

**CORPORATE
PRESENTATION
(1st Half ended
September 30, 2021
for FY March 2022)**

Belluna Co., Ltd.
Stock code : 9997

BELLUNA

Friday, November 19, 2021

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1. Financial Highlights

1. Financial overview
2. Consolidated Statement of Income
3. Profitability by segment
4. Analysis of increases and decreases in sales
5. Analysis of increases and decreases in operating income
6. Balance sheet
7. Statement of cash flows
8. Plan for FY March 2023

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Net sales, operating income, net income surpassed the previous year.

- Net sales increased 16.1% year on year.
- Operating income increased 4.2% year on year.
- Ordinary income decreased 0.5% year on year primarily due to an increase in commission expenses.
- Net income increased 9.8% year on year.

1-2. Consolidated Statement of Income

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Net sales: Up 16.1% year on year

Operating income: Up 4.2% year on year due in part to the sale of real estate in the Property segment, which was more than offset by a decrease in the General Mail Order segment.

While ordinary income decreased partly due to the increase in the fees paid, net income increased mainly as a result of the decrease in a loss on valuation of securities, etc.

Unit: Billion Yen

Consolidated	FY March 2021/1H	FY March 2022/1H		FY March 2022	
	Actual	Actual	vs. Plan	YoY Change	Plan
Net Sales	91.14	105.81	-2.0%	16.1%	246.00
Cost of Sales	37.39	44.39	1.0%	18.7%	106.00
Selling, General & Administrative Expenses	49.19	56.66	-3.3%	15.2%	122.50
Operating income	4.57	4.76	-12.7%	4.2%	17.50
Non-operating income and Expenses	0.56	0.34	-2.0%	-38.5%	0.70
(Exchange rate-related gains and losses)	(-0.09)	(0.13)	-	-	-
Ordinary income	5.12	5.10	-12.1%	-0.5%	18.20
Net income	2.92	3.21	-19.8%	9.8%	12.50 ₄

1-2. Consolidated Statement of Income (2Q)

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Net sales ~ While sales in General Mail Order Business, Cosmetics and Health Food Business decreased, sales in other segments increased 10.0% year on year.

Operating income ~ Up 16.4% year on year due to the turning a profit on Kimono-Related and Sale of real estate.

Unit: Billion Yen

Consolidated	FY March 2021				FY March 2022		
	1Q	1st Half	3Q	4Q	1Q	2Q	
	Actual	Actual	Actual	Actual	Actual	Actual	YoY Change
Net Sales	48.53	42.61	63.01	52.35	58.93	46.88	10.0%
Cost of Sales	19.87	17.52	26.50	21.05	24.61	19.78	12.9%
Selling, General & Administrative Expenses	26.20	22.99	29.46	27.18	32.00	24.67	7.3%
Operating income	2.47	2.10	7.04	4.13	2.32	2.44	16.4%
Non-operating income and Expenses	0.20	0.36	0.32	0.26	0.34	0.00	-
(Exchange rate-related gains and	(0.00)	(-0.09)	(-0.06)	(+0.21)	(0.02)	(+0.11)	-
Ordinary income	2.67	2.45	7.36	4.39	2.66	2.44	-0.6%
Net income	1.49	1.43	5.70	2.42	1.66	1.55	8.1%

1-3. 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.

- The General Mail Order segment: Operating income decreased largely due to an increase in advertising expenses.
- The Kimono-Related segment: Deficit was reduced primarily by a decrease in the impact of temporary store closures.
- The Property segment: Sale of two real estate resulted in growth in net sales and operating income.

Consolidated Net Sales and Operating Income by Segment

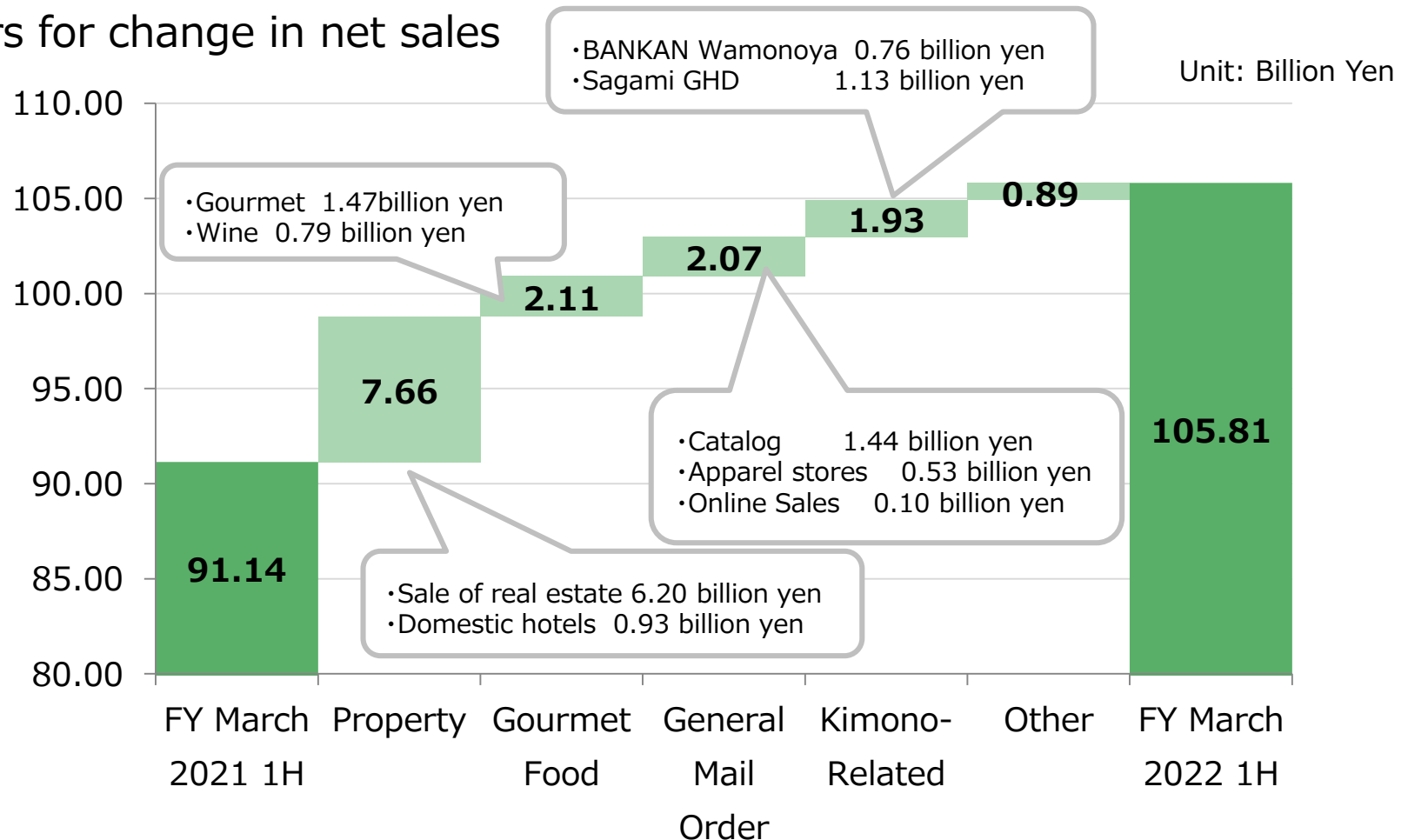
Unit: Billion Yen

	FY March 2022/1H									
	General Mail Order	Cosmetics and Health Food	Gourmet Food	Nurse-Related	Database Use	Kimono-Related	Property	Other	Elimination or Corporate	Total
Net Sales	47.04	8.14	11.91	8.77	7.55	10.19	10.78	1.94	-0.51	105.81
YoY Change(%)	+4.6%	-9.6%	+21.6%	+11.1%	+11.5%	+23.4%	+246.8%	-2.2%	-21.8%	+16.1%
Operating Income	-0.53	1.19	0.54	0.77	2.89	-0.83	0.97	-0.05	-0.20	4.76
YoY Change(billion yen)	-2.26	0.47	-0.04	-0.27	0.29	0.88	1.02	0.11	0.00	0.19
Operating Income Ratio	-1.1%	14.7%	4.5%	8.8%	38.2%	-8.2%	9.0%	-2.6%	38.9%	4.5%

1-4. Analysis of increases and decreases in sales

General Mail Order segment demonstrated strong sales largely due to growth in the number of new customers and a decrease in the impact of temporary store closures. In the Property segment, the sale of real estate, existing hotels including Le Grand Karuizawa Hotel & Resort and new hotels contributed to the increase in net sales. In Gourmet Food the number of new customers also continued to increase and it maintained its upward trend in sales. Sales grew also in the Kimono-Related segment thanks particularly to strong sales at existing stores of BANKAN while the impact of temporary store closures decreased.

Factors for change in net sales



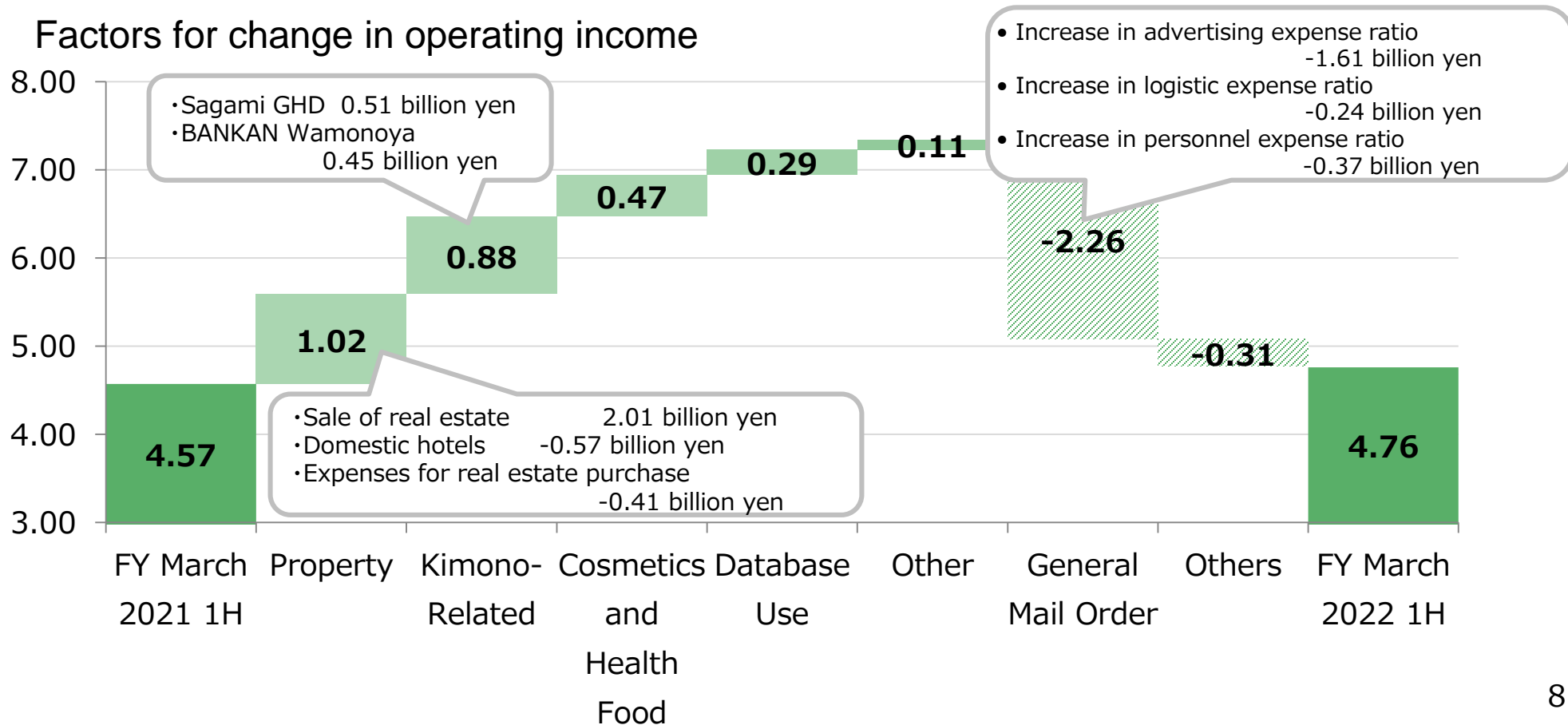
1.5. Analysis of increases and decreases in operating income

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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. The logistics expense ratio and the personnel expense ratio also increased due to a slowdown in sales growth. Meanwhile, operating income in the Kimono-Related and the Property segments increased respectively as a result of a decrease in the impact of temporary store closures in the Kimono-Related segment and progress with property sales in the Property segment.

Unit: Billion Yen

Factors for change in operating income



1-6. Balance sheet

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Cash and deposits, real estate for sale in process, etc. decreased in current assets. Fixed assets increased mainly in Tangible fixed assets.

Meanwhile, interest-bearing liabilities increased despite a decrease in income taxes payable in liabilities.

Unit: Billion Yen

	As of March 31,2021	As of September 30,2021	Change
Current Assets	115.53	113.91	-1.63
Cash and deposits	30.78	27.55	-3.23
Merchandise	22.01	26.87	4.86
Real estate for sale in process	9.52	6.94	-2.58
Non-current assets	124.68	135.23	10.55
Tangible fixed assets	92.56	100.99	8.43
Investments and other assets	21.21	22.75	1.54
Total Assets	240.21	249.13	8.92
Liabilities	126.98	132.58	5.60
Notes and accounts payable-trade	22.25	23.65	1.39
Income taxes payable	4.74	2.34	-2.40
Interest-bearing liabilities	72.71	80.06	7.36
Net assets	113.23	116.55	3.32
[Shareholders' Equity Ratio]	[46.9%]	[46.5%]	[-0.4P]

1-7. Statement of cash flows

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Cash flow from operating activities increased due in part to an increase in profit, which more than offset an increase in income tax and resident tax.

Cash flow from investing activities was negative due to the purchase of tangible fixed assets.

As long- and short-term loans payable increased, cash decreased by 3.64 billion yen.

	FY March 2021/1H	FY March 2022/1H		Unit: Billion Yen
		Actual	YoY Change	
Cash flows from operating activities	5.99	2.66	-3.33	
Profit before income taxes	4.88	5.13	0.24	
Depreciation	1.65	1.80	0.15	
Corporate income and resident taxes (amount paid)	-2.93	-4.14	-1.21	
Cash flows from investing activities	-4.41	-12.20	-7.79	
Purchase of tangible fixed assets	-4.06	-9.99	-5.92	
Proceeds from sale of property, plant and equipment	-0.20	-0.54	-0.34	Capital expenditure *1
Purchase of shares of subsidiaries	0.00	-0.63	-0.63	10.68 billion yen
Cash flows from financing activities	-3.51	6.21	9.72	Depreciation *2
Increase (decrease) in long and short-term loans payable	-2.54	7.14	9.68	1.80 billion yen
Cash dividends paid	-0.77	-0.82	-0.05	
Translation differences on cash	0.04	0.10	0.06	
Increase (decrease) in cash	-1.88	-3.23	-1.35	

*1: Capital expenditure includes the amount of investment in intangible fixed assets, such as software and leased assets.

*2: Depreciation and amortization include the amount relating to the amortization of intangible assets.

1-8. Plan for FY March 2022

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The fiscal year ending March 2022 is final year in the Fourth Business Plan. The foundation for the Fifth Business Plan is being developed.

Unit : Billion Yen

Consolidated	FY March 2020		FY March 2021		FY March 2022	
	Plan	Actual	Revised plan	Actual	Plan	YoY Change
Net Sales	180.00	179.95	200.00	206.50	246.00	+19.1%
Operating Income	11.00	10.31	14.00	15.73	17.50	+11.2%
Ordinary Income	11.00	10.37	14.80	16.87	18.20	+7.9%
Net Income	7.00	5.86	10.50	11.04	12.50	+13.3%
Interest Bearing Liabilities	72.00~ 77.00	77.82	73.00~78.00	72.71	75.00~78.00	+3.1~7.3%
Net Assets	105.00	102.53	110.00	113.23	123.96	+9.5%
ROE	6.8%	5.8%	9.9%	10.3%	10.5%	+0.2P

1-8. Plan for FY March 2022 (by segment)

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Kimono-Related Business and Property Business are expected to lead profit growth. While operating income is lagging behind the plan, the business will focus on profit in the second half of the fiscal year.

Plan by segment

Unit: Billion Yen

	Plan for FY March 2022									
	General Mail Order	Cosmetics and Health Food	Gourmet Food	Nurse-Related	Database Use	Kimono-Related	Property	Other	Adjustments	Total
Net Sales	119.98	18.60	28.00	15.75	14.32	25.68	21.25	5.23	-2.81	246.00
YoY Change(%)	+20.4%	+1.7%	+3.1%	-1.2%	+1.0%	+19.7%	+204.2%	+19.6%	+205.4%	+19.1%
Operating Income	5.76	1.93	1.98	1.49	4.94	0.35	1.65	0.06	-0.66	17.50
YoY Change(billion yen)	0.50	-0.71	-0.20	-0.28	-0.56	1.41	1.64	0.20	-0.23	1.77
Operating Income Ratio	4.8%	10.4%	7.1%	9.5%	34.5%	1.4%	7.8%	1.1%	23.5%	7.1%

2. Management Policies and Initiatives

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1. Mail Order Business
- 1-①Cosmetics and Health Food Business
- 1-②Gourmet Food Business
- 1-③Nurse-Related Business
- 1-④Database Use Business
2. Kimono-Related Business
3. Property Business
4. Returns to Shareholders
5. Share Price Trend

2. Management Policy—Business Environment

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The business plan considers the changes in the external environment (changes in the environment related to consumption and the growth of internet sales).

External environment

- Intensifying competition
- Ongoing deflationary mindset
- Decrease in demand from people refraining from leaving home
- Growth of internet business
- Diversification of consumption

Internal environment

- Management considering changing trends
- Maturity of organizational structure
- Development of new businesses

2. Segments

Additionally, the current 8 segments will be changed to 4 segments next fiscal year.

Current segments

1. General Mail Order Business
2. Cosmetics and Health Food Business
3. Gourmet Food Business
(including wine and sake)
4. Nurse-Related Business
5. Database Use Business
6. Kimono-Related Business
7. Property Business
8. Others

New segments

1. Order Business

- 1-① Apparel & Furniture, Goods Business
- 1-② Cosmetics and Health Food Business
- 1-③ Gourmet Food Business (including wine and sake)
- 1-④ Nurse-Related Business
- 1-⑤ Database Use Business

2. Kimono-Related Business

3. Property Business

4. Others

All mail-order businesses will be combined into one segment to simplify the structure.

The Fifth Business Plan (FY March 2023~FY March 2025)

Final target

- Net sales **310 Billion Yen**
(Average annual growth rate:9.2%)
- Operating income **28 Billion Yen**
(Average annual growth rate: 18.3%)
- ROE **10% or more**

2. Management Policies

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FY2022(final fiscal year in the Fourth Business Plan)・The Fifth Business Plan

Unit: Billion Yen

	FY March 2022		FY March 2023		FY March 2024		FY March 2025	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income
Mail Order Business	196.66	16.10	216.09	17.70	234.51	19.39	252.76	21.43
Apparel & Furniture, Goods Business	119.98	5.76	133.13	6.72	141.75	7.32	151.47	8.12
Cosmetics and Health Food Business	18.60	1.93	20.63	2.14	23.03	2.34	25.63	2.60
Gourmet Food Business	28.00	1.98	30.38	2.11	34.70	2.33	36.98	2.65
Nurse-Related Business	15.75	1.49	16.94	1.76	18.17	1.98	19.70	2.20
Database Use Business	14.32	4.94	15.02	4.98	16.87	5.41	18.98	5.86
Kimono-Related Business	25.68	0.35	27.72	1.20	30.37	1.74	33.51	2.12
Property Business	21.25	1.65	15.71	1.35	21.58	3.67	21.91	4.02
Other Business + adjustments	2.22	-0.64	0.47	-0.24	3.55	0.20	1.83	0.43
Total	246.00	17.50	260.00	20.00	290.00	25.00	310.00	28.00

Increasing product appeal will be a focus for achieving the targets in the medium-term plan.

Fifth Business Plan Concept

1. Achievement of targets in each segment
2. Development of internet business including the use of social media services
3. Management responding to trends
4. Training and development of human resources with practical skills
5. Implementation of M&A activities to achieve synergy

2-1. Mail Order Business

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1. Results for FY21/3 and Plan for FY22/3

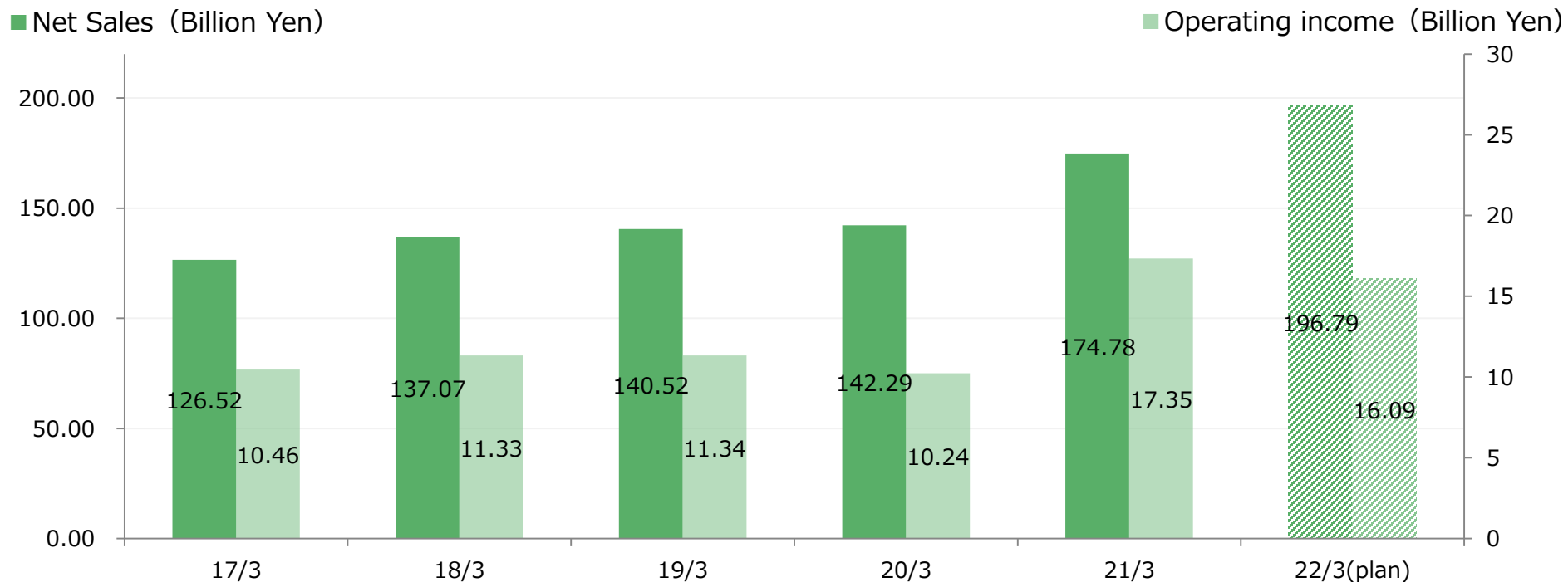
Unit: Billion Yen

Business breakdown	FY March 2021 (Actual)		FY March 2022 (Plan)	
	Net Sales	Operating Income	Net Sales	Operating Income
Apparel & Furniture, Goods	99.75	5.30	119.98	5.76
Apparel & Furniture, Goods	86.99	5.26	104.21	5.12
Min Co., Ltd.・ICnet Co., Ltd.・Maruchou Co., Ltd. (Internet-specialized mail order)	7.86	0.42	8.96	0.49
Apparel stores	4.91	-0.38	6.82	0.15
Cosmetics and Health Food (Ozio・Nachu life brand)	19.43	2.65	18.60	1.93
Cosmetics Business (Ozio・Nachu life brand)	15.06	2.08	15.00	1.50
Health Food Business	4.37	0.57	3.60	0.43
Gourmet Food	26.62	2.18	28.00	1.98
Wine mail order businesses	8.77	1.05	10.00	0.98
Mail order of Sake	4.45	0.30	5.20	0.33
Gourmet food business	13.40	0.83	12.80	0.67
Mail order for nurses	15.95	1.82	15.75	1.49
Nursery	6.14	0.69	6.55	0.60
Infirmière	8.71	1.15	7.58	0.85
Nurse Career Next	0.15	-0.15	0.29	-0.07
JOB STUDIO	0.95	0.13	1.33	0.11
Database Use	14.18	5.50	14.32	4.94
Total	175.93	17.45	196.65	16.10

2-1. Mail Order Business

Profit and loss trends and factors for financial results

Growth was maintained and profit rose above the level in FY March 2021 despite multiple negative factors.



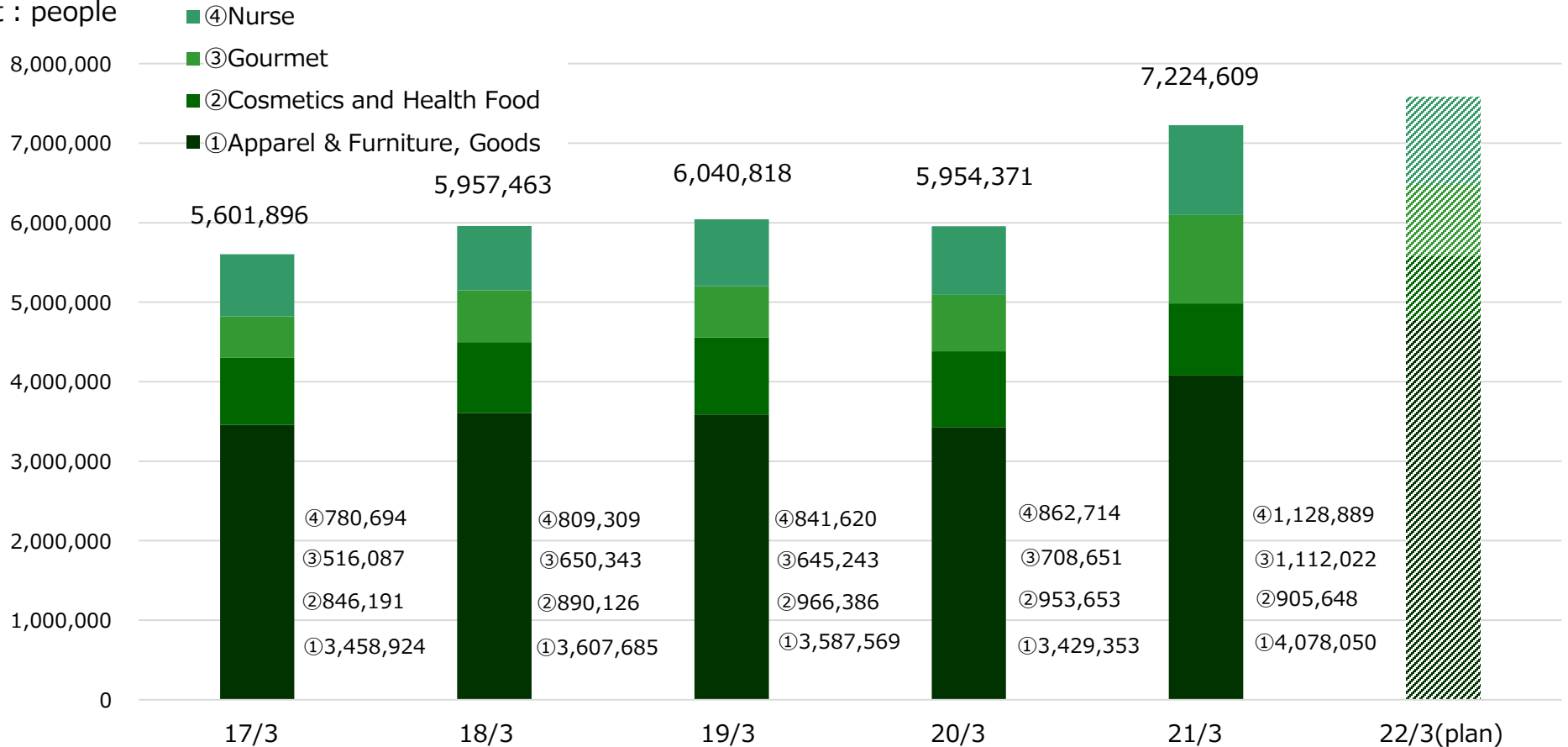
Factors in financial results	17/3	18/3	19/3	20/3	21/3	22/3	
Positive factors	<ul style="list-style-type: none"> Improvement in ratio of logistics expenses the reinforcement of the online business 	<ul style="list-style-type: none"> the reinforcement of the online business 	<ul style="list-style-type: none"> the reinforcement of the online business 	<ul style="list-style-type: none"> the reinforcement of the online business 	<ul style="list-style-type: none"> the reinforcement of the online business 	<ul style="list-style-type: none"> Improvement of the use of TV demand from nest dweller 	
Negative factors		<ul style="list-style-type: none"> Increase in unit transportation cost 	<ul style="list-style-type: none"> Increase in the cost of mailing catalogs Increase in unit transportation cost 	<ul style="list-style-type: none"> Increase in the cost of paper Increase in unit transportation cost 		<ul style="list-style-type: none"> Decrease in demand from people refraining from leaving home 	

2-1. Mail Order Business

Number of active customers

The number of customers moved onto a growth path thanks to measures to obtain new customers after the continuously flat trend partly due to an increase in distribution costs.

unit : people

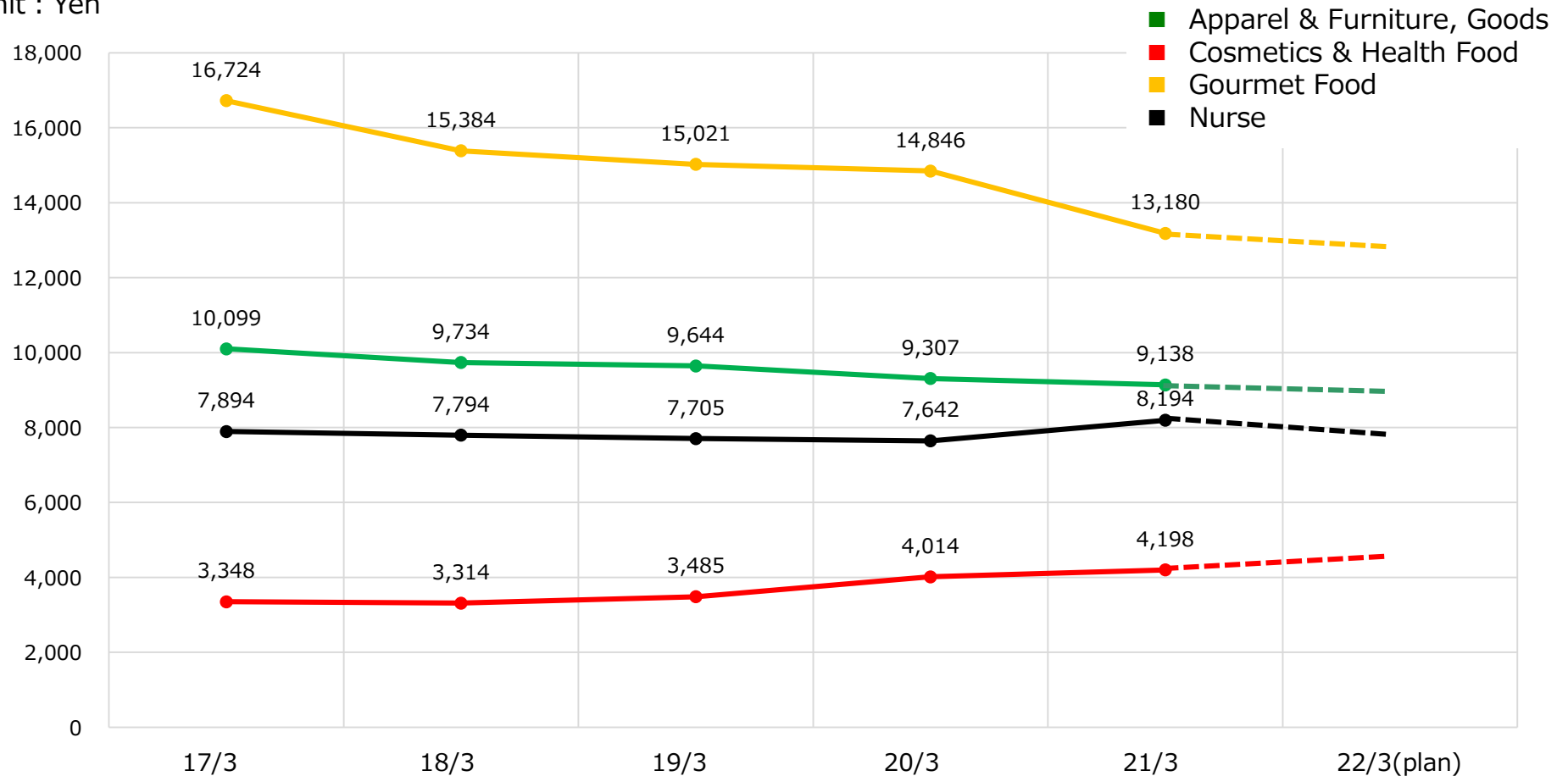


2-1. Mail Order Business

Value per order received

Value per order declined from a flat trend due to the acquisition of new customers and preferences for low-priced items.

unit : Yen

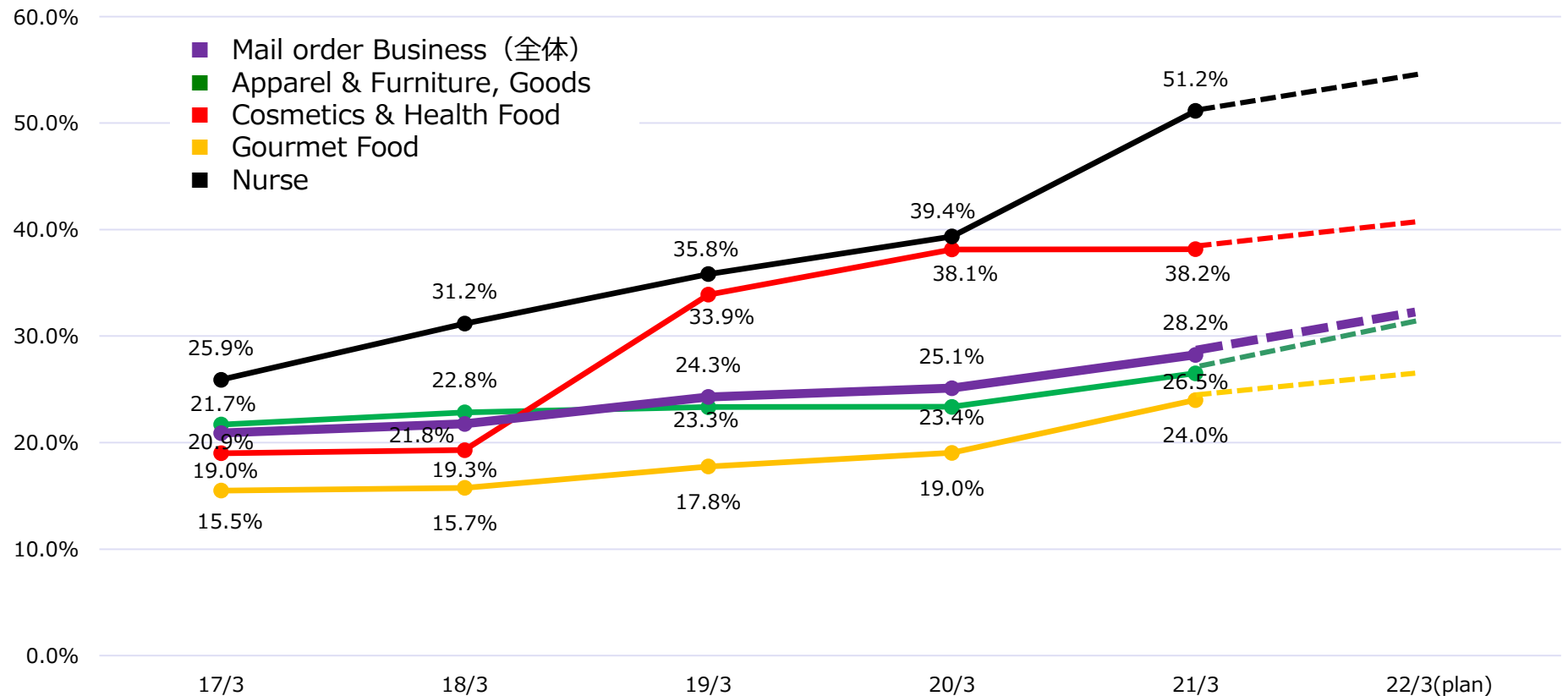


2-1. Mail Order Business

The ratio of online sales

The percentage of sales that are internet sales is rising in each business and the shift to e-commerce continues in all age groups in each business.

unit : %



2-1. Mail order Business

Profit and loss targets (Mail Order Business) BELLUNA

A large amount of advertising expenses will be incurred to focus on growth potential while an increase in gross profit is expected. In the second half of the fiscal year, the operating income balance will be adjusted with a focus on advertising expenses.

Unit: Billion Yen

	FY March 2020	Ratio	FY March 2021	Ratio	FY March 2022	Ratio
Net Sales	142.1		174.6		196.8	
Cost of Sales	59.7	42.0%	71.5	40.9%	79.9	40.6%
Gross profit	82.4	58.0%	103.1	59.1%	116.9	59.4%
Media expense	31.2	22.0%	38.2	21.9%	50.4	25.6%
Distribution costs	14.3	10.0%	17.3	9.9%	19.7	10.0%
Others	26.5	18.7%	30.3	17.4%	30.7	15.6%
Selling, General & Administrative Expenses	72.0	50.7%	85.8	49.1%	100.8	51.2%
Operating Income	10.4	7.3%	17.3	9.9%	16.1	8.2%

2-1-①. Apparel & Furniture, Goods(Former General Mail Order)

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1. Results for FY21/3 and Plan for FY22/3

Unit: Billion Yen

Business breakdown	FY March 2021(Actual)		FY March 2022(plan)	
	Net Sales	Operating income	Net Sales	Operating income
General Mail Order Business ・Rolled out products mainly targeted to madams through catalogs and the Internet. ・For the young group, we started selling products at shopping malls in 2018. ・We started selling men's and hard products on mail order.	86.99	5.26	104.21	5.12
Min・ICnet・Maruchou (Internet-specialized mail order) ・Min : Big-sized apparel mail order ・ICnet : Brand mail order ・Maruchou : General goods mailorder	7.86	0.42	8.96	0.49
Apparel stores ・Rolled out Belluna brand nationwide (March 2021 86 stores)	4.91	-0.38	6.82	0.15
Total	99.63	5.26	119.98	5.76

- The plan for the fiscal year under review focuses on growth.

Current situation and Initiatives of FY March 2022

Facilitating the branding

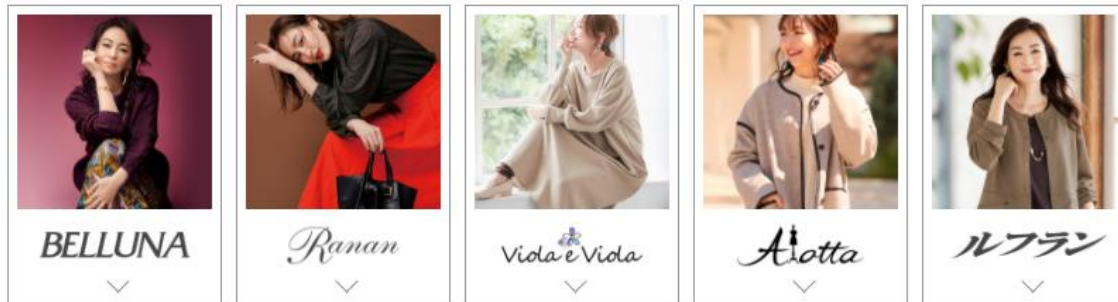
brand introduction

ブランド紹介

ファッションをよりお楽しみいただくため・・・買った時も着る時も喜んでいただけるブランドをご紹介します。

「おすすめ新作商品」「今売れているランキング」や「コーディネート情報」「ブランドニュース」

お得な「セール、クーポン」イベントも随時開催中です！



Pursuit of originality in the brand worldview

2-1-②. Cosmetics & Health Food Business

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1. Results for FY21/3 and Plan for FY22/3

Unit: Billion Yen

	FY March 2021(Actual)		FY March 2022(plan)	
	Net Sales	Operating income	Net Sales	Operating income
Cosmetics Business (Ozio・Nachu life brand) ・cosmetics mail-order business ・Develop cross-border EC in Asia ・The Internet and overseas are growth drivers	15.06	2.08	15.00	1.50
Health Food Business ・Rolled out health food in Refre brand ・Gussurizm received the gold prize from the Monde Selection for four consecutive years.	4.37	0.57	3.60	0.43
Total	18.29	2.64	18.60	1.93

・Results significantly improved in the previous fiscal year due to the growth of domestic e-commerce and the active development of the Cosmetics Business in Asia.

・Net sales are expected to remain unchanged in the fiscal year under review partly due to regulations regarding online advertisements in Japan.

2-1-②. Cosmetics & Health Food Business

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Current situation and Initiatives of FY March 2022



TV ad started in October 2021.

Branding strategy for merchandise brands will be focused in response to the online advertising regulations.

2-1-③. Gourmet Food Business(including Wine and Sake)

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1. Results for FY21/3 and Plan for FY22/3

Unit: Billion Yen

	FY March 2021(Actual)		FY March 2022(plan)	
	Net sales	Operating income	Net sales	Operating income
Wine mail order Business (My Wine Club - ranked No.1 in sales of mail order of wine for 13 consecutive years)	8.77	1.05	10.00	0.98
Sake mail order Business (Belluna Gourmet - ranked No.1 in sales of mail order of sake for 5 consecutive years)	4.45	0.30	5.20	0.33
Gourmet Food Business ・Released mail orders for foods such as boxed lunches, year-end gifts, and osechi (foods prepared for New Year's holidays)・The total no. of Belluna gourmet/ Osechi yui sold topped 400,000 units.	13.40	0.83	12.80	0.67

・Wine and Sake maintained strong results. The profit growth trend is expected to continue.

2-1-③. Gourmet Food Business(including Wine and Sake)

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Current situation and Initiatives of FY March 2022

「Ranked No.1 in sales of mail order of wine for 13 consecutive years」

「No. 1 Product sold as a set



<Set of 11 red wines carefully selected from around the world>

- Continued sales growth is based on the efficient acquisition of new customers and a high ratio of repeat customers.

- Merchandise that strongly appeals to customers is continuously being developed and improved.

2-1-③. Gourmet Food Business(including Wine and Sake)

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「ranked No.1 in sales of mail order of sake for 5 consecutive years」

The unit sales of Japanese Sake exceeded 2.0 million in FY March 2021. The unit sales of Japanese Sake are expected to sell 2.9 million (up 45% year on year) in FY March 2022.

No. 1 Product

Koshino Gozo Daiginjo



No. 2 Product

Koshino Gozo Junmai Daiginjo



No. 3 Product

Juzo Daiginjo



Increase product lines and develop new products with the goal of being No.1 in mail order sales of sake for 6 consecutive years in FY March 2023.

2-1-③. Gourmet Food Business(including Wine and Sake)

No.1

Yui

Three tiered
Japanese
dish box



No.2

Saiju

Three tiered
Japanese
dish box



No.3

Kizuna

Three tiered
Japanese
dish box



**Osechi, “Yui,” the No. 1 Product in
FY March 2022, is expected to sell
155,000 units (up 38% year on
year).**

2-1-④. Nurse-Related Business

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1. Results for FY21/3 and Plan for FY22/3

Unit: Billion Yen

	FY March 2021(Acutal)		FY March 2022(plan)	
	Net sales	Operating income	Net sales	Operating income
Nursery (Mail order for nurses, No. 2 in the industry)	6.14	0.69	6.55	0.60
infirmière (Mail order for nurses, No. 1 in the industry)	8.71	1.15	7.58	0.85
Nurse Career Next (Personnel placement business for nurses)	0.15	-0.15	0.29	-0.07
JOB STUDIO (Personnel placement business in Singapore)	0.95	0.13	1.33	0.11
Total	15.94	1.77	15.75	1.49

•The repeat rate of customers in the health care industry is high and growth is expected to continue.

2-1-④. Nurse-Related Business

Current situation and Initiatives of FY March 2022

No.1 in domestic mail-order sales to nurses

*The 2018 data provided by Tokyo Shoko Research, Ltd.

Future initiatives

- Expansion of the BtoB businesses

Develop and strengthen BtoB businesses for hospitals and clinics using both online and offline channels. Aim to meet demand from companies.

- Advance into new categories

Advance into industries related to medical services such as caregiving, dentistry and beauty treatment clinics using the strengths of an SPA company.



<Mail order for caregivers>



<Uniforms for beauty treatment clinics>

2-2. Kimono-Related Business

1. Results for FY21/3 and Plan for FY22/3

Unit: Billion Yen **BELLUNA**

	FY March 2021(Actual)		FY March 2022(plan)	
	Net sales	Operating income	Net sales	Operating income
BANKAN Wamonoya (Kimono sales business started in 2007, when the Company was founded)	9.04	0.39	9.88	0.62
Sagami Group Holdings (Acquired in 2018, medium priced kimono sales business)	7.33	-1.21	8.84	-0.61
Tokyo masuiwaya (Acquired at the same time as Sagami, a highly-priced kimono sales business)	3.09	-0.38	4.20	0.07
Maimu (Rental hakama traditional graduation attire for students)	2.08	0.17	2.75	0.27
Total	21.44	-1.06	25.68	0.35

- For FY March 2022, facilitate the creation of a corporate environment with the goal of turning a profit on Sagami.

2-2. Kimono-Related Business

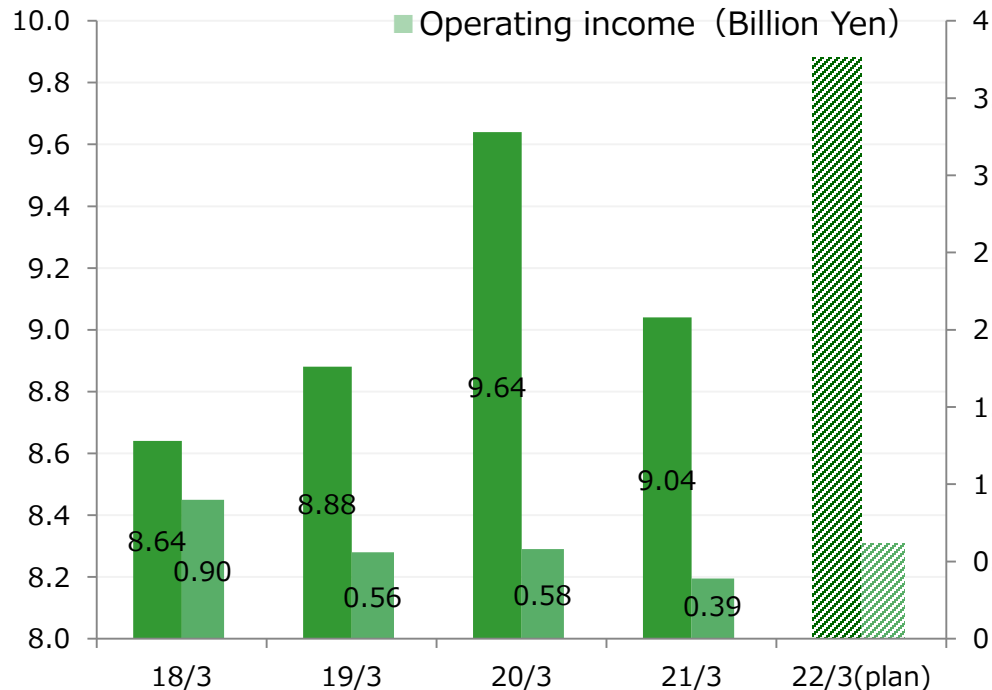
BELLUNA

Profit and loss trends

BANKAN maintained surplus even during the COVID-19 pandemic and the number of stores continues to grow.

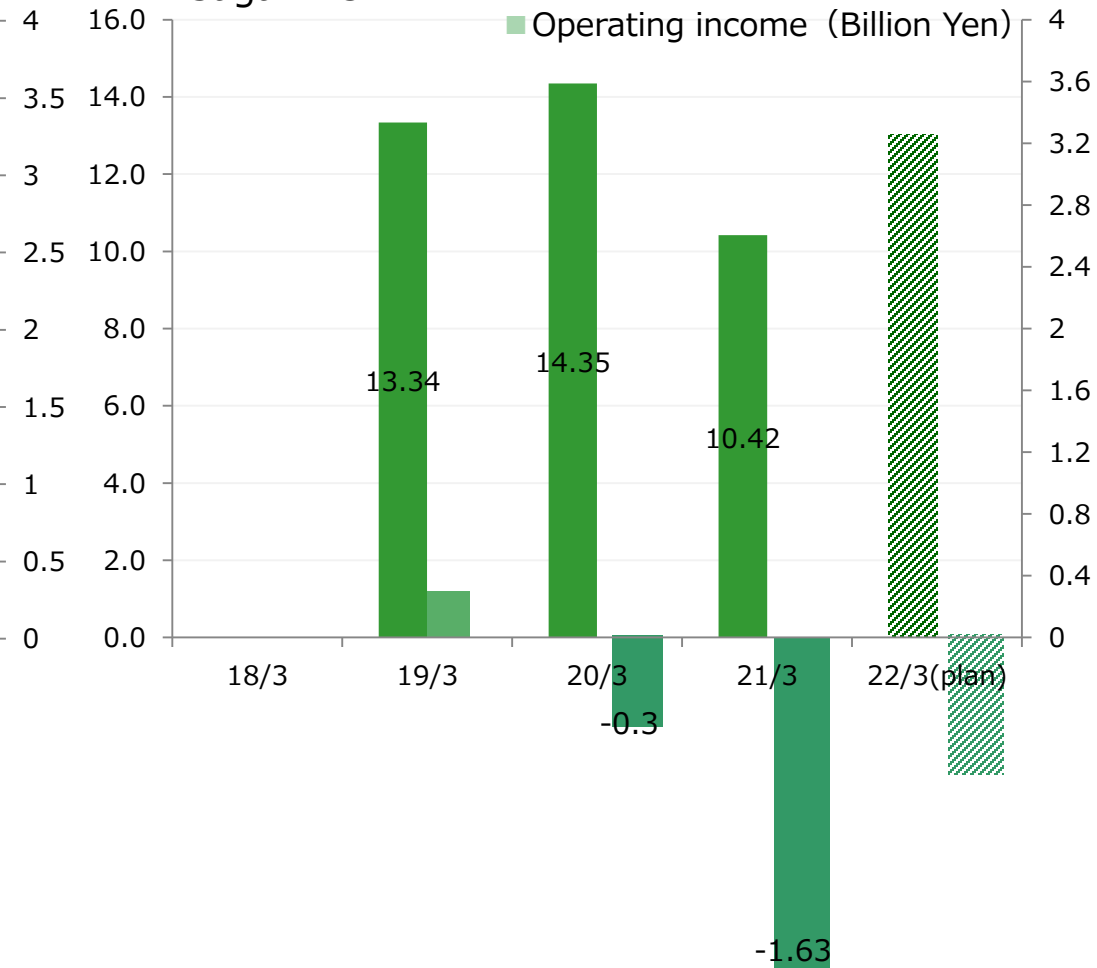
<BANKAN>

■ Net sales (Billion Yen)
■ Operating income (Billion Yen)



<Sagami GHD>

■ Net sales (Billion Yen)
■ Operating income (Billion Yen)



	18/3	19/3	20/3	21/3	22/3 (plan)
Number of stores	79	84	89	91	93

	18/3	19/3	20/3	21/3	22/3 (plan)
Number of stores	-	160	158	141	130

2-2. Kimono-Related Business

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Profit model targeted by Sagami GHD

Former Sagami GHD model

	Evaluation	Sagami GHD
Measures for acquiring new customers	△	
Repeat rate	○	Loyalty of existing customers
Expense ratio	△	Holding large events
Rate of return per store	△	2~3%



Stores with active sales

	Evaluation	
Measures for acquiring new customers	◎	Enhancement of merchandise offered
Repeat rate	◎	Events for wearing kimono Kimono-wearing lessons, etc.
Expense ratio	○	In-store events
Rate of return per store	○	10%

2-2. Kimono-Related Business

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Progress in measures to support Sagami GHD

- Change from sales at large events to in-store sales
- Education that enables in-store sales
- Scraping of unprofitable stores
- Cost reduction

→ Structural reforms end in FY March 2022 with the goal of being profitable from FY March 2023.

Aim to achieve sales of 33.5 billion yen and profit of 2.1 billion yen during the Fifth Business Plan (ending in FY March 2025).

Aim to be No.1 in Japan and with a 20% share of the kimono market (230.0 billion yen) during the Sixth Business Plan (ending in FY March 2028).

2-3. Property Business

1. Results for FY21/3 and Plan for FY22/3

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Unit: Billion Yen

	FY March 2021(Actual)		FY March 2022(plan)	
	Net sales	Operating income	Net sales	Operating income
Income gain Rental revenue from properties (including office buildings and stores,)	2.56	1.18	2.20	1.24
Gapital gain Property development and sales business	0.00	0.00	9.59	2.14
Hotel Business Operate 4 hotels in Japan, 3 hotels overseas	3.96	-1.37	8.46	-1.93
Others	1.00	0.19	1.00	0.20
Total	6.98	0.01	21.25	1.65

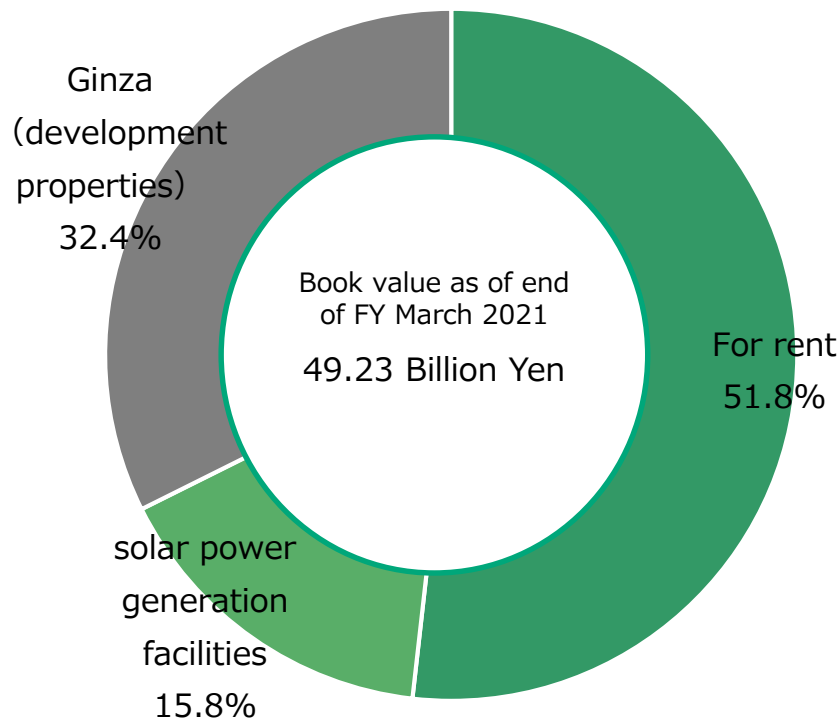
- In the first half of FY March 2022, the Company was impacted by COVID-19 and the high cost of establishing businesses due to the opening of five hotels.

2-3. Property Business (Income gain)

<Income gain>

Real estate held for rent include 27 properties consisting largely of offices in central Tokyo and solar power generation facilities held include three properties. Each property is maintaining a stable occupancy rate and yield.

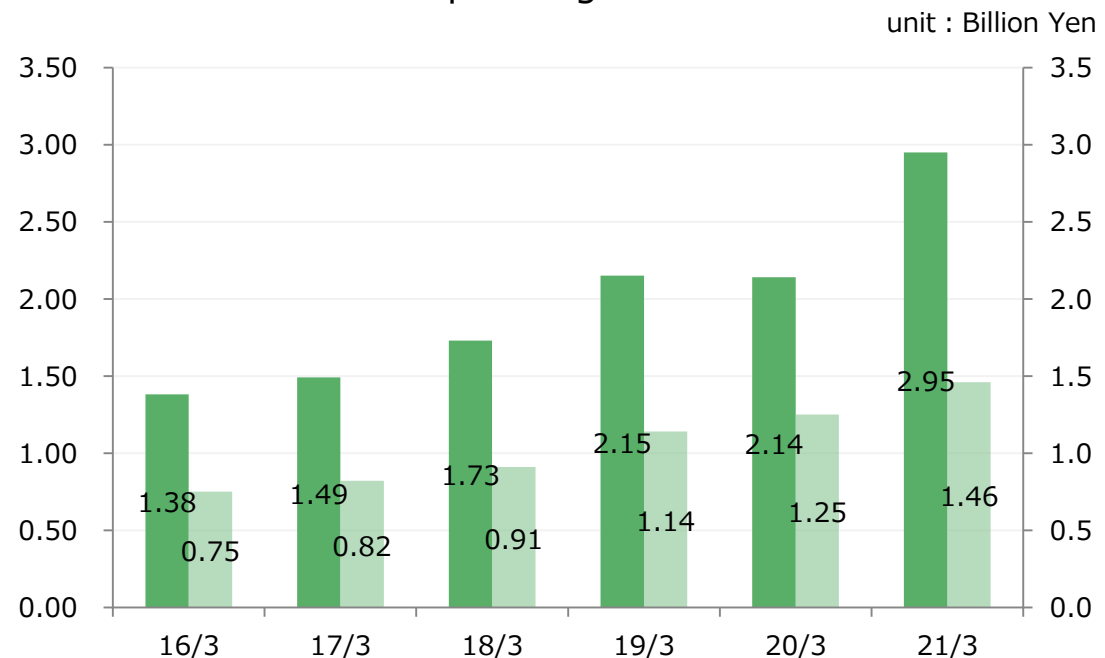
<Assets for lease>



Number of properties operated: 30

NOI yield 6.6%

<Trends in sales and operating income>



2-3. Property Business (Income gain)

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Future Plan

Development of a large building complex is under way in Ginza 7 Chome.

Significant profit growth is expected from FY March 2024.



Total area (sq. meters)	10,794.00
Number of floors	3 floors below ground 10 floors above ground
Structure	Steel structure, steel reinforced concrete structure
Type of Property	Hotels, restaurants, retailers, etc.

Total investment: 24.5 Billion Yen

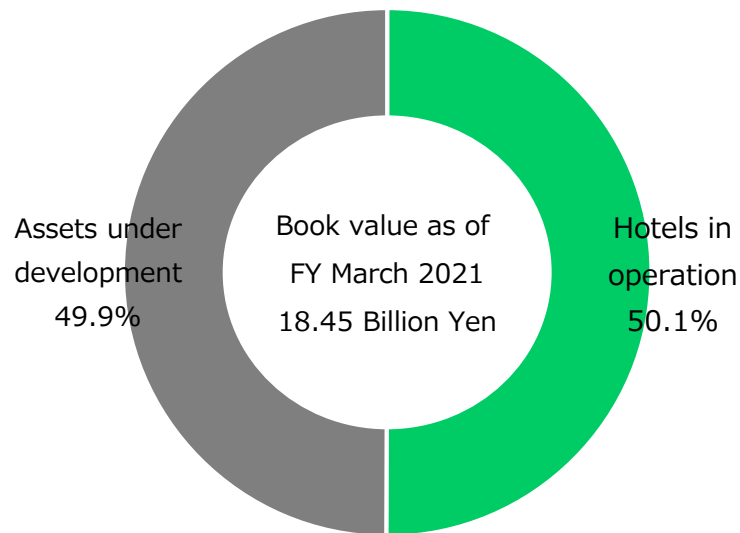
Assumed yield: more than 6%

2-3. Property Business (Hotel business)

<Hotel>

In FY March 2022, the cost of opening businesses increased despite sales growth due to the acquisition of Jozankei View Hotel and the opening of four new hotels.

<Hotel assets>



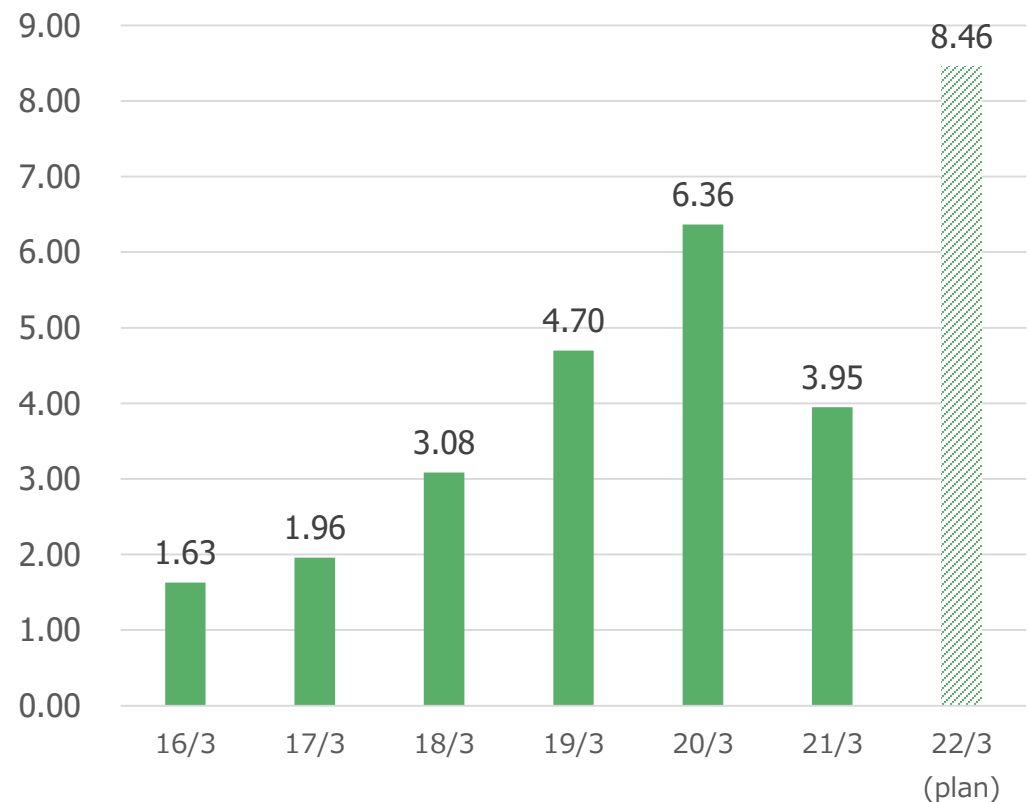
Hotels held 7 Hotels

Leasing 6 Hotels

Total Operate 13 Hotels
(as of October 2021)

<Changes in Sales>

unit : Billion Yen



Hotels in operation	2	3	4	4	7	8	13

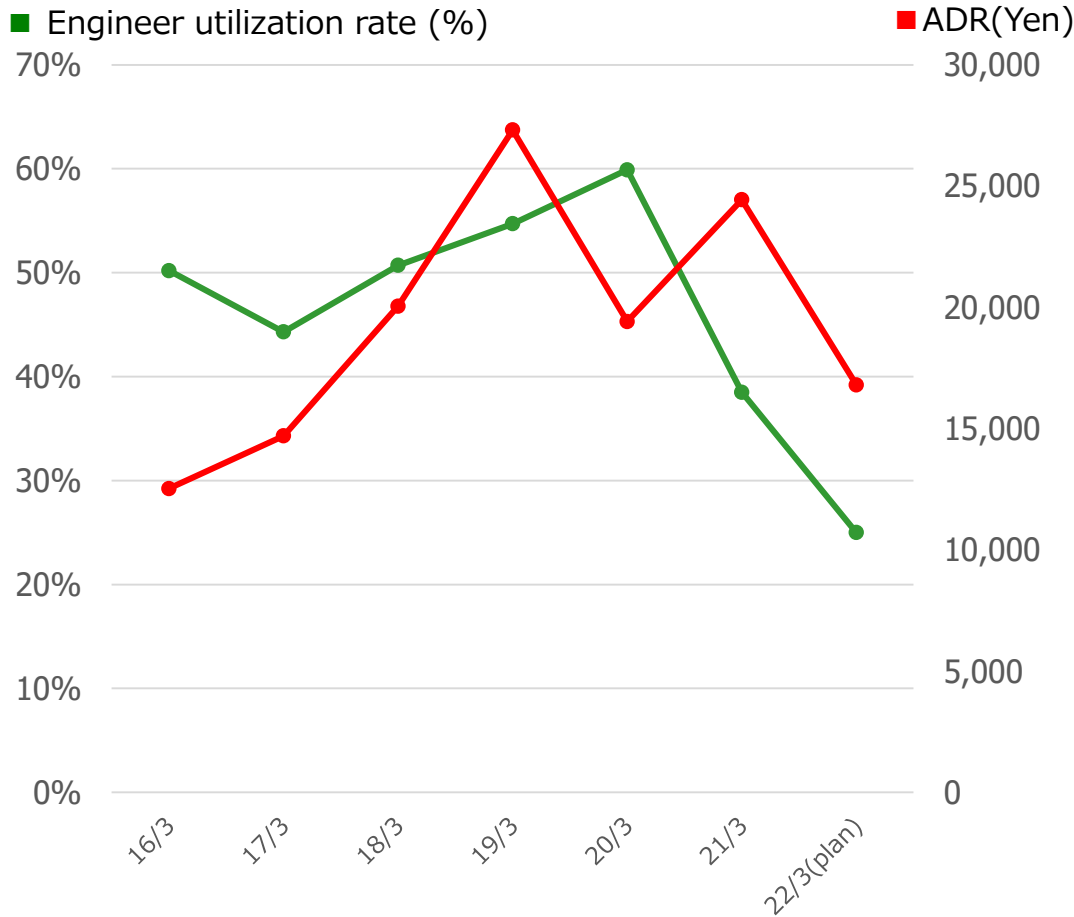
2-3. Property Business (Hotel business)

Trends in occupancy rate and ADR

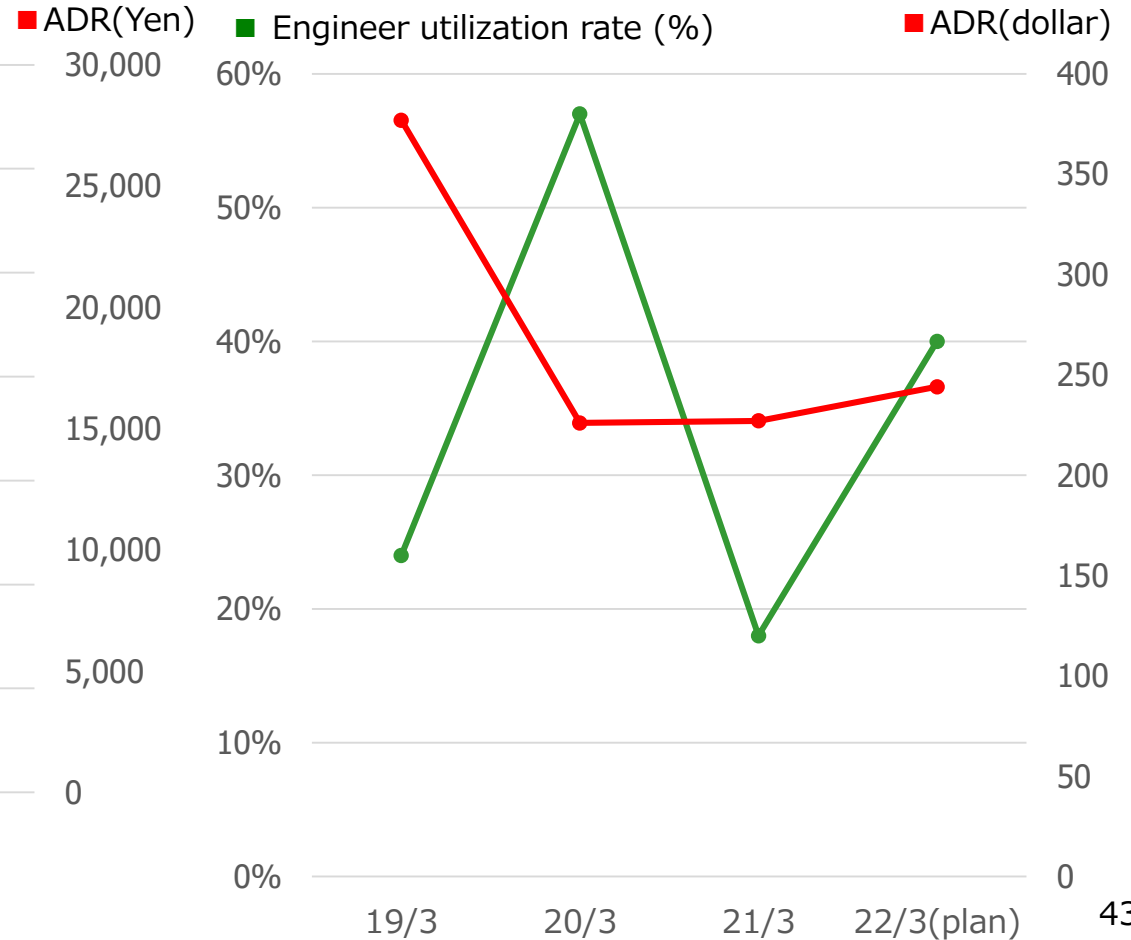
Domestic hotels : The new openings coincided with the emerging COVID-19 pandemic

Overseas Hotels : Both occupancy rate and ADR are on a recovery trend and will turn a profit in FY March 2023.

(Domestic hotels)



(Overseas Hotels)



2-3. Property Business (Hotel business)

Hotels opened previously and scheduled to open

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<Hotels opened and scheduled to open>

Ref	Area	Facility name	Number of Guest Rooms	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3	22/3	Assumed sales [※] (Billion Yen)	Start of operations
1	Okinawa	Hotel Hamahigashima Resort	29										0.2	May 2013
2	Hukushima	Urabandai Lake Resort	324										2.5	October 2015
3	Nagano	Le Grand Kyu Karuizawa Hotel	43										0.5	July 2016
4	Kyoto	Kyoto Granbell Hotel	105										0.7	July 2018
5	Nagano	Le Grand Karuizawa Hotel & Resort	58										4.5	July 2018
6	Sri Lanka	Le Grand Galle Hotel	48										0.6	July 2018
7	Maldives	The Westin Maldives Miriandhoo Resort	70										3.5	October 2018
8	Hawaii	EWA Hotel	92										0.6	April 2019
9	Osaka	Umeda Holic Hotel	117										0.5	April 2021
10	Osaka	Osaka Granbell Hotel	191										1.0	April 2021
11	Hokkaido	Sapporo Granbell Hotel	218										1.2	April 2021
12	Hokkaido	Jozankei View Hotel	647										5.0	August 2021
13	Hokkaido	Susukino Granbell Hotel	300										1.5	September 2021
14	Sri Lanka	Granbell Hotel Colombo	292										1.7	April 2022(forecast)
15	Ginza	Ginza Hotel	102										0.8	March 2024 (forecast)
16	Hokkaido	Sapporo Granbell Hotel Premiere	606										2.9	April 2025 (forecast)
		Total	3242										27.7	

*Sales forecast includes the recovery of inbound tourism after COVID-19 subsidies.

Net sales of more than 25.0 billion yen and operating income of more than 5.0 billion yen are expected when inbound tourism recovers and business is on track for growth after COVID-19 subsidies.

2-4. Returns to shareholders

Dividend of 19 yen per share to be paid. Dividends have been increasing for four consecutive years.

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<Annual dividends >

	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022(Plan)
EPS(yen)	99.41	106.39	60.62	114.17	129.31
Dividend(yen)	12.5	15.0	16.0	16.5	19.0

<Shareholder incentive program>

[Details]

	100 shares or more	500 shares or more	1,000 shares or more
Complimentary ticket for the general mail order business, complimentary coupons that can be used at Belluna online stores, or gift of assortment of gourmet food/wine products	For the value of 1,000 yen	For the value of 3,000 yen	For the value of 5,000 yen
Complimentary ticket for Urabandai Lake Resort	One pc	Two pcs	Four pcs
Complimentary ticket for Le Grand Kyu Karuizawa	One pc	One pc	One pc

[Eligible shareholders]

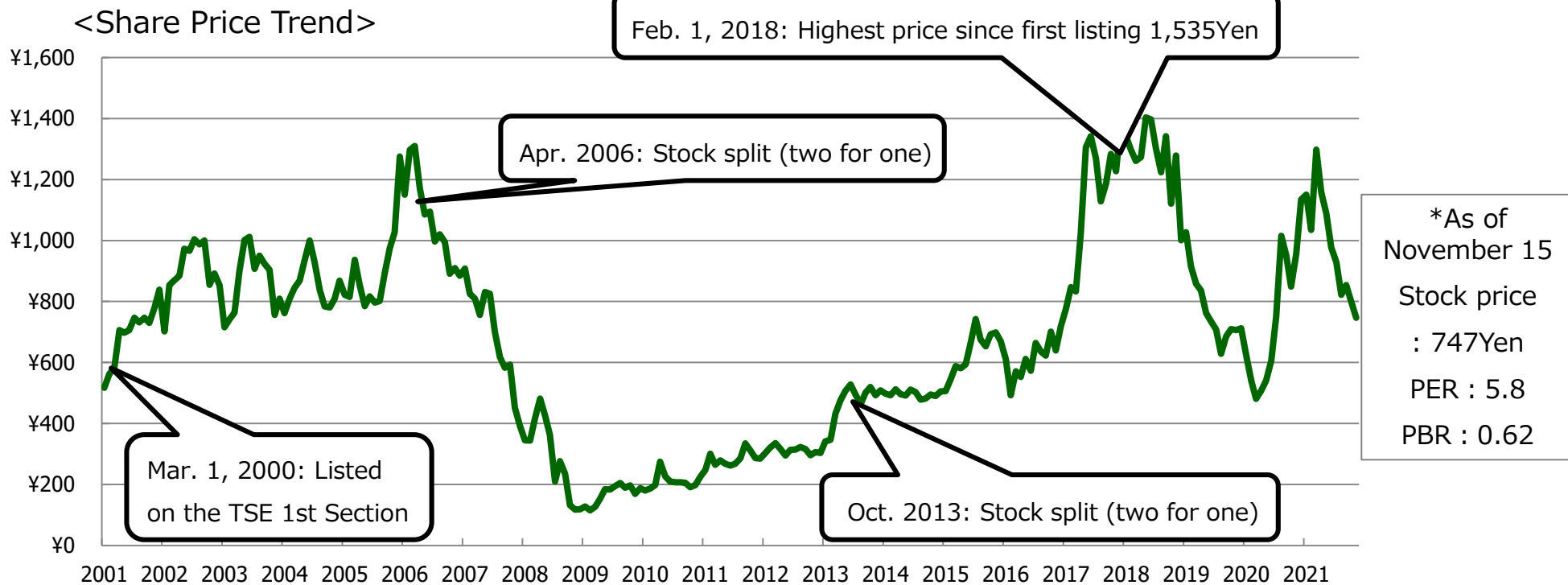
Shareholders who own at least 100 shares of the Company at the end of March and September (Twice a year)

* Complimentary ticket for Le Grand Kyu Karuizawa is only provided once a year (issued in early December).



2-4. Trend in Stock Price (2001 through November 2021)

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<Plan for FY March 2022 and The Fifth Business Plan>

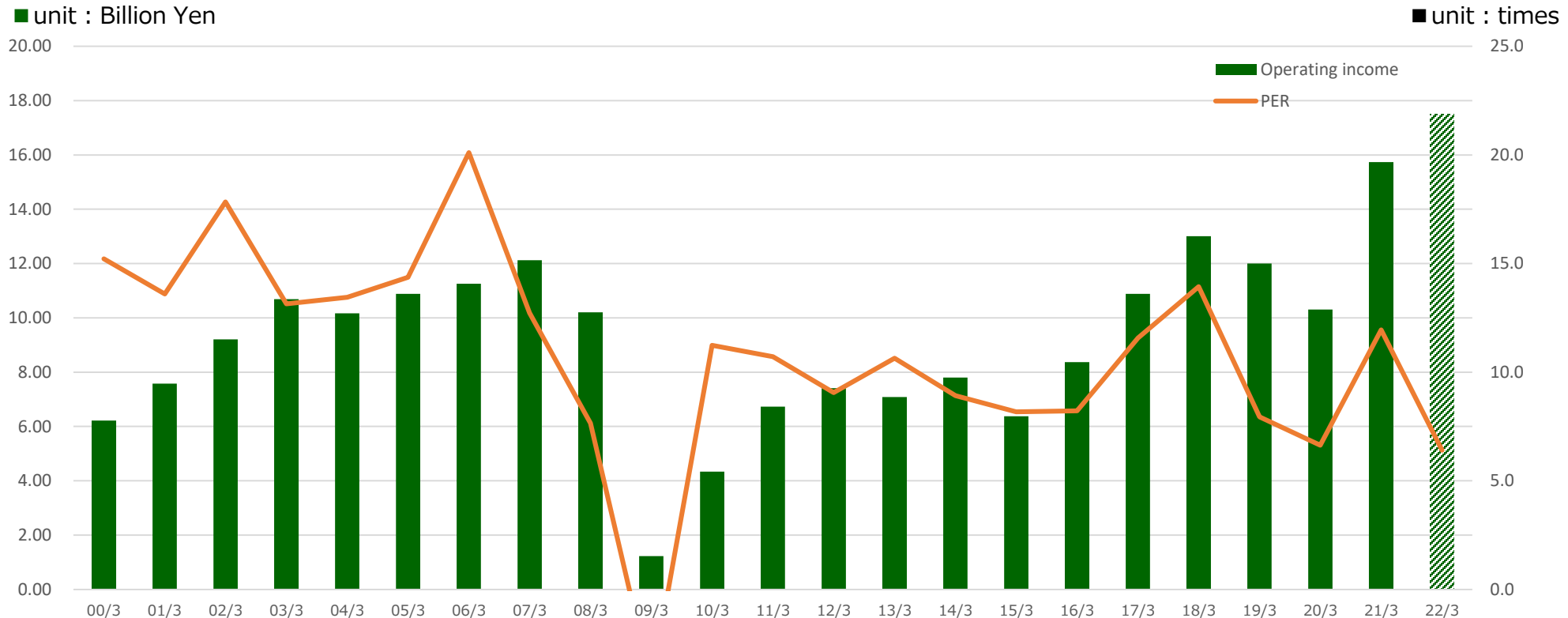
	FY March 2022		FY March 2023		FY March 2024		FY March 2025	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Mail Order Business	196.66	16.10	216.09	17.70	234.51	19.39	252.76	21.43
Kimono-Related Business	25.68	0.35	27.72	1.20	30.37	1.74	33.51	2.12
Property Business	21.25	1.65	15.71	1.35	21.58	3.67	21.91	4.02
Other Business + adjustments	2.22	-0.64	0.47	-0.24	3.55	0.20	1.83	0.43
Total	246.00	17.50	260.00	20.00	290.00	25.00	310.00	28.00

2-4. Trends in PER and Financial Results

(FY March 2000 through forecast for FY March 2022)

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<Trends in PER and operating income since the stock was first listed>



<Trends in financial results, PER, and PBR>

	00/3	01/3	02/3	03/3	04/3	05/3	06/3	07/3	08/3	09/3	10/3	11/3	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3	22/3 (Plan)
Net sales	61.4	77.2	90.0	105.1	109.6	115.1	121.9	129.9	125.2	109.9	100.1	103.5	110.3	117.9	125.4	120.7	131.7	146.1	161.7	177.6	179.9	206.5	246.0
Operating income	6.2	7.6	9.2	10.7	10.2	10.9	11.3	12.1	10.2	1.2	4.3	6.7	7.4	7.1	7.8	6.4	8.4	10.9	13.0	12.0	10.3	15.7	17.5
Net assets	25.6	28.3	32.9	37.3	42.7	48.9	57.2	64.7	64.3	53.8	54.2	57.5	60.8	66.6	73.5	79.5	80.6	87.8	93.1	100.5	102.5	113.2	79.8
PER	15.2	13.6	17.8	13.1	13.4	14.4	20.1	12.7	7.6	-4.4	11.2	10.7	9.1	10.6	8.9	8.2	8.2	11.6	13.9	7.9	6.6	12.0	6.4
PBR	1.9	2.3	3.1	2.3	2.3	2.1	2.6	1.4	0.7	0.2	0.4	0.5	0.6	0.8	0.8	0.7	0.7	0.9	1.3	0.9	0.5	1.1	0.7

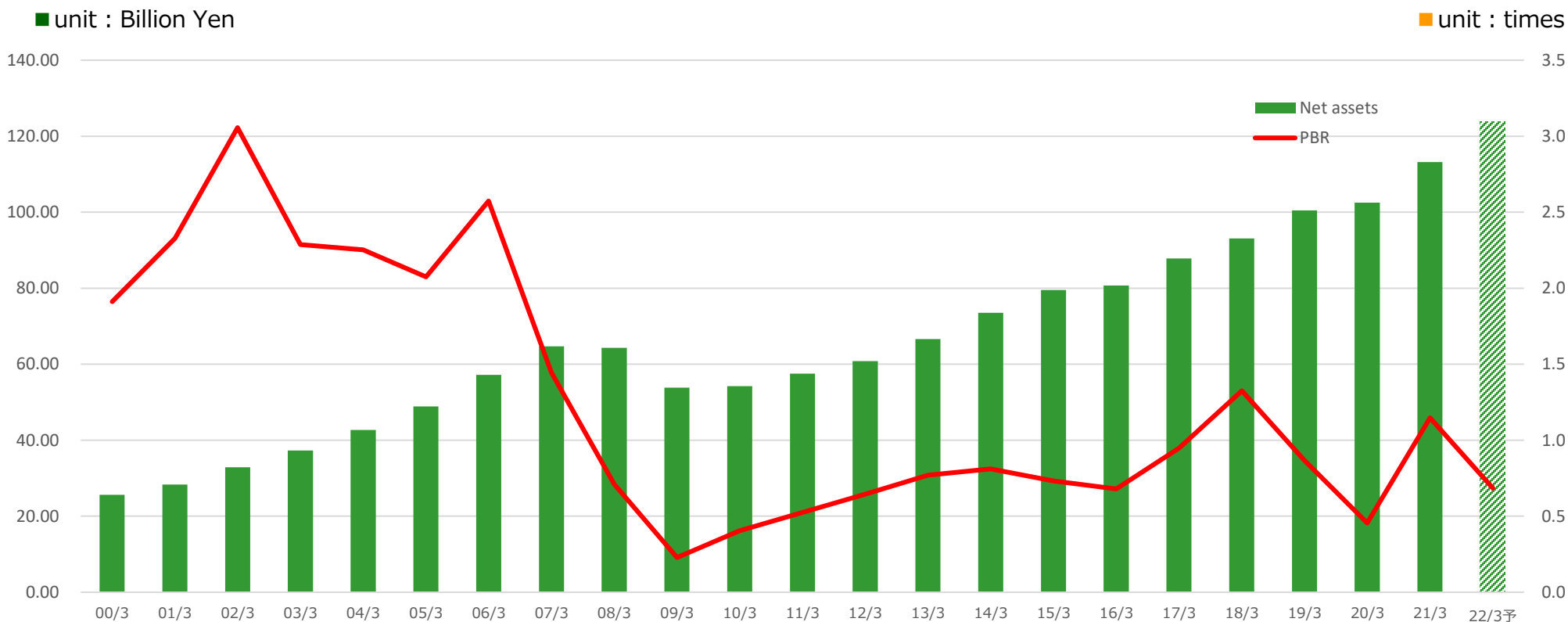
*Forecast for FY March 2022 uses the stock price as of the end of October.

2-4. Trends in PBR and Net Assets

(FY March 2000 through forecast for FY March 2022)

BELLUNA

<Trends in PBR and net assets since the stock was first listed>



<Trends in financial results, PER, and PBR>

	00/3	01/3	02/3	03/3	04/3	05/3	06/3	07/3	08/3	09/3	10/3	11/3	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3	22/3 (Plan)
Net sales	61.4	77.2	90.0	105.1	109.6	115.1	121.9	129.9	125.2	109.9	100.1	103.5	110.3	117.9	125.4	120.7	131.7	146.1	161.7	177.6	179.9	206.5	246.0
Operating income	6.2	7.6	9.2	10.7	10.2	10.9	11.3	12.1	10.2	1.2	4.3	6.7	7.4	7.1	7.8	6.4	8.4	10.9	13.0	12.0	10.3	15.7	17.5
Net asset	25.6	28.3	32.9	37.3	42.7	48.9	57.2	64.7	64.3	53.8	54.2	57.5	60.8	66.6	73.5	79.5	80.6	87.8	93.1	100.5	102.5	113.2	123.8
PER	15.2	13.6	17.8	13.1	13.4	14.4	20.1	12.7	7.6	-4.4	11.2	10.7	9.1	10.6	8.9	8.2	8.2	11.6	13.9	7.9	6.6	12.0	6.4
PBR	1.9	2.3	3.1	2.3	2.3	2.1	2.6	1.4	0.7	0.2	0.4	0.5	0.6	0.8	0.8	0.7	0.7	0.9	1.3	0.9	0.5	1.1	0.7

*Forecast for FY March 2022 uses the stock price as of the end of October.

The fiscal year ending March 2022 is the final year of the Fourth Business Plan. The Company will develop a foundation for the Fifth Business Plan.

<Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results of the 1st Half ended September 30, 2021. 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 November 19, 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.

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