

August 11, 2005

Dear Sirs:

Name of Company: BELLUNA CO., LTD.
Code No. 9997 1st Section of the Tokyo Stock Exchange

Notice of Capital and Business Tie-Up with eMgrowth Co., Ltd.

At the meeting of Board of Directors held on August 11, 2005, Belluna Co., Ltd. (below: Belluna) resolved to conclude main agreements on Capital and Business Tie-Up with eMgrowth Co., Ltd. (below: eMgrowth). eMgrowth is a venture capital company of full-outsourcing on all businesses concerning Internet and mobile phone Internet, constructing and operating the web sites, aiming to "No.1 Internet Partner Company".

1. Substance of business tie-up

This tie-up is aiming to solidify the synergy between the know-how of planning merchandises on Belluna and the knowledge of system development and web-marketing on eMgrowth, then to encourage E-Commerce business of Belluna. The followings are planned approaches; 1) development the mail order web site of Belluna and 2) reinforcement of cooperation on formalizing the web site as an official site of mobile phone carriers.

In addition, Belluna and eMgrowth would collectively run Belluna's Internet shopping mall 'Happy Market' (URL: <http://www.hapima.com>)

2. Substance of capital tie-up

- 1) Method: eMgrowth makes a private placement to be subscribed by Belluna.
- 2) Total cost: 30 million yen
- 3) Total capitals after this increase: 247.75 million yen
- 4) Payment Date: August 12, 2005

*Even after this increase, eMgrowth is not to be a Belluna's subsidiary or correlative company.

3. Business Summary of eMgrowth (As of 31/July/05)

1. Name	eMgrowth Co., Ltd.
2. URL	http://www.emgrowth.com
3. Businesses	Plannning, development and operating mobile phone Internet sites and web-commerce
4. Established date	December/ 03
5. Head Office	2-7-9 Hamamatsu-cho, Minato-ku, Tokyo
6. President	Hidenobu KOSAKI
7. Paid-in capital	231.25 million yen
8. Employees	70
9. Relation with Belluna	No capital relations

4. Schedule

August 11,2005	Resolve to conclude main agreements on Capital and Business Tie-Up at the meeting of Board of Directors, and signature
August 12,2005	Payment date for private placement
August 13,2005	Accruing the validity of additional shares

5. Influence on the business results of this fiscal year, March/06

The influence will be minor on the consolidated business results of this fiscal year. Therefore, no revises of the prospect results released on 13/May/05 are there.

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