



**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

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# Consolidated results summary

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

# Highlights

**Sales - 24.8%** YoY

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

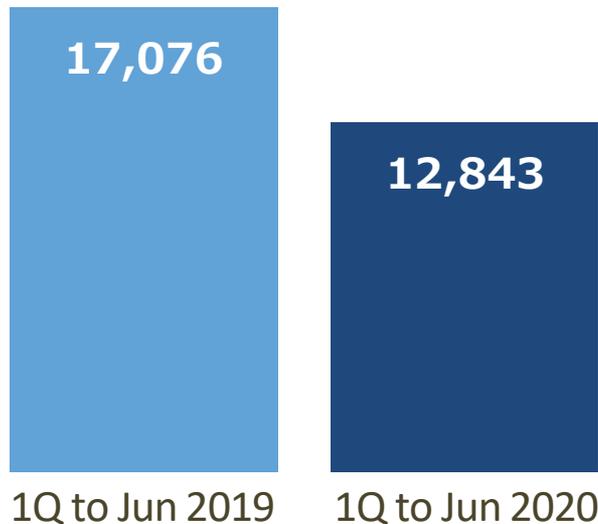
(¥mil)

**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)   | <b>-6.1</b>       | <b>-3.7</b> |
| Cardiac Rhythm Segment (CRS)               | <b>-3.3</b>       | <b>-1.2</b> |
| Cardiac Vascular Segment (CVS)             | <b>-0.6</b>       | <b>-0.4</b> |
| Percutaneous Peripheral Intervension (PPI) | <b>-4.2</b>       | <b>-0.8</b> |
| Brain Surgery                              | <b>-0.2</b>       | <b>-1.3</b> |
| Others                                     | <b>-0.3</b>       | <b>-0.1</b> |
| <b>Total</b>                               | <b>-2.8</b>       | <b>-1.5</b> |

※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<br>(Apr)               | 2019<br>(Oct) | 2020<br>(Apr) | Change %<br>('18 vs '20) |
| <b>PCI</b> | 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                   |
| <b>CRS</b> | 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                      |
| <b>CVS</b> | 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                      |
| <b>PPI</b> | 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<br>(¥mil) | YoY growth (%) |              | % of sales |             |
|--|-----------------|----------------|--------------|------------|-------------|
|  |                 | Volume         | Value        | (%)        | Change (pp) |
| Percutaneous coronary intervention (PCI)   | <b>3,476</b>    | <b>-29.7</b>   | <b>-35.3</b> | 27.1       | -4.4        |
| Cardiac rhythm segment (CRS)               | <b>3,619</b>    | <b>-18.9</b>   | <b>-22.4</b> | 28.2       | +0.9        |
| Cardiac vascular segment (CVS)             | <b>1,890</b>    | <b>-13.8</b>   | <b>-25.6</b> | 14.7       | -0.2        |
| Percutaneous peripheral intervention (PPI) | <b>772</b>      | <b>-11.8</b>   | <b>-19.0</b> | 6.0        | +0.4        |
| Brain surgery                              | <b>578</b>      | <b>-16.3</b>   | <b>-13.4</b> | 4.5        | +0.6        |
| Diabetes mellitus segment (DMS)            | <b>577</b>      | -              | <b>+13.5</b> | 4.5        | +1.5        |
| Large-sized medical equipment              | <b>399</b>      | -              | <b>-37.3</b> | 3.1        | -0.6        |
| Others                                     | <b>1,528</b>    | -              | <b>-11.6</b> | 11.9       | +1.8        |
| Total                                      | <b>12,843</b>   | -              | <b>-24.8</b> | 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

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**C R S**

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

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**C V S**

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

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**P P I**

suffered from the lower number of cases for arteriosclerosis obliterans

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**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

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**DMS**

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

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# Highlights

Operating  
profit

- **62%** YoY

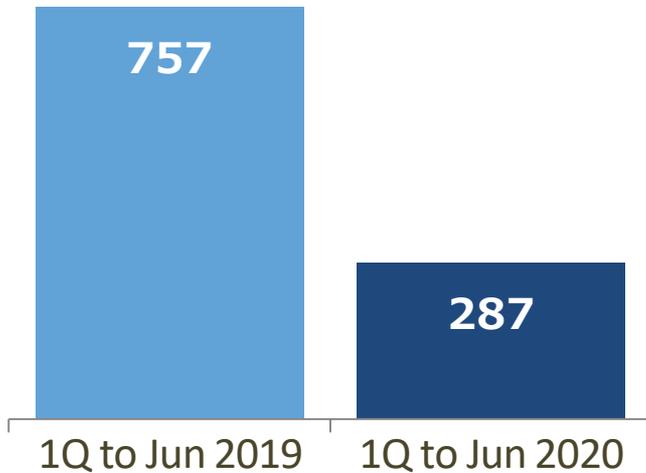
**Gross profit margin 12.3%(-0.5pp YoY)**

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

# Consolidated balance sheet

|  | Mar 2020      |       | Jun 2020      |              | Change<br>(¥mil) |
|--|---------------|-------|---------------|--------------|------------------|
|  | (¥mil)        | (%)   | (¥mil)        | (%)          |                  |
| <b>Current assets</b>                    | <b>35,499</b> | 91.9  | <b>32,418</b> | <b>91.0</b>  | <b>-3,081</b>    |
| 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              |
| <b>Fixed assets</b>                      | <b>3,132</b>  | 8.1   | <b>3,220</b>  | <b>9.0</b>   | <b>88</b>        |
| <b>Total assets</b>                      | <b>38,632</b> | 100.0 | <b>35,639</b> | <b>100.0</b> | <b>-2,993</b>    |
| <b>Current liabilities</b>               | <b>17,098</b> | 44.3  | <b>14,824</b> | <b>41.6</b>  | <b>-2,273</b>    |
| 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              |
| <b>Fixed liabilities</b>                 | <b>1,029</b>  | 2.7   | <b>1,049</b>  | <b>2.9</b>   | <b>20</b>        |
| <b>Total liabilities</b>                 | <b>18,127</b> | 46.9  | <b>15,874</b> | <b>44.5</b>  | <b>-2,252</b>    |
| <b>Net assets</b>                        | <b>20,505</b> | 53.1  | <b>19,764</b> | <b>55.5</b>  | <b>-740</b>      |
| <b>Total liabilities,<br/>net assets</b> | <b>38,632</b> | 100.0 | <b>35,639</b> | <b>100.0</b> | <b>-2,993</b>    |

# Outlook

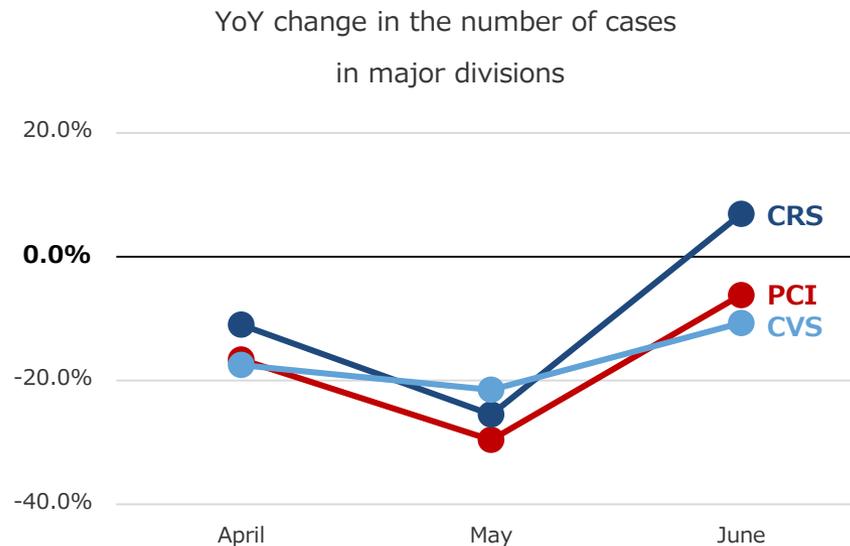
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# Impact from COVID-19

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## 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



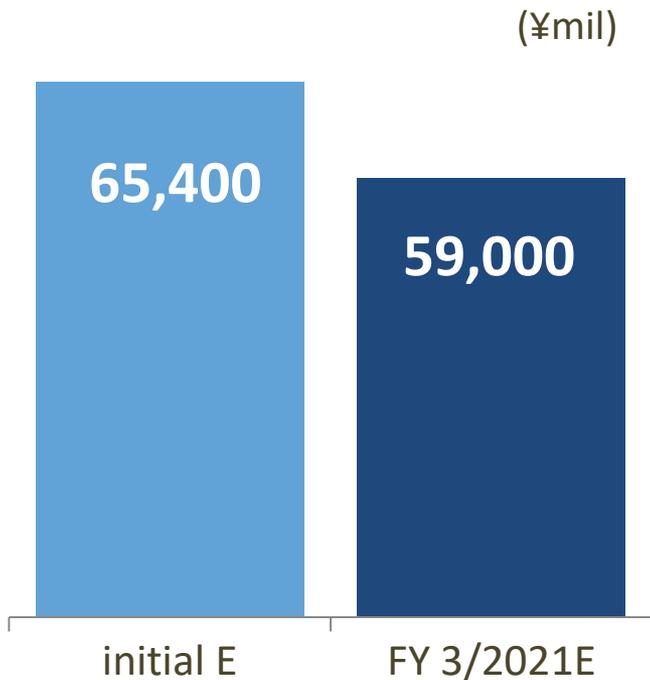
# Consolidated Revised Forecasts to March 2021

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

# Revised forecast highlights

**Sales**     **-8.6%** YoY

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

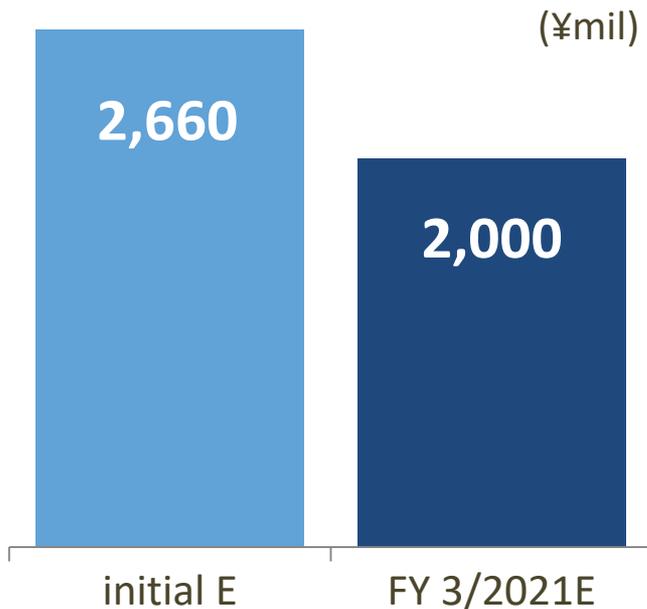
# Revised sales breakdown by segment

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

# Revised forecast highlights

**Operating profit** **-24.5%** YoY

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## 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

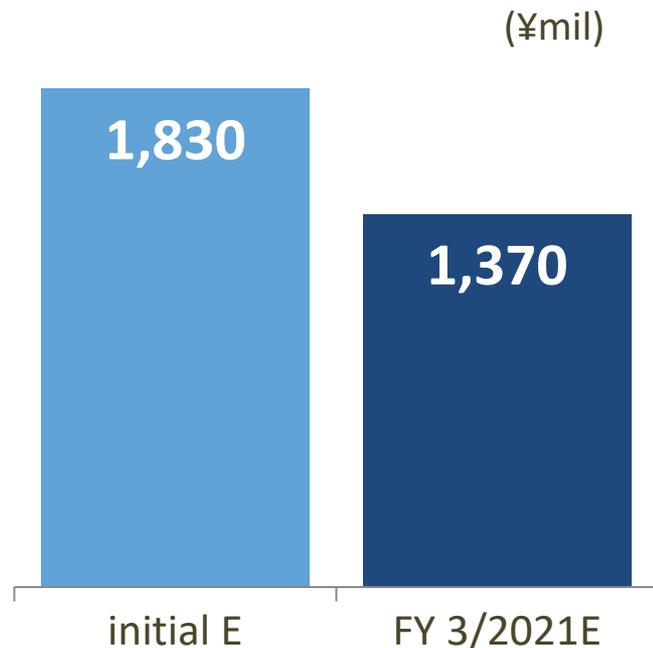
**SG&A ¥5.5bn (+0.3% YoY, revised from initial forecast of ¥5.74bn )**

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

# Revised forecast highlights

**Net profit** **-26.8%** YoY

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**Capex** **¥100 mil**

vs. ¥97mil for FY 3/2020

**Depreciation** **¥180 mil**

vs. ¥196mil for FY 3/2020

# What WIN will do

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## 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

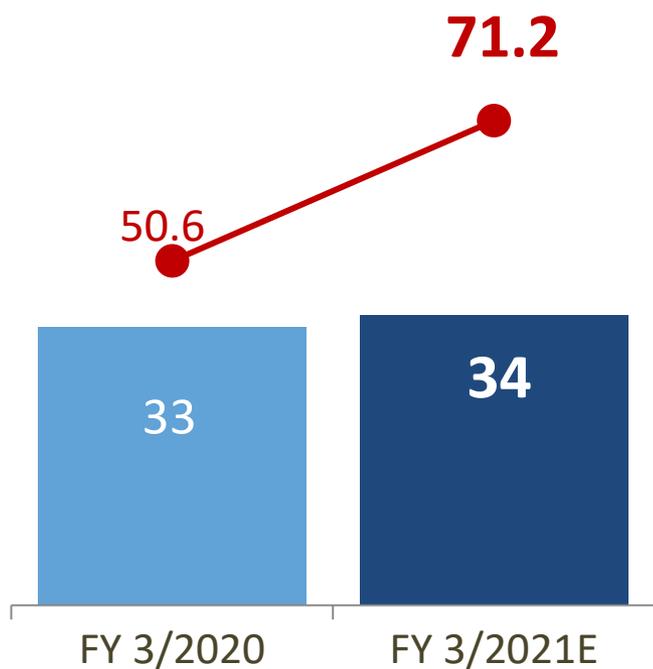
Promote products with high growth potential (e.g. ablation, ICD)

## ⑤ Logistic revolution (separation of shipment procedure)

# Dividends

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— payout ratio (%)  
■ dividend per share (¥)



# 34 yen

(initial forecast unchanged)

( Payout ratio )  
71.2%

# Reference

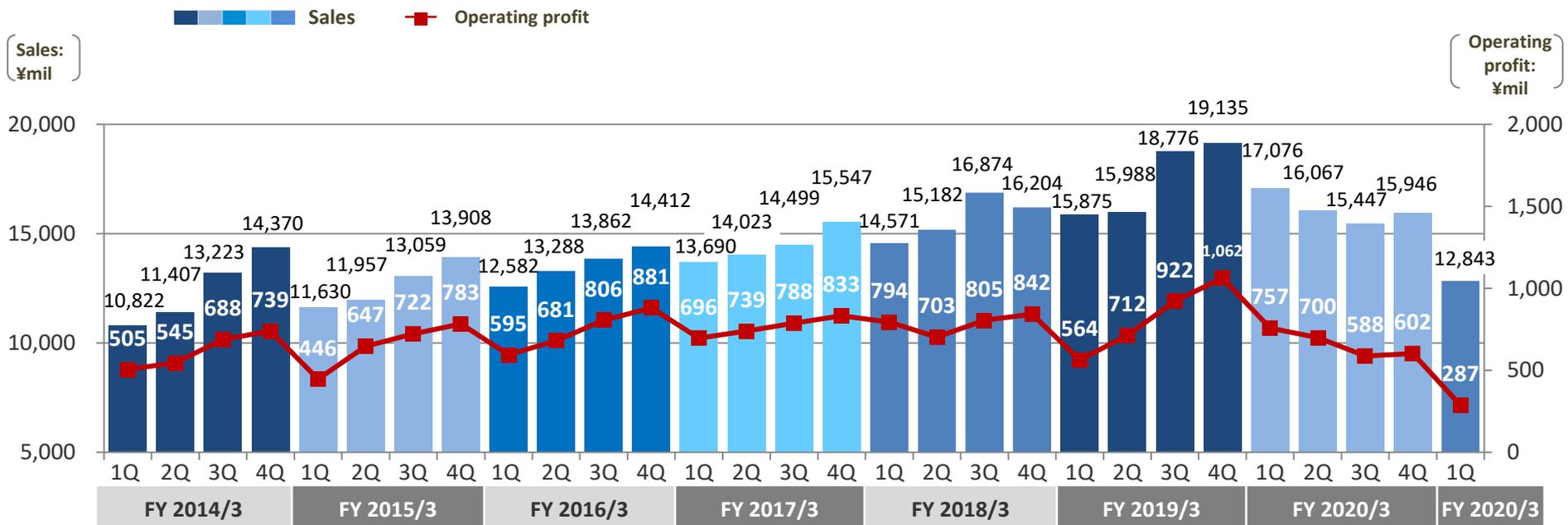
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# Major products

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

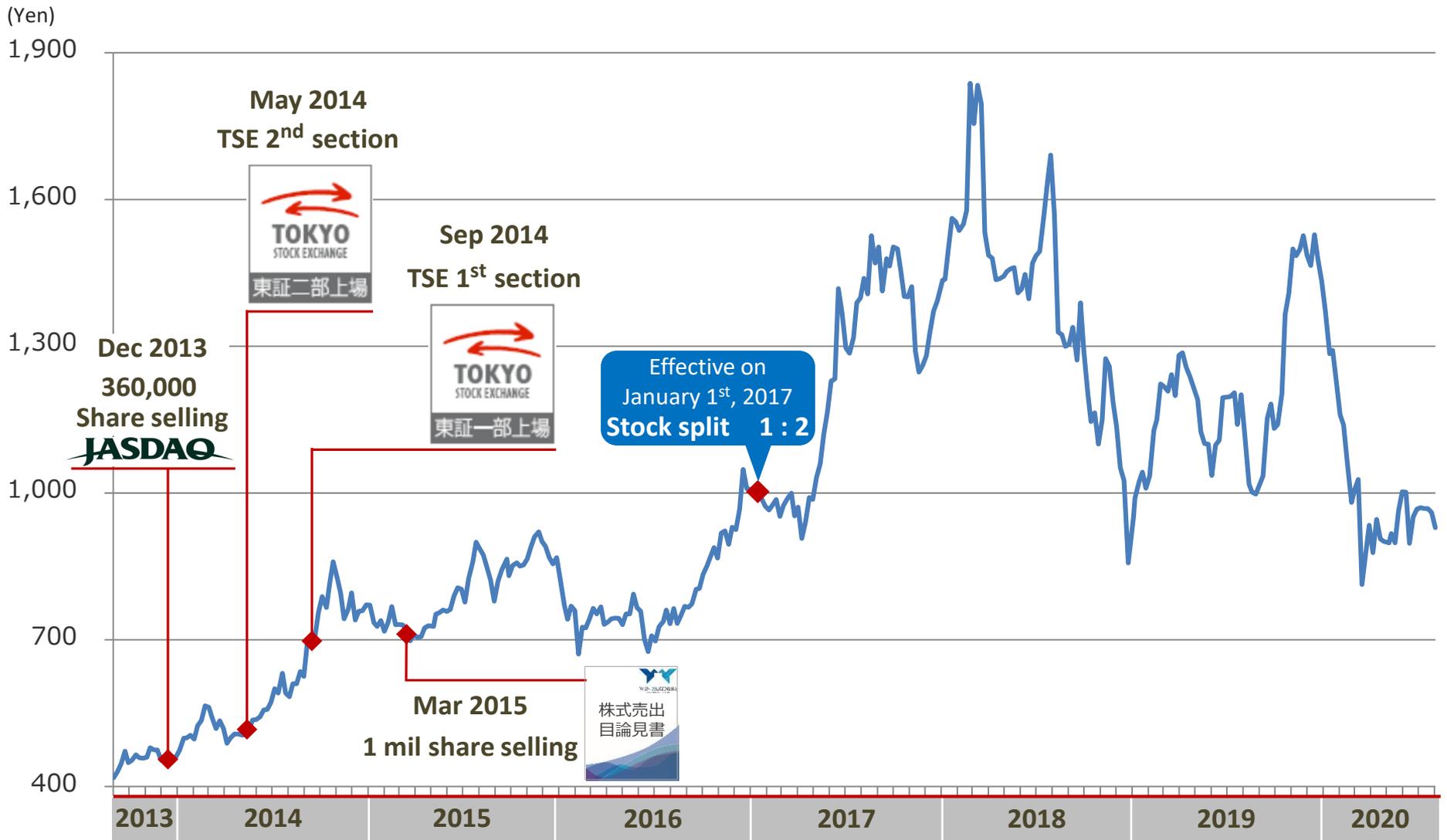
# Track record of quarterly results

## Sales/Operating profit (quarterly)



■ = Year of reimbursement price revisions

# Share price





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## Contact

**WIN-Partners Co., Ltd.**

**Investor Relations**

**TEL: +81-3-3548-0790**

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