

医療の現場に、未来に、安全を

HOGY®

Financial Results Briefing for Q1 FY03/26

Friday, July 25, 2025

HOGY MEDICAL CO., LTD.

Taisuke Fujita, Representative Director, Executive Vice
President, and Chief Financial Officer (CFO)

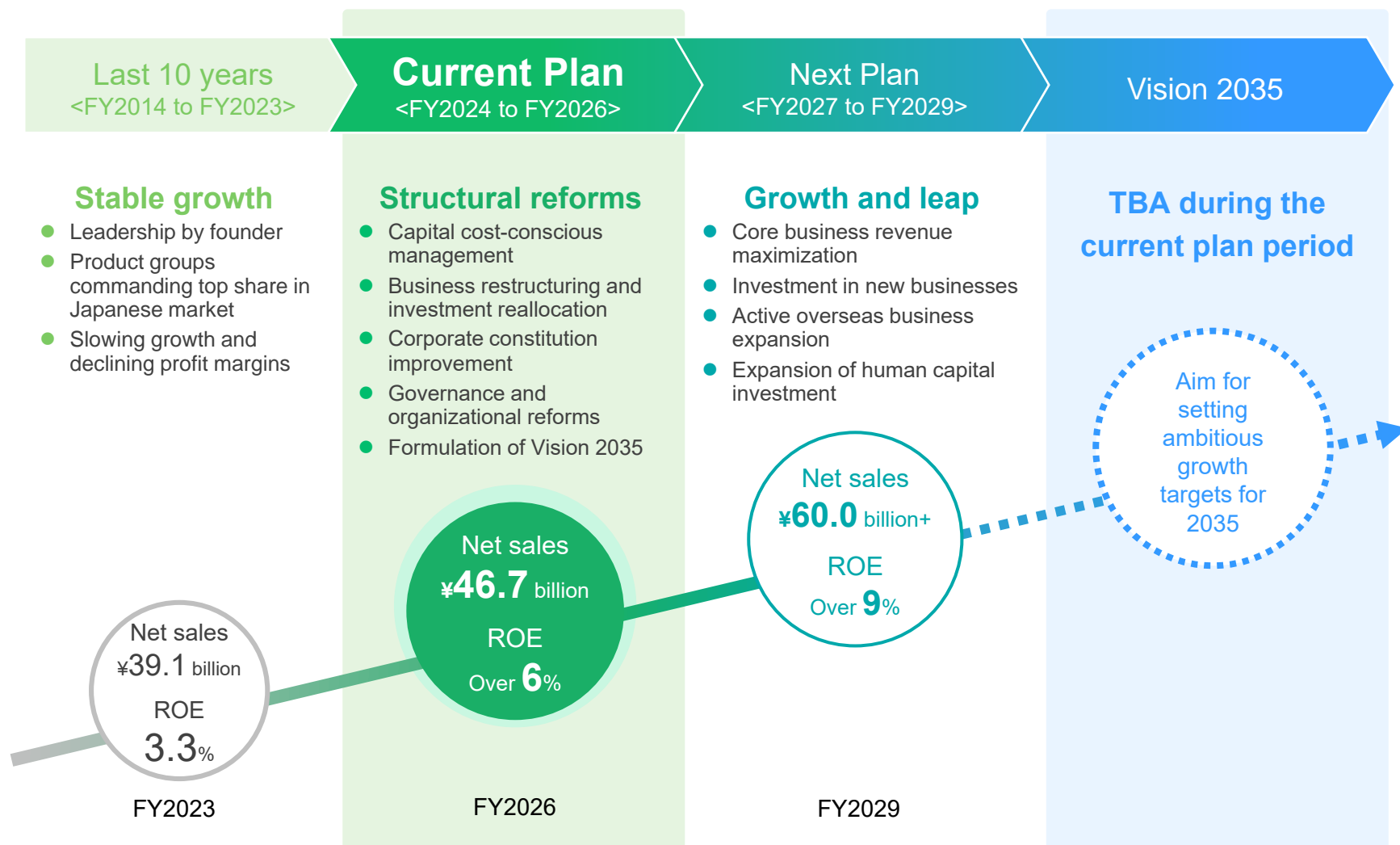


Notes Regarding Future Predictions

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.

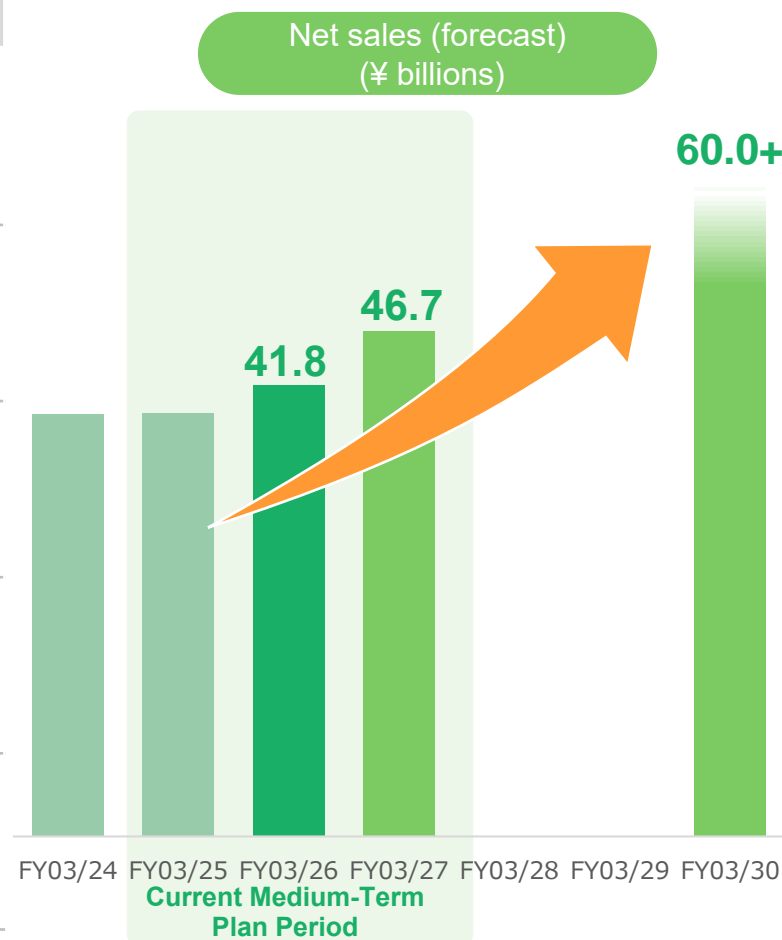
This Medium-Term Business Plan period is positioned as a period of implementing sweeping structural reforms to create a solid business platform that will serve as the foundation for the formulation and achievement of Vision 2035.



FY03/26: Consolidated Financial (Forecast)

- We project net sales of ¥41.8 billion and operating income of ¥4.3 billion
- Within our forecast for total expenses, ¥300 million is for one-time expenses associated with repairs and ongoing restructuring efforts. Excluding these one-time expenses, we forecast operating income of ¥4.6 billion.

(¥ billions)	FY03/25 Results	FY03/26 Forecast	Change	
			Amount	YoY
Net sales	39.1	41.8	2.65	106.8%
Cost of sales ratio	67.8%	65.1%	-	-2.7pt.
Operating income	3.8	4.3	0.48	112.8%
Operating margin	9.7%	10.3%	-	+0.6pt.
Profit attributable to owners of parent	1.5	3.0	1.49	198.6%



Business climate

- Hospitals are increasingly committed to cutting material and other costs amid persistent challenges in the operating environment, while at the same time seeking to strengthen finances ahead of next year's round of 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

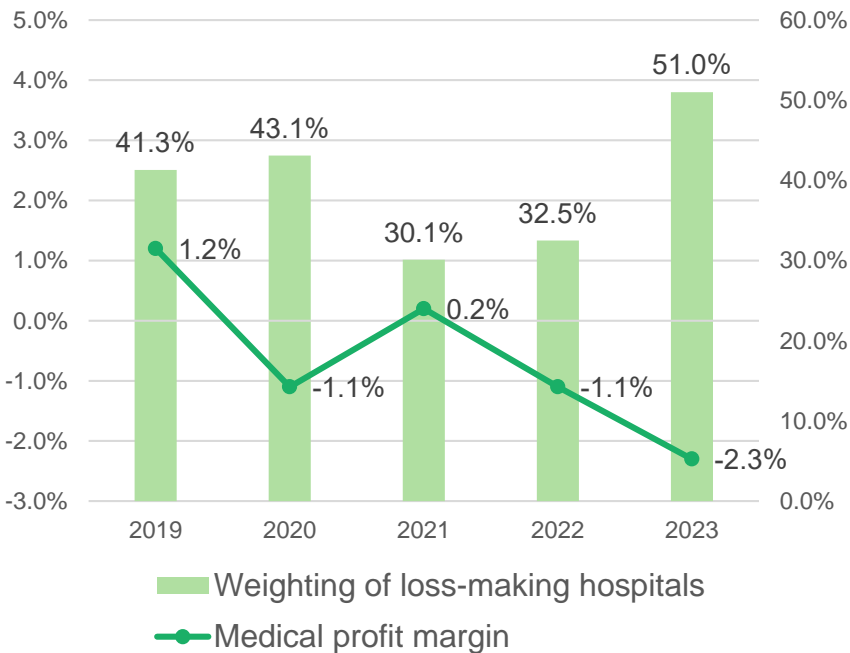
- In our view, maintaining and strengthening the customer base is the first step toward a return to growth.
- In addition to selling kits, we will offer value-added proposals that contribute to reform of hospital management.
- To achieve the above, we are implementing 11 initiatives under our current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

Q1 achievements and challenges

- Sales of kit products were sluggish in the previous quarter and remained so in Q1 FY03/26, contributing to YoY declines in overall sales and profits.
- On the other hand, there were zero cancellations by Opera Master-contracted hospitals facilities, evidence of steady progress in strengthening the customer base.
- We ramped up sales activities targeting new clients while also rolling out new materials and services, contributions from which should become more pronounced from 2H onward.
- We aim to improve sales productivity by such means as group-based purchasing and partnerships with dealers.

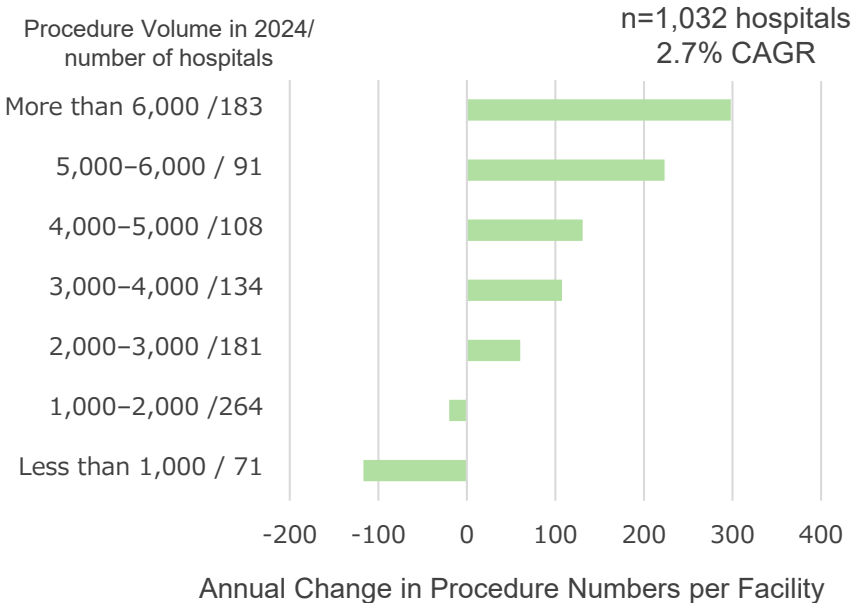
- As inpatient numbers are not yet back to pre-COVID levels, rising expenses have eroded hospitals' medical profits, with the weighting of loss-making hospitals increasing due to an end to COVID-related subsidies. In the near term, HOGY Medical faces a challenging operating environment.
- At the same 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.

Medical profit margins and weighting of loss-making hospitals among (general) hospitals



Source: HOGY Medical, based on Welfare And Medical Service Agency (WAM) Hospital Financial Results for FY2023survey (general hospital n=411)

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



Source: HOGY Medical

Q1 FY03/26: Consolidated Financial Summary

- **Net sales: Down**

Net sales accounted for 96.4% of the prior-year figure, as sales of kit products were sluggish and demand for non-woven products remained weak

- **Cost of sales ratio: Unchanged YoY**

Although depreciation costs declined, costs for materials and processing expenses increased

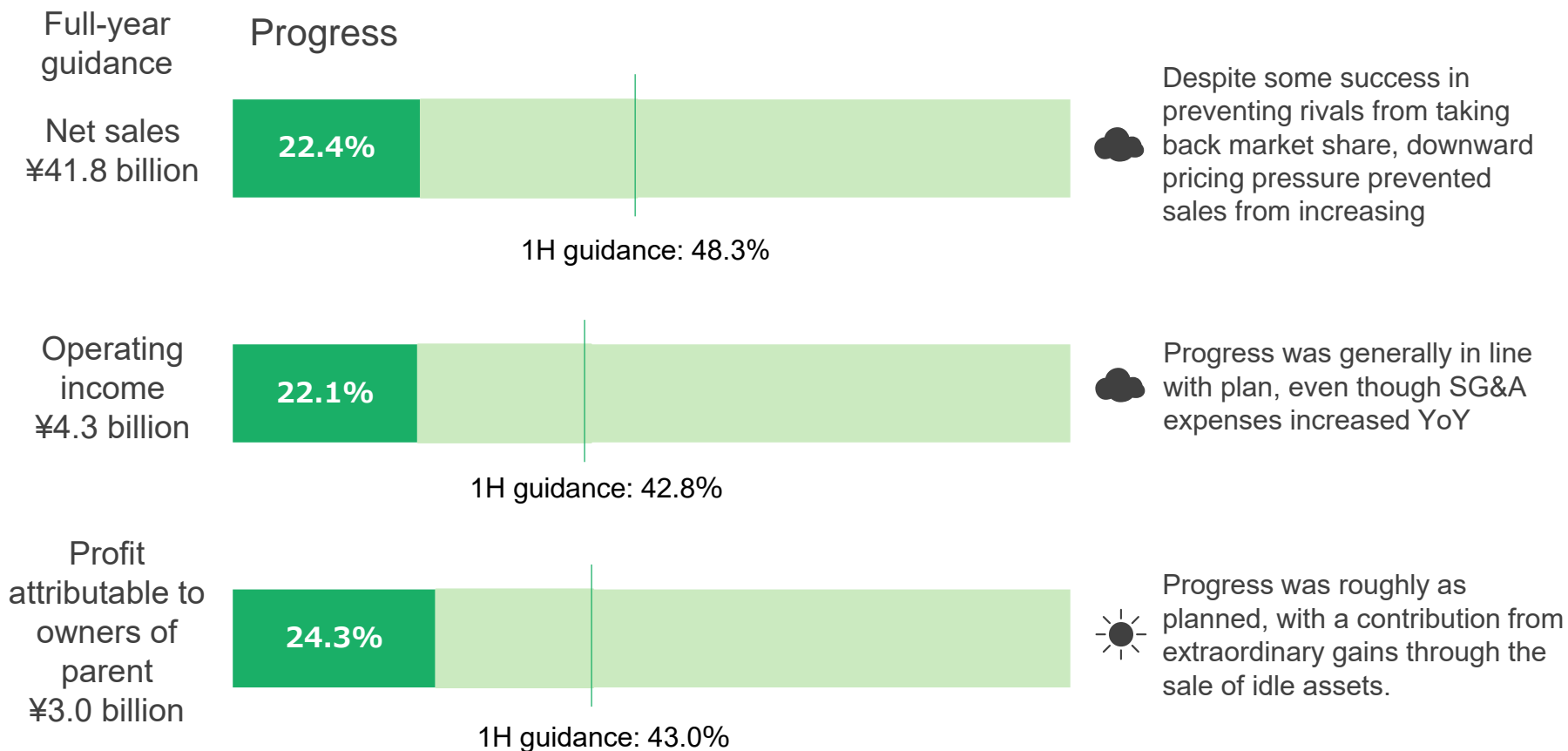
- **Profit attributable to owners of parent: Down**

The operating margin narrowed owing to the front-loading of structural reform expenses. Profit attributable to owners of parent fell ¥270 million YoY.

(¥ billions)	Q1 FY03/24 Results	Q1 FY03/25 Results	Change	
			Amount	YoY
Net sales	9.72	9.37	-0.34	96.4%
Cost of sales ratio	65.0%	65.2%	-	+0.1pt.
Operating income	1.33	0.95	-0.38	71.2%
Operating margin	13.7%	10.1%	-	-3.6pt.
Profit attributable to owners of parent	1.0	0.73	0.27	72.8%

Progress toward full-year FY03/26 guidance

- While Q1 profits were broadly on track to meet guidance, the top line was behind plan (for a recovery from Q2)

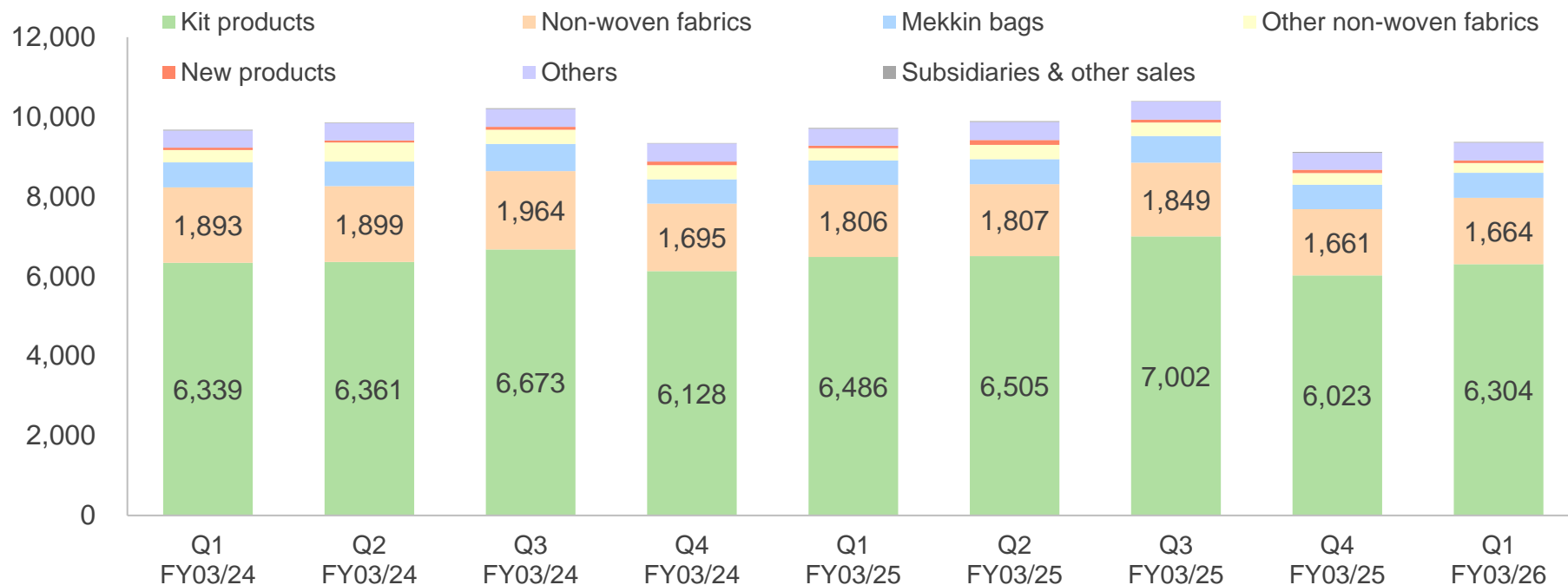


Q1 FY03/26: Sales of Main Products

- Kit product sales fell slightly, amounting to 97.2% of the prior-year figure
- Due mainly to a decrease in mask sales volume, sales of other non-woven fabric products declined also, amounting to 79.3% of the prior-year figure
- Sales of Mekkin Bags (sterilization pouches) were robust, especially those supplied on OEM basis
- Sales of new products increased YoY but fell short of plan

Product category	As % of prior year
Kit products	97.2%
Non-woven fabrics	92.1%
Mekkin bags	102.5%
New products	105.1%
Other non-woven fabrics	79.3%

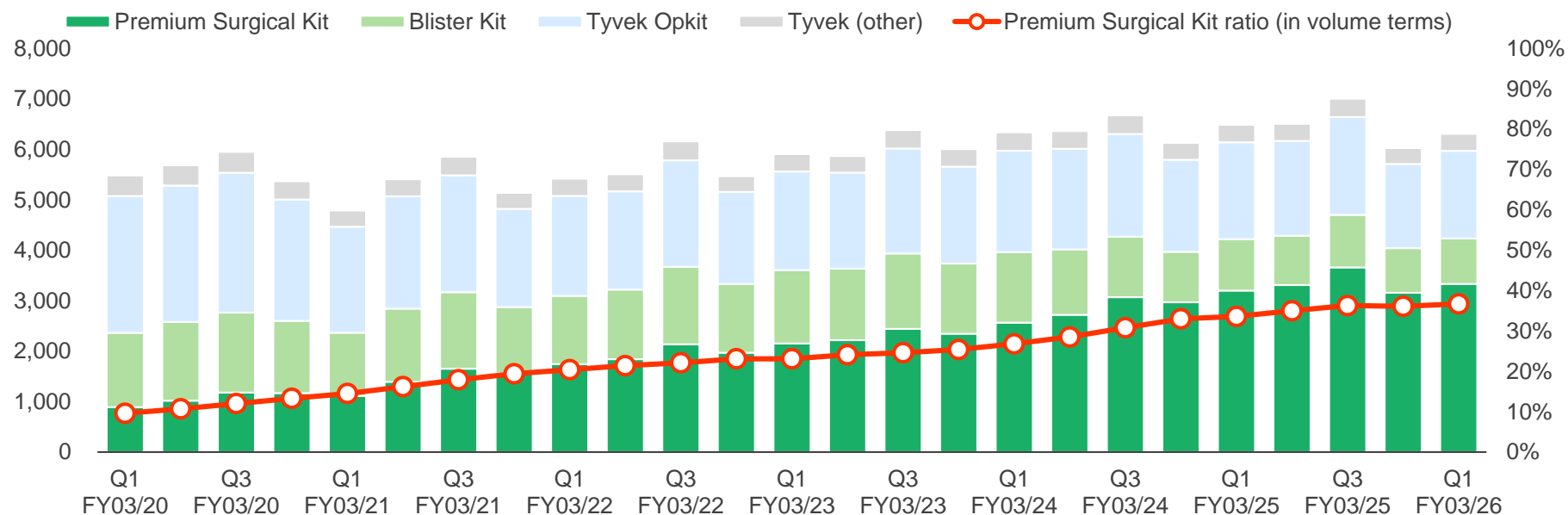
(¥ millions, rounded down)



Sales of Surgical Kit Products by Quarter

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

(¥ millions, rounded down)



Q1 FY03/26: YoY sales change (¥ millions)

Premium
Surgical Kit

+132

104.1%

Blister
Kit

-118

88.4%

Tyvek
Kit

-195

91.4%

Kit sales composition (Premium Surgical Kit/ Kit products)

	Q1 FY03/25	Q2 FY03/25	Q3 FY03/25	Q4 FY03/25	Q1 FY03/26	YoY Change
Sales	49.3%	50.9%	52.3%	52.4%	52.9%	+3.5%
Sales volume	33.6%	35.0%	36.3%	36.1%	36.7%	+3.1%

Sales to Opera Master-contracted hospitals

- Sales to Opera Master-contracted hospitals decreased, as these hospitals are also experiencing management difficulties and looking to reduce materials costs
- Curbing the Opera Master contract cancellation rate has been a priority since the start of the fiscal year, though. There were no cancellations in Q1 FY03/26 and since two new contracts were added there was a net increase in Opera Master contracts.

Number of contracted hospitals (FY03/26)

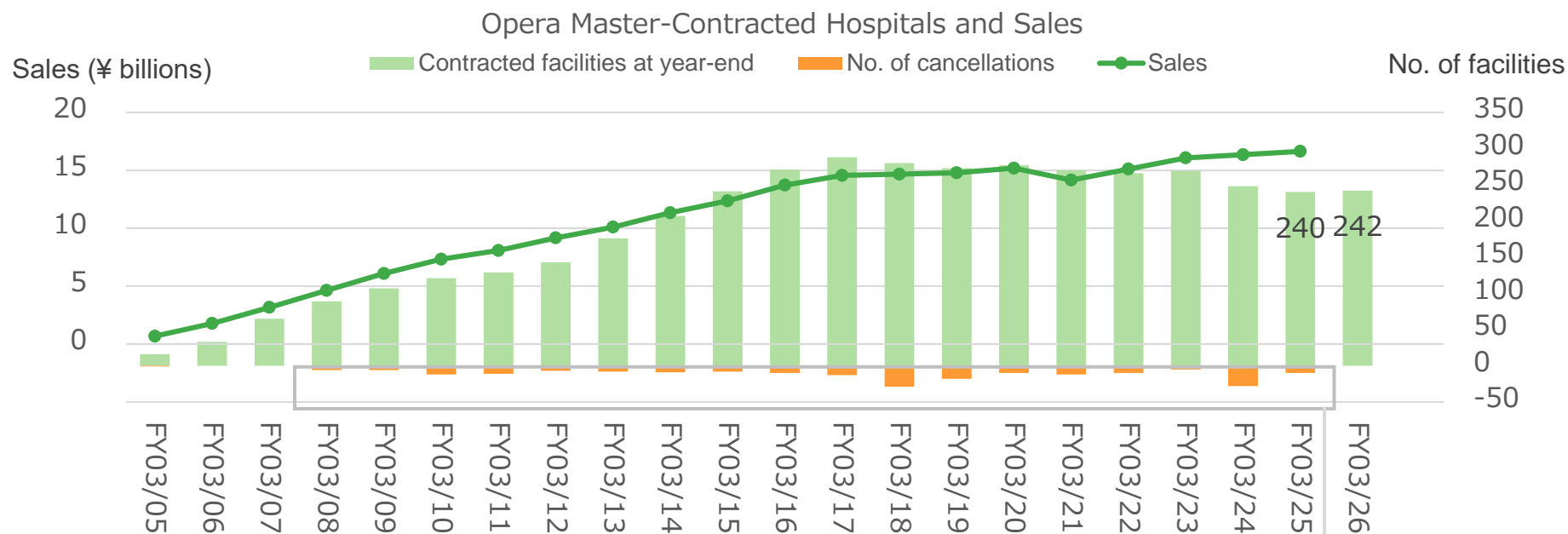
New contracts: 2

Number of Contract cancelled Hospitals (FY03/26)

No cancellations

Cumulative number of contracted hospitals

242 (Compared to FY03/25 +2)



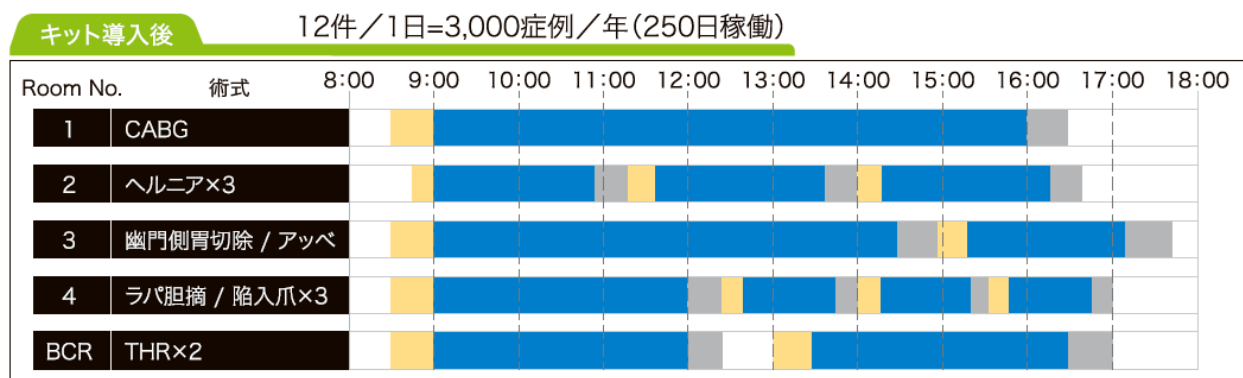
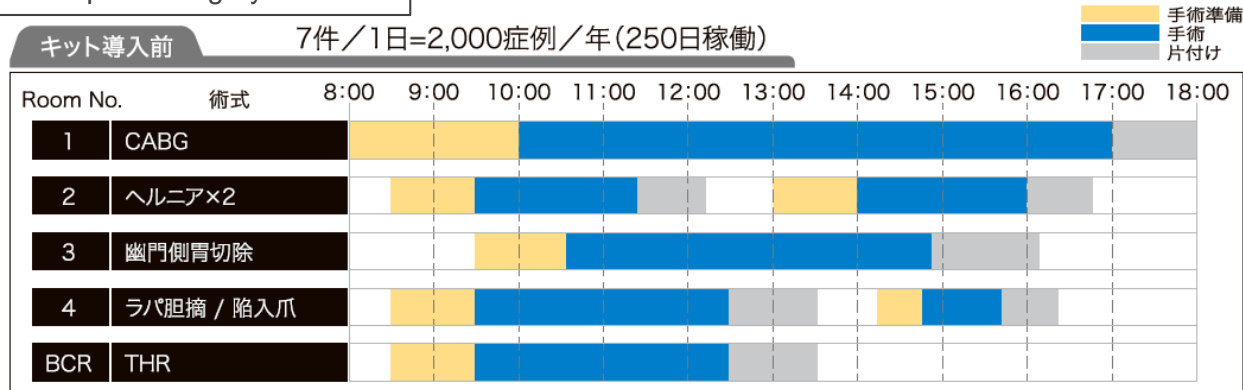
Average annual cancellation rate for the last 10 years: 5.35%
(No. of cancellations/no. of facilities as of the previous year-end)

- Shorten surgery preparation time by offering support services that complement kit sales
- 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



Action



- Build an environment supporting growth in surgical procedure numbers
- Increase adherence to regular operating hours (effective use of resources)
- Enhance employee productivity (work style reforms)

Improvement of overall financial performance

- 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



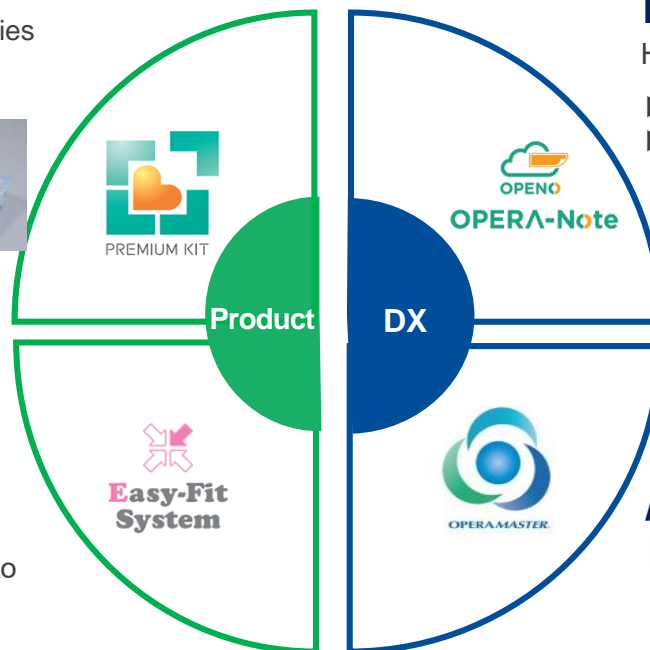
Further expanding range of products, including items manufactured in-house

■ Instrument preparation

「Easy Fit System」

Device holder that 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

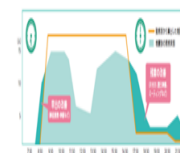
Upgrading and fleshing out range of DX products

■ Business Process Visualization /analysis service

「Opera Master」

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

Room No.	Room Name	Room Type	Room Status	Room Usage	Room KPI
101	Operating Room	General	Open	100%	100%
102	Operating Room	General	Open	100%	100%
103	Operating Room	General	Open	100%	100%
104	Operating Room	General	Open	100%	100%
105	Operating Room	General	Open	100%	100%
106	Operating Room	General	Open	100%	100%
107	Operating Room	General	Open	100%	100%
108	Operating Room	General	Open	100%	100%
109	Operating Room	General	Open	100%	100%
110	Operating Room	General	Open	100%	100%



Q1 FY03/26: Main Factors Behind Change in Operating Income

- 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)



- 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 ● Reduce sales offices from 26 to 15, and establish four new marketing departments (operational since April 2025)
Product strategy	<ul style="list-style-type: none"> ● Reinforce the development framework and assets to enhance customer value, including expanding the materials lineup ● Assign Product Managers to newly established dedicated department (operational since April 2025); increase development budget
Digital transformation	<ul style="list-style-type: none"> ● Enhance productivity and value-added through accumulation of inhouse data and use of AI ● Improve communication infrastructure and increase DX budget
Procurement reform	<ul style="list-style-type: none"> ● Strengthen sourcing functions and control rising material costs ● Hire specialists from outside the company and get involved from the product development stage
Human resource strategy	<ul style="list-style-type: none"> ● Maximize the potential of people and organizations by creating a rewarding workplace ● Introduce new personnel system (effective April 2025) and increase investment in education
Human resource strategy	<ul style="list-style-type: none"> ● Expand overseas business, mainly in the ASEAN region ● Utilize internal recruitment system and ramp up recruitment via overseas bases

- 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

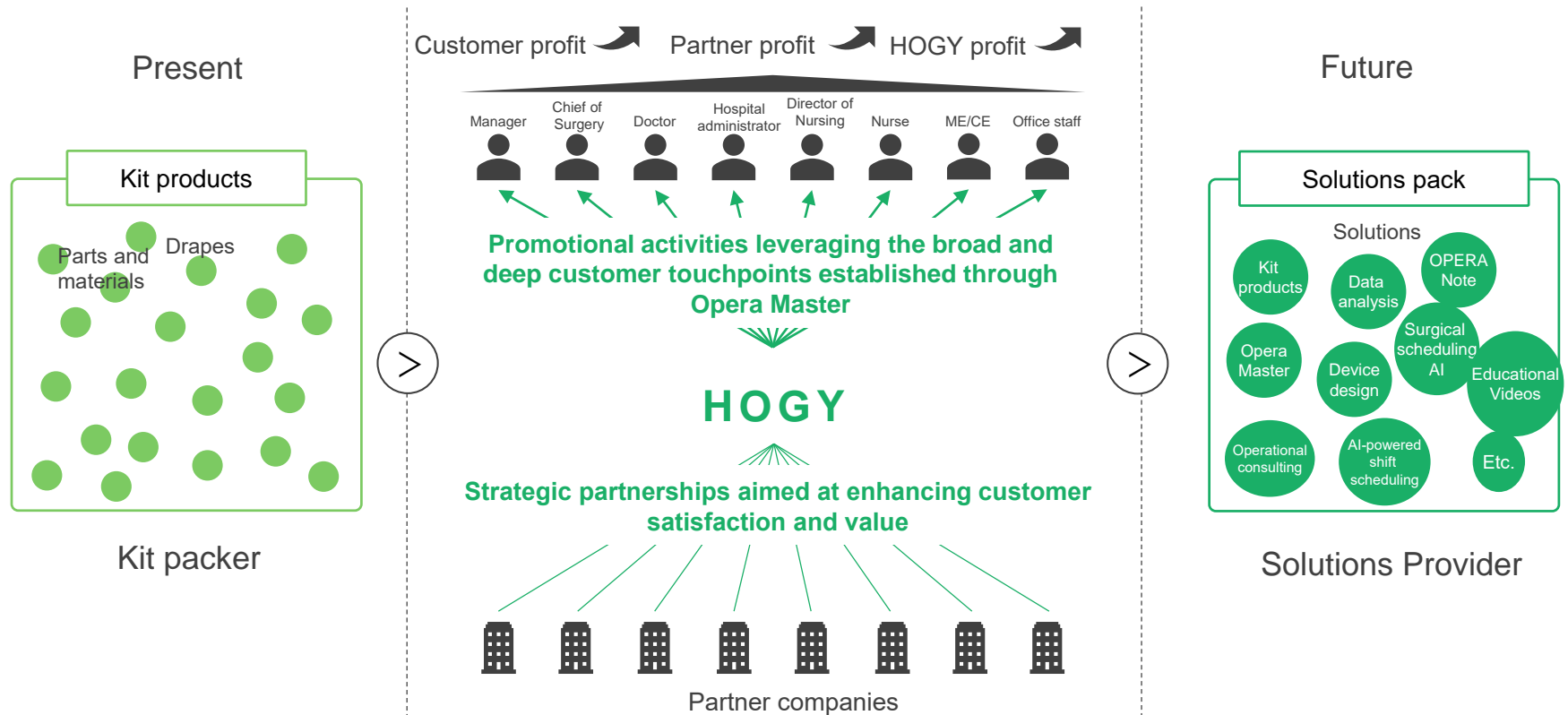
New management structure (as of July 1, 2025)

- A new Board of Directors and executive structure was approved at the Annual General Meeting of Shareholders held on June 20, 2025
- Changes to the Board of Directors and executive officers were effective as of July 1, 2025
- The aim is to **increase the effectiveness of the Board of Directors and executive structure**, with an eye to achieving steady progress in the Medium-Term Business Plan
- We seek realignment into an organization capable of flexible decision-making and execution

Representative Director, President, and Chief Executive Officer (CEO)	Hideki Kawakubo
Representative Director, Executive Vice President, Chief Financial Officer (CFO), and General Manager of Business Administration Div.	Taisuke Fujita
Outside Director	James B. Rosenwald III *
Outside Director Audit & Supervisory Committee Member	Katsusuke Higuchi
Outside Director Audit & Supervisory Committee Member	Yuji Takada
Outside Director Audit & Supervisory Committee Member	Mime Egami
Senior Executive Officer Chief Production Officer (CPO) and General Manager of Production Div. President and Director of P.T. HOGY INDONESIA	Go Ohashi
Executive Officer General Manager of Manufacturing Dept., Production Div.	Yoshinori Mochizuki
Executive Officer General Manager of International Business Development Dept.	Taichiro Seike
Executive Officer General Manager of Corporate Strategy Dept., Business Administration Div.	Yoshihiko Tenbo
Executive Officer General Manager of Procurement Dept., Business Administration Div.	Morihide Tabata
Executive Officer General Manager of Quality and Regulatory Affairs Div. and General Manager of Quality Assurance Dept.	Keiji Asayama *
Executive Officer General Manager of Research and Development Div.	Ko Ishikawa *
Executive Officer General Manager of East Japan Sales Dept., Sales Function, Commercial Div.	Suguru Kinoshita *
Executive Officer General Manager of West Japan Sales Dept., Sales Function, Commercial Div.	Takayuki Ebara *
Executive Officer General Manager of Marketing Function, Commercial Div.	Hiroyuki Yoshidome *


The symbol * indicates a new appointment.

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



Sales by main products (Actual, Consolidated)

	FY03/26		FY03/25	
	First Quarter		First Quarter	
	Amount	% of total	Amount	% of total
Kit products	6,304	67.2	6,486	66.7
Non-woven products	1,664	17.8	1,806	18.6
Mekkin bag	629	6.7	614	6.3
Other non-woven products	243	2.6	307	3.2
New products	68	0.7	64	0.7
Others	444	4.7	424	4.4
Subsidiaries & other sales	19	0.2	20	0.2
Total	9,375	100.0	9,725	100.0

Itemized external sales by subsidiary

Kit products	13	18
Non-woven products	91	110
Other non-woven products	-	1
Others	19	20

	Year-on-Year Comparison	
	First Quarter	
	Amount	%
Kit products	-182	97.2%
Non-woven products	-142	92.1%
Mekkin bag	15	102.5%
Other non-woven products	-63	79.3%
New products	3	105.1%
Others	20	104.7%
Subsidiaries & other sales	-0	96.1%
Total	-349	96.4%

Itemized external sales by subsidiary

Kit products	-5
Non-woven products	-19
Other non-woven products	-1
Others	-0

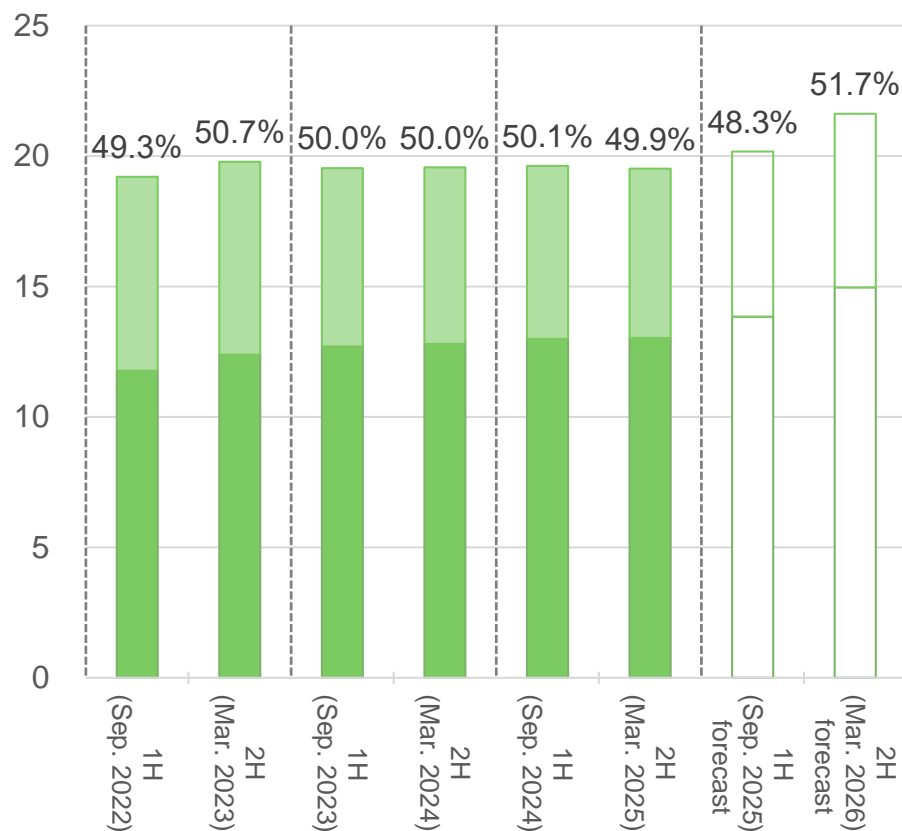
Half-Year Consolidated Earnings Forecast for FY03/26

- We expect to enter a full-scale growth phase from the second half of FY03/26

Sales

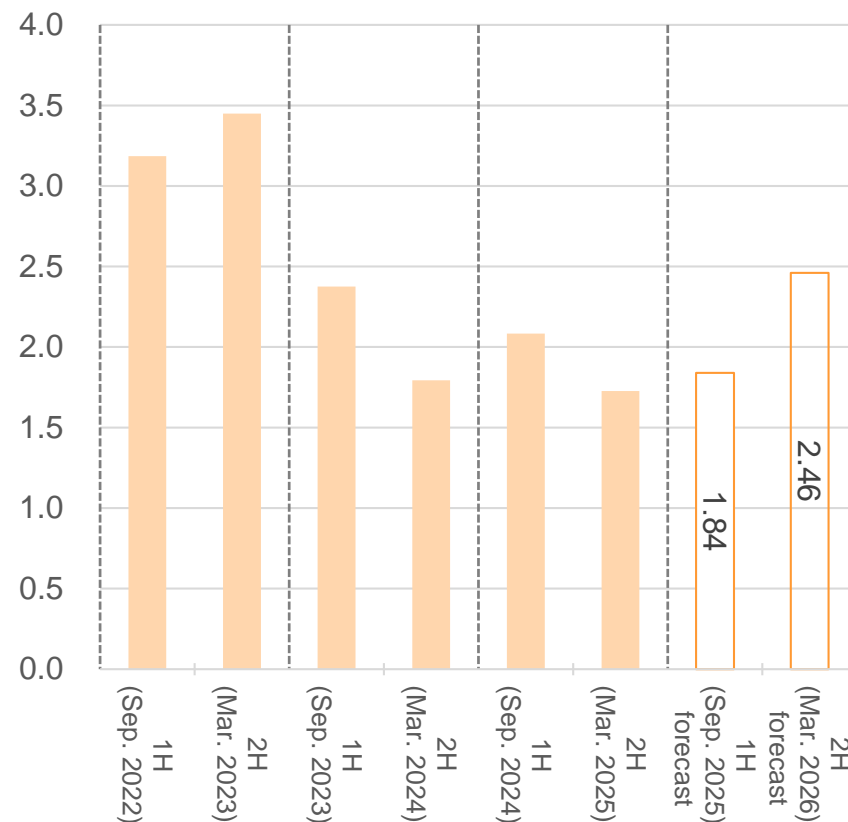
■ Kit product sales ■ Other sales



(¥ billions)



Operating income

(¥ billions)



	Tyvek Kit	Blister Kit	Premium Surgical Kit
Production location	<div>Tsukuba Plant, Miho Plant</div> <div></div>	<div>New Tsukuba Plant</div> <div></div>	
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			
*Number of items supplied based on in-house templates for each procedure	-	Less than 80%	80% or more
Main therapeutic targets	Ophthalmic & plastic surgery	General anesthesia cases	
No. of supplies	<div><div>Few</div><div></div><div>Many</div></div>		
Price	<div><div>Low</div><div></div><div>High</div></div>		

Corporate Information



Corporate name	HOGY MEDICAL CO., LTD.
Head office	7-7, Akasaka 2-chome, Minato-ku, Tokyo 107-8615 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
Subsidiary	P.T. HOGY Indonesia HOGY Medical Asia Pacific PTE. LTD.
Sub-subsidiary	P.T. HOGY Medical Sales Indonesia P.T.
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/>

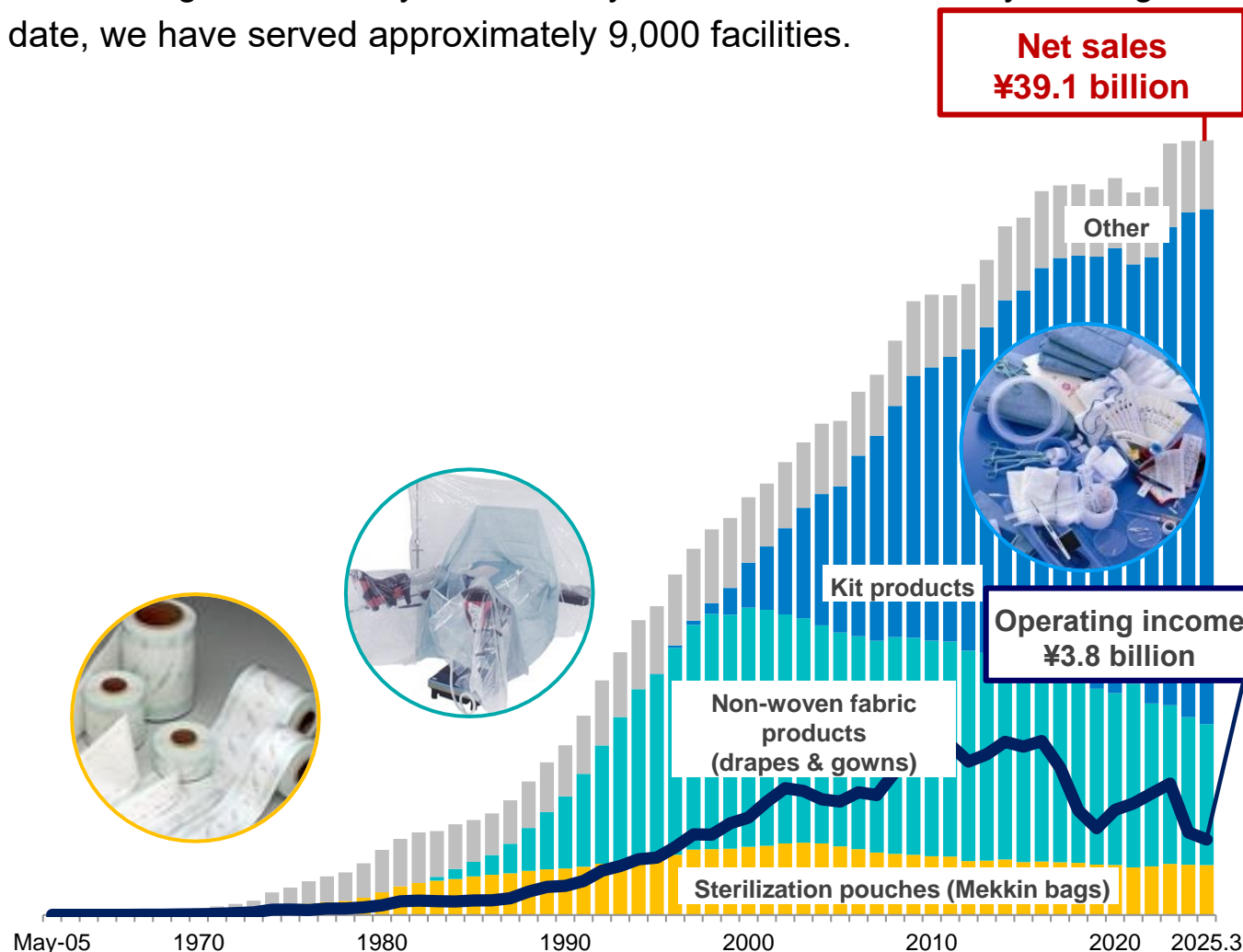
HOGY MEDICAL

Search



History Since Founding: Market Size and Share of Main Products

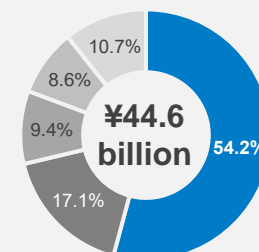
For 65 years since our founding, we have dedicated ourselves to solving customer challenges and contributing to the 'safety and security' of medical frontlines by offering a wide range of products. To date, we have served approximately 9,000 facilities.



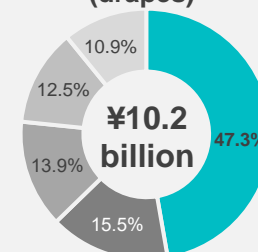
Note: Financial results for 1996 and later are consolidated results

Market share in 2022

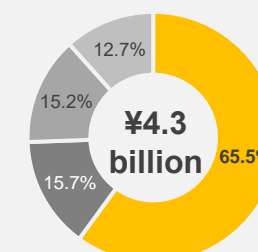
Kit products



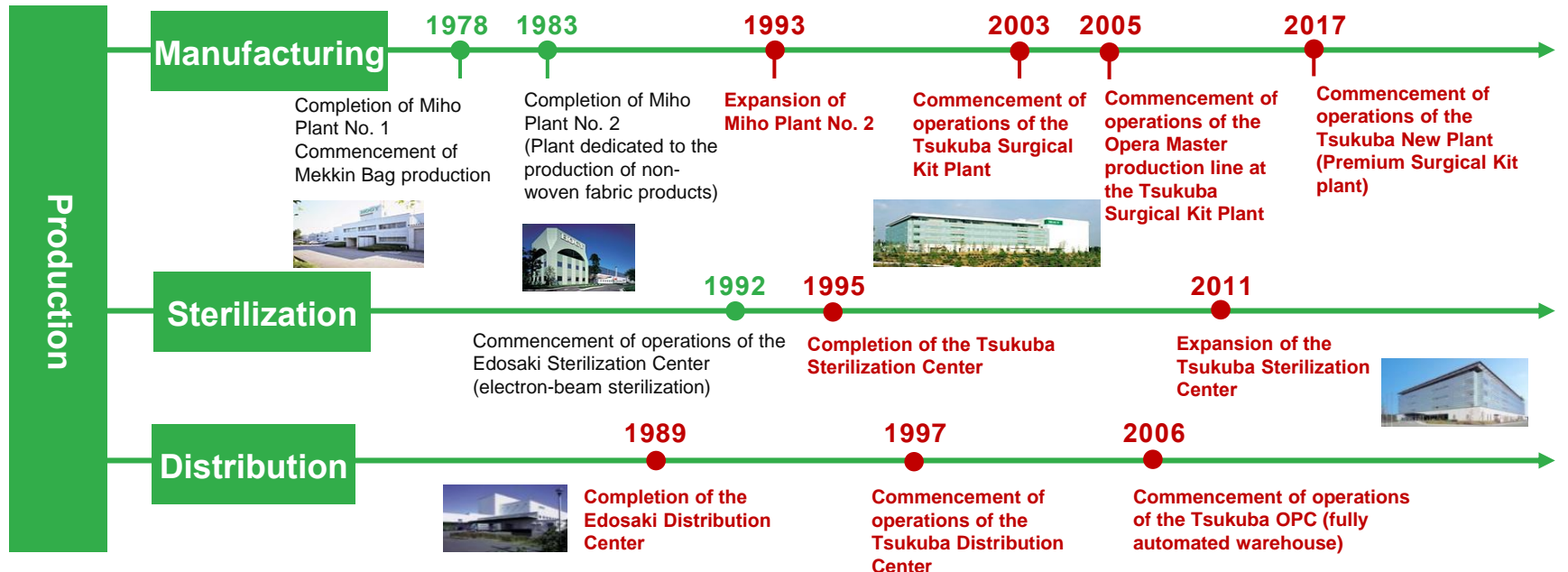
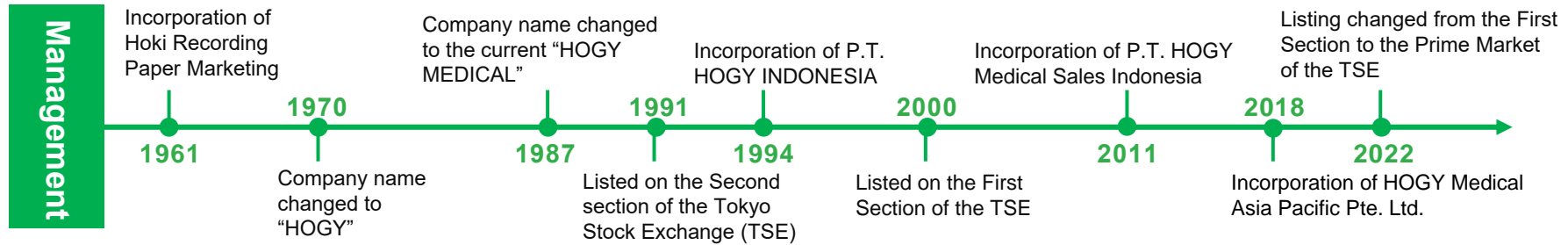
Non-woven fabric products (drapes)



Sterilization pouches



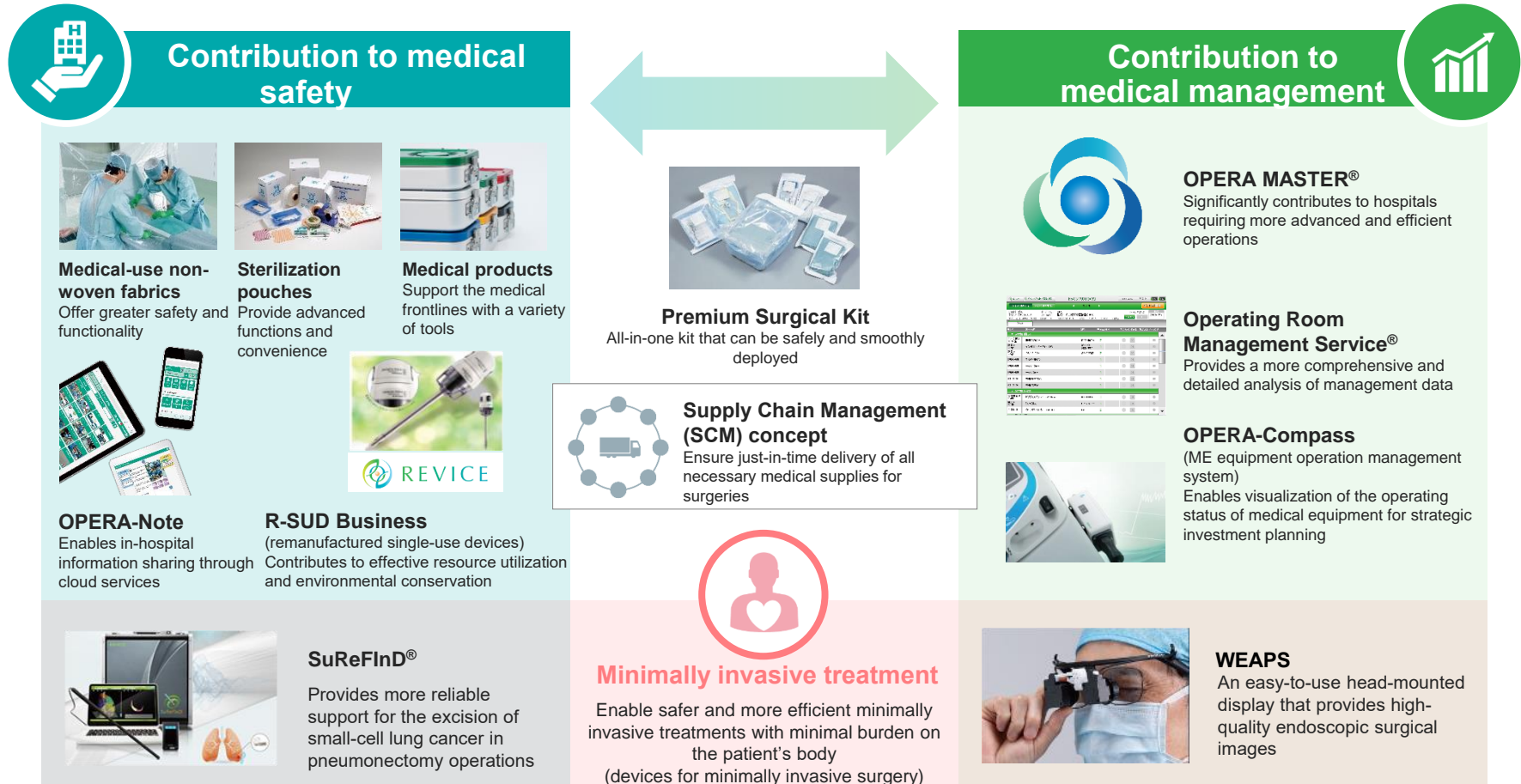
Source: "Medical Hygiene Products Market and Demand Trends by Product 2022-2023," Yano Research Institute Ltd.



Facilities in red are those where automation has progressed

Greater safety and efficiency HOGI 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.



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HOGY®

