

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended JUNE 30, 2000

or

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from to

Commission file number 0-5151

A) Full title of the plan:

SALARIED EMPLOYEES' SAVINGS PLAN 401(k)

B) Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

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

THE PLAN. Pursuant to the requirements of the Securities Exchange Act
of 1934, the trustees (or other persons who administer the employee benefit
plan) have duly caused this annual report to be signed on its behalf by the
undersigned hereunto duly authorized.

Salaried Employees' Savings Plan 401(k)

(Name of Plan)

Date: September 15, 2000

/s/ R. J. KLOSTERMAN

R.J. Klosterman
VICE PRESIDENT OF FINANCE AND
PRINCIPAL FINANCIAL OFFICER

INDEPENDENT AUDITORS' REPORT

Flexsteel Industries, Inc.
Salaried Employees' Savings Plan 401(k)
Dubuque, Iowa

We have audited the accompanying statements of net assets available for benefits
of the Flexsteel Industries, Inc. Salaried Employees' Savings Plan 401(k) (the
Plan) as of June 30, 2000 and 1999 and the related statements of changes in net
assets available for benefits for each of the three years in the period ended
June 30, 2000. These financial statements are the responsibility of the Plan's
management. Our responsibility is to express an opinion on these financial
statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted
in the United States of America. Those standards require that we plan and
perform the audit to obtain reasonable assurance about whether the financial
statements are free of material misstatement. An audit includes examining, on a
test basis, evidence supporting the amounts and disclosures in the financial
statements. An audit also includes assessing the accounting principles used and
significant estimates made by management, as well as evaluating the overall
financial statement presentation. We believe that our audits provide a
reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material
respects, the net assets available for benefits of the Plan as of June 30, 2000
and 1999 and the changes in net assets available for benefits for each of the
three years in the period ended June 30, 2000 in conformity with accounting
principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic

financial statements taken as a whole. The supplemental schedule of assets held for investment purposes as of June 30, 2000 is presented for the purpose of additional analysis and are not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. Such supplemental schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

DELOITTE & TOUCHE
September 15, 2000

Flexsteel Industries, Inc.
Salaried Employees' Savings Plan 401(k)
Statement of Net Assets Available for Benefits
June 30, 2000 and 1999

	2000	1999
Assets		
Cash	\$ 26,090	\$ 36,425
Investments:		
Flexsteel Industries, Inc. common stock	1,634,138	1,827,316
Mutual funds	18,020,757	16,801,676
Employer contributions receivable	14,250	9,928
Employee contributions receivable	100,119	74,718
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Net Assets Available for Benefits	\$ 19,795,354	\$ 18,750,063
	=====	=====

Flexsteel Industries, Inc.
Salaried Employees' Savings Plan 401(k)
Statement of Changes in Net Assets Available For Benefits
June 30, 2000, 1999, and 1998

	2000	1999		1998
Additions:				
Employee contributions	\$ 1,344,575	\$ 1,220,398		\$ 1,036,949
Employer contributions	207,693	188,931		175,600
Investment income	608,545	333,692		399,779
Net appreciation in fair value of assets	(624,363)	1,322,122		1,688,899
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Distributions	1,543,551	3,065,143		3,301,227
	(491,160)	(574,532)		(800,008)
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Net increase	1,045,291	2,490,611		2,501,219
Net assets available for benefits at beginning of year	18,750,063	16,259,452		13,758,233
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Net assets available for benefits at end of year	\$ 19,795,354	\$ 18,750,063		\$ 16,259,452
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See Notes to the Financial Statements.

FLEXSTEEL INDUSTRIES, INC.

SALARIED EMPLOYEES' SAVINGS PLAN 401(K)

NOTES TO THE FINANCIAL STATEMENTS

1) PLAN DESCRIPTION

The Flexsteel Industries, Inc. Salaried Employees' Savings Plan 401(k) (the "Plan") was established effective July 1, 1985 by Flexsteel Industries, Inc. (the "Company"). The Plan is available to certain salaried, salesmen and office employees that have one year of eligible service and have reached the age of twenty-one. Participation is voluntary.

The Plan allows eligible employees to elect to have from 1% to 14% (salespeople are subject to a 4% maximum) of their basic pre-tax pay contributed to the Plan. Employee contributions are subject to a maximum of \$10,000 in calendar year 2000 by law. The Company contributes an amount equal to 25% of the first 4% of pay the employee contributes. Participant and Company basic contributions are 100% vested. The Company, at its option, may also contribute additional amounts to be allocated amongst all participants based on the participants' pay; such additional company contributions vest over 7 years (20% after 3 years, 40% after 4 years, 60% after 5 years, 80% after 6 years, and 100% after 7 years).

Plan participants direct their contributions to any of the twelve investment accounts available:

- 1) The FLEXSTEEL INDUSTRIES, INC. COMMON STOCK FUND, which consists of the Company's common stock.
- 2) A GUARANTEED INTEREST ACCOUNT, which is an insurance company account that provides a guaranteed interest rate for a five-year period.
- 3) A MONEY MARKET ACCOUNT, which is an insurance company account primarily invested in commercial paper with maturities of one year or less.
- 4) A PRIVATE MARKET BOND AND MORTGAGE ACCOUNT, which is an insurance company account that provides for competitive yield debt securities.
- 5) A BOND EMPHASIS BALANCED ACCOUNT, which invests primarily in other separate accounts made up of stocks, bonds, convertibles, and cash. It usually maintains at least 50% of assets in fixed-income securities.
- 6) A LARGE CAP STOCK INDEX FUND, which is a pooled investment account invested in the common stock of those firms included in the Standard & Poor's 500 Stock Index.
- 7) A LARGE COMPANY GROWTH ACCOUNT, which primarily invests in larger companies that management believes have an above-average potential for earnings growth.
- 8) A U.S. COMMON STOCK FUND, which consists of common stock and other equity securities, and also may include short-term money market instruments, cash or cash equivalents.
- 9) A MID CAP STOCK INDEX FUND, which is a pooled investment account invested in the common stock of those firms included in the Standard & Poor's 400 Mid Cap Stock Index.
- 10) A SMALL COMPANY BLEND STOCK FUND, which invests in stocks of smaller seasoned companies.
- 11) A SMALL COMPANY GROWTH STOCK FUND, which invests in stocks of smaller developing companies.
- 12) An INTERNATIONAL STOCK ACCOUNT, which invests in stocks of companies in Western Europe and Asia.

Assets of the Plan are held by a "Custodian," the Principal Mutual Life Insurance Company, except for the Flexsteel Industries, Inc. Common Stock Fund that is held by the American Trust & Savings Bank of Dubuque, Iowa (the "Trustee"). The Plan is administered by a committee appointed by the Board of Directors of the Company. All administrative expenses are paid by the Company. Distributions are paid upon retirement, termination of employment, death, disability, or in hardship cases. Non-vested contributions revert to the Company upon termination of employment. Upon termination of the Plan, participant accounts become fully vested and non-forfeitable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At June 30, 2000 the Plan had 521 participants, of which there were 180 participants in the Flexsteel Industries, Inc. Common Stock Fund, 363 participants in the Guaranteed Interest Accounts, 377 participants in the Money Market Account, 203 participants in the Private Market Bond and Mortgage Account, 14 participants in the Bond Emphasis Balanced Account, 239 participants in the Large Cap Stock Index Fund, 106 participants in the Large Company Growth Fund, 370 participants in the U.S.Common Stock Fund, 32 participants in the Mid Cap Stock Index Fund, 247 participants in the Small Company Blend Stock Fund, 89 participants in the Small Company Growth Stock Fund, and 261 participants in the International Stock Fund.

2) SIGNIFICANT ACCOUNTING POLICIES

The Plan uses the accrual basis of accounting. Investments in common stock are recorded at the market value based on market quotations. Other investments are stated at market value as determined by the Trustee and Custodian based on the market value of the funds and the participation in each fund. The cost of investments sold is determined by the average cost method.

3) INCOME TAXES

The Plan has received a determination from the Internal Revenue Service that the Plan is exempt from Federal income taxes. Participants are not taxed currently on their contributions or on Company contributions to the Plan. Distributions to participants generally are subject to Federal and State income tax at the time of distribution; certain distributions may receive more favorable tax treatment.

4) INVESTMENTS

Investments that represent 5% or more of the Plan's net assets are as follows:

	June 30, 1999	June 30, 2000
Flexsteel Industries, Inc. Common Stock Fund (137,258 and 133,399 shares respectively)	\$ 1,827,316	\$ 1,634,138
Guaranteed Interest	4,113,901	4,150,100
Bond & Mortgage	1,119,406	1,003,210
Large Cap Stock Index	1,721,133	2,073,823
US Stock Index	7,624,988	5,806,018
Small Co Blend	1,069,729	1,211,439
Small Co Growth		973,136
International Stock Index	1,034,484	1,413,129

SUPPLEMENTAL SCHEDULES

FLEXSTEEL INDUSTRIES, INC. SALARIED EMPLOYEES' SAVINGS PLAN 401(k)
SCHEDULE H, PART IV, LINE 4I - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
YEAR ENDED JUNE 30, 2000

Flexsteel Industries	\$ 1,634,138
Guaranteed Interest	4,150,100
Money Market	271,532
Bond & Mortgage	1,003,210
Bond Emphasis	144,472
Large Cap Stock Index	2,073,823
Stock Index	735,874
US Stock Index	5,806,018
Mid Cap Stock Index	238,024
Small Co Blend	1,211,439
Small Co Growth	973,136
International Stock Index	1,413,129

	\$ 19,654,895
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CONSENT OF INDEPENDENT AUDITORS

Flexsteel Industries, Inc.:

We consent to the incorporation by reference in Registration Statement No. 33-1836 on Form S-8 as amended by Post-Effective Amendment No. 1 for the Flexsteel Salaried Employees' Savings Plan 401(k) of our report dated September 15, 2000 appearing in the Annual Report on Form 11-K of the Flexsteel Salaried Employees' Savings Plan 401(k) for the year ended June 30, 2000.

DELOITTE & TOUCHE LLP

Minneapolis, Minnesota
September 27, 2000