IIT LIB-Related Study Program 11-12

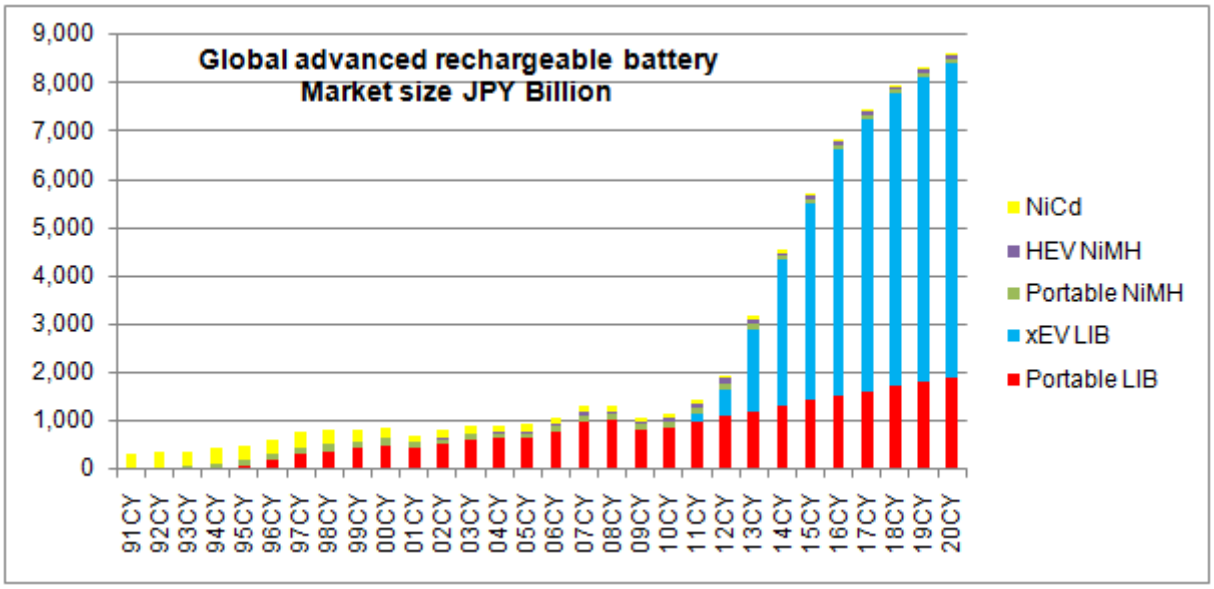
- Notification of study plan and reporting -

★ Report publication from April 2011-March 2012, in a total of 12 monthly reports ★
★ Japanese/ English editions with around A4-size pages will be provided as PDF files ★
★ Covers the three big applications of portable devices, automotives, and ESS ★

Features and content of the 11-12 Program

This study plan is for the 11-12 Program Edition of IIT's annual investigative report into market and technology trends in the LIB (Lithium Ion Battery) field. Since this program began in 2000, we have run it in annual units, of which this will be the twelfth. Over that period, LIB demand has continued to grow, mainly for use in portable devices, and in the 2010s, rapid growth in demand from the automotive field has become a certainty. The market size forecast for 2020 is over JPY8 trillion, which illustrates the great potential of this market (Figure A). This program will provide detailed investigation and analysis of the moves of players in these two big markets, as well as continuing to look for demand in the electric power and power storage field. Figure B shows the content of each report in the program.

Figure A Movements in the Global Market for Secondary Cells for Portable Devices and Automotive Use (xEV)



Note) Figures for 2011 and beyond are forecasts.

Figure B Content of the 11-12 Program

Apr-11	11Q2 LIB market bulletin, notebook PC details
May-11	Automotive field I
Jun-11	LIB circuit market and technology
Jul-11	11Q3 LIB market bulletin, cellular phone details
Aug-11	11Q3 LIB materials market and technology
Sep-11	Energy storage field I(Independent Power Supply)
Oct-11	11Q4 LIB market bulletin, power tool details
Nov-11	Automotive field II, Long-term demand forecast
Dec-11	Industrial and motor-cycle fields
Jan-12	12Q1 LIB market bulletin, details of other consumer applications
Feb-12	12Q1 LIB materials market and technology
Mar-12	Energy storage field II(Russia)

Note) We will publish a Japanese report at the end of each month. The English edition will be sent between ten days and two weeks after the Japanese edition is published.

Note) Please refer to “Example content from 10-11 Report” for details of the investigation and analysis. We will now briefly describe our perspectives on investigation and analysis in each field.

The Portable Devices Market

The two big applications, notebook PCs and cellular devices, are continuing to expand with the arrival of offshoots such as tablet PCs and smartphones, and long-term growth in this market is assured. The competition for dominance among the LIB suppliers is moving into the end game. Samsung SDI became the world’s largest supplier, in volume terms, in 2010, and LGC, not content with third place, are snapping at the heels of the Sanyo-Panasonic Group. Sony and Hitachi Maxell Energy are not waving the white flag. They maintain their presence in their specialist fields, such as polymer and Si-anode cells, and Japanese technical developments still command attention. In the 11-12 Program, we will continue to deliver quarterly market bulletins of our conventional content, namely detailed studies of shipments from each supplier and for each application, competitive comparisons of supply capacity, cost composition and other attributes, and analysis of trends in products, technology and pricing, as we continuously deliver the real state of the industry.

The Automotive Market

The lead group in automotive LIB production, including LEJ, LGC and AESC, took a careful approach to starting production, and the end of 2010 saw the arrival of the Nissan Leaf and the GM Chevy Volt, which are vitally important touchstone products to test the growth potential of the xEV market. The battlegrounds for xEVs will be developed countries such as Japan, the USA and Europe, as well as China, and there are opportunities for local cell manufacturers in Europe, North America and China to capture market share. It has become clear that the Key Factors of Success (KFS) are LIB product technologies and mass production technologies, combined with getting the batteries into appealing xEVs. IIT takes the view that the significant players in this market can be narrowed down to the lead group, a limited number in the following group, such as Sanyo, SBL and PEVE, and dark horses such as Toshiba and BEC. We will, therefore, emphasize those players in our investigation and analysis of customer acquisition, mass production investment and materials costs. Of course, we will keep watch for moves by suppliers in China, Europe and North America that could threaten them, as we report on the status of this emerging market.

The Energy Storage Systems Market

IIT has been investigating and analyzing the status and future potential of ESS demand, covering Japan and the USA in the 09-10 Program and China and Europe in the 10-11 Program. Our judgment is that there is nothing in the current introduction of new energy, such as solar and wind power, or in the Smart Grid initiative, that raises any technical or economic need for large-scale deployment of LIB. However, there are signs of emerging LIB demand for ancillary service, a business which guarantees high-quality electric power supply, and for power supply systems to boost the rapid charging of BEVs. We will go on checking developments in this field around the world, and in particular, we will investigate and report on the related situation in Russia in the March 2012 report.

On the other hand, the great earthquake that hit Eastern Japan in March 2011, and the related nuclear disaster, will necessitate restrictions on power usage in the area served by Tokyo Electric Power Co., even this summer. Some companies are preparing to launch ESS products for households and other small-scale power users, to help them to use midnight power for peak shifting. We will make our analysis of the potential for this demand. Our September 2011 report will feature that content, as well as investigation and analysis of demand for ESS on isolated islands and in remote areas, which suggest needs for independent power supplies that would combine new energy, small-scale generators and secondary cells.

Subscription Types for the 11-12 Program

There are three types of subscription for joining this Program.

Application A: Automatic renewal: **Purchase price JPY1,890,000/company**

IIT will conduct the “LIB-related Study Program" annually, on the same schedule. Subscribers who apply using subscription with automatic renewal will have their subscription automatically renewed for each program from April each year, without needing to make an application each year. We will issue

invoices in April of each year.

A subscriber wishing to discontinue an automatically continuing subscription should inform the application contact stated below of the fact, when the invoice arrives. A subscriber who has terminated a subscription may not recommence their subscription before the next year. The new application should be made on application form B or C.

Application B: Single-year purchase: **Purchase price JPY1,995,000/company**

The single-year contract covers the purchase of all 12 reports published in a single year (the 11-12 program only, on a one-time basis).

Application C: Single purchases: **Purchase price JPY210,000/company**
X No. of chapters ordered

This is the form of subscription for purchasing only the required reports of the 12 reports published in the 11-12 Program.

Application method and report delivery

Fill out the necessary information on the application form on the last page of this prospectus, sign it, and mail it to the address stated below. On receipt of your application, we will mail an invoice by return. The reports, in pdf format, will be sent as e-mail attachments.

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Biographical outline: Graduate from a bachelor’s course at the Department of Reaction Chemistry, Faculty of Engineering, the University of Tokyo, then joined Nomura Research Institute, Ltd. in 1991. Began investigations of the secondary cell market in 1991, immediately after lithium ion cells first became commercial products. Joined IIT in January 2000, which is his current position. Devises the business strategy for single-client services related to secondary cells, and handles related business, corporate consulting and market surveys. Implements the “LIB-related Study Program” on a multi-client basis.

Project member: Hiroshi Mukainakano, Project General Manager

Biographical outline: Finish the Muroran institute of technology department-of-applied physics university graduate course. In 1984, joined SEIKO instruments, Inc. Engaged in the research and development of photo sensor, power supply circuit, and battery management circuit. Pioneer in Li-ion battery protection IC. Managed IC design section. In 2000, joined Alfred Man Foundation (US). Engaged in development management system for implantable medical equipments. In 2004, joined MACNICA, Inc. Engaged in products planning such as battery management system for power tool and hybrid electric vehicle. Applying for a number of patents. Present post from February, 2009.

Example content from 10-11 Report

Please request the contents to the project leader above.

Application Form

The Institute of Information Technology, Ltd.

Company name: _____

We apply, under the scheme below, for the "LIB-related Study Program 11-12" by IIT. Please bill the applicant for the above amount, plus sales tax.

Date of order	(Year/Month/Date)
Department	
Position/Title	
Applicant name/Signature	
Address	ZIP
TEL	
FAX	
EMAIL	

Note: The e-mail address will be used for delivery of the PDF file, so be sure to write it clearly.

	Application column (mark "X")	Please write in the subscription price (tax included), to avoid mistaken applications
Application A/ 12 chapters, automatic renewal = JPY1.89 million		JPY
Application B/ 12 chapters, 1-year subscription = JPY1.995 million		

Application C/ Individual Chapter applications, JPY210k per chapter		Application column (mark "X")	Please write in the subscription price (tax included), to avoid mistaken applications
Apr-11	11Q2 LIB market bulletin, notebook PC details		JPY
May-11	Automotive field I		
Jun-11	LIB circuit market and technology		
Jul-11	11Q3 LIB market bulletin, cellular phone details		
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Feb-12	12Q1 LIB materials market and technology		
Mar-12	Energy storage field II(Russia)		

ESS previous report, JPY210k per chapter		Application column (mark "X")	Please write in the subscription price (tax included), to avoid mistaken applications
Sep-09	Energy storage field (Japan)		JPY
Mar-10	Energy storage field (US)		
Sep-10	Energy storage field (China)		
Mar-11	Energy storage field (Europe)		

End