

Japanese candy maker breaks ground in Orange County

BY TAMMY GRUBB

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MEBANE — America holds a special significance for Morinaga & Co., and without North Carolina's support, the candy maker's first U.S. factory would not be a reality, Chairman Gota Morinaga said.

"Building a production facility in the United States is an epoch-making event in our 115-year history," Morinaga said at Thursday's groundbreaking on 21 acres in Orange County. "I imagine the joy and deep emotion that our founder would feel if he were here with us today."

Morinaga & Co. is Japan's largest candy and confectionery company. It has \$1.75 billion in global sales and more than 40 product lines. The Mebane factory will produce Hi-Chew, which is similar but squishier than Starburst candies.





The company's beginnings were humble.

Tachiro Morinaga was a poor potter when he left Japan for San Francisco in the late 1800s. There, his life was changed by becoming a Christian and when he tasted his first piece of candy. At that time, only the rich could afford candy.

Morinaga saw a way to make a living and bring candy to everyone in Japan, but he was turned down for an apprenticeship. Undeterred, he got a job as a janitor at a candy factory and learned in his spare time. His first product when he returned to Japan was a marshmallow that he sold from a push cart.

The candy – called “Angel Food” in Japanese – would later inspire the angel that serves as the trademark for Morinaga & Co.

Gov. Pat McCrory said he saw an immediate connection with the Japanese company in a meeting last year.

“To me, there was just an immediate bond with the values of North Carolina – of hard work, of visionary leadership, of people who want to make things and produce things and provide a quality product,” he said.

Orange County Board of Commissioners Chairman Barry Jacobs said the deal also shows what can happen when governments and others work together.

It's well known that Orange County doesn't make quick decisions, he said, but they didn't waste any time forming partnerships with the state, Mebane, Durham Technical Community College and others to court Morinaga. McCrory said the county beat out competitors in Philadelphia, Richmond, Atlanta and Ontario, Canada.

“This is the way state and local governments should operate,” Jacobs said, “as mutually respectful partners going in the same direction for the betterment of our diverse constituents.”

The state Department of Transportation has already started extending Ben Wilson Road into the site, which sits across Interstate 85-40, facing Tanger Outlets. **InSpec Group** is building the 100,000-square-foot, state-of-the-art factory, which could open in June 2015.

Morinaga has agreed to hire up to 90 workers, invest up to \$48 million in land, buildings and equipment, and have a \$3.4 million annual payroll by Jan. 31, 2018, in return for an incentives package worth more than \$2.5 million. The average salary would be \$37,979, with health insurance.

If the company meets performance goals, it could receive up to \$1.5 million over five years from Orange County and \$720,000 from Mebane, based on its property taxes. The state is providing a \$264,000 grant, and Duke Power is paying to extend gas and electric service to the factory.

Orange County is using a state community development block grant to pay for water and sewer improvements to the site, while Durham Tech's Orange County campus plans to train new employees.

Future expansions are possible, company officials said.

Toshiaki Fukunaga, president of Morinaga America Foods, said he is confident they found the best environment for the factory. When his daughter heard he was moving to America, she wanted him to know that North Carolina has at least 600 golf courses, so he could play every day, Fukunaga said. She also told him the state's motto: To be rather than to seem.

"It is our responsibility to build a 'be rather than to seem' company that even my daughter can be proud of," he said.

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