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February 13, 2025

Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (Under Japanese GAAP)

Company name: BALMUDA Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 6612
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 Scheduled date of annual general meeting of shareholders: March 27, 2025
 Scheduled date to commence dividend payments: -
 Scheduled date to file annual securities report: March 28, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of 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 fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	12,462	(4.2)	12	—	94	—	67	—
December 31, 2023	13,011	(26.1)	(1,375)	—	(1,237)	—	(2,071)	—

Note: Comprehensive income For the fiscal year ended December 31, 2024: ¥77 million [—%]
 For the fiscal year ended December 31, 2023: (¥2,063) million [—%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2024	7.92	7.91	1.6	1.4	0.1
December 31, 2023	(245.68)	—	(39.2)	(14.0)	(10.6)

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended December 31, 2024: ¥ — million
 For the fiscal year ended December 31, 2023: ¥ — million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	6,182	4,349	70.4	513.93
December 31, 2023	7,803	4,265	54.7	505.37

Reference: Equity
 As of December 31, 2024: ¥4,349 million
 As of December 31, 2023: ¥4,265 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	1,348	(205)	(1,008)	1,345
December 31, 2023	246	(371)	44	1,167

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended December 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending December 31, 2025 (Forecast)	--	0.00	-	0.00	0.00		-	

3. Forecast of Consolidated Earnings for the Fiscal Year ending December 31, 2025 (From January 1, 2025 to December 31, 2025)

(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	12,500	0.3	20	59.0	10	(89.5)	10	(85.1)	1.18

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) 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

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	8,466,400 shares
As of December 31, 2023	8,443,900 shares

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

As of December 31, 2024	3,277 shares
As of December 31, 2023	3,167 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2024	8,460,674 shares
Fiscal year ended December 31, 2023	8,432,677 shares

[Reference] Overview of non-consolidated financial results**1. Non-consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	12,433	(4.3)	16	—	91	—	64	—
December 31, 2023	12,996	(26.1)	(1,384)	—	(1,233)	—	(2,067)	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2024	7.58	7.56
December 31, 2023	(245.12)	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	6,153	4,311	70.1	509.44
December 31, 2023	7,803	4,241	54.4	502.46

Reference: Equity

As of December 31, 2024: ¥4,311 million

As of December 31, 2023: ¥4,241 million

* Financial results reports are exempt from audit 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	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	year-on-year changes	year-on-year changes(%)
Japan	8,806	8,025	(780)	(8.9)
South Korea	2,329	2,315	(13)	(0.6)
North America	631	603	(28)	(4.5)
Other	1,244	1,517	273	22.0
Total	13,011	12,462	(549)	(4.2)

(Millions of yen)

Net Sales by Product Category	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	year-on-year changes	year-on-year changes(%)
Air conditioning	2,442	2,112	(329)	(13.5)
Kitchen appliance	9,278	9,527	248	2.7
Mobile terminals	2	—	(2)	(100.0)
Other	1,288	822	(465)	(36.2)
Total	13,011	12,462	(549)	(4.2)

Accompanying Materials

1. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	1,167	1,345
Accounts receivable - trade	2,423	2,367
Merchandise and finished goods	2,629	1,110
Raw materials and supplies	312	355
Other	359	352
Total current assets	6,893	5,532
Non-current assets		
Property, plant and equipment		
Buildings and structures	186	186
Accumulated depreciation	(41)	(53)
Buildings and structures, net	144	132
Machinery, equipment and vehicles	10	10
Accumulated depreciation	(3)	(4)
Machinery, equipment and vehicles, net	6	5
Tools, furniture and fixtures	2,250	2,377
Accumulated depreciation and impairment	(1,791)	(2,074)
Tools, furniture and fixtures, net	458	302
Construction in progress	22	23
Other	—	1
Accumulated depreciation	—	(0)
Other, net	—	0
Total property, plant and equipment	632	464
Intangible assets		
Software	203	143
Software in progress	—	3
Total intangible assets	203	147
Investments and other assets		
Deferred tax assets	30	3
Other	43	35
Total investments and other assets	73	38
Total non-current assets	909	649
Total assets	7,803	6,182

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,123	717
Short-term borrowings	600	100
Current portion of long-term borrowings	514	303
Income taxes payable	—	3
Provision for bonuses	61	50
Provision for product warranties	292	186
Provision for loss on business liquidation	16	6
Other	600	439
Total current liabilities	3,209	1,807
Non-current liabilities		
Long-term borrowings	328	25
Total non-current liabilities	328	25
Total liabilities	3,537	1,832
Net assets		
Shareholders' equity		
Share capital	1,423	90
Capital surplus	1,420	2,759
Retained earnings	1,409	1,476
Treasury shares	(0)	(0)
Total shareholders' equity	4,252	4,325
Accumulated other comprehensive income		
Foreign currency translation adjustment	13	24
Total accumulated other comprehensive income	13	24
Total net assets	4,265	4,349
Total liabilities and net assets	7,803	6,182

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

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	13,011	12,462
Cost of sales	9,508	8,576
Gross profit	3,503	3,885
Selling, general and administrative expenses	4,878	3,873
Operating profit (loss)	(1,375)	12
Non-operating income		
Interest income	1	1
Dividend income	0	0
Foreign exchange gains	126	60
Surrender value of insurance policies	31	—
Miscellaneous income	5	32
Total non-operating income	164	94
Non-operating expenses		
Interest expenses	16	12
Amortization of business commencement expenses	8	—
Miscellaneous losses	2	0
Total non-operating expenses	27	12
Ordinary profit (loss)	(1,237)	94
Extraordinary income		
Gain on sale of non-current assets	0	—
Reversal of provision for loss on business liquidation	—	2
Total extraordinary income	0	2
Extraordinary losses		
Loss on retirement of non-current assets	6	0
Impairment losses	59	—
Loss on liquidation of business	543	—
Total extraordinary losses	609	0
Profit (loss) before income taxes	(1,846)	97
Income taxes - current	3	3
Income taxes - deferred	221	27
Total income taxes	225	30
Profit (loss)	(2,071)	67
Profit (loss) attributable to owners of parent	(2,071)	67

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit (loss)	(2,071)	67
Other comprehensive income		
Foreign currency translation adjustment	8	10
Total other comprehensive income	8	10
Comprehensive income	(2,063)	77
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(2,063)	77

(3) Consolidated Statement of Changes in Equity

Fiscal year ended December 31, 2023 (from January 1, 2023, to December 31, 2023)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,414	1,411	3,480	(0)	6,307	5	5	6,312
Changes during period								
Issuance of new shares	8	8			16			16
Profit (loss) attributable to owners of parent			(2,071)		(2,071)			(2,071)
Purchase of treasury shares				—	—			—
Transfer from share capital to capital surplus					—			—
Net changes in items other than shareholders' equity						8	8	8
Total changes during period	8	8	(2,071)	—	(2,055)	8	8	(2,046)
Balance at end of period	1,423	1,420	1,409	(0)	4,252	13	13	4,265

Fiscal year ended December 31, 2024 (from January 1, 2024, to December 31, 2024)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,423	1,420	1,409	(0)	4,252	13	13	4,265
Changes during period								
Issuance of new shares	3	3			6			6
Profit attributable to owners of parent			67		67			67
Purchase of treasury shares				(0)	(0)			(0)
Transfer from share capital to capital surplus	(1,336)	1,336			—			—
Net changes in items other than shareholders' equity						10	10	10
Total changes during period	(1,332)	1,339	67	(0)	73	10	10	83
Balance at end of period	90	2,759	1,476	(0)	4,325	24	24	4,349

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(1,846)	97
Depreciation	489	399
Impairment losses	59	—
Loss on liquidation of business	543	—
Reversal of provision for loss on business liquidation	—	(2)
Share-based payment expenses	12	—
Amortization of business commencement expenses	8	—
Increase (decrease) in provision for product warranties	(75)	(106)
Increase (decrease) in provision for loss on business liquidation	16	(6)
Increase (decrease) in provision for bonuses	(28)	(11)
Interest and dividend income	(1)	(1)
Interest expenses	16	12
Foreign exchange losses (gains)Interest expenses	2	(36)
Surrender value of insurance policies	(31)	—
Gain on sale of non-current assets	(0)	—
Loss on retirement of non-current assets	6	0
Decrease (increase) in trade receivables	237	55
Decrease (increase) in inventories	1,053	1,478
Increase (decrease) in trade payables	(0)	(405)
Decrease (increase) in other assets	(228)	(15)
Increase (decrease) in other liabilities	(70)	(126)
Subtotal	163	1,330
Interest and dividends received	1	1
Interest paid	(16)	(12)
Income taxes paid	(3)	(0)
Income taxes refund	102	28
Net cash provided by (used in) operating activities	246	1,348
Cash flows from investing activities		
Purchase of property, plant and equipment	(398)	(185)
Proceeds from sale of property, plant and equipment	1	0
Purchase of intangible assets	(40)	(15)
Proceeds from cancellation of insurance funds	65	—
Payments of other investments	(6)	(5)
Proceeds of other investments	6	0
Net cash provided by (used in) investing activities	(371)	(205)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(200)	(500)
Proceeds from long-term borrowings	800	—
Repayments of long-term borrowings	(572)	(514)
Proceeds from issuance of shares	16	6
Purchase of treasury shares	—	(0)
Net cash provided by (used in) financing activities	44	(1,008)
Effect of exchange rate change on cash and cash equivalents	2	44
Net increase (decrease) in cash and cash equivalents	(78)	178
Cash and cash equivalents at beginning of period	1,246	1,167
Cash and cash equivalents at end of period	1,167	1,345