

May 26, 2008

Dear Sirs:

Name of Company: BELLUNA CO., LTD.

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

## Notice of Revision of “ASUNARO Plan” as the Medium-term Business Plan

Notice is hereby given that the Company today announced a revision of the medium-term business plan “ASUNARO Plan (from FY March 2007 to FY March 2011)” released on December 15, 2005, as below.

### Description

#### 1. Revision

	Original Plan (released on December 15, 2005)	Revised Plan (released on May 26, 2008)	[For reference] Results for FY March 2008
<u>Period</u>	FY March 2011	<u>FY March 2013</u>	-
Operating Income	20 billion yen	20 billion yen	10.2 billion yen (plan: 14.2 billion yen)
Ratio of Operating Income	More than 10%	More than 10%	8.2%
ROE	More than 13%	More than 13%	5.3%
<u>Share of Operating Income</u>			

No revision or change has been made to the original plan announced on December 15, 2005, with the exception of the periods and shares of operating income (such as basic policies, business models, basic strategies and the policy on shareholder returns).

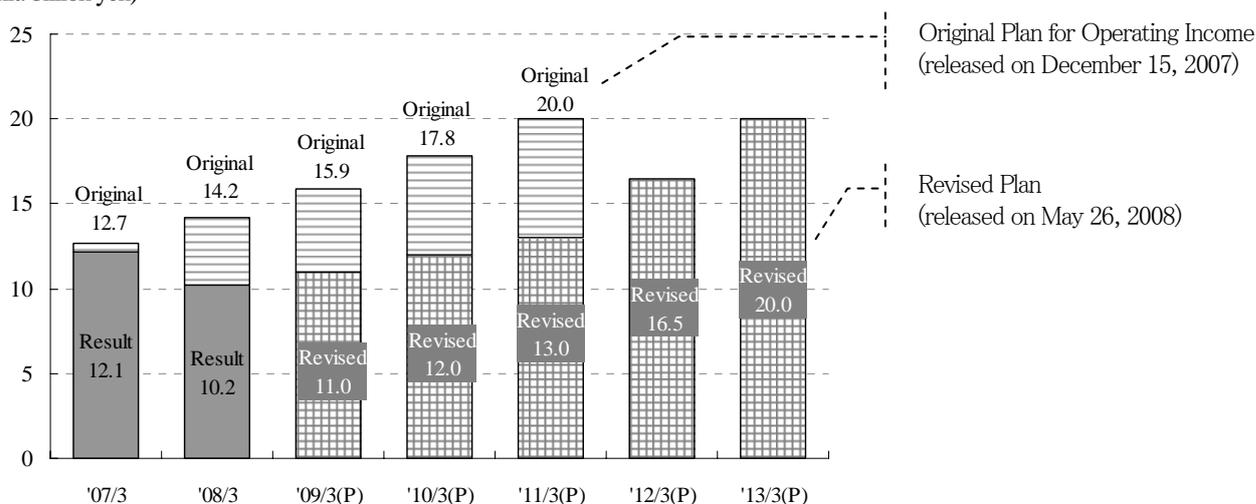
#### 2. Reason for amendment

Since the establishment of the ASUNARO Plan, the Company has moved ahead with its strategies in each area, aiming to put its basic policies into effect and achieve the target management indices set out

in the plan. However, a sizable deviation from the original plan occurred in the Company's results for the fiscal year ended March 2008. In response, the Company studied the present circumstances and the nature of the changes in the operating environment. As a result of the study, the Company concluded that it would be difficult to reach the targets in the fiscal year ending March 2011. Based on this conclusion, the Company decided to delay the final year of the plan by two years, to the fiscal year ending March 2013, and seek to achieve its original targets by the end of the revised final year.

### 3. Activities to achieve the targets

(Unit: billion yen)



#### (1) Summary for FY March 2007 and FY March 2008

##### [1] Catalog business

Net sales for the catalog business slumped, attributable to factors such as the sluggish performance of catalogs for sundry goods and furniture, reduced circulation of insert fliers, and weak results for e-commerce (mail-order marketing via the Internet and mobile Internet websites), which the Company had expected to grow sufficiently to offset losses in print media. The slump caused the burden ratio for selling, general and administrative expenses to rise and operating income for the business to decrease.

##### [2] Single-item Mail Order business

New or major companies are continuing to enter the market, making the competitive environment more difficult with each year. In these circumstances, growth slowed for the single-item mail order business, as initiatives, including new product developments, did not progress as expected.

##### [3] Advanced Finance business

In the domestic consumer financing business, claims for interest repayments emerged as a problem that had not been incorporated in the original plan, and this issue forced the Company to record an allowance for interest repayments. In the real estate security financing business for business operators in Japan, cautious business execution is sought, as the real estate market created an increased sense of deceleration. In the finance business in South Korea, cap interest rate reduction

in October 2007 is affecting profit performance. Net sales for the segment exceeded the plan, but operating income fell short of the target, as expenses (mainly the allowance for interest repayments) were higher than expected.

#### [4] BOT business

In enclosure and mail-out services, the number of major clients decreased, and profitability declined further. Meanwhile, net sales grew steadily for the new mail-order support services, and the result contributed to net sales expansion for the segment. However, the growth was not sufficient to offset the declining profits for the segment.

#### [5] Karemu business

In the Karemu business, the Company had focused mainly on sales at exhibitions. However, serious impediments to the advancement of this business arose, including sales of an excessive quantity by certain companies. Owing to these effects, the operating environment for this business remained tough. To address this situation, the Company set up two new companies that primarily engage in sales at stores in December 2006, and placed them within the scope of consolidation in the fiscal year ended March 2008. However, these actions have yet to produce the desired results.

#### [6] Property business

A subsidiary of the Company is undertaking the real estate leasing and development businesses. The deceleration of the real estate market in recent years is beginning to have effects on the real estate development business in particular, including delays in scheduled sales dates.

### (2) Strategic measures for and after FY March 2009

The Company divides five years through the fiscal year ending March 2013 into two phases, and plans to take actions reflecting priority issues in each segment.

The 1st Step (from FY March 2009 to FY March 2011):

Development of the foundations for high-profit structure

The 2nd Step (from FY March 2012 to FY March 2013):

Substantial increase in operating income

#### [1] Catalog business

The Company will review media production and merchandise policies for poorly performing catalogs and work on raising service levels to increase the number of active customers and encourage repeat orders. At the same time, the Company will take steps to cut operating costs, including media elimination and consolidation, and expense reductions. For new growth, the Company will also strengthen its organization and systems, and expand its e-commerce operations.

#### [2] Single-item Mail Order business

The Company will advance activities for developing new products and brands. At the same time,

the Company will reinforce its sales channels for e-commerce and business-to-business operations. In addition, it will redouble efforts to encourage repeat orders with ideas such as discount services.

[3] Advanced Finance business

In the domestic consumer financing business, the issue of interest repayments is expected to return to where it started. At the same time, however, developments such as the introduction of total amount control are expected to intensify competition. In response, the Company will streamline its organization and develop a structure that generates stable profits. In the real estate security financing business and the finance business in South Korea, the Company will adjust its strategies in response to changes in external conditions, including legal revision, and seek sound growth.

[4] BOT business

The Company will encourage repeat orders from existing clients and attempt to attract customers while expanding its service lineup, in preparation for the full-scale launch of mail-order support services.

[5] Karemu business

The Company will significantly reduce the scale of its exhibition sale operations, and attempt to switch to an operating mode focusing on store sales.

[6] Property business

The Company will aim to balance the leasing business and the development business, and seek to secure stable profits.

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