

May 2014
RESULTS
PRESENTATION
Full year ended March 2014

WIN-Partners Co., Ltd.



STOCK CODE : 3183



Full Year Results to March 2014

Achieved Sales and Profit Targets

	FY March 2013 Sum of two companies	FY March 2014	YoY	OE
Sales	42,346	49,826	+17.7%	45,580
Operating profit	2,047	2,479	+21.1%	2,280
Recurring profit	-	2,499	-	2,288
Net profit	-	1,840	-	1,597
EPS (yen)	-	128.22	-	111.26
BPS (yen)	-	782.58	-	-

Consolidated Income Statements

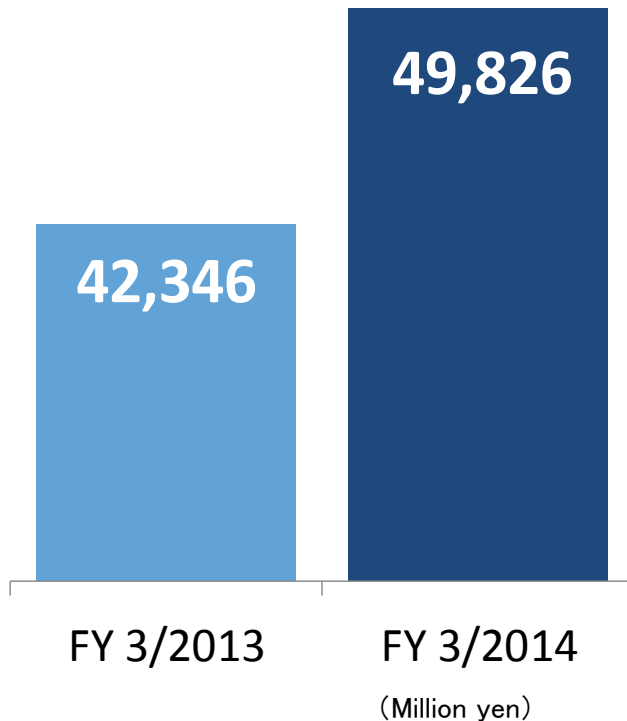


	FY March 2014 (Million yen)	(%)
Sales	49,826	100.0
Cost of sales	43,431	87.2
Gross profit	6,395	12.8
SG&A expenses	3,915	7.9
Operating profit	2,479	5.0
Non-operating profit	20	0.0
Non-operating expenses	0	0.0
Recurring profit	2,499	5.0
Extraordinary profit	378	0.8
Extraordinary loss	107	0.2
Pretax profit	2,770	5.6
Taxes	929	1.9
Net profit	1,840	3.7

Sales

Like-for-like **+17.7%**

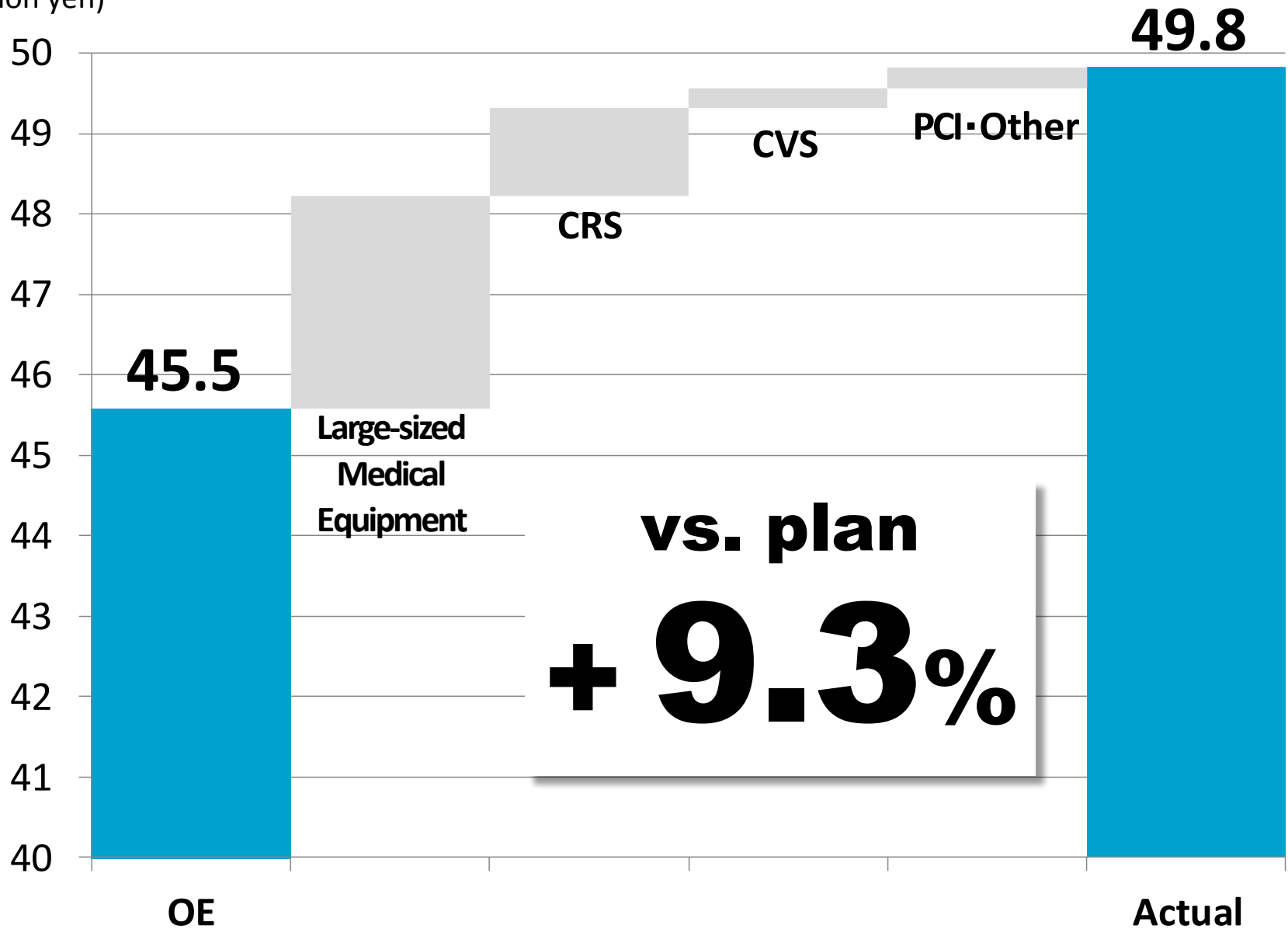
vs. plan **+ 9.3%**



- All segments achieved higher sales
- Large-sized equipment and CRS running ahead of plan
- Openings of new sales offices and staff expansion last year contributing to **+3.7%** growth

Sales Performance

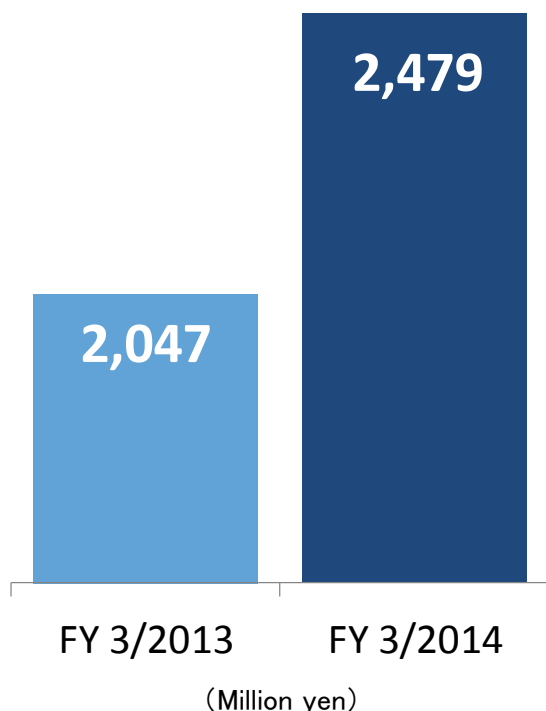
(Billion yen)



Operating profit

Like-for-like **+21.1%**

vs. plan **+ 8.7%**



- Gross profit exceeded plan but higher sales of large-sized equipment depressed gross margin

like-for-like ▲0.3ppt

vs. plan ▲0.7ppt

- SG&A expenses in line with plan
- Achieved OPM 5%

like-for-like +0.1ppt

Net Profit

¥1.84bn

¥378mil extraordinary profit boosted net profit

including profit relating to the merger:

¥ 196mil negative goodwill

¥ 180mil valuation profit of TESCO shares

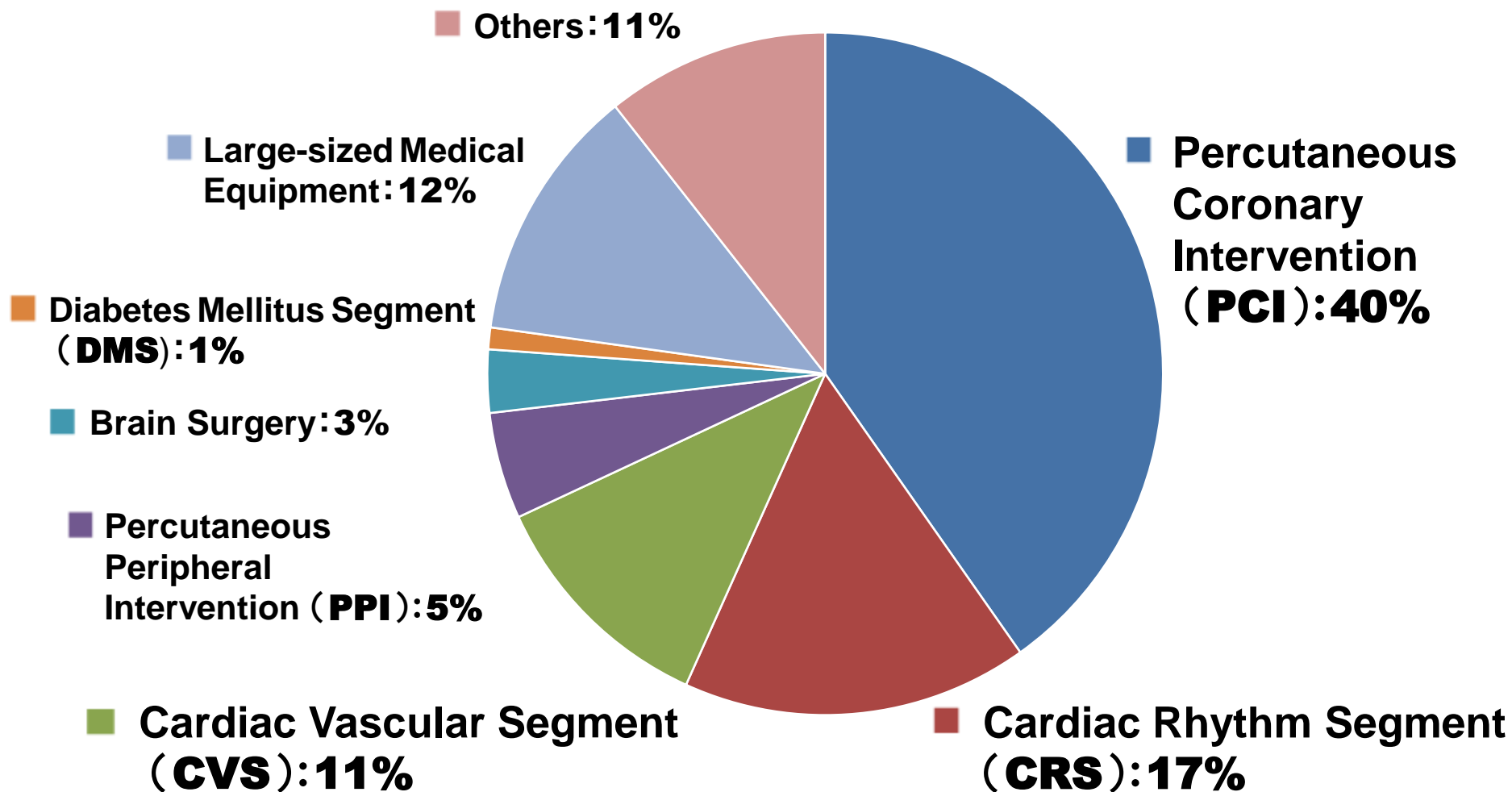
¥107mil extraordinary loss

including sales losses on land and building relating to the moving of North Kanto sales office

Consolidated Sales Breakdown by Segment

Segment	Sales (Million yen) FY March 2014	Growth (%)		% of sales
		Volume	Value	
Percutaneous Coronary Intervention (PCI)	20,028	+6.9	+6.7	40
Cardiac Rhythm Segment (CRS)	8,250	+21.5	+23.4	17
Cardiac Vascular Segment (CVS)	5,655	+10.9	+18.2	11
Percutaneous Peripheral Intervention (PPI)	2,520	+18.6	+7.6	5
Brain Surgery	1,486	+34.6	+29.6	3
Diabetes Mellitus Segment (DMS)	513	-	+3.2	1
Large-sized Medical Equipment	6,054	-	+72.6	12
Other	5,318	-	+15.2	11
TOTAL	49,826	-	+17.7	100

Consolidated Sales Breakdown



Market Overview

- ◆ Market growth slowing down due to higher penetration of DES (Drug Eluting Stent) reducing repeated vasoconstriction

Our Approach

- ◆ Proposed measures to increase patients to our customer hospitals
- ◆ Emphasized supports for medical institution corporation



The number of procedures at our customer hospitals increased 5.1% vs. market growth ▲0.2%

PCI sales +6.7% like-for-like

Market Overview

- ◆ MRI-conditional pacemaker dominates the pacemaker market (launched in October 2012)
- ◆ New allocation of remuneration to MRI-conditional ICD, CRTD in October 2013 encouraged market growth

Our Approach

- ◆ Emphasized sales of high-priced MRI-conditional pacemaker
- ◆ Emphasized instructional marketing for atrial fibrillation treatment



- **MRI-conditional pacemaker reached 53% of pacemaker sales**
- **ICD, CRTD, EP Ablation posted higher growth**

CRS sales +23.4% like-for-like

Market Overview

- ◆ Higher remuneration for endovascular aortic repair encouraged market growth
- ◆ TAVI(Transcatheter Aortic Valve Implantation) started in October 2013

Our Approach

- ◆ Supported customer hospitals to start up endovascular aortic repair and TAVI



Gained new customers

Achieved 52 procedures of TAVI

CVS sales +18.2% like-for-like

Market Overview

- ◆ Peripheral vascular stents newly covered by insurance and new allocation of remuneration to percutaneous transluminal angioplasty supported to increase the number of procedures

Our Approach

- ◆ Supported customer hospitals to star up PPI



**Our customer share expanded from
cardiology department to other departments**

PPI Sales +7.6% like-for-like

Market Overview

- ◆ Improving recognition of insulin pump in Japan
- ◆ The launch of competitive products is likely to boost market growth

Our Approach

- ◆ Emphasized sales activities to acquire new customer hospitals
- ◆ Continued instructional marketing activities of insulin pump therapy
- ◆ Supported to introduce patients with diabetic complication to cardiology departments



Insulin pump rental revenue rose 25%

Segment growth was slower due to lower sales of other products

DMS Sales: +3.2% like-for-like

Maintain Healthy Balance Sheet post M&A

March 2014	(Million yen)	(%)
Current Assets	23,922	88.8
Cash and deposits	8,563	31.8
Accounts receivable	13,798	51.2
Inventory	1,124	4.2
Other current assets	436	1.6
Fixed Assets	3,011	11.2
Total Assets	26,934	100.0
Current Liabilities	15,326	56.9
Accounts payable	14,276	53.0
Taxes payable	500	1.9
Other current liabilities	549	2.0
Fixed Liabilities	374	1.4
Total Liabilities	15,701	58.3
Net Assets	11,233	41.7

Consolidated Cashflow Statements



FY March 2014 (Million yen)

Cash flows from operating activities	2,892
Net profit before taxes	2,770
Depreciation	240
Negative goodwill	▲196
Equity valuation profit	▲180
Notes and accounts receivable-trade	▲1,701
Inventories	159
Notes and accounts payable-trade	2,635
Income tax paid	▲1,048
Cash flows from investing activities	▲854
Purchase of property and equipment	▲828
Proceeds from sale of investment securities	8
Cash flows from financing activities	▲355
Cash dividends paid	▲355
Net increase in cash and cash equivalents	1,682
Cash and cash equivalents at beginning of the fiscal year	4,611
Net increase in cash and cash equivalents from joint share transfer	2,269
Cash and cash equivalents at the end of the fiscal year	8,563

Land and buildings for North Kanto and Koriyama sales office relocation

Full Year Forecasts to March 2015

Further earnings growth absorbing lower selling prices

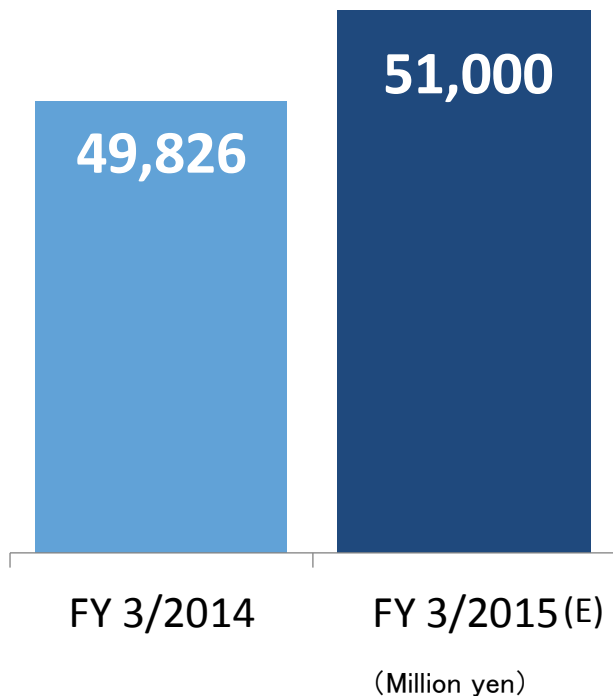
FY March 2015 (E)

	(Million yen)	(%)	YoY(%)
Sales	51,000	100.0	+2.4
Operating profit	2,573	5.0	+3.8
Recurring profit	2,578	5.1	+3.2
Net profit	1,659	3.3	▲9.9
EPS (yen)	115.59	-	▲9.9
BPS (yen)	35.0	-	+9.4

Sales

+2.4%

(YoY)

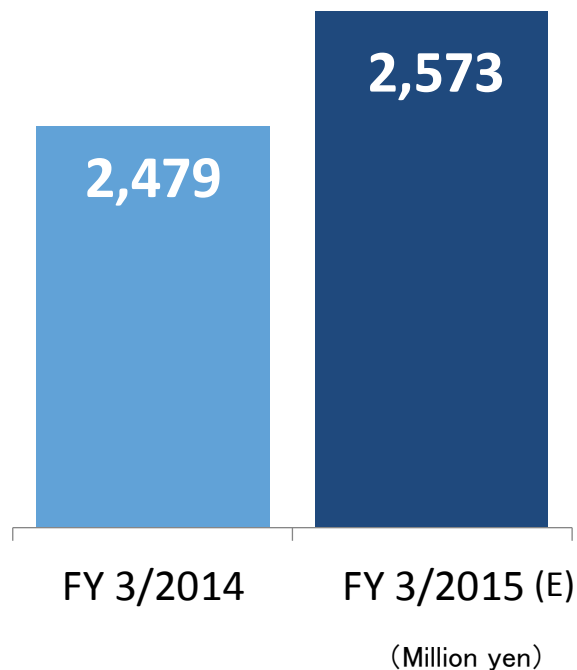


- Reimbursement price cut impact **▲5.7%**
- Aim to pass consumption tax hike to customers
- Higher volume sales absorbing lower prices
- Focus to expand market share of PCI, CRS, CVS

Operating Profit

+3.8%

(YoY)



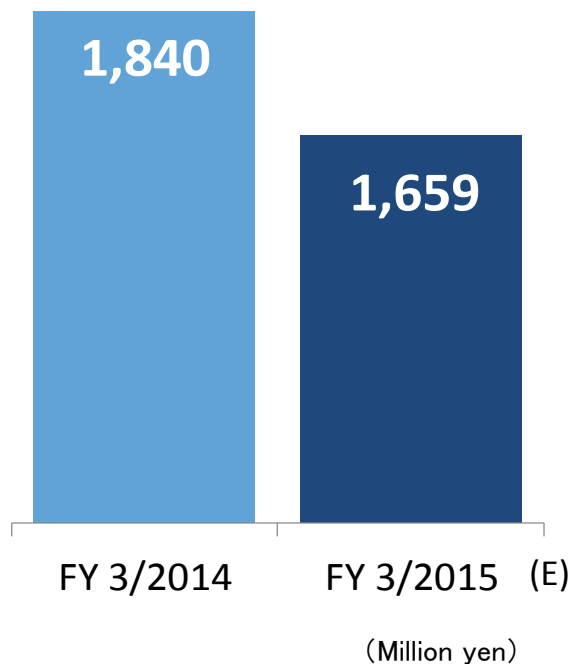
- **Gross profit margin 13.3 % + 0.5 ppt YoY**
 - (1) Cost reduction through taking inventory risk of PTCA balloon catheter
 - (2) Cost reduction though volume discount
- **SG&A expenses +7.9 % YoY**
including labor cost
+13.9 % YoY

Net Income

▲ **9.9%**

(YoY)

Absence of merger-related
extraordinary profits



Capex · Depreciation

Capex

¥690 mil

vs. ¥960 mil for FY March 2014

Depreciation

¥270 mil

vs. ¥240 mil for FY March 2014

① Reimbursement price cut of devices

⇒ Impact to our group: Average ▲**5.7%** on sales

② Stricter assessment of acute care hospitals

⇒ c.**30%** of acute care hospitals likely to be disqualified



**Polarization of hospital functions
among customer hospitals**

① Impact of Reimbursement Price Cuts

Impact on group sales **▲5.7%**

Segment	Reimbursement Prices (1,000 yen)		Impact on Sales (%)
	2012	2014	
Percutaneous Coronary Intervention (PCI)	-	-	▲8.5
PTCA Ballon Catheter	79	67	▲14.9
DES (Drug Eluting Stent)	295	261	▲11.5
IVUS (Intravascular Ultrasound Catheter)	115	109	▲5.2
Cardiac Rhythm Segment (CRS)	-	-	▲4.6
Pacemaker	1,000	827	▲17.3
ICD (Implantable Cardioverter Defibrillator)	3,060	2,970	▲2.9
CRT-D (cardiac Resynchronization Therapy Difibrillator)	4,090	4,040	▲1.2
Ablation Catheter	158	149	▲5.7
Cardiac Vascular Segment (CVS)	-	-	▲2.0
Stentgraft(Abdomen)	1,520	1,510	▲0.7
Percutaneous Peripheral Intervention (PPI)	-	-	▲5.6
Brain Surgery	-	-	▲1.2
TOTAL	-	-	▲5.7

Reimbursement prices affect our selling prices

Our Strategies

(1) Dominance in cardiovascular market

- Focus on growing CRS, CVS
- Increase sales volume and expand value-added products
- Reduce procurement costs backed by higher market share

(2) New procurement scheme

- Improve GPM through bulk purchasing, taking inventory risk

Stricter assessment of hospital functions likely force our customers to change status

Our Strategies

(1) To customers to stay as acute care hospitals

- Support to enhance acute care functions
- Approach new customers with potentials

(2) To customers to transform hospital functions

- Support to transform into sub-acute care hospitals etc.

Sales Forecasts by Segment

Segment	FY March 2015E		Growth YoY(%)	Change of product mix (ppt)
	(Million yen)	(%)		
Percutaneous Coronary Intervention (PCI)	21,182	41.5	+5.8	1.3
Cardiac Rhythm Segment (CRS)	8,986	17.6	+8.9	1.1
Cardiac Vascular Segment (CVS)	6,977	13.7	+23.4	2.3
Percutaneous Peripheral Intervension (PPI)	3,167	6.2	+25.7	1.2
Brain Surgery	1,454	2.9	▲ 2.2	▲ 0.1
Diabetes Mellitus Segment (DMS)	658	1.3	+28.3	0.3
Large-sized Medical Equipment	3,797	7.4	▲ 37.3	▲ 4.7
Other	4,779	9.4	▲ 10.1	▲ 1.3
TOTAL	51,000	100.0	+2.4	

FY 3/2014

FY 3/2015

FY 3/2016

- Improve group management framework
 - Strengthen TESCO's governance
 - Integrate accounting system
 - Strengthen sales activities backed by information sharing
- Integrate overlapped Fukushima sales offices (**april 1st**)
 - Integrate information system
- Integrate purchasing function

We aim
30%+ payout ratio

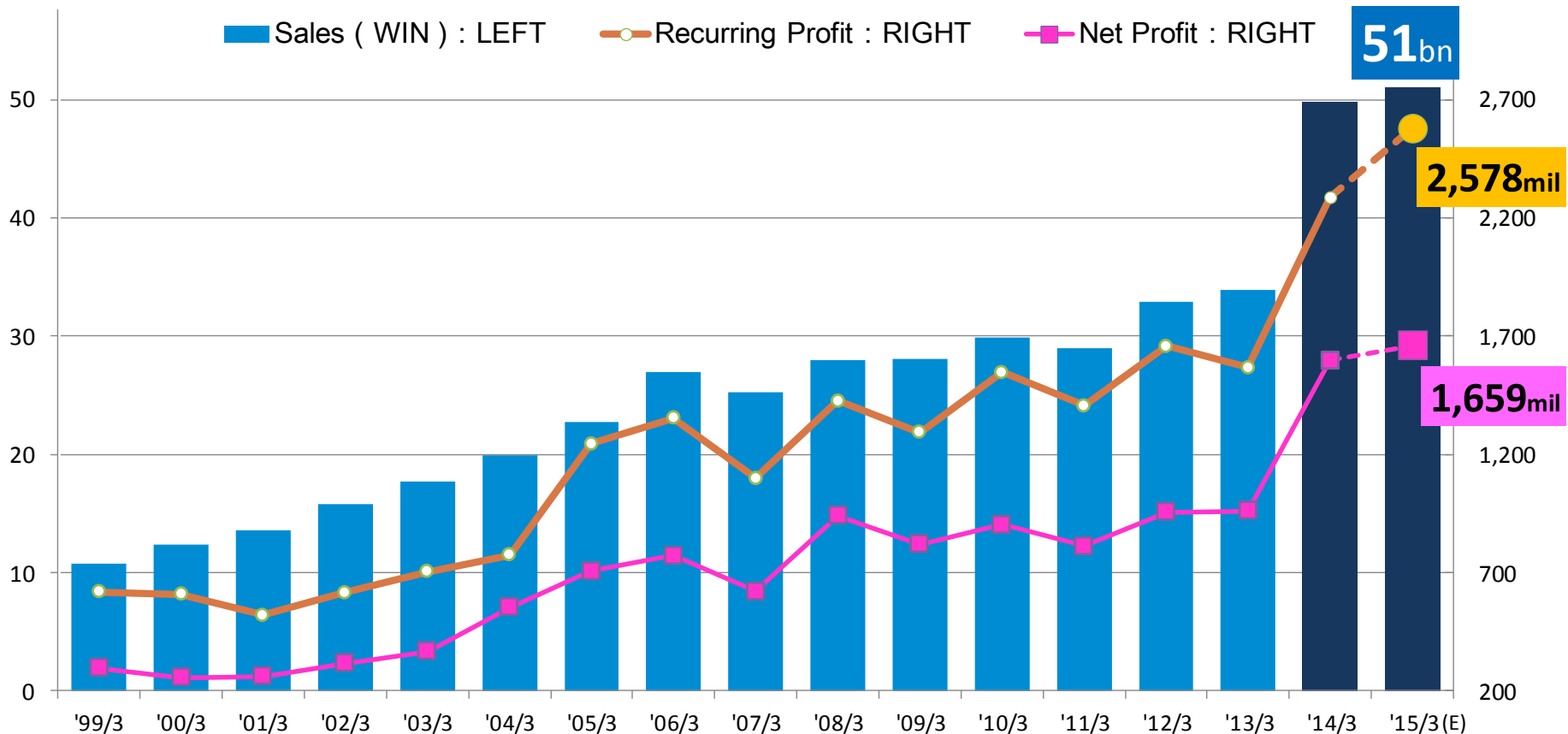
Dividends
FY ending March 2015

35 yen

Earnings Growth set to Accelerate from FY March 2014

(Unit: billion yen)

(Unit: million yen)



Company Profile

- Code** : 3183
- Head Quarter** : 4-24-8, Taito Taito-ku, Tokyo
- Capital** : 550 million yen
- Business** : Management of group companies selling medical devices etc.
- Board of Management** : Hideumi Akizawa, CEO
4 managing directors including 1 outside director
3 auditors including 2 outside auditors
- 100% Subsidiaries** : WIN INTERNATIONAL, TESCO
- Number of Employees** : 372 (as of March 31st 2014)
- Number of Shares** : 15,251,655 (including 897,433 treasury shares)

Independent Medical Device Dealer

Medical device manufacturers (suppliers)

80

Feedback of information on product usage

Information of product usage

Medical institutions (clients)

360

information on various companies' products

Optimal proposals that meet customer needs










Yen denominated trade ➡ No direct impact of weaker yen

< Major suppliers >

Boston Scientific Japan, Terumo, Japan Lifeline, Abbott Vascular Japan, Medtronic Japan, Nihon Kohden, Fukuda Denshi, Edwards Lifesciences, Johnson & Johnson, GOODMAN, St. Jude Medical Japan, Covidien Japan, GE Healthcare Japan etc.

Customers are Japan's major medical institutions

Devices for Minimally Invasive and Heart Treatments

Percutaneous Coronary Intervention (PCI)	Cardiac Rhythm Segment (CRS)	Cardiac Vascular Segment (CVS)	Percutaneous Peripheral Intervention (PPI)	Diabetes Mellitus Segment (DMS)	Large-sized Medical Equipment
 <p>PTCA Balloon Catheter ¥67,300</p>  <p>DES ¥261,000 ※</p>	 <p>CRTD ¥4,040,000</p>	 <p>Stent graft (Abdomen) ¥1,510,000</p>	 <p>Peripheral Vascular Stent ¥210,000</p>	 <p>Insulin Pump (rental •sales)</p>	 <p>MRI</p> <p>Over ¥10mn</p>

※Reimbursement prices renewed every two years

- WIN INTERNATIONAL sales offices
- WIN INTERNATIONAL branch offices
- ★ TESCO sales offices



WIN A BETTER QUALITY OF LIFE

Disclaimer

This material was prepared based on information available and views held at the time it was made. Statements in this material that are not historical facts, including, without limitation, plans, forecasts and strategies are “forward-looking statements”.

Forward-looking statements are by their nature subject to various risks and uncertainties, including, without limitation, a decline in general economic conditions, general market conditions, technological developments, changes in customer demand for products and services, increased competition, and other important factors, each of which may cause actual results and future developments to differ materially from those expressed or implied in any forward-looking statement.

With the passage of time, information in this material (including, without limitation, forward-looking statements) could be superseded or cease to be accurate. WIN-Partners Co.,Ltd. disclaims any obligation or responsibility to update, revise or supplement any forward-looking statement or other information in any material or generally to any extent. Use of or reliance on the information in this material is at your own risk.

Contacts



WIN-Partners Co.,Ltd.
Investor Relations

TEL: 03-6895-1234 FAX:03-5688-0891

HP:<http://www.win-partners.co.jp>