

# Supplementary Information for Financial Results of the Third Quarter ended December 31, 2018

***BELLUNA***

Thursday, January 31, 2019

# 1. Consolidated Statement of Income

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Net sales: Up 9.5% year on year to top the plan.

Operating income: Increased in the General Mail Order and Finance segments but decreased in the other five segments.

Ordinary income: Declined despite exchange rate-related gains, etc.

Unit: Billion Yen

Consolidated	FY March 2018/3Q	FY March 2019/3Q		FY March 2019
	Actual	Actual	YoY Change	Plan
Net Sales	122.00	133.56	9.5%	180.00
Cost of Sales	54.18	58.43	7.8%	78.00
Selling, General & Administrative Expenses	58.46	66.67	14.0%	87.00
Operating Income	9.35	8.46	-9.5%	15.00
Non-operating Income and Expenses	2.18	2.85	30.7%	0.50
(Exchange rate-related gains and losses)	(1.59)	(1.93)	21.3%	—
Ordinary income/ loss	11.53	11.31	-1.9%	15.50
Net income/ loss	8.32	7.18	-13.7%	10.50

## 2. Profitability by segment

Net sales : Increased primarily thanks to strong results of the Specialty Mail Order and Retail Store Sales segments, which offset a decrease in the General Mail Order, Solution. BELLUNA

Operating income: Increased in the Specialty Mail Order and Finance segments.  
In addition to General Mail Order Sales, four segments declined.

- Operating income decreased in the General Mail Order segment, mainly due to an increase in media-related expenses and higher distribution costs.

- Income decreased in the Retail Store Sales segment, mainly due to a decline in sales at the existing stores of BANKAN Wamono Co., Ltd., which offset an increase in income resulting from the consolidation of Sagami Group Holdings Co., Ltd.

### Consolidated Net Sales and Operating Income by Segment

Unit: Billion Yen

	FY March 2019/3Q								
	General Mail Order	Specialty Mail Order	Retail Store Sales	Solution	Finance	Property	Other	Elimination or Corporate	Total
Net Sales	61.20	36.29	19.26	4.38	2.84	6.49	3.99	-0.89	133.56
YoY Change (%)	-0.3%	+4.5%	+76.5%	-3.0%	+10.3%	+33.3%	+7.6%	+24.5%	+9.5%
Operating Income	3.36	2.38	0.48	1.60	1.30	0.53	-0.66	-0.53	8.46
YoY Change (billion yen)	-0.45	0.73	-0.41	-0.22	0.08	-0.17	-0.13	-0.33	-0.89
Operating Income Ratio	5.5%	6.5%	2.5%	36.5%	45.9%	8.2%	-16.5%	59.3%	6.3%

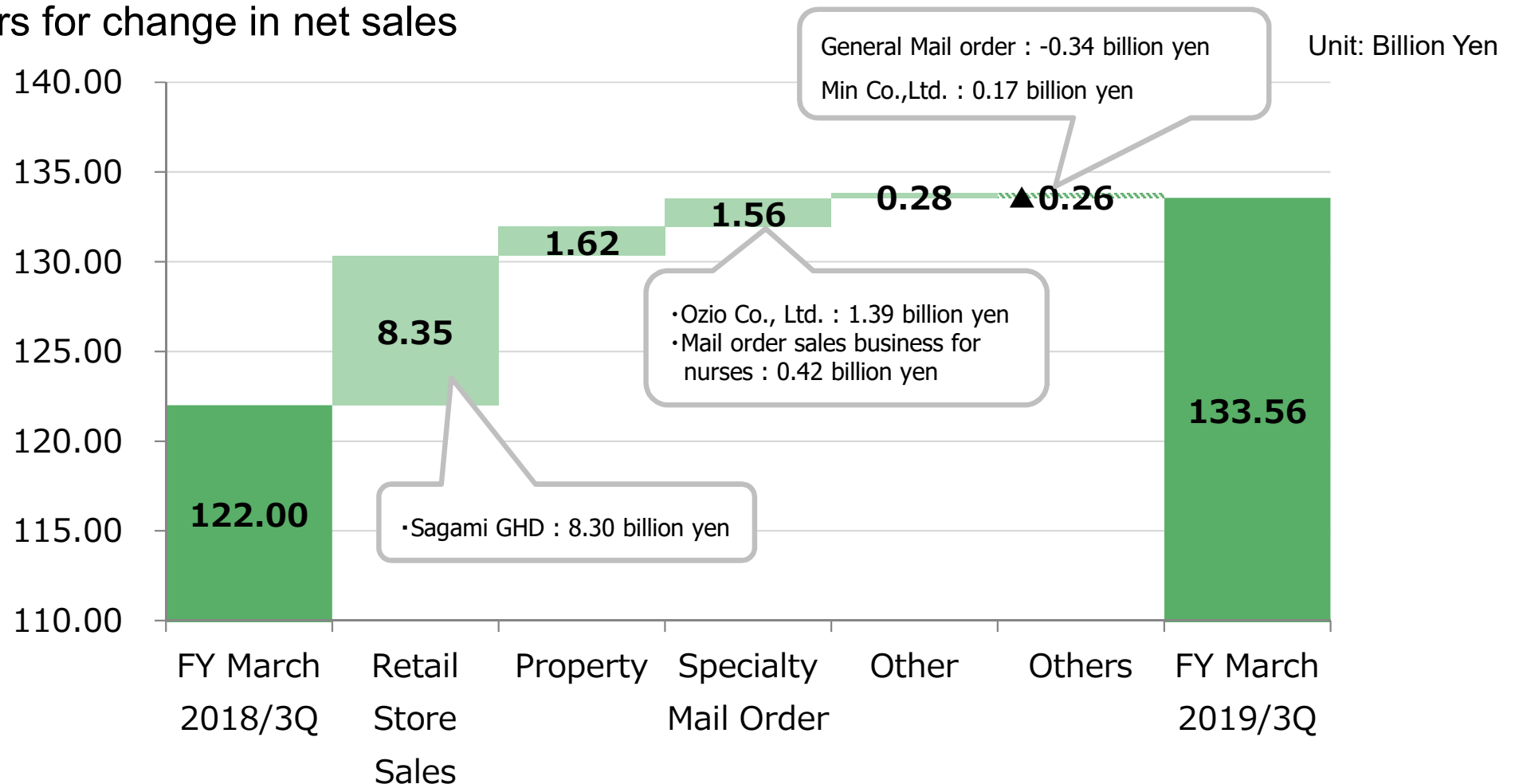
### 3. Analysis of increases and decreases in sales

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Sales in the Retail Store Sales segment increased chiefly based on the consolidation of Sagami Group Holdings Co.,Ltd.

Sales growth in the Specialty Mail Order segment was driven by Ozio Co., Ltd., an operator of the cosmetics business and the mail order business for nurses.

#### Factors for change in net sales



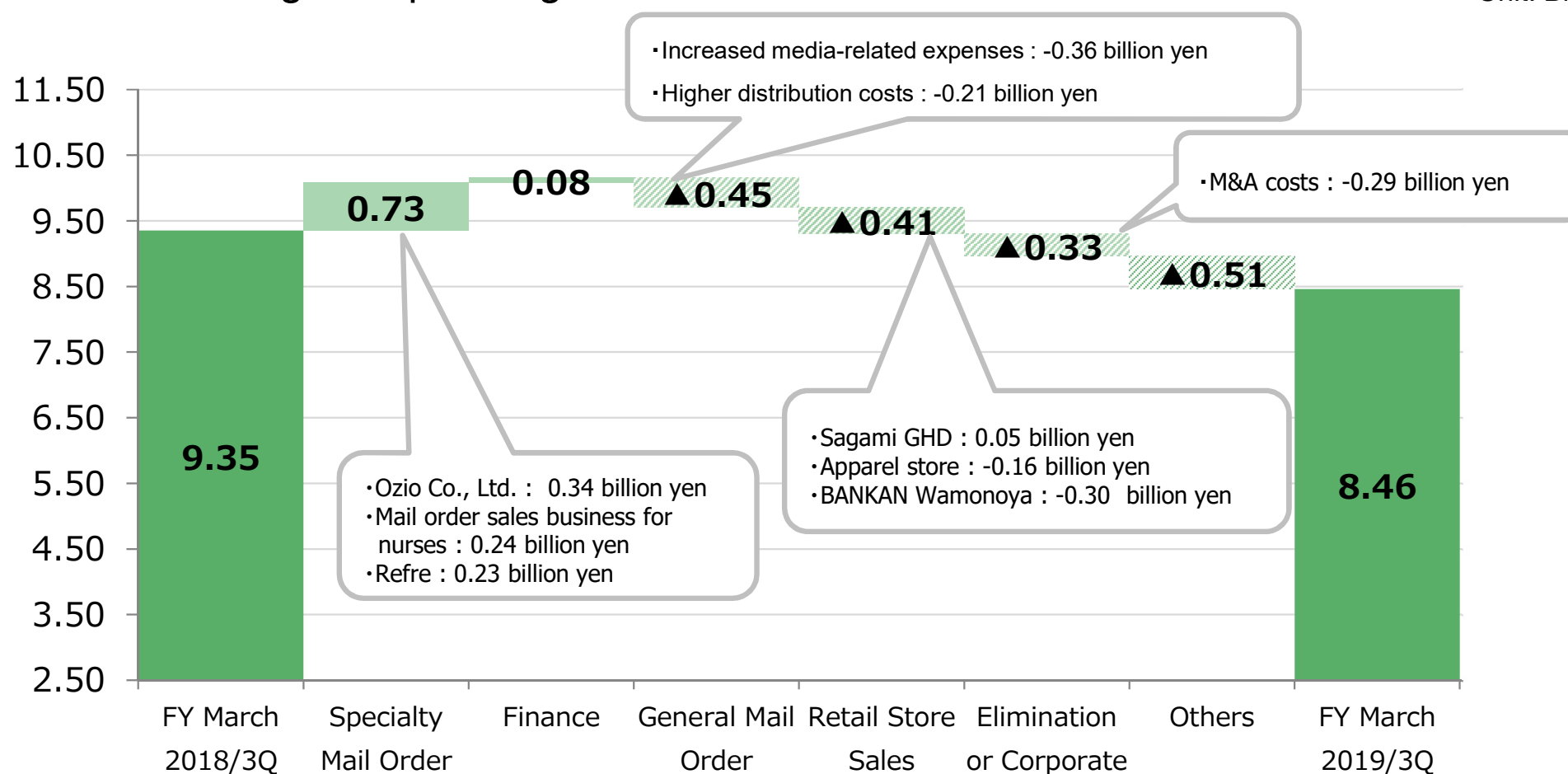
## 4. Analysis of increases and decreases in operating income

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Income continued to rise in the Specialty Mail Order segment, mainly due to improvements in the profitability of Refre's health food business and the mail order business for nurses, as well as sales added by Ozio Co., Ltd., an operator in the cosmetics business. Meanwhile, the decline in income in the General Mail Order segment was caused largely by a decrease in media-related expenses and higher distribution costs. Income also fell in the Retail Store Sales segment, mainly due to a decline in sales at the existing stores of BANKAN Wamonoya Co., Ltd. and an increase in apparel store openings.

### Factors for change in operating income

Unit: Billion Yen



## <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, 2019. 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, 2019. 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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