

Supplementary Information for Financial Results of the First Quarter ended June 30, 2021

BELLUNA

Friday July 30, 2021

1. Consolidated Statement of Income

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Net sales: Up 21.4% year on year

Operating income: Increased in five segments including Cosmetics and Health Food, Kimono-Related business, but decreased in the other three segments.

While ordinary income also decreased, net income increased mainly as a result of the absence of a loss on valuation of securities and a decrease in income taxes.

Unit: Billion Yen

Consolidated	FY March 2021/1Q	FY March 2022/1Q		FY March 2022
	Actual	Actual	YoY Change	Plan
Net Sales	48.53	58.93	21.4%	246.00
Cost of Sales	19.87	24.61	23.9%	106.00
Selling, General & Administrative Expenses	26.20	32.00	22.1%	122.50
Operating income	2.47	2.32	-6.2%	17.50
Non-operating income and Expenses	0.20	0.34	71.2%	0.70
(Exchange rate-related gains and losses)	(0.00)	(0.02)	-	-
Ordinary income	2.67	2.66	-0.3%	18.20
Net income	1.49	1.66	11.5%	12.50

2. Profitability by segment

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Net sales : Increased in six segments including General Mail Order, Gourmet Food and Nurse-Related business.

Operating income: Increased in five segments including Cosmetics and Health Food, Kimono-Related business. It decreased in three segments including General Mail Order business.

- Operating income in the General Mail Order segment decreased, largely because of an increase in media expenses.
- The deficit in the Kimono Related segment was reduced primarily by a decrease in the impact of temporary store closures.
- The sale of real estate in the Property segment resulted in growth in sales and profit.

Consolidated Net Sales and Operating Income by Segment

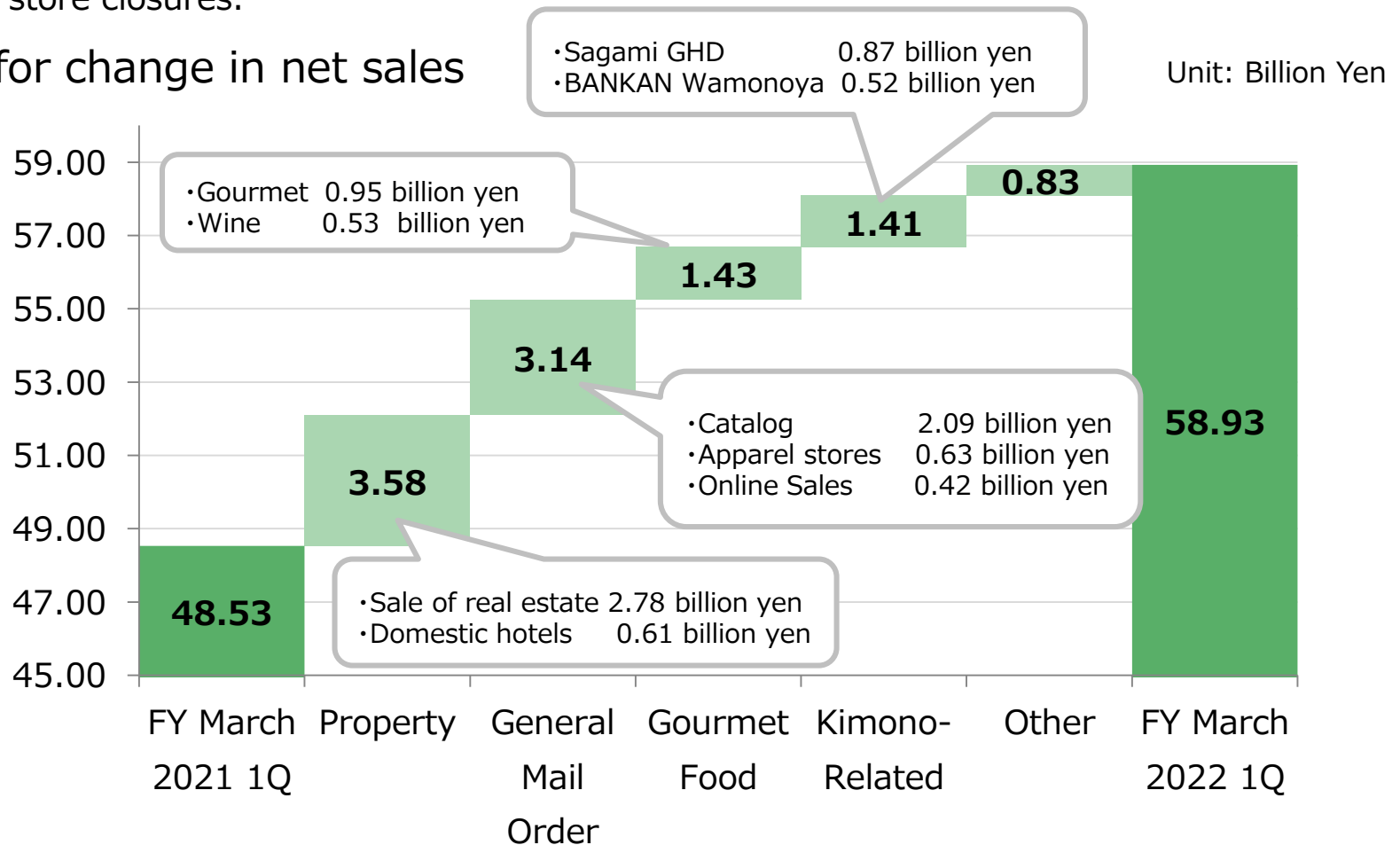
Unit: Billion Yen

	FY March 2022/1Q									
	General Mail Order	Cosmetics and Health Food	Gourmet Food	Nurse-Related	Database Use	Kimono-Related	Property	Other	Adjustments	Total
Net Sales	30.08	4.20	6.43	4.41	3.87	4.34	4.69	1.19	-0.28	58.93
YoY Change(%)	+11.7%	-0.1%	+28.5%	+9.5%	+10.5%	+48.1%	+323.3%	-0.3%	-24.8%	+21.4%
Operating Income	0.39	0.58	0.34	0.35	1.47	-0.87	0.10	0.06	-0.10	2.32
YoY Change(billion yen)	-1.46	0.44	-0.02	-0.23	0.13	0.51	0.40	0.09	-0.01	-0.15
Operating Income Ratio	1.3%	13.8%	5.2%	8.0%	38.0%	-20.0%	2.2%	5.2%	36.5%	3.9%

3. Analysis of increases and decreases in sales

The General Mail Order segment demonstrated strong sales largely due to significant growth in the number of new customers and a decrease in the impact of temporary store closures. In the Property segment, sales of real estate and strong results of existing hotels such as Le Grand Karuizawa Hotel & Resort contributed to sales growth. In the Gourmet Food segment, the number of new customers also continued to increase and it maintained its upward trend in sales. Profit grew also in the Kimono-Related segment thanks particularly to a decrease in the impact of temporary store closures.

Factors for change in net sales

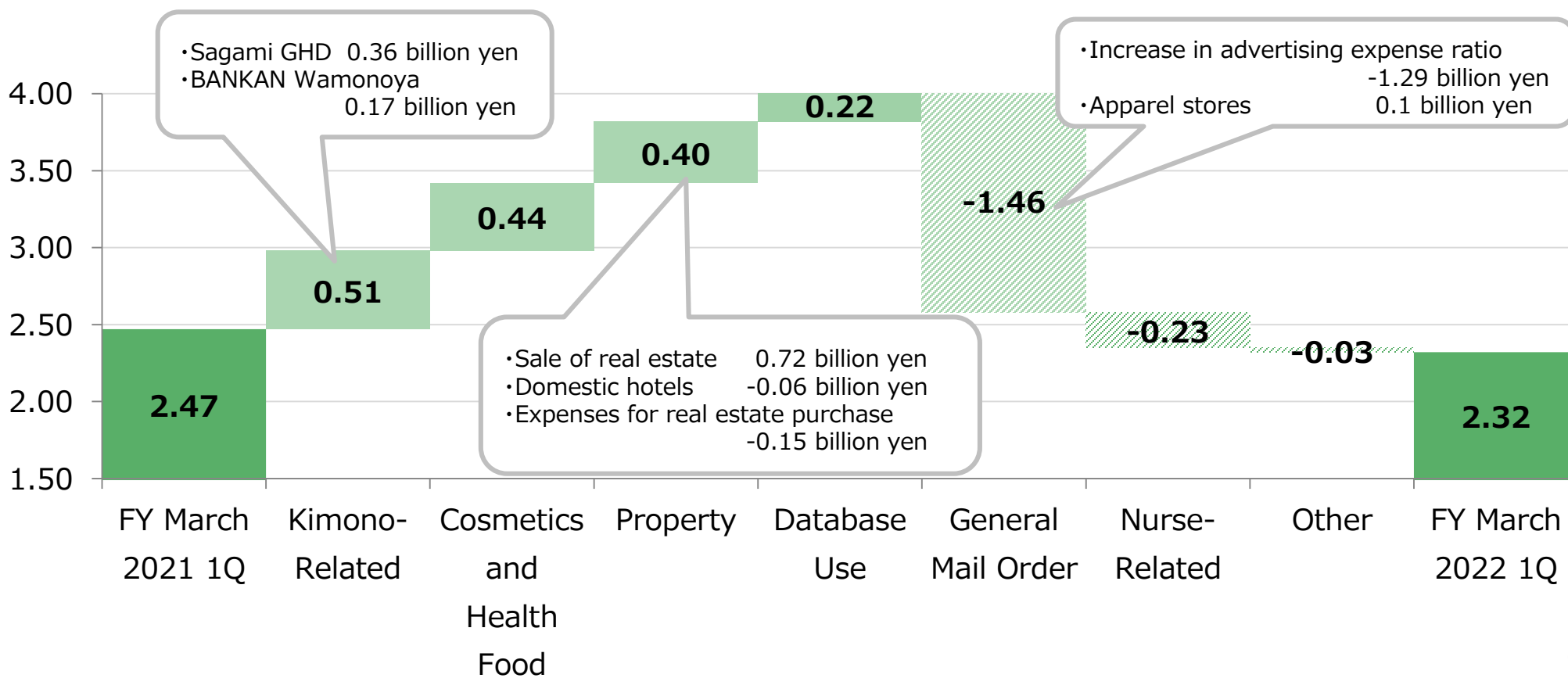


4. Analysis of increases and decreases in operating income

In the General Mail Order segment, the advertising expense ratio rose mainly due to an increase in the cost of acquiring new customers and a fall in responses to existing catalogs, which resulted in a fall in profit. Meanwhile, profit increased in the Kimono-Related as a result of a decrease in the impact of temporary store closures. The General Mail Order segment moved on from the stage in the previous year, in which the efficiency of acquiring new customers and the responsiveness of existing customers were high, and will reduce the cost of acquiring customers and focus on measures to improve the responsiveness of existing customers. The profitability is expected to recover from the second quarter.

Factors for change in operating income

Unit: Billion Yen



5. Consolidated Balance Sheet

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In current assets, notes and accounts receivable – trade and merchandise and finished goods increased, among other assets. Fixed assets increased mainly in Tangible fixed assets. Meanwhile, notes and accounts payable – trade and interest bearing liabilities increased mainly in liabilities.

Unit: Billion Yen

	FY March 2021	FY March 2022/1Q	Change
Current Assets	115.53	118.38	2.85
Cash and deposits	30.78	30.27	-0.51
Notes and accounts receivable - trade	10.24	12.07	2.38
Merchandise and finished goods	22.01	24.87	2.87
Fixed Assets	124.68	133.06	8.38
Tangible fixed assets	92.56	101.17	8.61
Investments and other assets	21.21	21.23	0.02
Total Assets	240.21	251.45	11.24
Liabilities	126.98	136.63	9.65
Notes and accounts payable - trade	22.25	27.64	5.39
Interest bearing liabilities	72.71	79.57	6.86
Net Assets	113.23	114.82	1.59
[Shareholders' Equity Ratio]	[46.9%]	[45.4%]	[-1.5P]

<Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results of the first three months of the fiscal year ending March 31, 2022. Nothing in this document shall be considered to be an offer to sell or a solicitation of an offer to buy securities issued by the Company. It is prepared based on the data available as of July 30, 2021. The opinions and forecasts described in this document reflect the judgments of the Company at the time this document was prepared. The Company neither warrants nor promises the accuracy or completeness of this information. It may be subject to change without prior notice going forward.

<Inquiries for IR matters>

IR Section, Executive Corporate Planning Department, Belluna Co., Ltd.

Address: 4-2 Miyamotocho Ageo-shi, Saitama, 362-8688

TEL: 048-771-7753

FAX: 048-775-6063

E-mail: ir-belluna@belluna.co.jp