

**Selling high-grade home appliances**

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**【 6612 BALMUDA Sector : Electric Appliances】**

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Dec. 2018	11,191	26.1	1,660	-	1,634	54.5	39	-95.2	6.1	169.1	0.0
Dec. 2019	10,849	-3.1	1,071	-35.4	1,047	-35.9	632	15.9x	97.4	266.5	0.0
Dec. 2020 f	12,331	13.7	1,274	18.9	1,206	15.1	826	30.6	126.2	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending December 2020 are the company's forecasts.  
It conducted 1-to-100 stock split on December 5, 2019. Per share indices are adjusted retroactively.

**Fabless Manufacturer of Home Appliances**

BALMUDA is a fabless manufacture that internally conducts planning, development, design and other operations of home appliances, and outsources manufacturing to manufacturers inside and outside of Japan. The company purchases most of its products from contract manufacturers in China and Taiwan. As for the sales composition by product category in fiscal year ended December 2019, kitchen-related items accounted for 48.5%, air conditioning-related items accounted for 43.2% and other items accounted for 8.3%. For net sales by region, Japan accounted for 67.2%, South Korea accounted for 22.8% and others accounted for 10.0%.

**Sales by Product Category**

	Fiscal Year ended Dec. 2019			Nine Months to Sep. 2020	
	Sales (mn yen)	Composition (%)	Year-on-year comparison (%)	Sales (mn yen)	Composition (%)
Air conditioning-related	4,691	43.2	5.5	2,321	28.7
Kitchen-related	5,262	48.5	-17.4	4,659	57.5
Others	896	8.3	138.0	1,116	13.8
<b>Total</b>	<b>10,849</b>	<b>100.0</b>	<b>-3.1</b>	<b>8,097</b>	<b>100.0</b>

Source: Prepared by Stock Research Center based on the notifiable prospectus.

**Consumers Favor Excellent Functions and Designs**

The company's products are accepted by consumers although their prices are double to ten times the prices of conventional products due to the new functions developed by the company and the products excellent designs.

The awareness of the company increased among consumers through "GreenFan," an electric fan released in April 2010 that was equipped with a brushless DC motor. Even though the price was over 30,000 yen, the "GreenFan" series became the company's signature product, selling a cumulative total of over 500,000 units. Since then, the company enriched its lineup of air conditioning-related products.

Furthermore, the company released its steam toaster, "BALMUDA The Toaster," in 2015 as its first kitchen-related product. Its lineup was enriched since then with the release of electric kettles, rice cookers and other products. Inventory management of air conditioning-related products is difficult due to their seasonality, but since kitchen-related products are not affected by seasons, the inventory management is easy and led to its stable management.

**Financial Statements**

Statement of income	Fiscal Year	Dec. 2018		Dec. 2019		Nine months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		11,191	100.0	10,849	100.0	8,097	100.0
Cost of sales		6,955	62.2	6,658	61.4	4,563	56.4
Gross profit		4,236	37.8	4,191	38.6	3,534	43.6
Selling, general and administrative expenses		2,575	23.0	3,119	28.8	2,614	32.3
Operating profit		1,660	14.8	1,071	9.9	919	11.4
Non-operating income		3	-	4	-	0	-
Non-operating expenses		28	-	28	-	27	-
Ordinary profit		1,634	14.6	1,047	9.7	891	11.0
Extraordinary income		-	-	-	-	14	-
Extraordinary loss		1,601	14.3	174	1.6	-	-
Profit before income taxes		33	0.3	873	8.0	906	11.2
Net Profit		39	0.4	632	5.8	603	7.5

Balance sheet	Fiscal Year	Dec. 2018		Dec. 2019		Nine months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		4,177	87.8	4,456	87.9	5,207	88.4
Cash and deposits		1,176	24.7	1,248	24.6	2,296	39.0
Accounts receivable-trade		1,441	30.3	1,802	35.6	1,665	28.3
Non-current assets		578	12.2	613	12.1	682	11.6
Property, plant and equipment		250	5.3	316	6.2	401	6.8
Intangible assets		89	1.9	106	2.1	128	2.2
Investments and other assets		238	5.0	189	3.7	152	2.6
Total assets		4,756	100.0	5,070	100.0	5,890	100.0
Current liabilities		3,177	66.8	2,613	51.6	2,999	50.9
Accounts payable-trade		1,495	31.4	1,057	20.9	1,038	17.6
Short-term borrowings		340	7.1	150	3.0	550	9.3
Current portion of long-term borrowings		376	7.9	406	8.0	394	6.7
Provision for product warranties		222	4.7	216	4.3	276	4.7
Non-current liabilities		479	10.1	723	14.3	554	9.4
Long-term borrowings		479	10.1	723	14.3	554	9.4
Net assets		1,099	23.1	1,732	34.2	2,335	39.7
Owners' equity		1,099	23.1	1,732	34.2	2,335	39.7

Statement of cash flows	Fiscal Year	Dec. 2018	Dec. 2019
		(mn yen)	(mn yen)
Cash flows from operating activities		-354	307
Depreciation		125	212
Cash flows from investing activities		-250	-317
Cash flows from financing activities		219	83
Dividends paid		-	-
Net increase in cash and cash equivalents		-387	72
Cash and cash equivalents		1,176	1,248

Note: Consolidated basis

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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