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August 7, 2026

Consolidated Financial Results for the Six Months Ended June 30, 2026 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 6612
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 Scheduled date to file semi-annual securities report: August 7, 2026
 Scheduled date to commence dividend payments: -
 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 six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

(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, 2026	4,365	(15.8)	(314)	-	(326)	-	(331)	-
June 30, 2025	5,187	(18.1)	(384)	-	(395)	-	(397)	-

Note: Comprehensive income For the six months ended June 30, 2026: ¥(327) million [-%]
 For the six months ended June 30, 2025: ¥(403) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	(38.87)	-
June 30, 2025	(46.80)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	4,001	2,483	62.1
December 31, 2025	4,659	2,810	60.3

Reference: Equity
 As of June 30, 2026: ¥ 2,483 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	-	0.00			
Fiscal year ending December 31, 2026 (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, 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 semi-annual 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, 2026	8,526,900 shares
As of December 31, 2025	8,526,200 shares

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

As of June 30, 2026	14,586 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)

Six months ended June 30, 2026	8,516,673 shares
Six months ended June 30, 2025	8,483,277 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 provides 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 Interim Financial Results

(1) Explanation of Operating Results

For the interim consolidated accounting period under review (January 1, 2026 to June 30, 2026), net sales totaled ¥4,365 million, down 15.8% year on year. Operating loss was ¥314 million, compared with a loss of ¥384 million in the same period of the previous year; ordinary loss was ¥326 million, compared with a loss of ¥395 million; and interim net loss attributable to owners of parent was ¥331 million, compared with a loss of ¥397 million. As a result, earnings improved at all profit levels.

While net sales in Japan fell below the level recorded in the same period of the previous year, overseas sales exceeded the prior-year level, driven by contributions from the newly launched Sailing Lantern and The Clock. These products were introduced as part of the Company's efforts to shift toward a business model designed for a global customer base.

Gross profit margin improved by 3.5 percentage points year on year to 35.0%, reflecting the effects of measures implemented on an ongoing basis, including reductions in manufacturing costs for both new and existing products and securing appropriate profit margins through proper pricing.

Selling, general and administrative expenses decreased by ¥174 million compared with the same period of the previous year, as the Company continued to optimize expenses in line with the scale of sales.

As a result of these initiatives, operating loss improved by ¥70 million year on year, ordinary loss improved by ¥69 million year on year, and interim net loss attributable to owners of parent improved by ¥65 million year on year.

	Six months ended June 30, 2025	Six months ended June 30, 2026	year-on-year changes	(Unit: Million yen) year-on-year changes(%)
Net sales	5,187	4,365	(822)	(15.8)
Operating profit (loss)	(384)	(314)	70	—
Ordinary profit (loss)	(395)	(326)	69	—
Net profit (loss) attributable to owners of the parent	(397)	(331)	65	—

Evolution into a Global Brand:

To achieve further growth, the Company has adopted “Evolution into a Global Brand” as its medium- to long-term management strategy and is working to realize sustainable growth by shifting toward a business model designed for a global customer base.

In April 2026, the Company launched Sailing Lantern, a portable LED lantern developed in collaboration with LoveFrom, the creative collective led by Sir Jony Ive, former Chief Design Officer of Apple. Combining beauty and functionality, Sailing Lantern is a distinctive lantern that brings a contemporary interpretation to classic maritime design.

Sailing Lantern has been launched globally in the United States, Europe, South Korea, and Japan. In each market, the product has attracted new customer segments, including affluent consumers such as CEOs of global companies and renowned designers, as well as corporate customers serving high-end clientele, such as luxury hotels and apartment developers. As a result, approximately 70% of Sailing Lantern sales during the interim period were generated from overseas markets.

In April 2026, the Company also launched The Clock. Developed under the concept of a product designed to help users spend their time well, The Clock incorporates a variety of functions and features to deliver that experience throughout the day. These include Light Hour, a unique time display expressed through 75 LEDs, a gentle alarm designed to promote a more natural awakening, a white noise timer that supports concentration, and Relax Time, a feature that allows users to enjoy ambient sounds such as rainfall and a crackling fireplace. In terms of design, The Clock is inspired by the form of a traditional pocket watch and is crafted from a solid block of aluminum, giving shape to its distinctive appearance through a precision-machining process.

Following its announcement in March, pre-orders for The Clock were accepted exclusively through the Company's online store and brand shops, and shipments commenced in April. Since then, sales channels have been expanded to include select shops, specialty luxury watch retailers, flagship consumer electronics stores, and e-commerce platforms.

At BALMUDA The Store Aoyama, approximately 60% of The Clock units sold were purchased through tax-free sales, compared with approximately 20% for the Company's other products, demonstrating particularly strong support from international customers.

In July, the Company further enhanced The Clock by introducing Night Routine, a new feature designed to help users build healthy sleep habits, further evolving the product as a tool for supporting a well-balanced daily rhythm.

Further Improvement of the Earnings Structure:

In response to the challenging external environment, the Company is implementing measures to improve its earnings structure. During the interim consolidated accounting period under review, the Company continued to optimize its organizational structure and staffing levels in line with the scale of sales, resulting in a year-on-year decrease of ¥86 million in personnel related expenses. Advertising expenses also decreased by ¥79 million year on year, primarily reflecting the optimization of advertising investments in the United States.

Sales by Region: The expansion of the home appliance product lineup, together with the launches of Sailing Lantern and The Clock, contributed to sales growth in North America and Other Regions, with net sales in both regions exceeding the levels recorded in the same period of the previous year.

(Millions of yen)				
Net Sales by Region	Six months ended June 30, 2025	Six months ended June 30, 2026	year-on-year changes	year-on-year changes (%)
Japan	3,523	2,625	(898)	(25.5)
South Korea	955	801	(153)	(16.1)
North America	258	433	175	67.8
Other	450	505	54	12.2
Total	5,187	4,365	(822)	(15.8)

Sales by Product Category: The launches of Sailing Lantern and The Clock contributed to growth in the Other Products category, with net sales in the category exceeding the level recorded in the same period of the previous year.

(Millions of yen)				
Net Sales by Product Category	Six months ended June 30, 2025	Six months ended June 30, 2026	year-on-year changes	year-on-year changes (%)
Air conditioning	1,014	722	(292)	(28.9)
Kitchen appliance	3,869	2,987	(882)	(22.8)
Other	303	656	353	116.5
Total	5,187	4,365	(822)	(15.8)

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 interim consolidated accounting period under review amounted to ¥4,001 million, a decrease of ¥658 million compared with the end of the previous fiscal year.

Current assets totaled ¥3,364 million, down ¥608 million from the end of the previous fiscal year. This was mainly attributable to an increase of ¥112 million in merchandise and finished goods, which was more than offset by a decrease of ¥645 million in accounts receivable and a decrease of ¥291 million in cash and deposits.

Non-current assets totaled ¥637 million, down ¥50 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥41 million in property, plant and equipment.

(Liabilities)

Total liabilities as of the end of the interim consolidated accounting period under review amounted to ¥1,518 million, a decrease of ¥330 million compared with the end of the previous fiscal year.

Current liabilities totaled ¥1,423 million, down ¥280 million from the end of the previous fiscal year. This was mainly attributable to a decrease of ¥102 million in other payables and a decrease of ¥100 million in short-term borrowings.

Non-current liabilities totaled ¥94 million, down ¥49 million from the end of the previous fiscal year. This was due to a decrease in long-term borrowings.

(Net Assets)

Total net assets as of the end of the interim consolidated accounting period under review amounted to ¥2,483 million, a decrease of ¥327 million compared with the end of the previous fiscal year. This was mainly attributable to a decrease of ¥331 million in retained earnings.

(3) Explanation of Cash Flows

Cash and cash equivalents (hereinafter referred to as “funds”) as of the end of the interim consolidated accounting period under review totaled ¥382 million, down ¥291 million from the end of the previous fiscal year. The status of each cash flow and the principal factors affecting them during the interim consolidated accounting period under review were as follows:

(Cash Flows from Operating Activities)

Funds provided by operating activities amounted to ¥3 million. The principal source of funds was a decrease of ¥643 million in trade receivables, while the principal uses of funds were an increase of ¥152 million in inventories, an increase of ¥163 million in other assets, and a decrease of ¥181 million in other liabilities.

(Cash Flows from Investing Activities)

Funds used in investing activities amounted to ¥125 million. The principal uses of funds were ¥81 million for the purchase of property, plant and equipment, ¥31 million for the purchase of intangible assets, and ¥11 million for other investments.

(Cash Flows from Financing Activities)

Funds used in financing activities amounted to ¥174 million. The principal uses of funds were a net decrease of ¥100 million in short-term borrowings and ¥75 million in repayments of long-term borrowings.

(4) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information

The consolidated earnings forecast for the fiscal year ending December 31, 2026 remains unchanged from that announced in conjunction with the financial results for the fiscal year ended December 31, 2025.

2. Consolidated Interim Financial Statements and Key Notes

(1) Consolidated Balance Sheet

	(Millions of yen)	
	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	673	382
Accounts receivable - trade	1,791	1,145
Merchandise and finished goods	798	911
Raw materials and supplies	277	315
Goods in transit	17	19
Other	424	607
Allowance for doubtful accounts	(10)	(18)
Total current assets	3,972	3,364
Non-current assets		
Property, plant and equipment	511	469
Intangible assets	116	126
Investments and other assets	59	41
Total non-current assets	687	637
Total assets	4,659	4,001

	(Millions of yen)	
	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	395	460
Short-term borrowings	500	400
Current portion of long-term borrowings	125	99
Accounts payable - other	298	196
Income taxes payable	1	9
Provision for bonuses	56	43
Provision for product warranties	109	99
Provision for loss on business liquidation	4	3
Other	214	111
Total current liabilities	1,704	1,423
Non-current liabilities		
Long-term borrowings	144	94
Total non-current liabilities	144	94
Total liabilities	1,849	1,518
Net assets		
Shareholders' equity		
Share capital	37	37
Capital surplus	2,867	2,867
Retained earnings	(120)	(451)
Treasury shares	(0)	(0)
Total shareholders' equity	2,784	2,453
Accumulated other comprehensive income		
Foreign currency translation adjustment	26	30
Total accumulated other comprehensive income	26	30
Total net assets	2,810	2,483
Total liabilities and net assets	4,659	4,001

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

Consolidated Interim Statement of Income		(Millions of yen)
	Six months ended June 30, 2025	Six months ended June 30, 2026
Net sales	5,187	4,365
Cost of sales	3,557	2,839
Gross profit	1,630	1,525
Selling, general and administrative expenses	2,014	1,839
Operating profit (loss)	(384)	(314)
Non-operating income		
Interest income	0	1
Dividend income	0	0
Miscellaneous income	10	1
Total non-operating income	11	2
Non-operating expenses		
Interest expenses	5	6
Foreign exchange losses	13	2
Miscellaneous losses	4	5
Total non-operating expenses	23	14
Ordinary profit (loss)	(395)	(326)
Profit (loss) before income taxes	(395)	(326)
Income taxes - current	1	4
Total income taxes	1	4
Profit (loss)	(397)	(331)
Profit (loss) attributable to owners of parent	(397)	(331)

Consolidated Interim Statement of Comprehensive Income		(Millions of yen)
	Six months ended June 30, 2025	Six months ended June 30, 2026
Profit (loss)	(397)	(331)
Other comprehensive income		
Foreign currency translation adjustment	(6)	3
Total other comprehensive income	(6)	3
Comprehensive income	(403)	(327)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(403)	(327)

(3) Consolidated Interim Statement of Cash Flows

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(395)	(326)
Depreciation	194	137
Share-based payment expenses	3	3
Increase (decrease) in allowance for doubtful accounts	—	7
Increase (decrease) in provision for product warranties	(41)	(10)
Increase (decrease) in provision for loss on business liquidation	(0)	(0)
Increase (decrease) in provision for bonuses	3	(13)
Interest and dividend income	(0)	(1)
Interest expenses	5	6
Foreign exchange losses (gains)	47	(6)
Decrease (increase) in trade receivables	930	643
Decrease (increase) in inventories	(267)	(152)
Increase (decrease) in trade payables	(181)	72
Decrease (increase) in other assets	10	(163)
Increase (decrease) in other liabilities	(113)	(181)
Subtotal	193	14
Interest and dividends received	0	1
Interest paid	(5)	(6)
Income taxes paid	(6)	(5)
Income taxes refund	0	0
Net cash provided by (used in) operating activities	183	3
Cash flows from investing activities		
Purchase of property, plant and equipment	(149)	(81)
Purchase of intangible assets	(12)	(31)
Payments of other investments	(59)	(11)
Net cash provided by (used in) investing activities	(221)	(125)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	(100)
Proceeds from long-term borrowings	200	—
Repayments of long-term borrowings	(178)	(75)
Proceeds from issuance of shares	—	0
Purchase of treasury shares	—	(0)
Net cash provided by (used in) financing activities	21	(174)
Effect of exchange rate change on cash and cash equivalents	(29)	5
Net increase (decrease) in cash and cash equivalents	(45)	(291)
Cash and cash equivalents at beginning of period	1,345	673
Cash and cash equivalents at end of period	1,300	382

(4) Notes to Consolidated Interim Financial Statements

(Notes on Going Concern Assumption)

The Group recorded an operating loss of ¥866 million, an ordinary loss of ¥904 million, and a net loss attributable to owners of parent of ¥1,596 million in the previous consolidated fiscal year. In addition, the Group breached the financial covenants of its overdraft agreements with two financial institutions, which require that net assets on both the consolidated balance sheet and the non-consolidated balance sheet be maintained at no less than 75% of the amount as of the reference date, and 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 interim consolidated accounting period under review, the Group also recorded an operating loss of ¥314 million, an ordinary loss of ¥326 million, and an interim net loss attributable to owners of parent of ¥331 million.

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
Commenced sales of Sailing Lantern and The Clock in Japan and overseas, thereby expanding opportunities to acquire new customer segments and sales channels. Approximately 70% of Sailing Lantern sales during the interim period were generated from overseas markets. For The Clock, the Group is working to expand sales channels and further enhance product value through the addition of new features.
- ② Improvement of the earnings structure
 - Implementation of price revisions
 - Improvement of the cost structure (reductions in manufacturing costs and fixed costs)
 - Promotion of risk-hedging measures against foreign exchange fluctuations
 - Significant reduction of strategic investments for the U.S. market (primarily advertising expenses)
 - More efficient utilization of research and development expenses through the prioritization of development projects
 - Reduction of manufacturing costs for existing products
 - Optimization of sales strategies by product and by region
 - Improvement of profit margins through the optimization of product-specific sales strategies (product categories, geographic markets, and sales channels)
 - Reduction of selling and administrative costs through the discontinuation of certain products
- ③ Efficient procurement of working capital
Renewal of overdraft agreements with financial institutions with which the Group has business relationships, in order to ensure stable business operations and implement the measures described above

During the interim consolidated accounting period under review, the Group made a certain degree of progress in improving its earnings structure, including an improvement in gross profit margin, reductions in selling, general and administrative expenses, and a narrowing of operating loss. However, these measures are still in the process of implementation, and their effectiveness may be affected by future sales trends and changes in the business environment.

With respect to the overdraft facilities, the Group has completed the renewal of its agreements with financial institutions following discussions based on its business plan and financing needs. In addition, the Group continues to maintain regular communication with its relationship financial institutions regarding the next renewal of the overdraft facilities (the current agreements expire on November 30, 2026) and any financing needs that may arise. Nevertheless, the Group recognizes that a material uncertainty regarding the going concern assumption continues to exist at this point in time.

The interim 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.

(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)	
	Six months ended June 30, 2025	Six months ended June 30, 2026
Japan	3,523	2,625
South Korea	955	801
North America	258	433
Other	450	505
Revenue from contracts with customers	5,187	4,365
Other revenue	—	—
Net sales to external customers	5,187	4,365

2. Breakdown by Product Category

	(Millions of yen)	
	Six months ended June 30, 2025	Six months ended June 30, 2026
Air conditioning	1,014	722
Kitchen appliance	3,869	2,987
Other	303	656
Revenue from contracts with customers	5,187	4,365
Other revenue	—	—
Net sales to external customers	5,187	4,365