



**Fiscal Year Ended March 2015**  
**(143th Business Year)**

# **Financial Analyst Meeting**

May 22, 2015



Proven Products for Better Dentistry

**SHOFU INC.**

# Contents of Today's Presentation

- ➔ **Summary of Consolidated Business Performance for Fiscal Year Ended March 31, 2015**
- ➔ **Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2016**
- ➔ **Future Business Environment and Medium- and Long-term Business Strategies**

**Director/President Noriyuki Negoro**

A faint, stylized world map is visible in the background of the slide, showing the outlines of continents in a light gray color.

**Summary of Consolidated Business Performance  
for Fiscal Year Ended March 31, 2015**

**Forecast of Consolidated Business Performance  
for Fiscal Year Ending March 31, 2016**

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

# Summary of Business Performance (Comparison with Previous Period)

Summary of Consolidated Business Performance for  
Fiscal Year Ended March 31, 2015



■ Positive factors ■ Negative factors

P/L

⇒ Net Sales totaled 19,688 million yen (an increase of 7.8%)

Domestic net sales totaled 13,521 million yen (an increase of 3.5%)

- Domestic sales in the dental business **increased 5.1%** due to contributions from sales of new CAD/CAM-related products.
- Domestic sales in the nail care business **decreased 9.1%** due to decreased sales of flagship acrylic products, despite contributions to sales from gel nail products.

Overseas net sales totaled 6,166 million yen (an increase of 18.8%)

- Overseas sales in the dental business **increased 18.0%** due to steady progress in every region and the effects of the yen depreciation. Overseas sales in the nail care business **increased 32.6%** due to favorable business progress in Asian regions.

⇒ Operating income totaled 1,159 million yen

- Although selling, general and administrative expenses increased 888 million yen year on year mainly due to aggressive investments for future growth, operating income **increased 17.5%** with the effect of increased sales.

⇒ Ordinary income totaled 1,114 million yen, and current income totaled 581 million yen

- Although a decline in non-operating income such as foreign exchange profits led to a smaller increase in income, ordinary income **increased 13.9%**.
- Net income **increased 14.8%** as a result of the recording of impairment loss in extraordinary losses for property, plant and equipment that are scheduled to be sold.

# Summary of Business Performance for the Current Fiscal Year

Summary of Consolidated Business Performance for  
Fiscal Year Ended March 31, 2015



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

Units: millions  
of yen, %

	Fiscal March 2014 (Results) (% of sales)	Fiscal March 2015 (Forecast) (% of sales)	Fiscal March 2015 (Results) (% of sales)	Change from Previous Period (% change)	Change from Forecast (% change)
Net sales	18,258 (100.0)	19,667 (100.0)	19,688 (100.0)	1,429 (7.8)	21 (0.1)
(Domestic sales)	13,066 (71.6)	13,653 (69.4)	13,521 (68.7)	455 (3.5)	-131 (-1.0)
(Overseas sales)	5,191 (28.4)	6,014 (30.6)	6,166 (31.3)	974 (18.8)	152 (2.5)
Operating profit	987 (5.4)	1,410 (7.2)	1,159 (5.9)	172 (17.5)	-251 (-17.8)
Ordinary profit	978 (5.4)	1,339 (6.8)	1,114 (5.7)	135 (13.9)	-224 (-16.8)
Net income	506 (2.8)	944 (4.8)	581 (3.0)	75 (14.8)	-362 (-38.4)
Net income per share	31.77yen	59.21yen	36.45yen	4.68yen	-22.77yen
Return on equity	2.6%	4.8%	2.8%	0.2P	-2.0P

\*Fiscal March 2015 forecasts are figures revised upward from the initial forecasts announced on  
October 29, 2014.

\*Diluted earnings per shares for fiscal March 2015 results is 36.22 yen.

# Sales by Product Category (Comparison with Previous Period)

Summary of Consolidated Business Performance for  
Fiscal Year Ended March 31, 2015



Unit: millions of yen

Figures in parentheses represent percentage changes; unit: %

	Fiscal March 2014 (Results)	Fiscal March 2015 (Results)	Cange from previous period		
				Domestic	Overseas
Artificial teeth	2,641	2,664	22 (0.9)	-116	139
Abrasives	3,707	3,880	173 (4.7)	-74	248
Metal products	331	292	-38 (-11.6)	-38	0
Chemical products	3,492	3,700	207 (5.9)	-108	315
Cements and others	1,915	1,855	-59 (-3.1)	-50	-9
Equipment and others	4,291	5,456	1,165 (27.2)	979	185
Dental business total	16,379	17,850	1,471 (9.0)	590	880
Nail care business	1,792	1,750	-42 (-2.4)	-136	93
Other	87	87	0 (1.0)	0	-
Total	18,258	19,688	1,429 (7.8)	455	974

\* Overseas sales increased by 406 million yen due to the effect of foreign currency fluctuations (US dollar, euro, pound sterling, renminbi).

# Domestic Net Sales

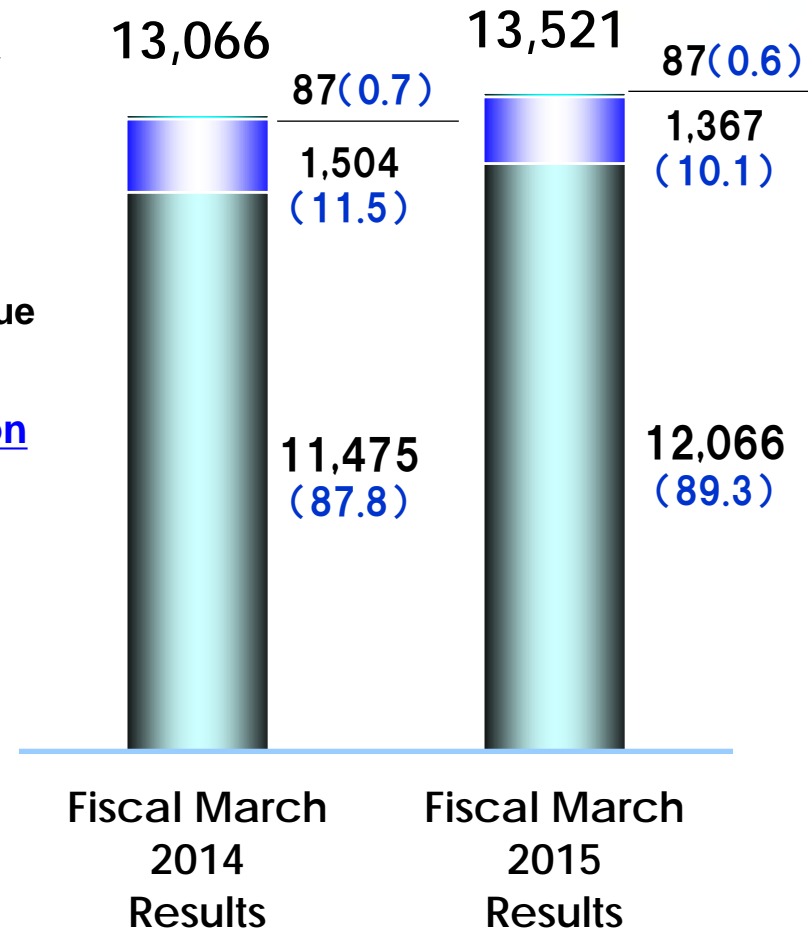
Summary of Consolidated Business Performance for Fiscal Year Ended March 31, 2015



■ Positive factors ■ Negative factors

- **Dental business: Year-on-year increase of 590 million yen (5.1%)**
  - CAD/CAM-related products were newly covered by insurance, and equipment and others progressed favorably.
- **Nail care business: Year-on-year decrease of 136 million yen (9.1%)**
  - Gel nail products contributed to sales.
  - Sales of the flagship acrylic products decreased due to the contracting acrylic market and the impact of price competition.
- **Other businesses: Year-on-year increase of 0 million yen (1.0%)**
- **Principal new products launched this quarter (dental business)**
  - Composite resin for dental filling  
**BEAUTIFUL Bulk**, (chemical products)
  - LED light irradiator  
**Blue Shot II**, (equipment)
  - Semi-sinter zirconia disk for CAD/CAM  
**SHOFU Disk ZR-SS**, (equipment and others)

Unit: Millions of yen; figures in parentheses represent the percentage of the total



# Overseas Net Sales

Summary of Consolidated Business Performance for Fiscal Year Ended March 31, 2015



■ Positive factors ■ Negative factors

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

■ **North America and Latin America: Year-on-year increase of 380 million yen (24.2%)**

■ The flagship abrasives segment progressed steadily. Sales in the chemical products and equipment and others segments grew. Revenue also increased with the favorable effect of fluctuations of foreign currency exchange rates.

Local currency basis: **Year-on-year increase of 204 million yen (13.0%)**

■ **Europe: Year-on-year increase of 210 million yen (13.2%)**

■ Revenue increased due to the growth of sales in the chemical products, abrasives, equipment and others segments and with the favorable effect of fluctuations of foreign currency exchange rates.

Local currency basis: **Year-on-year increase of 125 million yen (7.9%)**

■ **Asia and Oceania: Year-on-year increase of 383 million yen (19.0%)**

■ Sales in China increased due to growth in the flagship artificial teeth and chemical products segments.

■ Sales in other Asian markets increased due to growth in the abrasives and chemical products segments.

Local currency basis: **Year-on-year increase of 237 million yen (11.8%)**

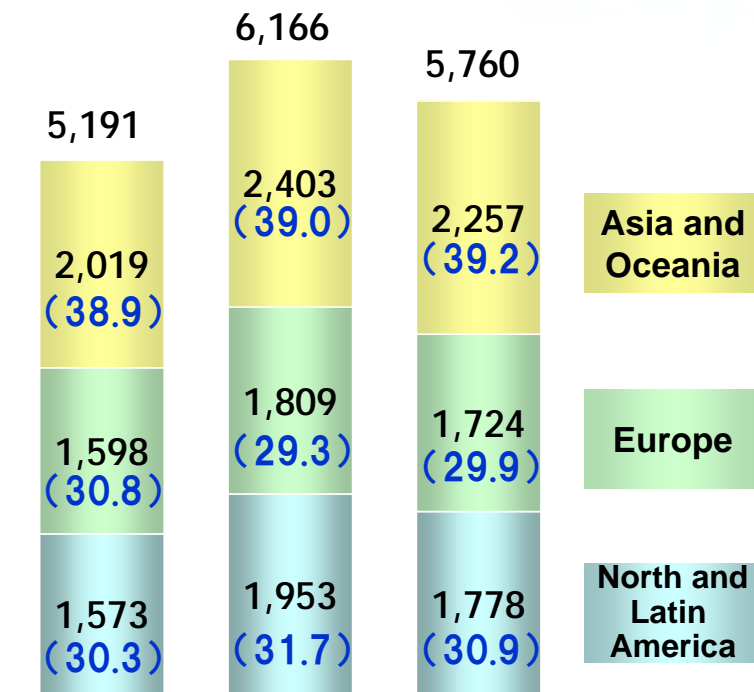
China: **Year-on-year increase of 210 million yen (24.3%)**

Asia (Other): **Year-on-year increase of 172 million yen (15.0%)**

■ **(Dental business) Overseas sales ratio of 32.4%**

(29.9% in the same quarter of the previous fiscal year)

(30.9% after adjustment for foreign currency translation)



Fiscal March 2014 Results    Fiscal March 2015 Results    Fiscal March 2015 Results after adjustment for foreign currency translation

\* The Fiscal March 2015 results after adjustment for foreign currency translation have been calculated based on the same foreign exchange rates used for fiscal March 2014 results.



# Performance by Segment (Sales and Operating Profits)

Summary of Consolidated Business Performance for  
Fiscal Year Ended March 31, 2015



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

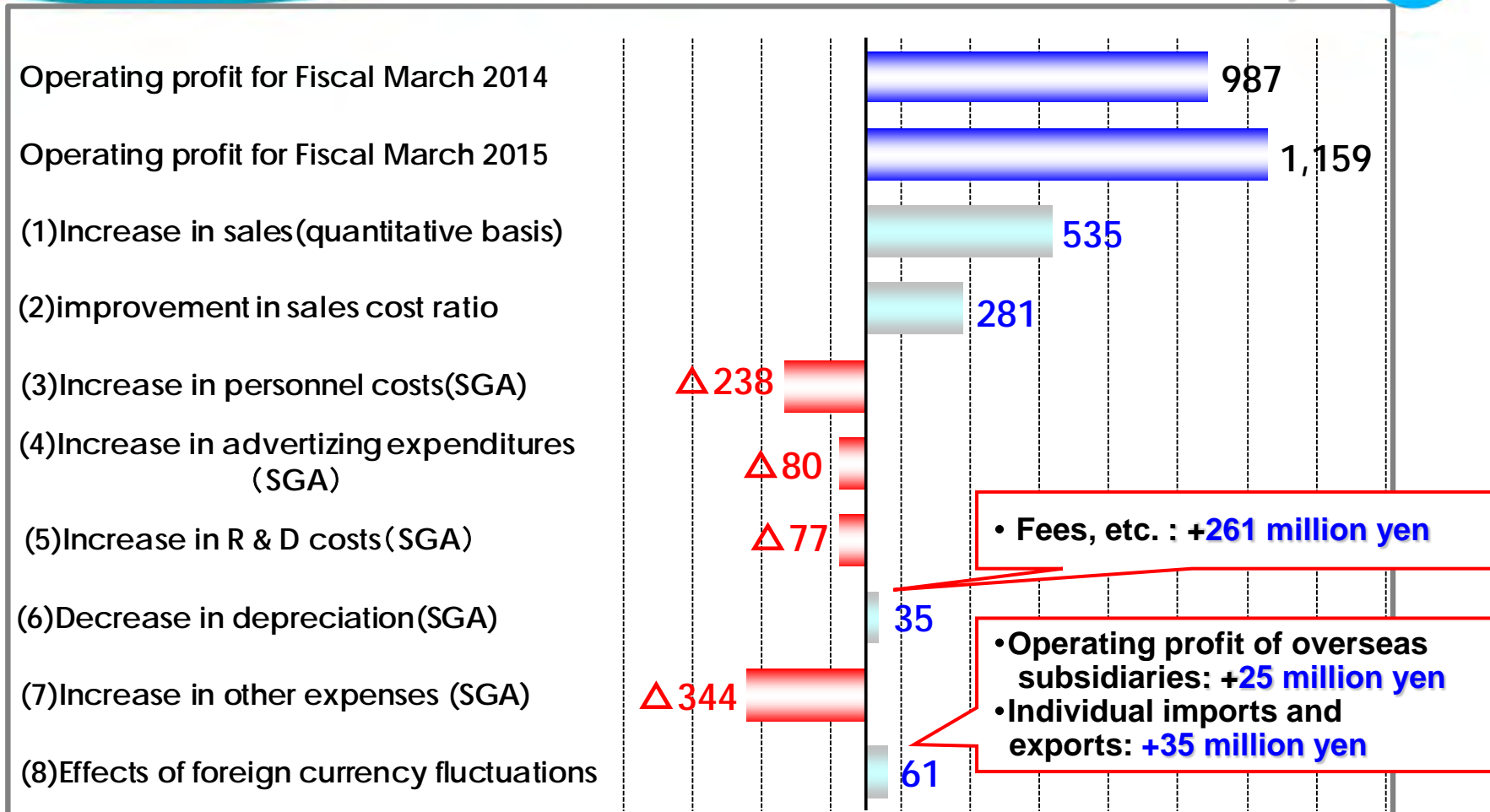
		Fiscal March 2014 (Results) Amount (% of sales)	Fiscal March 2015 (Results) Amount (% of sales)	Change from Previous Period
Dental	<b>Net sales</b>	16,379	17,850	1,471
	Operating expenses	15,453	16,697	1,243
	Operating profit (operating profit margin)	925 (5.7)	1,153 (6.5)	227
Nail care	<b>Net sales</b>	1,793	1,750	-42
	Operating expenses	1,768	1,775	7
	Operating profit (operating profit margin)	24 (1.4)	-24 (-1.4)	-49
Other	<b>Net sales</b>	91	93	1
	Operating expenses	62	70	8
	Operating profit (operating profit margin)	29 (31.9)	22 (24.3)	-6
Total before consolidation adjustment	<b>Net sales</b>	18,263	19,694	1,430
	Operating expenses	17,284	18,543	1,259
	Operating profit (operating profit margin)	979 (5.4)	1,150 (5.8)	171
Consolidated	<b>Net sales</b>	18,258	19,688	1,429
	Operating expenses	17,271	18,528	1,257
	Operating profit (operating profit margin)	987 (5.4)	1,159 (5.9)	172

# Contributors to Change in Operating Profit

Summary of Consolidated Business Performance for Fiscal Year Ended March 31, 2015



Unit: millions of yen



\* The figures in items (1) to (7) do not incorporate the effects of foreign currency fluctuations.  
\* The foreign exchange rates given are those in effect at the average of each term; conversions of items in the financial statements of overseas subsidiaries all use average rates.

# Financial Condition: Major Balance Sheet Accounts

Summary of Consolidated Business Performance for  
Fiscal Year Ended March 31, 2015



Unit: millions of yen

	Fiscal March 2014	Fiscal March 2015	Change	Major contributors to changes, special notes
Cash and deposits	5,266	4,724	-542	Decrease in time deposits (over three months)
Notes and bills receivable, trade accounts receivable	2,910	2,673	-237	Decrease in accounts receivable-trade
Inventory	4,168	4,940	771	Increase in merchandises
Securities, investment securities	3,740	5,314	1,574	Increase in valuation of investment securities
Others	7,953	11,790	3,837	Increase in buildings, attached facilities, and structures
<b>Assets</b>	<b>24,039</b>	<b>29,442</b>	<b>5,402</b>	
Long-term and short-term borrowings	0	3,119	3,119	Increase in short-term and long-term borrowings
Reserve for retirement benefits and directors' retirement benefits	114	112	-1	
Others	4,177	4,428	251	Increase in accounts payable-trade Increased in deferred tax liabilities
<b>Liabilities</b>	<b>4,291</b>	<b>7,660</b>	<b>3,369</b>	
<b>Net worth</b>	<b>19,747</b>	<b>21,781</b>	<b>2,033</b>	Increase in retained earnings Increase in valuation difference on available-for-sale securities
<b>Total liabilities and net worth</b>	<b>24,039</b>	<b>29,442</b>	<b>5,402</b>	
Capital adequacy ratio	81.9%	73.7%	-8.2P	
Net worth per share	1,235yen	1,360yen	125yen	

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

Summary of Consolidated Business Performance for Fiscal Year Ended March 31, 2015



Unit: millions of yen

	Fiscal March 2014 (Results)	Fiscal March 2015 (Forecast)	Fiscal March 2015 (Results)	Change from Previous Period	Change from Forecast
Capital expenditures	1,282	1,725	1,650	368	△75
Depreciation costs	656	731	783	126	52
(of which goodwill amortization)	0	0	0	0	0
R&D expenses	1,332	1,486	1,410	78	△76
Foreign exchange rates					
US dollar	100.00	103.51	110.03	10.03	6.52
Euro	134.01	139.07	138.68	4.67	△0.39
Pound sterling	159.20	172.93	176.81	17.61	3.88
Renminbi	15.80	16.67	17.26	1.46	0.59

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

The background features a stylized world map with several line graphs overlaid on it, representing business performance trends. The graphs are in black and white, showing various peaks and troughs across different regions.

**Summary of Consolidated Business Performance  
for Fiscal Year Ended March 31, 2015**

**Forecast of Consolidated Business Performance  
for Fiscal Year Ending March 31, 2016**

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

# Overview of the Next Fiscal Year

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2016



■ Positive factors ■ Negative factors

P/L

⇒ Net sales will total 23,526 million yen (an increase of 19.5%)

■ Domestic net sales will total 14,158 million yen (an increase of 4.7%)

- In the dental business, we expect sales to rise 3.8% (+454 million yen) due to sales expansion of our new products and CAD/CAM-related products in addition to our efforts to strengthen direct sales activities targeting dental professionals.

<New product sales: 3,529 million yen, or 23.3% of non-consolidated net sales>

- In the nail care business, business expansion will center on the domestic market upon establishment of a business foundation that unifies development, manufacturing, and sales, and we expect sales to rise 12.8% (+175 million yen).

■ Overseas net sales will total 9,367 million yen (an increase of 51.9%)

- In the dental business, we will aim for market expansion at overseas bases, and increase revenue 54.8% (+3,169 million yen) by improving the sales network and increasing sales and academic personnel.
- In the nail care business, we will aggressively expand in to overseas markets such as those in Asian countries, and expect sales to rise 8.4% (+32 million yen).

⇒ Operating income will total 1,418 million yen (an increase of 22.3%).

Ordinary income will total 1,246 million yen (an increase of 11.8%).

Net income will total 608 million yen (an increase of 4.7%).

- Although selling, general and administrative expenses will increase (2,181 million yen) due to costs for aggressive sales activities, effects of higher sales and an improved cost to sales ratio are expected to cause operating income to rise 22.3%.

- Due to lower foreign exchange profits, ordinary income to increase 11.8%.

\* "Net income" figures for Fiscal March 2016 forecasts are figures for "Net income attributable to owners of parent" after the application of the Accounting Standard for Business Combinations, etc.

# Comparison of Major Statistics

⇒ Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2016



⇒ Sales and profits increased compared to fiscal March 2015

Units: millions of yen, %

	Fiscal March 2015 Business Performance (% of sales)	Fiscal March 2016 Forecast (% of sales)	Change From Previous Period (% change)
Net sales	19,688 (100.0)	23,526 (100.0)	3,838 (19.5)
(Domestic sales)	13,521 (68.7)	14,158 (60.2)	636 (4.7)
(Overseas sales)	6,166 (31.3)	9,367 (39.8)	3,201 (51.9)
Operating profit	1,159 (5.9)	1,418 (6.0)	258 (22.3)
Ordinary profit	1,114 (5.7)	1,246 (5.3)	132 (11.8)
Net income	581 (3.0)	608 (2.6)	27 (4.7)
Net income per share	36.45yen	38.13yen	1.69yen
Return on equity	2.8%	2.8%	0.0P

\* "Net income" figures for Fiscal March 2016 forecasts are figures for "Net income attributable to owners of parent" after the application of the Accounting Standard for Business Combinations, etc.

# Sales by Product Category

Forecast of Consolidated Business Performance for  
Fiscal Year Ending March 31, 2016



Unit: millions of yen

Figures in parentheses represent percentage changes; unit: %

	Fiscal March 2015 (Results)	Fiscal March 2016 (Forecast)	Change from previous period		
				Domestic	Overseas
Artificial teeth	2,664	3,066	402 (15.1)	98	303
Abrasives	3,880	3,928	47 (1.2)	57	-10
Metal products	292	317	25 (8.6)	25	0
Chemical products	3,700	4,271	571 (15.4)	224	346
Cements and others	1,855	2,065	209 (11.3)	66	142
Equipment and others	5,456	7,824	2,367 (43.4)	-18	2,386
Dental business total	17,850	21,473	3,623 (20.3)	454	3,169
Nail care business	1,750	1,957	207 (11.8)	175	32
Other	87	94	6 (7.9)	6	-
Total	19,688	23,526	3,838 (19.5)	636	3,201

\* Overseas sales decreased by 158 million yen due to the effect of foreign currency fluctuations (US dollar, euro, pound sterling, renminbi).



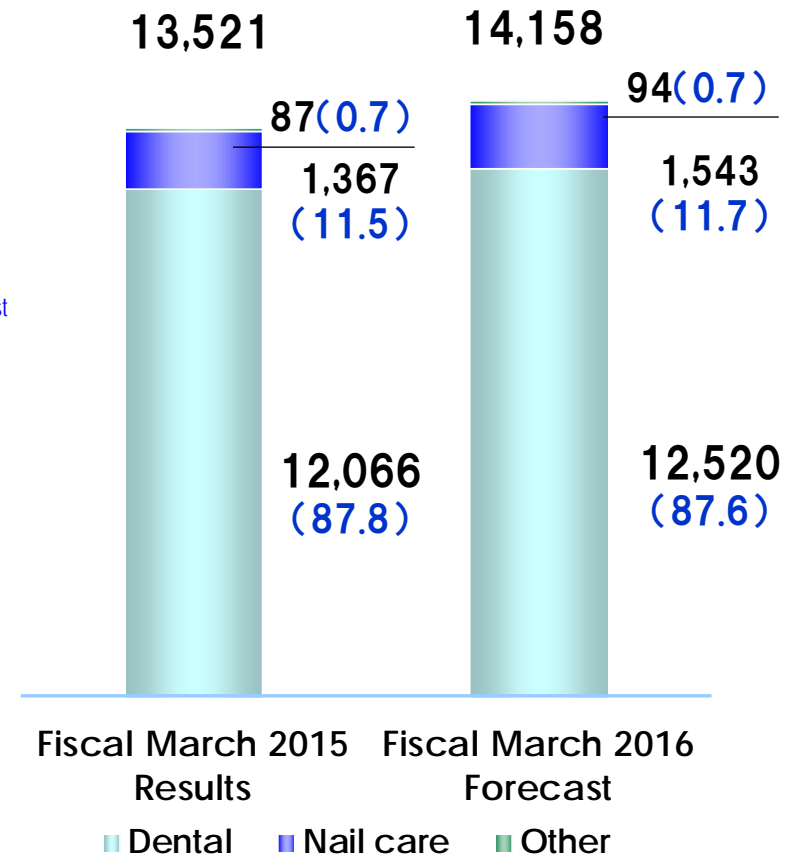
# Domestic Net Sales

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2016



- ◇ **Dental business:**  
Year-on-year increase of 454 million yen (3.8%)
  - We expect domestic net sales to **rise 3.8%** as a result of efforts to strengthen direct sales activities targeting dental professionals and expand sales of CAD/CAM-related products.
- ◇ **Nail care business:**  
Year-on-year increase of 175 million yen (12.8%)
  - In the nail care business, business expansion will center on the domestic market upon establishment of a business foundation that unifies development, manufacturing, and sales, and we expect sales to **rise 12.8%**.
- ◇ **Other businesses:**  
Year-on-year increase of 6 million yen (7.9%)
- ◇ **Major products that will be introduced during the current term(fiscal March 2016)**
  - **Dental porcelain powder**  
VINTAGE LD, (artificial teeth)
  - **CAD/CAM hybrid resin**  
SHOFU Disk HC, (equipment)
  - **New LITE-FIL product** (chemical products)
  - **New implant product** (equipment and others)

**Unit: Millions of yen; figures in parentheses represent the percentage of the total**



# Overseas Net Sales

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2016



## Summary

- Although negative effects of exchange rates (-158 million yen) are expected, all regions are expected to perform strongly, causing overseas net sales to rise 51.9%.
- Growth rates by region \*Figures in parentheses indicate the growth rate on local currency basis.
 

North and Latin America	+ 13.0% (+ 13.0%)
Europe	+138.3% (+145.1%)
China	+ 21.9% (+ 23.7%)
Asia (Other)	+ 15.9% (+ 17.1%)

## Foreign exchange rates

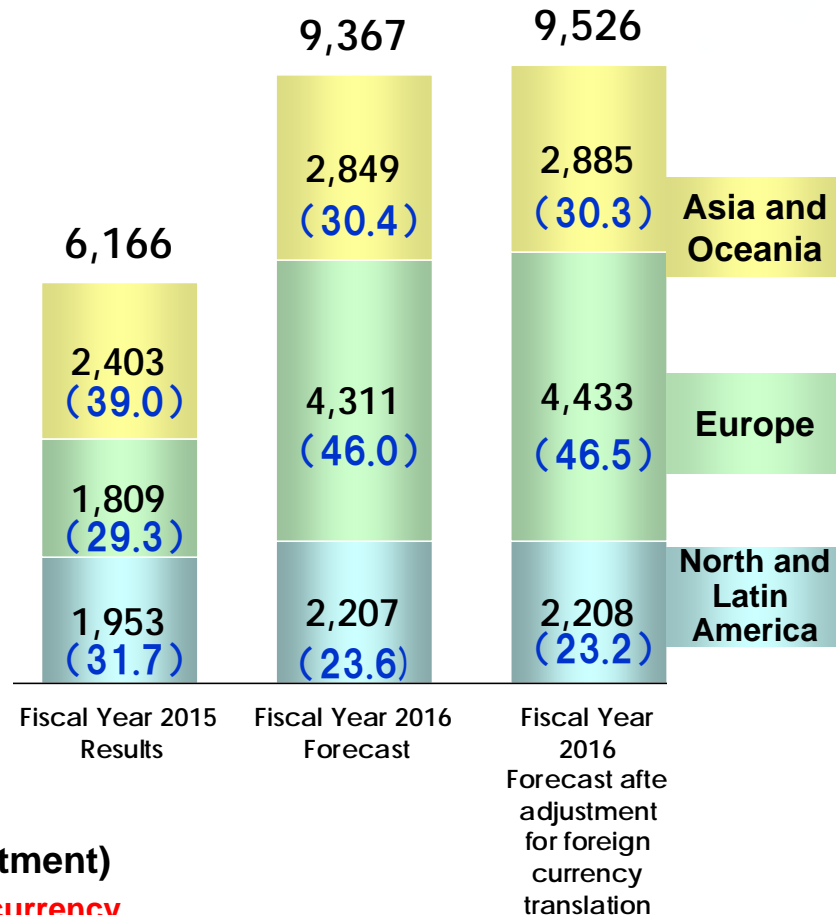
- USD1=JPY110.00  
(JPY110.03 in the previous fiscal year)  
(Effect: -5 million yen)
- EUR1=JPY135.00  
(JPY138.68 in the previous fiscal year)  
(Effect: -122 million yen)
- CNY1=JPY17.00  
(JPY17.26 in the previous fiscal year)  
(Effect: -19 million yen)

## (Dental business) Overseas sales ratio

- 41.7% (32.4% in the previous fiscal year)  
(42.1% after foreign currency translation adjustment)

\* The fiscal March 2016 forecast after adjustment for foreign currency translation has been calculated based on the same foreign exchange rates used for the fiscal March 2015 results.

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



# Performance by Segment (Sales and Operating Profits)

Forecast of Consolidated Business Performance for  
Fiscal Year Ending March 31, 2016



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

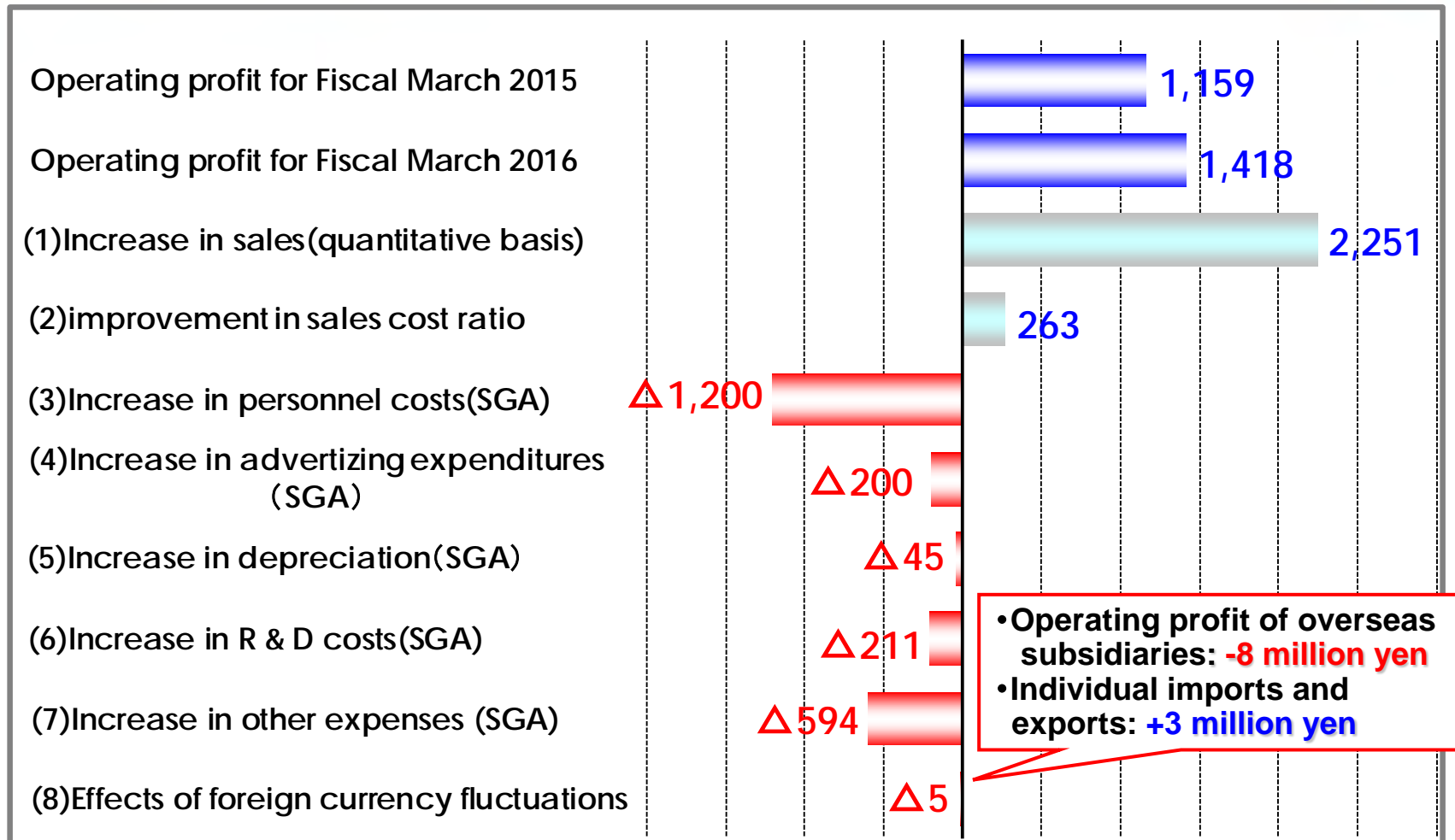
		Fiscal March 2015 (Results) Amount (% of sales)	Fiscal March 2016 (Forecast) Amount (% of sales)	Change from Previous Period
Dental	<b>Net sales</b>	17,850	21,473	3,623
	Operating expenses	16,697	20,151	3,454
	Operating profit (operating profit margin)	1,153 (6.5)	1,322 (6.2)	168
Nail care	<b>Net sales</b>	1,750	1,957	206
	Operating expenses	1,775	1,869	93
	Operating profit (operating profit margin)	-24 (-1.4)	88 (4.5)	113
Other	<b>Net sales</b>	93	94	1
	Operating expenses	70	87	16
	Operating profit (operating profit margin)	22 (24.3)	7 (7.9)	-15
Total before consolidation adjustment	<b>Net sales</b>	19,694	23,526	3,832
	Operating expenses	18,543	22,108	3,565
	Operating profit (operating profit margin)	1,150 (5.8)	1,418 (6.0)	267
Consolidated	<b>Net sales</b>	19,688	23,526	3,838
	Operating expenses	18,528	22,108	3,579
	Operating profit (operating profit margin)	1,159 (5.9)	1,418 (6.0)	258

# Contributors to Change in Operating Profit

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2016



Unit: millions of yen



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

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

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2016



Unit: millions of yen

	Fiscal March 2015 (Results)	Fiscal March 2016 (Forecast)	Change from Previous Period
Capital expenditures	1,650	865	<b>Δ785</b>
Depreciation costs	783	1,092	308
(of which goodwill amortization)	0	147	147
R&D expenses	1,410	1,616	206
Foreign exchange rates			
US dollar	110.03	110.00	<b>Δ0.03</b>
Euro	138.68	135.00	<b>Δ3.68</b>
Pound sterling	176.81	170.00	<b>Δ6.81</b>
Renminbi	17.26	17.00	<b>Δ0.26</b>

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

# Impact of Foreign Exchange Fluctuations (US Dollar, Euro)

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2016



## Forecast for Fiscal March 2016

(Unit: millions of yen)

	Foreign exchange rate		Impact on consolidated business performance		Per yen of yen strength	
	Fiscal March 2015 actual	Fiscal March 2016 estimate	Sales	Operating profits	Sales	Operating profits
US Dollar	110.03	110.00	0	6	-25	-9
Euro	138.68	135.00	-107	-23	-29	-4
GBP	176.81	170.00	-15	1	-2	0
RMB	17.26	17.00	-19	10	-74	11

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

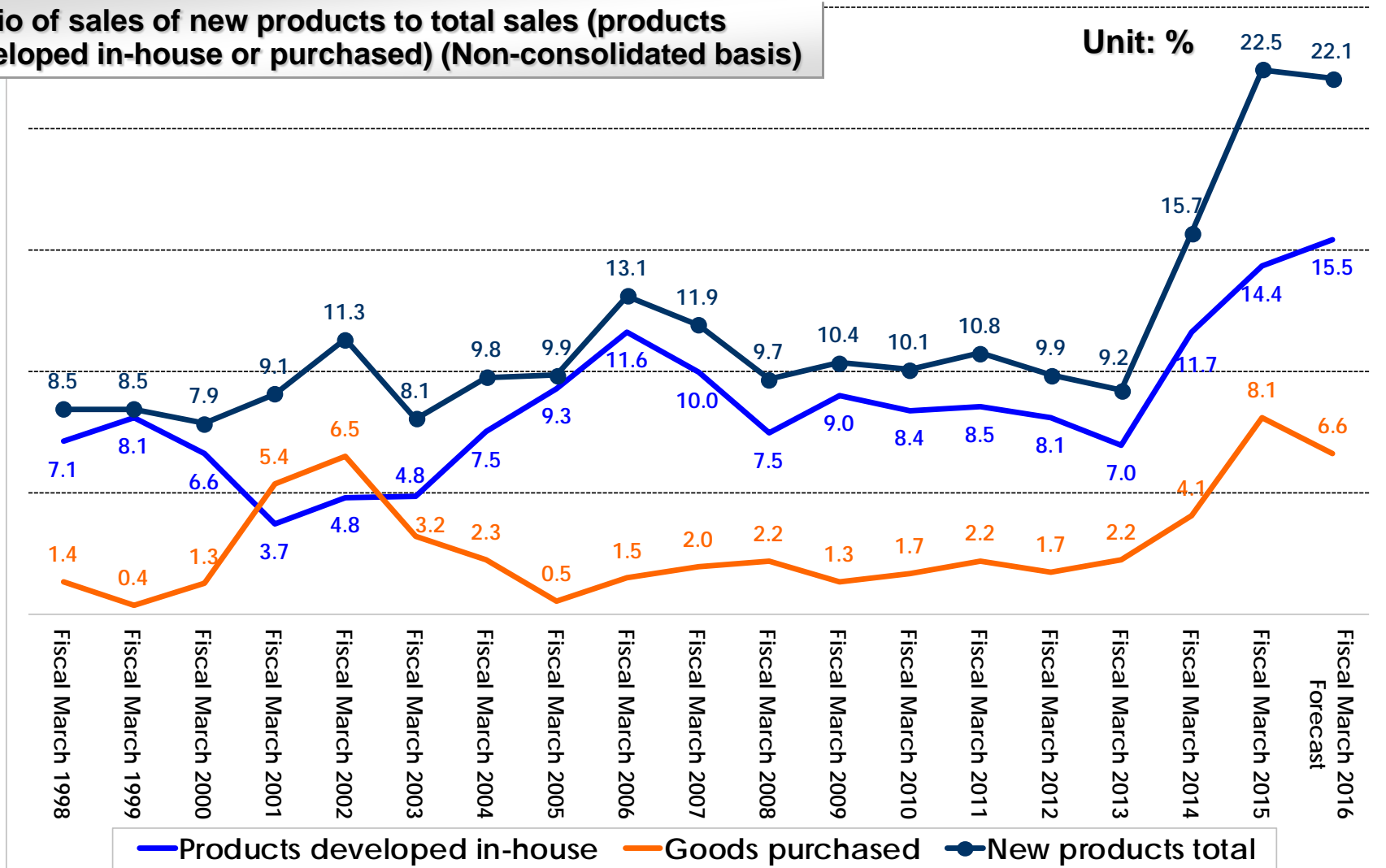
# Sales Trends for New Products

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2016



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

Unit: %

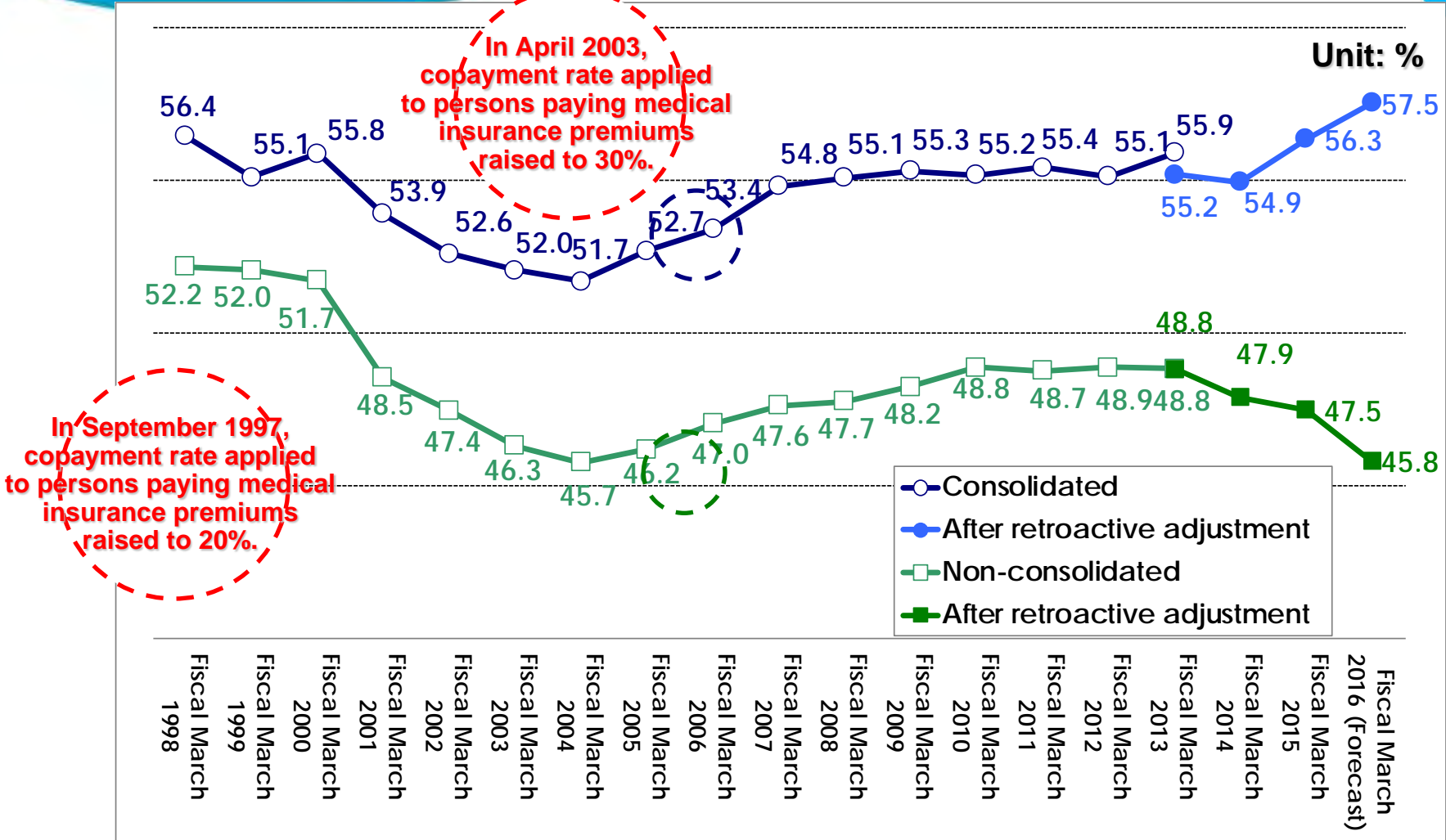


— Products developed in-house — Goods purchased ● New products total

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

# Gross Profit Margin Rates

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2016

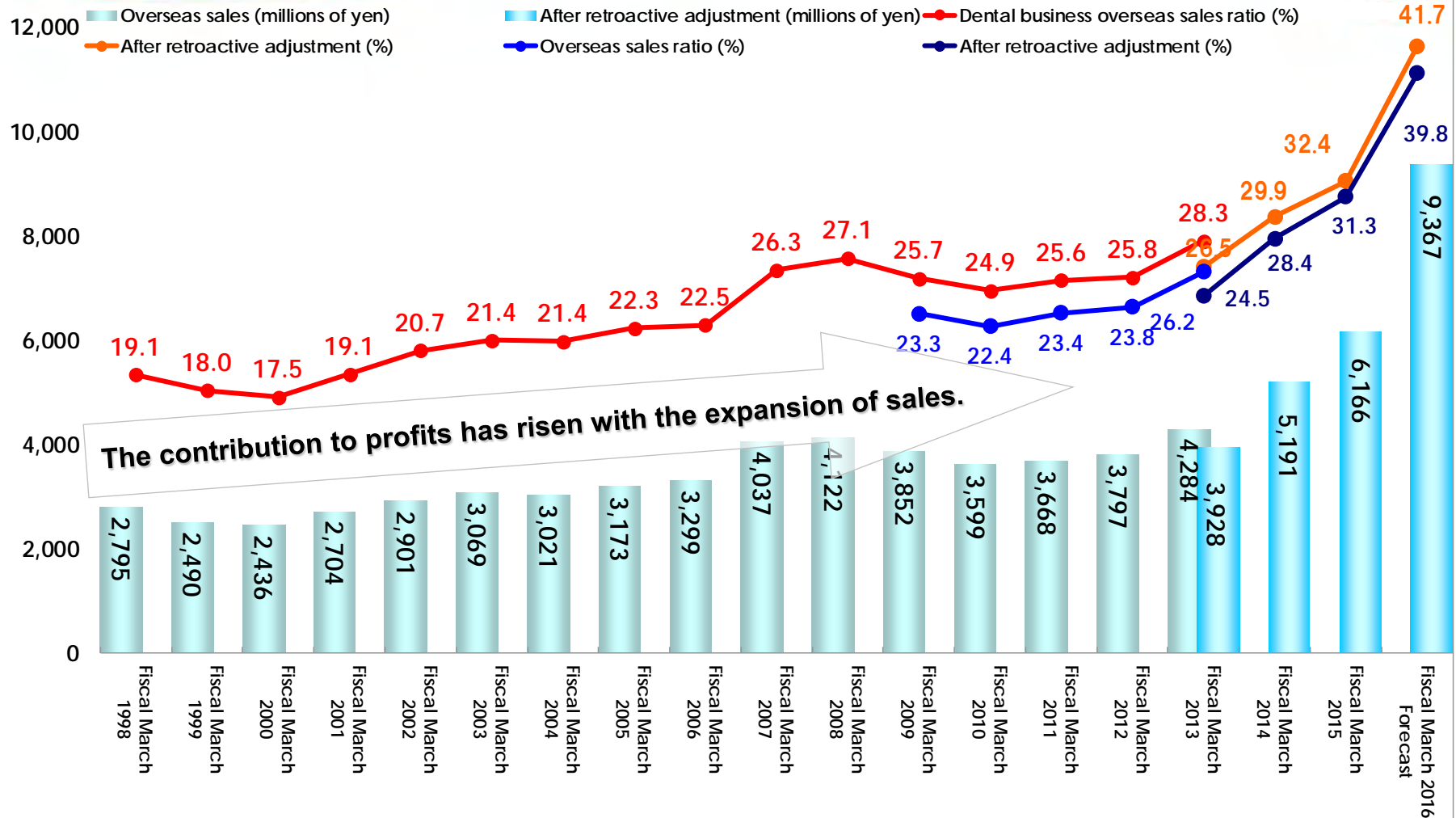


\* Starting with this fiscal year, currency amounts are being converted into Japanese yen using the average rate for the fiscal year in question. As part of this change, results for the previous fiscal year have been restated based on the average rate during the year. (Previously, the rate on the final day of the fiscal year was applied.)



# Overseas Sales and Overseas Sales Ratios

Forecast of Consolidated Business Performance for Fiscal Year Ending March 31, 2016



The contribution to profits has risen with the expansion of sales.

\* Starting with this fiscal year, currency amounts are being converted into Japanese yen using the average rate for the fiscal year in question. As part of this change, results for the previous fiscal year have been restated based on the average rate during the year. (Previously, the rate on the final day of the fiscal year was applied.)

A faint, stylized world map is visible in the background, showing the outlines of continents in black lines.

**Summary of Consolidated Business Performance  
for Fiscal Year Ended March 31, 2015**

**Forecast of Consolidated Business Performance  
for Fiscal Year Ending March 31, 2016**

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

## Domestic dental market

Although a certain market scale will be maintained, falling total population and declines in the incidence of cavities make significant growth unlikely.

## Overseas dental market

In addition to the existence of an enormous market centered on developed nations, demand for dental care will increase dramatically due to economic growth and the rising standard of living in regions worldwide, particularly developing nations.

# 10 years vision: Fundamental Principles



**Strive to expand the overseas business by dramatically shifting the allocation of management resources to overseas markets.**

**Company-wide targets for fiscal March 2022**

- **Group sales: 50 billion yen**  
<Domestic sales: 17 billion yen; overseas sales: 33 billion yen>
- **Group operating profits: 7.5 billion yen**  
(Operating profit margin: 15%)

Pursue globalization in every department, function (R&D, production, and sales), personnel, and by extension the company's overall management.

# Fiscal 2015 to 2017 Medium-term Management Plan : Company-wide targets

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



**Company-wide targets for fiscal March 2017**

- **Group sales: 28.5 billion yen**  
<Domestic sales:14.1 billion yen; overseas sales:11.7 billion yen; Nail care business sales:2.5 billion yen>  
<Overseas sales ratio in the dental business : 50%>
- **Group operating profits: 2.98 billion yen**  
(Operating profit margin: 10.5%)
- **ROE\* 8.5%**

\*ROE : Return on equity

## Key issues in order to achieve goals

### 【 Research and Development 】

- ◇ Development and introduction of new products that match the local demands

### 【 Production 】

- ◇ Relocation of production base and expansion of offshore production

### 【 Sales 】

- ◇ Improvement of our sales network / Realignment of sales offices
- ◇ Establishment of domestic and international academic networks

### 【 Human resources 】

- ◇ Development of human resources and securing the skilled employees

# Specific Efforts – Research and Development

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



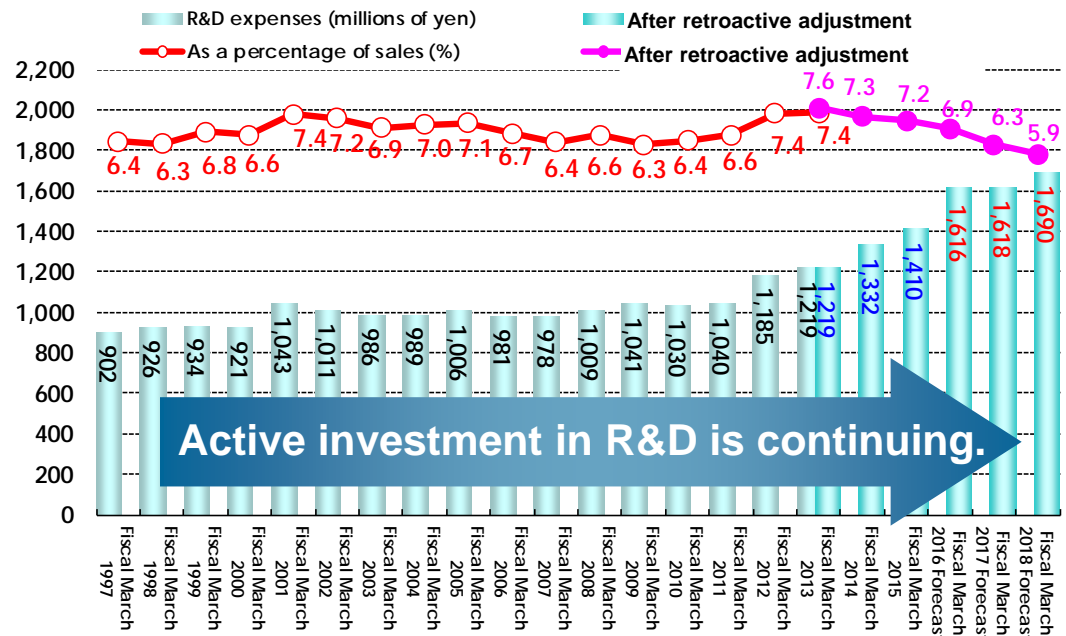
## ✧ Development and introduction of new products that match the local demands

➤ Developing products with a worldwide vision

➤ Developing new products for regions' middle-class and high-volume segments

➤ Developing products with the goal of creating markets in new fields

Trend in R&D investment



\* Starting with this fiscal year, currency amounts are being converted into Japanese yen using the average rate for the fiscal year in question. As part of this change, results for the previous fiscal year have been restated based on the average rate during the year. (Previously, the rate on the final day of the fiscal year was applied.)



## ✧ Relocation of production base and expansion of offshore production

Further expand the market share of our time-honored specialties such as artificial teeth and abrasives by enhancing price competitiveness and reducing costs.

### ➔ Effectively utilizing existing domestic factories

#### Domestic manufacturing Group companies



Shiga Shofu (Shiga)



Shoken (Kyoto)



Shoken (Saitama)

#### Principal issues and purpose of repositioning of production

- 1) limited production capacity of SHOFU Headquarters
- 2) high production costs in Japan
- 3) currency fluctuations
- 4) high shipping costs for hazardous and heavy goods
- 5) better delivery service to users
- 6) high tariff

### ➔ Expanding overseas production

#### Overseas manufacturing Group companies



Shanghai Shofu Dental Materials Co., Ltd. (China)



Advanced Healthcare Ltd. (UK)



Merz Dental GmbH (Germany)

# Specific Efforts – Sales

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



## ✧ Improvement of our sales network

- Develop a network of overseas distributors.

## ✧ Realignment of sales offices

- Enhance the functions of the Singapore subsidiary.
- Establish new overseas sales bases.

## ✧ Establishment of domestic and international academic networks

- Build an organization that can advertise the company's products and services directly to users.
- Enhance and expand MDR\* activities. \*Medical dental representative

### Overseas sales Group companies (bases)



Shofu Dental Corporation (U.S.A.)



Shofu Dental GMBH (Germany)



Shofu UK (Sales Office) (UK)



Shofu Dental Trading (Shanghai) Co., Ltd., (China)



Shofu Dental Asia-Pacific PTE (Singapore)



Merz Dental GmbH (Germany)

➤ Improve our customer service

➤ Enhance academic activities

➤ Speed up the product registration work



# Specific Efforts – MiCD Project

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



Official partner



Minimally Invasive  
Cosmetic Dentistry

## MiCD Project

### (Minimally Invasive Cosmetic Dentistry)

Supporting the development of cosmetic dental treatment that delivers cosmetic results while minimizing surgical intervention of cavity lesion

Increasing sales of filling and restorative dental materials

Improved cost effectiveness

Enhance image as a company that promotes state-of-the-art medicine

● Providing training programs

● Holding study groups

● Developing and supplying MiCD products

● Promoting products and services to patients

# Specific Efforts – Nail Care Business

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



- ✧ Capturing share in the LED gel market with improved Presto
- ✧ Improving competitiveness and profitability by integrating operations from product planning and manufacture to sales



■ Presto

- ⇒ June 2013: Establishment of Nail Care Division at the Head Office
- August 2014: Released “by Nail Labo”, the first gel nail system for general consumers
- December: Established joint venture in Taiwan, began operations in January 2015



■ by Nail Labo

- ✧ Expanding sales channels in overseas markets – U.S., Europe, Taiwan, South Korea, China

## Key Goal Indicator

Fiscal March 2015 results: Sales of 1.75 billion yen

<Domestic 1.36 billion yen; Overseas 0.38 billion yen>

⇒Fiscal March 2018 forecast: Sales of 2.5 billion yen

<Domestic 1.79 billion yen; Overseas 0.71 billion yen>

<Ratio of sales of products developed in-house (consolidated) 64.7%>

Work to expand the nail care business by taking advantage of the R&D and production engineering capabilities the company has developed in the dental materials business.



# Specific Efforts

## – Acquisition of Merz Dental GmbH

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



✦ Acquired leading German artificial teeth manufacturer

\*Consolidated from April 1, 2015

**Creating synergies in many areas, including R&D capabilities, production, and sales**

### ➔ R&D

- Development of high-quality artificial teeth that can be expanded worldwide

### ➔ Production

- Expansion of production capabilities and volume in Europe
- Rapid response to customer needs across the European region

### ➔ Sales

- Utilize Merz Dental's sales channel to enhance academic activities
- Expand sales of Merz Dental products outside of Germany



#### Basic Information

(As of March 31, 2015)

<b>Name</b>	: Merz Dental GmbH.
<b>Location</b>	: Lütjenburg (Germany)
<b>Net sales</b>	: 15 million euro
<b>Employees</b>	: 160
<b>Business</b>	: Manufacture and sales of artificial teeth and dental equipment

# Medium-term Management Plan – Principle Targets

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



★...Record Unit: Millions of yen, %

	Fiscal March 2015 (Results)	Mid-term Management Plan		
		Fiscal March 2016	Fiscal March 2017	Fiscal March 2018
Net sales	19,688	★ 23,526	★ 25,756	★ 28,471
(Change from Previous Period)	(7.8%)	(19.5%)	(9.5%)	(10.5%)
(Domestic sales)	13,521	★ 14,158	★ 15,061	★ 16,024
(Change from Previous Period)	(3.5%)	(4.7%)	(6.4%)	(6.4%)
(Overseas sales)	6,166	9,367	★ 10,695	★ 12,446
(Change from Previous Period)	(18.8%)	(51.9%)	(14.2%)	(16.4%)
Operating profit	1,159	1,418	1,999	2,978
(Percentage of sales)	(5.9%)	(6.0%)	(7.8%)	(10.5%)
Ordinary profit	1,114	1,246	1,854	2,805
(Percentage of sales)	(5.7%)	(5.3%)	(7.2%)	(9.9%)
Net income	581	608	1,284	★ 1,984
(Percentage of sales)	(3.0%)	(2.6%)	(5.0%)	(7.0%)
Dental business Overseas sales ratio	32.4%	41.7%	43.4%	★ 45.4%

\* “Net income” figures for Fiscal March 2016 onward are figures for “Net income attributable to owners of parent” after the application of the Accounting Standard for Business Combinations, etc.

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

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



Unit: Millions of yen, %

	Fiscal March 2015 (Results)		Mid-Term Management Plan					
			Fiscal March 2016		Fiscal March 2017		Fiscal March 2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Dental business	17,850	90.7	21,473	91.3	23,465	91.1	25,861	90.8
Nail care business	1,750	8.9	1,957	8.3	2,180	8.5	2,490	8.7
Other businesses	87	0.4	94	0.4	110	0.4	120	0.4
<b>Sales</b>	<b>19,688</b>	<b>100.0</b>	<b>23,526</b>	<b>100.0</b>	<b>25,756</b>	<b>100.0</b>	<b>28,471</b>	<b>100.0</b>
Dental business	1,153	6.5	1,322	6.2	1,862	7.9	2,785	10.8
Nail care business	-24	-1.4	88	4.5	128	5.9	183	7.4
Other businesses	22	25.8	7	7.9	8	7.9	9	7.9
<b>Operating profit</b>	<b>1,150</b>	<b>5.8</b>	<b>1,418</b>	<b>6.0</b>	<b>1,999</b>	<b>7.8</b>	<b>2,978</b>	<b>10.5</b>

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

# Medium-term Management Plan

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

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



Unit: Millions of yen

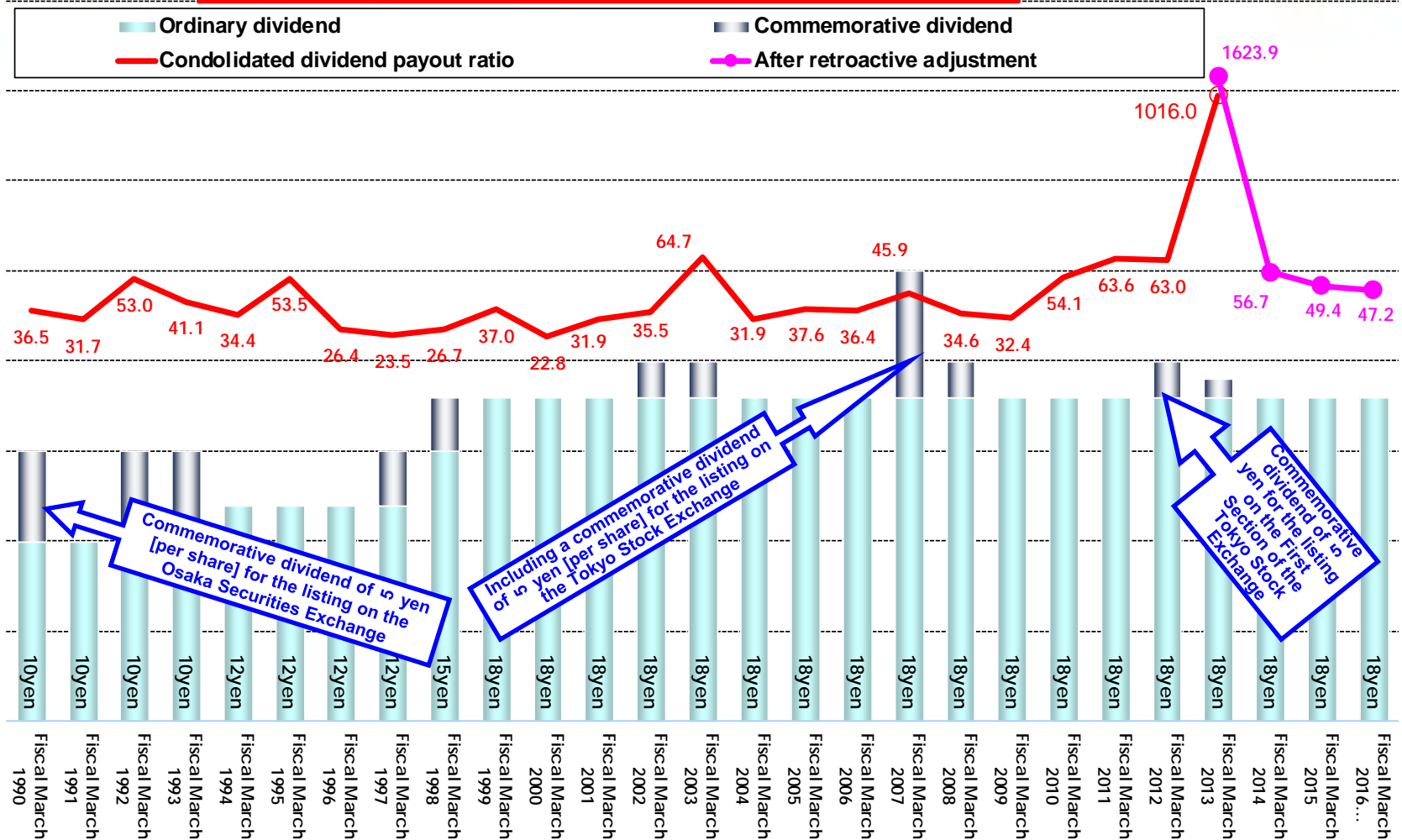
	Fiscal March 2015 (Results)	Mid-Term Management Plan		
		Fiscal March 2016	Fiscal March 2017	Fiscal March 2018
Capital expenditures	1,650	865	837	869
Depreciation costs	783	1,092	1,093	1,097
(of which goodwill amortization)	0	147	147	147
R&D expenses	1,410	1,616	1,618	1,690

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

# Dividend Policy

- Target dividend payout ratio: More than 30%
- Average consolidated dividend payout ratio since listing: 40.9%  
(Weighted average from Fiscal March 1990 to March 2015)

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



\* Starting with this fiscal year, currency amounts are being converted into Japanese yen using the average rate for the fiscal year in question. As part of this change, results for the previous fiscal year have been restated based on the average rate during the year. (Previously, the rate on the final day of the fiscal year was applied.)

**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.**

**SHOFU INC.**

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**URL: <http://www.shofu.co.jp>**

**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)**



(As of March 31, 2015)

■ <b>Company name</b>	<b>SHOFU Inc.</b>
■ <b>Representative</b>	<b>Noriyuki Negoro, President and CEO</b>
■ <b>Address</b>	<b>11 Kamitakamatsu-cho, Fukuine, Higashiyama-ku, Kyoto 605-0983, Japan</b>
■ <b>Date of establishment</b>	<b>May 15, 1922</b>
■ <b>Capital</b>	<b>4,474,646,614 yen</b>
■ <b>Listed exchanges</b>	<b>First Section of Tokyo Stock Exchange</b>
■ <b>Number of employees</b>	<b>426 (entire group: 881, including 317 in overseas subsidiaries)</b>
■ <b>Business</b>	<b>Manufacture and sale of dental materials and equipment</b>
■ <b>Main customers</b>	<b>Dental institutions (via sales agencies)</b>
■ <b>Number of group companies</b>	<b>11 (three in Japan, eight overseas) Dental companies: 8 (two in Japan, six overseas) Nail care companies: 3 (one in Japan, two overseas)</b>



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

## 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

## Metal products



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

- Alloys for casting, silver alloys
- Other metals

## 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

## Cements



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

- Dental cements
- Dental stones and investments

## 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

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

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

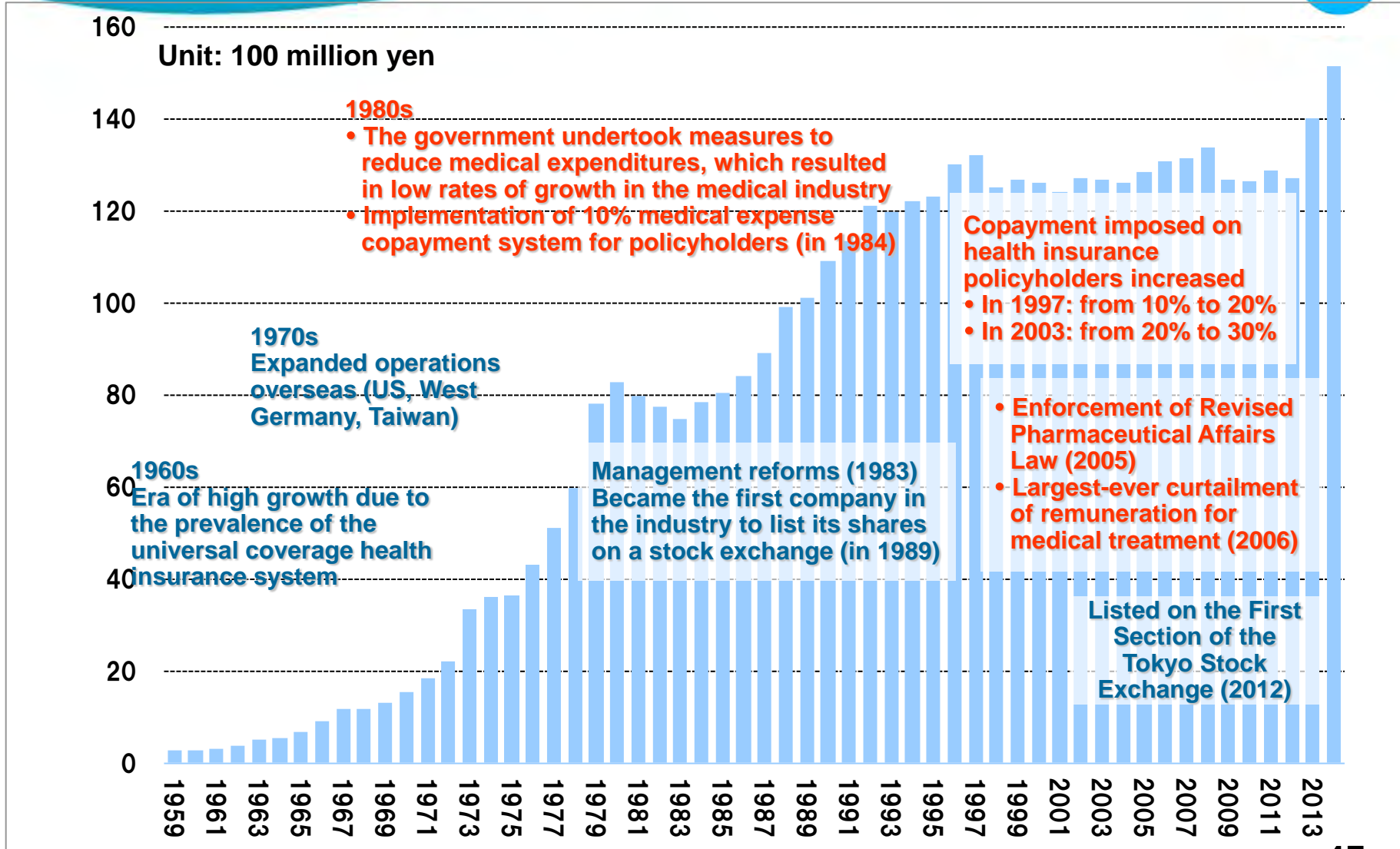


• 1922	Shofu Dental Manufacturing Co., Ltd. founded and commenced the manufacture and sale of Japan's first artificial teeth.
• 1963	Shofu shares listed on the over-the-counter market.
• 1971~ 1978	Established sales subsidiaries in the U.S. and West Germany. Started overseas production (in Taiwan). Established 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.

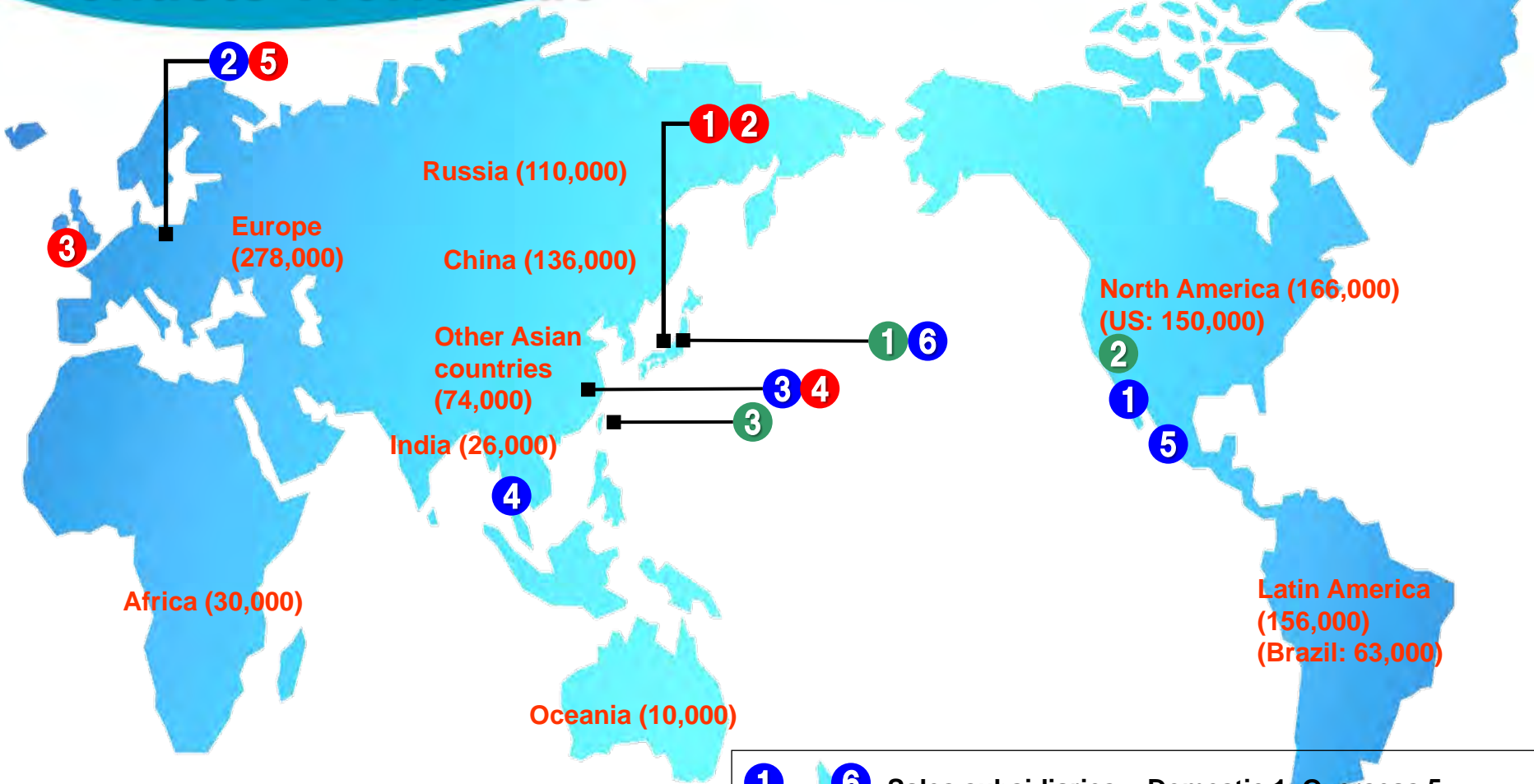


- |        |   |
|--------|---|
| • 2005 | Acquired Shoken Inc. as a wholly owned subsidiary through a share exchange.<br>Established Shofu Dental Supplies (Shanghai) Co., Ltd., a sales facility in China.   |
| • 2006 | Training Center designed to promote customers service completed (in August).  |
| • 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.<br>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.<br>Transferred 1.8 million shares of treasury stock to Mitsui Chemicals, Inc., through a third-party allocation.                          |
| • 2010 | Shofu Dental Trading (Shanghai) Co., Ltd., is established in China.   |
| • 2012 | Celebrated the 90th anniversary of its founding. Listed on the First Section of the Tokyo Stock Exchange.   |
| • 2013 | Promech Inc. is split up, with Shoken Inc. taking over its dental businesses and Nail Labo Co., Ltd., absorbing the company and its remaining operations.<br>The Singapore Sales Office is incorporated as the local corporation SHOFU Dental ASIA-Pacific Pte.Ltd. |
| • 2014 | Established joint venture in Taiwan between Nail Labo Co., Ltd. and a local sales distributor.  |
| • 2015 | Acquired shares and made Merz Dental GmbH. a subsidiary.  |

# Corporate History - Sales



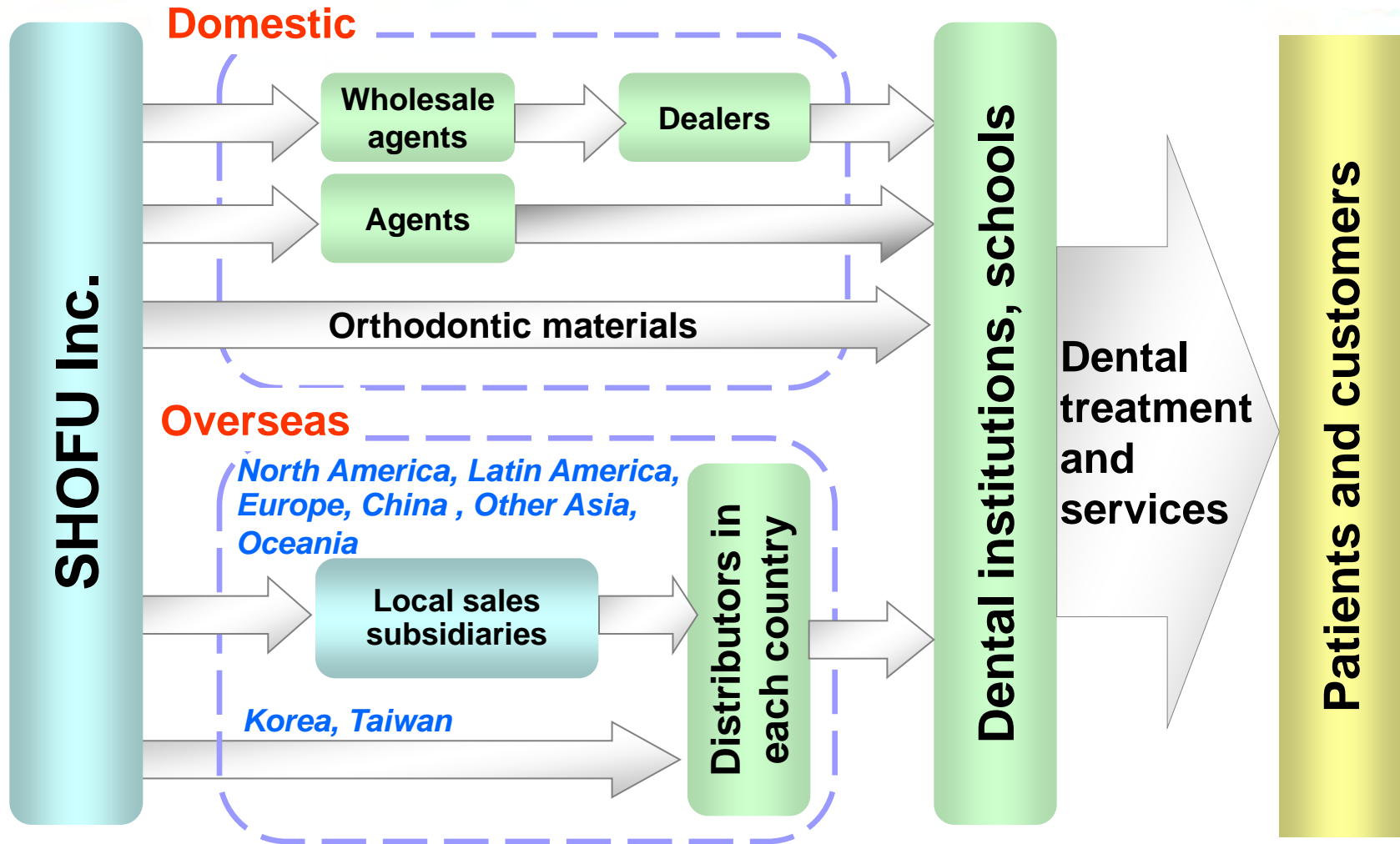
# Group Profile and Number of Dentists Worldwide



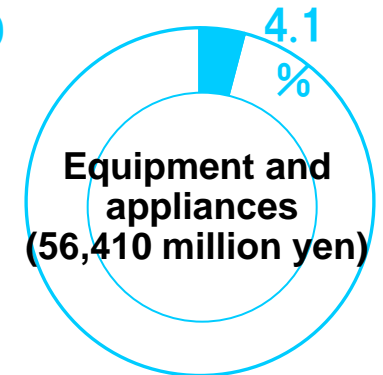
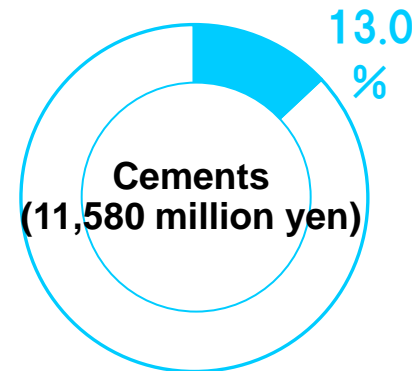
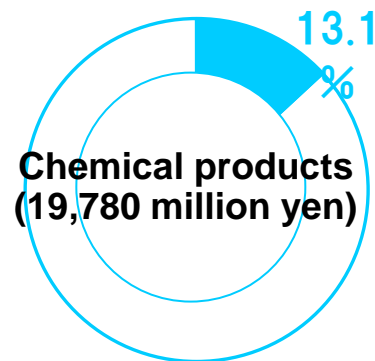
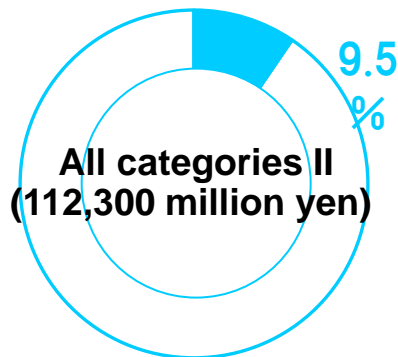
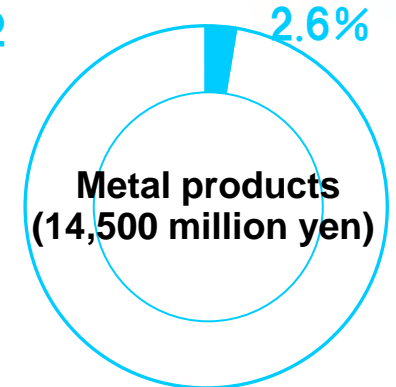
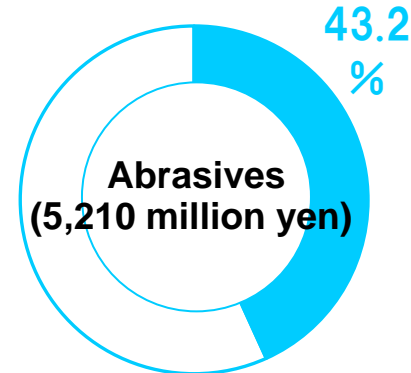
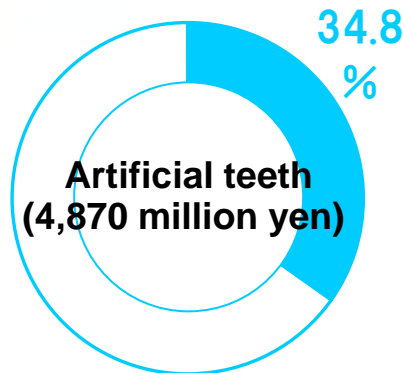
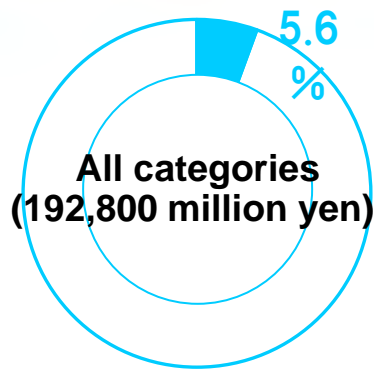
\* Figures for numbers of dentists from "Guide to Dental Care Worldwide" (Japan Dental Association) and other sources

1 ~ 6	Sales subsidiaries <Domestic 1, Overseas 5>
1 ~ 5	Production subsidiaries <Domestic 2, Overseas 3>
1 ~ 3	Nail care business subsidiaries <Domestic 1, Overseas 2>





# 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.”**

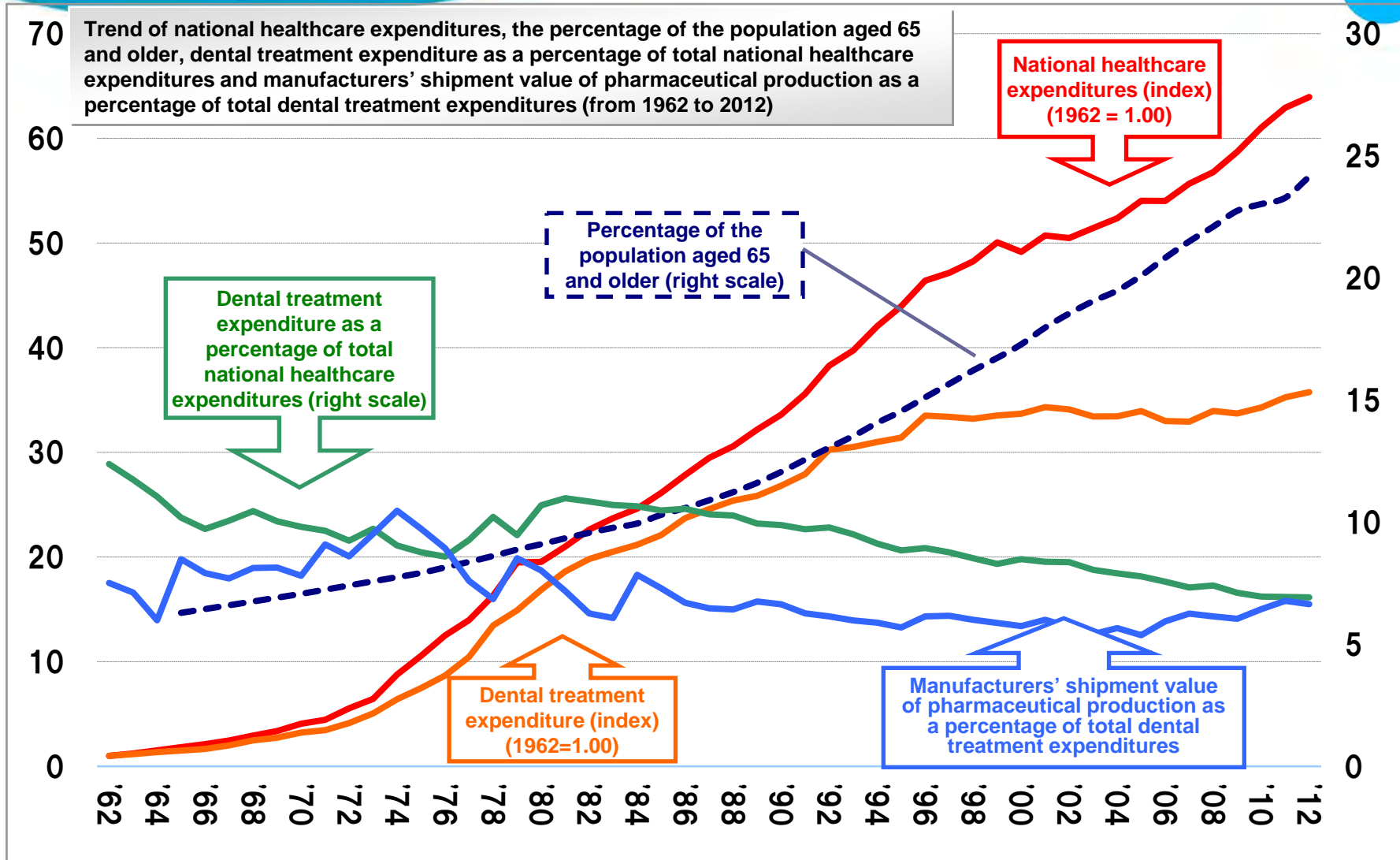
Source: Production Statistics issued by the Pharmaceutical Industry (Manufacturers' shipment values), Ministry of Health, Labour and Welfare (Domestic data, Calendar Year 2013)

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

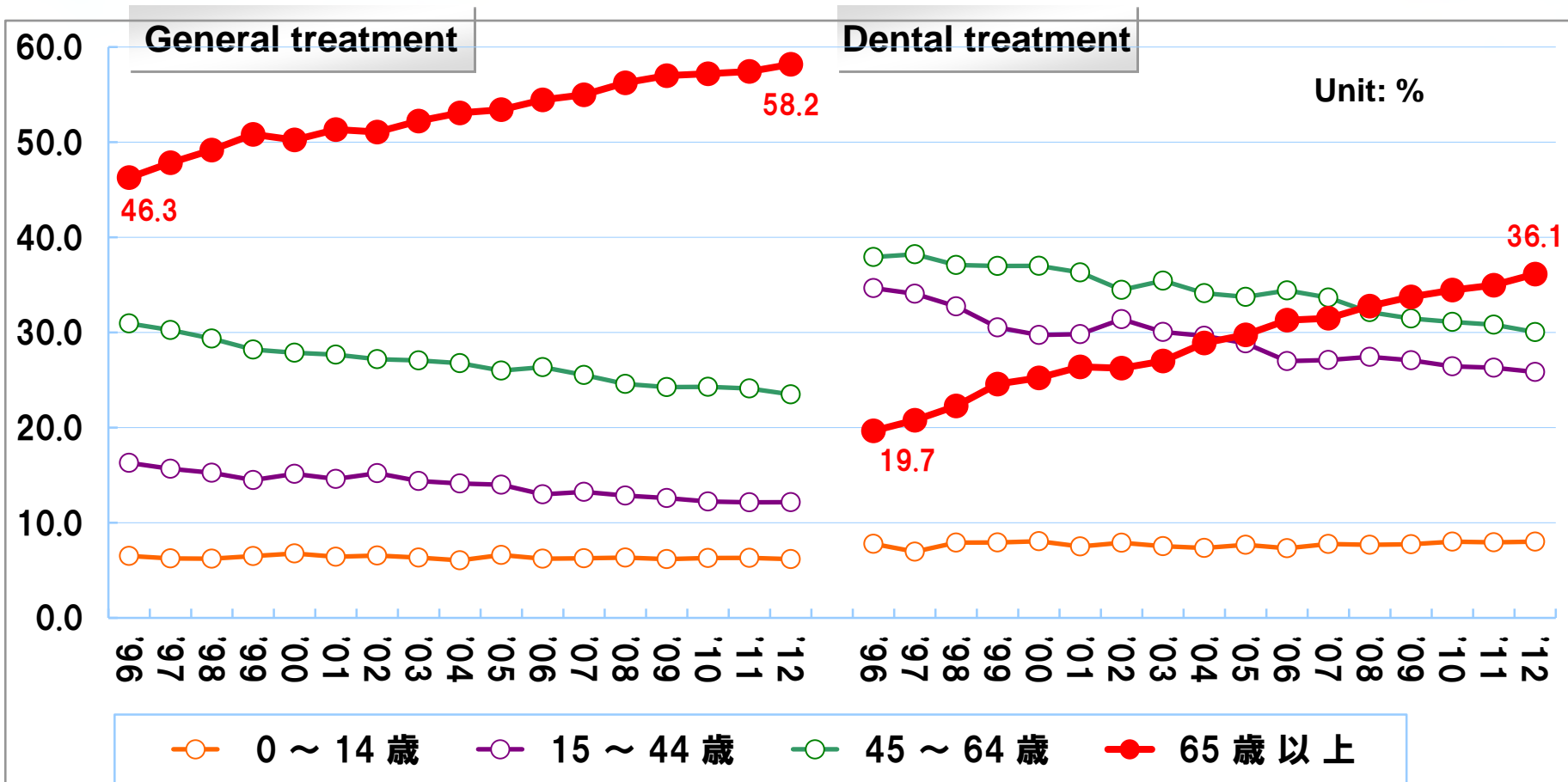


# Healthcare Expenditures by Age Group (Component Ratio)

Reference <Dentistry Data>



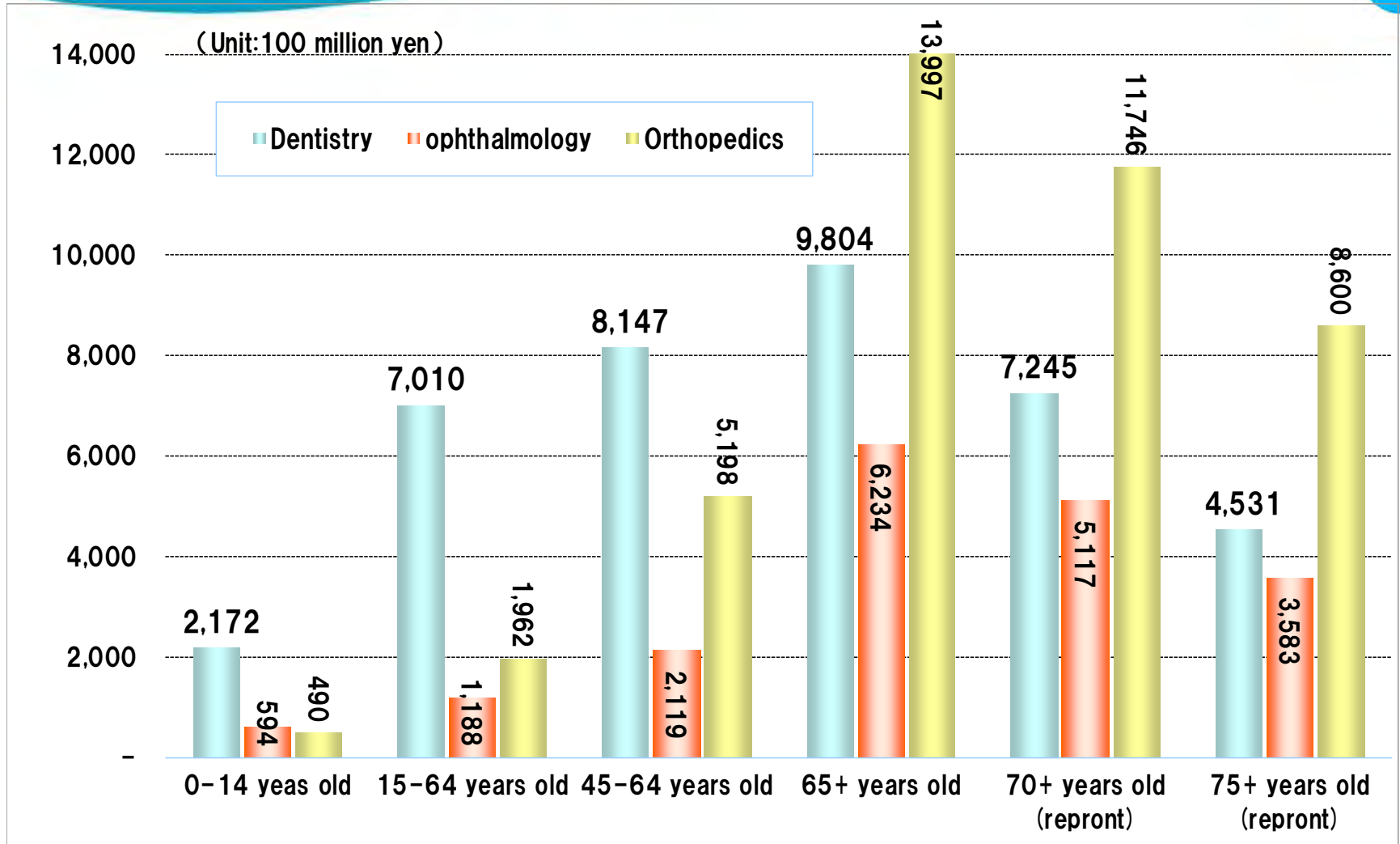
People aged 65 years and older tend to place less importance on dental treatment than general medical treatment.



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

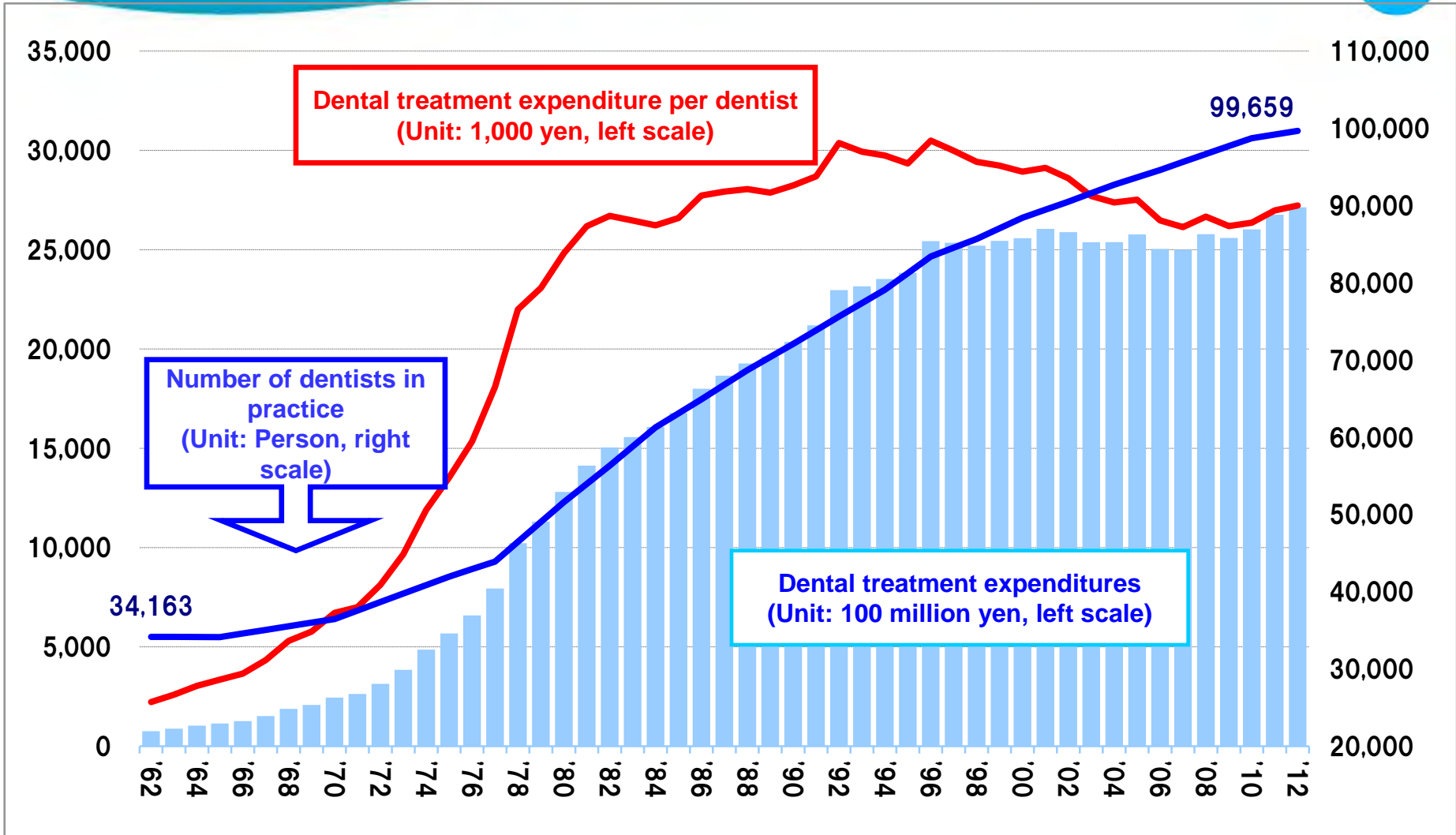
Reference <Dentistry Data>



Prepared using Summary of National Healthcare Expenditures in Fiscal Year 2012  
(Ministry of Health, Labour and Welfare)

# Trend of the Number of Dentists and Dental Treatment Expenditure

Reference <Dentistry Data>

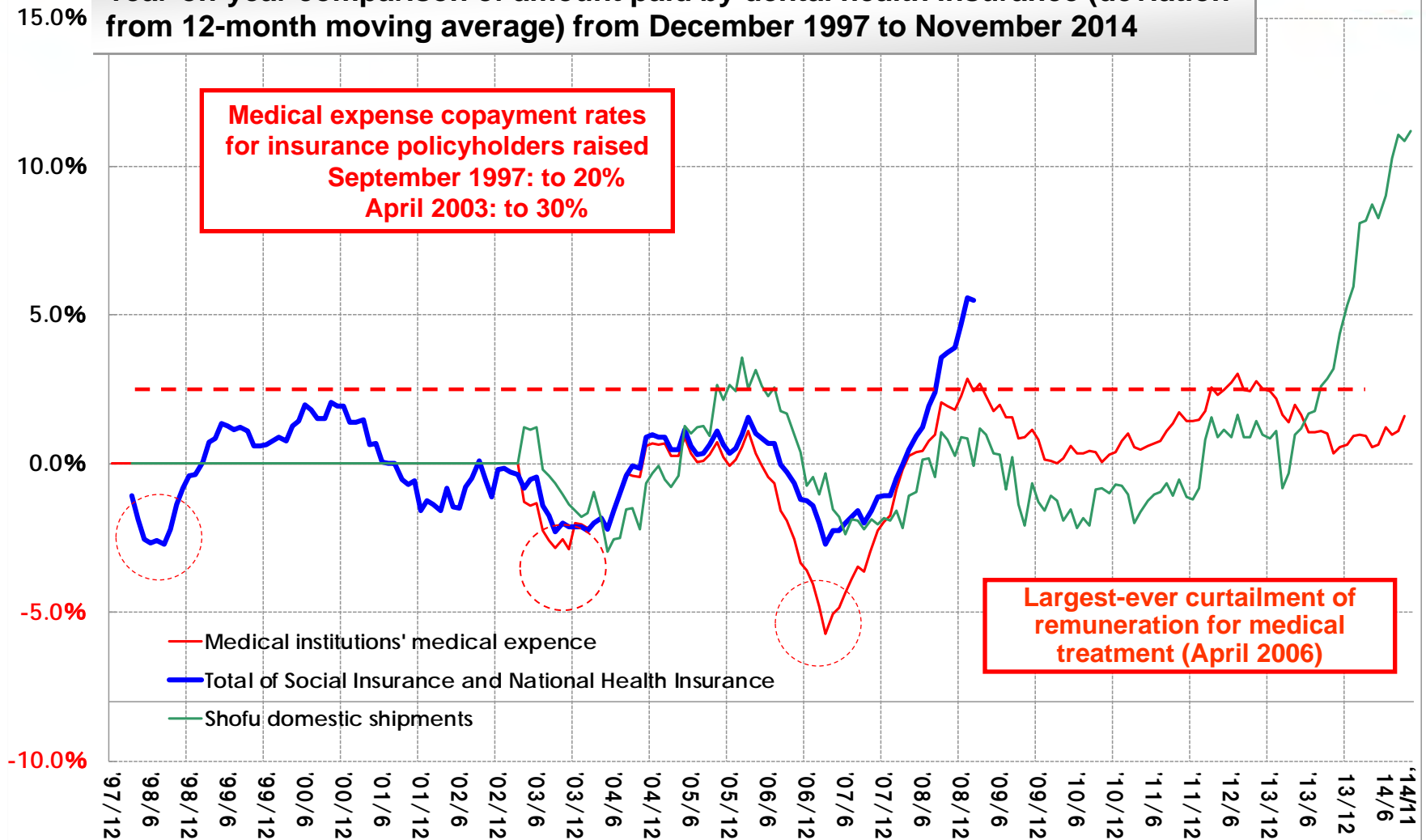


Prepared using yearly data from Summary of National Healthcare Expenditures, Survey on Doctors, Dentists and Pharmacists (Ministry of Health, Labour and Welfare)

# Dental Treatment Expenditures



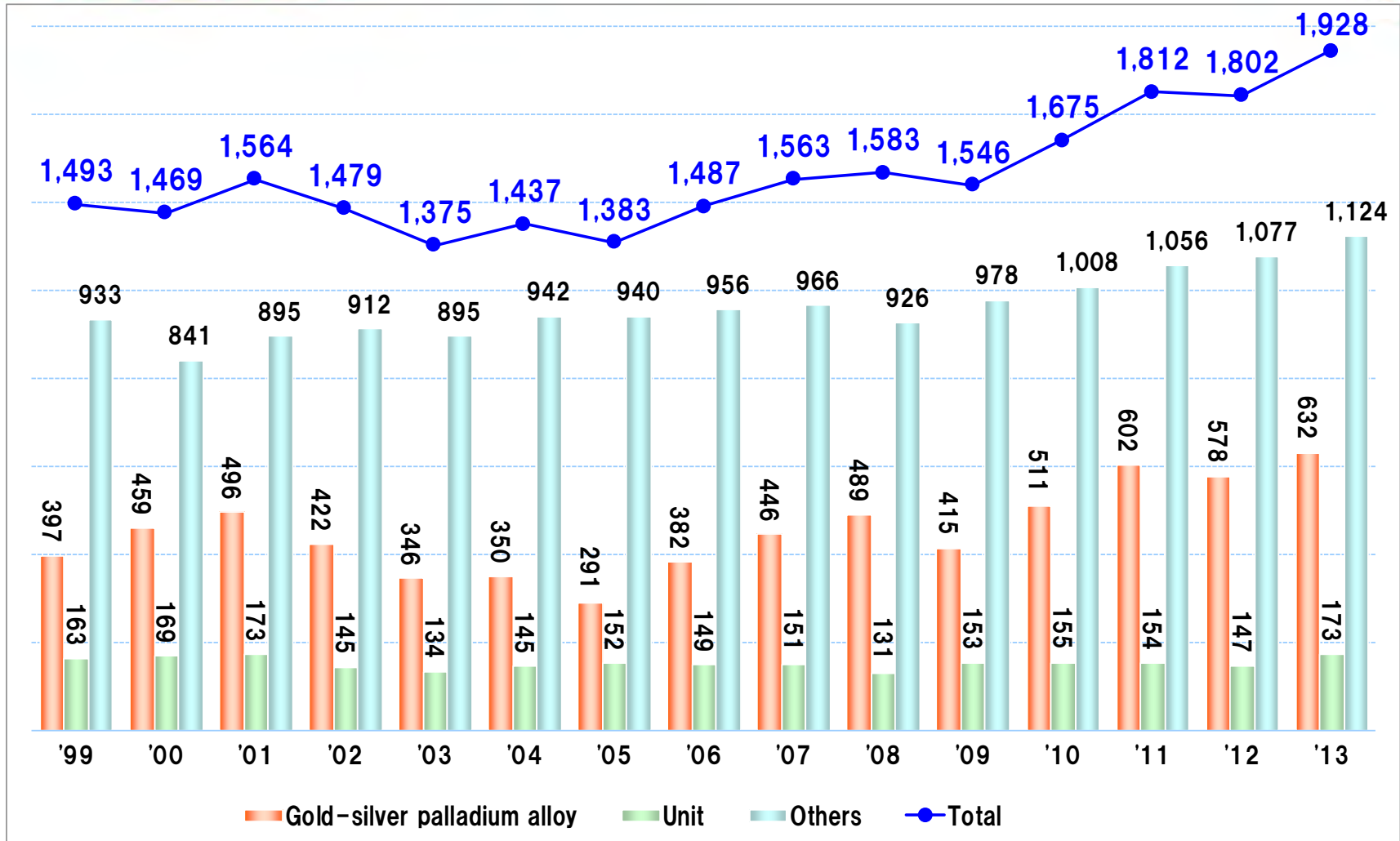
Year-on-year comparison of amount paid by dental health insurance (deviation from 12-month moving average) from December 1997 to November 2014





# Trend of Shipment Value of Pharmaceutical Industry Production

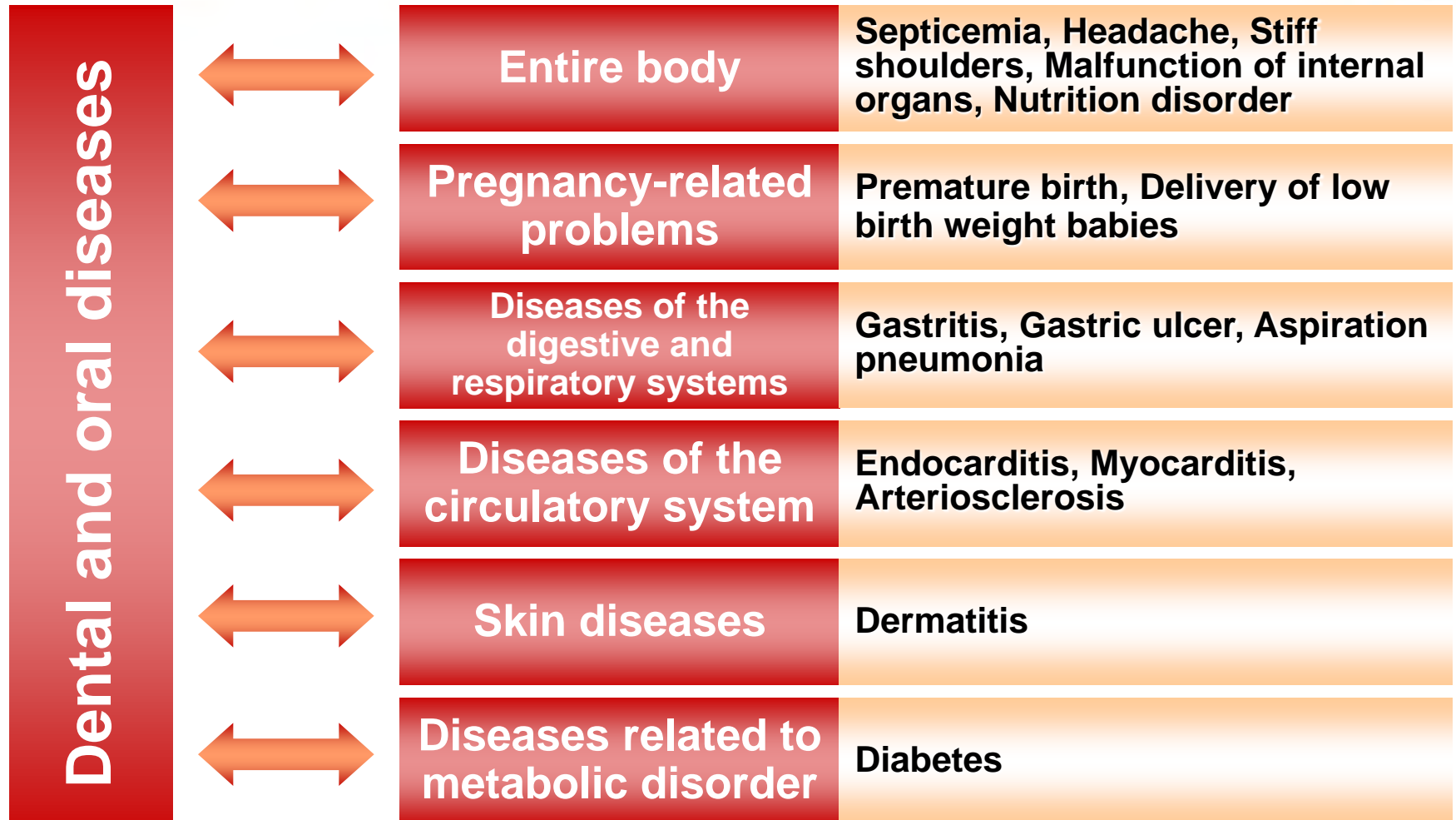
Reference <Dentistry Data>



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

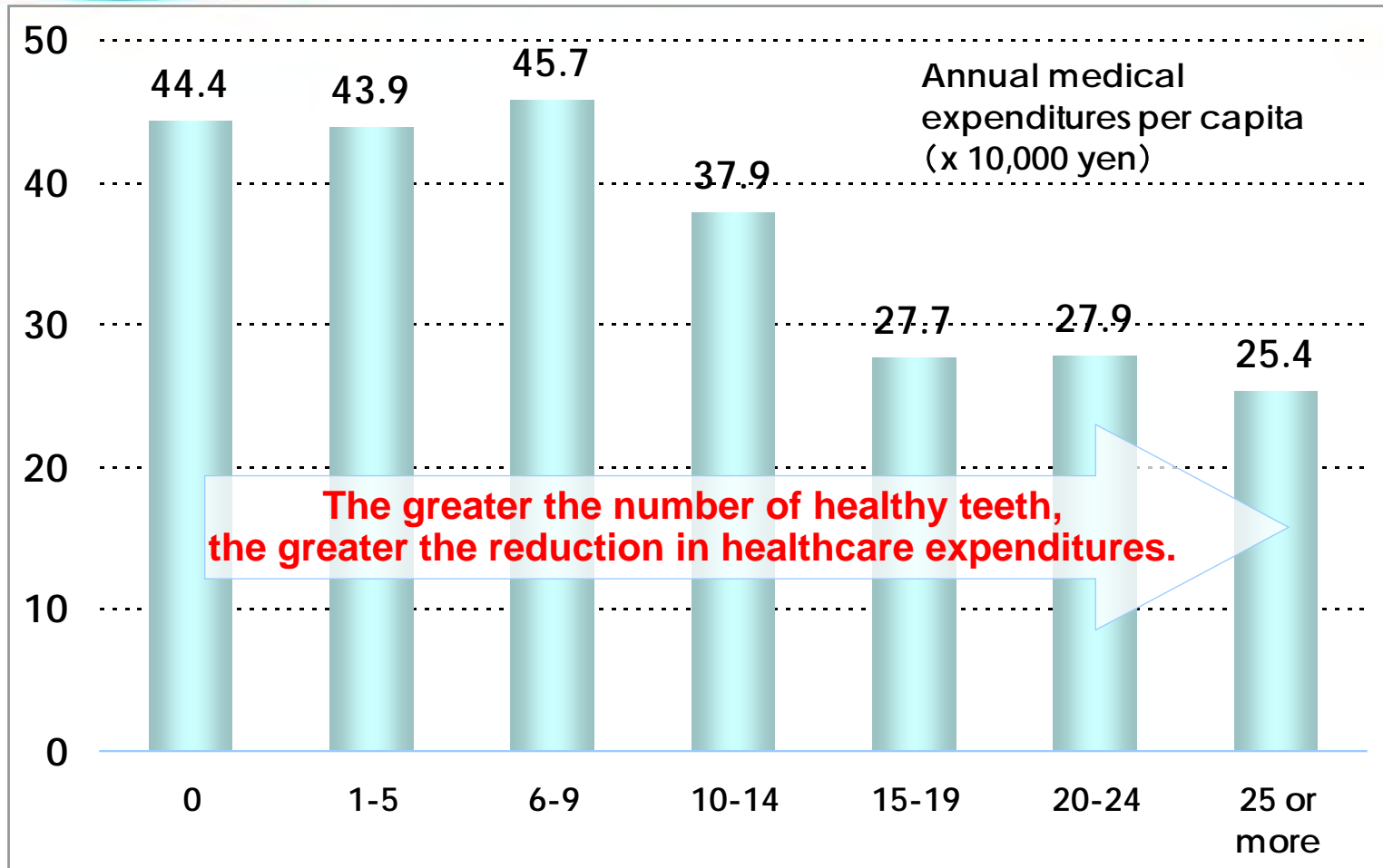
# Systemic Diseases Caused by Caries and Periodontal Disease

Reference <Dentistry Data>



(Reprinted from the "Archive of the 8020 and Enjoy Healthy Life" issued by Social Insurance Research Institute)

# Correlation between Number of Healthy Teeth and Healthcare Expenditures



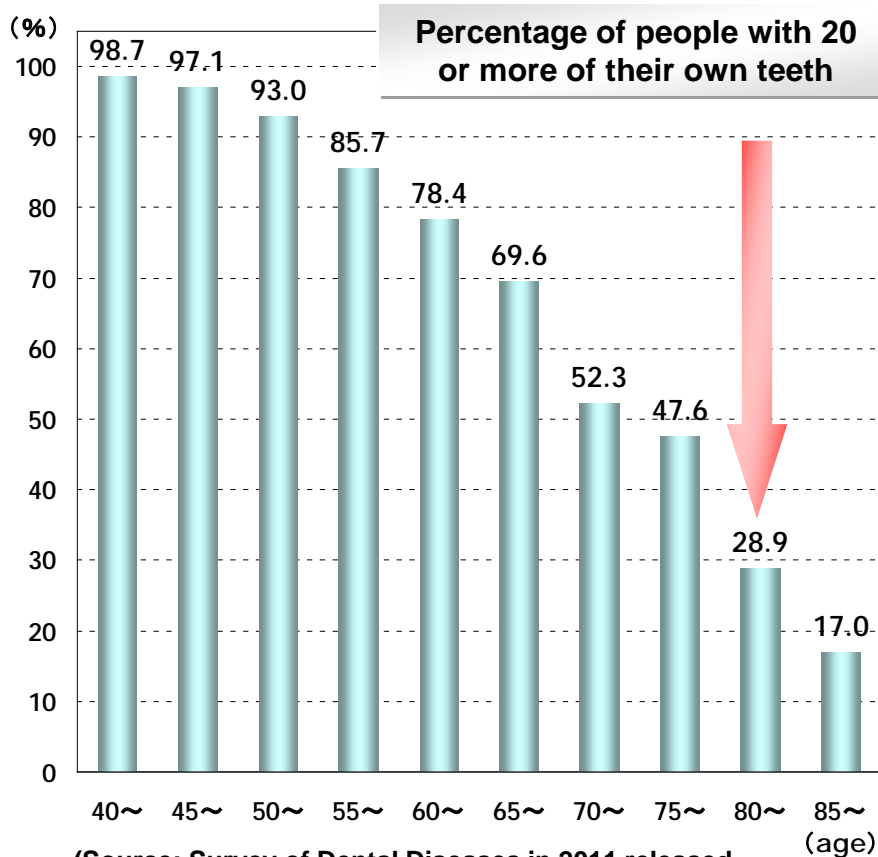
Prepared on the basis of "Correlation between Oral Hygiene Status of Elderly Persons and Healthcare Expenditures," a paper published in 2003 by Kazumune Arikawa, a full-time instructor at the Nihon University School of Dentistry at Matsudo

Subjects surveyed: 954 persons aged 80 living independently (392 men, 562 women)

# The 8020 Movement and Changes in Dental Diseases

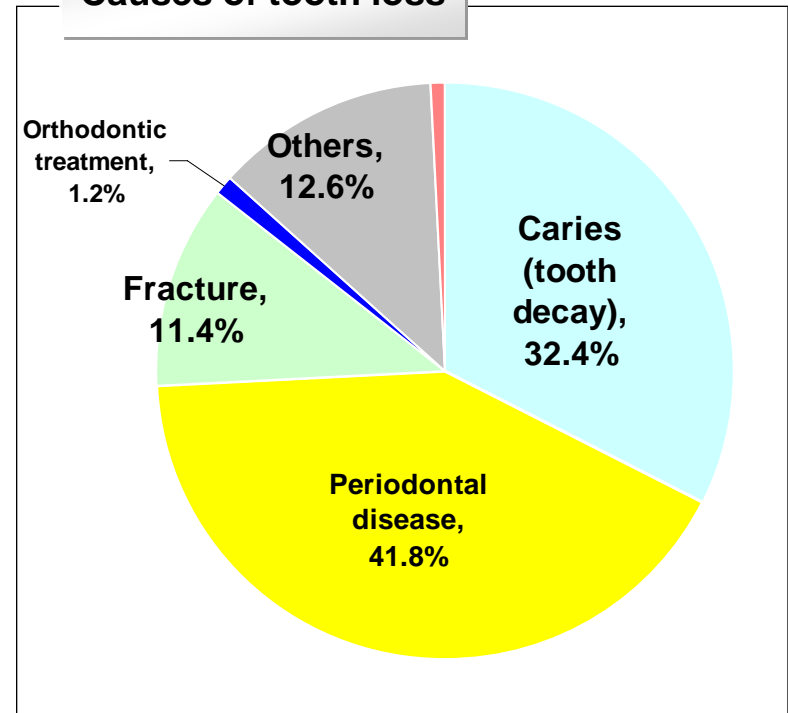


The primary target of “20% of the population achieving 8020” was reached in 2006.



(Source: Survey of Dental Diseases in 2011 released by the Ministry of Health, Labour and Welfare)

## Causes of tooth loss



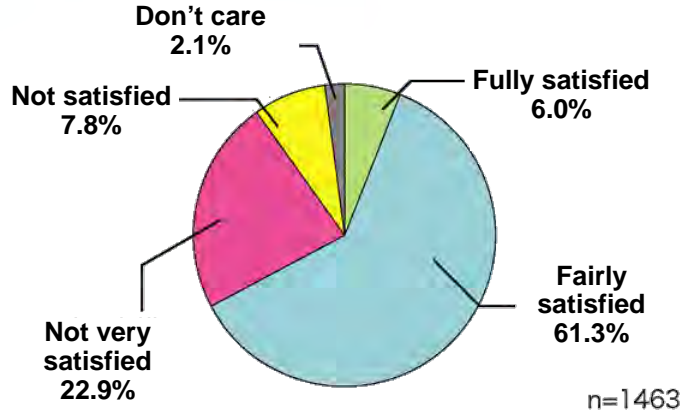
(Survey by the 8020 Promotion Foundation in 2005)

# Perception of Dental and Oral Health

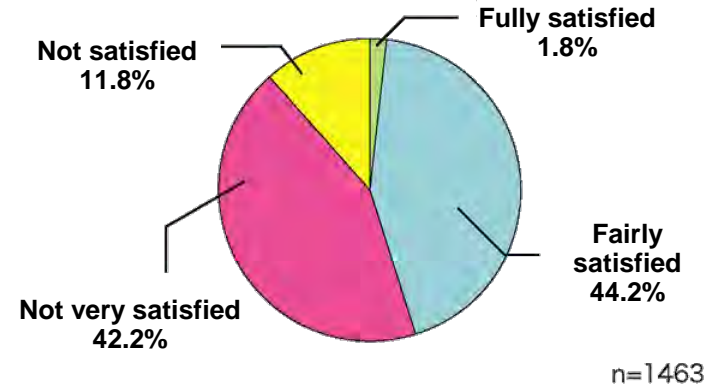


Source: Fiscal 2007's Dental Equipment Industry Vision (References)

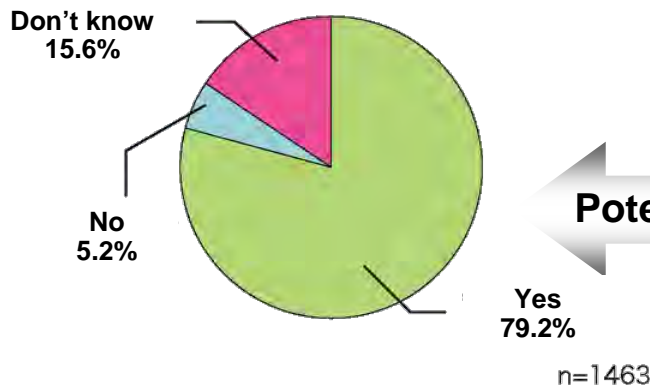
Are you satisfied with your physical health?



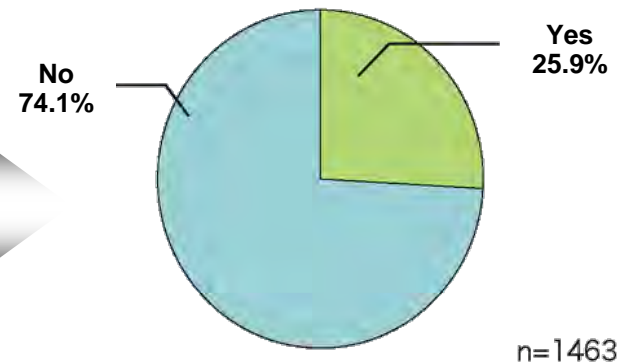
Are you satisfied with your oral health?



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

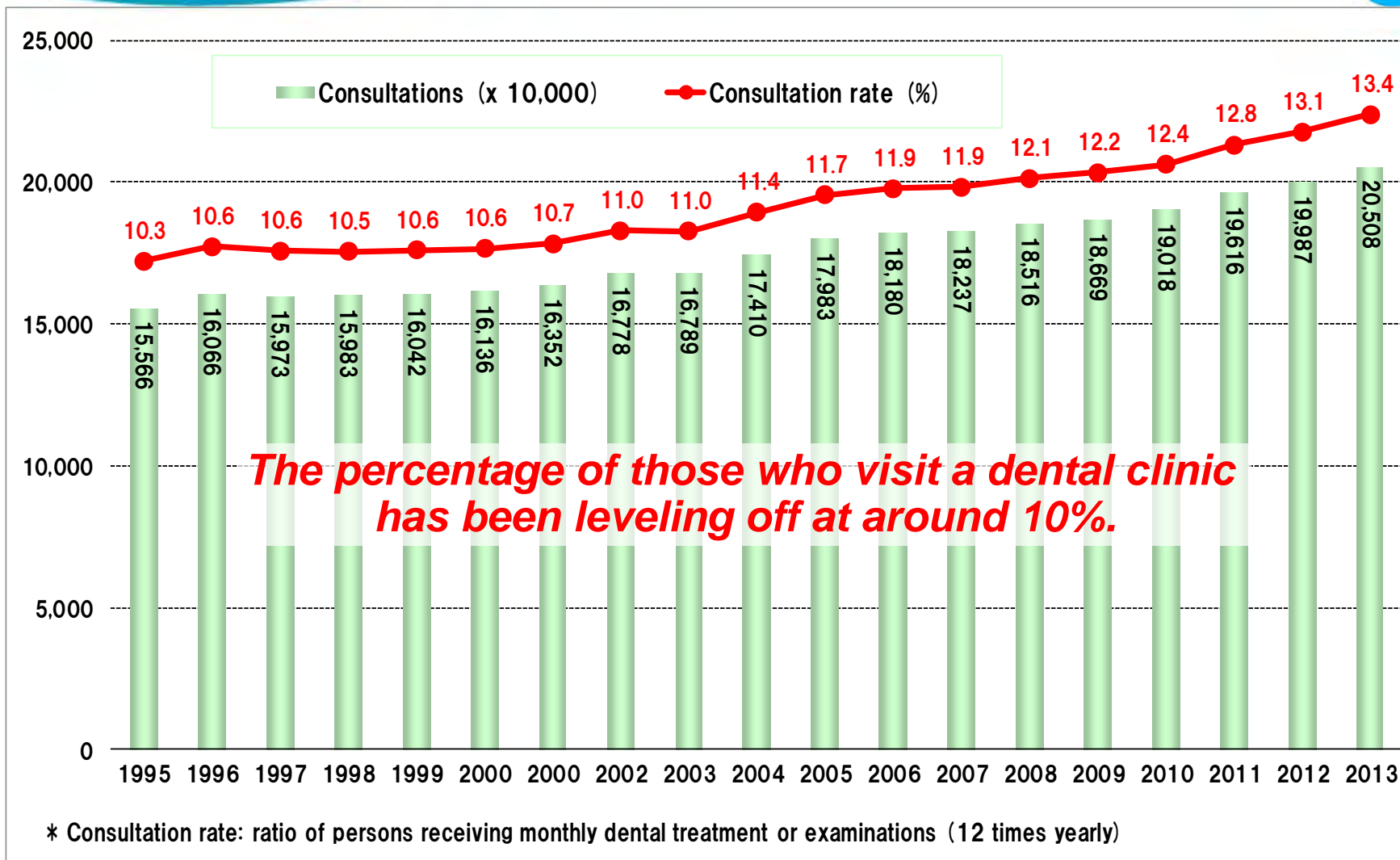


Do you actually receive regular dental care?



Potential demand

# Dental Clinic Consultation Rates



# 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:

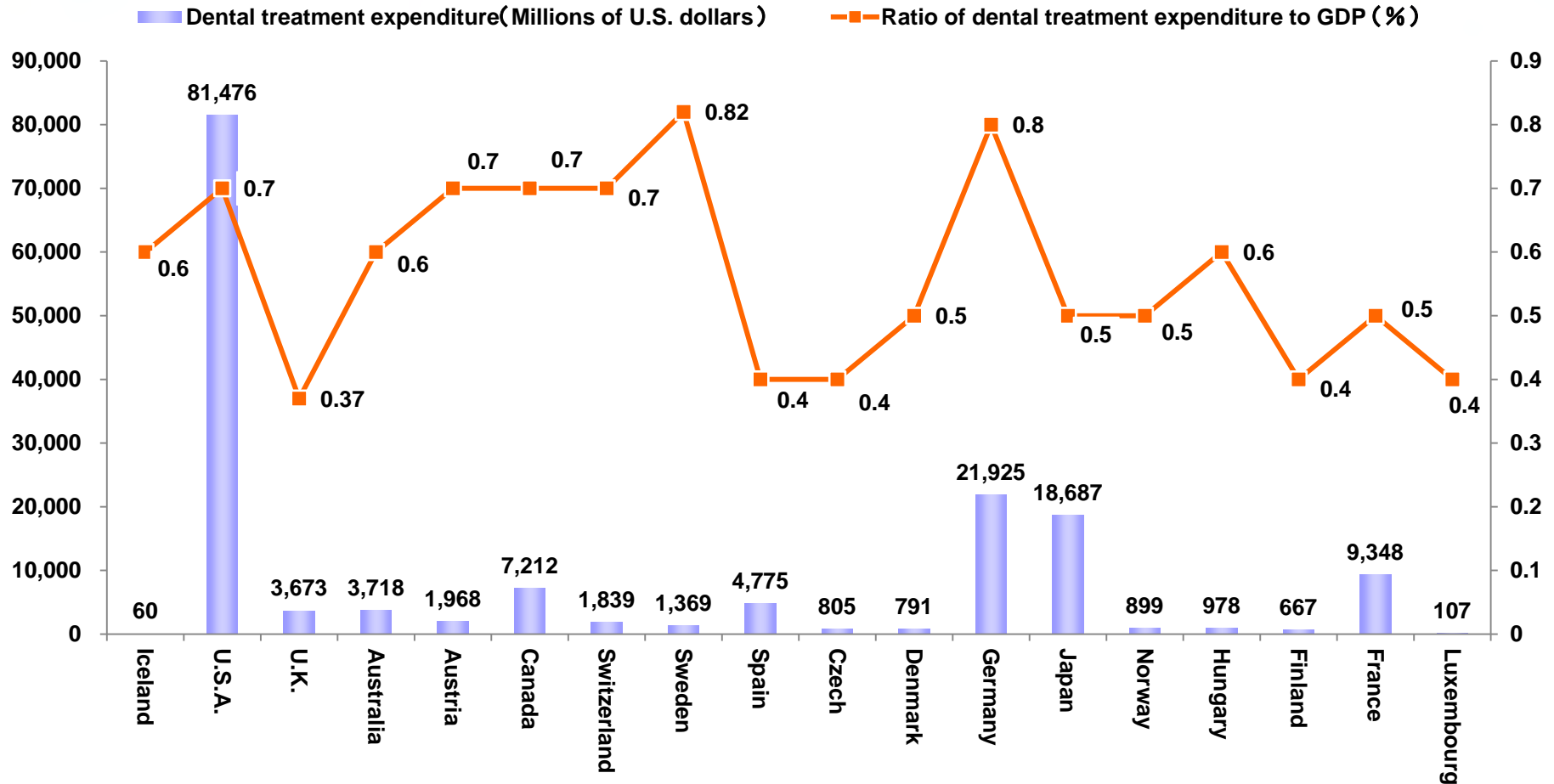
\* Health and Welfare Survey in 1999 conducted by the Ministry of Health, Labour and Welfare and a survey conducted by Colgate-Palmolive Company

\* 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

# Relation between Dental Treatment Expenditure and GDP



Although Japan's dental treatment expenditure is at a high level in international comparison, the ratio of Japan's dental treatment expenditure to GDP is in the middle range in international comparison.



\* 1. The above chart was prepared using "Nihon-to sekai-no shikairyo—kokusaihikaku-karamita nihon-no shikairyo-no sugata (Dental Treatment in Japan and in the Rest of the World—Dental Treatment in Japan from the Perspective of International Comparison)," by Kento Taira (medical corporation Seiryokai) as reference.  
 2. The above data for each country is as of 2004 except for Sweden's data, which is as of 1992.

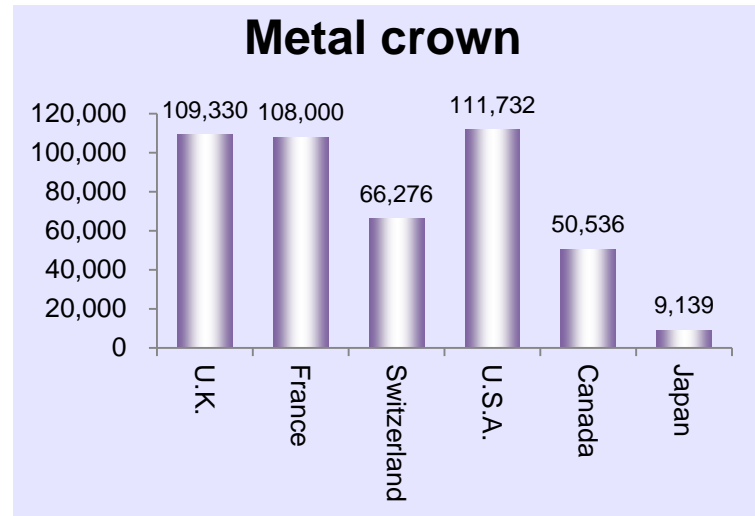
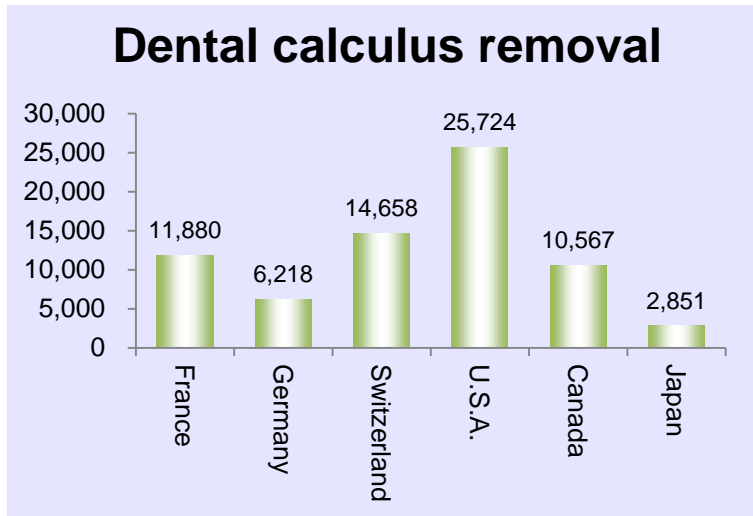
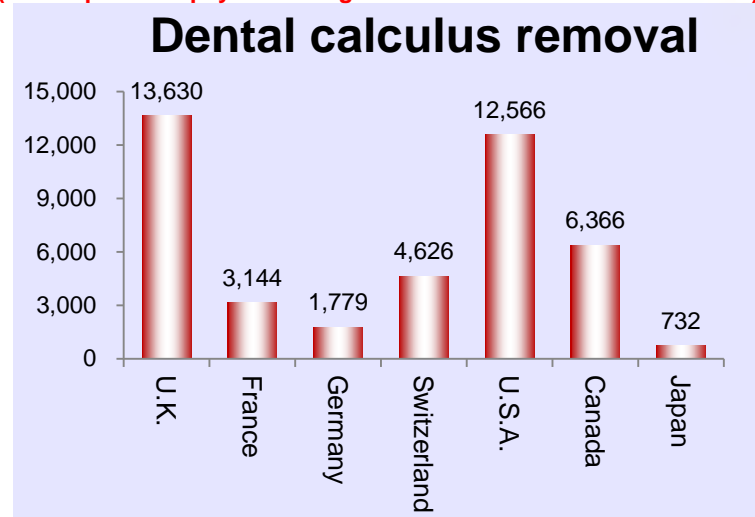
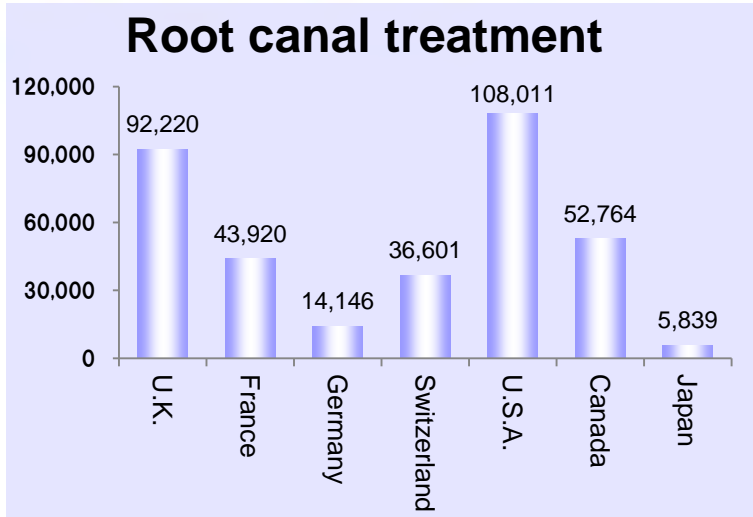


# International Comparison of Dental Treatment Expenditure (Unit Price of a Treatment Session)

Reference <Dentistry Data>

Unit: yen 

\*Japan: Unit price for a treatment session according to public healthcare insurance (⇒ The patient's payment obligation is 30% of the amounts below.)



\* The above chart was prepared using material from "Iryo, kaigokyufuhi suikei-ni-tsuite (On the Estimate of Medical and Nursing Care Benefit Expenses)" by Professor Kawabuchi of the Graduate School of Tokyo Medical and Dental University (submitted to the 6th meeting of the Social Security Council of Japan on July 31, 2008).

# International Comparison in the Ratio of Persons with Dental Caries (at age 12)

○ Reference <Dentistry Data>

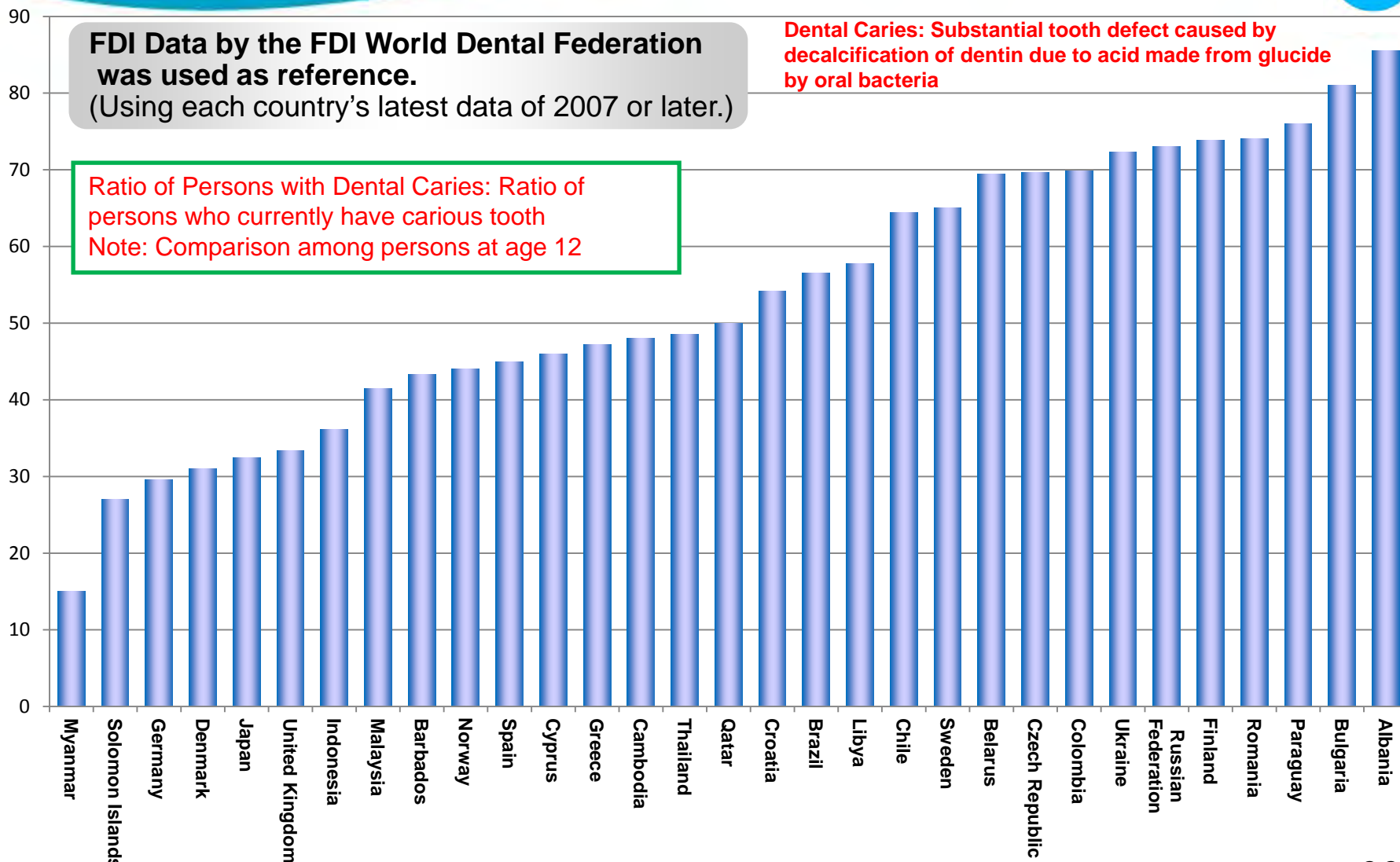
Unit: %



**FDI Data by the FDI World Dental Federation was used as reference.**  
(Using each country's latest data of 2007 or later.)

**Dental Caries: Substantial tooth defect caused by decalcification of dentin due to acid made from glucide by oral bacteria**

**Ratio of Persons with Dental Caries: Ratio of persons who currently have carious tooth**  
Note: Comparison among persons at age 12



# International Comparison in the Ratio of Persons with Edentulous Jaw (at age 65 and older)

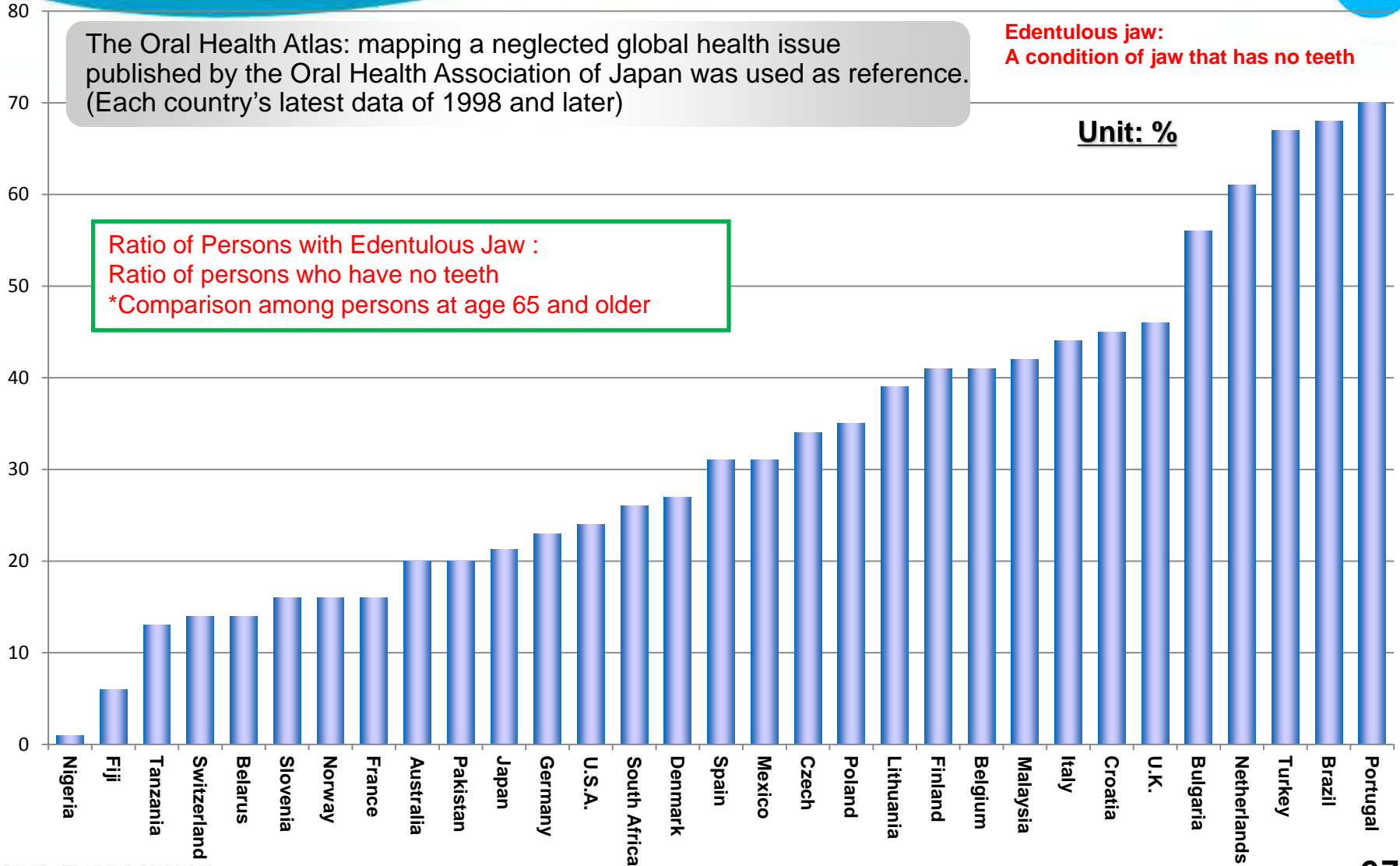


The Oral Health Atlas: mapping a neglected global health issue published by the Oral Health Association of Japan was used as reference. (Each country's latest data of 1998 and later)

**Edentulous jaw:**  
A condition of jaw that has no teeth

Unit: %

Ratio of Persons with Edentulous Jaw :  
Ratio of persons who have no teeth  
\*Comparison among persons at age 65 and older



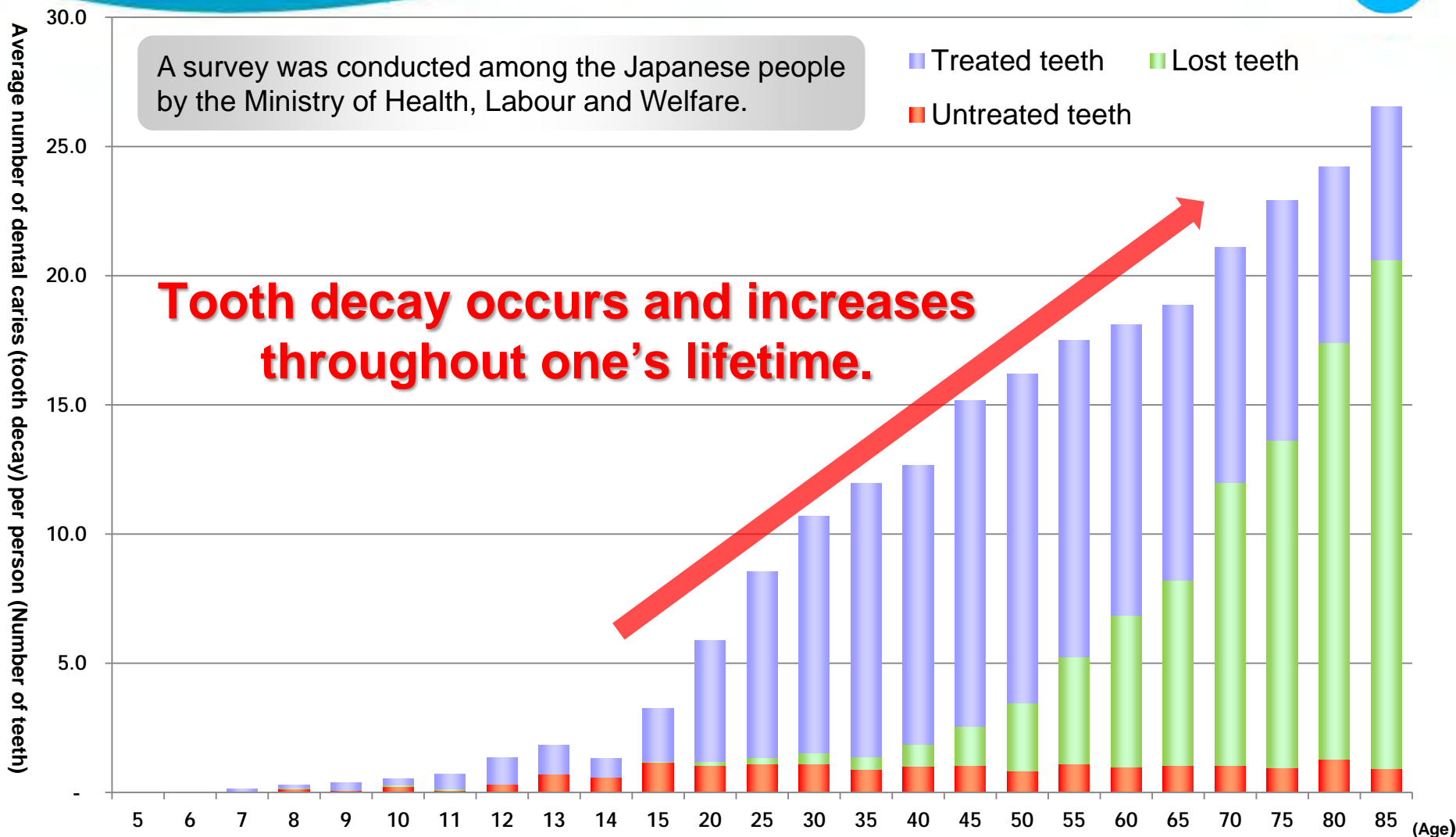
# Factual Survey of Dental Diseases



A survey was conducted among the Japanese people by the Ministry of Health, Labour and Welfare.

■ Treated teeth ■ Lost teeth  
■ Untreated teeth

**Tooth decay occurs and increases throughout one's lifetime.**



\* 1. The official web site of the Hokkaido kodomo-no ha-o mamoru kai (Save the Children's Tooth Hokkaido) was used as reference

\* 2. Source: Results of the Survey of Dental Diseases in 2011 released by the Ministry of Health, Labour and Welfare

# 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 2012” (Council for Compiling Dental Equipment Industry Vision)

**Number of dentists in the world:  
Approx. 1.13 million  
Estimated market size:  
Approx. 2.5 trillion yen**



## Term

## Meaning

Impression	An imprint of teeth and other intraoral areas, created with impression material. Based on the impression mould, plaster model can be produced, onto which prosthesis is fabricated. → <b>Dental prosthetic (page 71)</b>
Implant (treatment)	A treatment method to replace missing tooth. An artificial root is implanted into the bone, upon which a variety of dental prostheses can be placed. In addition to conventional prosthetic treatment, implant is a new option to restore mastication and esthetics.
Caries	Tooth decay.
Occlusion	The position of the teeth when the jaws are closed.
Composite resin	Synthetic resin to fill cavity and lesion, available in a variety of shades to make the restored area harmonious with surrounding teeth of each patient. It is often used to treat decay. → <b>Resin (page 71)</b>
Filling	To fill resin or cement after removing a decay to restore the affected area.
Aesthetic dentistry	A variety of treatment to enhance patient's esthetic appearance, including orthodontics and whitening.
Scaler	An instrument used to remove plaque and tartar accumulated on the tooth surface.
Dental floss	A thread used to remove plaque from the spaces between teeth.
Handpiece	A handheld device to which small instruments for removing tooth decay, plaque, and tartar are attached. → <b>Plaque (page 71)</b>



Term	Meaning
Nail care	Care for fingernails and the surrounding area, including attachment of artificial nails. Nail care is widely considered an important part of personal grooming in many parts of the world, and it is also growingly popular among young women in Japan, which leads to a rapid growth of the market.
PMTTC	PMTTC stands for Professional Mechanical Tooth Cleaning. In PMTTC, a dentist or hygienist uses machines and instruments to remove plaque, tartar (calcified plaque), and other dental deposits (caused by smoking, etc).
Fluoride	A substance that accelerates re-calcification of the tooth surface and strengthens tooth structure (especially for enamel).
Plaque	Calculus deposits. Bacteria living in plaque create acids and toxins, which cause decay and periodontal disease. Thus, removing plaque helps prevent dental disease and enhance oral health.
Dental prosthetic	An artificial replacement of defective area. It includes fillings and crowns that restore patient's oral function and esthetic appearance.
Bonding (material)	A material to bond composites to natural tooth (enamel and dentin). → Composite resin (page 70)
Resin	Synthetic high polymer. Resins are popularly used for dental restoratives.