



**Interim Report**  
**(First Half of Fiscal 2006)**  
**Supplementary Materials**

**HOGY MEDICAL Co., Ltd.**

**October 17, 2006**

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### (Notes Concerning Forward-Looking Statements)

Projections throughout these materials are provided as a reference for investors. They are based on estimates and forecasts, and shall not be regarded as pledges or guarantees. They shall be used on the full

## Fiscal 2006 Statements of Income (Interim results; Consolidated)

### First Quarter

¥ millions, rounded down

	June 2006 1st Quarter Results		June 2005 1st Quarter Results		Year-on-Year Comparison		June 2006 1st Quarter Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	6,688	100.0	6,429	100.0	258	104.0	6,903	100.0	△ 214	96.9
Cost of Sales	3,330	49.8	3,088	48.0	242	107.8	3,270	47.4	59	101.8
<b>Gross profit</b>	<b>3,357</b>	<b>50.2</b>	<b>3,341</b>	<b>52.0</b>	<b>16</b>	<b>100.5</b>	<b>3,632</b>	<b>52.6</b>	<b>△ 274</b>	<b>92.4</b>
SG&A expenses	1,835	27.4	1,805	28.1	30	101.7	1,955	28.3	△ 119	93.9
<b>Operating income</b>	<b>1,521</b>	<b>22.8</b>	<b>1,535</b>	<b>23.9</b>	<b>△ 13</b>	<b>99.1</b>	<b>1,676</b>	<b>24.3</b>	<b>△ 154</b>	<b>90.8</b>
Other income	14		61		△ 46		7		6	
Other expenses	3		1		2		5		△ 1	
<b>Ordinary income</b>	<b>1,532</b>	<b>22.9</b>	<b>1,595</b>	<b>24.8</b>	<b>△ 62</b>	<b>96.1</b>	<b>1,679</b>	<b>24.3</b>	<b>△ 146</b>	<b>91.3</b>
Extraordinary income	-		2		△ 2		-		-	
Extraordinary expenses	0		2		△ 2		-		0	
<b>Income before income taxes and minority interests</b>	<b>1,532</b>	<b>22.9</b>	<b>1,594</b>	<b>24.8</b>	<b>△ 62</b>	<b>96.1</b>	<b>1,679</b>	<b>24.3</b>	<b>△ 147</b>	<b>91.2</b>
Corporation tax, etc.	599		611		△ 11		693		△ 93	
<b>(Tax burden)</b>	<b>39.1%</b>		<b>38.3%</b>				<b>41.3%</b>			
Minority interests	0		0		0		0		0	
<b>Net income</b>	<b>932</b>	<b>13.9</b>	<b>982</b>	<b>15.3</b>	<b>△ 50</b>	<b>94.9</b>	<b>985</b>	<b>14.3</b>	<b>△ 53</b>	<b>94.6</b>
EPS (total shares)	¥57.05		¥60.14				¥60.32			
EPS (minus treasury shares)	¥59.79		¥63.15				¥63.28			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of share: outstanding (after deducting treasury)	15,592,545		15,563,442				15,576,799			

### Second Quarter

¥ millions, rounded down

	Sept. 2006 Interim Results		Sept. 2005 Interim Results		Year-on-Year Comparison		Sept. 2006 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	6,733	100.0	6,594	100.0	139	102.1	7,143	100.0	△ 410	94.3
Cost of Sales	3,337	49.6	3,178	48.2	158	105.0	3,406	47.7	△ 68	98.0
<b>Gross profit</b>	<b>3,396</b>	<b>50.4</b>	<b>3,415</b>	<b>51.8</b>	<b>△ 19</b>	<b>99.4</b>	<b>3,737</b>	<b>52.3</b>	<b>△ 341</b>	<b>90.9</b>
SG&A expenses	1,960	29.1	1,793	27.2	167	109.3	1,972	27.6	△ 11	99.4
<b>Operating income</b>	<b>1,435</b>	<b>21.3</b>	<b>1,621</b>	<b>24.6</b>	<b>△ 186</b>	<b>88.5</b>	<b>1,765</b>	<b>24.7</b>	<b>△ 329</b>	<b>81.3</b>
Other income	59		72		△ 13		7		51	
Other expenses	0		3		△ 3		5		△ 4	
<b>Ordinary income</b>	<b>1,493</b>	<b>22.2</b>	<b>1,691</b>	<b>25.6</b>	<b>△ 197</b>	<b>88.3</b>	<b>1,767</b>	<b>24.7</b>	<b>△ 274</b>	<b>84.5</b>
Extraordinary income	4		25		△ 21		-		4	
Extraordinary expenses	30		0		29		25		5	
<b>Income before income taxes and minority interests</b>	<b>1,467</b>	<b>21.8</b>	<b>1,715</b>	<b>26.0</b>	<b>△ 248</b>	<b>85.5</b>	<b>1,742</b>	<b>24.4</b>	<b>△ 275</b>	<b>84.2</b>
Corporation tax, etc.	615		677		△ 62		682		△ 67	
<b>(Tax burden)</b>	<b>41.9%</b>		<b>39.5%</b>				<b>39.2%</b>			
Minority interests	0		0		0		0		0	
<b>Net income</b>	<b>851</b>	<b>12.7</b>	<b>1,037</b>	<b>15.7</b>	<b>△ 186</b>	<b>82.1</b>	<b>1,059</b>	<b>14.8</b>	<b>△ 207</b>	<b>80.4</b>

### First Half

¥ millions, rounded down

	Sept. 2006 Interim Results		Sept. 2005 Interim Results		Year-on-Year Comparison		Sept. 2006 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	13,422	100.0	13,023	100.0	398	103.1	14,046	100.0	△ 624	95.6
Cost of Sales	6,668	49.7	6,267	48.1	401	106.4	6,677	47.5	△ 8	99.9
<b>Gross profit</b>	<b>6,753</b>	<b>50.3</b>	<b>6,756</b>	<b>51.9</b>	<b>△ 2</b>	<b>100.0</b>	<b>7,369</b>	<b>52.5</b>	<b>△ 615</b>	<b>91.6</b>
SG&A expenses	3,796	28.3	3,599	27.6	197	105.5	3,928	28.0	△ 131	96.7
<b>Operating income</b>	<b>2,957</b>	<b>22.0</b>	<b>3,157</b>	<b>24.2</b>	<b>△ 200</b>	<b>93.7</b>	<b>3,441</b>	<b>24.5</b>	<b>△ 484</b>	<b>85.9</b>
Other income	73		134		△ 60		15		57	
Other expenses	4		5		△ 1		10		△ 5	
<b>Ordinary income</b>	<b>3,026</b>	<b>22.5</b>	<b>3,286</b>	<b>25.2</b>	<b>△ 259</b>	<b>92.1</b>	<b>3,447</b>	<b>24.5</b>	<b>△ 420</b>	<b>87.8</b>
Extraordinary income	4		28		△ 23		-		4	
Extraordinary expenses	30		3		26		25		5	
<b>Income before income taxes and minority interests</b>	<b>3,000</b>	<b>22.4</b>	<b>3,310</b>	<b>25.4</b>	<b>△ 310</b>	<b>90.6</b>	<b>3,422</b>	<b>24.4</b>	<b>△ 422</b>	<b>87.7</b>
Corporation tax, etc.	1,215		1,289		△ 73		1,376		△ 161	
<b>(Tax burden)</b>	<b>40.5%</b>		<b>38.9%</b>				<b>40.2%</b>			
Minority interests	0		0		0		0		0	
<b>Net income</b>	<b>1,784</b>	<b>13.3</b>	<b>2,020</b>	<b>15.5</b>	<b>△ 236</b>	<b>88.3</b>	<b>2,045</b>	<b>14.6</b>	<b>△ 261</b>	<b>87.2</b>
EPS (total shares)	¥109.18		¥123.66				¥125.17			
EPS (minus treasury shares)	¥114.41		¥129.84				¥131.31			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of share: outstanding (after deducting treasury)	15,594,062		15,563,272				15,576,799			

## Fiscal 2006 Statements of Income (Full-year revised plan; Consolidated)

### First Half

¥ millions, rounded down

	Sept. 2006 Interim Results		Sept. 2005 Interim Results		Year-on-Year Comparison		Sept. 2006 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	13,422	100.0	13,023	100.0	398	103.1	14,046	100.0	△ 624	95.6
Cost of Sales	6,668	49.7	6,267	48.1	401	106.4	6,677	47.5	△ 8	99.9
<b>Gross profit</b>	<b>6,753</b>	<b>50.3</b>	<b>6,756</b>	<b>51.9</b>	<b>△ 2</b>	<b>100.0</b>	<b>7,369</b>	<b>52.5</b>	<b>△ 615</b>	<b>91.6</b>
SG&A expenses	3,796	28.3	3,599	27.6	197	105.5	3,928	28.0	△ 131	96.7
<b>Operating income</b>	<b>2,957</b>	<b>22.0</b>	<b>3,157</b>	<b>24.2</b>	<b>△ 200</b>	<b>93.7</b>	<b>3,441</b>	<b>24.5</b>	<b>△ 484</b>	<b>85.9</b>
Other income	73		134		△ 60		15		57	
Other expenses	4		5		△ 1		10		△ 5	
<b>Ordinary income</b>	<b>3,026</b>	<b>22.5</b>	<b>3,286</b>	<b>25.2</b>	<b>△ 259</b>	<b>92.1</b>	<b>3,447</b>	<b>24.5</b>	<b>△ 420</b>	<b>87.8</b>
Extraordinary income	4		28		△ 23		-		4	
Extraordinary expenses	30		3		26		25		5	
<b>Income before income taxes and minority interests</b>	<b>3,000</b>	<b>22.4</b>	<b>3,310</b>	<b>25.4</b>	<b>△ 310</b>	<b>90.6</b>	<b>3,422</b>	<b>24.4</b>	<b>△ 422</b>	<b>87.7</b>
Corporation tax, etc.	1,215		1,289		△ 73		1,376		△ 161	
(Tax burden)	40.5%		38.9%				40.2%			
Minority interests	0		0		0		0		0	
<b>Net income</b>	<b>1,784</b>	<b>13.3</b>	<b>2,020</b>	<b>15.5</b>	<b>△ 236</b>	<b>88.3</b>	<b>2,045</b>	<b>14.6</b>	<b>△ 261</b>	<b>87.2</b>
EPS (total shares)	¥109.18		¥123.66				¥125.17			
EPS (minus treasury shares)	¥114.41		¥129.84				¥131.31			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of share: outstanding (after deducting treasury)	15,594,062		15,563,272				15,576,799			

### Second Quarter

¥ millions, rounded down

	Fiscal 2006 Revised Plan		Fiscal 2005 Results		Year-on-Year Comparison		Fiscal 2006 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	13,577	100.0	13,410	100.0	166	101.2	14,353	100.0	△ 775	94.6
Cost of Sales	6,671	49.1	6,592	49.2	78	101.2	6,866	47.8	△ 194	97.2
<b>Gross profit</b>	<b>6,906</b>	<b>50.9</b>	<b>6,818</b>	<b>50.8</b>	<b>88</b>	<b>101.3</b>	<b>7,486</b>	<b>52.2</b>	<b>△ 580</b>	<b>92.2</b>
SG&A expenses	3,753	27.6	3,774	28.1	△ 21	99.4	3,921	27.3	△ 168	95.7
<b>Operating income</b>	<b>3,152</b>	<b>23.2</b>	<b>3,043</b>	<b>22.7</b>	<b>109</b>	<b>103.6</b>	<b>3,564</b>	<b>24.8</b>	<b>△ 412</b>	<b>88.4</b>
Other income	31		144		△ 112		16		14	
Other expenses	0		35		△ 34		9		△ 9	
<b>Ordinary income</b>	<b>3,183</b>	<b>23.4</b>	<b>3,152</b>	<b>23.5</b>	<b>31</b>	<b>101.0</b>	<b>3,571</b>	<b>24.9</b>	<b>△ 387</b>	<b>89.1</b>
Extraordinary income	0		0		△ 0		-		0	
Extraordinary expenses	14		16		△ 2		25		△ 10	
<b>Income before income taxes and minority interests</b>	<b>3,169</b>	<b>23.3</b>	<b>3,136</b>	<b>23.4</b>	<b>33</b>	<b>101.1</b>	<b>3,546</b>	<b>24.7</b>	<b>△ 376</b>	<b>89.4</b>
Corporation tax, etc.	1,263		1,246		16		1,389		△ 126	
(Tax burden)	39.9%		39.8%				39.2%			
Minority interests	0		0		0		0		0	
<b>Net income</b>	<b>1,905</b>	<b>14.0</b>	<b>1,888</b>	<b>14.1</b>	<b>16</b>	<b>100.9</b>	<b>2,155</b>	<b>15.0</b>	<b>△ 250</b>	<b>88.4</b>

### Full-year

¥ millions, rounded down

	Fiscal 2006 Revised Plan		Fiscal 2005 Results		Year-on-Year Comparison		Fiscal 2006 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	27,000	100.0	26,434	100.0	565	102.1	28,400	100.0	△ 1,400	95.1
Cost of Sales	13,340	49.4	12,860	48.6	479	103.7	13,543	47.7	△ 203	98.5
<b>Gross profit</b>	<b>13,660</b>	<b>50.6</b>	<b>13,574</b>	<b>51.4</b>	<b>85</b>	<b>100.6</b>	<b>14,856</b>	<b>52.3</b>	<b>△ 1,196</b>	<b>91.9</b>
SG&A expenses	7,550	28.0	7,373	27.9	176	102.4	7,850	27.6	△ 300	96.2
<b>Operating income</b>	<b>6,110</b>	<b>22.6</b>	<b>6,200</b>	<b>23.5</b>	<b>△ 90</b>	<b>98.5</b>	<b>7,006</b>	<b>24.7</b>	<b>△ 896</b>	<b>87.2</b>
Other income	105		278		△ 173		32		72	
Other expenses	5		40		△ 35		20		△ 15	
<b>Ordinary income</b>	<b>6,210</b>	<b>23.0</b>	<b>6,438</b>	<b>24.4</b>	<b>△ 228</b>	<b>96.5</b>	<b>7,018</b>	<b>24.7</b>	<b>△ 808</b>	<b>88.5</b>
Extraordinary income	5		29		△ 24		-		5	
Extraordinary expenses	45		20		24		50		△ 5	
<b>Income before income taxes and minority interests</b>	<b>6,170</b>	<b>22.9</b>	<b>6,446</b>	<b>24.4</b>	<b>△ 276</b>	<b>95.7</b>	<b>6,968</b>	<b>24.5</b>	<b>△ 798</b>	<b>88.5</b>
Corporation tax, etc.	2,478		2,535		△ 57		2,766		△ 287	
(Tax burden)	40.2%		39.9%				39.7%			
Minority interests	1		1		0		1		0	
<b>Net income</b>	<b>3,690</b>	<b>13.7</b>	<b>3,909</b>	<b>14.8</b>	<b>△ 219</b>	<b>94.4</b>	<b>4,201</b>	<b>14.8</b>	<b>△ 511</b>	<b>87.8</b>
EPS (total shares)	¥225.81		¥235.15				¥257.10			
EPS (minus treasury shares)	¥236.61		¥246.83				¥269.71			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of share: outstanding (after deducting treasury)	15,595,394		15,567,955				15,576,799			

**Fiscal 2006 Sales by Product Grouping (Interim results and full-year revised plan; Consolidated)**

**First Half**

¥ millions, rounded down

	Sept. 2006 Interim Results		Sept. 2005 Interim Results		Year-on-Year Comparison		Sept. 2006 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,915	14.3	1,970	15.1	△ 55	97.2	2,020	14.4	△ 105	94.8
Surgical products	11,011	82.0	10,488	80.5	522	105.0	11,505	81.9	△ 494	95.7
Treatment products	153	1.1	174	1.3	△ 20	88.1	149	1.1	3	102.6
Others	342	2.6	390	3.0	△ 47	87.8	371	2.6	△ 28	92.4
<b>Total</b>	<b>13,422</b>	<b>100.0</b>	<b>13,023</b>	<b>100.0</b>	<b>398</b>	<b>103.1</b>	<b>14,046</b>	<b>100.0</b>	<b>△ 624</b>	<b>95.6</b>

Itemized surgical products

Sontara	5,317	39.6	5,414	41.6	△ 97	98.2	5,464	38.9	△ 146	97.3
Other non-woven products	652	4.9	675	5.2	△ 23	96.6	696	5.0	△ 44	93.7
Kit products	4,996	37.2	4,351	33.4	645	114.8	5,302	37.8	△ 306	94.2
Steel instruments	44	0.3	46	0.4	△ 2	95.7	41	0.3	3	107.8

Itemized external sales by subsidiary

Sontara	24		18				-			
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**Second Half**

¥ millions, rounded down

	Fiscal 2006 Revised Plan		Fiscal 2006 Results		Year-on-Year Comparison		Fiscal 2006 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,861	13.7	1,963	14.6	△ 101	94.8	1,878	13.1	△ 17	99.1
Surgical products	11,252	82.9	10,922	81.4	330	103.0	11,994	83.6	△ 741	93.8
Treatment products	150	1.1	161	1.2	△ 11	93.2	140	1.0	9	106.7
Others	313	2.3	363	2.7	△ 50	86.0	338	2.4	△ 25	92.4
<b>Total</b>	<b>13,577</b>	<b>100.0</b>	<b>13,410</b>	<b>100.0</b>	<b>166</b>	<b>101.2</b>	<b>14,353</b>	<b>100.0</b>	<b>△ 775</b>	<b>94.6</b>

Itemized surgical products

Sontara	5,202	38.3	5,392	40.2	△ 189	96.5	5,415	37.7	△ 212	96.1
Other non-woven products	686	5.1	719	5.4	△ 33	95.3	753	5.2	△ 67	91.1
Kit products	5,326	39.2	4,769	35.6	556	111.7	5,787	40.3	△ 461	92.0
Steel instruments	37	0.3	40	0.3	△ 2	93.2	38	0.3	△ 1	97.3

Itemized external sales by subsidiary

Sontara	15		27				-			
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**Full-year**

¥ millions, rounded down

	Fiscal 2006 Revised Plan		Fiscal 2005 Results		Year-on-Year Comparison		Fiscal 2006 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	3,776	14.0	3,934	14.9	△ 157	96.0	3,899	13.7	△ 123	96.8
Surgical products	22,263	82.5	21,410	81.0	853	104.0	23,500	82.7	△ 1,236	94.7
Treatment products	303	1.1	335	1.3	△ 31	90.5	290	1.0	13	104.6
Others	655	2.4	754	2.9	△ 98	86.9	709	2.5	△ 53	92.4
<b>Total</b>	<b>27,000</b>	<b>100.0</b>	<b>26,434</b>	<b>100.0</b>	<b>565</b>	<b>102.1</b>	<b>28,400</b>	<b>100.0</b>	<b>△ 1,400</b>	<b>95.1</b>

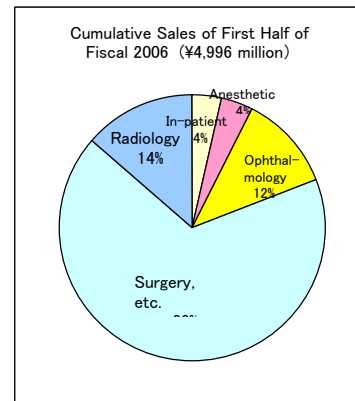
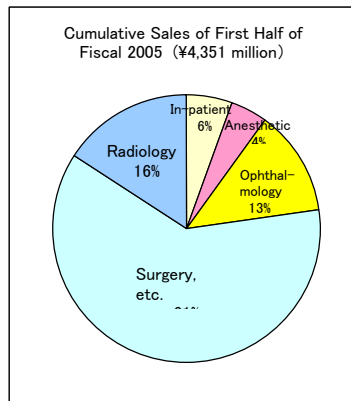
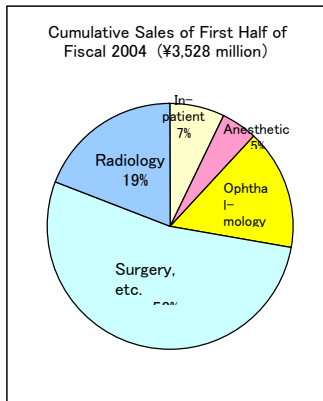
Itemized surgical products

Sontara	10,520	39.0	10,807	40.9	△ 286	97.3	10,880	38.3	△ 359	96.7
Other non-woven products	1,338	5.0	1,395	5.3	△ 56	95.9	1,450	5.1	△ 111	92.3
Kit products	10,322	38.2	9,121	34.5	1,201	113.2	11,090	39.0	△ 767	93.1
Steel instruments	82	0.3	86	0.3	△ 4	94.5	80	0.3	2	102.7

Itemized external sales by subsidiary

Sontara	40		46				-			
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**Sales Composition by Kit Treatment Category**



## Fiscal 2006 Itemized SG&A Expenses and Other Income/Expenses (Interim results; Consolidated)

### SG&A Expenses

¥ millions, rounded down

	Sept. 2006 Interim Results	Sept. 2005 Interim Results	Year-on-Year Comparison	Interim Initial Plan	Initial Plan Comparison
Packaging and transportation	341	326	14	356	△ 14
Losses on doubtful accounts	0	0	0	-	0
Samples	217	260	△ 43	225	△ 8
Advertising	18	25	△ 6	31	△ 13
Personnel	1,755	1,656	98	1,754	0
Travel	193	193	△ 0	180	12
Communication	48	65	△ 16	61	△ 12
Consumables	52	47	5	45	6
Taxes and public charges	105	91	13	92	13
Depreciation	373	247	126	455	△ 82
Testing and research	102	123	△ 21	168	△ 66
Land and housing rent	228	209	18	228	△ 0
Miscellaneous	141	140	0	125	15
Others	220	211	8	202	17
<b>Total</b>	<b>3,796</b>	<b>3,599</b>	<b>197</b>	<b>3,928</b>	<b>△ 131</b>

### Other Income/Expenses

¥ millions, rounded down

	Sept. 2006 Interim Results	Sept. 2005 Interim Results	Year-on-Year Comparison	Sept. 2006 Interim Initial Plan	Initial Plan Comparison
Interest received	7	5	2	6	1
Interest on negotiable securities	-	11	△ 11	-	-
Dividend received	0	0	△ 0	0	0
(Total financial earnings)	7	17	△ 9	6	1
Foreign exchange gain	-	74	△ 74	-	-
Miscellaneous income	65	42	23	9	56
<b>Total Other income</b>	<b>73</b>	<b>134</b>	<b>△ 60</b>	<b>15</b>	<b>57</b>
Paid interest	-	-	-	-	-
(Total financial expenses)	-	-	-	-	-
Foreign exchange loss	2	-	2	-	2
Miscellaneous losses	2	5	△ 3	10	△ 7
<b>Total non-operating expenses</b>	<b>4</b>	<b>5</b>	<b>△ 1</b>	<b>10</b>	<b>△ 5</b>

## Fiscal 2006 Capital Expenditures and Depreciation (Interim results and full-year revised plan; Consolidated)

### Capital Expenditures

	Capital Expenditures	Year-on-Year Comparison
Fiscal 1997 (full year)	3,531	151.0%
First half	210	
Second half	267	
Fiscal 1998 (full year)	477	13.5%
First half	2,941	
Second half	105	
Fiscal 1999 (full year)	3,046	638.5%
First half	1,396	
Second half	175	
Fiscal 2000 (full year)	1,571	51.6%
First half	1,700	
Second half	4,686	
Fiscal 2001 (full year)	6,386	406.3%
First half	3,238	
Second half	2,916	
Fiscal 2002 (full year)	6,155	96.4%
First half	2,162	
Second half	444	
Fiscal 2003 (full year)	2,606	42.3%
First half	616	
Second half	3,129	
Fiscal 2004 (full year)	3,745	143.7%
First half	2,139	
Second half	3,127	
Fiscal 2005 (full year)	5,266	140.6%
First half	1,077	
Second half	242	
Fiscal 2006 (full year)	1,319	25.0%

### Depreciation

¥ millions, rounded down

	SG&A Expenses	Year-on-Year Comparison	Manufacturing Costs	Year-on-Year Comparison	Total Depreciation Expenses	Year-on-Year Comparison
Fiscal 1997 (full year)	441	126.5%	1,102	103.0%	1,543	108.7%
First half	304		547		851	
Second half	313		535		848	
Fiscal 1998 (full year)	617	139.8%	1,083	98.3%	1,700	110.2%
First half	281		496		778	
Second half	288		489		778	
Fiscal 1999 (full year)	570	92.4%	985	91.0%	1,556	91.5%
First half	250		484		734	
Second half	267		516		784	
Fiscal 2000 (full year)	518	90.9%	1,001	101.6%	1,519	97.6%
First half	225		412		637	
Second half	266		432		698	
Fiscal 2001 (full year)	491	94.8%	845	84.4%	1,336	88.0%
First half	311		382		693	
Second half	324		440		764	
Fiscal 2002 (full year)	636	129.5%	822	97.3%	1,458	109.1%
First half	272		945		1,217	
Second half	313		969		1,283	
Fiscal 2003 (full year)	585	92.1%	1,914	232.9%	2,500	171.5%
First half	249		882		1,132	
Second half	253		851		1,104	
Fiscal 2004 (full year)	502	85.8%	1,733	90.5%	2,236	89.4%
First half	247		748		995	
Second half	257		1,064		1,321	
Fiscal 2005 (full year)	504	100.4%	1,812	104.6%	2,316	103.6%
First half	373		1,023		1,397	
Second half	452		1,048		1,501	
Fiscal 2006 (full year)	825	163.7%	2,072	114.3%	2,898	125.1%

\*\*\*

(Note) 1. \*\*\* are forecast figures

Depreciation at P.T. HOGY INDONESIA is included in manufacturing costs.

## Fiscal 2006 Major Change on Balance Sheets and Statements of Cash Flows (Interim results; Consolidated)

### Major Change on Balance Sheets

¥ millions, rounded down

	Balance at Sept. 30, 2006	Change		Balance at Sept. 30, 2006	Change
<b>Current assets</b>	21,476	840	<b>Current liabilities</b>	5,688	△ 817
Cash and bank deposits	5,812	△ 513	Notes and accounts payable	3,535	86
Notes and accounts receivable	8,828	1,083	Accrued expenses	141	△ 104
Short-term investments	-	-	Income taxes	1,247	△ 57
Inventories	6,084	432	Allowance for employees' bonuses	468	109
Others	751	△ 162	Payable notes for equipment	133	△ 480
			Others	161	△ 371
<b>Fixed assets</b>	34,711	△ 592	<b>Long-term liabilities</b>	1,126	△ 912
Property, plant and equipment	31,674	△ 442			
Buildings and structures	14,402	827	<b>Total liabilities</b>	6,814	△ 1,729
Machinery, equipment and vehicles	9,217	1,584			
Land	7,465	△ 5	<b>Total net assets</b>	49,373	-
Construction in progress	110	△ 2,806	Common stock	7,123	-
Others	478	△ 41	Capital surplus	8,336	-
Intangibles	372	52	Retained earnings	37,404	-
Investments and others	2,664	△ 202	Treasury stock	△ 4,402	-
Investments securities	204	△ 2	Others	911	-
Others	2,460	△ 199			
<b>Total assets</b>	56,187	248	<b>Total liabilities and shareholders' equity</b>	56,187	248

\* Comparison with end of previous fiscal year: Equity ratio increased from 84.7% at the end of the previous fiscal year to 87.8%.

Comments on change in central items

Cash and bank deposits

Income taxes paid, New Distribution Center, others

Payable notes for equipment

settlement

Notes and accounts receivable

Increase in operating income

Buildings and structures, Machinery,

equipment and vehicles

Transfer from construction in progress

Retained earnings

From net profit

Construction in progress

Transfer to main account

### Statements of Cash Flows

¥ millions, rounded down

<b>I Operating activities</b>	1,681	Income before income taxes and minority interests	3,000
		Depreciation	1,397
		Increase in notes and accounts receivable	△ 1,093
		Income taxes paid	△ 1,319
<b>II Investing activities</b>	△ 1,608	Capital expenditures	△ 1,594
<b>III Financing activities</b>	△ 576	Cash dividends paid	△ 685
<b>IV Effect of exchange rate changes</b>			
<b>Net changes in cash and cash equivalents</b>			



## Fiscal 2006 Statements of Income (Interim results; Non-consolidated)

### First Quarter

¥ millions, rounded down

	June 2006 1st Quarter Results		June 2005 1st Quarter Results		Year-on-Year Comparison		June 2006 1st Quarter Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	6,677	100.0	6,422	100.0	255	104.0	6,903	100.0	△ 225	96.7
Cost of Sales	3,406	51.0	3,182	49.5	224	107.0	3,384	49.0	21	100.6
Gross profit	3,271	49.0	3,240	50.5	31	101.0	3,518	51.0	△ 247	93.0
SG&A expenses	1,835	27.5	1,805	28.1	30	101.7	1,955	28.3	△ 119	93.9
Operating income	1,435	21.5	1,434	22.3	0	100.1	1,562	22.6	△ 127	91.8
Other income	10		59		△ 48		4		6	
Other expenses	3		1		2		5		△ 1	
Ordinary income	1,442	21.6	1,492	23.2	△ 50	96.6	1,562	22.6	△ 120	92.3
Extraordinary income	-		2		△ 2		-		-	
Extraordinary expenses	0		2		△ 2		-		0	
Income before income taxes	1,441	21.6	1,491	23.2	△ 49	96.7	1,562	22.6	△ 120	92.3
Corporation tax, etc.	573		580		△ 6		621		△ 48	
(Tax burden)	39.8%		38.9%				39.8%			
Net income	868	13.0	911	14.2	△ 43	95.3	941	13.6	△ 72	92.3
EPS (total shares)	¥53.15		¥55.80				¥57.60			
EPS (minus treasury shares)	¥55.70		¥58.58				¥60.42			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of share: outstanding (after deducting treasury shares)	15,592,545		15,563,442				15,576,799			

### Second Quarter

¥ millions, rounded down

	Sept. 2006 Interim Results		Sept. 2005 Interim Results		Year-on-Year Comparison		Sept. 2006 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	6,720	100.0	6,582	100.0	137	102.1	7,143	100.0	△ 423	94.1
Cost of Sales	3,410	50.8	3,296	50.1	114	103.5	3,508	49.1	△ 97	97.2
Gross profit	3,309	49.2	3,285	49.9	23	100.7	3,635	50.9	△ 325	91.0
SG&A expenses	1,960	29.2	1,793	27.2	167	109.3	1,972	27.6	△ 11	99.4
Operating income	1,348	20.1	1,492	22.7	△ 143	90.4	1,662	23.3	△ 314	81.1
Other income	55		70		△ 14		4		50	
Other expenses	△ 0		3		△ 4		5		△ 5	
Ordinary income	1,404	20.9	1,558	23.7	△ 153	90.1	1,662	23.3	△ 257	84.5
Extraordinary income	4		25		△ 21		-		4	
Extraordinary expenses	30		0		29		25		5	
Income before income taxes	1,378	20.5	1,583	24.1	△ 204	87.1	1,637	22.9	△ 258	84.2
Corporation tax, etc.	590		637		△ 47		651		△ 61	
(Tax burden)	42.8%		40.2%				39.8%			
Net income	788	11.7	946	14.4	△ 157	83.3	986	13.8	△ 197	80.0

### First Half

¥ millions, rounded down

	Sept. 2006 Interim Results		Sept. 2005 Interim Results		Year-on-Year Comparison		Sept. 2006 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	13,397	100.0	13,005	100.0	392	103.0	14,046	100.0	△ 649	95.4
Cost of Sales	6,817	50.9	6,479	49.8	338	105.2	6,893	49.1	△ 75	98.9
Gross profit	6,580	49.1	6,526	50.2	54	100.8	7,153	50.9	△ 573	92.0
SG&A expenses	3,796	28.3	3,599	27.7	197	105.5	3,928	28.0	△ 131	96.7
Operating income	2,784	20.8	2,927	22.5	△ 142	95.1	3,225	23.0	△ 441	86.3
Other income	66		129		△ 63		9		56	
Other expenses	3		5		△ 2		10		△ 6	
Ordinary income	2,847	21.3	3,051	23.5	△ 204	93.3	3,225	23.0	△ 378	88.3
Extraordinary income	4		28		△ 23		-		4	
Extraordinary expenses	30		3		26		25		5	
Income before income taxes	2,820	21.1	3,075	23.6	△ 254	91.7	3,200	22.8	△ 379	88.1
Corporation tax, etc.	1,163		1,217		△ 53		1,272		△ 109	
(Tax burden)	41.3%		39.6%				39.8%			
Net income	1,657	12.4	1,858	14.3	△ 201	89.2	1,927	13.7	△ 270	86.0
EPS (total shares)	¥101.41		¥113.71				¥117.96			
EPS (minus treasury shares)	¥106.27		¥119.40				¥123.75			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of share: outstanding (after deducting treasury shares)	15,594,062		15,563,272				15,576,799			

## Fiscal 2006 Statements of Income (Full-year revised plan; Non-consolidated)

### First Half

¥ millions, rounded down

	Sept. 2006 Interim Results		Sept. 2005 Interim Results		Year-on-Year Comparison		Sept. 2006 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	13,397	100.0	13,005	100.0	392	103.0	14,046	100.0	△ 649	95.4
Cost of Sales	6,817	50.9	6,479	49.8	338	105.2	6,893	49.1	△ 75	98.9
<b>Gross profit</b>	<b>6,580</b>	<b>49.1</b>	<b>6,526</b>	<b>50.2</b>	<b>54</b>	<b>100.8</b>	<b>7,153</b>	<b>50.9</b>	<b>△ 573</b>	<b>92.0</b>
SG&A expenses	3,796	28.3	3,599	27.7	197	105.5	3,928	28.0	△ 131	96.7
<b>Operating income</b>	<b>2,784</b>	<b>20.8</b>	<b>2,927</b>	<b>22.5</b>	<b>△ 142</b>	<b>95.1</b>	<b>3,225</b>	<b>23.0</b>	<b>△ 441</b>	<b>86.3</b>
Other income	66		129		△ 63		9		△ 56	
Other expenses	3		5		△ 2		10		△ 6	
<b>Ordinary income</b>	<b>2,847</b>	<b>21.3</b>	<b>3,051</b>	<b>23.5</b>	<b>△ 204</b>	<b>93.3</b>	<b>3,225</b>	<b>23.0</b>	<b>△ 378</b>	<b>88.3</b>
Extraordinary income	4		28		△ 23		-		△ 4	
Extraordinary expenses	30		3		26		25		5	
<b>Income before income taxes</b>	<b>2,820</b>	<b>21.1</b>	<b>3,075</b>	<b>23.6</b>	<b>△ 254</b>	<b>91.7</b>	<b>3,200</b>	<b>22.8</b>	<b>△ 379</b>	<b>88.1</b>
Corporation tax, etc.	1,163		1,217		△ 53		1,272		△ 109	
<b>(Tax burden)</b>	<b>41.3%</b>		<b>39.6%</b>				<b>39.8%</b>			
<b>Net income</b>	<b>1,657</b>	<b>12.4</b>	<b>1,858</b>	<b>14.3</b>	<b>△ 201</b>	<b>89.2</b>	<b>1,927</b>	<b>13.7</b>	<b>△ 270</b>	<b>86.0</b>
EPS (total shares)	¥101.41		¥113.71				¥117.96			
EPS (minus treasury shares)	¥106.27		¥119.40				¥123.75			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,594,062		15,563,272				15,576,799			

### Second Half

¥ millions, rounded down

	Fiscal 2006 Revised Plan		Fiscal 2005 Results		Year-on-Year Comparison		Fiscal 2006 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	13,562	100.0	13,383	100.0	178	101.3	14,353	100.0	△ 790	94.5
Cost of Sales	6,882	50.8	6,807	50.9	75	101.1	7,070	49.3	△ 187	97.4
<b>Gross profit</b>	<b>6,679</b>	<b>49.2</b>	<b>6,576</b>	<b>49.1</b>	<b>102</b>	<b>101.6</b>	<b>7,282</b>	<b>50.7</b>	<b>△ 603</b>	<b>91.7</b>
SG&A expenses	3,753	27.7	3,774	28.2	△ 21	99.4	3,921	27.3	△ 168	95.7
<b>Operating income</b>	<b>2,925</b>	<b>21.6</b>	<b>2,801</b>	<b>20.9</b>	<b>124</b>	<b>104.4</b>	<b>3,361</b>	<b>23.4</b>	<b>△ 435</b>	<b>87.0</b>
Other income	98		219		△ 121		10		△ 88	
Other expenses	1		35		△ 33		9		△ 8	
<b>Ordinary income</b>	<b>3,022</b>	<b>22.3</b>	<b>2,986</b>	<b>22.3</b>	<b>36</b>	<b>101.2</b>	<b>3,361</b>	<b>23.4</b>	<b>△ 338</b>	<b>89.9</b>
Extraordinary income	0		0		△ 0		-		0	
Extraordinary expenses	14		16		△ 2		25		△ 10	
<b>Income before income taxes</b>	<b>3,009</b>	<b>22.2</b>	<b>2,970</b>	<b>22.2</b>	<b>38</b>	<b>101.3</b>	<b>3,336</b>	<b>23.2</b>	<b>△ 327</b>	<b>90.2</b>
Corporation tax, etc.	1,186		1,170		15		1,326		△ 140	
<b>(Tax burden)</b>	<b>39.4%</b>		<b>39.4%</b>				<b>39.8%</b>			
<b>Net income</b>	<b>1,822</b>	<b>13.4</b>	<b>1,799</b>	<b>13.4</b>	<b>23</b>	<b>101.3</b>	<b>2,009</b>	<b>14.0</b>	<b>△ 186</b>	<b>90.7</b>

### Full-year

¥ millions, rounded down

	Fiscal 2006 Revised Plan		Fiscal 2005 Results		Year-on-Year Comparison		Fiscal 2006 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	26,960	100.0	26,388	100.0	571	102.2	28,400	100.0	△ 1,440	94.9
Cost of Sales	13,700	50.8	13,286	50.3	413	103.1	13,963	49.2	△ 263	98.1
<b>Gross profit</b>	<b>13,260</b>	<b>49.2</b>	<b>13,102</b>	<b>49.7</b>	<b>157</b>	<b>101.2</b>	<b>14,436</b>	<b>50.8</b>	<b>△ 1,176</b>	<b>91.8</b>
SG&A expenses	7,550	28.0	7,373	27.9	176	102.4	7,850	27.6	△ 300	96.2
<b>Operating income</b>	<b>5,710</b>	<b>21.2</b>	<b>5,728</b>	<b>21.7</b>	<b>△ 18</b>	<b>99.7</b>	<b>6,586</b>	<b>23.2</b>	<b>△ 876</b>	<b>86.7</b>
Other income	165		349		△ 184		20		△ 145	
Other expenses	5		40		△ 35		20		△ 15	
<b>Ordinary income</b>	<b>5,870</b>	<b>21.8</b>	<b>6,037</b>	<b>22.9</b>	<b>△ 167</b>	<b>97.2</b>	<b>6,586</b>	<b>23.2</b>	<b>△ 716</b>	<b>89.1</b>
Extraordinary income	5		29		△ 24		-		5	
Extraordinary expenses	45		20		24		50		△ 5	
<b>Income before income taxes</b>	<b>5,830</b>	<b>21.6</b>	<b>6,045</b>	<b>22.9</b>	<b>△ 215</b>	<b>96.4</b>	<b>6,536</b>	<b>23.0</b>	<b>△ 706</b>	<b>89.2</b>
Corporation tax, etc.	2,350		2,388		△ 38		2,599		△ 249	
<b>(Tax burden)</b>	<b>40.3%</b>		<b>40.1%</b>				<b>39.8%</b>			
<b>Net income</b>	<b>3,480</b>	<b>12.9</b>	<b>3,657</b>	<b>13.9</b>	<b>△ 177</b>	<b>95.1</b>	<b>3,937</b>	<b>13.9</b>	<b>△ 457</b>	<b>88.4</b>
EPS (total shares)	¥212.96		¥219.73				¥240.94			
EPS (minus treasury shares)	¥223.14		¥230.64				¥252.76			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,595,394		15,567,955				15,576,799			

## Interim-Term Manufacturing Costs (Non-consolidated)

### Manufacturing Costs

¥ millions, rounded down

	1998.9	1999.9	2000.9	2001.9	2002.9	2003.9	2004.9	2005.9	2006.9
<b>Materials</b>	2,583	2,520	3,115	3,708	3,618	3,655	3,802	3,615	4,274
<b>Personnel</b>	572	609	621	679	673	806	722	795	771
<b>Outsourcing</b>	658	240	109	111	117	120	109	72	84
<b>Others</b>	802	773	895	860	682	1,404	1,332	1,461	1,543
<b>Total</b>	4,616	4,142	4,742	5,359	5,091	5,986	5,967	5,944	6,674

### Change

(%)

	1998.9	1999.9	2000.9	2001.9	2002.9	2003.9	2004.9	2005.9	2006.9
<b>Materials</b>	15.8	△ 2.4	23.6	19.0	△ 2.4	1.0	4.0	△ 4.9	18.2
<b>Personnel</b>	2.5	6.4	2.1	9.2	△ 0.9	19.8	△ 10.4	10.1	△ 3.0
<b>Outsourcing</b>	13.1	△ 63.5	△ 54.5	1.4	5.6	2.5	△ 8.7	△ 34.0	16.6
<b>Others</b>	1.0	△ 3.6	15.8	△ 3.9	△ 20.7	106.0	△ 5.1	9.7	5.6
<b>Total</b>	10.8	△ 10.3	14.5	13.0	△ 5.0	17.6	△ 0.3	△ 0.4	12.3

### % of total

(%)

	1998.9	1999.9	2000.9	2001.9	2002.9	2003.9	2004.9	2005.9	2006.9
<b>Materials</b>	56.0	60.8	65.7	69.2	71.1	61.1	63.7	60.8	64.0
<b>Personnel</b>	12.4	14.7	13.1	12.7	13.2	13.5	12.1	13.4	11.6
<b>Outsourcing</b>	14.3	5.8	2.3	2.1	2.3	2.0	1.8	1.2	1.3
<b>Others</b>	17.4	18.7	18.9	16.1	13.4	23.5	22.3	24.6	23.1
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Materials and outsourcing 70.2 66.6 68.0 71.3 73.4 63.1 65.6 62.0 65.3

