



# ADR Announcement

## ADR INFORMATION

Ratio:	2 ADRs= 1 Ordinary Share
Exchange:	OTC
Symbol:	BLUNY
CUSIP:	07986W102
Country:	Japan
Industry:	Catalog Retailing
Effective Date:	Jan 2, 2002

The Bank of New York is pleased to announce a sponsored American Depositary Receipt (ADR) Program for

## Belluna Co., Ltd.

Belluna is a  
leading  
Japanese  
catalog  
retailer.

### Company Overview

The Belluna group consists of the parent company (the "Company") and seven consolidated subsidiaries. The group's primary businesses are its Catalog Business, Hanpukai Special Order Products and Financial Services. The details of these businesses, and the relationships between the Company and its subsidiaries, are as follows:

**CATALOG BUSINESS.** The Catalog Business is engaged in mail-order sales of lifestyle-related products using catalogues and other media, and related businesses. The business's main products are clothing, household goods, and personal accessories and hobby items. In addition to the Company, Toyo Kanpo, Bellnet International H.K., and B.N.International USA Inc. (Friendly) are also engaged in mail-order sales.

**HANPUKAI (SPECIAL ORDER PRODUCTS).** The Company is engaged in mail-order businesses using the mass media, which primarily take the form of distribution. The main products are foodstuffs and gardening materials.

**FINANCIAL SERVICES.** The Company provides consumer finance services, primarily for customers of its mail-order businesses. In Hong Kong, the Bell-Net Finance Co., Ltd. provides consumer finance services for general customers.

**OTHER BUSINESSES.** Other businesses include enclosure and mailing commissions (enclosing other companies' advertising materials when sending catalogues and products), an Internet business, cosmetics, building leasing and restaurants.

**STRATEGY.** As the Company's operating environment becomes increasingly competitive, it intends to undertake a number of initiatives to facilitate the generation of stable profits. Recognizing that more effective use of media and customer data is an important issue for improving earnings strength, the Catalog and Hanpukai (Special Order Products) businesses intend to use the mass media to increase the number of active customers, improve services for preferred customers, and develop products that have value for customers. The Financial Services business considers growth in loans outstanding to high-quality customers an important means of securing earnings. In order to achieve reasonable growth in response to customers' needs and acquire new customers, the business is establishing a structure that can provide customers with increased convenience and more specialized services that reflect differing regional circumstances. In Other Businesses, building profitability is an issue for the cosmetics and Internet businesses, and for the time being the Company will build earnings strength at these businesses while maintaining a balance between growth and profitability.

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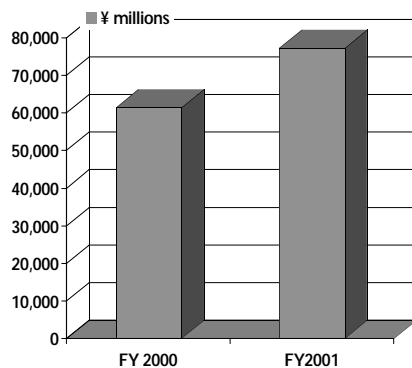
For more information on Belluna Co., Ltd. and on ADRs, visit The Bank of New York's website at [www.adrbny.com](http://www.adrbny.com).

# Financial Performance

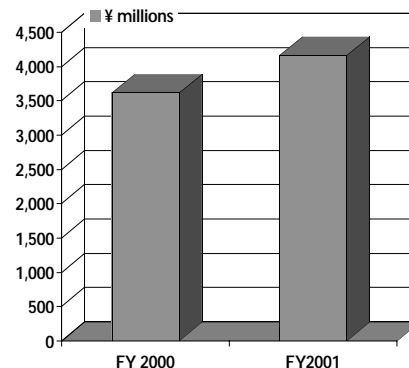
Although the Japanese economy saw relatively strong capital investment in the private sector during the fiscal year ended March 31, 2001, the outlook for export growth darkened from the second half, and a difficult environment in general continued. In particular, retail consumption remained sluggish due to concerns about the future and limited wage growth, and the future remains uncertain. In the retail industry, the trend of declining sales at department stores and supermarkets continued, and unit sales prices fell amid concerns of deflation. The mail-order industry was also affected by this difficult operating environment, and with the rapid advance of specialty mail-order operators, competition became more intense overall for large-scale general mail-order companies. Against this background, the Company worked to provide products that have value for customers, raise service levels, and improve expense efficiency. As a result of these efforts, the group's consolidated sales grew by 25.8% from the previous fiscal year, to ¥77,215 million. Profits were generally in line with forecasts; operating profit increased by 21.9% to ¥7,581 million, recurring profit increased by 21.5% to ¥7,391 million, and net income increased by 15.1%, to ¥4,163 million.

## Selected Financial Information

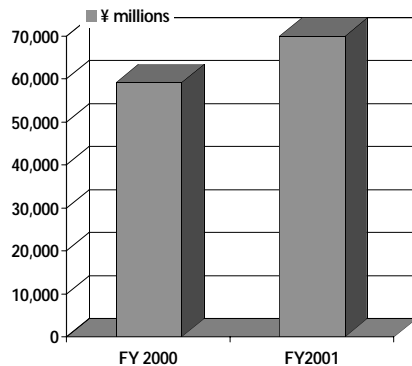
Belluna Co., Ltd. (Fiscal Year-End: March 31)		
Year Ended March 31	2001	2000
Net Sales (¥ millions)	77,215	61,382
Net Income (¥ millions)	4,163	3,617
Total Assets (¥ millions)	69,893	59,164
Shareholders' Equity (¥ millions)	28,315	25,592
	FY2001	FY 2000



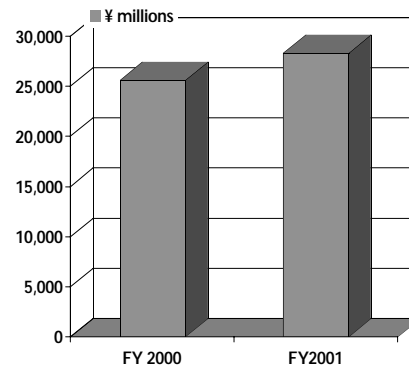
Net Sales



Net Income



Total Assets



Shareholders' Equity