



1st Quarter of Fiscal 2016

Supplementary Materials

HOGY MEDICAL Co., Ltd.

July 15, 2016

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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 2016 Statements of Income (Actual and Forecast, Consolidated)

First Quarter

¥ millions, rounded down

	June 2016 1st Quarter Results		June 2015 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	9,055	100.0	8,639	100.0	416	104.8
Cost of Sales	4,805	53.1	4,361	50.5	444	110.2
Gross profit	4,249	46.9	4,277	49.5	△ 27	99.3
SG&A expenses	2,166	23.9	2,130	24.7	35	101.7
Operating income	2,083	23.0	2,147	24.9	△ 63	97.0
Other income	53		51		1	
Other expenses	71		3		67	
Ordinary income	2,065	22.8	2,195	25.4	△ 129	94.1
Extraordinary income	-		3		△ 3	
Extraordinary expenses	0		0		△ 0	
Income before income taxes and minority interests	2,065	22.8	2,197	25.4	△ 132	94.0
Corporation tax, etc.	636		706		△ 69	90.1
(Tax burden)	30.8%		32.1%			
Minority interests	0		0		0	
Net income	1,428	15.8	1,491	17.3	△ 62	95.8

EPS (total shares) ¥87.43
 EPS (minus treasury shares) ¥90.84
 Number of shares outstanding 16,341,155
 Average number of shares outstanding (after deducting treasury) 15,728,388
 33.03%

Second Quarter

¥ millions, rounded down

	Sept. 2016 Plan		Sept. 2015 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	9,434	100.0	9,013	100.0	420	104.7
Cost of Sales	5,354	56.8	4,621	51.3	733	115.9
Gross profit	4,080	43.2	4,392	48.7	△ 312	92.9
SG&A expenses	2,593	27.5	2,155	23.9	438	120.3
Operating income	1,486	15.8	2,236	24.8	△ 750	66.5
Other income	26		43		△ 17	
Other expenses	△ 71		7		△ 79	
Ordinary income	1,584	16.8	2,272	25.2	△ 688	69.7
Extraordinary income	-		0		△ 0	
Extraordinary expenses	△ 0		0		△ 0	
Income before income taxes and minority interests	1,584	16.8	2,273	25.2	△ 688	69.7
Corporation tax, etc.	493		729		△ 235	
(Tax burden)	31.2%		32.1%			
Minority interests	△ 0		0		△ 0	
Net income	1,091	11.6	1,543	17.1	△ 452	70.7

First Half

¥ millions, rounded down

	Sept. 2016 Interim Plan		Sept. 2015 Interim Results		Year-on-Year Comparison		Sept. 2016 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	18,490	100.0	17,652	100.0	837	104.7	18,490	100.0	-	100.0
Cost of Sales	10,160	54.9	8,982	50.9	1,177	113.1	10,160	54.9	-	100.0
Gross profit	8,330	45.1	8,669	49.1	△ 339	96.1	8,330	45.1	-	100.0
SG&A expenses	4,760	25.7	4,286	24.3	473	111.1	4,760	25.7	-	100.0
Operating income	3,570	19.3	4,383	24.8	△ 813	81.4	3,570	19.3	-	100.0
Other income	80		95		△ 15		80		-	
Other expenses	-		11		△ 11		-		-	
Ordinary income	3,650	19.7	4,467	25.3	△ 817	81.7	3,650	19.7	-	100.0
Extraordinary income	-		4		△ 4		-		-	
Extraordinary expenses	-		0		△ 0		-		-	
Income before income taxes and minority interests	3,650	19.7	4,471	25.3	△ 821	81.6	3,650	19.7	-	100.0
Corporation tax, etc.	1,130		1,435		△ 305		1,130		-	
(Tax burden)	31.0%		32.1%						-	
Minority interests	-		0		△ 0		-		-	
Net income	2,520	13.6	3,035	17.2	△ 515	83.0	2,520	13.6	-	100.0

EPS (total shares) ¥154.21
 EPS (minus treasury shares) ¥160.22
 Number of shares outstanding 16,341,155
 Average number of shares outstanding (after deducting treasury) 15,728,388

Fiscal 2016 Sales Results and Plan by Product Line (Consolidated)

First Quarter

¥ millions, rounded down

	June 2016 1st Quarter Results		June 2015 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	893	9.9%	880	10.2%	13	101.5%
Surgical products	7,896	87.2%	7,501	86.8%	394	105.3%
Treatment products	51	0.6%	53	0.6%	△ 2	94.8%
Others	214	2.4%	203	2.4%	10	105.3%
Total	9,055	100.0%	8,639	100.0%	416	104.8%

Itemized surgical products

Non-woven products	2,369	26.2%	2,414	27.9%	△ 44	98.1%
Other non-woven products:	343	3.8%	349	4.0%	△ 6	98.2%
Kit products	5,135	56.7%	4,719	54.6%	416	108.8%
Steel instruments	47	0.5%	17	0.2%	29	270.6%

Itemized external sales by subsidiary

Non-woven products	43		42		1	
Others	17		12		5	

Second Quarter

¥ millions, rounded down

	Sept. 2016 Plan		Sept. 2015 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	862	9.1%	899	10.0%	△ 36	95.9%
Surgical products	8,319	88.2%	7,854	87.1%	465	105.9%
Treatment products	50	0.5%	50	0.6%	0	100.5%
Others	201	2.1%	208	2.3%	△ 7	96.5%
Total	9,434	100.0%	9,013	100.0%	420	104.7%

Itemized surgical products

Non-woven products	2,296	24.3%	2,440	27.1%	△ 144	94.1%
Other non-woven products:	336	3.6%	343	3.8%	△ 6	98.1%
Kit products	5,414	57.4%	5,043	56.0%	370	107.4%
Steel instruments	272	2.9%	27	0.3%	245	981.6%

Itemized external sales by subsidiary

Non-woven products	62		41		20	
Others	16		18		△ 2	

First Half

¥ millions, rounded down

	Sept. 2016 Interim Plan		Sept. 2015 Interim Results		Year-on-Year Comparison		Sept. 2016 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,756	9.5%	1,779	10.1%	△ 23	98.7%	1,756	9.5%	-	100.0%
Surgical products	16,216	87.7%	15,356	87.0%	859	105.6%	16,216	87.7%	-	100.0%
Treatment products	101	0.6%	104	0.6%	△ 2	97.5%	101	0.6%	-	100.0%
Others	415	2.2%	412	2.3%	3	100.8%	415	2.2%	-	100.0%
Total	18,490	100.0%	17,652	100.0%	837	104.7%	18,490	100.0%	-	100.0%

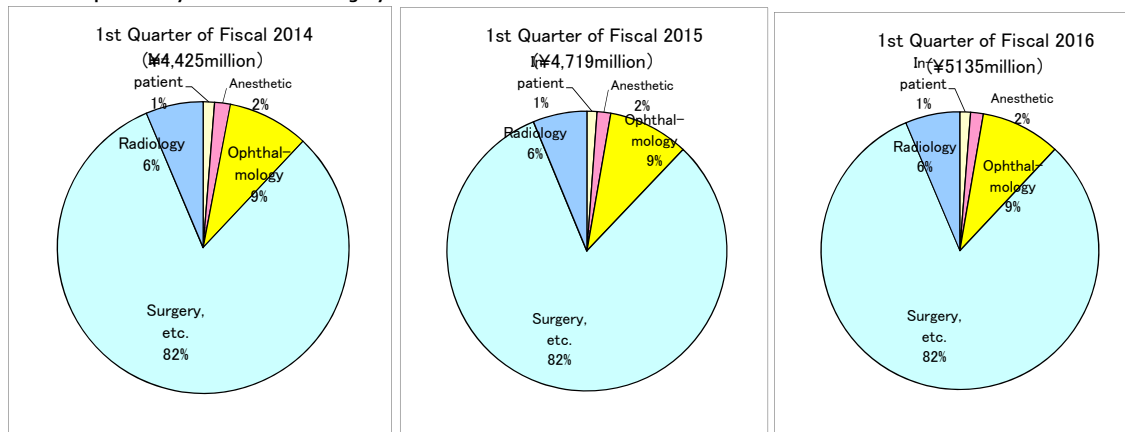
Itemized surgical products

Non-woven products	4,666	25.2%	4,855	27.5%	△ 189	96.1%	4,666	25.2%	-	100.0%
Other non-woven products:	680	3.7%	692	3.9%	△ 12	98.1%	680	3.7%	-	100.0%
Kit products	10,550	57.1%	9,763	55.3%	786	108.1%	10,550	57.1%	-	100.0%
Steel instruments	320	1.7%	45	0.3%	274	707.6%	320	1.7%	-	100.0%

Itemized external sales by subsidiary

Non-woven products	106		84		21		106		-	
Others	34		30		3		34		-	

Sales Composition by Kit Treatment Category



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

SG&A Expenses

¥ millions, rounded down

	June 2016 1st Quarter Results	June 2015 1st Quarter Results	Year-on-Year Comparison
Packaging and transportation	242	229	12
Losses on doubtful accounts	-	-	-
Samples	98	106	△ 8
Advertising	22	17	5
Personnel	876	877	△ 1
Travel	127	129	△ 1
Communication	37	38	△ 1
Consumables	23	24	△ 0
Taxes and public charges	64	51	12
Depreciation	256	251	4
Testing and research	95	74	21
Land and housing rent	106	110	△ 3
Miscellaneous	68	79	△ 11
Others	147	138	8
Total	2,166	2,130	35

Other Income/Expenses

¥ millions, rounded down

	June 2016 1st Quarter Results	June 2015 1st Quarter Results	Year-on-Year Comparison
Interest received	3	3	△ 0
Dividend received	25	21	3
(Total financial earnings)	28	25	3
Foreign exchange gain	-	20	△ 20
Miscellaneous income	24	5	19
Total Other income	53	51	1
Foreign exchange loss	71	-	71
Miscellaneous losses	0	3	△ 3
Total non-operating expense	71	3	67

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

Major Changes on Balance Sheets

¥ millions, rounded down

	2016	Change		2016	Change
Current assets	33,609	△ 45	Current liabilities	11,192	2,049
Cash and bank deposits	13,641	1,260	Notes and accounts payable	4,851	△ 129
Notes and accounts receivable	11,367	△ 253	Accrued expenses	244	△ 492
Short-term investments	-	-	Long-term loans due within	-	-
Inventories	7,653	119	Income taxes	690	△ 575
Others	947	△ 1,172	Allowance for employees' bo	128	△ 245
			Payable notes for equipment	3,898	2,606
			Reserve for disaster loss	-	-
			Others	1,379	884
Fixed assets	68,083	1,775	Long-term liabilities	3,122	△ 86
Property, plant and equipment	52,220	2,477	Others	3,122	△ 86
Buildings and structures	25,451	△ 231	Total liabilities	14,315	1,962
Machinery, equipment and vehic	6,200	959	Total net assets	87,378	△ 232
Land	9,616	△ 30	Common stock	7,123	-
Construction in progress	10,052	1,551	Capital surplus	8,336	-
Others	899	229	Retained earnings	69,410	972
Intangibles	3,168	△ 72	Treasury stock	△ 3,325	-
Investments and others	12,695	△ 628	Others	5,833	△ 1,204
Investments securities	10,547	△ 613			
Others	2,148	△ 15			
Total assets	101,693	1,730	Total liabilities and shareholders' equity	101,693	1,730

* Comparison with end of previous fiscal year:

Equity ratio increased from 87.6% at the end of the previous fiscal year to 85.9%

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	3,494	Income before income taxes and	2,065
		Depreciation	986
		Income taxes paid	△ 1,169
II Investing activities	△ 1,562	Acquisition of tangible fixed assets	△ 1,271
		Acquisition of intangible assets	△ 295
III Financing activities	△ 456	Cash dividends paid	△ 456
IV Effect of exchange rate changes	△ 212		
Net changes in cash and cash equivalents	1,262		

Fiscal 2016 Statements of Income (Actual and Forecast, Non-Consolidated)

First Quarter

¥ millions, rounded down

	June 2016 1st Quarter Results		June 2015 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,994	100.0	8,584	100.0	409	104.8
Cost of Sales	5,014	55.8	4,530	52.8	483	110.7
Gross profit	3,979	44.2	4,053	47.2	△ 74	98.2
SG&A expenses	2,150	23.9	2,113	24.6	37	101.8
Operating income	1,829	20.3	1,940	22.6	△ 111	94.3
Other income	53		56		△ 2	
Other expenses	54		3		51	
Ordinary income	1,827	20.3	1,993	23.2	△ 165	91.7
Extraordinary income	-		1		△ 1	
Extraordinary expenses	0		0		△ 0	
Income before income taxes and minority interests	1,827	20.3	1,994	23.2	△ 167	91.6
Corporation tax, etc. (Tax burden)	575		653		△ 78	
Net income	1,251	13.9	1,340	15.6	△ 88	93.4

EPS (total shares)	76.61	82.06
EPS (minus treasury shares)	79.60	85.25
Number of shares outstanding	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,728,388	15,728,690

Second Quarter

¥ millions, rounded down

	Sept. 2016 Plan		Sept. 2015 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	9,355	100.0	8,953	100.0	402	104.5
Cost of Sales	5,585	59.7	4,803	53.7	781	116.3
Gross profit	3,770	40.3	4,149	46.3	△ 379	90.9
SG&A expenses	2,559	27.4	2,138	23.9	421	119.7
Operating income	1,210	12.9	2,011	22.5	△ 801	60.2
Other income	26		45		△ 19	
Other expenses	△ 54		6		△ 60	
Ordinary income	1,292	13.8	2,051	22.9	△ 759	63.0
Extraordinary income	-		-		-	
Extraordinary expenses	△ 0		0		△ 0	
Income before income taxes and minority interests	1,292	13.8	2,051	22.9	△ 758	63.0
Corporation tax, etc. (Tax burden)	404		672		△ 267	
Net income	888	9.5	1,379	15.4	△ 491	64.4

First Half

¥ millions, rounded down

	Sept. 2016 Interim Plan		Sept. 2015 Interim Results		Year-on-Year Comparison		Sept. 2016 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	18,350	100.0	17,538	100.0	811	104.6	18,350	100.0	-	100.0
Cost of Sales	10,600	57.8	9,334	53.2	1,265	113.6	10,600	57.8	-	100.0
Gross profit	7,750	42.2	8,203	46.8	△ 453	94.5	7,750	42.2	-	100.0
SG&A expenses	4,710	25.7	4,251	24.2	458	110.8	4,710	25.7	-	100.0
Operating income	3,040	16.6	3,952	22.5	△ 912	76.9	3,040	16.6	-	100.0
Other income	80		102		△ 22		80		-	
Other expenses	-		9		△ 9		-		-	
Ordinary income	3,120	17.0	4,044	23.1	△ 924	77.1	3,120	17.0	-	100.0
Extraordinary income	-		1		△ 1		-		-	
Extraordinary expenses	-		0		△ 0		-		-	
Income before income taxes and minority interests	3,120	17.0	4,045	23.1	△ 925	77.1	3,120	17.0	-	100.0
Corporation tax, etc. (Tax burden)	980		1,325		△ 345		980		-	
Net income	2,140	11.7	2,720	15.5	△ 580	78.7	2,140	11.7	-	100.0

EPS (total shares)	130.96	166.46	130.96
EPS (minus treasury shares)	136.06	172.94	136.06
Number of shares outstanding	16,341,155	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,728,388	15,728,655	15,728,388