

**Consolidated Financial Results**  
**for the Six Months Ended September 30, 2016**  
**<under Japanese GAAP>**

Name of the Listed Company: **Miraca Holdings Inc.**  
Listed Stock Exchanges: Tokyo Stock Exchange  
Securities Code: 4544  
URL: <http://www.miraca-holdings.co.jp/>  
Representative: Shigekazu Takeuchi, President and CEO  
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Scheduled date to submit Quarterly Securities Report: November 9, 2016  
Scheduled date to commence dividend payments: December 2, 2016  
Preparation of supplementary materials on quarterly financial results: Yes  
Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded down)

**1. Consolidated financial results for the six months ended September 30, 2016**

**(1) Consolidated operating results (cumulative)** (Percentages indicate year-on-year changes.)

Six months ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2016	102,653	(3.1)	14,712	6.9	13,244	2.8	(5,097)	-
September 30, 2015	105,983	3.7	13,769	(5.1)	12,877	(11.1)	6,525	(20.1)

Note: Comprehensive income  
Six months ended September 30, 2016: ¥(14,564) million [ -%]  
Six months ended September 30, 2015: ¥6,851 million [ (45.8)%]

Six months ended	Basic earnings per share	Diluted earnings per share
September 30, 2016	Yen (89.43)	Yen -
September 30, 2015	Yen 114.59	Yen 114.38

**(2) Consolidated financial position**

As of	Total assets	Net assets	Equity ratio	Net assets per share
September 30, 2016	Millions of yen 219,735	Millions of yen 138,061	% 62.7	Yen 2,417.53
March 31, 2016	Millions of yen 237,296	Millions of yen 155,700	% 65.5	Yen 2,727.81

Reference: Equity  
As of September 30, 2016: ¥137,820 million As of March 31, 2016: ¥155,475 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2016	–	55.00	–	55.00	110.00
Fiscal year ending March 31, 2017	–	57.00			
Fiscal year ending March 31, 2017 (Forecast)			–	57.00	114.00

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

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2017	204,500	(3.4)	27,800	6.7	25,500	7.2	3,000	–	52.63

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

### \* Notes

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

### (4) Number of shares issued (common shares)

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

As of September 30, 2016	57,259,266 shares
As of March 31, 2016	57,246,866 shares

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

As of September 30, 2016	250,567 shares
As of March 31, 2016	250,435 shares

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

Six months ended September 30, 2016	57,004,244 shares
Six months ended September 30, 2015	56,947,851 shares

\* Indication regarding execution of quarterly review procedures

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

\* Proper use of earnings forecasts, and other special matters

(Note regarding the forecast figures)

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

(How to access supplementary materials on quarterly financial results and the details of quarterly financial results presentation meeting)

The Company is scheduled to hold a quarterly financial results presentation meeting for institutional investors and analysts on Tuesday, November 1, 2016, and to post the materials used in the meeting, on the Company's website immediately after the meeting.

## Quarterly consolidated financial statements

### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Assets</b>		
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
Other	7,426	4,063
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

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Liabilities</b>		
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
<b>Total current liabilities</b>	<b>49,903</b>	<b>50,585</b>
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
<b>Total non-current liabilities</b>	<b>31,692</b>	<b>31,087</b>
<b>Total liabilities</b>	<b>81,596</b>	<b>81,673</b>
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)
<b>Total shareholders' equity</b>	<b>126,646</b>	<b>118,458</b>
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)
<b>Total accumulated other comprehensive income</b>	<b>28,828</b>	<b>19,362</b>
Subscription rights to shares	225	241
<b>Total net assets</b>	<b>155,700</b>	<b>138,061</b>
<b>Total liabilities and net assets</b>	<b>237,296</b>	<b>219,735</b>

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

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	105,983	102,653
Cost of sales	64,354	62,204
Gross profit	41,628	40,449
Selling, general and administrative expenses	27,859	25,736
Operating income	13,769	14,712
Non-operating income		
Interest income	11	24
Dividend income	30	16
Dividend income of insurance	126	137
Other	141	151
Total non-operating income	310	329
Non-operating expenses		
Interest expenses	316	246
Foreign exchange losses	41	762
Share of loss of entities accounted for using equity method	802	683
Other	42	105
Total non-operating expenses	1,202	1,797
Ordinary income	12,877	13,244
Extraordinary income		
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
Total extraordinary income	2,125	81
Extraordinary losses		
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
Total extraordinary losses	278	18,261
Profit (loss) before income taxes	14,724	(4,936)
Income taxes - current	8,421	4,624
Income taxes - deferred	(222)	(4,463)
Total income taxes	8,199	160
Profit (loss)	6,525	(5,097)
Profit (loss) attributable to owners of parent	6,525	(5,097)

**Consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit (loss)	6,525	(5,097)
Other comprehensive income		
Valuation difference on available-for-sale securities	19	(158)
Foreign currency translation adjustment	282	(9,361)
Remeasurements of defined benefit plans, net of tax	24	53
Total other comprehensive income	325	(9,466)
Comprehensive income	6,851	(14,564)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	6,851	(14,564)

**(3) Consolidated statement of cash flows**

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	14,724	(4,936)
Depreciation	5,263	5,497
Loss on liquidation of project	–	14,683
Amortization of goodwill	2,163	1,314
Increase (decrease) in provision for bonuses	(223)	(390)
Increase (decrease) in provision for loss on litigation	2,613	3,223
Increase (decrease) in net defined benefit liability	(106)	(99)
Increase (decrease) in allowance for doubtful accounts	(111)	179
Interest and dividend income	(42)	(40)
Interest expenses	316	246
Foreign exchange losses (gains)	6	2,008
Share of (profit) loss of entities accounted for using equity method	802	683
Decrease (increase) in notes and accounts receivable - trade	1,178	(116)
Decrease (increase) in inventories	(594)	147
Decrease (increase) in other current assets	(544)	(1,983)
Increase (decrease) in notes and accounts payable - trade	(1,308)	(1,414)
Increase (decrease) in accrued consumption taxes	(1,574)	912
Other, net	(3,521)	269
Subtotal	19,040	20,183
Interest and dividend income received	34	30
Interest expenses paid	(323)	(254)
Income taxes paid	(3,021)	(222)
Net cash provided by (used in) operating activities	15,730	19,736
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,713)	(2,098)
Purchase of intangible assets	(3,435)	(1,632)
Other, net	(12)	(99)
Net cash provided by (used in) investing activities	(6,161)	(3,830)
<b>Cash flows from financing activities</b>		
Repayments of long-term loans payable	(3,000)	(3,039)
Repayments of finance lease obligations	(379)	(402)
Proceeds from issuance of common shares	274	37
Cash dividends paid	(2,612)	(3,129)
Other, net	100	(43)
Net cash provided by (used in) financing activities	(5,616)	(6,577)
Effect of exchange rate change on cash and cash equivalents	135	(1,854)
Net increase (decrease) in cash and cash equivalents	4,087	7,473
Cash and cash equivalents at beginning of period	27,288	31,745
Cash and cash equivalents at end of period	31,376	39,219