

Nissan Motor to set up an LFP battery plant in Kitakyushu City in Japan

23-Jan-2025 10:53 GMT

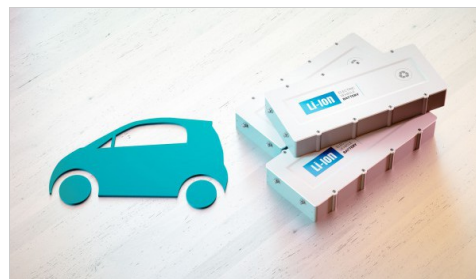
Amit Panday

S&P Global

Supply Chain and Technology, Automotive

The planned LFP battery plant in Kitakyushu City is expected to cost more than \$982 million to Nissan

Nissan Motor Corp. has signed an agreement with Fukuoka Prefecture and Kitakyushu City in Japan to construct a new factory to produce lithium iron phosphate (LFP) batteries, Nissan announced Jan. 22.



Source: Getty Images/ Petmal

The planned battery plant will be built in the Hibikinada area of Wakamatsu Ward, Kitakyushu City, Fukuoka Prefecture, Nissan said, adding that with the signing of this agreement, the project has officially begun. It is expected to make a significant contribution to revitalizing the local economy and creating new jobs.

According to the company, the planned LFP battery plant will come up on a site spread across an area of approximately 150,000 square meters. The construction of the planned battery manufacturing facility, which is slated to begin in 2025, is expected to cost ¥153.3 billion (over \$982 million) for the company. The LFP battery plant is expected to begin operations in fiscal year 2028 and is expected to create 500 new jobs at the site.

The Yokohama-headquartered company, however, did not disclose the planned annual production capacity of the upcoming LFP facility in Japan. That said, in a press note released in September 2024, the company mentioned that it was looking at building a production capacity of about 5 GWh for LFP batteries in Japan.

The carmaker had received a certification from the Ministry of Economy, Trade and Industry (METI) in Japan as the government body approved its plans of developing and mass-producing in-vehicle LFP batteries locally. It is understood that through local development and mass production of LFP batteries in Japan, Nissan aims to establish a local footprint for affordable batteries while strengthening its supply chain. The move is aligned with the Japanese government's policy to promote the use of electric vehicles powered by LFP batteries.

Nissan CEO and President Makoto Uchida has already said that the carmaker plans to adopt LFP batteries to provide more affordable EVs to its customers globally. The LFP batteries that will be developed and produced by Nissan in Japan are expected to be installed in electric mini-vehicles starting in fiscal year 2028.

Nissan Executive Vice President and Chief Manufacturing Officer Hideyuki Sakamoto said, "We feel it is significant that we can launch new electrification initiatives in Kyushu in this milestone year marking 50 years since we began production here. To meet the diverse needs of our customers, Nissan will work to develop a wide range of EVs and highly competitive batteries, including LFP batteries."

Several global carmakers are increasingly looking at LFP batteries with an aim of keeping EV development costs low. While LFP batteries can not only deliver in terms of meeting affordability parameters, they are also safer when compared to available lithium-ion batteries with nickel cobalt manganese (NCM) chemistry. That said, with improving technology, LFP batteries are also able to deliver improved performance. Global carmakers are working with their battery suppliers to build local supply chains for LFP batteries. French carmaker Renault, which is an emerging example on this front, has tied up with CATL and LG Energy Solution (LGES) to establish local supply chains for LFP batteries in Europe.

CONTACTS

The Americas

+1 877 863 1306

Europe, Middle East & Africa

+44 20 7176 1234

Asia-Pacific

+852 2533 3565

www.spglobal.com/mobility

Copyright © 2025 S&P Global Inc. All rights reserved.

These materials, including any software, data, processing technology, index data, ratings, credit-related analysis, research, model, software or other application or output described herein, or any part thereof (collectively the “Property”) constitute the proprietary and confidential information of S&P Global Inc its affiliates (each and together “S&P Global”) and/or its third party provider licensors. S&P Global on behalf of itself and its third-party licensors reserves all rights in and to the Property. These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable.

Any copying, reproduction, reverse-engineering, modification, distribution, transmission or disclosure of the Property, in any form or by any means, is strictly prohibited without the prior written consent of S&P Global. The Property shall not be used for any unauthorized or unlawful purposes. S&P Global’s opinions, statements, estimates, projections, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security, and there is no obligation on S&P Global to update the foregoing or any other element of the Property. S&P Global may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. The Property and its composition and content are subject to change without notice.

THE PROPERTY IS PROVIDED ON AN “AS IS” BASIS. NEITHER S&P GLOBAL NOR ANY THIRD PARTY PROVIDERS (TOGETHER, “S&P GLOBAL PARTIES”) MAKE ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE PROPERTY’S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE PROPERTY WILL OPERATE IN ANY SOFTWARE OR HARDWARE CONFIGURATION, NOR ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO ITS ACCURACY, AVAILABILITY, COMPLETENESS OR TIMELINESS, OR TO THE RESULTS TO BE OBTAINED FROM THE USE OF THE PROPERTY. S&P GLOBAL PARTIES SHALL NOT IN ANY WAY BE LIABLE TO ANY RECIPIENT FOR ANY INACCURACIES, ERRORS OR OMISSIONS REGARDLESS OF THE CAUSE. Without limiting the foregoing, S&P Global Parties shall have no liability whatsoever to any recipient, whether in contract, in tort (including negligence), under warranty, under statute or otherwise, in respect of any loss or damage suffered by any recipient as a result of or in connection with the Property, or any course of action determined, by it or any third party, whether or not based on or relating to the Property. In no event shall S&P Global be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including without limitation lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Property even if advised of the possibility of such damages. The Property should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions.

The S&P Global logo is a registered trademark of S&P Global, and the trademarks of S&P Global used within this document or materials are protected by international laws. Any other names may be trademarks of their respective owners.

The inclusion of a link to an external website by S&P Global should not be understood to be an endorsement of that website or the website’s owners (or their products/services). S&P Global is not responsible for either the content or output of external websites. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process. S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global Ratings’ public ratings and analyses are made available on its sites, www.spglobal.com/ratings (free of charge) and www.capitaliq.com (subscription), and may be distributed through other means, including via S&P Global publications and third party redistributors.