



## KOYO CORPORATION OF U.S.A.

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### FOR IMMEDIATE RELEASE

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### **Koyo Corporation of USA & Nakatetsu Machining Technologies Enter Into Option to Build Two New U.S. Manufacturing Facilities in Washington County, Tennessee**

**WASHINGTON COUNTY, Tenn.** - Governor Phil Bredesen, Washington County Mayor George Jaynes and state Economic and Community Development Commissioner Matthew Kisber joined with Tsutomu Nemoto, president of Koyo Corporation of USA, and Syuji Nakano, president of Nakatetsu Company Ltd. of Osaka, Japan, in announcing decisions to option properties in the Washington County, Tennessee Industrial Park, located on Highway 11E between Johnson City and Jonesborough, for the construction of two new manufacturing facilities.

Koyo Corporation of USA, a wholly owned subsidiary of JTEKT Corporation will open its third bearing manufacturing plant in the USA. The other new manufacturing facility will be a joint venture between Nakatetsu and Koyo.

Both companies are involved in the manufacture of bearings for the automotive industry and will bring approximately 150 new jobs to the area consisting primarily of machining, grinding, assembly, skilled trades and professional positions.

"This is a positive development for Tennessee and Washington County," said Gov. Bredesen. "Attracting good paying manufacturing jobs is an important part of our job creation strategy. Having our efforts embraced by automotive industry leaders like Koyo and Nakatetsu is a strong endorsement of Tennessee's business climate."

Koyo Corporation of USA's General Manager Steve McCullough believes the new facilities will be an important step for both companies' growing businesses.

"Our preliminary selection of Washington County reflects our commitment to American manufacturing and the American worker," said McCullough. "Increased consumer demand for our products requires increased manufacturing capabilities to compliment our other U.S. plants and relationships. Washington County meets our needs with an experienced work force and an ideal logistical location plus the outstanding commitment and cooperation from the state, county, TVA, regional utilities and the surrounding cities."

"Tennessee's growing partnership with Japanese firms like Koyo and Nakatetsu has been both beneficial and successful for all involved," Kisber said. "This new investment in Washington County will not only create good jobs in the community, but adds to the long list of successes helping to underscore Tennessee's reputation as the home for the world's growing automotive industry."

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***Koyo and Nakatetsu Enter Into Option To Build Manufacturing Facilities In Washington County***

Washington County Mayor George Jaynes said many individuals and groups partnered together to bring the two highly respected companies to the community, and the team effort has brought needed jobs to the area.

“We look forward to welcoming Koyo and Nakatetsu as new corporate citizens in Washington County. We appreciate their confidence in our community and its work force,” said Jaynes. “Also thanks should go out to numerous other parties, including Mark Williams of Strategic Development Group for recommending Washington County from an extensive site selection process that included five states. Additionally, the Tennessee Department of Economic and Community Development team were critical to the successful recruitment of these companies and the support received by the Washington County Commission.”

ECD was highly involved with the recruitment effort and will assist the companies' with training and infrastructure needs. Other partners in the project included the state Department of Transportation, the town of Jonesborough Water and Sewer Division, the Johnson City Power Board and Atmos Energy.

Koyo has enjoyed a long history in the United States, which began in the mid-1950s. In 1975, Koyo opened their Orangeburg, S.C. plant and began production of Tapered Roller Bearings and Ball Bearings. By 1990, a second and third manufacturing plant was constructed at the Orangeburg location. In 1995, Koyo established another manufacturing plant located in Blythewood, S.C. for the production of HUB Bearings. The Blythewood plant has also been expanded and is now a leader in the manufacturing of Ball and Taper HUB Units.

Koyo Seiko Co. LTD and Toyoda Machine Works merged on January 1, 2006 to create JTEKT Corporation. JTEKT Corporation is a world leader in the production of Steering, Driveline, Bearings and Machine Tools. JTEKT has Sales and Technical facilities in Westlake, Ohio and Detroit, Mich. and manufacturing plants in Orangeburg, Blythewood and Greenville, S.C.; Vonore and Morristown, Tenn.; Daleville, Va.; and Ennis, Texas.

JTEKT Corporation is headquartered in Japan with head offices in Nagoya and Osaka. Annual global sales are approximately \$10 billion and employs 30,000 worldwide. JTEKT (Koyo) is one of the world's largest automotive component suppliers. Koyo USA is a Tier 1 and Tier 2 supplier to Toyota, Honda, Ford, GM, Daimler Chrysler, and BMW.

Nakatetsu Co. Ltd, headquartered in Osaka, Japan was established in 1961. Nakatetsu is a major supplier of forgings and turned components for the bearing industry. Nakatetsu and JTEKT Japan have shared a long history in the bearing industry and have agreed to establish a joint venture in the USA.

Syuji Nakano, CEO of Nakatetsu Machining Technologies, said, “This joint venture fits with our corporate strategy of growth in the automotive market. After looking at many locations, we are excited about the possibility of locating our first manufacturing facility in Washington County. We appreciate the time and effort spent by the state, county, TVA and many local agencies. We are very confident that the work force surrounding Washington County will help us in establishing a world class operation and support our target for growth and expansion.”

Upon completion of the due diligence and PILOT agreement, both companies plan a groundbreaking by the end of 2006 with sample production scheduled by the end of 2007.

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