

Revision to First Half and Full-Year Earnings and Annual Dividend Forecasts for the Year Ending March 31, 2009

Furusato Industries, Ltd. (Furusato) has announced today a revision to its first half and full-year earnings and annual dividend forecasts for the year ending March 31, 2009 (FY2008), which were announced on May 8, 2008. The details of the revision are as follows:

1. Revision to the earnings forecasts for FY2008

(1) Consolidated first half earnings forecasts (from April 1, 2008 to September 30, 2008)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecasts (A)	48,443	2,201	2,406	1,226
Revised forecasts (B)	46,712	2,660	2,889	1,159
Change (B-A)	(1,731)	459	483	(67)
% Change	(3.6%)	20.9%	20.1%	(5.5%)
(Reference) First half of FY2007	44,212	2,138	2,345	1,333

(2) Non-consolidated first half earnings forecasts (from April 1, 2008 to September 30, 2008)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecasts (A)	14,400	1,114	1,225	619
Revised forecasts (B)	15,053	1,739	1,871	824
Change (B-A)	653	625	646	205
% Change	4.5%	56.1%	52.7%	33.1%
(Reference) First half of FY2007	13,522	1,089	1,221	693

(3) Consolidated full-year earnings forecasts (from April 1, 2008 to March 31, 2009)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecasts (A)	97,032	4,386	4,788	2,514
Revised forecasts (B)	92,844	4,896	5,328	2,311
Change (B-A)	(4,188)	510	540	(203)
% Change	(4.3%)	11.6%	11.3%	(8.1%)
(Reference) FY2007	92,064	4,317	4,732	2,590

(4) Non-consolidated full-year earnings forecasts (from April 1, 2008 to March 31, 2009)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecasts (A)	28,270	2,122	2,341	1,249
Revised forecasts (B)	29,562	3,005	3,239	1,542
Change (B-A)	1,292	883	898	293
% Change	4.6%	41.6%	38.4%	23.5%
(Reference) FY2007	27,050	2,073	2,316	1,296

2. Reason for the revision to the earnings forecasts

(1) The first half of FY2008

On a non-consolidated base, sales and profits are expected to increase, led by selling price rises based on soaring raw material prices, significantly surpassing the forecasts announced on May 8, 2008. On a consolidated base, net sales and net income are expected to fall short of the previous forecasts due to decrease in sales and profits of its subsidiaries resulting from capital investment cuts in the manufacturing industry caused by the confusion in the financial market, while operating income and ordinary income are expected to exceed the previous forecasts, impacted by non-consolidated earnings increase. In addition, Furusato will record a revaluation loss of ¥186 million on the non-consolidated basis and ¥485 million on the consolidated basis under extraordinary losses as a result of the revaluation of investment securities due to a significant decline in share prices.

(2) The full-year of FY2008

In the second half of fiscal 2008, net sales are expected to decrease due to severe business environment including a sign of deterioration in the capital investment trend, reflecting an economic slowdown caused by the confusion in the financial market all over the world. Moreover, Furusato will record the loss on investment securities due to uncertainty in the

stock market. Though the non-consolidated results are likely to surpass the previous forecasts, the consolidated net sales and net income are expected to fall short of the previous forecasts.

3. Revision to the dividend forecasts for FY2008

(1)Revision

(Yen per share)

	Interim	Year-end	Total
Previous forecasts (As of May 8, 2008)	10.00	30.00	40.00
Revised forecasts	10.00	27.00	37.00
(Reference) FY2007	10.00	31.00	41.00

(2)Reason for the revision to the dividend forecasts

Furusato has revised the dividend forecasts 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.