



April 11, 2017

Dear Sirs:

Name of Company: BELLUNA CO., LTD.

Code No.: 9997 1st Section of the Tokyo Stock Exchange

## Notice Regarding Change of Consolidated Second-Tier Subsidiaries (Capital Increase)

Belluna Co., Ltd. (the "Company") hereby announces that it resolved at the meeting of the board of directors held on April 11, 2017 that its consolidated subsidiary, BELUNA LANKA PVT. LTD, would increase capital stock of the second-tier subsidiaries of the Company, UNION PLACE APARTMENTS PVT. LTD and MARINE DRIVE HOTELS PVT. LTD, as follows.

### Description

#### 1. Reason for the change

The BELLUNA Group has decided to increase its capital to expand the property business in the Democratic Socialist Republic of Sri Lanka for the purpose of diversified investment of assets and monetization.

With this capital increase, the amount of capital stock of those second-tier subsidiaries, namely UNION PLACE APARTMENTS PVT. LTD and MARINE DRIVE HOTELS PVT. LTD, will be ten hundredths or more of the capital stock of the Company and accordingly become the specified subsidiary of the Company.

#### 2. Profile of the new specified subsidiary

(As of April 11, 2017)

##### ① UNION PLACE APARTMENTS PVT. LTD

(1) Name	UNION PLACE APARTMENTS PVT. LTD
(2) Address	LEVEL 21, WEST TOWER, WORLD TRADE CENTRE, COLOMBO 01, SRI LANKA
(3) Name of representative	Kiyoshi Yasuno
(4) Business	Real estate development
(5) Capital stock	LKR 1,112,146,969.70
(6) Date of establishment	July 16, 2015
(7) Capital contribution ratio	BELUNA LANKA PVT. LTD 100% *BELUNA LANKA PVT. LTD is a wholly owned subsidiary of the Company.

# BELLUNA

## ②MARINE DRIVE HOTELS PVT. LTD

(1) Name	MARINE DRIVE HOTELS PVT. LTD
(2) Address	LEVEL 21, WEST TOWER, WORLD TRADE CENTRE, COLOMBO 01, SRI LANKA
(3) Name of representative	Kiyoshi Yasuno
(4) Business	Real estate development
(5) Capital stock	LKR 806,948,760.40
(6) Date of establishment	August 20, 2015
(7) Capital contribution ratio	BELUNA LANKA PVT. LTD 100% *BELUNA LANKA PVT. LTD is a wholly owned subsidiary of the Company.

Reference: 1LKR = 0.73 yen (as of April 11, 2017)

### 3. Details of capital increase

#### ①UNION PLACE APARTMENTS PVT. LTD

(1) Capital increase	LKR 911,400,000.00
(2) Capital stock after capital increase	LKR 2,023,546,969.70
(3) Underwriter of capital increase	BELUNA LANKA PVT. LTD
(4) Capital contribution ratio	BELUNA LANKA PVT. LTD 100%
(5) Due date of payment	Mid-April 2017 (scheduled)

#### ②MARINE DRIVE HOTELS PVT. LTD

(1) Capital increase	LKR 1,822,800,000.00
(2) Capital stock after capital increase	LKR 2,629,748,760.40
(3) Underwriter of capital increase	BELUNA LANKA PVT. LTD
(4) Capital contribution ratio	BELUNA LANKA PVT. LTD 100%
(5) Due date of payment	Mid-April 2017 (scheduled)

### 4. Outlook

The change in the specified subsidiary described above will have an insignificant impact on the consolidated results for the current period.

For inquiries about this notice, please contact the department below.  
Executive Corporate Planning Department, Belluna Co., Ltd.  
(TEL: 048-771-7753)

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