



WIN A BETTER QUALITY OF LIFE

Results Presentation

2Q FY March 2016

2Q results ending Sep 2015

Consolidated results summary

Achieved historical high

(¥mil) 2Q to	Sep 2014	Sep 2015	YoY	OE
Sales	23,590	25,871	+9.7%	26,400
Operating profit	1,093	1,277	+16.8%	1,270
Recurring profit	1,101	1,283	+16.5%	1,270
Net profit	706	937	+32.7%	840
EPS (yen)	49.20	65.28	-	58.52
BPS (yen)	801.05	891.13	-	-

Our approach

◆ Expand customer share

◆ Acquire new customers

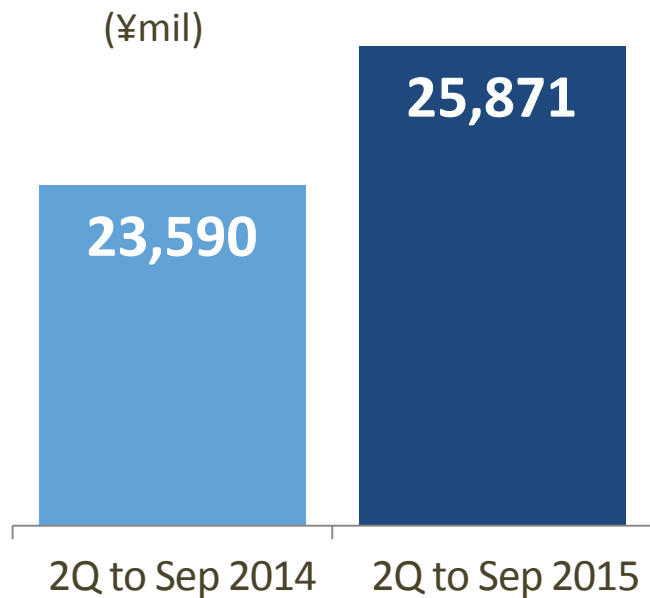
◆ Strengthen sales structure

◆ Expand bulk purchasing

◆ Strengthen corporate governance

Highlights

Sales **+9.7%** YoY vs. plan
▲2.0%



Enjoyed higher sales from both existing and new customers

- Contribution from new branches

Openings in 2014: Hiroshima, Hokkaido (Hakodate)
Nagano(Saku)

Openings in 2015: Ibaraki (Mito)

PCI and CRS posted double-digit growth

Sales breakdown by segment

	Sales (¥mil)	YoY growth (%)		% of sales	
		Volume	Value	(%)	change(ppt)
Percutaneous coronary intervention (PCI)	11,144	+9.1	+11.4	43.1	+0.7
Cardiac rhythm segment (CRS)	5,548	+18.7	+19.7	21.4	+1.8
Cardiac vascular segment (CVS)	3,243	▲ 1.6	▲ 1.9	12.5	▲ 1.5
Percutaneous peripheral intervention (PPI)	1,367	+10.9	+4.4	5.3	▲ 0.3
Brain surgery	863	+4.9	+13.5	3.3	+0.1
Diabetes mellitus segment (DMS)	358	-	+28.8	1.4	+0.2
Large-sized medical equipment	1,254	-	▲ 20.9	4.8	▲ 1.9
Others	2,090	-	+22.1	8.1	+0.8
TOTAL	25,871	-	+9.7	100.0	

Segment review

PCI

enjoyed higher sales from both existing and new customers. Higher number of procedures supported sales of PTCA balloon catheter and DES (drug-eluting stent).

CRS

enjoyed strong demand from existing and new customers. Favorable sales of EP•Ablation related products and MRI-conditional pacemaker, ICD and CRTD

CVS

suffered from reimbursement price cut of stent graft. The number of procedures of TAVI decreased while CABG (coronary artery bypass graft) stopped decreasing. Overall sales fell short

PPI

enjoyed higher number of procedures. Despite double digit growth of PTA balloon catheters, lower sales of high-priced peripheral vascular stents slowed overall growth

Large equip- -ment

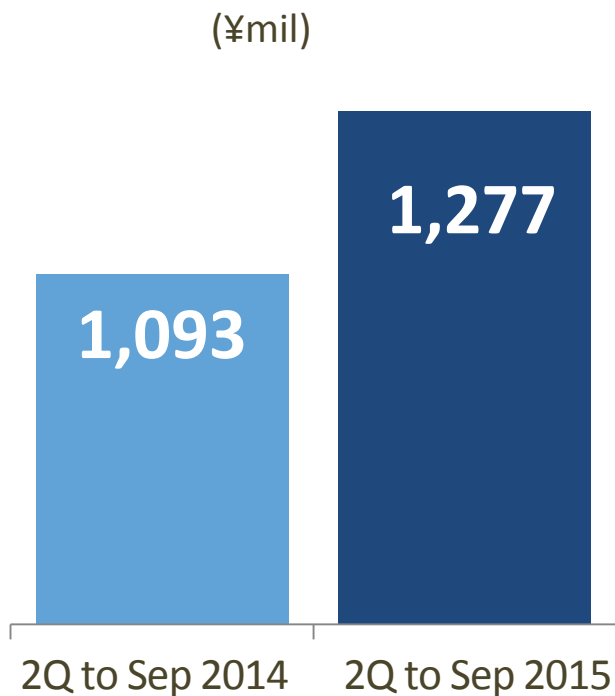
suffered from depressed demand by increasing building costs together with delayed sales to the second half.

Highlights

**Operating
profit**

+16.8% YoY

vs. plan
+0.6%



Higher sales boosted operating profit

Gross profit margin 13.3%

Flat YoY. Lower margins of large equipment and CVS offset higher margins of PCI and CRS through bulk purchasing etc.

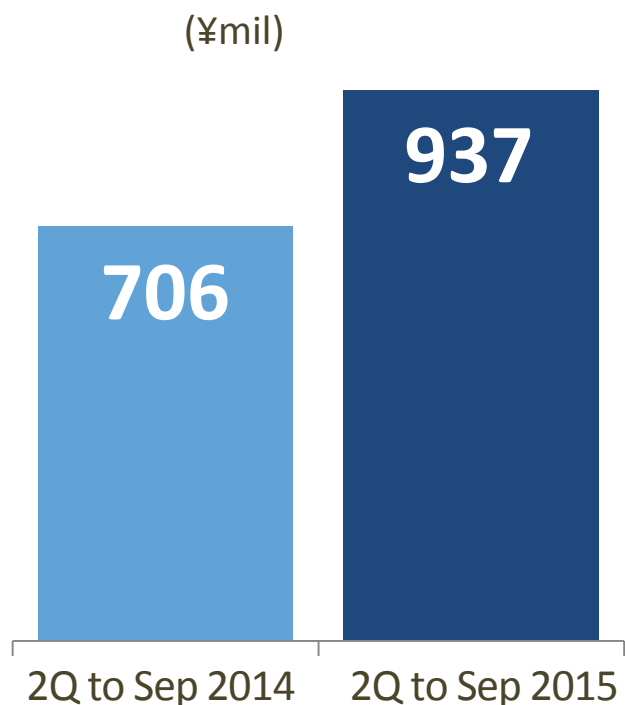
SG&A to sales 8.4%

【SG&A expenses】 +6.4% including labor costs (+8.4%)

【No of employees】 393(Sep2014)→417(Sep 2015)

Highlights

Net profit + 32.7% YoY [vs. plan
+11.6%]



Extraordinary profit

¥263mil

- Sales proceeds of marketable securities
- Cash surrender value of insurance

Extraordinary loss

¥167mil

- Actuarial loss on retirement allowance

Consolidated income statements

2Q to	Sep 2014		Sep 2015	
	(¥mil)	(%)	(¥mil)	(%)
Sales	23,590	100.0	25,871	100.0
Cost of sales	20,453	86.7	22,420	86.7
Gross profit	3,136	13.3	3,450	13.3
SG&A expenses	2,043	8.7	2,173	8.4
Operating profit	1,093	4.6	1,277	4.9
Non-operating profit	8	0.0	7	0.0
Non-operating expenses	0	0.0	0	0.0
Recurring profit	1,101	4.7	1,283	5.0
Extraordinary profit	4	0.0	263	1.0
Extraordinary loss	0	0.0	167	0.6
Pretax profit	1,105	4.7	1,379	5.3
Taxes	399	1.7	442	1.7
Net profit	706	3.0	937	3.6

Consolidated balance sheet

	Mar 2015		Sep 2015		Change (¥mil)
	(¥mil)	(%)	(¥mil)	(%)	
Current assets	24,537	88.4	24,327	89.2	▲ 209
Cash and deposits	7,238	26.1	7,779	28.5	541
Accounts receivable	14,512	52.3	13,782	50.6	▲ 730
Inventory	2,106	7.6	2,121	7.8	15
Other current assets	679	2.4	643	2.4	▲ 36
Fixed assets	3,228	11.6	2,932	10.8	▲ 296
Total assets	27,765	100.0	27,259	100.0	▲ 506
Current liabilities	14,821	53.4	13,847	50.8	▲ 973
Accounts payable	13,758	49.6	12,907	47.4	▲ 850
Taxes payable	499	1.8	424	1.6	▲ 75
Other current liabilities	562	2.0	515	1.9	▲ 47
Fixed liabilities	427	1.5	620	2.3	193
Total liabilities	15,248	54.9	14,468	53.1	▲ 779
Net assets	12,517	45.1	12,791	46.9	273
Total liabilities, net assets	27,765	100.0	27,259	100.0	▲ 506

Affected by
higher sales of
large equipment
in March

Sale of
marketable
securities

Affected by
higher sales of
large equipment
and
bulk purchasing
in March

Consolidated cashflow statements

(¥mil) 2Q to	Sep2014	Sep2015
Cash flows from operating activities	▲1,288	791
Net profit before taxes	1,105	1,379
Depreciation	123	133
Cash surrender value of insurance	0	▲93
Actuarial loss on retirement allowance	0	159
Sales proceeds of marketable securities	0	▲169
Notes and accounts receivable	1,415	730
Inventories	▲819	▲16
Notes and accounts payable	▲2,257	▲850
Tax paid	▲528	▲478
Cash flows from investing activities	▲486	295
Sale of marketable securities	0	299
Surrender of insurance	0	106
Purchase of tangible assets	▲436	▲166
Cash flows from financing activities	▲459	▲545
Cash dividends paid	▲459	▲545
Net increase in cash and cash equivalents	▲2,235	541
Cash and cash equivalents at beginning of FY	8,563	7,238
Cash and cash equivalents at the end of 2Q	6,328	7,779

Corporate Governance

Converted to a company with an audit and supervisory committee

Increased number of outside directors to 4, out of 9 directors

Sold some marketable securities

Outlook

Consolidated Forecasts to March 2016

Initial forecasts remain unchanged

	(¥mil)	(%)	YoY(%)
Sales	55,500	100.0	+9.8
Operating profit	2,950	5.3	+13.5
Recurring profit	2,950	5.3	+12.3
Net profit	1,930	3.5	+14.2
EPS (yen)	134.46		+14.2
DPS (yen)	41.0		+7.9

Forecast highlights

Sales **+9.8%** YoY

Reflecting 2Q figures,
(¥520 mil sales shortage)

Revised forecasts by segment

Full year sales breakdown by segment

(¥mil)	Revised	YoY	OE
Percutaneous coronary intervention (PCI)	23,260	+10.4%	23,160
Cardiac rhythm segment (CRS)	12,000	+19.3%	11,630
Cardiac vascular segment (CVS)	6,900	+2.9%	7,780
Percutaneous peripheral intervension (PPI)	2,920	+9.0%	2,920
Brain surgery	1,820	+16.0%	1,660
Diabetes mellitus segment (DMS)	730	+26.0%	730
Large-sized medical equipment	3,830	▲4.5%	3,580
Others	4,040	+3.8%	4,040
TOTAL	55,500	+9.8%	55,500

Measures to achieve forecasts

PCI

- Gain new customer hospitals
- Expand sales at new branches

Brain surgery

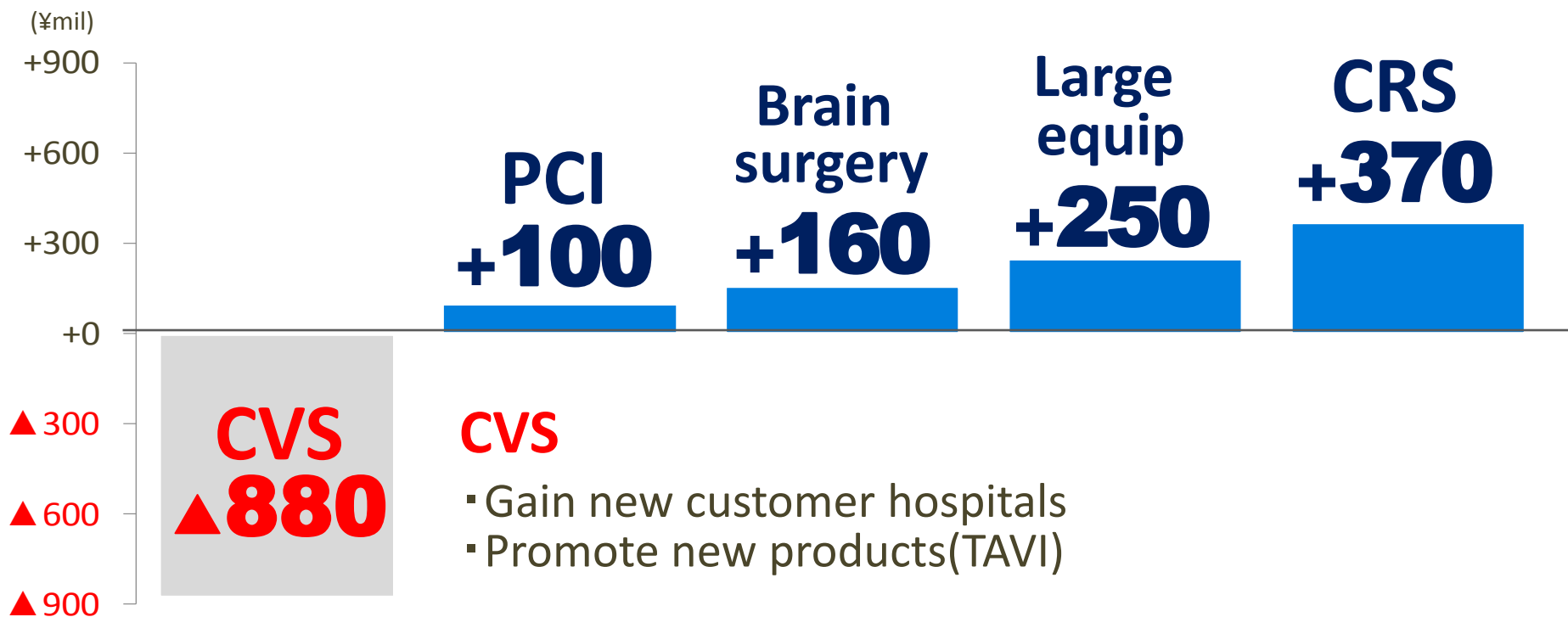
Support hospitals to increase the number of patients

Large equipment

Develop hospitals' capital spending demand

CRS

- Promote new products
- Offer specialist service by new ablation team



Forecast highlights

Operating profit **+13.5%** YoY

Gross profit margin

13.5% +0.3ppt YoY

- Cost cuttings through bulk purchasing
Expand items besides PTCA balloon catheter and purchase at Win-Partners group basis
- Higher rebates from manufacturers through sales expansion

SG&A to sales

8.2% +0.1ppt YoY

- SG&A expenses +10.6% due to increase in number of employees
399 as of Mar 2015→438 (+9.8%)

Forecast highlights

Net profit **+14.2%** YoY

Capex **¥320mil** vs. 503mil for FY3/2015

Depreciation **¥280mil** vs. 276mil

Company overview

Company profile

Code	: 3183(TSE)
Head quarter	: 4-24-8, Taito-ku, Taito, Tokyo 110-8558
Capital	: 550 million yen
Business	: Distribution of medical devices (consolidated basis)
Board of management	: Hideumi Akizawa, CEO and 8 directors, including 4 outside directors
Subsidiaries	: Win International, TESCO (100% owned)
No of employees	: 417 consolidated basis as of Sep 2015
No of shares	: 15,251,655, including 897,474 treasury shares

History

Turning point

1993

- Focused on minimally invasive treatment and consolidated product items
- Started to promote cardiac intervention with one of doctors who learned in US



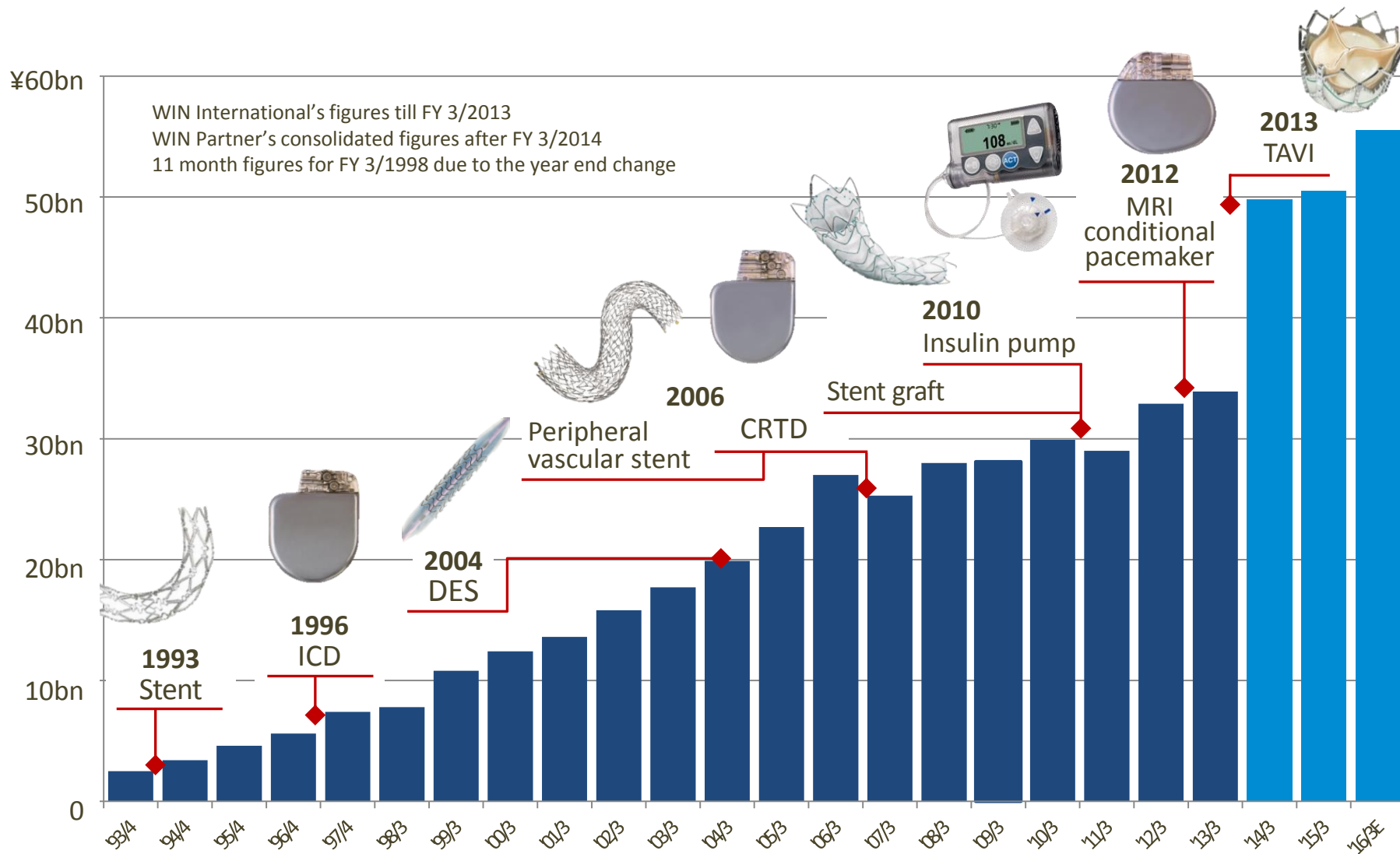
2013

- Merged with TESCO in Tohoku and established a holding company



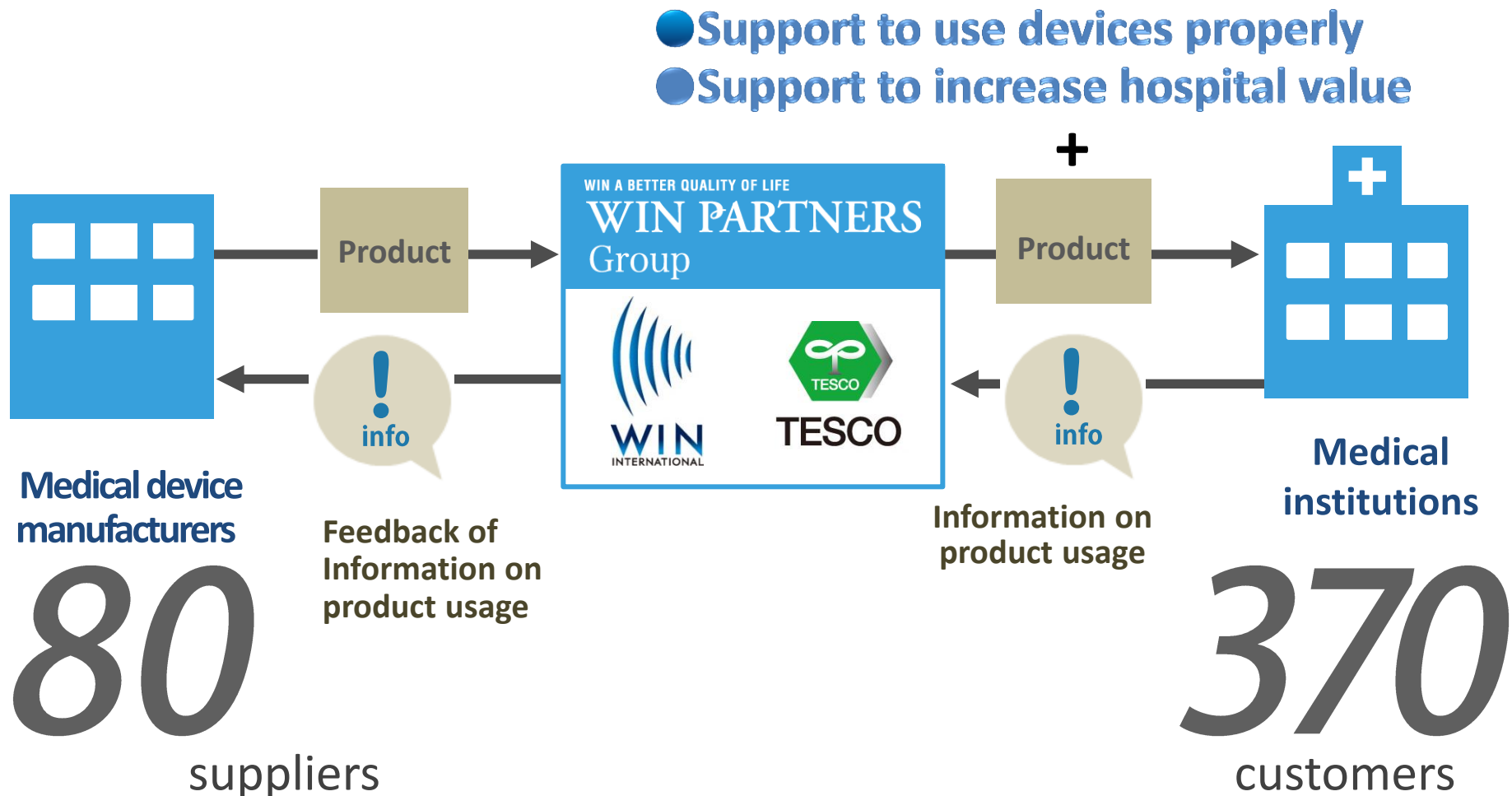
Sales trend

Growing with expansion of minimally invasive treatment



Business outline

Independent medical device distributor group



Features of business model

1 Downside risk of selling prices **High**

Mainly medical devices with imbursement prices

2 Exchange risk **Low**

Yen denominated trade with overseas manufacturers

3 Inventory risk **Low**

Mainly borrowing devices from manufacturers,
stock at customer hospitals

Major products

Angina/myocardial infarction

Stent



Irregular pulse

Pacemaker



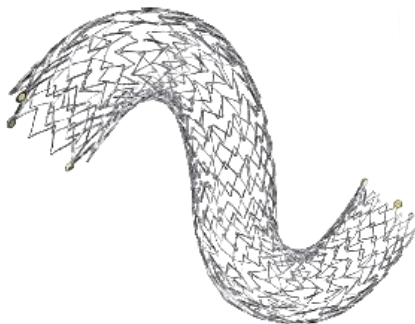
Aortic aneurysm

Stent graft



Arteriosclerosis
obliterans

Peripheral vascular stent



Cerebral
aneurysm

Neurovascular occlusion coil



Diabetes

Insulin pump



Diagnosis

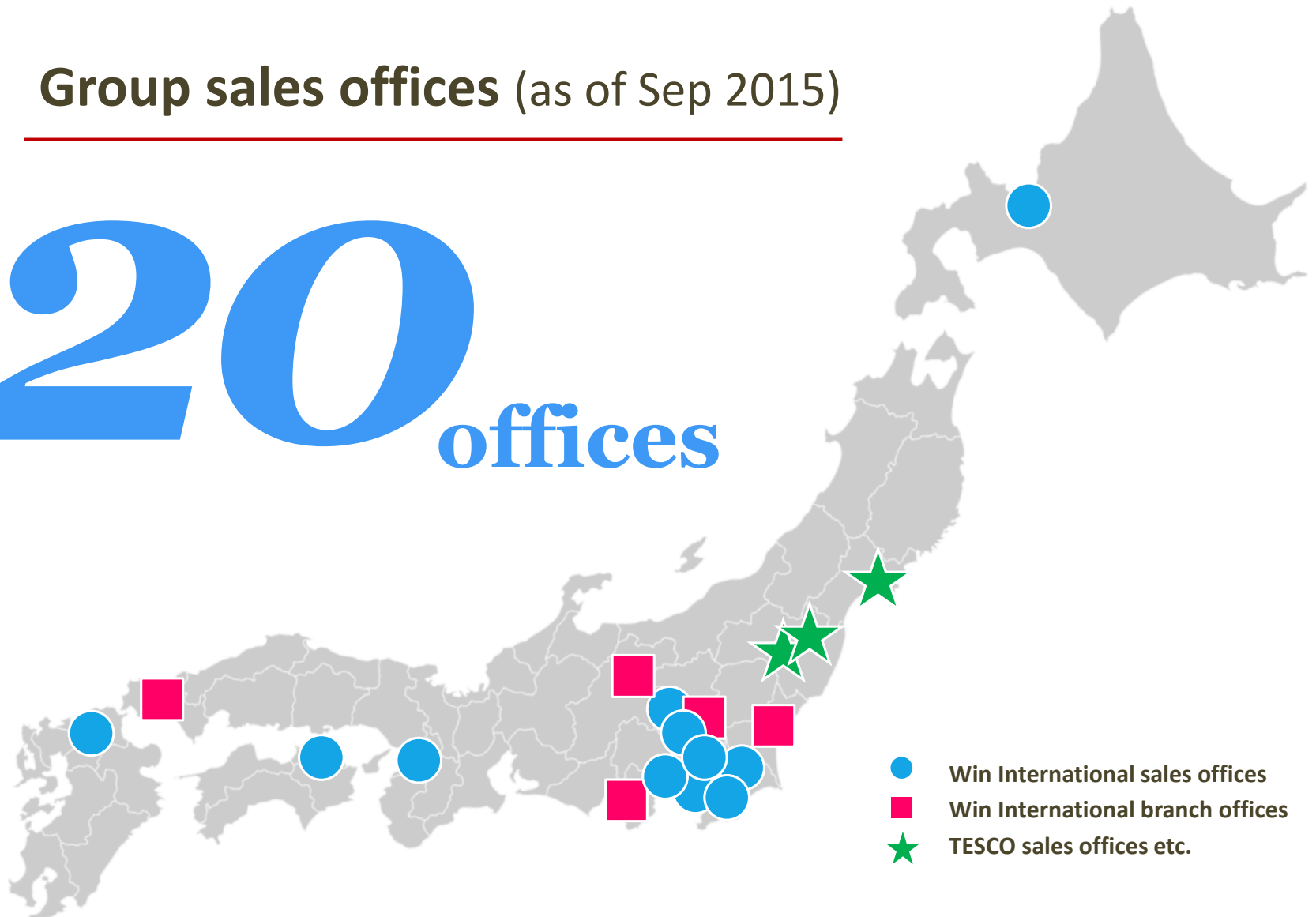
MRI



Sales network

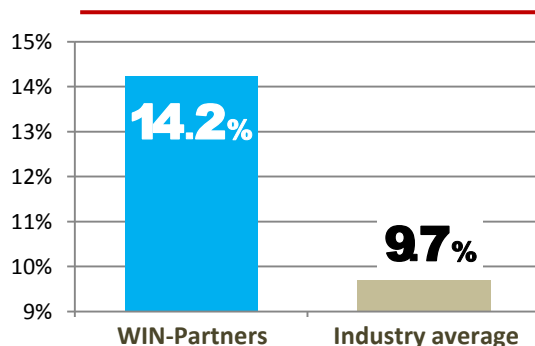
Group sales offices (as of Sep 2015)

20 offices

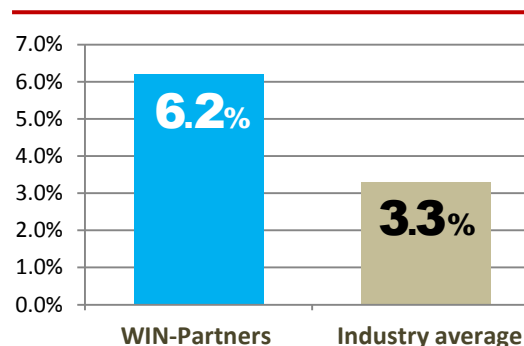


Comparison of ratios (FY2014)

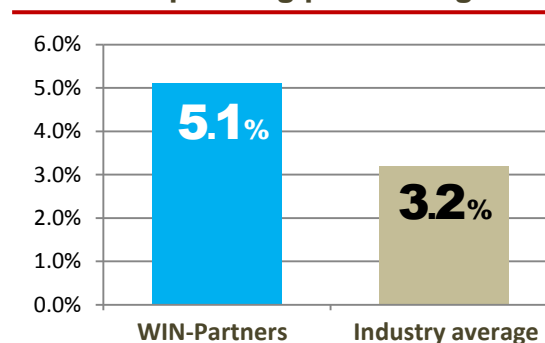
ROE



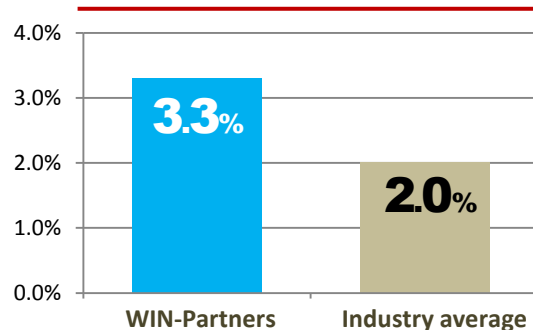
ROA



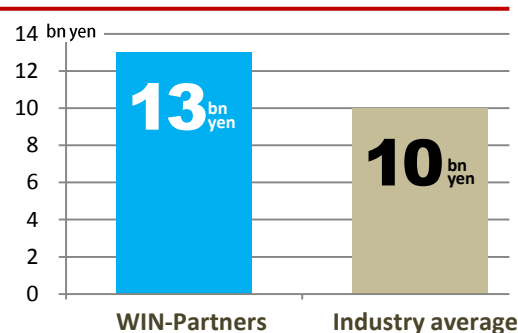
Operating profit margin



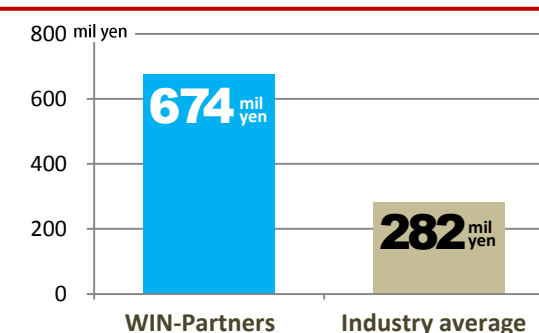
Net profit margin



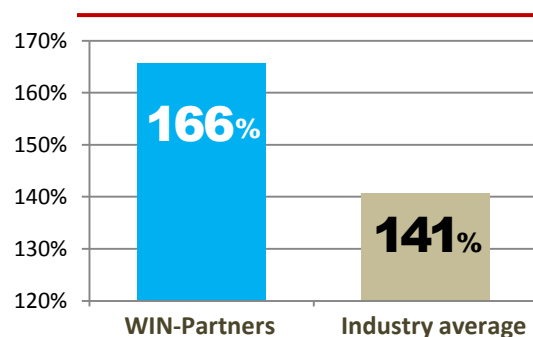
Sales per head



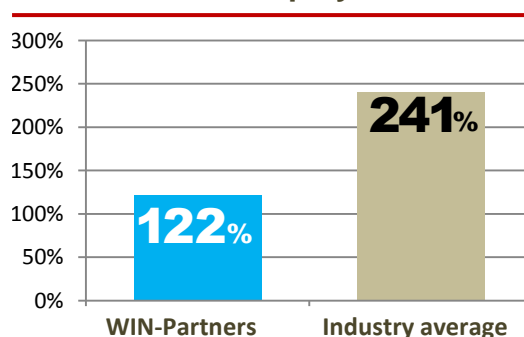
Operating profit per head



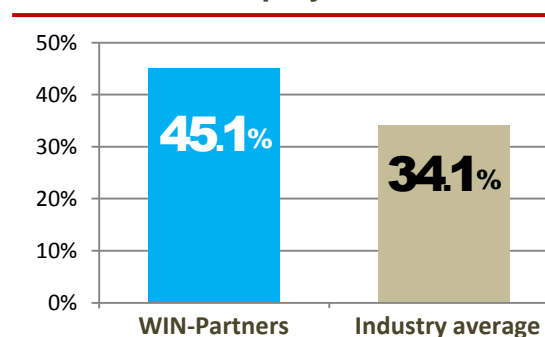
Current ratio



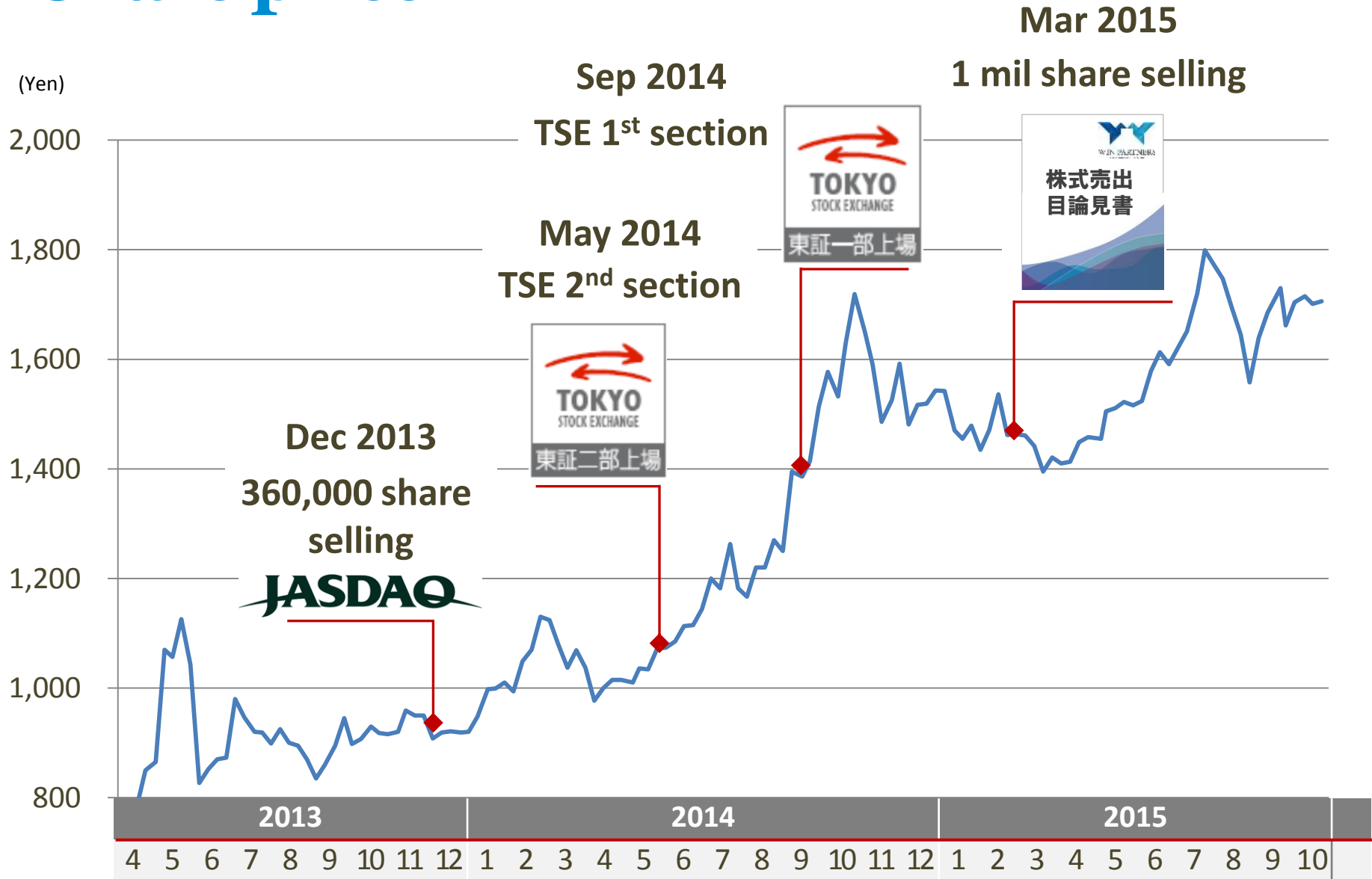
Debt to equity ratio



Equity ratio



Share price





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