



# Realizing Our “Sampo-yoshi” Philosophy through the Largest Multifaceted Development in Japan

A market-oriented perspective and an ecosystem that shares value among all stakeholders underpin our storage battery business. By forming one of the largest AI-equipped storage battery networks in Japan, we aim for sustainable value enhancement.

## Investment of Time Leading to Competitive Advantage

In May 2010, we launched a joint pilot project in collaboration with a number of other companies and the city of Tsukuba, Ibaraki Prefecture, for a future low-carbon transportation system. The multidisciplinary project combined solar power generation, Electric Vehicles (EVs), storage batteries, and ICT. Through this project, we have placed the steppingstones for our storage battery business of today. This investment of time has resulted in the accumulation of expertise and partners who share our medium- to long-term vision. These essential assets have helped us build the competitive advantage we enjoy today.

## Taking on Challenges beyond the Bounds of a General Trading Company

In the 1990s, we entered the business of providing storage battery manufacturing equipment, component materials, and other items to manufacturers. Growth in this business relied on battery manufacturers’ product sales. To achieve sustainable growth, we recognized the need to expand our downstream business and generate demand by ourselves. A solution came in the form of a household Energy Storage System (ESS). Instead of merely selling products, we took up the challenge of moving into a manufacturer position by forming a partnership with NF Corporation, a company we had begun doing business with in the past and that excelled in electronic circuits and control systems.

## A Thorough Market-Oriented Perspective and Overall Ecosystem Design

Our first initiative was to reflect consumer demand in the aftermath of the Great East Japan Earthquake. We responded with 200V power sources that could provide emergency power for entire homes. Looking ahead to post-2019 demand once Japan’s feed-in tariff (FIT) scheme for renewable energy ended, we secured a battery capacity of approximately 10kWh, the amount of power an average household uses in one day. It was in May 2017 that we launched the Smart Star L, offering functionality competitors’ products did not offer at the time.

In addition to pursuing functionality, we worked to design an ecosystem optimized for homes and other partners in regard to spanning sales, distribution, construction, and call center support. In designing the system, our distinctive business know-how and coordination skills we had cultivated through our strength in the non-resource sector truly came to the fore.

Amid growing awareness of the need to address power outages, giving the rise in natural disasters, examples of Smart Star L application are garnering attention. In addition, we have in place a thorough market-oriented perspective, a robust sales network that incorporates Group companies, and an optimized ecosystem. These efforts enabled us to create new opportunities.

## Evolution by Combining Existing Businesses with New Technologies

In January 2018, we entered a capital and business alliance with Moixa Energy Holdings Ltd. of the United Kingdom, a company that leverages AI technology in the power platform business. Under this agreement, we acquired exclusive marketing rights in Japan to provide Moixa’s household service. The challenge we had taken up, to move into a position more akin to a manufacturer, came to fruition in this agreement under a common vision of creating a platform that combines storage batteries with Moixa’s AI technology. This AI technology analyzes and learns about weather forecasts and household electricity demand and

