KOBELCO

Acquisition of CNH CE Business and Launch of a New Strategic Partnership with CNH

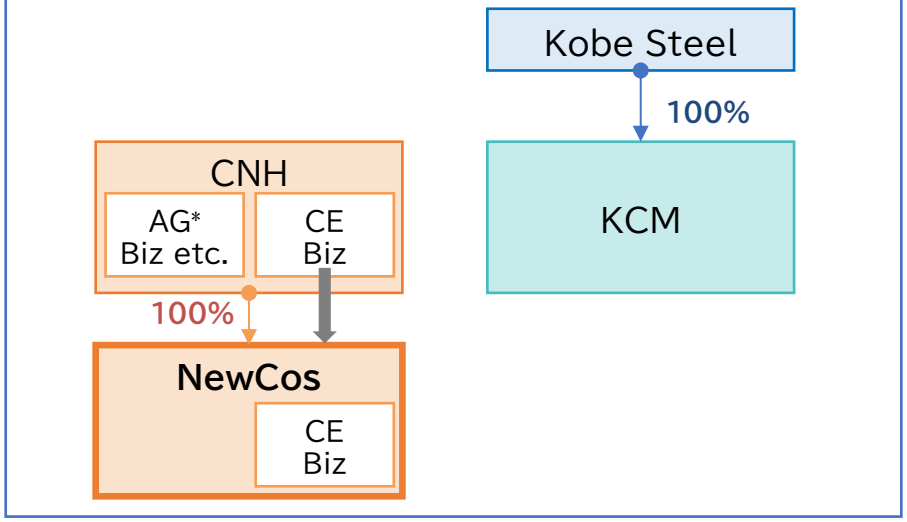
November 9, 2026
Kobe Steel, Ltd.
Kobelco Construction Machinery Co., Ltd.

Transaction Overview

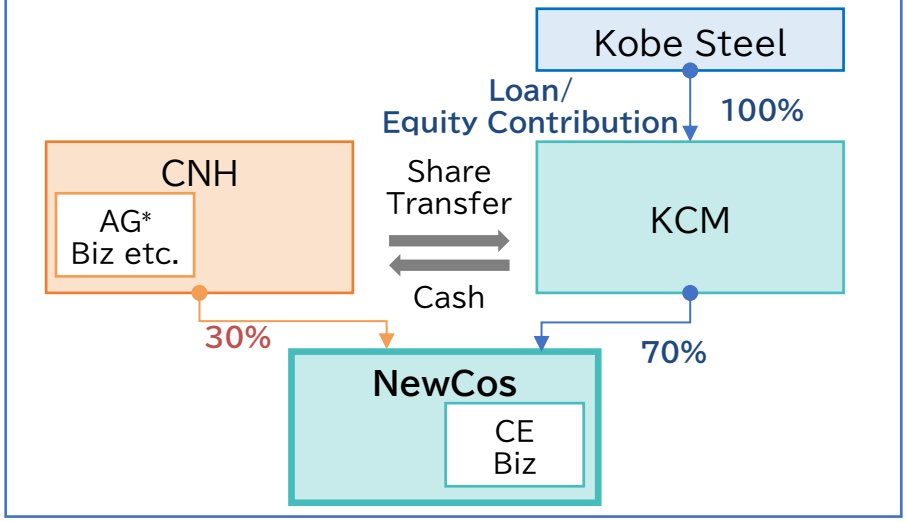
- ✓ Kobelco Construction Machinery (“KCM”) to acquire 70% of the shares in newly established companies (each, a “NewCo”) which together comprise CNH’s construction equipment business (the “CNH CE Business”) after closing
- ✓ KCM will lead the management of the NewCos, with CNH remaining involved as a strategic partner to support value creation

Transaction Structure	• CNH CE Business will be carved out into NewCos, with KCM acquiring a 70% interest in NewCos • Kobe Steel will raise the acquisition financing and provide KCM with funding through an intercompany loan and an equity contribution
Enterprise Value	• USD 1.0 billion (approx. JPY 157.9 billion) USD 1 : JPY 157.9 KCM to make a payment corresponding to its 70% ownership, reflecting adjustments for net interest-bearing debt, working capital and other relevant items as of the closing date of the Transaction
Expected Schedule	• November 9, 2026: Date of execution of the Definitive Agreements • Closing expected in approximately one year

Step 1: Carve-out



Step 2: Share Transfer



* Agricultural Equipment

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CNH CE Business at a Glance

- ✓ Broad product portfolio spanning compact to medium and large-sized equipment, anchored by the CASE brands
- ✓ Strong customer base and extensive global footprint, with North America as its core market

Key Brands

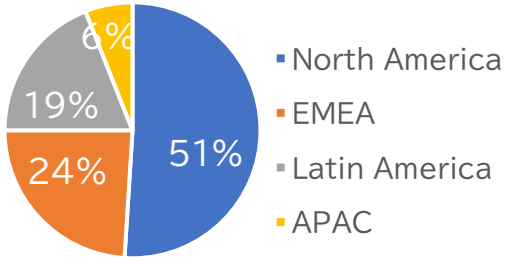
CASE CONSTRUCTION | NEW HOLLAND CONSTRUCTION | EUROCOMACH

Scale

Net Sales USD 3.0 Bn | Adj. EBITDA USD 0.12 Bn | Employees 4,500

(As of the end of FY2025)

Regional Sales Mix



Footprint

of Dealers 300 (CASE only) | Large Global Installed Base | Aftermarket Service Sales Mix 13%

Product Portfolio

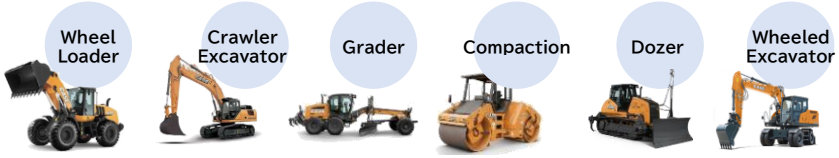
Compact Equipment

Core segment, accounting for more than half of sales, driven primarily by residential and commercial construction and rental demand



Medium- and Large-sized Equipment

Primarily serving infrastructure, mining and public works

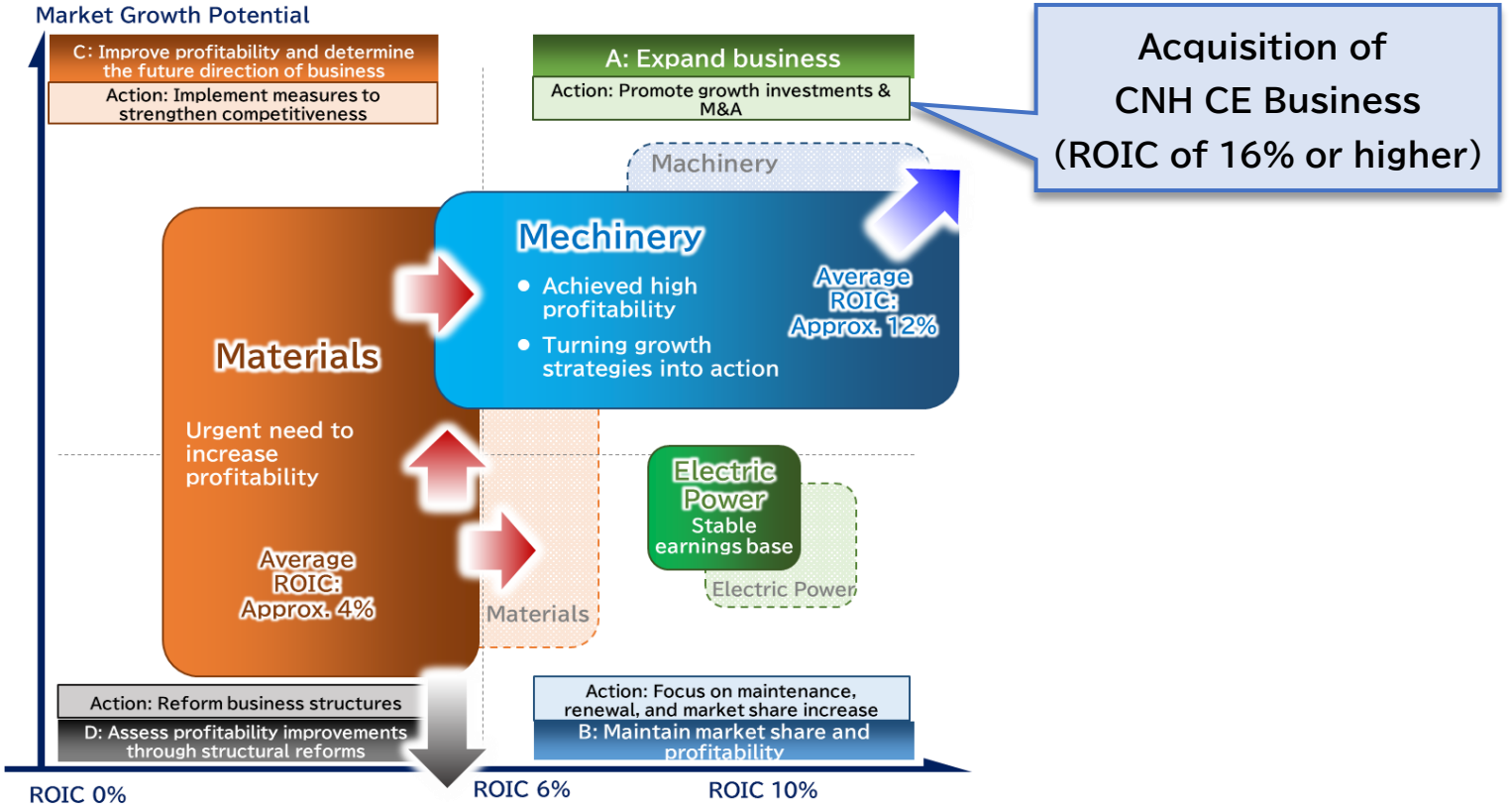


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Strategic Positioning within the Kobelco Group

- ✓ The Group is accelerating group-wide portfolio transformation to drive growth
- ✓ Global machinery businesses are a core growth driver, with a medium to long-term ROIC target of 12%
- ✓ This cross-border acquisition targets an ROIC of 16% or higher and is aligned with the Group's portfolio strategy

Kobelco Group Business Portfolio Strategy*



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*As per "Progress on the Kobelco Group Medium-Term Management Plan (Fiscal 2024–2026)", May 19, 2026

Strategic Positioning of the Construction Machinery Business

- ✓ The synergy between KCM and the CNH CE Business will create a mid-sized global player with complementary product portfolios and geographic footprints, aiming to establish a highly profitable business model
- ✓ KCM's K-DIVE® and other technologies with CNH's GNSS capabilities will enable development of next-gen technologies



Strengthening the Global Business Platform

Expand Products
- High complementarity across products and geographies
- Establish a global production and sales footprint

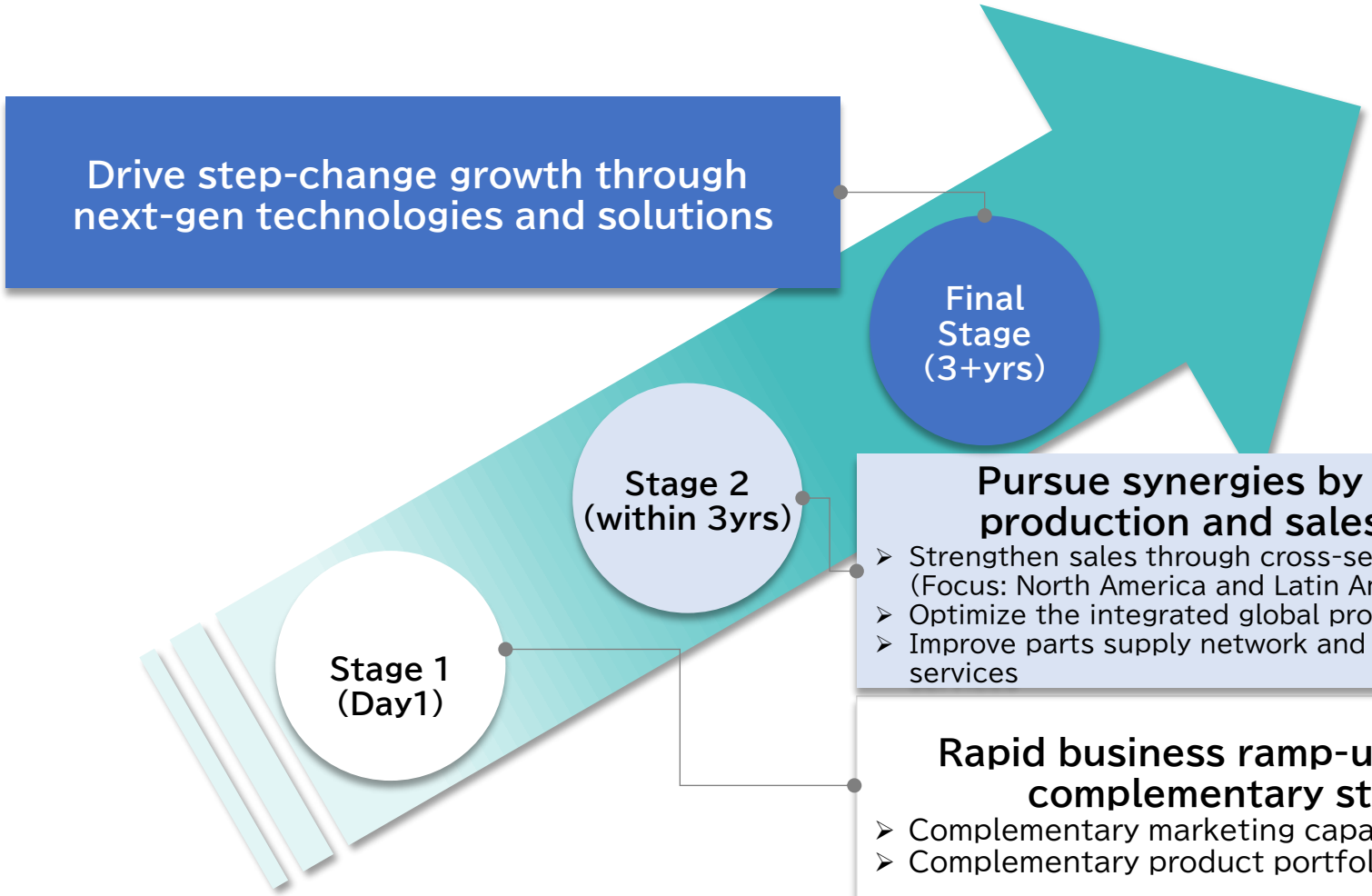
Grow the Installed Base
- Increase sales and installed base
- Grow the aftermarket business

Expand Solutions
- Develop next-gen technologies and solutions

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Driving Value Creation

- ✓ Leverage the complementary strengths of both companies to accelerate the ramp-up and enhance profitability through production and sales synergies
- ✓ Unlock new growth through the development of next-gen technologies and solutions



Pursue synergies by optimizing production and sales footprint

- Strengthen sales through cross-selling (Focus: North America and Latin America)
- Optimize the integrated global production footprint
- Improve parts supply network and enhance aftermarket services

Rapid business ramp-up leveraging complementary strengths

- Complementary marketing capabilities
- Complementary product portfolios

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Stage 1 | Complementary Product Portfolios

- ✓ Complementary product portfolios with limited overlap
- ✓ This transaction creates a broad portfolio spanning compact to large equipment

	Product	KCM	CNH CE Business	Combined
Compact	 Mini Excavator	●	●	◐
Compact	 Compact Track Loader		●	●
Compact	 Backhoe Loader		●	●
Medium and Large	 Wheel Loader		●	●
Medium and Large	 Hydraulic Excavator	●	●	◐
Medium and Large	 Dozer		●	●
Other	 Crawler Crane	●		●

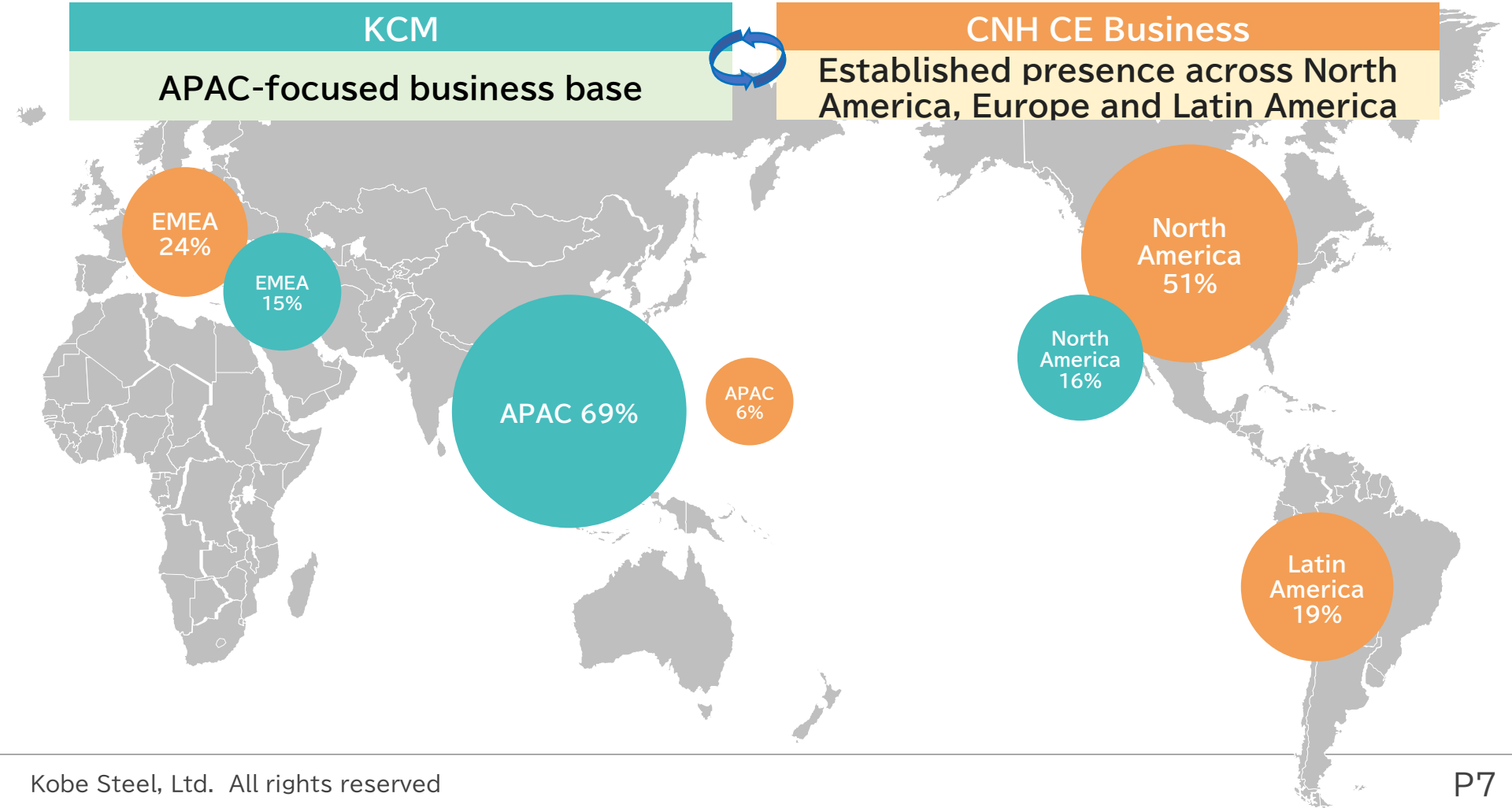
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Stage 1 | Complementary Marketing Capabilities

- ✓ KCM's APAC presence complements CNH CE's coverage of North America, Europe and Latin America
- ✓ Existing dealer networks enable rapid business ramp-up

Regional Sales Mix

KCM	CNH CE Business
APAC-focused business base	Established presence across North America, Europe and Latin America

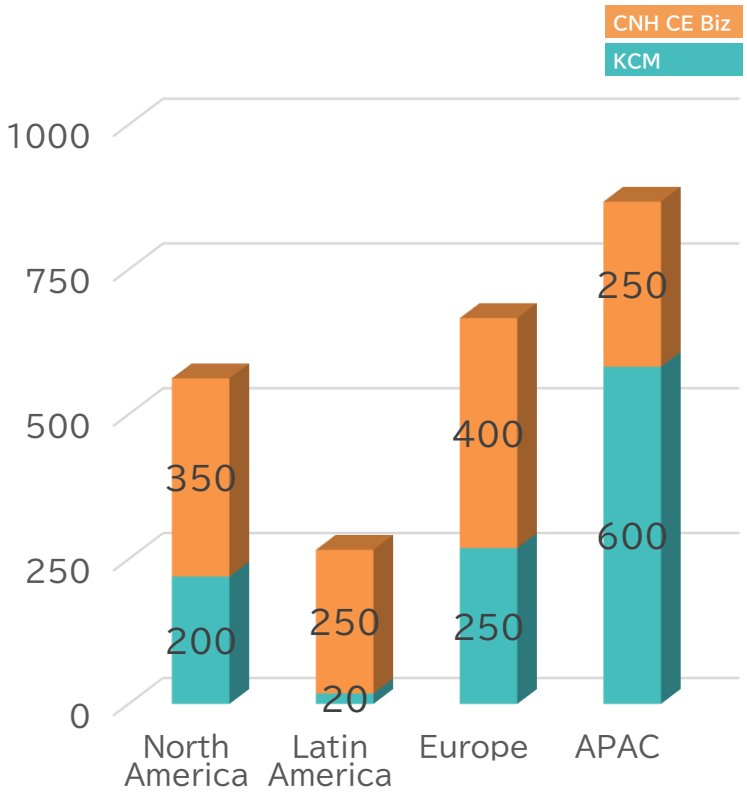


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Stage 2 | Strengthen Sales Through Cross-Selling (Focus: North America and Latin America)

- ✓ Expand market reach by leveraging both companies' dealer networks, particularly in North America and Latin America
- ✓ Strengthen the global sales and service footprint to capture growth opportunities across markets

Estimated Number of Dealer Locations by Region



CNH CE's Strengths in the Market

North America

One of the world's largest construction equipment markets and a key priority market with attractive profitability potential

Latin America

A growth market with robust construction equipment demand, led by Brazil

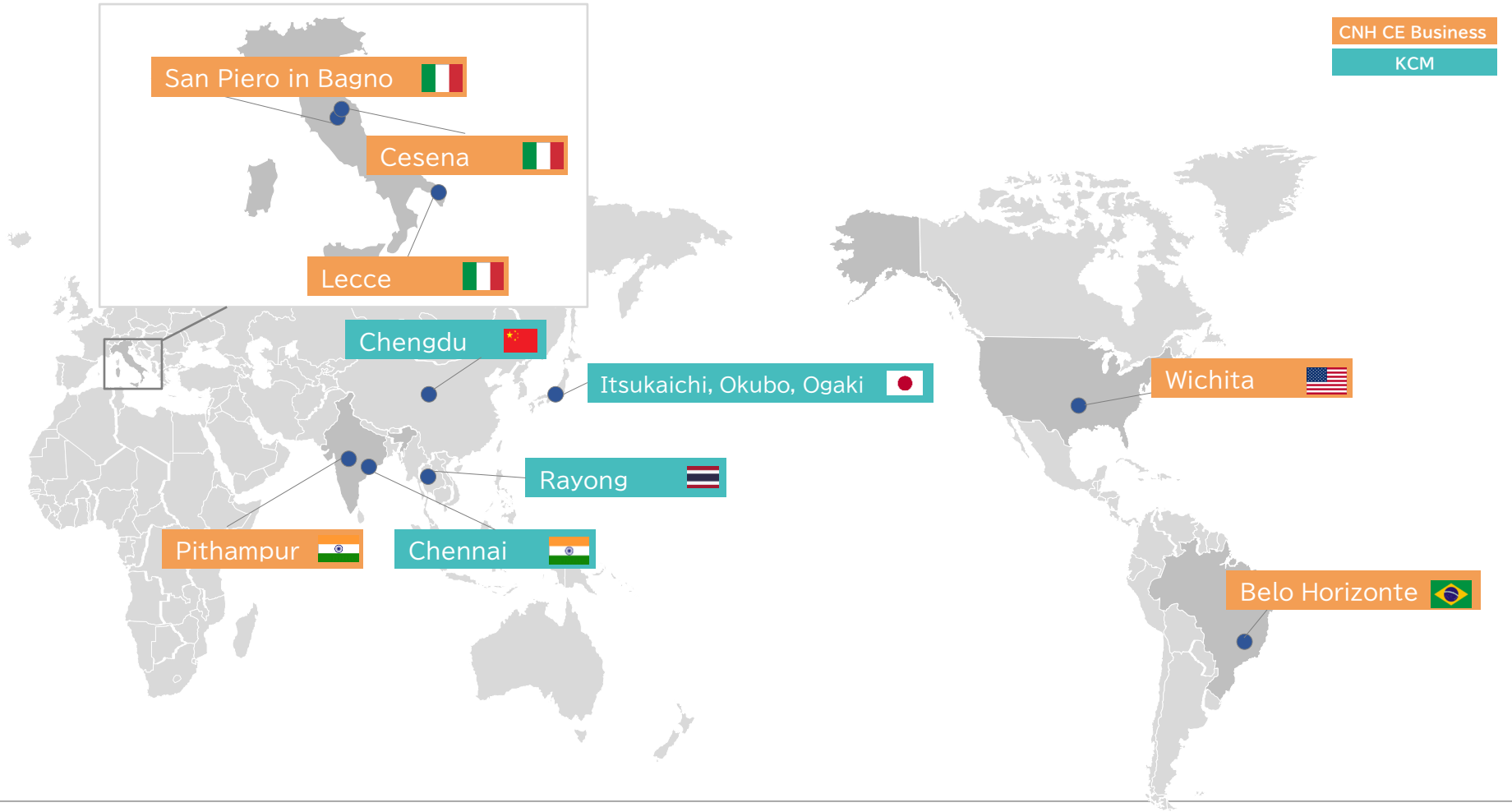
CNH CE Business is a leading construction equipment manufacturer in both markets, supported by broad dealer networks and strong brands

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Stage 2 | Optimize the Integrated Global Production Footprint

- ✓ Optimize the global production footprint for each product by leveraging the strengths of both companies' manufacturing sites
- ✓ Maximize capacity at KCM's core Japanese production sites to expand intra-group supply

Key Global Production Sites



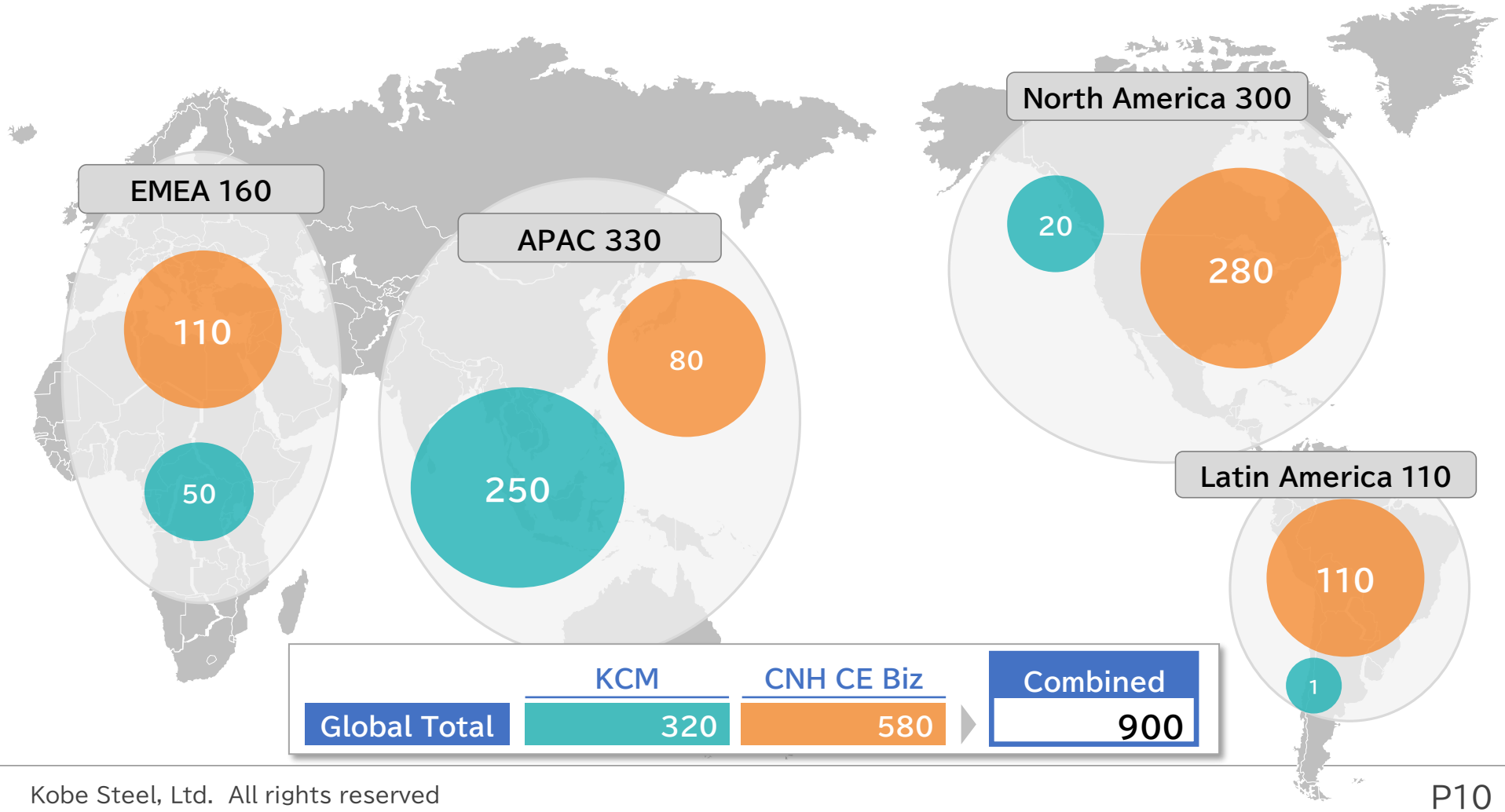
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Stage 2 | Improve Parts Supply Networks and Enhance Aftermarket Services

- ✓ Improve both companies' parts supply networks to shorten lead times and reduce costs
- ✓ Expand customer touchpoints and enhance service quality through both companies' aftermarket sites

Estimated Number of Global Operating Units

[Unit: Thousands]



Global Total	KCM	CNH CE Biz	Combined
	320	580	900

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Final Stage | Next-Gen Technologies and Solutions

- ✓ KCM will explore opportunities with CNH to develop differentiated next-gen products and solutions that enhance labor efficiency, safety and productivity, leveraging K-DIVE®'s remote operation capabilities as well as the GNSS-based positioning technology of the CNH CE Business
- ✓ Build an integrated construction site management platform

K-DIVE®

- Remote Operation
- Autonomous Construction
- Leveraging Operating Data



CPW (Cyber Physical Workspaces)

Connecting People and Worksites
Cyber-Physical Platform

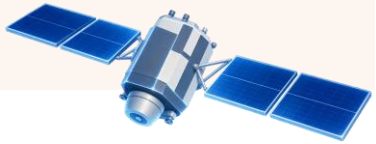
- 3D Construction Data
- Progress and Completion Tracking
- Safety Management
- Equipment Inspection and Maintenance
- Data Analytics and Reporting



GNSS System

(Global Navigation Satellite System)

- High-Precision Positioning Data
- Satellite Correction Data Without a Reference Station



Real-Time Data Integration
Location Data, Operating Data, Remote Operation and Autonomous Construction





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Strategic Partnership with CNH

- ✓ KCM will partner with minority owner CNH (30%) to enhance the business and support ongoing value creation
- ✓ KCM will explore the opportunities to further develop mutual partnership with CNH beyond the construction equipment business

Strategic Partnership

Kobe Steel

KCM



CNH

Advisory support for a smooth launch	Factoring services	Growth opportunities beyond the construction equipment business

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Expected Earnings After Acquisition

- ✓ FY2030 targets: Net sales of USD 4.0 billion (approx. JPY 600 billion), operating profit of USD 220 million (approx. JPY 30 billion) and ROIC of 10%
- ✓ 10-year targets: Net sales of USD 5.0 billion (approx. JPY 800 billion), operating profit of USD 350 million (approx. JPY 50 billion) and ROIC of 16% or higher

10-Year Financial Targets

Net Sales

USD 5.0 billion (approx. JPY 800 billion)

- Global construction equipment market growth of approx. 2% p.a.
- Cross-selling through the broad dealer network
- Enhanced product competitiveness through in-house production

Operating Profit

USD 350 million (approx. JPY 50 billion)

- Economies of scale from sales growth
- Improved profitability through in-house production
- Higher production efficiency through footprint optimization

ROIC

16%

- Improved profitability through a better balance between manufacturing and distribution
- Business expansion through effective use of existing assets

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Kobelco Group Financial Strategy

- ✓ With a solid financial base in place, the Group will pursue growth investments through disciplined use of leverage
- ✓ This acquisition marks the first step in accelerating M&A investments. The Group will also continue to invest in carbon neutrality initiatives in response to changes in the operating environment

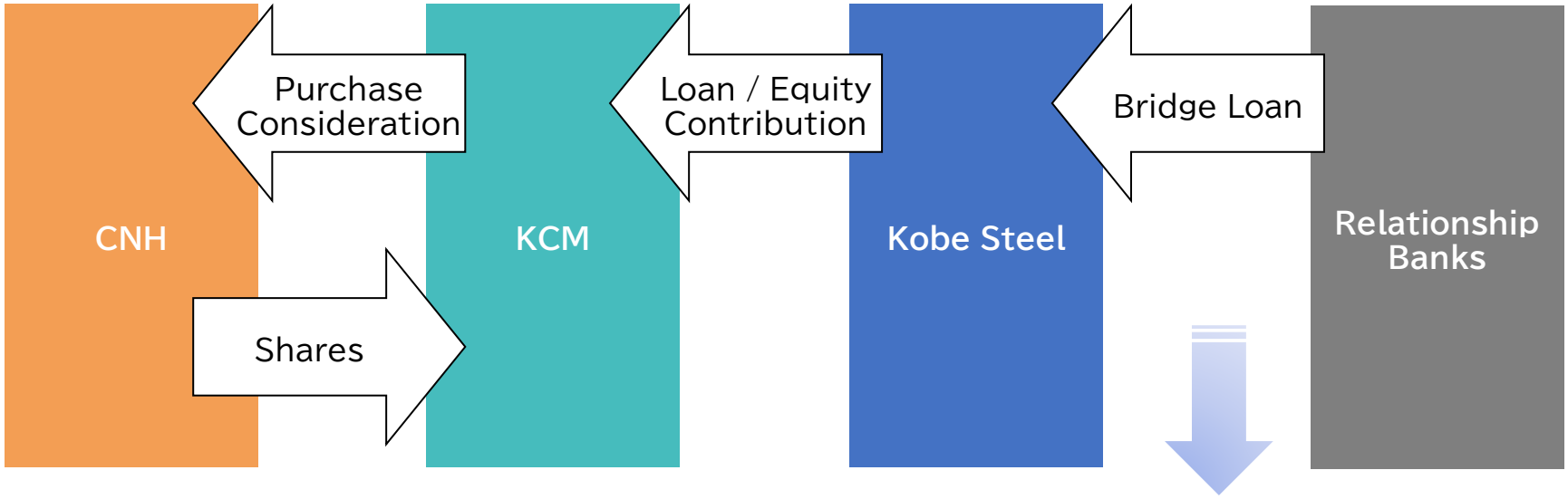
Financial Strategy

		Previous Mid-term (FY2021–2023)	Current Mid-term (FY2024–2026)	Next Mid-term (tentative) (FY2027 onward)
Financial Base	Net Asset Ratio	29.8% ⇒ 38.6%	38.6% ⇒ Approx. 49%	▪ Leverage the strong financial base to accelerate growth investments with disciplined use of leverage ▪ Continue investments in carbon neutrality initiatives ▪ Transition to a full-scale business expansion phase
	Gross D/E Ratio	1.49x ⇒ 0.83x	0.83x ⇒ Approx. 0.55x	
	Credit Rating	A- ⇒ A	A ⇒ A+	
Financial Strategy		▪ Build a stable earnings base while prioritizing the reduction of interest-bearing debt	▪ Strengthen the financial base, rebuild the funding structure and transform the financial position to support business growth	

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Financing Structure

- ✓ Kobe Steel will raise acquisition financing and provide KCM with funding through an intercompany loan and equity contribution
- ✓ A bridge loan from relationship banks will fund the purchase consideration at closing
- ✓ The bridge loan will be refinanced within one year through permanent financing, primarily via bank borrowings, with bonds and cash on hand also under consideration



Refinancing into permanent financing, primarily through bank borrowings, with bonds and cash on hand also under consideration

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Group Corporate Philosophy

KOBELCO's View of the Future	Our view of a society and future to be attained as we carry out KOBELCO's mission
	We envision a world in which people, now and in the future, can fulfill their hopes and dreams while enjoying safe, secure, and prosperous lives.
KOBELCO's Mission	Our mission and the social significance of the KOBELCO Group that we must fulfill
	Our mission is to provide solutions to the needs of society, by making the best use of the talents of our employees and our technologies.
Core Values of KOBELCO	The commitments of the KOBELCO Group to society and the values shared by the entire KOBELCO Group
	1. We provide technologies, products and services that win the trust and confidence of our customers we serve and the society in which we live. 2. We value, and support the growth of, each employee on an individual basis, while creating a cooperative and harmonious environment. 3. Through continuous and innovative changes, we create new values for the society of which we are a member.
Six Pledges of KOBELCO	Code of Conduct for all Group employees to follow to fulfill the Core Values of KOBELCO and the Quality Charter
	1. Uphold the Highest Sense of Ethics and Professionalism 2. Contribute to the Society by Providing Superior Products and Services **Quality Charter** 3. Establish a Comfortable but Challenging Work Environment 4. Live in Harmony with the Local Community 5. Contribute to a Sustainable Environment 6. Respect Each Stakeholder

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- Today's presentation contains forward-looking statements about the Company's forecasts, beliefs, expectations, aims, and strategies. These statements are based on the Company's judgements and assumptions using currently available information and may differ substantially from actual results due to uncertainties within its judgements and assumptions and a variety of factors that may change over time, such as future business operations and changes in internal and external circumstances. Kobe Steel assumes no responsibility for revising these statements or other contents in this presentation.

- Below is a list of factors of uncertainties and changes. This includes, but is not limited to:
  - Economic conditions and Changes in economic conditions, demand, and prices in major market
  - Various regulations such as Political situation and trade and other regulations in major markets
  - Fluctuations in foreign exchange rates
  - Availability and prices of raw materials
  - Business development of competing companies' products and services, pricing policies, alliances, M&A, and other business activities
  - Changes in strategies of the Company's alliance partners regarding our partnerships

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