



The Nine Months Ended December 31, 2006 Supplementary Materials

HOGY MEDICAL Co., Ltd.

January 22, 2007

Table of Contents

Consolidated Basis

Statements of Income	1P
Sales by Product Grouping	2P
Itemized SG&A Expenses and Other Income/Expenses	3P
Major Change on Balance Sheets and Statements of Cash Flows	4P

Non-Consolidated Basis

Statements of Income	5P
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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 (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
Gross profit	6,753	50.3	6,756	51.9	△ 2	100.0	7,369	52.5	△ 615	91.6
SG&A expenses	3,796	28.3	3,599	27.6	197	105.5	3,928	28.0	△ 131	96.7
Operating income	2,957	22.0	3,157	24.2	△ 200	93.7	3,441	24.5	△ 484	85.9
Other income	73		134		△ 60		15		57	
Other expenses	4		5		△ 1		10		△ 5	
Ordinary income	3,026	22.5	3,286	25.2	△ 259	92.1	3,447	24.5	△ 420	87.8
Extraordinary income	4		28		△ 23		-		4	
Extraordinary expenses	30		3		26		25		5	
Income before income taxes and minority interests	3,000	22.4	3,310	25.4	△ 310	90.6	3,422	24.4	△ 422	87.7
Corporation tax, etc. (Tax burden)	1,215		1,289		△ 73		1,376		△ 161	
Minority interests	0		0		△ 0		0		△ 0	
Net income	1,784	13.3	2,020	15.5	△ 236	88.3	2,045	14.6	△ 261	87.2
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 shares outstanding (after deducting treasury)	15,594,062		15,563,272				15,576,799			

Third Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2006 Results		Third Quarter Ended Dec. 2005 Results		Year-on-Year Comparison		Third Quarter Ended Dec. 2006 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	20,835	100.0	20,194	100.0	640	103.2	21,778	100.0	△ 943	95.7
Cost of Sales	10,237	49.1	9,816	48.6	421	104.3	10,363	47.6	△ 125	98.8
Gross profit	10,597	50.9	10,378	51.4	219	102.1	11,415	52.4	△ 817	92.8
SG&A expenses	5,717	27.5	5,448	27.0	269	104.9	5,920	27.2	△ 202	96.6
Operating income	4,880	23.4	4,929	24.4	△ 49	99.0	5,494	25.2	△ 614	88.8
Other income	87		256		△ 168		23		63	
Other expenses	12		6		△ 0		15		△ 2	
Ordinary income	4,954	23.8	5,178	25.6	△ 223	95.7	5,503	25.3	△ 548	90.0
Extraordinary income	4		28		△ 23		-		4	
Extraordinary expenses	33		19		14		25		8	
Income before income taxes and minority interests	4,925	23.6	5,187	25.7	△ 261	95.0	5,478	25.2	△ 552	89.9
Corporation tax, etc. (Tax burden)	1,967		2,012		△ 44		2,182		△ 214	
Minority interests	0		0		△ 0		1		△ 0	
Net income	2,956	14.2	3,173	15.7	△ 217	93.2	3,295	15.1	△ 338	89.7
EPS (total shares)	180.94		194.23				201.64			
EPS (minus treasury shares)	190.18		203.91				211.54			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury)	15,547,241		15,565,175				15,576,799			

Full Year

¥ millions, rounded down

	Fiscal 2006 Forecasts		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
Gross profit	13,660	50.6	13,574	51.4	85	100.6	14,856	52.3	△ 1,196	91.9
SG&A expenses	7,550	28.0	7,373	27.9	176	102.4	7,850	27.6	△ 300	96.2
Operating income	6,110	22.6	6,200	23.5	△ 90	98.5	7,006	24.7	△ 896	87.2
Other income	105		278		△ 173		32		72	
Other expenses	5		40		△ 35		20		△ 15	
Ordinary income	6,210	23.0	6,438	24.4	△ 228	96.5	7,018	24.7	△ 808	88.5
Extraordinary income	5		29		△ 24		-		5	
Extraordinary expenses	45		20		24		50		△ 5	
Income before income taxes and minority interests	6,170	22.9	6,446	24.4	△ 276	95.7	6,968	24.5	△ 798	88.5
Corporation tax, etc. (Tax burden)	2,478		2,535		△ 57		2,766		△ 287	
Minority interests	1		1		0		1		0	
Net income	3,690	13.7	3,909	14.8	△ 219	94.4	4,201	14.8	△ 511	87.8
EPS (total shares)	225.81		235.15				257.10			
EPS (minus treasury shares)	243.14		246.83				269.71			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury)	15,176,192		15,567,955				15,576,799			

Fiscal 2006 Sales by Product Grouping (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
Total	13,422	100.0	13,023	100.0	398	103.1	14,046	100.0	△ 624	95.6

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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Third Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2006 Results		Third Quarter Ended Dec. 2005 Results		Year-on-Year Comparison		Third Quarter Ended Dec. 2006 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	2,941	14.1	3,024	15.0	△ 82	97.3	3,098	14.2	△ 157	94.9
Surgical products	17,144	82.3	16,320	80.8	823	105.0	17,886	82.1	△ 742	95.8
Treatment products	234	1.1	258	1.3	△ 23	90.9	226	1.0	8	103.9
Others	514	2.5	591	2.9	△ 76	87.1	566	2.6	△ 51	90.8
Total	20,835	100.0	20,194	100.0	640	103.2	21,778	100.0	△ 943	95.7

Itemized surgical products

Sontara	8,215	39.4	8,333	41.3	△ 117	98.6	8,406	38.6	△ 191	97.7
Other non-woven products	1,044	5.0	1,059	5.2	△ 14	98.7	1,097	5.0	△ 52	95.2
Kit products	7,816	37.5	6,861	34.0	954	113.9	8,321	38.2	△ 505	93.9
Steel instruments	67	0.3	67	0.3	0	101.1	61	0.3	6	110.6

Itemized external sales by subsidiary

Sontara	39		32				-			
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Full Year

¥ millions, rounded down

	Fiscal 2006 Forecasts		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
Total	27,000	100.0	26,434	100.0	565	102.1	28,400	100.0	△ 1,400	95.1

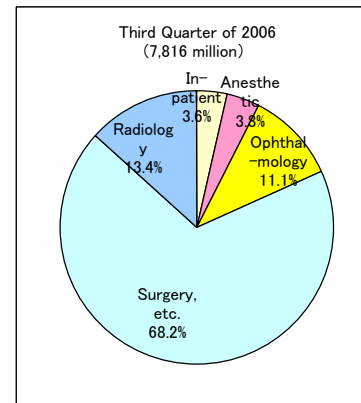
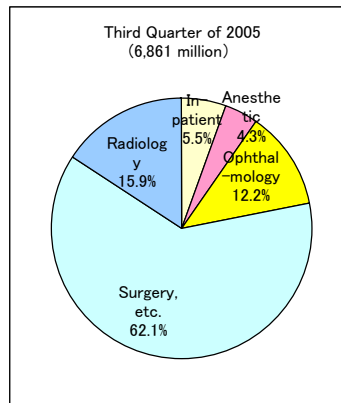
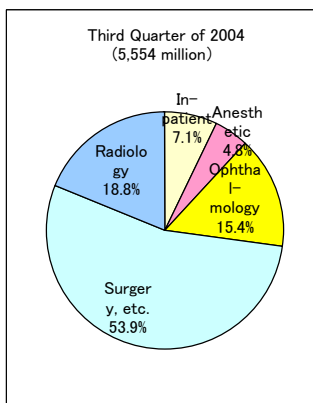
Itemized surgical products

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 (Consolidated)

SG&A Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2006 Results	Third Quarter Ended Dec. 2005 Results	Year-on-Year Comparison	Third Quarter Ended Dec. 2006 Initial Plan	Initial Plan Comparison
Packaging and transportation	524	505	18	551	△ 27
Losses on doubtful accounts	0	0	0	0	0
Samples	313	369	△ 55	344	△ 30
Advertising	42	50	△ 7	56	△ 13
Personnel	2,604	2,508	95	2,613	△ 9
Travel	283	289	△ 6	270	12
Communication	73	86	△ 13	91	△ 18
Consumables	71	79	△ 8	68	2
Taxes and public charges	149	131	18	138	11
Depreciation	600	385	215	683	△ 83
Testing and research	160	175	△ 14	252	△ 92
Land and housing rent	342	314	28	342	0
Miscellaneous	206	232	△ 26	187	18
Others	344	319	24	318	25
Total	5,717	5,448	269	5,920	△ 202

Other Income/Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2006 Results	Third Quarter Ended Dec. 2005 Results	Year-on-Year Comparison	Third Quarter Ended Dec. 2006 Initial Plan	Initial Plan Comparison
Interest received	10	8	2	9	1
Interest on negotiable securities	-	17	△ 17	-	-
Dividend received	0	0	△ 0	0	0
(Total financial earnings)	11	26	△ 15	9	1
Foreign exchange gain	3	176	△ 172	-	3
Miscellaneous income	72	53	19	13	59
Total Other income	87	256	△ 168	23	63
Paid interest	5	-	5	-	5
(Total financial expenses)	5	-	5	-	5
Foreign exchange loss	-	-	-	-	-
Miscellaneous losses	7	6	0	15	△ 7
Total non-operating expenses	12	6	5	15	△ 2

Fiscal 2006 Major Change on Balance Sheets and Statements of Cash Flows (Consolidated)

Major Change on Balance Sheets

¥ millions, rounded down

	Balance at Dec. 31, 2006	Change		Balance at Dec. 31, 2006	Change
Current assets	25,119	4,484	Current liabilities	5,804	△ 701
Cash and bank deposits	9,344	3,018	Notes and accounts payable	3,273	△ 176
Notes and accounts receivable	9,444	1,699	Accrued expenses	67	△ 178
Short-term investments	-	-	Long-term loans due within 1 year	1,000	1,000
Inventories	5,565	△ 85	Income taxes	779	△ 525
Others	765	△ 147	Allowance for employees' bonuses	166	△ 192
			Payable notes for equipment	152	△ 461
			Others	365	△ 167
Fixed assets	34,292	△ 1,011	Long-term liabilities	5,170	3,131
Property, plant and equipment	31,126	△ 989	Long-term loans	4,000	4,000
Buildings and structures	14,182	606	Others	1,170	△ 868
Machinery, equipment and vehicles	8,851	1,218	Total liabilities	10,974	2,430
Land	7,470	△ 0	Minority interests	13	1
Construction in progress	173	△ 2,743	Shareholders' equity	48,424	1,041
Others	449	△ 70	Common stock	7,123	-
Intangibles	511	191	Capital surplus	8,336	-
Investments and others	2,654	△ 212	Retained earnings	38,265	1,891
Investments securities	205	△ 1	Treasury stock	△ 6,347	△ 1,835
Others	2,448	△ 210	Others	1,047	985
Total assets	59,412	3,473	Total liabilities, minority interests, and shareholders' equity	59,412	3,473

* Comparison with end of previous fiscal year: Equity ratio decreased from 84.7% at the end of the previous fiscal year to 81.5%.

Comments on change in central items

Cash and bank deposits	loans from financial institutions	Payable notes for equipment	settlement
Notes and accounts receivable	Increase in operating income	(Long-term loans due within 1 year)loans	From financial institutions
Buildings and structures , Machinery, equipment and vehicles	Transfer from construction in progress	Retained earnings	From net profit
Construction in progress	Transfer to main account	Treasury stock	purchases of treasury stock

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	2,734	Income before income taxes and minority interests	4,925
		Depreciation	2,150
		Increase in notes and accounts receivable	△ 1,700
		Income taxes paid	△ 2,529
II Investing activities	△ 1,904	Capital expenditures	△ 1,689
III Financing activities	2,166	Long-term loans	5,000
		Cash dividends paid	△ 996
IV Effect of exchange rate changes	4		
Net changes in cash and cash equivalents	3,000		

Fiscal 2006 Statements of Income (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
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 shares outstanding (after deducting treasury shares)	15,594,062		15,563,272				15,576,799			

Third Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2006 Results		Third Quarter Ended Dec. 2005 Results		Year-on-Year Comparison		Third Quarter Ended Dec. 2006 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	20,795	100.0	20,161	100.0	634	103.1	21,778	100.0	△ 982	95.5
Cost of Sales	10,513	50.6	10,132	50.3	380	103.8	10,697	49.1	△ 184	98.3
Gross profit	10,282	49.4	10,029	49.7	253	102.5	11,080	50.9	△ 798	92.8
SG&A expenses	5,717	27.5	5,448	27.0	269	104.9	5,920	27.2	△ 202	96.6
Operating income	4,564	22.0	4,580	22.7	△ 15	99.7	5,160	23.7	△ 595	88.5
Other income	77		249		△ 172		14		63	
Other expenses	12		6		5		15		△ 2	
Ordinary income	4,629	22.3	4,823	23.9	△ 194	96.0	5,159	23.7	△ 529	89.7
Extraordinary income	4		28		△ 23		-		4	
Extraordinary expenses	33		19		14		25		8	
Income before income taxes	4,600	22.1	4,832	24.0	△ 231	95.2	5,134	23.6	△ 533	89.6
Corporation tax, etc.	1,871		1,903		△ 32		2,041		△ 170	
(Tax burden)	40.7%		39.4%				39.8%			
Net income	2,729	13.1	2,928	14.5	△ 199	93.2	3,092	14.2	△ 363	88.3
EPS (total shares)	167.01		179.22				189.24			
EPS (minus treasury shares)	175.54		188.15				198.53			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,547,241		15,565,175				15,576,799			

Full Year

¥ millions, rounded down

	Fiscal 2006 Forecasts		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
Gross profit	13,260	49.2	13,102	49.7	157	101.2	14,436	50.8	△ 1,176	91.8
SG&A expenses	7,550	28.0	7,373	27.9	176	102.4	7,850	27.6	△ 300	96.2
Operating income	5,710	21.2	5,728	21.7	△ 18	99.7	6,586	23.2	△ 876	86.7
Other income	165		349		△ 184		20		145	
Other expenses	5		40		△ 35		20		△ 15	
Ordinary income	5,870	21.8	6,037	22.9	△ 167	97.2	6,586	23.2	△ 716	89.1
Extraordinary income	5		29		△ 24		-		5	
Extraordinary expenses	45		20		24		50		△ 5	
Income before income taxes	5,830	21.6	6,045	22.9	△ 215	96.4	6,536	23.0	△ 706	89.2
Corporation tax, etc.	2,350		2,388		△ 38		2,599		△ 249	
(Tax burden)	40.3%		40.1%				39.8%			
Net income	3,480	12.9	3,657	13.9	△ 177	95.1	3,937	13.9	△ 457	88.4
EPS (total shares)	212.96		219.73				240.94			
EPS (minus treasury shares)	229.31		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)	15,176,192		15,567,955				15,576,799			