



May 1, 2026

To all parties concerned,

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(Progress on Disclosed Matters) Notice of Offering of 1st Series Share Acquisition Rights and 1st Series Unsecured Convertible Bonds with Share Acquisition Rights to be Issued Through Third-Party Allotment

Mitsubishi Pencil Company, Limited (the “Company”) hereby announces as follows that there were matters to be amended with regards to a portion of its press release titled “Notice of Offering of 1st Series Share Acquisition Rights and 1st Series Unsecured Convertible Bonds with Share Acquisition Rights to be Issued Through Third-Party Allotment” announced on April 30, 2026.

Details

I Reasons for amendment

As described in the “Notice Regarding the Results of Acquisition of Treasury Shares via the Tokyo Stock Exchange’s Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) and Completion of Acquisition of Treasury Shares” announced on May 1, 2026, the Company acquired 9,779,926,800 shares of its common shares via the Tokyo Stock Exchange’s Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) for a total purchase price of 4,190,200 yen.

Consequently, the matters described in the “Notice of Offering of 1st Series Share Acquisition Rights and 1st Series Unsecured Convertible Bonds with Share Acquisition Rights to be Issued Through Third-Party Allotment” announced on April 30, 2026 have been amended as described in “II. Amendments” below.

II Amendments

The amended portions are underlined.

2. Purpose of and Reasons for Offering

Before amendment

(Omitted)

Furthermore, with the aim of improving capital efficiency, mitigating the impact on shareholders from potential dilution resulting from the exercise of Share Acquisition Rights and Bonds with Share Acquisition Rights by the Scheduled Allottee in the future, promoting capital efficiency, and enhancing shareholder returns, the Company’s Board of Directors resolved, at a meeting held on April 30, 2026, to acquire its treasury shares (the “Acquisition of Treasury Shares”) on May 1, 2026. Specifically, the Company plans to place an order to purchase the Company’s common shares through the TSE’s Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) at 8:45 a.m. on May 1, 2026, based on the closing price of the

Company's common shares in regular trading on the TSE on April 30, 2026. While the acquisition of the Company's treasury shares itself will be funded through borrowings from financial institutions, a portion of the funds raised through the Third-Party Allotment is expected to be used to repay such borrowings. For details regarding the acquisition of the Company's treasury shares, please refer to the Company's press release issued on April 30, 2026, titled "Notice Regarding the Acquisition of Treasury Shares and the Purchase of Treasury Shares via the Tokyo Stock Exchange's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) (Acquisition of Treasury Shares Pursuant to the Provisions of the Articles of Incorporation Under Article 459, Paragraph 1 of the Companies Act)."

(Omitted)

After amendment

(Omitted)

Furthermore, with the aim of improving capital efficiency, mitigating the impact on shareholders from potential dilution resulting from the exercise of Share Acquisition Rights and Bonds with Share Acquisition Rights by the Scheduled Allottee in the future, promoting capital efficiency, and enhancing shareholder returns, the Company's Board of Directors resolved, at a meeting held on April 30, 2026, to acquire its treasury shares (the "Acquisition of Treasury Shares") on May 1, 2026. Specifically, the Company placed an order to purchase the Company's common shares through the TSE's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) at 8:45 a.m. on May 1, 2026, based on the closing price of the Company's common shares in regular trading on the TSE on April 30, 2026. While the acquisition of the Company's treasury shares itself will be funded through borrowings from financial institutions, a portion of the funds raised through the Third-Party Allotment is expected to be used to repay such borrowings. For details regarding the acquisition of the Company's treasury shares, please refer to the Company's press release issued on April 30, 2026, titled "Notice Regarding the Acquisition of Treasury Shares and the Purchase of Treasury Shares via the Tokyo Stock Exchange's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) (Acquisition of Treasury Shares Pursuant to the Provisions of the Articles of Incorporation Under Article 459, Paragraph 1 of the Companies Act)" and the Company's press release issued on May 1, 2026, titled "Notice Regarding the Results of Acquisition of Treasury Shares via the Tokyo Stock Exchange's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) and Completion of Acquisition of Treasury Shares."

(Omitted)

3. Amount of Funds to be Procured, Purpose of Use, and Scheduled Timing of Expenditure

(2) Specific use of funds to be procured

Before amendment

(Omitted)

Specific use of funds	Amount (Millions of yen)	Scheduled timing of expenditure
(A) Repayment of loans related to the acquisition of treasury shares	<u>10,000</u>	May 2026
(B) Additional investment in the growth of the Company's overseas writing instruments business	<u>1,501</u>	May 2026 to May 2031
(C) Additional investment aimed at optimizing the global supply chain	500	May 2026 to May 2031

Use of proceeds

(Omitted)

(A) Repayment of loans related to the acquisition of treasury shares

The Company intends to optimize its capital structure and strengthen its financial foundation through a recapitalization involving the issuance of the Bonds with Share Acquisition Rights.

The Company has decided to conduct the Acquisition of Treasury Shares with the aim of improving capital efficiency, mitigating the impact on shareholders resulting from future dilution caused by the exercise of Share Acquisition Rights and the Bonds with Share Acquisition Rights by the Scheduled Allottee, promoting capital efficiency, and enhancing shareholder returns. Specifically, the Company plans to place an order to purchase the Company's common shares through the TSE's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) at 8:45 a.m. on May 1, 2026, based on the closing price of the Company's common shares in regular trading on the TSE on April 30, 2026.

Since the Company plans to conduct the settlement of the Acquisition of Treasury Shares prior to the payment date of the Third-Party Allotment, the Company plans to temporarily borrow 10,000 million yen from The Bank of Yokohama, Ltd. in May 2026 to fund the Acquisition of Treasury Shares. However, the Company intends to allocate 10,000 million yen of the proceeds from the Third-Party Allotment after the payment date to repay the loan.

(B) Additional investment in the growth of the Company's overseas writing instruments business

To accelerate the growth of the Company's overseas writing instruments business, the Company plans to allocate 1,501 million yen to strengthen the Company's organizational structure including expansion of its workforce at overseas locations, enhance sales promotion initiatives, and make growth investments in the Company's brands and other areas. Specifically, the Company plans to invest approximately an additional 500 million yen in each of the North American, European, and Asian markets to implement these measures.

(Omitted)

After amendment

(Omitted)

Specific use of funds	Amount (Millions of yen)	Scheduled timing of expenditure
(A) Repayment of loans related to the acquisition of treasury shares	<u>9,700</u>	May 2026
(B) Additional investment in the growth of the Company's overseas writing instruments business	<u>1,801</u>	May 2026 to May 2031
(C) Additional investment aimed at optimizing the global supply chain	500	May 2026 to May 2031

Use of proceeds

(Omitted)

(A) Repayment of loans related to the acquisition of treasury shares

The Company intends to optimize its capital structure and strengthen its financial foundation through a recapitalization involving the issuance of the Bonds with Share Acquisition Rights.

The Company has decided to conduct the Acquisition of Treasury Shares with the aim of improving capital efficiency, mitigating the impact on shareholders resulting from future dilution caused by the exercise of Share Acquisition Rights and the Bonds with Share Acquisition Rights by the Scheduled Allottee, promoting capital efficiency, and enhancing shareholder returns. Specifically, the Company placed an order to purchase the Company's common shares through the TSE's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) at 8:45 a.m. on May 1, 2026, based on the closing price of the Company's common shares in regular trading on the TSE on April 30, 2026.

Since the Company plans to conduct the settlement of the Acquisition of Treasury Shares prior to the payment date of the Third-Party Allotment, the Company plans to temporarily borrow 9,700 million yen from The Bank of Yokohama, Ltd. in May 2026 to fund the Acquisition of Treasury Shares. However, the Company intends to allocate 9,700 million yen of the proceeds from the Third-Party Allotment after the payment date to repay the loan.

(B) Additional investment in the growth of the Company's overseas writing instruments business

To accelerate the growth of the Company's overseas writing instruments business, the Company plans to allocate 1,801 million yen to strengthen the Company's organizational structure including expansion of its workforce at overseas locations, enhance sales promotion initiatives, and make growth investments in the Company's brands and other areas. Specifically, the Company plans to invest approximately an additional 600 million yen in each of the North American, European, and Asian markets to implement these measures.

(Omitted)

5. Rationality of Issuance Conditions, Etc.

(2) Basis of judgment that the issuance quantity and impact of dilution are reasonable

Before amendment

(Omitted)

In order to mitigate the short-term impact of the Third-Party Allotment on the supply and demand of the Company's shares and to minimize the impact on existing shareholders, the Company resolved at the Board of Directors meeting held on April 30, 2026 to acquire its treasury shares through the TSE's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) on May 1, 2026. The class of shares to be acquired will be common shares, the total number of shares to be acquired will be 4,200,000 shares (maximum; the "Maximum Number of Shares to Acquire"), and the acquisition price will be the closing price of the Company's common shares in regular trading on the TSE on April 30, 2026. If the Acquisition of Treasury Shares is carried out up to the Maximum Number of Shares to be Acquired, the number of treasury shares held by the Company will increase by 4,200,000 shares, and the total number of voting rights will decrease by 42,000 voting rights. If the Acquisition of Treasury Shares is carried out up to the Maximum Number of Shares to be Acquired, the degree of dilution will be 9.83% relative to the number of voting rights (498,494 voting rights) obtained by deducting the number of voting rights reduced by the Acquisition of Treasury Shares (42,000 voting rights) from the total number of voting rights as of December 31, 2025 (540,494 voting rights).

Note: The Company announced in its press release titled "Notice on Determination of Matters Concerning Acquisition of Shares Under the Share-Based Remuneration Plan for Management-level Employees" issued on April 30, 2026 that, in connection with the introduction of a share-based remuneration plan for management-level employees (the "Plan"), the Company has resolved to dispose of 82,800 shares of common stock of the Company (the "Disposal of Treasury Shares (Employees)") to Sumitomo Mitsui Trust Bank, Limited (Trust Account) (Re-trustee: Custody Bank of Japan, Ltd. (Trust Account)), which serves as the trustee of the trust established for the implementation of the Plan (the "Trust"). In addition, the Company announced in its press release titled "Notice on Disposal of Treasury Shares as Restricted Share-Based Remuneration" issued on April 30, 2026 that, in connection with the introduction of a stock compensation plan for the Company's directors (excluding outside directors) and executive officers, the Company has resolved to dispose of 25,800 shares of common stock of the Company as treasury shares to the Company's directors (excluding outside directors) and executive officers (the "Disposal of Treasury Shares (Directors and Officers)" and, together with the "Disposal of Treasury Shares (Employees)," the "Disposal of Treasury Shares"). The disposal date for the Disposal of Treasury Shares (Employees) is May 15, 2026. In addition, the disposal date for the Disposal of Treasury Shares (Directors and Officers) is May 18, 2026. As a result of the Disposal of Treasury Shares, the number of the Company's treasury shares will decrease by 108,600 shares, and the total number of voting rights will increase by 1,086 voting rights. If the Disposal of Treasury Shares is conducted after the Acquisition of Treasury Shares has been completed up to the Maximum Number of Shares to Acquire, the dilution ratio will be 9.81% of the total number of voting rights

(499,580 voting rights) calculated by deducting the number of voting rights reduced by the Acquisition of Treasury Shares (42,000 voting rights) from the number of voting rights as of December 31, 2025 (540,494 voting rights), and then adding the number of voting rights (1,086 voting rights) increased by the Disposal of Treasury Shares.

(Omitted)

After amendment

(Omitted)

In order to mitigate the short-term impact of the Third-Party Allotment on the supply and demand of the Company's shares and to minimize the impact on existing shareholders, the Company resolved at the Board of Directors meeting held on April 30, 2026 to acquire its treasury shares through the TSE's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) on May 1, 2026. The class of shares to be acquired will be common shares, the total number of shares to be acquired will be 4,200,000 shares (maximum; the "Maximum Number of Shares to Acquire"), and the acquisition price will be the closing price of the Company's common shares in regular trading on the TSE on April 30, 2026. As a result of the Acquisition of Treasury Shares, the number of treasury shares held by the Company has increased by 4,190,200 shares, and the total number of voting rights has decreased by 41,902 voting rights. Accordingly, the degree of dilution will be 9.83% relative to the number of voting rights (498,592 voting rights) obtained by deducting the number of voting rights reduced by the Acquisition of Treasury Shares (41,902 voting rights) from the total number of voting rights as of December 31, 2025 (540,494 voting rights).

Note: The Company announced in its press release titled "Notice on Determination of Matters Concerning Acquisition of Shares Under the Share-Based Remuneration Plan for Management-level Employees" issued on April 30, 2026 that, in connection with the introduction of a share-based remuneration plan for management-level employees (the "Plan"), the Company has resolved to dispose of 82,800 shares of common stock of the Company (the "Disposal of Treasury Shares (Employees)") to Sumitomo Mitsui Trust Bank, Limited (Trust Account) (Re-trustee: Custody Bank of Japan, Ltd. (Trust Account)), which serves as the trustee of the trust established for the implementation of the Plan (the "Trust"). In addition, the Company announced in its press release titled "Notice on Disposal of Treasury Shares as Restricted Share-Based Remuneration" issued on April 30, 2026 that, in connection with the introduction of a stock compensation plan for the Company's directors (excluding outside directors) and executive officers, the Company has resolved to dispose of 25,800 shares of common stock of the Company as treasury shares to the Company's directors (excluding outside directors) and executive officers (the "Disposal of Treasury Shares (Directors and Officers)" and, together with the "Disposal of Treasury Shares (Employees)," the "Disposal of Treasury Shares"). The disposal date for the Disposal of Treasury Shares (Employees) is May 15, 2026. In addition, the disposal date for the Disposal of Treasury Shares (Directors and Officers) is May 18, 2026. As a result of the Disposal of Treasury Shares, the number of the Company's treasury shares will decrease by 108,600 shares, and the total number of voting rights will increase by 1,086 voting rights. Given the results the Acquisition of Treasury Shares, if the Disposal of Treasury Shares is further conducted, the dilution ratio will be 9.81% of the total number of voting rights (499,678 voting rights) calculated by deducting the number of voting rights reduced by the Acquisition of Treasury Shares (41,902 voting rights) from the number of voting rights as of December 31, 2025 (540,494 voting rights), and then adding the number of voting rights (1,086 voting rights) increased by the Disposal of Treasury Shares.

(Omitted)

7. Major Shareholders and Ownership Ratio After the Offering

Before amendment

(Omitted)

4. In addition to the above, the Company holds 3,355,757 treasury shares (as of December 31, 2025). As described in the "Notice Regarding the Acquisition of Treasury Shares and the Purchase of Treasury Shares via the Tokyo Stock Exchange's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) (Acquisition of Treasury Shares Pursuant to the Provisions of the Articles of Incorporation Under Article 459, Paragraph 1 of the Companies Act)" announced separately on April

30, 2026, the Company resolved at a Board of Directors meeting held on April 30, 2026 to acquire its treasury shares pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act. Specifically, the Company plans to place an order to purchase the Company's common shares through the TSE's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) at 8:45 a.m. on May 1, 2026, based on the closing price of the Company's common shares in regular trading on the TSE on April 30, 2026. In addition, as stated in the "Notice on Determination of Matters Concerning Acquisition of Shares Under the Share-Based Remuneration Plan for Management-level Employees" separately announced on April 30, 2026, the Company resolved at a Board of Directors meeting held on April 30, 2026 to conduct the Disposal of Treasury Shares (Employees). Specifically, the Company plans to dispose of 82,800 shares of its common shares to Sumitomo Mitsui Trust Bank, Limited (Trust Account) (Re-trustee: Custody Bank of Japan, Ltd. (Trust Account)), which serves as the trustee of the Trust, with a disposal date of May 15, 2026. In addition, as stated in the "Notice on Disposal of Treasury Shares as Restricted Share-Based Remuneration" separately announced on April 30, 2026, the Board of Directors, at its meeting held on April 30, 2026, resolved to carry out the Disposal of Treasury Shares (Directors and Officers). Specifically, the Company will dispose of 25,800 shares of its common stock as treasury shares to the Company's directors (excluding outside directors) and executive officers, with the disposal date set for May 18, 2026.

After amendment

(Omitted)

4. In addition to the above, the Company holds 3,355,757 treasury shares (as of December 31, 2025). As described in the "Notice Regarding the Acquisition of Treasury Shares and the Purchase of Treasury Shares via the Tokyo Stock Exchange's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) (Acquisition of Treasury Shares Pursuant to the Provisions of the Articles of Incorporation Under Article 459, Paragraph 1 of the Companies Act)" announced separately on April 30, 2026, the Company resolved at a Board of Directors meeting held on April 30, 2026 to acquire its treasury shares pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act. Specifically, as described in the "Notice Regarding the Results of Acquisition of Treasury Shares via the Tokyo Stock Exchange's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) and Completion of Acquisition of Treasury Shares" announced separately on May 1, 2026, the Company placed an order to purchase the Company's common shares through the TSE's Off-Auction Treasury Share Repurchase Trading System (ToSTNeT-3) at 8:45 a.m. on May 1, 2026, based on the closing price of the Company's common shares in regular trading on the TSE on April 30, 2026 and acquired 4,190,200 shares of its common shares for a total purchase price of 9,779,926,800 yen. The list of major shareholders and ownership ratio after the offering does not take into account the impact of the Acquisition of Treasury Shares. In addition, as stated in the "Notice on Determination of Matters Concerning Acquisition of Shares Under the Share-Based Remuneration Plan for Management-level Employees" separately announced on April 30, 2026, the Company resolved at a Board of Directors meeting held on April 30, 2026 to conduct the Disposal of Treasury Shares (Employees). Specifically, the Company plans to dispose of 82,800 shares of its common shares to Sumitomo Mitsui Trust Bank, Limited (Trust Account) (Re-trustee: Custody Bank of Japan, Ltd. (Trust Account)), which serves as the trustee of the Trust, with a disposal date of May 15, 2026. In addition, as stated in the "Notice on Disposal of Treasury Shares as Restricted Share-Based Remuneration" separately announced on April 30, 2026, the Board of Directors, at its meeting held on April 30, 2026, resolved to carry out the Disposal of Treasury Shares (Directors and Officers). Specifically, the Company will dispose of 25,800 shares of its common stock as treasury shares to the Company's directors (excluding outside directors) and executive officers, with the disposal date set for May 18, 2026. The list of major shareholders and ownership ratio after the offering does not take into account the impact of the Disposal of Treasury Shares.

End