



WIN A BETTER QUALITY OF LIFE
INNOVATION
PARTNERSHIP
TRUST

SAFETY
CREATE VALUE

LEADERSHIP
HEALTHY SOCIETY

Results Presentation

Full Year ending March 2017

WIN-Partners Co., Ltd. (3183)

WE OFFER BETTER®



Full year results ending March 2017

Consolidated results summary

(¥mil)	Mar 2016	Mar 2017	YoY	OE
Sales	54,147	57,760	+6.7%	56,600
Operating profit	2,965	3,058	+3.1%	3,000
Recurring profit	2,978	3,061	+2.8%	3,000
Net profit	2,111	2,141	+1.4%	2,050
EPS (yen)*	73.56	74.58	-	71.41
BPS (yen)*	485.15	539.69	-	-

*Figures after the stock split (1:2) effective from January 1, 2017

Our approach

- ◆ Negotiated selling and procurement prices to reflect new reimbursement prices

- 1Q: 60% → 2Q: 90% → 3Q: 96% reached agreement

- ◆ Acquired new customers

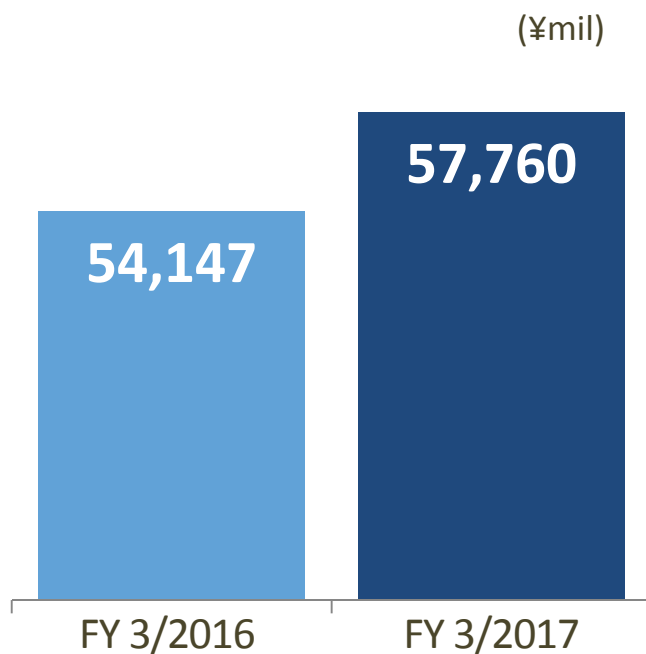
- Initiated business with new CRS customers from 2Q

- ◆ Strengthened sales structure

- Increased the number of CRS staffs
 - Offered specialist services by ablation team

Highlights

Sales + **6.7%** YoY [vs. plan
▲2.1%]



Higher sales volume absorbed negative impact from reimbursement price cuts (▲5%)

Contribution from new customers

Favorable sales of CRS and large-sized equipment segments

Sales breakdown by segment

	Sales (¥mil)	YoY growth (%)		% of sales	
		Volume	Value	(%)	Change (pt)
Percutaneous coronary intervention (PCI)	21,521	+5.6	▲4.9	37.3	▲4.5
Cardiac rhythm segment (CRS)	13,539	+21.2	+19.0	23.4	+2.4
Cardiac vascular segment (CVS)	6,671	▲3.0	+0.1	11.6	▲0.8
Percutaneous peripheral intervention (PPI)	2,850	+13.2	+1.7	4.9	▲0.2
Brain surgery	1,969	+0.7	+3.4	3.4	▲0.1
Diabetes mellitus segment (DMS)	953	-	+23.2	1.6	+0.2
Large-sized medical equipment	5,257	-	+57.9	9.1	+3.0
Others	4,997	-	+6.9	8.7	+0.0
TOTAL	57,760	-	+6.7	100.0	

Segment review (YoY)

P C I suffered from reimbursement price cuts (▲8.7%) despite higher sales volume.

C R S higher sales volume in ICD and CRT-D offset reimbursement price cuts (▲3.4%). Particularly sales of EP Ablation posted 30% growth.

C V S favorable sales of TAVI offset reimbursement price cuts (▲2%), lower sales volume of stent graft and open-heart surgery related devices.

P P I higher sales volume in PTA balloon catheters offset reimbursement price cuts (▲3.7%) and lower sales volume of peripheral vascular stents.

**L a r g e
e q u i p
- m e n t** enjoyed large-scale projects with eased negative impact of tax rise.

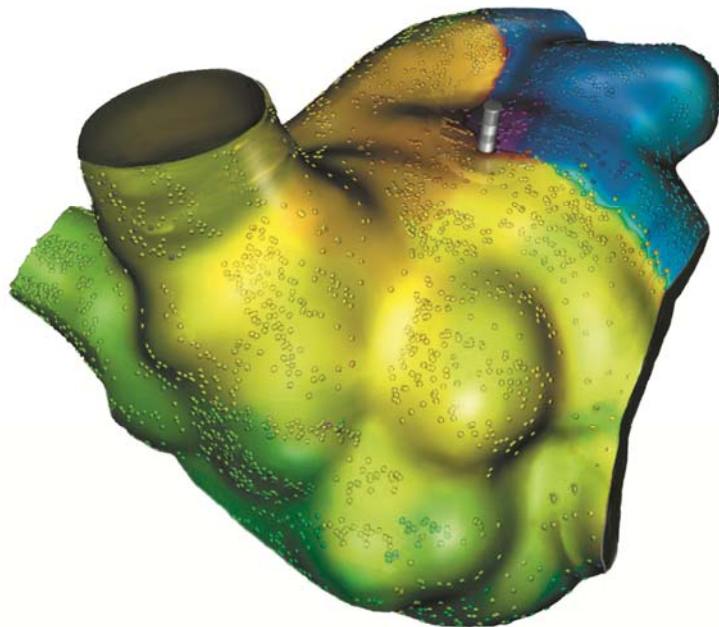
CRS highlight

Ablation treatment rapidly expanding

Diagnostic and treatment accuracy improved by new products
→ Number of atrial fibrillation procedures increasing

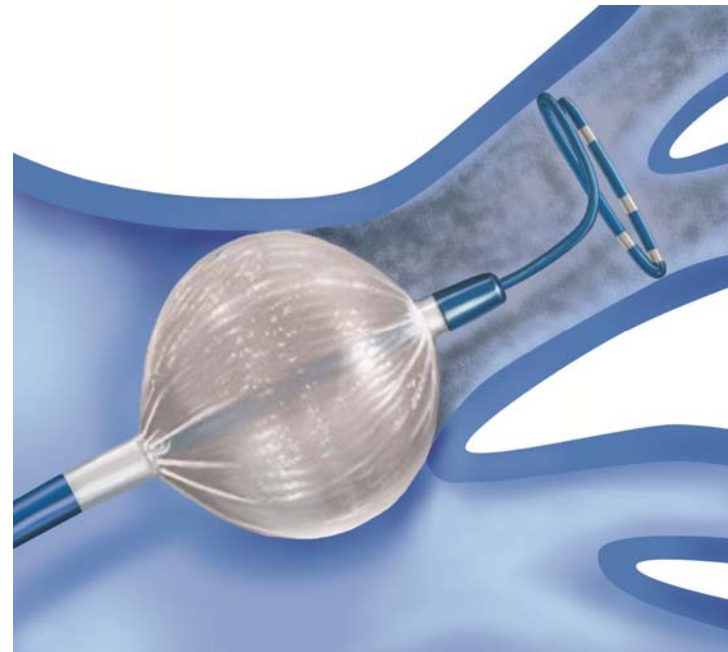
Diagnosis

3-D Mapping System

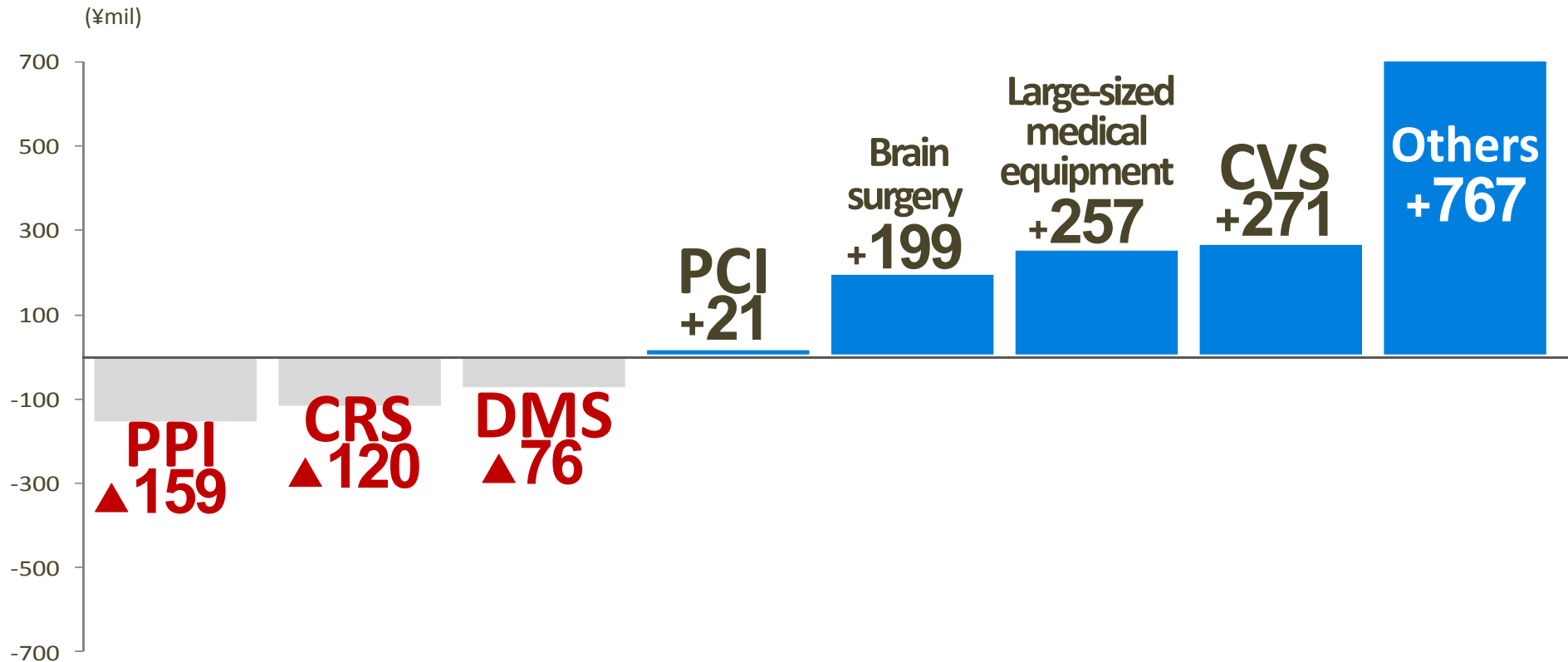


Treatment

Cardiac Cryoablation Catheter



Segment review (vs plan)

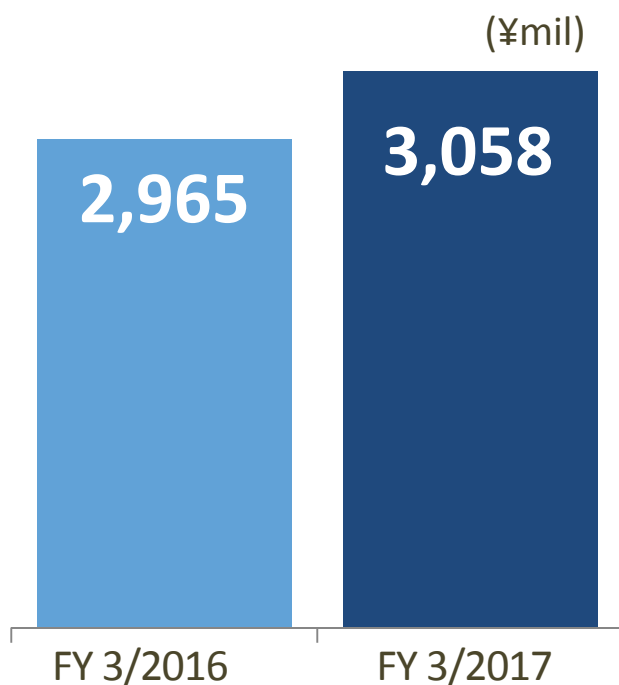


- **PPI**: lower number of procedures at existing customers
- **CRS**: fell short of the revised plan despite favorable sales

- **Brain surgery**: higher number of procedures at existing customers
- **Large-sized medical equipment**: attained large transactions
- **CVS**: higher number of procedures of TAVI
- **Others**: favorable sales of digestive organ related devices and small equipment

Highlights

Operating profit + **3.1%** YoY [vs. plan
▲1.9%]



Gross profit margin dropped 0.3pt

- Changes in sales mix due to the decrease in sales of PCI
- Covered negative impact of reimbursement price cuts by reducing procurement costs

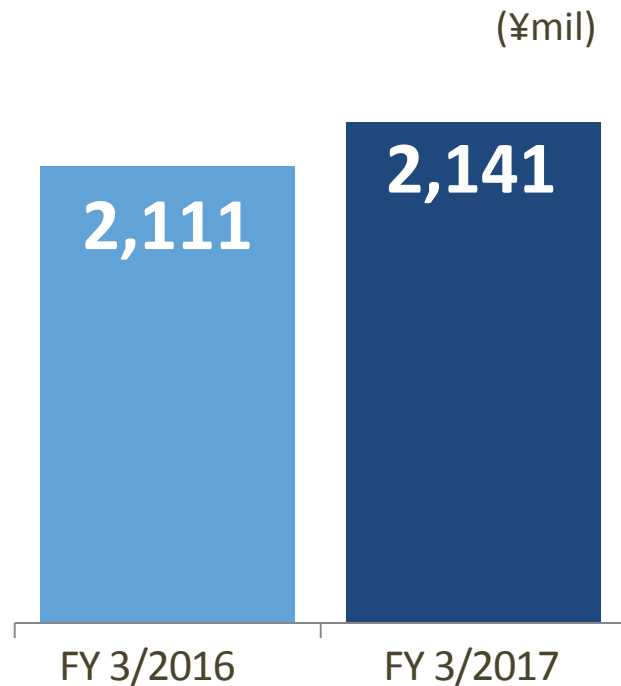
SG&A +4.5%

including labor cost +5.8%

[Number of employees] Mar 2016: **422** → Mar 2017: **447**

Highlights

Net profit **+ 1.4%** YoY vs. plan
▲4.4%



Marginal increase after the extraordinary profit posted in FY3/2016

Consolidated income statements

	Mar 2016		Mar 2017	
	(¥mil)	(%)	(¥mil)	(%)
Sales	54,147	100.0	57,760	100.0
Cost of sales	46,882	86.6	50,208	86.9
Gross profit	7,264	13.4	7,551	13.1
SG&A expenses	4,299	7.9	4,493	7.8
Operating profit	2,965	5.5	3,058	5.3
Non-operating profit	13	0.0	4	0.0
Non-operating expenses	0	0.0	0	0.0
Recurring profit	2,978	5.5	3,061	5.3
Extraordinary profit	294	0.5	6	0.0
Extraordinary loss	182	0.3	0	0.0
Pretax profit	3,090	5.7	3,067	5.3
Taxes	978	1.8	926	1.6
Net profit	2,111	3.9	2,141	3.7

Consolidated balance sheet

	Mar 2016		Mar 2017		Change (¥mil)
	(¥mil)	(%)	(¥mil)	(%)	
Current assets	26,624	90.2	30,395	91.6	3,770
Cash and deposits	9,285	31.5	11,954	36.0	2,669
Accounts receivable	15,137	51.3	15,597	47.0	460
Inventory	1,475	5.0	1,862	5.6	386
Other current assets	725	2.5	980	3.0	254
Fixed assets	2,891	9.8	2,792	8.4	▲ 98
Total assets	29,515	100.0	33,187	100.0	3,672
Current liabilities	14,903	50.5	16,964	51.1	2,061
Accounts payable	13,477	45.7	15,765	47.5	2,288
Taxes payable	604	2.0	486	1.5	▲ 118
Other current liabilities	821	2.8	712	2.1	▲ 108
Fixed liabilities	684	2.3	729	2.2	45
Total liabilities	15,587	52.8	17,694	53.3	2,106
Net assets	13,927	47.2	15,493	46.7	1,565
Total liabilities, net assets	29,515	100.0	33,187	100.0	3,672

Bulk purchasing

Higher sales of large equipment

Consolidated cashflow statements

(¥mil)	March 2016	March 2017
Cash flows from operating activities	2,294	3,386
Net profit before taxes	3,090	3,067
Depreciation	276	249
Sales proceeds of marketable securities	▲200	-
Cash surrender value of insurance	▲93	-
Actuarial loss on retirement allowance	159	-
Notes and accounts receivable	▲624	▲460
Inventories	636	▲378
Notes and accounts payable	▲293	2,278
Tax paid	▲952	▲1,217
Cash flows from investing activities	298	▲128
Purchase of tangible assets	▲235	▲126
Sales proceeds of tangible assets	93	20
Sale of marketable securities	381	0
Surrender of insurance	106	0
Cash flows from financing activities	▲545	▲588
Cash dividends paid	▲545	▲588
Net increase in cash and cash equivalents	2,047	2,669
Cash and cash equivalents at beginning of FY	7,238	9,285
Cash and cash equivalents at the end of FY	9,285	11,954

Outlook

Issues in healthcare delivery industry

(1) Medical expenditures under tighter control

Long-term: Clarification of hospital functions

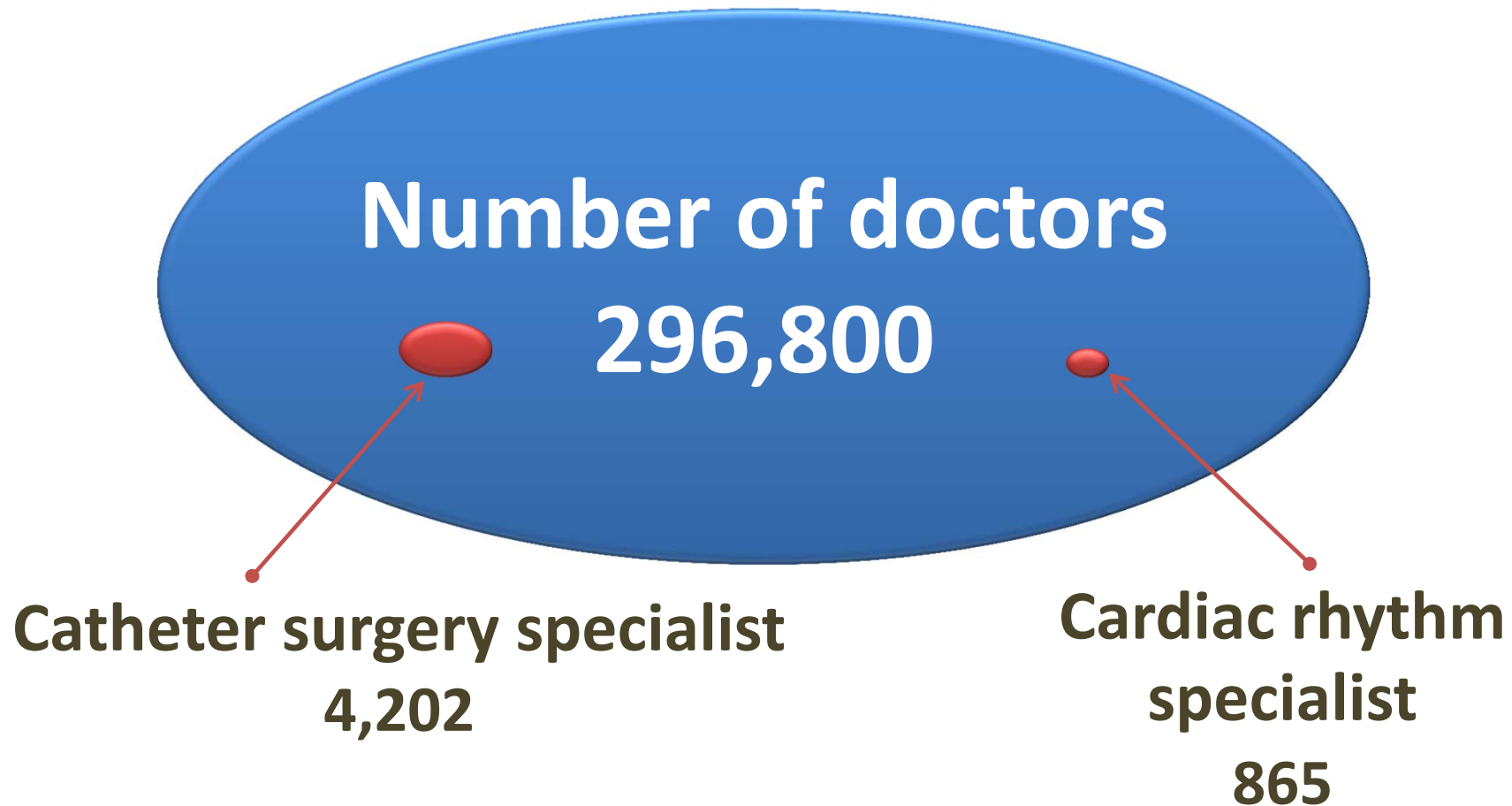
Short-term:

Possibility of every year revision in reimbursement price 2018 onwards

(2) Unbalanced doctors

**Unbalanced medical services by region
treatment field**

Unbalanced doctors



(Source: Ministry of Health, Labour and Welfare (Number of doctors as of Dec 2014), Japanese Association of Cardiovascular Intervention and Therapeutics (CVIT certified doctors in 2016), Japanese Heart Rhythm Society (Arrhythmia specialists as of April 2017))

Customer hospitals situation

- (1) Customer hospitals with well-balanced clinical fields (PCI/CRS/CVS) showing growth**
- (2) Starting to consider strengthening/ changing hospital function**

Our approach in FY 3/2018

Strengthen support to gather and increase patients

Support upgrading to “Multi-specialty” hospitals

- 1) Propose customers to start up new department:
Cardiovascular internal medicine → Cardiac surgery
- 2) Propose customers to expand the clinical field:
Percutaneous coronary intervention → Cardiac rhythm
- 3) Support customers to collaborate with other hospitals:
Referral patients/doctors
- 4) Support doctors for hands-on training: **Japan, India**

Strengthen sales structure

Changed the sales structure in order to support upgrading to “Multi-specialty”

(1) Sales team by segment (PCI/CVS) ➡ reformed by customer

Comprehensive support for customers to upgrade to “Multi-specialty”

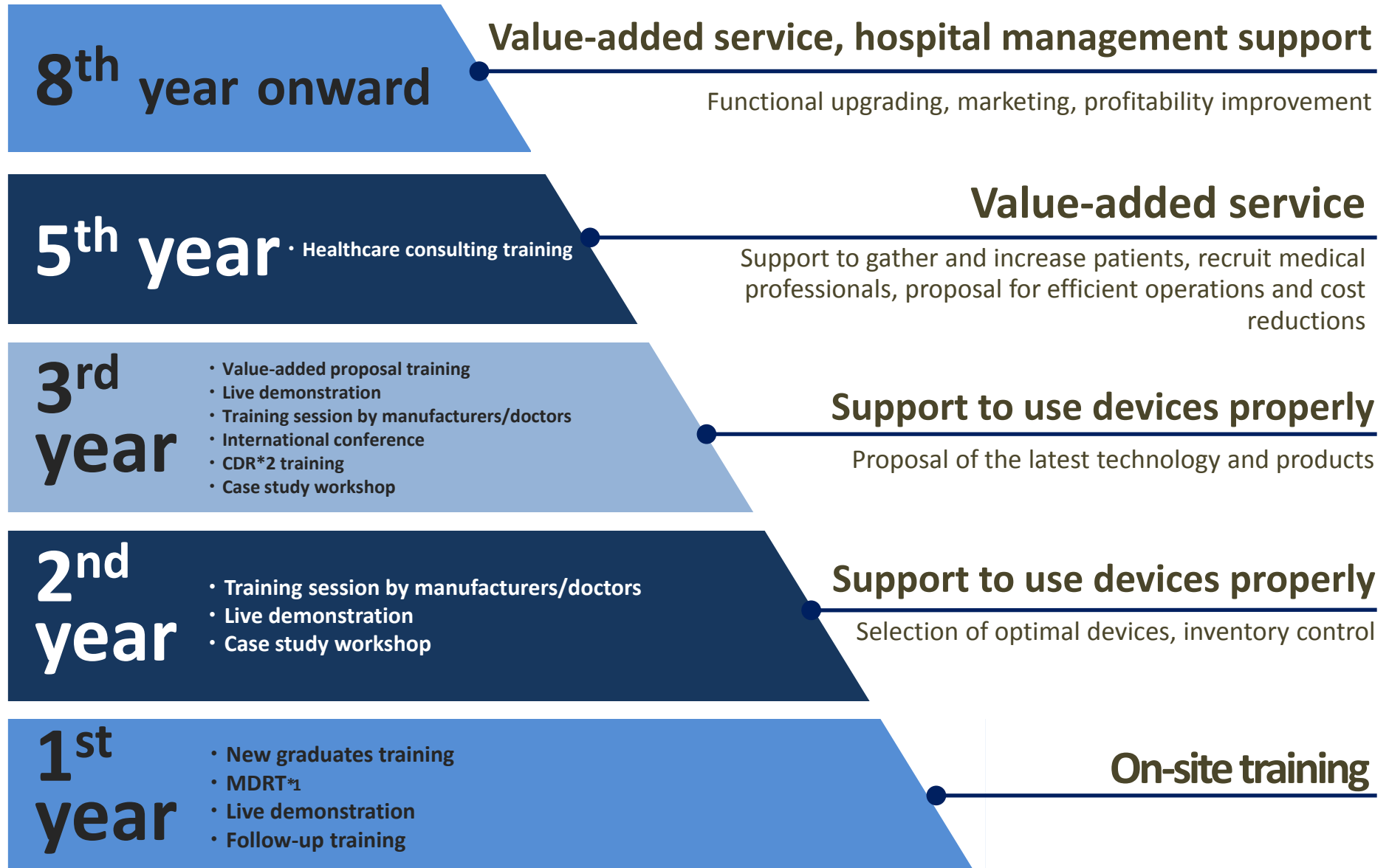
(2) Increased number of staff in strategic marketing and corporate development department

Strengthen the function in order to promote marketing strategy, sales support, and sales staff education

(3) Consolidation of sales support team

HQ office relocation ➡ consolidate sales support team at regional sales offices into the former HQ office

Sales staff career planning



*1 MDRT : Medical Device Representative Training

*2 CDR: Cardiac Device Representative

Consolidated Forecasts to March 2018

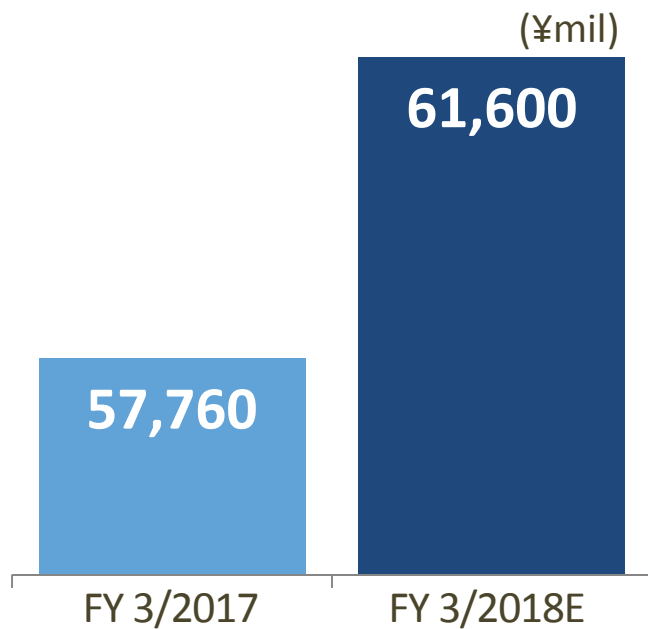
	(¥mil)	(%)	YoY(%)
Sales	61,600	100.0	+6.6
Operating profit	3,250	5.3	+6.3
Recurring profit	3,250	5.3	+6.1
Net profit	2,230	3.6	+4.2
EPS (yen)	77.68		
DPS (yen)	27.00		

Forecast highlights

Sales **+6.6%** YoY

Expand customer share

- Support upgrading to multi-specialty hospitals



Acquire new customers

- University hospitals
- Regional core hospitals
- Diabetes clinic

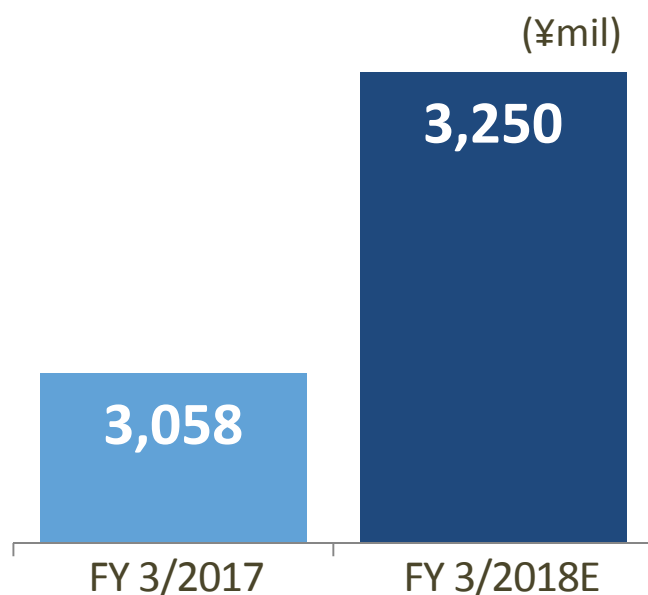
Full year sales breakdown by segment

	(¥mil)	YoY	% of sales
Percutaneous coronary intervention (PCI)	23,960	+11.3%	38.9%
Cardiac rhythm segment (CRS)	15,130	+11.7%	24.6%
Cardiac vascular segment (CVS)	7,380	+10.6%	12.0%
Percutaneous peripheral intervention (PPI)	3,120	+9.5%	5.1%
Brain surgery	1,970	+0.0%	3.2%
Diabetes mellitus segment (DMS)	1,070	+12.3%	1.7%
Large-sized medical equipment	4,770	▲9.3%	7.7%
Others	4,200	▲16.0%	6.8%
TOTAL	61,600	+6.6%	100.0%

Forecast highlights

Operating profit

+6.3% YoY



Gross profit margin

13.2% +0.1pt YoY

- Aim to improve sales mix

SG&A

+8.4% YoY

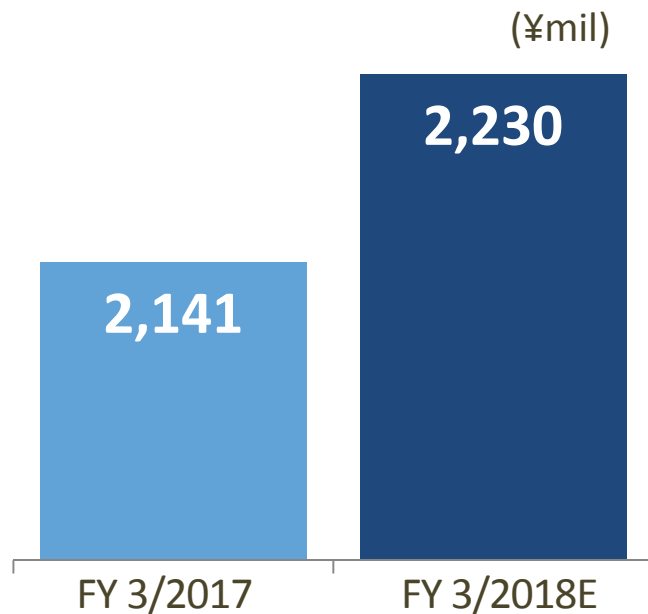
- Estimated total number of employees

447 → 491
(Mar 2017) (Mar 2018)

Forecast highlights

Net profit

+4.2% YoY



Capex **¥100mil**

vs. ¥140mil for FY 3/2017

Depreciation **¥240mil**

vs. ¥250mil for FY 3/2017

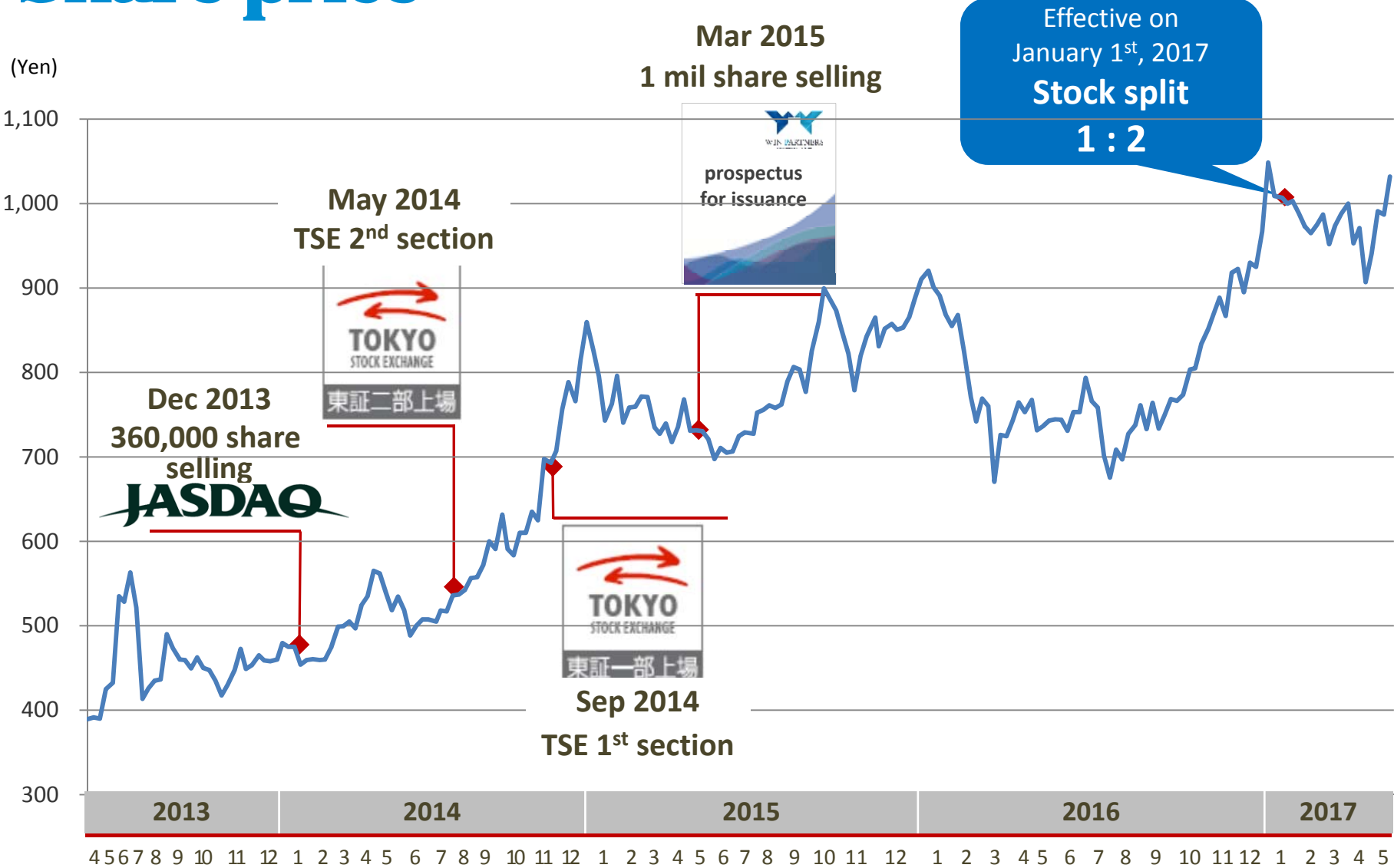
Dividends

We aim at
Over 30% payout ratio











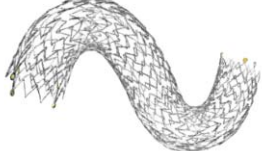




Dividends FY ending March 2018

27 yen

Share price

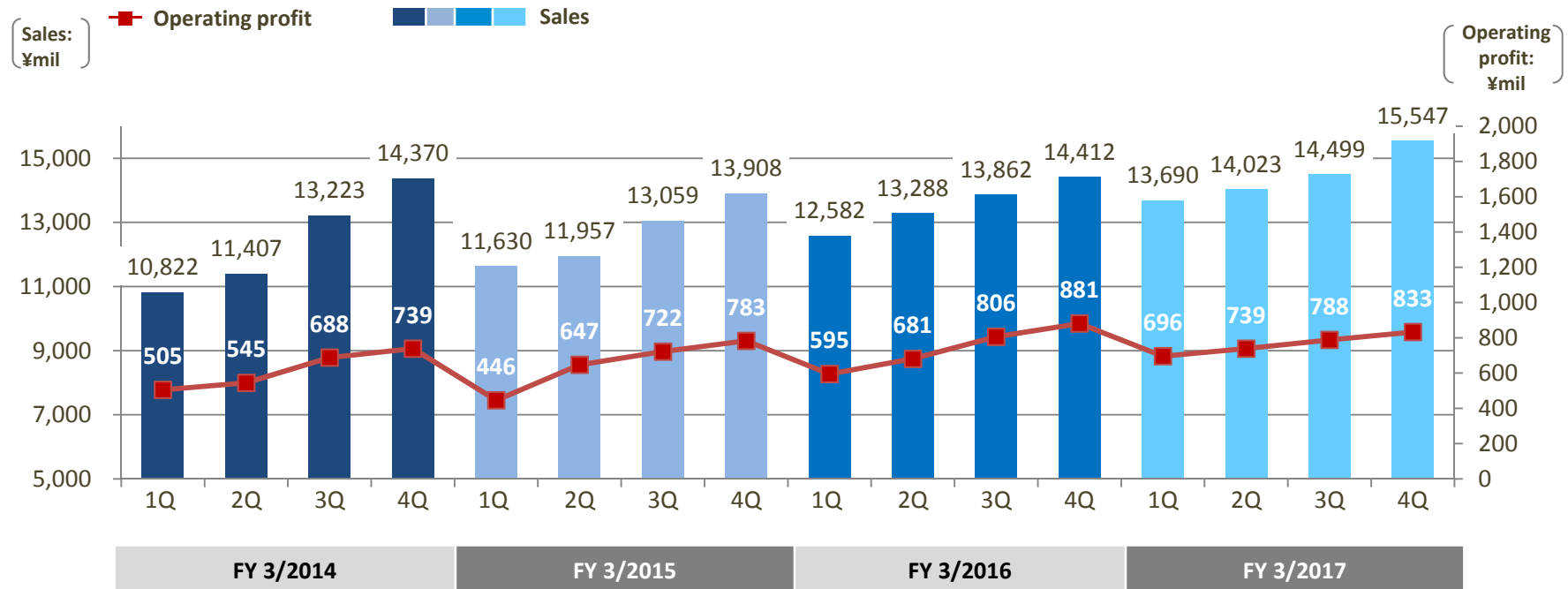


Major products

Segment	Disease	Product									
PCI	<ul style="list-style-type: none"> • Myocardial infarction • Angina 	PTCA balloon catheter		Drug-eluting stent (DES)		Intravascular ultrasound (IVUS) catheter					
		CRS	<ul style="list-style-type: none"> • Abnormal cardiac rhythm 	Pacemaker		Implantable cardioverter defibrillator (ICD)		Cardiac resynchronization therapy defibrillator (CRTD)		Ablation catheter	
				CVS	<ul style="list-style-type: none"> • Aortic aneurysm • Aortic stenosis 	Stent graft		Transcatheter aortic valve		Mechanical heart valve	
						PPI/ Brain surgery	<ul style="list-style-type: none"> • Arteriosclerosis obliterans 	Peripheral vascular stent		Carotid stent	
DMS/ Large equipment	<ul style="list-style-type: none"> • Diabetes • Diagnosis 	Insulin pump		X-ray equipment				Magnetic resonance imaging (MRI)			

Track record of quarterly results

Sales/Operating profit (quarterly)



■ = Year of reimbursement price revisions



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