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FOR IMMEDIATE RELEASE

Furusato Industries, Ltd.

Revision to First Half and Full-Year Earnings Forecasts for Fiscal 2004

FURUSATO Industries, Ltd. has announced today an revision to its full-year earnings forecasts for the year ending March 31, 2005 (FY2004), which was announced on May 20, 2004 and the first half earnings forecasts, which was revised on October 14, 2004. The details of the revision are as follows:

1. Revision to its first half earnings forecasts for FY2004

(from April 1, 2004 to September 30, 2004)

(1) Consolidated

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Previous forecasts (A)	36,040	1,950	640
Revised forecasts (B)	36,030	2,000	670
Change (B-A)	(10)	50	30
% Change	(0.0%)	2.6%	4.7%
(Reference) 1st Half of FY2003	28,550	663	284

(2) Non-consolidated

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Previous forecasts (A)	10,060	950	75
Revised forecasts (B)	10,060	1,000	110
Change (B-A)	-	50	35
% Change	-	5.3%	46.7%
(Reference) 1st Half of FY2003	8,126	353	174

2. Revision to its full-year earnings forecasts for FY2004

(from April 1, 2004 to March 31, 2005)

(1) Consolidated

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Previous forecasts (A)	64,972	2,414	1,317
Revised forecasts (B)	72,743	3,844	1,713
Change (B-A)	7,771	1,430	396
% Change	12.0%	59.2%	30.1%
(Reference) FY2003	62,032	2,003	778

(2) Non-consolidated

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Previous forecasts (A)	18,192	1,181	645
Revised forecasts (B)	20,318	1,941	638
Change (B-A)	2,126	760	(7)
% Change	11.7%	64.4%	(1.1%)
(Reference) FY2003	17,238	955	415

(3) Reason for the revision

Non-consolidated financial results for the first half of FY2004 increased from the previous forecasts dated on October 14, 2004 due to improved profit margin and decrease in selling, general and administrative expenses.

In the full-year earnings forecasts, we estimate net sales increase in consolidated and non-consolidated financial results, driven by continued positive capital investment in private sectors. Meanwhile, non-consolidated net income will be negatively impacted by early adoption of impairment accounting of fixed assets announced on October 14, 2004.

*The forecasts presented above are based on information currently available. The statements involve various factors that could cause actual results to be materially different.