

FY2016 FIRST-HALF RESULTS

(April 1, 2016 - September 30, 2016)

Supplementary Information

November 1, 2016

<Contact>

Miraca Holdings Inc.
IR Public Relations Group

URL: <http://www.miraca-holdings.co.jp/>

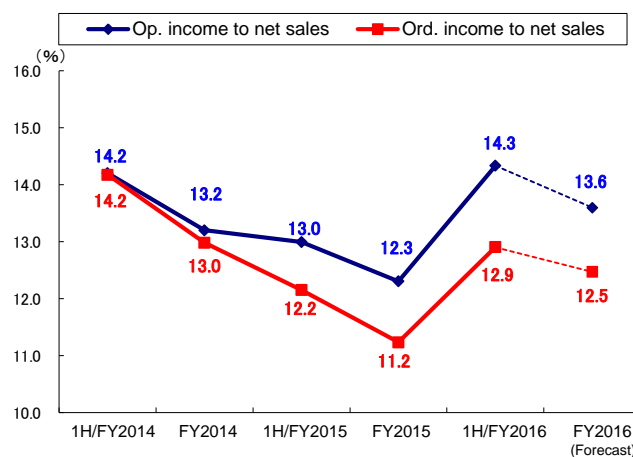
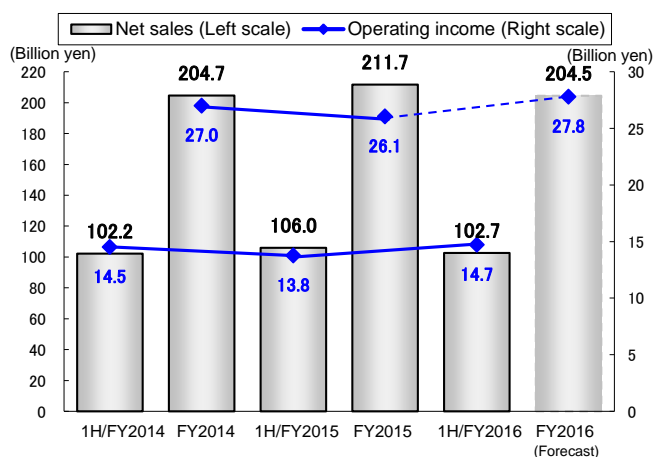
Disclaimer regarding forward-looking statement:

The performance forecast provided in this document is prepared by the management based on currently available information and various hypotheses and ideas including significant risks or uncertainties. Please be aware that the actual performance may turn out to be different from the forecast as a result of various contributing factors.

Factors affecting the performance include, among others, aggravation of the economic situation, fluctuation of the exchange rate, change of regulatory, statutory, and administrative requirements, delayed launch of new products, pressures from the product strategies of competitive companies, and decline of the sales potential of existing products.

Consolidated Financial Highlights

	FY2014		FY2015		FY2016		Full-year Forecast (Revised)
	1H	Full-year	1H	Full-year	1H	Y/Y Variance (%)	
<Key Items of Statement of Income>							
Net sales (millions of yen)	102,218	204,667	105,983	211,743	102,653	-3.1%	204,500
Operating income (millions of yen)	14,515	27,012	13,769	26,050	14,712	6.9%	27,800
Ordinary income (millions of yen)	14,485	26,566	12,877	23,782	13,244	2.8%	25,500
Profit (loss) attributable to owners of parent (millions of yen)	8,162	16,002	6,525	-5,081	-5,097	—	3,000
Basic earnings (loss) per share (yen)	139.00	274.82	114.59	-89.21	-89.43	—	52.63
Diluted earnings per share (yen)	138.74	274.32	114.38	—	—	—	—
<Key Items of Balance Sheet>							
Total assets (millions of yen)	249,526	262,203	264,705	237,296	219,735	—	—
Net assets (millions of yen)	168,777	171,851	176,382	155,700	138,061	—	—
Net assets per share (yen)	2,868.68	3,016.78	3,092.33	2,727.81	2,417.53	—	—
<Key Indicators, etc.>							
Dividend payout ratio (%)	33.1	33.5	48.0	—	—	—	—
Return on equity (%)	5.2	9.7	3.8	-3.1	—	—	—
Return on asset (%)	6.1	10.5	4.9	9.5	—	—	—
Equity ratio (%)	67.5	65.5	66.6	65.5	62.7	—	—
Number of consolidated subsidiaries	38	36	36	36	36	—	—



* Figures in the above graph are rounded to the nearest 100 million yen

Notes:

* Each fiscal period is as follows;

FY2014 is a one-year period ended on Mar. 31, 2015. 1H/FY2014 is a 6-month period ended on Sep. 30, 2014. 2H/FY2014 is a 6-month period ended on Mar. 31, 2015.
 FY2015 is a one-year period ended on Mar. 31, 2016. 1H/FY2015 is a 6-month period ended on Sep. 30, 2015. 2H/FY2015 is a 6-month period ended on Mar. 31, 2016.
 FY2016 is a one-year period ending on Mar. 31, 2017. 1H/FY2016 is a 6-month period ended on Sep. 30, 2016. 2H/FY2016 is a 6-month period ending on Mar. 31, 2017.

Consolidated Balance Sheet

<ASSETS>

(Millions of yen)

	FY2015 (As of Mar.31, 2016)	1H/FY2016 (As of Sep. 30, 2016)
<Assets>		
Current assets		
Cash and deposits	31,756	29,230
Notes and accounts receivable - trade	36,954	35,931
Securities	-	10,000
Merchandise and finished goods	4,629	4,173
Work in process	5,159	5,104
Raw materials and supplies	5,048	4,546
Other	11,873	10,939
Allowance for doubtful accounts	-1,394	-1,433
Total current assets	94,027	98,492
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,351	15,429
Tools, furniture and fixtures, net	4,653	4,284
Land	9,106	8,959
Other, net	10,166	8,320
Total property, plant and equipment	40,277	36,993
Intangible assets		
Goodwill	31,738	27,391
Customer-related intangible assets	27,483	23,726
Software	8,760	1,716 ①
Other	7,426	4,063 ①
Total intangible assets	75,409	56,898
Investments and other assets		
Investment securities	15,242	12,890
Other	12,359	14,478
Allowance for doubtful accounts	-20	-18
Total investments and other assets	27,581	27,350
Total non-current assets	143,269	121,242
Total assets	237,296	219,735

Notes: Figures are rounded down to the nearest million yen.

Key point for 1H/FY2016

① Decreased by the termination of "Navi-Lab project", development of SRL's testing system for self usage

Consolidated Balance Sheet

<LIABILITIES AND NET ASSETS>

(Millions of yen)

	FY2015 (As of Mar.31, 2016)	1H/FY2016 (As of Sep. 30, 2016)
<Liabilities>		
Current liabilities		
Notes and accounts payable - trade	9,740	8,106
Electronically recorded obligations - operating	1,421	1,540
Current portion of bonds	10,000	10,000
Current portion of long-term loans payable	5,999	3,999
Accounts payable-other	5,829	4,828
Income taxes payable	1,039	2,819
Provision for bonuses	4,928	4,425
Provision for loss on litigation	2,420	2,426
Provision for loss on liquidation of project	-	2,874
Other	8,523	9,563
Total current liabilities	49,903	50,585
Non-current liabilities		
Long-term loans payable	6,299	5,299
Net defined benefit liability	4,262	4,071
Asset retirement obligations	621	623
Provision for loss on litigation	-	2,839
Other	20,509	18,253
Total non-current liabilities	31,692	31,087
Total liabilities	81,596	81,673
<Net assets>		
Shareholders' equity		
Capital stock	8,877	8,899
Capital surplus	24,599	24,621
Retained earnings	94,392	86,159
Treasury shares	-1,221	-1,222
Total shareholders' equity	126,646	118,458
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	397	239
Foreign currency translation adjustment	28,921	19,560
Remeasurements of defined benefit plans	-490	-437
Total accumulated other comprehensive income	28,828	19,362
Subscription rights to shares	225	241
Total net assets	155,700	138,061
Total liabilities and net assets	237,296	219,735

①

②

Notes: Figures are rounded down to the nearest million yen.

Key points for 1H/FY2016

- ① Provision for loss on the termination of Navi-Lab project was posted.
- ② Provision for loss on the legal action against overseas subsidiary was posted.

Consolidated Statement of Income

(Millions of yen)

	1H/FY2015 (Apr.1-Sep.30, 2015)	1H/FY2016 (Apr.1-Sep.30, 2016)	Y/Y Variance	
Net sales	105,983	102,653	-3,329	-3.1%
Cost of sales	64,354	62,204	-2,150	-3.3%
Gross profit	41,628	40,449	-1,178	-2.8%
Selling, general and administrative expenses	27,859	25,736	-2,122	-7.6%
Operating income	13,769	14,712	943	6.9%
Non-operating income	310	329	18	6.0%
Interest income	11	24		
Dividend income	30	16		
Dividend income of insurance	126	137		
Other	141	151		
Non-operating expenses	1,202	1,797	595	49.5%
Interest expenses	316	246		
Foreign exchange losses	41	762		
Share of loss of entities accounted for using equity method	802	683		
Other	42	105		
Ordinary income	12,877	13,244	366	2.8%
Extraordinary income	2,125	81	-2,044	-96.2%
Gain on sales of non-current assets	2	1		
Gain on reversal of subscription rights to shares	9	10		
Compensation income	2,114	60		
Other	-	8		
Extraordinary losses	278	18,261	17,983	6464.4%
Loss on retirement of non-current assets	24	36		
Provision for loss on litigation	-	2,913		
Loss on liquidation of project	-	14,683		
Other	253	628		
Profit before income taxes	14,724	-4,936	-19,661	-133.5%
Income taxes - current	8,421	4,624		
Income taxes - deferred	-222	-4,463		
Total income taxes	8,199	160	-8,038	-98.0%
Profit (loss)	6,525	-5,097	-11,623	-178.1%
Profit (loss) attributable to owners of parent	6,525	-5,097	-11,623	-178.1%

Notes: Figures are rounded down to the nearest million yen.

Key points for 1H/FY2016

- ① Provision for loss on the legal action against oversea subsidiary was posted.
- ② Loss on the termination of Navi-Lab project was posted.

Segment Information (Consolidated)

<Performance by Business Segment>

(Millions of yen)

	FY2014			FY2015			FY2016		
	1H	2H	Full-year	1H	2H	Full-year	1H	Y/Y Variance (%)	Full-year Forecast (Revised)
Net sales	102,218	102,449	204,667	105,983	105,760	211,743	102,653	-3.1%	204,500
In Vitro Diagnostics	20,899	22,556	43,455	22,727	23,062	45,790	21,236	-6.6%	43,100
Clinical Lab Testing	67,081	65,771	132,853	69,028	68,101	137,130	67,233	-2.6%	132,700
Healthcare Related	14,237	14,120	28,358	14,226	14,597	28,823	14,183	-0.3%	28,700
Sterilizing	8,453	8,523	16,976	8,740	8,625	17,366	8,896	1.8%	-
Clinical Trials	2,634	2,591	5,225	2,427	2,558	4,986	2,511	3.5%	-
Preventive Medicine Related	3,150	3,005	6,156	3,058	3,412	6,471	2,775	-9.3%	-
Operating income	14,515	12,497	27,012	13,769	12,281	26,050	14,712	6.9%	27,800
In Vitro Diagnostics	5,064	5,358	10,423	5,821	5,167	10,989	5,986	2.8%	10,800
Clinical Lab Testing	7,754	5,734	13,488	6,382	5,560	11,943	7,000	9.7%	14,000
Healthcare Related	1,645	1,284	2,930	1,475	1,305	2,781	1,609	9.1%	3,000
Sterilizing	910	752	1,662	1,005	773	1,779	1,001	-0.4%	-
Clinical Trials	382	266	649	140	273	413	314	124.5%	-
Preventive Medicine Related	353	265	619	329	259	588	293	-11.0%	-
Elimination/corporate	50	120	170	88	247	336	116	31.0%	-

Notes: Figures are rounded down to the nearest million yen.

<Net Sales by Geographical Segment>

(Millions of yen)

	FY2014		FY2015		FY2016
	1H	Full-year	1H	Full-year	1H
Japan	78,871	156,043	78,825	158,211	78,495
USA	16,634	34,515	19,774	38,224	17,374
Europe	4,706	9,875	5,331	11,004	5,112
Others	2,006	4,233	2,051	4,303	1,671
Total	102,218	204,667	105,983	211,743	102,653

Notes: Figures are rounded down to the nearest million yen.

<Tangible Fixed Assets by Geographical Segment>

(Millions of yen)

	FY2014		FY2015		FY2016
	1H	Full-year	1H	Full-year	1H
Japan	31,027	30,371	30,026	29,234	27,271
USA	9,480	10,284	9,962	9,289	8,242
Europe	1,656	1,554	1,576	1,471	1,200
Others	324	327	298	282	279
Total	42,489	42,537	41,863	40,277	36,993

Notes: Figures are rounded down to the nearest million yen.

<Currency Exchange Rates during the Period>

	FY2014		FY2015		FY2016
	1H	Full-year	1H	Full-year	1H
JPY/USD	103.03	109.90	121.81	120.15	105.34
JPY/EURO	138.90	138.78	135.08	132.58	118.21

Segment Information (Consolidated)

(1) In Vitro Diagnostics Business

<Net Sales by Product Category>

(Billions of yen)

	FY2014			FY2015			FY2016
	1H	2H	Full-year	1H	2H	Full-year	1H
In Vitro Diagnostics	20.9	22.6	43.5	22.7	23.1	45.8	21.2
Products	15.1	15.9	31.0	15.3	15.5	30.8	14.3
Automated immunoassay (LUMIPULSE)	9.2	9.3	18.5	9.3	9.6	18.9	9.2
Non-automated immunoassay (HA·PA, EIA, etc.)	3.5	3.5	7.0	3.6	3.4	7.0	3.2
Rapid assay kits (EL, POCT)	0.6	1.0	1.6	0.6	1.0	1.6	0.6
Other products	1.9	2.0	3.9	1.8	1.5	3.3	1.2
OEM, raw materials, partly-finished products, license, and etc.	5.8	6.7	12.5	7.4	7.6	15.0	6.9

Notes: Figures above are rounded to the nearest 100 million yen.

<Net Sales by Product Type>

(Billions of yen)

	FY2014			FY2015			FY2016
	1H	2H	Full-year	1H	2H	Full-year	1H
In Vitro Diagnostics	20.9	22.6	43.5	22.7	23.1	45.8	21.2
Reagent	17.4	18.6	36.0	18.8	19.3	38.1	17.3
Testing Instrument	1.1	1.0	2.1	1.0	1.1	2.0	0.8
Others	2.4	2.9	5.3	3.0	2.7	5.7	3.2

Notes: Figures above are rounded to the nearest 100 million yen.

<Net Sales by Sale Destination>

(Billions of yen)

	FY2014			FY2015			FY2016
	1H	2H	Full-year	1H	2H	Full-year	1H
In Vitro Diagnostics	20.9	22.6	43.5	22.7	23.1	45.8	21.2
Overseas	10.2	11.3	21.5	12.0	11.6	23.6	10.6
Americas	4.3	4.9	9.2	5.4	5.5	10.9	5.0
Europe	4.6	4.8	9.3	5.2	4.6	9.8	4.5
Asia/Pacific	1.4	1.6	2.9	1.4	1.5	2.9	1.1
Japan	10.7	11.3	21.9	10.8	11.5	22.2	10.7

Notes: Figures above are rounded to the nearest 100 million yen.

Segment Information (Consolidated)

(2) Clinical Lab Testing Business

<Net Sales by Business Category>

(Billions of yen)

	FY2014			FY2015			FY2016
	1H	2H	Full-year	1H	2H	Full-year	1H
Clinical Lab Testing	67.1	65.8	132.9	69.0	68.1	137.1	67.2
Japan	53.4	51.2	104.5	53.2	52.5	105.7	53.0
Off-site Testing	44.1	42.1	86.2	43.6	43.0	86.6	43.6
FMS/Branch Lab	9.2	9.1	18.3	9.6	9.5	19.1	9.4
Overseas (USA)	13.7	14.6	28.3	15.9	15.5	31.4	14.2

Notes: Figures above are rounded to the nearest 100 million yen.

<Gross Sales Composition by Testing Field (based on medical service fee system by government)>

	FY2014			FY2015			FY2016
	1H	2H	Full-year	1H	2H	Full-year	1H
Clinical Lab Testing (Japan)	100%	100%	100%	100%	100%	100%	100%
Laboratory tests							
Tests not covered by medical service fee system	10.9%	11.4%	11.1%	11.4%	11.3%	11.3%	11.0%
General (urine, feces, etc.)	2.9%	2.8%	2.9%	3.2%	3.0%	3.1%	3.1%
Hematology	12.2%	12.3%	12.2%	12.7%	12.8%	12.8%	13.3%
Biochemistry I	15.0%	14.7%	14.9%	14.9%	14.4%	14.6%	14.5%
Biochemistry II	17.6%	17.6%	17.6%	17.0%	16.7%	16.8%	16.2%
Immunology	23.8%	23.5%	23.7%	23.6%	23.2%	23.4%	23.6%
Microbiology	6.9%	7.3%	7.1%	7.2%	7.6%	7.4%	7.5%
Pathology	4.3%	4.6%	4.4%	4.6%	4.9%	4.8%	4.6%
Other tests	2.8%	2.6%	2.7%	2.7%	2.6%	2.7%	3.0%
Total	96.4%	96.9%	96.6%	97.4%	96.5%	96.9%	96.7%
Others	3.6%	3.1%	3.4%	2.6%	3.5%	3.1%	3.3%

<Gross Sales Composition by Geographical Region in Japan>

	FY2014			FY2015			FY2016
	1H	2H	Full-year	1H	2H	Full-year	1H
Clinical Lab Testing (Japan)	100%	100%	100%	100%	100%	100%	100%
Northern /eastern Japan							
Hokkaido Region	4.3%	4.2%	4.3%	4.0%	3.9%	4.0%	3.7%
Tohoku Region	4.9%	4.9%	5.0%	4.9%	4.9%	4.9%	5.0%
Kanto Region (incl. Tokyo and metropolitan area)	38.0%	37.3%	38.2%	38.5%	39.6%	39.0%	39.4%
Hokuriku Region	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
Chubu Region	8.1%	7.9%	8.1%	8.2%	7.7%	7.9%	8.1%
Kinki Region (incl. Osaka)	19.5%	19.0%	19.5%	19.4%	19.4%	19.5%	19.7%
Southern /western Japan							
Chugoku and Shikoku Region	6.9%	6.8%	7.0%	6.9%	6.8%	6.9%	6.8%
Kyusyu Region	13.5%	13.0%	13.4%	14.2%	13.9%	14.1%	13.6%
Others (incl. clinical trial and outsourcing)	2.9%	2.2%	2.6%	2.0%	1.8%	1.8%	1.8%

Capital Expenditure (Consolidated)

<Research & Development Expenses>

(Millions of yen)

	FY2014			FY2015			FY2015		
	1H	2H	Full-year	1H	2H	Full-year	1H	Y/Y Variance (%)	Full-year Forecast (Revised)
R&D Expenses	2,559	2,824	5,384	2,823	2,879	5,702	2,383	-15.6%	5,000
In Vitro Diagnostics	2,321	2,593	4,914	2,581	2,674	5,255	2,233	-13.5%	-
Clinical Lab Testing	238	231	469	242	205	447	150	-38.0%	-
Healthcare Related	-	-	-	-	-	-	-	-	-
Miraca holdings	-	-	-	-	-	-	-	-	-

Notes: Figures are rounded down to the nearest million yen.

<Capital Expenditure>

(Millions of yen)

	FY2014			FY2015			FY2015		
	1H	2H	Full-year	1H	2H	Full-year	1H	Y/Y Variance (%)	Full-year Forecast (Revised)
Capital Expenditure	8,121	6,794	14,916	6,267	5,850	12,118	3,634	-42.0%	8,000
In Vitro Diagnostics	1,125	1,672	2,798	1,233	1,080	2,314	647	-47.5%	-
Clinical Lab Testing	6,014	4,487	10,502	4,358	4,205	8,564	2,368	-45.7%	-
Healthcare Related	950	607	1,557	672	538	1,211	512	-23.7%	-
Miraca holdings	31	26	57	3	27	30	106	3435.3%	-

Notes: Figures are rounded down to the nearest million yen.

<Depreciation and Amortization>

(Millions of yen)

	FY2014			FY2015			FY2015		
	1H	2H	Full-year	1H	2H	Full-year	1H	Y/Y Variance (%)	Full-year Forecast (Revised)
Depreciation & Amortization	5,308	5,895	11,203	5,263	6,024	11,288	5,497	4.4%	11,000
In Vitro Diagnostics	1,163	1,374	2,538	1,228	1,359	2,588	1,280	4.2%	-
Clinical Lab Testing	3,505	3,737	7,243	3,390	3,853	7,243	3,582	5.7%	-
Healthcare Related	557	702	1,259	577	742	1,319	574	-0.4%	-
Miraca holdings	81	80	161	67	70	138	60	-10.2%	-

Notes: Figures are rounded down to the nearest million yen.

Employees (Consolidated)

<Number of Full-time Employees at the End of Term>

(Person)

	End of Sep.2014	End of Mar.2015	End of Sep.2015	End of Mar.2016	End of Sep.2016	Variance
Total	6,181	6,140	6,280	6,129	6,222	93
In Vitro Diagnostics	1,114	1,108	1,120	1,076	1,067	-9
Clinical Lab Testing	3,717	3,696	3,761	3,710	3,687	-23
Healthcare Related	1,289	1,275	1,341	1,286	1,401	115
Sterilizing	961	942	1,005	985	1,057	72
Clinical Trials	181	188	186	158	186	28
Preventive Medicine Related	147	145	150	143	158	15
Miraca holdings	61	61	58	57	67	10

Share of Stock

<Stock Information >

	End of Sep.2014	End of Mar.2015	End of Sep.2015	End of Mar.2016	End of Sep.2016
Number of shares issued (thousands of share)	59,002	57,137	57,221	57,246	57,259
Number of shareholders	5,675	5,327	5,398	5,299	5,208
Share price (yen)	4,535	5,530	5,060	4,625	5,010
Aggregate market value of listed stock (billions of yen)	266.5	314.6	288.3	263.6	285.6

Notes: The number of issued shares includes treasury stocks.

Aggregated market value of listed stock is calculated on the basis of the number of shares excluding treasury stocks.
(Figures of aggregated market value of listed stock is rounded to the nearest 100 million yen)

<Treasury Stock>

	End of Sep.2014	End of Mar.2015	End of Sep.2015	End of Mar.2016	End of Sep.2016
Number of treasury stocks	246,357	248,069	249,149	250,435	250,567

<Shareholder Distribution>

	End of Sep.2014	End of Mar.2015	End of Sep.2015	End of Mar.2016	End of Sep.2016
Overseas investors	56.38%	56.59%	55.48%	53.92%	54.71%
Financial institutions in Japan	32.07%	32.06%	33.34%	34.82%	34.69%
Individuals and others in Japan	9.13%	8.72%	8.57%	8.44%	8.10%
Securities companies in Japan	1.05%	1.25%	1.24%	1.44%	1.13%
Companies in Japan	0.95%	0.95%	0.94%	0.94%	0.93%
Treasury stocks	0.42%	0.43%	0.43%	0.44%	0.44%

<Cash Dividends per Share>

(yen/share)

	FY2014	FY2015	FY2016
Interim dividends	46	55	57
Year-end dividends	46	55	(Forecast) 57
Annual dividends per share	92	110	(Forecast) 114