

# FY2024 Q2 Financial Results (January-June)

EPCO Co., Ltd. Securities Code : 2311 August 8, 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. FY2024 Q2 Results**

02. FY2024 Q2 Topics

03. Shareholder Returns

04. Appendix.

# FY2024 Q2 | Consolidated Summary (YoY)



**Ordinary profit achieved +57.4% increase** due to revenue growth in all segments





(JPY Million)	FY23 Q2 Results	FY24 Q2 Results	Changes	Ratio
Net Sales	<b>2,404</b>	<b>2,794</b>	<b>+390</b>	<b>+16.2%</b>
Ordinary Profit	<b>78</b>	<b>123</b>	<b>+45</b>	<b>+57.4%</b>
Net Profit	<b>177</b>	<b>60</b>	<b>-117</b>	<b>-66.1%</b>

\*Factors of net profit increase/decrease

Gain on sales of investment securities	110 <sup>*1</sup>	—	▲110
Gain on sales of investment in affiliates	65 <sup>*2</sup>	—	▲65

\* 1 Profit by selling Policy stok (ENECHANGE)

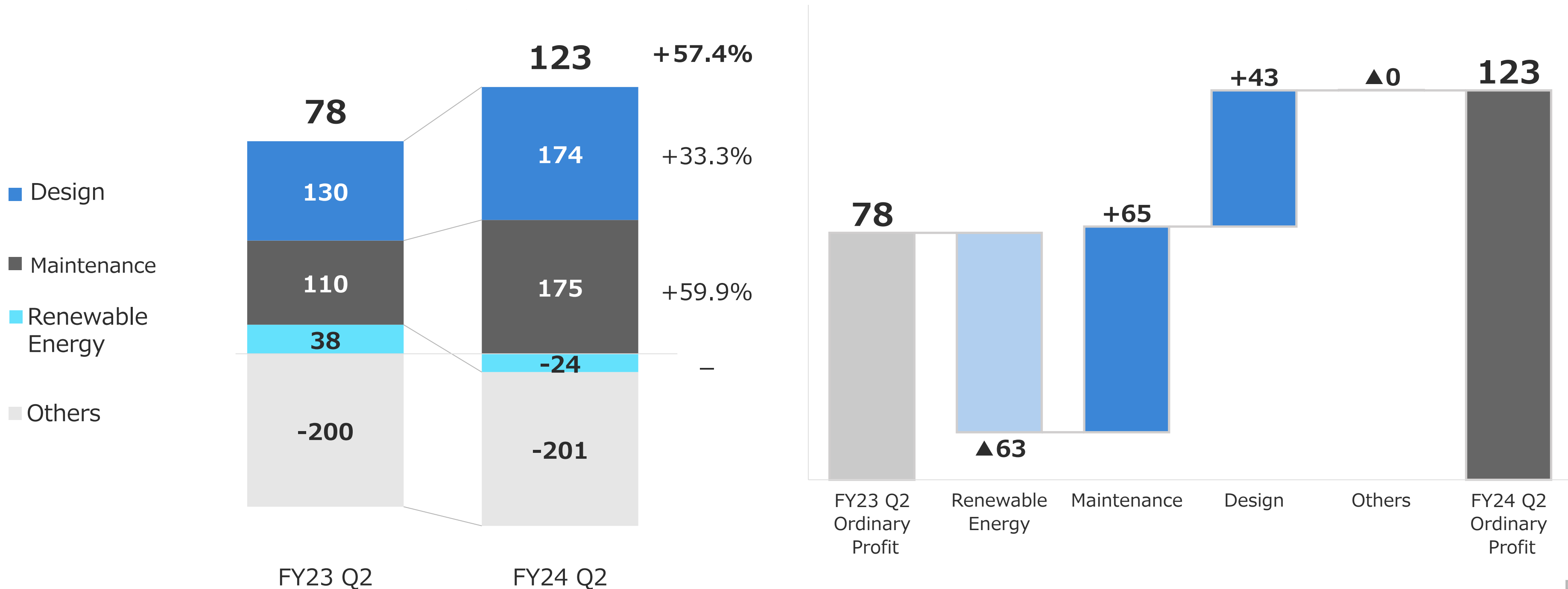
\* 2 Profit by trnasffering part of stock of EPCO SZ to China LESSO Group company

<h2>FY2024 Q2 Results</h2>	<p>Ordinary Profit YoY</p>	<p>JPY123mil. +57.4%</p>	<p>Design and maintenance service led to increase in profit</p>	
<h2>Renewable Energy Solutions</h2>	<p>Ordinary Profit YoY</p>	<p>JPY -24mil. JPY -63mil.</p>	<p>Decrease in profit due to investments for future expansion to improve management infrastructure (personnel·training·inspections etc.)</p>	
<h2>Maintenance</h2>	<p>Ordinary Profit YoY</p>	<p>JPY175mil. +59.9%</p>	<p>Achieved profit increase owing to energy-related sales</p>	
<h2>Design</h2>	<p>Ordinary Profit YoY</p>	<p>JPY174mil. +33.3%</p>	<p>Achieved profit increase in EV charger and BIM-related sales</p>	

**Secured profit increase by improving profitability of design and maintenance service**

## EPCO Group Consolidated Ordinary Profit

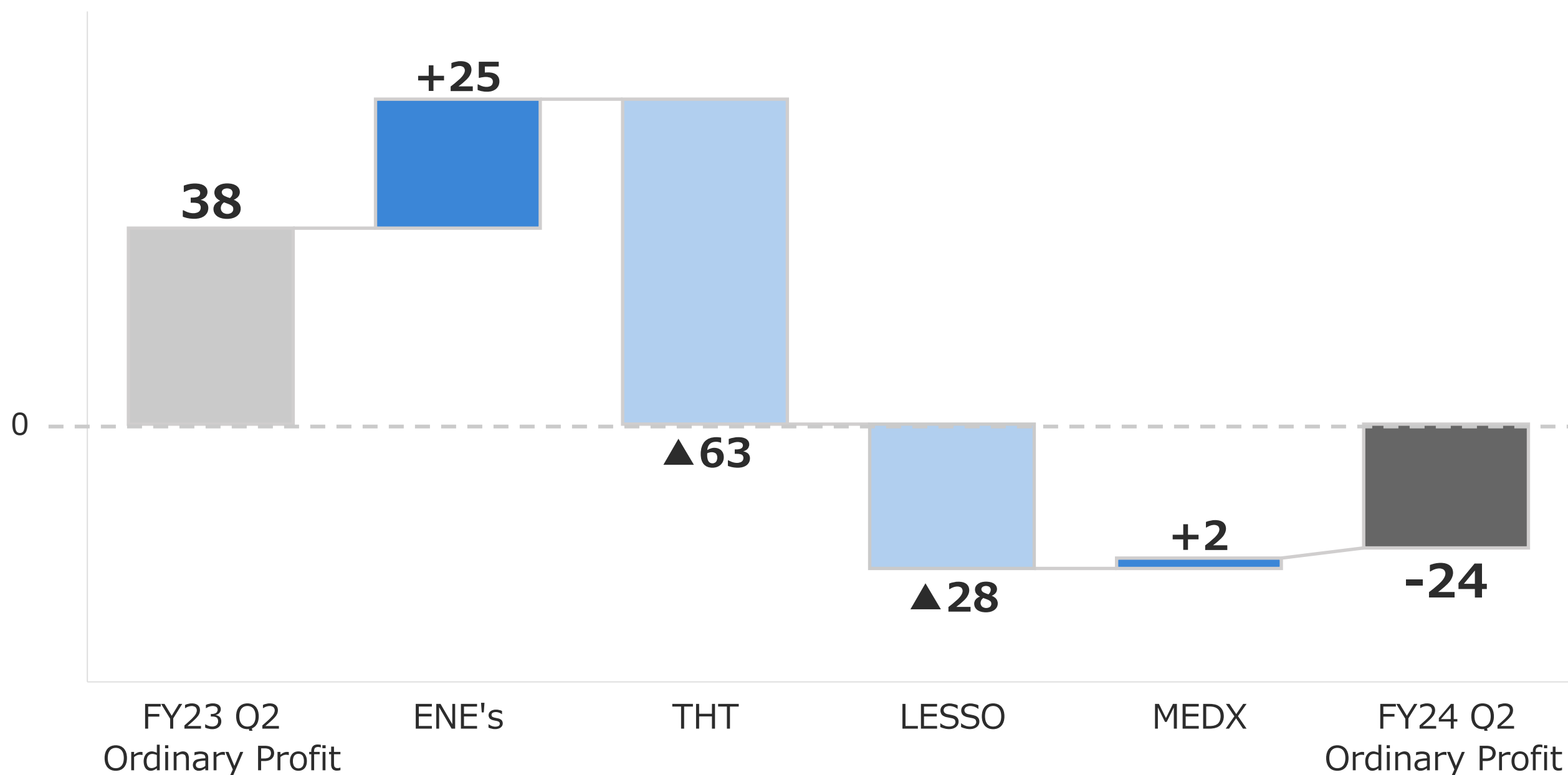
(JPY Million)



# FY2024 Q2 | Renewal Energy Solutions Ordinary Profit

Profit decreased due to investments for future expansion to improve management infrastructure (personnel·training·inspections etc.) on THT (TEPCO HomeTech) and LESSO. On the other hand, **secured profit increase in ENE's as sales increase in renewable energy related facility installation.**

Renewable Energy Solution Ordinary Profit Fluctuation Analysis (JPY Million)



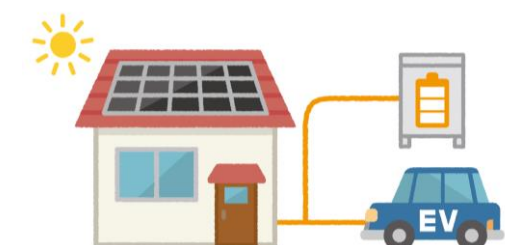
■ LESSO·THT

- Decrease due to investment for improve management infastructure.
- (Ref.) P.15-19



■ ENE's

- Solar Power, strage battery and EV charger instrallation increase
- (Ref.) P.20

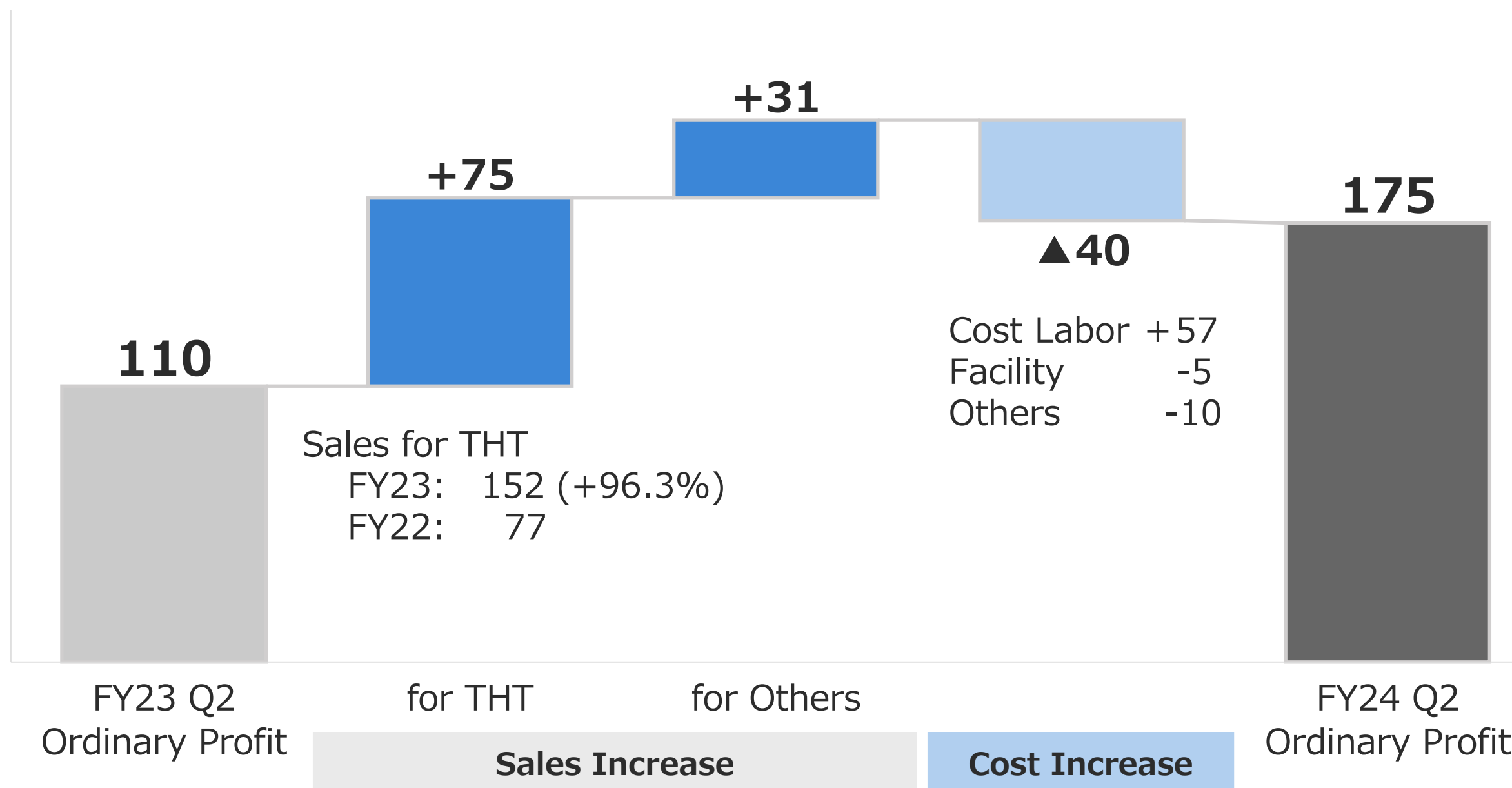


# FY 2024 Q2 | Maintenance Service Ordinary Profit

While increasing the number of personnel at the new location to build a disaster-resilient maintenance center, **the Company secured profit increase by sales increase in contracts for TEPCO Hometech.**

## Maintenance Ordinary Profit Fluctuation Analysis

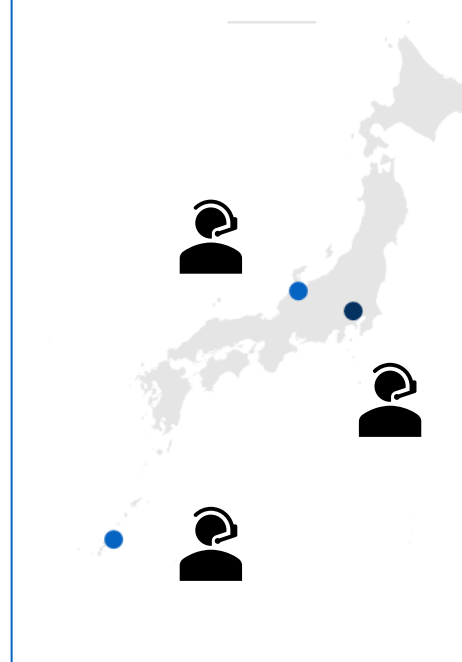
(JPY Million)



### Maintenance Service No. of employees

Location	FY23 Q2	FY24 Q2	YoY
Okinawa	238	226	-12
Tokyo	24	36	+12
Kanazawa	18	34	+16
Total	280	296	+16

【Goal : Building a Disaster-Resilient Maintenance Center】

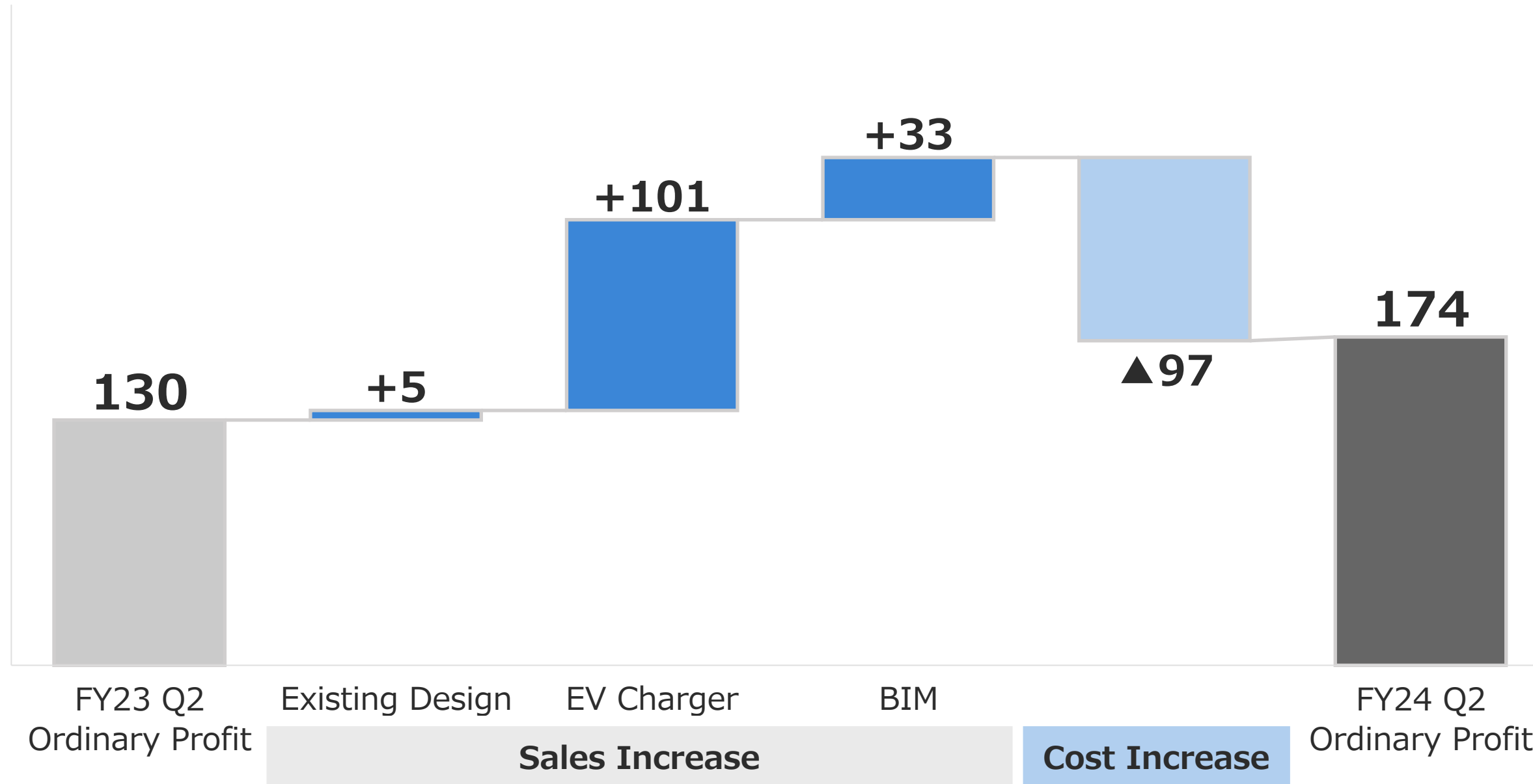


Decentralization of business at new location (Okinawa, Kanazawa)  
 ↓  
 Aim of the decentralization  
 -Reduce the risk of business interruption due to natural disasters  
 -Increase in orders by contribution to clients' BCP measures

# FY2024 Q2 | Design Service Ordinary Profit

Despite a decline in the number of housing starts, **secured an increase in profit owing to an increase in orders** for services related to the preparation of application drawings for **EV charger**. In addition, the Company will work to further improve in profits in the future as BIM-related sales on the rise

## Design Service Ordinary Profit Fluctuation Analysis (JPY Million)



### Existing Design

- Decrease due to macroeconomic Environment (-45)  
(Housing starts -owner occupied YoY -7.4%)
- PV design CAD system development Contract sales increase (+50)

### EV Charger

Increase in sales to the companies related to EV charger (Refer P.21)

### BIM

BIM-related consulting sales increase and the deficit decreased

(Ref.) Details of profit/loss by service

FY24 Q2	Existing Design EV Charger	BIM	Total
Sales	1,042	58	1,100
Cost	849	76	926
Ordinary Profit	192	-18	174



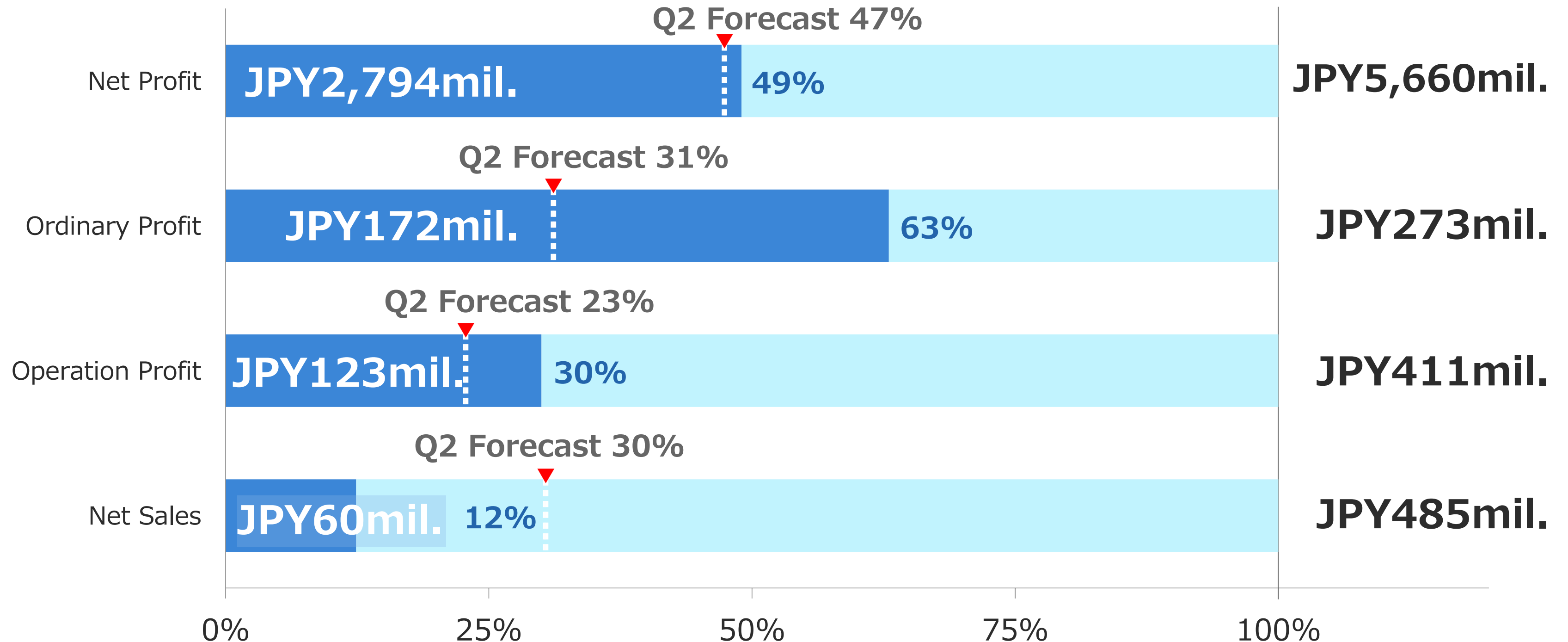
(JPY Million)	FY23 Q2 Results	FY24 Q2 Results	Changes	Ratio
<b>Net Sales (Consolidated)</b>	<b>2,404</b>	<b>2,794</b>	<b>+390</b>	<b>+16.2%</b>
<b>Renewable Energy Solutions</b>	<b>525</b>	<b>668</b>	<b>+142</b>	<b>+27.2%</b>
<b>Maintenance</b>	<b>919</b>	<b>1,025</b>	<b>+106</b>	<b>+11.6%</b>
<b>Design</b>	<b>959</b>	<b>1,100</b>	<b>+140</b>	<b>+14.7%</b>

(JPY Million)	FY23 Q2 Results	FY24 Q2 Results	Changes	Ratio
<b>Ordinary Profit (Consolidated)</b>	<b>78</b>	<b>123</b>	<b>+45</b>	<b>+57.4%</b>
<b>Renewable Energy Solutions</b>	38	-24	▲63	-
ENE's	8	34	+25	+290.2%
TEPCO HomeTech	90	26	▲63	▲70.4%
LESSO	-44	-72	▲28	-
MEDX	-16	-13	+2	-
<b>Maintenance</b>	<b>110</b>	<b>175</b>	<b>+65</b>	<b>+59.9%</b>
<b>Design</b>	<b>130</b>	<b>174</b>	<b>+43</b>	<b>+33.3%</b>
<b>Others (Corporate Expenses·Non-operating profit/loss)</b>	<b>-200</b>	<b>-201</b>	<b>+0</b>	<b>-</b>

# FY2024 Q2 | Progress Toward The Full-year Forecast



All of the management indicators remain unchanged for the full-year forecast figures. The Company intends to recover from the failure of net profit to reach the Q2 forecast by selling shareholdings in the second half of the fiscal year.



The main inquiries and responses regarding the account issue of ENECHANGE (here in after ENE) are as follows

Inquiries	Responses
<p>Q1 Is there any accounting impact on EPCO with the account issue of ENE?</p>	<p>A1 No particular impact The Company acquired EV charging equipment from ENE in 2022, but this transaction has been investigated by the third-party committee and extra Audit by KMPG AZUSA LLC. As a result, no amendment is required on the accounting treatment so that there is no impact on the company.</p>
<p>Q2 While EPCO holds ENE shares, what is the company's outlook for future holdings?</p>	<p>A2 Shares will be sold based on the company policy In accordance with the Company's policy of selling shareholdings, the Company has periodically sold ENE shares over the past three years since ENE listing on the stock exchange. We intend to continue to sell ENE shares at appropriate times in the future, while paying attention and comply to insider trading regulations.</p>
<p>Q3 Will there be any impact in business relationship between EPCO and ENE?</p>	<p>A3 Plans to continue the business relationship ENE announced measures to prevent recurrence of this incident on July 29, and it plans to hold discussions with the parties concerned in order to continue each business. As long as ENE continues its business under the agreement with each parties concerned, we intend to continue our business relationship with ENE.</p>

01. FY2024 Q2 Results

**02. FY2024 Q2 Topics**

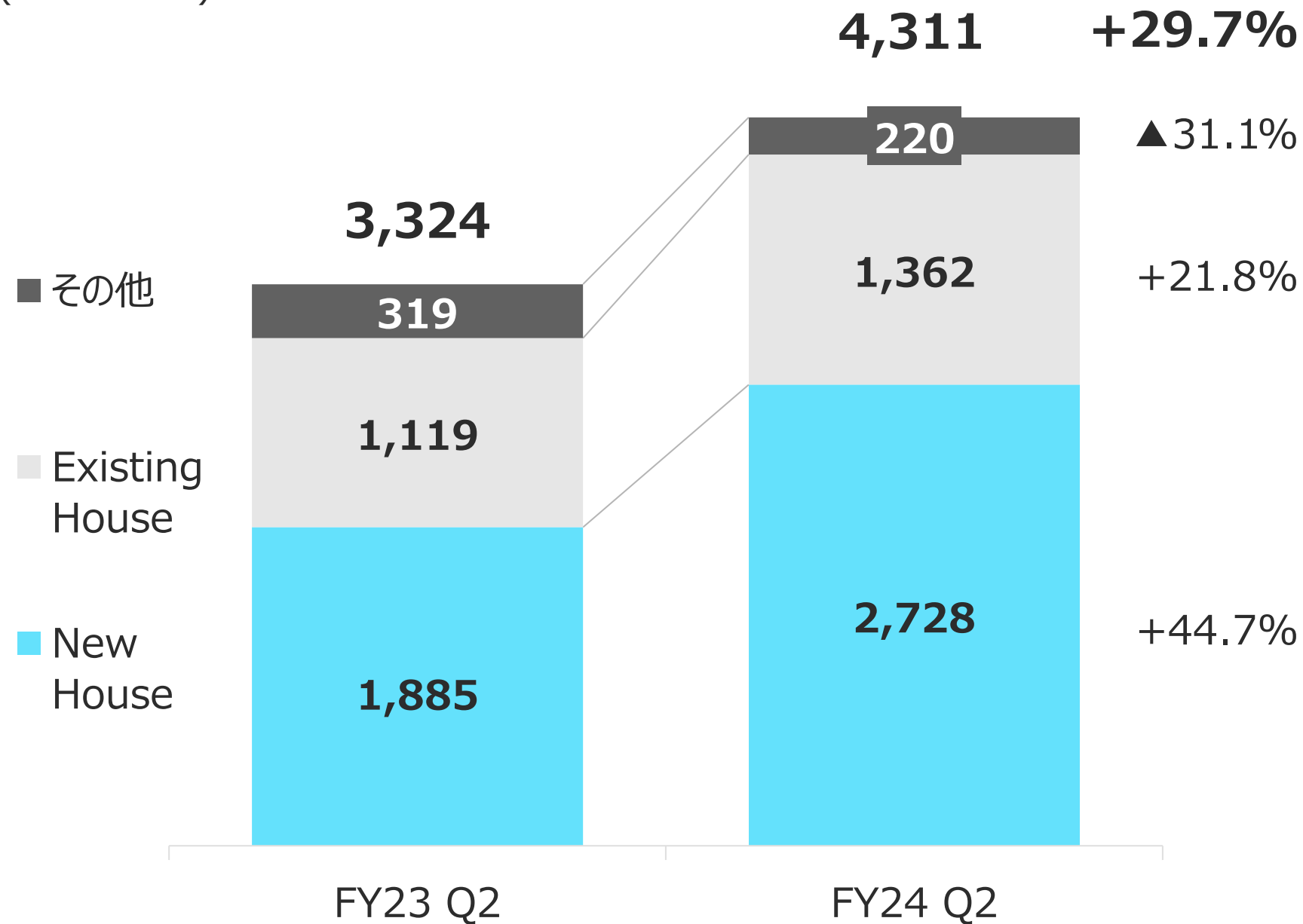
03. Shareholder Returns

04. Appendix.

Net sales have continued to grow at a high rate (+29.7%), however profit decrease due to the investment to improve management infrastructure.

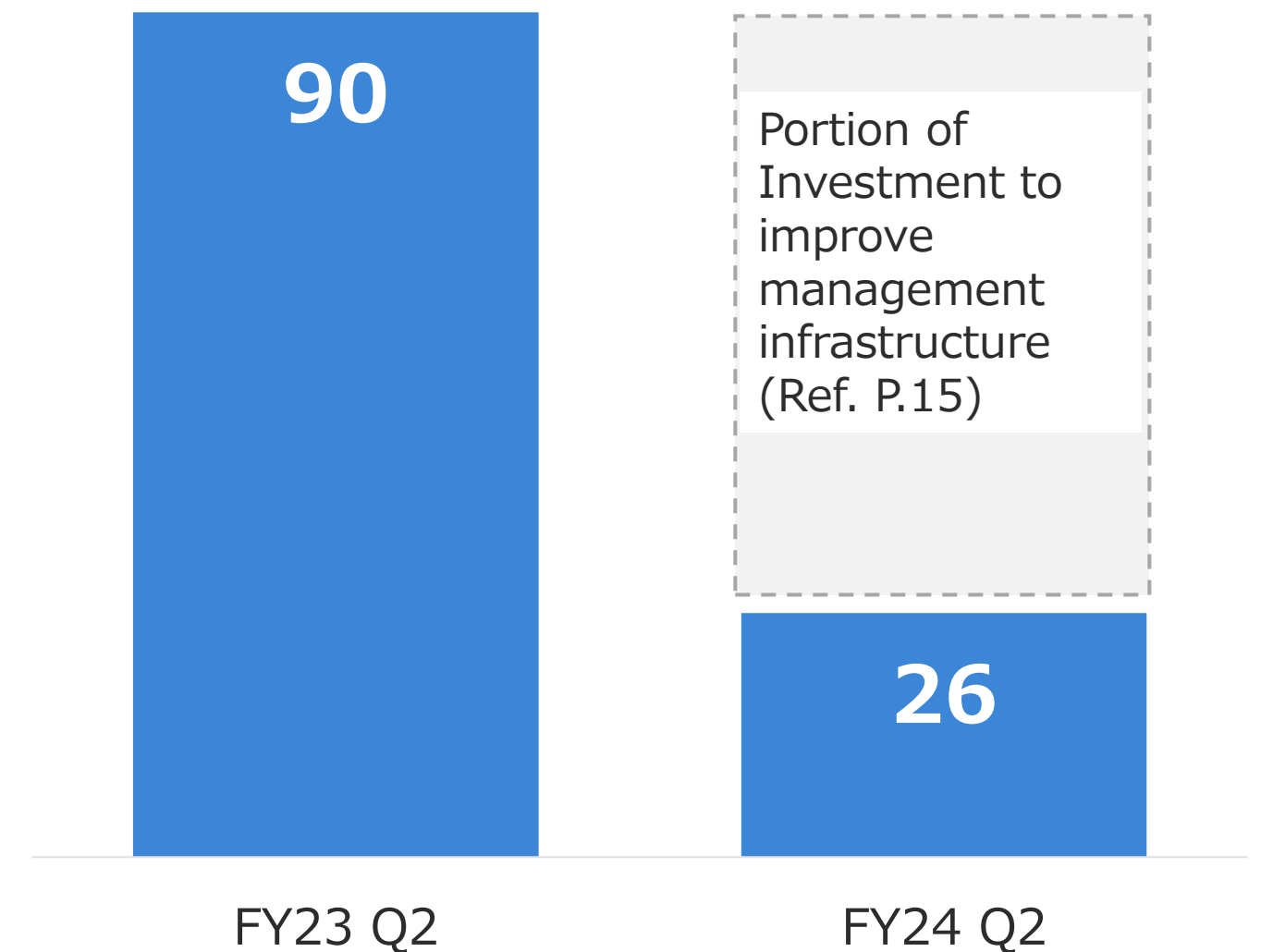
### TEPCO HomeTech Net Sales (YoY)

(JPY Million)



### TEPCO HomeTech Equity in Earnings (YoY)

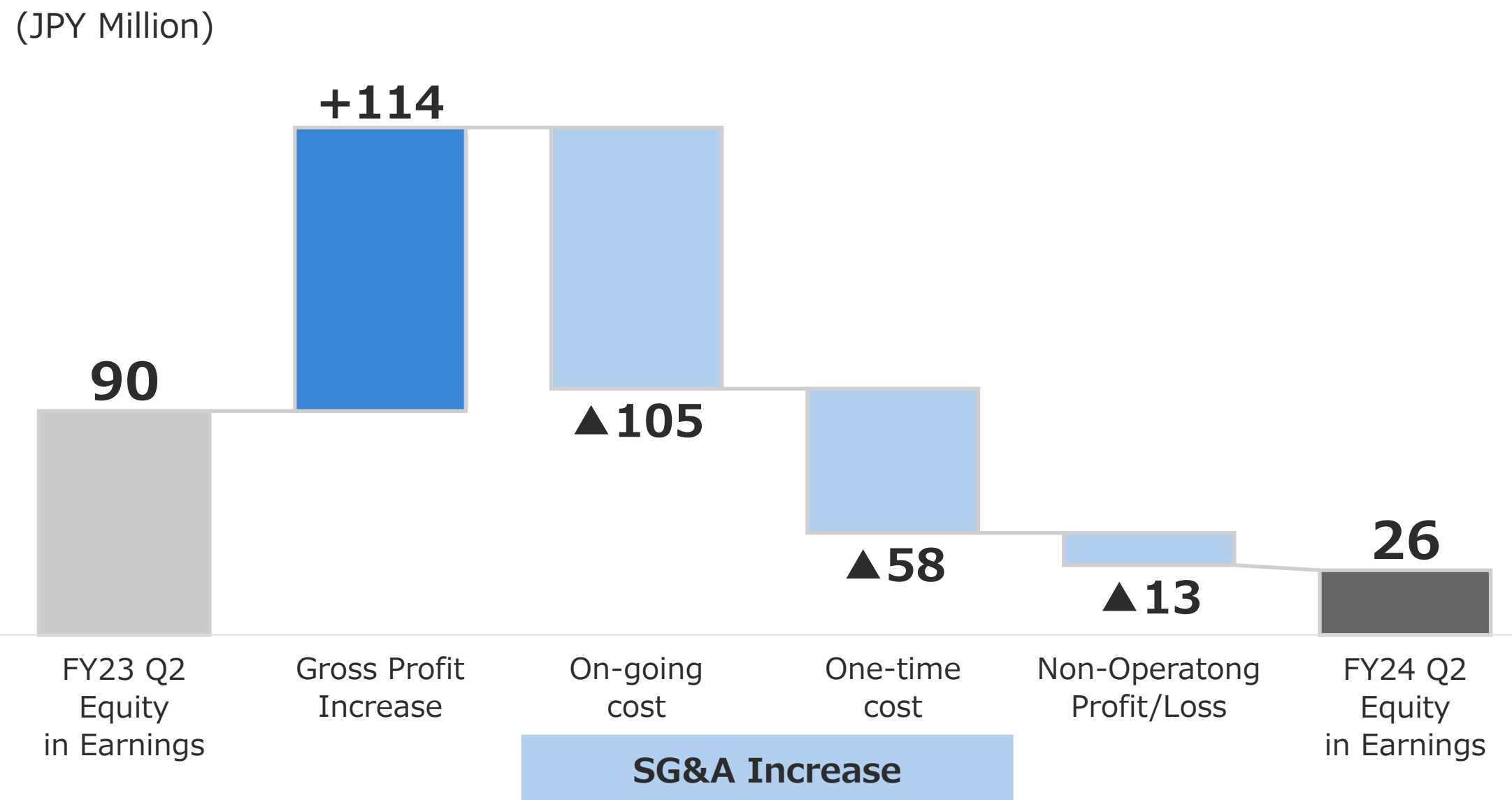
JPY Million



In the Q2 of the current fiscal year, while gross profit increased due to higher revenues, net profit decreased due to ongoing and one-time expenses for the development of management infrastructure (personnel, training facilities, inspections, etc.).

THT Equity in Earnings Gain/Loss Factors

(JPY Million)



### ■ The factor to increase on-going expenses

1. Increase personnel  
(No. of employees 52 to 70)
2. Increase outsourcing cost  
(Establishment of a system For high demand)
3. Increase training facilities cost (Opned Apr. 2024)



### ■ The factor to increase one-time expences

1. Increase outsourcing cost  
(Quality improvement materials Such as manuals etc.)
2. Advatising Cost  
(Web advertisement for Existing house etc.)

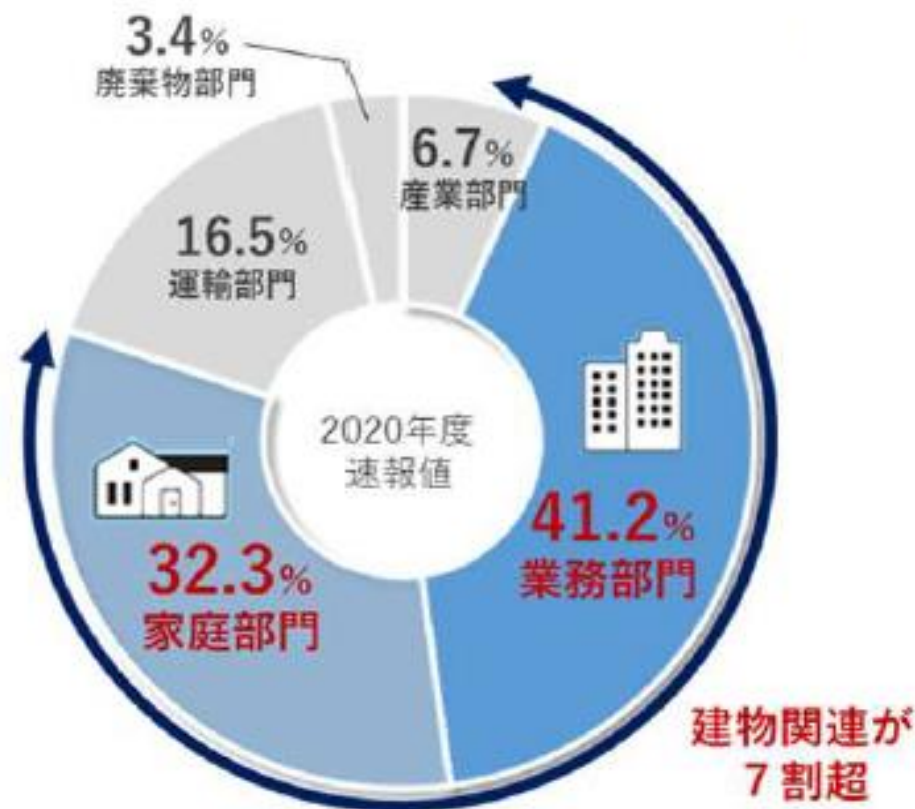


Starting in April 2025, the Tokyo Metropolitan Government will enact an ordinance making the installation of solar panels mandatory for new homes, etc.

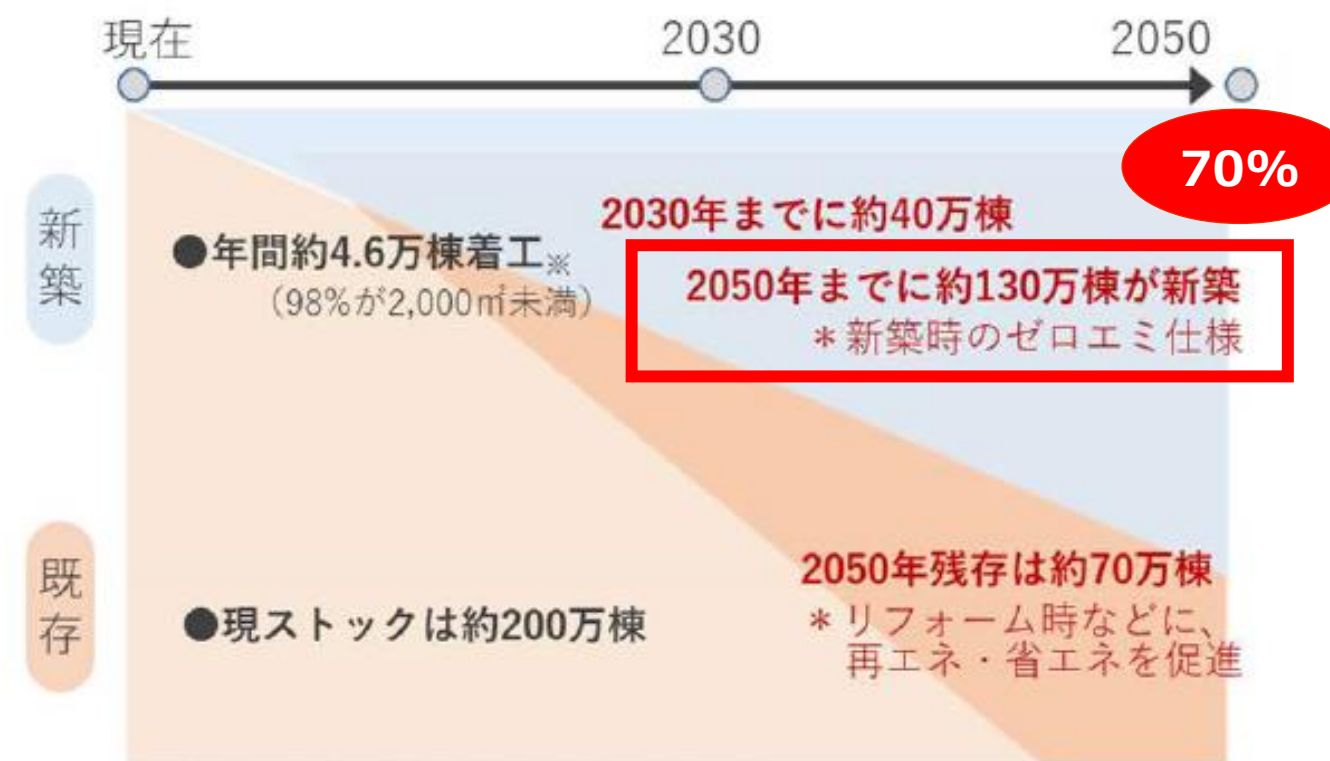
## Background

- Approximately **70% of Tokyo's CO2 emissions** are attributable to **energy use in buildings** 【\*1】
- Approximately half of the building stock (**approx. 70% for housing**) is expected to be replaced by newly constructed buildings in 2050. 【\*2】
- While Tokyo is a suitable region for solar power generation due to its stable solar radiation throughout the year, the percentage of solar power installed on residential roofs is **limited at 4.24%** and there is **great potential in Tokyo**. 【\*3】

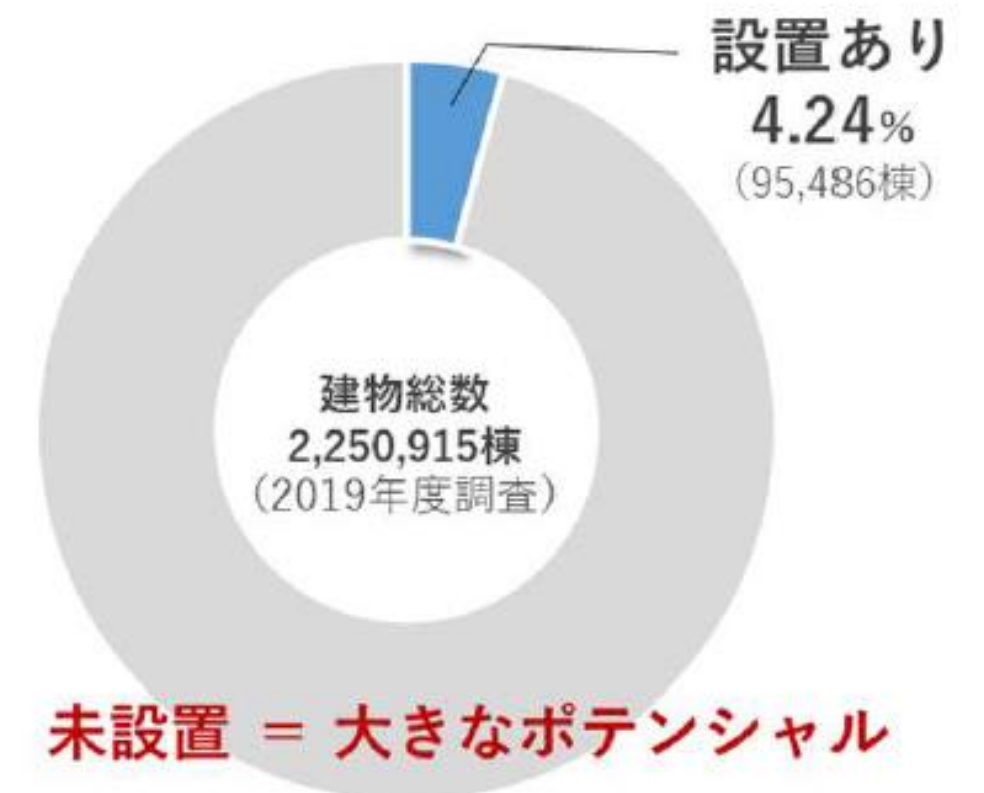
【\*1】 CO2 Emissions in Tokyo by Sector



【\*2】 Housing status in Tokyo (Transition till 2050)



【\*3】 Solar power installation rate in Tokyo



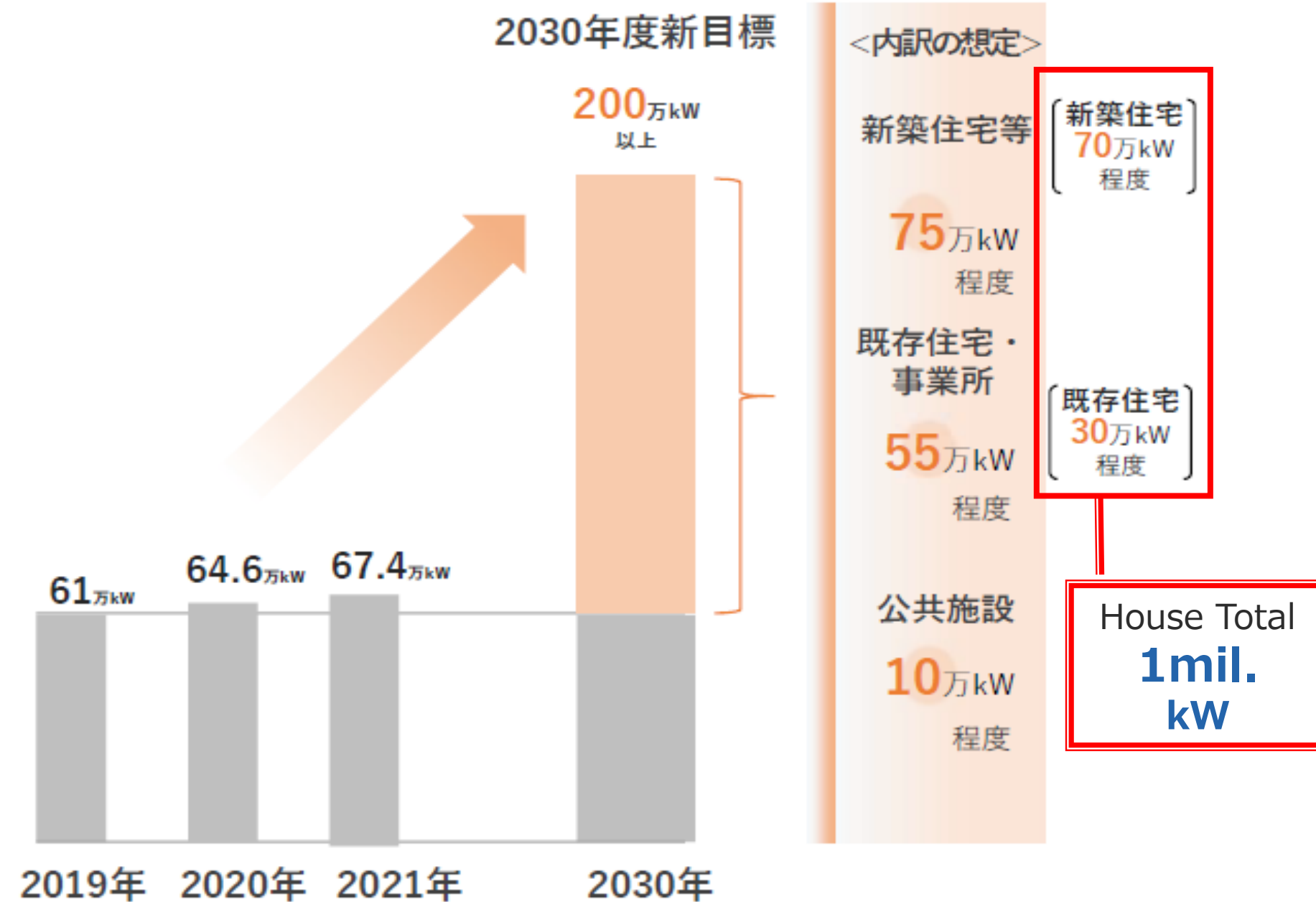


The mandate covers about 50 companies, including major housing manufacturers, and the market size is estimated to be approx. JPY 28 billion /year.

Obligation targets and assumed amount of solar panels installed

<p><b>Obligation Target</b></p>	<ul style="list-style-type: none"> <li>• About 50 companies including major housing manufacturerere             <ul style="list-style-type: none"> <li>➢ Annual supply of total floor area of 20,000 m2 or more in Tokyo</li> </ul> </li> <li>• About half of the annual construction case as 46k houses             <ul style="list-style-type: none"> <li>➢ Only for new house</li> </ul> </li> </ul>
<p><b>Assumed quantity of Solar Panel</b></p>	<p><b>【Until 2030】</b></p> <ul style="list-style-type: none"> <li>• New houses : 0.7 mi. kW             <ul style="list-style-type: none"> <li>➢ Assumes that solar panel installation will become standard for new houses, even for not obligated houses.</li> </ul> </li> <li>• Existing houses : 0.3 mil. kW             <ul style="list-style-type: none"> <li>➢ Increased interest in installation following ordinance revision</li> <li>➢ Expansion of supprting measures etc.</li> </ul> </li> </ul>
<p><b>Market Size</b></p>	<p><b>【Solar power generation equipment market size in Tokyo】</b></p> <ul style="list-style-type: none"> <li>• Approx. JPY 28billion/year             <ul style="list-style-type: none"> <li>➢ Our estimate based on the introduction target for 2030. (Approx. 28,000 bldgs./yr x construction sales of JPY1 mil./bldg.)</li> <li>➢ Market details Hew house Approx. JPY 20billion/yr</li> <li>Existing house JPY8bil./yr</li> </ul> </li> </ul>

Targets for the amount of solar power generation equipment installed in Tokyo



Source: Tokyo Metropolitan Government, "Basic Policy on Revision of Ordinance System for Realization of Carbon-Half". Tokyo Metropolitan Government Housing Policy HQ 「【Newly build・Small/middle sized】 Q&A for installation of solar panel」

We expect that the “Enecari” service will be widely used by subdivision builder etc., where the installation rate of solar panels is low

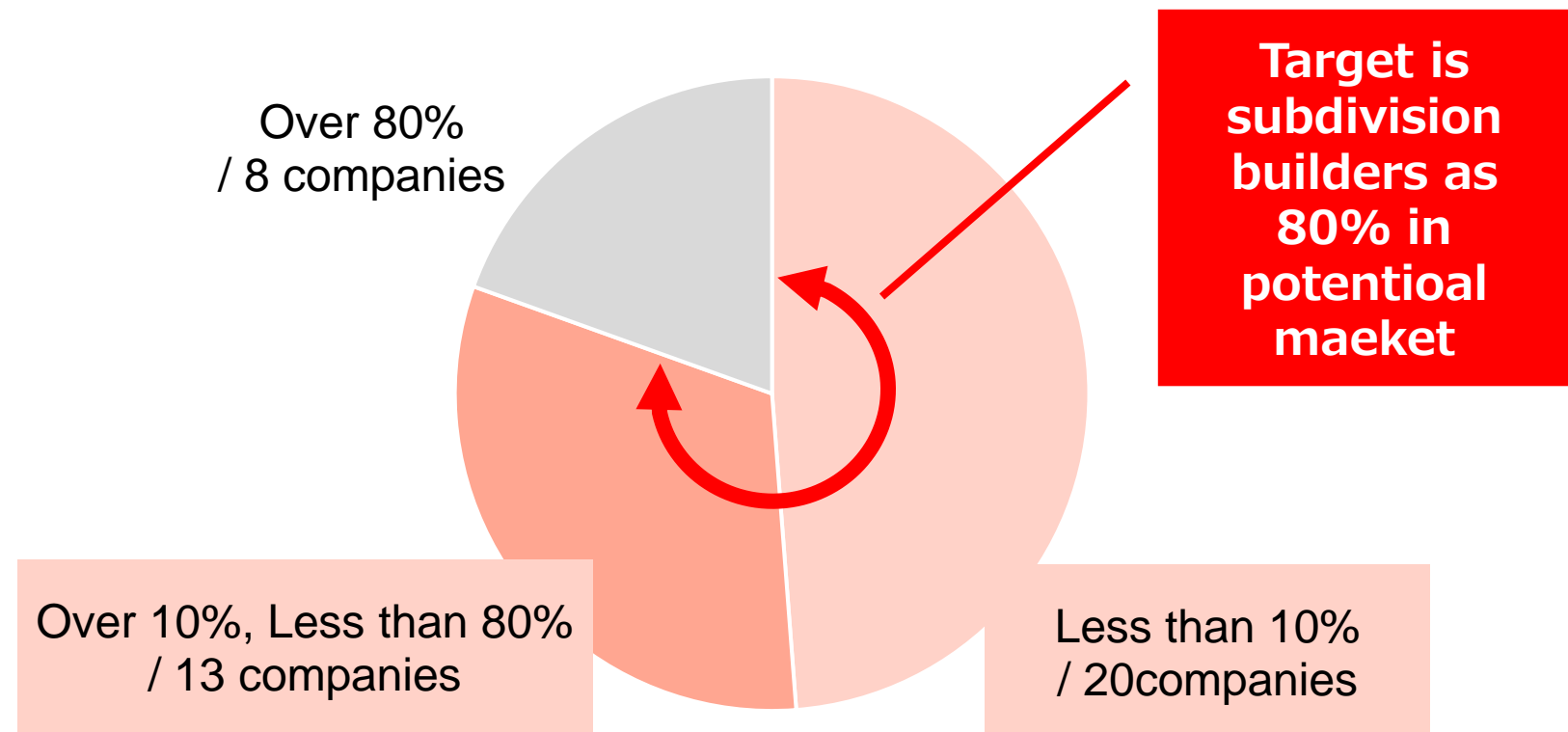
Installation rate of solar panels in detached houses (2023, Tokyo) \* 1

- Nikkei Shimbun newspaper conducted a survey of 50 potential homebuilders subject to Tokyo's mandatory installation of solar panel.
- **20 out of 41 companies have less than 10% of solar panel installation rate according to the response.**

Main installation methods for residential solar panels

- Increasing number of housing companies **utilizing power purchase agreements (PPAs) and lease agreements** to install solar panels at zero initial cost.
- Especially **adopting rate of those ways by detached house manufacture is increasig**

■ Installation rate of solar panel (EPCO created based om Nikkei data)



■ 「Initial cost 0 to utilize the equipment」 (Enecari/Enecari+)



アフターフォロー  
24時間 | 365日受付

自然故障の場合、利用期間中は  
無償修理



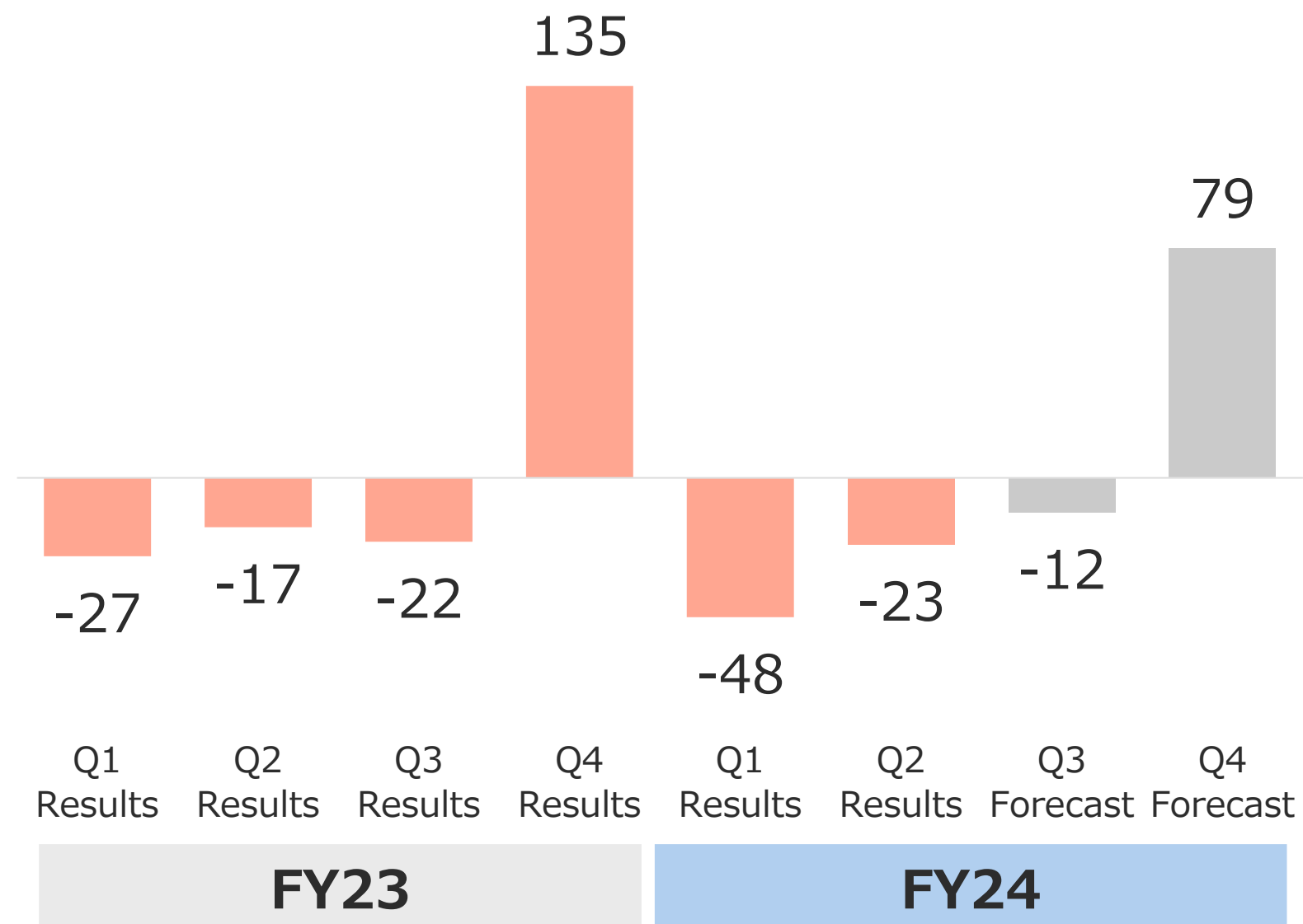
\* 1 : Nikkei Shinbun newspaper article on Jun17, 2024

Profit decreased due to increased costs associated with increasing the number of solar power design staff. As in the previous year, **we expect to improve profit in Q4 based on the joint venture agreement.**

## LESSO Transition of Equity in Earnings

## LESSO Business Summary

JPY Million



### Operating Status

Contracted to design solar panel for LESSO factory and rooftop of warehouse  
(End of June, 2024 Backlog Approx RMB 2mil. )

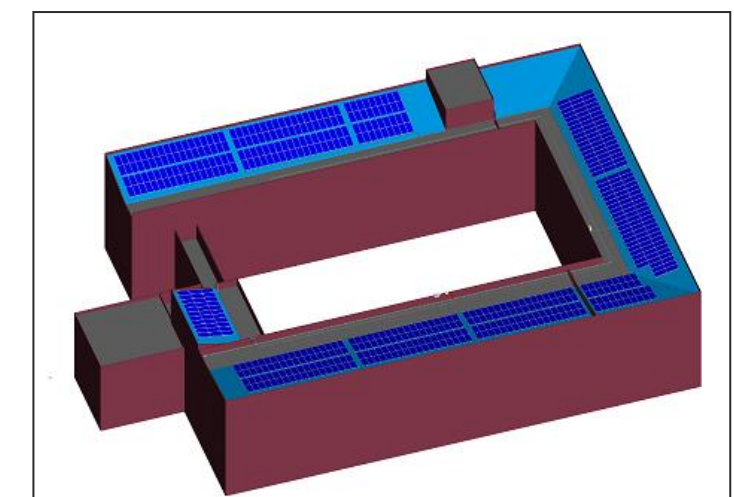
### Future Prospects

- Mega solar power sales schedule has been delayed for China market so that to focus on overseas market, especially Africa and residential solar power in China
- As in a previous year, LESSO sales are expected to be recorded in Q4 based on the joint venture agreement

Solar Panel Installation Example



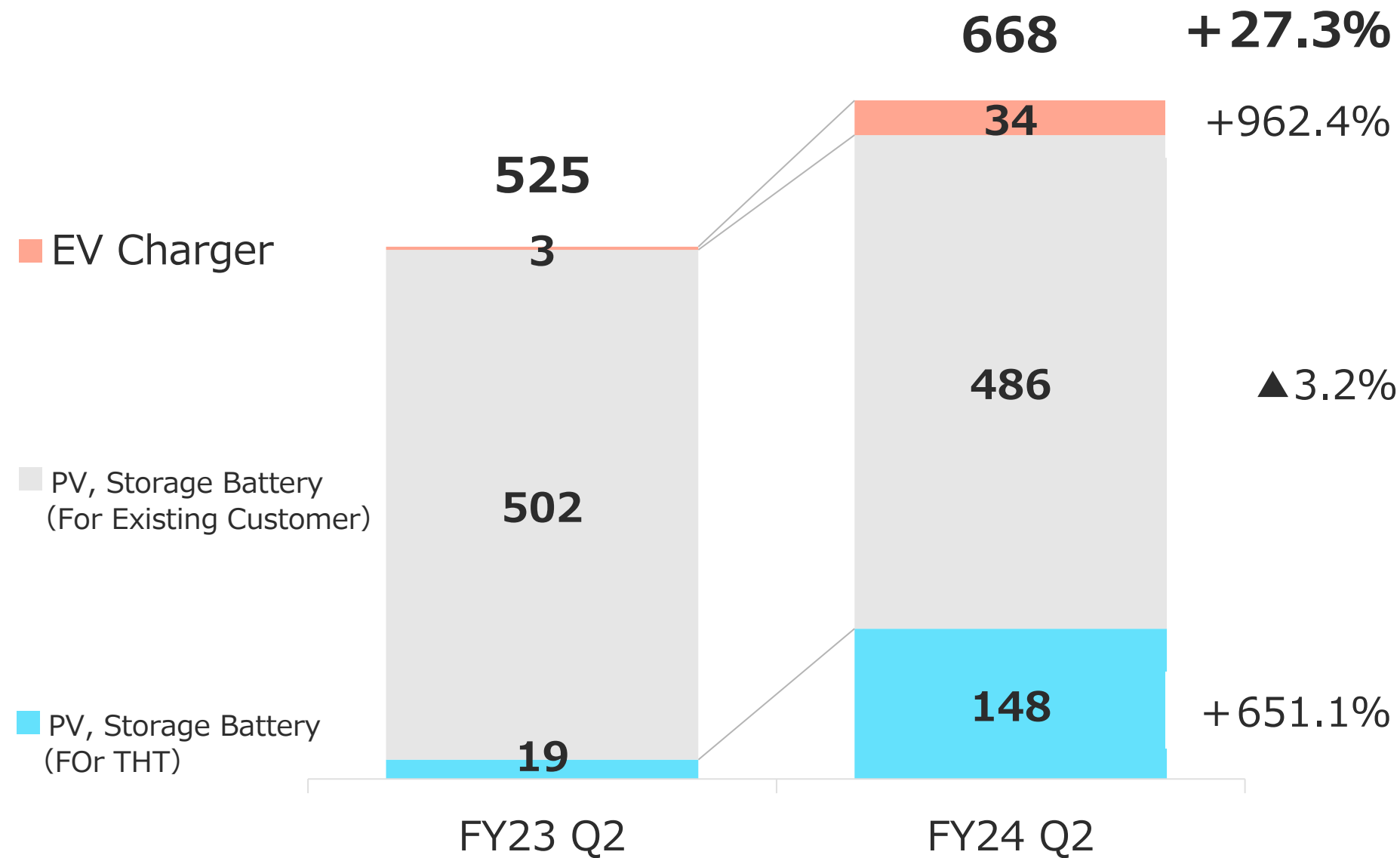
Drawing Sample



**Sales of PV and storage battery (for THT) installation increased as a strategic install agents worked well, and sales of installation of EV charger increased as well. Ordinary profit also maintained an upward trend.**

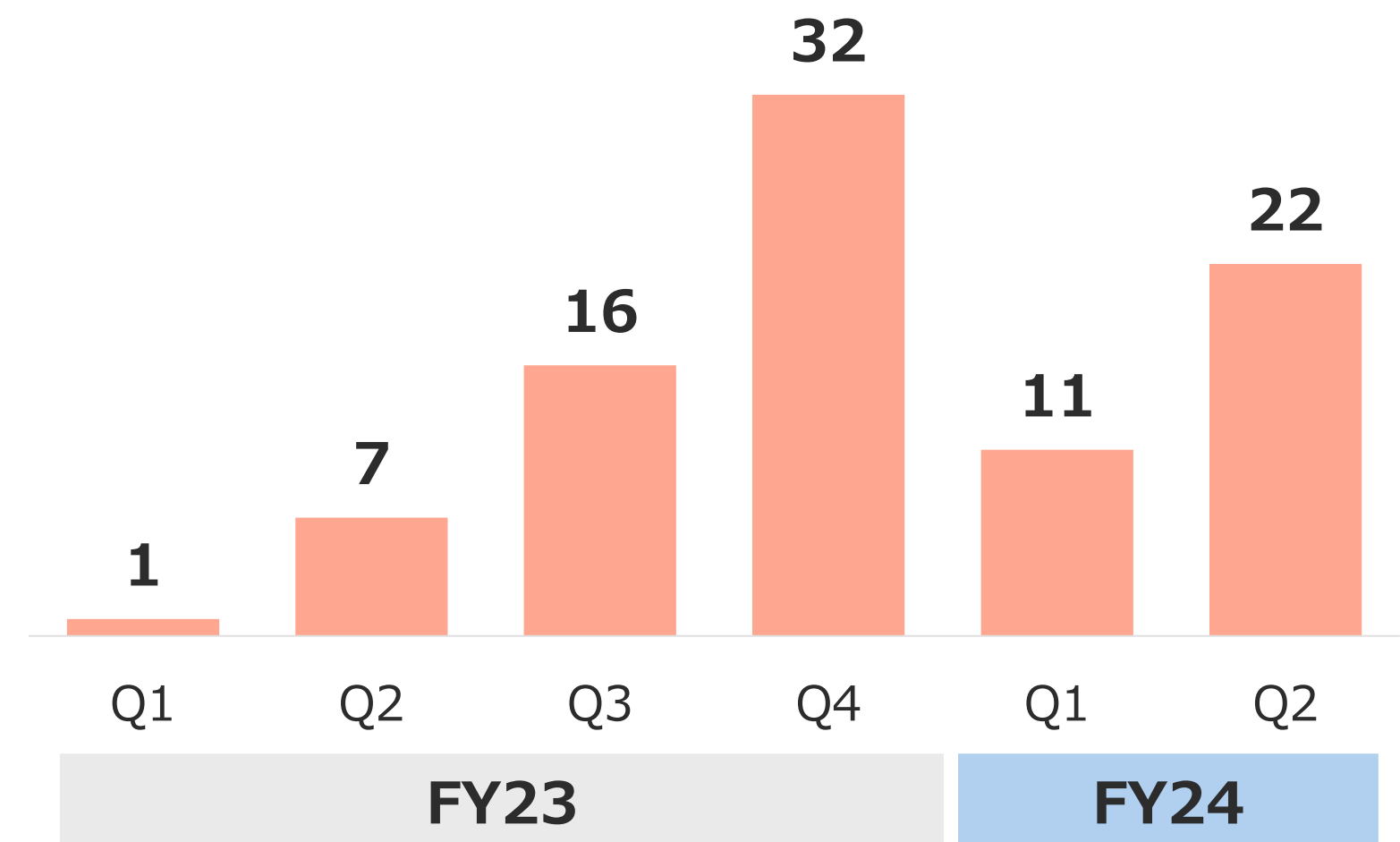
ENE's Net Sales (YoY)

(JPY Million)



ENE's Transition of Ordinary Profit

(JPY Million)

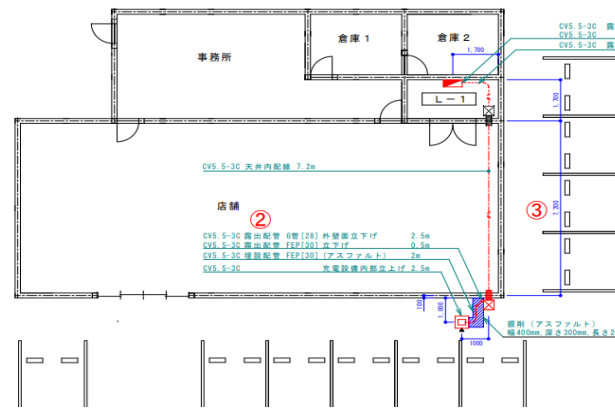


EPCO group provide variety of services related EV charger such as installation, maintenance etc. Sales of each service are growing with the increasing demand for installation of EV charging infrastructure.

EV Charger Agent

Commission  
¥

**Design Application Drawing**  
【Design】



Commission  
¥

**Installation**  
【Renewable Energy Solutions】

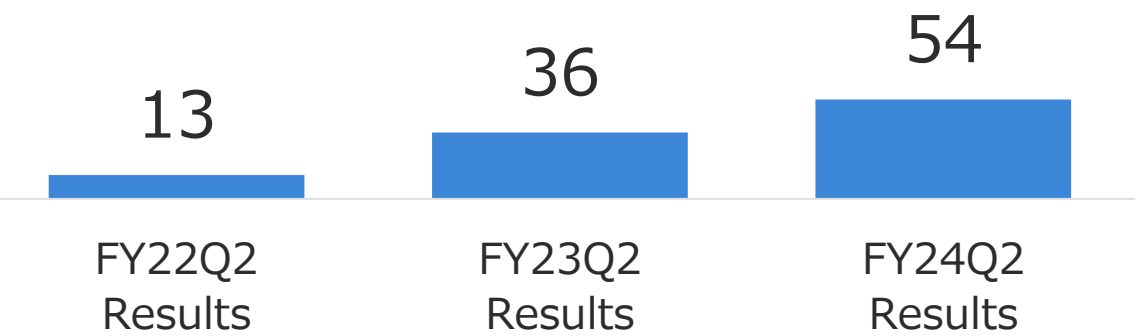
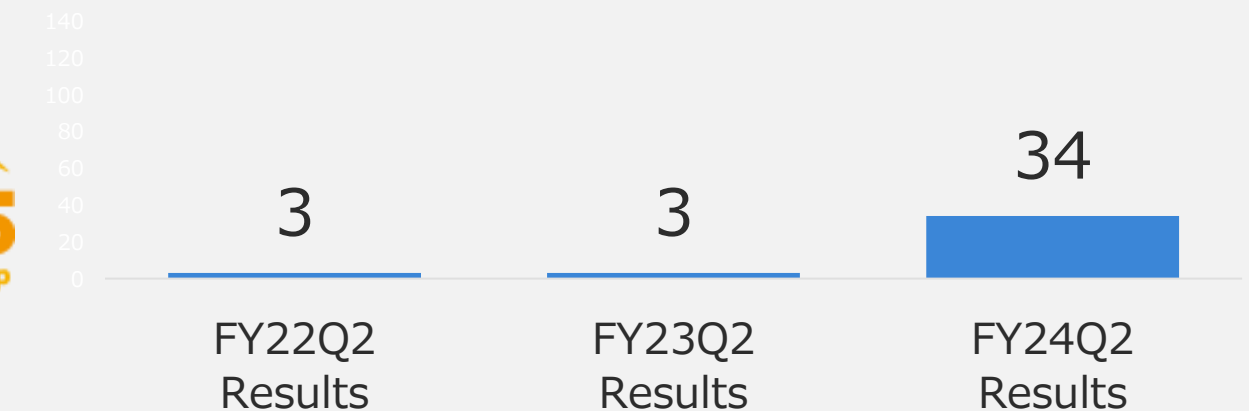


Commission  
¥

**Maintenance**  
【Maintenance】



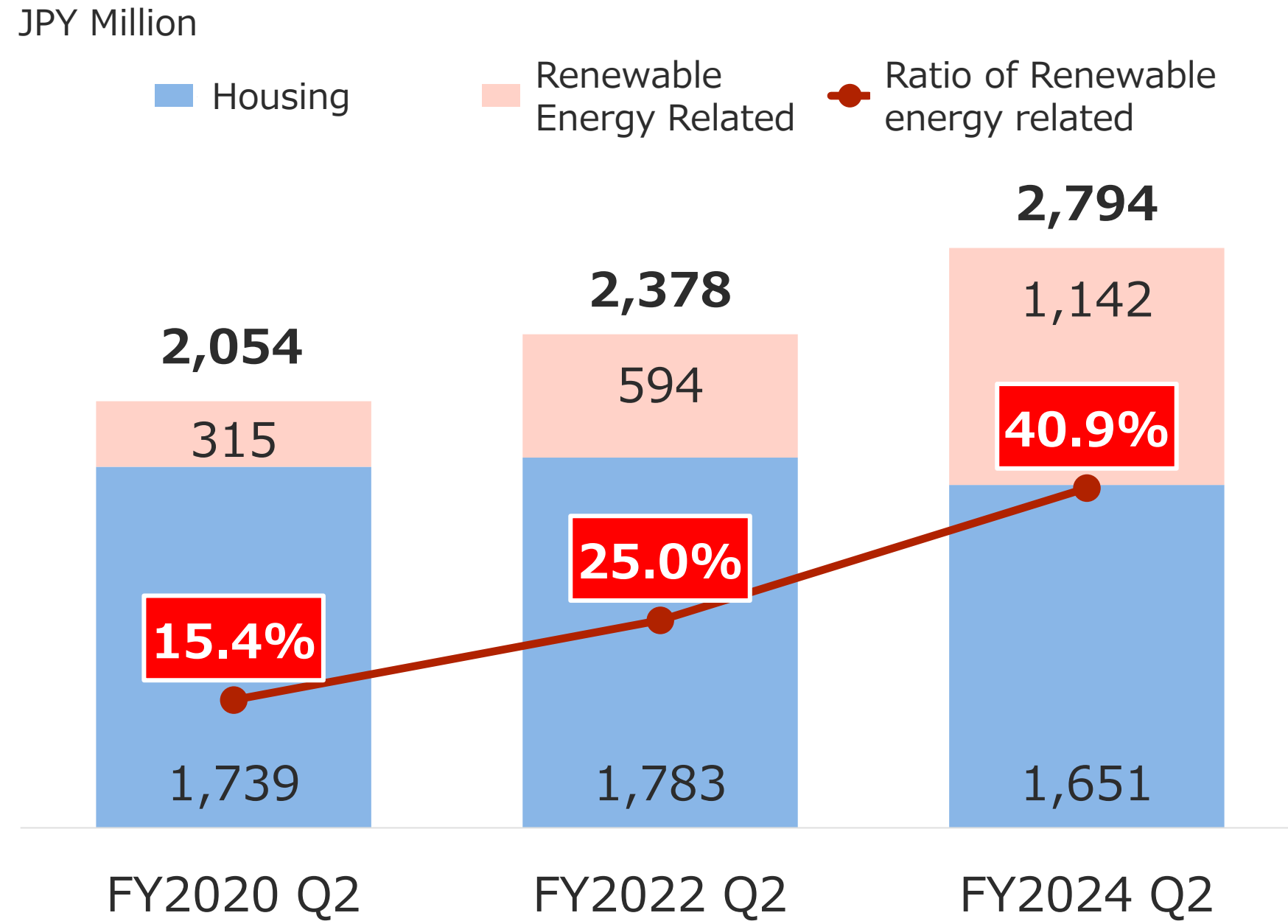
Net Sales of EV Charger Related Service



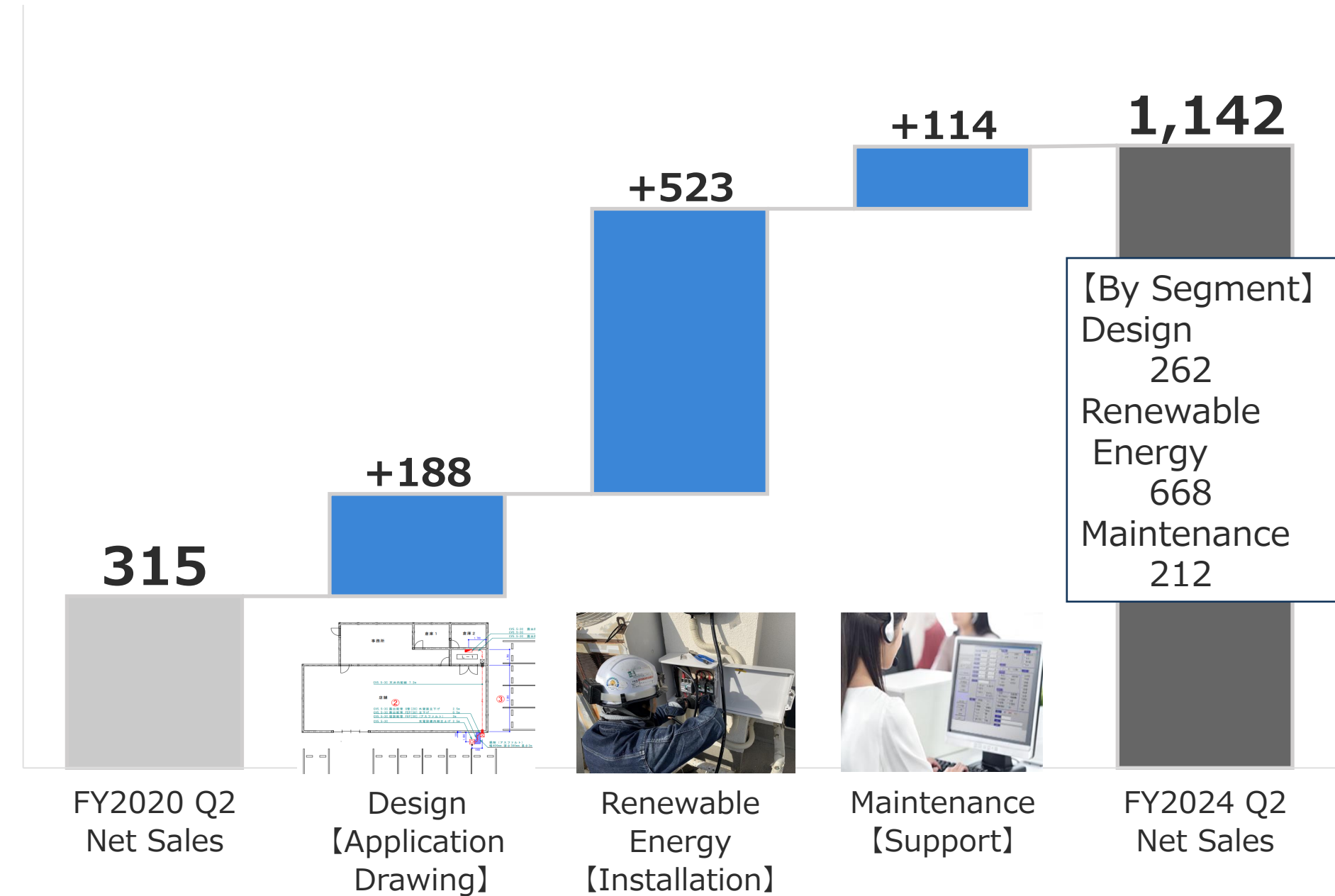
# FY2024 Q2 | Transition of Bisomess Portfolio (Housing to Energy)

EPCO group reviewed the business portfolio amid a difficulty with circumstance caused by a decline in housing starts. Shifting renewable energy services achieved sales growth in all segments due to the synergistic effects of each segment.

**【EPCO Group Net Sales】**



**Renewable Energy Related Sales**



**Business Segments**

\*Renewable Energy Related : Total sales of solar power generator, storage battery and EV Charger

01. FY2024 Q2 Results

02. FY2024 Q2 Topics

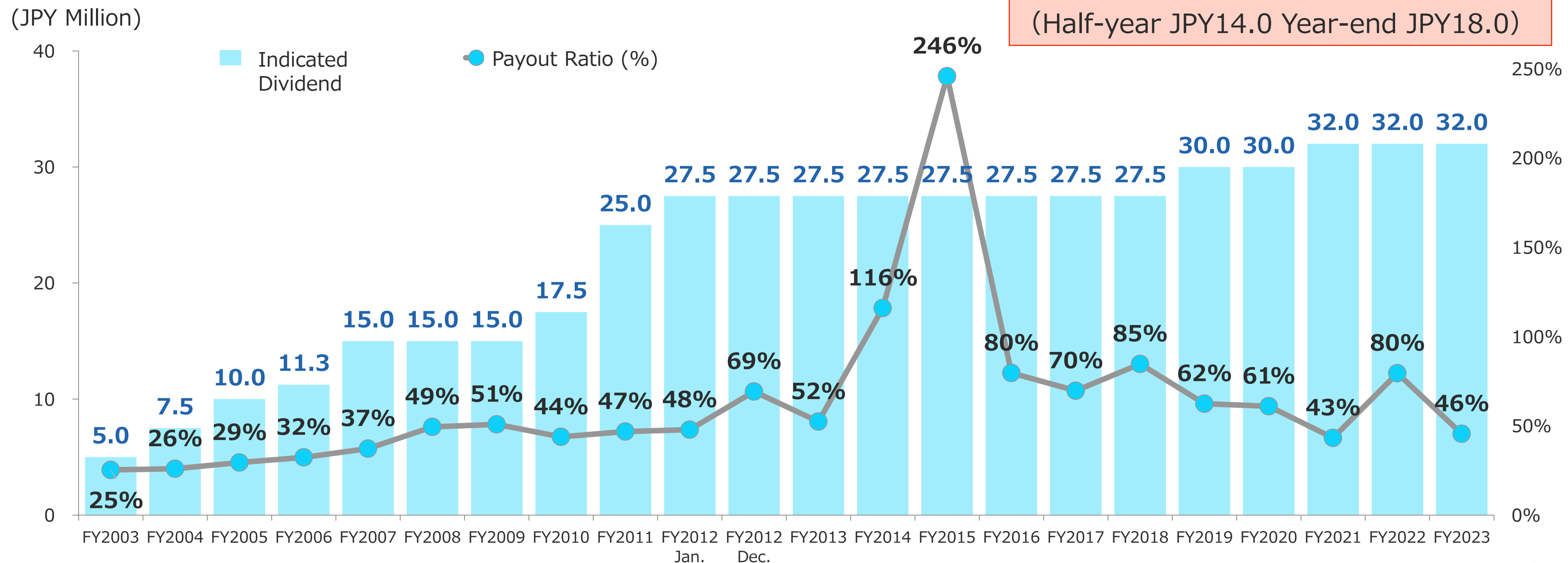
**03. Shareholder Returns**

04. Appendix.

## Progressive dividend stock with no dividend cuts for 22 years since listing

(Dividend policy: Stable profit sharing based on a consolidated dividend payout ratio of 50% and dividend on equity ratio (DOE) of 8%.)

**FY2024 Forecast JPY32.0**  
 (Half-year JPY14.0 Year-end JPY18.0)

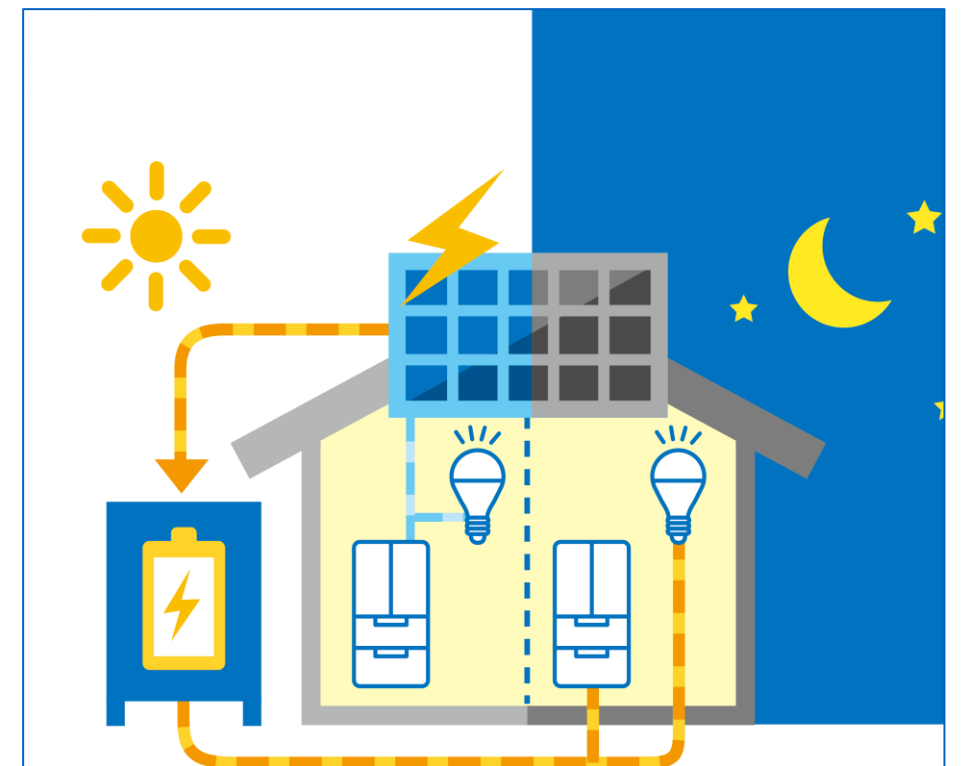




Win-win shareholder benefit plan for not only shareholders, but also the company and the environment

<p><b>Details of Benefit Plan</b></p>	<ul style="list-style-type: none"> <li>➤ Free installation of solar power generation system or storage battery (equivalent to JPY 1 mil.)</li> <li>➤ The lottery is two times a year.(End of June and End of December for eligible shareholders)</li> <li>➤ The probability of winning increases proportionally with the number of shares held (Up to 1,000 shares, max 10 units)</li> </ul>
<p><b>Eligible Shareholder for the lottery</b></p>	<ol style="list-style-type: none"> <li>1. Shareholder who own <b>more than 1unit (100 shares)</b> and on the shareholder list <b>on the end of June 2024</b> for the 1<sup>st</sup> half year of lottery</li> <li>2. Shareholder who <b>have completed the procedures to apply</b> the lottery.</li> </ol>
<p><b>Condition</b></p>	<ul style="list-style-type: none"> <li>➤ Winner can pick <b>any place</b> for installation of solar panel (For family or friends is ok)</li> <li>➤ <b>Detached house in Japan</b></li> </ul>
<p><b>Schedule</b></p>	<ul style="list-style-type: none"> <li>➤ <b>Winner will be 5</b> for the 1<sup>st</sup> half year</li> <li>➤ Lottery date will be <b>Aug. 28, 2024 Wed.</b></li> </ul>

Application deadline  
**Aug.25**



\* Please refer our website for more details

<https://www.epco.co.jp/ir/yutai.html>



01. FY2024 Q2 Results

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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.

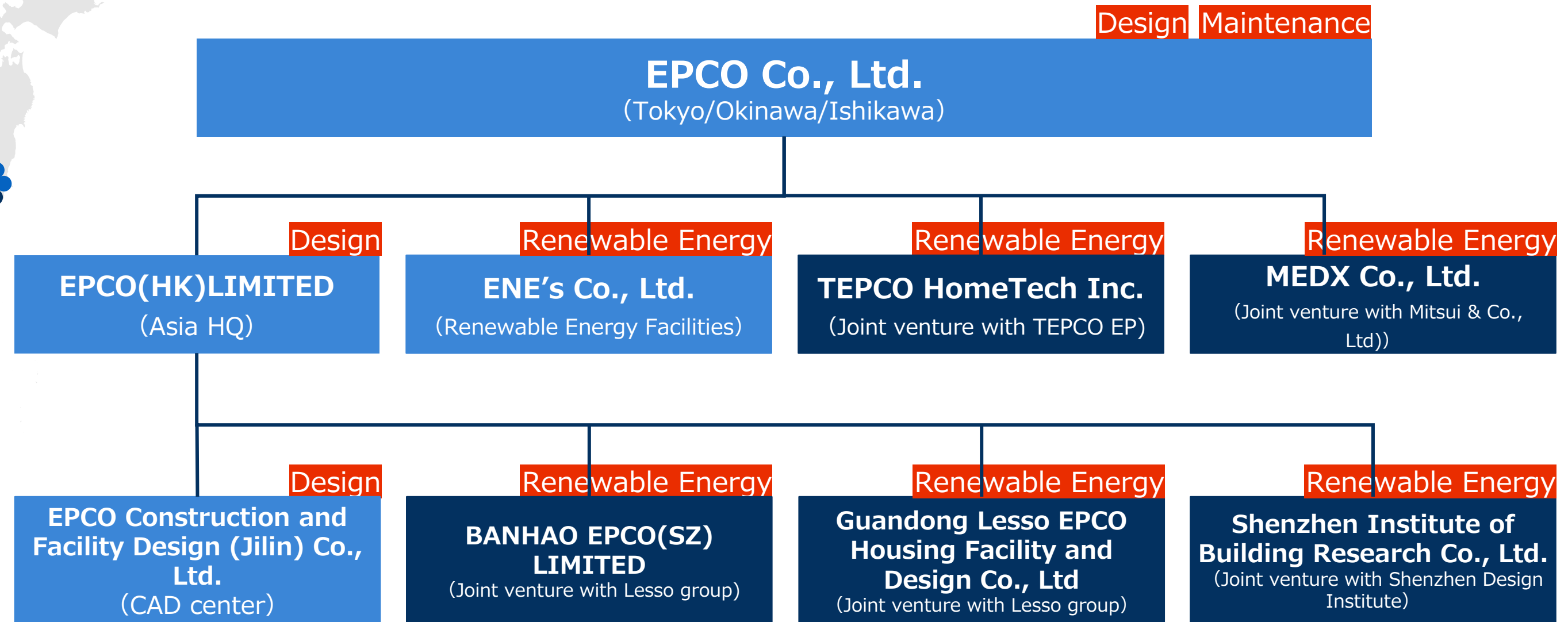
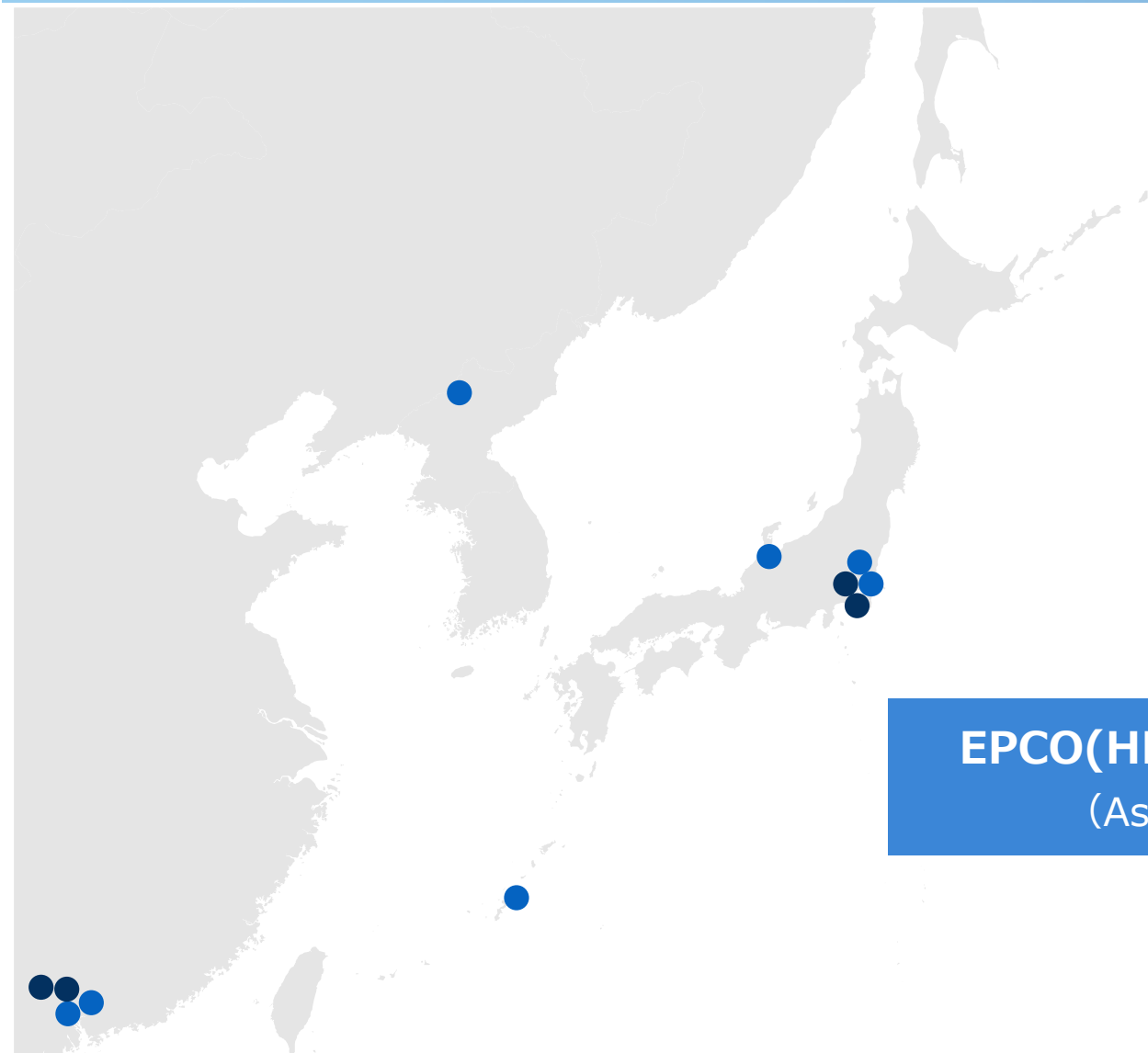
We aim to be infrastructure company to support the homes and lifestyles of people around the world.



Representative Director  
Group CEO

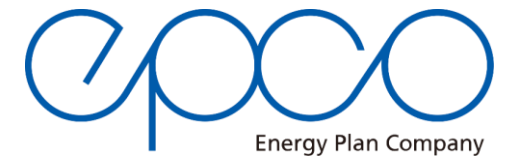
岩崎 辰之

Company Name	<b>EPCO Co., Ltd. (Energy Plan Company)</b>	
Head Office	12/F, OLINAS tower, 4-1-3 Taihei, Sumida-ku, Tokyo, 130-0012 JAPAN	
Securities Code	2311 (Tokyo Stock Exchange Standard)	
Establishment	April 12, 1990	
Capital	JPY 87 mil.	
Number of Employee	575 (Consolidated Total 793) *As of Dec. 31. 2023 Including temporary and dispatched worlrs	
Shareholder Composition	Yoshiyuki Iwasaki	26.6%
	Panasonic Holdings Corporation	10.7%
	LIXIL Corporation	4.9%
Directors	Representative Director and Group CEO	Yoshiyuki Iwasaki
	Representative Director and CFO	Shinichiro Yoshihara
	Outside Director (Audit & Supervisory Committee)	Masashi Watanabe
	Outside Director (Audit & Supervisory Committee)	Takuo Akino
	Outside Director (Audit & Supervisory Committee)	Tadashi Tamura
Executive Officer	Managing Business Development	Kim Jungheon
	Managing Design Services and Information Systems	Yang Chao
	Managing Maintenance Service	Takatsugu Urayama
	Managing Group Management	Tomohisa Hirakawa

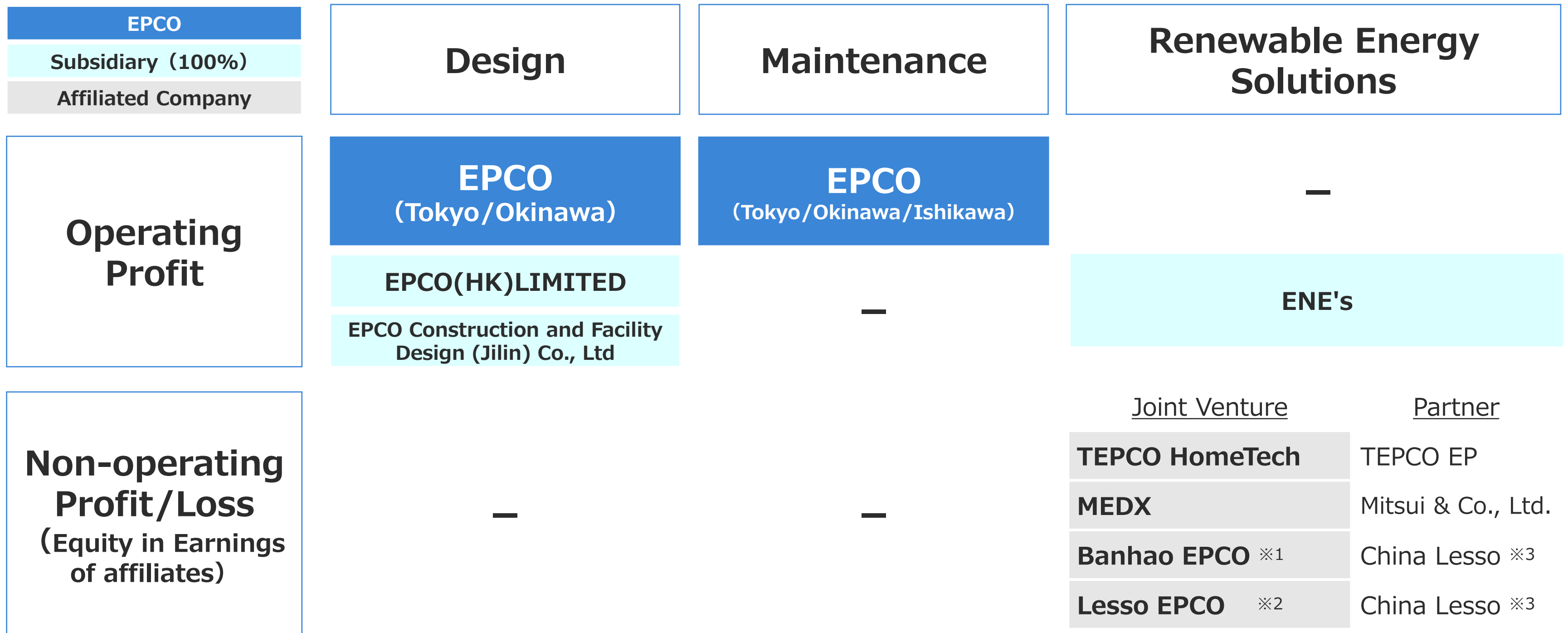


Subsidiary      Affiliated

# (Reference) EPCO Group Profit and Loss Structure



The EPCO Group management style is a group structure (group management) that actively utilizes joint ventures. All equity in earnings of joint ventures is included in ordinary profit of "Renewable Energy Services".



\*1 Banhao EPCO : 班皓艾博科新能源設計 (深圳) 有限公司

\*2 Lesso EPCO : 廣東聯塑艾博科住宅設備設計服務有限公司

\*3 China Lesso : 中国聯塑集团控股有限公司

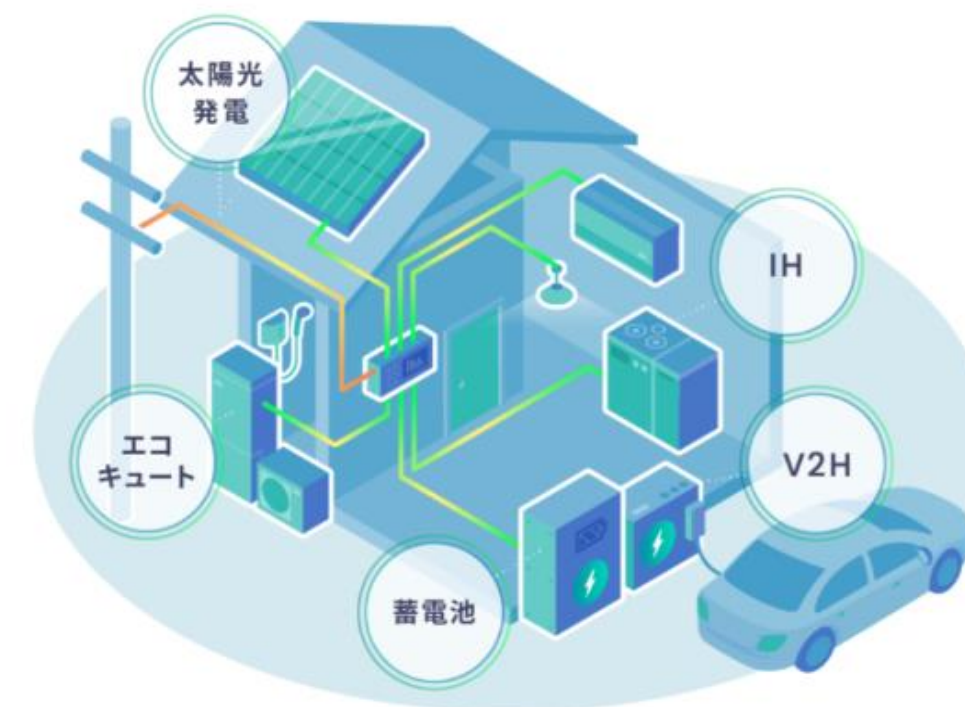
# (Reference) TEPCO HomeTech General Information

## Company Information

<b>Name</b>	<b>TEPCO HomeTech, Inc.</b>
Establishment	August 9, 2017
Representative	Chairman Yoshiyuki Iwasaki President Takahiro Aoki
Capital	JPY 475 million
Shareholder Composition	TEPCO Energy Partner, Inc 51% EPCO Co., Ltd 49%
Location	Tokyo, Kyoto
No. Of Employee	61 *As of Dec. 2023 (Including 16 temporary staff)

## Main Business

- Residence facility fixed-rate subscription service "Enecari"
- Sales and installation of home equipment such as solar power, storage batteries, EV charger, Eco-Cute, etc.
- New House : Partner with housing companies. Standardize the installation of solar panel and storage batteries
- Existing House : Direct sales of solar panel to endusers
- Construction Structure : Organized affiliated stores




初期費用 0 円 節約も。万が一の備えも。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	<b>ENE's Co., Ltd.</b>	
Establishment	November 22, 2001	
Representative	President	Yoshihiro Sugai
Capital	JPY 20 million	
Shareholder Composition	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)

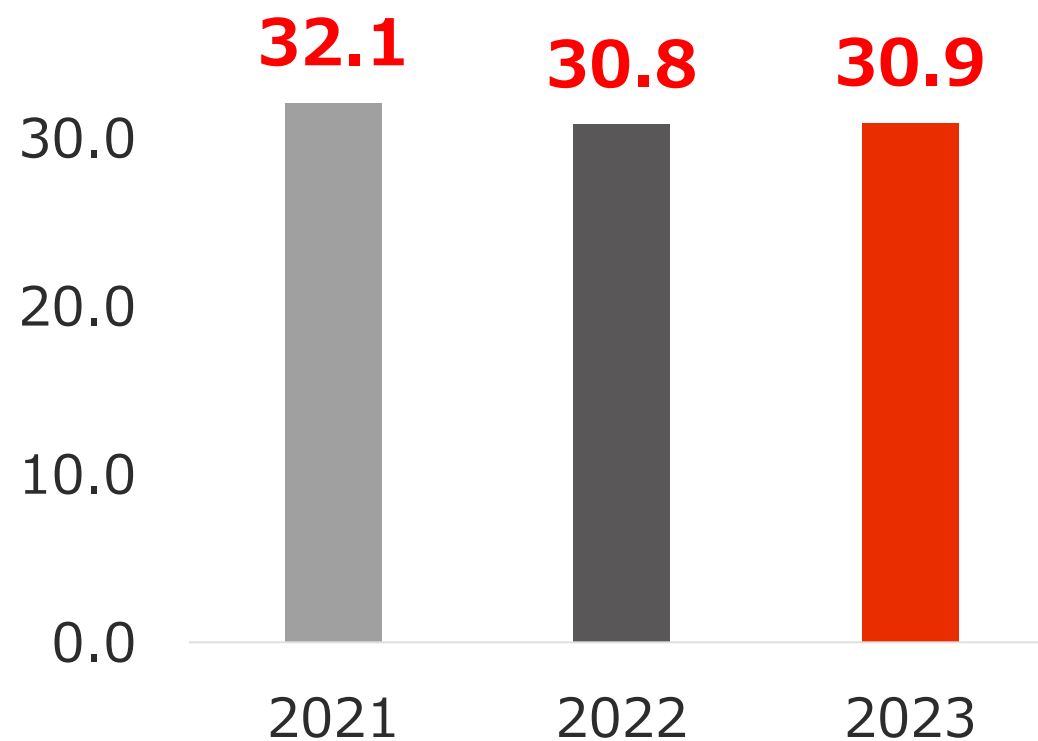
【Location】 Foshan city, Guangdong province, China

【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

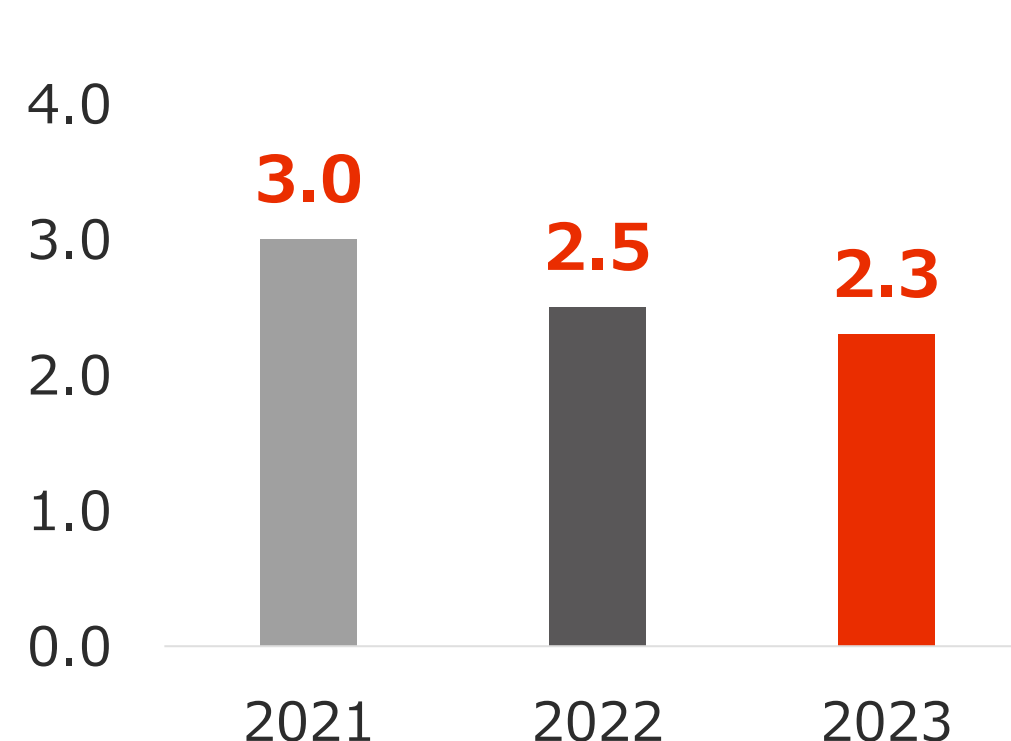
## Net Sales of last 3yrs

(1 bln. RMB)



## Net Profit of last 3yrs

(1 bln. RMB)



## LESSO HQ





# (Reference) MEDX General Information

## Company Information

**Name** MEDX Inc. 

**Establishment** February 1, 2022

**Representative** Representative Director and President  
Toshihiro Matsuka

**Capital** JPY200 million (Total JPY400 million)

**Shareholder  
Composition** Mitsui & Co., Ltd. 51%  
EPCO Co., Ltd 49%

**Location** Tokyo

**Employee** 5 \*As of Dec. 2023  
(Including 1 temporary staff)

## Main Business

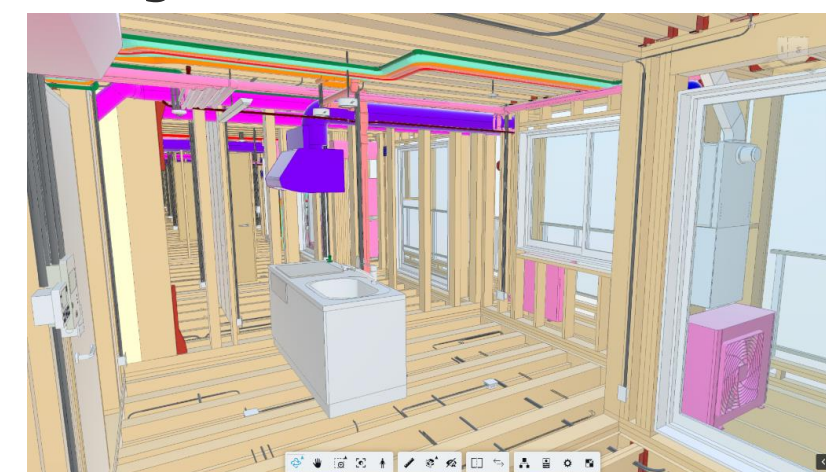
### ■ CRM service

- CRM Service to meet needs at all stage of the housing life cycle
- Support after-sales service of housing businesses by utilizing apps and home history data and expanding stock business



### ■ Carbon Neutral Data Integration Service

- Utilized 3D design data and calculate and visualize CO<sub>2</sub> emissions over the entire life cycle.
- Building a platform for centralized data management and providing services to popularize energy-efficient housing.



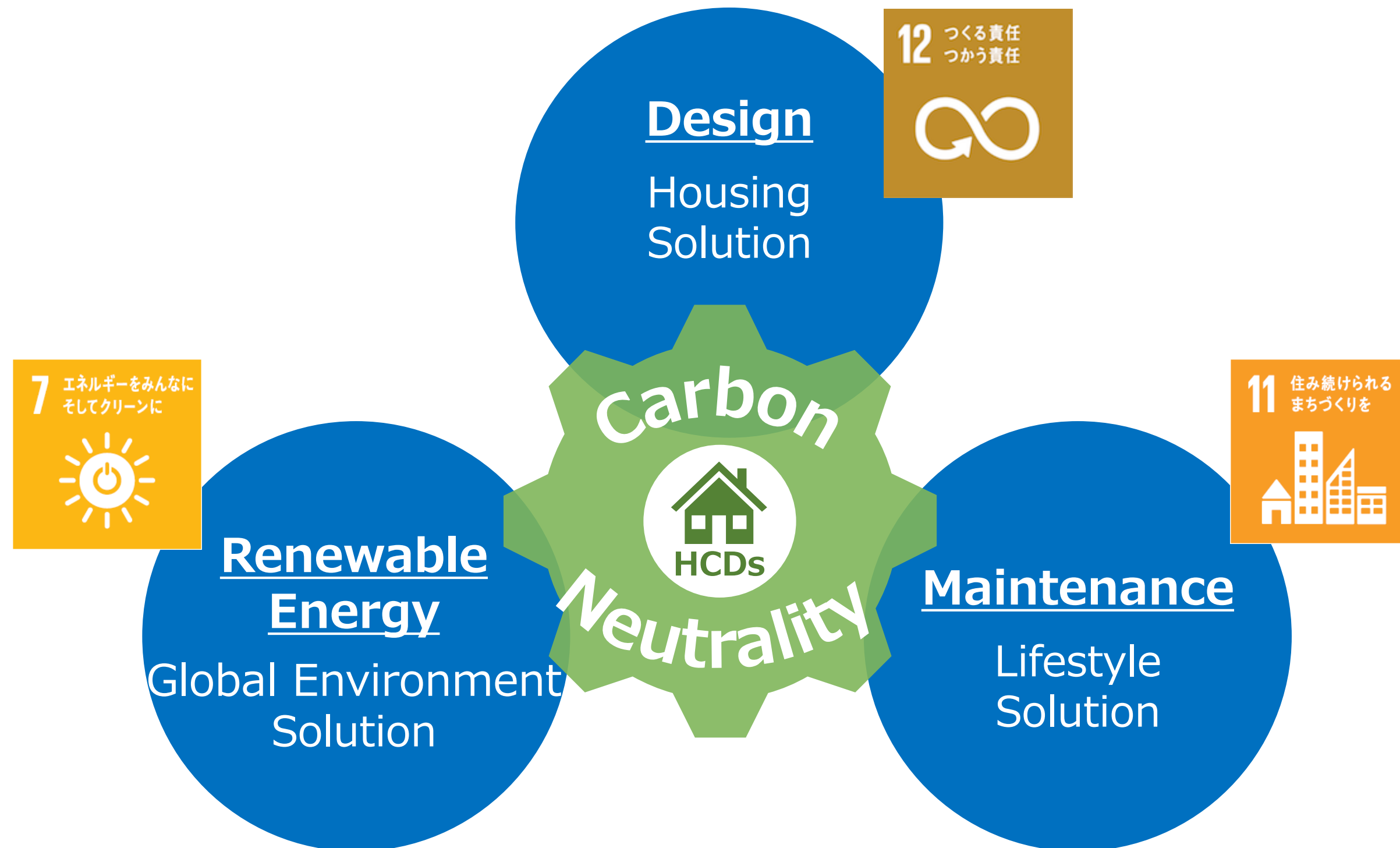
  
**LCA Plus**  
脱炭素プラットフォーム

- 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

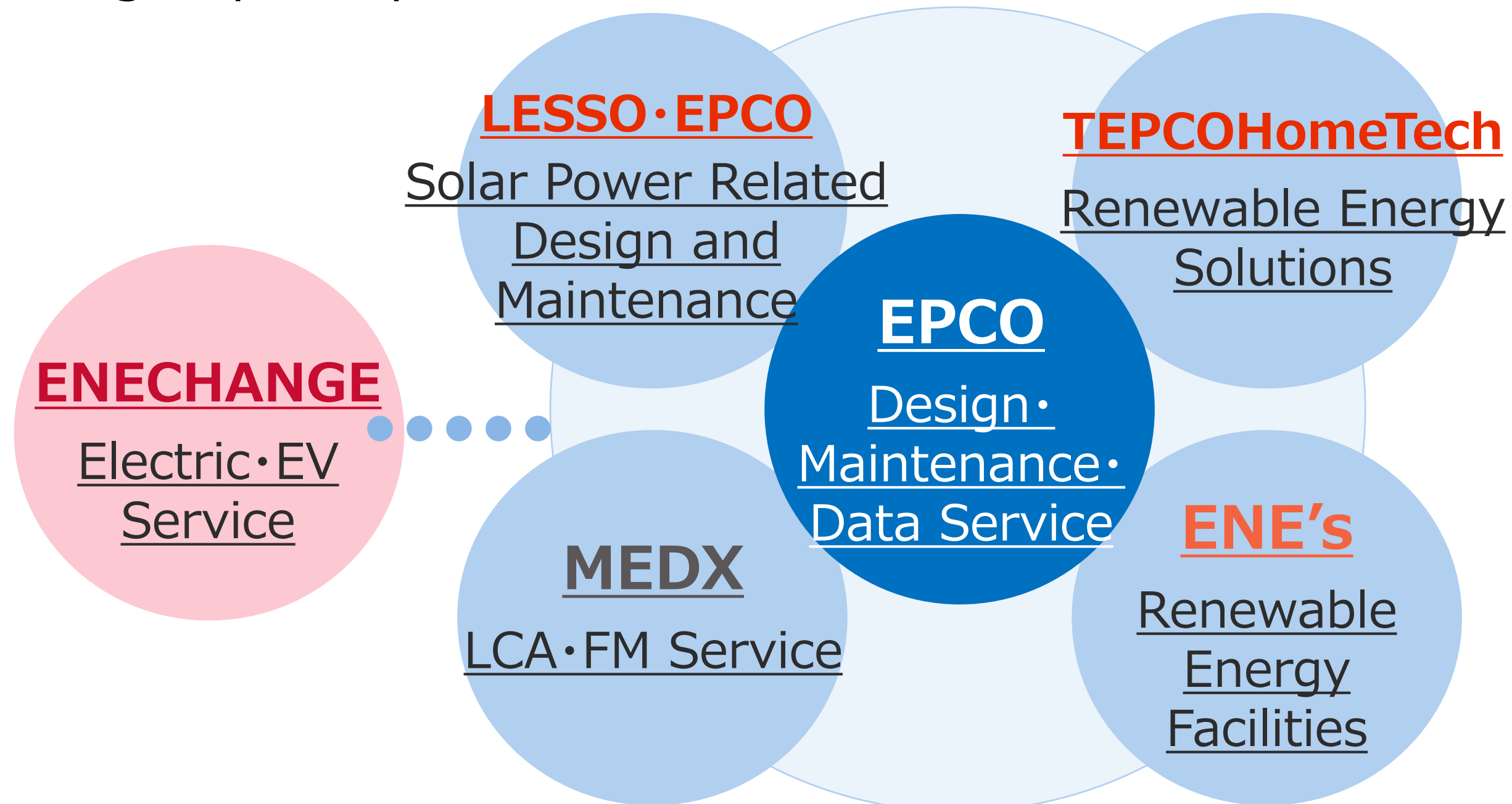
## HCDs : Housing Carbon Neutrality Digital Solutions

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



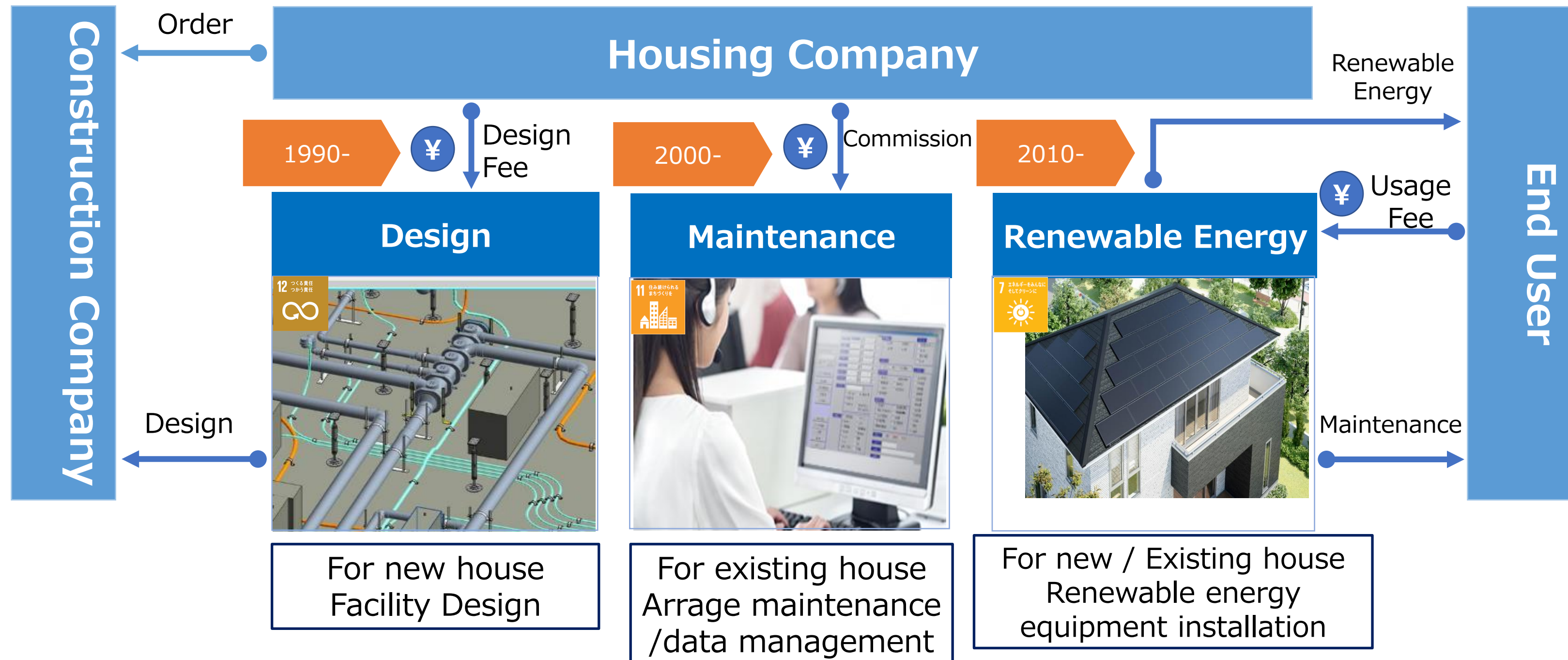
## Group Management

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



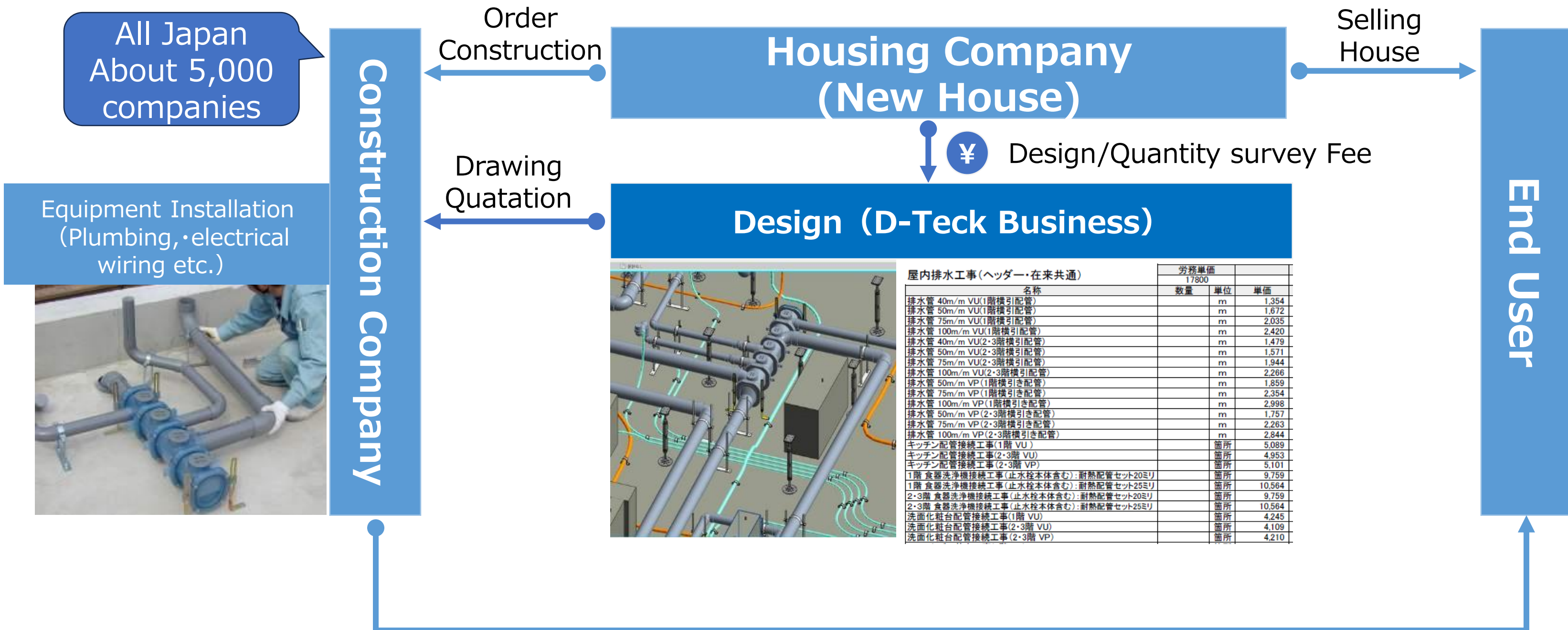
# Core Business of EPCO Group | General View

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



# Core Business of EPCO Group | Design

- One of Japan's largest design organization to support the supply chain of house builder (About 400 designer)
- Design performance is approx. 100,000 unit/year in residential field.  
(Market share of new low-rise residence is 14%)



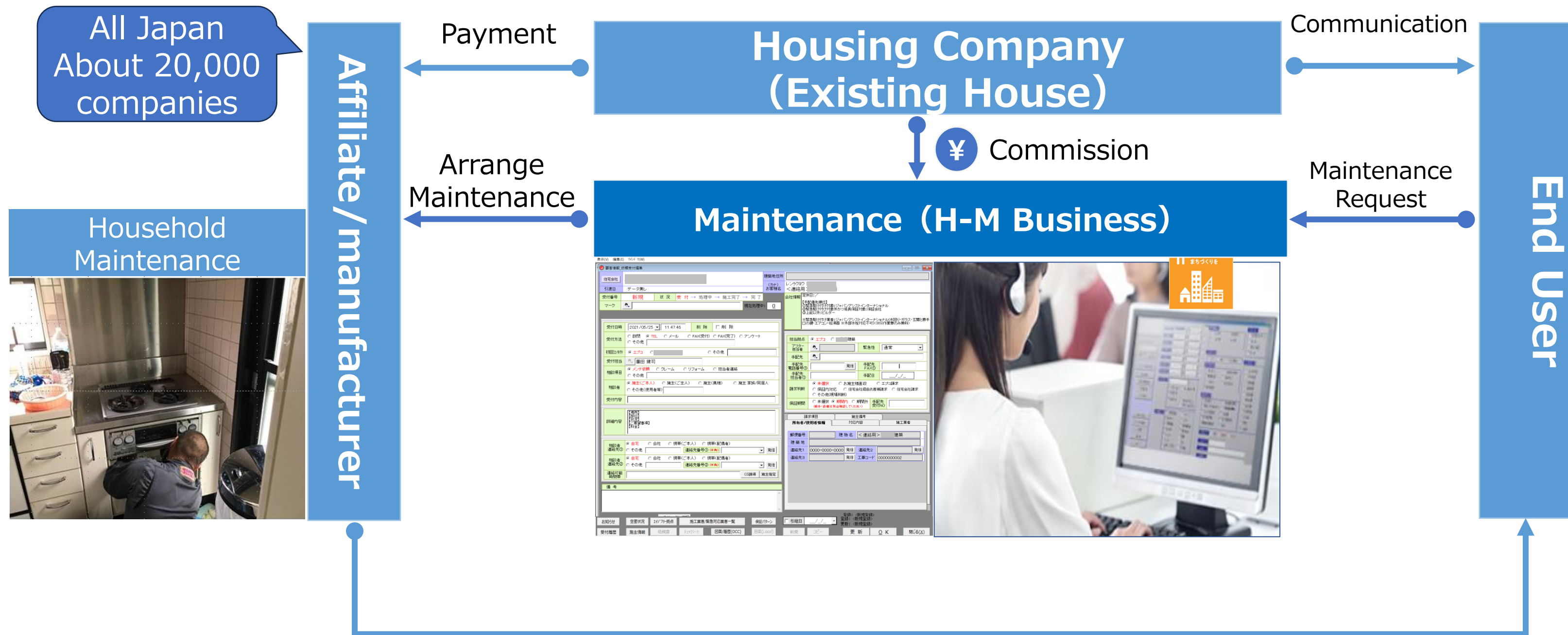
屋内排水工事(ヘッダー・在来共通)

名称	労務単価	
	数量	単価
排水管 40m/m VU(1階横引配管)	m	1,354
排水管 50m/m VU(1階横引配管)	m	1,672
排水管 75m/m VU(1階横引配管)	m	2,035
排水管 100m/m VU(1階横引配管)	m	2,420
排水管 40m/m VU(2・3階横引配管)	m	1,479
排水管 50m/m VU(2・3階横引配管)	m	1,571
排水管 75m/m VU(2・3階横引配管)	m	1,944
排水管 100m/m VU(2・3階横引配管)	m	2,266
排水管 50m/m VP(1階横引き配管)	m	1,859
排水管 75m/m VP(1階横引き配管)	m	2,354
排水管 100m/m VP(1階横引き配管)	m	2,998
排水管 50m/m VP(2・3階横引き配管)	m	1,757
排水管 75m/m VP(2・3階横引き配管)	m	2,263
排水管 100m/m VP(2・3階横引き配管)	m	2,844
キッチン配管接続工事(1階 VU)	箇所	5,089
キッチン配管接続工事(2・3階 VU)	箇所	4,953
キッチン配管接続工事(2・3階 VP)	箇所	5,101
1階 食器洗浄機接続工事(止水栓本体含む): 耐熱配管セット20ミリ	箇所	9,759
1階 食器洗浄機接続工事(止水栓本体含む): 耐熱配管セット25ミリ	箇所	10,564
2・3階 食器洗浄機接続工事(止水栓本体含む): 耐熱配管セット20ミリ	箇所	9,759
2・3階 食器洗浄機接続工事(止水栓本体含む): 耐熱配管セット25ミリ	箇所	10,564
洗面化粧台配管接続工事(1階 VU)	箇所	4,245
洗面化粧台配管接続工事(2・3階 VU)	箇所	4,109
洗面化粧台配管接続工事(2・3階 VP)	箇所	4,210

Equipment Installation

# Core Business of EPCO Group | Maintenance

- 24/7 call center network to support maintenance service of house builder (About 300 operators)
- Approx. 667,000 cases of maintenance request received annually.  
(Managing 1.75mil. household nationwide)



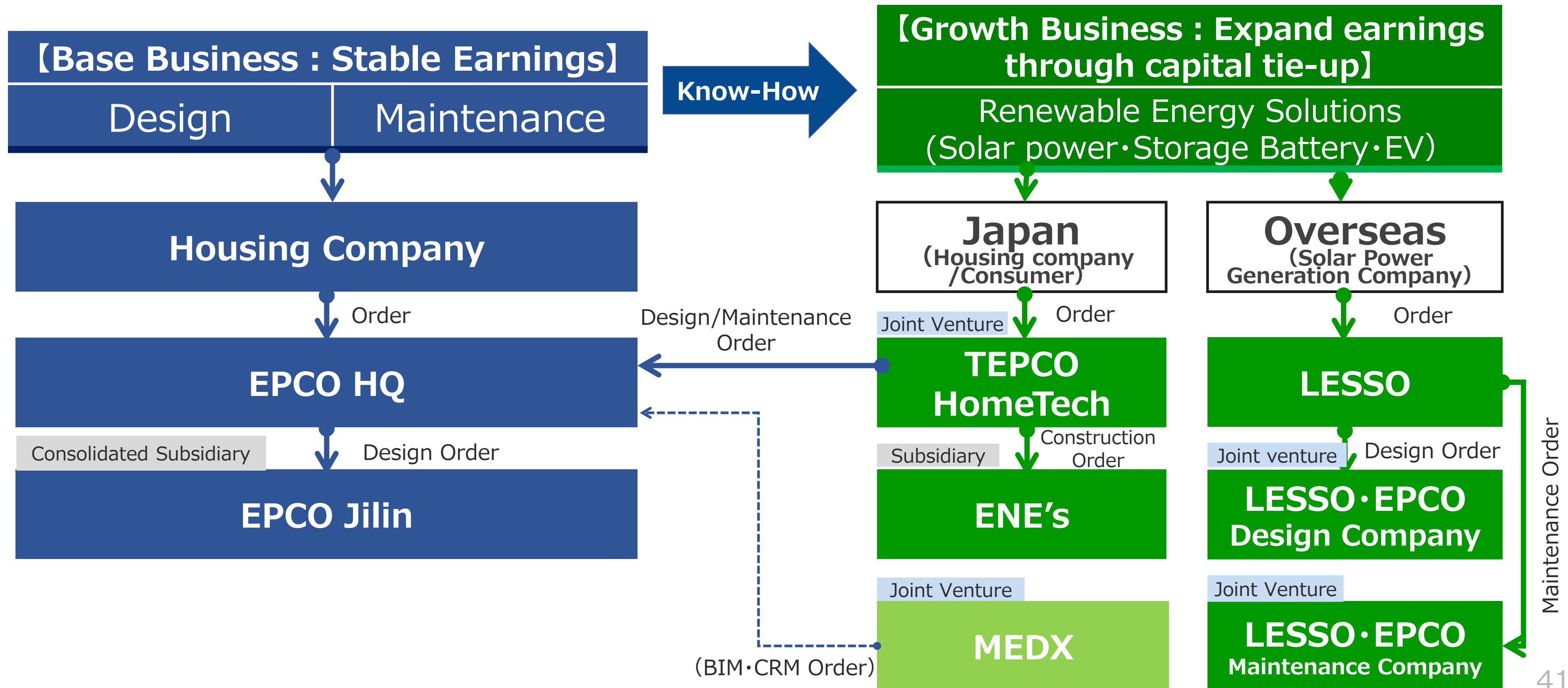
Maintenance Work

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





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.



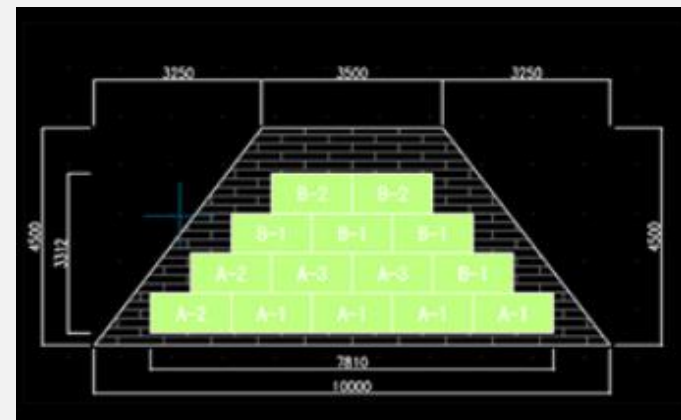
“Renewable Energy Solutions” provides services for the entire life cycle of renewable energy facilities. We aim to speedy expansion of the business in Japan and overseas market through group management utilizing capital tie-up with major companies.

## 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

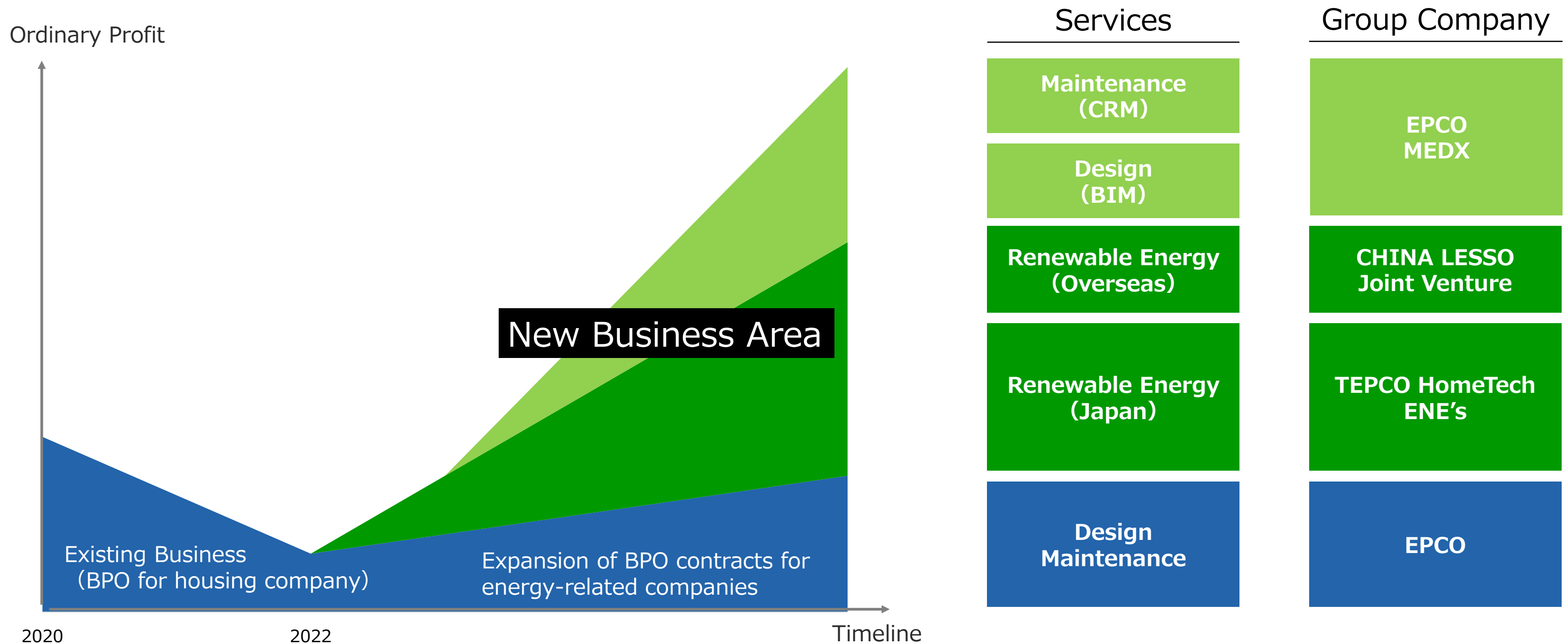


LESSO 联塑



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.

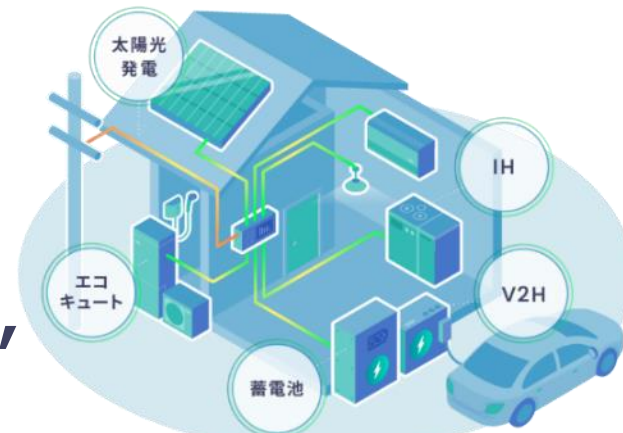


**TEPCO HomeTech aim to be a “Comprehensive Equipment Company”, as essential for carbon neutrality in the household**

**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

Value Trade

Finance

Capital

marketing

Procurement

Paperwork

Design

O&M

ENE'S  
Energy Engineering Group  
Construction

M&A  
[Construction]

Capital

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

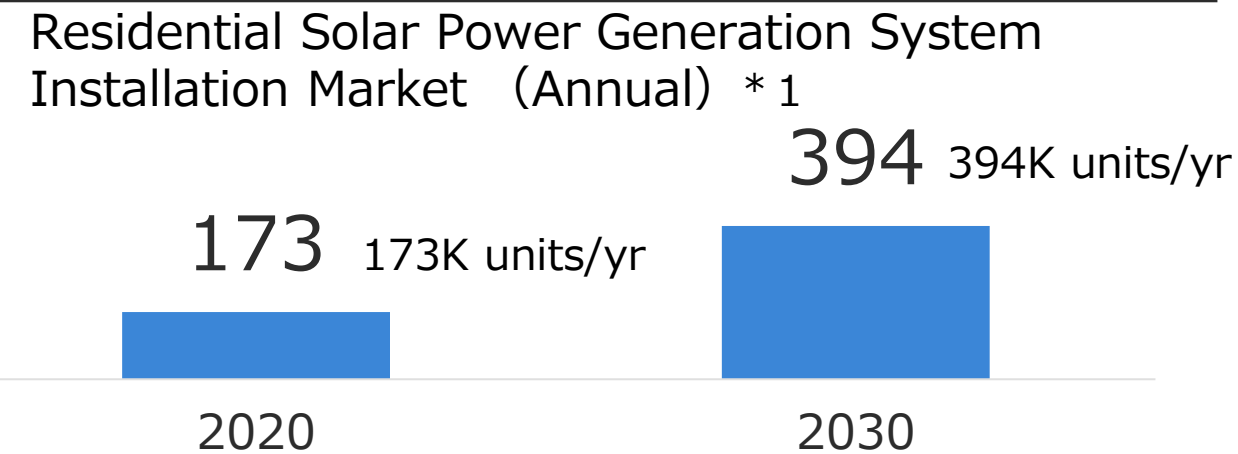
Further growth is expected in the installation market for solar power generation, storage battery, and EV charger.

## Business

## Market (JPY Billion)

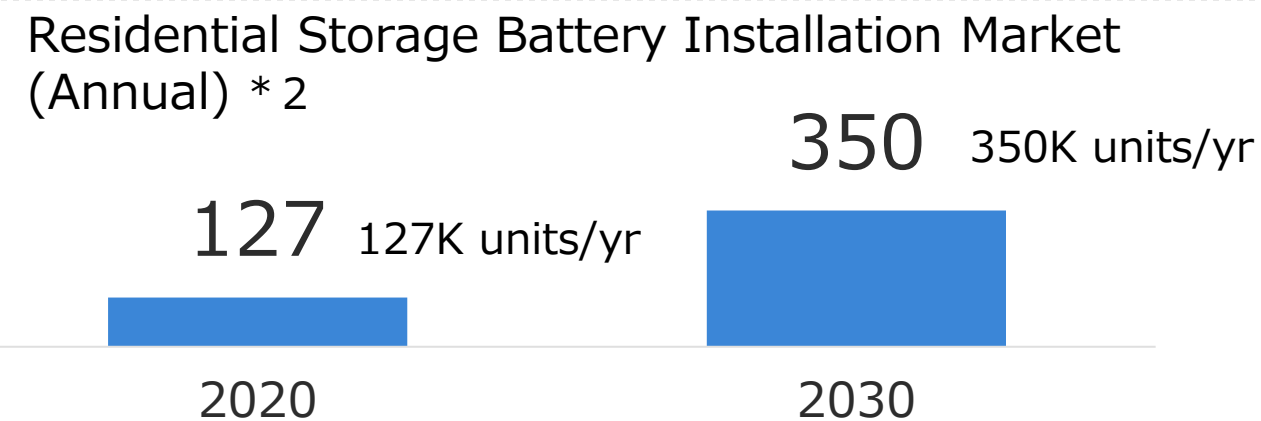
## Growth background

### Solar Power



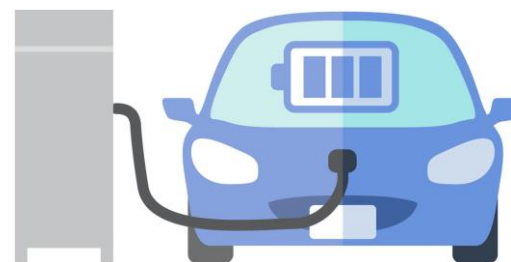
- Ministry of Land, Infrastructure, Transport and Tourism Target (announced August 2021)\*4  
**"60% of new detached houses will be equipped with solar power generation systems in FY2030"**
- **Obligation to install solar power generation system** by local government and development of related ordinance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

### Storage Battery



- 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**

\*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"

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 & EPCO develop solar power generation market in China

## LESSO 联塑

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



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

For solar power plants  
One-stop service

## LESSO · EPCO Joint Venture\*

### LESSO 联塑

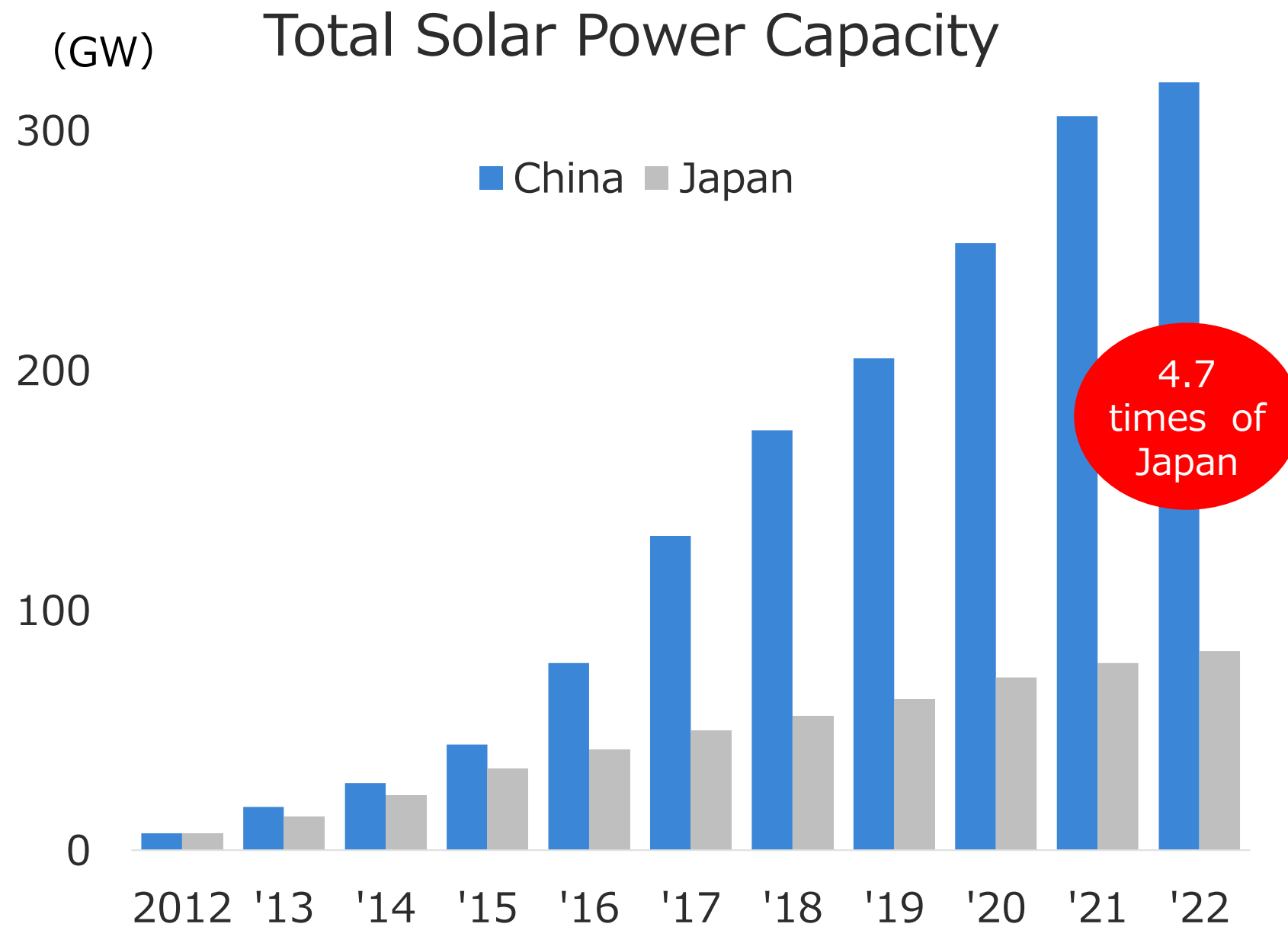
- Product Development
- Sales
- Panel
- Logistics
- Construction

- 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

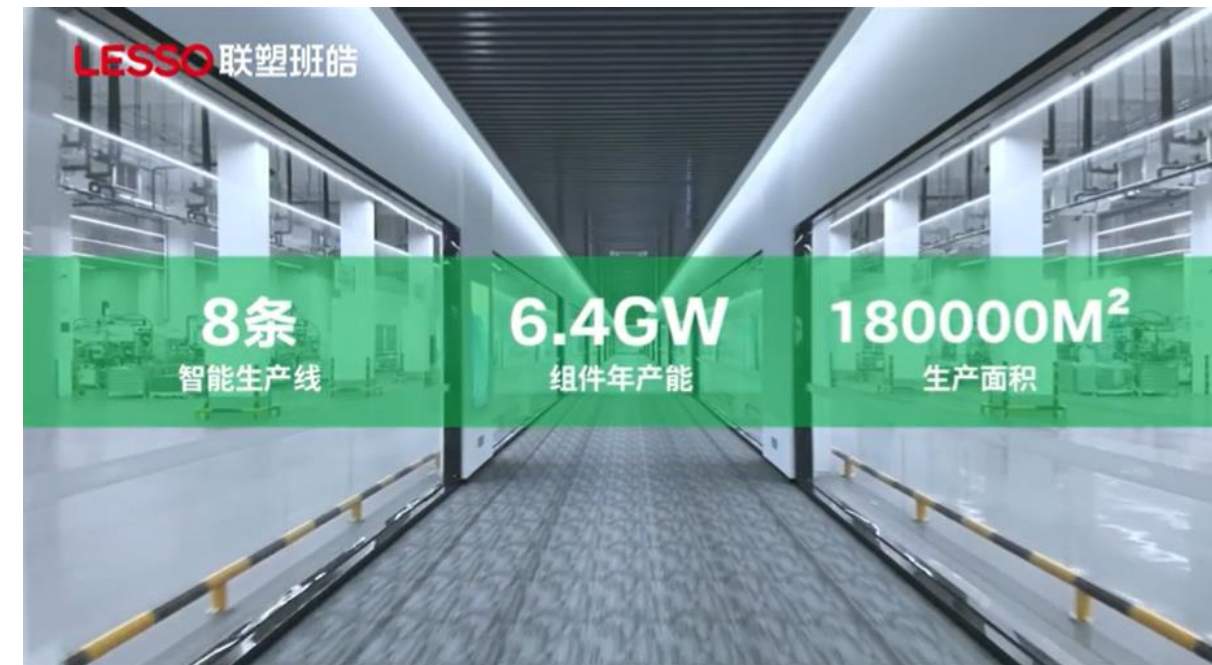


Increase production capacity through factory investment

Mar 2023 Shunde Daliang new factory completed



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



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.)

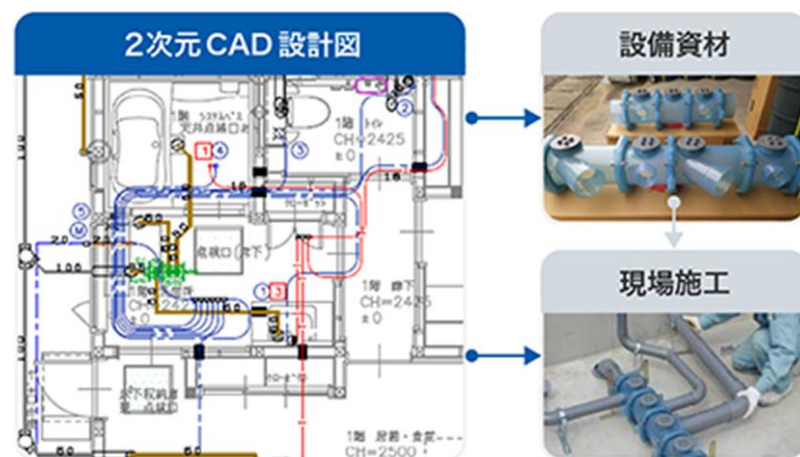
### New Business in Maintenance

**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



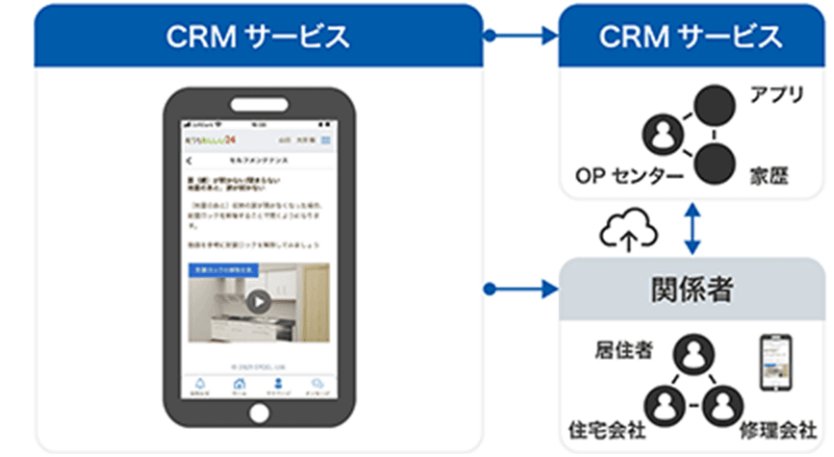
Future Business Model



Current Business Model



Future Business Model

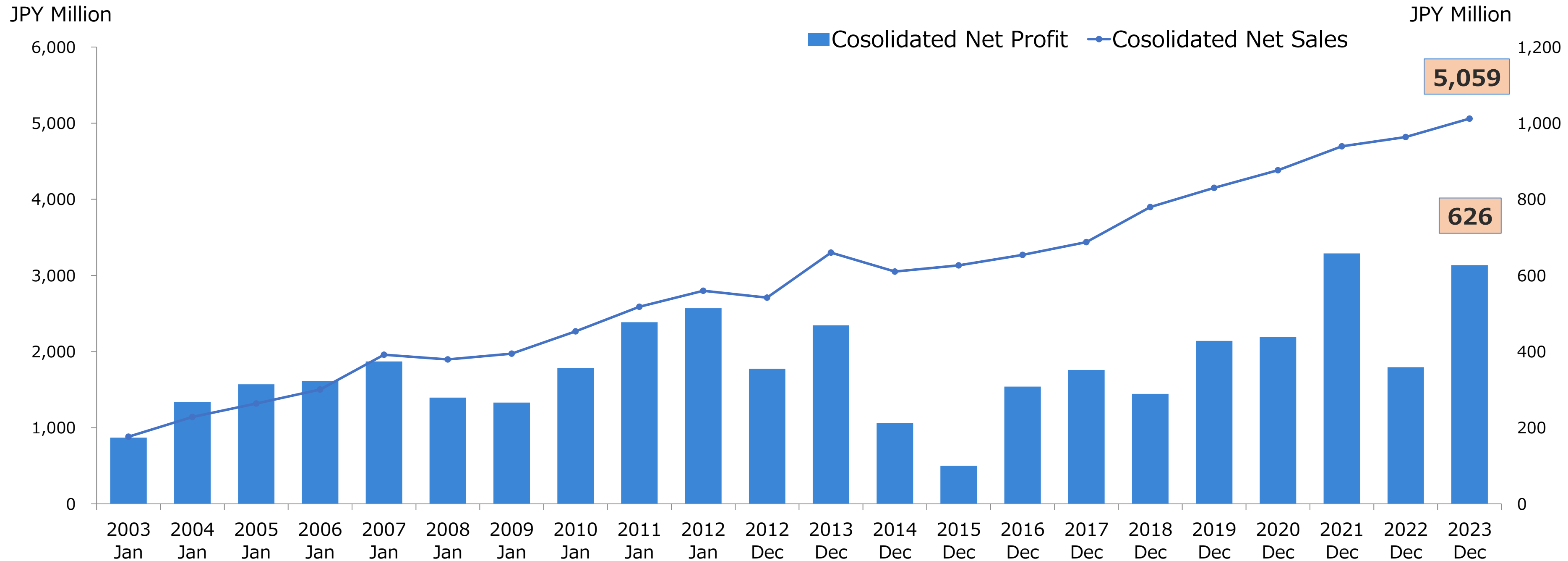


# EPCO Group's ESG Initiative

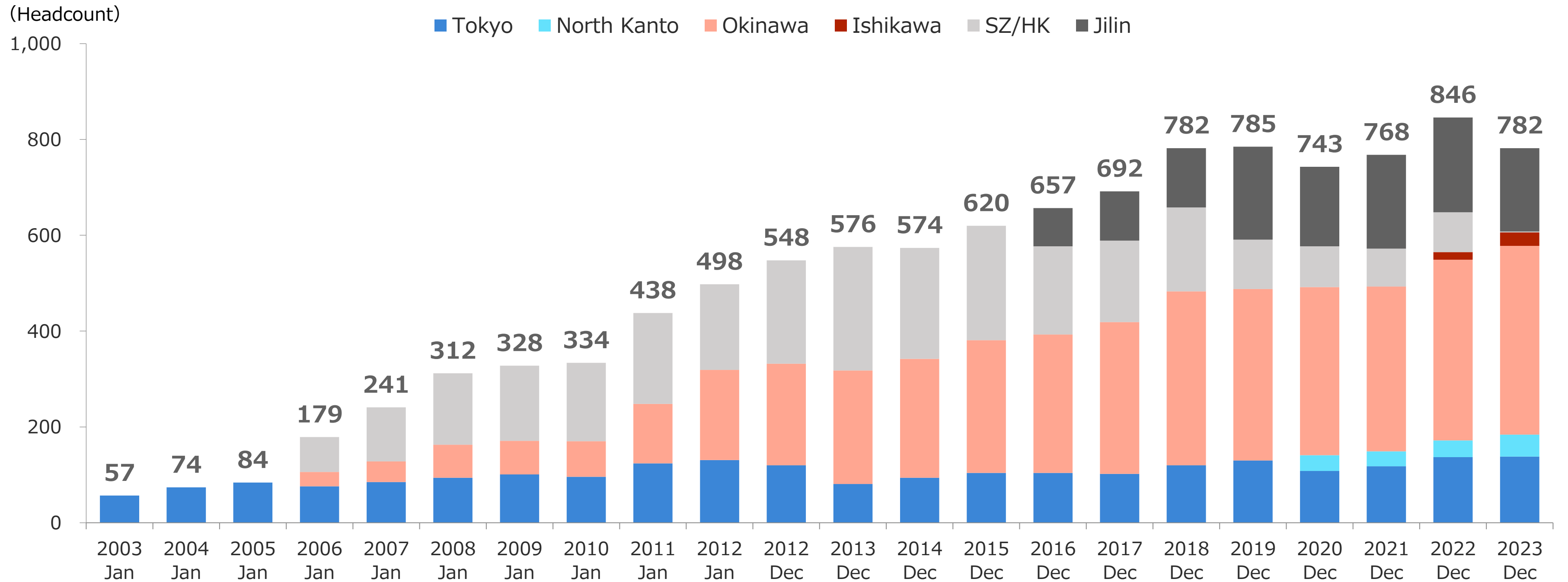
	Theme	Summary	Our Major Initiative	SDGs
Environment E	Environmental preservation through business activities	Reduction of industrial waste by pre-fabrication Visualization of CO2 emissions with BIM	Reduction of industrial waste through optimal design and pre-fabrication of housing facilities. Calculation of CO2 emissions in the building phase by BIM design.	
		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.	
	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	
	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 <a href="https://www.epco.co.jp/ir/">https://www.epco.co.jp/ir/</a> Policy on constructive dialogue with shareholders <a href="https://www.epco.co.jp/ir/dialogue.html">https://www.epco.co.jp/ir/dialogue.html</a>	
	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 60% is outside directors (3 out of 5) Corporate Governance report <a href="https://ssl4.eir-parts.net/doc/2311/ir_material6/226695/00.pdf">https://ssl4.eir-parts.net/doc/2311/ir_material6/226695/00.pdf</a>	
	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 Cpnsolidated Results (2002-2023)

Net sales and consolidated net profit have grown steadily, with no losses in the 22 years since the company was listed on the stock exchange.



# Consolidated Numbers of Employee

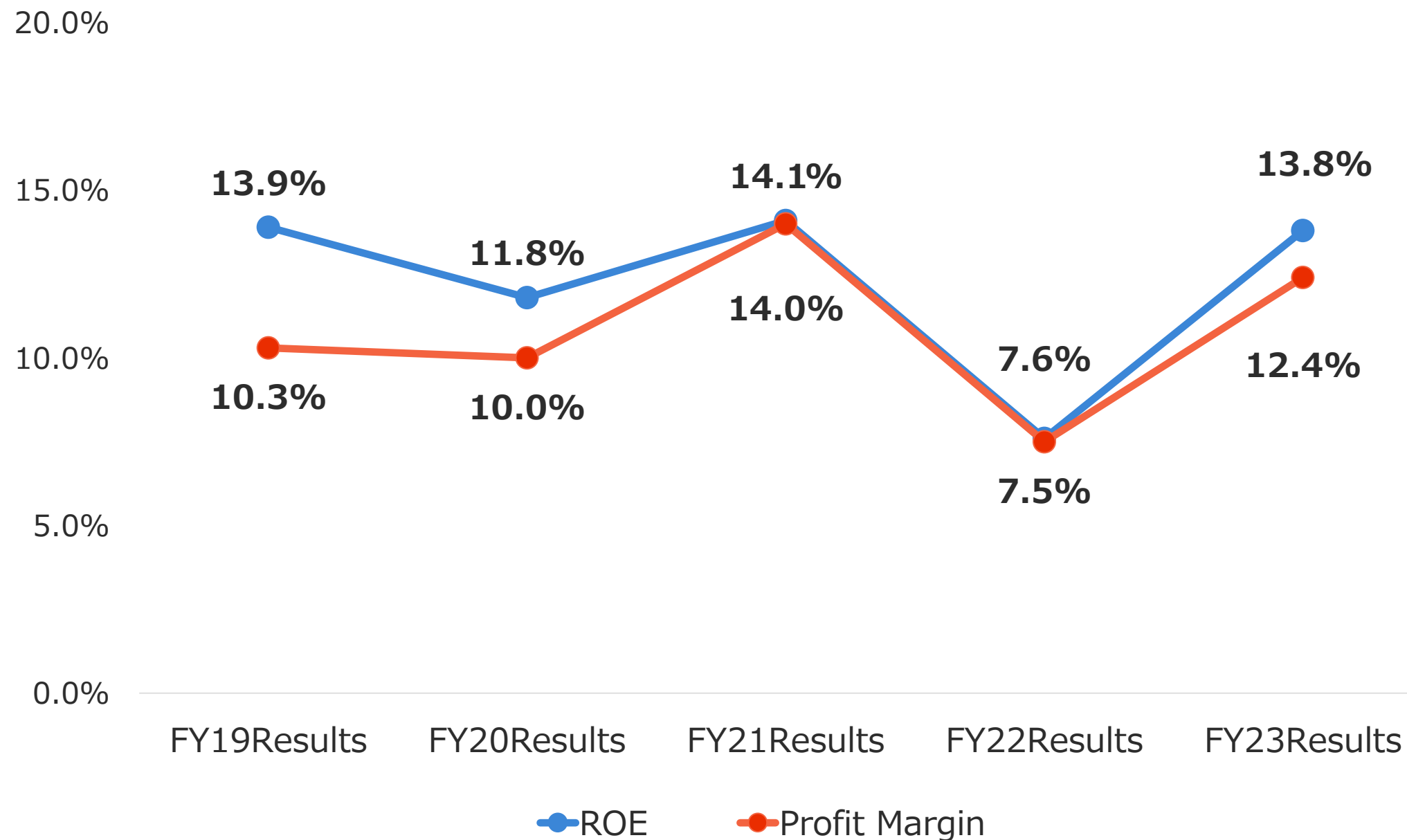


\*Including temporary employees (Counted temporary employee as average during the period)

# Important 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】

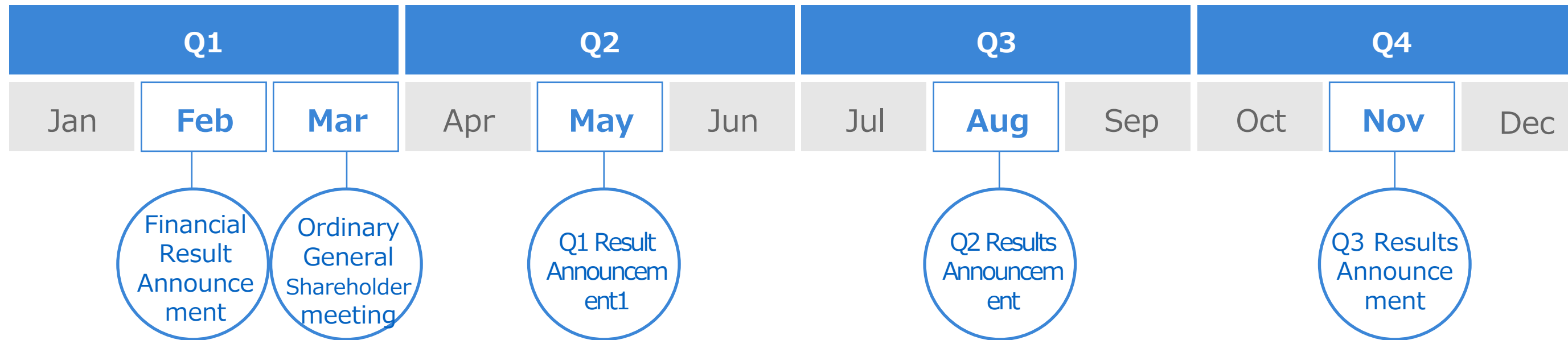
① Improve profit margin by promoting the medium term business plan.

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.







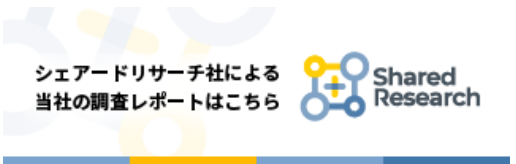



# IR Schedule 2024 (Planned)



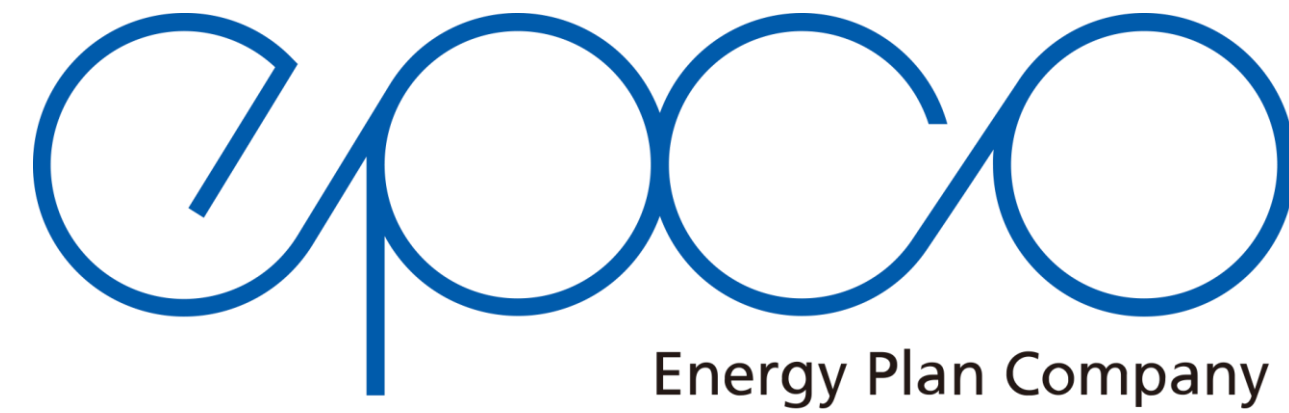
## 2024

Feb. 13 Tue	FY2023 Financial results announcement
Feb. 28 Wed	FY2023 Business plan briefing (Full-year)
Mar. 26 Tue	34 <sup>th</sup> 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
Aug. 28 Wed	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	<a href="https://www.epco.co.jp/ir/">https://www.epco.co.jp/ir/</a>	
	IR information E-mail distribution service	<a href="https://www.epco.co.jp/ir/mail.html">https://www.epco.co.jp/ir/mail.html</a>	
	ENGLISH (IR)	<a href="https://www.irstreet.com/new/en/brand/index.php?brand=159">https://www.irstreet.com/new/en/brand/index.php?brand=159</a>	
	Analyst Report	<a href="https://sharedresearch.jp/ja/companies/2311">https://sharedresearch.jp/ja/companies/2311</a>	
	Contact Us	<a href="https://www.epco.co.jp/contact/contact.php">https://www.epco.co.jp/contact/contact.php</a>	





**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.