



# **1st Quarter of Fiscal 2022**

## Supplementary Materials

**HOGY MEDICAL Co., Ltd.**

July 15, 2022

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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 2022 Statements of Income (Actual and Forecast, Consolidated)

### First Quarter

¥ millions, rounded down

	June 2022 Results		June 2021 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	9,447	100.0	8,895	100.0	551	106.2
Cost of Sales	5,357	56.7	5,115	57.5	241	104.7
Gross profit	4,090	43.3	3,780	42.5	310	108.2
SG&A expenses	2,232	23.6	2,287	25.7	-55	97.6
Operating income	1,857	19.7	1,492	16.8	365	124.5
Other income	31		34		-2	
Other expenses	46		31		14	
Ordinary income	1,843	19.5	1,495	16.8	348	123.3
Extraordinary income	-		-		-	
Extraordinary expenses	0		1		-1	
Income before income taxes and minority interests	1,843	19.5	1,494	16.8	349	123.4
Corporation tax, etc.	548		412		136	
(Tax burden)	0		0			
Minority interests	-9		-7		-1	
Profit attributable to owners of parent	1,304	13.8	1,089	12.2	214	119.7
EPS (total shares)	¥39.91		¥33.34			
EPS (minus treasury shares)	¥53.77		¥36.65			
Number of shares outstanding	32,682,310		32,682,310			
Average number of shares over period (after deducting treasury shares)	24,257,102		29,729,200			

### Second Quarter

¥ millions, rounded down

	Sept. 2022 Plan		Sept. 2021 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	9,622	100.0	9,032	100.0	590	106.5
Cost of Sales	5,822	60.5	5,228	57.9	594	111.4
Gross profit	3,799	39.5	3,803	42.1	-3	99.9
SG&A expenses	2,487	25.9	2,308	25.6	178	107.7
Operating income	1,312	13.6	1,494	16.6	-182	87.8
Other income	28		117		-89	
Other expenses	-26		40		-66	
Ordinary income	1,366	14.2	1,571	17.4	-205	86.9
Extraordinary income	-		-		-	
Extraordinary expenses	-0		0		-0	
Income before income taxes and minority interests	1,366	14.2	1,571	17.4	-204	87.0
Corporation tax, etc.	431		434		-3	
(Tax burden)	0		0			
Minority interests	-10		-7		-2	
Profit attributable to owners of parent	945	9.8	1,144	12.7	-198	82.6

### First Half Results

¥ millions, rounded down

	Sept. 2022 Interim Plan		Sept. 2021 Interim Results		Year-on-Year Comparison		Sept. 2022 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	19,070	100.0	17,928	100.0	1,141	106.4	19,070	100.0	-	100.0
Cost of Sales	11,180	58.6	10,344	57.7	835	108.1	11,180	58.6	-	100.0
Gross profit	7,890	41.4	7,583	42.3	306	104.0	7,890	41.4	-	100.0
SG&A expenses	4,720	24.8	4,596	25.6	123	102.7	4,720	24.8	-	100.0
Operating income	3,170	16.6	2,987	16.7	182	106.1	3,170	16.6	-	100.0
Other income	60		151		-91		60		-	
Other expenses	20		72		-52		20		-	
Ordinary income	3,210	16.8	3,067	17.1	142	104.7	3,210	16.8	-	100.0
Extraordinary income	-		-		-		-		-	
Extraordinary expenses	-		1		-1		-		-	
Income before income taxes and minority interests	3,210	16.8	3,065	17.1	144	104.7	3,210	16.8	-	100.0
Corporation tax, etc.	980		846		133		980		-	
(Tax burden)	0		0				30.5%		-	
Minority interests	-20		-15		-4		-20		-	
Profit attributable to owners of parent	2,250	11.8	2,234	12.5	15	100.7	2,250	11.8	-	100.0
EPS (total shares)	¥68.84		¥68.36				¥68.84			
EPS (minus treasury shares)	¥92.76		¥75.83				¥92.76			
Number of shares outstanding	32,682,310		32,682,310				32,682,310			
Total number of shares issued at the end of the period (after deducting treasury)	24,257,140		29,461,490				24,257,140			

## Fiscal 2022 Sales Results and Plan by Product Line (Consolidated)

### First Quarter

¥ millions, rounded down

	June 2022 Results		June 2021 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	857	9.1	794	8.9	63	108.0
Surgical products	8,361	88.5	7,872	88.5	488	106.2
Treatment products	45	0.5	44	0.5	1	103.3
Others	182	1.9	184	2.1	-2	98.9
<b>Total</b>	<b>9,447</b>	<b>100.0</b>	<b>8,895</b>	<b>100.0</b>	<b>551</b>	<b>106.2</b>

#### Itemized surgical products

Non-woven products	2,006	21.24	2,053	23.1	-46	97.7
Other non-woven product:	383	4.06	368	4.1	14	104.0
Kit products	5,906	62.52	5,418	60.9	488	109.0
New products	65	0.69	32	0.4	32	199.6

#### Itemized external sales by subsidiary

Non-woven products	115		159		-43	
Other non-woven product:	-		-		-	
Kit products	0		0		0	
Others	17		24		-6	

### Second Quarter

¥ millions, rounded down

	Sept. 2022 Plan		Sept. 2021 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	800	8.3	831	9.2	-31	96.2
Surgical products	8,597	89.3	7,978	88.3	618	107.8
Treatment products	38	0.4	43	0.5	-4	88.8
Others	186	1.9	178	2.0	8	104.6
<b>Total</b>	<b>9,622</b>	<b>100.0</b>	<b>9,032</b>	<b>100.0</b>	<b>590</b>	<b>106.5</b>

#### Itemized surgical products

Non-woven products	1,892	19.7	2,031	22.5	-139	93.2
Other non-woven product:	236	2.5	385	4.3	-149	61.3
Kit products	6,363	66.1	5,505	61.0	857	115.6
New products	104	1.1	55	0.6	49	188.8

#### Itemized external sales by subsidiary

Non-woven products	143		151		-8	
Other non-woven product:	-		-		-	
Kit products	-0		1		-1	
Others	23		17		5	

### First Half Results

¥ millions, rounded down

	Sept. 2022 Interim Plan		Sept. 2021 Interim Results		Year-on-Year Comparison		Sept. 2022 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,657	8.7	1,625	9.1	31	102.0	1,657	8.7	-	100.0
Surgical products	16,959	88.9	15,851	88.4	1,107	107.0	16,959	88.9	-	100.0
Treatment products	84	0.4	87	0.5	-3	96.1	84	0.4	-	100.0
Others	369	1.9	363	2.0	6	101.7	369	1.9	-	100.0
<b>Total</b>	<b>19,070</b>	<b>100.0</b>	<b>17,928</b>	<b>100.0</b>	<b>1,141</b>	<b>106.4</b>	<b>19,070</b>	<b>100.0</b>	<b>-</b>	<b>100.0</b>

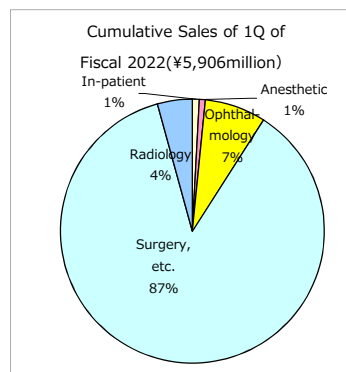
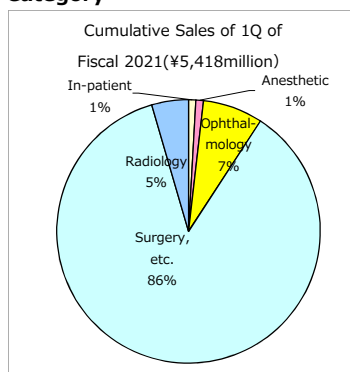
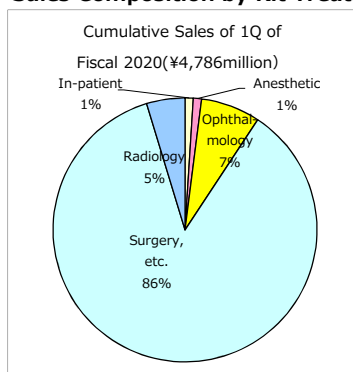
#### Itemized surgical products

Non-woven products	3,899	20.4	4,084	22.8	-185	95.5	3,899	20.4	-	100.0
Other non-woven product:	620	3.3	754	4.2	-134	82.2	620	3.3	-	100.0
Kit products	12,270	64.3	10,924	60.9	1,345	112.3	12,270	64.3	-	100.0
New products	170	0.9	88	0.5	81	192.8	170	0.9	-	100.0

#### Itemized external sales by subsidiary

Non-woven products	259		311		-52		259		-	
Other non-woven product:	-		-		-		-		-	
Kit products	-		1		-1		-		-	
Others	41		41		-0		41		-	

### Sales Composition by Kit Treatment Category



## SG&A and Other Income / Expenses (Consolidated)

### SG&A Expenses

¥ millions, rounded down

	June 2022 Results	June 2021 Results	Year-on-Year Comparison
Packaging and transportation	271	253	17
Losses on doubtful accounts	-	-	-
Samples	76	83	-6
Advertising	5	12	-7
Personnel	1,015	995	19
Travel	110	101	9
Communication	36	34	2
Consumables	13	15	-1
Taxes and public charges	81	88	-6
Depreciation	165	201	-36
Testing and research	87	128	-41
Land and housing rent	112	110	2
Miscellaneous	112	108	4
Others	143	154	-10
<b>Total</b>	<b>2,232</b>	<b>2,287</b>	<b>-55</b>

### Other Income/Expenses

¥ millions, rounded down

	June 2022 Results	June 2021 Results	Year-on-Year Comparison
Interest received	11	9	1
Interest on negotiable securities	-	-	-
Dividend received	17	16	1
(Total financial earnings)	28	26	2
Foreign exchange gain	-	-	-
Miscellaneous income	2	8	-5
<b>Total Other income</b>	<b>31</b>	<b>34</b>	<b>-2</b>
Paid interest	7	0	7
(Total financial expenses)	7	0	7
Foreign exchange loss	32	5	26
Miscellaneous losses	5	25	-19
<b>Total non-operating expenses</b>	<b>46</b>	<b>31</b>	<b>14</b>

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

### Major Changes on Balance Sheets

¥ millions, rounded down

	Balance at June 30, 2022	Change		Balance at June 30, 2022	Change
<b>Current assets</b>	36,826	1,535	<b>Current liabilities</b>	9,240	-107
Cash and bank deposits	14,883	518	Notes and accounts payable	4,496	160
Notes and accounts receivable	12,051	709	Accrued expenses	164	-464
Short-term investments	-	-	Long-term loans due within 1 year	1,999	-
Inventories	8,762	-49	Income taxes	577	-403
Others	1,129	356	Allowance for employees' bonuses	123	-355
			Payable notes for equipment	325	-11
			Reserve for disaster loss	-	-
			Others	1,553	966
<b>Fixed assets</b>	62,832	-844	<b>Long-term liabilities</b>	9,059	-562
Property, plant and equipment	52,399	-359	Long-term borrowings	7,167	-499
Buildings and structures	21,315	-262	Others	1,891	-63
Machinery, equipment and vehicles	5,782	-291	<b>Total liabilities</b>	18,300	-670
Land	9,655	29	<b>Total net assets</b>	81,358	1,361
Construction in progress	14,961	186	Common stock	7,123	-
Others	684	-21	Capital surplus	8,336	-
Intangibles	1,455	-80	Retained earnings	89,415	891
Investments and others	8,976	-404	Treasury stock	-27,561	0
Investments securities	7,641	-389	Others	4,044	469
Others	1,335	-15			
<b>Total assets</b>	99,658	691	<b>Total liabilities and</b>	99,658	691

\*Comparison with end of previous fiscal year:

Equity ratio increased from 80.8% at the end of the previous fiscal year to 81.6%.

### Statements of Cash Flows

¥ millions, rounded down

<b>I Operating activities</b>	2,008	Income before income taxes	1,843
		Depreciation	904
		Income taxes paid	-913
<b>II Investing activities</b>	-766	Purchase of tangible fixed assets	-769
		Purchase of intangible fixed assets	-19
<b>III Financing activities</b>	-911	Proceeds from long-term borrowings	-499
		Cash dividends paid	-412
<b>IV Effect of exchange rate changes</b>	195		
<b>Net changes in cash and cash equivalents</b>	526		

## Fiscal 2022 Statements of Income (Actual and Forecast, Non-Consolidated)

### First Quarter

¥ millions, rounded down

	June 2022 Results		June 2021 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	9,316	100.0	8,713	100.0	602	106.9
Cost of Sales	5,424	58.2	5,109	58.6	314	106.2
<b>Gross profit</b>	<b>3,891</b>	<b>41.8</b>	<b>3,603</b>	<b>41.4</b>	<b>288</b>	<b>108.0</b>
SG&A expenses	2,162	23.2	2,229	25.6	-66	97.0
<b>Operating income</b>	<b>1,729</b>	<b>18.6</b>	<b>1,374</b>	<b>15.8</b>	<b>354</b>	<b>125.8</b>
Other income	28		27		0	
Other expenses	55		44		11	
<b>Ordinary income</b>	<b>1,702</b>	<b>18.3</b>	<b>1,357</b>	<b>15.6</b>	<b>344</b>	<b>125.3</b>
Extraordinary income	-		-		-	
Extraordinary expenses	0		1		-1	
<b>Income before income taxes</b>	<b>1,702</b>	<b>18.3</b>	<b>1,356</b>	<b>15.6</b>	<b>345</b>	<b>125.4</b>
Corporation tax, etc.	514		385		129	
<b>(Tax burden)</b>	<b>30.2%</b>		<b>28.4%</b>			
<b>Net income</b>	<b>1,187</b>	<b>12.7</b>	<b>971</b>	<b>11.2</b>	<b>216</b>	<b>122.2</b>

EPS (total shares)	¥36.34	¥29.73
EPS (minus treasury shares)	¥48.96	¥32.68
Number of shares outstanding	32,682,310	32,682,310
Average number of shares over period (after deducting treasury shares)	24,257,102	29,729,200

### Second Quarter

¥ millions, rounded down

	Sept. 2022 Plan		Sept. 2021 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	9,453	100.0	8,864	100.0	589	106.6
Cost of Sales	5,685	60.1	5,222	58.9	463	108.9
<b>Gross profit</b>	<b>3,768</b>	<b>39.9</b>	<b>3,642</b>	<b>41.1</b>	<b>125</b>	<b>103.5</b>
SG&A expenses	2,437	25.8	2,254	25.4	183	108.1
<b>Operating income</b>	<b>1,330</b>	<b>14.1</b>	<b>1,388</b>	<b>15.7</b>	<b>-57</b>	<b>95.9</b>
Other income	31		112		-81	
Other expenses	-25		39		-65	
<b>Ordinary income</b>	<b>1,387</b>	<b>14.7</b>	<b>1,461</b>	<b>16.5</b>	<b>-73</b>	<b>95.0</b>
Extraordinary income	-		-		-	
Extraordinary expenses	-0		0		-0	
<b>Income before income taxes</b>	<b>1,387</b>	<b>14.7</b>	<b>1,460</b>	<b>16.5</b>	<b>-72</b>	<b>95.0</b>
Corporation tax, etc.	425		414		10	
<b>(Tax burden)</b>	<b>30.7%</b>		<b>28.4%</b>			
<b>Net income</b>	<b>962</b>	<b>10.2</b>	<b>1,046</b>	<b>11.8</b>	<b>-83</b>	<b>92.0</b>

### First Half Results

¥ millions, rounded down

	Sept. 2022 Interim Plan		Sept. 2021 Interim Results		Year-on-Year Comparison		Sept. 2022 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	18,770	100.0	17,577	100.0	1,192	106.8	18,770	100.0	-	100.0
Cost of Sales	11,110	59.2	10,331	58.8	778	107.5	11,110	59.2	-	100.0
<b>Gross profit</b>	<b>7,660</b>	<b>40.8</b>	<b>7,246</b>	<b>41.2</b>	<b>413</b>	<b>105.7</b>	<b>7,660</b>	<b>40.8</b>	-	<b>100.0</b>
SG&A expenses	4,600	24.5	4,483	25.5	116	102.6	4,600	24.5	-	100.0
<b>Operating income</b>	<b>3,060</b>	<b>16.3</b>	<b>2,762</b>	<b>15.7</b>	<b>297</b>	<b>110.8</b>	<b>3,060</b>	<b>16.3</b>	-	<b>100.0</b>
Other income	60		140		-80		60		-	
Other expenses	30		83		-53		30		-	
<b>Ordinary income</b>	<b>3,090</b>	<b>16.5</b>	<b>2,819</b>	<b>16.0</b>	<b>270</b>	<b>109.6</b>	<b>3,090</b>	<b>16.5</b>	-	<b>100.0</b>
Extraordinary income	-		-		-		-		-	
Extraordinary expenses	-		1		-1		-		-	
<b>Income before income taxes</b>	<b>3,090</b>	<b>16.5</b>	<b>2,817</b>	<b>16.0</b>	<b>272</b>	<b>109.7</b>	<b>3,090</b>	<b>16.5</b>	-	<b>100.0</b>
Corporation tax, etc.	940		799		140		940		-	
<b>(Tax burden)</b>	<b>30.4%</b>		<b>28.4%</b>				<b>30.4%</b>		-	
<b>Net income</b>	<b>2,150</b>	<b>11.5</b>	<b>2,017</b>	<b>11.5</b>	<b>132</b>	<b>106.6</b>	<b>2,150</b>	<b>11.5</b>	-	<b>100.0</b>

EPS (total shares)	¥65.78	¥61.73	¥65.78
EPS (minus treasury shares)	¥88.63	¥68.48	¥88.63
Number of shares outstanding	32,682,310	32,682,310	32,682,310
Total number of shares issued at the end of the period (after deducting treasury)	24,257,140	29,461,490	24,257,140