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 13, 2026

Consolidated Financial Results for the Nine Months Ended September 30, 2026 (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: None

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

1. Consolidated financial results for the nine months ended September 30, 2026 (from January 1, 2026 to September 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	6,631	(2.0)	(376)	―	(395)	―	(411)	―
September 30, 2025	6,766	(22.3)	(842)	―	(853)	―	(855)	―

Note: Comprehensive income For the nine months ended September 30, 2026: (¥409) million ―%
For the nine months ended September 30, 2025: (¥858) million ―%

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2026	(48.36)	―
September 30, 2025	(100.68)	―

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	3,747	2,401	64.1
December 31, 2025	4,659	2,810	60.3

Reference: Equity
As of September 30, 2026: ¥2,401million
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 (loss)		Ordinary profit (loss)		Profit (loss) attributable to owners of parent		Basic earnings (loss) per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	8,900	(12.0)	(650)	—	(670)	—	(1,050)	—	(123.32)

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: 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 September 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 September 30, 2026	18,186 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)

Nine months ended September 30, 2026	8,514,282 shares
Nine months ended September 30, 2025	8,496,637 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 months ended September 30, 2026 (January 1,2026 to September 30,2026), net sales totaled ¥6,631 million, down 2.0% year on year. Operating loss was ¥376 million, compared with a loss of ¥842 million in the same period of the previous year; ordinary loss was ¥395 million, compared with a loss of ¥853 million; and quarterly net loss attributable to owners of parent was ¥411 million, compared with a loss of ¥855 million. As a result, earnings improved at all profit levels.

With respect to net sales, the business environment surrounding the Company continued to become increasingly challenging amid persistent inflation, and net sales in Japan fell below the level recorded in the same period of the previous year. However, the fully renewed models of BALMUDA The Toaster (steam toaster), one of the Company's core products, and its flagship model BALMUDA The Toaster Pro (steam toaster with salamander function), both launched in September, got off to a strong start, with shipments exceeding 9,000 units in the first three days following launch. The Clock (personal clock), launched in April, surpassed cumulative shipments of 7,000 units in Japan and overseas as of November. Overseas sales exceeded the level recorded in the same period of the previous year, driven by The Clock and Sailing Lantern, described below, as well as the expansion of the Company's home appliance product lineup.

Gross profit margin improved by 2.1 percentage points year on year to 34.1%, 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 ¥367 million compared with the same period of the previous year, as the Company continued to promote efficient expense management in line with the scale of sales. As a result of these initiatives to improve profitability, losses narrowed, with operating loss improving by ¥465 million year on year, ordinary loss improving by ¥458 million year on year, and quarterly net loss attributable to owners of parent improving by ¥443 million year on year.

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026	year-on-year changes	year-on-year changes (%)
Net sales	6,766	6,631	(135)	(2.0)
Operating profit (loss)	(842)	(376)	465	―
Ordinary profit (loss)	(853)	(395)	458	―
Net profit (loss) attributable to owners of the parent	(855)	(411)	443	―

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, and has attracted new customer segments in each market.

Also in April, the Company launched The Clock in Japan, subsequently expanding its availability to South Korea and the United States. 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.

In July, the Company added Night Routine, a new feature designed to help users build healthy sleep habits. In October, the Company introduced BALMUDA Good Morning Radio (Beta), a personal AI radio feature and the Company's first content service, further evolving The Clock as a product that helps users maintain a well-balanced daily rhythm. In September, the Company also launched a special Champagne Gold color.

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 nine months ended September 30, 2026, the Company promoted optimization of its organizational and personnel structure in line with the scale of sales, resulting in a decrease of ¥173 million in personnel related expenses compared with the same period of the previous year. In addition, advertising expenses decreased by ¥157 million year on year, mainly due to the optimization of promotional spending in the United States.

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

(Millions of yen)

Net Sales by Region	Nine months ended September 30, 2025	Nine months ended September 30, 2026	year-on-year changes	year-on-year changes (%)
Japan	4,525	3,767	(758)	(16.8)
South Korea	1,259	1,180	(79)	(6.3)
North America	418	697	278	66.4
Other	562	987	424	75.4
Total	6,766	6,631	(135)	(2.0)

Net Sales by Product Category: The sales 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	Nine months ended September 30, 2025	Nine months ended September 30, 2026	year-on-year changes	year-on-year changes (%)
Air conditioning	1,222	957	(265)	(21.7)
Kitchen appliance	5,133	4,681	(451)	(8.8)
Other	410	992	582	141.9
Total	6,766	6,631	(135)	(2.0)

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 third quarter of the current consolidated fiscal year amounted to ¥3,747 million, a decrease of ¥912 million compared with the end of the previous consolidated fiscal year.

Current assets amounted to ¥3,138 million, a decrease of ¥834 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to an increase of ¥133 million in goods in transit, while accounts receivable - trade decreased by ¥591 million and cash and deposits decreased by ¥354 million.

Non-current assets amounted to ¥608 million, a decrease of ¥78 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to decreases of ¥61 million in property, plant and equipment and ¥26 million in investments and other assets.

(Liabilities)

Total liabilities as of the end of the third quarter of the current consolidated fiscal year amounted to ¥1,345 million, a decrease of ¥503 million compared with the end of the previous consolidated fiscal year.

Current liabilities amounted to ¥1,267 million, a decrease of ¥436 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to decreases of ¥200 million in short-term borrowings and ¥89 million in accounts payable - other.

Non-current liabilities amounted to ¥77 million, a decrease of ¥66 million 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 third quarter of the current consolidated fiscal year amounted to ¥2,401 million, a decrease of ¥409 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to a decrease of ¥411 million in retained earnings resulting from the recording of quarterly net loss attributable to owners of parent.

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

Today (November 13, 2026), the Company announced the "Notice Regarding Revision of Consolidated Earnings Forecast and Expected Recording 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	10,500	30	15	10
Revised Forecast	8,900	(650)	(670)	(1,050)
Change	(1,600)	(680)	(685)	(1,060)

Reasons for Revision of Earnings Forecast

In the domestic market, amid persistent inflation, consumers have become increasingly cautious about purchasing home appliances and other durable goods. In addition, the business environment surrounding the Company has become increasingly challenging due to factors such as the growing presence of lower-priced alternative products and the entry of companies from other industries into the home appliance market. In response to these conditions, the Company has been expanding its product lineup. However, prolonged product renewal cycles for its core products resulted in lower sales in the kitchen appliance and air conditioning categories.

In light of these circumstances, the Company concentrated its product development resources on core products and, in September, launched fully renewed models of BALMUDA The Toaster (steam toaster) and BALMUDA The Toaster Pro (steam toaster with salamander function). The new models got off to a strong start, with domestic shipments exceeding 9,000 units in the first three days following launch.

The Clock (personal clock), launched this spring as one of the Company's new products expected to drive future growth, was introduced in a new color in September. The Company also continued to enhance The Clock and its services, launching Night Routine, a new feature designed to help users establish a daily bedtime routine,

in July, followed in October by the beta version of BALMUDA Good Morning Radio, a personal AI radio service and the Company's first content service.

Nevertheless, the effects of these initiatives were not sufficient to offset the overall shortfall in net sales, and the Company now expects net sales to fall below the forecast announced at the beginning of the fiscal year.

As a result of profitability improvement measures, including price revisions implemented in August and the reorganization of the Company's organizational structure in line with the scale of sales, the gross profit margin for the nine months ended September 30, 2026 improved by 2.1 percentage points year on year, while selling, general and administrative expenses decreased by ¥367 million year on year, demonstrating steady progress in improving profitability. However, although profitability is improving, the Company has revised its forecasts for operating profit and ordinary profit to reflect the revision to its net sales forecast.

The forecast for profit attributable to owners of parent has also been revised to reflect the revision to the ordinary profit forecast, as well as the expected recording of the extraordinary losses described below.

The Company is working to restructure its earnings structure and strengthen its foundation for growth with the aim of returning to profitability in the next fiscal year. As part of these efforts, in order to concentrate management resources through the reorganization of its organizational structure and business locations, the Board of Directors resolved at its meeting held today to cease operations at BALMUDA The Store Aoyama (Minato-ku, Tokyo). In addition, in light of the revision to the earnings forecast, the Company expects to record impairment losses and other expenses at the end of the current fiscal year. As a result, the Company expects to record extraordinary losses of ¥380 million for the fiscal year ending December 31, 2026.

With respect to the direct communication with customers previously provided through BALMUDA The Store Aoyama, the Company will explore new approaches in anticipation of its future product and service offerings.

Restructuring the Earnings Structure and Strengthening the Foundation for Growth

In addition to the initiatives to improve the earnings structure that have been implemented since the beginning of the fiscal year, the Company has launched the following initiatives to restructure its earnings structure and strengthen its foundation for growth, with the aim of returning to profitability in the fiscal year ending December 31, 2027 and building a business foundation for subsequent growth.

The restructuring of the fixed cost structure and reallocation of management resources have been largely completed. In the fiscal year ending December 31, 2027, the Company aims to realize the full-year benefits of these initiatives and return to profitability.

(1) Restructuring the Earnings Structure
- Improving operational efficiency through organizational restructuring
  - -Transition to an organizational and personnel structure aligned with the scale of the business
  - -Improving operational efficiency through the use of AI
- Concentrating management resources through the reorganization of business locations
  - -Organizational and location restructuring largely completed

(2) Strategic Allocation of Product Development Resources
- Transition to a development structure for the continuous enhancement and renewal of core products, thereby concentrating development resources on core products
  - -Full renewals of two toaster models (launched in September 2026)
  - -Continuously strengthening the Company's core product lineup, centered on toasters, microwave ovens, electric kettles, and electric fans

(3) Development of New Business Areas
- While advancing structural reforms, steadily developing businesses that will drive the Company's next phase of growth
  - -Further evolution of The Clock 2026: Addition of new features and a new color
    2027: Further enhancement of product value

2. Consolidated Quarterly Financial Statements and Key Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	673	318
Accounts receivable - trade	1,791	1,199
Merchandise and finished goods	798	820
Raw materials and supplies	277	308
Goods in transit	17	151
Other	424	357
Allowance for doubtful accounts	(10)	(18)
Total current assets	3,972	3,138
Non-current assets		
Property, plant and equipment	511	449
Intangible assets	116	126
Investments and other assets	59	32
Total non-current assets	687	608
Total assets	4,659	3,747

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	395	429
Short-term borrowings	500	300
Current portion of long-term borrowings	125	91
Accounts payable - other	298	209
Income taxes payable	1	15
Provision for bonuses	56	12
Provision for product warranties	109	103
Provision for loss on business liquidation	4	3
Other	214	102
Total current liabilities	1,704	1,267
Non-current liabilities		
Long-term borrowings	144	77
Total non-current liabilities	144	77
Total liabilities	1,849	1,345
Net assets		
Shareholders' equity		
Share capital	37	37
Capital surplus	2,867	2,867
Retained earnings	(120)	△532
Treasury shares	(0)	(0)
Total shareholders' equity	2,784	2,372
Accumulated other comprehensive income		
Foreign currency translation adjustment	26	28
Total accumulated other comprehensive income	26	28
Total net assets	2,810	2,401
Total liabilities and net assets	4,659	3,747

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

Consolidated Statement of Income (Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Net sales	6,766	6,631
Cost of sales	4,605	4,372
Gross profit	2,160	2,258
Selling, general and administrative expenses	3,003	2,635
Operating profit (loss)	(842)	(376)
Non-operating income		
Interest income	2	3
Dividend income	0	0
Miscellaneous income	11	2
Total non-operating income	13	5
Non-operating expenses		
Interest expenses	8	8
Foreign exchange losses	8	7
Miscellaneous losses	8	7
Total non-operating expenses	25	24
Ordinary profit (loss)	(853)	(395)
Extraordinary losses		
Loss on retirement of non-current assets	0	―
Business restructuring expenses	―	10
Total extraordinary losses	0	10
Profit (loss) before income taxes	(853)	(406)
Income taxes - current	1	5
Total income taxes	1	5
Profit (loss)	(855)	(411)
Profit (loss) attributable to owners of parent	(855)	(411)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Profit (loss)	(855)	(411)
Other comprehensive income		
Foreign currency translation adjustment	(3)	2
Total other comprehensive income	(3)	2
Comprehensive income	(858)	(409)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(858)	(409)

(3) Notes to Quarterly Consolidated 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 under overdraft agreements with two financial institutions, which require the amount of net assets in the consolidated balance sheet and balance sheet to be maintained at no less than 75% of the amount as of the reference date, and recorded negative operating cash flows. Accordingly, events or conditions exist that may cast significant doubt on the Group's ability to continue as a going concern.

For the nine months ended September 30, 2026, the Group also recorded an operating loss of ¥376 million, an ordinary loss of ¥395 million, and a quarterly net loss attributable to owners of parent of ¥411 million. In addition, as described in "1. Qualitative Information on Quarterly Financial Results, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information," the Group expects to record a net loss attributable to owners of parent of ¥1,050 million for the current consolidated fiscal year.

In order to resolve this situation, in addition to the initiatives to improve the earnings structure that have been implemented since the beginning of the fiscal year, the Group has launched the following initiatives to restructure its earnings structure and strengthen its foundation for growth, with the aim of returning to profitability in the fiscal year ending December 31, 2027 and building a business foundation for subsequent growth.

The restructuring of the fixed cost structure and reallocation of management resources have been largely completed. In the fiscal year ending December 31, 2027, the Group aims to realize the full-year benefits of these initiatives and return to profitability.

① Restructuring the Earnings Structure
- Improving operational efficiency through organizational restructuring
  - -Transition to an organizational and personnel structure aligned with the scale of the business
  - -Improving operational efficiency through the use of AI
- Concentrating management resources through the reorganization of business locations
  - -Organizational and location restructuring largely completed

② Strategic Allocation of Product Development Resources
- Transition to a development structure for the continuous enhancement and renewal of core products, thereby concentrating development resources on core products
  - -Full renewals of two toaster models (launched in September 2026)
  - -Continuously strengthening the Company's core product lineup, centered on toasters, microwave ovens, electric kettles, and electric fans

③ Development of New Business Areas
- While advancing structural reforms, steadily developing businesses that will drive the Company's next phase of growth
  - -Further evolution of The Clock 2026: Addition of new features and a new color
    2027: Further enhancement of product value

During the nine months ended September 30, 2026, the Group made steady progress in improving profitability, including an improvement in gross profit margin, reductions in selling, general and administrative expenses, and a narrowing of operating loss.

On the other hand, net sales are expected to fall below the forecast announced at the beginning of the fiscal year. In addition, the measures aimed at returning to profitability in the fiscal year ending December 31, 2027 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 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 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)
The quarterly consolidated statement of cash flows for the nine months ended September 30, 2026 has not been prepared. Depreciation and amortization (including amortization of intangible assets) for the nine months ended September 30, 2026 is as follows:

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Depreciation and amortization	¥273 million	¥204 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, 2025	Nine months ended September 30, 2026
Japan	4,525	3,767
South Korea	1,259	1,180
North America	418	697
Other	562	987
Revenue from contracts with customers	6,766	6,631
Other revenue	—	—
Net sales to external customers	6,766	6,631

2. Breakdown by Product Category

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Air conditioning	1,222	957
Kitchen appliance	5,133	4,681
Other	410	992
Revenue from contracts with customers	6,766	6,631
Other revenue	—	—
Net sales to external customers	6,766	6,631

(Significant Subsequent Events)
At the meeting of the Board of Directors held on November 13, 2026, the Company resolved to cease operations at BALMUDA The Store Aoyama (Minato-ku, Tokyo). For details, please refer to "1. Qualitative Information on Quarterly Financial Results, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information."