

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement Soliciting Material Pursuant to
 Confidential, For Use of the SS.240.14a-11(c) or SS.240.14a-12
Commission Only (as permitted
by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials

FLEXSTEEL INDUSTRIES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant
to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is
calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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- Fee paid previously with preliminary materials:
 Check box if any part of the fee is offset as provided by Exchange Act
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statement number, or the form or schedule and the date of its filing.

1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

FLEXSTEEL INDUSTRIES, INC.
P.O. BOX 877
DUBUQUE, IOWA 52004-0877

Date: October 24, 2003

Office of the Chairman of the Board

Dear Stockholder:

You are cordially invited to attend the Annual Stockholders' Meeting on
Monday, December 8, 2003, at 2:00 p.m. We sincerely want you to come, and we
welcome this opportunity to meet with those of you who find it convenient to
attend.

Time will be provided for stockholder questions regarding the affairs of
the Company and for discussion of the business to be considered at the meeting
as explained in the notice and proxy statement which follow. Directors and other
Company executives expect to be available to talk individually with stockholders

after the meeting. No admission tickets or other credentials are currently required for attendance at the meeting.

The formal notice of the meeting and proxy statement follow. I hope that after reading them you will sign and mail the proxy card, whether you plan to attend in person or not, to assure that your shares will be represented.

Sincerely,

/s/ L. Bruce Boylen

L. Bruce Boylen
CHAIRMAN OF THE BOARD

RECORD DATE: October 13, 2003
DATE OF MEETING: December 8, 2003
TIME: 2:00 p.m.
PLACE: Hilton Minneapolis
 1001 Marquette Avenue
 Minneapolis, MN 55403

IMPORTANT

WHETHER YOU OWN ONE SHARE OR MANY, EACH STOCKHOLDER IS URGED TO VOTE, DATE, SIGN AND RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

FLEXSTEEL INDUSTRIES, INC.
P.O. BOX 877
DUBUQUE, IOWA 52004-0877

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD DECEMBER 8, 2003

TO THE STOCKHOLDERS:

The Annual Meeting of Stockholders of Flexsteel Industries, Inc. will be held at the Hilton Minneapolis, 1001 Marquette Avenue, Minneapolis, Minnesota 55403, on Monday, December 8, 2003 at 2:00 p.m. for the following purposes:

1. To elect three (3) Class II Directors to serve until the year 2006 Annual Meeting and until their successors have been elected and qualified or until their earlier resignation, removal or termination (Proposal I).
2. To ratify or reject the appointment of Deloitte & Touche LLP as independent auditors for the fiscal year ending June 30, 2004 (Proposal II).
3. To transact such other business as may properly come before the meeting or any adjournments thereof.

October 13, 2003 has been fixed as the record date for the determination of common stockholders entitled to notice of and to vote at the meeting, and only holders of record at the close of business on that date will be entitled to vote at the meeting or any adjournment thereof.

Whether or not you plan to attend the meeting, please mark, date and sign the accompanying proxy and return it promptly in the enclosed envelope which requires no additional postage if mailed in the United States. If you attend the meeting, you may vote your shares in person even though you have previously signed and returned your proxy. Voting by ballot at the meeting cancels any proxy previously returned.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ R.J. KLOSTERMAN

R.J. KLOSTERMAN
SECRETARY

October 24, 2003

PLEASE SIGN AND RETURN THE ENCLOSED PROXY PROMPTLY

PROXY STATEMENT

The accompanying proxy is solicited on behalf of the Board of Directors of Flexsteel Industries, Inc. (the "Company") to be used at the Annual Meeting of Stockholders to be held on Monday, December 8, 2003, and any adjournments thereof, and may be revoked by the stockholder at any time before it is exercised by a written notice or a later dated proxy delivered to the Secretary of the Company. Execution of the proxy will in no way affect a stockholder's right to attend the meeting and vote in person. The proxy will be revoked if the stockholder is present at the meeting and votes by ballot in person. Properly executed proxies received prior to the voting at the meeting will be voted at the meeting or any adjournments thereof. If a stockholder specifies how the proxy is to be voted on any business to come before the meeting, it will be voted in accordance with such specification. If no specification is made, it will be voted FOR the election of James R. Richardson, Patrick M. Crahan and Robert E. Deignan as Class II Directors (Proposal I), and FOR ratification of the appointment of Deloitte & Touche LLP (Proposal II). Each of the above named nominees has been previously elected by the stockholders except Robert E. Deignan who was appointed to the Board on December 10, 2001.

The mailing address of the corporate office and principal executive office of the Company is P.O. Box 877, Dubuque, IA 52004-0877. The approximate date on which this proxy statement and accompanying proxy card are first being mailed to stockholders is October 24, 2003.

As of the close of business on October 13, 2003, the record date for determining stockholders entitled to notice and to vote at the meeting, the Company had 6,431,472 outstanding shares of Common Stock, par value \$1.00 per share. Each share is entitled to one vote and cumulative voting is not permitted. No Preferred Stock is outstanding.

Stockholder votes will be counted by the Inspector of Election who will be present at the stockholder meeting. The affirmative vote of a majority of the shares of stock represented at the meeting shall be the act of the stockholders for the election of directors. Abstentions and broker non-votes shall not be counted as votes for or against the proposal being voted on.

EXPENSE OF SOLICITATION

The cost of the solicitation of proxies on behalf of the Board of Directors will be paid by the Company. Solicitation of proxies will be principally by mail. In addition, the officers or employees of the Company and others may solicit proxies, either personally, by telephone, by special letter, or by other forms of communication. The Company will also make arrangements

with banks, brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy material to their principals and will reimburse them for reasonable expenses in so doing. Officers and employees of the Company will not receive additional compensation in connection with the solicitation of proxies.

PROPOSAL I

ELECTION OF DIRECTORS

The Board currently consists of eleven persons divided into three classes. At each Annual Meeting the terms of one class of Directors expire and persons are elected to that class for terms of three years or until their respective successors are duly qualified and elected or until their earlier resignation, removal or termination.

The Board of Directors of the Company has nominated James R. Richardson, Patrick M. Crahan and Robert E. Deignan for election as Class II Directors of the Company. The Class II Directors' term expires at the time of the year 2006 Annual Meeting and until their respective successors have been elected and qualified or until their earlier resignation, removal or termination. It is the intention of the proxies named herein to vote FOR these nominees unless otherwise directed in the proxy. Class II Director Marvin M. Stern has advised the Board of Directors and the Compensation and Nominating Committee that he will retire from the Board of Directors at the time of the 2003 stockholder meeting and will not stand for re-election as a Director.

All nominees named above have consented to serve as Directors if elected. In the event that any of the nominees should fail to stand for election, the persons named as proxy in the enclosed form of proxy intend to vote for substitute nominees. The proxies cannot be voted for a greater number of persons than the number of nominees named herein.

NAME	AGE	DIRECTOR SINCE	PRINCIPAL OCCUPATION AND OTHER DIRECTORSHIPS OR EMPLOYMENT DURING THE LAST FIVE YEARS

DIRECTORS WHOSE TERMS EXPIRE AT THE 2003 ANNUAL MEETING, CLASS II			
James R. Richardson(3)	59	1990	Senior Vice President Marketing, 1994 to present, Flexsteel Industries, Inc.
Patrick M. Crahan(3)	55	1997	Vice President, Dubuque Upholstering Division, 1989 to present, Flexsteel Industries, Inc.; Director, American Trust and Savings Bank, Dubuque, Iowa; Trustee, University of Dubuque.
Marvin M. Stern(2)(3)	67	1998	Retired Vice President, Sears-Roebuck Company.
Robert E. Deignan(1)	64	2001	Partner, Baker and McKenzie law firm.
DIRECTORS CONTINUING TO SERVE WHOSE TERMS EXPIRE AT THE 2004 ANNUAL MEETING, CLASS III			
Edward J. Monaghan(3)	64	1987	Chief Operating Officer and Executive Vice President, 1993 to present, Flexsteel Industries, Inc.; Trustee, Clarke College.
Jeffrey T. Bertsch(3)	48	1997	Vice President Corporate Services, 1989 to present, Flexsteel Industries, Inc.; Director, American Trust and Savings Bank, Dubuque, Iowa; Trustee, University of Dubuque.
Lynn J. Davis(1)(3)	56	1999	General Partner, 2002 to present, Tate Capital Partners; President, 2001, and Senior Vice President, 1991 to 2001, ADC Telecommunications, Inc.; Director, Automated Quality Technologies, Inc. (mfr. of non-contact measurement equipment); Director, Infrared Solutions (mfr. of specialty camera equipment).
Eric S. Rangen(1)	46	2002	Vice President and Chief Financial Officer, 2001 to present, Alliant Techsystems, Inc.; Partner, 1994 to 2000, Deloitte & Touche LLP.
DIRECTORS CONTINUING TO SERVE WHOSE TERMS EXPIRE AT THE 2005 ANNUAL MEETING, CLASS I			
K. Bruce Lauritsen	61	1987	Chief Executive Officer and President, 1993 to present, Flexsteel Industries, Inc.
Thomas E. Holloran(1)(2)	74	1971	Professor Emeritus, College of Business, Senior Distinguished Fellow, School of Law, University of St. Thomas, St. Paul; former Director, Medtronic, Inc. (1960 -- 2000).
L. Bruce Boylen(2)	71	1993	Retired Vice President, Fleetwood Enterprises, Inc. (mfr. of recreational vehicles and manufactured homes).

(1) Member of Audit and Ethics Committee

(2) Member of Compensation and Nominating Committee

(3) Member of Marketing and Planning Committee

CERTAIN INFORMATION CONCERNING BOARD
AND OUTSIDE DIRECTORS' COMPENSATION

During the fiscal year ended June 30, 2003, four meetings of the Board of Directors were held. No Director attended less than 75% of the Board and Committee meetings.

Each Director who is not an employee of the Company is paid a retainer at the rate of \$10,600 per year. In addition, each is paid a fee of \$2,650 for each Board meeting each attends. The Chairman of the Board is paid a retainer of \$18,600 per year and a fee of \$4,650 for each Board meeting attended. For attending a committee meeting each is paid a fee of \$1,100. The Chairman of each Committee is paid \$1,200 for each meeting attended. The Company pays no additional remuneration to employees of the Company who are Directors.

Each Director who is not an employee of the Company receives on the first business day after each annual meeting a non-discretionary, non-qualified stock option grant for 2,500 shares valued at fair market value on date of grant, exercisable for 10 years. Each person who becomes for the first time a non-employee member of the Board, including by reason of election, appointment or lapse of three (3) years since employment by the Company, will receive an immediate one-time option grant for 2,500 shares.

The Company has a long standing agreement with Thomas E. Holloran pursuant to which the Company will pay to him, or his beneficiaries, \$20,000 after he ceases to be a Director as additional compensation in recognition of Director services rendered.

COMMITTEES OF THE BOARD

The Board of Directors has established three standing committees; the names of the committees and the principal duties are as follows:

AUDIT AND ETHICS COMMITTEE:

Confers with the independent auditors on various matters, including the scope and results of the audit; authorizes special reviews or audits; reviews internal auditing procedures and the adequacy of internal controls; and reviews policies and practices respecting compliance with laws, conflicts of interest and ethical standards of the Company. The Committee held three meetings during the fiscal year ended June 30, 2003. The Committee members are Thomas E. Holloran, Lynn J. Davis, Eric S. Rangen and Robert E. Deignan. The Board of Directors has adopted a written charter for the Audit and Ethics Committee. The Board of Directors believes all Audit and Ethics Committee members are independent as defined in Rule 4200 of NASD listing standards.

COMPENSATION AND NOMINATING COMMITTEE:

Makes recommendations regarding Board compensation, reviews performance and compensation of all executive officers, determines stock option grants, and advises regarding employee benefit plans. Makes recommendations regarding Board of Director nominees and reviews timely proposed nominees received from any source including nominees by stockholders. Nominations by stockholders must be received by the Secretary at least 18 days before the annual meeting and set forth nominee information as required by the Restated Articles which are available upon request to the Secretary of the Company. The Committee held two meetings during the fiscal year ended June 30, 2003. The Committee members are L. Bruce Boylen, Thomas E. Holloran and Marvin M. Stern.

MARKETING AND PLANNING COMMITTEE:

Reviews marketing plans with respect to the Company's position in the various market places. Makes recommendations regarding marketing direction to enhance revenues and profit margins. The Committee held one meeting during the fiscal year ended June 30, 2003. The Committee members are Marvin M. Stern, Patrick M. Crahan, Jeffrey T. Bertsch, Lynn J. Davis, Edward J. Monaghan and James R. Richardson.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ITS NOMINEES. PROXIES SOLICITED BY THE BOARD OF DIRECTORS WILL BE SO VOTED UNLESS STOCKHOLDERS SPECIFY OTHERWISE IN THEIR PROXIES.

OWNERSHIP OF STOCK BY
DIRECTORS AND EXECUTIVE OFFICERS

The table below sets forth the shares of Flexsteel's common stock beneficially owned by the Directors, the Chief Executive Officer, the other four most highly compensated executive officers and by all directors and executive officers as a group as of August 19, 2003. Unless otherwise indicated, to the best knowledge of the Company all persons named in the table have sole voting and investment power with respect to the shares shown.

NAME	TITLE	SHARES BENEFICIALLY OWNED(1)(2)(6)	PERCENT SHARES OUTSTANDING
J.T. Bertsch	Vice President Corporate Services, Director	429,732(3)(4)	6.8%
L.B. Boylen	Chairman of the Board of Director	13,500	0.2%
P.M. Crahan	Vice President Dubuque Upholstering Division, Director	130,379(4)	2.1%
L.J. Davis	Director	7,500	0.1%
R.E. Deignan	Director	5,500	0.1%
T.E. Holloran	Director	19,180	0.3%
K.B. Lauritsen	President, Chief Executive Officer, Director	157,591(4)	2.5%
E.J. Monaghan	Executive Vice President, Chief Operating Officer, Director	135,156(4)	2.1%
J.R. Richardson	Senior Vice President Marketing, Director	463,981(4)(5)	7.3%
E.S. Rangen	Director	5,000	0.1%
M.M. Stern	Director	8,500	0.1%
T.D. Burkart	Senior Vice President Vehicle Seating	96,017(4)	1.5%
R.J. Klosterman	Vice President Finance, Chief Financial Officer and Secretary	96,205(4)	1.5%
ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP (13)		1,568,241(4)	24.8%

(1) Includes the following number of shares which may be acquired by exercise of stock options: J.T. Bertsch -- 68,500; L.B. Boylen -- 13,500; P.M. Crahan -- 12,500; L.J. Davis -- 7,500; R.E. Deignan -- 3,000; T.E. Holloran -- 11,500; K.B. Lauritsen -- 63,875; E.J. Monaghan -- 19,750; J.R. Richardson -- 40,500; E.S. Rangen -- 4,500; M.M. Stern -- 8,500; T.D. Burkart -- 48,000; R.J. Klosterman -- 47,700.

(2) Includes shares, if any, owned beneficially by their respective spouses.

(3) Does not include 179,238 shares held in irrevocable trusts for which trusts American Trust & Savings Bank serves as sole trustee. Under the Terms of Trust, J. T. Bertsch has a possible contingent interest. J. T. Bertsch disclaims beneficial ownership in the shares held by each such trust.

(4) Includes shares awarded pursuant to the Company's Long-Term Incentive Plan over which shares the Grantee has voting rights. Investment rights are restricted subject to continued service with the Company.

(5) Includes 235,920 shares held in the Irrevocable Arthur D. Richardson Trust for which J.R. Richardson serves as co-trustee and over which shares J.R. Richardson has the rights of voting and disposition.

(6) Includes the following number of shares deferred pursuant to election to participate in the Company's Voluntary Deferred Compensation Plan: J.T. Bertsch -- 5,711; P.M. Crahan -- 7,230; K.B. Lauritsen -- 15,306; E.J. Monaghan -- 10,253; J.R. Richardson -- 9,135.

OWNERSHIP OF STOCK BY
CERTAIN BENEFICIAL OWNERS
AS OF AUGUST 19, 2003

To the best knowledge of the Company, no person owns beneficially 5% or more of the outstanding common stock of the Company except as is set forth below.

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT BENEFICIALLY OWNED(1)	PERCENT OF CLASS
Common	J.T. Bertsch, P.O. Box 877, Dubuque, IA 52004	429,732	6.8%
Common	J.R. Richardson, P.O. Box 877, Dubuque, IA 52004	463,981(2)	7.3%
Common	Dimensional Fund Advisors, Inc., 1299 Ocean Avenue, Santa Monica, CA 90401	394,900	6.2%
Common	Royce & Associates, 1414 Avenue of the Americas, New York, NY 10019	731,900	11.6%

(1) To the best knowledge of the Company, no beneficial owner named above has the right to acquire beneficial ownership in additional shares.

(2) Includes 235,920 shares held in the Irrevocable Arthur D. Richardson Trust for which J.R. Richardson serves as co-trustee and over which shares J.R. Richardson has the rights of voting and disposition.

The following table discloses compensation received by the Company's Chief Executive Officer and the other four most highly compensated executive officers for the three (3) fiscal years ending June 30, 2003.

SUMMARY COMPENSATION TABLE

ANNUAL COMPENSATION		LONG-TERM COMPENSATION						
		AWARDS			PAYOUTS			
NAME & PRINCIPAL POSITION	YEAR	SALARY \$	BONUS \$	OTHER ANNUAL COMP \$	RESTRICTED STOCK AWARDS \$	SECURITIES UNDERLYING OPTIONS #	LTIP PAYOUTS \$	ALL OTHER COMP \$(1)
K. Bruce Lauritsen President & Chief Executive Officer	2003	363,600	133,662			15,000	37,528	125,540
	2002	327,750	104,524			15,000	54,322	107,868
	2001	323,589	0			14,000	63,307	136,287
Edward J. Monaghan Executive Vice President & Chief Operating Officer	2003	273,100	86,227			10,750	24,390	136,870
	2002	246,615	77,446			10,750	36,726	115,576
	2001	243,945	0			10,000	42,747	130,421
James R. Richardson Senior Vice President of Marketing	2003	238,920	83,070			10,750	21,857	60,526
	2002	215,700	76,551			10,750	33,128	49,397
	2001	213,699	0			10,000	37,449	68,753
Ronald J. Klosterman Vice President of Finance & Secretary	2003	209,000	81,293			10,750	19,708	37,643
	2002	188,085	53,656			10,750	27,386	32,913
	2001	185,319	0			10,000	32,472	57,183
Thomas D. Burkart Senior Vice President Vehicle Seating	2003	211,860	90,040			10,750	20,486	47,730
	2002	191,160	46,965			10,750	26,989	42,948
	2001	188,535	0			10,000	33,036	67,402

(1) All Other Compensation -- Includes for the fiscal years and the named executive officers indicated below: (i) retirement plan contributions, (ii) Company matching contributions to the Section 401k plan, (iii) accruals made in accordance with the Company's Senior Officer Deferred Compensation Plans and (iv) gross-up amounts to cover income taxes payable on common stock awards taxable in 2001.

NAME	YEAR	RETIREMENT PLAN	401K	DEFERRED COMP	TAXES
K. Bruce Lauritsen	2003	10,302	2,000	113,238	0
	2002	8,592	1,700	97,576	0
	2001	8,676	1,700	82,911	43,000
Edward J. Monaghan	2003	10,302	2,386	124,182	0
	2002	8,592	1,700	105,284	0
	2001	8,676	1,700	91,045	29,000
James R. Richardson	2003	9,838	2,213	48,475	0
	2002	8,592	1,700	39,105	0
	2001	8,676	1,700	32,977	25,400
Ronald J. Klosterman	2003	8,937	2,063	26,643	0
	2002	8,592	1,700	22,621	0
	2001	8,676	1,700	18,307	28,500
Thomas D. Burkart	2003	9,019	2,076	36,635	0
	2002	8,592	1,700	32,656	0
	2001	8,676	1,700	27,126	29,900

STOCK OPTIONS/SAR*
OPTION GRANTS IN LAST FISCAL YEAR

POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL
RATES OF STOCK PRICE APPRECIATION FOR
OPTION TERM(1)

NAME	EXERCISE SHARES	PRICE (\$/SH)	EXPIRE DATE	5%	10%
K. Bruce Lauritsen	15,000	15.925	12/9/2012	150,227	380,705
Edward J. Monaghan	10,750	15.925	12/9/2012	107,663	272,839
James R. Richardson	10,750	15.925	12/9/2012	107,663	272,839
Ronald J. Klosterman	10,750	15.925	12/9/2012	107,663	272,839
Thomas D. Burkart	10,750	15.925	12/9/2012	107,663	272,839

* The Company does not have a stock appreciation rights plan (SAR).

(1) The amounts set forth in these columns are the result of calculations at the 5% and 10% rates set by the Securities and Exchange Commission. Actual gains, if any, on stock option exercise are dependent on the future performance of the Company's common stock.

OPTION EXERCISES AND FISCAL YEAR-END VALUES

The following table sets forth information with respect to the Named Executive Officers concerning the exercise of options during the last fiscal year and unexercised options held as of the end of the fiscal year.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR
AND FY-END OPTION/SAR VALUES

NAME	# OF SHARES ACQUIRED ON EXERCISE	\$ VALUE REALIZED	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FY-END 2003	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FY-END 2003(1)
			# EXERCISABLE	\$ EXERCISABLE
K. Bruce Lauritsen			63,875	250,979
Edward J. Monaghan	32,700	172,689	19,750	39,359
James R. Richardson	16,100	80,298	40,500	159,176
Ronald J. Klosterman			47,700	195,554
Thomas D. Burkart			48,000	204,101

(1) Based on the closing price as published in The Wall Street Journal for the last business day of the fiscal year (\$16.49). All options are exercisable at time of grant.

LONG-TERM INCENTIVE PLAN AWARDS TABLE
LONG-TERM INCENTIVE PLAN AWARDS IN LAST FISCAL YEAR

NAME	NUMBER OF SHARES, UNITS OR OTHER RIGHTS	PERFORMANCE OR OTHER PERIOD UNTIL MATURATION OR PAYOUT(1)	ESTIMATED FUTURE PAYOUTS UNDER NON-STOCK PRICE BASED PLANS(2)
K. Bruce Lauritsen	3,422		
Edward J. Monaghan	2,224		
James R. Richardson	1,993		
Ronald J. Klosterman	1,797		
Thomas D. Burkart	1,868		

Shares of the Company's common stock are available for award annually to key employees based on the average of the returns on beginning equity for the last three fiscal years.

(1) Shares awarded are subject to restriction, with 33.3% of the stock received by the employee on the award date and 33.3% each year for the next two years. Restricted Stock Awards -- The aggregate stock holdings (number of shares and value) as of July 1, 2003 are as follows: K. Bruce Lauritsen -- 2,281 shares, \$37,528; Edward J. Monaghan -- 1,482 shares, \$24,390; James R. Richardson -- 1,328 shares, \$21,857; Ronald J. Klosterman -- 1,198 shares, \$19,708; Thomas D. Burkart -- 1,245 shares, \$20,486. Dividends are paid to the employee on restricted shares.

(2) Not applicable to Plan.

NOMINATING AND COMPENSATION COMMITTEE REPORT CONCERNING
FLEXSTEEL'S EXECUTIVE COMPENSATION POLICY

The Nominating and Compensation Committee of the Board of Directors is responsible for the establishing of the Company's policy for compensating executive officers. The Committee is comprised of independent directors.

COMPENSATION PHILOSOPHY -- The fundamental objective of Flexsteel's executive compensation program is to support the achievement of the Company's business objectives and, thereby, the creation of stockholder value. As such, the Company's philosophy is that executive compensation policy and practice should be designed to achieve the following objectives:

- o Align the interests of executives with those of the Company and its stockholders by providing a significant portion of compensation in Company stock.
- o Provide an incentive to executives by tying a meaningful portion of compensation to the achievement of Company financial objectives.
- o Enable the Company to attract and retain key executives whose skills and capabilities are needed for the continued growth and success of Flexsteel by offering competitive total compensation opportunities and providing attractive career opportunities.

In compensating executive officers for their performance, total compensation is influenced by return on equity and stock price. At the executive level, overall Company performance is emphasized in an effort to encourage teamwork and cooperation.

While a significant portion of compensation fluctuates with annual results, the total program is structured to emphasize longer-term performance and sustained growth in stockholder value.

COMPETITIVE POSITIONING -- The Committee regularly reviews executive compensation levels to ensure that the Company will be able to attract and retain the caliber of executives needed to run the Company and that pay for executives is reasonable and appropriate relative to market practice. In making these evaluations, the Committee annually reviews the result of surveys of executive salary and annual bonus levels among durable goods manufacturers of comparable size. The Committee periodically completes an in-depth analysis of salary, annual bonus, and long-term incentive opportunities among specific competitors assisted by an independent compensation consulting firm. The surveyed companies are included in the Household Furniture Index used as the peer group for purposes of the performance graph. While the pay of an individual executive may vary, the Company's Policy is to target aggregate compensation for executive officers at average competitive levels, provided commensurate performance.

COMPONENTS OF EXECUTIVE COMPENSATION -- The principal components of Flexsteel's executive compensation program include base salaries, annual cash bonuses, and longer-term incentives using Company stock.

BASE SALARY -- An individual executive's base salary is based upon the executive's level of responsibility and performance within the Company, as well as competitive rates of pay. The Committee reviews each executive officer's salary annually and makes adjustments, as appropriate, in light of any change in the executive's responsibility, changes in competitive salary levels, and the Company's performance.

ANNUAL INCENTIVE -- The purpose of the Company's annual incentive program is to provide a direct monetary incentive to executives in the form of annual cash bonus tied to the achievement of performance objectives. For executive officers, the Committee annually sets a targeted return on equity for the coming year, from which minimum and maximum levels are determined. Corresponding incentive award levels, expressed as a percentage of salary, also are set based primarily on an individual's responsibility level. If minimum performance levels are not met, no bonus award is made. After the completion of the year, the Committee ratifies cash bonuses as awarded based principally on the extent to which targeted return on equity has been achieved.

LONG-TERM INCENTIVES -- Longer-term incentive compensation involves the use of stock under two types of awards: Long-term incentive awards and stock options. Both types of awards are intended to focus executives' attention on the achievement of the Company's longer term performance objectives, to align the executive officers' interests with those of stockholders and to facilitate executives' accumulations of sustained holding of Company stock. The level of award opportunities, as combined under both plans, are intended to be consistent with typical levels of comparable companies and reflect an individual's level of responsibility and performance.

Long-term incentive awards are paid under the stockholder approved Management Incentive Plan. Awards give executives the opportunity to earn shares of Company stock to the extent that the three-year average return on equity objectives are achieved. As with annual incentives, various levels of performance goals and corresponding compensation amounts are established, with no awards earned if a minimum level is not achieved. Two-thirds of any earned shares are subject to forfeiture provisions tied to the executive's continued service with the Company. This provision is intended to enhance the Company's ability to retain key executives and provide a longer-term performance focus.

Stock options, as awarded under stockholder approved plans, give executives the opportunity to purchase Flexsteel common stock for a term not to exceed ten years and at a price of no less than the fair market value of Company stock on the date of grant. Executives benefit from stock options only to the extent stock price appreciates after the grant of the option.

COMPENSATION OF THE CHIEF EXECUTIVE OFFICER -- The total compensation for Flexsteel's CEO in fiscal year 2003 was established in accordance with the policies discussed above. Mr. Lauritsen's base salary increase reflects market movements in executive salaries. His annual cash incentive award and his long-term incentive award were based on the Company's achievement of minimum established target levels for return on equity. Mr. Lauritsen's stock option award was consistent with prior awards and those to other senior executives.

The Company's current levels of compensation are less than the \$1,000,000 level of non-deductibility with respect to Section 162(m) of the Internal Revenue Code.

This report has been prepared by members of the Compensation and Nominating Committee of the Board of Directors. Members of this Committee are:

L. Bruce Boylen Thomas E. Holloran Marvin M. Stern
Chair

AUDIT AND ETHICS COMMITTEE REPORT

The Audit and Ethics Committee has reviewed and discussed the audited financial statements with management. The Audit and Ethics Committee has discussed with the independent auditors the matters required to be discussed by Statements on Auditing Standards (SAS) No. 61 and 90 "Communication with Audit Committees", as may be modified or supplemented. The Audit and Ethics Committee has received the written disclosures and the letter from the independent auditor required by Independence Standards Board Standard No. 1, as may be modified or supplemented, and has discussed with the independent auditor, the independent auditor's independence. Based on the review and discussions referred to above in this report, the Audit and Ethics Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the last fiscal year for filing with the Commission.

This report has been prepared by members of the Audit and Ethics Committee. Members of this Committee are:

Thomas E. Holloran Robert E. Deignan Lynn J. Davis Eric S. Rangen
Chair

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The current members of Flexsteel's Compensation and Nominating Committee are L. Bruce Boylen, Chairman, Thomas E. Holloran and Marvin M. Stern. No executive officer of Flexsteel served as a director of another entity that had an executive officer serving on Flexsteel's compensation committee. No executive officer of Flexsteel served as a member of the compensation committee of another entity which had an executive officer who served as a director of Flexsteel.

CODE OF ETHICS

The Board of Directors has adopted "Guidelines for Business Conduct" which, among other matters, applies a code of ethics to the Company's principal executive officer, principal financial officer and treasurer.

SHARE INVESTMENT PERFORMANCE

The following graph is based upon the SIC Code #251 Household Furniture Index as a peer group. It shows changes over the past five-year period in the value of \$100 invested in: (1) Flexsteel's Common Stock; (2) the NASDAQ Market Index; and (3) an industry group

of the following: Bassett Furniture Ind., Bush Industries Inc. CL A, Chromcraft Revington Inc., DMI Furniture, Inc., Ethan Allen Interiors, Furniture Brands Intl., Industrie Natuzzi S.P.A., Keller Manufacturing, La-Z-Boy Inc., Leggett & Platt Inc., The Rowe Companies and Stanley Furniture Inc. This data was furnished by Zacks Investment Research. The graph assumes reinvestment of dividends.

FIVE-YEAR CUMULATIVE TOTAL RETURNS
 VALUE OF \$100 INVESTED ON JUNE 30, 1998

[GRAPH]

	1998	1999	2000	2001	2002	2003
Flexsteel	100.00	98.80	94.66	96.75	126.09	143.61
NASDAQ	100.00	143.83	212.68	115.30	78.11	80.45
Furniture Household	100.00	104.85	65.08	88.47	99.57	86.52

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes share information about the Company's equity compensation plans, including the 1989, 1995, 1999 and 2002 Stock Option Plan, and the 1981 Management Incentive Plan. All of these plans have been approved by our shareholders.

PLAN CATEGORY	(a) NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	(b) WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	(c) NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (a))
Equity compensation plans approved by security holders	557,845	\$ 12.70	715,450
Equity compensation plans not approved by security holders	0		0
Total	557,845 =====	\$ 12.70 =====	715,450 =====

INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

Information with respect to directorships held by certain directors of the Company in local financial institutions is set forth in the table under "Proposal I -- Election of Directors," in the column captioned "Principal Occupation and Other Directorships or Employment during the Last Five Years." The Company maintains normal banking relations with the bank named in the table. It is expected that the Company's relationship with the bank will continue in the future.

PROPOSAL II

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit and Ethics Committee has appointed Deloitte & Touche LLP as independent auditor to examine the financial statements of the Company for the fiscal year ending June 30, 2004. The Board has endorsed this appointment. Deloitte & Touche LLP previously audited the financial statements of the Company and during the two years ended June 30, 2003 provided both audit and non-audit services.

Representatives of Deloitte & Touche LLP are expected to be present during the annual meeting. They are expected to be available to respond to appropriate questions and will have the opportunity to make a statement if they wish.

The Audit and Ethics Committee preapproves both the type of services to be provided by Deloitte & Touche LLP and the estimated fees related to these services. Professional services were reviewed by the Audit and Ethics Committee and the possible effect on the auditor's independence was considered. The Audit and Ethics Committee has considered and found the provision of services for non-audit services compatible with maintaining Deloitte & Touche LLP's independence.

	2003 -----	2002 -----
Audit Fees -- Professional fees and expenses for the audit of the annual financial statements, review of financial statements included in Form 10-Q and services provided in connection with statutory and regulatory filings.	\$146,800	\$136,800
Audit Related Fees -- Professional fees and expenses for employee benefit plan audits and reviews and related matters.	\$ 53,000	\$ 21,900
Tax Fees -- Professional fees and expenses for tax compliance, including the preparation of tax returns, tax advice and tax planning.	\$ 53,000	\$ 37,300
All Other Fees -- No other professional services were provided during the fiscal years ended June 30, 2003 and 2002.		

Appointment of the Company's independent auditors is not required to be submitted to a vote of the stockholders of the Company for ratification. However, the Audit and Ethics Committee has recommended that the board of directors submit this matter to the stockholders

as a matter of good corporate practice, which the board of directors is doing. If the stockholders fail to ratify the appointment, the Audit and Ethics Committee will reconsider whether to retain Deloitte & Touche LLP, and may retain that firm or another without resubmitting the matter to the Company's stockholders. Even if the appointment is ratified, the Audit and Ethics Committee may, in its discretion, direct the appointment of different independent auditors at any time during the year if it determines that such a change would be in the best interests of the Company and the stockholders.

THE AUDIT AND ETHICS COMMITTEE RECOMMENDS A VOTE FOR THE PROPOSAL TO RATIFY THE APPOINTMENT OF DELOITTE & TOUCHE LLP. PROXIES SOLICITED BY THE BOARD OF DIRECTORS WILL BE SO VOTED UNLESS STOCKHOLDERS SPECIFY OTHERWISE IN THEIR PROXIES.

PROPOSALS BY STOCKHOLDERS

Stockholders wishing to have a proposal considered for inclusion in the Company's proxy statement for the 2004 annual meeting must submit the proposal in writing and direct it to the Secretary of the Company at the address shown herein. It must be received by the Company no later than June 30, 2004.

COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) requires the Company's directors and executive officers to file with the Securities and Exchange Commission reports of ownership and changes in ownership of the Company's Common Stock, and the Company is required to identify any of those persons who fail to file such reports on a timely basis. To the best of the Company's knowledge, there were no late filings by directors and executive officers during fiscal year 2003.

OTHER MATTERS

The percentage total number of the outstanding shares represented at each of the last three years stockholders' meetings was as follows: 2000 -- 89.5%; 2001 -- 94.0%; 2002 -- 95.0%.

UPON WRITTEN REQUEST THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF ITS ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED JUNE 30, 2003. REQUESTS SHOULD BE DIRECTED TO THE SECRETARY OF THE COMPANY AT P.O. BOX 877, DUBUQUE, IA 52004-0877.

The Board of Directors does not know of any other matter which may come before the meeting. However, should any other matter properly come before the meeting, the persons named in the Proxy will vote in accordance with their judgment upon such matters unless a contrary direction is indicated by the Stockholder by his lining or crossing out the authority on the Proxy.

Stockholders are urged to vote, date, sign and return the Proxy form in the enclosed envelope to which no postage need be affixed if mailed in the United States. Prompt response is helpful and your cooperation will be appreciated.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ R.J. KLOSTERMAN

R.J. KLOSTERMAN
SECRETARY

Dated: October 24, 2003
Dubuque, Iowa

[LOGO]
FLEXSTEEL(R)
AMERICAN'S SEATING SPECIALIST

NOTICE OF 2003
ANNUAL MEETING
AND
PROXY STATEMENT

THE FLEXSTEEL INDUSTRIES, INC.
P.O. BOX 877
DUBUQUE, IOWA 52004-0877

THIS PROXY IS SOLICITED ON BEHALF OF
BOARD OF DIRECTORS FOR THE ANNUAL MEETING
OF STOCKHOLDERS TO BE HELD DECEMBER 8, 2003

The undersigned, a stockholder of Flexsteel Industries, Inc., hereby appoints K. Bruce Lauritsen and Ronald J. Klosterman and each of them, as proxies, with full power of substitution, to vote on behalf of the undersigned the same number of shares which the undersigned is then entitled to vote at the Annual Meeting of the Stockholders of Flexsteel Industries, Inc., to be held on Monday, December 8, 2003 at 2:00 P.M. at the Hilton Minneapolis, 1001 Marquette Avenue, Minneapolis, Minnesota 55403, and at any adjournments thereof as follows:

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR:

Proposal No. 1 -- Election of three (3) Class II Directors (Term Expires at the 2006 Annual Meeting):

JAMES R. RICHARDSON
(Class II)

PATRICK M. CRAHAN
(Class II)

ROBERT E. DEIGNAN
(Class II)

FOR all Nominees
(Except as marked to
the contrary)

WITHHELD from all
Nominees

WITHHELD from the following only: (Write name(s) below)

Proposal No. 2 -- Ratification of Appointment of Deloitte & Touche LLP as Independent Auditors for the ensuing fiscal year:
 FOR AGAINST ABSTAIN

In their discretion to vote upon such other business as may properly come
before the meeting, or any adjournments thereof, UNLESS THE STOCKHOLDER LINES OR CROSSES OUT THIS AUTHORITY.

(IMPORTANT: continued, and to be signed and dated, on the reverse side)

(CONTINUED FROM OTHER SIDE)

The Undersigned hereby revokes any proxy or proxies to
vote such shares heretofore given.

PLEASE VOTE, DATE, SIGN, AND RETURN IN THE ENCLOSED ENVELOPE.

Dated _____, 2003.

(Signature)

Signature of stockholder shall correspond
exactly with the name appearing hereon.

If a joint account, each owner must sign.
When signing as attorney, executor, administrator,
trustee, guardian or corporate official, give
your full title as such.

This proxy when properly executed will be voted in the manner directed hereon by
the above signed stockholder. If no direction is given, this proxy will be voted
FOR Proposals 1 and 2, and the grant of authority to vote upon such other
business as may properly come before the meeting or any adjournments thereof
will not be crossed out.