Note: This document has been translated from 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.

November 7, 2025

# Consolidated Financial Results for the Nine Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: BALMUDA Inc.
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: Yes (for institutional investors and analysts)

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

## 1. Consolidated financial results for the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Nine months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2025 | 6,766 | (22.3) | (842) | - | (853) | - | (855) | - |
| September 30, 2024 | 8,706 | 9.4 | (238) | - | (229) | - | (231) | - |

Note: Comprehensive income For the nine months ended September 30, 2025: (¥858) million -%
For the nine months ended September 30, 2024: (¥230) million -%

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Nine months ended | Yen | Yen |
| September 30, 2025 | (100.68) | - |
| September 30, 2024 | (27.32) | - |

### (2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|---|---|---|---|
| As of | Millions of yen | Millions of yen | % |
| September 30, 2025 | 5,067 | 3,546 | 70.0 |
| December 31, 2024 | 6,182 | 4,349 | 70.4 |

Reference: Equity
As of September 30, 2025: ¥3,546 million
As of December 31, 2024: ¥4,349 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, 2024 | | 0.00 | | 0.00 | 0.00 |
| Fiscal year ending December 31, 2025 | | 0.00 | | | |
| Fiscal year ending December 31, 2025 (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, 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 | 9,800 | (21.4) | (930) | - | (940) | - | (1,500) | - | (176.54) |

Note: Revisions to the forecast of Consolidated Earnings most recently announced: Yes

*** 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: Yes

(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 September 30, 2025 | 8,526,200 shares |
| As of December 31, 2024 | 8,466,400 shares |

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

| | |
|---|---|
| As of September 30, 2025 | 3,279 shares |
| As of December 31, 2024 | 3,277 shares |

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

| | |
|---|---|
| Nine months ended September 30, 2025 | 8,496,637 shares |
| Nine months ended September 30, 2024 | 8,459,956 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

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.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

For the nine-month period ended September 30, 2025 (January 1, 2025 to September 30, 2025), consolidated net sales amounted to ¥6,766 million, a decrease of 22.3% compared with the same period of the previous fiscal year. Operating loss was ¥842 million (compared with a loss of ¥238 million in the same period of the previous fiscal year), ordinary loss was ¥853 million (compared with a loss of ¥229 million in the same period of the previous fiscal year), and loss attributable to owners of parent was ¥855 million (compared with a loss of ¥231 million in the same period of the previous fiscal year).

In the domestic market, prolonged weakness in consumer sentiment due to rising prices continued to drive an increase in distribution inventory levels. To optimize inventory within the distribution channel, the Company significantly curtailed shipments starting in September. As a result, consolidated net sales for the nine-month period fell short of both the prior-year results and the initial plan for the period.

Regarding sales in North America, sales exceeded the prior-year level as the Company launched three new products, marking the first step in its medium- to long-term growth strategy of evolving into a global brand. However, the impact of tariff policies made it difficult to implement the originally planned pricing and distribution strategies, forcing revisions to the initial plan. Consequently, sales fell short of the initial forecast.
In South Korea and other regions, sales were below the prior-year level due to differences in new product launches compared with the previous year. Nevertheless, relative to the initial plan, sales in South Korea exceeded expectations, while sales in other regions were generally in line with the plan.

The gross profit margin improved by 1.0 percentage point year on year to 31.9%, reflecting the effects of ongoing initiatives such as reducing manufacturing costs and securing appropriate margins through proper pricing strategies.

Selling, general and administrative expenses exceeded the level of the same period of the previous fiscal year, primarily due to the execution of strategic investments in the United States.

Status of New Product Launches

In September, the Company announced BALMUDA The Range S, a single-function microwave oven. While retaining the simple operability and distinctive guitar sound of BALMUDA The Range (oven range), the new model features a compact design with reduced height and depth, complemented by meticulous attention to detail in elements such as buttons and handles. Its design allows users to enjoy personalized coordination even in limited spaces, and its playful display adds a sense of fun, delivering an enjoyable experience every time it is used.

In October, the Company announced a new model of Rain, its humidifier. Since its initial launch in 2013, Rain has been highly regarded by customers in Japan and South Korea for its intuitive usability and elegant design. The new model has been refined to better suit modern living spaces.

In September, the Company announced the Sailing Lantern, a portable LED lantern jointly developed with LoveFrom, the creative collective led by Sir Jony Ive, former Chief Design Officer at Apple. The Sailing Lantern combines beauty and functionality, offering a modern interpretation of classic maritime design. This collaboration was made possible through the shared design values held by LoveFrom and the Company. The Sailing Lantern is a limited-edition model of 1,000 units and will be launched globally, primarily in the United States, Europe, South Korea, and Japan. Shipments in Japan are scheduled to begin in March 2026.

Progress on Growth Strategy

To achieve further growth, the Company is working to shift its business model to one that targets a global customer base, under its medium- to long-term management strategy of “Evolution into a Global Brand,” with the aim of realizing sustainable growth. As the first step, the Company formulated a plan for full-scale business expansion in the United States during the current fiscal year.

During the nine-month period under review, the Company expanded its product lineup in the U.S. market by launching MoonKettle in March, BALMUDA The Teppanyaki (marketed in Japan as BALMUDA The Plate Pro) in April, and BALMUDA The Toaster Pro (a steam toaster equipped with a salamander function) in September. In addition, the Company opened BALMUDA 50 Norman Brooklyn in Brooklyn, New York, in April.

Although the Company has been implementing these measures to strengthen business development since the beginning of the fiscal year, as noted above, the impact of tariff policies made it difficult to execute the planned pricing and distribution strategies, necessitating revisions to the initial plan. Consequently, sales in the United States have trended below expectations.

As a result of these initiatives, the Company recorded an operating loss of ¥842 million, an ordinary loss of ¥853 million, and a loss attributable to owners of parent of ¥855 million for the nine-month period ended September 30, 2025.

(Unit: Million yen)

| | Nine months ended September 30, 2024 | Nine months ended September 30, 2025 | year-on-year changes | year-on-year changes (%) |
|---|---|---|---|---|
| Net sales | 8,706 | 6,766 | (1,940) | (22.3) |
| Operating profit (loss) | (238) | (842) | (603) | - |
| Ordinary profit (loss) | (229) | (853) | (624) | - |
| Net profit (loss) attributable to owners of the parent | (231) | (855) | (624) | - |

The factors contributing to year-on-year changes and variances from the initial plan by region are as described above.

(Millions of yen)

| Net Sales by Region | Nine months ended September 30, 2024 | Nine months ended September 30, 2025 | year-on-year changes | year-on-year changes (%) |
|---|---|---|---|---|
| Japan | 5,626 | 4,525 | (1,101) | (19.6) |
| South Korea | 1,742 | 1,259 | (482) | (27.7) |
| North America | 401 | 418 | 17 | 4.3 |
| Other | 936 | 562 | (373) | (39.9) |
| Total | 8,706 | 6,766 | (1,940) | (22.3) |

Sales by product category also fell short of both the prior-year results and the initial plan.

(Millions of yen)

| Net Sales by Product Category | Nine months ended September 30, 2024 | Nine months ended September 30, 2025 | year-on-year changes | year-on-year changes (%) |
|---|---|---|---|---|
| Air conditioning | 1,669 | 1,222 | (446) | (26.8) |
| Kitchen appliance | 6,466 | 5,133 | (1,332) | (20.6) |
| Other | 570 | 410 | (160) | (28.1) |
| Total | 8,706 | 6,766 | (1,940) | (22.3) |

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 nine-month period were ¥5,067 million, representing a decrease of ¥1,114 million compared with the end of the previous fiscal year.

Current assets totaled ¥4,318 million, a decrease of ¥1,213 million from the end of the previous fiscal year. This was mainly due to an increase of ¥425 million in merchandise and finished goods, offset by decreases of ¥1,647 million in accounts receivable and ¥370 million in cash and deposits.

Non-current assets amounted to ¥749 million, an increase of ¥99 million from the end of the previous fiscal year. This was primarily attributable to a ¥74 million increase in property, plant and equipment resulting from the acquisition of molds for products, and a ¥63 million increase in investments and other assets due to the recognition of restricted stock compensation expenses.

In addition, beginning with the first quarter of the current fiscal year, “Goods in transit,” which had previously been included under “Merchandise and finished goods” within current assets in the previous fiscal year, has been presented separately to enhance clarity of disclosure.

(Liabilities)

Total liabilities as of the end of the nine-month period were ¥1,521 million, representing a decrease of ¥311 million compared with the end of the previous fiscal year.

Current liabilities totaled ¥1,352 million, a decrease of ¥455 million from the end of the previous fiscal year. This was mainly due to decreases of ¥233 million in accounts payable and ¥111 million in current portion of long-term borrowings.

Non-current liabilities amounted to ¥169 million, an increase of ¥144 million from the end of the previous fiscal year, primarily due to an increase in long-term borrowings.

(Net Assets)

Total net assets as of the end of the nine-month period were ¥3,546 million, representing a decrease of ¥803 million compared with the end of the previous fiscal year. This was mainly due to an increase of ¥27 million each in share capital and capital surplus resulting from the issuance of new shares as restricted stock compensation, offset by a decrease of ¥855 million in retained earnings. In addition, during the nine-month period, the Company reduced its share capital by ¥80 million, transferring the amount to other capital surplus.

(3) Explanation of Forecasts and Forward-Looking Information

Today (November 7, 2025), the Company announced “Notice Regarding Revisions to Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2025 and Recognition of Extraordinary Loss.” ※Only in Japanese.

(Unit: Millions of yen)

| | Net Sales | Operating Profit (loss) | Ordinary Profit (loss) | Profit (loss) Attributable to Owners of Parent |
|---|---|---|---|---|
| Initial Forecast | 12,500 | 20 | 10 | 10 |
| Revised Forecast | 9,800 | (930) | (940) | (1,500) |
| Change | (2,700) | (950) | (950) | (1,510) |

Reasons for Revision of Earnings Forecast

In the domestic market, prolonged weakness in consumer sentiment due to rising prices continued to drive an increase in distribution inventory levels. To optimize inventory within the distribution channel, the Company significantly curtailed shipments starting in September, resulting in an outlook for net sales below the initial forecast.

In the United States, the impact of tariff policies made it difficult to implement the originally planned pricing and distribution strategies. Although the Company has been promoting measures to strengthen business

development since the beginning of the fiscal year, revisions to the plan have led to an outlook for U.S. sales below initial expectations.

In South Korea, the timing of shipments for certain products has been postponed to the next fiscal year, while in other regions, optimization of product rollout plans has resulted in sales projections below the initial plan. In addition, delays in the launch timing of multiple new products both domestically and internationally have also contributed to the outlook for net sales falling short of initial assumptions.

Operating profit forecast has been revised to reflect the downward adjustment in projected net sales and the reduction in the expected gross profit margin from 35.6% to 33.3%, due to factors such as an increase in procurement costs resulting from a greater-than-anticipated depreciation of the yen.

The forecast for ordinary profit has been revised downward in line with the reduction in the operating profit forecast.

The forecast for profit attributable to owners of parent has been revised to reflect the downward adjustment in ordinary profit and the incorporation of an extraordinary loss of ¥560 million, primarily due to impairment of products and components expected to be discontinued as part of restructuring the earnings structure of the home appliance category.

Future Measures

(1) Restructuring the Earnings Structure of the Home Appliance Category

The Company will promote profitability improvement by advancing initiatives such as “improving cost structure (reducing manufacturing costs and compressing fixed expenses)” and “reviewing sales strategies by product and region.”

(2) Establishing a New Category to Create New Customer Segments and Markets

The Company will leverage access to a new customer segment (ultra-high-net-worth individuals) through the Sailing Lantern to create new markets and customer bases. In addition, since last year, the Company has been developing a new strategic product group aimed at improving business efficiency, with an announcement scheduled for early 2026. Through these initiatives, the Company seeks to enhance overall business efficiency and drive growth.

Please also refer to the “Financial Results Briefing Material for Nine Months ended September 30, 2025,” disclosed today (the English version will be disclosed in due course).

2. Consolidated Quarterly Financial Statements and Key Notes

(1) Consolidated Balance Sheet

(Millions of yen)

| | As of December 31, 2024 | As of September 30, 2025 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,345 | 975 |
| Accounts receivable - trade | 2,367 | 720 |
| Merchandise and finished goods | 1,092 | 1,517 |
| Raw materials and supplies | 355 | 517 |
| Goods in transit | 18 | 135 |
| Other | 352 | 452 |
| Total current assets | 5,532 | 4,318 |
| Non-current assets | | |
| Property, plant and equipment | 464 | 538 |
| Intangible assets | 147 | 109 |
| Investments and other assets | 38 | 101 |
| Total non-current assets | 649 | 749 |
| Total assets | 6,182 | 5,067 |

(Millions of yen)

| | As of December 31, 2024 | As of September 30, 2025 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 717 | 484 |
| Short-term borrowings | 100 | 100 |
| Current portion of long-term borrowings | 303 | 191 |
| Income taxes payable | 3 | 0 |
| Provision for bonuses | 50 | 12 |
| Provision for product warranties | 186 | 121 |
| Provision for loss on business liquidation | 6 | 5 |
| Other | 439 | 436 |
| Total current liabilities | 1,807 | 1,352 |
| Non-current liabilities | | |
| Long-term borrowings | 25 | 169 |
| Total non-current liabilities | 25 | 169 |
| Total liabilities | 1,832 | 1,521 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 90 | 37 |
| Capital surplus | 2,759 | 2,867 |
| Retained earnings | 1,476 | 620 |
| Treasury shares | (0) | (0) |
| Total shareholders' equity | 4,325 | 3,525 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | 24 | 20 |
| Total accumulated other comprehensive income | 24 | 20 |
| Total net assets | 4,349 | 3,546 |
| Total liabilities and net assets | 6,182 | 5,067 |

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

Consolidated Statement of Income (Millions of yen)

| | Nine months ended September 30, 2024 | Nine months ended September 30, 2025 |
|---|---|---|
| Net sales | 8,706 | 6,766 |
| Cost of sales | 6,016 | 4,605 |
| Gross profit | 2,689 | 2,160 |
| Selling, general and administrative expenses | 2,928 | 3,003 |
| Operating profit (loss) | (238) | (842) |
| Non-operating income | | |
| Interest income | 1 | 2 |
| Dividend income | 0 | 0 |
| Foreign exchange gains | 15 | ― |
| Miscellaneous income | 2 | 11 |
| Total non-operating income | 19 | 13 |
| Non-operating expenses | | |
| Interest expenses | 9 | 8 |
| Foreign exchange losses | ― | 8 |
| Miscellaneous losses | 0 | 8 |
| Total non-operating expenses | 9 | 25 |
| Ordinary profit (loss) | (229) | (853) |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | ― | 0 |
| Total extraordinary losses | ― | 0 |
| Profit (loss) before income taxes | (229) | (853) |
| Income taxes - current | 2 | 1 |
| Total income taxes | 2 | 1 |
| Profit (loss) | (231) | (855) |
| Profit (loss) attributable to owners of parent | (231) | (855) |

Consolidated Statement of Comprehensive Income (Millions of yen)

| | Nine months ended September 30, 2024 | Nine months ended September 30, 2025 |
|---|---|---|
| Profit (loss) | (231) | (855) |
| Other comprehensive income | | |
| Foreign currency translation adjustment | 1 | (3) |
| Total other comprehensive income | 1 | (3) |
| Comprehensive income | (230) | (858) |
| Comprehensive income attributable to: | | |
| Comprehensive income attributable to owners of parent | (230) | (858) |

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)
There are no applicable matters to report.

(Notes on Significant Changes in Shareholders' Equity)
As resolved at the Board of Directors meeting held on February 13, 2025, the Company issued new shares as restricted stock compensation on May 1, 2025, resulting in an increase of ¥27 million in both share capital and capital surplus.

Furthermore, pursuant to Article 447, Paragraph 1 of the Companies Act, and as approved at the Annual General Meeting of Shareholders held on March 27, 2025, the Company reduced its share capital by ¥80 million on May 15, 2025, transferring the amount to other capital surplus. As a result, as of the end of the nine-month period, share capital stood at ¥37 million and capital surplus at ¥2,867 million.

(Changes in Accounting Policies)
(Application of Accounting Standards for Corporate Income Taxes, Inhabitant Taxes, and Enterprise Taxes)
The Company has applied the "Accounting Standard for Corporate Income Taxes, Inhabitant Taxes, and Enterprise Taxes" (Accounting Standards Board of Japan [ASBJ] Statement No. 27, issued on October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard") from the beginning of the first quarter of the current consolidated accounting period.

Regarding the revision to the classification of income taxes (taxation on other comprehensive income), the Company has adopted the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard, as well as the transitional treatment set forth in the proviso to Paragraph 65-2(2) of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter referred to as the "2022 Revised Implementation Guidance"). This change in accounting policy has no impact on the nine-month consolidated financial statements.

In addition, the Company has applied the 2022 Revised Implementation Guidance from the beginning of the first quarter of the current consolidated accounting period with respect to the revision related to the treatment in consolidated financial statements of gains and losses arising from the sale of shares of subsidiaries among consolidated entities, when such gains and losses are deferred for tax purposes. This change in accounting policy has been applied retrospectively, and the interim consolidated financial statements and consolidated financial statements for the previous nine-month period and the previous fiscal year reflect the retrospective application. There is no impact on the nine-month consolidated financial statements for the previous nine-month period or the consolidated financial statements for the previous fiscal year resulting from this change in accounting policy.

(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 nine-month period has not been prepared. Depreciation for the nine-month period (including amortization of intangible assets) is as follows:

| | Nine months ended September 30, 2024 | Nine months ended September 30, 2025 |
|---|---|---|
| Depreciation | ¥297 million | ¥273 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)

| | Nine months ended September 30, 2024 | Nine months ended September 30, 2025 |
|---|---|---|
| Japan | 5,626 | 4,525 |
| South Korea | 1,742 | 1,259 |
| North America | 401 | 418 |
| Other | 936 | 562 |
| Revenue from contracts with customers | 8,706 | 6,766 |
| Other revenue | — | — |
| Net sales to external customers | 8,706 | 6,766 |

2. Breakdown by Product Category

(Millions of yen)

| | Nine months ended September 30, 2024 | Nine months ended September 30, 2025 |
|---|---|---|
| Air conditioning | 1,669 | 1,222 |
| Kitchen appliance | 6,466 | 5,133 |
| Other | 570 | 410 |
| Revenue from contracts with customers | 8,706 | 6,766 |
| Other revenue | — | — |
| Net sales to external customers | 8,706 | 6,766 |