



1st Quarter of Fiscal 2015

Supplementary Materials

HOGY MEDICAL Co., Ltd.

July 15, 2015

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(Notes Concerning Forward-Looking Statements)

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 2015 Statements of Income (Actual and Forecast, Consolidated)

First Quarter

¥ millions, rounded down

	June 2015 1st Quarter Results		June 2014 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,639	100.0	8,398	100.0	241	102.9
Cost of Sales	4,361	50.5	4,179	49.8	182	104.4
Gross profit	4,277	49.5	4,218	50.2	58	101.4
SG&A expenses	2,130	24.7	2,210	26.3	△ 80	96.3
Operating income	2,147	24.9	2,007	23.9	139	106.9
Other income	51		34		16	
Other expenses	3		26		△ 22	
Ordinary income	2,195	25.4	2,016	24.0	178	108.9
Extraordinary income	3		0		2	
Extraordinary expenses	0		4		△ 4	
Income before income taxes and minority interests	2,197	25.4	2,012	24.0	185	109.2
Corporation tax, etc.	706		694		11	101.7
(Tax burden)	32.1%		34.5%			
Minority interests	0		0		0	
Net income	1,491	17.3	1,317	15.7	173	113.2

EPS (total shares)	¥91.28	¥80.64
EPS (minus treasury shares)	¥94.83	¥83.78
Number of shares outstanding	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury)	15,728,690	15,729,140

Second Quarter

¥ millions, rounded down

	Sept. 2015 Plan		Sept. 2014 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	9,530	100.0	8,839	100.0	691	107.8
Cost of Sales	4,938	51.8	4,524	51.2	413	109.1
Gross profit	4,592	48.2	4,314	48.8	277	106.4
SG&A expenses	2,399	25.2	2,246	25.4	152	106.8
Operating income	2,192	23.0	2,067	23.4	124	106.0
Other income	18		128		△ 110	
Other expenses	△ 3		△ 14		10	
Ordinary income	2,214	23.2	2,211	25.0	3	100.2
Extraordinary income	△ 3		46		△ 49	
Extraordinary expenses	△ 0		1		△ 1	
Income before income taxes and minority interests	2,212	23.2	2,256	25.5	△ 44	98.0
Corporation tax, etc.	793		781		12	
(Tax burden)	35.9%		34.6%			
Minority interests	△ 0		0		△ 0	
Net income	1,418	14.9	1,475	16.7	△ 56	96.2

First Half

¥ millions, rounded down

	Sept. 2015 Interim Plan		Sept. 2014 Interim Results		Year-on-Year Comparison		Sept. 2015 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	18,170	100.0	17,237	100.0	932	105.4	18,170	100.0	-	100.0
Cost of Sales	9,300	51.2	8,703	50.5	596	106.9	9,300	51.2	-	100.0
Gross profit	8,870	48.8	8,533	49.5	336	103.9	8,870	48.8	-	100.0
SG&A expenses	4,530	24.9	4,457	25.9	72	101.6	4,530	24.9	-	100.0
Operating income	4,340	23.9	4,075	23.6	264	106.5	4,340	23.9	-	100.0
Other income	70		163		△ 93		70		-	
Other expenses	-		11		△ 11		-		-	
Ordinary income	4,410	24.3	4,227	24.5	182	104.3	4,410	24.3	-	100.0
Extraordinary income	-		47		△ 47		-		-	
Extraordinary expenses	-		6		△ 6		-		-	
Income before income taxes and minority interests	4,410	24.3	4,268	24.8	141	103.3	4,410	24.3	-	100.0
Corporation tax, etc.	1,500		1,475		24		1,500		-	
(Tax burden)	34.0%		34.6%						-	
Minority interests	-		0		△ 0		-		-	
Net income	2,910	16.0	2,792	16.2	117	104.2	2,910	16.0	-	100.0

EPS (total shares)	¥178.08	¥170.91	¥178.08
EPS (minus treasury shares)	¥185.01	¥177.56	¥185.01
Number of shares outstanding	16,341,155	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury)	15,728,657	15,729,102	15,728,657

Fiscal 2015 Sales Results and Plan by Product Line (Consolidated)

First Quarter

¥ millions, rounded down

	June 2015 1st Quarter Results		June 2014 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	880	10.2%	871	10.4%	9	101.0%
Surgical products	7,501	86.8%	7,256	86.4%	244	103.4%
Treatment products	53	0.6%	55	0.7%	△ 1	97.8%
Others	203	2.4%	215	2.6%	△ 11	94.8%
Total	8,639	100.0%	8,398	100.0%	241	102.9%

Itemized surgical products

Non-woven products	2,414	27.9%	2,473	29.4%	△ 58	97.6%
Other non-woven product	349	4.0%	341	4.1%	8	102.4%
Kit products	4,719	54.6%	4,425	52.7%	294	106.7%
Steel instruments	17	0.2%	16	0.2%	0	103.6%

Itemized external sales by subsidiary

Non-woven products	42		26		15	
Others	12		20		△ 8	

Second Quarter

¥ millions, rounded down

	Sept. 2015 Plan		Sept. 2014 Results		Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	869	9.1%	911	10.3%	△ 41	95.4%
Surgical products	8,362	87.7%	7,653	86.6%	708	109.3%
Treatment products	52	0.6%	53	0.6%	△ 0	98.3%
Others	246	2.6%	220	2.5%	25	111.7%
Total	9,530	100.0%	8,839	100.0%	691	107.8%

Itemized surgical products

Non-woven products	2,462	25.8%	2,538	28.7%	△ 76	97.0%
Other non-woven product	350	3.7%	350	4.0%	△ 0	99.9%
Kit products	5,270	55.3%	4,750	53.7%	519	110.9%
Steel instruments	279	2.9%	13	0.2%	265	1996.8%

Itemized external sales by subsidiary

Non-woven products	74		31		43	
Others	30		15		14	

First Half

¥ millions, rounded down

	Sept. 2015 Interim Plan		Sept. 2014 Interim Results		Year-on-Year Comparison		Sept. 2015 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	1,749	9.6%	1,782	10.3%	△ 32	98.2%	1,749	9.6%	-	100.0%
Surgical products	15,863	87.3%	14,910	86.5%	952	106.4%	15,863	87.3%	-	100.0%
Treatment products	106	0.6%	109	0.6%	△ 2	98.0%	106	0.6%	-	100.0%
Others	449	2.5%	435	2.5%	14	103.3%	449	2.5%	-	100.0%
Total	18,170	100.0%	17,237	100.0%	932	105.4%	18,170	100.0%	-	100.0%

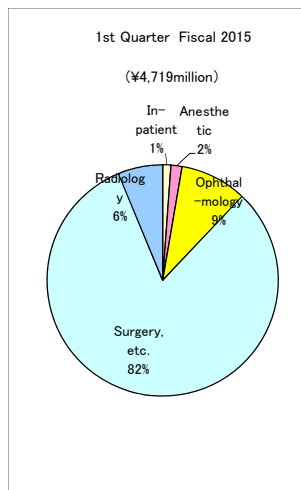
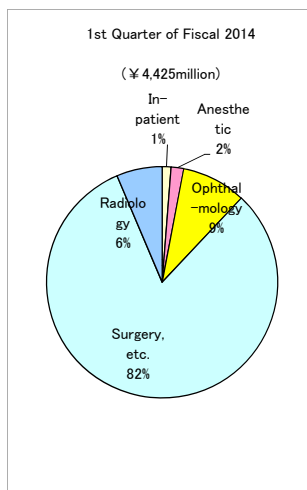
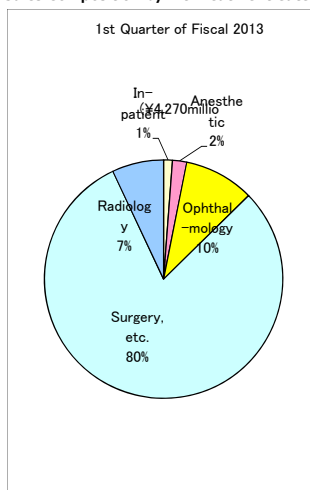
Itemized surgical products

Non-woven products	4,876	26.8%	5,011	29.1%	△ 135	97.3%	4,876	26.8%	-	100.0%
Other non-woven product	700	3.9%	691	4.0%	8	101.2%	700	3.9%	-	100.0%
Kit products	9,990	55.0%	9,176	53.2%	813	108.9%	9,990	55.0%	-	100.0%
Steel instruments	296	1.6%	30	0.2%	265	962.7%	296	1.6%	-	100.0%

Itemized external sales by subsidiary

Non-woven products	117		58		58		117		-	
Others	42		36		6		42		-	

Sales Composition by Kit Treatment Category



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

SG&A Expenses

¥ millions, rounded down

	Quarter Results	Quarter Results	Year-on-Year Comparison
transportation	229	227	2
Losses on doubtful accounts	-	-	-
Samples	106	106	△0
Advertising	17	16	0
Personnel	877	963	△ 85
Travel	129	130	△0
Communication	38	42	△ 4
Consumables	24	26	△ 1
Taxes and public charges	51	51	0
Depreciation	251	218	32
Testing and research	74	77	△ 2
Land and housing rent	110	118	△ 7
Miscellaneous	79	92	△ 12
Others	138	139	△0
Total	2,130	2,210	△ 80

Other Income/Expenses

¥ millions, rounded down

	June 2015 1st Quarter	June 2014 1st Quarter	Year-on-Year Comparison
Interest received	3	1	2
Dividend received	21	20	0
(Total financial earnings)	25	21	3
Foreign exchange gain	20	-	20
Miscellaneous income	5	13	△ 7
Total Other income	51	34	16
Foreign exchange loss	-	21	△ 21
Miscellaneous losses	3	5	△ 1
Total non-operating expenses	3	26	△ 22

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

Major Changes on Balance Sheets

¥ millions, rounded down

	Balance at June 30, 2015	Change		2015	Change
Current assets	34,895	△ 7,968	Current liabilities	9,290	△ 7,330
Cash and bank deposits	15,198	△ 7,834	Notes and accounts payable	4,404	△ 67
Notes and accounts receivable	10,737	△ 195	Accrued expenses	194	△ 2,902
Inventories	7,567	46	Income taxes	688	△ 730
Others	1,391	15	Allowance for employees' bonuses	121	△ 301
			Payable notes for equipment	2,646	△ 3,591
			Others	1,233	263
Fixed assets	61,780	1,699	Long-term liabilities	3,031	9
Property, plant and equipment	46,405	1,560	Others	3,031	9
Buildings and structures	11,149	△ 177	Total liabilities	12,321	△ 7,320
Machinery, equipment and vehicles	4,910	603	Total net assets	84,354	1,052
Land	9,625	△ 1	Common stock	7,123	-
Construction in progress	20,214	1,145	Capital surplus	8,336	-
Others	505	△ 11	Retained earnings	65,387	1,051
Intangibles	2,640	107	Treasury stock	△ 3,324	△ 0
Investments and others	12,735	31	Others	6,832	2
Investments securities	10,245	210			
Others	2,489	△ 178			
Total assets	96,675	△ 6,268	Total liabilities and shareholders' equity	96,675	△ 6,268

* Comparison with end of previous fiscal year:

Equity ratio increased from 80.9% at the end of the previous fiscal year to 87.2%.

Statements of Cash Flows

¥ millions, rounded down

I Operating activities	962	Income before income taxes and	2,197
		Depreciation	680
		Income taxes paid	△ 1,430
II Investing activities	△ 8,346	Acquisition of tangible fixed asse	△ 8,222
		Acquisition of intangible assets	△ 209
III Financing activities	△ 440	Cash dividends paid	△ 439
IV Effect of exchange rate changes	△ 4		
Net changes in cash and cash equivalents	△ 7,829		

Fiscal 2015 Statements of Income (Actual and Forecast, Non-Consolidated)

First Quarter

¥ millions, rounded down

	June 2015 1st Quarter Results		June 2014 1st Quarter Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	8,584	100.0	8,351	100.0	233	102.8
Cost of Sales	4,530	52.8	4,313	51.7	217	105.0
Gross profit	4,053	47.2	4,037	48.3	16	100.4
SG&A expenses	2,113	24.6	2,195	26.3	△ 82	96.3
Operating income	1,940	22.6	1,842	22.1	98	105.4
Other income	56		39		16	
Other expenses	3		20		△ 16	
Ordinary income	1,993	23.2	1,861	22.3	131	107.1
Extraordinary income	1		0		1	
Extraordinary expenses	0		4		△ 4	
Income before income taxes and minority interests	1,994	23.2	1,857	22.2	137	107.4
Corporation tax, etc.	653		651		2	
(Tax burden)	32.8%		35.1%			
Net income	1,340	15.6	1,205	14.4	135	111.2

EPS (total shares)	82.06	73.78
EPS (minus treasury shares)	85.25	76.65
Number of shares outstanding	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,728,690	15,729,140

Second Quarter

¥ millions, rounded down

	Sept. 2015 Plan		Sept. 2014 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	9,425	100.0	8,791	100.0	633	107.2
Cost of Sales	5,100	54.1	4,633	52.7	467	110.1
Gross profit	4,325	45.9	4,158	47.3	166	104.0
SG&A expenses	2,376	25.2	2,230	25.4	146	106.6
Operating income	1,948	20.7	1,928	21.9	19	101.0
Other income	13		143		△ 130	
Other expenses	△ 3		△ 8		5	
Ordinary income	1,965	20.9	2,080	23.7	△ 115	94.5
Extraordinary income	△ 1		45		△ 47	
Extraordinary expenses	△ 0		1		△ 1	
Income before income taxes and minority interests	1,964	20.8	2,125	24.2	△ 160	92.4
Corporation tax, etc.	731		745		△ 14	
(Tax burden)	37.2%		35.1%			
Net income	1,233	13.1	1,379	15.7	△ 146	89.4

First Half

¥ millions, rounded down

	Sept. 2015 Interim Plan		Sept. 2014 Interim Results		Year-on-Year Comparison		Sept. 2015 Interim Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	18,010	100.0	17,142	100.0	867	105.1	18,010	100.0	-	100.0
Cost of Sales	9,631	53.5	8,946	52.2	684	107.7	9,631	53.5	-	100.0
Gross profit	8,379	46.5	8,196	47.8	182	102.2	8,379	46.5	-	100.0
SG&A expenses	4,490	24.9	4,425	25.8	64	101.5	4,490	24.9	-	100.0
Operating income	3,889	21.6	3,770	22.0	118	103.1	3,889	21.6	-	100.0
Other income	70		183		△ 113		70		-	
Other expenses	-		11		△ 11		-		-	
Ordinary income	3,959	22.0	3,942	23.0	16	100.4	3,959	22.0	-	100.0
Extraordinary income	-		46		△ 46		-		-	
Extraordinary expenses	-		6		△ 6		-		-	
Income before income taxes and minority interests	3,959	22.0	3,982	23.2	△ 23	99.4	3,959	22.0	-	100.0
Corporation tax, etc.	1,385		1,397		△ 12		1,385		-	
(Tax burden)	35.0%		35.1%				35.0%		-	
Net income	2,574	14.3	2,585	15.1	△ 11	99.6	2,574	14.3	-	100.0

EPS (total shares)	157.52	158.22	157.52
EPS (minus treasury shares)	163.65	164.38	163.65
Number of shares outstanding	16,341,155	16,341,155	16,341,155
Average number of shares outstanding (after deducting treasury shares)	15,728,657	15,729,102	15,728,657