

SHOFU (7979)

| Consolidated Fiscal Year (Million Yen) | | Sales | Operating Profit | Recurring Profit | Profit Attributable to Owners of Parent | EPS (Yen) | DPS (Yen) | BPS (Yen) |
|---|--|--------|------------------|------------------|---|-----------|-----------|-----------|
| FY03/2021 | | 24,680 | 2,300 | 2,523 | 1,674 | 96.29 | 29.00 | 1,690.45 |
| FY03/2022 | | 28,137 | 3,217 | 3,658 | 2,546 | 143.22 | 39.00 | 1,841.55 |
| FY03/2023CoE | | 31,294 | 3,750 | 4,320 | 3,389 | 190.17 | 39.00 | - |
| FY03/2022 | | YoY | 14.0% | 39.8% | 45.0% | - | - | - |
| FY03/2023CoE | | YoY | 11.2% | 16.6% | 18.1% | - | - | - |
| Consolidated Half Year (Million Yen) | | Sales | Operating Profit | Recurring Profit | Profit Attributable to Owners of Parent | EPS (Yen) | DPS (Yen) | BPS (Yen) |
| Q1 to Q2 FY03/2022 | | 13,867 | 2,000 | 2,130 | 1,506 | - | - | - |
| Q3 to Q4 FY03/2022 | | 14,270 | 1,217 | 1,528 | 1,040 | - | - | - |
| Q1 to Q2 FY03/2023 | | 15,831 | 2,237 | 2,745 | 2,133 | - | - | - |
| Q3 to Q4 FY03/2023CoE | | 15,463 | 1,513 | 1,575 | 1,256 | - | - | - |
| Q1 to Q2 FY03/2023 | | YoY | 14.2% | 11.8% | 28.9% | - | - | - |
| Q3 to Q4 FY03/2023CoE | | YoY | 8.4% | 24.3% | 3.1% | - | - | - |

Source: Company Data, WRJ Calculation

1.0 Results Update (4 November 2022)


Ex-Japan Asia

On 2 November 2022, SHOFU, developing, manufacturing and selling dental materials & equipment, released its Q1 to Q2 FY03/2023 results. It has been revealed that the Company renewed its record highs in sales and earnings for the period of Q1 to Q2, driven by successful market cultivation in ex-Japan Asia and yen's depreciation. By region, sales in "Asia, Oceania, etc." came in at ¥3,505m (up 33.3% YoY and/or up 17.9% on a local currency basis). With respect to China, accounting for a bit more than half of sales here, the Company saw no more than 3.3% for the rate of growth in sales on a local currency basis, while having seen no less than 39.8%, collectively, for the equivalent in regions other than China in this category, i.e., India where the Company has recently set up a local stronghold, Singapore, South Korea and Taiwan. The Company suggests that there is an aspect that sales in India were temporarily boosted by one-off factor. Still, excluding an impact stemming from here, it appears that the Company has successfully made progress in market cultivation in all those said regions for Q1 to Q2. We are to take part in the Company's financial results briefing, scheduled for Tuesday, 22 November, which will be followed by our interview with management, so that we should be able to update [SHOFU \(7979\) Growth Investment \(6 July 2022\)](#) and release afresh.

IR Representative: Kei Kagawa, Manager, Corporate Planning Department (ir@shofu.co.jp)

2.0 Company Profile

Comprehensive Manufacturer of Dental Materials & Equipment

| | | |
|-------------------------|--|--|
| Company Name | <p>SHOFU INC.</p> <p>Company Website</p> <p>IR Information</p> <p>Share Price (Japanese)</p> |  |
| Established | 15 May 1922 | |
| Listing | <p>4 April 2022: Tokyo Stock Exchange Prime Market (ticker: 7979)</p> <p>29 March 2012: Tokyo Stock Exchange 1st section</p> <p>15 February 2007: Tokyo Stock Exchange 2nd section</p> <p>9 November 1989: Osaka Stock Exchange 2nd section and Kyoto Stock Exchange</p> <p>25 July 1963: OTC registration of JSDA (Osaka)</p> | |
| Capital | ¥5,968m (as of the end of September 2022) | |
| No. of Shares | 17,894,089 shares, including 51,967 treasury shares (as of the end of Sep. 2022) | |
| Main Features | <ul style="list-style-type: none"> ● The leader of artificial teeth and abrasives in Japan ● Focus on sales promotions overseas where a great room to cultivate remaining ● Also developing, manufacturing and selling nail salon materials | |
| Segments | <p>I . Dental-related Business</p> <p>II . Nail-related Business</p> <p>III. Other Business</p> | |
| Representative | Representative Director, President & CEO : Tetsuo Takami | |
| Shareholders | Mitsui Chemicals 20.06%, The Master Trust Bank of Japan, T. 4.89%, Bank of Kyoto 3.99% (as of the end of September 2022, but for treasury shares) | |
| Head Office | Higashiyama-ku, Kyoto-city, JAPAN | |
| No. of Personnel | Consolidated: 1,291, Parent: 473 (as of the end of September 2022) | |

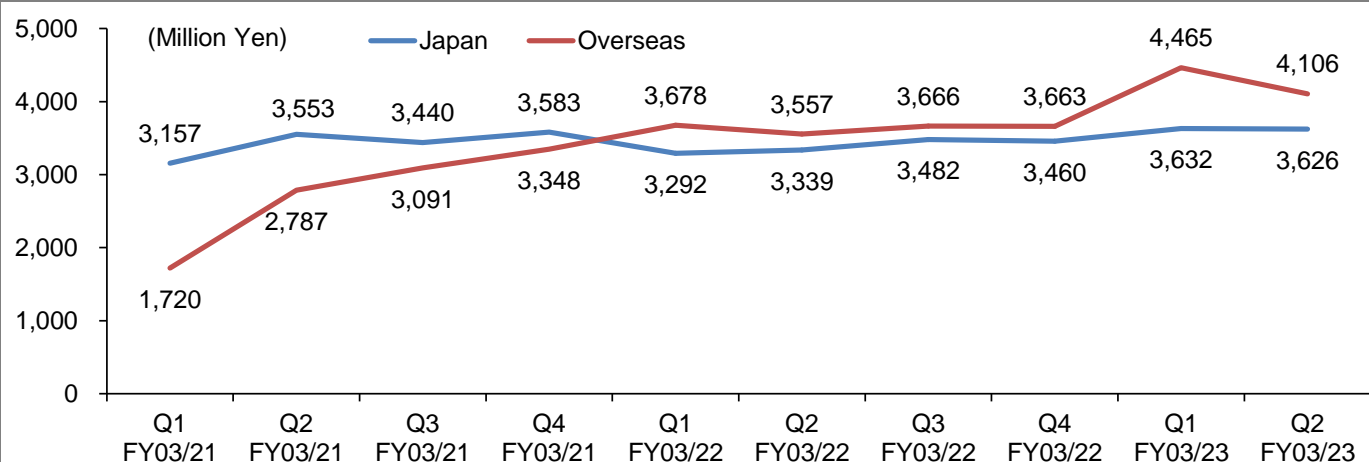
Source: Company Data

3.0 Recent Trading and Prospects

Q1 to Q2 FY03/2023

For Q1 to Q2 FY03/2023, sales came in at ¥15,831m (up 14.2% YoY), operating profit ¥2,237m (up 11.8%), recurring profit ¥2,745m (up 28.9%) and profit attributable to owners of parent ¥2,133m (up 41.6%), while operating profit margin 14.1% (down 0.3% points). The Company saw an improvement by ¥379m at the non-operating level and by ¥196m at the extraordinary level. The former was mainly attributable to an improvement in forex gain and the latter to booking of gain on settlement package and gain on sale of investment securities.

Sales (Japan and Overseas)



Forex Rate

| (Yen) | Q1 FY03/22 | Q1 to Q2 FY03/22 | Q1 to Q3 FY03/22 | Q1 to Q4 FY03/22 | Q1 FY03/23 | Q1 to Q2 FY03/23 |
|--------------------|---------------|---------------------|---------------------|---------------------|---------------|---------------------|
| US Dollar | 110.00 | 110.18 | 111.38 | 112.86 | 129.04 | 133.46 |
| Euro | 131.78 | 130.97 | 130.85 | 131.01 | 138.24 | 138.79 |
| GBP | 153.24 | 152.49 | 153.10 | 153.94 | 162.48 | 162.47 |
| Chinese Yuan | 16.31 | 16.63 | 16.77 | 17.03 | 18.43 | 18.98 |
| US Dollar (YoY) | +2.1% | +3.3% | +5.2% | +6.3% | +17.3% | +21.1% |
| Euro (YoY) | +10.8% | +7.9% | +7.0% | +5.9% | +4.9% | +6.0% |
| GBP (YoY) | +15.4% | +12.9% | +12.7% | +11.0% | +6.0% | +6.5% |
| Chinese Yuan (YoY) | +4.8% | +8.2% | +9.3% | +10.3% | +13.0% | +14.1% |

Source: Company Data, WRJ Calculation

By region, sales in Japan came in at ¥7,260m (up 9.5%) and sales overseas ¥8,571m (up 18.5% and/or up 5.6% on a local currency basis). Meanwhile, by segment, Dental-related Business, which is responsible for developing, manufacturing and selling dental materials & equipment, saw sales of ¥14,651m (up 14.8%), operating profit of ¥2,195m (up 13.8%) and operating profit margin of 15.0% (down 0.1 % point), having accounted for 92.5% of sales for the Company as a whole and 98.3% of operating profit. With respect to this segment, effectively determining performance for the Company as a whole, it appears that there was an improvement in gross profit margin in line with increased sales, which was rather offset by increased ratio of SG&A expenses to sales as far as we could see. More importantly, however, the Company suggests that SG&A expenses increased due mainly to increased spending on advertising expenses and aggressive hiring, i.e., expenses stemming from frontloaded investment to drive sales in the future.

In Japan, the Company saw strengths in sales for digital oral cavity imaging device “EyeSpecial C-IV” as well as for CAD/CAM-related products represented by ceramics for dental cutting work “SHOFU DISK ZR Lucent.” For overseas, the Company saw surging sales of existing products in ex-Japan Asia. As mentioned earlier, sales in “Asia, Oceania, etc.” came in at ¥3,505m (up 33.3% YoY and/or up 17.9% on a local currency basis), while ¥2,104m (up 18.2% and/or down 1.9%) in “North & South Americas” and ¥2,960m (up 4.8% and/or down 1.1%) in “Europe”. It appears that sales on a local currency basis in “North & South Americas” have adjusted temporarily, while sales on a local currency basis in “Europe” have suffered from a factor that sales associated with merchandises to cope with strategy for prevention of infection, i.e., face masks, having had appeared during the same period of the previous year, did not reappear.

FY03/2023 Company Forecasts

FY03/2023 Company forecasts (announced on 25 October 2022) are going for prospective sales of ¥31,294m (up 11.2% YoY), operating profit of ¥3,750m (up 16.6%), recurring profit of ¥4,320m (up 18.1%) and profit attributable to owners of parent of ¥3,389m (up 33.1%), while operating profit margin of 12.0% (up 0.5% points). At the same time, Company forecasts are going for prospective annual dividend of ¥39.00 per share, implying payout ratio of 20.5%. Compared with initial Company forecasts (announced on 11 May 2022), prospective sales have been revised up by ¥1,980m (6.8%) and by no less than ¥1,018m (37.3%) for operating profit. Still, prospective annual dividend has remained unchanged. It is expected that the Company is to announce the level of upgrade appropriate to actual performance after looking into the situations for some time from now.

Meanwhile, initial Company forecasts assumed ¥115.00 per US Dollar, ¥130.00 per Euro, ¥155.00 per GBP and ¥18.00 per Chinese yuan, while yen was weaker across the board for the Q1 to Q2 actual results. Now, the actual results of all those forex rates are adopted as assumptions for the latest Company forecasts on a full-year basis.

FY03/2023 Company Forecasts and Actual Results

| Consolidated Fiscal Year (Million Yen) | Date | Event | Sales | Operating Profit | Recurring Profit | Profit Attributable to Owners of Parent |
|---|-----------|---------------|--------|---------------------|---------------------|--|
| FY03/2023CoE | 11-May-22 | Q4 Results | 29,314 | 2,732 | 2,850 | 1,975 |
| FY03/2023CoE | 1-Aug-22 | Revision | 31,158 | 3,308 | 3,695 | 2,719 |
| | | Amount of Gap | 1,844 | 575 | 844 | 744 |
| | | Rate of Gap | 6.3% | 21.1% | 29.6% | 37.7% |
| FY03/2023CoE | 4-Aug-22 | Q1 Results | 31,158 | 3,308 | 3,695 | 2,719 |
| FY03/2023CoE | 25-Oct-22 | Revision | 31,294 | 3,750 | 4,320 | 3,389 |
| | | Amount of Gap | 135 | 442 | 624 | 669 |
| | | Rate of Gap | 0.4% | 13.4% | 16.9% | 24.6% |
| FY03/2023CoE | 2-Nov-22 | Q2 Results | 31,294 | 3,750 | 4,320 | 3,389 |
| | | Amount of Gap | 0 | 0 | 0 | 0 |
| | | Rate of Gap | 0.0% | 0.0% | 0.0% | 0.0% |
| FY03/2023CoE | 11-May-22 | Q4 Results | 29,314 | 2,732 | 2,850 | 1,975 |
| FY03/2023CoE | 2-Nov-22 | Q2 Results | 31,294 | 3,750 | 4,320 | 3,389 |
| | | Amount of Gap | 1,980 | 1,018 | 1,470 | 1,414 |
| | | Rate of Gap | 6.8% | 37.3% | 51.6% | 71.6% |
| Consolidated Half Year (Million Yen) | Date | Event | Sales | Operating Profit | Recurring Profit | Profit Attributable to Owners of Parent |
| Q1 to Q2 FY03/2023CoE | 11-May-22 | Q4 Results | 14,500 | 1,312 | 1,356 | 845 |
| Q1 to Q2 FY03/2023CoE | 1-Aug-22 | Revision | 15,523 | 1,810 | 2,138 | 1,487 |
| | | Amount of Gap | 1,023 | 497 | 781 | 642 |
| | | Rate of Gap | 7.1% | 37.9% | 57.6% | 76.0% |
| Q1 to Q2 FY03/2023CoE | 4-Aug-22 | Q1 Results | 15,523 | 1,810 | 2,138 | 1,487 |
| Q1 to Q2 FY03/2023CoE | 25-Oct-22 | Revision | 15,831 | 2,237 | 2,745 | 2,133 |
| | | Amount of Gap | 308 | 427 | 607 | 646 |
| | | Rate of Gap | 2.0% | 23.6% | 28.4% | 43.4% |
| Q1 to Q2 FY03/2023Act | 2-Nov-22 | Q2 Results | 15,831 | 2,237 | 2,745 | 2,133 |
| | | Amount of Gap | 0 | 0 | 0 | 0 |
| | | Rate of Gap | 0.0% | 0.0% | 0.0% | 0.0% |
| Q1 to Q2 FY03/2023CoE | 11-May-22 | Q4 Results | 14,500 | 1,312 | 1,356 | 845 |
| Q1 to Q2 FY03/2023Act | 2-Nov-22 | Q2 Results | 15,831 | 2,237 | 2,745 | 2,133 |
| | | Amount of Gap | 1,331 | 925 | 1,389 | 1,288 |
| | | Rate of Gap | 9.2% | 70.5% | 102.4% | 152.4% |
| Consolidated Half Year (Million Yen) | Date | Event | Sales | Operating Profit | Recurring Profit | Profit Attributable to Owners of Parent |
| Q3 to Q4 FY03/2023CoE | 11-May-22 | Q4 Results | 14,814 | 1,420 | 1,494 | 1,130 |
| Q3 to Q4 FY03/2023CoE | 1-Aug-22 | Revision | 15,635 | 1,498 | 1,557 | 1,232 |
| | | Amount of Gap | 821 | 78 | 63 | 102 |
| | | Rate of Gap | 5.5% | 5.5% | 4.2% | 9.0% |
| Q3 to Q4 FY03/2023CoE | 4-Aug-22 | Q1 Results | 15,635 | 1,498 | 1,557 | 1,232 |
| Q3 to Q4 FY03/2023CoE | 25-Oct-22 | Revision | 15,463 | 1,513 | 1,575 | 1,256 |
| | | Amount of Gap | (172) | 15 | 18 | 24 |
| | | Rate of Gap | (1.1%) | 1.0% | 1.2% | 1.9% |
| Q3 to Q4 FY03/2023CoE | 2-Nov-22 | Q2 Results | 15,463 | 1,513 | 1,575 | 1,256 |
| | | Amount of Gap | 0 | 0 | 0 | 0 |
| | | Rate of Gap | 0.0% | 0.0% | 0.0% | 0.0% |
| Q3 to Q4 FY03/2023CoE | 11-May-22 | Q4 Results | 14,814 | 1,420 | 1,494 | 1,130 |
| Q3 to Q4 FY03/2023CoE | 2-Nov-22 | Q2 Results | 15,463 | 1,513 | 1,575 | 1,256 |
| | | Amount of Gap | 649 | 93 | 81 | 126 |
| | | Rate of Gap | 4.4% | 6.5% | 5.4% | 11.2% |

Source: Company Data, WRJ Calculation

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

| Income Statement (Million Yen) | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | YoY Net Chg. |
|---|---------------|---------------------|---------------------|---------------------|---------------|---------------------|---------------------|---------------------|----------|-----------------|
| | Q1 03/2022 | Q1 to Q2 03/2022 | Q1 to Q3 03/2022 | Q1 to Q4 03/2022 | Q1 03/2023 | Q1 to Q2 03/2023 | Q1 to Q3 03/2023 | Q1 to Q4 03/2023 | | |
| Sales | 6,970 | 13,867 | 21,014 | 28,137 | 8,097 | 15,831 | - | - | - | +1,964 |
| Cost of Sales | 3,089 | 5,877 | 8,864 | 11,970 | 3,396 | 6,631 | - | - | - | +754 |
| Gross Profit | 3,881 | 7,990 | 12,149 | 16,167 | 4,700 | 9,200 | - | - | - | +1,210 |
| SG&A Expenses | 2,952 | 5,989 | 9,169 | 12,950 | 3,470 | 6,963 | - | - | - | +974 |
| Operating Profit | 929 | 2,000 | 2,980 | 3,217 | 1,229 | 2,237 | - | - | - | +237 |
| Non Operating Balance | 77 | 130 | 294 | 441 | 398 | 508 | - | - | - | +379 |
| Recurring Profit | 1,006 | 2,130 | 3,274 | 3,658 | 1,627 | 2,745 | - | - | - | +615 |
| Extraordinary Balance | (41) | (41) | (40) | (47) | 38 | 157 | - | - | - | +196 |
| Profit before Income Taxes | 965 | 2,089 | 3,234 | 3,611 | 1,665 | 2,902 | - | - | - | +813 |
| Total Income Taxes | 330 | 574 | 872 | 1,043 | 514 | 754 | - | - | - | +180 |
| longing to Non-Controlling SHs | 4 | 8 | 14 | 20 | 5 | 13 | - | - | - | +5 |
| Profit Attributable to Owners of Parent | 630 | 1,506 | 2,346 | 2,546 | 1,144 | 2,133 | - | - | - | +627 |
| Sales YoY | +42.9% | +23.6% | +18.4% | +14.0% | +16.2% | +14.2% | - | - | - | - |
| Operating Profit YoY | +620.9% | +120.9% | +75.6% | +39.8% | +32.4% | +11.8% | - | - | - | - |
| Recurring Profit YoY | - | +138.9% | +82.9% | +45.0% | +61.8% | +28.9% | - | - | - | - |
| Profit Attributable to Owners of Parent YoY | - | +164.9% | +104.7% | +52.1% | +81.5% | +41.6% | - | - | - | - |
| fit Margin | 55.7% | 57.6% | 57.8% | 57.5% | 58.0% | 58.1% | - | - | - | +0.5% |
| SG&A Expenses Ratio | 42.4% | 43.2% | 43.6% | 46.0% | 42.9% | 44.0% | - | - | - | +0.8% |
| Profit Margin | 13.3% | 14.4% | 14.2% | 11.4% | 15.2% | 14.1% | - | - | - | (0.3%) |
| Profit Margin | 14.4% | 15.4% | 15.6% | 13.0% | 20.1% | 17.3% | - | - | - | +2.0% |
| Profit Attributable to Owners of Parent Margin | 9.0% | 10.9% | 11.2% | 9.0% | 14.1% | 13.5% | - | - | - | +2.6% |
| Total Income Taxes / Profit before Income Taxes | 34.2% | 27.5% | 27.0% | 28.9% | 30.9% | 26.0% | - | - | - | (1.5%) |

| Income Statement (Million Yen) | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | YoY Net Chg. |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------|-----------------|
| | Q1 03/2022 | Q2 03/2022 | Q3 03/2022 | Q4 03/2022 | Q1 03/2023 | Q2 03/2023 | Q3 03/2023 | Q4 03/2023 | | |
| Sales | 6,970 | 6,897 | 7,147 | 7,123 | 8,097 | 7,734 | - | - | - | +837 |
| Cost of Sales | 3,089 | 2,788 | 2,987 | 3,106 | 3,396 | 3,235 | - | - | - | +447 |
| Gross Profit | 3,881 | 4,109 | 4,159 | 4,018 | 4,700 | 4,500 | - | - | - | +391 |
| SG&A Expenses | 2,952 | 3,037 | 3,180 | 3,781 | 3,470 | 3,493 | - | - | - | +456 |
| Operating Profit | 929 | 1,071 | 980 | 237 | 1,229 | 1,008 | - | - | - | (63) |
| Non Operating Balance | 77 | 53 | 164 | 147 | 398 | 110 | - | - | - | +57 |
| Recurring Profit | 1,006 | 1,124 | 1,144 | 384 | 1,627 | 1,118 | - | - | - | (6) |
| Extraordinary Balance | (41) | - | 1 | (7) | 38 | 119 | - | - | - | +119 |
| Profit before Income Taxes | 965 | 1,124 | 1,145 | 377 | 1,665 | 1,237 | - | - | - | +113 |
| Total Income Taxes | 330 | 244 | 298 | 171 | 514 | 240 | - | - | - | (4) |
| NP Belonging to Non-Controlling SHs | 4 | 4 | 6 | 6 | 5 | 8 | - | - | - | +4 |
| Profit Attributable to Owners of Parent | 630 | 876 | 840 | 200 | 1,144 | 989 | - | - | - | +113 |
| Sales YoY | +42.9% | +8.8% | +9.4% | +2.8% | +16.2% | +12.1% | - | - | - | - |
| Operating Profit YoY | +620.9% | +37.8% | +23.7% | (60.7%) | +32.4% | (5.9%) | - | - | - | - |
| Recurring Profit YoY | - | +38.6% | +27.3% | (47.6%) | +61.8% | (0.5%) | - | - | - | - |
| Profit Attributable to Owners of Parent YoY | - | +39.9% | +45.3% | (62.1%) | +81.5% | +12.9% | - | - | - | - |
| fit Margin | 55.7% | 59.6% | 58.2% | 56.4% | 58.0% | 58.2% | - | - | - | (1.4%) |
| SG&A Expenses Ratio | 42.4% | 44.0% | 44.5% | 53.1% | 42.9% | 45.2% | - | - | - | +1.1% |
| Profit Margin | 13.3% | 15.5% | 13.7% | 3.3% | 15.2% | 13.0% | - | - | - | (2.5%) |
| Profit Margin | 14.4% | 16.3% | 16.0% | 5.4% | 20.1% | 14.5% | - | - | - | (1.8%) |
| Profit Attributable to Owners of Parent Margin | 9.0% | 12.7% | 11.8% | 2.8% | 14.1% | 12.8% | - | - | - | +0.1% |
| Total Income Taxes / Profit before Income Taxes | 34.2% | 21.7% | 26.0% | 45.4% | 30.9% | 19.4% | - | - | - | (2.3%) |

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative / Quarterly)

| Segmented Information (Million Yen) | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | YoY Net Chg. |
|--|---------------|---------------------|---------------------|---------------------|---------------|---------------------|---------------------|---------------------|---------------|-----------------|
| | Q1 03/2022 | Q1 to Q2 03/2022 | Q1 to Q3 03/2022 | Q1 to Q4 03/2022 | Q1 03/2023 | Q1 to Q2 03/2023 | Q1 to Q3 03/2023 | Q1 to Q4 03/2023 | | |
| Dental-related Business | 6,419 | 12,764 | 19,357 | 25,876 | 7,523 | 14,651 | - | - | +1,887 | |
| Nail-related Business | 528 | 1,058 | 1,588 | 2,168 | 552 | 1,136 | - | - | +78 | |
| Other Business | 23 | 44 | 68 | 92 | 21 | 44 | - | - | 0 | |
| Sales | 6,970 | 13,867 | 21,014 | 28,137 | 8,097 | 15,831 | - | - | +1,964 | |
| Dental-related Business | 887 | 1,928 | 2,867 | 3,065 | 1,212 | 2,195 | - | - | +267 | |
| Nail-related Business | 36 | 67 | 103 | 131 | 13 | 34 | - | - | (33) | |
| Other Business | 0 | 1 | 5 | 14 | 2 | 4 | - | - | +3 | |
| Segment Profit | 924 | 1,997 | 2,976 | 3,211 | 1,228 | 2,234 | - | - | +237 | |
| Inter-segment Transactions | 4 | 2 | 4 | 5 | 1 | 2 | - | - | 0 | |
| Operating Profit | 929 | 2,000 | 2,980 | 3,217 | 1,229 | 2,237 | - | - | +237 | |
| Dental-related Business | 13.8% | 15.1% | 14.8% | 11.8% | 16.1% | 15.0% | - | - | (0.1%) | |
| Nail-related Business | 6.8% | 6.3% | 6.5% | 6.0% | 2.4% | 3.0% | - | - | (3.3%) | |
| Other Business | 1.3% | 2.3% | 7.4% | 15.2% | 9.5% | 9.1% | - | - | +6.8% | |
| Operating Profit Margin | 13.3% | 14.4% | 14.2% | 11.4% | 15.2% | 14.1% | - | - | (0.3%) | |

| Segmented Information (Million Yen) | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | YoY Net Chg. |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| | Q1 03/2022 | Q2 03/2022 | Q3 03/2022 | Q4 03/2022 | Q1 03/2023 | Q2 03/2023 | Q3 03/2023 | Q4 03/2023 | | |
| Dental-related Business | 6,419 | 6,345 | 6,593 | 6,519 | 7,523 | 7,128 | - | - | +783 | |
| Nail-related Business | 528 | 530 | 530 | 580 | 552 | 584 | - | - | +54 | |
| Other Business | 23 | 21 | 24 | 24 | 21 | 23 | - | - | +2 | |
| Sales | 6,970 | 6,897 | 7,147 | 7,123 | 8,097 | 7,734 | - | - | +837 | |
| Dental-related Business | 887 | 1,041 | 939 | 198 | 1,212 | 983 | - | - | (58) | |
| Nail-related Business | 36 | 31 | 36 | 28 | 13 | 21 | - | - | (10) | |
| Other Business | 0 | 0 | 4 | 9 | 2 | 2 | - | - | +1 | |
| Segment Profit | 924 | 1,072 | 979 | 235 | 1,228 | 1,006 | - | - | (66) | |
| Inter-segment Transactions | 4 | (2) | 2 | 1 | 1 | 1 | - | - | +3 | |
| Operating Profit | 929 | 1,071 | 980 | 237 | 1,229 | 1,008 | - | - | (63) | |
| Dental-related Business | 13.8% | 16.4% | 14.2% | 3.0% | 16.1% | 13.8% | - | - | (2.6%) | |
| Nail-related Business | 6.8% | 5.8% | 6.8% | 4.8% | 2.4% | 3.6% | - | - | (2.3%) | |
| Other Business | 1.3% | 3.3% | 16.7% | 37.5% | 9.5% | 8.7% | - | - | +5.4% | |
| Operating Profit Margin | 13.3% | 15.5% | 13.7% | 3.3% | 15.2% | 13.0% | - | - | (2.5%) | |

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

| Balance Sheet (Million Yen) | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | YoY Net Chg. |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|----------|-----------------|
| | Q1 03/2022 | Q2 03/2022 | Q3 03/2022 | Q4 03/2022 | Q1 03/2023 | Q2 03/2023 | Q3 03/2023 | Q4 03/2023 | | |
| Cash and Deposit | 7,191 | 7,349 | 7,732 | 9,064 | 9,367 | 9,537 | - | - | - | +2,188 |
| Accounts Receivables | 3,273 | 3,212 | 3,266 | 3,293 | 3,608 | 3,902 | - | - | - | +690 |
| Inventory | 7,255 | 7,469 | 7,563 | 7,554 | 7,837 | 8,139 | - | - | - | +670 |
| Other | 500 | 666 | 649 | 551 | 530 | 729 | - | - | - | +63 |
| Current Assets | 18,219 | 18,696 | 19,210 | 20,462 | 21,342 | 22,307 | - | - | - | +3,611 |
| Tangible Assets | 8,189 | 8,170 | 8,202 | 8,429 | 8,971 | 9,051 | - | - | - | +881 |
| Intangible Assets | 351 | 364 | 374 | 427 | 449 | 448 | - | - | - | +84 |
| Investments and Other Assets | 11,450 | 11,561 | 11,283 | 11,390 | 11,301 | 10,966 | - | - | - | (595) |
| Fixed Assets | 19,991 | 20,096 | 19,859 | 20,247 | 20,722 | 20,465 | - | - | - | +369 |
| Total Assets | 38,210 | 38,792 | 39,070 | 40,709 | 42,065 | 42,773 | - | - | - | +3,981 |
| Accounts Payables | 783 | 686 | 688 | 928 | 882 | 827 | - | - | - | +141 |
| Short Term Debt | 950 | 844 | 847 | 325 | 325 | 325 | - | - | - | (519) |
| Other | 2,899 | 2,832 | 2,752 | 3,184 | 3,331 | 3,361 | - | - | - | +529 |
| Current Liabilities | 4,632 | 4,362 | 4,287 | 4,437 | 4,538 | 4,513 | - | - | - | +151 |
| Long Term Debt | 850 | 768 | 687 | 1,153 | 1,095 | 1,013 | - | - | - | +245 |
| Other | 2,136 | 2,112 | 2,004 | 2,179 | 2,226 | 1,913 | - | - | - | (199) |
| Fixed Liabilities | 2,986 | 2,880 | 2,691 | 3,332 | 3,321 | 2,926 | - | - | - | +46 |
| Total Liabilities | 7,619 | 7,242 | 6,979 | 7,769 | 7,860 | 7,440 | - | - | - | +198 |
| Shareholders' Equity | 26,295 | 27,227 | 27,835 | 27,978 | 28,677 | 29,727 | - | - | - | +2,500 |
| Other | 4,296 | 4,322 | 4,255 | 4,962 | 5,527 | 5,605 | - | - | - | +1,283 |
| Net Assets | 30,591 | 31,549 | 32,090 | 32,940 | 34,204 | 35,332 | - | - | - | +3,783 |
| Total Liabilities & Net Assets | 38,210 | 38,792 | 39,070 | 40,709 | 42,065 | 42,773 | - | - | - | +3,981 |
| Equity Capital | 30,412 | 31,385 | 31,918 | 32,759 | 34,047 | 35,168 | - | - | - | +3,783 |
| Interest Bearing Debt | 1,800 | 1,612 | 1,534 | 1,478 | 1,420 | 1,338 | - | - | - | (274) |
| Net Debt | (5,391) | (5,737) | (6,198) | (7,586) | (7,947) | (8,199) | - | - | - | (2,462) |
| Equity Ratio | 79.6% | 80.9% | 81.7% | 80.5% | 80.9% | 82.2% | - | - | - | - |
| Net Debt Equity Ratio | (17.7%) | (18.3%) | (19.4%) | (23.2%) | (23.3%) | (23.3%) | - | - | - | - |
| ROE (12 months) | 8.3% | 8.8% | 9.6% | 8.1% | 9.5% | 9.5% | - | - | - | - |
| ROA (12 months) | 9.6% | 10.3% | 10.8% | 9.3% | 10.7% | 10.5% | - | - | - | - |
| Days for Inventory Turnover | 214 | 244 | 231 | 221 | 210 | 229 | - | - | - | - |
| Quick Ratio | 226% | 242% | 257% | 278% | 286% | 298% | - | - | - | - |
| Current Ratio | 393% | 429% | 448% | 461% | 470% | 494% | - | - | - | - |

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

| Cash Flow Statement (Million Yen) | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | Cons.Act | YoY Net Chg. |
|--|---------------|---------------------|---------------------|---------------------|---------------|---------------------|---------------------|---------------------|----------|-----------------|
| | Q1 03/2022 | Q1 to Q2 03/2022 | Q1 to Q3 03/2022 | Q1 to Q4 03/2022 | Q1 03/2023 | Q1 to Q2 03/2023 | Q1 to Q3 03/2023 | Q1 to Q4 03/2023 | | |
| Operating Cash Flow | - | 1,544 | - | 3,736 | - | - | - | - | - | - |
| Investing Cash Flow | - | (648) | - | (1,288) | - | - | - | - | - | - |
| Operating Cash Flow and Investing Cash Flow | - | 896 | - | 2,448 | - | - | - | - | - | - |
| Financing Cash Flow | - | (678) | - | (1,074) | - | - | - | - | - | - |

Source: Company Data, WRJ Calculation

Disclaimer

Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

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