

# Supplementary Information for Financial Results of the First Quarter ended June 30, 2019

***BELLUNA***

Wednesday July 31, 2019

# 1. Consolidated Statement of Income

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Net sales: Up 9.9% year on year.

Operating income: Increased in the Specialty Mail Order and Solution and property segments but decreased in the other four segments.

Ordinary income and net income fell short of those in the previous fiscal year due to exchange-related gains and other profits that became negative.

Unit: Billion Yen

Consolidated	FY March 2019/1Q	FY March 2020/1Q		FY March 2020
	Actual	Actual	YoY Change	Plan
Net Sales	41.98	46.16	9.9%	185.00
Cost of Sales	17.97	19.06	6.0%	78.00
Selling, General & Administrative Expenses	21.53	25.14	16.8%	93.00
Operating income	2.48	1.95	-21.2%	14.00
Non-operating income and Expenses	2.04	-0.18	-	1.00
(Exchange rate-related gains and losses)	(1.71)	(-0.37)	-	-
Ordinary income	4.52	1.78	-60.7%	15.00
Net income	2.87	1.11	-61.2%	10.50

## 2. Profitability by segment

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

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

- Operating income decreased in the General Mail Order segment mainly due to an increase in the cost of paper.
- Operating income decreased 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.

### Consolidated Net Sales and Operating Income by Segment

Unit: Billion Yen

	FY March 2020/1Q								Total
	General Mail Order	Specialty Mail Order	Retail Store Sales	Solution	Finance	Property	Other	Elimination or Corporate	
Net Sales	21.47	11.43	7.17	1.96	1.03	1.96	1.39	-0.26	46.16
YoY Change(%)	-5.2%	+2.2%	+104.9%	+34.6%	+13.6%	+62.2%	-0.5%	-20.7%	+9.9%
Operating Income	0.79	0.80	-0.37	0.66	0.34	0.05	-0.23	-0.09	1.95
YoY Change(billion yen)	-0.51	0.13	-0.43	0.10	-0.02	0.01	-0.06	0.26	-0.53
Operating Income Ratio	3.7%	7.0%	-5.2%	33.9%	32.8%	2.6%	-16.6%	34.5%	4.2%

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

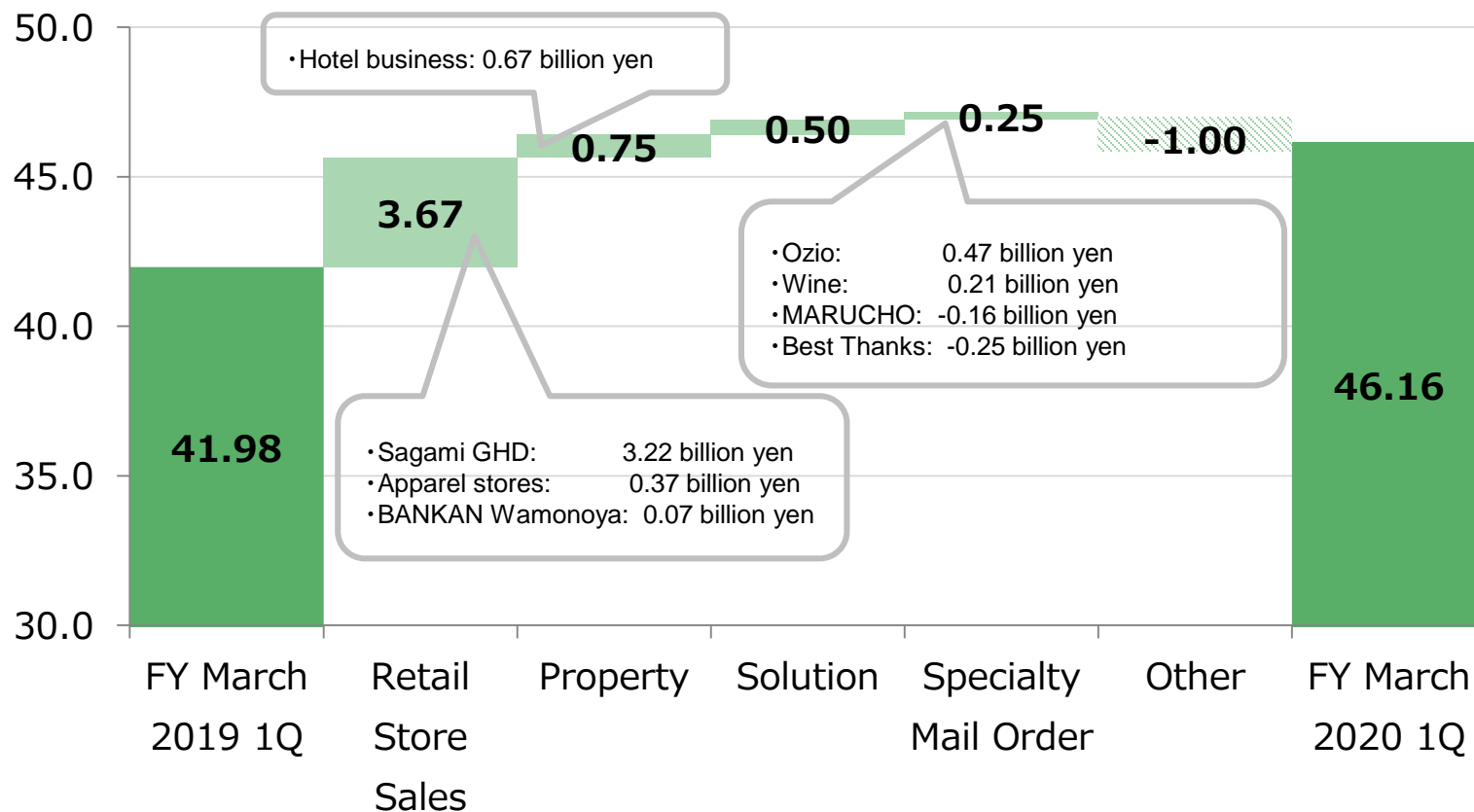
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Sales in the Retail Store Sales segment increased chiefly thanks to the consolidation of Sagami Group Holdings Co., Ltd.

Sales in the Specialty Mail Order segment continued to be driven by Ozio Co., Ltd., an operator of the cosmetics business, and the wine business.

Factors for change in net sales

Unit: Billion Yen



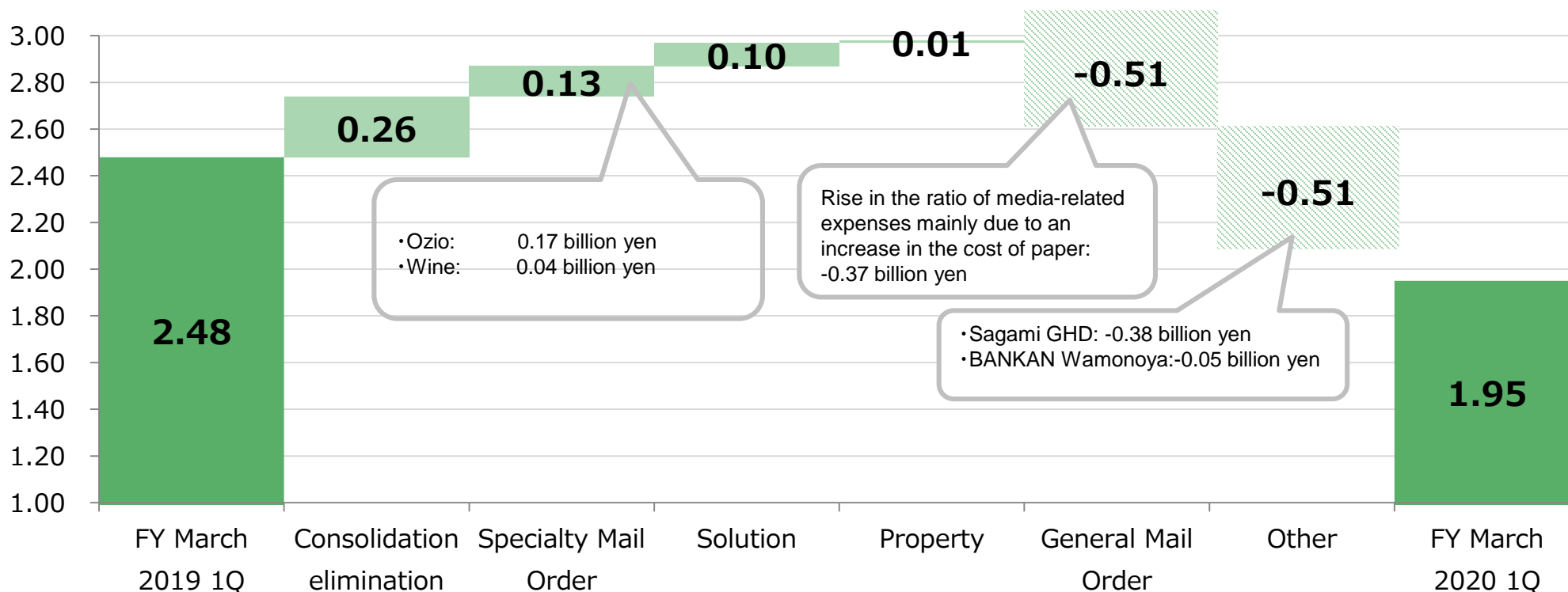
## 4. Analysis of increases and decreases in operating income

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The upward trend of income continued in the Specialty Mail Order segment mainly thanks to the effect of higher sales at Ozio Co., Ltd., an operator of the cosmetics business, and the wine business. Meanwhile, operating income in the General Mail Order segment declined largely due to an increase in the cost of paper. 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.

### Factors for change in operating income

Unit: Billion Yen



## 5. Consolidated Balance Sheet

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In current assets, Merchandise and finished goods increased. Fixed assets increased mainly in Tangible fixed assets. On the other hand, notes and accounts payable increased mainly in liabilities.

	FY March 2018	FY March 2019/1Q	Change	Unit: Billion Yen
Current Assets	99.24	97.00	-2.25	
Cash and deposits	22.07	16.76	-5.31	
Operating loans	23.78	24.63	0.85	
Merchandise and finished goods	20.86	23.07	2.21	
Fixed Assets	114.54	116.90	2.36	
Tangible fixed assets	83.20	86.14	2.93	
Investments and other assets	20.08	19.59	-0.50	
Total Assets	213.79	213.90	0.11	
Liabilities	113.25	113.83	0.58	
Notes and accounts payable - trade	17.09	21.83	4.74	
Interest-bearing liabilities	69.71	67.99	-1.72	
Net Assets	100.53	100.06	-0.47	
Treasury shares	-0.17	-0.47	-0.30	
<b>[Shareholders' Equity Ratio]</b>	<b>[46.7%]</b>	<b>[46.5%]</b>	<b>[-0.2P]</b>	

## <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, 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 July 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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