



1st Quarter of Fiscal 2008 Supplementary Materials

HOGY MEDICAL Co., Ltd.

July 15, 2008

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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 acknowledgment that actual results may naturally differ from projections.

Fiscal 2008 Statements of Income (Actual and Forecast, Consolidated)

First Quarter

¥ millions, rounded down

	June 2008 1st Quarter Results		June 2007 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,522	100.0	6,998	100.0	524	107.5
Cost of Sales	3,693	49.1	3,361	48.0	332	109.9
Gross profit	3,829	50.9	3,636	52.0	192	105.3
SG&A expenses	2,074	27.6	1,910	27.3	164	108.6
Operating income	1,754	23.3	1,726	24.7	28	101.6
Other income	48		47		1	
Other expenses	25		18		6	
Ordinary income	1,778	23.6	1,755	25.1	22	101.3
Extraordinary income	3		21		△ 17	
Extraordinary expenses	0		6		△ 5	
Income before income taxes and minority interests	1,781	23.7	1,770	25.3	11	100.6
Corporation tax, etc.	713		702		10	
(Tax burden)	40.0%		39.7%			
Minority interests	0		0		0	
Net income	1,068	14.2	1,067	15.3	0	100.0
EPS (total shares)	65.36		65.33			
EPS (minus treasury shares)	71.05		71.01			
Number of shares outstanding	16,341,155		16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,032,788		15,033,654			

Second Quarter

¥ millions, rounded down

	Sept. 2008 Plan		Sept. 2007 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,677	100.0	7,107	100.0	569	108.0
Cost of Sales	3,536	46.1	3,448	48.5	87	102.5
Gross profit	4,140	53.9	3,658	51.5	482	113.2
SG&A expenses	2,005	26.1	1,998	28.1	6	100.3
Operating income	2,135	27.8	1,659	23.4	475	128.6
Other income	11		24		△ 12	
Other expenses	4		17		△ 12	
Ordinary income	2,141	27.9	1,666	23.4	475	128.5
Extraordinary income	△ 3		1		△ 4	
Extraordinary expenses	249		1		248	
Income before income taxes and minority interests	1,888	24.6	1,666	23.4	222	113.3
Corporation tax, etc.	776		680		96	
(Tax burden)	41.1%		40.8%			
Minority interests	△ 0		0		△ 0	
Net income	1,111	14.5	985	13.9	126	112.8

EPS (total shares)
 EPS (minus treasury shares)
 Number of shares outstanding
 Average number of shares outstanding (after deducting treasury shares)

First Half

¥ millions, rounded down

	Sept. 2008 Interim Plan		Sept. 2007 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	15,200	100.0	14,105	100.0	1,094	107.8
Cost of Sales	7,230	47.6	6,809	48.3	420	106.2
Gross profit	7,970	52.4	7,295	51.7	674	109.2
SG&A expenses	4,080	26.8	3,909	27.8	170	104.4
Operating income	3,890	25.6	3,386	24.0	503	114.9
Other income	60		71		△ 11	
Other expenses	30		36		△ 6	
Ordinary income	3,920	25.8	3,421	24.3	498	114.6
Extraordinary income	-		22		△ 22	
Extraordinary expenses	250		7		242	
Income before income taxes and minority interests	3,670	24.1	3,436	24.4	233	106.8
Corporation tax, etc.	1,490		1,383		106	
(Tax burden)	40.6%		40.2%			
Minority interests	-		0		△ 0	
Net income	2,180	14.3	2,053	14.6	126	106.2
EPS (total shares)	133.41		125.63			
EPS (minus treasury shares)	145.02 ※		136.56			
Number of shares outstanding	16,341,155		16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,032,688 ※		15,033,558			

※ESP(forecast) is based on number of shares (excluding treasury stock (1,308,467)) outstanding as of June 30, 2008.

Fiscal 2008 Sales Results and Plan by Product Line (Consolidated)

First Quarter

¥ millions, rounded down

	June 2008 1st Quarter Results		June 2007 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	910	12.1%	933	13.3%	△ 23	97.5%
Surgical products	6,233	82.9%	5,830	83.3%	402	106.9%
Treatment products	68	0.9%	77	1.1%	△ 9	88.3%
Others	311	4.1%	156	2.2%	154	199.0%
Total	7,522	100.0%	6,998	100.0%	524	107.5%

Itemized surgical products

Non-woven products	2,744	36.5%	2,703	38.6%	41	101.5%
Other non-woven products	334	4.4%	336	4.8%	△ 2	99.4%
Kit products	3,119	41.5%	2,768	39.6%	351	112.7%
Steel instruments	34	0.5%	22	0.3%	11	150.8%

Itemized external sales by subsidiary

Non-woven products	15		15		0	
Others(PT.HOGY)	146		-		146	

Second Quarter

¥ millions, rounded down

	Sept. 2008 Plan		Sept. 2007 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	949	12.4%	904	12.7%	45	105.0%
Surgical products	6,514	84.9%	5,970	84.0%	543	109.1%
Treatment products	72	0.9%	71	1.0%	1	101.6%
Others	140	1.8%	161	2.3%	△ 20	87.2%
Total	7,677	100.0%	7,107	100.0%	569	108.0%

Itemized surgical products

Non-woven products	2,812	36.6%	2,723	38.3%	88	103.3%
Other non-woven products	332	4.3%	322	4.5%	10	103.2%
Kit products	3,359	43.8%	2,899	40.8%	460	115.9%
Steel instruments	9	0.1%	25	0.4%	△ 15	38.2%

Itemized external sales by subsidiary

Non-woven products	24		20		3	
Others(PT.HOGY)	△ 6		-		△ 6	

First Half

¥ millions, rounded down

	Sept. 2008 Interim Plan		Sept. 2007 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	1,860	12.2%	1,837	13.0%	22	101.2%
Surgical products	12,747	83.9%	11,801	83.7%	945	108.0%
Treatment products	140	0.9%	148	1.1%	△ 7	94.7%
Others	451	3.0%	317	2.3%	134	142.3%
Total	15,200	100.0%	14,105	100.0%	1,094	107.8%

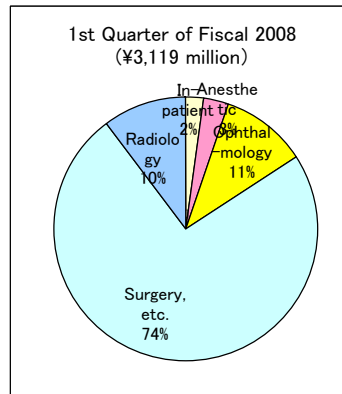
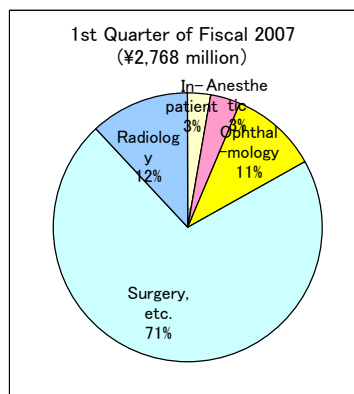
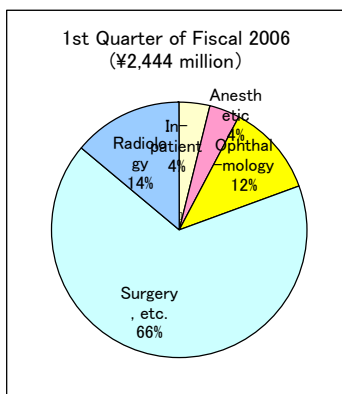
Itemized surgical products

Non-woven products	5,557	36.6%	5,426	38.5%	130	102.4%
Other non-woven products	667	4.4%	658	4.7%	8	101.2%
Kit products	6,479	42.6%	5,667	40.2%	811	114.3%
Steel instruments	44	0.3%	48	0.3%	△ 3	91.9%

Itemized external sales by subsidiary

Non-woven products	40		36		3	
Others(PT.HOGY)	140		-		140	

Sales Composition by Kit Treatment Category



SG&A and Other Income / Expenses (Actual and Forecast, Consolidated)

SG&A Expenses

¥ millions, rounded down

	June 2008 1st Quarter Results	June 2007 1st Quarter Results	Year-on-Year Comparison
Packaging and transportation	195	181	13
Losses on doubtful accounts	-	0	△0
Samples	78	97	△ 19
Advertising	24	23	0
Personnel	1,018	866	152
Travel	106	85	20
Communication	27	24	2
Consumables	27	25	2
Taxes and public charges	52	57	△ 5
Depreciation	179	200	△ 20
Testing and research	49	54	△ 4
Land and housing rent	118	117	0
Miscellaneous	101	78	23
Others	95	97	△ 1
Total	2,074	1,910	164

Other Income/Expenses

¥ millions, rounded down

	June 2008 1st Quarter Results	June 2007 1st Quarter Results	Year-on-Year Comparison
Interest received	1	5	△ 3
Dividend received	32	12	20
(Total financial earnings)	34	18	16
Foreign exchange gain	-	18	△ 18
Miscellaneous income	13	10	3
Total Other income	48	47	1
Paid interest	13	17	△ 3
(Total financial expenses)	13	17	△ 3
Foreign exchange loss	10	-	10
Miscellaneous losses	1	1	0
Total non-operating expenses	25	18	6

Major Changes on Balance Sheets / Statements of Cash Flows (Consolidated)

Major Changes on Balance Sheets

¥ millions, rounded down

	Balance at June 30, 2008	Change		Balance at June 30, 2008	Change
Current assets	25,654	△ 308	Current liabilities	6,716	△ 925
Cash and bank deposits	10,564	△ 573	Notes and accounts payable	3,469	△ 242
Notes and accounts receivable	8,855	368	Accrued expenses	157	40
Short-term investments	-	-	Long-term loans due within 1 year	1,000	-
Inventories	5,411	△ 262	Income taxes	726	△ 947
Others	822	159	Allowance for employees' bonuses	124	△ 279
			Payable notes for equipment	74	△ 28
			Others	1,164	531
Fixed assets	35,189	△ 362	Long-term liabilities	3,796	△ 444
Property, plant and equipment	28,518	△ 1,028	Long-term loans	2,500	△ 425
Buildings and structures	12,905	△ 308	Others	1,296	△ 19
Machinery, equipment and vehicle	6,891	△ 340	Total liabilities	10,513	△ 1,370
Land	7,242	△ 429	Total net assets	50,330	699
Construction in progress	1,088	62	Common stock	7,123	-
Others	392	△ 11	Capital surplus	8,336	-
Intangibles	751	287	Retained earnings	42,132	652
Investments and others	5,918	378	Treasury stock	△ 7,105	△ 0
Investments securities	3,399	361	Others	△ 155	47
Others	2,519	16			
Total assets	60,843	△ 670	Total liabilities and shareholders' equity	60,843	△ 670

* Comparison with end of previous fiscal year:

Equity ratio decreased from 80.7% at the end of the previous fiscal year to 82.6%.

Comments on change in central items

Notes and accounts receivable	Increase in operating income	Accrued income tax, etc	Payment of defined portion
Buildings and structures	Due to depreciation	Long-term debt	Repaid during period
Machinery and vehicles	Due to depreciation	Retained earnings	From net profit

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	443	Income before income taxes and minority interests	1,781
		Depreciation	608
		Increase in notes and accounts receivable	△ 428
		Income taxes paid	△ 1,651
II Investing activities	△ 257	Capital expenditures	△ 178
III Financing activities	△ 725	Long-term loans	△ 425
		Cash dividends paid	△ 299
IV Effect of exchange rate changes	△ 45		
Net changes in cash and cash equivalents	△ 584		

Fiscal 2008 Statements of Income (Actual and Forecast, Non-Consolidated)

First Quarter

¥ millions, rounded down

	June 2008 1st Quarter Results		June 2007 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,360	100.0	6,982	100.0	377	105.4
Cost of Sales	3,636	49.4	3,475	49.8	161	104.6
Gross profit	3,724	50.6	3,507	50.2	216	106.2
SG&A expenses	2,074	28.2	1,910	27.4	164	108.6
Operating income	1,649	22.4	1,596	22.9	52	103.3
Other income	40		43		△ 3	
Other expenses	24		18		6	
Ordinary income	1,664	22.6	1,621	23.2	42	102.7
Extraordinary income	2		21		△ 18	
Extraordinary expenses	0		6		△ 5	
Income before income taxes and minority interests	1,667	22.7	1,636	23.4	30	101.9
Corporation tax, etc.	682		664		18	
(Tax burden)	40.9%		40.6%			
Net income	984	13.4	972	13.9	12	101.3

EPS (total shares)	60.26	59.51
EPS (minus treasury shares)	65.51	64.68
Number of shares outstanding	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,032,788	15,033,654

Second Quarter

¥ millions, rounded down

	Sept. 2008 Plan		Sept. 2007 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,659	100.0	7,086	100.0	572	108.1
Cost of Sales	3,723	48.6	3,531	49.8	191	105.4
Gross profit	3,935	51.4	3,554	50.2	381	110.7
SG&A expenses	2,005	26.2	1,998	28.2	6	100.3
Operating income	1,930	25.2	1,556	22.0	374	124.1
Other income	△ 0		16		△ 17	
Other expenses	5		17		△ 12	
Ordinary income	1,925	25.1	1,555	21.9	370	123.8
Extraordinary income	△ 2		0		△ 3	
Extraordinary expenses	249		1		248	
Income before income taxes and minority interests	1,672	21.8	1,555	21.9	117	107.6
Corporation tax, etc.	684		646		38	
(Tax burden)	40.9%		41.6%			
Net income	988	12.9	908	12.8	79	108.7

First Half

¥ millions, rounded down

	Sept. 2008 Interim Plan		Sept. 2007 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	15,020	100.0	14,069	100.0	950	106.8
Cost of Sales	7,360	49.0	7,007	49.8	352	105.0
Gross profit	7,660	51.0	7,062	50.2	597	108.5
SG&A expenses	4,080	27.2	3,909	27.8	170	104.4
Operating income	3,580	23.8	3,152	22.4	427	113.5
Other income	40		60		△ 20	
Other expenses	30		36		△ 6	
Ordinary income	3,590	23.9	3,176	22.6	413	113.0
Extraordinary income	-		21		△ 21	
Extraordinary expenses	250		7		242	
Income before income taxes and minority interests	3,340	22.2	3,191	22.7	148	104.7
Corporation tax, etc.	1,367		1,310		56	
(Tax burden)	40.9%		41.1%			
Net income	1,973	13.1	1,881	13.4	91	104.9

EPS (total shares)	120.74	115.12
EPS (minus treasury shares)	131.25 ※	125.13
Number of shares outstanding	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,032,688 ※	15,033,558

※ESP(forecast) is based on number of shares (excluding treasury stock (1,308,467)) outstanding as of June 30, 2008.