

医療の現場に、未来に、安全を

HOGY®

Financial Results Briefing for the Third Quarter of FY03/26

Thursday, January 29, 2026

HOGY MEDICAL Co., Ltd.

Hideki Kawakubo, Representative Director, President, and CEO

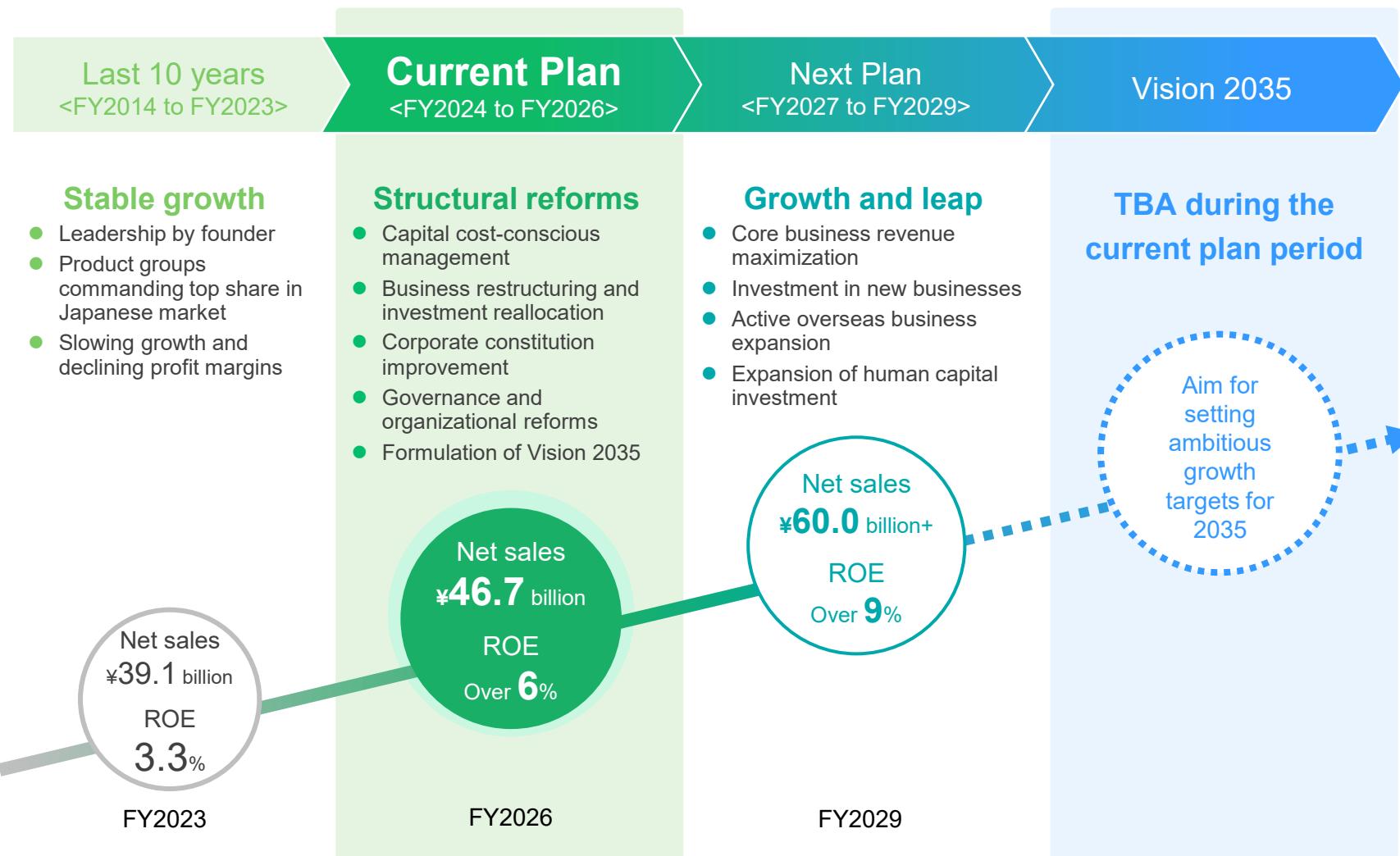


Notes Regarding Future Predictions

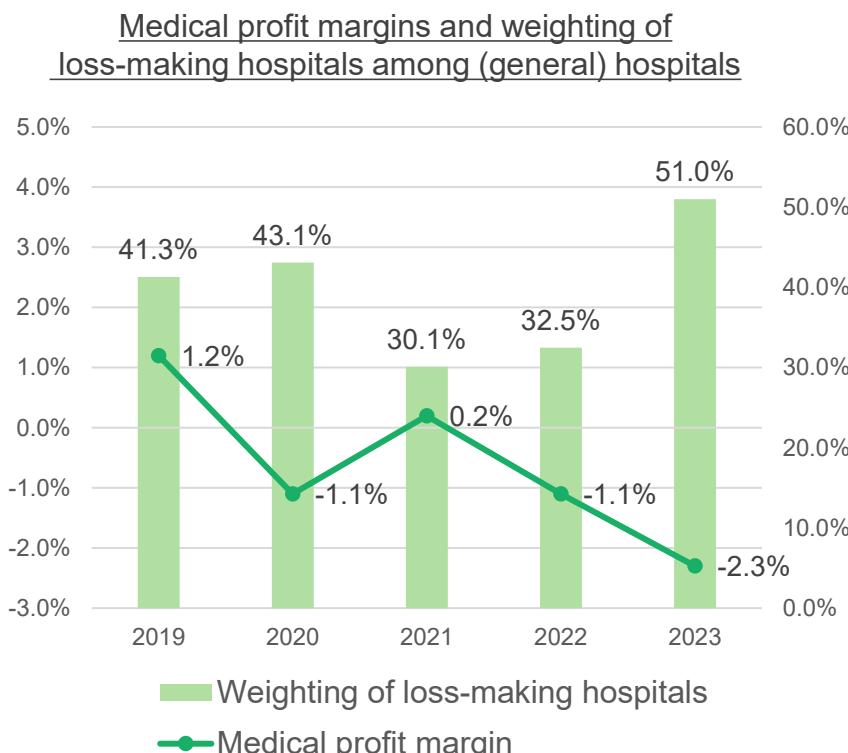
Forward-looking statements regarding future performance included in this document—including the Company's plans, outlook, and strategies—are based on management's assumptions deemed reasonable in light of information currently available.

Please note that actual results may differ from these statements due to changes in various factors.

This Medium-Term Business Plan period is positioned as a period of implementing sweeping structural reforms to create a solid business platform that will serve as the foundation for the formulation and achievement of Vision 2035.

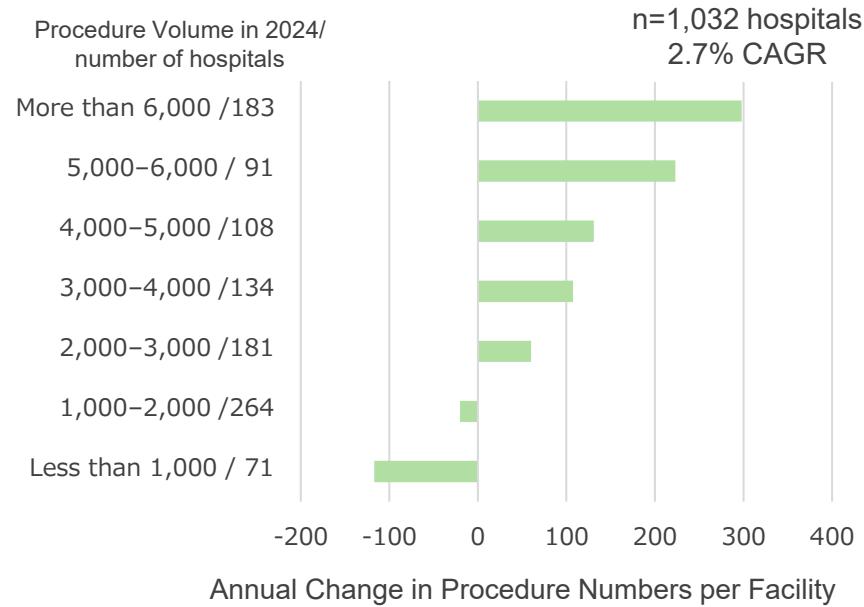


- As inpatient numbers are not yet back to pre-COVID levels, rising expenses have eroded hospitals' medical profits, with the weighting of loss-making hospitals increasing due to an end to COVID-related subsidies. In the near term, HOGY Medical faces a challenging operating environment.
- At the same time, functional differentiation of hospitals is progressing, such that surgical procedures are increasingly concentrated at large hospitals. Hospitals and healthcare groups across the board are embarking on fundamental structural reforms.



Source: HOGY Medical, based on Welfare And Medical Service Agency (WAM) Hospital Financial Results for FY2023 survey (general hospital n=411)

Annual Change in Procedure Numbers by Procedure Number Category (2024 vs. 2022: Based on a Two-Year Comparison)



Summary of Third Quarter FY03/26 Results



Business climate

- Hospitals continued to face a challenging operating environment, with strong pressure to cut costs, including material costs, while discussions on strengthening financial soundness and improving operational efficiency progressed ahead of the FY2026 medical fee revisions.
- Amid ongoing reorganization of hospital functions, there are high expectations for the role HOGY Medical can play over the longer term in structural reform of hospital management.

Business strategy

- In our view, maintaining and strengthening the customer base is the first step toward a return to growth.
- In addition to selling kits, we will offer value-added proposals that contribute to reform of hospital management.
- To achieve the above, we are implementing 11 initiatives under our current medium-term plan, including sales reform, product strategy, procurement reform, and digital transformation.

Q3 progress and challenges

- Despite continued cost-reduction pressure, sales strategies focused on maintaining customer loyalty led to a net increase of eight Opera Master contracts, while net sales remained sluggish, falling 4.3% YoY.
- Despite higher SG&A expenses due to one-time costs associated with structural reforms, operating income remained within expectations.

- **Sales: Down**

Sales declined 4.3% YoY, reflecting sluggish sales of kit products and continued weakness in non-woven fabric products.

- **Operating income: Down**

In cost of sales, depreciation expenses declined, while material, processing, and other costs rose. SG&A expenses increased due to upfront expenditures associated with structural reforms.

- **Profit attributable to owners of parent: Down**

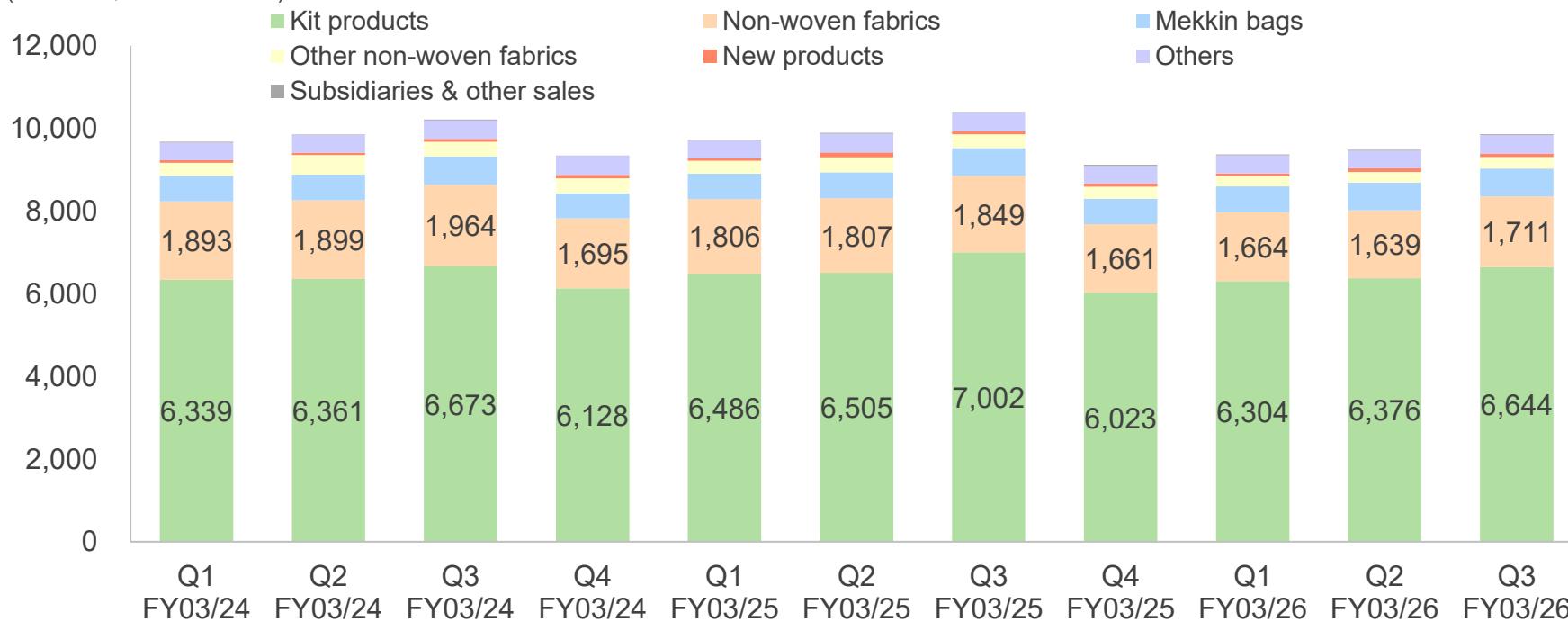
We recorded a loss on investment partnership operations, along with one-time expenses related to a tender offer.

(\$ billions)	Q3 FY03/25 results	Q3 FY03/26 results	YoY Change	
			Amount	YoY
Net sales	300.1	287.1	-12.9	95.7%
Cost of sales ratio	67.0%	66.9%	-	-0.1pt.
Operating income	34.0	20.8	-13.1	61.3%
Operating margin	11.4%	7.3%	-	-4.1pt.
Profit attributable to owners of parent	27.3	14.3	-12.9	52.6%

- Kit product sales declined 3.3% YoY.
- Sales of non-woven fabric products fell more than expected, mainly in gown products.
- Sales of Mekkin Bags (sterilization pouches) were strong, primarily in OEM products.
- In other non-woven fabric products, sales of masks decreased as extraordinary demand driven by COVID-19 subsided.

Product category	As % of prior year
Kit products	96.7%
Non-woven fabrics	91.8%
Mekkin bags	103.5%
New products	94.4%
Other non-woven fabrics	77.5%

(¥ millions, rounded down)

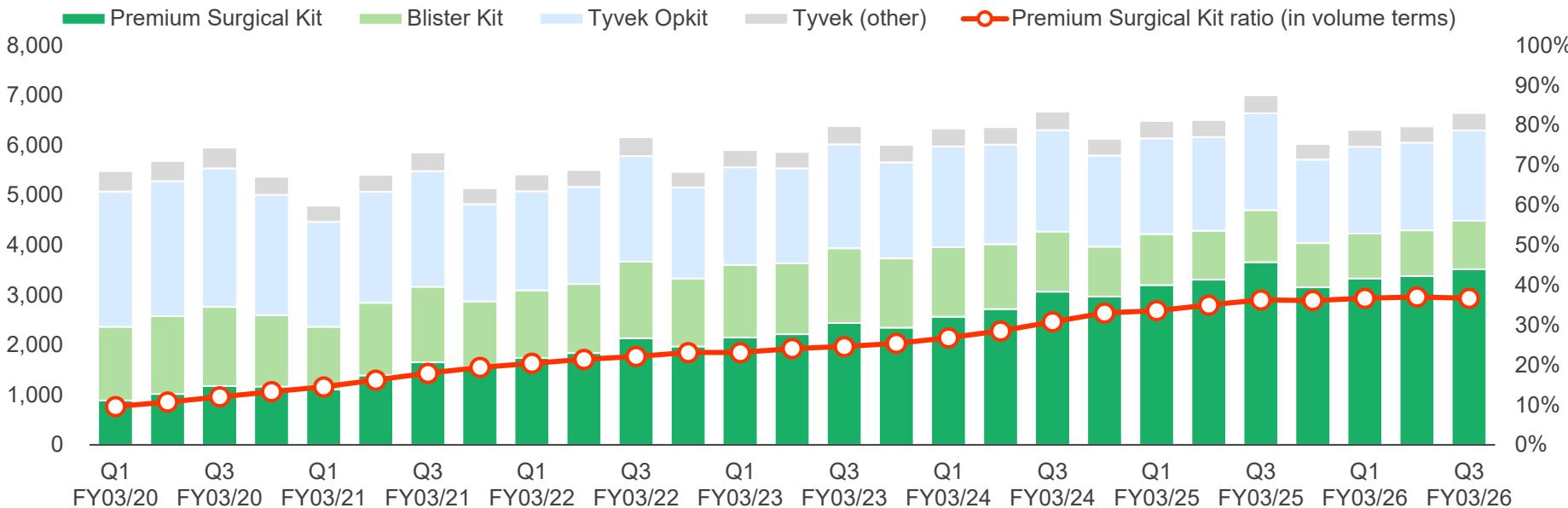


Sales of Surgical Kit Products by Quarter

HOGY

- Premium Kit sales growth was insufficient to offset lower sales of other kit products

(¥ millions, rounded down)



Q3 FY03/26: YoY sales change (¥ millions)

Kit sales composition (Premium Surgical Kit/ Kit products)

Premium Surgical Kit	Blister Kit	Tyvek Kit
+ 58	-250	-477
100.6%	91.8%	93.0%

	Q3 FY03/25	Q4 FY03/25	Q1 FY03/26	Q2 FY03/26	Q3 FY03/26	YoY Change
Sales	52.3%	52.4%	52.9%	53.0%	52.9%	+0.6%
Sales volume	36.3%	36.1%	36.7%	37.0%	36.7%	+0.5%

Sales to Opera Master-contracted hospitals

- Even among Opera Master-contracted hospitals, the Company's key customers, business conditions remained challenging, resulting in lower sales at the Company.
- New contracts increased primarily among large-scale institutions, resulting in a net increase of eight contracted hospitals compared with end-FY03/25.

Number of contracted hospitals (FY03/26)

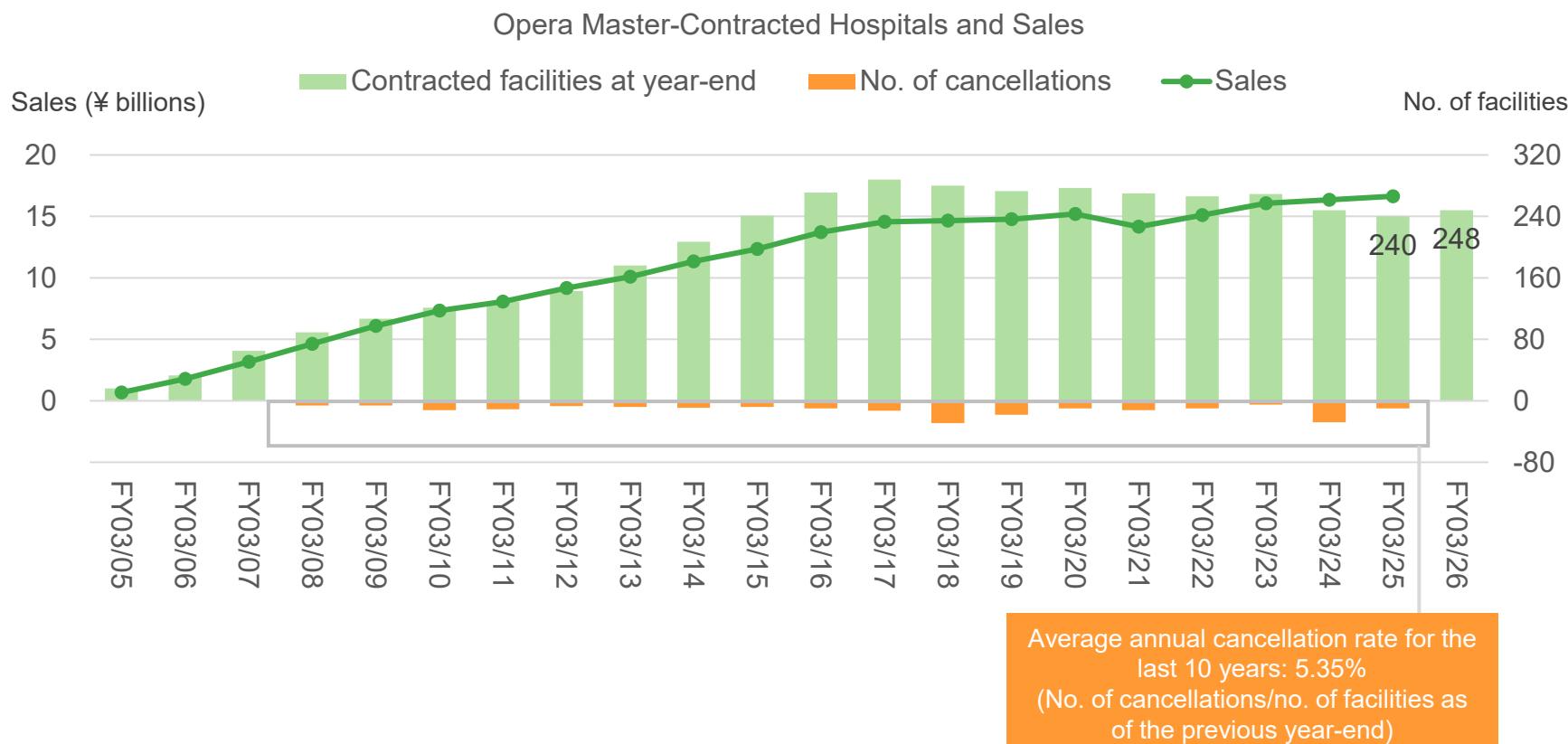
New contracts: 9

Number of Contract cancelled Hospitals (FY03/26)

Cancellations : 1

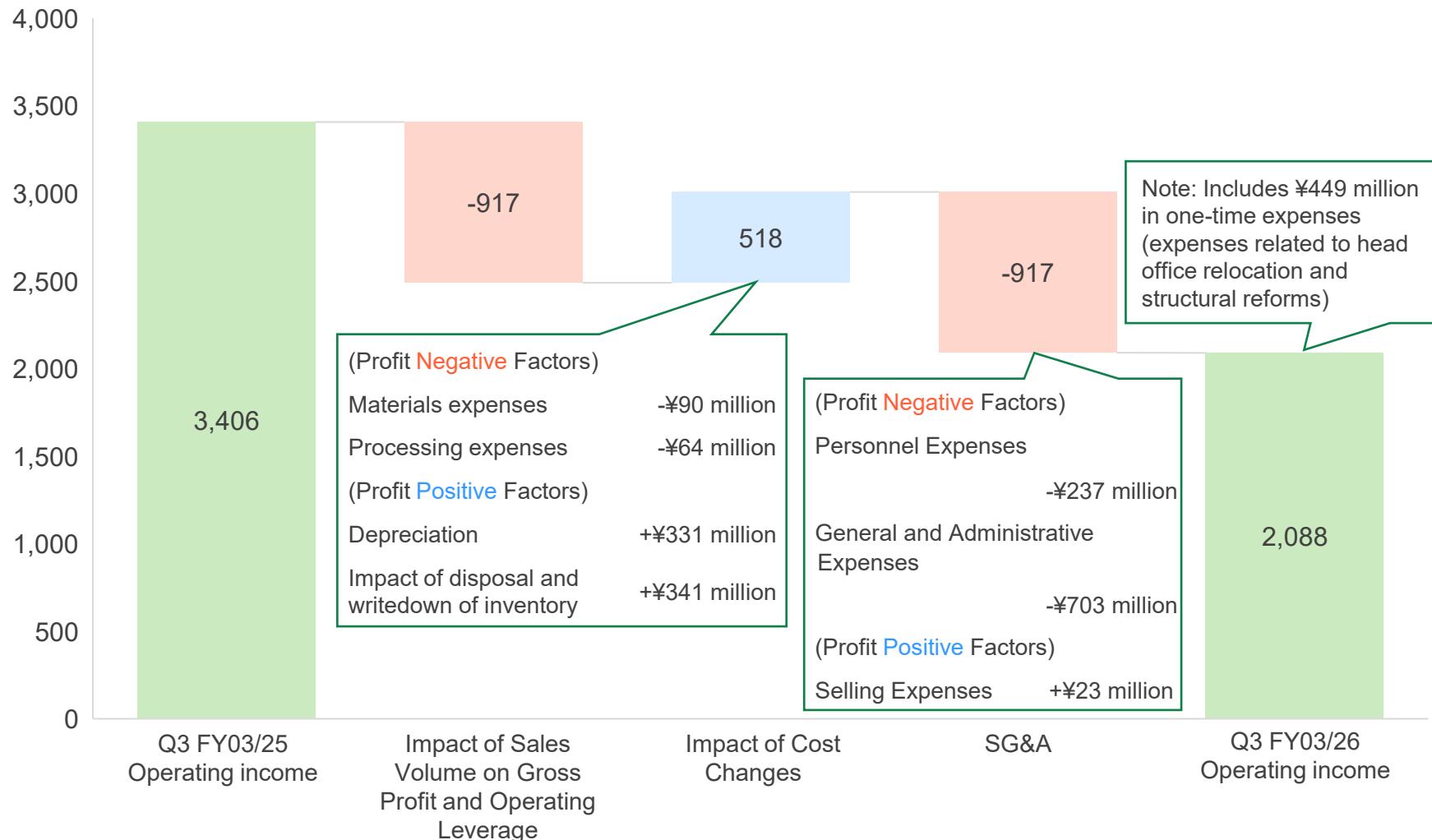
Cumulative number of contracted hospitals

248 (Compared to FY03/25 +8)



- Despite a positive impact from lower depreciation, operating income decreased YoY owing to a decline in sales and higher SG&A costs accompanying structural reforms

(¥ millions, rounded down)



Outlook



- Although we are entering a sales growth phase starting 2H, full-year sales are expected to remain roughly flat YoY.

(\$ billions)	FY03/25 results			Revised forecast for FY03/26			Change		
	1H	2H	Full year	1H results	2H	Full year	1H	2H	Full year
Net sales	196.1	195.1	391.3	188.5	203.8	392.4	-7.6 (96.1%)	8.6 (104.4%)	+1.0 (100.3%)
Cost of sales ratio	67.6%	67.9%	67.8%	66.9%	66.5%	66.7%	-0.6pt.	-1.5pt.	-1.1pt.
Operating income	20.8	17.2	38.1	12.7	14.9	27.7	-8.0 (61.3%)	-2.3 (86.4%)	-10.4 (72.7%)
Operating margin	10.6%	8.8%	9.7%	6.8%	7.3%	7.1%	-3.8pt.	-1.5pt.	-2.7pt.
Profit attributable to owners of parent	18.6	-3.4	15.2	9.0	11.2	20.3	-9.5 (48.6%)	14.6 (-)	5.0 (133.5%)

*Earnings forecast released on October 27, 2025

- Alongside initiatives toward top-line recovery, we have sped up structural reforms with a view to realizing our operating income target under the Medium-Term Business Plan and achieving sustained growth thereafter

Initiatives to achieve Medium-Term Business Plan targets

(11 such initiatives, including others, are under way)

Sales reform	<ul style="list-style-type: none">● Reform sales structure to boost sales productivity and strengthen marketing functions to maximize customer value● Opera Master contracts remained on an uptrend, adding nine new contracts, with further acceleration expected going forward
Product strategy	<ul style="list-style-type: none">● Reinforce the development framework and assets to enhance customer value, including expanding the materials lineup● Launched 12 new materials, including transparent drapes, in 1H; progress in 2H is in line with expectations
Digital transformation	<ul style="list-style-type: none">● Enhance productivity and value-added through accumulation of inhouse data and use of AI● Overhauled in-house communication infrastructure and introduced generative AI systems; now entering the utilization phase
Procurement reform	<ul style="list-style-type: none">● Strengthen sourcing functions and control rising material costs● Progress in curbing soaring material costs is on track with the plan.
Human resource strategy	<ul style="list-style-type: none">● Maximize the potential of people and organizations by creating a rewarding workplace● Expanded the pool of managerial and specialized personnel. Began evaluation and promotion under the new HR system
Human resource strategy	<ul style="list-style-type: none">● Expand overseas business, mainly in the ASEAN region● Established a sales subsidiary in Malaysia

- Renewed top-line growth
- Sustained improvement in the cost of sales ratio
- Continued enhancement in companywide productivity
- Establish a system for data-driven, speedy decision-making

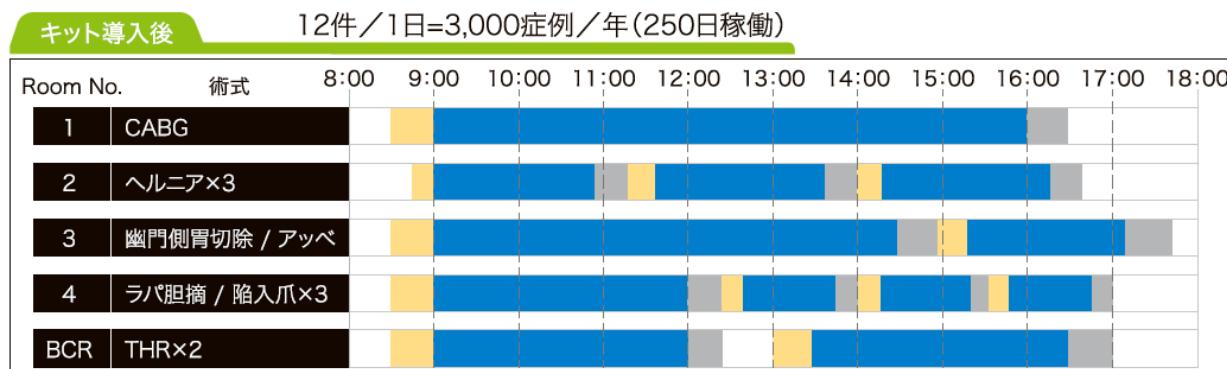
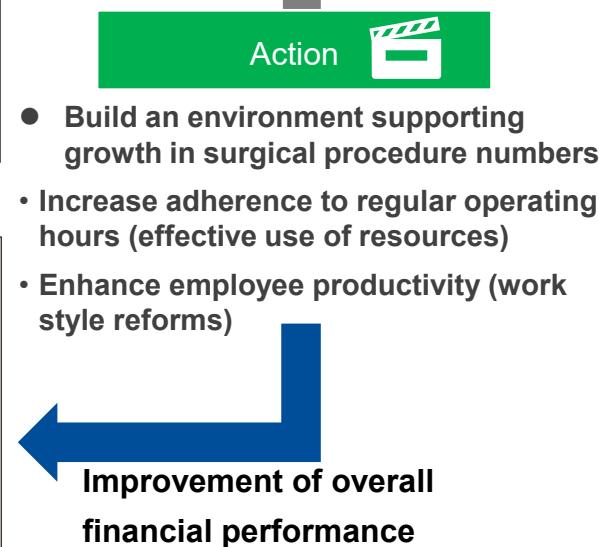
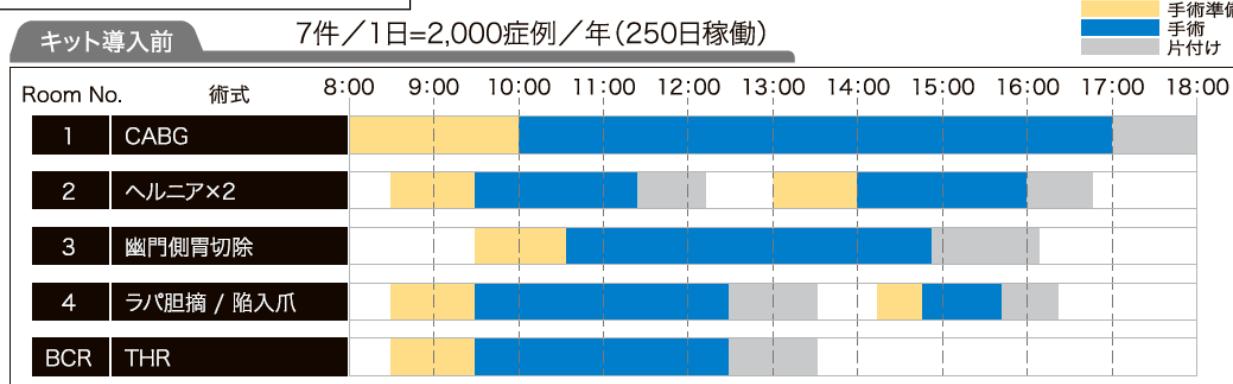
Relocate head office in August 2025 as part of structural reform program

- Beyond product sales, we support operational improvements through kit utilization, helping reduce surgery preparation time and contributing to staff workload reduction and hospital efficiency.
- Help curtail early morning starts and overtime for surgical nurses, thereby contributing to work style reforms and improvement in hospital finances

Hospitals want to increase surgical procedure numbers but at the same time must undertake work style reforms



Example of surgery schedule



- Creating value-added by supplementing Premium Kit sales with other products (things) supporting operating room procedures, as well as Opera Master and other DX products (information) and field capabilities (people)

■ **All-in-one kit**

「Premium Surgical Kit」

Full set of necessary supplies, arranged in order of use

- ▶ Reduces time taken collecting supplies
- ▶ Shortens arrangement time
- ▶ Improves safety
- ▶ Ensures stable supply of products

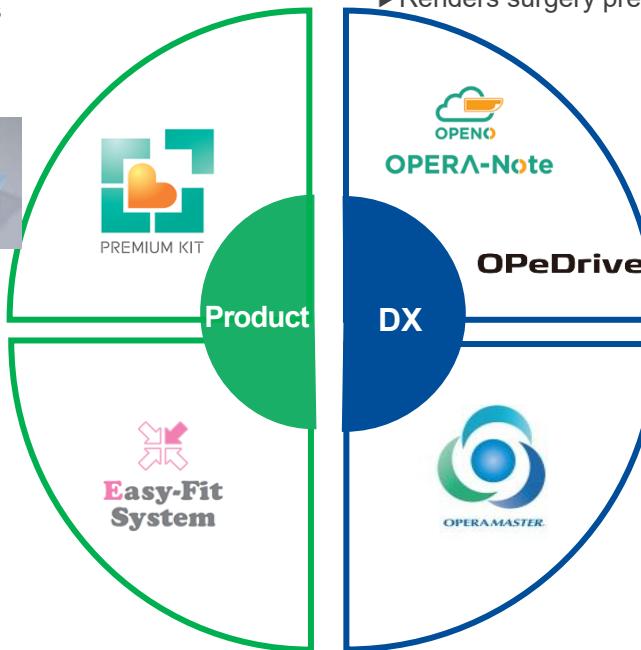


Further expanding range of products, including items manufactured in-house

■ **Instrument preparation
「Easy Fit System」**

Device holder than can be attached to instrument container

- ▶ Shortens arrangement time
- ▶ Prevents omissions, loss, and leftovers
- ▶ Standardizes arrangement on instrument table



■ **Procedure manual creation tool
「OPERA-NOTE」**

Helps standardize surgery preparations

- ▶ Creates original education tools
- ▶ Renders surgery preparations more efficient

Business acquired on August 1

■ **Medical smart recorder,
OPeDrive**

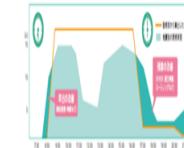
Digital textbook content

- ▶ Enables recording and editing of surgical videos and case-based learning
- ▶ Contributes to reducing workload and improving learnings efficiency

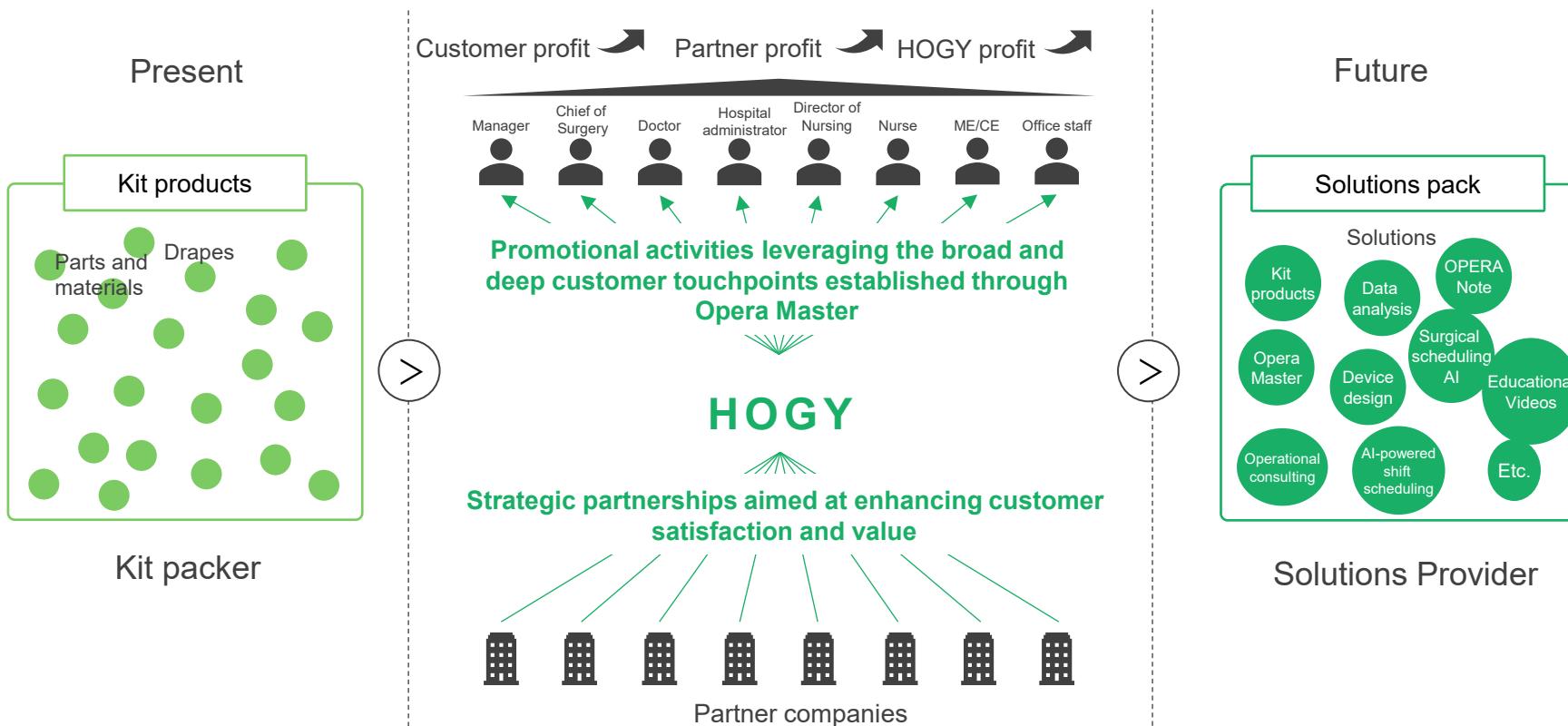
Upgrading and fleshing out range of DX products

■ **Business Process Visualization /analysis service
「Opera Master」**

- ▶ Visualization of operating room usage
- ▶ Using picking lists
- ▶ Regular KPI management utilizing visualization data



We aim to evolve into a **Solutions Provider** by leveraging our strong customer touchpoints established through Opera Master contracts to deliver a comprehensive range of solutions—not only our own, but also those offered by partner companies



Appendix

**Content that was previously disclosed separately within
Supplementary Materials is now included in this presentation**



	Q3 FY03/26 Results		Q3 FY03/25 Results	
	Amount	% of total	Amount	% of total
Kit products	19,325	67.3	19,994	66.6
Non-woven products	5,015	17.5	5,463	18.2
Mekkin bag	1,976	6.9	1,908	6.4
Other non-woven products	781	2.7	1,008	3.4
New products	244	0.9	258	0.9
Others	1,314	4.6	1,329	4.4
Subsidiaries & other sales	63	0.2	52	0.2
Total	28,719	100.0	30,016	100.0

Itemized external sales by subsidiary

Kit products	60	41
Non-woven products	278	317
Other non-woven products	1	1
Others	63	52

	Year-on-Year Comparison	
	Amount	%
Kit products	-669	96.7%
Non-woven products	-448	91.8%
Mekkin bag	67	103.5%
Other non-woven products	-226	77.5%
New products	-14	94.4%
Others	-15	98.8%
Subsidiaries & other sales	10	119.4%
Total	-1,297	95.7%

Itemized external sales by subsidiary

Kit products	18
Non-woven products	-39
Other non-woven products	0
Others	10

	Tyvek Kit	Blister Kit	Premium Surgical Kit
Production location	Tsukuba Plant, Miho Plant 		New Tsukuba Plant 
Product style	Packed in a non-woven fabric Mekkin Bag	Multiple items packed in small packages according to procedure	
Characteristics	Manual production	Automated production (major reduction in input mistakes and contamination)	
Criteria	-	Less than 80%	80% or more
*Number of items supplied based on in-house templates for each procedure			
Main therapeutic targets	Ophthalmic & plastic surgery	General anesthesia cases	
No. of supplies	Few		Many
Price	Low		High

Corporate Information



Corporate name	HOGY MEDICAL CO., LTD.
Head office	19F AKASAKA GREEN CROSS, 2-4-6, Akasaka, Minato-ku, Tokyo 107-8615 Japan Phone: +(81) 3-6229-1300
Founded	April 3, 1961
Capital	¥7,123 million (as of March 31, 2025)
Number of employees	748 (parent), 1,409 (consolidated) (as of March 31, 2025)
sales office	15 branches nationwide
Overseas Subsidiaries	PT.HOGY INDONESIA PT.HOGY MEDICAL SALES INDONESIA HOGY MEDICAL ASIA PACIFIC PTE. LTD. HOGY MEDICAL MALAYSIA SDN. BHD.
Listing	Tokyo Stock Exchange, Prime Market
Code number	3593
Number of shares outstanding	22,535,463 (as of March 31, 2025)
Fiscal year-end	March 31



HOGY MEDICAL website

<https://www.hogy.co.jp/>

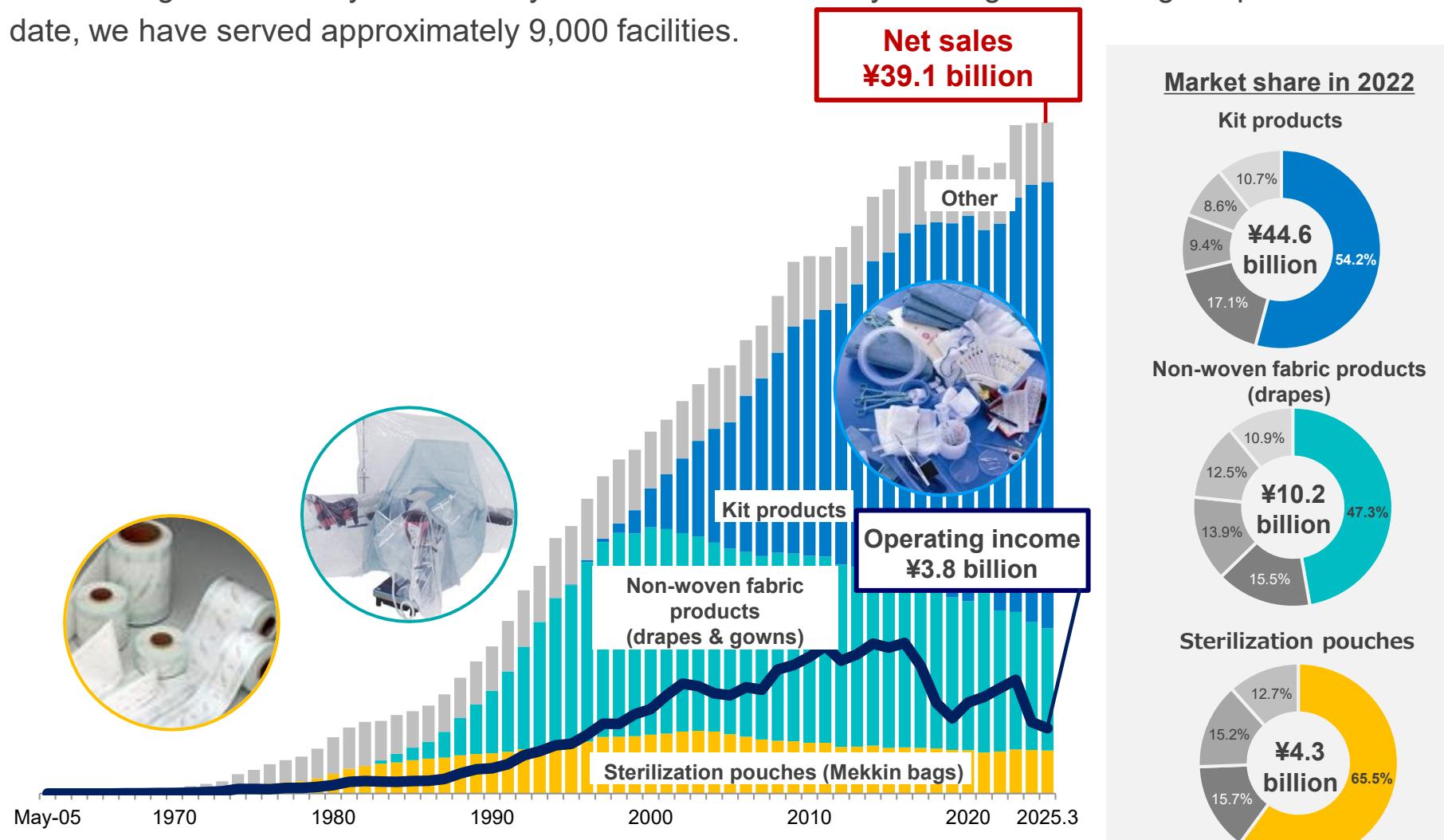
HOGY MEDICAL Search



History Since Founding: Market Size and Share of Main Products

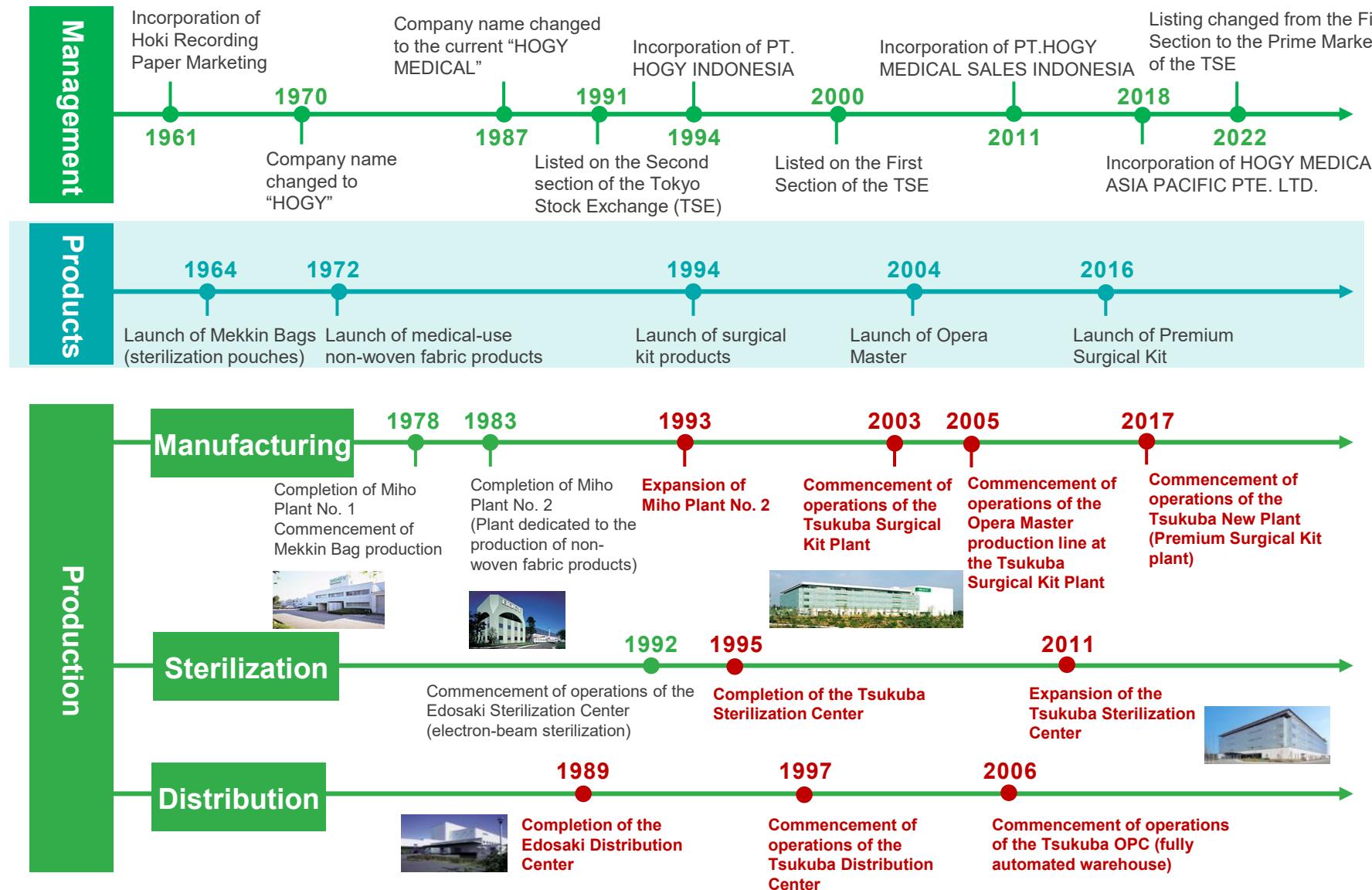
HOGY

For 65 years since our founding, we have dedicated ourselves to solving customer challenges and contributing to the 'safety and security' of medical frontlines by offering a wide range of products. To date, we have served approximately 9,000 facilities.



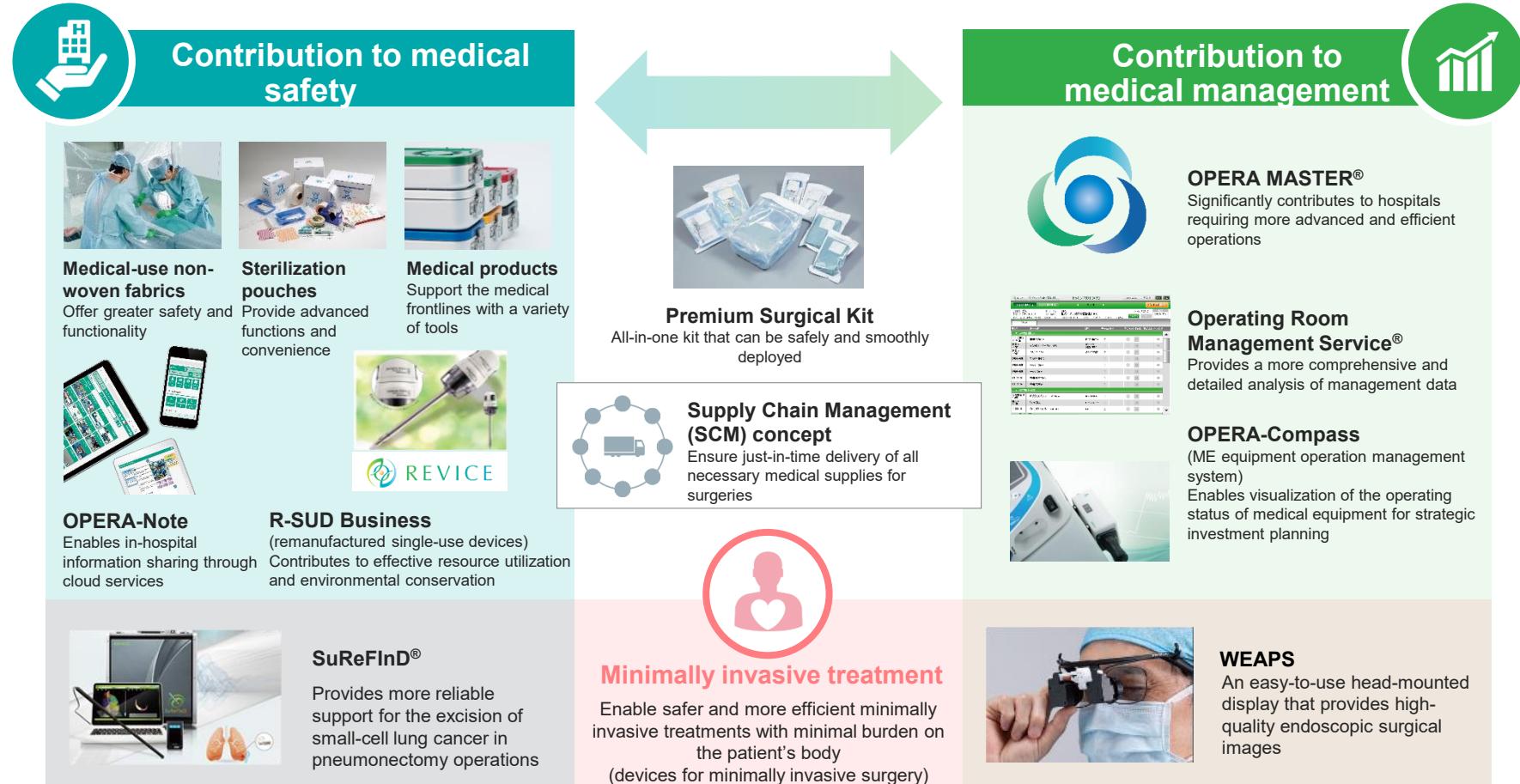
Note: Financial results for 1996 and later are consolidated results

Source: "Medical Hygiene Products Market and Demand Trends by Product 2022-2023," Yano Research Institute Ltd.



Greater safety and efficiency HOGY MEDICAL's Business Domains

With a variety of products that meticulously respond to the needs of medical frontlines and a stable supply system, HOGY MEDICAL supports the safe and efficient management of operating rooms and ideal hospital management.



医療の現場に、未来に、安全を
HOGY®

