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April 30, 2026

Consolidated Financial Results for the Three Months Ended March 31, 2026 (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
Inquiries: Masami Hiruma, General Manager of Financial Resources and Accounting Department
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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 three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	24,710	9.4	3,566	39.5	3,549	51.6	2,464	68.8
March 31, 2025	22,588	12.5	2,556	(16.6)	2,340	(32.5)	1,459	(31.7)

Note: Comprehensive income For the three months ended March 31, 2026: ¥3,356 million [717.8%]
For the three months ended March 31, 2025: ¥410 million [(92.2)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2026	45.56	-
March 31, 2025	26.44	-

(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, 2026	191,449	142,242	73.4	2,596.82
December 31, 2025	183,005	140,432	75.7	2,560.99

Reference: Equity
As of March 31, 2026: ¥140,463 million
As of December 31, 2025: ¥138,526 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, 2025	-	26.00	-	26.00	52.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		27.50		27.50	55.00

Note: Revisions to the forecast of cash dividends most recently announced: None
Note 1: The dividend of 26 yen at the end of the second quarter of the fiscal year ended December 31, 2025 includes a special dividend of ¥1.00.
Note2: The year-end dividend of 26 yen for the fiscal year ended December 31, 2025 includes a special dividend of ¥1.00.
Note3: The dividend of ¥27.5 at the end of the second quarter of the fiscal year ending December 31, 2026 includes a special dividend of ¥1.00 and a commemorative dividend of ¥1.00 marking the 140th anniversary of the company's founding.
Note4: The year-end dividend of ¥27.50 for the fiscal year ending December 2026 includes a special dividend of ¥1.00 and a commemorative dividend of ¥1.00 marking the 140th anniversary of the company's founding.

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(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, 2026	94,000	4.7	10,500	8.3	11,000	9.7	7,700	23.5	142.35

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(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: None

(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 March 31, 2026	60,042,592 shares
As of December 31, 2025	60,042,592 shares

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

As of March 31, 2026	5,951,757 shares
As of December 31, 2025	5,951,757 shares

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

Three months ended March 31, 2026	54,090,835 shares
Three months ended March 31, 2025	55,209,777 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:None

(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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	37,067	42,817
Notes and accounts receivable - trade	20,327	20,104
Inventories	30,753	30,238
Other	4,074	6,270
Allowance for doubtful accounts	(429)	(485)
Total current assets	91,793	98,946
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,587	15,520
Other, net	17,675	18,070
Total property, plant and equipment	33,262	33,591
Intangible assets		
Goodwill	5,844	5,676
Trademark right	5,580	5,480
Other	1,320	1,338
Total intangible assets	12,746	12,495
Investments and other assets		
Investment securities	32,024	33,172
Investment property, net	5,822	5,798
Other	7,440	7,529
Allowance for doubtful accounts	(83)	(83)
Total investments and other assets	45,203	46,416
Total non-current assets	91,212	92,503
Total assets	183,005	191,449

(Millions of yen)

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,140	3,475
Short-term borrowings	1,735	1,735
Income taxes payable	904	1,277
Provision for bonuses	656	1,286
Other	8,266	7,567
Total current liabilities	14,703	15,341
Non-current liabilities		
Long-term borrowings	13,166	17,736
Retirement benefit liability	2,880	2,966
Provision for retirement benefits for directors (and other officers)	74	70
Other	11,748	13,093
Total non-current liabilities	27,869	33,866
Total liabilities	42,573	49,207
Net assets		
Shareholders' equity		
Share capital	4,497	4,497
Capital surplus	4,809	4,803
Retained earnings	106,521	107,578
Treasury shares	(6,002)	(6,002)
Total shareholders' equity	109,825	110,877
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,456	17,213
Foreign currency translation adjustment	10,019	10,210
Remeasurements of defined benefit plans	2,225	2,162
Total accumulated other comprehensive income	28,701	29,586
Non-controlling interests	1,906	1,778
Total net assets	140,432	142,242
Total liabilities and net assets	183,005	191,449

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	22,588	24,710
Cost of sales	10,701	12,476
Gross profit	11,887	12,233
Selling, general and administrative expenses	9,331	8,666
Operating profit	2,556	3,566
Non-operating income		
Interest income	35	18
Dividend income	24	28
Rental income from land and buildings	95	96
Other	11	64
Total non-operating income	167	208
Non-operating expenses		
Interest expenses	45	79
Foreign exchange losses	215	44
Rental expenses	49	50
Commission for syndicated loans	8	6
Other	63	44
Total non-operating expenses	382	225
Ordinary profit	2,340	3,549
Extraordinary income		
Gain on sale of non-current assets	0	1
Total extraordinary income	0	1
Extraordinary losses		
Loss on sale and retirement of non-current assets	4	11
Total extraordinary losses	4	11
Profit before income taxes	2,336	3,538
Income taxes	813	1,030
Profit	1,522	2,507
Profit attributable to non-controlling interests	63	43
Profit attributable to owners of parent	1,459	2,464

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit	1,522	2,507
Other comprehensive income		
Valuation difference on available-for-sale securities	310	756
Foreign currency translation adjustment	(1,390)	154
Remeasurements of defined benefit plans, net of tax	(32)	(62)
Total other comprehensive income	(1,112)	848
Comprehensive income	410	3,356
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	438	3,349
Comprehensive income attributable to non-controlling interests	(27)	6