

December 15, 2005

Dear Sirs:

Name of Company: BELLUNA CO., LTD.
Code No. 9997 1st Section of the Tokyo Stock Exchange

Notice of Share Split (free distribution) and Dividend Increase

The Company resolved at a meeting of its Board of Directors held on December 15, 2005, to bring the share split and the dividend increase policy up at the 30th general shareholders' meeting in June, 2006. The Company shall split shares as 2 for 1 and increase cash dividend from ¥25 to ¥30, in order to return more profits to shareholders.

Description

1. Share Sprit (free distribution)

1. The Purpose of the Share Split

The purpose of the share split is to improve the liquidity of the shares of the Company and to expand the individual investor base by reducing the amount of investment per share.

2. Summary of the Share Split

The share shall be split at the rate of 2 for 1 as of closing on April 1, 2006 (Sat).

(1) Increase in the number of shares as a result of the share split

The number of increased common shares will be the same number of outstanding shares as of March 31, 2006 (Fri).

(2) Method of the share split

The number of shares owned by any shareholder appearing on or recorded in the register of shareholders or the register of beneficial shareholders as of closing on March 31, 2006 (Fri), shall be split at the rate of 2 shares for every 1 share held.

3. Time Schedule

Record date for the share split April 1, 2006 (Sat)

Date for distribution of share certificates May 19, 2006 (Fri)

4. Effective Date for Dividend Calculations April 1, 2006 (Sat)

5. Increase of total number of distributed shares

Article 5 of the Company's article of incorporation shall be amended on April 1, 2006 (Sat), to read as follows;

Total number of the Company's distributed shares: 130,000,000 shares (increased 65,000,000 shares)

6. Any other matters necessary for the stock split shall be determined by the board of directors.

【Reference Notes】

1. The reason why this notice does not mention the actual number of shares that will result from the share split is because it is impossible as at the date of this notice to determine the total number of issued shares as of the record date for the share split as the total number of issued shares may increase between the date of this notice and the record date for the share split due to the conversion of convertible bonds into shares or the exercise of share subscription rights during such period.

2. If the share split was conducted on the basis of the number of issued shares as of November 30, 2005, the total number of issued shares after the share split would be as follows:

(1) Total number of issued shares as of November 30, 2005	26,320,513 shares
(2) Number of new shares created by the share split (planned)	26,320,513 shares
(3) Total number of issued shares after the share split (planned)	52,641,026 shares

3. No capital increase will occur as a result of the share split.

Capital of the Company as of November 30, 2005	7,232,202,350 yen
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4. In connection with the share split, the conversion price for the “Second Series of Unsecured Convertible Bonds” issued by the Company will be amended as of April 1, 2006 as follows:

Description	Conversion Price Before Adjustment	Adjusted Conversion Price
Second Series of Unsecured Convertible Bonds	3,405.50yen	1,702.80yen

5. In connection with the share split, the exercise of “First Series of Subscription Rights by shareholders allocation” which was provided by the Company and the exercise price as of April 1, 2006, are to be amended as follows:

Description	Before Adjustment		After Adjustment	
	Exercise price	Number of issued shares upon 1 subscription right	Exercise price	Number of issued shares upon 1 subscription right
	Amount payable upon the exercise of 1 subscription right		Amount payable upon the exercise of 1 subscription right	
	Issuance price of the shares upon the exercise of 1 subscription right		Issuance price of the shares upon the exercise of 1 subscription right	
First Series of Subscription rights by shareholders allocation (issued on July 3, 2003)	3,328.90 yen	1.21 shares	1,664.50 yen	2.42 shares *2
	4,028 yen *1		4,028 yen *1	
	4,140 yen *1		4,140 yen *1	

*1: There is no change to the amount payable or the issuance price upon the exercise of 1 share subscription right.

*2: Where any fraction of 1 share arises as a result of the exercise of any share subscription rights, such fraction of 1 share shall be discarded and no adjustment of money shall be carried out.

2. Revision of Projection for Dividends for Fiscal Year 2006 (30th Fiscal Year) / Dividend Increase

1. The reason of revision (increase)

The reason of revision is to return more profits to shareholders.

2. Summary of revision (increase)

	Interim	The fiscal year-end	Annual
Initial projections (made public on November 11, 2005)	-	25 yen	25 yen
Revised projections	-	30 yen	30 yen
(Reference) Dividends per share for the previous fiscal year (FY 2005)	-	25 yen	25 yen

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