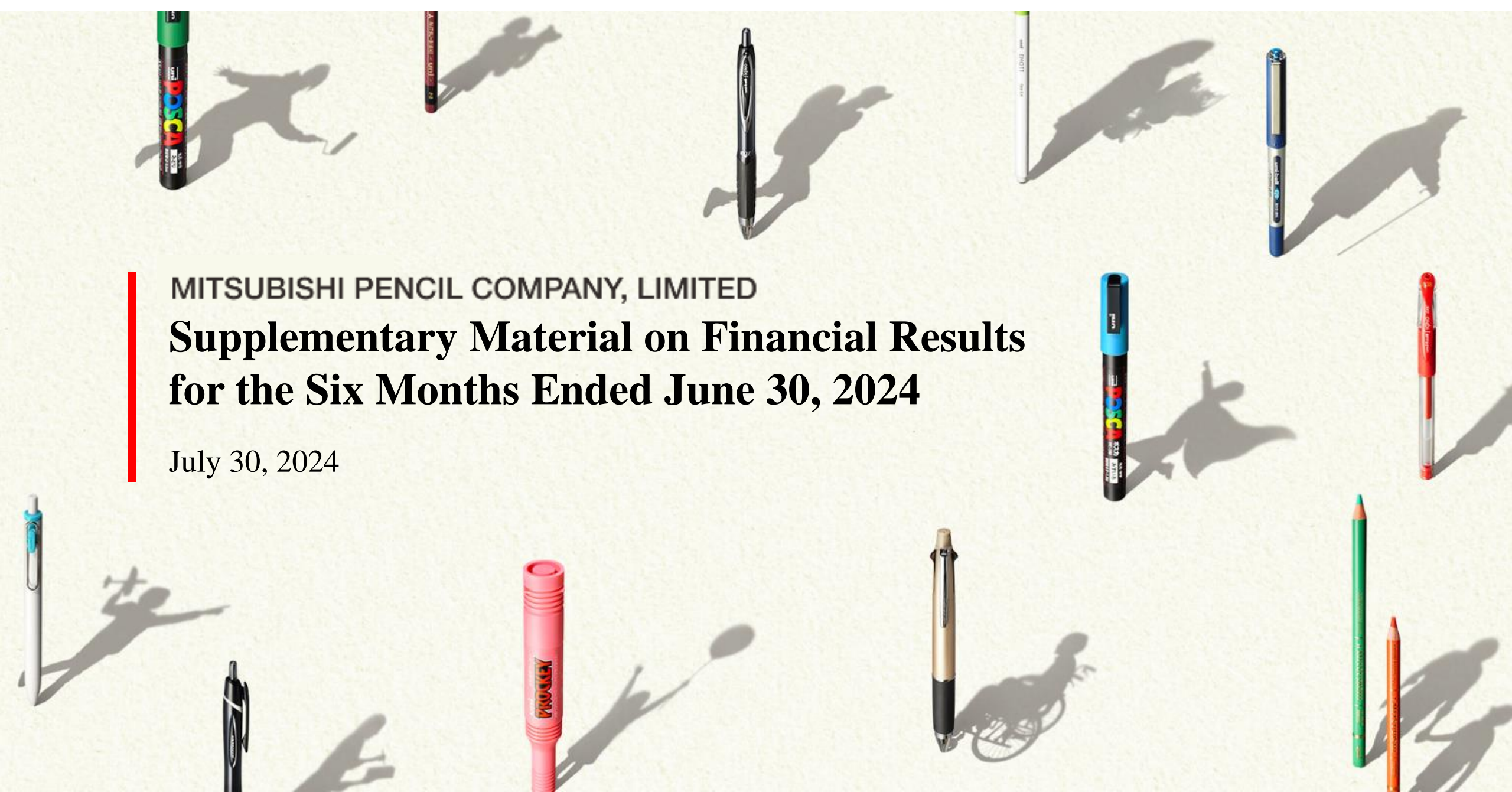


MITSUBISHI PENCIL COMPANY, LIMITED

Supplementary Material on Financial Results for the Six Months Ended June 30, 2024

July 30, 2024



Summary of Consolidated Financial Results for the Six Months Ended June 30, 2024

- ◆ Net sales increased by 17.1% from the same period of the previous year with robustness in overseas markets and a boosting effect from the weak yen in exchange rates.
- ◆ Gross profit was up 19.3% with increased sales margin from net sales growth, despite continued rise in raw material and energy costs.
- ◆ Operating profit decreased by 7.2% due to the impact of ¥733 million in expenses recorded in March related to the acquisition of equity in C. Josef Lamy GmbH. Excluding this, operating profit increased 6.0% and ordinary profit 9.6%.

[Consolidated] Millions of yen	2020	2021	2022	2023	2024	YoY	
	Q2	Q2	Q2	Q2	Q2	Change	Change (%)
Net sales	26,982	30,619	33,881	36,240	42,434	6,193	17.1%
(Avg. USD exchange rate)	¥108.41	¥107.76	¥123.17	¥135.99	¥152.30	¥16.31	-
Gross profit	13,686	15,361	16,535	18,206	21,726	3,519	19.3%
(Gross profit margin)	50.7%	50.2%	48.8%	50.2%	51.2%	1.0%	-
Selling, general and administrative expenses	11,127	11,240	11,862	12,548	16,474	3,926	31.3%
Operating profit	2,559	4,121	4,672	5,658	5,251	(406)	(7.2%)
Ordinary profit	2,761	4,691	5,570	6,538	6,419	(118)	(1.8%)
Profit*	1,743	3,234	3,908	4,436	6,671	2,234	50.4%

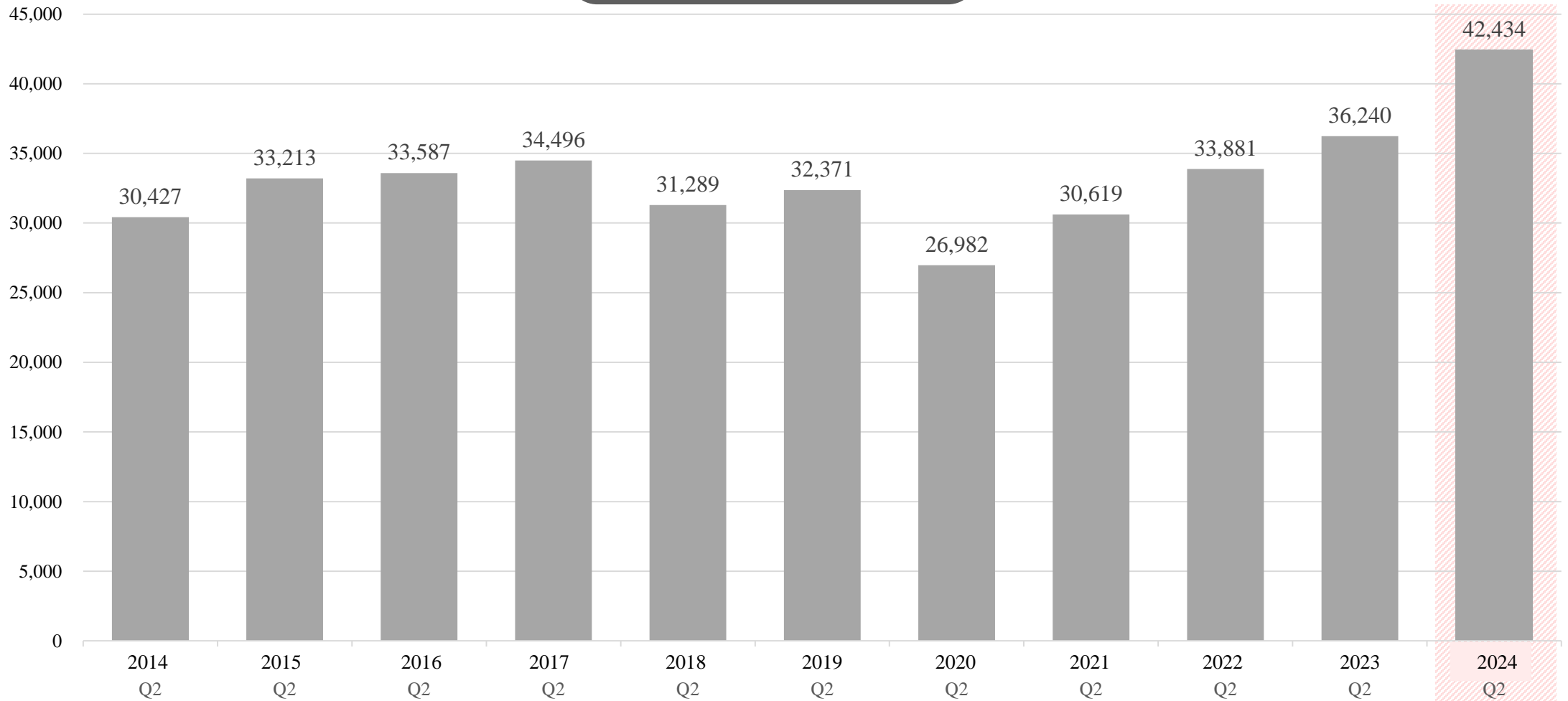
*Profit attributable to owners of parent

Trend in Consolidated Results of Net Sales

- ◆ Net sales for the second quarter of 2024 exceeded the record-high in 2023, even when the additional amount from the inclusion of C. Josef Lamy GmbH is excluded.

(Millions of yen)

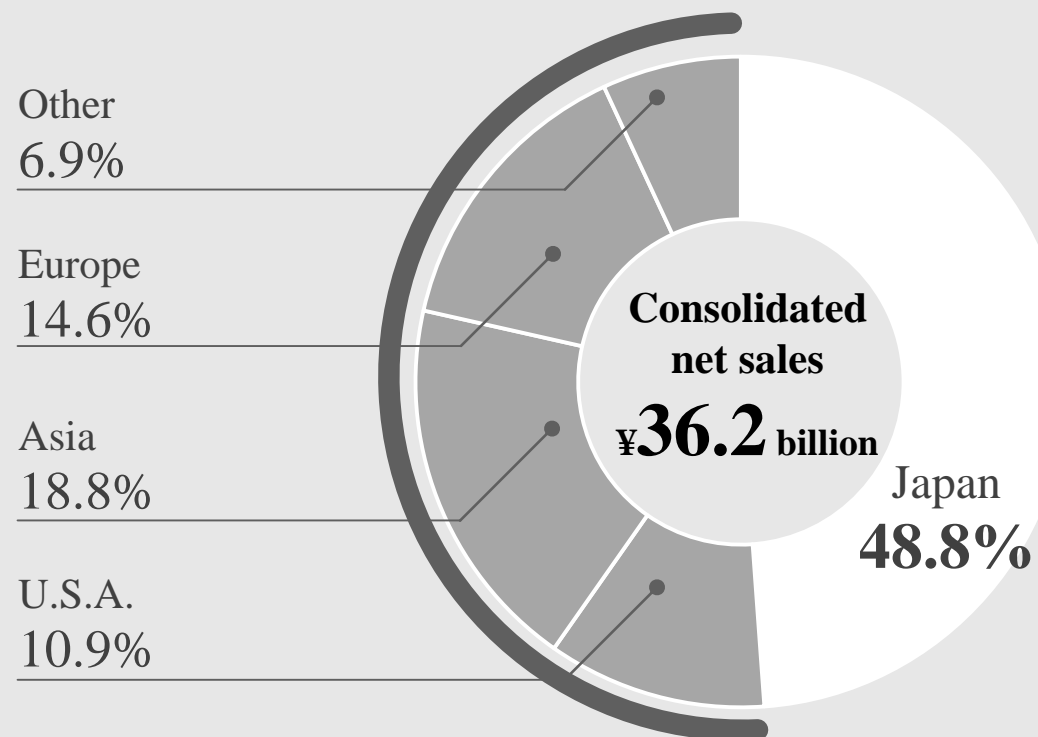
Consolidated net sales



Composition of Consolidated Net Sales by Region

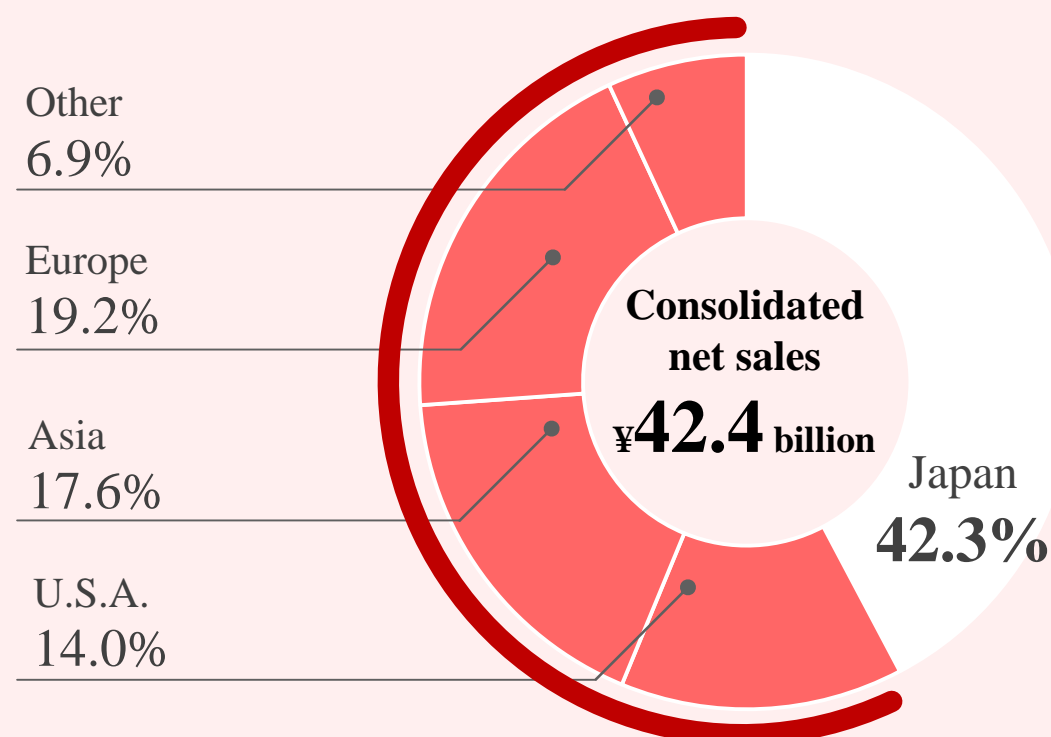
◆ Net sales in the overseas markets, mainly in Europe and the U.S.A., increased. As a result, the ratio of overseas sales rose to 57.7% for Q2.

Q2 2023



Overseas **51.2%** Japan **48.8%**

Q2 2024

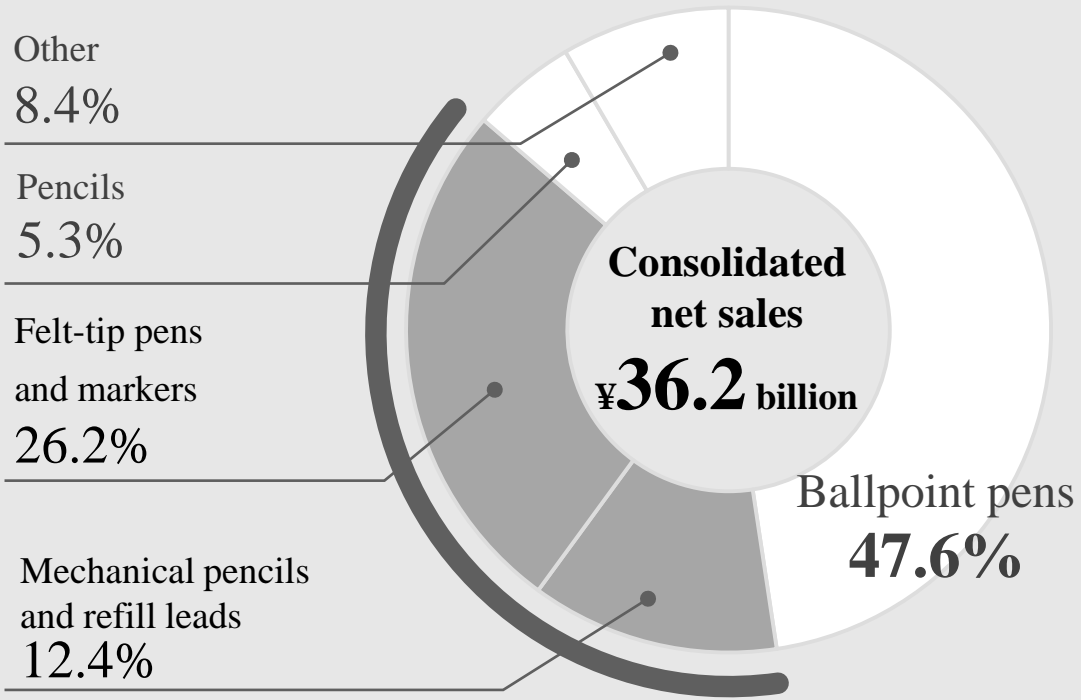


Overseas **57.7%** Japan **42.3%**

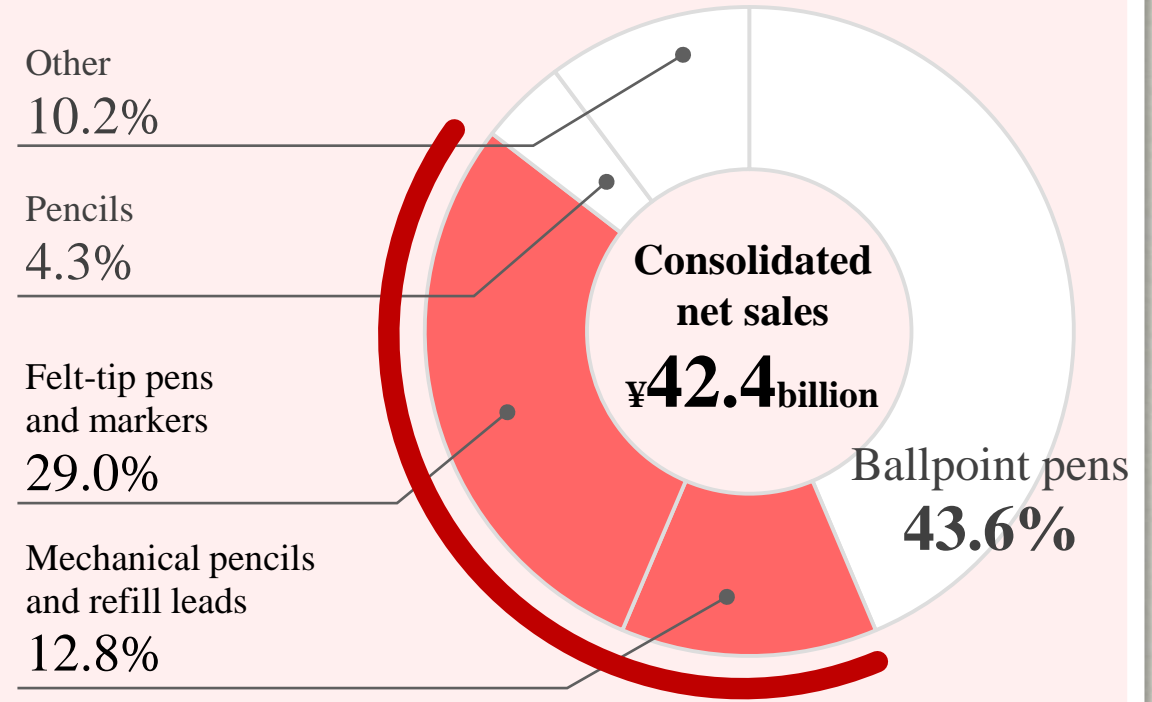
Composition of Consolidated Net Sales by Product Type

◆ Net sales driven by market development for mechanical pencils in Japan and felt-tip pens and markers overseas.

Q2 2023

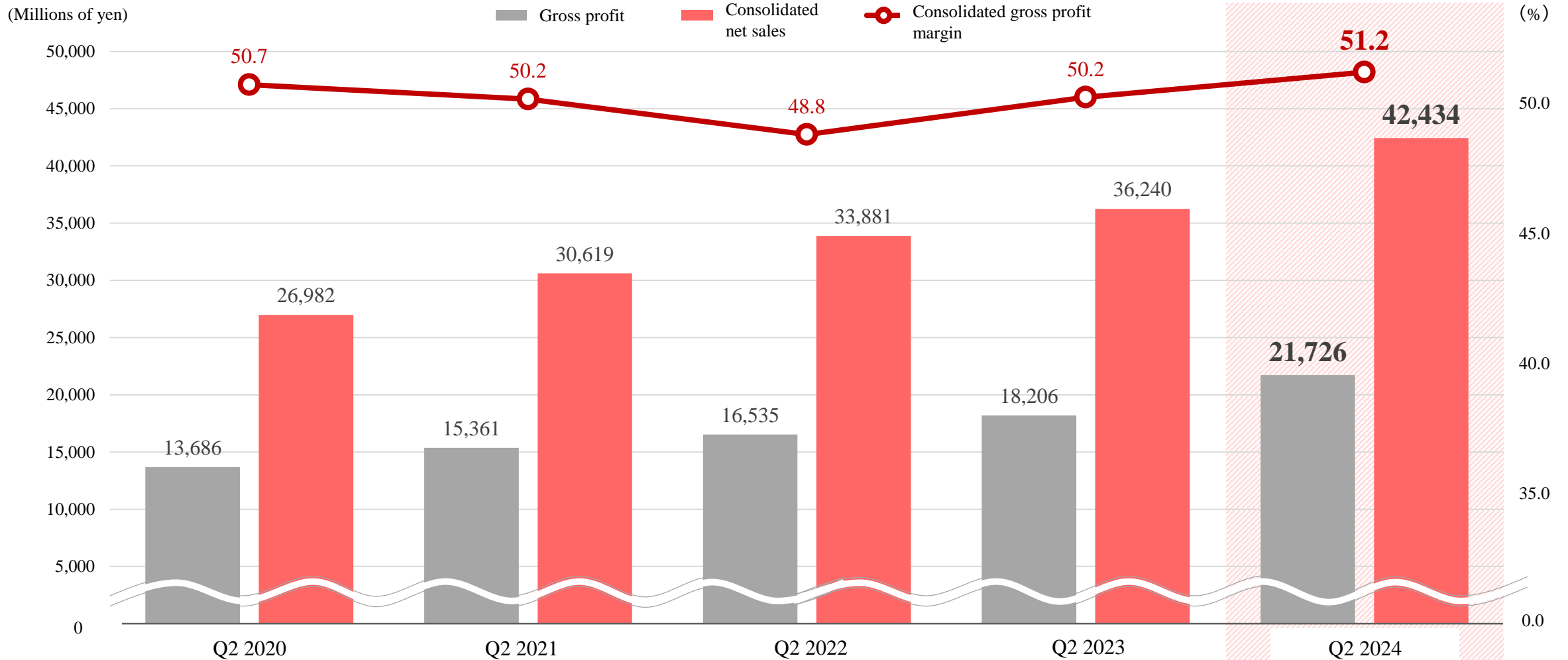


Q2 2024



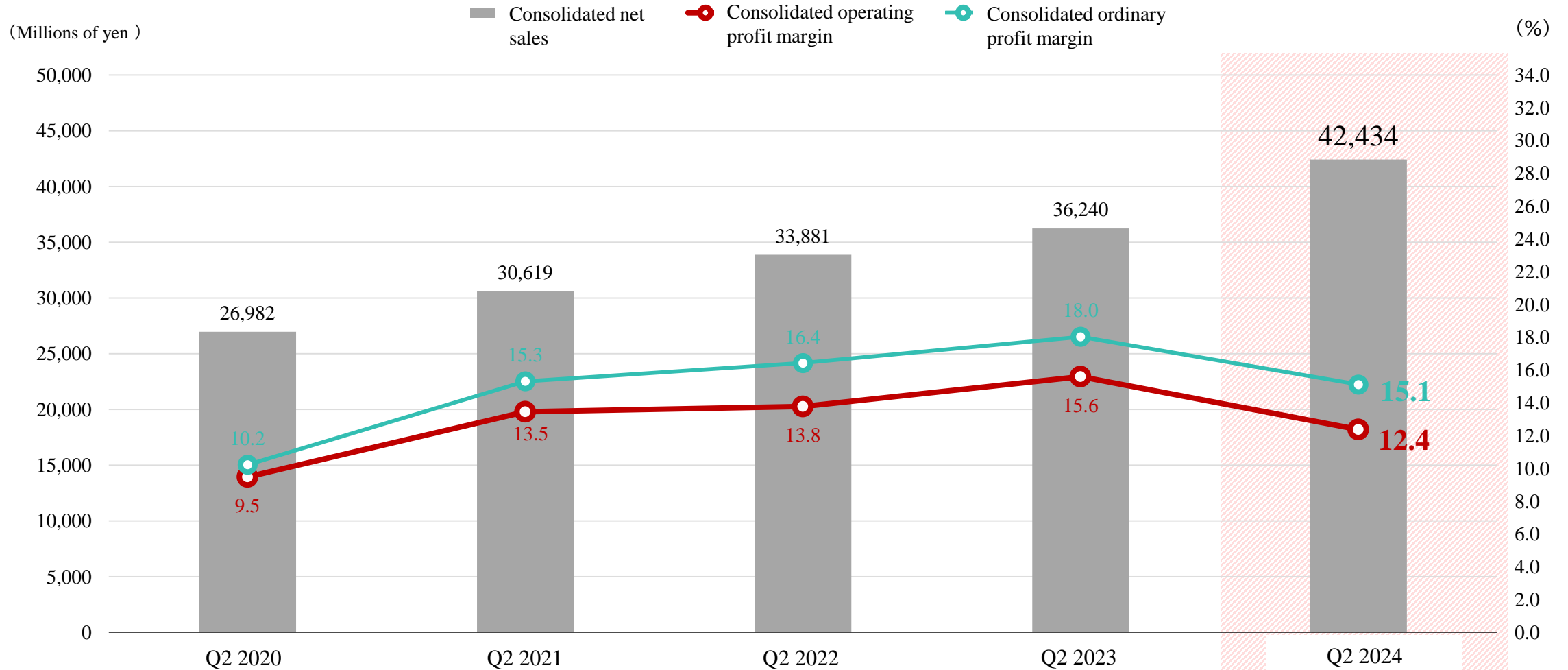
Consolidated Gross Profit Margin

◆ Gain in gross profit margin accompanying increase in sales margin



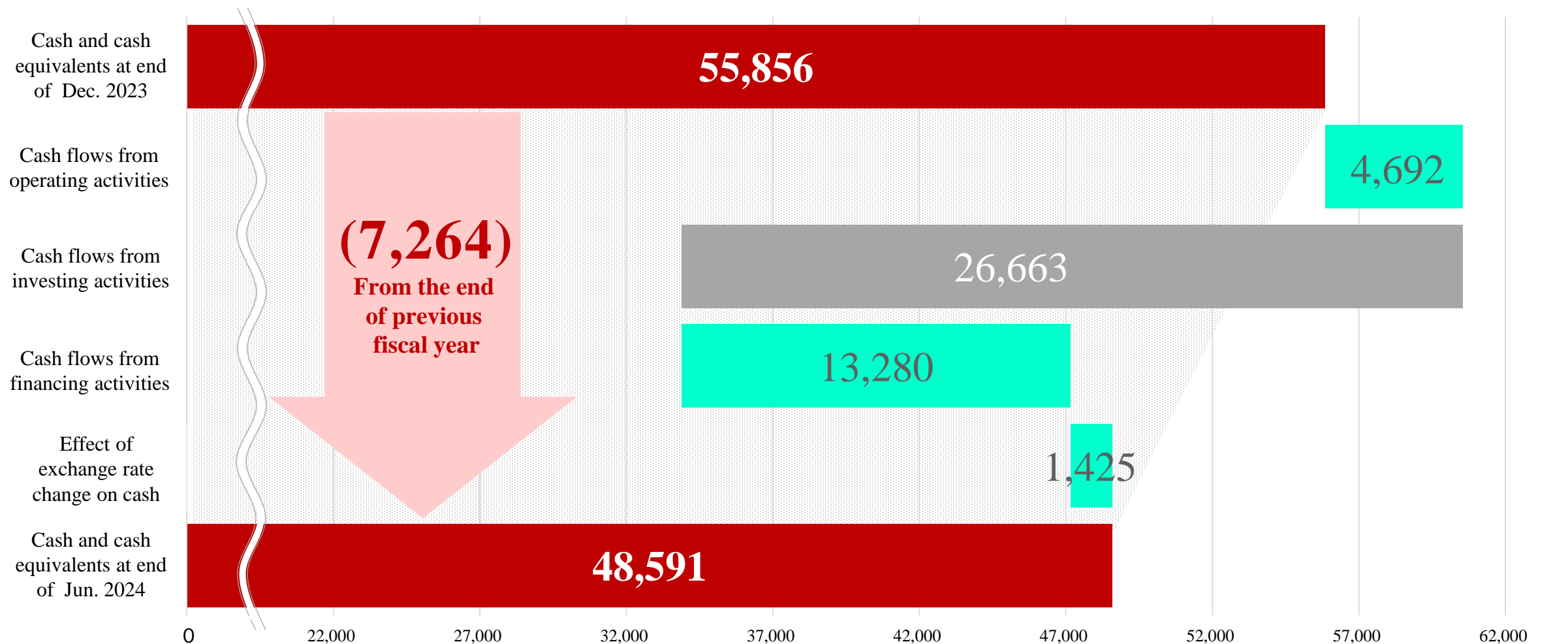
Consolidated Net Sales, Operating Profit Margin and Ordinary Profit Margin

◆ Operating profit margin and ordinary profit margin declined due to C. Josef Lamy GmbH equity acquisition-related expenses and others, despite increases in net sales and gross profit.



Consolidated Cash Flows

◆ Negative free cash flow due to investments

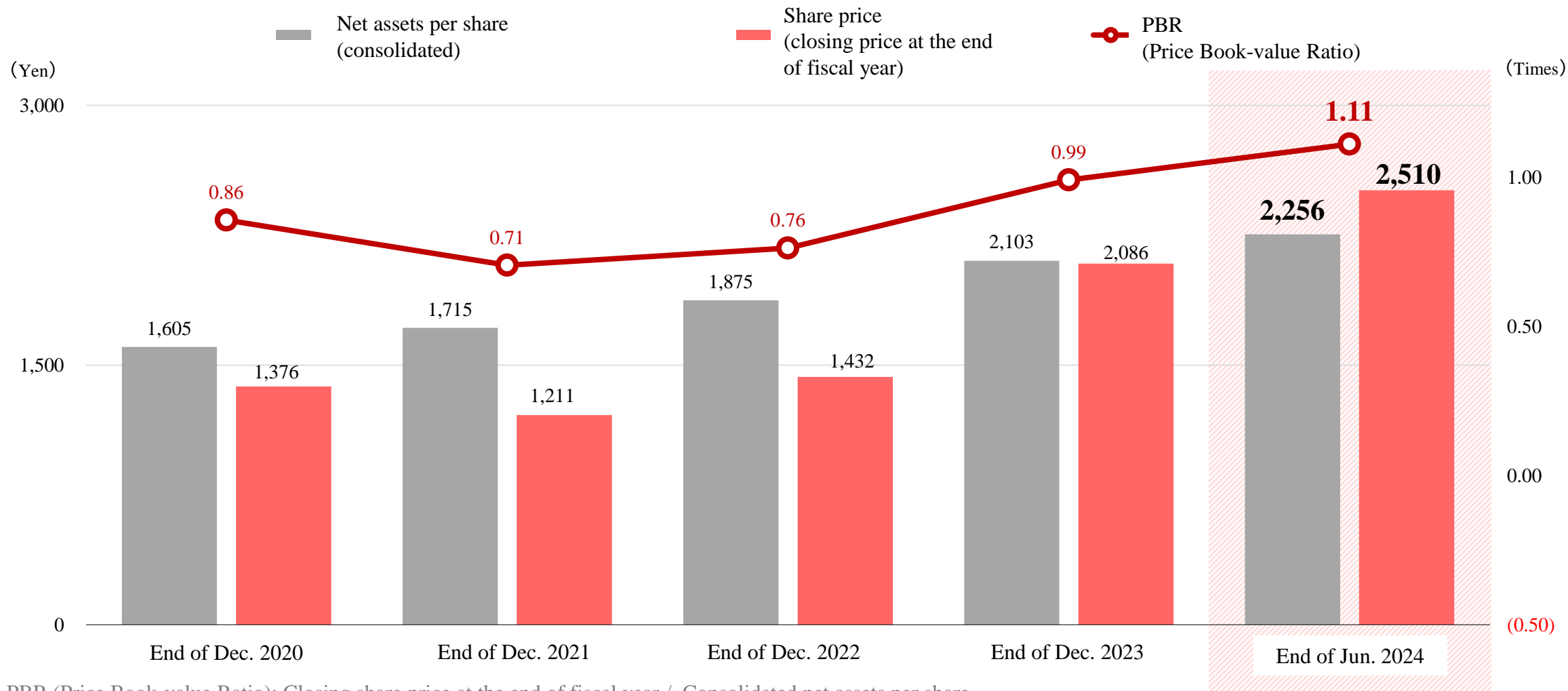


(Note) Figures do not align with cash and deposits presented on the balance sheets given that the balance of time deposits is not presented on the statements of cash flows.

(Millions of yen)

Net Assets per Share / Price Book-value Ratio

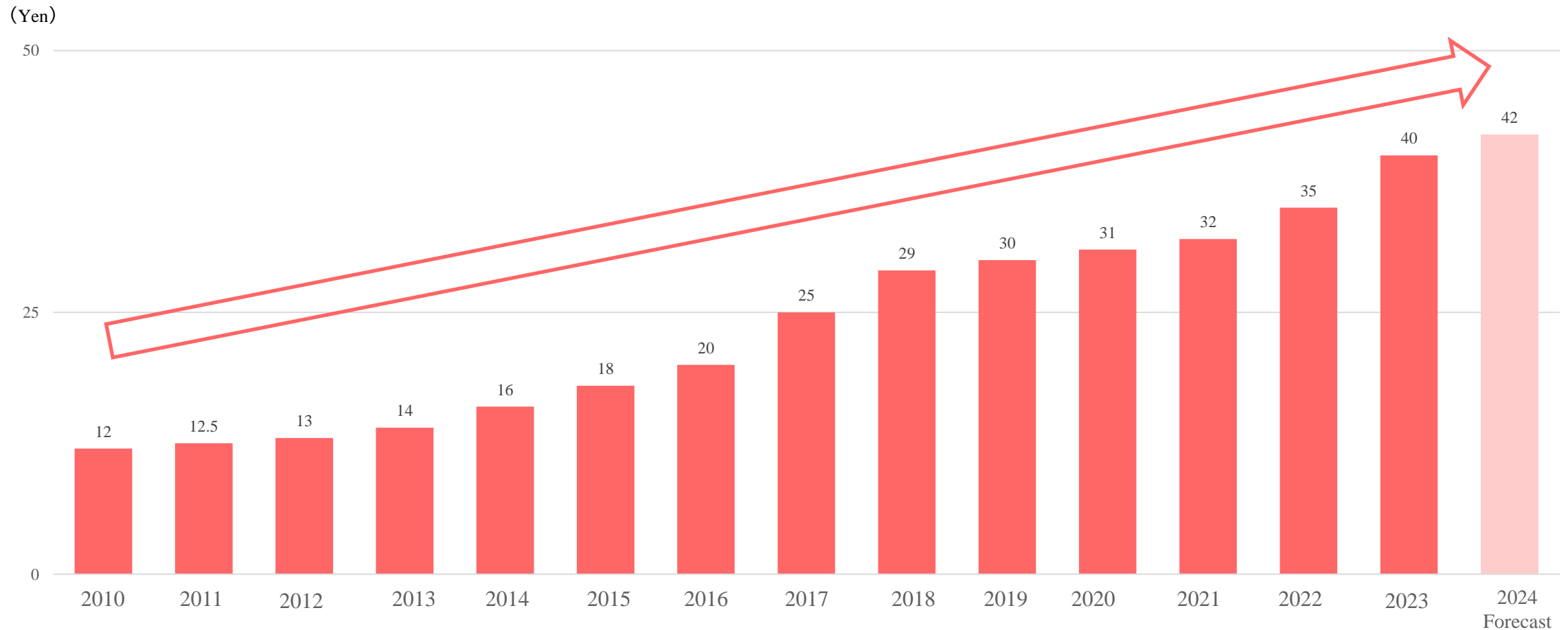
◆ PBR* exceeded 1x, increasing to 1.11x. Continue initiatives aimed at achieving PBR of 1x or more.



* PBR (Price Book-value Ratio): Closing share price at the end of fiscal year / Consolidated net assets per share

Dividends

- ◆ We plan to achieve an increase in dividends for 15 consecutive fiscal years
- ◆ A special dividend is planned to be paid continuously for ten years from FY2023



(Note) The Company conducted a 2-for-1 share split of its common shares, effective July 1, 2017. Accordingly, dividends per share was calculated assuming the share split was conducted at the beginning of 2010.

Uniquely Beautiful.



The forecasts and forward-looking statements provided in this document are based on information currently available to the Company and contain potential risks and uncertainties. Consequently, actual results may differ from those projected figures due to various factors.

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