Walden Research Japan

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SHOFU (7979)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2020		26,108	2,210	1,988	704	44.24	26.00	1,491.81
FY03/2021		24,680	2,300	2,523	1,674	96.29	29.00	1,690.45
FY03/2022CoE		27,102	2,246	2,357	1,575	88.68	32.00	
FY03/2021	YoY	(5.5%)	4.1%	26.9%	137.5%	-	-	-
FY03/2022CoE	YoY	9.8%	(2.3%)	(6.6%)	(5.9%)	-	-	_
Consolidated Quarter		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
Q1 FY03/2021		4,877	128	80	(58)	-	-	-
Q2 FY03/2021		6,340	777	811	626	-	-	-
Q3 FY03/2021		6,531	792	899	578	-	-	-
Q4 FY03/2021		6,932	603	733	528			
Q1 FY03/2022		6,970	929	1,006	630	-	-	
Q1 FY03/2022	YoY	42.9%	620.9%	-	-	-	-	-

Source: Company Data, WRJ Calculation (YoY chg in Q1 FY03/2022: after impacts from adoption of new accounting standard)

1.0 Results Update (5 August 2021)

Changeover for Sales Overseas

On 4 August 2021, SHOFU, developing, manufacturing and selling dental materials & equipment in Japan and overseas, released its Q1 FY03/2022 results. It has been revealed that sales overseas are recovering sharply, surpassing sales in Japan. Sales overseas came in at \(\frac{\pmathbf{43}}{3},678\mathbf{m}\) (up 113.8% YoY), while sales in Japan \(\frac{\pmathbf{43}}{3},292\mathbf{m}\) (up 4.3%). For sales overseas by region, it appears that those of Europe are contributing most significantly. According to the Company, the impacts stemming from COVID-19 are now "rather easing", which is raised as the key factor for the strengths. Meanwhile, those of North & Latin Americas as well as of China are also recovering nicely due to the same background. In terms of changes over the same period of the previous, the Company sees rate of increase even higher than that of Europe for all those regions. That is to say, it appears that the Company is steadily capturing increased demand across the region overseas, implying a success for the Company's primary measure to cultivate markets overseas having been implemented for some time, which will make it possible for the Company to capture future increase in demand overseas from a long-term perspective.

For your reference: SHOFU (7979) Contributing to Dentistry around the World (5 July 2020)

IR Representative: Miyuki Motoda, Corporate Planning Department (<u>ir@shofu.co.jp</u>)

2.0 Company Profile

Comprehensive Manufacturer of Dental Materials & Equipment

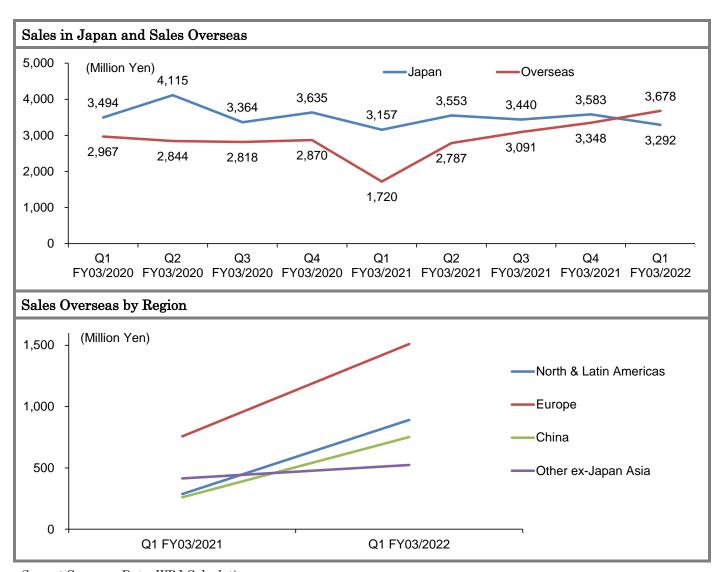
Company Name	SHOFU INC.
	Company Website
	IR Information SHOFU INC.
	Share Price (Japanese)
Established	15 May 1922
Listing	25 July 1963: Tokyo Stock Exchange 1st section (ticker: 7979)
Capital	¥5,968m (as of the end of June 2021)
No. of Shares	17,894,089 shares, including 132,642 treasury shares (as of the end of June 2021)
Main Features	The leader of artificial teeth and abrasives in Japan
	Focus on sales promotion overseas where huge room to cultivate remaining
	Also developing, manufacturing and selling nail salon materials
Segments	I . Dental-related Business
	II . Nail-related Business
	III. Other Business
Representation	Representative Director, President & CEO: Noriyuki Negoro
Shareholders	Mitsui Chemicals 20.15%, Custody Bank of Japan, T. 5.43%, Bank of Kyoto 4.01% (as
	of the end of March 2021, but for treasury shares)
Head Office	Higashiyama-ku Kyoto-city, JAPAN
No. of Personnel	Consolidated: 1,226, Parent: 480 (as of the end of June 2021)

Source: Company Data

3.0 Recent Trading and Prospects

Q1 FY03/2022

In Q1 FY03/2022, sales came in at ¥6,970m (up 42.9% YoY), operating profit ¥929m (up 620.9%), recurring profit ¥1,006m (versus ¥80m during the same period of the previous year) and profit attributable to owners of parent ¥630m (minus ¥58m), while operating profit margin 13.3% (up 10.7% points). With respect to Accounting Standard for Revenue Recognition adopted since the beginning of the fiscal year, the Company suggests that the impacts are limited, i.e., down ¥46m for sales, down ¥41m for operating profit and down ¥2m for recurring profit.



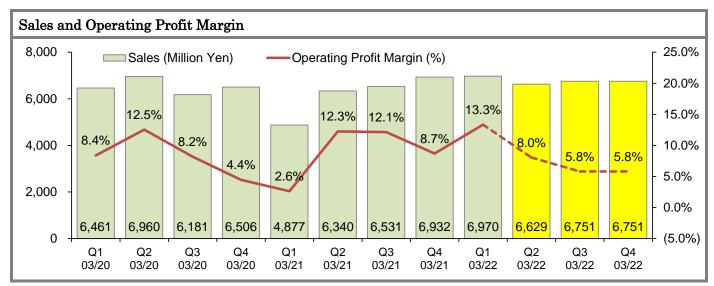
Source: Company Data, WRJ Calculation

By region, sales in Japan came in at ¥3,292m (up 4.3%) and sales overseas ¥3,678m (up 113.8%). In Japan, sales have increased over the same period of the previous year, due to strengths associated with new products launched recently, represented by "BeautiBond Xtreme" dentin adhesives and "SHOFU Block HC Hard II" resin materials for dental cutting work. Meanwhile, sales overseas on a local currencies basis have increased by 100.5% over the same period of the previous year. In other words, there is an aspect that yen's depreciation has accelerated the rate of increase in sales overseas in terms of yen. Still, the impacts could not be significant in that sales overseas on a local currencies basis have doubled.

Meanwhile, gross profit came in at ¥3,881m (up 44.3%) and SG&A expenses ¥2,952m (up 15.3%), implying gross profit margin of 55.7% (up 0.5% points) and sales to SG&A expenses ratio of 42.4% (down 10.2% points). SG&A expenses have increased significantly in line with gradual easing for constraints on sales promotion activities caused by the impacts stemming from COVID-19, which was far more than compensated for by effect from increased sales, having resulted in a surge at the operating level.

FY03/2022 Company Forecasts

FY03/2022 Company forecasts (announced on 28 July 2021) are going for prospective sales of \$27,102m (up 9.8% YoY), operating profit of \$2,246m (down 2.3%), recurring profit of \$2,357m (down 6.6%) and profit attributable to owners of parent of \$1,575m (down 5.9%), while operating profit margin of 8.3% (down 1.0% point). At the same time, Company forecasts are going for prospective annual dividend of \$32.00 per share, comprising ordinary dividend of \$30.00 and commemorative dividend of \$2.00 for the 100th anniversary of the Company's foundation, implying payout ratio of 36.1%.



Source: Company Data, WRJ Calculation (Q3 and Q4 FY03/2022: H2 Company forecasts, pro rata)

But for prospective annual dividend remaining unchanged, initial Company forecasts (announced on 14 May 2021) have been upgraded, i.e., by ¥996m (3.8%) for sales and ¥447m (24.9%) for operating profit. The Company saw sales overseas for Q1 much better than initially expected, which is raised as the key factor for this upgrade, while it appears that Company forecasts after this are based on assumptions rather conservative for performance in Q2 and H2.

As is spotted by the Company, sales overseas are recovering given the impacts stemming from COVID-19 being "rather easing". Still, the thing is that this may include a case driven by optimization of inventory levels in local distributors and others, according to the Company. In other words, there is a possibility that they used to keep the levels of inventory minimum prior to the impacts stemming from COVID-19 being "rather easing" and that demand is now recovering more than actual demand due to the optimization of inventory level (inventory accumulation) this time. As far as we could see, Company forecasts are based on assumptions rather conservative in light of this.

4.0 Financial Statements

Income Statement (Cumulative/Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2021	03/2021	03/2021	03/2021	03/2022	03/2022	03/2022	03/2022	Net Chg.
Sales	4,877	11,217	17,748	24,680	6,970	-	-	-	+2,093
Cost of Sales	2,187	5,023	7,941	11,083	3,089	-	-		+902
Gross Profit	2,690	6,193	9,806	13,596	3,881	-	-		+1,191
SG&A Expenses	2,561	5,287	8,109	11,296	2,952	-	-		+391
Operating Profit	128	905	1,697	2,300	929	-	-		+801
Non Operating Balance	(48)	(14)	93	223	77	-	-		+125
Recurring Profit	80	891	1,790	2,523	1,006	-	-		+926
Extraordinary Balance	-	-	(101)	(153)	(41)	-	-		(41)
Profit before Income Taxes	80	891	1,689	2,370	965	-	-		+885
Total Income Taxes	136	309	524	672	330	-	-		+194
NP Belonging to Non-Controlling SHs	2	12	18	24	4	-	-		+2
Profit Attributable to Owners of Parent	(58)	568	1,146	1,674	630	-	-	-	+688
Sales YoY	(24.5%)	(16.4%)	(9.5%)	(5.5%)	+42.9%	-	-	-	-
Operating Profit YoY	(76.2%)	(36.0%)	(11.7%)	+4.1%	+620.9%	-	-	-	-
Recurring Profit YoY	(83.9%)	(28.2%)	(1.4%)	+26.9%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	(27.8%)	(3.6%)	+137.5%	-	-	-		-
Gross Profit Margin	55.2%	55.2%	55.3%	55.1%	55.7%	-	-	-	+0.5%
Sales to SG&A Expenses Ratio	52.5%	47.1%	45.7%	45.8%	42.4%	-	-	-	(10.2%)
Operating Profit Margin	2.6%	8.1%	9.6%	9.3%	13.3%	-	-	-	+10.7%
Recurring Profit Margin	1.6%	7.9%	10.1%	10.2%	14.4%	-	-	-	+12.8%
Profit Attributable to Owners of Parent Margin	(1.2%)	5.1%	6.5%	6.8%	9.0%	-	-	-	+10.2%
Total Income Taxes / Profit before Income Taxes	170.0%	34.7%	31.0%	28.4%	34.2%	-	-	-	(135.8%)
Total Income Taxes / Profit before Income Taxes Income Statement	170.0% Cons.Act	34.7% Cons.Act	31.0% Cons.Act	28.4% Cons.Act	34.2% Cons.Act	Cons.Act	Cons.Act	Cons.Act	(135.8%)
						Cons.Act Q2	Cons.Act Q3	Cons.Act	(135.8%) YoY
	Cons.Act	Cons. Act	Cons.Act	Cons. Act	Cons.Act				
Income Statement	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Q2	Q3	Q4	YoY
Income Statement (Million Yen)	Cons.Act Q1 03/2021	Cons.Act Q2 03/2021	Cons.Act Q3 03/2021	Cons.Act Q4 03/2021	Cons.Act Q1 03/2022	Q2	Q3	Q4	YoY Net Chg.
Income Statement (Million Yen) Sales	Cons.Act Q1 03/2021 4,877	Cons.Act Q2 03/2021 6,340	Q3 03/2021 6,531	Cons. Act Q4 03/2021 6,932	Q1 03/2022 6,970	Q2	Q3	Q4	YoY Net Chg. +2,093
Income Statement (Million Yen) Sales Cost of Sales	Cons.Act Q1 03/2021 4,877 2,187	Cons.Act Q2 03/2021 6,340 2,836	Q3 03/2021 6,531 2,918	Cons.Act Q4 03/2021 6,932 3,142	Cons.Act Q1 03/2022 6,970 3,089	Q2	Q3	Q4	YoY Net Chg. +2,093 +902
Income Statement (Million Yen) Sales Cost of Sales Gross Profit	Cons.Act Q1 03/2021 4,877 2,187 2,690	Cons.Act Q2 03/2021 6,340 2,836 3,503	Cons.Act Q3 03/2021 6,531 2,918 3,613	Cons.Act Q4 03/2021 6,932 3,142 3,790	Cons.Act Q1 03/2022 6,970 3,089 3,881	Q2	Q3	Q4	YoY Net Chg. +2,093 +902 +1,191
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses	Q1 03/2021 4,877 2,187 2,690 2,561	Cons.Act Q2 03/2021 6,340 2,836 3,503 2,726	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822	Cons.Act Q4 03/2021 6,932 3,142 3,790 3,187	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952	Q2	Q3	Q4	YoY Net Chg. +2,093 +902 +1,191 +391
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit	Q1 03/2021 4,877 2,187 2,690 2,561 128	Cons.Act Q2 03/2021 6,340 2,836 3,503 2,726 777	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822 792	Q4 03/2021 6,932 3,142 3,790 3,187 603	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929	Q2	Q3	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance	Q1 03/2021 4,877 2,187 2,690 2,561 128 (48)	Q2 03/2021 6,340 2,836 3,503 2,726 777	Q3 03/2021 6,531 2,918 3,613 2,822 792 107	Q4 03/2021 6,932 3,142 3,790 3,187 603 130	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77	Q2	Q3	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit	Q1 03/2021 4,877 2,187 2,690 2,561 128 (48)	Cons. Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811	Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899	Cons. Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006	Q2	Q3	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance	Cons.Act Q1 03/2021 4,877 2,187 2,690 2,561 128 (48) 80	Cons.Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811	Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899 (101)	Cons. Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733 (52)	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006 (41)	Q2	Q3	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926 (41)
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes	Cons.Act Q1 03/2021 4,877 2,187 2,690 2,561 128 (48) 80	Cons.Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899 (101) 798	Cons. Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733 (52) 681	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006 (41) 965	Q2	Q3	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926 (41) +885
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes	Cons.Act Q1 03/2021 4,877 2,187 2,690 2,561 128 (48) 80 - 80 136	Cons. Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811 - 811 173	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899 (101) 798 215	Cons.Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733 (52) 681 148	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006 (41) 965 330	Q2	Q3	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926 (41) +885 +194
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs	Cons.Act Q1 03/2021 4,877 2,187 2,690 2,561 128 (48) 80 - 80 136 2	Cons. Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811 - 811 173 10	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899 (101) 798 215 6	Cons. Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733 (52) 681 148 6	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006 (41) 965 330 4	Q2 03/2022 - - - - - - - - - - - -	Q3 03/2022	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926 (41) +885 +194 +2
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent	Cons.Act Q1 03/2021 4,877 2,187 2,690 2,561 128 (48) 80 - 80 136 2 (58)	Cons. Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811 - 811 173 10 626	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899 (101) 798 215 6 578	Cons. Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733 (52) 681 148 6 528	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006 (41) 965 330 4 630	Q2 03/2022 - - - - - - - - - - - -	Q3 03/2022	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926 (41) +885 +194 +2
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Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY	Cons.Act Q1 03/2021 4,877 2,187 2,690 2,561 128 (48) 80 - 80 136 2 (58) (24.5%) (76.2%)	Cons. Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811 811 173 10 626 (8.9%) (11.0%)	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899 (101) 798 215 6 578 +55.7% +56.5%	Cons.Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733 (52) 681 148 6 528 +6.5% +108.7%	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006 (41) 965 330 4 630 +42.9%	Q2 03/2022 - - - - - - - - - - - -	Q3 03/2022	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926 (41) +885 +194 +2
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY	Cons.Act Q1 03/2021 4,877 2,187 2,690 2,561 128 (48) 80 - 80 136 2 (58) (24.5%) (76.2%) (83.9%)	Cons.Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811 - 811 173 10 626 (8.9%) (11.0%) +9.3%	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899 (101) 798 215 6 578 +5.7% +56.5% +57.2%	Cons.Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733 (52) 681 148 6 528 +6.5% +108.7%	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006 (41) 965 330 4 630 +42.9%	Q2 03/2022 - - - - - - - - - - - - - - - - - -	Q3 03/2022	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926 (41) +885 +194 +2
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY	Cons.Act Q1 03/2021 4,877 2,187 2,690 2,561 128 (48) 80 - 80 136 2 (58) (24.5%) (76.2%) (83.9%)	Cons. Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811 811 173 10 626 (8.9%) (11.0%) +9.3% +15.7%	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899 (101) 798 215 6 578 +5.7% +56.5% +57.2% +44.5%	Cons.Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733 (52) 681 148 6 528 +6.5% +108.7% +321.3%	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006 (41) 965 330 4 630 +42.9% +620.9%	Q2 03/2022 - - - - - - - - - - - - - - - - - -	Q3 03/2022	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926 (41) +885 +194 +2 +688
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin	Cons.Act Q1 03/2021 4,877 2,187 2,690 2,561 128 (48) 80 136 2 (58) (24.5%) (76.2%) (83.9%)	Cons. Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811 811 173 10 626 (8.9%) (11.0%) +9.3% +15.7% 55.3%	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899 (101) 798 215 6 578 +5.7% +56.5% +57.2% +44.5% 55.3%	Cons.Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733 (52) 681 148 6 528 +6.5% +108.7% +321.3%	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006 (41) 965 330 4 630 +42.9% +620.9%	Q2 03/2022 - - - - - - - - - - - - - - - - - -	Q3 03/2022	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926 (41) +885 +194 +2 +688
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio	Cons.Act Q1 03/2021 4,877 2,187 2,690 2,561 128 (48) 80 - 80 136 2 (58) (24.5%) (76.2%) (83.9%) - 55.2% 52.5%	Cons. Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811 811 173 10 626 (8.9%) (11.0%) +9.3% +15.7% 55.3% 43.0%	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899 (101) 798 215 6 578 +5.7% +56.5% +57.2% +44.5% 55.3% 43.2%	Cons.Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733 (52) 681 148 6 528 +6.5% +108.7% +321.3%	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006 (41) 965 330 4 630 +42.9% +620.9% - 55.7% 42.4%	Q2 03/2022 - - - - - - - - - - - - - - - - - -	Q3 03/2022	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926 (41) +885 +194 +2 +688
Income Statement (Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio Operating Profit Margin	Cons.Act Q1 03/2021 4,877 2,187 2,690 2,561 128 (48) 80 - 80 136 2 (58) (24.5%) (76.2%) (83.9%) - 55.2% 52.5% 2.6%	Cons. Act Q2 03/2021 6,340 2,836 3,503 2,726 777 34 811 811 173 10 626 (8.9%) (11.0%) +9.3% +15.7% 55.3% 43.0% 12.3%	Cons.Act Q3 03/2021 6,531 2,918 3,613 2,822 792 107 899 (101) 798 215 6 578 +5.7% +56.5% +57.2% +44.5% 55.3% 43.2% 12.1%	Cons.Act Q4 03/2021 6,932 3,142 3,790 3,187 603 130 733 (52) 681 148 6 528 +6.5% +108.7% +321.3%	Cons.Act Q1 03/2022 6,970 3,089 3,881 2,952 929 77 1,006 (41) 965 330 4 630 +42.9% +620.9% - 55.7% 42.4% 13.3%	Q2 03/2022 - - - - - - - - - - - - - - - - - -	Q3 03/2022	Q4	YoY Net Chg. +2,093 +902 +1,191 +391 +801 +125 +926 (41) +885 +194 +2 +688

Source: Company Data, WRJ Calculation (YoY chg in Q1 FY03/2022: after impacts from adoption of new accounting standard)

Segmented Information (Cumulative/Quarterly)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2021	03/2021	03/2021	03/2021	03/2022	03/2022	03/2022	03/2022	Net Chg.
Dental-related Business	4,341	10,042	16,005	22,334	6,419	-	-	-	+2,078
Nail-related Business	517	1,136	1,686	2,268	528	-	-	-	+11
Other Business	19	38	56	76	23	-	-	-	+4
Sales	4,877	11,217	17,748	24,680	6,970	-	-	-	+2,093
Dental-related Business	82	793	1,531	2,091	887	-	-	-	+805
Nail-related Business	42	108	160	201	36	-	-	-	(6)
Other Business	2	1	0	2	-	-	-	-	(2)
Segment Profit	127	902	1,692	2,294	924	-	-	-	+797
Intersegment Transactions	1	2	4	5	4	-	-	-	0
Operating Profit	128	905	1,697	2,300	929	-	-	-	+801
Dental-related Business	1.9%	7.9%	9.6%	9.4%	13.8%	-	-	-	+11.9%
Nail-related Business	8.1%	9.5%	9.5%	8.9%	6.8%	-	-	-	(1.3%)
Other Business	10.5%	2.6%	1.6%	2.6%	0.0%	-	-	-	(10.5%)
Operating Profit Margin	2.6%	8.1%	9.6%	9.3%	13.3%	-	-	-	+10.7%
Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
Segmented Information	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	YoY
Segmented Information (Million Yen)									YoY Net Chg.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
(Million Yen)	Q1 03/2021	Q2 03/2021	Q3 03/2021	Q4 03/2021	Q1 03/2022	Q2	Q3	Q4	Net Chg.
(Million Yen) Dental-related Business	Q1 03/2021 4,341	Q2 03/2021 5,701	Q3 03/2021 5,963	Q4 03/2021 6,329	Q1 03/2022 6,419	Q2	Q3	Q4	Net Chg. +2,078
(Million Yen) Dental-related Business Nail-related Business	Q1 03/2021 4,341 517	Q2 03/2021 5,701 619	Q3 03/2021 5,963 550	Q4 03/2021 6,329 582	Q1 03/2022 6,419 528	Q2	Q3	Q4	Net Chg. +2,078 +11
(Million Yen) Dental-related Business Nail-related Business Other Business	Q1 03/2021 4,341 517 19	Q2 03/2021 5,701 619 19	Q3 03/2021 5,963 550 18	Q4 03/2021 6,329 582 20	Q1 03/2022 6,419 528 23	Q2	Q3	Q4	Net Chg. +2,078 +11 +4
(Million Yen) Dental-related Business Nail-related Business Other Business Sales	Q1 03/2021 4,341 517 19 4,877	Q2 03/2021 5,701 619 19 6,340	Q3 03/2021 5,963 550 18 6,531	Q4 03/2021 6,329 582 20 6,932	Q1 03/2022 6,419 528 23 6,970	Q2	Q3	Q4	Net Chg. +2,078 +11 +4 +2,093
(Million Yen) Dental-related Business Nail-related Business Other Business Sales Dental-related Business	Q1 03/2021 4,341 517 19 4,877	Q2 03/2021 5,701 619 19 6,340	Q3 03/2021 5,963 550 18 6,531 738	Q4 03/2021 6,329 582 20 6,932 560	Q1 03/2022 6,419 528 23 6,970	Q2	Q3	Q4	Net Chg. +2,078 +11 +4 +2,093 +805
(Million Yen) Dental-related Business Nail-related Business Other Business Sales Dental-related Business Nail-related Business	Q1 03/2021 4,341 517 19 4,877 82 42	Q2 03/2021 5,701 619 19 6,340 711 66	Q3 03/2021 5,963 550 18 6,531 738 52	Q4 03/2021 6,329 582 20 6,932 560 41	Q1 03/2022 6,419 528 23 6,970	Q2	Q3	Q4	Net Chg. +2,078 +11 +4 +2,093 +805 (6)
(Million Yen) Dental-related Business Nail-related Business Other Business Sales Dental-related Business Nail-related Business Other Business	Q1 03/2021 4,341 517 19 4,877 82 42 2	Q2 03/2021 5,701 619 19 6,340 711 66 (1)	Q3 03/2021 5,963 550 18 6,531 738 52 (0)	Q4 03/2021 6,329 582 20 6,932 560 41	Q1 03/2022 6,419 528 23 6,970 887 36	Q2	Q3	Q4	Net Chg. +2,078 +11 +4 +2,093 +805 (6) (2)
(Million Yen) Dental-related Business Nail-related Business Other Business Sales Dental-related Business Nail-related Business Other Business Other Business Segment Profit	Q1 03/2021 4,341 517 19 4,877 82 42 2 127	Q2 03/2021 5,701 619 19 6,340 711 66 (1) 775	Q3 03/2021 5,963 550 18 6,531 738 52 (0) 790	Q4 03/2021 6,329 582 20 6,932 560 41 1 602	91 03/2022 6,419 528 23 6,970 887 36	Q2	Q3	Q4	Net Chg. +2,078 +11 +4 +2,093 +805 (6) (2) +797
(Million Yen) Dental-related Business Nail-related Business Other Business Sales Dental-related Business Nail-related Business Other Business Other Business Segment Profit Intersegment Transactions	Q1 03/2021 4,341 517 19 4,877 82 42 2 127	Q2 03/2021 5,701 619 19 6,340 711 66 (1) 775	Q3 03/2021 5,963 550 18 6,531 738 52 (0) 790	Q4 03/2021 6,329 582 20 6,932 560 41 1 602	91 03/2022 6,419 528 23 6,970 887 36 - 924	Q2	Q3	Q4	Net Chg. +2,078 +11 +4 +2,093 +805 (6) (2) +797 +3
(Million Yen) Dental-related Business Nail-related Business Other Business Sales Dental-related Business Nail-related Business Other Business Other Business Segment Profit Intersegment Transactions Operating Profit	Q1 03/2021 4,341 517 19 4,877 82 42 2 127 1	Q2 03/2021 5,701 619 19 6,340 711 66 (1) 775 1	Q3 03/2021 5,963 550 18 6,531 738 52 (0) 790 2	Q4 03/2021 6,329 582 20 6,932 560 41 1 602 1	91 03/2022 6,419 528 23 6,970 887 36 - 924 4	Q2	Q3	Q4	Net Chg. +2,078 +11 +4 +2,093 +805 (6) (2) +797 +3 +801
(Million Yen) Dental-related Business Nail-related Business Other Business Sales Dental-related Business Nail-related Business Other Business Segment Profit Intersegment Transactions Operating Profit Dental-related Business	Q1 03/2021 4,341 517 19 4,877 82 42 2 127 1 128	Q2 03/2021 5,701 619 19 6,340 711 66 (1) 775 1 777	Q3 03/2021 5,963 550 18 6,531 738 52 (0) 790 2 792	Q4 03/2021 6,329 582 20 6,932 560 41 1 602 1 603	Q1 03/2022 6,419 528 23 6,970 887 36 - 924 4 929	Q2	Q3	Q4	Net Chg. +2,078 +11 +4 +2,093 +805 (6) (2) +797 +3 +801 +11.9%

Source: Company Data, WRJ Calculation (YoY chg in Q1 FY03/2022: after impacts from adoption of new accounting standard)

Balance Sheet (Quarterly)

Balance Sheet	Cons.Act								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	03/2021	03/2021	03/2021	03/2021	03/2022	03/2022	03/2022	03/2022	Net Chg.
Cash and Deposit	5,157	5,435	6,068	6,943	7,191	-	-	-	+2,034
Accounts Receivables	2,716	3,071	2,840	3,205	3,273	-	-	-	+557
Inventory	7,394	7,195	7,190	7,077	7,255	-	-	-	(139)
Other	705	521	600	604	500	-	-	-	(205)
Current Assets	15,972	16,222	16,698	17,829	18,219	-	-	-	+2,247
Tangible Assets	7,726	7,753	7,914	8,008	8,189	-	-	-	+463
Intangible Assets	301	372	376	340	351	-	-	-	+50
Investments and Other Assets	9,607	10,204	10,154	11,635	11,450	-	-	-	+1,843
Fixed Assets	17,635	18,330	18,444	19,983	19,991	-	-	-	+2,356
Total Assets	33,607	34,553	35,143	37,813	38,210	-	-	-	+4,603
Accounts Payables	584	580	799	898	783	-	-	-	+199
Short Term Debt	457	413	415	682	950	-	-	-	+493
Other	2,523	2,354	2,279	2,632	2,899	-	-	-	+376
Current Liabilities	3,564	3,347	3,493	4,212	4,632	-	-	-	+1,068
Long Term Debt	1,659	1,590	1,520	1,190	850	-	-	-	(809)
Other	1,629	1,798	1,876	2,212	2,136	-	-	-	+507
Fixed Liabilities	3,288	3,388	3,396	3,402	2,986	-	-	-	(302)
Total Liabilities	6,853	6,735	6,889	7,614	7,619	-	-	-	+766
Shareholders' Equity	24,390	25,073	25,509	26,037	26,295	-	-	-	+1,905
Other	2,364	2,744	2,745	4,161	4,296	-	-	-	+1,932
Net Assets	26,754	27,817	28,254	30,198	30,591	-	-	-	+3,837
Total Liabilities & Net Assets	33,607	34,553	35,143	37,813	38,210	-	-	-	+4,603
Equity Capital	26,600	27,658	28,089	30,024	30,412	-	-	-	+3,812
Interest Bearing Debt	2,116	2,003	1,935	1,872	1,800	-	-	-	(316)
Net Debt	(3,041)	(3,432)	(4,133)	(5,071)	(5,391)	-	-	-	(2,350)
Equity Ratio	79.2%	80.0%	79.9%	79.4%	79.6%	-	-	-	-
Net Debt Equity Ratio	(11.4%)	(12.4%)	(14.7%)	(16.9%)	(17.7%)	-	-	-	-
ROE (12 months)	1.6%	1.9%	2.5%	6.2%	8.3%	-	-	-	-
ROA (12 months)	4.9%	5.0%	5.9%	7.5%	9.6%	-	-	-	-
Days for Inventory Turnover	308	231	224	205	214	-	-	-	-
Quick Ratio	221%	254%	255%	241%	226%	-	-	-	-
Current Ratio	448%	485%	478%	423%	393%	-	-	-	_

Source: Company Data, WRJ Calculation (YoY chg in Q1 FY03/2022: after impacts from adoption of new accounting standard)

Cash Flow Statement (Cumulative)

Cash Flow Statement	Cons.Act	Cons.Act	Cons. Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2021	03/2021	03/2021	03/2021	03/2022	03/2022	03/2022	03/2022	Net Chg.
Operating Cash Flow	-	800	-	2,829	-	-	-	-	-
Investing Cash Flow	-	(3,540)	-	(4,081)	-	-	-	-	-
Operating Cash Flow and Investing Cash Flow	-	(2,740)	-	(1,252)	-	-	-	-	-
Financing Cash Flow	-	3,359	-	3,023	-	-	-	-	-

Source: Company Data, WRJ Calculation (YoY chg in Q1 FY03/2022: after impacts from adoption of new accounting standard)

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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