



# **First 2st Quarter of Fiscal 2016**

## **Supplementary Materials**

**HOGY MEDICAL Co., Ltd.**

**October 17, 2016**

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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 (First 2 Quarters Results; Consolidated)

### First Quarter

¥ millions, rounded down

	June 2016 1st Quarter Results		June 2016 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
<b>Gross profit</b>	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
<b>Operating income</b>	2,083	23.0	2,147	24.9	△ 63	97.0
Other income	53		51		1	
Other expenses	71		3		67	
<b>Ordinary income</b>	2,065	22.8	2,195	25.4	△ 129	94.1
Extraordinary income	-		3		△ 3	
Extraordinary expenses	0		0		△ 0	
<b>Income before income taxes and minority interests</b>	2,065	22.8	2,197	25.4	△ 132	94.0
Corporation tax, etc.	636		706		△ 69	
<b>(Tax burden)</b>	30.8%		32.1%			
Minority interests	0		0		0	
<b>Net income</b>	1,428	15.8	1,491	17.3	△ 62	95.8
EPS (total shares)	¥87.43		¥91.28			
EPS (minus treasury shares)	¥90.84		¥94.83			
Number of shares outstanding	16,341,155		16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,728,388		15,728,690			

### Second Quarter

¥ millions, rounded down

	Sept. 2016 Interim Results		Sept. 2015 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	9,254	100.0	9,013	100.0	241	102.7
Cost of Sales	5,030	54.4	4,621	51.3	409	108.9
<b>Gross profit</b>	4,224	45.6	4,392	48.7	△ 167	96.2
SG&A expenses	2,218	24.0	2,155	23.9	62	102.9
<b>Operating income</b>	2,005	21.7	2,236	24.8	△ 230	89.7
Other income	62		43		18	
Other expenses	126		7		119	
<b>Ordinary income</b>	1,941	21.0	2,272	25.2	△ 331	85.4
Extraordinary income	-		0		△ 0	
Extraordinary expenses	0		0		0	
<b>Income before income taxes and minority interests</b>	1,940	21.0	2,273	25.2	△ 332	85.4
Corporation tax, etc.	683		729		△ 46	
<b>(Tax burden)</b>	35.2%		32.1%			
Minority interests	0		0		△ 0	
<b>Net income</b>	1,257	13.6	1,543	17.1	△ 286	81.4

### First Half

¥ millions, rounded down

	Sept. 2016 Interim Results		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	18,310	100.0	17,652	100.0	657	103.7	18,490	100.0	△ 179	99.0
Cost of Sales	9,836	53.7	8,982	50.9	853	109.5	10,160	54.9	△ 323	96.8
<b>Gross profit</b>	8,474	46.3	8,669	49.1	△ 195	97.7	8,330	45.1	144	101.7
SG&A expenses	4,384	23.9	4,286	24.3	98	102.3	4,760	25.7	△ 375	92.1
<b>Operating income</b>	4,089	22.3	4,383	24.8	△ 294	93.3	3,570	19.3	519	114.5
Other income	115		95		20		80		35	
Other expenses	198		11		186		-		198	
<b>Ordinary income</b>	4,006	21.9	4,467	25.3	△ 460	89.7	3,650	19.7	356	109.8
Extraordinary income	-		4		△ 4		-		-	
Extraordinary expenses	1		0		0		-		1	
<b>Income before income taxes and minority interests</b>	4,005	21.9	4,471	25.3	△ 465	89.6	3,650	19.7	355	109.7
Corporation tax, etc.	1,319		1,435		△ 115		1,130		189	
<b>(Tax burden)</b>	32.9%		32.1%				31.0%			
Minority interests	0		0		△ 0		-		0	
<b>Net income</b>	2,685	14.7	3,035	17.2	△ 349	88.5	2,520	13.6	165	106.6
EPS (total shares)	¥164.36		¥185.76				¥154.21			
EPS (minus treasury shares)	¥170.99		¥193.00				¥160.43			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,708,272		15,728,655				15,708,272			

Fiscal 2016 Statements of Income (Full-year revised plan; Consolidated)

First Half

¥ millions, rounded down

	Sept. 2016 Interim Results		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	18,310	100.0	17,652	100.0	657	103.7	18,490	100.0	△ 179	99.0
Cost of Sales	9,836	53.7	8,982	50.9	853	109.5	10,160	54.9	△ 323	96.8
Gross profit	8,474	46.3	8,669	49.1	△ 195	97.7	8,330	45.1	144	101.7
SG&A expenses	4,384	23.9	4,286	24.3	98	102.3	4,760	25.7	△ 375	92.1
Operating income	4,089	22.3	4,383	24.8	△ 294	93.3	3,570	19.3	519	114.5
Other income	115		95		20		80		35	
Other expenses	198		11		186		-		198	
Ordinary income	4,006	21.9	4,467	25.3	△ 460	89.7	3,650	19.7	356	109.8
Extraordinary income	-		4		△ 4		-		-	
Extraordinary expenses	1		0		0		-		1	
Income before income taxes and minority interests	4,005	21.9	4,471	25.3	△ 465	89.6	3,650	19.7	355	109.7
Corporation tax, etc.	1,319		1,435		△ 115		1,130		189	
(Tax burden)	32.9%		32.1%				31.0%			
Minority interests	0		0		△ 0		-		0	
Net income	2,685	14.7	3,035	17.2	△ 349	88.5	2,520	13.6	165	106.6
EPS (total shares)	¥164.36		¥185.76				¥154.21			
EPS (minus treasury shares)	¥170.99		¥193.00				¥160.43			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,708,272		15,728,655				15,708,272			

Second Half

¥ millions, rounded down

	Fiscal 2016 Revised Plan		Fiscal 2015 Results		Year-on-Year Comparison		Fiscal 2016 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	20,089	100.0	18,915	100.0	1,174	106.2	19,910	100.0	179	100.9
Cost of Sales	12,123	60.3	10,001	52.9	2,121	121.2	11,800	59.3	323	102.7
Gross profit	7,965	39.7	8,913	47.1	△ 947	89.4	8,110	40.7	△ 144	98.2
SG&A expenses	4,875	24.3	4,512	23.9	362	108.0	4,500	22.6	375	108.3
Operating income	3,090	15.4	4,400	23.3	△ 1,310	70.2	3,610	18.1	△ 519	85.6
Other income	△ 5		132		△ 138		30		△ 35	
Other expenses	△ 188		77		△ 265		10		△ 198	
Ordinary income	3,273	16.3	4,456	23.6	△ 1,183	73.4	3,630	18.2	△ 356	90.2
Extraordinary income	-		0		△ 0		-		-	
Extraordinary expenses	△ 1		183		△ 185		-		△ 1	
Income before income taxes and minority interests	3,274	16.3	4,272	22.6	△ 998	76.6	3,630	18.2	△ 355	90.2
Corporation tax, etc.	960		1,397		△ 436		1,150		△ 189	
(Tax burden)	29.3%		32.7%				31.7%			
Minority interests	△ 0		0		△ 0		-		△ 0	
Net income	2,314	11.5	2,875	15.2	△ 561	80.5	2,480	12.5	△ 165	93.3

Full-year

¥ millions, rounded down

	Fiscal 2016 Revised Plan		Fiscal 2015 Results		Year-on-Year Comparison		Fiscal 2016 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	38,400	100.0	36,568	100.0	1,831	105.0	38,400	100.0	-	100.0
Cost of Sales	21,960	57.2	18,984	51.9	2,975	115.7	21,960	57.2	-	100.0
Gross profit	16,440	42.8	17,583	48.1	△ 1,143	93.5	16,440	42.8	-	100.0
SG&A expenses	9,260	24.1	8,799	24.1	460	105.2	9,260	24.1	-	100.0
Operating income	7,180	18.7	8,784	24.0	△ 1,604	81.7	7,180	18.7	-	100.0
Other income	110		228		△ 118		110		-	
Other expenses	10		88		△ 78		10		-	
Ordinary income	7,280	19.0	8,924	24.4	△ 1,644	81.6	7,280	19.0	-	100.0
Extraordinary income	-		4		△ 4		-		-	
Extraordinary expenses	-		184		△ 184		-		-	
Income before income taxes and minority interests	7,280	19.0	8,743	23.9	△ 1,463	83.3	7,280	19.0	-	100.0
Corporation tax, etc.	2,280		2,832		△ 552		2,280		-	
(Tax burden)	31.3%		32.4%				31.3%		-	
Minority interests	-		0		△ 0		-		-	
Net income	5,000	13.0	5,910	16.2	△ 910	84.6	5,000	13.0	-	100.0
EPS (total shares)	¥305.98		¥361.72				¥305.98			
EPS (minus treasury shares)	¥319.62		¥375.81				¥319.62			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,643,584		15,728,557				15,643,584			

**Fiscal 2016 Sales by Product Grouping**  
(First 2 Quarters Results and full-year revised plan; Consolidated)

**First Half**

¥ millions, rounded down

	Sept. 2016 Interim Results		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	1,832	10.0	1,779	10.1	52	103.0	1,756	9.5	76	104.3
Surgical products	15,941	87.1	15,356	87.0	585	103.8	16,216	87.7	△ 274	98.3
Treatment products	102	0.6	104	0.6	△ 1	98.5	101	0.6	1	101.0
Others	433	2.4	412	2.3	20	105.0	415	2.2	17	104.2
<b>Total</b>	<b>18,310</b>	<b>100.0</b>	<b>17,652</b>	<b>100.0</b>	<b>657</b>	<b>103.7</b>	<b>18,490</b>	<b>100.0</b>	<b>△ 179</b>	<b>99.0</b>
<i>Itemized surgical products</i>										
Non-woven products	4,728	25.8	4,855	27.5	△ 126	97.4	4,666	25.2	62	101.3
Other non-woven products	684	3.7	692	3.9	△ 8	98.8	680	3.7	4	100.6
Kit products	10,422	56.9	9,763	55.3	659	106.8	10,550	57.1	△ 127	98.8
New products	106	0.6	45	0.3	61	235.1	320	1.7	△ 213	33.2
<i>Itemized external sales by subsidiary</i>										
Non-woven products	93		84		9		106		△ 12	
Others(PT.HOGY)	35		30		4		34		1	

**Second Half**

¥ millions, rounded down

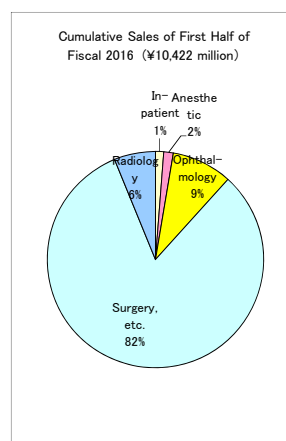
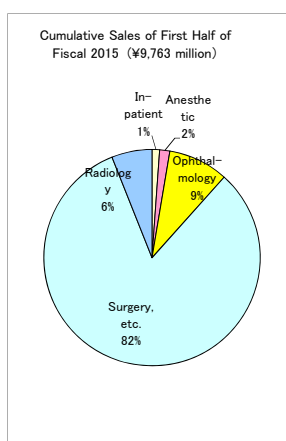
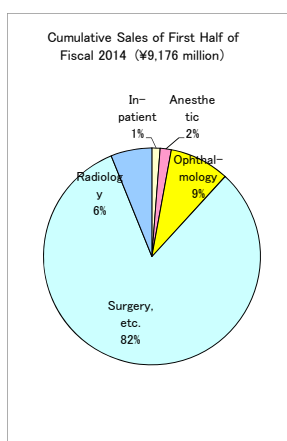
	Fiscal 2016 Revised Plan		Fiscal 2015 Results		Year-on-Year Comparison		Fiscal 2016 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,774	8.8	1,868	9.9	△ 93	95.0	1,850	9.3	△ 76	95.9
Surgical products	17,790	88.6	16,510	87.3	1,279	107.8	17,516	88.0	274	101.6
Treatment products	106	0.5	102	0.5	3	103.4	107	0.5	△ 1	99.0
Others	418	2.1	434	2.3	△ 15	96.4	436	2.2	△ 17	96.0
<b>Total</b>	<b>20,089</b>	<b>100.0</b>	<b>18,915</b>	<b>100.0</b>	<b>1,174</b>	<b>106.2</b>	<b>19,910</b>	<b>100.0</b>	<b>179</b>	<b>100.9</b>
<i>Itemized surgical products</i>										
Non-woven products	4,643	23.1	4,872	25.8	△ 229	95.3	4,706	23.6	△ 62	98.7
Other non-woven products	715	3.6	723	3.8	△ 7	98.9	720	3.6	△ 4	99.4
Kit products	11,437	56.9	10,496	55.5	941	109.0	11,310	56.8	127	101.1
New products	993	4.9	417	2.2	575	237.8	780	3.9	213	127.4
<i>Itemized external sales by subsidiary</i>										
Non-woven products	128		95		33		116		12	
Others(PT.HOGY)	32		37		△ 5		34		△ 1	

**Full-year**

¥ millions, rounded down

	Fiscal 2016 Revised Plan		Fiscal 2015 Results		Year-on-Year Comparison		Fiscal 2016 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	3,607	9.4	3,647	10.0	△ 40	98.9	3,607	9.4	-	100.0
Surgical products	33,732	87.8	31,866	87.1	1,865	105.9	33,732	87.8	-	100.0
Treatment products	209	0.5	207	0.6	1	101.0	209	0.5	-	100.0
Others	852	2.2	846	2.3	5	100.6	852	2.2	-	100.0
<b>Total</b>	<b>38,400</b>	<b>100.0</b>	<b>36,568</b>	<b>100.0</b>	<b>1,831</b>	<b>105.0</b>	<b>38,400</b>	<b>100.0</b>	<b>-</b>	<b>100.0</b>
<i>Itemized surgical products</i>										
Non-woven products	9,372	24.4	9,728	26.6	△ 356	96.3	9,372	24.4	-	100.0
Other non-woven products	1,400	3.6	1,416	3.9	△ 16	98.8	1,400	3.6	-	100.0
Kit products	21,860	56.9	20,259	55.4	1,600	107.9	21,860	56.9	-	100.0
New products	1,100	2.9	463	1.3	636	237.6	1,100	2.9	-	100.0
<i>Itemized external sales by subsidiary</i>										
Non-woven products	222		179		42		222		-	
Others(PT.HOGY)	68		68		△ 0		68		-	

**Sales Composition by Kit Treatment Category**



## Fiscal 2016 Itemized SG&A Expenses and Other Income/Expenses

### SG&A Expenses

¥ millions, rounded down

	Sept. 2016 Interim Results	Sept. 2015 Interim Results	Year-on-Year Comparison	Sept. 2016 Interim Initial Plan	Initial Plan Comparison
Packaging and transportation	482	460	22	486	△ 3
Losses on doubtful accounts	-	-	-	-	-
<b>Samples</b>	199	219	△ 20	256	△ 57
<b>Advertising</b>	43	27	16	80	△ 36
<b>Personnel</b>	1,749	1,744	4	1,870	△ 121
<b>Travel</b>	264	265	△ 0	261	3
<b>Communication</b>	74	77	△ 2	77	△ 2
<b>Consumables</b>	46	46	△ 0	57	△ 11
Taxes and public charges	127	106	20	121	5
<b>Depreciation</b>	502	506	△ 4	549	△ 47
Testing and research	224	162	61	210	14
Land and housing rent	213	217	△ 4	214	△ 1
<b>Miscellaneous</b>	169	166	2	245	△ 76
<b>Others</b>	287	284	2	327	△ 39
<b>Total</b>	<b>4,384</b>	<b>4,286</b>	<b>98</b>	<b>4,760</b>	<b>△ 375</b>

### Other Income/Expenses

¥ millions, rounded down

	Sept. 2016 Interim Results	Sept. 2015 Interim Results	Year-on-Year Comparison	Sept. 2016 Interim Initial Plan	Initial Plan Comparison
Interest received	6	6	△ 0	2	4
Dividend received	72	57	15	57	15
(Total financial earnings)	79	64	15	59	19
Foreign exchange	-	4	△ 4	-	-
Miscellaneous income	36	27	9	20	16
<b>Total Other income</b>	<b>115</b>	<b>95</b>	<b>20</b>	<b>80</b>	<b>35</b>
Foreign exchange losses	86	-	86	-	86
Miscellaneous losses	112	11	100	-	112
<b>Total non-operating expenses</b>	<b>198</b>	<b>11</b>	<b>186</b>	<b>-</b>	<b>198</b>

## Fiscal 2016 Capital Expenditures and Depreciation (First 2 Quarters Results and full-year revised plan; Consolidated)

Capital Expenditures			Depreciation				¥ millions, rounded down	
	Capital Expenditures	Year-on-Year Comparison	SG&A Expenses	Year-on-Year Comparison	Manufacturing Costs	Year-on-Year Comparison	Total Depreciation	Year-on-Year Comparison
First half	691		402		949		1,351	
Second half	958		410		966		1,377	
Fiscal 2007 (full year)	1,649	112.1%	812	98.2%	1,915	91.8%	2,728	93.6%
First half	1,135		366		869		1,236	
Second half	1,758		378		1,323		1,700	
Fiscal 2008 (full year)	2,893	175.4%	744	91.6%	2,192	114.5%	2,936	107.6%
First half	2,008		354		898		1,252	
Second half	1,709		361		944		1,305	
Fiscal 2009 (full year)	3,717	128.5%	715	96.1%	1,842	84.0%	2,557	87.1%
First half	1,998		307		812		1,120	
Second half	2,313		335		822		1,157	
Fiscal 2010 (full year)	4,311	116.0%	642	89.8%	1,634	88.7%	2,277	89.0%
First half	644		335		1,104		1,439	
Second half	993		389		1,236		1,625	
Fiscal 2011 (full year)	1,637	38.0%	724	112.8%	2,340	143.2%	3,064	134.6%
First half	899		383		1,007		1,390	
Second half	1,016		461		1,120		1,581	
Fiscal 2012 (full year)	1,915	117.0%	844	116.6%	2,127	90.9%	2,971	97.0%
First half	705		445		949		1,394	
Second half	6,469		477		992		1,470	
Fiscal 2013 (full year)	7,174	374.6%	922	109.2%	1,942	91.3%	2,865	96.4%
First half	1,096		455		836		1,291	
Second half	13,986		496		921		1,417	
Fiscal 2014 (full year)	15,082	210.2%	951	103.1%	1,757	90.5%	2,708	94.5%
First half	5,492		506		943		1,450	
Second half	3,588		538		1,388		1,926	
Fiscal 2015 (full year)	9,080	60.2%	1,044	109.8%	2,331	132.7%	3,376	124.7%
First half	4,427		502		1,450		1,952	
*** Second half	4,053		589		2,186		2,775	
*** Fiscal 2016 (full year)	8,480	93.4%	1,091	104.5%	3,636	156.0%	4,727	140.0%

(Note) 1. \*\*\* are forecast figures

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

Major Changes on Balance Sheets

¥ millions, rounded down

	Balance at Sept. 30, 2016	Change		Balance at Sept. 30, 2016	Change
<b>Current assets</b>	31,651	△ 2,003	<b>Current liabilities</b>	8,866	△ 277
Cash and bank deposits	11,974	△ 406	Notes and accounts payable	4,615	△ 365
Notes and accounts receivable	11,411	△ 208	Accrued expenses	251	△ 485
Inventories	7,452	△ 81	Income taxes	1,293	27
Others	813	△ 1,307	Allowance for employees' bonuses	442	67
			Payable notes for equipment	1,044	△ 247
			Others	1,220	725
<b>Fixed assets</b>	67,619	1,311	<b>Long-term liabilities</b>	3,691	482
Property, plant and equipment	51,933	2,191	Long-term borrowings	566	566
Buildings and structures	25,033	△ 649	Others	3,125	△ 84
Machinery, equipment and vehicles	5,866	625	<b>Total liabilities</b>	12,557	205
Land	9,578	△ 69	<b>Total net assets</b>	86,712	△ 897
Construction in progress	10,481	1,979	Common stock	7,123	-
Others	973	304	Capital surplus	8,336	-
Intangibles	3,138	△ 103	Retained earnings	70,196	1,757
Investments and others	12,547	△ 776	Treasury stock	△ 3,892	△ 566
Investments securities	10,341	△ 819	Others	4,949	△ 2,089
Others	2,205	42			
<b>Total assets</b>	99,270	△ 692	<b>Total liabilities and shareholders' equity</b>	99,270	△ 692

\* Comparison with end of previous fiscal year:

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

Statements of Cash Flows

¥ millions, rounded down

<b>I Operating activities</b>	6,093	Income before income taxes and minority interest	4,005
		Depreciation	1,952
		Increase in notes and accounts receivable	1,192
		Income taxes paid	△ 1,278
<b>II Investing activities</b>	△ 5,094	Capital expenditures	△ 4,700
<b>III Financing activities</b>	△ 928	Disposal of treasury stock	△ 928
<b>IV Effect of exchange rate changes</b>	△ 475		
<b>Net changes in cash and cash equivalents</b>	△ 404		



## Fiscal 2016 Statements of Income (First 2 Quarters Results; 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
<b>Gross profit</b>	<b>3,979</b>	<b>44.2</b>	<b>4,053</b>	<b>47.2</b>	<b>△ 74</b>	<b>98.2</b>
SG&A expenses	2,150	23.9	2,113	24.6	37	101.8
<b>Operating income</b>	<b>1,829</b>	<b>20.3</b>	<b>1,940</b>	<b>22.6</b>	<b>△ 111</b>	<b>94.3</b>
Other income	53		56		△ 2	
Other expenses	54		3		51	
<b>Ordinary income</b>	<b>1,827</b>	<b>20.3</b>	<b>1,993</b>	<b>23.2</b>	<b>△ 165</b>	<b>91.7</b>
Extraordinary income	-		1		△ 1	
Extraordinary expenses	0		0		△ 0	
<b>Income before income taxes</b>	<b>1,827</b>	<b>20.3</b>	<b>1,994</b>	<b>23.2</b>	<b>△ 167</b>	<b>91.6</b>
Corporation tax, etc.	575		653		△ 78	
<b>(Tax burden)</b>	<b>31.5%</b>		<b>32.8%</b>			
<b>Net income</b>	<b>1,251</b>	<b>13.9</b>	<b>1,340</b>	<b>15.6</b>	<b>△ 88</b>	<b>93.4</b>

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
Weighted-average number of shares outstanding (after deducting treasury)	15,728,388	15,728,690

### Second Quarter

¥ millions, rounded down

	Sept. 2016 Interim Results		Sept. 2015 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	9,186	100.0	8,953	100.0	233	102.6
Cost of Sales	5,201	56.6	4,803	53.7	398	108.3
<b>Gross profit</b>	<b>3,985</b>	<b>43.4</b>	<b>4,149</b>	<b>46.3</b>	<b>△ 164</b>	<b>96.0</b>
SG&A expenses	2,202	24.0	2,138	23.9	64	103.0
<b>Operating income</b>	<b>1,782</b>	<b>19.4</b>	<b>2,011</b>	<b>22.5</b>	<b>△ 229</b>	<b>88.6</b>
Other income	63		45		17	
Other expenses	7		6		1	
<b>Ordinary income</b>	<b>1,838</b>	<b>20.0</b>	<b>2,051</b>	<b>22.9</b>	<b>△ 213</b>	<b>89.6</b>
Extraordinary income	-		-		-	
Extraordinary expenses	0		0		0	
<b>Income before income taxes</b>	<b>1,837</b>	<b>20.0</b>	<b>2,051</b>	<b>22.9</b>	<b>△ 213</b>	<b>89.6</b>
Corporation tax, etc.	578		672		△ 93	
<b>(Tax burden)</b>	<b>31.5%</b>		<b>32.8%</b>			
<b>Net income</b>	<b>1,259</b>	<b>13.7</b>	<b>1,379</b>	<b>15.4</b>	<b>△ 120</b>	<b>91.3</b>

### First Half

¥ millions, rounded down

	Sept. 2016 Interim Results		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	18,181	100.0	17,538	100.0	643	103.7	18,350	100.0	△ 168	99.1
Cost of Sales	10,216	56.2	9,334	53.2	882	109.5	10,600	57.8	△ 383	96.4
<b>Gross profit</b>	<b>7,964</b>	<b>43.8</b>	<b>8,203</b>	<b>46.8</b>	<b>△ 238</b>	<b>97.1</b>	<b>7,750</b>	<b>42.2</b>	<b>214</b>	<b>102.8</b>
SG&A expenses	4,352	23.9	4,251	24.2	101	102.4	4,710	25.7	△ 357	92.4
<b>Operating income</b>	<b>3,612</b>	<b>19.9</b>	<b>3,952</b>	<b>22.5</b>	<b>△ 340</b>	<b>91.4</b>	<b>3,040</b>	<b>16.6</b>	<b>572</b>	<b>118.8</b>
Other income	116		102		14		80		36	
Other expenses	62		9		52		-		62	
<b>Ordinary income</b>	<b>3,666</b>	<b>20.2</b>	<b>4,044</b>	<b>23.1</b>	<b>△ 378</b>	<b>90.6</b>	<b>3,120</b>	<b>17.0</b>	<b>546</b>	<b>117.5</b>
Extraordinary income	-		1		△ 1		-		-	
Extraordinary expenses	1		0		0		-		1	
<b>Income before income taxes</b>	<b>3,665</b>	<b>20.2</b>	<b>4,045</b>	<b>23.1</b>	<b>△ 380</b>	<b>90.6</b>	<b>3,120</b>	<b>17.0</b>	<b>545</b>	<b>117.5</b>
Corporation tax, etc.	1,154		1,325		△ 171		980		174	
<b>(Tax burden)</b>	<b>31.5%</b>		<b>32.8%</b>				<b>31.4%</b>			
<b>Net income</b>	<b>2,511</b>	<b>13.8</b>	<b>2,720</b>	<b>15.5</b>	<b>△ 209</b>	<b>92.3</b>	<b>2,140</b>	<b>11.7</b>	<b>371</b>	<b>117.3</b>

EPS (total shares)	¥153.66	¥166.46	¥130.96
EPS (minus treasury shares)	¥159.86	¥172.94	¥136.23
Number of shares outstanding	16,341,155	16,341,155	16,341,155
Weighted-average number of shares outstanding (after deducting treasury)	15,708,272	15,728,655	15,708,272

## Fiscal 2016 Statements of Income (First 2 Quarters Results; Non-consolidated)

### First Half

¥ millions, rounded down

	Sept. 2016 Interim Results		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	18,181	100.0	17,538	100.0	643	103.7	18,350	100.0	△ 168	99.1
Cost of Sales	10,216	56.2	9,334	53.2	882	109.5	10,600	57.8	△ 383	96.4
Gross profit	7,964	43.8	8,203	46.8	△ 238	97.1	7,750	42.2	214	102.8
SG&A expenses	4,352	23.9	4,251	24.2	101	102.4	4,710	25.7	△ 357	92.4
Operating income	3,612	19.9	3,952	22.5	△ 340	91.4	3,040	16.6	572	118.8
Other income	116		102		14		80		36	
Other expenses	62		9		52		-		62	
Ordinary income	3,666	20.2	4,044	23.1	△ 378	90.6	3,120	17.0	546	117.5
Extraordinary income	-		1		△ 1		-		-	
Extraordinary expenses	1		0		0		-		1	
Income before income taxes	3,665	20.2	4,045	23.1	△ 380	90.6	3,120	17.0	545	117.5
Corporation tax, etc.	1,154		1,325		△ 171		980		174	
(Tax burden)	31.5%		32.8%				31.4%			
Net income	2,511	13.8	2,720	15.5	△ 209	92.3	2,140	11.7	371	117.3

EPS (total shares)

¥153.66

¥166.46

¥130.96

EPS (minus treasury shares)

¥159.86

¥172.94

¥136.23

Number of shares outstanding

16,341,155

16,341,155

16,341,155

Weighted-average number of shares outstanding (after deducting treasury

15,708,272

15,728,655

15,708,272

### Second Half

¥ millions, rounded down

	Fiscal 2016 Revised Plan		Fiscal 2015 Results		Year-on-Year Comparison		Fiscal 2016 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	19,928	100.0	18,782	100.0	1,146	106.1	19,760	100.0	168	100.9
Cost of Sales	12,403	62.2	10,524	56.0	1,878	117.9	12,020	60.8	383	103.2
Gross profit	7,525	37.8	8,257	44.0	△ 732	91.1	7,740	39.2	△ 214	97.2
SG&A expenses	4,817	24.2	4,480	23.9	336	107.5	4,460	22.6	357	108.0
Operating income	2,707	13.6	3,777	20.1	△ 1,069	71.7	3,280	16.6	△ 572	82.6
Other income	83		206		△ 122		120		△ 36	
Other expenses	△ 52		31		△ 83		10		△ 62	
Ordinary income	2,843	14.3	3,952	21.0	△ 1,108	71.9	3,390	17.2	△ 546	83.9
Extraordinary income	-		0		△ 0		-		-	
Extraordinary expenses	△ 1		183		△ 185		-		△ 1	
Income before income taxes	2,844	14.3	3,768	20.1	△ 923	75.5	3,390	17.2	△ 545	83.9
Corporation tax, etc.	895		1,239		△ 343		1,070		△ 174	
(Tax burden)	31.5%		32.9%				31.6%			
Net income	1,948	9.8	2,529	13.5	△ 580	77.1	2,320	11.7	△ 371	84.0

### Full-year

¥ millions, rounded down

	Fiscal 2016 Revised Plan		Fiscal 2015 Results		Year-on-Year Comparison		Fiscal 2016 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	38,110	100.0	36,320	100.0	1,789	104.9	38,110	100.0	-	100.0
Cost of Sales	22,620	59.4	19,859	54.7	2,760	113.9	22,620	59.4	-	100.0
Gross profit	15,490	40.6	16,461	45.3	△ 971	94.1	15,490	40.6	-	100.0
SG&A expenses	9,170	24.1	8,731	24.0	438	105.0	9,170	24.1	-	100.0
Operating income	6,320	16.6	7,729	21.3	△ 1,409	81.8	6,320	16.6	-	100.0
Other income	200		308		△ 108		200		-	
Other expenses	10		41		△ 31		10		-	
Ordinary income	6,510	17.1	7,997	22.0	△ 1,487	81.4	6,510	17.1	-	100.0
Extraordinary income	-		1		△ 1		-		-	
Extraordinary expenses	-		184		△ 184		-		-	
Income before income taxes	6,510	17.1	7,814	21.5	△ 1,304	83.3	6,510	17.1	-	100.0
Corporation tax, etc.	2,050		2,565		△ 515		2,050		-	
(Tax burden)	31.5%		32.8%				31.5%		-	
Net income	4,460	11.7	5,249	14.5	△ 789	85.0	4,460	11.7	-	100.0

EPS (total shares)

¥272.93

¥321.22

¥272.93

EPS (minus treasury shares)

¥285.10

¥333.74

¥285.10

Number of shares outstanding

16,341,155

16,341,155

16,341,155

Weighted-average number of shares outstanding (after deducting treasury

15,643,584

15,728,557

15,643,584

## First 2 Quarters Results Manufacturing Costs (Non-consolidated)

### Manufacturing Costs

¥ millions, rounded down

	2007.9	2008.9	2009.9	2010.9	2011.9	2012.9	2013.9	2014.9	2015.9	2016.9
<b>Materials</b>	4,318	4,570	4,573	4,508	4,879	5,009	5,323	5,692	5,964	6,382
<b>Personnel</b>	815	879	864	879	892	906	949	949	886	884
<b>Outsourcing</b>	94	128	105	162	173	208	209	210	188	205
<b>Others</b>	1,521	1,430	1,558	1,302	1,712	1,601	1,503	1,402	1,494	2,173
<b>Total</b>	6,751	7,008	7,101	6,853	7,658	7,726	7,985	8,254	8,533	9,645

### Change

(%)

	2007.9	2008.9	2009.9	2010.9	2011.9	2012.9	2013.9	2014.9	2015.9	2016.9
<b>Materials</b>	1.0	5.8	0.1	△ 1.4	8.2	2.7	6.3	6.9	4.8	7.0
<b>Personnel</b>	5.7	7.8	△ 1.7	1.7	1.4	1.6	4.8	△ 0.1	△ 6.6	△ 0.3
<b>Outsourcing</b>	12.2	35.4	△ 17.9	54.5	7.0	19.7	0.8	0.5	△ 10.8	9.4
<b>Others</b>	△ 1.4	△ 6.0	9.0	△ 16.4	31.4	△ 6.5	△ 6.2	△ 6.7	6.6	45.5
<b>Total</b>	1.2	3.8	1.3	△ 3.5	11.7	0.9	3.4	3.4	3.4	13.0

### % of total

(%)

	2007.9	2008.9	2009.9	2010.9	2011.9	2012.9	2013.9	2014.9	2015.9	2016.9
<b>Materials</b>	64.0	65.2	64.4	65.8	63.7	64.8	66.7	69.0	69.9	66.2
<b>Personnel</b>	12.1	12.5	12.2	12.8	11.6	11.7	11.9	11.5	10.4	9.2
<b>Outsourcing</b>	1.4	1.8	1.5	2.4	2.3	2.7	2.6	2.6	2.2	2.1
<b>Others</b>	22.5	20.4	21.9	19.0	22.4	20.7	18.8	17.0	17.5	22.5
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

**Materials and outso** 65.4 67.0 65.9 68.2 66.0 67.5 69.3 71.5 72.1 68.3

