

August 6, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)



Company name: Kawai Musical Instruments Manufacturing Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7952
 URL: <https://www.kawai.co.jp/>
 Representative: Kentaro Kawai, President & CEO, Executive Officer
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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 three months ended June 30, 2025 (from April 1, 2025 to June 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 | |
|----------------------------------|-----------------|-------|------------------|---|-----------------|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended June 30, 2025 | 17,792 | 1.1 | (500) | - | (268) | - | (169) | - |
| June 30, 2024 | 17,602 | (9.3) | (555) | - | (227) | - | (283) | - |

Note: Comprehensive income For the three months ended June 30, 2025: ¥(1,282) million [-%]
 For the three months ended June 30, 2024: ¥870 million [(38.9)%]

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Three months ended June 30, 2025 | (19.73) | - |
| June 30, 2024 | (32.96) | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|---------------------|-----------------|-----------------|-----------------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2025 | 74,433 | 42,438 | 57.0 |
| March 31, 2025 | 73,991 | 44,541 | 60.2 |

Reference: Equity
 As of June 30, 2025: ¥42,438 million
 As of March 31, 2025: ¥44,541 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 March 31, 2025 | - | 0.00 | - | 95.00 | 95.00 |
| Fiscal year ending March 31, 2026 | - | | | | |
| Fiscal year ending March 31, 2026 (Forecast) | | 0.00 | | 95.00 | 95.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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 |
| Fiscal year ending March 31, 2026 | 76,000 | 4.2 | 1,500 | 374.6 | 1,500 | 215.8 | 820 | 102.3 | 95.35 |

Note: Revisions to the earnings forecasts most recently announced: None

* **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: Yes
- (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 June 30, 2025 | 9,011,560 shares |
| As of March 31, 2025 | 9,011,560 shares |

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

| | |
|----------------------|----------------|
| As of June 30, 2025 | 412,141 shares |
| As of March 31, 2025 | 412,141 shares |

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

| | |
|----------------------------------|------------------|
| Three months ended June 30, 2025 | 8,599,419 shares |
| Three months ended June 30, 2024 | 8,599,537 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 forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Quarterly consolidated balance sheet

(Millions of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 13,300 | 13,555 |
| Notes and accounts receivable - trade | 10,606 | 11,119 |
| Merchandise and finished goods | 11,324 | 11,364 |
| Work in process | 2,318 | 2,227 |
| Raw materials and supplies | 5,609 | 5,487 |
| Other | 5,550 | 5,347 |
| Allowance for doubtful accounts | (191) | (186) |
| Total current assets | 48,518 | 48,916 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,079 | 3,986 |
| Machinery, equipment and vehicles, net | 1,810 | 1,711 |
| Land | 6,426 | 6,411 |
| Other, net | 2,692 | 2,771 |
| Total property, plant and equipment | 15,008 | 14,881 |
| Intangible assets | 492 | 466 |
| Investments and other assets | | |
| Investment securities | 7,232 | 7,133 |
| Deferred tax assets | 1,180 | 1,459 |
| Other | 1,748 | 1,764 |
| Allowance for doubtful accounts | (189) | (189) |
| Total investments and other assets | 9,972 | 10,168 |
| Total non-current assets | 25,472 | 25,516 |
| Total assets | 73,991 | 74,433 |

| | As of March 31, 2025 | As of June 30, 2025 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 4,876 | 5,660 |
| Short-term borrowings | 5,562 | 5,635 |
| Income taxes payable | 135 | 194 |
| Provision for bonuses | 858 | 326 |
| Provision for product warranties | 175 | 167 |
| Other | 5,866 | 6,306 |
| Total current liabilities | 17,475 | 18,291 |
| Non-current liabilities | | |
| Long-term borrowings | 2,884 | 4,575 |
| Provision for environmental measures | 5 | 5 |
| Provision for share-based payments | 34 | 38 |
| Retirement benefit liability | 7,457 | 7,540 |
| Asset retirement obligations | 580 | 582 |
| Other | 1,011 | 962 |
| Total non-current liabilities | 11,973 | 13,703 |
| Total liabilities | 29,449 | 31,994 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 7,122 | 7,122 |
| Capital surplus | 1,294 | 1,294 |
| Retained earnings | 29,556 | 28,566 |
| Treasury shares | (976) | (976) |
| Total shareholders' equity | 36,997 | 36,006 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,733 | 1,664 |
| Foreign currency translation adjustment | 5,759 | 4,727 |
| Remeasurements of defined benefit plans | 51 | 40 |
| Total accumulated other comprehensive income | 7,544 | 6,432 |
| Total net assets | 44,541 | 42,438 |
| Total liabilities and net assets | 73,991 | 74,433 |

Quarterly consolidated statement of income

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 17,602 | 17,792 |
| Cost of sales | 13,624 | 13,729 |
| Gross profit | 3,978 | 4,063 |
| Selling, general and administrative expenses | 4,533 | 4,563 |
| Operating loss | (555) | (500) |
| Non-operating income | | |
| Interest income | 28 | 38 |
| Dividend income | 50 | 62 |
| Rental income from non-current assets | 14 | 20 |
| Foreign exchange gains | 287 | 208 |
| Other | 21 | 7 |
| Total non-operating income | 402 | 337 |
| Non-operating expenses | | |
| Interest expenses | 19 | 35 |
| Donations | 38 | 16 |
| Litigation expenses | - | 21 |
| Other | 16 | 31 |
| Total non-operating expenses | 74 | 105 |
| Ordinary loss | (227) | (268) |
| Extraordinary income | | |
| Compensation income | - | 5 |
| Total extraordinary income | - | 5 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 19 | 1 |
| Loss on sale of non-current assets | - | 5 |
| Total extraordinary losses | 19 | 7 |
| Loss before income taxes | (246) | (269) |
| Income taxes | 36 | (100) |
| Loss | (282) | (169) |
| Profit attributable to non-controlling interests | 0 | - |
| Loss attributable to owners of parent | (283) | (169) |

Quarterly consolidated statement of comprehensive income

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|---|-------------------------------------|-------------------------------------|
| Loss | (282) | (169) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (25) | (69) |
| Foreign currency translation adjustment | 1,156 | (1,031) |
| Remeasurements of defined benefit plans, net of tax | 4 | (11) |
| Share of other comprehensive income of entities accounted for using equity method | 17 | - |
| Total other comprehensive income | 1,153 | (1,112) |
| Comprehensive income | 870 | (1,282) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 859 | (1,282) |
| Comprehensive income attributable to non-controlling interests | 10 | - |