



# First 3st Quarter of Fiscal 2015

## Supplementary Materials

**HOGY MEDICAL Co., Ltd.**

**January 19, 2016**

# Table of Contents

## Consolidated Basis

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

## Non-Consolidated Basis

Statements of Income (Actual and Forecast)	.....	5 P
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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 2015 Statements of Income (Consolidated)

### First Half

¥ millions, rounded down

	Sept. 2015 Interim Results		Sept. 2014 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	17,652	100.0	17,237	100.0	415	102.4
Cost of Sales	8,982	50.9	8,703	50.5	279	103.2
Gross profit	8,669	49.1	8,533	49.5	135	101.6
SG&A expenses	4,286	24.3	4,457	25.9	△ 171	96.1
Operating income	4,383	24.8	4,075	23.6	307	107.6
Other income	95		163		△ 68	
Other expenses	11		11		△ 0	
Ordinary income	4,467	25.3	4,227	24.5	240	105.7
Extraordinary income	4		47		△ 42	
Extraordinary expenses	0		6		△ 5	
Income before income taxes and minority interests	4,471	25.3	4,268	24.8	202	104.7
Corporation tax, etc.	1,435		1,475		△ 40	
(Tax burden)	32.1%		34.6%			
Minority interests	0		0		0	
Net income	3,035	17.2	2,792	16.2	242	108.7
EPS (total shares)	¥185.76		¥170.91			
EPS (minus treasury shares)	¥193.00		¥177.56			
Number of shares outstanding	16,341,155		16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,728,655		15,729,102			

### Third Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2015 Results		Third Quarter Ended Dec. 2014 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	27,055	100.0	26,532	100.0	522	102.0
Cost of Sales	13,940	51.5	13,374	50.4	566	104.2
Gross profit	13,114	48.5	13,158	49.6	△ 43	99.7
SG&A expenses	6,553	24.2	6,669	25.1	△ 115	98.3
Operating income	6,561	24.3	6,489	24.5	72	101.1
Other income	153		268		△ 115	
Other expenses	13		12		0	
Ordinary income	6,701	24.8	6,744	25.4	△ 43	99.4
Extraordinary income	4		47		△ 43	
Extraordinary expenses	3		6		△ 3	
Income before income taxes and minority interests	6,702	24.8	6,786	25.6	△ 83	98.8
Corporation tax, etc.	2,146		2,340		△ 194	
(Tax burden)	32.0%		34.5%			
Minority interests	0		0		0	
Net income	4,556	16.8	4,445	16.8	110	102.5
EPS (total shares)	¥278.82		¥272.06			
EPS (minus treasury shares)	¥289.68		¥282.65			
Number of shares outstanding	16,341,155		16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,728,610		15,729,046			

### Full Year

¥ millions, rounded down

	Fiscal 2015 Revised Plan		Fiscal 2014 Results		Year-on-Year Comparison		Fiscal 2015 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	37,100	100.0	35,233	100.0	1,866	105.3	37,100	100.0	-	100.0
Cost of Sales	19,760	53.3	17,855	50.7	1,904	110.7	19,760	53.3	-	100.0
Gross profit	17,340	46.7	17,378	49.3	△ 38	99.8	17,340	46.7	-	100.0
SG&A expenses	9,050	24.4	8,872	25.2	177	102.0	9,050	24.4	-	100.0
Operating income	8,290	22.3	8,505	24.1	△ 215	97.5	8,290	22.3	-	100.0
Other income	140		279		△ 139		140		-	
Other expenses	10		16		△ 6		10		-	
Ordinary income	8,420	22.7	8,768	24.9	△ 348	96.0	8,420	22.7	-	100.0
Extraordinary income	-		47		△ 47		-		-	
Extraordinary expenses	-		137		△ 137		-		-	
Income before income taxes and minority interests	8,420	22.7	8,678	24.6	△ 258	97.0	8,420	22.7	-	100.0
Corporation tax, etc.	2,920		3,019		△ 99		2,920		-	
(Tax burden)	34.7%		34.8%						-	
Minority interests	-		0		△ 0		-		-	
Net income	5,500	14.8	5,659	16.1	△ 159	97.2	5,500	14.8	-	100.0
EPS (total shares)	¥336.57		¥346.34				¥336.57			
EPS (minus treasury shares)	¥349.69		¥359.81				¥349.69			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,728,430		15,729,011				15,728,430			

## Fiscal 2015 Sales by Product Grouping (Consolidated)

### First Half

¥ millions, rounded down

	Sept. 2015 Interim Results		Sept. 2014 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	1,779	10.1%	1,782	10.3%	△ 2	99.9%
Surgical products	15,356	87.0%	14,910	86.5%	445	103.0%
Treatment products	104	0.6%	109	0.6%	△ 4	95.7%
Others	412	2.3%	435	2.5%	△ 22	94.7%
<b>Total</b>	<b>17,652</b>	<b>100.0%</b>	<b>17,237</b>	<b>100.0%</b>	<b>415</b>	<b>102.4%</b>

#### Itemized surgical products

Non-woven products	4,855	27.5%	5,011	29.1%	△ 156	96.9%
Other non-woven	692	3.9%	691	4.0%	1	100.1%
Kit products	9,763	55.3%	9,176	53.2%	586	106.4%
New products	45	0.3%	30	0.2%	14	146.7%

#### Itemized external sales by subsidiary

Non-woven products	84		58		25	
Others(PT.HOGY)	30		36		△ 5	

### Third Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2015		Third Quarter Ended Dec. 2014		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	2,727	10.1%	2,716	10.2%	11	100.4%
Surgical products	23,541	87.0%	22,981	86.6%	560	102.4%
Treatment products	155	0.6%	164	0.6%	△ 8	94.8%
Others	630	2.3%	670	2.5%	△ 40	94.0%
<b>Total</b>	<b>27,055</b>	<b>100.0%</b>	<b>26,532</b>	<b>100.0%</b>	<b>522</b>	<b>102.0%</b>

#### Itemized surgical products

Non-woven products	7,354	27.2%	7,662	28.9%	△ 307	96.0%
Other non-woven	1,063	3.9%	1,098	4.1%	△ 34	96.9%
Kit products	15,051	55.6%	14,176	53.4%	875	106.2%
New products	70	0.3%	44	0.2%	26	159.2%

#### Itemized external sales by subsidiary

Non-woven products	131		100		31	
Others(PT.HOGY)	49		55		△ 5	

### Full Year

¥ millions, rounded down

	Fiscal 2015 Revised Plan		Fiscal 2014 Results		Year-on-Year Comparison		Fiscal 2015 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	3,556	9.6%	3,609	10.2%	△ 53	98.5%	3,556	9.6%	-	100.0%
Surgical products	32,419	87.4%	30,516	86.6%	1,903	106.2%	32,419	87.4%	-	100.0%
Treatment products	215	0.6%	219	0.6%	△ 4	97.9%	215	0.6%	-	100.0%
Others	908	2.4%	887	2.5%	21	102.4%	908	2.4%	-	100.0%
<b>Total</b>	<b>37,100</b>	<b>100.0%</b>	<b>35,233</b>	<b>100.0%</b>	<b>1,866</b>	<b>105.3%</b>	<b>37,100</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>

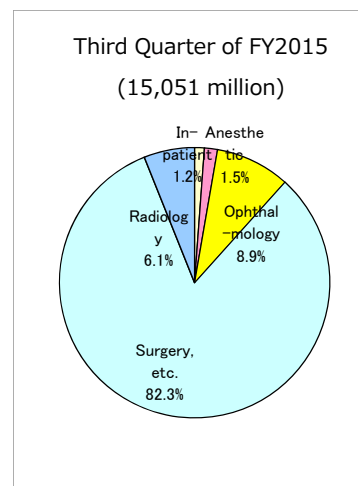
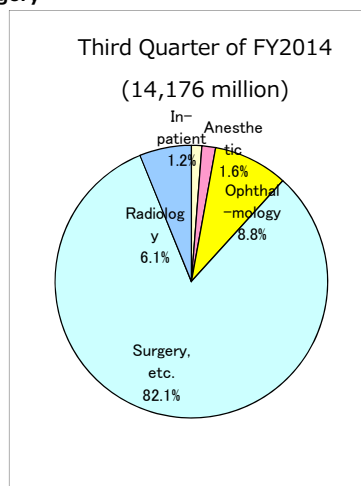
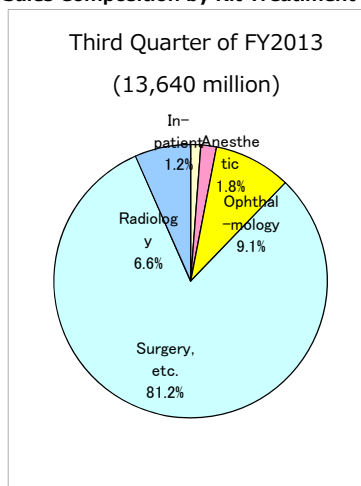
#### Itemized surgical products

Non-woven products	9,783	26.4%	10,011	28.4%	△ 227	97.7%	9,783	26.4%	-	100.0%
Other non-woven	1,450	3.9%	1,450	4.1%	△ 0	100.0%	1,450	3.9%	-	100.0%
Kit products	20,580	55.5%	18,877	53.6%	1,702	109.0%	20,580	55.5%	-	100.0%
New products	606	1.6%	177	0.5%	429	342.3%	606	1.6%	-	100.0%

#### Itemized external sales by subsidiary

Non-woven products	234		162		71		234		-	
Others(PT.HOGY)	85		85		0		85		-	

### Sales Composition by Kit Treatment Category



## Fiscal 2015 Itemized SG&A Expenses and Other Income/Expenses (Consolidated)

### SG&A Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2015 Results	Third Quarter Ended Dec. 2014 Results	Year-on-Year Comparison
Packaging and transportation	702	698	3
Losses on doubtful accounts	-	-	-
Samples	332	290	41
Advertising	75	84	△ 8
Personnel	2,651	2,753	△ 101
Travel	398	411	△ 13
Communication	117	124	△ 7
Consumables	70	76	△ 6
Taxes and public charges	155	150	5
Depreciation	769	698	70
Testing and research	250	340	△ 89
Land and housing rent	327	341	△ 14
Miscellaneous	265	249	16
Others	437	449	△ 11
<b>Total</b>	<b>6,553</b>	<b>6,669</b>	<b>△ 115</b>

### Other Income/Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2015 Results	Third Quarter Ended Dec. 2014 Results	Year-on-Year Comparison
Interest received	8	6	2
Interest on negotiable securities	-	-	-
Dividend received	73	62	11
(Total financial earnings)	82	68	13
Foreign exchange gain	-	124	△ 124
Miscellaneous income	71	75	△ 4
<b>Total Other income</b>	<b>153</b>	<b>268</b>	<b>△ 115</b>
Paid interest	-	-	-
(Total financial expenses)	-	-	-
Foreign exchange loss	3	-	3
Miscellaneous losses	9	12	△ 3
<b>Total non-operating expenses</b>	<b>13</b>	<b>12</b>	<b>0</b>

Fiscal 2015 Major Change on Balance Sheets and Statements of Cash Flows (Consolidated)

Major Change on Balance Sheets

¥ millions, rounded down

	Balance at Dec. 31, 2015	Change		Balance at Dec. 31, 2015	Change
<b>Current assets</b>	32,104	△ 10,758	<b>Current liabilities</b>	7,281	△ 9,339
Cash and bank deposits	10,504	△ 12,528	Notes and accounts payable	4,308	△ 163
Notes and accounts receivable	12,330	1,397	Accrued expenses	606	△ 2,490
Short-term investments	-	-	Long-term loans due within 1 year	-	-
Inventories	6,990	△ 531	Income taxes	626	△ 793
Others	2,279	903	Allowance for employees' bonuses	102	△ 320
			Payable notes for equipment	1,016	△ 5,221
			Reserve for disaster loss	-	-
			Others	620	△ 350
<b>Fixed assets</b>	66,375	6,294	<b>Long-term liabilities</b>	3,638	616
Property, plant and equipment	48,607	3,762	Long-term loans	-	-
Buildings and structures	25,760	14,433	Others	3,638	616
Machinery, equipment and vehicles	4,584	278	<b>Total liabilities</b>	10,919	△ 8,722
Land	9,645	19	<b>Total net assets</b>	87,560	4,258
Construction in progress	8,023	△ 11,044	Common stock	7,123	-
Others	593	76	Capital surplus	8,336	-
Intangibles	3,103	570	Retained earnings	67,539	3,203
Investments and others	14,664	1,961	Treasury stock	△ 3,325	△ 2
Investments securities	12,363	2,327	Others	7,886	1,057
Others	2,301	△ 366			
<b>Total assets</b>	98,480	△ 4,464	<b>Total liabilities and shareholders' equity</b>	98,480	△ 4,464

\* Comparison with end of previous fiscal year:

Equity ratio increased from 80.9% at the end of the previous fiscal year to 88.9%.

Statements of Cash Flows

¥ millions, rounded down

<b>I Operating activities</b>	2,620	Income before income taxes and minority interests	6,702
		Depreciation	2,378
		decrease in notes and accounts receivable	△ 1,401
		Income taxes paid	△ 2,930
<b>II Investing activities</b>	△ 13,793	Capital expenditures	△ 13,036
<b>III Financing activities</b>	△ 1,354	Disposal of treasury stock	△ 1,352
<b>IV Effect of exchange rate changes</b>	△ 11		
<b>Net changes in cash and cash equivalents</b>	△ 12,538		

## Fiscal 2015 Statements of Income (First 3 Quarters Results; Non-consolidated)

### First Half

¥ millions, rounded down

	Sept. 2015 Interim Results		Sept. 2014 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	17,538	100.0	17,142	100.0	395	102.3
Cost of Sales	9,334	53.2	8,946	52.2	387	104.3
<b>Gross profit</b>	<b>8,203</b>	<b>46.8</b>	<b>8,196</b>	<b>47.8</b>	<b>7</b>	<b>100.1</b>
SG&A expenses	4,251	24.2	4,425	25.8	△ 174	96.1
<b>Operating income</b>	<b>3,952</b>	<b>22.5</b>	<b>3,770</b>	<b>22.0</b>	<b>182</b>	<b>104.8</b>
Other income	102		183		△ 81	
Other expenses	9		11		△ 2	
<b>Ordinary income</b>	<b>4,044</b>	<b>23.1</b>	<b>3,942</b>	<b>23.0</b>	<b>102</b>	<b>102.6</b>
Extraordinary income	1		46		△ 44	
Extraordinary expenses	0		6		△ 5	
<b>Income before income taxes</b>	<b>4,045</b>	<b>23.1</b>	<b>3,982</b>	<b>23.2</b>	<b>63</b>	<b>101.6</b>
Corporation tax, etc.	1,325		1,397		△ 71	
<b>(Tax burden)</b>	<b>32.8%</b>		<b>35.1%</b>			
<b>Net income</b>	<b>2,720</b>	<b>15.5</b>	<b>2,585</b>	<b>15.1</b>	<b>134</b>	<b>105.2</b>
EPS (total shares)	166.46		158.22			
EPS (minus treasury shares)	172.94		164.38			
Number of shares outstanding	16,341,155		16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,728,655		15,729,102			

### Third Quarter

¥ millions, rounded down

	Third Quarter Ended Dec. 2015 Results		Third Quarter Ended Dec. 2014 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	26,874	100.0	26,377	100.0	497	101.9
Cost of Sales	14,540	54.1	13,786	52.3	754	105.5
<b>Gross profit</b>	<b>12,334</b>	<b>45.9</b>	<b>12,591</b>	<b>47.7</b>	<b>△ 256</b>	<b>98.0</b>
SG&A expenses	6,504	24.2	6,619	25.1	△ 114	98.3
<b>Operating income</b>	<b>5,829</b>	<b>21.7</b>	<b>5,971</b>	<b>22.6</b>	<b>△ 141</b>	<b>97.6</b>
Other income	169		292		△ 123	
Other expenses	7		12		△ 5	
<b>Ordinary income</b>	<b>5,991</b>	<b>22.3</b>	<b>6,251</b>	<b>23.7</b>	<b>△ 259</b>	<b>95.8</b>
Extraordinary income	1		46		△ 44	
Extraordinary expenses	3		6		△ 3	
<b>Income before income taxes</b>	<b>5,990</b>	<b>22.3</b>	<b>6,291</b>	<b>23.9</b>	<b>△ 301</b>	<b>95.2</b>
Corporation tax, etc.	1,963		2,207		△ 244	
<b>(Tax burden)</b>	<b>32.8%</b>		<b>35.1%</b>			
<b>Net income</b>	<b>4,027</b>	<b>15.0</b>	<b>4,084</b>	<b>15.5</b>	<b>△ 57</b>	<b>98.6</b>

### Full Year

¥ millions, rounded down

	Fiscal 2015 Revised Plan		Fiscal 2014 Results		Year-on-Year Comparison		Fiscal 2015 Initial Plan		Initial Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	36,780	100.0	34,985	100.0	1,794	105.1	36,780	100.0	-	100.0
Cost of Sales	20,277	55.1	18,536	53.0	1,740	109.4	20,277	55.1	-	100.0
<b>Gross profit</b>	<b>16,503</b>	<b>44.9</b>	<b>16,449</b>	<b>47.0</b>	<b>53</b>	<b>100.3</b>	<b>16,503</b>	<b>44.9</b>	<b>-</b>	<b>100.0</b>
SG&A expenses	8,970	24.4	8,797	25.1	172	102.0	8,970	24.4	-	100.0
<b>Operating income</b>	<b>7,533</b>	<b>20.5</b>	<b>7,651</b>	<b>21.9</b>	<b>△ 118</b>	<b>98.5</b>	<b>7,533</b>	<b>20.5</b>	<b>-</b>	<b>100.0</b>
Other income	220		395		△ 175		220		-	
Other expenses	10		16		△ 6		10		-	
<b>Ordinary income</b>	<b>7,743</b>	<b>21.1</b>	<b>8,030</b>	<b>23.0</b>	<b>△ 287</b>	<b>96.4</b>	<b>7,743</b>	<b>21.1</b>	<b>-</b>	<b>100.0</b>
Extraordinary income	-		46		△ 46		-		-	
Extraordinary expenses	-		137		△ 137		-		-	
<b>Income before income taxes</b>	<b>7,743</b>	<b>21.1</b>	<b>7,939</b>	<b>22.7</b>	<b>△ 196</b>	<b>97.5</b>	<b>7,743</b>	<b>21.1</b>	<b>-</b>	<b>100.0</b>
Corporation tax, etc.	2,727		2,797		△ 70		2,727		-	
<b>(Tax burden)</b>	<b>35.2%</b>		<b>35.2%</b>				<b>35.2%</b>		<b>-</b>	
<b>Net income</b>	<b>5,016</b>	<b>13.6</b>	<b>5,142</b>	<b>14.7</b>	<b>△ 126</b>	<b>97.5</b>	<b>5,016</b>	<b>13.6</b>	<b>-</b>	<b>100.0</b>
EPS (total shares)	306.96		314.70				306.96			
EPS (minus treasury shares)	318.91		326.95				318.91			
Number of shares outstanding	16,341,155		16,341,155				16,341,155			
Weighted-average number of shares outstanding (after deducting treasury shares)	15,728,430		15,729,011				15,728,430			