market (JPY Billion)

Growth background

Solar Power

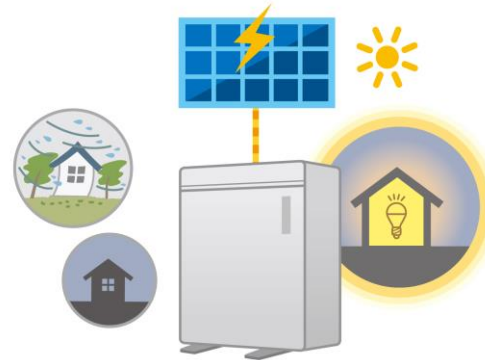


Residential Solar Power Generation System Installation Market (Annual) *1

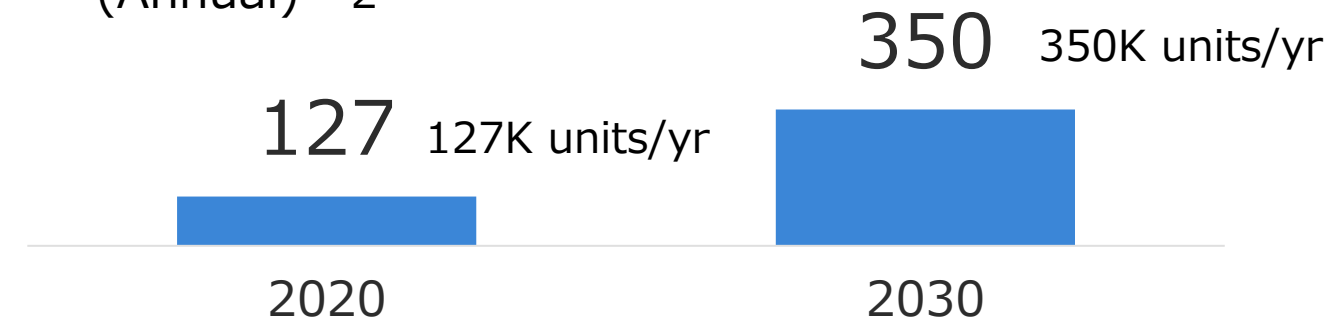


- Ministry of Land, Infrastructure, Transport and Tourism Target (announced August 2021)*4
"60% of new detached houses will be equipped with solar power generation systems in FY2030"
- **Obligation to install solar power generation system** by local government and development of related ordinance and implementation of **subsidy scheme**

Storage Battery

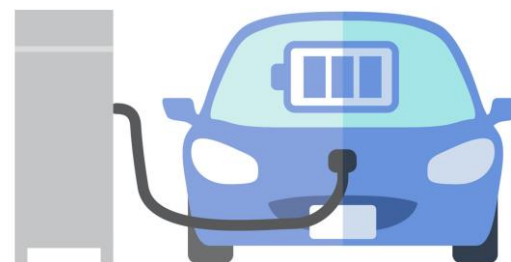


Residential Storage Battery Installation Market (Annual) *2



- Ministry of Economy, Trade and Industry Target (announced June 2021)*5
"Cumulative total of residential and commercial, industrial storage batteries to be installed by 2030: approx. 24 GWh (Approx. 10times of total of installation by 2019)"
- **Subsidy scheme** by local government

EV Charger



EV Charger Installation (Cumulative total by 2030) *3

Cumulative total 300,000 units to be installed by 2030
Cumulative Total JPY180 billion

- Ministry of Economy, Trade and Industry Target (announced in October 2023) *6
"EV charger infrastructure 300K to be installed by 2030"
- **Subsidy scheme for EV charger** *6

*1: Inhouse trial calculation based on RTS Corporation "Current Status and Outlook of the Residential Solar Power Generation System Market (2021)"

*2: Inhouse trial calculation based on JEMA "JEMA Storage Battery Vision (Ver.7)"

*3: Inhouse calculation based on Ministry of Economy, trade and industry "Guidelines for Promoting the Development of Charging Infrastructure"

*4: "How energy-saving measures in housing and buildings should be and should be promoted toward a decarbonized society"

*5: "Green Growth Strategies Associated with Carbon Neutrality in 2050"

*6: Refer P.20

In October last year, the Japanese government revised its target for EV charger installation from 150,000 units to 300,000 units by 2030

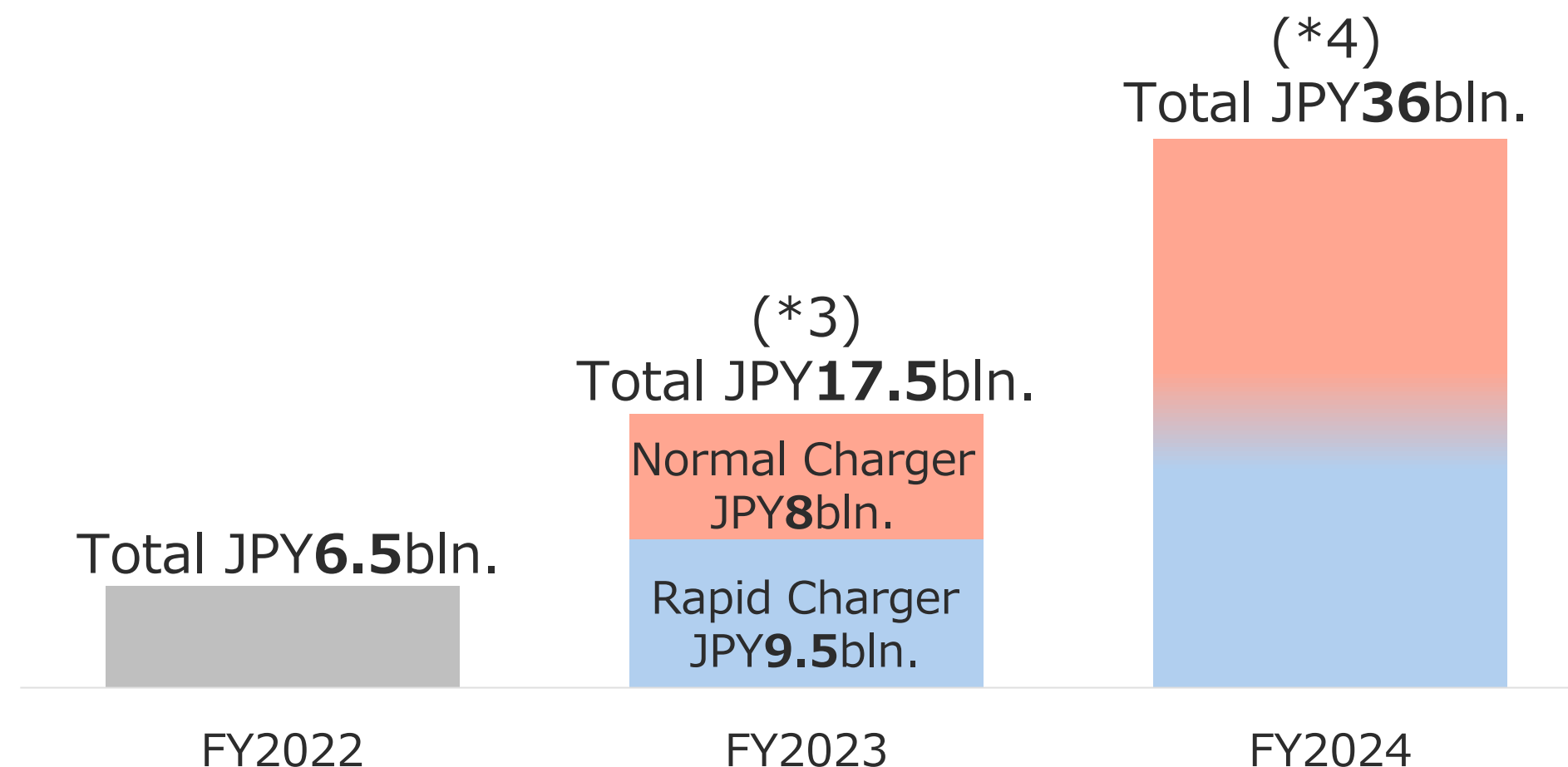
The EV charging infrastructure subsidy quota set for FY2022 is on the increase, with further increases expected in FY2024.

Japanese Government Electric Vehicle(EV) Related Target

By 2035
EV 100% In new car sales ^{*1}
 (Announced June 2021)

By 2030
 Install EV charger **300,000** units ^{*2}
 (Announced Oct.2023)

Japanese Government EV Charger Infrastructure Subsidiary Status



* 1 : METI "Green Growth Strategies Associated with Carbon Neutrality in 2050"
 * 2 : METI "Guidelines for Promoting the Development of Charging Infrastructure"

METI "Subsidy for the introduction of charging and refueling infrastructure to promote the spread of clean energy vehicles"

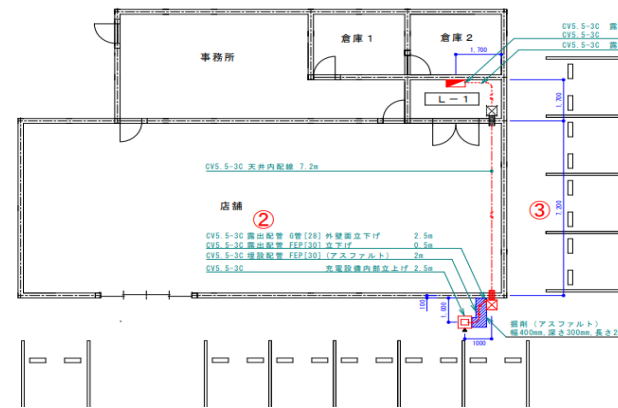
* 3 : FY2022 Supplementary Budget and FY2023 Initial Budget
 * 4 : FY2023 Supplementary Budget and FY2024 Initial Budget

The EPCO Group's "EV Charging Related Services" provides services for the entire life cycle of EV chargers. Further growth is expected in FY2024 as demand for EV charging infrastructure installation increases.

EV Charger Installation Company

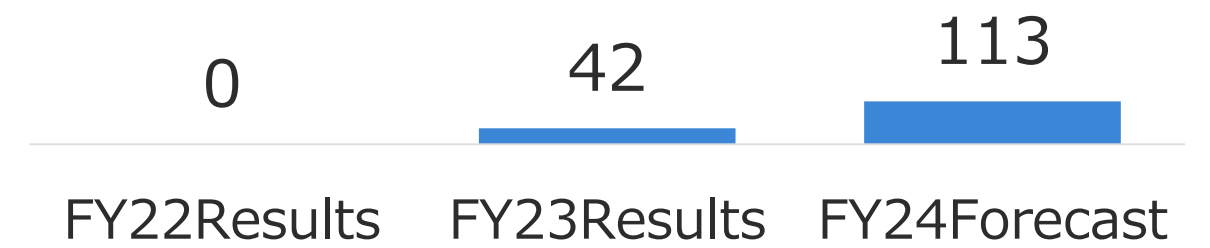
Commission
¥

【Drawing】



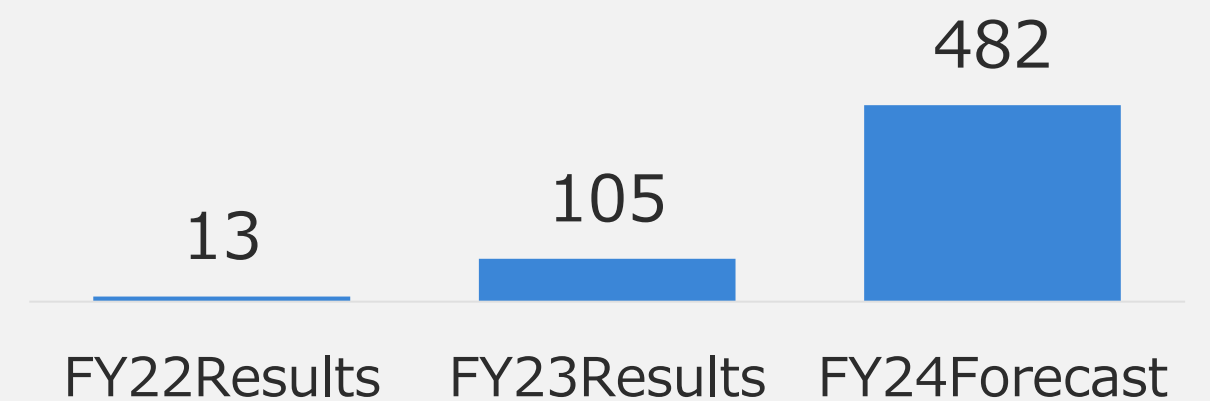
Net Sales of EV Charger Related Service

(JPY Million)



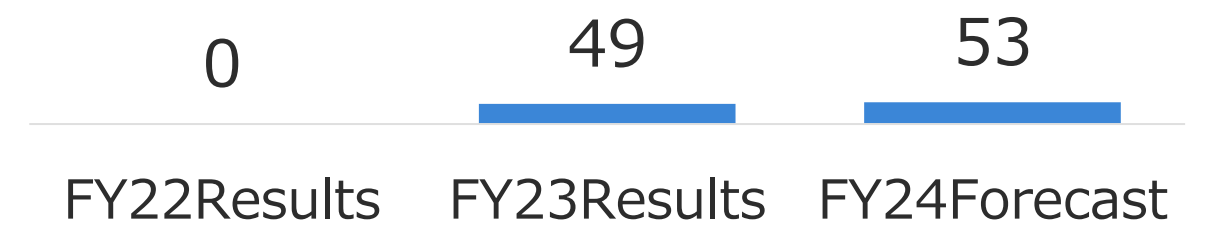
Commission
¥

【Installation】



Commission
¥

【Maintenance】

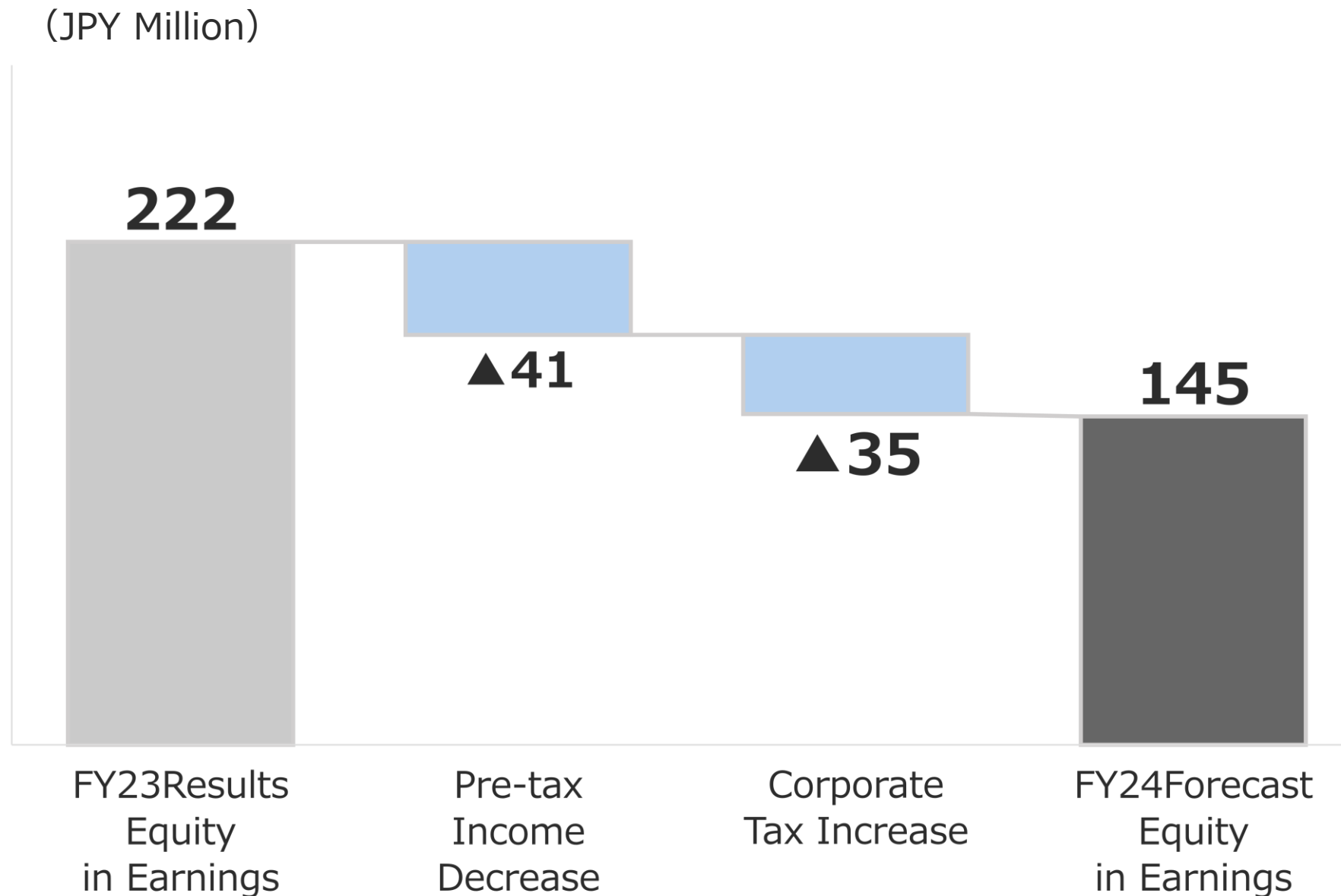


FY2024 | Status of Renewable Energy Solutions (THT)

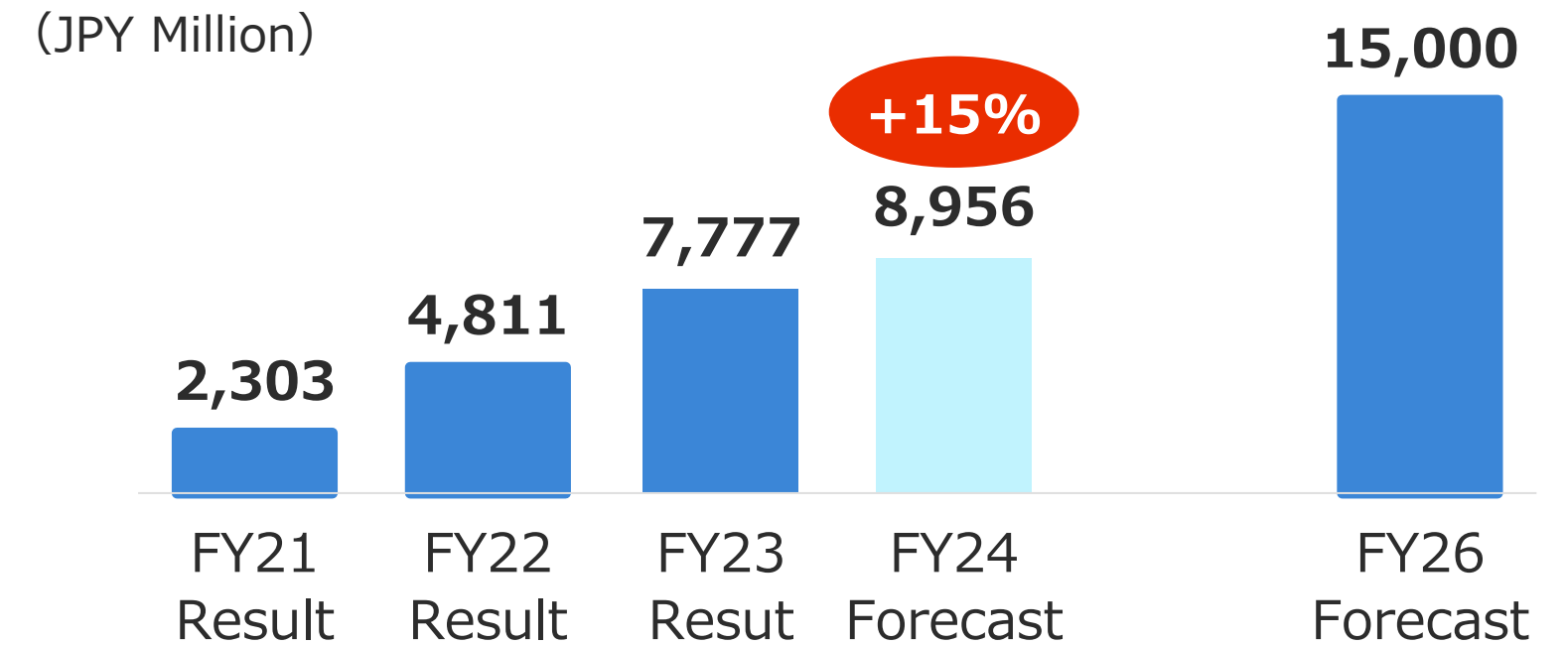
The main reasons for the decrease in TEPCO HomeTech's (THT) equity in earnings are (1) personnel investment and facility expansion in anticipation of further business growth, and (2) an increase in income tax burden due to the elimination of accumulated losses.

THT sales plan is to maintain high growth toward JPY 15 billion (FY2026)

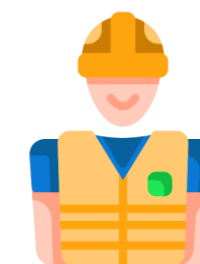
THT Equity in Earnings Gain/Loss Factors



THT Net Sales History



Investments to strengthen contracting structure



【Improve Quality, Ensure Safety】

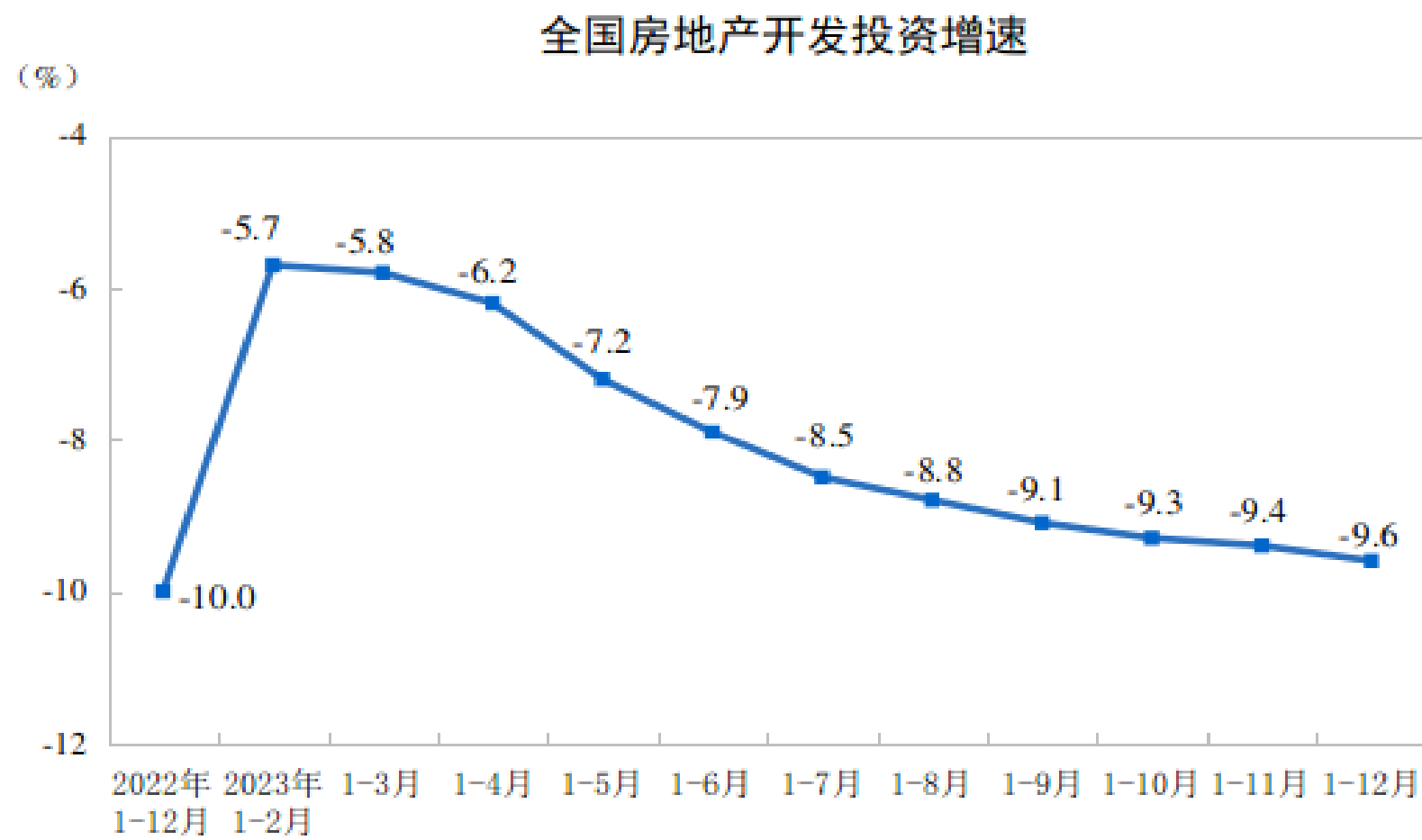
Increase the staffing
Increase outsourcing
cost

Expand office
and training
facilities

The profit forecast for the LESSO joint venture's equity in earnings in FY2024 is conservative estimate as considering the stagnation of real estate market in China.

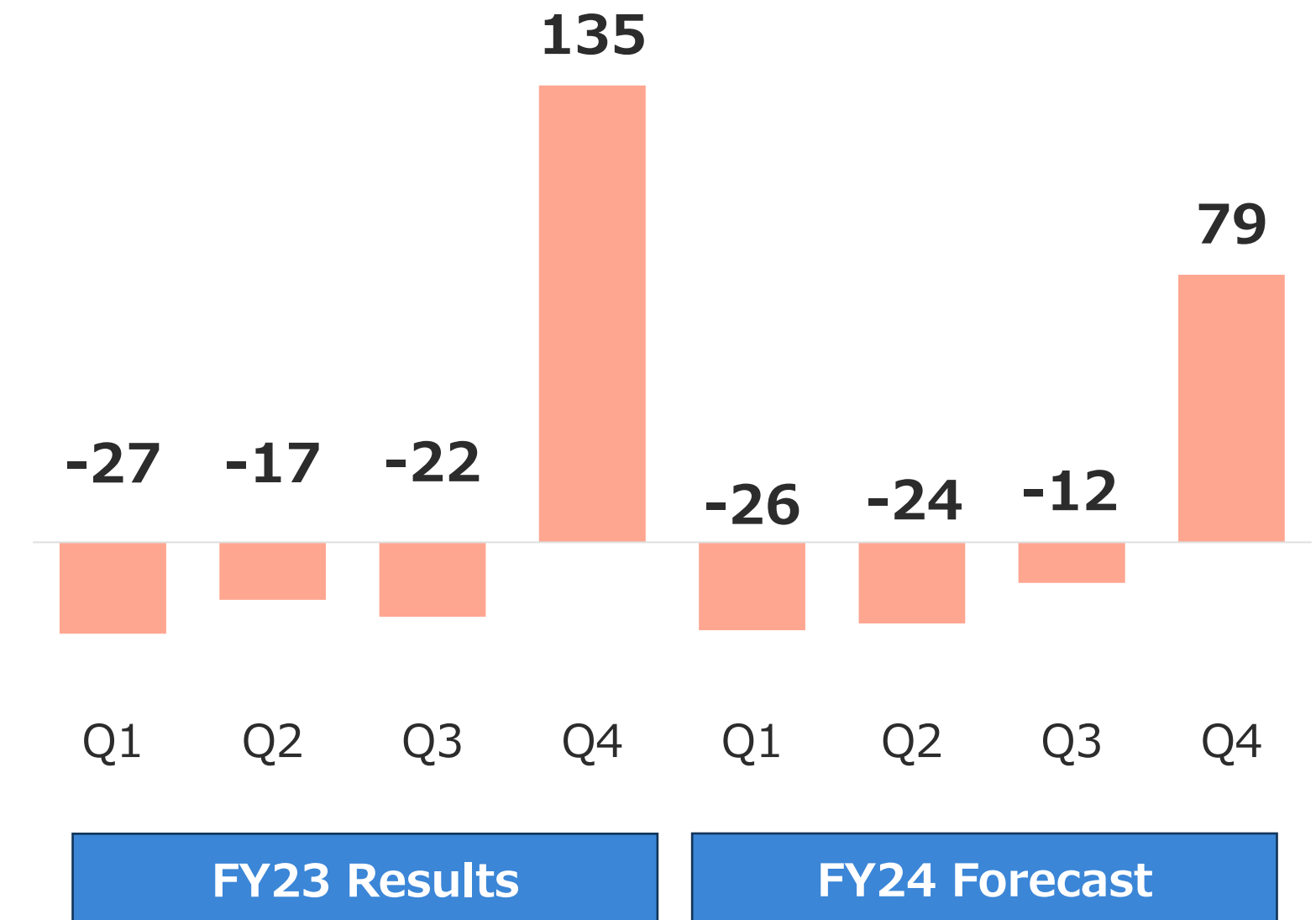
China Real Estate Development Investment History

Real estate investment and development numbers throughout China in FY2023 (Jan-Dec) **have been decreased by 9.6% as YoY** and continuing the downward trend.



LESSO Joint Venture Equity in earnings History

(JPY Million)



Changes in real estate investment throughout China as YoY
 * China NBS "All China Real Estate Basic Status"

In design and maintenance services, the Company continues to develop new businesses for sustainable growth. We plan to expand alliances with various businesses in cooperation with MEDX, our joint venture with Mitsui & Co.

New Business in Design

Concept 3D design tools and information technology
Improvement of work efficiency throughout the entire building lifecycle
(**CAD to BIM** (Building Information Modeling))

Status **BIM consulting contact is expanding gradually** with major companies, thus alliance is expanding as well

Target Aiming to **profitability** with this model own
Net Sales JPY200mil. (YoY+112mil.)
Ordinary Profit JPY7mil. (YoY+47mil.)

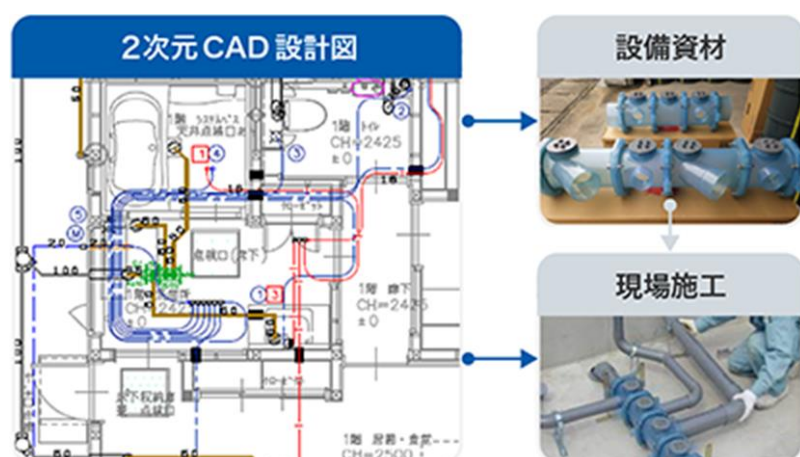
New Business in Maintenance

Concept Utilizing housing history data and BIM data.
Improvement of business efficiency in the maintenance industry in general and **maximize sales** for housing business groups

Status Examination of examples of housing history and BIM data utilization
Proposal of data utilization projects for housing companies

Target New business development for both EPCO and MEDX is at a **loss-making stage** yet
Aim to **establish a business model** that can be expected to expand over the medium to long term.

Current Business Model



Future Business Model



Current Business Model



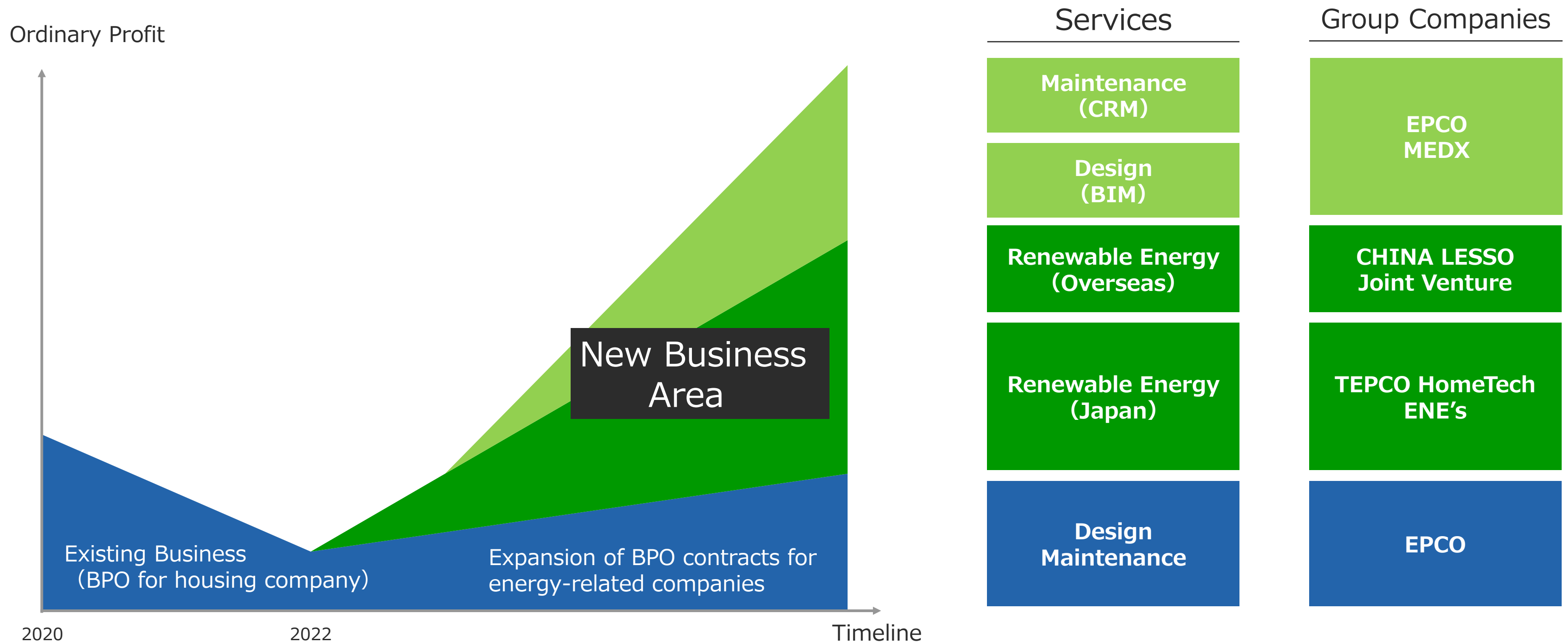
Future Business Model



FY2024 | EPCO Group Profit Growth Image



Although profits have been on a declining trend in the most recent period, we have entered a period of profit growth due to profit contributions from new businesses from 2023. The forecast for FY2024, however, is a conservative estimate due to the foothold of the renewable energy and maintenance services, We aim to maximize consolidated ordinary profit by expanding profits from each of our services together.



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Net Sales (Consolidated)	5,059	5,660	+600	+11.9%
Renewable Energy Solutions	1,117	1,525	+408	+36.5%
Maintenance	1,941	1,858	-82	-4.3%
Design	2,000	2,275	+274	+13.7%

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TEPCO HomeTech	222	145	-76	-34.5%
LESSO	69	16	-53	-76.7%
MEDX	-34	-34	+0	-
Maintenance	250	190	-60	-24.1%
Design	275	413	+138	+50.2%
Others (Corporate Expenses·Non-operating profit/loss)	-415	-393	+22	-

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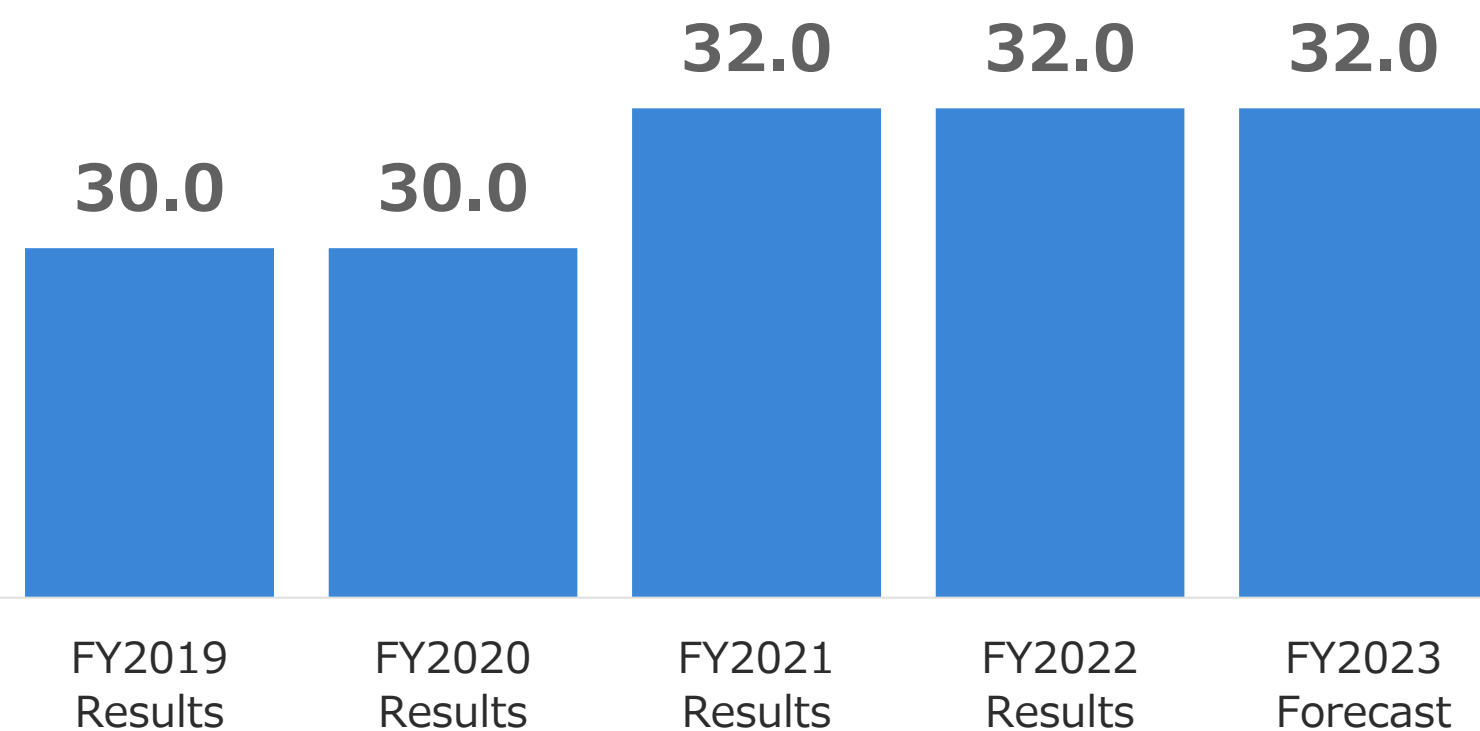
Dividend Policy : To provide **a stable** return of profits to shareholders, **with a target consolidated dividend payout ratio of 50% and a dividend on equity (DOE) ratio of 8%.**

FY2023, expected dividend per share is **JPY32** (End of Q2 @JPY14, end of FY @JPY18)

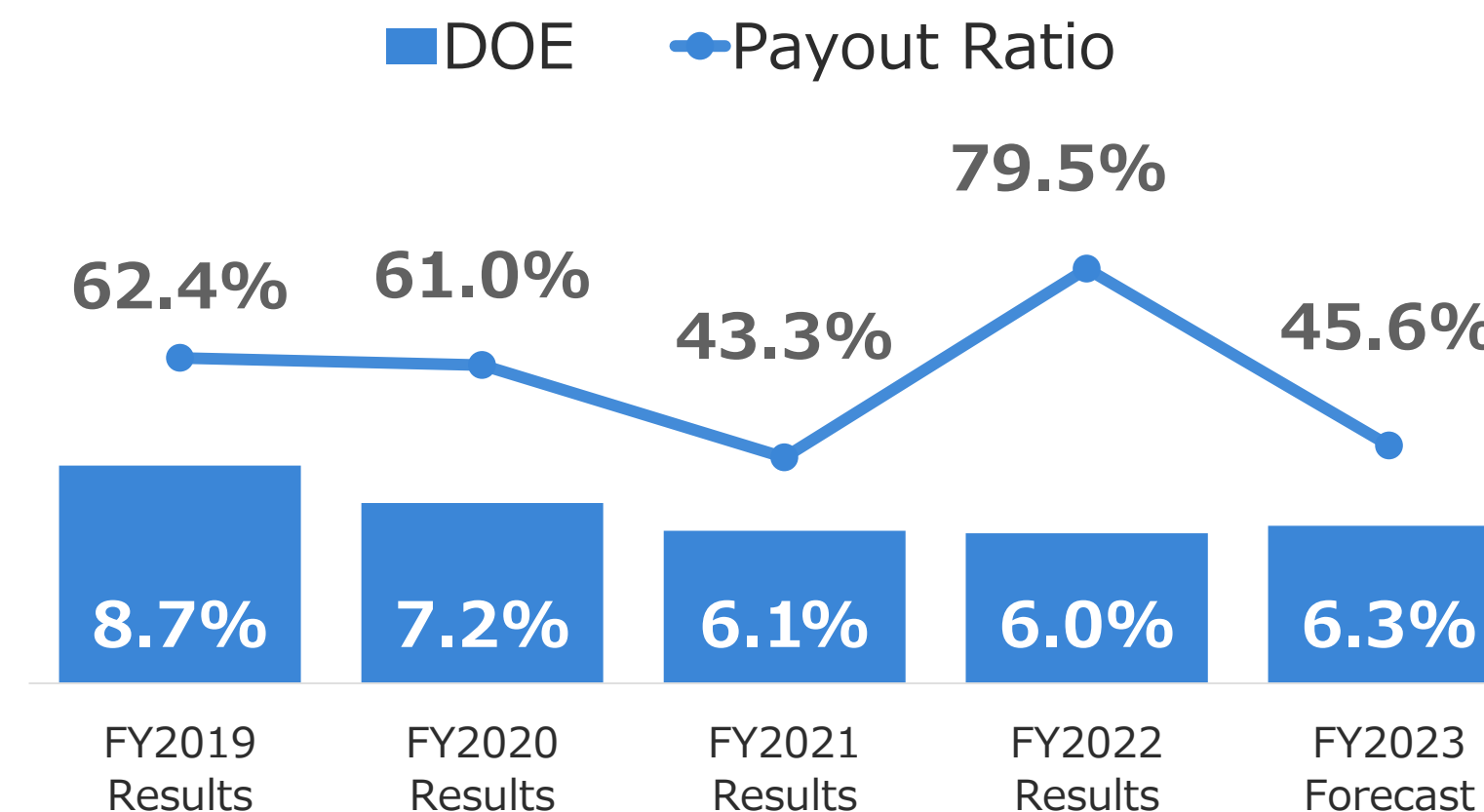
Dividend Yield **3.5%** (Calculate with the price JPY925/share as of Jan. 31, 2024)

【Dividend】

(JPY)



【 Payout ratio and Dividend on Equity Ratio(DOE) 】



Winners will receive a free installation of a solar power generation system or storage batteries worth 1 million Japanese yen.

Details of Benefit Plan

- Free installation of solar power generation system or storage battery (equivalent to JPY 1 mil.)
- The lottery is two times a year.(End of June and End of December for eligible shareholders)
- The probability of winning increases proportionally with the number of shares held (Up to 1,000 shares, max 10 units)

Eligible Shareholder for the lottery

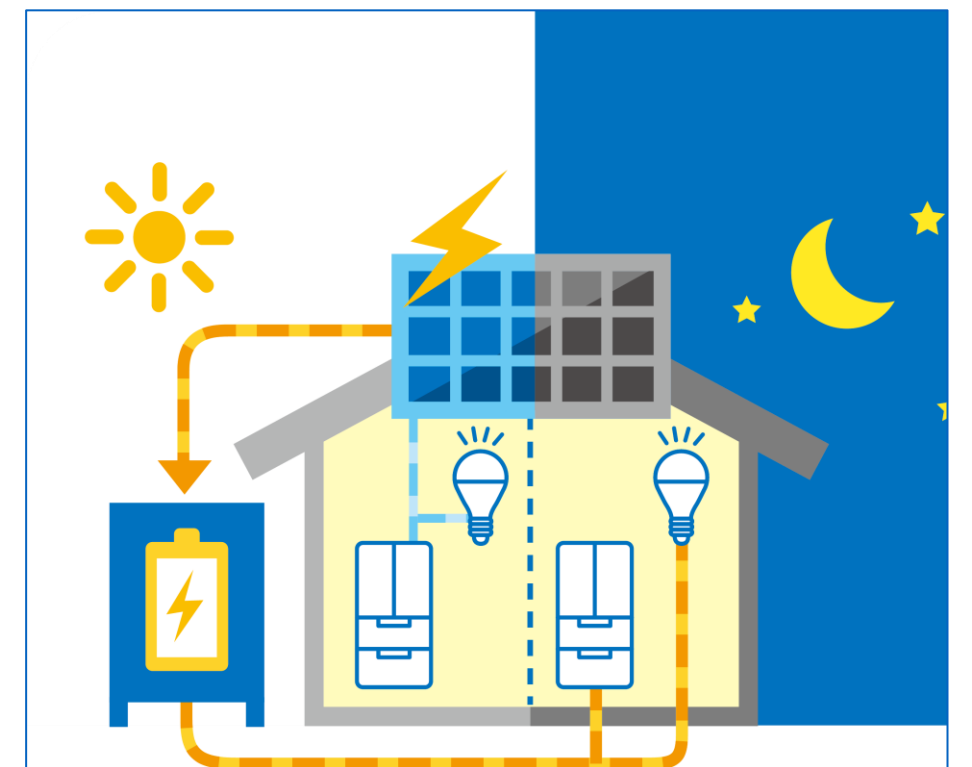
1. Shareholder who own **more than 1unit (100 shares)** and on the shareholder list **on 28th of Dec 2023**.
- 2.Shareholder who **have completed the procedures to apply** the lottery.

Condition

- Winner can pick **any place** for installation of solar panel (For family or friends is ok)
- **Detached house in Japan**

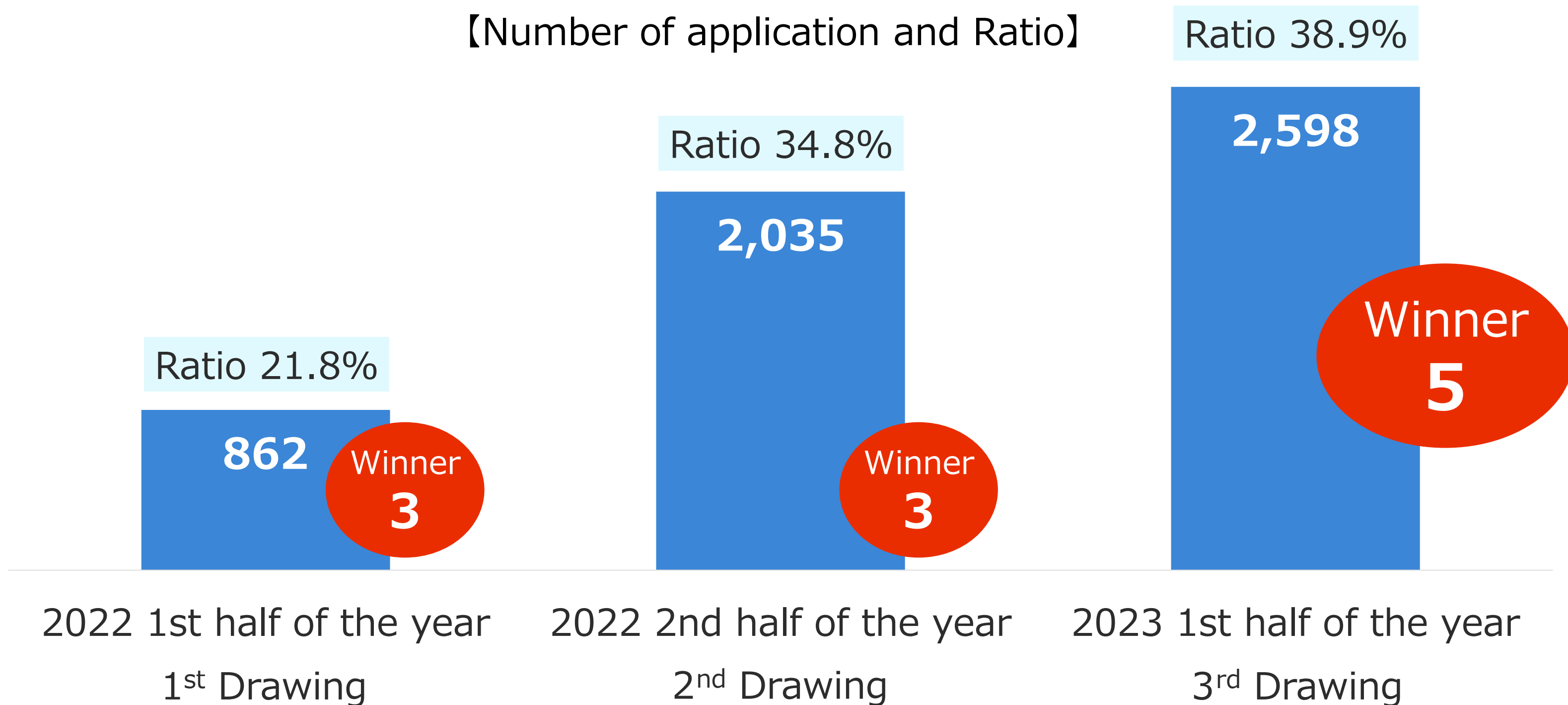
The second half year : **5 winners** Lottery Date : **February 28, 2024**

It will be drawn at FY2023 (Full-year) Management Plan Briefing



In the third drawing, the number of winners was increased to five in response to high demand of application. The number of winners for this year's drawing (the second half of FY2023) is also expected to be five.

【Number of application and Ratio】



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04. Appendix.

Company Overview

Management Philosophy

We pursue the happiness of our passionate employees and their family. Purpose of our existence is to reduce social problems and contribute human's lives.

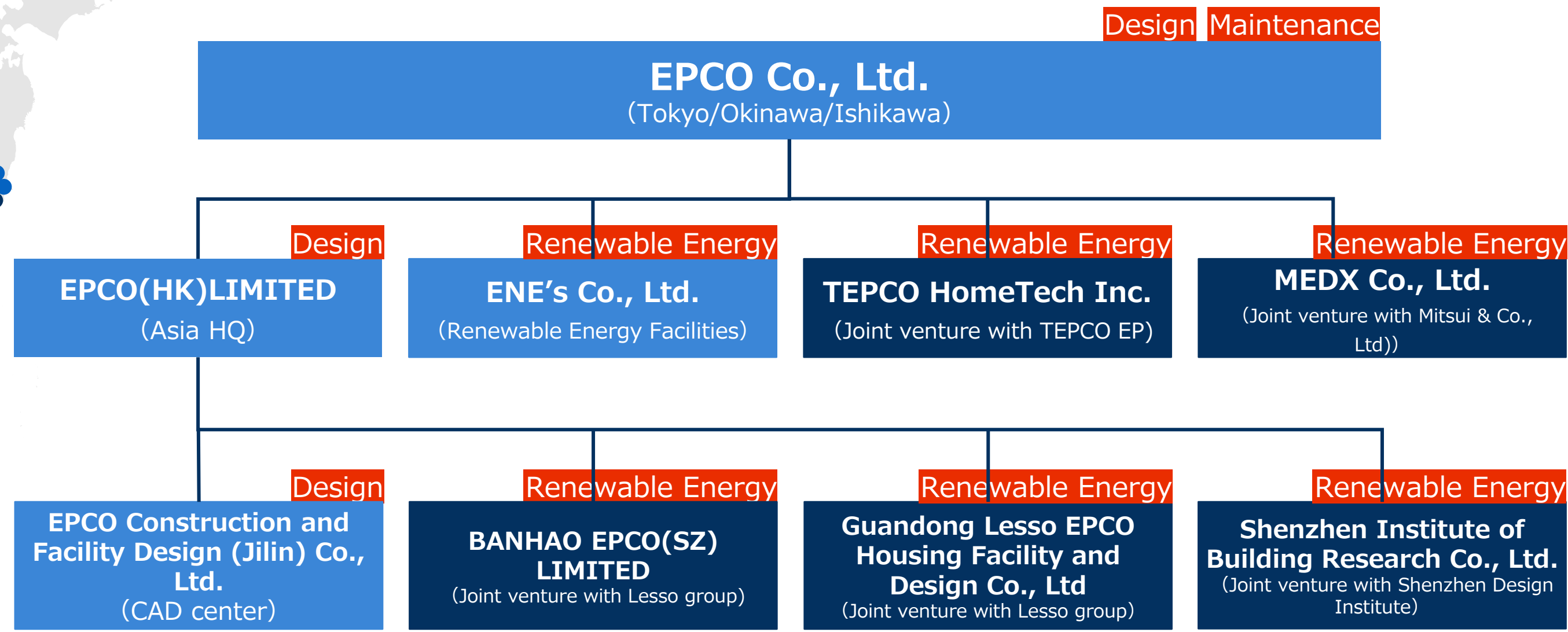
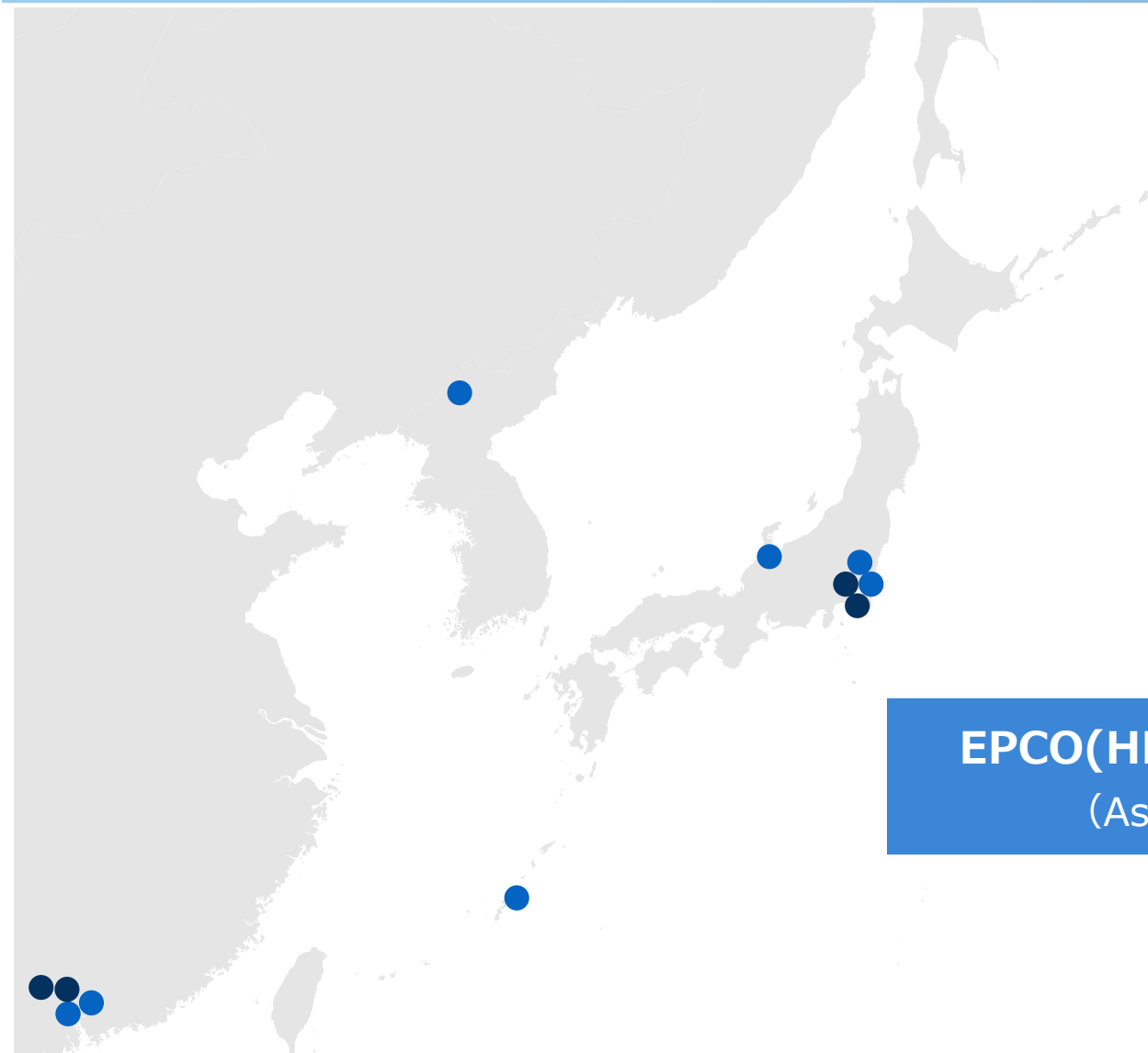
We aim to be infrastructure company to support the homes and lifestyles of people around the world.



Representative Director
Group CEO

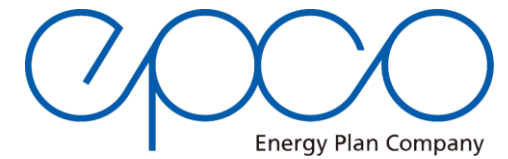
岩崎 辰之

Company Name	EPCO Co., Ltd.	
Head Office	12/F, OLINAS tower, 4-1-3 Taihei, Sumida-ku, Tokyo, 130-0012 JAPAN	
Securities Code	2311 (Standard of the Tokyo Stock Exchange)	
Establishment	April 12, 1990	
Capital	JPY 87 mil.	
Numbers of employee	575 (Consolidated total 793) Including temporary employees and dispatched workers *As of Dec. 31, 2023	
Directors	Representative Director and Group CEO Representative Director and CFO Director Outside Director (Audit & Supervisory Committee) Outside Director (Audit & Supervisory Committee) Outside Director (Audit & Supervisory Committee)	Yoshiyuki Iwasaki Shinichiro Yoshihara Tohru Miyano Masashi Watanabe Takuo Akino Tadashi Tamura
Executive Officer	In charge of Business Development In charge of Design Services and Information Systems In charge of Maintenance Service In charge of Group Management	Kim Jungheon Yang Chao Takatsugu Urayama Tomohisa Hirakawa

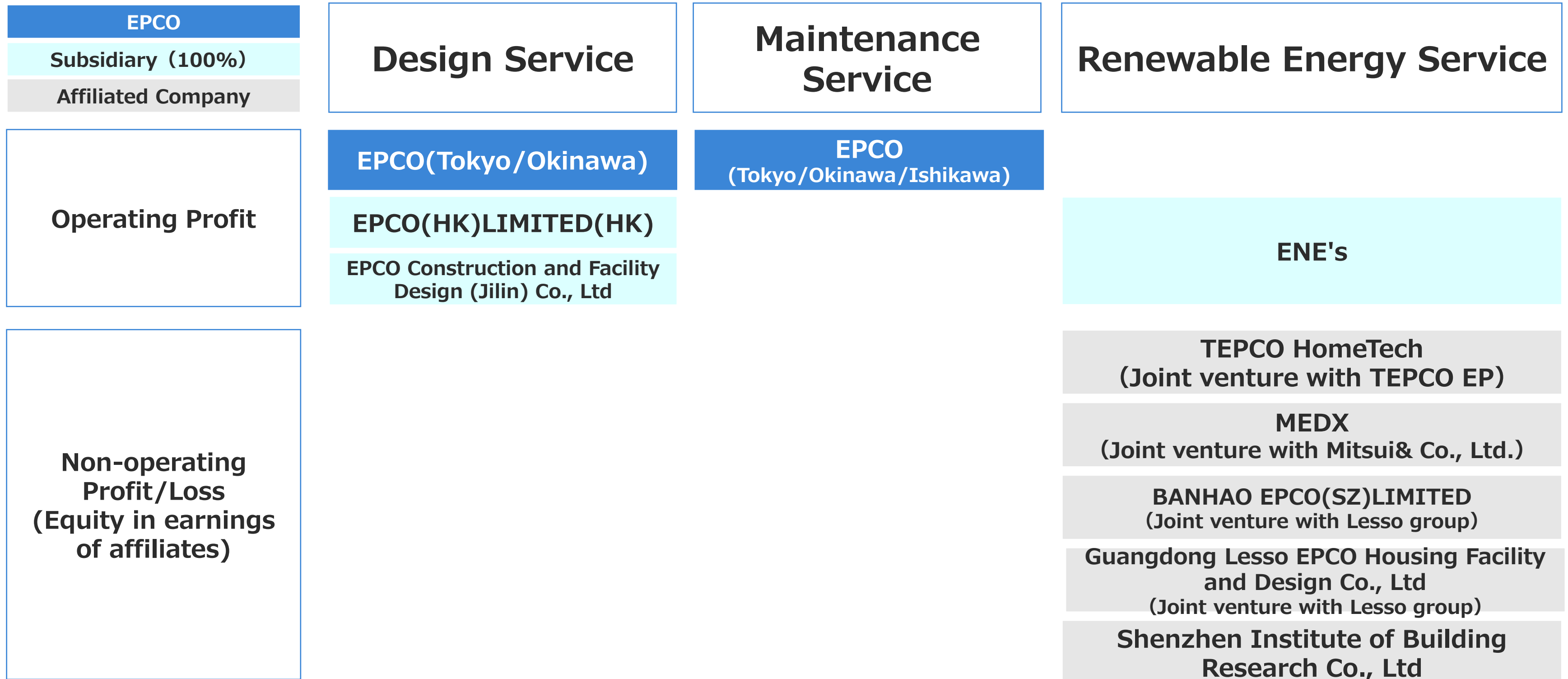


Subsidiary Affiliated

(Reference) | EPCO Group Profit and Loss Structure



Group structure with active use of joint ventures (group management)



Company Information

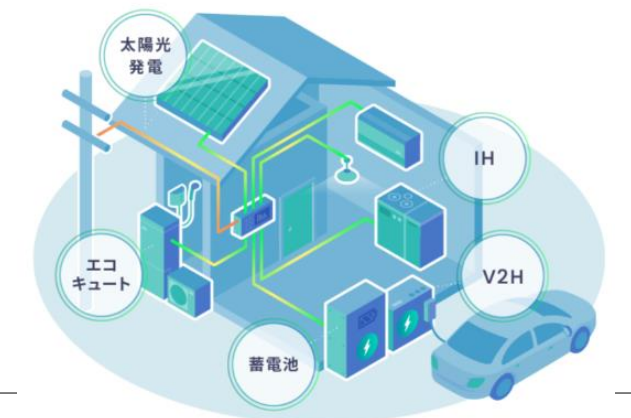
Name	TEPCO HomTech, Inc.
Establishment	August 9, 2017
Representative	President and Representative Director Mr. GESHI, Tomoo
Capital	JPY 475million
Equity	TEPCO Energy Partner, Inc. 51% EPCO Co., Ltd. 49%
Location	Tokyo, Kyoto
No. of Employee	61* (Including 16 temporary staffs)

Main Business

- Residence facility fixed-rate subscription service "Enecari"
- Sales and installation of home equipment such as solar power, storage batteries, EV charging equipment, Eco-Cute, IH, etc.
- We provide above services to
 - Standard installation of solar power and storage batteries, Enecari, in new homes in partnership with housing providers
 - Installation of solar power and storage batteries for existing homeowners, and replacement of equipment due to age-related deterioration of home facilities.
 - Charging facilities at your home with widespread of EV
 - Providing back-office operation of "Enecari Plus" to TEPCO EP.

初期費用 0 円
節約も。万が一の備えも。
円で始めよう

おうちの省エネ設備 定額利用サービス
エネカリ



(Reference) ENE's General Information

Company Information

Name **ENE's Co., Ltd.**



Establishment November 22, 2001

Representative President and Representative Director Mr. SUGAI, Yoshihiro

Capital 20 million

Equity EPCO Co., Ltd. 100%

Location Saitama, Gunma, Kanagawa

No. of employee 48 *As of Dec 2023
(Including 6 temporary staffs)

Main Business

- Installation of solar power system
- Equipment work of all-electric housing
- Installation of storage battery system



Advantage of EPCO's housing facilities and design and ENE's experience and knowledge for energy saving facilities plus TEPCO's name value

Installed **4,000** cases/year of solar power system, storage battery and all-electric house in all Kanto area in 2022.
(Solar Power 1,900 unit, Storage Battery 900 units)

(Reference) LESSO Group General Information

【Name】 中国联塑集团控股有限公司 (China Liansu Group Holdings Limited)

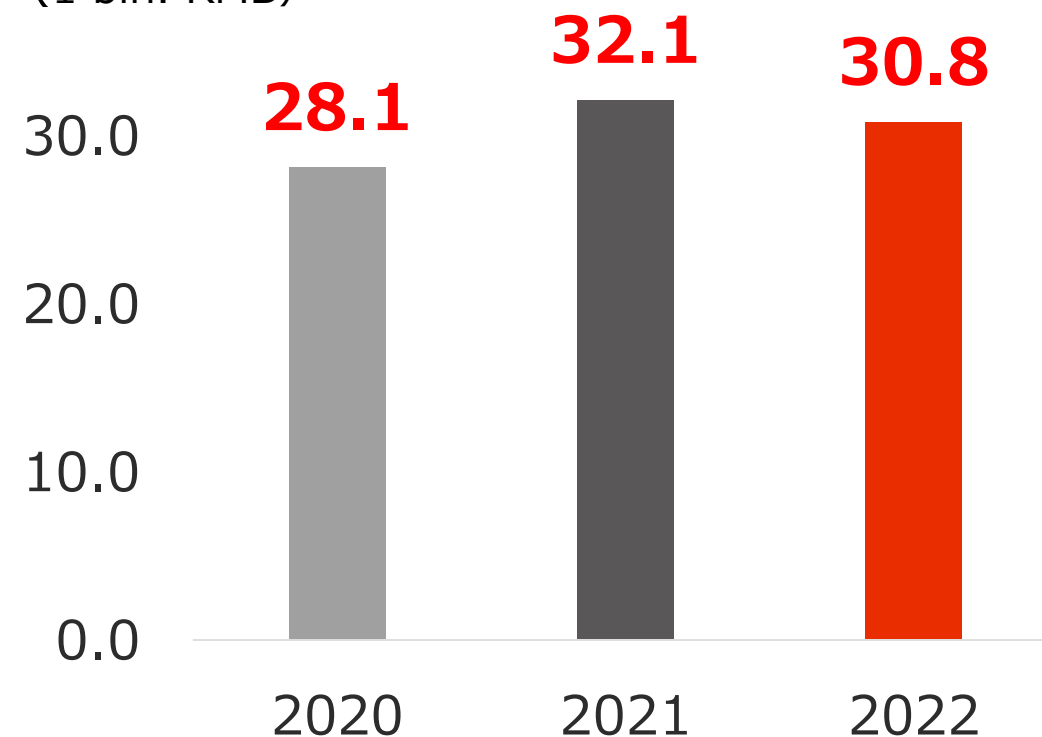
【Location】 Foshan city, Guangdong province, China

【Information】 • Established in 1986

- China's largest manufacturer of plastic pipes and fittings:
China's top 500 companies (375th in ranking)
- Listed in HK market (Security code 2128 : H K)
- Factory : 30 location in China, 7 location in overseas
- Sales distributor : Over 30,000 shops in all over China

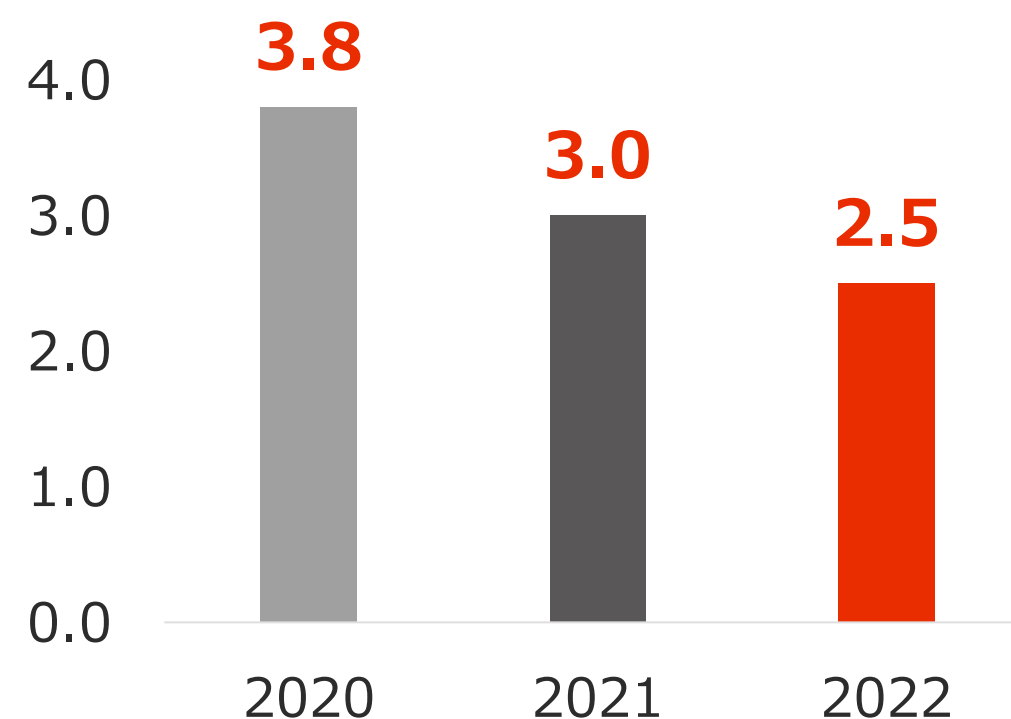
Net Sales of last 3yrs

(1 bln. RMB)



Net Profit of last 3yrs

(1 bln. RMB)



LESSO HQ

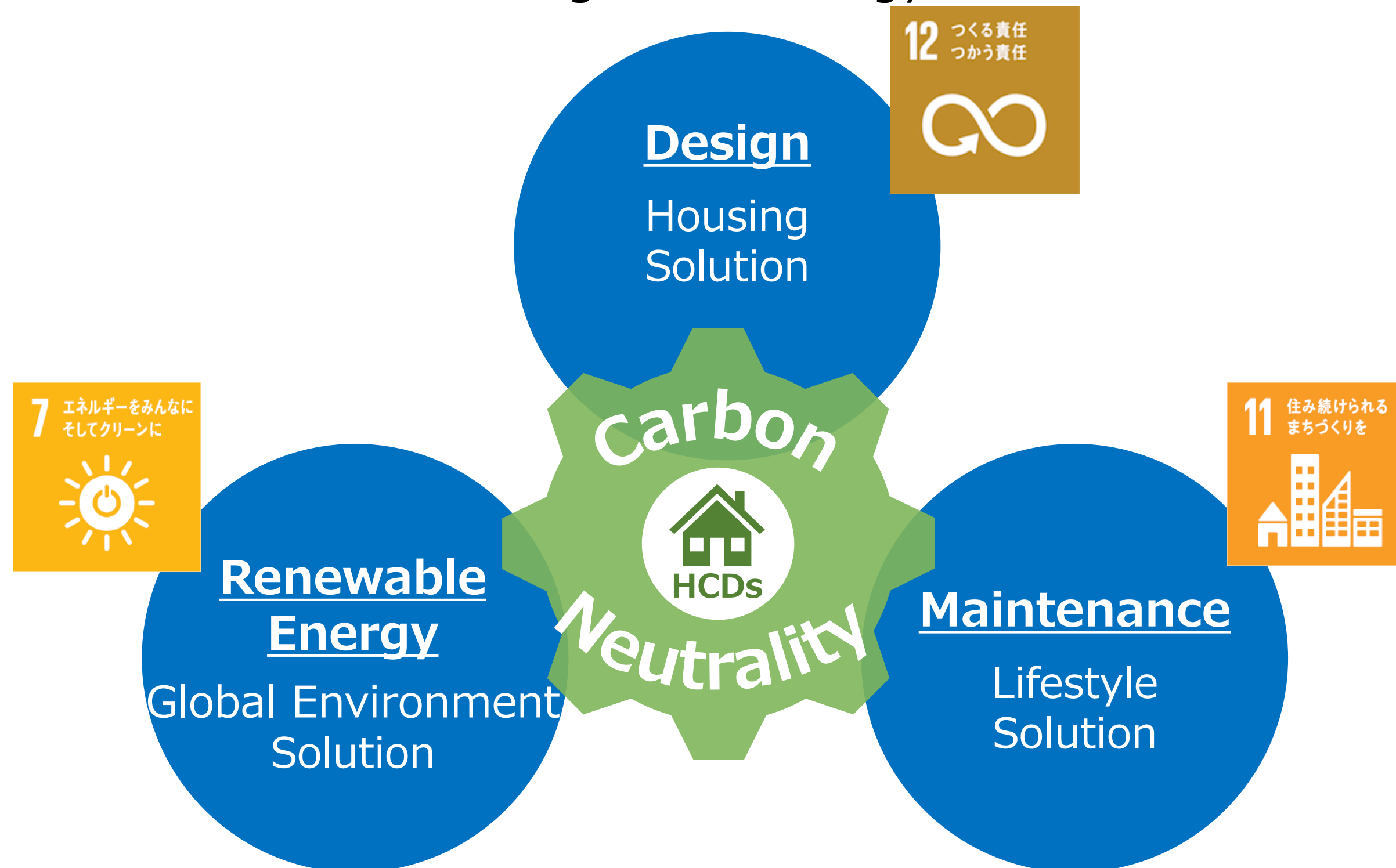


- 2023** Transferred to the Tokyo Stock Exchange Standard Market.
Established BANHAO EPCO (SZ)LIMITED (Reform joint venture with CHINA LESSO group and EPCO SZ)
- 2022** Transferred from the First Section of the Tokyo Stock Exchange to the Prime Market
Opened Kanazawa Operation center
Established MEDX Co., Ltd.
- 2020** Acquired in System Engineering Co., Ltd. (Current ENE's Co., Ltd.) and made it as a subsidiary
- 2019** Listed on the first section of the Tokyo Stock Exchange
Market change to the second section of the Tokyo Stock Exchange
- 2018** Relocated Okinawa call center
- 2017** Established TEPCO HomeTech Inc.
- 2016** Established EPCO Construction and Facility Design (Jilin) Co., Ltd.
- 2014** Relocated Tokyo Office
- 2011** Established EPCO (HK) LIMITED
Established Guandong Lesso EPCO Housing Facility and Design Co., Ltd.
- 2005** Opened Okinawa office
- 2004** Established a subsidialy EPCO Construction and Facility Design (Shenzhen) Co., Ltd.
- 2002** Relocated head office to Adachi-ku, Tokyo
Listed on JASDAQ
- 1992** Reorganized into EPCO Co., Ltd.
- 1990** Established EPCO Limited Company

HCDs HOUSING
CARBON NEUTRALITY
DIGITAL SOLUTIONS

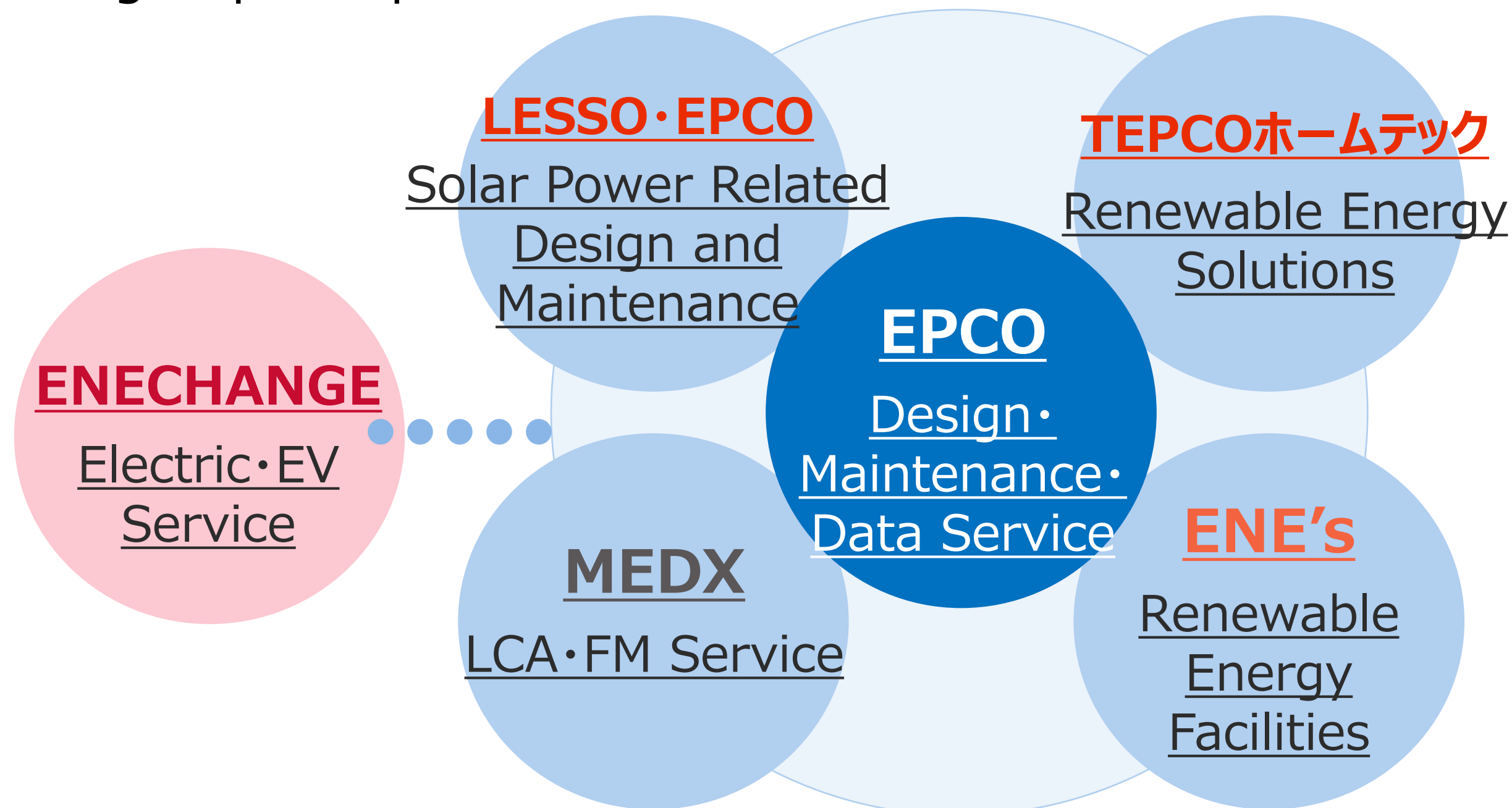
HCDs : Housing Carbon Neutrality Digital Solutions

EPCO Group support housing, living, and the global environment with digital technology



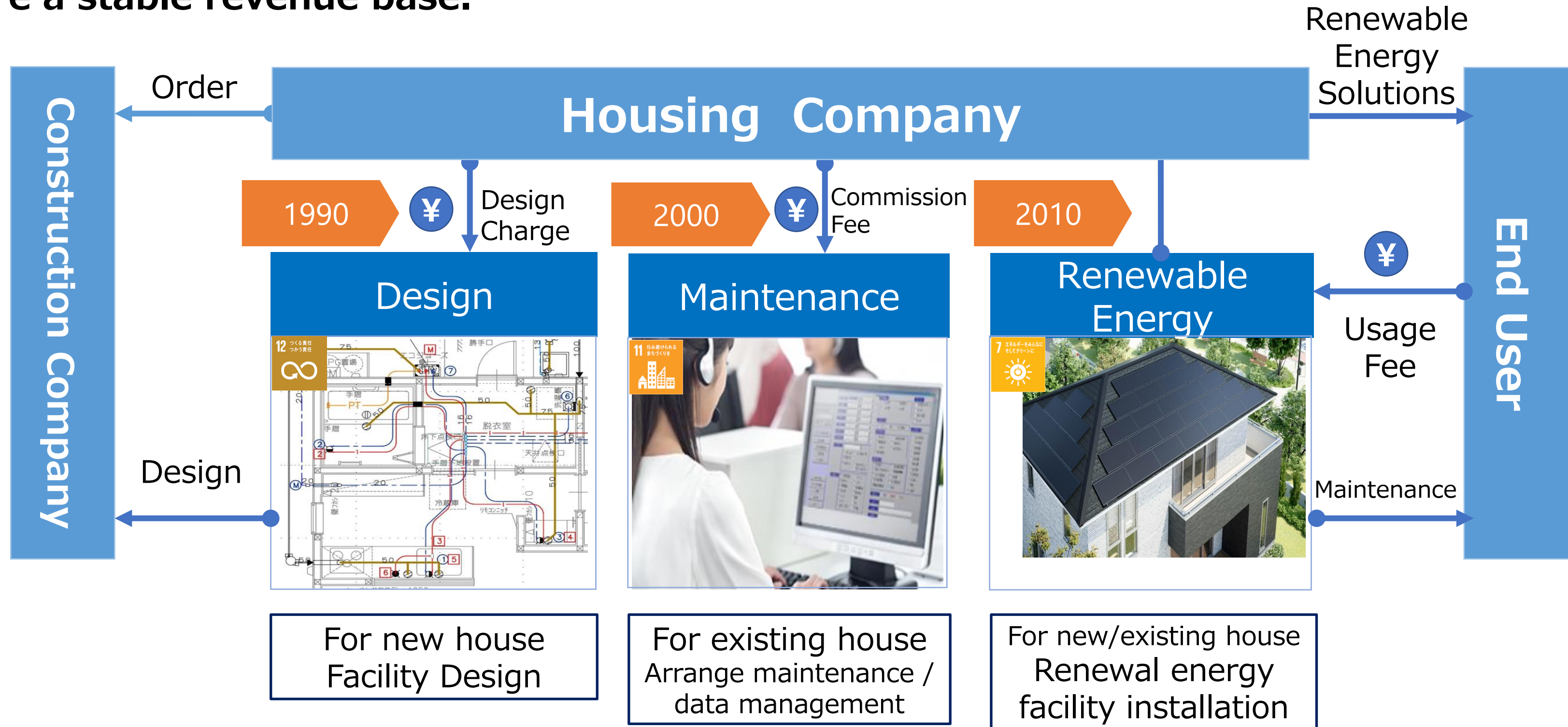
Group Management

EPCO collaborate with group companies and aim for business growth by providing value to group companies



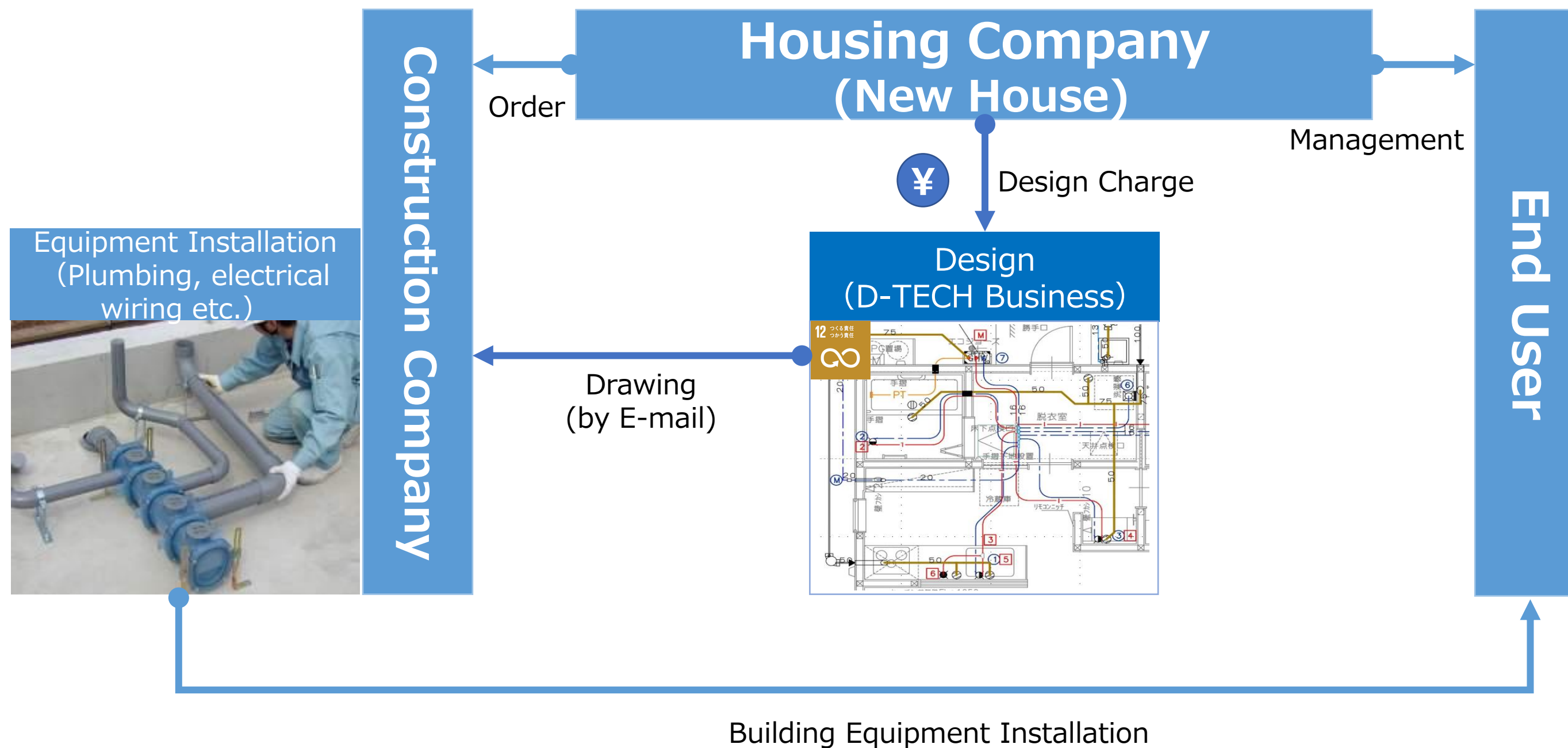
Core Business of EPCO Group | General View

Since its founding in 1990, the EPCO Group has established three core businesses (design, maintenance, and renewable energy solutions) that support residential lifelines, and these are a stable revenue base.



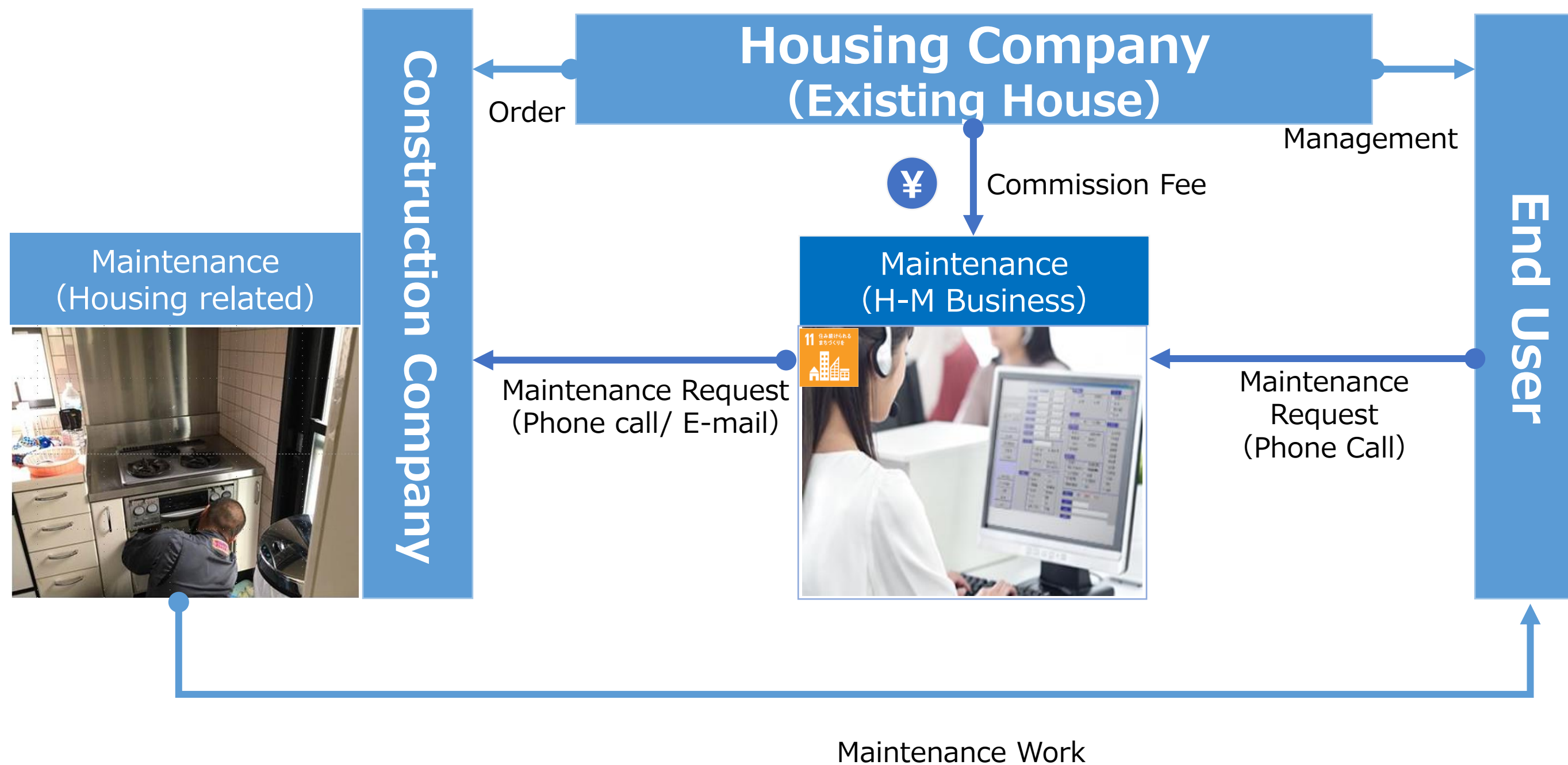
Core Business of EPCO Group | Design

- One of the largest design organization to support the supply chain of housing company.
- Design performance is approx. 100,000 unit/year in residential field.
(Market share of new low-rise residence is 14%)

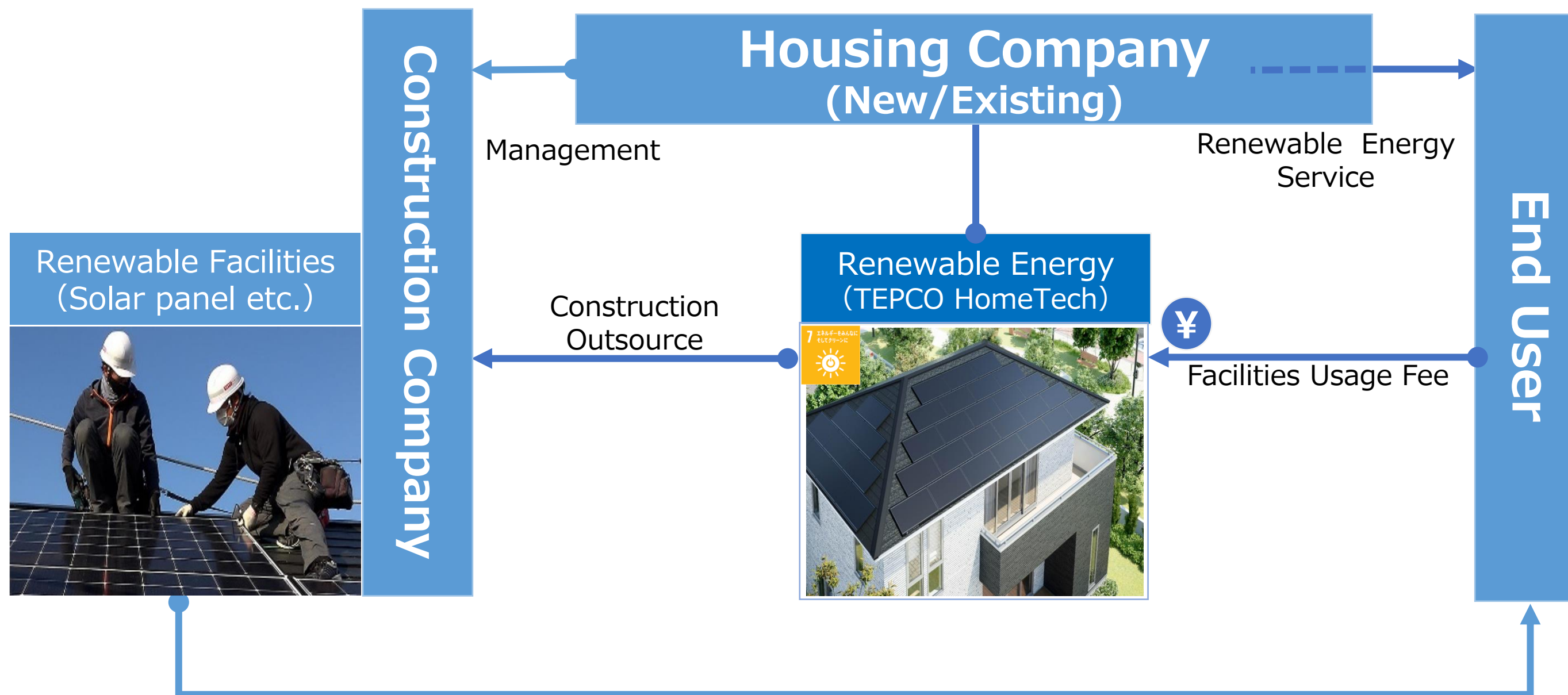


Core Business of EPCO Group | Maintenance

- 24/7 call center network to support maintenance service of house builder.
- Approx. 600,000 cases of maintenance request received annually.
(Managing 1.6 mil. household nationwide)

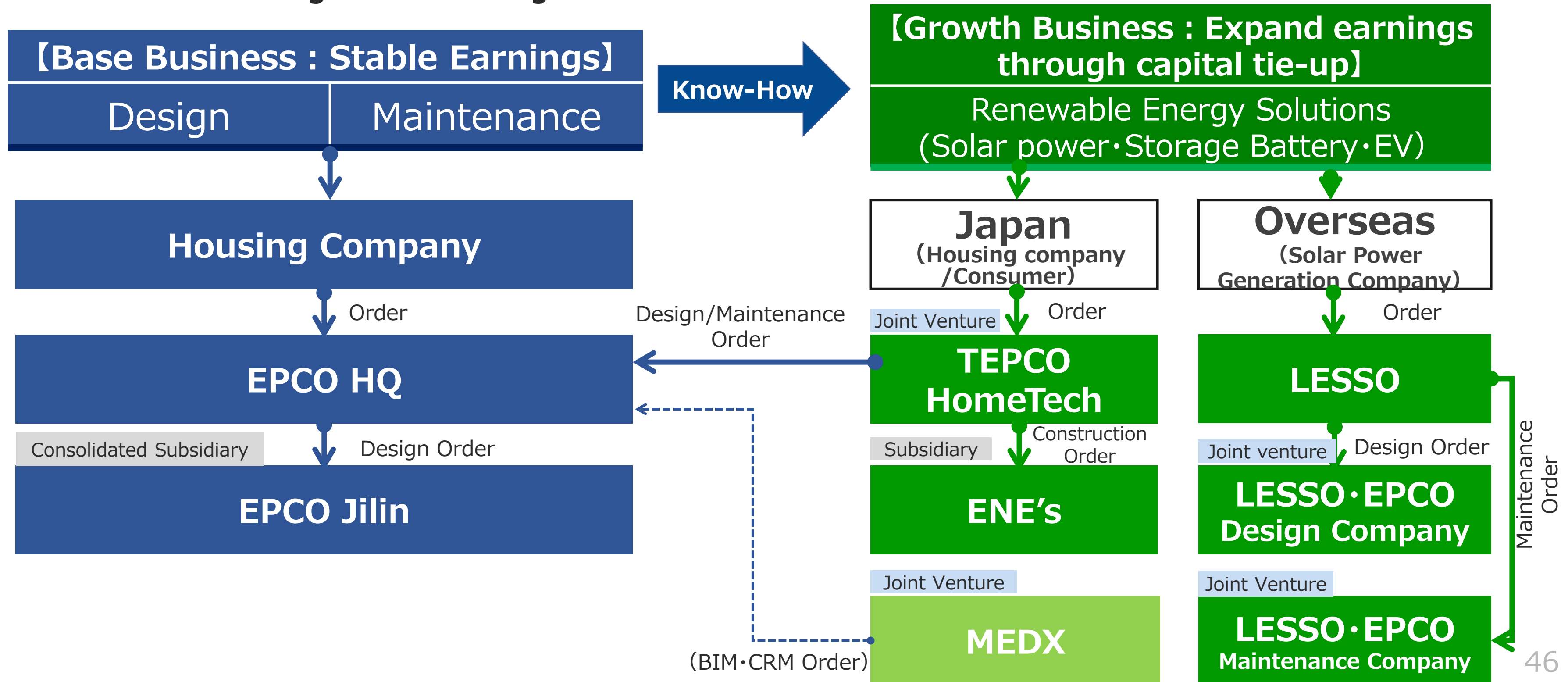


- TEPCO HomeTech is joint venture with TEPCO Energy Partner, Inc.
- Subscription service of renewable energy facilities (Flat-rate usage with zero initial cost) has been adopted and increased in major housing companies



Renewable Energy Facilities Installation

The EPCO Group is currently in the phase of reviewing its business portfolio for achieving sustainable growth. We aim to maximize earnings by focusing on the growing business of renewable energy solutions while earning stable earnings in the base business.



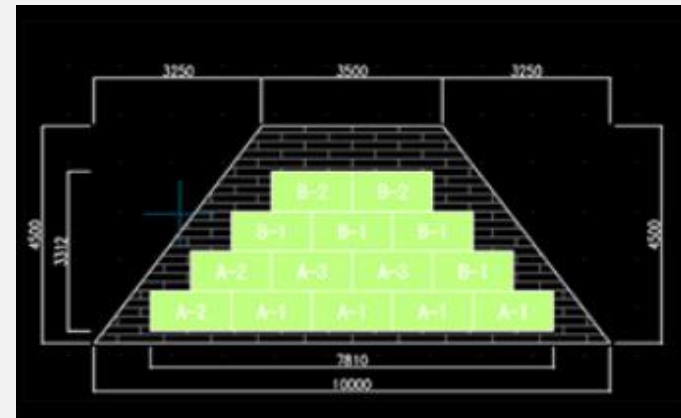
“Renewable Energy Solutions” provides services for the entire life cycle of renewable energy facilities. We aim to speedy expansion of the business in Japan and overseas market through group management utilizing capital tie-up with major companies.

Renewable Energy Solutions (Solar Power·Storage Battery·EV)

【Manufacturing】▶



【Design】▶



【Installation】▶



【Maintenance】



Japan

Various
Manufacturers



東京電力グループ
TEPCOホームテック株式会社



Overseas

LESSO 联塑

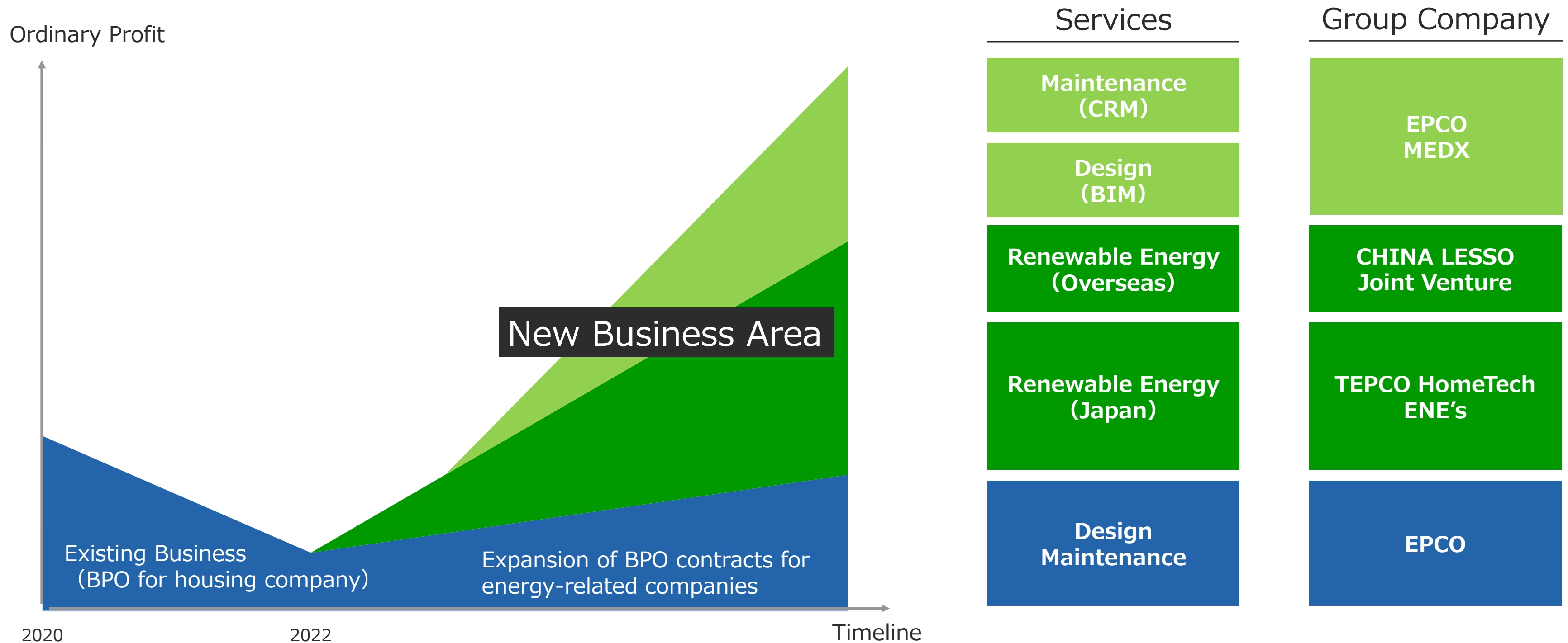


LESSO 联塑



Although profit have been on a downward in the recent years, we will enter a period of profit growth from 2023 owing to profit contributions from new businesses.

While EPCO has been developing its business independently in the past, we aim to maximize consolidated ordinary profit in the future through synergy effects among group companies through expansion of business of each company.

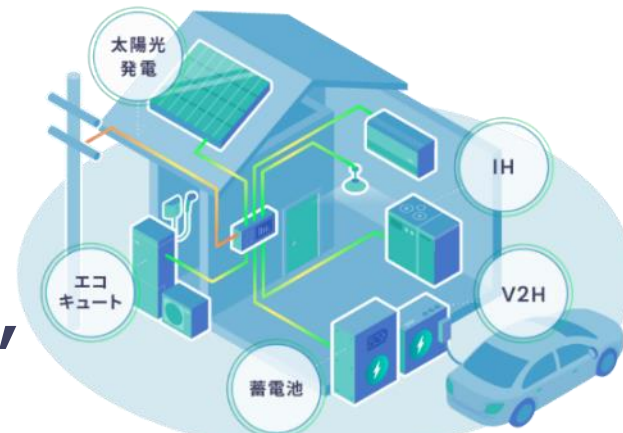


TEPCO HomeTech aim to be a “Comprehensive Equipment Company”, as essential for carbon neutrality in the household

TEPCO

東京電力エナジーパートナー

Provide Name-value, Human Resources,
Electricity Know-How
Conversion to electric power
asset business



Housing all over Japan
(New・Existing)



Renewable Energy Asset Service



Energy Plan Company

Provide know-how of
Resources (manpower, goods
capital, and clients)
THT and EPCO form energy
community with a common destiny

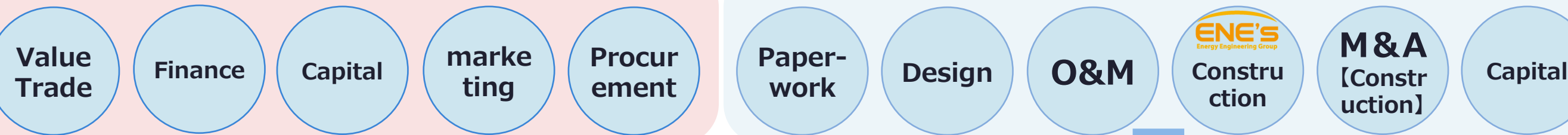
TEPCO HomeTech

TEPCO

東京電力エナジーパートナー



Energy Plan Company

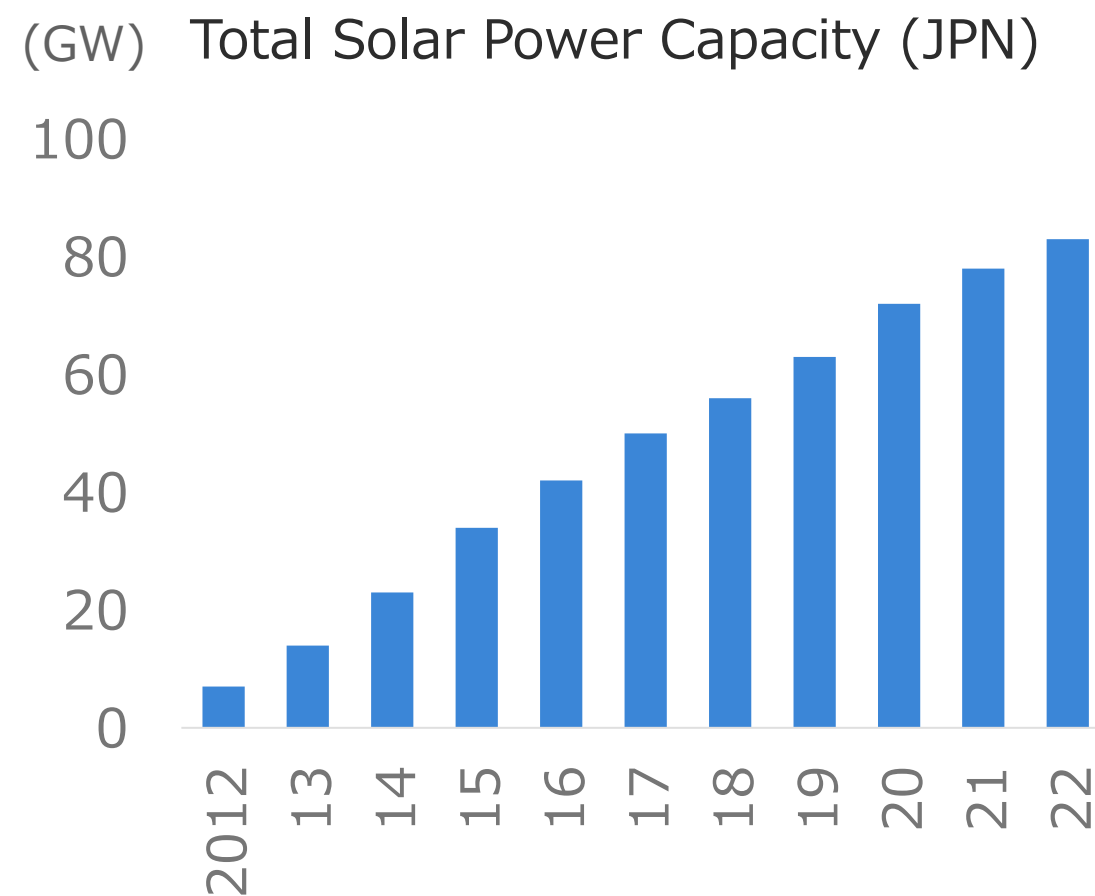


Utilize know-how from results of Design 100k case/yr, Maintenance 1.6mil. case/yr

The main business area of renewable energy solutions is expected to continue to grow

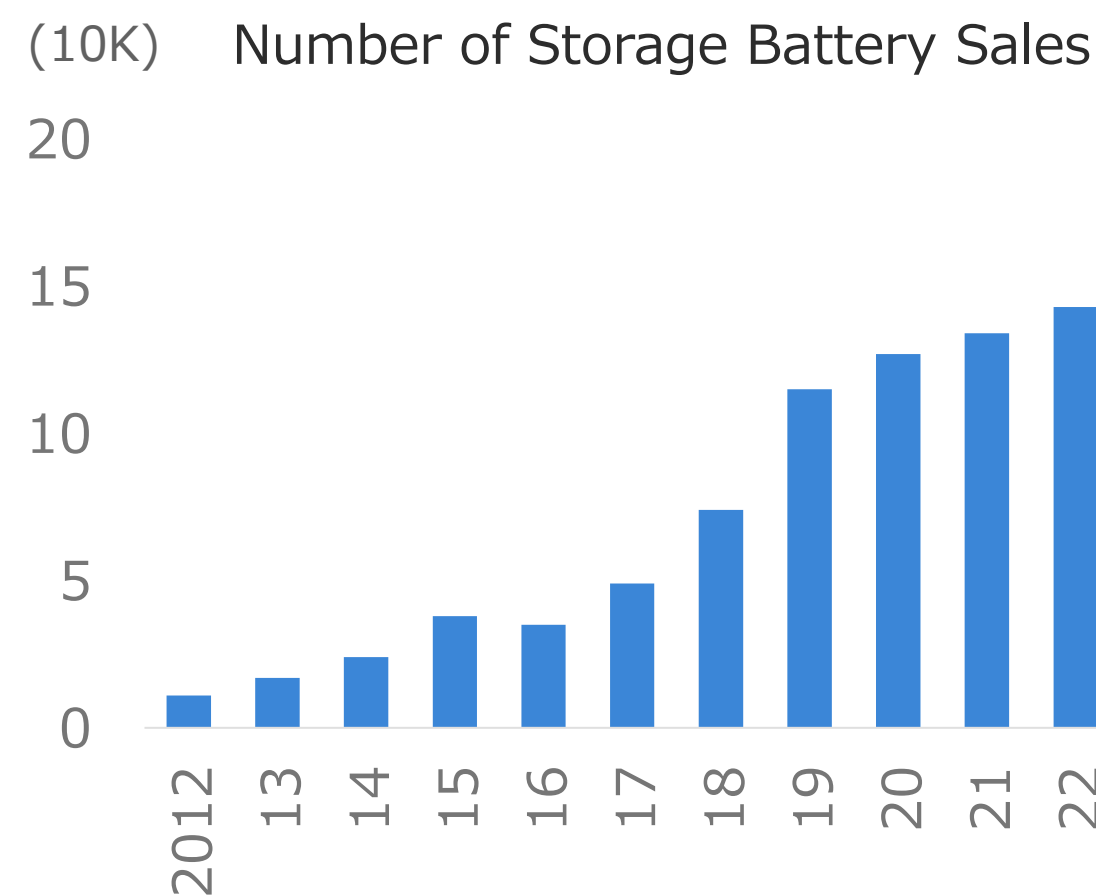
Contract of renewable energy asset management service (Enecari) by TEPCO HomeTech is increasing. Expecting to grow further by spreading solar power generation, storage batteries and EV.

Solar Power Generation



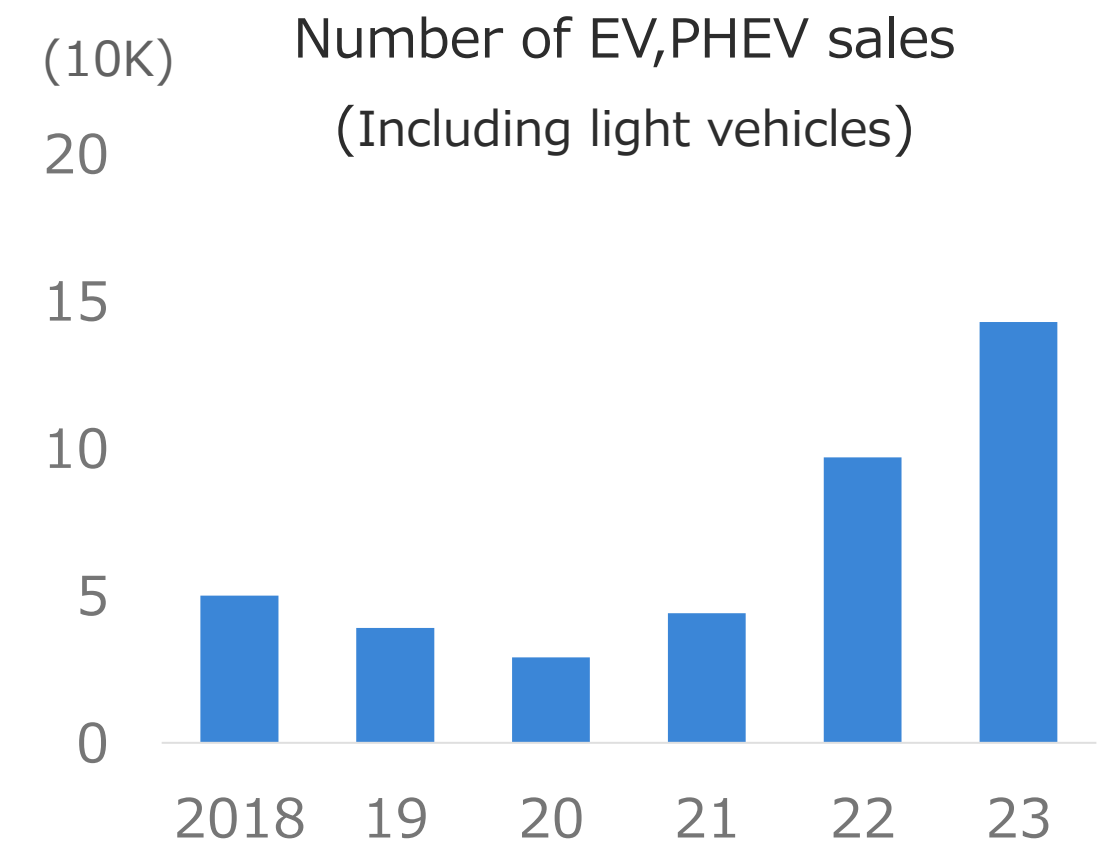
The Source : IRENA "RENEWABLE CAPACITY STATISTICS 2023"

Storage Batteries



The Source : JEMA "Voluntary statistics on lithium-ion energy storage systems for stationary use"

EV,PHEV



The Source : Own data statistics by JADA, Zenkeijikyo data

LESSO & EPCO develop solar power generation market in China

LESSO 联塑

Provide name value, manufacturing technology, sales network
Renewable energy business will be 2nd core business



For solar power plants
One-stop service

Provide design and maintenance system
To form energy community with a common destiny in China renewable business

LESSO · EPCO Joint Venture*

LESSO 联塑

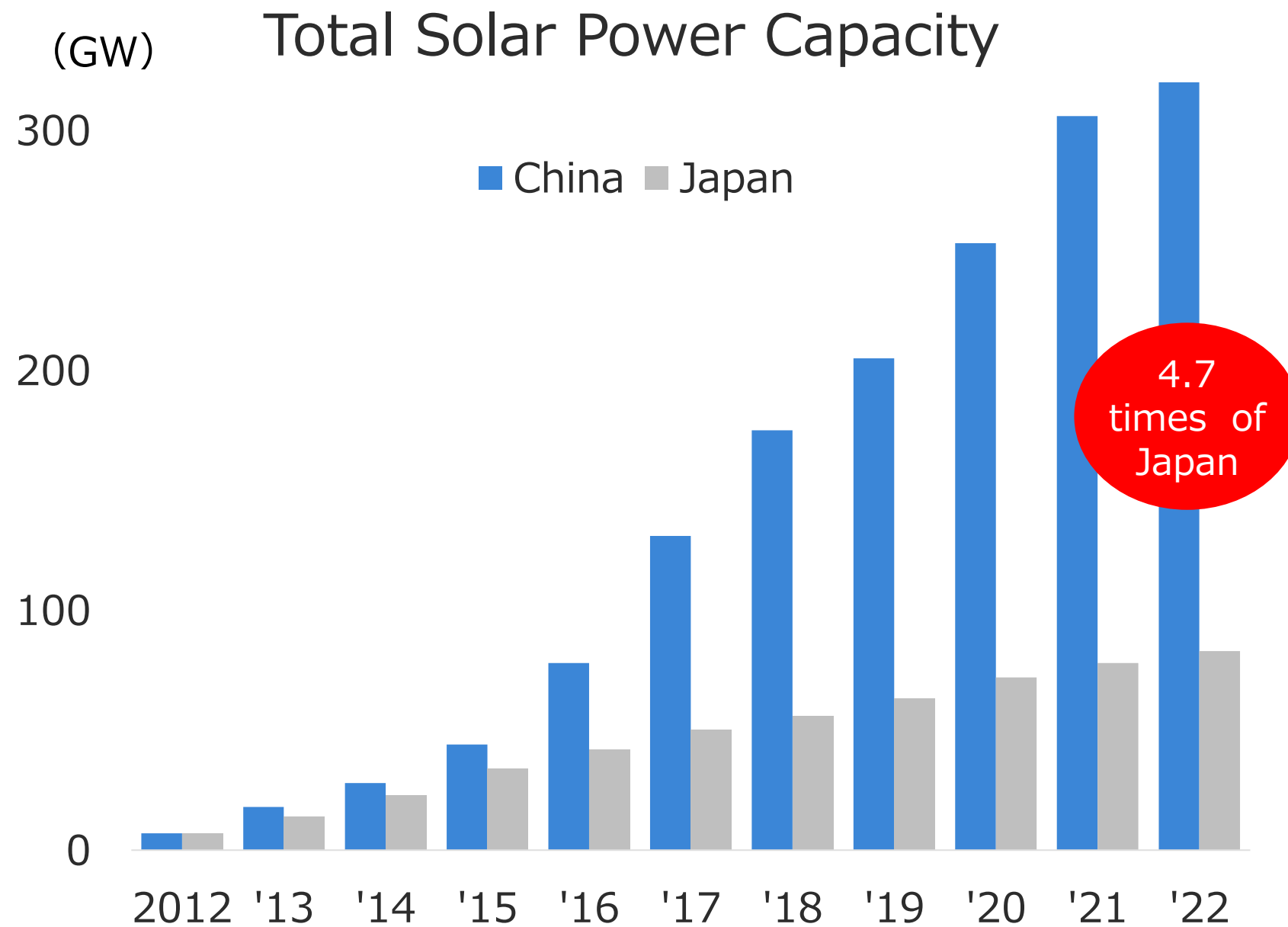
- Product Development
- Sales
- Panel
- Logistics
- Construction

- IT Development
- Design
- Integration
- Confirmation
- Monitoring
- Maintenance

Utilize the know-how of solar system development and design

* New company name is BANHAO EPCO (SZ)LIMITED : LESSO50%、EPCO50%

Planning to develop business in solar power generation market in China which is the largest in the world



The Source : IRENA 「RENEWABLE CAPACITY STATISTICS 2023」

China is the world's largest to install solar power generation equipment

China has the world's largest cumulative capacity of solar power generation facilities(392.4GW)
It's 1/3 of total solar power generation capacity of the world
(Ref. : IEA「Snapshot 2023」)

Plans to further promote solar power generation facilities as a national policy

National Goal Based on "3060 Goal", plan to promote more expansion of solar power generation
Solar power generation capacity in 2025 : 150GW/yr (Estimate)
(3times more than 2020)

LESSO entered full-scale into solar power generation market

Jan 2022 LESSO group established subsidiary company for solar power generation business
Solar panel production capacity will be 7GW/yr in 2023

China Lesso Group is making rapid and huge investment in the start-up of our solar power generation business.

Vigorous sales activities in China and overseas

Apr 2023 PV Distributor Briefing



Mar 2023 Exhibited in Italy

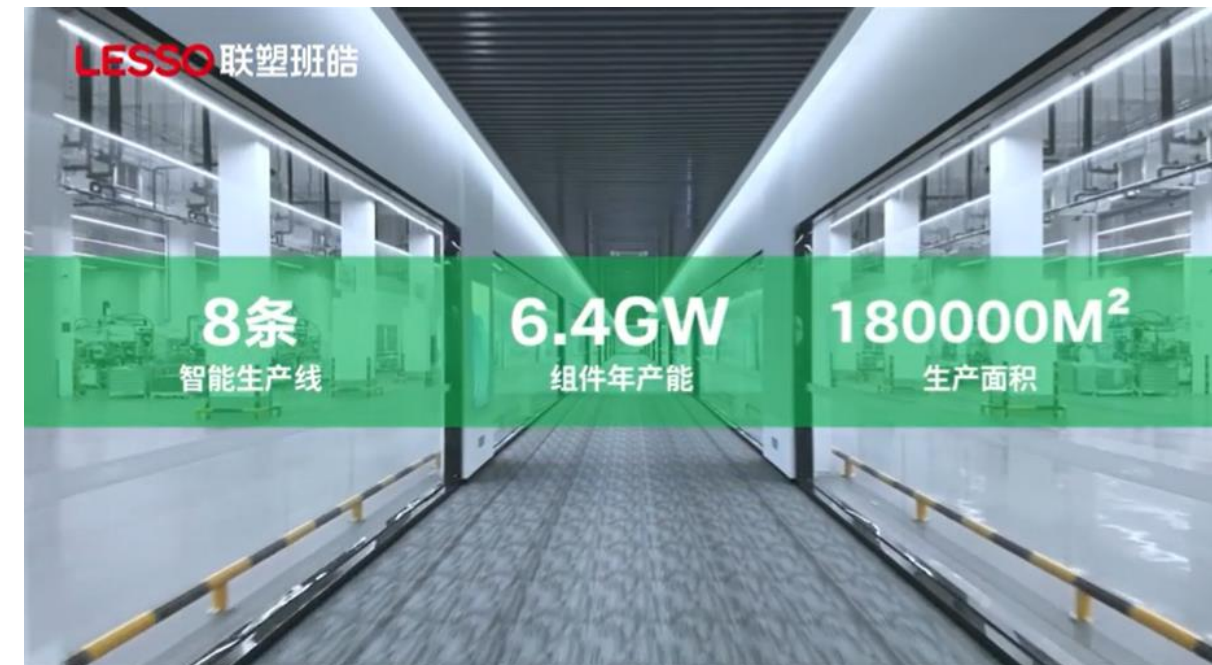


Increase production capacity through factory investment

Mar 2023 Shunde Daliang new factory completed



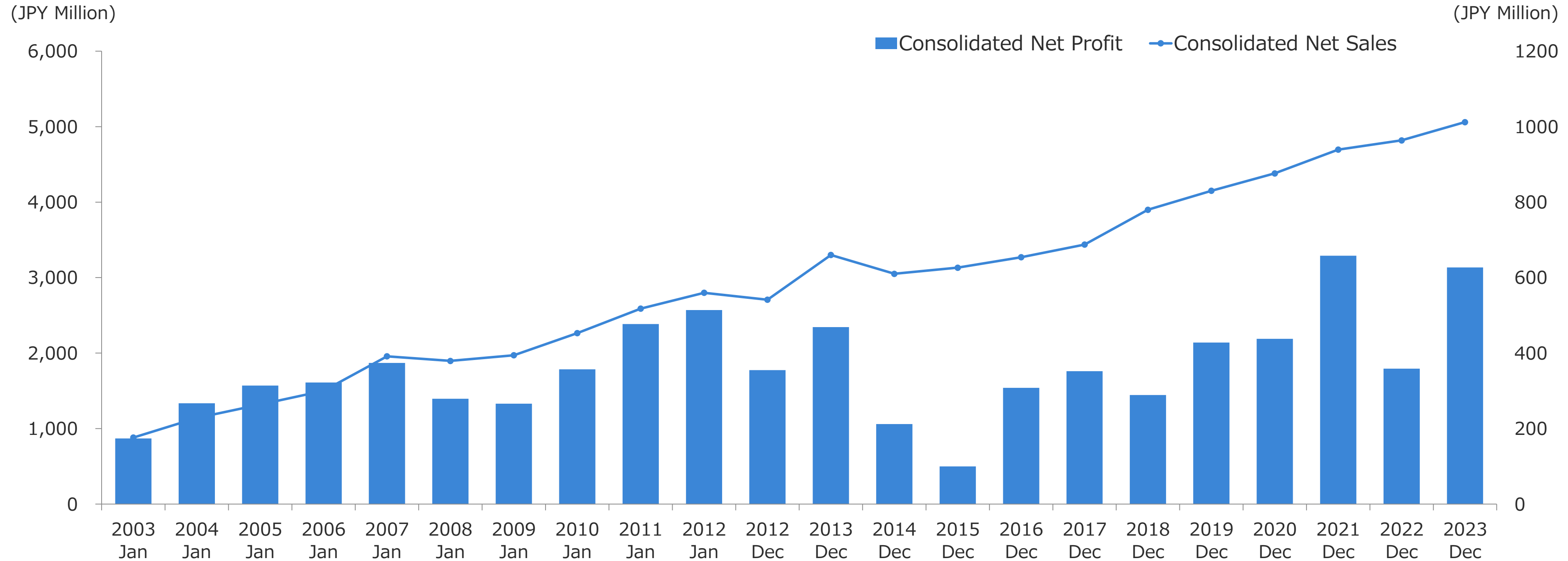
Production capacity will increase to approximately 7 GW per year after the new plant started



EPCO Group's ESG Initiative

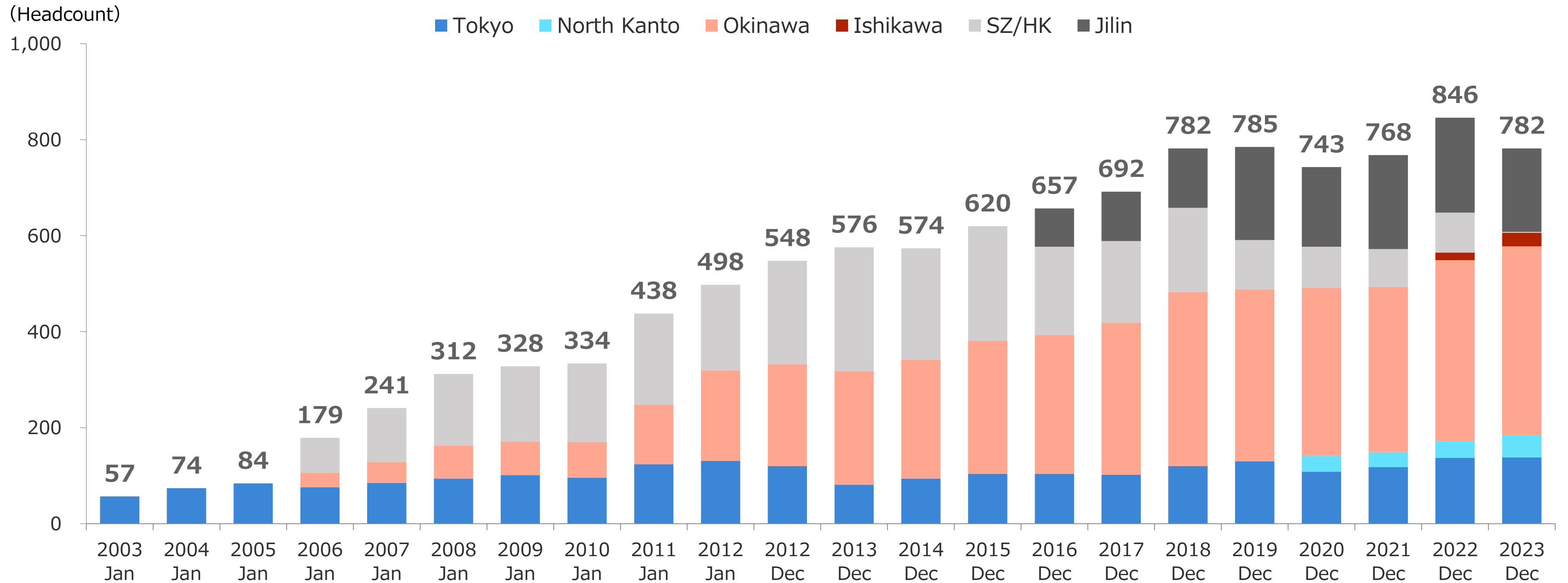
	Theme	Summary	Our Major Initiative	SDGs
Environment E	Environmental preservation through business activities	Reduction of industrial waste by pre-fabrication Visualization of CO2 emissions with BIM	Reduction of industrial waste through optimal design and pre-fabrication of housing facilities. Calculation of CO2 emissions in the building phase by BIM design.	12 つくる責任 つかう責任 
		Reduction of CO2 emissions by installation of renewable energy facility	Reduction of CO2 emissions by installing renewable energy facility such as solar panels and storage batteries. Contributing to the spread of energy-efficient equipment through a flat-rate usage service without an initial cost.	7 エネルギーをみんなに そしてクリーンに 
	Reduction of environmental impact	Reduction of printed materials by using IT	Reduction of printed materials for checking design drawings using IT.	
Society S	Residents	Relationship with residents	Corresponding 24/7 for various problems in all aspects of housing. Quick problem resolution through efficient maintenance arrangements	11 住み続けられる まちづくりを 
	Customers	Relationship with customers	Improve customer satisfaction by realizing low cost, high quality, and quick delivery	
	Shareholders	Relationship with shareholders	Timely and appropriate disclosure of information https://www.epco.co.jp/ir/ Policy on constructive dialogue with shareholders https://www.epco.co.jp/ir/dialogue.html	
	Employees	Promotion of diversity	The ratio of female employees is 48.9%, and foreign employees is 23.0% in EPCO group. (As of end of Dec. 2023)	
		Creating safety and healthy workplace	Promotion of health management (employee health management in collaboration with industrial physicians and external organizations)	
Governance G	Corporate Governance	Corporate Governance Structure	Company with an Audit Committee and 50% is outside directors (3 out of 6) Corporate Governance report https://ssl4.eir-parts.net/doc/2311/ir_material6/216230/00.pdf	
		Compliance	Compliance Structure	Establishment of a code of conduct in EPCO group and compliance education for employees, and an internal reporting system
	Securities	Information Security Management	Establishment of Information Security Management System (ISO 27001 certification)	
		Protection of Personal Data	Establishment of a personal information protection management system (Acquisition of Privacy Mark)	

Transition of Consolidated Results



Strategic investment period to energy business

Consolidated Numbers of Employee

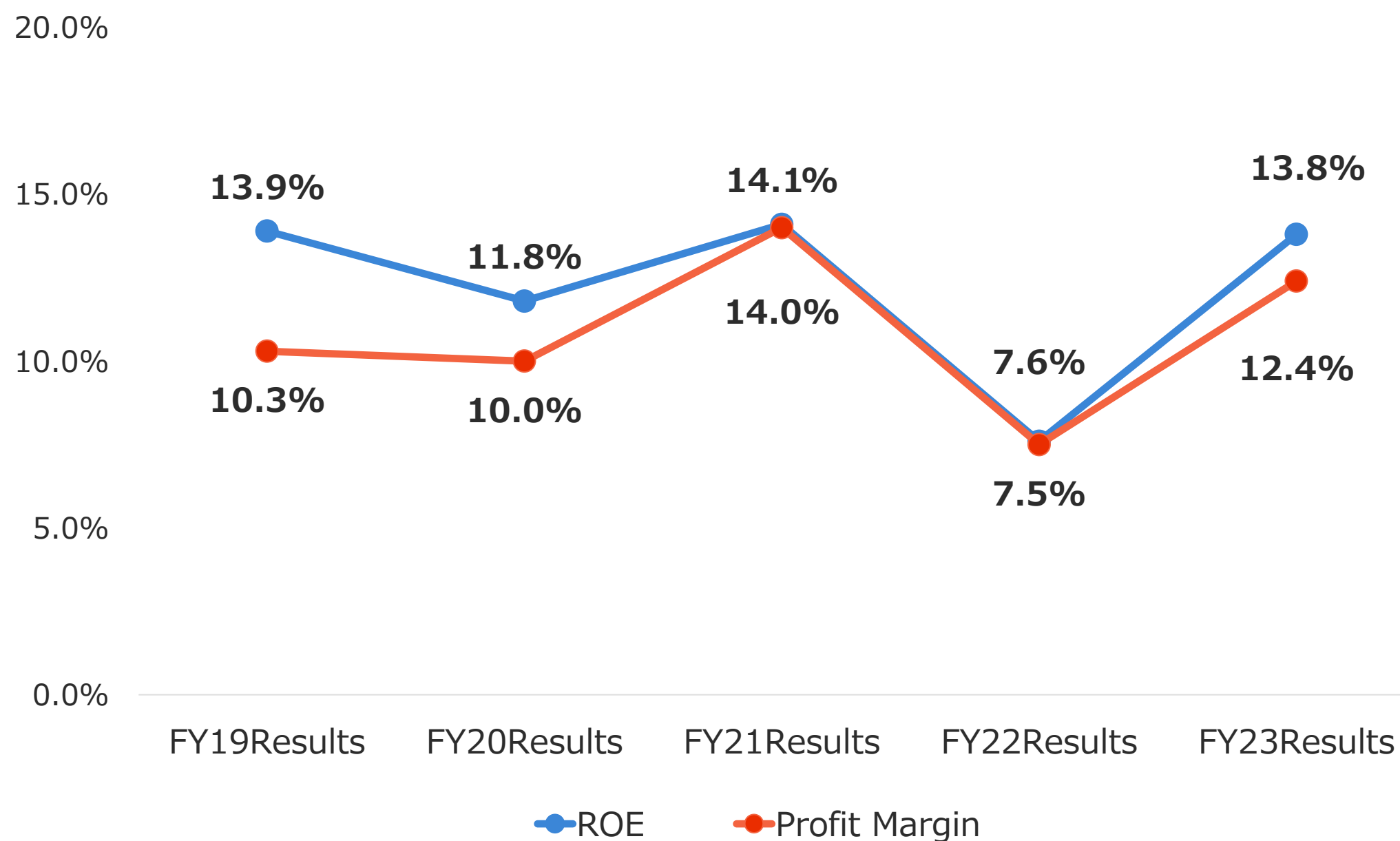


*Including temporary employees (Counted temporary employee as average during the period)

Target Management Index (ROE)

Past 5 years (average) ROE 12.2% → Aiming higher ROE by profit improvement

【Transition of ROE and profit margin】



Views on ROE

【Further improvement measures of ROE】

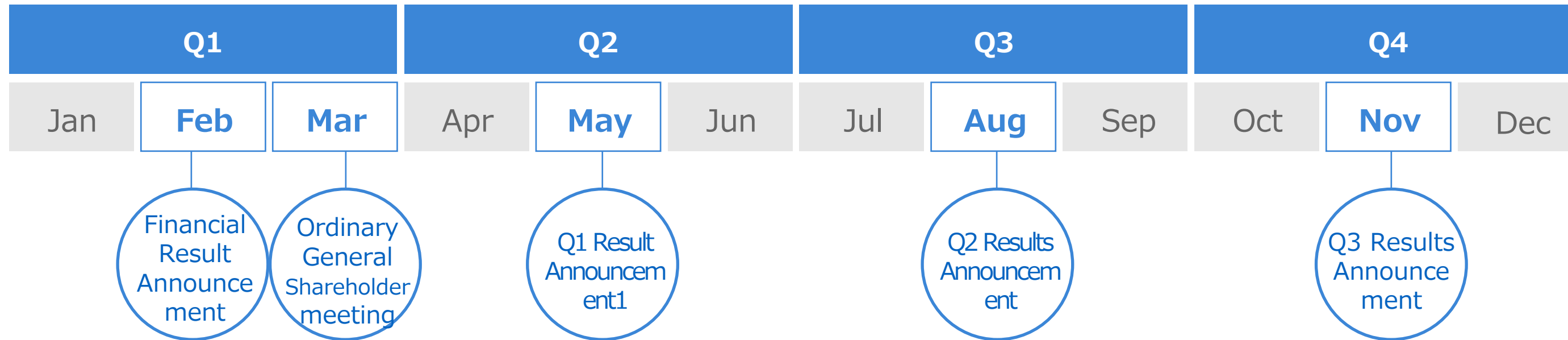
① Improve profit margin by promoting the medium term business plan.

We will increase sales in each business, operation profit, equity in earning of affiliates by promoting medium term business plan and improve profit margin.

② Appropriate management of surplus assets

To improve total asset turnover and financial leverage through proactive shareholder returns in line with business expansion.







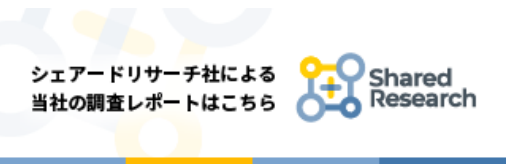



IR Schedule 2024 (Planned)

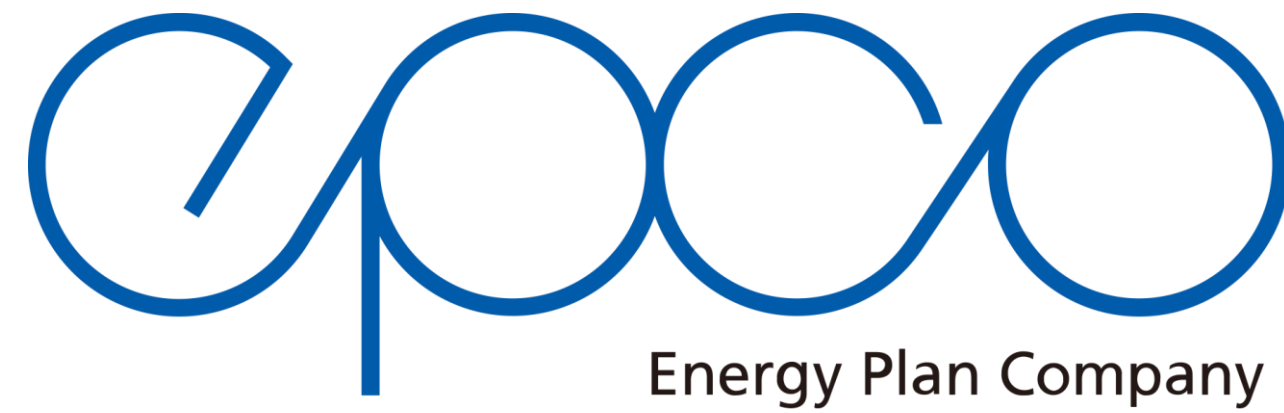


2024

Feb. 13 Tue	FY2023 Financial results announcement
Feb. 28 Wed	FY2023 Business plan briefing (Full-year)
Mar. 26 Tue	34 th Ordinary general shareholder meeting
May 13 Mon	FY2024 Q1 Results announcement
Jun. 26 Wed	Final date of Q2 dividend rights acquisition
Jun. 27 Thu	EX-rights date

Aug. 8 Thu	FY2024 Q2 results announcement
Late Aug	FY2024 Business plan briefing (Q2 results)
Nov. 11 Mon	FY2024 Q3 Results announcement
Dec. 26 Thu	Final date of year-end dividend rights acquisition
Dec. 27 Fri	EX-rights date

	IR Website	https://www.epco.co.jp/ir/	
	IR information E-mail distribution service	https://www.epco.co.jp/ir/mail.html	
	ENGLISH (IR)	https://www.irstreet.com/new/en/brand/index.php?brand=159	
	Analyst Report	https://sharedresearch.jp/ja/companies/2311	
	Contact Us	https://www.epco.co.jp/contact/contact.php	



Disclaimer

The performance outlook on the materials are based on the information available and certain assumption that are considered reasonable. Actual results may differ significantly from the forecast due to various factors. Therefore, the Company does not guarantee its certainty.