

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 <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/>  
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Scheduled date of ordinary general meeting of shareholders: June 21, 2019  
 Scheduled date to commence dividend payments: May 31, 2019  
 Scheduled date to submit Securities Report: June 21, 2019  
 Preparation of supplementary materials on financial results: Yes  
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded down)

### 1. Consolidated financial results for the fiscal year ended March 31, 2019

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2019	181,415	(7.2)	14,648	(17.0)	11,524	(30.4)	6,386	–
March 31, 2018	195,400	(4.3)	17,648	(37.1)	16,567	(37.2)	257	(22.8)

Note: Comprehensive income

Fiscal year ended March 31, 2019: ¥7,505 million [ –%]

Fiscal year ended March 31, 2018: ¥(28,068) million [ –%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
March 31, 2019	111.94	111.91	5.7	6.1	8.1
March 31, 2018	4.51	4.51	0.2	8.5	9.0

Reference: Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2019: ¥(3,471) million

Fiscal year ended March 31, 2018: ¥(1,091) million

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2019	201,234	112,973	56.0	1,980.27
March 31, 2018	176,068	113,225	64.2	1,979.78

Reference: Equity

As of March 31, 2019: ¥112,790 million As of March 31, 2018: ¥113,008 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2019	16,244	(34,902)	31,973	33,688
March 31, 2018	15,767	(21,552)	(9,635)	20,444

### 2. Cash dividends

	Annual dividends					Total dividend payments (Total)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2018	–	65.00	–	65.00	130.00	7,420	2,882.5	5.7
Fiscal year ended March 31, 2019	–	65.00	–	65.00	130.00	7,423	116.1	6.6
Fiscal year ending March 31, 2020 (Forecast)	–	65.00	–	65.00	130.00		97.4	

### 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2019	93,400	4.2	5,900	(16.0)	5,000	(14.3)	3,000	(32.9)	52.67
Fiscal year ending March 31, 2020	191,000	5.3	14,500	(1.0)	11,700	1.5	7,600	19.0	133.43

#### \* 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) 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

(3) Number of shares issued (common shares)

a. Total number of shares issued at the end of the period (including treasury shares)

As of March 31, 2019	57,361,385 shares
As of March 31, 2018	57,334,183 shares

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

As of March 31, 2019	404,381 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)

Fiscal year ended March 31, 2019	57,048,847 shares
Fiscal year ended March 31, 2018	57,066,343 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.

## Reference: Summary of non-consolidated results

### Non-consolidated financial results for the fiscal year ended March 31, 2019

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2019	9,292	(29.2)	2,688	(57.6)	2,955	(54.3)	1,631	—
March 31, 2018	13,133	33.5	6,341	(15.9)	6,465	(11.3)	(35,086)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2019	28.61	28.60
March 31, 2018	(614.83)	—

Note: The Company has applied "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28 revised on February 16, 2018) from the beginning of the fiscal year ended March 31, 2019. The impact of retrospective application has been reflected in the figures for the fiscal year ended March 31, 2018.

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	117,070	47,017	40.0	822.27
March 31, 2018	102,785	53,062	51.4	925.79

Reference: Equity

As of March 31, 2019: ¥46,834 million As of March 31, 2018: ¥52,845 million

Note: The Company has applied "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28 revised on February 16, 2018) from the beginning of the fiscal year ended March 31, 2019. The impact of retrospective application has been reflected in the figures for the fiscal year ended March 31, 2018.

\* Financial results reports are exempt from audit 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 financial results presentation meeting and the details of financial results presentation meeting)

The Company is scheduled to hold a financial results presentation meeting for institutional investors and analysts on Tuesday, May 14, 2019, and to post the materials used in the meeting, on the Company's website immediately after the meeting.

# Consolidated financial statements

## (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	20,455	33,699
Notes and accounts receivable - trade	31,896	34,145
Lease investment assets	574	737
Merchandise and finished goods	4,881	5,302
Work in process	4,573	5,429
Raw materials and supplies	5,087	5,212
Other	8,025	5,250
Allowance for doubtful accounts	(160)	(128)
Total current assets	75,334	89,649
Non-current assets		
Property, plant and equipment		
Buildings and structures	48,794	53,146
Accumulated depreciation	(35,468)	(36,432)
Buildings and structures, net	13,326	16,714
Machinery, equipment and vehicles	14,663	14,875
Accumulated depreciation	(11,824)	(11,716)
Machinery, equipment and vehicles, net	2,838	3,159
Tools, furniture and fixtures	41,933	46,711
Accumulated depreciation	(29,353)	(27,364)
Tools, furniture and fixtures, net	12,579	19,346
Land	9,710	11,008
Leased assets	8,744	7,194
Accumulated depreciation	(5,501)	(4,776)
Leased assets, net	3,243	2,417
Construction in progress	7,108	2,107
Total property, plant and equipment	48,807	54,753
Intangible assets		
Goodwill	2,192	2,029
Customer-related intangible assets	1,249	1,105
Software	2,641	5,445
Leased assets	183	431
Other	5,100	6,086
Total intangible assets	11,368	15,098
Investments and other assets		
Investment securities	14,274	14,598
Deferred tax assets	17,766	14,251
Other	8,540	12,825
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	40,558	41,653
Total non-current assets	100,733	111,505
Deferred assets		
Bond issuance cost	–	80
Total deferred assets	–	80
<b>Total assets</b>	<b>176,068</b>	<b>201,234</b>

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,368	10,396
Electronically recorded obligations - operating	1,194	1,278
Short-term loans payable	–	10,000
Current portion of long-term loans payable	1,999	6,477
Lease obligations	644	816
Accounts payable - other	14,834	7,880
Income taxes payable	1,122	1,066
Provision for bonuses	5,237	6,054
Other	7,037	7,272
Total current liabilities	41,439	51,242
Non-current liabilities		
Bonds payable	–	15,000
Long-term loans payable	2,299	15,398
Lease obligations	3,160	2,225
Deferred tax liabilities	125	85
Retirement benefit liability	3,117	2,284
Asset retirement obligations	618	649
Provision for stocks payment	–	52
Provision for compensation loss	10,395	481
Other	1,686	840
Total non-current liabilities	21,403	37,018
Total liabilities	62,842	88,261
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,066	9,113
Capital surplus	24,788	24,835
Retained earnings	81,637	80,601
Treasury shares	(1,235)	(1,631)
Total shareholders' equity	114,257	112,920
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	310	345
Foreign currency translation adjustment	(756)	(81)
Remeasurements of defined benefit plans	(803)	(393)
Total accumulated other comprehensive income	(1,248)	(129)
Share acquisition rights	217	182
Total net assets	113,225	112,973
Total liabilities and net assets	176,068	201,234

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	195,400	181,415
Cost of sales	122,948	119,462
Gross profit	72,452	61,952
Selling, general and administrative expenses	54,804	47,303
Operating profit	17,648	14,648
Non-operating income		
Interest income	62	88
Dividend income	16	25
Dividend income of insurance	157	38
Gain on investments in capital	–	376
Rent income	43	59
Fiduciary obligation fee	82	51
Other	222	181
Total non-operating income	584	820
Non-operating expenses		
Interest expenses	334	195
Rent expenses	63	39
Share of loss of entities accounted for using equity method	1,091	3,471
Other	175	239
Total non-operating expenses	1,665	3,945
Ordinary profit	16,567	11,524
Extraordinary income		
Gain on sales of non-current assets	13	1
Gain on sales of investment securities	5	237
Gain on sales of shares of subsidiaries and associates	–	166
Gain on reversal of share acquisition rights	7	24
Reversal of provision for compensation loss	–	656
Gain on revision of retirement benefit plan	–	211
Reversal of foreign currency translation adjustment	27,467	–
Other	71	4
Total extraordinary income	27,565	1,302
Extraordinary losses		
Loss on retirement of non-current assets	148	157
Loss on valuation of investment securities	–	273
Impairment loss	28,076	–
Loss on sales of shares of subsidiaries and associates	12,875	–
Business structure improvement expenses	2,556	–
Provision for compensation loss	6,748	855
Other	811	164
Total extraordinary losses	51,216	1,451
Profit (loss) before income taxes	(7,083)	11,375
Income taxes - current	1,639	1,590
Income taxes - deferred	(8,980)	3,398
Total income taxes	(7,341)	4,989
Profit	257	6,386
Profit attributable to owners of parent	257	6,386

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	257	6,386
Other comprehensive income		
Valuation difference on available-for-sale securities	32	34
Foreign currency translation adjustment	(27,894)	674
Remeasurements of defined benefit plans, net of tax	(464)	410
Total other comprehensive income	(28,326)	1,118
Comprehensive income	(28,068)	7,505
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(28,068)	7,505



### (3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,962	24,684	88,341	(1,226)	120,761
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	77	77			154
Issuance of new shares - restricted stock	26	26			52
Dividends of surplus			(6,960)		(6,960)
Profit attributable to owners of parent			257		257
Purchase of treasury shares				(8)	(8)
Net changes of items other than shareholders' equity					
Total changes of items during period	103	103	(6,703)	(8)	(6,504)
Balance at end of current period	9,066	24,788	81,637	(1,235)	114,257

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	278	27,138	(339)	27,077	248	148,087
Changes of items during period						
Issuance of new shares - exercise of share acquisition rights						154
Issuance of new shares - restricted stock						52
Dividends of surplus						(6,960)
Profit attributable to owners of parent						257
Purchase of treasury shares						(8)
Net changes of items other than shareholders' equity	32	(27,894)	(464)	(28,326)	(30)	(28,356)
Total changes of items during period	32	(27,894)	(464)	(28,326)	(30)	(34,861)
Balance at end of current period	310	(756)	(803)	(1,248)	217	113,225

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,066	24,788	81,637	(1,235)	114,257
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	17	17			34
Issuance of new shares - restricted stock	30	30			60
Dividends of surplus			(7,422)		(7,422)
Profit attributable to owners of parent			6,386		6,386
Purchase of treasury shares				(395)	(395)
Net changes of items other than shareholders' equity					
Total changes of items during period	47	47	(1,035)	(395)	(1,336)
Balance at end of current period	9,113	24,835	80,601	(1,631)	112,920

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	310	(756)	(803)	(1,248)	217	113,225
Changes of items during period						
Issuance of new shares - exercise of share acquisition rights						34
Issuance of new shares - restricted stock						60
Dividends of surplus						(7,422)
Profit attributable to owners of parent						6,386
Purchase of treasury shares						(395)
Net changes of items other than shareholders' equity	34	674	410	1,118	(34)	1,084
Total changes of items during period	34	674	410	1,118	(34)	(252)
Balance at end of current period	345	(81)	(393)	(129)	182	112,973

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(7,083)	11,375
Depreciation	7,842	8,692
Impairment loss	28,076	–
Gain on investments in capital	–	(376)
Amortization of goodwill	1,796	1,012
Reversal of foreign currency translation adjustment	(27,467)	–
Increase (decrease) in provision for bonuses	460	805
Increase (decrease) in provision for compensation loss	6,748	(6,879)
Increase (decrease) in retirement benefit liability	(114)	(408)
Interest and dividend income	(78)	(113)
Interest expenses	334	195
Foreign exchange losses (gains)	(374)	23
Share of loss (profit) of entities accounted for using equity method	1,091	3,471
Decrease (increase) in notes and accounts receivable - trade	(1,706)	(2,460)
Decrease (increase) in inventories	(894)	(1,349)
Increase (decrease) in notes and accounts payable - trade	333	995
Increase (decrease) in accrued consumption taxes	(1,111)	538
Increase (decrease) in other non-current liabilities	(252)	(872)
Other, net	15,446	744
<b>Subtotal</b>	<b>23,046</b>	<b>15,393</b>
Interest and dividend income received	26	184
Interest expenses paid	(334)	(150)
Income taxes (paid) refund	(6,971)	817
<b>Net cash provided by (used in) operating activities</b>	<b>15,767</b>	<b>16,244</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(14,757)	(21,361)
Purchase of intangible assets	(2,537)	(5,348)
Purchase of investment securities	(874)	(3,656)
Proceeds from sales of investment securities	7	970
Payments of loans receivable	(1)	(1,000)
Collection of loans receivable	4	1,888
Payments for acquisition of businesses	–	(517)
Payments for guarantee deposits	(425)	(7,701)
Purchase of shares of subsidiaries	(1,035)	(633)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(1,242)	–
Income from settlement	–	2,361
Other, net	(688)	97
<b>Net cash provided by (used in) investing activities</b>	<b>(21,552)</b>	<b>(34,902)</b>

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Proceeds from long-term loans payable	–	21,662
Repayments of long-term loans payable	(1,999)	(4,104)
Proceeds from issuance of bonds	–	15,000
Proceeds from issuance of common shares	141	18
Purchase of treasury shares	(8)	(395)
Cash dividends paid	(6,951)	(7,413)
Net increase (decrease) in short-term loans payable	–	8,538
Repayments of finance lease obligations	(750)	(1,221)
Other, net	(65)	(109)
Net cash provided by (used in) financing activities	(9,635)	31,973
Effect of exchange rate change on cash and cash equivalents	317	(72)
Net increase (decrease) in cash and cash equivalents	(15,102)	13,243
Cash and cash equivalents at beginning of period	35,547	20,444
Cash and cash equivalents at end of period	20,444	33,688