



The Nine Months Ended December 31, 2013 Supplementary Materials

HOGY MEDICAL Co., Ltd.

January 21, 2014

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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 2013 Statements of Income (Consolidated)

First Half

¥ millions, rounded down

	Sept. 2013 Interim Results		Sept. 2012 Interim Results		Year-on-Year Comparison		Sept. 2013 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	17,057	100.0	16,316	100.0	740	104.5	17,130	100.0	△ 72	99.6
Cost of Sales	8,386	49.2	8,056	49.4	330	104.1	8,320	48.6	66	100.8
Gross profit	8,670	50.8	8,259	50.6	410	105.0	8,810	51.4	△ 139	98.4
SG&A expenses	4,350	25.5	4,218	25.9	131	103.1	4,370	25.5	△ 19	99.5
Operating income	4,320	25.3	4,041	24.8	278	106.9	4,440	25.9	△ 119	97.3
Other income	151		62		88		90		61	
Other expenses	3		57		△ 53		-		3	
Ordinary income	4,468	26.2	4,046	24.8	421	110.4	4,530	26.4	△ 61	98.6
Extraordinary income	0		3		△ 3		-		0	
Extraordinary expenses	0		2		△ 1		2		△ 1	
Income before income taxes and minority interests	4,468	26.2	4,048	24.8	419	110.4	4,528	26.4	△ 59	98.7
Corporation tax, etc.	1,665		1,529		136		1,688		△ 22	
(Tax burden)	37.3%		37.8%							
Minority interests	0		0		0		-		0	
Net income	2,802	16.4	2,519	15.4	283	111.3	2,840	16.6	△ 37	98.7
EPS (total shares)	¥171.53		¥154.18				¥173.79			
EPS (minus treasury shares)	¥178.20		¥160.17				¥180.55			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,729,414		15,729,819				15,729,414			

Third Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2013 Results		Third Quarter Ended Dec. 2012 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	26,408	100.0	25,203	100.0	1,205	104.8
Cost of Sales	12,855	48.7	12,317	48.9	537	104.4
Gross profit	13,553	51.3	12,885	51.1	667	105.2
SG&A expenses	6,662	25.2	6,379	25.3	282	104.4
Operating income	6,890	26.1	6,505	25.8	384	105.9
Other income	327		124		202	
Other expenses	3		0		3	
Ordinary income	7,214	27.3	6,629	26.3	584	108.8
Extraordinary income	97		3		93	
Extraordinary expenses	10		2		7	
Income before income taxes and minority interests	7,300	27.6	6,630	26.3	670	110.1
Corporation tax, etc.	2,718		2,498		220	
(Tax burden)	37.2%		37.7%			
Minority interests	0		0		0	
Net income	4,582	17.4	4,132	16.4	449	110.9
EPS (total shares)	¥280.41		¥252.88			
EPS (minus treasury shares)	¥291.32		¥262.71			
Number of shares outstanding	16,341,155		16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,729,351		15,729,778			

Full Year

¥ millions, rounded down

	Fiscal 2013 Revised Plan		Fiscal 2012 Results		Year-on-Year Comparison		Fiscal 2013 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	34,760	100.0	33,094	100.0	1,665	105.0	34,760	100.0	-	100.0
Cost of Sales	16,970	48.8	16,380	49.5	589	103.6	16,970	48.8	-	100.0
Gross profit	17,790	51.2	16,713	50.5	1,076	106.4	17,790	51.2	-	100.0
SG&A expenses	8,820	25.4	8,599	26.0	220	102.6	8,820	25.4	-	100.0
Operating income	8,970	25.8	8,113	24.5	856	110.6	8,970	25.8	-	100.0
Other income	190		240		△ 50		190		-	
Other expenses	-		0		△ 0		-		-	
Ordinary income	9,160	26.4	8,353	25.2	806	109.7	9,160	26.4	-	100.0
Extraordinary income	-		3		△ 3		-		-	
Extraordinary expenses	4		3		0		4		-	
Income before income taxes and minority interests	9,156	26.3	8,353	25.2	802	109.6	9,156	26.3	-	100.0
Corporation tax, etc.	3,426		3,106		319		3,426		-	
(Tax burden)	37.4%		37.2%							
Minority interests	-		0		△ 0		-		-	
Net income	5,730	16.5	5,247	15.9	482	109.2	5,730	16.5	-	100.0
EPS (total shares)	¥350.65		¥321.13				¥350.65			
EPS (minus treasury shares)	¥364.29		¥333.61				¥364.29			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,729,189		15,729,741				15,729,189			

Fiscal 2013 Sales by Product Grouping (Consolidated)

First Half

¥ millions, rounded down

	Sept. 2013 Interim Results		Sept. 2012 Interim Results		Year-on-Year Comparison		Sept. 2013 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,848	10.8%	1,809	11.1%	38	102.1%	1,749	10.2%	99	105.7%
Surgical products	14,657	85.9%	13,987	85.7%	669	104.8%	14,775	86.3%	△ 118	99.2%
Treatment products	110	0.6%	118	0.7%	△ 8	93.1%	112	0.7%	△ 1	98.5%
Others	440	2.6%	400	2.5%	40	110.1%	492	2.9%	△ 51	89.5%
Total	17,057	100.0%	16,316	100.0%	740	104.5%	17,130	100.0%	△ 72	99.6%

Itemized surgical products

Non-woven products	5,160	30.3%	5,272	32.3%	△ 111	97.9%	5,230	30.5%	△ 69	98.7%
Other non-woven products	687	4.0%	649	4.0%	38	105.9%	670	3.9%	17	102.6%
Kit products	8,785	51.5%	8,038	49.3%	746	109.3%	8,850	51.7%	△ 64	99.3%
Steel instruments	24	0.1%	27	0.2%	△ 3	87.1%	25	0.2%	△ 1	93.2%

Itemized external sales by subsidiary

Sontara	54		41		13		70		△ 15	
Others(PT.HOGY)	32		28		4		20		12	

Third Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2013 Results		Third Quarter Ended Dec. 2012 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	2,789	10.6%	2,756	10.9%	32	101.2%
Surgical products	22,699	86.0%	21,649	85.9%	1,049	104.8%
Treatment products	170	0.6%	176	0.7%	△ 6	96.3%
Others	749	2.8%	620	2.5%	129	120.8%
Total	26,408	100.0%	25,203	100.0%	1,205	104.8%

Itemized surgical products

Non-woven products	7,932	30.0%	8,111	32.2%	△ 179	97.8%
Other non-woven products	1,090	4.1%	1,035	4.1%	55	105.3%
Kit products	13,640	51.7%	12,460	49.4%	1,179	109.5%
Steel instruments	35	0.1%	41	0.2%	△ 5	87.2%

Itemized external sales by subsidiary

Sontara	87		66		21	
Others(PT.HOGY)	45		41		4	

Full Year

¥ millions, rounded down

	Fiscal 2013 Revised Plan		Fiscal 2012 Results		Year-on-Year Comparison		Fiscal 2013 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	3,535	10.2%	3,643	11.0%	△ 107	97.0%	3,535	10.2%	-	100.0%
Surgical products	29,982	86.3%	28,383	85.8%	1,599	105.6%	29,982	86.3%	-	100.0%
Treatment products	229	0.7%	233	0.7%	△ 4	98.3%	229	0.7%	-	100.0%
Others	1,012	2.9%	834	2.5%	178	121.4%	1,012	2.9%	-	100.0%
Total	34,760	100.0%	33,094	100.0%	1,665	105.0%	34,760	100.0%	-	100.0%

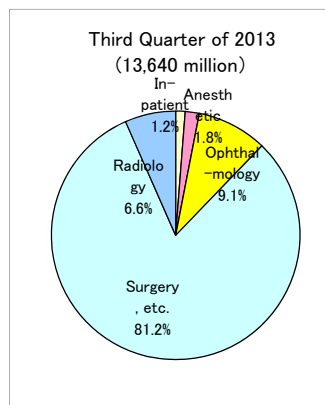
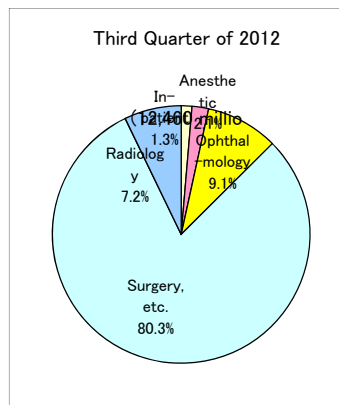
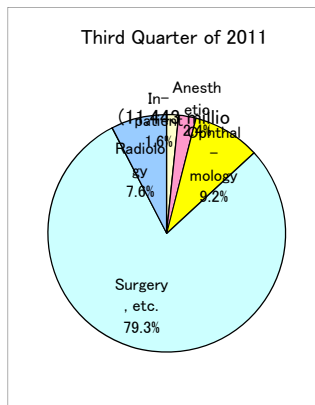
Itemized surgical products

Non-woven products	10,400	29.9%	10,497	31.7%	△ 97	99.1%	10,400	29.9%	-	100.0%
Other non-woven products	1,380	4.0%	1,371	4.1%	8	100.6%	1,380	4.0%	-	100.0%
Kit products	18,150	52.2%	16,462	49.7%	1,687	110.2%	18,150	52.2%	-	100.0%
Steel instruments	52	0.2%	52	0.2%	0	100.7%	52	0.2%	-	100.0%

Itemized external sales by subsidiary

Sontara	140		97		42		140		-	
Others(PT.HOGY)	50		60		△ 10		50		-	

Sales Composition by Kit Treatment Category



Fiscal 2013 Itemized SG&A Expenses and Other Income/Expenses (Consolidated)

SG&A Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2013 Results	Third Quarter Ended Dec. 2012 Results	Year-on-Year Comparison
Packaging and transportation	677	667	9
Losses on doubtful accounts	–	–	–
Samples	293	292	1
Advertising	86	58	28
Personnel	2,750	2,595	154
Travel	395	386	9
Communication	132	136	△ 4
Consumables	85	69	15
Taxes and public charges	149	151	△ 2
Depreciation	681	604	77
Testing and research	351	331	20
Land and housing rent	352	349	2
Miscellaneous	279	271	7
Others	427	464	△ 37
Total	6,662	6,379	282

Other Income/Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2013 Results	Third Quarter Ended Dec. 2012 Results	Year-on-Year Comparison
Interest received	3	3	0
Interest on negotiable securities	–	–	–
Dividend received	60	45	15
(Total financial earnings)	63	48	15
Foreign exchange gain	134	38	96
Miscellaneous income	128	37	91
Total Other income	327	124	202
Paid interest	–	–	–
(Total financial expenses)	–	–	–
Foreign exchange loss	–	–	–
Miscellaneous losses	3	0	3
Total non-operating expenses	3	0	3

Fiscal 2013 Major Change on Balance Sheets and Statements of Cash Flows (Consolidated)

Major Change on Balance Sheets

¥ millions, rounded down

	Balance at Dec. 31, 2013	Change		Balance at Dec. 31, 2013	Change
Current assets	44,899	3,862	Current liabilities	6,614	△ 696
Cash and bank deposits	25,078	2,607	Notes and accounts payable	4,080	△ 310
Notes and accounts receivable	11,745	1,275	Accrued expenses	232	△ 152
Inventories	6,937	△ 52	Income taxes	1,348	24
Others	1,138	32	Allowance for employees' bonuses	113	△ 256
			Payable notes for equipment	157	△ 74
			Others	682	73
Fixed assets	37,988	746	Long-term liabilities	1,816	451
Property, plant and equipment	27,739	△ 690	Long-term loans	-	-
Buildings and structures	11,597	△ 369	Others	1,816	451
Machinery, equipment and vehicles	4,983	△ 784	Total liabilities	8,431	△ 245
Land	9,454	44	Total net assets	74,456	4,854
Construction in progress	1,166	377	Common stock	7,123	-
Others	537	42	Capital surplus	8,336	-
Intangibles	1,701	95	Retained earnings	59,796	3,323
Investments and others	8,547	1,341	Treasury stock	△ 3,321	△ 2
Investments securities	5,369	960	Others	2,521	1,532
Others	3,177	380			
Total assets	82,888	4,608	Total liabilities and shareholders' equity	82,888	4,608

* Comparison with end of previous fiscal year:

Equity ratio increased from 88.9% at the end of the previous fiscal year to 89.8%.

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	4,902	Income before income taxes and minority interests	7,300
		Depreciation	2,110
		Increase in notes and account receivable	△ 1,214
		Income taxes paid	△ 2,691
II Investing activities	△ 1,178	Capital expenditures	△ 990
III Financing activities	△ 1,259	Disposal of treasury stock	△ 1,257
IV Effect of exchange rate changes	143		
Net changes in cash and cash equivalents	2,608		

Fiscal 2013 Statements of Income (First 3 Quarters Results; Non-consolidated)

First Quarter

¥ millions, rounded down

	Sept. 2013 Interim Results		Sept. 2012 Interim Results		Year-on-Year Comparison		Sept. 2013 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	16,969	100.0	16,246	100.0	723	104.5	17,040	100.0	△ 70	99.6
Cost of Sales	8,683	51.2	8,206	50.5	476	105.8	8,530	50.1	153	101.8
Gross profit	8,286	48.8	8,039	49.5	246	103.1	8,510	49.9	△ 223	97.4
SG&A expenses	4,309	25.4	4,190	25.8	119	102.9	4,330	25.4	△ 20	99.5
Operating income	3,976	23.4	3,849	23.7	127	103.3	4,180	24.5	△ 203	95.1
Other income	161		73		88		90		71	
Other expenses	1		52		△ 50		-		1	
Ordinary income	4,137	24.4	3,870	23.8	266	106.9	4,270	25.1	△ 132	96.9
Extraordinary income	0		3		△ 3		-		0	
Extraordinary expenses	0		2		△ 1		2		△ 1	
Income before income taxes	4,137	24.4	3,872	23.8	264	106.8	4,268	25.0	△ 130	96.9
Corporation tax, etc.	1,571		1,472		99		1,620		△ 48	
(Tax burden)	38.0%		38.0%				38.0%			
Net income	2,565	15.1	2,400	14.8	165	106.9	2,648	15.5	△ 82	96.9
EPS (total shares)	157.00		146.88				162.04			
EPS (minus treasury shares)	163.10		152.59				168.35			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,729,414		15,729,819				15,729,414			

Second Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2013 Results		Third Quarter Ended Dec. 2012 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	26,275	100.0	25,095	100.0	1,179	104.7
Cost of Sales	13,320	50.7	12,573	50.1	746	105.9
Gross profit	12,955	49.3	12,521	49.9	433	103.5
SG&A expenses	6,607	25.1	6,338	25.3	268	104.2
Operating income	6,347	24.2	6,182	24.6	164	102.7
Other income	342		147		194	
Other expenses	1		-		1	
Ordinary income	6,688	25.5	6,330	25.2	357	105.7
Extraordinary income	97		3		93	
Extraordinary expenses	10		2		7	
Income before income taxes	6,775	25.8	6,331	25.2	443	107.0
Corporation tax, etc.	2,573		2,407		166	
(Tax burden)	38.0%		38.0%			
Net income	4,201	16.0	3,924	15.6	276	107.1

First Half

¥ millions, rounded down

	Fiscal 2013 Revised Plan		Fiscal 2012 Results		Year-on-Year Comparison		Fiscal 2013 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	34,570	100.0	32,936	100.0	1,633	105.0	34,570	100.0	-	100.0
Cost of Sales	17,370	50.2	16,809	51.0	560	103.3	17,370	50.2	-	100.0
Gross profit	17,200	49.8	16,126	49.0	1,073	106.7	17,200	49.8	-	100.0
SG&A expenses	8,750	25.3	8,535	25.9	214	102.5	8,750	25.3	-	100.0
Operating income	8,450	24.4	7,590	23.0	859	111.3	8,450	24.4	-	100.0
Other income	240		339		△ 99		240		-	
Other expenses	-		-		-		-		-	
Ordinary income	8,690	25.1	7,929	24.1	760	109.6	8,690	25.1	-	100.0
Extraordinary income	-		3		△ 3		-		-	
Extraordinary expenses	4		3		0		4		-	
Income before income taxes	8,686	25.1	7,929	24.1	756	109.5	8,686	25.1	-	100.0
Corporation tax, etc.	3,300		2,958		341		3,300		-	
(Tax burden)	38.0%		37.3%				38.0%			
Net income	5,386	15.6	4,971	15.1	414	108.3	5,386	15.6	-	100.0
EPS (total shares)	329.60		304.23				329.60			
EPS (minus treasury shares)	342.42		316.05				342.42			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,729,189		15,729,741				15,729,189			