

Revision to First Half and Full-Year Earnings Forecasts for the Year Ending March 31, 2010 and Reduction in Monthly Remuneration for Directors

Furusato Industries, Ltd. (Furusato) has announced today a revision to its first half and full-year earnings forecasts for the year ending March 31, 2010 (FY2009), which were announced on May 8, 2009. In addition, we also announced a reduction in monthly remuneration for Directors due to the severe business environment. The details are as follows:

1. Revision to the earnings forecasts for FY2009

(1) Consolidated first half earnings forecasts (from April 1, 2009 to September 30, 2009)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous forecasts (A)	28,700	(100)	30	(175)	(11.07)
Revised forecasts (B)	25,786	(653)	(524)	(423)	(26.77)
Change (B-A)	(2,914)	(553)	(554)	(248)	
% Change	(10.2%)	-	-	-	
(Reference) First half of FY2008	46,712	2,660	2,889	1,159	73.35

(2) Consolidated full-year earnings forecasts (from April 1, 2009 to March 31, 2010)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous forecasts (A)	60,800	340	600	110	6.96
Revised forecasts (B)	54,300	(770)	(530)	(590)	(37.34)
Change (B-A)	(6,500)	(1,110)	(1,130)	(700)	
% Change	(10.7%)	-	-	-	
(Reference) FY2008	83,103	3,791	4,193	1,732	109.64

(3) Non-consolidated first half earnings forecasts (from April 1, 2009 to September 30, 2009)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous forecasts (A)	11,350	300	400	205	12.97
Revised forecasts (B)	9,758	(135)	(37)	(51)	(3.24)
Change (B-A)	(1,592)	(435)	(437)	(256)	
% Change	(14.0%)	-	-	-	
(Reference) First half of FY2008	15,053	1,739	1,871	824	52.18

(4) Non-consolidated full-year earnings forecasts (from April 1, 2009 to March 31, 2010)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous forecasts (A)	23,000	700	890	465	29.42
Revised forecasts (B)	20,000	40	230	80	5.06
Change (B-A)	(3,000)	(660)	(660)	(385)	
% Change	(13.0%)	(94.3%)	(74.2%)	(82.8%)	
(Reference) FY2008	28,727	2,826	3,062	1,517	96.05

2. Reason for the revision to the earnings forecasts

On consolidated and non-consolidated bases, sales and profits are expected to fall short of the forecasts announced on May 8, 2009 due to net sales decline resulting from sluggish corporate capital investment and a downturn in profitability impacted by the fierce price competition under the economic recession. We anticipate that this severe business environment will remain in the second half of FY2009.

3. Reduction in monthly remuneration for Directors

(1) Reduction in monthly remuneration

Representative Director: 10% of monthly remuneration

Directors: 5% of monthly remuneration

(2) Period of reduction in monthly remuneration

From October 2009 to March 2010 (for six months)

(We announced the reduction in monthly remuneration for six months from April to September 2009 on April 30, 2009. However, considering the ongoing severe business environment, we decided to continue the reduction for another six months from October 2009 to March 2010.)

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