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May 15, 2026

Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 6612
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	1,775	(18.7)	(267)	—	(283)	—	(284)	—
March 31, 2025	2,184	(7.4)	(280)	—	(300)	—	(301)	—

Note: Comprehensive income For the three months ended March 31, 2026: (¥282) million -%
 For the three months ended March 31, 2025: (¥306) million -%

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2026	(33.35)	—
March 31, 2025	(35.60)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2026	3,762	2,527	67.2
December 31, 2025	4,659	2,810	60.3

Reference: Equity
 As of March 31, 2026: ¥2,527 million
 As of December 31, 2025: ¥2,810 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, 2025	—	0.00	—	0.00	0.00
Fiscal year ending December 31, 2026	—				
Fiscal year ending December 31, 2026 (Forecast)		0.00	—	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, 2026 (From January 1, 2026 to December 31, 2026)

(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	10,500	3.8	30	—	15	—	10	—	1.17

Note: Revisions to the forecast of Consolidated Earnings most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: 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 March 31, 2026	8,526,200 shares
As of December 31, 2025	8,526,200 shares

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

As of March 31, 2026	8,579 shares
As of December 31, 2025	5,579 shares

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

Three months ended March 31, 2026	8,519,371 shares
Three months ended March 31, 2025	8,463,123 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

- * Proper use of earnings forecasts, and other special matters

(Cautionary Note Regarding Forward-Looking Statements)

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.

(Provision of Financial Summary Information)

The Company will begin providing financial summary information (quarterly and full-year) in Excel format on its IR website (<https://corp.balmuda.com/>).

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the first quarter of the current consolidated fiscal year (from January 1 to March 31, 2026), consolidated operating results consisted of net sales of 1,775 million yen (down 18.7% year on year), an operating loss of 267 million yen (compared with an operating loss of 280 million yen in the same period of the previous year), an ordinary loss of 283 million yen (compared with an ordinary loss of 300 million yen in the same period of the previous year), and a quarterly net loss attributable to owners of parent of 284 million yen (compared with a quarterly net loss attributable to owners of parent of 301 million yen in the same period of the previous year). As a result, profitability improved at each income level. In addition, results for the first quarter were generally in line with the Company's plan.

With respect to net sales, domestic sales fell below the level of the same period of the previous year due to prolonged weakness in consumer sentiment resulting from rising prices. Meanwhile, overseas sales exceeded the level of the same period of the previous year, benefiting from an expanded product lineup in markets such as the United States, China, and Thailand implemented in the previous fiscal year.

The gross profit margin improved by 4.4 percentage points year on year to 35.2%, reflecting the effects of measures such as ongoing efforts to reduce manufacturing costs for new and existing products, as well as securing appropriate profit margins through proper pricing.

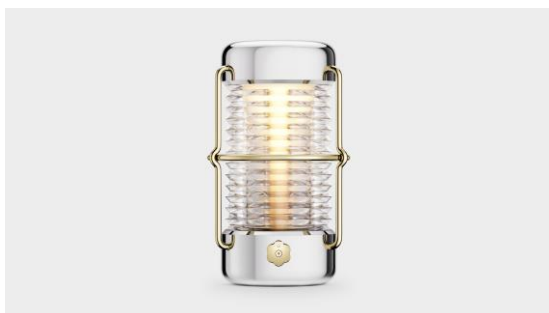
Selling, general and administrative expenses decreased by 59 million yen compared with the same period of the previous year, as efforts were made to appropriately optimize expenses in line with the scale of sales. As a result of these initiatives, the operating loss decreased by 12 million yen year on year, while the ordinary loss and the quarterly net loss attributable to owners of parent each decreased by 17 million yen compared with the same period of the previous year.

Evolution into a Global Brand

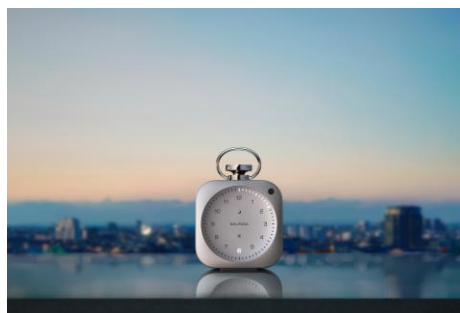
In order to achieve further growth, the Company has positioned its medium- to long-term management strategy as an “evolution into a global brand,” aiming to shift to a business model based on global customer segments and to realize sustainable growth.

In September 2025, the Company announced the portable LED lantern “Sailing Lantern”, jointly developed with LoveFrom, a creative collective led by Sir Jony Ive, former Chief Design Officer of Apple. Sailing Lantern is a special lantern that combines beauty and functionality, offering a contemporary interpretation of classic maritime design. The product is scheduled to be sold in more than ten countries, including the United States, European countries, South Korea, and Japan, and sequential shipments began in April, which corresponds to the second quarter.

In addition, in March, the Company announced the domestic launch of “The Clock”. The Clock was developed based on the concept of “a product for spending good time” and is equipped with a variety of functions and features designed to deliver that experience. These include the original time display function “Light Hour,” which uses 75 LEDs, an alarm that encourages a gentle awakening, a white-noise timer that supports concentration, and the “Relax Time” function, which allows users to enjoy sounds such as rain and a fireplace—providing a comprehensive time experience throughout the day. In terms of design, its form was inspired by traditional pocket watches and realized through precision machining from a solid aluminum block. Despite accepting pre-orders exclusively through the Company's online store and brand shops following the March announcement, the Company received more than 1,000 pre-orders, and sequential shipments began in April. Going forward, in addition to expanding domestic sales channels, the Company plans to launch the product in the United States and South Korea.



Sailing Lantern



The Clock

By promoting the global rollout of these new products, which clearly differentiate themselves from existing home appliance products, the Company aims to strengthen its business presence across diverse regions and transform its business structure into one that is flexible, sustainable, and less susceptible to changes in the external environment.

Further Improvement of the Earnings Structure

In response to the challenging external business environment, the Company is working to further improve its earnings structure. During the first quarter of the current consolidated fiscal year, the Company promoted optimization of its organizational and personnel structure in line with the scale of sales, resulting in a decrease of 19 million yen in personnel related expenses compared with the same period of the previous year. In addition, advertising and promotion expenses decreased by 36 million yen year on year, mainly due to the optimization of promotional spending in the United States.

As a result of these initiatives, profitability for the first quarter of the current consolidated fiscal year improved as follows.

(Millions of yen)				
	Three months ended March 31, 2025	Three months ended March 31, 2026	year-on-year changes	year-on-year changes (%)
Net sales	2,184	1,775	(409)	(18.7)
Operating profit (loss)	(280)	(267)	12	—
Ordinary profit (loss)	(300)	(283)	17	—
Net profit (loss) attributable to owners of the parent	(301)	(284)	17	—

(Millions of yen)				
Net Sales by Region	Three months ended March 31, 2025	Three months ended March 31, 2026	year-on-year changes	year-on-year changes (%)
Japan	1,572	1,100	(472)	(30.0)
South Korea	329	280	(48)	(14.7)
North America	116	149	33	28.4
Other	166	244	78	47.2
Total	2,184	1,775	(409)	(18.7)

(Millions of yen)				
Net Sales by Product Category	Three months ended March 31, 2025	Three months ended March 31, 2026	year-on-year changes	year-on-year changes (%)
Air conditioning	308	261	(46)	(15.2)
Kitchen appliance	1,726	1,403	(323)	(18.8)
Other	149	110	(38)	(25.7)
Total	2,184	1,775	(409)	(18.7)

As the company operates a single business segment focused on home appliances, segment-specific disclosures are omitted.

(2) Explanation of Financial Position

(Assets)

Total assets as of the end of the first quarter of the current consolidated fiscal year amounted to 3,762 million yen, representing a decrease of 897 million yen compared with the end of the previous consolidated fiscal year.

Current assets totaled 3,111 million yen, a decrease of 860 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to increases of 92 million yen in merchandise and finished goods and 111 million yen in goods in transit, while accounts receivable decreased by 875 million yen and cash and deposits decreased by 288 million yen.

Non-current assets amounted to 650 million yen, a decrease of 36 million yen compared with the end of the previous consolidated fiscal year, mainly due to depreciation related to molds for products.

(Liabilities)

Total liabilities as of the end of the first quarter of the current consolidated fiscal year amounted to 1,234 million yen, a decrease of 614 million yen compared with the end of the previous consolidated fiscal year.

Current liabilities totaled 1,115 million yen, representing a decrease of 589 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 97 million yen in accounts payable, while short-term borrowings decreased by 400 million yen and accounts payable – other decreased by 67 million yen.

Non-current liabilities amounted to 119 million yen, a decrease of 24 million yen compared with the end of the previous consolidated fiscal year, due to a decrease in long-term borrowings.

(Net Assets)

Total net assets as of the end of the first quarter of the current consolidated fiscal year amounted to 2,527 million yen, a decrease of 282 million yen compared with the end of the previous consolidated fiscal year. This was mainly attributable to a decrease of 284 million yen in retained earnings.

(3) Explanation of Forecasts and Forward-Looking Information

The Company has not revised its consolidated earnings forecasts for the fiscal year ending December 31, 2026, from the figures announced concurrently with the financial results for the fiscal year ended December 31, 2025.

2. Consolidated Quarterly Financial Statements and Key Notes

(1) Consolidated Balance Sheet

	(Millions of yen)	
	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	673	385
Accounts receivable - trade	1,791	915
Merchandise and finished goods	798	891
Raw materials and supplies	277	299
Goods in transit	17	128
Other	424	510
Allowance for doubtful accounts	(10)	(18)
Total current assets	3,972	3,111
Non-current assets		
Property, plant and equipment	511	494
Intangible assets	116	108
Investments and other assets	59	47
Total non-current assets	687	650
Total assets	4,659	3,762

	(Millions of yen)	
	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	395	492
Short-term borrowings	500	100
Current portion of long-term borrowings	125	99
Accounts payable - other	298	231
Income taxes payable	1	2
Provision for bonuses	56	12
Provision for product warranties	109	102
Provision for loss on business liquidation	4	4
Other	214	69
Total current liabilities	1,704	1,115
Non-current liabilities		
Long-term borrowings	144	119
Total non-current liabilities	144	119
Total liabilities	1,849	1,234
Net assets		
Shareholders' equity		
Share capital	37	37
Capital surplus	2,867	2,867
Retained earnings	(120)	(404)
Treasury shares	(0)	(0)
Total shareholders' equity	2,784	2,499
Accumulated other comprehensive income		
Foreign currency translation adjustment	26	27
Total accumulated other comprehensive income	26	27
Total net assets	2,810	2,527
Total liabilities and net assets	4,659	3,762

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

Consolidated Statement of Income		(Millions of yen)
	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	2,184	1,775
Cost of sales	1,512	1,150
Gross profit	671	624
Selling, general and administrative expenses	952	892
Operating profit (loss)	(280)	(267)
Non-operating income		
Interest income	0	0
Miscellaneous income	0	0
Total non-operating income	1	1
Non-operating expenses		
Interest expenses	2	3
Foreign exchange losses	14	12
Miscellaneous losses	4	1
Total non-operating expenses	21	17
Ordinary profit (loss)	(300)	(283)
Profit (loss) before income taxes	(300)	(283)
Income taxes - current	0	0
Total income taxes	0	0
Profit (loss)	(301)	(284)
Profit (loss) attributable to owners of parent	(301)	(284)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit (loss)	(301)	(284)
Other comprehensive income		
Foreign currency translation adjustment	(4)	1
Total other comprehensive income	(4)	1
Comprehensive income	(306)	(282)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(306)	(282)

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

The Group recorded a significant net loss in the previous consolidated fiscal year and breached the financial covenants of its overdraft agreement. In addition, the Group reported negative operating cash flows. As a result, events or conditions exist that raise substantial doubt about the Group's ability to continue as a going concern. During the first quarter of the current consolidated fiscal year, the Group also recorded a quarterly net loss.

In order to resolve this situation, the Group has formulated sales plans based on a careful assessment of market trends in view of the severe external business environment and has implemented the following measures aimed at achieving a return to profitability:

- ① Launch of new products targeting global customer segments
Sailing Lantern (launched sequentially from April 2026): to be sold in more than ten countries, including the United States, European countries, South Korea, and Japan
The Clock (launched sequentially from April 2026): rolled out in Japan and to be rolled out in the United States and South Korea
- ② Improvement of the earnings structure
Improvement of the cost structure (reductions of cost of sales and fixed costs)
Optimization of sales strategies by product and by region
- ③ Efficient procurement of working capital
Discussions with financial institutions with which the Group has business relationships regarding the continued use of overdraft facilities, in order to ensure stable business operations and to implement the above measures

However, these measures are still in the process of implementation, and the launch of new products and the improvement of the earnings structure may not produce sufficient results, depending on changes in the business environment going forward. In addition, discussions with financial institutions regarding the continued use of overdraft facilities are ongoing, and the Group has not yet obtained final agreements. Accordingly, material uncertainty exists related to the going concern assumption at this point in time.

The quarterly consolidated financial statements have been prepared on a going concern basis and do not reflect the effects of the material uncertainty related to the going concern assumption described above.

(Notes on Significant Changes in Shareholders' Equity)

There are no applicable matters to report.

(Segment Information)

The Group operates a single business segment focused on home appliances. As the segment information is not material, it has been omitted.

(Notes on the Statement of Cash Flows)

A consolidated statement of cash flows for the three-month period has not been prepared. Depreciation for the three-month period (including amortization of intangible assets) is as follows:

	Three months ended March 31, 2025	Three months ended March 31, 2026
Depreciation	¥106 million	¥63 million

(Revenue Recognition)

Disaggregated Information of Revenue Arising from Contracts with Customers

Although the Group operates a single business segment—the home appliance business—and segment information has been omitted due to lack of materiality, disaggregated information on revenue arising from contracts with customers is presented below.

1. Breakdown by Region

	(Millions of yen)	
	Three months ended March 31, 2025	Three months ended March 31, 2026
Japan	1,572	1,100
South Korea	329	280
North America	116	149
Other	166	244
Revenue from contracts with customers	2,184	1,775
Other revenue	—	—
Net sales to external customers	2,184	1,775

2. Breakdown by Product Category

	(Millions of yen)	
	Three months ended March 31, 2025	Three months ended March 31, 2026
Air conditioning	308	261
Kitchen appliance	1,726	1,403
Other	149	110
Revenue from contracts with customers	2,184	1,775
Other revenue	—	—
Net sales to external customers	2,184	1,775