



**Fiscal Year Ending March 2016  
(144th Business Year)**

**2nd Quarter Financial  
Analyst Meeting**

**November 25, 2015**



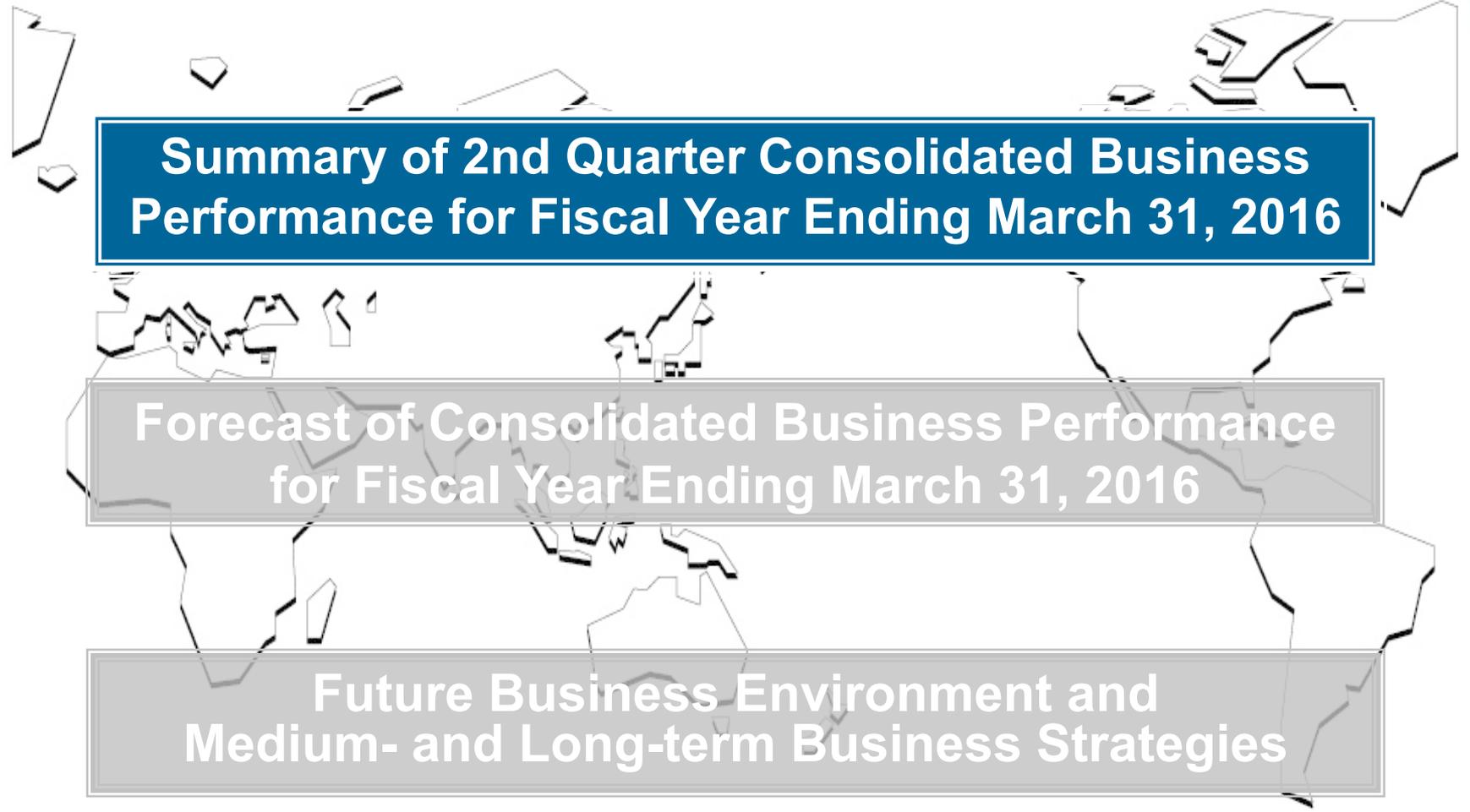
Proven Products for Better Dentistry

**SHOFU INC.**

# Contents of Today's Presentation

- ⇒ **Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2016**
- ⇒ **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 outline of a world map is visible in the background, showing the continents in white against a light blue background.

**Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2016**

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

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

# Summary of 2nd Quarter Business Performance

Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2016



■ Positive factors ■ Negative factors

P/L

⇒ Sales totaled 11,600 million yen (an increase of 18.2%)

**Domestic sales totaled 6,808 million yen (an decrease of 1.0%)**

- Domestic sales in the dental business **decreased by 1.1%** due to sales of new CAD/CAM-related products (equipment) peaking out, despite robust sales of new products such as chemical products and equipment and others.
- Domestic sales in the nail care business **increased by 0.5%** due to contributions to sales from gel nail products for general consumers.

**Overseas sales totaled 4,791 million yen (an increase of 62.8%)**

- Overseas sales in the dental business **increased by 62.3%** due to solid performance from regions such as North America, Central and South America, Europe, and China, in addition to the contribution of sales from Merz Dental GmbH, which was newly included in the SHOFU Group. Overseas sales in the nail care business **increased by 71.5%** due to robust sales in North America and Asia.

⇒ Operating income totaled 842 million yen.

- A rise in expenses in line with the consolidation of Merz Dental GmbH led to a year-on-year increase in selling, general and administrative expenses of 1,116 million yen, resulting in an **11.4% decrease** in operating income.

⇒ Ordinary income totaled 825 million yen, and net income was 495 million yen.

- The positive effect of foreign exchange profits and other factors on non-operating income lessened the range of profit decrease, resulting in an **8.2% decrease** in ordinary income year on year.
- Profit **decreased by 22.1%** year on year.

# Summary of 2nd Quarter Business Performance

Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2016



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

Units: millions of yen, %

	Fiscal March 2015 (2Q Results) (% of sales)	Fiscal March 2016 (2Q Forecast) (% of sales)	Fiscal March 2016 (2Q Results) (% of sales)	Change from Previous Period (% change)	Change from Forecast (% change)
Sales	9,817 (100.0)	11,518 (100.0)	11,600 (100.0)	1,783 (18.2)	81 (0.7)
(Domestic sales)	6,874 (70.0)	6,875 (59.7)	6,808 (58.7)	-66 (-1.0)	-66 (-1.0)
(Overseas sales)	2,942 (30.0)	4,643 (40.3)	4,791 (41.3)	1,849 (62.8)	148 (3.2)
Operating profit	951 (9.7)	549 (4.8)	842 (7.3)	-108 (-11.4)	293 (53.4)
Ordinary profit	899 (9.2)	468 (4.1)	825 (7.1)	-73 (-8.2)	356 (76.2)
Net profit	636 (6.5)	228 (2.0)	495 (4.3)	-140 (-22.1)	267 (116.8)
Net profit per share	39.92yen	14.34yen	31.05yen	-8.87yen	16.71yen
Return on equity	3.15%	—	2.27%	-0.88P	—

\* Based on the results of the first half ended on September 30, 2015, diluted net income per share for the fiscal year ending March 2016 was 30.86 yen.

\* “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 (Comparison with Previous Period)

Summary of 2nd Quarter Consolidated Business  
Performance for Fiscal Year Ending March 31, 2016



Unit: millions of yen

Figures in parentheses represent percentage changes; unit: %

	Fiscal March 2015 (2Q Results)	Fiscal March 2016 (2Q Results)	Change from previous period		
				Domestic	Overseas
Artificial teeth	1,327	2,045	717 (54.1)	-6	724
Abrasives	1,878	2,106	227 (12.1)	21	206
Metal products	150	168	18 (12.0)	14	—
Chemical products	1,834	2,206	371 (20.2)	50	321
Cements and others	943	999	55 (5.9)	-17	73
Equipment and others	2,787	3,045	257 (9.2)	-130	387
Dental business total	8,922	10,570	1,648 (18.5)	-67	1,715
Nail care business	853	990	136 (16.0)	3	133
Other	41	39	-1 (-4.8)	-1	—
Total	9,817	11,600	1,783 (18.2)	-66	1,849

\*The effect of foreign currency fluctuations (U.S. dollar (USD), Euro (EUR), British pound (GBP) and Chinese yuan (CNY)) on overseas net sales was +307 million yen.

# Sales by Product Category (Comparison with Forecast)

Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2016



Unit: millions of yen

Figures in parentheses represent percentage changes; unit: %

	Fiscal March 2016 (2Q Forecast)	Fiscal March 2016 (2Q Results)	Cange from Forecast		
				Domestic	Overseas
Artificial teeth	2,044	2,045	0 (0.0)	-45	46
Abrasives	2,192	2,106	-85 (-3.9)	-9	-75
Metal products	157	168	10 (6.7)	10	—
Chemical products	2,205	2,206	0 (0.0)	-48	49
Cements and others	1,020	999	-20 (-2.0)	2	-22
Equipment and others	2,909	3,045	135 (4.7)	101	33
Dental business total	10,529	10,570	41 (0.4)	10	30
Nail care business	943	990	46 (5.0)	-70	117
Other	45	39	-6 (-14.3)	-6	—
Total	11,518	11,600	81 (0.7)	-66	148

\* The effect of foreign currency fluctuations (U.S. dollar (USD), Euro (EUR), British pound (GBP) and Chinese yuan (CNY)) on overseas net sales was +257 million yen.

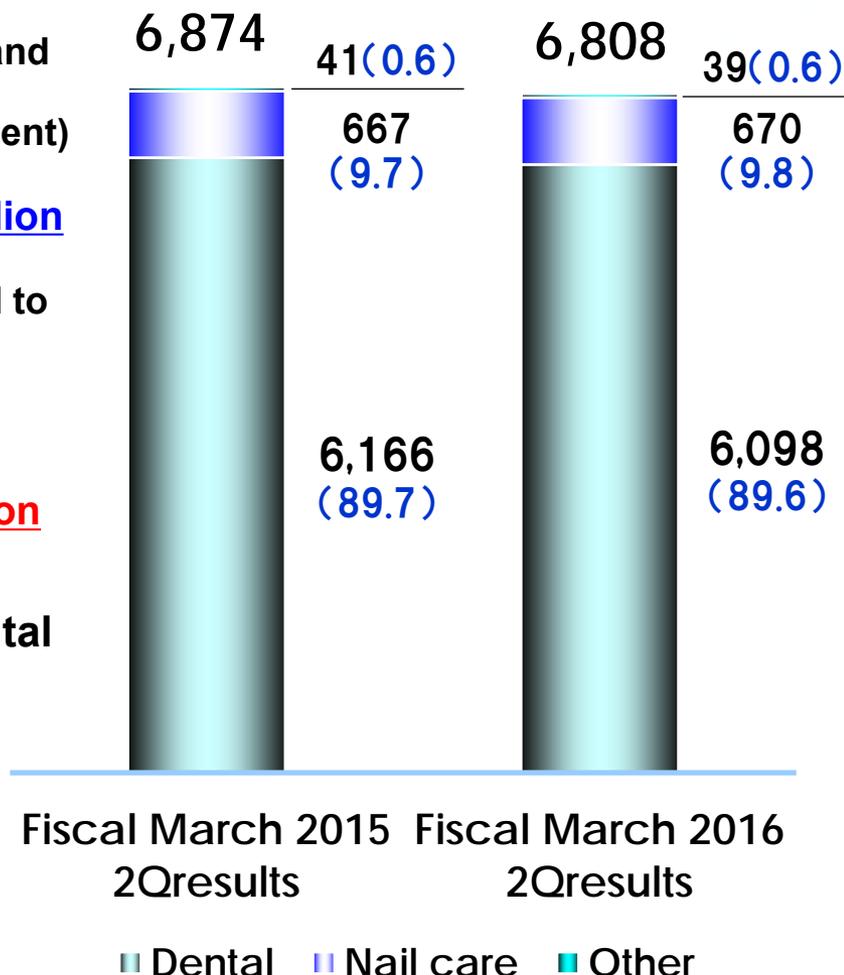
# Domestic Sales



■ Positive factors ■ Negative factors

- **Dental business: Year on year decrease of 67 million yen (-1.1%)**
  - Sales of new products in the chemical products and equipment and others segments were robust.
  - Sales of new CAD/CAM-related products (equipment) peaked out.
- **Nail care business: Year on year increase of 3 million yen (+0.5%)**
  - New products for general consumers contributed to sales.
  - Sales were affected due to the voluntary recall of some finished goods.
- **Other businesses: Year on year decrease of 1million yen (-4.8%)**
- **Major new products launched this quarter (dental business)**
  - Dental porcelain powder **VINTAGE LD**, (Artificial teeth)
  - CAD/CAM hybrid resin **SHOFU Disk HC**, (Equipment and others)
  - Composite resin for dental filling **BEAUTIFIL Next**, (chemical products)

Unit: millions of yen



# Overseas Sales



■ Positive factors ■ Negative factors

Unit: millions of yen

■ **North America and Latin America: Year-on-year increase of 345 million yen (37.8%)**

■ 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 161 million yen (+17.7%)**

■ **Europe: Year-on-year increase of 1,198 million yen (137.5%)**

■ Merz Dental GmbH contributed to sales. Revenue increased due to the growth of sales in the abrasives, chemical products, and equipment and others segments.

Local currency basis: **Year on year increase of 1,208 million yen (+138.7%)**

■ **Asia and Oceania: Year-on-year increase of 305 million yen (26.4%)**

■ Sales in China increased due to growth in the flagship artificial teeth segment and the favorable effect of fluctuations of foreign currency exchange rates.

■ Sales in other Asian markets increased due to strong sales in the nail care segment.

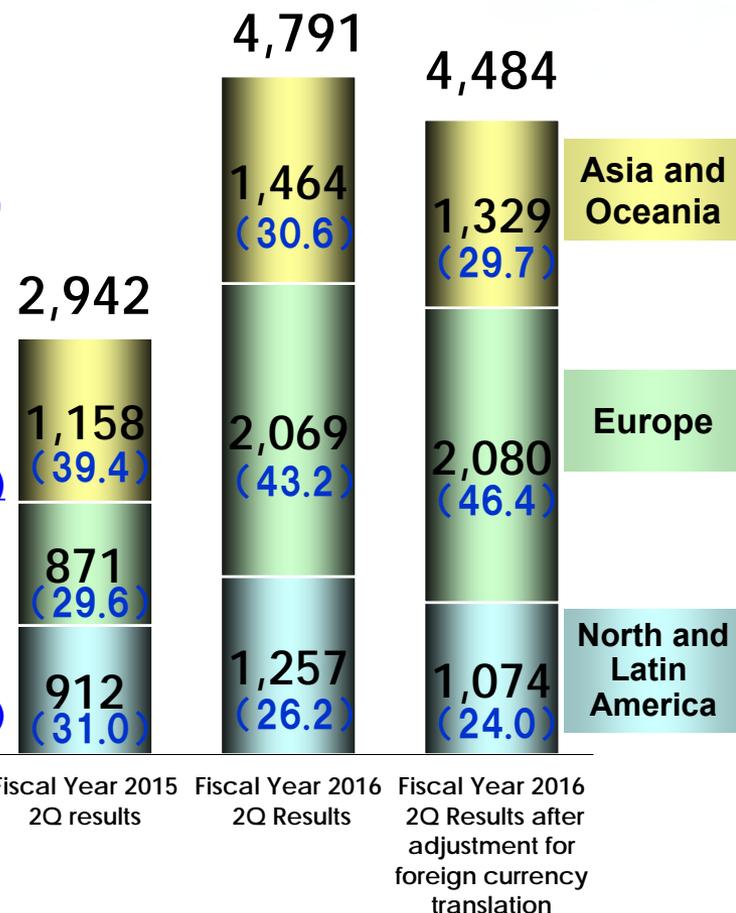
Local currency basis: **Year on year increase of 170 million yen (+14.7%)**

China: **Year on year increase of 200 million yen (+40.7%)**

Elsewhere in Asia: **Year on year increase of 105 million yen (+15.8%)**

■ **(Dental business) Overseas sales ratio of 42.3%**

(30.9% for the same quarter of the previous fiscal year; 40.6% after adjustment for fluctuations of foreign currency exchange rates)



\* The results of the quarter under review after adjustment for fluctuations of foreign currency exchange rates have been calculated based on the same exchange rates used for the results of the fiscal year ended March 2015.

# Performance by Segment (Sales and Operating Profits)

Summary of 2nd Quarter Consolidated Business  
Performance for Fiscal Year Ending March 31, 2016



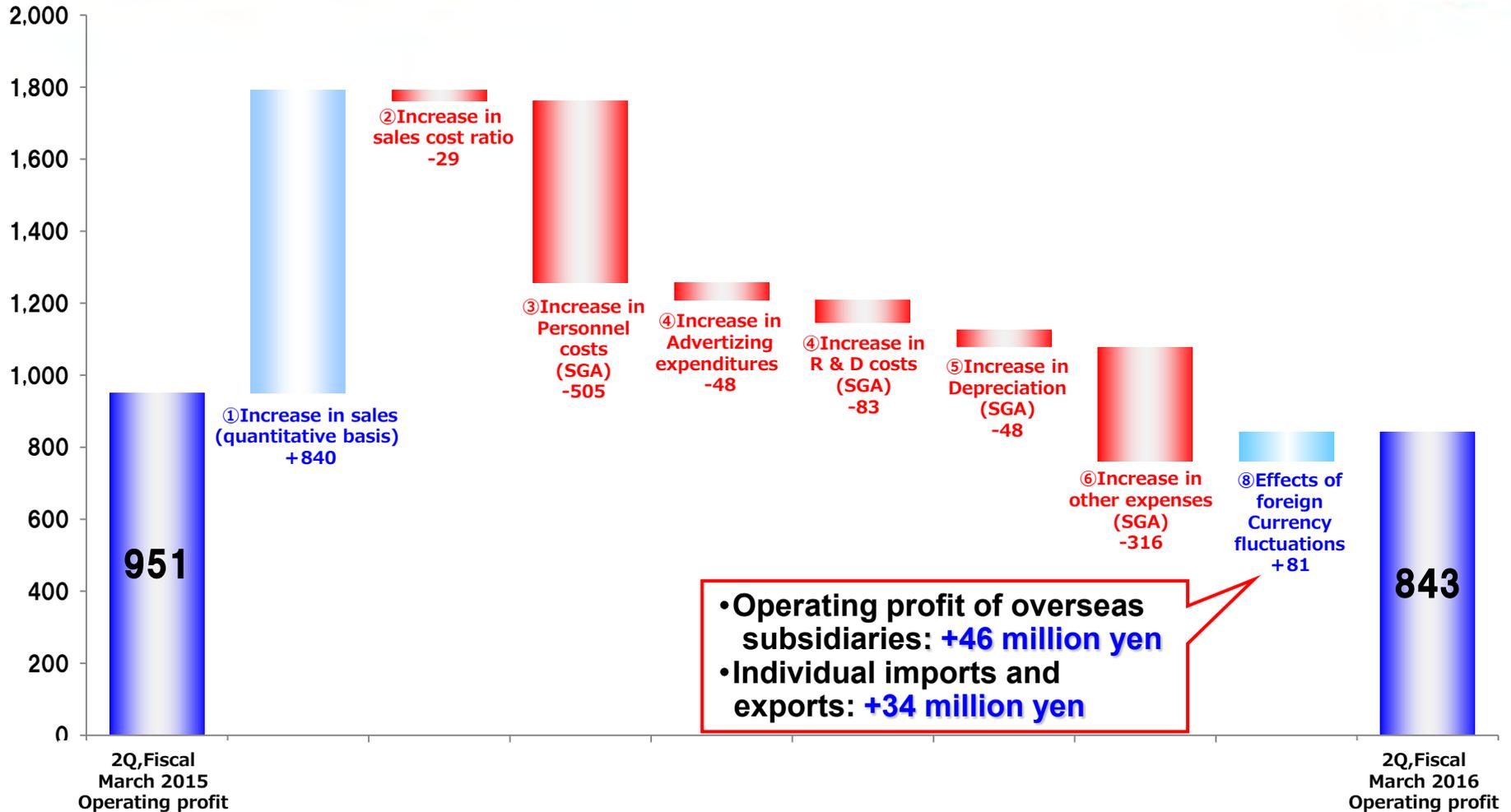
Unit: millions of yen. Figures in parentheses represent percentage of sales and percentage changes (unit: %)

		Fiscal March 2015 (2Q Results) Amount (% of sales)	Fiscal March 2016 (2Q Forecast) Amount (% of sales)	Fiscal March 2016 (2Q Results) Amount (% of sales)	Change from Previous Period	Change from Forecast
Dental	Sales	8,922	10,529	10,570	1,648	41
	Operating expenses	7,982	10,055	9,778	1,795	-277
	Operating profit (operating profit margin)	939 (10.5)	473 (4.5)	792 (7.5)	-147	318
Nail care	Sales	854	943	990	136	47
	Operating expenses	857	939	958	100	18
	Operating profit (operating profit margin)	-3 (-0.4)	4 (0.5)	32 (3.3)	36	28
Other	Sales	44	45	42	-2	-3
	Operating expenses	34	43	29	-4	-13
	Operating profit (operating profit margin)	10 (22.8)	2 (5.3)	12 (30.2)	2	10
Total before consolidation adjustment	Sales	9,820	11,518	11,603	1,783	85
	Operating expenses	8,874	11,037	10,765	1,891	-272
	Operating profit (operating profit margin)	946 (9.6)	480 (4.2)	838 (7.2)	-108	357
Consolidated	Sales	9,817	11,518	11,600	1,783	81
	Operating expenses	8,865	10,969	10,757	1,891	-211
	Operating profit (operating profit margin)	951 (9.7)	549 (4.8)	842 (7.3)	-108	293

# Contributors to Change in Operating Profit



Unit: millions of yen



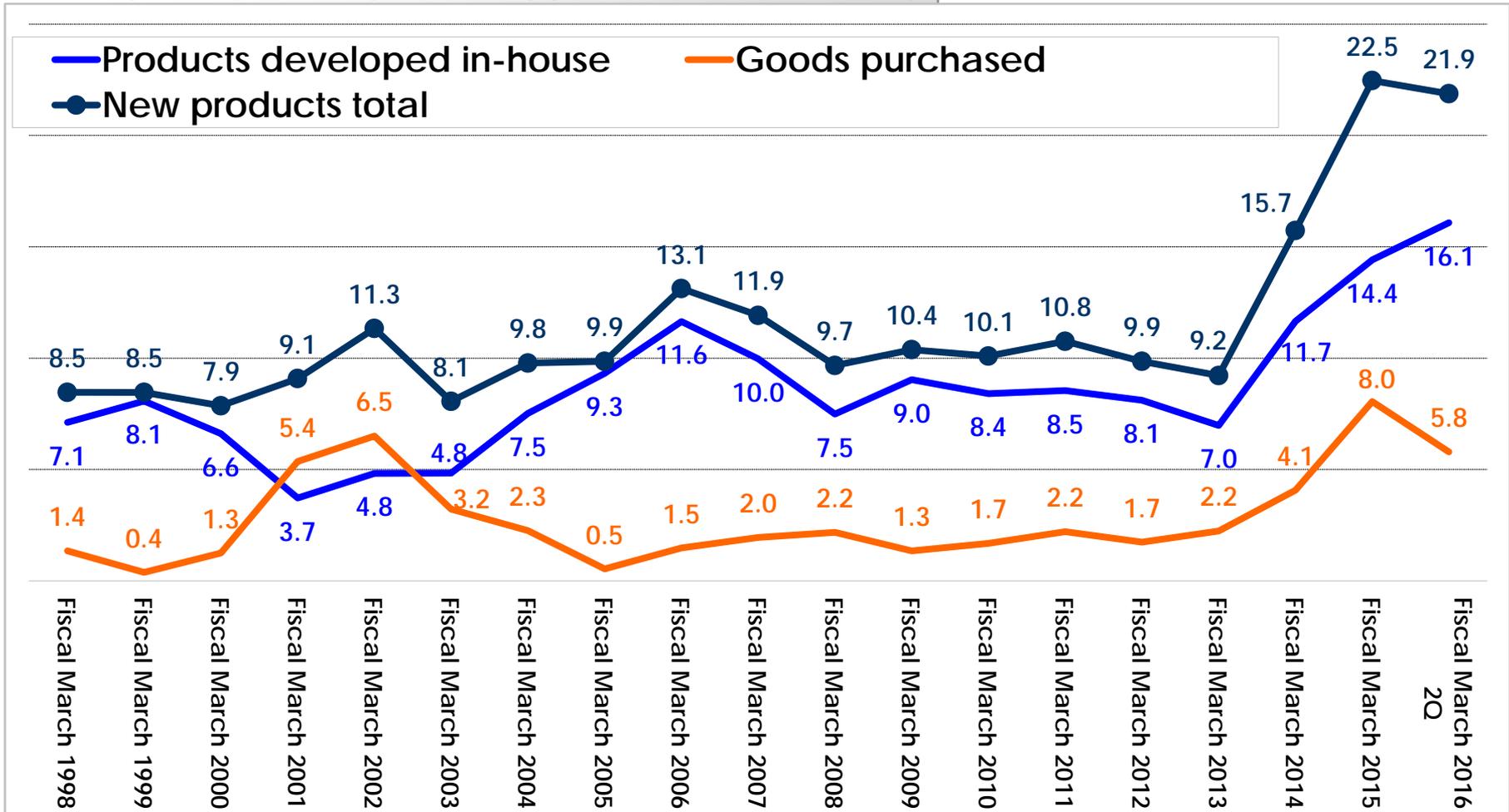
\*The contributing factors in items (1) to (7) do not incorporate the effects of fluctuations of foreign currency exchange rates.

# Sales Trends for New Products



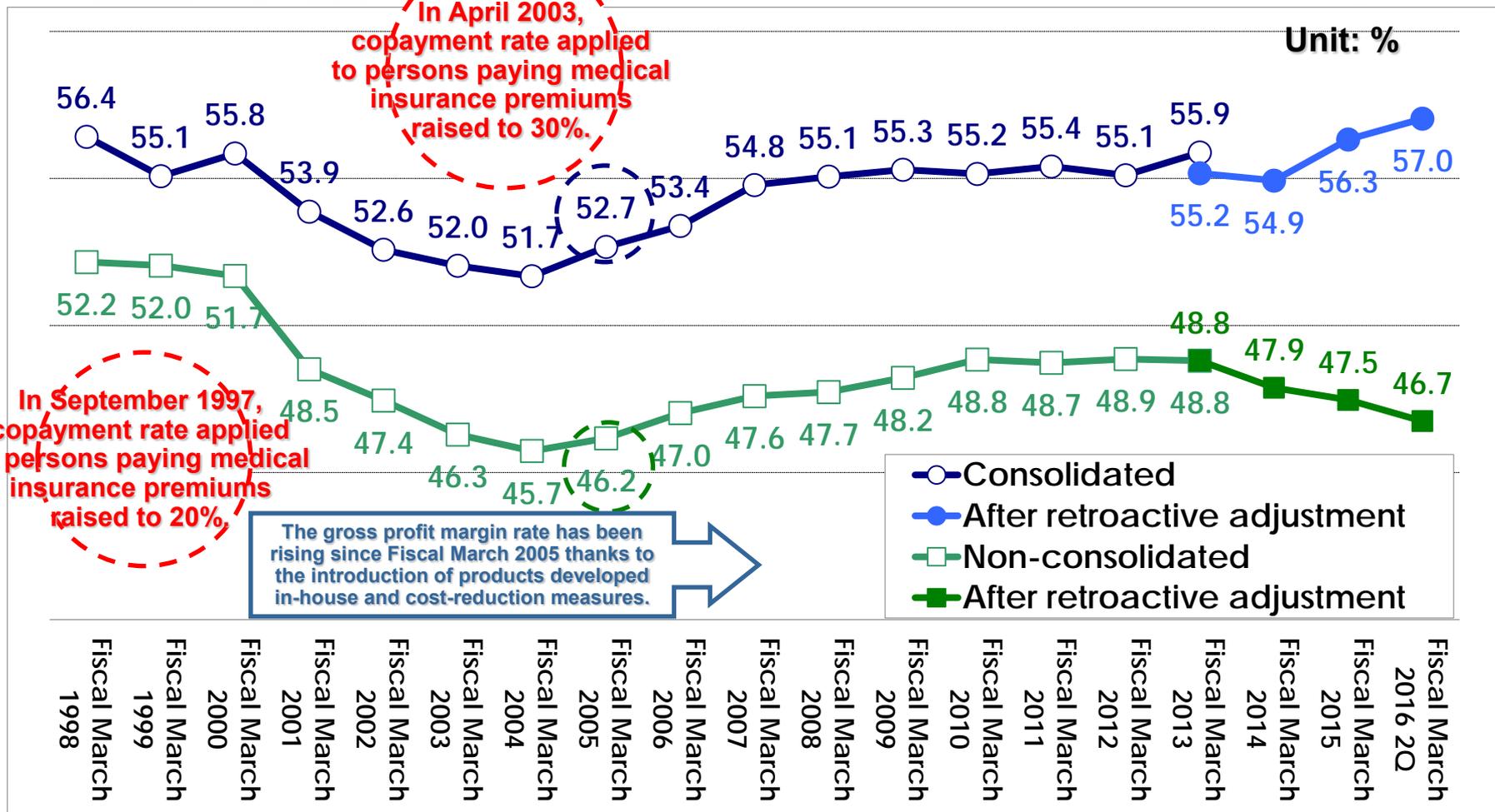
Ratio of sales of new products to total sales (products developed in-house or purchased) (Non-consolidated basis)

Unit: %



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

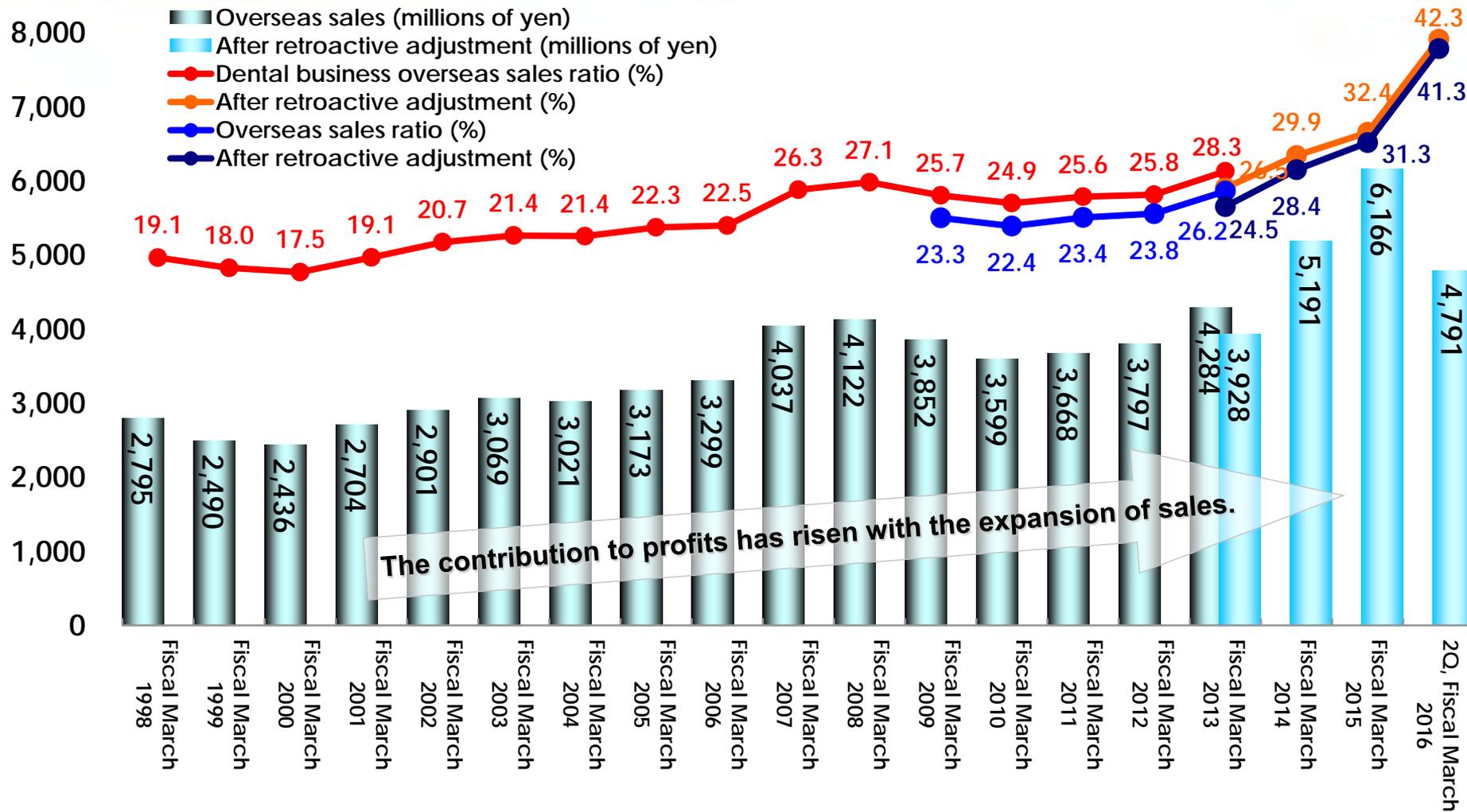
# Gross Profit Margin Rates



\* Starting with the fiscal year ended March 2014, the foreign currency amounts have been converted into Japanese yen using the average exchange rates of the fiscal year under review. As part of this change, results for the fiscal year ended March 2013 have been retroactively restated based on the average rates of the period under review. (Previously, the rates on the final day of the fiscal year were applied.)

# Overseas Sales and Overseas Sales Ratios

Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2016



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

\* Starting with the fiscal year ended March 2014, the foreign currency amounts have been converted into Japanese yen using the average exchange rates of the fiscal year under review. As part of this change, results for the fiscal year ended March 2013 have been retroactively restated based on the average rates of the period under review. (Previously, the rates on the final day of the fiscal year were applied.)

# Financial Condition: Major Balance Sheet Accounts

Summary of 2nd Quarter Consolidated Business  
Performance for Fiscal Year Ending March 31, 2016



Unit: millions of yen

	Fiscal March 2015	2Q,Fiscal March 2016	Change	Major contributors to changes, special notes
Cash and deposits	4,724	4,204	-519	Decrease in cash and deposits and time deposits (over three months)
Notes and bills receivable, trade accounts receivable	2,673	3,010	337	Increase in accounts receivable-trade
Inventory	4,940	5,619	678	Increase in merchandises, finished goods, and work in process
Securities, investment securities	5,314	4,811	-502	Decrease in valuation of investment securities Sales of investment securities
Others	11,790	11,308	-481	Decrease in long-term deposits
<b>Assets</b>	<b>29,442</b>	<b>28,955</b>	<b>-487</b>	
Long-term and short-term borrowings	3,119	2,115	-1,003	Decrease in short-term loans payable, increase in long-term loans payable
Reserve for retirement benefits and directors' retirement benefits	112	108	-4	
Others	4,428	4,645	216	Increase in accrued expenses and deferred tax liabilities
<b>Liabilities</b>	<b>7,660</b>	<b>6,870</b>	<b>-790</b>	
<b>Net worth</b>	<b>21,781</b>	<b>22,084</b>	<b>303</b>	Increase in retained earnings and foreign currency translation adjustment
<b>Total liabilities and net worth</b>	<b>29,442</b>	<b>28,955</b>	<b>-487</b>	
Capital adequacy ratio	73.7%	76.0%	2.3P	
Net worth per share	1,360yen	1,377yen	17yen	

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

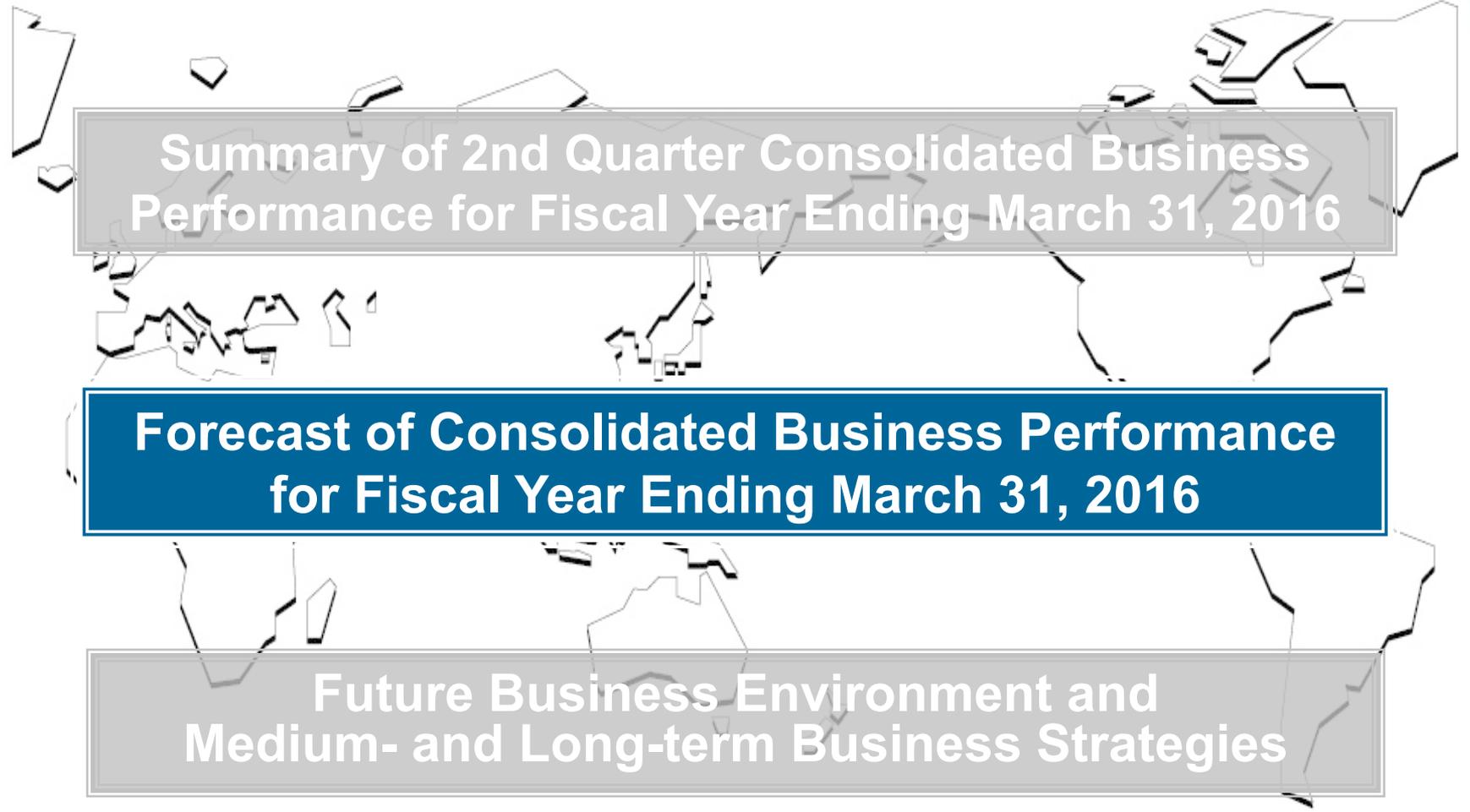
Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2016



Unit: millions of yen

	Fiscal March 2015 (2Q Results)	Fiscal March 2016 (2Q Forecast)	Fiscal March 2016 (2Q Results)
Capital expenditures	876	532	261
Depreciation costs	346	526	511
R&D expenses	653	841	735
Foreign exchange rates			
US dollar	103.51	110.00	121.50
Euro	139.07	135.00	134.60
Pound sterling	172.93	170.00	186.62
Renminbi	16.67	17.00	19.36

\* The foreign exchange rates given are those in effect at the average of each term.

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 geographical regions.

Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2016

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

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

# Overview of Forecast of Business Performance for the Year

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



Based on the trend of our recent business results, we have made a revision to the initial forecast for the consolidated fiscal year ending March 31, 2016(announced on May 14, 2015).

Sales	19,688 (100.0)	23,526 (100.0)	23,526 (100.0)	3,838 (19.5)	0 (0.0)
(Domestic sales)	13,521 (68.7)	14,158 (60.2)	13,768 (58.5)	246 (1.8)	-389 (-2.8)
(Overseas sales)	6,166 (31.3)	9,367 (39.8)	9,757 (41.5)	3,591 (58.2)	389 (4.2)
Operating profit	1,159 (5.9)	1,418 (6.0)	1,507 (6.4)	347 (30.0)	89 (6.3)
Ordinary profit	1,114 (5.7)	1,246 (5.3)	1,392 (5.9)	277 (24.9)	145 (11.7)
Net profit	581 (3.0)	608 (2.6)	912 (3.9)	331 (57.0)	304 (50.0)
Net profit per share	36.45yen	38.13yen	57.13yen	20.69yen	19.00yen
Return on equity	2.81%	2.85%	4.24%	1.43P	1.39P
Foreign exchange rates					
US dollar	110.03	110.00	121.50	11.47	11.50
Euro	138.68	135.00	134.60	-4.08	-0.40
Pound sterling	176.81	170.00	186.62	9.81	16.62
Renminbi	17.26	17.00	19.36	2.10	2.36

\* "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.

# Overview of Forecast of Business Performance for the Year (1)

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



Based on the trend of our recent business results, we have made a revision to the initial forecast for the consolidated fiscal year ending March 31, 2016(announced on May 14, 2015).

■ Positive factors ■ Negative factors

P/L

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

Domestic net sales of 13,768 million yen expected (an increase of 1.8%)

■ In the dental business, we expect sales to rise by 1.7%, as a result of our revitalization of the market for insurance-covered CAD/CAM crowns, as well as the sales expansion of CAD/CAM-related products in addition to our efforts to strengthen direct sales activities targeting dental professionals.

■ In the nail care business, we expect sales to rise by 2.8% due to strong sales in gel nail products, despite a temporary drop in sales as a result of the voluntary recall of some finished goods.

Overseas net sales of 9,757 million yen expected (an increase of 58.2%)

■ In the dental business, sales are expected to rise 58.8% overall, due to rises in sales in all regions, including North America, Central and South America, Europe, Asia, and Oceania, as well as a gain (411 million yen) in fluctuations of foreign currency exchange rates.

■ In the nail care business, sales are expected to rise by 49.9% overall, as overseas sales look set to be strong, led mainly by the Asian region.

# Overview of Forecast of Business Performance for the Year (2)

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



■ Positive factors ■ Negative factors

P/L

⇒ Operating income of 1,507 million yen projected (an increase of 30.0%)

- Although selling, general, and administrative expenses will increase (2,023 million yen) due to costs for aggressive sales activities, effects of higher sales and favorable fluctuations in foreign currency exchange rates are expected to cause operating income to rise by 30.0%.

⇒ Ordinary income of 1,392 million yen projected (an increase of 24.9%)

⇒ Net income of 912 million yen projected (an increase of 57.0%)

- Although non-operating income will decrease due to factors such as lower foreign exchange profits, ordinary income is expected to increase by 24.9%. Profit is expected to increase by 57.0%.

# (Full-year Outlook)

## Comparison of Major Statistics

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

Units: millions of yen, %



⇒ Sales and profits increased compared to fiscal March 2015

	Fiscal March 2015 Results (% of sales)	Fiscal March 2016 Forecast		Year-on-year Change (% change)	Year-on-year Change (% change)
		2Q Results (% of sales)	Yearly Forecast (% of sales)		
Sales	19,688 (100.0)	11,600 (100.0)	23,526 (100.0)	4,688 (24.9)	3,838 (19.5)
(Domestic sales)	13,521 (68.7)	6,808 (58.7)	13,768 (58.5)	586 (4.4)	246 (1.8)
(Overseas sales)	6,166 (31.3)	4,791 (41.3)	9,757 (41.5)	4,101 (72.5)	3,591 (58.2)
Operating profit	1,159 (5.9)	842 (7.3)	1,507 (6.4)	459 (43.9)	347 (30.0)
Ordinary profit	1,114 (5.7)	825 (7.1)	1,392 (5.9)	467 (50.6)	277 (24.9)
Net profit	581 (3.0)	495 (4.3)	912 (3.9)	347 (61.5)	331 (57.0)
Net profit per share	36.45yen	31.05yen	57.13yen	21.70yen	20.69yen
Return on equity	2.81%	2.27%	4.24%	1.59P	1.43P

\* The impact of fluctuations of foreign currency exchange rates on overseas net sales was +525 million yen compared to initial projection and +427 million yen year on year . (U.S. dollar (USD), Euro (EUR), British pound (GBP) and Chinese yuan (CNY)).

\* "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.

# Domestic Sales



◇ **Dental business: Year on year increase of 204 million yen (+1.7%)**

- We expect sales to **rise by 1.7%**, as a result of the introduction of new products and CAD/CAM-related products, in addition to our efforts to strengthen direct sales activities targeting dental professionals.

◇ **Nail care business: Year on year increase of 38 million yen (+2.8%)**

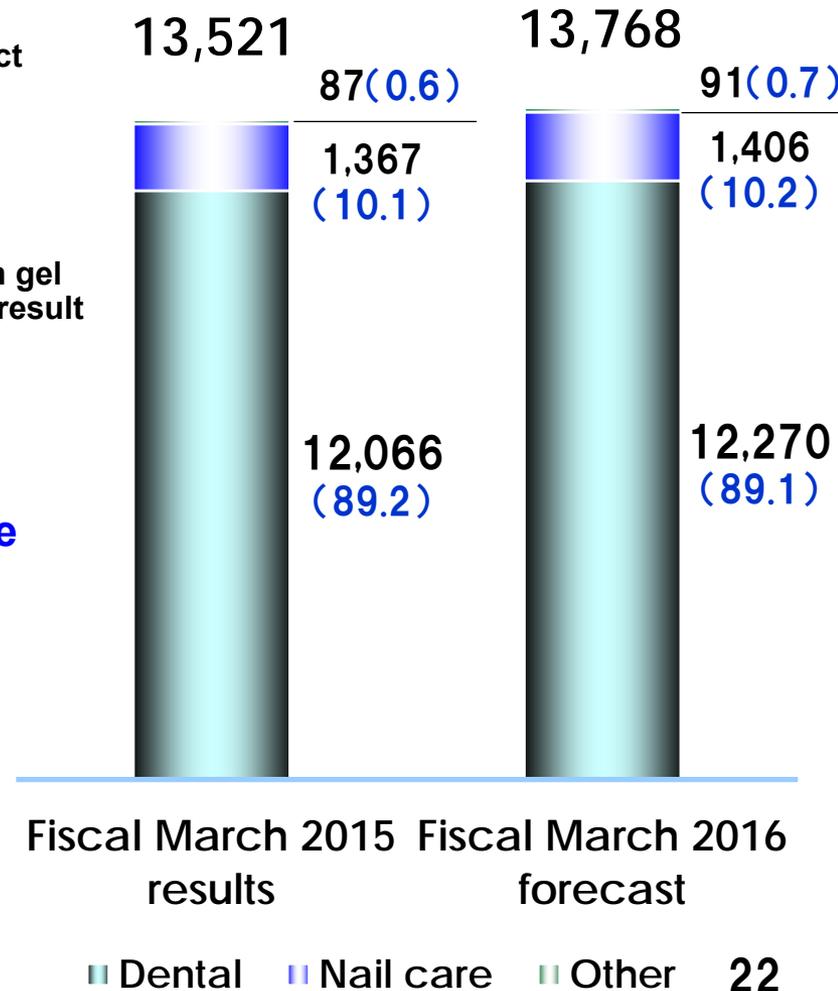
- We expect sales to **rise by 2.8%** due to strong sales in gel nail products, despite a temporary drop in sales as a result of the voluntary recall of some finished goods.

◇ **Other businesses: Year on year increase of 3 million yen (+4.1%)**

◇ **Major new products to be released during the fiscal year ending March 2016**

- **Dental porcelain powder**  
VINTAGE LD, (Artificial teeth)
- **CAD/CAM hybrid resin**  
SHOFU Disk HC, (Equipment and others)
- **Composite resin for dental filling**  
BEAUTIFIL Next, (chemical products)
- **Hard resin for premolar crowns**  
(chemical products)

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



# Overseas Sales

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



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

## Summary

- Overseas net sales are expected to rise 58.2% overall, due to strong performance in all regions, as well as positive effects of exchange rates.
- Growth rates by region (Figures in parentheses indicate the growth rate on a local currency basis.)
 

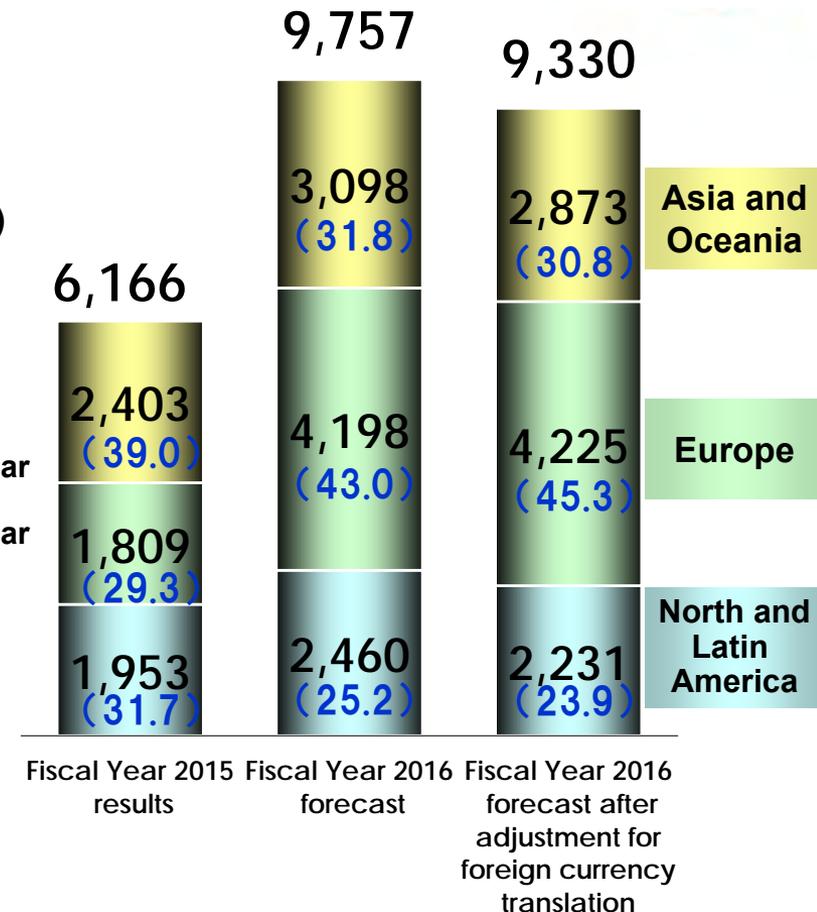
North America, Central and South America	+25.9%	(+14.2%)
Europe	+132.1%	(+133.5%)
China	+32.6%	(+18.2%)
Asia (Other)	+25.9%	(+20.6%)

## Foreign currency exchange rates

- USD1 = JPY121.50 ← JPY110.03 for the previous fiscal year (Effect: +229 million yen)
- EUR1 = JPY134.60 ← JPY138.68 for the previous fiscal year (Effect: Δ26 million yen)
- CNY1 = JPY19.36 ← JPY17.26 for the previous fiscal year (Effect: +155 million yen)

## (Dental business) Overseas sales ratio: 42.8%

- (32.4% for the previous fiscal year; 41.7% after adjustment for fluctuations of foreign currency exchange rates)



\* The projections after adjustment for fluctuations of foreign currency exchange rates were calculated using the same foreign currency exchange rates used for the fiscal year ended March 2015.

# 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	121.50	292	116	-25	-9
Euro	138.68	134.60	-48	-30	-28	-6
GBP	176.81	186.62	22	1	-2	-0
RMB	17.26	19.36	155	21	-74	-8

\* The foreign currency exchange rates used for the forecast for the consolidated fiscal year ending March 31, 2016, were revised when the revisions to the forecast were announced on October 30, 2015.

# Medium-term Management Plan – Principle Targets

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



★...Record Unit: Millions of yen, %

	Fiscal March 2015 (Results)	Mid-term Management Plan			Fiscal March 2016 (Forecast)
		Fiscal March 2016	Fiscal March 2017	Fiscal March 2018	
<b>Sales</b>	★ 19,688	★ 23,526	★ 25,756	★ 28,471	★ 23,526
(Change from Previous Period)	(7.8%)	(19.5%)	(9.5%)	(10.5%)	(19.5%)
<b>(Domestic sales)</b>	★ 13,521	★ 14,158	★ 15,061	★ 16,024	★ 13,768
(Change from Previous Period)	(3.5%)	(4.7%)	(6.4%)	(6.4%)	(1.8%)
<b>(Overseas sales)</b>	★ 6,166	★ 9,367	★ 10,695	★ 12,446	★ 9,757
(Change from Previous Period)	(18.8%)	(51.9%)	(14.2%)	(16.4%)	(58.2%)
<b>Operating profit</b>	1,159	1,418	★ 1,999	★ 2,978	1,507
(Percentage of sales)	(5.9%)	(6.0%)	(7.8%)	(10.5%)	(6.4%)
<b>Ordinary profit</b>	1,114	1,246	★ 1,854	★ 2,805	1,392
(Percentage of sales)	(5.7%)	(5.3%)	(7.2%)	(9.9%)	(5.9%)
<b>Net profit</b>	581	608	★ 1,284	★ 1,984	★ 912
(Percentage of sales)	(3.0%)	(2.6%)	(5.0%)	(7.0%)	(3.9%)
<b>Dental business Overseas sales ratio</b>	★ 32.4%	★ 41.7%	★ 43.4%	★ 45.4%	★ 42.8%

\* “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.

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

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



Unit: Millions of yen, %

	Fiscal March 2015 (Results)		Mid-Term Management Plan						Fiscal March 2016 (Forecast)	
			Fiscal March 2016		Fiscal March 2017		Fiscal March 2018			
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Dental business	17,850	90.7	21,473	91.3	23,465	91.1	25,861	90.8	21,455	91.2
Nail care business	1,750	8.9	1,957	8.3	2,180	8.5	2,490	8.7	1,979	8.4
Other businesses	87	0.4	94	0.4	110	0.4	120	0.4	91	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>	<b>23,526</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>	<b>-</b>	<b>-</b>

# Medium-term Management Plan

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

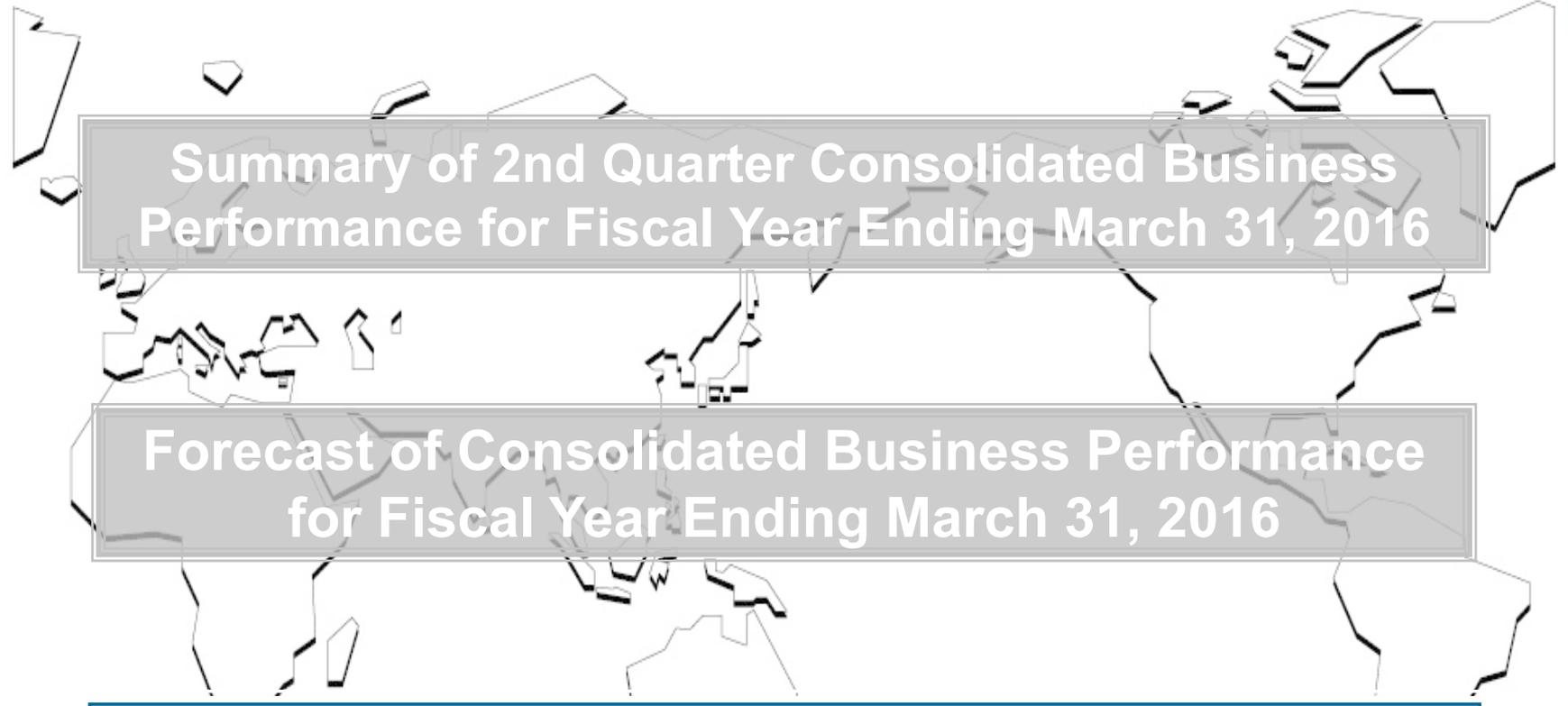
Forecast of Consolidated Business Performance  
for Fiscal Year Ending March 31, 2016



Unit: Millions of yen

	Fiscal March 2015 (Results)	Mid-Term Management Plan			Fiscal March 2016 (Forecast)
		Fiscal March 2016	Fiscal March 2017	Fiscal March 2018	
Capital expenditures	1,650	865	837	869	837
Depreciation costs	783	1,092	1,093	1,097	1,037
(of which goodwill amortization)	0	147	147	147	57
R&D expenses	1,410	1,616	1,618	1,690	1,582

**\*Depreciation costs include the amortization of intangible assets other than goodwill of 55 million yen, resulting from the business combination of Merz Dental GmbH.**

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

**Summary of 2nd Quarter Consolidated Business Performance for Fiscal Year Ending March 31, 2016**

**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

- Rising demand in aesthetic and preventive operations
- Decrease in population and occurrence of cavities
- Maintenance of a certain market scale
- Significant growth is unlikely

## Overseas dental market

- Existence of enormous market centered on developed nations
- Economic growth and rising living standards in regions worldwide, particularly developing nations
- Demand for dental care increasing dramatically

# 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



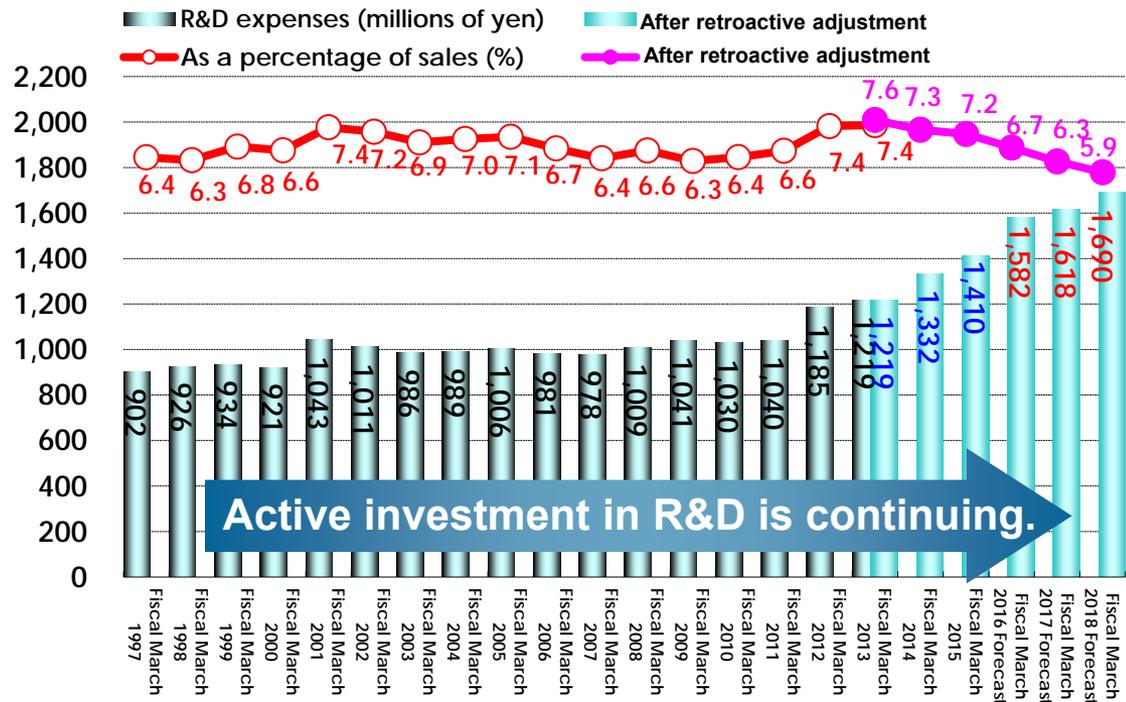
## ✧ Development and introduction of new products that match the local demands

➔ 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



Active investment in R&D is continuing.

\* Starting with the fiscal year ended March 2014, the foreign currency amounts have been converted into Japanese yen using the average exchange rates of the fiscal year under review. As part of this change, results for the fiscal year ended March 2013 have been retroactively restated based on the average rates of the period under review. (Previously, the rates on the final day of the fiscal year were 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)



Shofu products  
kyoto (Kyoto)



Nail Labo (Saitama)

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

- 1) limited productions 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. Ltd. (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



■ Presto



■ by Nail Labo

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

- ⇒ •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
- Established joint venture in Taiwan, began operations in January 2016

- ✧ 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%>

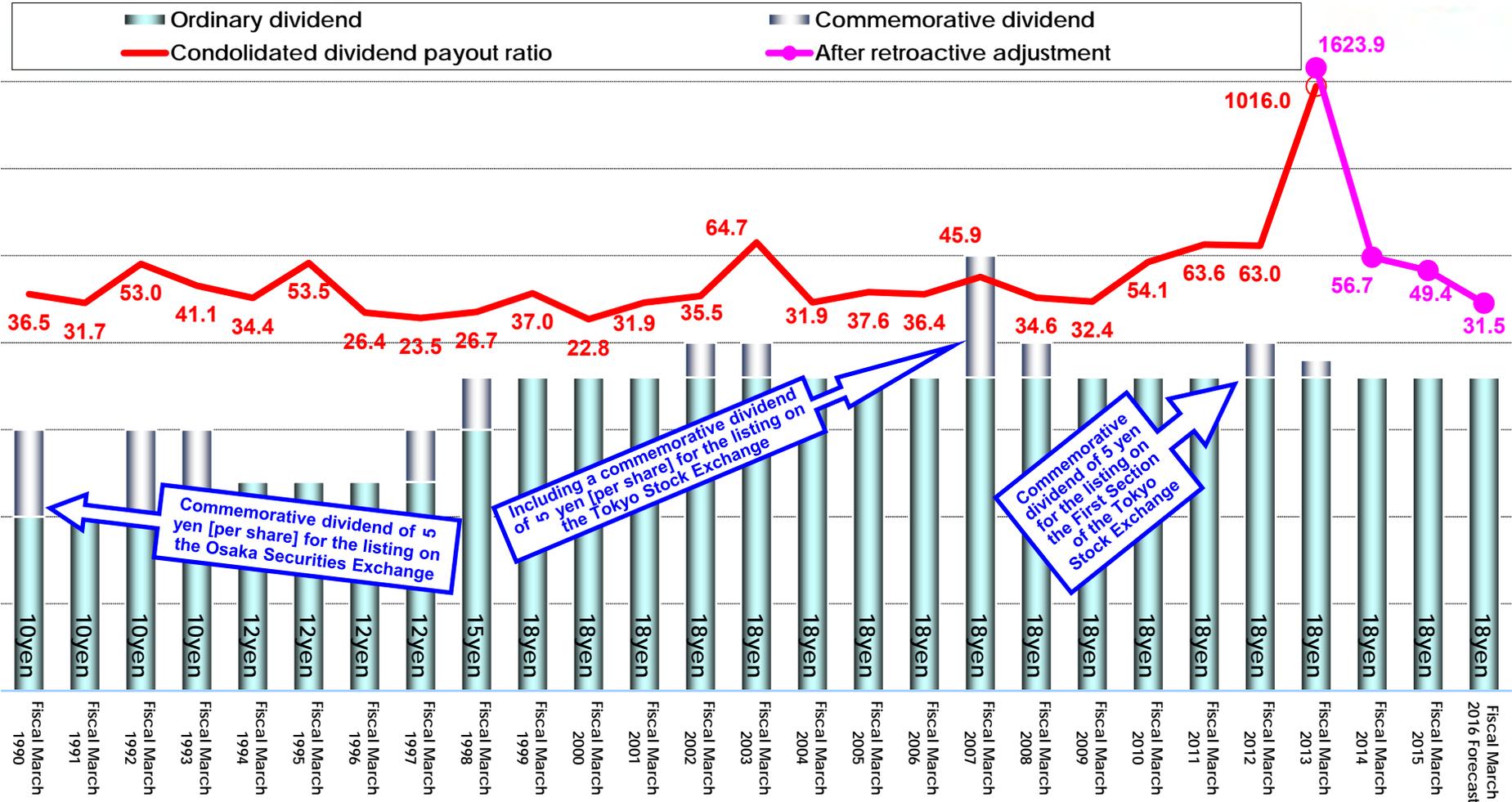
Work to expand the nail care business by taking advantage of the R&D and production engineering capabilities the company has developed in the dental materials business.



# 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 the fiscal year ended March 2014, the foreign currency amounts have been converted into Japanese yen using the average exchange rates of the fiscal year under review. As part of this change, results for the fiscal year ended March 2013 have been retroactively restated based on the average rates of the period under review. (Previously, the rates on the final day of the fiscal year were 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.**

**11 Kamitakamatsu-cho, Fukuine,  
Higashiyama-ku, Kyoto 605-0983, Japan**

**Phone: +81-75-561-1112**

**Fax: +81-75-561-1227**

**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 September 30, 2015)

■ 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	First Section of Tokyo Stock Exchange (date listed: March 29, 2012)
■ Number of employees	425 (entire group: 1081, including 500 in overseas subsidiaries)
■ Business	Manufacture and sale of dental materials and equipment
■ Main customers	Dental institutions (via sales agencies)
■ Number of group companies	15 (four in Japan, eleven overseas) Dental companies: 12 (three in Japan, nine overseas) Nail care companies: 3 (one in Japan, two 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



## 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.



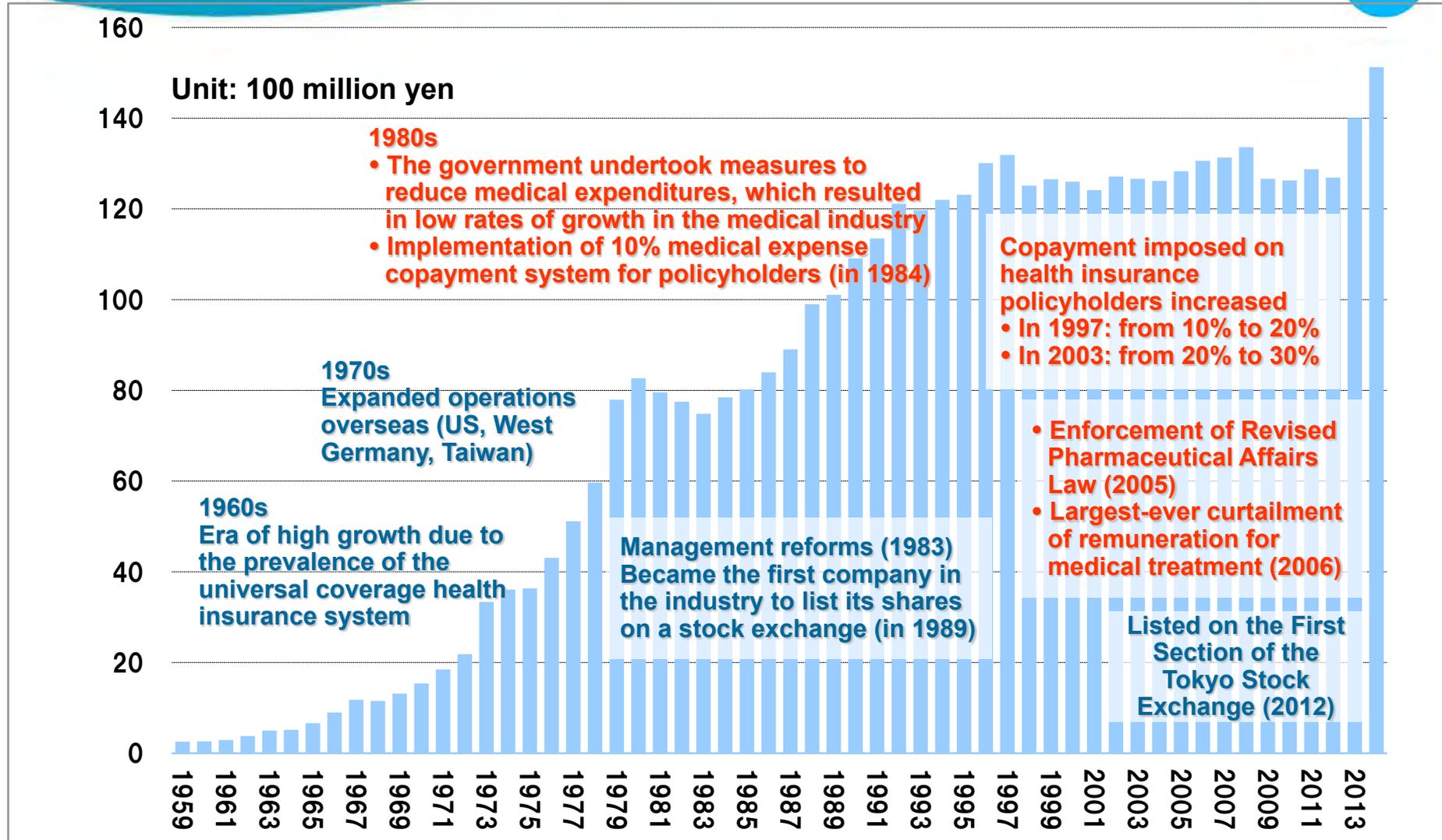
- 1922 Shofu Dental Manufacturing Co., Ltd. founded and commenced the manufacture and sale of Japan's first artificial teeth.
- 1963 Shofu shares listed on the over-the-counter market.
- 1971~1978 Established sales subsidiaries in the U.S. and West Germany. Started overseas production (in Taiwan). Established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

# Corporate History



- 2005 Acquired Shoken Inc.(SHOFU PRODUCTS KYOTO 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.
- 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.(SHOFU PRODUCTS KYOTO INC.) taking over its dental businesses and Nail Labo Co., Ltd., absorbing the company and its remaining operations.  
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.  
Established SHOFU BIOFIX INC.

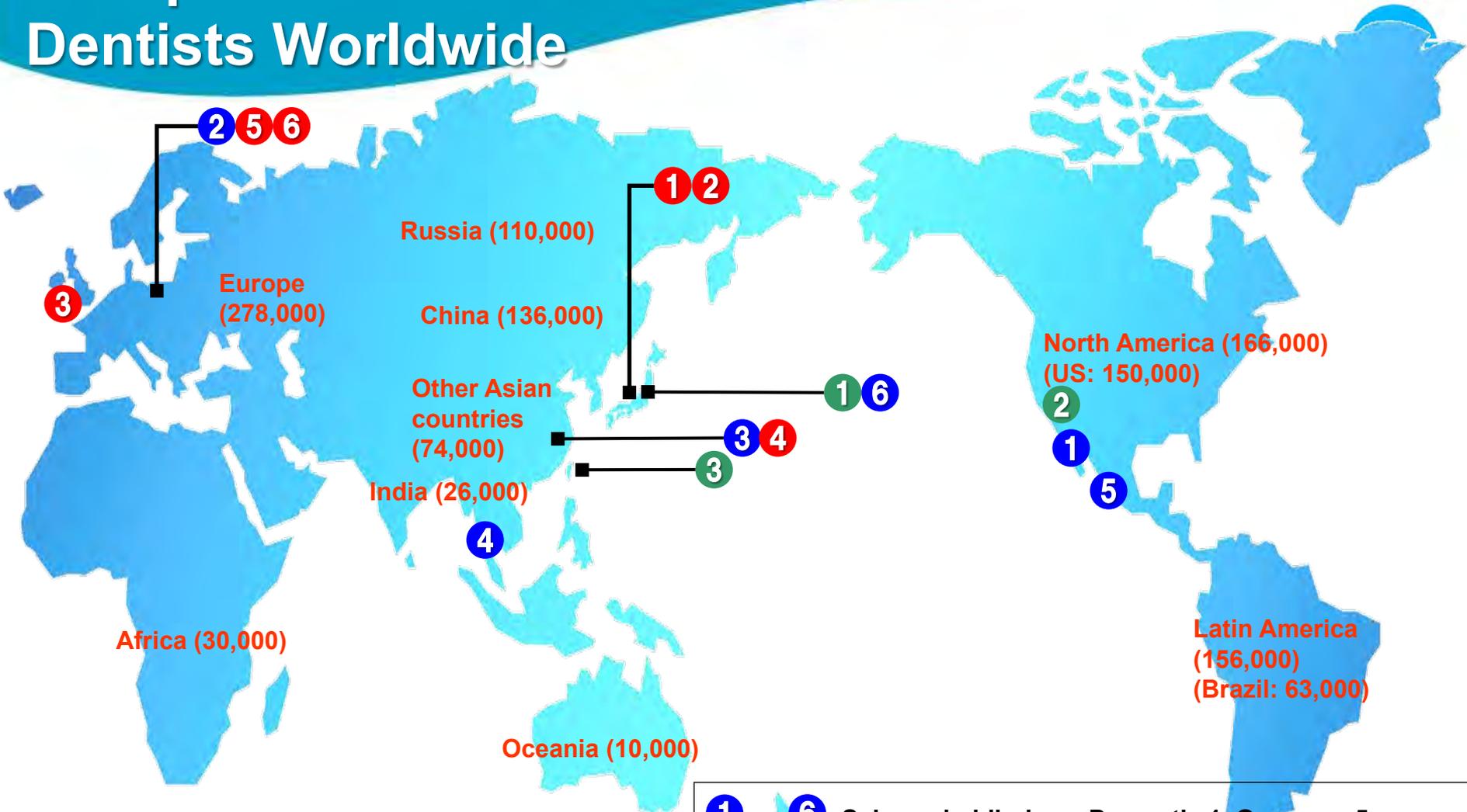
# Corporate History - Sales



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

# Group Profile and Number of Dentists Worldwide

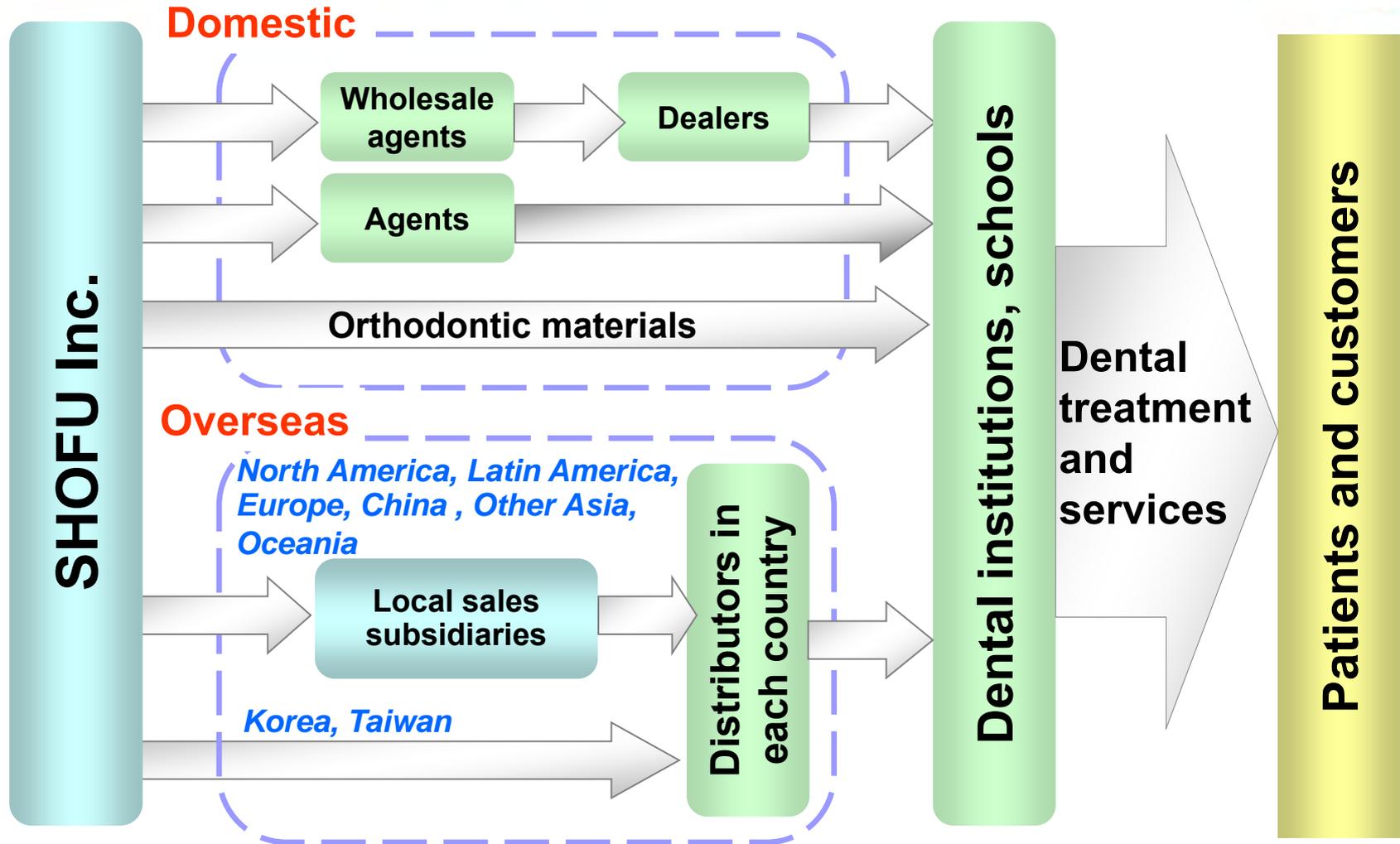
⇒ Company and Business Profiles



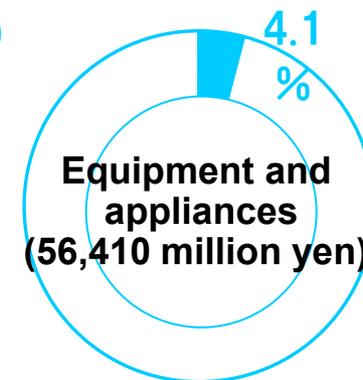
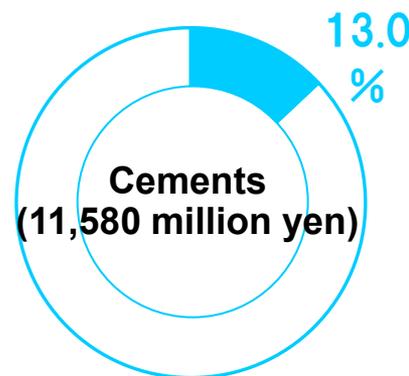
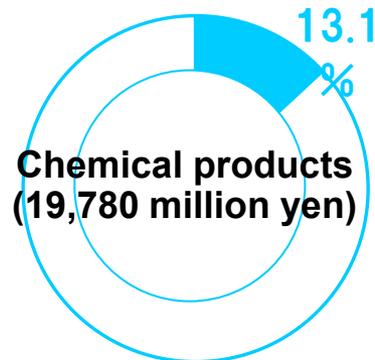
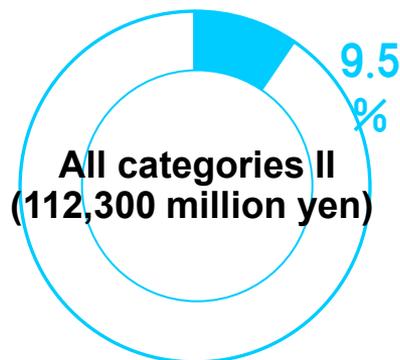
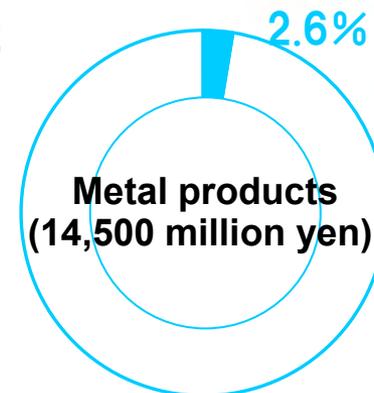
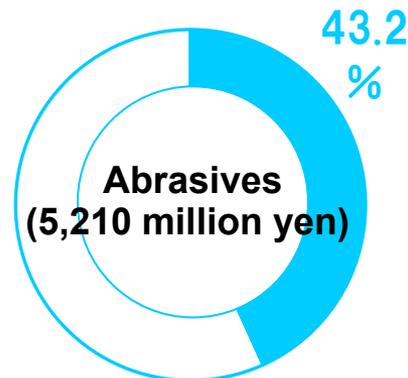
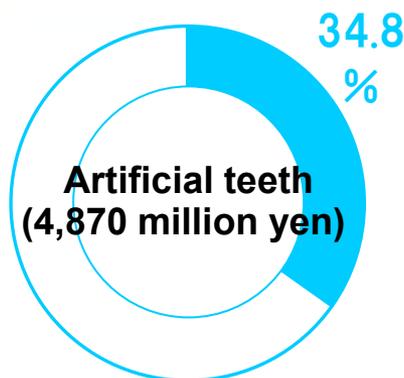
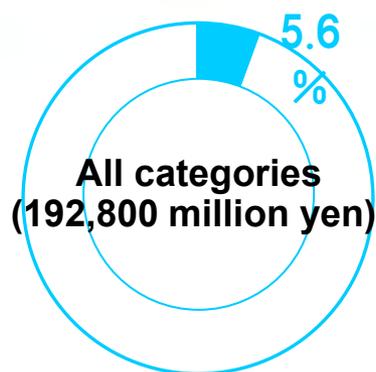
\* Figures for numbers of dentists from "Guide to Dental Care Worldwide" (Japan Dental Association) and other sources

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

# Sales Channels



# 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)

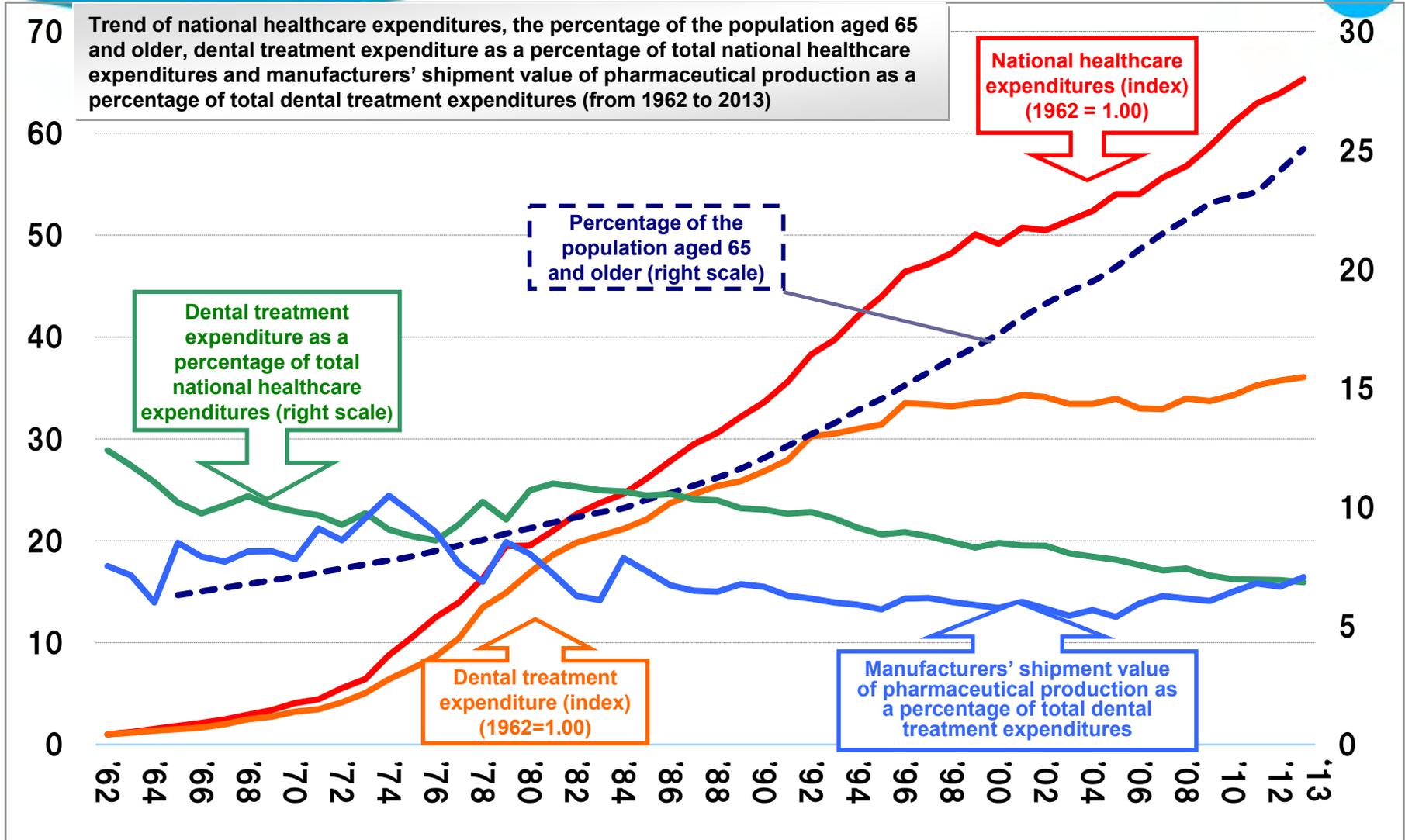
Figures in parentheses represent market size. (Figures rounded down to the nearest ten million yen)



**Reference <Dentistry Data>**

# Long-term Trend of Dentistry-Related Statistics

Reference <Dentistry Data>

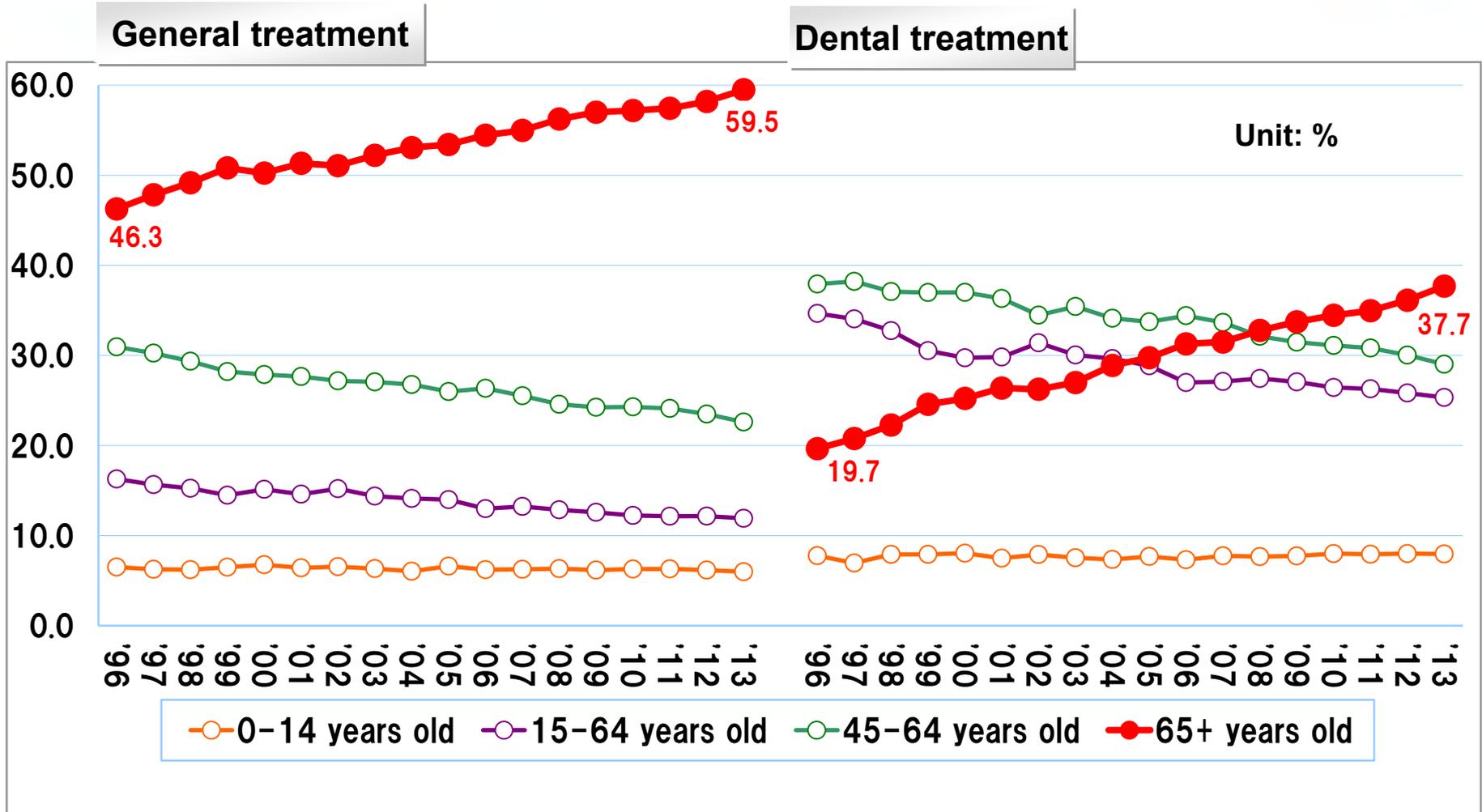


# Healthcare Expenditures by Age Group (Component Ratio)

Reference <Dentistry Data>

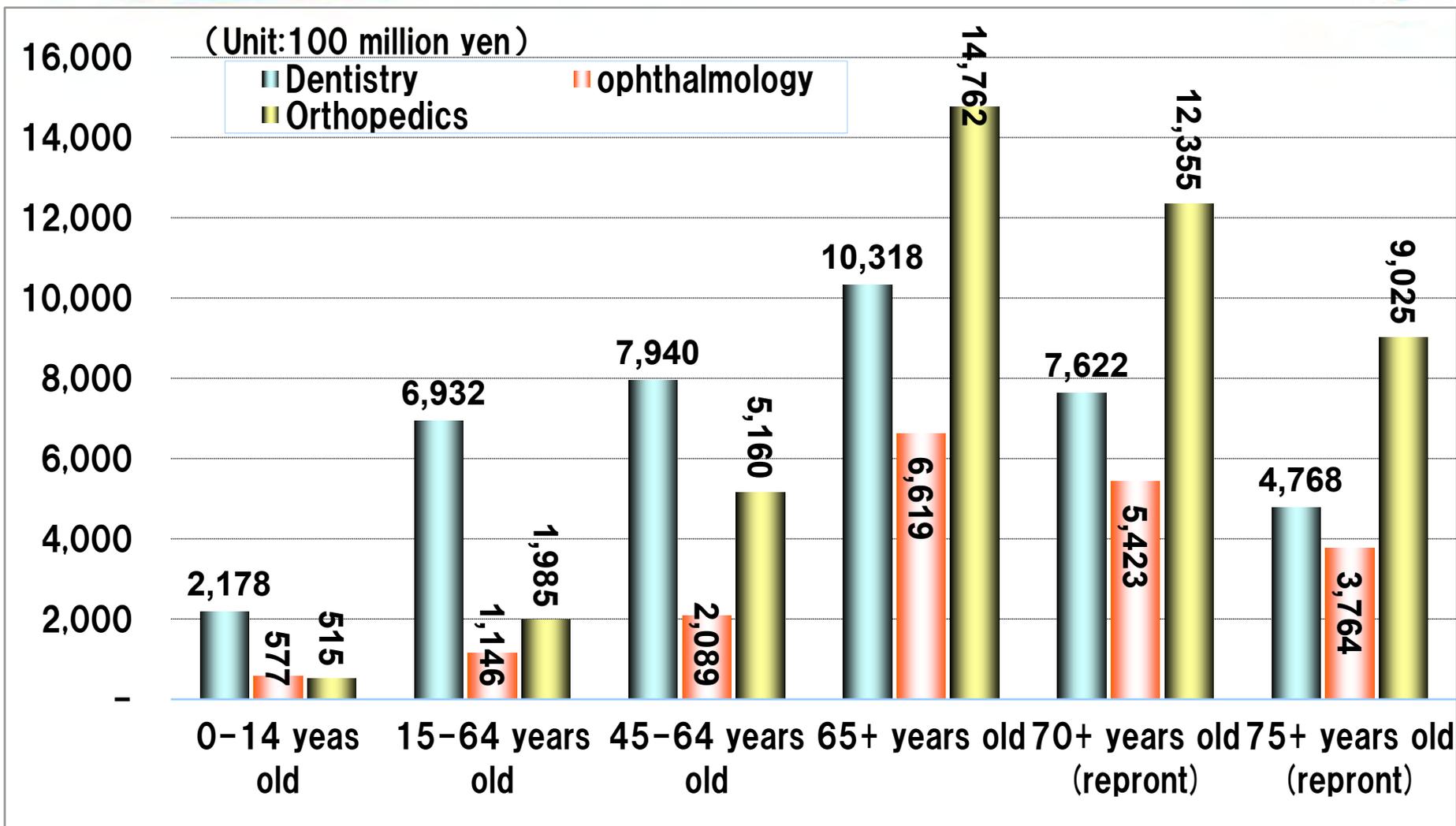


People aged 65 years and older tend to place less importance on dental treatment than general medical treatment.



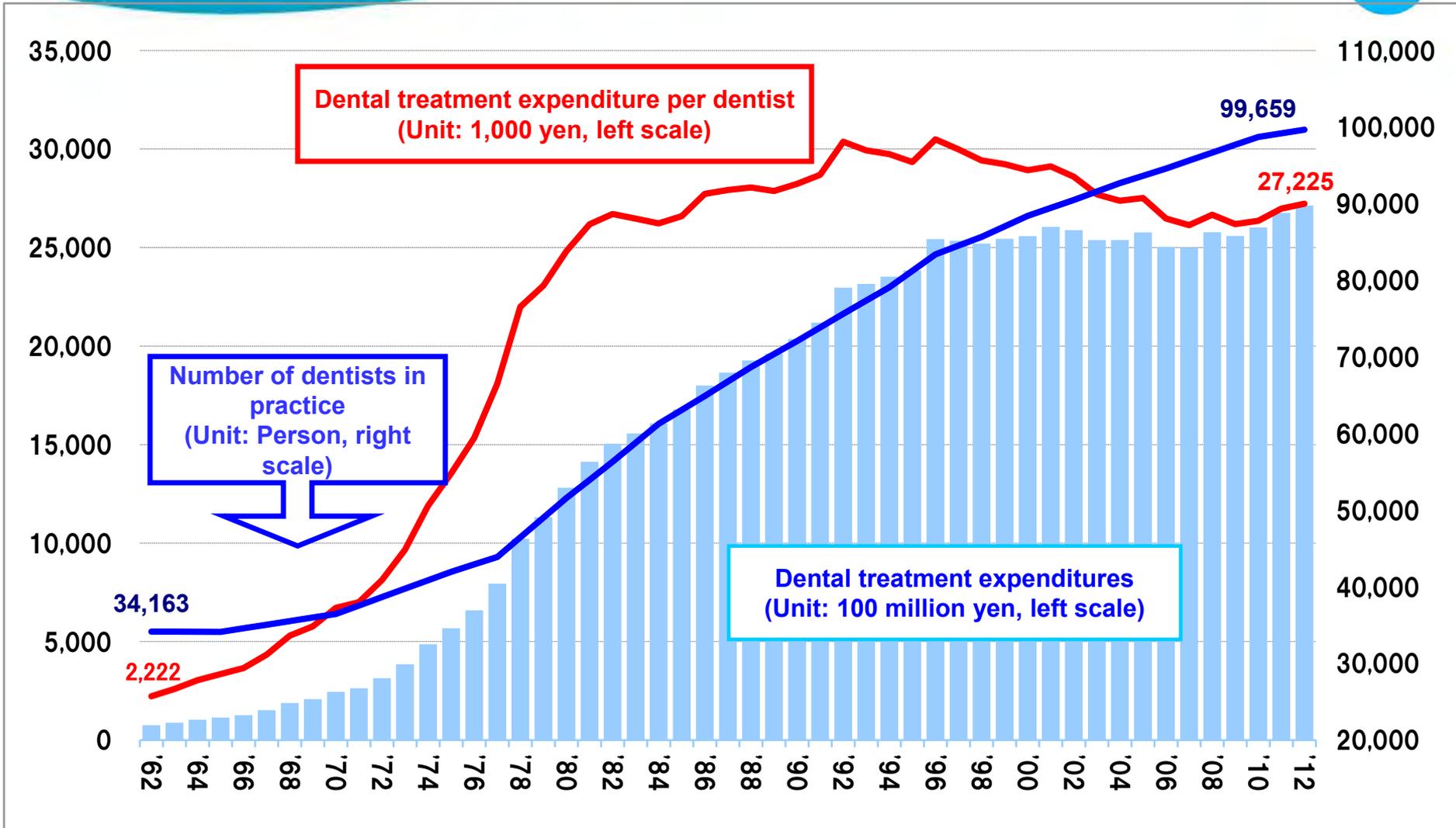
# Comparison of Healthcare Expenditures by Age Group - Dentistry, Ophthalmology and Orthopedics

Reference <Dentistry Data>



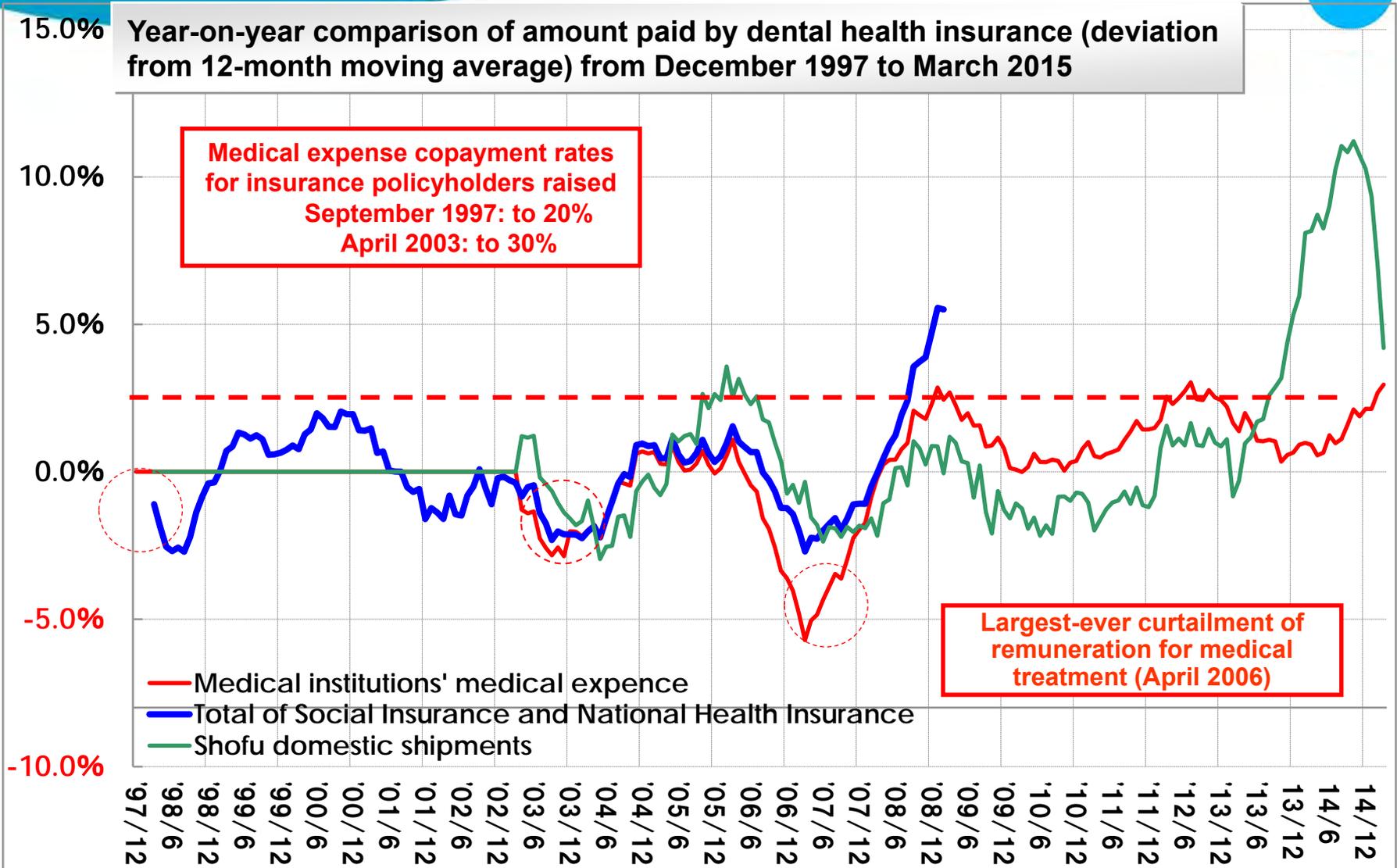
# Trend of the Number of Dentists and Dental Treatment Expenditure

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

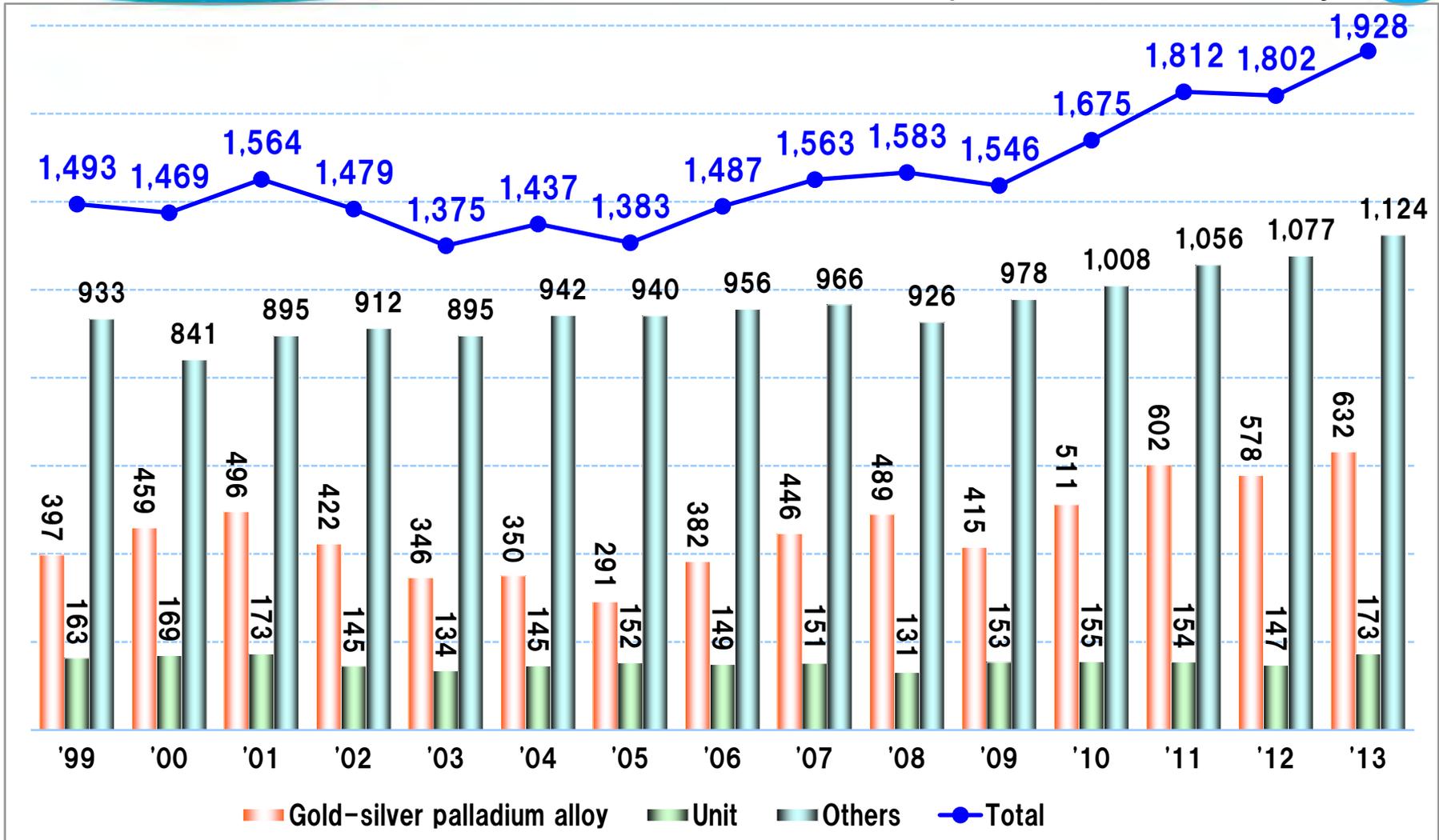


# Trend of Shipment Value of Pharmaceutical Industry Production

○ Reference <Dentistry Data>

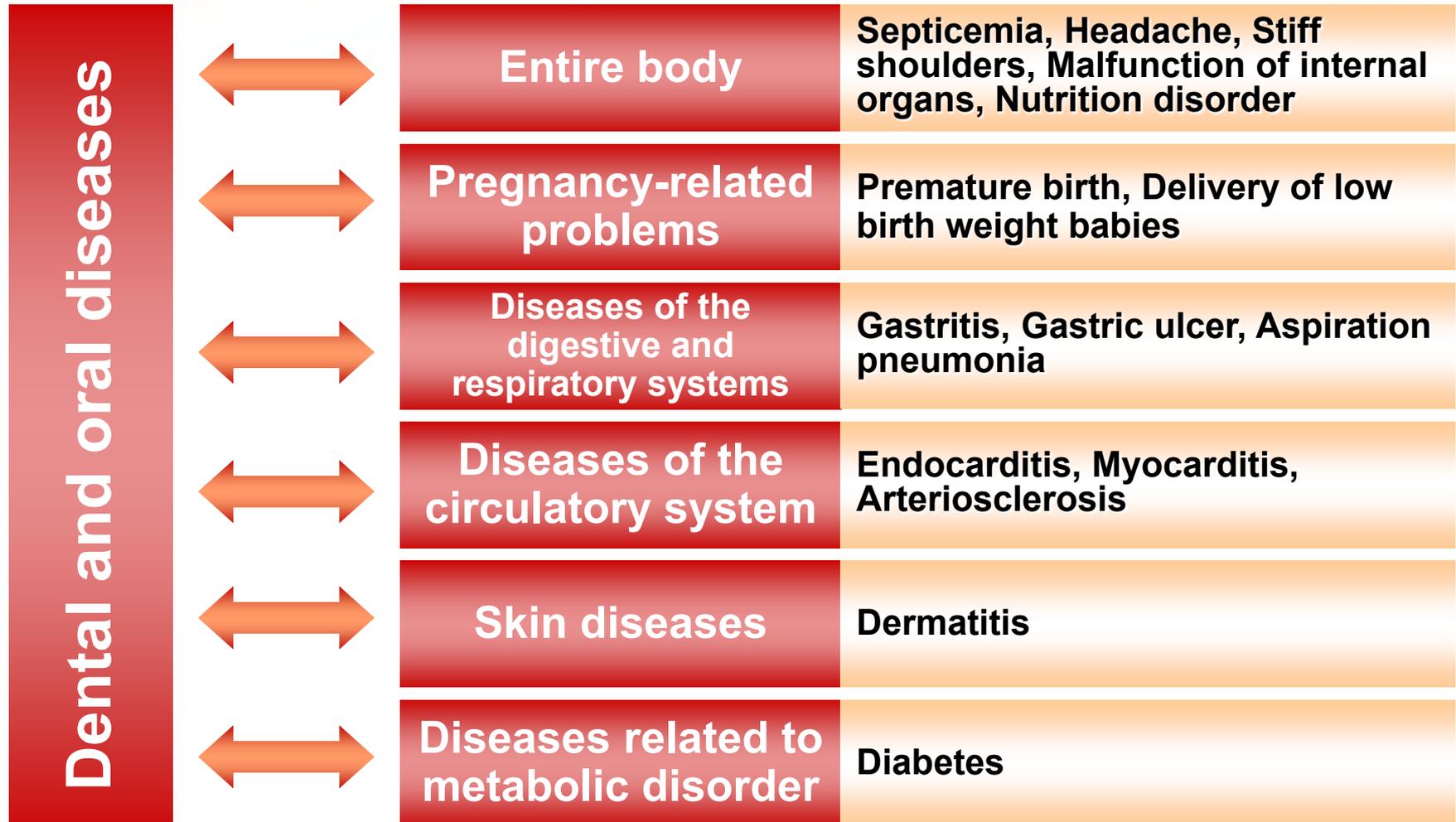


Shipment value, Unit: 100 million yen



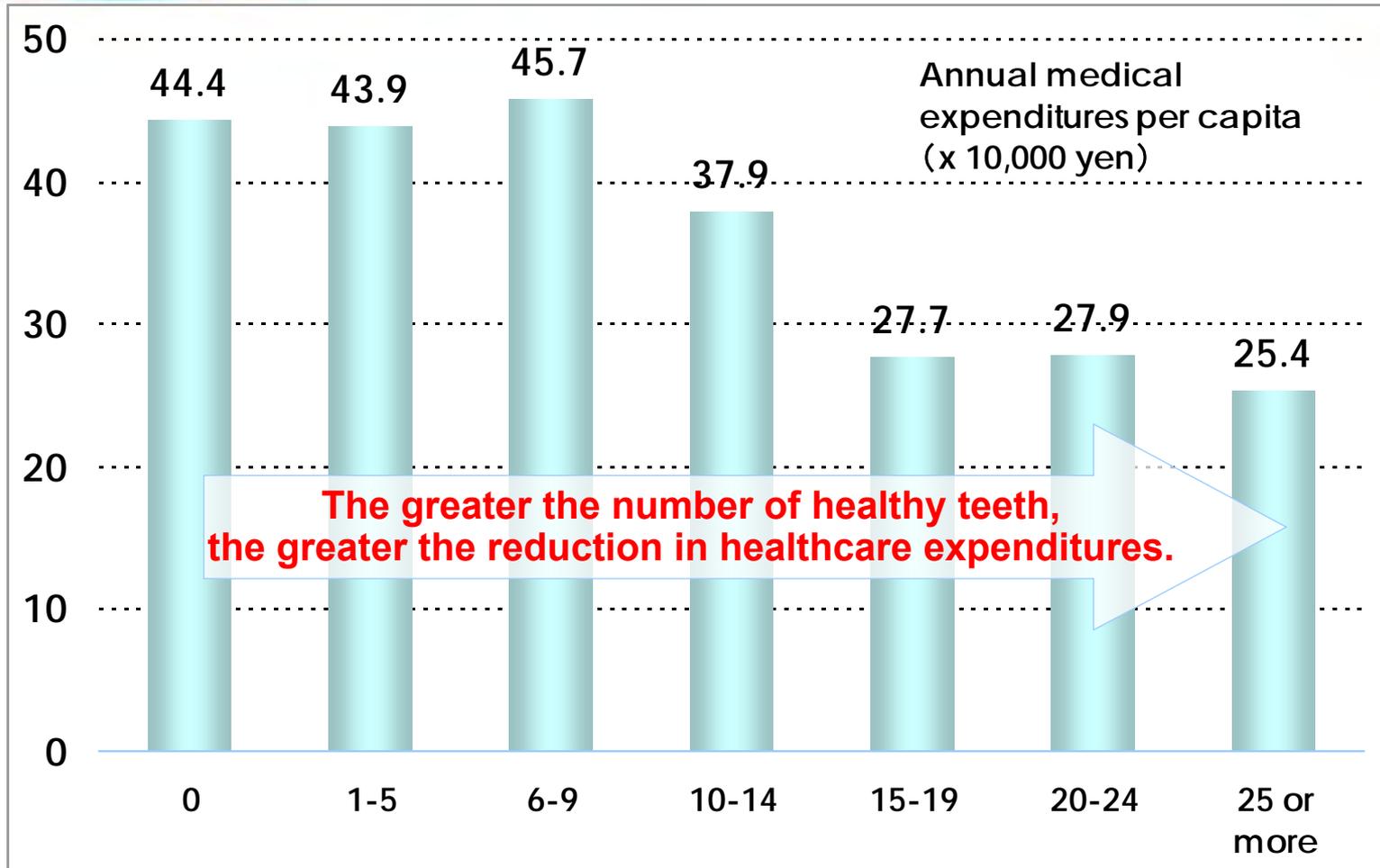
Prepared using data from Production Statistics issued by the Pharmaceutical Industry (Manufacturers' shipment values), (Year Book for each year), released by the Ministry of Health, Labour and Welfare

# Systemic Diseases Caused by Caries and Periodontal Disease



(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



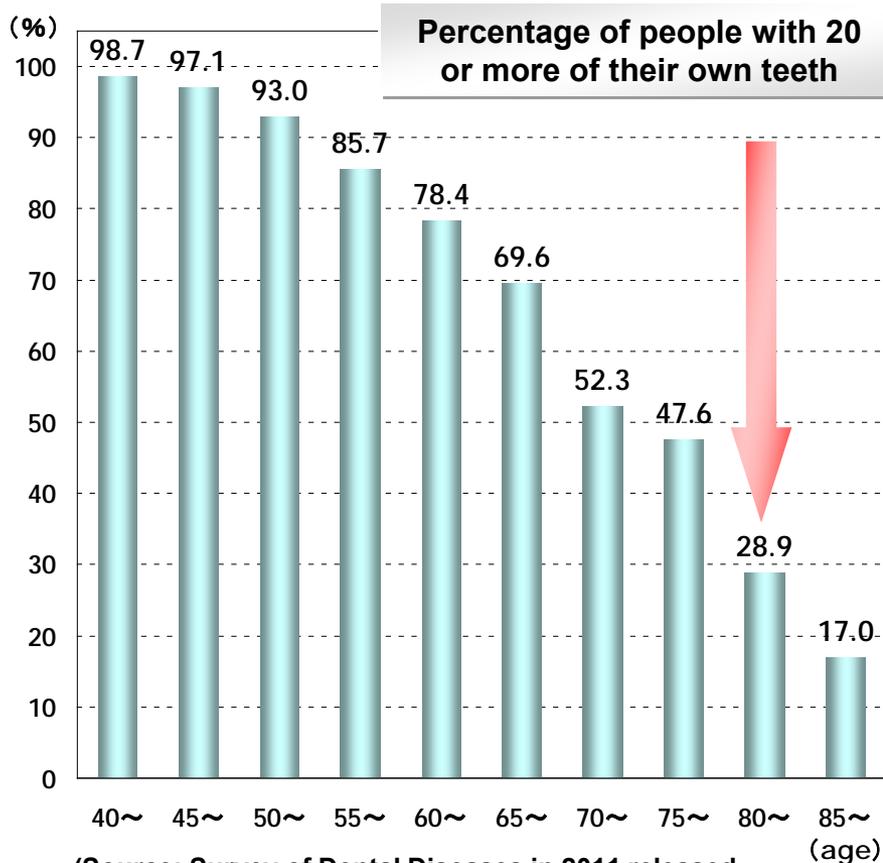
Prepared on the basis of "Correlation between Oral Hygiene Status of Elderly Persons and Healthcare Expenditures," a paper published in 2003 by Kazumune Arikawa, a full-time instructor at the Nihon University School of Dentistry at Matsudo

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

# The 8020 Movement and Changes in Dental Diseases

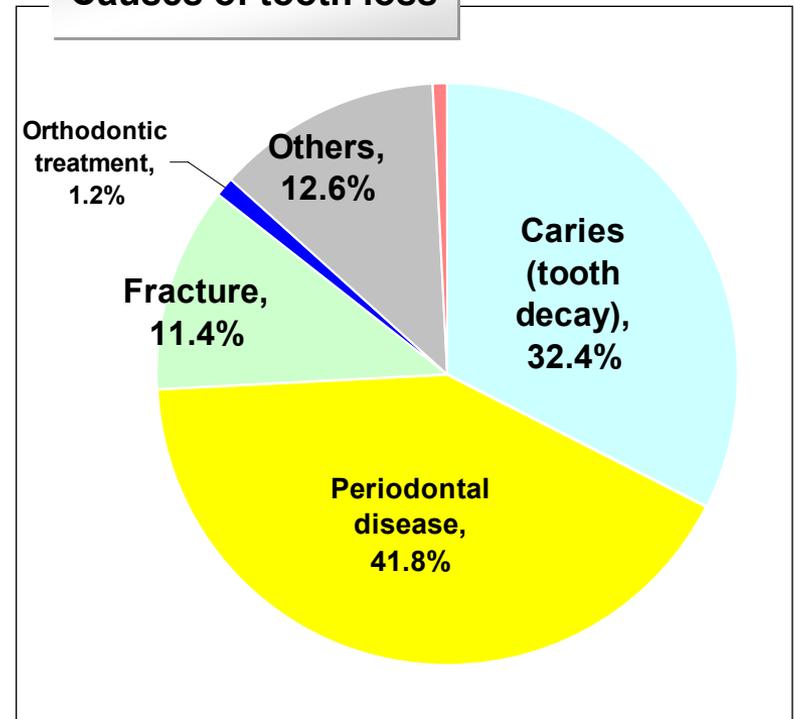


The primary target of “20% of the population achieving 8020” was reached in 2006.



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

## Causes of tooth loss



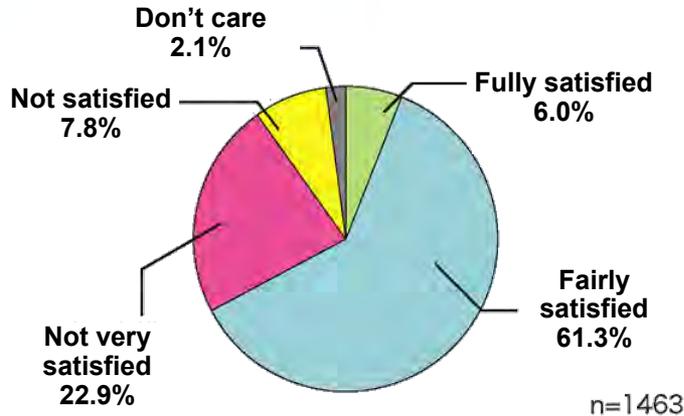
(Survey by the 8020 Promotion Foundation in 2005)

# Perception of Dental and Oral Health

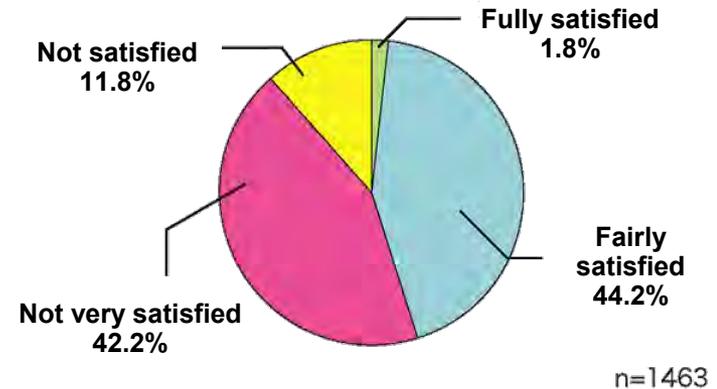


Source: Fiscal 2007's Dental Equipment Industry Vision (References)

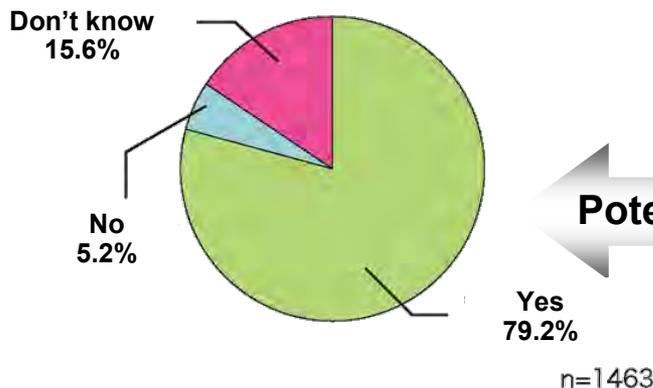
## Are you satisfied with your physical health?



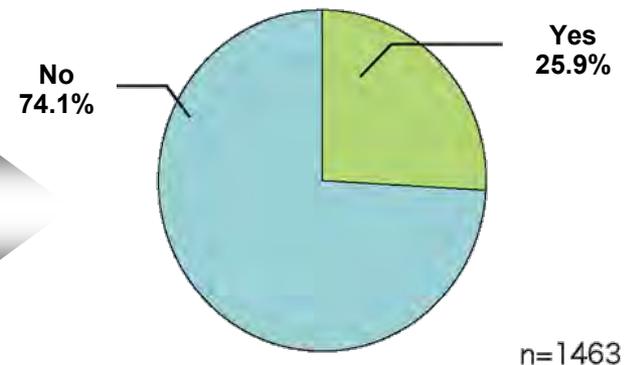
## Are you satisfied with your oral health?



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

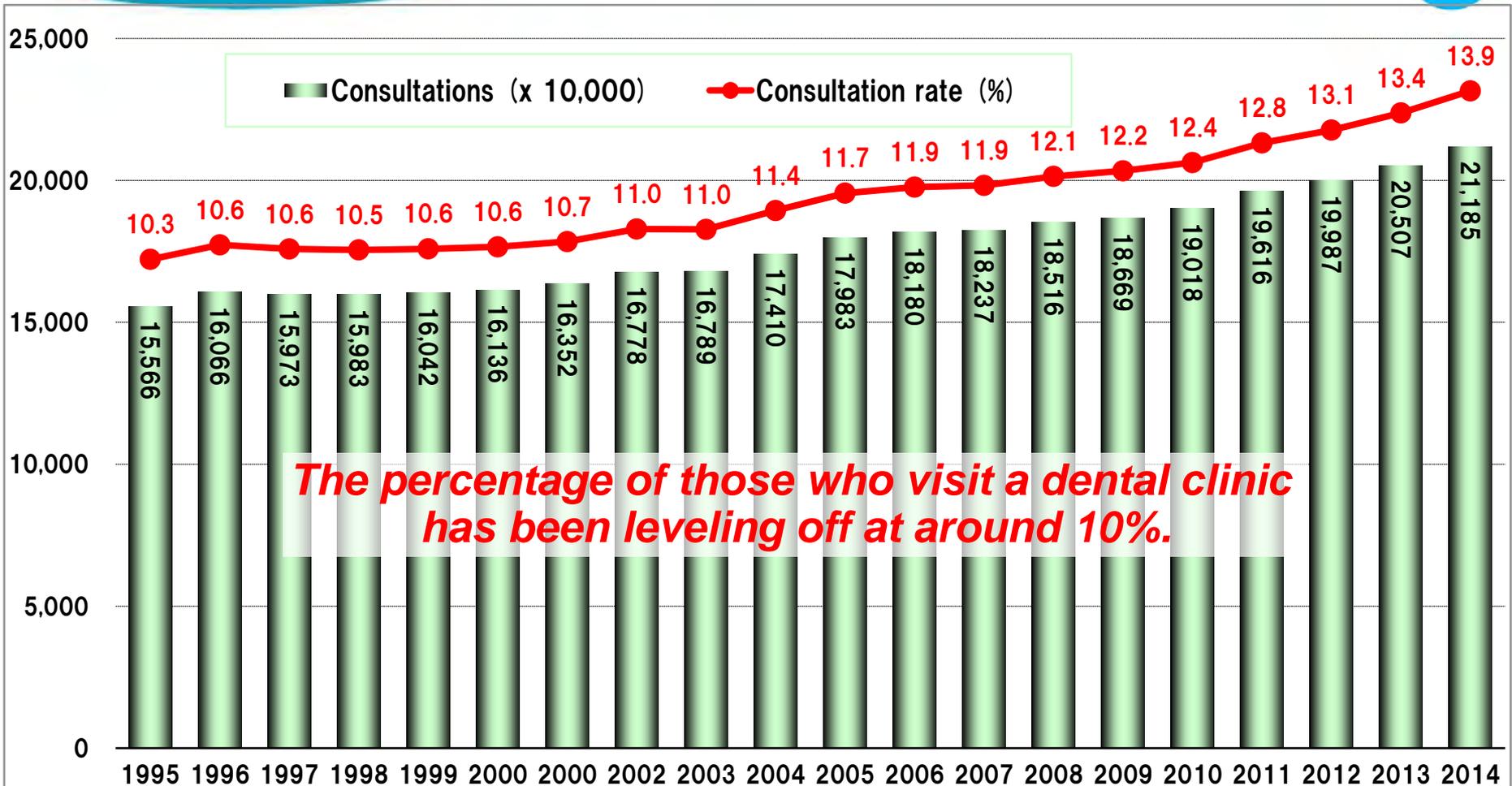


## Do you actually receive regular dental care?



Potential demand

# Dental Clinic Consultation Rates



*The percentage of those who visit a dental clinic has been leveling off at around 10%.*

\* Consultation rate: ratio of persons receiving monthly dental treatment or examinations (12 times yearly)

# 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:

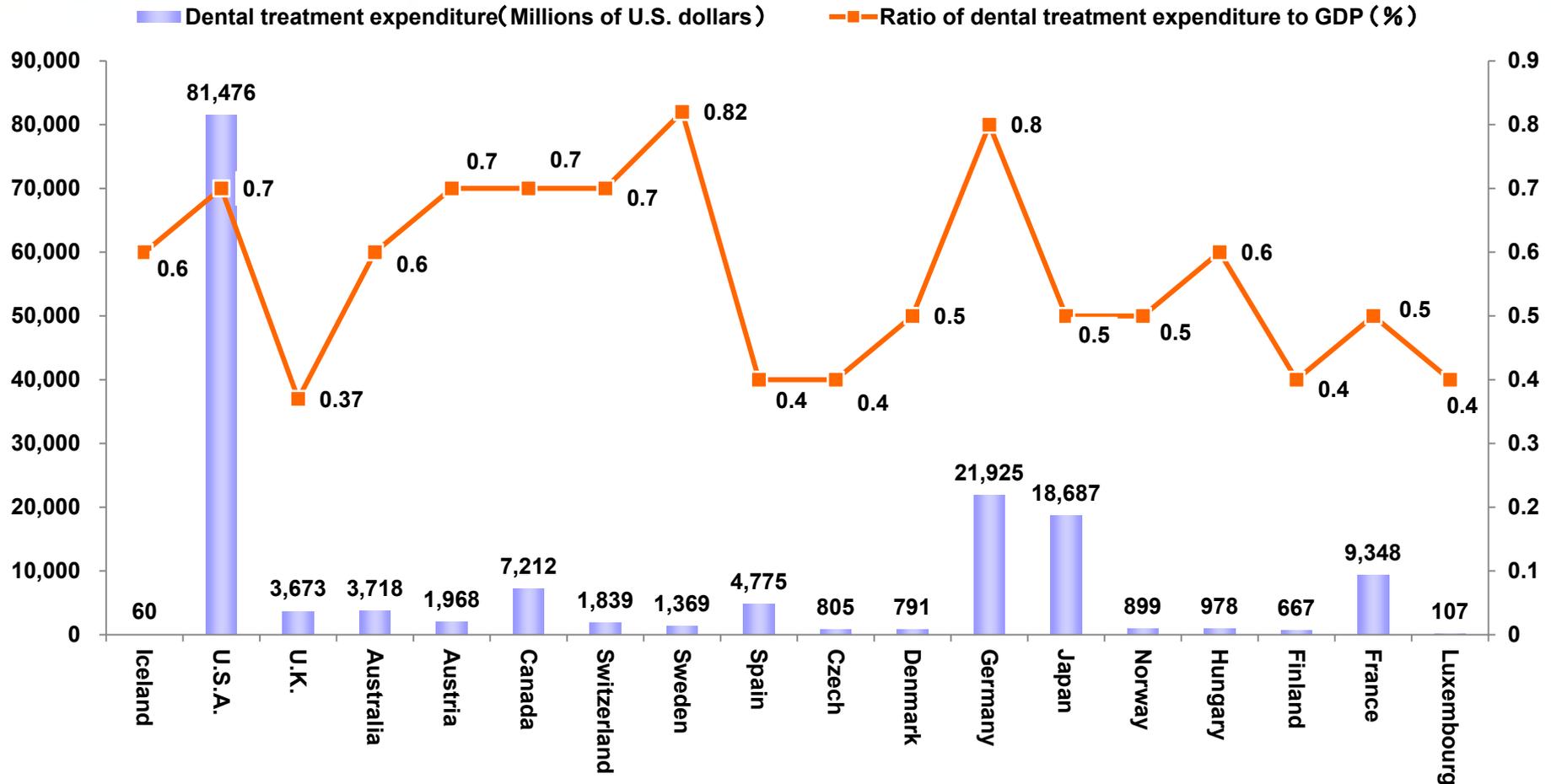
\* Health and Welfare Survey in 1999 conducted by the Ministry of Health, Labour and Welfare and a survey conducted by Colgate-Palmolive Company

\* 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.



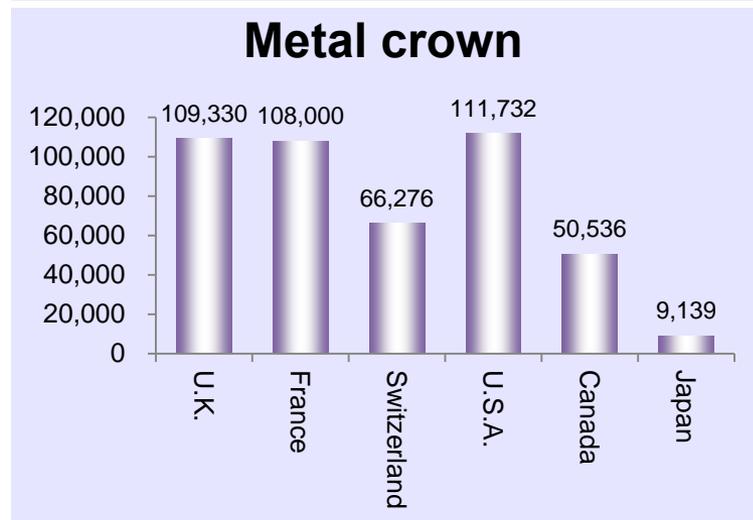
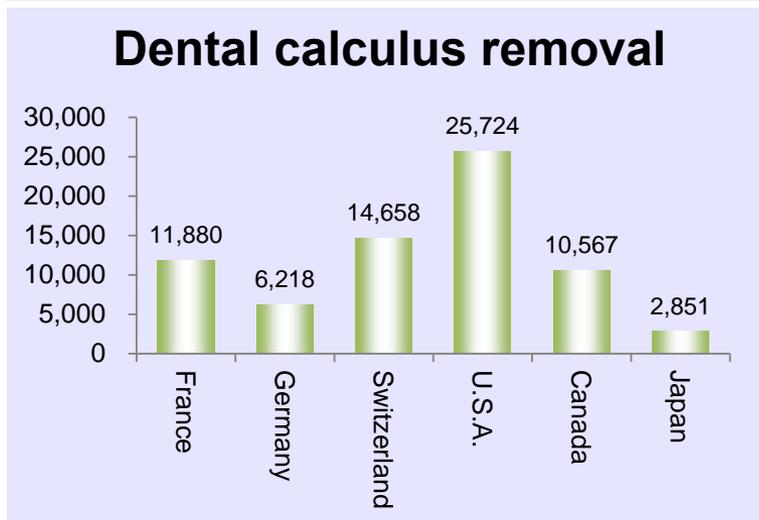
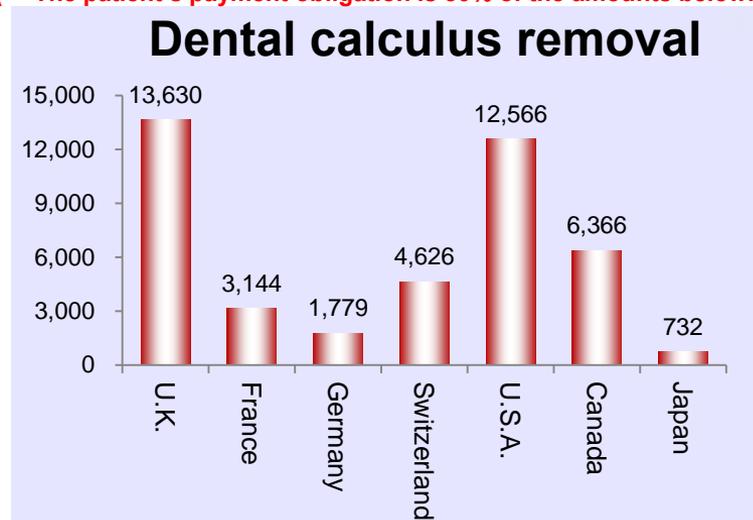
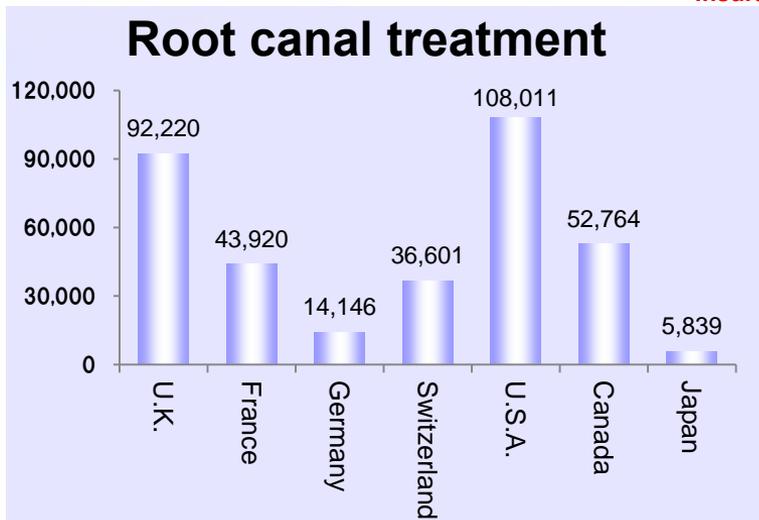
\* 1. The above chart was prepared using "Nihon-to sekai-no shikairyo—kokusai hikaku-karamita nihon-no shikairyo-no sugata (Dental Treatment in Japan and in the Rest of the World—Dental Treatment in Japan from the Perspective of International Comparison)," by Kento Taira (medical corporation Seiryokai) 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>

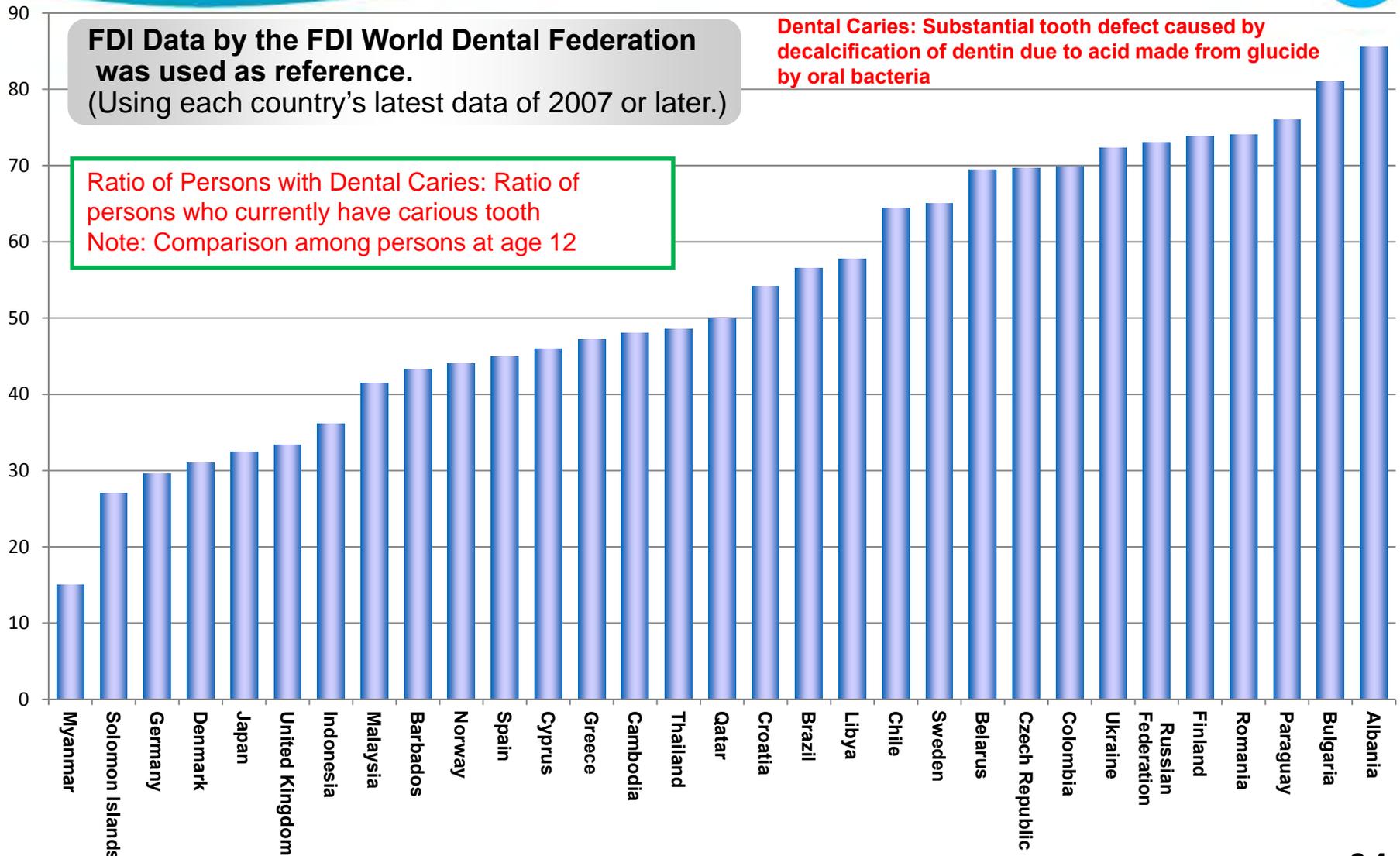
Unit: %



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)

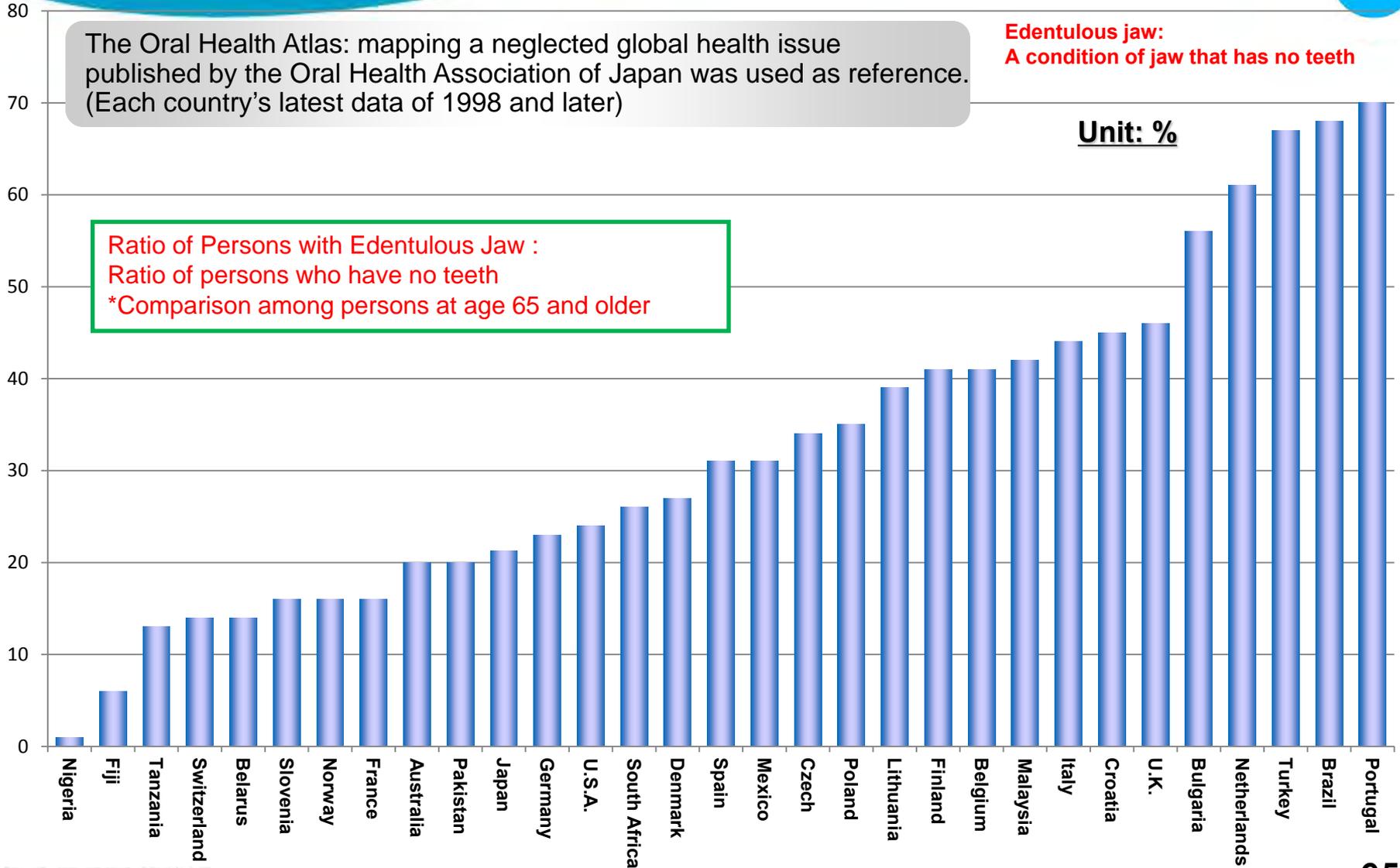


**Edentulous jaw:**  
A condition of jaw that has no teeth

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)

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

Unit: %



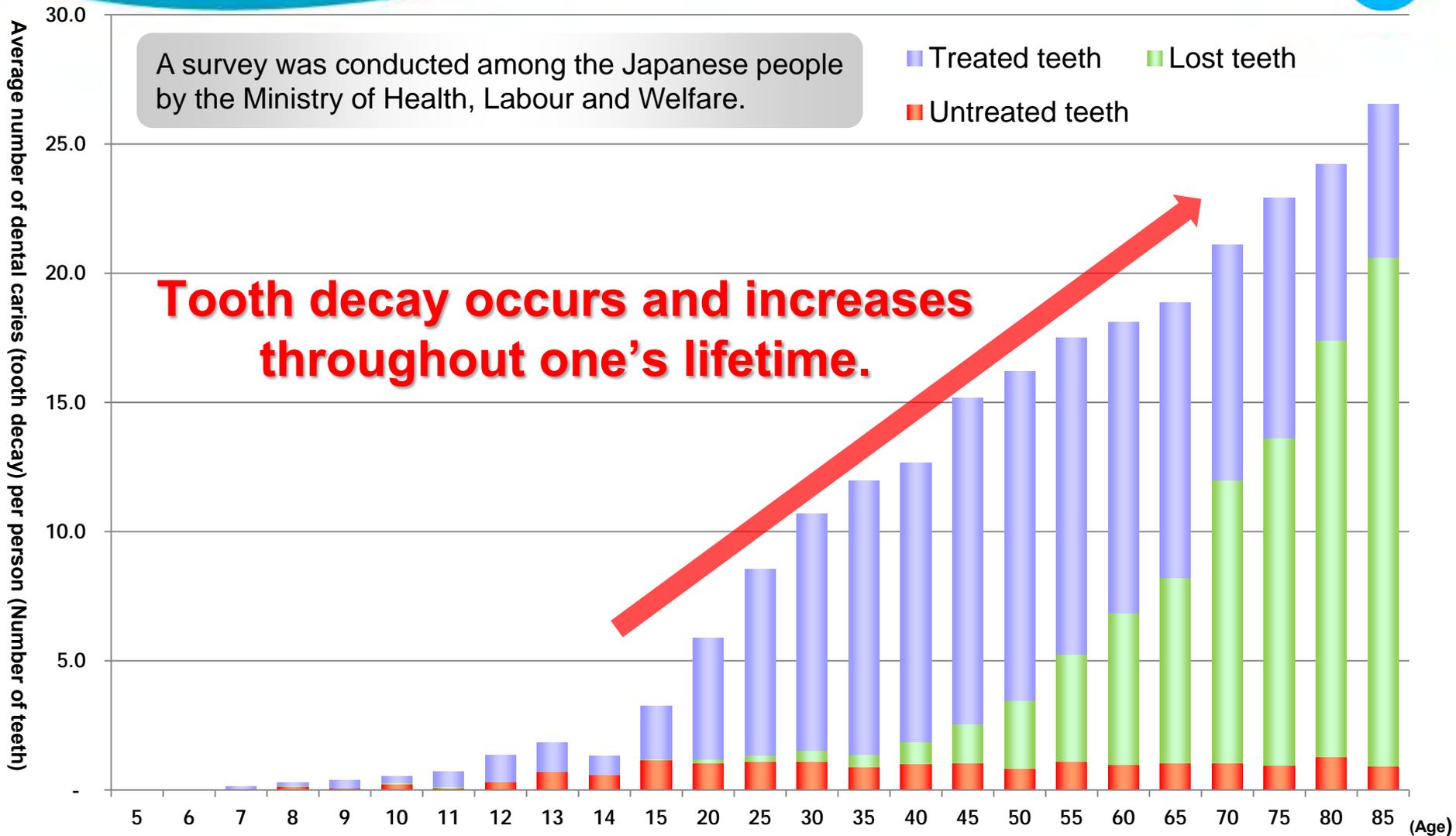
# Factual Survey of Dental Diseases



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.**

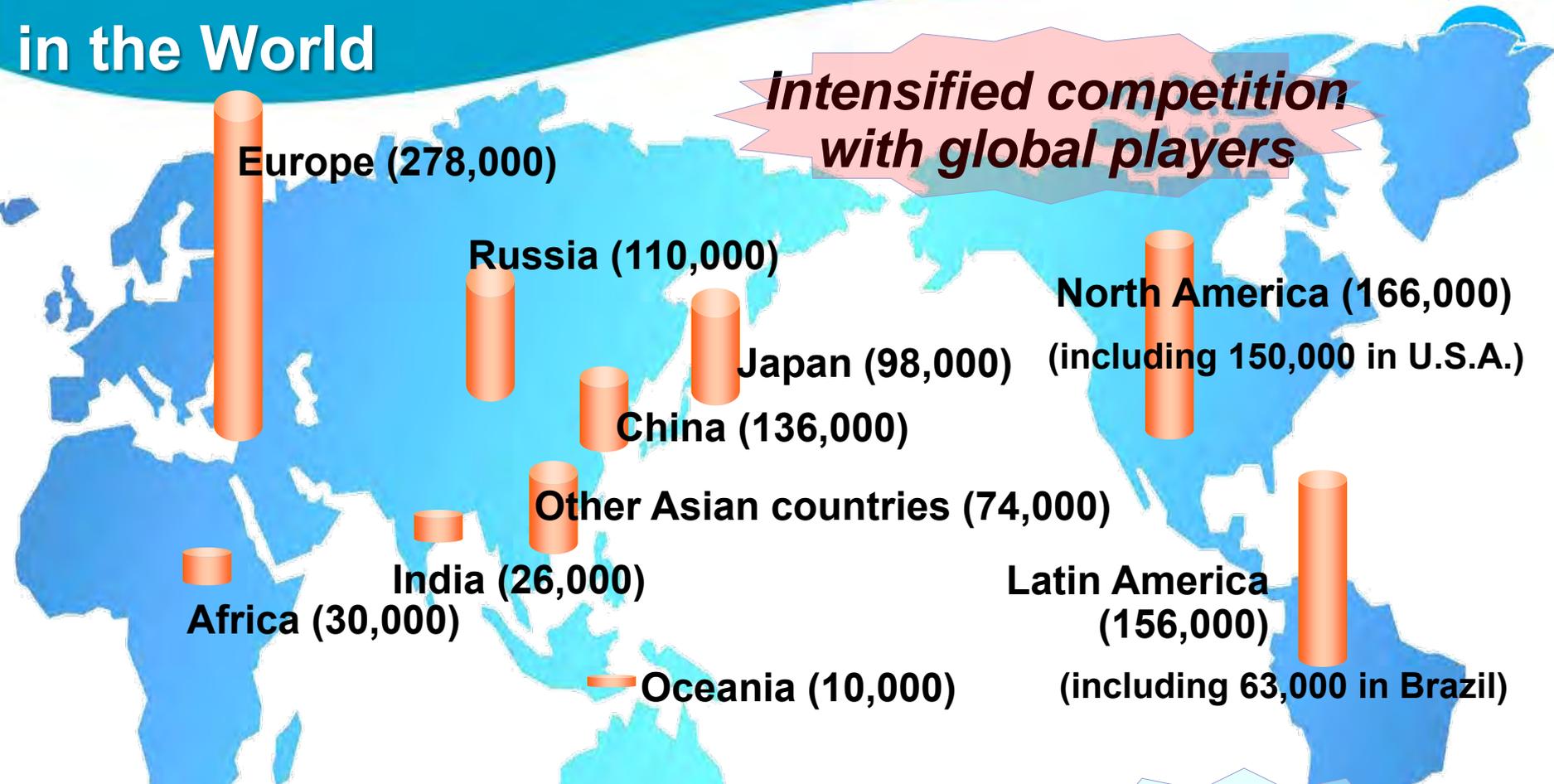


\* 1. The official web site of the Hokkaido kodomo-no ha-o mamoru kai (Save the Children's Tooth Hokkaido) was used as reference

\* 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 69)</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 69)</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 69)</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 <b>P</b> rofessional <b>M</b> echanical <b>T</b> ooth <b>C</b> leaning. 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). → <b>Composite resin (page 68)</b>
Resin	Synthetic high polymer. Resins are popularly used for dental restoratives.