



May 11, 2022

Company name: SHOFU INC.
Representative: Noriyuki Negoro, President
Listing: Tokyo Stock Exchange, PRIME, Code number: 7979
Contact: Fumitaka Yamazaki, Director and Managing Executive Officer

Notice regarding revision of numerical targets for Mid-term Management Plan

The Shofu Group announced that, based on recent business performance trends, it has revised the numerical targets for the Fourth Mid-Term Management Plan covering from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2024, which was announced on May 14, 2021. An overview of the revised plan follows.

1. Background of the review

The Fourth Mid-term Management Plan incorporates the effects of the spread of the COVID-19 infection to a certain extent, and in the first year of the fiscal year ended March 31, 2022, the social and economic impact of the COVID-19 has been prolonged due to the repeated expression of new variants. However, in the dental industry to which we belong, in addition to the recovery of demand in each region of the world, there are movements to optimize the distribution inventory that was restrained mainly overseas and we were able to steadily capture those demands, so we greatly exceeded the plan. At the same time, exhibitions have been cancelled or postponed, face-to-face business activities such as academic activities for dental professionals, and dissemination of information and sales activities for sales dealers continued to be restricted. As a result, operating income, ordinary income and profit all were able to greatly exceed the plan as well as sales and exceeded the target for the fiscal year ending March 31, 2022, which is the final year of the Mid-term Management Plan.

In the second year of the fiscal year ending March 31 2023, although there are concerns about restrictions on the supply of raw material for some of our products, we plan to increase sales compared to the actual results for fiscal year ended March 31, 2022. As for profits, we expect a decrease compared to the actual result for fiscal year ended March 31, 2022 due to invest in growth in light of the recovery of business activities from the COVID-19 pandemic, but an increase in profit to the conventional targets' fiscal year ending March, 2024.

Therefore, the expansion of the sales network, establishment of dental professionals and academic networks and construction of production system to increase production volume, which we worked on, are steadily processing and we confirmed those are highly evaluated by our customers. Thus, we have revised up our financial forecasts for the fiscal year ending March 31, 2024, which is the final year of the Fourth Mid-Term Management Plan.

2. Numerical targets

(Conventional targets)

★: Record (Sales and Profit)
 Figures in parentheses represent percentage of sales

Unit: millions of yen

Item \ Business year	Fiscal March 2022 Forecast	Fiscal March 2023 Forecast	Fiscal March 2024 Forecast
Net sales	26,105	★ 28,097	★ 30,182
Domestic sales	13,627	14,319	★ 14,745
Overseas sales	★ 12,478	★ 13,777	★ 15,437
Operating income	1,799 (6.9%)	2,017 (7.2%)	★ 2,618 (8.7%)
Ordinary income	1,837 (7.0%)	2,064 (7.3%)	★ 2,668 (8.8%)
Net income	1,234 (4.7%)	1,379 (4.9%)	★ 1,874 (6.2%)
Net income per share	69.48yen	77.70yen	105.53yen
Return on equity	4.1%	4.4%	5.8%

Major foreign exchange rate;

US dollar: 110.00, Euro: 125.00, Pond sterling: 140.00, Renminbi: 16.50

(Revised targets)

★: Record (Sales and Profit)
 Figures in parentheses represent percentage of sales

Unit: millions of yen

Item \ Business year	Fiscal March 2022 results	Fiscal March 2023 forecast	Fiscal March 2024 forecast
Net sales	★ 28,137	★ 29,314	★ 31,509
Domestic sales	13,573	14,182	★ 14,840
Overseas sales	★ 14,564	★ 15,132	★ 16,669
Operating income	★ 3,217 (11.4%)	2,732 (9.3%)	★ 3,791 (12.0%)
Ordinary income	★ 3,658 (13.0%)	2,850 (9.7%)	★ 3,927 (12.5%)
Net income	★ 2,546 (9.1%)	1,975 (6.7%)	★ 2,764 (8.8%)
Net income per share	143.22yen	111.06yen	155.38yen
Return on equity	8.1%	5.9%	8.0%

Major foreign exchange rate;

US dollar: 115.00, Euro: 130.00, Pond sterling: 155.00, Renminbi: 18.00

There are no changes to the Mid-term Management Plan, “50-billion-yen vision”, a long term vision that looks ahead to how the Group should be in the future and capital policy and shareholder returns. For details, please refer to the “The Shofu Group’s Forth mid-term Management Plan” dated on May 14, 2021.

Also, as for the year-end dividend for the Fiscal Year Ended March 31, 2022 will be revised from 19 yen per share (32 yen per year, including the interim dividend), which is the forecast announced on May 14, 2021, to 26 yen per share (39 yen per year, including the interim dividend).

- The figures in the Numerical Targets of the Mid-term Management Plan mentioned in this document indicate that the direction the company will pursue, and differ in character from earnings forecasts and dividend forecasts. For earnings forecasts and dividend forecasts for the fiscal year ending March 31, 2023, please refer to the details disclosed in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Japanese Accounting Standards)”.
- The forward-looking statements in this document are based on information currently obtained by the Company and certain assumptions that it deems reasonable, and actual results, etc. may vary significantly due to various factors.