

**Supplementary
Information for
Financial Results
of the Third Quarter
ended December 31,
2022**

Belluna Co., Ltd.
Stock code : 9997

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Tuesday January 31, 2023

1. Consolidated Statement of Income

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Net sales:160.45 Billion Yen, decreased 4.8% year on year.

Operating income:7.87 Billion Yen, decreased 2.34 Billion Yen year on year.

Ordinary income decreased 2.16 billion yen year on year, to 8.84 billion yen, reflecting a year-on-year increase in foreign exchange gains.

Net income stood at 5.38 billion yen, down 2.36 billion yen year on year.

Unit: Billion Yen

Consolidated	FY March 2022/3Q	FY March 2023/3Q		FY March 2023
	Actual	Actual	YoY Change	Plan
Net Sales	168.63	160.45	-4.8%	215.00
Cost of Sales	70.24	65.65	-6.5%	-
Selling, General & Administrative Expenses	88.17	86.93	-1.4%	-
Operating income	10.22	7.87	-22.9%	14.00
Non-operating income and Expenses	0.77	0.96	24.3%	1.00
(Exchange rate-related gains and losses)	(0.32)	(0.69)	-	-
Ordinary income	10.99	8.84	-19.6%	15.00
Net income	7.75	5.38	-30.5%	10.00

2. Profitability by segment

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Net sales: Increased in four segments including Gourmet Food and Kimono-Related segment.

Operating income: Increased in Kimono-Related segment. It decreased in seven segments including Cosmetics and Health Food segment, Nurse-Related and Property.

- In the Kimono-Related segment, increases of both net sales and operating income were achieved, partly reflecting progress in structural reforms at Sagami Group.

- In the Cosmetics & Health Food segment, decreases of both net sales and operating income were recorded chiefly due to a decline in new customers acquired in the cosmetics sales business.

- In the Property segment, there was a significant decrease in both net sales and operating income. The segment was affected by the absence of the large-scale sale of overseas real estate that had occurred in the previous year, although net sales and operating income increased sharply in the hotel business due to higher occupancy rates.

Consolidated Net Sales and Operating Income by Segment

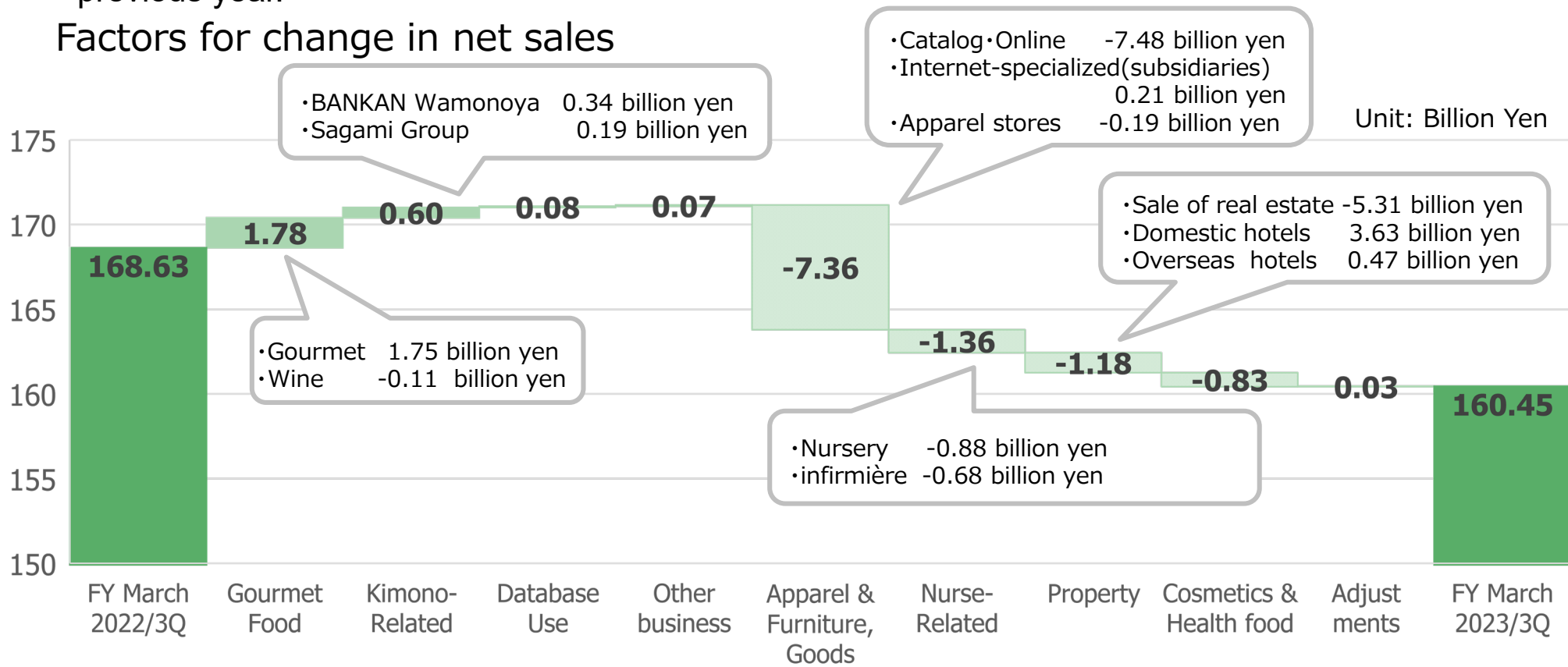
Unit: Billion Yen

	FY March 2023/3Q										
	Mail Order Business						Kimono-Related	Property	Other	consolidation and elimination	Total
	Apparel & Furniture, Goods	Cosmetics & Health Food	Gourmet Food	Nurse-Related	Database Use	Subtotal					
Net Sales	70.48	10.93	25.14	10.74	11.51	128.80	15.85	13.24	3.26	-0.70	160.45
YoY Change(%)	-9.5%	-7.1%	+7.6%	-11.3%	+0.7%	-5.6%	+3.9%	-8.2%	+2.3%	-4.7%	-4.8%
Operating Income	1.81	0.33	1.52	0.21	4.21	8.08	-0.51	0.78	-0.07	-0.40	7.87
YoY Change(billion yen)	-0.25	-1.01	-0.42	-0.67	-0.07	-2.42	0.73	-0.49	-0.07	-0.09	-2.34
Operating Income Ratio	2.6%	3.0%	6.1%	1.9%	36.6%	6.3%	-3.2%	5.9%	2.2%	57.3%	4.9%

3. Analysis of increases and decreases in sales

Net sales rose in the Gourmet Food segment, reflecting growth in the sale of Osechi New Year dishes and an increase in new customers acquired mainly through online advertising. In the Kimono-Related segment, an increase in net sales was recorded for the nine-month period, although there was a declining trend in the number of customers visiting stores in the third quarter due to the impact of the COVID-19 pandemic. Meanwhile, net sales fell in the Apparel & Furniture, Goods segment give priority to the securing of profitability. In the Nurse-Related segment, there was a decrease in net sales due to the subsiding impact of the COVID-19 pandemic, coupled with a decline in demand for medical items and consumables which had enjoyed special demand in the same period of the previous year.

Factors for change in net sales



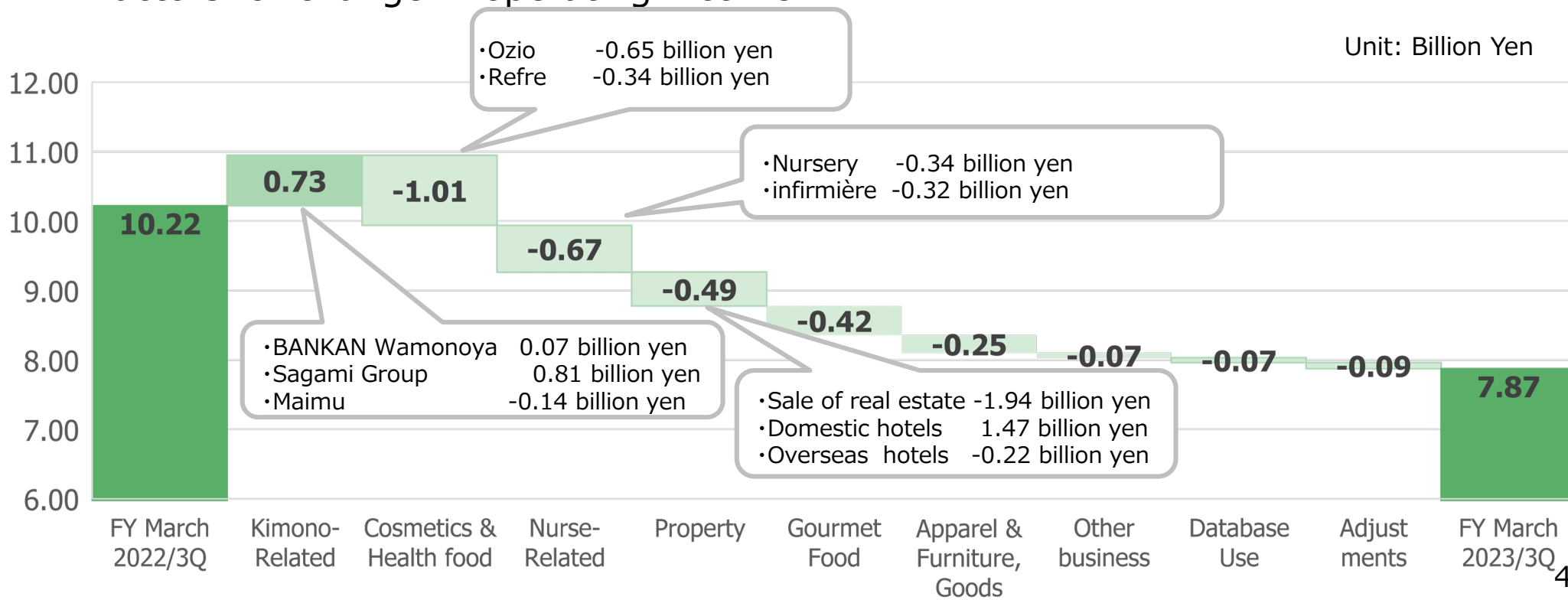
4. Analysis of increases and decreases in operating income

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Operating income rose in the Kimono-Related segment, reflecting the progress in structural reforms at Sagami Group. In the Cosmetics & Health Food segment there was a decline in operating income, partly reflecting the impact of increased advertising expenses due to the implementation of TV commercials in the cosmetics sales business. In the Nurse-Related segment, active advertising that included TV commercials was implemented during the first quarter. Meanwhile, due to the subsiding impact of the COVID-19 pandemic operating income decreased. In the Property segment, operating income decreased, affected by the absence of the large-scale sale of overseas real estate that had occurred in the previous year, although operating income increased sharply in the hotel business due to higher occupancy rates.

Factors for change in operating income

Unit: Billion Yen



5. Consolidated Balance Sheet

In current assets, notes and accounts receivable – trade and merchandise and finished goods increased, among other assets. Non-current assets increased mainly in Tangible fixed assets. On the liabilities side, long-term borrowing increased while the current portion of bonds payable decreased.

Unit: Billion Yen

	FY March 2022	FY March 2023/3Q	Change
Current Assets	118.13	128.73	10.59
Notes and accounts receivable - trade	10.67	15.22	4.55
Merchandise and finished goods	26.67	30.01	3.35
Operating loans	27.44	28.69	1.25
Non-current assets	136.05	151.20	15.16
Tangible fixed assets	103.34	118.40	15.06
Investments and other assets	22.42	22.51	0.09
Total Assets	254.18	279.93	25.75
Liabilities	135.13	156.65	21.51
long-term borrowing	60.64	79.71	19.07
Current portion of bonds payable	5.00	0.02	-4.98
Notes and accounts payable trade, and electronically recorded obligations operating	22.30	25.11	2.81
Net assets	119.04	123.28	4.24
[Shareholders' Equity Ratio]	[46.5%]	[43.8%]	[-2.7P]

<Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results of the Third Quarter ended December 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 January 31, 2023. 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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