

Consolidated Financial Results for the Six Months Ended September 30, 2025
(Under Japanese GAAP)

November 6, 2025

Company name: SHOFU INC.
Listing: Tokyo Stock Exchange (Prime Market)
Code number: 7979
URL: <https://www.shofu.co.jp/>
Representative: Tetsuo Takami, Representative Director, President & Chief Operating Officer
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Scheduled date for filing of semi-annual securities report: November 12, 2025
Scheduled date to commence dividend payments: November 28, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (April 1, 2025– September 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	19,095	1.1	2,813	-7.5	2,962	-1.5	2,597	9.8
September 30, 2024	18,887	14.8	3,042	41.2	3,006	25.9	2,364	51.7

(Note) Comprehensive income For the six months ended September 30, 2025: ¥2,896 million (313.2%)
For the six months ended September 30, 2024: ¥700 million (-79.8%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	73.02	72.79
September 30, 2024	66.58	66.32

(Note) The Company has conducted a two-for-one stock split with a record date of 1 October 2024. Net income and fully diluted net income per share were calculated under the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2025	51,824	44,588	85.8	1,249.01
March 31, 2025	49,994	42,736	85.2	1,198.37

(Reference) Equity

As of September 30, 2025: ¥44,451 million
As of March 31, 2025: ¥42,596 million

(Note) The Company has conducted a two-for-one stock split with a record date of 1 October 2024. Net assets per share was calculated under the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	36.00	—	31.00	
Fiscal year ending March 31, 2026	—	21.00			
Fiscal year ending March 31, 2026 (Forecasts)			—	32.00	53.00

(Notes) 1. Revisions to the forecast of cash dividends most recently announced: None

2. The Company conducted a two-for-one stock split with a record date of 1 October 2024. For the second quarter of the fiscal year ending March 31, 2025, "End of second quarter" shows the amount before the split and "Year-end" the amount after the split. An annual dividend per share is not shown as a simple summation is not possible due to the stock split, and the amount of the annual dividend is displayed as "-". Without taking the stock split into account, the annual dividend per share for the fiscal year ending March 31, 2025 would be 98.00 yen.

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025– March 31, 2026)

(Percentages indicates changes from previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2026	40,876	5.6	5,236	-2.9	5,363	-2.9	4,701	8.9	132.28

(Note) Revision during the current quarter to the earnings forecasts: None

*Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: —

Excluded: —

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(Note) For details, please refer to page 8 “2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes to Quarterly Consolidated Financial Statements (Notes to Application of Accounting Procedures Specific to the Compilation of Quarterly Consolidated Financial Statements)

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	35,788,178 shares
As of March 31 2025	35,788,178 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	198,853 shares
As of March 31 2025	242,920 shares

(iii) Average number of shares outstanding during the period

As of September 30, 2025	35,566,178 shares
As of September 30, 2024	35,516,041 shares

(Note) The Company has conducted a two-for-one stock split with a record date of 1 October 2024. The calculation of number of shares outstanding at end of period, number of shares of treasury stock at end of period and average number of shares during the period assume that the stock split was conducted at the beginning of the previous fiscal year.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

*Explanation concerning the appropriate use of business forecasts, and other special items

The forecasts and other statements regarding the future included in this report are based on currently available information and certain assumptions. Actual results may differ from forecasts for a variety of reasons. With respect to the preconditions for the forecasts, please refer to the “Explanation of Future Forecast Information including Consolidated Business Results Forecasts” section on page 3.

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1. Overview of Operating Results

(1) Overview of Consolidated Operating Results for the six months under review

During the first half of the consolidated fiscal year under review, the global economy recovered at a moderate pace, and the outlook remained uncertain due to concerns over the impact of U.S. trade policies and fluctuations in the financial and capital markets. The domestic economy also continued on a moderate recovery trend against the backdrop of improvement in the employment and income environment. However, the outlook remained uncertain in light of downside risks from U.S. trade policy and the impact of continuing price increases on consumer spending.

The Group recorded net sales of ¥19,095 million for the six months under review, an increase of ¥208 million (1.1%) compared to the same period of the previous year. Overseas sales, which are included in net sales, decreased by ¥132 million (1.2%) year-on-year to ¥11,101 million (58.1% of net sales).

Operating profit decreased by ¥228 million (7.5%) year-on-year to ¥2,813 million due to an increase in selling, general, and administrative expenses.

Ordinary income decreased by ¥44 million (1.5%) year-on-year to ¥2,962 million, despite an increase in non-operating income due to a decrease in foreign exchange losses.

As a result of gains on sales of investment securities of ¥711 million as extraordinary income, profit attributable to owners of the parent after subtracting tax expenses increased by ¥232 million (9.8%) year-on-year to ¥2,597 million.

(Dental Business)

In Japan, sales grew year-on-year thanks to contributions from products including CAD/CAM-related products such as SHOFU Disc ZR Lucent Supra (ceramic material for dental cutting/machining), SHOFU BLOCK HC SUPER HARD and SHOFU BLOCK PEEK (resin material for dental cutting/machining). Overseas, sales decreased year-on-year due to the impact of exchange rate fluctuations and weak sales mainly in Europe, Asia and Oceania other than China owing to the impact of local business conditions, despite strong sales growth in China, North America, and Central and South America.

As a result, net sales for the six months under review increased by ¥266 million (1.5%) year-on-year to ¥17,983 million. On the other hand, operating profit decreased by ¥204 million (6.7%) year-on-year to ¥2,869 million due to an increase in selling, general and administrative expenses.

(Nail Care Business)

In Japan, sales decreased year-on-year due to a decline in sales of both gel nail products and acrylic products, which are the Group's mainstay products, as a result of the progress of commoditization and the proliferation of new brands from other companies, as well as the fact that sales growth in ARTiS di Voce, a nail hand care focus product, was unable to compensate for the decline in sales of existing brands. Overseas, sales decreased year-on-year due to the aggressive marketing of low-priced gel nail products and the impact of stricter European regulations on key raw materials in The United States and Taiwan, although the Group focused on developing new business partners.

As a result, net sales for the six months under review decreased by ¥58 million (5.2%) year-on-year to ¥1,063 million. In terms of profits, although selling, general and administrative expenses decreased, operating losses grew by ¥20 million to ¥60 million.

(Other Businesses)

SHOFU PRODUCTS KYOTO INC., a Group company, uses its dental abrasives manufacturing technology to manufacture and sell industrial abrasives. Net sales in the Other Businesses segment for the six months under review increased by ¥0.9 million (2.1%) year-on-year to ¥48 million. However, due to an increase in selling, general and administrative expenses, operating profit decreased by ¥4 million (64.7%) year-on-year to ¥2 million.

(2) Overview of Consolidated Financial Position for the six months under review

Total assets at the end of the six-month consolidated accounting period under review increased by ¥1,830 million from the end of the previous consolidated fiscal year to ¥51,824 million. This was mainly due to an increase in inventories.

Liabilities decreased by ¥21 million from the end of the previous consolidated fiscal year to ¥7,235 million. This was mainly due to a decrease in non-current liabilities such as deferred tax liabilities.

Net assets increased by ¥1,852 million from the end of the previous consolidated fiscal year to ¥44,588 million. This was mainly due to an increase in retained earnings.

As a result of the above, the capital-to-assets ratio increased by 0.6 points from the end of the previous fiscal year to 85.8%.

(3) Explanation of Future Forecast Information including Consolidated Earnings Forecasts

We have not revised the earnings forecast as announced on May 9, 2025 for the fiscal year ending March 31, 2026.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	10,653	10,226
Notes and accounts receivable-trade	4,159	4,105
Securities	239	238
Merchandises and finished goods	8,195	9,673
Work in process	1,980	2,073
Raw materials and supplies	1,408	1,611
Other	949	1,135
Allowance for doubtful accounts	-64	-64
Total current assets	27,521	28,998
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,234	12,388
Accumulated depreciation	-6,974	-7,169
Buildings and structures, net	5,260	5,218
Other	13,865	14,631
Accumulated depreciation	-8,521	-8,775
Other, net	5,343	5,856
Total property, plant and equipment	10,603	11,075
Intangible assets	556	603
Investments and other assets		
Investment securities	8,709	8,546
Net defined benefit asset	1,910	1,903
Other	791	791
Allowance for doubtful accounts	-97	-93
Total investments and other assets	11,313	11,147
Total non-current assets	22,472	22,825
Total assets	49,994	51,824

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable-trade	1,231	1,207
Income taxes payable	906	1,096
Contract liabilities	63	101
Provision for directors' bonuses	66	31
Other	2,950	2,812
Total current liabilities	5,218	5,249
Non-current liabilities		
Net defined benefit liability	216	213
Other	1,822	1,772
Total non-current liabilities	2,038	1,985
Total liabilities	7,257	7,235
Net assets		
Shareholders' equity		
Capital stock	5,968	5,968
Capital surplus	6,151	6,176
Retained earnings	23,896	25,392
Treasury shares	-239	-196
Total shareholders' equity	35,777	37,341
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,040	3,320
Foreign currency translation adjustment	2,893	2,950
Remeasurements of defined benefit plans	884	839
Total accumulated other comprehensive income	6,818	7,110
Subscription rights to shares	61	54
Non-controlling interests	78	82
Total net assets	42,736	44,588
Total liabilities and net assets	49,994	51,824

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	18,887	19,095
Cost of sales	7,543	7,561
Gross profit	11,343	11,534
Selling, general, and administrative expenses	8,301	8,721
Operating income	3,042	2,813
Non-operating income		
Interest income	42	34
Dividend income	100	94
Membership fee income	83	84
Share of profit of entities accounted for using equity method	6	1
Other	127	165
Total non-operating income	360	380
Non-operating expenses		
Interest expenses	4	3
Membership fee	222	154
Foreign exchange losses	133	31
Other	36	41
Total non-operating expenses	396	231
Ordinary income	3,006	2,962
Extraordinary income		
Gain on sales of investment securities	378	711
Total extraordinary income	378	711
Net income before income taxes	3,385	3,674
Income taxes	1,016	1,076
Net income	2,368	2,597
Net income attributable to non-controlling interests	4	0
Net income attributable to owners of parent	2,364	2,597

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net Income	2,368	2,597
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,713	279
Foreign currency translation adjustment	101	63
Remeasurements of defined benefit plans, net of tax	-55	-45
Total other comprehensive income	-1,667	298
Comprehensive income	700	2,896
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	699	2,888
Comprehensive income attributable to non-controlling interests	1	7

(3) Notes to Consolidated Financial Statements

(Notes to Application of Accounting Procedures Specific to the Compilation of Consolidated Financial Statements)

(Calculation of tax expenses)

To calculate tax expenses, we made a reasonable estimate of the effective tax rate after the application of tax effect accounting to net income before income taxes for the current consolidated fiscal year and then multiplied the net income before income taxes for the quarter under review by the estimated effective tax rate. However, where use of the estimated effective tax rate to calculate tax expenses would result in an unreasonable figure, we have used the legal effective tax rate instead.

(Notes to Segment Information, etc)

1. Information regarding sales, gains (losses) by reportable segment and revenue decomposition information

For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(Millions of yen)

	Reportable segments				Adjustment *1	Consolidated financial statements *2
	Dental Business	Nail Care Business	Other Businesses	Total		
Net sales						
Sales to external customers	17,717	1,122	47	18,887	-	18,887
Internal sales or transfers	-	-	1	1	(1)	-
Total	17,717	1,122	49	18,889	(1)	18,887
Segment income	3,073	(40)	6	3,039	2	3,042

*1. The ¥1 million adjustment to segment income serves to cancel out transactions between segments.

*2. Segment income equals the operating income on quarterly consolidated financial statements.

(Millions of yen)

	Reportable segments			Total
	Dental Business	Nail Care Business	Other Businesses	
Japan	7,345	669	47	8,062
North and Latin America	2,359	91	-	2,451
Europe	4,077	-	-	4,077
Asia	3,934	361	-	4,295
Revenue from contracts with customers	17,717	1,122	47	18,887
Other revenue	-	-	-	-
Sales to external customers	17,717	1,122	47	18,887

(Note) Sales to external customers are divided into countries and regions according to the location of the Company and its consolidated subsidiaries.

For the six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(Millions of yen)

	Reportable segments				Adjustment *1	Consolidated financial statements *2
	Dental Business	Nail Care Business	Other Businesses	Total		
Net sales						
Sales to external customers	17,983	1,063	48	19,095	-	19,095
Internal sales or transfers	-	-	2	2	(2)	-
Total	17,983	1,063	50	19,098	(2)	19,095
Segment income (loss)	2,869	(60)	2	2,810	2	2,813

*1. The ¥2 million adjustment to segment profit serves to cancel out transactions between segments.

*2. Segment income (loss) equals the operating income on quarterly consolidated financial statements.

(Millions of yen)

	Reportable segments			Total
	Dental Business	Nail Care Business	Other Businesses	
Japan	7,630	644	48	8,324
North and Latin America	2,425	74	-	2,499
Europe	4,014	-	-	4,014
Asia	3,913	344	-	4,258
Revenue from contracts with customers	17,983	1,063	48	19,095
Other revenue	-	-	-	-
Sales to external customers	17,983	1,063	48	19,095

(Note) Sales to external customers are divided into countries and regions according to the location of the Company and its consolidated subsidiaries.

(Notes to Significant Changes in the Amounts of Shareholders' Equity)

Not applicable.

(Notes to Assumptions for the Going Concern)

Not applicable.