

The JFTC filed additional criminal accusations against 11 individuals concerning the bid-riggings in the human waste disposal facilities constructions.

Fair Trade Commission
June 12, 2006

The Japan Fair Trade Commission (the “ JFTC ”) had found the criminal violation of the Antimonopoly Act (the “ AMA ”) with relation to the human waste disposal facilities constructions and filed criminal accusations with the Prosecutor General against 11 companies including Kubota Co.,Ltd on May 23,2006. Furthermore, concerning the same bid-riggings, the JFTC found the criminal violation of the AMA and filed additional criminal accusations with the Prosecutor General against 11 individuals in the 11 accused companies, who were engaged in sales for public sectors, in accordance with Section 74(1) of the AMA on June 12, 2006.

1. The Accused Individuals

The 11 individuals of the following companies which had been already accused on May 23, who were engaged in sales for public sectors, concerning the human waste disposal facilities constructions.

The Accused Companies
Kubota Corporation
Ataka Construction & Engineering Co., Ltd
Kurita Water Industries Ltd.
Ebara Corporation
Sumitomo Heavy Industries, Ltd.
JFE Engineering Corporation
Nishihara Environment Technology, Inc.
Mitsubishi Heavy Industries, Inc.
Hitachi Zosen Corporation
Mitsui Engineering & Shipbuilding Co., Ltd.
Takuma Co., Ltd.

2. Ground of the Criminal Accusation

(1) Fact

The 11 accused individuals mentioned in item 1, concerning works of each companies, 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 in December, 2004.

Since then until July 2005, the 11 accused individuals decided in advance the bid winners according to the agreement, hence they 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.

(2) Laws applied to the accused

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