

## Consolidated Financial Results for the Three Months Ended June 30, 2018 <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, 2018  
 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, 2018

#### (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, 2018	44,972	(13.8)	3,439	(52.3)	2,916	(57.6)	1,844	(59.9)
June 30, 2017	52,168	0.2	7,204	(1.4)	6,877	10.0	4,600	131.7

Note: Comprehensive income  
 Three months ended June 30, 2018: ¥2,504 million [ (54.4)%]  
 Three months ended June 30, 2017: ¥5,487 million [ —%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2018	32.31	32.30
June 30, 2017	80.65	80.59

#### (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, 2018	213,756	112,024	52.3	1,958.85
March 31, 2018	176,068	113,225	64.2	1,979.78

Reference: Equity  
 As of June 30, 2018: ¥111,823 million      As of March 31, 2018: ¥113,008 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, 2018	–	65.00	–	65.00	130.00
Fiscal year ending March 31, 2019	–				
Fiscal year ending March 31, 2019 (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, 2019 (from April 1, 2018 to March 31, 2019)

(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, 2018	93,800	(9.7)	8,700	(32.6)	7,000	(42.5)	5,200	–	91.09
Fiscal year ending March 31, 2019	190,000	(2.8)	19,000	7.7	16,000	(3.4)	10,500	–	183.93

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 SRL(Hong Kong) Limited
- (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: 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 June 30, 2018	57,339,383 shares
As of March 31, 2018	57,334,183 shares

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

As of June 30, 2018	253,130 shares
As of March 31, 2018	253,080 shares

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

Three months ended June 30, 2018	57,084,095 shares
Three months ended June 30, 2017	57,044,371 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* 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, July 31, 2018.

## Quarterly consolidated financial statements

### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	20,455	51,271
Notes and accounts receivable - trade	31,896	33,101
Merchandise and finished goods	4,881	4,820
Work in process	4,573	5,116
Raw materials and supplies	5,087	5,177
Other	8,600	10,613
Allowance for doubtful accounts	(160)	(136)
Total current assets	75,334	109,963
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,326	13,924
Tools, furniture and fixtures, net	12,579	16,302
Land	9,710	9,979
Other, net	13,191	10,825
Total property, plant and equipment	48,807	51,031
Intangible assets		
Goodwill	2,192	2,031
Customer-related intangible assets	1,249	1,205
Software	2,641	3,565
Other	5,284	5,250
Total intangible assets	11,368	12,053
Investments and other assets		
Investment securities	14,274	14,231
Other	26,306	26,497
Allowance for doubtful accounts	(22)	(20)
Total investments and other assets	40,558	40,707
Total non-current assets	100,733	103,792
Total assets	176,068	213,756

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,368	8,443
Electronically recorded obligations - operating	1,194	1,975
Short-term loans payable	–	23,000
Current portion of long-term loans payable	1,999	5,622
Accounts payable - other	14,834	8,701
Income taxes payable	1,122	850
Provision for bonuses	5,237	2,453
Other	7,681	12,669
Total current liabilities	41,439	63,717
Non-current liabilities		
Long-term loans payable	2,299	18,677
Net defined benefit liability	3,117	3,088
Asset retirement obligations	618	630
Provision for compensation loss	10,395	10,852
Other	4,972	4,764
Total non-current liabilities	21,403	38,014
<b>Total liabilities</b>	<b>62,842</b>	<b>101,731</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,066	9,076
Capital surplus	24,788	24,799
Retained earnings	81,637	79,771
Treasury shares	(1,235)	(1,235)
Total shareholders' equity	114,257	112,412
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	310	299
Foreign currency translation adjustment	(756)	(115)
Remeasurements of defined benefit plans	(803)	(773)
Total accumulated other comprehensive income	(1,248)	(588)
Share acquisition rights	217	200
<b>Total net assets</b>	<b>113,225</b>	<b>112,024</b>
<b>Total liabilities and net assets</b>	<b>176,068</b>	<b>213,756</b>

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

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	52,168	44,972
Cost of sales	31,313	28,997
Gross profit	20,854	15,975
Selling, general and administrative expenses	13,649	12,535
Operating profit	7,204	3,439
Non-operating income		
Interest income	12	22
Dividend income	10	14
Other	78	81
Total non-operating income	101	118
Non-operating expenses		
Interest expenses	106	48
Share of loss of entities accounted for using equity method	195	509
Other	126	83
Total non-operating expenses	427	640
Ordinary profit	6,877	2,916
Extraordinary income		
Gain on sales of non-current assets	2	0
Gain on reversal of share acquisition rights	7	16
Other	32	4
Total extraordinary income	42	22
Extraordinary losses		
Loss on retirement of non-current assets	9	23
Provision for compensation loss	-	271
Other	29	0
Total extraordinary losses	38	294
Profit before income taxes	6,881	2,644
Income taxes - current	1,566	333
Income taxes - deferred	714	466
Total income taxes	2,281	799
Profit	4,600	1,844
Profit attributable to owners of parent	4,600	1,844

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

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	4,600	1,844
Other comprehensive income		
Valuation difference on available-for-sale securities	4	(11)
Foreign currency translation adjustment	843	640
Remeasurements of defined benefit plans, net of tax	39	30
Total other comprehensive income	887	660
Comprehensive income	5,487	2,504
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	5,487	2,504

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

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,881	2,644
Depreciation	2,012	1,901
Amortization of goodwill	626	251
Provision for compensation loss	–	271
Increase (decrease) in provision for bonuses	(2,821)	(2,795)
Increase (decrease) in net defined benefit liability	(31)	(31)
Increase (decrease) in allowance for doubtful accounts	(19)	(24)
Interest and dividend income	(22)	(37)
Share of loss (profit) of entities accounted for using equity method	195	509
Interest expenses	106	48
Foreign exchange losses (gains)	(371)	16
Decrease (increase) in notes and accounts receivable - trade	(1,700)	(1,248)
Decrease (increase) in inventories	288	(479)
Increase (decrease) in notes and accounts payable - trade	(736)	(163)
Increase (decrease) in accrued consumption taxes	379	1,028
Decrease (increase) in other current assets	(103)	(1,299)
Increase (decrease) in other current liabilities	790	3,470
Other, net	263	229
Subtotal	5,736	4,291
Interest and dividend income received	12	113
Interest expenses paid	(101)	(45)
Income taxes paid	(3,036)	(1,477)
Net cash provided by (used in) operating activities	2,610	2,881
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,757)	(8,505)
Purchase of intangible assets	(474)	(1,575)
Payments of loans receivable	–	(545)
Payments for transfer of business	–	(517)
Other, net	(269)	(20)
Net cash provided by (used in) investing activities	(2,500)	(11,164)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	–	23,000
Repayments of finance lease obligations	(192)	(170)
Proceeds from long-term loans payable	–	20,000
Proceeds from issuance of common shares	60	18
Cash dividends paid	(3,231)	(3,689)
Other, net	(26)	(16)
Net cash provided by (used in) financing activities	(3,390)	39,141
Effect of exchange rate change on cash and cash equivalents	537	(42)
Net increase (decrease) in cash and cash equivalents	(2,743)	30,815
Cash and cash equivalents at beginning of period	35,547	20,444
Cash and cash equivalents at end of period	32,803	51,260