

March 15, 2007

Dear Sirs:

Name of Company: BELLUNA CO., LTD.

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

Notice of Acquisition of the Shares of Nursery Co., Ltd.

The Company noticed that, at the meeting of Board of Directors held on March 15, 2007, it resolved to make Nursery Co., Ltd. (“Nursery”) a subsidiary of the Company by purchasing 100% of their shares issued, under the basic agreement on the acquisition with Nursery and their shareholders on February 20, 2007, as follows.

Description

1. Summary of the new subsidiary

Company Name: Nursery Co., Ltd.
Main Business Lines: Manufacture and marketing of clothes and supplies for nursing
Representative: President Osamu Teshirogi
Location: 792-7 Iwai-cho, Ashikaga-shi, Tochigi, Japan
Date of Establishment: May 15, 2001
Term of Fiscal Year: May to April
Capital: 34 million yen (as of April 30, 2006)
Net Sales: 418 million yen (for fiscal year ended April 30, 2006)
Number of Employees: 50 employees (as of April 30, 2006)
Number of Shares Outstanding: 690 shares

Shareholders and shareholding ratio:

(*round-down to the tenth place)

Names	Number of shares held	Ratio ^(*)
Osamu Teshirogi	680 shares	98.5%
Tokuko Teshirogi	10 shares	1.4%

Business results for two most recent fiscal years:

(unit: ¥ million, round-down to million)

	FY ended April 30, 2005	FY ended April 30, 2006
Net Sales	361	418
Operating Income	-28	-56
Ordinary Income	5	3
Net Income	5	4
Total Assets	173	198

2. Purchase price

Purchase price: 210 million yen

3. Schedule

March 15, 2007 Conclusion of the agreement for transfer of shares

March 30, 2007 Date of acquisition of shares (tentative)

4. Forecast

There will be no changes on the forecast of the Company's consolidated and non-consolidated operating results for fiscal year ending March 31, 2007.

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