Revenue of industrial and automotive batteries exceeded that of the previous year, which was due in large part to the consolidation of FET, the Italian storage battery manufacturer. As a result, we were able to establish our first manufacturing base in Europe, while at the same time acquiring a global sales network centered in Europe. In industrial batteries, we endeavored to generate synergy with HCEN of Taiwan, which became a consolidated subsidiary in fiscal year 2015. In automotive batteries, we were able to increase sales of repair services in addition to expanding shares in conjunction with the sales of the ISS battery, “Tuflong G3.” Sales of capacitors fell short of the previous fiscal year due to the decrease in demand in wind power generation. We are also participating in the renewable energy-related demonstration projects in Europe conducted by NEDO (New Energy and Industrial Technology Development Organization) and proceeding with the effectiveness evaluations of storage battery systems in Germany and Poland.
**NEDO European Verification Projects**
- **Speyer, Germany (From FY2015 to FY2017 (planned))**
  By combining the technologies of hybrid lithium ion and lead-acid battery energy storage and thermal collectors with global remote monitoring technology, the project aims to develop a system and an operational model that will improve the in-house consumption rate of photovoltaic generation and generate economic benefits for the user.
- **Niedersachsen, Germany (FY2017-FY2019 (planned))**
  The project aims to build a large-scale hybrid battery system that can stabilize the power grid and control the electric power supply and demand balance, by charging and discharging storage batteries, as well as to establish a new business model for electricity trading using the battery system.
- **Poland (FY2017-FY2020 (planned))**
  By combining battery energy storage systems, the project aims to build a system that will increase renewable energy, curb capital expenditures into electrical infrastructure and stabilize the power grid in Poland.

---

**Key Measures for Fiscal Year 2017**

**Industrial systems: Bolster capturing of demand in growth areas**

By understanding our customer needs, we will aim to provide optimal battery and energy storage system solutions, as “a battery-maker that understands systems.” Hitachi Chemical will continue to pursue the verification projects of NEDO in Europe, while at the same time utilize the results to shift to a systems and service business. We will also leverage our track record in both the lithium-ion and lead-acid battery technologies to increase sales of remote monitoring devices, which in the event of equipment malfunctions at data centers or telecommunication base stations, will enable early detection and the reduction of maintenance man-hours. Additionally, we will expand sales in the field of global telecommunications by strengthening our collaboration with HCEN and FET. In terms of capacitors, we will transition to high-performance capacitors and focus on the medical, social infrastructure and energy fields.

**Capture global demand by expanding automotive battery bases**

In Europe, we will take advantage of FET’s sales networks and brand strength, while at the same time introduce Hitachi Chemical’s environmentally-friendly ISS-equipped vehicle battery technologies to FET and prepare for mass production in Europe. Furthermore, in conjunction with the market expansion in the ASEAN region, we will strengthen our manufacturing capabilities primarily through HCTD while expanding manufacturing bases and establishing sales channels.

---

**Product examples: Lithium-ion battery-powered golf carts [ECO5-ZL]**

In April 2016, Hitachi Chemical launched the first lithium-ion battery-powered golf cart in Japan. Following the warm reception by the market, a total of approximately 400 golf carts have been adopted by twelve golf courses in Japan, as of May 2017. By leveraging Hitachi Chemical’s technology, we offer golf carts that are environmentally-friendly, quiet, and safe, as well as provide total support including after-sales services.