

Furusato Announces Losses on Revaluation of Investment Securities

Furusato Industries, Ltd. (Furusato) has announced today that in its financial results for the third quarter of the year ending March 31, 2009, it will record a loss on the revaluation of investment securities whose current market value has declined significantly and is unlikely to be recovered in the future.

Regarding the impairment of the investment securities, Furusato adopts adding back the credited reserve amount in full to the income in the following period. Therefore, extraordinary losses recorded for the year ending March 31, 2009 may vary, or no extraordinary losses may be recorded for the year depending on the market value of the securities on the last day of the fiscal year.

1. Loss on revaluation of investment securities as of December 31, 2008

(1) Consolidated basis

(Millions of yen)

A) Total loss on revaluation of investment securities as of December 31, 2008	779
B) Total net assets as of March 31, 2008 (A/B × 100)	28,860 (2.7%)
C) Ordinary income for fiscal 2008 (A/C × 100)	4,732 (16.5%)
D) Net income for fiscal 2008 (A/D × 100)	2,590 (30.1%)

(2) Non-consolidated basis

(Millions of yen)

A) Total loss on revaluation of investment securities as of December 31, 2008	277
B) Total net assets as of March 31, 2008 (A/B × 100)	23,038 (1.2%)
C) Ordinary income for fiscal 2008 (A/C × 100)	2,316 (12.0%)
D) Net income for fiscal 2008 (A/D × 100)	1,296 (21.4%)

※ The Losses on the revaluation of investment securities recorded by the end of the second quarter of the year ending March 31, 2009 (from April 1, 2008 to September 30, 2008):

Consolidated basis: ¥485 million

Non-consolidated basis: ¥186 million

2. Impact on forecasts for the year ending March 31, 2009

We are compiling the consolidated and non-consolidated earnings forecasts for this fiscal year considering future economic conditions and market trends. The details will be announced as soon as they are finalized.