

Panasonic Energy to Invest in NMG and Purchase Graphite in Multi-year Deal to Boost EV Battery Supply Chain in North America

Low-impact supply chain will fully integrate anode active material sourcing from mining to delivering battery material

Osaka, Japan – February 15, 2024 – Panasonic Energy Co., Ltd., a Panasonic Group Company, today announced that it has signed a seven-year offtake agreement for the supply of natural graphite with [Nouveau Monde Graphite Inc.](#) (“NMG”; Quebec, Canada), a manufacturer of anode active material. In addition, Panasonic Energy announced plans to invest in NMG, starting with a payment of USD 25 million. Separately, Mitsui & Co., Ltd. (“Mitsui”; Tokyo, Japan) plans to redeem and cancel its existing convertible note and subscribe to NMG’s shares. Panasonic Energy subsequently plans to invest an additional funding worth USD 150 million with co-investors, subject to a maximum ownership threshold agreed between the relevant parties.

Panasonic Energy is expanding its EV battery production in North America, including by increasing its use of locally sourced materials for a more sustainable supply chain, aiming to meet the growing global demand for EVs. The company signed a memorandum of understanding (MOU) with NMG regarding the offtake agreement in October 2022, and subsequently advanced technological development and process optimization in line with Panasonic Energy’s specifications and quality standards for the development of integrated graphite production in North America. As a result, the two companies have now entered into a supply agreement.

Under a “mine-to-battery-material” model, NMG will produce natural graphite from its Matawinie Mine in Quebec to produce anode active materials at its battery material plant in Bécancour, Quebec. This vertically integrated model positions NMG as an ideal partner to support Panasonic Energy’s plan to build a robust supply chain in North America. Canada is known for clean energy initiatives, including Quebec’s use of renewable sources to generate 99% of the province’s electricity. NMG’s carbon-neutral graphite material will not only strengthen Panasonic Energy’s supply chain in North America, but also support the company’s goal of reducing its carbon footprint to 50% of its 2022 level by 2031.

The governments of Japan and Canada deepened their bilateral partnership by signing a memorandum of cooperation (MOC) regarding battery supply chains in September 2023. As one of the outcomes, Panasonic Energy now hopes to support greater global adoption of EVs by providing high-quality, high-capacity batteries that will extend the driving range of EVs in the North American market, including the United States, which boasts the second-highest number of new car sales worldwide.

Leveraging its advanced battery technologies and extensive expertise, Panasonic Energy is committed to working with diverse partners to further the global lithium-ion battery industry, ultimately to contribute to a more sustainable society.

About Panasonic Energy Co., Ltd.

Panasonic Energy Co., Ltd., established in April 2022 as part of the Panasonic Group's switch to an operating company system, provides innovative battery technology-based products and solutions globally. Through its automotive lithium-ion batteries, storage battery systems and dry batteries, the company brings safe, reliable, and convenient power to a broad range of business areas, from mobility and social infrastructure to medical and consumer products. Panasonic Energy is committed to contributing to a society that realizes happiness and environmental sustainability, and through its business activities the Company aims to address societal issues while taking the lead on environmental initiatives. For more details, please visit <https://www.panasonic.com/global/energy/>

About Nouveau Monde Graphite Inc.

Nouveau Monde Graphite is striving to become a key contributor to the sustainable energy revolution. The Company is working towards developing a fully integrated source of carbon-neutral battery anode material in Québec, Canada, for the growing lithium-ion and fuel cell markets. With enviable ESG standards, NMG aspires to become a strategic supplier to the world's leading battery and automobile manufacturers, providing high-performing and reliable advanced materials while promoting sustainability and supply chain traceability. www.NMG.com

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