



First 3 Quarters of Fiscal 2018

Supplementary Materials

HOGY MEDICAL Co., Ltd.

January 21, 2019

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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 2018 Statements of Income (Consolidated)

First Half

¥ millions, rounded down

	Sept. 2018 Interim Results		Sept. 2017 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	18,238	100.0	18,427	100.0	△ 188	99.0
Cost of Sales	10,733	58.8	11,173	60.6	△ 439	96.1
Gross profit	7,505	41.2	7,254	39.4	250	103.5
SG&A expenses	5,064	27.8	4,425	24.0	639	114.4
Operating income	2,440	13.4	2,829	15.4	△ 388	86.3
Other income	123		103		20	
Other expenses	83		57		26	
Ordinary income	2,480	13.6	2,875	15.6	△ 394	86.3
Extraordinary income	3,998		2,224		1,773	
Extraordinary expenses	1		20		△ 19	
Income before income taxes and minority interests	6,477	35.5	5,078	27.6	1,398	127.5
Corporation tax, etc.	1,942		1,492		450	
(Tax burden)	30.0%		29.4%			
Minority interests	0		0		0	
Profit attributable to owners of parent	4,534	24.9	3,586	19.5	948	126.4

EPS (total shares)	¥138.74	¥109.73
EPS (minus treasury shares)	¥147.41	¥114.55
Number of shares outstanding	32,682,310	32,682,310
Weighted-average number of shares outstanding (after deducting treasury shares)	30,760,964	31,307,630

Third Quarter

¥ millions, rounded down

	Dec. 2018 Results		Dec. 2017 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	27,963	100.0	28,126	100.0	△ 163	99.4
Cost of Sales	16,388	58.6	17,125	60.9	△ 737	95.7
Gross profit	11,574	41.4	11,000	39.1	574	105.2
SG&A expenses	7,649	27.4	6,757	24.0	892	113.2
Operating income	3,924	14.0	4,243	15.1	△ 318	92.5
Other income	187		139		48	
Other expenses	88		82		6	
Ordinary income	4,024	14.4	4,300	15.3	△ 276	93.6
Extraordinary income	3,998		2,224		1,773	
Extraordinary expenses	2		20		△ 18	
Income before income taxes and minority interests	8,019	28.7	6,504	23.1	1,515	123.3
Corporation tax, etc.	2,390		1,909		481	
(Tax burden)	29.8%		29.4%			
Minority interests	0		0		0	
Profit attributable to owners of parent	5,628	20.1	4,594	16.3	1,034	122.5

EPS (total shares)	¥172.22	¥140.58
EPS (minus treasury shares)	¥184.15	48.873% ¥146.74
Number of shares outstanding	32,682,310	32,682,310
Weighted-average number of shares outstanding (after deducting treasury shares)	30,565,435	31,310,734

Full Year

¥ millions, rounded down

	Fiscal 2018 Forecasts		Fiscal 2017 Results		Year-on-Year Comparison		Fiscal 2018 Revised Plans		Revised Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	37,020	100.0	36,918	100.0	101	100.3	37,020	100.0	-	100.0
Cost of Sales	21,920	59.2	22,450	60.8	△ 530	97.6	21,920	59.2	-	100.0
Gross profit	15,100	40.8	14,467	39.2	632	104.4	15,100	40.8	-	100.0
SG&A expenses	11,480	31.0	9,194	24.9	2,285	124.9	11,480	31.0	-	100.0
Operating income	3,620	9.8	5,273	14.3	△ 1,653	68.6	3,620	9.8	-	100.0
Other income	190		161		28		190		-	
Other expenses	100		54		45		100		-	
Ordinary income	3,710	10.0	5,380	14.6	△ 1,670	68.9	3,710	10.0	-	100.0
Extraordinary income	4,000		2,224		1,775		4,000		-	
Extraordinary expenses	-		21		△ 21		-		-	
Income before income taxes and minority interests	7,710	20.8	7,583	20.5	126	101.7	7,710	20.8	-	100.0
Corporation tax, etc.	2,360		2,321		38		2,360		-	
(Tax burden)	30.6%		30.6%						-	
Minority interests	-		0		△ 0		-		-	
Profit attributable to owners of parent	5,350	14.5	5,262	14.3	87	101.7	5,350	14.5	-	100.0

EPS (total shares)	¥163.70	¥161.01	¥163.70
EPS (minus treasury shares)	¥177.24	¥168.04	¥177.24
Number of shares outstanding	32,682,310	32,682,310	32,682,310
Weighted-average number of shares outstanding (after deducting treasury shares)	30,185,098	31,314,063	30,185,098

Fiscal 2018 Sales by Product Grouping (Consolidated)

First Half

¥ millions, rounded down

	Sept. 2018		Sept. 2017		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	1,740	9.5%	1,789	9.7%	△ 48	97.3%
Surgical products	15,972	87.6%	16,094	87.3%	△ 122	99.2%
Treatment products	95	0.5%	96	0.5%	△ 1	98.7%
Others	430	2.4%	447	2.4%	△ 16	96.3%
Total	18,238	100.0%	18,427	100.0%	△ 188	99.0%

Itemized surgical products

Non-woven products	4,467	24.5%	4,610	25.0%	△ 143	96.9%
Other non-woven	620	3.4%	661	3.6%	△ 40	93.9%
Kit products	10,801	59.2%	10,708	58.1%	92	100.9%
New products	82	0.5%	114	0.6%	△ 31	72.7%

Itemized external sales by subsidiary

Non-woven products	138		101		36	
Others(PT.HOGY)	40		38		1	

Third Quarter

¥ millions, rounded down

	Dec. 2018		Dec. 2017		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	2,653	9.5%	2,705	9.6%	△ 51	98.1%
Surgical products	24,522	87.7%	24,592	87.4%	△ 70	99.7%
Treatment products	142	0.5%	146	0.5%	△ 3	97.8%
Others	644	2.3%	681	2.4%	△ 37	94.5%
Total	27,963	100.0%	28,126	100.0%	△ 163	99.4%

Itemized surgical products

Non-woven products	6,852	24.5%	7,053	25.1%	△ 200	97.2%
Other non-woven	967	3.5%	1,023	3.6%	△ 56	94.5%
Kit products	16,586	59.3%	16,354	58.1%	232	101.4%
New products	115	0.4%	161	0.6%	△ 45	71.6%

Itemized external sales by subsidiary

Non-woven products	206		158		48	
Others(PT.HOGY)	65		62		2	

Full Year

¥ millions, rounded down

	Fiscal 2018		Fiscal 2017		Year-on-Year Comparison		Fiscal 2018		Revised Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	3,500	9.5%	3,548	9.6%	△ 48	98.6%	3,500	9.5%	-	100.0%
Surgical products	32,480	87.7%	32,274	87.4%	205	100.6%	32,480	87.7%	-	100.0%
Treatment products	185	0.5%	192	0.5%	△ 7	96.2%	185	0.5%	-	100.0%
Others	855	2.3%	903	2.4%	△ 48	94.6%	855	2.3%	-	100.0%
Total	37,020	100.0%	36,918	100.0%	101	100.3%	37,020	100.0%	-	100.0%

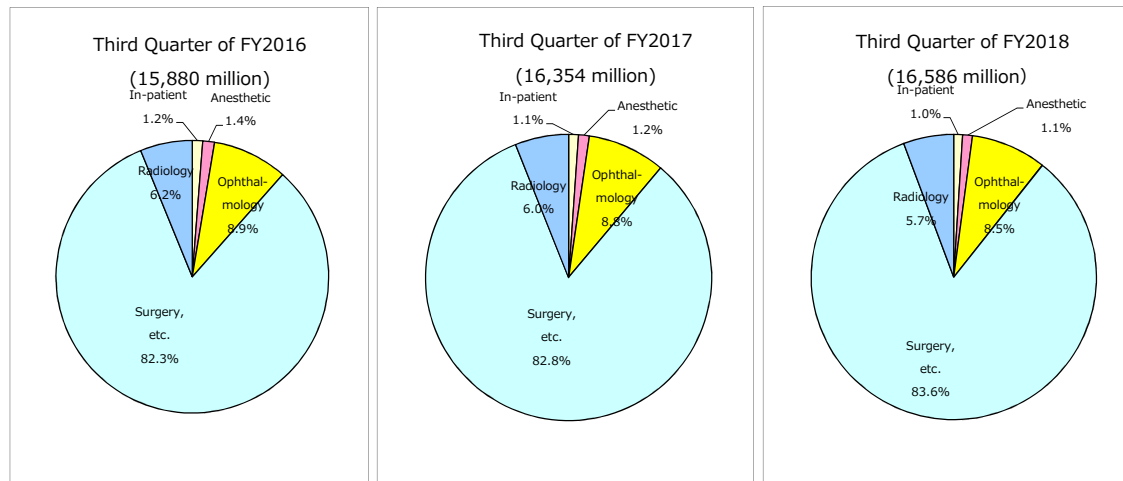
Itemized surgical products

Non-woven products	8,840	23.9%	9,186	24.9%	△ 346	96.2%	8,840	23.9%	-	100.0%
Other non-woven	1,260	3.4%	1,332	3.6%	△ 72	94.6%	1,260	3.4%	-	100.0%
Kit products	22,210	60.0%	21,493	58.2%	716	103.3%	22,210	60.0%	-	100.0%
New products	170	0.5%	261	0.7%	△ 91	64.9%	170	0.5%	-	100.0%

Itemized external sales by subsidiary

Non-woven products	310		242		67		310		-	
Others(PT.HOGY)	90		90		△ 0		90		-	

Sales Composition by Kit Treatment Category



Fiscal 2018 Itemized SG&A Expenses and Other Income/Expenses (Consolidated)

SG&A Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2018 Results	Third Quarter Ended Dec. 2017 Results	Year-on-Year Comparison
Packaging and transportation	789	741	48
Losses on doubtful accounts	-	-	-
Samples	646	408	237
Advertising	69	94	△ 24
Personnel	2,870	2,629	240
Travel	492	425	67
Communication	103	106	△ 2
Consumables	68	64	4
Taxes and public charges	247	248	△0
Depreciation	713	676	37
Testing and research	418	250	168
Land and housing rent	322	320	1
Miscellaneous	398	293	104
Others	508	498	10
Total	7,649	6,757	892

Other Income/Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2018 Results	Third Quarter Ended Dec. 2017 Results	Year-on-Year Comparison
Interest received	32	22	10
Interest on negotiable securities	-	-	-
Dividend received	85	71	14
(Total financial earnings)	118	93	25
Foreign exchange gain	27	-	27
Miscellaneous income	41	46	△ 4
Total Other income	187	139	48
Paid interest	-	-	-
(Total financial expenses)	-	-	-
Foreign exchange loss	-	11	△ 11
Miscellaneous losses	88	70	17
Total non-operating expenses	88	82	6

Fiscal 2018 Major Change on Balance Sheets and Statements of Cash Flows (Consolidated)

Major Change on Balance Sheets

¥ millions, rounded down

	Balance at Dec. 31, 2018	Change		Balance at Dec. 31, 2018	Change
Current assets	43,209	759	Current liabilities	7,637	△ 759
Cash and bank deposits	21,736	461	Notes and accounts payable	4,285	△ 723
Notes and accounts receivable	12,712	595	Accrued expenses	403	213
Short-term investments	-	-	Long-term loans due within 1 year	-	-
Inventories	8,205	△ 498	Income taxes	1,284	349
Others	555	201	Allowance for employees' bonuses	186	△ 287
			Payable notes for equipment	729	282
			Reserve for disaster loss	-	-
			Others	748	△ 595
Fixed assets	57,691	△ 6,011	Long-term liabilities	2,483	△ 1,209
Property, plant and equipment	45,414	△ 2,476	Long-term loans	341	△ 57
Buildings and structures	22,439	△ 833	Others	2,141	△ 1,151
Machinery, equipment and vehicles	11,700	△ 1,392	Total liabilities	10,121	△ 1,968
Land	9,620	2	Total net assets	90,780	△ 3,282
Construction in progress	734	△ 163	Common stock	7,123	-
Others	919	△ 89	Capital surplus	8,336	-
Intangibles	2,795	△ 169	Retained earnings	79,840	4,160
Investments and others	9,482	△ 3,365	Treasury stock	△ 8,679	△ 4,919
Investments securities	7,601	△ 3,945	Others	4,159	△ 2,524
Others	1,880	580			
Total assets	100,901	△ 5,251	equity	100,901	△ 5,251

* Comparison with end of previous fiscal year:

Equity ratio increased from 88.6% at the end of the previous fiscal year to 90.0%.

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	4,444	Income before income taxes and minority interests	8,019
		Depreciation	4,156
		Gain on sales of investment securities	△ 3,998
		Income taxes paid	△ 2,000
II Investing activities	2,470	Proceeds from sales of investment securities	4,073
		Purchase of tangible fixed assets	△ 734
		Purchase of stocks of subsidiaries and affiliates	△ 492
III Financing activities	△ 6,437	Purchase of treasury stock	△ 5,000
		Cash dividends paid	△ 1,468
IV Effect of exchange rate changes	△ 16		
Net changes in cash and cash equivalents	462		

Fiscal 2018 Statements of Income (First 3 Quarters Results; Non-consolidated)

First Half

¥ millions, rounded down

	Sept. 2018 Interim Results		Sept. 2017 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	18,060	100.0	18,286	100.0	△ 226	98.8
Cost of Sales	11,046	61.2	11,534	63.1	△ 487	95.8
Gross profit	7,013	38.8	6,752	36.9	261	103.9
SG&A expenses	5,020	27.8	4,384	24.0	636	114.5
Operating income	1,993	11.0	2,368	13.0	△ 374	84.2
Other income	102		105		△ 2	
Other expenses	101		66		34	
Ordinary income	1,994	11.0	2,407	13.2	△ 412	82.9
Extraordinary income	3,998		2,222		1,775	
Extraordinary expenses	1		20		△ 19	
Income before income taxes	5,991	33.2	4,608	25.2	1,382	130.0
Corporation tax, etc.	1,827		1,383		444	
(Tax burden)	30.5%		30.0%			
Profit attributable to owners of parent	4,163	23.1	3,225	17.6	938	129.1

EPS (total shares)	127.41	98.70
EPS (minus treasury shares)	135.36	103.03
Number of shares outstanding	32,682,310	32,682,310
Weighted-average number of shares outstanding (after deducting treasury shares)	30,760,964	31,307,630

Third Quarter

¥ millions, rounded down

	Dec. 2018 Results		Dec. 2017 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	27,691	100.0	27,905	100.0	△ 214	99.2
Cost of Sales	16,905	61.1	17,635	63.2	△ 729	95.9
Gross profit	10,785	38.9	10,270	36.8	515	105.0
SG&A expenses	7,583	27.4	6,697	24.0	885	113.2
Operating income	3,202	11.6	3,572	12.8	△ 370	89.6
Other income	144		131		13	
Other expenses	105		92		13	
Ordinary income	3,241	11.7	3,611	12.9	△ 370	89.7
Extraordinary income	3,998		2,222		1,775	
Extraordinary expenses	2		20		△ 18	
Income before income taxes	7,236	26.1	5,813	20.8	1,423	124.5
Corporation tax, etc.	2,207		1,744		462	
(Tax burden)	30.5%		30.0%			
Profit attributable to owners of parent	5,029	18.2	4,068	14.6	960	123.6

	153.89	124.49
	164.55	129.94
	32,682,310	32,682,310
	30,565,435	31,310,734

Full Year

¥ millions, rounded down

	Fiscal 2018 Forecasts		Fiscal 2017 Results		Year-on-Year Comparison		Fiscal 2018 Revised Plans		Revised Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	36,620	100.0	36,585	100.0	34	100.1	36,620	100.0	-	100.0
Cost of Sales	22,640	61.8	23,136	63.2	△ 496	97.9	22,640	61.8	-	100.0
Gross profit	13,980	38.2	13,449	36.8	530	103.9	13,980	38.2	-	100.0
SG&A expenses	11,390	31.1	9,110	24.9	2,279	125.0	11,390	31.1	-	100.0
Operating income	2,590	7.1	4,338	11.9	△ 1,748	59.7	2,590	7.1	-	100.0
Other income	400		356		43		400		-	
Other expenses	120		77		42		120		-	
Ordinary income	2,870	7.8	4,618	12.6	△ 1,748	62.1	2,870	7.8	-	100.0
Extraordinary income	4,000		2,222		1,777		4,000		-	
Extraordinary expenses	-		21		△ 21		-		-	
Income before income taxes	6,870	18.8	6,818	18.6	51	100.7	6,870	18.8	-	100.0
Corporation tax, etc.	2,100		2,082		17		2,100		-	
(Tax burden)	30.6%		30.5%				30.6%		-	
Profit attributable to owners of parent	4,770	13.0	4,736	12.9	33	100.7	4,770	13.0	-	100.0

EPS (total shares)	145.95	144.91	145.95
EPS (minus treasury shares)	158.02	151.24	158.02
Number of shares outstanding	32,682,310	32,682,310	32,682,310
Weighted-average number of shares outstanding (after deducting treasury shares)	30,185,098	31,314,063	30,185,098