



1st Quarter of Fiscal 2021

Supplementary Materials

HOGY MEDICAL Co., Ltd.

July 15, 2021

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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 2021 Statements of Income (Actual and Forecast, Consolidated)

First Quarter Results

¥ millions, rounded down

	June 2021 Results		June 2020 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,895	100.0	8,376	100.0	519	106.2
Cost of Sales	5,115	57.5	4,874	58.2	241	105.0
Gross profit	3,780	42.5	3,502	41.8	277	107.9
SG&A expenses	2,287	25.7	2,358	28.2	△ 70	97.0
Operating income	1,492	16.8	1,143	13.7	348	130.5
Other income	34		109		△ 74	
Other expenses	31		1		30	
Ordinary income	1,495	16.8	1,251	14.9	243	119.5
Extraordinary income	-		-		-	
Extraordinary expenses	1		-		1	
Income before income taxes	1,494	16.8	1,251	14.9	242	119.4
Income taxes	412		352		59	
(Tax burden)	27.6%		28.1%			
Profit attributable to non-controlling interests	△ 7		△ 8		1	
Profit attributable to owners of parent	1,089	12.2	908	10.8	181	120.0
EPS (total shares)	¥33.34		¥27.78			
EPS (minus treasury shares)	¥36.65		¥30.04			
Number of shares outstanding	32,682,310		32,682,310			
Average number of shares outstanding (after deducting treasury shares)	29,729,200		30,223,453			

Second Quarter Results

¥ millions, rounded down

	Sept. 2021 Plan		Sept. 2020 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	10,184	100.0	9,358	100.0	826	108.8
Cost of Sales	5,824	57.2	5,499	58.8	324	105.9
Gross profit	4,359	42.8	3,858	41.2	501	113.0
SG&A expenses	2,632	25.9	2,331	24.9	301	112.9
Operating income	1,727	17.0	1,527	16.3	199	113.1
Other income	55		29		26	
Other expenses	28		1		26	
Ordinary income	1,754	17.2	1,554	16.6	200	112.9
Extraordinary income	-		1,028		△ 1,028	
Extraordinary expenses	△ 1		1		△ 2	
Income before income taxes	1,755	17.2	2,581	27.6	△ 825	68.0
Income taxes	507		716		△ 208	
(Tax burden)	28.9%		27.7%			
Profit attributable to non-controlling interests	0		△ 2		△ 9	
Profit attributable to owners of parent	1,260	12.4	1,868	20.0	△ 607	67.5

First Half Results

¥ millions, rounded down

	Sept. 2021 Interim Plan		Sept. 2020 Results		Year-on-Year Comparison		Sept. 2021 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	19,080	100.0	17,734	100.0	1,345	107.6	19,080	100.0	-	100.0
Cost of Sales	10,940	57.3	10,374	58.5	565	105.5	10,940	57.3	-	100.0
Gross profit	8,140	42.7	7,360	41.5	779	110.6	8,140	42.7	-	100.0
SG&A expenses	4,920	25.8	4,689	26.4	230	104.9	4,920	25.8	-	100.0
Operating income	3,220	16.9	2,671	15.1	548	120.5	3,220	16.9	-	100.0
Other income	90		138		△ 48		90		-	
Other expenses	60		3		56		60		-	
Ordinary income	3,250	17.0	2,806	15.8	443	115.8	3,250	17.0	-	100.0
Extraordinary income	-		1,028		△ 1,028		-		-	
Extraordinary expenses	-		1		△ 1		-		-	
Income before income taxes	3,250	17.0	3,833	21.6	△ 583	84.8	3,250	17.0	-	100.0
Income taxes	920		1,068		△ 148		920		-	
(Tax burden)	28.3%		27.9%				28.3%		-	
Profit attributable to non-controlling interests	△ 20		△ 11		△ 8		△ 20		-	
Profit attributable to owners of parent	2,350	12.3	2,776	15.7	△ 426	84.7	2,350	12.3	-	100.0
EPS (total shares)	¥71.90		¥84.94				¥71.90			
EPS (minus treasury shares)	¥79.87		¥91.84				¥79.87			
Number of shares outstanding	32,682,310		32,682,310				32,682,310			
Average number of shares outstanding (after deducting treasury shares)	29,424,300		30,228,126				29,424,300			

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

First Quarter Results

¥ millions, rounded down

	June 2021 Results		June 2020 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	794	8.9%	831	9.9%	△ 37	95.5%
Surgical products	7,872	88.5%	7,317	87.4%	555	107.6%
Treatment products	44	0.5%	62	0.8%	△ 18	70.0%
Others	184	2.1%	164	2.0%	19	112.0%
Total	8,895	100.0%	8,376	100.0%	519	106.2%

Itemized surgical products

Non-woven products	2,053	23.1%	2,062	24.6%	△ 9	99.5%
Other non-woven product	368	4.1%	429	5.1%	△ 60	85.9%
Kit products	5,418	60.9%	4,786	57.1%	631	113.2%
New products	32	0.4%	38	0.5%	△ 6	83.9%

Itemized external sales by subsidiary

Non-woven products	159		76		83
Other non-woven product	-		3		△ 3
Kit products	0		-		0
Others	24		19		4

Second Quarter Results

¥ millions, rounded down

	Sept. 2021 Plan		Sept. 2020 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	868	8.5%	808	8.6%	60	107.5%
Surgical products	9,097	89.3%	8,329	89.0%	767	109.2%
Treatment products	51	0.5%	48	0.5%	3	107.1%
Others	166	1.6%	172	1.8%	△ 5	96.9%
Total	10,184	100.0%	9,358	100.0%	826	108.8%

Itemized surgical products

Non-woven products	2,406	23.6%	2,432	26.0%	△ 26	98.9%
Other non-woven product	361	3.5%	452	4.8%	△ 91	79.8%
Kit products	6,241	61.3%	5,407	57.8%	834	115.4%
New products	87	0.9%	36	0.4%	50	240.0%

Itemized external sales by subsidiary

Non-woven products	160		173		△ 13
Other non-woven product	-		23		△ 23
Kit products	△ 0		0		△ 1
Others	15		16		△ 1

First Half Results

¥ millions, rounded down

	Sept. 2021 Interim Plan		Sept. 2020 Results		Year-on-Year Comparison		Sept. 2021 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,662	8.7%	1,639	9.2%	23	101.4%	1,662	8.7%	-	100.0%
Surgical products	16,970	88.9%	15,646	88.2%	1,323	108.5%	16,970	88.9%	-	100.0%
Treatment products	95	0.5%	111	0.6%	△ 15	86.1%	95	0.5%	-	100.0%
Others	351	1.8%	337	1.9%	14	104.3%	351	1.8%	-	100.0%
Total	19,080	100.0%	17,734	100.0%	1,345	107.6%	19,080	100.0%	-	100.0%

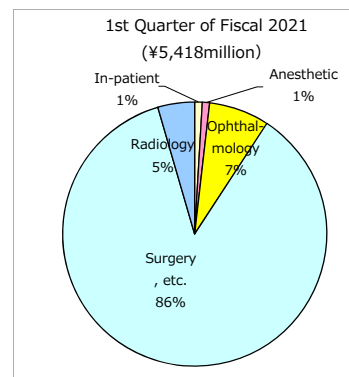
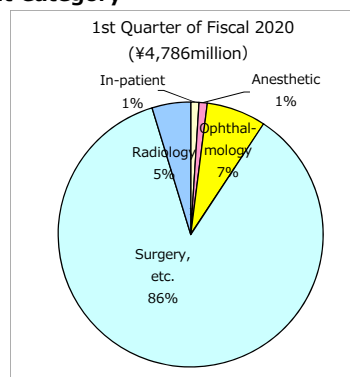
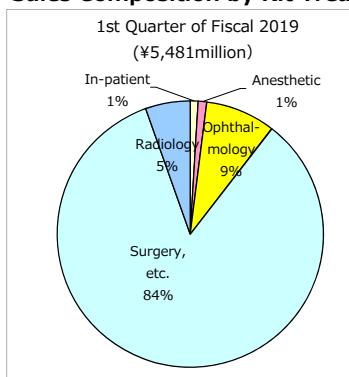
Itemized surgical products

Non-woven products	4,460	23.4%	4,495	25.3%	△ 35	99.2%	4,460	23.4%	-	100.0%
Other non-woven product	730	3.8%	882	5.0%	△ 152	82.8%	730	3.8%	-	100.0%
Kit products	11,660	61.1%	10,193	57.5%	1,466	114.4%	11,660	61.1%	-	100.0%
New products	120	0.6%	75	0.4%	44	159.3%	120	0.6%	-	100.0%

Itemized external sales by subsidiary

Non-woven products	320		249		70	320	-
Other non-woven product	-		27		△ 27	-	-
Kit products	-		0		△ 0	-	-
Others	40		36		3	40	-

Sales Composition by Kit Treatment Category



SG&A and Other Income / Expenses (Consolidated)

SG&A Expenses

¥ millions, rounded down

	June 2021 1st Quarter Results	June 2020 1st Quarter Results	Year-on-Year Comparison
Packaging and transportation	253	259	△ 6
Losses on doubtful accounts	-	-	-
Samples	83	82	1
Advertising	12	8	4
Personnel	995	1,051	△ 55
Travel	101	79	22
Communication	34	32	1
Consumables	15	17	△ 2
Taxes and public charges	88	81	7
Depreciation	201	214	△ 12
Testing and research	128	151	△ 23
Land and housing rent	110	110	△ 0
Miscellaneous	108	119	△ 11
Others	154	149	4
Total	2,287	2,358	△ 70

Other Income/Expenses

¥ millions, rounded down

	June 2021 1st Quarter Results	June 2020 1st Quarter Results	Year-on-Year Comparison
Interest received	9	19	△ 9
Interest on negotiable securities	-	-	-
Dividend received	16	29	△ 13
(Total financial earnings)	26	48	△ 22
Foreign exchange gain	-	43	△ 43
Miscellaneous income	8	17	△ 8
Total Other income	34	109	△ 74
Paid interest	0	0	0
(Total financial expenses)	0	0	0
Foreign exchange loss	5	-	5
Miscellaneous losses	25	1	23
Total non-operating expenses	31	1	30

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	40,235	△ 1,086	Current liabilities	7,573	△ 16
Cash and bank deposits	19,059	△ 1,490	Notes and accounts payable	4,333	△ 282
Notes and accounts receivable	11,663	272	Accrued expenses	208	△ 155
Short-term investments	-	-	Long-term loans due within 1 year	64	-
Inventories	8,924	119	Income taxes	539	△ 567
Others	588	12	Allowance for employees' bonuses	137	△ 382
			Payable notes for equipment	1,070	804
			Reserve for disaster loss	-	-
			Others	1,218	566
Fixed assets	63,529	△ 793	Long-term liabilities	1,938	△ 163
Property, plant and equipment	52,734	△ 60	Long-term borrowings	-	-
Buildings and structures	22,054	△ 278	Others	1,938	△ 163
Machinery, equipment and vehicles	7,089	△ 77	Total liabilities	9,512	△ 180
Land	9,609	28	Total net assets	94,252	△ 1,699
Construction in progress	13,017	319	Common stock	7,123	-
Others	963	△ 51	Capital surplus	8,336	-
Intangibles	1,835	△ 115	Retained earnings	86,726	576
Investments and others	8,958	△ 617	Treasury stock	△ 11,227	△ 2,325
Investments securities	7,457	△ 530	Others	3,294	48
Others	1,501	△ 86			
Total assets	103,764	△ 1,879	Total liabilities and shareholders' equity	103,764	△ 1,879

* Comparison with end of previous fiscal year:

Equity ratio increased from 90.8% at the end of the previous fiscal year to **90.8%**

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	1,318	Income before income taxes	1,494
		Depreciation	1,009
		Incomes taxes paid	△960
II Investing activities	△125	Purchase of tangible fixed assets	△110
		Purchase of intangible fixed assets	△34
III Financing activities	△2,838	Purchase of treasury stock	△2,345
		Cash dividends paid	△512
IV Effect of exchange rate changes	159		
Net changes in cash and cash equivalents	△1,485		

Fiscal 2021 Statements of Income (Non-Consolidated)

First Quarter Results

¥ millions, rounded down

	June 2021 Results		June 2020 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,713	100.0	8,292	100.0	420	105.1
Cost of Sales	5,109	58.6	4,965	59.9	144	102.9
Gross profit	3,603	41.4	3,327	40.1	276	108.3
SG&A expenses	2,229	25.6	2,300	27.7	△ 71	96.9
Operating income	1,374	15.8	1,026	12.4	347	133.9
Other income	27		51		△ 23	
Other expenses	44		7		37	
Ordinary income	1,357	15.6	1,071	12.9	286	126.7
Extraordinary income	-		-		-	
Extraordinary expenses	1		-		1	
Income before income taxes	1,356	15.6	1,071	12.9	285	126.6
Income taxes	385		307		77	
(Tax burden)	28.4%		28.7%			
Profit attributable to owners of parent	971	11.2	764	9.2	207	127.2

EPS (total shares)	¥29.73	¥23.38
EPS (minus treasury shares)	¥32.68	¥25.28
Number of shares outstanding	32,682,310	32,682,310
Average number of shares outstanding (after deducting treasury shares)	29,729,200	30,223,453

Second Quarter Results

¥ millions, rounded down

	Sept. 2021 Plan		Sept. 2020 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	10,006	100.0	9,150	100.0	856	109.4
Cost of Sales	5,900	59.0	5,513	60.3	386	107.0
Gross profit	4,106	41.0	3,636	39.7	469	112.9
SG&A expenses	2,540	25.4	2,281	24.9	259	111.4
Operating income	1,565	15.6	1,354	14.8	210	115.6
Other income	22		40		△ 18	
Other expenses	25		7		18	
Ordinary income	1,562	15.6	1,387	15.2	174	112.5
Extraordinary income	-		1,028		△ 1,028	
Extraordinary expenses	△ 1		1		△ 2	
Income before income taxes	1,563	15.6	2,415	26.4	△ 852	64.7
Income taxes	444		692		△ 248	
(Tax burden)	28.5%		28.7%			
Profit attributable to owners of parent	1,118	11.2	1,722	18.8	△ 603	64.9

First Half Results

¥ millions, rounded down

	Sept. 2021 Plan		Sept. 2020 Results		Year-on-Year Comparison		Sept. 2021 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	18,720	100.0	17,442	100.0	1,277	107.3	18,720	100.0	-	100.0
Cost of Sales	11,010	58.8	10,479	60.1	530	105.1	11,010	58.8	-	100.0
Gross profit	7,710	41.2	6,963	39.9	746	110.7	7,710	41.2	-	100.0
SG&A expenses	4,770	25.5	4,581	26.3	188	104.1	4,770	25.5	-	100.0
Operating income	2,940	15.7	2,381	13.7	558	123.4	2,940	15.7	-	100.0
Other income	50		92		△ 42		50		-	
Other expenses	70		14		55		70		-	
Ordinary income	2,920	15.6	2,459	14.1	460	118.7	2,920	15.6	-	100.0
Extraordinary income	-		1,028		△ 1,028		-		-	
Extraordinary expenses	-		1		△ 1		-		-	
Income before income taxes	2,920	15.6	3,486	20.0	△ 566	83.7	2,920	15.6	-	100.0
Income taxes	830		1,000		△ 170		830		-	
(Tax burden)	28.4%		28.7%				28.4%		-	
Profit attributable to owners of parent	2,090	11.2	2,486	14.3	△ 396	84.1	2,090	11.2	-	100.0

EPS (total shares)	¥63.95	¥76.08	¥63.95
EPS (minus treasury shares)	¥71.03	¥82.25	¥71.03
Number of shares outstanding	32,682,310	32,682,310	32,682,310
Average number of shares outstanding (after deducting treasury shares)	29,424,300	30,228,126	29,424,300