News Release

Japan Credit Rating Agency, Ltd.

26-D-1012
November 11, 2026

Kobe Steel Will Acquire the Construction Equipment Business of CNH Industrial—No Impact on the Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the acquisition of the construction equipment business of CNH Industrial N.V. announced by Kobe Steel, Ltd. (security code: 5406).

(1) Kobe Steel, Ltd. (the "Company") resolved on November 9 to acquire the construction equipment business of the CNH Industrial Group ("CNH"), which engages in the manufacture and sale of agricultural machinery and construction equipment and so forth (the "Transaction"). It will acquire 70% of the shares in the companies CNH has established in the U.K. and the U.S. to carve out the construction equipment business. The Transaction is expected to close in approximately one year, and the Company is projected to make a payment corresponding to its 70% ownership, reflecting adjustments to the enterprise value of approximately 157.9 billion yen for net interest-bearing debt, working capital and other relevant items as of the closing date of the Transaction.

(2) The Company's equity capital as of the end of the second quarter of the fiscal year ending March 2027 (FY2026) came to approximately 1.3 trillion yen, providing a solid capital base, and equity ratio stood at 45.6%; debt-to-equity ratio as of the end of FY2025 was 0.6x. JCR predicts that the Company can maintain a certain level of financial base even after the closing of the Transaction. Given that the Company's performance has been steady in recent years, JCR concludes that there is no need to revise the rating because of the Transaction. The construction equipment businesses of CNH and the Company are highly complementary in terms of product lineup and geographic coverage, suggesting that synergies may be realized relatively quickly. JCR will keep an eye on the status of competition law approvals in each country and, once the Transaction is completed, will watch progress in post-merger integration.

Masayoshi Mizukawa, Yosuke Sato

<Reference>
Issuer: Kobe Steel, Ltd.
Long-term Issuer Rating: A+ Outlook: Stable

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