

Business Portfolio.



Business Overview

EPCO Co., Ltd.



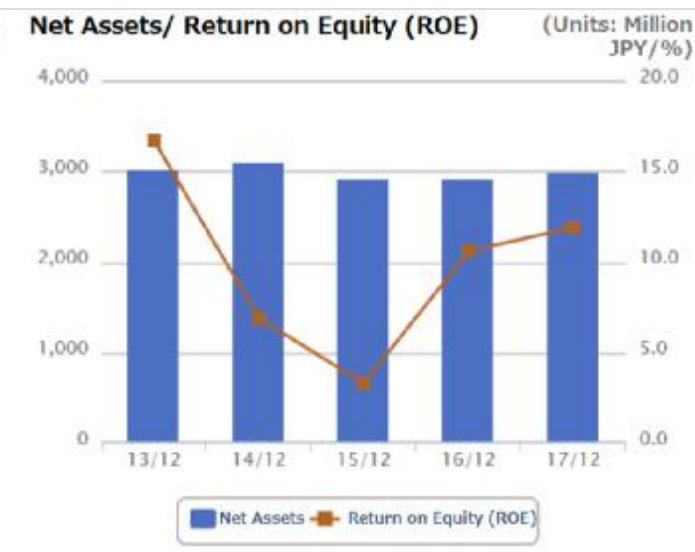
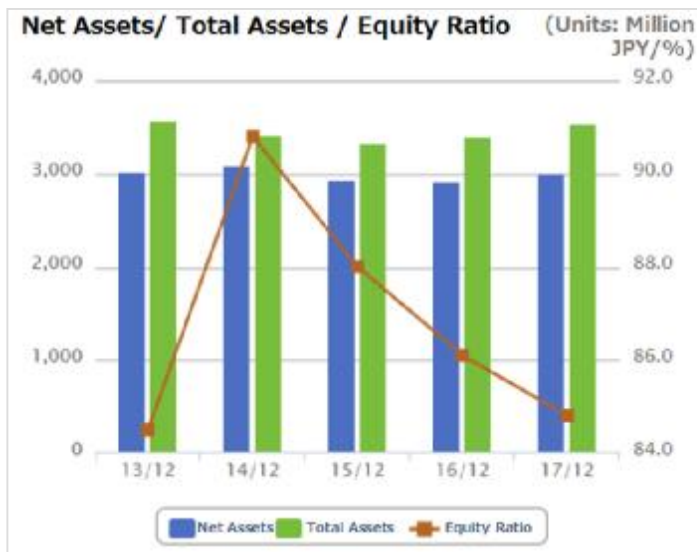
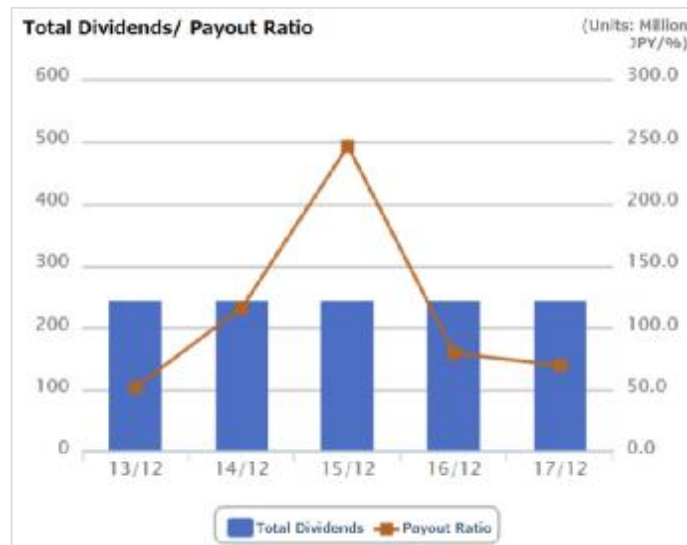
1. About EPCO

Company Name	EPCO Co., Ltd.
Tokyo Head Office	12th Floor, OLINAS TOWER, 4-1-3 Taihei, Sumida-ku, Tokyo, 130-0012 Japan
Established	12 April, 1990
Capitalization	87 million yen
Number of Employees	469 (Group Total: 735) Board, staff, temporary staff, temporary worker *As of 30st Jun, 2018
Directors	President & Group CEO Yoshiyuki Iwasaki Representative Director CFO Shinichiro Yoshihara Director Junya Yasuoka Director Toru Miyano Outside Director (Board of Auditors) Satomi Katsumata Outside Director (Board of Auditors) Mitsutoshi Masuda Outside Director (Board of Auditors) Takafumi Jogan

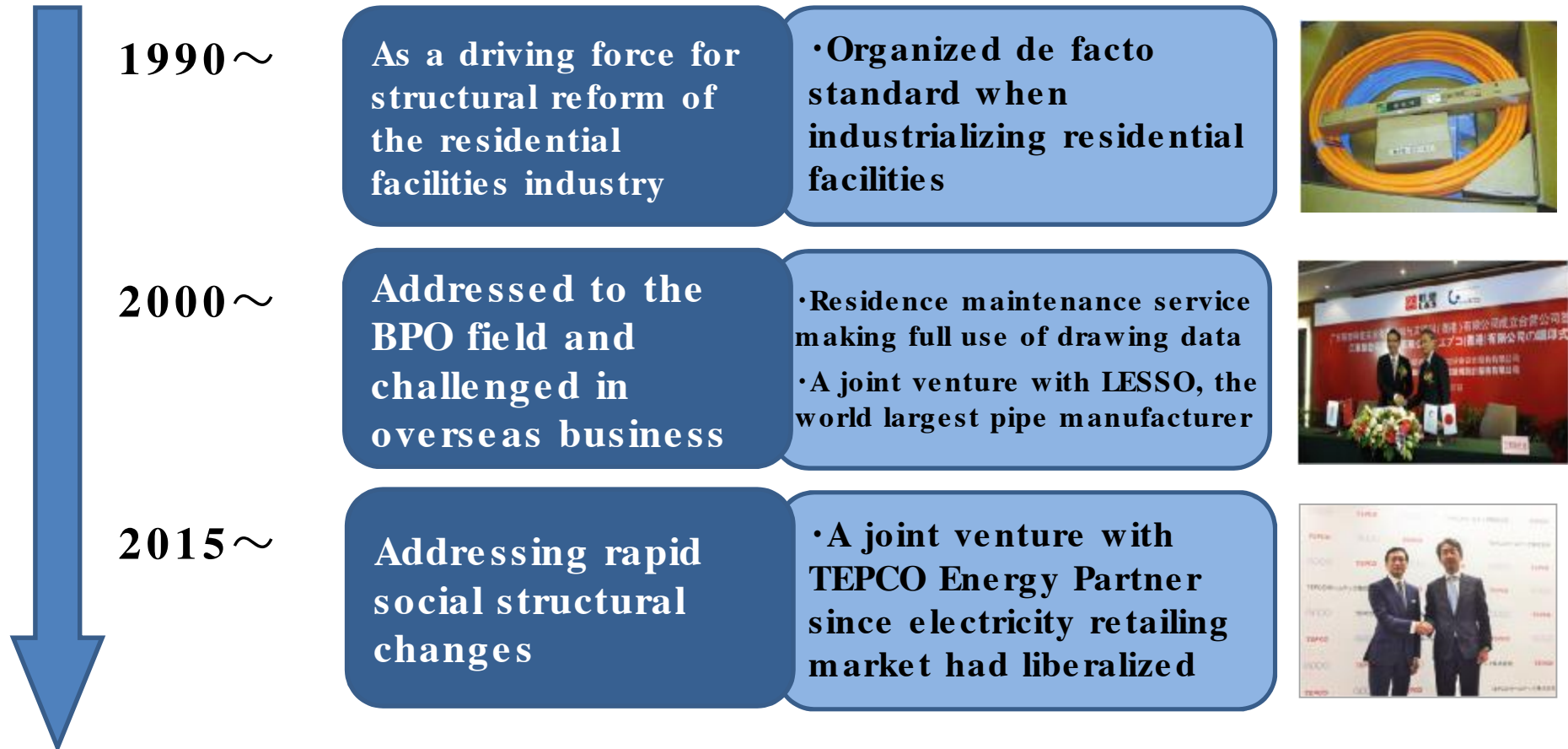
Achievement Highlights

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We have completed a willing prior investment in energy conservation business and have recovered profit from FY2016.



EPCO, an infrastructure company that supports peoples' residences and livings

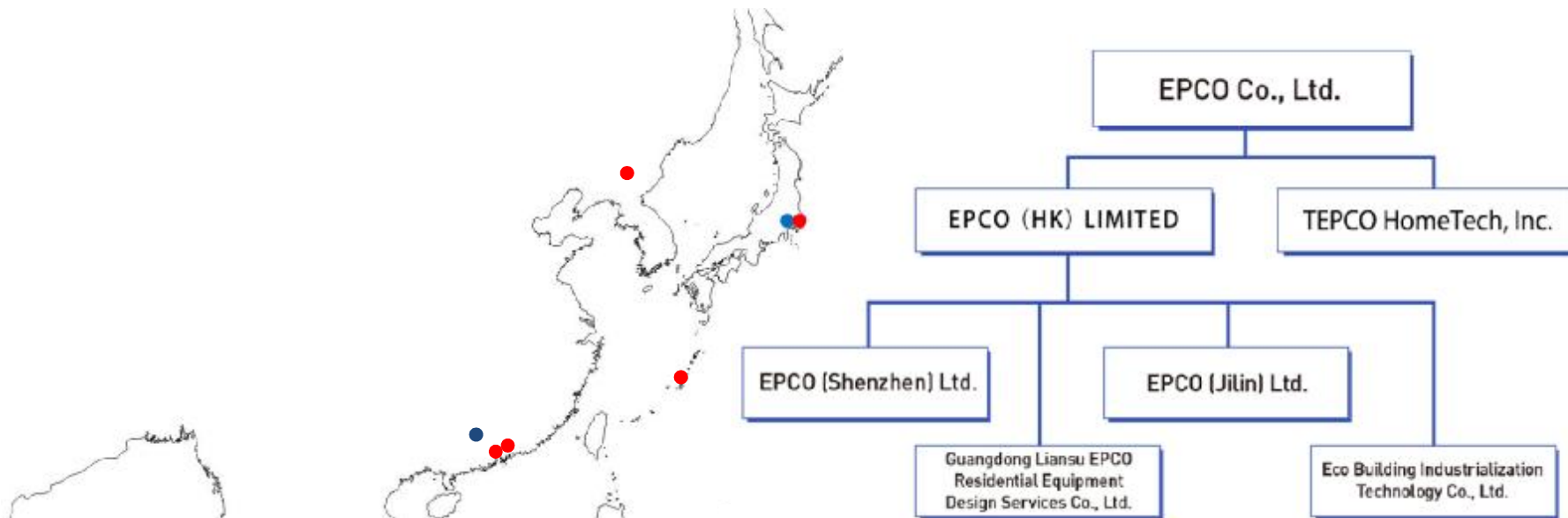


We distribute risk with a tri-polarity by separating our bases in TOKYO, OKINAWA, and CHINA.

「TOKYO」 as headquarters function and bases for domestic sales, system development, and new business.

「OKINAWA」 as the information center, where the Design Center and Maintenance Center located.

「CHINA」, head office in Hong Kong, CAD centers in Shenzhen and Jilin, and the joint venture company with LESSO in Foshan.



Sumida-ku TOKYO
(Headquarters)



Naha-shi OKINAWA
(Design Center)



Naha-shi OKINAWA
(Maintenance Center)



Admiralty, HONGKONG
(Asian Head Office)



Shenzhen GUANGDONG
(CAD Center)



Jilin JILIN
(CAD Center)



Foshan GUANGDONG

(A joint venture between LESSO and us: Guangdong Liansu EPCO Residential Equipment Design Services Co., Ltd)



Established	August 2011
Business Lineup	Design and executing construction of prefabricated residences and facilities
Investment Scale	10 million RMB
Share-holding Ratio	LESSO 50 % EPCO 50 %
Chairperson	Yoshiyuki Iwasaki

Sumida-ku TOKYO

(A joint venture between TEPCO EP and us: TEPCO HomeTech, Inc.)



Established	August 2017
Business Lineup	Design and executing construction of energy-saving facilities
Investment Scale	950 million JPY
Share-holding Ratio	TEPCO EP 51 % EPCO 49 %
President	Yoshiyuki Iwasaki

2. EPCO's Basic Strategies

The core business will keep on supporting our earning basis :
The Design Service , The Maintenance Service .

In the mid-term management plan,
the joint venture between TEPCO EP should become a Growth Driver.
A continuous Portfolio Management in 3 residential categories.

Energy-saving renovation Service
(for existing houses)

【B2C】 : Ordinary household
【Industry Situation】 :
Energy-saving services
expand due to liberalization in
electricity and gas retailing
markets, cost of energy, and
environment issues.

Design Service
(for new houses)

**【B2B】 : Housing builders,
product manufacturers and so
on**
【Industry Situation】 :
BPO services expand due to
the shortage of workforce.

Maintenance Service
(for existing houses)

**【B2B2C】 : Housing builders,
product manufacturers and so on**
【Industry Situation】 :
Maintenance services expand due
to the decreasing number of
newly-built houses.

(2) Establishment of New Growing Field

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Looking ahead to the future business issues which biased domestically in Japan, we specify 2 business fields where we have strengths in thus to plan business development in China and other Asian countries.

1

Prefabrication



2

Energy-saving Services



The primary target is CHINA and ASIAN markets where economic growth is continuous, and the middle class is expanding.

We will link up with LESSO, the joint venture in China, TEPCO, and significant shareholders Panasonic, LIXIL, and furthermore with a general trading company which is developing business in Asian countries.

3. Initiatives of Core Business

We develop the most significant facilities design service business in Japan

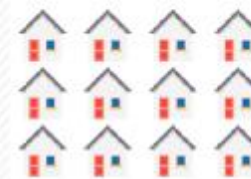
Our primary business is to provide various design services for facilities and architecture-related fields.

Our strengths are facilities design corresponding to regional municipalities and a fulfilling design system with bases both in Japan and abroad.

Design Service Relations



It is approximately 14% of total number of low-rise housings (detached houses / apartments) built per year.



Total Number of Designed Facilities

Approximately
1,000,000 houses

We have experiences in facility design for over 1 million houses.



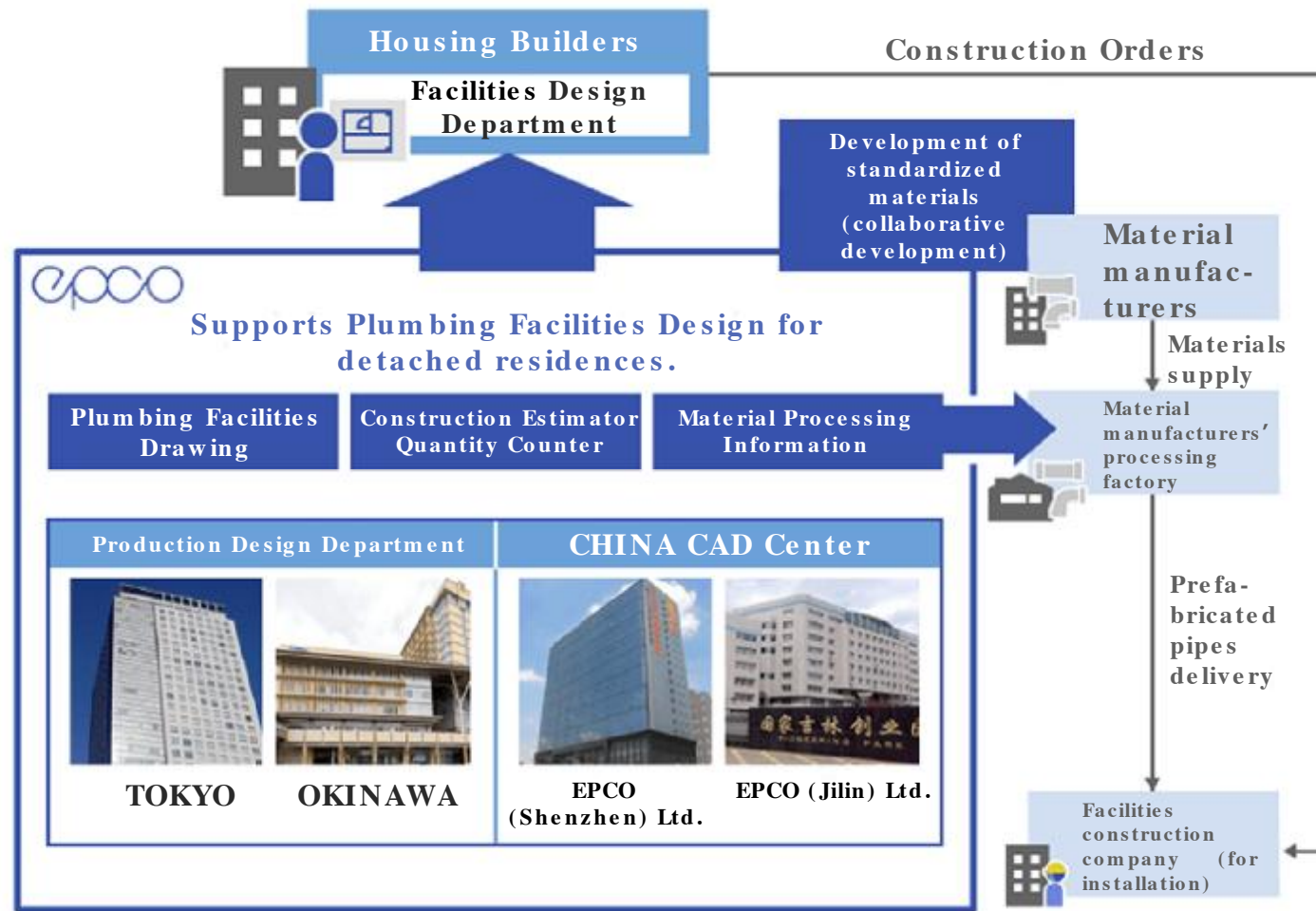
Network of **2,500** Partner
Construction Companies
All Over Japan

We have contract with construction companies to cooperate in offering high quality services.

(1) Design Service Business

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The design service we provide is characterized by a prefabrication system that first aggregates material information from the design drawing, then prefabricates the parts at the factory, and links it to on-site delivery.

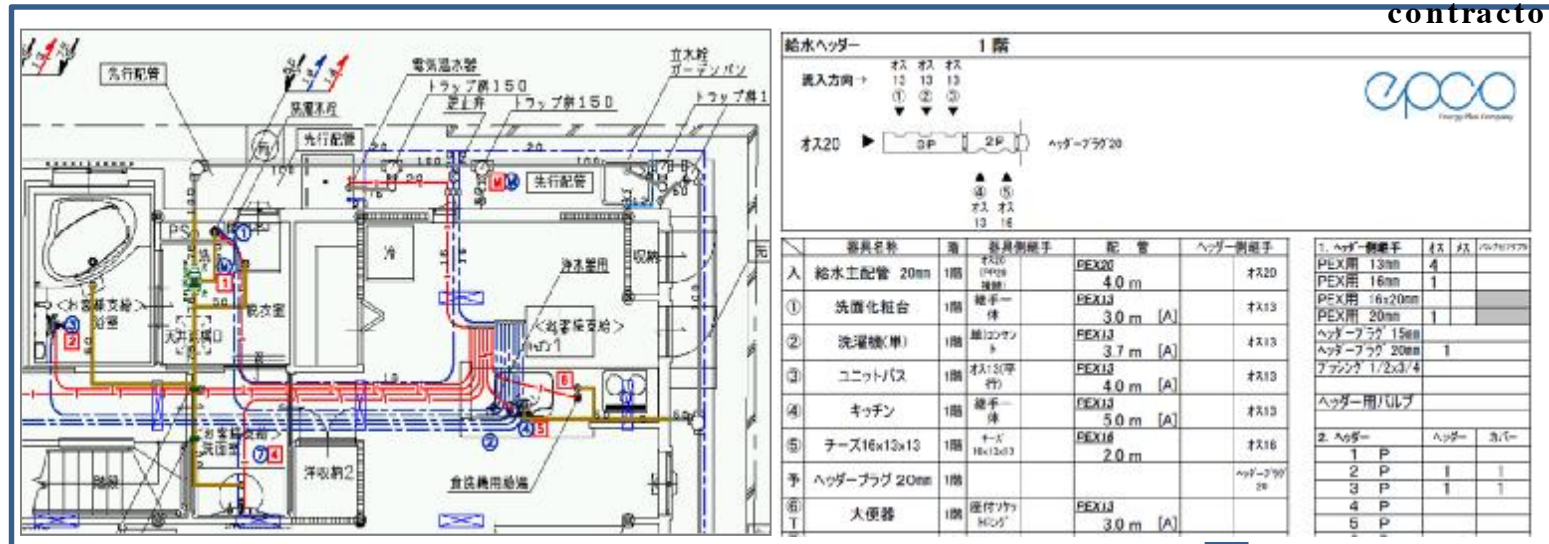


(1) Design Service Business

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Business Flow:

Facilities Design Drawing → Prefabrication Drawing (EPCO) → Picking materials (Alliance factory) → On-site executing construction (Designated contractor)



The Design services and Design system we are providing.

Facilities Design



- Plumbing Facilities Design
- Electrical Facilities Design
- Unit Wiring Drawing
- Rain Gutter Design
- Air Conditioner Design
- Unit Bath Design

Designing Staffs

482 *As of 30st June 2018
Japan 217 China 265

Architect Design



- Structural Design
- ZEH Application Support
- Sales Presentation Drawing
- Safety Net Drawing

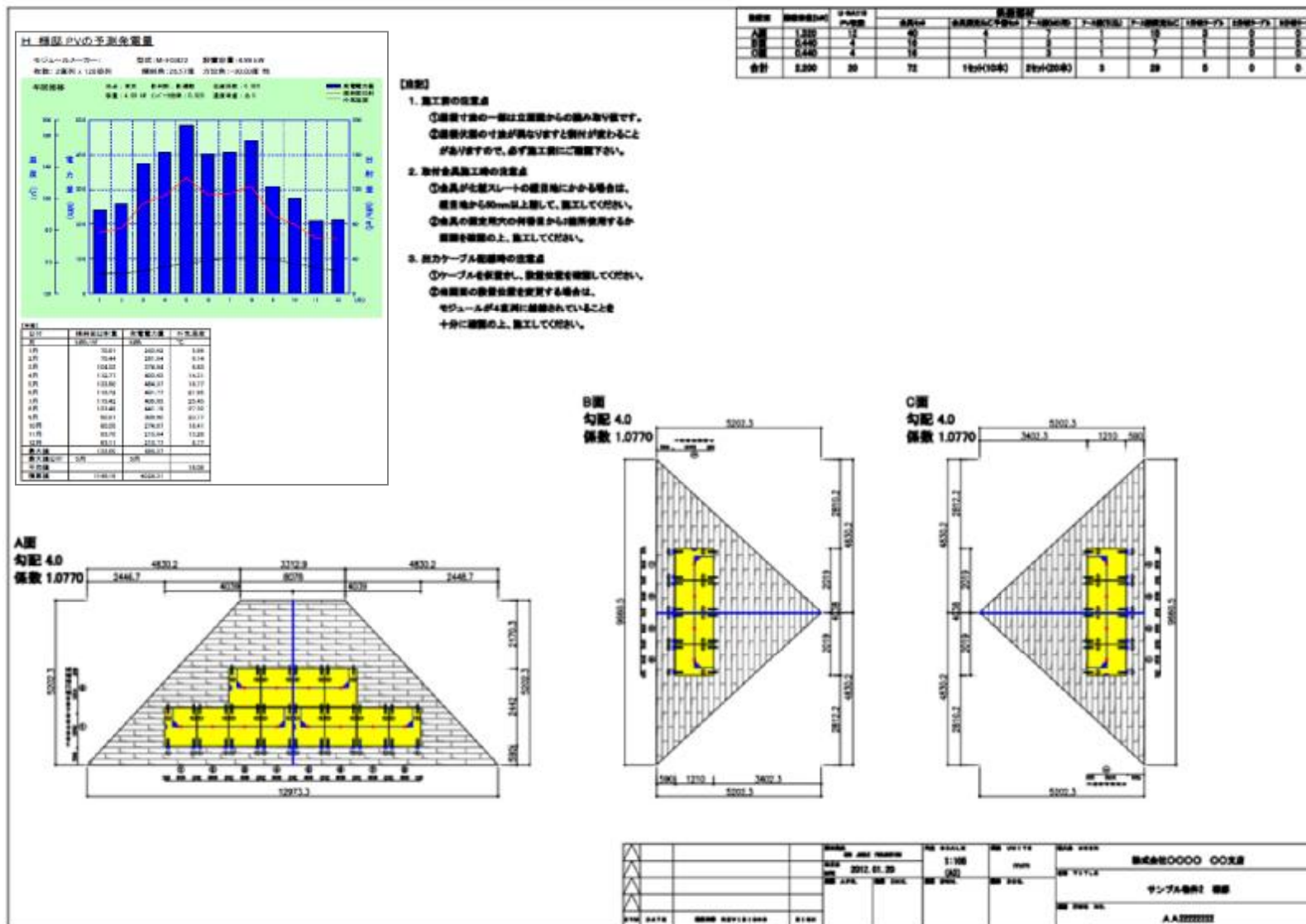
Energy-saving Design



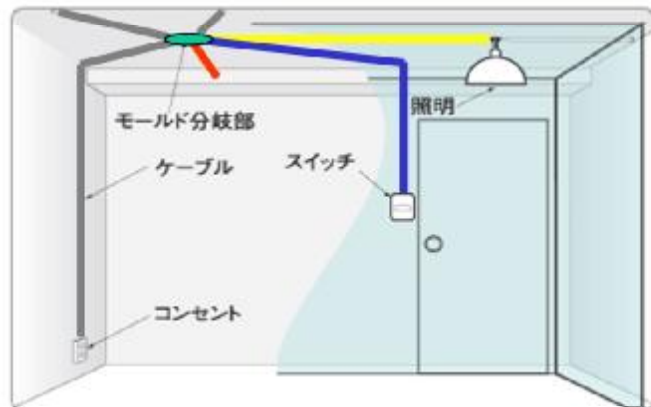
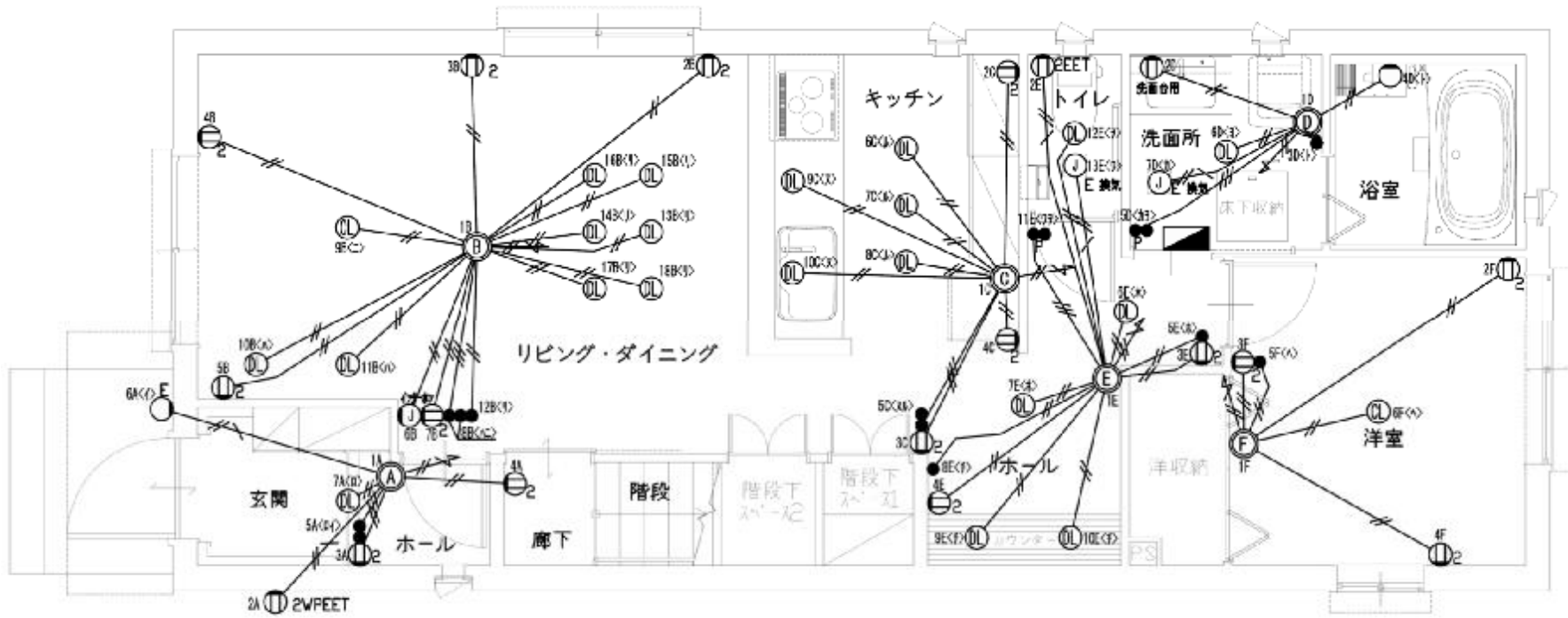
- Solar Panel Design
- Power Generation Simulation
- Storage Battery Design
- Power Storage Simulation



Our Works (Solar Panel Drawing)



Our Works (Unit Wiring Drawing)



Product items that we provide the design service

Energy-saving/ Electrical Material Products



Residential Facilities Products



Building Material Products



Piping Products



We develop a residential maintenance service throughout Japan

We offer call center service for after-sales maintenance in general residence.

Maintenance specialist answers call 24 hours 365 days and arrange alliance partner for repair throughout Japan.



Number of Households Under Our Management

Approximately

1,100,000 households

We provide after-sales customer services throughout the country.



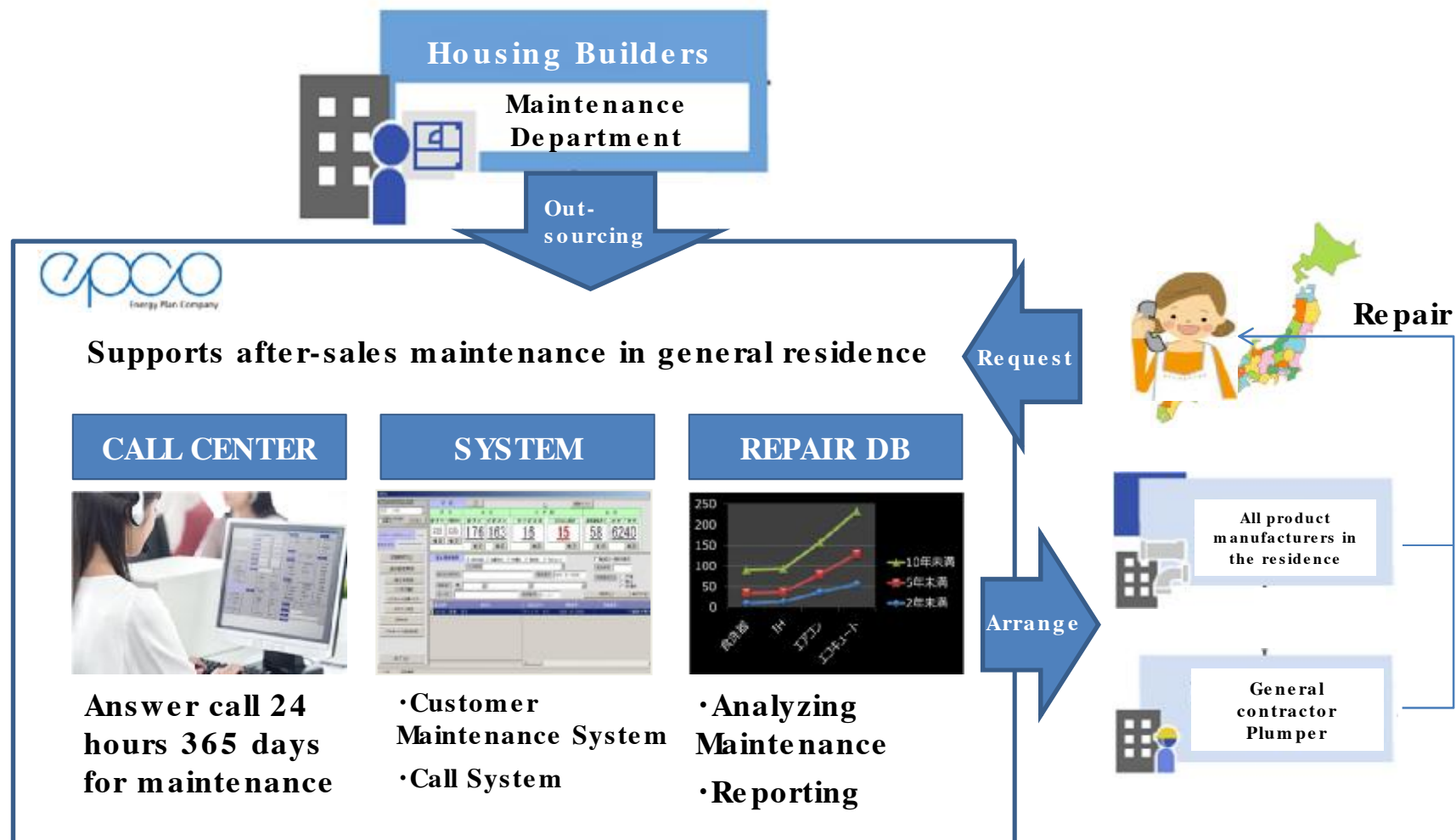
Network of **23,000** Partner
Repair Service Companies
All Over Japan

We have contract with repair service companies to provide maintenance service for residences.

(2) Maintenance Service Business

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The Maintenance Service we provide arranges repair request directly from the call center to an alliance partner. Besides, our maintenance system featured on the consistency; it enables the in-house developed customer maintenance management system to manage maintenance information, analyze repair contents, traceability, which leads to renovation.



Overview of our call center

【NAHA-shi: Approximately 180 staffs
* As of June 2018】



【Courtyard Lounge】



【Indoor Lounge】



【Call center: Separated by company】



【Training room】



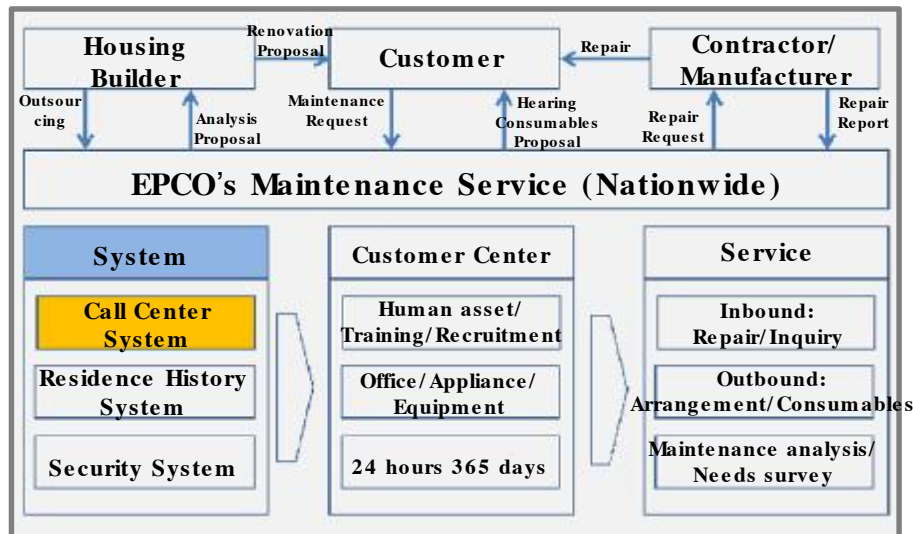
【Siesta corner】



(2) Maintenance Service Business

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Overview of Call Center System



【ACD Function】

A system that controls and distribute calls automatically to avoid concentration on a specific phone and manages total calls and number of cases processed by an operator.



【MIS Function】

Display real-time incoming status both on the TV screen in the support center as well as on the administrators' PC screen. A system that aims at reducing the number of waiting calls by monitoring the operating status constantly.

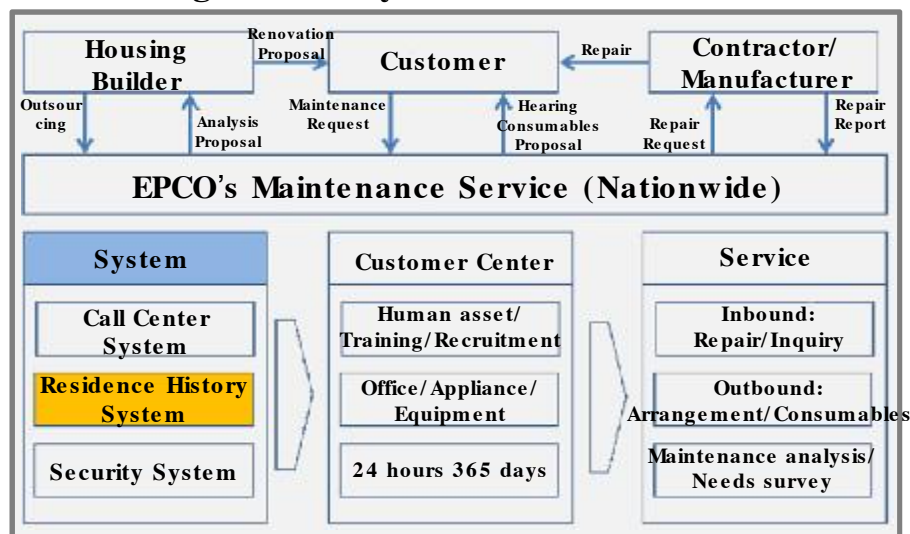


【CTI Function】

A system that links the CTI function and the residence history system and automatically displays customer information, maintenance history, the company in charge, and so on, at the same time as receiving the call, it's a system that leads to a quick response.

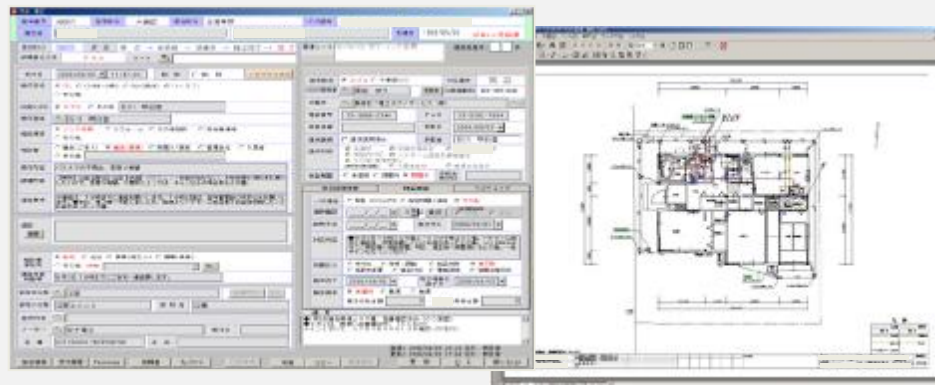


Overview of Customer Maintenance Management System



【Customer Management Function】

The system that manages customer maintenance histories. Besides past maintenance contents, architectural drawings and so on are also registered on it, enabling qualified repair request.



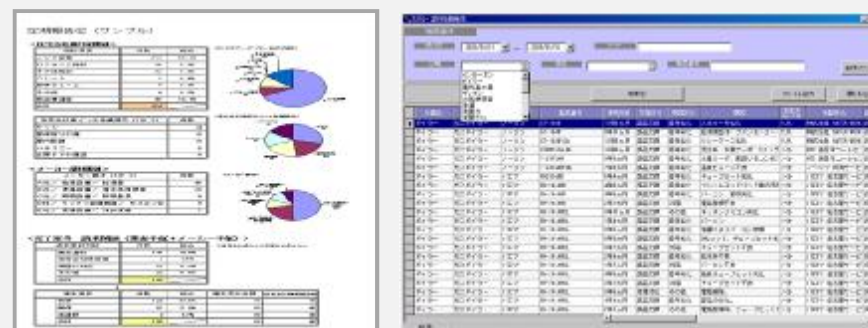
【Repair request/Report function】

Registered list of the contractor(by job category, who was in charge of each customer) and the maintenance company(by installed equipment manufacturers) enables quick repair arrangement. All repair reports also logged in the system.



【Maintenance analysis/Traceability function】

Creating daily/monthly report of repair content and analyzing statistically of repair point/aging/region are installed functions. Besides those, traceability function enables quick parts replacement and so on.



(2) Maintenance Service Business

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By using our customer maintenance management system, for example, it is possible to aggregate by product manufacturer years of use/ repair contents/ product number/ cause of damage and so on to make analysis, traceability, and renovation proposal.

カスタマー 部材情報検索

1. 検索条件

2. 受付日 2005/03/01 ~ 2005/03/18

3. メーカー

4. 分類

5. 部品

6. 製品番号

7. 条件クリア

8. 検索(E)

9. ファイル出力

10. 閉じる(C)

11. 分類名

12. 製品番号

13. 使用年数

14. 交換区分

15. 原因区分

16. 原因

17. 手配先区分名

18. 手配先名

19. 読み

20. 40件

インターホン Intercom
ボイラー Boiler
電気温水器 Electrical Boiler
キッチン Kitchen
火気使用室 Kitchen
洗濯 Laundry
洗面台 Wash basin
洗面・トイレ Lavatory Toilet

11. 分類名	12. 製品番号	13. 使用年数	14. 交換区分	15. 原因区分	16. 原因	17. 手配先区分名	18. 手配先名	19. 読み
ボイラー	ガスボイラー	11年6ヵ月	部品交換	経年劣化	入水サーモ劣化	W.W.		お客
ボイラー	ガスボイラー	3年11ヵ月	部品交換	経年劣化	給湯側配管・ファンモーター	W.W.		お客
Boiler	Gas Boiler	11y6m	Parts exchange	Aging	Water thermometer deterioration			お客
ボイラー	ガスボイラー	10年0ヵ月	部品交換	経年劣化	混合弁、水量サーボ、0リング	メカ		お客
ボイラー	ガスボイラー	3年5ヵ月	部品交換	経年劣化	水量サーボ、風呂リモコン劣化	メカ		お客
ボイラー	ガスボイラー	7年8ヵ月	部品交換	経年劣化	温度ヒューズ不良	メカ		お客
ボイラー	ガスボイラー	5年4ヵ月	部品交換	経年劣化	チューブセット劣化	メカ		保証
ボイラー	ガスボイラー	4年8ヵ月	部品交換	経年劣化	フレイムロッドリード線の汚	メカ		お客
ボイラー	ガスボイラー	4年8ヵ月	部品交換	経年劣化	バーコン、前板劣化	メカ		お客
ボイラー	ガスボイラー	2年7ヵ月	部品交換	欠陥	電装基板不良	メカ		保証
ボイラー	ガスボイラー	3年11ヵ月	部品交換	その他	キッチンリモコン劣化	メカ		お客
ボイラー	ガスボイラー	1年4ヵ月	部品交換	経年劣化	バーコン	メカ		お客
ボイラー	ガスボイラー	3年8ヵ月	部品交換	経年劣化	落雷によりバーコン破損	メカ		お客
ボイラー	ガスボイラー	5年5ヵ月	部品交換	経年劣化	0HLセット、チューブセット劣	メカ		お客
ボイラー	ガスボイラー	3年7ヵ月	部品交換	欠陥	チューブセット不良	メカ		お客
ボイラー	ガスボイラー	2年4ヵ月	部品交換	経年劣化	給水弁不良	メカ		保証
ボイラー	ガスボイラー	1年7ヵ月	部品交換	欠陥	バーコン不良	メカ		保証
ボイラー	ガスボイラー	4年9ヵ月	部品交換	経年劣化	絶縁チューブセット劣化	メカ		お客
ボイラー	ガスボイラー	3年7ヵ月	部品交換	欠陥	チューブセット不良	メカ		保証
ボイラー	ガスボイラー	3年8ヵ月	修理対応	その他	電極掃除	メカ		保証
ボイラー	ガスボイラー	4年4ヵ月	部品交換	経年劣化	部品の劣化	メカ		お客
ボイラー	ガスボイラー	2年7ヵ月	部品交換	その他	電極部掃除、チューブセット	メカ		保証

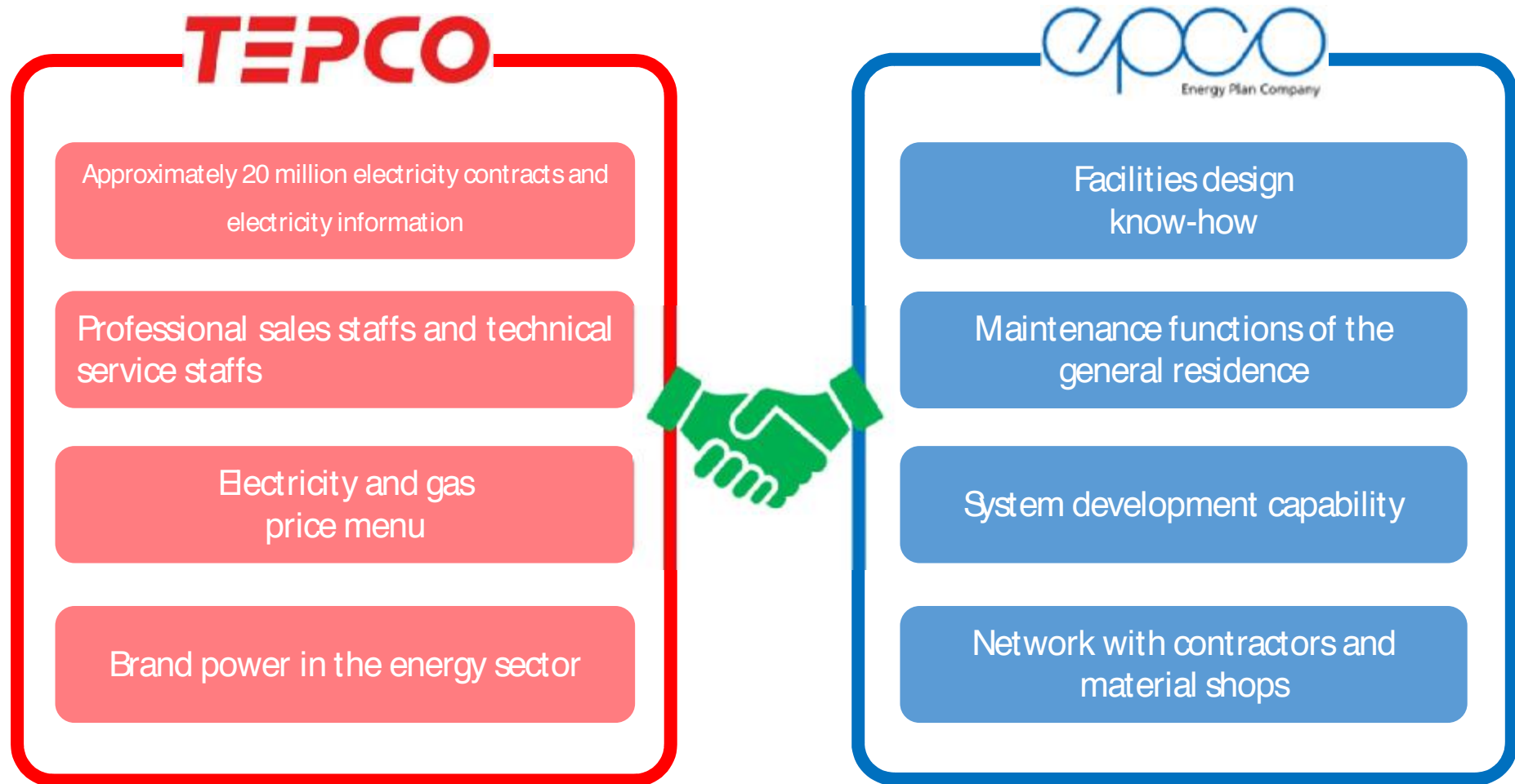
1. Search condition
2. Receipt date
3. Manufacturer
4. Category
5. Parts
6. Product No.
7. Clear
8. Search
9. File output
10. Close
11. Category Name
12. Product No.
13. Years of use
14. Exchange segment
15. Cause segment
16. Cause of damage
17. Arranged segment
18. Company in charge

4. Initiatives of Growth field (TEPCO HomeTech)

In August 2017, utilizing TEPCO Energy Partner (EP) and our company's advantages, TEPCO HomeTech, Inc., a residential energy-saving company was established.



We further multiplied TEPCO EP and EPCO's advantage to build a living platform.



TEPCO HomeTech is a practical strategic subsidiary of TEPCO EP

Company Name	TEPCO HomeTech, Inc.
Origin of Company Name	The engineering company by TEPCO and EPCO, so it's TEPCO HomeTech.
Management Philosophy	<ul style="list-style-type: none"> ● Contributing to Residences/Livings ● Contributing to the Environment ● Contributing to People ● Contributing to Fukushima ● Contributing to Japan
Established	9 August 2017
Location	12th Floor, OLINAS TOWER, 4-1-3 Taihei, Sumida-ku, Tokyo
Representative	President Yoshiyuki Iwasaki
Capital	475 million yen (Total investment: 950 million yen)
Investment Ratio	TEPCO Energy Partner, Inc. 51% EPCO Co., Ltd. 49%

Electricity Market Environment

- Gas retail market liberalization in 2017
- FIT (a feed-in tariff) expiration residences begin to appear in 2019
- Separation of transmission and generation of electricity in 2020

Low Carbonization of Residences (in new houses)

- **Aiming to realize ZEH (net zero energy house) as a standard in newly built houses by 2020, and in an average amount of newly built houses by 2030.* 1**

Revitalization of Renovation Market (in existing houses)

- To double renovations number for energy-saving by 2020, we will support in refurbishment to thermal insulation (with high-performance windows and insulation materials), and renewal to highly efficient hot-water supply facilities, etc. * 2

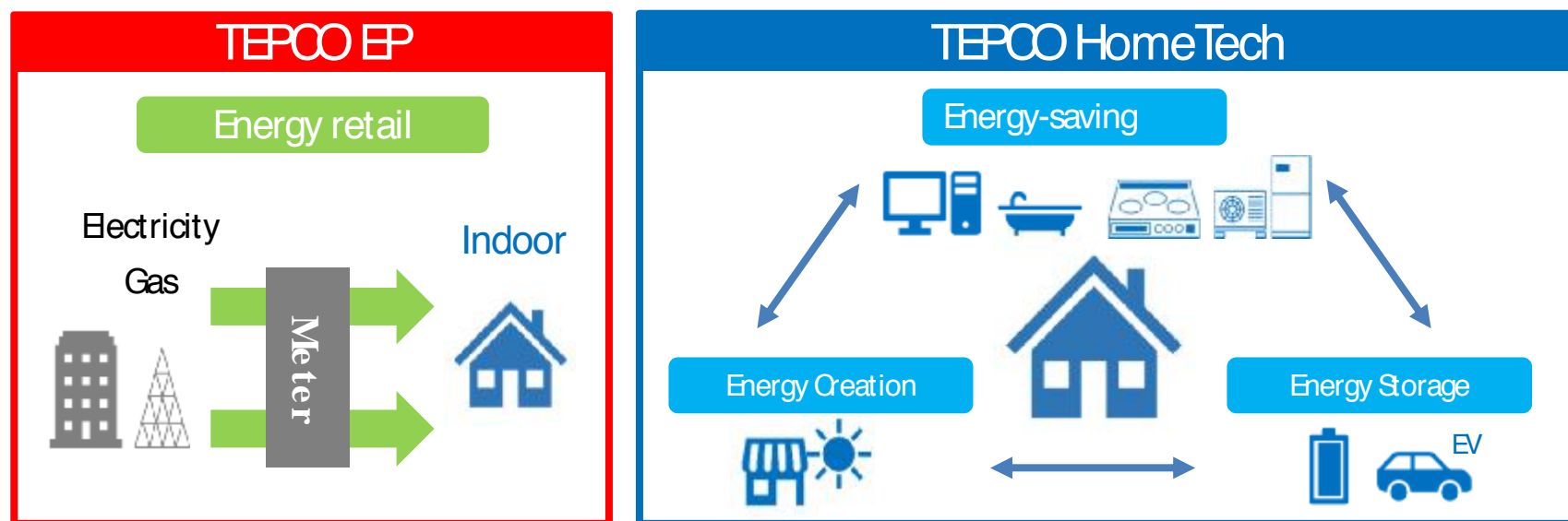
Next Generation Vehicle

- The ratio of a next-generation vehicle in new car sales aimed from 50% to 70% by 2030.* 1

*1 Excerpt from the Basic Energy Plan (Cabinet decision on 11 April 2014)

*2 Excerpt from Japan revival strategy 2016 (Cabinet decision on June 2, 2016)

Looking ahead to the growth of energy-saving society, we will sequentially expand our scope in the energy solutions business.



Establish an offensive and defensive compatible business model by TEPCO EP's electricity retailing business and TEPCO HomeTech's energy conservation business.

- ⇒ **Expansion of profit base besides electricity retailing**
- ⇒ **Maintaining electricity contracts**
- ⇒ **Lateral spreading the successful model in the Kanto region to nationwide (and overseas)**

Building a platform related to 3 residential categories and offers one-stop service.

【ZEH Facilities Construction】

【 for new houses 】



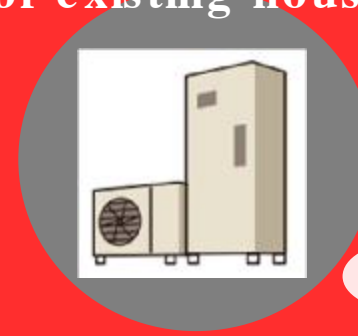
【Maintenance】

【for existing houses】



【Renovation for Energy-saving】

【for existing houses】



TEPCO the Living Platform

**Aims for Japan's largest
Energy-saving Company**