



# **First 3 Quarters of Fiscal 2019**

## Supplementary Materials

**HOGY MEDICAL Co., Ltd.**

**January 20, 2020**

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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 2019 Statements of Income (Consolidated)

### First Half

¥ millions, rounded down

	Sept. 2019 Interim Results		Sept. 2018 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	18,380	100.0	18,238	100.0	141	100.8
Cost of Sales	10,810	58.8	10,733	58.8	76	100.7
<b>Gross profit</b>	7,570	41.2	7,505	41.2	64	100.9
SG&A expenses	4,973	27.1	5,064	27.8	△ 90	98.2
<b>Operating income</b>	2,596	14.1	2,440	13.4	155	106.4
Other income	131		123		7	
Other expenses	3		83		△ 79	
<b>Ordinary income</b>	2,724	14.8	2,480	13.6	243	109.8
Extraordinary income	1,943		3,998		△ 2,054	
Extraordinary expenses	1		1		0	
<b>Income before income taxes and minority interests</b>	4,665	25.4	6,477	35.5	△ 1,811	72.0
Corporation tax, etc.	1,415		1,942		△ 527	
<b>(Tax burden)</b>	30.3%		30.0%			
Minority interests	△ 15		0		△ 15	
<b>Profit attributable to owners of parent</b>	3,265	17.8	4,534	24.9	△ 1,269	72.0

EPS (total shares)	¥99.91	¥138.74
EPS (minus treasury shares)	¥108.14	¥147.41
Number of shares outstanding	32,682,310	32,682,310
Weighted-average number of shares outstanding (after deducting treasury shares)	30,196,594	30,760,964

### Third Quarter

¥ millions, rounded down

	Dec. 2019 Results		Dec. 2018 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	28,060	100.0	27,963	100.0	97	100.3
Cost of Sales	16,430	58.6	16,388	58.6	42	100.3
<b>Gross profit</b>	11,629	41.4	11,574	41.4	55	100.5
SG&A expenses	7,525	26.8	7,649	27.4	△ 124	98.4
<b>Operating income</b>	4,104	14.6	3,924	14.0	179	104.6
Other income	436		187		249	
Other expenses	21		88		△ 67	
<b>Ordinary income</b>	4,520	16.1	4,024	14.4	496	112.3
Extraordinary income	1,943		3,998		△ 2,054	
Extraordinary expenses	1		2		△ 0	
<b>Income before income taxes and minority interests</b>	6,461	23.0	8,019	28.7	△ 1,557	80.6
Corporation tax, etc.	1,911		2,390		△ 479	
<b>(Tax burden)</b>	29.6%		29.8%			
Minority interests	0		0		△ 25	
<b>Profit attributable to owners of parent</b>	4,576	16.3	5,628	20.1	△ 1,052	81.3

EPS (total shares)	¥140.01	¥172.22
EPS (minus treasury shares)	¥151.52	¥184.15
Number of shares outstanding	32,682,310	32,682,310
Weighted-average number of shares outstanding (after deducting treasury shares)	30,200,684	30,565,435

### Full Year

¥ millions, rounded down

	Fiscal 2019 Forecasts		Fiscal 2018 Forecasts		Year-on-Year Comparison		Fiscal 2019 Plans		Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	37,920	100.0	36,658	100.0	1,261	103.4	37,920	100.0	-	100.0
Cost of Sales	22,180	58.5	21,831	59.6	348	101.6	22,180	58.5	-	100.0
<b>Gross profit</b>	15,740	41.5	14,827	40.4	912	106.2	15,740	41.5	-	100.0
SG&A expenses	10,500	27.7	10,444	28.5	55	100.5	10,500	27.7	-	100.0
<b>Operating income</b>	5,240	13.8	4,382	12.0	857	119.6	5,240	13.8	-	100.0
Other income	450		212		237		450		-	
Other expenses	10		91		△ 81		10		-	
<b>Ordinary income</b>	5,680	15.0	4,503	12.3	1,176	126.1	5,680	15.0	-	100.0
Extraordinary income	1,990		3,998		△ 2,008		1,990		-	
Extraordinary expenses	-		2		△ 2		-		-	
<b>Income before income taxes and minority interests</b>	7,670	20.2	8,499	23.2	△ 829	90.2	7,670	20.2	-	100.0
Corporation tax, etc.	2,410		2,456		△ 46		2,410		-	
<b>(Tax burden)</b>	31.4%		28.9%				31.4%		-	
Minority interests	△ 50		0		△ 50		△ 50		-	
<b>Profit attributable to owners of parent</b>	5,310	14.0	6,043	16.5	△ 733	87.9	5,310	14.0	-	100.0

EPS (total shares)	¥162.47	¥184.90	¥162.47
EPS (minus treasury shares)	¥175.73	¥198.31	¥175.73
Number of shares outstanding	32,682,310	32,682,310	32,682,310
Weighted-average number of shares outstanding (after deducting treasury shares)	30,216,050	30,472,084	30,216,050

## Fiscal 2019 Sales by Product Grouping (Consolidated)

### First Half

¥ millions, rounded down

	Sept. 2019 Interim Results		Sept. 2018 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	1,708	9.3%	1,740	9.5%	△ 32	98.1%
Surgical products	16,200	88.1%	15,972	87.6%	228	101.4%
Treatment products	92	0.5%	95	0.5%	△ 3	96.6%
Others	379	2.1%	430	2.4%	△ 50	88.2%
<b>Total</b>	<b>18,380</b>	<b>100.0%</b>	<b>18,238</b>	<b>100.0%</b>	<b>141</b>	<b>100.8%</b>

#### Itemized surgical products

Non-woven products	4,351	23.7%	4,467	24.5%	△ 115	97.4%
Other non-woven products	592	3.2%	620	3.4%	△ 28	95.4%
Kit products	11,165	60.7%	10,801	59.2%	364	103.4%
New products	90	0.5%	82	0.5%	8	109.7%

#### Itemized external sales by subsidiary

Non-woven products	125		138		△ 13
Others(PT.HOGY+HOGY)					
Medical Asia Pacific Pte. Ltd.)	41		40		0

### Third Quarter

¥ millions, rounded down

	Dec. 2019 Results		Dec. 2018 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Sterilization products	2,590	9.2%	2,653	9.5%	△ 63	97.6%
Surgical products	24,755	88.2%	24,522	87.7%	233	101.0%
Treatment products	137	0.5%	142	0.5%	△ 5	96.4%
Others	576	2.1%	644	2.3%	△ 67	89.5%
<b>Total</b>	<b>28,060</b>	<b>100.0%</b>	<b>27,963</b>	<b>100.0%</b>	<b>97</b>	<b>100.3%</b>

#### Itemized surgical products

Non-woven products	6,593	23.5%	6,852	24.5%	△ 259	96.2%
Other non-woven products	914	3.3%	967	3.5%	△ 53	94.5%
Kit products	17,118	61.0%	16,586	59.3%	532	103.2%
New products	129	0.5%	115	0.4%	13	112.0%

#### Itemized external sales by subsidiary

Non-woven products	190		206		△ 15
Others(PT.HOGY+HOGY)					
Medical Asia Pacific Pte. Ltd.)	63		65		△ 1

### Full Year

¥ millions, rounded down

	Fiscal 2019 Forecasts		Fiscal 2018 Results		Year-on-Year Comparison		Fiscal 2019 Plans		Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Sterilization products	3,381	8.9%	3,478	9.5%	△ 97	97.2%	3,381	8.9%	-	100.0%
Surgical products	33,430	88.2%	32,160	87.7%	1,269	103.9%	33,430	88.2%	-	100.0%
Treatment products	184	0.5%	183	0.5%	0	100.2%	184	0.5%	-	100.0%
Others	924	2.4%	834	2.3%	89	110.7%	924	2.4%	-	100.0%
<b>Total</b>	<b>37,920</b>	<b>100.0%</b>	<b>36,658</b>	<b>100.0%</b>	<b>1,261</b>	<b>103.4%</b>	<b>37,920</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>

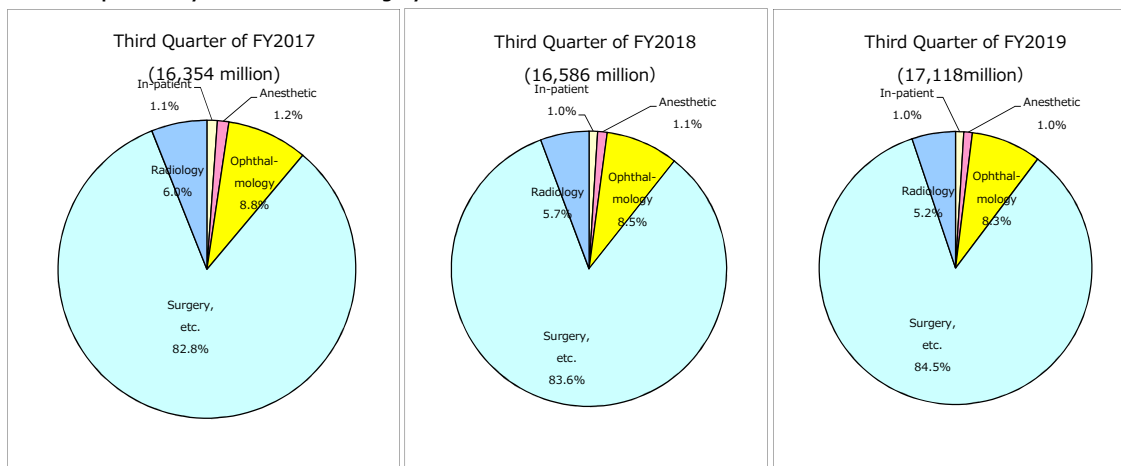
#### Itemized surgical products

Non-woven products	8,660	22.8%	8,888	24.2%	△ 228	97.4%	8,660	22.8%	-	100.0%
Other non-woven products	1,200	3.2%	1,259	3.4%	△ 59	95.3%	1,200	3.2%	-	100.0%
Kit products	23,020	60.7%	21,829	59.5%	1,190	105.5%	23,020	60.7%	-	100.0%
New products	550	1.5%	184	0.5%	365	298.9%	550	1.5%	-	100.0%

#### Itemized external sales by subsidiary

Non-woven products	310		273		36		310		-
Others(PT.HOGY+HOGY)									-
Medical Asia Pacific Pte. Ltd.)	170		86		83		170		-

### Sales Composition by Kit Treatment Category



## Fiscal 2019 Itemized SG&A Expenses and Other Income/Expenses (Consolidated)

### SG&A Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2019 Results	Third Quarter Ended Dec. 2018 Results	Year-on-Year Comparison
Packaging and transportation	799	789	9
Samples	371	646	△ 275
Advertising	65	69	△ 4
Personnel	2,942	2,870	71
Travel	480	492	△ 12
Communication	101	103	△ 1
Consumables	67	68	△ 1
Taxes and public charges	240	247	△ 7
Depreciation	772	713	59
Testing and research	452	418	33
Land and housing rent	331	322	9
Miscellaneous	413	398	15
Others	488	508	△ 20
<b>Total</b>	<b>7,525</b>	<b>7,649</b>	<b>△ 124</b>

### Other Income/Expenses

¥ millions, rounded down

	Third Quarter Ended Dec. 2019 Results	Third Quarter Ended Dec. 2018 Results	Year-on-Year Comparison
Interest received	50	32	17
Dividend received	70	85	△ 15
(Total financial earnings)	120	118	2
Foreign exchange gain	-	27	△ 27
Miscellaneous income	316	41	274
<b>Total Other income</b>	<b>436</b>	<b>187</b>	<b>249</b>
Foreign exchange loss	10	-	10
Miscellaneous losses	10	88	△ 77
<b>Total non-operating expenses</b>	<b>21</b>	<b>88</b>	<b>△ 67</b>

Fiscal 2019 Major Change on Balance Sheets and Statements of Cash Flows (Consolidated)

Major Change on Balance Sheets

¥ millions, rounded down

	Balance at Dec. 31, 2019	Change		Balance at Dec. 31, 2019	Change
<b>Current assets</b>	42,056	△ 2,052	<b>Current liabilities</b>	7,173	△ 2,014
Cash and bank deposits	21,172	△ 2,164	Notes and accounts payable	4,179	△ 405
Notes and accounts receivable	12,820	815	Accrued expenses	429	△ 521
Short-term investments	-	-	Long-term loans due within 1 year	-	-
Inventories	7,404	△ 886	Income taxes	750	△ 644
Others	659	182	Allowance for employees' bonuses	196	△ 290
			Payable notes for equipment	533	△ 819
			Reserve for disaster loss	-	-
			Others	1,084	667
<b>Fixed assets</b>	62,163	2,944	<b>Long-term liabilities</b>	2,730	△ 3
Property, plant and equipment	49,249	3,305	Long-term loans	230	△ 55
Buildings and structures	22,017	△ 885	Others	2,500	51
Machinery, equipment and vehicles	9,320	△ 1,847	<b>Total liabilities</b>	9,904	△ 2,018
Land	9,598	△ 11	<b>Total net assets</b>	94,315	2,910
Construction in progress	7,098	6,176	Common stock	7,123	-
Others	1,214	△ 127	Capital surplus	8,336	-
Intangibles	2,403	△ 196	Retained earnings	82,780	3,010
Investments and others	10,509	△ 163	Treasury stock	△ 8,576	87
Investments securities	9,276	493	Others	4,651	△ 186
Others	1,233	△ 656			
<b>Total assets</b>	104,219	892	<b>equity</b>	104,219	892

\* Comparison with end of previous fiscal year:

Equity ratio increased from 88.5% at the end of the previous fiscal year to 90.4%.

Statements of Cash Flows

¥ millions, rounded down

<b>I Operating activities</b>	5,751	Income before income taxes and minority interests	6,461
		Depreciation	3,900
		Gain on sales of investment securities	△ 1,942
		Income taxes paid	△ 2,510
<b>II Investing activities</b>	△ 7,343	Purchase of tangible fixed assets	△ 8,039
		Proceeds from sales of investment securities	2,356
		Purchase of investment securities	△ 1,163
<b>III Financing activities</b>	△ 1,452	Cash dividends paid	△ 1,484
<b>IV Effect of exchange rate changes</b>	16		
<b>Net changes in cash and cash equivalents</b>	△ 3,027		

## Fiscal 2019 Statements of Income (First 3 Quarters Results; Non-consolidated)

### First Half

¥ millions, rounded down

	Sept. 2019 Interim Results		Sept. 2018 Interim Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	18,223	100.0	18,060	100.0	162	100.9
Cost of Sales	11,061	60.7	11,046	61.2	14	100.1
<b>Gross profit</b>	7,161	39.3	7,013	38.8	147	102.1
SG&A expenses	4,861	26.7	5,020	27.8	△ 158	96.8
<b>Operating income</b>	2,300	12.6	1,993	11.0	306	115.4
Other income	119		102		16	
Other expenses	15		101		△ 85	
<b>Ordinary income</b>	2,403	13.2	1,994	11.0	408	120.5
Extraordinary income	1,942		3,998		△ 2,055	
Extraordinary expenses	1		1		0	
<b>Income before income taxes</b>	4,343	23.8	5,991	33.2	△ 1,647	72.5
Corporation tax, etc.	1,325		1,827		△ 501	
<b>(Tax burden)</b>	30.5%		30.5%			
<b>Profit attributable to owners of parent</b>	3,018	16.6	4,163	23.1	△ 1,145	72.5

EPS (total shares)	92.34	127.41
EPS (minus treasury shares)	99.95	135.36
Number of shares outstanding	32,682,310	32,682,310
Weighted-average number of shares outstanding (after deducting treasury shares)	30,196,594	30,760,964

### Third Quarter

¥ millions, rounded down

	Dec. 2019 Results		Dec. 2018 Results		Year-on-Year Comparison	
	Amount	% of total	Amount	% of total	Amount	%
Net sales	27,816	100.0	27,691	100.0	124	100.5
Cost of Sales	16,781	60.3	16,905	61.1	△ 123	99.3
<b>Gross profit</b>	11,034	39.7	10,785	38.9	248	102.3
SG&A expenses	7,344	26.4	7,583	27.4	△ 238	96.8
<b>Operating income</b>	3,689	13.3	3,202	11.6	487	115.2
Other income	400		144		255	
Other expenses	25		105		△ 80	
<b>Ordinary income</b>	4,065	14.6	3,241	11.7	824	125.4
Extraordinary income	1,942		3,998		△ 2,055	
Extraordinary expenses	1		2		△ 0	
<b>Income before income taxes</b>	6,005	21.6	7,236	26.1	△ 1,230	83.0
Corporation tax, etc.	1,832		2,207		△ 374	
<b>(Tax burden)</b>	30.5%		30.5%			
<b>Profit attributable to owners of parent</b>	4,172	15.0	5,029	18.2	△ 856	83.0

	127.67	153.89
	138.17	164.55
	32,682,310	32,682,310
	30,200,684	30,565,435

### Full Year

¥ millions, rounded down

	Fiscal 2019 Forecasts		Fiscal 2018 Results		Year-on-Year Comparison		Fiscal 2019 Plans		Plan Comparison	
	Amount	% of total	Amount	% of total	Amount	%	Amount	% of total	Amount	%
Net sales	37,440	100.0	36,298	100.0	1,141	103.1	37,440	100.0	-	100.0
Cost of Sales	22,440	59.9	22,497	62.0	△ 57	99.7	22,440	59.9	-	100.0
<b>Gross profit</b>	15,000	40.1	13,800	38.0	1,199	108.7	15,000	40.1	-	100.0
SG&A expenses	10,150	27.1	10,357	28.5	△ 207	98.0	10,150	27.1	-	100.0
<b>Operating income</b>	4,850	13.0	3,443	9.5	1,406	140.8	4,850	13.0	-	100.0
Other income	560		354		205		560		-	
Other expenses	30		109		△ 79		30		-	
<b>Ordinary income</b>	5,380	14.4	3,688	10.2	1,691	145.8	5,380	14.4	-	100.0
Extraordinary income	1,990		3,998		△ 2,008		1,990		-	
Extraordinary expenses	-		2		△ 2		-		-	
<b>Income before income taxes</b>	7,370	19.7	7,684	21.2	△ 314	95.9	7,370	19.7	-	100.0
Corporation tax, etc.	2,250		2,211		38		2,250		-	
<b>(Tax burden)</b>	0.0%		28.8%				0.0%		-	
<b>Profit attributable to owners of parent</b>	5,120	13.7	5,472	15.1	△ 352	93.6	5,120	13.7	-	100.0

EPS (total shares)	156.66	167.45	156.66
EPS (minus treasury shares)	169.45	179.60	169.45
Number of shares outstanding	32,682,310	32,682,310	32,682,310
Weighted-average number of shares outstanding (after deducting treasury shares)	30,216,050	30,472,084	30,216,050