November 6, 2007

To whom it may concern

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Notice on the conclusion of demerger agreement with Kubota Environmental Service Co., Ltd.

Kubota Corporation (hereinafter "the Company") resolved at the Board of Directors' Meeting held on November 6, 2007 that the Company would split and transfer its nightsoil treatment plant business to Kubota Environmental Service Co., Ltd. (hereinafter "KSK"), which is a wholly-owned subsidiary of the Company, effective on January 1, 2008.

1. Purpose of the demerger

At the end of March 2006, the Company has discontinued receiving new orders of nightsoil treatment plant and has been planning to continue the related business specialized in repair works to extend lifetime of decrepit nightsoil treatment plants.

After careful consideration, the Company has decided to transfer its nightsoil treatment plant business to KSK which conducts repairs works and maintenance of environmental control plants.

2. Outline of the demerger

(1) Schedule

・Board of Directors' Meeting for approval of the demerger : November 6, 2007
・Conclusion of the demerger agreement : November 6, 2007
・Effective date of the demerger : January 1, 2008 (planned)

*Pursuant to the Article 784 Paragraph 3 of Corporate Law of Japan, the Company splits and transfers its nightsoil plant business without approval of shareholders' meeting of the Company.

Furthermore, pursuant to the Article 796 Paragraph 1 of Corporate Law, KSK succeeds the nightsoil plant business without approval of shareholders' meeting of KSK.

(2) Method of the demerger

The demerger is an absorption-type demerger. The Company will effect the demerger and KSK will succeed the business.

(3) Change in the amount of capital

There will be no change in capital.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights

There is no outstanding stock acquisition rights and bonds with stock acquisition rights.

(5) Rights and obligations to be succeeded by KSK

KSK will succeed inventories, assets such as fixed assets, liabilities such as deposits received, the major contractual status in such contracts as related to developments and transactions as well as all rights and obligations arising under the status that belong to the business to be split. (Any rights and obligations related to the business other than the business to be split, and any rights and obligations that are not supposed to be related to the business to be split will be excluded.)

However, any employment contracts with the employees who are engaged in the business to be split and any and all rights and obligations related to such contracts will not be succeeded by KSK.

(6) Prospect for fulfillment of obligations

The Company and KSK believe that both companies will be able to fulfill the obligations of each company after the effective date of the demerger.

3. Outline of the Company and KSK (as of March 31, 2007)

Company Name	Kubota Corporation (The company effecting the demerger)	Kubota Environmental Service, Co., Ltd (The company succeeding the business)
Principal Line of Business	Manufacture, sale, construction and services of farm equipment, engines, construction machinery, pipes, valves, industrial castings, pumps, environmental control plants, etc.	Operations, maintenance design and construction and repair works of water treatment facilities, cleaning facilities and waste treatment facilities, etc.
Date of Incorporation	December, 1930	July, 1976
Location of Head Office	Naniwa-ku, Osaka-shi, Japan	Taito-ku, Tokyo, Japan
Representative	President and Representative Director Daisuke Hatakake	President and Representative Director Toshio Sato
Capital (millions of yen)	84,070	90
Shares Outstanding	1,291,919,180	180,000
Net assets (millions of yen)	659,637(consolidated)	11,619(non-consolidated)
Assets (millions of yen)	1,502,532(consolidated)	20,194(non-consolidated)
Closing Date of fiscal year	March 31	March 31
Major Shareholders And Shareholdings (%)	Japan Trustee Services Bank, Ltd. (8.03%), The Master Trust Bank of Japan, Ltd. (7.97%), Nippon Life Insurance Company (6.86%), Meiji Yasuda Life Insurance Company (5.12%), The Dai-ichi Mutual Life Insurance Company (3.66%) Sumitomo Mitsui Banking Corporation (3.48%) Mizuho Corporate Bank, Ltd. (3.16%) The Chase Manhattan Bank N.A. London (3.11%) Mizuho Bank, Ltd. (2.19%) Trust & Custody Service Bank, Ltd. (1.90%)	Kubota Corporation (100%)

4. Outline of the business to be split

(1) The business to be split

Construction, sales and research & development of nightsoil treatment plant

(2) The revenues of the business to be split (For the fiscal year ended March 31, 2007)

	Revenues of the business to be split	The Company's total revenues(non-consolidated)	Component ratio
Revenues	¥6,084 million	¥694,935 million	0.9%

(3) Items and amounts of assets and liabilities to be split (As of September 30, 2007)

(millions of yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	277	Current liabilities	283
Fixed assets	6	Long-term Liabilities	0
Total	283	Total	283

5. Changes after the demerge

There will be no changes in the Company’s name, principal line of business, address of head office, representative persons, capital and closing date as a result of the demerger.

6. Financial outlook

There will be no effect on the consolidated financial results for the year ending March 31, 2008 because the demerger will be completed between the Company and its wholly-owned subsidiaries. The effect of the demerger on non-consolidated financial results for the year ending March 31, 2008 will be quite small.

< Cautionary Statements with Respect to Forward-Looking Statements >

This document may contain forward-looking statements that are based on management’s expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation: general economic conditions in the Company's markets, particularly government agricultural policies, levels of capital expenditures, both in public and private sectors, foreign currency exchange rates, continued competitive pricing pressures in the marketplace, as well as the Company's ability to continue to gain acceptance of its products.

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