Japanese auto parts maker opens first U.S. location in Washington, IN

For Radius Indiana

by Kara Kavensky

“*Build it and they will come”* seems to be a phrase that resonates with many counties in this Southwestern region of Indiana who are realizing the impact of I-69.

Many towns along the new I-69 interstate corridor connecting Indiana’s capital city to its southwest corner are reaping the benefits of such a strategic economic development plan. Washington, Indiana is one of those towns. Situated off Exit 62, targeted investment in infrastructure is paying off. This investment to extend water, sewer, and electric utilities to the intersection at Exit 62 has proven pivotal for the area’s development. The infrastructure also includes a CSX rail siding and dock.

Thanks to the interstate and infrastructure improvements, Washington, Indiana, fortified its reputation for its productive manufacturing workforce. These factors highlighted them as an ideal target for M&C Tech, a Tier-2 automotive parts supplier based in Japan.

M&C Tech is a joint venture company between a 350-year-old company, Moriroku Chemicals, and Chubu Kagaku with a 70 year history. The executives at Moriroku Chemicals and Chubu Kagaku recognized their combined skills and technologies to be complementary. Yasuhiro Ito, President of M&C Tech, wished to locate their U.S. location within close proximity to its customers, typically auto parts manufacturers who sell to large companies such as Toyota, General Motors, and Subaru. Washington, Indiana is home to the only M&C Tech location globally.

“Washington was the best place in terms of locations, accesses, incentive, employment environment, and public security,” says President Ito. “We also wanted to locate our company within three hours from our main customers. The opening of I-69, the community’s hospitality, local resident recruitment and public security were factored into our decision.”

The Daviess County Economic Development Corporation (DCEDC) had built a 40,000 square foot shell building along I-69 to attract businesses to its newly created office park. Then DCEDC Executive Director Ron Arnold met the M&C Tech representatives at the building and reached out to Mayor Joe Wellman, who coincidentally happened to be on a trip in Japan at the time.

“It was amazing how it all aligned,” says Mayor Wellman, who rearranged his schedule to accommodate a visit to the Moriroku headquarters. “It has been wonderful getting to know the Japanese business people and while I don’t see them every week, it is great to know that we have made friends with them here as well as in Japan.”

M&C Tech built a building across the street from the shell building at the I-69 interchange. The street leading to M&C Tech was named Technology Drive, built and named to accommodate corporate growth.

President Ito has been happy with the warm reception that he and the M&C Tech team has received from the Mayor of Washington, Daviess County officials, State officials, and area residents, adding, “Even [after being here for a couple years] the Mayor and the County work with us and we are grateful to them. Also, the local residents are kind.

“More than 80% of our employees live within twenty minutes of our factory,” states President Ito. “Our employee retention rate is steady comparing to some other companies’. We hope to expand our business and hire more people as we continue to grow.”

Starting with 15 employees, M&C Tech has grown to 42 workers, with 4 of those in the office and 38 in production. In April 2019, they started their second shift. Within the next 5 years, M&C Tech hopes to double down on their efforts in Washington, Indiana.

“Various connections helped facilitate the success of the M&C Tech commitment to Washington,” says Bryant Niehoff, Executive Director of DCEDC. “Our relationships with multiple organizations, our proximity to major manufacturers for M&C, and our infrastructure presents opportunities for continued growth.”

Radius Indiana was able to step in to help Washington prepare for M&C Tech. The city received a grant from Radius’s Regional Impact Fund and used the money to help pay for site improvements that benefited M&C Tech’s construction of its facility.

“If you look at the map and where Japanese firms are located throughout Indiana, most are located along highways with few in the southern part of the state,” says Wellman, noting that adjoining counties to Daviess also benefit from their targeted efforts. “Some of us locally have worked on the I-69 corridor for 30 years. It’s exciting to see the successes continuing along I-69 for development and job growth in rural southwestern Indiana.”

M&C Tech is the first Japanese company in Daviess County and the first to locate along the new segment of I-69 in southern Indiana. Expecting a catalyst for future development, the city of Washington annexed 200 acres of undeveloped agricultural along I-69 as part of their long-range plan for that area.