

April 4, 2022

Sumitomo Realty & Development Co., Ltd.
TEPCO Energy Partner, Inc.

The Industry's No.1 Shinchiku Sokkurisan Remodeling Business to Start Offering SUMIFU x ENEKARI, a Solar Power Generation Service that Delivers Continuous Peace of Mind
Enables the installation of solar panels and storage batteries at zero initial cost, together with seismic reinforcement

Sumitomo Realty & Development Co., Ltd. (Headquarters: Shinjuku-ku, Tokyo; President: Kojun Nishima; hereinafter "Sumitomo Realty") and TEPCO Energy Partner, Inc. (Headquarters: Chuo-ku, Tokyo; President: Nobuhide Akimoto; hereinafter "TEPCO EP") are actively promoting initiatives that apply their strengths in their respective business areas, under their Decarbonization Lead Project Agreement. Such initiatives includes increasing the total amount of renewable energy generated, through promoting the installation of residential solar power generation equipment. As part of this effort, since last September, we have been offering SUMIFU X ENEKARI, a service to install solar panels and storage batteries at a zero initial cost into detached houses that are newly constructed by Sumitomo Realty. This service also provides support including equipment repairs and upgrades for the entire period of residency.

To further promote the spread of residential solar power generation equipment, **the two companies will begin offering SUMIFU x ENEKARI in the Shinchiku Sokkurisan remodeling business from April 8 (Fri.). With this service, even existing detached houses can install solar panels and storage batteries at zero initial cost, together with seismic reinforcement. This will provide customers with a home that offers continuous peace of mind, while also contributing to the environment.**

◆ Achieving a sustainable society with Shinchiku Sokkurisan and SUMIFU x ENEKARI

Shinchiku Sokkurisan



SUMIFU x ENEKARI

Seismic reinforcement construction for peace of mind

- ✓ Seismic reinforcement construction allows solar panels weighing over 350kg to be mounted on the roof safely
- ✓ Dedicated construction supervisors ensure quality
- ✓ The industry's No.1, share with a cumulative total number of units contracted exceeding 150,000 units*1

Continuous peace of mind, zero initial cost Solar power generation equipment subscription service

- ✓ 24/7 support for equipment repairs and upgrades for the entire period of residency
- ✓ Zero initial cost and virtually zero running costs*2
- ✓ Delivers peace of mind, as electricity will be available even during power outages

*1. Number of units contracted for full remodeling of detached houses and condominiums (as of June 30, 2021).

*2. Calculated by TEPCO HomeTech, Inc. based on the benefits of reduced utility costs and surplus electricity sales, when solar panels of major capacities are installed.

- (1) **Contributes to increasing the total amount of generated renewable energy in Japan, by utilizing unused space on the roofs of existing detached houses (approximately 50 million units)**
- (2) **Offers 24/7 support for equipment repairs and upgrades for the entire period of residency to promote long-term local production for local consumption of electricity**
- (3) **Strengthens preparedness for disasters causing power outages, with solar panels (energy creation) and storage batteries (energy saving)**

◆ Solar panel installation rate targets and challenges in installation

The Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of the Environment are considering to set a target rate of 60% for the installation of solar power generation equipment in new detached houses by 2030, as part of Japan's aim to achieve a carbon neutral society by 2050. The Tokyo Metropolitan Government aims to enact an ordinance in fiscal 2022, to require the installation of solar power generation equipment in newly built houses.

However, the current installation rate for newly built detached houses is estimated to be in the range of only 10% to 20%*3, and roughly 1%** for existing detached houses. Especially when installing solar panels on existing detached houses, the burden of the initial cost, and problems concerning earthquake resistance and the strength of the buildings have hindered the spread of their installation. SUMIFU x ENEKARI aims to solve these issues, and to contribute to the spread of residential solar power generation equipment, for which there is considerable room for expansion.



*3. From the material of the 6th meeting of the Study Group on Energy-Saving Measures, etc. in Housing and Buildings toward a Decarbonized Society

*4. From "Solar Power Generation," by the Agency for Natural Resources and Energy, November 2020

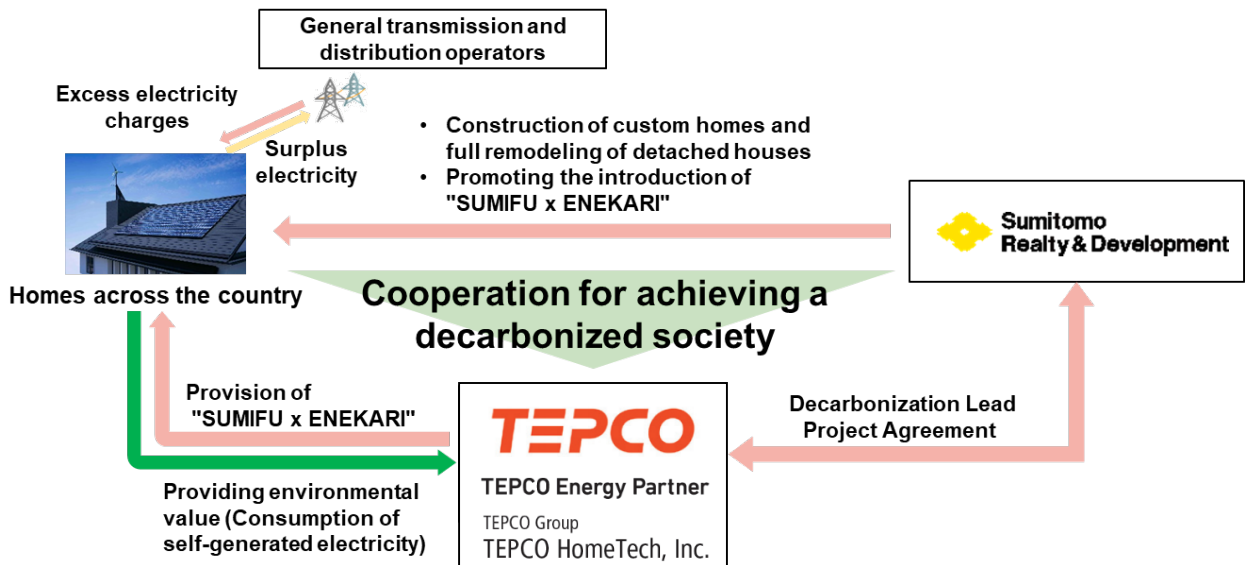
<Reference> An Industry First - "SUMIFU x ENEKARI" - A Service to Install Solar Power Generation Equipment and Storage Batteries

"Decarbonization Lead Project Agreement" - An initiative to promote adoption of residential solar power generation equipment

By vigorously promoting the adoption of residential solar power generation equipment and storage batteries, we will tap into the potential of the additionally installed capacity of residential solar power generation in Japan. In addition to increasing the total amount of generated renewable energy, this project will also contribute to adjusting the gap in power generation capacity during the day and night, which is one of the challenges in adopting renewable energy, and will greatly contribute to a stable transition to a carbon neutral society in Japan.

1. Outline of the initiative

"SUMIFU x ENEKARI" is a service that introduces solar power generation equipment and storage batteries at a zero initial cost into detached houses newly constructed by Sumitomo Realty, and supports equipment repairs and upgrades. The initiative will further contribute to a carbon neutral society by aggregating and utilizing the environmental value of some of the power generated by our customers.



Sumitomo Realty Group:

- Constructs custom homes or conducts full remodeling of detached houses and promotes the introduction of "SUMIFU x ENEKARI"
- Provides customers with "continuous peace of mind" even in the event of a power outage in a large-scale disaster

TEPCO EP Group:

- Installs solar power generation equipment and storage batteries, and provides repair and upgrading support
- Aggregates and utilizes the environmental value of the portion of electricity consumed by households generated by solar power

2. Features and benefits for the customers

● "Zero initial cost" - Reduces the financial burden of installation

"SUMIFU x ENEKARI" allows installation of solar power generation equipment and storage batteries at a "zero initial cost," greatly reducing the initial financial burden.

● "Continuous peace of mind" - Equipment repair and upgrade support for the entire period of residency

With a 24/7 call center system, we provide support for repairs if there is an equipment breakdown, and offer upgrades so that customers have "peace of mind" knowing they can use electricity even in the event of a power failure when a major disaster occurs.

● Utilization of environmental value - Contributing to a carbon neutral society and reducing service fees

In addition to increasing the total amount of renewable energy generation through the spread of solar power generation equipment and storage batteries, the TEPCO EP Group will also support companies contributing to the environment to reach their targets of carbon neutral society implementation plan and carbon offset, by aggregating and utilizing the environmental value of home electricity consumption, using the J-Credit Scheme operated by the Ministry of Economy, Trade and Industry, the Ministry of the Environment and the Ministry of Agriculture, Forestry and Fisheries.

<Reference> “Shinchiku Sokkurisan” Remodeling by Sumitomo Realty



The Shinchiku Sokkurisan remodeling business was launched after the Great Hanshin Awaji Earthquake of 1995 with the desire to renovate existing houses to make them earthquake resistant without the high cost of rebuilding. Based on our concept of safe and secure housing, it boasts the industry’s foremost track record for full remodeling featuring earthquake reinforcement work and a clear fixed-price system.

It marked 25th anniversary this year, since its launch in 1996, and the cumulative total of units contracted exceeded 150,000 units (as of June 30, 2021). Today, the Shinchiku Sokkurisan has become so popular across the nation that it is a brand synonymous with full remodeling. By leaving main structural components intact and improving housing functionality without rebuilding, the Shinchiku Sokkurisan remodeling contributes to not only extending the useful lives of existing houses, but also to addressing the social issues concerning houses in Japan by being environmentally friendly, i.e. minimizing industrial waste, CO₂ emissions, and waste of resources.

Unique Features of “Shinchiku Sokkurisan” Remodeling



Interior stripped down to its main frame



(1) Clear fixed-price system with no additional charge* (developed by the Company)

There will be no additional charges in the event that an unforeseen situation arises after construction has begun, such as discovering a rotten pillar that needs to be replaced after a wall is torn down. This relieves customers’ concerns about costs, which is often the case with remodeling work, and allows them to leave the work to us with peace of mind.

*Only when there are no changes to the scope of work requested by the customer.

(2) A dedicated sales engineer with knowledge and proposal skills manages the entire project

From initial consultation to planning, estimating, and construction management, a dedicated sales engineer manages the entire project. This prevents problems, such as the customer’s requests not being clearly communicated to the constructor and not being reflected in the construction work, and allows us to proceed with the construction of the house based on the customer’s requests.



(3) A lineup of reliable seismic resistance and vibration control reinforcements for buildings of all ages

For earthquake countermeasures to ensure the safety of buildings, we have established a system that can propose the most suitable seismic resistance and vibration control reinforcement plan for buildings of all ages. Our plans combine seismic reinforcement proven through our experience in construction and vibration control reinforcement, which includes a new patented method.



(4) Reliable quality through dedicated master carpenters, extensive construction manuals, etc.

We achieve reliable construction quality through the mastery of our dedicated master carpenters who are skilled in large-scale remodeling, as well as detailed construction manuals based on data accumulated over many years and a thorough inspection system.

(5) Reliable support system (after-sales service)

As for our regular after-sales service, we visit our clients for inspection one month, three months, and one year after completion. In addition, our Customer Center always responds to inquiries about problems and repairs regardless of the urgency of the situation.



◆Sumitomo Realty and TEPCO EP's Environmental Initiatives

1. Sumitomo Realty's initiatives on sustainability

Sumitomo Realty has been working to solve social issues through its business activities under its fundamental mission to "Create even better social assets for the next generation." Going forward, it will further strengthen its initiatives concerning environmental issues including climate change and work toward achieving a sustainable society.

(Please visit our website for more detail about our Initiatives on Sustainability: <https://www.sumitomo-rd.co.jp/english/sustainability/>)

2. TEPCO EP's sustainability initiatives

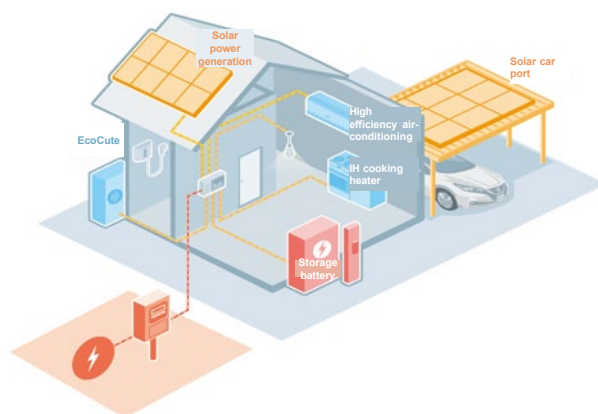
As a trusted partner in the promotion of decarbonization and renewable energy, TEPCO EP is committed to strongly supporting customers' lifestyles and growth of corporations. At the same time, it will continue to create and provide services that match the course of the times, such as promotion of decarbonization and renewable energy, while meeting the needs of its customers.

* Carbon neutral initiatives in the Fourth Comprehensive Special Business Plan (Tokyo Electric Power Company Holdings): <https://www.tepco.co.jp/en/hd/newsroom/press/archives/2021/pdf/210721e0203.pdf>

<Reference> "ENEKARI" Service

"ENEKARI" is an energy utilization service provided by TEPCO HomeTech, Inc. of the TEPCO EP Group. With an initial cost of zero yen and a fixed monthly service fee, customers can use the latest energy-saving equipment.

"SUMIFU x ENEKARI" is a new service that enhances the use of "ENEKARI" and proposes optimum equipment for upgrading at the end of contract period. Of course, during the use of the equipment, customers can enjoy "peace of mind" with a broad range of guarantees and support from the 24/7 call center.



【Contribution to SDGs】

The initiatives related to this release contribute to the following SDGs objectives:

- Goal 3 GOOD HEALTH AND WELL-BEING
- Goal 7 AFFORDABLE AND CLEAN ENERGY
- Goal 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- Goal 11 SUSTAINABLE CITIES AND COMMUNITIES
- Goal 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- Goal 13 CLIMATE ACTION
- Goal 15 LIFE ON LAND
- Goal 17 PARTNERSHIPS FOR THE GOALS

SUSTAINABLE DEVELOPMENT GOALS



Sumitomo Realty and TEPCO EP will continue to explore collaboration opportunities in wide ranging areas, and work together towards achieving a carbon neutral society.