

# CORPORATE PRESENTATION

## (Fiscal Year Ended March 31, 2014)



▲  
**BELLUNA** -  
a clothing store for  
middle-aged women



▲  
Main catalog  
**BELLUNA**



▲  
Gift catalog  
**Best Thanks**



▲  
Mail order service for nurses  
- example of *infirmière*  
products

**ベルーナ**

Friday, May 30, 2014

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- This material aims to provide information on the business results of the Company for FY March 2014 and, as such, does not aim to solicit investments in marketable securities issued by the Company. This material is prepared on the basis of data as of May 30, 2014. The opinions and forecasts contained in this material reflect the judgments of the Company as of the time of the preparation of this material. The information contained herein neither warrants nor promises as to its accuracy or completeness, and may be subject to change without prior notice.

# 1. Financial Highlights

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*BELLUNA*

1. Financial Summary
2. Consolidated Income Statement
3. Consolidated Balance Sheet
4. Consolidated Statement of Cash Flows

# 1-1. Financial Summary

**BELLUNA**

(Unit: Billion Yen)

Consolidated	FY2012	FY2013				FY2014	
		Plan <sup>*1</sup>	Actual	vs. Plan	YoY Change	Plan	YoY Change
Net Sales	117.88	130.00	125.41	-3.5%	+6.4%	128.00	+2.1%
Gross Profit	65.72	71.91	68.74	-4.4%	+4.6%	71.69	+4.3%
Selling, General & Administrative Expenses	58.64	62.41	60.94	-2.3%	+3.9%	63.29	+3.8%
Operating Income	7.08	9.50	7.80	-17.9%	+10.1%	8.40	+7.7%
Ordinary Income	8.91	10.00	10.43	+4.3%	+17.1%	10.00	-4.1%
Current Net Income	5.87	6.50	7.01	+7.9%	+19.5%	7.00	-0.2%
Comprehensive Income	6.76	—	7.83	—	+15.9%	—	—
EPS (yen) <sup>*2</sup>	6.02	6.68	7.21	+7.9%	+19.8%	7.20	-0.2%
Depreciation & Amortization <sup>*3</sup>	2.47	2.50	2.73	+9.2%	+10.5%	3.00	+9.8%
Capital Expenditure <sup>*4</sup>	8.95	9.55	9.28	-2.9%	+3.7%	9.50	+2.4%

\* 1: The plan refers to the one announced on May 14, 2013.

\* 2: A stock split was conducted at the ratio of one ordinary share to two ordinary shares as of October 1, 2013. EPS is calculated in consideration of the stock split.

\* 3: Depreciation and amortization includes the amount relating to the amortization of intangible fixed assets and long-term prepaid expenses.

\* 4: Capital expenditure includes the amount of investment in intangible fixed assets such as software and leased assets.

# 1-2. Consolidated Income Statement

**BELLUNA**

(Unit: Billion Yen)

Consolidated	FY2012		FY2013		FY2014	
	Actual	Ratio	Actual	Ratio	Plan	Ratio
Net Sales	117.88	100.0%	125.41	100.0%	128.00	100.0%
Cost of Sales	52.17	44.2%	56.67	45.2%	56.31	44.0%
Selling, General & Administrative Expenses	58.64	49.7%	60.94	48.6%	63.29	49.4%
Operating Income	7.08	6.0%	7.80	6.2%	8.40	6.6%
Non-operating Income and Expenses	1.83	1.6%	2.63	2.1%	1.60	1.3%
Ordinary Income	8.91	7.6%	10.43	8.3%	10.00	7.8%

[Costs of sales ratio] +1.0 pt (YoY)

- Increase in disposal of real estate for sale with high costs of sales ratio: +0.5 pt
- Increase in costs of sales ratio of special mail order business: +0.5 pt

[SG&A ratio] -1.1 pts (YoY)

- Improvement of efficiency in use of media costs: -1.1 pts
- Decrease in provision for allowance for bad debt loss and doubtful accounts: -0.4 pt
- Amortization of goodwill: +0.2 pt

[Non-op. income and expenses] +0.8 bil yen (YoY)

- Gain on valuation of derivatives: +0.64 bil yen
- Interest/dividends income: +0.40 bil yen
- Loss on management of investment partnerships: -0.16 bil yen

# 1-2. Consolidated Income Statement

**BELLUNA**

(Unit: Billion Yen)

## Consolidated Sales and Operating Income by Segment

	FY2013 (Actual)					
	Net Sales	YoY Change	Op. Income <sup>*1</sup>	YoY Change	Op. Income Ratio	YoY Change
General Mail Order	<b>75.39</b>	-3.4%	<b>1.58</b>	-39.3%	<b>2.1%</b>	-1.2 P
Specialty Mail Order	<b>27.27</b>	+15.8%	<b>1.54</b>	-17.4%	<b>5.7%</b>	-2.3 P
Retail Store Sales	<b>6.12</b>	+22.5%	<b>0.25</b>	-22.4%	<b>4.0%</b>	-2.3 P
Solution	<b>4.64</b>	+20.9%	<b>2.04</b>	+25.5%	<b>43.9%</b>	+1.6 P
Finance	<b>3.88</b>	+23.8%	<b>1.07</b>	—	<b>27.5%</b>	+28.1 P
Property	<b>5.55</b>	+229.3%	<b>1.66</b>	+219.0%	<b>29.9%</b>	-1.0 P
Other	<b>3.01</b>	-3.2%	<b>-0.24</b>	-1,191.4%	<b>-7.9%</b>	-8.6 P
Elimination or Corporate	<b>-0.45</b>	—	<b>-0.11</b>	—	<b>—</b>	—
<b>Total</b>	<b>125.41</b>	+6.4%	<b>7.80</b>	+10.1%	<b>6.2%</b>	+0.2 P

\* 1: The Accounting Standards for Disclosure about Segments of an Enterprise and Related Information and the Guidance on the Accounting Standards for Disclosure about Segments of an Enterprise and Related Information apply.

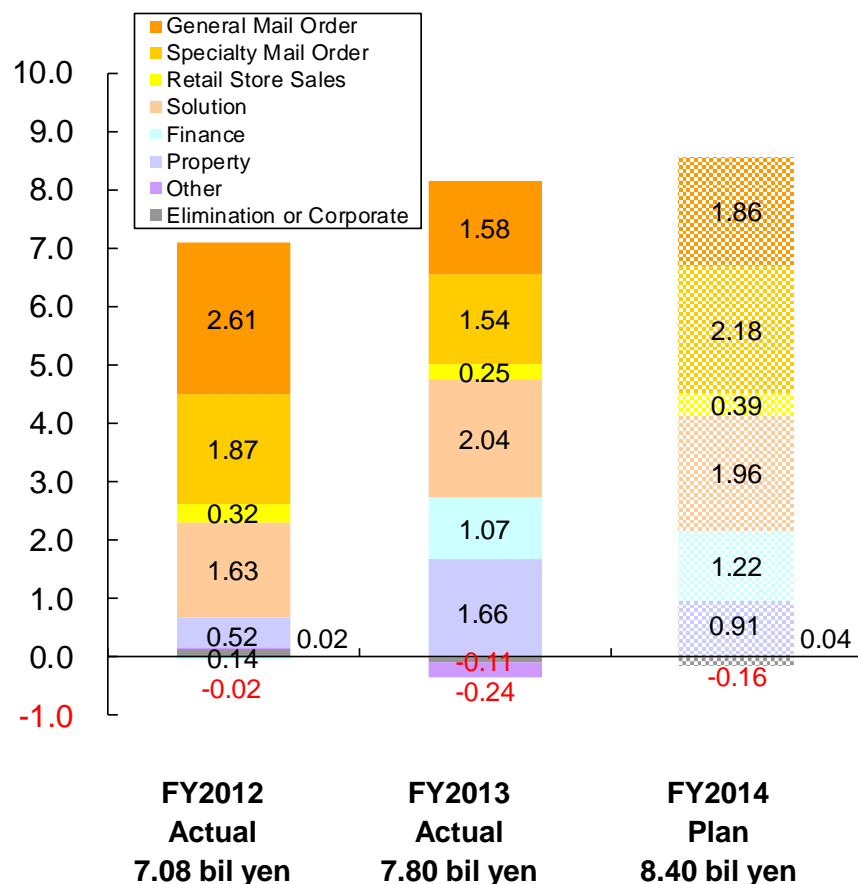
In this material, it is segment-specific income that is presented as operating income in each segment.

# 1-2. Consolidated Income Statement

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## Primary Factors for Change of Operating Income\*1

(Unit: Billion Yen)



<b>Property Business</b>	<b>+1.14 bil yen</b>
- Gain on sales of real estate for sale	+0.86 bil yen
- Gain on rent revenue	+0.18 bil yen

<b>Finance Business</b>	<b>+1.09 bil yen</b>
- Increase in loan interest income	+0.75 bil yen
- Decrease in provision for allowance for bad debt loss and doubtful accounts	+0.43 bil yen

<b>General Mail Order Business</b>	<b>-1.02 bil yen</b>
- Decline in distribution cost ratio	-0.70 bil yen
- Rise in costs of sales ratio (+0.5 pt)	-0.39 bil yen

<b>Specialty Mail Order Business</b>	<b>-0.32 bil yen</b>
- Rise in costs of sales ratio (+2.7 pts)	-0.64 bil yen
- Improvement of media efficiency	+0.31 bil yen

\* 1: The Accounting Standards for Disclosure about Segments of an Enterprise and Related Information and the Guidance on the Accounting Standards for Disclosure about Segments of an Enterprise and Related Information apply.

In this material, it is segment-specific income that is presented as operating income in each segment.

# 1-3. Consolidated Balance Sheet

BELLUNA

(Unit: Billion Yen)

	FY2012	FY2013	Change
<b>Current Assets</b>	65.09	66.67	1.58
Cash and deposits	14.83	16.40	1.57
Merchandise and finished goods	12.75	14.33	1.57
Real estate for sale/in process	3.92	1.46	-2.45
<b>Fixed Assets</b>	49.99	63.98	13.99
Tangible fixed assets	35.23	42.75	7.52
Goodwill	0.10	3.96	3.86
Bankruptcy rehabilitation claims	2.78	0.36	-2.41
<b>Total Assets</b>	115.08	130.65	15.57
<b>Liabilities</b>	48.47	57.17	8.70
Notes and accounts payable-trade	17.05	15.19	-1.86
Interest bearing liabilities	13.24	25.39	12.15
<b>Net Assets</b>	66.61	73.48	6.87
Retained earnings	54.90	60.94	6.04
Foreign currency translation adjustment	-0.90	-0.10	0.79
<b>[Shareholders' Equity Ratio]</b>	[57.9%]	[56.2%]	[-1.6 P]



# 1-4. Consolidated Statement of Cash Flows

**BELLUNA**

(Unit: Billion Yen)

	FY2012	FY2013	
	Actual	Actual	YoY Change
<b>Cash flows from operating activities</b>	<b>7.28</b>	<b>5.77</b>	<b>-1.51</b>
Decrease (Increase) in real estate for sale	-0.61	2.45	3.06
Increase (decrease) in notes and accounts payable	2.02	-1.78	-3.80
<b>Cash flows from investing activities</b>	<b>-7.63</b>	<b>-15.40</b>	<b>-7.76</b>
Expenditure for purchase of tangible fixed assets	-5.96	-8.74	-2.78
Expenditure for acquisition of shares of subsidiaries	0.00	-7.05	-7.05
<b>Cash flows from financing activities</b>	<b>2.11</b>	<b>10.72</b>	<b>8.61</b>
Change in short- and long-term borrowings	3.70	12.15	8.45
<b>Translation differences on cash</b>	<b>0.05</b>	<b>0.08</b>	<b>0.03</b>
<b>Increase in cash</b>	<b>1.80</b>	<b>1.17</b>	<b>-0.64</b>

- While sales of real estate for sale increased, cash flows from operating activities decreased from the preceding year due to a decrease in notes and accounts payable.
- In addition to capital expenditure for construction to establish the Yoshimi Distribution Center, expenditure for the acquisition of shares of *infirmière* and *Best Thanks* was covered by long-term debt. This made cash flows from investing activities substantially negative, while those from financial activities turned substantially positive.

# 1-5. Plan for FY2014

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(Unit: Billion Yen)

## Divergence from the Short-Term Plan

Consolidated	FY2012	FY2013		FY2014		FY2015
	Actual	Short-Term Plan <sup>*1</sup>	Actual	Short-Term Plan <sup>*1</sup>	Plan	Short-Term Plan <sup>*1</sup>
Net Sales	117.88	130.00	125.41	140.00	128.00	160.00
(Net Sales of General Mail Order Business)	78.01	81.70	75.39	87.90	70.00	95.00
Operating Income	7.08	9.50	7.80	10.50	8.40	12.00
(Operating Income Ratio)	6.0%	7.3%	6.2%	7.5%	6.6%	7.5%
Interest Bearing Liabilities <sup>*2</sup>	13.24	18.00	25.39	15.0-20.0	23.0-27.0	15.0-25.0
Net Assets	66.61	72.00	73.48	77.00	79.00	83.00
ROE	9.2%	9.3%	10.0%	8.5-9.5%	9.2%	8.5-9.5%

- For FY2013, the first year under the Short-Term Business Plan, neither net sales nor operating income achieved the plan, mainly due to impact of the failure to achieve the plan for the general mail order business. However, ordinary income and current net income achieved the plan, and thus net assets and ROE achieved the plan. In addition, interest bearing liabilities exceeded the initial plan upon M&A.
- For FY2014, decreased plans have been prepared based on the recent circumstances. However, we aim to achieve the plans for FY2015, the final year under the Business Plan.

\* 1: The Short-Term Business Plan comprises the initial planned figures as announced on May 31, 2013. \*2: These may exceed the plan upon any unexpected M&A and capital expenditure.

## 2. Results by Segment

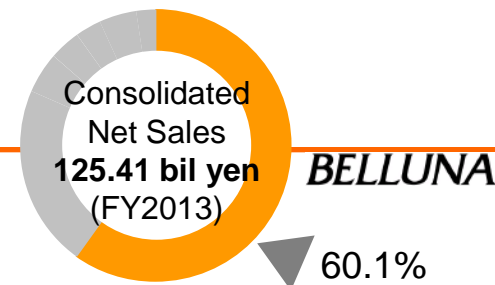
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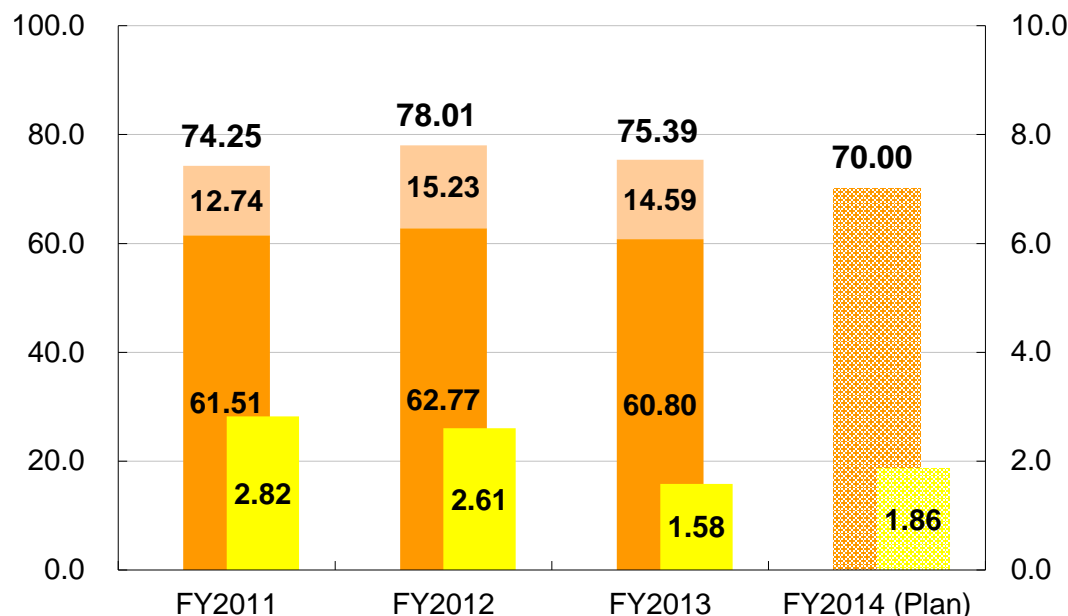
1. General Mail Order
2. Specialty Mail Order
3. Retail Store Sales
4. Solution
5. Finance
6. Property
7. Other

## 2-1. Results by Segment: General Mail Order

### [General Mail Order Business] Results and Summary



(■ Catalog / ■ EC Sales: Billion Yen) (■ Operating Income: Billion Yen)



	FY2013 (Actual)	YoY Change
Active members	4.482 mil	-2.3%
Registered members	15.738 mil	+4.8%
New customers	0.716 mil	-23.0%
Amount purchased per order	10,356 yen	-2.1%

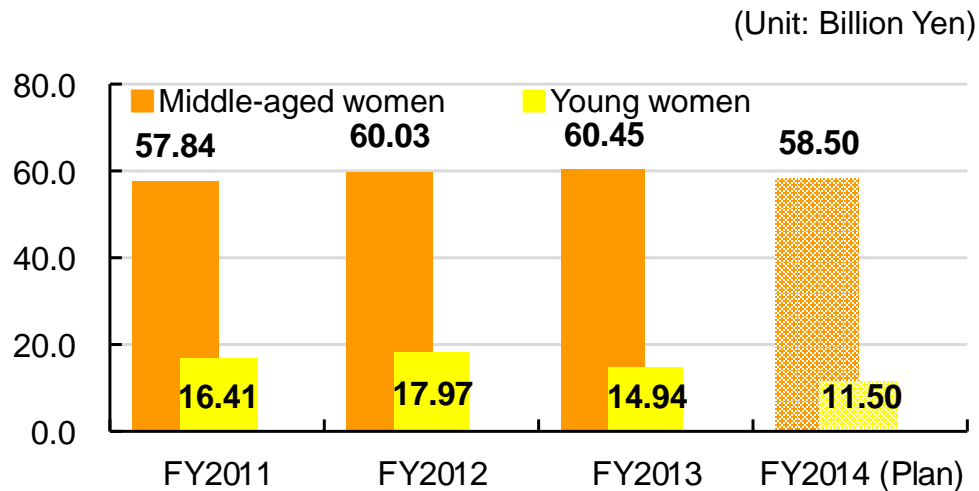
▲ See Corporate Data on page 7 for the trends of actual figures in individual indices.

- Net sales decreased 3.4% YoY due to the reduction in products with low profitability and the unseasonable weather.
  - In addition, income decreased due to increased stock, a decline in the amount purchased per order and a rise in distribution-related costs, as well as a rise in the costs of sales ratio arising from the depreciation of the yen and an increase in the disposal of stock.
- For FY2014, products with low profitability will also be reduced. Revenue will therefore decrease; however, income is expected to increase owing to a rise in the amount purchased per order and an improvement in the costs of sales ratio.

## 2-1. Results by Segment: General Mail Order

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### ► Trends of net sales to middle-aged women and young women



- Net sales to middle-aged women increased slightly. On the other hand, those to young women decreased significantly, while activities aimed at young women have been reduced somewhat.
- For the current fiscal year, we will continue to place the focus on middle-aged women, one of our highly profitable customer groups.

EC Sales Ratio	FY2013 (Actual)	YoY Change
Total	20.0%	-0.2 P
(Middle-aged women)	11.8%	+0.5 P
(Young women)	50.4%	+0.3 P

▲ See Corporate Data on page 8 for trends of actual figures.



Catalog for middle-aged women  
BELLUNA



Catalog for young women  
RyuRyu

## 2-2. Results by Segment: Specialty Mail Order

### [Specialty Mail Order Business] Results and Summary

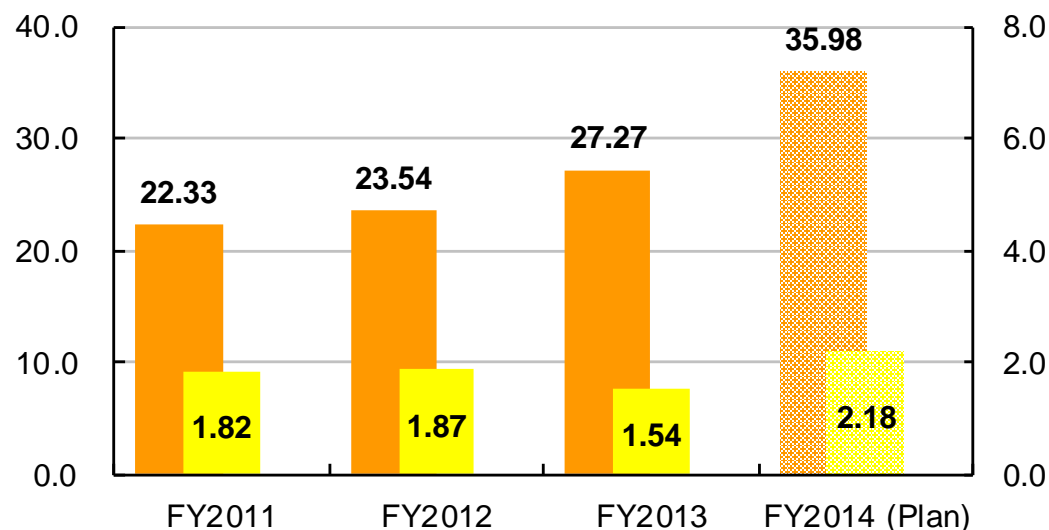
Consolidated  
Net Sales  
**125.41 bil yen**  
(FY2013)

**BELLUNA**

21.7%

(■ Net Sales: Billion Yen)

(■ Operating Income: Billion Yen)



(1) Food, flowers and wine (nonconsolidated)



(2) Cosmetics (Ozio)



(3) Health food (Refre)



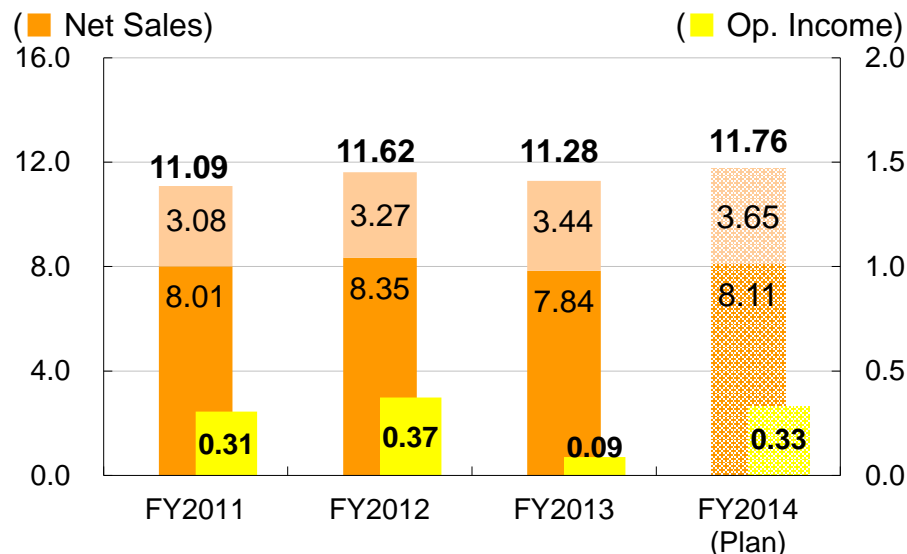
(4) Mail order for nurses (Nursery)

- Net sales were up 15.8% YoY owing to the addition of *infirmière* and *Best Thanks*.
  - On the other hand, income decreased, partially due to a delay in responding to the depreciation of the yen in the wine sector.
- For the current fiscal year, the price increase of wine will spread and revenue from *infirmière* will contribute to sales for a whole year. As a result, both revenue and income are expected to increase.

## 2-2. Results by Segment: Specialty Mail Order

### Gourmet Products

\* Above: Wine,  
Below: Gourmet Products and Flowers

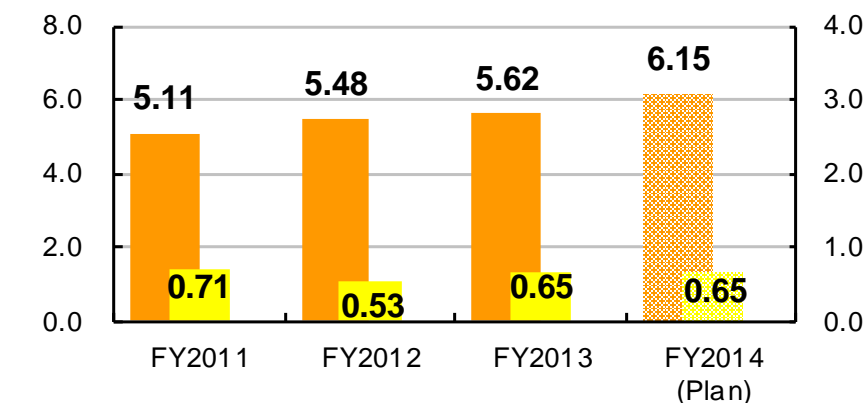


### Ozio

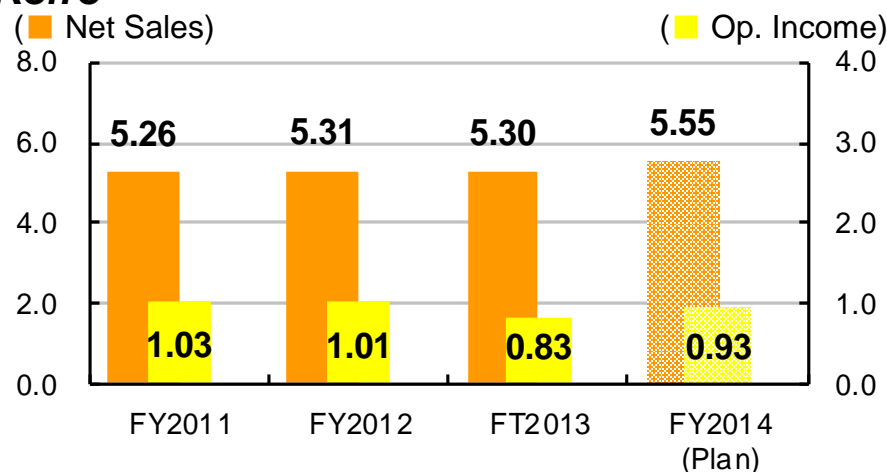
BELLUNA

(Unit: Billion Yen)

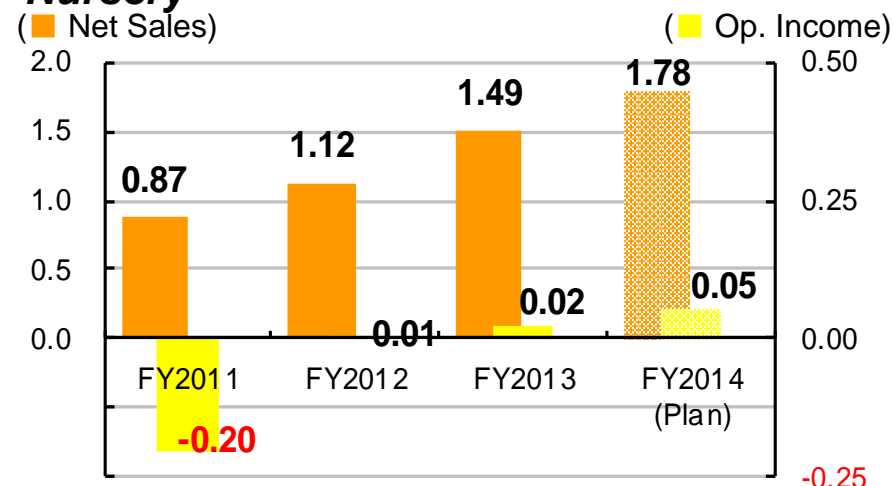
(■ Net Sales) (■ Op. Income)



### Refre



### Nursery



\* 1: Net sales and operating income figures shown above do not include ad revenues.

\* 2: See pages 23-24 for *infirmière* and *Best Thanks*.



## 2-3. Results by Segment: Retail Store Sales

4.9%

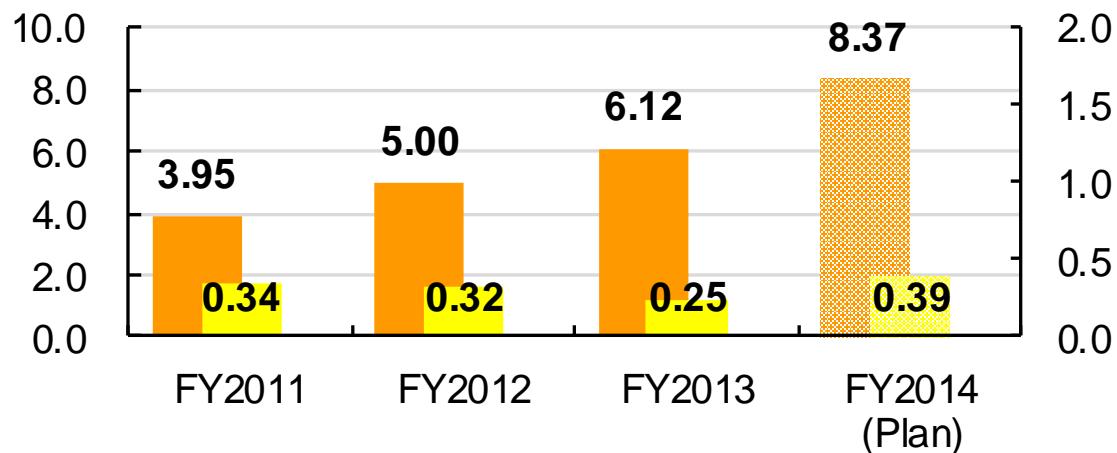
Consolidated  
Net Sales  
125.41 bil yen  
(FY2013)

BELLUNA

### [Retail Store Sales] Results and Summary

(■ Net Sales: Billion Yen)

(■ Operating Income: Billion Yen)



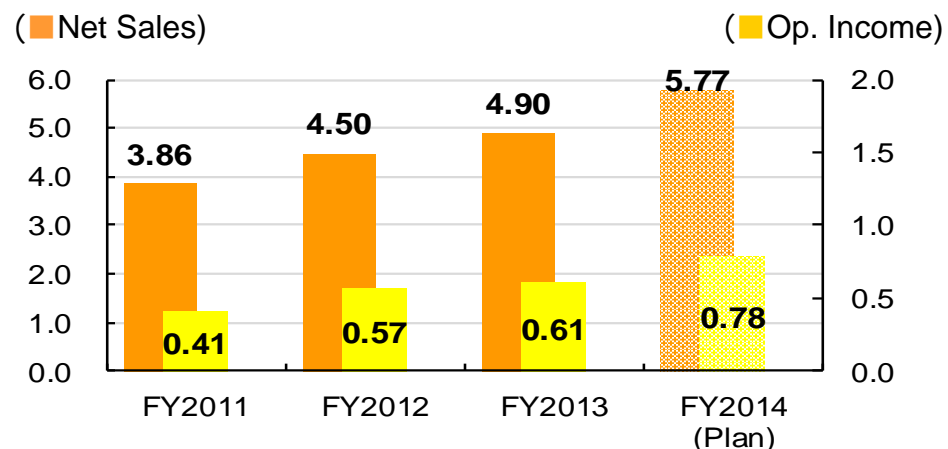
- Net sales from apparel stores did not achieve the plan due to a delay in the launch of new stores. However, net sales from the existing stores selling *kimono* and Japanese-style goods increased. As a result, total net sales were up 22.5% YoY. In addition, income decreased YoY, partially due to increased costs for the launch of new apparel stores.
- For the current fiscal year, the pace of launching new stores will be sped up. For the retail store sales segment, both revenue and income will increase.



## 2-3. Results by Segment: Retail Store Sales

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### ► (i) Stores selling *kimono* and Japanese-style goods

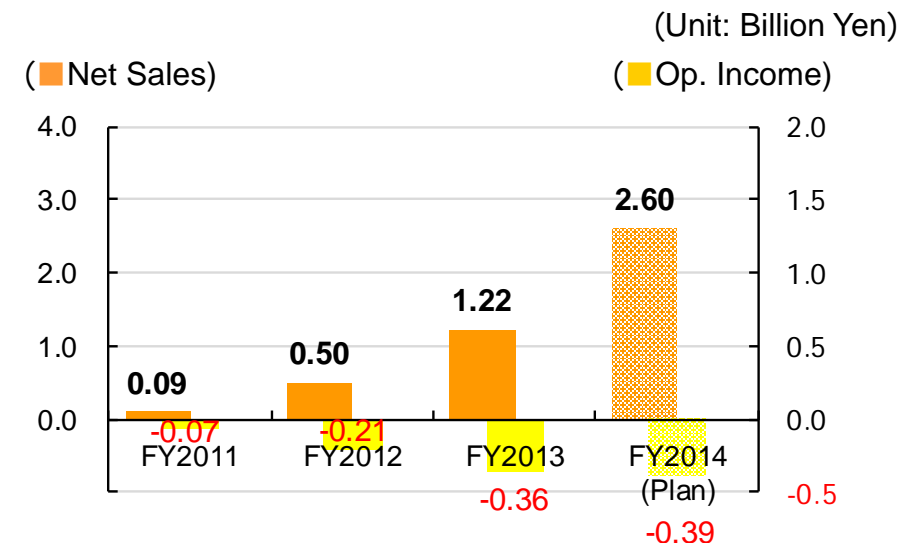


[Number of stores]

As of March 31, 2014: 48 stores

→ Plan as of March 31, 2015: 55 stores

### ► (ii) Apparel stores



[Number of stores]

As of March 31, 2014: 17 stores

→ Plan as of March 31, 2015: 40 stores

## 2-3. Results by Segment: Solution

3.7%

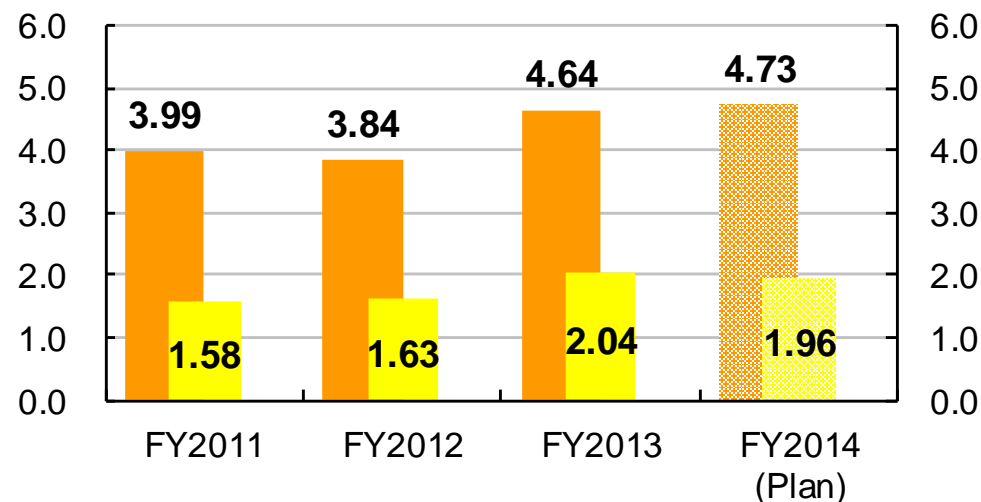
Consolidated  
Net Sales  
**125.41 bil yen**  
(FY2013)

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### ▼ [Solution Business] Results and Summary

(■ Net Sales: Billion Yen)

(■ Operating Income: Billion Yen)



#### Wrapping and Mailing Service

Sending with our catalogs  
Sending with our purchased goods



#### Direct Marketing Outsourcing Service

Call center  
Product dispatch  
Direct mail dispatch  
Systems management, etc.

- Both the wrapping and mailing service and the direct marketing outsourcing service exceeded the plans. Net sales were up 20.9% YoY. In addition, operating income increased 25.5% YoY.

→ For the current fiscal year, advertising descriptions will be more tightly regulated. Accordingly, the plan for the net sales of the wrapping and mailing service is lower than the previous year, and this decrease will be covered by the direct marketing outsourcing service.

## 2-4. Results by Segment: Finance

### ▼ [Finance Business] Results and Summary

3.1%

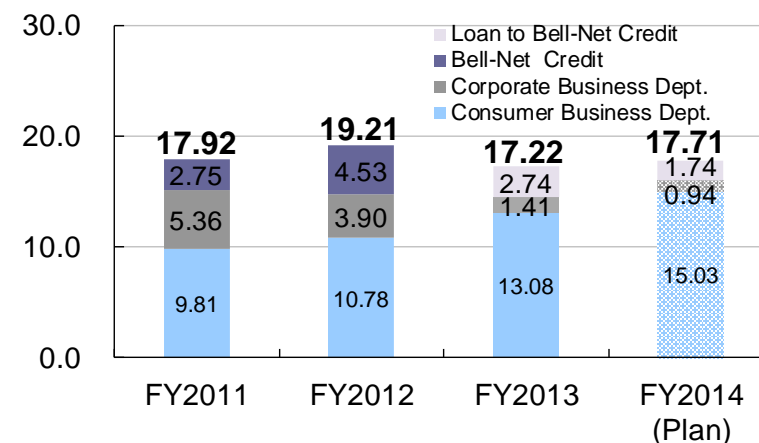
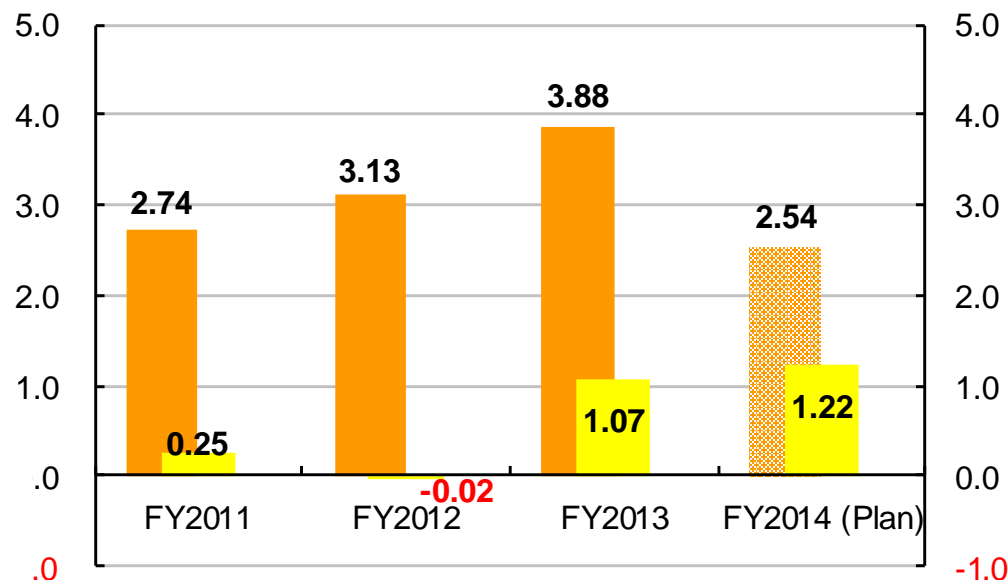
Consolidated  
Net Sales  
125.41 bil yen  
(FY2013)

**BELLUNA**

(■ Net Sales: Billion Yen)

(■ Operating Income: Billion Yen)

<<Balance of trade loans>>



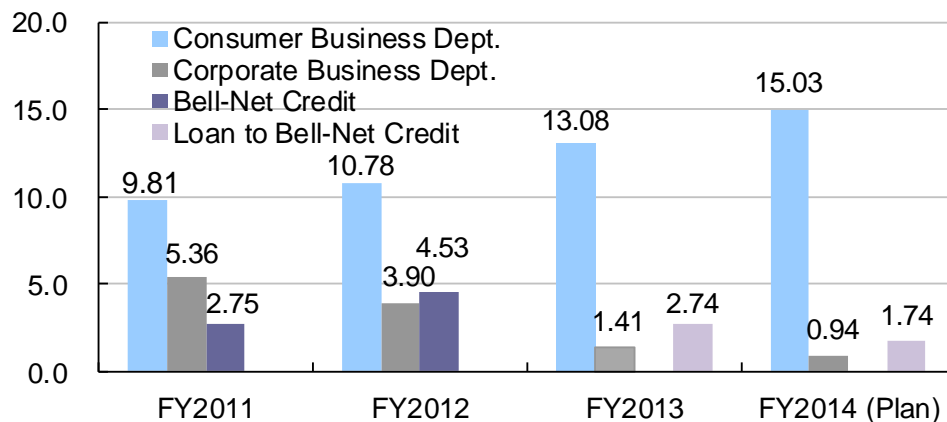
\* See Corporate Data on pages 13-16 for trends in the actual figures of indices in different services, such as the balance at term end and the loan-loss rate.

- Both revenue and income increased significantly owing to an increase in the trade loan balance in domestic consumer finance services, etc. as well as a substantial decrease in the provision for the allowance for doubtful accounts in collateralized finance services.
  - In addition, Bell-Net Credit was sold to a South Korean consumer finance company in March 2014.
- For the current fiscal year, we will continue to increase trade loans in domestic consumer finance services; however, interest revenue will decrease due to the sale of Bell-Net Credit.

## 2-4. Results by Segment: Finance

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<<Trend in the balance of trade loans by sub-segment>>

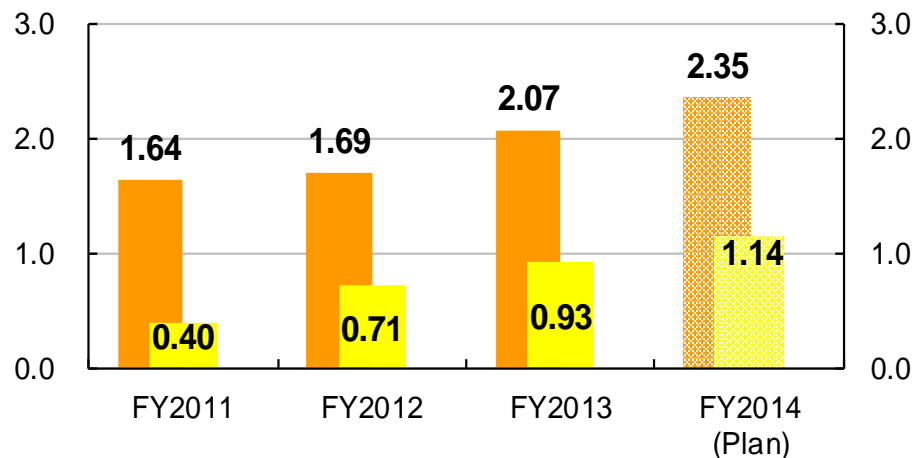


► (i) Consumer Business Dept.

(Unit: Billion Yen)

(■ Net Sales)

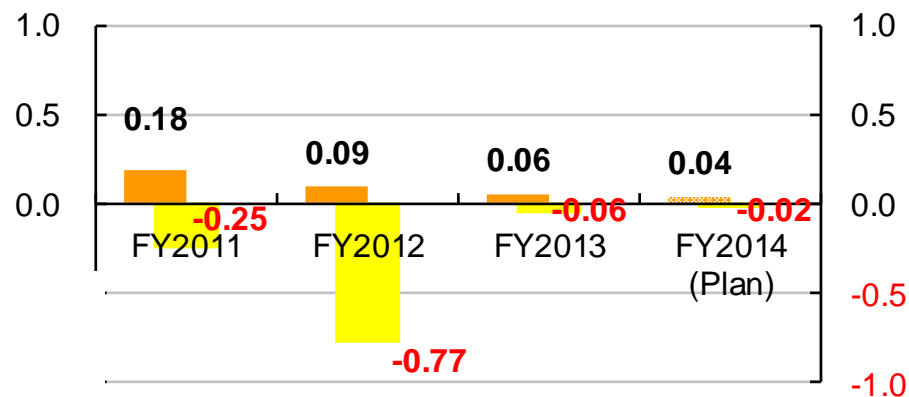
(■ Op. Income)



► (ii) Corporate Business Dept.

(■ Net Sales)

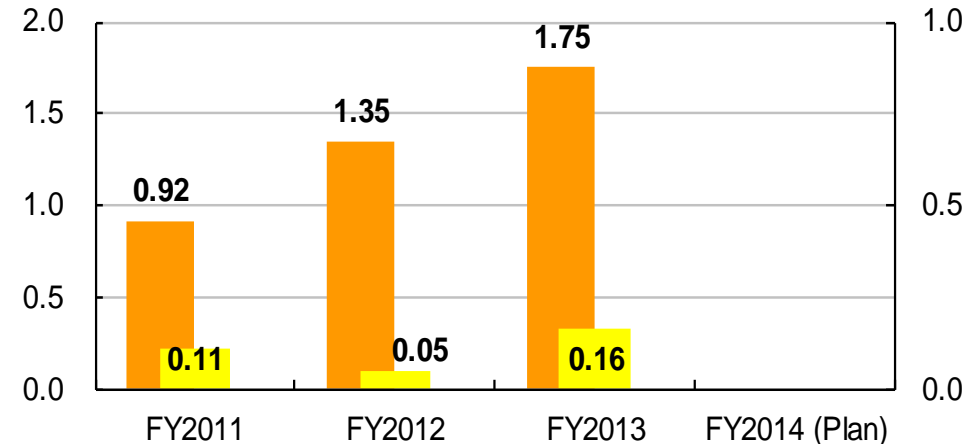
(■ Op. Income)



► (iii) Bell-Net Credit

(■ Net Sales)

(■ Op. Income)



\* For Bell-Net Credit, the fiscal year ends on December 31.

## 2-5. Results by Segment: Property

4.4%

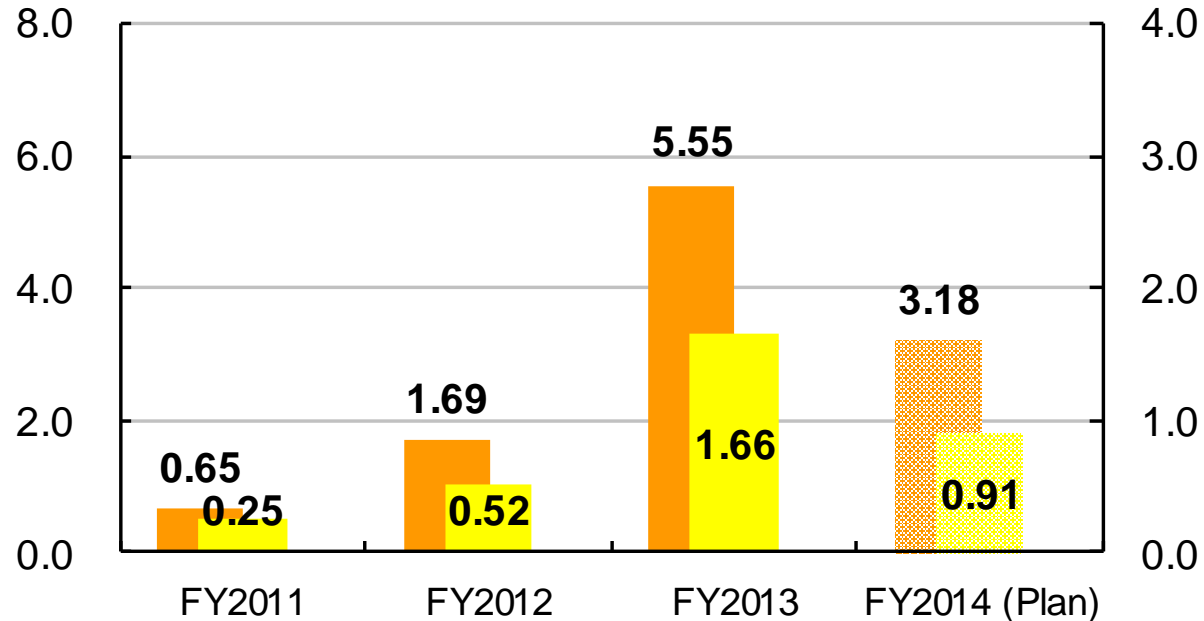
Consolidated  
Net Sales  
125.41 bil yen  
(FY2013)

BELLUNA

### ▼ [Property Business] Results and Summary

(■ Net Sales: Billion Yen)

(■ Operating Income: Billion Yen)



- Both revenue and income increased substantially owing to the sales of nine pieces of real estate for sale. The pieces of real estate were sold for 4.46 billion yen. The resulting profit on sale amounted to 1.21 billion yen.
- For the current fiscal year, we aim to increase rent revenue in a stable manner. However, because there are fewer properties for sale, both revenue and income will decrease.

## 2-6. Results by Segment: Other

2.4%

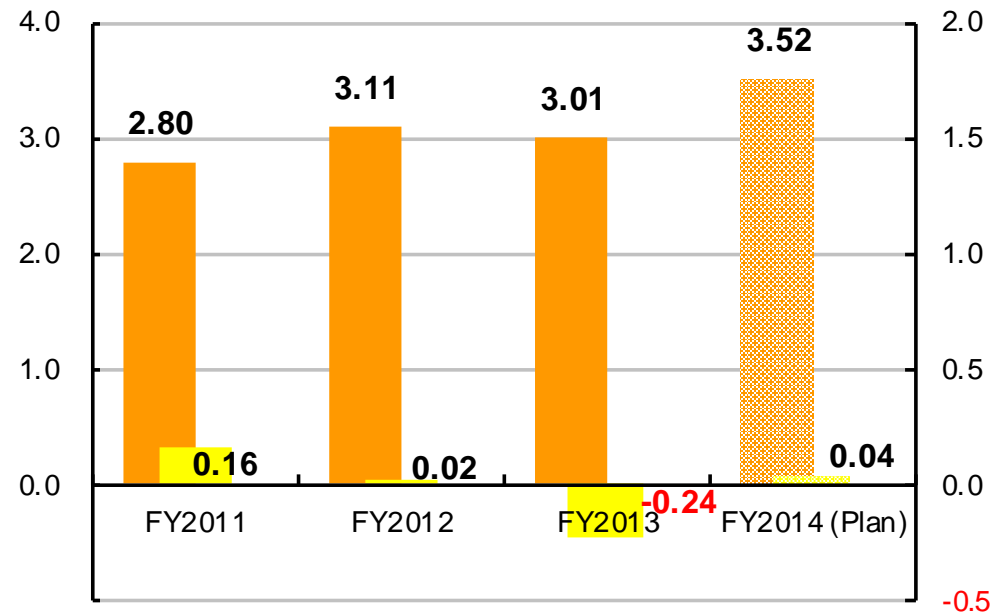
Consolidated  
Net Sales  
125.41 bil yen  
(FY2013)

BELLUNA

### ▼ [Other Business] Results and Summary

( ■ Net Sales: Billion Yen)

( ■ Operating Income: Billion Yen)



- Net sales decreased 3.2% YoY, partially due to a decline in the sales of Friendly Co., Ltd., which engages in the apparel wholesaling business.
  - In addition, an operating loss was recorded due to the burden of fixed costs for the new businesses.
- For the current fiscal year, we will aim to return operating income to the black by reducing fixed costs.

# 3. Special Feature: Reorganization

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*BELLUNA*

1. Acquisition of *infirmière*
2. Acquisition of *Best Thanks*
3. Assignment of Bell-Net Credit

## 3-1. Acquisition of *infirmière*

BELLUNA

### Aim of Acquisition of *infirmière*

1. *infirmière* holds the largest share in the BtoC mail order business for nurses. Upon its acquisition, an overwhelming share of the industry will be secured, together with Nursery. - Realization of Japan's Top Mail Order Service for Nurses
2. Increase of the capability to purchase products and reduction of promotion costs through an increase in the lots that the Company deals in
3. Horizontal expansion into other business (such as the solution business) of BELLUNA Group
4. Foothold toward nursing care business

### Acquisition cost

5.41 billion yen

### Impact on financial results

(Unit: Billion Yen)

	Actual for FY2013 <sup>*1</sup>	Plan for FY2014
Net Sales	3.13 <sup>*2</sup>	7.48
Operating Income	0.27	0.82
Amortization of Goodwill	0.25	0.42

\* 1: Actuals for seven months (from September 2013 to March 2014)

\* 2: For the wrapping and mailing service, 0.14 billion yen.



Catalog for mail order  
service for nurses  
*infirmière*



## 3-2. Acquisition of *Best Thanks*

BELLUNA

### ▼ Aim of Acquisition of *Best Thanks*

1. Expansion of business domains (baby business, maternity business, gift business)
2. Horizontal expansion into other businesses of BELLUNA Group

### ▼ Acquisition cost

1.82 billion yen



Gift catalog  
*Best Thanks*



Baby catalog  
*maple land*



Maternity catalog  
*monterre*

### ▼ Impact on financial results

(Unit: Billion Yen)

	Actual for FY2013 <sup>*1</sup>	Plan for FY2014
Net Sales	0.45	3.42
Operating Income	-0.17 <sup>*2</sup>	-0.19

<sup>\*1</sup>: Actuals for two months (February and March 2014)

<sup>\*2</sup>: Including outsourcing fee of 0.06 billion yen

For FY2013: extraordinary income (gain on negative goodwill) of 0.28 billion yen

## 3-3. Assignment of Bell-Net Credit

BELLUNA

### Reasons for Assignment of Bell-Net Credit

1. Worsened circumstances surrounding the money-lending business in South Korea
  - Decrease in maximum loan interest rate
  - Continuing high loan-loss rate
2. Investment of managerial resources into fields with potential for higher growth

### Transfer price, etc.

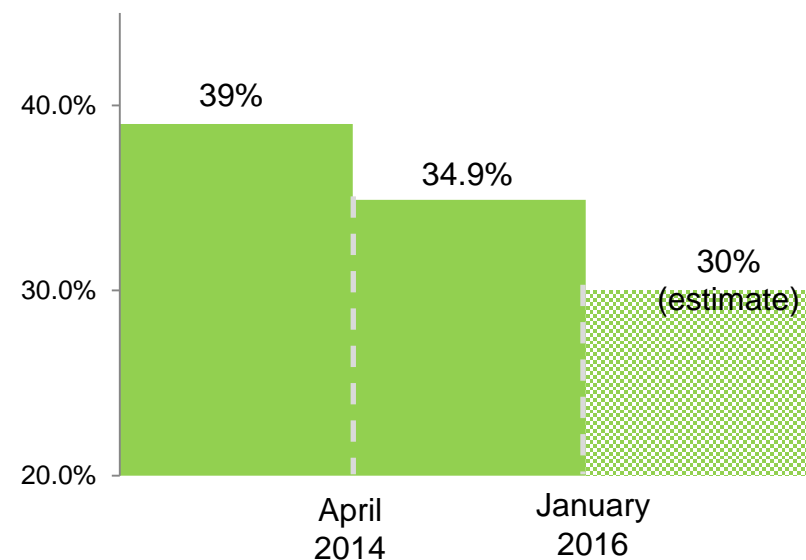
Transferee: TEMCO (South Korea)

Number of shares transferred: 6,250,000 shares

Transfer price: 24.82 billion won (about 2.40 billion yen)

Date of completion of transfer: March 28, 2014

<Trends of maximum loan interest rate in South Korea>



### Impact on financial results

For FY2013: extraordinary loss (loss on disposal of shares) of 0.58 billion yen

\* The loan to Bell-Net Credit in the amount of about 3.05 billion yen will be paid in installments except for the partial payment made (120% security on trade loan claims).

Following the partial payment, the loan balance is 2.74 billion yen (as of March 31, 2014).

# 4. The 2nd Short-Term Business Plan

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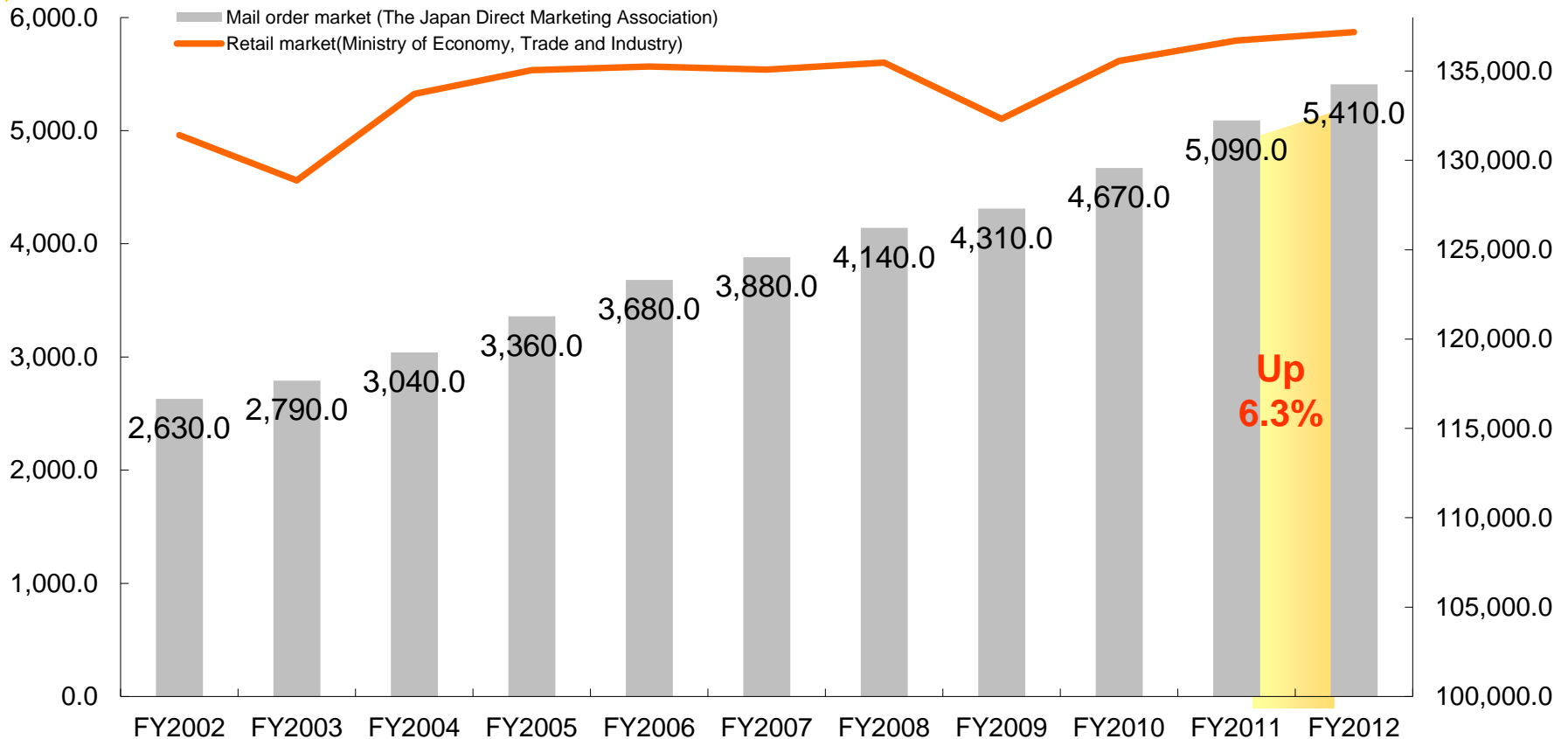
*BELLUNA*

1. Change in Business Circumstances and New Issues
2. Management Policies
3. Initiatives Based on Management Policies

## 4-1. Change in Business Circumstances and New Issues

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### Trend in the mail order market



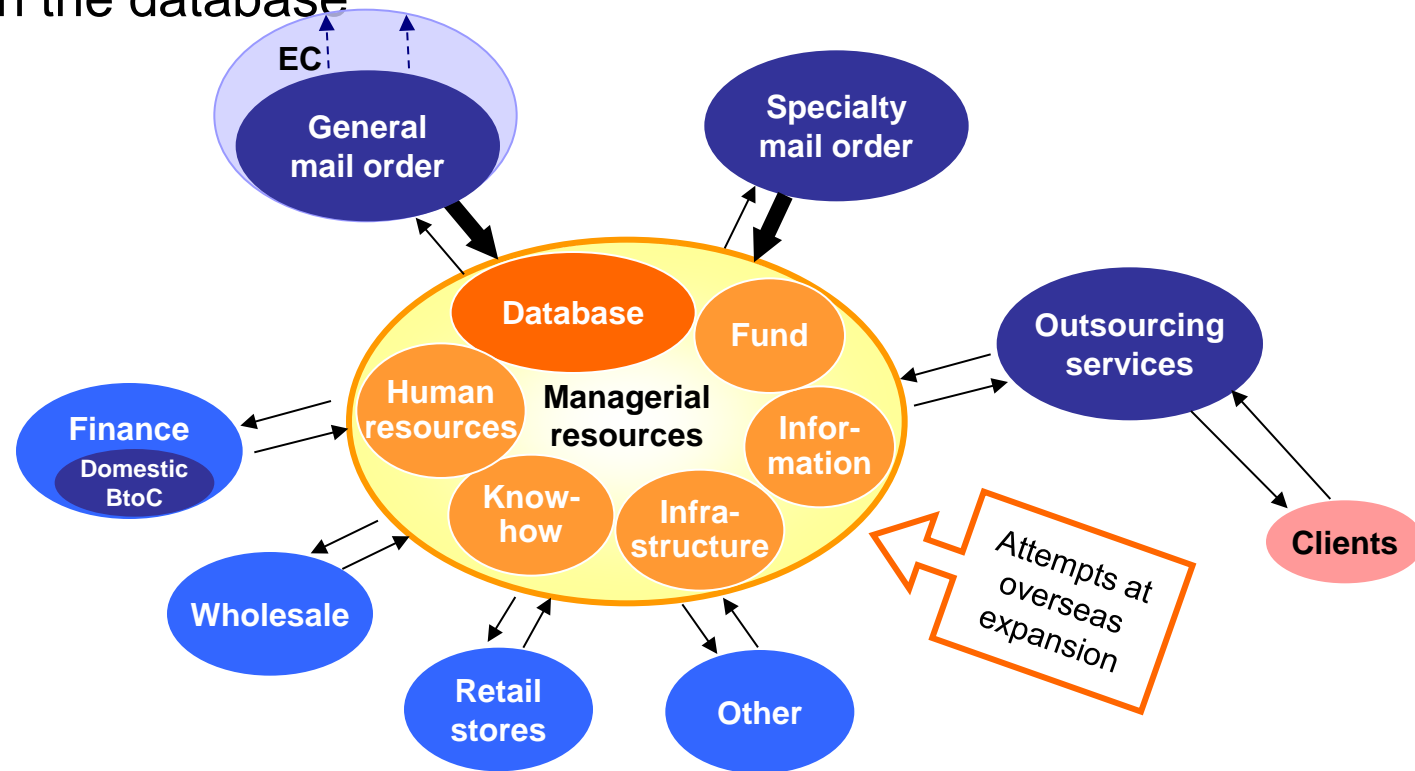
Sources: Based on the Japan Direct Marketing Association:  
FY2011 Direct Marketing Sales Survey, & Ministry of Economy, Trade and Industry:  
Yearbook of the Current Survey of Commerce

While the retail market alternatively grew and shrank, the mail order market constantly expanded year after year. In FY2012, the market achieved 6.3% year-on-year growth. In particular, the mail order market via online and mobile media, among other media, made progress at a remarkable pace.

## 4-2. Management Policies

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- ▼ A general mail order trading firm in a developed form of business operations based on the database



**A business model in which greater growth potential and profitability are sought by benefiting from synergy among multiple businesses**

- (1) Make effective use of the customer database created in the general mail order business to build a stable revenue base in **database related businesses** such as the specialty mail order business and outsourcing services.
- (2) Make extra revenues in **new businesses** such as wholesale operations and retail store sales.
- (3) Make strategic attempts at overseas expansion to sow seeds for future growth.

### ▼ Management Policies

## **Maturing of a *General Merchant Company***

1. Strengthen portfolio management
2. Promote the growth of new businesses
3. Maintain the mail order infrastructure
4. Review shareholder returns

## 4-3. Initiatives Based on Management Policies

BELLUNA

### ▼ Policy 1: Strengthen portfolio management

#### ■ **General Mail Order business: Establishment of foundation for new growth**

- 10% increase in the amount purchased per order.
- Abolition/reduction of unprofitable media, decrease in products to be published in media.
- Reduction in substantial costs of sales ratio by reducing and maintaining appropriate stock.

#### ■ **Specialty Mail Order business: Focus on growth while securing profits**

- Wine section: Spread of prices reflecting the depreciation of the yen.
- Mail order service for nurses: Aggressive sales drive backed by an overwhelming share.
- Health Food & Cosmetics: Seek growth potential while maintaining earnings.

#### ■ **Solution business: Achieve stronger earnings and growth**

- Win new customers while retaining profitability.

## 4-3. Initiatives Based on Management Policies

BELLUNA

### Policy 2: Promote the growth of new businesses

#### (i) Expand the Retail Store Sales business

- Apparel: 24 stores to be launched and one to be withdrawn during this fiscal year  
17 stores at the end of March 2014  
→ 40 stores at the end of March 2015
- Kimono and Japanese style goods:  
Seven new stores to be launched during this fiscal year  
48 stores at the end of March 2014  
→ 55 stores at the end of March 2015



BELLUNA Ageo Store

#### (ii) Promote overseas business expansion

- Expand wholesale of wine, Japanese sake, etc. to China and other Asian countries.



## 4-3. Initiatives Based on Management Policies

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### Policy 3: Maintain the mail order infrastructure

#### **The Yoshimi Distribution Center will be established**

(after a total investment of approximately 13 billion yen).

- Its full operation will commence in August 2014.
  - ~ Construction is progressing as scheduled (the building is completed).
- Upon the commencement of operations

Return of (six) warehouses leased (for the general mail order business)

The existing distribution bases will continue to be used for the specialty mail order business, and will also be used for the solution business (outsourcing services) and real estate leasing business.

[Investment Effects] (on an annual basis/exclusively for the general mail order business)

Cost increase due to investment: +0.89 bil yen



Cost reduction:

-1.03 bil yen

Depreciation:	+0.68 bil yen
Fixed asset tax:	+0.13 bil yen
Utility expenses:	+0.08 bil yen

Distribution/personnel costs:	-0.42 bil yen
Rent for warehouses:	-0.34 bil yen
Outsourcing cost:	-0.27 bil yen

- As for the service, enabling shipment on the order receipt date

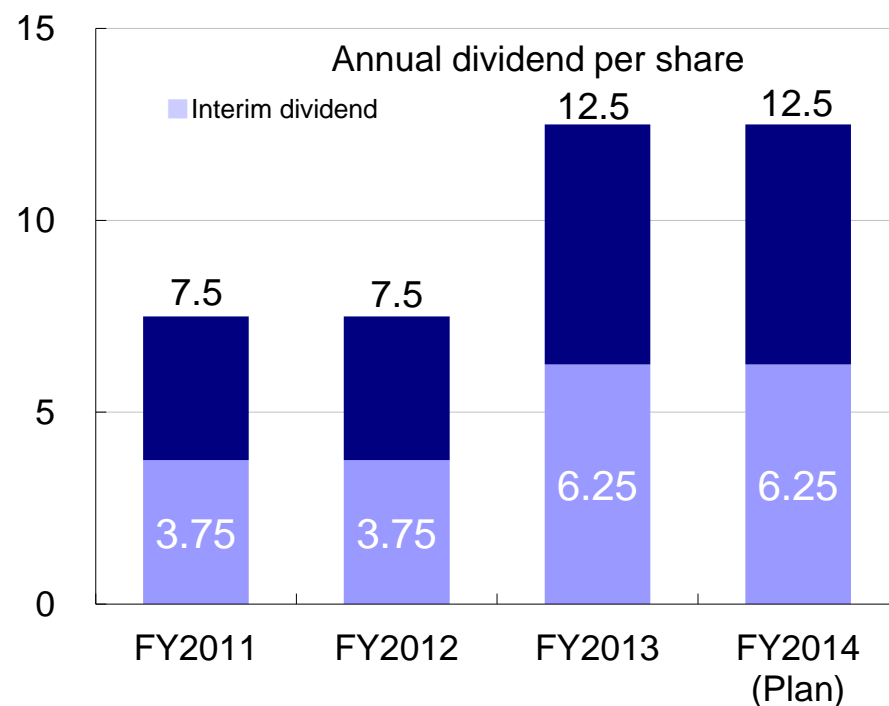
## 4-3. Initiatives Based on Management Policies

BELLUNA

### Policy 4: Review shareholder returns

#### Revision to dividends

Increase our annual dividend for FY2013 by 5 yen per share  
(FY2012) 7.5 yen per year → (FY2013) 12.5 yen per share



As of October 1, 2013

The Company's ordinary shares are split in the ratio of 1 share to 2 shares

Change in the share unit number from 50 shares to 100 shares

\* The above description is based on the figures revised retrospectively upon consideration of the impact of the stock split.

For the current fiscal year, Belluna will establish the foundation for a new leap in the general mail order business and aim to achieve the target for operating income under the 2nd Short-Term Business Plan ahead of schedule by maximizing the use of managerial resources.

# 5. Appendix

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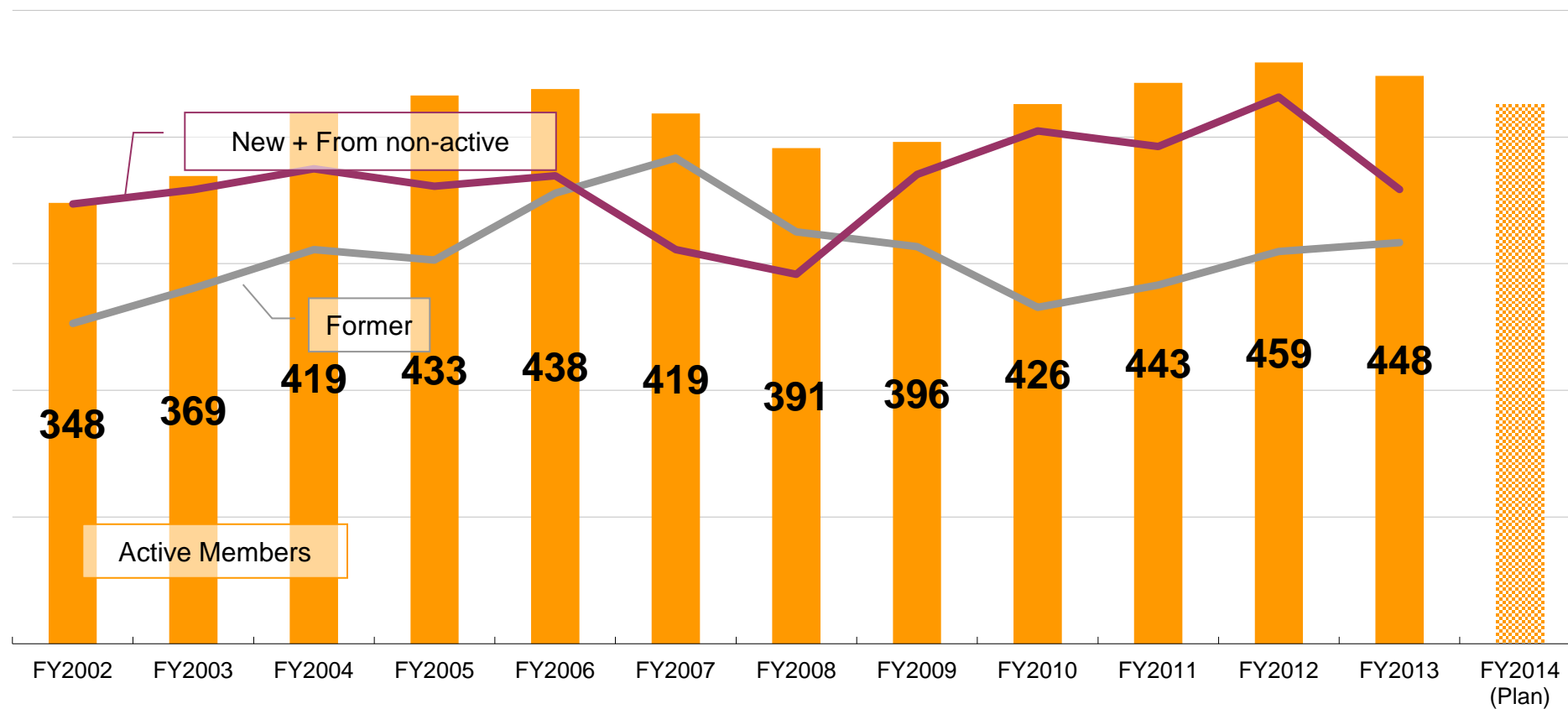
1. [General Mail Order] Trends of Active Members
2. [General Mail Order] Characteristics of Registered Members

## 5-1. [General Mail Order] Trends of Active Members

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### ▼ Trends of Active Members

(Unit: ten thousand people)



## 5-2. [General Mail Order] Characteristics of Registered Members

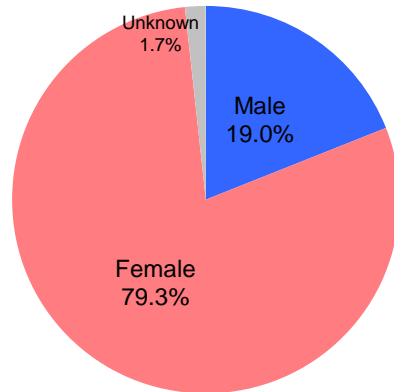
BELLUNA

### Characteristics of Registered Members (as of September 30, 2013)

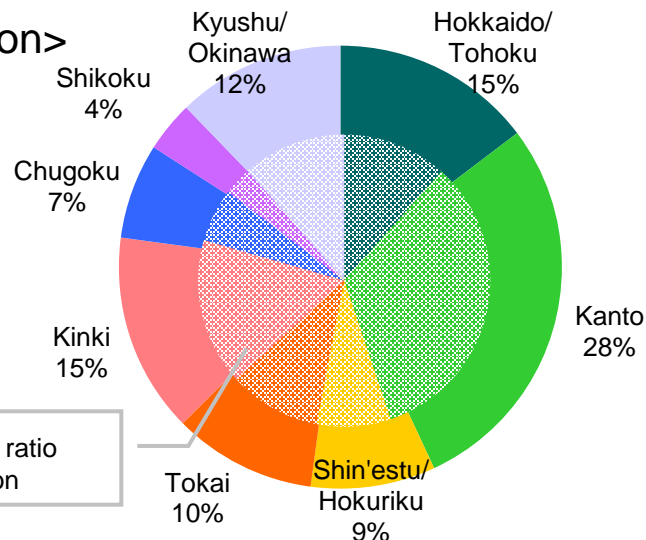
<Number of registered members>

**15,407,000 people** (up +5.8% YoY)

<Gender>

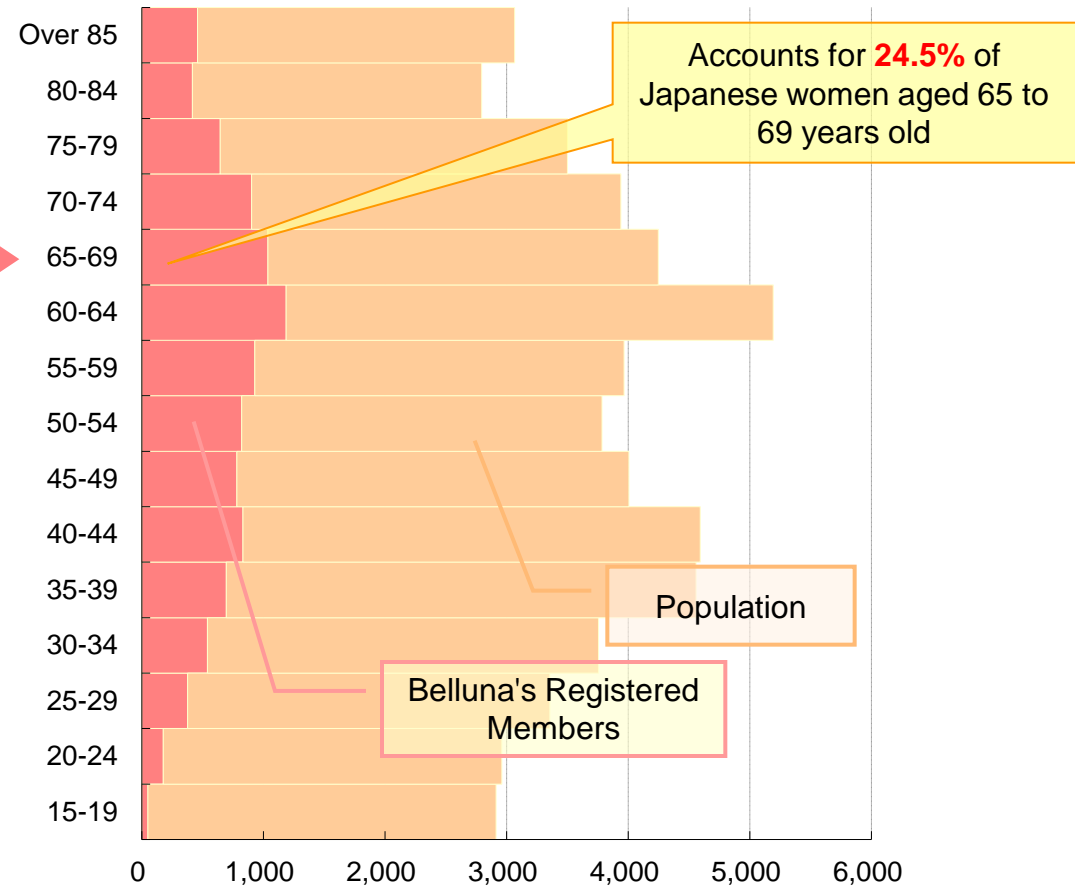


<Region>



<Comparison with Japanese Population (females only)>

(Unit: thousand people)



\* Statistics Bureau of MIC for Japanese population data