

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 Year Ended December 31, 2024 (Based on Japanese GAAP)

February 13, 2025

Company name: Mitsubishi Pencil Company, Limited  
 Stock exchange listing: Tokyo  
 Stock code: 7976 URL <https://www.mpuni.co.jp/>  
 Representative: Representative Director, President Shigehiko Suhara  
 Inquiries: General Manager of Financial Resources and Accounting Department Masami Hiruma TEL 03-3458-6215  
 Scheduled date of ordinary general meeting of shareholders: March 27, 2025  
 Scheduled date to file Securities Report: March 27, 2025  
 Scheduled date to commence dividend payments: March 28, 2025  
 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 year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

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	%
Year ended December 31, 2024	88,820	18.7	12,189	2.9	12,952	0.5	11,272	10.9
Year ended December 31, 2023	74,801	8.4	11,851	28.2	12,889	27.3	10,166	46.3

Note: Comprehensive income For the year ended December 31, 2024: ¥17,817 million [20.4%]  
 For the year ended December 31, 2023: ¥14,799 million [42.0%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	204.80	–	9.3	8.0	13.7
Year ended December 31, 2023	186.77	–	9.3	9.3	15.8

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	176,881	130,708	72.6	2,320.42
As of December 31, 2023	146,007	116,860	78.5	2,110.06

Reference: Equity  
 As of December 31, 2024: ¥128,357 million  
 As of December 31, 2023: ¥114,665 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	6,467	(27,910)	4,108	39,587
Year ended December 31, 2023	11,763	(71)	(3,722)	55,856

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2023	–	18.00	–	22.00	40.00	2,267	21.4	2.0
Year ended December 31, 2024	–	21.00	–	25.00	46.00	2,666	22.5	2.1
Year ending December 31, 2025 (Forecast)	–	24.00	–	24.00	48.00		27.7	

- Notes
1. The fiscal year-end dividend of the year ended December 31, 2023 of ¥22 includes special dividend of ¥2.
  2. The 2nd quarter-end dividend of the year ended December 31, 2024 of ¥21 includes special dividend of ¥1.
  3. The fiscal year-end dividend of the year ended December 31, 2024 of ¥25 includes special dividend of ¥1.
  4. The 2nd quarter-end dividend of the year ending December 31, 2025 of ¥24 includes special dividend of ¥1.
  5. The fiscal year-end dividend of the year ending December 31, 2025 of ¥24 includes special dividend of ¥1.

## 3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 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	93,000	4.7	13,100	7.5	13,700	5.8	9,600	(14.8)	173.55

Note: The Company has omitted the forecast of consolidated financial results for the six months ending June 30, 2025 because it manages operations on an annual basis.

## 4. Notes

- (1) Significant changes in the scope of consolidation during the year ended December 31, 2024: Yes
- Newly included: 5 companies (C. Josef Lamy GmbH, Lamy Vermietungs GmbH and 3 subsidiaries of C. Josef Lamy GmbH)
- Excluded: 1 company (1 subsidiary of C. Josef Lamy GmbH)
- (2) 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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

### (3) 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	61,042,592 shares	As of December 31, 2023	63,286,292 shares
-------------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2024	5,726,013 shares	As of December 31, 2023	8,943,669 shares
-------------------------	------------------	-------------------------	------------------

Average number of shares during the period

Year ended December 31, 2024	55,043,190 shares	Year ended December 31, 2023	54,435,645 shares
------------------------------	-------------------	------------------------------	-------------------

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2024	56,774	12.2	8,643	49.9	14,090	91.8	14,087	111.6
Year ended December 31, 2023	50,603	3.0	5,766	7.7	7,345	5.7	6,656	27.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended December 31, 2024	245.45	—
Year ended December 31, 2023	117.22	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	129,669	94,432	72.8	1,637.51
As of December 31, 2023	105,330	80,686	76.6	1,423.19

Reference: Equity

As of December 31, 2024: ¥94,432 million  
As of December 31, 2023: ¥80,686 million

2. The forecast of non-consolidated financial results for the year ending December 31, 2025 has been omitted as the non-consolidated information has been deemed to be immaterial.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

Note: The forecast values have been calculated based on currently available information and are subject to potential risks and uncertainties. Therefore, please note that the actual financial results, etc. may differ from the forecasts stated herein due to changes of various factors.

How to obtain supplementary material on financial results

The supplementary material on financial results is posted on the Tokyo Stock Exchange's TDnet system as timely disclosure. It is also posted on the Company's website.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	57,914	41,349
Notes and accounts receivable - trade	17,270	19,586
Inventories	20,665	30,430
Other	2,645	4,072
Allowance for doubtful accounts	(214)	(234)
Total current assets	98,281	95,205
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,929	27,991
Accumulated depreciation	(9,902)	(12,873)
Buildings and structures, net	14,026	15,117
Machinery, equipment and vehicles	24,981	35,486
Accumulated depreciation	(20,804)	(28,302)
Machinery, equipment and vehicles, net	4,177	7,184
Land	2,616	3,328
Construction in progress	1,198	3,797
Other	12,691	16,230
Accumulated depreciation	(12,161)	(13,841)
Other, net	530	2,389
Total property, plant and equipment	22,549	31,817
Intangible assets		
Goodwill	-	5,739
Trademark right	-	5,267
Other	1,089	1,184
Total intangible assets	1,089	12,190
Investments and other assets		
Investment securities	20,004	26,130
Investment property, net	-	5,917
Deferred tax assets	598	618
Retirement benefit asset	2,547	3,889
Other	1,019	1,195
Allowance for doubtful accounts	(83)	(83)
Total investments and other assets	24,086	37,668
Total non-current assets	47,725	81,676
Total assets	146,007	176,881

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,298	10,014
Short-term borrowings	1,518	1,736
Income taxes payable	2,094	2,849
Provision for bonuses	666	723
Accounts payable - other	3,042	3,833
Other	3,178	5,238
<b>Total current liabilities</b>	<b>19,798</b>	<b>24,396</b>
Non-current liabilities		
Long-term borrowings	1,857	9,887
Deferred tax liabilities	3,628	7,700
Retirement benefit liability	3,115	2,951
Provision for retirement benefits for directors (and other officers)	61	59
Other	684	1,177
<b>Total non-current liabilities</b>	<b>9,347</b>	<b>21,776</b>
<b>Total liabilities</b>	<b>29,146</b>	<b>46,173</b>
Net assets		
Shareholders' equity		
Share capital	4,497	4,497
Capital surplus	3,978	3,964
Retained earnings	100,018	104,604
Treasury shares	(8,005)	(5,156)
<b>Total shareholders' equity</b>	<b>100,490</b>	<b>107,909</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,898	12,522
Foreign currency translation adjustment	4,526	6,689
Remeasurements of defined benefit plans	750	1,236
<b>Total accumulated other comprehensive income</b>	<b>14,175</b>	<b>20,448</b>
Non-controlling interests	2,194	2,351
<b>Total net assets</b>	<b>116,860</b>	<b>130,708</b>
<b>Total liabilities and net assets</b>	<b>146,007</b>	<b>176,881</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	74,801	88,820
Cost of sales	36,355	41,980
Gross profit	38,446	46,840
Selling, general and administrative expenses	26,594	34,650
Operating profit	11,851	12,189
Non-operating income		
Interest income	97	191
Dividend income	432	535
Rental income from land and buildings	51	292
Insurance claim income	24	23
Subsidy income	20	10
Foreign exchange gains	463	57
Other	121	228
Total non-operating income	1,211	1,339
Non-operating expenses		
Interest expenses	23	99
Rental expenses	–	211
Commission for syndicated loans	53	143
Administrative expenses for investment partnerships	63	59
Other	32	62
Total non-operating expenses	173	576
Ordinary profit	12,889	12,952
Extraordinary income		
Gain on sale of non-current assets	1,546	3,626
Gain on sale of investment securities	5	110
Compensation income	–	173
Total extraordinary income	1,552	3,910
Extraordinary losses		
Loss on sale and retirement of non-current assets	70	83
Factory restructuring loss	74	25
Retirement payments for officers of subsidiaries	–	108
Other	–	4
Total extraordinary losses	145	220
Profit before income taxes	14,296	16,642
Income taxes - current	3,460	4,950
Income taxes - deferred	391	130
Total income taxes	3,851	5,080
Profit	10,444	11,561
Profit attributable to non-controlling interests	277	289
Profit attributable to owners of parent	10,166	11,272

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	10,444	11,561
Other comprehensive income		
Valuation difference on available-for-sale securities	2,692	3,624
Foreign currency translation adjustment	1,400	2,149
Remeasurements of defined benefit plans, net of tax	262	481
Total other comprehensive income	4,354	6,256
Comprehensive income	14,799	17,817
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,449	17,541
Comprehensive income attributable to non-controlling interests	349	275

## Consolidated statements of changes in equity

Fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,497	3,964	91,838	(7,104)	93,195
Changes during period					
Dividends of surplus			(1,986)		(1,986)
Profit attributable to owners of parent			10,166		10,166
Purchase of treasury shares				(925)	(925)
Disposal of treasury shares		14		25	39
Net changes in items other than shareholders' equity					-
Total changes during period	-	14	8,180	(900)	7,294
Balance at end of period	4,497	3,978	100,018	(8,005)	100,490

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,205	3,197	488	9,892	1,914	105,002
Changes during period						
Dividends of surplus						(1,986)
Profit attributable to owners of parent						10,166
Purchase of treasury shares						(925)
Disposal of treasury shares						39
Net changes in items other than shareholders' equity	2,692	1,328	262	4,283	280	4,563
Total changes during period	2,692	1,328	262	4,283	280	11,858
Balance at end of period	8,898	4,526	750	14,175	2,194	116,860



	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,497	3,978	100,018	(8,005)	100,490
Changes during period					
Dividends of surplus			(2,360)		(2,360)
Profit attributable to owners of parent			11,272		11,272
Purchase of treasury shares				(1,540)	(1,540)
Disposal of treasury shares		(1,736)		1,782	46
Cancellation of treasury shares		(2,605)		2,605	–
Transfer from retained earnings to capital surplus		4,327	(4,327)		
Net changes in items other than shareholders' equity					
Total changes during period	–	(14)	4,585	2,848	7,419
Balance at end of period	4,497	3,964	104,604	(5,156)	107,909

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,898	4,526	750	14,175	2,194	116,860
Changes during period						
Dividends of surplus						(2,360)
Profit attributable to owners of parent						11,272
Purchase of treasury shares						(1,540)
Disposal of treasury shares						46
Cancellation of treasury shares						–
Transfer from retained earnings to capital surplus						–
Net changes in items other than shareholders' equity	3,624	2,163	485	6,272	156	6,429
Total changes during period	3,624	2,163	485	6,272	156	13,848
Balance at end of period	12,522	6,689	1,236	20,448	2,351	130,708

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	14,296	16,642
Depreciation	2,614	4,069
Increase (decrease) in allowance for doubtful accounts	4	12
Increase (decrease) in retirement benefit liability	(98)	(2,697)
Decrease (increase) in retirement benefit asset	(898)	(586)
Rental income from land and buildings	(51)	(291)
Interest and dividend income	(530)	(726)
Interest expenses	23	99
Foreign exchange losses (gains)	(371)	(28)
Compensation income	–	(173)
Loss (gain) on sale and retirement of non-current assets	(1,475)	(3,543)
Loss (gain) on sale of investment securities	(5)	(110)
Amortization of goodwill	35	380
Decrease (increase) in trade receivables	(457)	335
Decrease (increase) in inventories	392	(2,949)
Increase (decrease) in trade payables	1,198	479
Decrease (increase) in consumption taxes refund receivable	(80)	(437)
Other, net	(703)	(298)
Subtotal	13,893	10,174
Interest and dividends received	514	742
Interest paid	(23)	(99)
Proceeds from compensation	–	173
Income taxes paid	(2,620)	(4,524)
Net cash provided by (used in) operating activities	11,763	6,467
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	(1,848)	(3,956)
Proceeds from sale of non-current assets	2,779	3,746
Purchase of investment securities	(290)	(905)
Proceeds from sale of investment securities	100	112
Proceeds from redemption of investment securities	599	–
Purchase of investment property	–	(5,993)
Proceeds from land and house rent received	51	291
Payments into time deposits	(1,261)	(2,762)
Proceeds from withdrawal of time deposits	240	3,175
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(21,122)
Other, net	(444)	(495)
Net cash provided by (used in) investing activities	(71)	(27,910)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1	218
Proceeds from long-term borrowings	–	10,000
Repayments of long-term borrowings	(720)	(1,970)
Purchase of treasury shares	(925)	(1,540)
Dividends paid	(1,979)	(2,360)
Dividends paid to non-controlling interests	(68)	(116)
Other, net	(29)	(122)
Net cash provided by (used in) financing activities	(3,722)	4,108
Effect of exchange rate change on cash and cash equivalents	788	1,066
Net increase (decrease) in cash and cash equivalents	8,757	(16,268)
Cash and cash equivalents at beginning of period	47,098	55,856
Cash and cash equivalents at end of period	55,856	39,587