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FOR IMMEDIATE RELEASE

Furusato Industries, Ltd.

Revision to First Half and Full-Year Earnings Forecasts for Fiscal 2006

FURUSATO Industries, Ltd. has announced today a revision to its earnings forecasts for the first half and full-year of the year ending March 31, 2007 (FY2006), which was announced on May 9, 2006. The details of the revision are as follows:

1. Revision

(1) Consolidated first half earnings forecasts (from April 1 to September 30, 2006)

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Initial forecasts (A)	42,591	2,431	1,429
Revised forecasts (B)	43,870	2,610	1,520
Change (B-A)	1,279	179	91
% Change	3.0%	7.4%	6.4%
(Reference) 1st half of FY2005	40,532	2,470	1,366

(2) Non-consolidated first half earnings forecasts (from April 1 to September 30, 2006)

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Initial forecasts (A)	12,718	1,206	729
Revised forecasts (B)	13,040	1,240	710
Change (B-A)	322	34	19
% Change	2.5%	2.8%	2.6%
(Reference) 1st half of FY2005	12,092	1,322	720

(3) Consolidated full-year earnings forecasts (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Initial forecasts (A)	87,360	5,170	2,997
Revised forecasts (B)	88,494	5,209	3,013
Change (B-A)	1,134	39	16
% Change	1.3%	0.8%	0.5%
(Reference) FY2005	84,129	5,148	2,880

(4) Non-consolidated full-year earnings forecasts (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Initial forecasts (A)	26,000	2,574	1,512
Revised forecasts (B)	26,242	2,474	1,419
Change (B-A)	242	100	93
% Change	0.9%	3.9%	6.2%
(Reference) FY2005	24,853	2,620	1,452

2. Reason for the revision to its earnings forecasts for the first half of FY2006

(1) Consolidated

We estimate sales and profit surpassing the initial forecasts, driven by high corporate earnings of G-net Corporation, a wholly-owned subsidiary of Furusato.

(2) Non-consolidated

We estimate a slight increase in ordinary income, which will result from profitability decline amid fierce competition. The estimated net income will be slightly lower than the initial forecasts due to impairment losses on idle land, which will be recorded as extraordinary losses for the first half of fiscal 2006.

3. Reason for the revision to its earnings forecasts for the full-year of FY2006

(1) Consolidated

We forecast the lower year-over-year growth rate in net sales in the second half of fiscal 2006. Accordingly, the net sales, ordinary income, and net income are expected to be slightly exceeded the initial forecasts.

(2) Non-consolidated

We estimate that the business trend in the first half will remain in the second half of fiscal 2006 so that the profit is expected to be slightly below the initial forecasts.

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