

November 12, 2012

Krista Linke, Director
Franklin Economic Development Department
70 E. Monroe Street
Franklin, IN 46131

RE: Amended Tax Abatement Letter of Inducement for NSK Corporation: Resolution #10-19

Dear Economic Development Commission Members:

This letter is being written on behalf of the NSK Corporation, a subsidiary of Japan's NSK Ltd. The US operations are based in Ann Arbor, MI with manufacturing facilities for automotive bearings in Franklin, IN; Liberty, IN and Clarinda, IA. This amendment is due to the overspending on the initial asset purchase value of \$9,440,000 submitted and approved on Resolution #10-19 on October 18th of 2010. The final cost of assets purchased was \$11,285,000, a difference of \$1,845,000. This overspending is due to the value of the Yen strengthening to the US Dollar from initial equipment quotes compared to final purchase value and for the purchase of additional manufacturing processes to accomplish the expansion goals stated in Resolution #10-19.

This project was purchased in three phases. The first phase was projected to have spending of \$3,229,000 the second phase of \$3,206,000. These assets were installed in 2nd Quarter of Calendar Year 2011. Actual purchases were \$3,669,000 for phase one (a difference of \$440,000) and \$4,009,000 for phase two (a difference of \$803,000). The final phase was installed in 1st Quarter of Calendar Year of 2012 and projected to have spending of \$3,005,000. Actual spending on this phase was \$3,666,000 (a difference of \$661,000)

For the above stated reasons, NSK Corporation respectfully requests that the Franklin Economic Development Commission give a favorable recommendation to the Franklin City Council to the amendment of Resolution #10-19 to include the additional spending of \$1,845,000 for a total abatement of \$11,285,000. The assets purchased under Resolution #10-19 were included in the March 1, 2012 Form CF-1/PP, so a retroactive acceptance of this amendment to a period prior to Business Property valuation date is appreciated.

NSK Corporation is honored to have a long and mutually beneficial association with the City of Franklin. We also look forward to expanding our participation in the community and continuing to provide more to the community of Franklin than the amount of tax abatements we are presently requesting.

Thank you for your time and assistance in this most important matter. If you have any questions or need any additional information, please do not hesitate in contacting myself.

Sincerely,



Kyle Stiens
Plant Manager
NSK Corporation – Franklin