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July 31, 2025

To Whom It May Concern,

Name of listed company: MITSUBISHI PENCIL COMPANY, LIMITED
Representative: Shigehiko Suhara, Representative Director, President
(Code number: 7976 TSE Prime Market)
Contact: Naoto Hasegawa, Senior Executive Officer, in Charge
of Finance
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Notice Concerning Change in Dividend Policy, Determination of Interim Dividend and Revision of Year-End Dividend Forecast

MITSUBISHI PENCIL COMPANY, LIMITED (the “Company”) hereby announces that, at its Board of Directors’ meeting held on July 31, 2025, it resolved to revise its dividend policy (setting numerical targets for the consolidated dividend payout ratio), pay an interim dividend for the fiscal year ending December 2025 and revise its year-end dividend forecast (increase in dividend). Details are as follows.

1. Change in Dividend Policy

(1) Details of change

The Company’s basic policy for profit distribution has been to return profits to shareholders by continuing to pay progressive dividends based on stable earnings. On the other hand, we had not set a quantitative target for the dividend payout ratio. In addition to continuing to pay progressive dividends, we have decided to newly target a consolidated dividend payout ratio of 40%.

(2) Reason for change

The Company has paid stable dividends since 1948, when it began paying dividends, until 2024. In recent years, the Company has paid progressive dividends for 22 consecutive years. We have decided to set numerical targets with further enhancement of shareholder returns in mind in order to realize management that is conscious of capital cost and the stock price as set out in the new medium-term management plan.

(3) Timing of change

The dividend policy will be applied starting with the dividend for the fiscal year ending December 2025, aiming to achieve the target in the future.

2. Determination of interim dividend and revision of year-end dividend forecast

(1) Determination of interim dividend for the fiscal year ending December 2025

	Determined amount	Previous forecast (Announced on February 13, 2025)	Actual results for the previous fiscal year (Fiscal year ended December 2024)
Record date	June 30, 2025	June 30, 2025	June 30, 2024
Cash dividends per share	26.00 yen	24.00 yen	21.00 yen
Total amount of dividends	1,473 million yen	-	1,224 million yen
Effective date	September 4, 2025	-	September 5, 2024
Source of dividends	Retained earnings	-	Retained earnings

(2) Revision of year-end dividend forecast for the fiscal year ending December 2025

	Annual dividends		
	Second quarter-end	Fiscal-year end	Total
Previous forecast (Announced on February 13, 2025)	yen 24.00	yen 24.00	yen 48.00
Revised forecasts	-	26.00	52.00
Actual results for the current fiscal year	26.00	-	-
(Reference) Actual results for the previous fiscal year (Fiscal year ended December 2024)	21.00	25.00	46.00

(Note) The dividend of 21 yen for the end of the second quarter of the fiscal year ended December 2024 and 25 yen for the end of the fiscal year ended December 2024 each include a special dividend of 1 yen. Similarly, the dividend of 26 yen for the end of the second quarter of the fiscal year ending December 2025 and 26 yen for the end of the fiscal year ending December 2025 each include a special dividend of 1 yen.

Reason for revision

In line with the change in the dividend policy aiming for a consolidated dividend payout ratio of 40%, in order to bring the consolidated dividend payout ratio for 2025 closer to the target value, the dividend per share at the end of the second quarter will be 26 yen, an increase of 2 yen from the previous forecast, and the year-end dividend forecast will also be 26 yen, an increase of 2 yen. As a result, the total annual dividend is expected to increase by 4 yen to 52 yen. Going forward, we will strive to enhance returns to shareholders and improve capital efficiency, and actively continue initiatives that focus on capital costs and stock prices.