

April 25, 2025

Summary of Consolidated Financial Results for the Three Months Ended March 31, 2025 (Based on Japanese GAAP)

Company name: Mitsubishi Pencil Company, Limited
 Listing: Tokyo Stock Exchange
 Securities code: 7976
 URL: <https://www.mpuni.co.jp/>
 Representative: Shigehiko Suhara, Representative Director, President
 Inquiries: Masami Hiruma, General Manager of Financial Resources and Accounting Department
 Telephone: +81-3-3458-6215
 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 March 31, 2025 (from January 1, 2025 to March 31, 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								
March 31, 2025	22,588	12.5	2,556	(16.6)	2,340	(32.5)	1,459	(31.7)
March 31, 2024	20,073	5.9	3,065	(8.4)	3,468	(0.5)	2,137	(10.8)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	26.44	-
March 31, 2024	39.34	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	168,729	129,077	75.0	2,301.68
December 31, 2024	176,881	130,708	72.6	2,320.42

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 December 31, 2024	-	21.00	-	25.00	46.00
Fiscal year ending December 31, 2025	-				
Fiscal year ending December 31, 2025 (Forecast)		24.00		24.00	48.00

3. Forecast of consolidated financial results for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2025	93,000	4.7	13,100	7.5	13,700	5.8	9,600	(14.8)	174.39

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

* Notes

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (UNI LINC INDIA PRIVATE LIMITED)
- (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: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement of prior period financial statements: 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 March 31, 2025	61,042,592 shares
As of December 31, 2024	61,042,592 shares

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

As of March 31, 2025	6,047,815 shares
As of December 31, 2024	5,726,013 shares

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

Three months ended March 31, 2025	55,209,777 shares
Three months ended March 31, 2024	54,342,617 shares

Quarterly consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	41,349	32,386
Notes and accounts receivable - trade	19,586	20,050
Inventories	30,430	30,333
Other	4,072	4,541
Allowance for doubtful accounts	(234)	(697)
Total current assets	95,205	86,615
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,117	15,655
Other, net	16,699	16,584
Total property, plant and equipment	31,817	32,240
Intangible assets		
Goodwill	5,739	5,516
Trademark right	5,267	5,110
Other	1,184	1,111
Total intangible assets	12,190	11,738
Investments and other assets		
Investment securities	26,130	26,825
Investment property, net	5,917	5,893
Other	5,703	5,499
Allowance for doubtful accounts	(83)	(83)
Total investments and other assets	37,668	38,135
Total non-current assets	81,676	82,113
Total assets	176,881	168,729

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,014	6,241
Short-term borrowings	1,736	1,737
Income taxes payable	2,849	1,125
Provision for bonuses	723	1,324
Other	9,071	7,907
Total current liabilities	24,396	18,336
Non-current liabilities		
Long-term borrowings	9,887	9,456
Retirement benefit liability	2,951	2,810
Provision for retirement benefits for directors (and other officers)	59	62
Other	8,878	8,985
Total non-current liabilities	21,776	21,315
Total liabilities	46,173	39,651
Net assets		
Shareholders' equity		
Share capital	4,497	4,497
Capital surplus	3,964	3,964
Retained earnings	104,604	104,687
Treasury shares	(5,156)	(5,992)
Total shareholders' equity	107,909	107,156
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,522	12,833
Foreign currency translation adjustment	6,689	5,389
Remeasurements of defined benefit plans	1,236	1,200
Total accumulated other comprehensive income	20,448	19,423
Non-controlling interests	2,351	2,497
Total net assets	130,708	129,077
Total liabilities and net assets	176,881	168,729

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	20,073	22,588
Cost of sales	9,446	10,701
Gross profit	10,626	11,887
Selling, general and administrative expenses	7,560	9,331
Operating profit	3,065	2,556
Non-operating income		
Interest income	55	35
Dividend income	18	24
Rental income from land and buildings	31	95
Foreign exchange gains	305	-
Other	47	11
Total non-operating income	458	167
Non-operating expenses		
Interest expenses	7	45
Foreign exchange losses	-	215
Rental expenses	20	49
Commission for syndicated loans	8	8
Other	18	63
Total non-operating expenses	54	382
Ordinary profit	3,468	2,340
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	28	4
Total extraordinary losses	28	4
Profit before income taxes	3,440	2,336
Income taxes	1,220	813
Profit	2,219	1,522
Profit attributable to non-controlling interests	81	63
Profit attributable to owners of parent	2,137	1,459

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	2,219	1,522
Other comprehensive income		
Valuation difference on available-for-sale securities	1,939	310
Foreign currency translation adjustment	1,147	(1,390)
Remeasurements of defined benefit plans, net of tax	(12)	(32)
Total other comprehensive income	3,074	(1,112)
Comprehensive income	5,293	410
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,182	438
Comprehensive income attributable to non-controlling interests	110	(27)