

# LG Energy Solution to supply lithium-ion batteries to Toyota in the US

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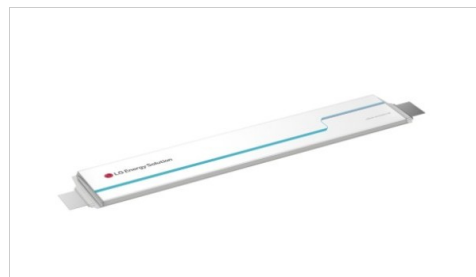
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## LGES plans to invest about \$3 billion in its Michigan facility to establish new production lines for battery cells and modules exclusively for Toyota

South Korean battery-maker LG Energy Solution (LGES) has signed a supply agreement with Toyota Motor North America Inc., Toyota announced October 4. Under the agreement, LGES will supply lithium-ion (Li-ion) battery modules for Toyota battery-electric vehicles (BEVs) that will be assembled in the US.



Source: Toyota

“Under the contract, LG Energy Solution will supply automotive battery modules at an annual capacity of 20 GWh starting from 2025,” the carmaker said in a statement October 4.

The battery modules that LGES is slated to supply to Toyota will consist of high-nickel, nickel, cobalt, manganese, aluminum (NCMA) pouch-type cells, and will be manufactured at the battery-maker’s Michigan, US-based factory.

In order to fulfill the supply agreement with Toyota, LGES plans to invest 4 trillion South Korean won (about \$3 billion) in its Michigan facility to establish new production lines for battery cells and modules exclusively for Toyota, with completion slated for 2025.

Initially, these LGES battery modules will be supplied to Toyota Motor Manufacturing Kentucky, the carmaker said.

Commenting on the landmark agreement with LGES, Tetsuo Ogawa, president and CEO of Toyota Motor North America, said, “At Toyota, our goal is to reduce carbon emissions as much as possible, as fast as possible. Having secure supplies of lithium-ion batteries at scale with a long-term relationship to support Toyota’s multi-pathway approach and growth plans for BEVs in North America is critical to achieve our manufacturing and carbon reduction plans. Working with LG Energy Solution, we are excited to be able to offer products that will provide the performance and quality our customers expect.”

Adding to that, Youngsoo Kwon, CEO of LGES, said, “We’re excited to have Toyota, the best-selling global automaker, as our new customer. With our 30 years of experience in lithium-ion batteries, we will provide innovative power solutions to support Toyota’s push further into BEVs. The agreement also presents another big opportunity for us to strengthen our production capacity in North America, thereby bringing more real-life, large-scale progress toward electrification in the region.”

**Significance:** Notably, LGES battery modules will support Toyota’s expanding lineup of BEVs, which is part of its multipathway product strategy, including a new BEV model that will be assembled at Toyota Motor Manufacturing Kentucky in 2025.

Further, securing battery supplies from LGES will also help Toyota in advancing its vehicle electrification initiatives, as the company aims to offer 30 BEV models globally across Toyota and Lexus nameplates, and produce up to 3.5 million BEVs annually by 2030.

Interestingly, the deal represents LGES’ largest single-supply agreement secured outside of its joint venture agreements. LGES now supplies batteries to all top five global automakers. The South Korean company has eight battery manufacturing facilities currently operating or under construction in North America and continues to expand both its production network and supply chain in the

region.

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