

Supplementary Information for Financial Results of the Third Quarter ended December 31, 2017



Wednesday January 31, 2018

1. Consolidated Statement of Income

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Net sales～ Sales increased more than expected, by 11.3% year on year.

Operating income～ Operating income exceeded the forecast.

Ordinary income ～ Ordinary income increased thanks primarily to exchange rate-related gains.

Unit: Billion Yen

Consolidated	FY March 2017/3Q	FY March 2018/3Q		FY March 2018
	Actual	Actual	YoY Change	Plan
Net Sales	109.64	122.00	11.3%	160.00
Cost of Sales	48.59	54.18	11.5%	69.00
Selling, General & Administrative Expenses	53.34	58.46	9.6%	78.00
Operating Income	7.71	9.35	21.3%	13.00
Non-operating Income and Expenses	1.71	2.18	27.2%	0.50
(Exchange rate-related gains and losses)	(0.93)	(1.59)	71.1%	-
Ordinary Income	9.42	11.53	22.4%	13.50
Net Income	6.32	8.32	31.6%	8.80

2. Profitability by segment

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Net sales ~Sales increased in all segments.

Operating income ~Operating income increased in all segments except the Specialty Mail Order and Solution Businesses.

- Increased profitability of apparel stores and reduced provisions in the Finance segment were among the factors contributing to growth.
- Income decreased in the Specialty Mail Order Business as a result of prioritizing the acquisition of new customers in the cosmetics and other businesses.

Consolidated Net Sales and Operating Income by Segment

Unit: Billion Yen

	FY March 2018/3Q								
	General Mail Order	Specialty Mail Order	Retail Store Sales	Solution	Finance	Property	Other	Elimination or Corporate	Total
Net Sales	61.40	34.73	10.91	4.51	2.58	4.87	3.71	-0.72	122.00
YoY Change (%)	+6.5%	+12.3%	+16.7%	+12.5%	+12.1%	+74.5%	+18.3%	+41.4%	+11.3%
Operating Income	3.81	1.64	0.89	1.81	1.23	0.70	-0.53	-0.20	9.35
YoY Change (billion yen)	0.19	-0.25	0.76	-0.03	0.30	0.55	0.07	0.04	1.64
Operating Income Ratio	6.2%	4.7%	8.2%	40.2%	47.6%	14.4%	-14.4%	28.1%	7.7%

*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

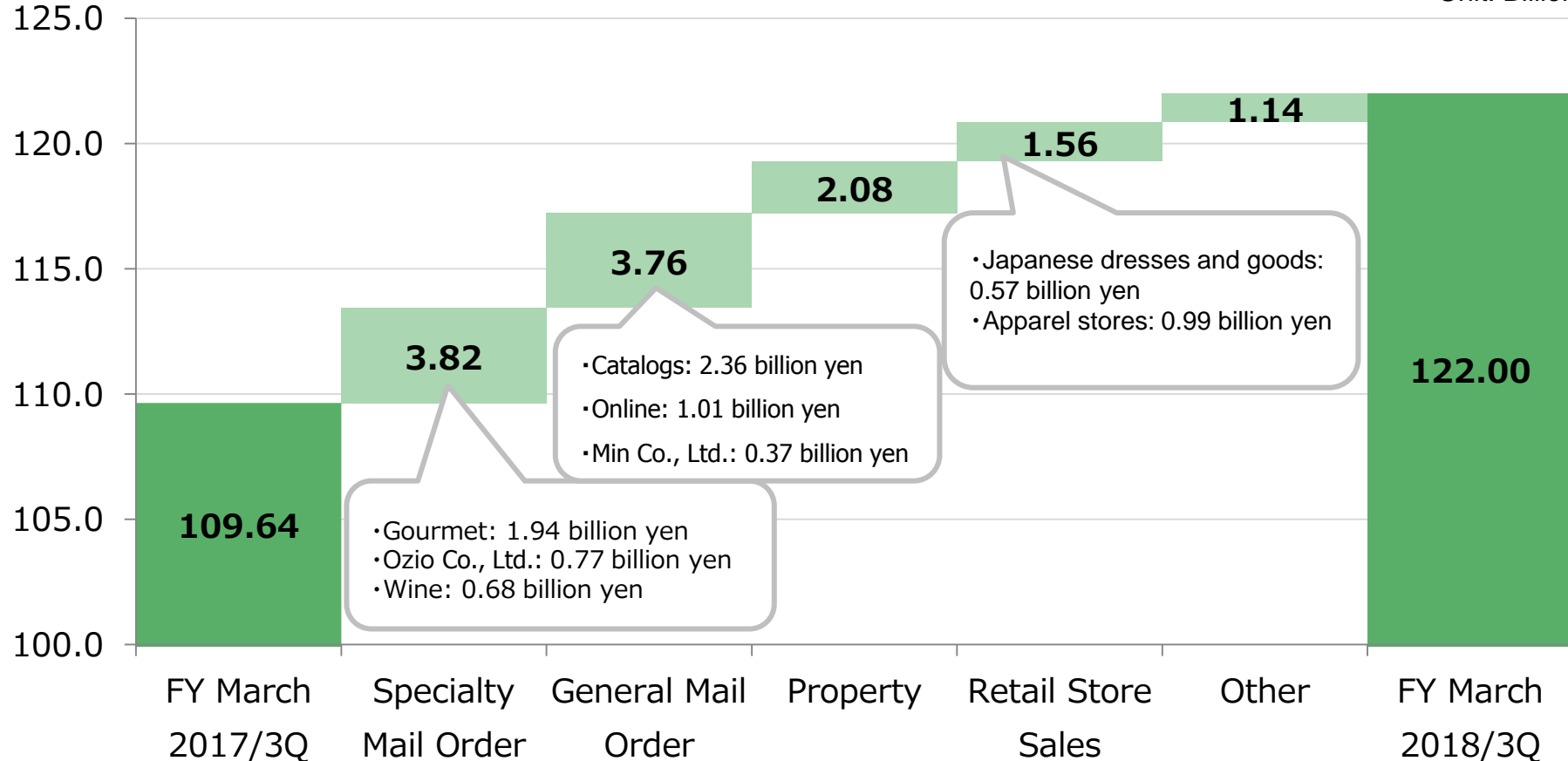
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In the Specialty Mail Order segment, sales in the gourmet and wine business and cosmetics business remained strong and helped increase profit.

In the Retail Store Sales Business, sales increased due largely to the opening of a new Japanese dress and goods stores and strong sales at existing apparel stores.

Factors for change in net sales

Unit: Billion Yen

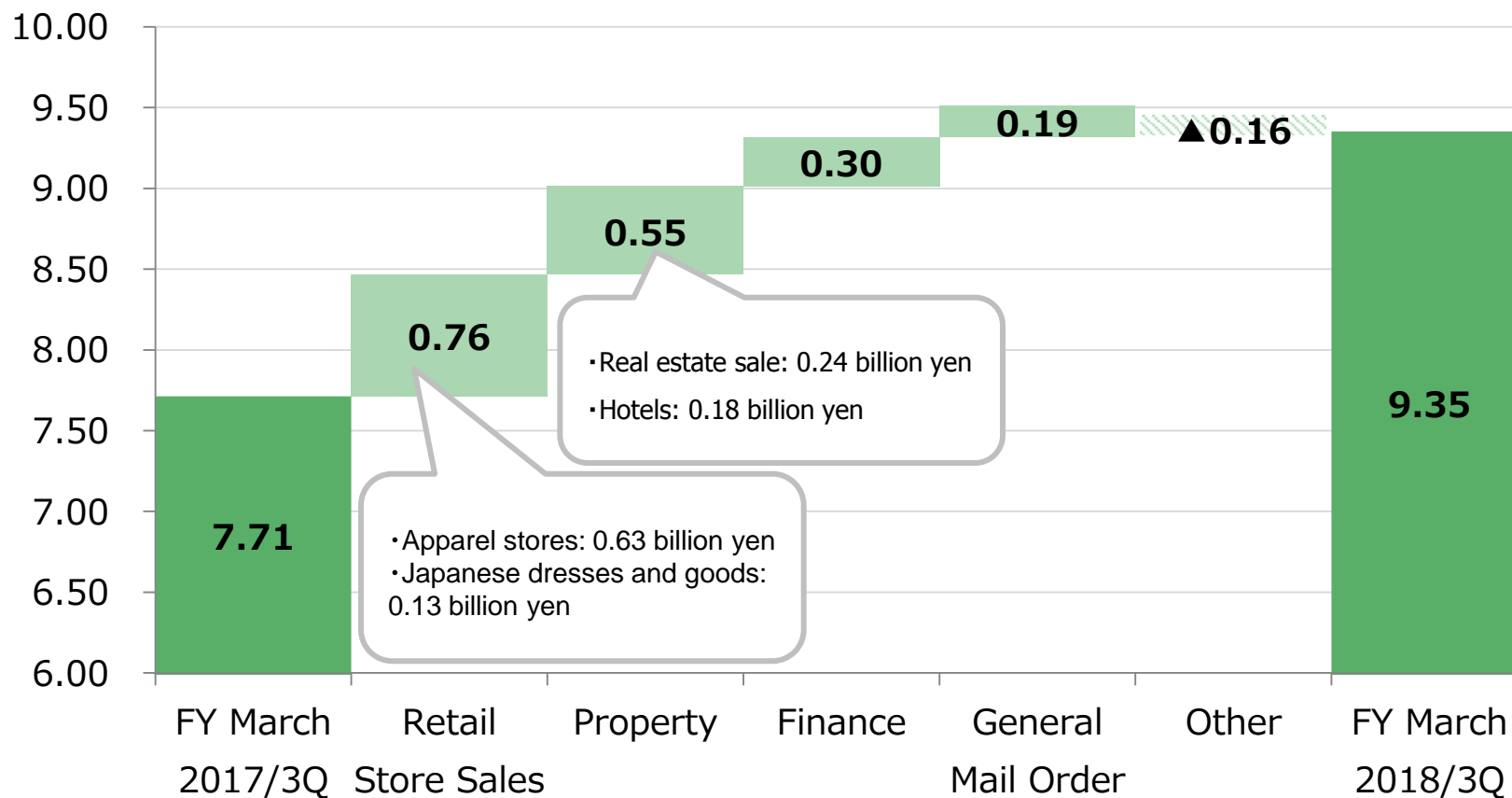


4. Analysis of increases and decreases in operating income

Operating income in Retail Store Sales rose substantially thanks to increased *BELLUNA* profitability at apparel stores. Operating income in the hotel business increased on higher occupancy rates and the start of new hotel operation. Operating income in the General Mail Order Business reached the forecast thanks mainly to an improved media cost ratio.

Factors for change in operating income

Unit: Billion Yen



5. Consolidated balance sheet

In Assets, items such as cash and deposits, merchandise and finished goods, and tangible fixed assets increased. In Liabilities, notes and accounts payable rose. Interest-bearing liabilities also increased due chiefly to bond issuance.

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Unit: Billion Yen

	As of March 31,2017	As of December 31,2017	Change
Current Assets	84.79	100.37	15.57
Cash and deposits	20.18	25.49	5.31
Notes and accounts receivable - trade	9.67	13.35	3.68
Merchandise and finished goods	15.97	19.94	3.97
Fixed Assets	94.23	103.34	9.10
Tangible fixed assets	64.26	72.73	8.48
Investment securities	13.24	14.24	1.00
Total Assets	179.02	203.70	24.68
Liabilities	91.25	109.93	18.67
Notes and accounts payable - trade	17.74	24.52	6.78
Interest bearing liabilities	52.08	64.02	11.94
Net Assets	87.77	93.78	6.00
Retained earnings	63.36	70.46	7.10
[Shareholders' Equity Ratio]	[47.4%]	[45.4%]	[-2.0P]

<Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results of the third quarter 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 January 31, 2018. 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.

<Inquiries for IR matters>

IR Section, Executive Corporate Planning Department, Belluna Co., Ltd.

Address: 4-2 Miyamotocho Ageo-shi, Saitama, 362-8688

TEL: 048-771-7753

FAX: 048-775-6063

E-mail: ir-belluna@belluna.co.jp