

**CORPORATE
(Fiscal Year Ended
March 31,
PRESENTATION 2022)**

Belluna Co., Ltd.
Stock Code : 9997

BELLUNA

Friday, May 27, 2022

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1. Financial Highlights

1. Financial overview
2. Consolidated Statement of Income
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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 increased year on year, reaching record high. Operating income, ordinary income, and net income decreased year on year but exceeded the forecasts revised on Jan. 31, 2022.

- Net sales increased 6.6% year on year, 1.4% above the forecast.
- Operating income decreased 12.1% year on year, but 2.4% above the forecast.
- Ordinary income decreased 13.8% year on year, but 1.0% above the forecast.
- Net income decreased 7.5% year on year, but 4.1% above the forecast.

1-2. Consolidated Statement of Income

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Net sales: Up 6.6% year on year, 1.4% above the forecast.

Operating income: -12.1% year on year, 2.4% above the forecast

Ordinary income and net income also decreased but exceeded the forecasts.

Unit: Billion Yen

Consolidated	FY March 2021	FY March 2022		FY March 2023	
	Actual	Actual	vs. Plan (revised on Jan. 31)	YoY Change	Plan
Net Sales	206.50	220.13	1.4%	6.6%	219.00
Cost of Sales	84.94	90.82	0.6%	6.9%	90.60
Selling, General & Administrative Expenses	105.82	115.48	1.8%	9.1%	113.40
Operating income	15.73	13.83	2.4%	-12.1%	15.00
Non-operating income and Expenses	1.14	0.71	-21.1%	-37.6%	0.70
(Exchange rate-related gains and losses)	(0.06)	(0.54)	-	-	-
Ordinary income	16.87	14.54	1.0%	-13.8%	15.70
Net income	11.04	10.20	4.1%	-7.5%	10.60

1-3. Profitability by segment

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Net sales : Increased in five segments including Gourmet Food and Nurse-Related business.

Operating income: Increased in Kimono-Related, Property and four other segments.

It decreased in Apparel & Furniture, Goods and four other segments.

- Operating income decreased in Apparel & Furniture, Goods primarily due to a slowdown in the response rate of existing customers caused by the subsiding impact of the increase in COVID-19 infections.
- Both net sales and operating income increased in the Kimono-Related segment as a result of a decrease in the impact of temporary store closures, an increase in the average efficiency of receiving orders per store, and cost reduction measures.

Consolidated Net Sales and Operating Income by Segment

Unit: Billion Yen

	FY March 2022									
	Apparel & Furniture, Goods	Cosmetics & Health Food	Gourmet Food	Nurse-Related	Database Use	Kimono-Related	Property	Other	Adjustments	Total
Net Sales	98.25	16.05	30.12	16.01	15.28	24.02	17.30	4.02	-0.90	220.13
vs.Plan(%) (revised on Jan. 31)	0.4%	2.0%	1.1%	0.3%	0.8%	1.1%	7.7%	-3.8%	-33.7%	1.4%
YoY Change(%)	-1.4%	-12.3%	10.9%	0.4%	7.7%	12.0%	147.7%	-4.4%	-32.2%	6.6%
Operating Income	2.09	1.83	2.27	1.02	5.69	0.59	0.87	-0.10	-0.44	13.83
vs.Plan(billion yen) (revised on Jan. 31)	0.37	0.06	0.08	-0.17	0.13	0.05	-0.21	0.01	0.00	0.33
YoY Change (billion yen)	-3.16	-0.81	0.12	-0.78	0.19	1.65	0.86	0.03	-0.01	-1.91
Operating Income Ratio	2.1%	11.4%	7.5%	6.4%	37.3%	2.5%	5.0%	-2.5%	48.5%	6.3%

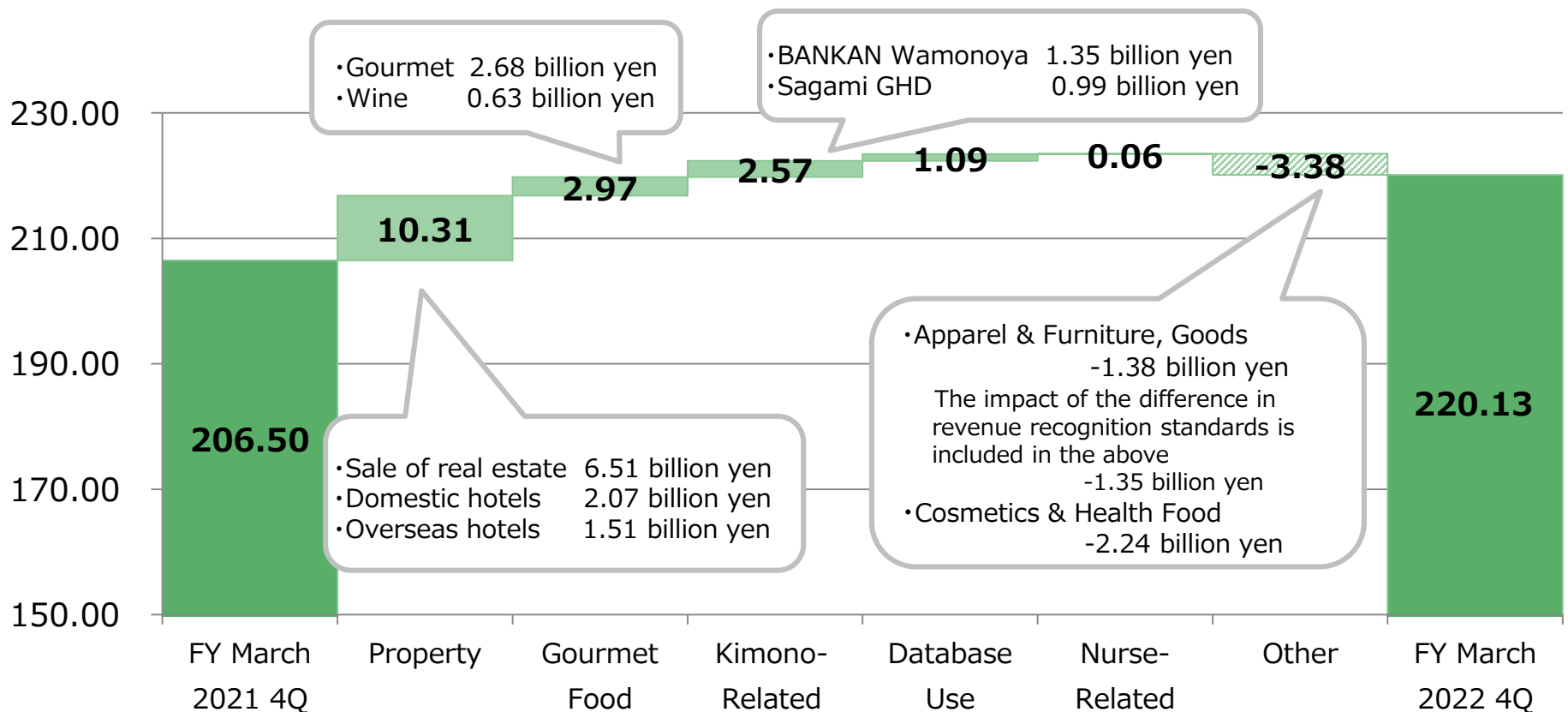
1-4. Analysis of increases and decreases in sales

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In the Property segment, sale of real estate and new hotels contributed to an increase in net sales. Net sales in the Gourmet segment rose thanks in part to strong sales of Osechi New Year dishes. Net sales grew in the Kimono-Related segment thanks to a decrease in the impact of temporary store closures and an increase in the average efficiency of receiving orders per store. Meanwhile, operating income fell in the Apparel & Furniture, Goods segment as a result of prioritizing profit by reducing advertising expenses in the second half of the fiscal year. Net sales fell in the Cosmetics & Health Food segment due to an increase in COVID-19 infections in Taiwan.

Factors for change in net sales

Unit: Billion Yen

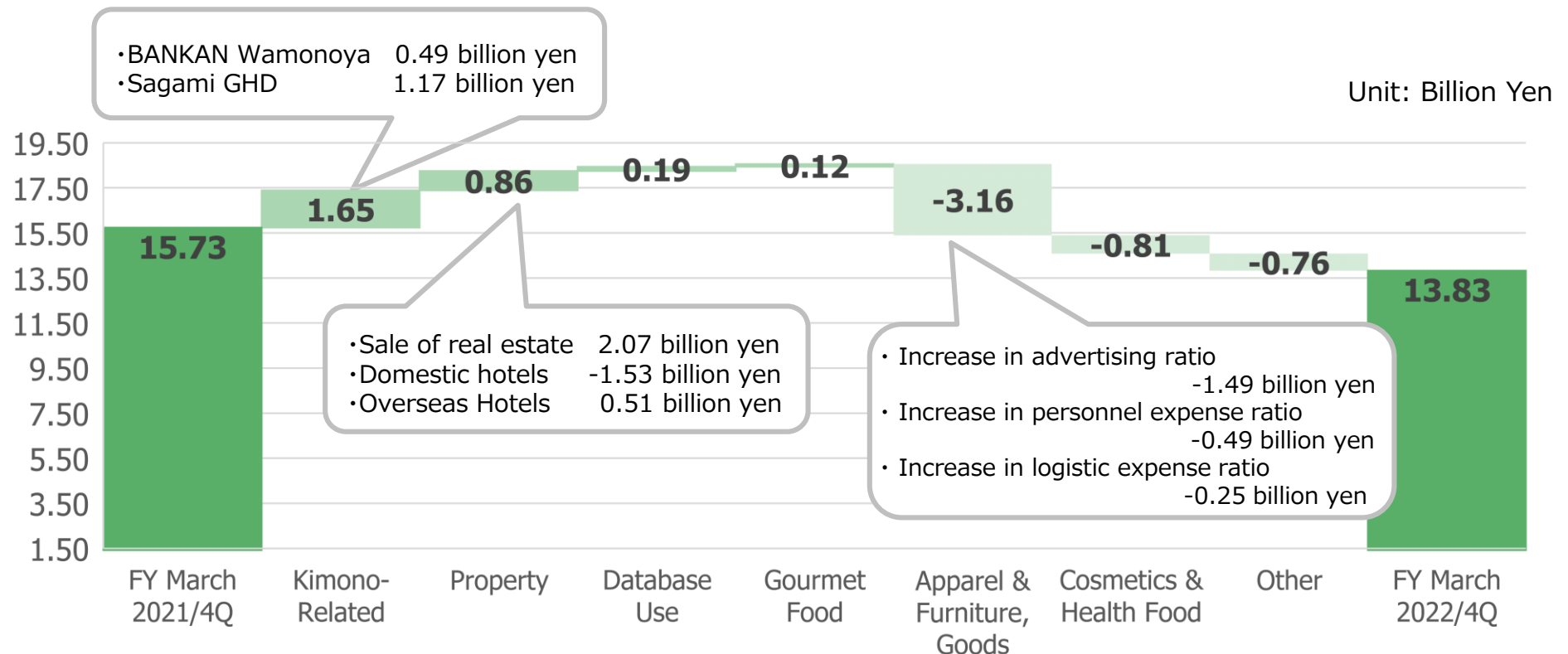


1.5. Analysis of increases and decreases in operating income

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In the Apparel & Furniture, Goods segment, the media ratio, logistic expense ratio, and personnel expense ratio increased largely due to a slowdown in the responsiveness of existing customers despite the reduction of advertising expenses in the second half of the fiscal year. Meanwhile, operating income rose in the Kimono-Related segment as a result of a decrease in the impact of temporary store closures, an increase in the average efficiency of receiving orders per store, and reduced expenses.

Factors for change in operating income



1-6. Balance sheet

Among current assets, while cash and deposits, real estate for sale in process etc. **BELLUNA** decreased, merchandise and finished goods increased. 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 March 31,2022	Change
Current Assets	115.53	118.13	2.60
Cash and deposits	30.78	28.59	-2.19
Merchandise and finished goods	22.01	26.67	4.66
real estate for sale in process	9.52	7.03	-2.49
Non-current assets	124.68	136.05	11.37
Tangible fixed assets	92.56	103.34	10.78
Investments and other assets	21.21	22.42	1.21
Total Assets	240.21	254.18	13.97
Liabilities	126.98	135.13	8.15
Notes and accounts payable-trade	22.25	22.30	0.05
Income taxes payable	4.91	2.04	-2.86
Interest-bearing liabilities	72.71	83.55	10.84
Net assets	113.23	119.04	5.81
[Shareholders' Equity Ratio]	[46.9%]	[46.5%]	[-0.4P]

1-7. Statement of cash flows

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Cash flow from operating activities decreased year on year chiefly due to an increase in corporate income and resident taxes (amount paid).

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 1.39 billion yen.

	FY March 2021	FY March 2022		Unit: Billion Yen
		Actual	YoY Change	
Cash flows from operating activities	20.77	7.15	-13.62	
Profit before income taxes	17.74	15.31	-2.43	
Decrease (increase) in inventories	-1.09	-4.16	-3.06	
Corporate income and resident taxes (amount paid)	-3.40	-7.83	-4.43	
Cash flows from investing activities	-5.19	-17.03	-11.85	
Purchase of tangible fixed assets	-7.83	-15.80	-7.97	
Proceeds from sale of property, plant and equipment	2.25	0.41	-1.85	Capital expenditure *1
Purchase of shares of subsidiaries	0.00	-0.63	-0.63	17.03 billion yen
Cash flows from financing activities	-7.00	8.65	15.65	
Increase (decrease) in long and short-term loans payable	-5.09	10.60	15.69	Depreciation *2
Cash dividends paid	-1.55	-1.74	-0.19	3.66 billion yen
Translation differences on cash	0.07	-0.16	-0.23	
Increase (decrease) in cash	8.66	-1.39	-10.05	

*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 2023

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The fiscal year ending March 2023 is first year of the Fifth Business Plan. The Company is building the foundation of its business to prepare for the maturation of the general trading company in the mail-order business.

Unit : Billion Yen

Consolidated	FY March 2021		FY March 2022		FY March 2023	
	Revised plan	Actual	Revised plan	Actual	Plan	YoY Change
Net Sales	200.00	206.50	217.10	220.13	219.00	-0.5%
Operating Income	14.00	15.73	13.50	13.83	15.00	+8.5%
Ordinary Income	14.80	16.87	14.40	14.54	15.70	+8.0%
Net Income	10.50	11.04	9.80	10.20	10.60	+3.9%
Interest Bearing Liabilities	73.00~78.00	72.71	75.00~78.00	83.55	91.00~94.00	+8.9~12.5%
Net Assets	110.00	113.23	123.96	119.04	125.10	+5.1%
ROE	9.9%	10.3%	8.3%	8.8%	8.7%	-0.1P

1-8. Plan for FY March 2023 (by segment)

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Property Business and Kimono-Related Business and are expected to lead the growth of profit.

The business will focus on profit, taking into account the decrease in the impact of COVID-19.

Plan by segment

Unit: Billion Yen

	Plan for FY March 2023									
	General Mail Order	Cosmetics and Health Food	Gourmet Food	Nurse-Related	Database Use	Kimono-Related	Property	Other	Adjustments	Total
Net Sales	90.07	15.16	32.79	15.74	15.62	25.23	20.23	4.67	-0.50	219.00
YoY Change(%)	-8.3%	-5.6%	+8.9%	-1.7%	+2.2%	+5.1%	+17.0%	+16.1%	-44.6%	-0.5%
Operating Income	1.60	1.35	2.26	1.22	5.75	1.27	2.01	0.12	-0.58	15.00
YoY Change(billion yen)	-0.49	-0.48	-0.01	0.20	0.06	0.68	1.14	0.22	-0.14	1.17
Operating Income Ratio	1.8%	8.9%	6.9%	7.7%	36.8%	5.0%	9.9%	2.7%	-	6.8%

2. Management Policies and Initiatives

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1. Mail Order Business

1-①Apparel & Furniture, Goods Business

1-②Cosmetics and Health Food Business

1-③Gourmet Food Business

1-④Nurse-Related Business

1-⑤Database Use Business

2. Kimono-Related Business

3. Property Business

4. Returns to Shareholders

5. Share Price Trend

Review of the Fifth Business Plan

(FY March 2023~FY March 2025)

Final target

■ Net sales

261.0 Billion Yen

(Average annual growth rate:9.2%)

■ Operating income

22.6 Billion Yen

(Average annual growth rate:22.8%)

■ ROE

10% or more

Medium- to long-term policy

Set milestone goals of achieving net sales of 300 billion yen and operating income of 30 billion yen and aim to achieve the maturation of the general trading company in the mail-order business.

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

- Ongoing deflationary mindset
- Decrease in demand from people refraining from leaving home
- Growth of internet business
- Diversification of consumption
- Steep rise in the prices of raw materials and other resources

Internal environment

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

2. Management Policy – Business Environment (ranking of mail order business companies)

Ranking	Company	Category	通販売上高	YoY
1	Amazon Japan	Internet-specialized	2,185,200	25.2%
2	ASKUL	B to B	422,151	5.4%
3	MISUMI Group Inc.	B to B	310,719	-0.8%
4	JAPANET HOLDINGS Co.,Ltd	TV mail order	240,500	15.8%
5	Yodobashi Camera	Home electric appliances	222,143	60.3%
6	Benesse Corporation	Correspondence education	188,458	3.3%
7	OTSUKA CORPORATION	B to B	163,448	-1.9%
8	Jupiter Shop Channel Co.,Ltd.	TV mail order	161,052	-1.4%
9	MonotaRO	B to B	157,337	19.7%
10	Bic Camera	Home electric appliances	156,400	8.9%
11	BELLUNA	General	154,585	25.5%
12	ZOZO	Internet-specialized	147,402	17.4%
13	UNIQLO CO., LTD.	Apparel	126,900	17.9%
14	QVCJapan, Inc.	TV mail order	120,900	7.9%
15	Suntory Wellness Ltd.	Cosmetics & Health Food	102,825	4.6%
16	Oisix ra daichi Inc.	Food	100,061	40.9%
17	DINOS CORPORATION	General	94,703	-2.4%
18	Scroll Corporation	General	85,195	17.3%
19	Joshin Denki Co.,Ltd.	Home electric appliances	71,706	25.5%
20	Nitori Holdings Co., Ltd.	Furniture, Goods	70,500	59.2%

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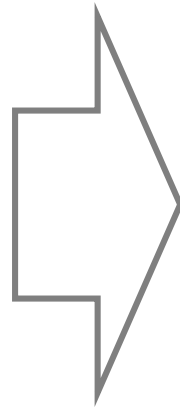
Unit : Million yen

2. Segments

The current 8 segments will be reorganized into 4 segments in reports

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



Reportable Segments

1. Mail 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.

2. Management Policies The Fifth Business Plan

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

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Unit: Billion Yen

	FY March 2023		FY March 2024		FY March 2025	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income
Mail Order Business	169.37	12.18	185.74	14.52	202.07	17.04
Apparel & Furniture, Goods Business	90.07	1.60	98.21	3.31	104.80	4.88
Cosmetics and Health Food Business	15.16	1.35	16.86	1.53	18.62	1.67
Gourmet Food Business	32.79	2.26	36.90	2.52	41.33	2.86
NurseRelated Business	15.74	1.22	16.61	1.34	17.70	1.52
Database Use Business	15.62	5.75	17.15	5.81	19.61	6.12
Kimono-Related Business	25.23	1.27	27.67	1.73	31.09	2.11
Property Business	20.23	2.01	20.46	2.60	21.98	3.10
Other Business	4.67	0.12	5.48	0.28	6.47	0.39
Adjustments	-0.50	-0.58	-0.35	-0.13	-0.60	-0.04
Total	219.00	15.00	239.00	19.00	261.00	22.60

Increasing product appeal will be a focus for achieving the targets in the 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 FY22/3 and Plan for FY23/3

Unit: Billion Yen

	FY March 2022 (Actual)		FY March 2023 (Plan)	
	Net Sales	Operating Income	Net Sales	Operating Income
Apparel & Furniture, Goods Business	98.25	2.09	90.07	1.60
Cosmetics & Health Food Business	16.05	1.83	15.16	1.35
Gourmet Food Business	30.12	2.27	32.79	2.26
NurseRelated Business	16.01	1.02	15.74	1.22
Database Use Business	15.28	5.69	15.62	5.75
Total	175.70	12.90	169.37	12.18

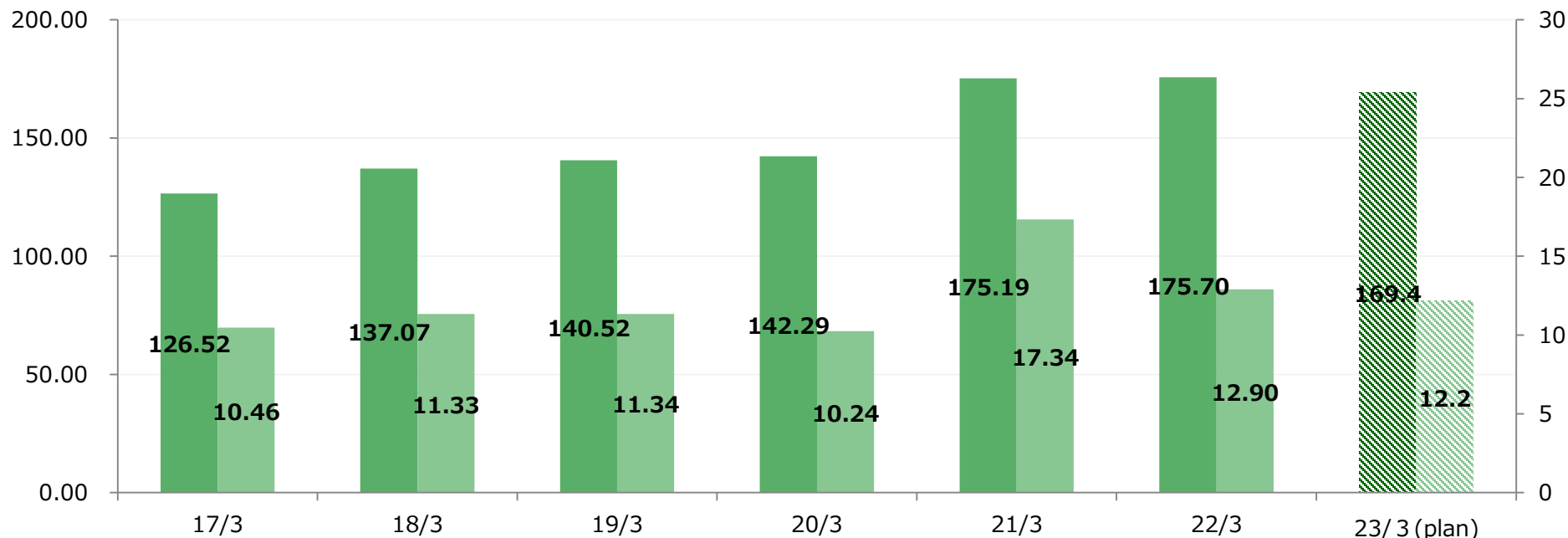
- Mail Order Business is expected to be temporarily stagnant when the impact of COVID-19 begins to decrease. The Company will continue to develop a new winning pattern and the foundation for re-growth based on the current trends.

2-1. Mail Order Business

Profit and loss trends and factors for financial results

Operating income declined in the previous fiscal year partly due to a slowdown in the responsiveness of existing customers despite the control of advertising expenses started in the second half of the fiscal year.

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



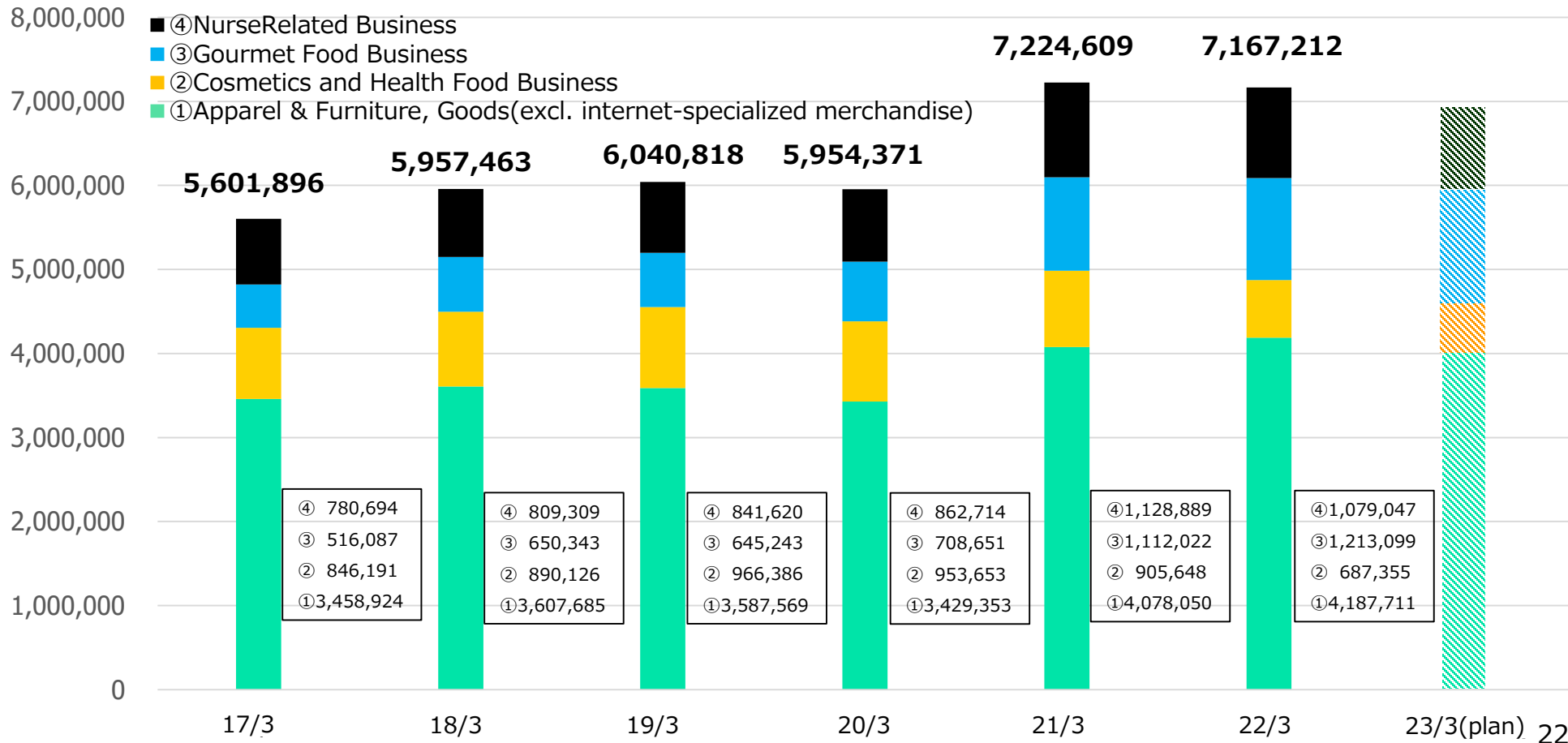
Factors in financial results	17/3	18/3	19/3	20/3	21/3	22/3	23/3
Positive factors	<ul style="list-style-type: none"> Improvement in ratio of logistics expenses the reinforcement of the online business 	<ul style="list-style-type: none"> the reinforcement of the online business 	<ul style="list-style-type: 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"> Improvement of the use of TV demand from nest dweller 		<ul style="list-style-type: none"> Strengthening branding the reinforcement of the online business
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 	<ul style="list-style-type: none"> Increase in the cost of goods sold and materials

2-1. Mail order Business

Number of active customers

The customer bases have been maintained or grown despite a slowdown in customer responsiveness amid the declining impact of COVID-19.

unit : people

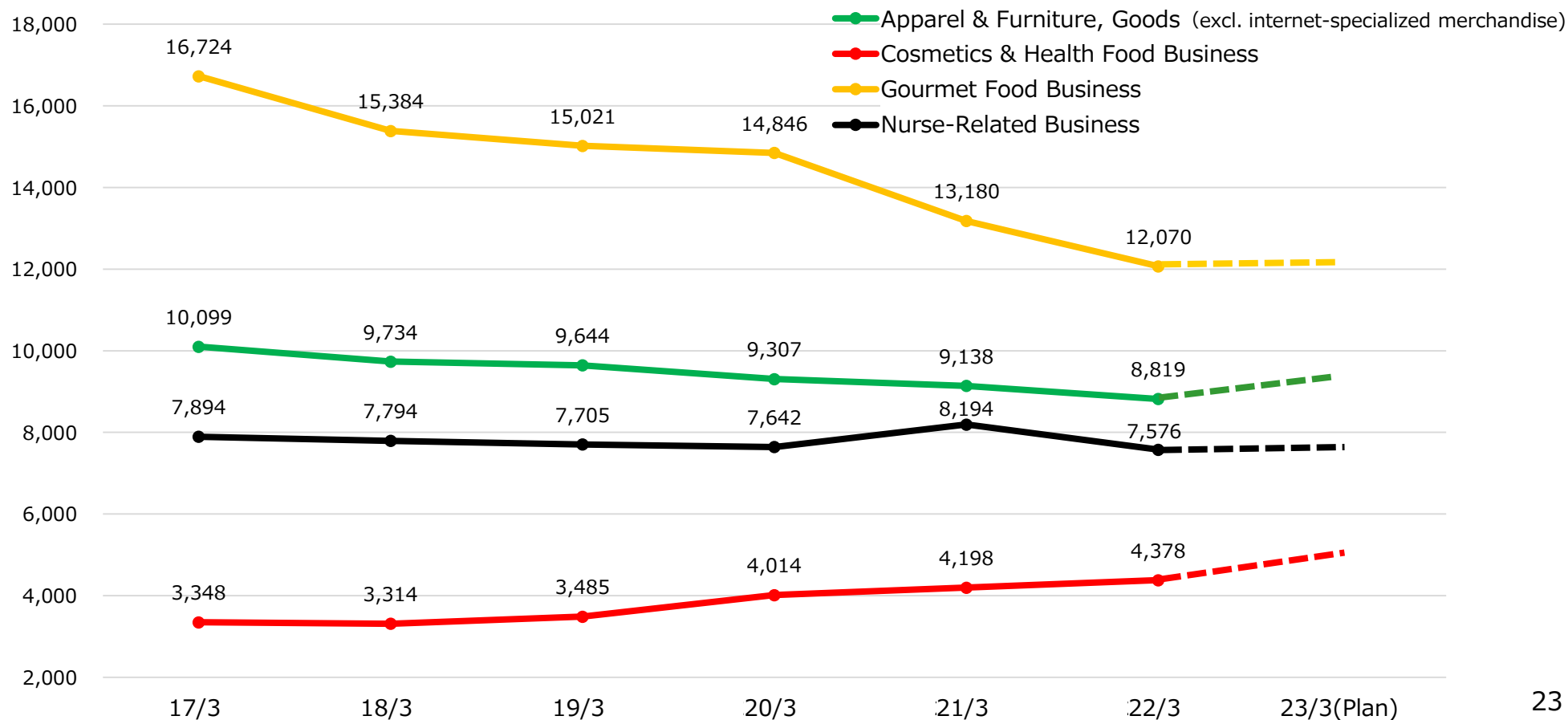


2-1. Mail order Business

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. The Company will improve branding, and value per order received is expected to increase in the current fiscal year.

unit : Yen

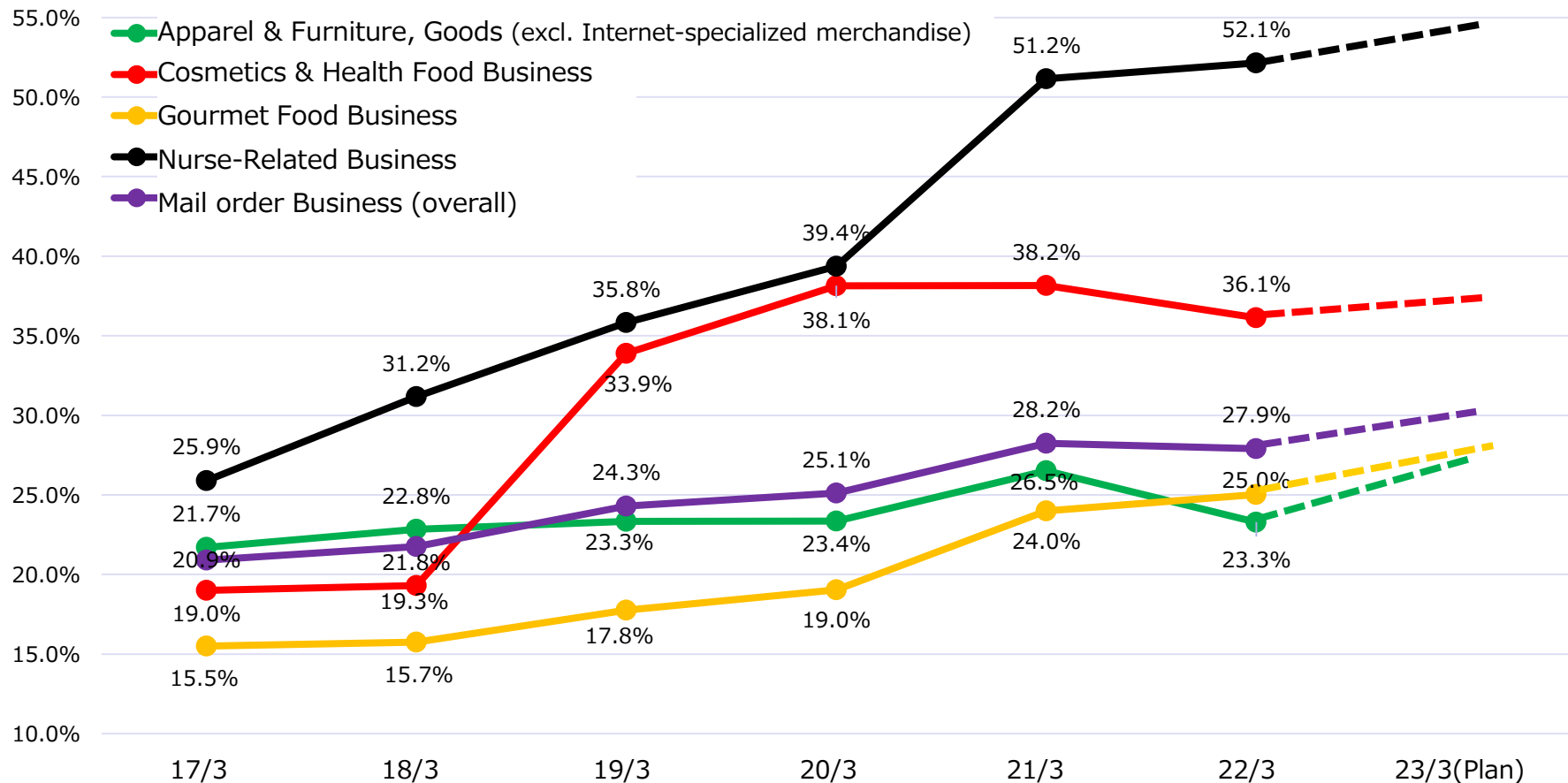


2-1. Mail order Business

The ratio of online sales

Remained unchanged in the fiscal year ended March 2022 partly due to a reactionary fall from the fiscal year ended March 2021, but it is expected to continue growing from now on.

unit : %



2-1-①. Apparel & Furniture, Goods

1. Results for FY22/3 and Plan for FY23/3

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Unit: Billion Yen

Business breakdown	FY March 2022(Actual)		FY March 2023(plan)	
	Net Sales	Operating income	Net Sales	Operating income
Apparel & Furniture, Goods ・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.	84.41	2.15	76.20	1.31
Min・ICnet・Maruchou・Select (Internet-specialized mail order) ・Min : Big-sized apparel mail order ・ICnet : Brand mail order ・Maruchou : General goods mailorder ・Select: women's apparel mail order sale	8.58	0.37	9.39	0.38
Apparel stores ・Rolled out Belluna brand nationwide (March 2022 84 stores)	5.38	-0.39	5.78	-0.05
Total	98.25	2.09	90.07	1.60

・ Operating income decreased primarily due to a slowdown in the response rate of existing customers due to the subsiding impact of an increase in COVID-19 infections. The Company will develop a foundation for re-growth during the current fiscal year.

Current situation and Initiatives of FY March 2023

- Improvement of men's fashion
- Improvement of home appliances
- Launch of products in the middle price range



Washable linen-mixed tailored cardigan

¥6,589 (tax included)



Heat and Cool warm and cool air fan

¥18,590 (tax included)



WG multiple knitted fabric pullover made in Japan

¥6,900 (tax included)

Current situation and Initiatives of FY March 2023

Facilitating the branding



Pursuit of originality in the brand worldview

2-1-②. Cosmetics & Health food Business

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1. Results for FY22/3 and Plan for FY23/3

Unit: Billion Yen

	FY March 2022(Actual)		FY March 2023(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	12.91	1.41	11.87	1.10
Health Food Business ・Rolled out health food in Refre brand ・Gussurizm received the gold prize from the Monde Selection for four consecutive years.	3.46	0.39	3.29	0.25
Total	16.05	1.83	15.16	1.35

- Net sales fell due to slowing growth in Taiwan caused by an increase in COVID-19 infections and an increase in advertising expenses in Japan due to the launch of TV ads.
- Focus will shift in the current fiscal year to the development of a new winning pattern through sales promotion.

2-1-②. Cosmetics & Health food Business

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Current situation and Initiatives of FY March 2023



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 FY22/3 and Plan for FY23/3

Unit: Billion Yen

	FY March 2022(Actual)		FY March 2023(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)	9.39	0.97	10.00	0.90
Sake mail order Business (Belluna Gourmet - ranked No.1 in sales of mail order of sake for 5 consecutive years)	4.80	0.39	5.50	0.40
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 670,000 units.	15.73	0.91	17.29	0.96
Total	30.12	2.27	32.79	2.26

- Sales in both the wine mail order business and the gourmet food business remained strong. The sales growth trend is expected to continue in the current fiscal year as as the Company responds to an increase in the cost of goods and materials.

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

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Current situation and Initiatives of FY March 2023

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

Best-selling products sold in a set



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

Unit sales of wines and forecast for current fiscal year

fiscal year	Number of units sold
FY March 2018	4.0 million units
FY March 2019	5.1 million units
FY March 2020	6.8 million units
FY March 2021	11 million units
FY March 2022	11.2 million units
FY March 2023(Plan)	12.2 million units

- Continued sales growth is based on the efficient acquisition of new customers and a high ratio of repeat customers.
- Develop new hit products and continue to expand

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

Current situation and Initiatives of FY March 2023

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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 2.8 million in FY March 2022.

Unit sales of Japanese Sake and forecast for current fiscal year

fiscal year	Number of units sold
FY March 2018	1.1 million units
FY March 2019	1.2 million units
FY March 2020	1.3 million units
FY March 2021	2.1 million units
FY March 2022	2.8 million units
FY March 2023(Plan)	3.0 million units

No. 1 Product

Koshino Gozo Daiqinjo



No. 2 Product

Juzo Daiginjo



No. 3 Product

Koshino Gozo Junmai 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.

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



Unit sales of Osechi dishes and forecast for current fiscal year

fiscal year	Number of units sold
FY March 2018	120,000 units
FY March 2019	150,000 units
FY March 2020	160,000 units
FY March 2021	190,000 units
FY March 2022	280,000 units
FY March 2023(Plan)	350,000 units

Osechi, "Yui," the No. 1 Product in FY March 2022, is expected to sell 155,000 units (up 39% year on year).

2-1-④. Nurse-Related Business

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1. Results for FY22/3 and Plan for FY23/3

Unit: Billion Yen

	FY March 2022(Acutal)		FY March 2023(plan)	
	Net sales	Operating income	Net sales	Operating income
Nursery (Mail order for nurses, No. 2 in the industry)	5.94	0.28	5.62	0.40
infirmière (Mail order for nurses, No. 1 in the industry)	8.13	0.71	8.00	0.74
Nurse Career Next (Personnel placement business for nurses)	0.17	-0.10	0.29	0.02
JOB STUDIO (Personnel placement business in Singapore)	1.77	0.16	1.82	0.15
Total	16.01	1.02	15.74	1.22

- Sales of medical items and consumables such as face masks and pulse oximeters which enjoyed special demand in the previous year decreased despite active advertising such as TV ads.

- Focus will shift to profit in the current fiscal year.

2-1-④. Nurse-Related Business

Current situation and Initiatives of FY March 2022

No.1 in domestic mail-order sales to nurses

*The 2020 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>

2-1-⑤. Database Use Business

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1. Results for FY22/3 and Plan for FY23/3

Unit: Billion Yen

	FY March 2022(Actual)		FY March 2023(Plan)	
	Net sales	Operating income	Net sales	Operating income
Finance (Consumer finance business for members)	4.55	2.02	4.83	2.13
Belluna Direct (Enclosure/combined shipping business)	3.74	2.72	3.61	2.62
Belluna Business Solution (Contracted call center/logistics business)	7.03	0.81	7.30	0.82
BGL (Consolidated in FY Mar. 2022 Third-party logistics)	2.18	0.14	2.84	1.81
Total	15.28	5.69	15.62	5.75

Finance: Efficiency of new acquisitions decreased in the previous business year due to COVID-19.

Belluna Direct: In the previous fiscal year, steady growth in both sales and income was achieved because of an increase in mail order customers.

BellunaBusiness Solution: Mail order service agent using the Company's own infrastructure. Acquisition of new business partners is steadily progressing.

BGL: Operates a 3PL (logistics agent) business. Consolidated in July 2021.



Belluna Business Solution

(Contracted call center/logistics center business)

Rolled out mail order services mainly for health food and beauty-related goods that are repeated mail order items.

Maintains a high customer retention rate.

Customer Retention rate

79% (FY March 2022)

- Call center achieves a high response rate and customer retention by specializing in the mail order business.
- Logistics center also provides services using economies of scale of the Group
- Knowhow and consulting capabilities that can propose a flexible change in the package according to a customer's growth stage.

2-2. Kimono-Related Business

1. Results for FY22/3 and Plan for FY23/3

Unit: Billion Yen

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	FY March 2022(Actual)		FY March 2023(plan)	
	Net sales	Operating income	Net sales	Operating income
BANKAN Wamonoya (Kimono sales business started in 2007, when the Company was founded)	10.39	0.88	11.22	1.00
Sagami Group Holdings (Acquired in 2018, medium priced kimono sales business)	8.08	-0.26	7.81	0.06
Tokyo masuiwaya (Acquired at the same time as Sagami, a highly-priced kimono sales business)	3.33	-0.16	3.49	0.04
Maimu (Acquired in 2016,Rental hakama traditional graduation attire for students))	2.43	0.19	2.92	0.24
Total	24.02	0.59	25.23	1.27

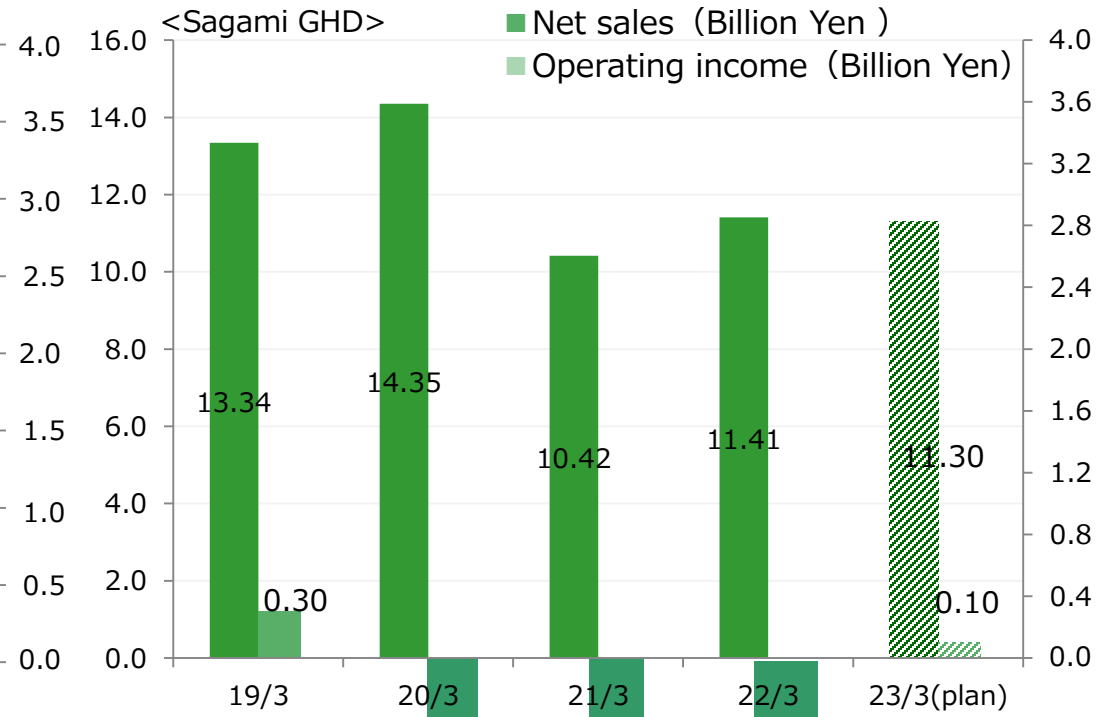
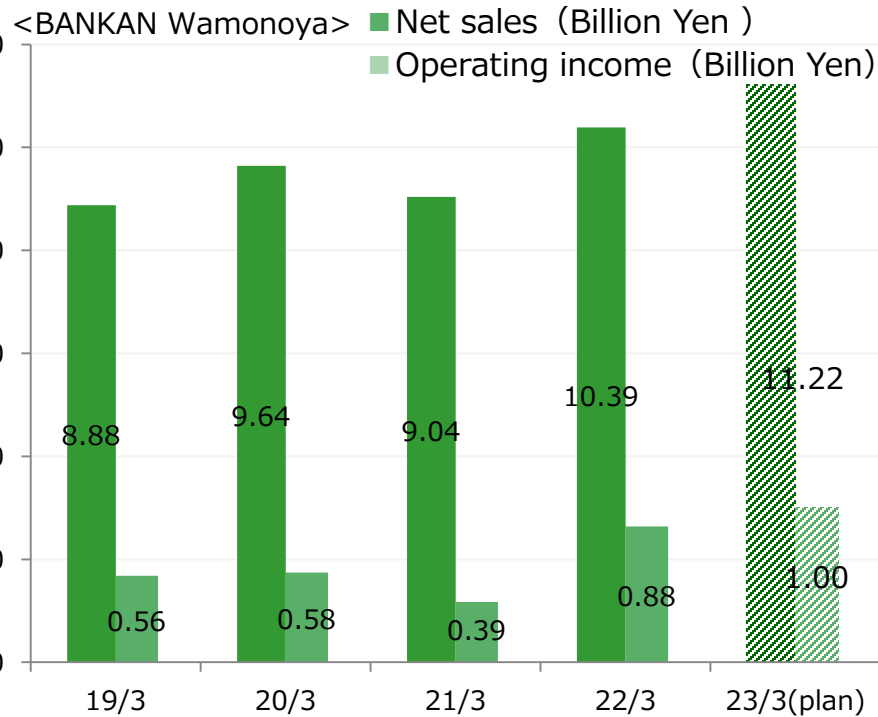
- Both net sales and operating income increased in the previous fiscal period as a result of a decrease in the impact of temporary store closures, an increase in the average efficiency of receiving orders per store and cost reduction measures.

- The goals for Sagami and Tokyo Masuiwaya to be profitable in the current fiscal year.

2-2. Kimono-Related Business

Profit and loss trends

BANKAN maintained growth despite the COVID-19 pandemic. Sagami GHD is making itself a leaner business.



	19/3	20/3	21/3	22/3	23/3 (plan)
Number of stores	84	89	91	95	98

	19/3	20/3	21/3	22/3	23/3(plan)
Number of stores	160	158	141	117	120

2-2. Kimono-Related Business

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%

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.

Kimono-Related Business aims to achieve sales of 31.3 billion yen and profit of 2.1 billion yen during the Fifth Business Plan (ending in FY March 2025).

2-3. Property Business

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1. Results for FY22/3 and Plan for FY23/3

Unit: Billion Yen

	FY March 2022(Actual)		FY March 2023(plan)	
	Net sales	Operating income	Net sales	Operating income
Income gain Rental revenue from properties (including office buildings and stores,)	3.07	0.76	3.07	1.19
Gapital gain Property development and sales business	6.51	2.07	3.57	1.00
Hotel Business Operate 10 hotels in Japan, 3 hotels overseas	7.72	-2.31	13.61	-0.52
Solar power generation facilities solar power generation facilities held include 3 properties	1.00	0.30	1.00	0.30
Total	17.30	0.87	20.23	2.01

- While the impact of COVID-19 started to subside in the previous fiscal year and the negative impact decreased year on year, the hotel business incurred a deficit due to the advance payment of expenses for the opening of a new hotel.

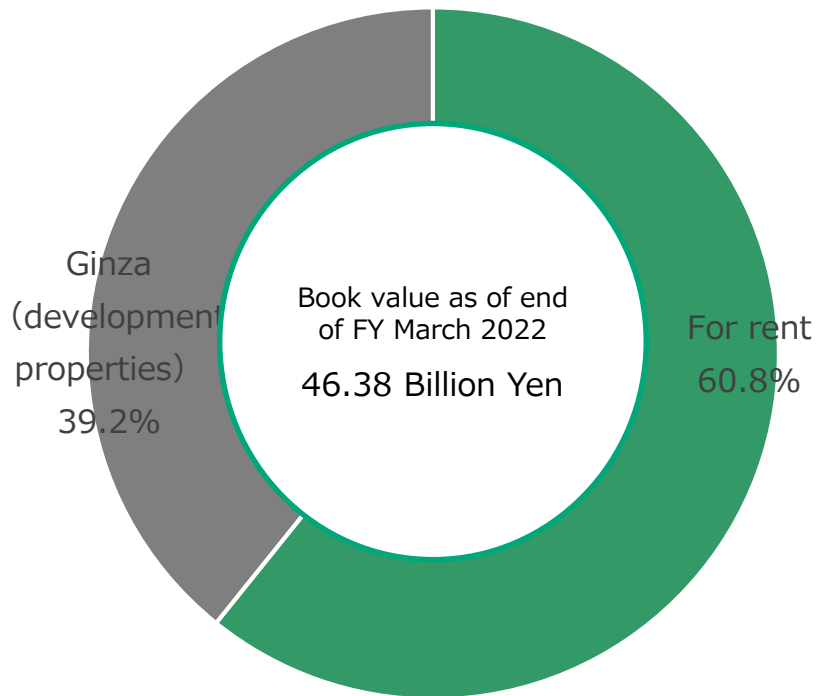
- The Property Business expects sales and income to grow during the current fiscal year through an increase in the number of customers of the hotel business.

2-3. Property Business (Income gain)

<Income gain>

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

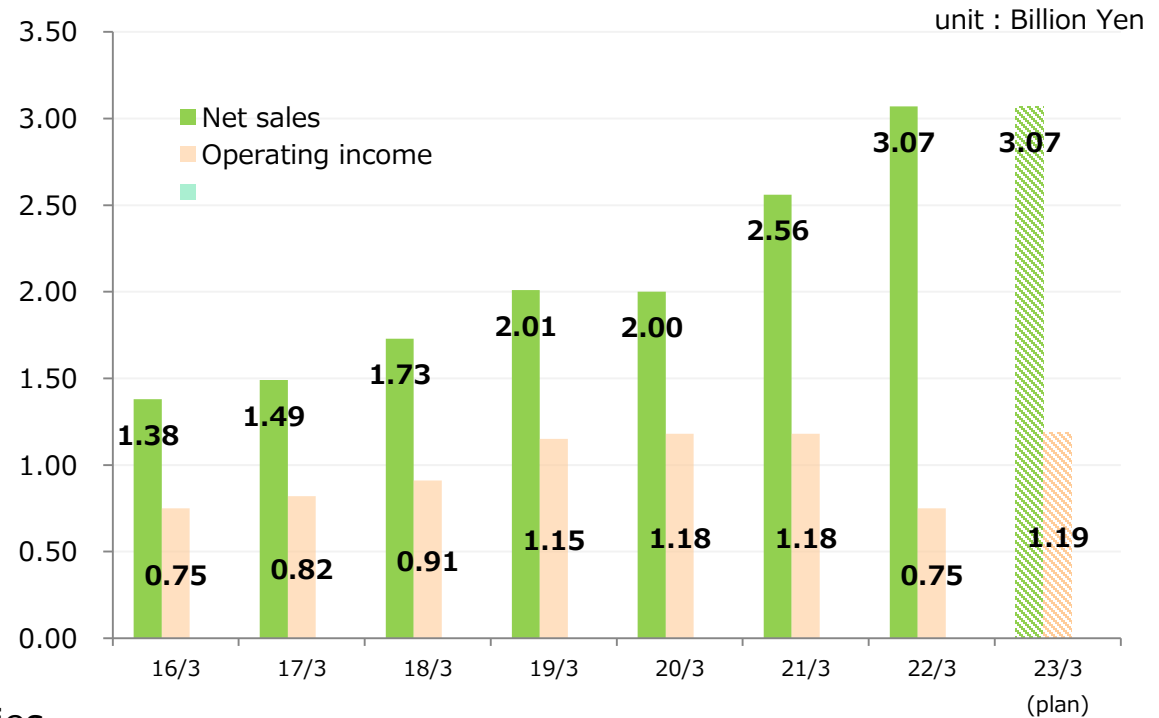
< Assets for lease >



Number of properties operated: 27

NOI yield 5.6%

< 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: 25.0 Billion Yen

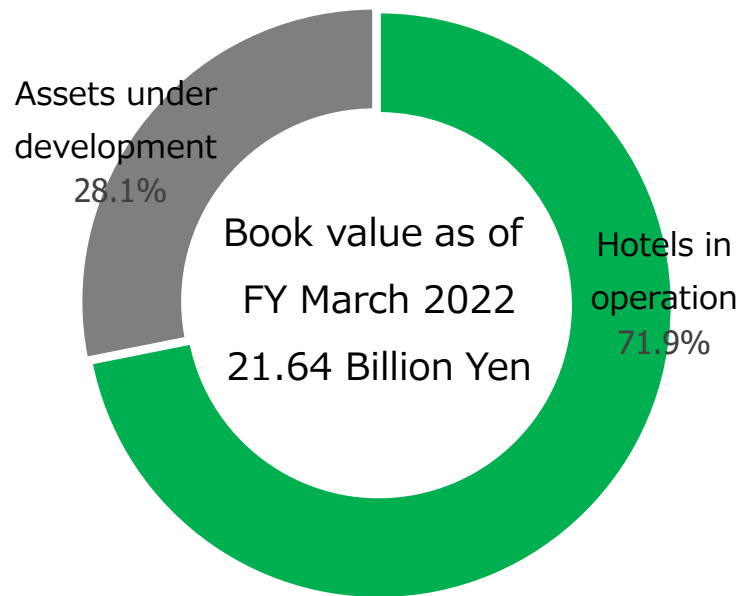
Assumed yield: more than 5.9%

2-3. Property Business (Hotel business)

<Hotel>

- The Property Business expects sales and income to grow in the current fiscal year due to an increase in the number of customers.

< Hotel assets >

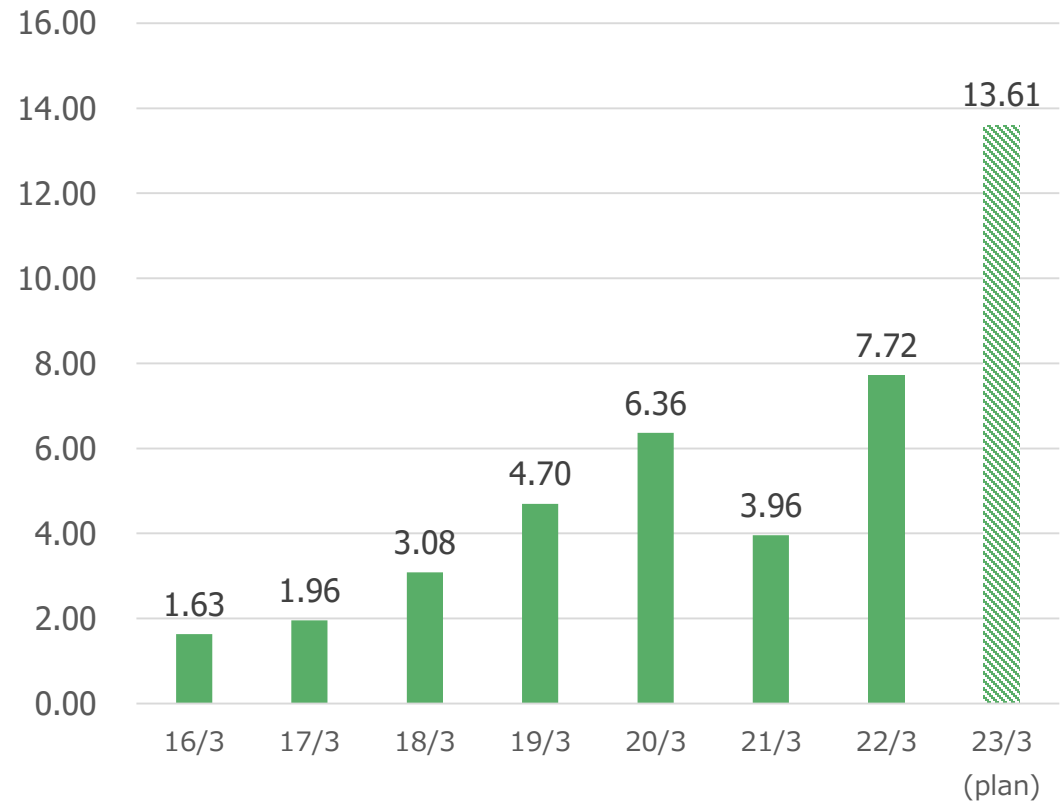


Hotels held 7 Hotels
Leasing 6 Hotels

Total Operate 13 Hotels
(as of March 2022)

< Changes in Sales >

unit : Billion Yen



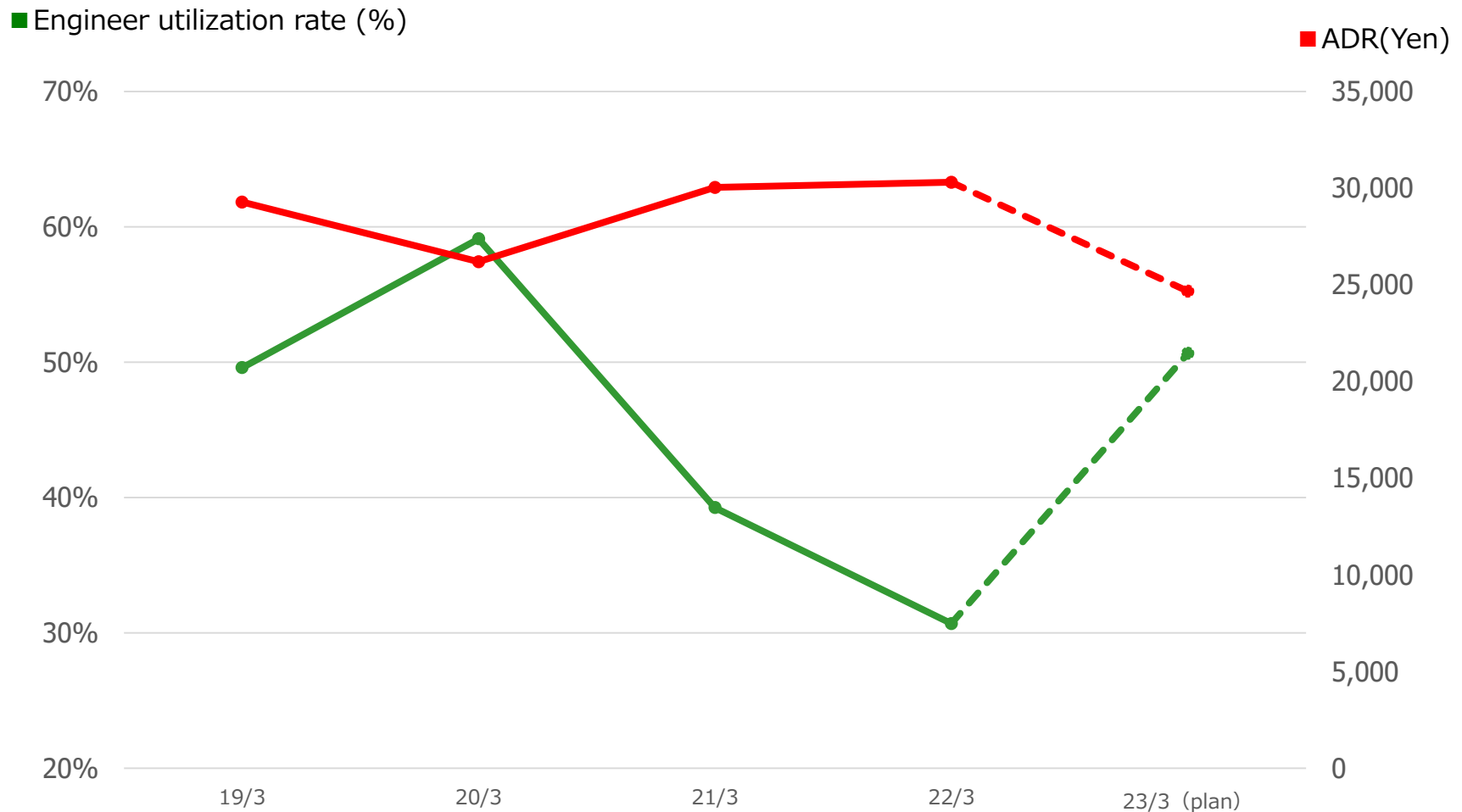
Hotels in operation	2	3	4	4	7	8	8	13

2-3. Property Business (Hotel business)

Trends in occupancy rate and ADR

While ADR will likely decrease due to an increase in the sales composition ratio of domestic hotels, sales are expected to grow through a significant increase in the occupancy rate.

※ADR…room charge+food sales



2-3. Property Business (Hotel business)

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Hotels opened previously and scheduled to open

<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	23/3	Assumed sales* (Billion Yen)	Start of operations	Type								
1	Okinawa	Hotel Hamahigashima Resort	29	→										0.2	May 2013	Owned								
2	Fukushima	Urabandai Lake Resort	324			→										2.5	October 2015	lease						
3	Nagano	Le Grand Kyu Karuizawa Hotel	43				→										0.5	July 2016	Owned					
4	Kyoto	Kyoto Granbell Hotel	105					→										0.6	July 2017	lease				
5	Nagano	Le Grand Karuizawa Hotel & Resort	58						→										2.8	July 2018	lease			
6	Sri Lanka	Le Grand Galle Hotel	48						→										0.5	July 2018	Owned			
7	Maldives	The Westin Maldives Miriandhoo Resort	70							→										3.5	October 2018	Owned		
8	Hawaii	EWA Hotel	92							→										0.6	April 2019	Owned		
9	Osaka	Umeda Holic Hotel	117								→										0.5	April 2021	lease	
10	Osaka	Osaka Granbell Hotel	191								→										1.0	April 2021	lease	
11	Hokkaido	Sapporo Granbell Hotel	218								→										1.1	April 2021	Owned	
12	Hokkaido	Jozankei View Hotel	647								→										4.8	August 2021	Owned	
13	Hokkaido	Susukino Granbell Hotel	300								→										1.5	September 2021	lease	
14	Sri Lanka	Granbell Hotel Colombo	292									→										1.7	April 2022	Owned
15	Ginza	Ginza Hotel	102											0.8	March 2024 (forecast)	Owned								
16	Hokkaido	Sapporo Granbell Hotel Premiere	606											2.9	April 2025 (forecast)	Owned								
		Total	3,242											25.5										

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

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 subsides.

2-4. Returns to shareholders

Dividend of 20 yen per share to be paid. Dividends have been increasing for four consecutive years.

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<Annual dividends >

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023(Plan)
EPS(yen)	106.39	60.62	114.17	105.55	109.64
Dividend(yen)	15.0	16.0	16.5	19.0	20.0

<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 April 2022)



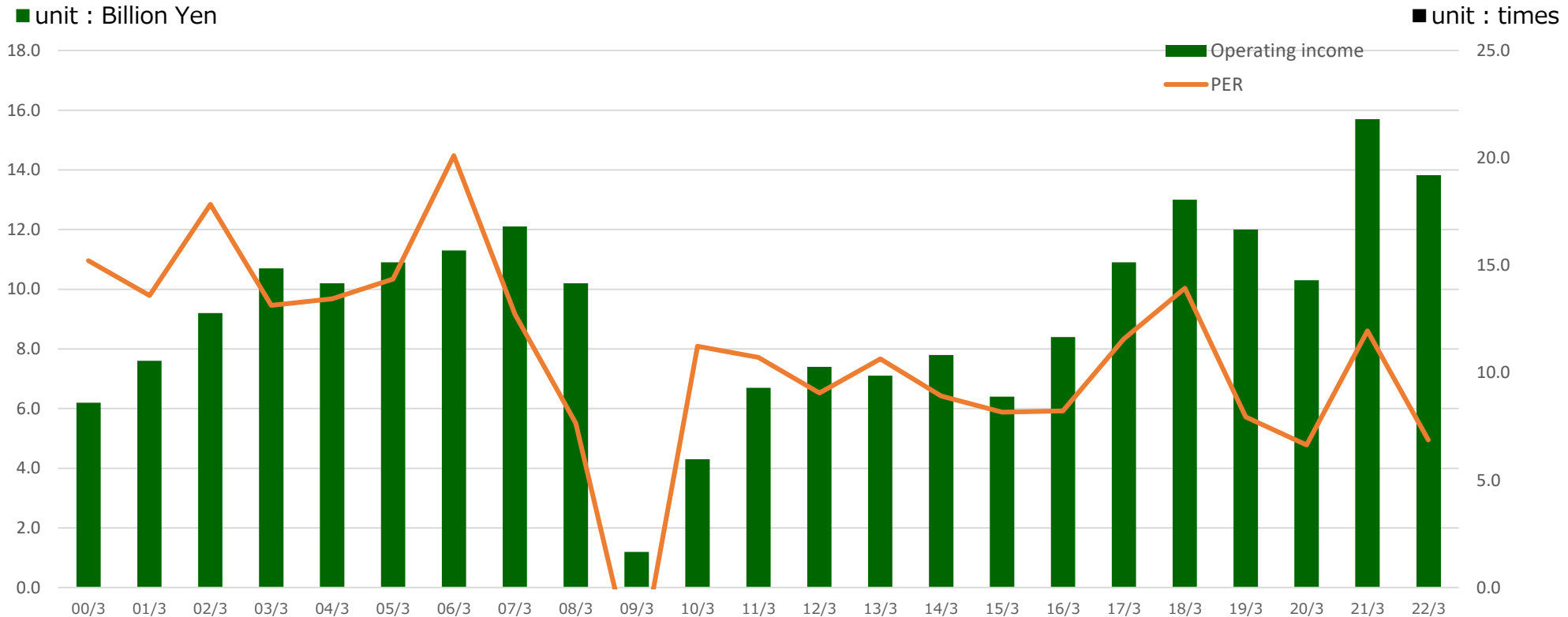
<The Fifth Business Plan>

	FY March 2023		FY March 2024		FY March 2025	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Mail Order Business	169.37	12.18	185.74	14.52	202.07	17.04
Kimono-Related Business	25.23	1.27	27.67	1.73	31.09	2.11
Property Business	20.23	2.01	20.46	2.60	21.98	3.10
Other Business	4.67	0.12	5.48	0.28	6.47	0.39
Adjustments	-0.50	-0.58	-0.35	-0.13	-0.60	-0.04
Total	219.00	15.00	239.00	19.00	261.00	22.60

2-4. Trends in PER and Financial Results (FY March 2000 through for FY March 2022)

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



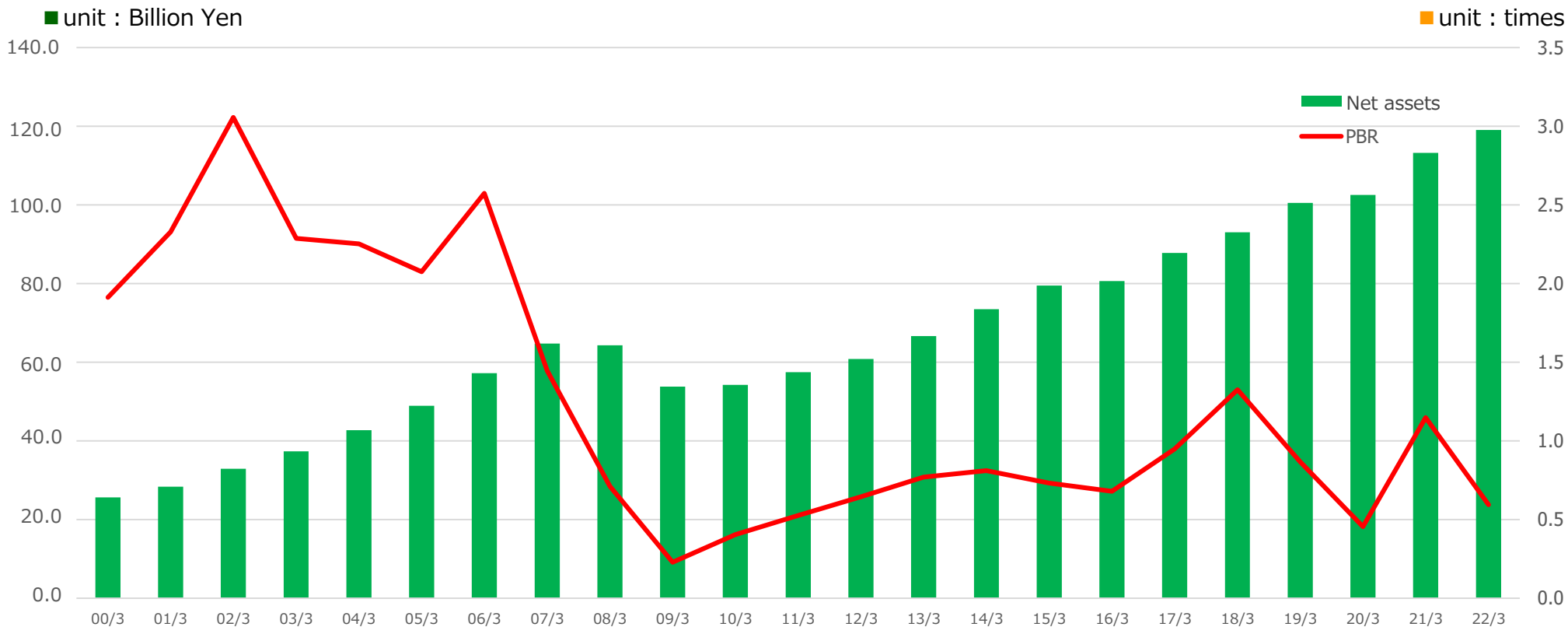
<Trends in financial results, PER, and PBR>

	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
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	220.1
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	13.8
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	119.0
PER	15.22	13.60	17.84	13.14	13.45	14.37	20.11	12.73	7.65	-4.36	11.23	10.71	9.05	10.64	8.92	8.17	8.23	11.57	13.93	7.94	6.64	11.95	6.88
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	0.6

2-4. Trends in PBR and Net Assets (FY March 2000 through 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
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	220.1
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	13.8
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	119.0
PER	15.22	13.60	17.84	13.14	13.45	14.37	20.11	12.73	7.65	-4.36	11.23	10.71	9.05	10.64	8.92	8.17	8.23	11.57	13.93	7.94	6.64	11.95	6.88
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	0.6

A business foundation that is capable of supporting the achievement of 20.0 billion yen in operating income has been built.

The rest is a matter of time.

We are determined to maintain growth and profitability and achieve the goal.

<Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results 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 May 27, 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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