

Consolidated Financial Results for the First Quarter in the Fiscal Year Ending March 31, 2026
(Japanese Accounting Standards)

August 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
 Contact: Takashi Morimoto, General Manager of Finance Department
 Scheduled commencement date of dividend payment: —
 Supplementary documents for quarterly financial results: Yes
 Quarterly financial results briefing: Yes

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2026 (April 1, 2025 – June 30, 2025)

(1) Consolidated Operating Results (% indicates changes from previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to Owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	9,506	0.5	1,495	(3.6)	1,484	(18.1)	854	(23.7)
Three months ended June 30, 2024	9,457	14.4	1,550	35.5	1,812	32.6	1,120	63.2

(Note) Comprehensive income: Three Months ended June 30, 2025 1,031 million yen (-15.0%)
 Three Months ended June 30, 2024 1,213 million yen (-42.3%)

	First Quarter Net income (loss) per share	First Quarter Fully diluted net income (loss) per share
	Yen	Yen
Three months ended June 30, 2025	24.03	23.95
Three months ended June 30, 2024	31.56	31.43

(Note) The Company 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 was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Three months ended June 30, 2025	50,176	42,666	84.8	1,195.87
Year ended March 31, 2025	49,994	42,736	85.2	1,198.37

(Reference) Shareholder's equity: Three Months ended June 30, 2025 42,524 million yen
 Year ended March 31, 2025 42,596 million yen

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

2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	36.00	—	31.00	—
Year ended March 31, 2026	—				
Year ending March 31, 2026 (Forecasts)		21.00	—	32.00	53.00

- (Notes) 1. Revision to the dividend forecast during the current quarter: 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)

(% 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
Six months ending September 30, 2025 (cumulative)	19,943	5.6	2,489	(18.2)	2,580	(14.2)	1,908	(19.3)	53.69
Year ending March 31, 2026	40,876	5.6	5,236	(2.9)	5,363	(2.9)	4,701	8.9	132.28

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

*Notes

- (1) Changes in significant subsidiaries during the period (change in scope of consolidation): None

Number of new companies — (their names):—

Number of excluded companies — (their names):—

- (2) Adoption of accounting methods specific to the preparation of quarterly financial statements: Yes

(Notes) 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 principles, procedures, or indication methods:

(a) Changes in accounting standards: None

(b) Changes other than (a) above: None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

- (4) Number of shares outstanding (common stock)

- (a) Number of shares outstanding at end of period (including treasury stock).

As of June 30, 2025: 35,788,178 shares

As of March 31, 2025: 35,788,178 shares

- (b) Number of shares of treasury stock at end of period

As of June 30, 2025: 228,574 shares

As of March 31, 2025: 242,920 shares

- (c) Average number of shares during the period

As of June 30, 2025: 35,548,817 shares

As of June 30, 2024: 35,494,115 shares

(Notes) The Company conducted a two-for-one stock split with a record date of 1 October 2024. The calculation of average number of shares during the period that the stock split was conducted at the beginning of the previous fiscal year.

* Review by a certified public accountant or audit firm of the attached quarterly consolidated financial forecasts: None

*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 three months under review

During the first quarter 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 unclear due to downside risks caused by the impact of the U.S. trade policy and the impact of continuing price increases on consumer spending.

The Company posted net sales of ¥9,506 million for the three months under review, increasing by ¥49 million (0.5%) compared to the same period of the previous year. Overseas sales, which are included in net sales, decreased by ¥180 million (3.2%) year on year to ¥5,538 million (58.3% of net sales).

Operating profit decreased by ¥55 million (3.6%) year-on-year to ¥1,495 million due to an increase in selling, general and administrative expenses.

Ordinary income decreased by ¥327 million (18.1%) year-on-year to ¥1,484 million due to a decline in non-operating income (loss) mainly driven by an increase in foreign exchange losses.

Profit attributable to owners of the parent after subtracting tax expenses was ¥854 million, a decrease of ¥266 million (23.7%) year-on-year.

(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 weak sales mainly in Europe and Asia and the impact of exchange rate fluctuations, despite strong sales growth in China.

As a result, net sales for the first quarter under review increased by ¥103 million (1.2%) year-on-year to ¥8,965 million. In terms of profits, operating profit decreased by ¥44 million (2.8%) year-on-year to ¥1,535 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, 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, although the Group focused on developing new business partners, the Taiwanese subsidiary suffered amid competition from low-priced gel nail products and sales decreased. As a result, overseas sales decreased year-on-year.

As a result, net sales for the three months under review decreased by ¥53 million (9.3%) year-on-year to ¥518 million. In terms of profits, although selling, general and administrative expenses decreased, operating losses grew by ¥9 million to ¥42 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 three months under review decreased by ¥1 million (5.4%) year-on-year to ¥22 million, and operating profit decreased by ¥2 million (72.2%) year-on-year to ¥0.9 million.

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

Total assets at the end of the first quarter under review increased by ¥182 million from the end of the previous consolidated fiscal year to ¥50,176 million. This was mainly due to an increase in Merchandise and finished goods.

Liabilities increased by ¥252 million from the end of the previous consolidated fiscal year to ¥7,510 million. This was mainly due to an increase in current liabilities such as accrued expenses.

Net assets decreased by ¥70 million from the end of the previous consolidated fiscal year to ¥42,666 million. This was mainly due to a decrease in retained earnings.

As a result of the above, the capital-to-assets ratio decreased by 0.5 points from the end of the previous fiscal year to 84.8%.

(3) Explanation of Future Forecast Information including Consolidated Business Results Forecasts

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

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	Previous fiscal year (as of March 31, 2025)	End of First Quarter of FYE3/26 (as of June 30, 2025)
Assets		
Current assets		
Cash and deposits	10,653	9,733
Notes and accounts receivable-trade	4,159	4,091
Securities	239	231
Merchandises and finished goods	8,195	8,889
Work in process	1,980	2,046
Raw materials and supplies	1,408	1,403
Other	949	880
Allowance for doubtful accounts	-64	-65
Total current assets	27,521	27,210
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,234	12,295
Accumulated depreciation	-6,974	-7,065
Buildings and structures, net	5,260	5,230
Other	13,865	14,257
Accumulated depreciation	-8,521	-8,631
Other, net	5,343	5,625
Total property, plant and equipment	10,603	10,856
Intangible assets	556	605
Investments and other assets		
Investment securities	8,709	8,926
Net defined benefit asset	1,910	1,907
Other	791	762
Allowance for doubtful accounts	-97	-93
Total investments and other assets	11,313	11,503
Total non-current assets	22,472	22,965
Total assets	49,994	50,176

	(Millions of yen)	
	Previous fiscal year (as of March 31,2025)	End of First Quarter of FYE3/26 (as of June 30, 2025)
Liabilities		
Current liabilities		
Accounts payable-trade	1,231	1,274
Income taxes payable	906	911
Contract liabilities	63	147
Provision for directors' bonuses	66	15
Other	2,950	3,070
Total current liabilities	5,218	5,420
Non-current liabilities		
Net defined benefit liability	216	222
Other	1,822	1,867
Total non-current liabilities	2,038	2,089
Total liabilities	7,257	7,510
Net assets		
Shareholders' equity		
Capital stock	5,968	5,968
Capital surplus	6,151	6,144
Retained earnings	23,896	23,649
Treasury shares	-239	-225
Total shareholders' equity	35,777	35,536
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,040	3,249
Foreign currency translation adjustment	2,893	2,876
Remeasurements of defined benefit plans	884	861
Total accumulated other comprehensive income	6,818	6,987
Subscription rights to shares	61	54
Non-controlling interests	78	87
Total net assets	42,736	42,666
Total liabilities and net assets	49,994	50,176

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

(Millions of yen)

	First Quarter of FYE 3/25 (April 1, 2024 to June 30, 2024)	First Quarter of FYE 3/26 (April 1, 2025 to June 30, 2025)
Net sales	9,457	9,506
Cost of sales	3,766	3,720
Gross profit	5,690	5,785
Selling, general, and administrative expenses	4,140	4,290
Operating income	1,550	1,495
Non-operating income		
Interest income	18	17
Dividend income	84	78
Membership fee income	54	49
Share of profit of entities accounted for using equity method	3	-
Foreign exchange gains	193	-
Other	79	47
Total non-operating income	434	192
Non-operating expenses		
Interest expenses	1	1
Membership fee	148	89
Share of loss of entities accounted for using equity method	-	2
Foreign exchange losses	-	87
Other	22	20
Total non-operating expenses	172	202
Ordinary income	1,812	1,484
Net income before income taxes	1,812	1,484
Income taxes	688	631
Net income	1,123	853
Net income attributable to non-controlling interests or net losses attributable to non-controlling interests	3	-0
Net income attributable to owners of parent	1,120	854

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	First Quarter of FYE3/25 (April 1, 2024 to June 30, 2024)	First Quarter of FYE3/26 (April 1, 2025 to June 30, 2025)
Profit	1,123	853
Other comprehensive income		
Valuation difference on available-for-sale securities	-662	208
Foreign currency translation adjustment	780	-8
Remeasurements of defined benefit plans, net of tax	-27	-22
Total other comprehensive income	90	177
Comprehensive income	1,213	1,031
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,206	1,023
Comprehensive income attributable to non-controlling interests	7	8

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Application of Accounting Procedures Specific to the Compilation of Quarterly 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 three months ended June 30, 2024 (From April 1, 2024 to June 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	8,862	572	23	9,457	-	9,457
Internal sales or transfers	-	-	1	1	(1)	-
Total	8,862	572	24	9,458	(1)	9,457
Segment profits(losses)	1,579	(33)	3	1,549	1	1,550

*1. The ¥1 million adjustment to segment profits(losses) serves to cancel out transactions between segments.

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

(Millions of yen)

	Reportable segments			Total
	Dental Business	Nail Care Business	Other Businesses	
Japan	3,587	333	23	3,944
North and Latin America	1,192	44	-	1,237
Europe	2,160	-	-	2,160
Asia	1,921	193	-	2,115
Revenue from contracts with customers	8,862	572	23	9,457
Other revenue	-	-	-	-
Sales to external customers	8,862	572	23	9,457

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

For the three months ended June 30, 2025 (From April 1, 2025 to June 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	8,965	518	22	9,506	-	9,506
Internal sales or transfers	-	-	1	1	(1)	-
Total	8,965	518	23	9,508	(1)	9,506
Segment profits(losses)	1,535	(42)	0	1,493	1	1,495

*1. The ¥1 million adjustment to segment profits(losses) serves to cancel out transactions between segments.

*2. Segment profits(losses) equal the operating income on quarterly consolidated financial statements.

(Millions of yen)

	Reportable segments			Total
	Dental Business	Nail Care Business	Other Businesses	
Japan	3,802	318	22	4,142
North and Latin America	1,182	42	-	1,224
Europe	1,950	-	-	1,950
Asia	2,030	158	-	2,189
Revenue from contracts with customers	8,965	518	22	9,506
Other revenue	-	-	-	-
Sales to external customers	8,965	518	22	9,506

(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.

(Notes on Consolidated Statements of Cash Flows)

No quarterly consolidated statement of cash flows has been prepared for the first quarter of this fiscal year. Depreciation and amortization (including depreciation and amortization of intangible assets) for the first quarter is as follows

	First Quarter of FYE 3/25 (April 1, 2024 to June 30, 2024)	First Quarter of FYE 3/26 (April 1, 2025 to June 30, 2025)
Depreciation and amortization	233 million yen	270 million yen