

October 30, 2025

Consolidated Financial Results for the Nine Months Ended September 30, 2025 (Under 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
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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 nine months ended September 30, 2025 (from January 1, 2025 to September 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	64,081	1.9	6,547	(15.1)	6,740	(17.1)	3,992	(47.6)
September 30, 2024	62,912	18.4	7,711	(4.7)	8,129	(10.8)	7,625	22.6

Note: Comprehensive income For the nine months ended September 30, 2025: ¥7,969 million [(20.3)%]
 For the nine months ended September 30, 2024: ¥10,004 million [(15.4)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2025	72.97	-
September 30, 2024	138.79	-

Note: In the fiscal year ending December 31, 2024, the provisional accounting treatment for the business combination was finalized, and the figures for the third quarter of the fiscal year ending December 31, 2024 reflect the details of the provisional accounting treatment.

(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
September 30, 2025	172,528	133,641	76.4	2,438.26
December 31, 2024	176,881	130,708	72.6	2,320.42

Reference: Equity
 As of September 30, 2025: ¥131,887 million
 As of December 31, 2024: ¥128,357 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 December 31, 2024	-	21.00	-	25.00	46.00
Fiscal year ending December 31, 2025	-	26.00	-		
Fiscal year ending December 31, 2025 (Forecast)				26.00	52.00

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

- The dividend of 21 yen at the end of the second quarter of the fiscal year ended December 31, 2024 includes a special dividend of 1 yen.
- The year-end dividend of 25 yen for the fiscal year ended December 31, 2024 includes a special dividend of 1 yen.
- The dividend of 26 yen at the end of the second quarter of the fiscal year ending December 31, 2025 includes a special dividend of 1 yen.
- The year-end dividend of 26 yen for the fiscal year ending December 31, 2025 includes a special dividend of 1 yen.

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	91,000	2.5	10,500	(13.9)	10,800	(16.6)	7,000	(37.9)	128.30

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)
 Excluded: 1 company (Shanghai Shen Kai Ling Compnay Ltd.)
- (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: 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 September 30, 2025	60,042,592 shares
As of December 31, 2024	61,042,592 shares

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

As of September 30, 2025	5,951,757 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)

Nine months ended September 30, 2025	54,716,163 shares
Nine months ended September 30, 2024	54,944,430 shares

(Method of accessing supplementary material on financial results)

Supplementary explanatory materials for financial results are posted on the Company's website.

Quarterly consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	41,349	32,382
Notes and accounts receivable - trade	19,586	16,906
Inventories	30,430	32,075
Other	4,072	3,922
Allowance for doubtful accounts	(234)	(373)
Total current assets	95,205	84,913
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,117	15,694
Other, net	16,699	16,822
Total property, plant and equipment	31,817	32,517
Intangible assets		
Goodwill	5,739	5,666
Trademark right	5,267	5,354
Other	1,184	1,259
Total intangible assets	12,190	12,280
Investments and other assets		
Investment securities	26,130	31,171
Investment property, net	5,917	5,846
Other	5,703	5,884
Allowance for doubtful accounts	(83)	(83)
Total investments and other assets	37,668	42,818
Total non-current assets	81,676	87,615
Total assets	176,881	172,528

	As of December 31, 2024	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,014	5,968
Short-term borrowings	1,736	1,731
Income taxes payable	2,849	673
Provision for bonuses	723	1,332
Other	9,071	7,316
Total current liabilities	24,396	17,023
Non-current liabilities		
Long-term borrowings	9,887	8,596
Retirement benefit liability	2,951	3,079
Provision for retirement benefits for directors (and other officers)	59	67
Other	8,878	10,120
Total non-current liabilities	21,776	21,864
Total liabilities	46,173	38,887
Net assets		
Shareholders' equity		
Share capital	4,497	4,497
Capital surplus	3,964	4,809
Retained earnings	104,604	104,278
Treasury shares	(5,156)	(6,002)
Total shareholders' equity	107,909	107,582
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,522	15,580
Foreign currency translation adjustment	6,689	7,588
Remeasurements of defined benefit plans	1,236	1,135
Total accumulated other comprehensive income	20,448	24,304
Non-controlling interests	2,351	1,754
Total net assets	130,708	133,641
Total liabilities and net assets	176,881	172,528

Quarterly consolidated statement of income

(Millions of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Net sales	62,912	64,081
Cost of sales	30,160	31,653
Gross profit	32,752	32,427
Selling, general and administrative expenses	25,040	25,880
Operating profit	7,711	6,547
Non-operating income		
Interest income	142	73
Dividend income	281	363
Rental income from land and buildings	196	294
Insurance claim income	28	26
Foreign exchange gains	110	-
Other	71	64
Total non-operating income	831	822
Non-operating expenses		
Interest expenses	57	144
Foreign exchange losses	-	171
Rental expenses	155	160
Commission for syndicated loans	115	25
administrative expenses for investment partnerships	39	57
Other	47	69
Total non-operating expenses	414	629
Ordinary profit	8,129	6,740
Extraordinary income		
Gain on sale of non-current assets	3,624	1
Gain on sale of investment securities	110	-
Compensation income	173	-
Gain on liquidation of subsidiaries and associates	-	82
Total extraordinary income	3,908	84
Extraordinary losses		
Loss on sale and retirement of non-current assets	37	22
Factory restructuring loss	-	5
Loss on store closings	-	411
Total extraordinary losses	37	438
Profit before income taxes	12,000	6,385
Income taxes	4,185	2,235
Profit	7,814	4,149
Profit attributable to non-controlling interests	189	157
Profit attributable to owners of parent	7,625	3,992

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Profit	7,814	4,149
Other comprehensive income		
Valuation difference on available-for-sale securities	2,129	3,057
Foreign currency translation adjustment	97	859
Remeasurements of defined benefit plans, net of tax	(37)	(97)
Total other comprehensive income	2,189	3,819
Comprehensive income	10,004	7,969
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,819	7,852
Comprehensive income attributable to non-controlling interests	184	117