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For Immediate Release

KOBELCO Construction Machinery and KOBELCO Cranes to Merge

Katy, TX – Kobe Steel, Ltd. and its wholly owned subsidiaries, KOBELCO Construction Machinery Co., Ltd. and KOBELCO Cranes Co., Ltd., have announced plans to merge the two businesses under KOBELCO Construction Machinery Co., Ltd. effective April 1, 2016.

The Kobe Steel Group decided to merge the two companies to further strengthen its business foundation and accelerate global development in relation to the construction equipment business. The subsidiaries were originally split into two separate companies in 2004, with both companies specializing in their respective fields in many countries around the world. This merger is anticipated to improve business efficiency, strengthen product development capabilities and bolster global development. It will also enable Kobe Steel to pursue new possibilities from the synergy derived from the accumulated technologies of its excavators and cranes.

According to Kobe Steel in Japan, the merger of overseas KOBELCO subsidiary Construction Machinery and Crane locations will be considered on a case by case basis while weighing the benefits to each market within 2016. “Here at KOBELCO Construction Machinery USA, we are considering the best approach to strengthen the support of our North America dealers and customers,” says Pete Morita, President of KOBELCO Construction Machinery USA. “We are very excited about the opportunities this consolidation provides. There are still many factors to be considered in North America and we will identify the options that best allow KOBELCO USA to continuously provide our dealers and customers with the best product development, manufacturing capabilities and enhanced sales and service support in the market.”



The new combined company will take a leap forward as a comprehensive construction machinery manufacturer that combines the two products of excavators and cranes. After the merger, KOBELCO Construction Machinery Co., Ltd. will represent a combined sales of \$3.15 billion U.S. dollars with over 7,600 employees.

Profile of Companies Involved in Merger:

KOBELCO Construction Machinery Co., Ltd.

Established:	October 1999
Location:	Tokyo, Japan
Capital:	\$132 million (U.S. dollars)
Representative:	Jun Fujioka, President and CEO
Ownership Structure:	Kobe Steel 100%
Sales:	Approximately \$2.57 billion U.S. dollars (consolidated, in fiscal 2014, ended March 2015)
Employees:	6,745 (consolidated, as of March 31, 2015)
Description of Business:	Manufacture, sales and servicing of construction and transport machinery (hydraulic excavators, mini excavators, wheel loaders, building demolition machines, etc.)

KOBELCO Cranes Co., Ltd.

Established:	April 2004
Location:	Tokyo, Japan
Capital:	\$52.6 million (U.S. dollars)
Representative:	Akihiko Tsukamoto, President and CEO
Ownership Structure:	Kobe Steel 100%
Sales:	Approximately \$587 million U.S. dollars (consolidated, in fiscal 2014, ended March 2015)
Employees:	844 (consolidated, as of March 31, 2015)
Description of Business:	Development, manufacture, sales, and servicing of construction machinery (crawler cranes, rough terrain cranes, civil engineering machines, work vessels, etc.)

KOBELCO Construction Machinery USA offers industry-leading crawler excavators in the 3,000 lb. to 245,000 lb. classes including zero tail swing, compact, standard, long-reach, mass excavation, and demolition models. Well-known as the excavator authority, KOBELCO is committed to producing quality machines with advanced productivity-boosting features and innovative technologies. With premier



capabilities such as no time limit power boost and exclusive independent travel, KOBELCO machines ensure superior performance and efficiency for the toughest worksite challenges.

For more information on KOBELCO Construction Machinery USA or KOBELCO products, please visit www.KOBELCO-USA.com or call 281-888-8430.

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