

CORPORATE
(1st Half ended
September 30, 2022
for FY March 2023

Belluna Co., Ltd.
Stock Code : 9997

BELLUNA

Friday, November 18, 2022

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1. Financial Highlights

1. Financial overview
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Net sales, operating income, ordinary income and net income decreased year on year.

- Net sales decreased 6.6% year on year and fell 3.6% below the plan.
- Operating income decreased 22.4% year on year and fell 32.9% below the plan.
- Ordinary income decreased 8.4% year on year and fell 19.5% below the plan.
- Net income decreased 11.2% year on year and fell 28.8% below the plan.

We announced the revised plan on October 28, 2022.

1-2. Summary of Financial Results (1H)

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Net sales: 98.78 billion yen, decreased 6.6% year on year.

Operating income: 3.69 billion yen, decreased 1.07 billion yen year on year.

Ordinary income decreased 0.43 billion yen year on year, to 4.67 billion yen, reflecting a year-on-year increase in foreign exchange gains.

Net income stood at 2.85 billion yen, a decline of 0.36 billion yen year on year.

Unit: Billion Yen

Consolidated	FY March 2022/1H	FY March 2023/1H	FY March 2023/1H			FY March 2023
	Actual	Plan	Actual	YoY Change	vs. Plan	revised on Oct. 28 plan
Net Sales	105.81	102.50	98.78	-6.6%	-3.6%	215.00
Cost of Sales	44.39	-	39.58	-10.8%	-	-
Selling, General & Administrative	56.66	-	55.51	-2.0%	-	-
Operating income	4.76	5.50	3.69	-22.4%	-32.9%	14.00
Non-operating income	0.34	0.30	0.98	+185.7%	+227.4%	1.00
(Exchange rate-related gains and losses)	(0.13)	-	(0.83)	-	-	-
Ordinary income	5.10	5.80	4.67	-8.4%	-19.5%	15.00
Net income	3.21	4.00	2.85	-11.2%	-28.8%	10.00

1-2. Consolidated Statement of Income (2Q)

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Net sales: 45.34 billion yen, decreased 3.3% year on year.

Operating income: 1.94 billion yen, decreased 0.50 billion yen year on year.

Unit: Billion Yen

Consolidated	FY March 2022				FY March 2023		
	1Q	2Q	3Q	4Q	1Q	2Q	
	Actual	Actual	Actual	Actual	Actual	Actual	YoY Change
Net Sales	58.93	46.88	62.82	51.50	53.44	45.34	-3.3%
Cost of Sales	24.61	19.78	25.85	20.58	21.35	18.22	-7.8%
Selling, General & Administrative Expenses	32.00	24.67	31.51	27.31	30.33	25.18	+2.1%
Operating income	2.32	2.44	5.46	3.61	1.75	1.94	-20.6%
Non-operating income and Expenses	0.34	0.00	0.43	-0.06	0.70	0.28	-
(Exchange rate-related gains and losses)	(0.02)	(0.11)	(0.45)	(0.22)	(0.44)	(0.39)	-
Ordinary income	2.66	2.44	5.89	3.55	2.45	2.22	-9.0%
Net income	1.66	1.55	4.54	2.46	1.38	1.47	-5.1%

1-3. Profitability by segment

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Net sales : Increased in three segments including Kimono-Related and Gourmet Food business.

Operating income: Increased in two segments including Kimono-Related and Apparel & Furniture.

It decreased in six segments including Property, the Cosmetics & Health Food and Nurse-Related business.

- In the Apparel & Furniture, Goods segment, net sales decreased, but operating income increased with the curbing of advertising expenses.

- In the Kimono-Related segment, both net sales and operating income rose, partly reflecting the progress in structural reforms at Sagami GHD.

- In the Property segment, both net sales and operating income decreased significantly, reflecting the absence of the sale of overseas real estate that was made in the same period of the previous year, although net sales and operating income increased sharply in the hotel business due to higher occupancy rates.

Consolidated Net Sales and Operating Income by Segment

Unit: Billion Yen

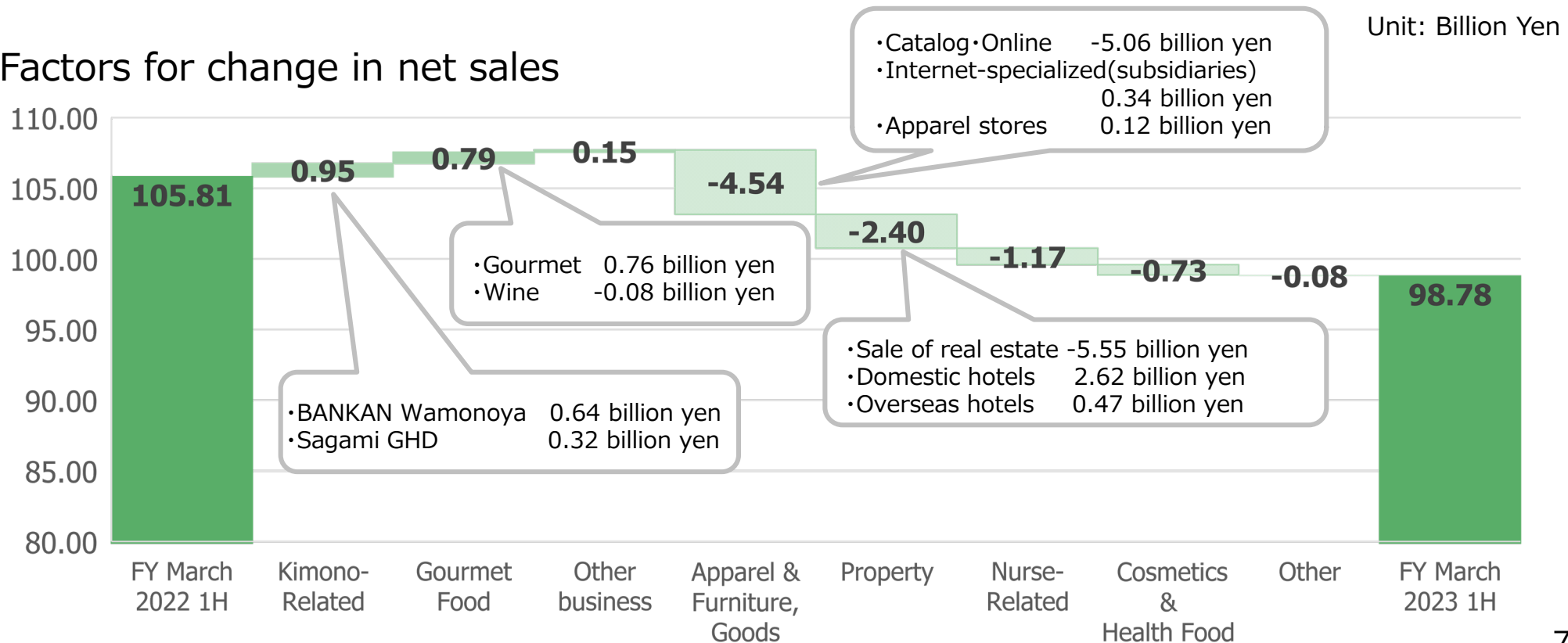
	FY March 2023/1H										
	Mail Order Business						Kimono-Related	Property	Other	consolidation and elimination	Total
	Apparel & Furniture, Goods	Cosmetics & Health Food	Gourmet Food	Nurse-Related	Database Use	subtotal					
Net Sales	42.50	7.41	12.71	7.59	7.48	77.70	11.14	8.37	2.09	-0.52	98.78
YoY Change(%)	-9.7%	-8.9%	+6.7%	-13.4%	-0.9%	-6.9%	+9.3%	-22.3%	+7.8%	+2.1%	-6.6%
vs.Plan(%)	-0.3%	+0.0%	+1.9%	-6.5%	+1.5%	-0.4%	+1.1%	-27.2%	-5.3%	-99.3%	-3.6%
Operating Income	-0.03	0.59	0.22	0.17	2.84	3.79	-0.14	0.37	-0.07	-0.27	3.69
YoY Change (billion yen)	+0.49	-0.60	-0.32	-0.60	-0.05	-1.07	+0.7	-0.60	-0.02	-0.07	-1.07
vs.Plan(billion yen)	+0.14	-0.05	-0.20	-0.43	+0.06	-0.48	+0.06	-1.41	-0.04	+4.32	-1.81
Operating Income Ratio	-0.1%	8.0%	1.7%	2.3%	38.0%	4.9%	-1.2%	4.4%	-3.3%	52.2%	3.7%

1-4. Analysis of increases and decreases in sales

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Net sales climbed in the Kimono-Related segment because the number of customers visiting stores was trending toward a recovery due to the weakened impact of the COVID-19 pandemic. Net sales rose in the Gourmet Food segment thanks to an increase in new customers acquired through improved online advertising in the food business. Meanwhile, net sales fell in the Apparel & Furniture, Goods segment as a result of reducing advertising expenses to give priority to the securing of profitability. Regarding the Property segment, net sales decreased, reflecting a backlash of the sale of overseas real estate in the same period of the previous year, despite a sharp increase in net sales in the hotel business due to higher occupancy rates.

Factors for change in net sales

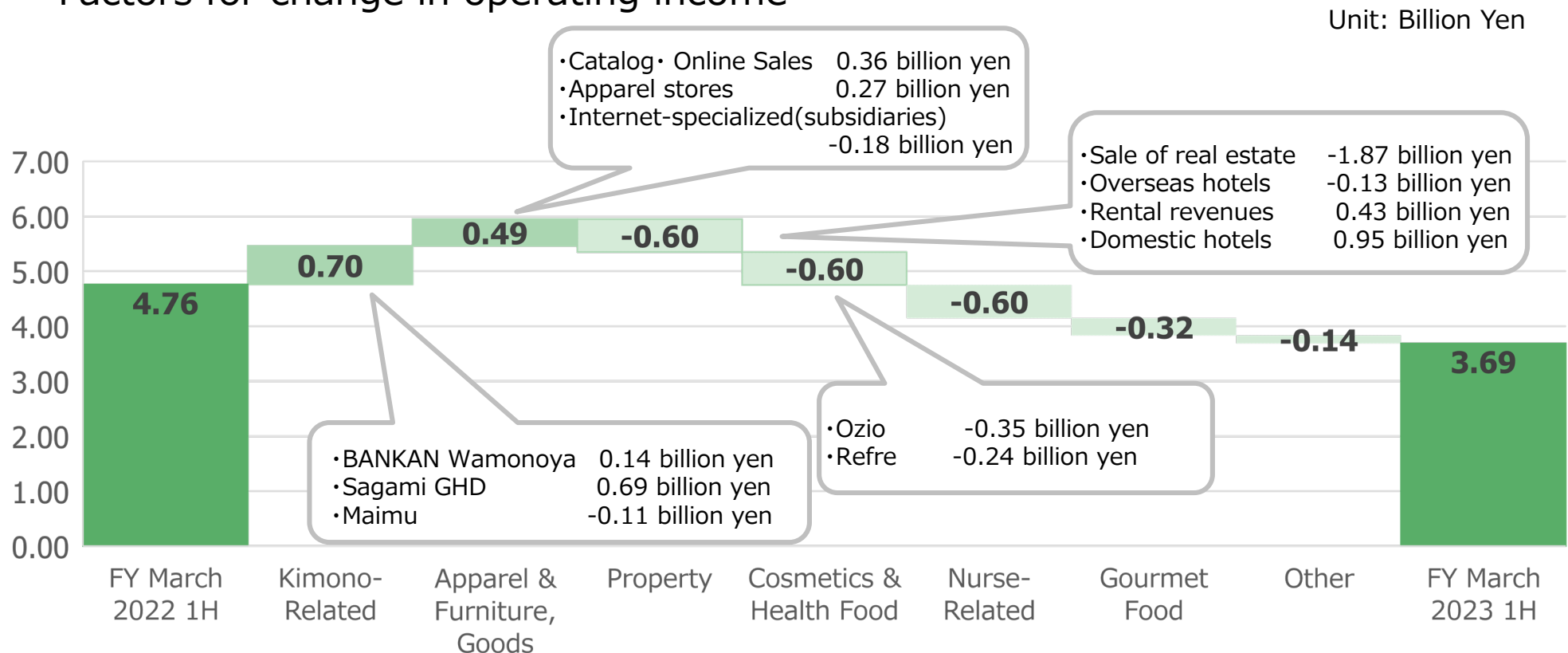


1-5. Analysis of increases and decreases in operating income

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Operating income rose in the Kimono-Related segment, reflecting the progress in structural reforms at Sagami GHD. Operating income in the Apparel & Furniture, Goods segment increased thanks to the trend in the number of visitors to apparel stores, which had turned to recovery, in addition to the result of prioritizing profit by reducing advertising expenses. Meanwhile, operating income declined in the Property segment, reflecting the sale of overseas real estate in the same period of the previous year, as well as the postponement of the sale of overseas real estate scheduled for the second quarter. Operating income in the Cosmetics & Healthy Food segment fell due to the difficulty of acquiring new customers in Japan in the cosmetics sales business.

Factors for change in operating income



1-6. Balance sheet

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Cash and deposits, Operating loans , merchandise and finished goods etc. increased in current assets. Non-current assets increased, led particularly by growth in Tangible fixed assets. Meanwhile, long-term borrowing increased despite a decrease in short-term borrowing in liabilities.

Unit: Billion Yen

	As of March 31,2022	As of September 30,2022	Change
Current Assets	118.13	120.27	2.13
Cash and deposits	28.59	29.24	0.65
Operating loans	27.44	28.41	0.97
Merchandise and finished goods	26.67	29.34	2.67
Non-current assets	136.05	140.54	4.50
Tangible fixed assets	103.34	107.18	3.84
Investments and other assets	10.28	10.78	0.50
Total Assets	254.18	260.81	6.63
Liabilities	135.13	138.16	3.02
short-term borrowing	12.91	8.51	-4.40
Accrued expenses	13.39	12.02	-1.38
long-term borrowing	60.64	69.13	8.49
Net assets	119.04	122.65	3.61
[Shareholders' Equity Ratio]	[46.5%]	[46.7%]	[+0.2P]

1-7. Statement of cash flows

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Cash flow from operating activities decreased year on year due to a decrease in sales of real estate, among other factors.

Cash flow from investing activities was negative due to the purchase of tangible fixed assets.

Cash decreased by 0.06 billion yen.

	FY March 2022 1H Actual	FY March 2023 1H	
		Actual	YoY Change
Cash flows from operating activities	2.66	2.35	-0.30
Profit before income taxes	5.13	4.57	-0.55
Increase/decrease in real estate for sale	2.94	0.23	-2.71
Corporate income and resident taxes (amount paid)	-4.65	-2.06	2.59
Cash flows from investing activities	-12.20	-4.56	7.65
Purchase of tangible fixed assets	-9.99	-4.05	5.93
Proceeds from sale of intangible assets	-0.54	-1.06	-0.52
Purchase of investment securities	-1.60	-0.47	1.14
Cash flows from financing activities	6.21	1.54	-4.67
Increase (decrease) in long and short-term loans payable	7.14	2.60	-4.54
Cash dividends paid	-0.82	-0.92	-0.10
Translation differences on cash	0.10	0.60	0.50
Increase/decrease in cash	-3.23	-0.06	3.17

Unit: Billion Yen

Capital expenditure ^{*1}

5.11 billion yen

Depreciation ^{*2}

1.88 billion yen

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

*2: Depreciation and amortization include the amount relating to the amortization of intangible assets.

1-8. Plan for FY March 2023

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In consideration of the downward revision to the first half result, the full-year plan has been revised down.

Unit : Billion Yen

Consolidated	FY March 2021		FY March 2022		FY March 2023	
	Revised plan	Actual	Revised plan	Actual	Revised on Oct. 28 plan	YoY Change
Net Sales	200.00	206.50	217.10	220.13	215.00	-2.3%
Operating Income	14.00	15.73	13.50	13.83	14.00	+1.2%
Ordinary Income	14.80	16.87	14.40	14.54	15.00	+3.2%
Net Income	10.50	11.04	9.80	10.20	10.00	-2.0%
Interest Bearing Liabilities	73.00~78.00	72.71	75.00~78.00	83.55	95.00~98.00	+13.7~17.3%
Net Assets	110.00	113.23	123.96	119.04	127.10	+6.8%
ROE	9.9%	10.3%	8.3%	8.8%	8.1%	-0.7pt

1-8. Plan for FY March 2023 (by segment)

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In the Apparel & Furniture, Goods segment and Nurse-Related segment, net sales and operating income are expected to be lower than the initial forecast, reflecting ongoing unfavorable factors such as the depreciation of the yen as well as the weak responsiveness of customers and declining profitability against the backdrop of rising product prices attributable to surging costs of raw materials, as well as a fall in demand amid the subsiding impact of the COVID-19 pandemic.

Plan by segment

Unit: Billion Yen

	Revised on FY March 2023 Plan										
	Mail Order Business						Kimono-Related	Property	Other	Adjustments	Total
	Apparel & Furniture, Goods	Cosmetics and Health Food	Gourmet Food	Nurse-Related	Database Use	subtotal					
Net Sales	88.17	15.16	32.79	14.28	16.32	166.72	25.23	19.98	4.47	-1.40	215.00
vs. Plan(%)	-2.1%	0.0%	0.0%	-9.2%	4.5%	-1.6%	0.0%	-1.3%	-4.3%	179.4%	-1.8%
YoY Change(%)	-10.3%	-5.6%	8.9%	-10.8%	6.8%	-5.1%	5.1%	15.5%	11.1%	54.9%	-2.3%
Operating Income	1.33	1.15	2.26	0.64	5.75	11.14	1.27	2.14	-0.01	-0.55	14.00
vs. Plan(billion yen)	-0.27	-0.20	+0.00	-0.57	+0.00	-1.04	+0.00	+0.13	-0.13	+0.03	-1.00
YoY Change(billion yen)	-0.76	-0.68	-0.01	-0.38	+0.06	-1.76	+0.68	+1.27	+0.09	-0.11	+0.17
Operating Income Ratio	1.5%	7.6%	6.9%	4.5%	35.3%	6.7%	5.0%	10.7%	-0.1%	39.1%	6.5%

2. Management Policies and Initiatives

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1. Mail Order Business

1-①Apparel & Furniture, Goods Business

1-②Cosmetics and Health Food Business

1-③Gourmet Food Business

1-④Nurse-Related Business

1-⑤Database Use Business

2. Kimono-Related Business

3. Property Business

4. Initiatives for SDGs

5. Returns to Shareholders

Review of the Fifth Business Plan

(FY March 2023~FY March 2025)

Final target

■ Net sales

261.0 Billion Yen

(Average annual growth rate:9.2%)

■ Operating income

22.6 Billion Yen

(Average annual growth rate:22.8%)

■ ROE

10% or more

Medium- to long-term policy

Set milestone goals of achieving net sales of 300 billion yen and operating income of 30 billion yen and aim to achieve the maturation of the general trading company in the mail-order business.

Fifth Business Plan Concept

1. Achievement of targets in each segment
2. Development of internet business including the use of social media services
3. Management responding to trends
4. Training and development of human resources with practical skills
5. Implementation of M&A activities to achieve synergy

2. Management Policies The Fifth Business Plan

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The Fifth Business Plan (FY March 2023~FY March 2025)

Unit: Billion Yen

	FY March 2023(Revised on Oct. 28 plan)		FY March 2024		FY March 2025	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales	Operating income
Mail Order Business	166.72	11.14	185.74	14.52	202.07	17.04
Apparel & Furniture, Goods Business	88.17	1.33	98.21	3.31	104.80	4.88
Cosmetics and Health Food Business	15.16	1.15	16.86	1.53	18.62	1.67
Gourmet Food Business	32.79	2.26	36.90	2.52	41.33	2.86
Nurse-Related Business	14.28	0.64	16.61	1.34	17.70	1.52
Database Use Business	16.32	5.75	17.15	5.81	19.61	6.12
Kimono-Related Business	25.23	1.27	27.67	1.73	31.09	2.11
Property Business	19.98	2.14	20.46	2.60	21.98	3.10
Other Business	4.47	-0.01	5.48	0.28	6.47	0.39
Adjustments	-1.40	-0.55	-0.35	-0.13	-0.60	-0.04
Total	215.00	14.00	239.00	19.00	261.00	22.60

2. Management Policy – Business Environment

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The management plan reflects changes in the external environment (the growth of online sales, weakening of the yen and a surge in prices of materials and other resources)

External environment

- Growth of internet business
- Weakening of the yen and a surge in prices of materials and other resources
- Increases in paper prices and printing costs

Internal environment

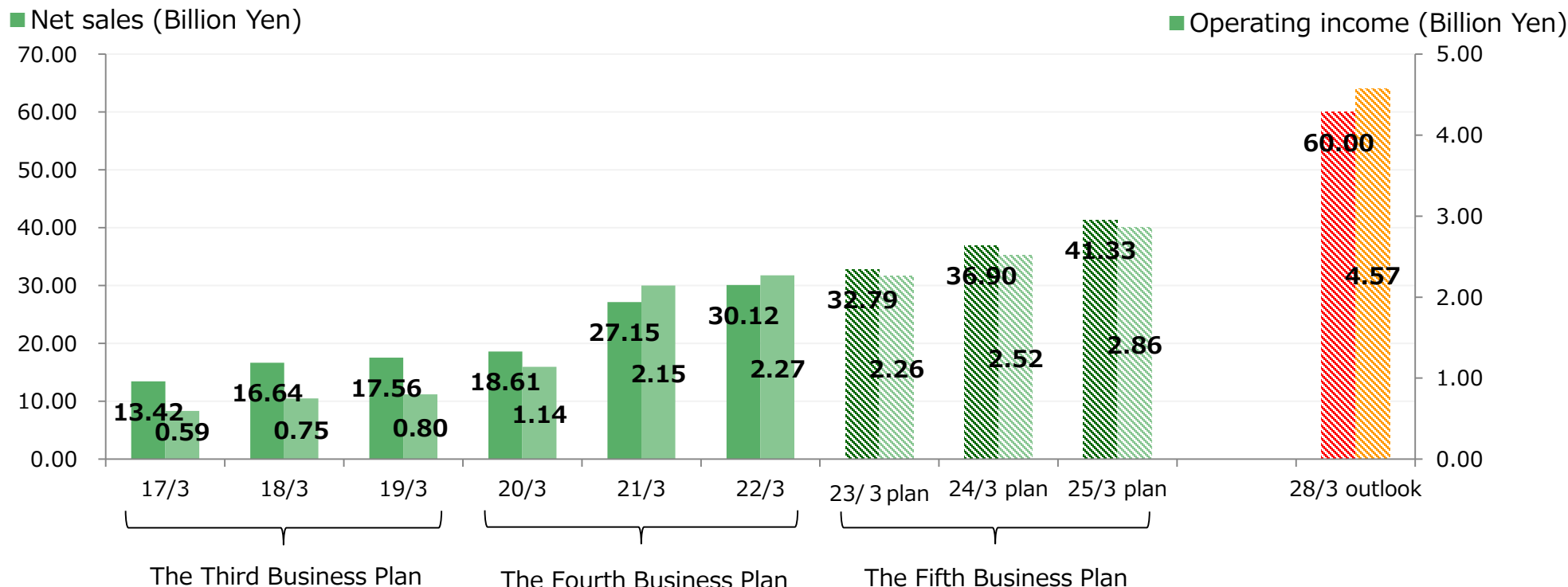
- Management considering changing trends
- Maturity of organizational Structure
- Development of new businesses
- Product price pass-through in response to a surge in prices of materials and other resources
- Enhancing product value

2. Presentation of Businesses with Strong Performances

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① Gourmet Food Business

The business continues to grow significantly by leveraging outstanding product development capabilities. We will continue to make efforts to increase our market share going forward.



My Wine Club - ranked No.1 in sales of mail order of wine for 14 consecutive years

Belluna Gourmet - ranked No.1 in sales of mail order of sake for 6 consecutive years

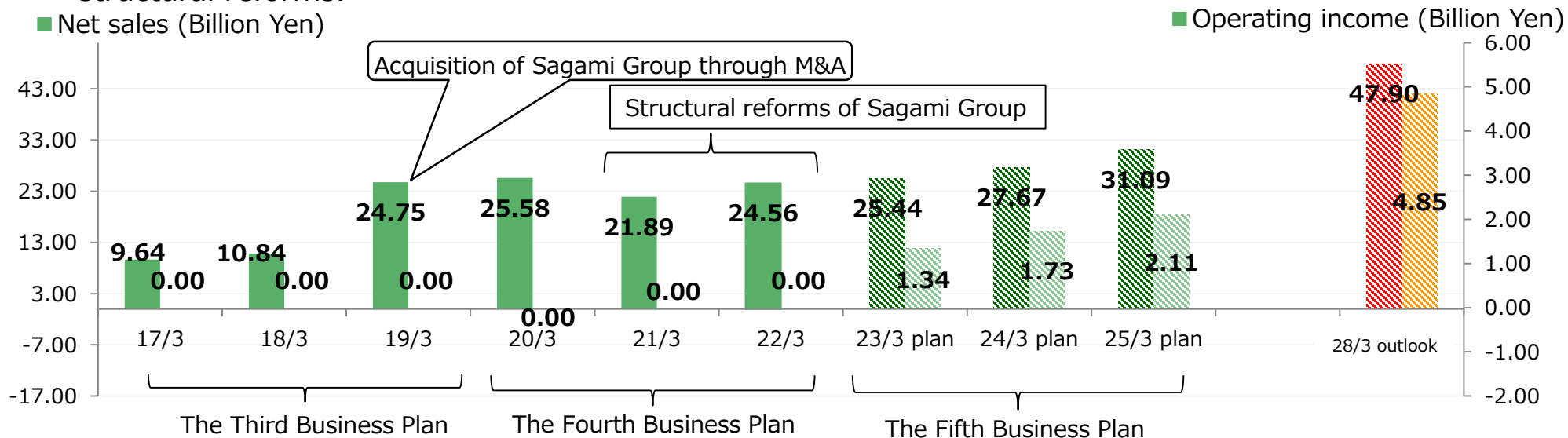
Shipment of 280,000 Osechi dish boxes (results for fiscal 2021)

2. Presentation of Businesses with Strong Performances

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② Kimono-Related Business

We acquired Sagami GHD in the fiscal year ended March 31, 2019 through M&A. Although the spread of COVID-19 cases has been affecting the business since the fiscal year ended March 2021, we expect to achieve a record high operating income thanks to the effect of Sagami Group structural reforms.



*The above figures represent simple sums before consolidation elimination, because this business was classified as the Retail Store Sales Business in and before FY March 2021.

BANKAN • Wamonoya



Sagami



Maimu

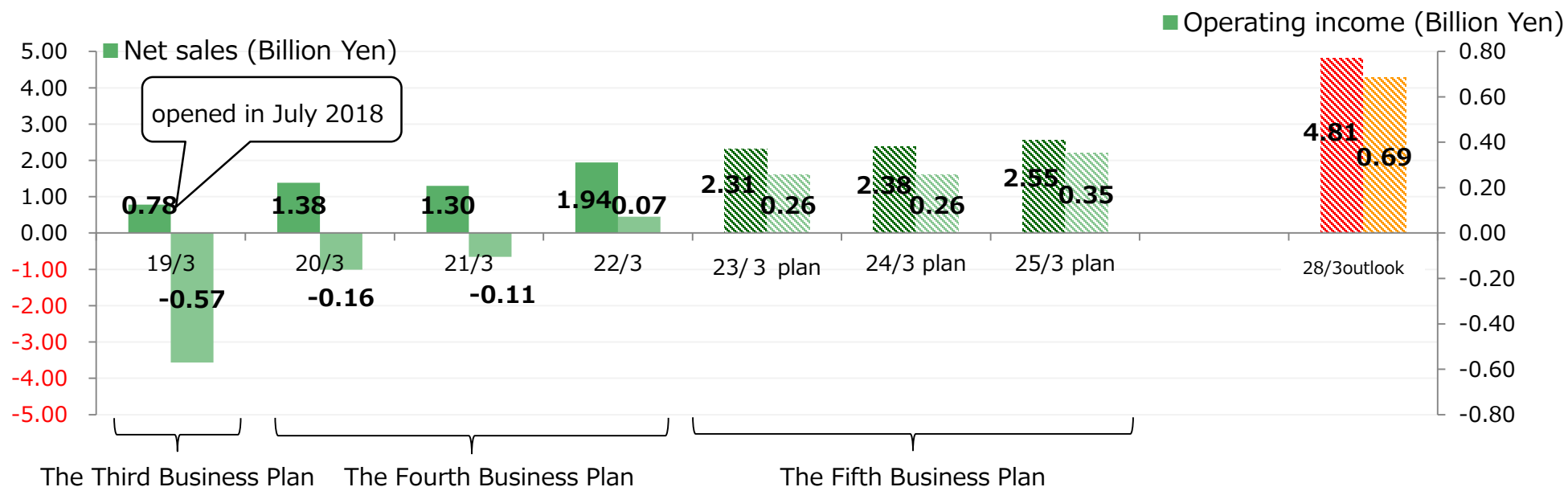


2. Presentation of Businesses with Strong Performances

③ Le Grand Karuizawa Hotel&Resort

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The hotel opened in July 2018. It is growing along with a number of awards for the comprehensive provision of wedding, accommodation and spa services in a nature-rich environment. We will continue to enhance its facilities, going forward.



	FY March 2020	FY March 2021	FY March 2022	FY March 2023 (Plan)	FY March 2024 (Plan)	FY March 2025 (Plan)	FY March 2026 (Plan)	FY March 2027 (Plan)	FY March 2028 (Plan)
Number of wedding couples	212 couples	202 couples	472 couples	511 couples	600 couples	650 couples	650 couples	1,000 couples	1,200 couples

2-1. Mail Order Business

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1. 1H Result and the Revised Plan for FY March 2023

Unit: Billion Yen

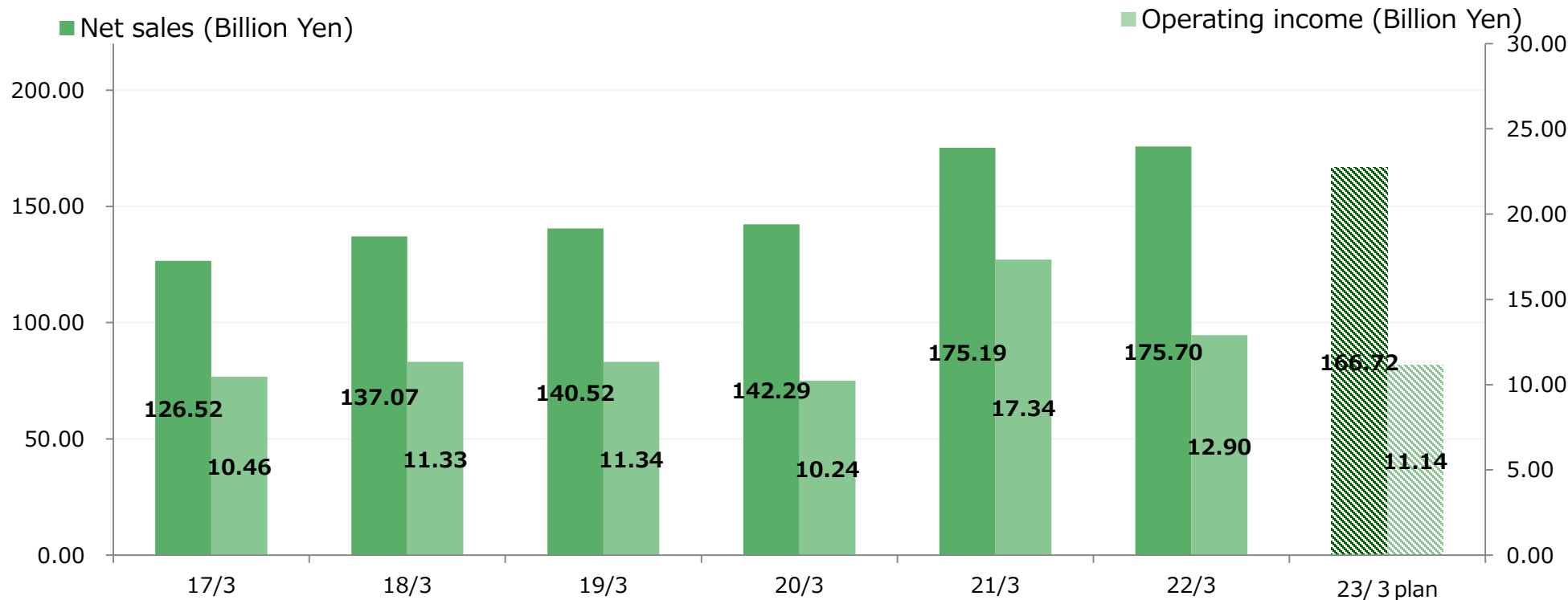
	FY March 2022/1H		FY March 2023/1H				FY March 2023	
	Actual		Actual				revised on Oct. 28 plan	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales year on year	Operating Income year on year	Net Sales	Operating Income
Apparel & Furniture, Goods Business	47.04	-0.53	42.50	-0.03	-9.7%	+0.49	88.17	1.33
Cosmetics & Health Food Business	8.14	1.19	7.41	0.59	-8.9%	-0.60	15.16	1.15
Gourmet Food Business	11.91	0.54	12.71	0.22	+6.7%	-0.32	32.79	2.26
Nurse-Related Business	8.77	0.77	7.59	0.17	-13.4%	-0.60	14.28	0.64
Database Use Business	7.55	2.89	7.48	2.84	-0.9%	-0.05	16.32	5.75
Mail Order Business Total	83.42	4.87	77.70	3.79	-6.9%	-1.07	166.72	11.14

- In the mail order business, the responsiveness of existing customers weakened, reflecting a decline in demand amid the subsiding impact of the spread of COVID-19 infections. In light of the weakening of the yen and a steep rise in prices of raw materials and other resources, we will move forward with efforts to pass additional costs onto product prices while simultaneously enhancing product value.

2-1. Mail Order Business

Profit and loss trends and factors for financial results

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Factors in financial results	17/3	18/3	19/3	20/3	21/3	22/3	23/3
Positive factors	<ul style="list-style-type: none"> Improvement in ratio of logistics expenses the reinforcement of the online business 	<ul style="list-style-type: none"> the reinforcement of the online business 	<ul style="list-style-type: none"> the reinforcement of the online business 	<ul style="list-style-type: none"> the reinforcement of the online business 	<ul style="list-style-type: none"> Improvement of the use of TV demand from nest dweller 		<ul style="list-style-type: none"> Strengthening branding the reinforcement of the online business
Negative factors		<ul style="list-style-type: none"> Increase in unit transportation cost 	<ul style="list-style-type: none"> Increase in the cost of mailing catalogs Increase in unit transportation cost 	<ul style="list-style-type: none"> Increase in the cost of paper Increase in unit transportation cost 		<ul style="list-style-type: none"> Decrease in demand from people refraining from leaving home 	<ul style="list-style-type: none"> Increase in the cost of goods sold and materials

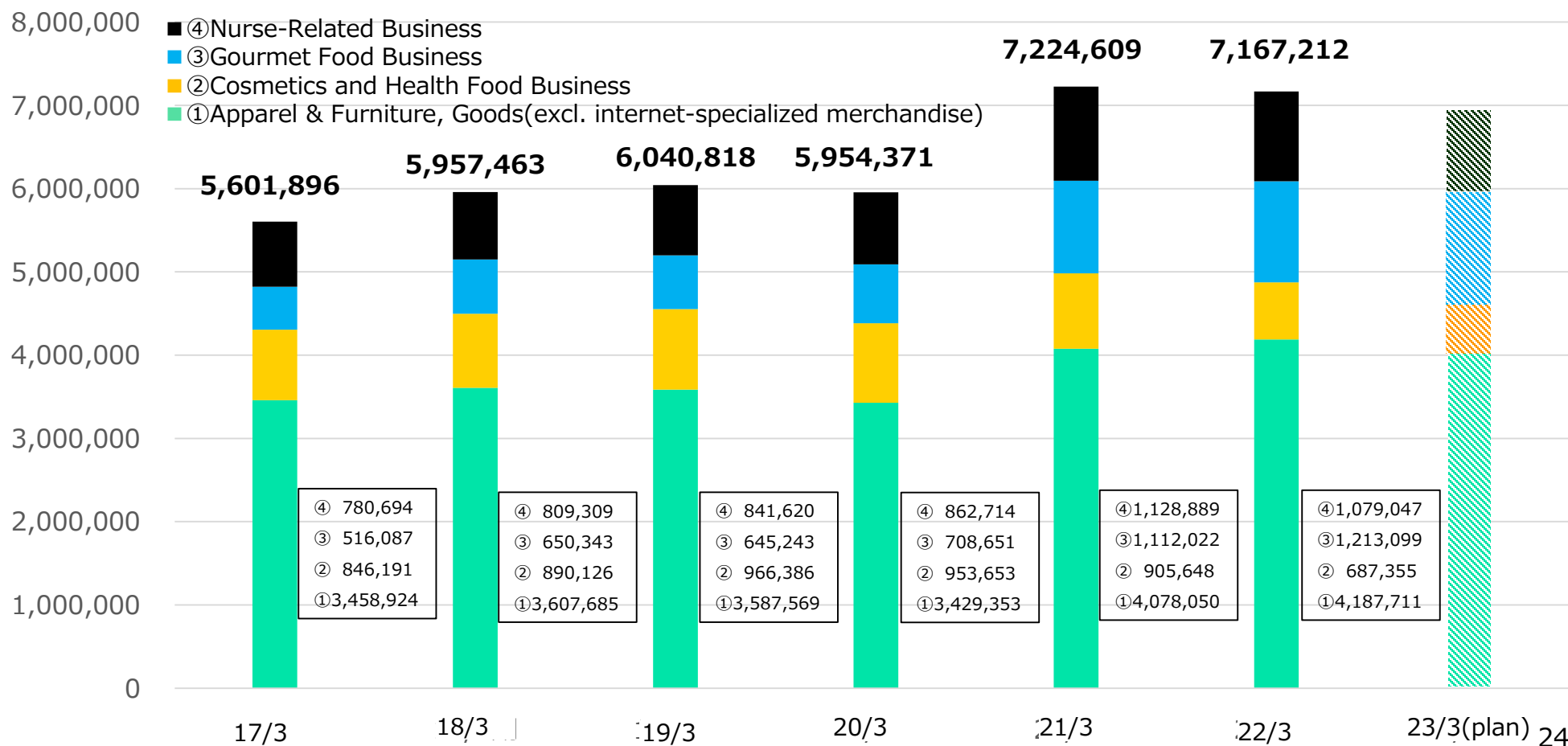
2-1. Mail order Business

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Number of active customers

The number of active customers is expected to decrease in the current fiscal year, reflecting declines in the responsiveness of existing customers and the number of new customers acquired.

unit : people



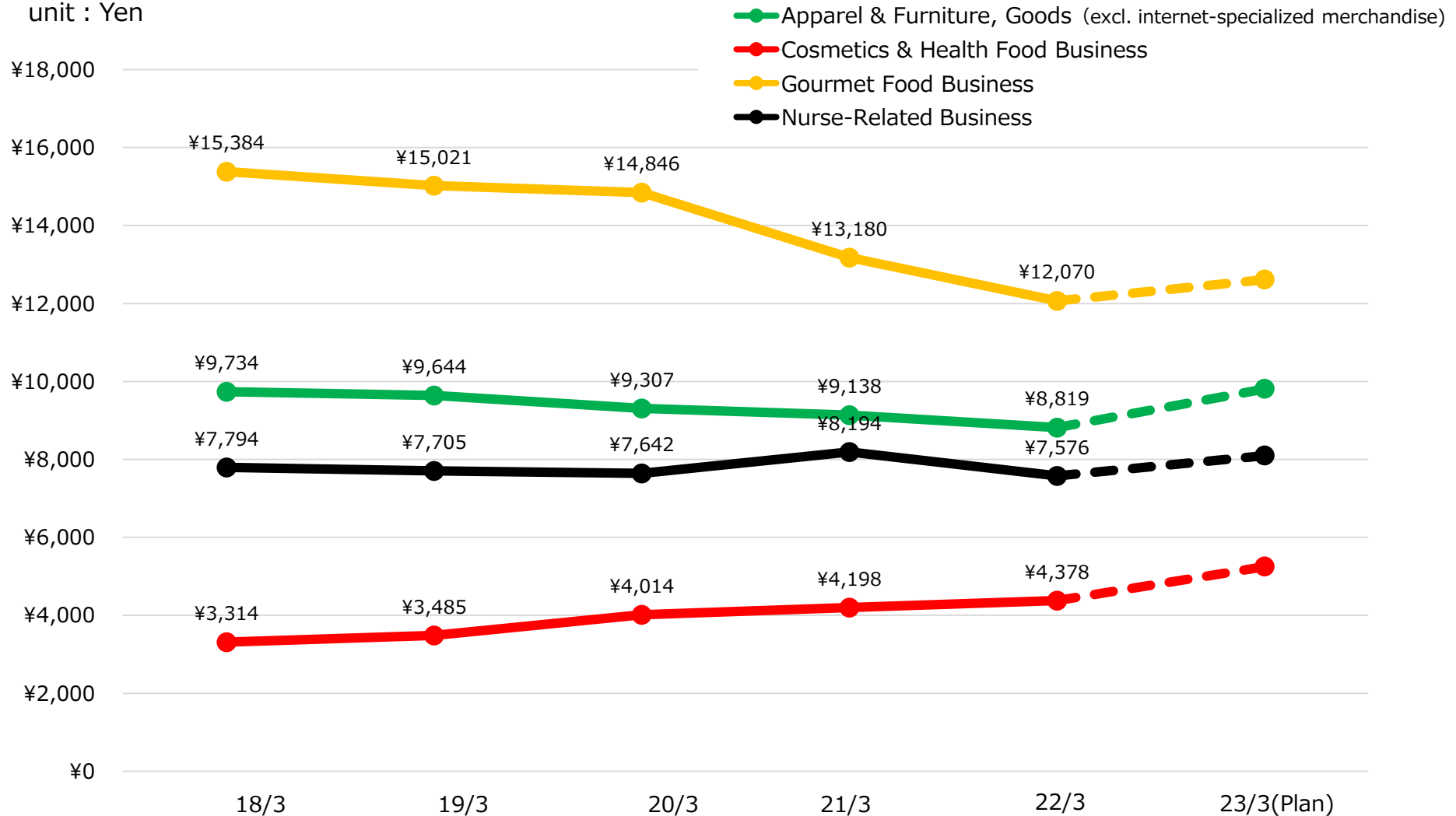
2-1. Mail order Business

Value per order received

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Value per order received is expected to increase in the current fiscal year due to the passing of additional costs onto product prices against the backdrop of surging prices of materials.

unit : Yen

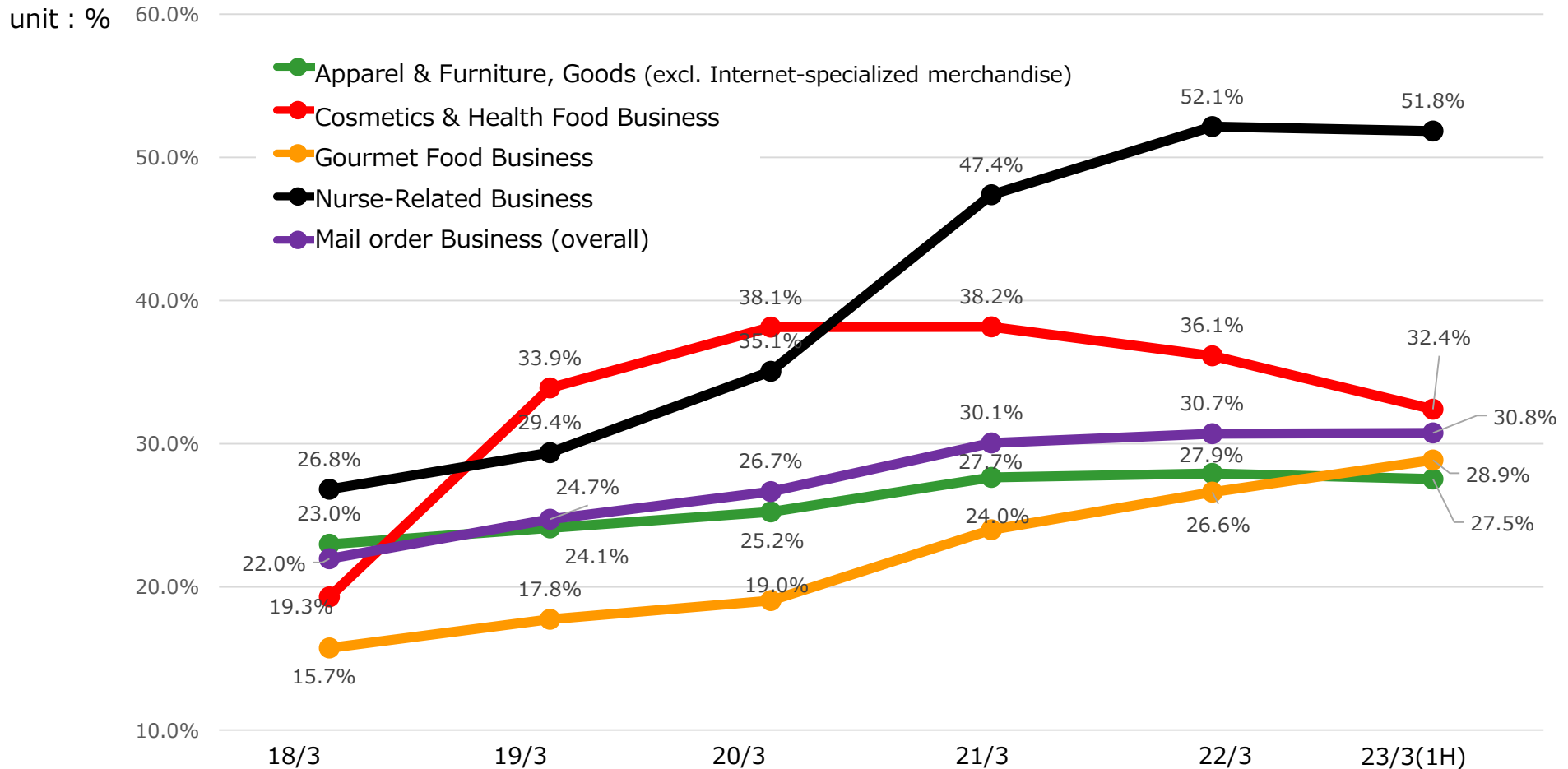


2-1. Mail order Business

The ratio of online sales

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The ratio remained almost unchanged partly due to a reactionary fall from the fiscal years ended March 2021 and March 2022. Nevertheless, we will move forward with online sales to expand the business.



* Starting with this material, the EC ratio is calculated by additionally including the results of online sales-oriented subsidiaries (Marucho, Min, ICnet and Select) in those of the Apparel & Furniture, Goods segment and the Mail Order business (overall).

2-1-①. Apparel & Furniture, Goods

- 1H Result and the Revised Plan for FY March 2023

Unit: Billion Yen **BELLUNA**

Business breakdown	FY March 2022/1H		FY March 2023/1H				FY March 2023	
	Actual		Actual				Revised on Oct. 28 plan	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales year on year	Operating income year on year	Net Sales	Operating income
Apparel & Furniture, Goods ・Rolled out products mainly targeted to madams through catalogs and the Internet. ・For the young group, we started selling products at shopping malls in 2018. ・We started selling men's and hard products on mail order.	41.00	-0.36	35.93	-0.01	-12.3%	+0.36	75.00	1.10
Min・ICnet・Maruchou・Select (Internet-specialized mail order) ・Min : Big-sized apparel mail order ・ICnet : Brand mail order ・Maruchou : General goods mailorder ・Select: women's apparel mail order sale	3.50	0.17	4.00	-0.02	+14.3%	-0.19	8.71	0.22
Apparel stores ・Rolled out Belluna brand nationwide (September 2022 78 stores)	2.60	-0.29	2.72	-0.02	+4.6%	+0.27	5.78	0.05
Total	47.04	-0.53	42.50	-0.03	-9.7%	+0.49	88.17	1.33

- In the Mail Order business, the responsiveness of existing customers continued to decline as a result of COVID-19 cases hitting a plateau. Despite that, we focused on prioritizing profitability by reducing advertising expenses. The number of customers visiting the apparel stores was trending toward a recovery.

- We will move forward with the launch of products in the middle price range while also advancing branding measures.

Current situation and Initiatives of FY March 2023

- Improvement of men's fashion
- Launch of products in the middle price range
- Change of visual images (Use of younger models)



Hooded coat with a reliable liner
¥10,989 (tax included)



100% baby alpaca-based pull-over
made in Japan
¥16,390 (tax included) ~



Belluna 2022 Autumn
& Winter Issue

2-1-①. Apparel & Furniture, Goods

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Current situation and Initiatives of FY March 2023

Facilitating the branding, the reinforcement of the online business



大人のベストセクション

ルフラン



毎日をちょっと素敵に。

BELLUNA



私は私のおしゃれに行く。

Ranan



毎日に、心地良くよりそう。

Viola e Viola



“可愛い”をちょうとよく。

Alotta



“自分らしい”輝きを

GeeRA

Pursuit of originality in the brand worldview

2-1-②. Cosmetics & Health food Business

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- 1H Result and the Revised Plan for FY March 2023

Unit: Billion Yen

Business breakdown	FY March 2022/1H		FY March 2023/1H				FY March 2023	
	Actual		Actual				Revised on Oct. 28 plan	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales year on year	Operating income year on year	Net Sales	Operating income
Cosmetics Business (Ozio・Nachu life brand) ・cosmetics mail-order business ・Develop cross-border EC in Asia ・The Internet and overseas are growth drivers	6.59	1.00	5.92	0.65	-10.1%	-0.35	11.87	1.10
Health Food Business ・Rolled out health food in Refre brand ・Gussurizm received the gold prize from the Monde Selection for four consecutive years.	1.80	0.19	1.61	-0.05	-10.8%	-0.24	3.29	0.05
Total	8.14	1.19	7.41	0.59	-8.9%	-0.60	15.16	1.15

- Net sales fell in the Cosmetics & Healthy Food segment, reflecting an increase in COVID-19 cases in Taiwan and the difficulty of acquiring new customers in Japan as a result of regulations for online advertising. In the Health Food segment, net sales decreased due to sluggish sales to existing customers, offsetting the efforts of acquiring new customers.
- Focus will shift in the current fiscal year to the development of a new winning pattern through sales promotion.

2-1-②. Cosmetics & Health food Business

BELLUNA

Current situation and Initiatives of FY March 2023

Products featured through TV commercials



Enhanced products



- New TV commercials started to be aired on November 9. With the secondary use of these advertising materials, we will accelerate the acquisition of new online customers.
- An enhanced version of the Royal Jelly Mocchiri Jel, total sales of which reached 13 million pieces, is scheduled to be launched in December.
- We will expand cross-border online sales (Hong Kong, Singapore and China). In addition to Taiwan, we will build another steppingstone for overseas development.

2-1-③. Gourmet Food Business(including Wine and Sake)

BELLUNA

- 1H Result and the Revised Plan for FY March 2023

Unit: Billion Yen

Business breakdown	FY March 2022/1H		FY March 2023/1H				FY March 2023	
	Actual		Actual				Revised on Oct. 28 plan	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales year on year	Operating income year on year	Net Sales	Operating income
Wine mail order Business (My Wine Club - ranked No.1 in sales of mail order of wine for 14 consecutive years)	4.41	0.41	4.33	0.29	-1.8%	-0.11	10.00	0.90
Sake mail order Business (Belluna Gourmet - ranked No.1 in sales of mail order of sake for 6 consecutive years)	1.97	0.11	2.11	0.04	+7.1%	-0.06	5.50	0.40
Gourmet Food Business ・Released mail orders for foods such as boxed lunches, year-end gifts, and osechi (foods prepared for New Year's holidays)・The total no. of Belluna gourmet/ Osechi yui sold topped 670,000 units.	5.45	0.02	6.07	-0.16	+11.4%	-0.18	17.29	0.96
Total	11.91	0.54	12.71	0.22	+6.7%	-0.32	32.79	2.26

- Net sales rose thanks to an increase in new customers acquired through improved online advertising in the food business, although the responsiveness of existing customers weakened due to the subsiding impact of the COVID-19 pandemic.

- The sales growth trend is expected to continue in the current fiscal year as the Company responds to an increase in the cost of goods and materials.

2-1-③.Gourmet Food Business(including Wine and Sake)

BELLUNA

Current situation and Initiatives of FY March 2023

Ranked No.1 in sales of mail order of wine for
14 consecutive years



Best-selling products sold in a set

Set of 11 red wines carefully selected from around the world

Unit sales of Japanese Sake and
forecast for current fiscal year

fiscal year	Number of units sold
FY March 2020	6.8 million units
FY March 2021	11.0 million units
FY March 2022	11.2 million units
FY March 2023(Plan)	12.2 million units

ranked No.1 in sales of mail order of
sake for 6 consecutive years



Sake No.1 Product

Koshino Gokura Daiginjo

Unit sales of Japanese Sake and
forecast for current fiscal year

fiscal year	Number of units sold
FY March 2020	1.3 million units
FY March 2021	2.1 million units
FY March 2022	2.8 million units
FY March 2023(Plan)	3.0 million units

Osechi dish boxes
280,000 boxes shipped



Osechi No.1 Product

Yui three tiered Japanese dish box

Unit sales of Osechi dishes and
forecast for current fiscal year

fiscal year	Number of units sold
FY March 2020	160,000 units
FY March 2021	190,000 units
FY March 2022	280,000 units
FY March 2023(Plan)	350,000 units

- Sales from the mail-order service of wine continues to grow due to the efficient acquisition of new customers and a high ratio of repeat orders.
- In the Gourmet Food Business, sales of one single item, such as a *bento* box, continues to expand. Profit is expected to rise from the second half and beyond. We will actively contact new customers that we acquired in the first half to promote attractive products, mainly Osechi.

Current situation and Initiatives of FY March 2023

BELLUNA



The Rothschild Family
ロートシルトファミリー
世界のプレミアムワイン
5本セット

— New Arrival 新着ワイン —

マッセート'14 (IGTトスカ...)	コルトン・シャル ルマーニュ・グ...	ニュイ・サン・ ジョルジュ・エ...
99,000円	17,380円	27,500円



We launched the ELEVIN dedicated website for high-grade wines.

We provide wines en primeur and other rare wines by leveraging the track record and experience that we gained from the mail-order service of wine over 20 plus years.

2-1-④. Nurse-Related Business

- 1H Result and the Revised Plan for FY March 2023

Unit: Billion Yen **BELLUNA**

Business breakdown	FY March 2022/1H		FY March 2023/1H				FY March 2023	
	Actual		Actual				Revised on Oct. 28 plan	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales year on year	Operating income year on year	Net Sales	Operating income
Nursery (Mail order for nurses, No. 2 in the industry)	3.47	0.26	2.63	-0.07	-24.2%	-0.33	4.94	0.12
infirmière (Mail order for nurses, No. 1 in the industry)	4.40	0.51	3.78	0.20	-14.1%	-0.31	7.52	0.53
Nurse Career Next (Personnel placement business for nurses	0.10	-0.05	0.10	-0.04	+3.2%	+0.02	0.22	-0.04
JOB STUDIO (Personnel placement business in Singapore)	0.80	0.07	1.08	0.09	+34.7%	+0.02	1.60	0.12
Total	8.77	0.77	7.59	0.17	-13.4%	-0.60	14.28	0.64

- Demand for medical items and consumables such as face masks and pulse oximeters, which had enjoyed special demand in the same period of the previous year, decreased due to the subsiding impact of the COVID-19 pandemic, despite active advertising such as TV ads in first quarter.
- In the current fiscal year, we will facilitate online sales while simultaneously optimizing the issuance of catalogs to improve profitability.

2-1-④. Nurse-Related Business

BELLUNA

Current situation and Initiatives of FY March 2023

No.1 in domestic mail-order sales to nurses

*The 2020 data provided by Tokyo Shoko Research, Ltd.

Future initiatives

- Expansion of the BtoB businesses

Develop and strengthen BtoB businesses for hospitals and clinics using both online and offline channels. Aim to meet demand from companies.

- Advance into new categories

Advance into industries related to medical services such as caregiving, dentistry and beauty treatment clinics using the strengths of an SPA company.



<For caregivers>



<For beauty treatment clinics>

2-1-⑤. Database Use Business

- 1H Result and the Revised Plan for FY March 2023

Unit: Billion Yen **BELLUNA**

Business breakdown	FY March 2022/1H		FY March 2023/1H				FY March 2023	
	Actual		Actual				Revised on Oct. 28 plan	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales year on year	Operating income year on year	Net Sales	Operating income
Finance (Consumer finance business for members)	2.28	1.01	2.32	1.01	2.0%	0.00	4.83	2.05
Belluna Direct (Enclosure/combined shipping business)	1.98	1.43	1.90	1.42	-4.3%	-0.02	3.61	2.62
Belluna Business Solution (Contracted call center/logistics business)	3.34	0.42	3.29	0.33	-1.5%	-0.08	7.30	0.82
BGL (Consolidated in FY Mar. 2022 Thirdparty logistics)	0.66	0.04	1.34	0.08	103.1%	0.04	2.84	0.22
Label (Acquired in August 2022. Third-party logistics business, etc.)	-	-	0.17	0.01	-	-	0.70	0.04
Total	7.55	2.89	7.48	2.84	-0.9%	-0.05	16.32	5.75

※BGL : Consolidated in July 2021

※Label : Consolidated in September 2022

Finance : Advertising expenses increased due to increased efforts for the acquisition of new customers.

Belluna Direct : Net sales fell due to the impact of the sluggish growth of the Apparel & Furniture, Goods segment.

BellunaBusiness Solution・BGL : Steady progress is being made in the acquisition of new business partners mainly in the contracted logistics service.

Label : Operates a 3PL (logistics agent) business, etc.We acquired the company through M&A in August 2022.

2-1-⑤. Database Use Business

BELLUNA



We implemented M&A in August 2022 and acquired the Label Group, which operates the contracted domestic logistics business, etc.

The group offers services flexibly to meet clients' needs while at the same time facilitating low-cost operations, and by doing so, has been enjoying a competitive advantage. In addition, it has been growing by leveraging expertise on the speedy launch of new basis.

We expect the creation of synergies with the solution business (advertising and contracted logistic).

2-2. Kimono-Related Business

BELLUNA

- 1H Result and the Revised Plan for FY March 2023

Unit: Billion Yen

Business breakdown	FY March 2022/1H		FY March 2023/1H				FY March 2023	
	Actual		Actual				Revised on Oct. 28 plan	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales year on year	Operating income year on year	Net Sales	Operating income
BANKAN Wamonoya (Kimono sales business started in 2007, when the Company was founded)	4.78	0.26	5.42	0.41	+13.3%	+0.14	11.22	1.00
Sagami Group Holdings (Acquired in 2018, medium priced kimono sales business)	3.96	-0.42	4.11	0.10	+3.8%	+0.52	7.81	0.06
Tokyo masuiwaya (Acquired at the same time as Sagami, a highly-priced kimono sales business)	1.50	-0.18	1.67	-0.02	+11.0%	+0.17	3.49	0.04
Maimu (Acquired in 2016, Rental hakama traditional graduation attire for students)	0.20	-0.50	0.19	-0.63	-2.1%	-0.13	2.92	0.24
Total	10.19	-0.83	11.14	-0.14	+9.3%	+0.70	25.23	1.27

- The number of customers visiting stores is trending toward a recovery due to the weakened impact of the COVID-19 pandemic. Expenses were posted ahead of schedule, reflecting the strong performance of Maimu's costume rental business.

- Profitability is improving at Sagami and Tokyo Masuiwaya in the current fiscal year, reflecting progress in their respective structural reforms. We expect that the revised targets will be achieved.

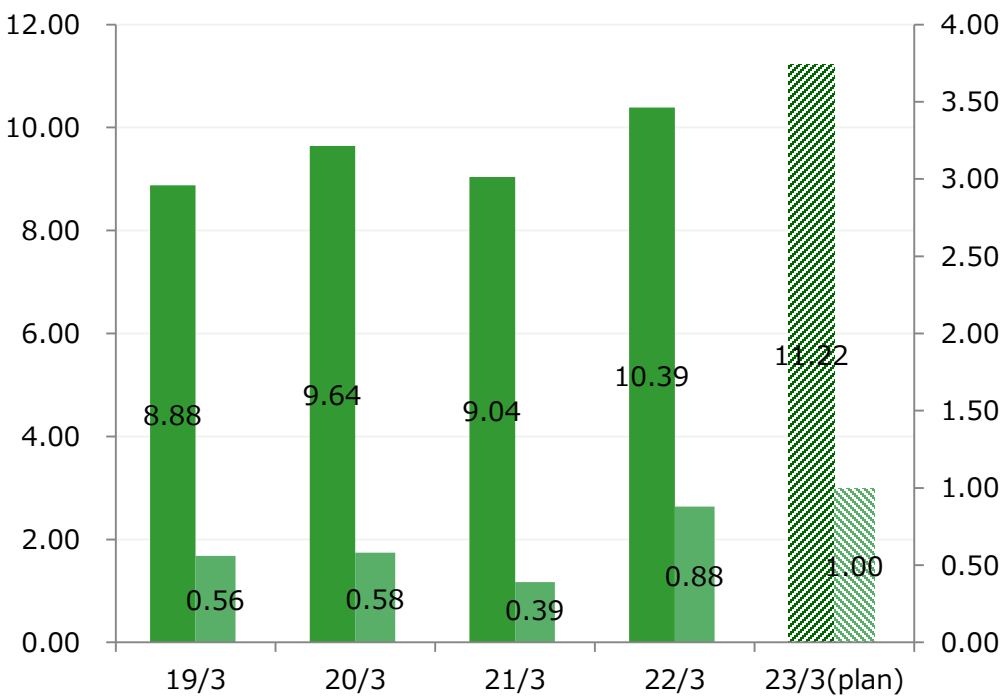
2-2. Kimono-Related Business

BELLUNA

Profit and loss trends

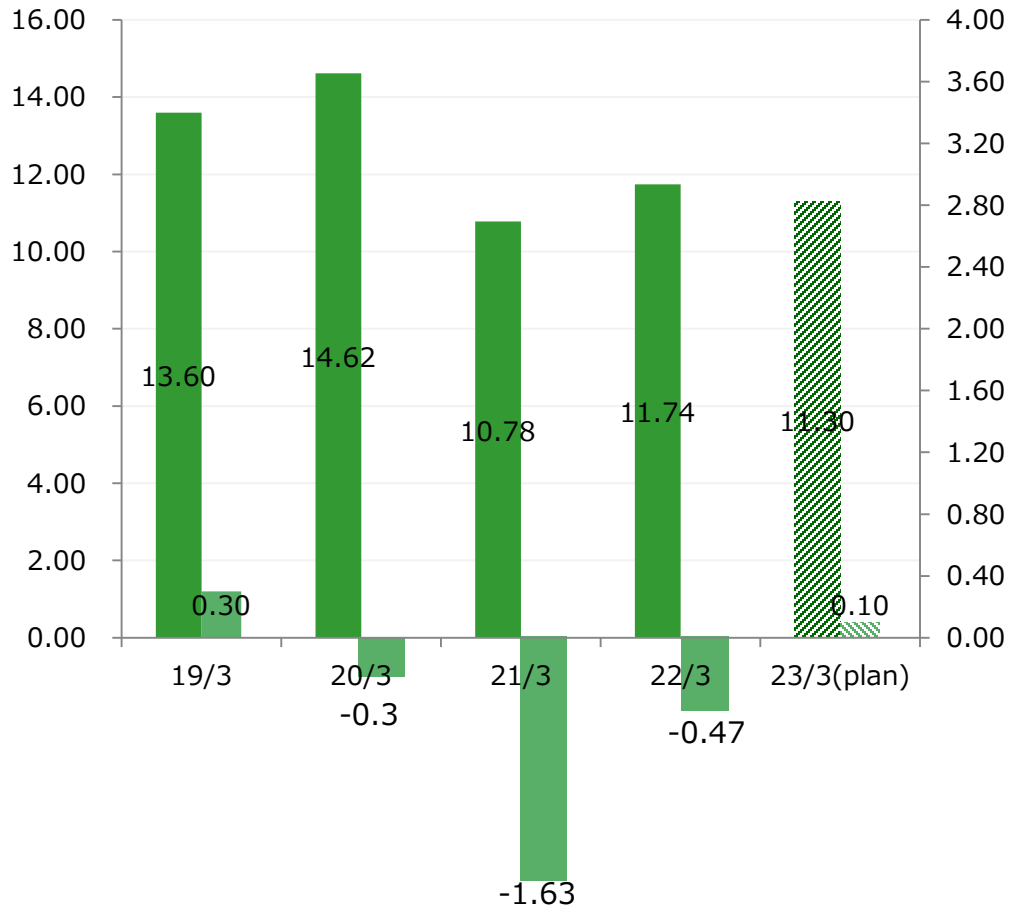
BANKAN maintained growth despite the COVID-19 pandemic. Sagami Group is making itself a leaner business.

<BANKAN Wamonoya> ■ Net sales (Billion Yen)
 ■ Operating income (Billion Yen)



	19/3	20/3	21/3	22/3	23/3 (plan)
Number of stores	84	89	91	95	106

<Sagami GHD> ■ Net sales (Billion Yen)
 ■ Operating income (Billion Yen)



	19/3	20/3	21/3	22/3	23/3 (plan)
Number of stores	160	158	141	117	115

Growth scenario of the Kimono-Related business

- Change from sales at large events to in-store sales
- Education that enables in-store sales
- Scraping of unprofitable stores
- Cost reduction

→ Sagami completed the structural reforms in FY March 2022. The company expects to become profitable in the current year and beyond as expected.

Kimono-Related Business aims to achieve sales of 31.1 billion yen and profit of 2.1 billion yen during the Fifth Business Plan (ending in FY March 2025).

2-3. Property Business

BELLUNA

- 1H Result and the Revised Plan for FY March 2023

Unit: Billion Yen

Business breakdown	FY March 2022/1H		FY March 2023/1H				FY March 2023	
	Actual		Actual				Revised on Oct. 28 plan	
	Net Sales	Operating income	Net Sales	Operating income	Net Sales year on year	Operating income year on year	Net Sales	Operating income
Income gain Rental revenue from properties (including office buildings and stores,)	1.39	0.04	1.54	0.47	10.6%	0.43	3.07	1.19
Capital gain Property development and sales business	6.20	2.01	0.65	0.13	-89.5%	-1.87	2.92	0.65
Hotel Business Operate 10 hotels in Japan, 3 hotels overseas	3.01	-1.25	6.09	-0.43	102.8%	0.83	14.00	0.00
Solar power generation facilities solar power generation facilities held include 3 properties	0.63	0.23	0.62	0.24	-0.5%	0.01	1.00	0.30
Total	10.78	0.97	8.37	0.37	-22.3%	-0.60	19.98	2.14

- Both net sales and operating income decreased significantly, reflecting the absence of capital gains from the sale of overseas real estate in the same period of the previous year. Net sales and operating income increased sharply in the hotel business, reflecting a rise in the occupancy rate of a hotel that had opened in the previous year, as well as the weakened impact of movement restrictions in Japan.

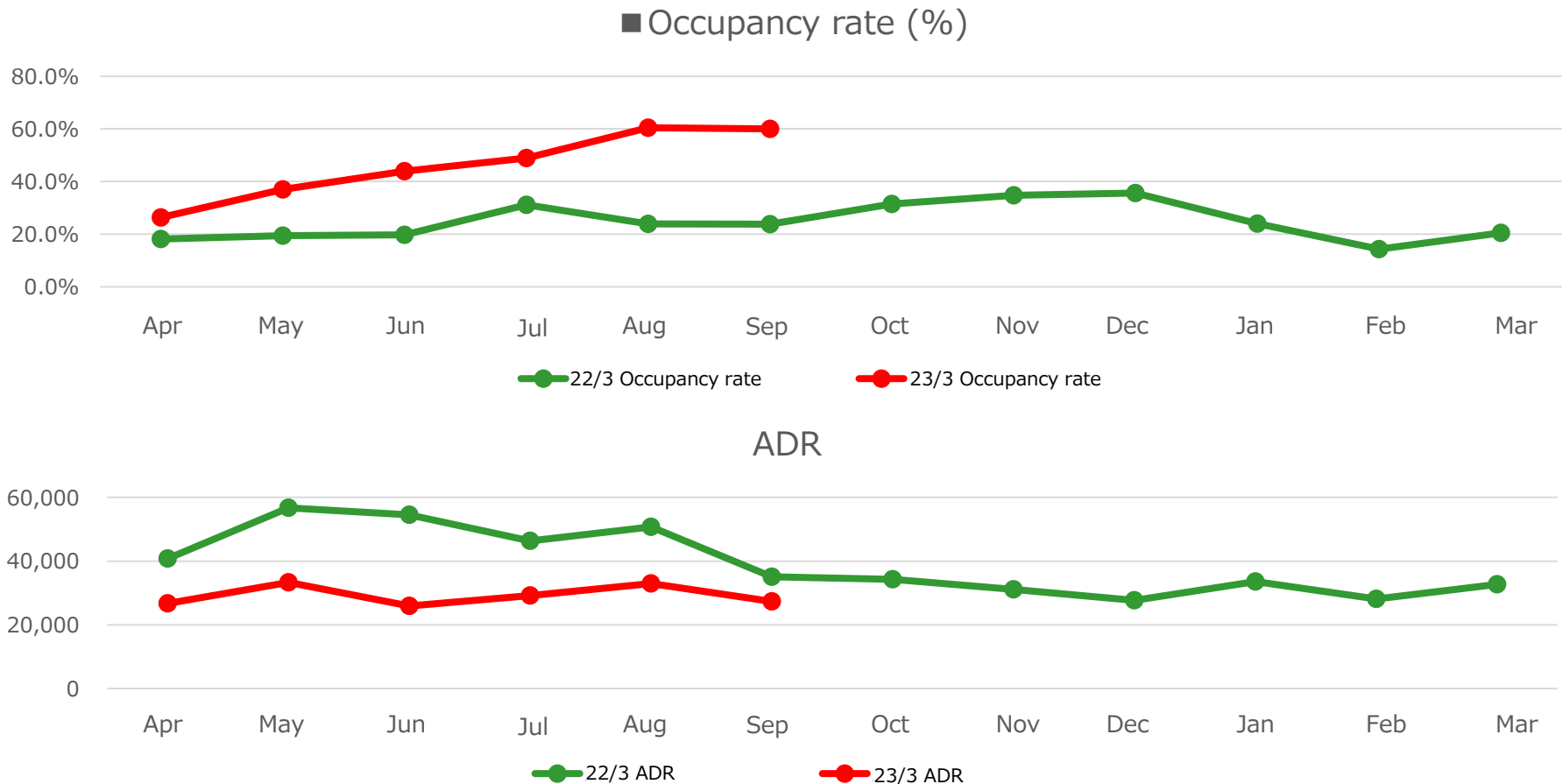
- In the current fiscal year, we expect significant growth in sales and operating income, mainly in the hotel business.

2-3. Property Business (Hotel Business)

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Trends in occupancy rate and ADR

We prioritize improvements in the occupancy rate. In the second quarter, our occupancy rates started to surpass the average rates of hotels located in areas where we operate.



* ADR...room charge + food sales

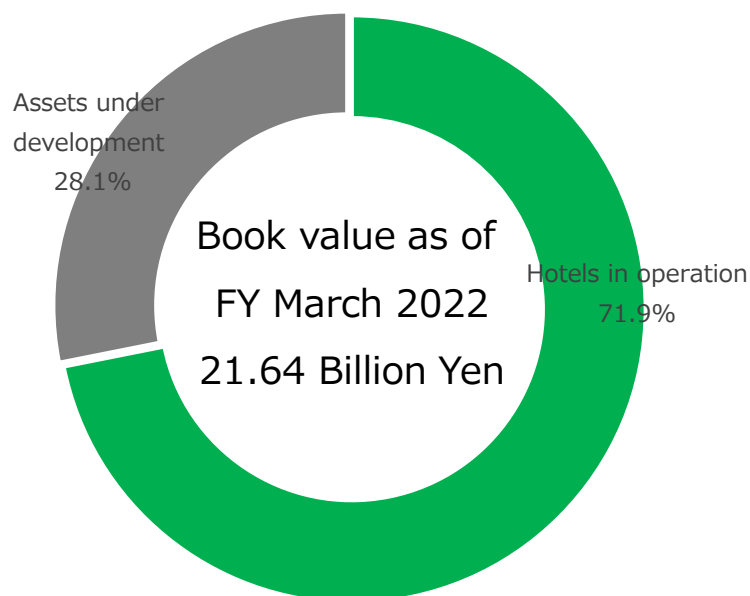
* For domestic hotels only

2-3. Property Business (Hotel business)

BELLUNA

Sales and operating income are expected to increase sharply in the current fiscal year due to an increase in the number of customers.

< Hotel assets >



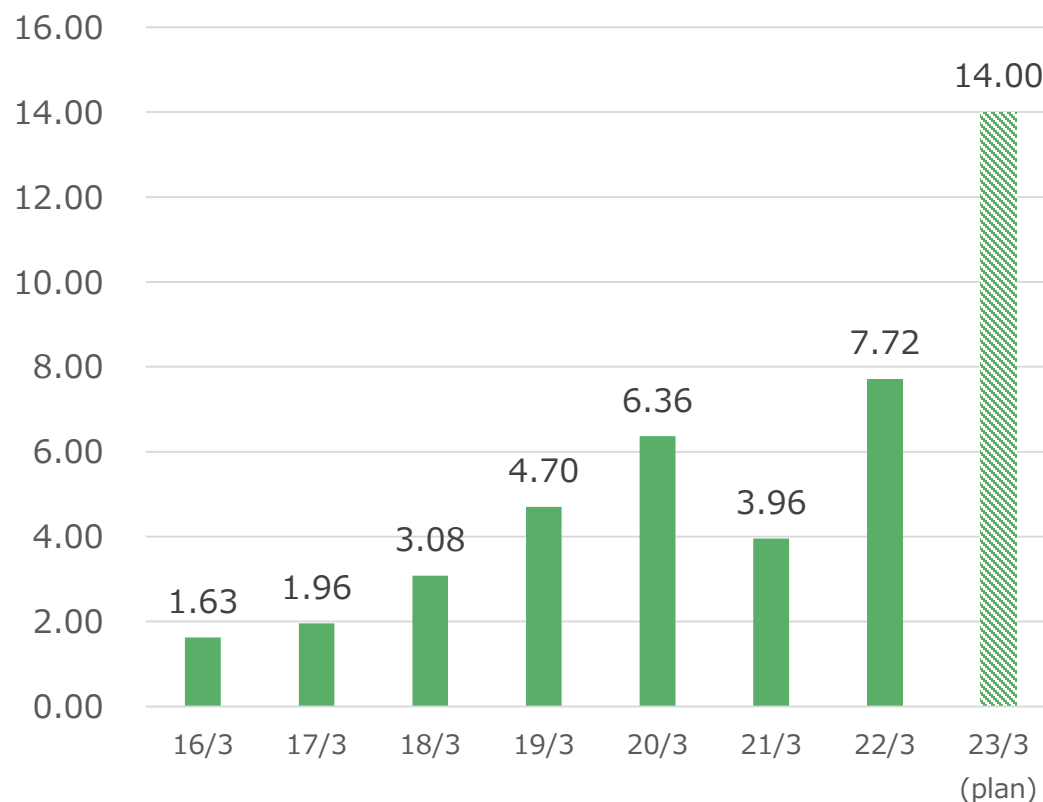
Hotels held 8 Hotels

Leasing 6 Hotels

Total Operate 14 Hotels
(as of October 2022)

< Changes in Sales >

unit : Billion Yen



Hotels in operation	2	3	4	7	8	8	13	14
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2-3. Property Business (Hotel business)

Hotels opened previously and scheduled to open

BELLUNA

<Hotels opened and scheduled to open>

Ref	Area	Facility name	Number of Guest Rooms	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3	22/3	23/3	Assumed sales* (Billion Yen)	Start of operations	Type
1	Okinawa	Hotel Hamahigashima Resort	29											0.2	May 2013	Owned
2	Fukushima	Urabandai Lake Resort	324											2.5	October 2015	lease
3	Nagano	Le Grand Kyu Karuizawa Hotel	43											0.5	July 2016	Owned
4	Kyoto	Kyoto Granbell Hotel	105											0.6	July 2017	lease
5	Nagano	Le Grand Karuizawa Hotel & Resort	58											2.8	July 2018	lease
6	Sri Lanka	Le Grand Galle Hotel	48											0.5	July 2018	Owned
7	Maldives	The Westin Maldives Miriandhoo Resort	70											3.5	October 2018	Owned
8	Hawaii	EWA Hotel	92											0.6	April 2019	Owned
9	Osaka	Umeda Holic Hotel	117											0.5	April 2021	lease
10	Osaka	Osaka Granbell Hotel	191											1.0	April 2021	lease
11	Hokkaido	Sapporo Granbell Hotel	218											1.1	April 2021	Owned
12	Hokkaido	Jozankei View Hotel	647											4.8	August 2021	Owned
13	Hokkaido	Susukino Granbell Hotel	300											1.5	September 2021	lease
14	Sri Lanka	Granbell Hotel Colombo	292											1.7	April 2022	Owned
15	Ginza	Ginza Hotel	102											0.8	24/3 (forecast)	Owned
16	Hokkaido	Sapporo Granbell Hotel Premiere	606											2.9	26/3 (forecast)	Owned
		Total	3,242											25.5		

*Sales forecast includes the recovery of inbound tourism after COVID-19 subsides.

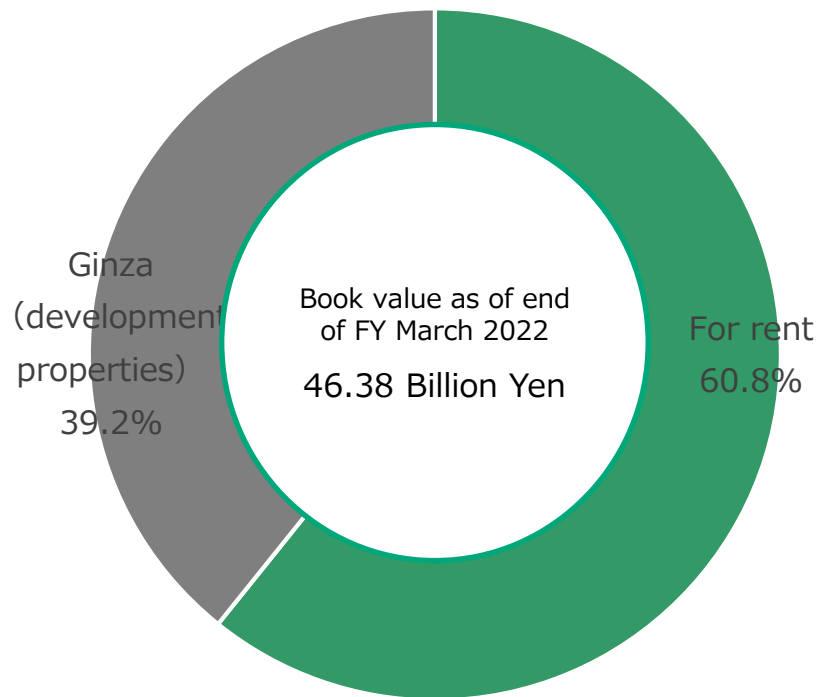
Net sales of more than 25.0 billion yen and operating income of more than 5.0 billion yen are expected when inbound tourism recovers and business is on track for growth after COVID-19 subsides.

2-3. Property Business (Income gain)

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Real estate held for rent include 27 properties consisting largely of offices in central Tokyo. Each property is maintaining a stable occupancy rate and yield.

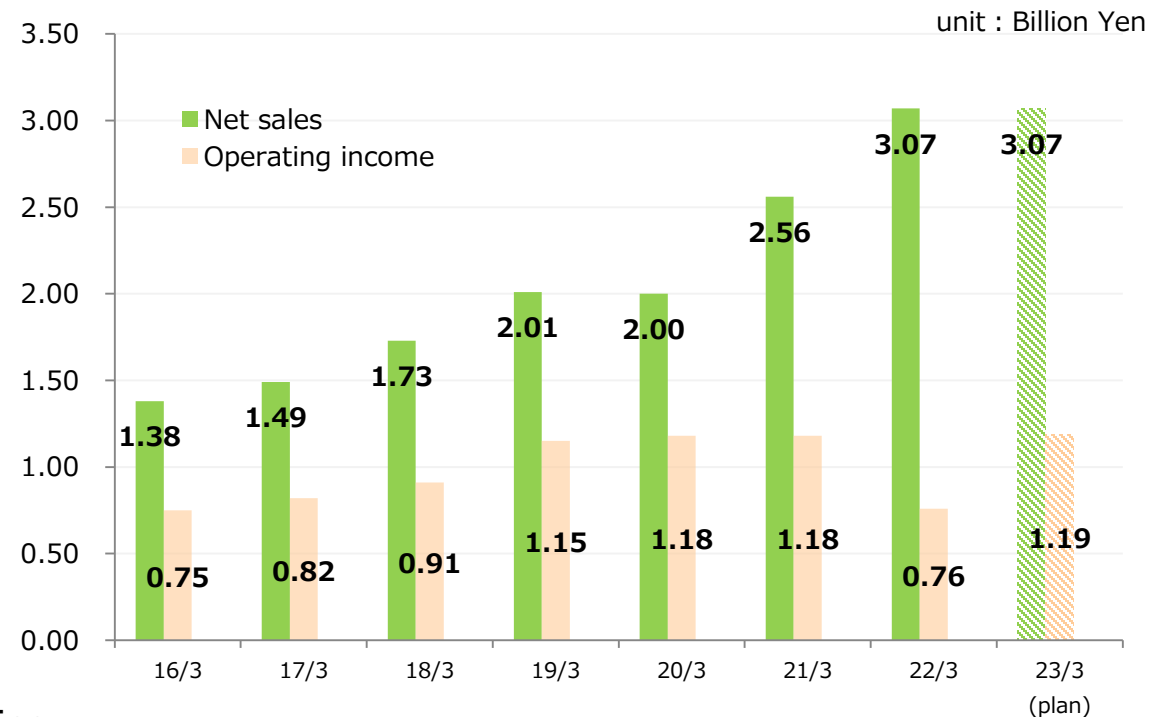
< Assets for lease >



Number of properties operated: 27

NOI yield 5.6%

< Trends in sales and operating income >



2-3. Property Business (Income gain)

Future Plan

BELLUNA

Development of a large building complex is under way in Ginza 7 Chome. The facility is expected to open in FY March 2024.



Total area (m ²)	7,768m ²
Number of floors	3 floors below ground 10 floors above ground
Structure	Steel structure, steel reinforced concrete structure
Type of Property	Hotel, restaurants, amusement facilities, etc.

Total investment: 25.0 Billion Yen

Assumed yield: more than 5.9%

2-4. Initiatives for SDGs

The Belluna Group has established the Sustainability Promotion Committee, an internal cross-sectional organization, to work on and facilitate SDG initiatives. The Committee plays the leading role to identify issues that should be addressed and accelerate activities with a view toward the realization of a sustainable society. In addition, we have established seven key practice items. All stakeholders including employees will cooperate in implementing SDG-related initiatives.

Key practice items

1. Contribute to solving the so-called shopping refugee problem by providing richer services that improve the clothing, food, shelter and recreation condition

We will help customers create rich clothing, food, shelter and recreational conditions anywhere in the country through the catalog-based mail-order business focused on the provision of safe and secure products, while simultaneously contributing to solving the so-called shopping refugee problem.

2. Reduce product waste

We will continue and promote IT-assisted initiatives such as identifying customer needs accurately and making proper adjustments to the amount of incoming and outgoing products, to minimize product waste.

catalogs

We will promote the proper distribution of catalogs and take appropriate measures, such as making paper thinner, to save paper resources.

4. Facilitate the reduction of CO2 emissions at the logistics center, etc.

We will seek to reduce CO2 emissions by strengthening energy management at large-scale facilities such as the logistics center after investigating the actual status of CO2 emissions.



5. Improve employees' workstyles

We will work on measures for improving the workstyles of staff members operating at a range of workplaces, including the call center, after conducting a survey on employee job satisfaction.

6. Study methods to make original products sustainable

We will study methods to make our original products sustainable at the planning stage based on an analysis of risks and opportunities in supply

7. Develop the awareness of SDG contribution across the Group

We will hold a contest on SDG-related ideas on a Group-wide basis after completing education for employees on SDGs.



2-5. Returns to shareholders

Dividend of 20 yen per share to be paid. Dividends have been increasing for four consecutive years.

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<Annual dividends >

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023(Plan)
EPS(yen)	106.39	60.62	114.17	105.55	103.43
Dividend(yen)	15.0	16.0	16.5	19.0	20.0

<Shareholder incentive program>

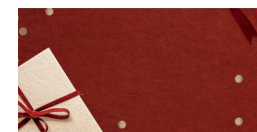
[Details]

	100 shares or more	500 shares or more	1,000 shares or more
Complimentary discount tickets for mail-order services, complimentary coupons that can be used at Belluna online stores, or an assortment of gourmet food, wine and sake products.	For the value of 1,000 yen	For the value of 3,000 yen	For the value of 5,000 yen
Complimentary ticket with the face value of 1,000 yen that can be used at facilities operated by the Belluna Group (or in collaboration with partners)	2 pieces (For the value of 2,000 yen)	6 pieces (For the value of 6,000 yen)	10 pieces (For the value of 10,000 yen)

2023年度 株主様ご優待券

[Eligible shareholders]

Shareholders who own at least 100 shares of the Company at the end of March and September (Twice a year)



2-5. Shareholder returns (Enhancement of shareholder incentive program)

BELLUNA

We will strive to increase the attractiveness of our shares from investment perspectives so that a greater number of our shareholders are willing to own our shares on a medium- to long-term basis. With this in mind and with a view to ensuring our shareholders feel more familiar with mail-order services and hotels operated by the Group, we have decided to enhance our shareholder incentive program significantly.

Changes (i) We have increased the number of gourmet products that can be chosen from 2 types to 4 types.

Changes (ii) The number of facilities at which the accommodation discount tickets can be used has been increased to include facilities operated by the Group or in collaboration with partners. In addition, the tickets have been modified to the complimentary discount tickets.

保有株式数 100株以上500株未満保有の株主様	●下記4点から、いずれか1つをお選びください。	1,000円未満	
梅干し (南紀の白 160gグラム) すばらしい梅干しが手に入る。お酢の酸味が効いてはちみつ入りの柔らかい梅干しです。 内容量: 160g×1箱	お菓子1000 (5種のやわらかいとくち大福) ふくらんでもちもち食感のお菓子。バリエーション豊富な5種類の味がいっしょにひとやすみをお楽しみいただけます。 内容量: ひとくち大福(白)・ひとくち大福(黒)・あんころ餅・あんころ餅・あんころ餅 内容量: 250g×2箱 賞味期限: 常温20日以内	日本酒1000 (南満洲) 新鮮なさくらを造った芳醇辛口の日本酒。しっとりとした喉の潤い・キレが特徴です。 料理との相性がよく、食中酒として料理をより立てます。冷蔵・常温で特においしいお酒。飲み慣れたお客様にもおすすめです。 内容量: 1.8L×1本 賞味期限: 常温20日以内	ワイン1000 (フランス産ワイン 1本) 品質の高さ、人気、知名度の日本酒。しっとりとした喉の潤い・キレが特徴です。 内容量: 750ml×1本 賞味期限: 常温20日以内
お米 (山形産 5kg口) つやつやと炊きあがり、お酢の酸味が効いてはちみつ入りの柔らかい梅干しです。 内容量: 5kg×1箱 賞味期限: 常温20日以内	お菓子3000 (南紀フィナンシェ) 香ばしいフィナンシェの風味とアーモンドが特徴です。上品でしっとりとした焼き上がり。神戸で人気のあるフィナンシェの山形産フィナンシェの大人気商品です。 内容量: 1箱 賞味期限: 常温20日以内	日本酒3000 (大吟醸酒) 遠東を大吟醸にも50%以下まで降り、米の中心部の旨味のみで醸造する高級酒。 内容量: 1.8L×1本 賞味期限: 常温20日以内	ワイン3000 (フランス産高級ワイン 1本) 高級フランス産から、ブルドーのクリュ・ブルジョワ認定や人気の高いブルゴニク村名ワイン。 内容量: 750ml×1本 賞味期限: 常温20日以内
お米 (山形産 10kg口) つやつやと炊きあがり、お酢の酸味が効いてはちみつ入りの柔らかい梅干しです。 内容量: 10kg×1箱 賞味期限: 常温20日以内	お菓子5000 (南紀プチガトー&ショコラ) 引き出しの中に詰め込まれたひとくちサイズのカラフルなお菓子。バリエーション豊富な5種類の味がいっしょにひとやすみをお楽しみいただけます。 内容量: ひとくち大福(白)・ひとくち大福(黒)・あんころ餅・あんころ餅・あんころ餅 内容量: 250g×2箱 賞味期限: 常温20日以内	日本酒5000 (南米大吟醸酒+大吟醸酒) 華やかな吟醸酒、優雅で気品あふれた風味は、まさに日本酒の芸術品です。 内容量: 1.8L×1本 賞味期限: 常温20日以内	ワイン5000 (フランス産高級ワイン 1本) 高級フランス産から、ブルドーのクリュ・ブルジョワ認定や人気の高いブルゴニク村名ワイン。 内容量: 750ml×1本 賞味期限: 常温20日以内

※賞味期限・賞味期間・賞味温度は、ご注文時にお知らせいたします。ご了承ください。



ベルナグループ運営(提携)施設「優待割引券」のご利用方法

- ベルナグループ運営(提携)施設で利用可能な券面額1,000円の割引券を保有株数に応じた枚数分、発行いたします。
- ＜対象施設＞ ベルナグループ運営および提携の全国ホテル・全飲食店、小幡郷ゴルフ倶楽部
- ご利用方法
 - 優待割引券を同時使用する場合は、上限は2枚(2,000円分)までとなります。
 - ホテル・飲食店・小幡郷ゴルフ倶楽部において、現地での会計時に優待割引券をご提示ください。合計金額より割引させていただきます。
 - ご利用は現地決済に限り、事前決済は適用不可となります。
 - ホテルでのご利用は、ご宿泊料金・ディナーのみ対象となります。(ランチや日帰り温泉は対象外)
 - 飲食店でのご利用はディナーおよびお会計のみ対象となります。(ランチは対象外)
 - 小幡郷ゴルフ倶楽部でのご利用は土日限定で対象、同席4名様迄適用可能です。

- Major changes

[Increase in the number of selectable gourmet products] 4 types instead of 2 types

[Increase in the number of hotels, restaurants and golf courses where the tickets can be used] 19 hotels, 5 restaurants and one golf course instead of 2 facilities

The accommodation discount tickets have been changed to complimentary discount tickets.

<Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results of the 1st Half ended September 30, 2022 for FY March 2023. 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 November 18, 2022. 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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