



Results Presentation

2Q FY Ending March 2022

Win-Partners Co., Ltd. (3183)

2Q results ending September 2021

Highlights

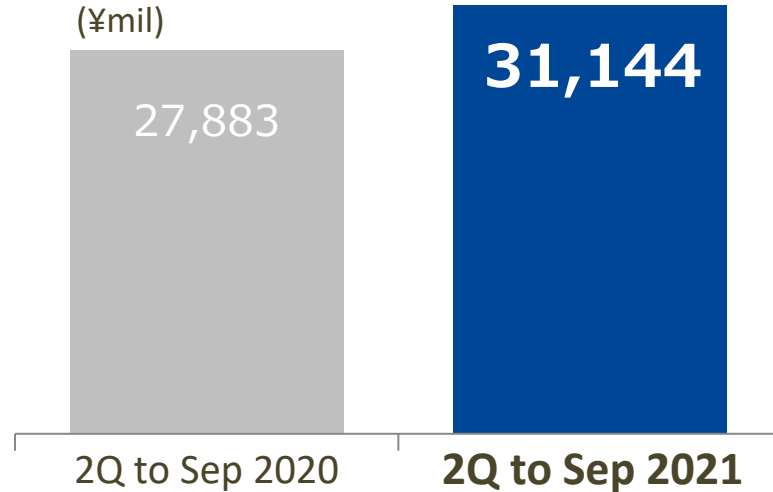
- Accumulated sales and profits in 2Q both increased YoY
- Q1 (Apr-Jun) earnings recovered sharply from the depressed level in the previous year
- Q2 (Jul-Sep) earnings suffered from a rapid increase in the number of Covid-19 infections, but still grew YoY
- No reimbursement price revision and reinforced rebate-programs/price negotiations enabled GPM to improve in 2Q
- Combined with less than expected SGA expenses, OP exceeded original estimates

Consolidated results summary

(¥mil) 2Q to	Sep 2020	Sep 2021	YoY(%)	OE	
Sales	27,883	31,144	+11.7	31,000	+0.5
Operating profit	830	1,175	+41.5	1,050	+12.0
Recurring profit	837	1,179	+40.8	1,050	+12.3
Net profit	572	799	+39.6	710	+12.6
EPS (yen)	19.95	27.86	—	—	—
BPS (yen)	701.94	730.51	—	—	—

Highlights (Sales)

YoY **+11.7%** vs. RE
+0.5%



- Sales increased YoY in all segments

Sales breakdown by segment

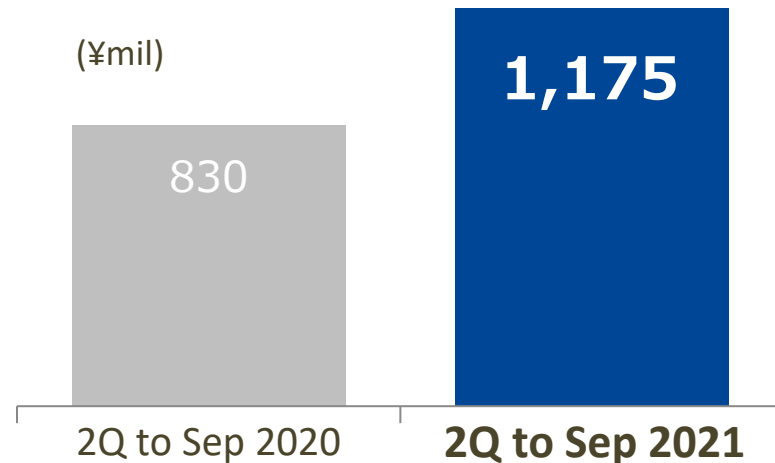
Segment	Sales (¥mil)	YoY growth(%)		% of sales
		Volume	Value	
Percutaneous coronary intervention (PCI)	8,233	+6.0	+9.6	26.4
Cardiac rhythm segment (CRS)	8,334	+6.4	+6.4	26.8
Cardiac vascular segment (CVS)	4,639	+10.0	+15.1	14.9
Percutaneous peripheral intervention (PPI)	1,811	+10.4	+11.0	5.8
Neurovascular	1,352	+6.8	+7.0	4.3
Diabetes mellitus segment (DMS)	1,316	-	+12.7	4.2
Medical equipment	2,836	-	+43.0	9.1
Others	2,618	-	+6.6	8.4
Total	31,144	-	+11.7	100.0

Segment review

	(YoY)	(vs. forecast)
P C I	PTCA balloon/DES sales increased as the number of cases increased Gained new customers and new accounts at existing customers	↓
C R S	ABL related sales continued growing on the back of market Expansion Sales for existing customers increased	↓
C V S	Structural heart disease (SHD) inc. TAVI related sales continued growing due to application expansion	↑
P P I	DCB/shunt PTA sales increased for news customers and news accounts at existing customers	→
N e u r o v a s c u l a r	Sales of thrombectomy devices for urgent treatments increased	→
M e d i c a l e q u i p - m e n t	Large-scale medical equipment sales increased Obtained Covid-19 related orders	↑
D M S	Blood glucose measuring equipment and insulin pump sales increased	↑

Highlights (Operating profit)

YoY **+41.5%** vs. RE
+12%



- **Gross profit margins 12.5% (+0.1 pp YoY)**
- rebate programs and price negotiations with suppliers were intensified
- **SGA +3.9% YoY**
- both labor cost and general expenses were less than initially expected
- **Labor cost +3.3% YoY**
- number of employees: 546 (Sep 2020) → 551 (Sep 2021)

Consolidated income statements

	Sep 2020		Sep 2021	
	(¥mil)	(%)	(¥mil)	(%)
Sales	27,883	100.0	31,144	100
Cost of sales	24,438	87.6	27,251	87.5
Gross profit	3,444	12.4	3,892	12.5
SG&A expenses	2,613	9.4	2,716	8.7
Operating profit	830	3.0	1,175	3.8
Non-operating profit	6	0.0	3	0
Non-operating expenses	0	0.0	0	0
Recurring profit	837	3.0	1,179	3.8
Extraordinary profit	0	0.0	0	0
Extraordinary loss	0	0.0	0	0
Pretax profit	837	3.0	1,179	3.8
Taxes	264	0.9	379	1.2
Net profit	572	2.1	799	2.6

Consolidated balance sheet

	Mar 2021		Sep 2021		Change (¥mil)
	(¥mil)	(%)	(¥mil)	(%)	
Current assets	35,994	89.6	34,010	88.9	-1,984
Cash and deposits	17,122	42.6	16,818	44.0	-304
Accounts receivable	15,966	39.7	14,203	37.1	-1,763
Inventories	2,334	5.8	2,293	6.0	-41
Other current assets	571	1.4	694	1.8	123
Fixed assets	4,193	10.4	4,254	11.1	61
Total assets	40,187	100.0	38,264	100.0	-1,923
Current liabilities	17,960	44.7	16,159	42.2	-1,801
Accounts payable	16,756	41.7	15,109	39.5	-1,647
Taxes payable	277	0.7	416	1.1	139
Other current liabilities	926	2.3	634	1.7	-292
Fixed liabilities	1,088	2.7	1,133	3.0	45
Total liabilities	19,049	47.4	17,293	45.2	-1,756
Net assets	21,138	52.6	20,971	54.8	-167
Total liabilities, net assets	40,187	100.0	38,264	100.0	-1,923

Consolidated cashflow statements

	Sep 2020	Sep 2021
Cash flows from operating activities	508	828
Net profit before taxes	837	1,179
Depreciation	94	78
Notes and accounts receivable	1,336	1,763
Inventories	203	33
Notes and accounts payable	-1,557	-1,646
Tax paid	-367	-275
Other	-39	-302
Cash flows from investing activities	-1,193	-156
Purchase of tangible assets	-1,125	-107
Other	-68	-49
Cash flows from financing activities	-947	-976
Cash dividends paid	-947	-976
Net increase in cash and cash equivalents	-1,632	-303
Cash and cash equivalents at beginning of FY	12,495	12,122
Cash and cash equivalents at the end of 2Q	10,862	11,818

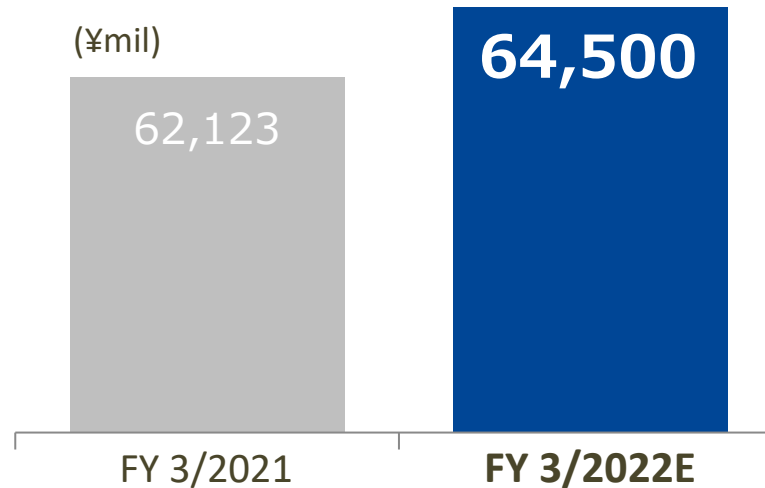
Outlook for 3/2022

Consolidated earnings forecasts to March 2022 (unchanged from the initial forecast)

	(¥mil)	YoY(%)	(%)
Sales	64,500	+3.8	100.0
Operating profit	2,500	+10.9	3.9
Recurring profit	2,500	+10.3	3.9
Net profit	1,700	+10.3	2.6
EPS (yen)	59.22		
DPS (yen)	35.00		

Highlights (Sales)

YoY **+3.8%**



- Prepare for ordinary medical treatments gradually returning back to normal
- Focus on gaining new customers & new accounts at existing customers

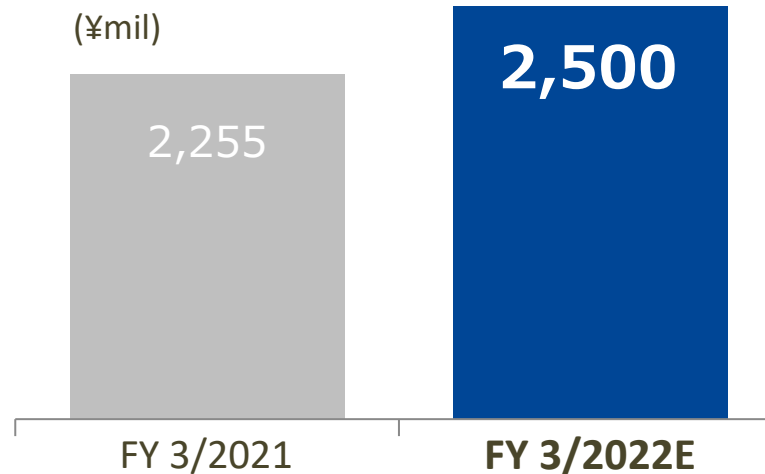
Sales forecast by segment

	(¥mil)	YoY(%)	% of sales
Percutaneous coronary intervention (PCI)	17,590	+10.1	27.3%
Cardiac rhythm segment (CRS)	17,420	+6.5	27.0%
Cardiac vascular segment (CVS)	9,270	+6.9	14.4%
Percutaneous peripheral intervention (PPI)	3,650	+5.2	5.6%
Neurovascular	2,970	+9.3	4.6%
Diabetes mellitus segment (DMS)	2,650	+6.5	4.1%
Medical equipment ※	5,600	-9.6	8.7%
Others	5,350	-14.4	8.3%
Total	64,500	+3.8	100.0%

※ From 3/2022, the medical equipment segment includes large equipment together with small & mid-sized equipment.

Highlights (Operating profit)

YoY **+10.9%**



- **Forecast of gross profit margins: 12.8%, (+0.3 pp)**

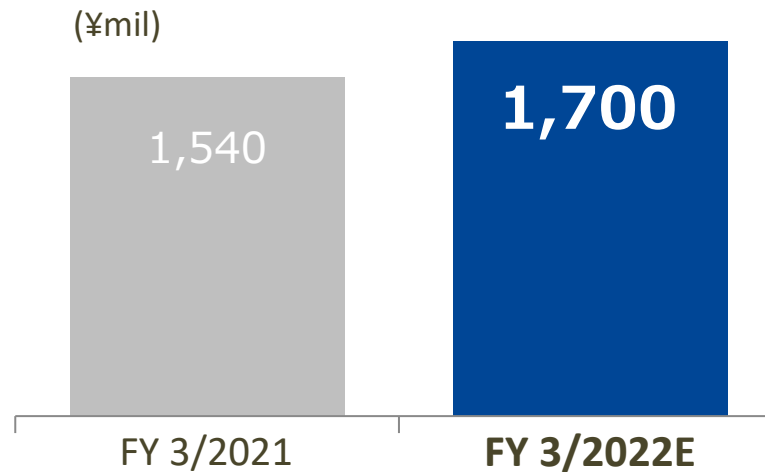
- intensifying price negotiations and rebate programs with suppliers
- switch to higher margin devices

- **SG&A ¥5.72 bn (+4.4%)**

- forecast of the number of employees: 547 (Mar 2021) → 579 (Mar 2022)

Highlights (Net profit)

YoY **+10.3%**



- Capex **¥70 mil** vs. ¥1.1 bn for FY 3/2021
- Depreciation **¥160 mil** vs. ¥194 mil for FY 3/2021

What WIN is tackling

● **Promotion of a logistics revolution**

- continue support for the experimental study on IC tags on medical devices
- develop a new sales/inventory control system and construct “WIN Heart Gate”, a new distribution center

● **Focus on CRS**

- nurture “ablation specialists”
- increase CDRs (Cardiac Device Representatives: 90 - Sep 2021)

● **M&A etc.**

- continue investigating opportunities in order to expand business
- enhance operational efficiency with RPA

WIN Heart Gate

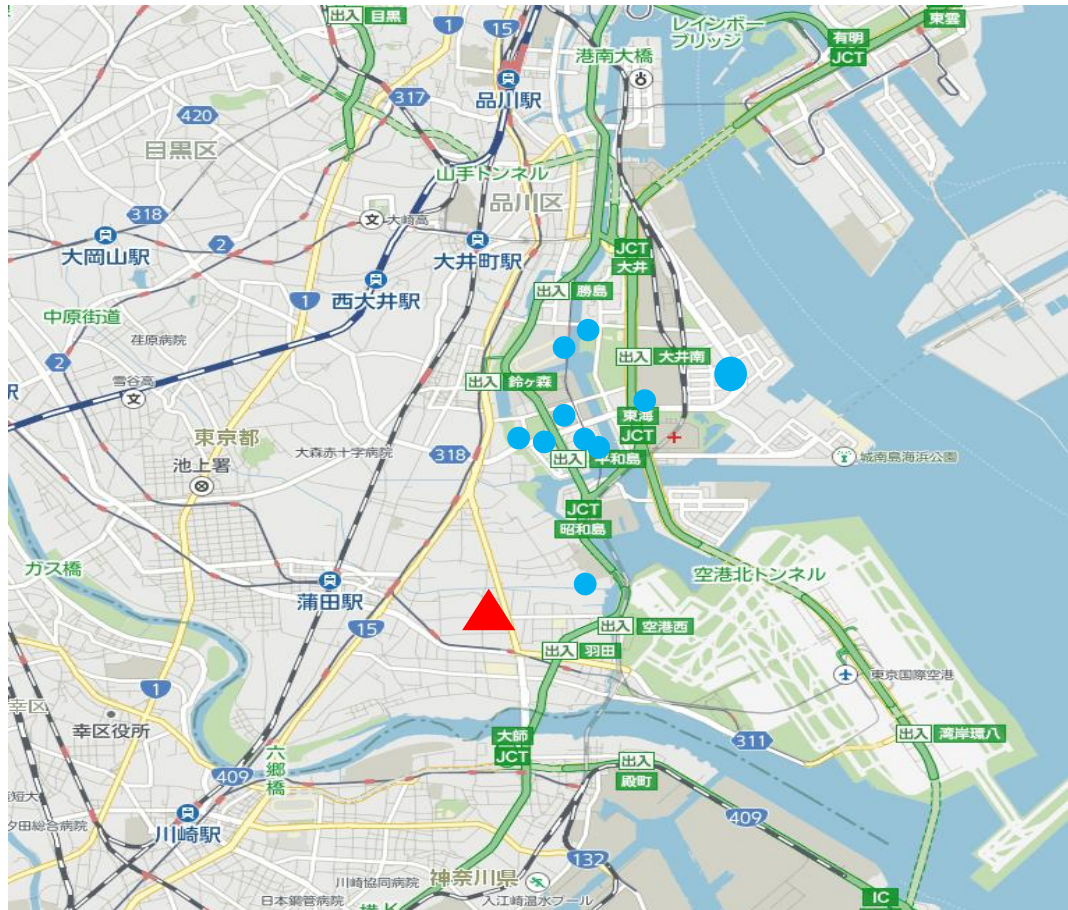


Aim of WIN Heart Gate

Achieve higher logistics efficiency by covering all sales bases in the metropolitan area

- **Separate sales and logistics**
- **Utilize RFID**
 - improve efficiency of inventory control
 - enhance traceability of medical devices
 - reduce inventory loss
- **Lower distribution costs etc.**

Location of WIN Heart Gate



WIN Heart Gate



Distribution facilities of medical equipment manufacturers (source: WIN Partners)

Close to distribution facilities of medical device manufacturers

Investment and Schedule

● Investment

- land : ￥ 1,027 mil
- building : ￥ 840 mil (projection)
- equipment : ￥ 100 mil (projection)

● Schedule

- From Oct 2021 : simulation at a tentative storeroom
- around Nov 2022 : completion of the building
- early 2023 : test run
- by Oct 2023 : full operation with the new system (inc. main system)

SDGs

“KIRARIS”, a support team for female employees

KIRARIS = KIRARI (brightness in Japanese) + RISE

KIRARIS will advise management to improve the work-family balance and to promote the advancement of women through consultation services and in-house training etc.



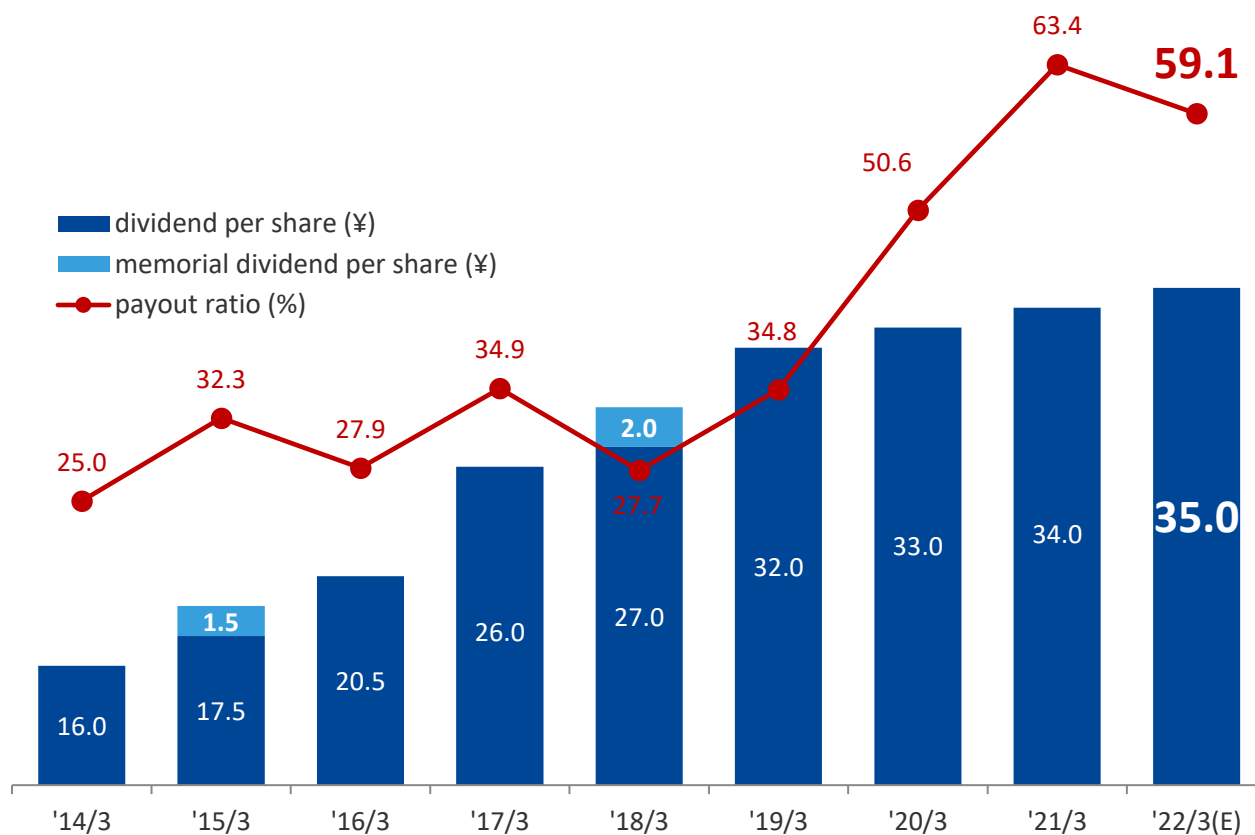
Dividends & Payout ratio

+1 yen from March 2021

35yen

Prospective payout ratio

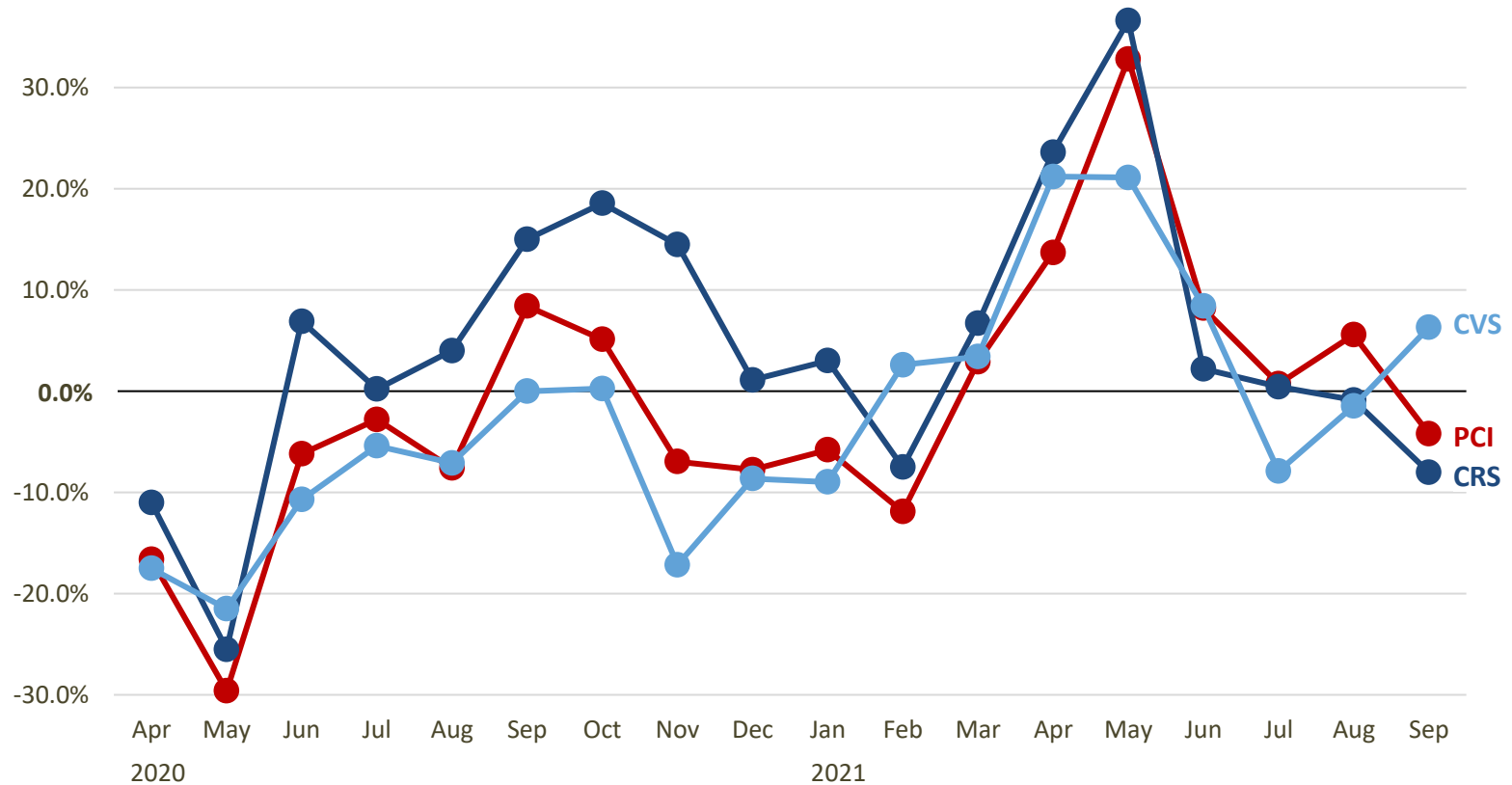
59.1%



Reference

Trend of the number of cases











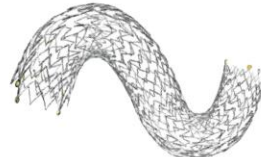





YoY change in the number of cases
in major segments



The reimbursement prices of major products

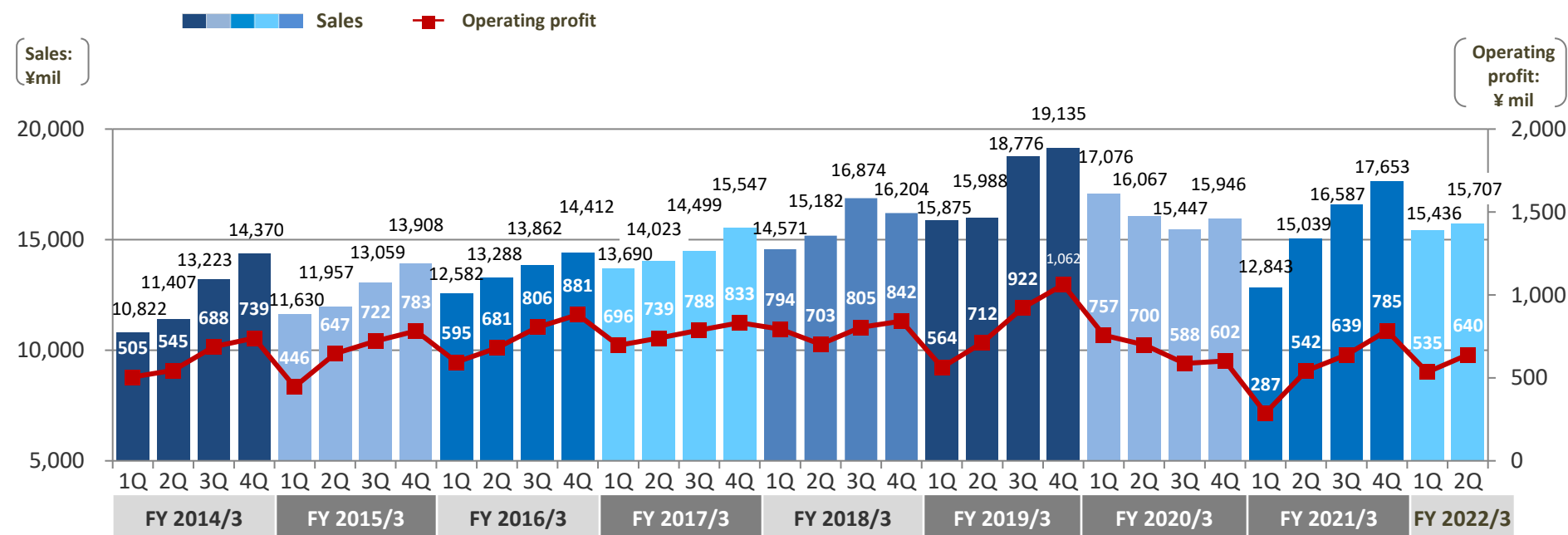
Segment	Items	Reimbursement prices (¥000)		Change (%)
		2019 (Oct)	2020 (Apr)	
PCI	PTCA balloon catheter	38	35	- 8.7
	Drug eluting stent (DES)	173	161	- 6.9
	Intravascular ultrasound (IVUS) catheter	84	80	- 4.6
CRS	Pacemaker	763	720	- 5.6
	Implantable cardioverter defibrillator (ICD)	2,950	2,950	0.0
	Cardiac resynchronization therapy defibrillator (CRTD)	3,990	3,990	0.0
	Subcutaneous implantable defibrillator (S-ICD)	3,120	3,120	0.0
	Ablation catheter	126	124	- 1.6
	Cardiac cryoablation catheter	649	649	0.0
CVS	Stent graft (abdomen)	1,320	1,320	0.0
	Open stent graft	1,110	1,110	0.0
	Heart valve for transcatheter aortic valve implantation (TAVI) (balloon-expandable)	4,510	4,510	0.0
	Heart valve for TAVI (self-expandable)	3,740	3,740	0.0
PPI	PTA balloon catheter	56	55	- 1.6
	Peripheral vascular stent	175	174	- 0.6
	Peripheral drug eluting stent (DES)	233	233	0.0
Neurovascular	Emboloc coil (electric type)	118	118	0.0
	Thrombectomy catheter (self-expandable)	386	386	0.0

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/ Neuro vascular	<ul style="list-style-type: none">• Arteriosclerosis obliterans	Mechanical heart valve	Peripheral vascular stent	Drug-coated balloon (DCB)
				
DMS/ Medical equipment	<ul style="list-style-type: none">• Diabetes• Diagnosis	Neurovascular occlusion coil	Insulin pump	Continuous glucose monitoring (CGM)
				
		Magnetic resonance imaging (MRI)		
				

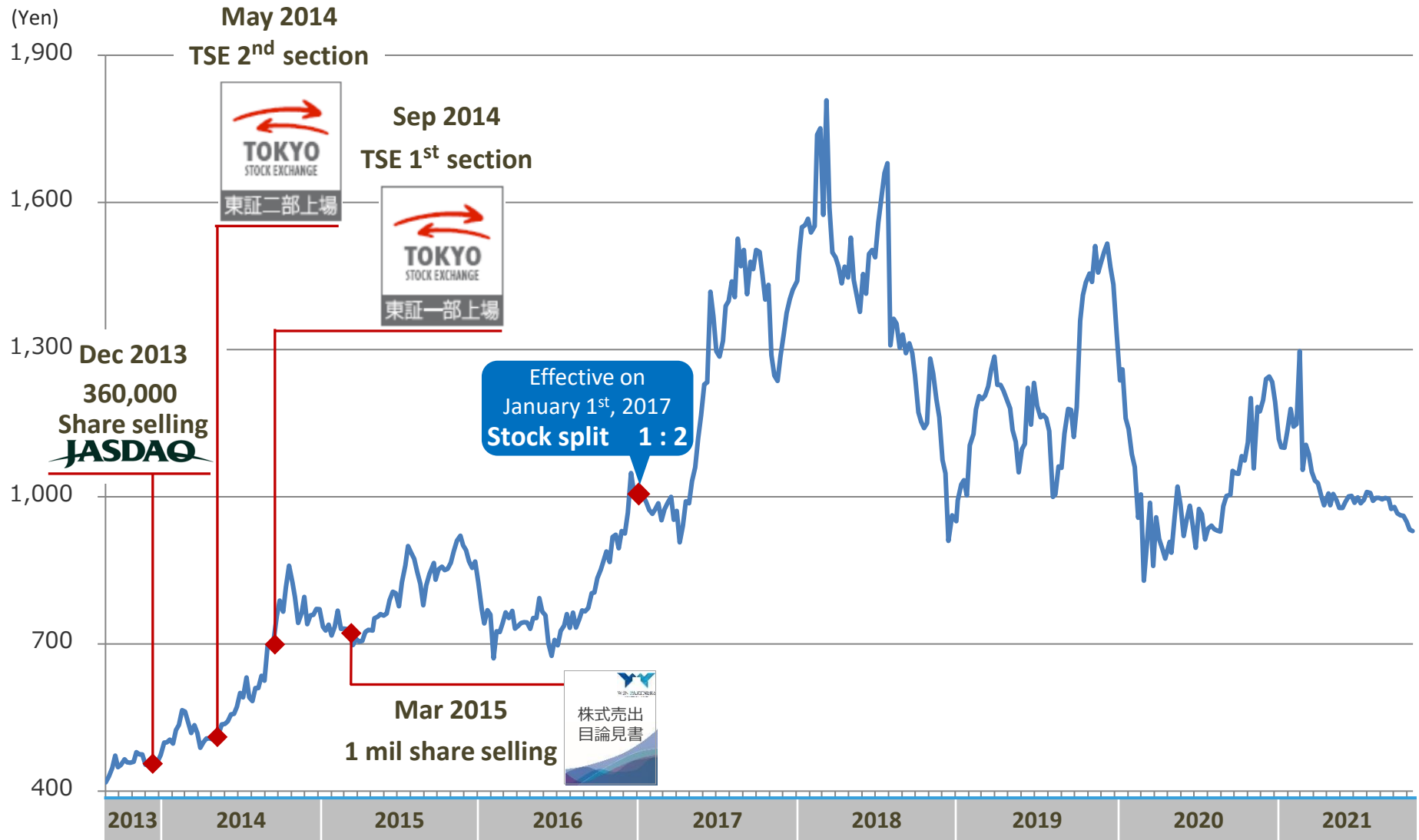
Track record of quarterly results

Sales/Operating profit (quarterly)



■ = Year of reimbursement price revisions

Share price





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