

BALMUDA

Financial Results Briefing Material for Three Months ended March 31, 2024

Securities code : 6612

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FY2024 1Q Results

FY2024 1Q Summary

1. Sales remained unchanged from the FY2023 1Q.

- Domestic revenue turned positive due to the introduction of new products and renewed products.

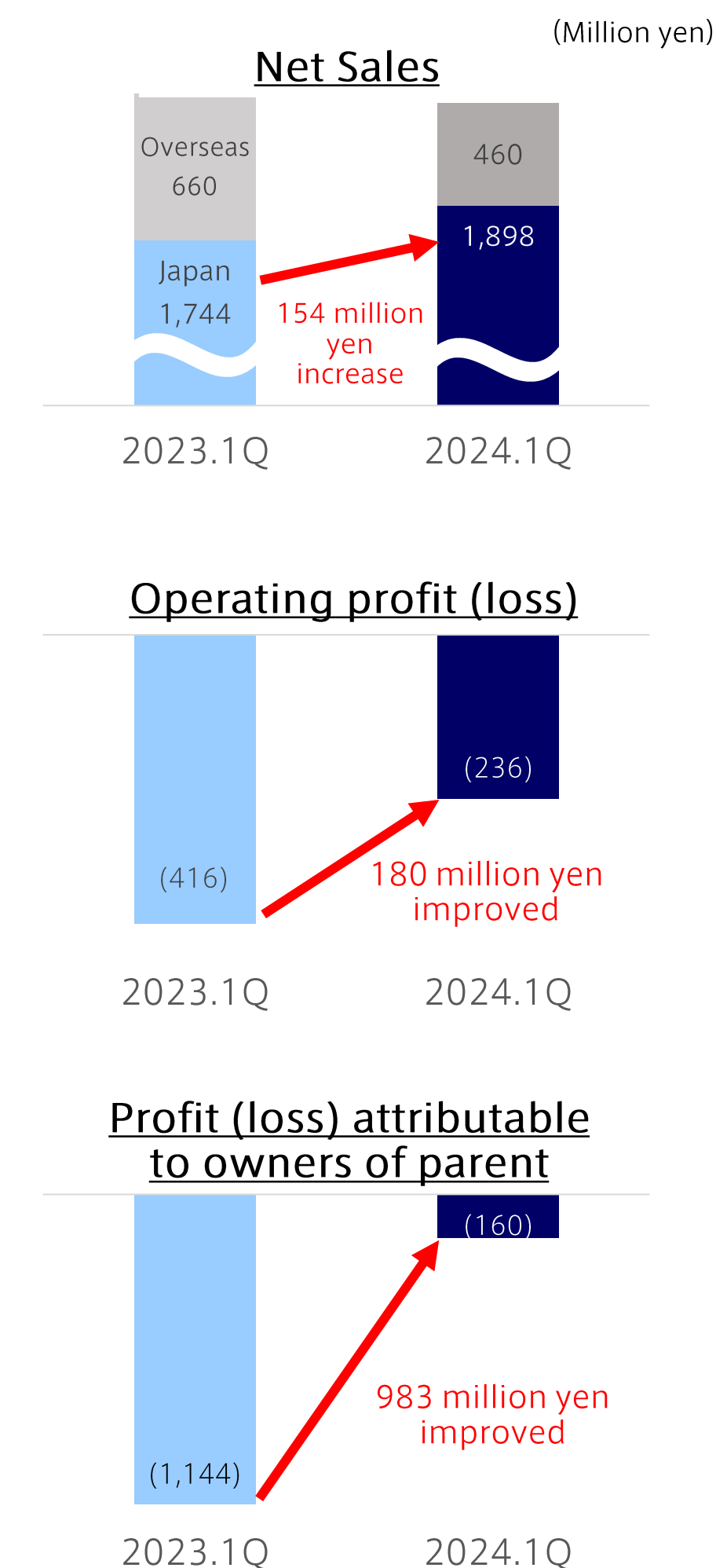
2. Operating loss improved due to the effects of profit improvement measures.

- Despite the depreciation of the yen, the gross profit margin exceeded that of the same period last year. Fixed cost reduction has progressed.

3. Quarterly net loss attributable to owners of parent improved due to the recognition of foreign exchange gains resulting from the implementation of foreign exchange reservations and the decrease of extraordinary losses and others.

- In the previous year's first quarter, we recorded loss on liquidation of mobile terminals business and deferred income taxes.

Started off well toward achieving full-year profitability.



FY2024 1Q Key Indicators

	FY2023 1Q	FY2024 1Q		YoY amount change		YoY percentage change
Net sales	2,405 Million yen	2,359 Million yen	(46) Million yen			(1.9) %
Operating Profit (loss)	(416) Million yen	(236) Million yen	+180 Million yen			— %
Ordinary profit (loss)	(354) Million yen	(160) Million yen	+194 Million yen			— %
Profit (loss) attributable to owners of parent	(1,144) ※ Million yen	(160) Million yen	+983 Million yen			— %
Gross profit margin ratio	31.1 %	31.3 %	+0.2 Pt.			
Exchange rate	132 Yen/USD	149 Yen/USD	+17 Yen/USD			
Equity-to-asset ratio	60.2 %	57.7 %	(2.6) Pt.			

Positioning of 2024

- Return to profitability
- Establishment of a sustainable business foundation even in challenging environments.

Reposting from the financial results briefing materials for FY2023 3Q

BALMUDA

Current situation and countermeasures

The balance of income and expenses is unsettled due to the weakening yen, rebound effects from COVID-19 demand surge, and change in our growth strategy (termination of mobile terminal business).

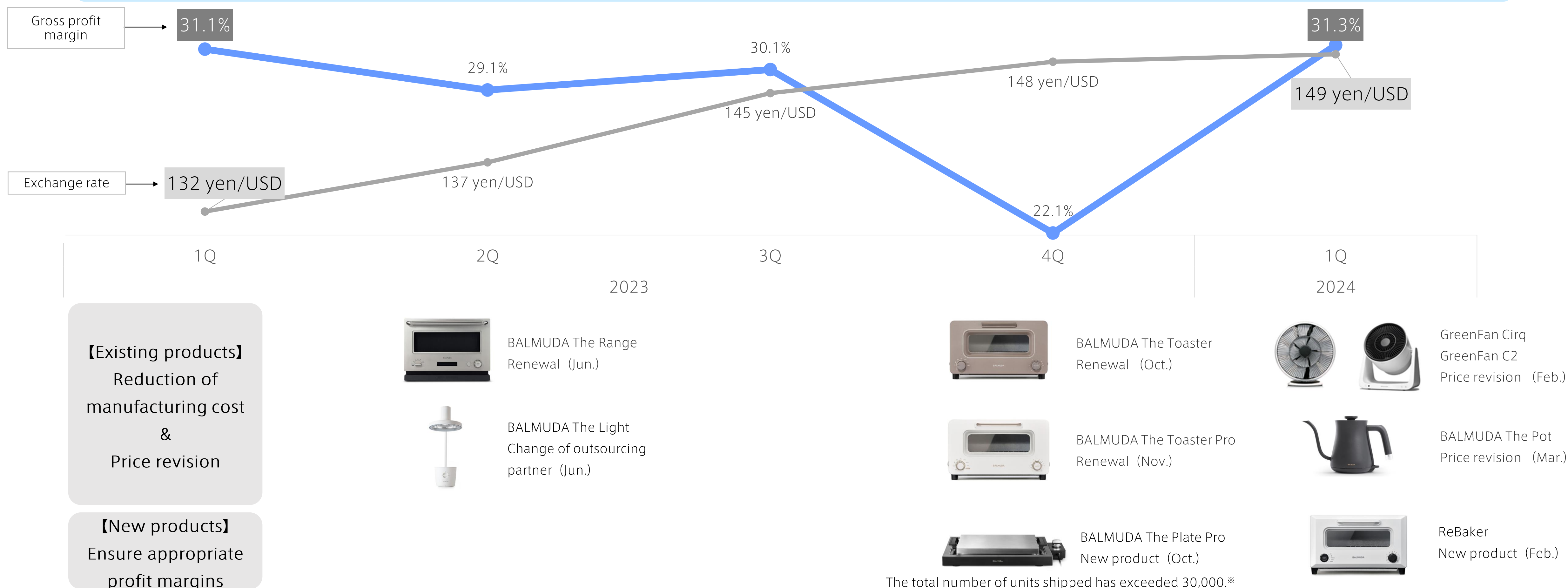


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|------------------|--|
| Countermeasure 1 | Improvement in the gross profit margin |
| Countermeasure 2 | Reduction in fixed costs |
| Countermeasure 3 | Proactive expansion of home appliance products |

Implementing these measures to restore the balance of income and expenses, aiming for the fastest return to profitability.

Countermeasure 1 Improvement in the gross profit margin

Despite the weakening yen, gross profit margin exceeded the previous year's level due to the effects of various countermeasures.

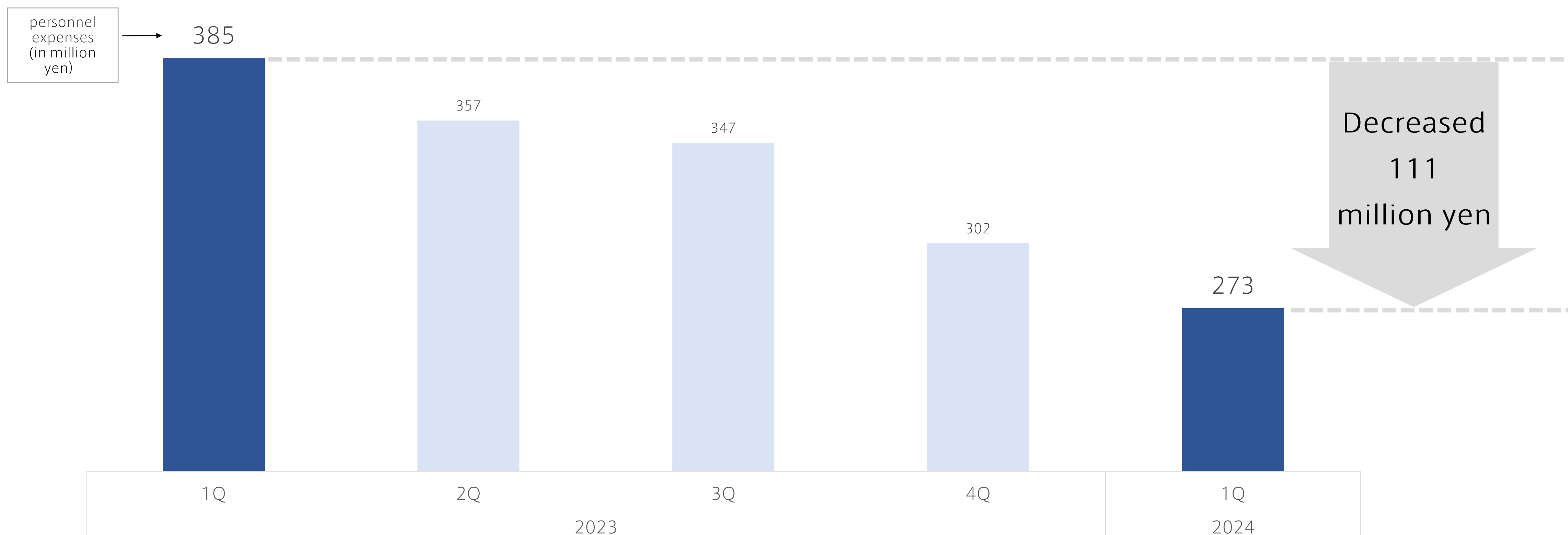


Continuous efforts to reduce costs through the review of design and manufacturing processes.

Curb the purchase of products, sale of outdated models, and reduction in inventory valuation.

Countermeasure 2 Reduction in fixed costs

Due to the streamlining of the organization and personnel structures, personnel expenses in the first quarter of 2024 decreased by 111 million yen compared to the same period of last year.



Total number of employees※

213 (End of 2022)

145

Determined to terminate mobile terminal business (May)

Streamlining of the organization and personnel structures

※Total number of employees including temporary staff and part-time workers

Countermeasure 3 Proactive expansion of home appliance products

New lineup of GreenFan, the origin of our growth, launched in April. We also promoted the expansion of our product lineup overseas.

1Q

2Q

Second half

Japan



Feb. : ReBaker (Rebake toaster)



Apr. : GreenFan Studio (Fan)

Planning to release several new products.

Overseas



Jan. (South Korea) : BALMUDA The Toaster Pro
(Steam Toaster with salamander mode)



Jan. (South Korea) : BALMUDA The Plate Pro
(Stainless steel hotplate)



May : BALMUDA The Pot Silver (New color)
(Electric kettle)



Apr. (South Korea) : GreenFan Studio
(Fan)



Apr. (China) : BALMUDA The Range
(Microwave oven)

Planned to continue expansion of product lineup overseas.

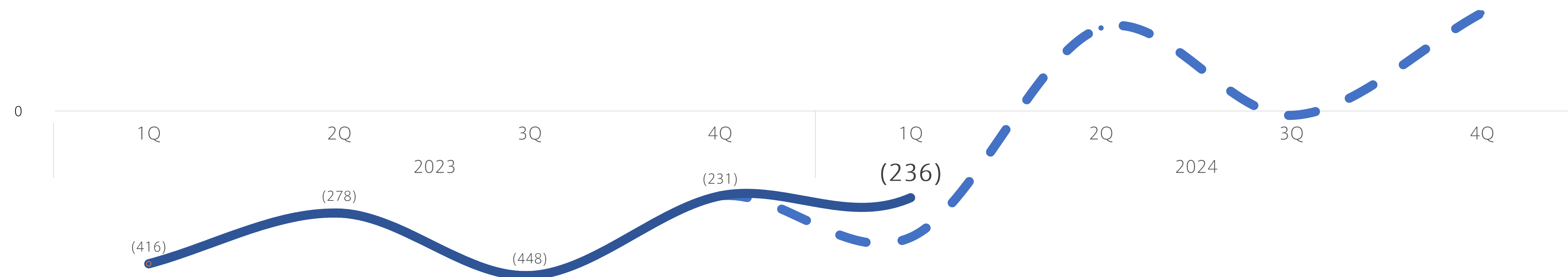
FY2024 Forecast of Operating Profit, Quarterly Outlook

The first quarter exceeded expectations in progress toward achieving annual profitability.

【Quarterly Operating Profit】

※Dotted line : Initial outlook, Solid line : Actual figure.

(Million yen)



Determined to terminate mobile terminal business

Streamlining of the organization and personnel structures

Curb the purchase of products, sale of outdated models, and reduction in inventory valuation

Improvement of profit margin (Reduction in manufacturing & price revision) ※FY2023 : Light, Range, Toaster, Toaster Pro, 1st half of FY2024 : GreenFan C2, GreenFan Cirq, Pot

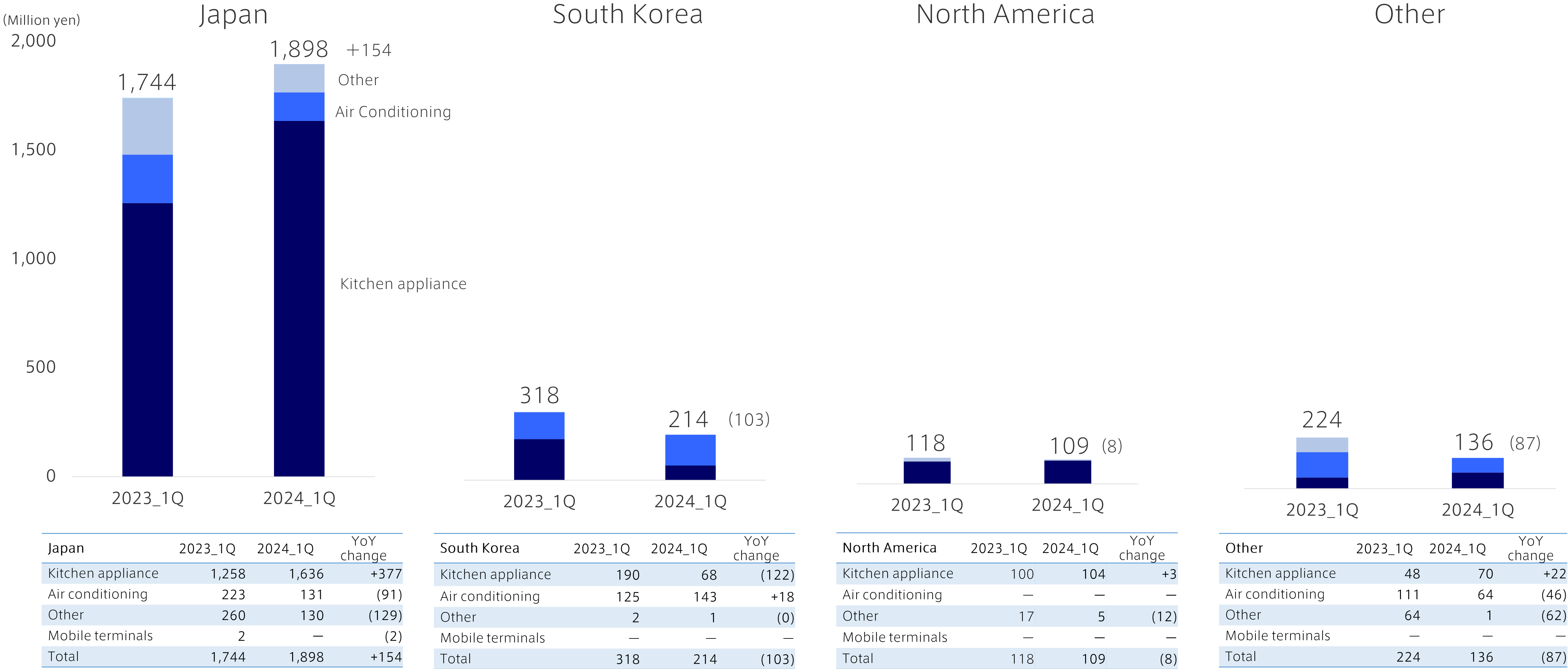
New products with secured appropriate profit margins FY 2023 : Plate Pro, FY2024 : ReBaker, GreenFan Studio, Several products to be launched in the second half of FY2024

Continuous efforts to reduce costs through the review of design and manufacturing processes.

APPENDIX

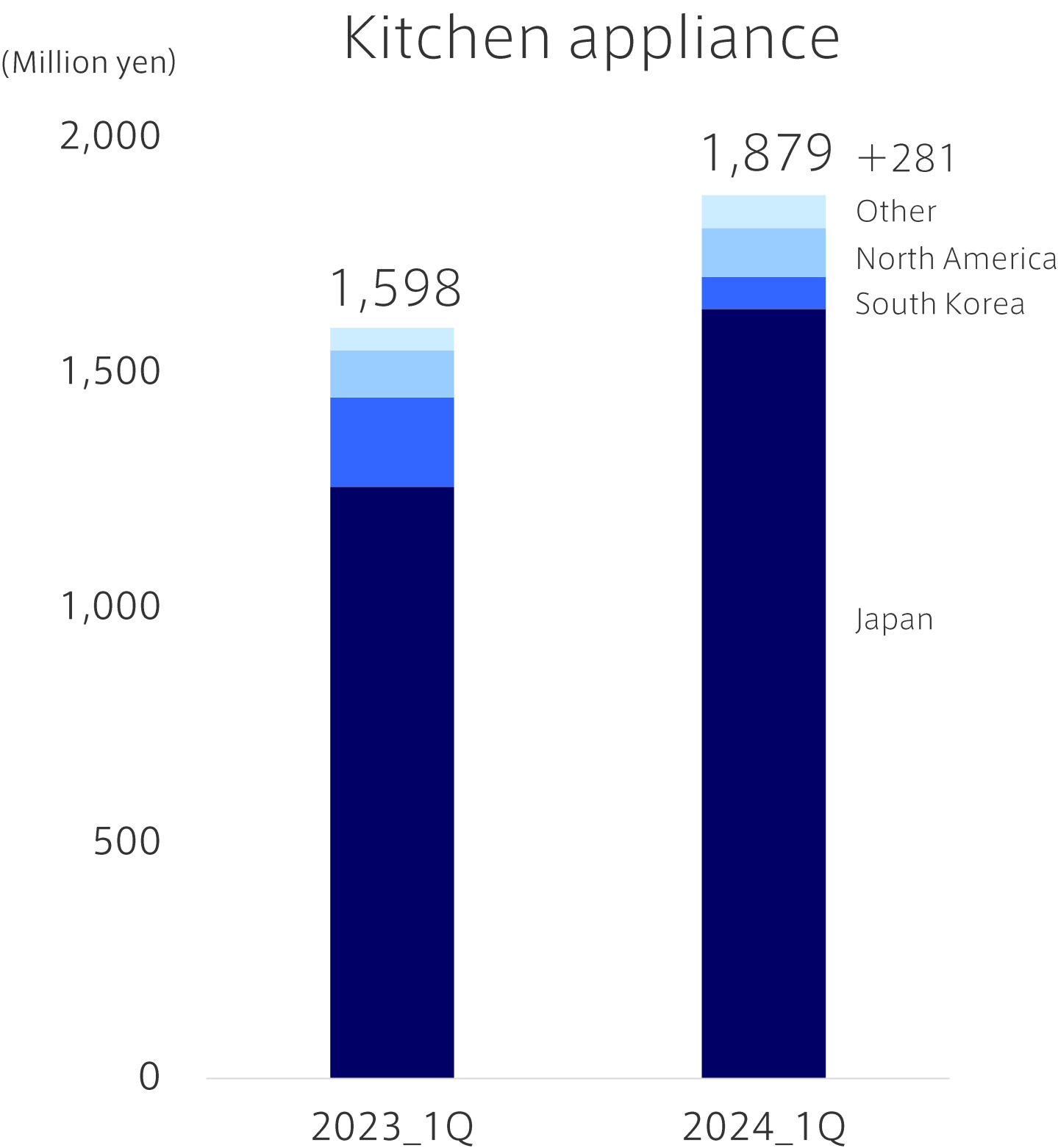
Net sales by region, FY2024 1Q

ReBaker (released in Feb. 2024) and BALMUDA The Range (renewed in June 2023) contributed to the recovery of domestic sales.

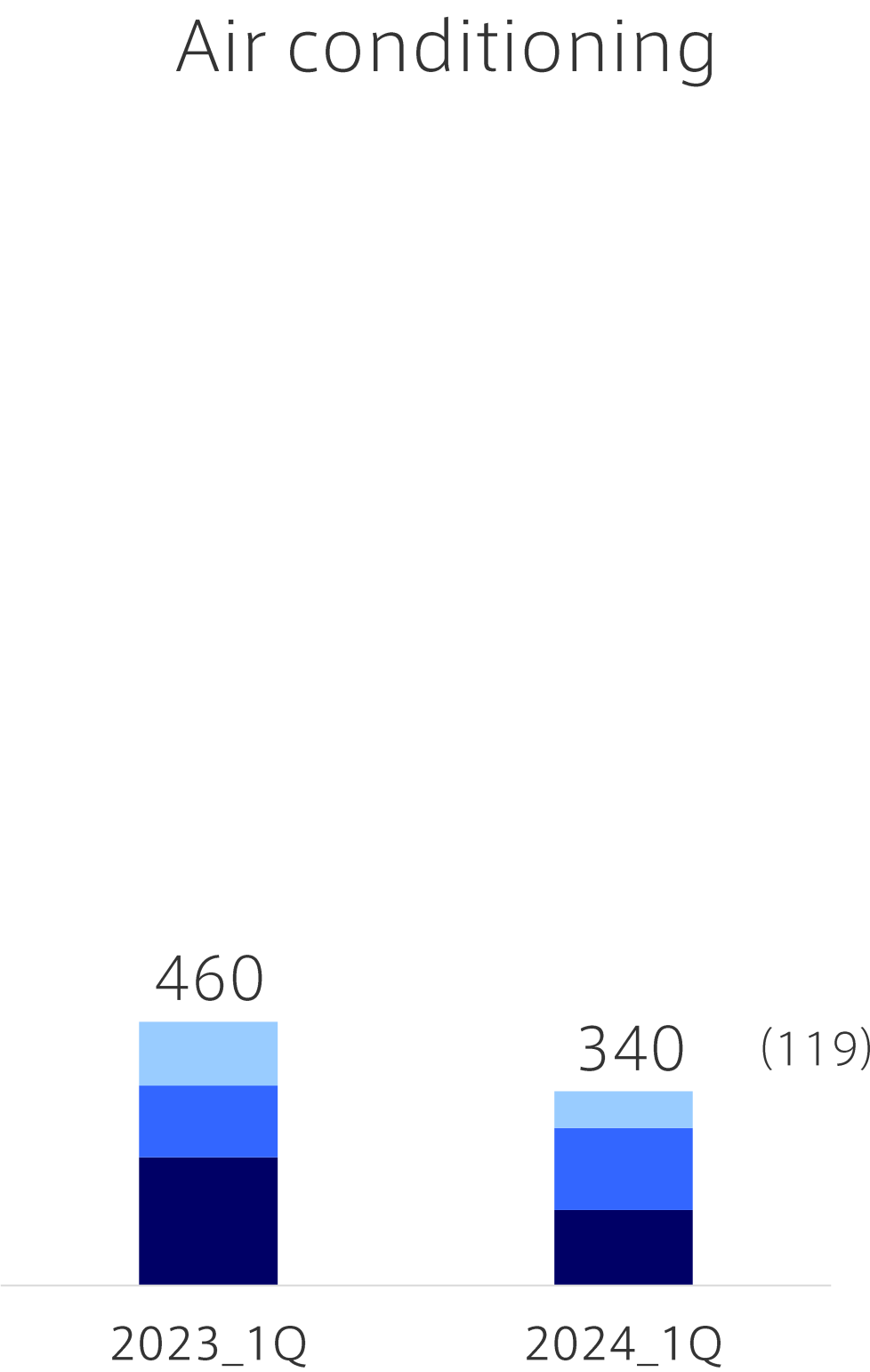


Net sales by product category, FY2024 1Q

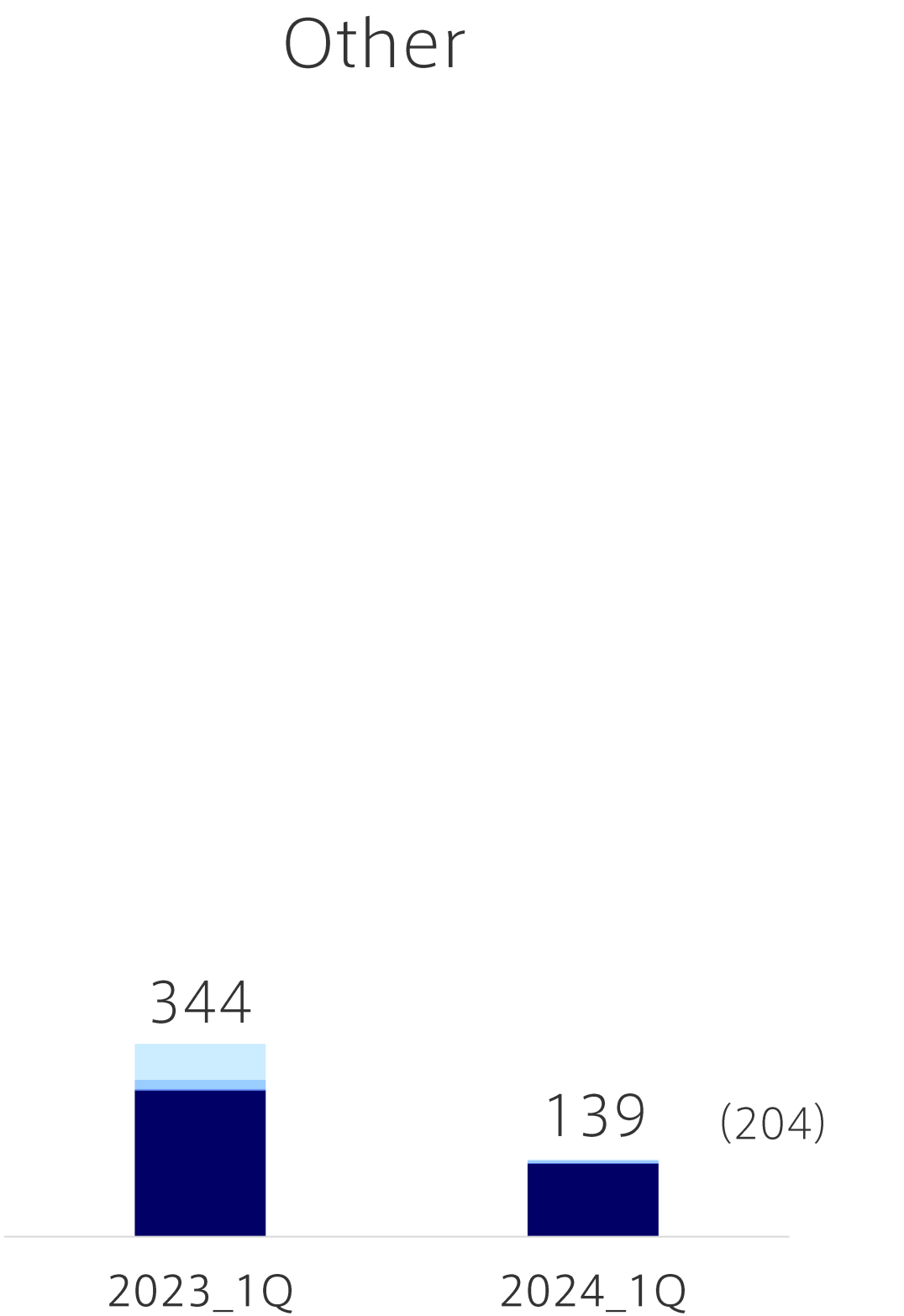
Sales of Kitchen appliance increased due to the effects of new and renewed products.



Kitchen Appliance	2023_1Q	2024_1Q	YoY change
Japan	1,258	1,636	+377
South Korea	190	68	(122)
North America	100	104	+3
Other	48	70	+22
Total	1,598	1,879	+281



Air conditioning	2023_1Q	2024_1Q	YoY change
Japan	223	131	(91)
South Korea	125	143	+18
North America	—	—	—
Other	111	64	(46)
Total	460	340	(119)

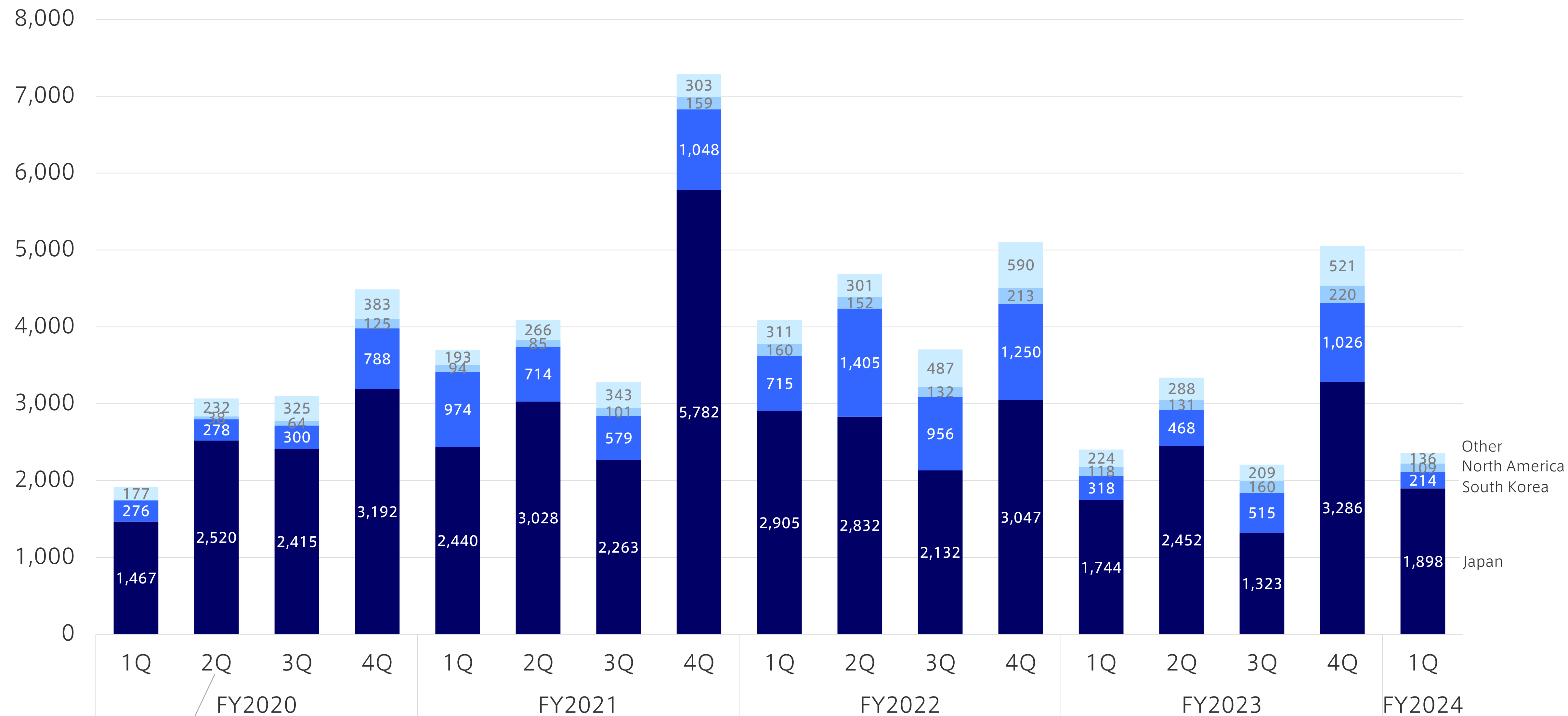


Other	2023_1Q	2024_1Q	YoY change
Japan	260	130	(129)
South Korea	2	1	(0)
North America	17	5	(12)
Other	64	1	(62)
Total	344	139	(204)

※Net sales of mobile terminal business in FY2023_1Q were 2 million yen.

Quarterly net sales by region

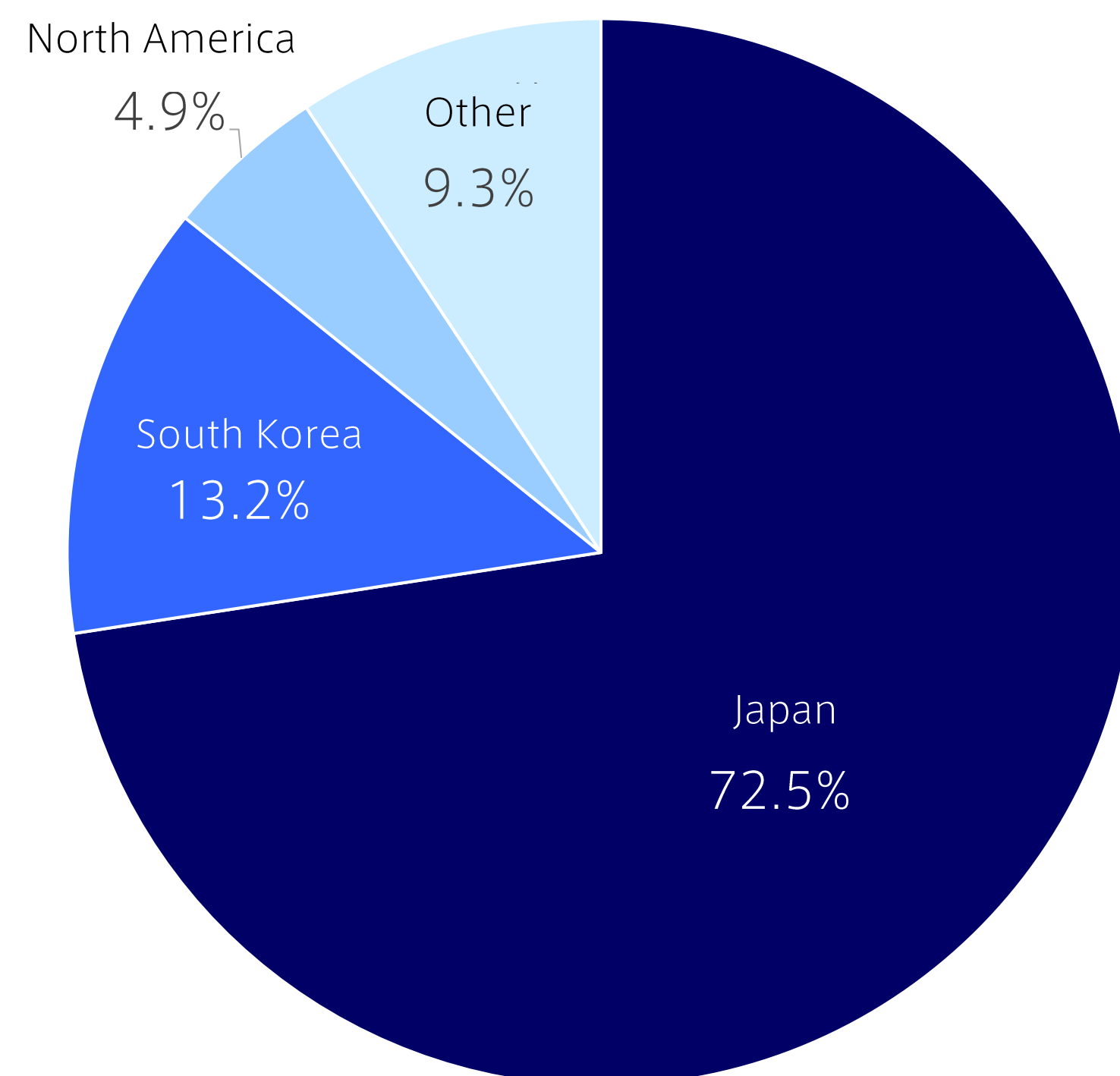
(Million yen)



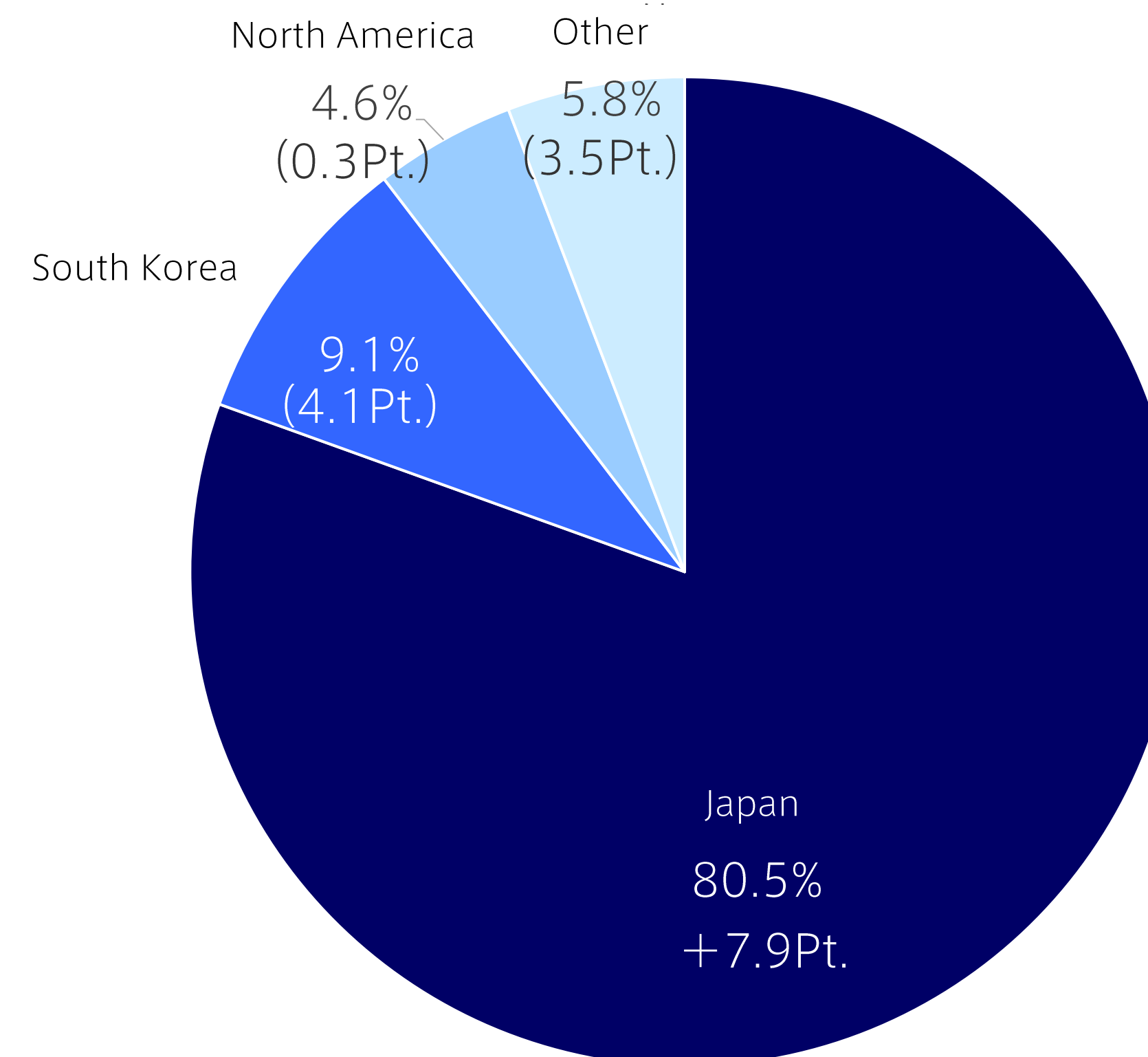
Launched business in North America

Composition percentage of net sales by region

2023_1Q

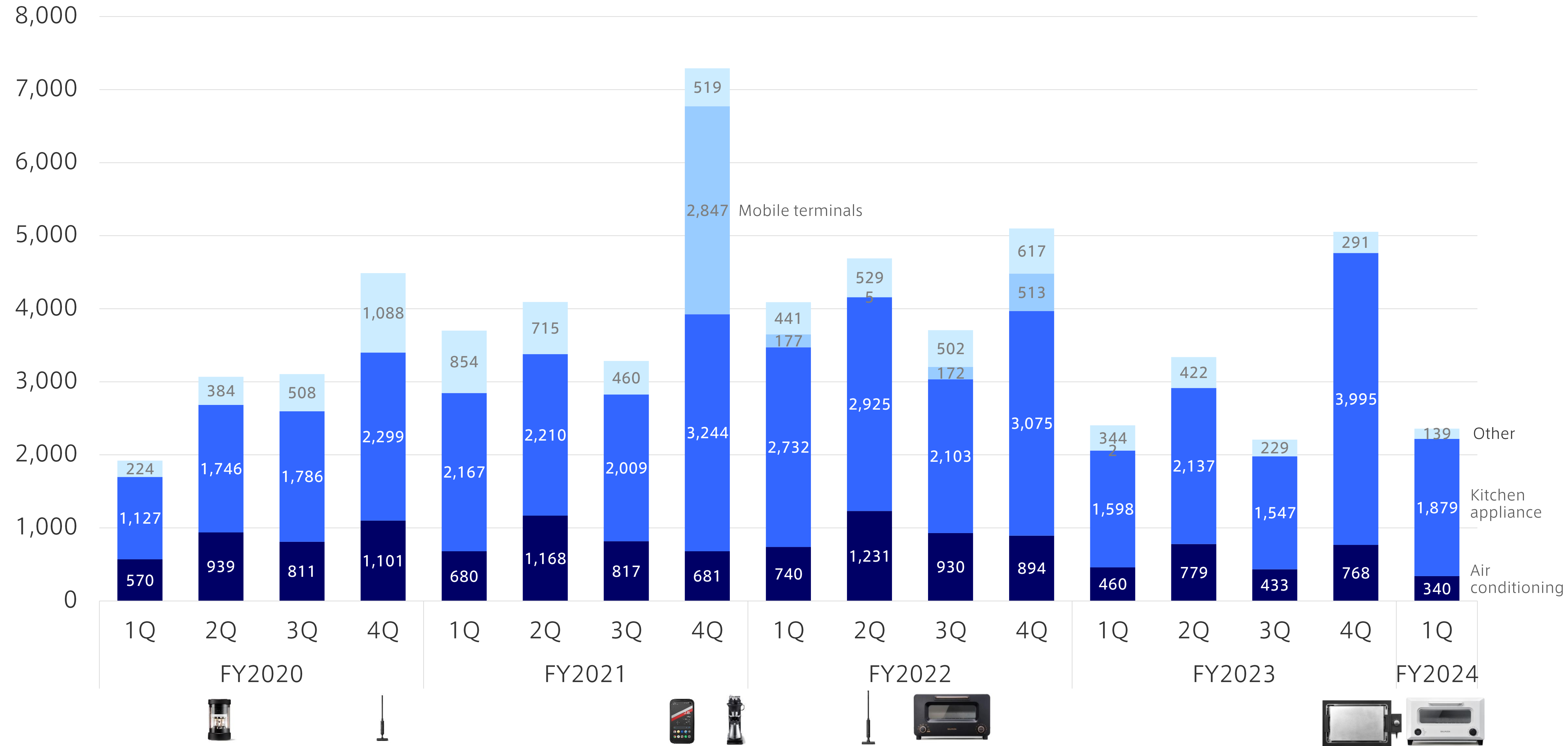


2024_1Q



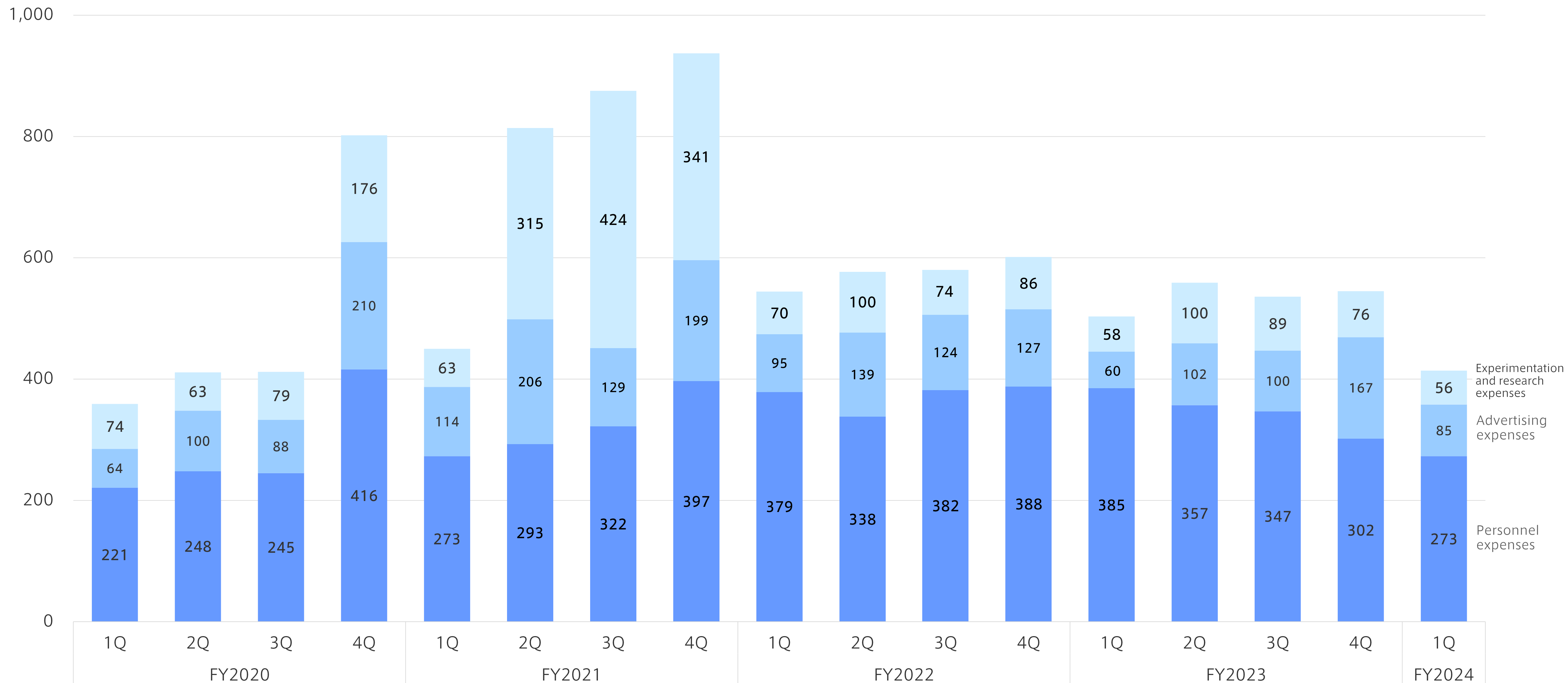
Quarterly net sales by product category

(Million yen)



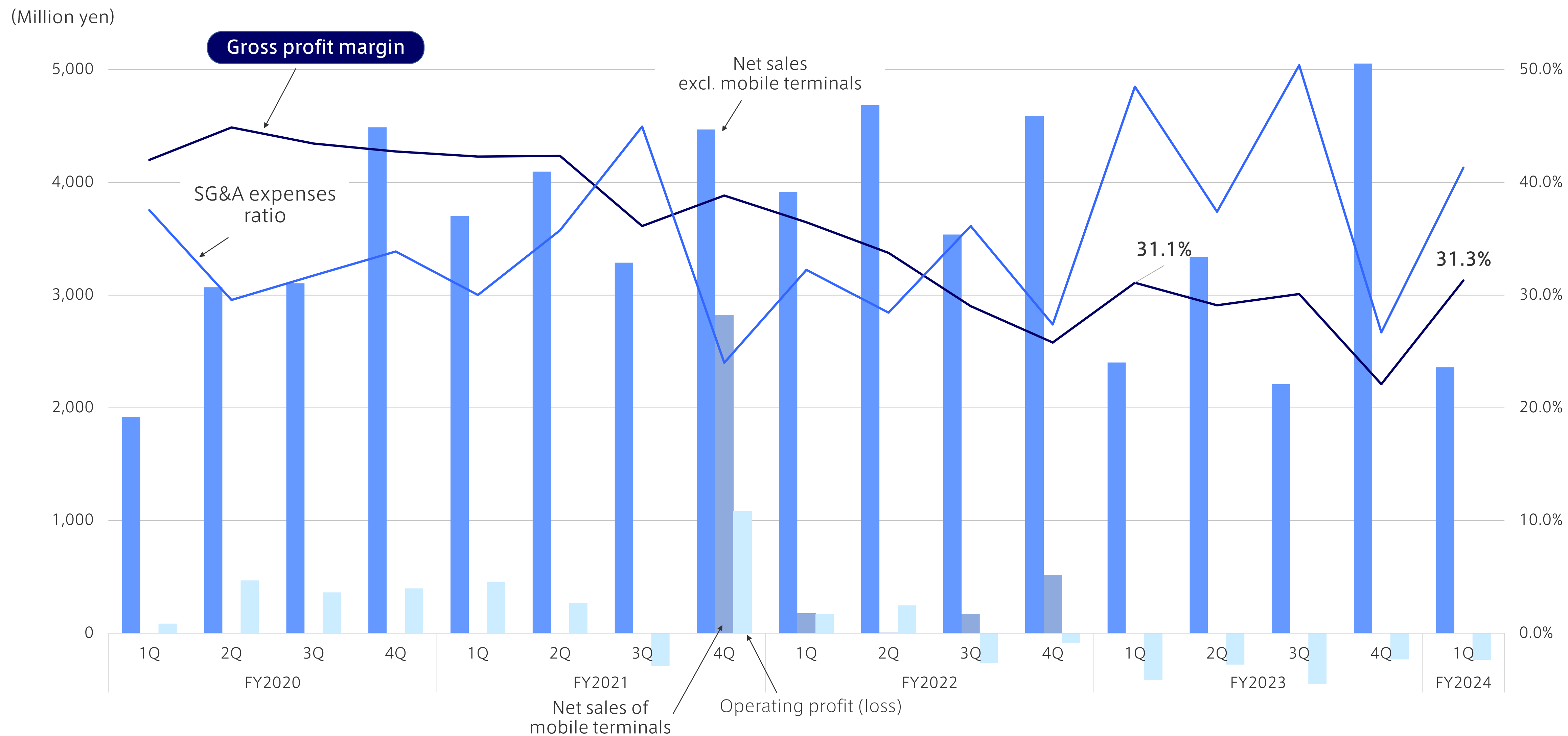
Major SG&A expenses

(Million yen)



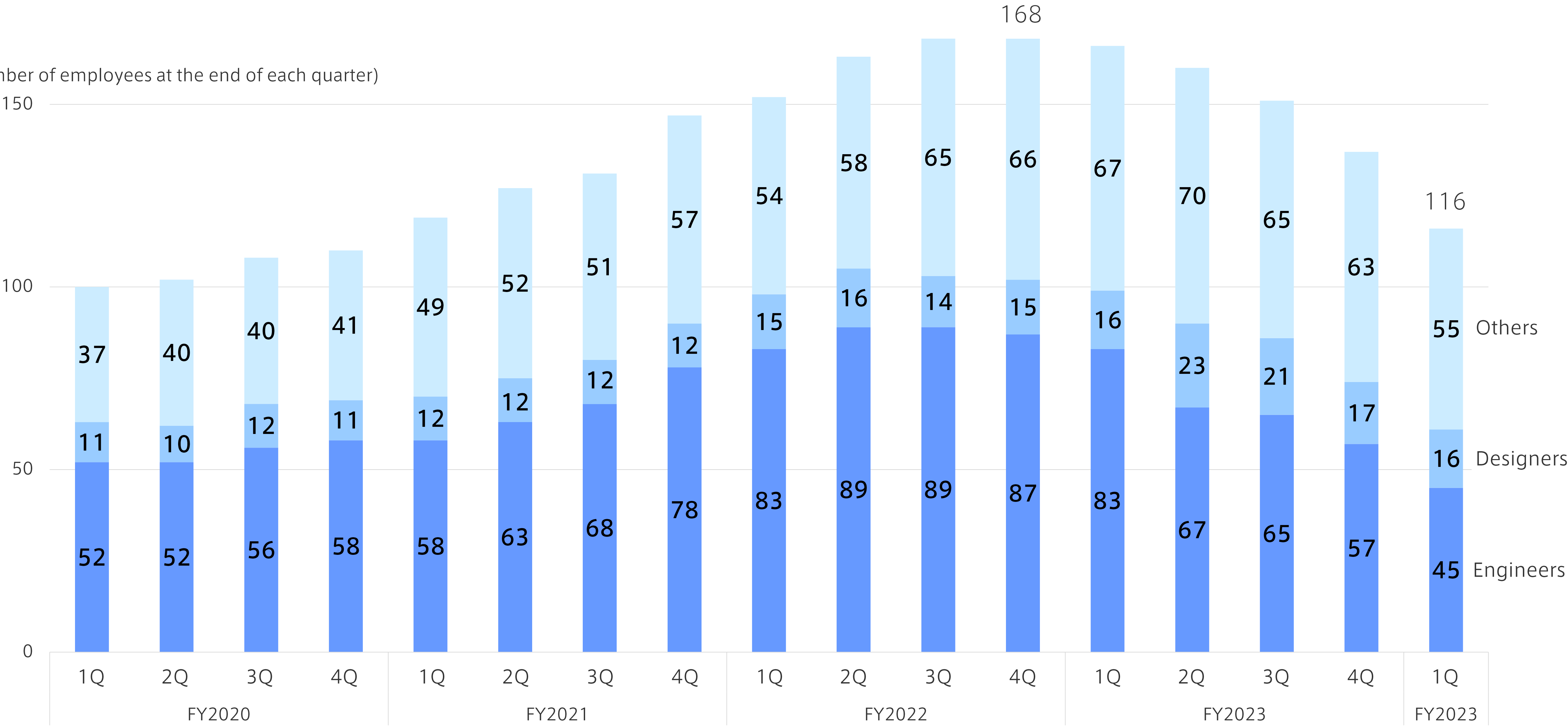
※In FY2021, appx. 840 million yen of experimentation and research expenses were for mobile terminals.
Appx. 280 million yen out of such 840 million yen were accounted in 4Q/FY2021.

Net sales, Operating profit, GP margin and SG&A expenses ratio (quarterly changes)

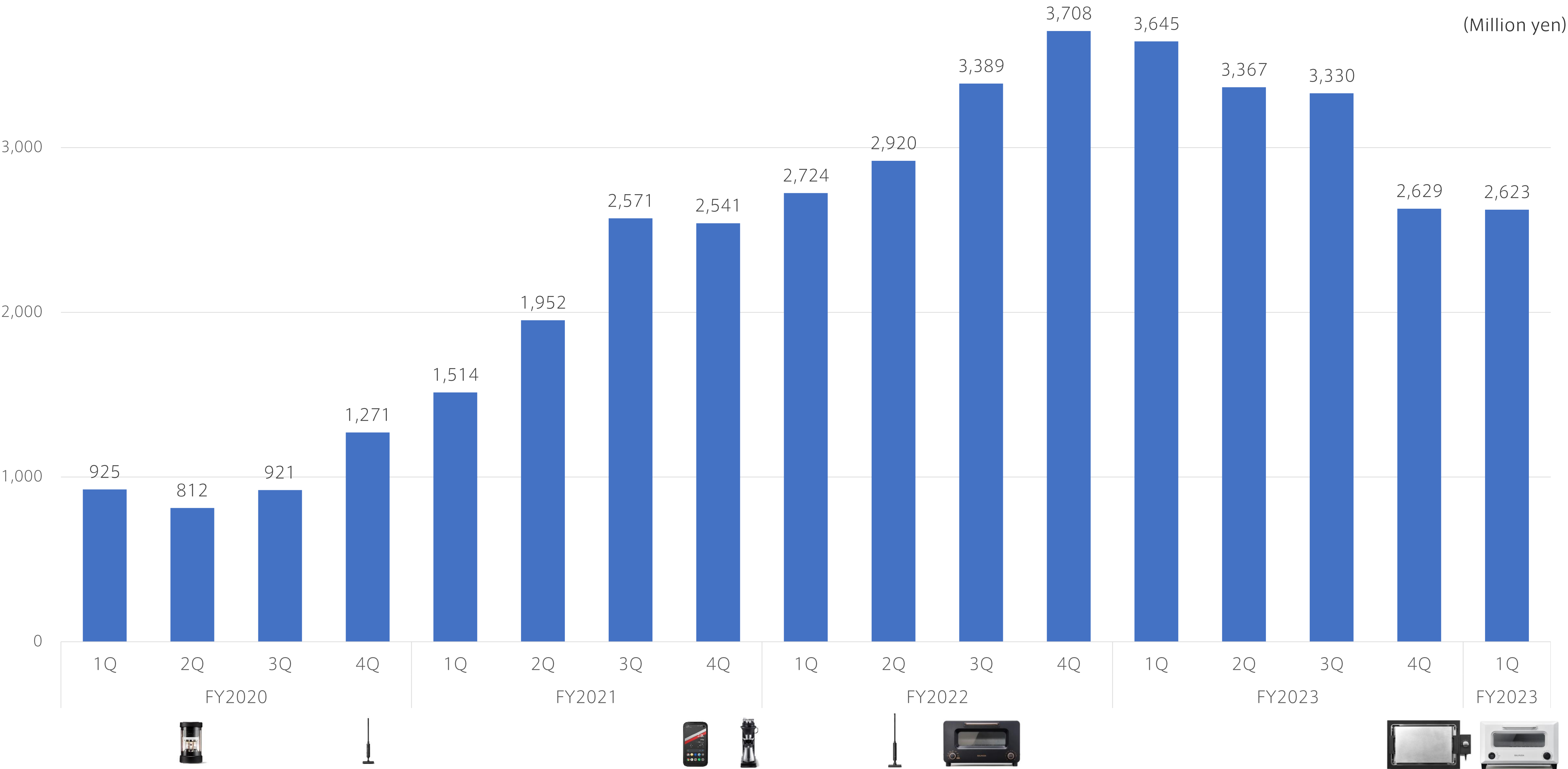


Number of employees

(Number of employees at the end of each quarter)



Trend of inventory levels



Consolidated statement of income by quarters

(Million yen. Percentages indicate composition in net sales.)

	FY2020				FY2021				FY2022				FY2023				FY2024
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Net sales	1,921	3,070	3,105	4,489	3,702	4,095	3,288	7,293	4,092	4,691	3,708	5,101	2,405	3,339	2,210	5,055	2,359
Gross Profit	806 42.0%	1,377 44.9%	1,349 43.4%	1,918 42.7%	1,565 42.3%	1,734 42.4%	1,187 36.1%	2,832 38.8%	1,492 36.5%	1,583 33.7%	1,076 29.0%	1,314 25.8%	749 31.1%	970 29.1%	665 30.1%	1,117 22.1%	738 31.3%
SG&A expenses	721 37.5%	907 29.6%	985 31.7%	1,520 33.9%	1,111 30.0%	1,464 35.8%	1,478 45.0%	1,748 24.0%	1,319 32.2%	1,334 28.4%	1,340 36.1%	1,397 27.4%	1,166 48.5%	1,249 37.4%	1,113 50.4%	1,349 26.7%	974 41.3%
Personnel expenses	221	248	245	416	273	293	322	397	379	338	382	388	385	357	347	302	273
Advertising expenses	64	100	88	210	114	206	129	199	95	139	124	127	60	102	100	167	85
Experimentation and research expenses	74	63	79	176	63	315	424	341	70	100	74	86	58	100	89	76	56
Operating profit	85 4.5%	469 15.3%	363 11.7%	398 8.9%	454 12.3%	270 6.6%	(290) (8.8%)	1,083 14.9%	172 4.2%	248 5.3%	(263) (7.1%)	(82) (1.6%)	(416) (17.3%)	(278) (8.3%)	(448) (20.3%)	(231) (4.6%)	(236) (10.1%)
Ordinary profit	75	455	360	360	462	245	(300)	1,054	144	224	(294)	(60)	(354)	(243)	(431)	(208)	(160)
Profit attributable to owners of parent	55	307	240	230	301	146	(179)	747	96	137	(190)	(40)	(1,144)	(241)	(435)	(251)	(160)

Net sales by region/product category by quarters

(Million yen. Percentages indicate composition in net sales.)

	FY2020				FY2021				FY2022				FY2023				FY2024
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Net sales	1,921	3,070	3,105	4,489	3,702	4,095	3,288	7,293	4,092	4,691	3,708	5,101	2,405	3,339	2,210	5,055	2,359
Net sales by region																	
Japan	1,467 76.4%	2,520 82.1%	2,415 77.8%	3,192 71.1%	2,439 65.9%	3,028 74.0%	2,263 68.8%	5,782 79.3%	2,905 71.0%	2,832 60.4%	2,132 57.5%	3,047 59.7%	1,744 72.5%	2,452 73.4%	1,323 59.9%	3,286 65.0%	1,898 80.5%
Overseas	454 23.6%	549 17.9%	689 22.2%	1,297 28.9%	1,262 34.1%	1,066 26.0%	1,024 31.2%	1,511 20.7%	1,187 29.0%	1,859 39.6%	1,576 42.5%	2,053 40.3%	660 27.5%	887 26.6%	886 40.1%	1,769 35.0%	460 19.5%
South Korea	276 14.4%	278 9.1%	300 9.7%	788 17.6%	974 26.3%	714 17.5%	579 17.6%	1,048 14.4%	715 17.5%	1,405 30.0%	956 25.8%	1,250 24.5%	318 13.2%	468 14.0%	515 23.3%	1,026 20.3%	214 9.1%
North America	- -	38 1.3%	64 2.1%	125 2.8%	94 2.5%	85 2.1%	101 3.1%	159 2.2%	160 3.9%	152 3.3%	132 3.6%	213 4.2%	118 4.9%	131 3.9%	160 7.3%	220 4.4%	109 4.6%
Other	177 9.2%	232 7.6%	325 10.5%	383 8.5%	194 5.2%	266 6.5%	343 10.5%	303 4.2%	311 7.6%	301 6.4%	487 13.2%	590 11.6%	224 9.3%	288 8.6%	209 9.5%	521 10.3%	136 5.8%
Net sales by product category																	
Air conditioning	570 29.7%	939 30.6%	811 26.1%	1,101 24.5%	680 18.4%	1,168 28.5%	817 24.9%	681 9.3%	740 18.1%	1,231 26.3%	930 25.1%	894 17.5%	460 19.1%	779 23.3%	433 19.6%	768 15.2%	340 14.4%
Kitchen appliance	1,127 58.7%	1,746 56.9%	1,786 57.5%	2,299 51.2%	2,167 58.5%	2,210 54.0%	2,009 61.1%	3,244 44.5%	2,732 66.8%	2,925 62.3%	2,103 56.7%	3,075 60.3%	1,598 66.4%	2,137 64.0%	1,547 70.0%	3,995 79.0%	1,879 79.7%
Mobile terminals	- -	- -	- -	- -	- -	- -	- -	2,847 39.0%	177 4.3%	5 0.1%	172 4.6%	513 10.1%	2 0.1%	- -	- -	- -	- -
Other	224 11.7%	384 12.5%	508 16.4%	1,088 24.3%	854 23.1%	715 17.5%	460 14.0%	519 7.1%	441 10.8%	529 11.3%	502 13.5%	617 12.1%	344 14.3%	422 12.7%	229 10.4%	291 5.8%	139 5.9%

Consolidated Balance Sheet

(Million yen)

	At the end of FY2023	At the end of FY2024 1Q	Notes
Current assets			
Cash and deposits	1,167	1,095	
Accounts receivable - trade	2,423	1,758	
Merchandise and finished goods	2,629	2,623	
Other	672	808	
Non-current assets			
Property, plant and equipment	632	597	
Intangible assets	203	187	
Other	73	71	
Total assets	7,803	7,141	
Current liabilities			
Accounts payable - trade	1,123	786	
Short-term borrowings	600	850	
Current portion of long-term borrowings	514	480	
Provision for product warranties	292	280	
Other	679	401	
Non-current liabilities			
Long-term borrowings	328	225	
Total liabilities	3,537	3,024	
Total net assets	4,265	4,117	
Total liabilities and net assets	7,803	7,141	

Products

BALMUDA



BALMUDA The Toaster



ReBaker



BALMUDA The Pot



BALMUDA The Brew



BALMUDA The Gohan



BALMUDA The Range



BALMUDA The Toaster Pro



BALMUDA The Plate Pro



BALMUDA The Light



BALMUDA The Speaker



BALMUDA The Lantern



GreenFan C2



BALMUDA The Cleaner Lite



BALMUDA The Pure



Rain



GreenFan Cirq



The GreenFan



GreenFan Studio

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