

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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



November 12, 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 file Semi-annual Securities Report: November 13, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 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	%
Six months ended September 30, 2024	36,156	(10.5)	(222)	–	(226)	–	(406)	–
Six months ended September 30, 2023	40,405	(3.9)	1,812	(25.6)	2,419	(15.4)	1,537	(13.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	(47.23)	–
Six months ended September 30, 2023	178.87	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	72,777	44,077	60.2
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	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	0.00	–	95.00	95.00
Year ending March 31, 2025	–	0.00			
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 six months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing semi-annual 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 September 30, 2024	9,011,560 shares	As of March 31, 2024	9,011,560 shares
--------------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of September 30, 2024	412,065 shares	As of March 31, 2024	415,390 shares
--------------------------	----------------	----------------------	----------------

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

Six months ended September 30, 2024	8,599,520 shares	Six months ended September 30, 2023	8,595,293 shares
-------------------------------------	------------------	-------------------------------------	------------------

**Semi-annual consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	18,231	14,982
Notes and accounts receivable - trade	9,307	9,579
Merchandise and finished goods	11,157	12,393
Work in process	1,673	1,910
Raw materials and supplies	6,232	6,263
Other	3,298	4,080
Allowance for doubtful accounts	(184)	(246)
Total current assets	49,715	48,962
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,024	4,037
Machinery, equipment and vehicles, net	1,814	1,919
Land	6,398	6,437
Other, net	1,620	1,877
Total property, plant and equipment	13,857	14,271
Intangible assets	596	565
Investments and other assets		
Investment securities	7,175	6,608
Deferred tax assets	666	877
Other	1,705	1,683
Allowance for doubtful accounts	(179)	(190)
Total investments and other assets	9,368	8,978
Total non-current assets	23,822	23,814
Total assets	73,538	72,777
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,607	5,332
Short-term borrowings	5,197	5,107
Income taxes payable	702	304
Provision for bonuses	903	1,089
Provision for product warranties	207	221
Other	5,686	5,046
Total current liabilities	18,303	17,102
Non-current liabilities		
Long-term borrowings	2,921	2,578
Provision for environmental measures	3	3
Provision for share-based payments	29	27
Retirement benefit liability	7,852	7,696
Asset retirement obligations	586	586
Other	699	705
Total non-current liabilities	12,093	11,597
Total liabilities	30,396	28,699

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	7,122	7,122
Capital surplus	1,282	1,282
Retained earnings	29,971	28,745
Treasury shares	(985)	(976)
Total shareholders' equity	37,392	36,174
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,687	1,289
Foreign currency translation adjustment	3,906	6,420
Remeasurements of defined benefit plans	(59)	(47)
Total accumulated other comprehensive income	5,534	7,662
Non-controlling interests	214	241
Total net assets	43,141	44,077
Total liabilities and net assets	73,538	72,777

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	40,405	36,156
Cost of sales	29,935	27,313
Gross profit	10,469	8,842
Selling, general and administrative expenses	8,657	9,065
Operating profit (loss)	1,812	(222)
Non-operating income		
Interest income	47	59
Dividend income	51	54
Rental income from non-current assets	27	34
Foreign exchange gains	544	–
Other	30	34
Total non-operating income	702	183
Non-operating expenses		
Interest expenses	36	36
Foreign exchange losses	–	42
Donations	37	41
Other	20	67
Total non-operating expenses	94	187
Ordinary profit (loss)	2,419	(226)
Extraordinary income		
Gain on sale of non-current assets	1	2
Compensation income	32	2
Total extraordinary income	34	5
Extraordinary losses		
Loss on retirement of non-current assets	3	22
Loss on sale of non-current assets	–	0
Total extraordinary losses	3	22
Profit (loss) before income taxes	2,450	(244)
Income taxes	912	158
Profit (loss)	1,538	(402)
Profit attributable to non-controlling interests	0	3
Profit (loss) attributable to owners of parent	1,537	(406)

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

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit (loss)	1,538	(402)
Other comprehensive income		
Valuation difference on available-for-sale securities	556	(397)
Foreign currency translation adjustment	1,665	2,532
Remeasurements of defined benefit plans, net of tax	8	10
Share of other comprehensive income of entities accounted for using equity method	(13)	17
Total other comprehensive income	2,217	2,163
Comprehensive income	3,755	1,760
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,744	1,734
Comprehensive income attributable to non-controlling interests	10	26