

HOGY



January 22, 2008



Financial Report

The Nine Months Ended December 31, 2007

(April 1 – December 31, 2007)

Jun-ichi Hoki, President and CEO

Yukio Ishii, General Manager, Administration Div.

Notice Regarding Forward-Looking Statements

This presentation contains statements about the Company's plans, forecasts, strategies, and beliefs related to its future performance. Such forward-looking statements were prepared based on judgments of the Company's management according to information available when this presentation was prepared. Readers are asked not to rely completely on performance forecasts contained herein, and understand that actual results may differ from such forecasts.

Financial results reported herein have not been audited.

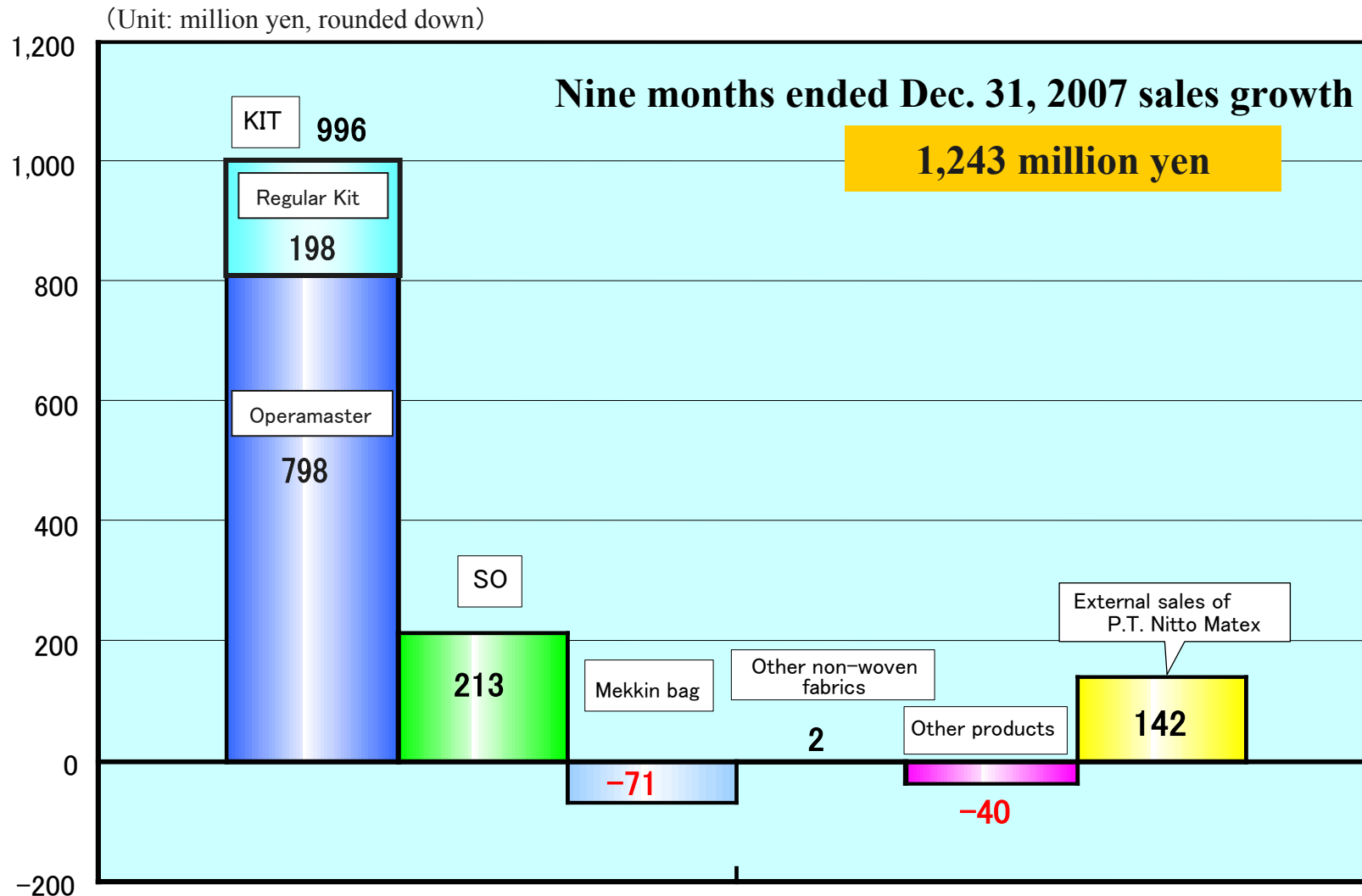
Performance Overview

Fiscal 2007 Income Statements

(Nine Months Ended December 31, 2007)

(Unit: million yen, rounded down)	Third Quarter Ended Dec. 2006 Results		Third Quarter Ended Dec. 2007 Results		Year-on-Year Comparison	
	Amount	% of Total	Amount	% of Total	Amount	%
Net sales	20,835		22,078		1,243	106.0%
Operating income	4,880	23.4%	5,549	25.1%	669	113.7%
Ordinary income	4,954	23.8%	5,581	25.3%	626	112.6%
Net income	2,956	14.2%	3,352	15.2%	395	113.4%
EPS	190.18 yen		223.02 yen			

Fiscal 2007 Sales Growth by Major Products (Nine Months Ended December 31, 2007)





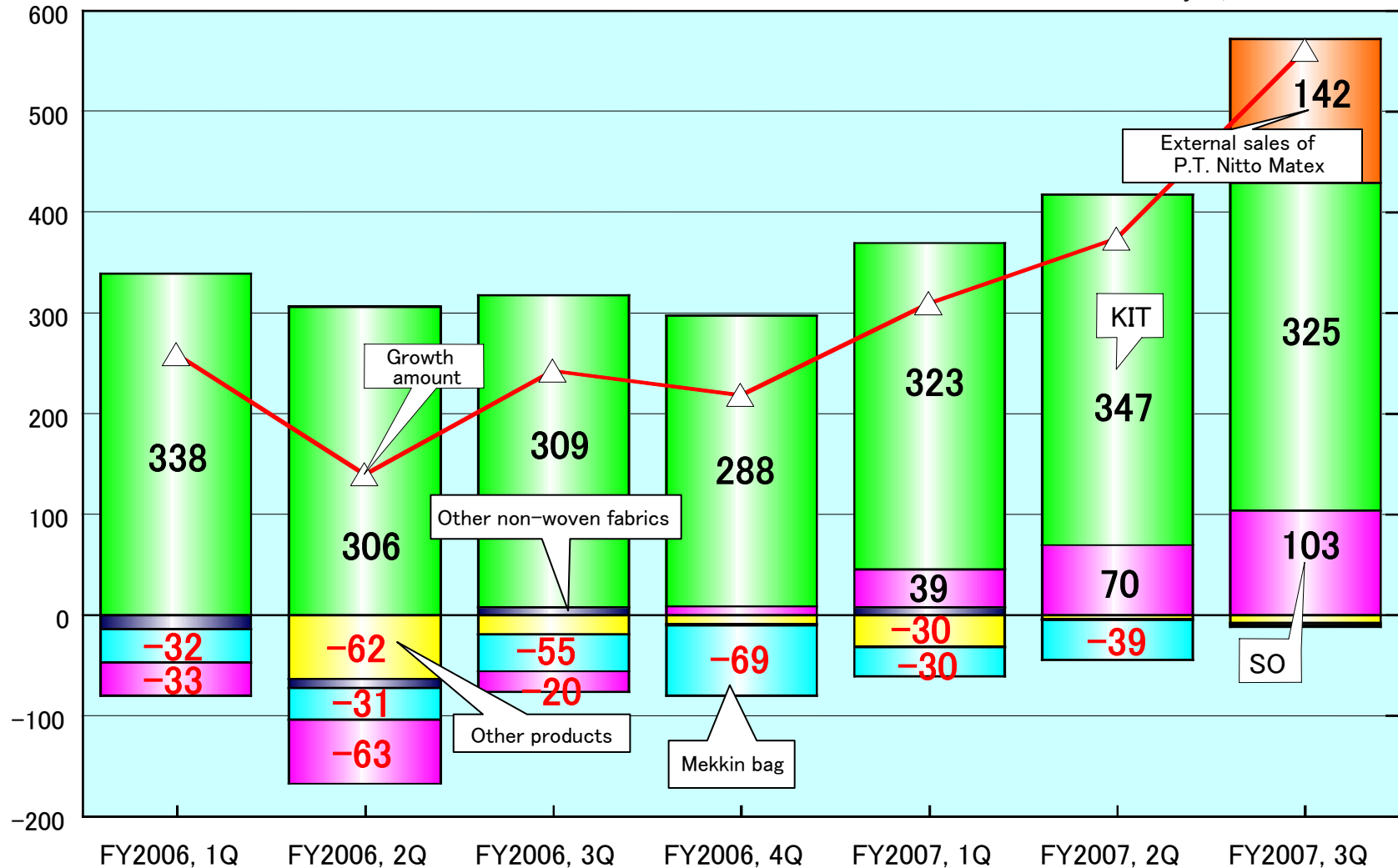
Fiscal 2007 Highlights of Nine-Month Period Ended December 2007

- Sub-subsidiary included in scope of consolidation
- More and more customers purchasing kit products prior to signing Operamaster

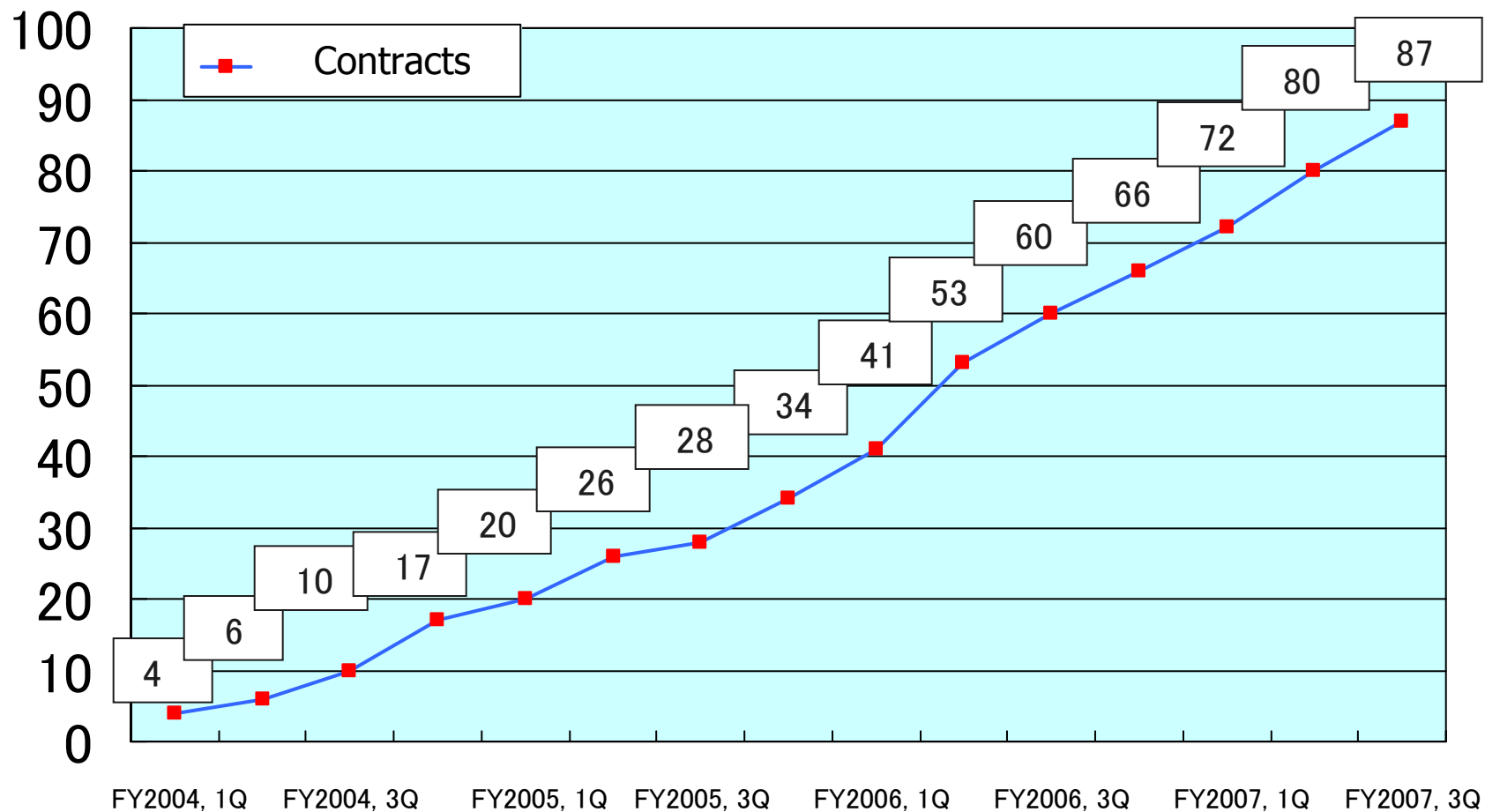
Fiscal 2007 Sales Growth by Quarter

(Nine Months Ended December 31, 2007)

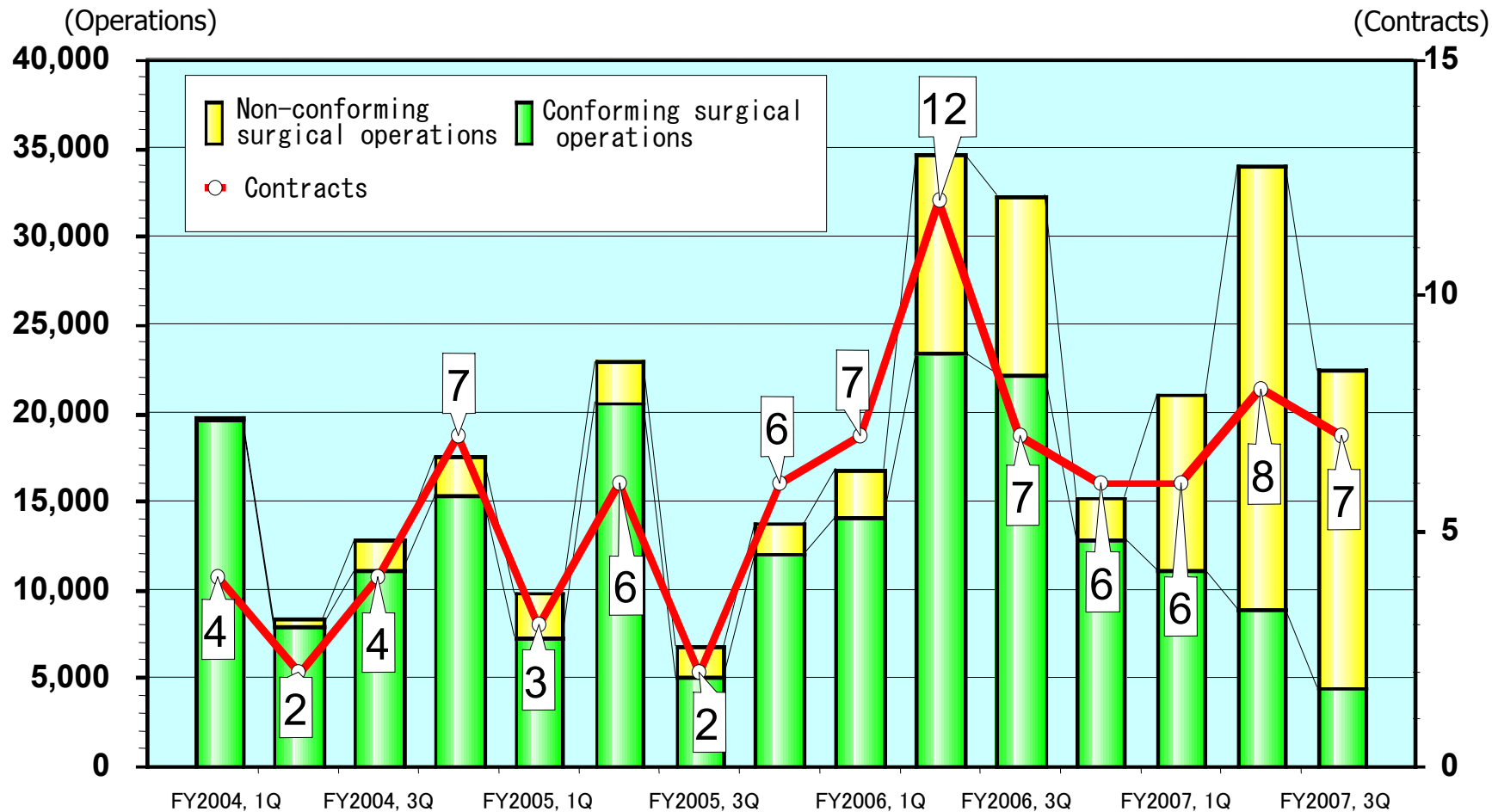
(Unit: million yen, rounded down)



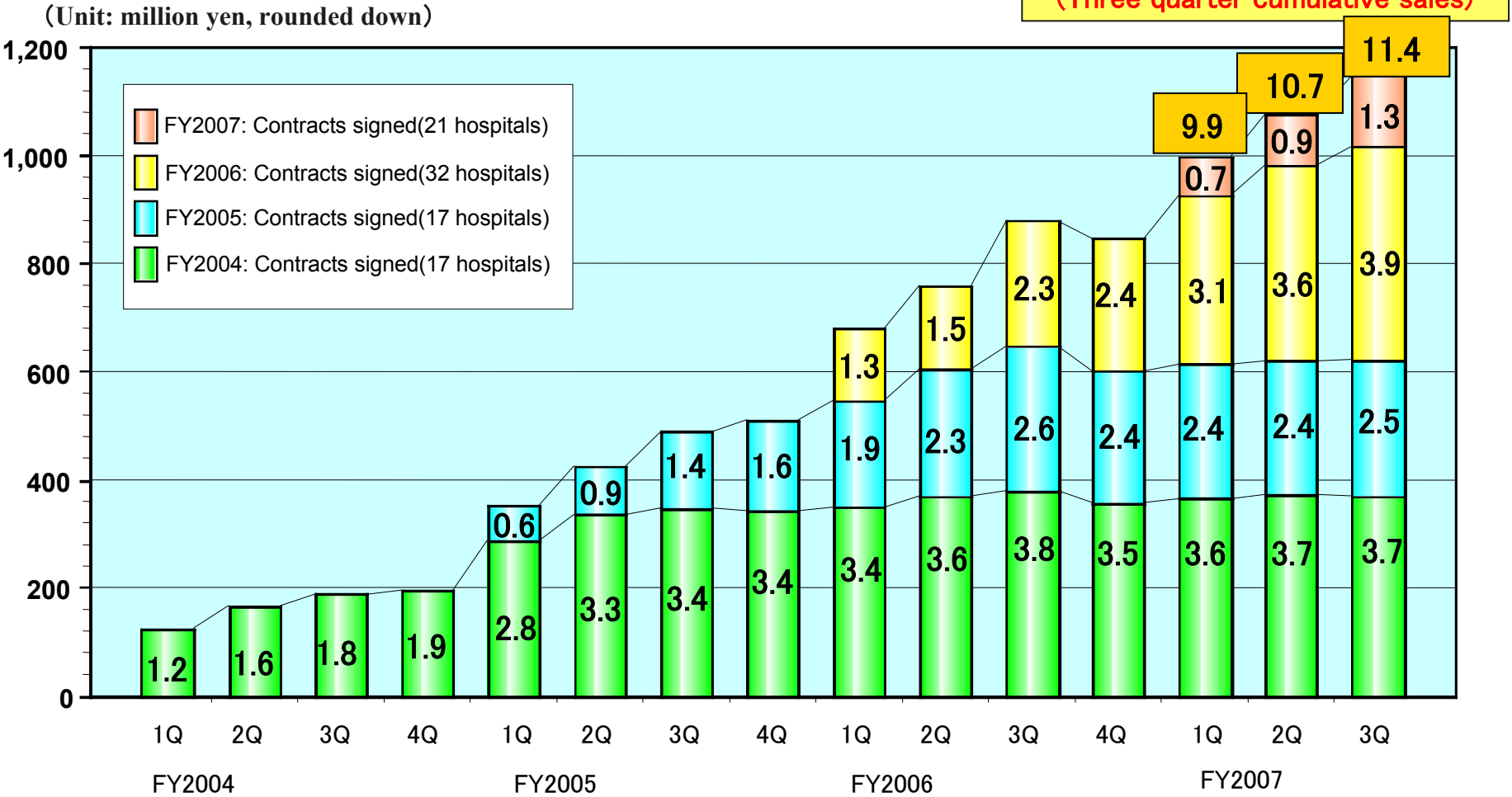
Contracts for Operamaster



Contracts for Operamaster and Number of Operations



Sales of Operamaster

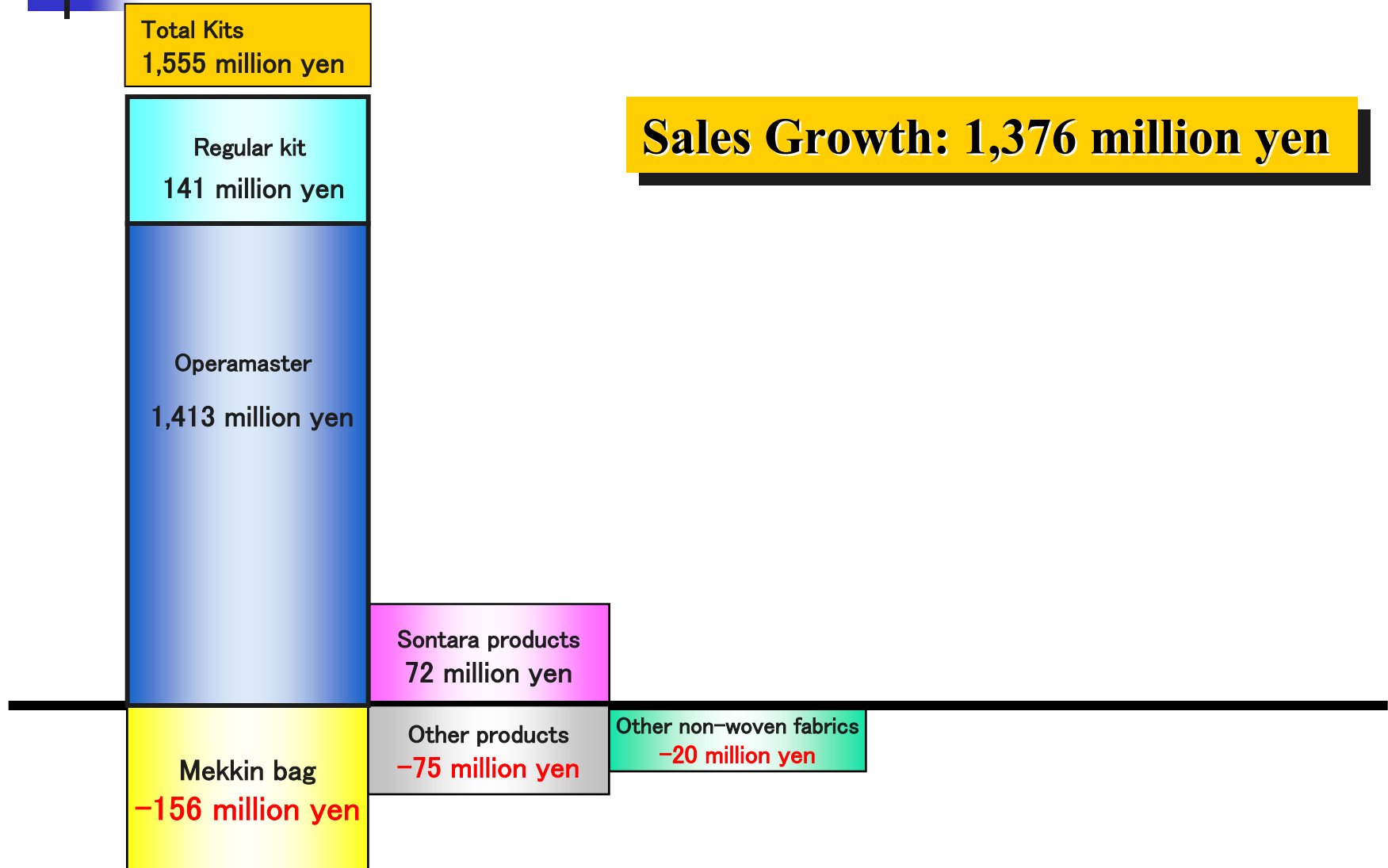


Future Plans

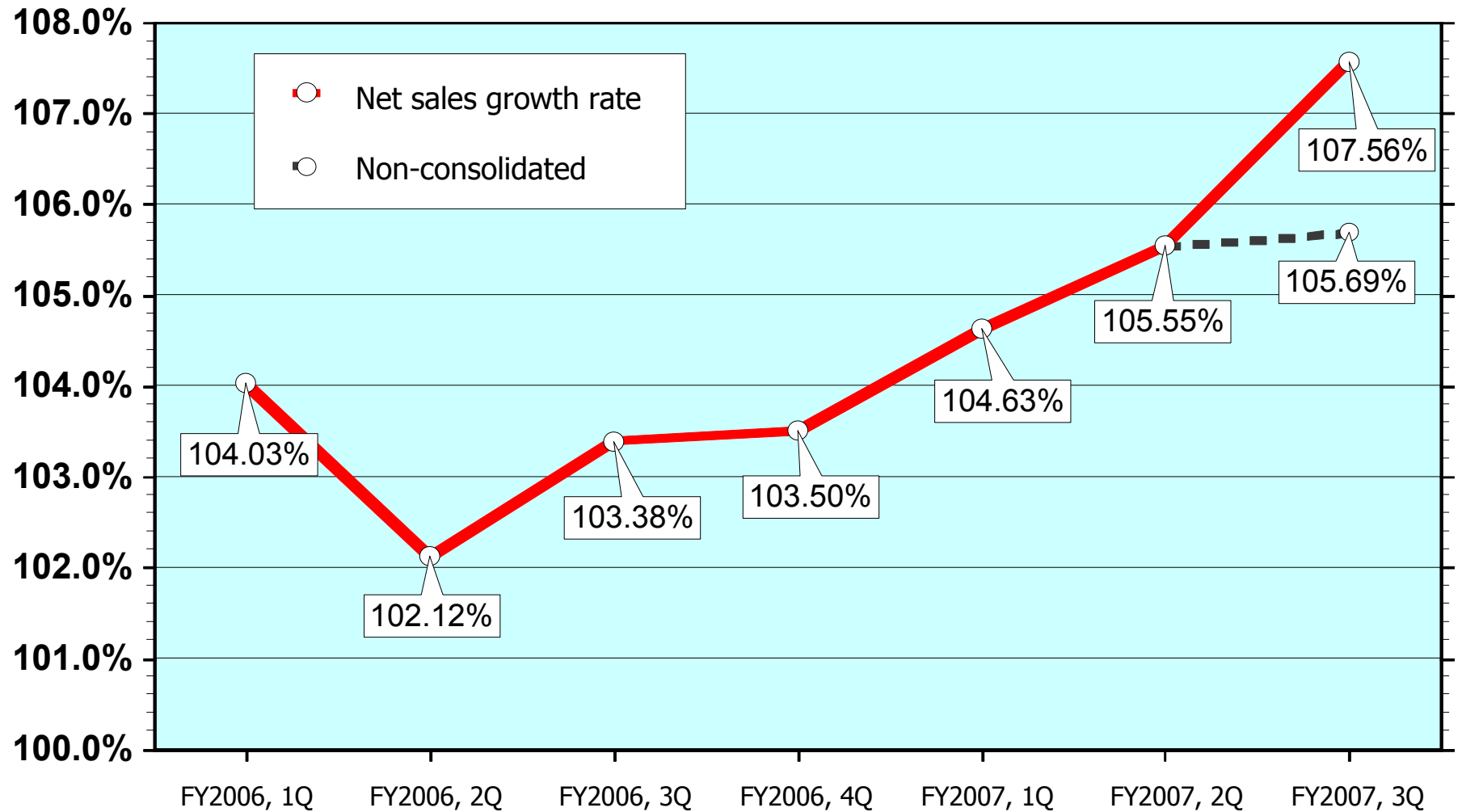
Fiscal 2007 Projected Statement of Income

Unit: million yen, rounded down)	Fiscal 2006 Results		Fiscal 2007 Plans		Year-on-Year Comparison	
	Amount	% of Total	Amount	% of Total	Amount	%
Net sales	27,293		28,670		1,376	105.0%
Operating income	6,058	22.2%	7,000	24.4%	941	115.5%
Ordinary income	6,139	22.5%	6,990	24.4%	850	113.8%
Net income	3,621	13.3%	4,140	14.4%	518	114.3%
EPS	234.69 yen		276.13 yen			

Fiscal 2007 Sales Growth by Major Products



Fiscal 2007 Net Sales Growth Rate





Effects of Revision to Medical Treatment Remuneration System

- Medical treatment revision ratio
 - ✓ Overall: 0.82% down
 - ✓ Main part: 0.38% up

- Effects on Hogy Medical
 - ✓ No relationship to official prices, so no direct impact on products handled by the Company
 - ✓ Indirect impact (due to suppression of purchase prices) also minimal thanks to Surrem strategy

Overview and Analysis

Fiscal 2007 Income Statements

(Nine Months Ended December 31, 2007)

(Unit: million yen, rounded down)	Third Quarter Ended Dec. 2006 Results		Third Quarter Ended Dec. 2007 Results		Year-on-Year Comparison	
	Amount	% of Total	Amount	% of Total	Amount	%
Net sales	20,835		22,078		1,243	106.0%
Cost of sales	10,237	49.1%	10,661	48.3%	424	104.1%
Gross profit	10,597	50.9%	11,417	51.7%	819	107.7%
SG & A expenses	5,717	27.4%	5,867	26.6%	150	102.6%
Operating income	4,880	23.4%	5,549	25.1%	669	113.7%
Non-operating income /loss	74		32		-42	
Ordinary income	4,954	23.8%	5,581	25.3%	626	112.6%
Extraordinary income/loss	-28		15		44	
Net income	2,956	14.2%	3,352	15.2%	395	113.4%
EPS	190.18 yen		223.02 yen			



Effects of P.T. Nitto Matex on Consolidated Results

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- Consolidated net sales (other): ¥142 million
- Consolidated operating income: ¥50 million
- Consolidated ordinary income: ¥50 million
- Consolidated net income: ¥34 million

* Goodwill (liability): ¥161 million

* Plan to change product code number by March 31, 2008



Fiscal 2007 Performance Analysis

(Nine Months Ended December 31, 2007)

Net Sales	Year-on Year Comparison
Kit Products	■996 million yen (+12.8%) ✓Increase in number of hospitals yet to sign Operamaster contracts
Sontara products	■213 million yen (+2.6%) ✓Increase in net sales of gown products

Fiscal 2007 Summary of Income Statements

(Nine Months Ended December 31, 2007)

	Third Quarter Ended Dec. 2006 Results	% of Total	Third Quarter Ended Dec. 2007 Results	% of Total	Increase/Decrease (Millions of yen)	%	Main reasons for changes
Net sales	20,835	100%	22,078	100%	1,243	6.0%	■Kit products (up 12.8%), SO (up 2.6%), Mekkin bag (down 2.9%)
Cost of sales	10,237	49.1%	10,661	48.3%	424	4.1%	■Depreciation: -¥126 million; unrealized gains (internal profit): -¥66 million
Gross profit	10,597	50.9%	11,417	51.7%	819	7.7%	
SG & A expenses	5,717	27.4%	5,867	26.6%	150	2.6%	■Disposal of recalled products: ¥42 million; transportation cost: ¥38 million; other miscellaneous expenses
Operating income	4,880	23.4%	5,549	25.1%	669	13.7%	

Fiscal 2007 Summary of Income Statements

(Nine Months Ended December 31, 2007)

	Third Quarter Ended Dec. 2006 Results	% of Total	Third Quarter Ended Dec. 2007 Results	% of Total	Increase/Decrease (Millions of yen)	%	Main Reasons for changes
•Interest income	10		15		4		
•Dividend income	0		20		20		■Purchase of shares (FY2006)
•Exchange gain	3		12		9		
•Others	72		36		-36		■Income due to the cancellation at maturity of insurance policies for Group directors: ¥ 35 million (FY2006)
Non-operating income	87	0.4%	85	0.4%	-1	-2.1%	
•Interest expenses	5		49		44		■Incurred due to borrowings in Fiscal 2006
•Miscellaneous losses	7		3		-4		
Non-operating expenses	12	0.1%	53	0.2%	40	319.3%	
Ordinary income	4,954	23.8%	5,581	25.3%	626	12.6%	
•Transfer from allowance for doubtful accounts	4		21		17		
Extraordinary income	4	0.0%	22	0.1%	17	411.5%	
•Provision for allowance for doubtful accounts	30		0		-30		■Provided reserve to cover some obligations (FY2006)
•Others	3		7		3		
Extraordinary expenses	33	0.2%	7	0.0%	-26	-78.6%	

Fiscal 2007 Summary of Income Statements

(Nine Months Ended December 31, 2007)

	Third Quarter Ended Dec. 2006 Results	% of Total	Third Quarter Ended Dec. 2007 Results	% of Total	Increase/ Decrease (Millions of yen)	%	Main reasons for changes
Income before income taxes and minority interests	4,925	23.6%	5,596	25.4%	670	13.6%	
• Income taxes	1,967	9.4%	2,243	10.2%	275		
• Minority interests	1	0.0%	0	0.0%	-0		
Net income	2,956	14.2%	3,352	15.2%	395	13.4%	

Fiscal 2007 Summary of Balance Sheets (Nine Months Ended December 31, 2007)

	Fiscal 2006 (At March 31, 2007)	Third Quarter Ended Dec. 2007	Increase/ Decrease (Millions of yen)	%	Main reasons for changes
Assets					
Current assets	23,061	26,063	3,002	13.0%	■Operating activities
Cash and bank deposits	8,113	10,059	1,945	24.0%	■Operating activities
Notes and accounts receivable	8,924	9,868	944	10.6%	
Inventories	5,327	5,396	69	1.3%	
Other current assets	695	739	43	6.3%	
Fixed assets	36,170	34,471	-1,698	-4.7%	
Tangibles	30,460	29,454	-1,006	-3.3%	
Buildings and structures	13,969	13,415	-554	-4.0%	■Due to Depreciation
Machinery and vehicles	8,586	7,521	-1,065	-12.4%	■Due to Depreciation
Construction in progress	4	635	630		■Land in Ushiku City: ¥525 million
Other assets	7,900	7,882	-17	-0.2%	
Intangibles	533	466	-625	-12.6%	

Fiscal 2007 Summary of Balance Sheets (Nine Months Ended December 31, 2007)

	Fiscal 2006 (At March 31, 2007)	Third Quarter Ended Dec. 2007	Increase/ Decrease (Millions of yen)	%	Main reasons for changes
Investments and other assets	5,176	4,551	-625	-12.1%	
Investment securities	2,793	2,071	-721	-25.9%	■Share valuation loss
Insurance reserve	485	483	-1	-0.4%	
Other assets	1,897	1,995	98	5.2%	
Total assets	59,231	60,535	1,304	2.2%	

Fiscal 2007 Summary of Balance Sheets (Nine Months Ended December 31, 2007)

	Fiscal 2006 (At March 31, 2007)	Third Quarter Ended Dec. 2007	Increase/ Decrease (Millions of yen)	%	Main reasons for changes
Liabilities					
Current liabilities	6,135	6,779	644	10.5%	
Notes and accounts payable	2,999	3,715	716	23.9%	■ Increase in accounts payable (PT Hogy)
Long-term debt due within 1 year	1,000	1,000	-	0.0%	
Equipment-related notes payable	1,198	1,006	-191	-16.0%	
Other current liabilities	937	1,056	119	12.7%	
Long-term liabilities	5,065	3,963	-1,101	-21.8%	
Long-term debt	3,925	3,000	-925	-23.6%	■ Repaid during period
Deferred income taxes	358	105	-252	-70.7%	■ Tax effect related to loss on revaluation of investments in securities
Reserve for directors' retirement benefits	412	-	-412		■ Due to abolition of retirement bonus system for directors
Long-term payables	-	397	397		■ Due to abolition of retirement bonus system for directors
Other long-term liabilities	369	459	90	24.4%	■ Goodwill (liability): ¥159 million (due to inclusion of P.T. Nitto Matex in consolidation)
Total liabilities	11,200	10,742	-457	-4.1%	

Fiscal 2007 Summary of Balance Sheets (Nine Months Ended December 31, 2007)

	Fiscal 2006 (At March 31, 2007)	Third Quarter Ended Dec. 2007	Increase/ Decrease (Millions of yen)	%	Main reasons for changes
Net Assets					
Shareholders' equity	46,986	49,433	2,447	5.2%	
Common stock and capital surplus	15,459	15,459	-	0.0%	
Earned surplus	38,626	41,077	2,450	6.3%	
Treasury stock	-7,099	-7,103	-3	0.1%	
Valuation/translation adjustments	1,031	345	-686	-66.5%	
Net unrealized gains or losses on securities	22	-411	-434		■Share valuation loss
Deferred hedging gains or losses	926	775	-151	-16.3%	■Decrease in valuation gain on forward exchange contracts
Translation adjustments	82	-18	-100	-122.0%	
Minority interest	13	13	0	0.0%	
Total net assets	48,031	49,792	1,761	3.7%	
Total liabilities and net assets	59,231	60,535	1,304	2.2%	

Fiscal 2007 Summary of Cash Flows

(Nine Months Ended December 31, 2007)

	Third Quarter Ended Dec. 2006	Third Quarter Ended Dec. 2007	Increase/ Decrease (Millions of yen)	Main reasons for changes
I Net cash provided by operating activities	2,734	4,918	2,184	
Income before income taxes and minority interest	4,925	5,596	671	
Depreciation	2,150	2,029	-121	
Notes and accounts receivable	-1,700	-878	822	■Unsettled notes and accounts receivable (bank holiday on March 31, 2007): ¥915 million
Inventories	83	3	-80	
Notes and accounts payable	-175	609	784	■Increase in accounts payable (PT Hogy)
Income taxes paid	-2,529	-2,415	114	
Others	-20	-27	-7	
II Net cash used in investing activities	-1,904	-1,159	745	
Purchase of tangible fixed assets	-1,689	-750	939	■Fiscal 2006: Tsukuba OPC: ¥803 million
Purchase of intangible fixed assets	-295	-103	192	
Others	80	-305	-385	■Purchase of land for factory (PT Hogy): \$1.53 million

Fiscal 2007 Summary of Cash Flows

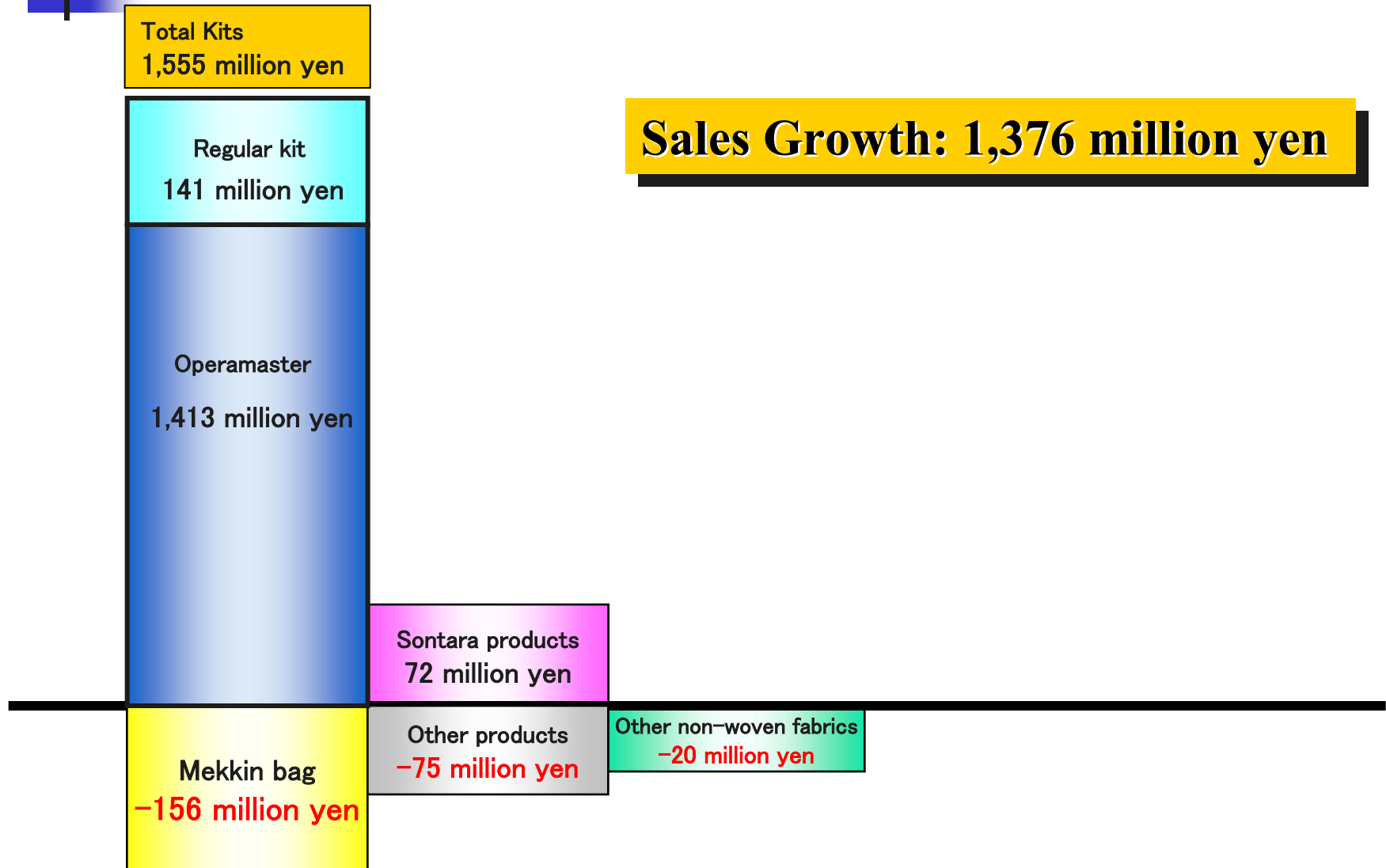
(Nine Months Ended December 31, 2007)

	Third Quarter Ended Dec. 2006	Third Quarter Ended Dec. 2007	Increase/ Decrease (Millions of yen)	Main reasons for changes
III Net cash used in financing activities	-2,166	-1,829	-3,995	
Proceeds from long-term debt	5,000		-5,000	■ Long-term borrowings (FY2006)
Repayments of long-term debt		-925	-925	■ Repayment of borrowings
Sales of treasury stock	111	0	-111	■ Stock options exercised (FY2006)
Purchase of treasury stock	-1,948	-3	1,945	■ Purchase of treasury stock (FY2006)
Cash dividends paid	-996	-901	95	
IV Effect of exchange rate changes on cash and cash equivalents	4	6	2	
V Net change in cash and cash equivalents	3,000	1,934	-1,066	
VI Cash and cash equivalents at beginning of year	6,055	7,825	1,770	
VII Cash and cash equivalents at end of year	9,055	9,760	705	

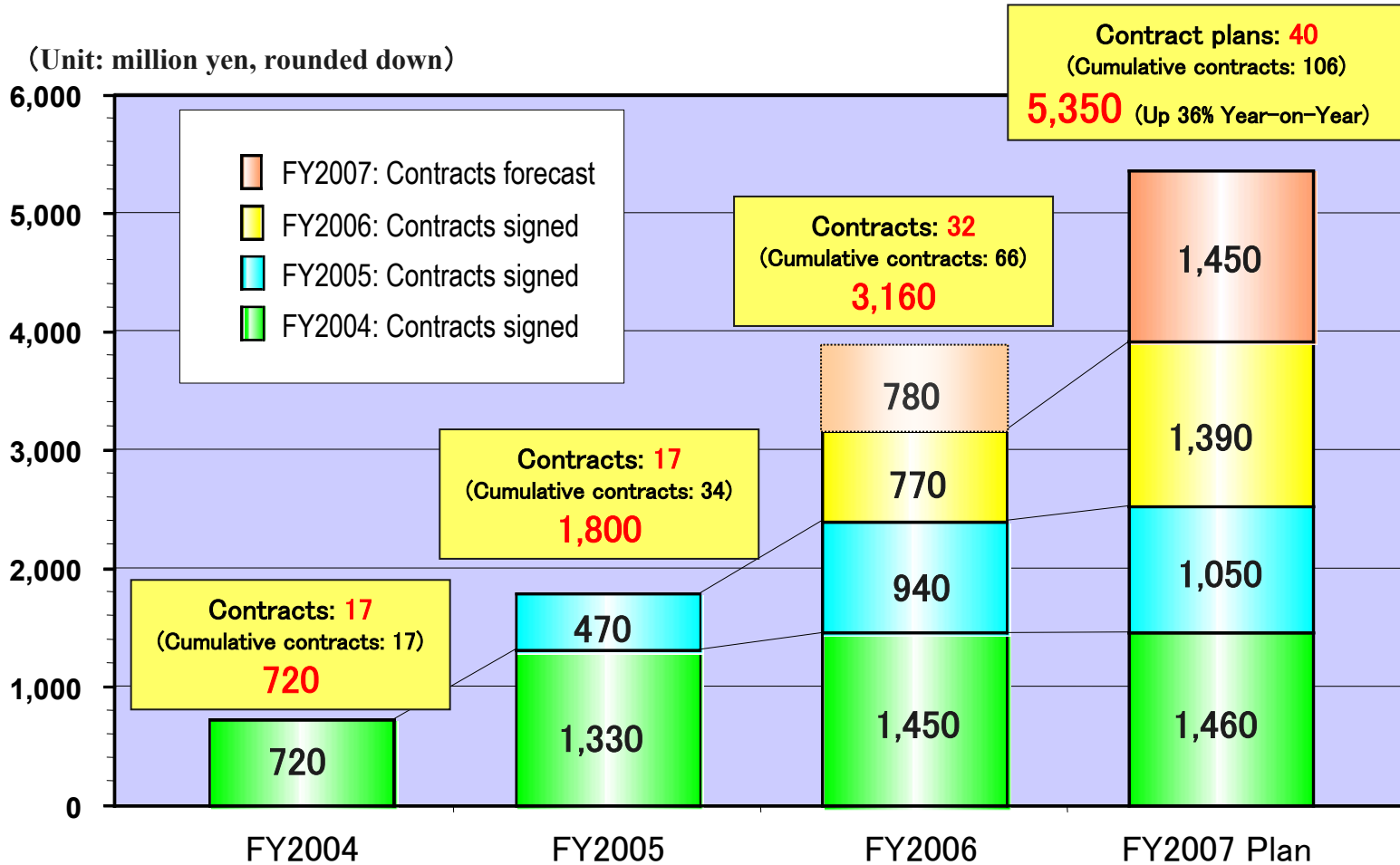
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	Amount	% of Total	Amount	% of Total	Amount	%
Net sales	27,293		28,670		1,376	105.0%
Cost of sales	13,490	49.4%	13,670	47.7%	179	101.3%
Gross profit	13,803	50.6%	15,000	52.3%	1,196	108.7%
SG & A expenses	7,745	28.4%	8,000	27.9%	254	103.3%
Operating income	6,058	22.2%	7,000	24.4%	941	115.5%
Non-operating income/loss	81		-10		-91	
Ordinary income	6,139	22.5%	6,990	24.4%	850	113.8%
Extraordinary income/loss	-37		-50		-12	
Net income	3,621	13.3%	4,140	14.4%	518	114.3%
EPS	234.69 yen		276.13 yen			

Fiscal 2007 Sales Growth by Major Products



Net Sales Plan for Operamaster



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January 22, 2008



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