

April 19, 2006

FOR IMMEDIATE RELEASE

Furusato Industries, Ltd.

Notice of Determination of Conditions on Secondary Offering of Shares and Disposal of Treasury Stock

Furusato Industries, Ltd. today determined the offering price in connection with the secondary offering of shares and the disposal of treasury stock, which was resolved at the Board of Directors meeting held on April 10, 2006.

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

- (1) Offering price per share: 2,357 yen
- (2) Aggregated offering price: 2,121,300,000 yen
- (3) Underwriting (disposal) price per share: 2,259.80 yen
- (4) Aggregated underwriting (disposal) price: 2,033,820,000 yen
- (5) Subscription period:

From Thursday, April 20, 2006 to Friday, April 21, 2006

- (6) Payment date: Wednesday, April 26, 2006
- (7) Delivery date: Thursday, April 27, 2006

Note: Underwriters will purchase shares at the underwriting price (disposal price) and offer them at the offering price. The Aggregated underwriting price includes the aggregated disposal price. The payment date is set for the offering of the shares by the disposal of treasury stock, not for the offering of the shares by the shareholders.

2. Secondary offering of the shares by exercise of over-allotment option

- (1) Number of shares to be offered: 100,000 shares
- (2) Offering price per share: 2,357 yen
- (3) Aggregated offering price: 235,700,000 yen
- (4) Subscription period:

From Thursday, April 20, 2006 to Friday, April 21, 2006

- (5) Delivery date: Thursday, April 27, 2006

3. Disposal of treasury stock by third party allotment

- (1) Disposal price per share: 2,259.80 yen
- (2) Aggregated disposal price: Up to 225,980,000 yen

(3) Subscription period (date): Tuesday, May 23, 2006
(4) Payment date: Tuesday, May 23, 2006
(5) Delivery date: Wednesday, May 24, 2006

Reference

1. Calculation of offering price

Price Calculation date and price: Wednesday, April 19, 2006
2,430 yen
Discount rate: 3.00%

2. Syndicate cover transaction period

From Saturday, April 22, 2006 to Tuesday, May 16, 2006

3. Use of proceeds

The Company intends to use the net proceeds from the secondary offering by the disposal of treasury stock and the third party allotment, which are expected to be up to 891,920,000 yen (the disposal of treasury stock: 668,940,000 yen and the third party allotment: up to 222,980,000 yen), entirely for the capital investment. For details of a capital investment plan, please refer to the "Notice of Disposal of Treasury Stock and Secondary Offering of Shares" released on April 10, 2006.

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.