

BALMUDA

Financial Results Briefing Material For Six Months ended June 30, 2026

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.

Summary

Overall

Net sales decreased year on year

- Domestic sales declined due to lower sales of home appliances
- Overseas sales increased, supported by new product launches



Profitability improved despite continued losses

- Losses improved year on year for the second consecutive quarter

Further Improvement of the Earnings Structure

Gross profit margin

- Improved year on year for five consecutive quarters

SG&A expenses

- Decreased year on year

Further Evolution into a Global Brand

Overseas sales ratio

- Increased to approximately 40% (+8 percentage points year on year)

New product lineup

Sailing Lantern :

Overseas sales accounted for approx. 70% of its total sales※1

The Clock :

Inbound customers accounted for approx. 60% of sales at BALMUDA The Store Aoyama※2

※1 Ratio of overseas unit sales during the interim period
※2 Tax-free sales ratio in June 2026

FY2026 Interim Consolidated Results (January-June)

(Millions of yen)

	FY2025 Interim	FY2026 Interim	YoY Change
Net Sales	5,187	4,365	(822)
Gross Profit	1,630	1,525	(104)
Gross Profit Margin	31.4%	35.0%	+3.5 pt.
SG&A Expenses	2,014	1,839	(174)
Operating Loss	(384)	(314)	+70
Ordinary Loss	(395)	(326)	+69
Net Loss Attributable to Owners of Parent	(397)	(331)	+65

Net Sales			
Down YoY			
	FY2025 Interim	FY2026 Interim	YoY Change
Japan	3,523	2,625	(898)
Overseas	1,664	1,740	+76
Total	5,187	4,365	(822)
Gross Profit Margin			
Improved by 3.5 pt.			
SG&A Expenses			
Reduced by ¥174 million			
Operating Loss			
Improved by ¥70 million			

Major Year-on-Year Changes in Operating Expenses

- Personnel related expenses: ¥(86) million
- Advertising expenses: ¥(79) million
- Commission expenses: ¥(43) million

※Personnel related expenses consist of personnel expenses, temporary staffing costs, and recruitment costs.

FY2026 Second Quarter Consolidated Results (April-June)

(Millions of yen)

	FY2025 2Q	FY2026 2Q	YoY Change
Net Sales	3,003	2,590	(413)
Gross Profit	958	900	(57)
Gross Profit Margin	31.9%	34.8%	+2.9 pt.
SG&A Expenses	1,062	947	(114)
Operating Loss	(103)	(46)	+57
Ordinary Loss	(95)	(42)	+52
Net Loss Attributable to Owners of Parent	(95)	(46)	+48

Net Sales

**Domestic Down,
Overseas Slightly Up**

	FY2025 2Q	FY2026 2Q	YoY Change
Japan	1,951	1,524	(426)
Overseas	1,052	1,065	+13
Total	3,003	2,590	(413)

Gross Profit Margin

Improved by 2.9 pt.

SG&A Expenses

Reduced by ¥114 million

Operating Loss

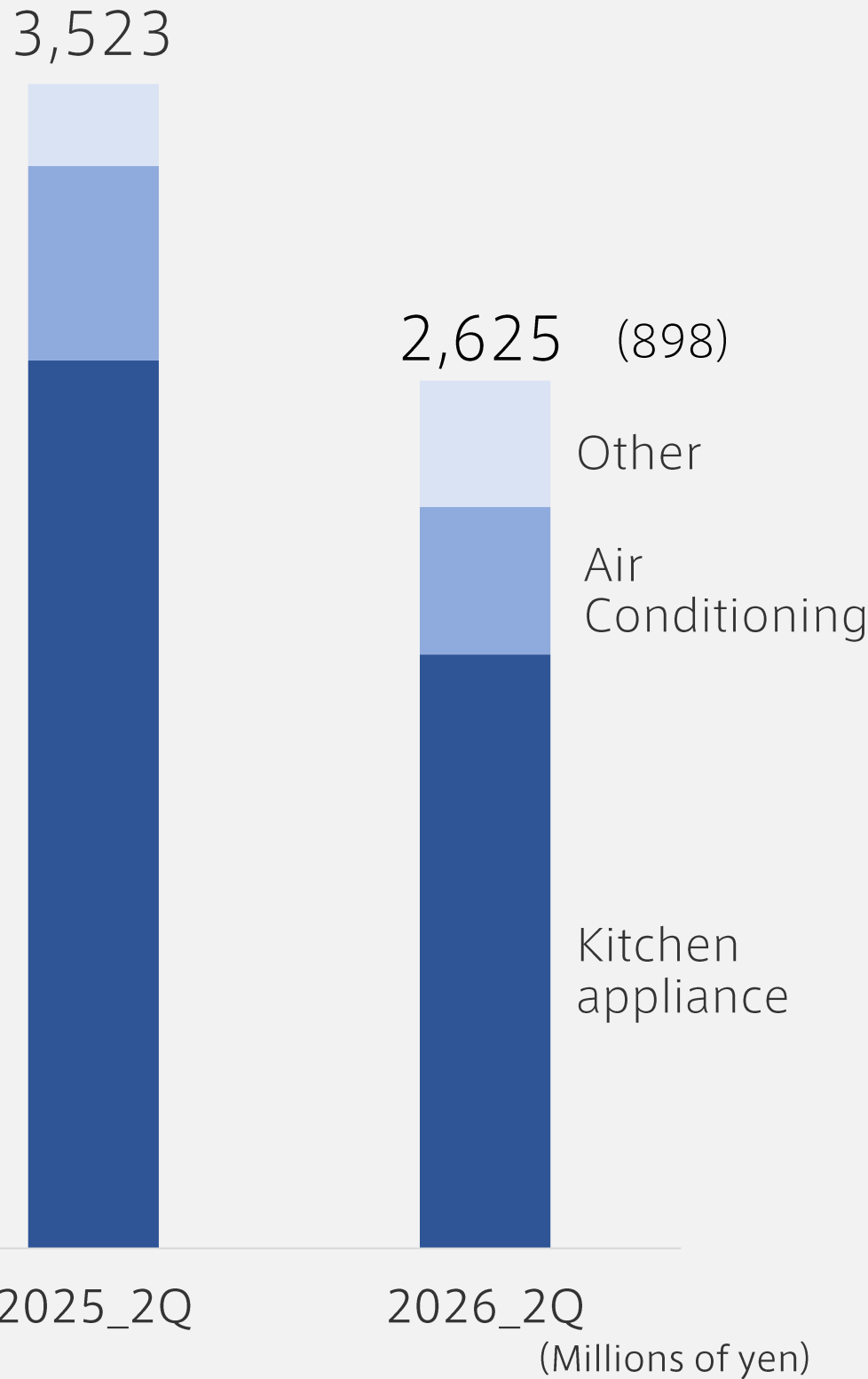
Improved by ¥57 million

Major Year-on-Year Changes in Operating Expenses
 - Personnel related expenses: ¥(67) million
 - Advertising expenses: ¥(42) million
 - Commission expenses: ¥(32) million

※Personnel related expenses consist of personnel expenses, temporary staffing costs, and recruitment costs.

Status of Domestic Sales and Countermeasures

Domestic Net Sales (January-June)



Japan	2025_2Q	2026_2Q	YoY change
Kitchen appliance	2,685	1,795	(890)
Air conditioning	587	446	(141)
Other (Incl. Sailing Lantern &The Clock)	249	383	+133
Total	3,523	2,625	(898)

Current Situation

- The decline was largely attributable to lower sales in the kitchen appliance category.
- Decline in sales through consumer electronics retailers, reflecting weaker competitiveness against competing products
- Sales remained firm through the Company's online store and brand shops, supported by continued relationships with loyal customers.

Analysis of Key Factors

- Consumers continue to take a cautious approach toward purchases of home appliances and other durable goods amid persistent inflation.
- Consumer spending being diverted to air conditioner replacements ahead of the 2027 energy-efficiency standard revisions, growing presence of lower-priced alternatives and diversification of retail channels
- Reduced product freshness resulting from the Company's long-selling product strategy.

Countermeasures

For the domestic home appliance categories, including kitchen appliances and air conditioning products :

- Accelerate model changes and product renewals for core products.
- Introduce new products more rapidly by leveraging ODM development methods.

Evolution into a Global Brand

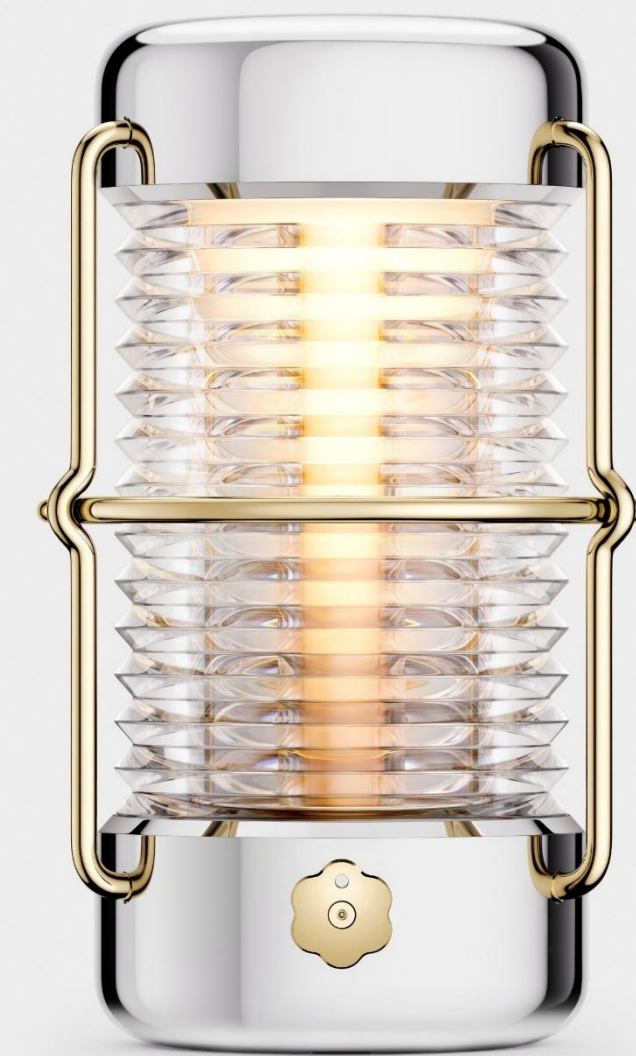
Sailing Lantern

A special LED lantern created through a collaboration between BALMUDA and LoveFrom, the creative collective led by Sir Jony Ive, former Chief Design Officer of Apple.

September 2025	Announcement
From April 2026	Launched in Japan, the U.S., South Korea, and Europe
	<u>Approximately 70% of sales generated overseas</u> ※

Reaching New Customer Segments (Examples of Customer)

(Overseas)	Renowned designers, CEOs of global companies, Art collectors, Luxury hotels, Luxury apartment developers
(Japan)	Department Store VIP Customers, High-net-worth individuals, Public figures



Evolution into a Global Brand

The Clock

Designed to support better moments throughout the day, from sleep and waking to focus and relaxation.

March 2026	Announcement
From April 2026	Launched in Japan, the U.S., and South Korea
From July 2026	Added the new Night Routine feature
	<u>Approximately 60% of sales at BALMUDA The Store Aoyama were generated by inbound customers</u>
	(Compared with approximately 20% for other products) ※

Expansion of Sales Channels

Initial launch :	BALMUDA Online Store, BALMUDA Brand Shops
Expanded distribution :	Flagship stores of major consumer electronics retailers, E-commerce platforms, Other selected retail channels



The Clock : Advancing as a Product for Better Daily Living

Introducing "Night Routine," a new feature that helps users build healthier **bedtime habits**

Alarm: A gentle wake-up experience supported by ambient sound

Timer: White noise that helps maintain focus

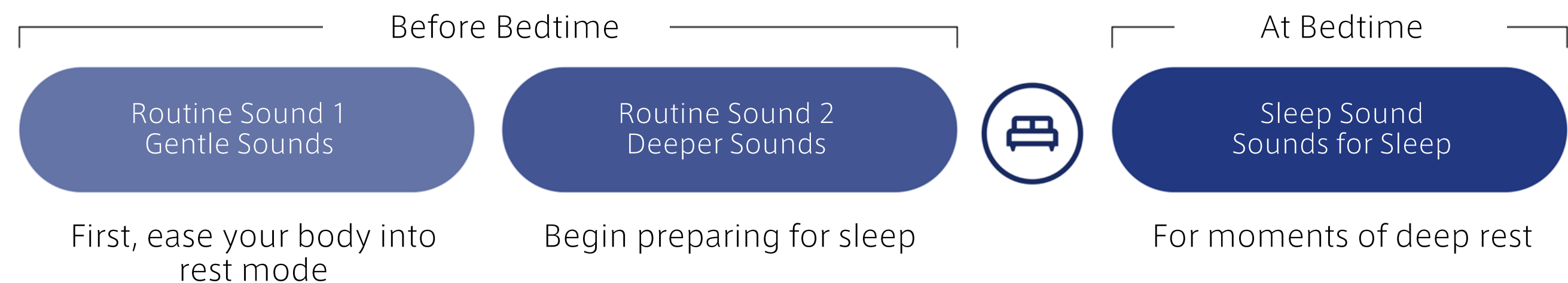
Relax Time: Creating a calm and comfortable atmosphere through sound



Night Routine: A Bedtime Alarm for Better Sleep (Software Update in July 2026)

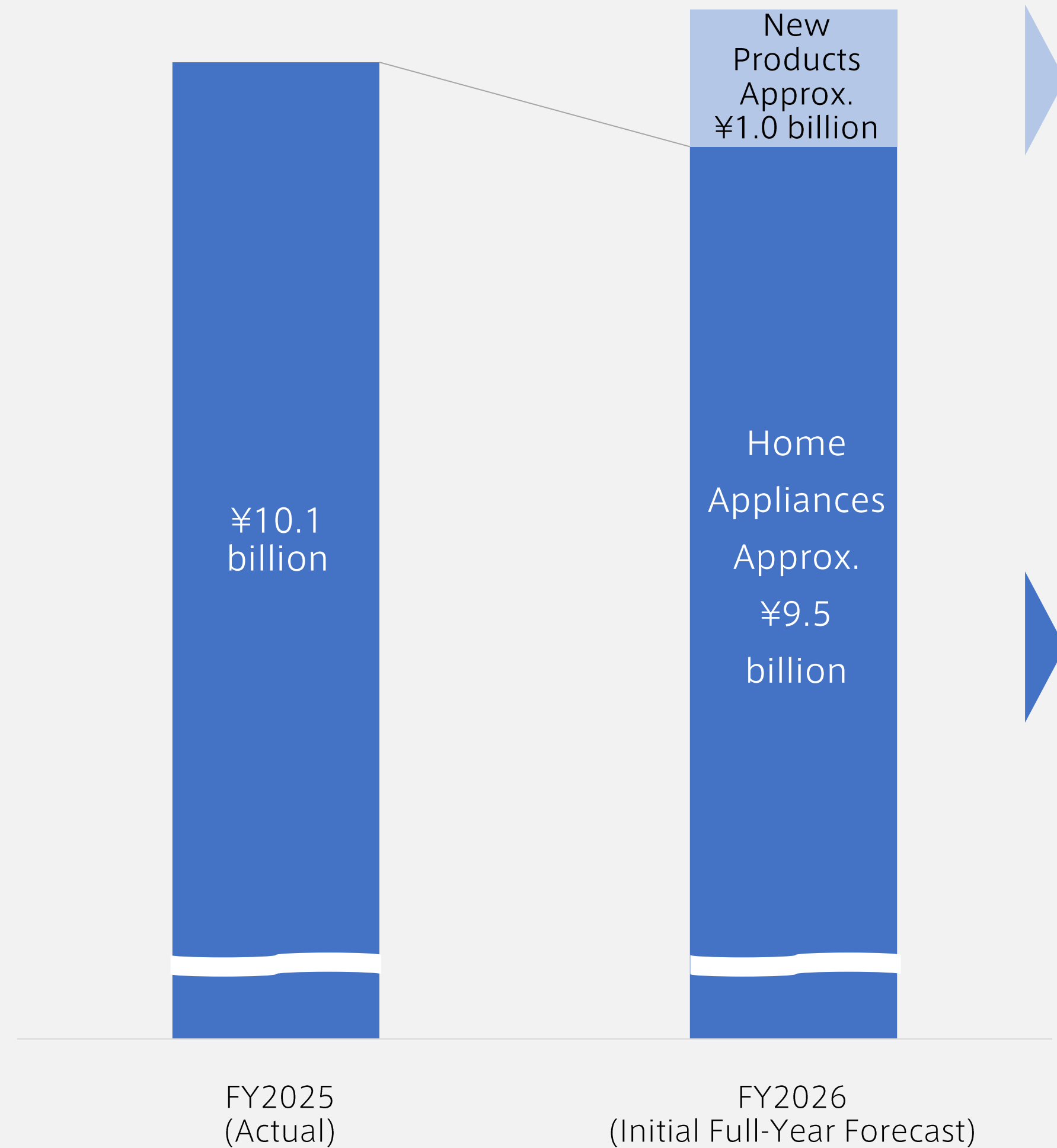
Designed to support healthy sleep habits, Night Routine guides users through a personalized bedtime experience using carefully crafted sounds.

Each sound acts as a gentle signal, helping establish a natural rhythm before sleep.



Progress Toward Full-Year Net Sales Forecast

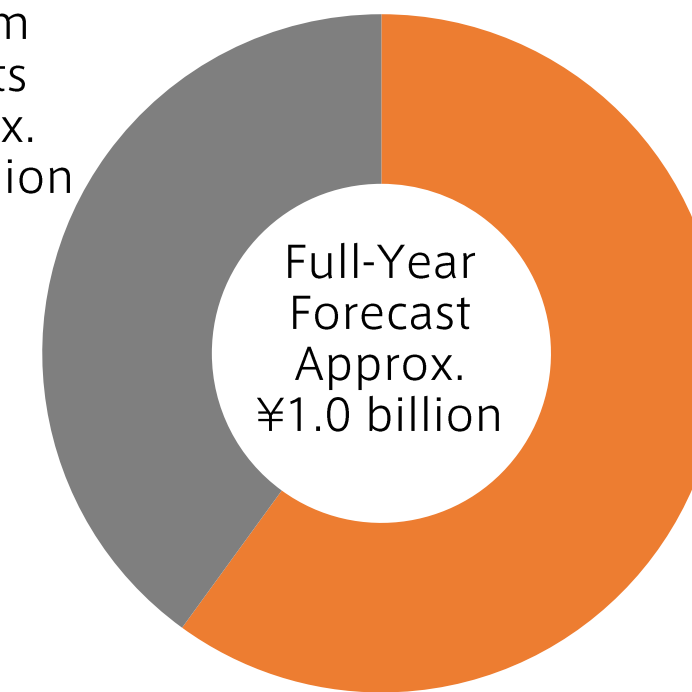
Full Year



Progress

New Products

Interim Results
Approx.
¥0.4 billion



Expected in 2H Approx. ¥0.6 billion

Sailing Lantern

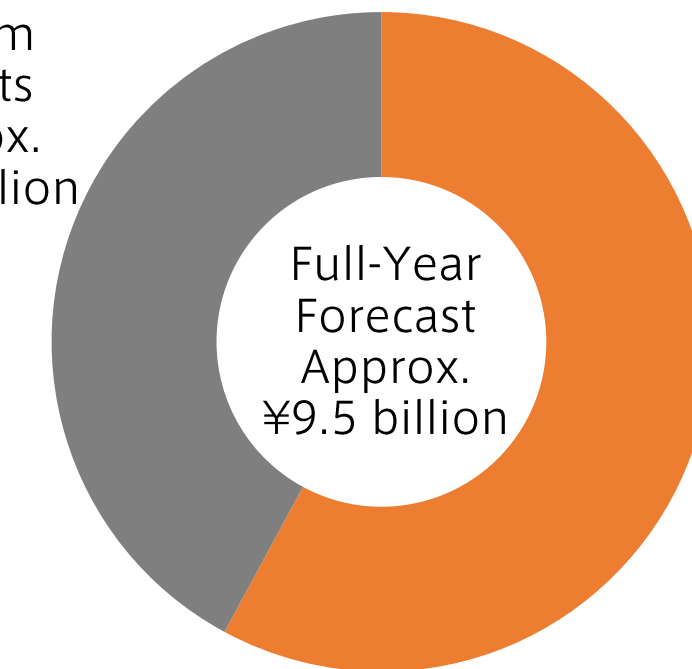
- A portion of sales shifted to the second half due to the revised launch schedule (from Q1 to Q2)

The Clock

- Expansion of sales channels
- Promotion of experiential value through features such as Night Routine

Home Appliances

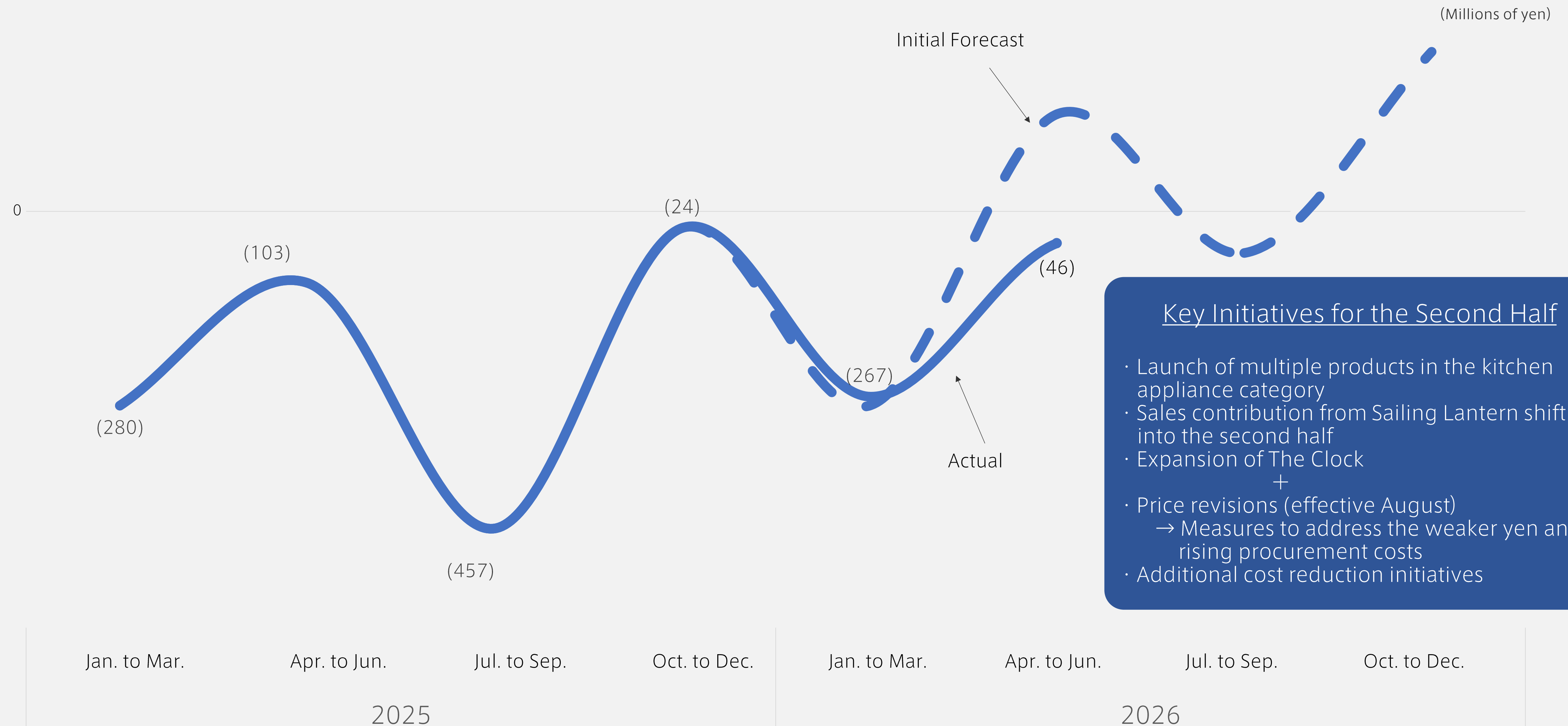
Interim Results
Approx.
¥4.0 billion



Expected in 2H Approx. ¥5.5 billion

- Strengthening competitiveness through further enhancement of the experiential value of core products
(Planning to launch multiple products in the kitchen appliance category)

Progress in Quarterly Operating Profit



Management Policy for the Second Half of FY2026 and Beyond

1. Maximizing Net Sales

- Accelerate product renewals and model changes for key products in the kitchen appliance and air conditioning categories
- Speed up new product launches using ODM development methods
- Price revisions for selected products

2. Minimizing SG&A Expenses

- Implement further measures to improve the cost structure

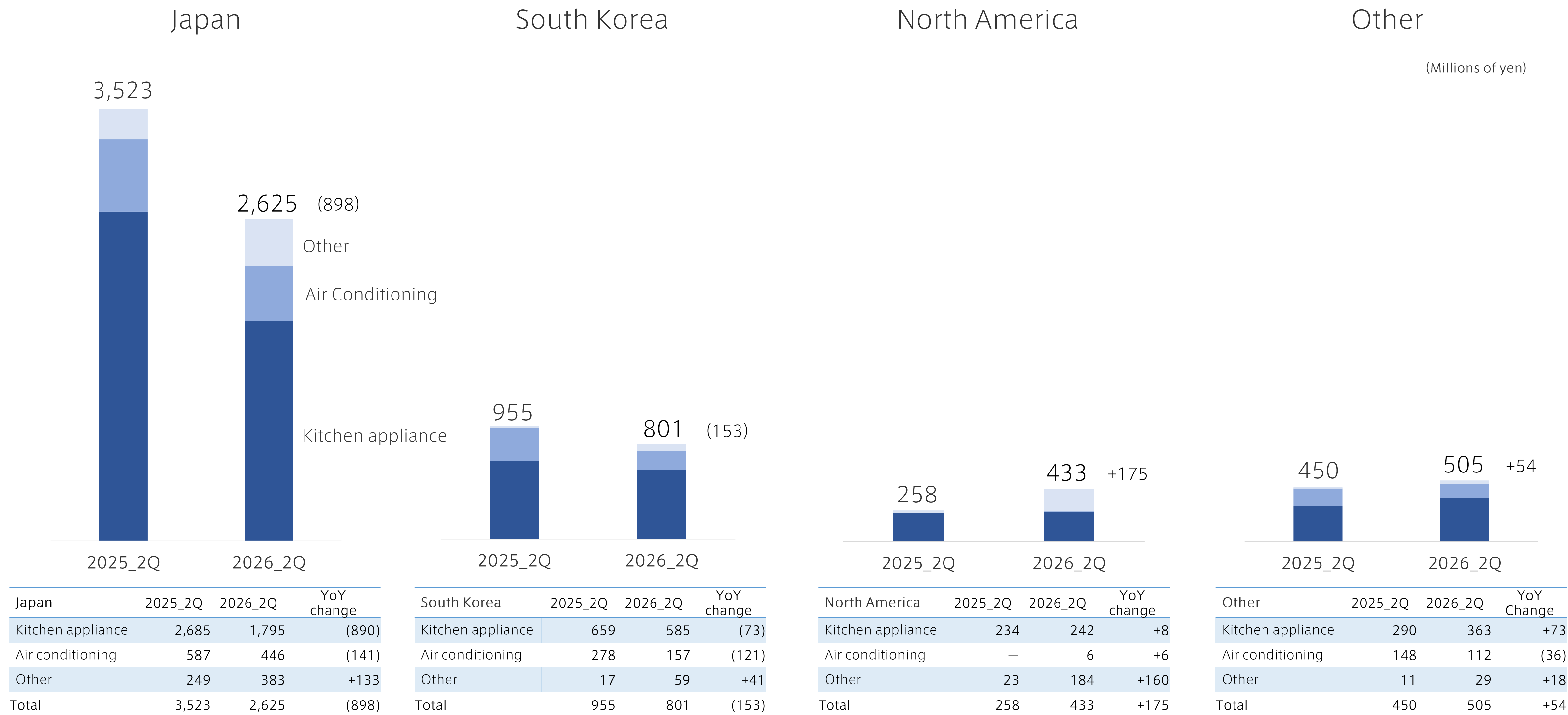
3. Creating New Customer Segments

- Establish new product categories and service offerings

Innovation with Humanity

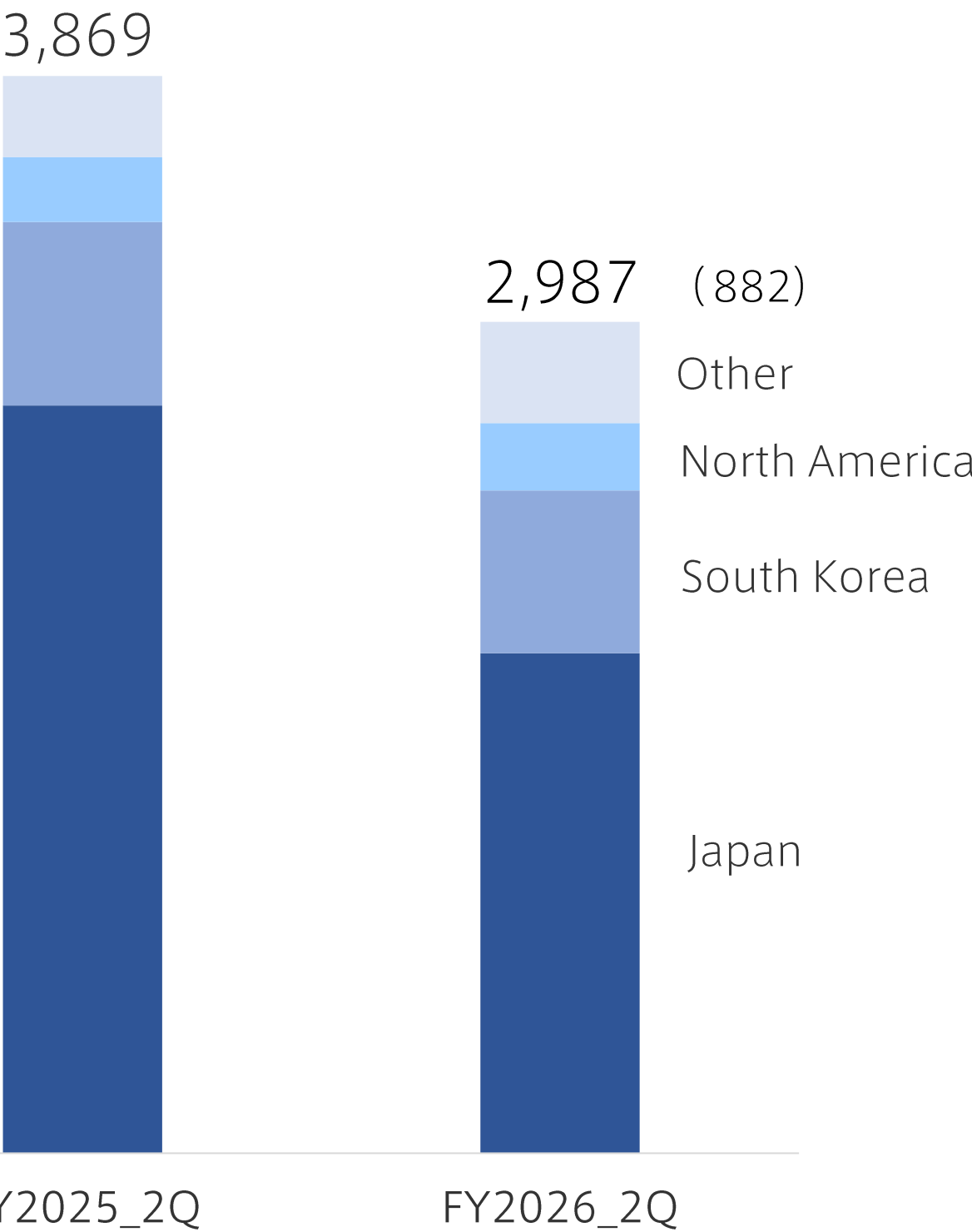
APPENDIX

FY2026 Interim: Net sales by region

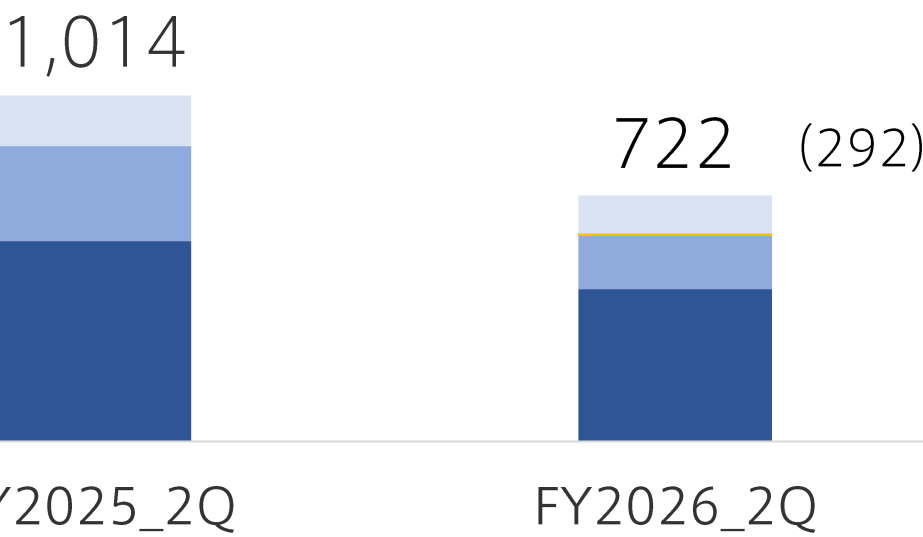


FY2026 Interim: Net sales by product category

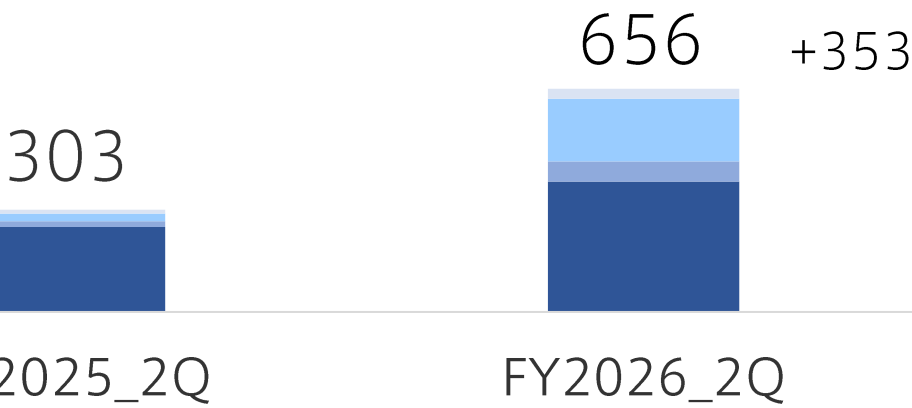
Kitchen appliance



Air conditioning



Other

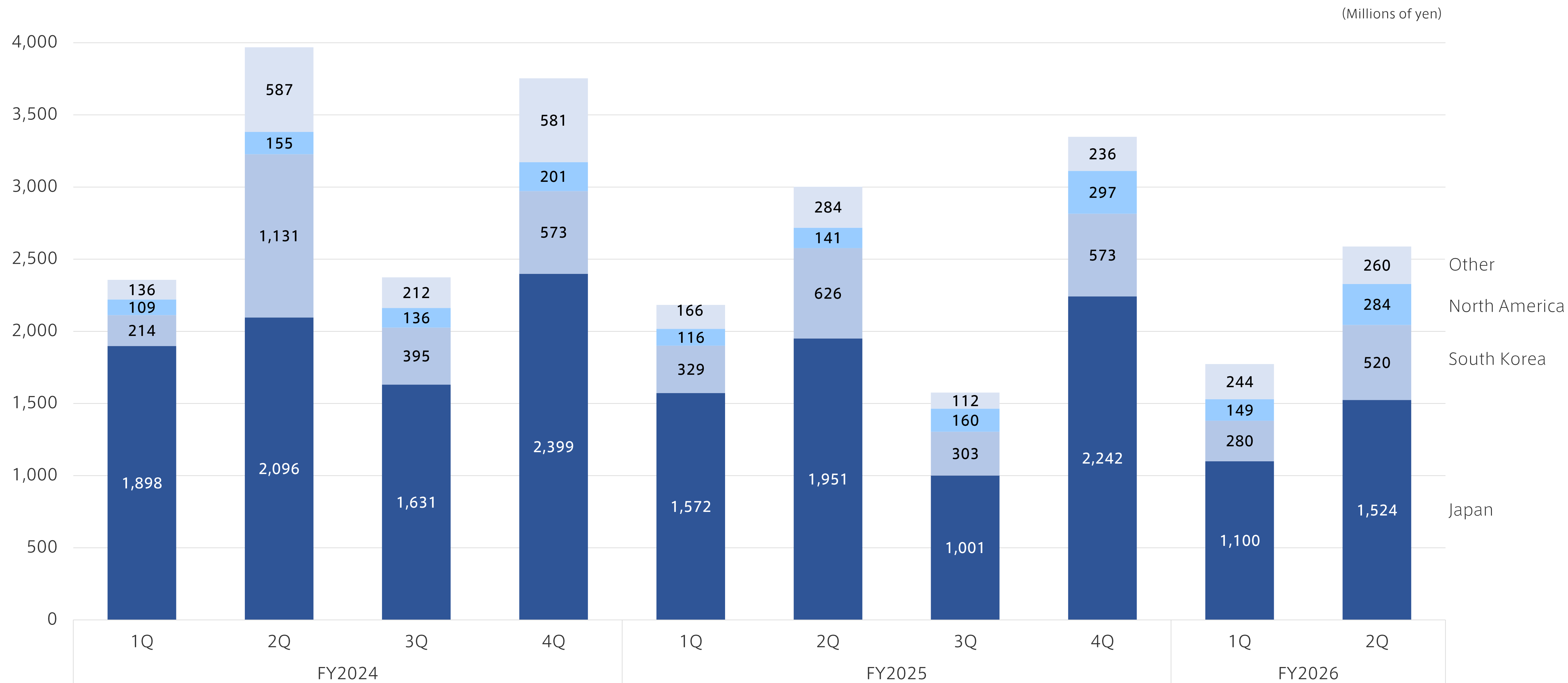


Kitchen Appliance	FY2025_2Q	FY2026_2Q	YoY change
Japan	2,685	1,795	(890)
South Korea	659	585	(73)
North America	234	242	+8
Other	290	363	+73
Total	3,869	2,987	(882)

Air conditioning	FY2025_2Q	FY2026_2Q	YoY change
Japan	587	446	(141)
South Korea	278	157	(121)
North America	—	6	+6
Other	148	112	(36)
Total	1,014	722	(292)

Other	FY2025_2Q	FY2026_2Q	YoY change
Japan	249	383	+133
South Korea	17	59	+41
North America	23	184	+160
Other	11	29	+18
Total	303	656	+353

Quarterly net sales by region

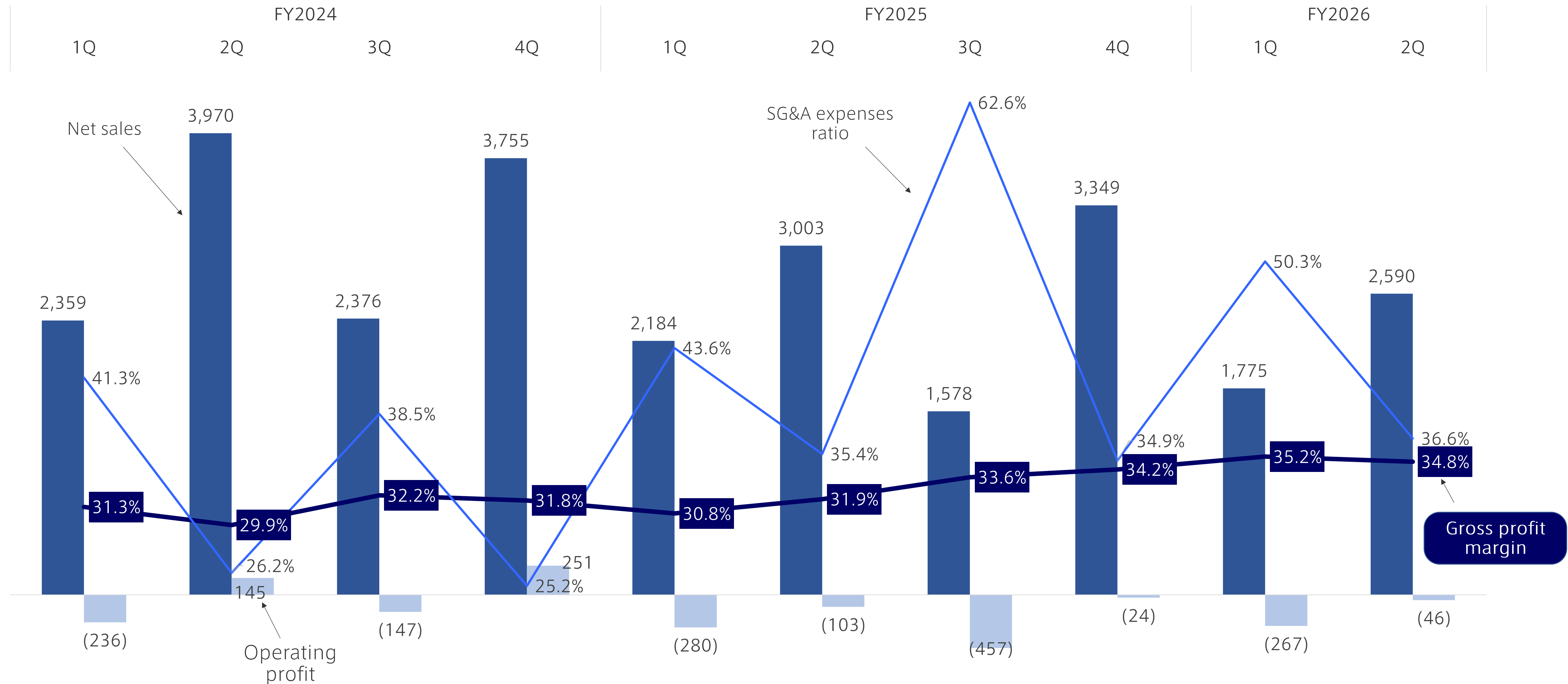


Quarterly net sales by product category

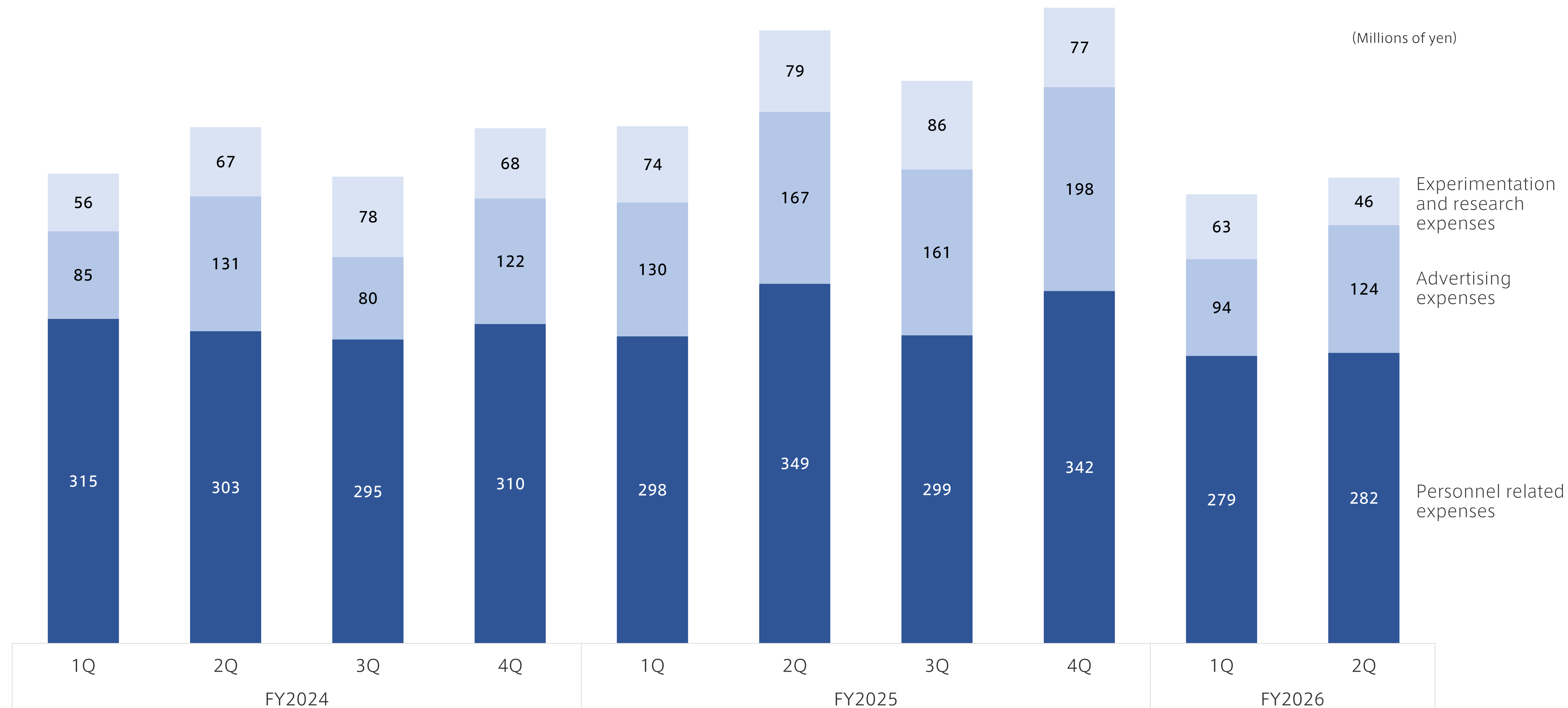


Quarterly net sales, operating profit, GP margin and SG&A expenses ratio

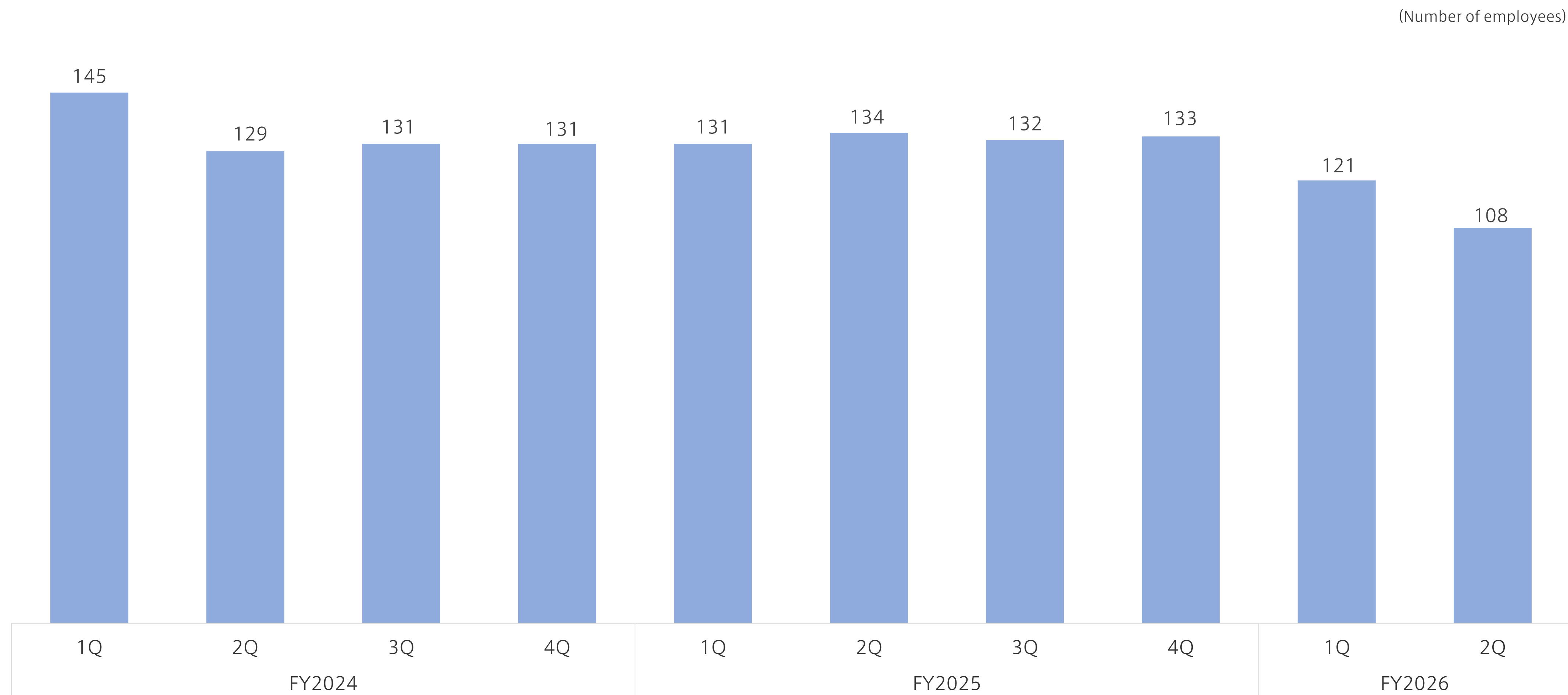
(Net sales, Operating profit : Millions of yen)



Quarterly major SG&A expenses

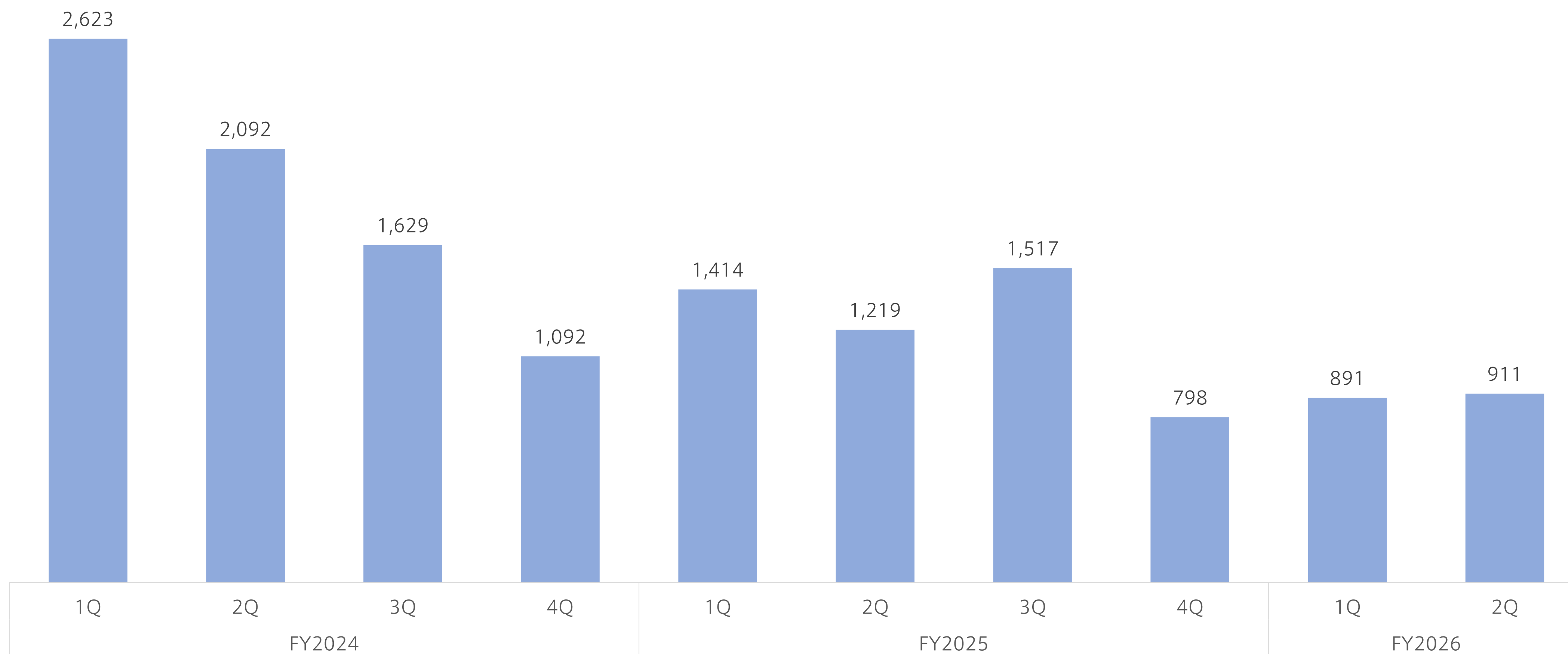


Number of employees



Inventory

(Millions of yen)



Net sales by region/product category by quarters

(Millions of yen)

	FY2024				FY2025				FY2026	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net sales	2,359	3,970	2,376	3,755	2,184	3,003	1,578	3,349	1,775	2,590
Net sales by region										
Japan	1,898 80.5%	2,096 52.8%	1,631 68.6%	2,399 63.9%	1,572 72.0%	1,951 65.0%	1,001 63.5%	2,242 66.9%	1,100 62.0%	1,524 58.9%
Overseas	460 19.5%	1,874 47.2%	744 31.4%	1,356 36.1%	611 28.0%	1,052 35.0%	576 36.5%	1,107 33.1%	675 38.0%	1,065 41.1%
South Korea	214 9.1%	1,131 28.5%	395 16.7%	573 15.3%	329 15.1%	626 20.9%	303 19.3%	573 17.1%	280 15.8%	520 20.1%
North America	109 4.6%	155 3.9%	136 5.8%	201 5.4%	116 5.3%	141 4.7%	160 10.2%	297 8.9%	149 8.4%	284 11.0%
Other	136 5.8%	587 14.8%	212 8.9%	581 15.5%	166 7.6%	284 9.5%	112 7.1%	236 7.1%	244 13.8%	260 10.1%
Net sales by product category										
Air conditioning	340 14.4%	1,004 25.3%	324 13.7%	442 11.8%	308 14.1%	706 23.5%	208 13.2%	329 9.8%	261 14.7%	460 17.8%
Kitchen appliance	1,879 79.7%	2,703 68.1%	1,882 79.2%	3,061 81.5%	1,726 79.0%	2,142 71.4%	1,263 80.0%	2,841 84.9%	1,403 79.0%	1,584 61.2%
Other	139 5.9%	262 6.6%	168 7.1%	251 6.7%	149 6.8%	153 5.1%	107 6.8%	177 5.3%	110 6.2%	545 21.1%

Consolidated statement of income by quarters

(Millions of yen)

	FY2024				FY2025				FY2026	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net sales	2,359	3,970	2,376	3,755	2,184	3,003	1,578	3,349	1,775	2,590
Gross Profit	738 31.3%	1,185 29.9%	766 32.2%	1,195 31.8%	671 30.8%	958 31.9%	530 33.6%	1,146 34.2%	624 35.2%	900 34.8%
SG&A expenses	974 41.3%	1,040 26.2%	913 38.5%	944 25.2%	952 43.6%	1,062 35.4%	988 62.6%	1,170 34.9%	892 50.3%	947 36.6%
Personnel related expenses	315	303	295	310	298	349	299	342	279	282
Advertising expenses	85	131	80	122	130	167	161	198	94	124
Experimentation and research expenses	56	67	78	68	74	79	86	77	63	46
Operating profit	(236) (10.0%)	145 3.7%	(147) (6.2%)	251 6.7%	(280) (12.8%)	(103) (3.5%)	(457) (29.0%)	(24) (0.7%)	(267) (15.1%)	(46) (1.8%)
Ordinary profit	(160)	193	(262)	323	(300)	(95)	(457)	(50)	(283)	(42)
Profit attributable to owners of parent	(160)	192	(263)	298	(301)	(95)	(458)	(741)	(284)	(46)

Consolidated Balance Sheet

(Millions of yen)

	At the end of FY2025	At the end of Q2 FY2026
Current assets		
Cash and deposits	673	382
Accounts receivable - trade	1,791	1,145
Merchandise and finished goods	798	911
Other	709	924
Non-current assets		
Property, plant and equipment	511	469
Intangible assets	116	126
Other	59	41
Total assets	4,659	4,001
Current liabilities		
Accounts payable - trade	395	460
Short-term borrowings	500	400
Current portion of long-term borrowings	125	99
Provision for product warranties	109	99
Other	575	364
Non-current liabilities		
Long-term borrowings	144	94
Total liabilities	1,849	1,518
Total net assets	2,810	2,483
Total liabilities and net assets	4,659	4,001

Products



BALMUDA The Toaster



BALMUDA The Toaster Pro



ReBaker



BALMUDA The Range



BALMUDA The Range S



BALMUDA The Brew



BALMUDA The Pot



MoonKettle



BALMUDA The Gohan



BALMUDA The Plate Pro



Table Stove

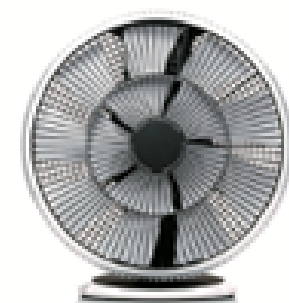
Products



The GreenFan



GreenFan Studio



GreenFan Cirq



GreenFan C2



BALMUDA The Pure



Rain



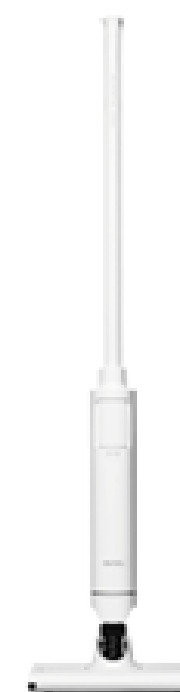
BALMUDA The Speaker



BALMUDA The Lantern



BALMUDA The Light



BALMUDA The Cleaner Lite



Sailing Lantern



The Clock

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.
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