

October 22, 2007

FOR IMMEDIATE RELEASE

Furusato Industries, Ltd.

Furusato Concludes Share Transfer Agreement to Acquire TOKAI Subsidiary

Furusato Industries, Ltd. (hereinafter referred to as "Furusato") has reached a final agreement with TOKAI Corp. (hereinafter referred to as "TOKAI"), a parent company of Gifu Shoji Co., Ltd. (hereinafter referred to as "Gifu Shoji"), based on a basic agreement on acquiring shares of Gifu Shoji, announced on August 31, 2007. Furusato resolved signing the share transfer agreement at the Board of Directors meeting held on October 22, 2007 and concluded the agreement on the same day. The details of the agreement are as follows:

1. Number of shares held and ownership ratio prior to and after the acquisition

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|-------|--|--|
| (1) | Number of shares held prior to the acquisition | 0 shares (ownership ratio 0.00%) |
| (2) | Number of shares to be acquired | 136,918 shares |
| (3) | Acquisition amount | ¥2,948 million |
| (4) | Number of shares held after the acquisition | 136,918 shares
(ownership ratio 97.79%) |

2. Schedule

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|------------------|---|
| October 22, 2007 | Signing of the share transfer agreement |
| October 31, 2007 | Date of the share transfer (scheduled) |

3. Impact on Furusato's financial results

Gifu Shoji will become a consolidated subsidiary of Furusato in the year ending March 31, 2008. The impact on the financial results of Furusato for the year ending March 31, 2008 is expected to be minimal due to profit of Gifu Shoji for the second half nearly offset by amortization of goodwill.