

Miraca Holdings Inc.

FY2018 Business Results and Future Outlook (April 1, 2018 – March 31, 2019)

May 14, 2019

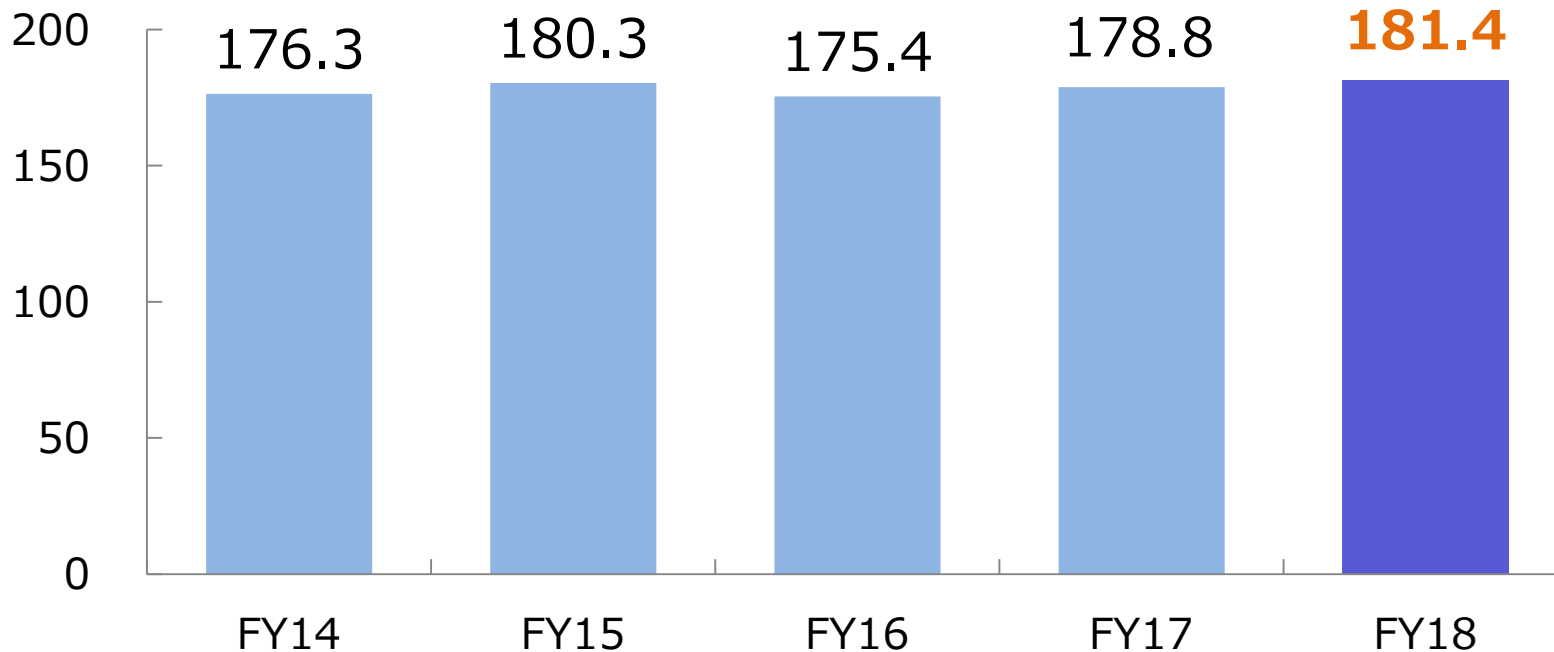
Please be aware of the following:

- * The financial information provided on this material has been prepared in accordance with Japanese GAAP in principle.
- * Profit/loss attributable to owners of parent may be mentioned as net profit/loss.
- * 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
 - HR: Healthcare Related
 - ENB: Emerging New Business and others
 - Op. income: Operating income
 - IVD: In Vitro Diagnostics
 - SR: Sterilization and Related Services
 - Or. income: Ordinary income

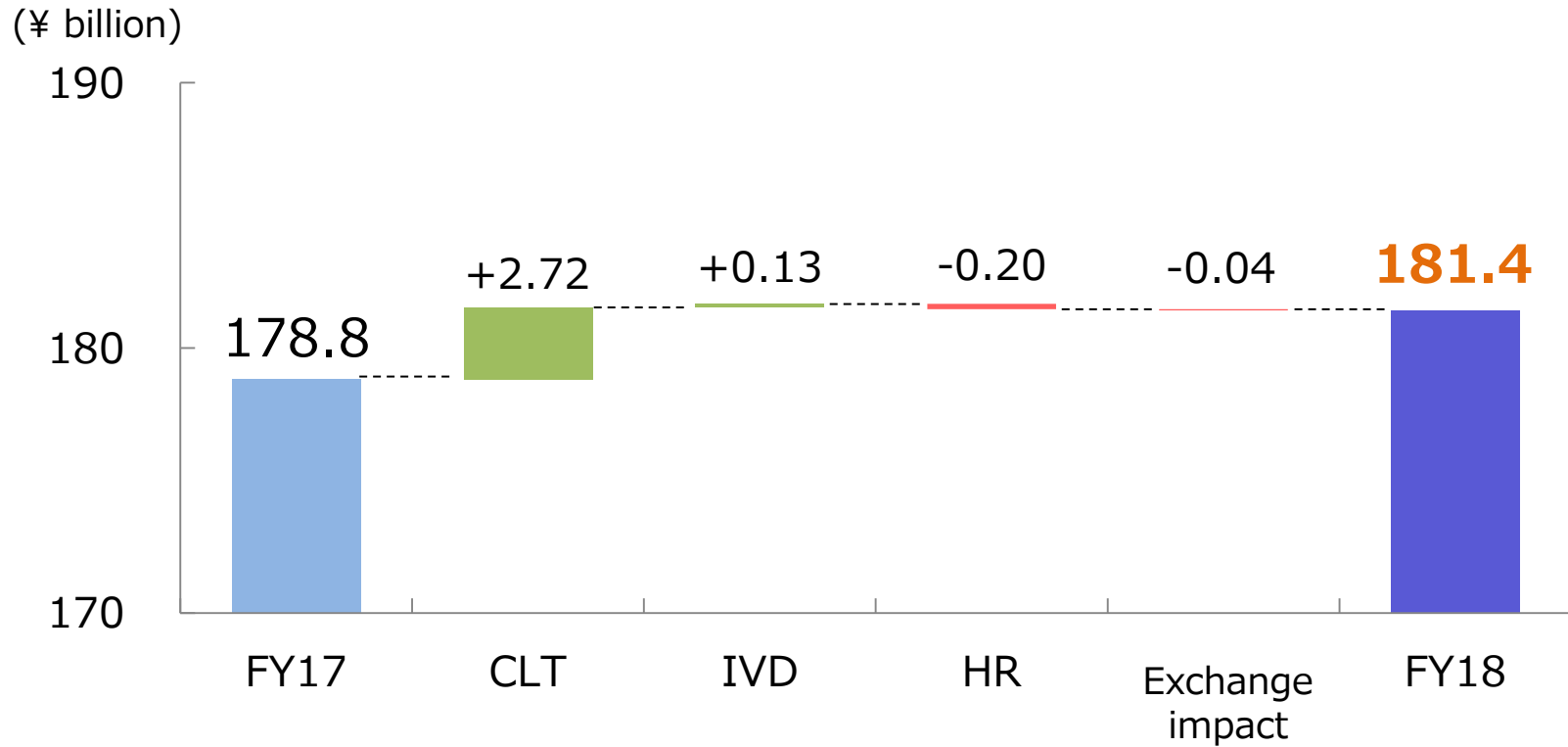
※ Exchange rate : FY2017: 1USD = 110.88JPY 1EURO = 129.70JPY
FY2018: 1USD = 110.92JPY 1EURO = 128.41JPY
FY2019 (forecast): 1USD = 110.00JPY 1EURO = 127.00JPY

Transition of Consolidated Sales (excl. CLT Global)

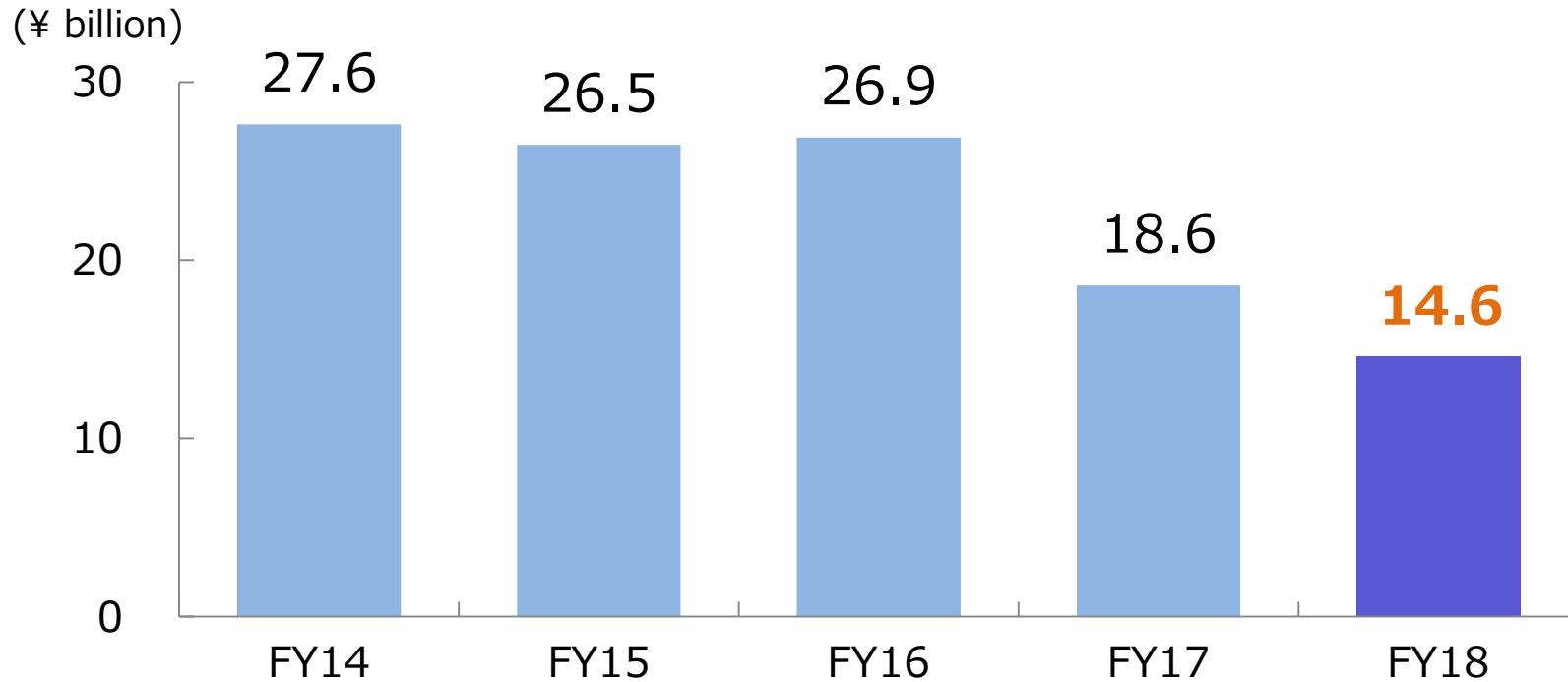
(¥ billion)



Breakdown of Sales (excl. CLT Global)

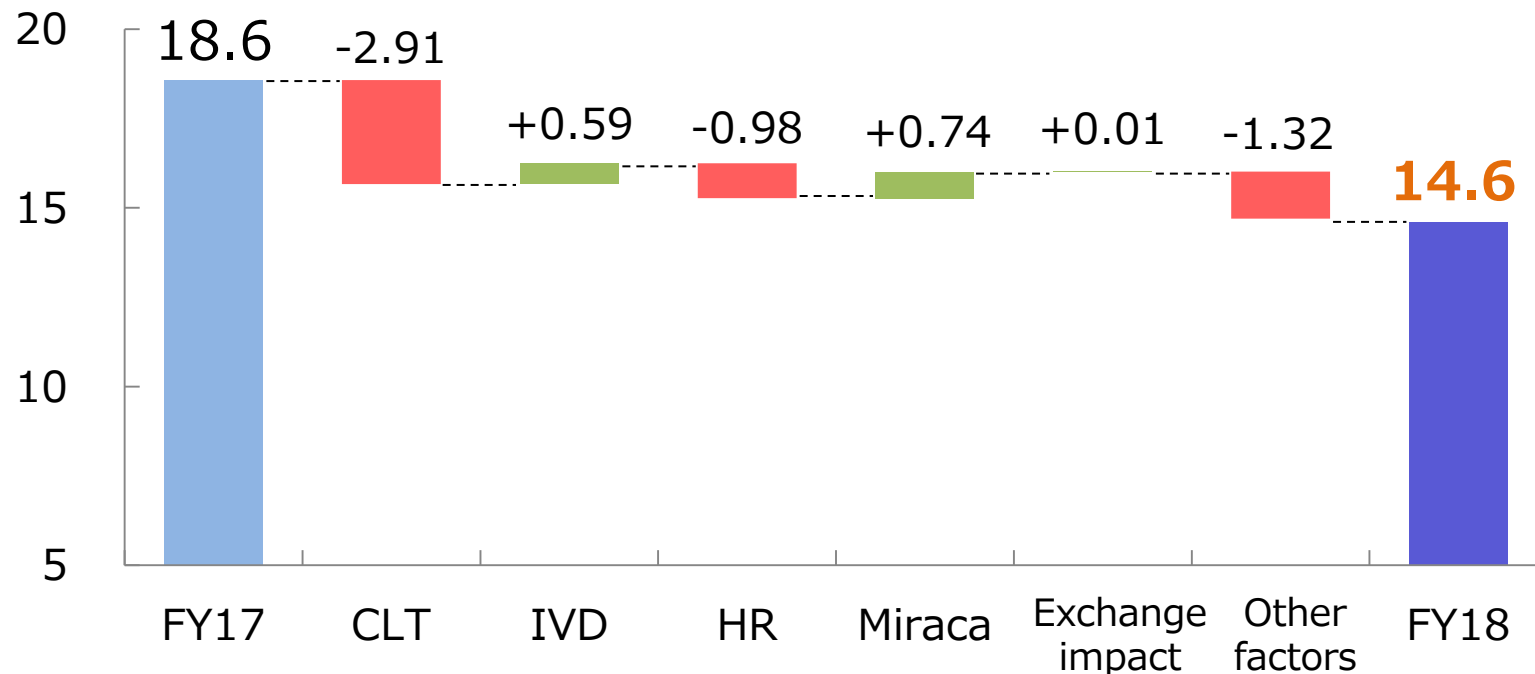


Transition of Consolidated Op. Income (excl. CLT Global)



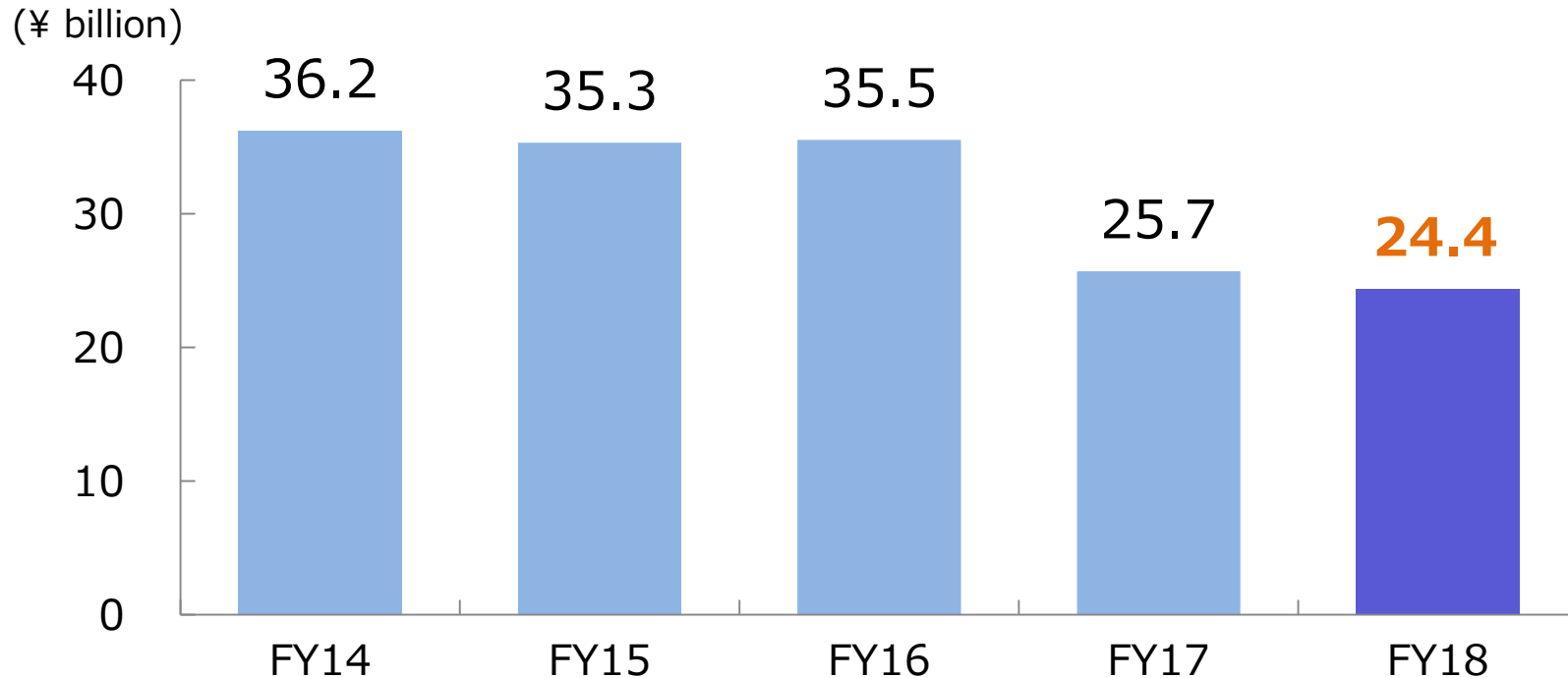
Breakdown of Op. Income (excl. CLT Global)

(¥ billion)



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

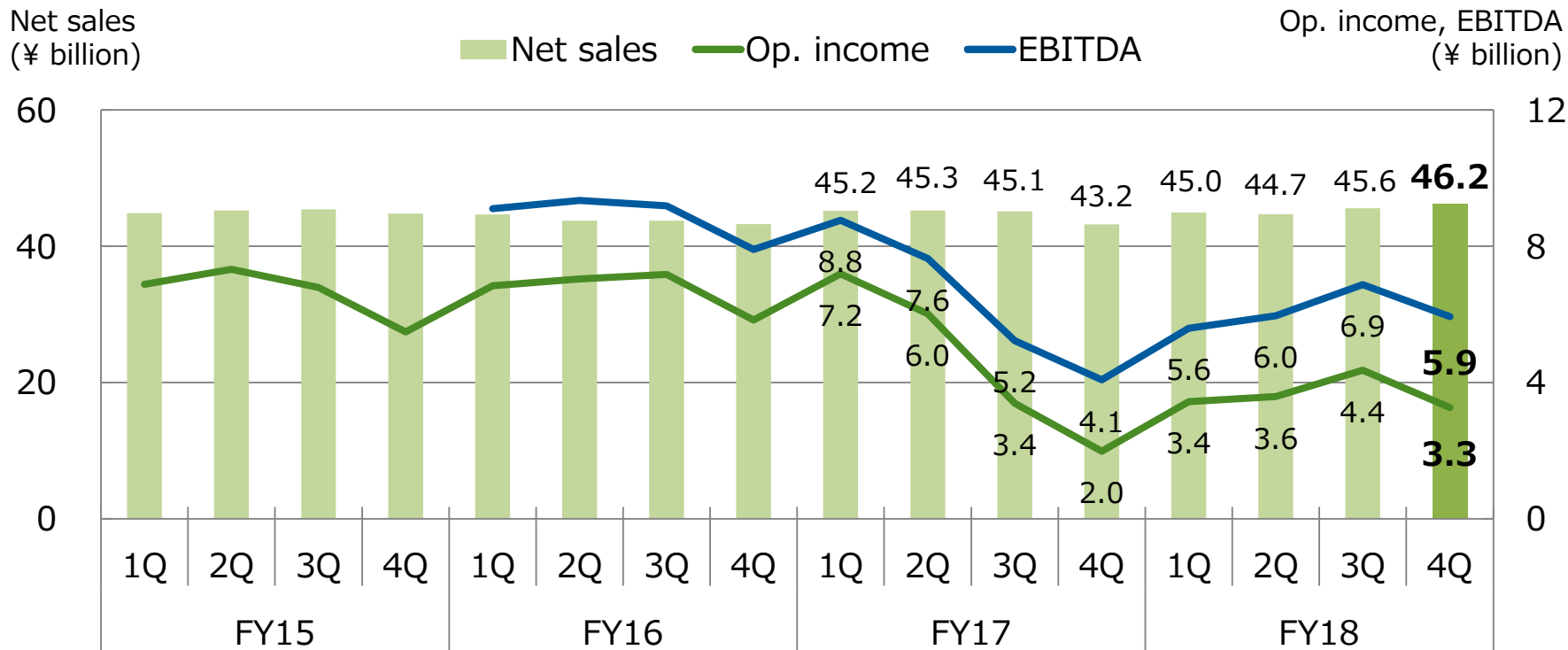
Transition of Consolidated EBITDA (excl. CLT Global)



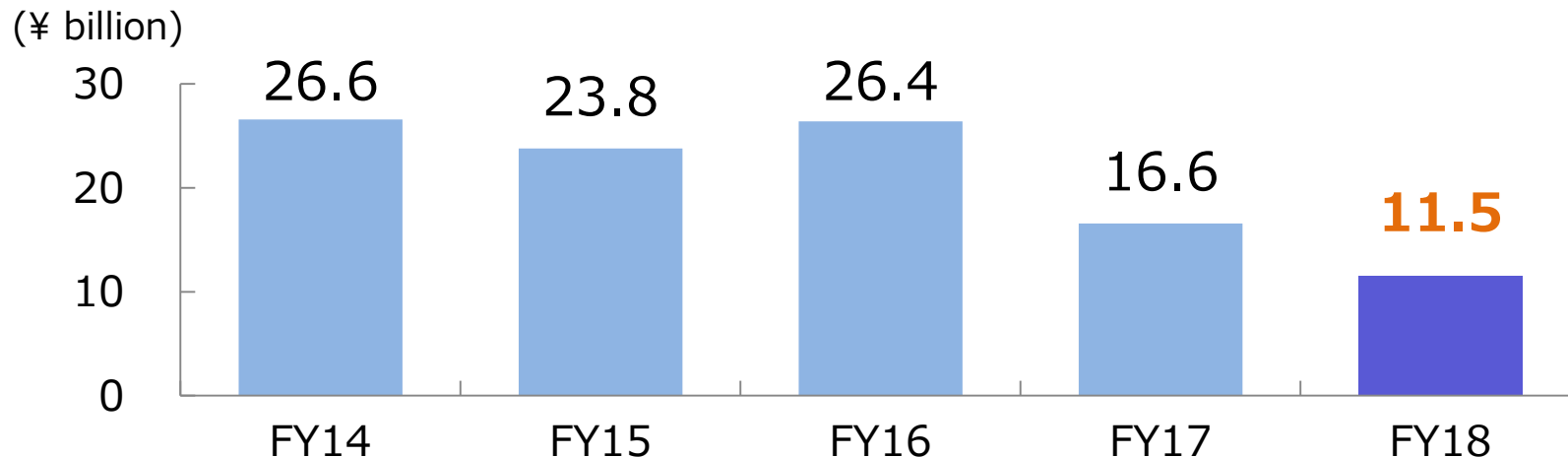
EBITDA = Operating income + Depreciation + Amortization of goodwill

Quarterly Transition (excl. CLT Global)

- Both full-year and quarterly net sales were record-high
- Net sales and Op. income increased compared to 4Q/FY17



Transition of Consolidated Ord. Income



Major items of non-operating losses

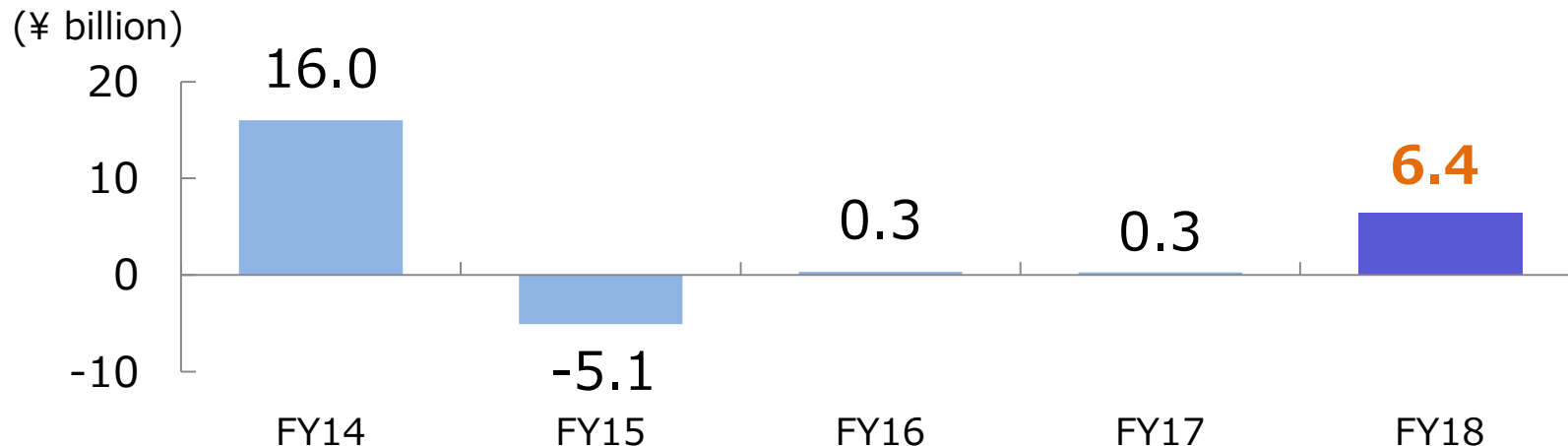
【FY17】

- Share of loss of entities accounted for using equity method -¥1.1 bn

【FY18】

- Share of loss of entities accounted for using equity method -¥3.5 bn
(incl. loss between the fair value and book value of BMGL)

Transition of Consolidated Net Profit/Loss



Major items of extraordinary losses, taxes, etc.

【FY17】

- Foreign currency translation adjustments reversal gains
+¥27.5 bn
- Extraordinary losses related to divestment of CDxHD
-¥40.8 bn
- Business structure improvement expenses (voluntary retirement program)
-¥2.6 bn
- Provision for compensation loss
-¥6.7 bn
- Income taxes – deferred
+¥9.0 bn

【FY18】

- Income taxes – deferred (incl. write down of deferred tax assets, etc.)
-¥3.4 bn

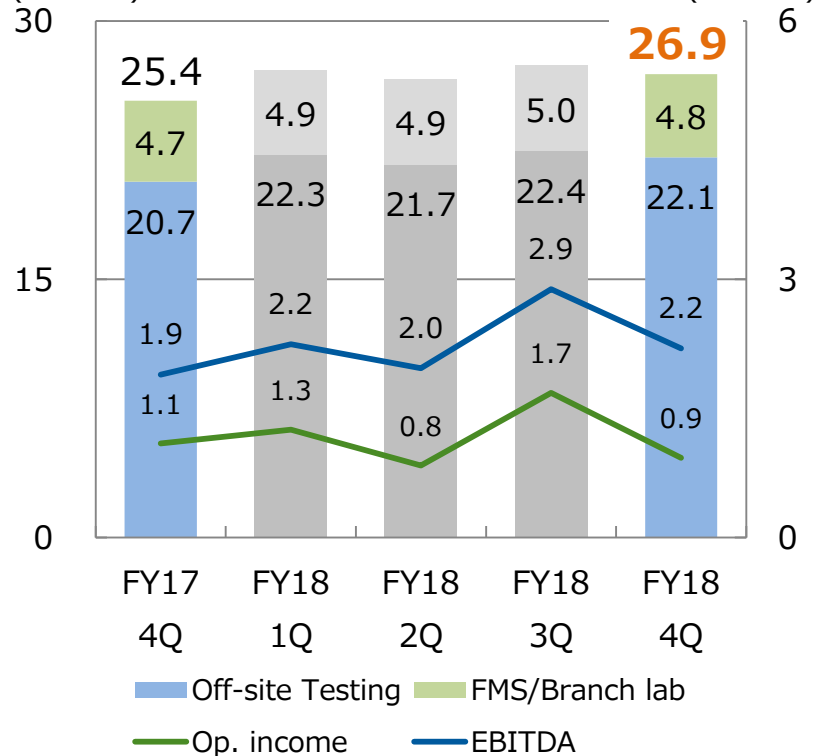
Comparison with FY17 (incl. CLT Global)

	FY2017	FY2018	Variation		(¥ billion)
Net Sales	195.4	181.4	-13.99	-7.2%	
Op. Income	¹ 17.6 9.0%	¹ 14.6 8.1%	-3.05	-17.0%	
Ord. Income	16.6 8.5%	11.5 6.4%	-5.04	-30.4%	
Profit/loss attributable to owners of parent	0.3 0.1%	6.4 3.5%	+6.13	-	
EBITDA²	27.3 14.0%	24.4 13.4%	-2.93	-10.8%	
ROE	0.2%	5.7%	+5.5%	-	
ROIC³	7.2%	6.3%	-1.0%	-	

1. Op. income includes Miraca Holdings and Miraca Research institute, as well as segmentation adjustments (FY17: -¥2.15 bn, FY18: -¥1.48 bn)
2. EBITDA = Operating income + Depreciation + Amortization of goodwill
3. ROIC=Net operating profit after tax (NOPAT : Operating income – Estimated effective income tax) / Invested capital (Yearly average of [Net assets + Interest-bearing liabilities (incl. lease obligation) + other fixed liabilities])
4. Small blue figures shown in the upper right corners are the individual profit margins

Quarterly Transition

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



Comparison with FY17

(¥ billion)

	FY2017	FY2018	Variation	
Net sales	105.4	108.1	+2.72	+2.6%
FMS/Branch	19.1	19.6	+0.57	+3.0%
Off-site	86.3	88.5	+2.15	+2.5%
Op. income	8.4	4.6	-3.75	-44.4%

Volume increase

- # of tests: +10.3%
- Acquisition of GP and medical checkup provider accounts

Price cut impact

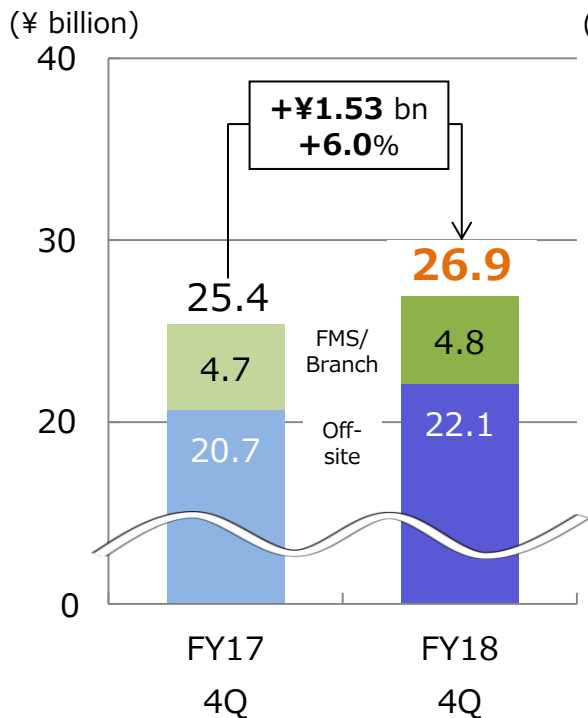
- -3.5%

of employees in SRL

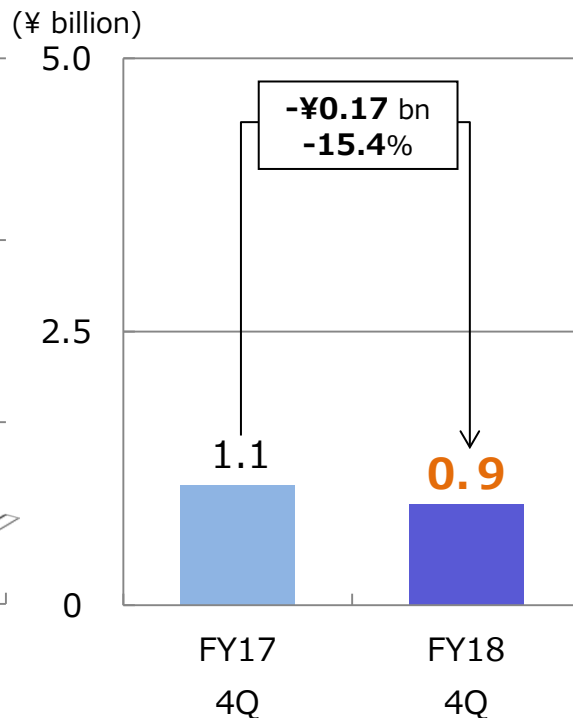
- 5,090 (Sep. 30, 2018) → 4,955 (Mar. 31, 2019)

CLT Comparison with 4Q/FY17

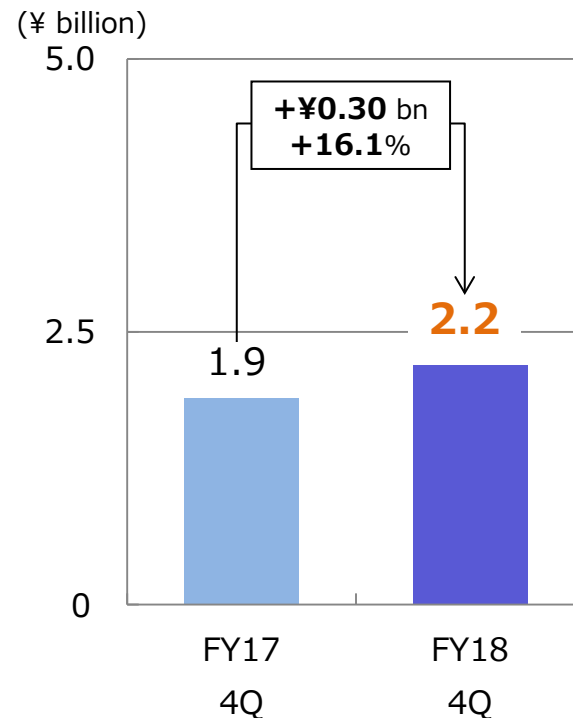
Net sales



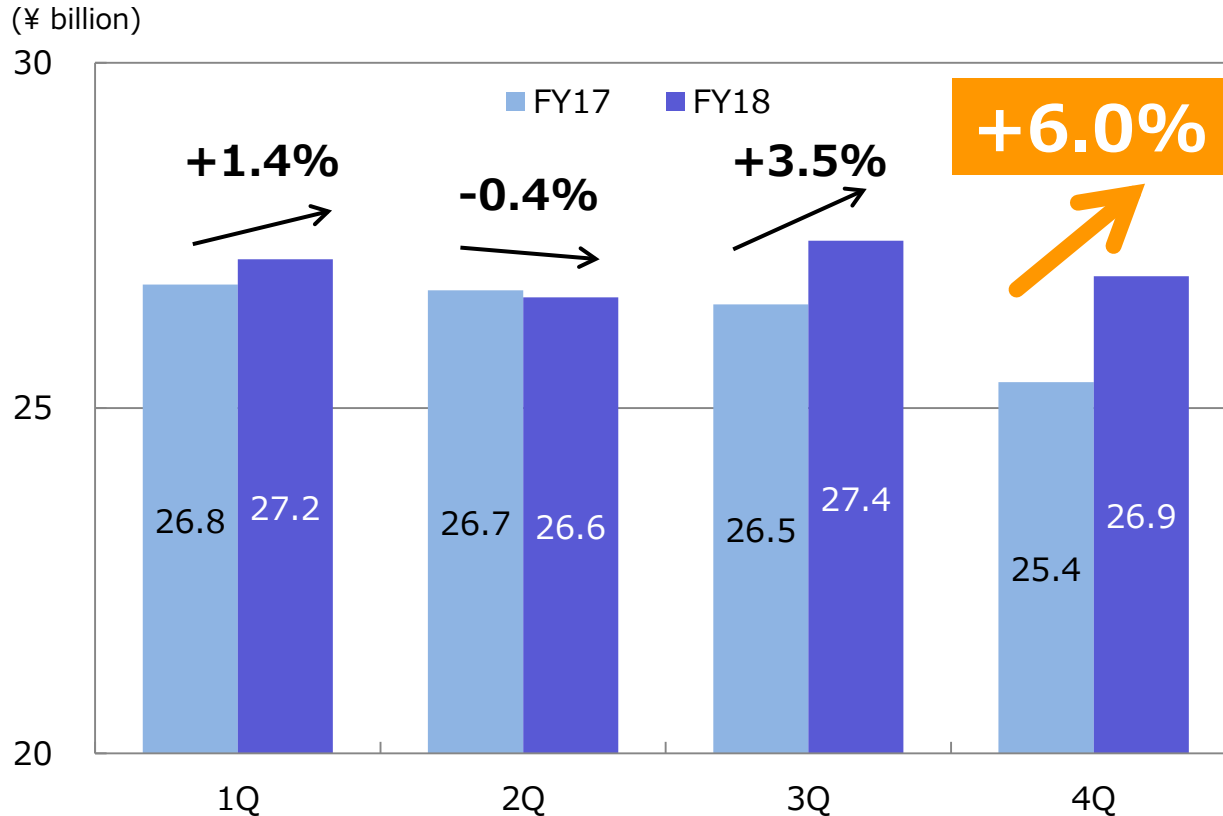
Op. income



EBITDA



CLT Quarterly Transition



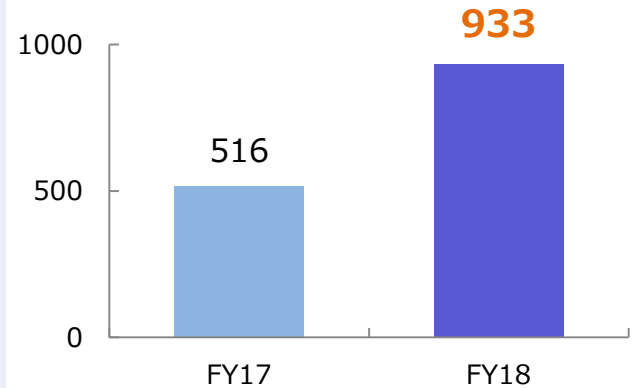
- Net sales increased due to new accounts' acquisition, test volume increase and new testing items (e.g. new genome related testing)
 - Growth rate accelerated as time goes on
 - Slight decrease in 2Q due to natural disaster

CLT Progress on Key Strategy

GP

- The net # of clients increased
 - Reinforcement of value-added services
 - ✓ Establishment of satellite labs in many Tokyo metropolitan area
 - ✓ Collaboration with external services
 - Acceleration of new clients acquisition and sales growth through specialist sales unit
 - ✓ Net increase # of clients
+516 (FY17) → +933 (FY18)
 - ✓ Sales growth compared to previous year
FY17: +0.7%
FY18: +2.5%

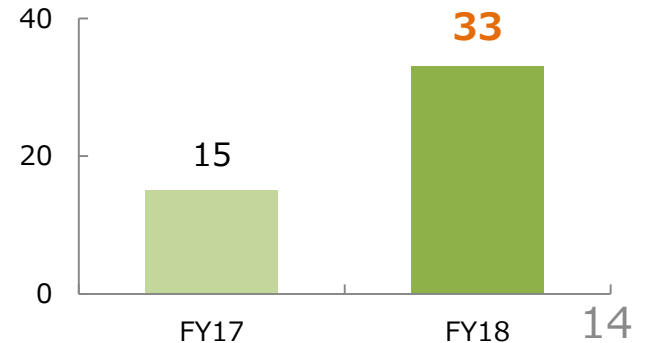
Net increase # of GP clients



FNS/ Branch

- Solution proposal as a package utilizing Miraca-IVD product
- FNS/Branch customer # increased
 - ✓ Net increase # of clients
+15 (FY17) → +33 (FY18)
 - ✓ Sales growth compared to previous year
FY17: +2.5%, FY18: +3.0%

Net increase # of FNS/Branch clients



Progress Update (penetration to GP market)

SRL Advanced Lab. Azabu

Collaboration with testing data, outer services



Clinics



Electronical
Medical
Record

PLANET NEXT
Inspection - Registration - System

検査項目	2016/04/01	2016/05/04	2016/06/04	2016/07/05	2017/12/03	2017/11/01	2017/10/01	2017/09/01
検査項目	6.6	5.6	7.5	7.0	7.0	5.9	6.2	7.0
検査項目	332	1	200	196	1	200	234	376
検査項目	12.3	12.0	11.7	12.9	12.1	12.3	12.0	12.0
検査項目	1.1	1.0	1.1	1.1	1.1	1.1	1.1	1.1
検査項目	24	24	24	24	24	24	24	24
検査項目	23.2	23.0	23.4	23.5	23.9	23.1	23.0	21.5
検査項目	22.2	24.0	23.7	21.2	24.0	24.9	23.2	20.1
検査項目	22.7	22.7	20.9	21.2	21.9	22.0	21.9	20.1
検査項目	24	24	24	1	22	22	21	20
検査項目	11	18	24	28	18	22	23	24
検査項目	10	12	17	16	19	19	20	20
検査項目	108	87	1	108	66	31	62	57
検査項目	11	109	76	91	66	31	62	57
検査項目	1	1	1	1	1	1	1	1
検査項目	4.3	4.1	4.4	4.5	4.5	4.4	4.0	4.1
検査項目	1.4	1.4	1.3	1.3	1.3	1.3	1.4	1.4
検査項目	129	109	137	100	87	256	207	189
検査項目	219	122	187	192	199	216	187	212
検査項目	16	16	16	16	16	16	16	16
検査項目	20	21	17	18	22	19	20	21

Testing results

Medical instruments

PHR

Online diagnosis

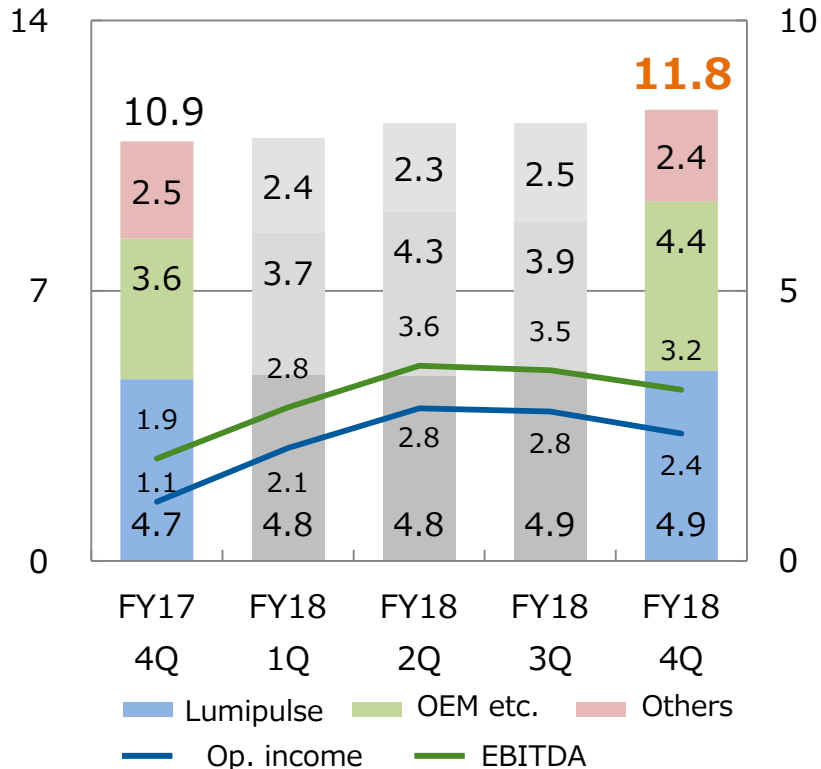
- Full-automated general testing
- Showroom function

- Differentiation by user-friendly unique services
 - ✓ PLANET NEXT®¹
 - ✓ SIRIUS-NEXT®²
- Patients' benefit by collaboration with outer services
 - ✓ PHR (Personal Health Record)
 - ✓ Online diagnosis

1 An interface bringing together EHR, analytical devices and test results
2 Tablet basis testing order system

Quarterly Transition

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



Comparison with FY17

(¥ billion)

	FY2017	FY2018	Variation	
Net sales	45.3	45.4	+0.09	+0.2%
Lumipulse	18.8	19.5	+0.61	+3.3%
OEM etc.	15.5	16.2	+0.79	+5.1%
Others	11.0	9.6	-1.38	-12.5%
Op. income	9.8	10.0	+0.20	+2.0%

Factors for sales increase

- Lumipulse: +3.3%
 - ✓ Growth both in Japan and Overseas
- OEM etc.: +5.1%
 - ✓ Steady growth incl. front-loaded sales occurrence from FY19

Factors for sales decrease

- Others: -12.5%
 - ✓ Sales termination of non-core products in overseas market
 - ✓ Decrease in manual testing products in European and American markets

IVD Progress on Key Strategy

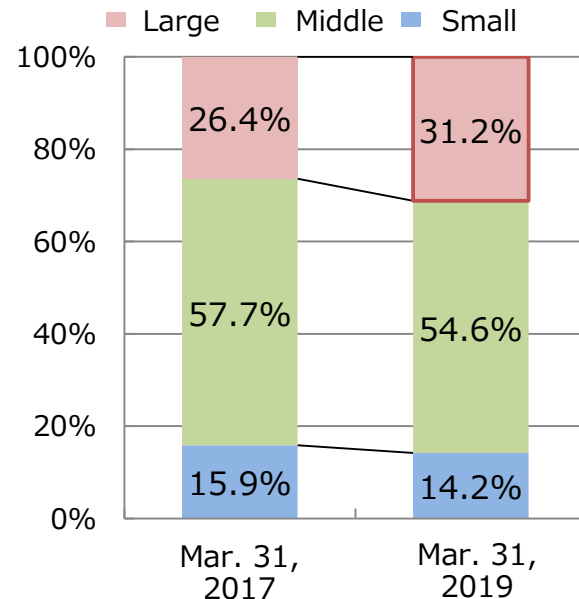
Lumipulse Japan

- Annual installation units (incl. both inside and outside group): 147 (FY17) → 150 (FY18)
- Annual net increase units: +30
- Shift from small/middle-sized to large-sized instrument
 - Large instrument ratio increased by 4.8% compared to Mar. 31, 2017

Lumipulse Global

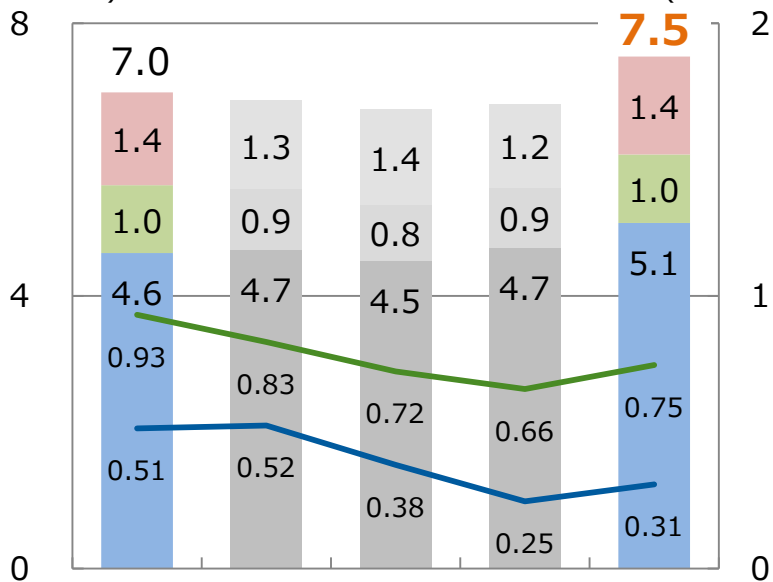
- Reagent sales increased according to increased installed units
 - Annual installation units
 - ✓ Asia: 25 (FY17) → 48 (FY18)
 - ✓ Europe and US: 55 (FY17) → 87 (FY18)
 - Annual net increase units
 - ✓ Asia: +44 units
 - ✓ Europe and US: +73 units

Ratio by installed instrument size



Quarterly Transition

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



■ Sterilizing ■ Clinical Trials ■ Others
— Op. income — EBITDA

Comparison with FY17

(¥ billion)

	FY2017	FY2018	Variation	
Net sales	28.1	27.9	-0.20	-0.7%
Sterilizing	18.4	19.0	+0.54	+2.9%
Clinical Trials	4.2	3.6	-0.58	-13.8%
Others	5.5	5.4	-0.16	-3.0%
Op. income	2.4	1.5	-0.99	-40.3%

Sterilizing

- Sales increase through product sales growth

Clinical Trials

- Sales decrease in clinical trials testing
- Deconsolidation of Asmo Clinical Pharmacology Laboratories: approx. -¥0.2 bn compared to FY17

Others

- Divestment of the pharmacy business (the end of Oct.): approx. -¥0.8 bn compared to FY17

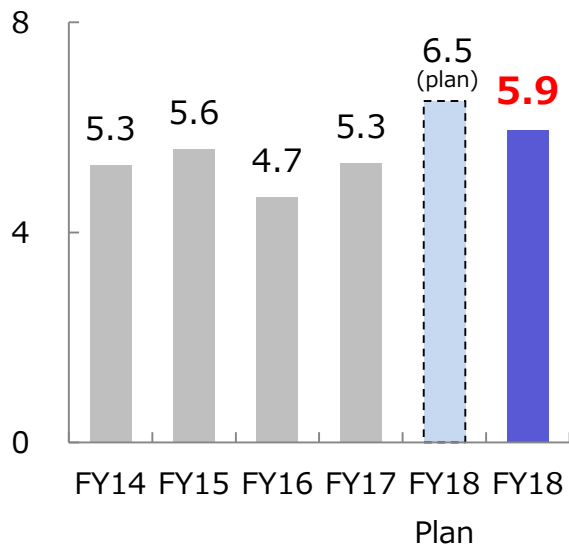
				FY18	FY17
CLT	Net # of increase/decrease for FMS/Branch lab clients			+ 33	+ 15
	Net # of increase/decrease for GP clients			+ 933	+ 516
IVD	Lumipulse (incl. all kinds of instruments)	Japan ¹	Installation #	150	147
			Net # of increase/decrease	+ 30	+ 1
		Global	Installation #	135	80
			Net # of increase/decrease	+ 117	+ 35
Net # of increase/decrease for intra-group transactions (billion yen)				+ 0.28	+ 0.40

1 Net increase/decrease # of instruments at sites of clients and group companies (incl. FMS/Branch-labs)

Transition of R&D, CAPEX, D&A (excl. CLT Global)

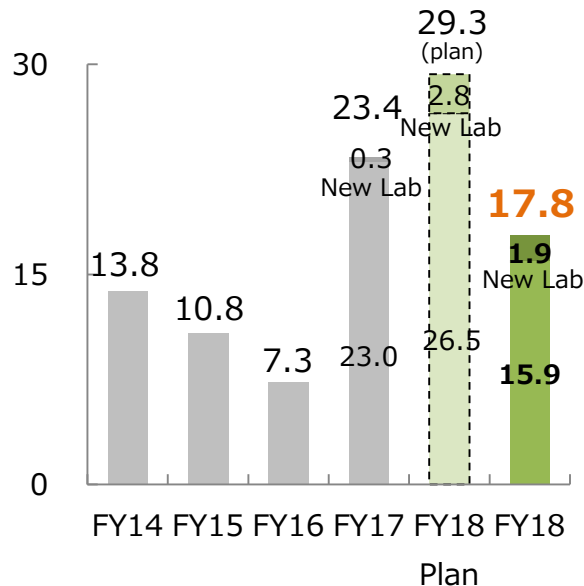
(¥ billion)

R&D



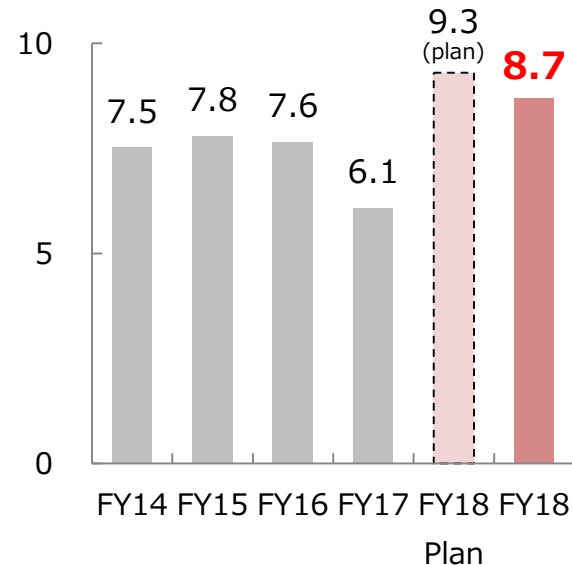
Reinforcement of basic research in Miraca Research institute

CAPEX



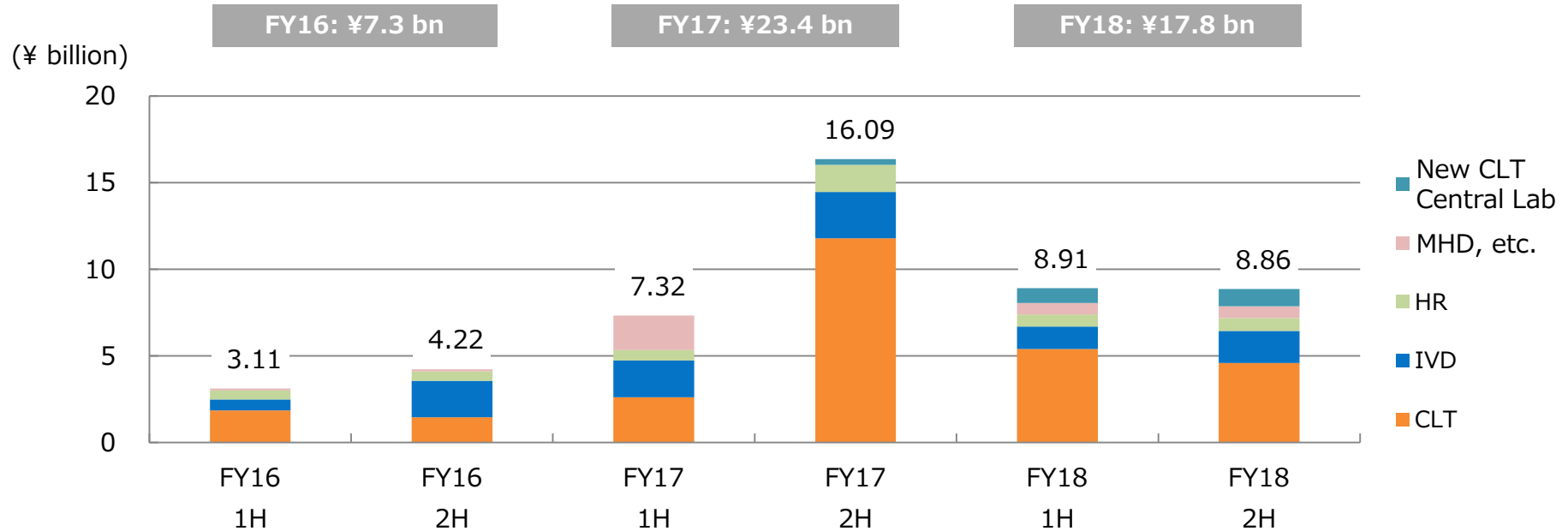
Focus on investment for sales growth and efficiency improvement
 Major investment to reform existing operational base has been completed

D&A



Depreciation expenses increased by aggressive investments

Transition of CAPEX (excl. CLT Global)



Major investment to reform existing operational base has been completed in FY18

- Instruments renewal for CLT business
- Working environment improvement, etc.

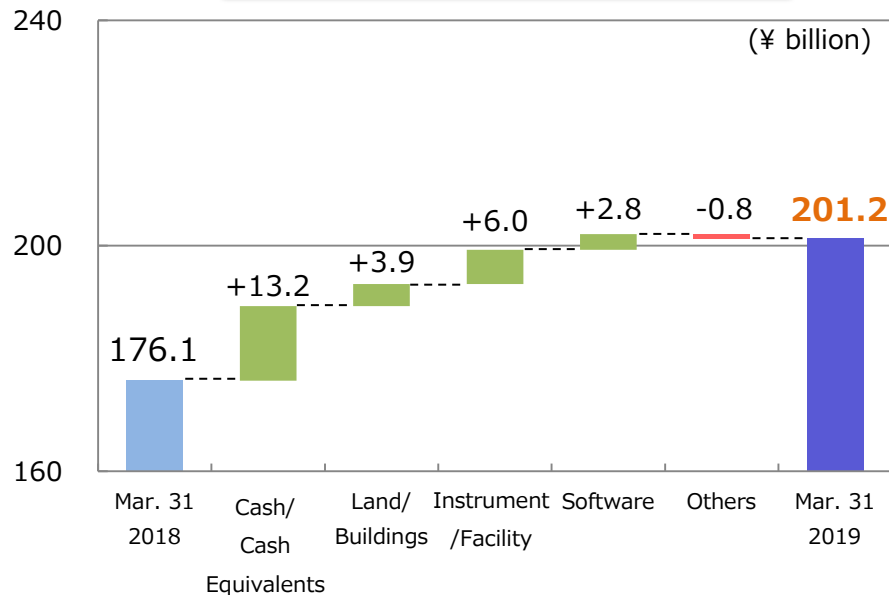
Investment for New CLT Central Lab occurs mainly in FY19 and FY20

- Total CAPEX: ¥25.0 bn
 - Real estate finance scheme applies to land and buildings

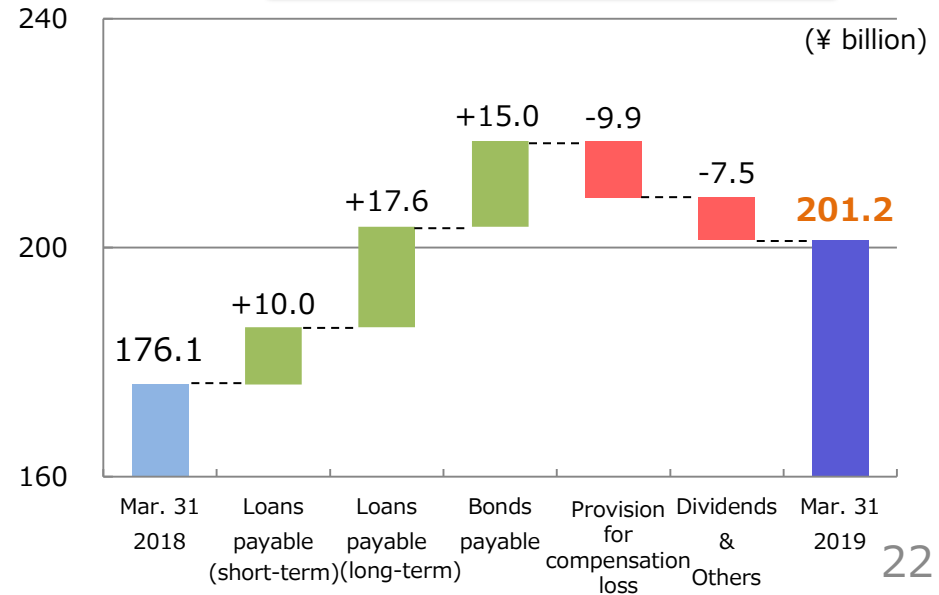
Consolidated Balance Sheet

- ◆ Diverse funding options were taken to implement various investments (loans, corporate bonds, real estate finance, etc.)
 - WACC declined
 - Maintain extra debt capacity by taking real estate finance option for New CLT Central Lab.
 - Equity ratio: 64.2% (as of Mar.31, 2018) → 56.0% (as of Mar. 31, 2019)
 - Net debt: ¥13.2 bn (excl. lease obligations)

Net assets



Liabilities and net assets



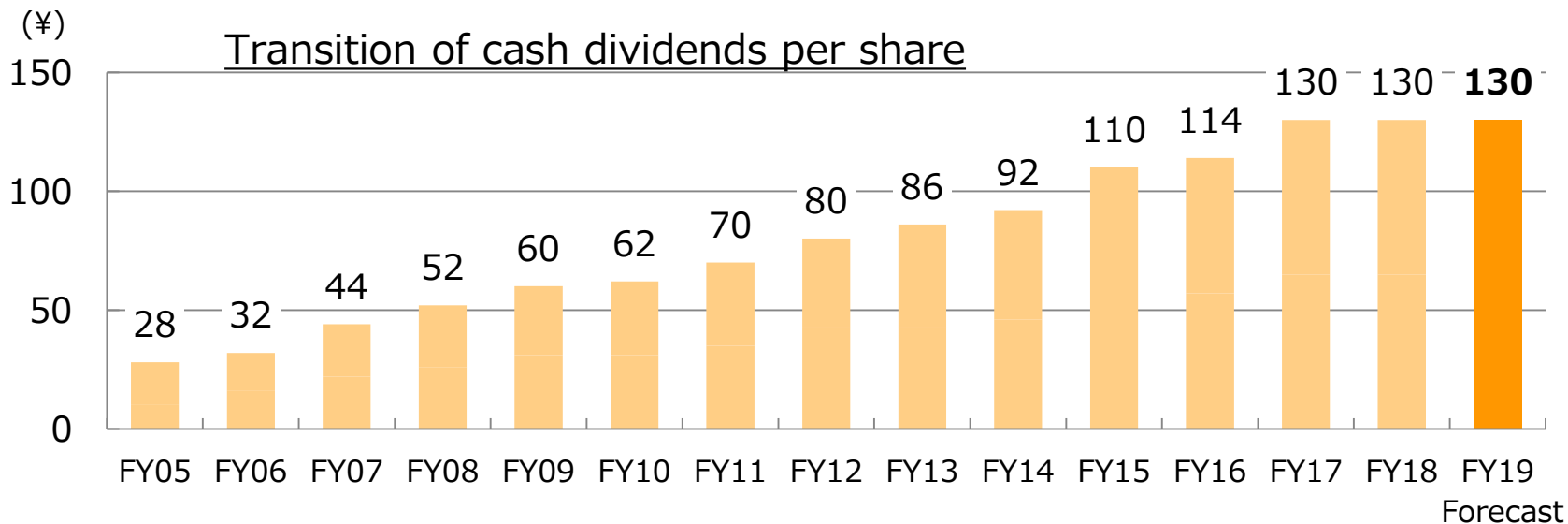
Consolidated Cash Flow (incl. CLT Global)

(¥ billion)

	FY2017	FY2018	Variation	
Profit/Loss before income taxes	-7.1	11.4	+18.5	
Depreciation	7.8	8.7	+0.8	
Amortization of goodwill	1.8	1.0	-0.8	
Share of loss of entities accounted for using equity method	1.1	3.5	+2.4	Performance deterioration in BMGL, etc.
CDxHD divestment impact	13.5	-	-13.5	Incl. impairment loss, loss on sales of shares of subsidiaries, reversal of foreign currency translation adjustment
Provision for compensation loss	6.7	-6.9	-13.6	
Income taxes paid	-7.0	0.8	+7.8	Taxes refunded in FY18
Others	-1.1	-2.2	-1.1	
Net cash provided by operating activities	15.8	16.2	+0.5	Same level as FY17
Net cash used in investment activities	-21.6	-34.9	-13.3	Payment for a part of FY17 4Q CAPEX occurred in FY18
Free cash flow	-5.8	-18.7	-12.9	
Net cash used in financing activities	-9.6	32.0	+41.6	Loans, corporate bonds, etc.
Effect of exchange rate change on cash and cash equivalents	0.3	-0.1	-0.4	
Net increase (decrease) in cash and cash equivalents	-15.1	13.2	+28.3	
Cash and cash equivalents at the end of financial period	20.4	33.7	+13.2	Increased by 13.2 billion yen

Policy on Shareholders' Return

- ◆ No change in basic policy
- ◆ Continue 130 yen annual dividends per share in FY19
Payout ratio excluding exceptional factors
FY18: 116%, FY19: 97% (forecast)



FY2019 Business Plan

Main Focus of FY19

Transform! 2020: Create operational base for significant/sustainable growth from 2020

FY16

FY17

FY18

FY19

Unification as one Miraca group

Unify corporate systems & rules

- New management philosophy
- Unification of personnel system & corporate rules

Rebuilding infrastructure

- Consolidated back office function
- IT communication platform
- Recruiting reinforcement

Continuous activities to transform organization culture

Update of operational facility, instrument, etc.

- **Instrument renewal for CLT business**
- **Working environment improvement, etc.**

Major investment for operation improvement has been completed

Resolution of management issues

- **Termination of Navi-Lab PJ**
- **Divestment of CDxHD**
- **Voluntary retirement program**

Focus on activities for future growth

- New business development
- Accelerate investment for future growth

Medium-term Plan and FY19 Plan

◆ Medium-term target is hard to achieve

(¥ billion)

	Target revised on May 10, 2018	FY19 target	Variation
Net sales	207.0	191.0	-16.0
Op. income	25.0	14.5	-10.5
EBITDA	38.0	26.5	-11.5
ROE	10% or more	6.8%	—
ROIC	8% or more	5.2%	—

Sales

- Severe price cut impact than expected (CLT)
- Shortfall in new clients acquisition and delay in sales occurrence (CLT and IVD)

Profit

- Shortfall followed by under achievement of sales target (CLT and IVD)
- Delay in operation optimization (CLT)
- Upfront investment for expansion in Asia (CLT)
- Upfront investment for OEM production reinforcement (IVD)

Pillars of FY19 Annual Plan

Further reinforcement of main business

- Uphold basic policy for medium-term plan
 - Implementation of various strategy for sales growth
 - Acceleration of optimization
- Construction of New CLT Central Lab.

Sales growth acceleration

Upfront investment for future growth

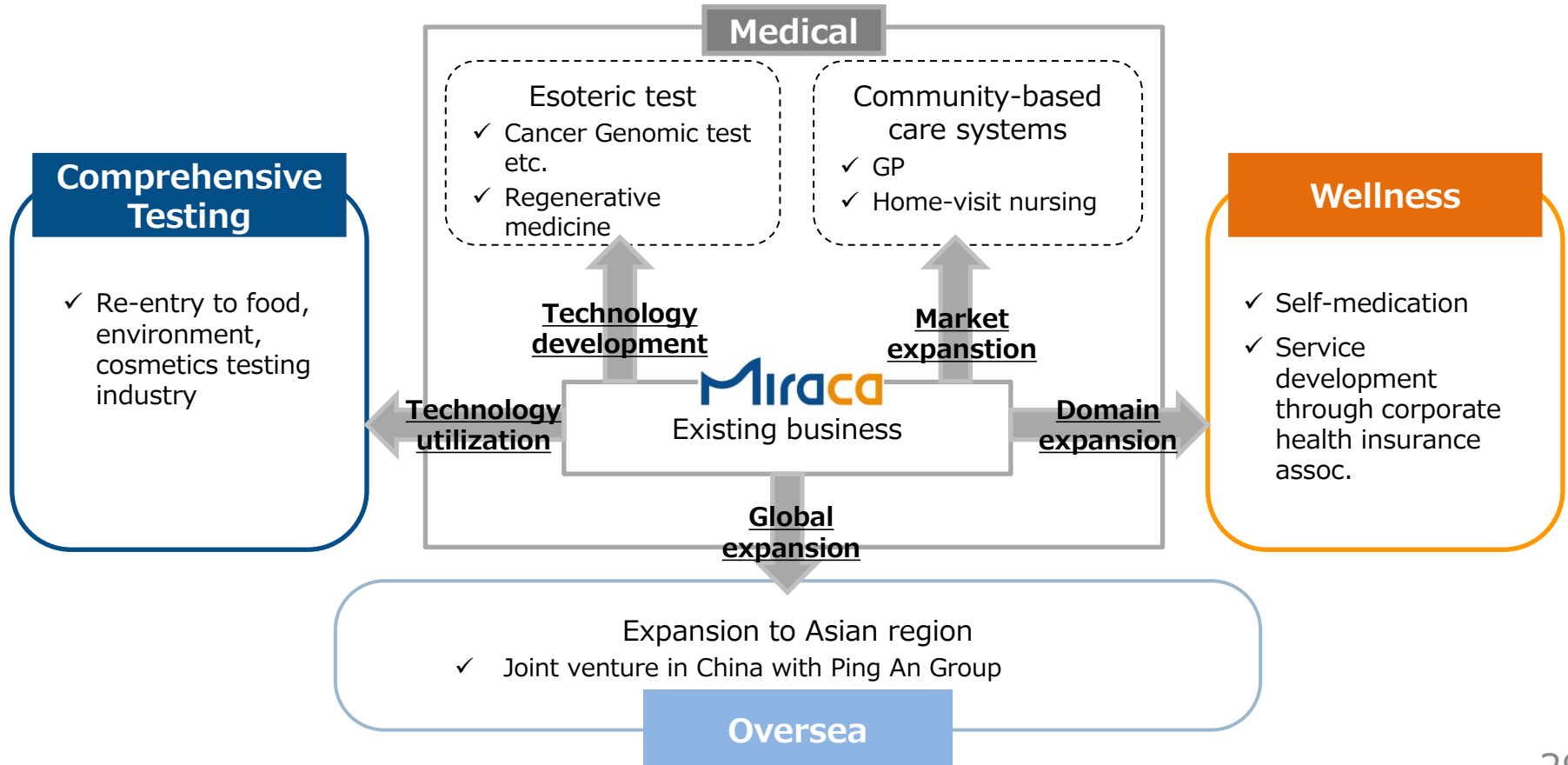
- Investment to Chinese market
- Re-entry to food, environment and cosmetics testing

Operational base creation for significant and sustainable future growth

Business development

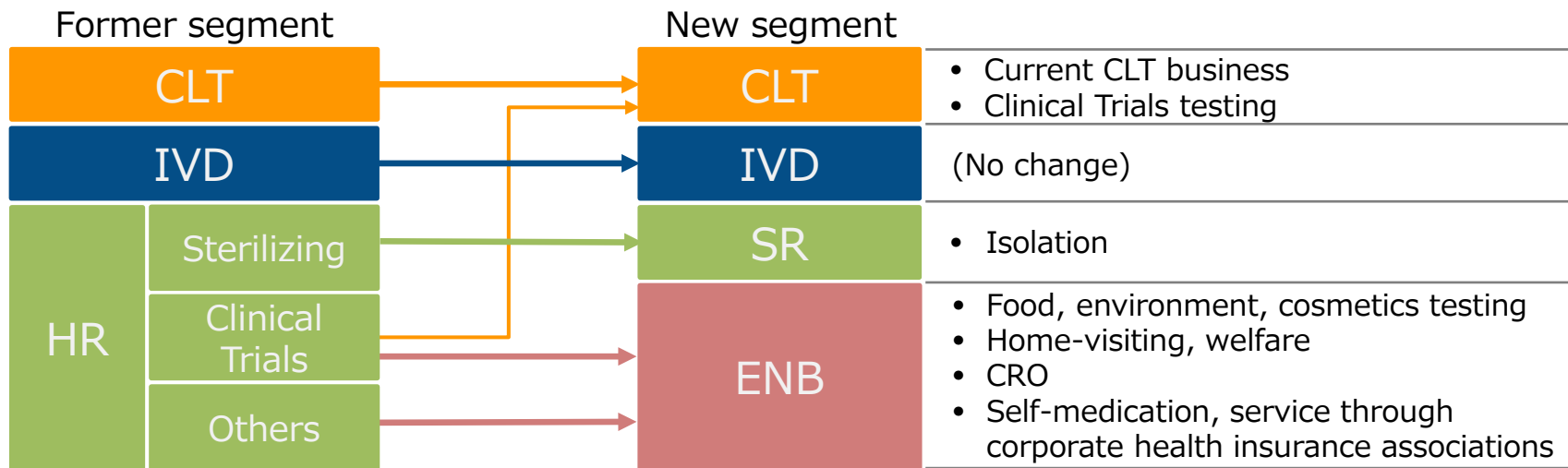
- Establishment of new business development organization
- Accelerate group-wide business expansion

Direction of Future Business Expansion



Business Segment Change (from FY19)

- Establishment of Emerging New Business segment (ENB¹)
- Isolate Sterilizing business to Sterilization and Related Services segment (SR²)
- Transfer Clinical Trials testing (excl. CRO³) to CLT
- Transfer CRO to ENB



Sales

Activities to obtain new accounts

GP

- Value-added services leveraged by IT
- Service collaboration with external vendors
- Regional office expansion for service level improvement

FMS/Branch-lab

- Continue joint proposal strategy with Fujirebio

Medical checkup

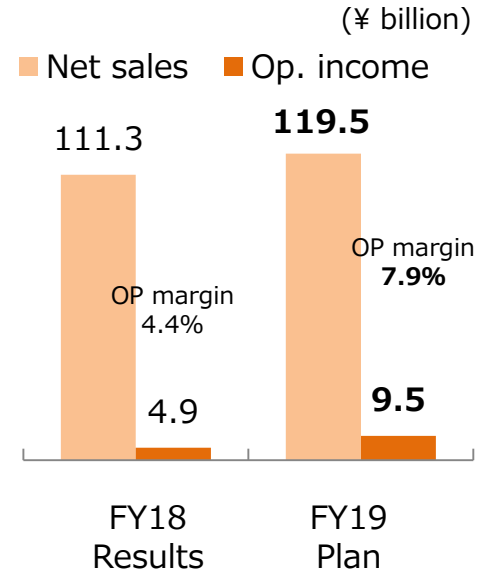
- Customer base expansion through connection with corporate health insurance associations

Activities for existing accounts

- Price cut impact: -1.5% (forecast)
- New testing item introduction such as cancer genomic test
- Sales promotion for existing testing items

Profit

- Operation optimization through AI¹/RPA²
- Sample collection and logistics function was isolated to seek collaboration opportunity with others
- Profit decrease: upfront investment for business expansion in Asian countries (approx. -¥0.7 bn)



IVD FY19 Plan

Sales

Lumipulse Japan

- Continue newly installation of large-sized instrument
- Accelerate development of new test items
- Impact of JRC¹ contract end, etc.: approx. -¥4.0 bn

Lumipulse Global

- Reinforcement of sales force in mainly Asian countries
- Expansion in Chinese market through JV with Ping An group

OEM, etc.

- Reinforcement of OEM production through new partners

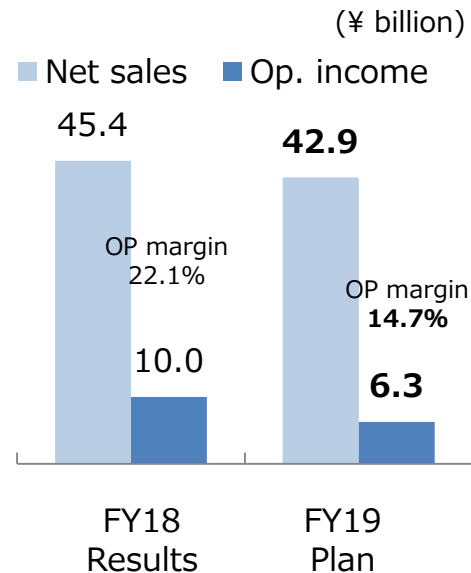
Profit

Factors for profit increase

- Profit increase according to Lumipulse sales growth

Factors for profit decrease

- Profit decrease in domestic business due to JRC contract end and investment to acquire large customers, etc.: approx. -¥3.0 bn
 - Transfer JRC business personnel to organic business growth and application/registration function reinforcement
- Reinforcement of OEM production in Europe and US : approx. -¥ 0.7 bn
 - Increase in human resources and infrastructure investment



SR (Sterilization & Related services) FY19 Plan

Sales

Provide comprehensive support solution to surgery room and surgery supporting room

- Additional services on top of sterilization
- Transformation from labor-intensive operation

Full services for surgery supporting room

- Miraca: Appropriate staffing and sales expansion
Clients: Cost-effective operation

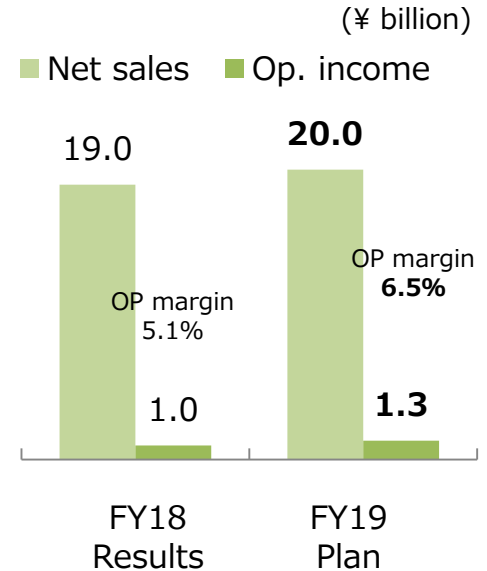
Profit

Efficiency improvement

- Review of operation in off-site facilities

Investment for profitability improvement

- Operation optimization
- Establishment of new off-site facility



ENB (Emerging New Business) FY19 Plan

Food, environment, cosmetics testing

Operation starts from July, 2019

- Utilization of know-how and re-allocation of staff formerly engaged to the business
- Group synergy with JIFE¹

Home-visiting, welfare

Acceleration of regional expansion in home-visiting business

- Opening of new offices, etc.

CRO

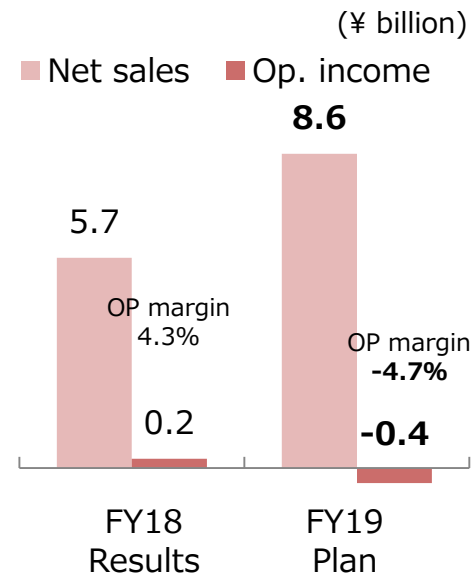
Re-organization and investment for CRO growth

- Establishment of ideal organization toward customer demands

Self-medication, etc.

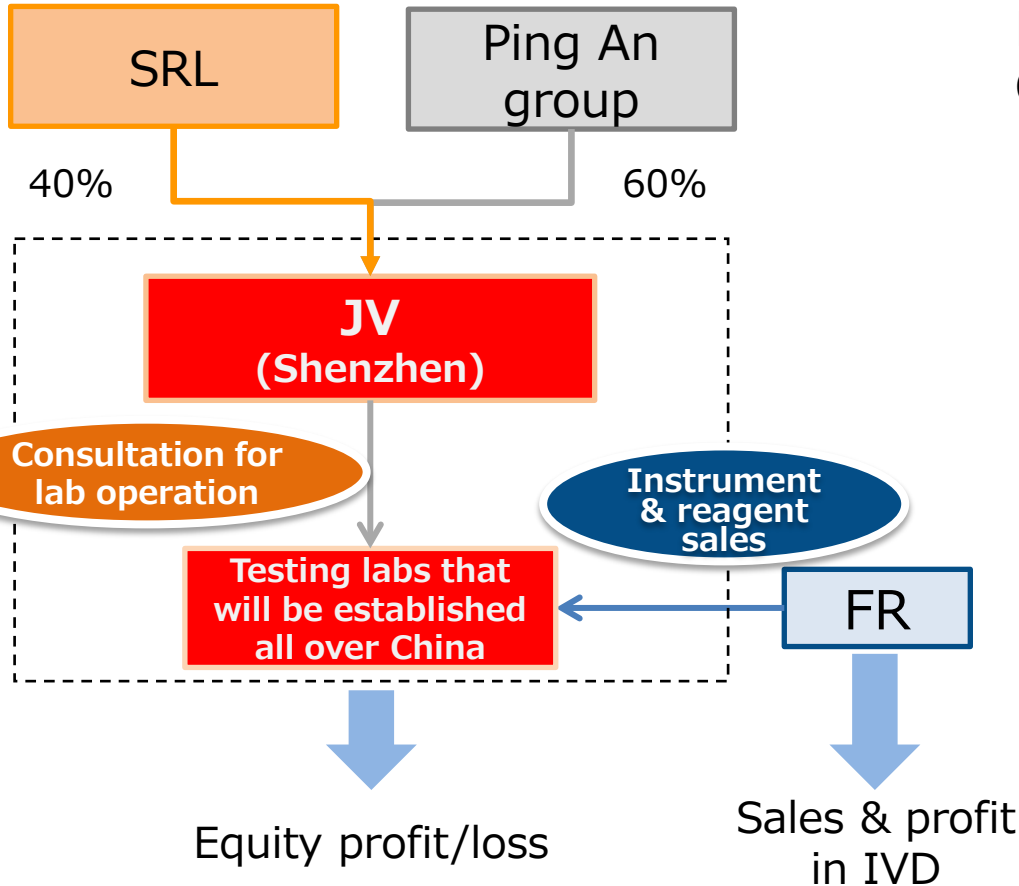
Pursuit of group synergy

- Sales expansion leveraged by customer bases (corporate health insurance associations)



¹ Japan Institute of Foods Ecology, Inc.

JV with Ping An group in China



Performance growth through CLT/IVD synergy

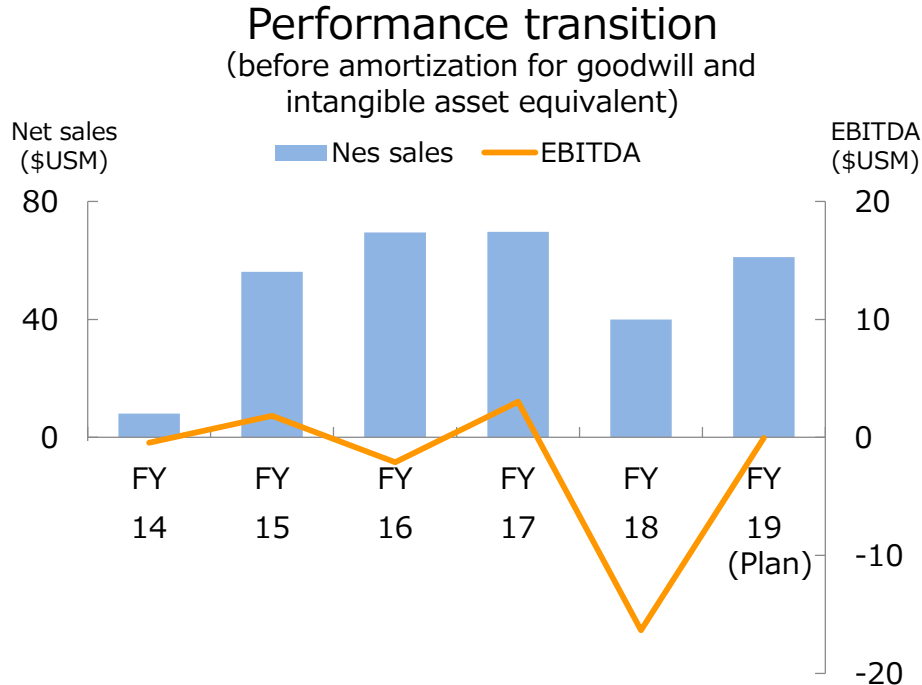
- JV performance becomes equity profit/loss
- Sales & profit in IVD becomes consolidated results

Schedule

Feb. 2019	Establishment of JV
2Q in FY19	Commencement of service (planned)
:	
:	
FY22	Turn over target (equity profit basis)

Results and forecast in BMGL

◆ BMGL undertakes R&D function in Miraca group



- FY18: Significant sales decline due to loss of the big customer
- FY19: Aim to monthly profit turn over through sales growth by channel partners expansion

- Book value of BMGL
: \$US 93.0M (as of Mar. 31, 2019)
 - Amount of intangible asset equivalent
: \$US 80.7M (incl. goodwill)
- Amortization for intangible asset equivalent (incl. amortization for goodwill)
: \$US 7.7M per year

FY19 Performance Target (new segment)

	FY2018 Result	FY2019 Forecast	Variation	
Net Sales	181.4	191.0	+9.58	+5.3%
CLT	111.3	119.5	+8.20	+7.4%
IVD	45.4	42.9	-2.50	-5.5%
SR	19.0	20.0	+1.03	+5.5%
ENB	5.7	8.6	+2.85	+49.6%
Op. Income	1 14.6 8.1%	1 14.5 7.6%	-0.15	-1.0%
CLT	4.9 4.4%	9.5 7.9%	+4.62	+94.7%
IVD	10.0 22.1%	6.3 14.7%	-3.74	-37.2%
HR	1.0 5.1%	1.3 6.5%	+0.33	+34.3%
ENB	0.2 4.3%	-0.4 -4.7%	-0.65	-
Ord. Income	11.5 6.4%	11.7 6.1%	+0.18	+1.5%
Profit/loss attributable to owners of parent	6.4 3.5%	7.6 4.0%	+1.22	+19.1%
EBITDA	24.4 13.4%	26.5 13.9%	+2.15	+8.8%
ROE	5.7%	6.8%	+1.1%	-
ROIC	6.3%	5.2%	-1.1%	-

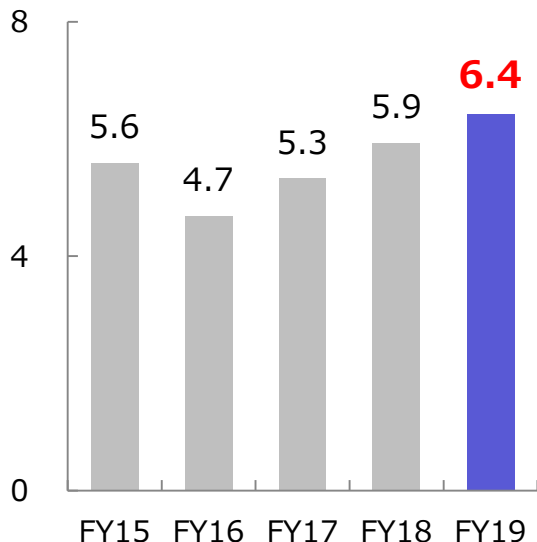
(¥ billion)

1. Op. income includes Miraca Holdings and Miraca Research institute, as well as segmentation adjustments (FY17: -¥1.48 bn, FY18: -¥2.12 bn)

Forecast (R&D, CAPEX, D&A)

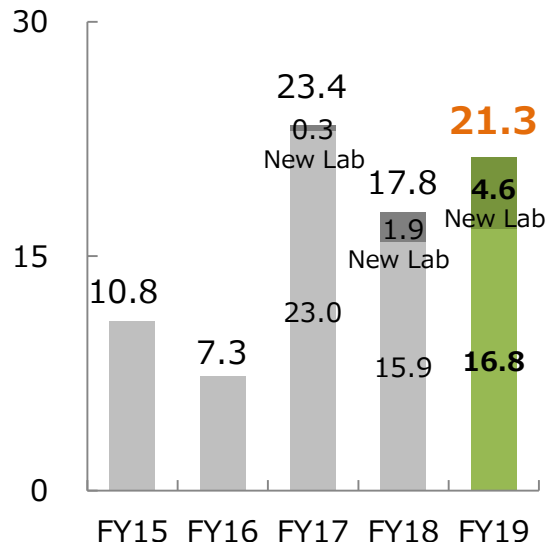
(¥ billion)

R&D



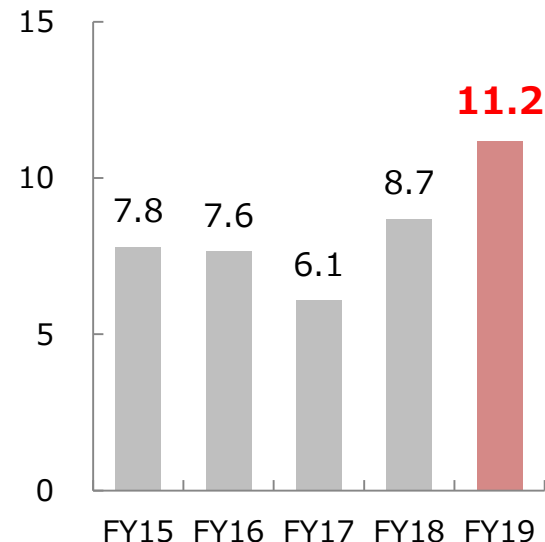
- Continue reinforcement of R&D for future growth

CAPEX



- CLT: Investment for sales growth and optimization
- IVD : Investment for OEM production
- SR : New off-site facility
- New Lab : Major investment starts from FY19

D&A



- Depreciation expenses increase followed by aggressive investment

Appendix

FY19 Performance Target (1H/2H)

(¥ billion)

	1H Forecast				2H Forecast				FY2019 ¹ Forecast
		Progress	Variation ²			Progress	Variation ²		
Net sales	93.4	49%	+ 3.7	+4%	97.6	51%	+ 5.8	+6%	191.0
Op. income	5.9	41%	- 1.1	-16%	8.6	59%	+ 1.0	+13%	14.5 7.6%
Ord. income	5.0	43%	- 0.8	-14%	6.7	57%	+ 1.0	+18%	11.7 6.1%
Profit/loss attributable to owners of parent	3.0	39%	- 1.5	-33%	4.6	61%	+ 2.7	+141%	7.6 4.0%
EBITDA	11.6	44%	+ 5.8	+99%	14.9	56%	+ 9.2	+162%	26.5 13.9%

ROE	6.8%
ROIC	5.2%

1. Small blue figures shown in the upper right corners are the individual profit margins
2. Comparison with FY18

FY19 Performance Target (former segment)

(¥ billion)

	FY2018 Result		FY2019 Forecast		Variation	
Net Sales	181.4		191.0		+9.58	+5.3%
CLT	108.1		116.2		+8.12	+7.5%
IVD	45.4		42.9		-2.50	-5.5%
HR	27.9		31.9		+3.97	+14.2%
Op. Income	¹ 14.6	8.1%	¹ 14.5	7.6%	-0.15	-1.0%
CLT	4.6	4.3%	9.2	7.9%	+4.56	+98.4%
IVD	10.0	22.1%	6.3	14.7%	-3.74	-37.2%
HR	1.5	5.2%	1.2	3.8%	-0.26	-17.8%
Ord. Income	11.5	6.4%	11.7	6.1%	+0.18	+1.5%
Profit/loss attributable to owners of parent	6.4	3.5%	7.6	4.0%	+1.22	+19.1%
EBITDA	24.4	13.4%	26.5	13.9%	+2.15	+8.8%
ROE	5.7%		6.8%		+1.1%	-
ROIC	6.3%		5.2%		-1.1%	-

1. Op. income includes Miraca Holdings and Miraca Research institute, as well as segmentation adjustments (FY18: -¥1.48 bn, FY19: -¥2.12 bn)

FY18 Results (incl. CLT Global)

(¥ billion)

	FY2017	FY2018	Variation	
Net Sales	195.4	181.4	-13.99	-7.2%
CLT	122.0	108.1	-13.87	-11.4%
IVD	45.3	45.4	+0.09	+0.2%
HR	28.1	27.9	-0.20	-0.7%
Op. Income	¹ 17.6 9.0%	¹ 14.6 8.1%	-3.05	-17.0%
CLT	7.5 6.2%	4.6 4.3%	-2.87	-38.2%
IVD	9.8 21.7%	10.0 22.1%	+0.20	+2.0%
HR	2.4 8.7%	1.5 5.2%	-0.99	-40.3%
EBITDA	27.3 14.0%	24.4 13.4%	-2.93	-10.8%

1. Op. income includes Miraca Holdings and Miraca Research institute, as well as segmentation adjustments (FY17: -¥2.15 bn, FY18: -¥1.48 bn)

FY18 Results (excl. CLT Global)

(¥ billion)

	FY2017	FY2018	Variation	
Net Sales	178.8	181.4	+2.61	+1.5%
CLT	105.4	108.1	+2.72	+2.6%
IVD	45.3	45.4	+0.09	+0.2%
HR	28.1	27.9	-0.20	-0.7%
Op. Income	¹ 18.6 10.4%	¹ 14.6 8.1%	-3.88	-20.9%
CLT	8.4 8.0%	4.6 4.3%	-3.75	-44.4%
IVD	9.8 21.7%	10.0 22.1%	+0.20	+2.0%
HR	2.4 8.7%	1.5 5.2%	-0.99	-40.3%
EBITDA	25.7 14.4%	24.4 13.4%	-1.31	-5.1%

1. Op. income includes Miraca Holdings and Miraca Research institute, as well as segmentation adjustments (FY17: -¥2.15 bn, FY18: -¥1.48 bn)

Segment Information (CLT) (incl. CLT Global)

(¥ billion)

	FY2017	FY2018	Variation	
CLT net sales by business category	122.0	108.1	-13.87	-11.4%
Japan	105.4	108.1	+2.72	+2.6%
FMS/Branch Lab	19.1	19.6	+0.57	+3.0%
Off-site Testing	86.3	88.5	+2.15	+2.5%
Overseas (USA)	16.6	-	-16.59	-100.0%

Segment Information (IVD)

(¥ billion)

	FY2017	FY2018	Variation	
IVD net sales by product category	45.3	45.4	+ 0.09	+0.2%
Products	29.9	29.1	- 0.76	-2.6%
Automated immunoassay (Lumipulse)	18.8	19.5	+ 0.61	+3.3%
Non-automated immunoassay (HA·PA, EIA, etc.)	6.9	6.0	- 0.93	-13.4%
Rapid assay kits (EL, POCT)	1.1	0.9	- 0.24	-20.8%
Other products	2.9	2.7	- 0.21	-7.2%
OEM, raw materials, partly-finished products, license, and etc.	15.5	16.2	+ 0.79	+5.1%

	FY2017	FY2018	Variation	
IVD net sales by sales destination	45.3	45.4	+ 0.09	+0.2%
Overseas	23.7	24.1	+ 0.37	+1.6%
Americas	11.9	12.0	+ 0.05	+0.4%
Europe	9.2	9.7	+ 0.41	+4.4%
Asia/Pacific	2.6	2.5	- 0.08	-3.2%
Japan	21.6	21.3	- 0.28	-1.3%

R&D, CAPEX, D&A (excl. CLT Global)

(¥ million)

	FY2017	FY2018	Variation	
R&D Expenses	5,326	5,937	+611	+11.5%
CLT	212	320	+108	+50.6%
IVD	4,740	4,845	+105	+2.2%
HR	-	-	-	-
MHD, etc.	373	771	+398	+106.6%
Capital Expenditure	23,413	17,768	-5,645	-24.1%
CLT	14,580	11,577	-3,003	-20.6%
IVD	4,801	3,146	-1,655	-34.5%
HR	2,162	1,449	-713	-33.0%
MHD, etc.	1,868	1,594	-274	-14.7%
Depreciation and Amortization	6,081	8,692	+2,610	+42.9%
CLT	2,327	4,327	+2,000	+86.0%
IVD	2,320	2,598	+279	+12.0%
HR	1,234	1,272	+38	+3.1%
MHD, etc.	200	493	+293	+146.5%

Number of Employees

	End of Sep. 2018		End of Mar. 2019		Variation	
	Regular	Contractor	Regular	Contractor	Regular	Contractor
Total	5,972	6,543	5,957	6,452	-15	- 91
CLT	2,937	3,150	2,906	3,113	-31	- 37
IVD	1,093	123	1,116	121	+23	- 2
HR	1,545	3,246	1,565	3,193	+20	- 53
Sterilizing	1,214	3,168	1,181	3,118	-33	- 50
Clinical Trials	156	3	150	3	-6	±0
Others	175	75	234	72	+59	- 3
MHD, etc.	397	24	370	25	-27	+ 1

Regular: refers to a permanent, fully-fledged employee with no end date to their employment

Contract: refers to part-time, temporary or employees with a limited contract

【Contact information】

Miraca Holdings Inc.

IR/SR Department, Corporate Communications Division

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.