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Securities Code: 4544

June 1, 2015

NOTICE OF 65TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder,

You are hereby requested to attend the 65th Ordinary General Meeting of Shareholders of Miraca Holdings Inc. (the “Company”) that will be held as set forth below.

Please be informed that if you are not able to attend this meeting, you can exercise your voting right in writing or via the Internet. In such case, you are kindly requested to review the Reference Material for General Meeting of Shareholders listed below, and exercise your voting right by no later than 5:30 p.m. on Tuesday, June 23, 2015, in accordance with the “Exercise of Voting Rights in Writing or Via the Internet.” (pages 12 to 13).

Yours faithfully,

Hikomasa Suzuki, President and CEO
Miraca Holdings Inc.
1-1, Nishi-shinjuku 2-chome
Shinjuku-ku, Tokyo

- 1. Date and Time:** Wednesday, June 24, 2015, at 10:00 a.m.
- 2. Venue:** “Ohgi,” 4th Floor, South Tower, Keio Plaza Hotel Tokyo
2-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo
- 3. Agenda:**
- Items to be reported*
1. Business Report, Consolidated Financial Statements, Results of Audits of Consolidated Financial Statements by Accounting Auditors and the Audit Committee for the 65th term (from April 1, 2014 to March 31, 2015)
 2. Non-consolidated Financial Statements for the 65th term (from April 1, 2014 to March 31, 2015)
- Items to be resolved*
- Item 1: Election of Ten (10) Directors
- Item 2: Issuance of Stock Acquisition Rights Free of Charge under the Performance-Based Stock Option Plan

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- * Shareholders who will attend the meeting are kindly requested to submit the appended voting form at the reception desk on the date of the meeting.
 - * Shareholders who will make a diverse exercise of voting rights are requested to notify the Company in writing of their intention to do so and state their reason for this no later than three (3) days before the meeting.
 - * The Company will publish any amendments to the reference material, the Business Report and the Consolidated and Non-consolidated Financial Statements on its website (<http://www.miraca-holdings.co.jp/>).

Reference Material for General Meeting of Shareholders

Item 1: Election of Ten (10) Directors

Since the term of office of all the incumbent Directors expires at the close of this General Meeting of Shareholders, we would like to hereby propose the election of ten (10) Directors.

The names and brief personal profiles of the candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Brief personal profile, position and duties in the Company and positions in other companies	Number of the Company's shares held
1	Hiromasa Suzuki (September 21, 1956)	Apr. 1981 Joined the Company Apr. 1991 Assistant Manager, Research Planning Department, Diagnostic Research Laboratory of the Company May 1998 Senior Assistant Manager, Business Development, Diagnostic Business Division of the Company Mar. 2001 Director, Strategic Planning Department, Corporate Planning Division of the Company Mar. 2001 Director, Fujirebio America, Inc. Feb. 2002 Managing Director of the Company Mar. 2003 President & Chief Executive Officer (CEO) of the Company Jun. 2005 President & CEO of the Company - Miraca Holdings, Inc. (incumbent) Jul. 2005 President & CEO, Fujirebio Inc. Jun. 2006 Director, SRL, Inc. (incumbent) Jun. 2010 Chairman & Representative Director, Fujirebio Inc. Jun. 2014 Chairman & Director, Fujirebio Inc. (incumbent)	50,200
2	Shinji Ogawa (August 17, 1955)	Apr. 1978 Joined SRL, Inc. Jul. 1995 Manager, Hokuriku Sales Department, SRL, Inc. Sep. 2001 Manager, Clinical Laboratory Testing Business Promotion Office, SRL, Inc. Nov. 2002 Assistant General Manager, Sales Division, SRL, Inc. Jul. 2006 Manager, Tokyo Metropolitan First Sales Department, SRL, Inc. Jun. 2007 Director & Assistant General Manager, Sales Division for Clinical Laboratory Testing, SRL, Inc. Jun. 2008 President & CEO, SRL, Inc. (incumbent) Jun. 2009 Representative Senior Executive Officer of the Company Apr. 2010 Director, Japan Clinical Laboratories, Inc. (incumbent) Jun. 2010 Director & Representative Senior Executive Officer of the Company (incumbent)	8,100
3	Takeshi Koyama (June 16, 1962)	Apr. 1986 Joined Matsushita Electric Trading Co. (currently Panasonic Corporation) Feb. 1998 Joined A.T. Kearney, Inc. Feb. 2001 Joined GE Healthcare Japan Jan. 2006 General Manager, Healthcare IT Division, GE Healthcare Japan Apr. 2008 Joined Fujirebio Inc. as Director Jun. 2009 Managing Director, Fujirebio Inc. Jun. 2010 President & CEO, Fujirebio Inc. (incumbent) Jun. 2010 Executive Officer of the Company Jun. 2011 Director of the Company Nov. 2011 Chairman, Innogenetics N.V. (currently Fujirebio Europe N.V.) (incumbent) Jun. 2012 Director & Managing Executive Officer of the Company (incumbent) Apr. 2013 President & CEO, Fujirebio Diagnostics, Inc. (U.S.A.) (incumbent)	7,100

Candidate No.	Name (Date of birth)	Brief personal profile, position and duties in the Company and positions in other companies	Number of the Company's shares held
4	Nobumichi Hattori (December 25, 1957)	<p>Apr. 1981 Joined Nissan Motor Co., Ltd.</p> <p>Jun. 1989 Joined Goldman Sachs & Company, New York head office</p> <p>Sep. 1990 Tokyo Branch Office, Goldman Sachs (Japan) Limited</p> <p>Jun. 1993 Vice President, Goldman Sachs (Japan) Limited</p> <p>Nov. 1998 Managing Director, Goldman Sachs (Japan) Limited</p> <p>Sep. 2003 Visiting Associate Professor at Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>Jun. 2005 Director of the Company (incumbent)</p> <p>Nov. 2005 Director, Fast Retailing Co., Ltd. (incumbent)</p> <p>Oct. 2006 Chaired Professor at Graduate School of International Corporate Strategy, Hitotsubashi University (incumbent)</p> <p>Apr. 2009 Visiting Professor at Graduate School of Finance, Accounting and Law, Waseda University (incumbent)</p> <p>Mar. 2015 Statutory Auditor, Frontier Management Inc. (incumbent)</p>	5,800
5	Yasunori Kaneko (August 25, 1953)	<p>Mar. 1978 Acquired certification as Medical Doctor</p> <p>Mar. 1981 Joined Genentech Inc. (U.S.A.)</p> <p>Oct. 1987 Joined Paribas Capital Market Inc.</p> <p>Mar. 1991 Senior Vice President and Chief Financial Officer, Isis Pharmaceuticals Inc. (U.S.A.)</p> <p>Jun. 1992 Vice President, Tularik Inc. (U.S.A.)</p> <p>Jan. 2000 Managing Director, Skyline Ventures, Inc. (U.S.A.) (incumbent)</p> <p>Jun. 2006 Director of the Company (incumbent)</p>	2,600
6	Hisatsugu Nonaka (January 11, 1947)	<p>Apr. 1970 Joined Tokyo Shibaura Electric Co., Ltd. (currently Toshiba Corporation)</p> <p>Jun. 2003 Executive Officer & Corporate Vice President, Toshiba Corporation</p> <p>Jun. 2005 Executive Officer & Corporate Senior Vice President, Toshiba Corporation</p> <p>Jun. 2007 Executive Officer & Corporate Executive Vice President, Toshiba Corporation</p> <p>Jun. 2008 Director, Representative Executive Officer & Corporate Senior Executive Vice President, Toshiba Corporation</p> <p>Jun. 2009 Senior Advisor, Toshiba Corporation</p> <p>Jun. 2009 Corporate Auditor, IHI Corporation</p> <p>Jun. 2009 Corporate Auditor, Sunshine City Corporation</p> <p>Jun. 2011 Director of the Company (incumbent)</p> <p>Jun. 2013 Audit & Supervisory Board Member, Nomura Research Institute, Ltd. (incumbent)</p>	100
7	Naoki Iguchi (March 31, 1951)	<p>Apr. 1974 Joined Ministry of Health and Welfare (currently Ministry of Health, Labour and Welfare)</p> <p>Jan. 2001 Manager, Personnel Division, Minister's Secretariat, Ministry of Health, Labour and Welfare</p> <p>Aug. 2002 Deputy Director-General, Minister's Secretariat, Ministry of Health, Labour and Welfare</p> <p>Aug. 2003 Assistant Minister for International Affairs, Ministry of Health, Labour and Welfare</p> <p>Jul. 2004 Director-General for Policy Planning and Evaluation, Ministry of Health, Labour and Welfare</p> <p>Sep. 2005 Managing Director, National Pension Fund Association</p> <p>Jun. 2011 Director of the Company (incumbent)</p> <p>Jul. 2013 Professor, Graduate School of Public Health, Teikyo University (incumbent)</p>	0

Candidate No.	Name (Date of birth)	Brief personal profile, position and duties in the Company and positions in other companies	Number of the Company's shares held
8	Miyuki Ishiguro (October 26, 1964)	Apr. 1991 Registered as Attorney at law (Tokyo Bar Association) Joined Tsunematsu Yanase & Sekine Jan. 1999 Partner, Tsunematsu Yanase & Sekine Jan. 2000 Partner, Nagashima Ohno & Tsunematsu (incumbent) Jun. 2006 Director, Sony Communication Network Corporation (currently So-net Corporation) Jun. 2013 Director of the Company (incumbent)	0
9	Ryoji Itoh (January 14, 1952)	Jul. 1979 Joined McKinsey & Company Jan. 1984 Partner, McKinsey & Company Apr. 1988 Director, UCC Ueshima Coffee Co., Ltd. Sep. 1990 Representative Director, Schroder Ventures Nov. 1997 Director, Bain & Company Sep. 1999 Guest Professor at Faculty of Policy Management, Keio University May 2000 Project Professor at Graduate School of Media and Governance, Keio University (incumbent) Jan. 2001 Head of Japan Office, Bain & Company Apr. 2006 Managing Director, Planetplan, Inc. (incumbent) Apr. 2010 Visiting Professor, Yokohama City University Jun. 2012 Director, Renown Incorporated Oct. 2012 Professor (part-time), BBT University (incumbent) Jun. 2014 Director, SATO HOLDINGS CORPORATION (incumbent) Jun. 2014 Director of the Company (incumbent)	0
10	*Kozo Takaoka (March 30, 1960)	Apr. 1983 Joined Nestlé Japan Group (NJG) Key Account Sales representative in Tokyo branch Jan. 1986 Assistant Brand Manager of Cocoa, Milk & Nutrition (NJG) Jan. 1988 Assistant Brand Manager of NESCAFÉ (Nestlé USA) Apr. 1989 Assistant Brand Manager of Cocoa, Milk & Nutrition (NJG) Mar. 1991 Project Leader of Infant Nutrition business (NJG) Apr. 1994 Business Unit Manager of Cocoa, Milk & Nutrition (NJG) Oct. 1999 Project Director at Nestlé Confectionery K.K. Apr. 2001 Marketing Director at Nestlé Confectionery K.K. Jan. 2005 Representative Director and President, Nestlé Confectionery K.K. Jan. 2010 Representative Director & Executive Vice President, Beverage Business Group, Nestlé Japan Ltd. Nov. 2010 Representative Director, President & CEO, Nestlé Japan Ltd. (incumbent)	0

Notes:

1. * indicates a candidate for new director.
2. There are no conflicts of interests between the candidates and the Company.
3. Mr. Nobumichi Hattori, Mr. Yasunori Kaneko, Mr. Hisatsugu Nonaka, Mr. Naoki Iguchi, Ms. Miyuki Ishiguro, Mr. Ryoji Itoh, and Mr. Kozo Takaoka are all candidates for outside directors and satisfy the requirements regarding outside directors provided in Article 2, Item 15, of the Companies Act.
4. Reasons for electing the above persons as candidates for outside directors are as follows:
 - i) Mr. Nobumichi Hattori is a professor teaching international corporate strategy at a graduate school, who can give advices to the management of the Company as an independent expert from the viewpoint of management strategy and business strategy. Considering the above, the Company believes that Mr. Hattori is appropriate as outside director of the Company. He currently serves as outside director of the Company and his consecutive term of office has been ten years at the close of this Ordinary General Meeting of Shareholders.
 - ii) Mr. Yasunori Kaneko has expertise and experience as a doctor and his insight into advanced technology in the medical field, which he has cultivated overseas for many years, is an essential factor for the management of the Company. Considering the above, the Company believes that Mr. Kaneko is appropriate as outside director of the Company. He currently serves as outside director of the Company and his consecutive term of office has been nine years at the close of this Ordinary General Meeting of Shareholders.

- iii) Mr. Hisatsugu Nonaka was involved in the management of Toshiba Corporation for many years and has considerable experience and broad knowledge as a corporate manager. His advice based on such insight is valuable to the Company. Considering the above, the Company believes that Mr. Nonaka is appropriate as outside director of the Company. He currently serves as outside director of the Company and his consecutive term of office has been four years at the close of this Ordinary General Meeting of Shareholders.
 - iv) Mr. Naoki Iguchi has long been engaged in public administration in Japan in the fields of health insurance, health service and pension and he has abundant experience and extensive knowledge on which he can capitalize in the management of the Company. His advice based on such insight is valuable to the Company's medical services. Considering the above, the Company believes that Mr. Iguchi is appropriate as outside director of the Company. He currently serves as outside director of the Company and his consecutive term of office has been four years at the close of this Ordinary General Meeting of Shareholders.
 - v) Ms. Miyuki Ishiguro is a partner of Nagashima Ohno & Tsunematsu, who is expected to provide advice to the management of the Company as an independent expert on corporate and business law. Considering the above, the Company believes that Ms. Ishiguro is appropriate as outside director of the Company. She currently serves as outside director of the Company and her consecutive term of office has been two years at the close of this Ordinary General Meeting of Shareholders.
 - vi) Mr. Ryoji Itoh is a professor teaching policy and media studies at a university graduate school, and has knowledge based on his extensive experience as a management consultant as well as a corporate manager. The Company believes that he is an expert whose knowledge can be used in the management of the Company. Considering the above, the Company believes that Mr. Itoh is appropriate as outside director of the Company. He currently serves as outside director of the Company and his consecutive term of office has been one year at the close of this Ordinary General Meeting of Shareholders.
 - vii) Mr. Kozo Takaoka has been involved in the management of Nestlé Japan Ltd. for many years and has considerable experience and broad knowledge of management and marketing. His advice based on such insight is valuable to the Company. Considering the above, the Company believes that Mr. Takaoka is appropriate as outside director of the Company.
5. Independence of candidates for outside directors
- i) None of the candidates for outside directors has ever executed operations at the Company or its specified related business operations.
 - ii) None of the candidates for outside directors has ever received a large amount of money or other assets from the Company or its specified related business operations, nor will they do so in the future.
 - iii) None of the candidates for outside directors is a relative within the third degree of kinship to Directors or Executive Officers of the Company.
 - iv) The Company purchases some products, etc. from Toshiba Corporation, for which Mr. Hisatsugu Nonaka, a candidate for outside director of the Company, served as Director, Representative Executive Officer & Corporate Senior Executive Vice President until June 2009. However, as the purchasing amount is less than one percent of the Company's net sales, the Company judges that these transactions do not affect the independence of Mr. Nonaka as outside director.
 - v) There is no legal advisor contract/transaction with Nagashima Ohno & Tsunematsu, for which Ms. Miyuki Ishiguro, a candidate for outside director of the Company, works as a partner.
6. Independent directors

The Company has appointed Mr. Nobumichi Hattori, Mr. Yasunori Kaneko, Mr. Hisatsugu Nonaka, Mr. Naoki Iguchi, Mr. Ryoji Itoh and Mr. Kozo Takaoka, candidates for outside directors of the Company, as independent directors stipulated by the Tokyo Stock Exchange and has registered with the Stock Exchange accordingly. Ms. Miyuki Ishiguro, a candidate for outside director of the Company, is considered to have a high level of independence for the reasons set forth in Note 5. However, Nagashima Ohno & Tsunematsu, where she is a partner, has a policy that its lawyers may not be registered as independent directors when they become outside directors, and accordingly the Company has not appointed and registered Ms. Ishiguro as independent director with the Tokyo

Stock Exchange. None of the independent directors are deemed to fall into the category specified by the Tokyo Stock Exchange in which a conflict of interest is likely to arise between general shareholders and the person.

7. Limited liability agreement with outside directors

The Company has concluded a limitation of liability agreement with each of the incumbent outside directors. Details of the agreement are as described on page 23 of this document. In addition, the Company intends to conclude a limitation of liability agreement of the same contents with Mr. Kozo Takaoka, a candidate for new outside director of the Company.

8. Under the resolution of the Board of Directors' Meeting that is to be held after this General Meeting of Shareholders, members of the Nominating Committee, Audit Committee and Compensation Committee will be selected as follows:

Nominating Committee	Ryoji Itoh (Chairman, Outside Director) Hiromasa Suzuki Nobumichi Hattori (Outside Director) Yasunori Kaneko (Outside Director) Hisatsugu Nonaka (Outside Director)
Audit Committee	Hisatsugu Nonaka (Chairman, Outside Director) Yasunori Kaneko (Outside Director) Naoki Iguchi (Outside Director) Miyuki Ishiguro (Outside Director)
Compensation Committee	Naoki Iguchi (Chairman, Outside Director) Hiromasa Suzuki Miyuki Ishiguro (Outside Director) Ryoji Itoh (Outside Director) Kozo Takaoka (Outside Director)

Item 2: Issuance of Stock Acquisition Rights Free of Charge under the Performance-Based Stock Option Plan

To enhance the motivation to achieve the Medium-term Business Plan of the Company and reward the performance of certain executive officers and employees of the Company and certain directors and employees of the subsidiaries of the Company, the Company adopted a performance-based stock option plan (the “Plan”) on May 2, 2014, under which stock acquisition rights will be allotted, or issued for free, as compensation based on the business performance of the Company. As a result of that, the non-performance-based stock option plan which had been applied until the fiscal year ended March 31, 2014 was abolished.

The Company intends to enhance the motivation of directors and employees of the subsidiaries of the Company to achieve the Medium-term Business Plan and reward them for the contribution to the business performance of the Group for the first year of the 4th Medium-term Business Plan of the Company, which ended on March 31, 2015. Based on the Plan, therefore, the Company would like to hereby submit for approval at this General Meeting of Shareholders the proposal to issue stock acquisition rights as stock option free of charge to directors and employees of the subsidiaries of the Company, as outlined below, in accordance with the provisions of Article 236, Article 238 and Article 239 of the Companies Act, and to entrust the authority to make decisions on details of issuance of stock acquisition rights as stock option free of charge to the Board of Directors of the Company. For granting stock acquisition rights of the Company as stock options to the executive officers and employees of the Company under this Plan, the Company intends to set an upper limit of 12,500 shares for the fiscal year ending March 31, 2016, and to grant the relevant stock acquisition rights by a separate resolution of the Board of Directors based on Article 240 of the Companies Act.

Description

1. Reason for issuing stock acquisition rights under particularly favorable conditions

The Company proposes to issue stock acquisition rights as stock option free of charge to those directors and employees of the subsidiaries of the Company, who will be determined by the Board of Directors of the Company, etc. to enhance their motivation to achieve the Medium-term Business Plan of the Company and reward their performance.

2. Outline for issuance of stock acquisition rights as stock option

(1) Persons subject to the allotment of stock acquisition rights

The stock acquisition rights shall be allotted to those directors and employees of the subsidiaries of the Company, who will be determined by the Board of Directors of the Company, etc.

(2) Type and number of the shares subject to stock acquisition rights

Type of the shares subject to stock acquisition rights shall be common shares and the total number of shares subject to stock acquisition rights shall not exceed 100,000 common

shares of the Company.

If the Company makes any share split or share consolidation, the number of shares subject to stock acquisition rights shall be adjusted using the following formula, provided that, such adjustment shall be made with regard to the number of the shares subject to stock acquisition rights that have not been exercised at such time, and that any fractional share less than one (1) share which may arise as a result of such adjustment shall be truncated:

$$\begin{array}{l} \text{Number of shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of shares} \\ \text{prior to adjustment} \end{array} \times \text{Ratio of split/consolidation}$$

(3) Total number of stock acquisition rights to be issued

The number of stock acquisition rights to be issued shall not exceed 1,000 units (one hundred (100) common shares to be issued per one (1) unit of stock acquisition rights upon exercise, provided that if any adjustment to the number of shares is made under the foregoing paragraph (2), a similar adjustment shall be made).

(4) Issue price of stock acquisition rights

The issue price of stock acquisition rights shall be free of charge.

(5) The amount to be paid in at the time of exercising stock acquisition rights

The amount to be paid in per one stock acquisition right at the time of exercising stock acquisition rights shall be the amount calculated by multiplying the amount which shall be calculated as follows (the "Exercise Price," the amount to be paid in per share to be issued upon exercise), by the number of shares issued for one stock acquisition right, which is set forth in (3) above.

The Exercise Price is the amount obtained by multiplying 1.05 by the average value of the closing price of the common share of the Company at Tokyo Stock Exchange (the "Closing Price") on each day (excluding any day on which no trade is executed) during thirty (30) business days prior to the date of the issuance of stock acquisition rights (any fraction less than one (1) yen shall be rounded up).

However, in the event that such amount obtained in accordance with the preceding paragraph is less than the Closing Price on the date of issuance of stock acquisition rights (the Closing Price of the nearest preceding day if the Closing Price is not available on such date), the Exercise Price shall be the Closing Price on the date of issuance of stock acquisition rights.

Further, in the event that the Company makes a share split or share consolidation after the issuance of stock acquisition rights, the Exercise Price shall be adjusted as of the effective date of each such event using the following formula and any fraction less than one (1) yen arising from such adjustment shall be rounded up:

$$\begin{array}{l} \text{Exercise Price After} \\ \text{Adjustment} \end{array} = \begin{array}{l} \text{Exercise Price Prior to} \\ \text{Adjustment} \end{array} \times \frac{1}{\text{Ratio of Share Split or Consolidation}}$$

In addition, in the event the Company issues new shares after the date of issuance of stock acquisition rights at a price less than the market price, the Exercise Price shall be adjusted using the following formula and any fraction less than one (1) yen arising from such adjustment shall be rounded up. (However, issuance of shares at market price by public offerings for share increase or third party allotments, or issuance of shares due to the exercise of stock acquisition rights, shall be exempt from such adjustment.)

$$\text{Exercise Price After Adjustment} = \text{Exercise Price Prior to Adjustment} \times \frac{\text{Number of Shares Outstanding} + \frac{\text{Number of Shares Newly Issued}}{\text{Current Market Price per Share}}}{\text{Number of Shares Outstanding} + \text{Number of Shares Newly Issued}} \times \text{Exercise Price per Share}$$

(6) Exercise period of stock acquisition rights

From August 1, 2017 to July 31, 2021.

(7) Requirements for exercise of stock acquisition rights

- i) Any person who has been allotted the stock acquisition rights (the “Stock Acquisition Rightsholder”) must at the time of exercising such rights have a position in the Company or a subsidiary of the Company as a director, executive officer, corporate auditor or employee. Note that a person who has lost such a position in the Company or one of its subsidiaries because of the expiration of the term of office, mandatory retirement or for any other justifiable reason, including transfer or resignation due to corporate requirements, shall be allowed to exercise such stock acquisition rights.
- ii) Stock acquisition rights cannot be divided when they are exercised. (The minimum unit of stock acquisition rights that can be exercised is one (1) unit.)
- iii) Other conditions on the exercise of stock acquisition rights are set forth in the stock acquisition rights allocation agreement made based on the resolution of the Board of Directors.

(8) Acquiring stock acquisition rights by the Company

- i) The Company may acquire the stock acquisition rights free of charge if the Company ceases to exist due to a merger, or the Company spins off or sells off its business due to demerger, or the Company becomes a fully-owned subsidiary due to a statutory stock-to-stock exchange or statutory stock transfer, and stock acquisition rights for shares in the surviving company, newly established company, acquiring company, or full holding company in such relevant transaction are not granted for the stock acquisition rights of the Company.
- ii) The Company may acquire stock acquisition rights free of charge when any Stock Acquisition Rightsholder relinquishes such rights wholly or in part.

(9) Limit to transfer of stock acquisition rights

Any transfer of stock acquisition rights shall require the approval of the Board of Directors.

- (10) Increase of capital and capital reserve when shares are issued due to exercise of stock acquisition rights
- i) The amount of increase of capital when shares are issued due to exercise of stock acquisition rights shall be one half of the maximum amount of increase of capital, etc. as calculated based on Section 1, Article 17 of the Corporate Accounting Regulations, and any fraction less than one (1) yen in the result of said calculation shall be rounded up.
 - ii) The amount of increase of capital reserve when shares are issued due to exercise of stock acquisition rights shall be the difference that comes from subtracting the capital being increased in (i) above from the maximum amount of increase of capital, etc. in (i) above.

Exercise of Voting Rights in Writing or Via the Internet

[Exercise of voting rights in writing]

Please indicate your approval or disapproval to the proposed items in the enclosed voting right form and return it so that it arrives no later than 5:30 p.m. on Tuesday, June 23, 2015.

[Exercise of voting rights via the Internet]

I. Exercise of voting rights via the Internet

1. Notes to exercise of voting rights via the Internet

When exercising a voting right via the Internet, please exercise after reading and understanding the following matters.

- 1) Exercise of voting rights via the Internet is available only by using the voting rights exercise website designated by the Company (please refer to the URL below). When you exercise a voting right via the Internet, you will need the voting right code and password indicated at the bottom right of the enclosed voting right form.
- 2) The code and the password sent to you are valid only for this General Meeting of Shareholders. For the next General Meeting of Shareholders, a new code and a password will be issued.
- 3) When exercising a voting right both in writing and via the Internet, the vote exercised via the Internet will prevail, regardless of the time and date when they are received.
- 4) When exercising a voting right multiple times via the Internet, the latest voting will prevail.
- 5) Costs for using the Internet (Internet provider connection fee, telecommunication fee, etc.) shall be borne by shareholders.

2. Specific procedures of exercise of voting rights via the Internet

- 1) Please access <http://www.it-soukai.com/>.
- 2) When the above URL is accessed and “Exercise of voting rights via the Internet” is clicked on, notes regarding use will be displayed on the screen. Please read these notes carefully.
- 3) When using the site following your acceptance of the contents, please follow the instructions on the screen and go to the “exercise of voting rights website.” For security reasons, it is necessary to change the password at the first time of logging in.
- 4) When exercising voting rights via the Internet, voting must be completed no later than 5:30 p.m. on Tuesday, June 23, 2015. The Company kindly requests for voting to be carried out promptly.

3. System environment for usage

PC	Windows Operating System • PDAs, mobile phones and game consoles are not supported.
Browser	Microsoft Internet Explorer Ver.5.01.SP or later
Internet environment	Environment where the Internet is available via an account with an Internet service provider
Screen resolution	800 × 600 dot (SVGA) or higher

* Microsoft, Windows and Internet Explorer are the registered trademarks and trademarks of Microsoft Corporation in the U.S.A. and other countries.

(Note) For details, please refer to the contents of “Exercise of voting rights via the Internet” under 2) of “2. Specific procedures of exercise of voting rights via the Internet” on the previous page.

4. Security

Since the Company uses encryption technology (SSL 128bit) to prevent information from being falsified or wiretapped, you can use the website without anxiety.

The voting right code and the password indicated in the voting right form are important data to identify a shareholder. Please make sure that you keep them private. The Company never asks the passwords of shareholders for any purpose.

5. Contact information

1) Contact for inquiries about computer operations for exercise of voting right via the Internet

Internet Help Dial, Stock Transfer Agency Department, Mizuho Trust & Banking Corporation
0120-768-524 (toll-free number, Japanese only)
(9 a.m. to 9 p.m. except for weekends and holidays)

2) Contact for items other than 1) above such as address change

Stock Transfer Agency Department, Mizuho Trust & Banking Corporation
0120-288-324 (toll-free number, Japanese only)
(9 a.m. to 5 p.m. except for weekends and holidays)

II. Platform for proxy voting by electronic means

Institutional investors may apply in advance to use the platform for proxy voting by electronic means operated by ICJ. In this case, such shareholders can use the ICJ platform in addition to the proxy voting via the Internet in I. above as a means to exercise their voting right by electromagnetic means at General Meeting of Shareholders of the Company.

(Attached documents)

(Note) The following sections have been translated from a part of the Japanese Business Report and are provided for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Business Report

(From April 1, 2014 to
March 31, 2015)

1. Matters regarding current status of corporate group

(1) Business progress and its results

In the fiscal year ended March 31, 2015, the global economy overall held to a modest growth trajectory with recovery unfolding in the U.S. economy, despite a continued slowdown in growth of emerging nations.

In Japan, despite improvement in corporate earnings primarily among overseas demand-driven companies, economic recovery lagged overall as only a slight rebound in personal consumption was seen in the wake of the previous drop in spending due to Japan's consumption tax hike.

In the clinical diagnostics and laboratory testing sector, the business environment continues to pose challenges, reflecting persisting downward pressure on prices and intensifying competition with sector peer companies.

Under such circumstances, Miraca Group (the "Group") has been proactively implementing various management initiatives in order to achieve further growth.

On the basis of these results, net sales for the fiscal year under review were 204,667 million yen (up 0.6% from the previous fiscal year). Despite a downturn in revenues in the clinical laboratory testing business in Japan due in part to lower prices for testing, revenues increased as a consequence of factors that included the weakening yen and the October 2013 move to take an ownership stake in U.S.-based pathology testing service provider Lakewood Pathology Associates, Inc. (d/b/a PLUS Diagnostics), thereby making it a Miraca Group subsidiary. With respect to income, gains were fueled by the increase in revenue along with a positive impact brought about by changes to the product mix in the in vitro diagnostics business. As a result, operating income was 27,012 million yen (up 1.1% from the previous fiscal year), ordinary income was 26,566 million yen (down 2.0% from the previous fiscal year), and net income was 16,002 million yen (up 4.4% from the previous fiscal year).

On February 2, 2015, through its U.S. intermediate holding company Miraca USA, Inc., the Company completed the acquisition from Baylor College of Medicine (the "BCM," President & CEO: Dr. Paul Klotman, headquarters: Texas, USA) of a 60% stake in clinical laboratory genetic testing company Baylor Miraca Genetics Laboratories, LLC, which was established upon the transfer by BCM of the business of Medical Genetics Laboratories, a

business unit that engages in the clinical laboratory testing business related to genetics testing in BCM. The joint venture, Baylor Miraca Genetics Laboratories, LLC, became an equity-method affiliate of the Company.

An overview of each business segment is as follows.

(millions of yen)

		Year-on-Year Change
Net Sales	204,667	0.6%
Operating Income	27,012	1.1%
Ordinary Income	26,566	(2.0%)
Net Income	16,002	4.4%

[In Vitro Diagnostics]

Net sales remained roughly on par with previous fiscal year results due to an increase in overseas sales and the effect of the weakening yen, despite a phase of adjustment in product inventories for distribution due to consumption tax hike in Japan. Meanwhile, income increased mainly due to a positive impact from changes to the product mix.

As a result, net sales amounted to 43,455 million yen (down 0.0% from the previous fiscal year), and operating income was 10,423 million yen (up 14.5% from the previous fiscal year).

[Clinical Laboratory Testing]

Revenues increased as a result largely of having made Lakewood Pathology Associates, Inc. (d/b/a PLUS Diagnostics) in the U.S. a subsidiary in October 2013, despite a downturn in prices for laboratory testing and other such factors causing lower revenues from operations in Japan. Income decreased as a consequence of the earnings gains achieved by subsidiaries in the U.S. failing to make up for lower earnings in Japan mainly attributable to the downturn in prices for testing performed by domestic businesses.

As a result, net sales were 132,853 million yen (up 0.7% from the previous fiscal year), and operating income was 13,488 million yen (down 6.7% from the previous fiscal year).

[Healthcare Related]

In the sterilizing business, net sales were 16,976 million yen (up 7.5% from the previous fiscal year) as a result of our continuous efforts to acquire new customers.

In the clinical trials support business, net sales were 5,225 million yen (down 5.0% from the previous fiscal year). The lower figure was a consequence of delays faced in launching some trials despite our ongoing efforts to win new business.

As a result, net sales of the healthcare related business were 28,358 million yen (up 1.2% from the previous fiscal year) and operating income was 2,930 million yen (down 10.8% from the previous fiscal year).

(2) Status of financing, etc.

i) Financing

During the fiscal year ended March 31, 2015, the Group procured 10,000 million yen as long-term loans payable through financial institutions for use in funding acquisition of ownership in Baylor Miraca Genetics Laboratories, LLC.

ii) Capital expenditure

a. Major facilities whose construction was completed in the fiscal year under review
No item to report.

b. New construction and expansion of major facilities in progress during in the fiscal year under review
Next-Generation IT System in the clinical laboratory testing business

iii) Status of succession of rights and obligations of other companies' businesses due to absorption-type mergers and absorption-type company splits
No item to report.

iv) Status of acquisition and disposal of other companies' stock, equity interests and stock acquisition rights, etc.

In the clinical laboratory testing business, on February 2, 2015, through its U.S. intermediate holding company Miraca USA, Inc., the Company acquired from Baylor College of Medicine (the "BCM," President & CEO: Dr. Paul Klotman, headquarters: Texas, USA) a 60% stake in clinical laboratory genetic testing company Baylor Miraca Genetics Laboratories, LLC, which was established upon the transfer by BCM of the business of Medical Genetics Laboratories, a business unit that engages in the clinical laboratory testing business related to genetics testing in BCM.

(3) Status of assets and profit/loss in the last three fiscal years

(millions of yen)

	62 nd term (FY 2011)	63 rd term (FY 2012)	64 th term (FY 2013)	65 th term (FY 2014)
Net Sales	175,388	192,211	203,371	204,667
Ordinary Income	22,669	25,739	27,118	26,566
Net Income	12,311	14,871	15,322	16,002
Net Income per Share (yen)	211.33	254.92	261.48	274.82
Total Assets	207,868	220,912	242,159	262,203
Net Assets	114,523	137,335	157,348	171,851

(4) Issues to be addressed

In May 2014, the Company set a future ten-year vision with the aim of further strengthening our domestic and international competitive power as well as to accelerate the expansion of our overseas business.

The Ten-Year Vision of the Miraca Group

- Consolidated Net Sales: approximately 500 billion yen
- Ratio of Net Sales Overseas: approximately 50%

This ten-year vision is envisioned to be accomplished by the combination of organic growth of each existing business division and strategic acquisitions of companies or assets.

In May 2014, the Company established the 4th Medium-term Business Plan of Miraca Group as the phase of establishment of robust business foundations toward this ten-year vision. The Group will take following direction in order to realize sustainable organic growth in the market: (1) expansion through competitive execution; (2) creation of new products and services; and (3) full scale entry into the global market.

The outline of the 4th Medium-term Business Plan is as follows:

i) In Vitro Diagnostics

- Geographical Expansion of Lumipulse Business

The Group aims to accelerate market development of Lumipulse business in the European and Asian markets by achieving product differentiation through markers such as Vitamin D. In addition, the Group plans to enter the U.S. market, the biggest market globally, in the near future. Through these strategies, the Group intends to improve profitability of its overseas Lumipulse business.

- Establishment of Global Business Foundations

The Group plans to improve foundation to support sustainable growth through establishing a global framework to promote management, operation (purchasing, production and logistics) and R&D.

- Expansion of Domestic Market Share of Lumipulse Business

The Group intends to expand Lumipulse product lineup and strengthen sales promotion to expand domestic market share.

- New Business Development

In prospect of future entry into the non-immunology market, the Group plans to strengthen business development in new business areas and to promote selection and concentration of the existing products satisfying the market needs.

ii) Clinical Laboratory Testing

- Penetration into the Domestic GP (General Practitioner) Market

To provide clinical testing services that better meet our customers' needs, the Group continues to strengthen sales force and execute strategic restructuring of laboratory functions (geographical decentralization). As the result of such effort, the Group aims

to further increase market share in the broader general practitioner market.

- Enhancement of Competitiveness by Introduction of Next-Generation IT System

To enhance convenience of our service to medical institutions and the customers, the Group is introducing Next-Generation IT System (scheduled to be in full-scale operation in FY2015). We are convinced that this will significantly improve the efficiency of sample collection and reception, standardization of testing process, as well as reporting speed and traceability.

- Development of New Testing Services

The Group will make continued effort to outpace competitors in introducing advanced testing services, such as companion diagnostics (CoDx) and genomic analysis. In addition, the Group will aggressively seek new business development opportunity with such new testing services.

- Growth of Overseas Business

Miraca Life Sciences, Inc. in the U.S. aims to establish the leading position as a specialized anatomical pathology testing laboratory in the U.S., through enhancement of competitiveness by scale expansion in parallel with improvement of its cost structure. Furthermore, in the emerging countries, the Group intends to promote geographical expansion of clinical laboratory testing business by making a full-scale entry into the Asian markets based on our know-how cultivated in Japan and the U.S.

iii) Healthcare Related

As to our sterilizing business, the Group aims to promote geographical expansion and further sales growth by increasing peripheral service lineup. As to our clinical trial support business, the Group will make continued effort to expand market share by strengthening the domestic sales activities, as well as, to focus on acquisition of global clinical trial orders and development of a new market.

iv) Strategic Acquisitions

Following the 3rd Medium-term Business Plan, the Group positions strategic acquisitions as priority measure for mid-long term growth. The Group intends to utilize the cash flow to be generated by business growth and improvement of profitability of each existing business segment as a means to promote strategic acquisitions for further enhancement of competitiveness and business growth, with maintaining a healthy financial condition.

v) Positive Capital Return Program to Shareholders

The Company aims to make capital return, including dividends mainly, to shareholders positively, with increasing internal reserves necessary for future changes of business environment and investment for future growth opportunities including strategic acquisitions and R&D. Based on the fundamental policy “To increase dividend continuously and stably,” the Company intends to continue a consolidated dividend payout ratio more than 30%.

4. Matters regarding Directors and Executive Officers

(1) Directors (As of March 31, 2015)

Position in the Company	Name	Duties in the Company	Significant Concurrent Positions
Director	Hiromasa Suzuki	-	Chairman & Director, Fujirebio Inc. Director, SRL, Inc.
Director	Shinji Ogawa	-	President & CEO, SRL, Inc.
Director	Takeshi Koyama	-	President & CEO, Fujirebio Inc.
Director	Nobumichi Hattori	-	
Director	Yasunori Kaneko	-	
Director	Hisatsugu Nonaka	-	
Director	Naoki Iguchi	-	
Director	Miyuki Ishiguro	-	
Director	Ryoji Itoh	-	

- Notes:
1. Mr. Nobumichi Hattori, Mr. Yasunori Kaneko, Mr. Hisatsugu Nonaka, Mr. Naoki Iguchi, Ms. Miyuki Ishiguro and Mr. Ryoji Itoh are outside directors prescribed in Article 2, Item 15 of the Companies Act.
 2. The Company has designated Mr. Nobumichi Hattori, Mr. Yasunori Kaneko, Mr. Hisatsugu Nonaka, Mr. Naoki Iguchi, and Mr. Ryoji Itoh as independent directors as stipulated by the Tokyo Stock Exchange and has notified the Exchange accordingly.
 3. The Company has the following committees:

Nominating Committee	Chairman	Nobumichi Hattori
	Members	Hiromasa Suzuki Yasunori Kaneko Hisatsugu Nonaka Ryoji Itoh
Audit Committee	Chairman	Hisatsugu Nonaka
	Members	Yasunori Kaneko Naoki Iguchi Miyuki Ishiguro
Compensation Committee	Chairman	Naoki Iguchi
	Members	Hiromasa Suzuki Nobumichi Hattori Miyuki Ishiguro Ryoji Itoh

(2) Executive Officers (As of March 31, 2015)

Position in the Company	Name	Duties in the Company	Significant Concurrent Positions
Representative Executive Officer	Hiromasa Suzuki	President & CEO	Refer to “(1) Directors” hereinabove
Representative Executive Officer	Shinji Ogawa	Senior Executive Officer, Assistant to CEO	Refer to “(1) Directors” hereinabove
Executive Officer	Hiromitsu Tazawa	Senior Executive Officer, Legal Affairs, CSR, and Internal Control	Chairman, SRL, Inc.
Executive Officer	Takeshi Koyama	Managing Executive Officer, Global IVD	Refer to “(1) Directors” hereinabove
Executive Officer	Shirou Kudou	Finance	Senior Managing Director, SRL, Inc.
Executive Officer	Yoshihiro Ashihara	R&D	Representative Senior Managing Director, Fujirebio Inc. President & CEO, Advanced Life Science Institute, Inc.
Executive Officer	Hiroaki Kimura	Corporate Management, IR, General Affairs, Human Resources, and Information Technology	
Executive Officer	Naoki Kitamura	Corporate Strategy	Director, SRL, Inc.

(3) Total amounts of compensation for directors and executive officers respectively for the fiscal year

Classification	Number (persons)	Amount of Compensation (millions of yen)	Remarks
Director	7	77	-
Executive Officer	8	267	-
Total	15	345	-

- Notes:
1. The data regarding directors in the above table do not include data of directors serving concurrently as executive officers since the Company does not pay directors' compensation to such directors.
 2. The compensation shown in the above table includes 61 million yen as performance-based compensation for executive officers.
 3. The sum of compensation for two (2) representative executive officers for the fiscal year included in the compensation stated in the above table is 99 million yen.
 4. Eight (8) executive officers including representative executive officers, who serve concurrently as officers of business corporations, have received 69 million yen as officers' compensation of such business corporations in addition to the compensation stated in the above table.
 5. The compensation stated in the above table includes the compensations of 24 million yen (24 million yen for eight (8) executive officers) granted by means of stock options (under the resolutions made at the 62nd Ordinary General Meeting of Shareholders held on June 26, 2012, the 63rd Ordinary General Meeting of Shareholders held on June 25, 2013 and the Board of Directors Meeting held on July 4, 2014).

(4) Matters regarding determination of amounts of compensation or calculation method thereof

The Compensation Committee has established the following policies for determining compensation for respective directors and executive officers of the Company and determines the amounts and other conditions of compensation, etc. for respective directors and executive officers in accordance with these policies.

i) Compensation system

Compensation for directors and executive officers of the Company will be paid mainly in the form of fixed-amount compensation based on official responsibilities in consideration of the scope and degree of responsibility for group management and other aspects, and will not be paid in the form of retirement benefits at the time of retirement. The amount of performance-based compensation will be changed depending on business results, with net sales, ordinary income, cash flow and other figures employed as criteria for determining results.

Directors serving concurrently as executive officers will receive compensation as executive officers.

ii) Directors' compensation

Directors' compensation will be determined as nil, or as a combination of fixed-amount compensation, performance-based compensation and stock options in consideration of the duties of the respective directors. Reasonable upper limit will be set for the amount of payment in light of the economic situation, the Company's conditions and the duties of the respective directors.

The Company will pay compensation to outside directors, based on the frequency and hours of their supervision activities, in addition to the combination of prescribed fixed-amount compensation and stock options.

iii) Executive officers' compensation

Executive officers' compensation will be determined in combination of fixed-amount compensation, performance-based compensation and stock options in consideration of the duties of the respective executive officers. An upper limit that is considered reasonable in light of the economic situation, the Company's conditions and the duties of the executive officers will be set for the amount of payment.

(5) Main activities of outside directors

i) Attendance at meetings of the Board of Directors and Committees (number of times of attendance/number of meetings held during the fiscal year)

Classification	Name	Board of Directors Meeting	Meeting of Nominating Committee	Meeting of Audit Committee	Meeting of Compensation Committee
Director	Nobumichi Hattori	14/14	10/10	-	11/11
Director	Yasunori Kaneko	14/14	10/10	24/24	4/4
Director	Hisatsugu Nonaka	14/14	7/7	24/24	4/4
Director	Naoki Iguchi	14/14	-	24/24	11/11
Director	Miyuki Ishiguro	14/14	-	24/24	11/11
Director	Ryoji Itoh	11/11	7/7	-	7/7

- (Notes)
1. Figures shown for Director Yasunori Kaneko's attendance in Compensation Committee meetings reflect his attendance up to the date of his resignation from that committee on June 24, 2014.
 2. Figures shown for Director Hisatsugu Nonaka's attendance in Compensation Committee meetings reflect his attendance up to the date of his resignation from that committee on June 24, 2014. Moreover, figures shown for his attendance in Nominating Committee meetings reflect his attendance since joining the committee on June 24, 2014.
 3. Figures shown for Director Ryoji Itoh's attendance in Board of Directors meetings, Nominating Committee meetings and Compensation Committee meetings reflect his attendance since becoming a new Director and joining those committees on June 24, 2014.

ii) Main activities during the fiscal year

Classification	Name	Main Activities
Director	Nobumichi Hattori	He has performed duties as chairman of the Nominating Committee and, at meetings of the Board of Directors, has made necessary remarks in connection with proposals and deliberations from the viewpoints of management strategy and business strategy.
Director	Yasunori Kaneko	At meetings of the Board of Directors, he has made necessary remarks in connection with proposals and deliberations from his technical perspective on advanced technologies in the medical field, which he has developed overseas, and from the viewpoint of management strategy. Also, at meetings of the Audit Committee, he has made necessary remarks as appropriate.
Director	Hisatsugu Nonaka	He has performed duties as chairman of the Audit Committee and, at meetings of the Board of Directors, made necessary remarks in connection with proposals and deliberations based on his abundant experience and broad insight as a corporate manager. Also, at meetings of the Audit Committee, he has made necessary remarks as appropriate.
Director	Naoki Iguchi	He has performed duties as chairman of the Compensation Committee and, at meetings of the Board of Directors, he has made necessary remarks in connection with proposals and deliberations from his broad insight, which was developed through his service in public administration in the insurance, pension and medical fields. Also, at meetings of the Audit Committee, he has made necessary remarks as appropriate.

Classification	Name	Main Activities
Director	Miyuki Ishiguro	At meetings of the Board of Directors, she has made necessary remarks in connection with proposals and deliberations from her perspective as a lawyer who is well-versed in corporate law. Also, at the Audit Committee, she has made necessary remarks as appropriate.
Director	Ryoji Itoh	At meetings of the Board of Directors, he has made necessary remarks in connections with proposals and deliberations from his broad insight, which was developed through his extensive experience as a business consultant and corporate manager at a business operating company.

(6) Matters regarding limited liability agreements

The Company amended the Articles of Incorporation at the 56th Ordinary General Meeting of Shareholders held on June 27, 2006, establishing provisions regarding limited liability agreements with outside directors.

An outline of the limited liability agreements entered into by the Company with all outside directors under the Articles of Incorporation is as follows:

- Limited liability agreements with outside directors

After execution of this agreement, the outside director shall, in the case of having performed his/her duties in good faith and without gross negligence with respect to the responsibility prescribed in Article 423, Paragraph 1 of the Companies Act, assume liability for damages up to the higher of 2 million yen or the minimum liability amount prescribed by law.

(7) Total amount of compensation for outside directors for the fiscal year

Classification	Number (persons)	Amount of Compensation (millions of yen)	Amount of Compensation Received from Parent Company or Parent Company's Subsidiary (millions of yen)
Outside Director	7	77	-

5. Matters regarding Accounting Auditor

- (1) Name of Accounting Auditor
PricewaterhouseCoopers Aarata
- (2) Amount of compensation, etc. to Accounting Auditor
 - i) Total amount of compensation the Company and its subsidiaries paid to Accounting Auditor
74 million yen
 - ii) Of i) above, the total amount of compensation the Company and its subsidiaries paid to Accounting Auditor in exchange for the work (audit certification work) stipulated by Article 2, Paragraph 1 of the Certified Public Accountants Act (Act No. 103 of 1948)
74 million yen
 - iii) Of ii) above, the amount of compensation the Company paid to Accounting Auditor for the work as an accounting auditor
40 million yen

Notes:

1. The audit agreement between the Company and Accounting Auditor, does not and cannot practically distinguish between compensation for audit in accordance with the Companies Act and those in accordance with the Financial Instruments and Exchange Act. Therefore, the figures of iii) above represent total amount.
2. Of the Company's subsidiaries, Fujirebio Inc., Fujirebio Taiwan, Inc. and Fujirebio Europe N.V. are audited by certified public accountants other than the Company's Accounting Auditor.

- (3) Policy for determining dismissal or refusal of reappointment of Accounting Auditor
When Accounting Auditor is recognized as falling under the category stipulated by each Item of Article 340, Paragraph 1 of the Companies Act, the Audit Committee dismisses the Accounting Auditor based on the consensus of all the committee members. In this case, a committee member appointed by the Audit Committee reports the dismissal of the Accounting Auditor and the reason therefor at the first General Meeting of Shareholders to be held after the dismissal.

With taking the quality, effectiveness and efficiency of audits conducted by Accounting Auditor into the consideration, the Audit Committee also discusses reappointment or refusal of reappointment of Accounting Auditor every year. When details of the item to be resolved at General Meeting of Shareholders on refusal of reappointment of the Accounting Auditor are determined, a committee member appointed by the Audit Committee provides necessary explanation about the item at General Meeting of Shareholders.

6. Overview of resolution regarding establishment of system to ensure appropriate execution of operations

(1) Fundamental idea on corporate governance

The Company fully recognizes the importance of strong and thorough corporate governance, and is committed to the establishment of a governance structure that encourages greater transparency and accelerates proper decision-making at all levels of oversight, management and operation.

Therefore, the Company adopted the “Company with Committees” corporate governance system under the Companies Act on June 27, 2005 and moved to a pure holding company structure that controls the Group on July 1, 2005.

(2) Details of corporate organizations and status of establishment of the system of internal controls

i) Corporate organizations

The Company chose to adopt the “Company with Committees” corporate governance system with the aim of achieving clear separation of oversight and executive functions giving executive officers the authority to make decisions with greater speed and provide more effective management for the operation of the Group companies. In addition, in accordance with the Companies Act and the committee system, the Company has established three committees: the Nominating, Audit and Compensation Committees.

The Board of Directors’ meetings were held at least once a month, and board members receive reports from each committee and from the executive officers regarding information on current corporate operations and target management achievements. The Board is thus able to provide timely, comprehensive and pertinent corporate oversight. Among the nine (9) members of the Board of Directors, the Company appoints six (6) as outside directors, each of whom is recognized as a leader in his or her respective field.

ii) Status of establishment of the system of internal controls

Based on the following basic policy, the Company has established the system of internal controls.

1) Basic management policy

The Company’s basic policy for corporate management consists of the following corporate philosophy and management policy.

<Corporate philosophy>

Miraca Group contributes to create a healthy and prosperous society and promotes global healthcare through the provision of novel, value-added products and services.

<Management policy>

- a) We place top priority on meeting our customers’ needs and providing them with highly reliable products, information and services.
- b) We strive to protect the environment and maintain good relationships with local communities.
- c) We encourage our employees to develop their individual talents and expertise by providing a challenging and rewarding workplace environment that ensures

equal employment opportunities and fair performance evaluations.

d) We endeavor to live up to the trust of shareholders through soundness and integrity of management.

2) Code of Conduct

The Company, as a corporate group, has established the Miraca Group Code of Conduct so that all officers and employees of the Group can embody the high ethical standards that they are expected to meet in the performance of their duties, and ensure that the officers and employees practice it in daily corporate activities.

3) Matters regarding directors and employees who are assigned to support duties of the Audit Committee

The Company shall establish the Secretariat of the Audit Committee as an organization under the Audit Committee. Employees who are assigned to support the duties of the Audit Committee belong to the Secretariat of the Audit Committee.

4) Matters regarding independence of directors and employees in 3) from executive officers

- Employees of the Secretariat of the Audit Committee shall follow instructions of members of the Audit committee.
- For appointment and reassignment of employees, treatment such as employee evaluation and transfer and budget allocation, the Secretariat of the Audit Committee shall give explanations to the Audit Committee in advance and obtain prior approval.

5) System of reporting from executive officers and employees to the Audit Committee and other systems of reporting to the Audit Committee

The Audit Committee may have people other than members participate in a meeting as necessary, and ask them to report on the following items, in addition to items stipulated by laws and regulations.

- a) Overview of activities of departments involved in internal control of the Group
- b) The Group's significant accounting policy, accounting standards and changes thereof
- c) Details of important disclosure documents
- d) Other matters to be reported as stipulated by the Company's internal rules

6) Other systems to ensure effective audit by the Audit Committee

- Members of the Audit Committee have authorities stipulated in the following items.
 - a) Authority to request other directors, executive officers, managers and other employees to report matters regarding execution of their duties
 - b) Authority to examine the status of the Company's business operations and assets
 - c) Authority to request the Company's subsidiaries or consolidated subsidiaries to report business operations or to examine the status of business operations and assets of the Company's subsidiaries or consolidated subsidiaries as necessary in order to exercise authorities of the Audit Committee
 - d) Other authorities regarding audit deemed necessary by the Audit Committee within the scope of laws and regulations

- Directors, executive officers and employees who participate in a meeting of the Audit Committee by a request from the Committee are required to explain matters requested by the Committee.
 - A committee member appointed by the Audit Committee may participate in important meetings of the Company including the Group companies as necessary.
- 7) System to ensure appropriate execution of business operations of the stock company and the corporate group consisting of its parent company and subsidiaries
- To ensure appropriate execution of business operations of the Company's subsidiaries by conducting operation and management of the subsidiaries based on the management rules of the subsidiaries and affiliates as well as the agreement on responsibilities and authorities of the officers of the subsidiaries.
 - To establish a management structure based on the following rules and ensure appropriate execution of business operations of the corporate group.
 - a) The company and major business subsidiaries shall be covered.
 - b) The purpose shall be to comply with laws and regulations pertaining to effectiveness and efficiency of business operations, credibility of financial reporting and business activities.
 - c) Based on the Risk Management Rules, risk management of the corporate group shall be promoted.
 - d) A flow chart of major business processes shall be created including those of business subsidiaries to standardize business operations and conduct adequate risk management.
 - e) The Internal Audit Department shall conduct an audit on the system of internal controls.
 - The Internal Audit Departments of the Group companies shall report and exchange opinions on a regular basis and hold an audit liaison conference regularly in order to enhance cooperation between the Audit Committee and auditors of the Group companies.
- 8) System for storage and management of information on execution of duties by executive officers
- Each executive officer shall appropriately store and manage documents and other relevant information regarding execution of their duties in accordance with the Rules for Management of Documents for Execution of Duties.
- 9) Rules for management of risk of loss and other system
- Based on the "Risk Management Rules" and "Rules for the Risk Management Committee," a risk management system shall be established, and the Risk Management Committee shall promote it to manage the risk of loss.
- 10) System to ensure efficient execution of duties by executive officers
- Each executive officer executes duties based on the Rules of Duties of Executive Officers.
 - Each executive officer holds discussions and makes a report as necessary at the Board of Executive Officers' meeting based on the Rules for the Board of Executive Officers.

11) System to ensure compliance of execution of duties by executive officers and employees with laws and regulations and the Articles of Incorporation

- While the ethical standards that all the members of the Company are expected to meet were codified in the Miraca Group Code of Conduct, the Code of Conduct Committee implements necessary measures based on the Rules for Management of the Code of Conduct Committee to ensure compliance of execution of duties by executive officers and employees with laws and regulations, the Articles of Incorporation and the Miraca Group Code of Conduct.
- The Code of Conduct Committee detects illegal activities of the Company at an early stage and establishes and operates an internal reporting system in order to respond to it.
- The Internal Audit Department conducts internal audits based on the Rules for Internal Audit.

iii) Status of internal audit and audit by the Audit Committee

The Internal Audit Department (fourteen (14) members of the Company's Internal Audit Department control the Internal Audit Departments of each business company) conducts internal audits and assesses internal control independently on a regular basis based on the Rules for Internal Audit in order to ensure legality, accuracy and efficiency of management and business operations. The Department reports the audit results and status of follow-up to the Board of Directors and the Audit Committee through the responsible executive officer.

The Audit Committee consists of four (4) committee members and one (1) secretariat. Each member participates in major meetings of the Board of Executive Officers, the Disclosure Committee and Risk Management Committee, holds a regular liaison conference with the Internal Audit Department and the Board of Corporate Auditors of the relevant business companies and directly conducts audits on the execution of duties as necessary, and the results are regularly reported to the Board of Directors. The Audit Committee exchanges ideas regularly with Accounting Auditor by requesting them to explain and report the initial audit plan, status of audits during the term and results of the year-end audit.

As for internal control, the Company's Internal Control Management Department (six (6) members) controls the Internal Control Management Departments of each business company and promotes establishment and operation of internal control of the Group. The Department also undergoes regular assessment of internal control by the Internal Audit Department and holds a regular liaison conference, whose details are reported to the Audit Committee by the Secretariat of the Audit Committee.

iv) Status of accounting audit

Certified public accountants who performed the accounting audit of the Company are Mr. Masahiro Yamada, Mr. Hiroyuki Sawayama and Mr. Taisuke Shiino. They all belong to PricewaterhouseCoopers Aarata and perform accounting audits based on mutual collaboration between audits by the Audit Committee and accounting audits. Assistants for the audit of the financial statements of the Company are six (6) certified public accountants, two (2) associate members of the Japanese Institute of Certified Public Accountants, and eight (8) others.

v) Relationship with outside directors

Six (6) of the Company's directors are outside directors.

Outside Director Nobumichi Hattori is a professor teaching international corporate strategy at a graduate school who can give advices to the management of the Company as an independent expert from the viewpoint of management strategy and business strategy. Considering the above, Mr. Hattori is appropriate as outside director of the Company.

Outside Director Yasunori Kaneko has expertise and experience as a doctor and his insight into advanced technology in the medical field, which he has cultivated overseas for many years, is an essential factor for the management of the Company. Considering the above, Mr. Kaneko is appropriate as outside director of the Company.

Outside Director Hisatsugu Nonaka was involved in the management of Toshiba Corporation for many years and has considerable experience and broad knowledge as a corporate manager. As his advice based on such insight is valuable to the Company, Mr. Nonaka is appropriate as outside director of the Company.

Outside Director Naoki Iguchi has long been engaged in public administration in Japan in the fields of insurance, pension and medical service and he has abundant experience and extensive knowledge on which he can capitalize in the management of the Company. His advice based on such insight is valuable to the Company's medical services. Considering the above, Mr. Iguchi is appropriate as outside director of the Company.

Outside Director Miyuki Ishiguro is a partner of Nagashima Ohno & Tsunematsu, who is expected to provide advice to the management of the Company as an independent expert on corporate and business law. Considering the above, Ms. Ishiguro is appropriate as outside director of the Company.

Outside Director Mr. Ryoji Itoh is a professor teaching policy and media studies at a university graduate school, and has knowledge based on his extensive experience as a management consultant as well as a corporate manager. The Company believes that he is an expert whose knowledge can be used in the management of the Company. Considering the above, Mr. Ito is appropriate as outside director of the Company.

There are no conflicts of interests between the six (6) outside directors above and the Company. There are no personnel exchange, capital ties, transactions or conflicts of interests between Skyline Ventures, Inc., for which Mr. Yasunori Kaneko serves as Managing Director, Planetplan, Inc., for which Mr. Ryoji Itoh serves as Managing Director, and the Company.

The Company purchases some products, etc. from Toshiba Corporation, for which Outside Director Hisatsugu Nonaka served as Director, Representative Executive Officer & Corporate Senior Executive Vice President until June 2009. However, as the purchasing amount is less than one percent of the Company's net sales, the Company judges that these transactions do not affect the independence of Mr. Nonaka as outside director.

Although the Company has not stipulated criteria or policies regarding the independence of outside directors, the Company refers to the criteria for independence stipulated by Tokyo Stock Exchange, Inc. when appointing candidates for election in order to secure outside directors who have objectiveness and neutrality.

As mentioned above, the Company values objectiveness, neutrality and expertise of outside directors, and elects outside directors from the viewpoint of their fair recognition of the role the Company plays in society, supervision on the appropriateness of execution of duties by the corporate manager without placing disproportionate emphasis on interests of the corporate manager and certain interested parties as well as utilization of broad knowledge and experiences for the Company's management. The abovementioned directors are expected to play an independent role from the Company's management in terms of governance.

Six (6) outside directors receive reports and state their opinions as necessary in connection with internal audits, internal control assessments, audits by the Audit Committee and audits by Accounting Auditor through the Board of Directors. Four (4) of them, as members of the Audit Committee, hold a regular liaison conference with the Internal Audit Department, and the Board of Corporate Auditors and auditors of the relevant subsidiaries.

7. Basic policy on control of stock company

- I. Basic Policy concerning Persons Controlling the Decision on the Financial and Operational Policy of the Company (Basic Policy concerning Persons Controlling the Decision on the Financial and Operational Policy of the Company as stipulated by Article 118, Item 3 of the Ordinance for Enforcement of the Companies Act (Ordinance of the Ministry of Justice No. 12 of 2006))

The Board of Directors of the Company believes that the shareholders of the Company should make final decisions as to whether or not an offer to purchase shares is acceptable. In the event that the purchase of the shares of the Company is proposed, in order for the shareholders of the Company to make proper decisions, it is necessary for sufficient information to be provided to the shareholders of the Company through the Board of Directors of the Company. In particular, the shareholders of the Company should be given information regarding the terms and conditions of the purchase (including fairness of price), the influence the purchase has on the management of the Company and its group, the management policy and business plan that the purchaser intends to adopt, etc.

However, in the event that the purchase of the shares of the Company is proposed, the shareholder or the Company may not be given sufficient time or information necessary to consider the terms and conditions of the proposal or any alternative plan. The proposed structure may coerce the shareholders to accept the proposal of the purchase. The proposed purchase price may be inadequate or inappropriate in light of the Company's intrinsic corporate value and the common interests of the shareholders. In such case, there will be a threat of severe damage to the Company's corporate value and the common interests of the shareholders.

The Company believes that a person who conducts or proposes an inappropriate Large-scale Purchase which will raise a threat of severe damage to the Company's corporate value and the common interest of the shareholders is not appropriate as a person in control of decisions on the financial and operational policy of the Company.

The Company decided, at a meeting of the Board of Directors held on May 23, 2007, to establish the above as our Basic Policy concerning Persons Controlling the Decision on the Financial and Operational Policy of the Company.

II. Efforts supporting achievement of the basic policy

We are making efforts to enhance the Company's corporate value and to serve the common interests of our shareholders through the sound execution of the Medium-term Business Plan by proactively providing returns to shareholders and further strengthening the Company's corporate governance structure. We believe that the measures explained below will support the achievement of our basic policy described in Section I above. We believe it is obvious that the following initiatives, considering the details, do not undermine common interests of our shareholders and are not intended to maintain the status of company directors and officers.

1. Efforts to enhance the Company's corporate value and to serve the common interests of shareholders through execution of the Medium-term Business Plan

The clinical diagnostics and laboratory testing sector is faced with severe competition due to slowdown in the growth of the domestic market and the advancement of globalization. Under such circumstances, the Company established its 4th Medium-term Business Plan in May 2014, with the aim of establishing robust business foundations for further growth in the future. The Group will take the following direction in order to realize sustainable organic growth in the market: (1) expansion through competitive execution; (2) creation of new products and services; and (3) full scale entry into the global market. An overview of the plan is described in "(4) Issues to be addressed" of "1. Matters regarding current status of corporate group."

2. Efforts to Enhance the Company's Corporate Value and to Serve the Common Interests of Shareholders through Proactively Providing Returns to Shareholders

The Company remains committed to the goal of actively returning profits to our shareholders mainly through dividends, while striving to attain the level of retained earnings needed for the Company to adequately address upcoming changes in the business environment and also to invest in M&As, R&D, and other future growth opportunities.

3. Efforts to Enhance the Company's Corporate Value and to Serve the Common Interests of Shareholders through the Further Strengthening of the Corporate Governance Structure

The Company has adopted a "Company with Committees" corporate governance system in June 2005, leading to clear separation of the monitoring and execution functions as well as the establishment of an execution structure which allows for speedy operational implementation. From a corporate governance perspective, six (6) of the nine (9) board members are independent outside directors. Furthermore, we have established three committees: the Nominating, Audit and Compensation Committees in accordance with laws and regulations, and continued efforts aimed at promoting fairness and transparency are being implemented. With respect to incentives and compensation, we have positioned the enhancement of corporate value and the common interests of our shareholders as our highest priorities, and have adopted a performance-based compensation plan for executive officers, while eliminating the retirement benefits system which was not highly correlated with performance and introducing a stock option plan aimed to align interest between our shareholders and the officers and employees of the Company. Compensation provided to such officers and directors are disclosed in our annual securities reports, and business reports. We have further implemented various measures to stimulate activity at shareholders' meetings and to facilitate the exercise of voting rights, such as sending notice of shareholders' meetings at least 3 weeks in advance in order to secure sufficient time for our shareholders to appropriately exercise their voting rights and changing the date of shareholders' meetings to avoid the major concentration of shareholders' meetings at the end of June. Realizing the importance of maintaining and strengthening an appropriate governance structure, we have also established a basic policy for our internal

control system, and have established an infrastructure to ensure proper business operations as a corporate group by reinforcing the framework for audits by the Audit Committee and by creating control guidelines for the entire group, including subsidiaries and affiliates.

- III. Efforts above being in line with the basic policy of I above and not undermining the common interests of shareholders, nor being intended to maintain the status of the company directors and officers and reasons thereof

The abovementioned efforts are for making maximum use of the Company's assets, making appropriate allocations of profits for securing retained earnings required to maintain and improve revenue and providing returns to our shareholders and maintaining and enhancing the adequate corporate governance system, thus contributing to enhancement of the Company's corporate value and serving the common interests of shareholders of the Company. Therefore, the efforts above are in line with the basic policy and do not undermine the common interests of shareholders, nor are they intended to maintain the status of the Company's directors and officers.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2015)

(Unit: Millions of yen)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current assets	90,075	Current liabilities	42,879
Cash and deposits	27,300	Notes and accounts payable - trade	10,374
Notes and accounts receivable - trade	38,734	Electronically recorded obligations - operating	1,437
Lease investment assets	622	Current portion of long-term loans payable	6,000
Merchandise and finished goods	4,790	Lease obligations	749
Work in process	5,026	Accounts payable - other	5,868
Raw materials and supplies	5,096	Income taxes payable	4,075
Deferred tax assets	3,050	Deferred tax liabilities	47
Other	7,868	Provision for bonuses	4,638
Allowance for doubtful accounts	(2,413)	Other	9,687
Non-current assets	172,127	Non-current liabilities	47,471
Property, plant and equipment	42,537	Bonds payable	10,000
Buildings and structures	17,803	Long-term loans payable	12,150
Machinery, equipment and vehicles	2,668	Lease obligations	4,135
Tools, furniture and fixtures	5,179	Deferred tax liabilities	10,729
Land	8,920	Net defined benefit liability	4,345
Leased assets	4,653	Asset retirement obligations	887
Construction in progress	3,313	Other	5,223
		Total liabilities	90,351
		NET ASSETS	
Intangible assets	103,989	Shareholders' equity	137,071
Goodwill	59,428	Capital stock	8,666
Customer-related intangible assets	31,467	Capital surplus	24,388
Software	2,416	Retained earnings	105,224
Leased assets	197	Treasury shares	(1,209)
Other	10,478	Accumulated other comprehensive income	34,553
Investments and other assets	25,600	Valuation difference on available-for-sale securities	606
Investment securities	17,869	Foreign currency translation adjustment	34,198
Deferred tax assets	3,321	Remeasurements of defined benefit plans	(251)
Other	4,426	Subscription rights to shares	227
Allowance for doubtful accounts	(17)	Total net assets	171,851
Total assets	262,203	Total liabilities and net assets	262,203

CONSOLIDATED STATEMENT OF INCOME

〔 From: April 1, 2014
To: March 31, 2015 〕

(Unit: Millions of yen)

Net sales		204,667
Cost of sales		124,272
Gross profit		80,395
Selling, general and administrative expenses		53,382
Operating income		27,012
Non-operating income		
Interest income	21	
Dividend income	47	
Dividend income of insurance	148	
Rent income	50	
Fiduciary obligation fee	69	
Foreign exchange gains	777	
Other	234	1,349
Non-operating expenses		
Interest expenses	589	
Rent expenses	52	
Share of loss of entities accounted for using equity method	286	
Advisory fee	770	
Other	96	1,796
Ordinary income		26,566
Extraordinary income		
Gain on sales of non-current assets	1,477	
Gain on reversal of subscription rights to shares	9	
Other	155	1,642
Extraordinary losses		
Loss on retirement of non-current assets	116	
Business structure improvement expenses	932	
Impairment loss	2,596	
Other	231	3,877
Income before income taxes and minority interests		24,331
Income taxes - current	10,603	
Income taxes - deferred	(2,273)	8,329
Net income		16,002

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(From: April 1, 2014
To: March 31, 2015)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,433	24,155	102,727	(541)	134,775
Cumulative effects of changes in accounting policies			1,068		1,068
Restated balance	8,433	24,155	103,796	(541)	135,843
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	233	233			467
Dividends of surplus			(5,226)		(5,226)
Net income			16,002		16,002
Purchase of treasury shares				(10,016)	(10,016)
Retirement of treasury shares		(0)	(9,348)	9,348	-
Net changes of items other than shareholders' equity					
Total changes of items during period	233	233	1,427	(667)	1,227
Balance at end of current period	8,666	24,388	105,224	(1,209)	137,071

	Accumulated other comprehensive income				Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,075	21,790	(535)	22,330	242	157,348
Cumulative effects of changes in accounting policies						1,068
Restated balance	1,075	21,790	(535)	22,330	242	158,417
Changes of items during period						
Issuance of new shares - exercise of subscription rights to shares						467
Dividends of surplus						(5,226)
Net income						16,002
Purchase of treasury shares						(10,016)
Retirement of treasury shares						-
Net changes of items other than shareholders' equity	(469)	12,408	283	12,222	(15)	12,207
Total changes of items during period	(469)	12,408	283	12,222	(15)	13,434
Balance at end of current period	606	34,198	(251)	34,553	227	171,851

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2015)

(Unit: Millions of yen)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current assets	27,900	Current liabilities	35,742
Cash and deposits	21,026	Current portion of long-term loans payable	6,000
Accounts receivable - trade	322	Accounts payable - other	117
Prepaid expenses	29	Accrued expenses	187
Deferred tax assets	554	Income taxes payable	13
Accrued income	61	Deposits received	29,165
Short-term loans receivable from subsidiaries and associates	2,172	Unearned revenue	118
Accounts receivable - other	3,702	Provision for bonuses	20
Other	31	Other	119
		Non-current liabilities	22,396
Non-current assets	114,511	Bonds payable	10,000
Property, plant and equipment	287	Long-term loans payable	12,150
Buildings	221	Long-term unearned revenue	242
Tools, furniture and fixtures	64	Other	3
Leased assets	1	Total liabilities	58,138
Intangible assets	267	NET ASSETS	
Software	267	Shareholders' equity	84,044
		Capital stock	8,666
Investments and other assets	113,956	Capital surplus	24,388
Shares of subsidiaries and associates	104,929	Legal capital surplus	24,388
Investments in capital	63	Retained earnings	52,198
Long-term loans receivable from subsidiaries and associates	8,238	Legal retained earnings	928
Long-term prepaid expenses	10	Other retained earnings	51,270
Deferred tax assets	2	General reserve	13,250
Other	711	Retained earnings brought forward	38,020
		Treasury shares	(1,209)
		Valuation and translation adjustments	1
		Valuation difference on available-for-sale securities	1
		Subscription rights to shares	227
		Total net assets	84,273
Total assets	142,412	Total liabilities and net assets	142,412

NON-CONSOLIDATED STATEMENT OF INCOME

〔 From: April 1, 2014
To: March 31, 2015 〕

(Unit: Millions of yen)

Operating revenue		
Dividend income	18,075	
Consulting fee income	1,486	
Service revenue	400	19,961
Operating expenses		1,795
Operating income		18,166
Non-operating income		
Interest income	89	
Rent income	330	
Foreign exchange gains	381	
Other	2	803
Non-operating expenses		
Interest expenses	116	
Interest on bonds	50	
Rent expenses	290	
Advisory fee	747	
Other	35	1,239
Ordinary income		17,730
Extraordinary income		
Gain on reversal of subscription rights to shares	9	9
Income before income taxes		17,740
Income taxes—current	26	
Income taxes—deferred	(502)	(475)
Net income		18,216

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(From: April 1, 2014
To: March 31, 2015)

(Unit: Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity	
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						General reserve	Retained earnings brought forward			
Balance at beginning of current period	8,433	24,155	0	24,155	928	13,250	34,378	48,556	(541)	80,602
Changes of items during period										
Issuance of new shares - exercise of subscription rights to shares	233	233		233						467
Dividends of surplus							(5,226)	(5,226)		(5,226)
Net income							18,216	18,216		18,216
Purchase of treasury shares									(10,016)	(10,016)
Retirement of treasury shares			(0)	(0)			(9,348)	(9,348)	9,348	-
Net changes of items other than shareholders' equity										
Total changes of items during period	233	233	(0)	233	-	-	3,642	3,642	(667)	3,441
Balance at end of current period	8,666	24,388	-	24,388	928	13,250	38,020	52,198	(1,209)	84,044

	Valuation and translation adjustments	Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities		
Balance at beginning of current period	0	242	80,845
Changes of items during period			
Issuance of new shares - exercise of subscription rights to shares			467
Dividends of surplus			(5,226)
Net income			18,216
Purchase of treasury shares			(10,016)
Retirement of treasury shares			-
Net changes of items other than shareholders' equity	1	(15)	(13)
Total changes of items during period	1	(15)	3,427
Balance at end of current period	1	227	84,273

Supplemental Information

The Company described certain risk factors relating to the Group and its business etc. as below in the Annual Securities Report (Yuukasyouken-Houkokusyo) for the fiscal year ended March 31, 2014, in which matters regarding the future were assessed based on the situation as of March 31, 2014.

The Company stated in its Quarterly Securities Report (Shihanki-Houkokusho) for the quarter ended December 31, 2014 that there were no new risk factors recognized or any material changes in the risk factors described in the above-mentioned Annual Securities Report during the nine months ended December 31, 2014.

This information is not included in the notice of 65th Ordinary General Meeting of Shareholders.

Risk Factors Relating to the Group and its Business etc.

(1) Risk associated with research and development

The Group focuses on efficient and speedy research and development of new products as well as new technologies. However, in some cases, we are forced to terminate research and development because it fails to meet the standards on efficacy and safety required for drug approval along the way. As a result, the Group may not be able to recover the costs incurred, or forced to re-examine the research and development policy.

(2) Risk associated with intellectual property rights

The Group's products are protected by multiple patents on their materials and manufacturing processes for a specified period of time. The Group strictly manages the intellectual property rights including patent rights and always pays close attention to a possible infringement of these rights by others. But when the intellectual property rights the Group owns are infringed by a third party, the expected revenue may be lost. Also, if the Group's product infringes other company's intellectual property right, the Group may be asked for compensation.

(3) Impact of changes in market environment

Amid the continuous drastic reform of the healthcare system in Japan, the Group's business environment is getting tougher combined with the market competition with other companies. Such changes in the market environment may affect the market price and have an influence on the Group's operating results and financial condition.

(4) Risk associated with legal regulations and others

The Group is subject to the Pharmaceutical Affairs Act and the related laws and regulations in Japan and to legal regulations imposed by FDA and others overseas. When such laws and regulations are revised or strengthened in the future, it may lead to a restriction on the Group's business activities or an increase in business operation costs.

(5) Risk associated with overseas business and exchange fluctuations

The Group has business operations not only in Japan but also overseas such as North America and Europe. Accordingly, the share of overseas sales in the Company's consolidated net sales as well as the share of overseas assets in the consolidated total assets is increasing, leading to increased exposure to exchange rate fluctuations.

The Company takes certain measures such as forward exchange contracts to mitigate the risk of exchange fluctuations, but these measures do not avoid the entire risk. So the Company's operating results, assets and liabilities, and net assets may be negatively affected by exchange fluctuations.

In addition, when a recession, changes in the political situation, changes in laws or regulations, changes in the tax system, terrorism or conflicts, spread of infectious diseases or a disaster arise in the countries where the Company has business operations, the Company's operating results may be negatively affected.

(6) Risk associated with corporate acquisition (M&As), etc.

As one of the strategies for growth, the Group considers and implements M&As in the areas relevant to the existing businesses, at home and abroad, and aims to improve the corporate value through it.

In implementing M&As, the Group conducts sufficient research and review in advance on the profitability and investment collectability, but the business acquired may fail to achieve the initial target due to sudden changes in the business environment or unexpected circumstances after the M&A. In such cases, the Group's operating results and financial condition may be negatively affected.

(7) Risk associated with accuracy management

Accuracy management is the most important matter for the Group to maintain the accuracy of testing results. The Group's major business companies in clinical laboratory testing business regularly participate in surveys conducted by public institutions such as the Japan Medical Association and conduct thorough accuracy management. In addition, the Group focuses on establishing an internal accuracy management system by obtaining the service mark certification issued by the Association for Promotion of Health Care Service and ISO15189 certification.

However, testing accuracy may be lower when appropriate testing could not be conducted due to unforeseen circumstances, and this may lead to a loss of the Company's credibility. Consequently, this may affect the Group's operating results.

(8) Risk associated with handling of information

The Group holds an enormous volume of confidential information on patients and their testing data, and it is one of the important management issues to ensure its security and establish a compliance structure with the Personal Information Protection Act enforced in April 2005. As part of this effort, SRL Inc. obtained the PrivacyMark certification in February 2005. The Group also obtained ISMS and BS7799 certification as security measures for information systems.

However, if personal information is leaked due to criminal acts, etc., the Group's credibility may fall, and this may affect the operating results of the Group.

(9) Risk associated with application of accounting of impairment assets

The Group owns non-current assets consisting of property, plant and equipment and intangible assets including goodwill.

If the values of these assets fall or if the expected future cash flow cannot be attained, the Group is required to book impairment loss, and this may negatively affect the operating results and financial condition of the Group.

(10) Effects of suspension or restriction of business activities due to disaster, accident, etc.

If the Group's operations are obstructed because its various places of business or medical institutions, which are the Group's customers, are struck by a natural disaster such as a large-scale typhoon or earthquake, this may affect the Group's operating results. Furthermore, if there is an incident such as an industrial accident or accident with equipment, causing a restriction or suspension of business activities or similar event, this may also affect operating results.