



# Presentation on Consolidated Financial Statements and Business Performance

Year Ended March 31, 2006  
(The 134th business year)

May 25, 2006



Proven Products For Better Dentistry  
**SHOFU INC.**

**SHOFU INC.**

## Contents of Today's Presentation

- Overview of consolidated business performance for the year ended March 31, 2006
- Future business environment and mid- and long-term strategies
- Consolidated business outlook for the year ending March 31, 2007

Director/President	:	Katsuya Ohta
Senior Managing Director/General Manager of Administration Division	:	Fumio Shirahase
Director/Sales Manager	:	Yoshinao Nishida
Director/Research & Development manager	:	Noriyuki Negoro

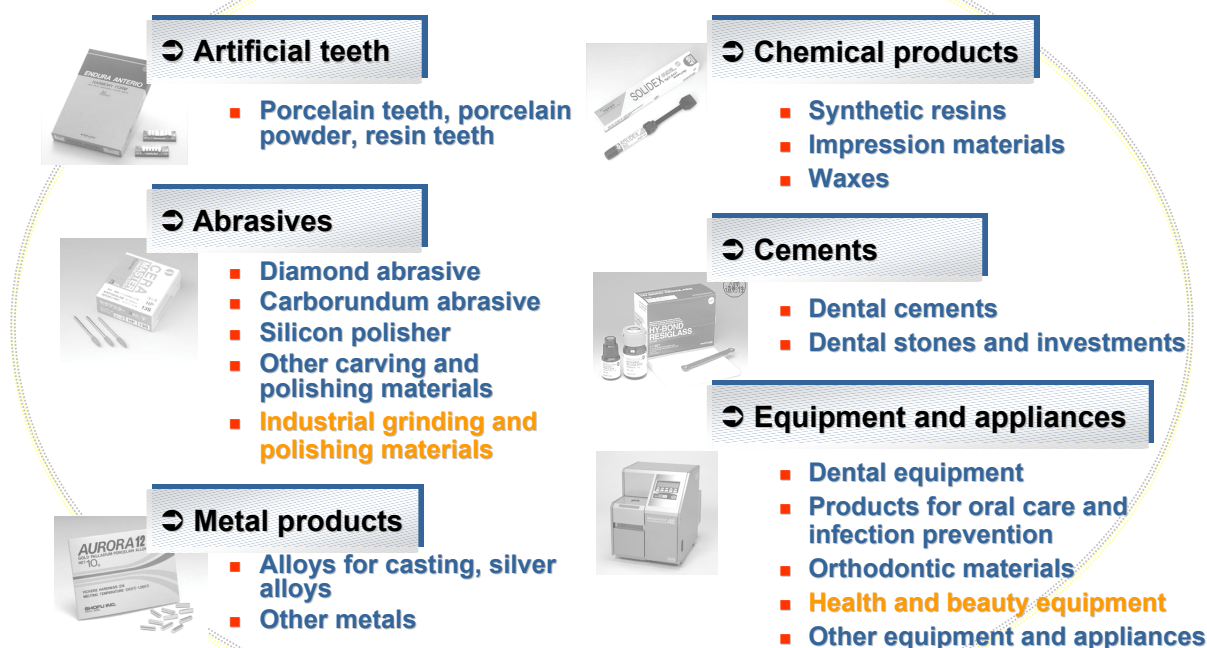
**SHOFU INC.**

## Corporate Profile

- Company name : SHOFU Inc.
- Representative : Director/President Katsuya Ohta
- Address : 11 Kamitakamatsu-cho, Fukuine,  
Higashiyama-ku, Kyoto 605-0983, Japan
- Date of establishment : May 15, 1922
- Capital : ¥4,474,646,614
- Listing : 2nd Section of Osaka Stock Exchange  
(Date of listing: November 9, 1989)
- Number of employees : 418 (Entire group: 676, with 177 of these in  
overseas subsidiaries)
- Business : Manufacture and sale of dental materials and  
equipment
- Main customers : Dental institutions (via agencies)
- Group companies : 9 (3 in Japan, 6 overseas)

## Main Products

We manufacture and sell a wide range of  
dental materials and equipment.



Our products are designed for use in the  
process of dental care and treatment.

See "Product Profiles" attached to this document.



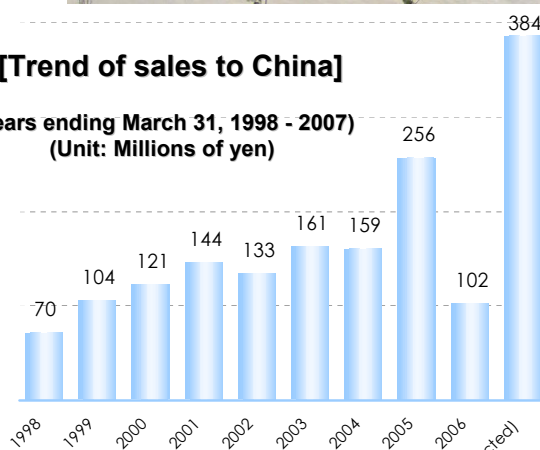
## Establishment of a Sales Subsidiary in China

- Corporate name:  
*SHOFU Dental Supplies (Shanghai) Co., Ltd.*
- Date of establishment:  
August 29, 2005  
(Operation commenced in January 2006.)
- Address:  
No.645 Jiye Road, She Shan Industry Park,  
Songjiang 201602, Shanghai, China
- Representative:  
President Toshiaki Seki  
(Senior managing director, Shofu Inc.)
- Capital:  
US\$ 1 million
- Composition of shareholders:  
100% owned by Shofu Inc.
- Business:  
Sale of dental materials and dental  
equipment to the Chinese market
- Number of employees:  
24 (as of March 2006)
- Sales in the first business year:  
¥380 million  
(Projected figure for the year ended  
December 31, 2006)



### [Trend of sales to China]

(Years ending March 31, 1998 - 2007)  
(Unit: Millions of yen)



## Construction of a Customer Training Center Commenced

- **Purpose:**  
Providing customers with training concerning dental treatment, dental technology, preventive dental care and dental hygiene
- **Target:**  
Dentists, dental technicians, dental hygienists
- **Location:**  
On the premises of Shofu headquarters in Kyoto
- **Scheduled date of completion:**  
August 2006
- **Total construction cost:**  
Approx. ¥600 million
- **Facility contents:**  
Four floors above ground, one floor underground  
Total floor area: Approx. 1,910 m<sup>2</sup>  
Treatment training room, dental technology training room, dental machinery and equipment, lecture hall, etc.
- **Desired effects:**  
Improvement in the level of dental care/treatment. Promotion of sales by enlightening customers about the characteristics of our products.



## ⇒ Consolidated Business Performance for the Year Ended March 31, 2006

## Consolidated Financial Statements

Plus factors Minus factors

P/L

- New products have been successfully launched. (Sales of new products: ¥1,684 million/13.1%)
- Because the impact of the increase in the co-payment rate of medical expenses to 30% has slightly subsided, spending for dental care and treatment has begun to show an upturn, which is a good sign for the future of our industry. In this favorable situation, our newly introduced products contributed to a 2.6% increase in domestic sales. **[The first increase in sales in 3 business years]**
- ■ Overseas sales were adversely affected by inventory adjustment of products for the Chinese market and medical system reforms in Germany. However, with the U.S. market back on a recovery track and the continued favorable sales to Taiwan and South Korea, our entire overseas sales rose by 4.0%.
- Sales reached ¥14,650 million (up 2.9%) **[an all-time high]**.
- The cost percentage decreased by 0.7% due to an improvement in the sales mix and the effects of cost reduction efforts. As a result, **our operating profit reached ¥1,308 million (up 9.6%)**.
- We **enjoy a current profit of ¥1,344 million (up 12.4%)** due to improvement in such non-operating incomes as dividends earned, in addition to the increase in operating profit.

B/S

- Due to the rise in share prices, net unrealized holding gains on securities increased.
- We retain plan assets equal in worth to the employee retirement allowances payable.

C/F

- Our operating cash flow showed a tremendous increase (¥279 million in the previous year → ¥1,808 million), thanks to current net income before taxes reaching ¥1,358 million and a decrease of ¥460 million in accounts receivable.

## Current Business Performance

Unit: Millions of yen, %

	Year ended March 31, 2005	Year ended March 31, 2006	Comparison with previous year
	Amount (% of sales)	Amount (% of sales)	Amount (%)
Sales	14,231 (100.0)	14,650 (100.0)	418 (2.9)
(Domestic sales)	11,057 (77.7)	11,350 (77.5)	292 (2.6)
(Overseas sales)	3,173 (22.3)	3,299 (22.5)	126 (4.0)
Operating profit	1,194 (8.4)	1,308 (8.9)	114 (9.6)
Current profit	1,200 (8.4)	1,344 (9.2)	143 (12.0)
Current net profit	794 (5.6)	822 (5.6)	28 (3.5)
Current net profit per share	¥47.91	¥49.42	
Return on equity	4.55%	4.39%	

## Sales by Product Category

Unit: Millions of yen

Figures in ( ) represent percentages of all product categories and rates of increase or decrease (Unit: %)

	Year ended March 31, 2005	Year ended March 31, 2006	Comparison with previous year
Artificial teeth	2,800 (19.7)	2,697 (18.4)	△ 102 (△3.7)
Abrasives	3,479 (24.4)	3,659 (25.0)	180 (5.2)
Metal products	469 (3.3)	462 (3.2)	△ 6 (△1.4)
Chemical products	2,673 (18.8)	2,748 (18.8)	75 (2.8)
Cements, etc.	1,384 (9.7)	1,531 (10.4)	147 (10.7)
Equipment, etc.	3,425 (24.1)	3,549 (24.2)	124 (3.6)
<b>Total</b>	<b>14,231 (100.0)</b>	<b>14,650 (100.0)</b>	<b>418 (2.9)</b>

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## Domestic Sales

Unit: Millions of yen

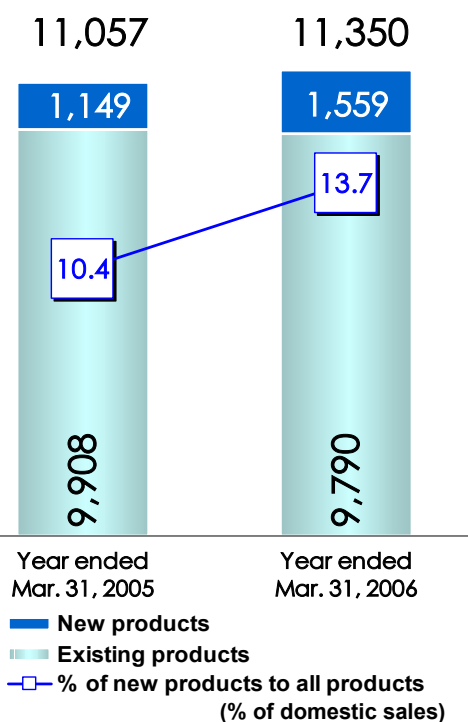
Plus factors Minus factors

### Existing products (–)

- The market environment has slightly improved due to several favorable signs, including an upturn in dental spending.
- Earnings decreased because of sluggish sales of artificial teeth, which is our major product category, and the replacement of conventional products by new products.

### New products successfully rolled out (+)

- Glass ionomer resin cement “HY-BOND RESIGLASS” ¥173 million
- Self-curing acrylic resin “Province” ¥206 million
- Automatic casting machine for dental treatment “Argoncaster-AE” ¥178 million
- Light-cured hard composite resin material for crowns & bridges “CERAMAGE” ¥151 million
- Digital camera for dental use “EyeSpecial I, II” ¥204 million
- Tooth surface cleaning aid “HiLite Shade Up” ¥69 million



New products shown above are those introduced in the last 3 years.

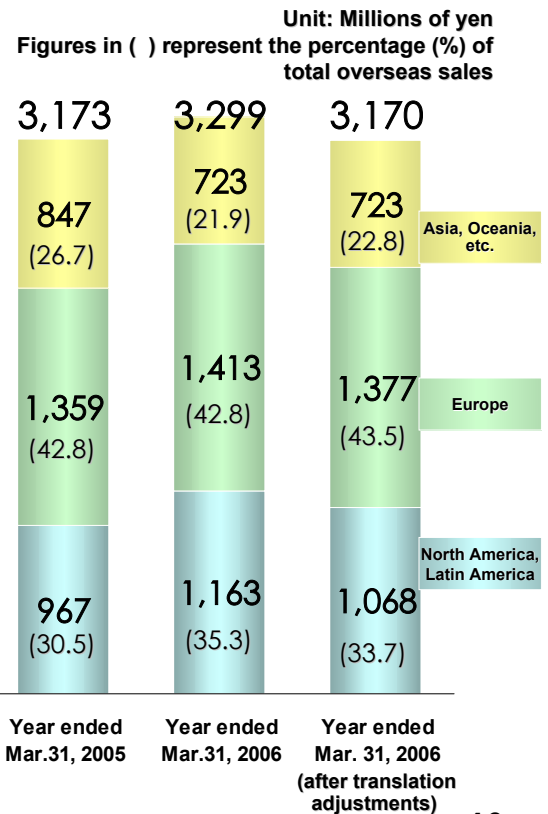
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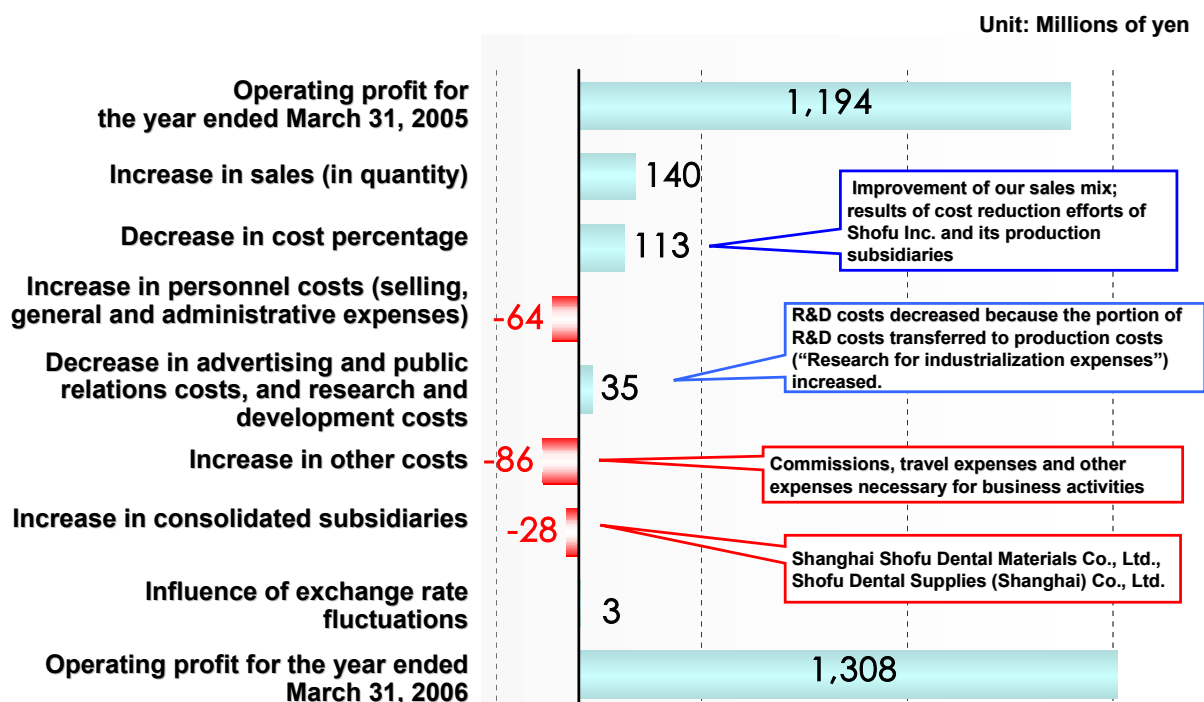


## Overseas Sales

- Plus factors ■ Minus factors
- **North America, Latin America**
- Sales are on a recovery track, particularly abrasives, the major product category in these markets.
  - Sales showed a 10.4% increase in local currency.
- **Europe**
- Sales in local currency have been leveling off due to medical insurance system reforms.
- **Asia & Oceania**
- Inventory adjustment in preparation for the establishment of a sales subsidiary in China caused sales to the Chinese market to decrease ¥153 million (¥256 million → ¥102 million).
- **Exchange rates**
- US dollar : ¥117.47 (¥107.39 in previous year)
  - Euro : ¥142.81 (¥138.87 in previous year)
- **Percentage of overseas sales to total sales**
- 22.5% (22.3% in previous year)  
(21.8% after translation adjustments)



## Factors Underlying the Change in Operating Profit



## Financial Status—Major Accounts in the B/S

Unit: Millions of yen

	Year ended Mar. 31, 2005	Year ended Mar. 31, 2006	Compari- son	Factors underlying changes - Special notes
Cash	5,254	6,558	1,304	¥1,804 million was gained from a devaluation of marketable securities
Notes and accounts receivable	2,963	2,518	△ 444	
Inventories	2,982	2,910	△ 71	
Marketable securities, investment securities	5,642	7,464	1,822	
Other assets	5,174	5,533	359	
<b>Assets</b>	<b>22,016</b>	<b>24,985</b>	<b>2,969</b>	
Long-term and short-term loans	1,045	1,035	△ 10	Deferred tax liability increased by ¥732 million due to an increase in gains from a devaluation of marketable securities.
Retirement allowance for employees, retirement allowance for directors and auditors	573	501	△ 72	
Other liabilities	2,516	3,873	1,356	
<b>Liabilities</b>	<b>4,135</b>	<b>5,409</b>	<b>1,274</b>	
<b>Shareholders' equity</b>	<b>17,881</b>	<b>19,576</b>	<b>1,695</b>	¥1,072 million was gained from a devaluation of marketable securities.
<b>Total liabilities and shareholders' equity</b>	<b>22,016</b>	<b>24,985</b>	<b>2,969</b>	
Shareholders' equity to total assets	81.2%	78.4%		Ending balance in retirement allowance : ¥4,991 million Balance of the fair value of plan assets : ¥5,688 million
Shareholders' equity per share	¥1,122	¥1,231		

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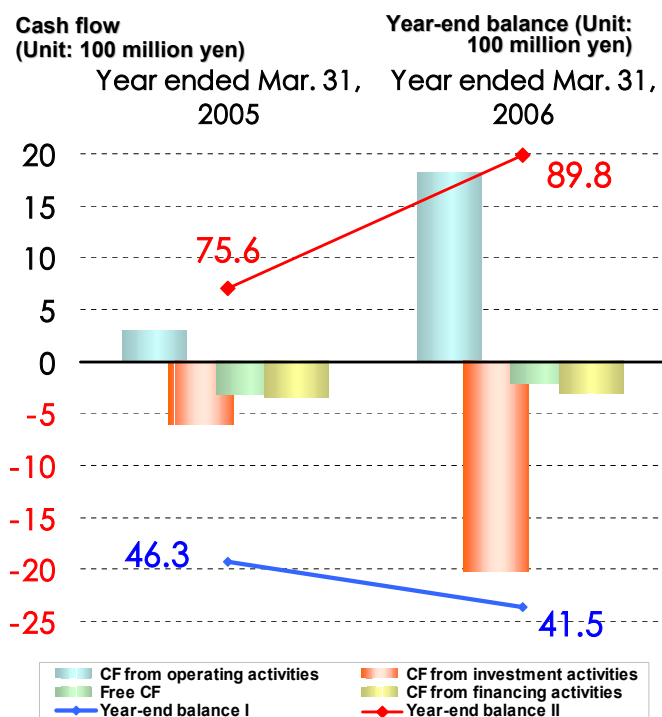
## Cash Flow

### ◇ Cash flow in the current year

- Cash flow from operating activities
  - Premium payments of retirement pensions: ¥710 million (¥1,187 million in previous year)
- Cash flow from investment activities
  - Acquisition of tangible fixed assets: ¥320 million
  - Deposits to time-deposit accounts: ¥1,766 million
- Cash flow from financing activities
  - Repayment of short-term loans: ¥10 million
  - Acquisition of own shares: ¥22 million
  - Cash dividends : ¥286 million

### ◇ Balance of deposits and bonds over 3 months or longer included (shown as "Year-end balance II" in the graph)

- Year ended March 31, 2005: ¥7.56 billion
- Year ended March 31, 2006: ¥8.98 billion



\*\*"Year-end balance I" is the balance in "cash and cash equivalents" shown in the consolidated cash flow statement.

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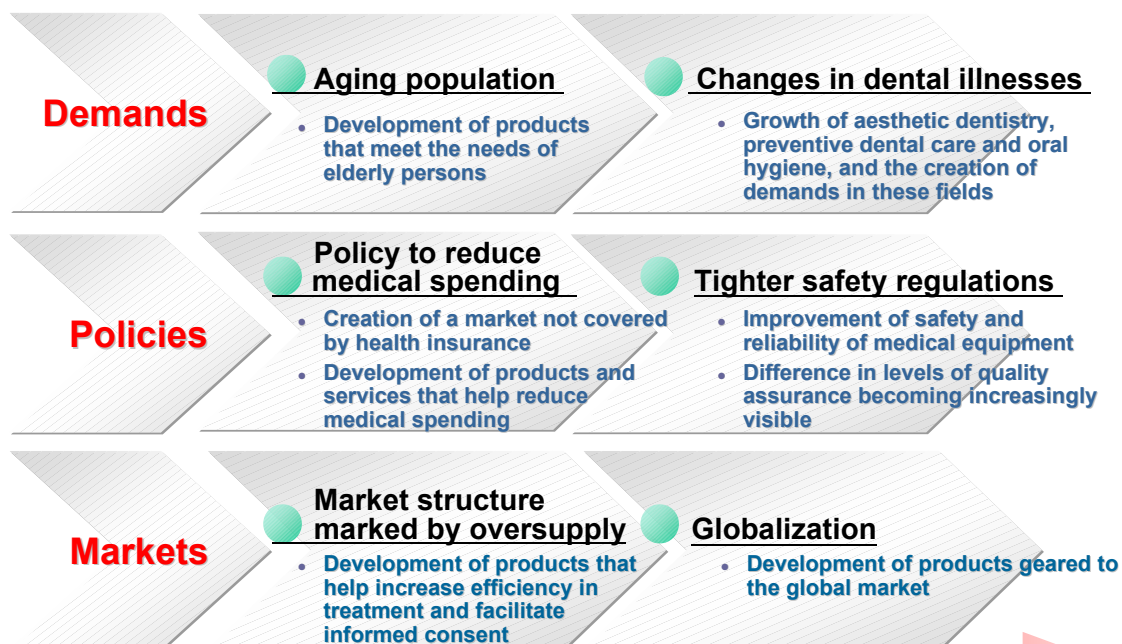
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## ⇒ Future Business Environment and Mid- and Long-term Strategies

### ⇒ Future Business Environment and Mid- and Long-term Strategies

## Our Perception of the Current Business Environment and Basic Attitude toward Expected Changes



The severe business environment is expected to continue.

## Management Emphases

### ⇒ Functions that need to be strengthened

- Quality competitiveness
- Marketing strength
- Price competitiveness

### ⇒ Company-wide goals

- Creation of new markets and expansion of market shares by rolling out new products and technologies
- Expansion of overseas operations

### ⇒ Four numerical targets

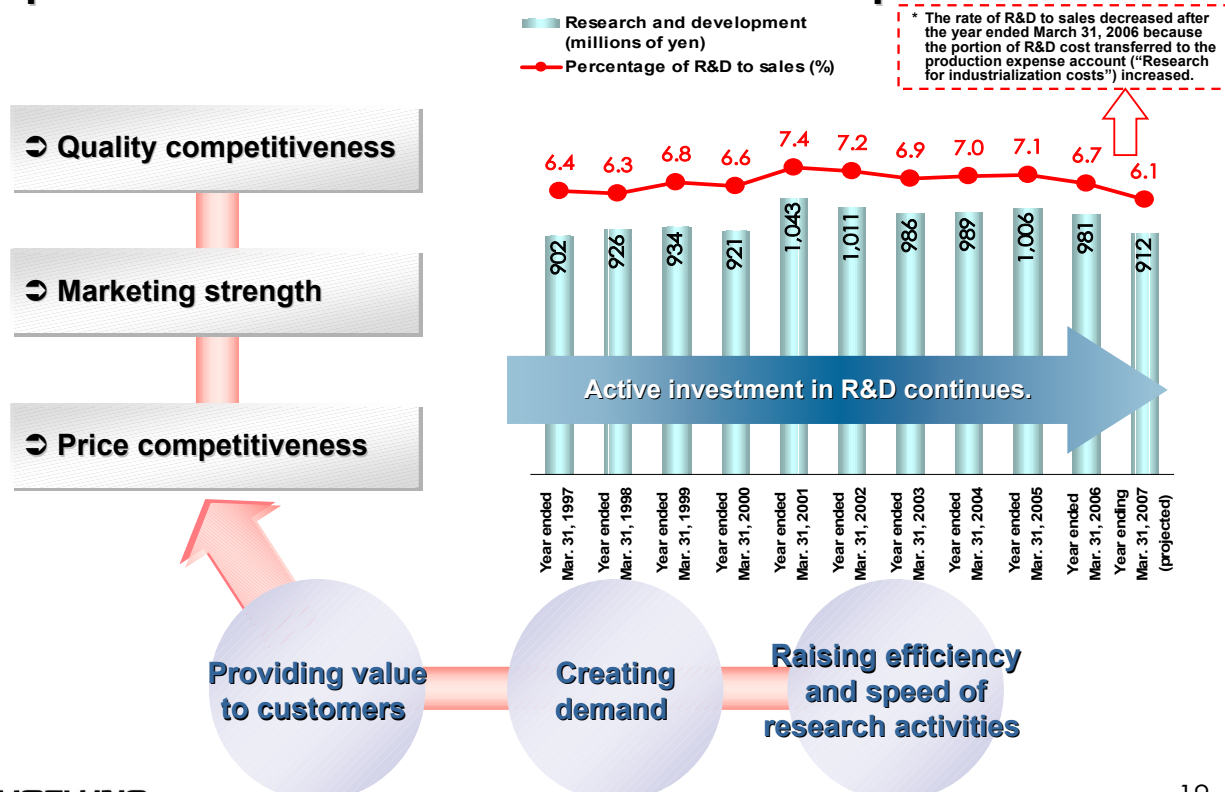
- Overseas sales: 30%
- Cost reduction: 20%
- New product sales: 15%
- Market share increase in the domestic market

Restoring the consolidated operating profit margin to 10%  
→ Aiming to achieve 15% operating profit margin in the long run

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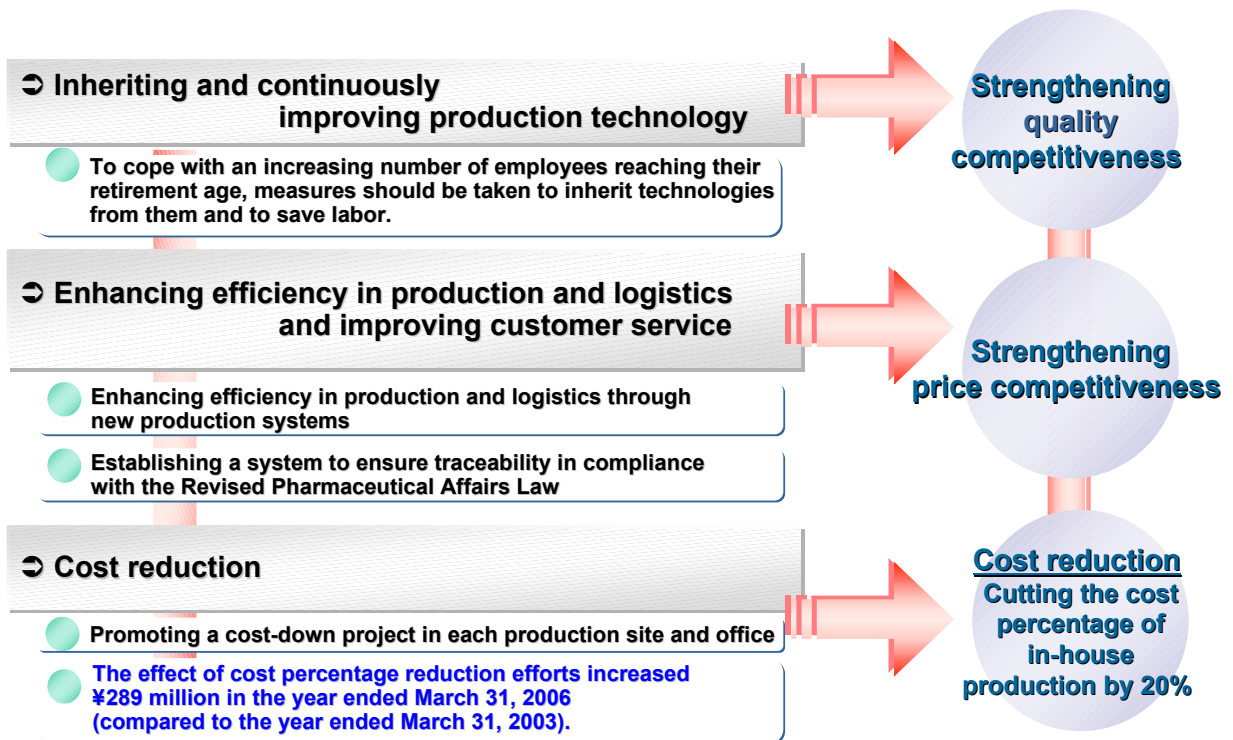
## Specific Measures—Research and Development



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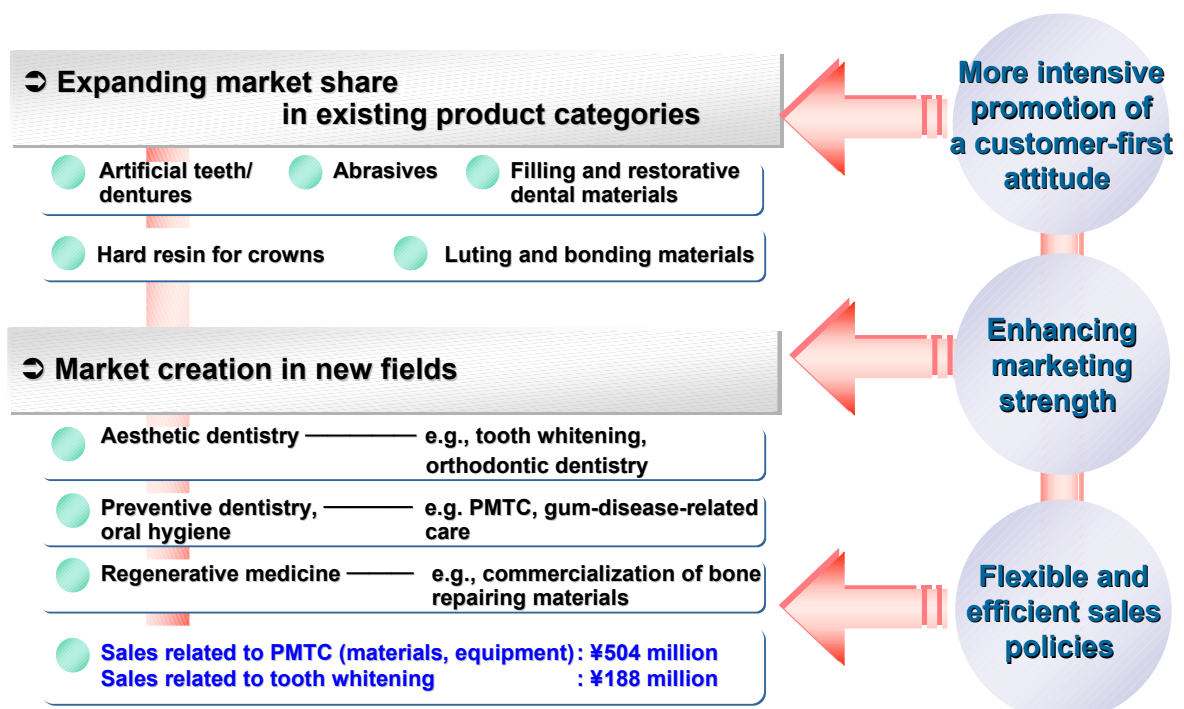
## Specific Measures—Production



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## Specific Measures—Domestic Operations

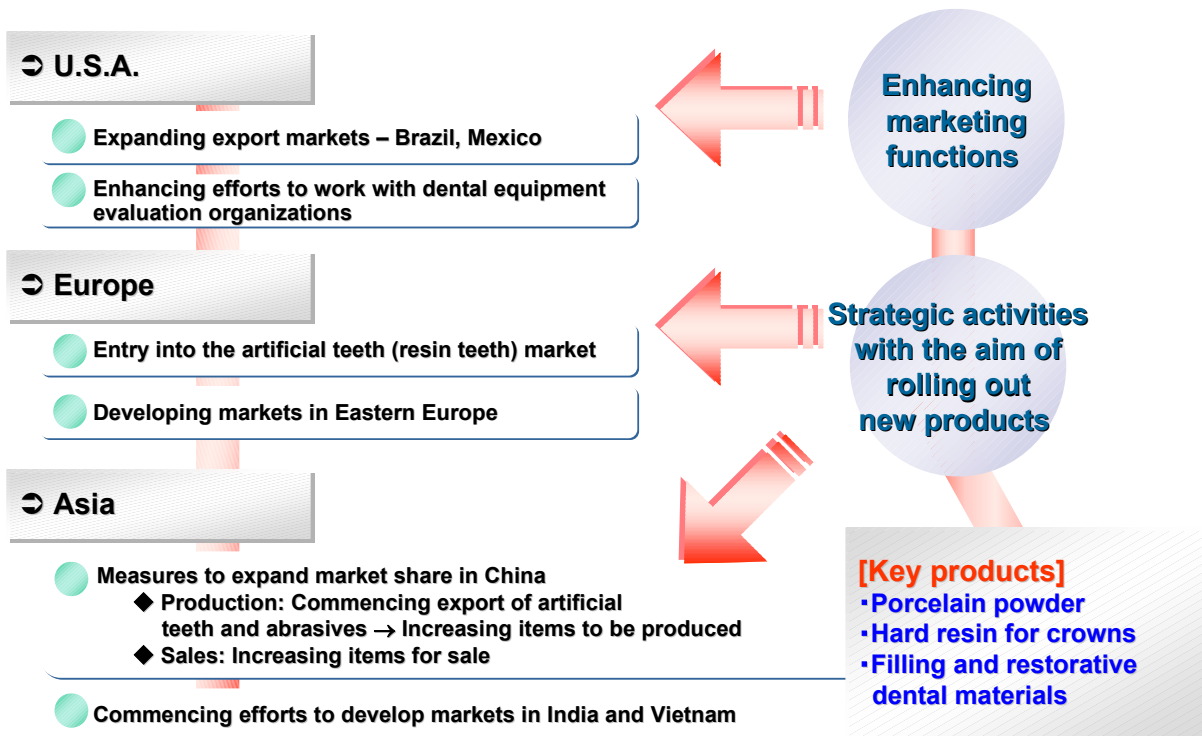


\* PMTC (Professional Mechanical Tooth Cleaning)

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## Specific Measures—Overseas Operations



## ⇒ Outlook of Consolidated Business Performance for the Year Ending March 31, 2007

## Overview of the Next Business Year

### P/L

- ◇ In Japan, due to the largest-ever curtailment in medical service and treatment fees, the business situation for dentists is and will continue to be difficult. There is concern that this trend might have an indirect impact on the demand for dental materials.
- ◇ Introduction of new products is expected to be limited next year because of timing in the production development cycle. However, more effort will be exerted to ensure that recently introduced products will be accepted more widely in the market.  
<Sales of new products: ¥1,454 million/11.2%>
- ◇ Steady growth is anticipated in all overseas markets. Our Chinese sales subsidiary is expected to contribute to increased sales throughout the year.
- ◇ Sales are projected to be ¥15,019 million (up 2.5%).
- ◇ Increased sales and growing earnings from overseas operations will compensate for the increase in personnel costs, advertisement costs, and expenses accompanying the construction of a training center. As a result, operating profit is expected to be ¥1,416 million (up 8.3%).
- ◇ The current profit is expected to increase slightly to ¥1,347 million (up 0.2%), because of the effect of non-operating income, one of the plus factors, recorded as of March 31, 2006.

### B/S

- ◇ A training center for customers (product users) will be completed.

### C/F

- ◇ ¥673 million will be spent for construction of the training center and purchase of other tangible fixed assets.
- ◇ The year-end balance, including the balance resulting from bond dealings, is expected to be about ¥8.9 billion.

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## Overview of Business Performance for the Next Business Year

Unit: Millions of yen, %

	Year ended March 31, 2006	Year ended March 31, 2007 (projected)	Comparison with previous year
	Amount (% of sales)	Amount (% of sales)	Amount (%)
Sales	14,650 (100.0)	15,019 (100.0)	368 (2.5)
(Domestic sales)	11,350 (77.5)	11,345 (75.5)	△ 4 (△0.0)
(Overseas sales)	3,299 (22.5)	3,673 (24.5)	373 (11.3)
Operating profit	1,308 (8.9)	1,416 (9.4)	108 (8.3)
Current profit	1,344 (9.2)	1,347 (9.0)	2 (0.2)
Current net profit	822 (5.6)	818 (5.5)	△ 4 (△0.5)
Current net profit per share	¥49.42	¥51.58	
Return on equity	4.39%	4.14%	

Note: When calculating the current net profit per share for the year ended March 31, 2006, bonuses to directors and auditors were deducted from the current net profit. However, no such consideration has been made in projecting the current net profit for the year ending March 31, 2007.

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## Sales by Product Category

Unit: Millions of yen

Figures in ( ) represent percentages of all product categories and rates of increase or decrease (Unit: %)

	Year ended March 31, 2006	Year ended March 31, 2007 (projected)	Comparison with previous year
Artificial teeth	2,697 ( 18.4)	2,843 ( 18.9)	145 ( 5.4)
Abrasives	3,659 ( 25.0)	3,741 ( 24.9)	82 ( 2.2)
Metal products	462 ( 3.2)	467 ( 3.1)	4 ( 0.9)
Chemical products	2,748 ( 18.8)	2,864 ( 19.1)	115 ( 4.2)
Cements, etc.	1,531 ( 10.4)	1,548 ( 10.4)	16 ( 1.1)
Equipment, etc.	3,549 ( 24.2)	3,553 ( 23.7)	4 ( 0.1)
<b>Total</b>	<b>14,650 ( 100.0)</b>	<b>15,019 ( 100.0)</b>	<b>368 ( 2.5)</b>

## Domestic Sales

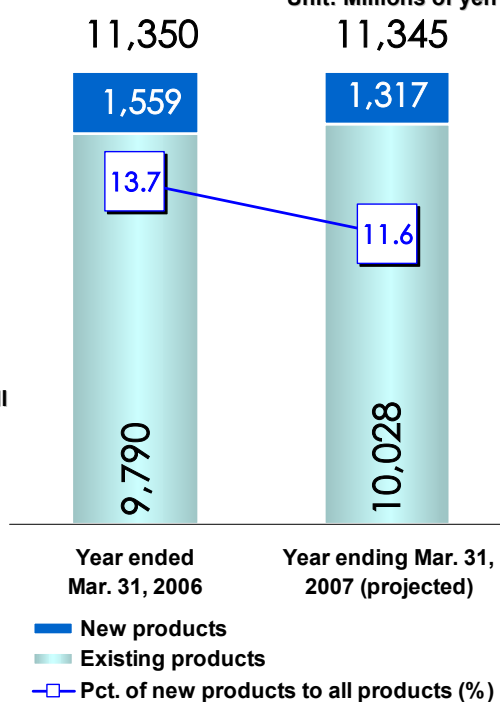
Unit: Millions of yen

### Our perception and basic policies with respect to the domestic market

- Due to the largest-ever curtailment in medical service and treatment fees, the business situation for dentists is and will continue to be difficult. There is concern that this trend might have an indirect impact on the demand for dental materials.
- Introduction of new products is expected to be limited next year because of timing in the production development cycle. However, more efforts will be exerted to ensure that recently introduced products will be accepted more widely in the market.

### Major factors underlying the decrease in new products

- Self-curing acrylic resin "Provinice"  
→¥206 million (3 years after introduction)
- Digital cameras for dental use  
"EyeSpecial I, II"  
→¥149 million (Sales suspended. No succeeding models are in the pipeline.)



(Pct. of domestic sales)

\*New products are those products introduced in the last 3 years.



## Overseas Sales

### Overview

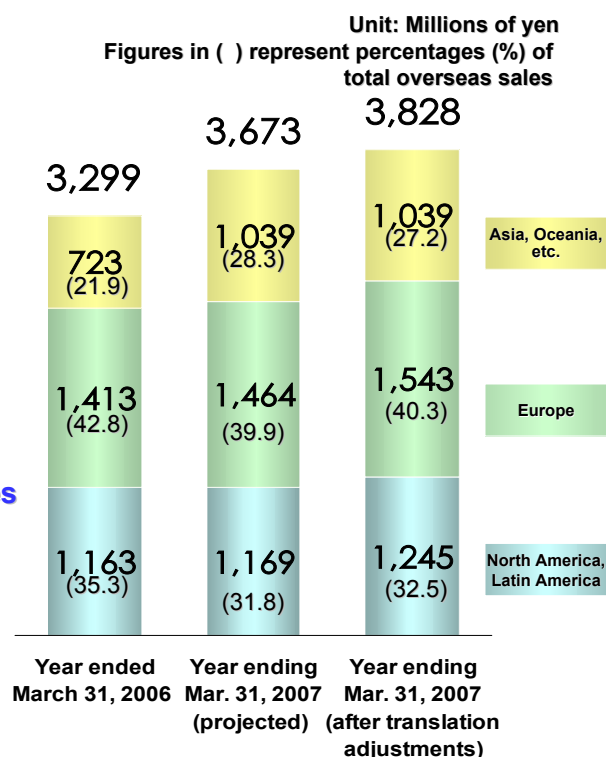
- Good sales are expected in all regions.
- Projected sales of the Chinese sales subsidiary in the first year of operation: ¥384 million

### Exchange rates

- US dollar: ¥110 ← ¥117.47 in previous year (Effect: -¥75 million)
- Euro: ¥135 ← ¥142.81 in previous year (Effect: -¥79 million)

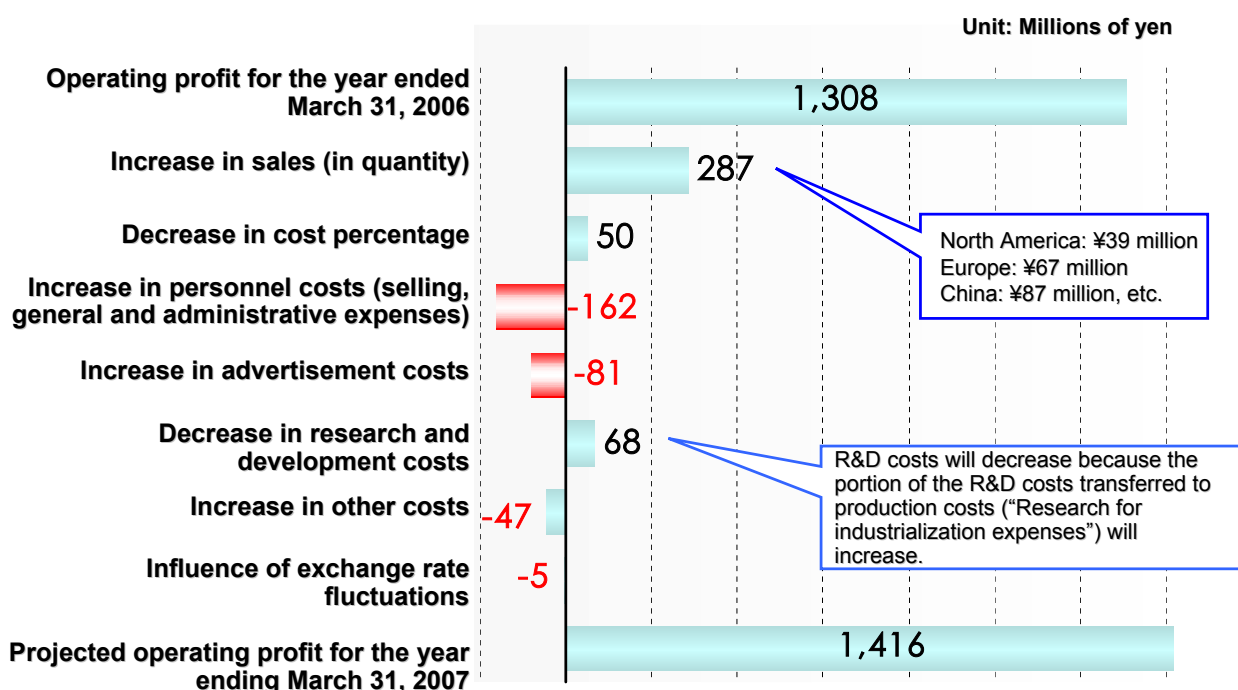
### Percentage of overseas sales to total sales

- 24.5% (22.5% in previous year) (25.2% after translation adjustments)



\* The projected figures after translation adjustments are the amounts calculated on the assumption that the exchange rates remain the same as on March 31, 2006.

## Factors Underlying the Change in Operating Profit



## Financial Status—Major Accounts in the B/S

Unit: Millions of yen

	Year ended March 31, 2006	Year ending March 31, 2007 (projected)	Compari- son	Factors underlying changes / Special notes
Cash	6,558	6,483	△ 74	
Notes and accounts receivable	2,518	2,753	235	
Inventories	2,910	3,032	122	
Marketable securities, investment securities	7,464	7,464	0	
Other assets	5,533	5,663	129	
<b>Assets</b>	<b>24,985</b>	<b>25,397</b>	<b>411</b>	
Long-term and short-term loans	1,035	1,025	△ 10	
Retirement allowance for employees, retirement allowance for directors and auditors	501	537	35	
Other liabilities	3,873	3,835	△ 37	
<b>Liabilities</b>	<b>5,409</b>	<b>5,397</b>	<b>△ 11</b>	
<b>Shareholders' equity</b>	<b>19,576</b>	<b>19,999</b>	<b>422</b>	
<b>Total liabilities and shareholders' equity</b>	<b>24,985</b>	<b>25,397</b>	<b>411</b>	
Shareholders' equity to total assets	78.4%	78.7%		
Shareholders' equity per share	1,231円	1,260円		

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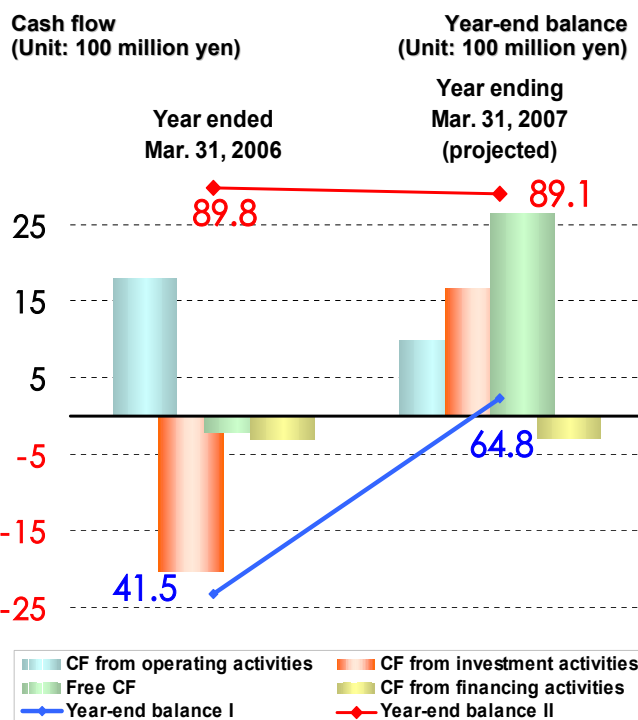
## Cash Flow

### ❖ Cash flow in the current year

- Cash flow from operating activities  
Premium payments of retirement  
pensions: ¥496 million
- Cash flow from investment activities  
Construction of a training center:  
¥427 million  
Other capital investments: ¥251 million  
Refunds from time-deposit accounts:  
¥2,393 million (revenue)
- Cash flow from financing activities  
Repayment of loans: ¥10 million  
Cash dividends: ¥285 million

### ❖ Balance of deposits and bonds over 3 months or longer included (shown as "Year-end balance II" in the graph)

- Year ended March 31, 2006: ¥8.98 billion
- Year ending March 31, 2007: ¥8.91 billion



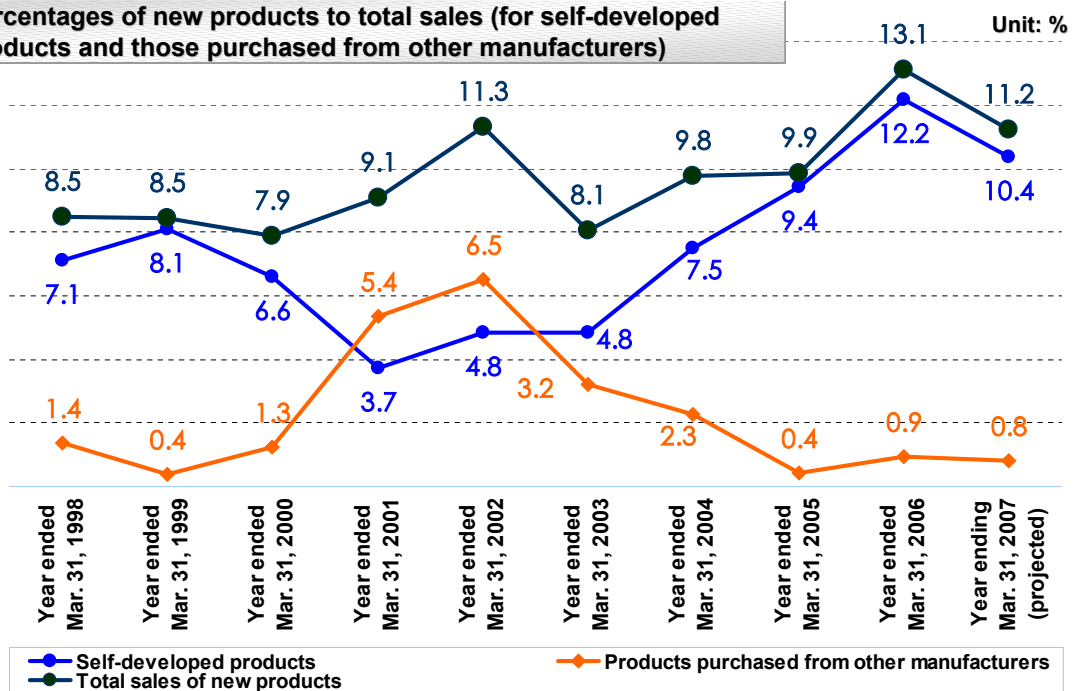
\*\*\*"Year-end balance I" is the balance in "cash and cash equivalents" shown in the consolidated cash flow statement.

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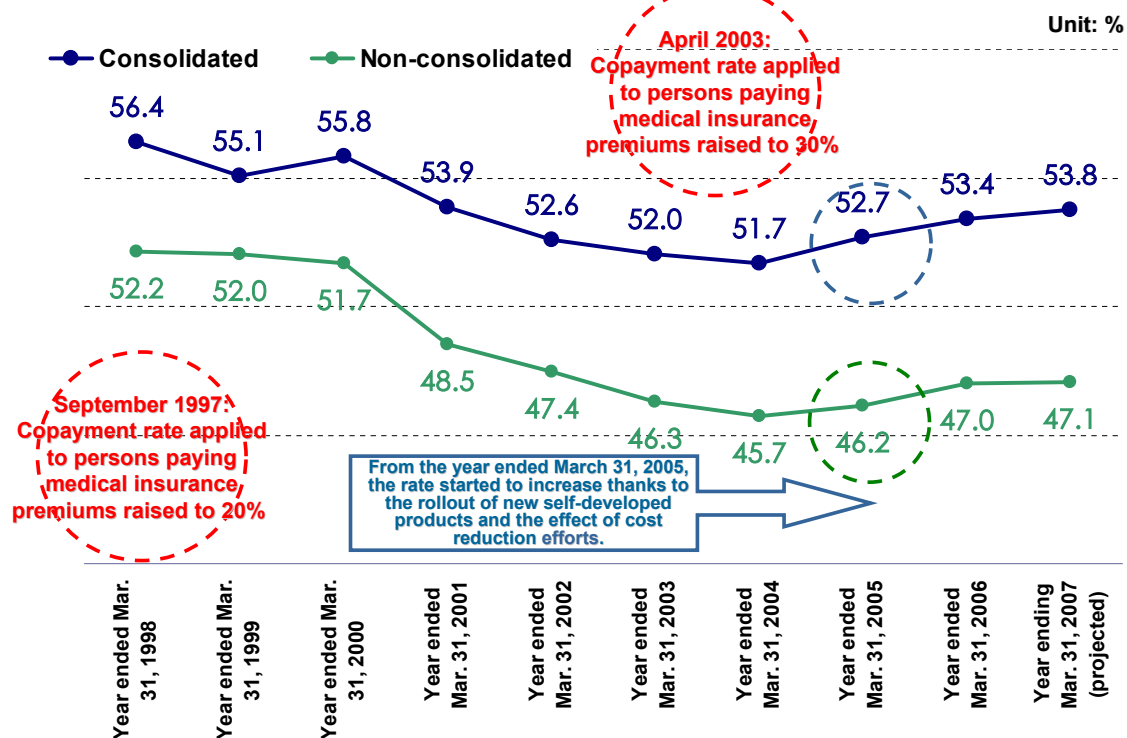
## Trend of Sales of New Products

Percentages of new products to total sales (for self-developed products and those purchased from other manufacturers)

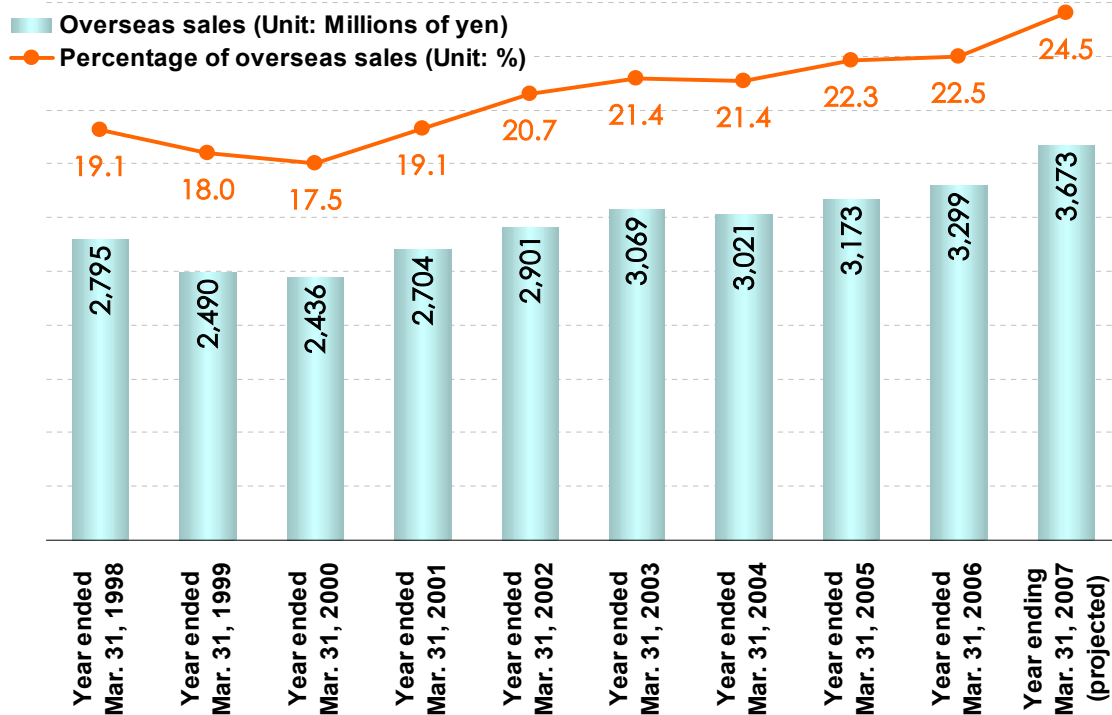


Major products purchased from other manufacturers: J&J products, laser equipment, EMS products

## Trend of Gross Profit Margin Rate



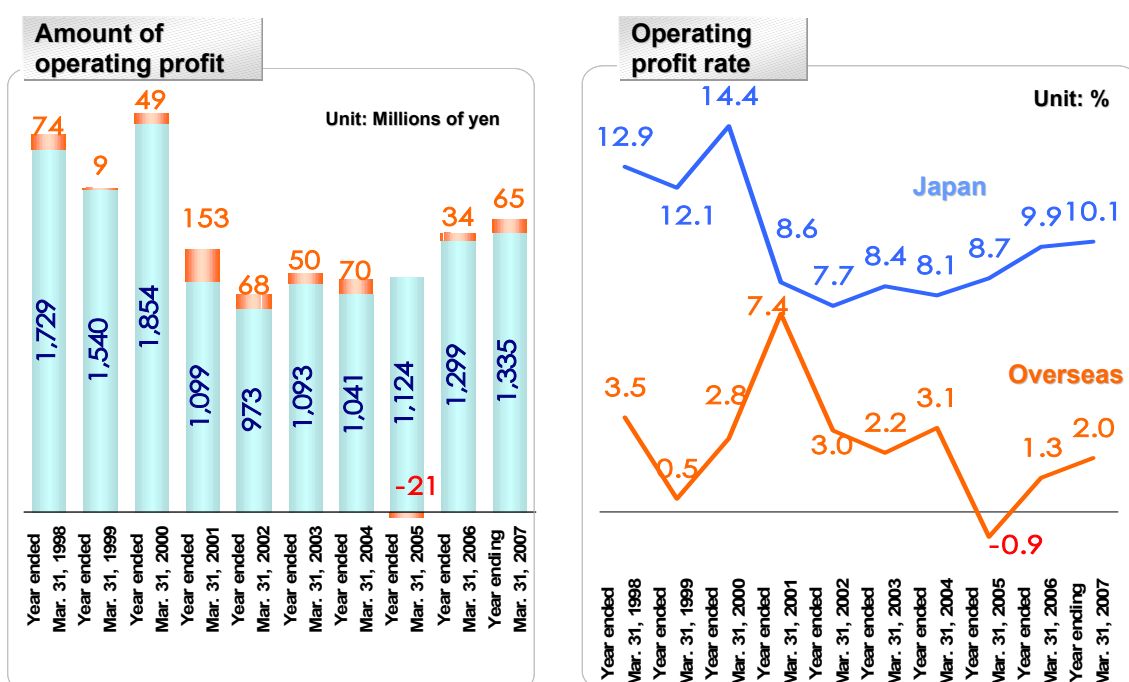
## Overseas Sales / Percentage of Overseas Sales to Total Sales



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## Segment Operating Profit by Location (Japan / Overseas)



Note: Amounts and percentages shown in the graph are those before consolidation adjustments.

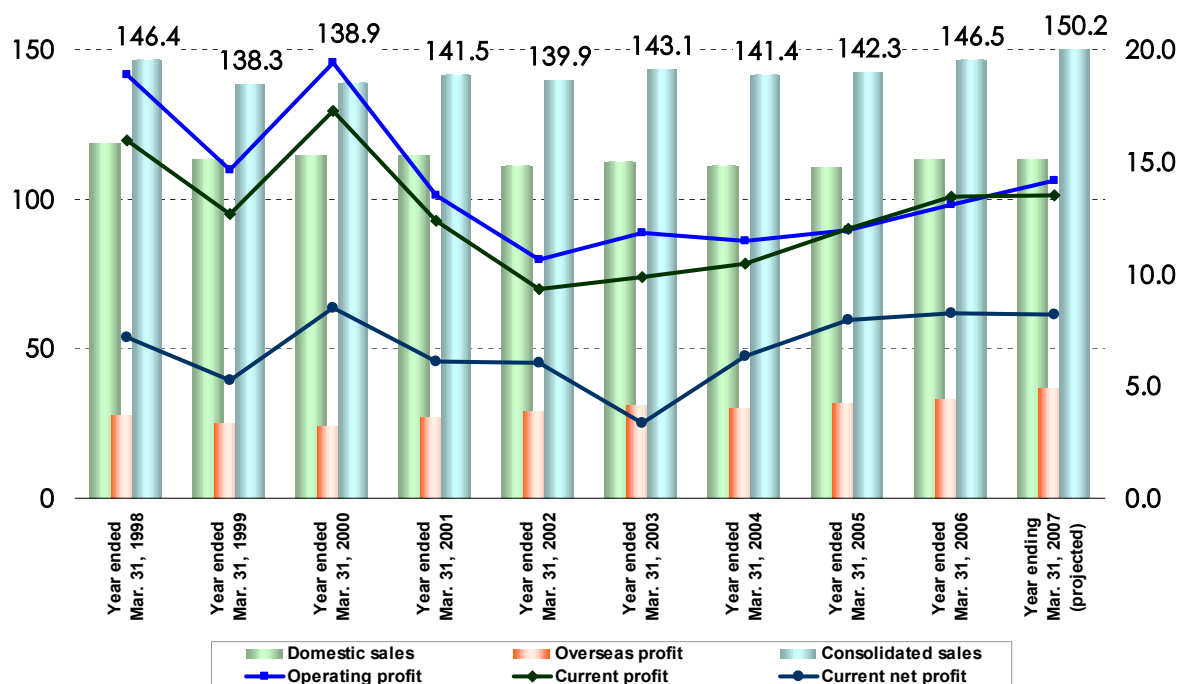
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## Trend of Business Performance

Unit of sales: ¥100 million

Unit of profit: ¥100 million



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## Mid-term Plan—Major Numerical Targets

★—All-time high

Unit of amount: ¥100 million

	Performance in the year ended March 31, 2006	Year ending March 31, 2007	Year ending March 31, 2008	Year ending March 31, 2009
<b>Sales</b>	★ 14,650	★ 15,019	★ 15,392	★ 15,871
(compared to previous year)	(2.9%)	(2.5%)	(2.5%)	(3.1%)
<b>Domestic sales</b>	11,350	11,345	11,481	11,707
(compared to previous year)	(2.6%)	(-0.0%)	(1.2%)	(2.0%)
<b>Overseas sales</b>	★ 3,299	★ 3,673	★ 3,911	★ 4,164
(compared to previous year)	(4.0%)	(11.3%)	(6.5%)	(6.5%)
<b>Operating profit</b>	1,308	1,416	1,914	★ 2,216
(percentage to sales)	(8.9%)	(9.4%)	(12.4%)	(14.0%)
<b>Current profit</b>	1,344	1,347	★ 1,846	★ 2,147
(percentage to sales)	(9.2%)	(9.0%)	(12.0%)	(13.5%)
<b>Current net profit</b>	822	818	★ 1,065	★ 1,246
(percentage to sales)	(5.6%)	(5.5%)	(6.9%)	(7.9%)
<b>Current net profit per share</b>	¥ 49.42	¥ 51.58	¥ 67.12	¥ 78.49
<b>Return on equity</b>	4.4%	4.1%	5.2%	★ 5.9%
<b>Percentage of overseas sales to total sales</b>	★ 22.5%	★ 24.5%	★ 25.4%	★ 26.2%

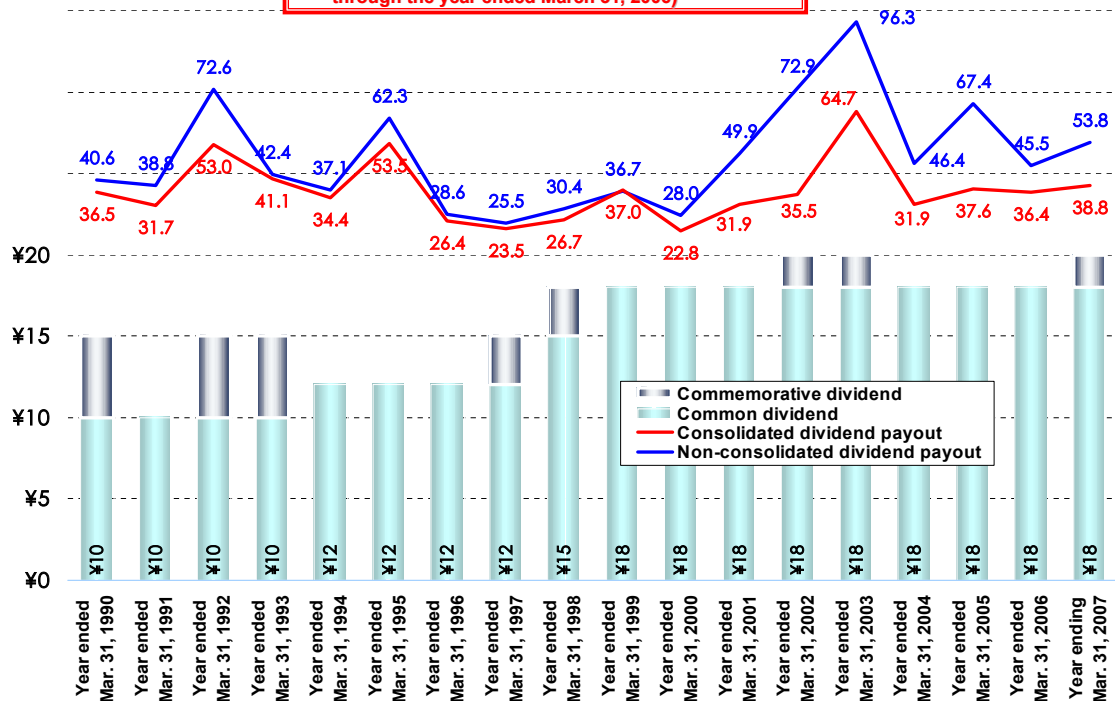
Amortization of the difference (approx. ¥1.8 billion) generated as a result of the introduction of an accounting standard for retirement benefits will be completed in the year ending March 31, 2007. To amortize this difference, ¥256 million is being spent yearly as operating expenses from the year ended March 31, 2001 through the year ending March 31, 2007.

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## Dividend Policy

- Target dividend payout: 30%
- Avg. dividend payout since listing: 42.9%  
(Weighted avg. from the year ended March 31, 1990, through the year ended March 31, 2006)



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## Measures toward Greater Share Liquidity —Lowering the Minimum Trading Unit of Shares

### Reason for change

- Considering the recent stock market situation, this measure has been implemented to raise the liquidity of our shares.

### Contents of change

- The minimum trading unit of shares was lowered from 1,000 to 100.

### Date of effect

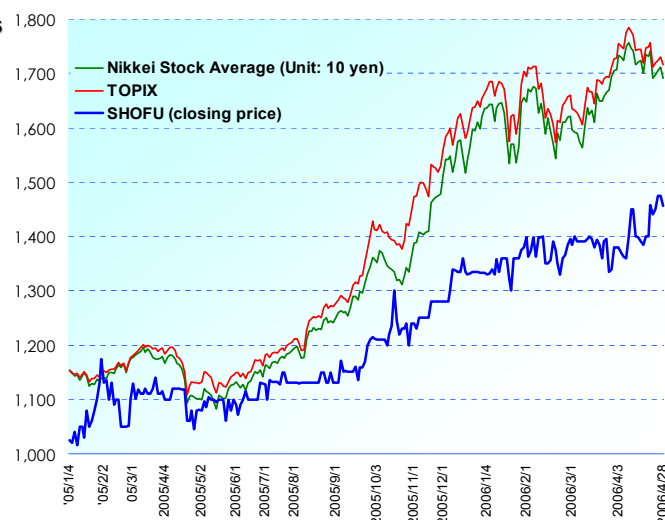
- Wed., February 1, 2006

### Measures for greater liquidity implemented in the past

- Share split 1 share:1.5 shares  
(Reference date: March 31, 2004)

### Reference

- Recent trend in share prices →  
(January 2005 - April 2006)



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Projections in this document are based on information and data available at this moment as well as on assumptions concerning uncertain factors that might affect our future business performance. Depending on various factors, our actual business performance could turn out to be greatly different from the projections contained in this document.

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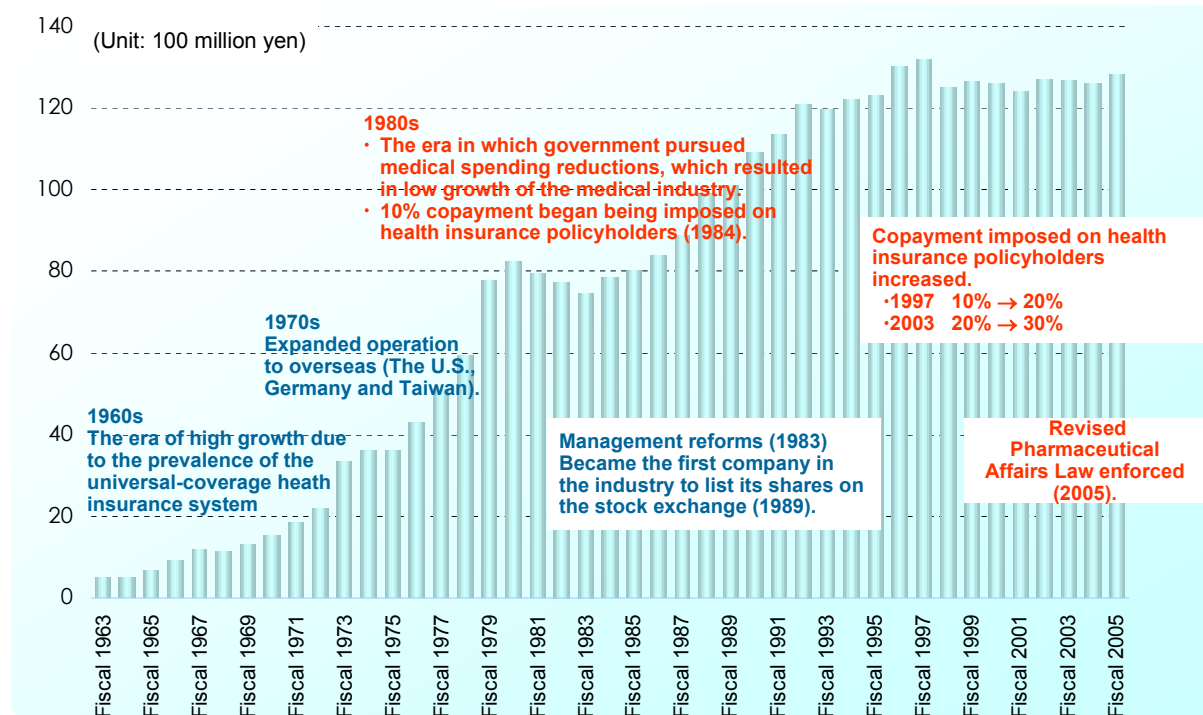
The pages below are provided only for your reference.  
This information will not be covered in the presentation.



## Corporate History

- 1922 Shofu Dental Manufacturing. Co., Ltd. founded for the manufacture and sale of Japan's first artificial teeth.
- 1963 Shofu shares were registered as over-the-counter stocks.
- 1971 - 1978 Established sales subsidiaries in the U.S. and Germany. Started production overseas (Taiwan). Established Shiga Shofu Inc. as a manufacturing facility for resin teeth.
- 1983 Changed the company name to Shofu Inc. Commenced management reforms.
- 1989 Shofu shares listed on the stock exchange.
- 1990 - 1997 Purchased a British research & development and manufacturing company. Founded a sales subsidiary in the U.K. Obtained the UK GMP (Good Manufacturing Practice) certificate. Acquired a CE marking certificate.
- 1996 Founded Promech Inc. Established the Shofu Inc. Shanghai Representative Office in Shanghai, China.
- 2002 - 2003 Celebrated the company's 80th anniversary (May 2005). Established the Shofu Inc. Beijing Representative Office in Beijing, China. Obtained ISO 14001 (environmental management systems) certification (both for the Shofu headquarters and the entire Shofu group).
- 2004 Established Shanghai Shofu Dental Materials Co., Ltd., a production facility in China (Shanghai).
- 2005 Wholly obtained Shoken Inc. through exchange of shares (February). Dissolved and liquidated Taiwan Shofu, a production site in Taiwan (March). Commenced construction of a training center aimed at enhancing customer services (July). Established Shofu Dental Supplies (Shanghai) Co., Ltd., a sales subsidiary in China (August).

## Corporate History—Sales Trend

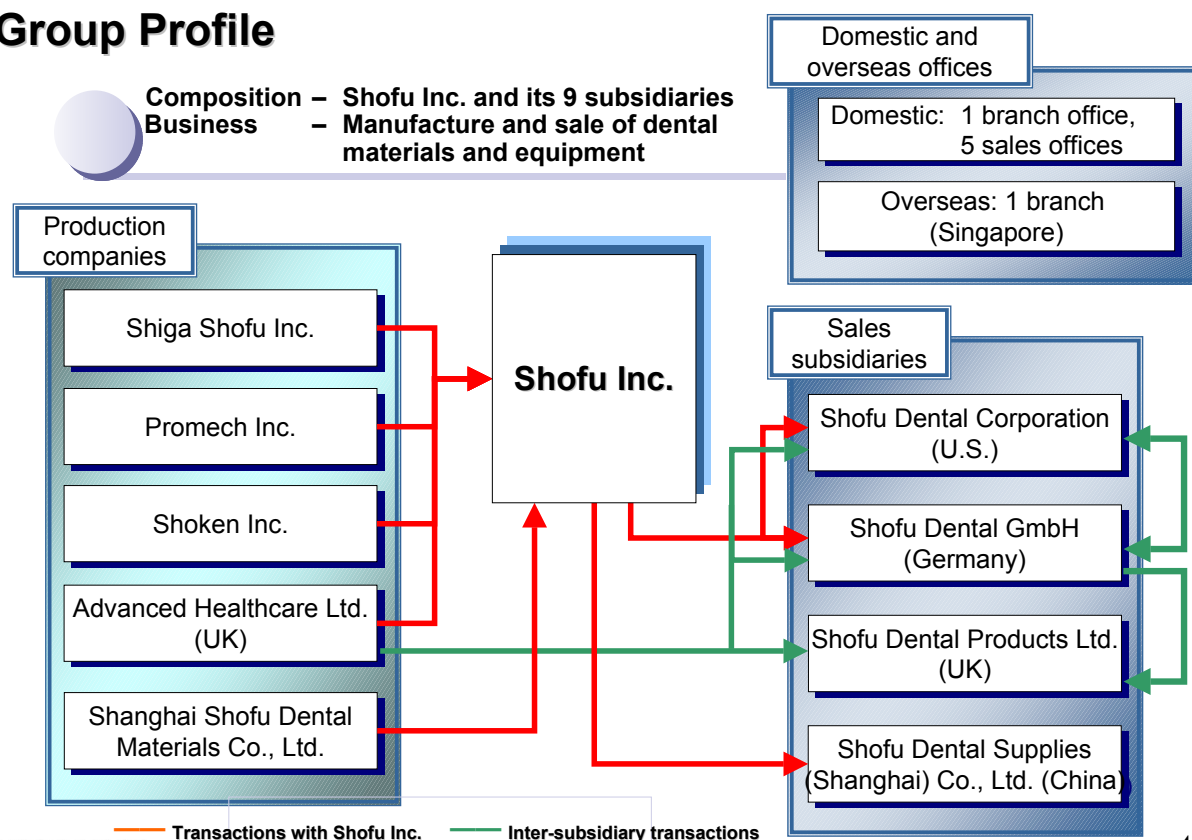


Note: Figures shown in the graph are non-consolidated sales.

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## Group Profile



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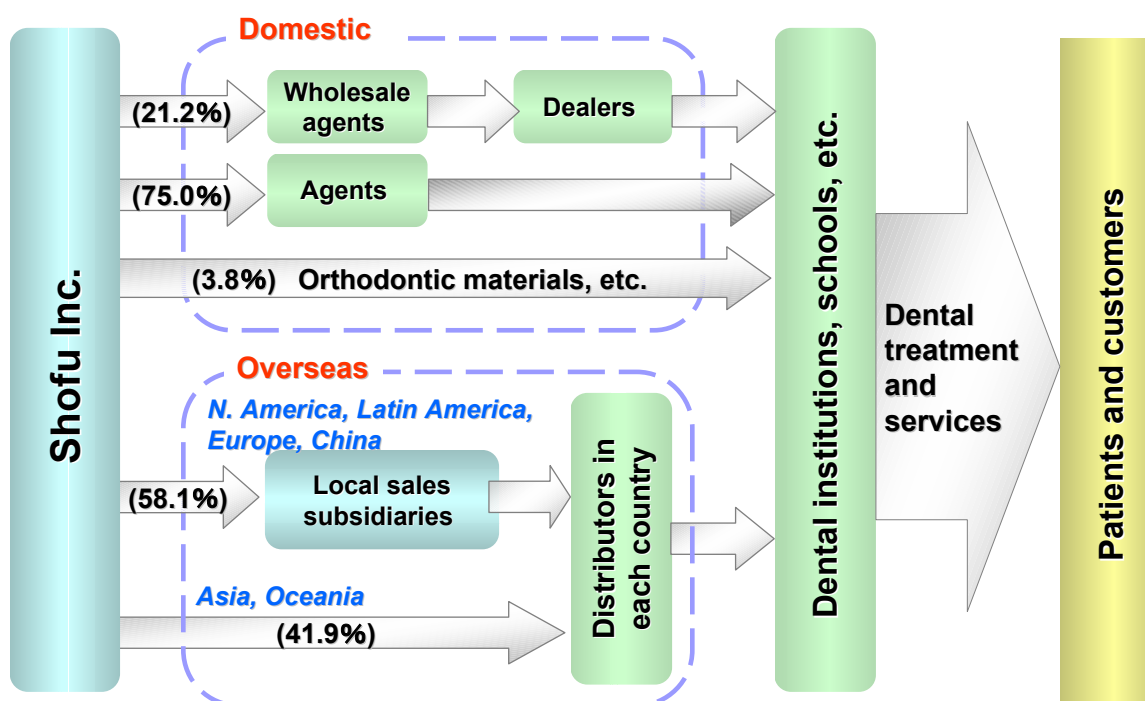
45

## Businesses—Relations between Major Dental Treatments and Shofu's Businesses

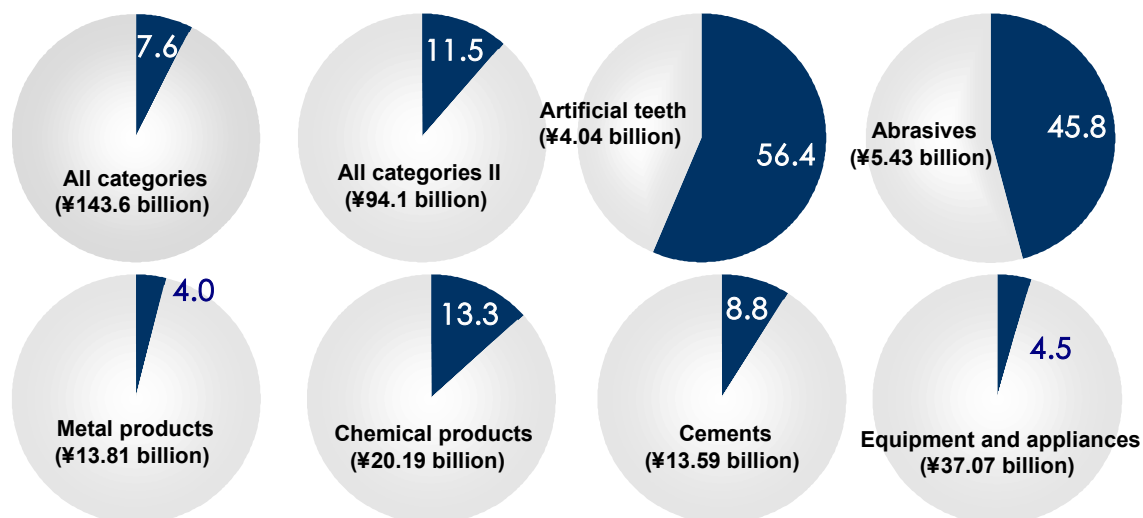
Product category Type of dental treatment	Artificial teeth	Abrasives	Metal products	Chemical products (resins, impression materials, waxes)	Cements (dental cements, dental stones and investments)	Equipment and appliances
Dentures	• Hard resin teeth • Resin teeth • Porcelain teeth	• Abrasives • Polishers	• Metal materials	• Impression materials, waxes • Denture base materials • Immediate self-curing resin • Self-curing acrylic resin, denture liner	• Dental stones and investments	• Foundry machine, polymerization apparatus, articulator • Dental engine • Denture cleanser
Crown prostheses	• Porcelain powder	• Abrasives • Polishers	• Metal materials	• Hard resin for crowns • Impression materials, waxes	• Luting cement • Luting resin cement • Luting glass ionomer cement	• Foundry machine, furnace • Polymerization apparatus, articulator • Color meter • Dental air turbine
Fillings and restoration	—	• Abrasives • Polishers	—	• Impression materials, waxes • Light-cured composite resin • Bonding materials	• Filling glass ionomer cement • Denture lining cement • Temporary cement	• Photopolymerization apparatus
Oral hygiene	—	• Polishers	—	—	—	• Liquid-type tooth cleaning agent, plaque disclosing agent • Mouthwash, interdental brush, floss • Tooth surface cleaner • Ultrasonic scaler
Others	—	—	—	• Dental laser equipment • Dental digital camera • ... Treatment instruments and machines • Tooth surface cleaning aid "HiLite" • ... Tooth whitening products	—	• Root canal treatment apparatus • Materials for prevention and hygiene • Dental treatment instruments and machines • Laboratory instruments and machines • Products related to infection prevention • Tooth whitening products • Orthodontic equipment

## Sales Channels

Figures in ( ) represent the percentage of total sales for each sales channel (Non-consolidated figures as of March 31, 2006). For China, figures are available only for January - March 2006.



## Market Share by Product Category



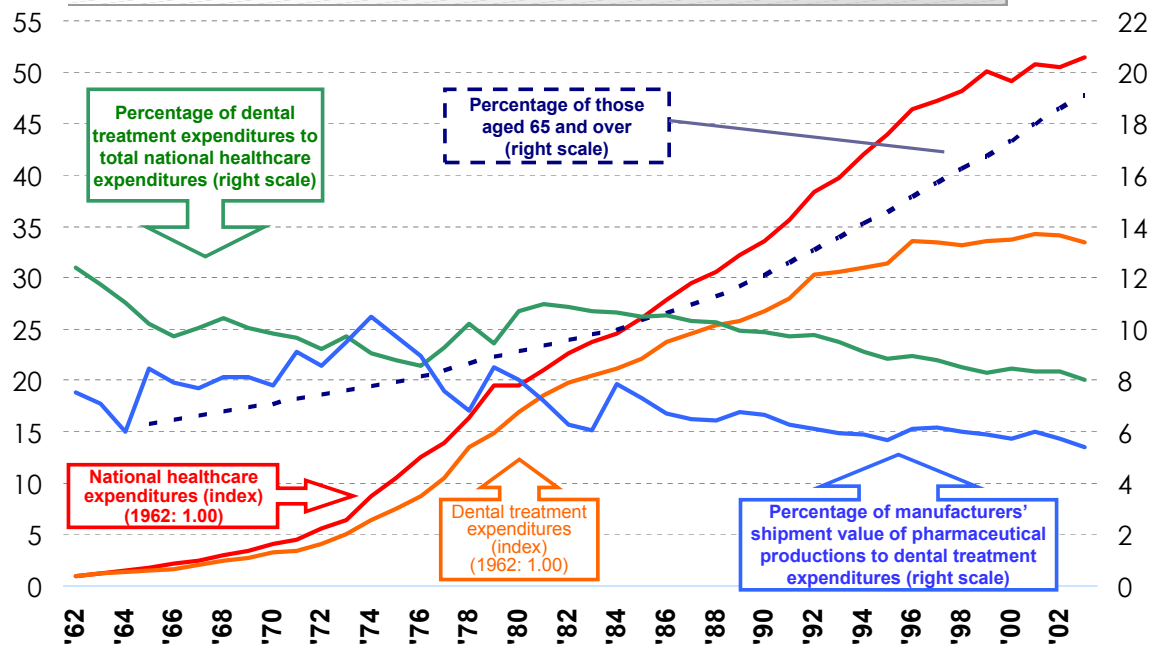
“All categories” represents a market share including “gold-silver-palladium alloy” and “machines and equipment for dental clinics.” “All categories II” and other market shares are figures excluding “gold-silver-palladium alloy” and “machines and equipment for dental clinics.”

Source:  
Based on a Survey of Pharmaceutical Industry Productions (shown by manufacturers' shipment value) conducted by the Ministry of Health, Labor and Welfare (Domestic data, 2004).  
Unit: % Figures in ( ) represent market sizes.

⇒ Reference <Dentistry Data>

## Long-term Trend of Dentistry-related Statistics

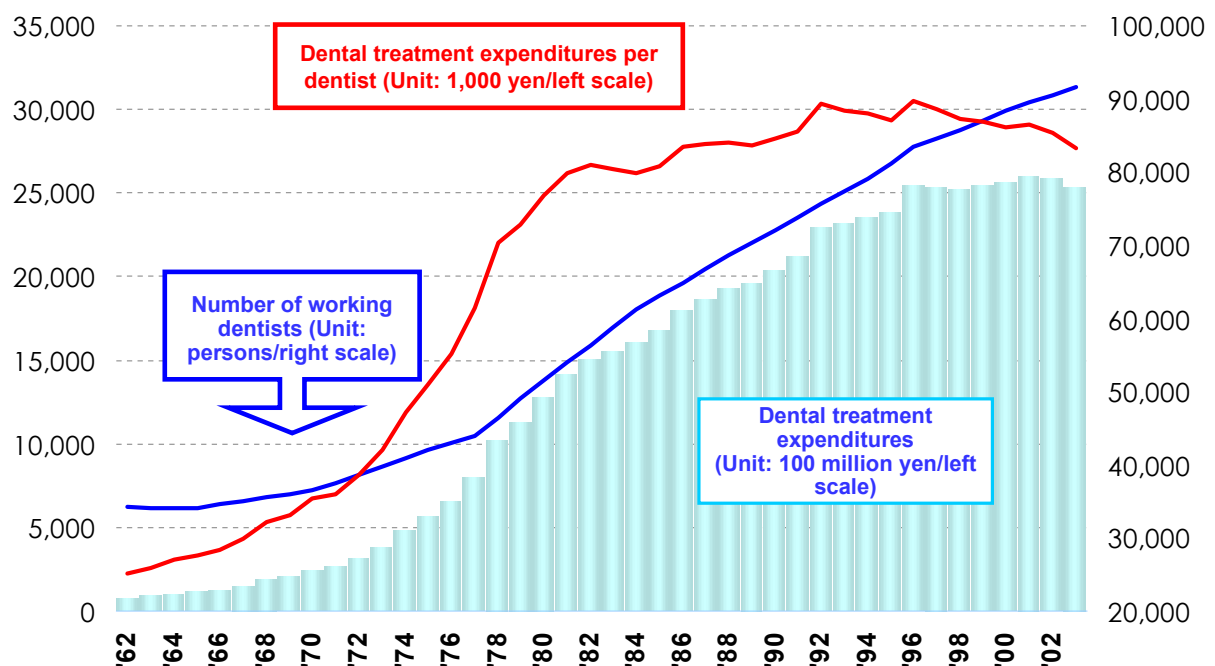
Trends of national healthcare expenditures, the percentage of the population aged 65 and over, the percentage of dental treatment expenditures to total national healthcare expenditures, and the percentage of manufacturers' shipment value of pharmaceutical productions to dental treatment expenditures (1962 - 2003)



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## Trend of the Number of Dentists and Dental Treatment Expenditures



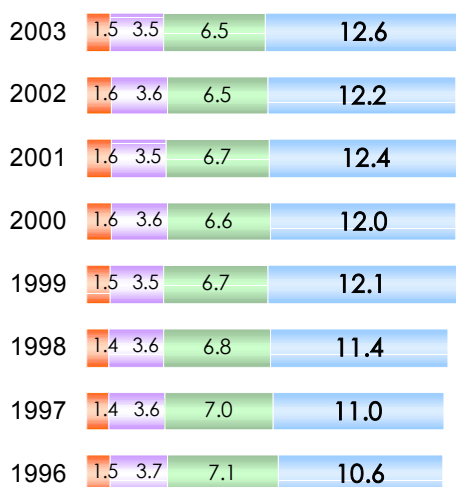
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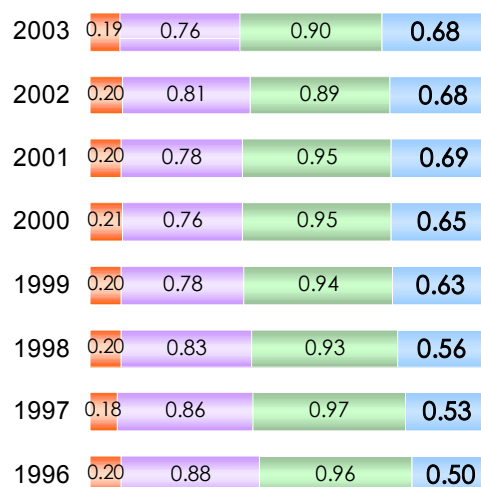
## Healthcare Cost by Age Group (in value)

### General treatment



### Dental treatment

Unit: Trillions of yen

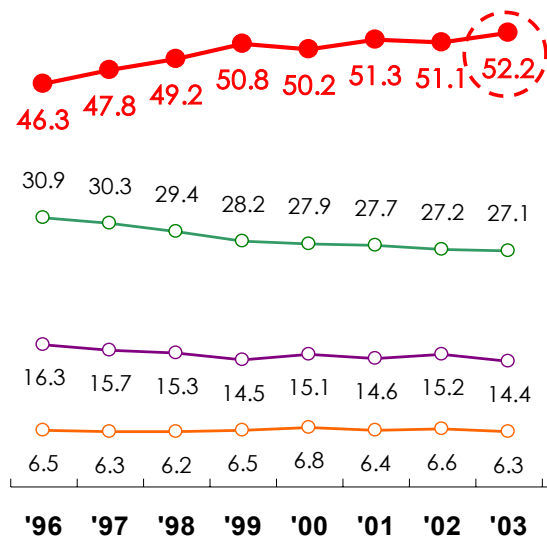


Explanatory note: From the left, 0 - 14 year olds/15 - 44 year olds/45 - 64 year olds/65 year olds and over

## Healthcare Costs by Age Group (% of total)

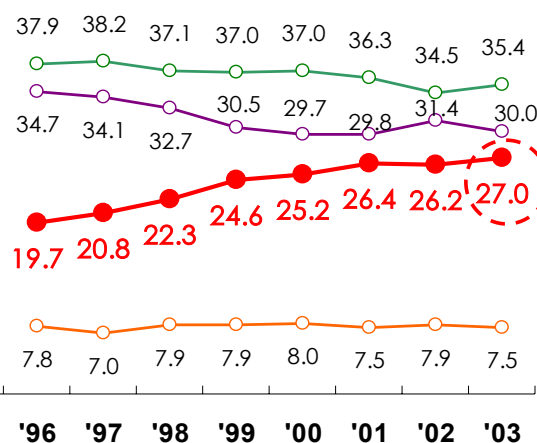
Those aged 65 years old and over tend to place less importance on dental treatment than general medical treatment.

### General treatment



### Dental treatment

Unit: %



— 0 - 14 year olds — 15 - 44 year olds — 45 - 64 year olds — 65 year olds and over



## Trend of Shipment Value of Pharmaceutical Industry Productions

