



# ***Business Results for The First Quarter of FY2007***

**(Three-months period ended June 30, 2007)**

**Miraca** Holdings Inc.

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## **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.

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(billion yen)

	1Q/FY06 Results	1Q/FY07			Y/Y Change
		Forecast	Results	Change	
<b>Net sales</b>	34.67	34.70	<b>35.62</b>	<b>0.92</b> 2.6%	<b>0.95</b> 2.7%
In vitro diagnostics	7.29	–	<b>7.30</b>	–	0.01 0.2%
Clinical lab testing	22.59	–	<b>23.14</b>	–	0.56 2.5%
Others	4.80	–	<b>5.17</b>	–	0.38 7.8%
<b>Operating profit</b>	<b>3.62</b> 10.4% (*)	<b>3.35</b> 9.7%	<b>4.34</b> 12.2% (*)	<b>0.99</b> 29.5%	<b>0.72</b> 19.8%
In vitro diagnostics	1.64 22.4%	–	<b>1.34</b> 18.3%	–	<b>-0.30</b> -18.2%
Clinical lab testing	1.36 6.0%	–	<b>2.35</b> 10.2%	–	0.99 72.7%
Others	0.59 12.3%	–	<b>0.69</b> 13.3%	–	0.10 16.6%
<b>Ordinary profit</b>	<b>3.77</b> 10.9%	<b>3.40</b> 9.8%	<b>4.46</b> 12.5%	<b>1.06</b> 31.3%	<b>0.69</b> 18.4%
<b>Net income</b>	<b>2.14</b> 6.2%	<b>1.50</b> 4.3%	<b>2.03</b> 5.7% (**)	<b>0.53</b> 35.5%	<b>-0.11</b> -5.0%

※ Figures are rounded to the nearest 10 million yen.

(\*) Operating profit of 3.62 billion for 1Q/FY06 yen includes elimination/corporate of 31 million yen.

Operating profit of 4.34 billion for 1Q/FY07 yen includes elimination/corporate of 39 million yen.

(\*\*) Extraordinary loss: Approx. 0.6 billion yen as restructuring expenses (premium severance pay for early retirement, etc.) at Shionogi Biomedical Laboratories, Inc. (current SRL Kansai, Inc.)

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## 1Q/FY07 Results by Business Segment (year-on-year comparison)

### Clinical Lab Testing: Increase in Net sales and Profit level

#### ◆ Net sales: +0.56 bn yen

##### • Off-site testing: +0.34 bn yen

- Unexpected measles epidemic led to substantial increase of measles tests and increased demand for other virus tests (rubella and mumps)

##### • FMS/Branch(\*): +0.22 bn yen

- Increase in sales from newly acquired accounts last/this year

#### ※ Earlier conclusion of price negotiations with hospitals

(Revision of government medical reimbursement is NOT implemented this year)

→ Relatively smaller price decline is estimated this year

#### ◆ Operating profit: +0.99 bn yen

- Profit from sales increase: +0.3 bn yen

- Fixed cost reduction: +0.4 bn yen

(Reduction in personnel expenses: +0.3 bn yen; reduction in general expenses: +0.1 bn yen)

(\*) FMS (Facility Management Service)/ Branch Lab Service: Contracted laboratory management service within hospitals

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# 1Q/FY07 Results by Business Segment

(year-on-year comparison)

## In vitro Diagnostics: Net sales: flat, Profit level: slightly decreased

### ◆ Net sales: +0.01 bn yen

- Increase in sales of CL<sup>(\*)</sup> and EL<sup>(\*\*)</sup> segments
- Increase of sales at FDI (Contribution of sales at CanAg acquired by FDI in May '06)
- Decrease in sales of adenovirus tests at TFB  
(Adenovirus infection was especially prevalent during last summer)

### ◆ Operating profit: -0.3 bn yen

- Increase in cost of goods sold caused by product mix change
- R&D expenses: Despite of carry-over to Q2/07 (0.25 bn yen), 1Q/07 is still over 1Q/06 by 0.15 bn yen. → Annual forecast: 5.1 bn yen (not changed from initial forecast)

## Other Businesses: Stable increase in Clinical Trials and Sterilizing

### ◆ Clinical Trials: Net sales: +0.22 bn yen (+21%), OP: +0.08 bn yen

Steady increase in order backlog level

### ◆ Sterilizing: Net sales: +0.33 bn yen (+15%), OP: +0.08 bn yen

9 new accounts obtained

### ◆ Preventive Medicine Related: Net sales: -0.17 bn yen, OP: -0.06 bn yen

Sales decline in health promotion products

(\*) CL: Chemiluminescent Enzyme Immunoassay based products (Lumipulse series)    (\*\*) EL: ESPLINE series (including flu tests)

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