April 10, 2006

FOR IMMEDIATE RELEASE

Furusato Industries, Ltd.

Notice of Disposal of Treasury Stock and Secondary Offering of Shares

Furusato Industries, Ltd. today resolved the disposal of treasury stock and the secondary offering of shares at the Board of Directors meeting held on April 10, 2006.

1. Secondary offering of the shares by disposal of treasury stock

(1) Number of shares to be offered:

300,000 shares of common stock of the Company

(2) Aggregated offering price:

Offering price is to be determined on any day from Wednesday, April 19, 2006 through Monday, April 24, 2006, according to the method prescribed in Paragraph 2, Article 7 of the Fair Business Practice Regulations No. 14 set forth by the Japan Securities Dealers Association (the “Offering Price Determination Date”).

(3) Method of offering:

All shares to be offered shall be purchased by Nomura Securities Co., Ltd., Mitsubishi UFJ Securities Co., Ltd., and Cosmo Securities Co., Ltd. (the “Underwriters”.) The offering price of the above offering are to be determined on the Offering Price Determination Date, considering market demand, preliminarily based on the closing share price of the Company at the Osaka Securities Exchange on the Offering Price Determination Date (if the closing price is not available on such day, the closing price of the nearest preceding day will apply) multiplied by a number between 0.90 and 1.00, with any fraction less than one yen rounded down, according to the method prescribed in Paragraph 2, Article 7 of the Fair Business Practice Regulations No. 14 set forth by the Japan Securities Dealers Association.

The difference between the offering price in the offerings and the underwriting price to be paid to the Company will be retained by the Underwriters.

(4) Subscription period:

It is expected to be the period from the business day following the Offering Price Determination Date through the second business day following the Offering Price Determination Date.

(5) Payment date:

It is expected to be the fifth business day from the Offering Price Determination Date,

any day from Wednesday, April 26, 2006 through Monday, May 1, 2006.

(6) Delivery date:

It is expected to be the next business day of the payment date above, any day from Thursday, April 27, 2006 through Tuesday, May 2, 2006.

(7) Unit of offering:

100 shares

(8) The determination of the offering price and all other matters necessary concerning this offering have been left to the discretion of Ryohei Furusato, the President and Representative Director.

(9) With respect to the foregoing, the Company submitted a Securities Notice on April 10, 2006 under the Securities and Exchange Law of Japan.

2. Secondary offering of the shares by shareholders

(1) Number of shares to be offered:

600,000 shares of common stock of the Company

(2) Sellers and number of shares to be offered:

Ryoichi Furusato	250,000 shares
Risona Bank, Limited	200,000 shares
Ryohei Furusato	100,000 shares
Katsuko Furusato	50,000 shares

(3) Offering price:

Offering price is to be determined on the Offering Price Determination Date according to the method prescribed in Paragraph 2, Article 7 of the Fair Business Practice Regulations No. 14 set forth by the Japan Securities Dealers Association. The offering price is the same as the offering price for the secondary offering of the shares by disposal of treasury stock.

(4) Method of offering:

Same as the method of offering for the secondary offering of the shares by disposal of treasury stock

(5) Subscription period:

Same as the subscription period for the secondary offering of the shares by disposal of treasury stock

(6) Delivery date:

Same as the delivery date for the secondary offering of the shares by disposal of treasury stock

(7) Unit of offering:

100 shares

(8) The determination of the offering price and all other matters necessary concerning this offering have been left to the discretion of Ryohei Furusato, the President and Representative Director.

(9) With respect to the foregoing, the Company submitted a Securities Notice on April 10, 2006 under the Securities and Exchange Law of Japan.

3. Secondary offering of the shares through exercise of over-allotment option
(See reference 2 below)

(1) Number of shares to be offered:
100,000 shares of common stock of the Company

(2) Seller: Nomura Securities Co., Ltd.

(3) Offering price:
Not determined. Same as the offering price for the secondary offering of the shares by disposal of treasury stock and shareholders.

(4) Method of offering:
Nomura Securities Co., Ltd. will sell the common stock borrowed by shareholders, depending on the market demand in the secondary offering of shares by disposal of treasury stock and shareholders.

(5) Subscription period:
Same as the subscription period for the secondary offering of the shares by disposal of treasury stock and shareholders.

(6) Delivery date:
Same as the delivery date for the secondary offering of the shares by disposal of treasury stock

(7) Unit of offering:
100 shares

(8) The determination of the offering price and all other matters necessary concerning this offering have been left to the discretion of Ryohei Furusato, the President and Representative Director.

(9) With respect to the foregoing, the Company submitted a Securities Notice on April 10, 2006 under the Securities and Exchange Law of Japan.

4. Disposal of treasury stock by third party allotment (See reference 2 below)

(1) Number of shares to be disposed:
100,000 shares of common stock of the Company

(2) Aggregated disposal price:

Same as the offering price for the secondary offering of the shares by disposal of treasury stock and shareholders.

(3) Allottee and number of shares to be allotted:

Nomura Securities Co., Ltd.　100,000 shares

(4) Subscription period:

It is expected to be any day from Tuesday, May 23, 2006 through Tuesday, May 30, 2006, the second business day following the 30th day from the next day of the last day of the subscription period for the secondary offering by exercising the over-allotment option (in case that the 30th day falls on holiday, the previous business day will apply)

(5) Payment date:

It is expected to be any day from Tuesday, May 23, 2006 through Tuesday, May 30, 2006, the same period (date) as the subscription period (date) above.

(6) Delivery date:

It is expected to be any day from Wednesday, May 24, 2006 through Wednesday, May 31, 2006, the same period (date) as the payment period (date) above.

(7) Unit of offering:

100 shares

(8) Shares which will not be applied for during the subscription period (date) above will be cancelled for the allotment.

(9) The determination of the offering price and all other matters necessary concerning this offering have been left to the discretion of Ryohei Furusato, the President and Representative Director.

〈Reference〉

1.　Use of proceeds

The Company intends to use the net proceeds entirely for the capital investment.　(Please refer to 4 “Use of proceeds from the disposal of treasury stock”.)　At the Same time, we aim to improve the distribution and liquidity of the Company’s shares.

2. Secondary offering of the shares through over-allotment

In addition to the secondary offering by disposal of treasury stock and shareholders, the Company intends to make the secondary offering of shares through over-allotment.

The secondary offering of the shares through over-allotment shall be an offering conducted by Nomurra Securities Co., Ltd. (the “Underwriter”) in respect of up to 100,000 shares of

common stock of the Company borrowed by the Underwriter from shareholders of the Company, taking into account market demand for the secondary offering of the shares by disposal of treasury stock and shareholders. The number of shares offered in the secondary offering through over-allotment indicates the maximum number of shares, and this may decrease, or the entire offering may be cancelled, depending on market demand.

To allow the Underwriters to acquire the necessary shares to return the shares borrowed from the Company's shareholders (hereinafter referred to as "Borrowed Shares"), the Company resolved at the Board of Directors meeting held on April 10, 2006 the disposal of 100,000 shares of treasury common stock of the Company to the Underwriter on the payment day, the second business day following the 30th business day (in case the 30th day falls on holiday, the previous business day will apply) from the day immediately after the last day of the subscription period for the secondary offering of the shares by the Underwriters and over allotment.

The underwriter may also purchase common stock of the Company on Osaka Securities Exchange, up to the number of shares actually offered in the secondary offering through over-allotment (hereinafter referred to as "Syndicate Cove Transaction") for the purpose of returning the borrowed shares. Such purchase would be made between the day immediately following the last day of the subscription period for the secondary offering of the shares through over-allotment and the fifth day prior to the payment day for the disposal of treasury stock by third party allotment (hereinafter referred to as the "Syndicate Cover Transaction Period"). All shares that the Underwriter will purchase through the syndicate cover transaction will be used to return the borrowed shares. During the syndicate cover transaction period, the Underwriter, at its discretion, may or may not perform any syndicate cover transaction at all or terminate any transaction before the number of purchased shares reaches the upper limit.

The underwriter may conduct stabilizing transactions with regard to common stock of the company in line with the secondary offering of shares by the Underwriters and through over-allotment. Some or all of the shares purchased through such stabilizing transactions may be used to return borrowed shares.

The underwriter is scheduled to receive an allotment of shares in the secondary offering of shares, less the number of shares acquired through the stabilizing transactions and the syndicate cover transactions, and used to return borrowed shares. As a result, a part or

the whole number of treasury shares to be disposed in the disposal of treasury stock by third party allotment may not be applied for, which may result in a decrease in the number of treasury shares to be disposed to that number, cancellation of the disposal due to forfeiture.

3. Changes in the number of shares of treasury stock based on disposal of treasury stock

Current number of shares of treasury stock: 1,443,969 shares (as of March 31, 2006)

Number of shares of treasury stock to be disposed: 400,000 shares

Number of shares of treasury stock after disposal: 1,043,969 shares

Note: The number of shares of treasury stock after disposal indicates the number of shares in case Nomura Securities Co., Ltd will apply and dispose all shares to be offered for the secondary offering of the shares by disposal of treasury stock and to be allotted for disposal of treasury stock by third party allotment.

4. Uses of Proceeds

(1) Uses of Proceeds from this offering

The Company intends to use the net proceeds from the secondary offering by the disposal of treasury stock and disposal of treasury stock by the third party allotment, which is expected to be up to 947,520,000 yen, entirely for the capital investment. The details of the capital investment plans are as follows:

Furusato Industries, Ltd.

Office (Address)	Segment name	Details of facilities	Planned capital investment (Thousand of yen)		Project period		Additional capacity after completion
			Total	Already paid	Start	Completion	
Koriyama Sales Office (Koriyama, Furushima)	Procured and In-house Steel Frame Construction Supplies	Land, office, warehouse	144,000	43,993	March 2006	Sep. 2006	Consolidation of operation
Himeji Sales Office (Near Himeji-shi, Hyogo)	Procured and In-house Steel Frame Construction Supplies	Land, office, warehouse	250,000	-	Sep. 2006	Mar. 2007	Consolidation of operation
Kita-kyushu Sales Office (Near Kita-kyusyu-shi, Fukuoka)	Procured and In-house Steel Frame Construction Supplies	Land, office, warehouse	250,000	-	Jul. 2006	Mar. 2007	Consolidation of operation
Shiga Plant (Kouka-shi, Shiga)	In-house Steel Frame Construction Supplies	Automation line	50,000	-	Apr. 2006	Sep. 2006	5% increase of production capacity
Saitama Plant (Ina-machi, Kitaadachi-gun, Saitama)	In-house Steel Frame Construction Supplies	Plant, automation line	350,000	-	Oct. 2006	Sep. 2007	Renovation and 20% increase of production capacity

G-net Corporation

Tokyo branch (Ohta-ku, Tokyo)	Machine Tools	Warehouse	50,000	-	Apr. 2006	Sep. 2006	Consolidation of operation

Note: Fund raising methods for all projects of capital investment are proceeds from disposal of treasury stock and the Company's own funds.

(2) Change of Uses of Proceeds from previous offering

N/A

Note: The purpose of this press release is to make a general public announcement concerning the disposal of treasury stock and the secondary offering of common stock of the Company. It has not been prepared for the purpose of an offer of, or solicitation of an offer to buy or subscribe for shares of common stock of the Company. Any decision to make any investment must be made at the investor's own discretion, after reviewing the prospectus (and any amendment thereto) prepared by the Company.