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For Immediate Release

KOBELCO USA Announces Construction of Excavator Production Facility in North America

January 8, 2015 – KOBELCO Construction Machinery USA is pleased to announce its plan to construct a hydraulic excavator production facility in Spartanburg, South Carolina. KOBELCO’s market development has been proceeding at a faster rate than expected since its reentry into the US market in 2013. A production factory in North America will allow KOBELCO to reduce the production lead-time of machineries for its US customers and improve its capabilities for meeting market needs.

Site preparation for the US production facility will begin in April 2015 and is expected to be completed in December 2015. KOBELCO’s \$41 million investment will involve the development of a 156,000 square foot production factory, 17,000 square foot office building, machinery parking and a testing area. The facility will sit on approximately 85 acres of land with space for future production capacity expansion and will have excellent access to major domestic ports, including Charleston, SC, and Savannah, GA.

With an estimated annual capacity of 1,800 units, the US factory will begin mass production in January 2016. KOBELCO plans to begin its production with standard machines weighing 20-tons and larger and increase the product line offerings and capacity in accordance with market development. Future production plans at the US facility are expected to include most of KOBELCO’s excavator models. “We are very excited to begin a new phase of our growth in North America,” states Pete Morita, President and CEO of KOBELCO Construction Machinery USA. “The announcement of our new manufacturing facility follows the move last fall into our much larger and enhanced new North American



Headquarters and Parts Distribution facility in Katy, TX, as part of our plan for long-term dedication to our dealers and customers.”

By taking full advantage of its US production facility, KOBELCO will further enhance its service functions, reinforce its foundation in the North American market, continue increasing the presence of KOBELCO hydraulic excavators, and put a group-wide effort into growing its market share in North America. KOBELCO USA has aggressively put forth effort into building its distribution network and as a result, the company has solidified dealer agreements with some of the top heavy equipment businesses in North and South America.

The development of KOBELCO’s North American production factory will reduce operational burden on the Itsukaichi factory in Hiroshima while also allowing for the reorganization of KOBELCO USA into a company with integrated production and sales, all on US soil. After the production of standard models for the US is transferred to KOBELCO USA, the Hiroshima factory is expected to continue maintaining full production in order to accommodate the expansion of newly developed areas, centering on Europe, the Middle East and the Near East.

KOBELCO Construction Machinery USA is dedicated to producing a full range of crawler excavators in the 3,000 lb. to 184,000 lb. classes for the rental, landscape, construction, aggregate, roadbuilding, material handling, site preparation, recycling and ancillary markets, including zero tail swing, standard, long-reach and compact models. KOBELCO is well-known worldwide as the excavator authority for its steadfast focus on improving and enhancing its singular line of products. KOBELCO machines are well-regarded for their advanced technologies.

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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Photo Caption: KOBELCO SK210LC excavators ready for shipment.