

MITSUBISHI PENCIL COMPANY, LIMITED

Supplementary Material on Financial Results for the Three Months Ended March 31, 2025

April 25, 2025

Summary of Consolidated Financial Results for the Three Months Ended March 31, 2025

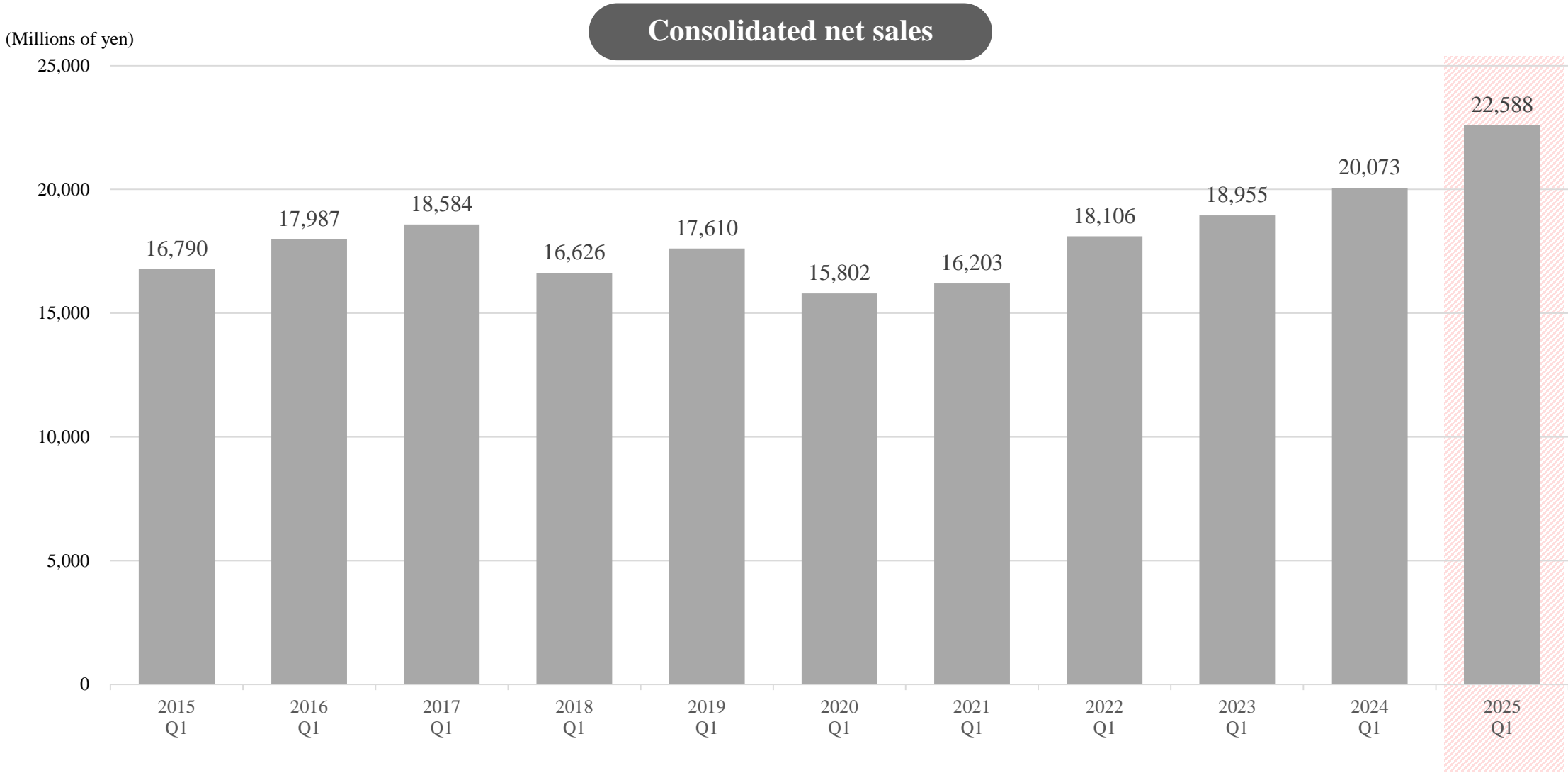
- ◆ Net sales increased due to growth in the Japanese market and the inclusion of C. Josef Lamy GmbH, which became a subsidiary in 2024.
- ◆ Operating profit fell due to an increase in selling, general and administrative expenses, such as increases in labor costs due to growth-oriented human resource investment and amortization due to acquisition of equity in C. Josef Lamy GmbH, as well as the recording of ¥463 million as provision of allowance for doubtful accounts due to the risk of not being able to make collection of receivables from a U.S. client.
- ◆ Ordinary profit declined due to foreign exchange losses.

[Consolidated] Millions of yen	2021	2022	2023	2024	2025	YoY	
	Q1	Q1	Q1	Q1	Q1	Change	Change (%)
Net sales	16,203	18,106	18,955	20,073	22,588	2,515	12.5%
(Avg. USD exchange rate)	¥106.24	¥117.12	¥133.26	¥147.86	¥152.93	¥5.07	-
Gross profit	8,113	8,987	9,575	10,626	11,887	1,261	11.9%
(Gross profit margin)	50.1%	49.6%	50.5%	52.9%	52.6%	-0.3%	-
Selling, general and administrative expenses	5,732	5,783	6,229	7,560	9,331	1,770	23.4%
Operating profit	2,380	3,204	3,345	3,065	2,556	(509)	(16.6%)
Ordinary profit	2,815	3,482	3,487	3,468	2,340	(1,128)	(32.5%)
Profit*	1,983	2,413	2,396	2,137	1,459	(678)	(31.7%)

*Profit attributable to owners of parent

Trend in Consolidated Results of Net Sales

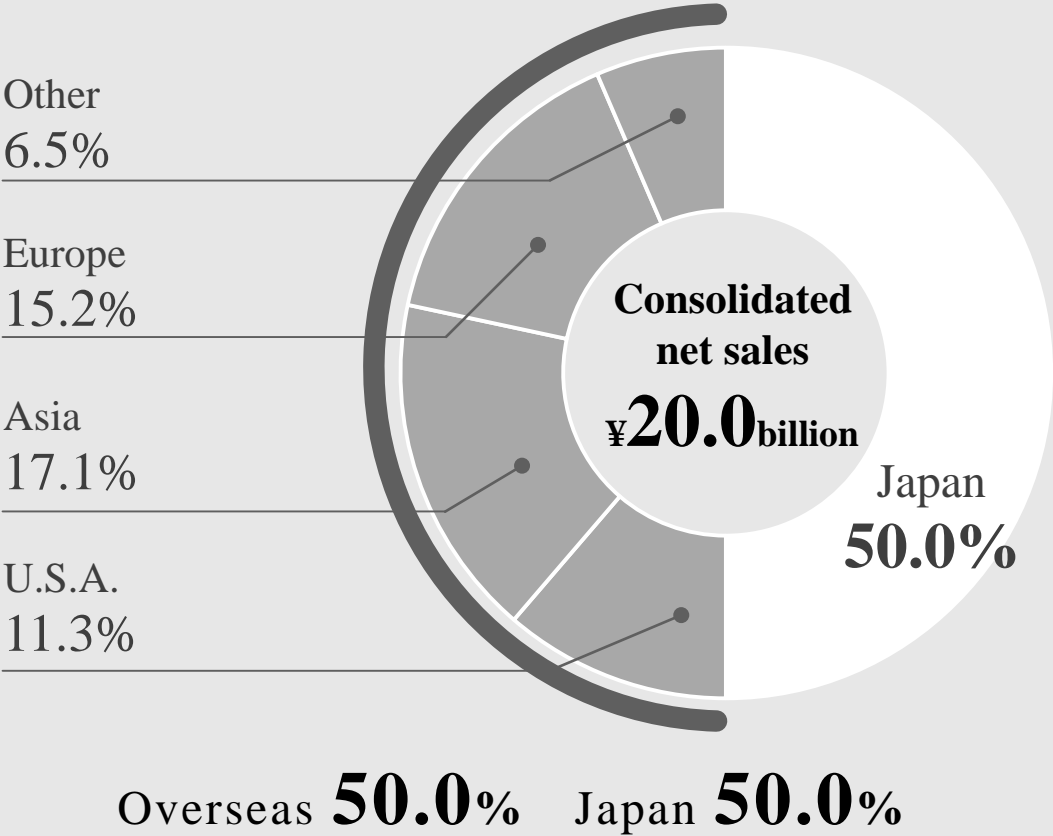
◆ The first quarter of 2025 saw a record-high in net sales compared to past first quarters.



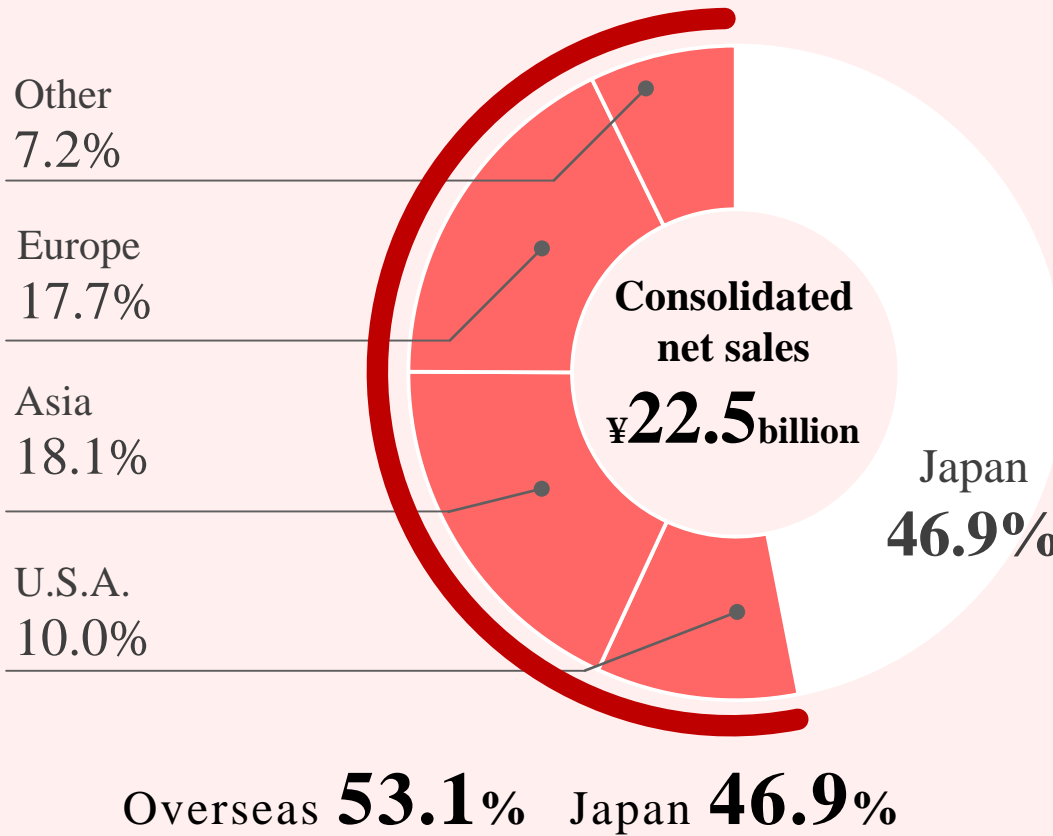
Composition of Consolidated Net Sales by Region

◆ The ratio of overseas sales further increased due to growth in overseas net sales resulting from the inclusion of C. Josef Lamy GmbH.

2024 Q1



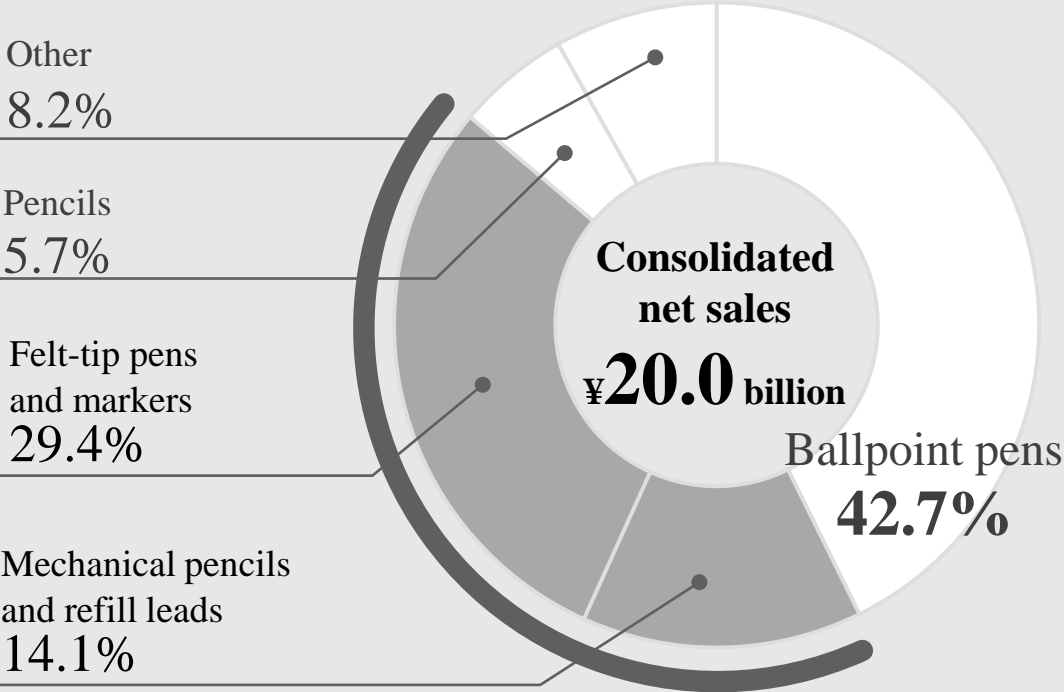
2025 Q1



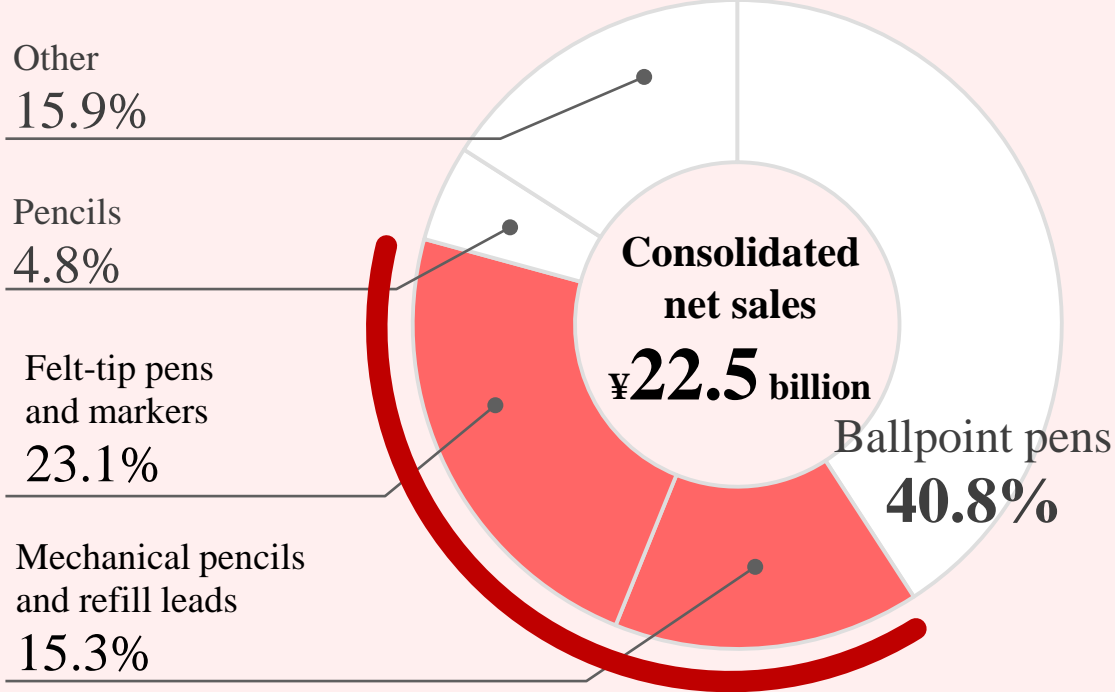
Composition of Consolidated Net Sales by Product Type

◆ Net sales grew for ballpoint pens and mechanical pencils in Japan and for ballpoint pens overseas, with other including fountain pens.

2024 Q1

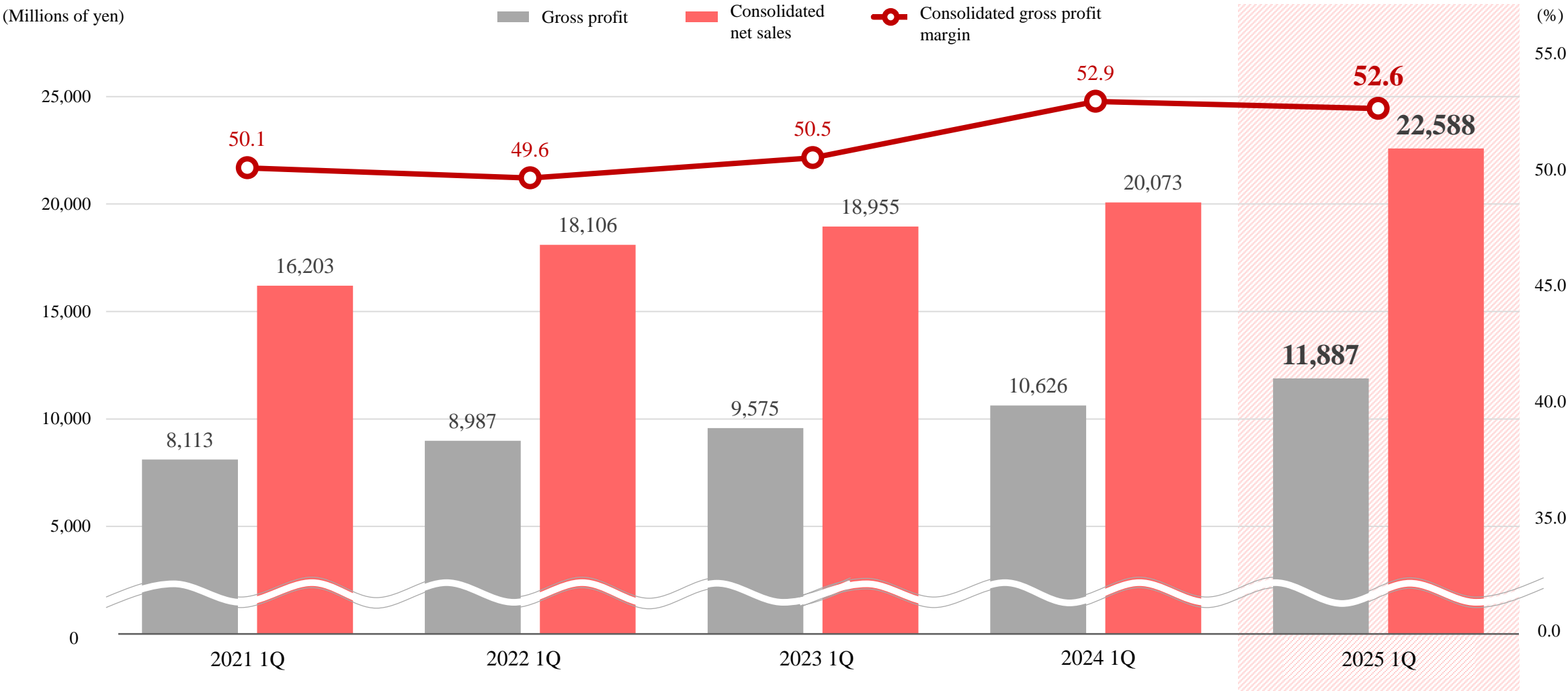


2025 Q1



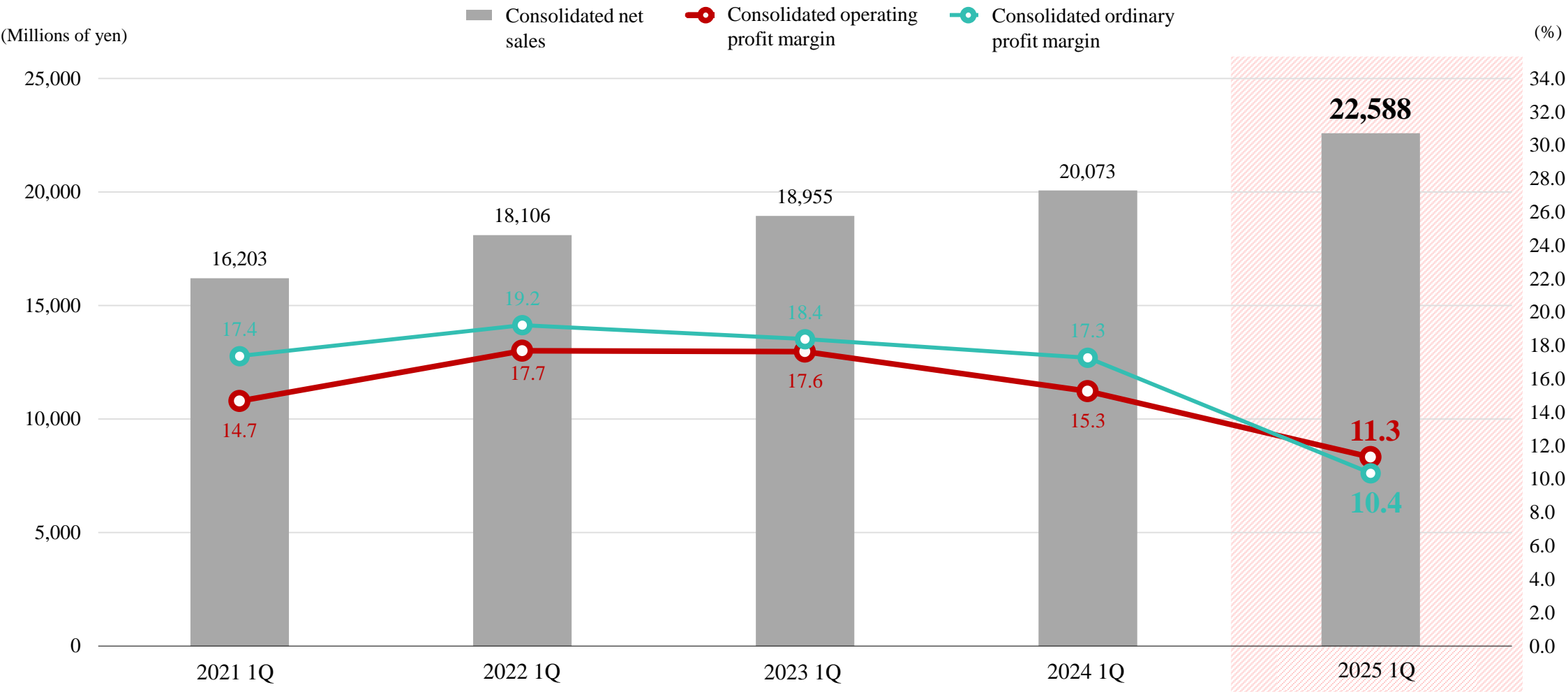
Consolidated Gross Profit Margin

◆ Slight decrease in gross profit margin accompanying an increase in depreciation, etc. despite an increase in sales margin.



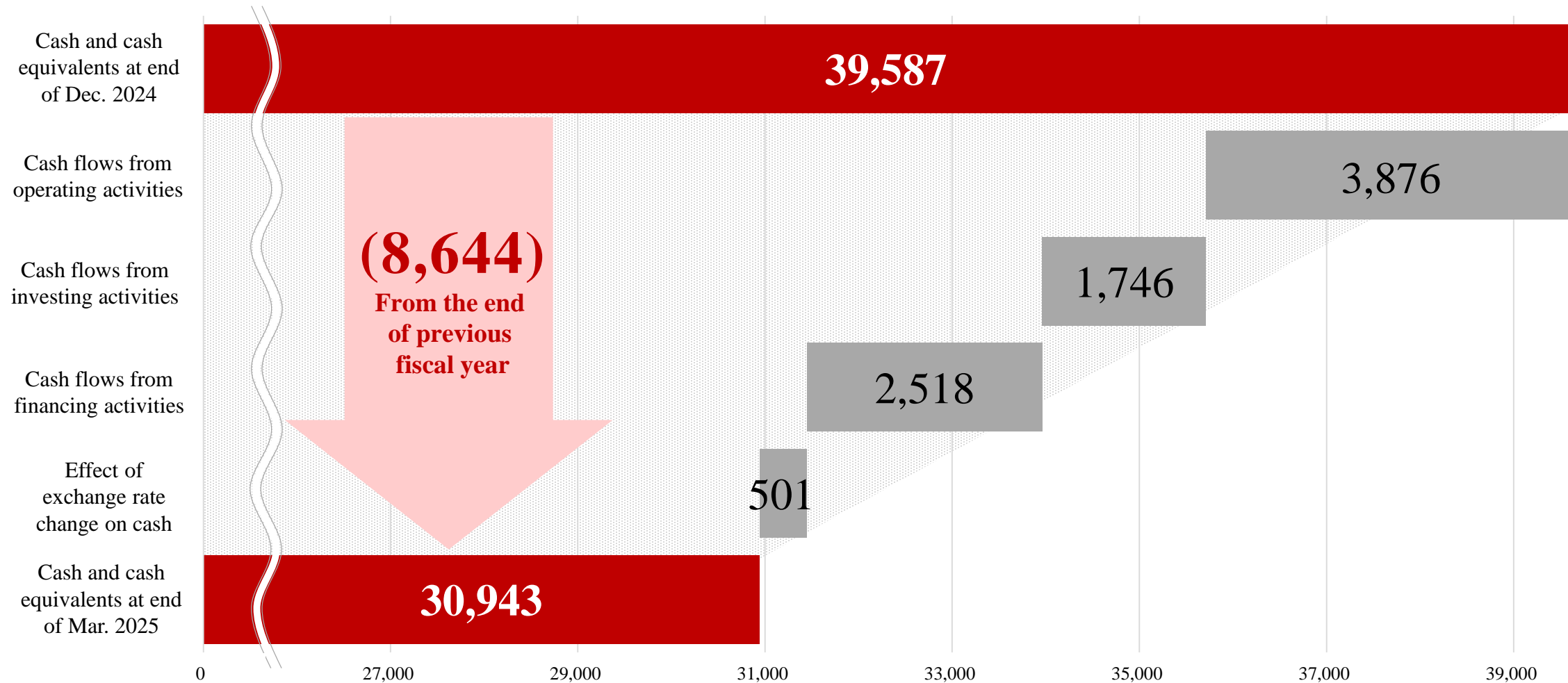
Consolidated Net Sales, Operating Profit Margin and Ordinary Profit Margin

- ◆ Operating profit margin declined due to effect of increased selling, general and administrative expenses, etc., despite increases in net sales and gross profit.
- ◆ Ordinary profit margin declined due to foreign exchange gains turning to losses compared to the same period of the previous year, due to fair valuation of foreign currency denominated receivables, etc.



Consolidated Cash Flows

- ◆ Cash flows from operating activities decreased due to a decrease in trade payables and income taxes paid.
- ◆ Cash flows from financing activities saw an increase in cash outflow due to purchase of treasury shares and repayments of borrowings.

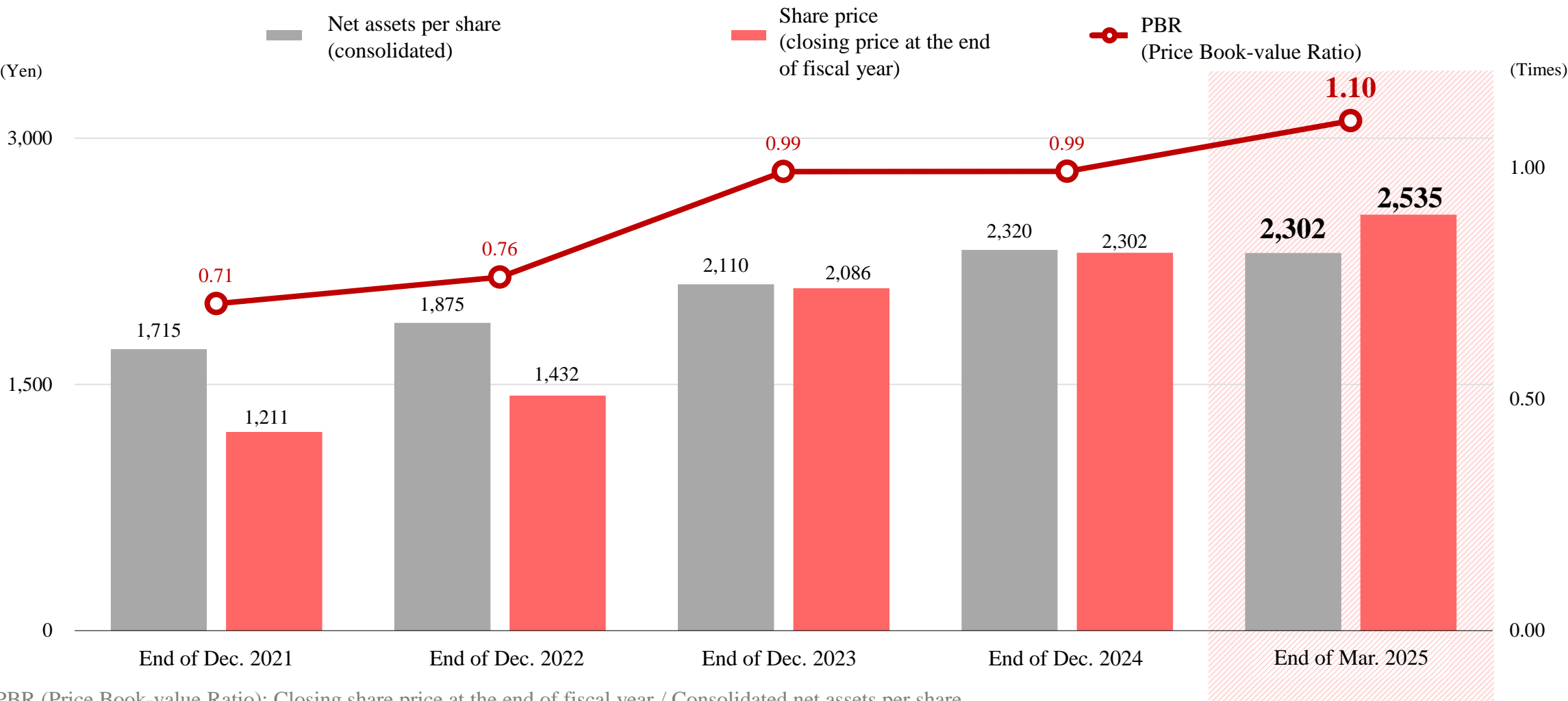


(Note) Figures do not align with cash and deposits presented on the balance sheets given that the balance of time deposits is not presented on the statements of cash flows.

(Millions of yen)

Net Assets per Share / Price Book-value Ratio

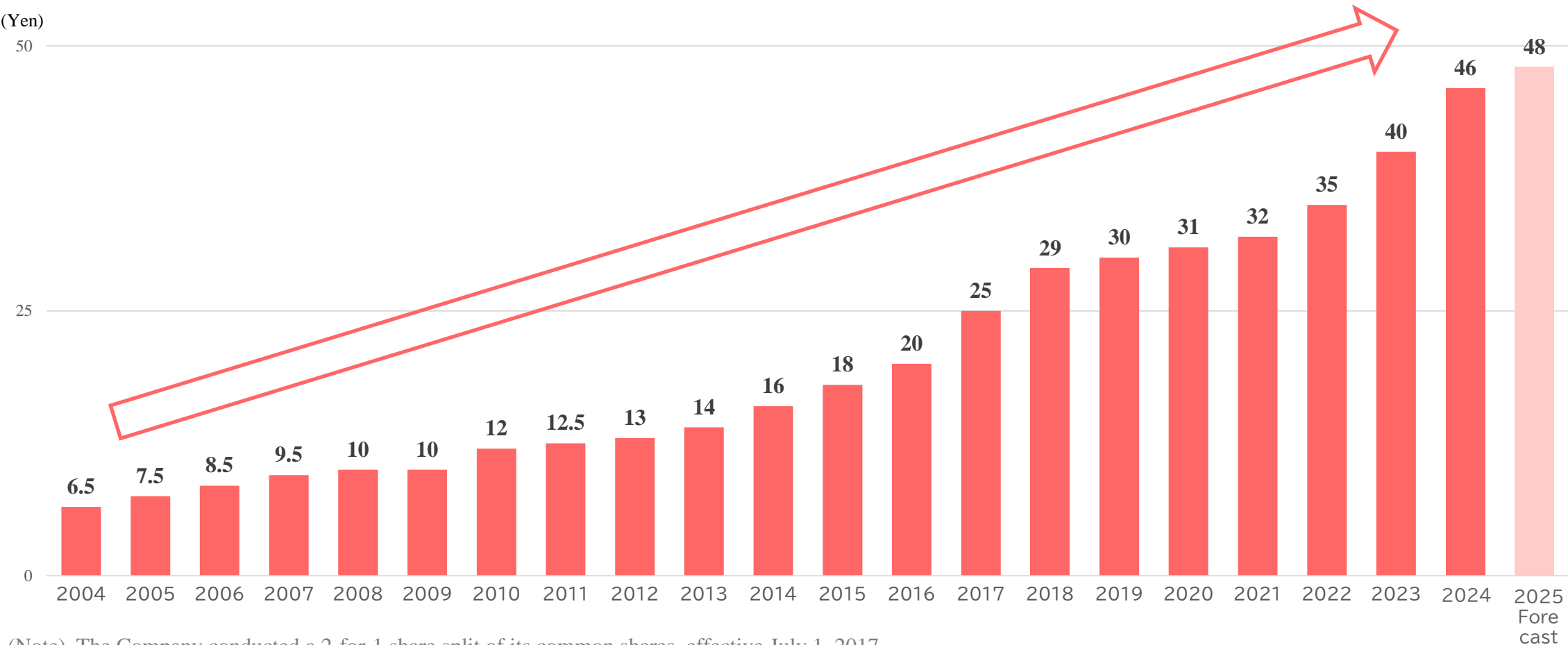
◆ PBR* exceeded 1x, increasing to 1.10x. We will continue initiatives with a policy of achieving PBR of 1x or more.



* 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.



(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 2004.

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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