

# Business Results for the Nine Months ended December 31, 2016 (1-3Q/FY2016)

(April 1, 2016 – December 31, 2016)

## Miraca Holdings Inc.

February 2, 2017

Please be aware of the following:

- The financial information provided on this material has been prepared in accordance with Japanese GAAP in principle.
- Figures and ratio in this material are rounded to the appropriate unit in principle, and the sums of the individual figures in each table do not always correspond to the total, because of rounding.

Abbreviations

IVD: In Vitro Diagnostics (business)

CLT: Clinical Laboratory Testing (business)

HR: Healthcare Related (business)

Op. income: Operating income

Ord. income: Ordinary income

LP: Lumipulse



## Consolidated Financial Results for 1-3Q/FY2016 (1)

### Decrease in Net sales, Increase in Op. income (y/y)

(¥ billion)

	1-3Q/FY2015 Results	1-3Q/FY2016 Results	Y/Y variation		FY2016 Forecast (Rev. Oct. 2016)	Acheivement to Forecast
<b>Net Sales</b>	159.38	<b>153.86</b>	- 5.53	-3.5%	<b>204.5</b>	75.2%
<b>Op. Income</b>	20.62 <sup>12.9%</sup>	<b>22.41</b> <sup>14.6%</sup>	+ 1.79	+8.7%	<b>27.8</b> <sup>13.6%</sup>	80.6%
Non-operating Income/Expense	-1.25	<b>-1.32</b>	- 0.07	-	-	-
<b>Ord. Income</b>	19.37 <sup>12.2%</sup>	<b>21.09</b> <sup>13.7%</sup>	+ 1.73	+8.9%	<b>25.5</b> <sup>12.5%</sup>	82.7%
Extraordinary Income/Loss	-19.71	<b>-18.75</b>	+ 0.96	-	-	-
<b>Income before Income Taxes</b>	-0.34 <sup>-0.2%</sup>	<b>2.35</b> <sup>1.5%</sup>	+ 2.69	-	-	-
Income Taxes	9.62	<b>2.13</b>	- 7.48	-77.8%	-	-
<b>Profit/loss attributable to owners of parent</b>	-9.96 <sup>-6.2%</sup>	<b>0.21</b> <sup>0.1%</sup>	+ 10.17	-	<b>3.0</b> <sup>1.5%</sup>	7.1%
<b>EBITDA(*)</b>	31.76 <sup>19.9%</sup>	<b>32.36</b> <sup>21.0%</sup>	+ 0.59	+1.9%	-	-

(\*) EBITDA = Operating income + Depreciation + Amortization of goodwill

Non-operating expenses : Currency exchange loss (¥0.2 billion)

Shares of loss of entities accounted for using equity method (¥1.1 billion)

Extraordinary losses : Loss on liquidation of Navi-Lab project (¥14.6 billion)

Provision for loss on a legal action against FDI (¥3.0 billion)

# Consolidated Financial Results for 1-3Q/FY2016 (2)

## Net sales decreased in each segment (y/y)

## Op. income increased in each segment

(¥ billion)

	1-3Q/FY2015 Results	1-3Q/FY2016 Results (Including exchange impact)		1-3Q/FY2016 Results (CER <sup>(*1)</sup> )	
			Y/Y variation	Y/Y variation	
<b>Net Sales</b>	159.38	<b>153.86</b>	-5.53 -3.5%	<b>-0.48</b>	<b>-0.3%</b>
IVD	34.32	<b>32.03</b>	-2.29 -6.7%		
CLT	103.66	<b>100.52</b>	-3.13 -3.0%		
HR	21.40	<b>21.30</b>	-0.10 -0.5%		
<b>Op. Income</b>	(*2) 20.62 12.9%	(*2) <b>22.41</b> 14.6%	+1.79 +8.7%	<b>+2.60</b>	<b>+12.6%</b>
IVD	8.73 25.4%	<b>9.04</b> 28.2%	+0.32 +3.6%		
CLT	9.59 9.2%	<b>10.95</b> 10.9%	+1.36 +14.2%		
HR	2.15 10.0%	<b>2.40</b> 11.3%	+0.25 +11.7%		

- **Decrease in Net sales (excluding exchange impact) : -0.48**
- **Increase in Op. income (excluding exchange impact) : +2.60**
  - **Profitability improvement in Global CLT**

(\*1) CER(Constant Exchange Rate) : 1-3Q/FY2016 actual results calculated by 1-3Q/FY2015 exchange rate

(\*2) Segmentation adjustments (¥ billion) 0.16 billion in 1-3Q/FY2015, 0.02 billion in 1-3Q/FY2016

[Exchange rate] 1-3Q/FY2015 : 1USD=121.71JPY, 1EURO=134.38JPY

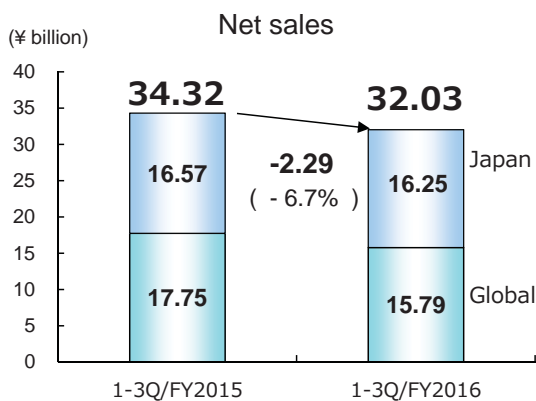
1-3Q/FY2016 : 1USD=106.68JPY, 1EURO=118.08JPY

2

## 1-3Q/FY2016 Segment Performance Review

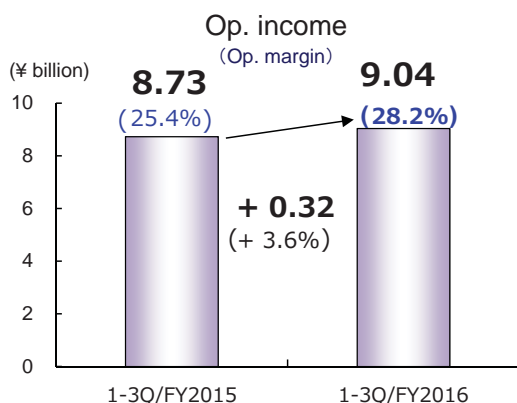
### 1. IVD

## Decrease in Net sales and Increase in Op. income



### ◆ Net Sales : -2.29

- Japan
  - LP reagents : Same level as FY2015
  - Non-LP : Strategic termination of sales
- Global
  - Currency exchange impact : -2.0



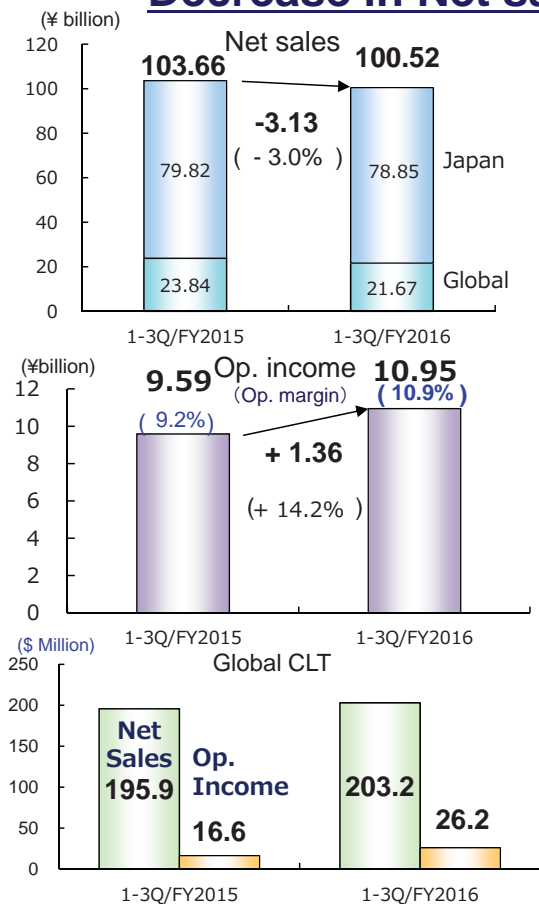
### ◆ Op. income : +0.32

- Profitability improved by product mix change
- Decrease in SG&A
  - Decrease in personnel expenses
  - Decrease in R&D expenses  
(Higher level of R&D expenses in FY2015)

3

## 2. CLT

### Decrease in Net sales and Increase in Op. income



#### ◆ Japan

(¥ billion)

- **Decrease in Net sales : -0.97**
  - Delay of new clients acquisition
- **Decrease in Op. income : -0.38**
  - Increase in amortization for Navi-Lab project (+0.36)

\* A part of PM segment has been transferred to CLT segment (Net sales : 0.13 billion in FY2015, 0.09 billion in FY2016)

#### ◆ Global (MLS)

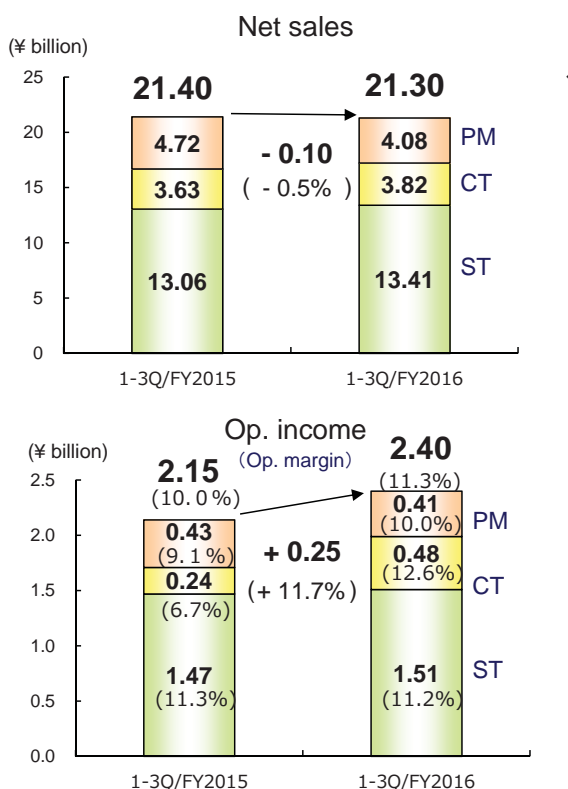
- **Net sales :-2.17, Op. income +1.76**
  - Currency exchange impact : -3.1
  - Profit increased by decrease of goodwill amortization : +1.0

**[MLS (before goodwill amortization, J-GAAP)]**

- **Net sales : +\$7.3M**
  - Increase of testing volume
- **Op. income : +\$9.6M**
  - Profit increase by increase of sales
  - Effect of cost structure change

## 3. HR

### Decrease in Net sales and Increase in Op. income



#### ◆ Net sales : -0.10, Op. income : +0.25

#### ● Sterilizing (ST)

Net sales : +0.35, Op income: +0.04

- Sales growth achieved through development of new accounts

#### ● Clinical Trials (CT)

Net sales : +0.19, Op income: +0.24

- Effect of cost structure change started from last year

#### ● Preventive Medicine Related (PM)

Net sales : -0.64, Op income: -0.02

- Withdrawal of infection prevention products
- Absence of one-time sales increase in FY2015

***Contact information:***

**Miraca** Holdings Inc.

IR Public Relations Group

Email: [ir@miraca-holdings.co.jp](mailto:ir@miraca-holdings.co.jp)

Web Site: [www.miraca-holdings.co.jp/eng/index.html](http://www.miraca-holdings.co.jp/eng/index.html)

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.