



1st Quarter of Fiscal 2011 Supplementary Materials

HOGY MEDICAL Co., Ltd.

July 15, 2011

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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 2010 Statements of Income (Actual and Forecast, Consolidated)

First Quarter

¥ millions, rounded down

	June 2011 1st Quarter Results		June 2010 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,838	100.0	7,705	100.0	133	101.7
Cost of Sales	3,643	46.5	3,678	47.7	△ 34	99.1
Gross profit	4,194	53.5	4,026	52.3	167	104.2
SG&A expenses	2,006	25.6	1,862	24.2	143	107.7
Operating income	2,188	27.9	2,164	28.1	24	101.1
Other income	37		38		△ 1	
Other expenses	33		82		△ 49	
Ordinary income	2,193	28.0	2,120	27.5	72	103.4
Extraordinary income	0		7		△ 7	
Extraordinary expenses	0		35		△ 35	
Income before income taxes and minority interests	2,193	28.0	2,092	27.2	100	104.8
Corporation tax, etc. (Tax burden)	872		832		40	
Minority interests	0		0		0	
Net income	1,320	16.8	1,260	16.4	60	104.8
EPS (total shares)	80.80		77.13			
EPS (minus treasury shares)	83.94		80.12			
Number of shares outstanding	16,341,155		16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,730,180		15,730,890			

Second Quarter

¥ millions, rounded down

	Sept. 2011 Plan		Sept. 2010 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,551	100.0	7,948	100.0	△ 396	95.0
Cost of Sales	4,056	53.7	3,747	47.2	308	108.2
Gross profit	3,495	46.3	4,200	52.8	△ 705	83.2
SG&A expenses	2,183	28.9	2,069	26.0	113	105.5
Operating income	1,311	17.4	2,130	26.8	△ 819	61.5
Other income	27		31		△ 4	
Other expenses	△ 16		74		△ 90	
Ordinary income	1,354	17.9	2,088	26.3	△ 733	64.9
Extraordinary income	△ 0		3		△ 4	
Extraordinary expenses	9		10		△ 0	
Income before income taxes and minority interests	1,344	17.8	2,080	26.2	△ 736	64.6
Corporation tax, etc. (Tax burden)	523		823		△ 300	
Minority interests	0		0		0	
Net income	820	10.9	1,257	15.8	△ 436	65.3

First Half

¥ millions, rounded down

	Sept. 2011 Interim Plan		Sept. 2010 Interim Results		Year-on-Year Comparison		Sept. 2011 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	15,390	100.0	15,653	100.0	△ 263	98.3	15,390	100.0	-	100.0
Cost of Sales	7,700	50.0	7,425	47.4	274	103.7	7,700	50.0	-	100.0
Gross profit	7,690	50.0	8,227	52.6	△ 537	93.5	7,690	50.0	-	100.0
SG&A expenses	4,190	27.2	3,932	25.1	257	106.5	4,190	27.2	-	100.0
Operating income	3,500	22.7	4,294	27.4	△ 794	81.5	3,500	22.7	-	100.0
Other income	65		70		△ 5		65		-	
Other expenses	17		156		△ 139		17		-	
Ordinary income	3,548	23.1	4,208	26.9	△ 660	84.3	3,548	23.1	-	100.0
Extraordinary income	-		11		△ 11		-		-	
Extraordinary expenses	10		46		△ 36		10		-	
Income before income taxes and minority interests	3,538	23.0	4,173	26.7	△ 635	84.8	3,538	23.0	-	100.0
Corporation tax, etc. (Tax burden)	1,396		1,655		△ 259		1,396		-	
Minority interests	1		0		0		1		-	
Net income	2,141	13.9	2,517	16.1	△ 376	85.0	2,141	13.9	-	100.0
EPS (total shares)	131.02		154.06				131.02			
EPS (minus treasury shares)	136.11		160.04				136.11			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,730,140		15,730,795				15,730,140			

Fiscal 2011 Sales Results and Plan by Product Line (Consolidated)

First Quarter

¥ millions, rounded down

	June 2011 1st Quarter Results		June 2010 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	853	10.9%	908	11.8%	△ 54	94.0%
Surgical products	6,745	86.1%	6,557	85.1%	187	102.9%
Treatment products	60	0.8%	57	0.8%	2	104.9%
Others	179	2.3%	181	2.4%	△ 2	98.7%
Total	7,838	100.0%	7,705	100.0%	133	101.7%

Itemized surgical products

Non-woven products	2,729	34.8%	2,736	35.5%	△ 6	99.7%
Other non-woven products	300	3.8%	289	3.8%	10	103.8%
Kit products	3,698	47.2%	3,515	45.6%	183	105.2%
Steel instruments	16	0.2%	16	0.2%	0	103.0%

Itemized external sales by subsidiary

Non-woven products	14		11		2	
Others	7		9		△ 1	

Second Quarter

¥ millions, rounded down

	Sept. 2011 Plan		Sept. 2010 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	891	11.8%	969	12.2%	△ 77	92.0%
Surgical products	6,433	85.2%	6,729	84.7%	△ 296	95.6%
Treatment products	46	0.6%	59	0.8%	△ 13	77.2%
Others	180	2.4%	189	2.4%	△ 8	95.3%
Total	7,551	100.0%	7,948	100.0%	△ 396	95.0%

Itemized surgical products

Non-woven products	2,580	34.2%	2,770	34.9%	△ 190	93.1%
Other non-woven products	269	3.6%	300	3.8%	△ 31	89.6%
Kit products	3,571	47.3%	3,644	45.9%	△ 72	98.0%
Steel instruments	11	0.2%	14	0.2%	△ 2	81.3%

Itemized external sales by subsidiary

Non-woven products	15		14		1	
Others	12		8		3	

First Half

¥ millions, rounded down

	Sept. 2011 Interim Plan		Sept. 2010 Interim Results		Year-on-Year Comparison		Sept. 2011 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,745	11.3%	1,877	12.0%	△ 132	93.0%	1,745	11.3%	-	100.0%
Surgical products	13,178	85.6%	13,287	84.9%	△ 109	99.2%	13,178	85.6%	-	100.0%
Treatment products	107	0.7%	117	0.8%	△ 10	90.8%	107	0.7%	-	100.0%
Others	359	2.3%	370	2.4%	△ 11	97.0%	359	2.3%	-	100.0%
Total	15,390	100.0%	15,653	100.0%	△ 263	98.3%	15,390	100.0%	-	100.0%

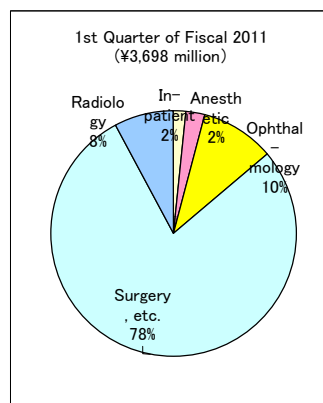
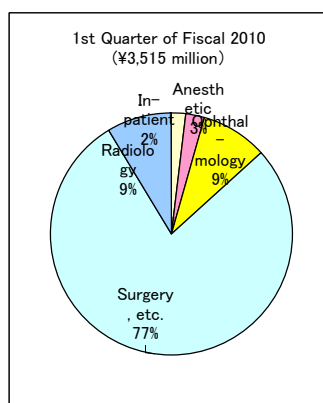
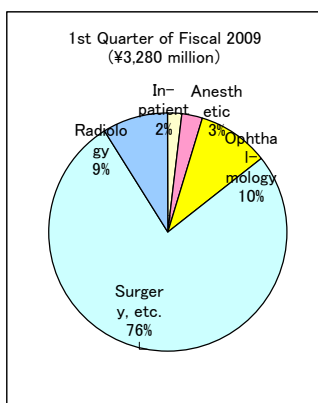
Itemized surgical products

Non-woven products	5,310	34.5%	5,507	35.2%	△ 197	96.4%	5,310	34.5%	-	100.0%
Other non-woven products	570	3.7%	590	3.8%	△ 20	96.6%	570	3.7%	-	100.0%
Kit products	7,270	47.2%	7,159	45.7%	110	101.5%	7,270	47.2%	-	100.0%
Steel instruments	28	0.2%	30	0.2%	△ 2	92.7%	28	0.2%	-	100.0%

Itemized external sales by subsidiary

Non-woven products	30		25		4		30		-	
Others	20		17		2		20		-	

Sales Composition by Kit Treatment Category



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

SG&A Expenses

¥ millions, rounded down

	June 2011 1st Quarter Results	June 2010 1st Quarter Results	Year-on-Year Comparison
Packaging and transportation	211	201	9
Losses on doubtful accounts	-	-	-
Samples	130	81	48
Advertising	9	14	△ 5
Personnel	879	857	21
Travel	108	108	△ 0
Communication	34	28	5
Consumables	20	24	△ 3
Taxes and public charges	55	49	5
Depreciation	157	152	5
Testing and research	87	56	31
Land and housing rent	118	118	△ 0
Miscellaneous	73	70	2
Others	120	98	21
Total	2,006	1,862	143

Other Income/Expenses

¥ millions, rounded down

	June 2011 1st Quarter Results	June 2010 1st Quarter Results	Year-on-Year Comparison
Interest received	0	0	△ 0
Dividend received	25	27	△ 1
(Total financial earnings)	26	28	△ 2
Miscellaneous income	11	9	1
Total Other income	37	38	△ 1
Paid interest	2	6	△ 3
(Total financial expenses)	2	6	△ 3
Foreign exchange loss	30	75	△ 44
Miscellaneous losses	0	0	△ 0
Total non-operating expenses	33	82	△ 49

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

Major Changes on Balance Sheets

¥ millions, rounded down

	Balance at June 30, 2011	Change		Balance at June 30, 2011	Change
Current assets	34,119	606	Current liabilities	7,570	△ 752
Cash and bank deposits	18,648	143	Notes and accounts payable	3,561	222
Notes and accounts receivable	9,492	400	Accrued expenses	176	△ 405
Short-term investments	-	-	Long-term loans due within 1 year	500	△ 425
Inventories	5,262	319	Income taxes	902	△ 674
Others	715	△ 257	Allowance for employees' bonuses	139	△ 267
			Payable notes for equipment	679	299
			Reserve for disaster loss	644	△ 46
			Others	967	544
Fixed assets	36,012	△ 308	Long-term liabilities	883	69
Property, plant and equipment	31,078	△ 440	Long-term loans	-	-
Buildings and structures	13,129	△ 172	Others	883	69
Machinery, equipment and vehicle	7,552	3,332	Total liabilities	8,453	△ 682
Land	9,382	6	Total net assets	61,678	980
Construction in progress	662	△ 3,620	Common stock	7,123	-
Others	351	14	Capital surplus	8,336	-
Intangibles	1,059	171	Retained earnings	50,437	927
Investments and others	3,874	△ 39	Treasury stock	△ 3,316	△ 0
Investments securities	2,251	△ 5	Others	△ 901	53
Others	1,622	△ 34			
Total assets	70,131	297	Total liabilities and shareholders' equity	70,131	297

* Comparison with end of previous fiscal year:

Equity ratio increased from 86.9% at the end of the previous fiscal year to 87.9%.

Comments on change in central items

Machinery, equipment and vehicles
Construction in progress

Sterilization Center
Sterilization Center

Long-term debt
Retained earnings

Repaid during period
From net profit

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	1,344	Income before income taxes and minority interests	2,193
		Depreciation	642
		Income taxes paid	△ 1,259
II Investing activities	△ 408	Capital expenditures	△ 304
III Financing activities	△ 817	Cash dividends paid	△ 392
		Long-term loans	△ 425
IV Effect of exchange rate changes	25		
Net changes in cash and cash equivalents	143		

Fiscal 2011 Statements of Income (Actual and Forecast, Non-Consolidated)

First Quarter

¥ millions, rounded down

	June 2011 1st Quarter Results		June 2010 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,816	100.0	7,684	100.0	131	101.7
Cost of Sales	3,752	48.0	3,796	49.4	△ 44	98.8
Gross profit	4,064	52.0	3,887	50.6	176	104.5
SG&A expenses	2,006	25.7	1,862	24.2	143	107.7
Operating income	2,057	26.3	2,025	26.4	32	101.6
Other income	40		47		△ 6	
Other expenses	31		82		△ 50	
Ordinary income	2,066	26.4	1,989	25.9	76	103.9
Extraordinary income	–		7		△ 7	
Extraordinary expenses	0		35		△ 35	
Income before income taxes and minority interests	2,066	26.4	1,962	25.5	104	105.3
Corporation tax, etc.	839		794		45	
(Tax burden)	40.6%		40.5%			
Net income	1,226	15.7	1,167	15.2	59	105.1

EPS (total shares)	75.09	71.46
EPS (minus treasury shares)	78.00	74.23
Number of shares outstanding	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,730,180	15,730,890

Second Quarter

¥ millions, rounded down

	Sept. 2011 Plan		Sept. 2010 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,523	100.0	7,925	100.0	△ 402	94.9
Cost of Sales	4,223	56.1	3,862	48.7	361	109.4
Gross profit	3,299	43.9	4,063	51.3	△ 763	81.2
SG&A expenses	2,183	29.0	2,069	26.1	113	105.5
Operating income	1,116	14.8	1,993	25.2	△ 877	56.0
Other income	36		39		△ 3	
Other expenses	△ 21		73		△ 95	
Ordinary income	1,174	15.6	1,959	24.7	△ 785	59.9
Extraordinary income	–		3		△ 3	
Extraordinary expenses	9		10		△ 0	
Income before income taxes and minority interests	1,164	15.5	1,952	24.6	△ 787	59.7
Corporation tax, etc.	472		790		△ 317	
(Tax burden)	40.6%		40.5%			
Net income	692	9.2	1,161	14.7	△ 469	59.6

First Half

¥ millions, rounded down

	Sept. 2011 Interim Plan		Sept. 2010 Interim Results		Year-on-Year Comparison		Sept. 2011 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	15,340	100.0	15,610	100.0	△ 270	98.3	15,340	100.0	–	100.0
Cost of Sales	7,976	52.0	7,658	49.1	317	104.1	7,976	52.0	–	100.0
Gross profit	7,364	48.0	7,951	50.9	△ 587	92.6	7,364	48.0	–	100.0
SG&A expenses	4,190	27.3	3,932	25.2	257	106.5	4,190	27.3	–	100.0
Operating income	3,174	20.7	4,018	25.7	△ 844	79.0	3,174	20.7	–	100.0
Other income	77		86		△ 9		77		–	
Other expenses	10		156		△ 146		10		–	
Ordinary income	3,241	21.1	3,949	25.3	△ 708	82.1	3,241	21.1	–	100.0
Extraordinary income	–		11		△ 11		–		–	
Extraordinary expenses	10		46		△ 36		10		–	
Income before income taxes and minority interests	3,231	21.1	3,914	25.1	△ 683	82.5	3,231	21.1	–	100.0
Corporation tax, etc.	1,312		1,584		△ 272		1,312		–	
(Tax burden)	40.6%		40.5%				40.6%		–	
Net income	1,919	12.5	2,329	14.9	△ 410	82.4	1,919	12.5	–	100.0

EPS (total shares)	117.43	142.55	117.43
EPS (minus treasury shares)	122.00	148.08	122.00
Number of shares outstanding	16,341,155	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,730,140	15,730,795	15,730,140