October 31, 2007

FOR IMMEDIATE RELEASE

Furusato Industries, Ltd.

Revision to First Half and Full-Year Earnings and Annual Dividend Forecasts for the Year Ending March 31, 2008

FURUSATO Industries, Ltd. has announced today a revision to its first half and full-year earnings and annual dividend forecasts for the year ending March 31, 2008 (FY2007), which were announced on May 8, 2007. The details of the revision are as follows:

1. Revision to the earnings forecasts for FY2007

(1) Consolidated first half earnings forecasts (from April 1, 2007 to September 30, 2007)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecasts (A)	45,070	2,438	2,622	1,492
Revised forecasts (B)	44,210	2,130	2,340	1,330
Change (B-A)	(860)	(308)	(282)	(162)
% Change	(1.9%)	(12.6%)	(10.8%)	(10.9%)
(Reference) First half of FY2006	43,877	2,384	2,612	1,522

(2) Non-consolidated first half earnings forecasts(from April 1, 2007 to September 30, 2007)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecasts (A)	13,700	1,200	1,330	754
Revised forecasts (B)	13,520	1,080	1,220	690
Change (B-A)	(180)	(120)	(110)	(64)
% Change	(1.3%)	(10.0%)	(8.3%)	(8.5%)
(Reference) First half of FY2006	13,042	1,135	1,240	712

(3) Consolidated full-year earnings forecasts (from April 1, 2007 to March 31, 2008)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecasts (A)	91,636	5,103	5,469	3,122
Revised forecasts (B)	93,655	4,635	5,029	2,791
Change (B-A)	2,019	(468)	(440)	(331)
% Change	2.2%	(9.2%)	(8.0%)	(10.6%)
(Reference) FY2006	90,378	5,097	5,518	3,154

(4) Non-consolidated full-year earnings forecasts (from April 1, 2007 to March 31, 2008)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecasts (A)	28,400	2,576	2,832	1,613
Revised forecasts (B)	27,722	2,310	2,548	1,442
Change (B-A)	(678)	(266)	(284)	(171)
% Change	(2.4%)	(10.3%)	(10.0%)	(10.6%)
(Reference) FY2006	27,103	2,461	2,687	1,530

2. Reason for the revision to the earnings forecasts for FY2007

(1) The first half of FY2007

The consolidated and non-consolidated earnings are expected to be down from the previous forecasts announced on May 8, 2007 due to a downturn in profitability by fierce competition. Especially on the non-consolidated base, a drop in building construction started resulted in the sales decrease in the steel frame construction business from August, reflecting prolonged building confirmation procedures in accordance with the revised Building Standard Law, effective in June 2007.

(2) The full-year of FY2007

Furusato expects the profitability to remain low due to the fierce competition throughout FY2007 on both consolidated and non-consolidated bases. In terms of the non-consolidated financial results, the confusion over the building confirmation based on the revised Building Standard Law is likely to be settled down while Furusato found it hard to pass the sales decline for three months from July on to the earnings forecasts for the second half of FY2007.

On the consolidated base, Gifu Shoji will become a consolidated subsidiary of Furusato in the second half of FY2007. 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 incurred by the acquisition.

3. Revision to the dividend forecasts for FY2007

(1)Revision

(Yen per share)

	Interim	Year-end	Total
Previous forecasts (As of May 8, 2007)	10.00	30.00	40.00
Revised forecasts	10.00	34.50	44.50
(Reference) FY2006	10.00	30.00	40.00

(2)Reason for the revision to the dividend forecasts

Furusato has decided to raise a target dividend payout ratio to approximately 25% from the previous ratio of approximately 20% based on its consolidated performance-based dividend policy.

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