

December 18, 2009

Dear Sirs:

Name of Company: BELLUNA CO., LTD.

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

Advice by Securities and Exchange Surveillance Commission of Surcharge Payment Order against Our Former Employees

The Securities and Exchange Surveillance Commission has today advised the Prime Minister and the Commissioner of the Financial Services Agency to issue a surcharge payment order against former employees of Belluna Co., Ltd. (hereinafter the “Company”) pursuant to the provisions of Paragraph 1, Article 20 of the Act for Establishment of the Financial Services Agency, alleging that acts of the former employees constitute acts of “conducting trading, etc. prescribed in Paragraph 1 of Article 166 for their own account in violation of the provisions of Paragraph 1 or Paragraph 3 of the same Article” as prescribed in Paragraph 1, Article 175 of the Financial Instruments and Exchange Law (the Law No. 65 of 2008 before amendment. Hereinafter referred to as the “former Financial Instruments and Exchange Law”). We find it truly regrettable that this incident has occurred and sincerely apologize to all related parties.

1. Overview of the Reasons for the Advice (Concerning the former employee (1))

According to the advice, former employee (1) of the Company against whom the surcharge payment order was issued learned in advance that the Company would announce revisions to its financial results forecast on October 31, 2007, and sold shares in the Company on October 12 and October 17, 2007.

This act was deemed to constitute an act prescribed in Paragraph 1, Article 175 of the former Financial Instruments and Exchange Law.

(Concerning the former employee (2))

According to the advice, former employee (2) of the Company against whom the surcharge payment order was issued knew in advance that the Company would announce on July 9, 2008 that it had received a business suspension order from the Ministry of Economy, Trade and Industry, and sold the Company’s shares on July 4, 2008. This act was deemed to constitute an act prescribed in Paragraph 1, Article 175 of the former Financial Instruments and Exchange Law.

2. Overview of the Advice

Based on the legal violations above, it was advised that former employee (1) of the Company pay a surcharge of 290,000 yen and that former employee (2) of the Company pay a surcharge of 400,000 yen.

3. Internal Punishment

As it was confirmed as a result of conducting an internal examination that former employees (1) and (2) of the Company had violated the former Financial Instruments and Exchange Law and the Company's own Internal Rules, the Company took disciplinary action against them in accordance with the Employment Rules, etc. Both employees resigned following the disciplinary sanctions.

4. Preventive Measures

The Company has been putting into effect the Insider Trading Prevention Rules that were adopted in July 1994 as rules for trading of the Company's shares by its officers and employees, as well as the Code of Conduct for Officers and Employees developed in October 2007, and put into effect as guidelines for actions which the officers and employees should observe for stakeholders of the Company. We have also been endeavoring to raise awareness of compliance through training sessions. However, we find it truly regrettable that the former employees sold shares in the Company illegally, violating the former Financial Instruments and Exchange Law despite these efforts. Gravely accepting this fact, the Company will further strengthen its compliance system by stepping up education to prevent insider trading and strengthening its management system, while continuing to develop the compliance system that the Company has been building since September 2008.

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