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JAPAN TIES DRIVE EV GROWTH IN KENTUCKY AND ALABAMA

For many years, Japan has built a strong and efficient car-focused growth corridor that runs through Kentucky and Alabama, attracted by the excellent infrastructure, highly skilled workforce and economic incentives offered by the two Southern states.

Today, Japan's automotive giants are stepping up their investments and making a committed transition toward electric vehicles, thanks to the continued support and commitment shown by the leaders of Kentucky and Alabama.

Strong pivot toward electric vehicles

With around 200 Japanese-owned facilities employing about 47,000 people statewide, Kentucky has remained a preferred destination for Japanese investment, according to the Kentucky Cabinet for Economic Development.

In the northern city of Georgetown, Toyota expanded its year-old current electrification plan in early 2024 with a \$1.3 billion investment to support the manufacturing of an all-new, three-row electric SUV, along with battery pack assembly.

"Thank you, Toyota for yet another \$1 billion-plus investment coming to Kentucky," said **Gov. Andy Beshear** upon the announcement made by the KCED.

The expansion reinforces the state's ambitions to remain a leader in EV production in the United States.

State officials stress that workforce development was central in keeping the investment pipeline flowing.

"The workforce piece of the equation was critical. We benchmarked ourselves against the best," said **Kristina Slattery**, KCED's business development commissioner.

Kentucky complements its economic development efforts through diplomacy. In July 2024, Beshear led a trade mission to Japan and South Korea to meet with existing and prospective investors, expressing that the state is committed to its Japanese partnerships and ready for the transition to EVs.



The southern states of Alabama and Kentucky have stepped up their efforts to attract more investments in their manufacturing sectors and strengthen their workforce.

Toyota and Mazda take the wheel

In Alabama, Japanese partnerships are equally durable. The Mazda Toyota Manufacturing facility in Huntsville is a joint venture that employs up to 4,000 people and is capable of producing 300,000 vehicles a year.

Around 90 Japanese companies operate statewide, with nearly \$10 billion invested since 1999, according to the Alabama Department of Commerce.

The Japan-Alabama partnership continues to expand. In June 2024, Toyota Alabama announced a \$282 million expansion of its Huntsville powertrain operations, creating 350 jobs.

"This new investment project will build on the great legacy of Toyota's Alabama engine plant and create even more new opportunities," said **Gov. Kay Ivey**.

Alabama Commerce Secretary Ellen McNair added that the project "will once again help power Toyota's strategic efforts to prepare for the future in a fast-changing industry."

Like Kentucky, Alabama also actively promotes diplomatic ties with Japan.

During the 45th Southeast U.S.-Japan meeting in Tokyo in 2023, then-Commerce Secretary Greg Canfield emphasized that the "long-standing partnership between Japan and Alabama continues to spark economic growth, create opportunity and foster deep friendships."

How Japanese investors will benefit

Kentucky offers an EV-oriented production base, from Toyota's battery EV program in Georgetown to the broader "battery belt" developing across the state, while Alabama pairs large-scale vehicle assembly at Mazda Toyota Manufacturing U.S.A. Inc. with sustained reinvestment and consistent Japan-focused outreach.

For market entrants or expanders from Japan, the message from the leaders of both states is clear: Our workforce, supplier density and long-term policy support are already in place.

ALABAMA, JAPAN BOLSTER ECONOMIC PARTNERSHIP

The long-standing relationship between Alabama and Japan continues to shape the state's economy, with Japanese companies playing a vital role in job creation and industrial growth.

One of Alabama's top trading partners, Japan accounts for 90 companies operating in the state across a wide range of industries, including automotive, chemicals and advanced manufacturing.

"Alabama's relationship with Japan is one of the cornerstones of our state's economic growth," said **Commerce Secretary Ellen McNair**.

"Over the years, Japanese investment has created thousands of jobs in Alabama, and the future presents us with opportunities to explore new areas of collaboration in emerging industries like EVs (electric vehicles) and renewable energy," McNair added.

Japanese carmakers such as Honda, Toyota, Mazda and their suppliers bolster the backbone of Alabama's automotive industry, while companies like Daikin, Toray and Pharmavite produce chemicals, advanced materials and pharmaceuticals.

All these businesses have created thousands of jobs and strengthened their local communities.

As both regions look toward smart manufacturing and other advances, Alabama and Japan are poised to expand their collaboration, fostering innovation and economic progress.

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Alabama Department of Commerce Secretary Ellen McNair



Mazda Toyota Manufacturing, U.S.A., a joint venture of the two carmakers, has invested \$2.3 billion in its sprawling assembly plant in Huntsville, Alabama.

KENTUCKY PURSUES FRESH JAPANESE INVESTMENTS

Kentucky has become a preferred destination for Japanese investors, attracting more than 200 Japanese-owned businesses that have collectively generated around 47,000 jobs as of this year.

Last July, **Gov. Andy Beshear** led an economic development mission to Japan to demonstrate his state's commitment to strengthening this partnership.

According to the Office of the United States Trade Representative, Kentucky exported \$40.2 billion worth of goods worldwide in 2023, with Japan accounting for \$1.5 billion of those products.

Japan and Kentucky have enjoyed a fruitful economic partnership, which began 40 years ago when Toyota built its first U.S. factory in Georgetown. Since then, several more Japanese companies have followed suit, including Hitachi, Komatsu, Yokohama and Sumitomo.

To revitalize its long-standing economic partnerships, the Kentucky Cabinet for Economic Development launched the "New Kentucky Home" campaign, an initiative to attract more investors, world-class workers and their families.

"Kentucky is open for business. We're doing everything we can to be a leader in economic growth, job creation and innovation," said Beshear, who in 2023 signed a memorandum of agreement to deepen trade, cultural and social ties with Aichi Gov. Hideaki Omura.

Through its New Kentucky Home campaign, the Bluegrass state celebrates mutual trust, successful partnerships and shared prosperity with one of its most reliable partners: Japan.

<http://newkentuckyhome.ky.gov>



Kentucky Gov. Andy Beshear

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