



1st Quarter of Fiscal 2007 Supplementary Materials

HOGY MEDICAL Co., Ltd.

July 17, 2007

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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 2007 Statements of Income (Actual and Forecast, Consolidated)

First Quarter

¥ millions, rounded down

	June 2007 1st Quarter Results		June 2006 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	6,998	100.0	6,688	100.0	309	104.6
Cost of Sales	3,361	48.0	3,330	49.8	30	100.9
Gross profit	3,636	52.0	3,357	50.2	278	108.3
SG&A expenses	1,910	27.3	1,835	27.4	74	104.1
Operating income	1,726	24.7	1,521	22.8	204	113.4
Other income	47		14		33	
Other expenses	18		3		14	
Ordinary income	1,755	25.1	1,532	22.9	222	114.5
Extraordinary income	21		-		21	
Extraordinary expenses	6		0		5	
Income before income taxes and minority interests	1,770	25.3	1,532	22.9	237	115.5
Corporation tax, etc.	702		599		102	
(Tax burden)	39.7%		39.1%			
Minority interests	0		0		△0	
Net income	1,067	15.3	932	13.9	135	114.5
EPS (total shares)	65.33		57.05			
EPS (minus treasury shares)	71.01		59.79			
Number of shares outstanding	16,341,155		16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,033,654		15,592,545			

Second Quarter

¥ millions, rounded down

	Sept. 2007 Plan		Sept. 2006 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,071	100.0	6,733	100.0	338	105.0
Cost of Sales	3,328	47.1	3,337	49.6	△ 9	99.7
Gross profit	3,743	52.9	3,396	50.4	347	110.2
SG&A expenses	2,079	29.4	1,960	29.1	118	106.1
Operating income	1,663	23.5	1,435	21.3	228	115.9
Other income	△ 14		59		△ 73	
Other expenses	17		0		16	
Ordinary income	1,631	23.1	1,493	22.2	137	109.2
Extraordinary income	△ 21		4		△ 25	
Extraordinary expenses	18		30		△ 11	
Income before income taxes and minority interests	1,591	22.5	1,467	21.8	123	108.4
Corporation tax, etc.	638		615		23	
(Tax burden)	40.1%		41.9%			
Minority interests	0		0		0	
Net income	952	13.5	851	12.7	100	111.8

First Half

¥ millions, rounded down

	Sept. 2007 Interim Plan		Sept. 2006 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	14,070	100.0	13,422	100.0	647	104.8
Cost of Sales	6,690	47.5	6,668	49.7	21	100.3
Gross profit	7,380	52.5	6,753	50.3	626	109.3
SG&A expenses	3,990	28.4	3,796	28.4	193	105.1
Operating income	3,390	24.1	2,957	22.0	432	114.6
Other income	33		73		△ 40	
Other expenses	36		4		31	
Ordinary income	3,387	24.1	3,026	22.5	360	111.9
Extraordinary income	-		4		△ 4	
Extraordinary expenses	25		30		△ 5	
Income before income taxes and minority interests	3,362	23.9	3,000	22.4	361	112.1
Corporation tax, etc.	1,341		1,215		126	
(Tax burden)	39.9%		40.5%			
Minority interests	0		0		0	
Net income	2,020	14.4	1,784	13.3	235	113.2
EPS (total shares)	123.61		109.18			
EPS (minus treasury shares)	134.37 ※		114.41			
Number of shares outstanding	16,341,155		16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,033,561 ※		15,594,062			

※ESP(forecast) is based on number of shares (excluding treasury stock (1,307,594)) outstanding as of June 30, 2007.

Fiscal 2007 Sales Results and Plan by Product Line (Consolidated)

First Quarter

¥ millions, rounded down

	June 2007 1st Quarter Results		June 2006 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	933	13.3%	976	14.6%	△ 42	95.6%
Surgical products	5,830	83.3%	5,458	81.6%	372	106.8%
Treatment products	77	1.1%	77	1.2%	△ 0	99.8%
Others	156	2.2%	176	2.6%	△ 19	88.7%
Total	6,998	100.0%	6,688	100.0%	309	104.6%

Itemized surgical products

Sontara	2,703	38.6%	2,664	39.8%	39	101.5%
Other non-woven products	336	4.8%	328	4.9%	7	102.3%
Kit products	2,768	39.6%	2,444	36.6%	323	113.2%
Steel instruments	22	0.3%	20	0.3%	2	109.7%

Itemized external sales by subsidiary

Sontara	15		11			
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Second Quarter

¥ millions, rounded down

	Sept. 2007 Plan		Sept. 2006 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	928	13.1%	939	13.9%	△ 10	98.9%
Surgical products	5,885	83.2%	5,552	82.5%	333	106.0%
Treatment products	82	1.2%	75	1.1%	6	108.5%
Others	175	2.5%	166	2.5%	8	105.2%
Total	7,071	100.0%	6,733	100.0%	338	105.0%

Itemized surgical products

Sontara	2,649	37.5%	2,653	39.4%	△ 3	99.9%
Other non-woven products	350	5.0%	323	4.8%	26	108.1%
Kit products	2,862	40.5%	2,551	37.9%	310	112.2%
Steel instruments	23	0.3%	23	0.4%	△ 0	99.6%

Itemized external sales by subsidiary

Sontara	4		13			
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First Half

¥ millions, rounded down

	Sept. 2007 Interim Plan		Sept. 2006 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	1,862	13.2%	1,915	14.3%	△ 52	97.2%
Surgical products	11,716	83.3%	11,011	82.0%	705	106.4%
Treatment products	159	1.1%	153	1.1%	6	104.1%
Others	331	2.4%	342	2.6%	△ 11	96.7%
Total	14,070	100.0%	13,422	100.0%	647	104.8%

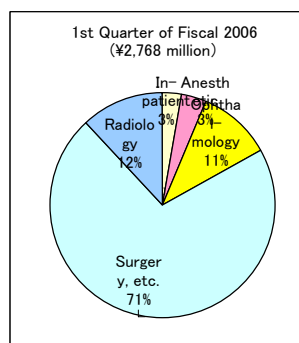
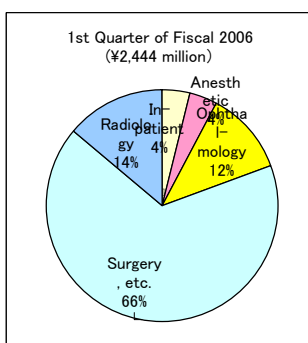
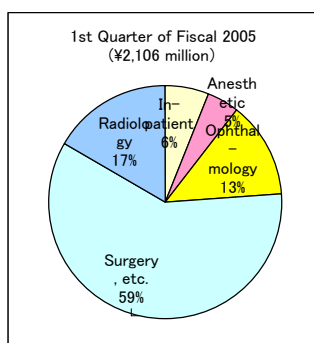
Itemized surgical products

Sontara	5,353	38.0%	5,317	39.6%	35	100.7%
Other non-woven products	686	4.9%	652	4.9%	33	105.2%
Kit products	5,630	40.0%	4,996	37.2%	634	112.7%
Steel instruments	46	0.3%	44	0.3%	1	104.3%

Itemized external sales by subsidiary

Sontara	20		24			
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Sales Composition by Kit Treatment Category



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

SG&A Expenses

¥ millions, rounded down

	June 2007 1st Quarter Results	June 2006 1st Quarter Results	Year-on-Year Comparison
Packaging and transportation	181	168	12
Losses on doubtful accounts	0	-	0
Samples	97	117	△ 20
Advertising	23	12	11
Personnel	866	894	△ 27
Travel	85	94	△ 9
Communication	24	22	2
Consumables	25	23	2
Taxes and public charges	57	51	5
Depreciation	200	146	53
Testing and research	54	36	17
Land and housing rent	117	113	4
Miscellaneous	78	53	25
Others	97	101	△ 4
Total	1,910	1,835	74

Other Income/Expenses

¥ millions, rounded down

	June 2007 1st Quarter Results	June 2006 1st Quarter Results	Year-on-Year Comparison
Interest received	5	3	1
Dividend received	12	0	12
(Total financial earnings)	18	3	14
Foreign exchange gain	18	-	18
Miscellaneous income	10	10	△ 0
Total Other income	47	14	33
Paid interest	17	-	17
(Total financial expenses)	17	-	17
Foreign exchange loss	-	2	△ 2
Miscellaneous losses	1	1	△ 0
Total non-operating expenses	18	3	14

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

Major Changes on Balance Sheets

¥ millions, rounded down

	Balance at June 30, 2007	Change		Balance at June 30, 2007	Change
Current assets	24,196	1,135	Current liabilities	6,426	291
Cash and bank deposits	8,948	834	Notes and accounts payable	3,393	394
Notes and accounts receivable	9,205	281	Accrued expenses	186	99
Short-term investments	-	-	Long-term loans due within 1 year	1,000	-
Inventories	5,297	△ 29	Income taxes	691	△ 506
Others	745	50	Allowance for employees' bonuses	128	△ 238
			Payable notes for equipment	47	△ 18
			Others	979	560
Fixed assets	35,549	△ 620	Long-term liabilities	4,556	△ 508
Property, plant and equipment	29,968	△ 492	Long-term loans	3,500	△ 425
Buildings and structures	13,751	△ 218	Others	1,056	△ 83
Machinery, equipment and vehicles	8,243	△ 343	Total liabilities	10,982	△ 217
Land	7,470	△ 1	Total net assets	48,763	732
Construction in progress	94	90	Common stock	7,123	-
Others	407	△ 19	Capital surplus	8,336	-
Intangibles	511	△ 21	Retained earnings	39,393	766
Investments and others	5,070	△ 105	Treasury stock	△ 7,100	△ 0
Investments securities	2,423	△ 370	Others	1,011	△ 33
Others	2,647	264			
Total assets	59,746	514	Total liabilities and shareholders' equity	59,746	514

* Comparison with end of previous fiscal year:

Equity ratio decreased from 81.1% at the end of the previous fiscal year to 81.6%.

Comments on change in central item:

Notes and accounts receivable	Increase in operating income	Accrued income tax, etc	Payment of defined portion
Buildings and structures	Due to depreciation	Long-term debt	Repaid during period
Machinery and vehicles	Due to depreciation	Retained earnings	From net profit

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	1,736	Income before income taxes and minority interests	1,770
		Depreciation	672
		Increase in notes and accounts receivable	△ 284
		Income taxes paid	△ 1,197
II Investing activities	△ 198	Capital expenditures	△ 155
III Financing activities	△ 725	Long-term loans	△ 425
		Cash dividends paid	△ 299
IV Effect of exchange rate changes	17		
Net changes in cash and cash equivalents	830		

Fiscal 2007 Statements of Income (Actual and Forecast, Non-Consolidated)

First Quarter

¥ millions, rounded down

	June 2007 1st Quarter Results		June 2006 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	6,982	100.0	6,677	100.0	305	104.6
Cost of Sales	3,475	49.8	3,406	51.0	69	102.0
Gross profit	3,507	50.2	3,271	49.0	236	107.2
SG&A expenses	1,910	27.4	1,835	27.5	74	104.1
Operating income	1,596	22.9	1,435	21.5	161	111.3
Other income	43		10		32	
Other expenses	18		3		14	
Ordinary income	1,621	23.2	1,442	21.6	179	112.4
Extraordinary income	21		-		21	
Extraordinary expenses	6		0		5	
Income before income taxes and minority interests	1,636	23.4	1,441	21.6	194	113.5
Corporation tax, etc.	664		573		90	
(Tax burden)	40.6%		39.8%			
Net income	972	13.9	868	13.0	103	112.0
EPS (total shares)	59.51		53.15			
EPS (minus treasury shares)	64.68		55.70			
Number of shares outstanding	16,341,155		16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,033,654		15,592,545			

Second Quarter

¥ millions, rounded down

	Sept. 2007 Plan		Sept. 2006 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,067	100.0	6,720	100.0	346	105.2
Cost of Sales	3,424	48.5	3,410	50.8	13	100.4
Gross profit	3,642	51.5	3,309	49.2	333	110.1
SG&A expenses	2,079	29.4	1,960	29.2	118	106.1
Operating income	1,563	22.1	1,348	20.1	214	115.9
Other income	△ 13		55		△ 68	
Other expenses	16		△ 0		17	
Ordinary income	1,533	21.7	1,404	20.9	128	109.2
Extraordinary income	△ 21		4		△ 25	
Extraordinary expenses	18		30		△ 11	
Income before income taxes and minority interests	1,493	21.1	1,378	20.5	114	108.3
Corporation tax, etc.	605		590		15	
(Tax burden)	40.6%		42.8%			
Net income	887	12.6	788	11.7	98	112.5

First Half

¥ millions, rounded down

	Sept. 2007 Interim Plan		Sept. 2005 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	14,050	100.0	13,397	100.0	652	104.9
Cost of Sales	6,900	49.1	6,817	50.9	82	101.2
Gross profit	7,150	50.9	6,580	49.1	569	108.6
SG&A expenses	3,990	28.4	3,796	28.3	193	105.1
Operating income	3,160	22.5	2,784	20.8	375	113.5
Other income	30		66		△ 36	
Other expenses	35		3		31	
Ordinary income	3,155	22.5	2,847	21.3	307	110.8
Extraordinary income	-		4		△ 4	
Extraordinary expenses	25		30		△ 5	
Income before income taxes and minority interests	3,130	22.3	2,820	21.1	309	111.0
Corporation tax, etc.	1,270		1,163		106	
(Tax burden)	40.6%		41.3%			
Net income	1,860	13.2	1,657	12.4	202	112.2
EPS (total shares)	113.82		101.41			
EPS (minus treasury shares)	123.72 ※		106.27			
Number of shares outstanding	16,341,155		16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,033,561 ※		15,594,062			

※ESP(forecast) is based on number of shares (excluding treasury stock (1,307,594)) outstanding as of June 30, 2006.