

Consolidated Financial Results
for the Nine Months Ended December 31, 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: February 12, 2015
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 nine months ended December 31, 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	%
Nine months ended								
December 31, 2014	154,109	1.0	21,402	2.3	21,356	(0.3)	13,513	9.1
December 31, 2013	152,569	5.6	20,930	2.9	21,421	4.6	12,381	4.4

Note: Comprehensive income

Nine months ended December 31, 2014: ¥27,586 million [15.2%]

Nine months ended December 31, 2013: ¥23,951 million [45.0%]

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2014	230.33	229.93
December 31, 2013	211.39	210.81

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2014	258,038	178,153	69.0	3,058.20
March 31, 2014	242,159	157,348	64.9	2,677.30

Reference: Equity

As of December 31, 2014: ¥177,918 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	–	46.00	–		
Fiscal year ending March 31, 2015 (Forecast)				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
Fiscal year ending March 31, 2015	212,500	4.5	27,600	3.3	27,400	1.0	15,900	3.8	273.10

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 December 31, 2014	59,014,666 shares
As of March 31, 2014	58,925,566 shares

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

As of December 31, 2014	837,028 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)

Nine months ended December 31, 2014	58,668,472 shares
Nine months ended December 31, 2013	58,575,039 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 Tuesday, February 3, 2015.

Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	25,683	28,291
Notes and accounts receivable - trade	37,125	39,672
Securities	10,000	–
Merchandise and finished goods	4,508	4,740
Work in process	5,019	5,188
Raw materials and supplies	4,754	5,293
Other	10,173	17,591
Allowance for doubtful accounts	(2,088)	(2,337)
Total current assets	95,175	98,441
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,663	17,421
Tools, furniture and fixtures, net	5,610	5,407
Land	9,421	8,919
Other, net	8,171	10,946
Total property, plant and equipment	40,867	42,695
Intangible assets		
Goodwill	55,746	60,945
Customer-related intangible assets	29,155	32,260
Software	2,926	2,510
Other	8,344	12,653
Total intangible assets	96,174	108,369
Investments and other assets		
Investment securities	3,049	2,063
Other	6,906	6,482
Allowance for doubtful accounts	(12)	(14)
Total investments and other assets	9,942	8,531
Total non-current assets	146,984	159,596
Total assets	242,159	258,038

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,327	9,065
Electronically recorded obligations - operating	–	1,650
Current portion of bonds	25	–
Current portion of long-term loans payable	4,250	4,250
Accounts payable - other	6,538	6,006
Income taxes payable	5,258	2,199
Provision for bonuses	4,303	2,414
Other	8,453	13,874
Total current liabilities	40,155	39,460
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	8,000	4,000
Net defined benefit liability	6,667	4,749
Asset retirement obligations	658	639
Other	19,329	21,034
Total non-current liabilities	44,655	40,424
Total liabilities	84,810	79,884
Net assets		
Shareholders' equity		
Capital stock	8,433	8,589
Capital surplus	24,155	24,312
Retained earnings	102,727	112,083
Treasury shares	(541)	(3,470)
Total shareholders' equity	134,775	141,514
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,075	689
Deferred gains or losses on hedges	–	118
Foreign currency translation adjustment	21,790	36,062
Remeasurements of defined benefit plans	(535)	(466)
Total accumulated other comprehensive income	22,330	36,403
Subscription rights to shares	242	234
Total net assets	157,348	178,153
Total liabilities and net assets	242,159	258,038

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

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	152,569	154,109
Cost of sales	90,046	92,947
Gross profit	62,522	61,161
Selling, general and administrative expenses	41,591	39,758
Operating income	20,930	21,402
Non-operating income		
Interest income	26	12
Dividend income	42	46
Foreign exchange gains	255	631
Settlement received	279	–
Other	357	374
Total non-operating income	961	1,065
Non-operating expenses		
Interest expenses	357	430
Share of loss of entities accounted for using equity method	44	32
Advisory fee	–	541
Other	69	106
Total non-operating expenses	471	1,111
Ordinary income	21,421	21,356
Extraordinary income		
Gain on sales of non-current assets	48	1,475
Gain on reversal of subscription rights to shares	11	9
Other	4	155
Total extraordinary income	64	1,640
Extraordinary losses		
Loss on retirement of non-current assets	105	96
Business structure improvement expenses	380	870
Other	157	165
Total extraordinary losses	643	1,132
Income before income taxes and minority interests	20,842	21,864
Income taxes - current	7,759	8,301
Income taxes - deferred	700	49
Total income taxes	8,460	8,351
Income before minority interests	12,381	13,513
Net income	12,381	13,513

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	12,381	13,513
Other comprehensive income		
Valuation difference on available-for-sale securities	(197)	(386)
Deferred gains or losses on hedges	–	118
Foreign currency translation adjustment	11,766	14,272
Remeasurements of defined benefit plans, net of tax	–	69
Total other comprehensive income	11,569	14,073
Comprehensive income	23,951	27,586
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	23,951	27,586

(3) Consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	20,842	21,864
Depreciation	7,848	8,182
Amortization of goodwill	2,713	3,009
Increase (decrease) in provision for bonuses	(3,055)	(1,971)
Increase (decrease) in provision for retirement benefits	(73)	–
Increase (decrease) in net defined benefit liability	–	(172)
Increase (decrease) in allowance for doubtful accounts	(276)	(54)
Interest and dividend income	(68)	(59)
Interest expenses	357	430
Share of (profit) loss of entities accounted for using equity method	44	32
Loss (gain) on sales of non-current assets	(48)	(1,472)
Decrease (increase) in notes and accounts receivable - trade	(608)	(1,429)
Decrease (increase) in inventories	(492)	(496)
Increase (decrease) in notes and accounts payable - trade	33	(699)
Increase (decrease) in accrued consumption taxes	(128)	1,673
Increase (decrease) in other current liabilities	3,147	2,493
Other, net	460	(321)
Subtotal	30,697	31,011
Interest and dividend income received	68	59
Interest expenses paid	(394)	(449)
Income taxes paid	(10,228)	(11,333)
Net cash provided by (used in) operating activities	20,143	19,287
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,869)	(5,358)
Purchase of intangible assets	(1,958)	(5,254)
Proceeds from sales of property, plant and equipment	97	2,373
Proceeds from sales of investment securities	17	514
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,964)	–
Other, net	(25)	108
Net cash provided by (used in) investing activities	(14,703)	(7,615)
Cash flows from financing activities		
Repayments of long-term loans payable	(4,042)	(4,000)
Repayments of finance lease obligations	(769)	(741)
Proceeds from issuance of common shares	458	262
Cash dividends paid	(5,019)	(5,213)
Payments of money held in trust for purchase of treasury shares	–	(10,018)
Other, net	(254)	(85)
Net cash provided by (used in) financing activities	(9,628)	(19,796)
Effect of exchange rate change on cash and cash equivalents	474	732
Net increase (decrease) in cash and cash equivalents	(3,713)	(7,391)
Cash and cash equivalents at beginning of period	32,854	35,671
Cash and cash equivalents at end of period	29,140	28,280