

# Supplementary Information for Financial Results of the Third Quarter ended December 31, 2020

***BELLUNA***

Friday January 29, 2021

# 1. Consolidated Statement of Income

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Net sales: Up 12.0% year on year

Operating income: Up 59.6% year on year, reflecting a significant increase in profit in the General Mail Order and Specialty Mail Order segments.

Ordinary income: Up 69.0% year on year

Unit: Billion Yen

Consolidated	FY March 2020/3Q	FY March 2021/3Q		FY March 2021
	Actual	Actual	YoY Change	Revised Plan as of January 28, 2021
Net Sales	137.58	154.15	12.0%	200.00
Cost of Sales	58.06	63.89	10.0%	84.00
Selling, General & Administrative Expenses	72.24	78.65	8.9%	102.00
Operating income	7.27	11.61	59.6%	14.00
Non-operating income and Expenses	0.11	0.88	668.0%	0.80
(Exchange rate-related gains and losses)	(-0.07)	(-0.15)	-	-
Ordinary income	7.39	12.49	69.0%	14.80
Net income	4.59	8.62	87.6%	10.50

## 2. Profitability by segment

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Net sales: Increased in General Mail Order, Specialty Mail Order and two other segments.

Operating income: Operating income increased in General Mail Order, Specialty Mail Order and three other segments. It decreased in Retail Store Sales and Property segments.

- The General Mail Order and Specialty Mail Order segments continued to grow in 3Q due to active advertising and strong repeat orders, coupled with demand from stay-at-home consumers.
- Sales and income both decreased in Retail Store Sales segment because the number of customers visiting stores continued declining in 3Q.
- Sales and income both decreased in Property segment partly due to the impact of temporary closure in the hotel business.

### Consolidated Net Sales and Operating Income by Segment

Unit: Billion Yen

	FY March 2021/3Q								
	General Mail Order	Specialty Mail Order	Retail Store Sales	Solution	Finance	Property	Other	Elimination or Corporate	Total
Net Sales	69.55	47.99	17.12	7.71	3.49	5.41	3.61	-0.73	154.15
YoY Change(%)	+19.7%	+28.4%	-25.4%	+30.5%	+7.2%	-19.6%	-9.8%	-2.8%	+12.0%
Operating Income	4.89	5.35	-1.79	2.12	1.86	0.20	-0.70	-0.32	11.61
YoY Change(billion yen)	3.07	2.56	-1.79	0.22	0.48	-0.24	0.04	-0.03	4.33
Operating Income Ratio	7.0%	11.2%	-10.5%	27.5%	53.3%	3.7%	-19.5%	44.0%	7.5%

# 3. Analysis of increases and decreases in sales

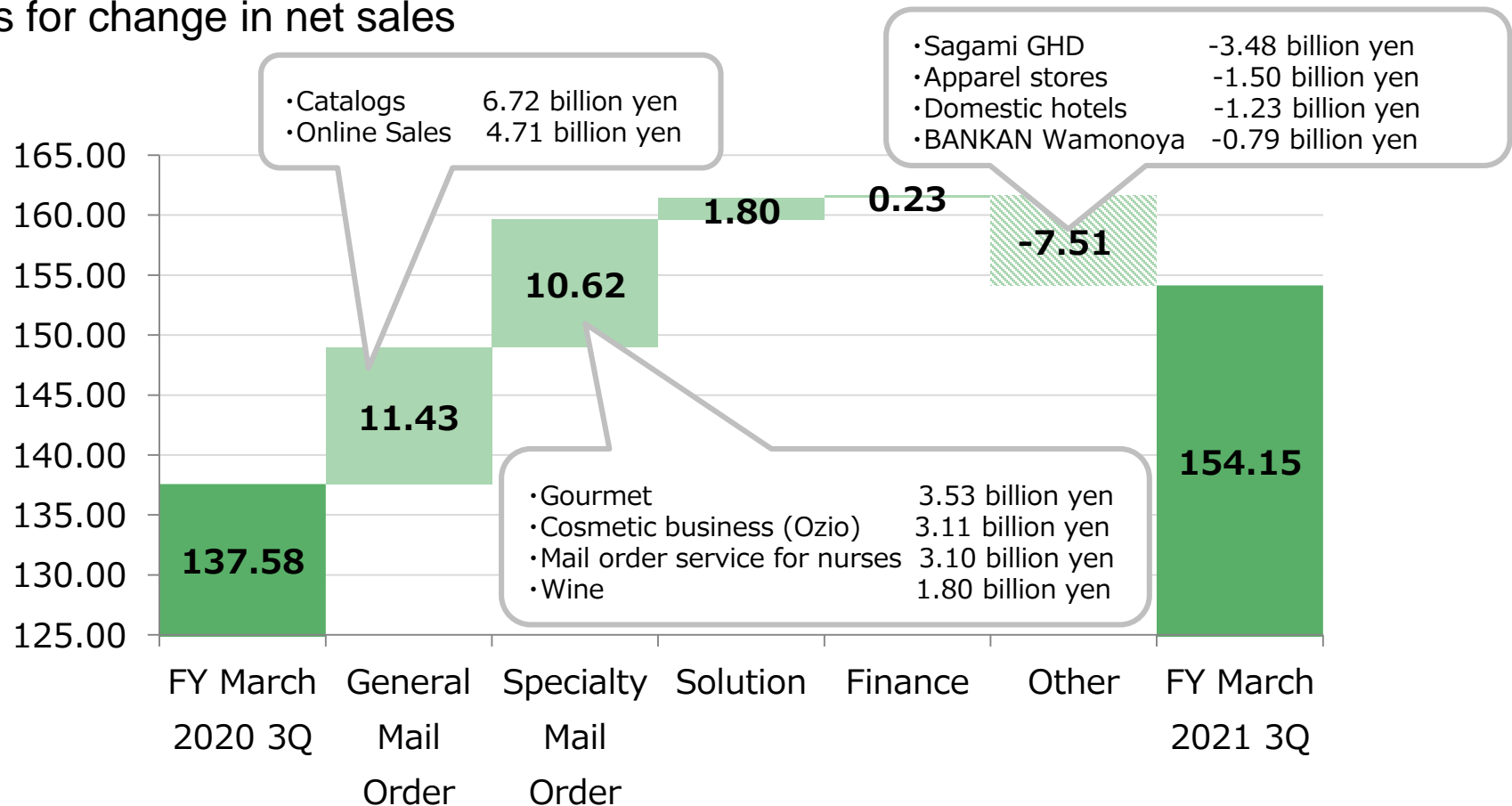
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Mainly due to the impact of the Covid-19 pandemic, the net sales in General Mail Order continued to be an upward trend for both catalogs and online sales. Specialty Mail Order also performed strongly overall.

On the other hand, Retail Store Sales decreased because the number of customers visiting stores continued to fall mainly due to reduced operating hours, although all stores resumed sales operation in June.

Unit: Billion Yen

## Factors for change in net sales



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

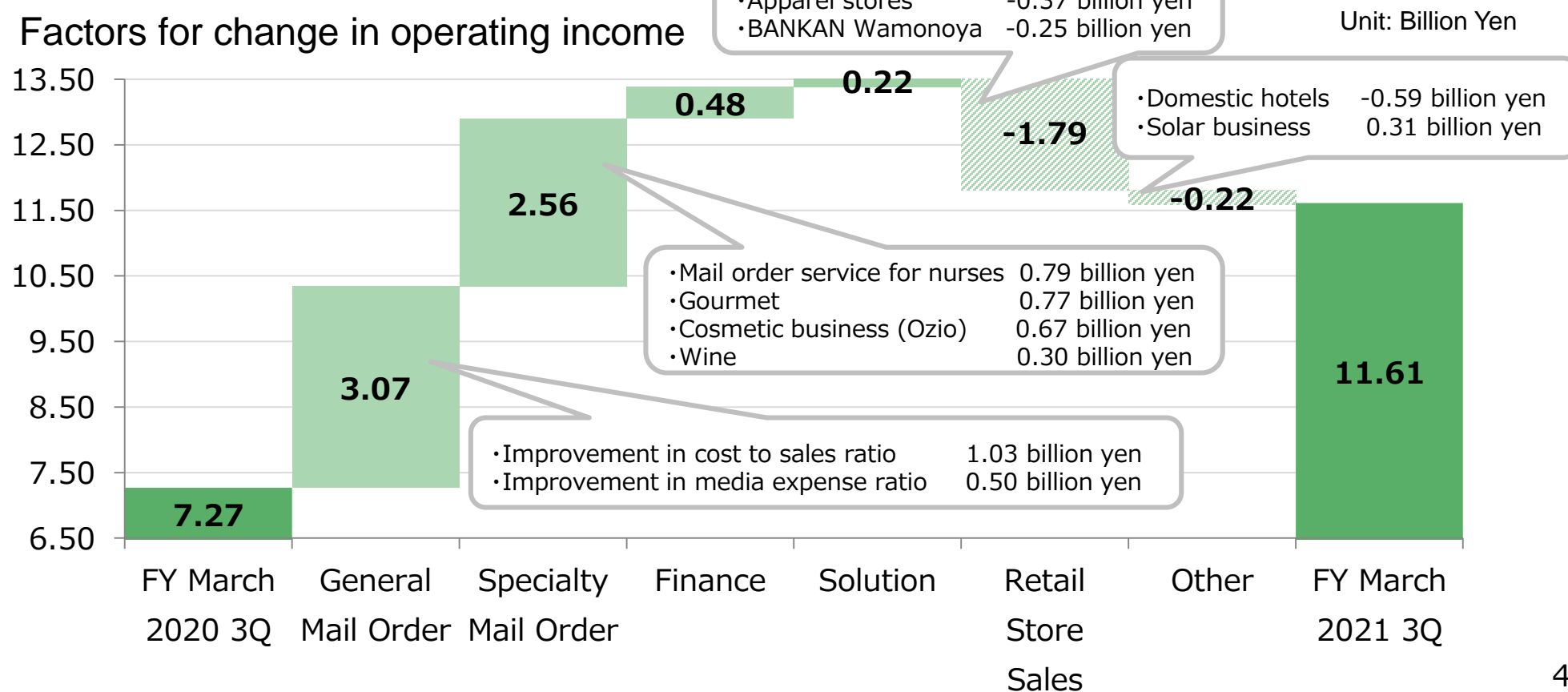
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Operating income in the General Mail Order segment increased significantly due to improvements in the cost to sales ratio and media expense ratio, coupled with higher sales.

Operating income in the Specialty Mail Order segment rose, reflecting higher sales.

Operating income in apparel stores and Japanese-style clothes decreased due to decline in sales.

### Factors for change in operating income



# 5. Consolidated Balance Sheet

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In current assets, notes and accounts receivable – trade increased, among other assets. Fixed assets increased mainly in Tangible fixed assets.

Meanwhile, notes and accounts payable – trade increased mainly in liabilities, although interest bearing liabilities decreased.

Unit: Billion Yen

	FY March 2020	FY March 2021/3Q	Change
Current Assets	103.68	118.50	14.81
Cash and deposits	22.79	27.24	4.45
Notes and accounts receivable - trade	9.39	13.63	4.24
Merchandise	20.91	24.18	3.27
Fixed Assets	119.45	122.72	3.28
Tangible fixed assets	88.65	91.43	2.78
Investments and other assets	18.97	20.23	1.26
Total Assets	223.13	241.22	18.09
Liabilities	120.60	131.27	10.67
Notes and accounts payable - trade	18.23	27.56	9.33
Interest bearing liabilities	77.82	69.92	-7.90
Net Assets	102.53	109.95	7.42
[Shareholders' Equity Ratio]	[45.7%]	[45.3%]	[-0.4P]

## 6. Revision of earnings forecast (by segment)

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The General Mail Order segment is expected to exceed the previous plan due to a favorable response from existing customers in addition to solid progress in the acquisition of new customers. The Specialty Mail Order segment is also expected to perform better than the previous plan partly due to growth in the mail order service for nurses and overseas sales, as well as demand from stay-at-home consumers.

### Plan by segment

Unit: Billion Yen

	FY March 2021 Revised plan (Revised on January 28, 2021)								
	General Mail Order	Specialty Mail Order	Retail Store Sales	Solution	Finance	Property	Other	Elimination or Corporate	Total
Net Sales	87.90	62.27	24.55	10.32	4.60	6.80	6.02	-2.45	200.00
vs. Previously revised plan(%)	+3.4%	+3.8%	-4.5%	+12.6%	+0.9%	-28.2%	-12.8%	-37.3%	+1.5%
YoY Change(%)	+19.8%	+25.1%	-19.2%	+23.9%	+4.6%	-21.8%	+1.3%	+153.0%	+11.1%
Operating Income	4.70	6.42	-1.62	2.74	2.60	0.04	-0.17	-0.70	14.00
vs. Previously revised plan(billion yen)	0.70	0.92	0.35	0.15	0.00	-0.23	-0.39	0.01	1.50
YoY Change(billion yen)	2.99	2.51	-1.93	0.08	0.73	-0.62	0.22	-0.29	3.69

## <Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results of the Third Quarter ended December 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 January 29, 2021. 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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