



FY2006 FIRST HALF-YEAR RESULTS
(April 1, 2006 - September 30, 2006)
Supplementary Information

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Consolidated Financial Highlights

(Millions of yen)

	1st Half			Full-year	
	FY2005	FY2006	Y/Y (%)	FY2005	FY2006 (Forecast)
<Key Items of Profit & Loss>					
Net sales	70,193	68,608	97.7	138,357	140,000
Operating profit	6,898	6,730	97.6	13,283	15,500
Ordinary profit	7,139	6,994	98.0	13,671	15,600
Net income	4,578	3,919	85.6	8,064	8,800
Net income per share (yen)	77.64	65.25	—	135.91	146.14
Net income per share (diluted) (yen)	75.98	64.89	—	133.73	—
<Key Items of Balance Sheet>					
Total assets	122,183	123,597	101.2	122,894	—
Net assets	71,817	79,116	110.2	75,428	—
Net assets per share (yen)	1,207.27	1,303.60	—	1,260.64	—
<Key Indicators, etc.>					
Return on shareholders' equity (%)	7.6	5.1	—	13.0	—
Return on asset (%)	5.9	5.7	—	11.2	—
Equity ratio (%)	58.8	63.5	—	61.4	—
Number of consolidated subsidiaries	26	19	—	25	—

Notes:

The seven subsidiaries (SRL Hokkaido, Inc., SRL Nishinoh, Inc., SRL Shizuoka, Inc., SRL Hokuriku, Inc., TSL, Inc., Nanshin Clinical Laboratories, Inc. and Life Information Analysis Center, Inc.) are merged into SRL, Inc. on April 1, 2006. While, Fujirebio Diagnostics AB (the former CanAG Diagnostic AB) became a consolidated subsidiary due to the acquisition by Fujirebio Diagnostics, Inc. on May 31, 2006.

Consolidated Balance Sheets

<ASSETS>							(Millions of yen)
	FY2005		FY2006		FY2005		Difference to Mar. 2006
	Sep.2005	(%)	Sep.2006	(%)	Mar.2006	(%)	
CURRENT ASSETS	64,686	52.9	62,397	50.5	63,397	51.6	-1,000
Cash and cash equivalents	24,889		21,265		25,261		-3,996
Accounts and notes receivables	28,094		27,813		25,906		1,907
Marketable securities	90		40		90		-50
Inventories	7,939		9,166		8,208		957
Deferred tax assets	2,249		2,255		2,222		32
Other assets	1,566		2,039		1,895		143
Allowance for doubtful receivables	-143		-182		-187		4
FIXED ASSETS	57,497	47.1	61,199	49.5	59,496	48.4	1,703
Property, plant and equipment	32,195	26.4	33,920	27.4	33,635	27.4	284
Buildings and structures	13,385		14,221		13,693		
Machinery and equipment	1,714		1,757		1,689		
Furniture and fixtures	8,387		8,563		8,599		
Land	7,705		7,668		7,692		
Construction in progress	1,001		1,709		1,960		
Intangible assets	12,841	10.5	14,397	11.7	12,625	10.3	1,772
Software	7,547		6,934		7,659		
Goodwill	—		3,217		—		
Consolidation adjustments account	—		—		3,435		
Other intangible assets	5,294		4,245		1,530		
Investment and other assets	12,459	10.2	12,881	10.4	13,235	10.7	-353
Investment securities	5,109		5,083		5,504		
Deferred tax assets	3,039		3,390		3,305		
Other assets	4,492		4,575		4,612		
Allowance for doubtful receivables	-181		-168		-187		
TOTAL	122,183	100.0	123,597	100.0	122,894	100.0	703

Consolidated Balance Sheets

<LIABILITIES AND NET ASSETS (MINORITY INTERESTS AND SHAREHOLDERS' EQUITY)>							(Millions of yen)
	FY2005		FY2006		FY2005		Difference
	Sep.2005	(%)	Sep.2006	(%)	Mar.2006	(%)	to Mar. 2006
<LIABILITIES>							
CURRENT LIABILITIES	31,663	25.9	30,489	24.7	32,003	26.0	-1,513
Accounts and notes payables	9,028		8,585		8,716		-131
Current portion of convertible bond redemption	—		52		403		-351
Short-term debt	6,988		6,142		6,142		0
Income tax payable	3,155		2,669		3,007		-337
Accrued bonus	3,321		3,377		3,329		48
Other current liabilities	9,169		9,661		10,404		-742
LONG-TERM LIABILITIES	18,060	14.8	13,991	11.3	14,854	12.1	-863
Convertible bonds	590		—		—		—
Long-term debt	7,411		3,929		4,660		-731
Liability for employee's retirement benefits	8,975		9,178		9,175		2
Liability for directors' and corporate auditors' severance	294		84		236		-152
Other long-term liabilities	789		799		780		18
TOTAL LIABILITIES	49,723	40.7	44,481	36.0	46,857	38.1	-2,376
<MINORITY INTEREST>							
MINORITY INTEREST	641	0.5	—	—	607	0.5	—
<SHAREHOLDERS' EQUITY>							
Capital stock	7,121		—	—	7,300	6.0	—
Capital surplus	22,844		—	—	23,022	18.7	—
Retained earnings	42,056		—	—	44,947	36.6	—
Unrealized gain on available-for-sale securities	700		—	—	903	0.7	—
Foreign currency translation adjustments	-137		—	—	37	0.0	—
Treasury stock at cost	-767		—	—	-783	-0.6	—
TOTAL SHAREHOLDERS' EQUITY	71,817	58.8	—	—	75,428	61.4	—
SHAREHOLDERS' EQUITY	122,183	100.0	—	—	122,894	100.0	—
<NET ASSETS>							
Shareholders' equity	—	—	77,711	62.9	—	—	—
Capital stock	—	—	7,501	6.1	—	—	—
Capital surplus	—	—	23,224	18.8	—	—	—
Retained earnings	—	—	47,781	38.6	—	—	—
Treasury stock at cost	—	—	-795	-0.6	—	—	—
Valuation and translation adjustments	—	—	788	0.6	—	—	—
Unrealized gain on available-for-sale securities	—	—	739	0.6	—	—	—
Deferred gains or losses on hedges	—	—	2	0.0	—	—	—
Foreign currency translation adjustments	—	—	45	0.0	—	—	—
Share warrant	—	—	13	0.0	—	—	—
MINORITY INTEREST	—	—	603	0.5	—	—	—
TOTAL NET ASSETS	—	—	79,116	64.0	—	—	—
TOTAL LIABILITIES AND TOTAL NET ASSETS	—	—	123,597	100.0	—	—	—

Note: Due to the enforcement of New Japanese Corporate Law, the conventional "Shareholders' equity" section was changed to "Net assets" section.

Consolidated Statement of Income

(Millions of yen)

	FY2005		FY2006		Difference	
	1st Half	(%)	1st Half	(%)		(%)
NET SALES	70,193	100.0	68,608	100.0	-1,585	-2.3
Cost of goods sold	42,730	60.9	43,228	63.0	498	1.2
GROSS PROFIT	27,463	39.1	25,379	37.0	-2,083	-7.6
Selling, general and administrative expenses	20,565	29.3	18,649	27.2	-1,916	-9.3
OPERATING PROFIT	6,898	9.8	6,730	9.8	-167	-2.4
Non-operating profit	405	0.6	382	0.6	-22	-5.6
Interest and dividend income	48		111			
Income from insurance dividend	75		76			
Income from contracting business	58		54			
Equity in net gains of associated companies	64		54			
Other non-operating income	159		86			
Non-operating expenses	164	0.2	119	0.2	-45	-27.7
Interest expense	75		55			
Equity in net losses of associated companies	19		-			
Expenses on assets rented to others	30		29			
Other non-operating expenses	39		35			
ORDINARY PROFIT	7,139	10.2	6,994	10.2	-144	-2.0
Extraordinary gain	3,855	5.5	99	0.1	-3,755	-97.4
Gain on sale of property, plant and equipment	8		33			
Reversal of liability for directors' severance payments	3,710		46			
Reversal of allowance for doubtful receivables	-		12			
Other extraordinary gain	136		7			
Extraordinary loss	3,327	4.8	369	0.5	-2,958	-88.9
Loss on disposals of property, plant and equipment	157		104			
Loss on sales of property, plant and equipment	15		0			
Special severance payments for early retired employees	2,848		-			
Allowance for loss from partial change of pension plan (adoption of defined-contribution pension)	-		98			
Expenses for relocation of facility	-		58			
Other extraordinary loss	306		107			
INCOME BEFORE INCOME TAX AND MINORITY INTERESTS	7,667	10.9	6,724	9.8	-942	-12.3
INCOME TAXES AND ENTERPRISE TAXES	3,158	4.5	2,814	4.1	-344	-10.9
INCOME TAXES ADJUSTMENTS	-80	-0.1	-14	Δ0.0	65	81.8
MINORITY INTEREST	10	0.0	5	0.0	-4	-43.6
NET INCOME	4,578	6.5	3,919	5.7	-658	14.4

Notes:

*1: Gain on the sales of dispensing pharmacy business is included for FY2005 1st Half.

*2: Special severances payment for voluntary retirement is included for FY2005 1st Half.

Segment Results-1 (Consolidated)

<Performance by Business Segment>

(billions of yen)

	1st Half		
	FY2005 (Reference)	FY2006	Y/Y (%)
Net sales	70.2	68.6	97.7
In Vitro Diagnostics	14.3	14.3	100.0
Clinical Lab Testing	46.8	44.9	95.9
Other	9.1	9.5	104.4
(Clinical Trials)	2.0	2.1	105.0
(Sterilizing)	4.1	4.4	107.3
(Preventive Medicine Related)	3.0	3.0	100.0

(billions of yen)

Full-year	
FY2005 (Reference)	FY2006 (Forecast)
138.4	140.0
29.9	31.3
90.8	89.4
17.7	19.3
4.0	4.9
8.1	8.8
5.6	5.6

	6.90	6.73	97.5
Operating income			
In Vitro Diagnostics	3.16	2.97	94.0
Clinical Lab Testing	2.81	2.67	95.0
Other	0.93	1.07	115.1
(Clinical Trials)	-0.11	-0.02	—
(Sterilizing)	0.26	0.34	130.8
(Preventive Medicine Related)	0.78	0.75	96.2

13.3	15.5
7.3	7.5
4.3	5.9
1.5	2.1
-0.04	0.32
0.45	0.64
1.10	1.10

Notes:

* Figures are rounded to the nearest 100 million yen.

* Partial rearrangement of business segmentation:

The following business groups such as *health promotion products*, *infection prevention products*, *environmental analysis service*, and *food analysis service*, which were included in **Clinical Lab Testing** segment before, are newly transferred into **Preventive Medicine Related** segment from FY2006.

Therefore, the figures of FY2005 1st Half and FY2005 Full-year above are computed for the new segmentation.

Segment Results-2 (Consolidated)

<Research & Development Expenses>

	1st Half		
	FY2005 (Reference)	FY2006	Y/Y (%)
R&D Expenses	2.2	2.1	95.5
In Vitro Diagnostics	—	2.0	—
Clinical Lab Testing	—	0.1	—
Other	—	—	—

(billions of yen)

Full-year	
FY2005	FY2006 (Forecast)
4.4	4.4
—	4.1
—	0.3
—	—

Note: Figures are rounded up and down to the nearest 100 million yen.

<Capital Expenditure>

	1st Half		
	FY2005 (Reference)	FY2006	Y/Y (%)
Capital Expenditure	3.8	5.0	131.6
In Vitro Diagnostics	—	1.3	—
Clinical Lab Testing	—	3.1	—
Other	—	0.6	—

(billions of yen)

Full-year	
FY2005	FY2006 (Forecast)
9.9	11.4
—	3.0
—	7.6
—	0.8

Notes: * Figures are rounded up and down to the nearest 100 million yen.

* Miraca Holdings is included in **Others** segment.

<Depreciation>

	1st Half		
	FY2005 (Reference)	FY2006	Y/Y (%)
Depreciation	4.0	4.1	102.5
In Vitro Diagnostics	—	1.2	—
Clinical Lab Testing	—	2.8	—
Other	—	0.2	—

(billions of yen)

Full-year	
FY2005	FY2006 (Forecast)
8.4	8.4
—	2.3
—	5.7
—	0.4

Notes: * Figures are rounded up and down to the nearest 100 million yen.

* Miraca Holdings is included in **Others** segment.

<Number of Employees>

	Mar.2006	Sep.2006	Increase (decrease) in 6mos	Full-year	
				Sep.2005 (Reference)	Increase (decrease) in a year
Total full-time employees	4,623	4,625	2	4,714	-89
In Vitro Diagnostics	752	801	49	761	40
Clinical Lab Testing	3,033	2,952	-81	3,944	-131
Other	829	861	32		
(Clinical Trials)	141	143	2		
(Sterilizing)	551	613	62		
(Preventive Medicine Related)	137	105	-32		
Miraca HD	9	11	2	9	2

Note: From FY2006 the segmentation in Clinical Lab Testing and Preventive Medicine Related is partially changed. Therefore, the figures of Sep. 2005 above was computed for the new segmentation.

Share of Stock

<Stock Information >

	Sep.2005	Mar.2006	Sep.2006
Number of shares issued (thousands of share)	60,014	60,366	60,754
Number of shareholders	8,379	9,805	7,704
Share price (yen)	2,610	2,405	2,930
Aggregate market value of listed stock (billions of yen)	155.2	143.8	176.4

Notes: * The number of issued shares includes treasury stocks.

* Aggregated market value of listed stock is calculated on the basis of the number of shares excluding treasury stocks.

<Treasury Stock>

	Sep.2005	Mar.2006	Sep.2006
Number of treasury stocks	526,388	532,539	536,812

<Breakdown of shares by shareholder>

(%)

	Sep.2005	Mar.2006	Sep.2006
Financial institutions	45.51	44.30	44.15
Foreign individuals and foreign companies	30.35	30.97	36.05
Individuals and others	20.62	20.25	16.64
Securities companies	0.68	1.18	0.51
Japanese companies	1.97	2.42	1.77
Treasury stocks	0.87	0.88	0.88

<Cash Dividends per Share>

	FY2006	FY2007
Interim dividends (yen)	10.0	16.0
Year-end dividends (yen)	18.0	(Forecast) 16.0
Annual dividends per share (yen)	28.0	(Forecast) 32.0

[Reference]

1. Breakdown of Clients by Hospital sizes for 2006

	Total Japan	Fujirebio's clients		SRL's clients	
500 beds or more	360	315	(87.5%)	307	(85.3%)
400-499 beds	236	197	(83.5%)	185	(78.4%)
300-399 beds	534	345	(64.6%)	359	(67.2%)
200-299 beds	751	384	(51.1%)	378	(50.3%)
100-199 beds	2,323	809	(34.8%)	813	(35.0%)
20-99 beds	3,547	694	(19.6%)	746	(21.0%)

Notes: * The number of hospitals is according to the annual research by SRL. Hospitals with partial order are included in above numbers.

* The number of SRL's clients includes the clients of Shionogi Biomedical laboratories, Inc.

2. Number of LUMIPULSE in the Market

	Sep.2005	Mar.2006	Sep.2006
LUMIPULSE Forte	1020	1050	1,050
LUMIPULSE Presto	10	20	35
LUMIPULSE S	—	5	10

Note: The number of Lumipulse is rounded up and down to the nearest 10.

3. Contracted Laboratory Management within Hospitals

	Sep.2005	Mar.2006	Sep.2006
Number of facilities	158	158	164
	FY2005 1st Half	FY2005 Full-year	FY2006 1st Half
Sales (billion yen)	6.9	14.4	7.7

Notes: * Number of facilities = Branch Lab + FMS (Facility Management Service)

* The above sales include income from leasing equipments, devices, etc.

4. Sales of Gene Based Testing

	FY2005 1st Half	FY2005 Full-year	FY2006 1st Half
Sales (billion yen)	1.6	3.3	1.6

Note: The above sales are composed of human gene tests, chromosomal tests, and infectious disease tests (non-health insurance).