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August 8, 2023

## Consolidated Financial Results for the Six Months Ended June 30, 2023 (Under Japanese GAAP)

Company name: BALMUDA Inc.  
 Listing: Tokyo Stock Exchange /  
 Securities code: 6612  
 URL: <http://corp.balmuda.com/>  
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 Scheduled date to file quarterly securities report: August 8, 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 six months ended June 30, 2023 (from January 1, 2023 to June 30, 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	%
Six months ended								
June 30, 2023	5,745	(34.6)	(695)	-	(597)	-	(1,385)	-
June 30, 2022	8,784	12.7	421	(41.9)	369	(47.9)	234	(47.7)

Note: Comprehensive income For the six months ended June 30, 2023: (¥1,375) million -%  
 For the six months ended June 30, 2022: ¥238 million (46.7%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2023	(164.39)	-
June 30, 2022	27.97	27.80

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	7,812	4,952	63.4
December 31, 2022	9,907	6,312	63.7

Reference: Equity  
 As of June 30, 2023: ¥4,952 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	-	0.00			
Fiscal year ending December 31, 2023 (Forecast)			-	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: None

### \*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 June 30, 2023	8,436,700 shares
As of December 31, 2022	8,382,900 shares

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

As of June 30, 2023	2,767 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)

Six months ended June 30, 2023	8,428,804 shares
Six months ended June 30, 2022	8,376,054 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	Six months ended June 30, 2022	Six months ended June 30, 2023	year-on-year changes	year-on-year changes(%)
Japan	5,738	4,196	(1,541)	(26.9)
South Korea	2,121	786	(1,334)	(62.9)
North America	312	249	(62)	(20.1)
Other	612	512	(100)	(16.4)
Total	8,784	5,745	(3,038)	(34.6)

(Millions of yen)				
Net Sales by Product Category	Six months ended June 30, 2022	Six months ended June 30, 2023	year-on-year changes	year-on-year changes(%)
Air conditioning	1,972	1,239	(732)	(37.2)
Kitchen appliance	5,657	3,735	(1,921)	(34.0)
Mobile terminals	183	2	(180)	(98.5)
Other	971	767	(204)	(21.0)
Total	8,784	5,745	(3,038)	(34.6)

## Accompanying Materials

### 1. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,246	933
Accounts receivable - trade	2,660	1,721
Merchandise and finished goods	3,708	3,367
Raw materials and supplies	321	270
Other	376	547
Total current assets	8,313	6,839
Non-current assets		
Property, plant and equipment	761	657
Intangible assets	490	232
Investments and other assets	342	82
Total non-current assets	1,594	973
Total assets	9,907	7,812

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,121	756
Short-term borrowings	800	100
Current portion of long-term borrowings	330	556
Income taxes payable	—	9
Provision for bonuses	89	77
Provision for product warranties	368	296
Provision for loss on business liquidation	—	14
Other	600	469
Total current liabilities	3,310	2,279
Non-current liabilities		
Long-term borrowings	284	580
Total non-current liabilities	284	580
Total liabilities	3,595	2,859
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,414	1,422
Capital surplus	1,411	1,419
Retained earnings	3,480	2,095
Treasury shares	(0)	(0)
Total shareholders' equity	6,307	4,936
Accumulated other comprehensive income		
Foreign currency translation adjustment	5	15
Total accumulated other comprehensive income	5	15
Total net assets	6,312	4,952
Total liabilities and net assets	9,907	7,812

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

## Consolidated Statement of Income

(Millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Net sales	8,784	5,745
Cost of sales	5,709	4,025
Gross profit	3,075	1,719
Selling, general and administrative expenses	2,654	2,415
Operating profit (loss)	421	(695)
Non-operating income		
Interest income	0	0
Dividend income	0	0
Foreign exchange gains	—	109
Miscellaneous income	2	2
Total non-operating income	2	112
Non-operating expenses		
Interest expenses	8	8
Foreign exchange losses	44	—
Amortization of business commencement expenses	—	3
Miscellaneous losses	2	1
Total non-operating expenses	54	14
Ordinary profit (loss)	369	(597)
Extraordinary losses		
Loss on retirement of non-current assets	—	1
Loss on liquidation of business	—	533
Total extraordinary losses	—	535
Profit (loss) before income taxes	369	(1,132)
Income taxes - current	105	1
Income taxes - deferred	29	251
Total income taxes	134	252
Profit (loss)	234	(1,385)
Profit (loss) attributable to owners of parent	234	(1,385)

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Profit (loss)	234	(1,385)
Other comprehensive income		
Foreign currency translation adjustment	4	10
Total other comprehensive income	4	10
Comprehensive income	238	(1,375)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	238	(1,375)

### (3) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	369	(1,132)
Depreciation	263	251
Loss on liquidation of business	—	504
Share-based payment expenses	12	11
Amortization of business commencement expenses	—	3
Increase (decrease) in provision for product warranties	3	(71)
Increase (decrease) in provision for loss on business liquidation	—	14
Increase (decrease) in provision for bonuses	(17)	(12)
Interest and dividend income	(0)	(0)
Interest expenses	8	8
Foreign exchange losses (gains)Interest expenses	(35)	(122)
Loss on retirement of non-current assets	—	1
Decrease (increase) in trade receivables	3,190	939
Decrease (increase) in inventories	(366)	358
Increase (decrease) in trade payables	(43)	(368)
Increase (decrease) in accrued consumption taxes	—	85
Decrease (increase) in other assets	172	(300)
Increase (decrease) in other liabilities	(142)	(258)
Subtotal	3,414	(88)
Interest and dividends received	0	0
Interest paid	(8)	(8)
Income taxes paid	(218)	(0)
Income taxes refund	—	146
Net cash provided by (used in) operating activities	3,188	48
Cash flows from investing activities		
Purchase of property, plant and equipment	(145)	(190)
Proceeds from sale of property, plant and equipment	0	—
Purchase of intangible assets	(124)	(25)
Payments of other investments	(6)	(4)
Proceeds from other investments	—	6
Net cash provided by (used in) investing activities	(276)	(213)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(700)	(700)
Proceeds from long-term borrowings	650	800
Repayments of long-term borrowings	(478)	(279)
Proceeds from issuance of shares	14	15
Purchase of treasury shares	(0)	—
Net cash provided by (used in) financing activities	(513)	(164)
Effect of exchange rate change on cash and cash equivalents	38	16
Net increase (decrease) in cash and cash equivalents	2,435	(313)
Cash and cash equivalents at beginning of period	1,000	1,246
Cash and cash equivalents at end of period	3,436	933