

June 6, 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 required submission of the "Report on Improvement"
by the Osaka Stock Exchange Co., Ltd.**

We would like to report that as of today, we were required to submit the "Report on Improvement" by the Osaka Stock Exchange Co., Ltd. hereinafter referred to as "OSE" because of the following reasons.

We would like to respond to the requirement of the said report from the OSE most sincerely. As we have advised in "Notice of the removal of assignment of the stocks of our company to the supervision post by the Osaka Stock Exchange Co., Ltd." as of today, we would also like to report that our stocks which have been assigned to the supervision post by the OSE since May 24, 2007 will be removed of their assignment as of June 7, 2007.

(Reason for required submission of the "Report on Improvement" by the OSE)

ISEKI & CO., LTD. made important amendments to settlement of accounts due to inappropriate accounting practices of excessive appropriation of work in process etc. by plural manufacturing subsidiaries between the fiscal year ended March 31, 2004 to interim period of the fiscal year ended March 31, 2007.

We acknowledge that this was derived from control systems of the company by which company failed to discover inappropriate accounting practices at their subsidiaries.

For the above reason, we acknowledge that the company has significant necessity to improve its systems in order to make a timely and appropriate disclosure. Therefore, we required the company to submit a report on improvement by June 20, 2007, Wednesday in accordance with Clause 1, Article 23 of regulation regarding timely disclosure of corporate information of issuers of listed securities.