

BALMUDA

Financial Results Briefing Material for Nine Months ended September 30, 2024

Securities code : 6612

Note : This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

- 1 . FY2024 3Q Results
- 2 . Future Growth Strategies

1 . FY2024 3Q Results

2 . Future Growth Strategies

FY2024 3Q Summary (Jan. – Sep.)

Compared to the same period last year, both revenue and all stages of profit have improved.

	FY2023 3 Q Jan. – Sep.	FY2024 3 Q Jan. – Sep.	YoY change											
				(Million yen)										
Net sales	7,955 Million yen	8,706 Million yen	+750 Million yen	【Breakdown】 <table><tr><td>YoY change</td><td>+750</td></tr><tr><td>Kitchen appliance</td><td>+1,183</td></tr><tr><td>Air conditioning</td><td>(3)</td></tr><tr><td>Mobile terminals</td><td>(2)</td></tr><tr><td>Other</td><td>(426)</td></tr></table>	YoY change	+750	Kitchen appliance	+1,183	Air conditioning	(3)	Mobile terminals	(2)	Other	(426)
YoY change	+750													
Kitchen appliance	+1,183													
Air conditioning	(3)													
Mobile terminals	(2)													
Other	(426)													
Operating Profit (loss)	(1,143) Million yen	(238) Million yen	+905 Million yen	【Breakdown】 <table><tr><td>YoY change</td><td>+905</td></tr><tr><td>Gross Profit</td><td>+304</td></tr><tr><td>SG&A expenses</td><td>(600)</td></tr></table>	YoY change	+905	Gross Profit	+304	SG&A expenses	(600)				
YoY change	+905													
Gross Profit	+304													
SG&A expenses	(600)													
Ordinary profit (loss)	(1,029) Million yen	(229) Million yen	+800 Million yen											
Profit (loss) attributable to owners of parent	(1,820) [※] Million yen	(231) Million yen	+1,589 Million yen											
Gross profit margin ratio	30.0 %	30.9 %	+0.9 Pt.											
Exchange rate	138 Yen/USD	151 Yen/USD	+13 Yen/USD											
Equity-to-asset ratio	60.6 %	72.2 %	+11.6 Pt.											

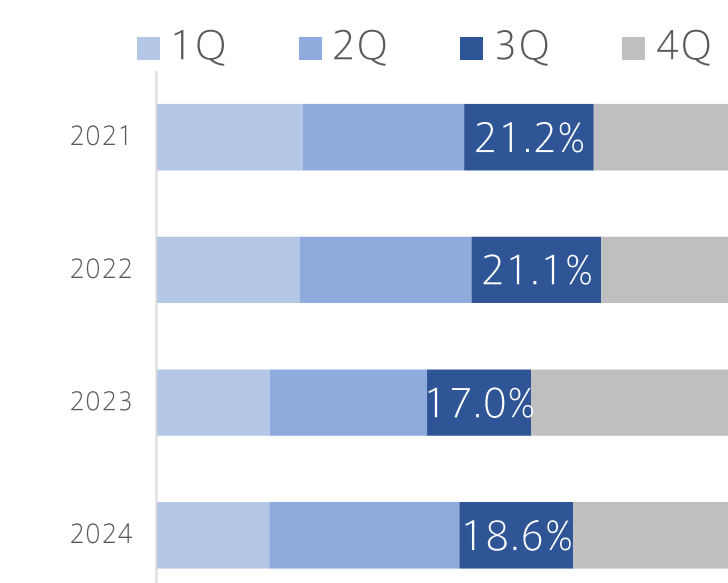
※Accounted extraordinary loss due to termination of mobile terminal business and deferred income taxes.

FY2024 3Q Summary (Jul. – Sep.)

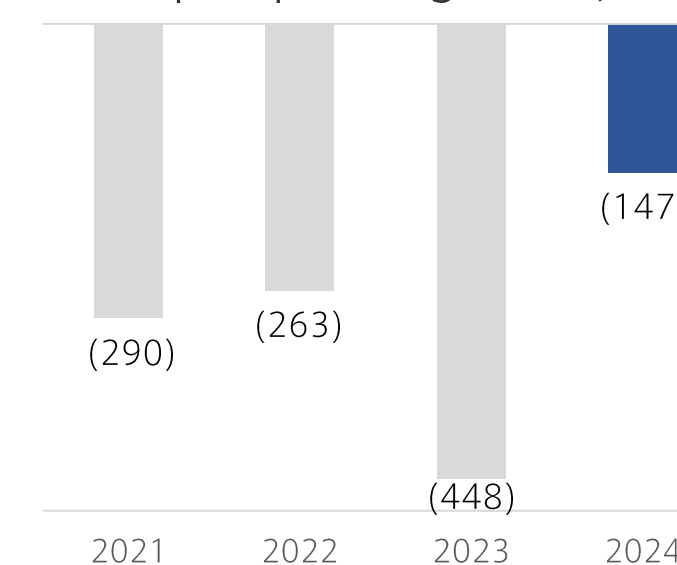
The period from Jul. to Sep. is seasonally a time when sales are low and profits are hard to come by, but steady progress is being made in improving profitability.

	FY2023 3 Q Jul. – Sep.	FY2024 3 Q Jul. – Sep.	YoY change
Net sales	2,210 Million yen	2,376 Million yen	+166 Million yen
Operating Profit (loss)	(448) Million yen	(147) Million yen	+300 Million yen
Ordinary profit (loss)	(431) Million yen	(262) Million yen	+169 Million yen
Profit (loss) attributable to owners of parent	(435) Million yen	(263) Million yen	+171 Million yen
Gross profit margin ratio	30.1 %	32.2 %	+2.1 Pt.
Exchange rate	145 Yen/USD	150 Yen/USD	+5 Yen/USD

【Sales Composition Ratio】※



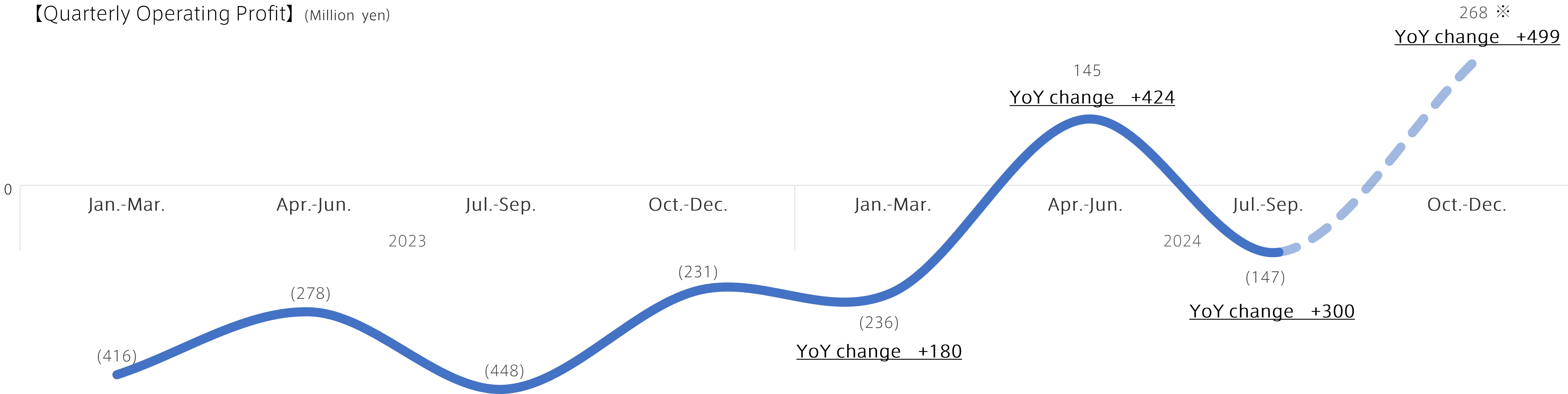
【Jul. – Sep. Operating Profit(Loss)】
(Million yen)



FY2024 Quarterly Operating Profit

The profit level for 3Q landed in line with the revised forecast made in August.

【Quarterly Operating Profit】 (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, MoonKettle, Table Stove

Additional price increase (7 products, From Aug.)

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

※The amount obtained by subtracting the cumulative results up to 3Q from the full-year forecast.

Status of progress in management strategy

(Reposting from the financial results briefing materials for FY2023 3Q)

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Management Strategy for 2023 to 2024

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



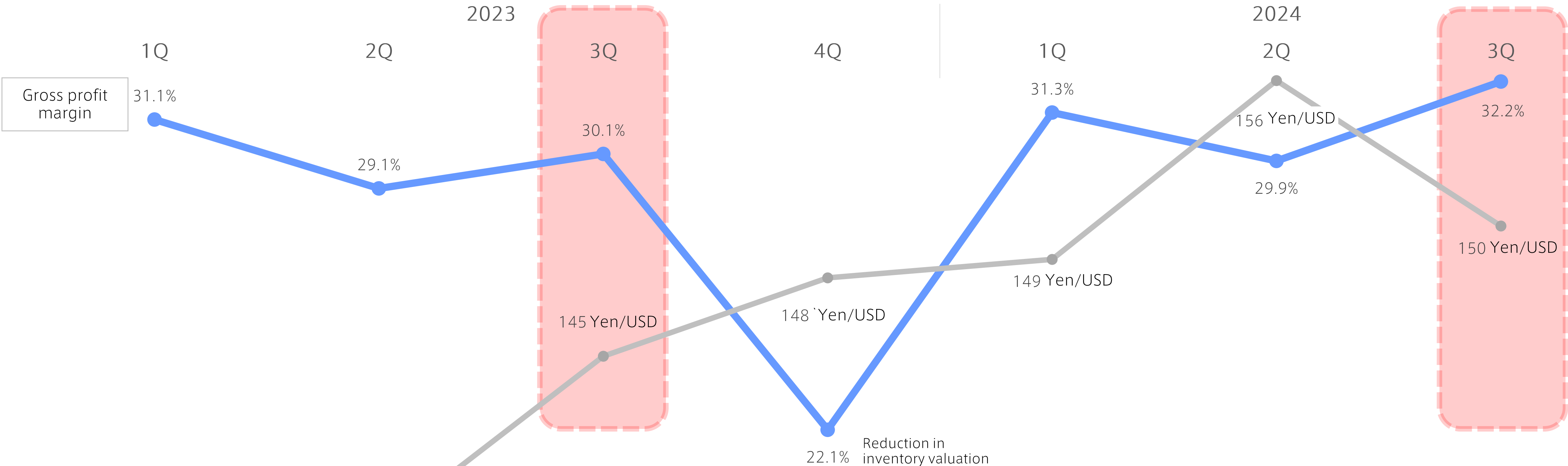
- Striving for the fastest return to profitability
- Aiming to recover quickly onto the growth trend



The effects of various measures are being realized, and steady progress is being made towards achieving profitability for the full year.

Status of gross profit margin

Despite the continued depreciation of the yen compared to the previous year, the gross profit margin has steadily improved. An additional price revision was implemented in August.



BALMUDA The Range
Renewal (Jun.)



BALMUDA The Light
Change of outsourcing partner (Jun.)



BALMUDA The Toaster
Renewal (Oct.)



BALMUDA The Toaster Pro
Renewal (Nov.)



BALMUDA The Plate Pro
New product (Oct.)



GreenFan Cirq
GreenFan C2
Price revision (Feb.)



BALMUDA The Pot
Price revision (Mar.)



ReBaker
New product (Feb.)



GreenFan Studio
New product (Apr.)

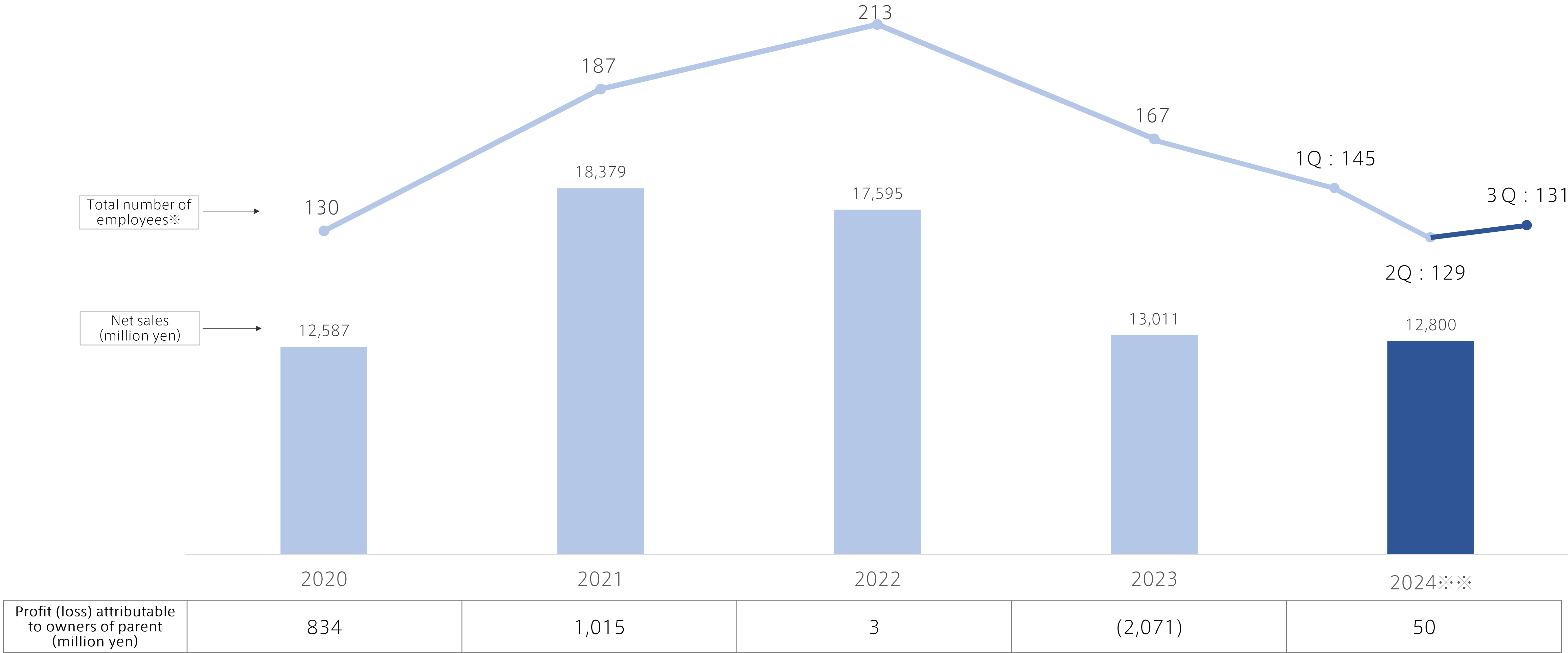
Price revision (Aug) ※

BALMUDA The Toaster
BALMUDA The Toaster Pro
ReBaker
BALMUDA The Range
BALMUDA The Plate Pro
BALMUDA The Brew
BALMUDA The Speaker

※An average price increase of approx. 9%.

Status of streamlining of the organization and personnel structures

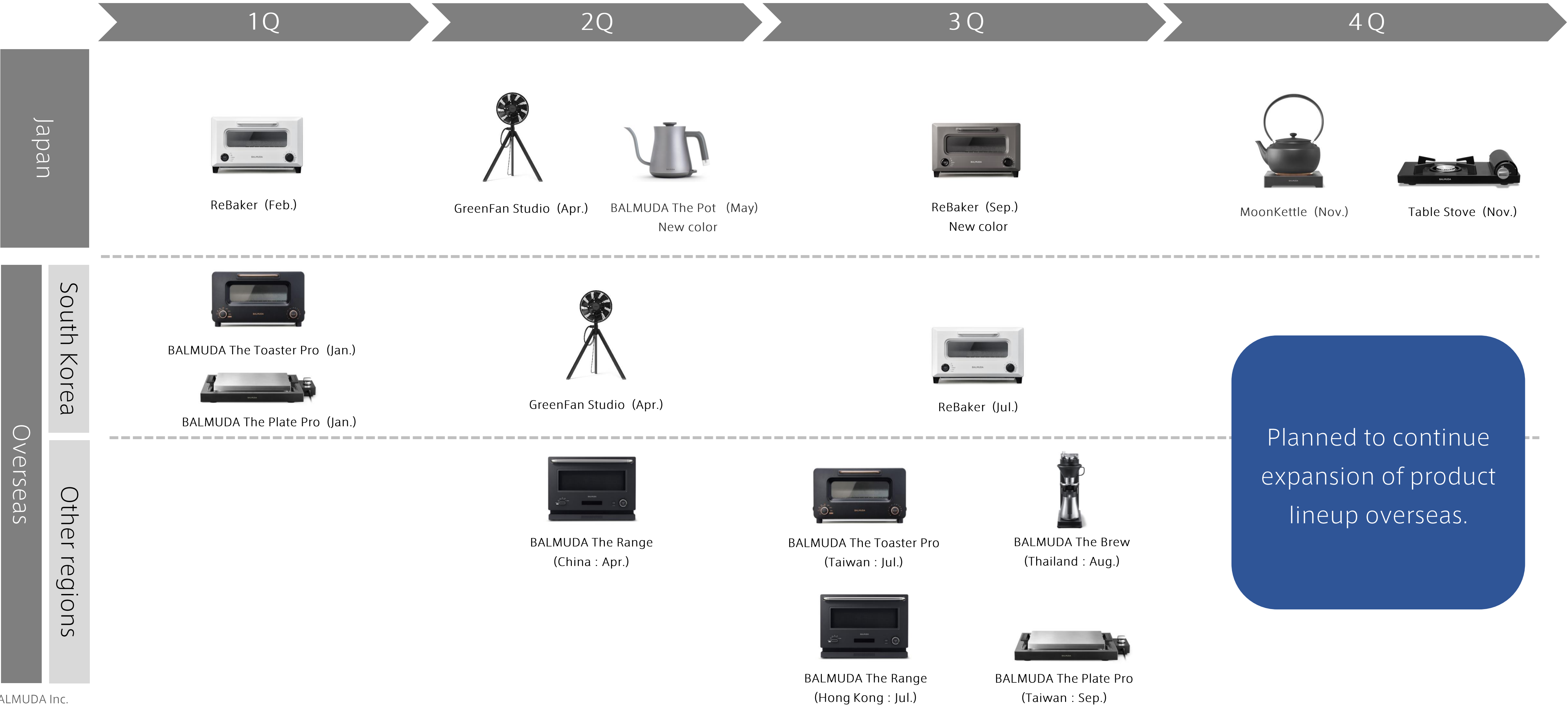
Optimization of the organizational and personnel structure corresponding to the sales scale is complete. Resuming recruitment to return to a growth trend.



※ Total number of employees including temporary staff and part-time workers
※※ Net sales and Profit attributable to owners of parent are forecasts revised on Aug. 8, 2024.

Status of expanding product lineup

Expanding the product lineup domestically and internationally at an unprecedented pace.



Planned to continue expansion of product lineup overseas.

Status of Balance sheet

Further progress in optimizing inventory levels has improved financial soundness.

【Balance sheet】

(Million yen)

	Dec. 2020	Dec. 2021	Dec. 2022	Dec. 2023	Jun. 2024	Sep. 2024	
Cash and deposits	4,452	1,000	1,246	1,167	1,358	1,502	
Accounts receivable - trade	2,278	5,321	2,660	2,423	1,601	1,025	
Merchandise and finished goods	1,271	2,541	3,708	2,629	2,092	1,629	A reduction of over 2 billion yen from the peak level.
Other current assets	299	560	698	672	714	688	
Non-current assets	811	1,457	1,594	909	799	752	
Total assets	9,113	10,881	9,907	7,803	6,566	5,599	
Accounts payable - trade	1,476	1,763	1,121	1,123	831	308	
Other current liabilities	1,730	1,401	1,058	971	737	695	
Borrowings –total of short & long term	1,147	1,424	1,415	1,442	680	554	
Total liabilities	4,353	4,589	3,595	3,537	2,248	1,557	
Total net assets	4,760	6,292	6,312	4,265	4,317	4,041	
Total liabilities and net assets	9,113	10,881	9,907	7,803	6,566	5,599	
Net Cash (Cash and deposits minus Borrowings)	3,305	(423)	(169)	(275)	678	948	The improvement in cash flow has resulted in positive net cash.

1. FY2024 3Q Results

2. Future Growth Strategies

Future Growth Strategies

(Reposting from the financial results briefing materials for FY2024 2Q)

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Recovery onto the growth trend

- Active introduction of new products
- Accelerating product rollout in the U.S. and strengthening brand recognition.
- Continuing research and development towards the commercialization of small-scale wind power generators.

Active introduction of new products

- Launched domestically in November 2024.
- Scheduled to launch in the United States in the spring of 2025.



MoonKettle

An iconic and beautiful electric kettle with temperature control



Active introduction of new products

- Launched in November 2024 as the fourth new product of this fiscal year.



Table Stove

A portable gas stove that enhances both the table and the dishes



Product development with a focus on global expansion

- In 2024, launched a record four new products domestically.
- Strengthening product development with a focus on global market expansion as a new strategy.



BALMUDA The Toaster



BALMUDA The Toaster Pro



BALMUDA The Range



BALMUDA The Plate Pro



BALMUDA The Pot



BALMUDA The Brew



BALMUDA The Gohan



Rain



The GreenFan



BALMUDA The Pure



GreenFan Cirq



GreenFan C2



BALMUDA The Speaker



BALMUDA The Lantern



BALMUDA The Light



BALMUDA The Cleaner Lite

2024



ReBaker



GreenFan Studio

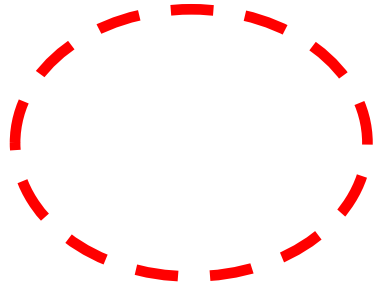


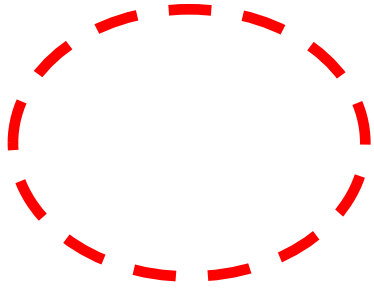
MoonKettle

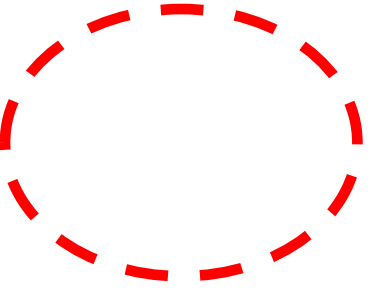


Table Stove

2025

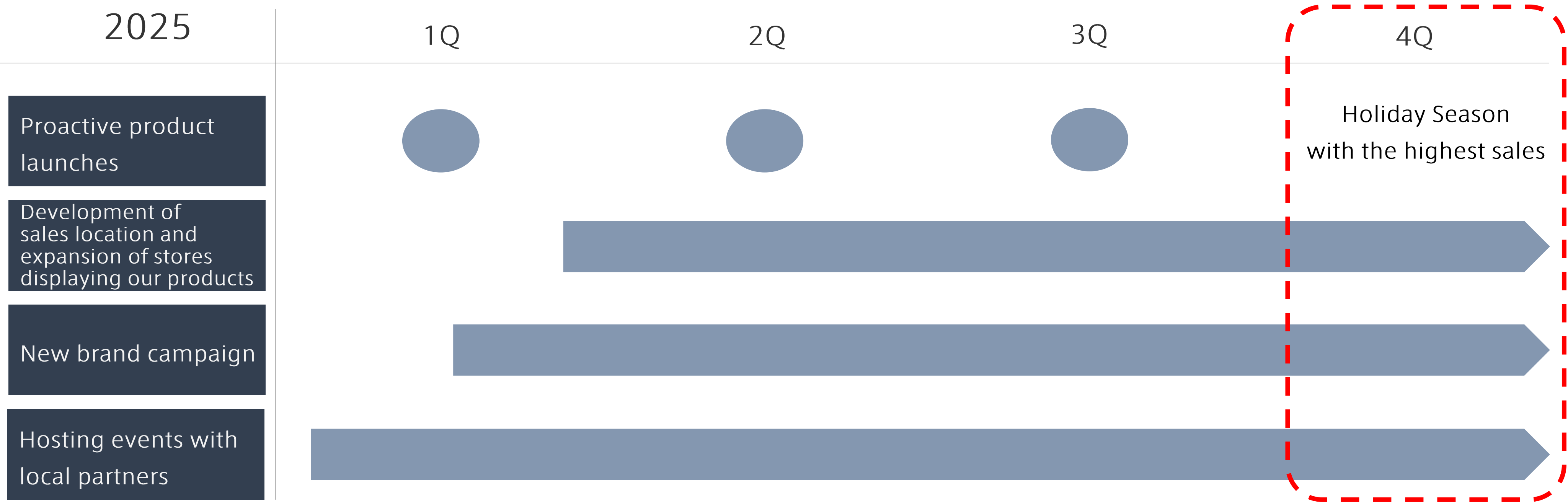






Branding and maximizing sales in the United States

- Launching a new brand campaign in conjunction with product launches and the establishment of sales location.



(Events in 2024)



New York



New York



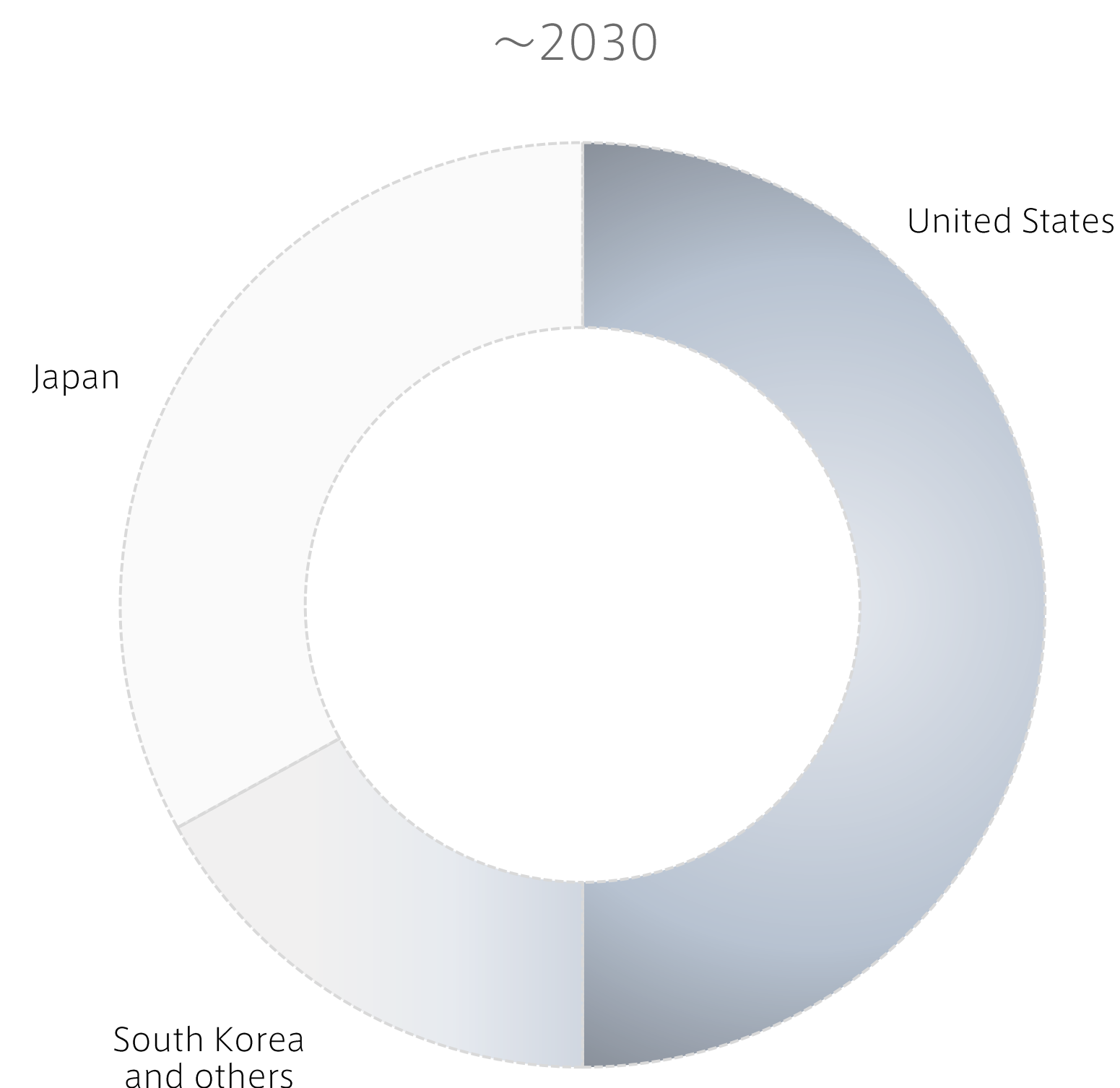
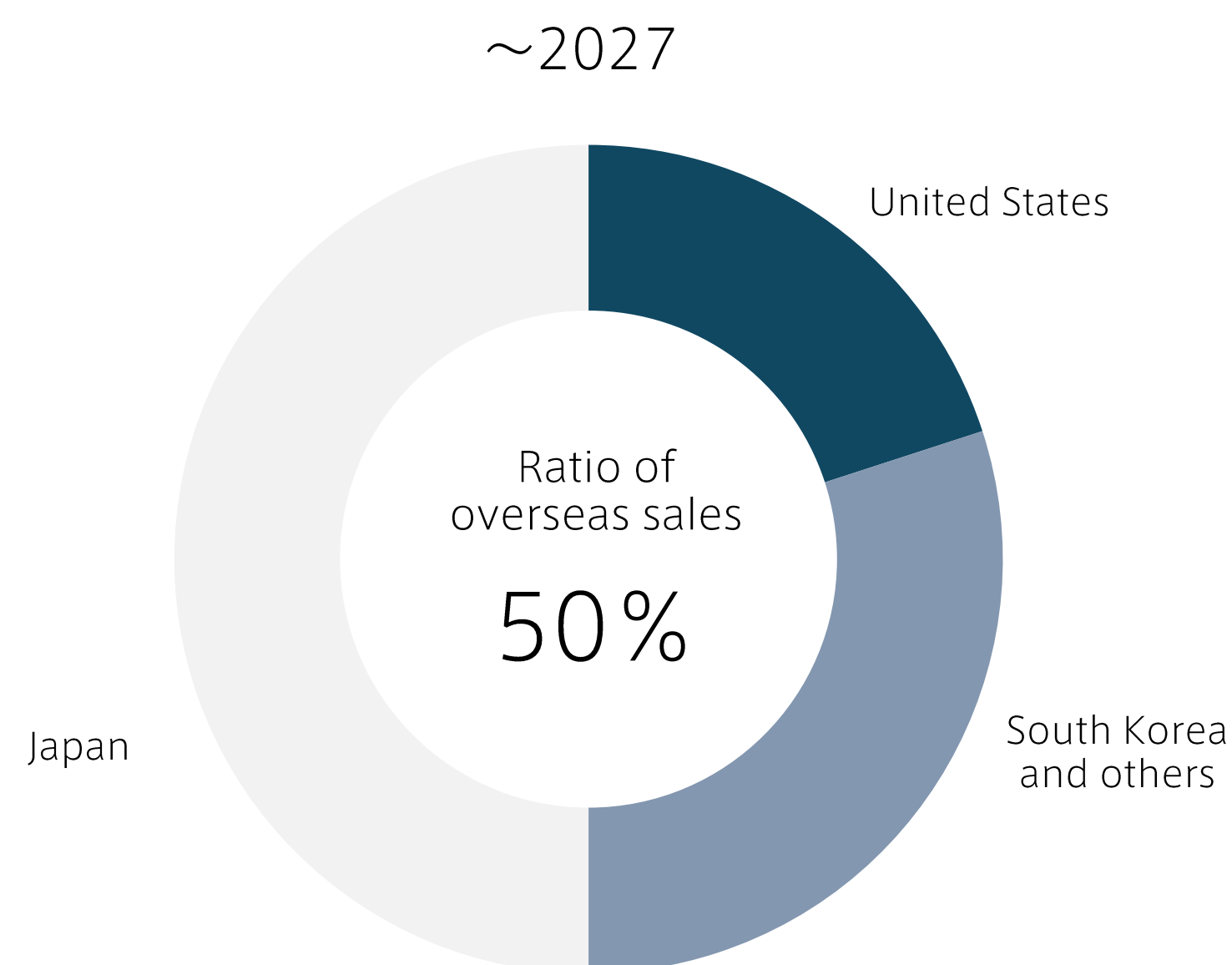
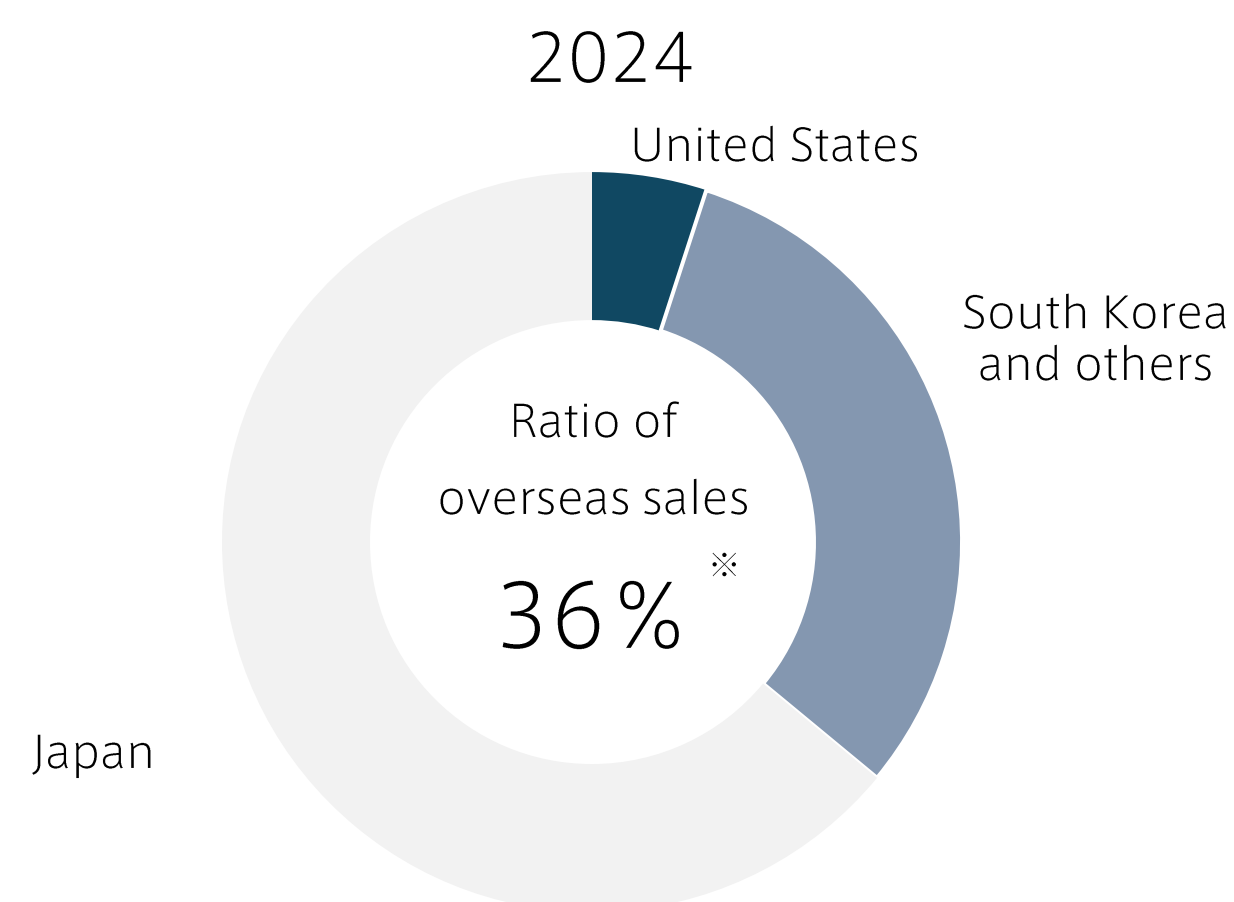
Los Angeles



San Francisco

Branding and maximizing sales in the United States

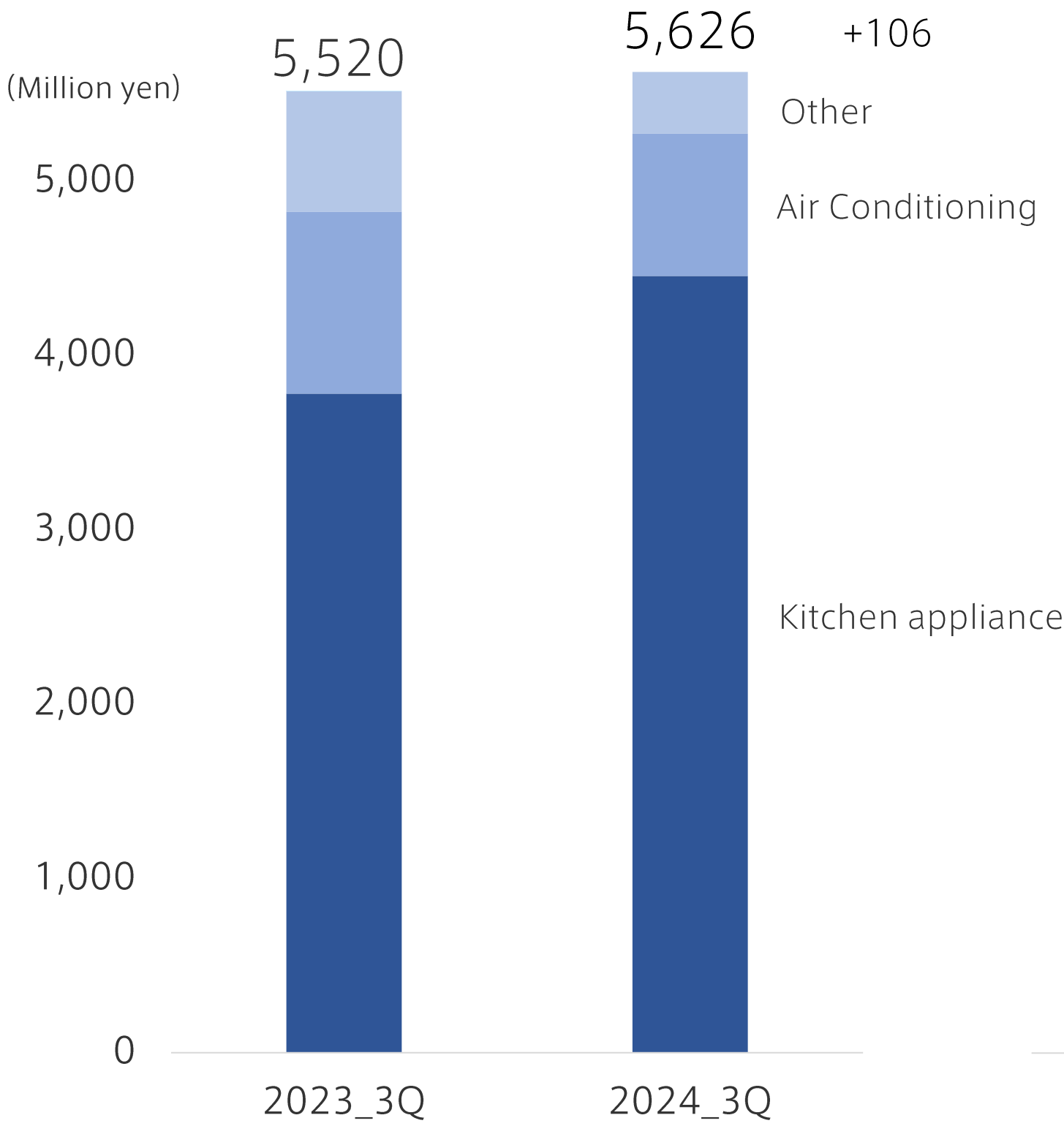
- Proactive product launches
- Development of sales location and expansion of stores displaying our products
- New brand campaign
- Proactive event hosting with influential local partners



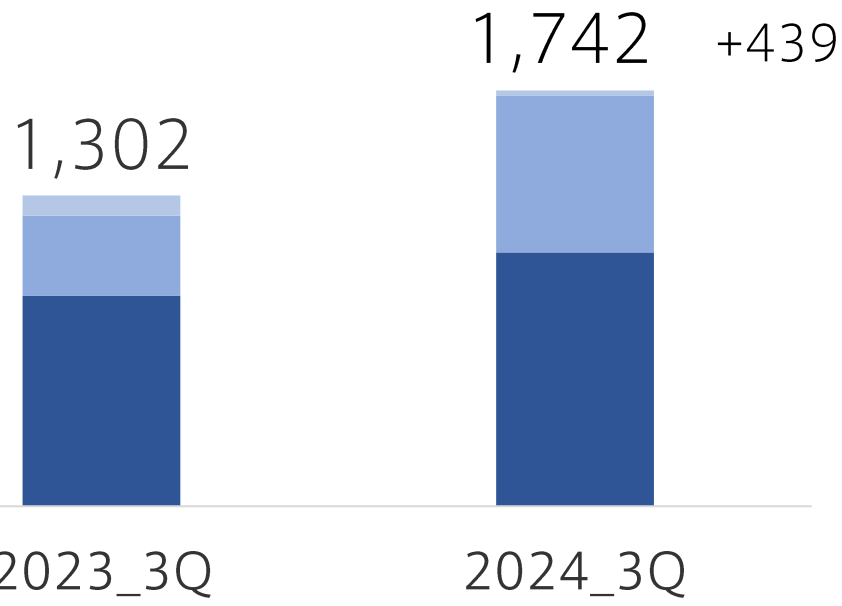
APPENDIX

Net sales by region, FY2024 3Q (Jan. – Sep.)

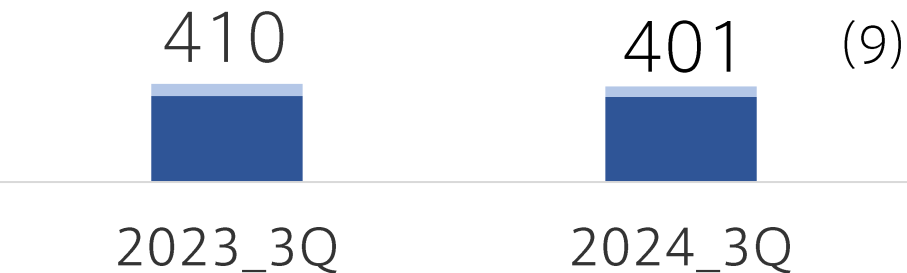
Japan



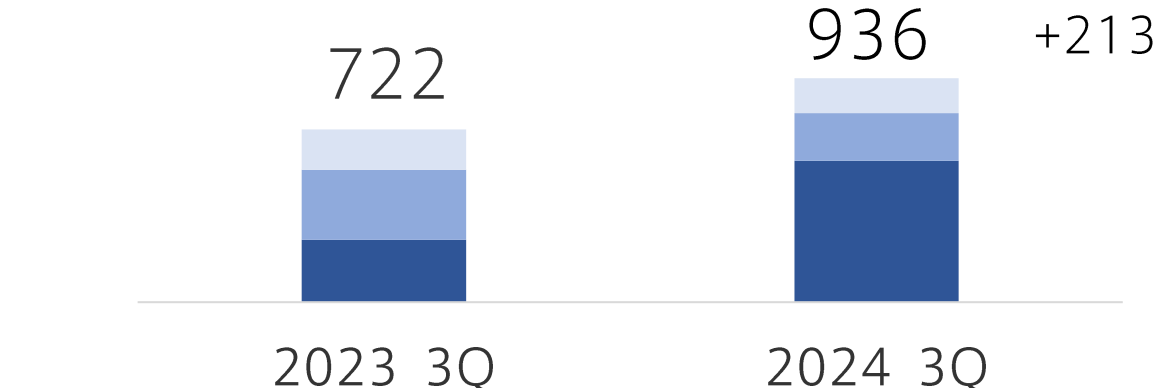
South Korea



North America



Other



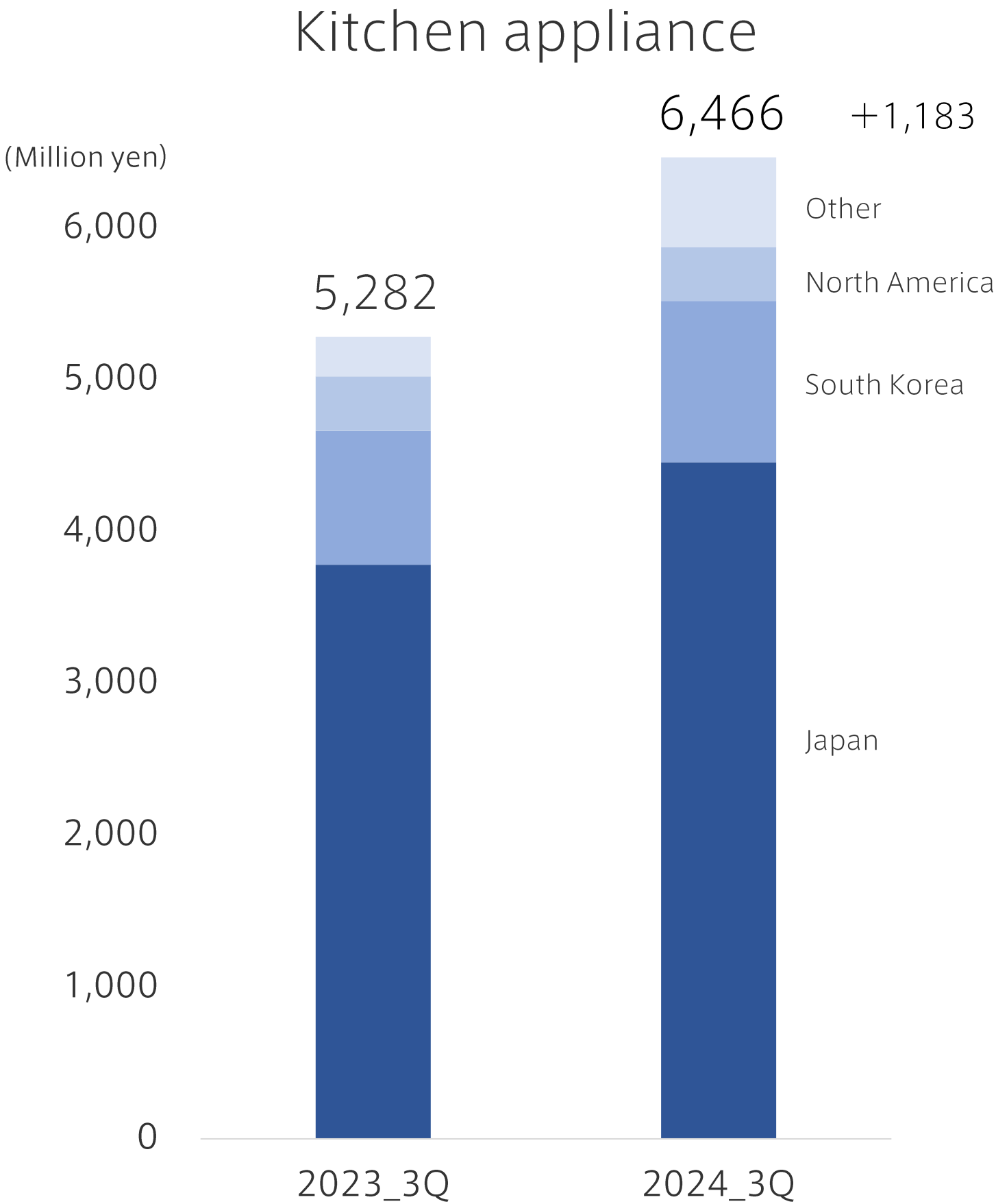
Japan	2023_3Q	2024_3Q	YoY change
Kitchen appliance	3,780	4,455	+675
Air conditioning	1,044	816	(228)
Other	692	354	(338)
Mobile terminals	2	—	(2)
Total	5,520	5,626	+106

South Korea	2023_3Q	2024_3Q	YoY change
Kitchen appliance	882	1,063	+181
Air conditioning	335	654	+319
Other	84	24	(60)
Mobile terminals	—	—	—
Total	1,302	1,742	+439

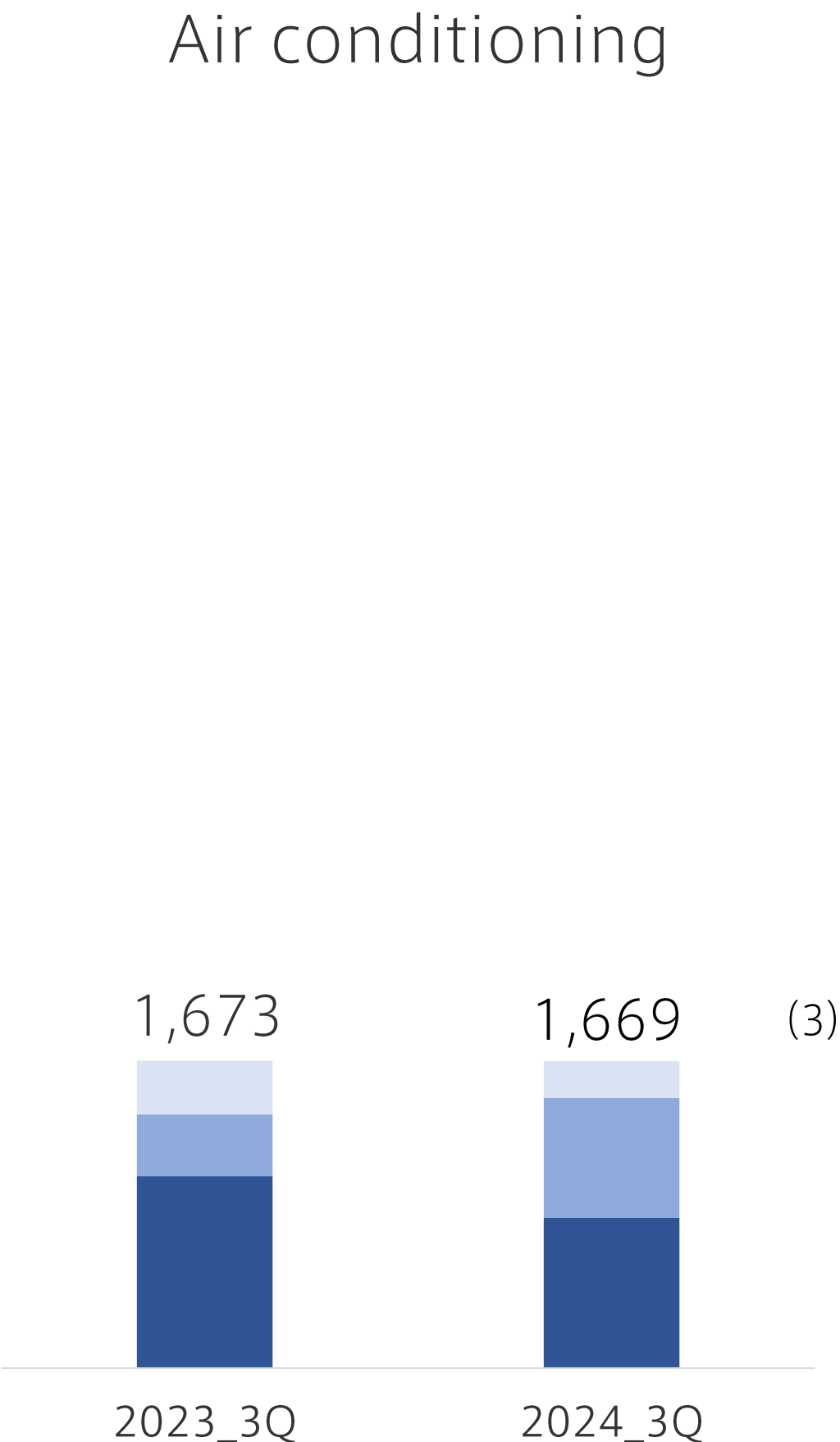
North America	2023_3Q	2024_3Q	YoY change
Kitchen appliance	359	355	(3)
Air conditioning	—	—	—
Other	51	45	(5)
Mobile terminals	—	—	—
Total	410	401	(9)

Other	2023_3Q	2024_3Q	YoY change
Kitchen appliance	260	590	+330
Air conditioning	293	199	(93)
Other	168	145	(22)
Mobile terminals	—	—	—
Total	722	936	+213

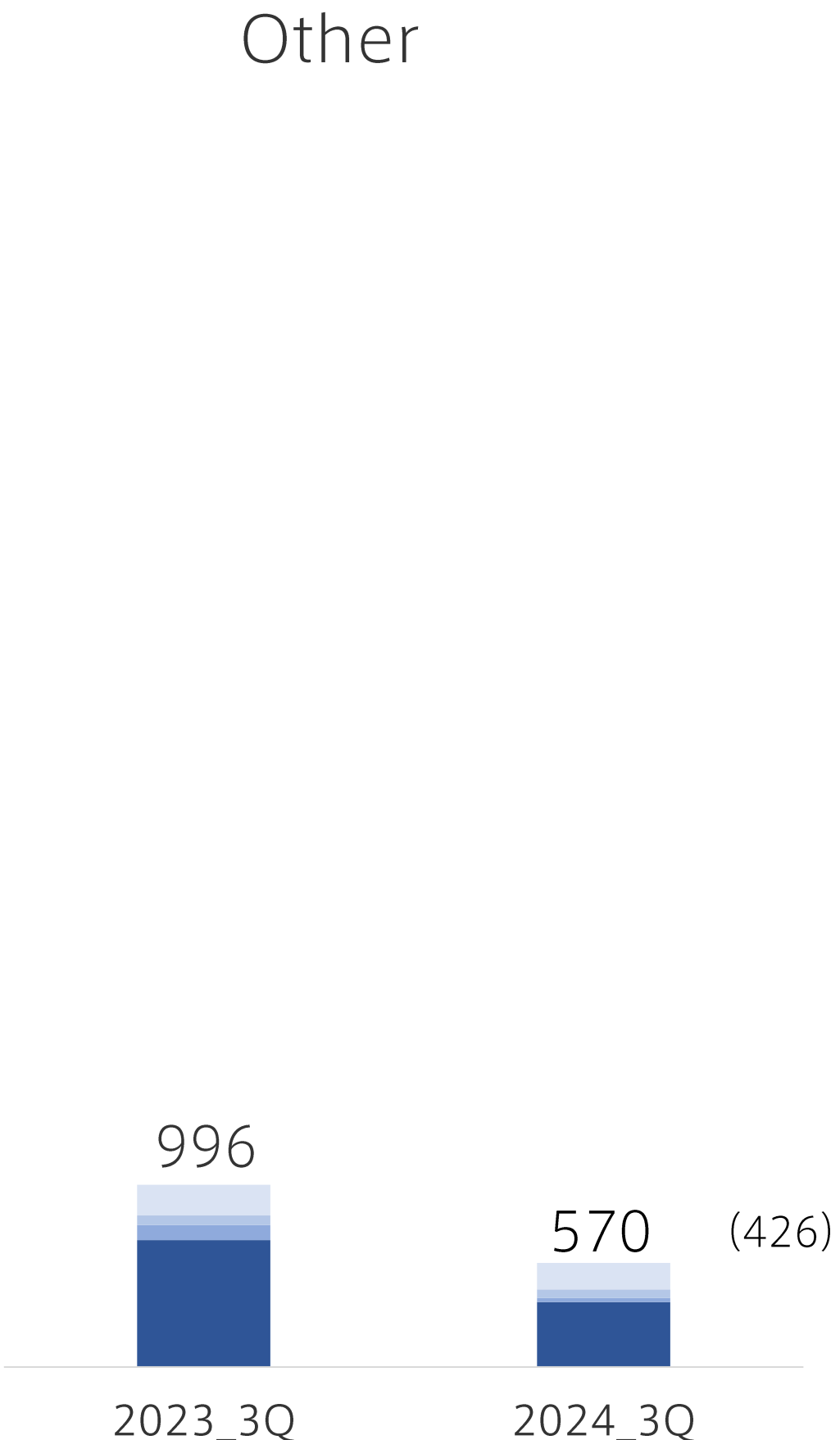
Net sales by product category, FY2024 3Q (Jan. – Sep.)



Kitchen Appliance	2023_3Q	2024_3Q	YoY Change
Japan	3,780	4,455	+675
South Korea	882	1,063	+181
North America	359	355	(3)
Other	260	590	+330
Total	5,282	6,466	+1,183



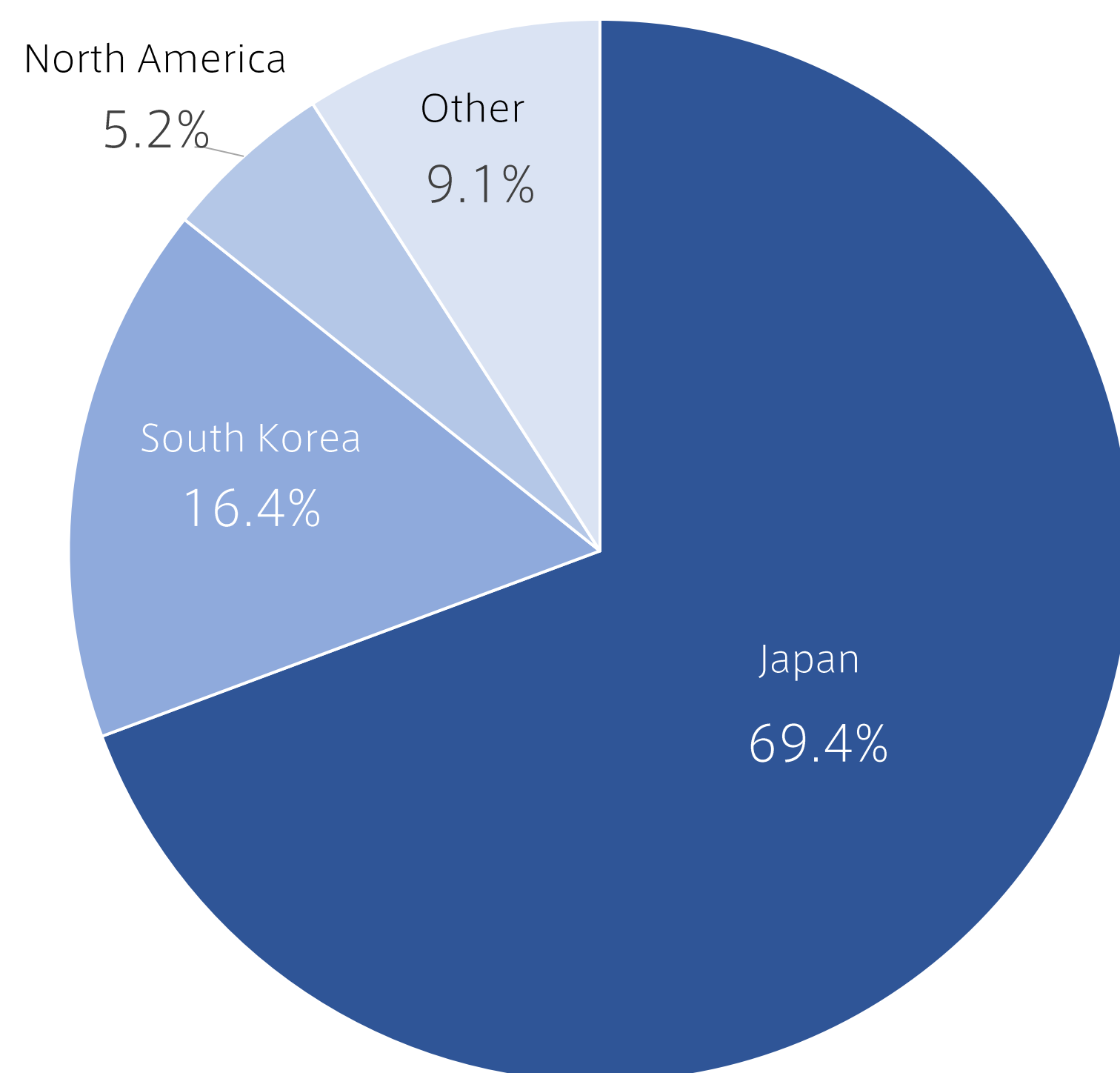
Air conditioning	2023_3Q	2024_3Q	YoY Change
Japan	1,044	816	(228)
South Korea	335	654	+319
North America	—	—	—
Other	293	199	(93)
Total	1,673	1,669	(3)



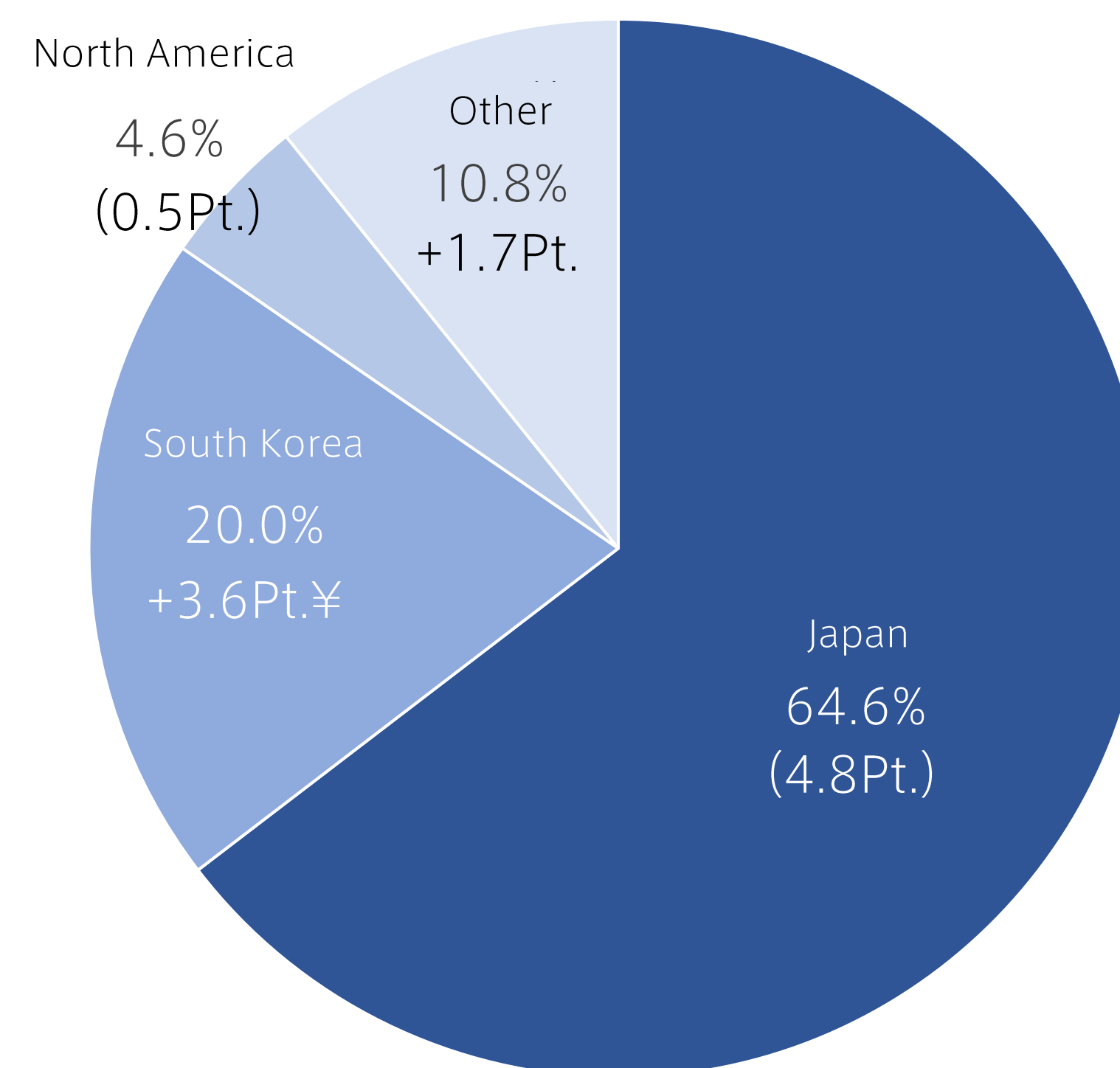
Other	2023_3Q	2024_3Q	YoY Change
Japan	692	354	(338)
South Korea	84	24	(60)
North America	51	45	(5)
Other	168	145	(22)
Total	996	570	(426)

Composition percentage of net sales by region

2023 3Q (Jan. – Sep.)

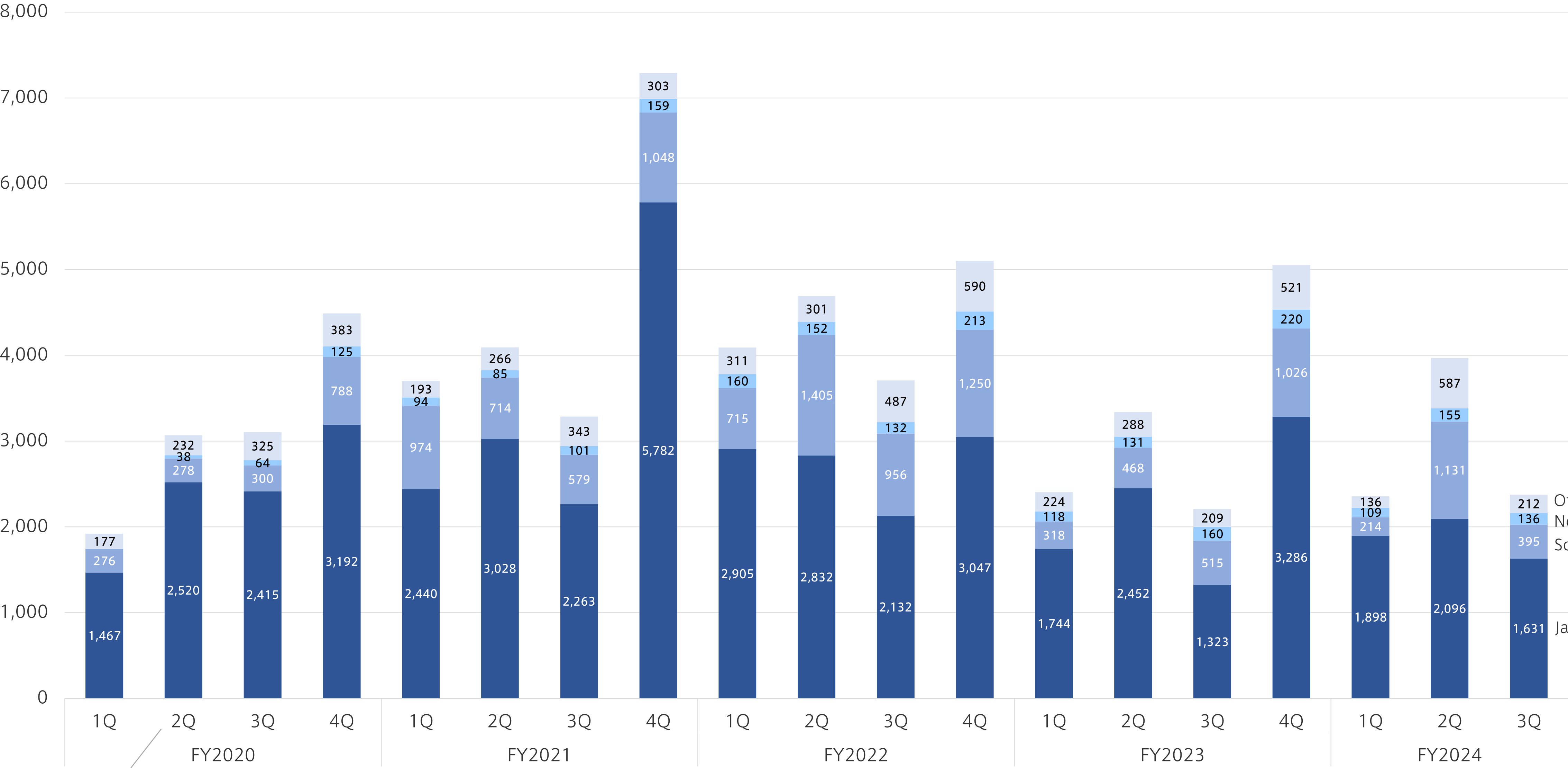


2024 3Q (Jan. – Sep.)



Quarterly net sales by region

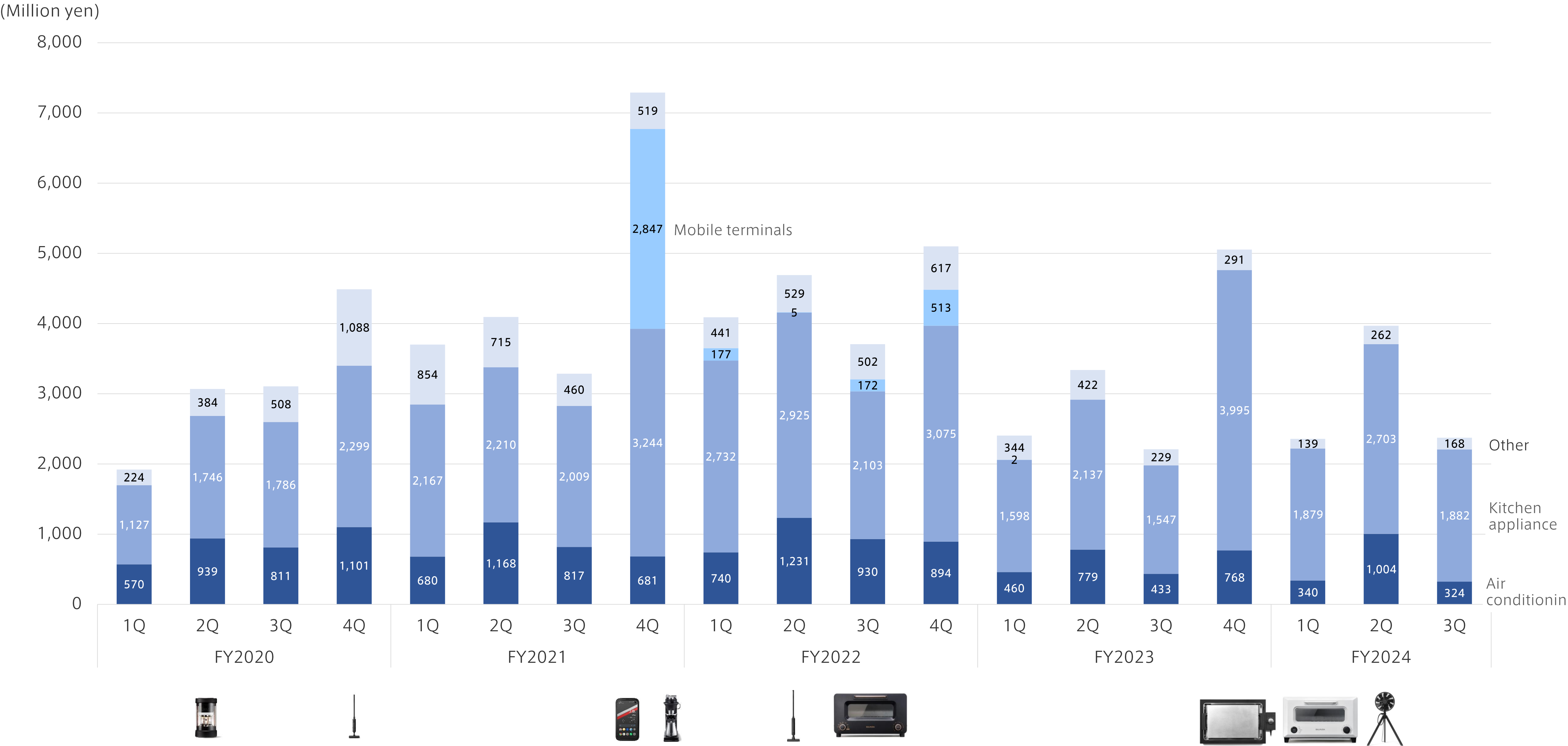
(Million yen)



Launched business in North America

Other
North America
South Korea
Japan

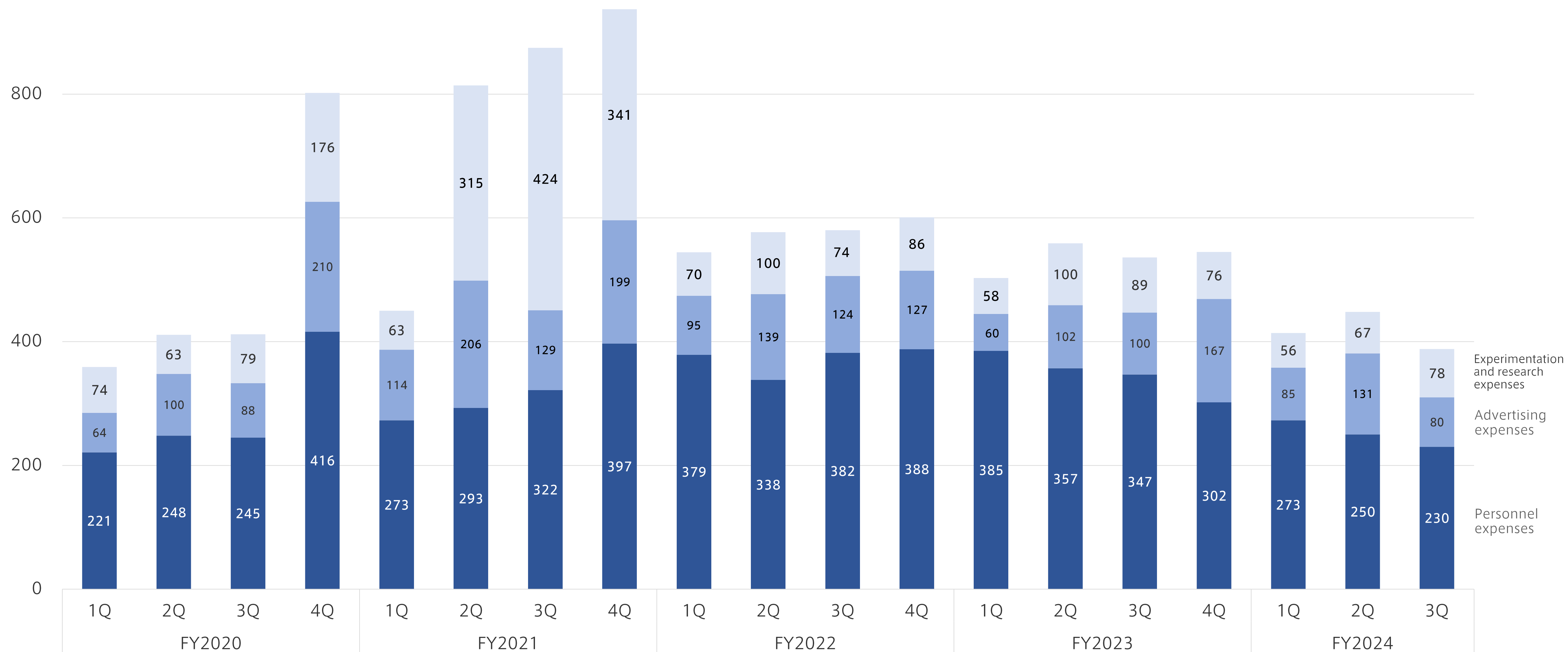
Quarterly net sales by product category



Major SG&A expenses

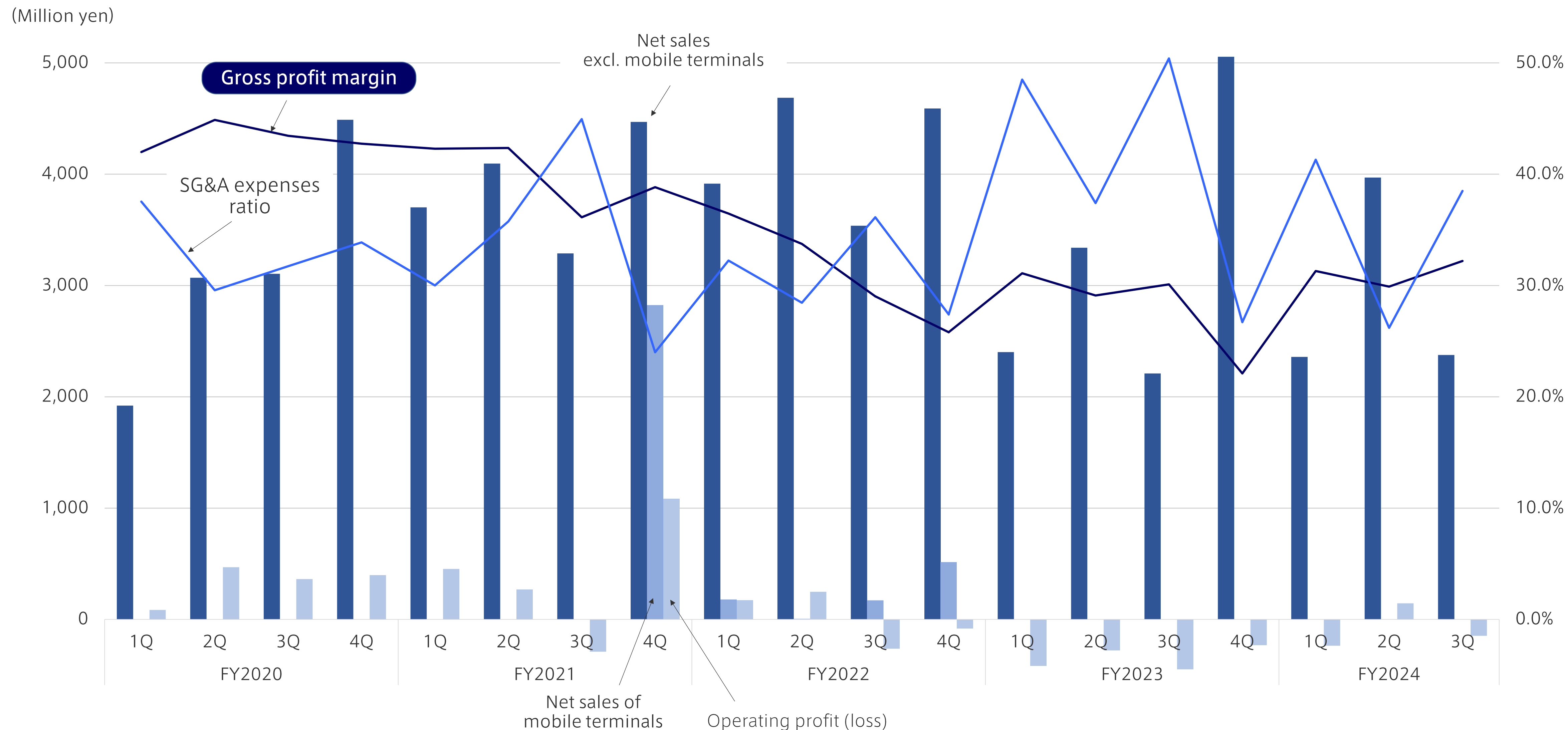
(Million yen)

1,000

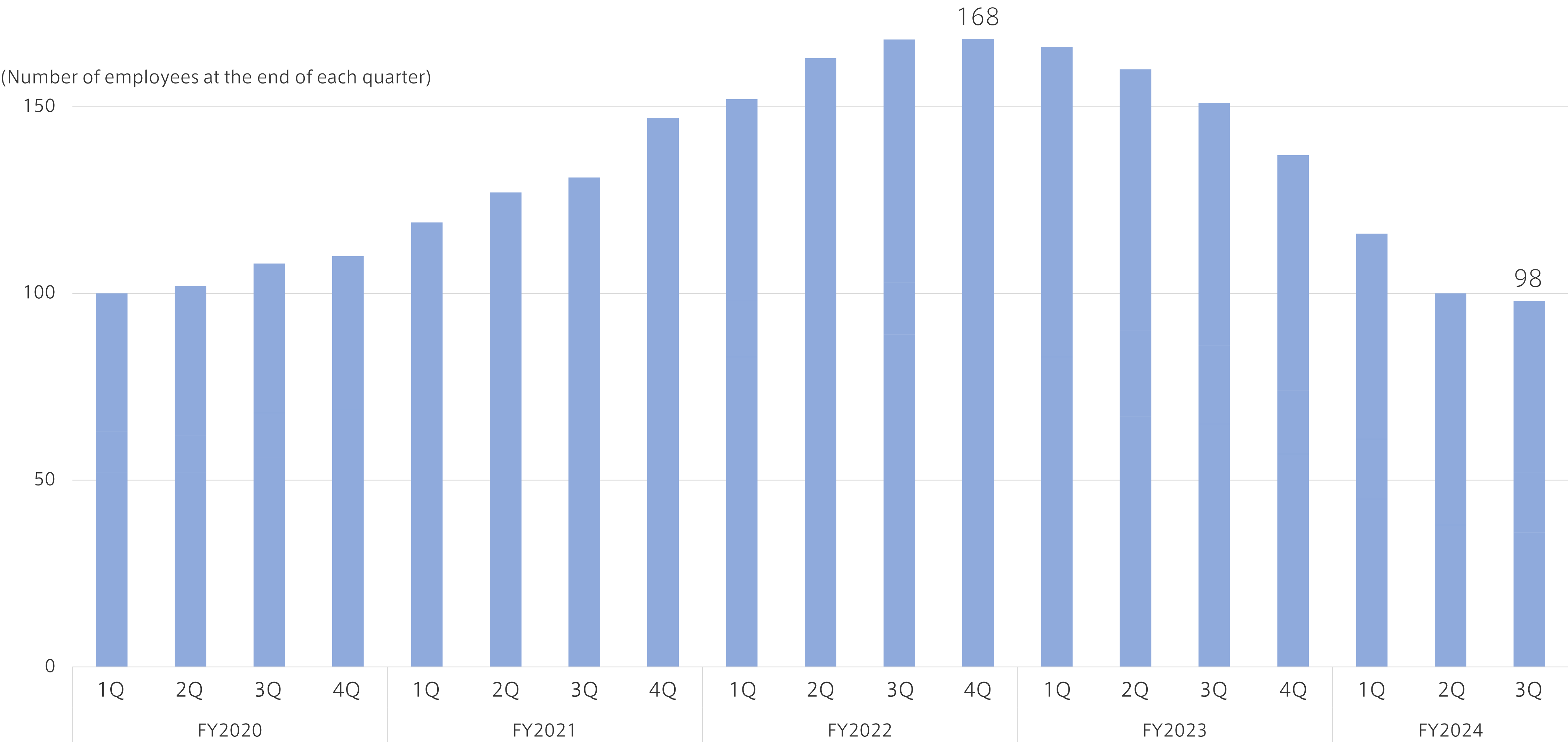


※In FY2021, appx. 840 million yen of experimentation and research expenses were for mobile terminals.
Appx. 280 million yen out of such 840 million yen were accounted in 4Q/FY2021.

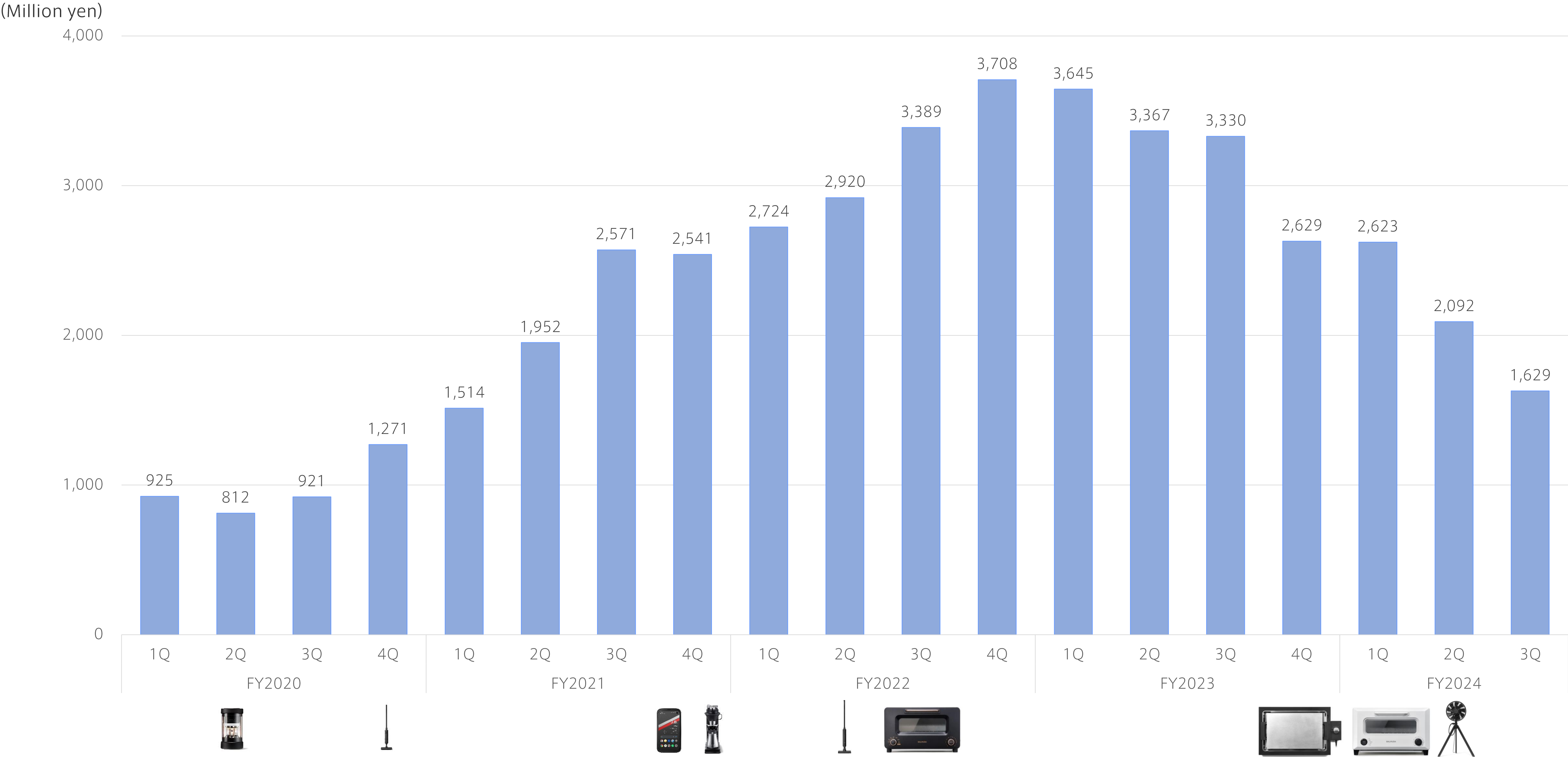
Net sales, Operating profit, GP margin and SG&A expenses ratio (quarterly changes)



Number of employees



Inventory



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	2Q	3Q
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	3,970	2,376
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%	1,185 29.9%	766 32.2%
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%	1,040 26.2%	913 38.5%
Personnel expenses	221	248	245	416	273	293	322	397	379	338	382	388	385	357	347	302	273	250	230
Advertising expenses	64	100	88	210	114	206	129	199	95	139	124	127	60	102	100	167	85	131	80
Experimentation and research expenses	74	63	79	176	63	315	424	341	70	100	74	86	58	100	89	76	56	67	78
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) (10.0%)	145 3.7%	(147) (6.2%)
Ordinary profit	75	455	360	360	462	245	(300)	1,054	144	224	(294)	(60)	(354)	(243)	(431)	(208)	(160)	193	(262)
Profit attributable to owners of parent	55	307	240	230	301	146	(179)	747	96	137	(190)	(40)	(1,144)	(241)	(435)	(251)	(160)	192	(263)

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	2Q	3Q
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	3,970	2,376
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%	2,096 52.8%	1,631 68.6%
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%	1,874 47.2%	744 31.4%
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%	1,131 28.5%	395 16.7%
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%	155 3.9%	136 5.8%
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%	587 14.8%	212 8.9%
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%	1,004 25.3%	324 13.7%
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%	2,703 68.1%	1,882 79.2%
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%	262 6.6%	168 7.1%

Consolidated Balance Sheet

(Million yen)

	At the end of FY2023	At the end of FY2024 3Q	Notes
Current assets			
Cash and deposits	1,167	1,502	
Accounts receivable - trade	2,423	1,025	
Merchandise and finished goods	2,629	1,629	Progress in inventory optimization corresponding to sales scale
Other	672	688	
Non-current assets			
Property, plant and equipment	632	525	
Intangible assets	203	161	
Other	73	65	
Total assets	7,803	5,599	
Current liabilities			
Accounts payable - trade	1,123	308	
Short-term borrowings	600	100	
Current portion of long-term borrowings	514	362	
Provision for product warranties	292	232	
Other	679	462	
Non-current liabilities			
Long-term borrowings	328	91	
Total liabilities	3,537	1,557	
Total net assets	4,265	4,041	
Total liabilities and net assets	7,803	5,599	

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

✕As of the end of September 2024.

Disclaimers

- This document contains forecasts, future plans, management objectives, and other information related to the Company. These forward-looking statements are based on current assumptions regarding future events and trends, and there is no guarantee that these assumptions are necessarily accurate. Actual results may differ significantly from those described in this document due to a wide range of factors.
- Unless otherwise stated, the financial data in this document are presented in accordance with accounting principles generally accepted in Japan.
- This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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