

Supplementary Information for Financial Results for Fiscal Year Ended March 31, 2020

BELLUNA

Wednesday May 13, 2020

1. Consolidated Statement of Income

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Net sales: Up 1.3% year on year

Operating income: Down year on year and fell below the plan

Ordinary income and net income: Also down year on year and fell below the plan

Unit: Billion Yen

Consolidated	FY March 2019	FY March 2020			FY March 2021
	Actual	Actual	vs.Plan	YoY Change	Plan
Net Sales	177.65	179.95	-0.0%	1.3%	175.00
Cost of Sales	76.28	74.89	-0.2%	-1.8%	75.00
Selling, General & Administrative Expenses	89.36	94.75	0.8%	6.0%	93.00
Operating income	12.01	10.31	-6.3%	-14.1%	7.00
Non-operating income and Expenses	3.30	0.05	-	-98.3%	0.80
(Exchange rate-related gains and losses)	(2.23)	(-0.22)	-	-	-
Ordinary income	15.31	10.37	-5.8%	-32.3%	7.80
Net income	10.34	5.86	-16.3%	-43.3%	5.20

2. Profitability by segment

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Net sales : Increased in 5 segments excluding the General Mail Order and Other.

Operating income: Operating income increased in Specialty Mail Order and three other segments. It decreased in General Mail Order and two other segments.

- The Specialty Mail Order segment led growth and profit thanks to the acquisition of a large number of new customers and a high percentage of returning customers in businesses such as cosmetics and wines.
- In the General Mail Order segment, operating income declined because the improvement in the cost ratio was smaller than expected.
- Net sales and operating income in Retail Store Sales decreased due primarily to the impact of the review of Sagami GHD's event sales.

Consolidated Net Sales and Operating Income by Segment

Unit: Billion Yen

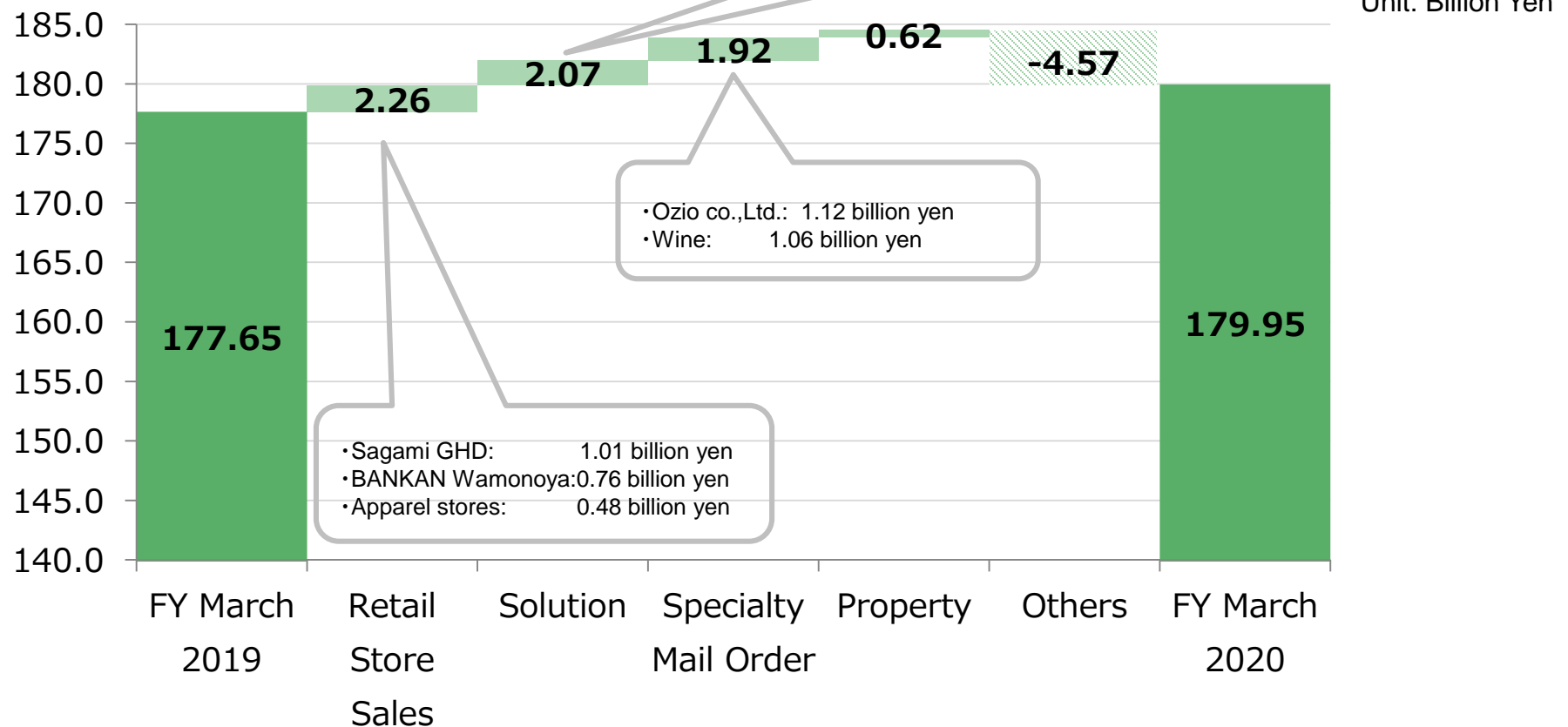
	General Mail Order	Specialty Mail Order	Retail Store Sales	Solution	Finance	Property	Other	Elimination or Corporate	Total
Net Sales	73.38	49.77	30.40	8.33	4.40	8.69	5.94	-0.97	179.95
vs.Plan(%)	-0.6%	+3.7%	-2.0%	-2.1%	+1.5%	-1.1%	-24.2%	-57.5%	-0.0%
YoY Change(%)	-5.4%	+4.0%	+8.0%	+33.1%	+14.8%	+7.7%	-14.0%	-5.7%	+1.3%
Operating Income	1.71	3.91	0.31	2.65	1.87	0.66	-0.39	-0.41	10.31
vs.Plan(billion yen)	-0.24	0.19	-0.45	0.15	0.13	-0.06	-0.60	0.19	-0.69
YoY Change(billion yen)	-2.10	0.65	-0.69	0.38	0.11	0.41	-0.63	0.18	-1.69
Operating Income Ratio	2.3%	7.8%	1.0%	31.8%	42.6%	7.6%	-6.6%	42.4%	5.7%

3. Analysis of increases and decreases in sales

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Sales in the Retail Store Sales segment increased chiefly based on the consolidation of Sagami Group Holdings Co., Ltd. and an increase in the number of retail stores of BANKAN Wamonoya and Apparel stores. Sales in the Solution segment increased mainly due to the strong performance of the mail order agency service and enclosure and mailing service.

Factors for change in net sales

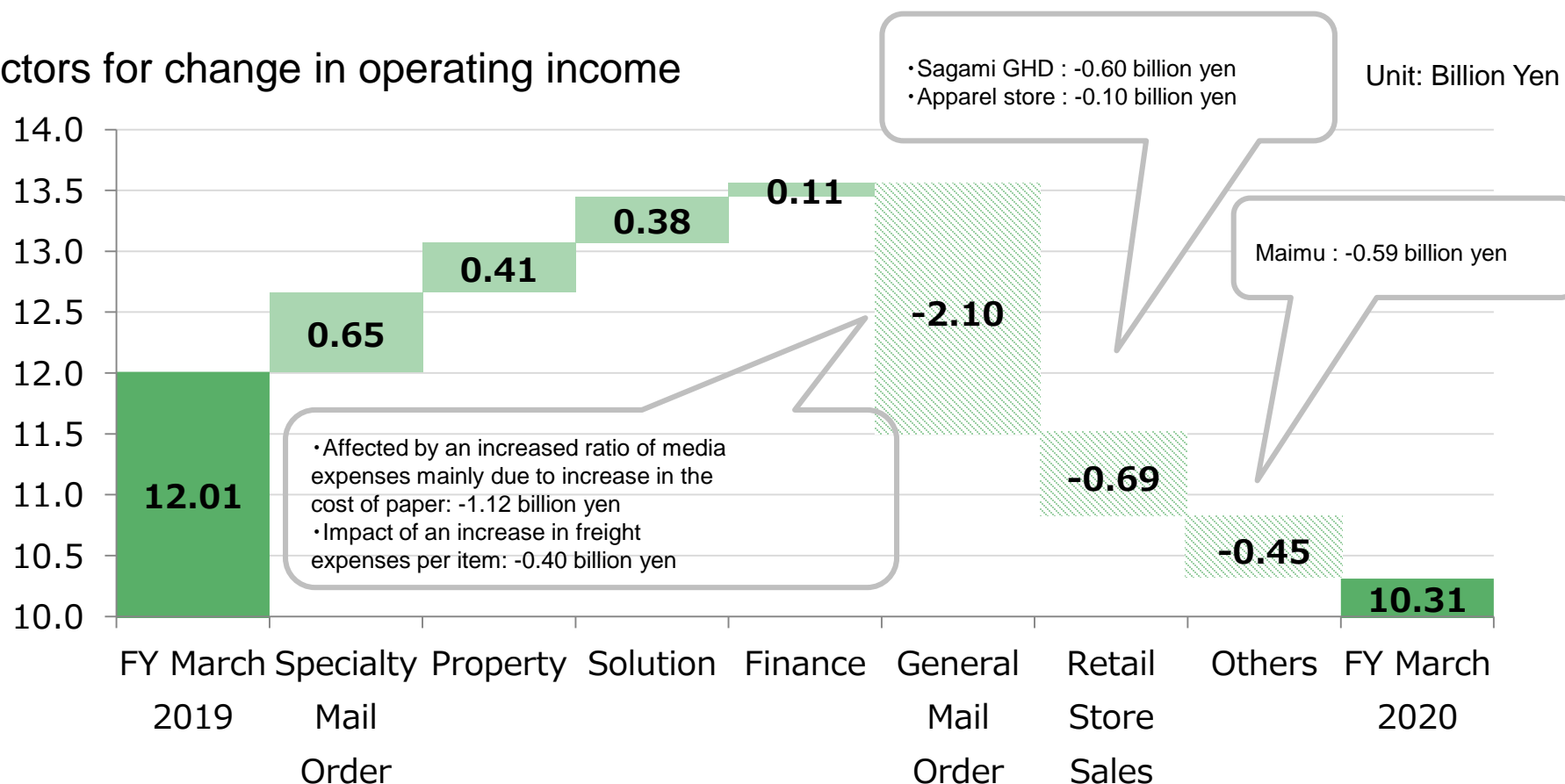


4. Analysis of increases and decreases in operating income

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Operating income in the General Mail Order segment declined largely due to the effect of the deteriorated ratio of media expenses, mainly due to an increase in the paper price. Operating income also fell in the Retail Store Sales segment mainly due to the effect of reflecting profit and loss for the first quarter during which expenses exceeded revenue in Sagami Group Holdings Co., Ltd., which was acquired in the previous fiscal year, from the current fiscal year. Operating income in the Others segment decreased, partly affected by the cancelled orders that were placed with the Maimu at Rental business because of the cancelled graduation ceremonies.

Factors for change in operating income



<Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results of the fiscal year ending March 31, 2020. 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 13, 2020. 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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