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November 10, 2023

Consolidated Financial Results for the Nine Months Ended September 30, 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: November 10, 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 nine months ended September 30, 2023 (from January 1, 2023 to September 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	%
Nine months ended								
September 30, 2023	7,955	(36.3)	(1,143)	-	(1,029)	-	(1,820)	-
September 30, 2022	12,493	12.7	157	(63.7)	74	(81.8)	43	(83.6)

Note: Comprehensive income For the nine months ended September 30, 2023: (¥1,806) million -%
 For the nine months ended September 30, 2022: ¥47 million (82.3%)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2023	(215.96)	-
September 30, 2022	5.23	5.18

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	7,461	4,520	60.6
December 31, 2022	9,907	6,312	63.7

Reference: Equity
 As of September 30, 2023: ¥4,520 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	13,300	(24.4)	(1,350)	-	(1,200)	-	(2,000)	-	(237.24)

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 September 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 September 30, 2023	3,067 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)

Nine months ended September 30, 2023	8,430,434 shares
Nine months ended September 30, 2022	8,378,137 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	Nine months ended September 30, 2022	Nine months ended September 30, 2023	year-on-year changes	year-on-year changes(%)
Japan	7,870	5,520	(2,349)	(29.9)
South Korea	3,077	1,302	(1,775)	(57.7)
North America	445	410	(34)	(7.7)
Other	1,100	722	(378)	(34.4)
Total	12,493	7,955	(4,537)	(36.3)

(Millions of yen)				
Net Sales by Product Category	Nine months ended September 30, 2022	Nine months ended September 30, 2023	year-on-year changes	year-on-year changes(%)
Air conditioning	2,903	1,673	(1,230)	(42.4)
Kitchen appliance	7,761	5,282	(2,478)	(31.9)
Mobile terminals	355	2	(352)	(99.2)
Other	1,473	996	(476)	(32.4)
Total	12,493	7,955	(4,537)	(36.3)

Accompanying Materials

1. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	1,246	844
Accounts receivable - trade	2,660	1,212
Merchandise and finished goods	3,708	3,330
Raw materials and supplies	321	309
Other	376	732
Total current assets	8,313	6,428
Non-current assets		
Property, plant and equipment	761	731
Intangible assets	490	221
Investments and other assets	342	79
Total non-current assets	1,594	1,032
Total assets	9,907	7,461

(Millions of yen)

	As of December 31, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,121	697
Short-term borrowings	800	400
Current portion of long-term borrowings	330	534
Provision for bonuses	89	41
Provision for product warranties	368	264
Provision for loss on business liquidation	—	10
Other	600	538
Total current liabilities	3,310	2,486
Non-current liabilities		
Long-term borrowings	284	454
Total non-current liabilities	284	454
Total liabilities	3,595	2,940
Net assets		
Shareholders' equity		
Share capital	1,414	1,422
Capital surplus	1,411	1,419
Retained earnings	3,480	1,660
Treasury shares	(0)	(0)
Total shareholders' equity	6,307	4,501
Accumulated other comprehensive income		
Foreign currency translation adjustment	5	19
Total accumulated other comprehensive income	5	19
Total net assets	6,312	4,520
Total liabilities and net assets	9,907	7,461

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

Consolidated Statement of Income

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Net sales	12,493	7,955
Cost of sales	8,341	5,570
Gross profit	4,152	2,385
Selling, general and administrative expenses	3,994	3,528
Operating profit (loss)	157	(1,143)
Non-operating income		
Interest income	0	0
Dividend income	0	0
Foreign exchange gains	—	132
Miscellaneous income	3	3
Total non-operating income	3	136
Non-operating expenses		
Interest expenses	12	12
Foreign exchange losses	68	—
Amortization of business commencement expenses	—	7
Miscellaneous losses	5	1
Total non-operating expenses	86	21
Ordinary profit (loss)	74	(1,029)
Extraordinary income		
Gain on sale of non-current assets	—	0
Total extraordinary income	—	0
Extraordinary losses		
Loss on retirement of non-current assets	—	5
Loss on liquidation of business	—	532
Total extraordinary losses	—	538
Profit (loss) before income taxes	74	(1,567)
Income taxes - current	4	2
Income taxes - deferred	25	251
Total income taxes	30	253
Profit (loss)	43	(1,820)
Profit (loss) attributable to owners of parent	43	(1,820)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit (loss)	43	(1,820)
Other comprehensive income		
Foreign currency translation adjustment	3	13
Total other comprehensive income	3	13
Comprehensive income	47	(1,806)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	47	(1,806)