



REVVING UP GROWTH

Mitsubishi unveils Franklin expansion for turbocharger line

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Six years ago, Mitsubishi Heavy Industries was barely hanging on to operations in Franklin.

In the wake of the recession, the company's climate control factory was forced to drastically scale back its operations. Nearly 90 workers were laid off as auto sales and demand plummeted.

By 2009, only 42 employees worked the company's Franklin location, and production needed to be suspended after one of its main customers filed for bankruptcy.

But Mitsubishi remained in Franklin, surging back to employ more than 200 workers, with more growth on the way.

The company officially opened its expanded manufacturing plant Tuesday, which will allow subsidiary Mitsubishi Engine North America to create turbochargers for small engines.

The expansion has already added 25 new jobs in Franklin, and officials anticipate more than 100 jobs total to be created by the time the entire production facility is up and running in 2016.

"They're going to be manufacturing millions of these turbochargers from this facility right here," said Franklin Mayor Joe McGuinness. "For them to choose Franklin over their headquarters in Illinois speaks volumes to what is going on in central Indiana and Johnson County specifically."

The new factory will help Mitsubishi greatly increase its turbocharging capabilities.

Changing fuel efficiency regulations for cars have made Mitsubishi's turbochargers a desirable feature to auto manufacturers. The equipment can give a 1.6-liter engine the same horsepower as a 2-liter engine.

Manufacturers can make smaller engines that are more fuel efficient, while still maintaining the acceleration and power that a larger engine would offer.

NEW FACTORY

Who: Mitsubishi Engine North America in Franklin

What: The facility will produce turbochargers for vehicle engines, helping to increase fuel efficiency without losing power

Where: Franklin, east of Interstate 65

Expansion size: 47,200 square feet

Cost: \$10.8 million

Jobs created: 100 by the end of 2016

Existing Mitsubishi turbocharger sales: 6 million units in 2014

Target turbocharger sales: 10 million in 2016

In 2014, Mitsubishi built 6 million turbochargers. By next year, the company's goal is to manufacture 10 million total in factories in Franklin and throughout North America, said Takeshi Kajino, senior general manager of automotive parts division for Mitsubishi Heavy Industries.

"To achieve such a target, this new factory in Franklin will play a very important role in the years to come," he said.

More than 100 people gathered inside the new factory Tuesday. Celebratory music played over the speaker system, and confetti erupted in the air after Mitsubishi executives and local officials officially opened the factory.

The expansion represents a reversal of fortune for Mitsubishi Heavy Industries in Franklin, said Tetsuya Nagayama, president of Mitsubishi Engine North America.

"This is really a top opportunity for (Mitsubishi Engine North America's) business. This huge factory is very good," he said.

The expansion was announced in 2012, and the work has come in phases.

A 10,700-square-foot expansion was constructed to house three assembly lines. Another 24,000-square-foot project was announced after company officials decided they needed more

room.

Mitsubishi Engine North America's factory will share a facility with Mitsubishi Heavy Industries Climate Control, though they will be separate operations. It becomes the eighth Japanese company to locate in Franklin.

With the climate control division already operating in Franklin, it was attractive to the company to expand to accommodate a new Mitsubishi Engine North America, Kajino said.

"With the launch of this new company, we now have established a global business network for Mitsubishi turbochargers, expanding from Japan to China, Asia, Europe and here to America," he said.

To help facilitate the project, Franklin offered the company with a 10-year tax break on the project as well as contributing \$150,000 toward construction costs.

The Indiana Economic Development Corp. also offered \$100,000 in training grants and \$600,000 in state tax credits.

"During the downturn in the economy, there were some struggles. There were some problems that every automotive manufacturer went through," McGuinness said. "To see them rebound and exceed their expectations with (Mitsubishi Climate Controls) and the expansion with Mitsubishi Engine North America is very exciting."

The new facility is part of the resurgence of manufacturing in Indiana, said Indiana Lt. Gov. Sue Ellspermann, who spoke at the factory's opening ceremonies.

Indiana has the most manufacturing jobs per capita of any state in the nation, and since the nadir of the recession in 2009, it has added 89,000 manufacturing jobs, Ellspermann said.

"Indiana has really built its economy on manufacturing," she said. "To be able to attract additional foreign investment with a great company like (Mitsubishi Engine North America) leads to great jobs

Pictured: Francisco Grosso, a quality engineer for Mitsubishi Engine North America, explains the new turbocharger production machinery during Tuesday's grand-opening ceremony for the Mitsubishi Engine North America Turbocharger Plant in Franklin.

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