Business Portfolio.

Business Overview

EPCO Co., Ltd.
1. About EPCO
### Corporate Profile

<table>
<thead>
<tr>
<th><strong>Company Name</strong></th>
<th>EPCO Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tokyo Head Office</strong></td>
<td>12th Floor, OLINAS TOWER, 4-1-3 Taihei, Sumida-ku, Tokyo, 130-0012 Japan</td>
</tr>
<tr>
<td><strong>Established</strong></td>
<td>12 April, 1990</td>
</tr>
<tr>
<td><strong>Capitalization</strong></td>
<td>87 million yen</td>
</tr>
</tbody>
</table>
| **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

We have completed a willing prior investment in energy conservation business and have recovered profit from FY2016.
**EPCO, an infrastructure company that supports people's residences and livings**

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>1990~</td>
<td>As a driving force for structural reform of the residential facilities industry</td>
</tr>
<tr>
<td></td>
<td>• Organized de facto standard when industrializing residential facilities</td>
</tr>
<tr>
<td>2000~</td>
<td>Addressed to the BPO field and challenged in overseas business</td>
</tr>
<tr>
<td></td>
<td>• Residence maintenance service making full use of drawing data</td>
</tr>
<tr>
<td></td>
<td>• A joint venture with LESSO, the world largest pipe manufacturer</td>
</tr>
<tr>
<td>2015~</td>
<td>Addressing rapid social structural changes</td>
</tr>
<tr>
<td></td>
<td>• A joint venture with TEPCO Energy Partner since electricity retailing market had liberalized</td>
</tr>
</tbody>
</table>
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.
Introducing each BASE

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)
### Introducing each BASE

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

<table>
<thead>
<tr>
<th>Established</th>
<th>August 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Lineup</td>
<td>Design and executing construction of prefabricated residences and facilities</td>
</tr>
<tr>
<td>Investment Scale</td>
<td>10 million RMB</td>
</tr>
<tr>
<td>Shareholding Ratio</td>
<td>LESSO 50%  EPCO 50%</td>
</tr>
<tr>
<td>Chairperson</td>
<td>Yoshiyuki Iwasaki</td>
</tr>
</tbody>
</table>

#### Sumida-ku TOKYO
(A joint venture between TEPCO EP and us: TEPCO HomeTech, Inc.)

<table>
<thead>
<tr>
<th>Established</th>
<th>August 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Lineup</td>
<td>Design and executing construction of energy-saving facilities</td>
</tr>
<tr>
<td>Investment Scale</td>
<td>950 million JPY</td>
</tr>
<tr>
<td>Shareholding Ratio</td>
<td>TEPCO EP 51%  EPCO 49%</td>
</tr>
<tr>
<td>President</td>
<td>Yoshiyuki Iwasaki</td>
</tr>
</tbody>
</table>
2. EPCO's Basic Strategies
(1) Core Business for our Firm Earning Basis

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.
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
(1) Design Service 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

- 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.

Number of Designed Facilities

- Approximately 100,000 houses per year
  - One of the largest in Japan

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

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

Business Flow:
Facilities Design Drawing → Prefabrication Drawing (EPCO) → Picking materials (Alliance factory) → On-site executing construction (Designated contractor)
(1) Design Service Business

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

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

<table>
<thead>
<tr>
<th>Designing Staffs</th>
<th>482 *As of 30st June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan 217 China 265</td>
<td></td>
</tr>
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</table>

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(1) **Design Service Business**

**Our Works** (Unit Bath Executing Construction Drawing)
(1) Design Service Business

Our Works (Solar Panel Drawing)
(1) Design Service Business

Our Works (Unit Wiring Drawing)
(1) Design Service Business

Product items that we provide the design service

Energy-saving/Electrical Material Products

Residential Facilities Products

Piping Products

Building Material Products
(2) Maintenance Service Business

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.

Customer Service Relations

Number of Offered Customer Services

Approximately 550,000 cases per year

We can handle residential customer services for 24 hours / 365days.

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

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.

Supports after-sales maintenance in general residence

**CALL CENTER**
- Answer call 24 hours 365 days for maintenance

**SYSTEM**
- Customer Maintenance System
- Call System

**REPAIR DB**
- Analyzing Maintenance
- Reporting
Overview of our call center

[NAHA-shi: Approximately 180 staffs *As of June 2018]

【Call center: Separated by company】

【Courtyard Lounge】

【Training room】

【Indoor Lounge】

【Siesta corner】
(2) Maintenance Service Business

Overview of Call Center System

EPCO's Maintenance Service (Nationwide)

System
- Call Center System
- Residence History System
- Security System

Customer Center
- Human asset/Training/Recruitment
- Office/Appliance/Equipment
- 24 hours 365 days

Service
- Inbound: Repair/Inquiry
- Outbound: Arrangement/Consumables
- Maintenance analysis/Needs survey

【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.

【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.

【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

EPCO's Maintenance Service (Nationwide)

【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.

【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.
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.
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**
- Approximately 20 million electricity contracts and electricity information
- Professional sales staffs and technical service staffs
- Electricity and gas price menu
- Brand power in the energy sector

**EPCO**
- Facilities design know-how
- Maintenance functions of the general residence
- System development capability
- Network with contractors and material shops
### TEPCO HomeTech, Inc. Corporate Profile

**TEPCO HomeTech is a practical strategic subsidiary of TEPCO EP**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>TEPCO HomeTech, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Origin of Company Name</td>
<td>The engineering company by TEPCO and EPCO, so it’s TEPCO HomeTech.</td>
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</tbody>
</table>
| Management Philosophy | ● 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% |
<table>
<thead>
<tr>
<th><strong>Electricity Market</strong> Environment</th>
<th><strong>Low Carbonization of Residences</strong> (in new houses)</th>
<th><strong>Revitalization of Renovation Market</strong> (in existing houses)</th>
<th><strong>Next Generation Vehicle</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>● Gas retail market liberalization in 2017</td>
<td>● <strong>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.</strong> ≠1</td>
<td>● 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</td>
<td>● The ratio of a next-generation vehicle in new car sales aimed from 50% to 70% by 2030. ≠1</td>
</tr>
</tbody>
</table>

≠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】
【Maintenance】
【Renovation for Energy-saving】

TEPCO the Living Platform

Aims for Japan's largest Energy-saving Company