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May 12, 2023

Consolidated Financial Results for the Three Months Ended March 31, 2023 (Under Japanese GAAP)

Company name: BALMUDA Inc.
 Listing: Tokyo Stock Exchange /
 Securities code: 6612
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 Scheduled date to file quarterly securities report: May 12, 2023
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2023	2,405	(41.2)	(416)	-	(354)	-	(1,144)	-
March 31, 2022	4,092	10.5	172	(62.0)	144	(68.7)	96	(67.8)

Note: Comprehensive income For the three months ended March 31, 2023: (¥1,144) million -%
 For the three months ended March 31, 2022: ¥98 million (67.6%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2023	(135.84)	-
March 31, 2022	11.58	11.55

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2023	8,607	5,183	60.2
December 31, 2022	9,907	6,312	63.7

Reference: Equity
 As of March 31, 2023: ¥5,183 million
 As of December 31, 2022: ¥6,312 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2022	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2023	-				
Fiscal year ending December 31, 2023 (Forecast)		0.00	-	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of Consolidated Earnings for the Fiscal Year ending December 31, 2023 (From January 1, 2023 to December 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	15,950	(9.4)	(520)	-	(550)	-	(1,250)	-	(148.39)

Note: Revisions to the forecast of Consolidated Earnings most recently announced: Yes

*Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	8,435,700 shares
As of December 31, 2022	8,382,900 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	1,867 shares
As of December 31, 2022	1,367 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	8,423,515 shares
Three months ended March 31, 2022	8,369,992 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These

statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

[Reference] Net Sales by Regions/Product Category

(Millions of yen)				
Net Sales by Region	Three months ended March 31, 2022	Three months ended March 31, 2023	year-on-year changes	year-on-year changes(%)
Japan	2,905	1,744	(1,160)	(40.0)
South Korea	715	318	(397)	(55.5)
North America	160	118	(41)	(26.1)
Other	311	224	(87)	(28.0)
Total	4,092	2,405	(1,678)	(41.2)

(Millions of yen)				
Net Sales by Product Category	Three months ended March 31, 2022	Three months ended March 31, 2023	year-on-year changes	year-on-year changes(%)
Air conditioning	740	460	(280)	(37.9)
Kitchen appliance	2,732	1,598	(1,134)	(41.5)
Mobile terminals	177	2	(174)	(98.4)
Other	441	344	(97)	(22.0)
Total	4,092	2,405	(1,687)	(41.2)

Accompanying Materials

1. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	1,246	1,297
Accounts receivable - trade	2,660	1,843
Merchandise and finished goods	3,708	3,645
Raw materials and supplies	321	259
Other	376	584
Total current assets	8,313	7,630
Non-current assets		
Property, plant and equipment	761	645
Intangible assets	490	246
Investments and other assets	342	85
Total non-current assets	1,594	976
Total assets	9,907	8,607

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,121	714
Short-term borrowings	800	400
Current portion of long-term borrowings	330	581
Provision for bonuses	89	44
Provision for product warranties	368	325
Provision for loss on business liquidation	—	40
Other	600	611
Total current liabilities	3,310	2,718
Non-current liabilities		
Long-term borrowings	284	705
Total non-current liabilities	284	705
Total liabilities	3,595	3,423
Net assets		
Shareholders' equity		
Share capital	1,414	1,422
Capital surplus	1,411	1,419
Retained earnings	3,480	2,336
Treasury shares	(0)	(0)
Total shareholders' equity	6,307	5,177
Accumulated other comprehensive income		
Foreign currency translation adjustment	5	5
Total accumulated other comprehensive income	5	5
Total net assets	6,312	5,183
Total liabilities and net assets	9,907	8,607

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	4,092	2,405
Cost of sales	2,600	1,656
Gross profit	1,492	749
Selling, general and administrative expenses	1,319	1,166
Operating profit (loss)	172	(416)
Non-operating income		
Interest income	0	0
Foreign exchange gains	—	67
Miscellaneous income	0	—
Total non-operating income	0	67
Non-operating expenses		
Interest expenses	4	4
Foreign exchange losses	22	—
Miscellaneous losses	1	0
Total non-operating expenses	28	5
Ordinary profit (loss)	144	(354)
Extraordinary losses		
Loss on retirement of non-current assets	—	1
Loss on liquidation of business	—	536
Total extraordinary losses	—	537
Profit (loss) before income taxes	144	(891)
Income taxes - current	2	1
Income taxes - deferred	45	251
Total income taxes	47	252
Profit (loss)	96	(1,144)
Profit (loss) attributable to owners of parent	96	(1,144)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit (loss)	96	(1,144)
Other comprehensive income		
Foreign currency translation adjustment	2	0
Total other comprehensive income	2	0
Comprehensive income	98	(1,144)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	98	(1,144)