

February 12, 2026

## Consolidated Financial Results for the Fiscal Year Ended December 31, 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 of annual general meeting of shareholders: March 26, 2026  
 Scheduled date to commence dividend payments: March 27, 2026  
 Scheduled date to file annual securities report: March 23, 2026  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	89,814	1.1	9,692	(20.5)	10,028	(22.6)	6,235	(44.7)
December 31, 2024	88,820	18.7	12,189	2.9	12,952	0.5	11,272	10.9

Note: Comprehensive income For the fiscal year ended December 31, 2025: ¥14,770 million [(17.1)%]  
 For the fiscal year ended December 31, 2024: ¥17,817 million [20.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	114.27	-	4.7	5.6	10.8
December 31, 2024	204.80	-	9.3	8.0	13.7

#### (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
December 31, 2025	183,005	140,432	75.7	2,560.99
December 31, 2024	176,881	130,708	72.6	2,320.42

Reference: Equity  
 As of December 31, 2025: ¥138,526 million  
 As of December 31, 2024: ¥128,357 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	2,413	(7,920)	(1,874)	32,807
December 31, 2024	6,467	(27,910)	4,108	39,587

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2024	-	21.00	-	25.00	46.00	2,666	22.5	2.1
Fiscal year ended December 31, 2025	-	26.00	-	26.00	52.00	2,947	45.5	2.1
Fiscal year ending December 31, 2026 (Forecast)		27.50		27.50	55.00		38.6	

Note 1: The dividend of 21 yen at the end of the second quarter of the fiscal year ending December 31, 2024 includes a special dividend of 1 yen.

Note2: The year-end dividend of 25 yen for the fiscal year ending December 31, 2024 includes a special dividend of 1 yen.

Note3: 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.

Note4: The year-end dividend of 26 yen for the fiscal year ending December 31, 2025 includes a special dividend of 1 yen.

Note5: 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 per share and a dividend of ¥140 commemorating the company's founding of the company.

Note6: 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: Since the Company manages its operations on an annual basis, the forecasts of consolidated financial results for the first half of the fiscal year have been omitted.

\* **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) 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
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 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 December 31, 2025	5,951,757 shares
As of December 31, 2024	5,726,013 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025	54,567,244 shares
Fiscal year ended December 31, 2024	55,043,190 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	50,791	(10.5)	3,987	(53.9)	9,459	(32.9)	8,117	(42.4)
December 31, 2024	56,774	12.2	8,643	49.9	14,090	91.8	14,087	111.6

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2025	142.45	-
December 31, 2024	245.45	-

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	132,167	101,230	76.6	1,785.78
December 31, 2024	129,669	94,432	72.8	1,637.51

Reference: Equity

As of December 31, 2025: ¥101,230 million  
 As of December 31, 2024: ¥94,432 million

**2. Individual earnings forecasts for the fiscal year ending December 31, 2026 have been omitted due to the judgment of the importance of individual information.**

(Percentages indicate year-on-year changes.)

\* 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: Forecasts are based on information available at the time, but include potential risks and uncertainties. Therefore, please be aware that actual results may differ from forecasts due to changes in various factors.

(Method of accessing supplementary material on financial results)

Supplementary financial results materials will be disclosed to the Tokyo Stock Exchange in a timely manner through TDnet. It will also be posted on our website.

## Consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	41,349	37,067
Notes and accounts receivable - trade	19,586	20,327
Inventories	30,430	30,753
Other	4,072	4,074
Allowance for doubtful accounts	(234)	(429)
Total current assets	95,205	91,793
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,991	28,786
Accumulated depreciation	(12,873)	(13,199)
Buildings and structures, net	15,117	15,587
Machinery, equipment and vehicles	35,486	38,522
Accumulated depreciation	(28,302)	(30,784)
Machinery, equipment and vehicles, net	7,184	7,738
Land	3,328	3,428
Construction in progress	3,797	4,264
Other	16,230	16,012
Accumulated depreciation	(13,841)	(13,768)
Other, net	2,389	2,244
Total property, plant and equipment	31,817	33,262
Intangible assets		
Goodwill	5,739	5,844
Trademark right	5,267	5,580
Other	1,184	1,320
Total intangible assets	12,190	12,746
Investments and other assets		
Investment securities	26,130	32,024
Investment property, net	5,917	5,822
Deferred tax assets	618	624
Retirement benefit asset	3,889	5,702
Other	1,195	1,112
Allowance for doubtful accounts	(83)	(83)
Total investments and other assets	37,668	45,203
Total non-current assets	81,676	91,212
Total assets	176,881	183,005

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,014	3,140
Short-term borrowings	1,736	1,735
Income taxes payable	2,849	904
Provision for bonuses	723	656
Accounts payable - other	3,833	3,313
Other	5,238	4,952
Total current liabilities	24,396	14,703
Non-current liabilities		
Long-term borrowings	9,887	13,166
Deferred tax liabilities	7,700	10,638
Retirement benefit liability	2,951	2,880
Provision for retirement benefits for directors (and other officers)	59	74
Other	1,177	1,109
Total non-current liabilities	21,776	27,869
Total liabilities	46,173	42,573
Net assets		
Shareholders' equity		
Share capital	4,497	4,497
Capital surplus	3,964	4,809
Retained earnings	104,604	106,521
Treasury shares	(5,156)	(6,002)
Total shareholders' equity	107,909	109,825
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,522	16,456
Foreign currency translation adjustment	6,689	10,019
Remeasurements of defined benefit plans	1,236	2,225
Total accumulated other comprehensive income	20,448	28,701
Non-controlling interests	2,351	1,906
Total net assets	130,708	140,432
Total liabilities and net assets	176,881	183,005

# Consolidated statement of income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	88,820	89,814
Cost of sales	41,980	45,291
Gross profit	46,840	44,522
Selling, general and administrative expenses	34,650	34,830
Operating profit	12,189	9,692
Non-operating income		
Interest income	191	103
Dividend income	535	690
Rental income from land and buildings	292	391
Insurance claim income	23	31
Subsidy income	10	4
Foreign exchange gains	57	-
Other	228	98
Total non-operating income	1,339	1,321
Non-operating expenses		
Interest expenses	99	256
Rental expenses	211	214
Commission for syndicated loans	143	52
administrative expenses for investment partnerships	59	76
Loss on investments in investment partnerships	-	81
Foreign exchange losses	-	203
Other	62	100
Total non-operating expenses	576	985
Ordinary profit	12,952	10,028
Extraordinary income		
Gain on sale of non-current assets	3,626	2
Gain on sale of investment securities	110	96
Gain on liquidation of subsidiaries and associates	-	82
Compensation income	173	-
Total extraordinary income	3,910	181
Extraordinary losses		
Loss on sale and retirement of non-current assets	83	56
Factory restructuring loss	25	37
Loss on store closings	-	371
Subsidiary director's retirement benefits	108	-
Other	4	-
Total extraordinary losses	220	466
Profit before income taxes	16,642	9,743
Income taxes - current	4,950	3,016
Income taxes - deferred	130	249
Total income taxes	5,080	3,266
Profit	11,561	6,477
Profit attributable to non-controlling interests	289	241
Profit attributable to owners of parent	11,272	6,235

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	11,561	6,477
Other comprehensive income		
Valuation difference on available-for-sale securities	3,624	3,933
Foreign currency translation adjustment	2,149	3,367
Remeasurements of defined benefit plans, net of tax	481	992
Total other comprehensive income	6,256	8,293
Comprehensive income	17,817	14,770
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,541	14,491
Comprehensive income attributable to non-controlling interests	275	279

## Consolidated statement of changes in equity

Fiscal year ended December 31, 2024

(Millions of yen)

	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)		-
Change in ownership interest of parent due to transactions with non-controlling interests					
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						-
Change in ownership interest of parent due to transactions with non-controlling interests						
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 statement of changes in equity

Fiscal year ended December 31, 2025

(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	104,604	(5,156)	107,909
Changes during period					
Dividends of surplus			(2,783)		(2,783)
Profit attributable to owners of parent			6,235		6,235
Purchase of treasury shares				(2,385)	(2,385)
Disposal of treasury shares		19		28	47
Cancellation of treasury shares		(1,555)		1,555	-
Transfer from retained earnings to capital surplus		1,535	(1,535)		-
Change in ownership interest of parent due to transactions with non-controlling interests		845		(44)	801
Net changes in items other than shareholders' equity					
Total changes during period	-	845	1,916	(846)	1,915
Balance at end of period	4,497	4,809	106,521	(6,002)	109,825

	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	12,522	6,689	1,236	20,448	2,351	130,708
Changes during period						
Dividends of surplus						(2,783)
Profit attributable to owners of parent						6,235
Purchase of treasury shares						(2,385)
Disposal of treasury shares						47
Cancellation of treasury shares						-
Transfer from retained earnings to capital surplus						-
Change in ownership interest of parent due to transactions with non-controlling interests						801
Net changes in items other than shareholders' equity	3,933	3,329	988	8,252	(445)	7,807
Total changes during period	3,933	3,329	988	8,252	(445)	9,723
Balance at end of period	16,456	10,019	2,225	28,701	1,906	140,432

## Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	16,642	9,743
Depreciation	4,069	4,930
Increase (decrease) in allowance for doubtful accounts	12	167
Increase (decrease) in retirement benefit liability	(2,697)	(152)
Decrease (increase) in retirement benefit asset	(586)	(593)
Rental income from land and buildings	(291)	(391)
Interest and dividend income	(726)	(794)
Interest expenses	99	256
Foreign exchange losses (gains)	(28)	196
Compensation income	(173)	-
Loss (gain) on sale and retirement of non-current assets	(3,543)	53
Loss (gain) on sale of investment securities	(110)	(96)
Amortization of goodwill	380	523
Decrease (increase) in trade receivables	335	(339)
Decrease (increase) in inventories	(2,949)	914
Increase (decrease) in trade payables	479	(6,889)
Decrease (increase) in consumption taxes refund receivable	(437)	(155)
Other, net	(298)	(370)
Subtotal	10,174	7,002
Interest and dividends received	742	795
Interest paid	(99)	(250)
Proceeds from compensation	173	-
Income taxes paid	(4,524)	(5,134)
Net cash provided by (used in) operating activities	6,467	2,413

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from investing activities		
Purchase of non-current assets	(3,956)	(5,929)
Proceeds from sale of non-current assets	3,746	(5)
Purchase of investment securities	(905)	(577)
Proceeds from sale of investment securities	112	139
Purchase of investment property	(5,993)	-
Proceeds from redemption of investment securities	-	400
Proceeds from land and house rent received	291	391
Payments into time deposits	(2,762)	(3,571)
Proceeds from withdrawal of time deposits	3,175	1,156
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(21,122)	-
Other, net	(495)	76
Net cash provided by (used in) investing activities	(27,910)	(7,920)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	218	(1)
Proceeds from long-term borrowings	10,000	5,000
Repayments of long-term borrowings	(1,970)	(1,720)
Proceeds from share issuance to non-controlling shareholders	-	174
Purchase of treasury shares	(1,540)	(2,391)
Dividends paid	(2,360)	(2,774)
Dividends paid to non-controlling interests	(116)	(90)
Other, net	(122)	(71)
Net cash provided by (used in) financing activities	4,108	(1,874)
Effect of exchange rate change on cash and cash equivalents	1,066	602
Net increase (decrease) in cash and cash equivalents	(16,268)	(6,779)
Cash and cash equivalents at beginning of period	55,856	39,587
Cash and cash equivalents at end of period	39,587	32,807