

BELLUNA

Belluna Co., Ltd. **CORPORATE PRESENTATION**

1st Half ended September 30, 2024
For FY March 2025

Stock Code : 9997
2024.11.29



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1. Financial Highlights

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Net sales and operating profit climbed year on year, whereas ordinary profit and profit dropped year on year.

- Net sales increased 1.1% year on year and fell 0.9% below the plan.
- Operating profit increased 15.3% year on year and fell 2.0% above the plan.
- Ordinary profit decreased 4.2% year on year and fell 3.6% above the plan.
- Profit decreased 21.4% year on year and 8.4% below the plan.

1-2. Summary of Financial Results

Net sales: 97.13 billion yen, increase +1.1 % year on year.

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Operating profit: 3.57 billion yen, increase +0.47 billion yen year on year.

Ordinary profit: 4.14 billion yen, down 0.18 billion yen year on year, as foreign exchange gains were down 0.53 billion yen year on year

Net profit: 2.57 billion yen, down 0.70 billion yen year on year, reflecting a decline in gain on sale of investment securities of 0.56 billion yen from the same period a year earlier

Unit: Billion Yen

Consolidated	FY March 2024/1H	FY March 2025/1H	FY March 2025/1H		
	Actual	Plan	Actual	YoY Change	vs. Plan
Net sales	96.11	98.00	97.13	+1.1%	-0.9%
Cost of sales	37.17	-	37.41	+0.7%	-
Selling, General & Administrative	55.84	-	56.14	+0.5%	-
Operating profit	3.10	3.50	3.57	+15.3%	+2.0%
Non-operating profit and Expenses	1.23	0.50	0.57	-53.4%	+14.7%
(Exchange rate-related gains and losses)	(1.00)	-	(0.46)	-	-
Ordinary profit	4.33	4.00	4.14	-4.2%	+3.6%
Net profit	3.26	2.80	2.57	-21.4%	-8.4%

1-3. Profitability by segment

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Net sales : Increased in three segments including Property & Hotels, Apparel & Goods, and Database Utilization.

Operating profit : Increased in three segments including Property & Hotels, Gourmet, and Database Utilization.

It decreased in five segments including Apparel & Goods, Gourmet, Nurse-Related, kimono -Related and Cosmetics & Health Food.

Consolidated Net sales and Operating profit by segment

Unit: Billion Yen

	FY March 2025/1H												
	Property & Hotel	Cosmetics & Health Food	Gourmet	Nurse-Related	Subtotal	Subtotal	Kimono-Related	Apparel & Goods	Other	Subtotal	Database Utilization	consolidation and elimination	Total
Net Sales	16.65	6.75	12.69	6.64	26.09	42.73	10.11	35.37	1.27	46.75	8.29	-0.65	97.13
YoY Change(%)	+12.1%	-9.3%	-0.1%	-1.3%	-3.0%	+2.4%	-2.8%	+1.6%	-4.5%	+0.4%	+1.1%	+71.8%	+1.1%
vs.Plan(%)	-4.1%	-6.7%	-0.4%	-3.0%	-2.7%	-3.3%	-4.6%	+1.3%	-10.3%	-0.4%	+5.6%	-33.6%	-0.9%
Operating Profit	2.79	0.10	0.06	0.31	0.47	3.26	-0.40	-1.54	-0.30	-2.24	2.56	-0.01	3.57
YoY Change (billion yen)	+1.00	- 0.31	+0.16	- 0.06	- 0.21	+0.79	- 0.21	- 0.20	- 0.12	- 0.52	+0.01	+0.20	+0.47
vs.Plan (billion yen)	- 0.08	- 0.41	+0.14	+0.00	- 0.26	- 0.34	- 0.23	+0.34	- 0.12	- 0.02	+0.26	+0.17	+0.07
Operating Profit Ratio	16.8%	1.5%	0.4%	4.7%	1.8%	7.6%	-4.0%	-4.4%	-23.6%	-4.8%	30.9%	-	3.7%
YoY Change(pt)	+4.7	- 4.0	+1.2	- 0.8	- 0.7	+1.7	- 2.1	- 0.5	- 9.8	- 1.1	- 0.2	-	+0.5
vs.Plan(pt)	+0.2	- 5.5	+1.1	+0.2	- 0.9	- 0.5	- 2.4	+1.0	- 11.1	- 0.1	+1.5	-	+0.1

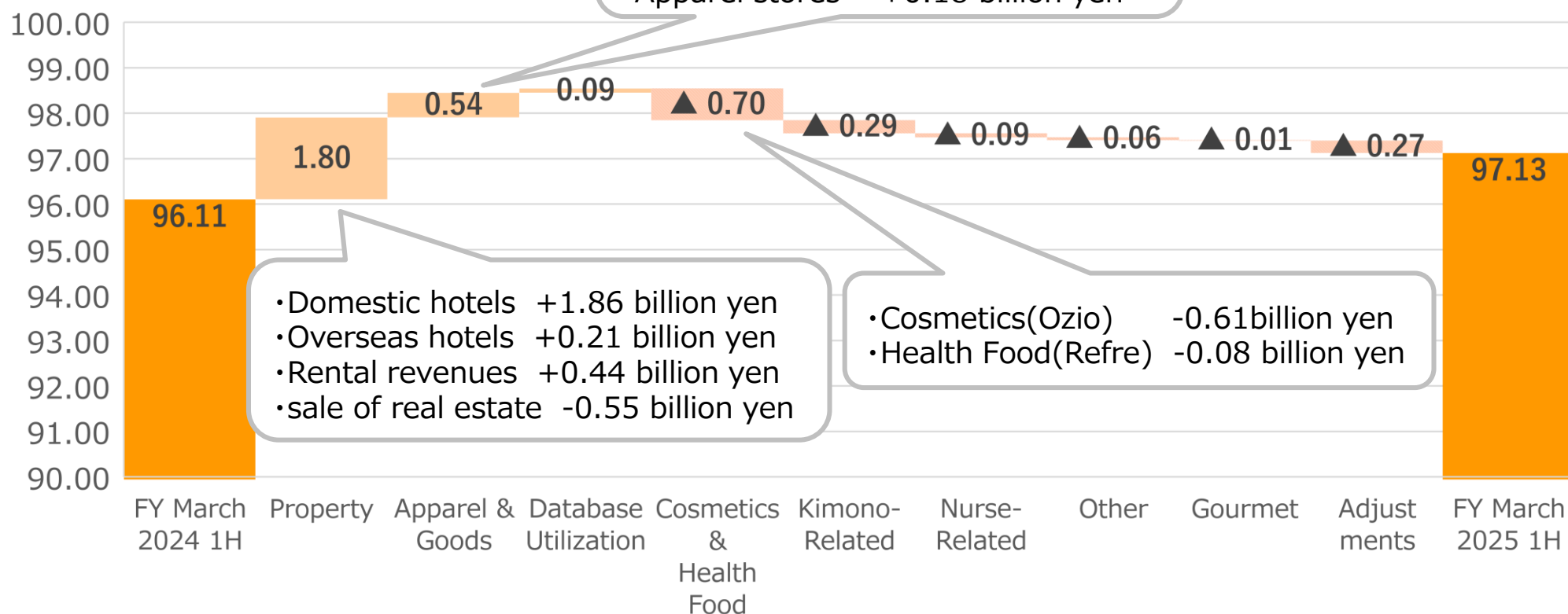
1-4. Analysis of increases and decreases in Net sales

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Factors for change in Net sales

- Catalog・Online +0.60 billion yen
- Internet-specialized(subsidiaries) -0.24 billion yen
- Apparel stores +0.18 billion yen

Unit: Billion Yen

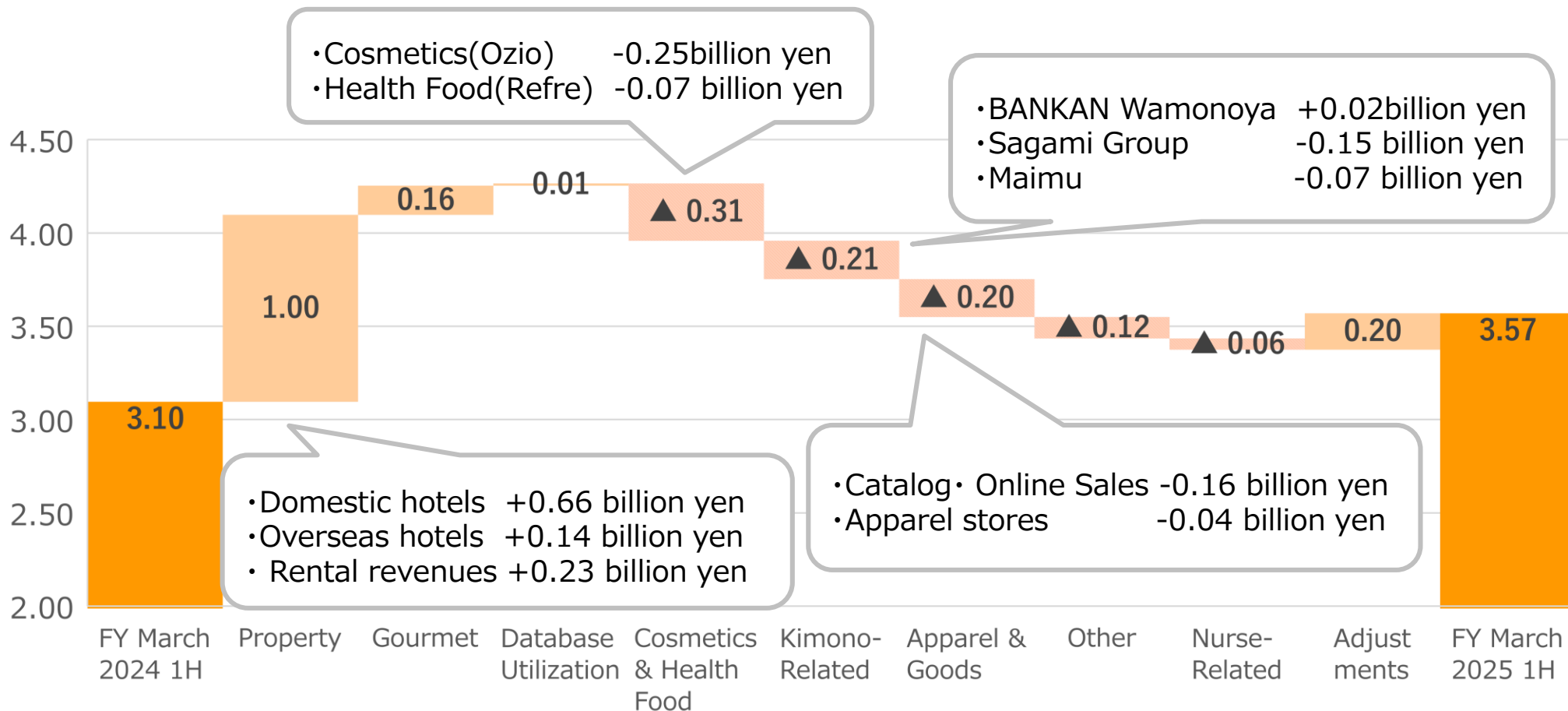


1-5. Analysis of increases and decreases in Operating profit

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Factors for change in Operating profit

Unit: Billion Yen



1-6. Balance sheet

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Unit: Billion Yen

	As of March 31,2024	As of September 30,2024	Change
Current Assets	129.96	133.37	3.41
Cash and deposits	35.84	39.42	3.58
Merchandise and finished goods	26.10	29.00	2.90
Other current assets	16.08	12.40	-3.68
Non-current assets	170.73	173.02	2.29
Property, plant and equipment	136.91	137.16	0.25
Intangible assets	10.89	12.27	1.38
Total Assets	300.69	306.39	5.70
Liabilities	164.51	170.24	5.73
Notes and accounts payable trade, and electronically recorded obligations operating	16.62	17.94	1.32
Contract liabilities	3.56	4.90	1.34
Short-term borrowings	13.09	21.98	8.89
Accrued expenses	14.63	12.33	-2.30
Long-term borrowings	98.56	95.89	-2.67
Total Assets	136.18	136.14	-0.04
[Shareholders' Equity Ratio]	[45.0%]	[44.1%]	[-0.8P]

1-7. Statement of cash flows

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	FY March 2024 1H	FY March 2025 1H		Unit: Billion Yen
	Actual	Actual	YoY Change	
Cash flows from operating activities	1.71	5.57	3.85	
Profit before income taxes	4.99	4.21	-0.77	
Depreciation	2.47	2.94	0.47	
Decrease (increase) in inventories	-1.62	-2.70	-1.08	
Decrease (increase) in other current assets	1.56	3.65	2.08	
Increase (decrease) in trade payables	-0.81	1.62	2.44	
Increase (decrease) in other current liabilities	-2.93	-1.06	1.87	
Corporate income and resident taxes (amount paid)	-1.72	-2.34	-0.62	
Cash flows from investing activities	-6.07	-6.50	-0.43	
Purchase of property, plant and equipment	-6.42	-3.33	3.09	
Purchase of investment securities	-0.74	-1.55	-0.81	
Proceeds from sales of investment securities	2.27	0.45	-1.81	
Purchase of shares of subsidiaries	-0.01	-1.81	-1.80	
Cash flows from financing activities	5.18	3.64	-1.55	
Increase (decrease) in short-term borrowings	-9.80	0.45	10.25	Capital expenditure ^{*1}
Increase (decrease) in long- and short-term borrowings	13.99	4.91	-9.08	3.04 billion yen
Proceeds from sale and leaseback transactions	2.05	0.00	-2.05	Depreciation ^{*2}
Translation differences on cash	0.82	0.23	-0.59	2.94 billion yen
Increase/decrease in cash	1.65	2.94	1.29	

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

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

2. Targets for Current Fiscal Year

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2-1. Targets for the current fiscal year (ending March 2025)

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Unit: Billion Yen

		FY March 2023 Actual		FY March 2024 Actual		FY March 2025 Plan	
		Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Growth area		82.03	3.96	92.14	6.76	97.59	8.00
Property & Hotels	Hotels	13.80	-0.41	26.28	2.04	30.73	3.19
	Income & Solar	7.05	1.78	5.73	2.22	5.87	2.16
	Property & Hotels subtotal	20.85	1.37	32.01	4.26	36.60	5.35
Specialty Mail-Order	Cosmetics & Health Food	14.79	0.59	14.72	0.93	14.83	1.00
	Gourmet	32.31	1.76	32.44	1.09	32.89	1.13
	Nurse-Related	14.08	0.24	12.98	0.48	13.26	0.51
	Specialty Mail-Order subtotal	61.18	2.59	60.13	2.50	60.99	2.65
Sustainability area		115.46	2.08	100.18	-1.91	104.26	-1.18
Kimono-Related		23.87	1.25	23.25	1.36	23.59	1.39
Apparel & Goods		88.31	0.93	74.25	-2.99	77.83	-2.31
Other		3.28	-0.10	2.68	-0.27	2.84	-0.26
Database Utilization		15.75	5.70	16.73	5.15	16.54	5.00
Adjustments		-0.87	-0.52	-0.75	-0.22	-1.40	-0.32
Total		212.38	11.22	208.30	9.79	217.00	11.50

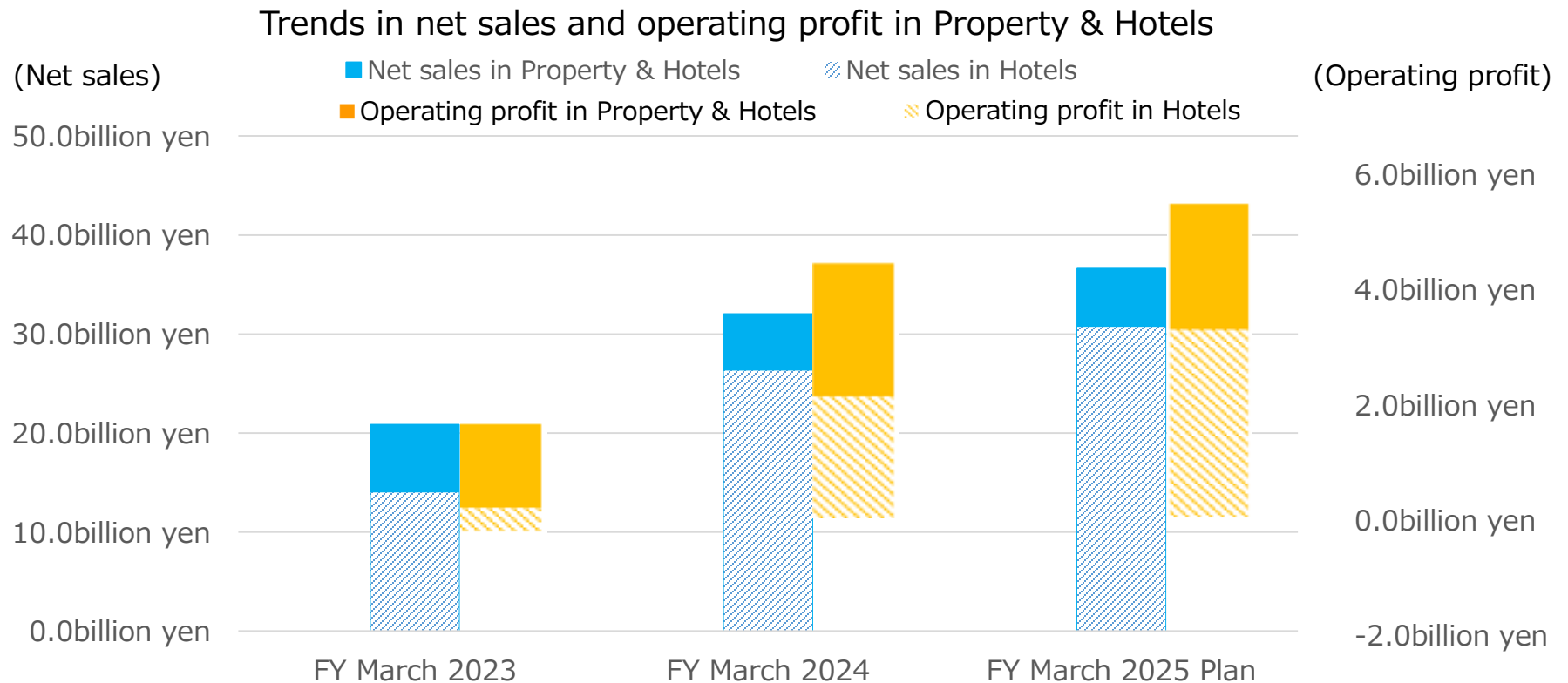
3. Individual Businesses

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3-1. Growth area 1: Property & Hotels

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In Property & Hotels, the Company aims to achieve net sales of 36.60 billion yen, up 14.3% year on year, and operating profit of 5.35 billion yen, up 25.5% year on year, in the fiscal year ending March 2025.

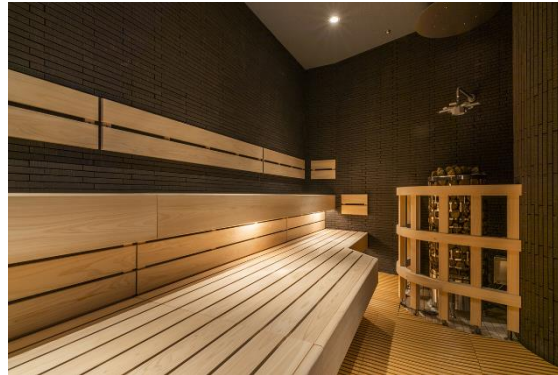


3-1. Growth area 1: Property & Hotels

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GINZA HOTEL by GRANBELL (GRANBELL SQUARE)

102 rooms

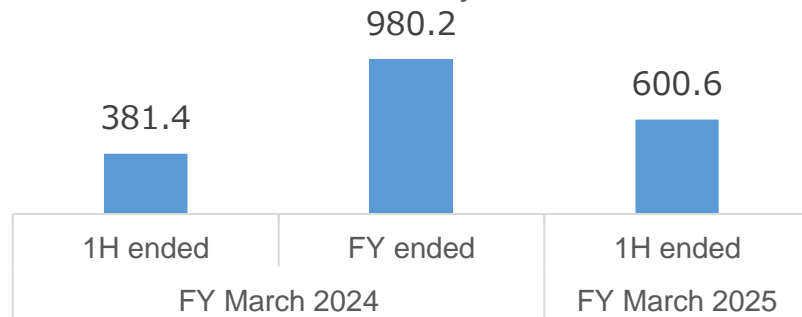


3-1. Growth area 1: Property & Hotels

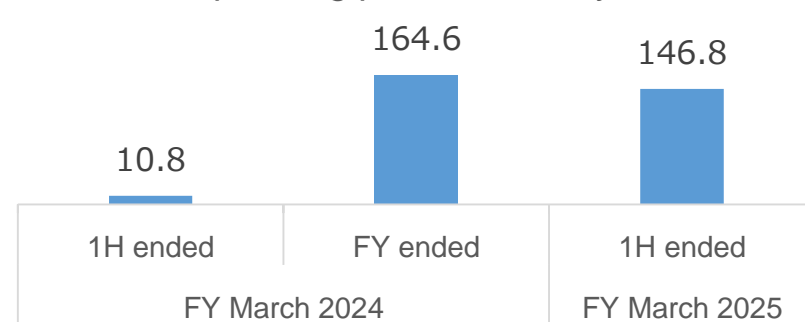
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Buoyant hotel (1) GINZA HOTEL by GRANBELL

Trends in Net sales (million yen)

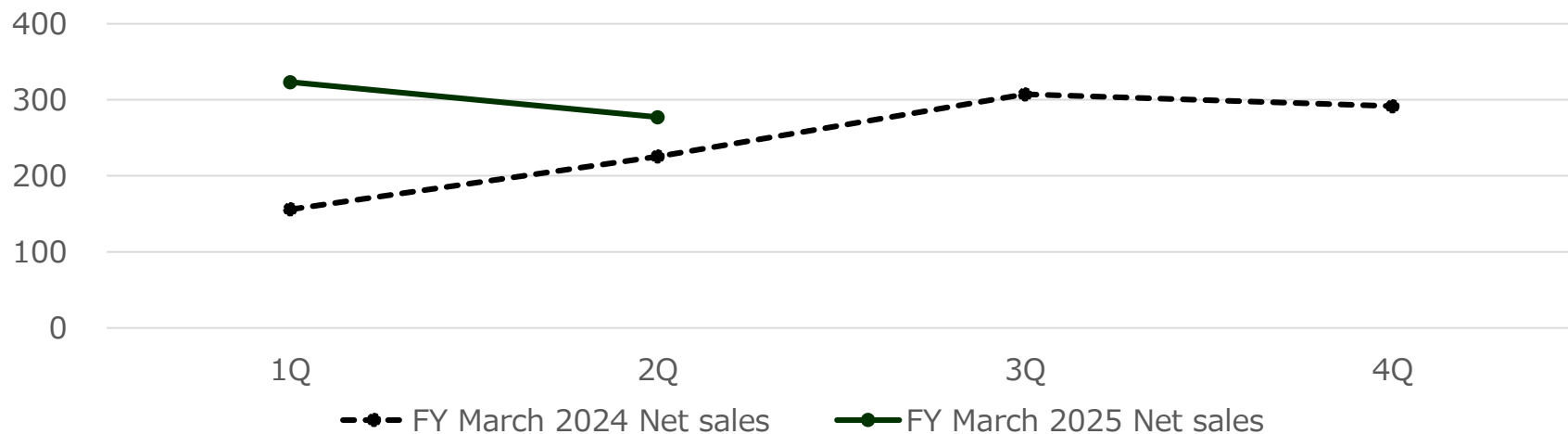


Trends in Operating profit (million yen)



Quarterly trend in net sales

Net sales (million yen)



3-1. Growth area 1: Property & Hotels

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Kyoto Granbell Hotel

105 rooms

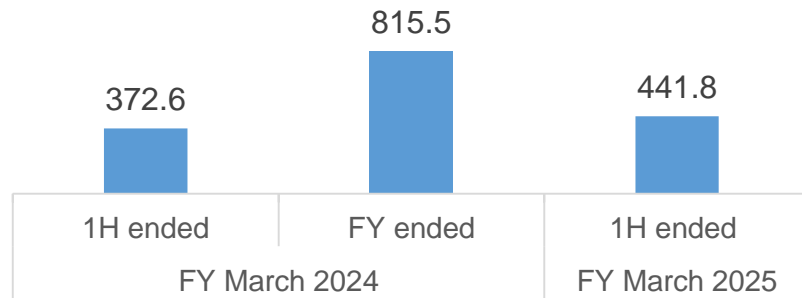


3-1. Growth area 1: Property & Hotels

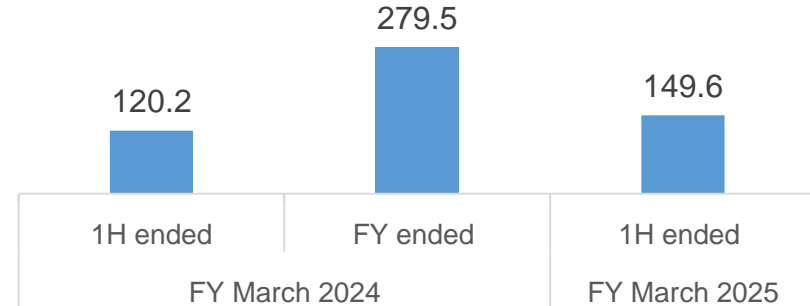
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Buoyant hotel (2) Kyoto Granbell Hotel

Trends in Net sales (million yen)

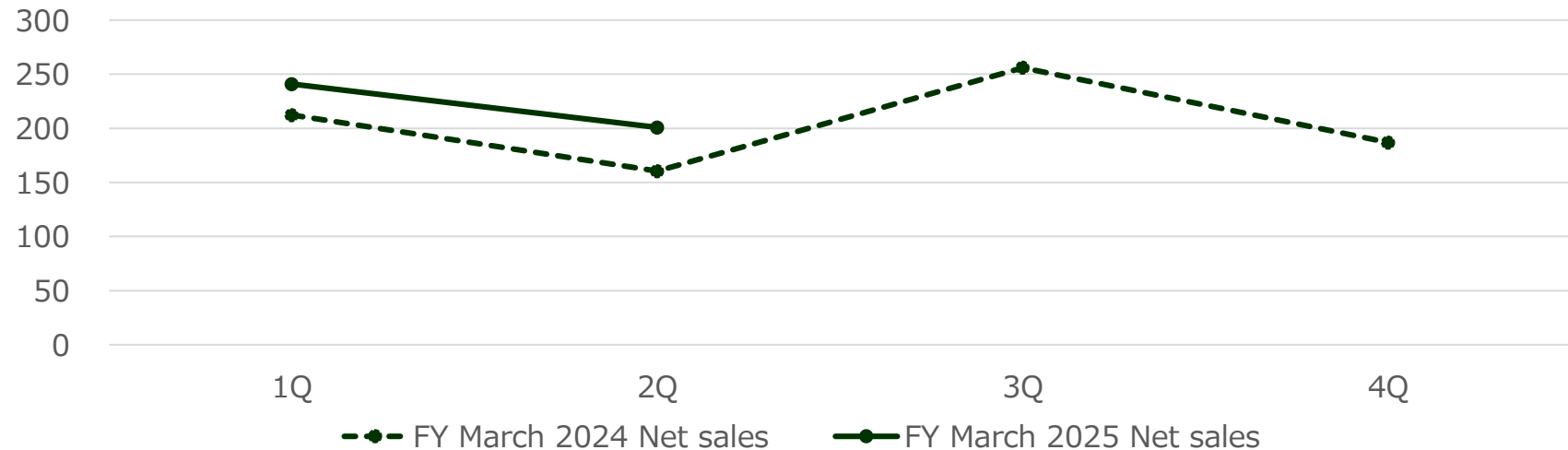


Trends in Operating profit (million yen)



Quarterly trend in net sales

Net sales (million yen)



3-1. Growth area 1: Property & Hotels

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Susukino Granbell Hotel

300 rooms

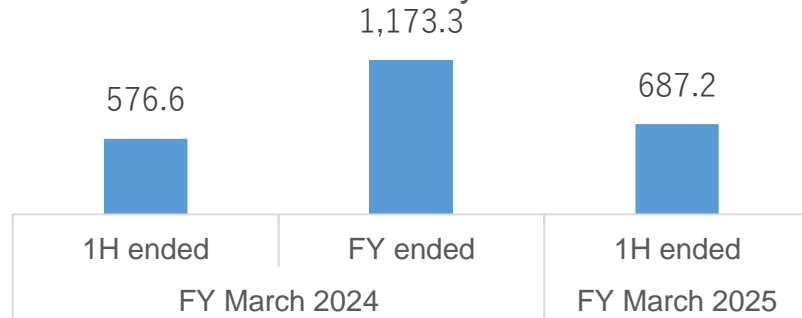


3-1. Growth area 1: Property & Hotels

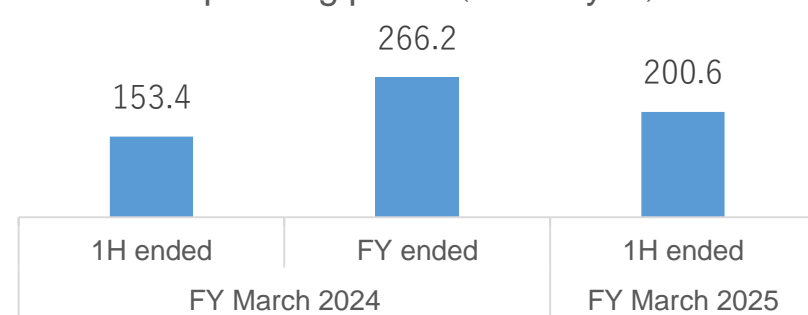
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Buoyant hotel (3) Susukino Granbell Hotel

Trends in Net sales (million yen)

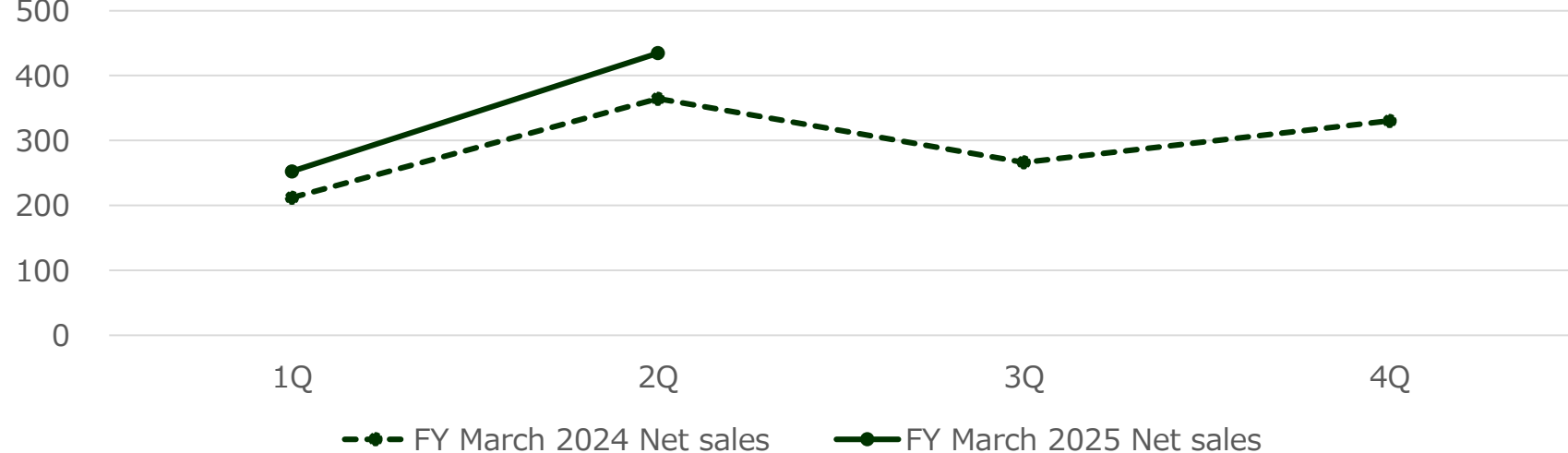


Trends in Operating profit (million yen)



Quarterly trend in net sales

Net sales (million yen)



3-1. Growth area 1: Property & Hotels

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Toya SunPalace, The LakeSuite KO no SUMIKA

404 rooms



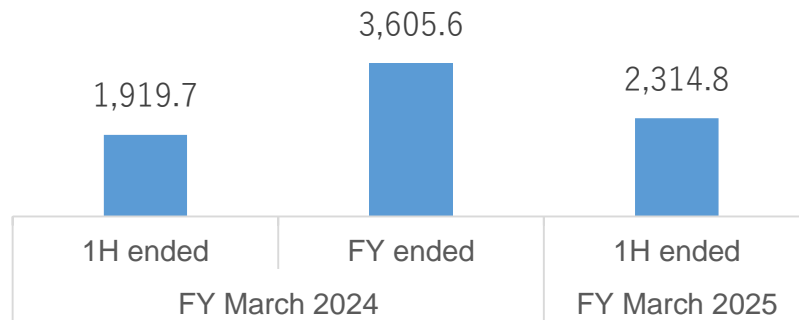
3-1. Growth area 1: Property & Hotels

BELLUNA

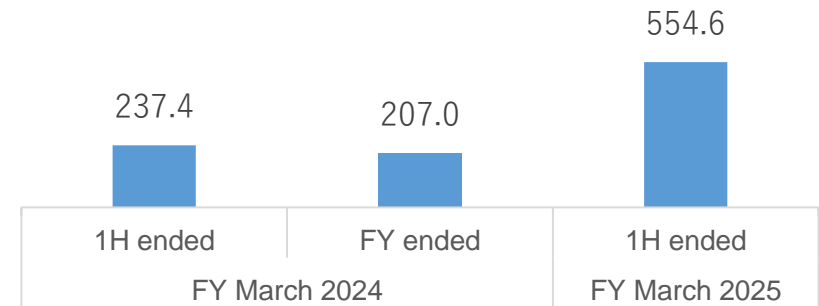
Buoyant hotel (4)

Toya SunPalace, The LakeSuite KO no SUMIKA

Trends in Net sales (million yen)

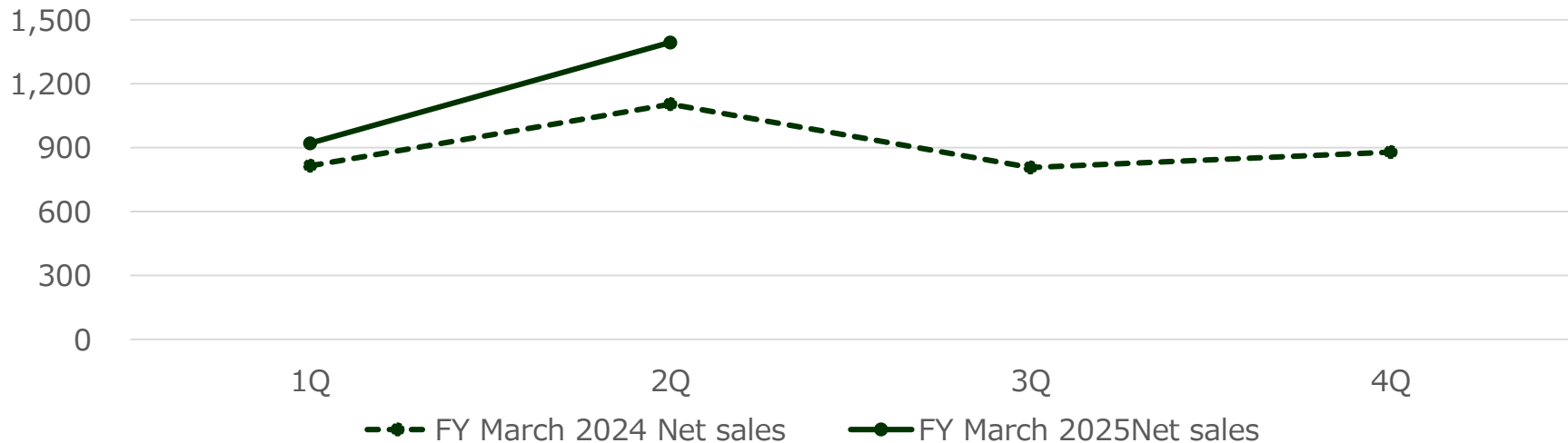


Trends in Operating profit (million yen)



Quarterly trend in net sales

Net sales(million yen)



3-1. Growth area 1: Property & Hotels

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Hotels scheduled to open in the fiscal year ending March 2026

- SAPPORO HOTEL by GRANBELL (scheduled to open in April 2025, 605 rooms)



Appearance



Guest room



Public bath

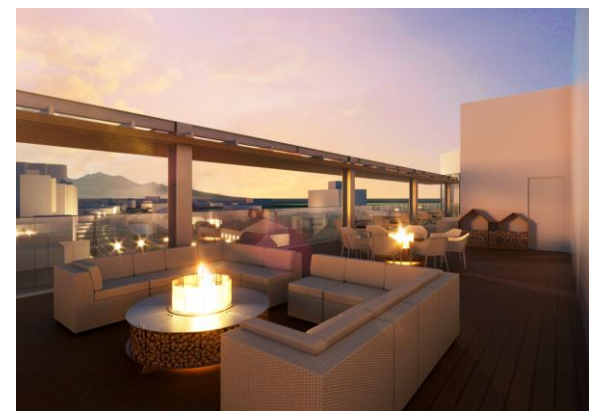
- Otaru Granbell Hotel (scheduled to open in July 2025, 159 rooms)



Appearance



Public bath



Terrace

3-1. Growth area 1: Property & Hotels

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Executive Suite Suirei (on the 15th and 16th floors of Jozankei View Hotel)
The two floors, namely the 15th and 16th floors, were renovated and reopened as Executive Suite Suirei on December 25, 2024.



SUIREI
EXECUTIVE SUITE 翠嶺



3-1. Growth area 1: Property & Hotels

Other hotels

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Granbell Hotel Colombo



Le Grand Kyu Karuizawa Hotel



Urabandai Lake Resort













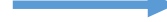







Jozankei View Hotel

3-1. Growth area 1: Property & Hotels

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List of Belluna Group hotels

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	24/3	Start of operations
1	Okinawa	Hotel Hamahigashima Resort	29											May 2013	
2	Fukushima	Urabandai Lake Resort	324											October 2015	
3	Nagano	Le Grand Kyu Karuizawa Hotel	43											July 2016	
4	Kyoto	Kyoto Granbell Hotel	105											July 2017	
5	Nagano	Le Grand Karuizawa Hotel & Resort	58											July 2018	
6	Sri Lanka	Le Grand Galle Hotel	48											July 2018	
7	Maldives	The Westin Maldives Miriandhoo Resort	70											October 2018	
8	Hawaii	EWA Hotel	92											April 2019	
9	Osaka	Umeda Holic Hotel	117											April 2021	
10	Osaka	Osaka Granbell Hotel	191											April 2021	
11	Hokkaido	Sapporo Granbell Hotel	218											April 2021	
12	Hokkaido	Jozankei View Hotel	647											August 2021	
13	Hokkaido	Susukino Granbell Hotel	300											September 2021	
14	Sri Lanka	Granbell Hotel Colombo	292											April 2022	
15	Kyoto	Kyoto Granbell Hotel hanareya	13											November 2022	
16	Ginza	GINZA HOTEL by GRANBELL	102											April 2023	
17	Hokkaido	Toya SunPalace, The LakeSuite KO no SUMIKA	404											April 2023	
18	Hokkaido	NEW AKAN HOTEL	366											April 2023	
19	Hokkaido	SAPPORO HOTEL by GRANBELL (tentative name)	605											April2025 (plan)	
20	Hokkaido	Otaru Granbell Hotel (tentative name)	159											July 2025 (plan)	
		Total	4,183												

3-1. Growth area 1: Property & Hotels

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Future plan

- The LakeSuite KO no SUMIKA New construction of an annex building
- New launch of hotels in central parts of cities
- New launch of hotels outside Japan

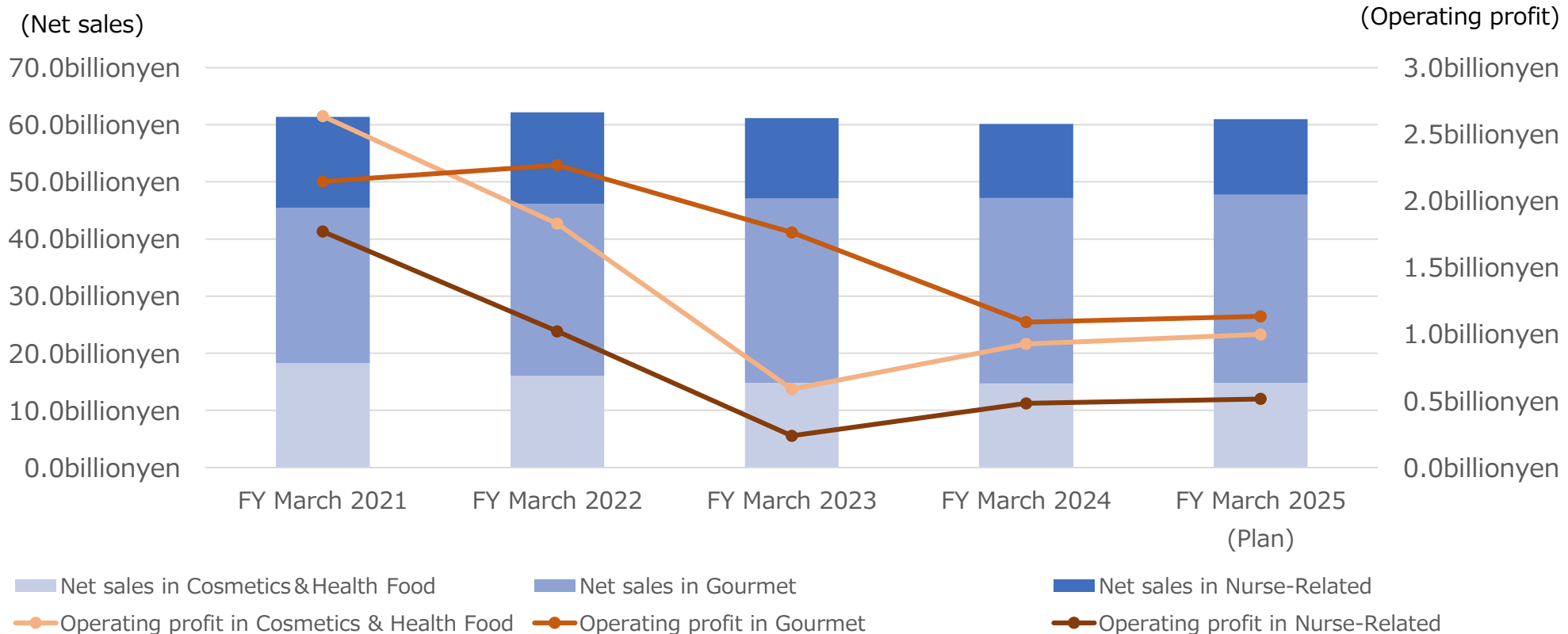
Enhance the value of existing facilities and launch new facilities with a view to attaining net sales of 50 billion yen in the hotel business

3-2. Growth area 2: Specialty Mail-Order

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In Specialty Mail-Order (Cosmetics & Health Food, Gourmet, and Nurse-Related), the Company aims to achieve net sales of 60.99 billion yen, up 1.4% year on year, and an operating profit of 2.65 billion yen, up 5.9% year on year.

Trends in net sales and operating profit in Specialty Mail-Order



3-2. Growth area 2: Specialty Mail-Order (Cosmetics & Health Food)

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[Cosmetics & Health Food]

•Outline and Characteristics

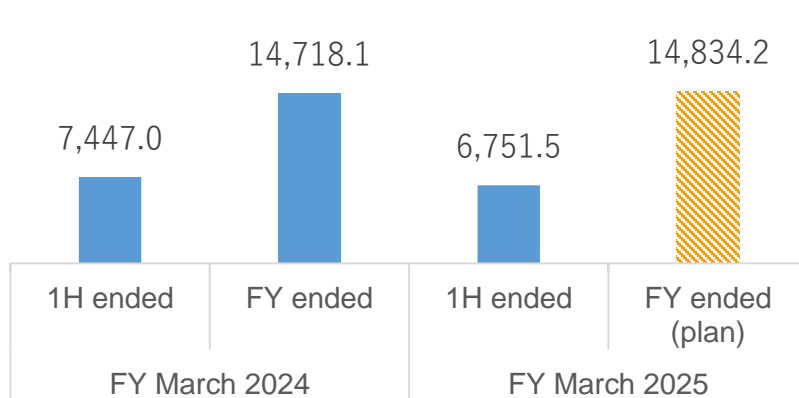
A leading company in anti-aging solutions to skin problems for customers in their forties and older

Its strengths include the speed of its product development based on its ability to collect customer reviews and its network supporting production.

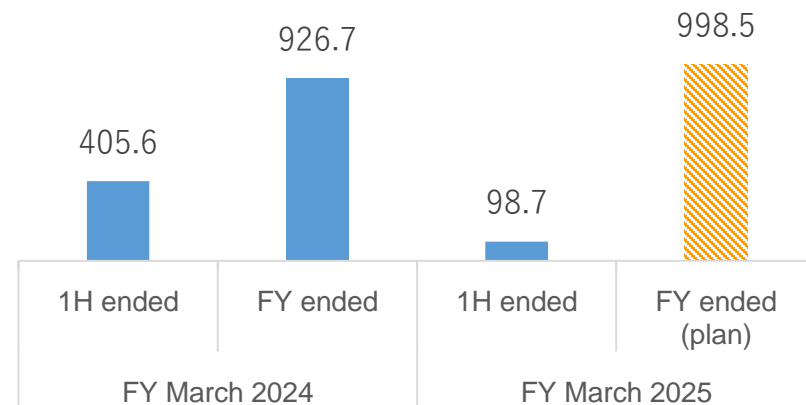
The Company aims to expand the domestic market in Japan, but it is also pursuing the cultivation of overseas markets.

The Company seeks to expand its mail order activities and enlarge its wholesaling to drugstores and other retailers.

Trends in net sales (million yen)



Trends in Operating profit (million yen)



3-2. Growth area 2: Specialty Mail-Order (Gourmet)

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[Gourmet (Gourmet)]

- Outline and Characteristics

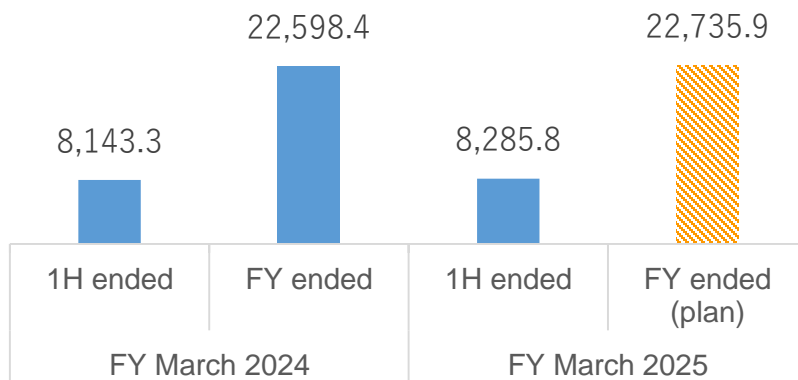
Selling standalone food, seasonal gifts and meals, flowers, Japanese sake and other products at regular events and other occasions. It provides a fairly basic lineup of products in comparison with competitors. Its strengths are in the appeal of its standalone items, including cost effectiveness.

It has held **the largest share of the mail-order sake market for 8 consecutive years.**

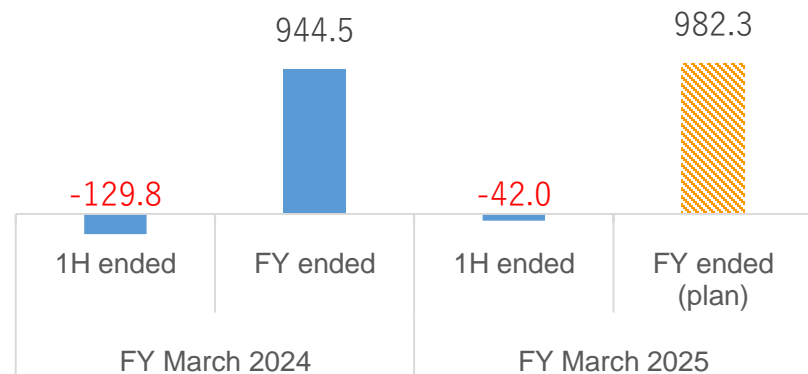
Cross-category branding and promotion uniformity are insufficient. The Company will work hard to improve branding beyond the boundaries between businesses.

In addition to focusing on its strengths with attractive products, the Company will offer added value such as information and content, provide food-related entertainment, grow the brand's fanbase and work to improve its key performance indicators (KPIs), specifically the number of active customers, repeat rate and life time value (LTV).

Trends in net sales (million yen)



Trends in Operating profit (million yen)



3-2. Growth area 2: Specialty Mail-Order (Gourmet Wine)

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[Gourmet (Wine)]

- Outline and Characteristics

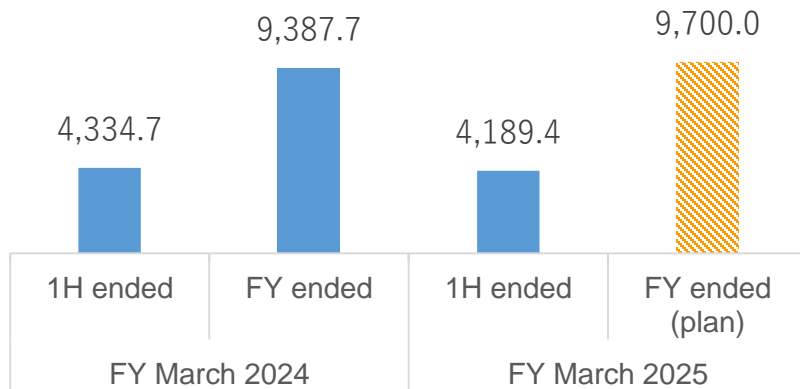
Its strengths are in its ability to propose a wide variety of sets of products that appeal to light wine drinkers and cost effectiveness. Characterized by it being very accessible and its high repurchase rate achieved through a sales promotion method that combines paper catalogs and e-commerce.

It has held **the largest share of the mail-order wine market for 16 consecutive years.**

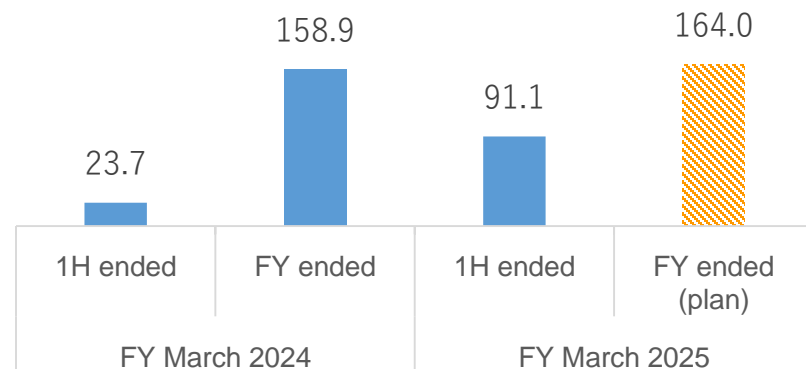
- (1) Thirteen million bottles of wine were sold in the fiscal year ended March 2024.
- (2) A specialty website for whiskies and spirits, MALKS, was launched in October 2024.
- (3) The Company began selling ELEVIN brand high-end wines in the previous fiscal year, achieving sales of 0.2 billion yen. It aims to increase this to around 1.0 billion yen in the future.

The Company will seek to maintain and further increase its overwhelming share of the mail order wine market.

Trends in net sales (million yen)



Trends in Operating profit (million yen)



3-2. Growth area 2: Specialty Mail-Order (Nurse-Related)

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[Nurse-Related]

- Outline and Characteristics

Operating B2C mail order business mainly for nurses

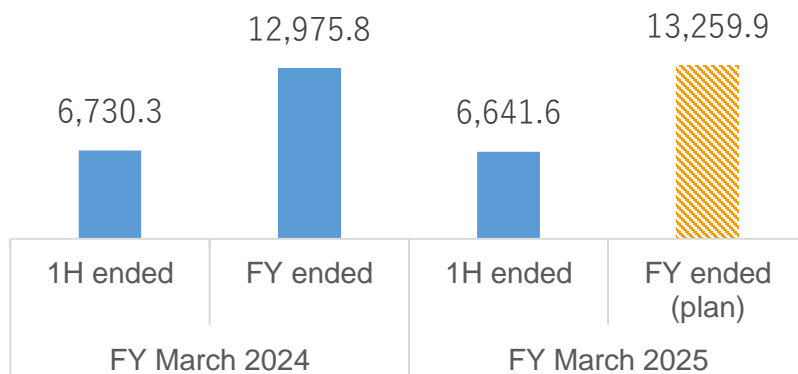
The Company operates two brands, Infirmière and Nursery, which together have an approximately 60% market share of the mail-order products for nurses.

The **highest** brand recognition in the market by far

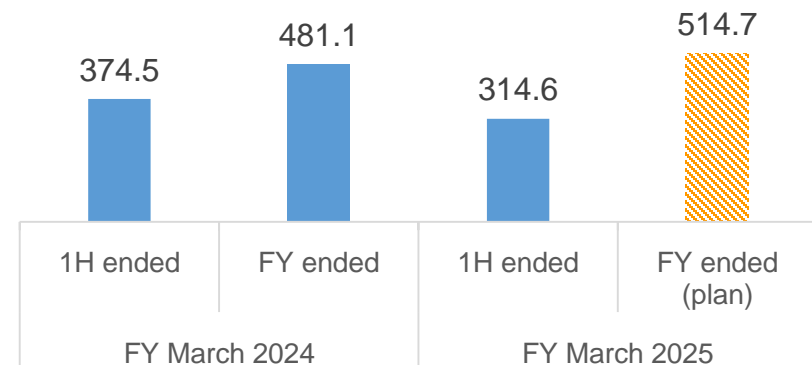
Given that the existing business model has peaked amid the slowing growth of the number of nurses, the Company aims to increase profitability rather than sales.

To expand its B2B model, which has growth potential, the Company will pursue partnerships with companies operating visiting care services and nursing facilities.

Trends in net sales (million yen)



Trends in Operating profit (million yen)

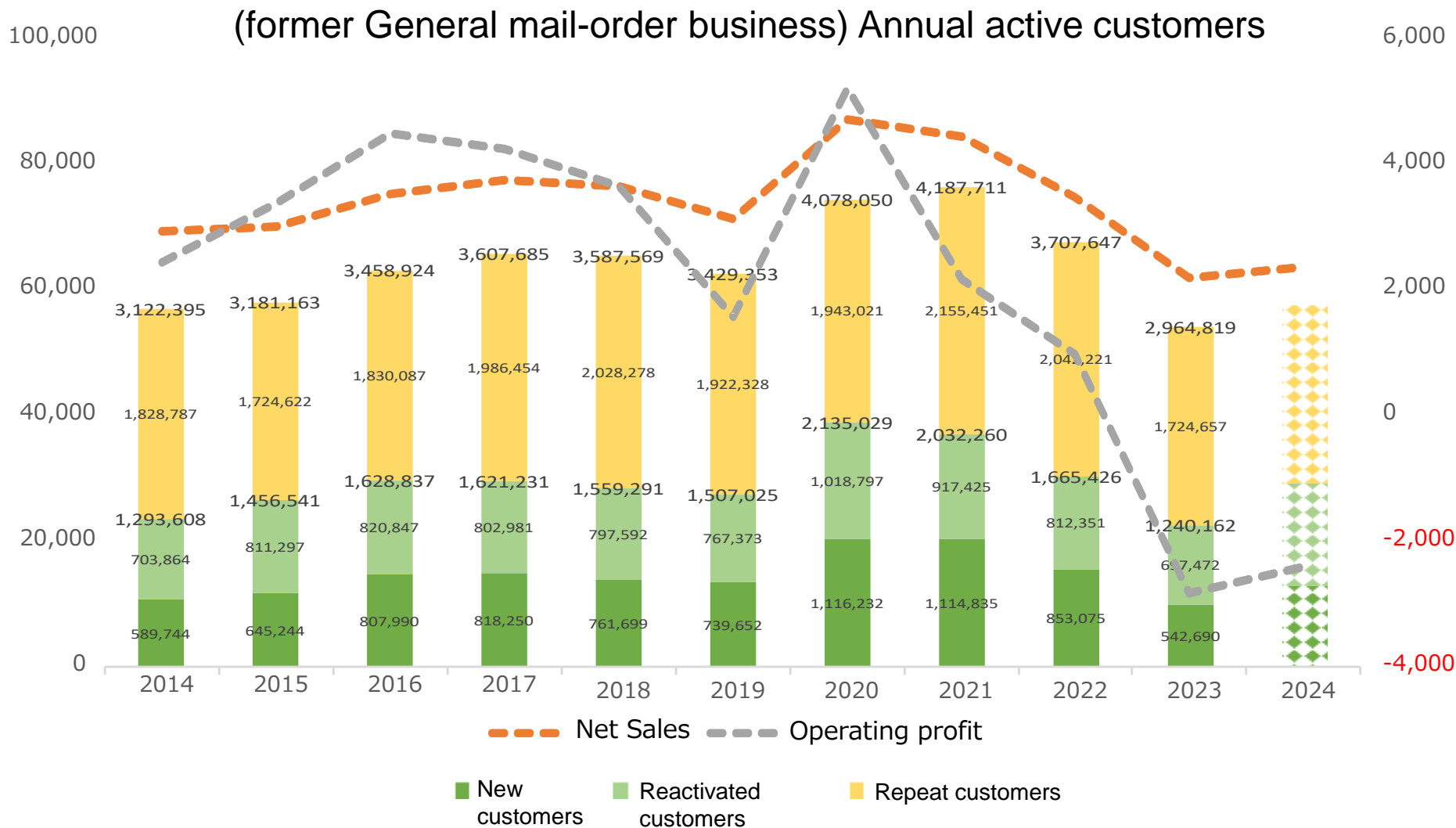


3-3. Sustainability area : Apparel & Goods

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Net Sales (million yen)

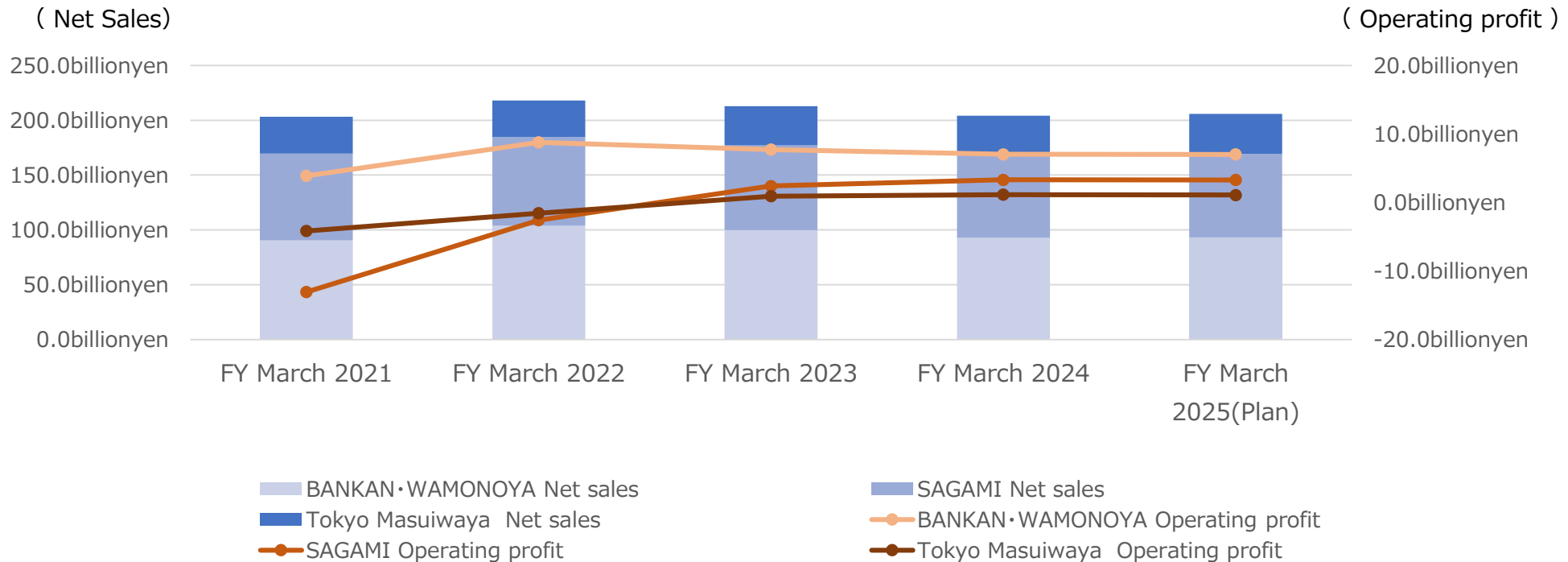
Operating profit (million yen)



3-4. Sustainability area : Kimono-Related

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Net Sales and Operating profit Trends in Kimono Related Business

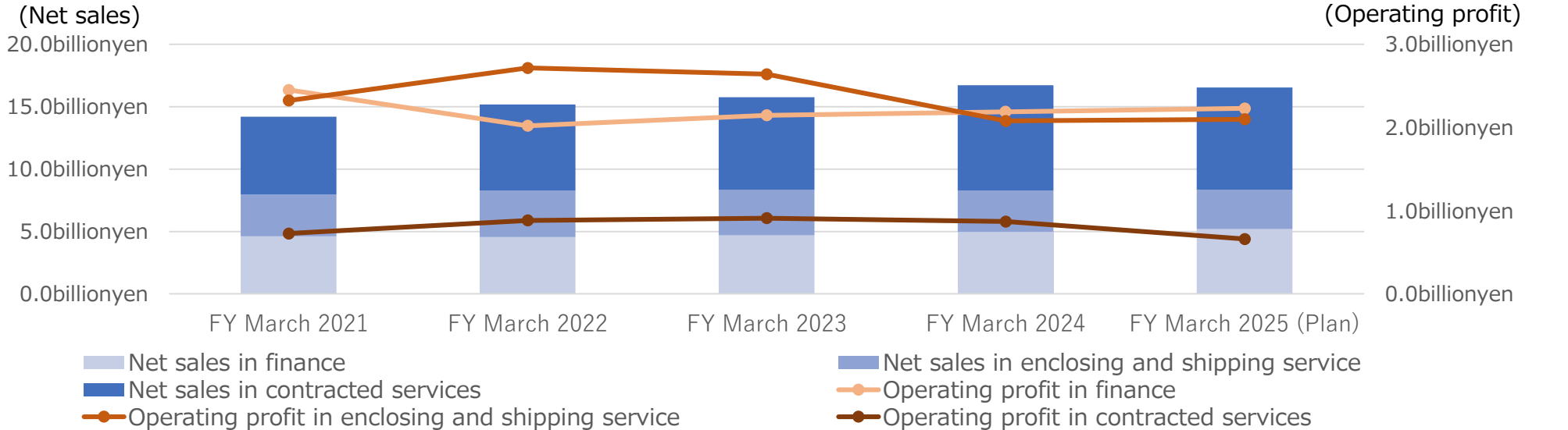


Growth scenario of the Kimono-Related business

- Change from sales at large events to in-store sales • Education that enables in-store sales
- Scraping of unprofitable stores • Implementation of low-cost operation

3-4. Database Utilization

Trends in net sales and operating profit in Database Utilization



1. Enclosing and shipping service

Service that sends clients' flyers together with catalogs or product(s). The number of catalogs sent out is important. Other mail order companies handle large numbers of flyers such as these.

2. Contracted services

Contracted logistics and call center operations are conducted. This can make use of surplus logistics and call centers.

3. Finance

The Company worked intensively to capture customers in the senior age group in an attempt to differentiate itself from the competition and made progress as planned.

Online acquisition of new customers was buoyant. Its efficiency is higher than acquisition through paper media.

3-6. Actions to realize management with an awareness of capital costs and share price

BELLUNA

Performance improvement

- (1) Achieve the targets in the plan for the fiscal year ending March 2025

Management focused on capital efficiency

- (1) Carry out management aimed at achieving an ROE of 10% or more
- (2) Eliminate businesses with no potential for profitability
- (3) Acquire promising companies with which the Company can produce synergy through M&A transactions

Enhance shareholder returns

- (1) Clearly state the shareholder return policy
- (2) Consider the repurchase of treasury shares to increase capital efficiency

Increase dialogue with investors

- (1) Organize briefings on financial results for 1Q and 3Q for analysts in addition to the briefings for the interim and full-year financial results

3-7. Belluna's promise

BELLUNA

Notice concerning the shareholder return policy published on May 13, 2024

1. Reason for the change

The Company defines the return of profit to shareholders through the improvement of corporate value as one of its priority issues. Accordingly, it has continuously paid stable dividends.

The Company now clearly states its shareholder return policy as follows to increase shareholder returns in view of shareholders' expectations, the Company's business results and its capital position.

2. Details of the change

- The Company will set a lower limit of 1.5% on the dividend on equity (DOE) and pay dividends with a target consolidated payout ratio of 35%.
- The Company will consider repurchasing treasury shares to increase capital efficiency.

3-8. Shareholder return

The annual dividend for the fiscal year ending March 2025 is forecast to be **BELLUNA** 29 yen per share.

<Dividends>

	Dividends per share			Consolidated payout ratio	DOE (dividend on equity)
	Interim	Year-end	Annual		
FY March 2023	10.00 yen	10.00 yen	20.00 yen	26.1%	1.49%
FY March 2024	10.25 yen	10.25 yen	20.50 yen	33.9%	1.48%
FY March 2025 (Plan)	14.50 yen	14.50 yen	29.00 yen	35.1%	-

<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)

[Eligible shareholders]

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

<Important notice>

This material is prepared for the purpose of publicly disclosing information concerning the financial results of the 1st Half ended September 30, 2024 for FY March 2025. 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 29, 2024. 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.

<Inquiries for IR matters>

IR Section, Executive Corporate Planning Department, Belluna Co., Ltd.

Address: 4-2 Miyamotocho Ageo-shi, Saitama, 362-8688

TEL: 048-771-7753

FAX: 048-775-6063

E-mail: ir-belluna@belluna.co.jp