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FOR IMMEDIATE RELEASE

Furusato Industries, Ltd.

## Upward Revision to First Half Earnings Forecasts for Fiscal 2005

FURUSATO Industries, Ltd. has announced today an upward revision to its earnings forecasts for the first half of the year ending March 31, 2006 (FY2005), which was announced on May 13, 2005. The details of the upward revision are as follows:

### 1. Upward revision to its earnings forecasts for the first half of FY2005

(from April 1 to September 30, 2005)

#### (1) Consolidated

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Initial forecasts (A)	37,842	1,984	1,115
Revised forecasts (B)	40,530	2,470	1,360
Change (B-A)	2,688	486	245
% Change	7.1%	24.5%	22.0%
(Reference) 1st half of FY2004	36,033	2,002	677

#### (2) Non-consolidated

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Initial forecasts (A)	11,319	1,079	611
Revised forecasts (B)	12,090	1,320	720
Change (B-A)	771	241	109
% Change	6.8%	22.3%	17.8%
(Reference) 1st half of FY2004	10,060	1,006	112

### 2. Reason for the upward revision

We estimate significantly strong ordinary income and net income surpassing the initial forecasts, which is attributed to net sales increase, driven by positive capital investment in private sectors by high corporate earnings, coupled with improved profitability, benefiting from streamlined cost structure.

We are compiling the consolidated and non-consolidated earnings forecasts for this fiscal year considering future economic conditions and market trends. The details will be announced as soon as they are finalized.

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