

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

| OMB APPROVAL | |
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| OMB Number: | 3235-0104 |
| Estimated average burden hours per response: | 0.5 |

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

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|---|---|---|---|
| 1. Name and Address of Reporting Person* <u>FLEXSTEEL INDUSTRIES INC</u> <hr/> (Last) (First) (Middle) 3400 Jackson Street <hr/> (Street) Dubuque IA 52004 <hr/> (City) (State) (Zip) | 2. Date of Event Requiring Statement (Month/Day/Year) 09/18/2003 | 3. Issuer Name and Ticker or Trading Symbol <u>DMI FURNITURE INC [DMIF]</u> | |
| | | 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) | 5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock | 3,968,638 ⁽¹⁾ | I | See "Explanation of Responses" below. ⁽¹⁾ |

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|-----------------|---|----------------------------|--|--|---|
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | |

| | | |
|---|--|--|
| 1. Name and Address of Reporting Person* <u>FLEXSTEEL INDUSTRIES INC</u> <hr/> (Last) (First) (Middle) 3400 Jackson Street <hr/> (Street) Dubuque IA 52004 <hr/> (City) (State) (Zip) | | |
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|---|--|--|
| 1. Name and Address of Reporting Person* <u>CHURCHILL ACQUISITION CORP</u> <hr/> (Last) (First) (Middle) 3400 JACKSON STREET <hr/> (Street) DUBUQUE IA 52004 <hr/> (City) (State) (Zip) | | |
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Explanation of Responses:

1. Pursuant to the Agreement and Plan of Merger, dated August 12, 2003 (the "Merger Agreement"), by and among Flexsteel Industries, Inc. ("Flexsteel"), Churchill Acquisition Corp. (the "Purchaser") and DMI Furniture, Inc. (the "Company"), the Purchaser, a wholly owned subsidiary of Flexsteel, commenced a tender offer on August 20, 2003 for all of the outstanding shares of common stock of the Company (the "Shares") at a price of \$3.30 per Share in cash. The initial offering period for the tender offer expired at 12:00 midnight New York City time, Wednesday, September 17, 2003, at which time approximately 3,968,638 Shares had been validly tendered and not withdrawn pursuant to the tender offer (including approximately 400,219 Shares tendered by notice of guaranteed delivery), and such Shares were accepted for purchase by the Purchaser on September 18, 2003. The Shares purchased represent approximately 91.7% of the Company's outstanding Shares.

/s/ K. Bruce Lauritsen, Chief Executive Officer and President 09/18/2003

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

