

May 24, 2007

Company Name: ISEKI & CO., LTD.

Company representative: President Hiroyuki Nakano

Company Code: 6310

Stock Exchange Listings: Tokyo 1st Section, Osaka 1st Section

Enquiries: Managing Director Kazuyoshi Sonoda

(Telephone: +81 3 5604 7710)

**Notice of the assignment of the stocks of our company
to the supervision post by the Osaka Stock Exchange Co., Ltd.**

We received a notice from the Osaka Stock Exchange Co., Ltd. hereinafter referred to as "OSE", to assign stocks of our company to the supervision post as of May 24, 2007. We would like to report our opinion in regard to this issue as stated below.

We announced a partial amendment of the Securities Report etc. pertaining to past fiscal years as of May 24, 2007.

Based on our announcement, OSE assigned our company stock to the supervision post in order that investors will be properly warned as OSE understood the nature of amendment made to the Securities Report, etc. was important, and depending on the development hereafter and results of the examination, it could fall under criteria for delisting of stocks.

Assigned period to the supervision post will be from May 24, 2007 until the date when OSE decides whether or not the company stocks fall under the delisting criteria or not.

With respect to the partial amendment to the Securities Report, etc, we received results of investigation from the External Investigation Committee that "Results of the investigation by the Internal Investigation Committee are reasonable", and that "It cannot be recognized that ISEKI & CO., LTD. was involved in these inappropriate accounting practices at its consolidated manufacturing subsidiaries", as stated in "A report on the results of the investigation on inappropriate accounting and our policy

corresponding to the issue”, announced on the same date. However, we are very sorry about causes and background of this issue and we are determined to reform our sense through steady compliance education not just limited to the implementation of improvement measures for individual items so that this situation will never be repeated.

We will make utmost efforts to be reassigned to ordinary trading post at an earliest opportunity. We most sincerely apologize to our shareholders and investors for having caused a lot of trouble and inconvenience. ISEKI & CO., LTD. and the entire group will try hard to regain confidence as early as possible. Your generous understanding shall be greatly appreciated.