



1st Quarter of Fiscal 2020

Supplementary Materials

HOGY MEDICAL Co., Ltd.

July 15, 2021

Table of Contents

Consolidated Basis

Statements of Income (Actual and Forecast)	1 P
Sales Results and Plan by Product Line	2 P
SG&A and Other Income/Expenses (Actual and Forecast)	3 P
Major Changes on Balance Sheets	3 P
Statements of Cash Flows	4 P

Non-Consolidated Basis

Statements of Income (Actual and Forecast)	5 P
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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 2020 Statements of Income (Actual and Forecast, Consolidated)

First Quarter

¥ millions, rounded down

	June 2020		June 2019		Year-on-Year Comparison	
	1st Quarter Results		1st Quarter Results		Amount	%
	Amount	% of total	Amount	% of total		
Net sales	8,376	100.0	9,038	100.0	△ 661	92.7
Cost of Sales	4,874	58.2	5,243	58.0	△ 368	93.0
Gross profit	3,502	41.8	3,794	42.0	△ 292	92.3
SG&A expenses	2,358	28.2	2,459	27.2	△ 101	95.9
Operating income	1,143	13.7	1,335	14.8	△ 191	85.7
Other income	109		69		39	
Other expenses	1		3		△ 1	
Ordinary income	1,251	14.9	1,401	15.5	△ 149	89.3
Extraordinary income	-		-		-	
Extraordinary expenses	-		0		△ 0	
Income before income taxes and minority interests	1,251	14.9	1,401	15.5	△ 149	89.3
Corporation tax, etc.	352		422		△ 70	
(Tax burden)	28.1%		30.2%			
Minority interests	△ 8		△ 7		△ 1	
Profit attributable to owners of parent	908	10.8	986	10.9	△ 78	92.1

EPS (total shares)	¥27.78	¥30.17
EPS (minus treasury shares)	¥30.04	¥32.66
Number of shares outstanding	32,682,310	32,682,310
Average number of shares outstanding (after deducting treasury shares)	30,223,453	30,191,789

Second Quarter

¥ millions, rounded down

	Sept. 2020 Plan		Sept. 2019 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	10,753	100.0	9,342	100.0	1,410	115.1
Cost of Sales	6,025	56.0	5,566	59.6	458	108.2
Gross profit	4,727	44.0	3,775	40.4	952	125.2
SG&A expenses	2,771	25.8	2,514	26.9	257	110.3
Operating income	1,956	18.2	1,261	13.5	694	155.1
Other income	20		61		△ 41	
Other expenses	△ 1		0		△ 2	
Ordinary income	1,978	18.4	1,322	14.2	655	149.6
Extraordinary income	300		1,943		△ 1,643	
Extraordinary expenses	-		1		△ 1	
Income before income taxes and minority interests	2,278	21.2	3,264	34.9	△ 985	69.8
Corporation tax, etc.	667		993		△ 325	
(Tax burden)	29.3%		30.4%			
Minority interests	0		△ 8		△ 3	
Profit attributable to owners of parent	1,621	15.1	2,279	24.4	△ 657	71.2

First Half

¥ millions, rounded down

	Sept. 2020 Interim Plan		Sept. 2019 Results		Year-on-Year Comparison		Sept. 2020 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	19,130	100.0	18,380	100.0	749	104.1	19,130	100.0	-	100.0
Cost of Sales	10,900	57.0	10,810	58.8	89	100.8	10,900	57.0	-	100.0
Gross profit	8,230	43.0	7,570	41.2	659	108.7	8,230	43.0	-	100.0
SG&A expenses	5,130	26.8	4,973	27.1	156	103.1	5,130	26.8	-	100.0
Operating income	3,100	16.2	2,596	14.1	503	119.4	3,100	16.2	-	100.0
Other income	130		131		△ 1		130		-	
Other expenses	-		3		△ 3		-		-	
Ordinary income	3,230	16.9	2,724	14.8	505	118.6	3,230	16.9	-	100.0
Extraordinary income	300		1,943		△ 1,643		300		-	
Extraordinary expenses	-		1		△ 1		-		-	
Income before income taxes and minority interests	3,530	18.5	4,665	25.4	△ 1,135	75.7	3,530	18.5	-	100.0
Corporation tax, etc.	1,020		1,415		△ 395		1,020		-	
(Tax burden)	28.9%		30.3%				28.9%			
Minority interests	△ 20		△ 15		△ 4		△ 20		-	
Profit attributable to owners of parent	2,530	13.2	3,265	17.8	△ 735	77.5	2,530	13.2	-	100.0

EPS (total shares)	¥77.41	¥99.91	¥77.41
EPS (minus treasury shares)	¥83.70	¥108.14	¥83.70
Number of shares outstanding	32,682,310	32,682,310	32,682,310
Average number of shares outstanding (after deducting treasury shares)	30,227,023	30,196,594	30,227,023

Fiscal 2020 Sales Results and Plan by Product Line (Consolidated)

First Quarter

¥ millions, rounded down

	June 2020		June 2019		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	831	9.9%	854	9.5%	△ 23	97.3%
Surgical products	7,317	87.4%	7,947	87.9%	△ 630	92.1%
Treatment products	62	0.8%	44	0.5%	18	142.8%
Others	164	2.0%	191	2.1%	△ 26	86.2%
Total	8,376	100.0%	9,038	100.0%	△ 661	92.7%

Itemized surgical products

Non-woven products	2,062	24.6%	2,146	23.7%	△ 83	96.1%
Other non-woven product	429	5.1%	292	3.2%	136	146.7%
Kit products	4,786	57.1%	5,481	60.7%	△ 695	87.3%
Steel instruments	38	0.5%	27	0.3%	11	142.2%

Itemized external sales by subsidiary

Non-woven products	76		52		23	
Other non-woven product	3		-		3	
Others	19		23		△ 3	

Second Quarter

¥ millions, rounded down

	Sept. 2020 Plan		Sept. 2019 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	857	8.0%	853	9.1%	3	100.4%
Surgical products	9,672	89.9%	8,252	88.3%	1,420	117.2%
Treatment products	23	0.2%	48	0.5%	△ 24	49.4%
Others	200	1.9%	188	2.0%	11	106.0%
Total	10,753	100.0%	9,342	100.0%	1,410	115.1%

Itemized surgical products

Non-woven products	2,167	20.2%	2,205	23.6%	△ 38	98.2%
Other non-woven product	140	1.3%	299	3.2%	△ 158	47.0%
Kit products	7,223	67.2%	5,683	60.8%	1,539	127.1%
Steel instruments	141	1.3%	63	0.7%	77	221.7%

Itemized external sales by subsidiary

Non-woven products	83		72		11	
Other non-woven product	△ 3		-		△ 3	
Others	20		17		2	

First Half

¥ millions, rounded down

	Sept. 2020 Interim Plan		Sept. 2019 Results		Year-on-Year Comparison		Sept. 2020 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,688	8.8%	1,708	9.3%	△ 19	98.9%	1,688	8.8%	-	100.0%
Surgical products	16,990	88.8%	16,200	88.1%	789	104.9%	16,990	88.8%	-	100.0%
Treatment products	86	0.5%	92	0.5%	△ 5	94.1%	86	0.5%	-	100.0%
Others	365	1.9%	379	2.1%	△ 14	96.1%	365	1.9%	-	100.0%
Total	19,130	100.0%	18,380	100.0%	749	104.1%	19,130	100.0%	-	100.0%

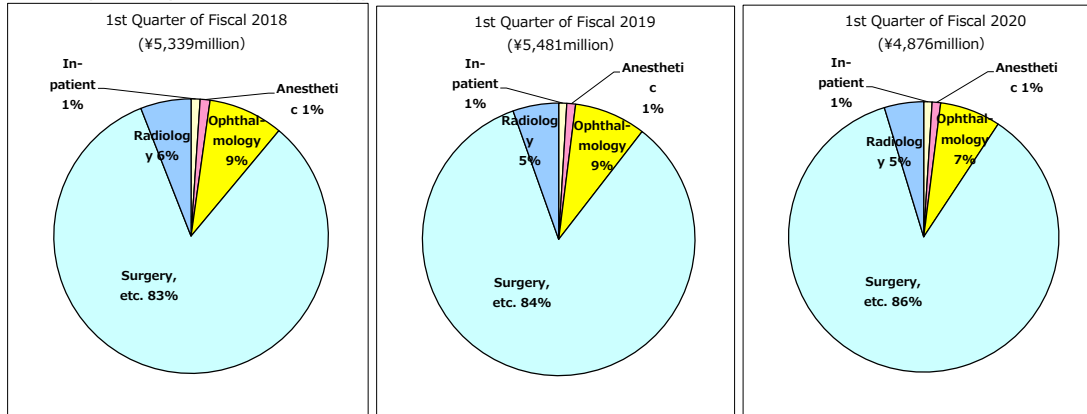
Itemized surgical products

Non-woven products	4,230	22.1%	4,351	23.7%	△ 121	97.2%	4,230	22.1%	-	100.0%
Other non-woven product	570	3.0%	592	3.2%	△ 22	96.3%	570	3.0%	-	100.0%
Kit products	12,010	62.8%	11,165	60.7%	844	107.6%	12,010	62.8%	-	100.0%
Steel instruments	180	0.9%	90	0.5%	89	197.8%	180	0.9%	-	100.0%

Itemized external sales by subsidiary

Non-woven products	160		125		34		160		-	
Other non-woven product	-		-		-		-		-	
Others	40		41		△ 1		40		-	

Sales Composition by Kit Treatment Category



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

SG&A Expenses

¥ millions, rounded down

	June 2020 1st Quarter Results	June 2019 1st Quarter Results	Year-on-Year Comparison
transportation	259	256	2
Losses on doubtful accounts	-	-	-
Samples	82	134	△ 51
Advertising	8	8	0
Personnel	1,051	953	98
Travel	79	150	△ 70
Communication	32	33	△ 0
Consumables	17	21	△ 4
Taxes and public charges	81	81	0
Depreciation	214	260	△ 45
Testing and research	151	152	△ 0
Land and housing rent	110	110	0
Miscellaneous	119	143	△ 23
Others	149	154	△ 5
Total	2,358	2,459	△ 101

Other Income/Expenses

¥ millions, rounded down

	June 2020 1st Quarter Results	June 2019 1st Quarter Results	Year-on-Year Comparison
Interest received	19	15	4
Interest on negotiable securities	-	-	-
Dividend received	29	38	△ 8
(Total financial earnings)	48	53	△ 4
Foreign exchange gain	43	6	37
Miscellaneous income	17	10	7
Total Other income	109	69	39
Paid interest	0	-	0
(Total financial expenses)	0	-	0
Foreign exchange loss	-	-	-
Miscellaneous losses	1	3	△ 1
Total non-operating expenses	1	3	△ 1

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

Major Changes on Balance Sheets

¥ millions, rounded down

	Balance at June 30, 2021	Change		Balance at June 30, 2021	Change
Current assets	41,580	△ 1,648	Current liabilities	8,426	△ 1,934
Cash and bank deposits	22,216	△ 1,161	Notes and accounts payable	4,501	△ 174
Notes and accounts receivable	10,704	△ 648	Accrued expenses	1,117	△ 1,457
Short-term investments	-	-	Long-term loans due within 1 year	-	-
Inventories	7,973	105	Income taxes	349	△ 711
Others	687	55	Allowance for employees' bonuses	155	△ 311
			Payable notes for equipment	861	289
			Reserve for disaster loss	-	-
			Others	1,440	430
Fixed assets	64,071	636	Long-term liabilities	2,524	142
Property, plant and equipment	51,959	108	Long-term borrowings	175	-
Buildings and structures	22,868	△ 305	Others	2,349	142
Machinery, equipment and vehicles	8,320	△ 445	Total liabilities	10,951	△ 1,791
Land	9,601	△ 2	Total net assets	94,700	779
Construction in progress	9,964	968	Common stock	7,123	-
Others	1,205	△ 106	Capital surplus	8,336	-
Intangibles	2,260	△ 39	Retained earnings	83,642	408
Investments and others	9,851	567	Treasury stock	△ 8,539	18
Investments securities	8,603	661	Others	4,137	352
Others	1,247	△ 94			
Total assets	105,651	△ 1,012	Total liabilities and shareholders' equity	105,651	△ 1,012

* Comparison with end of previous fiscal year:

Equity ratio increased from 88.0% at the end of the previous fiscal year to

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	1,624	Income before income taxes and minority interests	1,251
		Depreciation expenses	1,112
		Income taxes paid	△989
II Investing activities	△2,256	Purchase of tangible fixed assets	△2,234
		Purchase of intangible fixed assets	△27
III Financing activities	△481	Cash dividends paid	△499
IV Effect of exchange rate changes	△41		
Net changes in cash and cash equivalents	△1,154		

Fiscal 2020 Statements of Income (Actual and Forecast, Non-Consolidated)

First Quarter

¥ millions, rounded down

	June 2020 1st Quarter Results		June 2019 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,292	100.0	8,964	100.0	△ 672	92.5
Cost of Sales	4,965	59.9	5,400	60.2	△ 434	91.9
Gross profit	3,327	40.1	3,564	39.8	△ 237	93.3
SG&A expenses	2,300	27.7	2,404	26.8	△ 104	95.7
Operating income	1,026	12.4	1,159	12.9	△ 133	88.5
Other income	51		64		△ 12	
Other expenses	7		9		△ 2	
Ordinary income	1,071	12.9	1,214	13.5	△ 143	88.2
Extraordinary income	-		-		-	
Extraordinary expenses	-		0		△ 0	
Income before income taxes and minority interests	1,071	12.9	1,214	13.5	△ 143	88.2
Corporation tax, etc.	307		370		△ 63	
(Tax burden)	28.7%		30.5%			
Net income	764	9.2	843	9.4	△ 79	90.5

EPS (total shares)	23.38	25.82
EPS (minus treasury shares)	25.28	27.95
Number of shares outstanding	32,682,310	32,682,310
Average number of shares outstanding ()	30,223,453	30,191,789

Second Quarter

¥ millions, rounded down

	Sept. 2020 Plan		Sept. 2019 Results		Year-on-Year Comparison	
	金額	構成比(%)	金額	構成比(%)	金額	比率(%)
Net sales	10,637	100.0	9,258	100.0	1,379	114.9
Cost of Sales	6,104	57.4	5,661	61.1	443	107.8
Gross profit	4,532	42.6	3,597	38.9	935	126.0
SG&A expenses	2,669	25.1	2,456	26.5	212	108.7
Operating income	1,863	17.5	1,140	12.3	722	163.4
Other income	38		54		△ 16	
Other expenses	2		6		△ 3	
Ordinary income	1,898	17.8	1,188	12.8	709	159.7
Extraordinary income	300		1,942		△ 1,642	
Extraordinary expenses	-		1		△ 1	
Income before income taxes and minority interests	2,198	20.7	3,129	33.8	△ 930	70.3
Corporation tax, etc.	632		955		△ 322	
(Tax burden)	28.8%		30.5%			
Net income	1,565	14.7	2,174	23.5	△ 608	72.0

First Half

¥ millions, rounded down

	Sept. 2020 Plan		Sept. 2019 Results		Year-on-Year Comparison		Sept. 2020 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	18,930	100.0	18,223	100.0	706	103.9	18,930	100.0	-	100.0
Cost of Sales	11,070	58.5	11,061	60.7	8	100.1	11,070	58.5	-	100.0
Gross profit	7,860	41.5	7,161	39.3	698	109.7	7,860	41.5	-	100.0
SG&A expenses	4,970	26.3	4,861	26.7	108	102.2	4,970	26.3	-	100.0
Operating income	2,890	15.3	2,300	12.6	589	125.6	2,890	15.3	-	100.0
Other income	90		119		△ 29		90		-	
Other expenses	10		15		△ 5		10		-	
Ordinary income	2,970	15.7	2,403	13.2	566	123.6	2,970	15.7	-	100.0
Extraordinary income	300		1,942		△ 1,642		300		-	
Extraordinary expenses	-		1		△ 1		-		-	
Income before income taxes and minority interests	3,270	17.3	4,343	23.8	△ 1,073	75.3	3,270	17.3	-	100.0
Corporation tax, etc.	940		1,325		△ 385		940		-	
(Tax burden)	28.7%		30.5%				28.7%		-	
Net income	2,330	12.3	3,018	16.6	△ 688	77.2	2,330	12.3	-	100.0

EPS (total shares)	71.29	92.34	71.29
EPS (minus treasury shares)	77.08	99.95	77.08
Number of shares outstanding	32,682,310	32,682,310	32,682,310
Average number of shares outstanding ()	30,227,023	30,196,594	30,227,023