July 30, 2026

Consolidated Financial Results for the Six Months Ended June 30, 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
Telephone: +81-3-3458-6215
Scheduled date to file semi-annual securities report: August 5, 2026
Scheduled date to commence dividend payments: September 4, 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 six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	47,757	10.4	6,170	28.6	6,650	34.2	4,259	35.5
June 30, 2025	43,245	1.9	4,799	(7.1)	4,957	(21.7)	3,144	(52.7)

Note: Comprehensive income For the six months ended June 30, 2026: ¥10,069 million [149.3%]
For the six months ended June 30, 2025: ¥4,039 million [(71.0)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2026	80.49	80.42
June 30, 2025	57.28	-

(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
June 30, 2026	200,864	139,133	68.4	2,747.50
December 31, 2025	183,005	140,432	75.7	2,560.99

Reference: Equity
As of June 30, 2026: ¥137,400 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	-	28.50			
Fiscal year ending December 31, 2026 (Forecast)				28.50	57.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

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	95,500	6.3	11,500	18.6	12,000	19.7	8,000	28.3	155.44

Note: Revisions to the earnings forecasts most recently announced: Yes

* **Notes**

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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 June 30, 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 June 30, 2026	10,033,357 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)

Six months ended June 30, 2026	52,924,664 shares
Six months ended June 30, 2025	54,886,034 shares

* Semi-annual financial results reports are exempt from review 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 explanatory materials for financial results are posted on the Company's website.

Semi-annual consolidated balance sheet

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	37,067	48,179
Notes and accounts receivable - trade	20,327	18,225
Inventories	30,753	31,745
Other	4,074	4,200
Allowance for doubtful accounts	(429)	(511)
Total current assets	91,793	101,840
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,587	15,469
Other, net	17,675	18,171
Total property, plant and equipment	33,262	33,641
Intangible assets		
Goodwill	5,844	5,590
Trademark right	5,580	5,458
Other	1,320	1,323
Total intangible assets	12,746	12,373
Investments and other assets		
Investment securities	32,024	39,581
Investment property, net	5,822	5,774
Other	7,440	7,737
Allowance for doubtful accounts	(83)	(83)
Total investments and other assets	45,203	53,010
Total non-current assets	91,212	99,024
Total assets	183,005	200,864

(Millions of yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,140	3,921
Short-term borrowings	1,735	1,730
Income taxes payable	904	2,385
Provision for bonuses	656	641
Other	8,266	7,674
Total current liabilities	14,703	16,354
Non-current liabilities		
Bonds payable	-	10,023
Long-term borrowings	13,166	17,306
Retirement benefit liability	2,880	2,872
Provision for retirement benefits for directors (and other officers)	74	72
Other	11,748	15,102
Total non-current liabilities	27,869	45,377
Total liabilities	42,573	61,731
Net assets		
Shareholders' equity		
Share capital	4,497	4,497
Capital surplus	4,809	4,852
Retained earnings	106,521	109,374
Treasury shares	(6,002)	(15,768)
Total shareholders' equity	109,825	102,956
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,456	21,479
Foreign currency translation adjustment	10,019	10,860
Remeasurements of defined benefit plans	2,225	2,104
Total accumulated other comprehensive income	28,701	34,443
Share acquisition rights	-	0
Non-controlling interests	1,906	1,732
Total net assets	140,432	139,133
Total liabilities and net assets	183,005	200,864

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net sales	43,245	47,757
Cost of sales	20,977	23,740
Gross profit	22,267	24,016
Selling, general and administrative expenses	17,467	17,846
Operating profit	4,799	6,170
Non-operating income		
Interest income	45	39
Dividend income	324	405
Rental income from land and buildings	195	188
Insurance claim income	24	31
Foreign exchange gains	-	64
Other	58	99
Total non-operating income	648	827
Non-operating expenses		
Interest expenses	71	143
Foreign exchange losses	193	-
Rental expenses	105	96
Commission for syndicated loans	16	13
administrative expenses for investment partnerships	39	40
Other	64	52
Total non-operating expenses	491	347
Ordinary profit	4,957	6,650
Extraordinary income		
Gain on sale of non-current assets	1	1
Gain on liquidation of subsidiaries and associates	82	-
Total extraordinary income	84	1
Extraordinary losses		
Loss on sale and retirement of non-current assets	5	117
Factory restructuring loss	5	39
Loss on store closings	398	-
Loss on valuation of investment securities	-	55
Loss on valuation of membership	-	7
Total extraordinary losses	409	219
Profit before income taxes	4,632	6,433
Income taxes	1,386	2,078
Profit	3,245	4,354
Profit attributable to non-controlling interests	101	94
Profit attributable to owners of parent	3,144	4,259

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Profit	3,245	4,354
Other comprehensive income		
Valuation difference on available-for-sale securities	1,200	5,022
Foreign currency translation adjustment	(341)	814
Remeasurements of defined benefit plans, net of tax	(64)	(120)
Total other comprehensive income	794	5,715
Comprehensive income	4,039	10,069
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,971	10,002
Comprehensive income attributable to non-controlling interests	68	67

Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	4,632	6,433
Depreciation	2,407	2,399
Increase (decrease) in allowance for doubtful accounts	558	76
Increase (decrease) in retirement benefit liability	(53)	188
Decrease (increase) in retirement benefit asset	(90)	(245)
Rental income from land and buildings	(194)	(188)
Interest and dividend income	(370)	(444)
Interest expenses	71	143
Foreign exchange losses (gains)	158	(54)
Loss (gain) on sale and retirement of non-current assets	4	115
Loss (gain) on valuation of investment securities	-	55
Amortization of goodwill	251	285
Decrease (increase) in trade receivables	955	2,283
Decrease (increase) in inventories	(824)	(542)
Increase (decrease) in trade payables	(4,485)	767
Decrease (increase) in consumption taxes refund receivable	(668)	(561)
Other, net	458	242
Subtotal	2,810	10,954
Interest and dividends received	373	439
Interest paid	(72)	(149)
Income taxes paid	(2,544)	(1,120)
Net cash provided by (used in) operating activities	566	10,124
Cash flows from investing activities		
Purchase of non-current assets	(2,898)	(2,718)
Proceeds from sale of non-current assets	0	1,336
Purchase of investment securities	(216)	(423)
Proceeds from land and house rent received	194	188
Payments into time deposits	(270)	(1,184)
Proceeds from withdrawal of time deposits	821	2,293
Other, net	76	(162)
Net cash provided by (used in) investing activities	(2,292)	(669)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6)	(5)
Proceeds from long-term borrowings	-	5,000
Repayments of long-term borrowings	(860)	(860)
Proceeds from share issuance to non-controlling shareholders	174	-
Purchase of treasury shares	(2,386)	(9,981)
Proceeds from issuance of shares	-	0
Dividends paid	(1,372)	(1,405)
Dividends paid to non-controlling interests	(90)	(174)
Proceeds from issuance of bonds	-	10,023
Other, net	(9)	(180)
Net cash provided by (used in) financing activities	(4,549)	2,416
Effect of exchange rate change on cash and cash equivalents	(346)	286
Net increase (decrease) in cash and cash equivalents	(6,622)	12,157
Cash and cash equivalents at beginning of period	39,587	32,807
Cash and cash equivalents at end of period	32,965	44,965