



Results Presentation

2Q FY Ending March 2024

WIN-Partners Co., Ltd. (3183)

2Q results to September 2023

Highlights

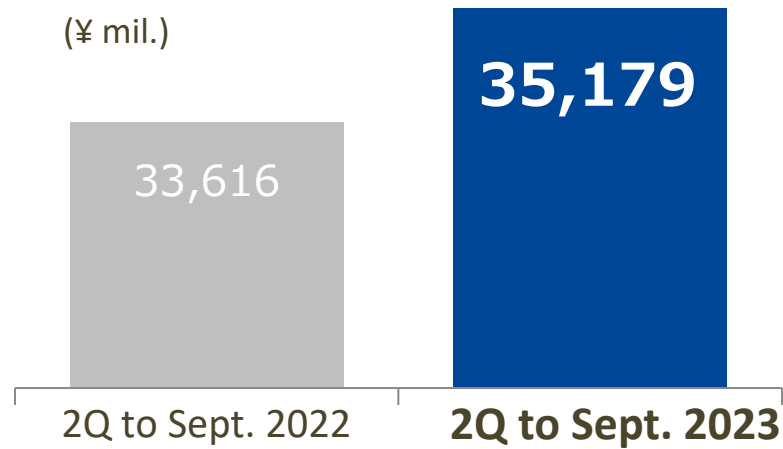
- **Sales increased YoY**
- **Gross profit marked all-time-high due to sales volume increase and trading margin expansion**
- **SGA expenses increased due to new consolidations and one-off expenses, resulting in operating profit down YoY**
- **OP came in below forecast due to the impact of the COVID-19 pandemic and partial loss of customers**

Consolidated results summary

(¥ mil.) 2Q to	Sept. 2022	Sept. 2023	YoY (%)
Sales	33,616	35,179	+4.6
Operating profit	1,107	967	-12.7
Recurring profit	1,108	972	-12.3
Net profit	741	702	-5.2
EPS (yen)	26.09	24.71	-
BPS (yen)	755.28	777.71	-

Sales

YoY **+4.6%** (vs. forecast
+0.2%)



- Sales of major segments increased YoY due to an increase in the number of cases
- The COVID-19 pandemic continued to impact negatively for some medical institutions
- Sales related to ablation and Structural Heart Disease (SHD) continued to grow

Sales breakdown by segment (YoY)

Segment	Sales (¥ mil.)	YoY growth (%)		% of sales (%)
		Volume	Value	
Percutaneous coronary intervention (PCI)	8,288	+3.8	+4.3	23.5
Cardiac rhythm segment (CRS)	9,205	+1.5	+2.7	26.2
Cardiac vascular segment (CVS)	6,157	+6.6	+22.9	17.5
Percutaneous peripheral intervention (PPI)	2,129	+9.8	+11.6	6.1
Neurovascular	1,815	+22.5	+18.8	5.2
Diabetes mellitus segment (DMS)	1,724	-	+6.6	4.9
Medical equipment	2,843	-	-26.3	8.1
Others	3,014	-	+8.3	8.6
Total	35,179	-	+4.6	100.0

Segment review (YoY)

P C I

- Sales at major customers increased
- Drug Coated Balloon (DCB) sales increased

C R S

- The number of pacemaker cases increased due to emergency cases, etc.
- Sales related to ablation continued to increase due to the market expansion

C V S

- Sales related to SHD (inc. TAVI) related sales continued increasing
- TRYTECH contributed

P P I

- The number of cases of shunt PTA and occlusive arteriosclerosis increased
- DCB sales increased

N e u r o v a s c u l a r

- Sales of embolic coil increased

D M S

- Blood glucose measuring equipment and insulin pump sales increased

M e d i c a l e q u i p m e n t

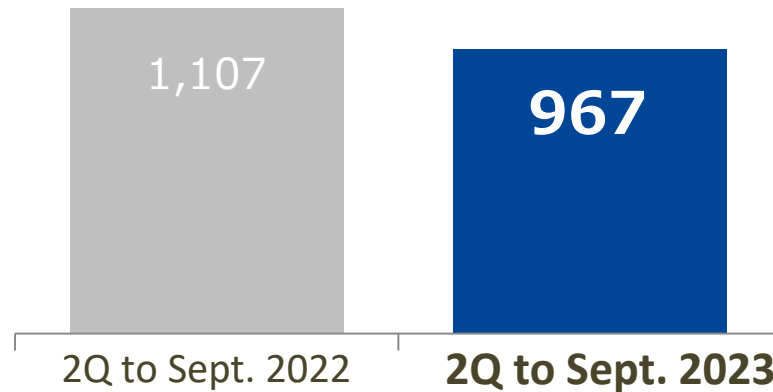
- Large-scale medical equipment sales decreased

Sales breakdown by segment (vs. forecast)

Segment	Sales	Forecast	Difference	Rate of change (%)
Percutaneous coronary intervention (PCI)	8,288	8,560	-271	-3.2
Cardiac rhythm segment (CRS)	9,205	9,220	-14	-0.2
Cardiac vascular segment (CVS)	6,157	6,060	+97	+1.6
Percutaneous peripheral intervention (PPI)	2,129	2,070	+59	+2.9
Neurovascular	1,815	1,730	+85	+4.9
Diabetes mellitus segment (DMS)	1,724	1,730	-5	-0.3
Medical equipment	2,843	2,640	+203	+7.7
Others	3,014	3,090	-75	-2.4
Total	35,179	35,100	+79	+0.2

Operating profit

YoY **-12.7%** (vs. forecast -6.5%)
(¥ mil.)

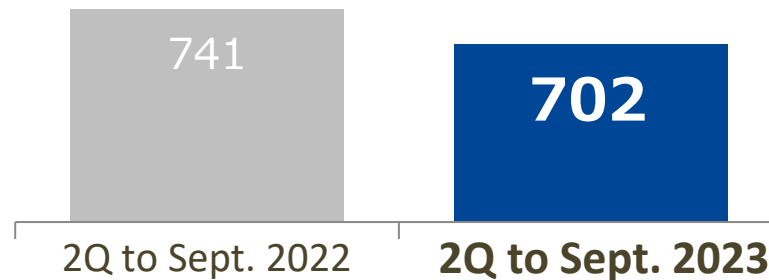


- **Gross profit margin 12.3% (+0.4 pp YoY)**
 - Sales volume increase
 - Expansion in trading margins
- **SGA +15.6% YoY**
 - Increase in labor costs and other expenses (+12.4% and +24.2% respectively)
 - Consolidations of TO-SAY Medical and TRYTECH
 - 10th anniversary-related expenses
 - Number of employees: 605 (Sept. 2022) → 626 (Sept. 2023)

Net profit

YoY **-5.2%** [vs. forecast]
+0.4%

(¥ mil.)



- **Extraordinary profit: ¥75 mil.**
- Investment profit from silent partnership investment
- **Extraordinary loss: ¥4.9 mil.**
- Loss of land sale

CapEx	¥257 mil.	vs. ¥849 mil. for 9/2022
Depreciation	¥93 mil.	vs. ¥75 mil. for 9/2022

Consolidated income statement

	Sept. 2022		Sept. 2023	
	(¥ mil.)	(%)	(¥ mil.)	(%)
Sales	33,616	100.0	35,179	100.0
Cost of sales	29,589	88.0	30,835	87.7
Gross profit	4,027	12.0	4,343	12.3
SG&A expenses	2,920	8.7	3,376	9.6
Operating profit	1,107	3.3	967	2.7
Non-operating profit	4	0.0	7	0.0
Non-operating expenses	3	0.0	2	0.0
Recurring profit	1,108	3.3	972	2.8
Extraordinary profit	28	0.1	74	0.2
Extraordinary loss	50	0.1	4	0.0
Pretax profit	1,087	3.2	1,041	3.0
Taxes	345	1.0	338	1.0
Net profit	741	2.2	702	2.0

Consolidated balance sheet

	Mar. 2023		Sept. 2023		Change (¥ mil.)
	(¥ mil.)	(%)	(¥ mil.)	(%)	
Current assets	38,671	88.1	36,778	87.0	-1,893
Cash and deposits	16,771	38.2	16,509	39.1	-262
Accounts receivable	17,625	40.2	16,305	38.6	-1,320
Inventories	2,813	6.4	2,859	6.8	+46
Other current assets	1,461	3.3	1,103	2.6	-358
Fixed assets	5,211	11.9	5,498	13.0	+287
Total assets	43,883	100.0	42,277	100.0	-1,606
Current liabilities	19,884	45.3	18,767	44.4	-1,117
Accounts payable	18,569	42.3	17,364	41.1	-1,205
Taxes payable	447	1.0	390	0.9	-57
Other current liabilities	867	2.0	1,013	2.4	+146
Fixed liabilities	1,216	2.8	1,293	3.1	+77
Total liabilities	21,100	48.1	20,061	47.5	-1,039
Net assets	22,782	51.9	22,215	52.5	-567
Total liabilities, net assets	43,883	100.0	42,277	100.0	-1,606

Consolidated cashflow statement

(¥ mil.)

	Sept. 2022	Sept. 2023
Cash flows from operating activities	1,055	1,171
Net profit before taxes	1,087	1,041
Depreciation	75	93
Notes and accounts receivable	2,582	1,549
Inventories	-608	76
Notes and accounts payable	-662	-1,332
Tax paid	-665	-527
Other	-752	270
Cash flows from investing activities	-654	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-505	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	150
Purchase of tangible assets	-601	-290
Other	451	141
Cash flows from financing activities	-1,162	-1,445
Cash dividends paid	-994	-1,420
Other	-168	-24
Net increase in cash and cash equivalents	-761	-272
Cash and cash equivalents at the beginning of FY	10,572	11,771
Cash and cash equivalents at the end of 2Q	9,811	11,499

Outlook for fiscal year ending March 2024

Business environment

- **Cost increase in general**
- **Increasing demand for higher operational efficiency from hospitals toward the commencement of physicians' workstyle reforms**
- **Sporadic impact of the COVID-19 pandemic**

WIN's initiatives for sales expansion

- **Support customers**
 - Survey the medical treatment area
 - Support hospital management through strategic procurement
 - Plan workshops and seminars for medical staff
- **Invest management resources in the growing markets**
 - Increase CRS and CVS sales
 - Increase Cardiac Device Representatives (CDR – 140 planned at the end of 3/2024)
 - Start the OJT projects for ablation specialists

WIN's initiatives for profit expansion

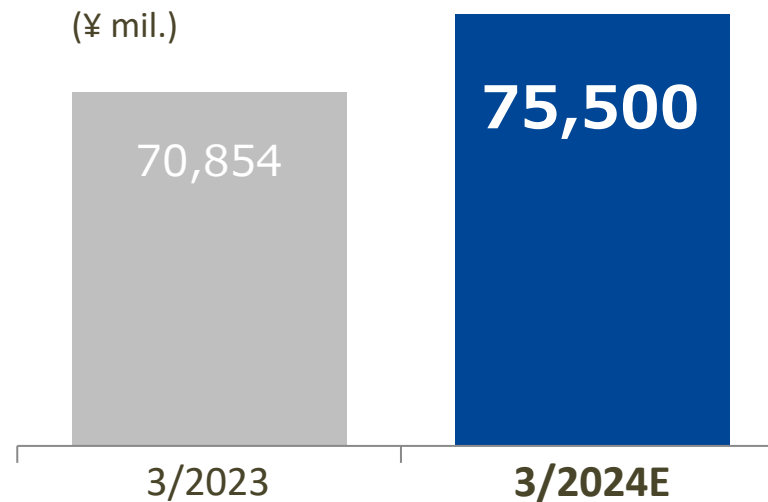
- **Improve profitability**
 - Reinforce price negotiations with suppliers
 - Introduce new rebate programs and procure devices without returns
 - Conduct price hike negotiations with customers
- **Improve inventory efficiency**
 - Reduce idle inventories
- **Make internal operations more efficient**

Consolidated earnings forecasts for FY ending March 2024

	(¥ mil.)	YoY (%)	(%)
Sales	75,500	+6.6	100.0
Operating profit	2,830	+14.6	3.7
Recurring profit	2,830	+14.4	3.7
Net profit	1,930	-5.7	2.6
EPS (yen)	67.91		
DPS (yen)	50.00		

Sales

YoY + **6.6%**



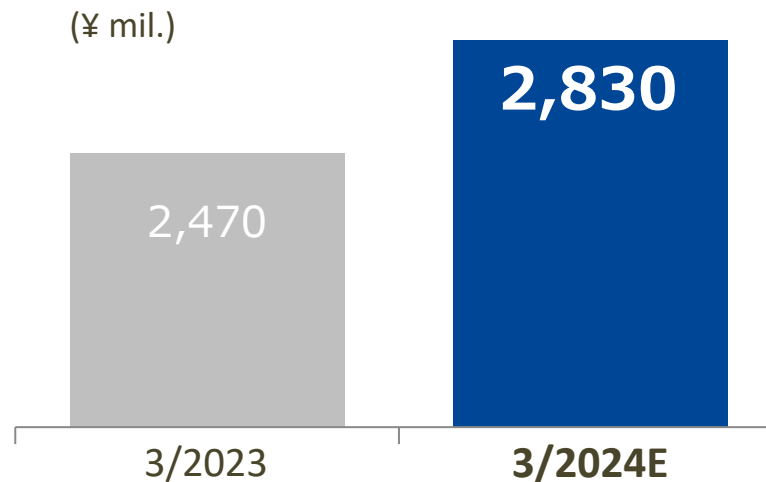
- **Improve operational efficiency in the matured market**
- **Increase sales in the growing markets**
- **Gain medical equipment orders**

Sales forecast by segment

	(¥ mil.)	YoY (%)	% of sales
Percutaneous coronary intervention (PCI)	17,710	+6.9	23.5
Cardiac rhythm segment (CRS)	18,600	+2.0	24.6
Cardiac vascular segment (CVS)	12,360	+11.5	16.4
Percutaneous peripheral intervention (PPI)	4,200	+4.9	5.6
Neurovascular	3,510	+7.3	4.6
Diabetes mellitus segment (DMS)	3,690	+12.7	4.9
Medical equipment	9,200	+5.9	12.2
Other	6,230	+8.4	8.3
Total	75,500	+6.6	100.0

Operating profit

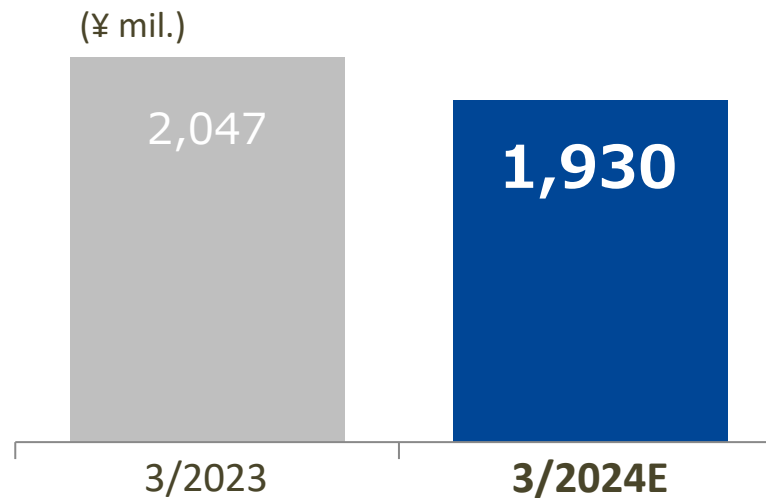
YoY **+14.6%**



- **Forecast of gross profit margin: 13.1% (+0.9 pp YoY)**
 - Reinforce price negotiations with suppliers
 - Implement new rebate programs and procure medical devices without returns
 - Negotiate to raise prices with customers
 - Reduce idle inventories and improve the efficiency of internal operations
- **SG&A ¥7.08 bn. (+14.4% YoY)**
 - Forecast of the number of group employees: 609 (Mar. 2023) → 673 (+64, Mar. 2024)

Net profit

YoY **-5.7%**



- **Capital expenditure ¥420 mil.** vs. ¥829 mil. for 3/2023
- **Depreciation ¥210 mil.** vs. ¥160 mil. for 3/2023

WIN's initiatives for sustainability

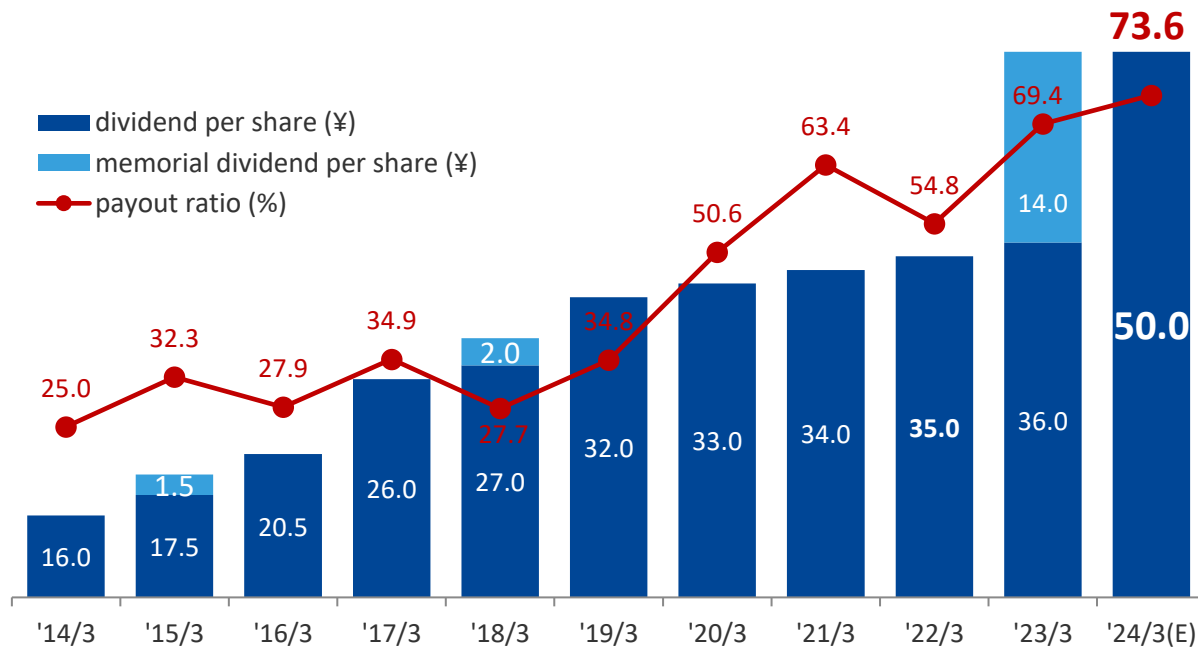
- **Support for employee participation**
 - **Support female employees returning to work following life events**
 - **Grant restricted shares**
- **Initiatives for TCFD**
 - **Acquire of the third-party verification opinion for the Group's Scope 1, 2, and 3 GHG emissions calculation in FY2022**

Dividends & payout ratio

50 yen

Prospective payout ratio

73.6%





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Contact

WIN-Partners Co., Ltd.

Investor Relations

Phone: +81-3-3548-0790

<https://www.win-partners.co.jp/en/>

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