



The Nine Months Ended December 31, 2014 Supplementary Materials

HOGY MEDICAL Co., Ltd.

January 20, 2015

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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 2014 Statements of Income (Consolidated)

First Half

¥ millions, rounded down

	Sept. 2014 Interim Results		Sept. 2013 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	17,237	100.0	17,057	100.0	180	101.1
Cost of Sales	8,703	50.5	8,386	49.2	316	103.8
Gross profit	8,533	49.5	8,670	50.8	△ 136	98.4
SG&A expenses	4,457	25.9	4,350	25.5	107	102.5
Operating income	4,075	23.6	4,320	25.3	△ 244	94.3
Other income	163		151		12	
Other expenses	11		3		8	
Ordinary income	4,227	24.5	4,468	26.2	△ 240	94.6
Extraordinary income	47		0		46	
Extraordinary expenses	6		0		5	
Income before income taxes and minority interests	4,268	24.8	4,468	26.2	△ 199	95.5
Corporation tax, etc.	1,475		1,665		△ 189	
(Tax burden)	34.6%		37.3%			
Minority interests	0		0		0	
Net income	2,792	16.2	2,802	16.4	△ 10	99.6
EPS (total shares)	¥170.91		¥171.53			
EPS (minus treasury shares)	¥177.56		¥178.20			
Number of shares outstanding	16,341,155		16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,729,102		15,729,414			

Third Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2014 Results		Third Quarter Ended Dec. 2013 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	26,532	100.0	26,408	100.0	124	100.5
Cost of Sales	13,374	50.4	12,855	48.7	519	104.0
Gross profit	13,158	49.6	13,553	51.3	△ 394	97.1
SG&A expenses	6,669	25.1	6,662	25.2	6	100.1
Operating income	6,489	24.5	6,890	26.1	△ 401	94.2
Other income	268		327		△ 58	
Other expenses	12		3		9	
Ordinary income	6,744	25.4	7,214	27.3	△ 469	93.5
Extraordinary income	47		97		△ 50	
Extraordinary expenses	6		10		△ 4	
Income before income taxes and minority interests	6,786	25.6	7,300	27.6	△ 514	92.9
Corporation tax, etc.	2,340		2,718		△ 378	
(Tax burden)	34.5%		37.2%			
Minority interests	0		0		0	
Net income	4,445	16.8	4,582	17.4	△ 136	97.0
EPS (total shares)	¥272.06		¥280.41			
EPS (minus treasury shares)	¥282.65		¥291.32			
Number of shares outstanding	16,341,155		16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,729,046		15,729,351			

Full Year

¥ millions, rounded down

	Fiscal 2014 Revised Plan		Fiscal 2013 Results		Year-on-Year Comparison		Fiscal 2014 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	35,870	100.0	34,793	100.0	1,076	103.1	35,870	100.0	-	100.0
Cost of Sales	17,990	50.2	17,046	49.0	943	105.5	17,990	50.2	-	100.0
Gross profit	17,880	49.8	17,747	51.0	132	100.7	17,880	49.8	-	100.0
SG&A expenses	9,000	25.1	8,999	25.9	0	100.0	9,000	25.1	-	100.0
Operating income	8,880	24.8	8,747	25.1	132	101.5	8,880	24.8	-	100.0
Other income	219		316		△ 97		219		-	
Other expenses	29		8		20		29		-	
Ordinary income	9,070	25.3	9,055	26.0	14	100.2	9,070	25.3	-	100.0
Extraordinary income	48		312		△ 264		48		-	
Extraordinary expenses	8		482		△ 474		8		-	
Income before income taxes and minority interests	9,110	25.4	8,885	25.5	224	102.5	9,110	25.4	-	100.0
Corporation tax, etc.	3,169		3,252		△ 82		3,169		-	
(Tax burden)	34.8%		36.6%						-	
Minority interests	0		0		0		0		-	
Net income	5,940	16.6	5,632	16.2	307	105.5	5,940	16.6	-	100.0
EPS (total shares)	¥363.50		¥344.70				¥363.50			
EPS (minus treasury shares)	¥377.65		¥358.10				¥377.65			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,728,922		15,729,305				15,728,922			

Fiscal 2014 Sales by Product Grouping (Consolidated)

First Half

¥ millions, rounded down

	Sept. 2014 Interim Results		Sept. 2013 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	1,782	10.3%	1,848	10.8%	△ 66	96.4%
Surgical products	14,899	86.4%	14,657	85.9%	242	101.7%
Treatment products	109	0.6%	110	0.6%	△ 1	98.6%
Others	446	2.6%	440	2.6%	6	101.4%
Total	17,237	100.0%	17,057	100.0%	180	101.1%

Itemized surgical products

Non-woven products	5,012	29.1%	5,160	30.3%	△ 148	97.1%
Other non-woven products	691	4.0%	687	4.0%	4	100.7%
Kit products	9,176	53.2%	8,785	51.5%	391	104.5%
Steel instruments	18	0.1%	24	0.1%	△ 5	78.4%

Itemized external sales by subsidiary

Sontara	58		54		3	
Others(PT.HOGY)	36		32		4	

Third Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2014 Results		Third Quarter Ended Dec. 2013 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	2,716	10.2%	2,789	10.6%	△ 73	97.4%
Surgical products	22,966	86.6%	22,699	86.0%	267	101.2%
Treatment products	164	0.6%	170	0.6%	△ 5	96.7%
Others	685	2.6%	749	2.8%	△ 64	91.5%
Total	26,532	100.0%	26,408	100.0%	124	100.5%

Itemized surgical products

Non-woven products	7,663	28.9%	7,932	30.0%	△ 269	96.6%
Other non-woven products	1,098	4.1%	1,090	4.1%	7	100.7%
Kit products	14,176	53.4%	13,640	51.7%	536	103.9%
Steel instruments	28	0.1%	35	0.1%	△ 7	78.8%

Itemized external sales by subsidiary

Sontara	100		87		12	
Others(PT.HOGY)	55		45		9	

Full Year

¥ millions, rounded down

	Fiscal 2014 Revised Plan		Fiscal 2013 Results		Year-on-Year Comparison		Fiscal 2014 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	3,622	10.1%	3,736	10.7%	△ 114	96.9%	3,622	10.1%	-	100.0%
Surgical products	31,055	86.6%	29,865	85.8%	1,189	104.0%	31,055	86.6%	-	100.0%
Treatment products	220	0.6%	223	0.6%	△ 3	98.6%	220	0.6%	-	100.0%
Others	972	2.7%	968	2.8%	4	100.4%	972	2.7%	-	100.0%
Total	35,870	100.0%	34,793	100.0%	1,076	103.1%	35,870	100.0%	-	100.0%

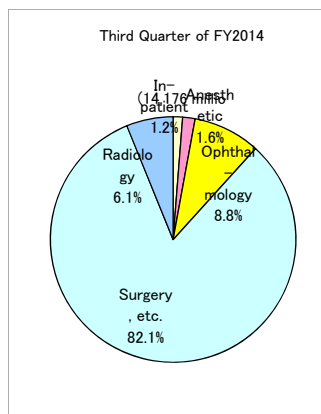
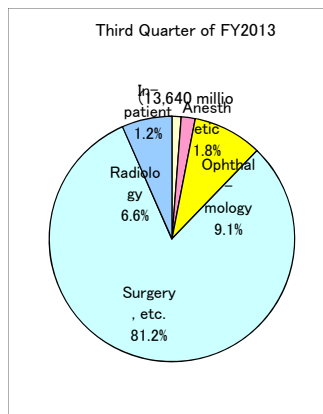
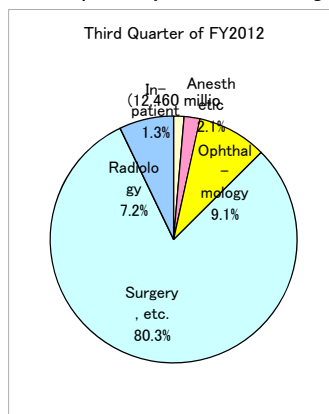
Itemized surgical products

Non-woven products	10,070	28.1%	10,354	29.8%	△ 284	97.3%	10,070	28.1%	-	100.0%
Other non-woven products	1,440	4.0%	1,442	4.1%	△ 2	99.9%	1,440	4.0%	-	100.0%
Kit products	19,500	54.4%	18,024	51.8%	1,475	108.2%	19,500	54.4%	-	100.0%
Steel instruments	45	0.1%	45	0.1%	△ 0	100.0%	45	0.1%	-	100.0%

Itemized external sales by subsidiary

Sontara	150		122		27		150		-	
Others(PT.HOGY)	60		66		△ 6		60		-	

Sales Composition by Kit Treatment Category



Fiscal 2014 Itemized SG&A Expenses and Other Income/Expenses (Consolidated)

SG&A Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2014 Results	Third Quarter Ended Dec. 2013 Results	Year-on-Year Comparison
Packaging and transportation	698	677	21
Losses on doubtful accounts	-	-	-
Samples	290	293	△ 3
Advertising	84	86	△ 2
Personnel	2,753	2,750	2
Travel	411	395	15
Communication	124	132	△ 7
Consumables	76	85	△ 8
Taxes and public charges	150	149	0
Depreciation	698	681	17
Testing and research	340	351	△ 11
Land and housing rent	341	352	△ 10
Miscellaneous	249	279	△ 29
Others	449	427	22
Total	6,669	6,662	6

Other Income/Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2014 Results	Third Quarter Ended Dec. 2013 Results	Year-on-Year Comparison
Interest received	6	3	2
Interest on negotiable securities	-	-	-
Dividend received	62	60	2
(Total financial earnings)	68	63	4
Foreign exchange gain	124	134	△ 9
Miscellaneous income	75	128	△ 53
Total Other income	268	327	△ 58
Paid interest	-	-	-
(Total financial expenses)	-	-	-
Foreign exchange loss	-	-	-
Miscellaneous losses	12	3	9
Total non-operating expenses	12	3	9

Fiscal 2014 Major Change on Balance Sheets and Statements of Cash Flows (Consolidated)

Major Change on Balance Sheets

¥ millions, rounded down

	Balance at Dec. 31, 2014	Change		Balance at Dec. 31, 2014	Change
Current assets	42,522	△ 4,909	Current liabilities	13,589	358
Cash and bank deposits	21,924	△ 6,671	Notes and accounts payable	3,887	△ 710
Notes and accounts receivable	12,155	1,964	Accrued expenses	238	△ 5,268
Short-term investments	-	-	Long-term loans due within 1 year	-	-
Inventories	6,971	△ 789	Income taxes	749	△ 1,165
Others	1,470	587	Allowance for employees' bonuses	115	△ 273
			Payable notes for equipment	7,475	7,172
			Reserve for disaster loss	-	-
			Others	1,121	604
Fixed assets	53,840	10,860	Long-term liabilities	2,485	684
Property, plant and equipment	41,064	8,114	Long-term loans	-	-
Buildings and structures	11,205	△ 406	Others	2,485	684
Machinery, equipment and vehicle	4,289	△ 519	Total liabilities	16,074	1,042
Land	9,479	△ 5	Total net assets	80,288	4,908
Construction in progress	15,534	8,983	Common stock	7,123	-
Others	554	62	Capital surplus	8,336	-
Intangibles	2,414	599	Retained earnings	63,562	3,140
Investments and others	10,362	2,147	Treasury stock	△ 3,322	△ 1
Investments securities	7,642	1,984	Others	4,589	1,769
Others	2,719	163			
Total assets	96,362	5,951	Total liabilities and shareholders' equity	96,362	5,951

* Comparison with end of previous fiscal year:

Equity ratio increased from 83.4% at the end of the previous fiscal year to 83.3%.

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	3,615	Income before income taxes and minority interests	6,786
		Depreciation	1,983
		Increase in notes and accounts receivable	△ 1,941
		Income taxes paid	△ 3,510
II Investing activities	△ 9,026	Capital expenditures	△ 7,940
III Financing activities	△ 1,306	Disposal of treasury stock	△ 1,305
IV Effect of exchange rate changes	44		
Net changes in cash and cash equivalents	△ 6,672		

Fiscal 2014 Statements of Income (First 3 Quarters Results; Non-consolidated)

First Quarter

¥ millions, rounded down

	Sept. 2014 Interim Results		Sept. 2013 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	17,142	100.0	16,969	100.0	172	101.0
Cost of Sales	8,946	52.2	8,683	51.2	263	103.0
Gross profit	8,196	47.8	8,286	48.8	△ 90	98.9
SG&A expenses	4,425	25.8	4,309	25.4	115	102.7
Operating income	3,770	22.0	3,976	23.4	△ 206	94.8
Other income	183		161		22	
Other expenses	11		1		10	
Ordinary income	3,942	23.0	4,137	24.4	△ 194	95.3
Extraordinary income	46		0		45	
Extraordinary expenses	6		0		5	
Income before income taxes	3,982	23.2	4,137	24.4	△ 154	96.3
Corporation tax, etc.	1,397		1,571		△ 174	
(Tax burden)	35.1%		38.0%			
Net income	2,585	15.1	2,565	15.1	19	100.8

EPS (total shares)	158.22	157.00
EPS (minus treasury shares)	164.38	163.10
Number of shares outstanding	16,341,155	16,341,155
Weighted-average number of shares outstanding (after deducting treasury shares)	15,729,102	15,729,414

Third Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2014 Results		Third Quarter Ended Dec. 2013 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	26,377	100.0	26,275	100.0	102	100.4
Cost of Sales	13,786	52.3	13,320	50.7	466	103.5
Gross profit	12,591	47.7	12,955	49.3	△ 364	97.2
SG&A expenses	6,619	25.1	6,607	25.1	11	100.2
Operating income	5,971	22.6	6,347	24.2	△ 375	94.1
Other income	292		342		△ 49	
Other expenses	12		1		11	
Ordinary income	6,251	23.7	6,688	25.5	△ 436	93.5
Extraordinary income	46		97		△ 50	
Extraordinary expenses	6		10		△ 4	
Income before income taxes	6,291	23.9	6,775	25.8	△ 483	92.9
Corporation tax, etc.	2,207		2,573		△ 366	
(Tax burden)	35.1%		38.0%			
Net income	4,084	15.5	4,201	16.0	△ 116	97.2

Full Year

¥ millions, rounded down

	Fiscal 2014 Revised Plan		Fiscal 2013 Results		Year-on-Year Comparison		Fiscal 2014 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	35,660	100.0	34,605	100.0	1,054	103.0	35,660	100.0	-	100.0
Cost of Sales	18,610	52.2	17,719	51.2	890	105.0	18,610	52.2	-	100.0
Gross profit	17,050	47.8	16,885	48.8	164	101.0	17,050	47.8	-	100.0
SG&A expenses	8,930	25.0	8,918	25.8	11	100.1	8,930	25.0	-	100.0
Operating income	8,120	22.8	7,966	23.0	153	101.9	8,120	22.8	-	100.0
Other income	312		407		△ 95		312		-	
Other expenses	12		2		9		12		-	
Ordinary income	8,420	23.6	8,371	24.2	48	100.6	8,420	23.6	-	100.0
Extraordinary income	47		312		△ 265		47		-	
Extraordinary expenses	7		482		△ 475		7		-	
Income before income taxes	8,460	23.7	8,200	23.7	259	103.2	8,460	23.7	-	100.0
Corporation tax, etc.	2,970		3,040		△ 70		2,970		-	
(Tax burden)	35.1%		37.1%				35.1%		-	
Net income	5,490	15.4	5,160	14.9	329	106.4	5,490	15.4	-	100.0

EPS (total shares)	335.96	315.77	335.96
EPS (minus treasury shares)	349.04	328.05	349.04
Number of shares outstanding	16,341,155	16,341,155	16,341,155
Weighted-average number of shares outstanding (after deducting treasury shares)	15,728,922	15,729,305	15,728,922