Robert M. Hitt III Secretary

SOUTH CAROLINA DEPARTMENT OF COMMERCE

Nikki R. Haley Governor

For Immediate Release January 8, 2015

Kobelco Construction Machinery Co., Ltd. establishing operations in Spartanburg County Construction and transportation machinery manufacturer investing \$41 million to create an expected 131 new jobs

COLUMBIA, S.C. – <u>Kobelco Construction Machinery Co., Ltd.</u>, a company that specializes in the manufacture, sale and service of construction and transport machinery, is establishing operations in Spartanburg County. The \$41 million investment is expected to generate 131 new jobs in Moore, S.C.

Founded in 1999 and headquartered in Japan, Kobelco Construction Machinery is one of nine business domains of the Kobe Steel Group. Globally, the group, which was first established in 1905, employs close to 40,000 workers worldwide. Included among the main products and services provided by the Kobelco Construction Machinery are hydraulic excavators, mini excavators, wheel loaders and road construction equipment.

Kobelco's Spartanburg County operations will specialize in the manufacturing of hydraulic excavators. Located off of the Moore-Duncan Highway in Moore, S.C, the approximately 156,000-square-foot production facility and stand-alone office building will be positioned in close proximity to both I-26 and I-85. The facility will allow Kobelco to reduce the production lead time of machineries for its North American customers and improve capability for meeting market needs. The new factory will be incorporated into the company's North American subsidiary, Kobelco Construction Machinery U.S.A. Inc., which is headquartered in Katy, Texas.

Kobelco Construction Machinery reentered the U.S. market in 2013. Since that time, the firm has concluded dealer agreements with 62 companies, 52 of which are based in North America. Until now, the entire sales volume has been shipped from the company's Hiroshima Itsukaichi factory in Japan. The establishment of this Spartanburg County facility will reduce operational burden on Hiroshima plant while also allowing for the creation of an optimal group-wide production system.

Construction of the facility is expected to be completed in December 2015. Hiring for most of the new positions is anticipated to take place in July 2015. Interested candidates should contact Norma Sanchez, Human Resource Manager of Kobelco Construction Machinery U.S.A., Inc., at SCFactoryEmployment@kobelconet.com. For more information on Kobelco Construction Machinery Co., Ltd. please visit www.kobelco-kenki.co.jp and for Kobelco Construction Machinery U.S.A., Inc. please visit www.kobelco-usa.com.

The Coordinating Council for Economic Development has approved a \$750,000 set aside grant to assist with the costs of real property improvements as well as job development credits related to the project.

QUOTES

"We are very excited to begin the new phase of our growth in South Carolina. We look forward to becoming an integral part of the Spartanburg community, and sharing in our future success and prosperity. Many thanks to the team of Spartanburg County and the State of South Carolina, whose support throughout our site selection process has been an example of professionalism and Southern Hospitality." –Kobelco Construction Machinery U.S.A., Inc. President and CEO Katsuhiko "Pete" Morita

"We're thrilled to welcome Kobelco Construction Machinery to the South Carolina family. The company's decision to invest \$41 million and create 131 new jobs in Spartanburg County is great news for our state and a testament to our tremendous workforce, positive business environment and strong manufacturing industry." —Gov. Nikki Haley

"It's always encouraging when foreign-based firms conclude that South Carolina is where they would like to do business. Kobelco Construction Machinery's decision to establish operations in Spartanburg County proves that the business-friendly environment we offer in the Palmetto State has gained an international reputation, and I look forward to supporting Kobelco as we strive to uphold that distinction." —Secretary of Commerce Bobby Hitt

"On behalf of the SC Ports Authority, I welcome Kobelco to South Carolina. The growth of international companies that utilize the Port for both import of manufacturing process components and export of finished goods are important drivers of our continued growth. We look forward to the opportunity to serve their needs through our Charleston facilities." –SC Ports Authority President and CEO Jim Newsome

"We are thrilled Kobelco has chosen Spartanburg County for its only North American production facility and we welcome yet another global name brand to our community. Spartanburg is the home to numerous international firms and our citizens and small business owners have benefited from the opportunities these high-tech firms create. As is always the case in Spartanburg, our private and public sector allies were integral in locating Kobelco in Spartanburg. Spartanburg's own Pacolet Milliken, AFL Global, Neff Rental, and Spartanburg Community College all aided in making this announcement possible and we thank them for their continued support of our economic development efforts. The international recruitment efforts supported by the Economic Futures Group, Upstate SC Alliance, and the SC Department of Commerce are clearly paying dividends." —David Britt, chairman of the Economic Recruitment and Development Committee of Spartanburg County and member of the Economic Futures Group Board

We are excited to welcome Kobelco Construction Machinery to the Upstate of South Carolina. Their investment is a strong testament to the thriving international business climate that exists in our region and to the dedication of the economic development team in South Carolina." —Upstate SC Alliance President and CEO John Lummus

FIVE FAST FACTS

- Kobelco Construction Machinery Co., Ltd. is establishing operations in Spartanburg County.
- \$41 million investment creating 131 new jobs.
- Kobelco Construction Machinery was founded in 1991 and is headquartered in Tokyo, Japan.
- Spartanburg County operations will be located off the Moore-Duncan Highway in Moore, S.C.
- Those interested in applying for available positions should contact Norma Sanchez at SCFactoryEmployment@kobelconet.com

About Kobelco Construction Machinery Co., Ltd.

KOBELCO Construction Machinery Co., Ltd. manufactures, sells, and services construction and transport machinery. The company offers hydraulic excavators and recycling machines. It also offers machinery parts; and various services ranging from regular after-sales machine check-ups to inspections and advice about how to avoid trouble, as well as support in case a malfunctions. In addition, the company is engaged in the leasing of hydraulic excavators and related equipment; and resale of second-hand equipment. It serves customers worldwide. The company was founded in 1999 and is based in Tokyo, Japan with parts centers in Japan and Singapore. KOBELCO Construction Machinery Co., Ltd. operates as a subsidiary of Kobe Steel Ltd. It has subsidiaries and operations in the Netherlands, Europe, Africa, the Middle East, Russia -CIS, China, Thailand, Singapore, Indonesia, Malaysia, Vietnam, Australia, New Zealand, India, and Southeast Asia, as well as North, Central, and South America. For more information, visit www.kobelco-kenki.co.jp.

About S.C. Department of Commerce

As South Carolina's leading economic development agency, the Department of Commerce works to recruit new businesses and help existing businesses grow. Commerce has recruited world-class companies to South Carolina such as Boeing, Bridgestone, Continental, Monster.com, ZF Group, BMW and Google Inc. and also supports small and existing business, rural development initiatives and community development. Commerce partners with the <u>S.C. Technical College System</u> via <u>readySC</u> to support workforce training and recruiting, and with the <u>S.C. Department of Employment and Workforce</u>, which provides worker training and employment opportunities within the state. South Carolina ranked first in the nation for attracting jobs through foreign investment, according to IBM-Plant Location International reports in both

2012 and 2013. The state won the Gold Shovel Award and the Project of Year Award from Area Development magazine in 2012. For more information, visit www.SCcommerce.com.

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