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Stock Code: 9997
June 13, 2017

To Our Shareholders :

4-2 Miyamoto-cho, Ageo-shi, Saitama-ken
Belluna Co., Ltd.
Kiyoshi Yasuno, President and CEO

Notice of the 41st Annual General Meeting of Shareholders

You are cordially invited to attend the 41st Annual General Meeting of Shareholders of Belluna Co., Ltd. (“the Company”) to be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing. Please read the attached Reference Documents for the Annual General Meeting of Shareholders and exercise your voting rights by sending the enclosed voting rights form to us by return mail indicating your vote for or against the proposals no later than 5:50 p.m., on June 27, 2017 (Tuesday).

1. Date 10:00 a.m., June 28, 2017 (Wednesday)
2. Place HARCOTS-VERTS (4F), The TOBU Banquet Hall Ageo
2-1 Miyamoto-cho, Ageo-shi, Saitama-ken
3. Objectives of the Meeting
Matters to be reported:
 1. Business Report and Consolidated Financial Statements for the 41st fiscal term (from April 1, 2016 to March 31, 2017) and the results of audits of the consolidated financial statements by the Accounting Auditor and the Audit and Supervisory Committee.
 2. Non-Consolidated Financial Statements for the 41st fiscal term (from April 1, 2016 to March 31, 2017)Matters to be resolved:
 - Proposal No. 1 Appropriation of surplus
 - Proposal No. 2 Election of six (6) Directors (excluding members of the Audit and Supervisory Committee)
 - Proposal No. 3 Election of three (3) Directors who serve as members of the Audit and Supervisory Committee
 - Proposal No. 4 Election of the Accounting Auditor
 - Proposal No. 5 Payment of retirement bonus to the retiring directors and a lump-sum payment upon abolition of the retirement bonus program for directors

End.

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For those attending, please present the enclosed voting rights exercise form at the reception desk upon arrival at the meeting.  
In the event that revisions are made to the contents of the attached Reference Documents for the Annual General Meeting of Shareholders, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, notification of such revisions shall be published on the Company’s website (<http://www.belluna.co.jp/>).

## Reference Documents for the Annual General Meeting of Shareholders

### Proposal No. 1 Appropriation of surplus

The Company has the following intention with regard to term-end dividends for the 41<sup>st</sup> fiscal term, after giving full consideration to maintaining stable dividend payments, the Company's performance for the fiscal term, future business developments and other factors.

- (1) Type of dividend property  
Cash
- (2) Matters concerning the allocation of dividend property to be paid to shareholders and total dividend amount  
¥6.25 per share of the Company's common stock  
In this case, total dividend amount shall be ¥607,727,725.
- (3) Date on which the appropriation of surplus goes into effect:  
June 29, 2017

Proposal No. 2 Election of six (6) Directors (excluding members of the Audit and Supervisory Committee)

The terms of office of all the current seven (7) Directors (excluding members of the Audit and Supervisory Committee) will expire at the end of the Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect six (6) Directors (excluding members of the Audit and Supervisory Committee) with the reduction of one (1) Director so that the Board of Directors can make decisions more flexibly.

It has been confirmed that the Audit and Supervisory Committee has no objection to this proposal.

The candidates for the new Directors (excluding members of the Audit and Supervisory Committee) are as follows.

| Candidate number | Name<br>(Date of birth)               | Brief personal history, positions and responsibilities<br>at the Company<br>(Significant concurrent positions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number of the<br>Company's shares<br>held | Special interest<br>in the Company |
|------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------|
| 1                | Kiyoshi Yasuno<br>(December 14, 1944) | June 1977      Founded Yukado Co., Ltd. (present Belluna Co., Ltd.)<br>President, Representative Director of the Company (current position)<br><Significant concurrent positions><br>Representative Director, Friend Stage Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 10,934,476 shares                         | Please refer to (Note) below.      |
| 2                | Yuichiro Yasuno<br>(October 15, 1976) | April 2001      Joined KOKUSAI Securities Co., Ltd. (present Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)<br><br>April 2004      Joined the Company<br>Served at President's Office<br>March 2005      General Manager, Executive Corporate Planning Dept.<br>June 2009      Director, General Manager, Executive Corporate Planning Dept.<br>April 2010      Director in charge of Executive Corporate Planning Dept. and General Manager, Solution Division<br>April 2011      Director, Managing Executive Officer, General Manager, New Business and General Manager, Solution Division<br>April 2012      Director, Managing Executive Officer, General Manager, Planning Division and General Manager, New Business and General Manager, Solution Division<br>April 2013      Director, Managing Executive Officer, General Manager, Marketing Division<br>April 2014      Director, Managing Executive Officer, General Manager, Marketing Division, General Manager, Marketing Dept.<br>June 2016      Director, Senior Executive Officer, General Manager, Marketing Division, General Manager, Marketing Dept.<br>April 2017      Director, Senior Executive Officer, General Manager, Marketing Division, General Manager, Marketing Dept., General Manager, Marketing Promotion Dept. (current post) | 109,740 shares                            | None                               |

| Candidate number | Name<br>(Date of birth)                | Brief personal history, positions and responsibilities<br>at the Company<br>(Significant concurrent positions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number of the<br>Company's shares<br>held | Special interest<br>in the Company |
|------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------|
| 3                | Junko Shishido<br>(May 22, 1958)       | <p>August 1986    Joined Yukado Co., Ltd. (present Belluna Co., Ltd.)</p> <p>April 1993    Counsellor, Planning Dept. 1</p> <p>April 1996    Advisor, Planning Dept. 1</p> <p>June 1997    Director in charge of planning</p> <p>April 2011    Director, Executive Officer, General Manager of President's Office and in charge of planning (current position)</p> <p>&lt;Significant concurrent positions&gt;</p> <p>Representative Director, El Dorado Co., Ltd.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 38,648 shares                             | None                               |
| 4                | Masakazu Oikawa<br>(September 8, 1963) | <p>April 1986    Joined Yukado Co., Ltd. (present Belluna Co., Ltd.)</p> <p>                  Planning Dept. 2</p> <p>March 1996    Manager, Planning Dept. 2</p> <p>April 2003    Manager, Planning Dept. 9</p> <p>March 2005    General Manager, Planning Division</p> <p>June 2005    Director, General Manager, Planning Division</p> <p>April 2011    Director, Executive Officer, General Manager, Planning Division</p> <p>April 2012    Director, Executive Officer, General Manager, Business Promotion Dept. and General Manager, Planning Division</p> <p>April 2013    Director, Executive Officer, General Manager, Planning Division</p> <p>April 2014    Director, Executive Officer, General Manager, Business Promotion Dept. and General Manager, Planning Division</p> <p>April 2015    Director (current position)</p> <p>&lt;Significant concurrent positions&gt;</p> <p>Representative Director, Nursery Co., Ltd.</p> <p>Representative Director, infirmière Co., Ltd.</p> <p>Representative Director, Best Thanks Co., Ltd.</p> | 5,336 shares                              | None                               |

| Candidate number | Name<br>(Date of birth)                  | Brief personal history, positions and responsibilities<br>at the Company<br>(Significant concurrent positions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Number of the<br>Company's shares<br>held | Special interest<br>in the Company |
|------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------|
| 5                | Hideshi Shimokawa<br>(November 12, 1973) | <p>April 1996    Joined the Company<br/>                  Planning Dept. 2</p> <p>April 2007    Manager, Planning Dept. 2</p> <p>January 2010   Deputy General Manager, Planning Division<br/>                  and Division Manager, Planning Dept. 2</p> <p>April 2011    Executive Officer, Deputy General Manager,<br/>                  Planning Division and Division Manager,<br/>                  Planning Dept. 2</p> <p>June 2011    Executive Officer, Deputy General Manager,<br/>                  Planning Division and Division Manager,<br/>                  Planning Dept. 2 and Division Manager, Retail<br/>                  Store Development Business</p> <p>June 2012    Director, Executive Officer, Deputy General<br/>                  Manager, Planning Division and Division<br/>                  Manager, Planning Dept. 2 and Division<br/>                  Manager, Retail Store Development Business</p> <p>April 2013    Director, Executive Officer, Deputy General<br/>                  Manager, Planning Division and Division<br/>                  Manager, Retail Store Development Business</p> <p>April 2014    Director, Executive Officer, General Manager,<br/>                  Retail Store Business (current position)</p> <p>&lt;Significant concurrent positions&gt;<br/>Representative Director, Belluna United, Co., Ltd.</p> | 3,340 shares                              | None                               |
| 6                | Tomohiro Matsuda<br>(February 2, 1972)   | <p>April 1996    Joined NIS Group Co., Ltd.</p> <p>May 2008    Joined the Company<br/>                  Executive Corporate Planning Dept.</p> <p>October 2010   General Manager, Executive Corporate<br/>                  Planning Dept.</p> <p>April 2011    Executive Officer, General Manager,<br/>                  Administration Division</p> <p>April 2013    Executive Officer, General Manager,<br/>                  Administration Division and General Manager,<br/>                  General Affairs Division</p> <p>April 2015    Executive Officer, General Manager,<br/>                  Administration Division</p> <p>June 2015    Director, Executive Officer, General Manager,<br/>                  Administration Division</p> <p>April 2016    Director, Executive Officer, General Manager,<br/>                  Administration Division and General Manager,<br/>                  General Affairs Division (current position)</p>                                                                                                                                                                                                                                                                                                                                                                                                                        | 4,400 shares                              | None                               |

(Note) Mr. Kiyoshi Yasuno, a candidate for Director, concurrently serves as Representative Director of Friend Stage Co., Ltd. The Company has transactions with Friend Stage Co., Ltd., including the outsourcing of operations. There are no special interests between other candidates and the Company.

Proposal No. 3 Election of three (3) Directors who serve as members of the Audit and Supervisory Committee

The terms of office of all the current three (3) Directors who serve as members of the Audit and Supervisory Committee will expire at the end of the Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect the three (3) Directors who serve as members of the Audit and Supervisory Committee.

This proposal was approved by the Audit and Supervisory Committee in advance.

The candidates for the new Directors who serve as members of the Audit and Supervisory Committee are as follows.

| Candidate number | Name<br>(Date of birth)                | Brief personal history, positions and responsibilities at the Company<br>(Significant concurrent positions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Number of the Company's shares held |
|------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| 1                | Yasuo Hagiwara<br>(April 29, 1965)     | <p>April 1988      Joined Marusan Securities Co., Ltd.</p> <p>September 1995      Joined the Company</p> <p>                            Assigned to Kitakanto Gourmet</p> <p>March 1996      Manager, Kitakanto Gourmet</p> <p>January 2001      Kawagoe OR Manager, 2OR Manager</p> <p>October 2003      Seconded to El Dorado Co., Ltd.</p> <p>July 2005      Manager, Nortis</p> <p>March 2006      Seconded to Sunstage Co., Ltd.</p> <p>November 2013      Assistant Counsellor, Credit Control, Data Processing Dept.</p> <p>June 2015      Director of the Company (member of the Audit and Supervisory Committee) (current position)</p> | 300 shares                          |
| 2                | Yukimitsu Watabe<br>(April 10, 1952)   | <p>March 1978      Registered as certified public accountant</p> <p>August 1978      Registered as licensed tax accountant</p> <p>June 1994      Assumed office as Audit and Supervisory Board member of the Company</p> <p>December 1995      Head of Watanabe Tax Office (current position)</p> <p>June 2015      Outside director of the Company (member of the Audit and Supervisory Committee) (current position)</p>                                                                                                                                                                                                                       | - shares                            |
| 3                | Hideki Yamagata<br>(September 6, 1970) | <p>October 2000      Registered as attorney-at-law</p> <p>October 2000      Joined Marunouchi Minami Law Office (current position) (former Naritomi Sogo Law Office)</p> <p>June 2015      Outside Director of the Company (member of the Audit and Supervisory Committee) (current position)</p>                                                                                                                                                                                                                                                                                                                                                | - shares                            |

(Notes) 1. There are no special interests between the Company and each candidate for Director.

2. Mr. Yukimitsu Watabe and Mr. Hideki Yamagata are the candidates for Outside Directors.

In addition, the Company has designated Mr. Yukimitsu Watabe and Mr. Hideki Yamagata as independent officers under the rules of the Tokyo Stock Exchange, Inc. (the "TSE") and has given notification thereof to the TSE.

3. The candidate for Outside Director, Mr. Yukimitsu Watabe, applies his abundant experience and knowledge cultivated as a certified public accountant to the Company's audit system and provides appropriate advice on the overall management of the Company from a wide perspective.

Although Mr. Watabe was not involved in company management in the past, the Company judges, based on the reasons above, that Mr. Watabe will properly perform the duties of outside director.

4. The candidate for outside director, Mr. Hideki Yamagata, provides appropriate advice on the overall management of the Company from a wide perspective by leveraging his abundant experience and knowledge cultivated as an attorney.

Although Mr. Yamagata was not involved in company management in the past, the Company judges based on the reasons above that Mr. Yamagata will properly perform the duties of outside director.

5. The period Mr. Yukimitsu Watabe serves as an Outside Director (member of the Audit and Supervisory Committee) will be two (2) years at the end of the Annual General Meeting of Shareholders.

6. The period Mr. Hideki Yamagata serves as an Outside Director (member of the Audit and Supervisory Committee) will be two (2) years at the end of the Annual General Meeting of Shareholders.

7. The Company has executed an agreement for the limitation of liability for damages under Paragraph 1, Article 423 of the Companies Act with the candidates for Director, Mr. Yukimitsu Watabe and Mr. Hideki Yamagata, according to the provisions of Paragraph 1, Article 427 of the said Act. The maximum limit of liability for damages under the said agreement is the amount set forth in Paragraph 1, Article 425 of the Companies Act.

If they are reappointed as Directors at the Annual General Meeting of Shareholders, the Company will maintain the said agreement with them.

Proposal No. 4 Election of the Accounting Auditor

The Company's Accounting Auditor, ERNST & YOUNG SHINNIHON LLC, will retire upon expiry of its term of office at the end of the Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect Nihombashi Corporation Certified Public Accountants as new Accounting Auditor.

This proposal is made based on the decision of the Audit and Supervisory Committee.

The Company designated Nihombashi Corporation Certified Public Accountants as a candidate for the Accounting Auditor based on the expectation of a new perspective in auditing the said Corporation brings to and the Committee's judgment that the said Corporation is appropriate in view of its independence, expertise and quality management system.

The candidate for Accounting Auditor is as follows.

|         |                                                                                                                                                                                                                                                                                                                |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name    | Nihombashi Corporation Certified Public Accountants                                                                                                                                                                                                                                                            |
| Office  | 3-2-9, Nihombashi, Chuo-ku, Tokyo                                                                                                                                                                                                                                                                              |
| History | August 1969          Established Nihombashi Corporation Certified Public Accountants                                                                                                                                                                                                                           |
| Outline | Stated capital: 30 million yen<br>Staff members:<br>Certified public accountants: 30 persons (including 2 representative members and 10 members)<br>Junior accountants: 6 persons<br>Other staff members: 11 persons<br>Total: 47 persons<br>Companies in which the Corporation is involved with: 54 companies |

Proposal No. 5 Payment of retirement bonus to the retiring director and a lump-sum payment of retirement bonus upon abolition of the retirement bonus program for directors

The Company intends to pay a retirement bonus to Mr. Takeo Shimano, a Director who will retire at the end of the Annual General Meeting of Shareholders, to reward his work during his term of office, to the extent of reasonable amount according to the prescribed standards of the Company. The specific matters including the amount, the time and method of payment will be left to the discretion of the Board of Directors.

A brief personal history of the retiring director is as follows.

| Name          | Brief personal history                                                                                                                   |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Takeo Shimano | June 2006 Executive Managing Director<br>June 2009 Senior Managing Director<br>April 2011 Director, Executive Officer (current position) |

In addition, the Company reviewed the directors' compensation structure as a part of the revision to the directors' compensation system and decided at the meeting of the Board of Directors held on April 11, 2017, to abolish the retirement bonus program for directors at the end of the Annual General Meeting of Shareholders. Accordingly, the Company intends to make the lump-sum payment of a retirement bonus to six (6) Directors (other than members of the Audit and Supervisory Committee) and three (3) Directors who serve as members of the Audit and Supervisory Committee, all of whom will be reappointed subject to the approval of Proposals No. 2 and 3, to reward their work during their term of office as Directors (from the assumption of the office until the end of the Annual General Meeting of Shareholders) to a reasonable extent according to the prescribed standards of the Company.

The payment shall be made upon retirement of each Director. The specific matters including the amount of bonus, the time and method of payment will be left to the discretion of the Board of Directors for the payment to Directors (other than members of the Audit and Supervisory Committee) and will be decided after discussion among Directors who serve as members of the Audit and Supervisory Committee for the payment to Directors who serve as members of the Audit and Supervisory Committee.

A brief personal history of the Directors who receive the lump-sum payment is as follows.

| Name              | Brief personal history                                                                                                                              |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Kiyoshi Yasuno    | June 1977 Representative Director of the Company (current position)                                                                                 |
| Yuichiro Yasuno   | June 2009 Director<br>April 2011 Director, Managing Executive Officer<br>June 2016 Director, Senior Executive Officer (current position)            |
| Junko Shishido    | June 1997 Director<br>April 2011 Director, Executive Officer (current position)                                                                     |
| Masakazu Oikawa   | June 2005 Director<br>April 2011 Director, Executive Officer<br>April 2015 Director (current position)                                              |
| Hideshi Shimokawa | June 2012 Director, Executive Officer (current position)                                                                                            |
| Tomohiro Matsuda  | June 2015 Director, Executive Officer (current position)                                                                                            |
| Yasuo Hagiwara    | June 2015 Director (member of the Audit and Supervisory Committee) (current position)                                                               |
| Yukimitsu Watabe  | June 1994 Outside audit & supervisory board member<br>June 2015 Outside director (member of the Audit and Supervisory Committee) (current position) |
| Hideki Yamagata   | June 2015 Outside director (member of the Audit and Supervisory Committee) (current position)                                                       |

End.