

**Consolidated Financial Results**  
**for the Nine Months Ended December 31, 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: February 13, 2019  
 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 nine months ended December 31, 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	%
Nine months ended								
December 31, 2018	135,247	(11.1)	11,382	(27.5)	9,868	(33.4)	6,780	10.2
December 31, 2017	152,174	(1.1)	15,701	(29.9)	14,806	(29.8)	6,151	—

Note: Comprehensive income  
 Nine months ended December 31, 2018: ¥7,680 million [ —%]  
 Nine months ended December 31, 2017: ¥(19,311) million [ —%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2018	118.79	118.74
December 31, 2017	107.80	107.73

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2018	199,166	113,149	56.7	1,983.24
March 31, 2018	176,068	113,225	64.2	1,979.78

Reference: Equity  
 As of December 31, 2018: ¥112,960 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	–	65.00	–		
Fiscal year ending March 31, 2019 (Forecast)				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
Fiscal year ending March 31, 2019	190,000	(2.8)	19,000	7.7	16,000	(3.4)	10,500	–	184.05

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 December 31, 2018	57,360,275 shares
As of March 31, 2018	57,334,183 shares

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

As of December 31, 2018	402,679 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)

Nine months ended December 31, 2018	57,078,786 shares
Nine months ended December 31, 2017	57,062,355 shares

Note: The Company has introduced a Board Incentive Plan (BIP) trust as part of officer remuneration, and the number of shares of the Company held by the said trust is included in the number of treasury shares excluded from calculations of the number of treasury shares at the end of the period, and the average number of shares during the period.

\* 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 Friday, February 8, 2019.

## Quarterly consolidated financial statements

### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	20,455	37,834
Notes and accounts receivable - trade	31,896	32,687
Merchandise and finished goods	4,881	5,532
Work in process	4,573	5,398
Raw materials and supplies	5,087	5,483
Other	8,600	6,915
Allowance for doubtful accounts	(160)	(128)
Total current assets	75,334	93,723
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,326	16,580
Tools, furniture and fixtures, net	12,579	18,299
Land	9,710	10,615
Other, net	13,191	9,560
Total property, plant and equipment	48,807	55,056
Intangible assets		
Goodwill	2,192	1,734
Customer-related intangible assets	1,249	1,148
Software	2,641	4,553
Other	5,284	6,281
Total intangible assets	11,368	13,717
Investments and other assets		
Investment securities	14,274	15,364
Other	26,306	21,243
Allowance for doubtful accounts	(22)	(21)
Total investments and other assets	40,558	36,587
Total non-current assets	100,733	105,360
Deferred assets	–	82
<b>Total assets</b>	<b>176,068</b>	<b>199,166</b>

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,368	9,279
Electronically recorded obligations - operating	1,194	1,516
Short-term loans payable	–	10,000
Current portion of long-term loans payable	1,999	6,176
Accounts payable - other	14,834	7,077
Income taxes payable	1,122	733
Provision for bonuses	5,237	3,666
Other	7,681	8,825
<b>Total current liabilities</b>	<b>41,439</b>	<b>47,276</b>
Non-current liabilities		
Bonds payable	–	15,000
Long-term loans payable	2,299	16,975
Net defined benefit liability	3,117	2,978
Asset retirement obligations	618	638
Provision for stocks payment	–	53
Provision for compensation loss	10,395	481
Other	4,972	2,612
<b>Total non-current liabilities</b>	<b>21,403</b>	<b>38,739</b>
<b>Total liabilities</b>	<b>62,842</b>	<b>86,016</b>
Net assets		
Shareholders' equity		
Capital stock	9,066	9,111
Capital surplus	24,788	24,833
Retained earnings	81,637	80,995
Treasury shares	(1,235)	(1,630)
<b>Total shareholders' equity</b>	<b>114,257</b>	<b>113,309</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	310	286
Foreign currency translation adjustment	(756)	114
Remeasurements of defined benefit plans	(803)	(749)
<b>Total accumulated other comprehensive income</b>	<b>(1,248)</b>	<b>(348)</b>
Share acquisition rights	217	189
<b>Total net assets</b>	<b>113,225</b>	<b>113,149</b>
<b>Total liabilities and net assets</b>	<b>176,068</b>	<b>199,166</b>

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

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	152,174	135,247
Cost of sales	94,149	88,169
Gross profit	58,024	47,077
Selling, general and administrative expenses	42,323	35,695
Operating profit	15,701	11,382
Non-operating income		
Interest income	45	67
Dividend income	15	24
Gain on investments in capital	–	396
Other	394	260
Total non-operating income	455	748
Non-operating expenses		
Interest expenses	289	138
Share of loss of entities accounted for using equity method	798	1,923
Other	262	200
Total non-operating expenses	1,350	2,262
Ordinary profit	14,806	9,868
Extraordinary income		
Gain on sales of non-current assets	13	1
Gain on sales of investment securities	3	227
Gain on reversal of share acquisition rights	7	22
Reversal of provision for compensation loss	–	656
Reversal of foreign currency translation adjustment	27,467	–
Other	79	170
Total extraordinary income	27,570	1,079
Extraordinary losses		
Loss on retirement of non-current assets	63	69
Loss on valuation of investment securities	–	312
Provision for compensation loss	–	854
Impairment loss	28,071	–
Loss on sales of shares of subsidiaries and associates	12,367	–
Business structure improvement expenses	2,560	–
Other	205	30
Total extraordinary losses	43,268	1,267
Profit (loss) before income taxes	(891)	9,680
Income taxes - current	2,454	1,326
Income taxes - deferred	(9,497)	1,573
Total income taxes	(7,042)	2,900
Profit	6,151	6,780
Profit attributable to owners of parent	6,151	6,780

## Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	6,151	6,780
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	(24)
Foreign currency translation adjustment	(25,575)	870
Remeasurements of defined benefit plans, net of tax	114	54
Total other comprehensive income	(25,463)	900
Comprehensive income	(19,311)	7,680
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(19,311)	7,680

### (3) Consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(891)	9,680
Depreciation	6,018	6,282
Impairment loss	28,071	–
Loss (gain) on valuation of investment securities	–	312
Gain on investments in capital	–	(396)
Reversal of foreign currency translation adjustment	(27,467)	–
Amortization of goodwill	1,530	759
Increase (decrease) in provision for bonuses	(1,749)	(1,586)
Increase (decrease) in provision for compensation loss	–	(6,879)
Interest and dividend income	(60)	(92)
Interest expenses	289	138
Foreign exchange losses (gains)	(743)	(37)
Share of loss (profit) of entities accounted for using equity method	798	1,923
Decrease (increase) in notes and accounts receivable - trade	(2,538)	(1,133)
Decrease (increase) in inventories	(701)	(1,869)
Increase (decrease) in notes and accounts payable - trade	697	427
Increase (decrease) in accrued consumption taxes	(471)	569
Decrease (increase) in other current assets	(48)	(781)
Increase (decrease) in other current liabilities	3,989	832
Increase (decrease) in other non-current liabilities	(51)	(840)
Other, net	13,849	9
Subtotal	20,521	7,320
Interest and dividend income received	24	165
Interest expenses paid	(286)	(110)
Income taxes (paid) refund	(7,547)	901
Net cash provided by (used in) operating activities	12,711	8,276
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8,662)	(19,337)
Purchase of intangible assets	(1,541)	(4,077)
Purchase of investment securities	(499)	(2,978)
Proceeds from sales of investment securities	4	879
Payments of loans receivable	(1)	(1,002)
Collection of loans receivable	2	1,890
Payments for transfer of business	–	(517)
Purchase of shares of subsidiaries	(474)	(599)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(801)	–
Other, net	(1,068)	(107)
Net cash provided by (used in) investing activities	(13,041)	(25,850)



(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Cash flows from financing activities		
Proceeds from long-term loans payable	–	21,662
Repayments of long-term loans payable	(999)	(2,827)
Proceeds from issuance of bonds	–	15,000
Proceeds from issuance of common shares	126	18
Purchase of treasury shares	(7)	(395)
Cash dividends paid	(6,943)	(7,402)
Net increase (decrease) in short-term loans payable	–	9,981
Repayments of finance lease obligations	(560)	(1,049)
Other, net	(66)	(97)
Net cash provided by (used in) financing activities	(8,450)	34,889
Effect of exchange rate change on cash and cash equivalents	988	62
Net increase (decrease) in cash and cash equivalents	(7,791)	17,378
Cash and cash equivalents at beginning of period	35,547	20,444
Cash and cash equivalents at end of period	27,756	37,823