The JFTC filed criminal accusations against 11 companies concerning the bid-rigging in the human waste disposal facilities constructions.

Fair Trade Commission of Japan
May 23, 2006

The Fair Trade Commission of Japan (the “JFTC”), having investigated bid-rigging in the human waste disposal facilities constructions based on criminal investigation power, found the criminal violation of the Antimonopoly Act, and filed criminal accusations with the Prosecutor General against 11 companies including Kubota Co., Ltd., in accordance with Section 74(1) of the Antimonopoly Act.

1. Accused Companies

<table>
<thead>
<tr>
<th>The Accused Companies</th>
<th>Representative Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kubota Corporation</td>
<td>Daisuke Hatakake</td>
</tr>
<tr>
<td>Ataka Construction &amp; Engineering Co., Ltd.</td>
<td>Hirotaka Nagai</td>
</tr>
<tr>
<td>Kurita Water Industries Ltd.</td>
<td>Hiroshi Fujino</td>
</tr>
<tr>
<td>Ebara Corporation</td>
<td>Fumio Shimakawa</td>
</tr>
<tr>
<td>Sumitomo Heavy Industries, Ltd.</td>
<td>Yoshio Hinoh</td>
</tr>
<tr>
<td>JFE Engineering Corporation</td>
<td>Osamu Saito</td>
</tr>
<tr>
<td>Nishihara Environment Technology, Inc.</td>
<td>Toru Kukihara</td>
</tr>
<tr>
<td>Mitsubishi Heavy Industries, Inc.</td>
<td>Kazuo Tsukuda</td>
</tr>
<tr>
<td>Hitachi Zosen Corporation</td>
<td>Minoru Furukawa</td>
</tr>
<tr>
<td>Mitsui Engineering &amp; Shipbuilding Co., Ltd.</td>
<td>Takao Motoyama</td>
</tr>
<tr>
<td>Takuma Co., Ltd.</td>
<td>Hajime Tejima</td>
</tr>
</tbody>
</table>

2. Ground of Criminal Accusation

(1) Fact
11 companies mentioned in item 1, in December 2004, agreed to prearrange bid winners from among participants of competitive biddings for constructing or replacing human waste disposal facilities ordered by municipalities etc. and hence to make bidding prices convenient for the prearranged winners to win.

Since then 11 companies had substantially restricted competition contrary to the public interest, in the field of constructing or replacing the human waste disposal
facilities, by mutually restricting and coordinating their business activities, deciding in advance the bid winners according to the agreement until July 2005.

(2) Laws applied to the accused

Section 89 (1) (i), Section 95 (1) (i), Section 3 (unreasonable restraint of trade) of the Antimonopoly Act (before amendment), and Section 60 of the Penal Code