

Consolidated Financial Results
for the Three Months Ended June 30, 2017
<under Japanese GAAP>

Name of the Listed Company: **Miraca Holdings Inc.**
Listed Stock Exchanges: Tokyo Stock Exchange
Securities Code: 4544
URL: <https://www.miraca.com/>
Representative: Shigekazu Takeuchi, President and CEO
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Scheduled date to submit Quarterly Securities Report: August 9, 2017
Scheduled date to commence dividend payments: —
Preparation of supplementary materials on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts rounded down)

1. Consolidated financial results for the three months ended June 30, 2017

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2017	52,168	0.2	7,204	(1.4)	6,877	10.0	4,600	131.7
June 30, 2016	52,067	(1.3)	7,304	9.8	6,250	(1.8)	1,985	(50.0)

Note: Comprehensive income
Three months ended June 30, 2017: ¥5,487 million [-%]
Three months ended June 30, 2016: ¥(6,164) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2017	80.65	80.59
June 30, 2016	34.84	34.81

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2017	211,803	150,383	70.9	2,631.66
March 31, 2017	213,926	148,087	69.1	2,592.04

Reference: Equity
As of June 30, 2017: ¥150,145 million As of March 31, 2017: ¥147,839 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, 2017	–	57.00	–	57.00	114.00
Fiscal year ending March 31, 2018	–				
Fiscal year ending March 31, 2018 (Forecast)		65.00	–	65.00	130.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2017	105,500	2.8	11,100	(24.6)	10,600	(20.0)	6,700	–	117.44
Fiscal year ending March 31, 2018	211,500	3.6	21,300	(24.1)	20,200	(23.4)	10,000	–	175.28

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): Yes
New: 1 company Fujirebio Holdings, Inc.
- (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: None
 - b. Changes in accounting policies due to other reasons: Yes
 - c. Changes in accounting estimates: Yes
 - 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 June 30, 2017	57,305,066 shares
As of March 31, 2017	57,287,166 shares

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

As of June 30, 2017	251,601 shares
As of March 31, 2017	251,376 shares

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

Three months ended June 30, 2017	57,044,371 shares
Three months ended June 30, 2016	57,000,749 shares

* Quarterly financial results reports are not required to be subjected to quarterly reviews.

* Proper use of earnings forecasts, and other special matters

(Note regarding the forecast figures)

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

(How to access supplementary materials on quarterly financial results)

Supplementary materials on quarterly financial results will be posted on the Company's website on Tuesday, August 1, 2017.

Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	26,558	24,814
Notes and accounts receivable - trade	36,565	38,071
Securities	9,000	8,000
Merchandise and finished goods	4,764	4,318
Work in process	4,875	4,992
Raw materials and supplies	4,638	4,738
Other	8,137	8,275
Allowance for doubtful accounts	(1,776)	(1,752)
Total current assets	92,763	91,459
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,785	15,585
Tools, furniture and fixtures, net	4,383	5,071
Land	9,065	9,065
Other, net	8,821	8,835
Total property, plant and equipment	38,055	38,558
Intangible assets		
Goodwill	25,347	24,785
Customer-related intangible assets	25,203	24,736
Software	1,693	1,736
Other	4,471	4,639
Total intangible assets	56,716	55,898
Investments and other assets		
Investment securities	13,118	13,036
Other	13,288	12,874
Allowance for doubtful accounts	(15)	(24)
Total investments and other assets	26,391	25,886
Total non-current assets	121,163	120,343
Total assets	213,926	211,803

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,273	8,088
Electronically recorded obligations - operating	1,086	1,559
Current portion of long-term loans payable	1,999	1,999
Accounts payable - other	7,410	5,439
Income taxes payable	2,821	1,118
Provision for bonuses	5,128	2,308
Other	9,458	12,509
Total current liabilities	37,179	33,023
Non-current liabilities		
Long-term loans payable	4,299	4,299
Net defined benefit liability	2,555	2,469
Asset retirement obligations	615	611
Other	21,188	21,015
Total non-current liabilities	28,659	28,396
Total liabilities	65,839	61,419
Net assets		
Shareholders' equity		
Capital stock	8,962	8,997
Capital surplus	24,684	24,719
Retained earnings	88,341	89,690
Treasury shares	(1,226)	(1,227)
Total shareholders' equity	120,761	122,180
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	278	282
Foreign currency translation adjustment	27,138	27,981
Remeasurements of defined benefit plans	(339)	(299)
Total accumulated other comprehensive income	27,077	27,964
Subscription rights to shares	248	237
Total net assets	148,087	150,383
Total liabilities and net assets	213,926	211,803

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

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	52,067	52,168
Cost of sales	31,517	31,313
Gross profit	20,550	20,854
Selling, general and administrative expenses	13,245	13,649
Operating profit	7,304	7,204
Non-operating income		
Interest income	11	12
Dividend income	15	10
Fiduciary obligation fee	22	21
Other	43	56
Total non-operating income	91	101
Non-operating expenses		
Interest expenses	126	106
Share of loss of entities accounted for using equity method	257	195
Other	761	126
Total non-operating expenses	1,145	427
Ordinary profit	6,250	6,877
Extraordinary income		
Gain on sales of non-current assets	2	2
Gain on reversal of subscription rights to shares	10	7
Compensation income	27	30
Other	8	1
Total extraordinary income	48	42
Extraordinary losses		
Loss on retirement of non-current assets	18	9
Business structure improvement expenses	197	24
Provision for loss on litigation	2,994	–
Other	26	4
Total extraordinary losses	3,236	38
Profit before income taxes	3,062	6,881
Income taxes - current	1,934	1,566
Income taxes - deferred	(858)	714
Total income taxes	1,076	2,281
Profit	1,985	4,600
Profit attributable to owners of parent	1,985	4,600

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	1,985	4,600
Other comprehensive income		
Valuation difference on available-for-sale securities	(170)	4
Foreign currency translation adjustment	(7,998)	843
Remeasurements of defined benefit plans, net of tax	18	39
Total other comprehensive income	(8,150)	887
Comprehensive income	(6,164)	5,487
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(6,164)	5,487

(3) Consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Cash flows from operating activities		
Profit before income taxes	3,062	6,881
Depreciation	2,746	2,012
Amortization of goodwill	672	626
Increase (decrease) in provision for bonuses	(2,598)	(2,821)
Increase (decrease) in provision for loss on litigation	3,267	–
Increase (decrease) in net defined benefit liability	(73)	(31)
Increase (decrease) in allowance for doubtful accounts	164	(19)
Interest and dividend income	(26)	(22)
Share of (profit) loss of entities accounted for using equity method	257	195
Interest expenses	126	106
Foreign exchange losses (gains)	1,763	(371)
Decrease (increase) in notes and accounts receivable - trade	(131)	(1,700)
Decrease (increase) in inventories	123	288
Increase (decrease) in notes and accounts payable - trade	(1,519)	(736)
Increase (decrease) in accrued consumption taxes	1,223	379
Increase (decrease) in other current liabilities	3,329	790
Other, net	(1,434)	159
Subtotal	10,952	5,736
Interest and dividend income received	21	12
Interest expenses paid	(122)	(101)
Income taxes paid	(2,404)	(3,036)
Net cash provided by (used in) operating activities	8,446	2,610
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,192)	(1,757)
Purchase of intangible assets	(942)	(474)
Other, net	(312)	(269)
Net cash provided by (used in) investing activities	(2,447)	(2,500)
Cash flows from financing activities		
Repayments of long-term loans payable	(2,040)	–
Repayments of finance lease obligations	(210)	(192)
Proceeds from issuance of common shares	27	60
Cash dividends paid	(3,116)	(3,231)
Other, net	(22)	(26)
Net cash provided by (used in) financing activities	(5,362)	(3,390)
Effect of exchange rate change on cash and cash equivalents	(1,659)	537
Net increase (decrease) in cash and cash equivalents	(1,022)	(2,743)
Cash and cash equivalents at beginning of period	31,745	35,547
Cash and cash equivalents at end of period	30,722	32,803