Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

February 14, 2025

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
Inquiries: General Manager, 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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	54,455	(9.1)	(159)	–	106	(96.8)	(169)	–
Nine months ended December 31, 2023	59,934	(7.4)	2,770	(25.9)	3,367	(18.0)	2,117	(15.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	(19.69)	–
Nine months ended December 31, 2023	246.36	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	70,073	42,139	60.1
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)				95.00	95.00

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	73,000	(9.0)	(400)	–	0	(100.0)	(400)	–	(46.53)

4. Notes

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2024	8,599,512 shares	Nine months ended December 31, 2023	8,595,586 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	18,231	13,361
Notes and accounts receivable - trade	9,307	8,914
Merchandise and finished goods	11,157	11,949
Work in process	1,673	1,841
Raw materials and supplies	6,232	5,818
Other	3,298	4,658
Allowance for doubtful accounts	(184)	(241)
Total current assets	49,715	46,301
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,024	3,902
Machinery, equipment and vehicles, net	1,814	1,782
Land	6,398	6,399
Other, net	1,620	1,872
Total property, plant and equipment	13,857	13,957
Intangible assets	596	533
Investments and other assets		
Investment securities	7,175	7,018
Deferred tax assets	666	768
Other	1,705	1,672
Allowance for doubtful accounts	(179)	(178)
Total investments and other assets	9,368	9,280
Total non-current assets	23,822	23,771
Total assets	73,538	70,073
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,607	4,706
Short-term borrowings	5,197	5,577
Income taxes payable	702	291
Provision for bonuses	903	466
Provision for product warranties	207	198
Other	5,686	5,085
Total current liabilities	18,303	16,326
Non-current liabilities		
Long-term borrowings	2,921	2,506
Provision for environmental measures	3	3
Provision for share-based payments	29	30
Retirement benefit liability	7,852	7,761
Asset retirement obligations	586	585
Other	699	718
Total non-current liabilities	12,093	11,607
Total liabilities	30,396	27,933

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	7,122	7,122
Capital surplus	1,282	1,294
Retained earnings	29,971	28,981
Treasury shares	(985)	(976)
Total shareholders' equity	37,392	36,422
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,687	1,577
Foreign currency translation adjustment	3,906	4,184
Remeasurements of defined benefit plans	(59)	(44)
Total accumulated other comprehensive income	5,534	5,717
Non-controlling interests	214	–
Total net assets	43,141	42,139
Total liabilities and net assets	73,538	70,073

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	59,934	54,455
Cost of sales	44,090	40,888
Gross profit	15,844	13,567
Selling, general and administrative expenses	13,073	13,726
Operating profit (loss)	2,770	(159)
Non-operating income		
Interest income	69	89
Dividend income	86	97
Rental income from non-current assets	42	62
Foreign exchange gains	472	235
Other	52	57
Total non-operating income	723	541
Non-operating expenses		
Interest expenses	53	57
Compensation expenses	0	59
Donations	39	43
Other	32	115
Total non-operating expenses	126	276
Ordinary profit	3,367	106
Extraordinary income		
Gain on sale of non-current assets	4	6
Compensation income	32	2
Total extraordinary income	37	8
Extraordinary losses		
Loss on retirement of non-current assets	7	26
Loss on sale of non-current assets	–	1
Total extraordinary losses	7	27
Profit before income taxes	3,397	87
Income taxes	1,276	253
Profit (loss)	2,120	(166)
Profit attributable to non-controlling interests	3	3
Profit (loss) attributable to owners of parent	2,117	(169)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit (loss)	2,120	(166)
Other comprehensive income		
Valuation difference on available-for-sale securities	629	(110)
Foreign currency translation adjustment	2,095	297
Remeasurements of defined benefit plans, net of tax	14	14
Share of other comprehensive income of entities accounted for using equity method	(12)	3
Total other comprehensive income	2,726	205
Comprehensive income	4,847	39
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,828	13
Comprehensive income attributable to non-controlling interests	18	26