

May 24, 2007

Company Name: ISEKI & CO., LTD.

Company representative: President Hiroyuki Nakano

Company Code: 6310

Stock Exchange Listings: Tokyo 1<sup>st</sup> Section, Osaka 1<sup>st</sup> Section

Enquiries: Managing Director Kazuyoshi Sonoda

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**Notice of required submission of the “Report on Improvement”  
by the Tokyo Stock Exchange Co., Ltd.**

We would like to report that as of today, we were required to submit the “Report on Improvement” by the Tokyo Stock Exchange Co., Ltd. hereinafter referred to as “TSE”. We company would like to respond to the requirement of the said report from the TSE most sincerely.

(Reason for required submission of the “Report on Improvement” by the TSE)

With respect to the issue in which ISEKI & CO., LTD. made an amendment to the Summary Announcement of Financial Results, etc pertaining to past fiscal years, it was identified that the company disclosed settlements of accounts which required important amendments, due to inappropriate accounting practices of excessive appropriation of work in process, etc by plural consolidated manufacturing subsidiaries. We acknowledge that this is an inappropriate disclosure, which was derived from grave insufficiency of internal control systems of the company, which included control of the group by which the company failed to discover inappropriate accounting practices carried out by the staff in charge of profit control and/or cost control at the said subsidiaries, under either instruction or approval of the president of each subsidiary, for an extended period of time.

For the above reason, we acknowledge that the company has significant necessity to improve its system in order to make a timely and appropriate disclosure. Therefore we require submission of a report which describe its development and measures for improvement of the issue in accordance with Clause 1, Article 22 of regulation, regarding timely disclosure of corporate information of issuers of listed securities.