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## **Mitsubishi Electric to Establish Heat Pump Compressor Factory in the U.S.**

*Expanding production in key growth areas to grow A/C and refrigeration businesses*



Exterior of the planned U.S. manufacturing site

**TOKYO, December 13, 2024** – [Mitsubishi Electric Corporation](https://www.mitsubishielectric.com) (TOKYO: 6503) announced today that it will invest U.S.\$ 143.5 million to retrofit a U.S.-based factory to make variable-speed compressors that are a key component of high-efficiency heat pumps. As part of Mitsubishi Electric US Holdings, Inc., the Maysville, Kentucky-based factory of Mitsubishi Electric Automotive America, Inc. currently manufactures and sells automotive electrical equipment. Production of the compressors, targeted to start in October 2027, is expected to help the company meet growing demand in the United States for low-greenhouse-gas-impact and energy-efficient HVAC solutions. Initial estimated annual capacity will total 1,000,000 compressors.

When complete, the revamped factory will represent the first time that variable-speed compressors using twin rotary technology for highly efficient ductless heat pumps will be manufactured in the United States. More than 90% of these compressors for in-demand ductless heat pump systems are currently built in China and other countries in Asia.

While the company will make a significant investment in this project, its U.S. subsidiary, MELCO HVAC US, Inc., is pleased to receive a \$50 million award from the U.S. Department of Energy (DOE)'s Office of Manufacturing and Energy Supply Chains (MESC) for the domestic production of high-efficiency heat pump technology. This funding will be allocated over three years for the retrofitting of the U.S. factory. MELCO HVAC US will also utilize the economic assistance programs of the Commonwealth of Kentucky. Mitsubishi Electric appreciates support from DOE/MESC as well as economic assistance from the Commonwealth of Kentucky that were key factors in the decision to site the factory in the U.S.

Mitsubishi Electric's air conditioning and refrigeration systems business in the U.S. has been expanding rapidly since 1980. In 2018, Mitsubishi Electric's air conditioning and refrigeration systems business in the U.S. established a joint venture company with Trane Technologies plc (formerly Ingersoll-Rand plc), known as Mitsubishi Electric Trane HVAC US LLC, due to the significant demand for its residential and commercial heat pump solutions. The compressors built in the U.S. will be used in products distributed by Mitsubishi Electric Trane HVAC US to further expand its domestic sales and service presence and capabilities. The establishment of the Maysville, Kentucky factory will initiate local production of compressors for heat pumps and provide a stable supply of products to meet future demand. Business expansion in the U.S. market can be achieved by offering products based on regional customer needs and leveraging the breadth of solutions from Mitsubishi Electric businesses.

The global market for air conditioning and refrigeration systems is projected to continue its recent growth, largely due to the increasing demand for energy-efficient and low global warming potential refrigerant upgrades, as well as the surge in demand driven by the shift in energy sources away from fossil fuels. In response to these market conditions, Mitsubishi Electric has positioned the air conditioning and refrigeration systems business as a key growth area in its business portfolio strategy. The company is bolstering local development capabilities in growth markets, enhancing local production and consumption systems. Mitsubishi Electric will strengthen development and manufacturing capabilities for compressors locally, aiming to fortify its business foundation in the United States. At the same time, the company will improve its capability to respond to rapid changes in demand through local production and improve cash flow by shortening the lead time from production to sales.

**About MELCO HVAC US, Inc.**

|                                 |   |
|---------------------------------|---|
| President                       | Takashi Okazaki                                       |
| Director                        | Mike Corbo  |
| Facility                        | 1705 Downing Drive, Maysville, Kentucky 41056, U.S.A. |
| Ownership                       | Mitsubishi Electric US Holdings, Inc.: 100%           |
| Planned Investment              | U.S.\$ 143.5 Million                                  |
| Site Area                       | 25.463 acres  |
| Efforts towards Decarbonization | All electric any climate heat pump technologies       |
| Efforts towards SDGs            | Installation of solar panels                          |
| Business                        | Manufacturing of HVAC equipment compressors           |

**About Mitsubishi Electric US Holdings, Inc. (As of the End of November 2024)**

|                 |   |
|-----------------|---|
| President & CEO | Mike Corbo  |
| Head Office     | 5900-A Katella Avenue, Cypress, California 90630-5019, U.S.A. |
| Ownership       | Mitsubishi Electric Corporation: 100%                         |
| Paid-in Capital | about U.S.\$ 422.9 Million                                    |
| Established     | April 1, 2002   |
| Business        | Holding Company   |

**About DOE’s Office of Manufacturing and Energy Supply Chains (MESC)**

MESC plays a critical and unique role in catalyzing investments in America’s energy future to support the re-shoring, skilling, and scaling of U.S. manufacturing across energy supply chains. MESC addresses critical vulnerabilities in U.S. energy supply chains through direct investments in manufacturing capacity and workforce development. Learn more at: [www.energy.gov/mesc](http://www.energy.gov/mesc)

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**About Mitsubishi Electric Corporation**

With more than 100 years of experience in providing reliable, high-quality products, Mitsubishi Electric Corporation (TOKYO: 6503) is a recognized world leader in the manufacture, marketing and sales of electrical and electronic equipment used in information processing and communications, space development and satellite communications, consumer electronics, industrial technology, energy, transportation and building equipment. Mitsubishi Electric enriches society with technology in the spirit of its “Changes for the Better.” The company recorded a revenue of 5,257.9 billion yen (U.S.\$ 34.8 billion\*) in the fiscal year ended March 31, 2024. For more information, please visit [www.MitsubishiElectric.com](http://www.MitsubishiElectric.com)

\*U.S. dollar amounts are translated from yen at the rate of ¥151=U.S.\$1, the approximate rate on the Tokyo Foreign Exchange Market on March 31, 2024