

Consolidated Financial Results
for the Three Months Ended June 30, 2014
<under Japanese GAAP>

Name of the Listed Company: **Miraca Holdings Inc.**
Listed Stock Exchanges: Tokyo Stock Exchange
Securities Code: 4544
URL: <http://www.miraca-holdings.co.jp/>
Representative: Hiromasa Suzuki, President and CEO
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Scheduled date to submit Quarterly Securities Report: August 11, 2014
Scheduled date to commence dividend payments: —
Preparation of supplementary materials on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts rounded down)

1. Consolidated financial results for the three months ended June 30, 2014

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2014	51,208	1.2	7,138	3.6	6,819	(4.5)	3,258	(23.0)
June 30, 2013	50,582	2.8	6,893	(6.9)	7,137	(5.7)	4,230	(5.9)

Note: Comprehensive income

Three months ended June 30, 2014: ¥1,260 million [(85.4)%]

Three months ended June 30, 2013: ¥8,654 million [807.5%]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended		
June 30, 2014	55.52	55.41
June 30, 2013	72.30	72.07

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
June 30, 2014	235,914	157,245	66.6	2,674.25
March 31, 2014	242,159	157,348	64.9	2,677.30

Reference: Equity

As of June 30, 2014: ¥157,011 million

As of March 31, 2014: ¥157,105 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2014	–	43.00	–	43.00	86.00
Fiscal year ending March 31, 2015	–				
Fiscal year ending March 31, 2015 (Forecast)		46.00	–	46.00	92.00

Note: Revisions to the cash dividend forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2014	105,500	4.2	14,600	2.1	14,500	(0.8)	7,450	(14.1)	126.91
Fiscal year ending March 31, 2015	212,500	4.5	27,600	3.3	27,400	1.0	15,900	3.8	270.83

Note: Revisions to the earnings forecasts most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the current period under review (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement: None

(4) Number of shares issued (common shares)

- a. Total number of shares issued at the end of the period (including treasury shares)

As of June 30, 2014	58,957,966 shares
As of March 31, 2014	58,925,566 shares

- b. Number of treasury shares at the end of the period

As of June 30, 2014	245,464 shares
As of March 31, 2014	244,770 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2014	58,696,774 shares
Three months ended June 30, 2013	58,518,692 shares

* Indication regarding execution of quarterly review procedures

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for the quarterly consolidated financial statements in accordance with the Financial Instruments and Exchange Act are in progress.

* Proper use of earnings forecasts, and other special matters

(Note regarding the forecast figures)

The forecasts stated above are based on information available to the Company as of the date of announcement of this report and assumptions as of the same date on many uncertain factors that could affect the future performance of the Company. Actual results may differ substantially from the forecasts due to various factors in the future.

(How to access supplementary materials on quarterly financial results)

Supplementary materials on quarterly financial results will be posted on the Company's website on Friday, August 1, 2014.

Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	25,683	26,549
Notes and accounts receivable - trade	37,125	38,905
Securities	10,000	3,000
Merchandise and finished goods	4,508	4,535
Work in process	5,019	5,082
Raw materials and supplies	4,754	4,562
Other	10,173	11,528
Allowance for doubtful accounts	(2,088)	(2,305)
Total current assets	95,175	91,859
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,663	17,307
Tools, furniture and fixtures, net	5,610	5,532
Land	9,421	9,420
Other, net	8,171	8,651
Total property, plant and equipment	40,867	40,912
Intangible assets		
Goodwill	55,746	53,924
Customer-related intangible assets	29,155	28,215
Software	2,926	2,778
Other	8,344	9,346
Total intangible assets	96,174	94,264
Investments and other assets		
Investment securities	3,049	2,389
Other	6,906	6,503
Allowance for doubtful accounts	(12)	(14)
Total investments and other assets	9,942	8,877
Total non-current assets	146,984	144,054
Total assets	242,159	235,914

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,327	10,932
Current portion of bonds	25	25
Current portion of long-term loans payable	4,250	4,250
Accounts payable - other	6,538	6,950
Income taxes payable	5,258	1,476
Provision for bonuses	4,303	2,601
Other	8,453	11,805
Total current liabilities	40,155	38,041
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	8,000	6,000
Net defined benefit liability	6,667	4,908
Asset retirement obligations	658	660
Other	19,329	19,057
Total non-current liabilities	44,655	40,627
Total liabilities	84,810	78,669
Net assets		
Shareholders' equity		
Capital stock	8,433	8,484
Capital surplus	24,155	24,206
Retained earnings	102,727	104,532
Treasury shares	(541)	(544)
Total shareholders' equity	134,775	136,679
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,075	737
Foreign currency translation adjustment	21,790	20,109
Remeasurements of defined benefit plans	(535)	(514)
Total accumulated other comprehensive income	22,330	20,332
Subscription rights to shares	242	233
Total net assets	157,348	157,245
Total liabilities and net assets	242,159	235,914

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Net sales	50,582	51,208
Cost of sales	30,273	30,919
Gross profit	20,309	20,289
Selling, general and administrative expenses	13,416	13,150
Operating income	6,893	7,138
Non-operating income		
Interest income	12	2
Dividend income	29	32
Foreign exchange gains	41	-
Settlement received	240	-
Other	78	57
Total non-operating income	403	92
Non-operating expenses		
Interest expenses	122	139
Foreign exchange losses	-	25
Share of loss of entities accounted for using equity method	14	1
Advisory fee	-	214
Other	22	30
Total non-operating expenses	158	411
Ordinary income	7,137	6,819
Extraordinary income		
Gain on sales of non-current assets	9	1
Gain on reversal of subscription rights to shares	11	9
Other	4	-
Total extraordinary income	25	11
Extraordinary losses		
Loss on retirement of non-current assets	18	13
Business structure improvement expenses	61	757
Other	0	155
Total extraordinary losses	80	926
Income before income taxes and minority interests	7,082	5,904
Income taxes - current	2,241	2,211
Income taxes - deferred	609	433
Total income taxes	2,851	2,645
Income before minority interests	4,230	3,258
Net income	4,230	3,258

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	4,230	3,258
Other comprehensive income		
Valuation difference on available-for-sale securities	(171)	(338)
Foreign currency translation adjustment	4,595	(1,681)
Remeasurements of defined benefit plans, net of tax	-	21
Total other comprehensive income	4,423	(1,998)
Comprehensive income	8,654	1,260
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,654	1,260

(3) Consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	7,082	5,904
Depreciation	2,449	2,605
Amortization of goodwill	884	971
Increase (decrease) in provision for bonuses	(2,550)	(1,695)
Increase (decrease) in provision for retirement benefits	(48)	-
Increase (decrease) in net defined benefit liability	-	(76)
Increase (decrease) in allowance for doubtful accounts	193	253
Interest and dividend income	(42)	(35)
Share of (profit) loss of entities accounted for using equity method	14	1
Interest expenses	122	139
Decrease (increase) in notes and accounts receivable - trade	(2,274)	(2,139)
Decrease (increase) in inventories	609	34
Decrease (increase) in other current assets	(485)	(1,245)
Increase (decrease) in notes and accounts payable - trade	(819)	(368)
Increase (decrease) in accrued consumption taxes	203	952
Increase (decrease) in other current liabilities	2,345	2,779
Other, net	410	363
Subtotal	8,094	8,445
Interest and dividend income received	42	35
Interest expenses paid	(155)	(150)
Income taxes paid	(5,755)	(6,746)
Net cash provided by (used in) operating activities	2,226	1,583
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,780)	(1,305)
Purchase of intangible assets	(543)	(1,532)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(122)	-
Other, net	8	211
Net cash provided by (used in) investing activities	(2,438)	(2,626)
Cash flows from financing activities		
Repayments of long-term loans payable	(2,010)	(2,000)
Repayments of finance lease obligations	(263)	(348)
Proceeds from issuance of common shares	272	86
Cash dividends paid	(2,490)	(2,496)
Other, net	(106)	(19)
Net cash provided by (used in) financing activities	(4,597)	(4,777)
Effect of exchange rate change on cash and cash equivalents	121	(312)
Net increase (decrease) in cash and cash equivalents	(4,688)	(6,133)
Cash and cash equivalents at beginning of period	32,854	35,671
Cash and cash equivalents at end of period	28,165	29,537