

April 18, 2005

Issuer: Belluna Co., Ltd. (securities code no.: 9997)

JCR has affirmed the BBB+ rating on the bonds of the issuer.

Issues	Amount(bn)	Issue Date	Due Date	Coupon
bonds no.1 callable convertible	Y5	Dec. 20, 2000	Dec. 20, 2005	2.06%
bonds no.2	Y5	Apr. 15, 2002	Mar. 30, 2007	0.2%

<Rationale>

Belluna is a mail-order sales through catalogs company. It has been performing well in the face of polarization in the industry, targeting working women in their 40s and 50s living in middle-sized cities. However, there is a sign of drop in profitability of the mainline catalog business. Belluna plans to increase both the revenue and profit for fiscal 2005 ending March 31, 2006, following fiscal 2004 in a row. Business climate of catalog business will have significant impact on the performance for fiscal 2005. There is no large-scale capital spending plan for the near future. Therefore, the sound financial structure will be retained in the future. Outlook for the rating is stable.