J.D. POWER

Press Release

Half of New-Vehicle Shoppers Also Consider EVs and Other Powertrains; Just 4% Consider EVs Only, J.D. Power Finds

Attracting Male Shoppers in Age Groups 30s-40s is Key to Expanding the EV Market

TOKYO: 7 Dec. 2023 — A new study conducted by J.D. Power surveyed shoppers who are considering buying a new vehicle in the next year about battery electric vehicles (referred to as EVs in the study) and examines their considerations and perceptions about those vehicles. Although the share of EV sales in Japan lags that of other major countries, 50% of vehicle shoppers in Japan consider EVs, according to the inaugural J.D. Power Japan Electric Vehicle Consideration (EVC) Study,SM released today. This is the first study focused on the EV market in Japan.

"Although the study notably indicates 50% of vehicle shoppers consider an EV for their next purchase, just 4% consider EVs only," said **Maiko Hara, senior manager of research division at J.D. Power**. "The study reveals that shoppers who own electrified vehicles tend to consider more advanced such vehicles for their next purchase, which indicates that domestic policy to achieve 100% electrified vehicles in new-vehicle sales by 2035 is not out of the realm of possibility. The study also confirms that potential demand exists among city dwellers who drive less mileage than rural dwellers. Additionally, charging EVs is a major consideration. While a majority of shoppers indicate they expect to use chargers in their neighborhood, as the fast chargers have not been available everywhere, being able to charge at home is still critical and therefore it is essential to take measures to increase installation at individuals' homes as well as providing public chargers. Whether more public chargers can be installed or not would be literally a most important agenda for EV market growth in this country."

Following are some of the key findings of the 2023 study:

- **While 50% of shoppers are likely to consider purchasing an EV, just 4% consider an EV only:** Among shoppers who are considering purchasing a new vehicle within the next year, 50% say they are overall likely to consider purchasing an EV. This ratio is slightly lower than findings in the J.D. Power 2023 U.S. Electric Vehicle Consideration (EVC) Study,SM which indicates that 61% of shoppers will consider an EV in the next year. Given the fact that EV market share in Japan is one-third the size of the U.S. market (1.7% vs. 5.6%, respectively[1]), there are more prospective EV purchasers and more potential growth in the Japan EV market. However, the Japan study finds that 46% of those shoppers also consider non-EVs and just 4% consider EVs only.

- **Owners of electrified vehicles[2] are more likely to consider EVs:** More than three-fourths (77%) of current EV owners say they will consider purchasing an EV for their next new vehicle, followed by 72% of PHEV (plug-in hybrid vehicle) owners, 54% of HEV owners and 47% of ICE (internal combustion engine) vehicle owners. This suggests that those who own a more advanced level of electrified vehicle are more likely to consider purchasing an EV for their next vehicle.

- **Urban dwellers and upper income groups are more likely to consider EVs:** Among eight geographical regions, 56% of shoppers who live in Kanto most frequently consider purchasing an EV while 66% of shoppers who live in the 23 wards of Tokyo do so. This indicates that urban dwellers are more likely to consider an EV. Also, shoppers in the upper income groups are more likely to consider purchasing an EV. Those with six million yen or more in household income per year are more likely to consider purchasing an EV than those with less than six million annual household income. The ratio of shoppers with six million yen or more in household income is higher in both Kanto and the 23 wards of Tokyo than in other regions of Japan. This is one of the reasons why those who live in these more urban regions are more likely to consider purchasing an EV than those in other regions.

- **The driving range/ mileage of their current vehicle is the division point between EV considerers and non-EV considerers:** Driving range/ mileage also has an impact on EV consideration. Those who consider purchasing an EV drive 880 km on average per month while those who do not consider an EV drive 973 km per month. Those who live in Kanto drive 811 km per month on average, which is the shortest among dwellers in all regions. Conversely, those living in Shikoku drive 943 km on average per month and only 39% of them consider an EV, the lowest consideration rate among dwellers in all eight regions. In summary, the current EV mileage per charge would satisfy the driving needs of city dwellers who drive less mileage than rural dwellers.

- **Expecting to charge an EV outside the home:** By age, males who are in the 30s and 40s groups are most likely to consider purchasing an EV: 63% of 30s and 54% of 40s. This ratio drops gradually as age increases. Interestingly, nearly 70% of shoppers say they expect to charge their EV mainly outside of the home, and the ratio rises as shopper age decreases. Given that charging station availability is one of the top reasons to consider purchasing an EV, it is evident that the younger shoppers perceive they would be able to own an EV without charging it at home or in their neighborhood as long as they can charge it in another location.

- **EV shoppers' assumed charging environment:** Other than charging their EV at home, 15% of shoppers strongly expect gas stations as a main charging location. This ratio is almost twice as high as for shopping malls (8%) and vehicle dealers (7%). However, the number of gas stations has decreased while oil distributors are working out measures for the advent of the era of EVs by leveraging their excellent station locations. Moreover, because fast chargers prevail much less than standard chargers, it is expected that the government, as a proponent, will develop ideas for building EV charging infrastructures by making good use of existing ones.

The Japan Electric Vehicle Consideration (EVC) Study is an industry benchmark focusing on gauging battery electric vehicle shopper considerations to explore the challenges and key factors for the expansion of the electric vehicle market. The 2023 study is based on responses from 6,000 general consumers between 18 and 74 years old who are considering purchasing a new vehicle within the next year. The online survey was fielded in September 2023.

---

[1] Source: Passenger EV market share in Japan—Data from Japan Automobile Dealers Association and Japan Light Motor Vehicle and Motorcycle Association; EV market share in the U.S.—Calculated by J.D. Power based on sales data from LMC Automotive.

[2] Electrified vehicles include FCVs (fuel cell vehicles), BEVs (battery electric vehicles), PHEVs (plug-in hybrid electric vehicles) and HEVs (hybrid electric vehicles).

About J.D. Power
J.D. Power is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer

interactions with brands and products for more than 50 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

J.D. Power has offices in North America, Europe and Asia Pacific. To learn more about the company's business offerings, visit https://japan.jdpower.com/.

Media Relations Contacts
Kumi Kitami, J.D. Power; Japan; 81-3-6809-2996; release@jdpa.com
Geno Effler, J.D. Power; USA; 714-621-6224; media.relations@jdpa.com

About J.D. Power and Advertising/Promotional Rules www.jdpower.com/business/about-us/press-release-info

# # #