

Commonwealth of Kentucky Governor's Office

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Kobelco Aluminum Plant Begins Full Operations

Expansion already underway for recently established facility

FRANKFORT, Ky. (Sept. 18, 2019) – Gov. Matt Bevin today congratulated automotive parts manufacturer Kobelco Aluminum Products & Extrusions Inc. for reaching full capacity at its new facility in Bowling Green, while undergoing a \$42 million, 90-job expansion that will push total employment at the facility to 220 and total investment to \$95 million.

"Kobelco has been a strong employer in Bowling Green for a number of years," Gov. Bevin said. "This new facility and its ongoing expansion are further evidence that their partnership with Kentucky continues to be a great fit, and we look forward to even more growth in the future. Congratulations to both the company and the Warren County community on this significant step forward in support of the commonwealth's thriving automotive industry."

Kobe Steel, Kobelco's corporate parent, initially announced the Warren County plant in mid-2016 and built it near an existing sister plant, Kobe Aluminum Automotive Products LLC (KAAP) on Central Avenue in the South Central Kentucky Industrial Park. Kobelco started operations on its fabrication manufacturing line in the fall of 2017, followed by the start-up of its melting and casting process and extrusion press in the latter half of 2018. The plant manufactures aluminium bumper and sub-frame materials.

Demand for aluminium parts continues to increase among automakers as they seek to lighten their vehicles to meet tightening federal fuel economy and emissions standards. To capture growing demand, Kobelco announced the expansion in December 2018, which includes a new melting furnace, extrusion press and fabrication equipment.

"We're growing our business and enhancing our presence as a manufacturer of aluminum extruded parts for cars," said Yukimasa Miyashita, senior managing executive officer and head of the aluminum and copper business of Kobe Steel. "In this way, we continue to meet the need for lighter cars that meet fuel efficiency regulations, and continue to contribute to the growth of the local economy."

Founded in 1905 and headquartered in Kobe and Tokyo, Kobe Steel operates worldwide under the KOBELCO brand. The company added the aluminum and copper business to its lineup of businesses in 1917. With numerous corporate subsidiaries, Kobe now offers a diverse range of products and services including steel, welding materials, industrial machinery, infrastructure and plant engineering services, construction equipment and electric power supply. Kobe employs over 39,000 people at more than 100 locations around the world.

KAAP, the sister facility in Bowling Green, opened in 2005 and produces forged suspension components for cars and SUVs while employing approximately 500 people. In spring 2017 KAAP announced a \$53 million expansion – the facility's seventh – adding about 100 jobs.

Sen. Mike Wilson, of Bowling Green, said the company has been a great corporate

partner for the commonwealth.

"I would like to congratulate Kobelco on their outstanding success that has brought them to this point." Sen. Wilson said. "Kobelco has established itself as a reliable employer for our state and I am pleased that they have decided to continue expanding here in Bowling Green."

Rep. Steve Sheldon, of Bowling Green, said the new facility is evidence of the community's pro-business track record.

"I want to thank Kobelco for choosing to further invest in our community and region. They are a fantastic employer and corporate community member. This new facility, plus the 90-job, \$42 million expansion that is already underway, is just further proof of the potential we have here in Bowling Green and Warren County," Rep. Sheldon said. "With a skilled, capable and hard-working workforce and a convenient location with access to a major interstate, we have all the ingredients. It just took a Governor and Economic Development Cabinet willing to work on our behalf to turn those ingredients into success."

Bowling Green Mayor Bruce Wilkerson said the project is part of a growing industry in the region.

"We're excited to see Kobelco's continued success and appreciate their impact on our local economy," Mayor Wilkerson said. "South Central Kentucky's aluminum industry is thriving and Kobelco has taken advantage of this growth, capitalizing on the opportunities provided here."

Warren County Judge-Executive Mike Buchanon expressed gratitude for the company's commitment.

"We are very proud that Kobelco has chosen to once again expand their current operation in the South Central Kentucky Industrial Park," Judge-Executive Buchanon said. "They continue to lead the growing industry of vehicle 'light-weighting' and we appreciate their commitment to advancement here in Warren County."

Ron Bunch, president and CEO of the Bowling Green Area Chamber of Commerce, said

the company has delivered on what it promised and more.

"It's always exciting when a first-class company like Kobelco surpasses their initial investment and job creation here in Bowling Green," Bunch said. "The impact an additional 90 full-time jobs will have on Warren County will improve the quality of life for many in our community."

Kobelco currently has two performance-based incentive agreements from the Kentucky Economic Development Finance Authority, which are designed to encourage investment and job growth for the state.

In addition, Kobelco can receive resources from the Kentucky Skills Network. Through the Kentucky Skills Network, companies can receive no-cost recruitment and job placement services, reduced-cost customized training and job training incentives.

For more information on Kobe, visit www.Kobelco.co.jp/english/.

A detailed community profile for Warren County can be viewed <u>here</u>.

Information on Kentucky's economic development efforts and programs is available at <u>www.ThinkKentucky.com</u>. Fans of the Cabinet for Economic Development can also join the discussion on <u>Facebook</u>, follow on <u>Twitter</u> and watch the Cabinet's "Now You Know" video on <u>YouTube</u>.

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