



WIN PARTNERS
WIN A BETTER QUALITY OF LIFE®

WIN A BETTER QUALITY OF LIFE
INNOVATION
PARTNERSHIP
TRUST

SAFETY
CREATE VALUE
LEADERSHIP
HEALTHY SOCIETY

Results Presentation 2Q FY March 2021

Win-Partners Co., Ltd. (3183)



WINはQOL推進企業です

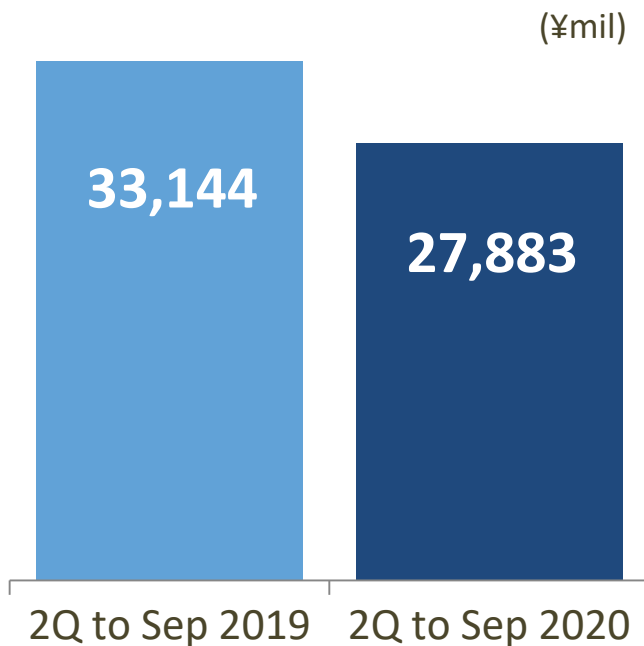
2Q results ending September 2020

Consolidated results summary

(¥mil) 2Q to	Sep 2019	Sep 2020	YoY	RE(Aug11)
Sales	33,144	27,883	-15.9%	27,900
Operating profit	1,458	830	-43.0%	650
Recurring profit	1,455	837	-42.5%	650
Net profit	1,047	572	-45.3%	450
EPS (yen)	36.48	19.95		
BPS (yen)	685.41	701.94		

Highlights

Sales **-15.9%** YoY [vs. RE
-0.1%]



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

Absence of sales to a hospital chain from June last year
(1Q - ¥2bn)

Reimbursement price revision in October 2019 & April 2020
(84.3% agreed as at September)

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

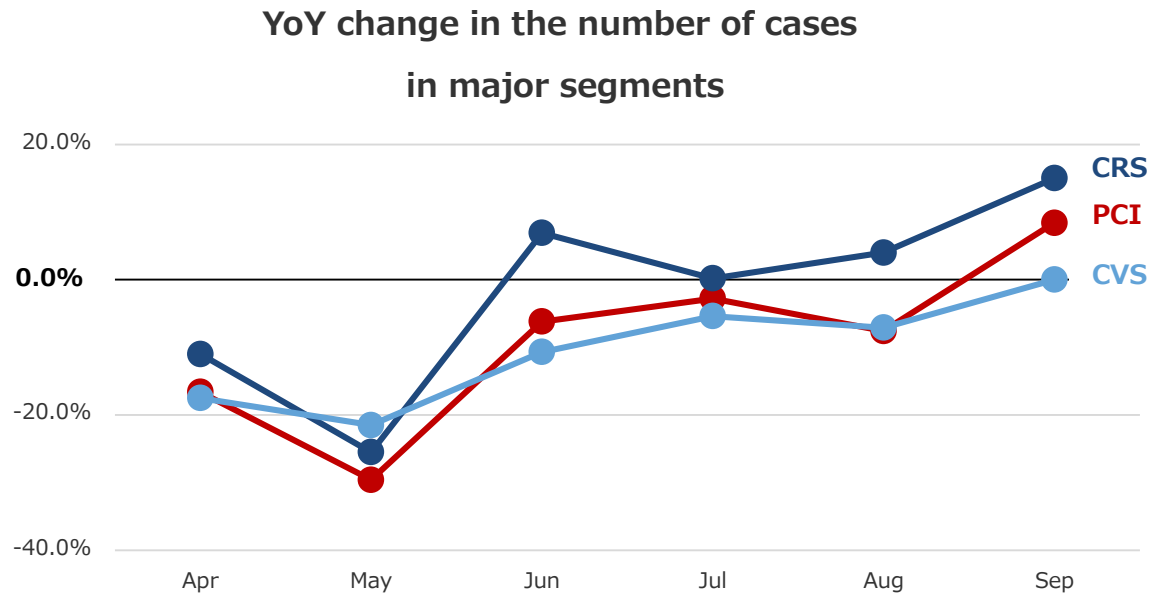
The reimbursement prices of major products

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

Impact from COVID-19

The number of cases have been on a recovery trend since the bottom in May

- Some of non-acute (COVID-19 irrelevant) coronary disease treatments have been postponed and infection-avert 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



Sales breakdown by segment

	Sales (¥mil)	YoY growth (%)		% of sales	
		Volume	Value	(%)	Change (pp)
Percutaneous coronary intervention (PCI)	7,514	-17.6	-23.7	26.9	-2.8
Cardiac rhythm segment (CRS)	7,834	-4.9	-12.4	28.1	+1.1
Cardiac vascular segment (CVS)	4,029	-11.0	-13.7	14.5	+0.4
Percutaneous peripheral intervention (PPI)	1,632	-3.5	-8.7	5.9	+0.5
Brain surgery	1,264	-7.8	-4.4	4.5	+0.5
Diabetes mellitus segment (DMS)	1,168	-	+10.2	4.2	+1.0
Large-sized medical equipment	1,194	-	-40.2	4.3	-1.7
Others	3,244	-	-7.6	11.6	+1.0
Total	27,883	-	-15.9	100.0	

Segment review

(vs. forecast)

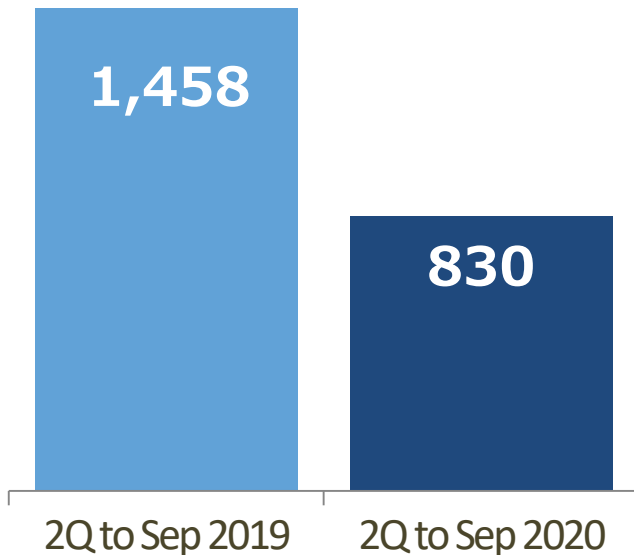
P C I	suffered from the lower number of cases, decreased sales to a major customer and the reimbursement price revision	↓
C R S	suffered from the lower number of cases, decreased sales to a major customer. ABL sales recovered in Q2	→
C V S	suffered from the lower number of cases and decreased sales to a major customer. TAVI sales recovered in Q2	→
P P I	suffered from the lower number of cases for arteriosclerosis obliterans. The number of cases for shunt continued to increase	→
L a r g e e q u i p - m e n t	saw customers delaying decision-making for equipment to install due to Covid-19	↓
D M S	saw sales of blood glucose measuring equipment increased	→

Highlights

Operating profit

-43% YoY $\left[\begin{array}{c} \text{vs. RE} \\ +27.8\% \end{array} \right]$

(¥mil)



Gross profit margin 12.4%(-0.3pp YoY)

- Sales volume decreased due to the lower number of cases
- Sales mix changed

SGA -5% YoY

- Labor cost -0.8% YoY
- Number of employees :548(Sep 2019)→546(Sep 2020)

vs. forecast

- OP exceeded the revised forecast because GPM didn't fall as much as expected and SGA expenses were below forecast

Consolidated income statements

2Q to	Sep 2019		Sep 2020	
	(¥mil)	(%)	(¥mil)	(%)
Sales	33,144	100.0	27,883	100.0
Cost of sales	28,934	87.3	24,438	87.6
Gross profit	4,210	12.7	3,444	12.4
SG&A expenses	2,751	8.3	2,613	9.4
Operating profit	1,458	4.4	830	3.0
Non-operating profit	6	0.0	6	0.0
Non-operating expenses	8	0.0	0	0.0
Recurring profit	1,455	4.4	837	3.0
Extraordinary profit	82	0.2	0	0.0
Extraordinary loss	0	0.0	0	0.0
Pretax profit	1,538	4.6	837	3.0
Taxes	491	1.5	264	0.9
Net profit	1,047	3.2	572	2.1

Consolidated balance sheet

	Mar 2020		Sep 2020		Change (¥mil)
	(¥mil)	(%)	(¥mil)	(%)	
Current assets	35,499	91.9	32,214	88.3	-3,285
Cash and deposits	17,495	45.3	15,862	43.5	-1,632
Accounts receivable	14,666	38.0	13,329	36.5	-1,336
Inventories	2,571	6.7	2,368	6.5	-202
Other current assets	767	2.0	654	1.8	-112
Fixed assets	3,132	8.1	4,256	11.7	1,123
Total assets	38,632	100.0	36,471	100.0	-2,161
Current liabilities	17,098	44.3	15,243	41.8	-1,854
Accounts payable	15,899	41.2	14,342	39.3	-1,557
Taxes payable	435	1.1	293	0.8	-142
Other current liabilities	762	2.0	607	1.7	-155
Fixed liabilities	1,029	2.7	1,076	3.0	47
Total liabilities	18,127	46.9	16,319	44.7	-1,807
Net assets	20,505	53.1	20,151	55.3	-354
Total liabilities, net assets	38,632	100.0	36,471	100.0	-2,161

Land for
distribution
center
(Y1bn)

Consolidated cashflow statements

(¥mil) 2Q to	Sep 2019	Sep 2020
Cash flows from operating activities	2,144	508
Net profit before taxes	1,538	837
Depreciation	94	94
Notes and accounts receivable	3,214	1,336
Inventories	129	203
Notes and accounts payable	-2,282	-1,557
Tax paid	-513	-367
Other	-37	-39
Cash flows from investing activities	-16	-1,193
Purchase of tangible assets	-65	-1,125
Other	49	-68
Cash flows from financing activities	-918	-947
Cash dividends paid	-918	-947
Net increase in cash and cash equivalents	1,209	-1,632
Cash and cash equivalents at beginning of FY	10,289	12,495
Cash and cash equivalents at the end of 2Q	11,499	10,862

Outlook

Progress of what WIN plans to do

① Compress idle inventories

Progressing

② Acquire new customers

Not progressing as planned due to Covid-19. Focusing instead on increasing customer share

③ M&A

Ongoing examination for the sake of future growth

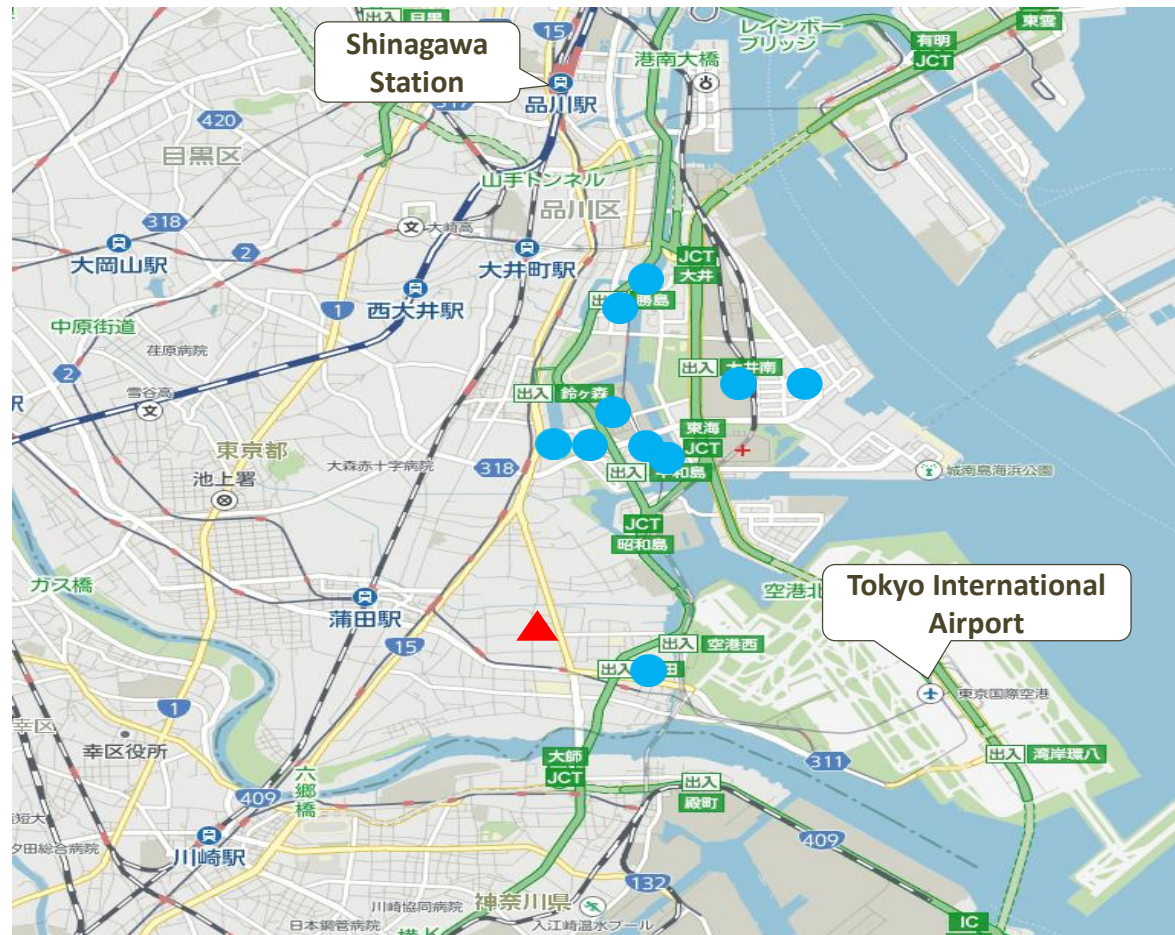
④ Focus on CRS

Sales recovering. 100 of CDRs (Cardiac Device Representatives) achievable by the end of 3/21

⑤ Logistic revolution (separation of shipment procedure)

Partly utilizing RPA in the procurement process. Land for the new distribution center obtained. Development of a new distribution system commenced

Site for New Distribution Center

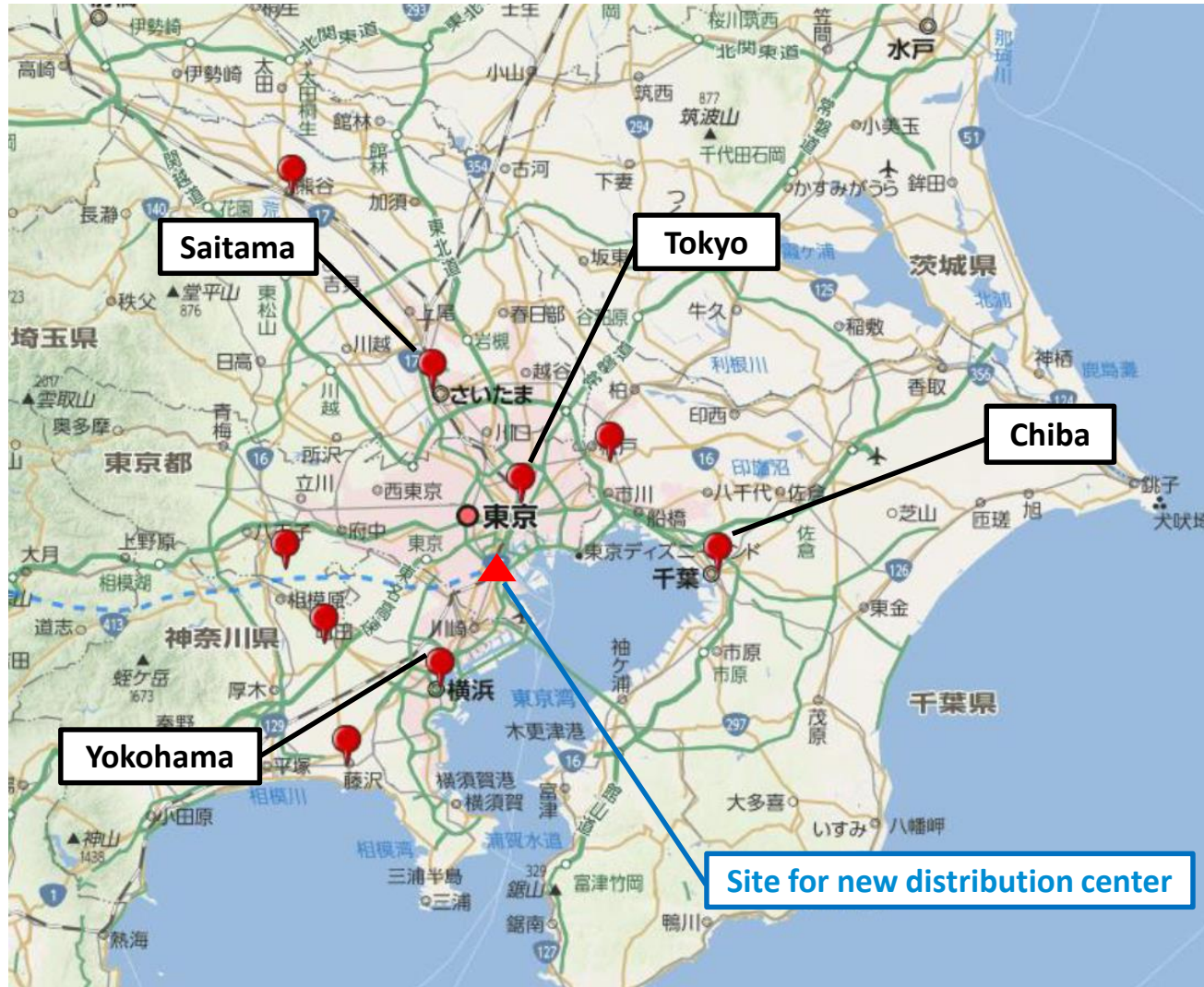


- ▲ Site for new distribution center
- Distribution facilities of medical device manufacturers (source: Win)

Location: Ota ward, Tokyo (c.400 tusbo=c.1,320 sq.m.)

Cost : c.Y1bn

Win's sales offices and sub-branches in the Tokyo metropolitan area



Consolidated Earnings Forecasts to March 2021

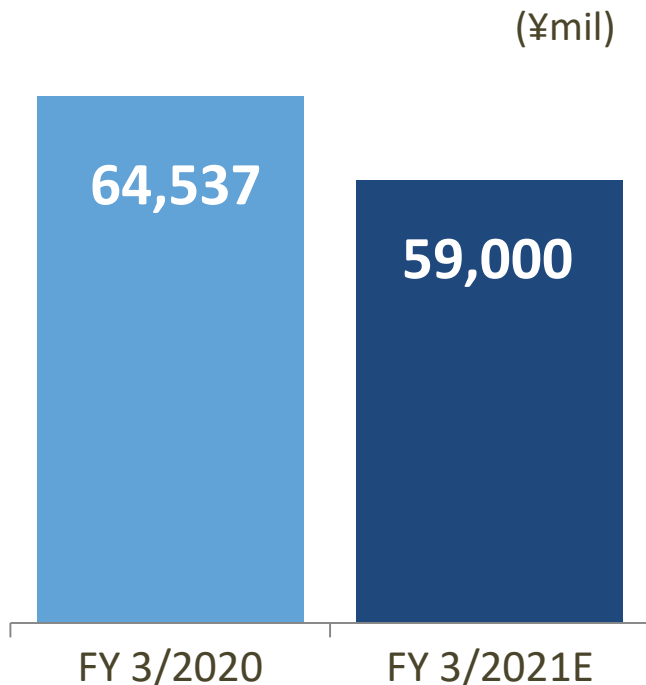
	(¥mil)	YoY (%)
Sales	59,000	-8.6
Operating profit	2,000	-24.5
Recurring profit	2,000	-24.7
Net profit	1,370	-26.8
EPS (yen)	47.72	
DPS (yen)	34.00	

Highlights

Sales **-8.6%** YoY

The number of cases hit the bottom, but the pace of recovery in the outpatients and referral patients remains slow

Impact from the reimbursement price revision (2nd half)
(-1.5%: c. Y500m)

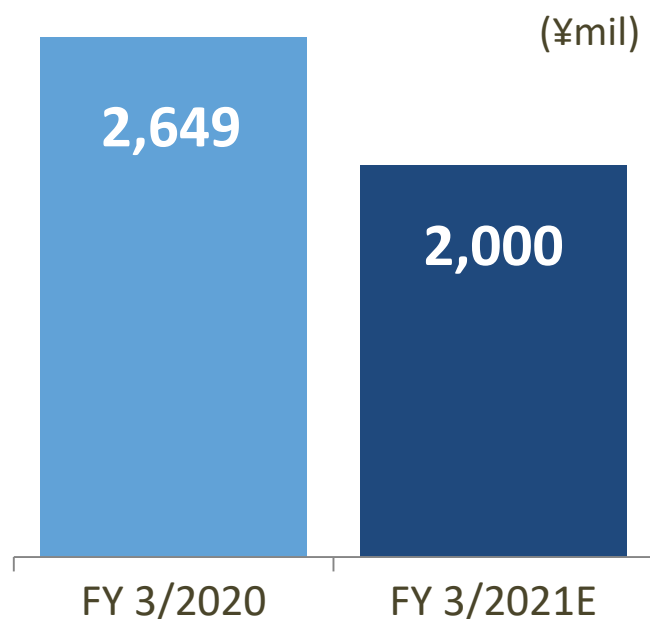


Sales breakdown by segment

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

Highlights

Operating profit **-24.5%** YoY



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

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

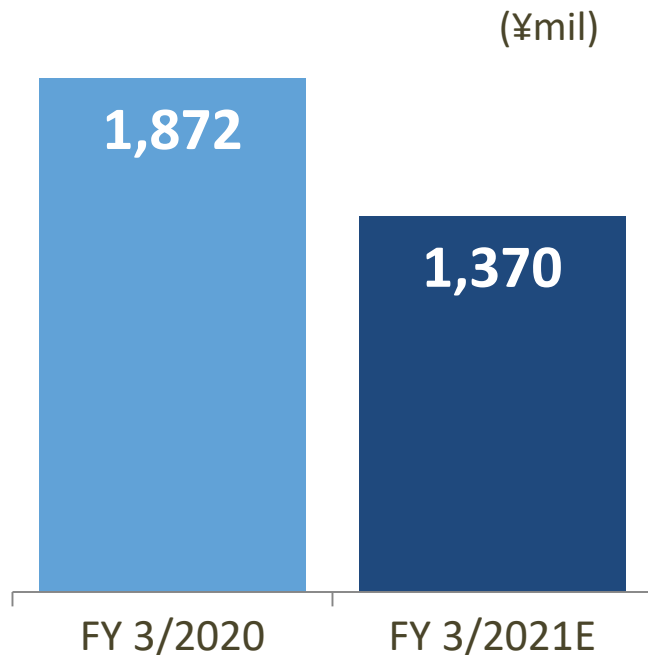
SG&A ¥5.5bn (+0.3% YoY, unchanged from the revised forecast)

- Forecast of the number of employees

541(Mar 2020) → 581 (Mar 2021)

Highlights

Net profit **-26.8%** YoY



Capex **¥1.1 bn**

vs. ¥97mil for FY 3/2020

Depreciation **¥180 mil**

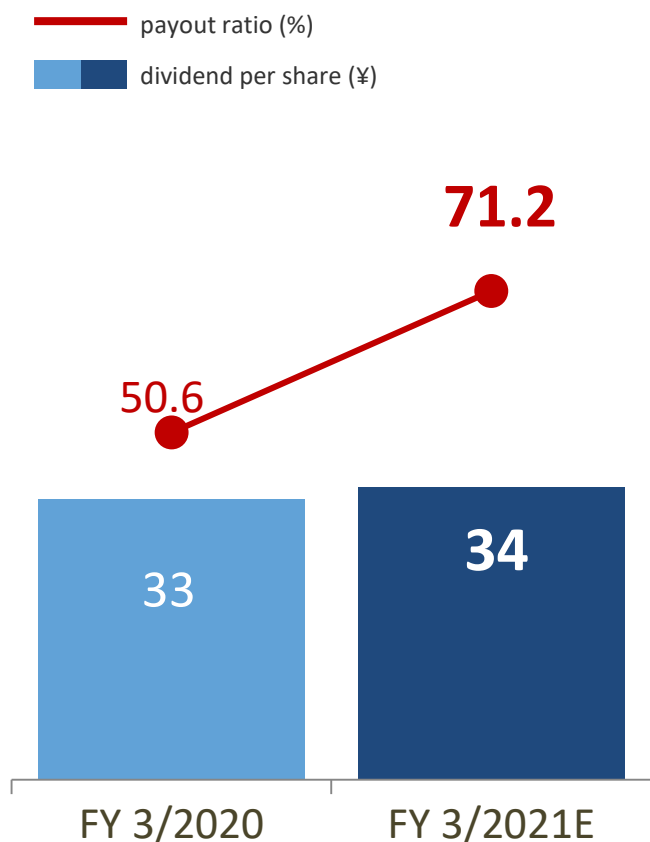
vs. ¥196mil for FY 3/2020

Dividends

34yen











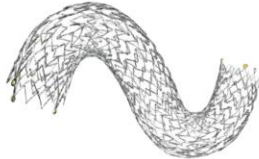





(unchanged from the initial forecast)

(Payout ratio)
71.2%



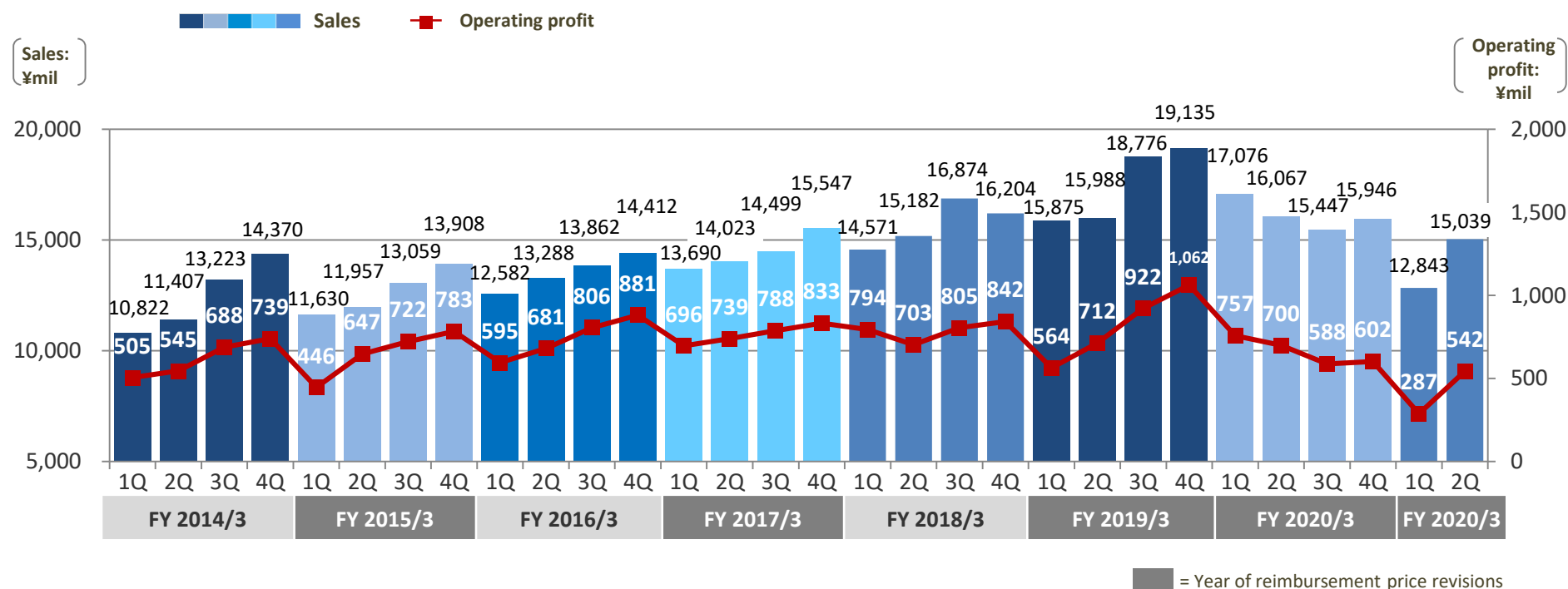
Reference

Major products

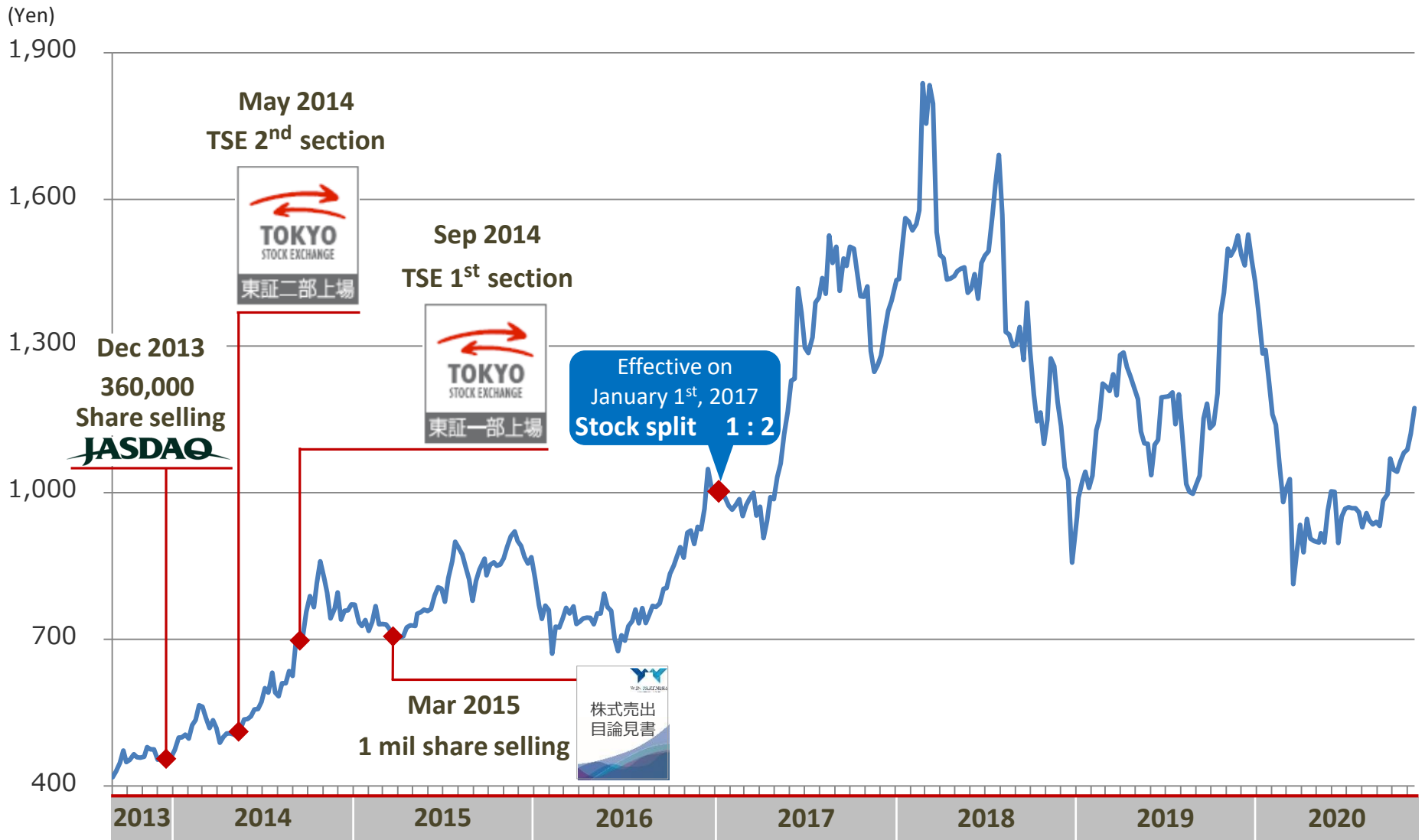
Segment	Disease	Product		
PCI	<ul style="list-style-type: none"> Myocardial infarction Angina 	PTCA balloon catheter	Drug-eluting stent (DES)	Intravascular ultrasound (IVUS) catheter
				
CRS	<ul style="list-style-type: none"> Abnormal cardiac rhythm 	Pacemaker	Implantable cardioverter defibrillator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

Track record of quarterly results

Sales/Operating profit (quarterly)



Share price





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