



# 1st Quarter of Fiscal 2009 Supplementary Materials

**HOGY MEDICAL Co., Ltd.**

**July 15, 2010**

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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 2010 Statements of Income (Actual and Forecast, Consolidated)

First Quarter

¥ millions, rounded down

	June 2010 1st Quarter Results		June 2010 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,705	100.0	7,817	100.0	△ 112	98.6
Cost of Sales	3,678	47.7	3,817	48.8	△ 139	96.3
Gross profit	4,026	52.3	3,999	51.2	27	100.7
SG&A expenses	1,862	24.2	2,015	25.8	△ 152	92.4
Operating income	2,164	28.1	1,984	25.4	179	109.1
Other income	38		48		△ 9	
Other expenses	82		50		31	
Ordinary income	2,120	27.5	1,981	25.3	138	107.0
Extraordinary income	7		0		7	
Extraordinary expenses	35		1		34	
Income before income taxes and minority interests	2,092	27.2	1,980	25.3	112	105.7
Corporation tax, etc.	832		796		35	
(Tax burden)	39.8%		40.2%			
Minority interests	0		0		0	
Net income	1,260	16.4	1,183	15.1	76	106.5
EPS (total shares)	77.13		72.42			
EPS (minus treasury shares)	80.12		78.13			
Number of shares outstanding	16,341,155		16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,730,890		15,146,877			

Second Quarter

¥ millions, rounded down

	Sept. 2010 Plan		Sept. 2010 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,254	100.0	8,029	100.0	225	102.8
Cost of Sales	3,871	46.9	3,915	48.8	△ 43	98.9
Gross profit	4,383	53.1	4,114	51.2	268	106.5
SG&A expenses	2,237	27.1	2,079	25.9	158	107.6
Operating income	2,145	26.0	2,035	25.3	110	105.4
Other income	11		31		△ 20	
Other expenses	△ 62		89		△ 151	
Ordinary income	2,219	26.9	1,977	24.6	242	112.2
Extraordinary income	△ 7		4		△ 12	
Extraordinary expenses	△ 25		2		△ 28	
Income before income taxes and minority interests	2,237	27.1	1,978	24.6	258	113.1
Corporation tax, etc.	906		785		121	
(Tax burden)	40.5%		39.7%			
Minority interests	0		0		△ 0	
Net income	1,329	16.1	1,193	14.9	136	111.4

First Half

¥ millions, rounded down

	Sept. 2010 Interim Plan		Sept. 2009 Interim Results		Year-on-Year Comparison		Sept. 2010 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	15,960	100.0	15,846	100.0	113	100.7	15,960	100.0	-	100.0
Cost of Sales	7,550	47.3	7,732	48.8	△ 182	97.6	7,550	47.3	-	100.0
Gross profit	8,410	52.7	8,113	51.2	296	103.6	8,410	52.7	-	100.0
SG&A expenses	4,100	25.7	4,094	25.8	5	100.1	4,100	25.7	-	100.0
Operating income	4,310	27.0	4,019	25.4	290	107.2	4,310	27.0	-	100.0
Other income	50		79		△ 29		50		-	
Other expenses	20		139		△ 119		20		-	
Ordinary income	4,340	27.2	3,959	25.0	380	109.6	4,340	27.2	-	100.0
Extraordinary income	-		4		△ 4		-		-	
Extraordinary expenses	10		4		5		10		-	
Income before income taxes and minority interests	4,330	27.1	3,959	25.0	370	109.4	4,330	27.1	-	100.0
Corporation tax, etc.	1,739		1,581		157		1,739		-	
(Tax burden)	40.2%		39.9%				40.2%		-	
Minority interests	1		1		△ 0		1		-	
Net income	2,590	16.2	2,376	15.0	213	109.0	2,590	16.2	-	100.0
EPS (total shares)	158.50		145.43				158.50			
EPS (minus treasury shares)	164.65		153.91				164.65			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Average number of shares outstanding (after deducting treasury shares)	15,730,802		15,440,720				15,730,802			

## Fiscal 2010 Sales Results and Plan by Product Line (Consolidated)

### First Quarter

¥ millions, rounded down

	June 2010 1st Quarter Results		June 2009 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	908	11.8%	900	11.5%	7	100.9%
Surgical products	6,557	85.1%	6,568	84.0%	△ 10	99.8%
Treatment products	57	0.8%	71	0.9%	△ 13	81.1%
Others	181	2.4%	277	3.5%	△ 95	65.5%
<b>Total</b>	<b>7,705</b>	<b>100.0%</b>	<b>7,817</b>	<b>100.0%</b>	<b>△ 112</b>	<b>98.6%</b>

#### Itemized surgical products

Non-woven products	2,736	35.5%	2,757	35.3%	△ 20	99.2%
Other non-woven products	289	3.8%	516	6.6%	△ 226	56.1%
Kit products	3,515	45.6%	3,280	42.0%	234	107.1%
Steel instruments	16	0.2%	14	0.2%	1	113.4%

#### Itemized external sales by subsidiary

Non-woven products	11		7		3	
Others(PT.HOGY)	9		104		△ 94	

### Second Quarter

¥ millions, rounded down

	Sept. 2010 Plan		Sept. 2009 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	911	11.0%	908	11.3%	2	100.3%
Surgical products	7,072	85.7%	6,760	84.2%	312	104.6%
Treatment products	72	0.9%	67	0.8%	4	106.4%
Others	198	2.4%	292	3.6%	△ 94	67.9%
<b>Total</b>	<b>8,254</b>	<b>100.0%</b>	<b>8,029</b>	<b>100.0%</b>	<b>225</b>	<b>102.8%</b>

#### Itemized surgical products

Non-woven products	2,753	33.4%	2,759	34.4%	△ 6	99.8%
Other non-woven products	360	4.4%	441	5.5%	△ 81	81.5%
Kit products	3,944	47.8%	3,544	44.1%	400	111.3%
Steel instruments	13	0.2%	14	0.2%	△ 0	95.6%

#### Itemized external sales by subsidiary

Non-woven products	8		13		△ 4	
Others(PT.HOGY)	10		119		△ 109	

### First Half

¥ millions, rounded down

	Sept. 2010 Interim Plan		Sept. 2009 Interim Results		Year-on-Year Comparison		Sept. 2010 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,820	11.4%	1,809	11.4%	10	100.6%	1,820	11.4%	-	100.0%
Surgical products	13,630	85.4%	13,328	84.1%	301	102.3%	13,630	85.4%	-	100.0%
Treatment products	130	0.8%	139	0.9%	△ 9	93.4%	130	0.8%	-	100.0%
Others	380	2.4%	569	3.6%	△ 189	66.7%	380	2.4%	-	100.0%
<b>Total</b>	<b>15,960</b>	<b>100.0%</b>	<b>15,846</b>	<b>100.0%</b>	<b>113</b>	<b>100.7%</b>	<b>15,960</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>

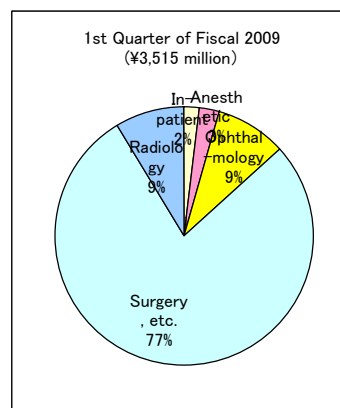
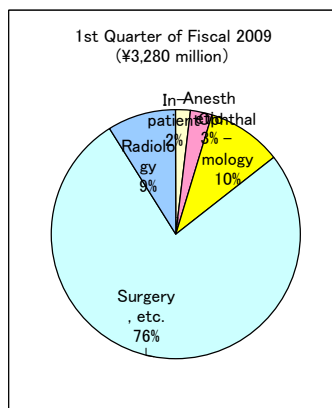
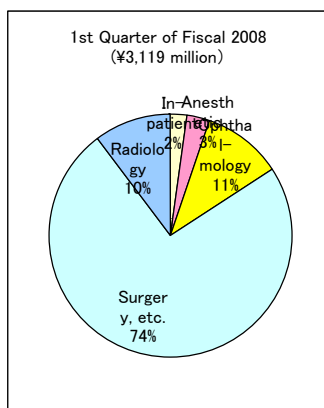
#### Itemized surgical products

Non-woven products	5,490	34.4%	5,516	34.8%	△ 26	99.5%	5,490	34.4%	-	100.0%
Other non-woven products	650	4.1%	958	6.0%	△ 308	67.8%	650	4.1%	-	100.0%
Kit products	7,460	46.7%	6,824	43.1%	635	109.3%	7,460	46.7%	-	100.0%
Steel instruments	30	0.2%	28	0.2%	1	104.4%	30	0.2%	-	100.0%

#### Itemized external sales by subsidiary

Non-woven products	20		20		△ 0		20		-	
Others(PT.HOGY)	20		223		△ 203		20		-	

### Sales Composition by Kit Treatment Category



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

### SG&A Expenses

¥ millions, rounded down

	June 2010 1st Quarter Results	June 2009 1st Quarter Results	Year-on-Year Comparison
Packaging and transportation	201	206	△ 4
Samples	81	64	16
Advertising	14	12	2
Personnel	857	900	△ 42
Travel	108	86	22
Communication	28	30	△ 1
Consumables	24	31	△ 6
Taxes and public charges	49	51	△ 1
Depreciation	152	175	△ 23
Testing and research	56	82	△ 26
Land and housing rent	118	119	△ 0
Miscellaneous	70	151	△ 80
Others	98	103	△ 4
<b>Total</b>	<b>1,862</b>	<b>2,015</b>	<b>△ 152</b>

### Other Income/Expenses

¥ millions, rounded down

	June 2010 1st Quarter Results	June 2009 1st Quarter Results	Year-on-Year Comparison
Interest received	0	3	△ 2
Dividend received	27	30	△ 2
(Total financial earnings)	28	33	△ 4
Miscellaneous income	9	14	△ 4
<b>Total Other income</b>	<b>38</b>	<b>48</b>	<b>△ 9</b>
Paid interest	6	10	△ 3
(Total financial expenses)	6	10	△ 3
Foreign exchange loss	75	33	41
Miscellaneous losses	0	6	△ 6
<b>Total non-operating expenses</b>	<b>82</b>	<b>50</b>	<b>31</b>

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

### Major Changes on Balance Sheets

¥ millions, rounded down

	Balance at June 30, 2009	Change		Balance at June 30, 2009	Change
<b>Current assets</b>	32,507	△ 855	<b>Current liabilities</b>	7,358	△ 647
Cash and bank deposits	16,672	△ 1,094	Notes and accounts payable	3,240	△ 211
Notes and accounts receivable	9,504	380	Accrued expenses	184	△ 282
Short-term investments	-	-	Long-term loans due within 1 year	1,000	-
Inventories	5,423	△ 219	Income taxes	870	△ 1,121
Others	907	77	Allowance for employees' bonuses	138	△ 317
			Payable notes for equipment	814	631
			Others	1,110	652
<b>Fixed assets</b>	35,522	626	<b>Long-term liabilities</b>	1,317	△ 428
Property, plant and equipment	30,674	552	Long-term loans	500	△ 425
Buildings and structures	12,249	△ 125	Others	817	△ 3
Machinery, equipment and vehic	4,969	72	<b>Total liabilities</b>	8,676	△ 1,076
Land	9,419	8	<b>Total net assets</b>	59,353	847
Construction in progress	3,738	600	Common stock	7,123	-
Others	298	△ 4	Capital surplus	8,336	-
Intangibles	671	74	Retained earnings	47,497	898
Investments and others	4,176	0	Treasury stock	△ 3,314	△ 0
Investments securities	2,605	△ 92	Others	△ 288	△ 50
Others	1,570	92			
<b>Total assets</b>	68,030	△ 229	<b>Total liabilities and shareholders' equity</b>	68,030	△ 229

\* Comparison with end of previous fiscal year:

Equity ratio increased from 85.7% at the end of the previous fiscal year to 87.2%.

Comments on change in central items

Cash and bank deposits	Capital Expenditures		
Construction in progress	Capital Expenditures	Long-term debt	Repaid during period
		Retained earnings	From net profit

### Statements of Cash Flows

¥ millions, rounded down

<b>I Operating activities</b>	633	Income before income taxes and minority interests	2,092
		Depreciation	574
		Income taxes paid	△ 1,913
<b>II Investing activities</b>	△ 938	Capital expenditures	△ 731
<b>III Financing activities</b>	△ 786	Long-term loans	△ 425
		Cash dividends paid	△ 360
<b>IV Effect of exchange rate changes</b>	△ 1		
<b>Net changes in cash and cash equivalents</b>	△ 1,092		

Fiscal 2010 Statements of Income (Actual and Forecast, Non-Consolidated)

First Quarter

¥ millions, rounded down

	June 2010 1st Quarter Results		June 2009 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	7,684	100.0	7,705	100.0	△ 21	99.7
Cost of Sales	3,796	49.4	3,813	49.5	△ 16	99.6
Gross profit	3,887	50.6	3,892	50.5	△ 4	99.9
SG&A expenses	1,862	24.2	2,015	26.2	△ 152	92.4
Operating income	2,025	26.4	1,876	24.4	148	107.9
Other income	47		46		0	
Other expenses	82		50		31	
Ordinary income	1,989	25.9	1,872	24.3	117	106.3
Extraordinary income	7		0		7	
Extraordinary expenses	35		1		34	
Income before income taxes and minority interests	1,962	25.5	1,871	24.3	91	104.9
Corporation tax, etc.	794		764		29	
(Tax burden)	40.5%		40.9%			
Net income	1,167	15.2	1,106	14.4	61	105.6

EPS (total shares)

71.46

67.70

EPS (minus treasury shares)

74.23

73.03

Number of shares outstanding

16,341,155

16,341,155

Average number of shares outstanding (after deducting treasury shares)

15,730,890

15,146,877

Second Quarter

¥ millions, rounded down

	Sept. 2010 Plan		Sept. 2009 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,235	100.0	7,896	100.0	339	104.3
Cost of Sales	3,993	48.5	3,957	50.1	36	100.9
Gross profit	4,242	51.5	3,939	49.9	303	107.7
SG&A expenses	2,237	27.2	2,079	26.3	158	107.6
Operating income	2,004	24.3	1,859	23.6	144	107.8
Other income	22		32		△ 9	
Other expenses	△ 62		99		△ 161	
Ordinary income	2,090	25.4	1,793	22.7	296	116.6
Extraordinary income	△ 7		-		△ 7	
Extraordinary expenses	△ 25		2		△ 28	
Income before income taxes and minority interests	2,107	25.6	1,790	22.7	317	117.7
Corporation tax, etc.	855		731		123	
(Tax burden)	40.6%		40.9%			
Net income	1,252	15.2	1,058	13.4	193	118.3

First Half

¥ millions, rounded down

	Sept. 2010 Interim Plan		Sept. 2009 Interim Results		Year-on-Year Comparison		Sept. 2010 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	15,920	100.0	15,601	100.0	318	102.0	15,920	100.0	-	100.0
Cost of Sales	7,790	48.9	7,770	49.8	19	100.3	7,790	48.9	-	100.0
Gross profit	8,130	51.1	7,831	50.2	298	103.8	8,130	51.1	-	100.0
SG&A expenses	4,100	25.8	4,094	26.2	5	100.1	4,100	25.8	-	100.0
Operating income	4,030	25.3	3,736	24.0	293	107.8	4,030	25.3	-	100.0
Other income	70		78		△ 8		70		-	
Other expenses	20		149		△ 129		20		-	
Ordinary income	4,080	25.6	3,665	23.5	414	111.3	4,080	25.6	-	100.0
Extraordinary income	-		0		△ 0		-		-	
Extraordinary expenses	10		4		5		10		-	
Income before income taxes and minority interests	4,070	25.6	3,661	23.5	408	111.2	4,070	25.6	-	100.0
Corporation tax, etc.	1,650		1,496		153		1,650		-	
(Tax burden)	40.5%		40.9%				40.5%		-	
Net income	2,420	15.2	2,164	13.9	255	111.8	2,420	15.2	-	100.0

EPS (total shares)

148.09

132.46

148.09

EPS (minus treasury shares)

153.84

140.19

153.84

Number of shares outstanding

16,341,155

16,341,155

16,341,155

Average number of shares outstanding (after deducting treasury shares)

15,730,802

15,440,720

15,730,802