

UPDATE 2-Exide to supply Toyota Highlander batteries in US

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- * Exide says to supply 105,000 batteries a year
- * Extends 21-year relationship with Toyota
- * Exide shares jump 9 percent

(Adds analyst comment, background on share price)

SAN FRANCISCO, Nov 18 (Reuters) - Exide Technologies (XIDE.O) has landed a deal to sell 105,000 more batteries a year to Toyota Motor Corp (7203.T), deepening its relationship with the world's top carmaker and boosting the battery company's shares.

The lead-acid starting batteries will go into the Highlander, a midsize crossover SUV, at Toyota's plant in Princeton, Indiana, Exide said in a statement on Wednesday.

The deal is welcome news for Exide, said **Ishita Manjrekar, an analyst at Primary Global Research.**

"It's more business for them and in terms of Toyota, it's 100,000 more cars per year. It's not a massive figure, but it's 100,000 cars. It indicates an industry turn-around," Manjrekar said.

Exide, which said its relationship with Toyota started in 1988, already supplies batteries for the carmaker's North American-produced Avalon, Camry, Corolla, Matrix and Venza, as well as its Sequoia SUV and Tundra trucks.

The company is among the world's top producers of traditional lead-acid batteries for automakers along with Johnson Controls Inc (JCI.N) and GS Yuasa Corp (6674.T). But Exide launched a new division in early November to develop new renewable energy storage and lithium-ion energy systems, joining the rush to a market that is expected to take off.

The shares of Milton, Georgia-based Exide were up more than 9 percent in after-hours trading at \$8.62 after closing 1 percent lower at \$7.88. The shares have recovered more than 300 percent since hitting a year-low of \$1.83 each in March this year.

(Reporting by Braden Reddall and Laura Isensee; editing by Leslie Gevirtz and Andre Grenon)