



# 1st Quarter of Fiscal 2013 Supplementary Materials

**HOGY MEDICAL Co., Ltd.**

**July 16, 2013**

# Table of Contents

## Consolidated Basis

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

## Non-Consolidated Basis

Statements of Income (Actual and Forecast)	.....	5P
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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 2013 Statements of Income (Actual and Forecast, Consolidated)

First Quarter

¥ millions, rounded down

	June 2013 1st Quarter Results		June 2012 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,371	100.0	8,040	100.0	330	104.1
Cost of Sales	4,122	49.2	3,940	49.0	182	104.6
Gross profit	4,249	50.8	4,100	51.0	148	103.6
SG&A expenses	2,149	25.7	2,082	25.9	67	103.2
Operating income	2,099	25.1	2,018	25.1	81	104.0
Other income	95		32		63	
Other expenses	0		31		△ 31	
Ordinary income	2,194	26.2	2,018	25.1	175	108.7
Extraordinary income	0		3		△ 3	
Extraordinary expenses	0		0		0	
Income before income taxes and minority interests	2,195	26.2	2,022	25.2	172	108.5
Corporation tax, etc.	819		758		60	
(Tax burden)	37.3%		37.5%			
Minority interests	0		0		0	
Net income	1,375	16.4	1,264	15.7	111	108.8

EPS (total shares)	¥84.19	¥77.35
EPS (minus treasury shares)	¥87.47	¥80.36
Number of shares outstanding	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,729,526	15,729,900

Second Quarter

¥ millions, rounded down

	Sept. 2013 Plan		Sept. 2012 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,758	100.0	8,275	100.0	482	105.8
Cost of Sales	4,197	47.9	4,116	49.7	81	102.0
Gross profit	4,560	52.1	4,159	50.3	401	109.6
SG&A expenses	2,220	25.3	2,136	25.8	83	103.9
Operating income	2,340	26.7	2,023	24.4	317	115.7
Other income	△ 5		30		△ 35	
Other expenses	△ 0		25		△ 25	
Ordinary income	2,335	26.7	2,027	24.5	307	115.2
Extraordinary income	△ 0		0		△ 0	
Extraordinary expenses	1		1		△ 0	
Income before income taxes and minority interests	2,332	26.6	2,026	24.5	306	115.1
Corporation tax, etc.	868		770		98	
(Tax burden)	37.2%		38.0%			
Minority interests	△ 0		△ 0		△ 0	
Net income	1,464	16.7	1,255	15.2	208	116.6

First Half

¥ millions, rounded down

	Sept. 2013 Interim Plan		Sept. 2012 Interim Results		Year-on-Year Comparison		Sept. 2013 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	17,130	100.0	16,316	100.0	813	105.0	17,130	100.0	-	100.0
Cost of Sales	8,320	48.6	8,056	49.4	263	103.3	8,320	48.6	-	100.0
Gross profit	8,810	51.4	8,259	50.6	550	106.7	8,810	51.4	-	100.0
SG&A expenses	4,370	25.5	4,218	25.9	151	103.6	4,370	25.5	-	100.0
Operating income	4,440	25.9	4,041	24.8	398	109.9	4,440	25.9	-	100.0
Other income	90		62		27		90		-	
Other expenses	-		57		△ 57		-		-	
Ordinary income	4,530	26.4	4,046	24.8	483	111.9	4,530	26.4	-	100.0
Extraordinary income	-		3		△ 3		-		-	
Extraordinary expenses	2		2		△ 0		2		-	
Income before income taxes and minority interests	4,528	26.4	4,048	24.8	479	111.8	4,528	26.4	-	100.0
Corporation tax, etc.	1,688		1,529		158		1,688		-	
(Tax burden)	37.3%		37.8%						-	
Minority interests	-		0		△ 0		-		-	
Net income	2,840	16.6	2,519	15.4	320	112.7	2,840	16.6	-	100.0

EPS (total shares)	¥173.79	¥154.18	¥173.79
EPS (minus treasury shares)	¥180.55	¥160.17	¥180.55
Number of shares outstanding	16,341,155	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,729,442	15,729,819	15,729,442

## Fiscal 2013 Sales Results and Plan by Product Line (Consolidated)

### First Quarter

¥ millions, rounded down

	June 2013 1st Quarter Results		June 2012 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
<b>Sterilization products</b>	906	10.8%	898	11.2%	7	100.9%
<b>Surgical products</b>	7,200	86.0%	6,885	85.6%	315	104.6%
<b>Treatment products</b>	55	0.7%	57	0.7%	△ 2	96.4%
<b>Others</b>	208	2.5%	198	2.5%	10	105.1%
<b>Total</b>	8,371	100.0%	8,040	100.0%	330	104.1%

#### Itemized surgical products

Non-woven products	2,571	30.7%	2,636	32.8%	△ 64	97.6%
Other non-woven products	345	4.1%	326	4.1%	19	106.0%
Kit products	4,270	51.0%	3,909	48.6%	361	109.3%
Steel instruments	12	0.1%	14	0.2%	△ 1	88.0%

#### Itemized external sales by subsidiary

Non-woven products	28		21		7	
Others	15		16		△ 1	

### Second Quarter

¥ millions, rounded down

	Sept. 2013 Plan		Sept. 2012 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
<b>Sterilization products</b>	843	9.6%	911	11.0%	△ 67	92.5%
<b>Surgical products</b>	7,574	86.5%	7,101	85.8%	473	106.7%
<b>Treatment products</b>	56	0.6%	61	0.7%	△ 4	92.8%
<b>Others</b>	283	3.2%	201	2.4%	82	140.7%
<b>Total</b>	8,758	100.0%	8,275	100.0%	482	105.8%

#### Itemized surgical products

Non-woven products	2,658	30.4%	2,635	31.9%	22	100.9%
Other non-woven products	324	3.7%	322	3.9%	1	100.4%
Kit products	4,579	52.3%	4,129	49.9%	449	110.9%
Steel instruments	13	0.2%	13	0.2%	△ 0	99.0%

#### Itemized external sales by subsidiary

Non-woven products	41		20		20	
Others	4		11		△ 6	

### First Half

¥ millions, rounded down

	Sept. 2012 Interim Plan		Sept. 2011 Interim Results		Year-on-Year Comparison		Sept. 2012 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
<b>Sterilization products</b>	1,749	10.2%	1,809	11.1%	△ 60	96.7%	1,749	10.2%	-	100.0%
<b>Surgical products</b>	14,775	86.3%	13,987	85.7%	788	105.6%	14,775	86.3%	-	100.0%
<b>Treatment products</b>	112	0.7%	118	0.7%	△ 6	94.5%	112	0.7%	-	100.0%
<b>Others</b>	492	2.9%	400	2.5%	92	123.1%	492	2.9%	-	100.0%
<b>Total</b>	17,130	100.0%	16,316	100.0%	813	105.0%	17,130	100.0%	-	100.0%

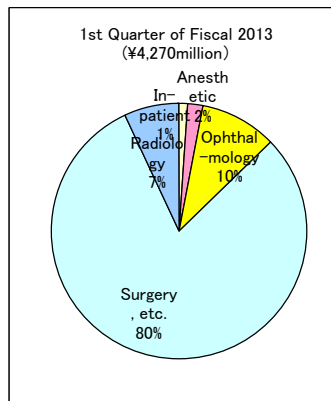
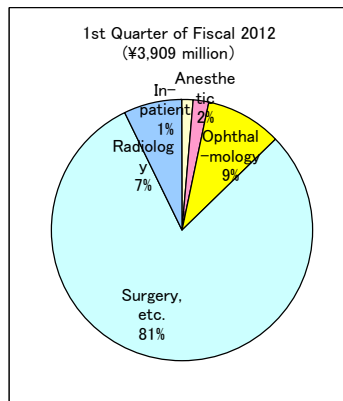
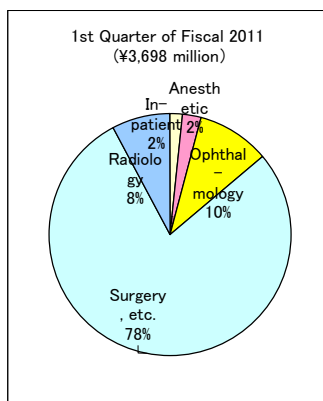
#### Itemized surgical products

Non-woven products	5,230	30.5%	5,272	32.3%	△ 42	99.2%	5,230	30.5%	-	100.0%
Other non-woven products	670	3.9%	649	4.0%	20	103.2%	670	3.9%	-	100.0%
Kit products	8,850	51.7%	8,038	49.3%	811	110.1%	8,850	51.7%	-	100.0%
Steel instruments	25	0.2%	27	0.2%	△ 1	93.4%	25	0.2%	-	100.0%

#### Itemized external sales by subsidiary

Non-woven products	70		41		28		70		-	
Others	20		28		△ 8		20		-	

### Sales Composition by Kit Treatment Category



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

### SG&A Expenses

¥ millions, rounded down

	June 2013 1st Quarter Results	June 2012 1st Quarter Results	Year-on-Year Comparison
Packaging and transportation	216	219	△ 3
Losses on doubtful accounts	–	–	–
Samples	95	97	△ 2
Advertising	19	13	6
Personnel	920	901	18
Travel	125	125	△ 0
Communication	44	44	0
Consumables	23	25	△ 1
Taxes and public charges	51	54	△ 2
Depreciation	219	188	30
Testing and research	91	84	7
Land and housing rent	117	116	0
Miscellaneous	84	64	19
Others	140	145	△ 4
<b>Total</b>	<b>2,149</b>	<b>2,082</b>	<b>67</b>

### Other Income/Expenses

¥ millions, rounded down

	June 2013 1st Quarter Results	June 2012 1st Quarter Results	Year-on-Year Comparison
Interest received	0	0	△ 0
Dividend received	23	21	1
(Total financial earnings)	24	22	1
Foreign exchange gain	48	–	48
Miscellaneous income	23	9	13
<b>Total Other income</b>	<b>95</b>	<b>32</b>	<b>63</b>
Foreign exchange loss	–	31	△ 31
Miscellaneous losses	0	0	0
<b>Total non-operating expenses</b>	<b>0</b>	<b>31</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, 2013	Change		Balance at June 30, 2013	Change
<b>Current assets</b>	41,949	912	<b>Current liabilities</b>	6,570	△ 740
Cash and bank deposits	22,933	462	Notes and accounts payable	3,958	△ 433
Notes and accounts receivable	10,781	310	Accrued expenses	146	△ 237
Inventories	7,124	135	Income taxes	865	△ 458
Others	1,110	3	Allowance for employees' bonuses	140	△ 229
			Payable notes for equipment	343	112
			Others	1,115	506
<b>Fixed assets</b>	37,055	△ 186	<b>Long-term liabilities</b>	1,376	10
Property, plant and equipment	28,223	△ 206	Others	1,376	10
Buildings and structures	11,870	△ 96	<b>Total liabilities</b>	7,946	△ 730
Machinery, equipment and vehicles	5,501	△ 266	<b>Total net assets</b>	71,058	1,455
Land	9,439	29	Common stock	7,123	-
Construction in progress	930	141	Capital surplus	8,336	-
Others	480	△ 14	Retained earnings	57,439	966
Intangibles	1,538	△ 66	Treasury stock	△ 3,319	△ 0
Investments and others	7,293	86	Others	1,478	489
Investments securities	4,313	△ 95			
Others	2,979	182			
<b>Total assets</b>	79,004	725	<b>Total liabilities and shareholders' equity</b>	79,004	725

\* Comparison with end of previous fiscal year:

Equity ratio increased from 88.9% at the end of the previous fiscal year to 89.9%.

Statements of Cash Flows

¥ millions, rounded down

<b>I Operating activities</b>	1,137	Income before income taxes and minority interests	2,195
		Depreciation	687
		Income taxes paid	△ 1,262
<b>II Investing activities</b>	△ 364	Capital expenditures	△ 299
<b>III Financing activities</b>	△ 409	Cash dividends paid	△ 408
<b>IV Effect of exchange rate changes</b>	96		
<b>Net changes in cash and cash equivalents</b>	460		

Fiscal 2013 Statements of Income (Actual and Forecast, Non-Consolidated)

First Quarter

¥ millions, rounded down

	June 2013 1st Quarter Results		June 2012 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,328	100.0	8,003	100.0	325	104.1
Cost of Sales	4,253	51.1	4,031	50.4	221	105.5
Gross profit	4,074	48.9	3,971	49.6	103	102.6
SG&A expenses	2,132	25.6	2,068	25.8	64	103.1
Operating income	1,942	23.3	1,903	23.8	38	102.0
Other income	102		37		65	
Other expenses	-		30		△ 30	
Ordinary income	2,045	24.6	1,910	23.9	134	107.0
Extraordinary income	0		3		△ 3	
Extraordinary expenses	0		0		0	
Income before income taxes and minority interests	2,045	24.6	1,914	23.9	131	106.9
Corporation tax, etc. (Tax burden)	777		727		49	
Net income	1,268	15.2	1,186	14.8	82	106.9

EPS (total shares)	77.62	72.60
EPS (minus treasury shares)	80.64	75.42
Number of shares outstanding	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,729,526	15,729,900

Second Quarter

¥ millions, rounded down

	Sept. 2013 Plan		Sept. 2012 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,711	100.0	8,243	100.0	468	105.7
Cost of Sales	4,276	49.1	4,175	50.6	101	102.4
Gross profit	4,435	50.9	4,068	49.4	366	109.0
SG&A expenses	2,197	25.2	2,122	25.7	75	103.5
Operating income	2,237	25.7	1,946	23.6	291	115.0
Other income	△ 12		35		△ 48	
Other expenses	-		21		△ 21	
Ordinary income	2,224	25.5	1,960	23.8	264	113.5
Extraordinary income	△ 0		0		△ 0	
Extraordinary expenses	1		1		△ 0	
Income before income taxes and minority interests	2,222	25.5	1,958	23.8	264	113.5
Corporation tax, etc. (Tax burden)	842		744		98	
Net income	1,379	15.8	1,213	14.7	165	113.7

First Half

¥ millions, rounded down

	Sept. 2013 Interim Plan		Sept. 2012 Interim Results		Year-on-Year Comparison		Sept. 2013 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	17,040	100.0	16,246	100.0	793	104.9	17,040	100.0	-	100.0
Cost of Sales	8,530	50.1	8,206	50.5	323	103.9	8,530	50.1	-	100.0
Gross profit	8,510	49.9	8,039	49.5	470	105.8	8,510	49.9	-	100.0
SG&A expenses	4,330	25.4	4,190	25.8	139	103.3	4,330	25.4	-	100.0
Operating income	4,180	24.5	3,849	23.7	330	108.6	4,180	24.5	-	100.0
Other income	90		73		16		90		-	
Other expenses	-		52		△ 52		-		-	
Ordinary income	4,270	25.1	3,870	23.8	399	110.3	4,270	25.1	-	100.0
Extraordinary income	-		3		△ 3		-		-	
Extraordinary expenses	2		2		△ 0		2		-	
Income before income taxes and minority interests	4,268	25.0	3,872	23.8	395	110.2	4,268	25.0	-	100.0
Corporation tax, etc. (Tax burden)	1,620		1,472		147		1,620		-	
Net income	2,648	15.5	2,400	14.8	247	110.3	2,648	15.5	-	100.0

EPS (total shares)	162.04	146.88	162.04
EPS (minus treasury shares)	168.35	152.59	168.35
Number of shares outstanding	16,341,155	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,729,442	15,729,819	15,729,442