

Miraca Holdings Inc.

Business Results for The First Quarter of FY2018

(Three-month period ended June 30, 2018)

July 31, 2018

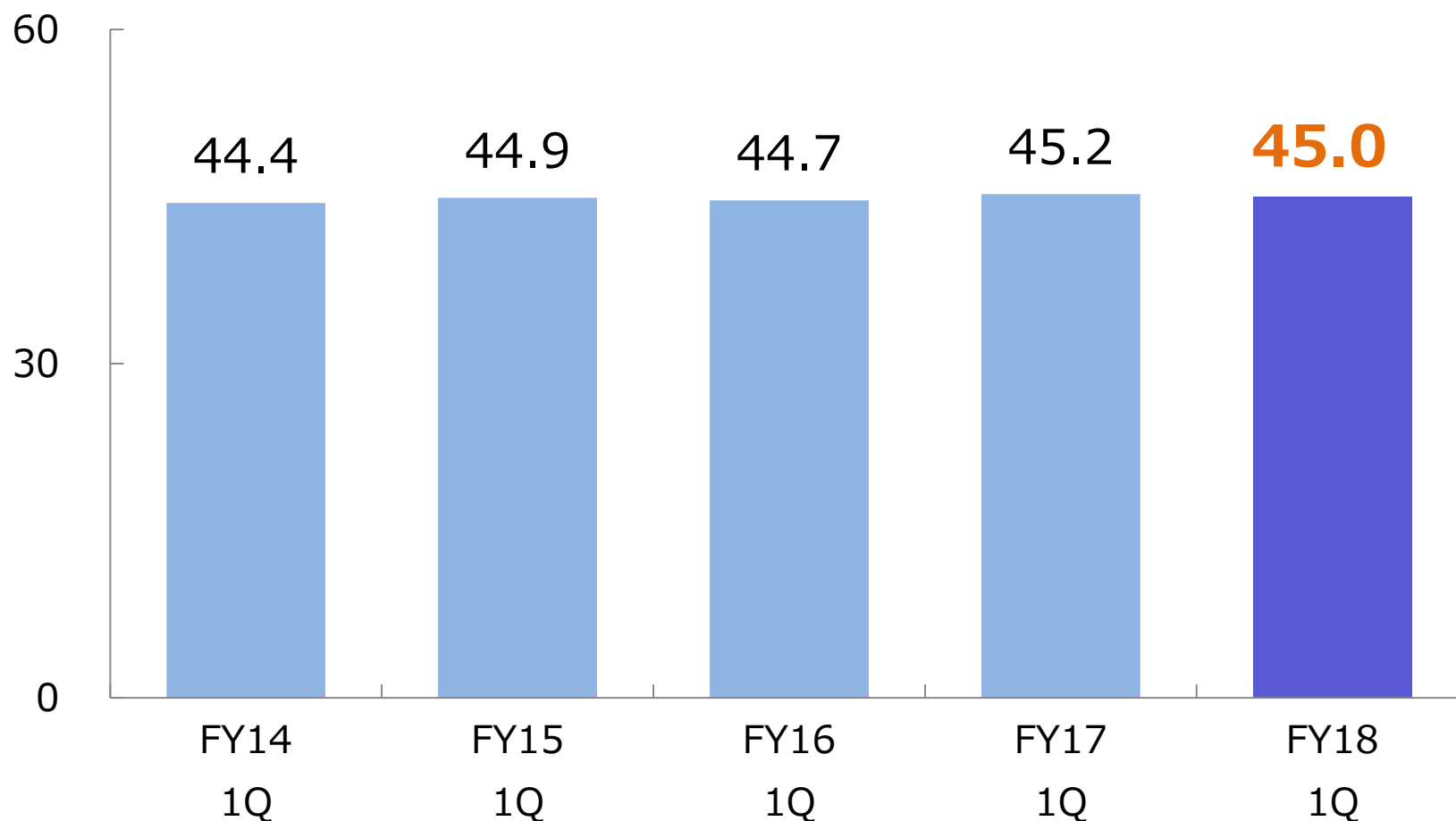
Please be aware of the following:

- * 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:
 - CLT: Clinical Laboratory Testing (business)
 - HR: Healthcare Related (business)
 - Op. income: Operating income
 - IVD: In Vitro Diagnostics (business)
 - Ord. income: Ordinary income

※ Exchange rate : FY2017 1Q:1USD = 111.11JPY 1EURO = 122.21JPY
FY2018 1Q:1USD = 109.08JPY 1EURO = 130.06JPY

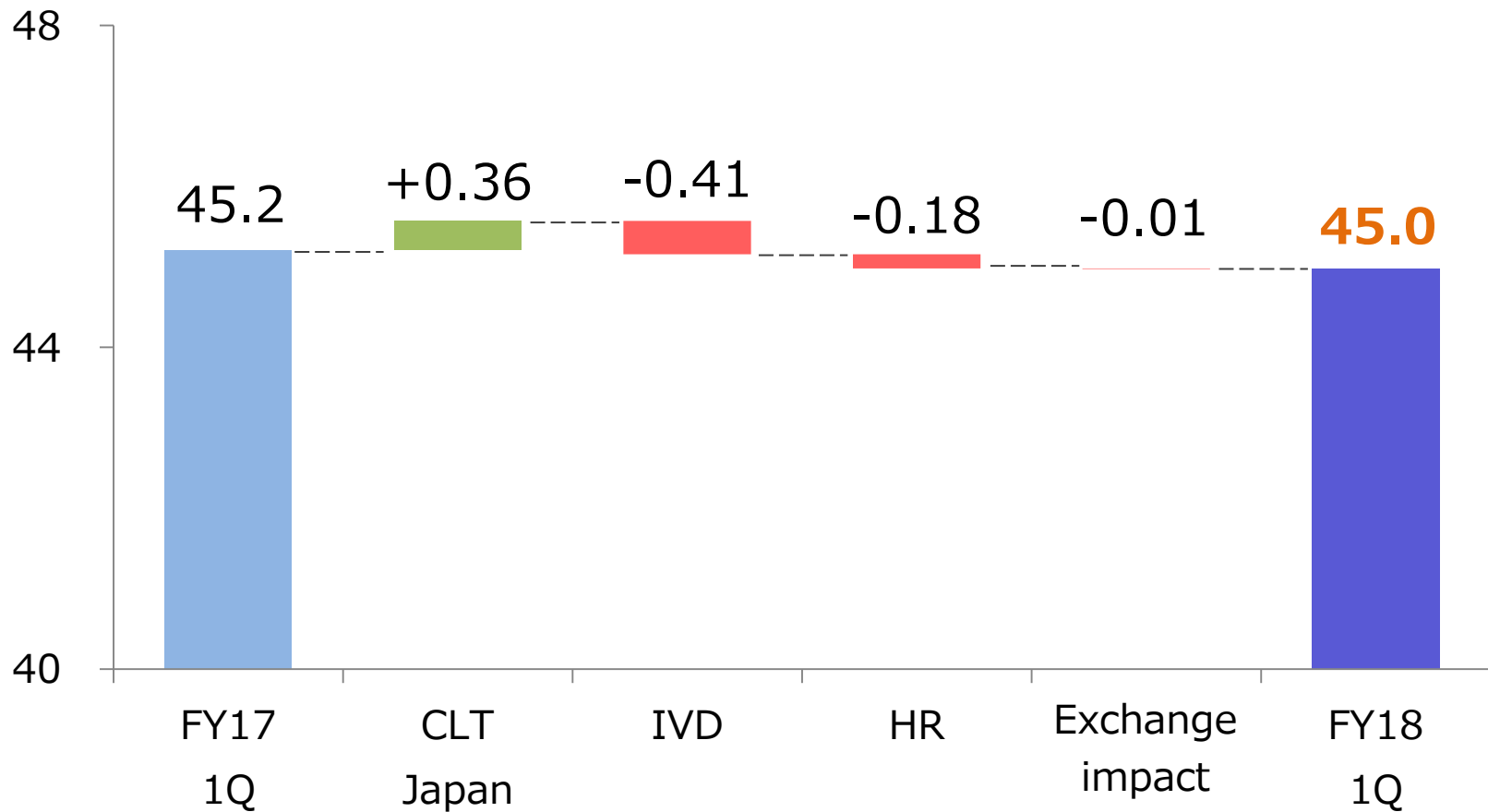
Transition of Consolidated Sales (excl. CLT Global)

(¥ billion)



Breakdown of sales (excl. CLT Global)

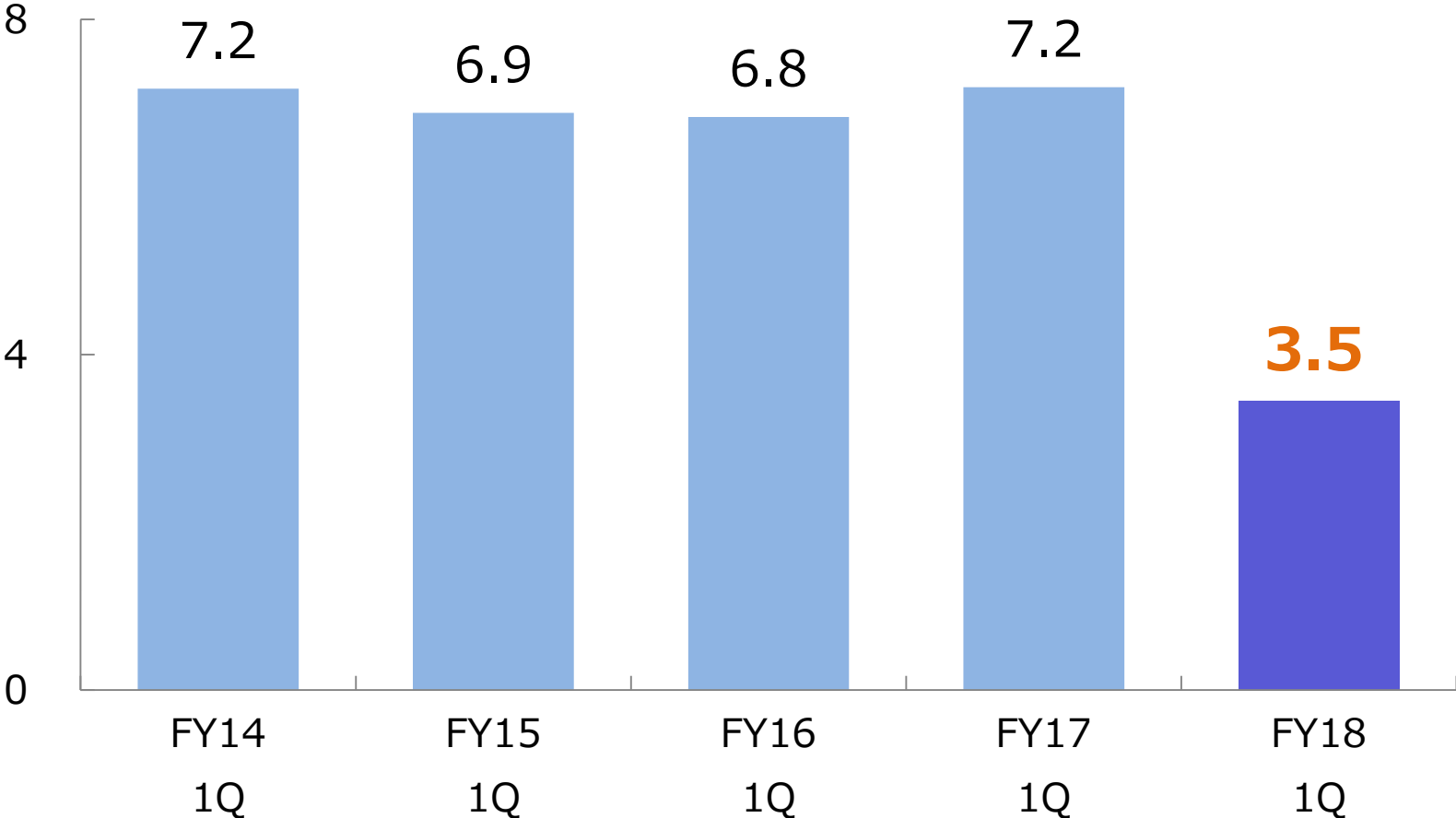
(¥ billion)



Transition of Consolidated Op. Income (excl. CLT Global)

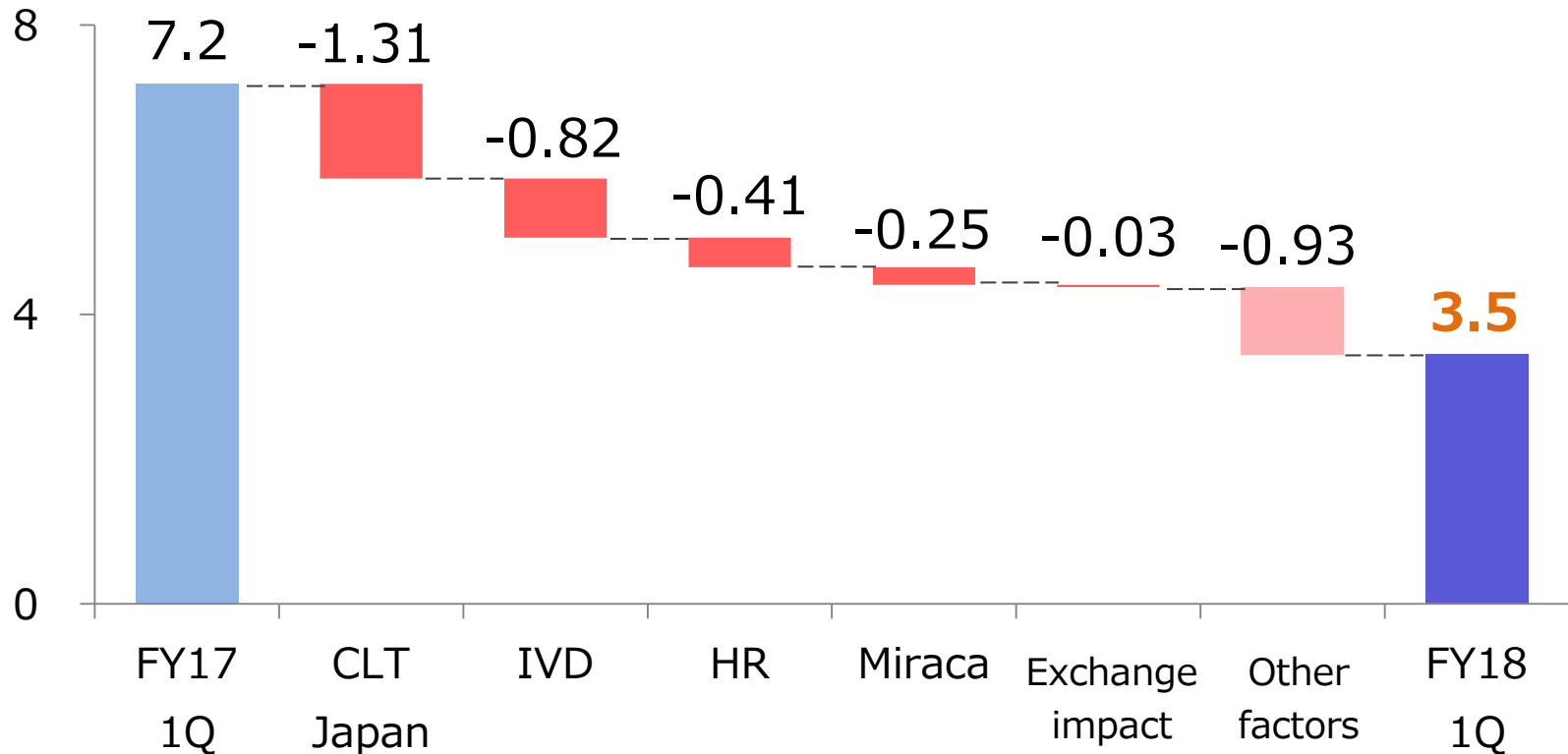


(¥ billion)



Breakdown of Op. Income (excl. CLT Global)

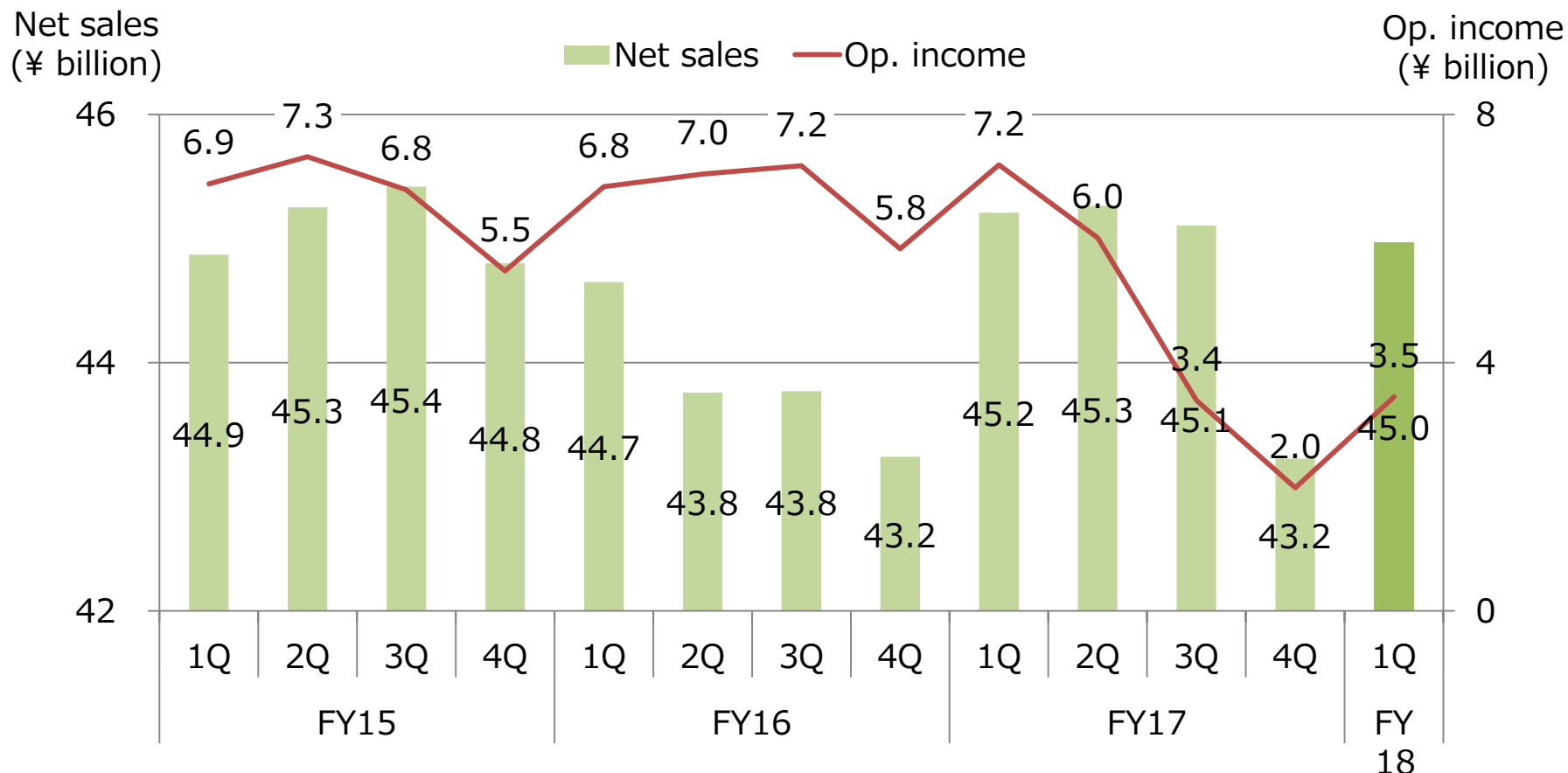
(¥ billion)



Other factors: Improvement of facilities, optimization of operations, consulting expenses, etc.
 1Q: ¥0.93 billion, 2Q: ¥0.40 billion (estimation)
 Estimated as unlikely to occur in the second half of FY18

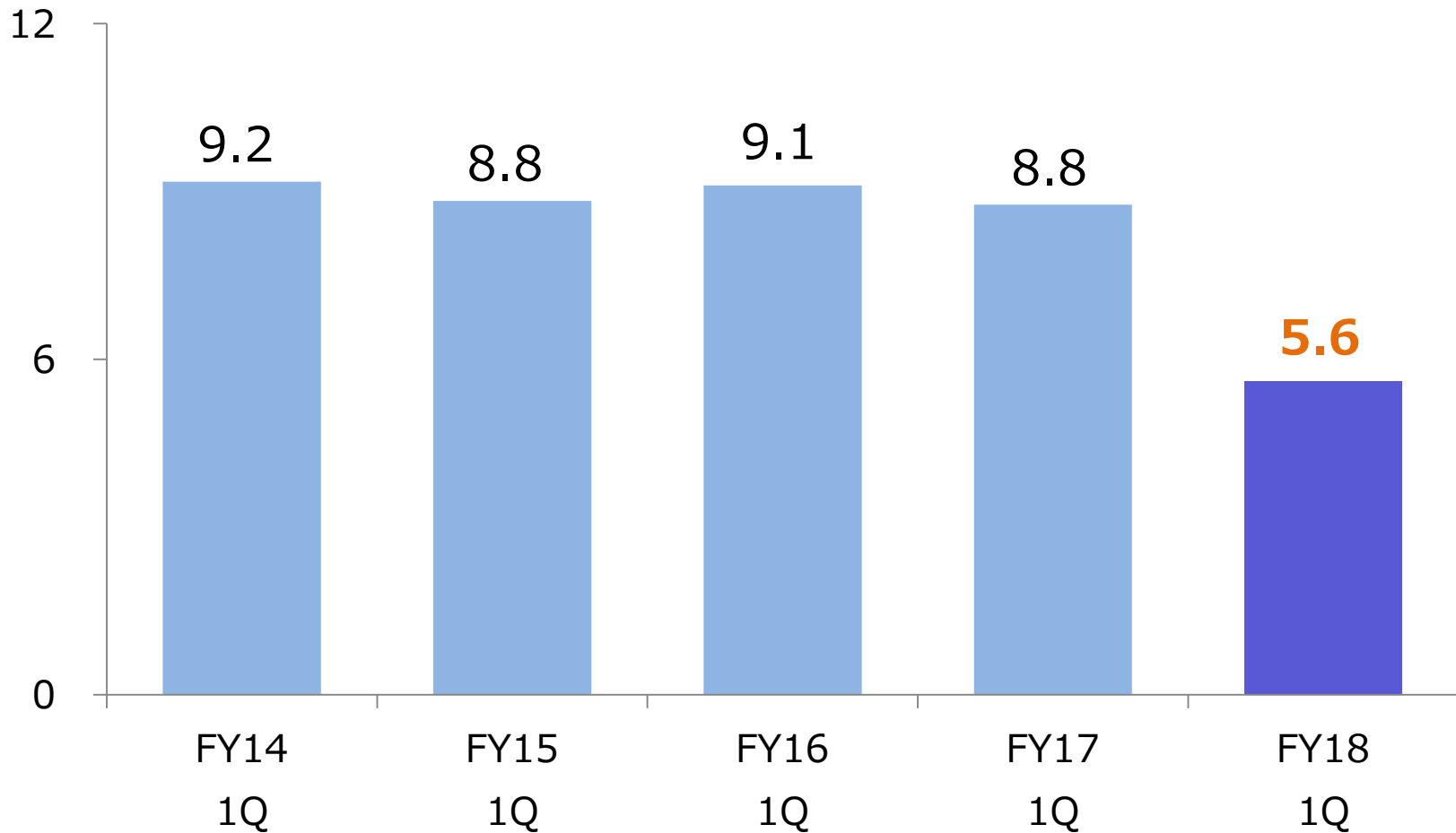
Quarterly transition (excl. CLT Global)

Both Net sales and Op. income increased compared to the previous quarter (4Q/FY2017)



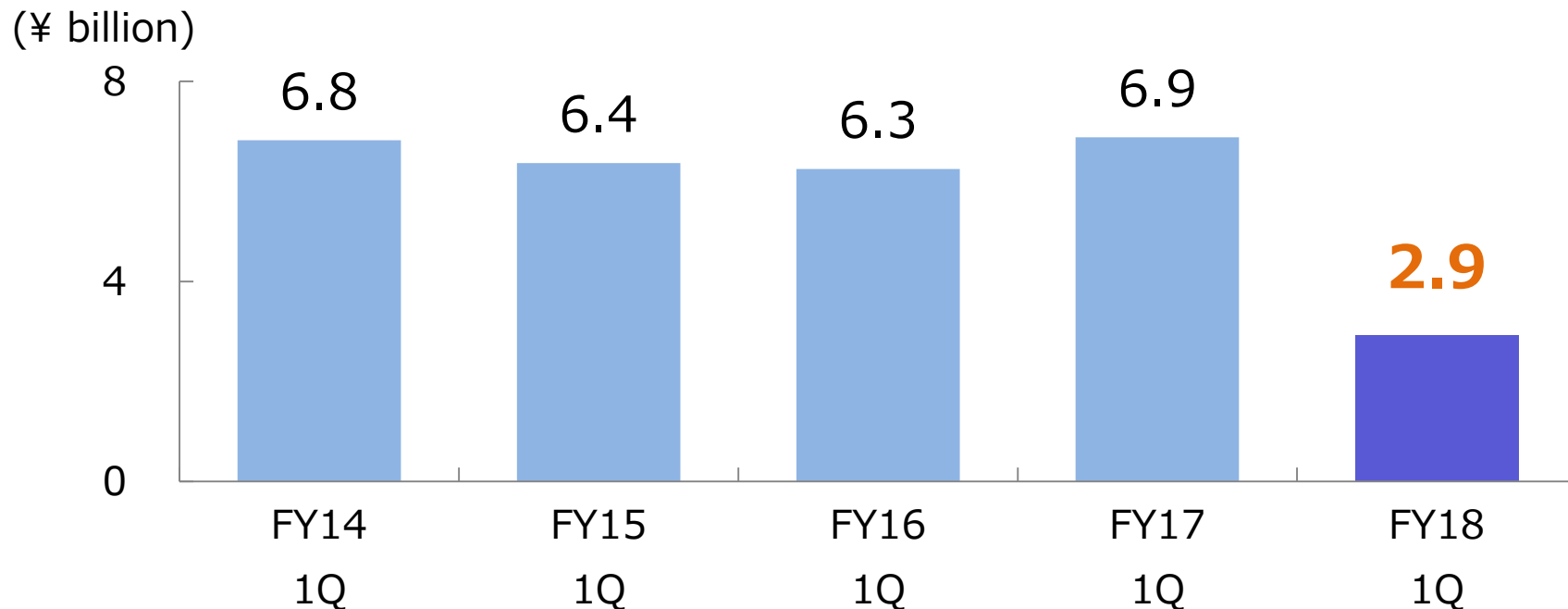
Transition of Consolidated EBITDA (excl. CLT Global)

(¥ billion)



EBITDA = Operating income + Depreciation + Amortization of goodwill

Transition of Consolidated Ord. Income



Main factors for non-operating losses

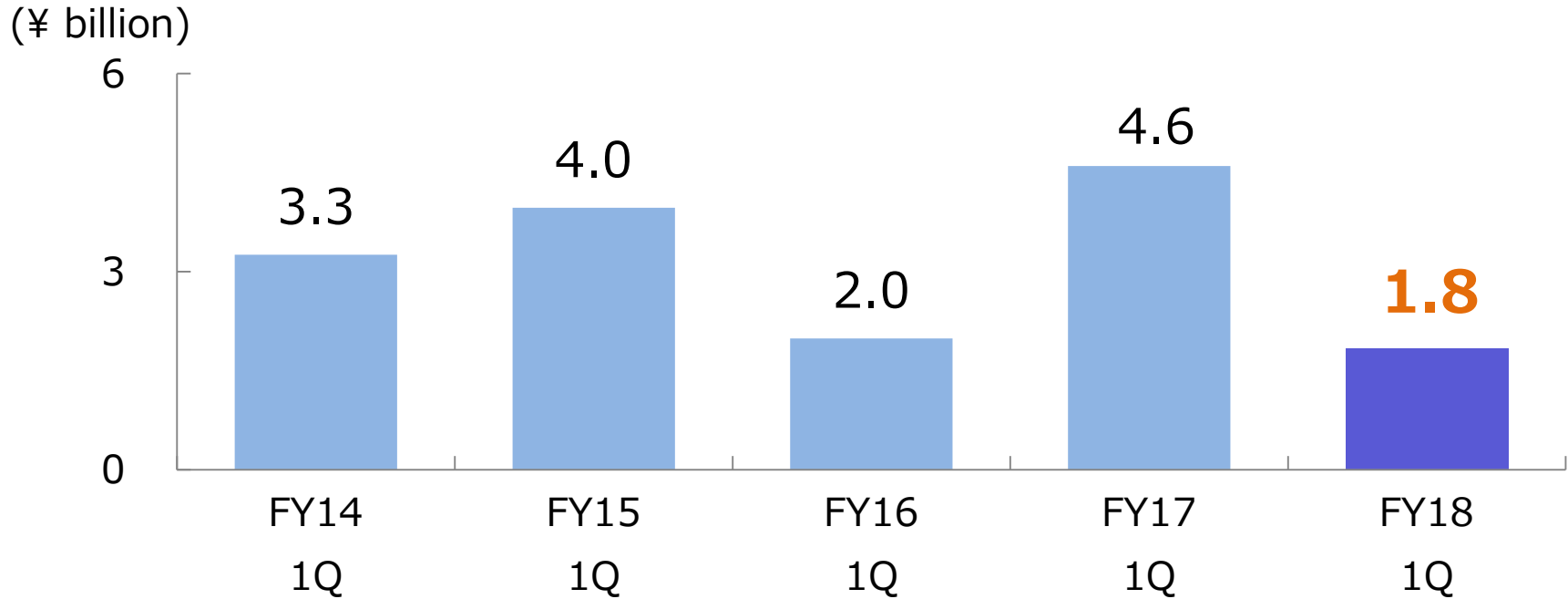
【FY2017 1Q】

- Share of loss of entities accounted for using equity method -¥0.2bn

【FY2018 1Q】

- Share of loss of entities accounted for using equity method -¥0.5bn

Transition of Consolidated Net Profit



Main factors for extraordinary losses

【FY2017 1Q】

- (Nothing in particular)

【FY2018 1Q】

- Provision for compensation loss
(Influenced by exchange rate fluctuations)
-¥0.3bn

Comparison with 1Q/FY2017 (excl. CLT Global)

(¥ billion)

	1Q/FY2017	2Q/ FY2017	3Q/ FY2017	4Q/ FY2017	1Q/FY2018	Variation	
Net Sales	45.2	45.3	45.1	43.2	45.0	-0.24	-0.5%
CLT Japan	26.8	26.7	26.5	25.4	27.2	+0.36	+1.4%
IVD	11.4	11.4	11.6	10.9	11.0	-0.42	-3.7%
HR	7.0	7.1	7.0	7.0	6.9	-0.18	-2.5%
Op. Income¹	7.2 15.9% ₃	6.0	3.4	2.0	3.5 7.7% ₃	-3.74	-52.0%
CLT Japan	3.1 11.6%	3.0	1.2	1.1	1.3 4.6%	-1.85	-59.6%
IVD	3.3 28.9%	3.0	2.5	1.1	2.1 19.1%	-1.19	-36.3%
HR	0.9 13.3%	0.6	0.4	0.5	0.5 7.6%	-0.41	-44.1%
EBITDA²	8.8 19.4%	7.6	5.2	4.1	5.6 12.5%	-3.16	-36.1%

1. Op. income includes Miraca Holdings and Miraca Research institute, and segmentation adjustments

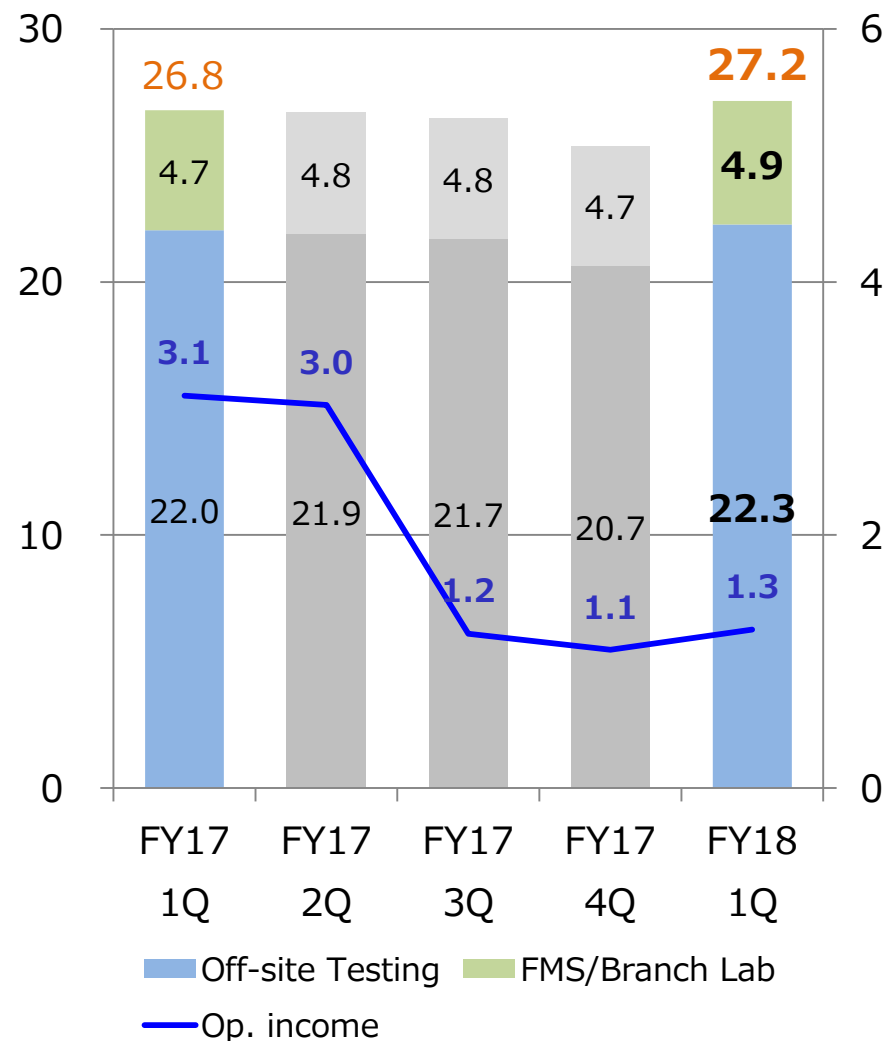
2. EBITDA = Operating income + Depreciation + Amortization of goodwill

3. Small blue figures shown in the upper right corners are the individual profit margins

Net sales
(¥ billion)

Op. income
(¥ billion)

(Comparison with FY17 1Q)



Net sales : +0.4 (¥ billion)

Op. income : -1.8

Increase in # of tests: +7.7%

- Acquisition of new accounts

Price cut impact: -3.2%

- Price revision demands from clients (hospitals)

⇒ Continue business growth by market share expansion and optimization of operations

Net sales

- ◆ FMS/Branch Lab (+0.13, +2.8%)

- Sales contribution by clients acquired during previous year

- ◆ Off-site testing (+0.23, +1.1%)

- Growth in new test item and in the medical check-up market

Op. income

- Cost increase in depreciation expenses, personnel costs etc.

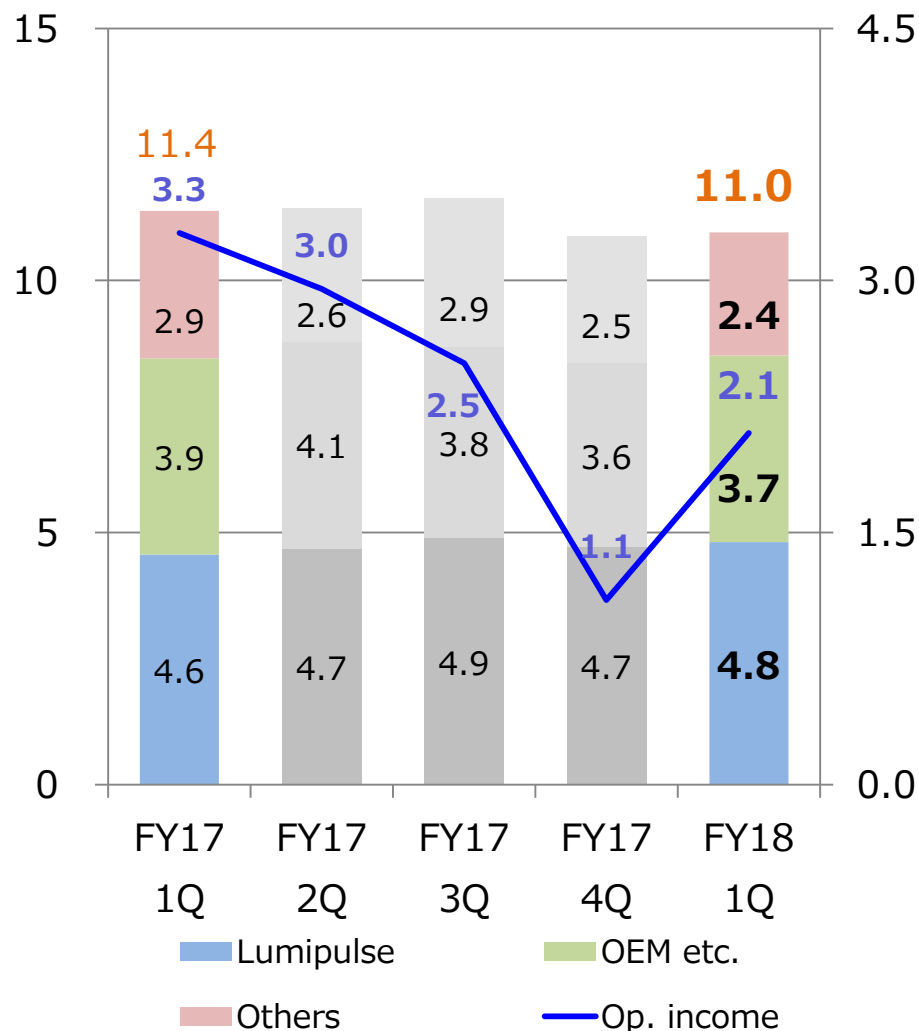
- Other factors

Net sales
(¥ billion)

Op. income
(¥ billion)

(Comparison with FY17 1Q)

Net sales : -0.4 (¥ billion)
Op. income : -1.2



Net sales

◆ Lumipulse

- Organic reagent sales steadily increased
 - Japan: +7% (due to increase in # of large size instruments)
- Decrease in # of blood donors resulted in sales decline in JRC business

◆ OEM & Raw Material Supply

- Postponement within this FY

◆ Others

- Termination of existing overseas products
- Sales decrease in POCT

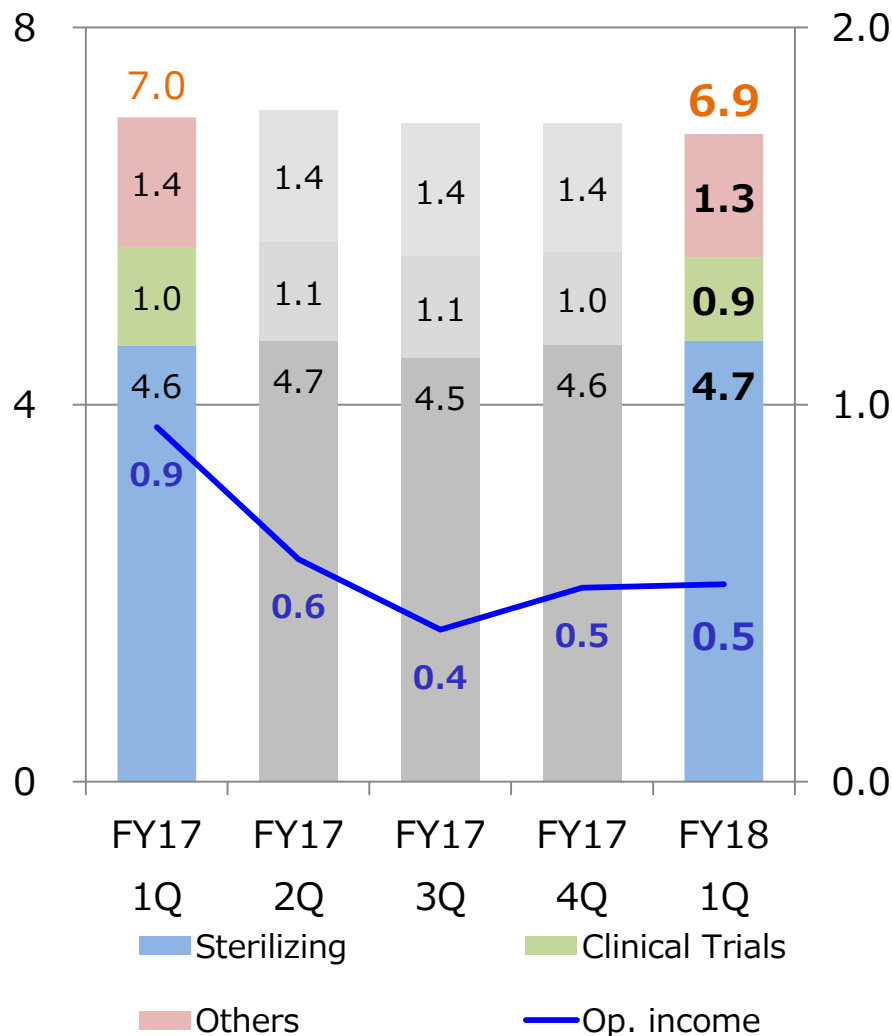
Op. income

- Increase in R&D expenses, personnel costs etc.
- Other factors

Net sales
(¥ billion)

Op. income
(¥ billion)

(Comparison with FY17 1Q)



Net sales : **-0.2** (¥ billion)

Op. income : **-0.4**

◆ Sterilizing

Net sales: +0.05, Op. income: -0.21

◆ Clinical Trials

Net sales: -0.16, Op. income: -0.07

- Business structure shift to clinical research support business, which has a longer period between receiving orders and sales contribution
- Deconsolidation of Asmo Clinical Pharmacology Laboratories

◆ Others

Net sales: -0.07, Op. income :-0.14

CLT business	FY2018 ¹ 1Q	FY2017 full year
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Net # of FMS/Branch lab clients		
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+10

+15

Net # of GP clients		
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+202

+516

IVD business

Lumipulse (Net # of instruments)	Japan²		
	Global		

+7

+1

+28

+35

Intra-group transactions (billion yen)		
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+0.11

+0.40

1 Each figure shows net increase/decrease at the end of quarter compared to the end of last fiscal year

2 Net increase/decrease # of instruments at sites of clients and group companies

Appendix

Comparison with 1Q/FY2017 (incl. CLT Global)

(¥ billion)

	1Q/FY2017	1Q/FY2018	Variation	
Net Sales	52.2	45.0	-7.20	-13.8%
CLT	33.7	27.2	-6.60	-19.5%
IVD	11.4	11.0	-0.42	-3.7%
HR	7.0	6.9	-0.18	-2.5%
Op. Income ¹	7.2 13.8% ₃	3.4 7.6% ₃	-3.77	-52.3%
CLT	3.1 9.2%	1.2 4.6%	-1.88	-60.2%
IVD	3.3 28.9%	2.1 19.1%	-1.19	-36.3%
HR	0.9 13.3%	0.5 7.6%	-0.41	-44.1%
Ord. Income	6.9 13.2%	2.9 6.5%	-3.96	-57.6%
Profit/loss attributable to owners of parent	4.6 8.8%	1.8 4.1%	-2.76	-59.9%
EBITDA ²	9.8 18.9%	5.6 12.4%	-4.25	-43.2%

1. Op. income includes Miraca Holdings and Miraca Research Institute, and segmentation adjustments (FY17 1Q: -0.13, FY18 1Q: -0.42)
2. EBITDA = Operating income + Depreciation + Amortization of goodwill
3. Small blue figures shown in the upper right corners are the individual profit margins

【Contact information】

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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.