



**Fiscal Year Ending March 2010 (138th Business Year)**

# **2nd Quarter Financial Analyst Meeting**

**November 18, 2009**





## Contents of Today's Presentation

- ➔ **Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2010**
- ➔ **Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2010**
- ➔ **Future Business Environment and Medium- and Long-term Business Strategies**

Director/President Noriyuki Negoro



## Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2010

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2010

Future Business Environment and Medium- and Long-term Business Strategies

# Summary of 2nd Quarter Business Performance (1)

Summary of 2nd Quarter Business Performance  
for Fiscal Year Ending March 31, 2010



■ Positive factors ■ Negative factors

P/L

- <Dental business> Domestic sales **fell 2.9%** as lower revenue from the company's flagship artificial teeth segment and abrasives business offset increases in chemical product sales stemming from the effects of new product launches. Sales of new products: 604 million yen, or 9.4% of non-consolidated sales
- <Nail care business> Domestic sales reached 844 million yen, **a decrease of 0.6% compared to the previous period.**
- Combined **domestic sales** in the dental, nail care, and other businesses **decreased by 2.8%.**
- ■ Despite a robust expansion in the company's business in China, lower sales in North America, South and Central America, and Asia (South Korea and Taiwan) combined with the negative effect of foreign exchange fluctuations (-200 million yen) to **drag down overseas sales by 21.5%** (dental business overseas sales ratio: 24.8%).
- **Total sales decreased by 7.7% to 7,969 million yen.**
- Despite a reduction in the sales cost ratio, **operating profits fell to 522 million yen (down 37.6%)** due to factors including lower sales; increases in personnel, depreciation, and other costs; and foreign exchange fluctuations (the portion that effects operating profits). A deterioration in net interest expenses and other factors pushed **ordinary profits down to 504 million yen (down 41.2%).**
- A reduction in transfers from reserves for possible loan losses (56 million yen), losses on the valuation of securities (46 million yen), and refunds of customs duties during the previous period (58 million yen) combined to push down **current term net profit 53.6% to 287 million yen.**

# Summary of 2nd Quarter Business Performance (2)

Summary of 2nd Quarter Business Performance  
for Fiscal Year Ending March 31, 2010



■ Positive factors ■ Negative factors

B/S

C/F

■ ■ Despite losses on the valuation of securities totaling **46 million yen**, the value of company-owned securities rose **429 million yen**, reflecting increases in market value of the underlying issues. The valuation difference of securities as included in net worth increased **317 million yen**.

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As part of a business and capital partnership with Mitsui Chemicals, Inc., and Sun Medical Co., Ltd., 1.8 million shares of treasury stock owned by the company were transferred to Mitsui Chemicals, Inc., as a third-party allotment. The price per share was 730 yen (reflecting the closing price as of May 19, 2009) for a total value of 1,314 million yen.

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Capital expenditures: 432 million yen  
(Key expenditures)

- Osaka Sales Office buildings 168 million yen
- Artificial teeth moulding machines and other equipment  
84 million yen (total investment of 266 million yen)

(Production subsidiary)

# Summary of 2nd Quarter Business Performance

Summary of 2nd Quarter Business Performance  
for Fiscal Year Ending March 31, 2010



Sales and profits decreased compared to the previous period/  
Sales decreased but profits increased compared with the forecast.

Units: millions of yen, %

	Fiscal March 2009 (2Q Results) (% of sales)	Fiscal March 2010 (2Q Forecast) (% of sales)	Fiscal March 2010 (2Q Results) (% of sales)	Change from Previous Period (% change)	Change from Forecast (% change)
Sales	8,636 (100.0)	8,308 (100.0)	7,969 (100.0)	-666 (-7.7)	-338 (-4.1)
(Domestic sales)	6,378 (73.9)	6,496 (78.2)	6,197 (77.8)	-180 (-2.8)	-298 (-4.6)
(Overseas sales)	2,257 (26.1)	1,812 (21.8)	1,771 (22.2)	-486 (-21.5)	-40 (-2.2)
Operating profit	837 (9.7)	497 (6.0)	522 (6.6)	-314 (-37.6)	24 (4.9)
Ordinary profit	857 (9.9)	480 (5.8)	504 (6.3)	-353 (-41.2)	23 (5.0)
Net profit	619 (7.2)	288 (3.5)	287 (3.6)	-332 (-53.6)	-1 (-0.4)
Net profit per share	43.41 yen	17.95 yen	18.78 yen		
Return on equity	3.63%	—	1.64%		

# Sales by Product Category (Comparison with Previous Period)

Summary of 2nd Quarter Business Performance  
for Fiscal Year Ending March 31, 2010



Unit: millions of yen

Figures in parentheses represent percentage changes; unit: %

	Fiscal March 2009 (2Q Results)	Fiscal March 2010 (2Q Results)	Change from Previous Period		
				Domestic	Overseas
Artificial teeth	1,507	1,302	-205 (-13.6)	-39	-165
Abrasives	1,933	1,667	-266 (-13.8)	-44	-222
Metal products	236	195	-41 (-17.4)	-33	-7
Chemical products	1,525	1,507	-18 (-1.2)	15	-33
Cements and others	773	766	-6 (-0.9)	-17	10
Equipment and others	1,711	1,642	-69 (-4.0)	-37	-31
Dental business total	7,687	7,080	-606 (-7.9)	-157	-449
Nail care business	903	862	-41 (-4.6)	-4	-36
Other	45	27	-18 (-40.1)	-18	0
Total	8,636	7,969	-666 (-7.7)	-180	-486

\* Overseas sales decreased by 200 million yen due to the effect of foreign currency fluctuations (US dollar, euro, pound sterling, renminbi).

# Sales by Product Category (Comparison with Forecast)

Summary of 2nd Quarter Business Performance  
for Fiscal Year Ending March 31, 2010



Unit: millions of yen

Figures in parentheses represent percentage changes; unit: %

	Fiscal March 2009 (2Q Forecast)	Fiscal March 2009 (2Q Results)	Change from Forecast		
				Domestic	Overseas
Artificial teeth	1,326	1,302	-24 (-1.8)	-32	8
Abrasives	1,697	1,667	-30 (-1.8)	-48	17
Metal products	189	195	5 (3.1)	9	-3
Chemical products	1,631	1,507	-124 (-7.6)	-86	-38
Cements and others	780	766	-13 (-1.7)	-12	0
Equipment and others	1,648	1,642	-6 (-0.4)	-1	-4
Dental business total	7,273	7,080	-193 (-2.7)	-172	-20
Nail care business	990	862	-127 (-12.9)	-108	-19
Other	44	27	-17 (-38.8)	-17	0
Total	8,308	7,969	-338 (-4.1)	-298	-40

\* Overseas sales increased by 105 million yen due to the effect of foreign currency fluctuations (US dollar, euro, pound sterling, renminbi).

# Domestic Sales

Summary of 2nd Quarter Business Performance for Fiscal Year Ending March 31, 2010



■ Positive factors ■ Negative factors

## ✧ Dental business

■ Sales of chemical products were robust thanks to the effects of new product launches starting during the third quarter of the fiscal year ended March 31, 2009.

■ At the same time, revenue in the flagship artificial teeth segment fell 4.7% compared to the previous period, while sales in the abrasives segment fell 4.3%.

■ Domestic sales overall for the quarter saw a year-on-year decrease of 157 million yen (2.9%) to 5,326 million yen.

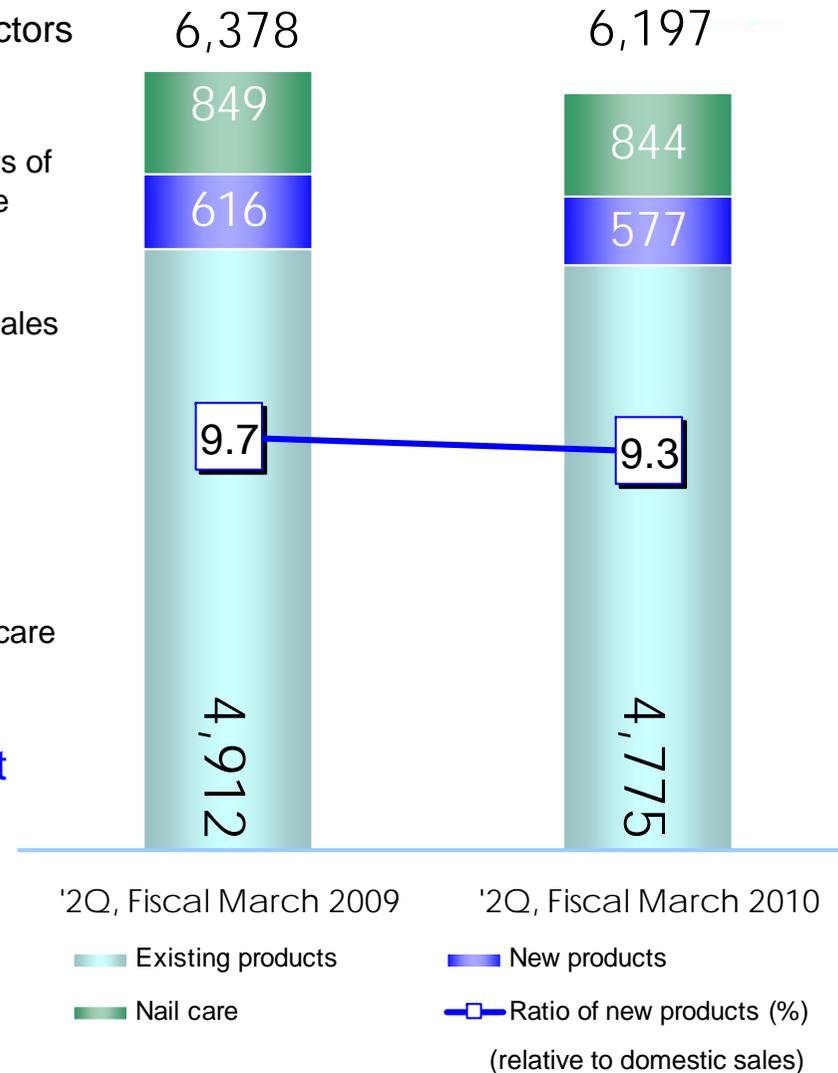
## ✧ Nail care business

■ Sales in the nail care business fell 0.6% compared to the previous period to 844 million yen as overall market growth slowed due to changing economic conditions. (Overall nail care business sales totaled 862 million yen, a decrease of 4.6% compared to the previous period.)

## ✧ Principal new products introduced during the first half

- "Beauti Coat," a tooth surface coating (chemical products)
- "Shade Up Navi," a whitening color measuring instrument (equipment and others)

Unit: millions of yen



# Overseas Sales



Unit: millions of yen; figures in parentheses represent component ratio (%)

■ Positive factors ■ Negative factors

## North America and Latin America

- A decrease in sales of artificial teeth (porcelain powder) offset favorable sales of chemical products for a net 9.9% reduction in sales on a local currency basis.

## Europe

- A decrease in sales of artificial teeth offset favorable sales of abrasives for a net 0.4% reduction in sales on a local currency basis.

## ◇ Asia and Oceania

■ China: Increase of 62 million yen (33.3%) compared to the previous period (on a local currency basis)

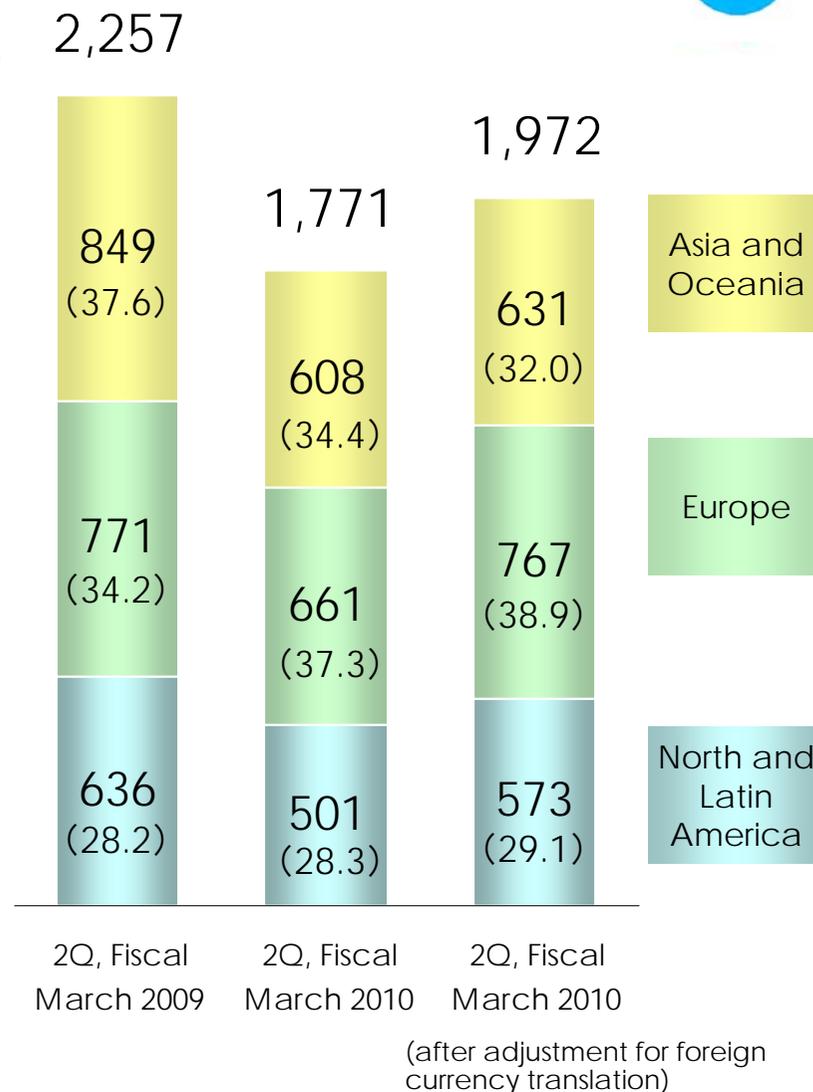
■ Elsewhere: Decrease of 277 million yen compared to the previous period

## Foreign exchange rates

- US dollar: 90.21 yen (103.57 yen in the previous period)
- Euro: 131.72 yen (149.05 yen in the previous period)

## (Dental business) Overseas sales ratio

- 24.8% (28.7% in the previous period) (26.8% after adjustment for foreign currency translation)



# Performance by Segment (Sales and Operating Profits)

Summary of 2nd Quarter Business Performance  
for Fiscal Year Ending March 31, 2010



Unit: millions of yen. Figures in parentheses represent percentage of sales and percentage changes (unit: %)

		Fiscal March 2009 (2Q Results)	Fiscal March 2010 (2Q Forecast)	Fiscal March 2010 (2Q Results)	Change from Previous Period	Change from Forecast
		Amount (% of sales)	Amount (% of sales)	Amount (% of sales)		
Dental	Sales	7,687	7,273	7,080	-606	-193
	Operating profit (operating profit margin)	803 ( 10.4)	472 ( 6.5)	521 ( 7.4)	-282	48
Nail care	Sales	903	990	862	-41	-127
	Operating profit (operating profit margin)	25 ( 2.8)	15 ( 1.6)	-3 (-0.4)	-28	-19
Other	Sales	45	44	28	-16	-15
	Operating profit (operating profit margin)	9 ( 20.6)	9 ( 20.8)	4 ( 16.5)	-4	-4
Total before consolidation adjustment	Sales	8,636	8,308	7,970	-665	-337
	Operating profit (operating profit margin)	837 ( 9.7)	497 ( 6.0)	522 ( 6.6)	-314	24
Consolidated	Sales	8,636	8,308	7,969	-666	-338
	Operating profit (operating profit margin)	837 ( 9.7)	497 ( 6.0)	522 ( 6.6)	-314	24

\* The operating expenses for the nail care business include goodwill amortization of 44 million yen (full fiscal-year forecast: 89 million yen) connected with the acquisition of Nail Labo Co., Ltd. (total amount: 712 million yen for eight-year amortization)

# Segment Information by Region (Sales and Operating Profits)

Summary of 2nd Quarter Business Performance  
for Fiscal Year Ending March 31, 2010



Unit: millions of yen. Figures in parentheses represent percentage of sales and percentage changes (unit: %)

		Fiscal March 2009 (2Q Results)	Fiscal March 2010 (2Q Forecast)	Fiscal March 2010 (2Q Results)	Change from Previous Period	Change from Forecast
		Amount (% of sales)	Amount (% of sales)	Amount (% of sales)		
Japan	Sales	7,879	7,715	7,315	-563	-400
	Operating profit (Operating profit margin)	816 (10.4)	401 (5.2)	463 (6.3)	-352	62
Americas	Sales	613	526	531	-81	5
	Operating profit (Operating profit margin)	19 (3.1)	25 (4.8)	13 (2.5)	-5	-11
Europe	Sales	855	642	729	-126	86
	Operating profit (Operating profit margin)	28 (3.3)	28 (4.5)	45 (6.2)	16	16
Asia	Sales	296	311	327	30	15
	Operating profit (Operating profit margin)	37 (12.5)	36 (11.8)	26 (8.0)	-10	-10
Overseas total	Sales	1,765	1,480	1,588	-176	108
	Operating profit (Operating profit margin)	85 (4.8)	91 (6.1)	84 (5.3)	0	-6
Total before consolidation adjustment	Sales	9,644	9,196	8,904	-740	-291
	Operating profit (Operating profit margin)	901 (9.3)	492 (5.4)	548 (6.2)	-352	56
Consolidated	Sales	8,636	8,308	7,969	-666	-338
	Operating profit (Operating profit margin)	837 (9.7)	497 (6.0)	522 (6.6)	-314	24

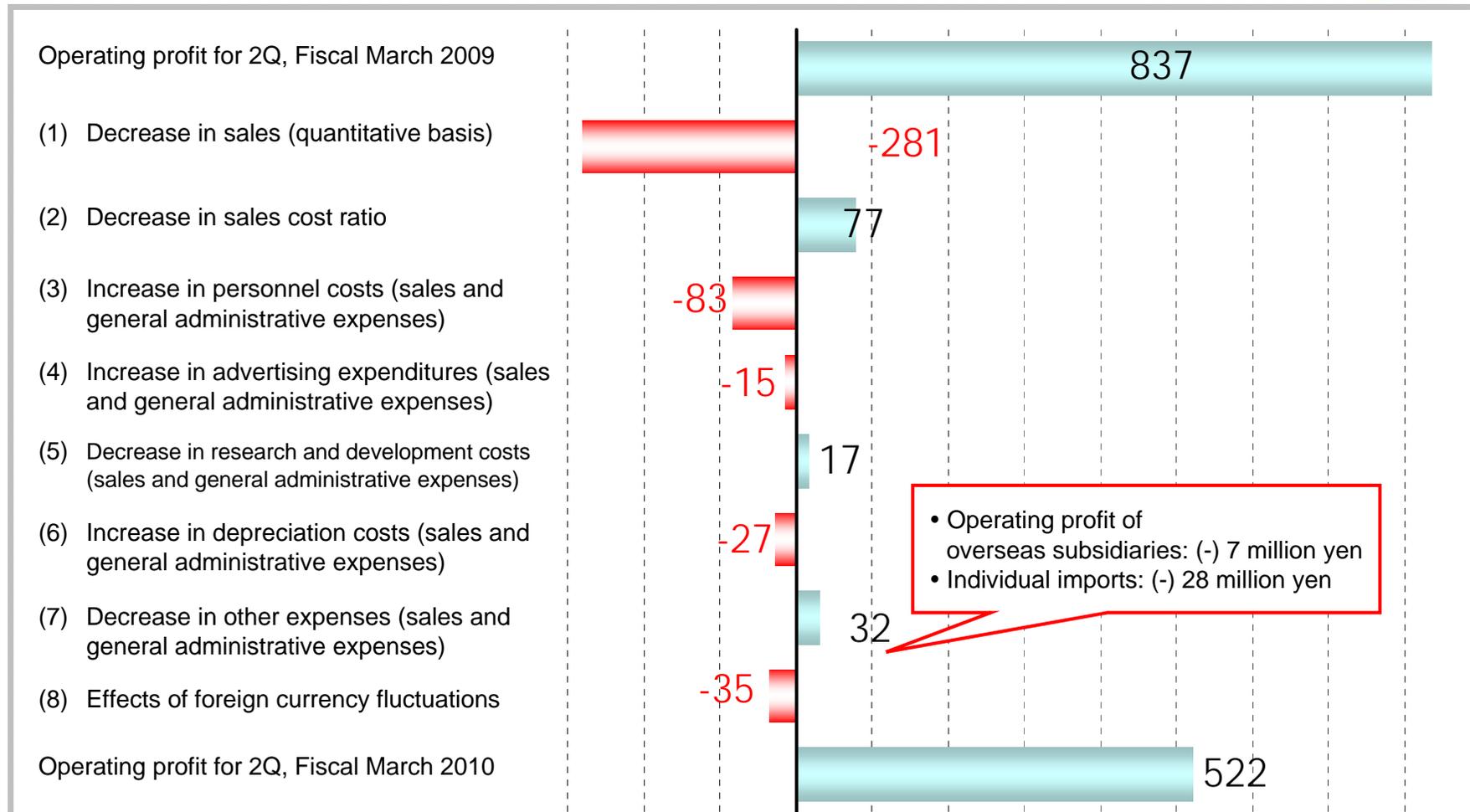
\* The elimination of unrealized profits from internal transactions is the principal consolidated adjustment item impacting operating profits.

# Contributors to Change in Operating Profit (Comparison with Previous Period)

Summary of 2nd Quarter Business Performance  
for Fiscal Year Ending March 31, 2010



Unit: millions of yen



\* The figures in items (1) to (7) do not incorporate the effects of foreign currency fluctuations.

# Financial Condition: Major Balance Sheet Accounts

Summary of 2nd Quarter Business Performance  
for Fiscal Year Ending March 31, 2010



Unit: millions of yen

	Fiscal March 2009	2Q, Fiscal March 2010	Change	Major contributors to changes, special notes
Cash and deposits	4,694	5,968	1,273	Disposal of treasury stock: 1,314 million yen
Notes and bills receivable, trade accounts receivable	2,490	2,208	-282	
Inventory	3,146	3,356	210	Increase in valuation difference of securities of 429 million yen Depletion of 46 million yen
Securities, investment securities	2,843	3,195	352	
Others	7,769	7,693	-75	
<b>Assets</b>	<b>20,944</b>	<b>22,422</b>	<b>1,478</b>	
Long-term and short-term borrowings	1,020	1,020	0	Decreases in accounts payable, income taxes payable, etc.
Reserve for retirement benefits and directors' retirement benefits	542	570	27	
Others	2,769	2,508	-260	
<b>Liabilities</b>	<b>4,332</b>	<b>4,099</b>	<b>-232</b>	
<b>Net worth</b>	<b>16,612</b>	<b>18,323</b>	<b>1,711</b>	Disposal of treasury stock: 1,314 million yen Increase in valuation difference of securities of 317 million yen
<b>Total liabilities and net worth</b>	<b>20,944</b>	<b>22,422</b>	<b>1,478</b>	
Capital adequacy ratio	79.3%	81.7%		
Net worth per share	1,164 yen	1,140 yen		

# Capital Expenditures, Depreciation Costs, R&D Expenses, etc.

Summary of 2nd Quarter Business Performance for Fiscal Year Ending March 31, 2010



Unit: millions of yen

	Fiscal March 2009 (2Q Results)	Fiscal March 2010 (2Q Forecast)	Fiscal March 2010 (2Q Results)	Fiscal March 2009 (Fiscal Year Results)	Fiscal March 2010 (Fiscal Year Forecast)
Capital expenditures	947	896	432	1,352	1,418
Depreciation costs	302	350	335	635	744
(of which goodwill amortization)	44	44	44	89	89
R&D expenses	542	587	525	1,041	1,153
Foreign exchange rates					
US dollar	103.57	90.00	90.21	98.23	90.00
Euro	149.05	115.00	131.72	129.84	115.00
Pound sterling	187.15	120.00	144.10	140.45	120.00
Renminbi	15.35	13.00	13.99	13.20	13.00

\* The foreign exchange rates given are those in effect at the end of each term; conversions of items in the financial statements of overseas subsidiaries all use term-end rates.



Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2010

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2010

Future Business Environment and Medium- and Long-term Business Strategies

# Summary of Fiscal Year Business Performance Forecast (1)

Forecast of Business Performance for Fiscal Year Ending March 31, 2010



\* No change from the forecast figures announced in the initial forecast (May 14, 2009).

■ Positive factors ■ Negative factors

P/L

- <Dental business> In addition to investing in artificial teeth (hard resin teeth and new porcelain powders), the company will make its utmost efforts to ensure that recently introduced new products in areas such as chemical products, cements, and equipment penetrate the market fully. The company expects to see a **slight increase of 1.2% in overall sales for the domestic dental business.**  
<Sales of new products: 1,369 million yen, or 10.3% of non-consolidated sales>
- <Nail care business> The company expects sales to **increase by 268 million yen** due to the introduction of “LED GEL Presto,” a new product.
- ■ Overseas, the company is exercising caution in its planning for areas other than China and is planning on a slight increase of 0.4% on a local currency basis. In terms of exchange rates, the yen is forecast to trend stronger compared to the current fiscal year.  
<Effects on overseas sales: -256 million yen>
- Sales are expected to increase by 1.0% to 16,687 million yen.
- ■ Operating profit and ordinary profit are expected to decrease by 20.7% each to 1,121 million yen and 1,041 million yen, respectively, while current term net profit is expected to decrease by 14.5% to 677 million yen due to a combination of factors offsetting increasing domestic sales and favorable changes in the sales mix, including an increase in retirement benefits expenses; increased depreciation expenses associated with aggressive investment in facilities, and aggressive expenditure for R&D and sales promotion activities; and a deterioration in export profit and loss deriving from the assumption of a strong yen going forward.

# Summary of Fiscal Year Business Performance Forecast (2)

Forecast of Business Performance for Fiscal  
Year Ending March 31, 2010



\* No change from the forecast figures announced in the initial forecast (May 14, 2009).

B/S

The Company relocated its sales offices in Osaka in order to upgrade its domestic sales network and to improve and enhance customer services. (continued from the fiscal year ending March 31, 2009)

C/F

Capital expenditures: 178 million yen (total amount: 409 million yen)

→ Executed by the second quarter.

The company will relocate the logistics division in the Tokyo branch (creating an East Japan Logistics Center) as part of an overhaul of its logistics system.

Capital expenditures: 712 million yen

Total capital expenditures, including the above: 1,418 million yen

As part of a business and capital partnership with Mitsui Chemicals, Inc., and Sunmedical Co., Ltd., designed to strengthen its business in the dental materials segment, 1.8 million shares of treasury stock will be transferred to Mitsui Chemicals, Inc., through a third-party allocation.

Price per share: 730 yen (closing price as of May 19, 2009), for a total amount of 1,314 million yen

→ Executed by the second quarter.

# (Full-year Outlook) Comparison of Major Statistics

Forecast of Business Performance for Fiscal Year Ending March 31, 2010



\* No change from the forecast figures announced in the initial forecast (May 14, 2009).

## ➔ Fiscal March 2010: Increase in sales but decline in profits

Units: millions of yen, %

	Fiscal March 2009 Business Performance (% of sales)	Fiscal March 2010 Forecast			Change from Previous Period (%)
		2Q Results (% of sales)	3Q-4Q Forecast (% of sales)	Fiscal Year Forecast (% of sales)	
Sales	16,526 (100.0)	7,969 (100.0)	8,717 (100.0)	16,687 (100.0)	160 (1.0)
(Domestic sales)	12,674 (76.7)	6,197 (77.8)	6,878 (78.9)	13,076 (78.4)	402 (3.2)
(Overseas sales)	3,852 (23.3)	1,771 (22.2)	1,839 (21.1)	3,611 (21.6)	-241 (-6.3)
Operating profit	1,414 (8.6)	522 (6.6)	598 (6.9)	1,121 (6.7)	-293 (-20.7)
Ordinary profit	1,313 (7.9)	504 (6.3)	536 (6.2)	1,041 (6.2)	-272 (-20.7)
Net profit	793 (4.8)	287 (3.6)	390 (4.5)	677 (4.1)	-115 (-14.5)
Net profit per share	55.57 yen	18.78 yen	23.40 yen	42.18 yen	-13.39 yen

# (Full-year Outlook) Sales by Product Category

Forecast of Business Performance for Fiscal Year Ending March 31, 2010



\* No change from the forecast figures announced in the initial forecast (May 14, 2009).

Units: millions of yen, %

	Fiscal March 2009 Business Performance	Fiscal March 2010 Forecast			Change from Previous Period (%)		
		2Q Results	3Q-4Q Forecast	Fiscal Year Forecast		Domestic	Overseas
Artificial teeth	2,769	1,302	1,403	2,706	-63	49	-113
Abrasives	3,510	1,667	1,680	3,347	-162	0	-163
Metal products	431	195	186	381	-49	-48	-1
Chemical products	2,980	1,507	1,755	3,263	282	173	109
Cements and others	1,611	766	793	1,560	-51	-9	-41
Equipment and others	3,369	1,642	1,664	3,306	-62	-38	-24
Dental business total	14,673	7,080	7,485	14,566	-107	127	-234
Nail business	1,773	862	1,173	2,035	261	268	-6
Other	79	27	58	85	6	6	0
Total	16,526	7,969	8,717	16,687	160	402	-241

\* Overseas sales are expected to decrease by 256 million yen due to foreign currency fluctuations. (US dollar, euro, pound sterling, renminbi)

# (Full-year Outlook) Domestic Sales

Forecast of Business Performance for Fiscal Year Ending March 31, 2010



Units: millions of yen

Forecast remains the same as initial forecast

## ◇ Dental business

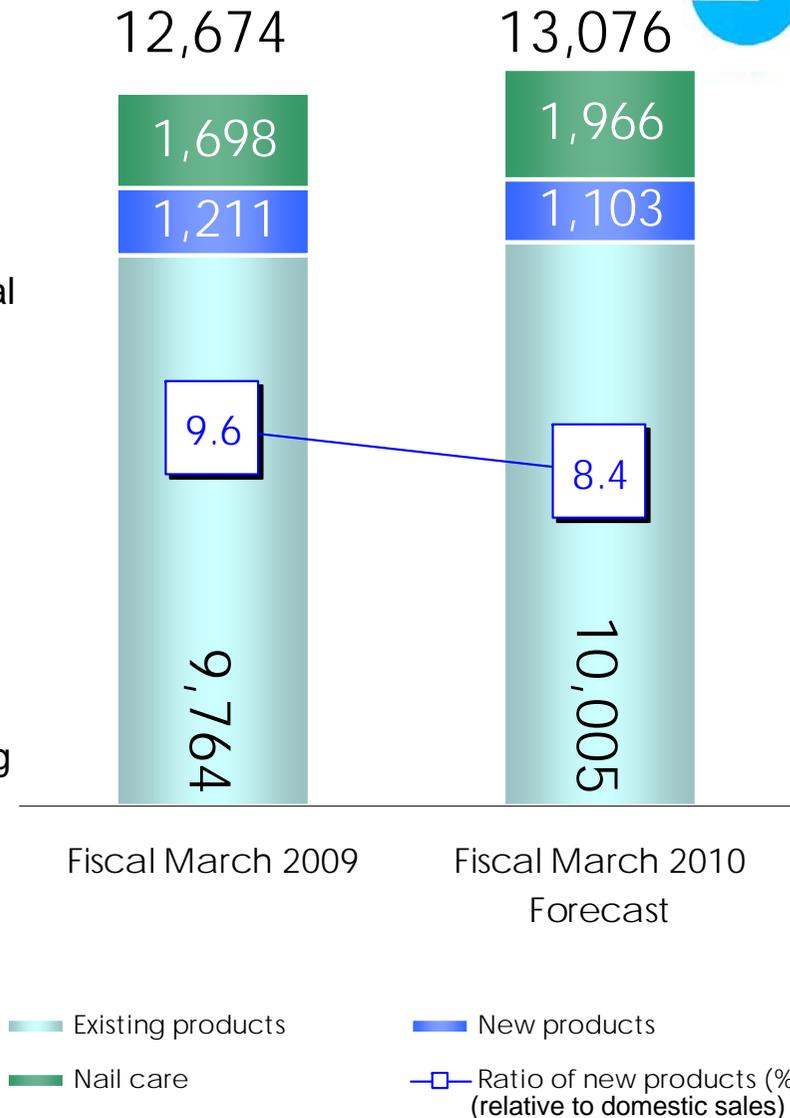
- In addition to investing in artificial teeth (hard resin teeth and new porcelain powders), the company will make its utmost efforts to ensure that recently introduced new products in areas such as chemical products, cements, and equipment penetrate the market fully.

## ◇ Nail care business

- The company expects sales to increase by 268 million yen due to the introduction of "LED GEL Presto," a new product.

## ◇ Major products recently introduced

- "Beautifill II," a photo-polymerization type composite resin (filling and restorative material)
- "FL-BOND II," a photo-polymerization type bonding material
- "Provinice Fast," an acrylic resin for various dental uses
- "Eye Special C-I," a digital oral imaging device
- "Beauti Bond," a dentine bonding material
- "Blue Shot," a LED dental polymerization lamp
- "Beauti Coat," a dental coating



# (Full-year Outlook) Overseas Sales

Forecast of Business Performance for Fiscal Year Ending March 31, 2010



Unit: millions of yen; figures in parentheses represent component ratio (%)

Forecast remains the same as initial forecast

## Summary

- Cautious outlook overall for areas other than China
- Growth rate on a local currency basis
 

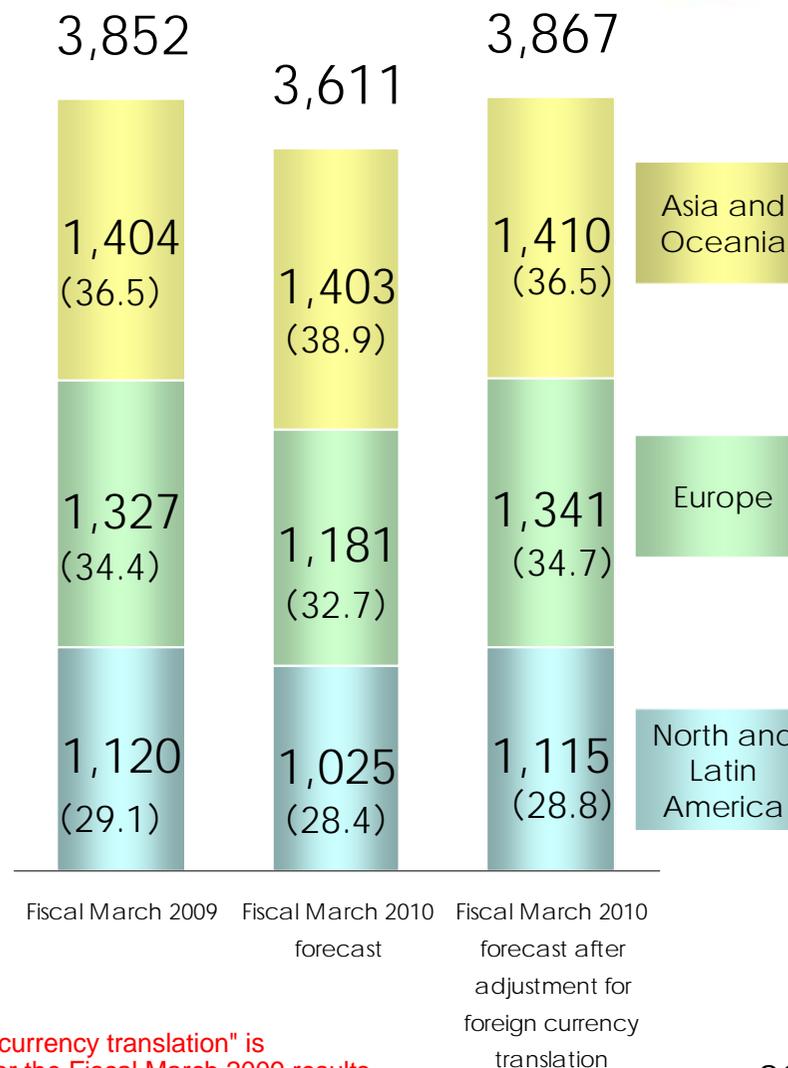
North and Latin America	0.3%
Europe	1.6%
China	24.4%
Other Asian countries and Oceania	-8.9%
Total overseas sales	0.4%

## Foreign exchange rates

- US dollar: 90 yen  
(98.23 yen in the previous period)  
(Effect: -89 million yen)
- Euro: 115 yen  
(129.84 yen in the previous period)  
(Effect: -128 million yen)

## (Dental business) Overseas sales ratio

- 24.3% (25.7% in the previous period)  
(25.6% after foreign currency translation adjustments)



\* The "Fiscal March 2010 forecast after adjustment for foreign currency translation" is calculated based on the same foreign exchange rates used for the Fiscal March 2009 results.

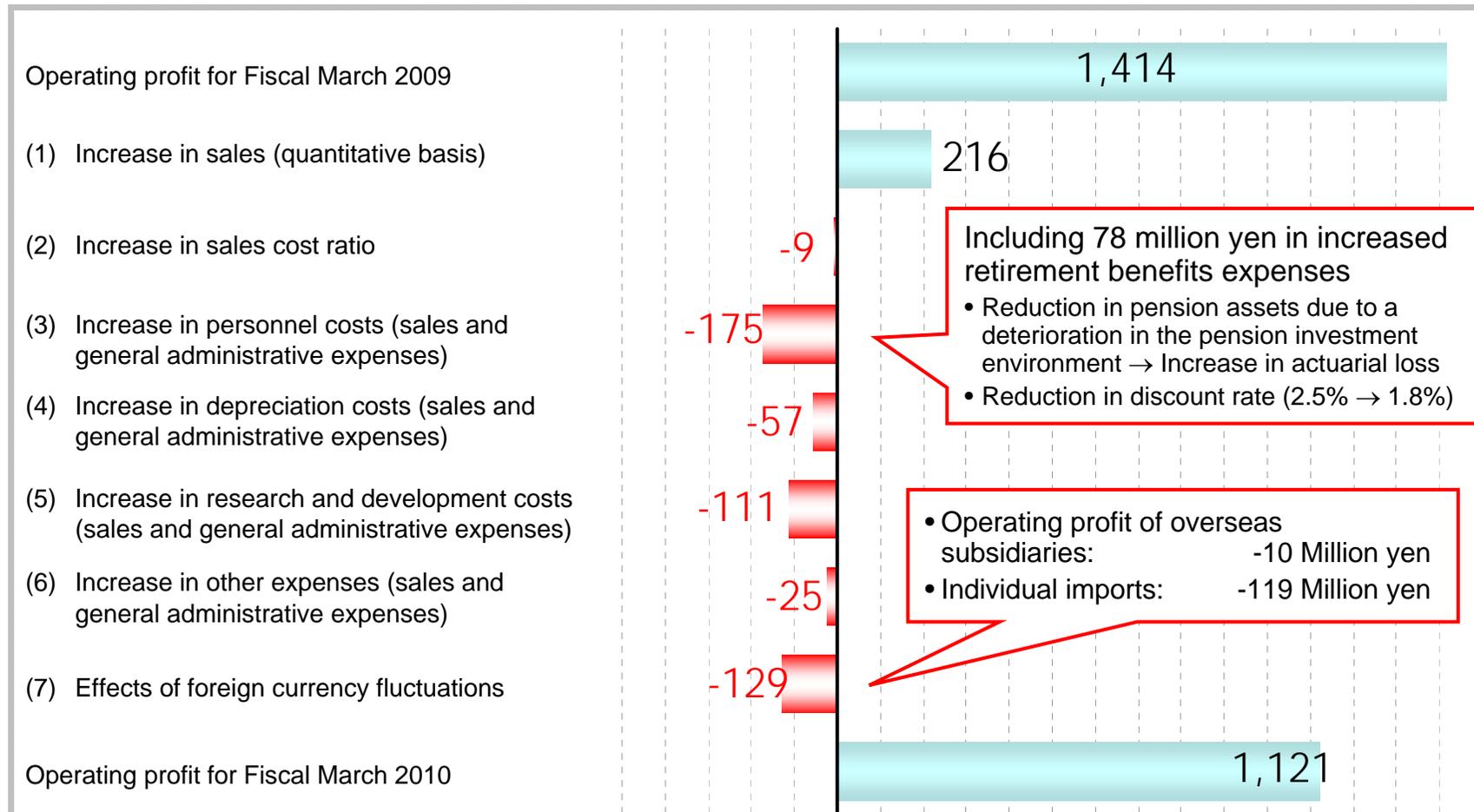
# (Full-year Outlook) Contributors to Change in Operating Profit

Forecast of Business Performance for Fiscal Year Ending March 31, 2010



Forecast remains the same as initial forecast

Unit: Millions of yen



\* The figures in items (1) to (6) do not incorporate the effects of foreign currency fluctuations.

# (Full-year Outlook) Impact of Foreign Exchange Fluctuations (US Dollar, Euro)

Forecast of Business Performance for Fiscal Year Ending March 31, 2010



Foreign Currency-denominated Transactions (Fiscal March 2010)

(Units: thousands of US dollars, thousands of euros)

	US Dollar			Euro		
	1Q-2Q Results	3Q-4Q Forecast	Fiscal Year Forecast	1Q-2Q Results	3Q-4Q Forecast	Fiscal Year Forecast
Sales (Overseas subsidiaries' sales to outside customers)	5,441	5,432	10,874	4,166	4,482	8,648
Sales costs (non-consolidated/imports)	1,585	1,849	3,435	1,449	1,024	2,473
Operating expenses (overseas subsidiaries)	5,283	5,031	10,314	3,883	4,386	8,269
Operating expenses	6,868	6,880	13,749	5,332	5,410	10,743
Non-consolidated exports	1,820	3,059	4,879	2,291	3,390	5,682
Operating profits	393	1,610	2,003	1,125	2,462	3,587

Impact of Foreign Currency Fluctuations (one-yen appreciation)

Sales	-11 million yen	-9 million yen
Operating profits	-2 million yen	-4 million yen

\* The 3Q-4Q forecast is based on the fiscal year forecast and the 1Q-2Q results.

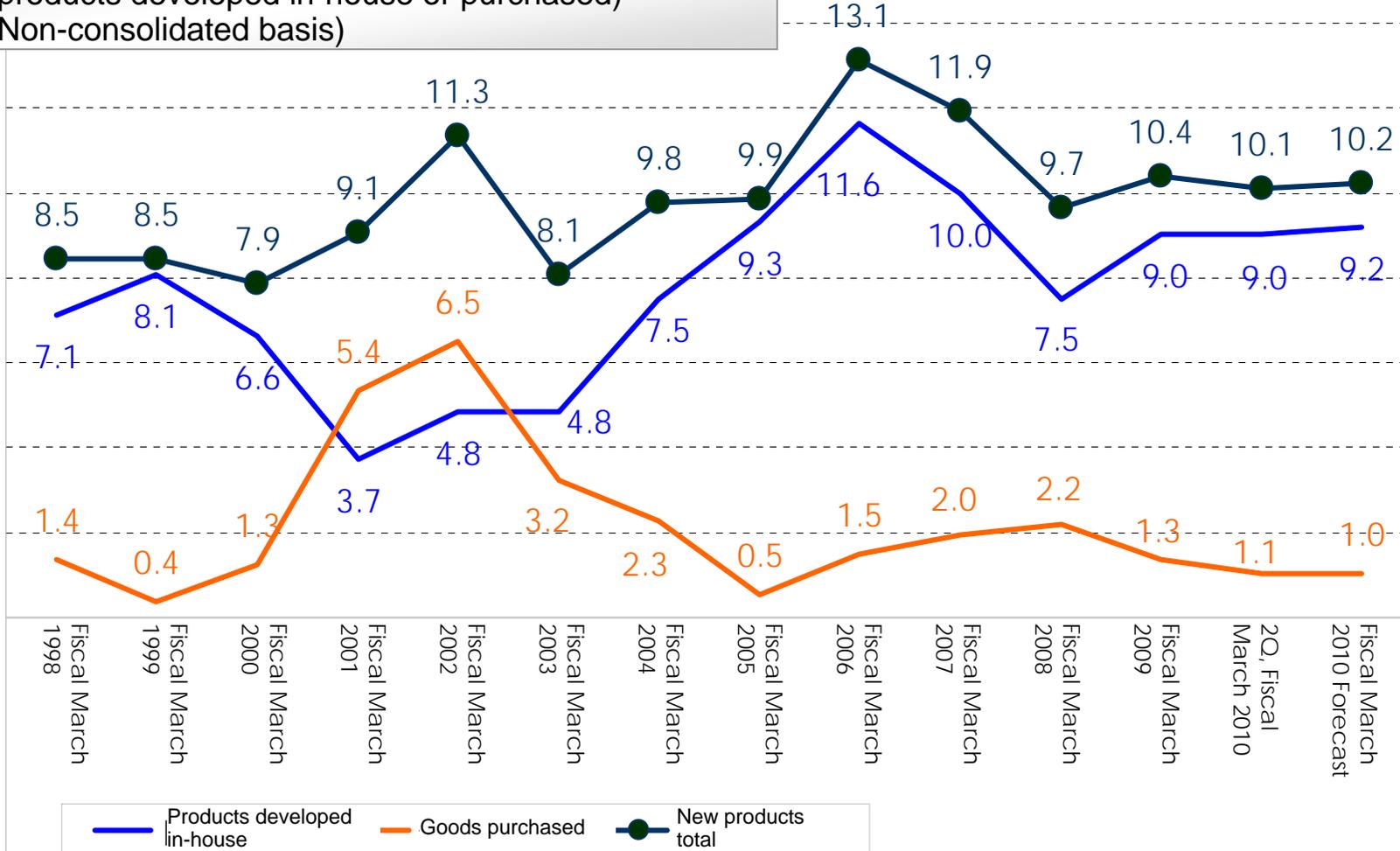
# Sales Trends for New Products

Forecast of Business Performance for Fiscal Year Ending March 31, 2010



Ratio of sales of new products to total sales (products developed in-house or purchased) (Non-consolidated basis)

Unit: %



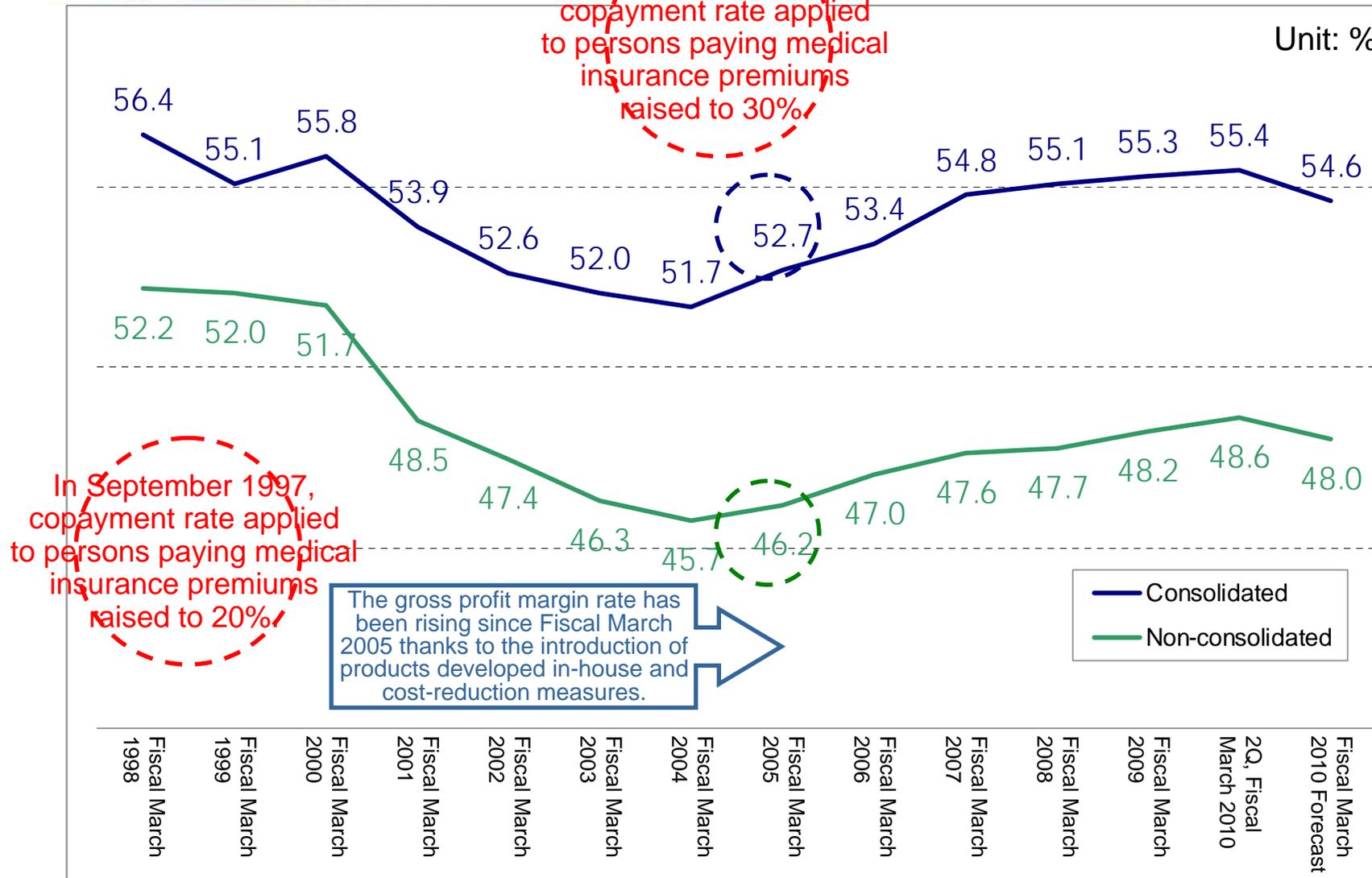
\* Major goods purchased: Johnson & Johnson products, EMS ultrasonic scalers and root canal treatment equipment (reamers/files)

# Gross Profit Margin Rates

Forecast of Business Performance for Fiscal Year Ending March 31, 2010



Unit: %



In April 2003, copayment rate applied to persons paying medical insurance premiums raised to 30%

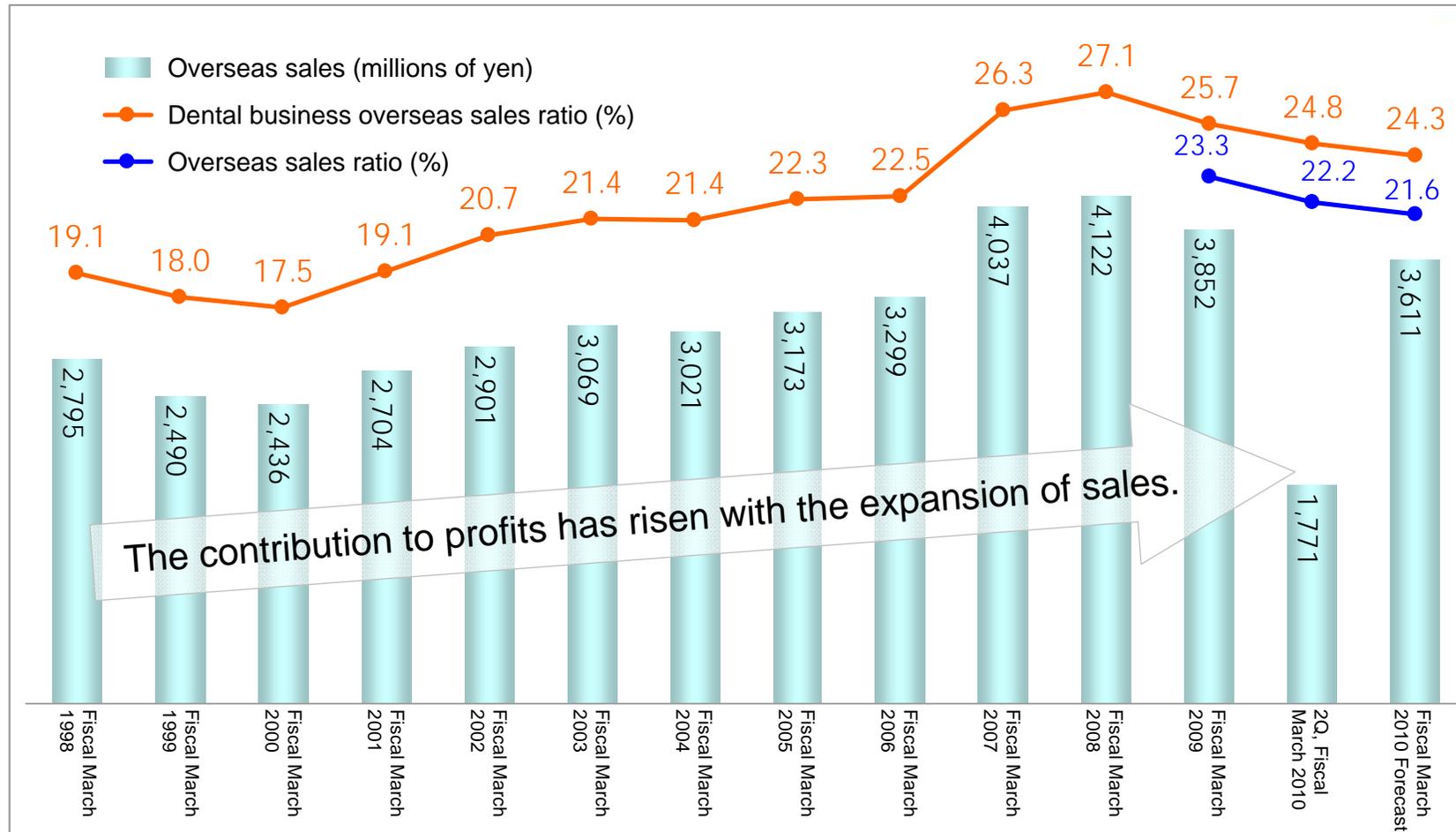
In September 1997, copayment rate applied to persons paying medical insurance premiums raised to 20%

The gross profit margin rate has been rising since Fiscal March 2005 thanks to the introduction of products developed in-house and cost-reduction measures.

— Consolidated  
— Non-consolidated

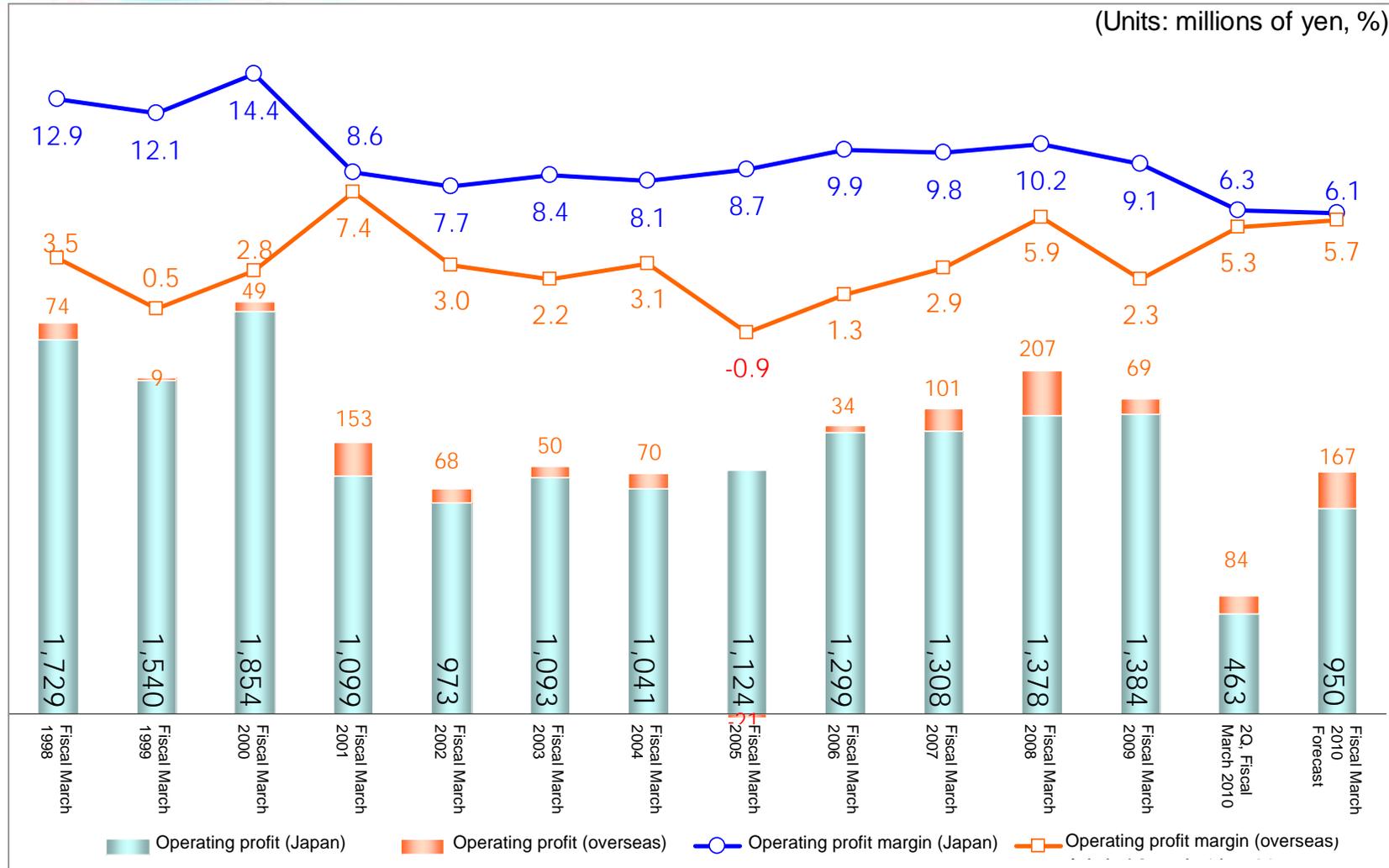
# Overseas Sales and Overseas Sales Ratios

Forecast of Business Performance for Fiscal Year Ending March 31, 2010



# Operating Profit by Geographic Segment

Forecast of Business Performance for Fiscal Year Ending March 31, 2010



\* The profit and profit margin figures are before consolidation adjustment.



Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2010

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2010

Future Business Environment and Medium- and Long-term Business Strategies

# New Vision for Medical Equipment/Technology Industry

Business Environment, Medium- and Long-term Business Strategies



September 19, 2008, Ministry of Health, Labour and Welfare

Providing innovative medical equipment developed in Japan helps improve health/medical care standards for patients worldwide

Creating an attractive environment for the development of medical equipment

Bolstering international competitiveness

## Changes in Environment

- Increasing sophistication and diversification of medical engineering technology and applications in cutting-edge medical care
- Progressing globalization and increasingly fierce competition
- Necessity of medical care safety measures
- Insured medical care
  - Increased medical care expenses
  - Domestic-overseas price differentials
  - Due diligence for innovative technologies
- Changes in public needs

## Action Plan

- Support for R&D
- Support for venture companies
- Clinical trials and other clinical research
- Collaboration with Asia
- Improvements to pharmaceutical jurisprudence
- Due diligence for medical equipment/technology in medical insurance
- After-sale provision of appropriate information and services
- Greater efficiency and sophistication in distribution functions
- Computerization of medical care
- Public-private sector dialogue
- Other
  - Public education activities, support for overseas expansion
  - Qualitative improvement and utilization of clinical engineers
  - Upgrading of systems, to include establishment of specialist organizations to promote the medical equipment industry

Many key ideas also applicable to dentistry

# Perception of Business Environment – Demand, Policy, and Markets

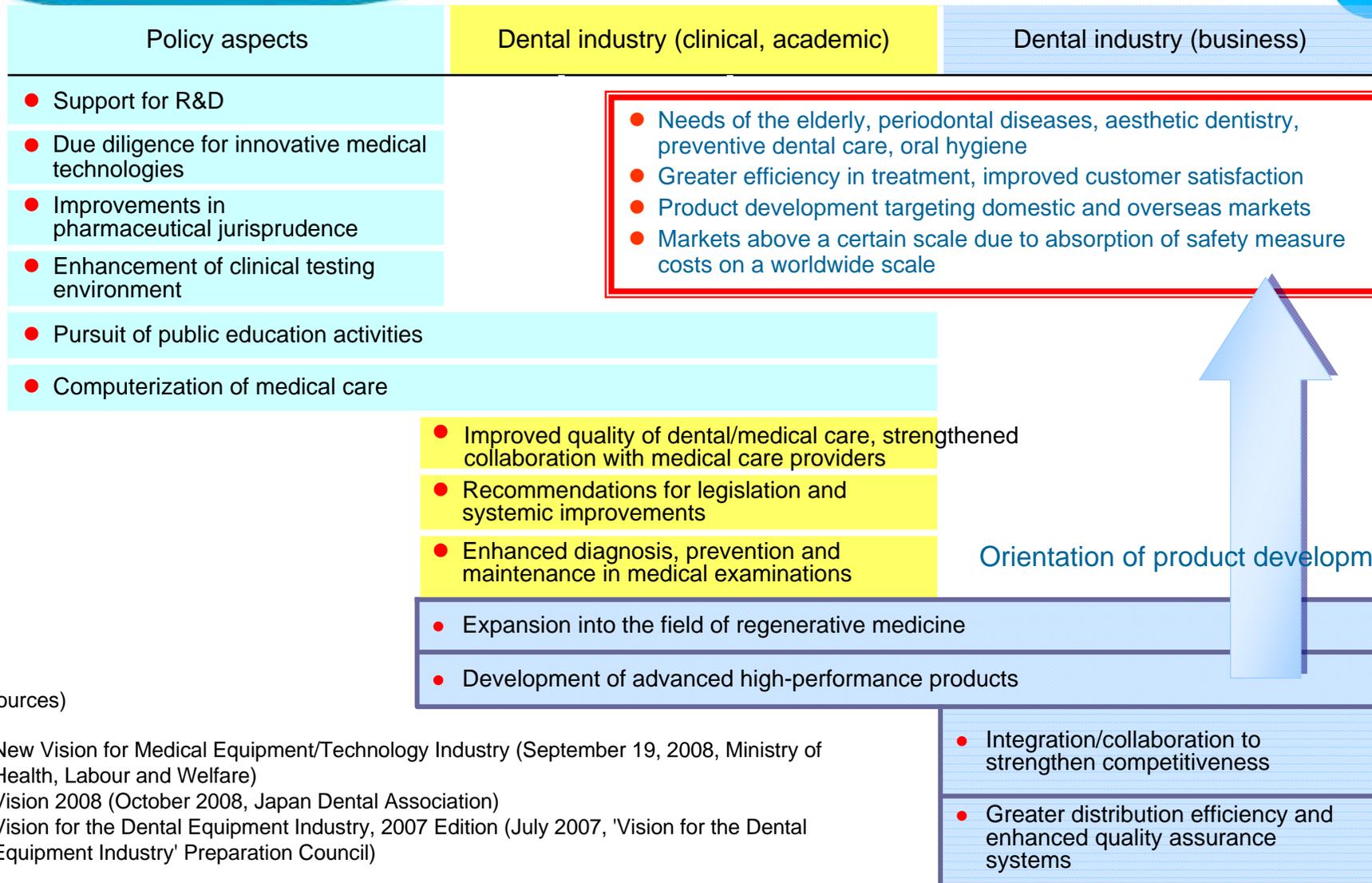
Business Environment, Medium- and Long-term Business Strategies



	 Positive factors	 Negative factors
Aging population	<ul style="list-style-type: none"> <li>• Increase in potential number of patients</li> <li>• Increase in remaining teeth due to greater preventive efforts and increased opportunities for treatment and examinations</li> <li>• Expanded demand from the perspective of preventing systemic illnesses</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in overall population</li> </ul>
Changes in dental disease	<ul style="list-style-type: none"> <li>• Growing awareness and greater demand for aesthetic dentistry, preventive dental care and oral hygiene</li> <li>• Expansion of markets outside the scope of health care insurance (enhancement of fairness and individuality)</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced decay treatment resulting in lower consumption of relevant materials</li> </ul>
Measures to curb medical expenditures	<ul style="list-style-type: none"> <li>• Potential for growth in products and services that help rein in medical expenditures</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in examinations due to higher copayments</li> </ul>
Tighter safety regulations	<ul style="list-style-type: none"> <li>• Weeding out of competitors through exposure of relative quality assurance levels</li> </ul>	<ul style="list-style-type: none"> <li>• Cost increases</li> </ul>
Industry-wide structure marked by oversupply		<ul style="list-style-type: none"> <li>• Excessive competition stemming from oversupply of manufacturers, distributors, dental clinics, and dental technicians</li> <li>• Greater demand for lower prices from hospital management</li> </ul>
Globalization of markets	<ul style="list-style-type: none"> <li>• Improvements to R&amp;D/product development capabilities via quality competition with overseas manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>• Increased intellectual property risk</li> </ul>

# Response to Business Environment, Issues to be Addressed by Dental Industry

Business Environment, Medium- and Long-term Business Strategies



(Sources)

- New Vision for Medical Equipment/Technology Industry (September 19, 2008, Ministry of Health, Labour and Welfare)
- Vision 2008 (October 2008, Japan Dental Association)
- Vision for the Dental Equipment Industry, 2007 Edition (July 2007, 'Vision for the Dental Equipment Industry' Preparation Council)

# Matters to Be Addressed by the Company

Business Environment, Medium- and Long-term Business Strategies



## Functions that need strengthening

- Quality competitiveness
- Marketing power
- Price competitiveness

## Company-wide goals and numerical Targets

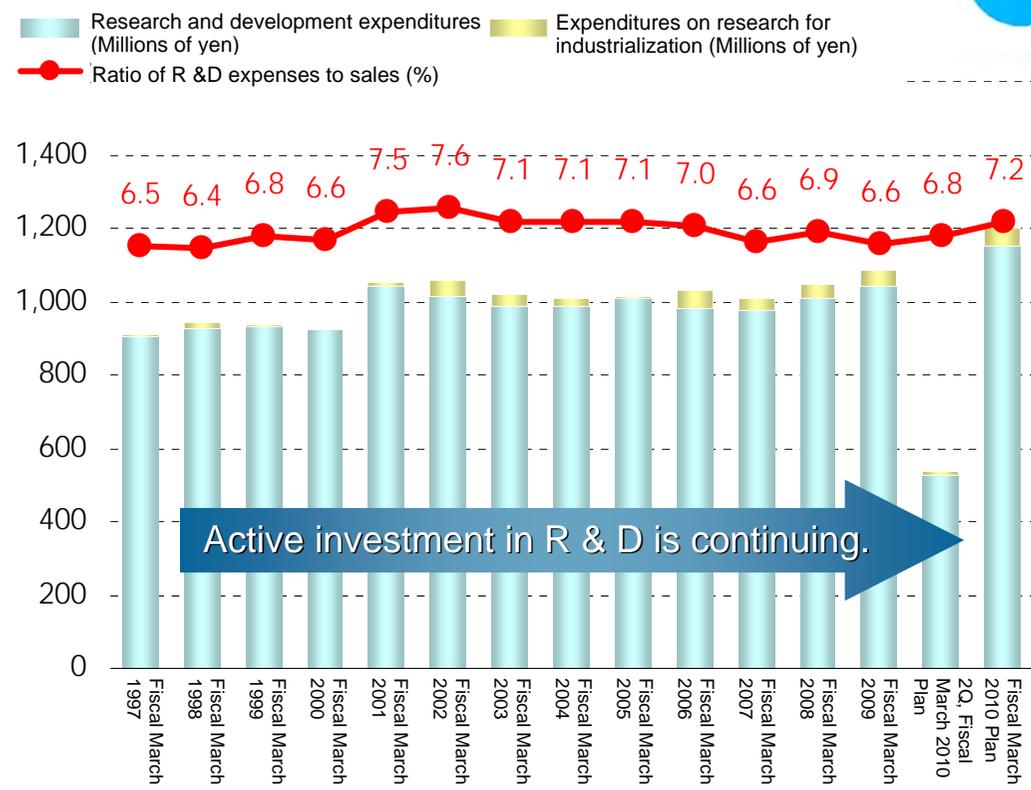
- ◆ Strengthening global marketing functions as well as creating demand and increasing market share through new products and technologies  
[Target: New product sales ratio of 15%]
- ◆ Restoring sales of artificial teeth through new products and expanding market share in the composite resin/bonding segment  
[Target: Rank in top 3 in terms of market share.]
- ◆ Expanding overseas businesses  
[Target: Dental business overseas sales ratio of 30%]
- ◆ Accommodating increasing demand and relocating production bases to cut costs  
[Cost-cutting target: Cut the cost of in-house products by 20% compared to the fiscal year ending March 31, 2003.]

Restoring consolidated operating profit margin to 10%

Aiming to achieve a 15% consolidated operating profit margin over the long term



# Specific Efforts – Research and Development



Active investment in R & D is continuing.



# Specific Efforts – Production

## ⇒ Succession and continuous improvement of production technology

- Pass on technologies to the next generation and work out labor-saving measures in order to cope with an increasing number of employees reaching retirement age.

## ⇒ Enhancement of efficiency in production and logistics and improvement of customer service

- Enhance efficiency in production and logistics through the introduction of new production systems
- Establish a system to ensure traceability in compliance with the Revised Pharmaceutical Affairs Law

## ⇒ Accommodation of increasing demand and relocation of production bases to cut costs

- Promote a cost-reduction project in each workplace

Effect of cost-rate reduction initiatives (actual reduction achieved in Fiscal March 2003 through 2nd Quarter for Fiscal March 2010)  
In-house production cost rate lowered by 4.1% or 151 million yen

Strengthening quality competitiveness

Strengthening price competitiveness

Cost reduction  
Cutting the cost of in-house production by 20%



# Specific Efforts – Domestic Business

## Expansion of market share in existing product categories

- Artificial teeth
- Abrasives
- Filling and restorative dental materials
- Hard resin for crowns
- Luting and bonding materials

**Key objective**

*Restoration of sales of artificial teeth through new products and expansion of market share in the composite resin/bonding segment (filling and restorative materials)*

## Market creation in new fields

- Aesthetic dentistry: (example) Tooth whitening, orthodontic dentistry
- Preventive dentistry, oral hygiene: (example) PMTC
- Regenerative medicine: (example) Commercialization of bone repairing materials
- Periodontal disease-related fields: (example) Diagnostic kit for periodontal disease
- Commitment to implant business

Raise awareness of customer orientation

Enhance marketing power

Implement flexible and efficient sales tactics

\* PMTC (Professional Mechanical Tooth Cleaning)



# Specific Efforts – Overseas Business

## Americas

- Develop a new market for exports—Brazil and Mexico
- Enhance efforts to work with dental equipment evaluation organizations.

## Europe

- Enter the artificial teeth (resin teeth) market
- Develop a new market in Eastern Europe

## Asia

- Efforts to expand market share in China
  - ◆ Production: Commence export of artificial teeth and abrasives
    - Increase the number of production items
  - ◆ Sales: Increase the number of items for sale
- Commence efforts to open up a market in India and Vietnam

Enhance marketing functions

Conduct strategic activities with the aim of rolling out new products

### [Key products]

- Porcelain powder
- Hard resin for crowns
- Filling and restorative dental materials

Conduct simultaneous sales promotions worldwide for the GIOMER product line through the GIOMER Project.

# Specific Efforts – Nail Care Business

Business Environment, Medium- and Long-term Business Strategies



➔ Acquisition of market share in the LED gel market with Presto

➔ Expansion of market share in overseas markets – U.S., Europe, South Korea, China



➔ Development of new materials and associated equipment and acquisition of market share

➔ Sales plan  
2.0 billion yen in the fiscal year ending March 31, 2010 → 2.3 billion yen in the fiscal year ending March 31, 2011 → 2.6 billion yen in the fiscal year ending March 31, 2012

- Shares of Nail Labo Co., Ltd., the No. 3 trading company in the nail care industry, were acquired to make the company a Shofu subsidiary in February 2008 (total investment: approx. 1.1 billion yen).
- Establish an integrated system extending from development (Shofu) to production (Promech) and sales (Nail Labo).

Work to expand the nail business by taking advantage of Shofu's R&D capabilities and production technologies in dental materials.

# Business Partnership with Mitsui Chemicals and Sunmedical

Business Environment, Medium- and Long-term Business Strategies



Strengthening Shofu's business in the dental materials segment

# Fiscal 2009 to 2011 Medium-term Business Plan: Company-wide Goals

Business Environment, Medium- and Long-term  
Business Strategies



Goals to fulfill  
by the fiscal  
year ending  
March 31, 2012

Reach 18.0 billion yen in global sales.

- Strengthening global marketing functions as well as creating demand and increasing market share through new products and technologies  
[Target: New product sales ratio of 15%]
- Restoring sales of artificial teeth through new products and expanding market share in the composite resin/bonding segment  
[Target: Rank in top 3 in terms of market share.]
- Expanding overseas businesses  
[Target: Dental business overseas sales ratio of 30%]
- Accommodating increasing demand and relocating production bases to cut costs  
[Cost-cutting target: Cut the cost of in-house products by 20% compared to the fiscal year ending March 31, 2003.]

# Medium-term Business Plan

## = Principle Targets

Business Environment, Medium- and Long-term Business Strategies



★...Record

Unit: Millions of yen, %

	Fiscal March 2009 (Results)	Fiscal March 2010	Fiscal March 2011	Fiscal March 2012
<b>Sales</b>	★ 16,526	★ 16,687	★ 17,357	★ 18,174
(Compared to previous fiscal year)	(8.6%)	(1.0%)	(4.0%)	(4.7%)
<b>Domestic sales</b>	★ 12,674	★ 13,076	★ 13,411	★ 13,915
(Compared to previous fiscal year)	(14.3%)	(3.2%)	(2.6%)	(3.8%)
<b>Overseas sales</b>	3,852	3,611	3,945	★ 4,258
(Compared to previous fiscal year)	(-6.5%)	(-6.3%)	(9.3%)	(7.9%)
<b>Operating profit</b>	1,414	1,121	1,371	1,749
(Percentage of sales)	(8.6%)	(6.7%)	(7.9%)	(9.6%)
<b>Ordinary profit</b>	1,313	1,041	1,295	1,671
(Percentage of sales)	(7.9%)	(6.2%)	(7.5%)	(9.2%)
<b>Net profit</b>	793	677	798	★ 1,044
(Percentage of sales)	(4.8%)	(4.1%)	(4.6%)	(5.7%)
<b>Net profit per share</b>	55.57 yen	42.18 yen	49.70 yen	64.99 yen
<b>Return on equity</b>	4.7%	3.9%	4.3%	5.5%
(Dental business) Overseas sales ratio	25.7%	24.3%	25.7%	26.5%

\* The net profit per share and return on equity forecasts for the fiscal year ending March 31, 2010, have been calculated based on figures for the number of shares and shareholder's equity that reflect the planned disposal of treasury stock through a third-party allocation.

# Medium-term Business Plan by Segment (Sales and Operating Profits)

Business Environment, Medium- and Long-term  
Business Strategies



Unit: Millions of yen, %

	Fiscal March 2009 (Results)		Fiscal March 2010		Fiscal March 2011		Fiscal March 2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Dental business	14,673	88.8	14,566	87.3	14,959	86.2	15,479	85.2
Nail care business	1,773	10.7	2,035	12.2	2,308	13.3	2,602	14.3
Other businesses	79	0.5	85	0.5	90	0.5	92	0.5
<b>Sales</b>	<b>16,526</b>	<b>100.0</b>	<b>16,687</b>	<b>100.0</b>	<b>17,357</b>	<b>100.0</b>	<b>18,174</b>	<b>100.0</b>

Dental business	1,359	9.3	991	6.8	1,171	7.8	1,478	9.5
Nail care business	37	2.1	110	5.4	178	7.8	249	9.6
Other businesses	17	21.5	19	22.6	20	23.1	21	23.3
<b>Operating profit</b>	<b>1,414</b>	<b>8.6</b>	<b>1,121</b>	<b>6.7</b>	<b>1,371</b>	<b>7.9</b>	<b>1,749</b>	<b>9.6</b>

# Medium-term Business Plan by Region (Sales and Operating Profits)

Business Environment, Medium- and Long-term Business Strategies



Unit: Millions of yen, %

		Fiscal March 2009 (Results)	Fiscal March 2010	Fiscal March 2011	Fiscal March 2012
Japan	Sales	15,214	15,463	16,089	16,805
	Operating profit (Percentage of sales)	1,384 (9.1%)	950 (6.1%)	1,108 (6.9%)	1,394 (8.3%)
Americas	Sales	1,092	1,026	1,115	1,205
	Operating profit (Percentage of sales)	24 (2.3%)	37 (3.6%)	84 (7.6%)	127 (10.6%)
Europe	Sales	1,466	1,291	1,320	1,351
	Operating profit (Percentage of sales)	-2 (-0.2%)	64 (5.0%)	74 (5.7%)	82 (6.1%)
Asia	Sales	524	615	781	942
	Operating profit (Percentage of sales)	47 (9.1%)	65 (10.7%)	99 (12.7%)	140 (14.9%)
Overseas total	Sales	3,083	2,933	3,217	3,499
	Operating profit (Percentage of sales)	69 (2.3%)	167 (5.7%)	259 (8.1%)	350 (10.0%)
Total before consolidation adjustment	Sales	18,298	18,397	19,307	20,305
	Operating profit (Percentage of sales)	1,454 (7.9%)	1,117 (6.1%)	1,367 (7.1%)	1,745 (8.6%)

# Medium-term Business Plan

## Capital Expenditures, Depreciation Costs, R&D Expenses

Business Environment, Medium- and Long-term Business Strategies



Unit: Millions of yen

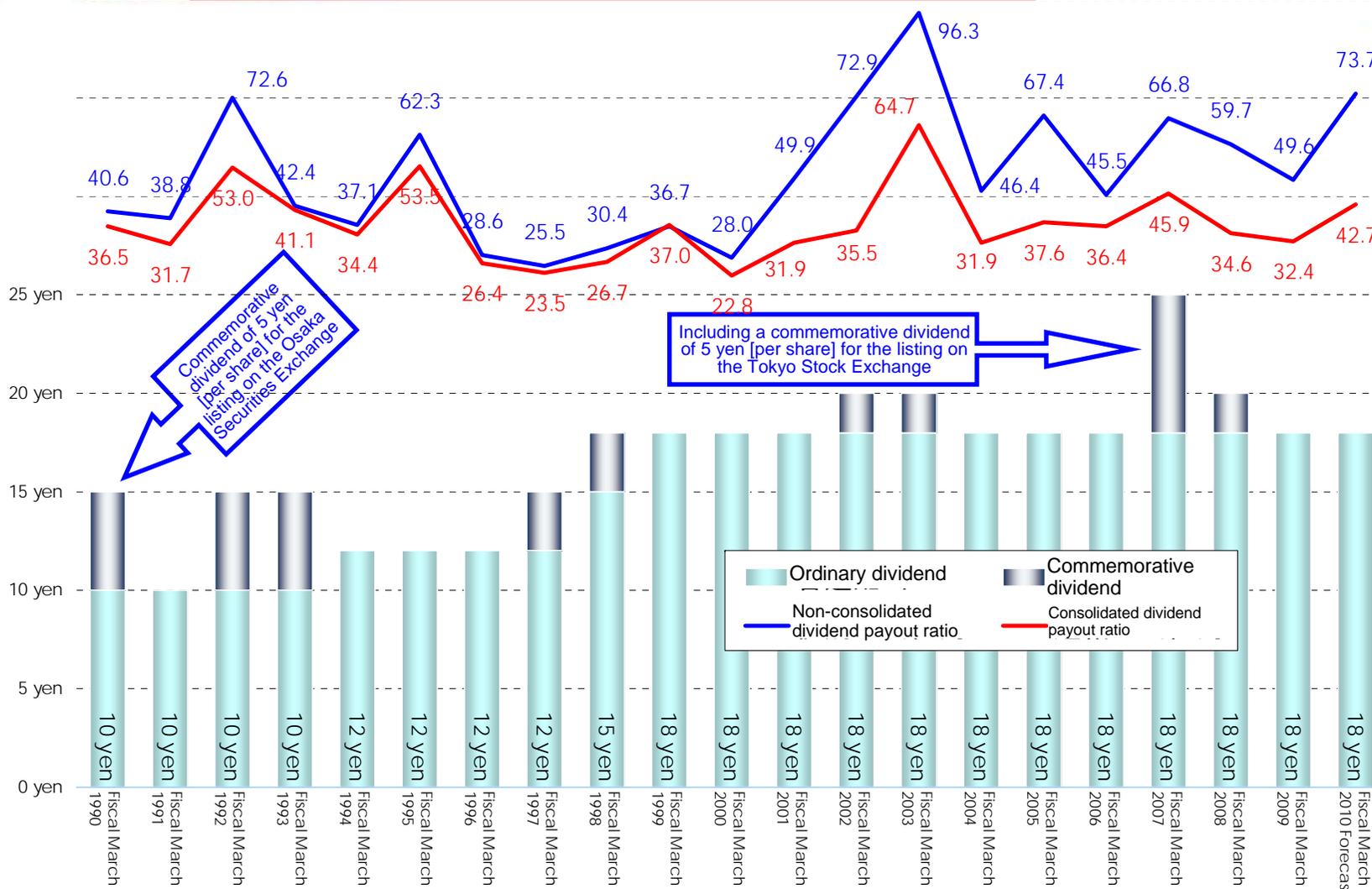
	Fiscal March 2009 (Results)	Fiscal March 2010	Fiscal March 2011	Fiscal March 2012
Capital expenditures	1,352	1,418	593	618
Depreciation costs	635	744	768	794
(of which goodwill amortization)	89	89	89	89
R&D expenses	1,041	1,153	1,139	1,182

- ✧ Breakdown of principle components of the Capital Expenditures Plan for the fiscal year ending March 31, 2010
  - Development of logistics bases: 712 million yen
  - Development of sales base functions: 178 million yen
- ✧ Projects not included in the Medium-term Business Plan (issues for future consideration):
  - West Japan Logistics Center
  - Expansion and relocation of production bases, including the Head Office Plant as well as domestic and overseas manufacturing subsidiaries
  - Group main system
  - Nail care business

# Dividend Policy

- Target dividend payout ratio: More than 30%
- Average consolidated dividend payout ratio since listing: 34.6% (Weighted average from Fiscal March 1990 to March 2009)

➤ Business Environment, Medium- and Long-term Business Strategies



\* Dividend payout ratio forecasts for the fiscal year ending March 31, 2010, have been calculated based on figures for the number of shares and shareholder's equity that reflect the planned disposal of treasury stock by a third-party allocation.



Forecasts in this document are based on information and data available at the time of release as well as on assumptions concerning uncertain factors that might affect the company's future business performance. Depending on various factors, actual business performance could differ substantially from the forecasts contained in this document.

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E-mail: [ir@shofu.co.jp](mailto:ir@shofu.co.jp)  
Contact: Corporate Planning Department





**The pages below are provided only for your reference.  
The information on these pages will not be covered in the  
financial analysis meeting.**

**SHOFU and Its Operations (Summary of the  
Company Profile and Its Businesses)**

# Company Profile



(As of September 30, 2009)

■ Company name	SHOFU Inc.
■ Representative	Noriyuki Negoro, President and CEO
■ Address	11 Kamitakamatsu-cho, Fukuine, Higashiyama-ku, Kyoto 605-0983, Japan
■ Date of establishment	May 15, 1922
■ Capital	4,474,646,614 yen
■ Listed exchanges	Second Section of Tokyo Stock Exchange (date listed: February 15, 2007)
■ Number of employees	439 (entire group: 784, including 202 in overseas subsidiaries)
■ Business	Manufacture and sale of dental materials and equipment
■ Main customers	Dental institutions (via sales agencies)
■ Number of group companies	12 (four in Japan, eight overseas) Dental companies: 10 (three in Japan, seven overseas) Nail care companies: 2 (one in Japan, one overseas)



# Main Products

The company manufactures and markets a wide range of dental materials and equipment.

## Artificial teeth



Artificial tooth and implant materials

- Porcelain teeth, porcelain powder, resin teeth

## Chemical products



Materials for use in a variety of applications, including implants, diseased area fillings, gums for artificial teeth, etc.

- Synthetic resins
- Impression materials
- Waxes

## Abrasives



Materials for removing diseased areas and polishing crowns

- Diamond abrasive
- Carborundum abrasive
- Silicon polisher
- Other carving and polishing materials
- Industrial grinding and polishing materials

## Cements



Materials for use in the adhesion of implants, fillings, etc.

- Dental cements
- Dental stones and investments

## Metal products



Materials for use as dental crowns and as the base for implants

- Alloys for casting, silver alloys
- Other metals

## Equipment and appliances



Equipment and appliances for dental treatment and procedures

- Dental equipment
- Products for oral care and infection prevention
- Orthodontic materials
- Health and beauty equipment
- Other equipment and appliances

Please refer to "Product Profiles" attached to this document.

The company's products are designed for use in dental care and treatment.

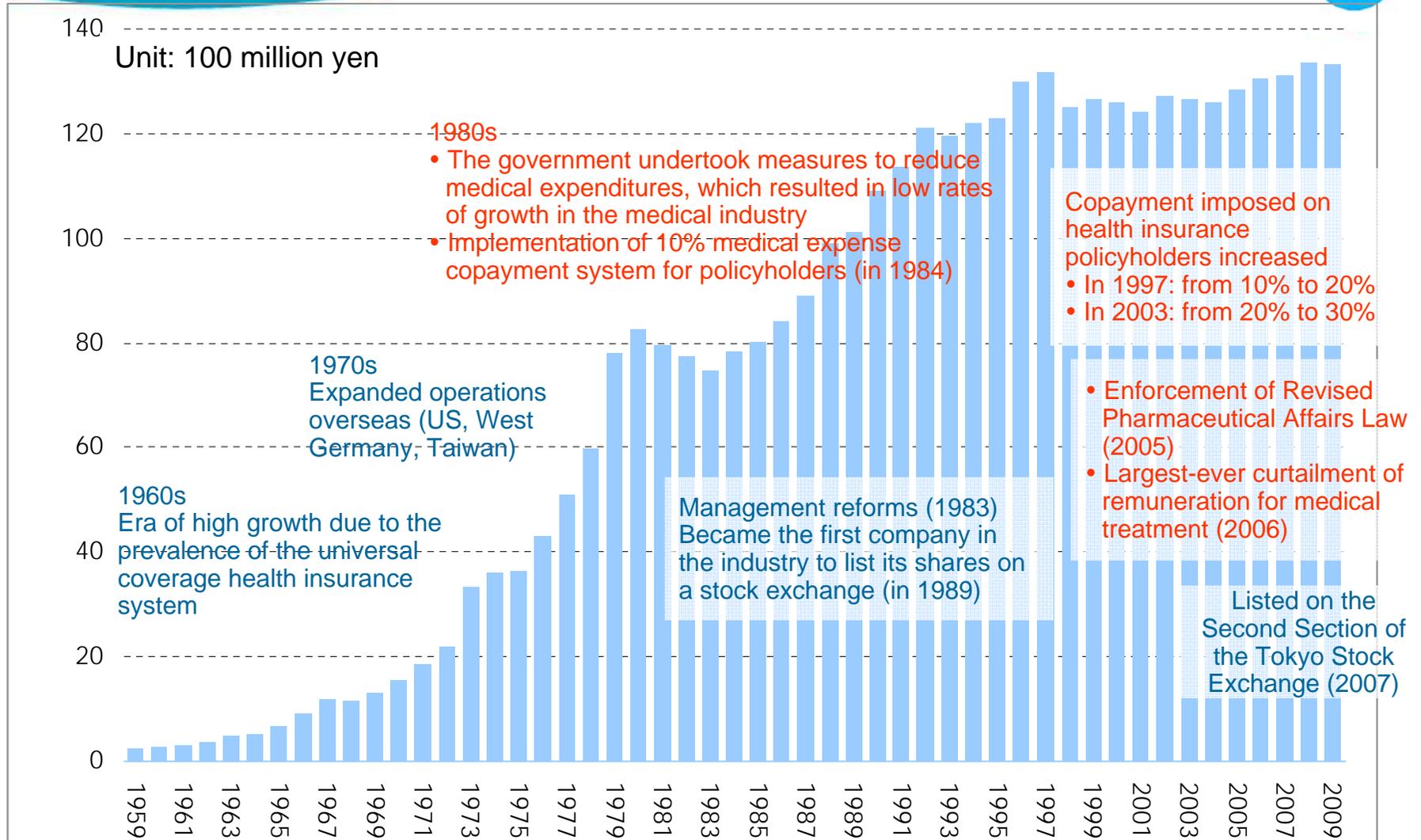
# Corporate History



• 1922	Shofu Dental Manufacturing Co., Ltd. founded and commenced the manufacture and sale of Japan's first artificial teeth.
• 1963	Shofu shares listed on the over-the-counter market.
• 1971~1978	Established sales subsidiaries in the U.S. and West Germany. Started overseas production (in 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's shares listed on the Second Section of the Osaka Securities Exchange (in November).
• 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 Liaison Office in Shanghai, China.
• 1997	Established the industry's largest research facility as a part of a project to commemorate Shofu's 75th anniversary.
• 2002~2003	Celebrated the company's 80th anniversary (in May 2002). Established Liaison Office in Beijing, China. Obtained ISO 14001 (Environmental Management System) certification (both for the headquarters and all group companies). Established Shanghai Shofu Dental Materials Co., Ltd., a production facility in China.
• 2005	Acquired Shoken Inc. as a wholly owned subsidiary through a share exchange. Established Shofu Dental Supplies (Shanghai) Co., Ltd., a sales facility in China.
• 2006	Training Center designed to promote customers service completed (in August).
• 2007	Celebrated the company's 85th anniversary. Shofu's shares listed on the Second Section of the Tokyo Stock Exchange (in February).
• 2008	Acquired and turned Nail Labo Co., Ltd. into a subsidiary. Acquired 1.6 million of the company's own shares in accordance with the purchase of the company's own shares scheme in the J-NET market of the Osaka Securities Exchange.
• 2009	Reached basic agreement concerning business and capital partnership with Mitsui Chemicals, Inc., and Sunmedical Co., Ltd. Transferred 1.8 million shares of treasury stock to Mitsui Chemicals, Inc., through a third-party allocation. Delisted from the Osaka Securities Exchange.

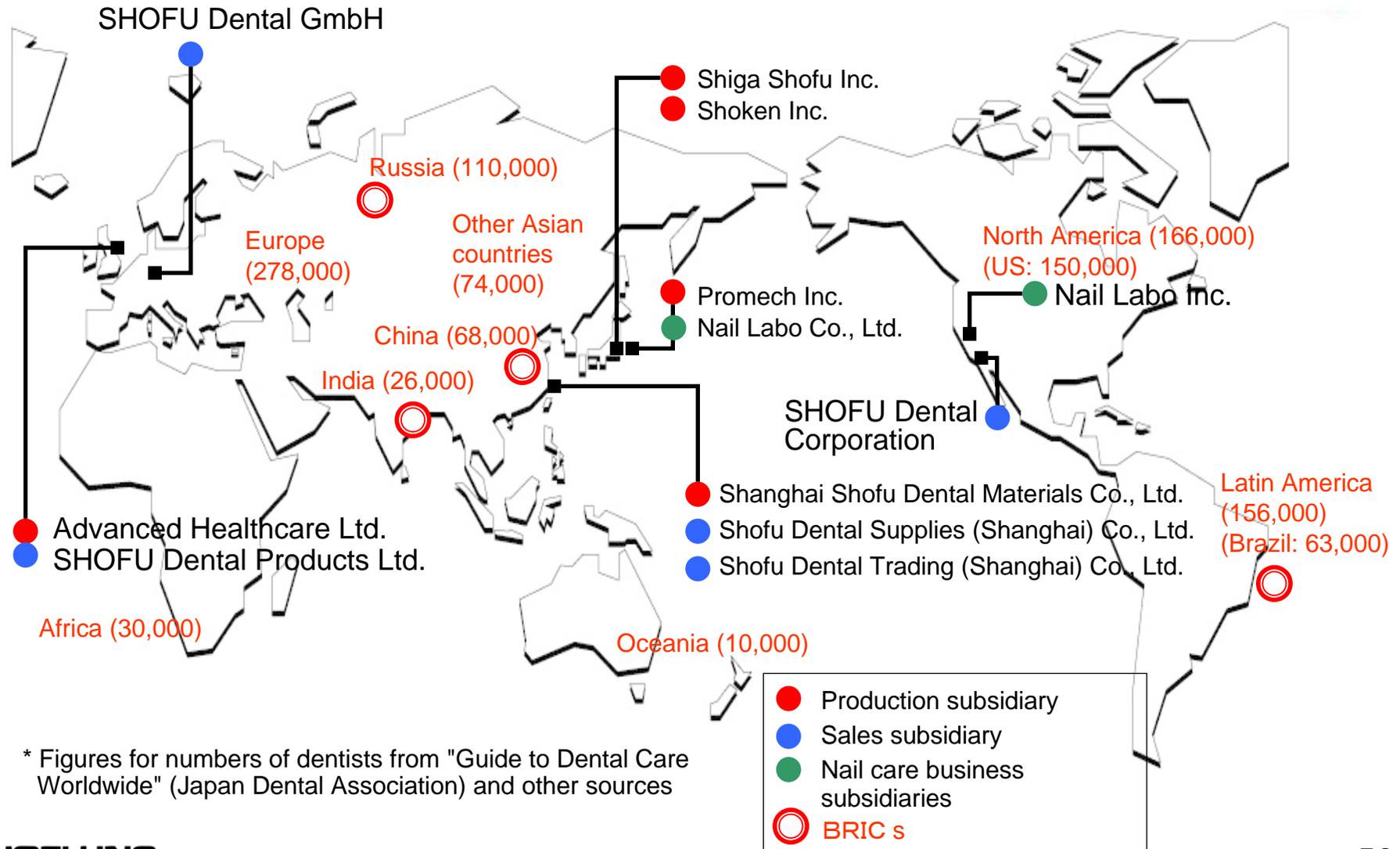


# Corporate History - Sales



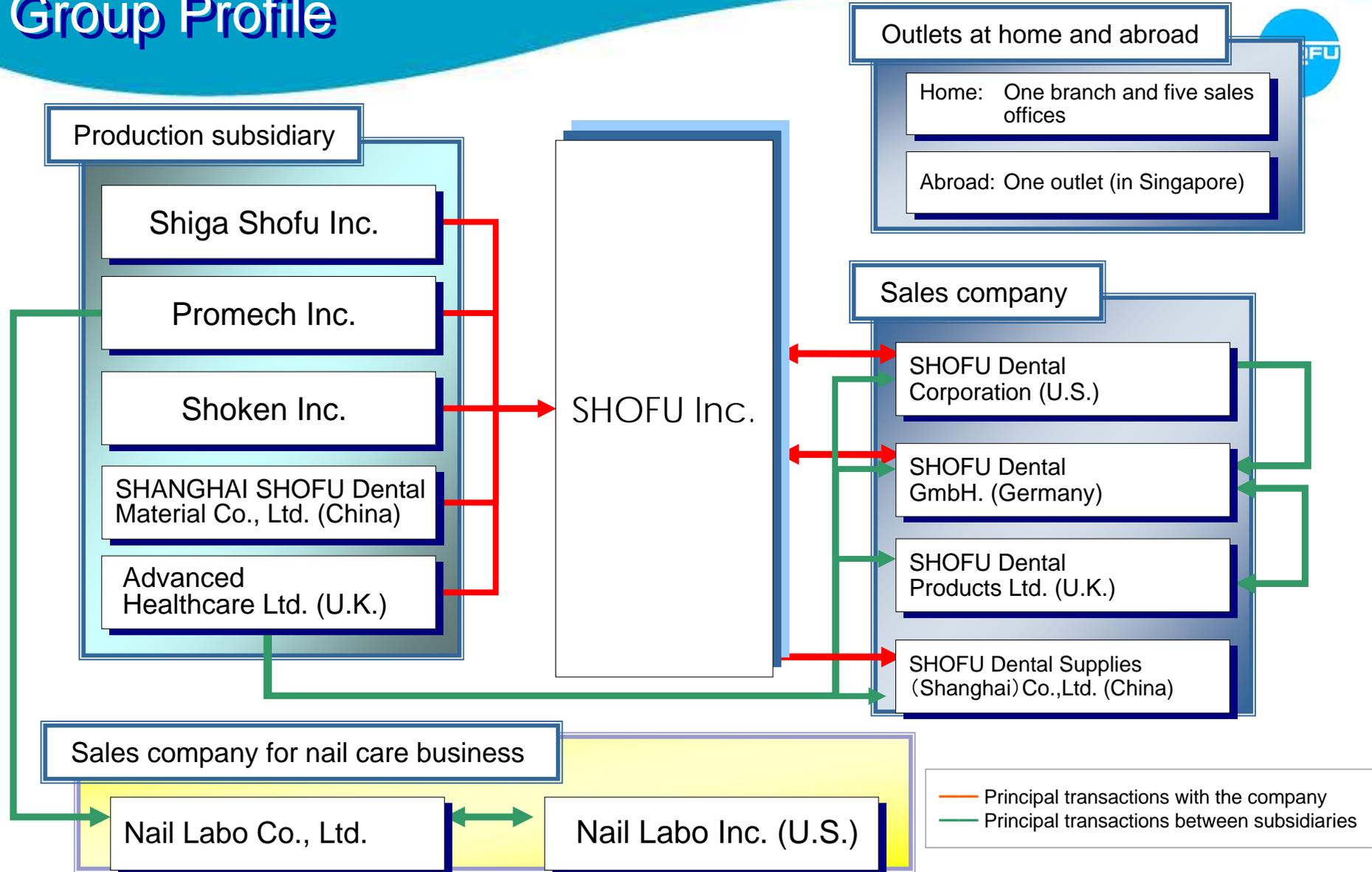


# Group Profile and Number of Dentists Worldwide



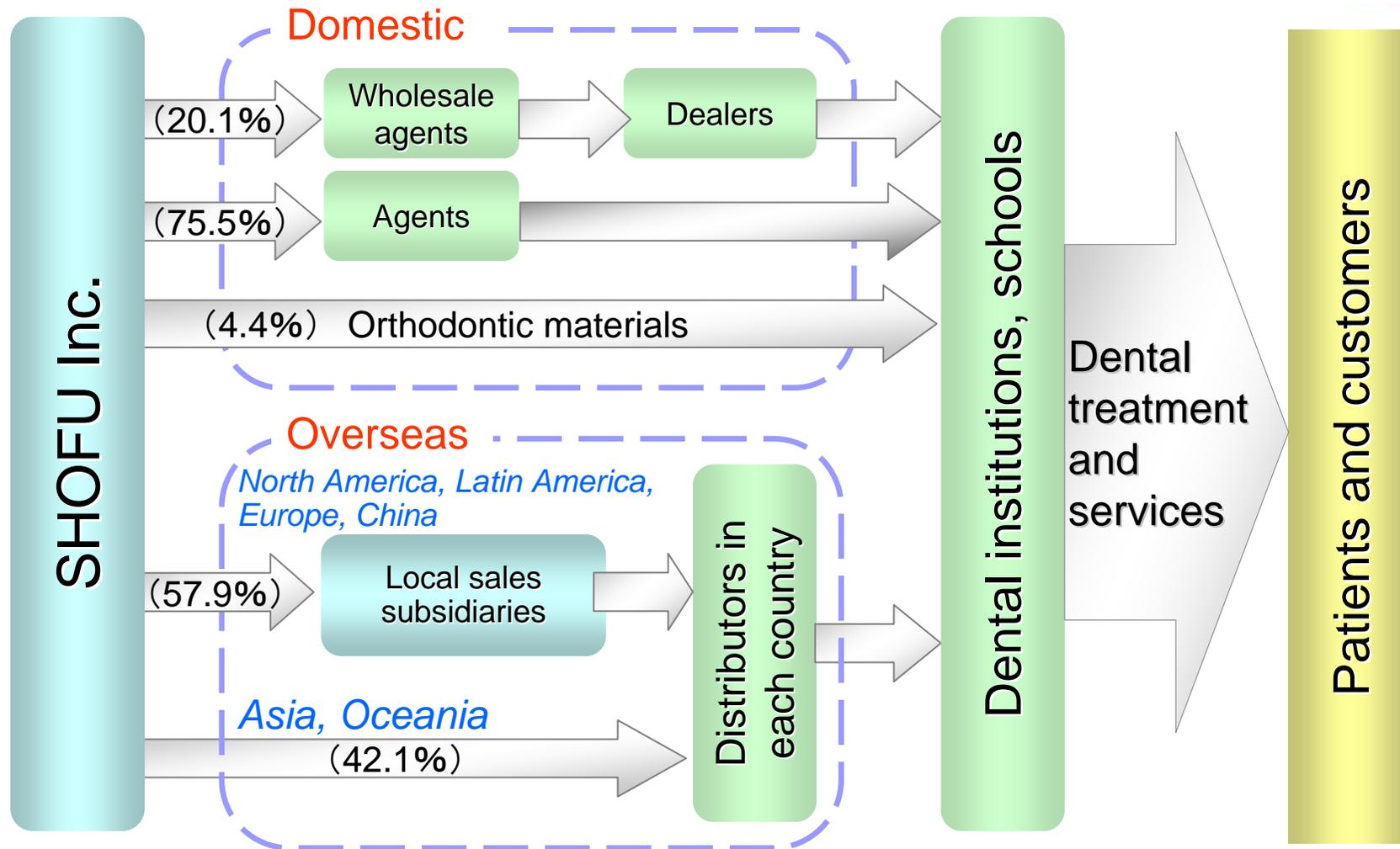
\* Figures for numbers of dentists from "Guide to Dental Care Worldwide" (Japan Dental Association) and other sources

# Group Profile





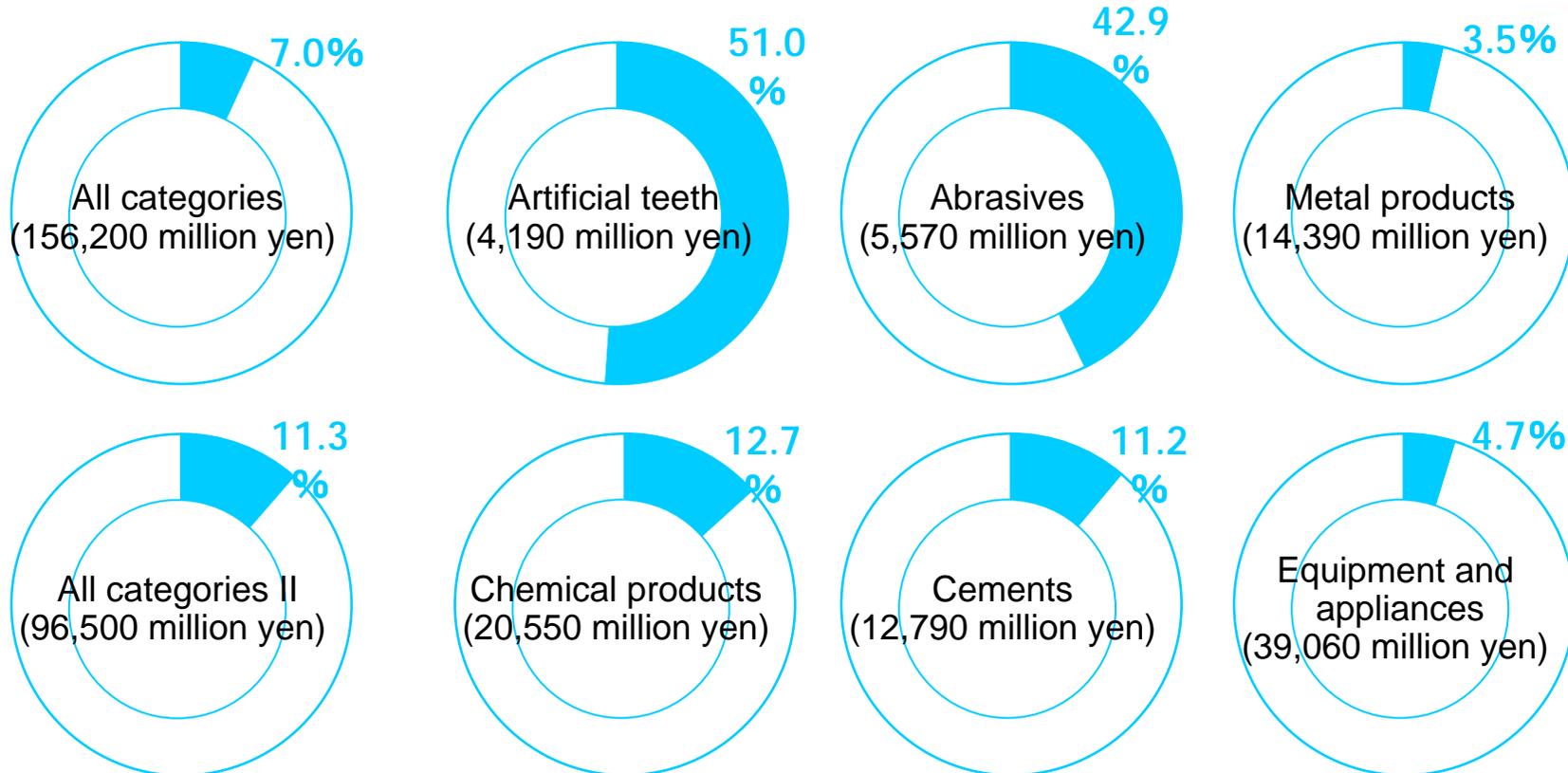
# Sales Channels



Figures in parentheses represent each sales channel as percentage of total sales (Non-consolidated figures as of Fiscal March 2009).



# Market share by product category



“All categories” includes “gold-silver-palladium alloy” and “machines and equipment for dental clinics.” “All categories II” and other categories do not include “gold-silver-palladium alloy” and “machines and equipment for dental clinics.”

Source: Production Statistics issued by the Pharmaceutical Industry (Manufacturers’ shipment values), Ministry of Health, Labour and Welfare (Domestic data, Calendar Year 2007)  
 Figures in parentheses represent market size. (Figures rounded down to the nearest ten million yen)

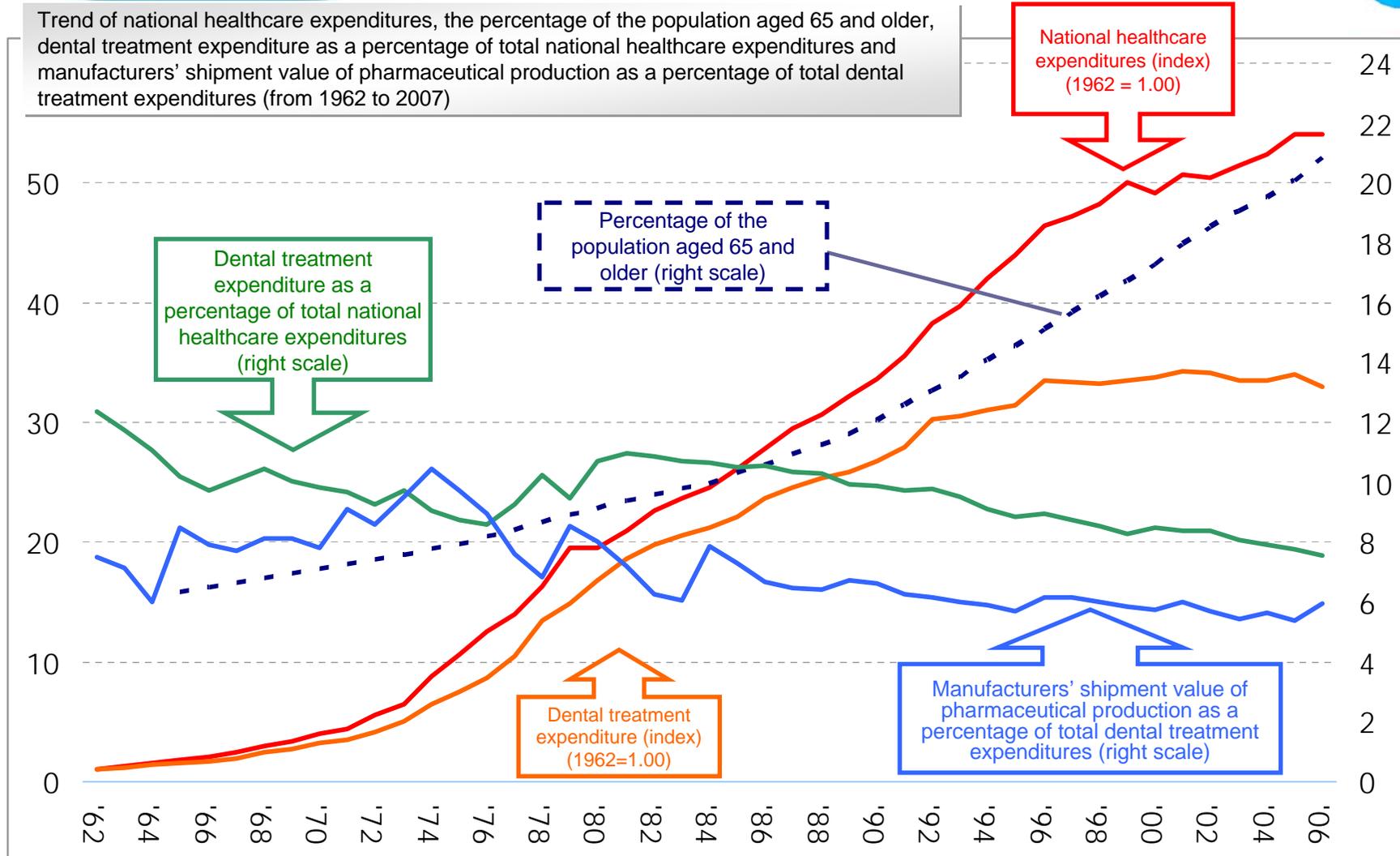


Reference < Dentistry Data >

# Long-term Trend of Dentistry-Related Statistics



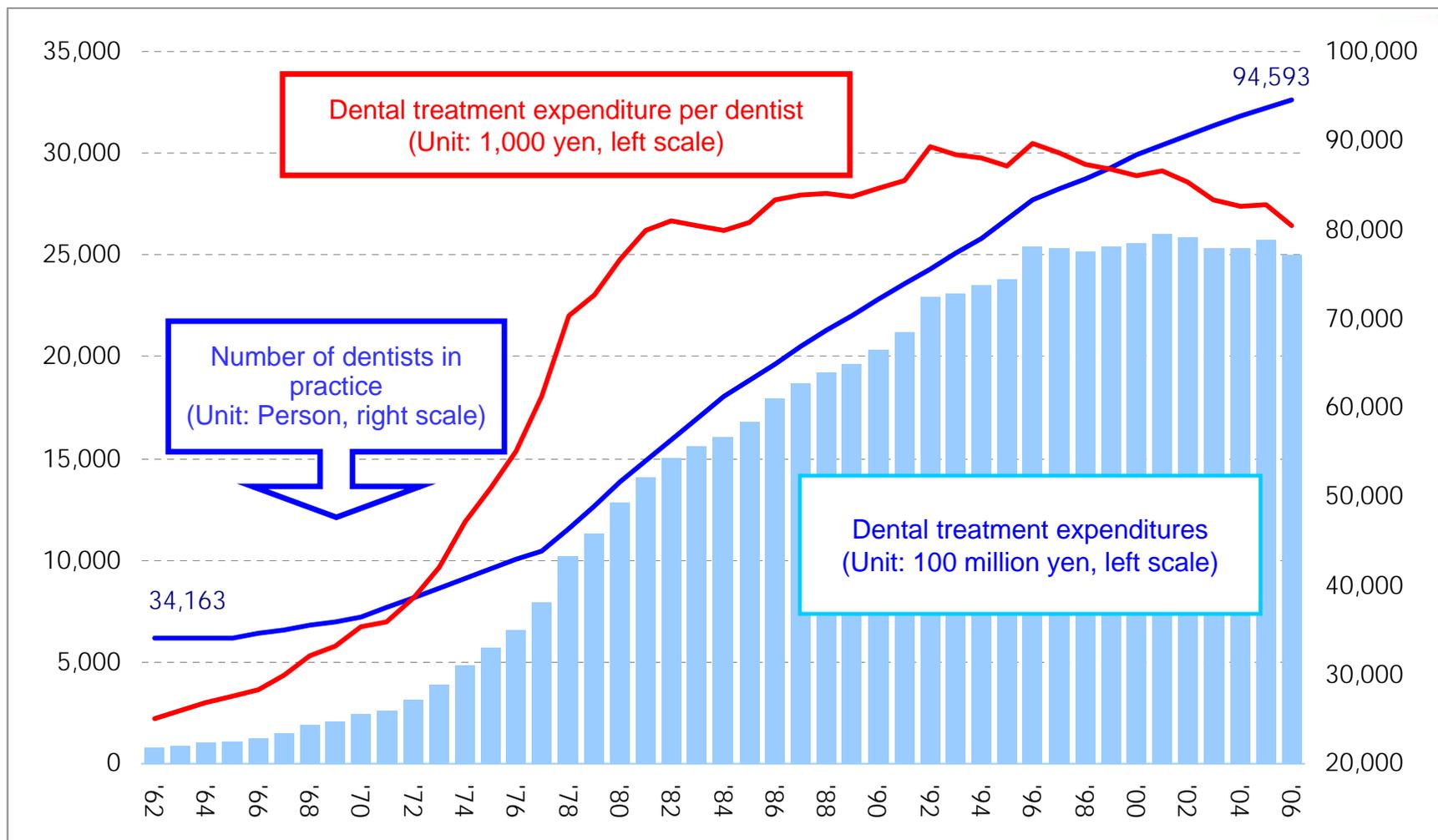
Trend of national healthcare expenditures, the percentage of the population aged 65 and older, dental treatment expenditure as a percentage of total national healthcare expenditures and manufacturers' shipment value of pharmaceutical production as a percentage of total dental treatment expenditures (from 1962 to 2007)



Prepared using yearly data from Summary of National Healthcare Expenditures, Production Statistics issued by the Pharmaceutical Industry (Ministry of Health, Labour and Welfare)

# Trend of the Number of Dentists and Dental Treatment Expenditure

Reference <Dentistry Data>



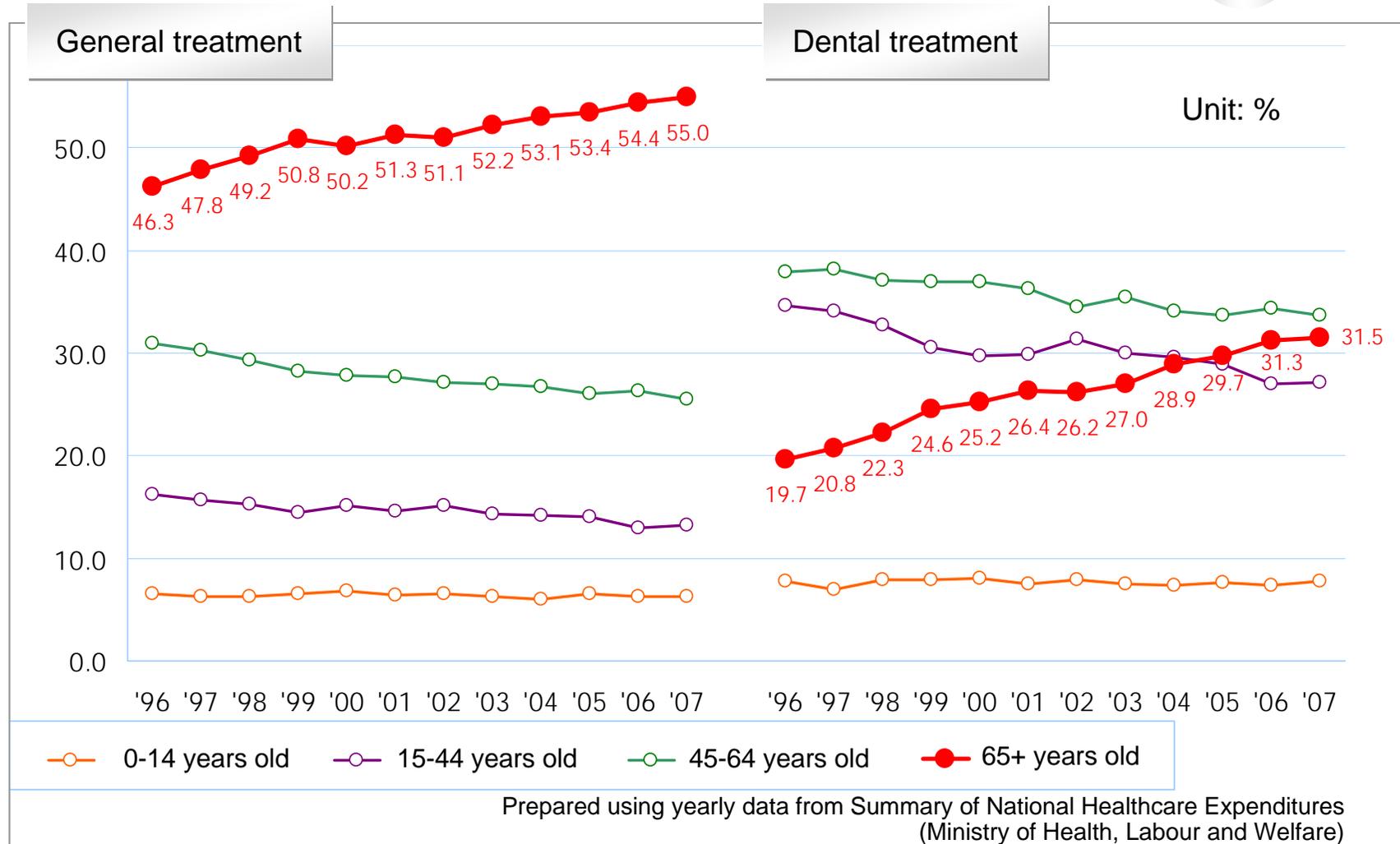
Prepared using yearly data from Summary of National Healthcare Expenditures, Survey on Doctors, Dentists and Pharmacists (Ministry of Health, Labour and Welfare)

# Healthcare Expenditures by Age Group (Component Ratio)

Reference <Dentistry Data>



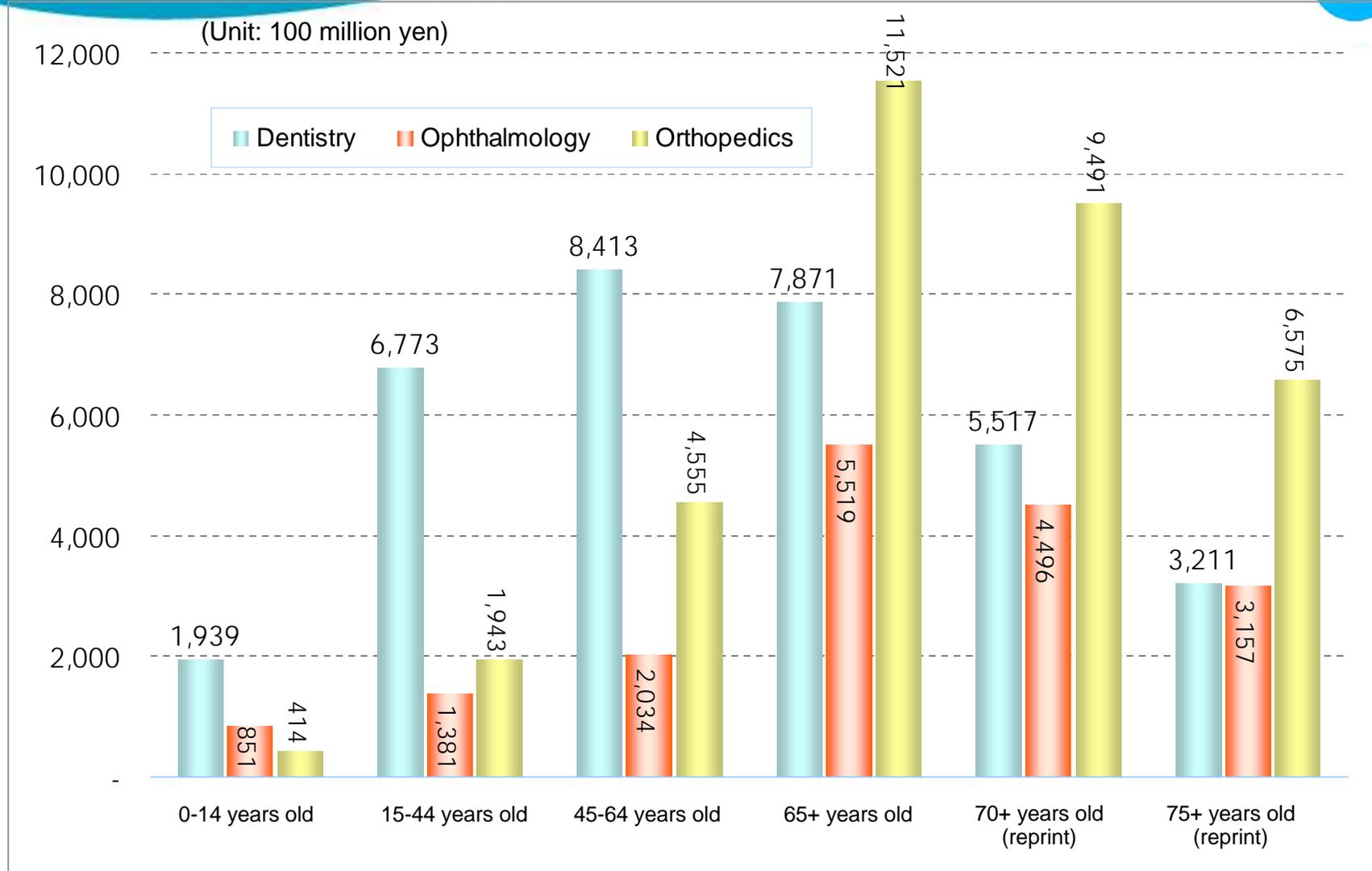
People aged 65 years and older tend to place less importance on dental treatment than general medical treatment.



Prepared using yearly data from Summary of National Healthcare Expenditures (Ministry of Health, Labour and Welfare)

# Comparison of Healthcare Expenditures by Age Group - Dentistry, Ophthalmology and Orthopedics

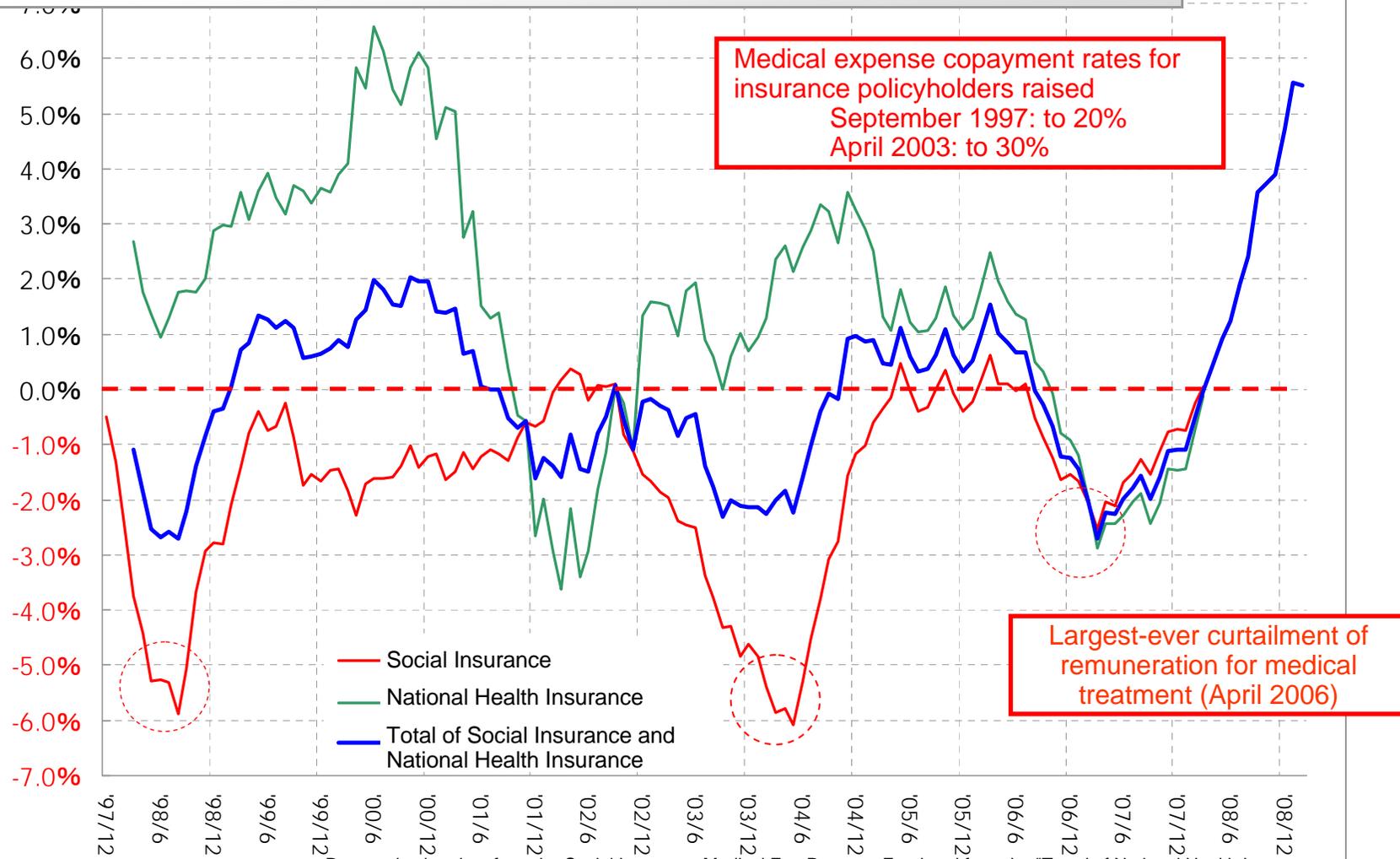
Reference <Dentistry Data>



# Dental Treatment Expenditures (2)

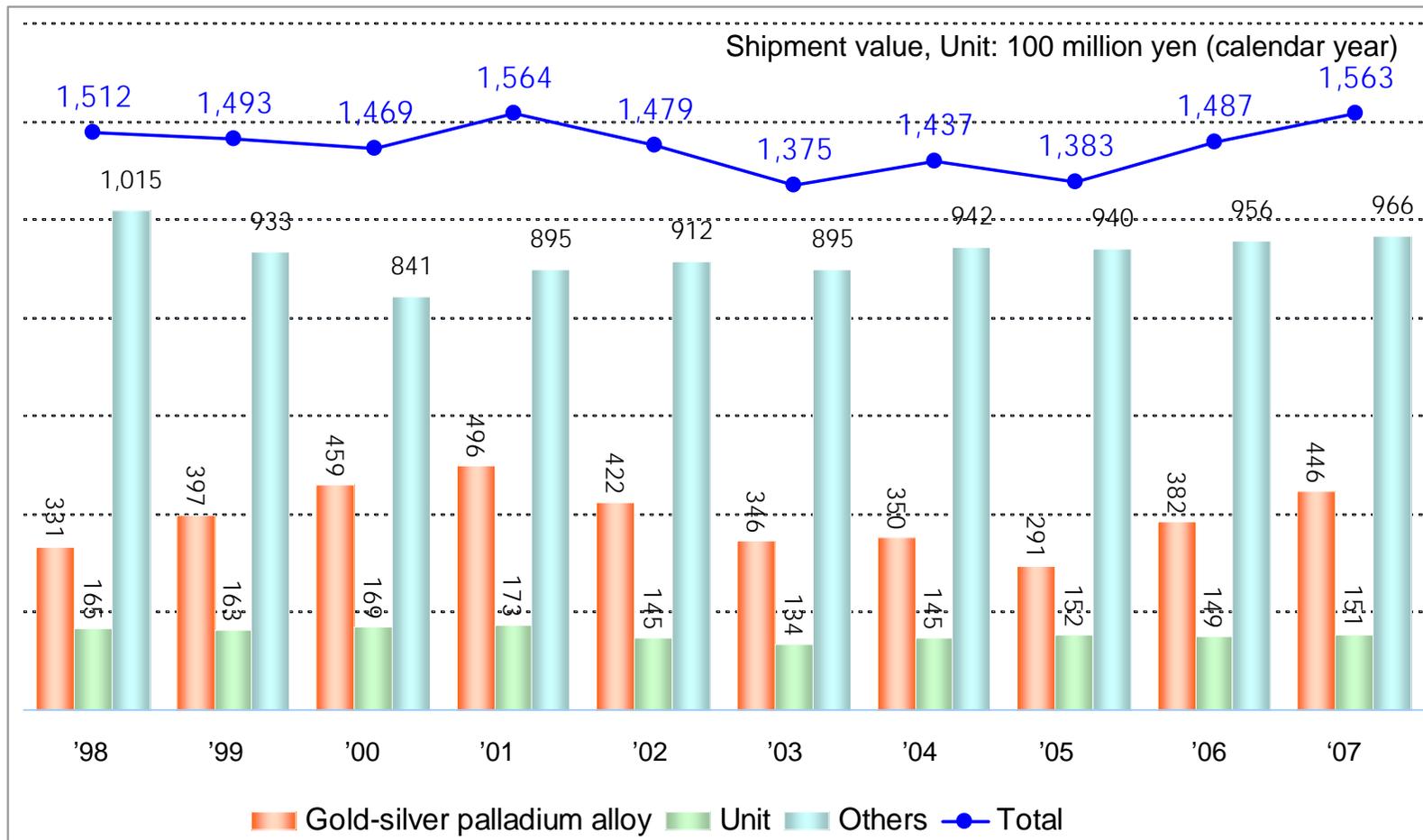


Year-on-year comparison of amount paid by dental health insurance (deviation from 12-month moving average) from December 1997 to February 2009



# Trend of Shipment Value of Pharmaceutical Industry Production

Reference <Dentistry Data>

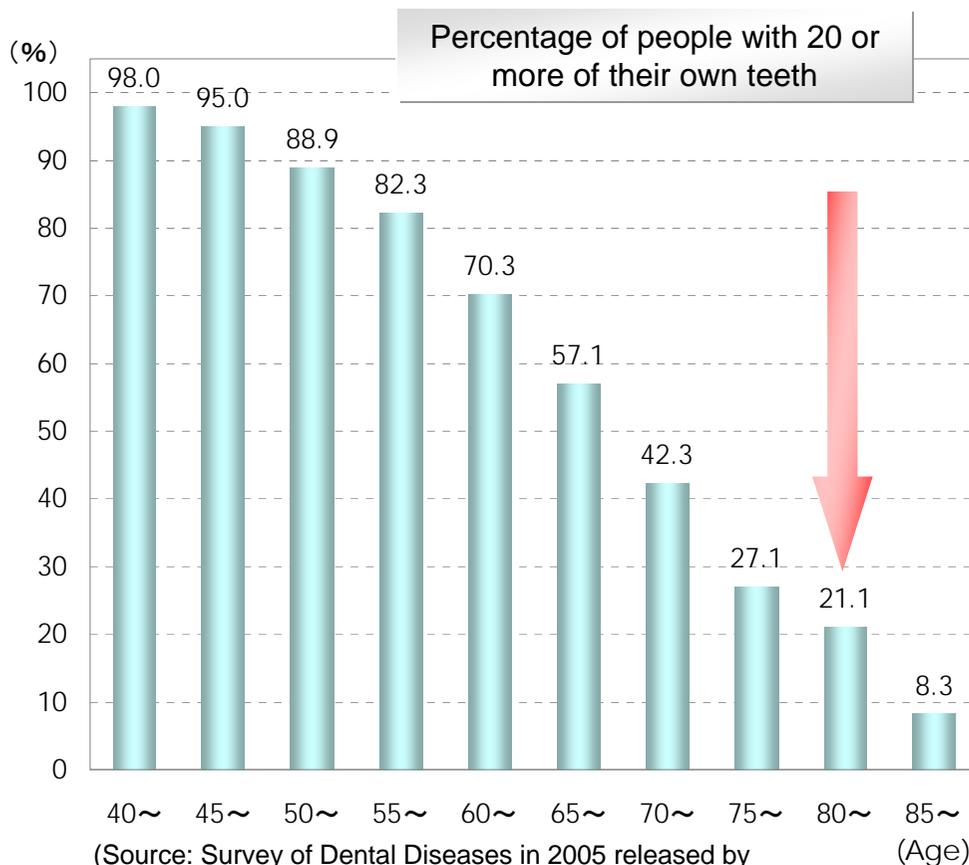


Prepared using data from Production Statistics issued by the Pharmaceutical Industry (Manufacturers' shipment values), (Year Book for each year), released by the Ministry of Health, Labour and Welfare

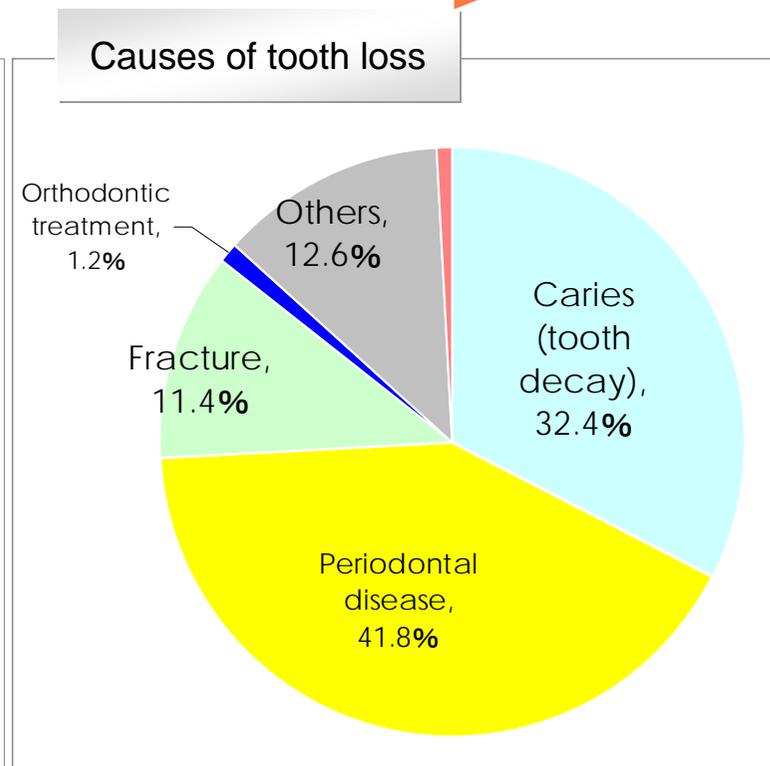
# The 8020 Movement and Changes in Dental Diseases



The primary target of “20% of the population achieving 8020” was reached in 2006.



(Source: Survey of Dental Diseases in 2005 released by the Ministry of Health, Labour and Welfare)



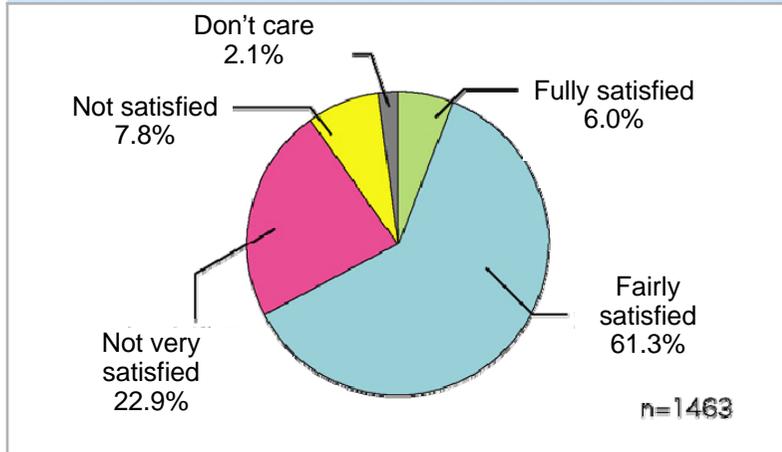
(Survey by the 8020 Promotion Foundation in 2005)

# Perception of Dental and Oral Health

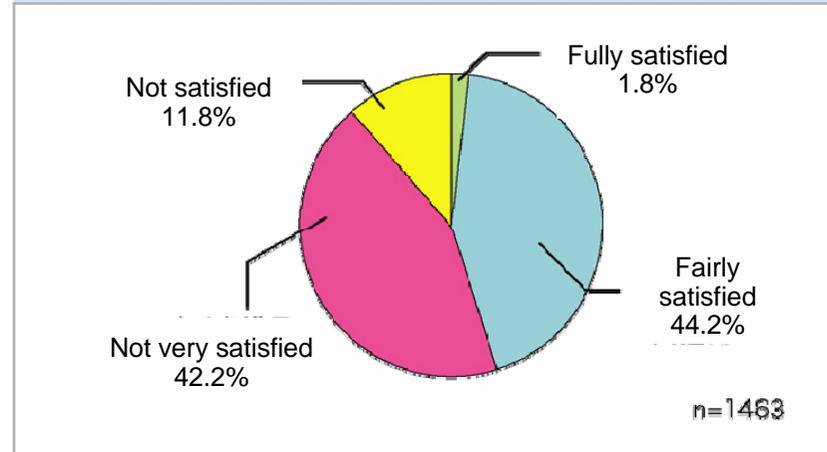
Source: Fiscal 2007's Dental Equipment Industry Vision (References)



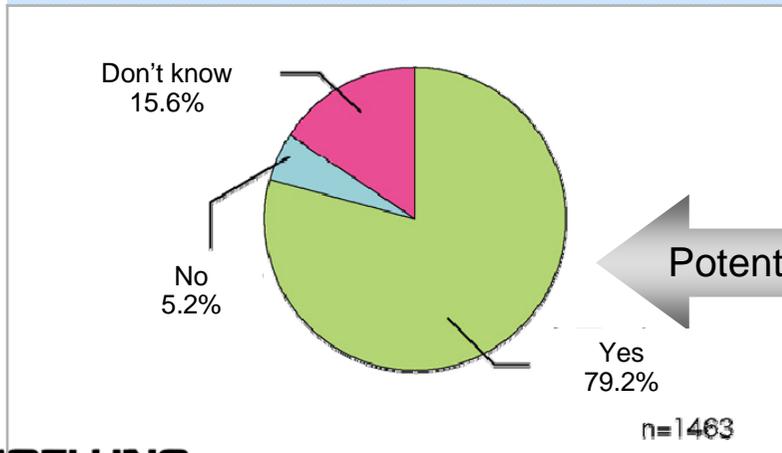
Are you satisfied with your physical health?



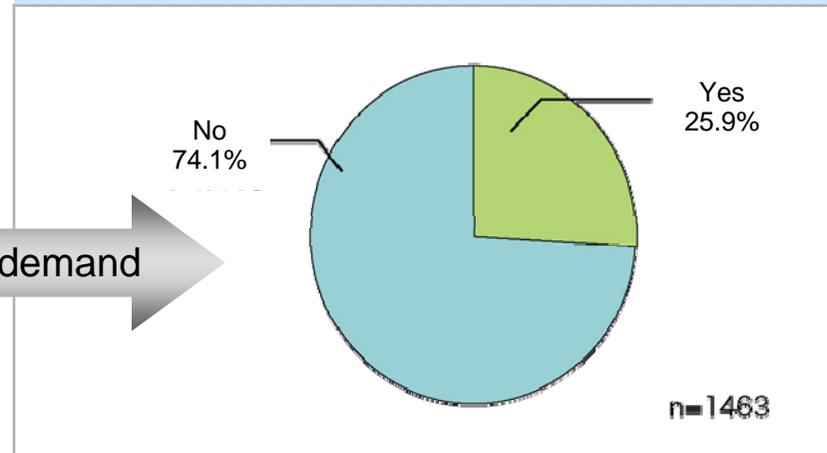
Are you satisfied with your oral health?



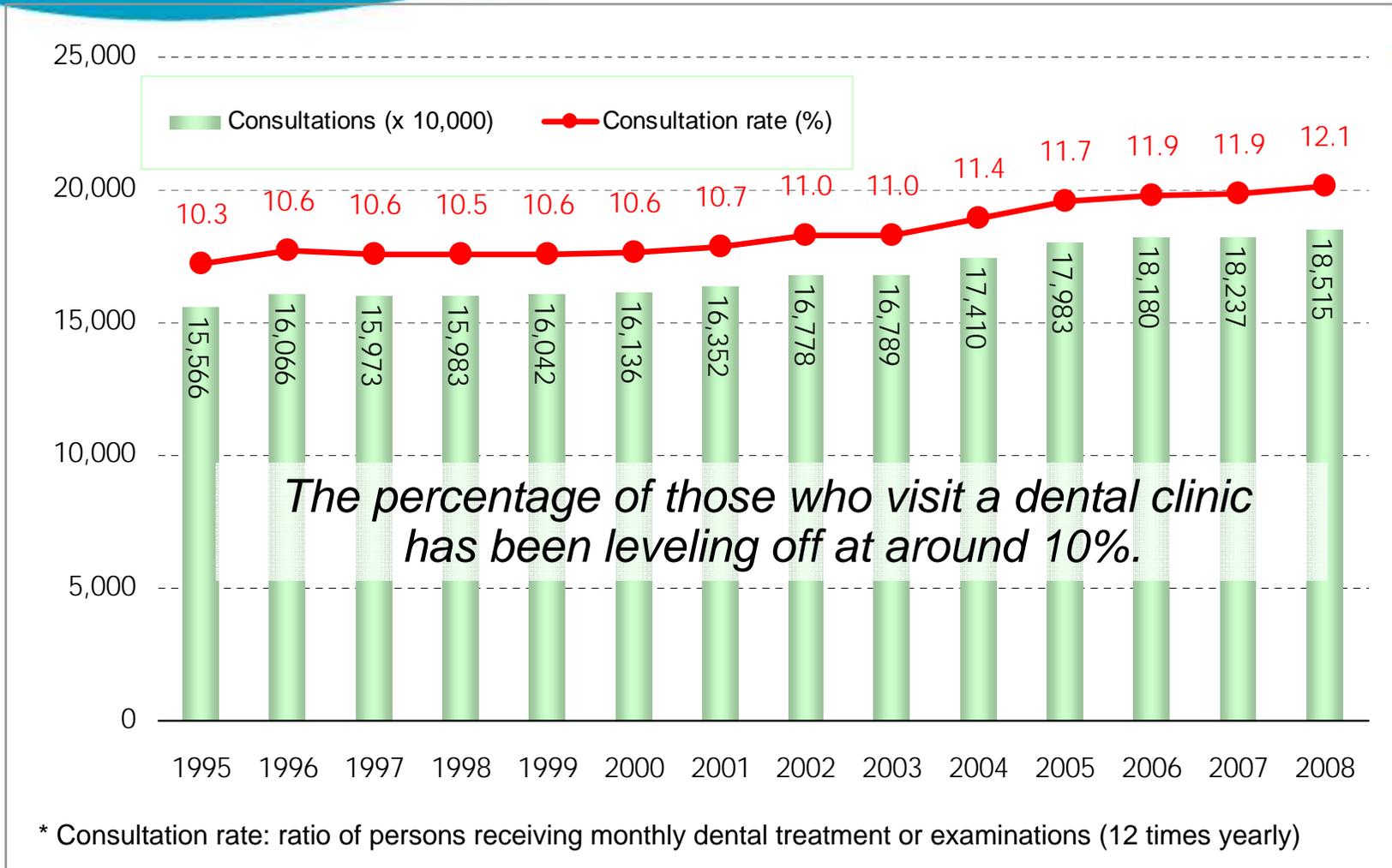
Do you think it necessary to receive regular dental care (checkup and cleaning) at a dental clinic?



Do you actually receive regular dental care?



# Dental Clinic Consultation Rates



Prepared using annual data from "Recent Trends in Healthcare Expenditures (MEDIAS)" issued by the Ministry of Health, Labour and Welfare



# Trend in the North American Market

The public developed the habit of paying regular visits to dental clinics. → Shortage of dentists

Increase in regular visits to dental clinics → Solution to the problem of oversupply of dentists

	North America	Japan
Percentage of those who make regular visits to dental clinics	54%	16%
Number of dentists (per 1,000 persons)	0.6 person	0.7 person
Population (per dentist)	1,670 person	1,430 person

WHO says that one dentist per 2,000 persons is the appropriate ratio.

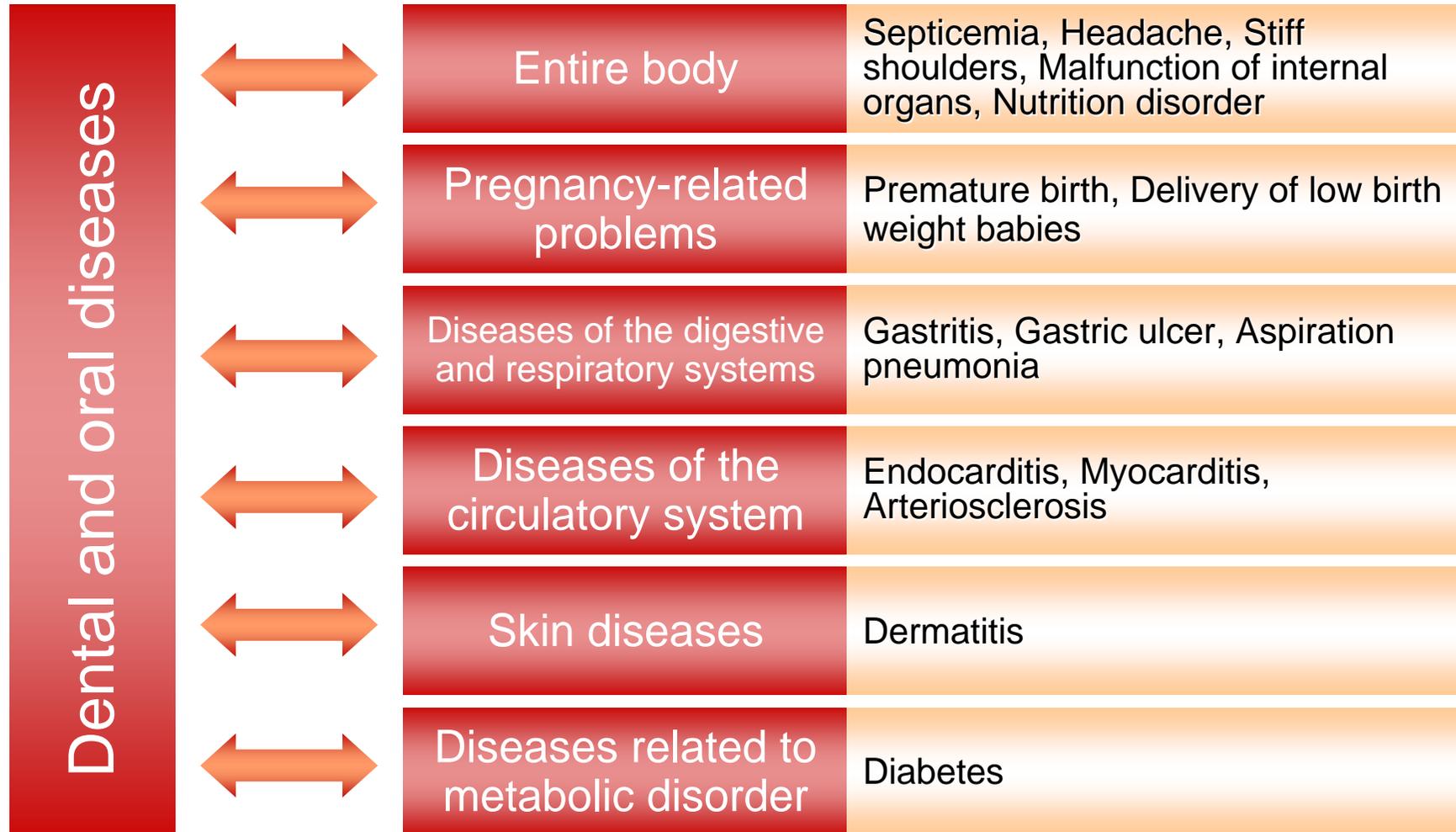
Source:

\* Health and Welfare Survey in 1999 conducted by the Ministry of Health, Labour and Welfare and a survey conducted by Colgate-Palmolive Company

\* Consulted an article titled "Reasons for the Success of the Canadian Dental Community" (DH Style, September 2007) by Ken Yaegaki DDS Ph.D., Professor and head of the Department of Oral Health, Nippon Dental University School of Life Dentistry)

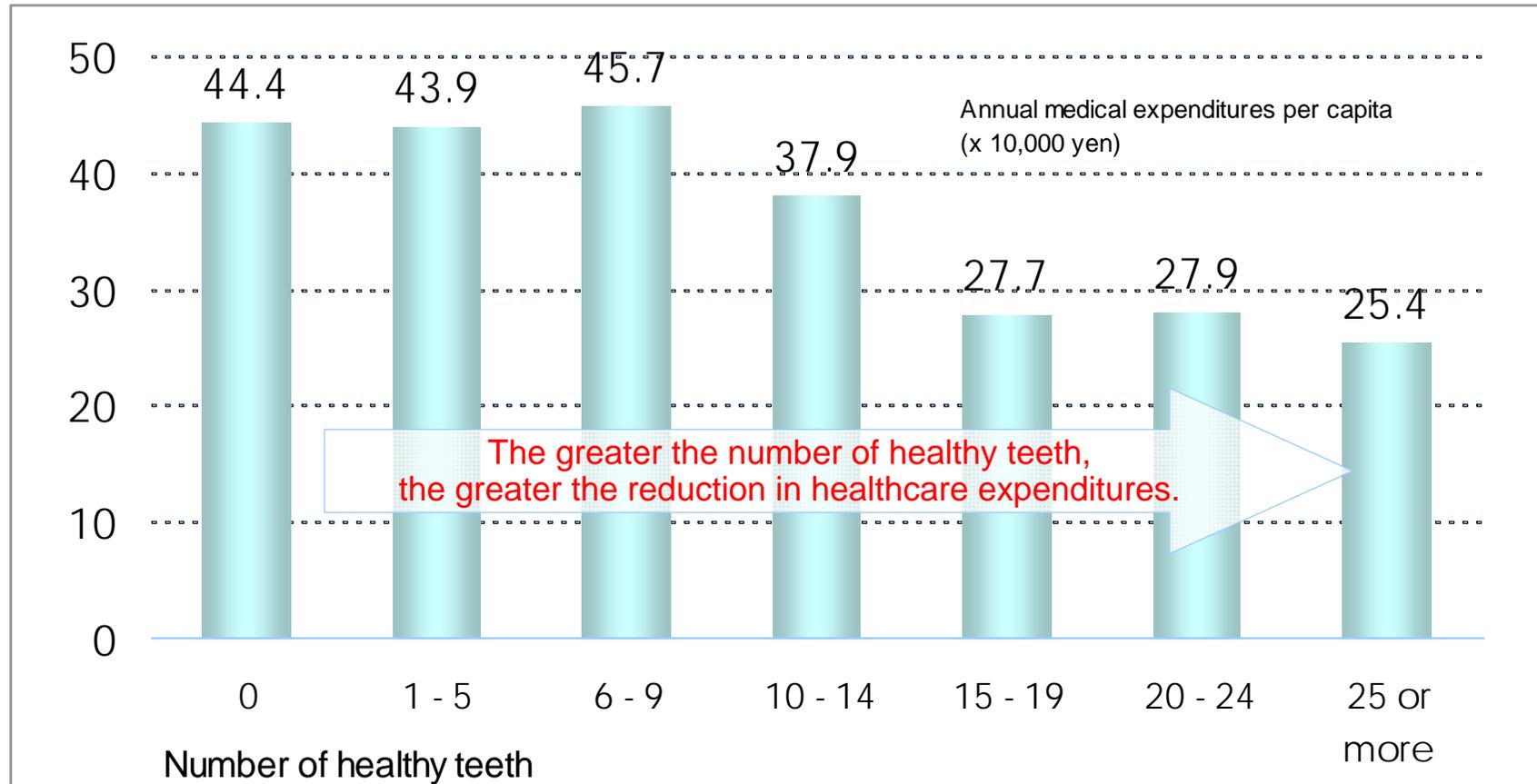
# Systemic Diseases Caused by Caries and Periodontal Disease

Reference <Dentistry Data>



# Correlation between Number of Healthy Teeth and Healthcare Expenditures

Reference <Dentistry Data>



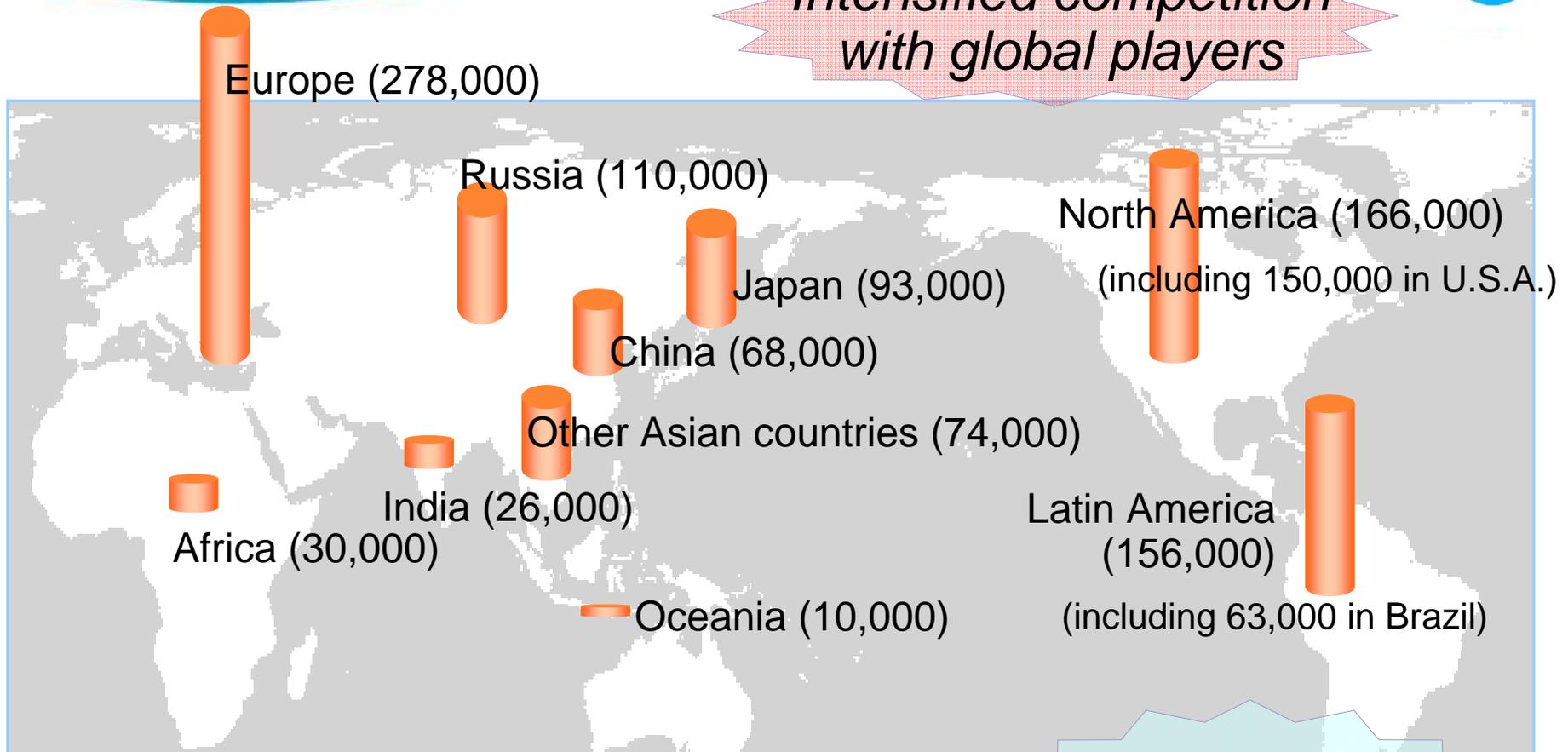
Prepared on the basis of "Correlation between Oral Hygiene Status of Elderly Persons and Healthcare Expenditures," a paper published in 2003 by Kazumune Arikawa, a full-time instructor at the Nihon University School of Dentistry at Matsudo  
Subjects surveyed: 954 persons aged 80 living independently (392 men, 562 women)

# Number of Dentists in the World

Reference <Dentistry Data>



*Intensified competition  
with global players*



◆ Source:  
Number of dentists – “Guide to Dental Health Care in the World: How to Provide and Receive Dental Care in Other Countries” (Japan Dental Association)  
Estimated market size – “Dental Equipment Industry Vision in Fiscal 2007” (Council for Compiling Dental Equipment Industry Vision)

Number of dentists in the world:  
Approx. 1 (one) million  
Estimated market size:  
Approx. 2 (two) trillion yen