

Supplementary Information for Financial Results of the First Quarter ended June 30, 2017



Monday, July 31, 2017

1. Consolidated Statement of Income

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Net sales: Up 10.6% year on year to surpass the plan.

Operating income: In excess of the plan with the help of General Mail Order.

Ordinary income: Results well in excess of the results of the previous year after exchange rate-related gains turned positive.

Unit: Billion Yen

Consolidated	FY March 2017/1Q	FY March 2018/1Q		FY March 2018
	Actual	Actual	YoY Change	Plan
Net Sales	37.19	41.15	10.6%	160.00
Cost of Sales	16.18	17.96	11.0%	69.00
Selling, General & Administrative Expenses	18.60	20.32	9.2%	78.00
Operating Income	2.41	2.87	19.0%	13.00
Non-operating Income and Expenses	-3.79	0.67	—	0.50
(Exchange rate-related gains and losses)	(-4.10)	0.54	—	-
Ordinary income/ loss	-1.38	3.54	—	13.50
Net income/ loss	-1.08	3.11	—	8.80

2. Profitability by segment

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Net sales: All segments achieved sales growth.

Operating income: All segments other than the Solution Business and Other Business saw an increase in operating income.

- Improvement in the profitability of apparel stores and the strong performance of the General Mail Order Business drove the strong results.

- Operating income in Other Business declined, mainly due to seasonal factors related to Maimu Co., Ltd.*

Consolidated Net Sales and Operating Income by Segment

Unit: Billion Yen

	FY March 2018/1Q								Total
	General Mail Order	Specialty Mail Order	Retail Store Sales	Solution	Finance	Property	Other	Elimination or Corporate	
Net Sales	22.51	10.61	3.64	1.50	0.83	1.01	1.30	-0.25	41.15
YoY Change (%)	+10.1%	+7.8%	+19.3%	+1.3%	+11.1%	+33.6%	+18.4%	+11.3%	+10.6%
Operating Income	1.54	0.36	0.16	0.65	0.28	0.08	-0.14	-0.06	2.87
YoY Change (billion yen)	0.19	0.07	0.19	-0.09	0.08	0.03	-0.04	0.03	0.46
Operating Income Ratio	6.9%	3.4%	4.5%	43.1%	33.8%	7.8%	-11.1%	23.9%	7.0%

*The segment of Maimu Co., Ltd. is changed from the Retail Store Sales Business to Other Business from the current fiscal year.

3. Analysis of increases and decreases in sales

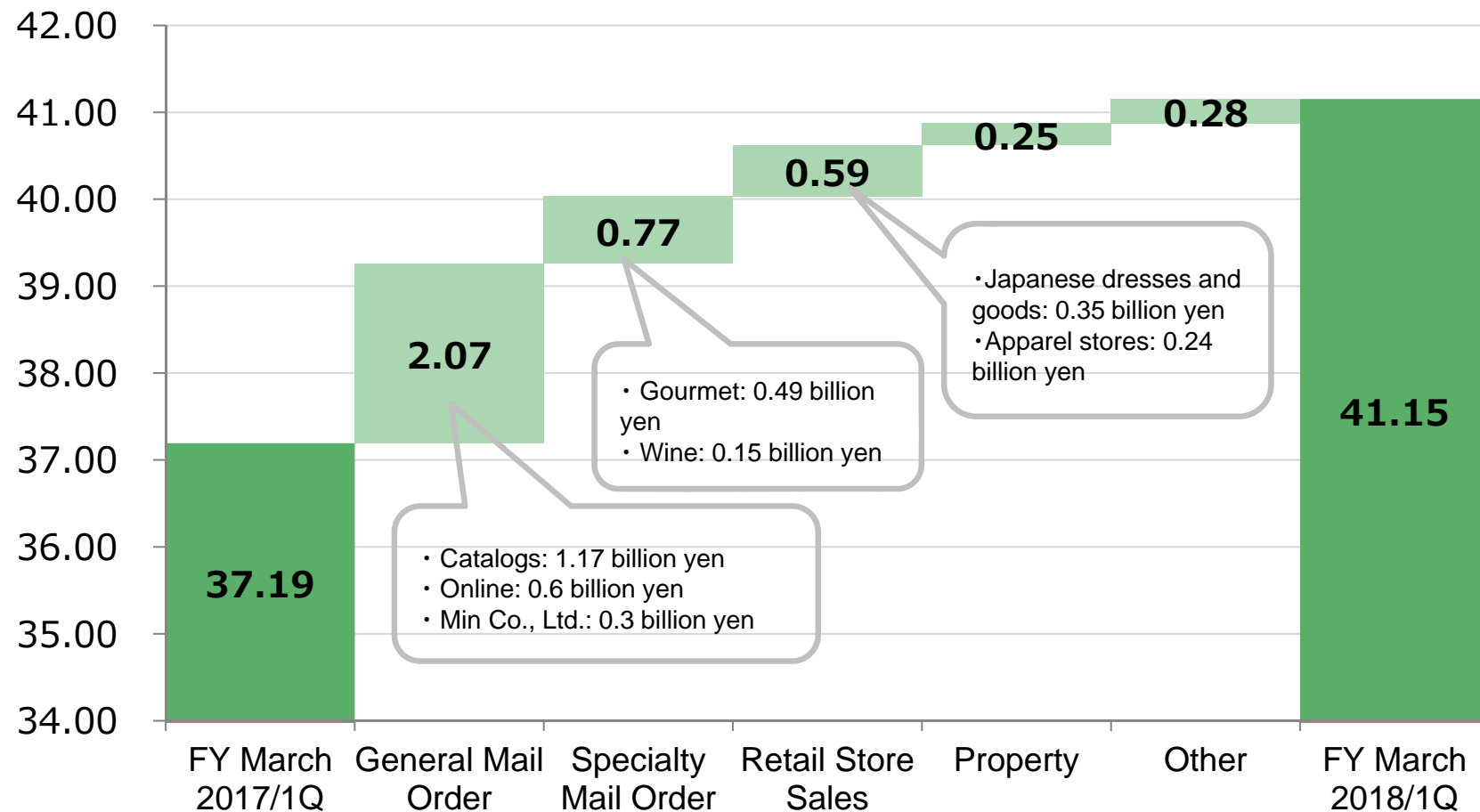
The General Mail Order Business showed a strong performance both in online and in catalogs. **BELLUNA**

The Specialty Mail Order Business drove the increase in net sales with a strong performance in the gourmet and wine businesses.

Net sales of the Retail Store Sales Business increased mainly due to opening of new stores to deal in Japanese dresses and goods.

Factors for change in net sales

Unit: Billion Yen



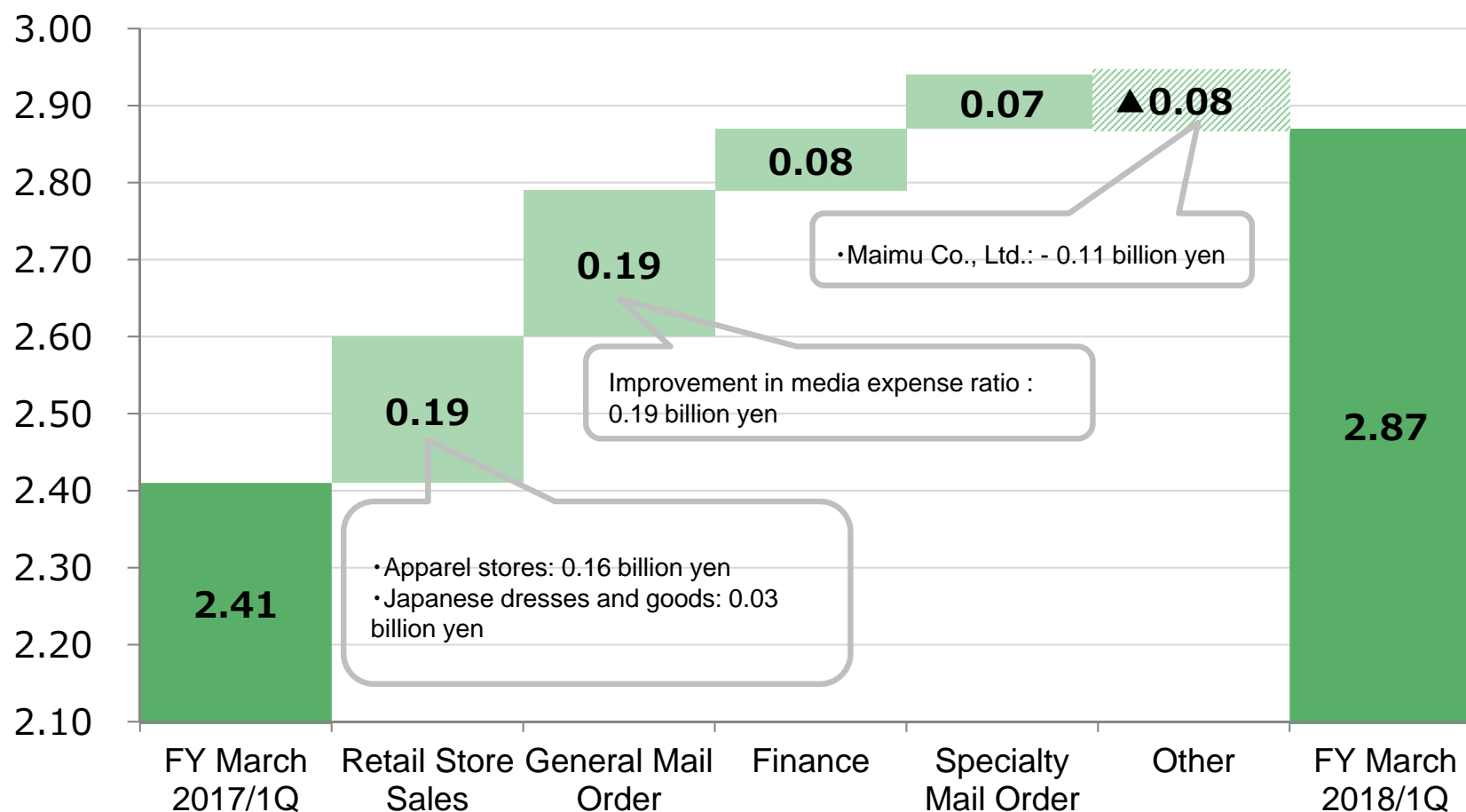
4. Analysis of increases and decreases in operating income

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The Retail Store Sales Business posted increased operating income, mainly due to an improvement in the profitability of apparel stores. The General Mail Order Business remained strong, partly thanks to improvements in the media expenses ratio.

Factors for change in operating income

Unit: Billion Yen



5. Consolidated Balance Sheet

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Assets rose, mainly reflecting increases in notes and accounts receivable - trade, merchandise and finished goods, among others. On the other hand, liabilities fell, due to a decrease in income taxes payable, despite an increase in notes and accounts payable - trade.

	FY March 2017	FY March 2018/1Q	Change	Unit: Billion Yen
Current Assets	84.79	87.51	2.71	
Notes and accounts receivable - trade	9.67	11.16	1.49	
Merchandise and finished goods	15.97	17.84	1.87	
Fixed Assets	94.23	95.11	0.88	
Tangible fixed assets	64.26	64.53	0.27	
Investment securities	13.24	14.06	0.82	
Total Assets	179.02	182.62	3.59	
Liabilities	91.25	93.29	2.04	
Notes and accounts payable - trade	17.74	22.24	4.50	
Income taxes payable	3.00	1.16	-1.84	
Net Assets	87.77	89.33	1.56	
Retained earnings	63.36	65.86	2.50	
[Shareholders' Equity Ratio]	[47.4%]	[47.8%]	[+0.4P]	

<Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results of the first three months of the fiscal year ending March 31, 2018. 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 July 31, 2017. 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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