



WIN A BETTER QUALITY OF LIFE
INNOVATION
PARTNERSHIP
TRUST

SAFETY
CREATE VALUE

LEADERSHIP
HEALTHY SOCIETY

Results Presentation 1Q FY March 2021

Win-Partners Co., Ltd. (3183)



WINはQOL推進企業です

1Q results ending June 2020

Consolidated results summary

(¥mil) 1Q to	June 2019	June 2020	YoY(%)
Sales	17,076	12,843	-24.8
Operating profit	757	287	-62.0
Recurring profit	758	291	-61.6
Net profit	519	199	-61.7
EPS (yen)	18.09	6.93	-
BPS (yen)	666.99	688.48	-

Highlights

Sales - 24.8% YoY

Non acute coronary disease treatments have been postponed due to COVID-19

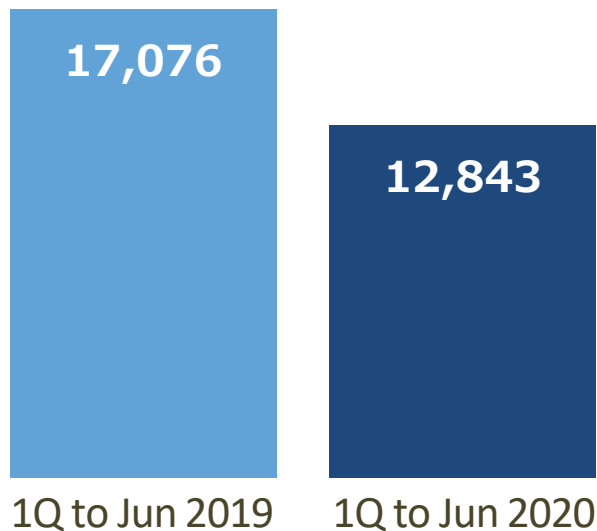
(¥mil)

Absence of sales to a hospital chain from June last year

(¥2bn)

Reimbursement price revision in October 2019 & April 2020

(48.3% agreed as at June)



Sales impact by the reimbursement price revision

Segment	Assumed impact(%)	
	2019(Oct)※1	2020(Apr)※2
Percutaneous Coronary Intervention (PCI)	-6.1	-3.7
Cardiac Rhythm Segment (CRS)	-3.3	-1.2
Cardiac Vascular Segment (CVS)	-0.6	-0.4
Percutaneous Peripheral Intervension (PPI)	-4.2	-0.8
Brain Surgery	-0.2	-1.3
Others	-0.3	-0.1
Total	-2.8	-1.5

※1: Calculated based on sales mix/volume in the 2nd half to September 2018

※2: Calculated based on reimbursement prices revised in October 2019

The reimbursement prices of major products

Segment	Items	Reimbursement prices (¥000)			
		2018 (Apr)	2019 (Oct)	2020 (Apr)	Change % ('18 vs '20)
PCI	PTCA Ballon Catheter	45	38	35	- 21.8
	DES (Drug Eluting Stent)	193	173	161	- 16.6
	IVUS (Intravascular Ultrasound Catheter)	89	84	80	- 10.3
CRS	Pacemaker	831	763	720	- 13.4
	ICD (Implantable Cardioverter Defibrillator)	3,040	2,950	2,950	- 3.0
	CRTD (Cardiac Resynchronization Therapy Defibrillator)	4,140	3,990	3,990	- 3.6
	Subcutaneous Implantable Defibrillator (S-ICD)	3,060	3,120	3,120	2.0
	Ablation Catheter	133	126	124	- 6.8
	Cardiac CryoAblation Catheter	637	649	649	1.9
CVS	Stent graft (abdomen)	1,300	1,320	1,320	1.5
	Open Stent graft	1,090	1,110	1,110	1.8
	Heart valve for Transcatheter Aortic Valve Implantation (TAVI) (Balloon-expandable)	4,430	4,510	4,510	1.8
	Heart valve for TAVI (self-expandable)	3,670	3,740	3,740	1.9
PPI	PTA Ballon Catheter	60	56	55	- 8.8
	Peripheral Vascular Stent	179	175	174	- 2.8
	Peripheral DES (Drug Eluting Stent)	229	233	233	1.7

Sales breakdown by segment

	Sales (¥mil)	YoY growth (%)		% of sales	
		Volume	Value	(%)	Change (pp)
Percutaneous coronary intervention (PCI)	3,476	-29.7	-35.3	27.1	-4.4
Cardiac rhythm segment (CRS)	3,619	-18.9	-22.4	28.2	+0.9
Cardiac vascular segment (CVS)	1,890	-13.8	-25.6	14.7	-0.2
Percutaneous peripheral intervention (PPI)	772	-11.8	-19.0	6.0	+0.4
Brain surgery	578	-16.3	-13.4	4.5	+0.6
Diabetes mellitus segment (DMS)	577	-	+13.5	4.5	+1.5
Large-sized medical equipment	399	-	-37.3	3.1	-0.6
Others	1,528	-	-11.6	11.9	+1.8
Total	12,843	-	-24.8	100.0	

Segment review

P C I

suffered from the lower number of cases, decreased sales to a major customer and the reimbursement price revision

C R S

suffered from the lower number of cases, decreased sales to a major customer. Sales for new customers increased

C V S

suffered from the lower number of cases and decreased sales to a major customer

P P I

suffered from the lower number of cases for arteriosclerosis obliterans

**L a r g e
e q u i p
- m e n t**

saw the size of projects contract and rented products sales decrease

DMS

saw demand front-loaded prior to the Covid-19 infection spread

Highlights

Operating
profit

- **62%** YoY

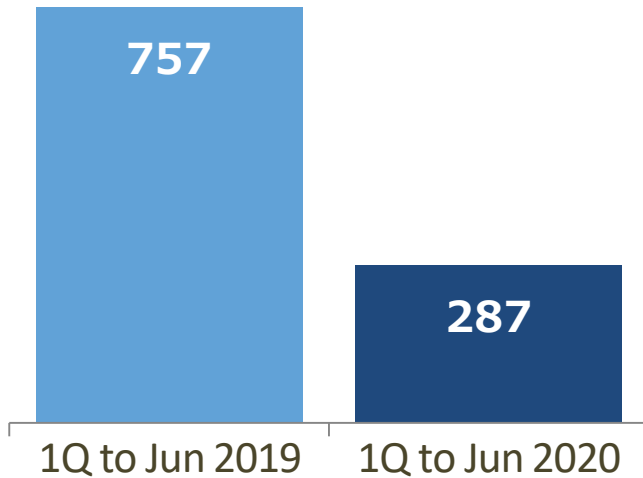
Gross profit margin 12.3%(-0.5pp YoY)

- Sales volume decreased in PCI and CRS due to the lower number of cases
- Sales mix deteriorated
- Selling prices for which the negotiations had not come to agreement with customers were included conservatively

SGA -9.3%

- Labor cost -3.5%
- Number of employees :552(June 2019)→549(June 2020)

(¥mil)



Consolidated income statements

1Q to	Jun 2019		Jun 2020	
	(¥mil)	(%)	(¥mil)	(%)
Sales	17,076	100.0	12,843	100.0
Cost of sales	14,898	87.2	11,268	87.7
Gross profit	2,178	12.8	1,575	12.3
SG&A expenses	1,420	8.3	1,287	10.0
Operating profit	757	4.4	287	2.2
Non-operating profit	1	0.0	3	0.0
Non-operating expenses	0	0.0	0	0.0
Recurring profit	758	4.4	291	2.3
Extraordinary profit	0	0.0	0	0.0
Extraordinary loss	0	0.0	0	0.0
Pretax profit	758	4.4	291	2.3
Taxes	239	1.4	92	0.7
Net profit	519	3.0	199	1.5

Consolidated balance sheet

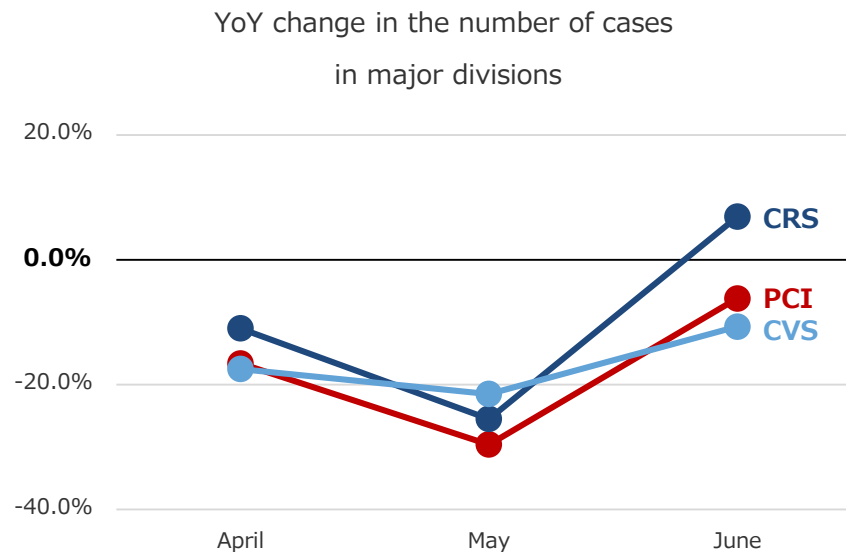
	Mar 2020		Jun 2020		Change (¥mil)
	(¥mil)	(%)	(¥mil)	(%)	
Current assets	35,499	91.9	32,418	91.0	-3,081
Cash and deposits	17,495	45.3	17,070	47.9	-425
Accounts receivable	14,666	38.0	11,853	33.3	-2,812
Inventories	2,571	6.7	2,314	6.5	-256
Other current assets	767	2.0	1,179	3.3	412
Fixed assets	3,132	8.1	3,220	9.0	88
Total assets	38,632	100.0	35,639	100.0	-2,993
Current liabilities	17,098	44.3	14,824	41.6	-2,273
Accounts payable	15,899	41.2	13,267	37.2	-2,631
Taxes payable	435	1.1	104	0.3	-331
Other current liabilities	762	2.0	1,452	4.1	689
Fixed liabilities	1,029	2.7	1,049	2.9	20
Total liabilities	18,127	46.9	15,874	44.5	-2,252
Net assets	20,505	53.1	19,764	55.5	-740
Total liabilities, net assets	38,632	100.0	35,639	100.0	-2,993

Outlook

Impact from COVID-19

From April onward

- Some of non-acute (COVID-19 irrelevant) coronary disease treatments have been postponed and infection-averse outpatients have decreased, which has resulted in a sharp drop in the number of cases for PCI, CRS and CVS
- Sales activity has been limited in order to prevent the infection spread
- The number of cases have been on a recovery trend since the bottom in May

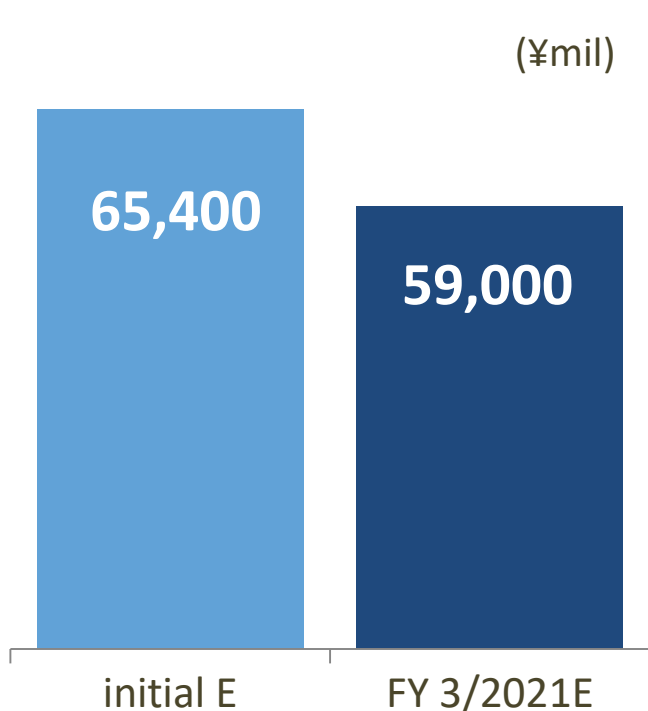


Consolidated Revised Forecasts to March 2021

	(¥mil)	YoY (%)	initial E(¥mil)
Sales	59,000	-8.6	65,400
Operating profit	2,000	-24.5	2,660
Recurring profit	2,000	-24.7	2,660
Net profit	1,370	-26.8	1,830
EPS (yen)	47.72		63.74
DPS (yen)	34.00		34.00

Revised forecast highlights

Sales **-8.6%** YoY



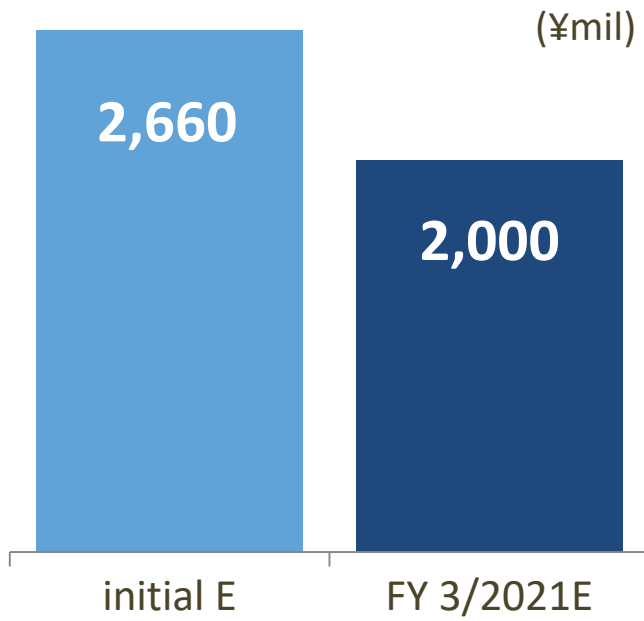
Given the Q1 results, the number of cases are not expected to recover sharply from Q2 onward

Revised sales breakdown by segment

	(¥mil)	YoY(%)	initial E(¥mil)
Percutaneous coronary intervention (PCI)	16,420	-13.4	18,740
Cardiac rhythm segment (CRS)	16,180	-6.9	18,130
Cardiac vascular segment (CVS)	8,220	-10.4	9,250
Percutaneous peripheral intervension (PPI)	3,270	-6.2	3,620
Brain surgery	2,350	-10.5	2,590
Diabetes mellitus segment (DMS)	2,380	+8.5	2,540
Large-sized medical equipment	5,440	+39.4	5,340
Others	4,740	-30.5	5,190
Total	59,000	-8.6	65,400

Revised forecast highlights

Operating profit **-24.5%** YoY



Forecast of gross profit margins
12.8%, (+0.1pp YoY, unchanged from initial forecast)

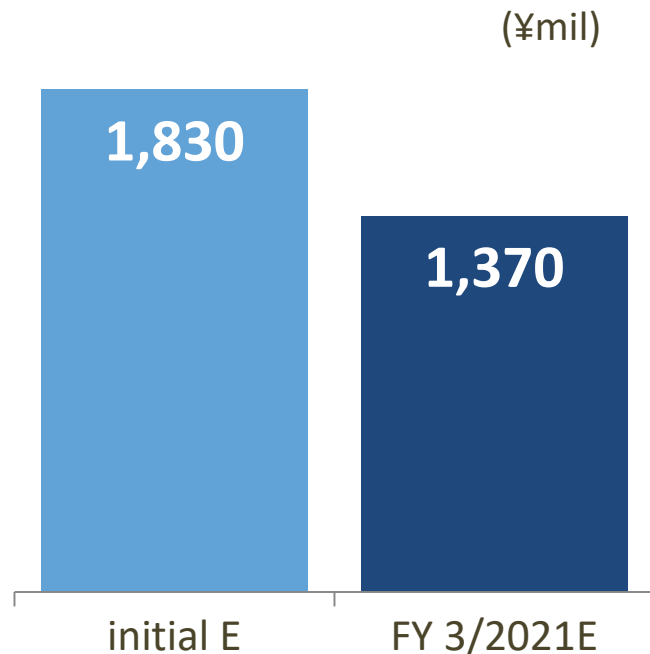
- Higher profit margins on the large-sized equipment
- Intensifying the rebate programs with suppliers

SG&A ¥5.5bn (+0.3% YoY, revised from initial forecast of ¥5.74bn)

- Forecast of number of employees 541(Mar 2020) → 581 (Mar 2021)

Revised forecast highlights

Net profit **-26.8%** YoY



Capex **¥100 mil**

vs. ¥97mil for FY 3/2020

Depreciation **¥180 mil**

vs. ¥196mil for FY 3/2020

What WIN will do

① Compress idle inventories

Reduce disposal loss

② Acquire new customers

Effectively utilize in-house resources such as short-time employees

③ M&A

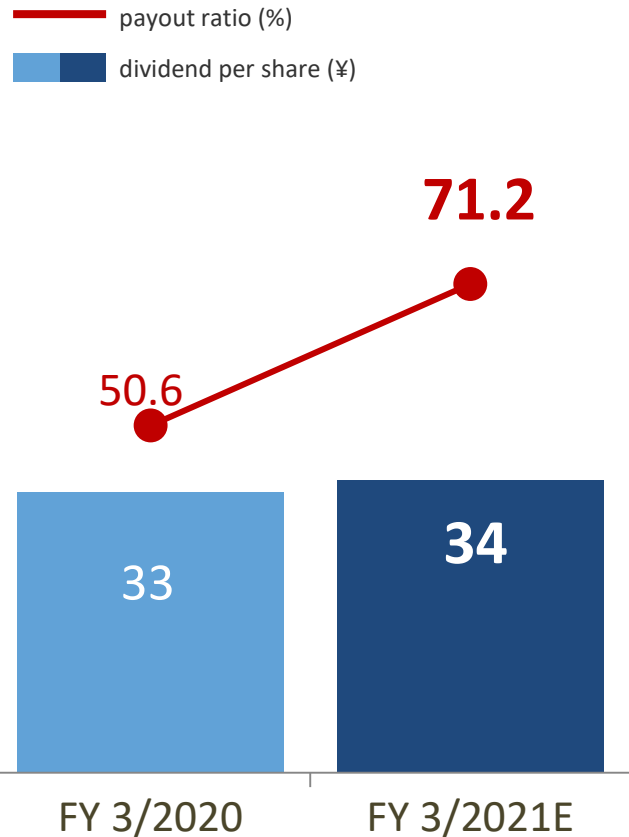
Continue studying M&A targets for business expansion

④ Focus on CRS

Promote products with high growth potential (e.g. ablation, ICD)

⑤ Logistic revolution (separation of shipment procedure)

Dividends











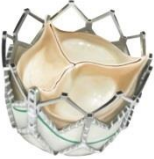

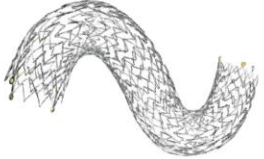





34 yen

(initial forecast unchanged)

(Payout ratio)
71.2%

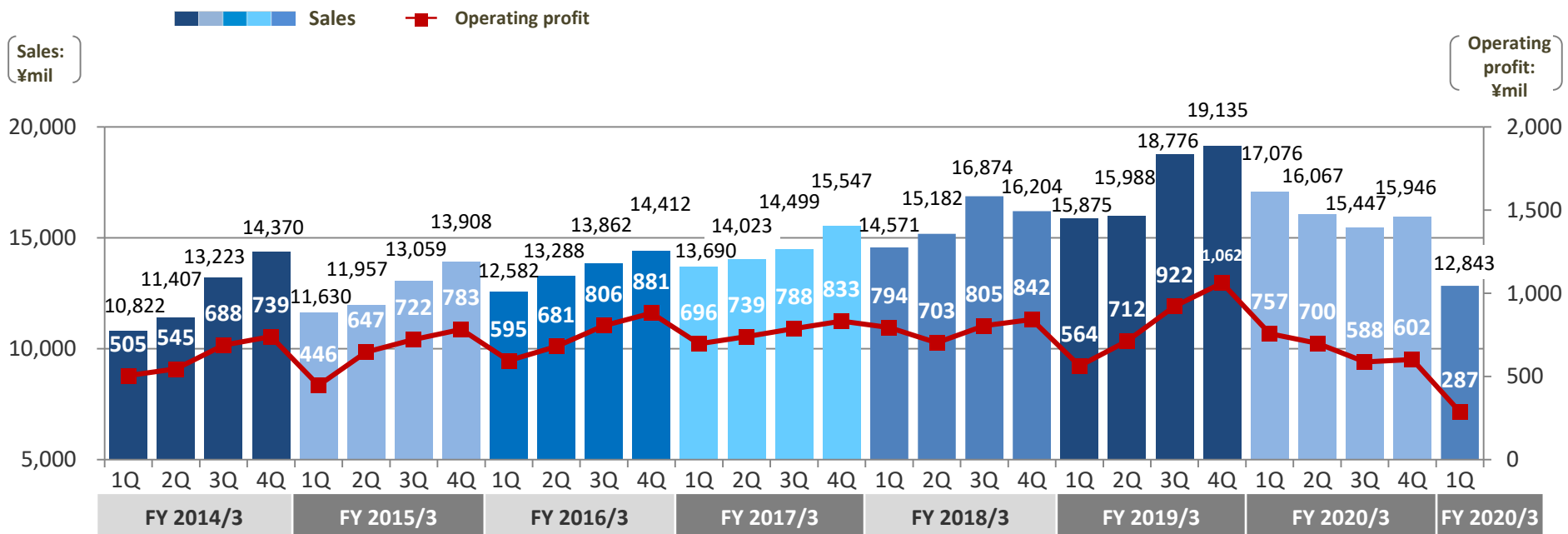
Reference

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		Neurovascular occlusion coil			
DMS/ Large equipment	<ul style="list-style-type: none"> Diabetes Diagnosis 	Insulin pump		X-ray equipment		Magnetic resonance imaging (MRI)			

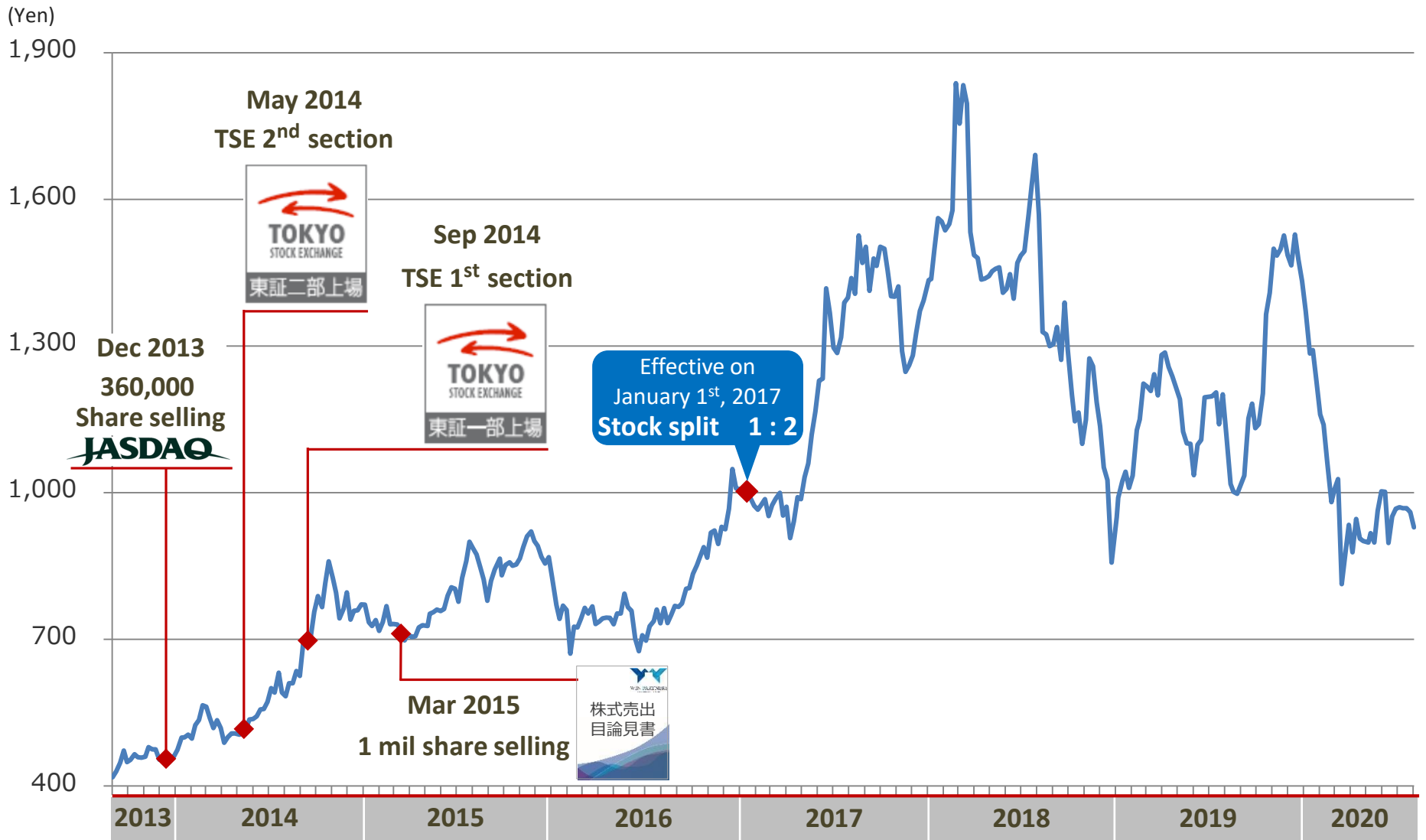
Track record of quarterly results

Sales/Operating profit (quarterly)



■ = Year of reimbursement price revisions

Share price





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