



Table of Contents

01. Overview of Financial Results for the Fiscal Year Ended December 31, 2023
02. Progress of “Medium-term Business Plan 2022-2024” Toward Achieving “Vision 2036”

01

**Overview of Financial Results
for the Fiscal Year Ended December 31, 2023**



Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2023

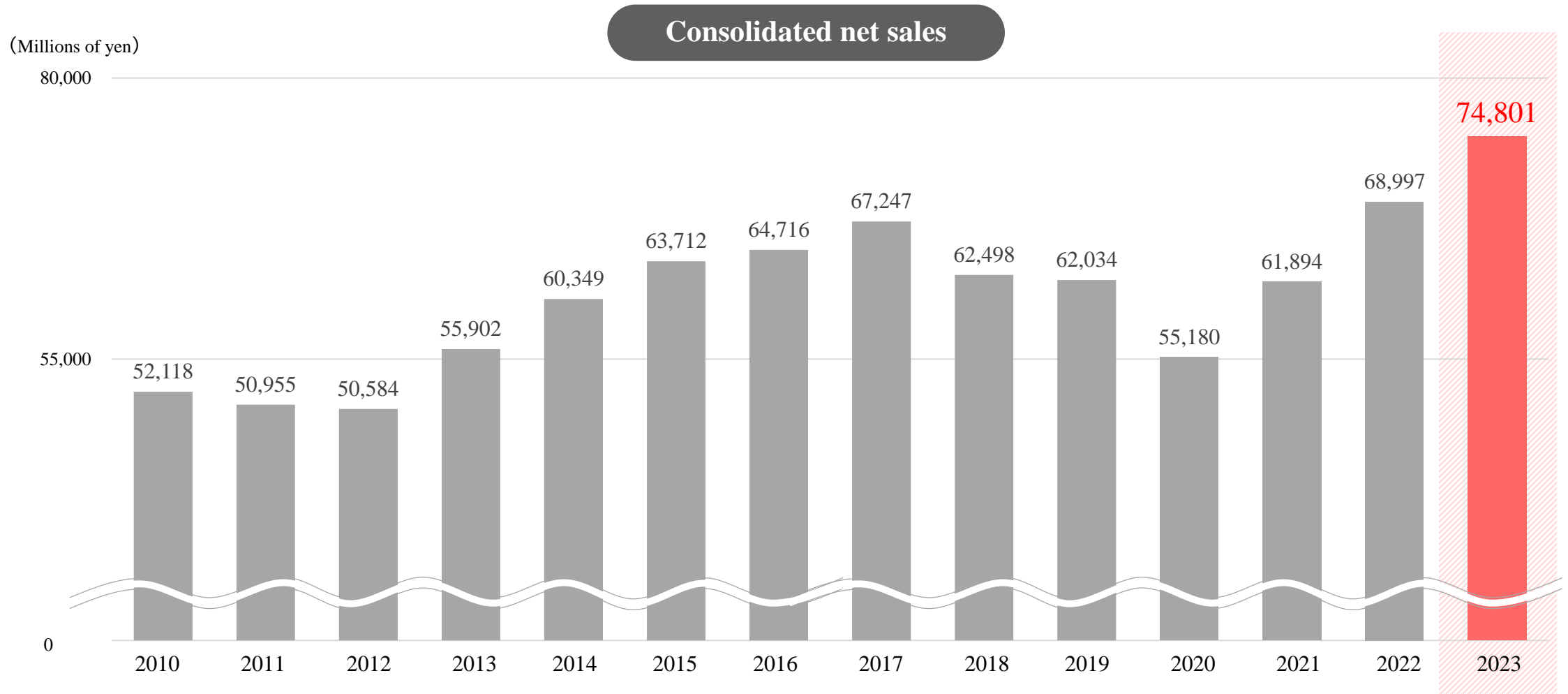
- ◆ Record-high net sales was achieved with robustness in overseas markets and recovery in the domestic market. Also benefited from the weak yen in exchange rates.
- ◆ Operating profit was up 28.2% with increased sales margin from net sales growth, despite profit squeeze from soaring raw material prices and labor costs.
- ◆ Profit enjoyed significant growth, benefitting from sale of real estate.
- ◆ Record-high amounts were achieved for ordinary profit and profit attributable to owners of parent.

[Consolidated] Millions of yen	2019	2020	2021	2022	2023	vs. 2022	
	4Q	4Q	4Q	4Q	4Q	Change	Change (%)
Net sales	62,034	55,180	61,894	68,997	74,801	5,803	8.4%
(Avg. USD exchange rate)	¥109.37	¥106.66	¥109.86	¥130.78	¥140.55	¥9.77	-
Gross profit	31,289	27,310	30,667	33,953	38,446	4,492	13.2%
(Gross profit margin)	50.4%	49.5%	49.5%	49.2%	51.4%	-	-
Selling, general and administrative expenses	24,086	21,817	23,146	24,709	26,594	1,884	7.6%
Operating profit	7,202	5,493	7,520	9,243	11,851	2,607	28.2%
Ordinary profit	7,580	5,988	8,309	10,128	12,889	2,760	27.3%
Profit*	4,436	3,794	5,658	6,951	10,166	3,215	46.3%

*Profit attributable to owners of parent

Trend in Consolidated Results of Net Sales

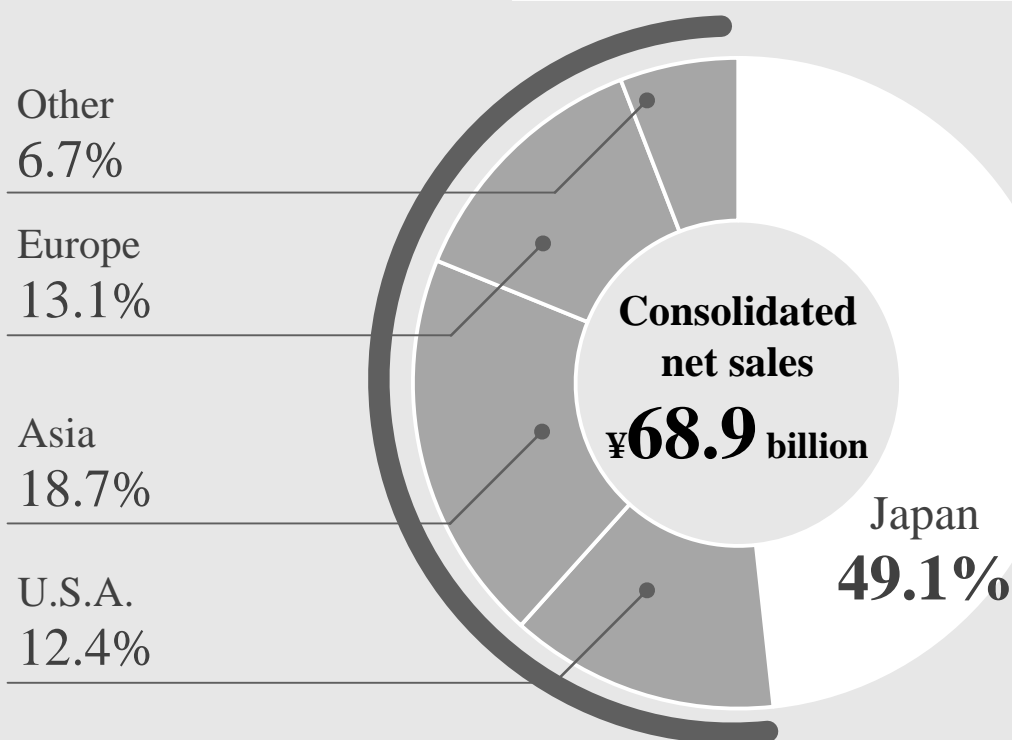
◆ Marked record-high net sales



Composition of Consolidated Net Sales by Region

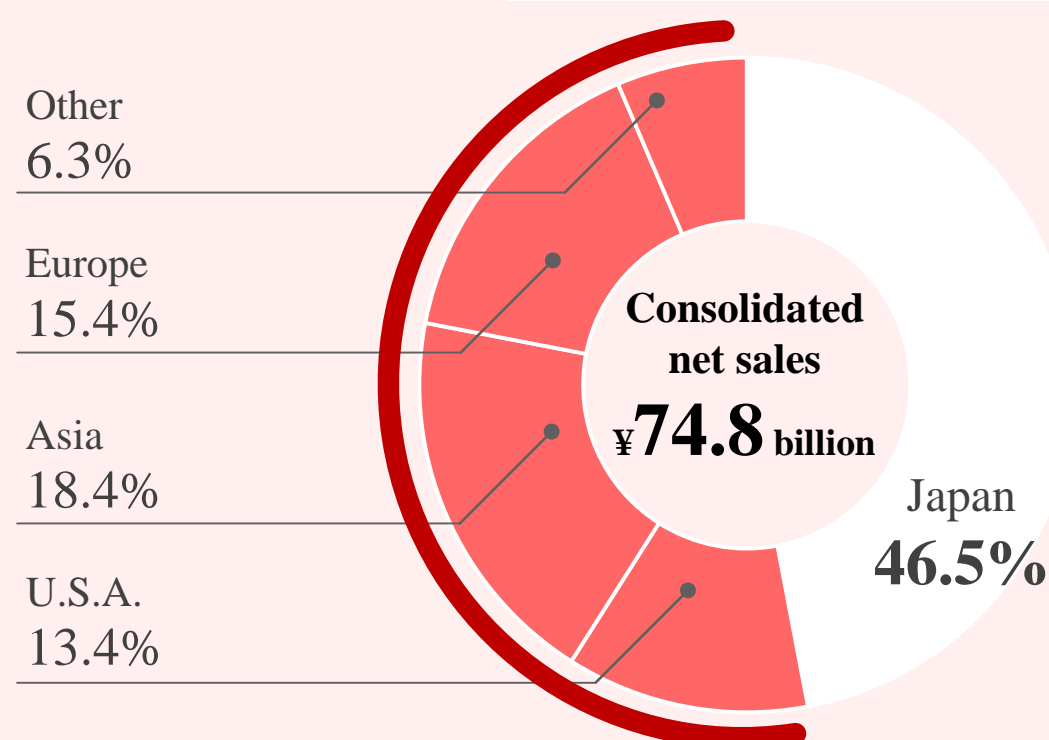
- ◆ Sales in the overseas markets, mainly in Europe and the U.S.A., significantly increased

Jan.-Dec. **2022**



Overseas **50.9%** Japan **49.1%**

Jan.-Dec. **2023**

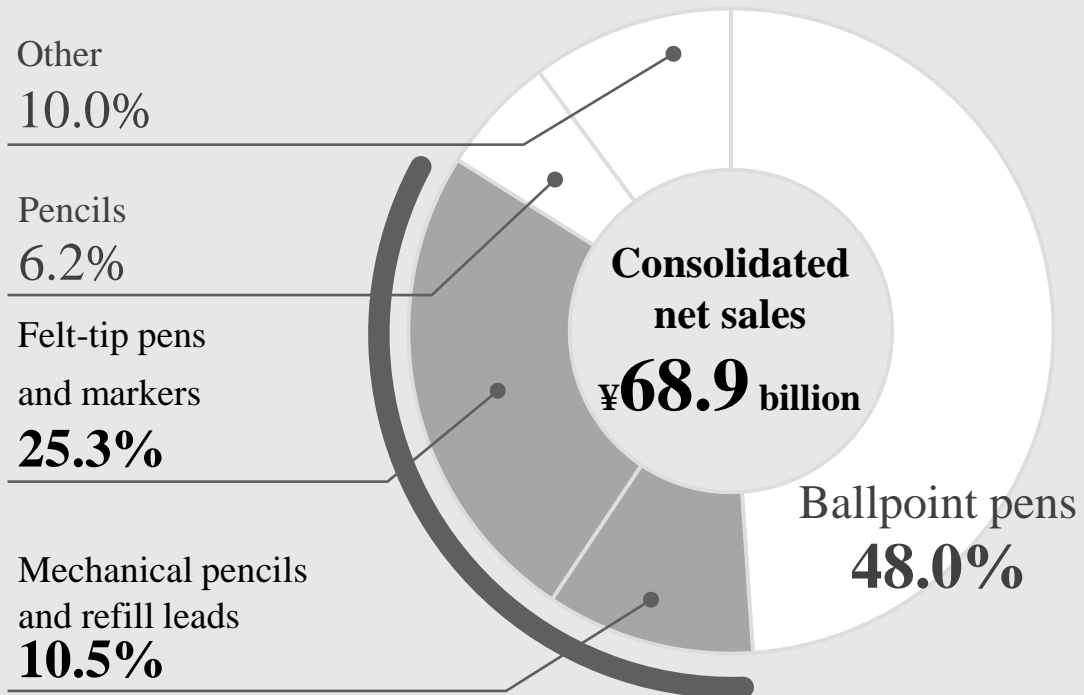


Overseas **53.5%** Japan **46.5%**

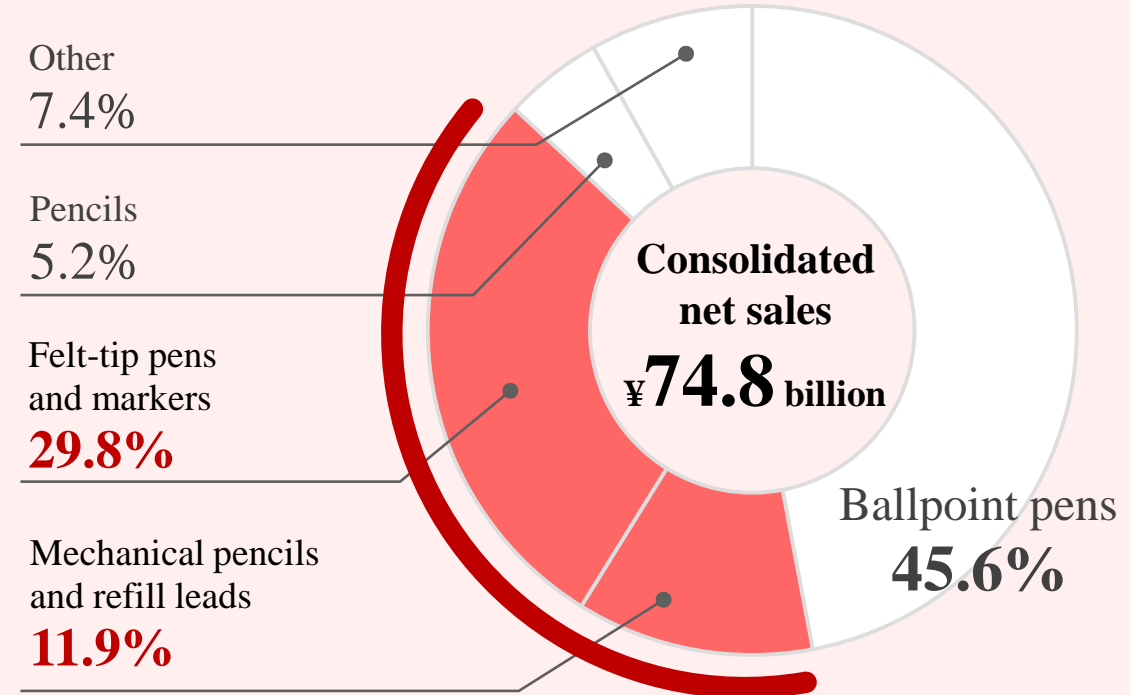
Composition of Consolidated Net Sales by Product Type

- ◆ Net sales driven by market development attributable to mechanical pencils in Japan and markers overseas
- ◆ Substantial increase in proportion of consolidated net sales attributable to both mechanical pencils and felt-tip pens and markers

Jan.-Dec. **2022**

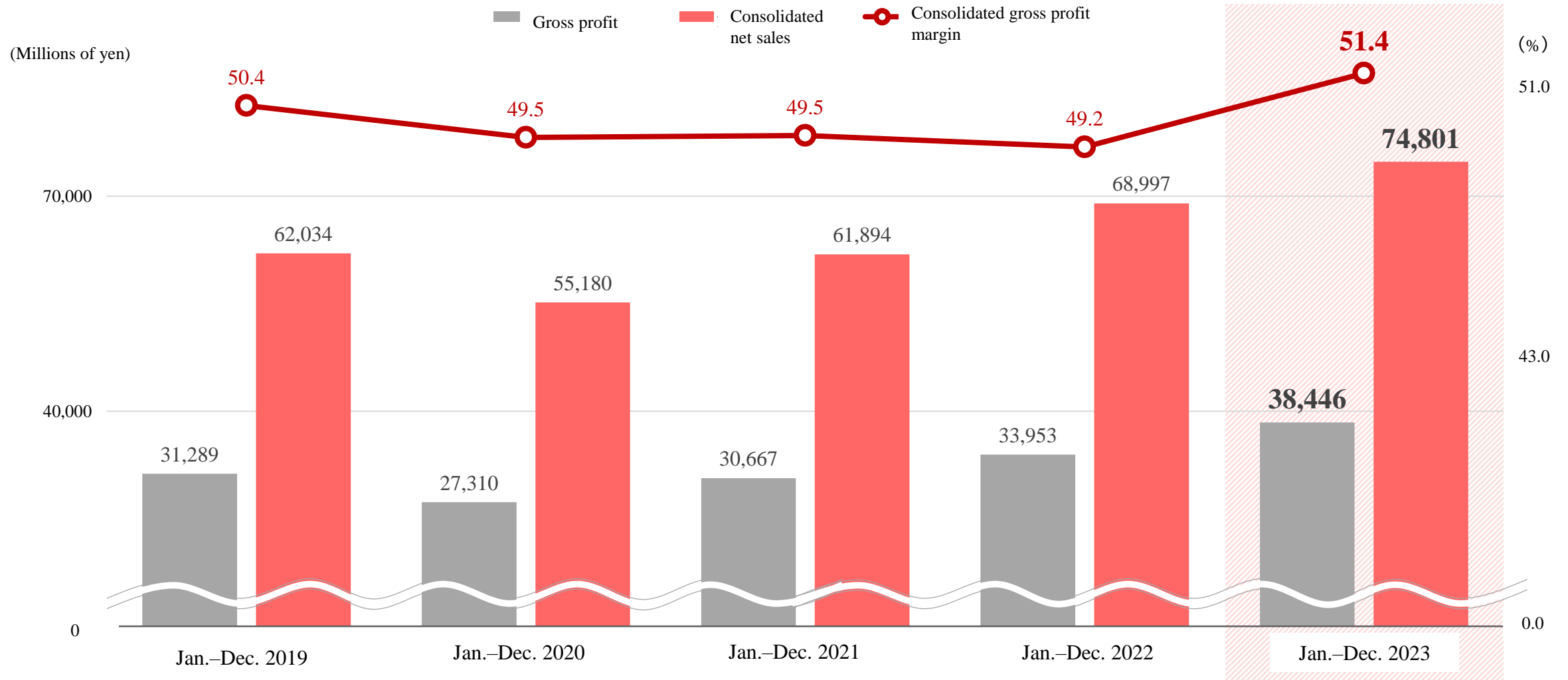


Jan.-Dec. **2023**



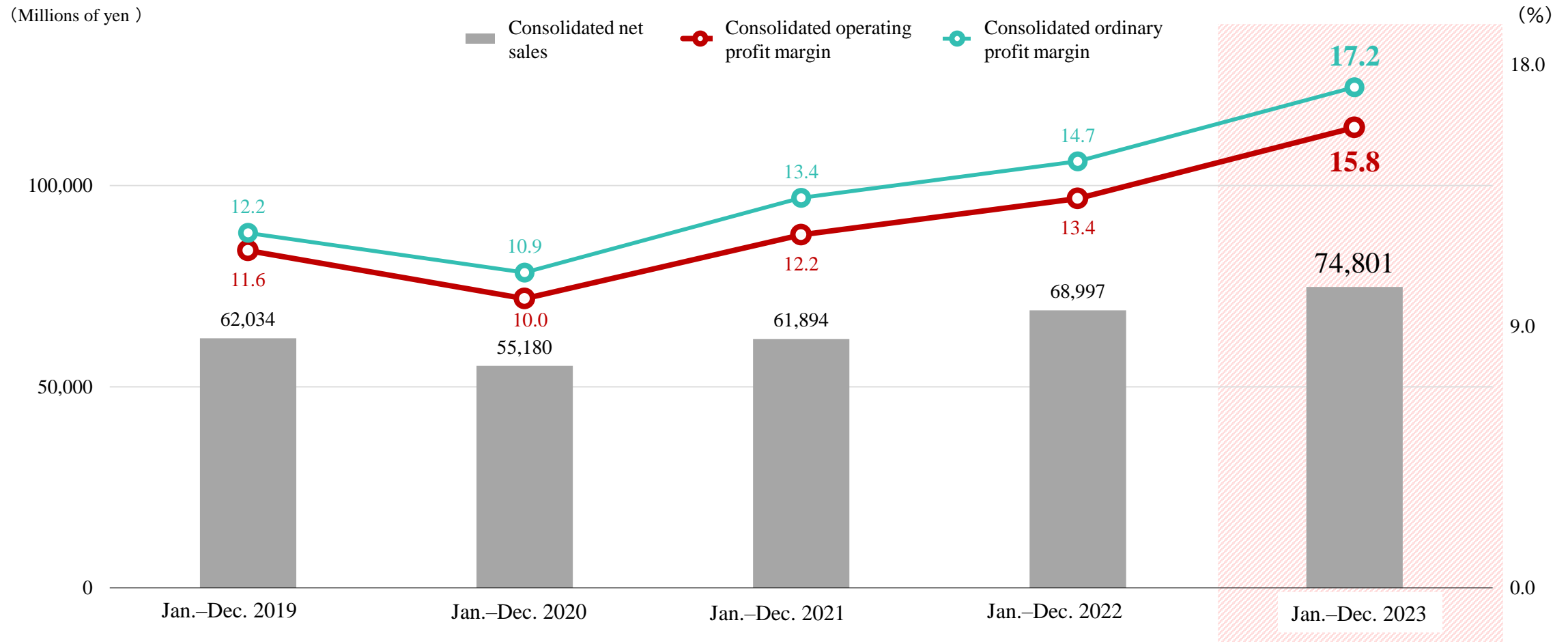
Consolidated Gross Profit Margin

◆ Gain in gross profit margin accompanying increase in sales margin



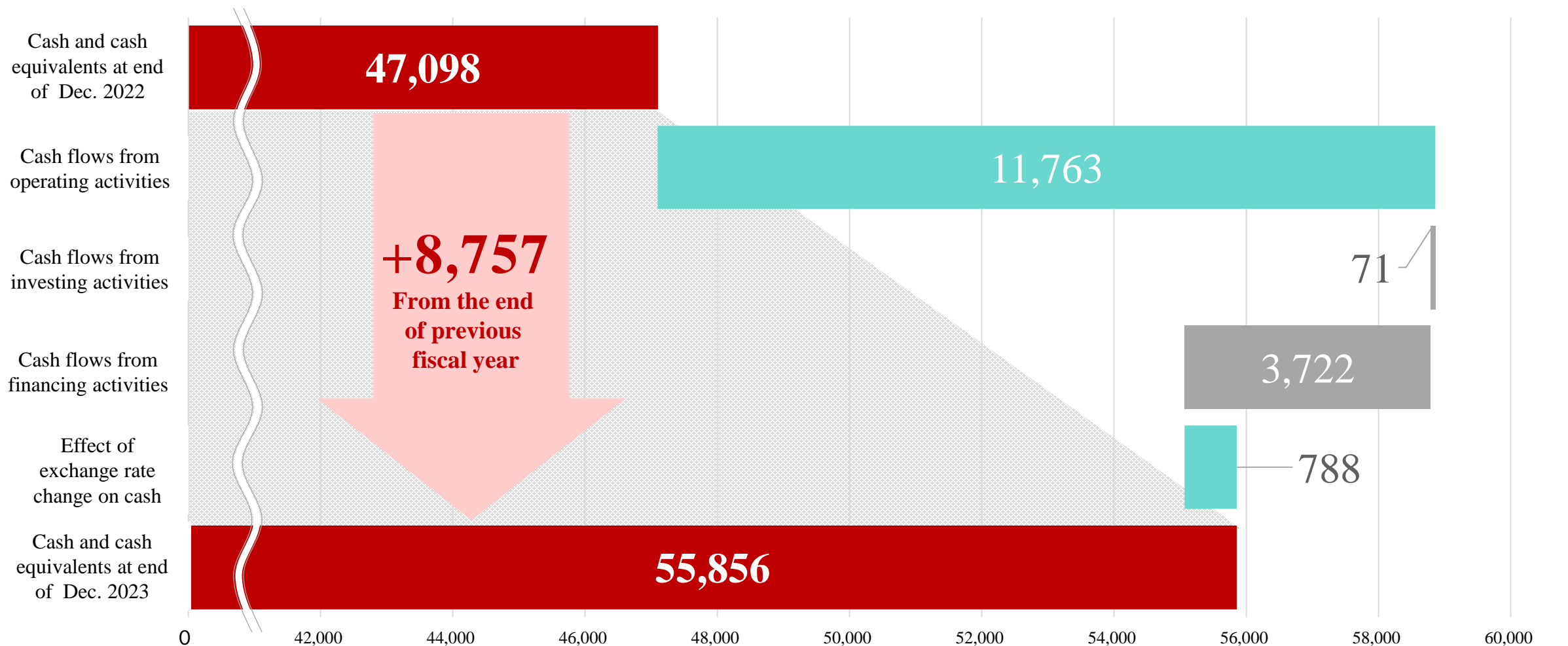
Consolidated Net Sales, Operating Profit Margin and Ordinary Profit Margin

◆ Both operating profit margin and ordinary profit margin steadily grew



Consolidated Cash Flows

- ◆ Increase in free cash due to growth in operating cash flow
- ◆ We will leverage cash to expand the writing instruments business internationally and accelerate new business growth

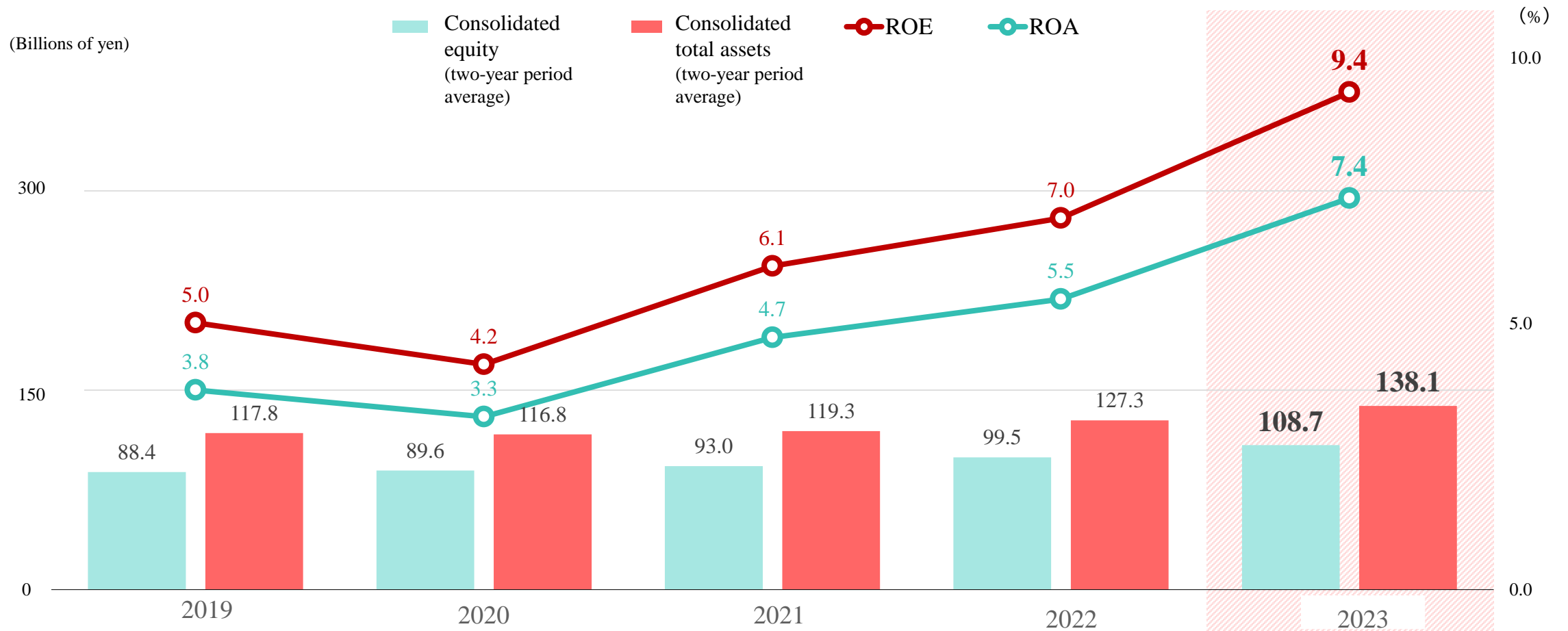


(Note) Figures do not align with cash and deposits presented on the balance sheets given that the balance of time deposits is not presented on the statements of cash flows.

(Millions of yen)

Return on Equity (ROE) and Return on Asset (ROA)

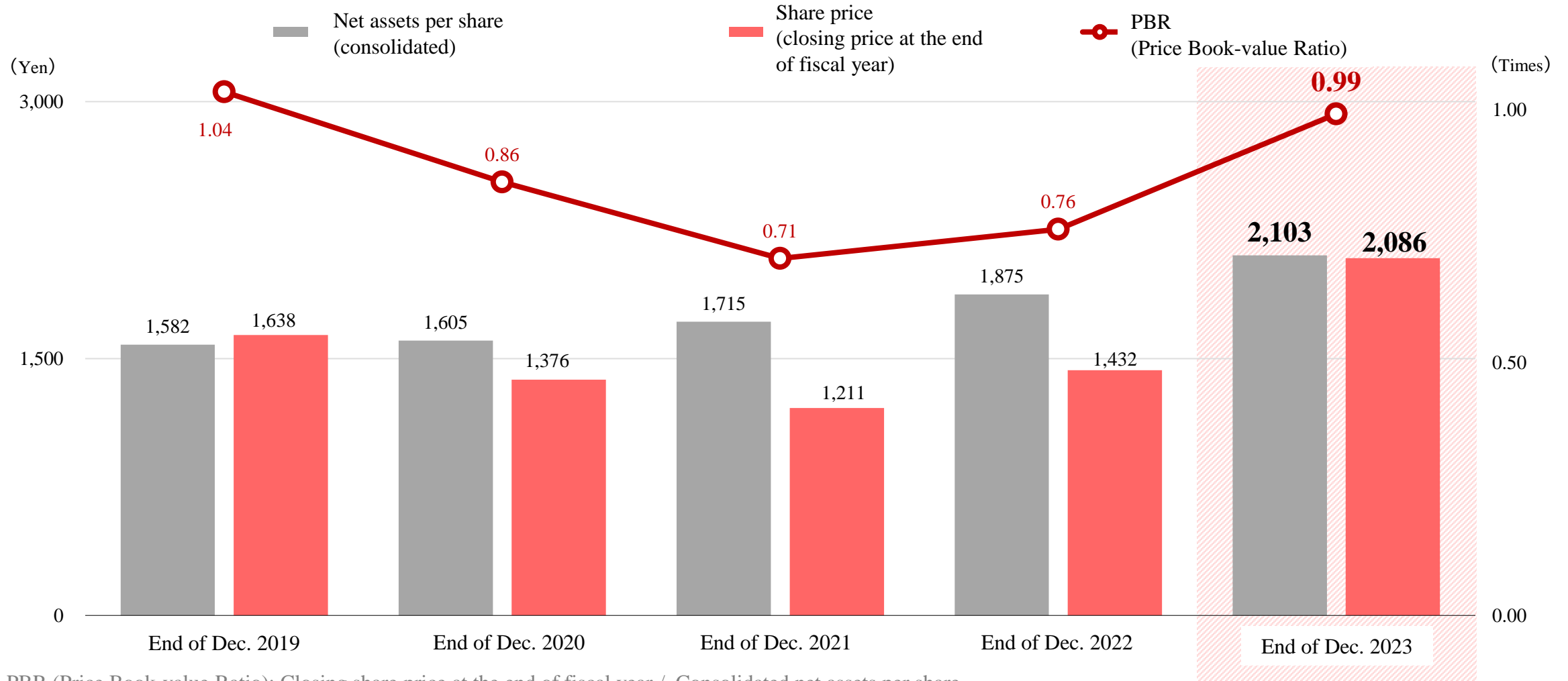
◆ Positive momentum in ROE*¹ and ROA*²



*1 ROE: Consolidated profit / average equity over the two-year period *2 ROA: Consolidated profit / average total assets over the two-year period

Net Assets per Share / Price Book-value Ratio

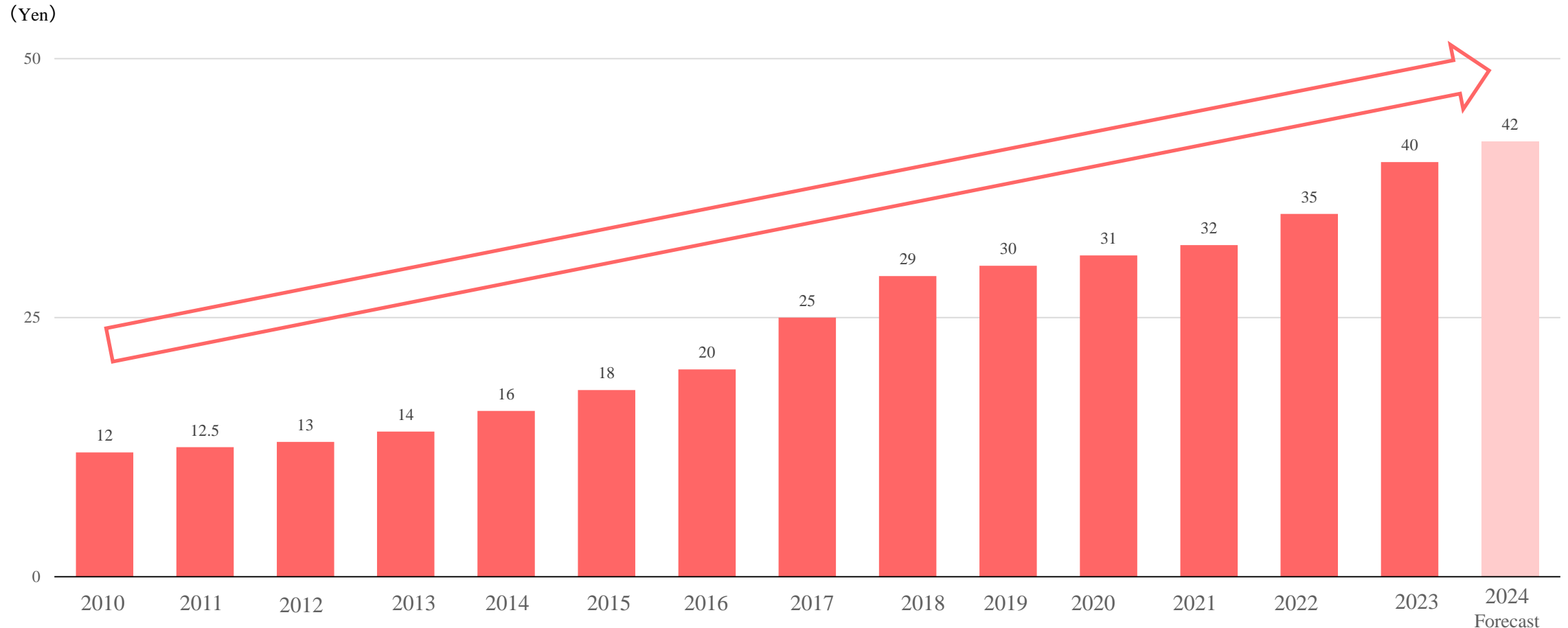
◆ Improved PBR* and ongoing initiatives to achieve PBR of 1x or more



* 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.

Analysis of current situation

◆ PBR/ROE/PER at fiscal year-end

	Year ended Dec. 31, 2019	Year ended Dec. 31, 2020	Year ended Dec. 31, 2021	Year ended Dec. 31, 2022	Year ended Dec. 31, 2023
PBR	1.04	0.86	0.71	0.76	0.99
ROE	5.0	4.2	6.1	7.0	9.4
PER	21.0	20.4	12.0	11.4	11.2

* As of December 31

- **Record-high** consolidated net sales achieved
- **Record-high profit** achieved
- Treasury shares acquired in February

◆ Considerations

- The Company's cost of capital is holding to the range of 5% to 6% and its ROE has recently been exceeding cost of capital, but **remains below the Company's general benchmark of 8%**, which is measured by excluding the current fiscal year.
- Meanwhile, PBR is currently at around 1 times.

Strategy for improvement

We aim to continuously achieve ROE of 8% or higher by further expanding the writing instruments business, our core business and generating profits.

Also, we aim to achieve PBR of 1x or more by optimizing capital, maintaining consistent dividends and enhancing IR.

Initiatives going forward

◆ Measure (1): Fortification of the writing instruments business

We aim to generate profits through international expansion of the writing instruments business, our core business, further strengthening of sales, supply and marketing functions, and expansion of our operations with a focus on overseas markets.

◆ Measure (2): Capital optimization

We are proceeding with capital optimization through initiatives that include making effective use of non-core assets, streamlining inventory assets, and acquiring treasury shares at appropriate times.

◆ Measure (3): Maintaining consistent dividends and improving IR materials

We will continue to provide consistent dividends leveraging our stable earnings foundation, while comprehensively taking into account factors that include our financial position, operating results, and dividend payout ratio.

In addition, we will strive to improve our IR materials through efforts that include providing English-language translations of such documents.

**Progress of “Medium-term Business
Plan 2022-2024” Toward Achieving
“Vision 2036”**



Vision 2036 and Medium-term Business Plan 2022-2024

- ◆ Overview of “Vision 2036 (Long-term Vision)” with the Company’s 150th anniversary serving as its target year and “Medium-term Business Plan 2022-2024,” formulated to achieve that vision

Medium-term Business Plan 2022-2024

150th Anniversary of Establishment
The World’s Most Expressive Innovation Company.

Corporate brand concept
Uniquely Beautiful.



Breakdown of net sales

- Overseas writing instruments business: ¥41.0 billion
- Domestic writing instruments business: ¥30.0 billion
- New businesses and others: ¥7.0 billion



Breakdown of net sales

- Overseas writing instruments business: ¥70.0 billion
- Domestic writing instruments business: ¥30.0 billion
- New businesses and others: ¥30.0 billion-¥50.0 billion



2023

Our success of strategies to realize our vision and positive effects from inflation and foreign exchange contributed to **significant sales growth in FY2023**

2024

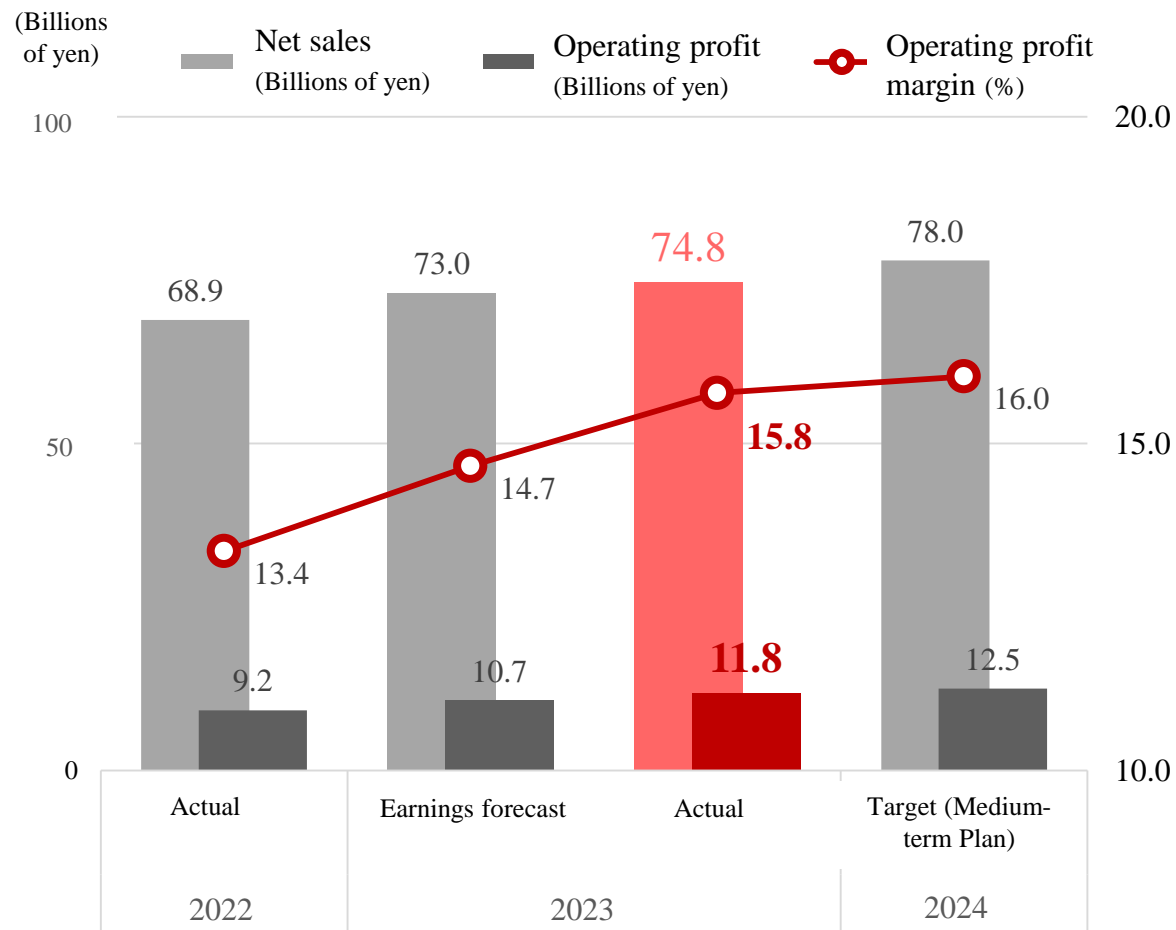
Upwardly revised Medium-term Business Plan targets

Medium-term Business Plan targets for 2024

Net sales	¥78.0 billion
Operating profit	¥12.5 billion
Operating profit margin	16.0%

Medium-term Business Plan 2022-2024: Progress

- ◆ Achieved record-high net sales
- ◆ Writing instruments business: Significant growth in sales amid success achieved with global strategy



- ◆ We aim to set record-high amounts for net sales and operating profit in 2024
- ◆ Writing instruments business: Expand market share by identifying various needs and further strengthening the sales structure overseas
- ◆ New businesses: Continue with investing and sowing seeds toward achieving the vision

Consolidated financial indicators		2022	2023	2024
		Actual	Actual	Target
Net sales	Billions of yen	68.9	74.8	78.0
Sales of writing instruments business	Billions of yen	62.0	68.2	71.0
Overseas writing instruments business	Billions of yen	34.6	39.5	41.0
Domestic writing instruments business	Billions of yen	27.4	28.7	30.0
Sales of new businesses and others	Billions of yen	6.9	6.6	7.0
Operating profit	Billions of yen	9.2	11.8	12.5
Operating profit margin	%	13.4	15.8	16.0

Basic Policy uni re-design

Main policies

Expanding the writing instruments business internationally

- Promotion of global focus brands (GFBs)
- Establishment of business structure internationally

- Growth in overseas sales, overseas sales ratio of 53.5%
- Strong sales of POSCA
- Establishment of overseas sales company structure progressing according to plan
- Increase in domestic market share mainly by JETSTREAM pens and KURU-TOGA mechanical pencils
- Development of new products in coordination with overseas operations

Taking new businesses to the growth stage

- Business creation originating from business domains
- Expansion of the cosmetics and industrial materials businesses

- The cosmetics business acquired new customers through successful implementation of strategies
- The industrial materials business internationally promotes open innovation of technologies developed in the realm of writing instruments

Building a sustainable system

- Coexistence with the natural environment and society
- Sustainable growth of the Group

- Development of environmentally-friendly products
- Enhancement of social contribution

Expanding the Writing Instruments Business Internationally

- ◆ While expanding our share in the Japanese market, we are boosting our structures overseas with the aim of continuing high growth

European Market

Boost structure of European base / Unify brand
Sharpen competitive edge with integrated European warehouse operation
Launch eco-products and strengthen localized marketing

Japanese Market

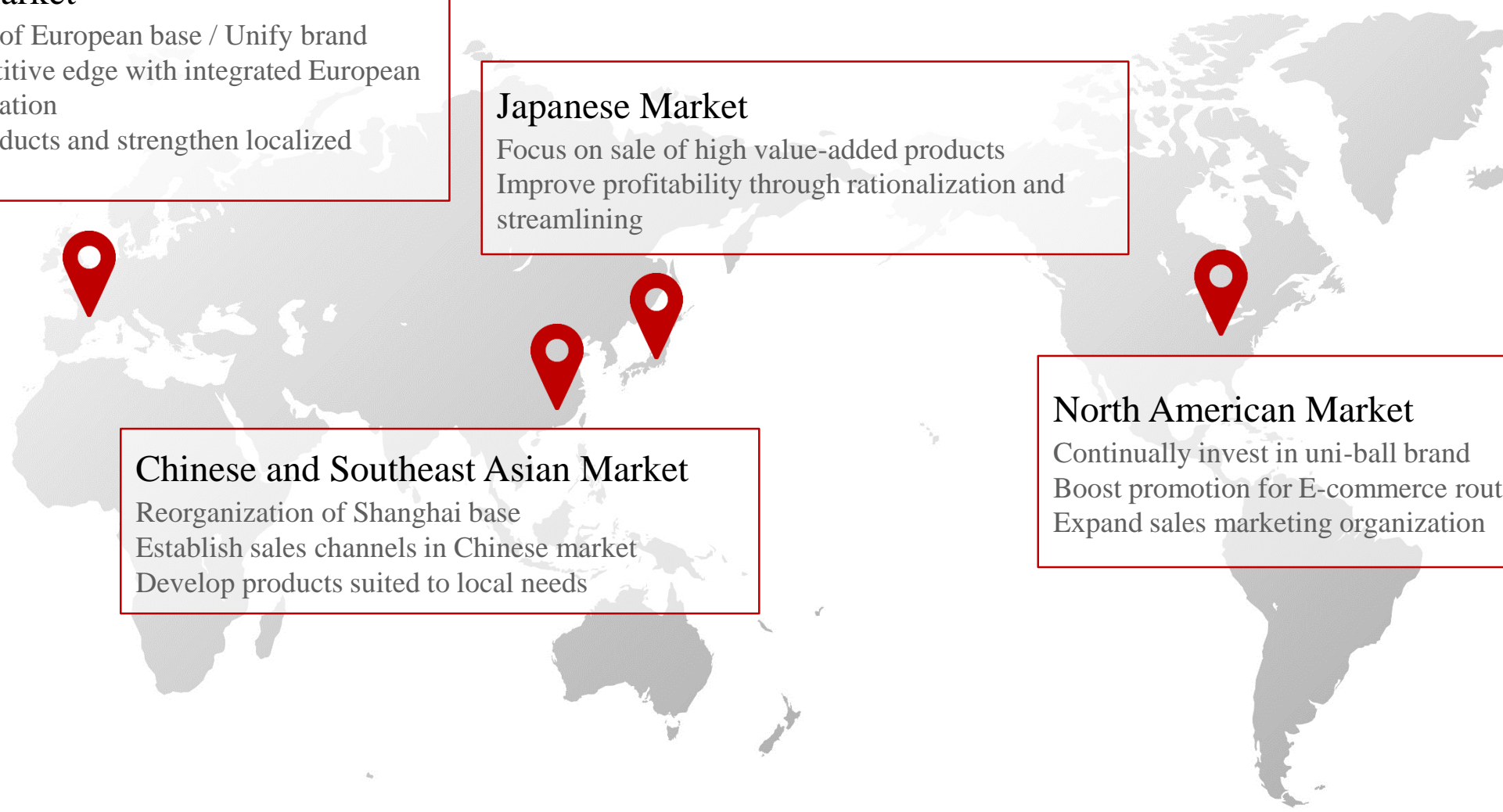
Focus on sale of high value-added products
Improve profitability through rationalization and streamlining

Chinese and Southeast Asian Market

Reorganization of Shanghai base
Establish sales channels in Chinese market
Develop products suited to local needs

North American Market

Continually invest in uni-ball brand
Boost promotion for E-commerce routes
Expand sales marketing organization

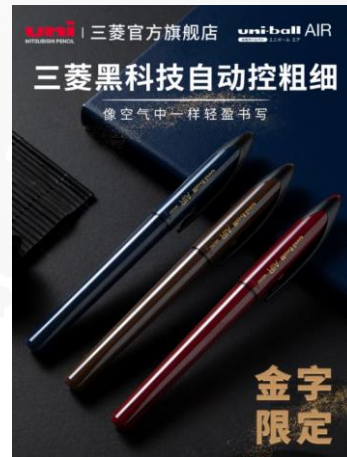


Ballpoint pen for European market



Eco-friendly product

Ballpoint pen for Chinese market



Functional product
facilitating beautiful
handwriting

Mechanical pencil for Japanese market



With world-first auto-
advance lead mechanism

Felt-tip pen for European and North American markets



Lineup catering to everyone
from professional to
hobbyist

◆ Focus thus far on sowing seeds for strengthening business other than the writing instruments business



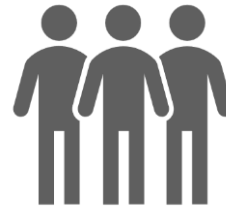
- ◆ We undertake various initiatives to achieve sustainable outcomes for both society and the Company

ESG



- Establishment of the Committee of Sustainability Promotion
- Establishing subcommittees to represent the three perspectives of ESG, we will formulate activity policies and actively monitor each area
- Participation in a demonstration project for horizontal recycling promoted by the Ministry of the Environment

Human capital



- Personnel system reforms to enhance employee creativity
- Increase in overseas assignees to promote the development of global talent
- Cultivation of mid-career female employees through cross-industry exchanges

Corporate value



- Enhancement of shareholder returns
Increase dividends for 14 consecutive years and carry out acquisition of treasury shares
- Review of non-current assets to boost profitability
- Implementation of special dividends over ten years from the fiscal year ended December 31, 2023

Developing environmentally-friendly products

いままで





これから









通常タイプ




<チューブ断面>



長持ちタイプ





PEN to PEN. uni MITSUBISHI PENCIL

ペンからペンをつくる

水平リサイクル フロント

水平リサイクルのしくみ

「水平リサイクル」のしくみ

① 回収 ② 選別 ③ 再資源化 ④ 製造

AMTSUBISHI PENCIL CO., LTD.

Strengthening social contribution activities



uni Paralympic Art

自分らしさを描く
アートコンテスト

Presented by 三菱鉛筆

2023.7.1 Sat - 7.31 Mon

Forest Supporter **人を育てる 森を育てる**

Paralympic Art GOLD PARTNERS

障がい者アートを応援しています

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.

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.