

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)



August 7, 2024

Company name: Kawai Musical Instruments Manufacturing Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 7952 URL <https://www.kawai.co.jp/>  
 Representative: President Kentaro Kawai  
 General Manager  
 Inquiries: Corporate Strategy Dept. Norikazu Takada TEL 053-457-1226  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

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

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	17,602	(9.3)	(555)	–	(227)	–	(283)	–
Three months ended June 30, 2023	19,406	(6.5)	778	(32.2)	1,207	(22.9)	777	(15.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2024	(32.96)		–	
Three months ended June 30, 2023	90.47		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	73,117	43,187	58.8
As of March 31, 2024	73,538	43,141	58.4

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2024	–	0.00	–	95.00	95.00
Year ending March 31, 2025	–	–	–	–	–
Year ending March 31, 2025 (Forecast)	–	–	–	–	–

### 3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	77,500	(3.4)	1,000	(69.3)	1,000	(76.2)	400	(85.6)	46.53

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2024	9,011,560 shares	As of March 31, 2024	9,011,560 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	412,040 shares	As of March 31, 2024	415,390 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	8,599,537 shares	Three months ended June 30, 2023	8,594,716 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	18,231	16,080
Notes and accounts receivable - trade	9,307	9,013
Merchandise and finished goods	11,157	11,961
Work in process	1,673	1,883
Raw materials and supplies	6,232	6,286
Other	3,298	4,296
Allowance for doubtful accounts	(184)	(197)
Total current assets	49,715	49,323
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,024	4,049
Machinery, equipment and vehicles, net	1,814	1,834
Land	6,398	6,416
Other, net	1,620	1,606
Total property, plant and equipment	13,857	13,906
Intangible assets	596	576
Investments and other assets		
Investment securities	7,175	7,139
Deferred tax assets	666	694
Other	1,705	1,658
Allowance for doubtful accounts	(179)	(182)
Total investments and other assets	9,368	9,309
Total non-current assets	23,822	23,793
Total assets	73,538	73,117
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,607	5,954
Short-term borrowings	5,197	5,152
Income taxes payable	702	185
Provision for bonuses	903	346
Provision for product warranties	207	219
Other	5,686	6,077
Total current liabilities	18,303	17,935
Non-current liabilities		
Long-term borrowings	2,921	2,750
Provision for environmental measures	3	3
Provision for share-based payments	29	23
Retirement benefit liability	7,852	7,961
Asset retirement obligations	586	591
Other	699	663
Total non-current liabilities	12,093	11,993
Total liabilities	30,396	29,929

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	7,122	7,122
Capital surplus	1,282	1,282
Retained earnings	29,971	28,867
Treasury shares	(985)	(976)
Total shareholders' equity	37,392	36,297
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,687	1,662
Foreign currency translation adjustment	3,906	5,057
Remeasurements of defined benefit plans	(59)	(54)
Total accumulated other comprehensive income	5,534	6,665
Non-controlling interests	214	224
Total net assets	43,141	43,187
Total liabilities and net assets	73,538	73,117

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	19,406	17,602
Cost of sales	14,244	13,624
Gross profit	5,162	3,978
Selling, general and administrative expenses	4,383	4,533
Operating profit (loss)	778	(555)
Non-operating income		
Interest income	21	28
Dividend income	47	50
Rental income from non-current assets	13	14
Foreign exchange gains	380	287
Other	24	21
Total non-operating income	486	402
Non-operating expenses		
Interest expenses	18	19
Donations	27	38
Other	10	16
Total non-operating expenses	57	74
Ordinary profit (loss)	1,207	(227)
Extraordinary income		
Gain on sale of non-current assets	1	–
Compensation income	25	–
Total extraordinary income	26	–
Extraordinary losses		
Loss on retirement of non-current assets	1	19
Total extraordinary losses	1	19
Profit (loss) before income taxes	1,233	(246)
Income taxes	461	36
Profit (loss)	771	(282)
Profit (loss) attributable to non-controlling interests	(5)	0
Profit (loss) attributable to owners of parent	777	(283)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit (loss)	771	(282)
Other comprehensive income		
Valuation difference on available-for-sale securities	338	(25)
Foreign currency translation adjustment	315	1,156
Remeasurements of defined benefit plans, net of tax	2	4
Share of other comprehensive income of entities accounted for using equity method	(4)	17
Total other comprehensive income	651	1,153
Comprehensive income	1,423	870
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,425	859
Comprehensive income attributable to non-controlling interests	(1)	10