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August 8, 2024

Consolidated Financial Results for the Six Months Ended June 30, 2024 (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: August 8, 2024
 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, 2024 (from January 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	6,330	10.2	(91)	-	33	-	31	-
June 30, 2023	5,745	(34.6)	(695)	-	(597)	-	(1,385)	-

Note: Comprehensive income For the six months ended June 30, 2024: ¥45 million -%
 For the six months ended June 30, 2023: (¥1,375) million -%

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2024	3.77	3.77
June 30, 2023	(164.39)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	6,566	4,317	65.8
December 31, 2023	7,803	4,265	54.7

Reference: Equity
 As of June 30, 2024: ¥4,317 million
 As of December 31, 2023: ¥4,265 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, 2023	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2024	-	0.00			
Fiscal year ending December 31, 2024 (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, 2024 (From January 1, 2024 to December 31, 2024)

(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	12,800	(1.6)	30	-	75	-	50	-	5.91

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 June 30, 2024	8,464,400 shares
As of December 31, 2023	8,443,900 shares

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

As of June 30, 2024	3,172 shares
As of December 31, 2023	3,167 shares

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

Six months ended June 30, 2024	8,459,314 shares
Six months ended June 30, 2023	8,428,804 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, 2023	Six months ended June 30, 2024	year-on-year changes	year-on-year changes(%)
Japan	4,196	3,995	(201)	(4.8)
South Korea	786	1,346	559	71.2
North America	249	264	15	6.0
Other	512	723	211	41.3
Total	5,745	6,330	584	10.2

(Millions of yen)				
Net Sales by Product Category	Six months ended June 30, 2023	Six months ended June 30, 2024	year-on-year changes	year-on-year changes(%)
Air conditioning	1,239	1,345	105	8.5
Kitchen appliance	3,735	4,583	847	22.7
Mobile terminals	2	-	(2)	(100.0)
Other	767	402	(365)	(47.6)
Total	5,745	6,330	584	10.2

Accompanying Materials

1. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	1,167	1,358
Accounts receivable - trade	2,423	1,601
Merchandise and finished goods	2,629	2,092
Raw materials and supplies	312	306
Other	359	407
Total current assets	6,893	5,766
Non-current assets		
Property, plant and equipment	632	554
Intangible assets	203	177
Investments and other assets	73	68
Total non-current assets	909	799
Total assets	7,803	6,566

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,123	831
Short-term borrowings	600	100
Current portion of long-term borrowings	514	421
Accounts payable-other	458	247
Provision for bonuses	61	54
Provision for product warranties	292	265
Provision for loss on business liquidation	16	13
Other	142	157
Total current liabilities	3,209	2,090
Non-current liabilities		
Long-term borrowings	328	158
Total non-current liabilities	328	158
Total liabilities	3,537	2,248
Net assets		
Shareholders' equity		
Share capital	1,423	90
Capital surplus	1,420	2,759
Retained earnings	1,409	1,441
Treasury shares	(0)	(0)
Total shareholders' equity	4,252	4,289
Accumulated other comprehensive income		
Foreign currency translation adjustment	13	27
Total accumulated other comprehensive income	13	27
Total net assets	4,265	4,317
Total liabilities and net assets	7,803	6,566

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

	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	5,745	6,330
Cost of sales	4,025	4,406
Gross profit	1,719	1,923
Selling, general and administrative expenses	2,415	2,014
Operating profit (loss)	(695)	(91)
Non-operating income		
Interest income	0	0
Dividend income	0	0
Foreign exchange gains	109	128
Miscellaneous income	2	1
Total non-operating income	112	130
Non-operating expenses		
Interest expenses	8	6
Amortization of business commencement expenses	3	—
Miscellaneous losses	1	0
Total non-operating expenses	14	6
Ordinary profit (loss)	(597)	33
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	(1,132)	33
Income taxes - current	1	1
Income taxes - deferred	251	—
Total income taxes	252	1
Profit (loss)	(1,385)	31
Profit (loss) attributable to owners of parent	(1,385)	31

Consolidated Statement of Comprehensive Income**(Millions of yen)**

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit (loss)	(1,385)	31
Other comprehensive income		
Foreign currency translation adjustment	10	13
Total other comprehensive income	10	13
Comprehensive income	(1,375)	45
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(1,375)	45

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(1,132)	33
Depreciation	251	197
Loss on liquidation of business	504	—
Share-based payment expenses	11	—
Amortization of business commencement expenses	3	—
Increase (decrease) in provision for product warranties	(71)	(27)
Increase (decrease) in provision for loss on business liquidation	14	(2)
Increase (decrease) in provision for bonuses	(12)	(7)
Interest and dividend income	(0)	(0)
Interest expenses	8	6
Foreign exchange losses (gains)	(122)	(171)
Loss on retirement of non-current assets	1	—
Decrease (increase) in trade receivables	939	822
Decrease (increase) in inventories	358	546
Increase (decrease) in trade payables	(368)	(293)
Increase (decrease) in accrued consumption taxes	85	—
Decrease (increase) in other assets	(300)	67
Increase (decrease) in other liabilities	(258)	(177)
Subtotal	(88)	993
Interest and dividends received	0	0
Interest paid	(8)	(6)
Income taxes paid	(0)	(1)
Income taxes refund	146	28
Net cash provided by (used in) operating activities	48	1,014
Cash flows from investing activities		
Purchase of property, plant and equipment	(190)	(105)
Purchase of intangible assets	(25)	(5)
Payments of other investments	(4)	(1)
Proceeds from other investments	6	0
Net cash provided by (used in) investing activities	(213)	(111)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(700)	(500)
Proceeds from long-term borrowings	800	—
Repayments of long-term borrowings	(279)	(262)
Proceeds from issuance of shares	15	5
Purchase of treasury shares	—	(0)
Net cash provided by (used in) financing activities	(164)	(757)
Effect of exchange rate change on cash and cash equivalents	16	44
Net increase (decrease) in cash and cash equivalents	(313)	190
Cash and cash equivalents at beginning of period	1,246	1,167
Cash and cash equivalents at end of period	933	1,358