

Dear Sirs:

Name of Company: BELLUNA CO., LTD.

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

## Notice of Additional Acquisition of Shares of Subsidiary to be Wholly-owned

The Company is pleased to announce that a meeting of its Board of Directors held on December 17, 2008 passed a resolution authorizing the Company to make Ozio Co., Ltd. ("Ozio"), a consolidated subsidiary, into a wholly owned subsidiary by acquiring all of its shares.

### Description

#### 1. Purpose of Having Wholly Owned Subsidiary

##### (1) Purpose of having a wholly owned subsidiary

The Company Group operates businesses in six segments, namely the Catalog Business, Single-Item Mail Order Business, Advanced Finance (AF) Business, BOT (Belluna Operation Trust) Business, Property Business, and Other Business. The various operating environments have become difficult following the worldwide economic downturn. The Group has consequently been working to improve profitability by concentrating its corporate resources on the Mail Order Business, especially the Catalog Business, which is our core business segment.

Consolidated subsidiary Ozio Co., Ltd., operating in our Single-Item Mail Order Business, mainly sells cosmetics. Since the Single-Item Mail Order Business is an important profit center of the Group, the Company needs to strengthen its business base by reinforcing Ozio's competitiveness.

After considering the difficult operating environment we are facing, the Company decided to make Ozio a wholly owned consolidated subsidiary to achieve sustainable growth and development. The Company believes that full consolidation is the best way to strengthen the Group-wide internal system and enhance corporate value.

##### (2) Measure to prevent conflict of interest

Kiyoshi Yasuno, Representative Director of the Company, and Junko Shishido, a Director of the Company, did not take part in the resolution at the Board of Directors' meeting that authorized the Company to conclude a stock purchase agreement with Ozio because they have an interest in the matter.

#### 2. Overview of Ozio (as of September 30, 2008)

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|-----------------------------|---|
| (1) Company Name            | Ozio Co., Ltd.  |
| (2) Line of business        | Sales of cosmetics  |
| (3) Established             | March 23, 2000  |
| (4) Address                 | Ark M Building, Naka-cho 1-chome, Ageo-city, Saitama, Japan |
| (5) Representative Director | Akiko Yasuno  |

# BELLUNA

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(6) Paid-in capital	105 million yen
(7) Number of shares issued	2,200 shares
(8) Fiscal year end	March 31
(9) Number of employees	223
(10) Major shareholders and shareholding ratios	
	Belluna Co., Ltd 81.82%
	Kiyoshi Yasuno 11.36%
	Junko Shishido 1.14%
	(Two others) 5.68%

### 3. Overview of Stock Acquisition

The Company will acquire Ozio's stock from the following shareholders by negotiation.

<u>Shareholder</u>	<u>Number of shares to be acquired</u>
Kiyoshi Yasuno	250 shares
Junko Shishido	25 shares
Two others	125 shares

### 4. Number of Shares to be Acquired and Change in Shareholding Upon Acquisition

#### (1) Number of shares held by the Company prior to acquisition

1,800 shares (shareholding ratio: 81.82%)

#### (2) Number of shares to be acquired

400 shares

#### (3) Number of shares held by the Company after acquisition

2,200 shares (shareholding ratio: 100.00%)

Note: After obtaining a third party institution's assessment that the estimated stock acquisition price was fair and reasonable, along with the approval of the Board of Directors, the Company negotiated with Ozio and agreed on the acquisition price.

### 5. Schedule

December 17, 2008	Resolution passed by the Board of Directors
December 17, 2008	Stock purchase agreement concluded
December 24, 2008	Stock to be transferred (planned)

### 6. Impact on Business Performance

Since Ozio has been a consolidated subsidiary of the Company, the impact of the acquisition on business performance for this fiscal year will be negligible.

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