

Supplementary Information for Financial Results of the Third Quarter ended December 31, 2021

BELLUNA

Monday January 31, 2022

1. Consolidated Statement of Income

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Net sales: Up 9.4% year on year

Operating income: -12.0% year on year

Profit in the General Mail Order, Cosmetics & Health Food, and Nurse-related Business segments decreased despite sales of real estate in the Property segment and decreased losses in the Kimono-related Business. Ordinary income and net income also decreased.

Unit: Billion Yen

Consolidated	FY March 2021/3Q	FY March 2021/3Q		FY March 2022
	Actual	Actual	YoY Change	Revised Plan
Net Sales	154.15	168.63	9.4%	217.10
Cost of Sales	63.86	70.24	10.0%	90.60
Selling, General & Administrative Expenses	78.65	88.17	12.1%	113.00
Operating income	11.61	10.22	-12.0%	13.50
Non-operating income and Expenses	0.88	0.77	-12.0%	0.90
(Exchange rate-related gains and losses)	(-0.15)	(0.32)	-	-
Ordinary income	12.49	10.99	-12.0%	14.40
Net income	8.62	7.75	-10.1%	9.80

2. Profitability by segment

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

Operating income: Increased in five segments including Property and 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 advertising expenses.
- The deficit in the Kimono Related segment was reduced primarily by a decrease in the impact of temporary store closures.
- The Property segment sold four real estate and achieved growth in both sales and income.

Consolidated Net Sales and Operating Income by Segment

Unit: Billion Yen

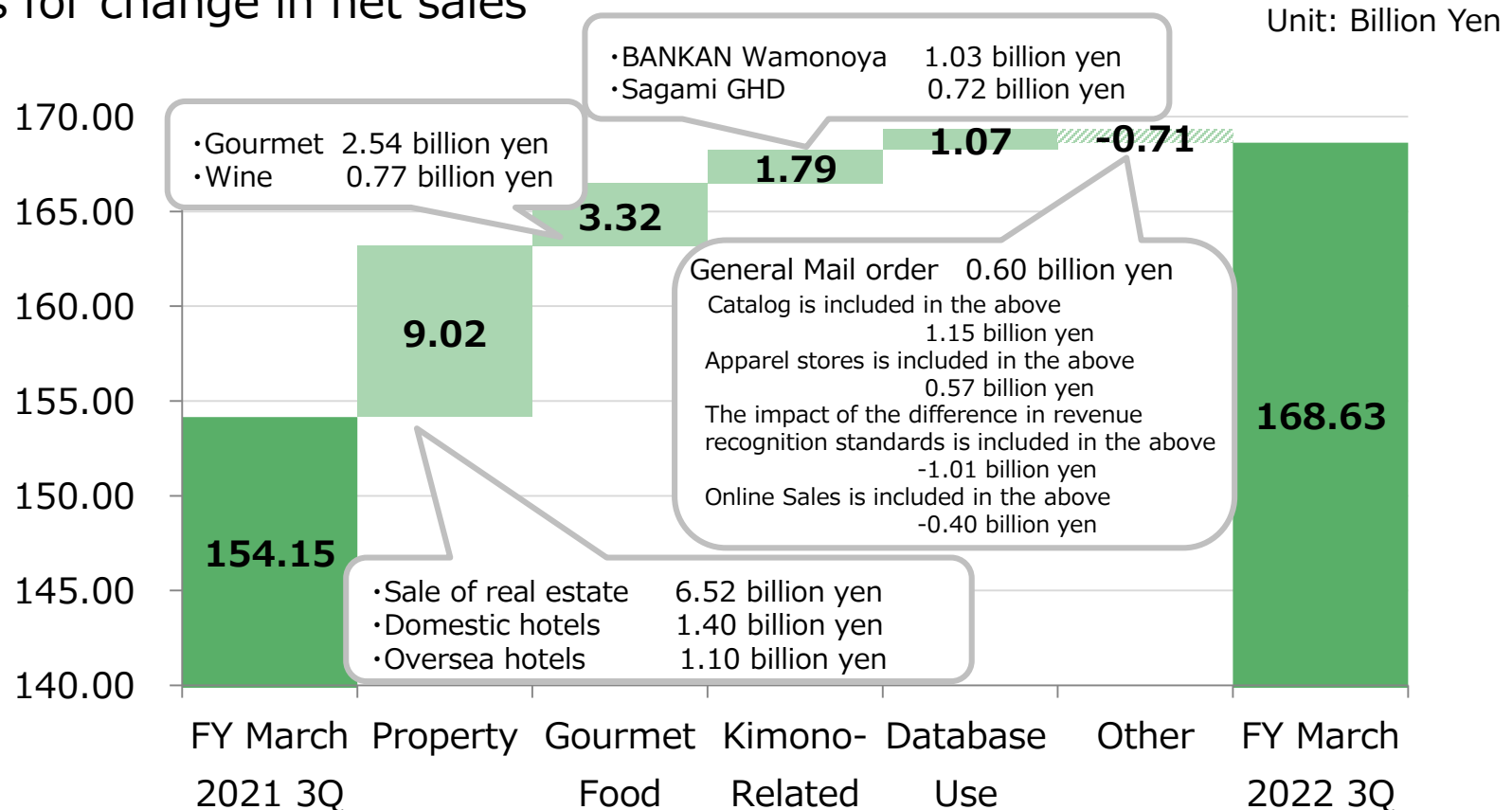
	FY March 2022/3Q									
	General Mail Order	Cosmetics & Health Food	Gourmet Food	Nurse-Related	Database Use	Kimono-Related	Property	Other	Adjustments	Total
Net Sales	77.84	11.76	23.36	12.10	11.43	15.25	14.43	3.19	-0.73	168.63
YoY Change(%)	+0.8%	-13.2%	+16.6%	+6.2%	+10.3%	+13.3%	+166.7%	-5.8%	+4.0%	+9.4%
Operating Income	2.06	1.34	1.94	0.88	4.28	-1.24	1.27	0.00	-0.31	10.22
YoY Change(billion yen)	-2.89	-0.48	0.00	-0.47	0.32	1.03	1.07	0.05	-0.02	-1.39
Operating Income Ratio	2.7%	11.4%	8.3%	7.3%	37.4%	-8.1%	8.8%	0.0%	42.6%	6.1%

3. Analysis of increases and decreases in sales

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General Mail Order increased due to active advertising in the first half of the year. In the Property segment, sales increased with the sale of real estate and the contribution made by both existing hotels and new hotels in Japan and abroad. Sales in the Gourmet Food segment also increased thanks particularly to the strong sales of New Year's Osechi dishes. 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



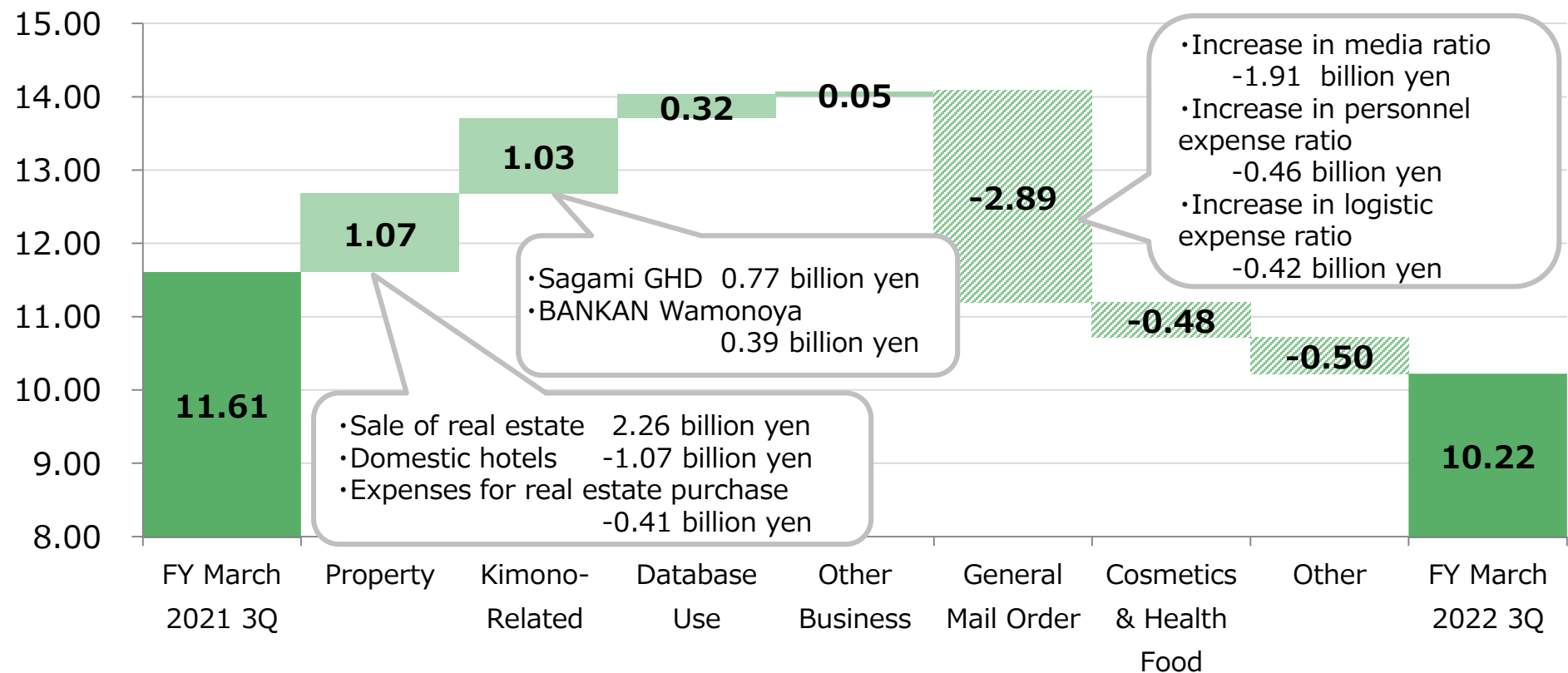
4. Analysis of increases and decreases in operating income

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In the General Mail Order segment, the advertising expense ratio, distribution expense ratio, and personnel expense ratio increased as the total of third quarters due in part to a fall in the responsiveness of existing customers despite the reduction of advertising expenses from the third quarter. Meanwhile, operating income in the Kimono-Related and Property segments increased as a result of a decrease in the impact of temporary store closures in the Kimono-Related segment and progress with sales of real estate in the Property segment.

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 in liabilities.

Unit: Billion Yen

	FY March 2021	FY March 2022/3Q	Change
Current Assets	115.53	125.22	9.68
Cash and deposits	30.78	29.38	-1.40
Notes and accounts receivable - trade	10.24	15.10	4.86
Merchandise and finished goods	22.01	28.18	6.17
Fixed Assets	124.68	134.42	9.75
Tangible fixed assets	92.56	100.83	8.28
Investments and other assets	21.21	22.22	1.01
Total Assets	240.21	259.64	19.43
Liabilities	126.98	139.57	12.59
Notes and accounts payable - trade	22.25	28.81	6.56
Interest bearing liabilities	72.71	78.75	6.04
Net Assets	113.23	120.07	6.83
[Shareholders' Equity Ratio]	[46.9%]	[45.9%]	[-1.0P]

6. Revision of earnings forecast (by segment)

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In the General Mail Order segment, net sales and operating income are both expected to decrease due to a fall in demand of stay-at-home consumers below the initial forecast. While other mail order and Database Use Business segments are likely to generally maintain the forecast level, the Property segment is expected to fall below the forecast due partly due to the cost of acquiring hotels.

Plan by segment

Unit: Billion Yen

	FY March 2022 Revised plan									
	General Mail Order	Cosmetics & Health Food	Gourmet Food	Nurse-Related	Database Use	Kimono-Related	Property	Other	Adjustments	Total
Net Sales	97.84	15.74	29.78	15.95	15.16	23.75	16.06	4.18	-1.32	217.10
vs. plan(%)	-18.5%	-15.4%	+6.4%	+1.3%	+5.8%	-7.5%	-24.4%	-20.0%	-53.0%	-11.7%
YoY Change(%)	-1.8%	-19.0%	+11.9%	+8.0%	+6.8%	+10.7%	+130.0%	-3.8%	+43.4%	+5.1%
Operating Income	1.72	1.77	2.19	1.19	5.56	0.54	1.08	-0.11	-0.44	13.50
vs. plan(billion yen)	-4.03	-0.17	0.21	-0.30	0.62	0.18	-0.57	-0.16	0.22	-4.00
YoY Change(billion yen)	-3.54	-0.88	0.01	-0.58	0.06	1.60	1.08	0.03	-0.01	-2.24

<Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results of the Third Quarter ended December 31, 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 January 31, 2022. 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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