

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 11-K

(Mark One)

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

For the fiscal year ended December 31, 2004

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 and the address of the plan, if different from that of issuer named below:

Flexsteel Industries, Inc. Salaried Employees Retirement and 401(k) Plan

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.

Flexsteel Industries, Inc. Salaried Employees Retirement and 401(k) Plan
(Name of Plan)

Date: June 9, 2005

/ s / Timothy E. Hall

Timothy E. Hall
Vice President, Chief Financial Officer, and
Treasurer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Flexsteel Industries, Inc. Salaried Employees Retirement and 401(k) Plan Dubuque, Iowa

We have audited the accompanying statements of net assets available for benefits of the Flexsteel Industries, Inc. Salaried Employees Retirement and 401(k) Plan (the "Plan") as of December 31, 2004 and 2003, and the related statements of changes in net assets available for benefits for the years ended December 31, 2004 and 2003. 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.

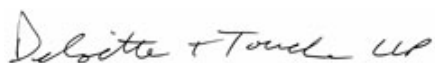
We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 December 31, 2004 and 2003, and the changes in net assets available for benefits for the years ended December 31, 2004 and 2003, 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 at end of year) as of December 31, 2004, is presented for the purpose of additional analysis and is 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 audit 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 LLP



June 9, 2005

**FLEXSTEEL INDUSTRIES, INC. SALARIED EMPLOYEES
RETIREMENT AND 401(k) PLAN**
(Plan #007 EIN: 42-0442319)

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2004 AND 2003**

	2004	2003
ASSETS:		
Cash	\$ 52	\$ 202
Investments:		
Flexsteel Industries, Inc. common stock	2,451,270	2,956,208
Mutual funds	4,424,163	1,968,158
Common/collective trust fund	5,222,258	1,976,072
Investment contract	8,257,612	12,731,459
Pooled separate accounts	33,838,703	30,962,309
	<u>54,194,006</u>	<u>50,594,206</u>
Employer contributions receivable	52,638	104,244
Employee contributions receivable	126,894	117,060
	<u>179,566</u>	<u>221,304</u>
NET ASSETS AVAILABLE FOR BENEFITS	\$ 54,373,590	\$ 50,815,712

See notes to financial statements.

- 2 -

**FLEXSTEEL INDUSTRIES, INC. SALARIED EMPLOYEES
RETIREMENT AND 401(k) PLAN**
(Plan #007 EIN: 42-0442319)

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 2004 AND 2003**

	2004	2003
ADDITIONS:		
Employee contributions	\$ 1,913,369	\$ 1,847,525
Employer contributions	1,284,464	1,353,015
Investment income	552,121	674,020
Net appreciation in fair value of assets (Note 3)	3,555,357	7,206,547
Transfers from other plans (Note 1)	126,034	210,477
	<u>7,431,345</u>	<u>11,351,584</u>

Total net additions	7,431,345	11,291,584
DISTRIBUTIONS	(3,859,399)	(707,514)
ADMINISTRATIVE EXPENSES	(14,068)	(44,181)
NET INCREASE	3,557,878	10,539,889
NET ASSETS AVAILABLE FOR BENEFITS— Beginning of year	50,815,712	40,275,823
NET ASSETS AVAILABLE FOR BENEFITS— End of year	\$ 54,373,590	\$ 50,815,712

See notes to financial statements.

- 3 -

FLEXSTEEL INDUSTRIES, INC. SALARIED EMPLOYEES RETIREMENT AND 401(k) PLAN

(Plan #007 EIN: 42-0442319)

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2004 AND 2003

1. DESCRIPTION OF THE PLAN

The following description of the Flexsteel Industries, Inc. Salaried Employees Retirement and 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the plan document for more complete information.

General—The Plan is a defined contribution plan covering substantially all salaried employees of Flexsteel Industries, Inc. (the "Company") who have reached the age of 21 and have completed one year of service. Participation is voluntary. The plan administrator controls and manages the operation and administration of the Plan. Assets of the Plan are held by the Principal Life Insurance Company (the "Custodian"), except for the Flexsteel Industries, Inc. common stock fund that is held by the American Trust & Savings Bank of Dubuque, Iowa (the "Trustee"). A committee appointed by the Board of Directors of the Company administers the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Transfers—During the years ended December 31, 2004 and 2003, the Plan received transfers from other company benefit plans totaling \$126,034 and \$210,477, respectively, related to certain employee job classification changes.

Contributions and Vesting—The Plan allows eligible employees to elect to have from 1% to 50% (sales personnel were subject to a 4% maximum until an amendment effective January 1, 2004, increased the sales personnel maximum to 6%) of their basic pretax pay contributed to the Plan. Employee contributions are by law subject to a maximum of \$13,000 in calendar year 2004. 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 among all participants based on the participants' pay; such additional discretionary 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). Discretionary company contributions may be made in either cash or company stock, at the Company's discretion. In addition, the Company contributes 4% of pay up to the social security limit and 6% of pay in excess of this limit on a monthly basis. Forfeited balances of terminated participants may first be applied to pay expenses which would otherwise be paid by the Company. Forfeitures not used to pay expenses shall be applied to reduce future company contributions.

Participant Accounts—Individual accounts are maintained for each plan participant. Each participant's account is credited with the Company's contribution and allocations of plan earnings, and is charged with an allocation of plan losses and administrative expenses. Allocations are based on compensation, participant investment elections, and account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

- 4 -

Investments—Plan participants direct their contributions to any of the 19 investment accounts available.

Payment of Benefits—Distributions of benefits are paid upon retirement, death, disability, and in certain hardship cases. Distributions, in certain cases, may also occur on termination of the Plan or disposition of substantially all of the Company's assets to another entity. Otherwise, benefits will be distributed on the later of the date the participant attains age 65, the tenth anniversary of the participant's entry date, or the date the participant ceases to be an employee. If a participant's vested account balance has never exceeded \$5,000, the entire vested account balance shall be payable as a single lump sum upon retirement, death, or termination. For participants whose vested account balance exceeds \$5,000, benefits are paid in an automatic form unless an optional form has been selected by the participant or their beneficiary.

Automatic Forms—The automatic form of retirement benefits shall be in the form of an immediate survivorship life annuity with installment refund for participants with a spouse or a single life annuity with installment refund for participants without a spouse.

The automatic form of death benefits shall be: (1) a qualified preretirement survivor annuity for participants who have a spouse to whom they have been continuously married throughout the one-year period ending on the date of their death, or (2) a single-sum payment to the participant's beneficiary for participants who do not have a spouse who is entitled to the qualified preretirement survivor annuity.

Optional Forms—The optional forms of death benefits are a single-sum payment and any annuity that is an optional form of retirement benefit. However, the full flexibility option shall not be available if the beneficiary is not the spouse of the deceased participant.

The optional forms of retirement benefits shall be: (1) straight life annuity; (2) single life annuities with certain periods of 5, 10, or 15 years; (3) single life annuity with installment refund; (4) survivorship life annuities with installment refund and survivorship percentages of 50%, 66-2/3%, or 100%; (5) fixed period annuities; (6) a series of installments chosen by the participant with a minimum payment each year beginning with age 70-1/2 (full flexibility option); or (7) single-sum payment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investments—The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Investment Valuation and Income Recognition—Investments in common stock are recorded at 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, except

- 5 -

for the investment contract. The investment contract is not fully benefit responsive and is stated at fair value as determined by the Custodian. Net realized and unrealized appreciation (depreciation) of investments represents the increase (decrease) in the market value of investments from the beginning of the period or from the date of purchase (if purchased during the year) to the end of the period, as well as the difference between the sales proceeds and the sum of the market values of the investments held at the beginning of the period and sold during the period and the cost of any investments purchased and sold during the period.

Expenses—Certain administrative expenses of the Plan, such as contract administration, record-keeping, and transaction fees, are paid by the Plan. Certain other administrative fees, such as audit fees of the Plan, are paid by the Company. Administrative expenses charged to the Plan were not significant. Expenses paid by the Company were \$43,963 and \$30,570 for the years ended December 31, 2004 and 2003, respectively.

Payment of Benefits—Benefit payments to participants are recorded upon distribution.

3. INVESTMENTS

Investments that represent 5% or more of the Plan's net assets for the years ended December 31, 2004 and 2003, were as follows:

	2004	2003
Principal Guaranteed Interest Account*	\$ 8,257,612	\$ 12,731,459
Principal Private Market Bond and Mortgage Account*	5,165,200	5,405,458
Principal Large Cap Stock Index Fund*	13,741,304	12,255,678
Principal Small Company Blend Stock Fund*	5,525,050	4,422,782
Principal International Stock Account*	3,537,059	2,551,881
Principal Stable Value Select*	5,222,258	

* Denotes party-in-interest

The net appreciation (depreciation) in the fair value of investments for the years ended December 31, 2004 and 2003, was as follows:

	2004	2003
Flexsteel Industries, Inc. common stock	\$ (678,840)	\$ 833,166
Mutual funds	414,858	156,254
Common/collective trust funds	131,088	331
Pooled separate accounts	3,688,251	6,216,796
	<u>\$ 3,555,357</u>	<u>\$ 7,206,547</u>

4. RELATED-PARTY TRANSACTIONS

The Plan invests in pooled separate accounts and the guaranteed interest account that are managed by the Custodian. The Plan also invests in the Company's common stock. These transactions qualify as exempt party-in-interest transactions.

- 6 -

5. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would become 100% vested in their account.

6. FEDERAL INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company by letter dated September 27, 2002, that the Plan qualifies under the applicable sections of the Internal Revenue Code ("IRC") and, therefore, the related trust is not subject to tax under current tax law. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its tax qualification. The Plan has been amended since receiving the determination letter. The plan administrator believes the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC and, as a result, no provision for income taxes is believed necessary.

* * * * *

- 7 -

SUPPLEMENTAL SCHEDULE

- 8 -

FLEXSTEEL INDUSTRIES, INC. SALARIED EMPLOYEES RETIREMENT AND 401(k) PLAN (Plan #007 EIN: 42-0442319)

SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (Held At End of Year)
DECEMBER 31, 2004

	Current Value
Flexsteel Industries, Inc. common stock (1)	\$ 2,451,270
Vanguard Explorer Fund	2,520,891
American Funds Growth Fund of America	1,903,272
Principal Life Insurance Company (2):	
Guaranteed Interest Account	8,257,612
Stable Value Select Fund	5,222,258
Pooled Separate Accounts:	
Money Market Account	401
Private Market Bond and Mortgage Account	5,165,200
Large Cap Stock Index Fund	13,741,304
Large Company Blend Account	25,247
Mid Cap Stock Index Fund	2,545,464
Small Company Blend Stock Fund	5,525,050
Large Cap Value Account	1,098,756
International Stock Account	3,537,059
Lifetime Strategic Income Account	326,750
Lifetime 2010 Account	1,395,314
Lifetime 2020 Account	351,665
Lifetime 2030 Account	102,034
Lifetime 2040 Account	7,860
Lifetime 2050 Account	16,599
	<hr/>
	\$54,194,006

(1) Flexsteel Industries, Inc., the Plan Sponsor, is known to be a party-in-interest.

(2) Principal Life Insurance Company, the Custodian, is known to be a party-in-interest.

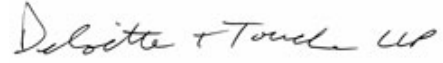
- 9 -

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Flexsteel Industries, Inc. Salaried Employees Retirement and 401(k) Plan

We consent to the incorporation by reference in Registration Statement No. 33-1836 on Form S-8 of our report dated June 9, 2005, appearing in this Annual Report on Form 11-K for the Flexsteel Industries, Inc. Salaried Employees Retirement and 401(k) Plan for the year ended December 31, 2004.

DELOITTE & TOUCHE LLP

A handwritten signature in cursive script that reads "Deloitte & Touche LLP".

June 9, 2005