

## **AUTO THERMOSTAT FACILITY OPENS IN PUTNAM COUNTY UP TO 50 NEW JOBS EXPECTED WITHIN TWO YEARS**

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A company with the largest share of Japan's thermostat market officially opens its first North American facility today in Fraziers Bottom.

Workers at the Nippon Thermostat of America facility in Putnam County will start making automobile engine thermostats in November. The thermostats will be shipped to Toyota's Georgetown, Ky., factory. Next year, they'll start going to Toyota's nearby Buffalo factory.

Nippon Thermostat is the most recent Japanese company to open a facility in the Mountain State and adds to the state's 12 other motor vehicle parts manufacturing plants. In 2004, about 2,160 people worked at these facilities statewide and earned an average of \$52,946 a year, according to the West Virginia Development Office.

Six people work at Nippon Thermostat in Putnam County. General manager Takahiro Iwaki expects that number to grow to 40 or 50 within a couple of years. Salary and benefit information was not available.

The success of Toyota's Buffalo plant, government support and the educated work force are some of the reasons the Tokyo-headquartered company chose to open a plant in West Virginia, company President Yoshiyuki Onishi said during a recent West Virginia trade mission to Japan.

Company officials considered three locations, including the Putnam Business Park, when they did a feasibility study in April 2002. They selected the park because of its access to Interstate 64 and U.S. 35 and the help the company received from Gary Walton, the county development authority's executive director, Iwaki wrote via e-mail.

"He was the most knowledgeable and always the fastest to reply to my questions," he wrote. "He has a great knowledge of business, especially concerning incentives and he understood our future plan."

The company received a 40 percent tax break on county tax payments for 20 years and a discounted price for its land in the business park. The state also built two access roads to Nippon's new facility and allowed the company to use the Governor's Guaranteed Workforce Program, which offers training grants for up to \$1,000 per employee for companies that create at least 10 new jobs within a year.

Onishi signed documents to buy 10 acres in the park for \$25,000 an acre in June 2003 for its 31,000-square-foot facility. The development authority was selling the land for \$45,000 an acre, but gave Nippon a break because they were the first company to buy land in the park.

"[W]e're in competition with all the states and even foreign [countries]. There's a lot of incentives all over the place," said Putnam County Commissioner Jim Caruthers. "We're trying to keep the jobs here."

Walton showed company officials the business park site when they first visited West Virginia in December 1999. Back then it was an empty field without roads or utilities. The county development authority let a man cut the field for hay. "They bought a farm field, and thank God for their faith in us to say, 'Yes, we will get the roads and utilities in,'" Walton said.

Now, the park has three roads and water and sewer lines. Workers are expected to have a trench dug to run more phone and electricity lines under the road by the end of July, Walton said. He expects workers will paint the stripes down the road and put up directional signs around the park within three weeks.

Now, there is only 6 acres remaining in the park's first 50-acre phase. Tasty Blend Foods bought 10 acres, and Schwan's, a frozen food delivery service, bought 5. Walton said he's optioned another piece of property, and another company is close to signing a purchase agreement. Both interested companies are warehouse distribution firms, he said.

Onishi's stepfather established Nippon Thermostat in May 1954. About 670 people work for the company in its four factories in Japan and a joint venture in India. Workers make room ventilators, thermostats for racecars and temperature control devices for automobiles. Employees in the Japan plants supply Japanese carmakers and make thermostats for General Motors in the United States. Nippon Thermostat's Putnam County employees will start off making thermostats for Toyota, but would also like to supply Honda's U.S. factories, Onishi said. "We'll expand rapidly, I think," he said.

The company also wants its West Virginia plant to supply General Motors, wrote Kazumi Ubukata, the general manager for the company's overseas department, in an e-mail. West Virginia workers will make 300,000 thermostats a year to start and eventually increase to about 5 million a year, Ubukata wrote. The company plans for its West Virginia plant to have the same production capacity as its main plant in Japan.

Nippon plans to supply other Japanese car manufacturers in the U.S. and hopes to add machining and stamping processes in its West Virginia plant. If the company adds these processes, it will have to expand the plant, Iwaki wrote. Onishi told Gov. Joe Manchin in Japan that he would have many things to ask him after the company launched its West Virginia production. "As we expand, some companies [Nippon's suppliers] will have to go to West Virginia," Onishi said. People interested in working at the plant should contact Putnam County Job Service at 757-7270.

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