

MITSUBISHI PENCIL COMPANY, LIMITED

Supplementary Material on Financial Results for the Twelve Months Ended December 31, 2024

February 13, 2025



Summary of Consolidated Financial Results for the Twelve Months Ended December 31, 2024

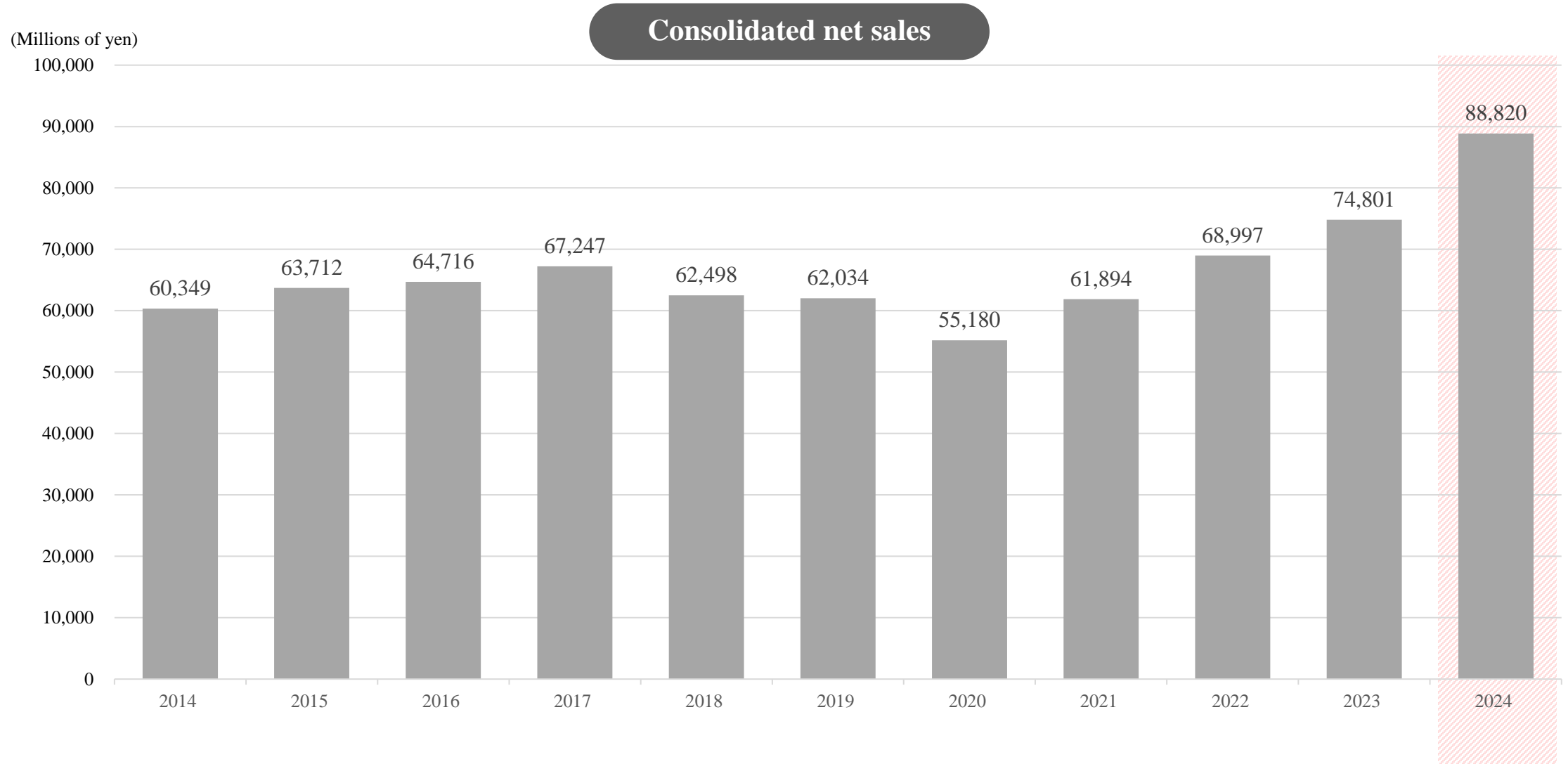
- ◆ Record-high net sales was achieved due to robustness in overseas markets and the boosting effect from the weak yen.
- ◆ Gross profit increased by 21.8% due to increased sales margin from net sales growth, despite continued rise in raw materials and energy costs.
- ◆ Operating profit increased by 2.9% due to the effect of expenses, etc. related to the acquisition of equity in C. Josef Lamy GmbH.
- ◆ We were able to reach new record highs for all the items of gross profit, operating profit, ordinary profit, and profit.

[Consolidated] Millions of yen	2020	2021	2022	2023	2024	YoY	
						Change	Change (%)
Net sales	55,180	61,894	68,997	74,801	88,820	14,018	18.7%
(Avg. USD exchange rate)	¥106.66	¥109.86	¥130.78	¥140.55	¥151.44	¥10.89	-
Gross profit	27,310	30,667	33,953	38,446	46,840	8,393	21.8%
(Gross profit margin)	49.5%	49.5%	49.2%	51.4%	52.7%	1.3%	-
Selling, general and administrative expenses	21,817	23,146	24,709	26,594	34,650	8,056	30.3%
Operating profit	5,493	7,520	9,243	11,851	12,189	337	2.9%
Ordinary profit	5,988	8,309	10,128	12,889	12,952	62	0.5%
Profit*	3,794	5,658	6,951	10,166	11,272	1,105	10.9%

*Profit attributable to owners of parent

Trend in Consolidated Results of Net Sales

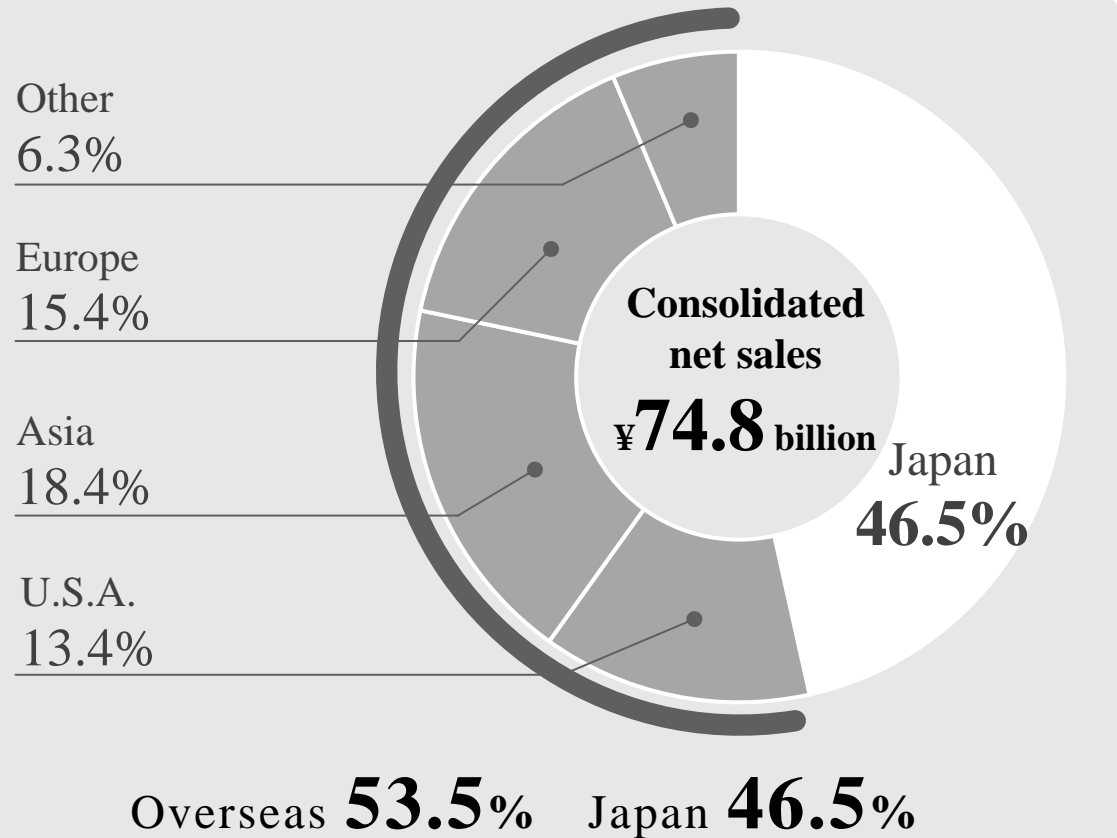
◆ Even if excluding the inclusion of C. Josef Lamy GmbH, we still achieved record-high net sales.



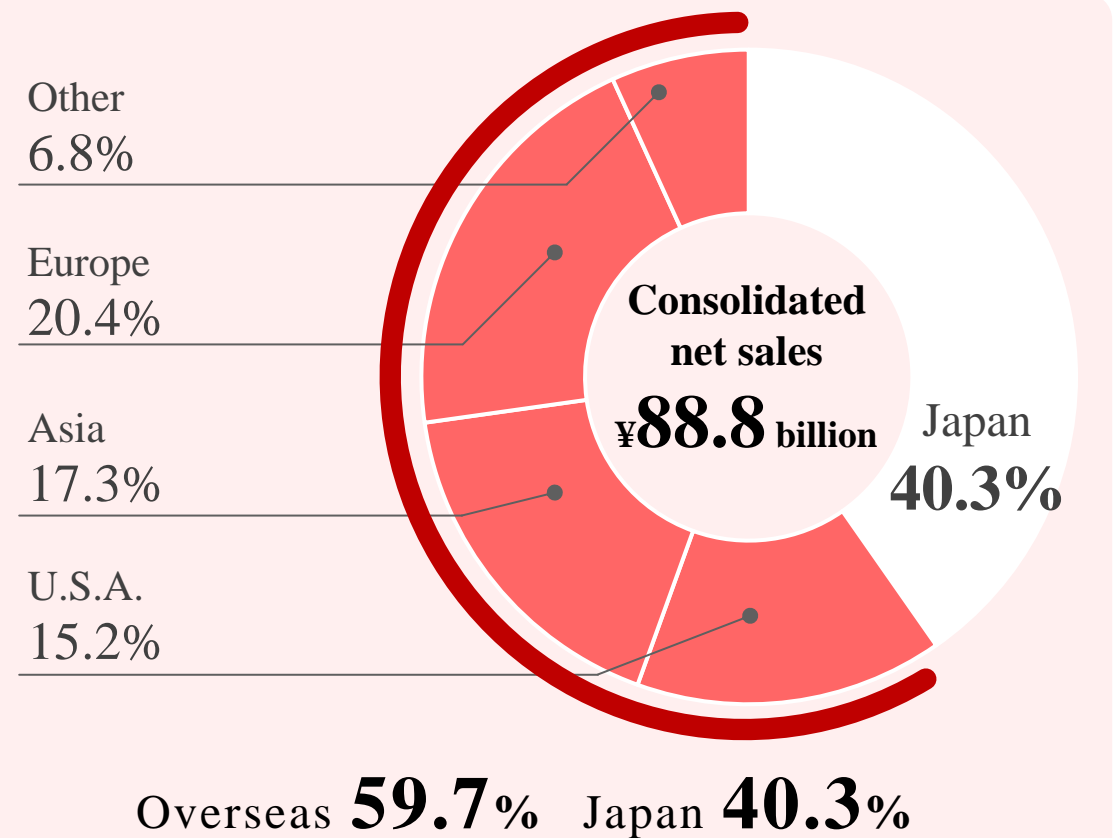
Composition of Consolidated Net Sales by Region

◆ Growth in net sales was driven by the U.S.A. and Europe, and sales by C. Josef Lamy GmbH made a significant contribution in Europe.

2023



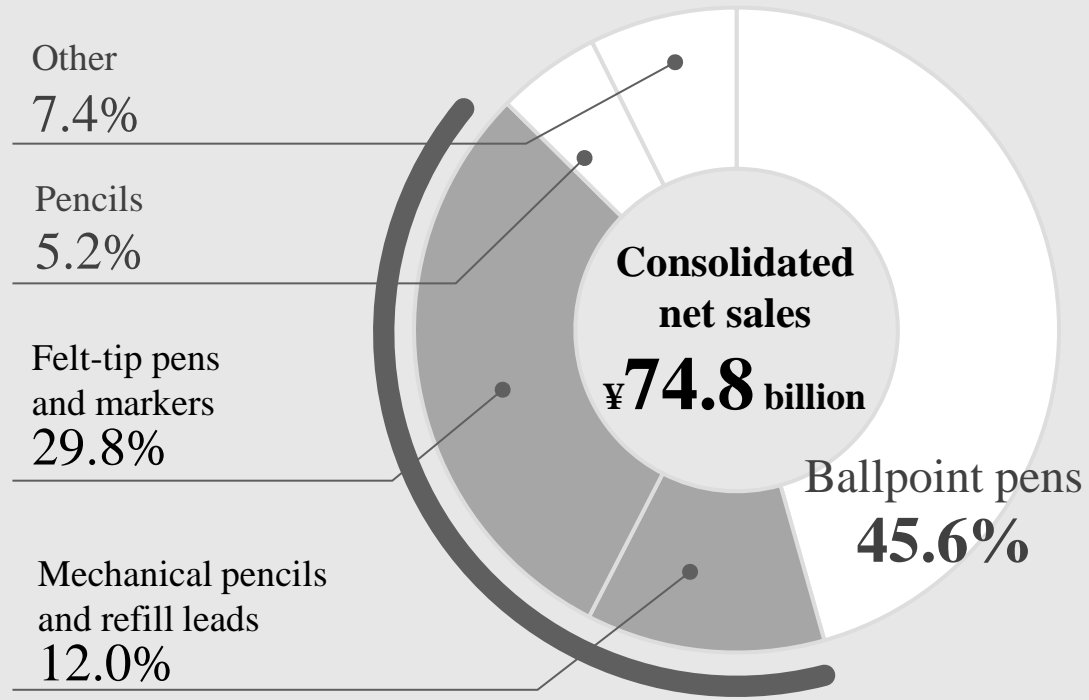
2024



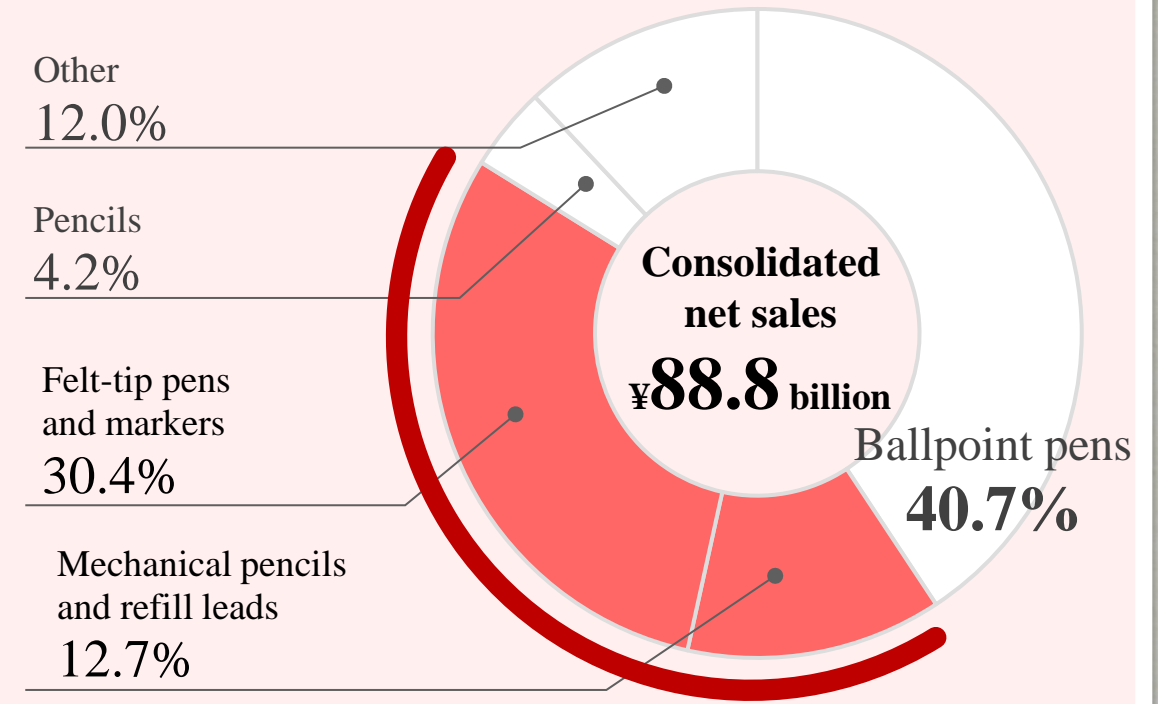
Composition of Consolidated Net Sales by Product Type

- ◆ Net sales grew for mechanical pencils in Japan and for felt-tip pens and markers overseas. In addition, the ratio of other (including fountain pens) rose due to the inclusion of C. Josef Lamy GmbH.

2023



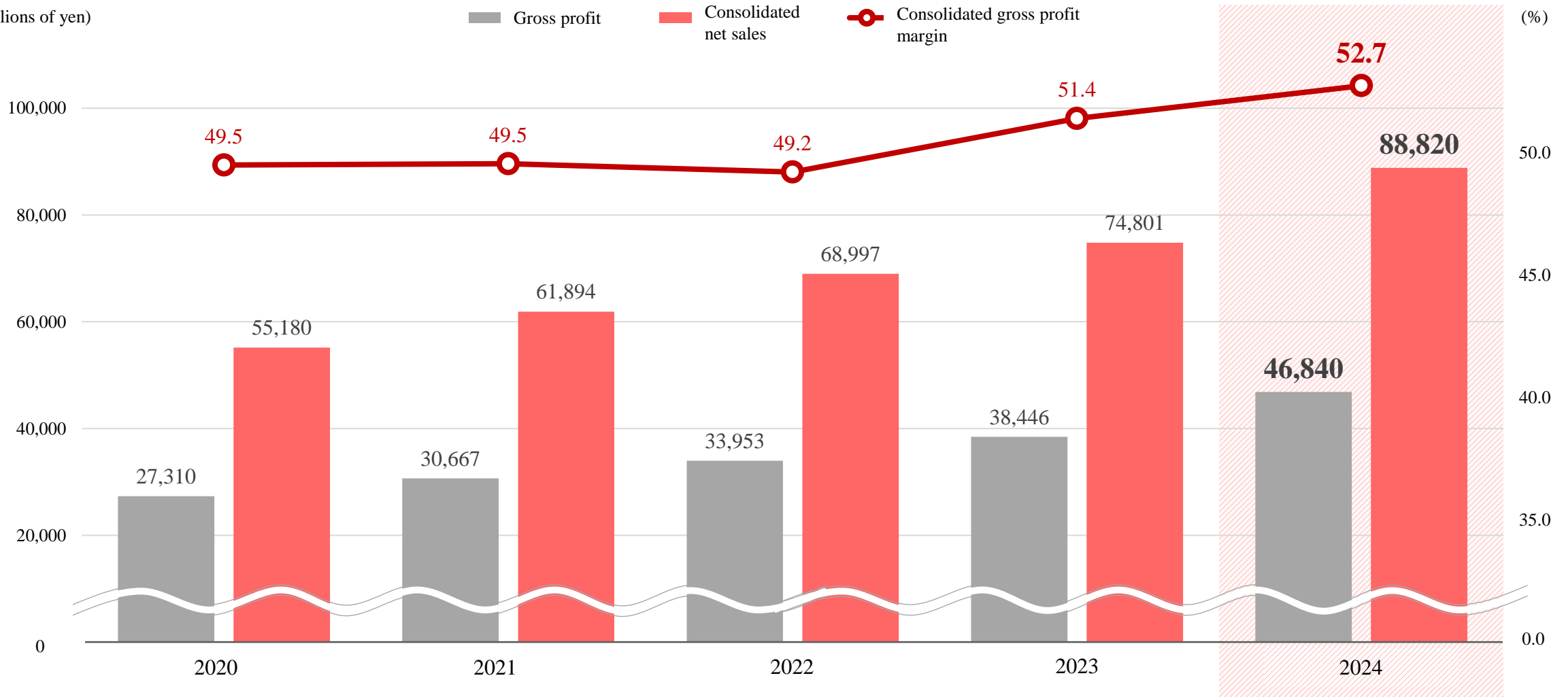
2024



Consolidated Gross Profit Margin

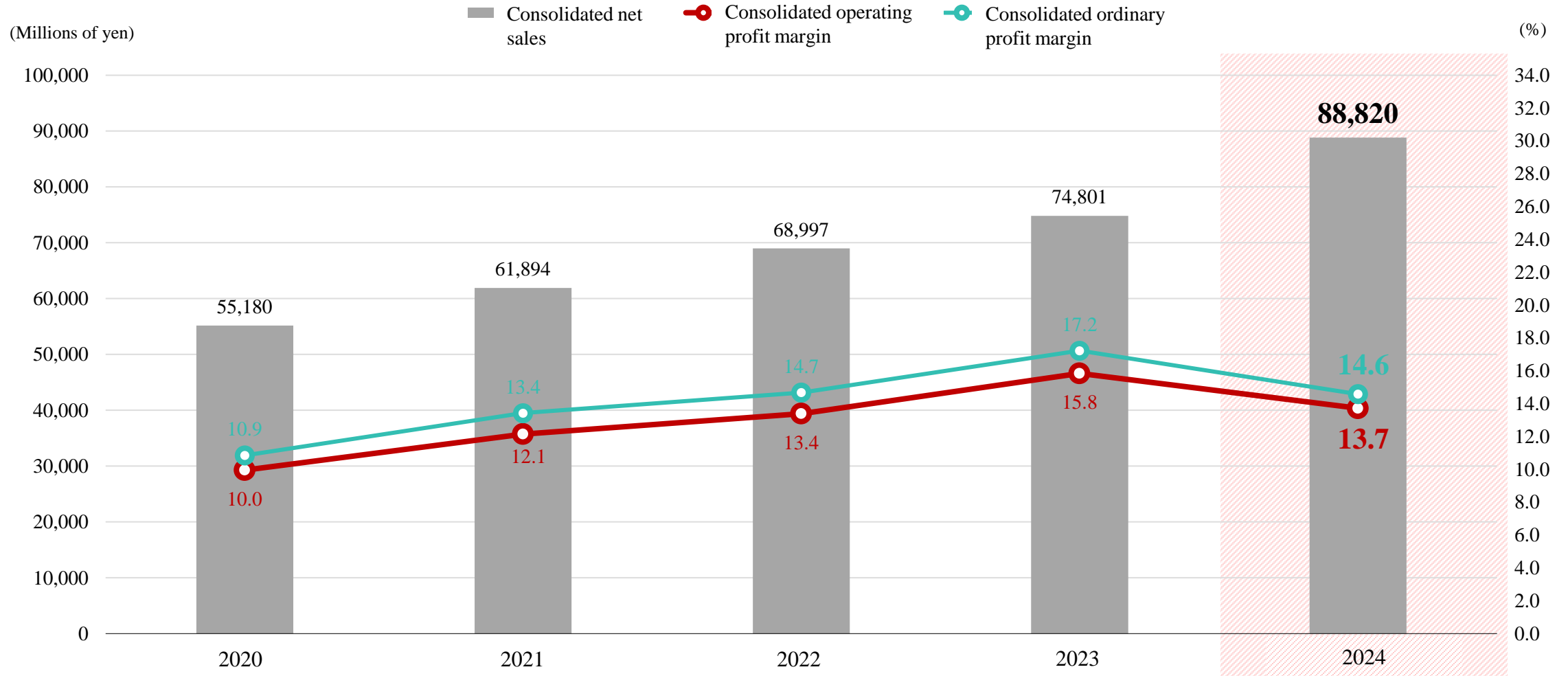
◆ Gain in gross profit margin accompanying increase in sales margin

(Millions of yen)



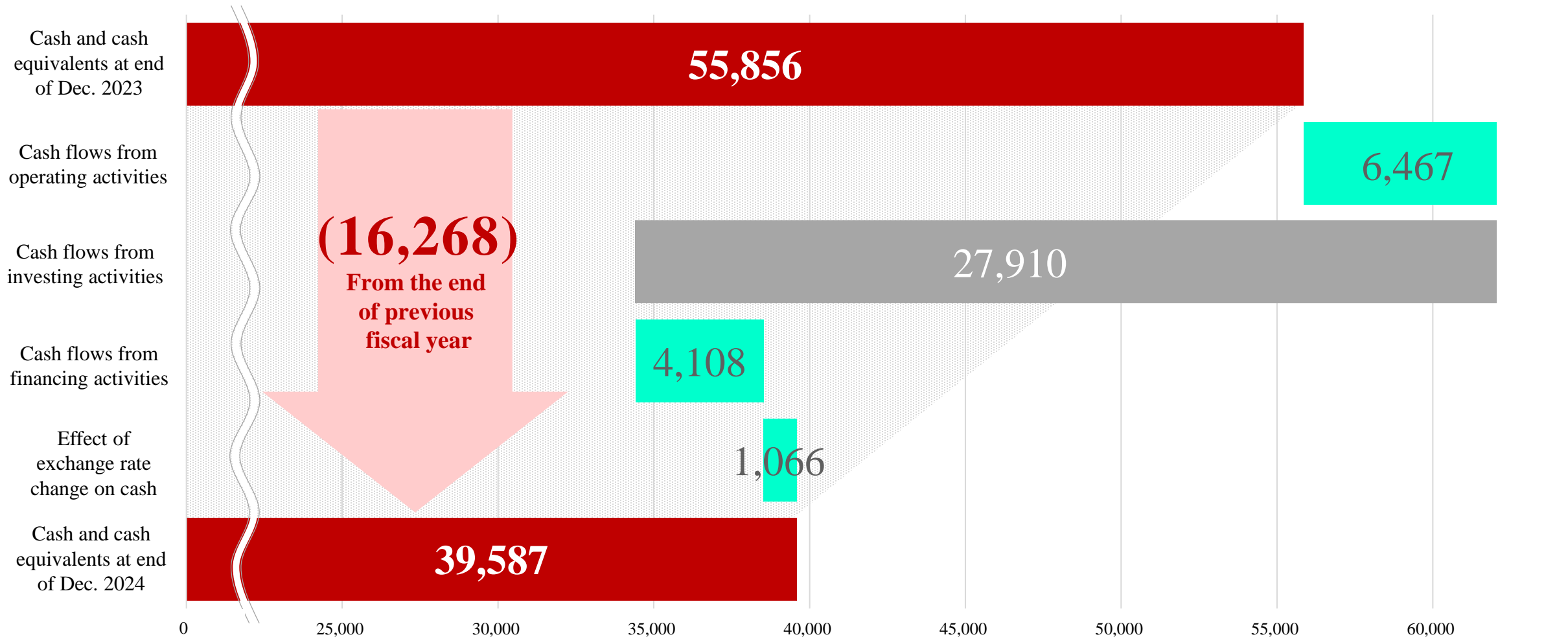
Consolidated Net Sales, Operating Profit Margin and Ordinary Profit Margin

- ◆ Operating profit margin declined due to effect of expenses, etc. related to the acquisition of equity in C. Josef Lamy GmbH, despite increases in net sales and gross profit.
- ◆ Ordinary profit margin also declined compared to the same period of the previous year, due to smaller foreign exchange gains due to fair valuation of foreign currency denominated receivables, etc.



Consolidated Cash Flows

◆ Negative free cash flow due to investments

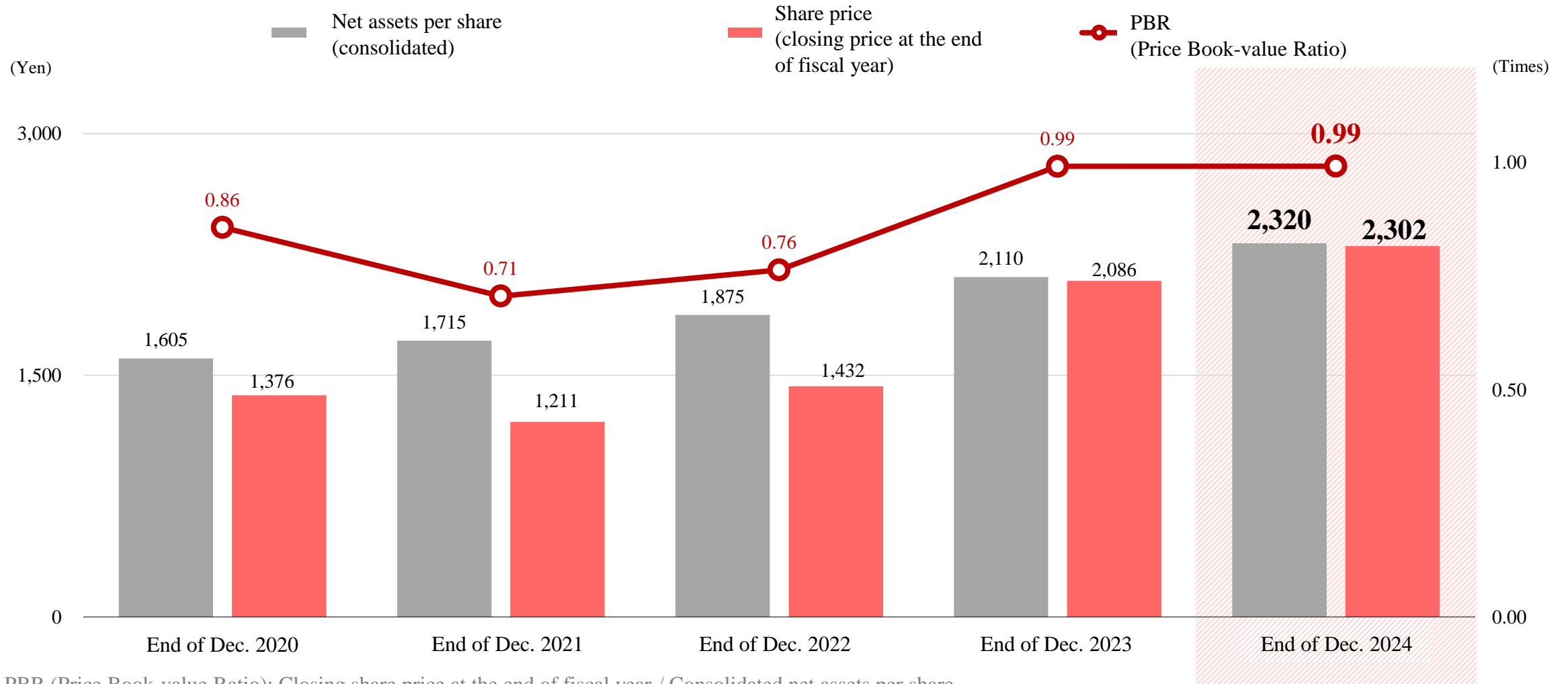


(Note) Figures do not align with cash and deposits presented on the balance sheets given that the balance of time deposits is not presented on the statements of cash flows.

(Millions of yen)

Net Assets per Share / Price Book-value Ratio

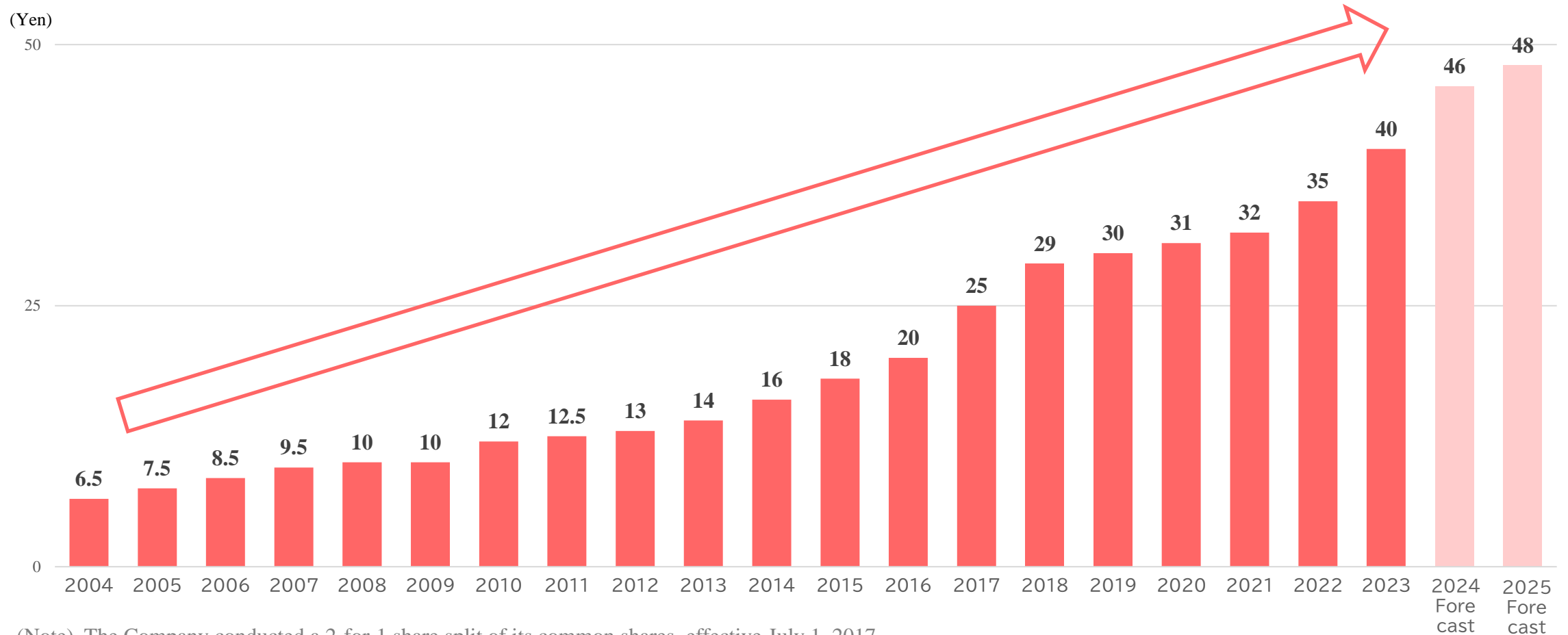
◆ We continued initiatives to achieve PBR of 1x or more.



* PBR (Price Book-value Ratio): Closing share price at the end of fiscal year / Consolidated net assets per share

Dividends

- ◆ Adopting a basic policy of progressive dividends, we plan to achieve an increase in dividends for 22 consecutive fiscal years.
- ◆ A special dividend is planned to be paid continuously for ten years from FY2023.
- ◆ For this year-end dividend, we plan to pay a dividend of ¥25 per share (annual dividends of ¥46), an increase of ¥2 from the previous forecast of ¥23.



(Note) The Company conducted a 2-for-1 share split of its common shares, effective July 1, 2017.
Accordingly, dividends per share was calculated assuming the share split was conducted at the beginning of 2010.

Uniquely Beautiful.



The forecasts and forward-looking statements provided in this document are based on information currently available to the Company and contain potential risks and uncertainties. Consequently, actual results may differ from those projected figures due to various factors.

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