

Miraca Holdings Inc.

Business Results for The Third Quarter of FY2018 (April 1, 2018 – December 31, 2018)

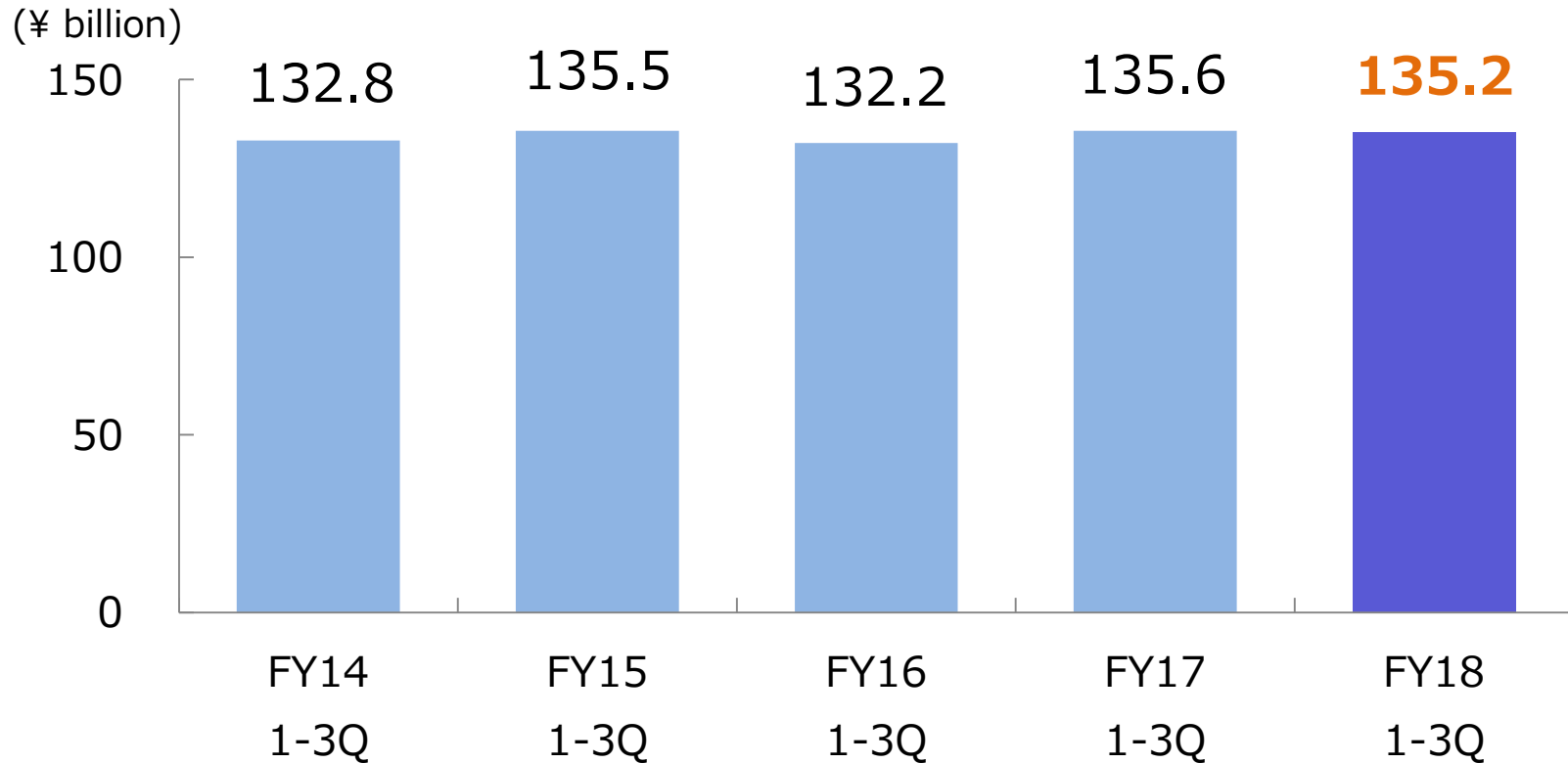
February 8, 2019

Please be aware of the following:

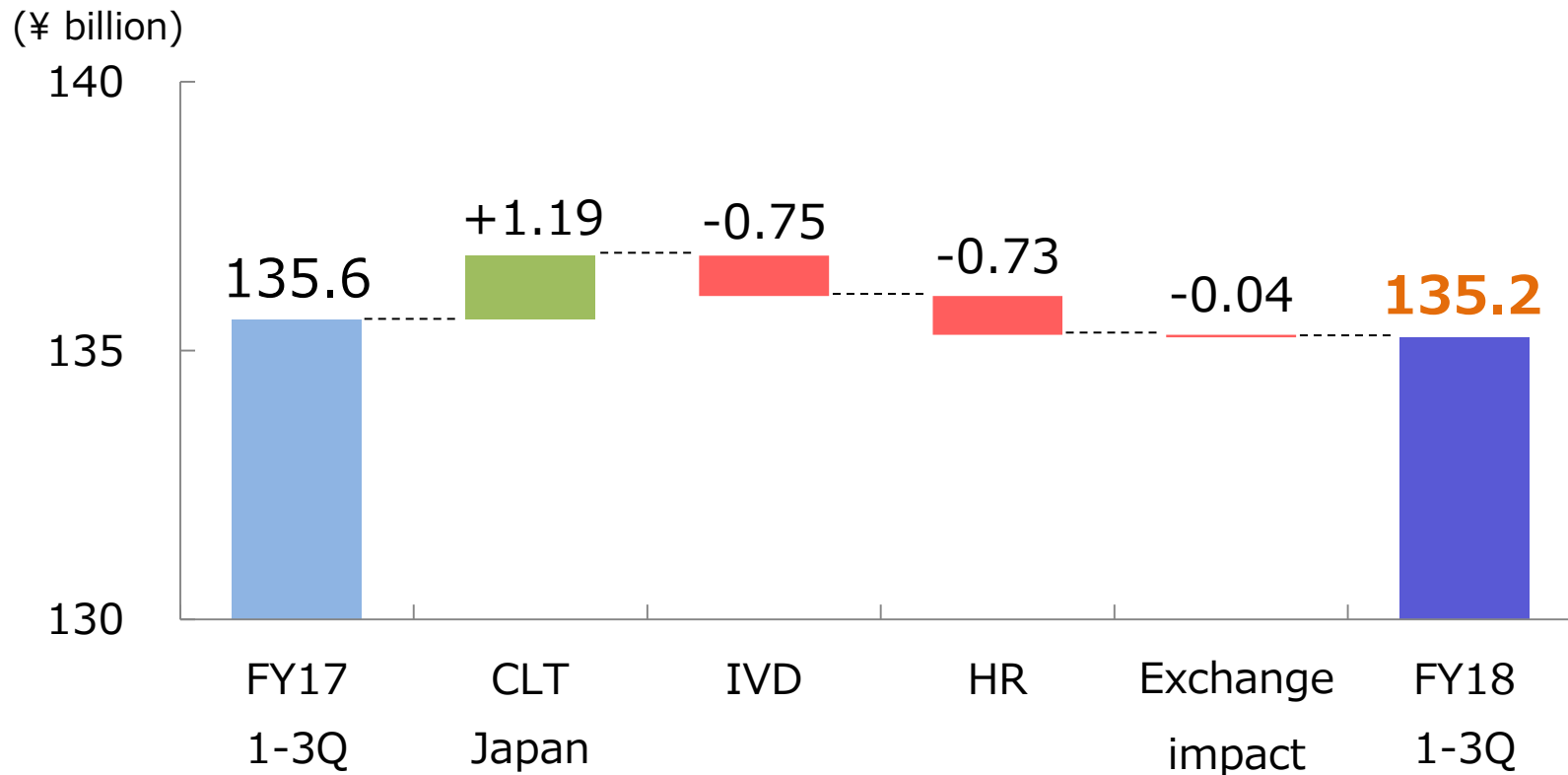
- * The financial information provided on this material has been prepared in accordance with Japanese GAAP in principle.
- * Figures and ratio in this material are rounded to the appropriate unit in principle, and the sums of the individual figures in each table do not always correspond to the total, 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 1-3Q: 1 USD = 111.72 JPY 1 EURO = 128.55 JPY
FY2018 1-3Q: 1 USD = 111.15 JPY 1 EURO = 129.48 JPY

Transition of Consolidated Net Sales (excl. CLT Global)

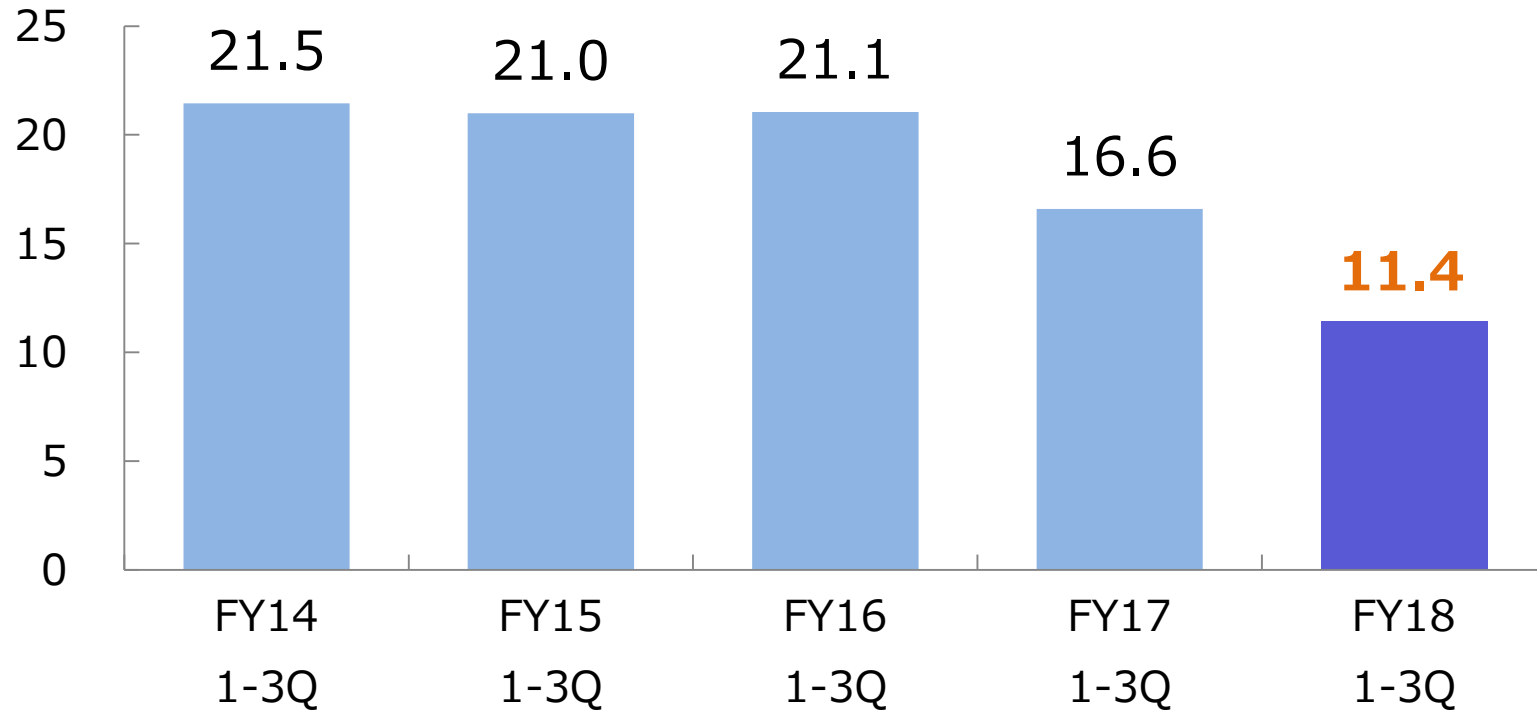


Breakdown of Net Sales (excl. CLT Global)

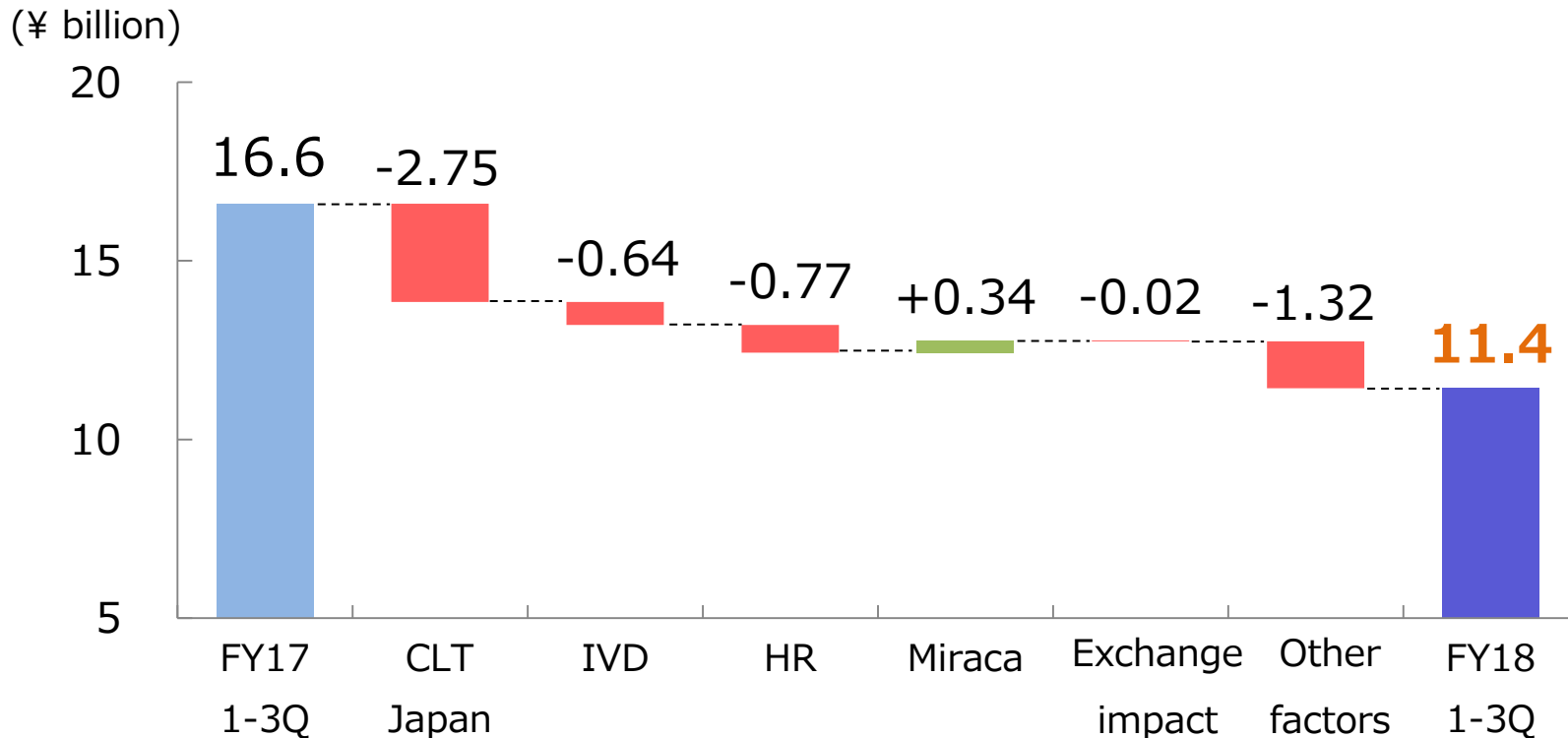


Transition of Consolidated Op. Income (excl. CLT Global)

(¥ billion)

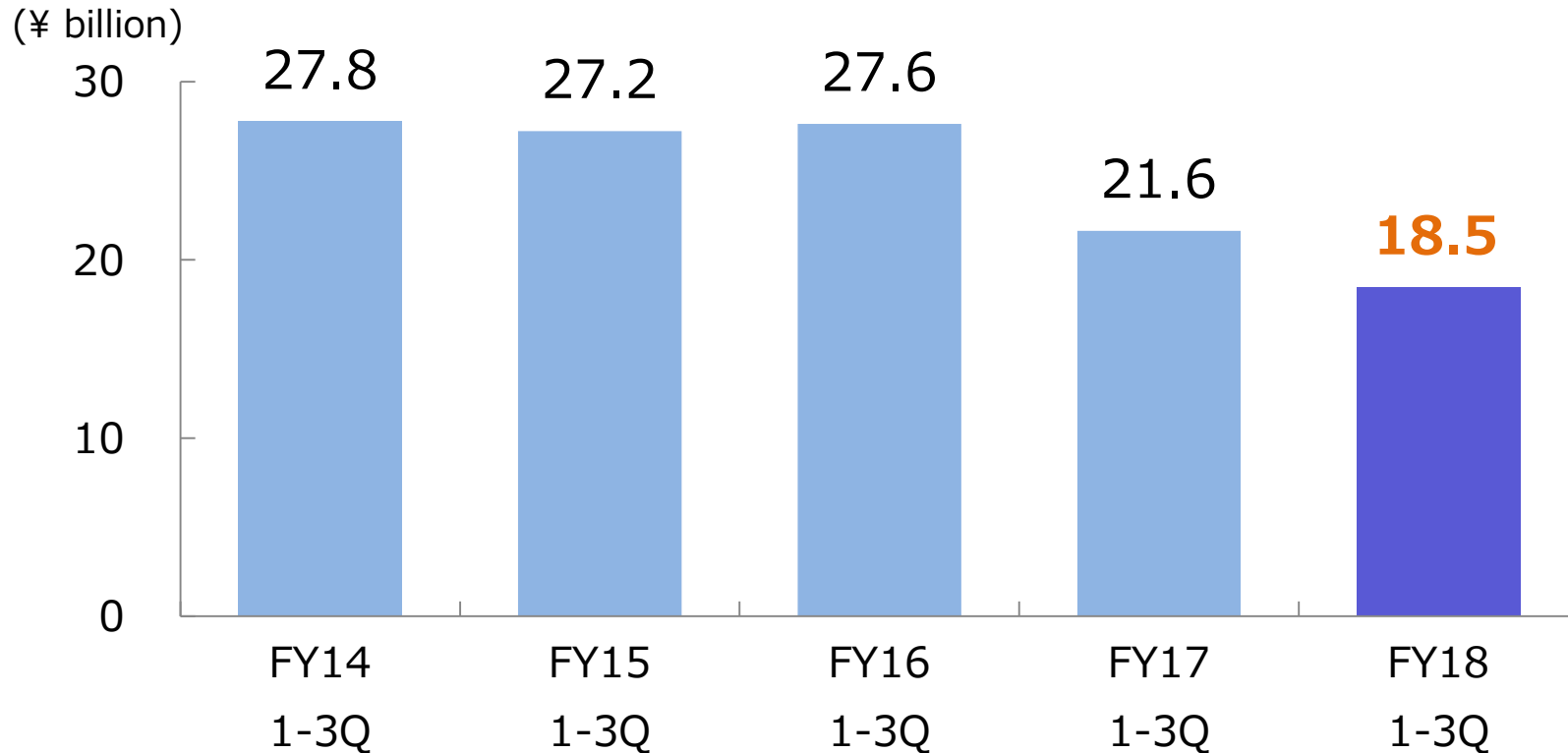


Breakdown of Op. Income (excl. CLT Global)



Other factors: Improvement of facilities, optimization of operations, consulting expenses, etc.
1H: ¥1.32 billion (1Q: ¥0.93 billion, 2Q: ¥0.39 billion)

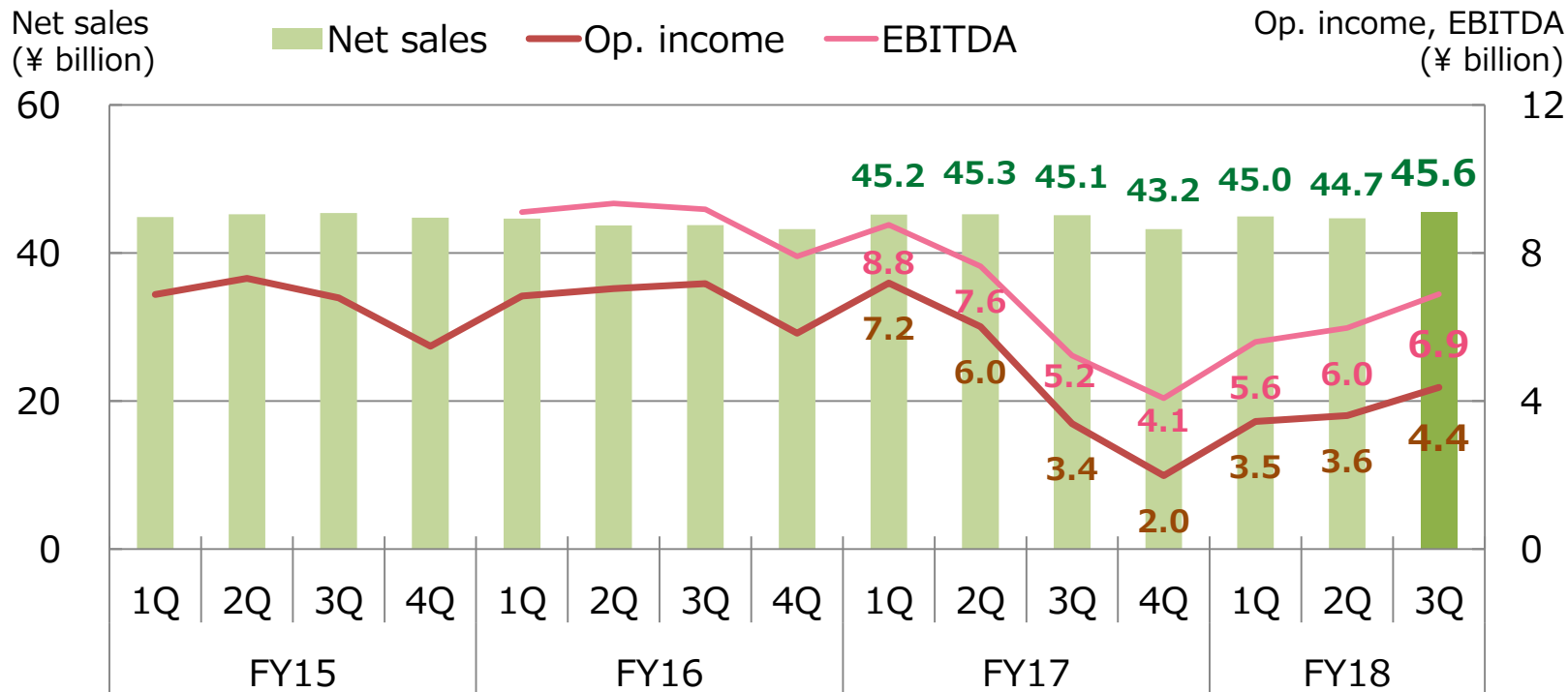
Transition of Consolidated EBITDA (excl. CLT Global)



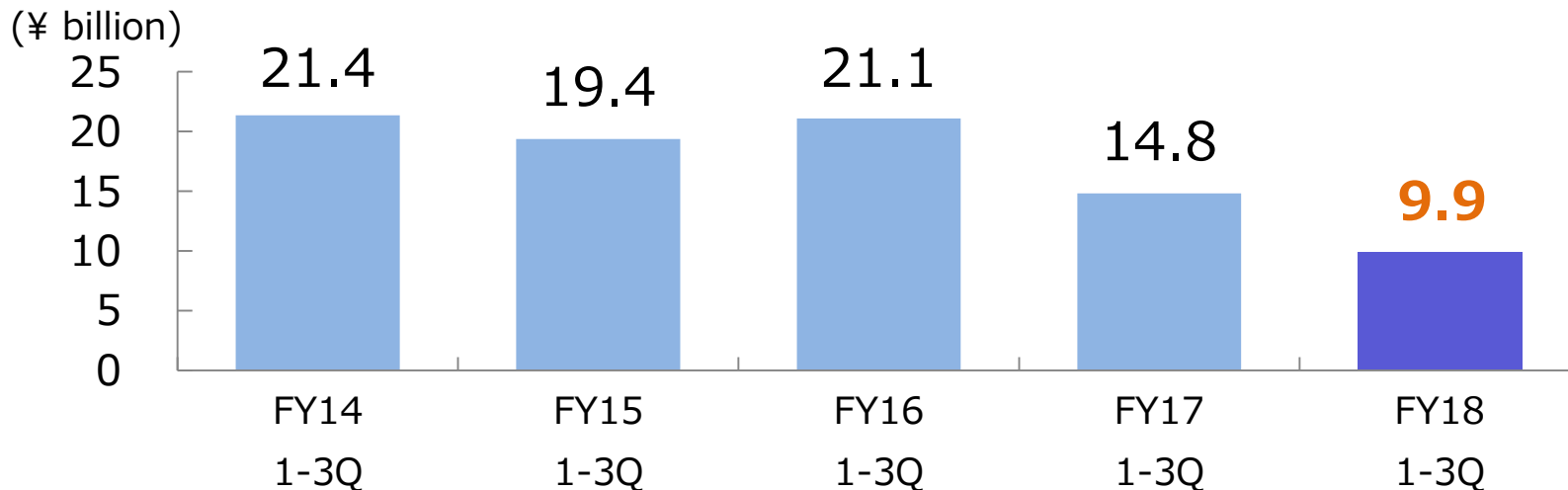
EBITDA = Operating income + Depreciation + Amortization of goodwill

Quarterly Transition (excl. CLT Global)

Net sales, Op. income and EBITDA grew compared to the previous quarter (2Q/FY18)



Transition of Consolidated Ord. Income



Major items of non-operating losses

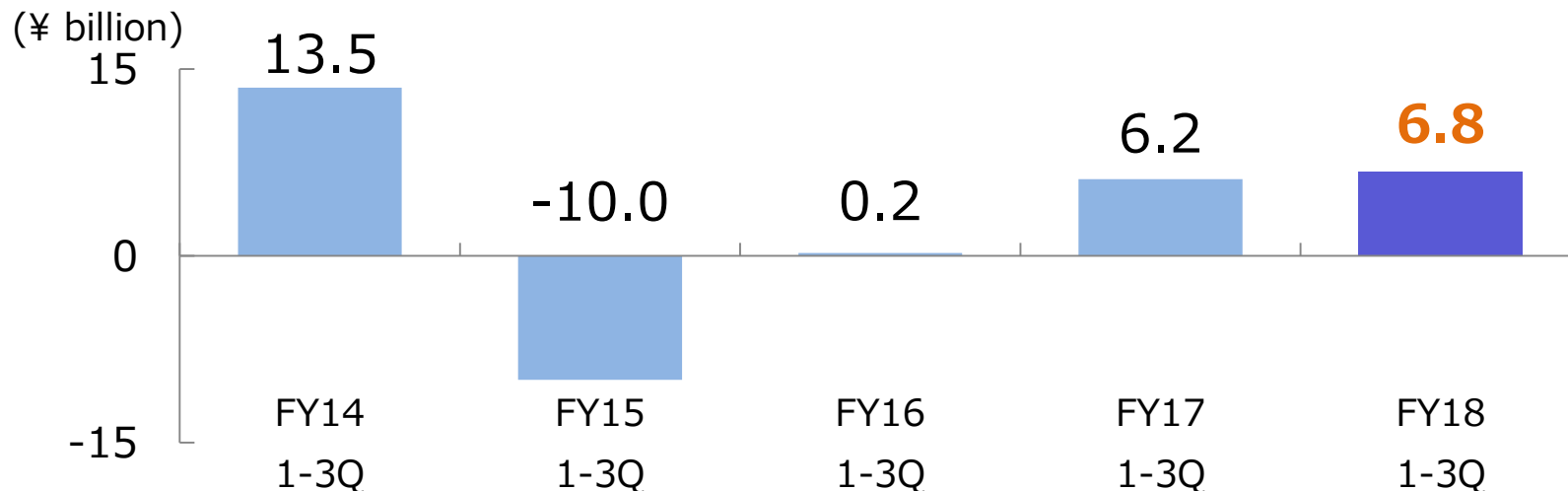
【FY2017 1-3Q】

- Share of loss of entities accounted for using equity method -¥0.8 bn

【FY2018 1-3Q】

- Share of loss of entities accounted for using equity method -¥1.9 bn

Transition of Consolidated Net Profit



Major items of extraordinary profit/losses, etc.

【FY2017 1-3Q】

- Foreign currency translation adjustments reversal gains +¥27.5bn
- Extraordinary losses related to divestment of CDxHD -¥40.4bn
- Business structure improvement expenses (voluntary retirement program) -¥2.6bn

【FY2018 1-3Q】

All shares related to CDxHD have been sold

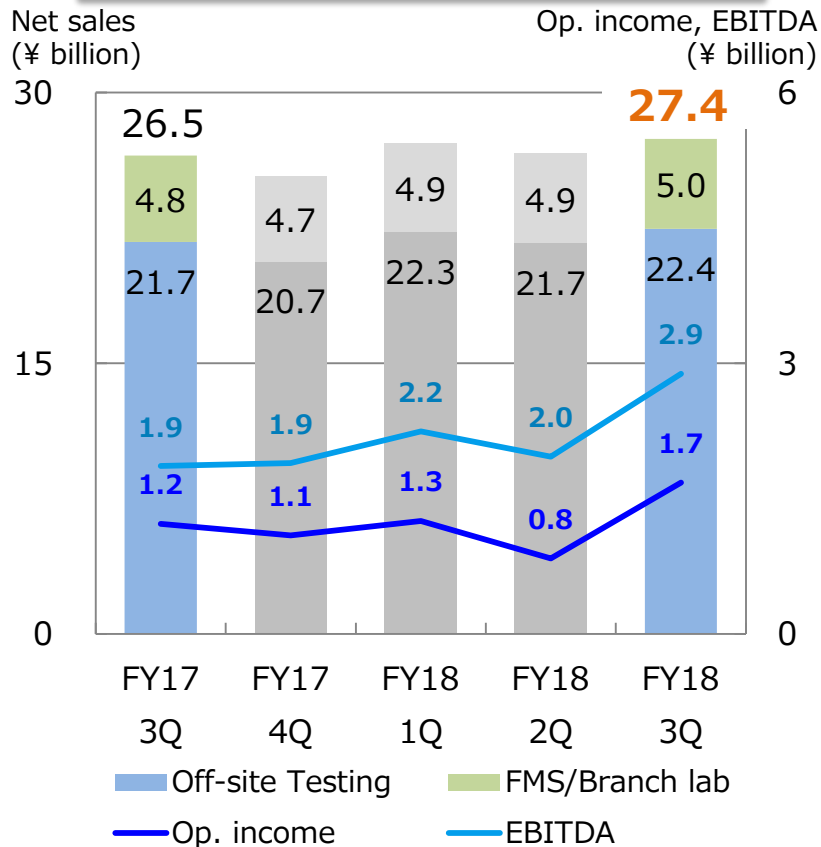
Comparison with 1-3Q/FY2017 (excl. CLT Global)

(¥ billion)

	1-3Q FY2017	1-3Q FY2018	Variation	
Net Sales	135.6	135.2	-0.33	-0.2%
CLT Japan	80.0	81.2	+1.19	+1.5%
IVD	34.4	33.6	-0.79	-2.3%
HR	21.1	20.4	-0.73	-3.4%
Op. Income	¹ 16.6 12.2%	¹ 11.4 8.5%	-5.16	-31.1%
CLT Japan	7.3 9.2%	3.8 4.6%	-3.58	-48.7%
IVD	8.7 25.4%	7.7 22.8%	-1.06	-12.2%
HR	1.9 9.1%	1.2 5.6%	-0.78	-40.5%
EBITDA ²	21.6 16.0%	18.5 13.7%	-3.17	-14.6%

- Op. income includes Miraca Holdings and Miraca Research institute, as well as segmentation adjustments
- EBITDA = Operating income + Depreciation + Amortization of goodwill
- Small blue figures shown in the upper right corners are the individual profit margins

Quarterly Transition



Comparison with 1-3Q/FY2017

(¥ billion)

	1-3Q FY2017	1-3Q FY2018	Variation	
Net sales	80.0	81.2	+1.19	+1.5%
FMS/Branch	14.3	14.8	+0.46	+3.2%
Off-site	65.7	66.4	+0.73	+1.1%
Op. income	7.3	3.8	-3.58	-48.7%

Volume increase

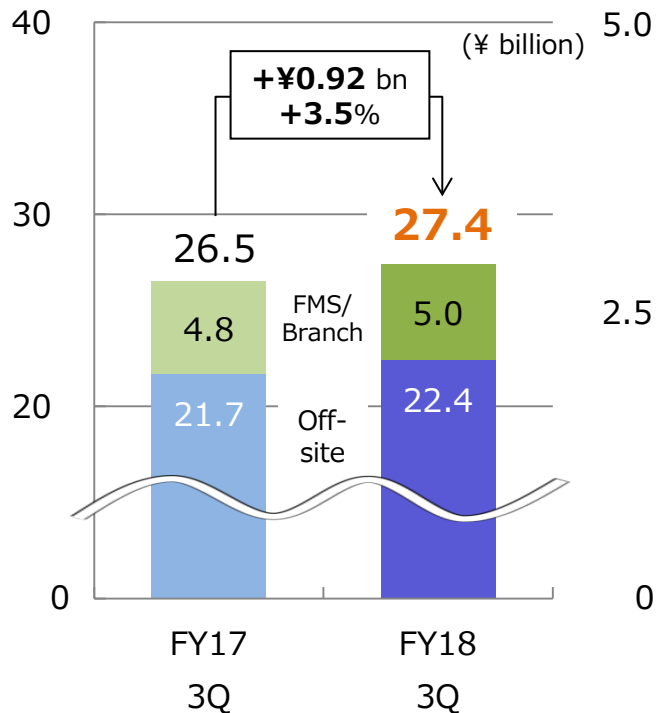
- # of tests: +10.7%
- Acquisition of GP and medical checkup provider accounts

Price cut impact is the same level as 1H

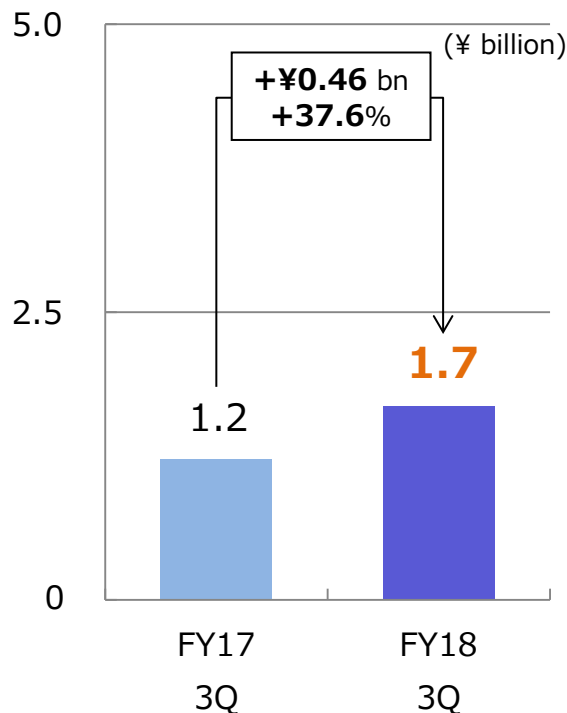
- -3.5%
- Annual forecast is also the same level

CLT Japan comparison with 3Q/FY2017

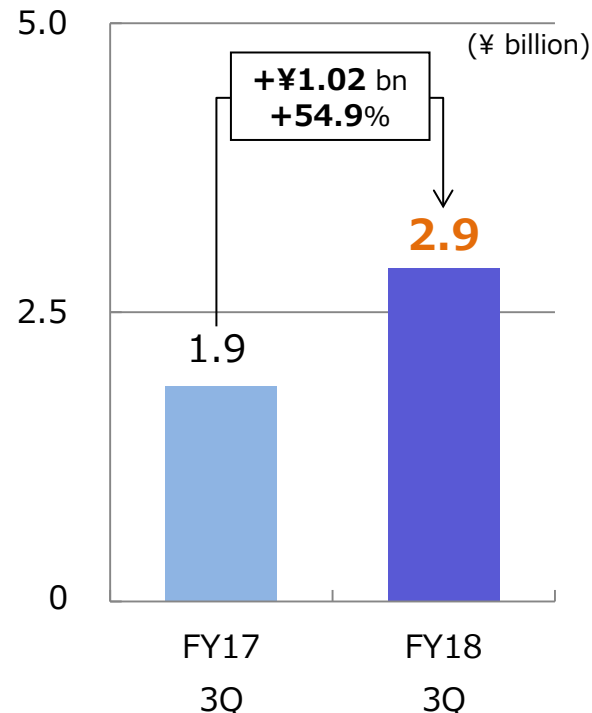
Net sales



Op. income

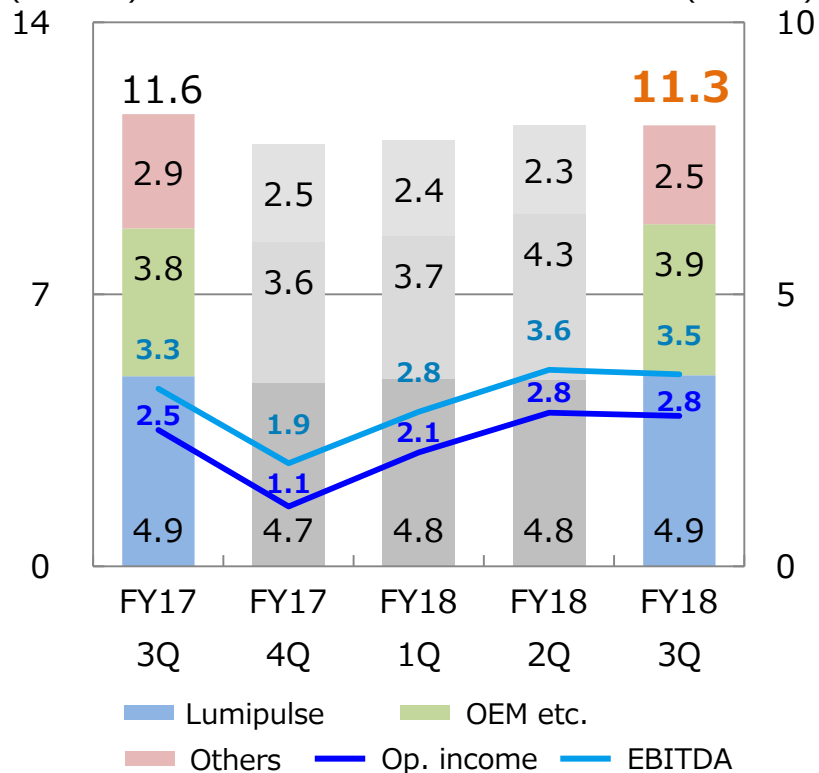


EBITDA



Quarterly Transition

Net sales (¥ billion) Op. income, EBITDA (¥ billion)



Comparison with 1-3Q/FY2017

(¥ billion)

	1-3Q FY2017	1-3Q FY2018	Variation	
Net sales	34.4	33.6	-0.79	-2.3%
Lumipulse	14.1	14.5	+0.39	+2.8%
OEM etc.	11.8	11.9	+0.05	+0.4%
Others	8.5	7.3	-1.24	-14.5%
Op. income	8.7	7.7	-1.06	-12.2%

Factors for sales increase

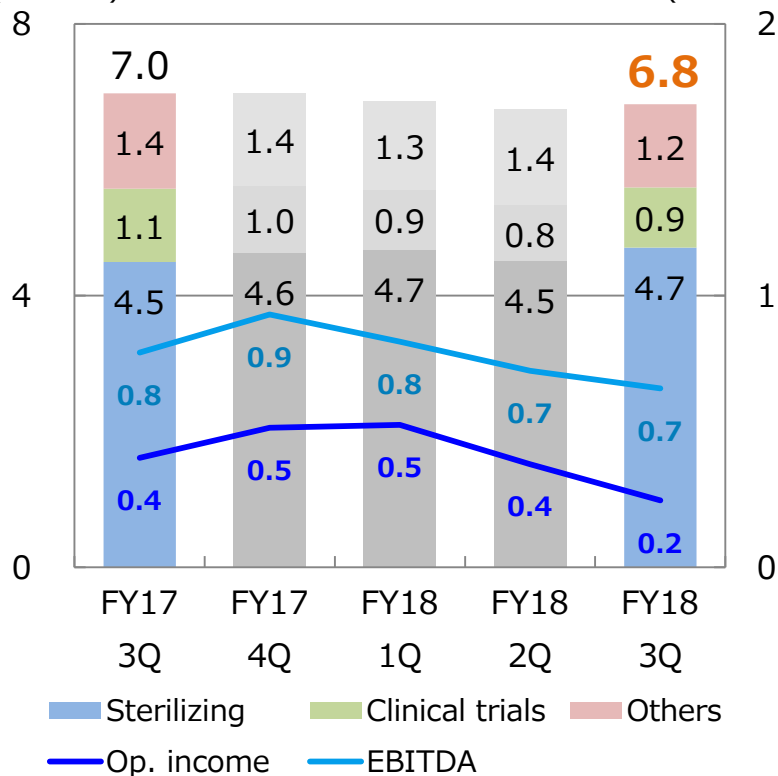
- Lumipulse business growth both in Japan and Overseas: +2.8%

Factors for sales decrease

- Termination of existing overseas products
- Decrease in manual testing products in the European and American markets

Quarterly Transition

Net sales (¥ billion) Op. income, EBITDA (¥ billion)



Comparison with 1-3Q/FY2017

(¥ billion)

	1-3Q FY2017	1-3Q FY2018	Variation	
Net sales	21.1	20.4	-0.73	-3.4%
Sterilizing	13.8	13.9	+0.10	+0.7%
Clinical Trials	3.2	2.6	-0.59	-18.5%
Others	4.2	3.9	-0.24	-5.7%
Op. income	1.9	1.2	-0.78	-40.5%

Sterilizing: Increase in sales

- Increase in sales from in existing customers

Clinical Trials: Decrease in sales

- Sales decrease related to clinical trial operations
- Deconsolidation of Asmo Clinical Pharmacology Laboratories

Others: Decrease in sales

- Deconsolidation of pharmacy business (end of Oct.)

	FY2018 ¹ 1-3Q	FY2017 Full year	
CLT business			
Net # of FMS/Branch lab clients	+28	+15	
Net # of GP clients	+535	+516	
IVD business			
Lumipulse (Net # of all kinds of instruments)	Japan ²	+6	+1
	Global	+64	+35
Intra-group transactions (¥ billion)	+0.29	+0.40	

1 Each figure shows net increase/decrease at the end of third 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 1-3Q/FY2017 (incl. CLT Global)

(¥ billion)

	1-3Q FY2017	1-3Q FY2018	Variation	
Net Sales	152.2	135.2	-16.93	-11.1%
CLT	96.6	81.2	-15.41	-16.0%
IVD	34.4	33.6	-0.79	-2.3%
HR	21.1	20.4	-0.73	-3.4%
Op. Income	15.7 10.3%	11.4 8.4%	-4.32	-27.5%
CLT	6.5 6.7%	3.7 4.6%	-2.74	-42.4%
IVD	8.7 25.4%	7.7 22.8%	-1.06	-12.2%
HR	1.9 9.1%	1.2 5.6%	-0.78	-40.5%
Ord. Income	14.8 9.7%	9.9 7.3%	-4.94	-33.4%
Profit/loss attributable to owners of parent	6.2 4.0%	6.8 5.0%	+0.63	+10.2%
EBITDA	23.3 15.3%	18.4 13.6%	-4.83	-20.8%

1. Op. income includes Miraca Holdings and Miraca Research institute, and segmentation adjustments (FY17/1-3Q : -¥1.43 bn、FY18/1-3Q : -¥1.17 bn)
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】

Miraca Holdings Inc.

IR/SR Department

Email : mhd.ir@miraca.com

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.