

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under Japanese GAAP)

Company name: SHOFU INC.
 Listing: Tokyo Stock Exchange (Prime Market)
 Securities code: 7979
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 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2025	29,114	0.9	3,806	(11.4)	4,182	(6.9)	3,412	(2.1)
December 31, 2024	28,845	13.5	4,295	26.0	4,490	21.6	3,484	26.8

(Note) Comprehensive income For the nine months ended December 31, 2025: ¥4,692 million [130.4%]
 For the nine months ended December 31, 2024: ¥2,036 million [(52.2%)]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	95.92	95.63
December 31, 2024	98.08	97.73

(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
December 31, 2025	53,336	45,637	85.3	1,278.32
March 31, 2025	49,994	42,736	85.2	1,198.37

(Reference) Equity As of December 31, 2025: ¥45,494 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 earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to 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
Full year	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: — companies

Excluded: — companies

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

(Note) For details, please refer to page 8 “2. Consolidated Financial Statements and Primary Notes (3) Notes to Consolidated Financial Statements (Notes to Application of Accounting Procedures Specific to the Compilation of 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 December 31, 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 December 31, 2025	198,857 shares
As of March 31 2025	242,920 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	35,573,121 shares
Nine months ended December 31, 2024	35,524,797 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.

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: 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 Earnings Forecasts” section on page 3.

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1. Overview of Operating Results

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

During the nine months of the consolidated fiscal year under review, the global economy continued to recover gradually, although 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 a pickup in personal consumption and capital investment improvement in the employment. 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 ¥29,114 million for the nine months under review, an increase of ¥268 million (0.9%) compared to the same period of the previous year. Overseas sales, which are included in net sales, increased by ¥195 million (1.2%) year-on-year to ¥17,101 million (58.7% of net sales).

Operating profit decreased by ¥489 million (11.4%) year-on-year to ¥3,806 million due to an increase in selling, general, and administrative expenses.

Ordinary income decreased by ¥308 million (6.9%) year-on-year to ¥4,182 million, as the decrease in foreign exchange losses reduced the decline in profit.

Although gains on sales of investment securities were recorded as extraordinary income, profit attributable to owners of the parent, after deducting tax expenses, decreased by ¥72 million (2.1%) year-on-year to ¥3,412 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 increased year-on-year due to steady sales growth in China and North America, Central and South America, as well as an increase in sales in Europe as a result of the impact of exchange rate fluctuations, despite a decrease in sales in Asia and Oceania other than China.

As a result, net sales for the nine months under review increased by ¥310 million (1.1%) year-on-year to ¥27,415 million. On the other hand, operating profit decreased by ¥467 million (10.7%) year-on-year to ¥3,896 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, although the Group focused on expanding sales channels.

As a result, net sales for the nine months under review decreased by ¥42 million (2.6%) year-on-year to ¥1,625 million. In terms of profits, although selling, general and administrative expenses decreased, operating losses increased by ¥13 million year-on-year to ¥98 million.

(Other Businesses)

SHOFU PRODUCTS KYOTO INC., a Group company, uses its dental abrasives manufacturing technology to manufacture and sell industrial abrasives. Net sales for the nine months under review increased by ¥1 million (2.4%) year-on-year to ¥74 million. On the other hand, in terms of profits, due to an increase in selling, general and administrative expenses, operating profit decreased by ¥7 million (64.6%) year-on-year to ¥4 million.

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

Total assets at the end of the nine-month consolidated accounting period under review increased by ¥3,342 million from the end of the previous consolidated fiscal year to ¥53,336 million. This was mainly due to an increase in inventories and tangible fixed assets.

Liabilities increased by ¥441 million from the end of the previous consolidated fiscal year to ¥7,698 million. This was mainly due to an increase in current liabilities such as deposits received.

Net assets increased by ¥2,901 million from the end of the previous consolidated fiscal year to ¥45,637 million. This was mainly due to an increase in retained earnings and foreign currency translation adjustments.

As a result of the above, the capital-to-assets ratio increased by 0.1 points from the end of the previous fiscal year to 85.3%.

(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 December 31, 2025
Assets		
Current assets		
Cash and deposits	10,653	9,772
Notes and accounts receivable-trade	4,159	3,866
Securities	239	140
Merchandises and finished goods	8,195	10,237
Work in process	1,980	2,085
Raw materials and supplies	1,408	1,713
Other	949	1,221
Allowance for doubtful accounts	(64)	(57)
Total current assets	27,521	28,979
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,234	12,632
Accumulated depreciation	(6,974)	(7,322)
Buildings and structures, net	5,260	5,309
Other	13,865	15,882
Accumulated depreciation	(8,521)	(9,012)
Other, net	5,343	6,869
Total property, plant and equipment	10,603	12,179
Intangible assets	556	635
Investments and other assets		
Investment securities	8,709	8,911
Net defined benefit asset	1,910	1,897
Other	791	807
Allowance for doubtful accounts	(97)	(74)
Total investments and other assets	11,313	11,542
Total non-current assets	22,472	24,357
Total assets	49,994	53,336

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable-trade	1,231	1,057
Income taxes payable	906	950
Contract liabilities	63	260
Provision for directors' bonuses	66	47
Other	2,950	3,187
Total current liabilities	5,218	5,503
Non-current liabilities		
Net defined benefit liability	216	221
Other	1,822	1,973
Total non-current liabilities	2,038	2,195
Total liabilities	7,257	7,698
Net assets		
Shareholders' equity		
Capital stock	5,968	5,968
Capital surplus	6,151	6,176
Retained earnings	23,896	25,459
Treasury shares	(239)	(196)
Total shareholders' equity	35,777	37,408
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,040	3,620
Foreign currency translation adjustment	2,893	3,648
Remeasurements of defined benefit plans	884	816
Total accumulated other comprehensive income	6,818	8,085
Subscription rights to shares	61	54
Non-controlling interests	78	88
Total net assets	42,736	45,637
Total liabilities and net assets	49,994	53,336

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

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	28,845	29,114
Cost of sales	11,668	11,762
Gross profit	17,177	17,351
Selling, general, and administrative expenses	12,881	13,545
Operating income	4,295	3,806
Non-operating income		
Interest income	65	48
Dividend income	169	147
Membership fee income	109	116
Foreign exchange gains	44	113
Share of profit of entities accounted for using equity method	1	-
Other	185	234
Total non-operating income	575	659
Non-operating expenses		
Interest expenses	6	6
Membership fee	280	215
Share of loss of entities accounted for using equity method	-	4
Other	92	57
Total non-operating expenses	380	282
Ordinary income	4,490	4,182
Extraordinary income		
Gain on sales of investment securities	378	758
Total extraordinary income	378	758
Net income before income taxes	4,869	4,941
Income taxes	1,379	1,524
Net income	3,489	3,416
Net income attributable to non-controlling interests	5	4
Net income attributable to owners of parent	3,484	3,412

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net Income	3,489	3,416
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,725)	580
Foreign currency translation adjustment	355	763
Remeasurements of defined benefit plans, net of tax	(83)	(67)
Total other comprehensive income	(1,453)	1,276
Comprehensive income	2,036	4,692
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,029	4,679
Comprehensive income attributable to non-controlling interests	7	13

(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 nine months ended December 31, 2024 (From April 1, 2024 to December 31, 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	27,104	1,668	72	28,845	-	28,845
Internal sales or transfers	-	-	3	3	(3)	-
Total	27,104	1,668	75	28,849	(3)	28,845
Segment income (loss)	4,363	(84)	12	4,291	4	4,295

*1. The ¥3 million adjustment to segment income 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	11,478	988	72	12,538
North and Latin America	3,569	136	-	3,705
Europe	6,195	-	-	6,195
Asia	5,861	543	-	6,405
Revenue from contracts with customers	27,104	1,668	72	28,845
Other revenue	-	-	-	-
Sales to external customers	27,104	1,668	72	28,845

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

For the nine months ended December 31, 2025 (From April 1, 2025 to December 31, 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	27,415	1,625	74	29,114	-	29,114
Internal sales or transfers	-	-	3	3	(3)	-
Total	27,415	1,625	77	29,117	(3)	29,114
Segment income (loss)	3,896	(98)	4	3,801	4	3,806

*1. The ¥3 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	11,439	968	74	12,482
North and Latin America	3,680	111	-	3,791
Europe	6,290	-	-	6,290
Asia	6,004	545	-	6,549
Revenue from contracts with customers	27,415	1,625	74	29,114
Other revenue	-	-	-	-
Sales to external customers	27,415	1,625	74	29,114

(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 to Consolidated Statements of Cash Flows)

No quarterly consolidated statement of cash flows has been prepared for the nine months ended December 31, 2025. Depreciation and amortization (including depreciation and amortization of intangible assets) for the nine months ended December 31, 2025 is as follows.

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Depreciation and amortization	769 million yen	866 million yen