



# Results Presentation

## 2Q FY Ending March 2022

*Win-Partners Co., Ltd. (3183)*

**2Q results ending September 2021**

# Highlights

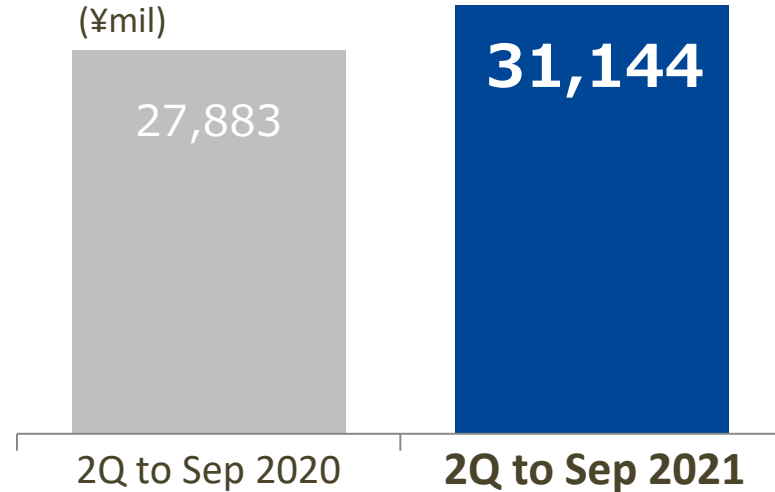
- **Accumulated sales and profits in 2Q both increased YoY**
- **Q1 (Apr-Jun) earnings recovered sharply from the depressed level in the previous year**
- **Q2 (Jul-Sep) earnings suffered from a rapid increase in the number of Covid-19 infections, but still grew YoY**
- **No reimbursement price revision and reinforced rebate-programs/price negotiations enabled GPM to improve in 2Q**
- **Combined with less than expected SGA expenses, OP exceeded original estimates**

# Consolidated results summary

(¥mil) 2Q to	Sep 2020	Sep 2021	YoY(%)	OE	
Sales	27,883	<b>31,144</b>	+11.7	<b>31,000</b>	+0.5
Operating profit	830	<b>1,175</b>	+41.5	<b>1,050</b>	+12.0
Recurring profit	837	<b>1,179</b>	+40.8	<b>1,050</b>	+12.3
Net profit	572	<b>799</b>	+39.6	<b>710</b>	+12.6
EPS (yen)	19.95	<b>27.86</b>	—	—	—
BPS (yen)	701.94	<b>730.51</b>	—	—	—

# Highlights (Sales)

YoY **+11.7%** vs. RE  
**+0.5%**



- Sales increased YoY in all segments

# Sales breakdown by segment

Segment	Sales (¥mil)	YoY growth(%)		% of sales
		Volume	Value	
Percutaneous coronary intervention (PCI)	<b>8,233</b>	<b>+6.0</b>	<b>+9.6</b>	26.4
Cardiac rhythm segment (CRS)	<b>8,334</b>	<b>+6.4</b>	<b>+6.4</b>	26.8
Cardiac vascular segment (CVS)	<b>4,639</b>	<b>+10.0</b>	<b>+15.1</b>	14.9
Percutaneous peripheral intervention (PPI)	<b>1,811</b>	<b>+10.4</b>	<b>+11.0</b>	5.8
Neurovascular	<b>1,352</b>	<b>+6.8</b>	<b>+7.0</b>	4.3
Diabetes mellitus segment (DMS)	<b>1,316</b>	-	<b>+12.7</b>	4.2
Medical equipment	<b>2,836</b>	-	<b>+43.0</b>	9.1
Others	<b>2,618</b>	-	<b>+6.6</b>	8.4
Total	<b>31,144</b>	-	<b>+11.7</b>	100.0

# Segment review

(YoY)

(vs. forecast)

P C I

PTCA balloon/DES sales increased as the number of cases increased  
Gained new customers and new accounts at existing customers



C R S

ABL related sales continued growing on the back of market  
Expansion Sales for existing customers increased



C V S

Structural heart disease (SHD) inc. TAVI related sales continued  
growing due to application expansion



P P I

DCB/shunt PTA sales increased for new customers and  
new accounts at existing customers



N e u r o  
v a s c u l a r

Sales of thrombectomy devices for urgent treatments increased



M e d i c a l  
e q u i p -  
m e n t

Large-scale medical equipment sales increased  
Obtained Covid-19 related orders



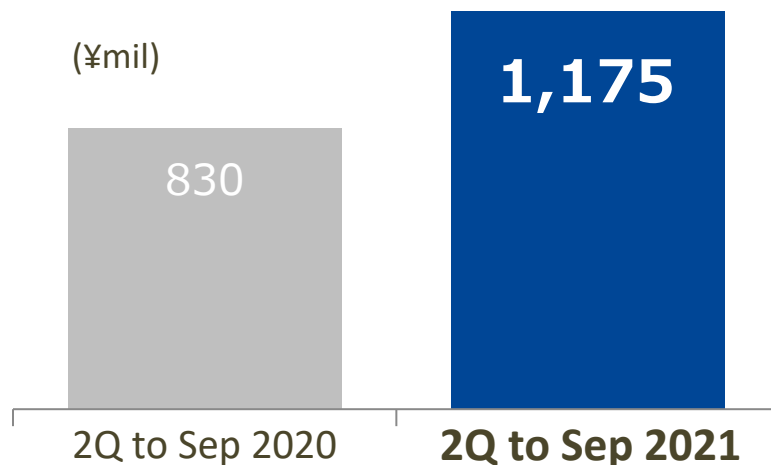
D M S

Blood glucose measuring equipment and insulin pump  
sales increased



# Highlights (Operating profit)

YoY **+41.5%** [ vs. RE ] **+12%**



- **Gross profit margins 12.5% (+0.1 pp YoY)**  
- rebate programs and price negotiations with suppliers were intensified
- **SGA +3.9% YoY**  
- both labor cost and general expenses were less than initially expected
- **Labor cost +3.3% YoY**  
- number of employees: 546 (Sep 2020) → 551 (Sep 2021)



# Consolidated income statements

	Sep 2020		Sep 2021	
	(¥mil)	(%)	(¥mil)	(%)
<b>Sales</b>	<b>27,883</b>	100.0	<b>31,144</b>	<b>100</b>
Cost of sales	24,438	87.6	27,251	87.5
<b>Gross profit</b>	<b>3,444</b>	12.4	<b>3,892</b>	<b>12.5</b>
SG&A expenses	2,613	9.4	2,716	8.7
<b>Operating profit</b>	<b>830</b>	3.0	<b>1,175</b>	<b>3.8</b>
Non-operating profit	6	0.0	3	0
Non-operating expenses	0	0.0	0	0
<b>Recurring profit</b>	<b>837</b>	3.0	<b>1,179</b>	<b>3.8</b>
Extraordinary profit	0	0.0	0	0
Extraordinary loss	0	0.0	0	0
<b>Pretax profit</b>	<b>837</b>	3.0	<b>1,179</b>	<b>3.8</b>
Taxes	264	0.9	379	1.2
<b>Net profit</b>	<b>572</b>	2.1	<b>799</b>	<b>2.6</b>

# Consolidated balance sheet

	Mar 2021		Sep 2021		Change (¥mil)
	(¥mil)	(%)	(¥mil)	(%)	
<b>Current assets</b>	<b>35,994</b>	<b>89.6</b>	<b>34,010</b>	<b>88.9</b>	<b>-1,984</b>
Cash and deposits	17,122	42.6	16,818	44.0	-304
Accounts receivable	15,966	39.7	14,203	37.1	-1,763
Inventories	2,334	5.8	2,293	6.0	-41
Other current assets	571	1.4	694	1.8	123
<b>Fixed assets</b>	<b>4,193</b>	<b>10.4</b>	<b>4,254</b>	<b>11.1</b>	<b>61</b>
<b>Total assets</b>	<b>40,187</b>	<b>100.0</b>	<b>38,264</b>	<b>100.0</b>	<b>-1,923</b>
<b>Current liabilities</b>	<b>17,960</b>	<b>44.7</b>	<b>16,159</b>	<b>42.2</b>	<b>-1,801</b>
Accounts payable	16,756	41.7	15,109	39.5	-1,647
Taxes payable	277	0.7	416	1.1	139
Other current liabilities	926	2.3	634	1.7	-292
<b>Fixed liabilities</b>	<b>1,088</b>	<b>2.7</b>	<b>1,133</b>	<b>3.0</b>	<b>45</b>
<b>Total liabilities</b>	<b>19,049</b>	<b>47.4</b>	<b>17,293</b>	<b>45.2</b>	<b>-1,756</b>
<b>Net assets</b>	<b>21,138</b>	<b>52.6</b>	<b>20,971</b>	<b>54.8</b>	<b>-167</b>
<b>Total liabilities, net assets</b>	<b>40,187</b>	<b>100.0</b>	<b>38,264</b>	<b>100.0</b>	<b>-1,923</b>

# Consolidated cashflow statements

	Sep 2020	Sep 2021
<b>Cash flows from operating activities</b>	<b>508</b>	<b>828</b>
Net profit before taxes	837	1,179
Depreciation	94	78
Notes and accounts receivable	1,336	1,763
Inventories	203	33
Notes and accounts payable	-1,557	-1,646
Tax paid	-367	-275
Other	-39	-302
<b>Cash flows from investing activities</b>	<b>-1,193</b>	<b>-156</b>
Purchase of tangible assets	-1,125	-107
Other	-68	-49
<b>Cash flows from financing activities</b>	<b>-947</b>	<b>-976</b>
Cash dividends paid	-947	-976
<b>Net increase in cash and cash equivalents</b>	<b>-1,632</b>	<b>-303</b>
<b>Cash and cash equivalents at beginning of FY</b>	<b>12,495</b>	<b>12,122</b>
<b>Cash and cash equivalents at the end of 2Q</b>	<b>10,862</b>	<b>11,818</b>

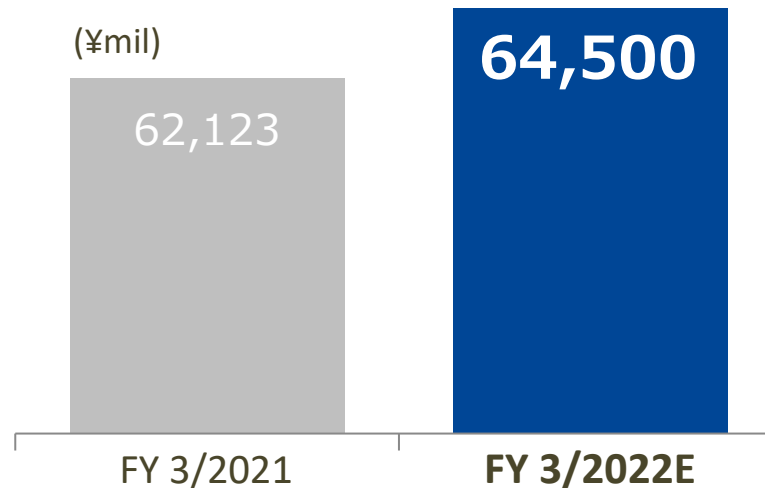
# Outlook for 3/2022

# Consolidated earnings forecasts to March 2022 (unchanged from the initial forecast)

	(¥mil)	YoY(%)	(%)
Sales	<b>64,500</b>	+3.8	100.0
Operating profit	<b>2,500</b>	+10.9	3.9
Recurring profit	<b>2,500</b>	+10.3	3.9
Net profit	<b>1,700</b>	+10.3	2.6
EPS (yen)	<b>59.22</b>		
DPS (yen)	<b>35.00</b>		

# Highlights (Sales)

YoY + **3.8%**



- **Prepare for ordinary medical treatments gradually returning back to normal**
- **Focus on gaining new customers & new accounts at existing customers**

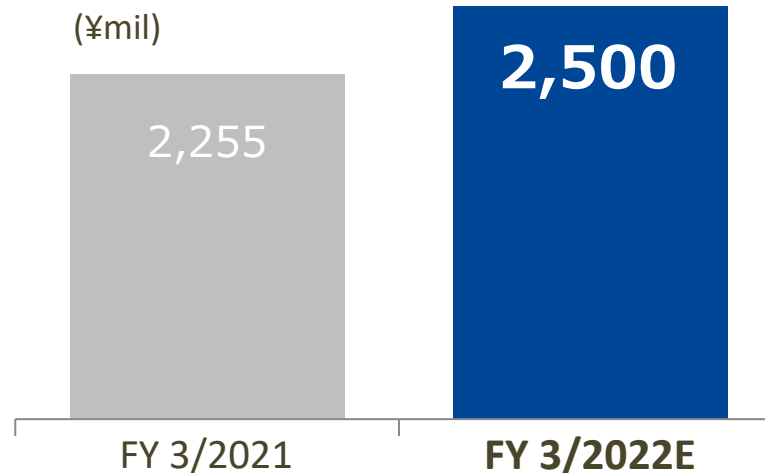
# Sales forecast by segment

	(¥mil)	YoY(%)	% of sales
Percutaneous coronary intervention (PCI)	<b>17,590</b>	+10.1	27.3%
Cardiac rhythm segment (CRS)	<b>17,420</b>	+6.5	27.0%
Cardiac vascular segment (CVS)	<b>9,270</b>	+6.9	14.4%
Percutaneous peripheral intervention (PPI)	<b>3,650</b>	+5.2	5.6%
Neurovascular	<b>2,970</b>	+9.3	4.6%
Diabetes mellitus segment (DMS)	<b>2,650</b>	+6.5	4.1%
Medical equipment ※	<b>5,600</b>	-9.6	8.7%
Others	<b>5,350</b>	-14.4	8.3%
<b>Total</b>	<b>64,500</b>	<b>+3.8</b>	<b>100.0%</b>

※ From 3/2022, the medical equipment segment includes large equipment together with small & mid-sized equipment.

# Highlights (Operating profit)

YoY **+10.9%**



- **Forecast of gross profit margins: 12.8%, (+0.3 pp)**

- intensifying price negotiations and rebate programs with suppliers
- switch to higher margin devices

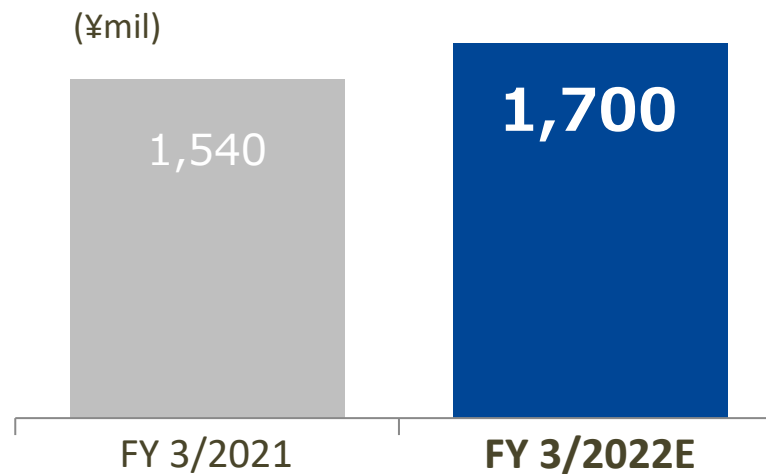
- **SG&A ¥5.72 bn (+4.4%)**

- forecast of the number of employees: 547 (Mar 2021) → 579 (Mar 2022)



# Highlights (Net profit)

YoY **+10.3%**



- Capex **¥70 mil** vs. ¥1.1 bn for FY 3/2021
- Depreciation **¥160 mil** vs. ¥194 mil for FY 3/2021

# What WIN is tackling

## ● Promotion of a logistics revolution

- continue support for the experimental study on IC tags on medical devices
- develop a new sales/inventory control system and construct “WIN Heart Gate”, a new distribution center

## ● Focus on CRS

- nurture “ablation specialists”
- increase CDRs (Cardiac Device Representatives: 90 - Sep 2021)

## ● M&A etc.

- continue investigating opportunities in order to expand business
- enhance operational efficiency with RPA

# WIN Heart Gate

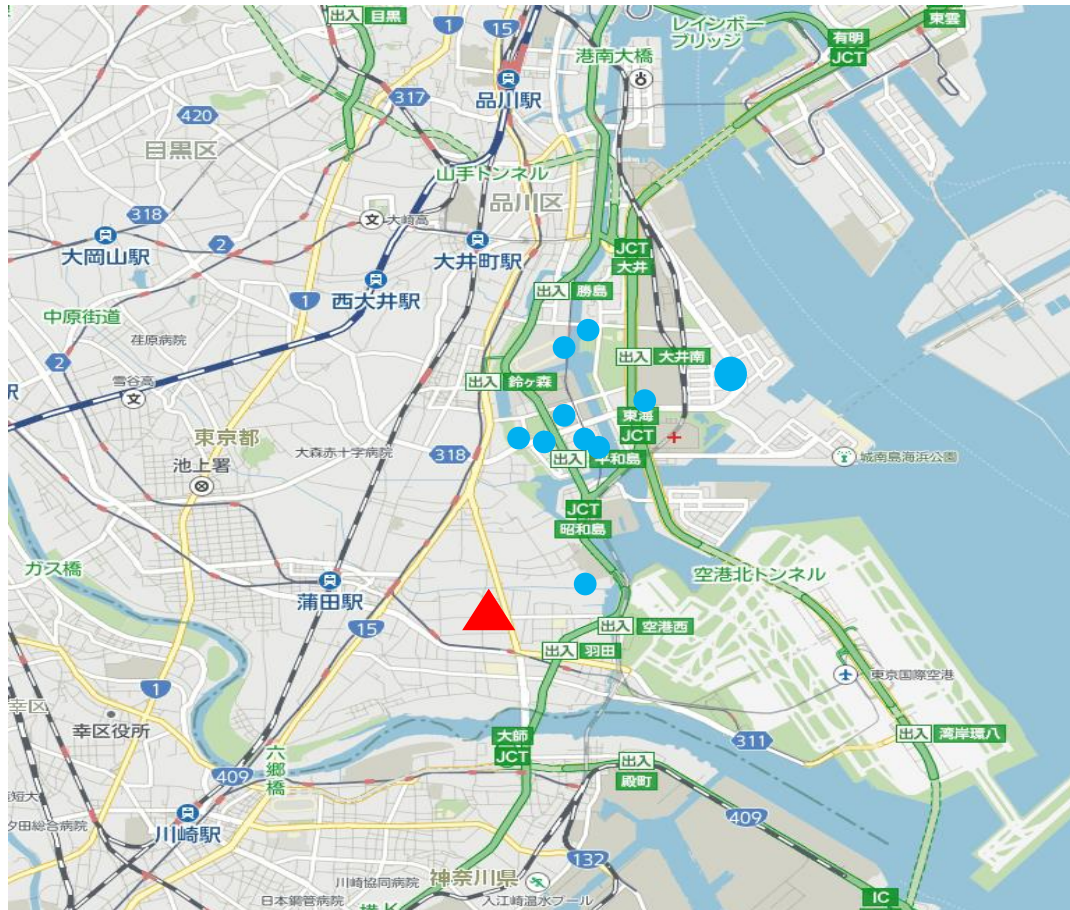


# Aim of WIN Heart Gate

**Achieve higher logistics efficiency by covering all sales bases in the metropolitan area**

- **Separate sales and logistics**
- **Utilize RFID**
  - improve efficiency of inventory control
  - enhance traceability of medical devices
  - reduce inventory loss
- **Lower distribution costs etc.**

# Location of WIN Heart Gate



▲ WIN Heart Gate

● Distribution facilities of medical equipment manufacturers (source: WIN Partners)

**Close to distribution facilities of medical device manufacturers**

# Investment and Schedule

## ● Investment

- land : ¥ 1,027 mil
- building : ¥ 840 mil (projection)
- equipment : ¥ 100 mil (projection)

## ● Schedule

- From Oct 2021 : simulation at a tentative storeroom
- around Nov 2022 : completion of the building
- early 2023 : test run
- by Oct 2023 : full operation with the new system (inc. main system)

# SDGs

## “KIRARIS”, a support team for female employees

KIRARIS = KIRARI (brightness in Japanese) + RISE

KIRARIS will advise management to improve the work-family balance and to promote the advancement of women through consultation services and in-house training etc.



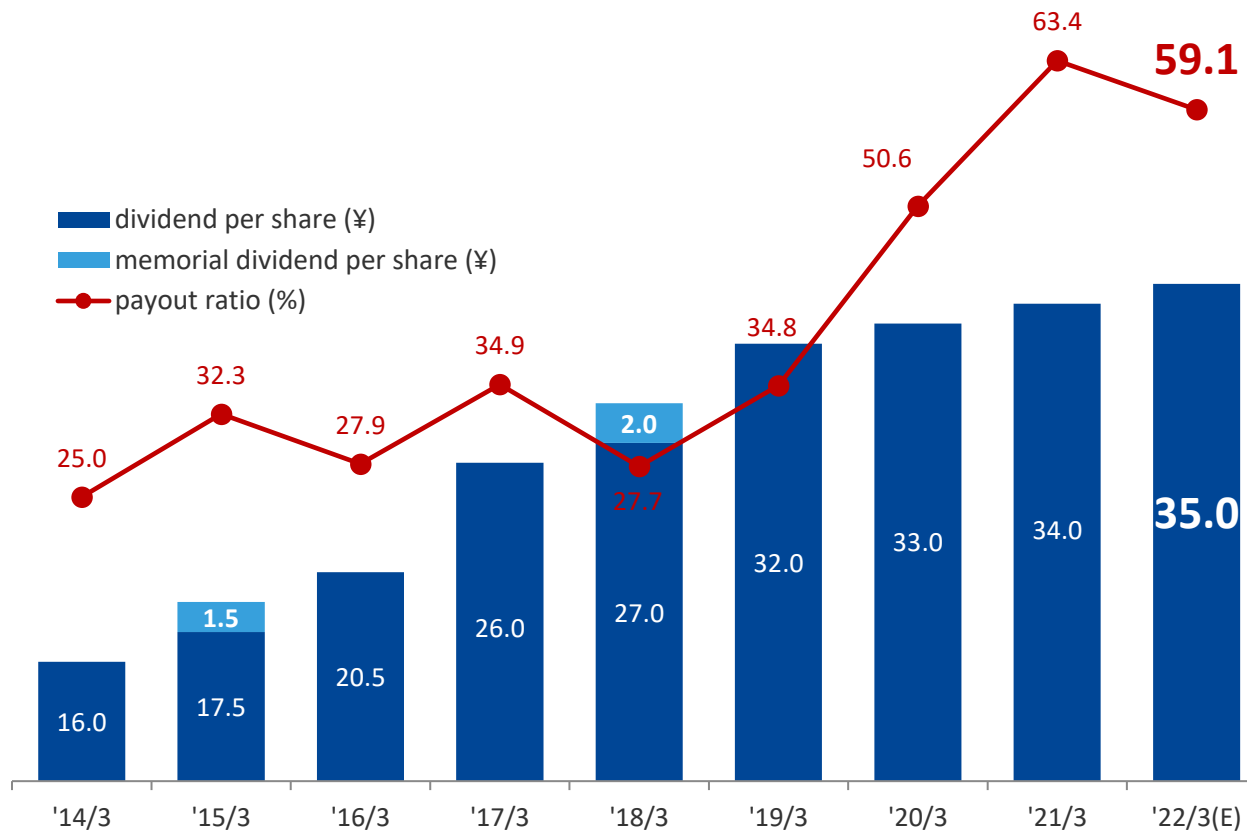
# Dividends & Payout ratio

+1 yen from March 2021

# 35 yen

Prospective payout ratio

# 59.1%

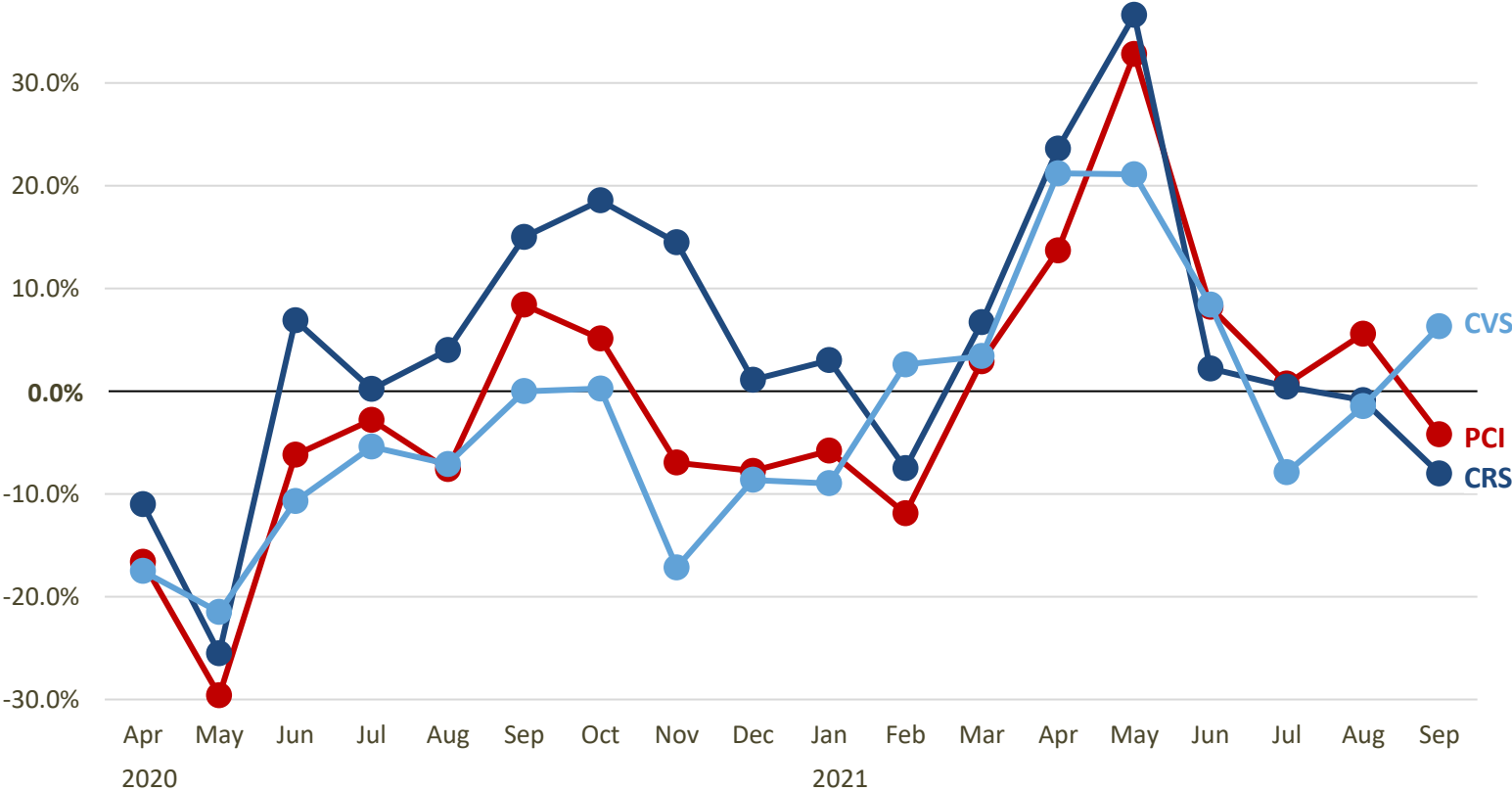




# Reference

# Trend of the number of cases

### YoY change in the number of cases in major segments



# The reimbursement prices of major products

Segment	Items	Reimbursement prices (¥000)		Change (%)
		2019 (Oct)	2020 (Apr)	
<b>PCI</b>	PTCA balloon catheter	38	35	- 8.7
	Drug eluting stent (DES)	173	161	- 6.9
	Intravascular ultrasound (IVUS) catheter	84	80	- 4.6
<b>CRS</b>	Pacemaker	763	720	- 5.6
	Implantable cardioverter defibrillator (ICD)	2,950	2,950	0.0
	Cardiac resynchronization therapy defibrillator (CRTD)	3,990	3,990	0.0
	Subcutaneous implantable defibrillator (S-ICD)	3,120	3,120	0.0
	Ablation catheter	126	124	- 1.6
	Cardiac cryoablation catheter	649	649	0.0
<b>CVS</b>	Stent graft (abdomen)	1,320	1,320	0.0
	Open stent graft	1,110	1,110	0.0
	Heart valve for transcatheter aortic valve implantation (TAVI) (balloon-expandable)	4,510	4,510	0.0
	Heart valve for TAVI (self-expandable)	3,740	3,740	0.0
<b>PPI</b>	PTA balloon catheter	56	55	- 1.6
	Peripheral vascular stent	175	174	- 0.6
	Peripheral drug eluting stent (DES)	233	233	0.0
<b>Neurovascular</b>	Emboloc coil (electric type)	118	118	0.0
	Thrombectomy catheter (self-expandable)	386	386	0.0

# Major products

Segment

Disease

Product

**PCI**

- Myocardial infarction
- Angina

PTCA balloon catheter



Drug-eluting stent (DES)



Intravascular ultrasound (IVUS) catheter



**CRS**

- Abnormal cardiac rhythm

Pacemaker



Implantable cardioverter defibrillator (ICD)



Cardiac resynchronization therapy defibrillator (CRTD)



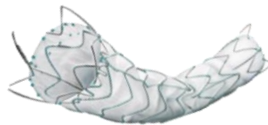
Ablation catheter



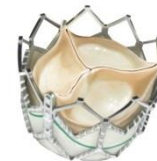
**CVS**

- Aortic aneurysm
- Aortic stenosis

Stent graft



Transcatheter aortic valve



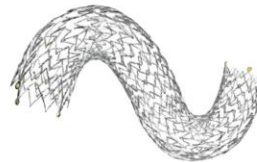
Mechanical heart valve



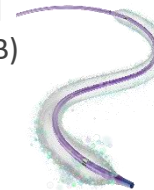
**PPI/  
Neuro  
vascular**

- Arteriosclerosis obliterans

Peripheral vascular stent



Drug-coated balloon (DCB)



Neurovascular occlusion coil



**DMS/  
Medical  
equipment**

- Diabetes
- Diagnosis

Insulin pump



Continuous glucose monitoring (CGM)

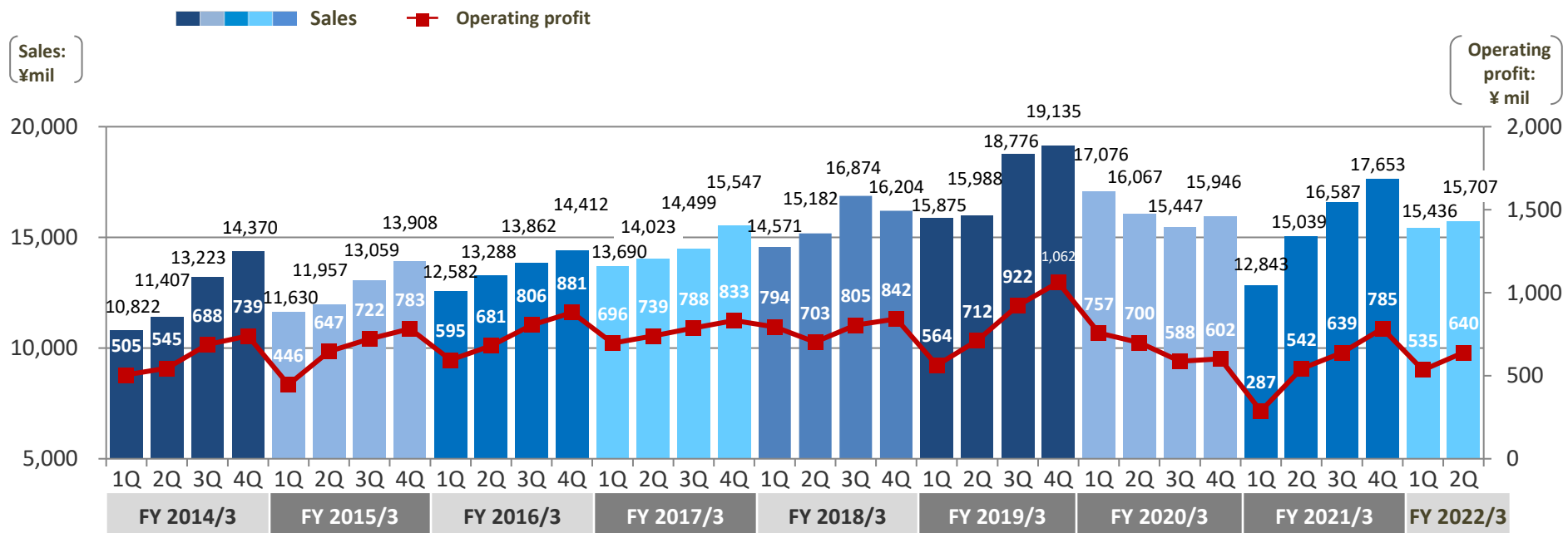


Magnetic resonance imaging (MRI)



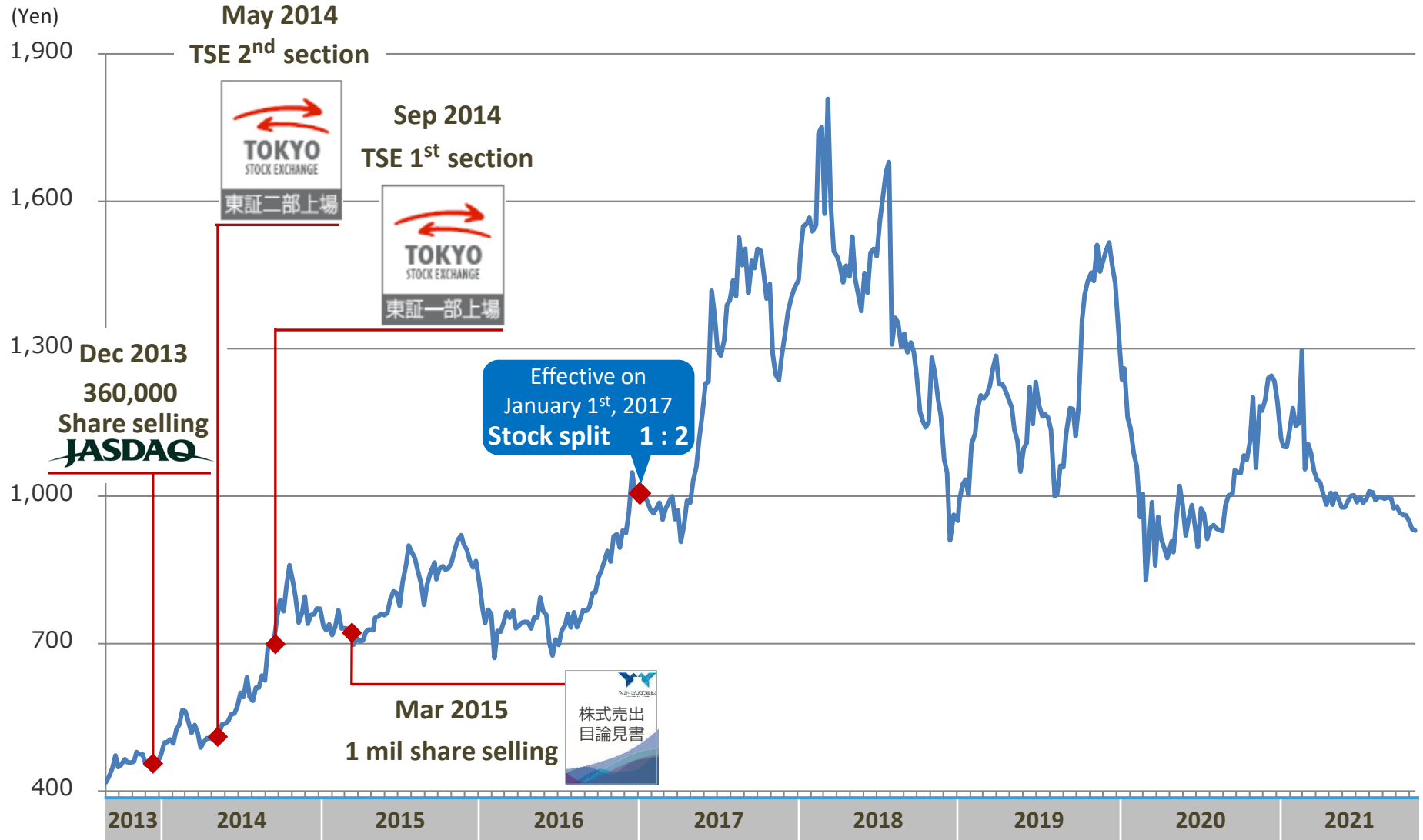
# Track record of quarterly results

## Sales/Operating profit (quarterly)



■ = Year of reimbursement price revisions

# Share price





## Disclaimer

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