



FY2010
The First Half-Year Results
(April 1, 2010 – September 30, 2010)

Miraca Holdings Inc.

November 8, 2010



The First Half (1H) of FY2010
Performance Overview

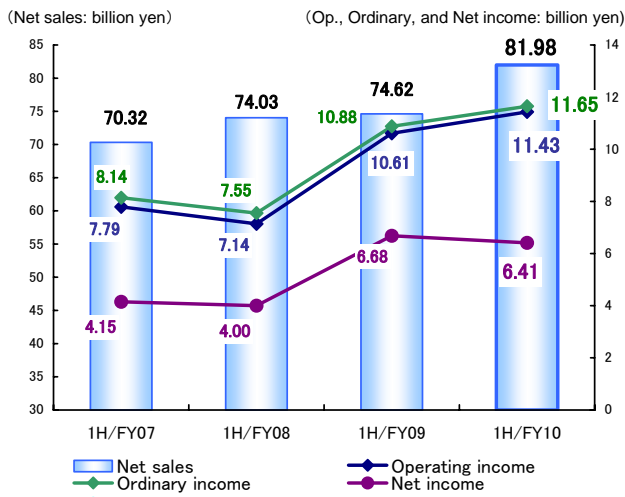
Please be aware of the following:

* Figures and ratio in this material are rounded to the appropriate unit unless stated.

* The sums of the individual figures in each table do not always correspond to the total, because of rounding.

1H/FY2010 Performance Overview (Consolidated)

	1H/FY2009	1H/FY2010	Variation (Year-on-year)		(billion yen)		
					1H/FY2010 forecast	Variation (to the forecast)	
Net sales	74.62	81.98	7.36	9.9%	80.85	1.13	1.4%
Operating (Op.) income	10.61	11.43	0.82	7.7%	9.70	1.73	17.8%
Ordinary income	10.88	11.65	0.77	7.1%	9.90	1.75	17.7%
Net income	6.68	6.41	-0.27	-4.0%	5.35	1.06	19.8%



Net sales, Op. income and Ordinary income reached a record-high



- Increase in net sales due to acquisition of Japan Clinical Laboratories, Inc.(JCL) and Care'x Inc.
- Decrease in net income mainly due to loss on adjustment for changes of accounting standard for asset retirement obligations (extraordinary loss of 0.77 billion).

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Consolidated Financial Results for 1H/FY2010

	1H/FY2009	1H/FY2010	Variation (Year-on-year)		(billion yen)	
					Achievement	
Net sales	74.62	81.98	7.36	9.9%	50.7%	
In Vitro Diagnostics	16.28	15.96	-0.32	-2.0%	49.4%	
Clinical Lab Testing	46.57	52.21	5.64	12.1%	50.7%	
Healthcare Related	11.77	13.81	2.04	17.3%	52.3%	
Op. income	(*) 10.61 14.2%	(**) 11.43 13.9%	0.82	7.7%	56.6%	
In Vitro Diagnostics	4.33 26.6%	4.04 25.3%	-0.29	-6.7%	56.5%	
Clinical Lab Testing	4.79 10.3%	5.77 11.1%	0.98	20.5%	55.2%	
Healthcare Related	1.49 12.7%	1.61 11.7%	0.12	8.1%	61.9%	

(*) Op. income of 10.61 billion yen for 1H/FY2009 includes elimination/corporate of 0.01 billion yen.

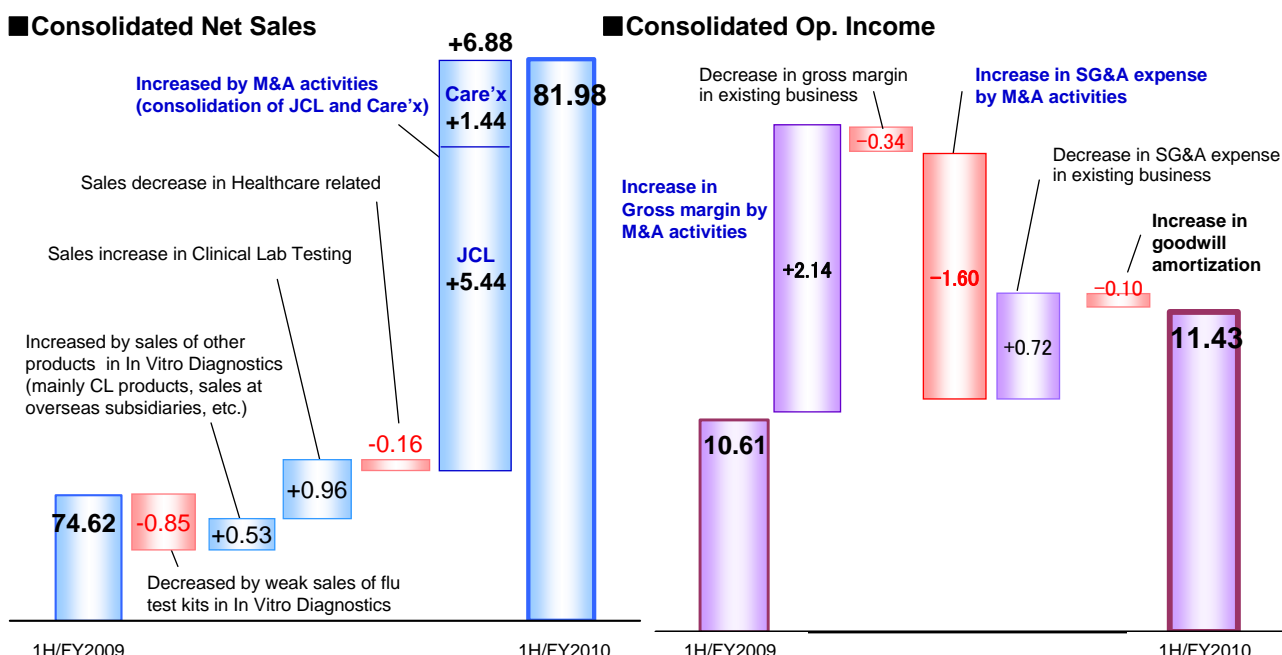
(**) Op. income of 11.43 billion yen for 1H/FY2010 includes elimination/corporate of 0.02 billion yen.

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1H/FY2010

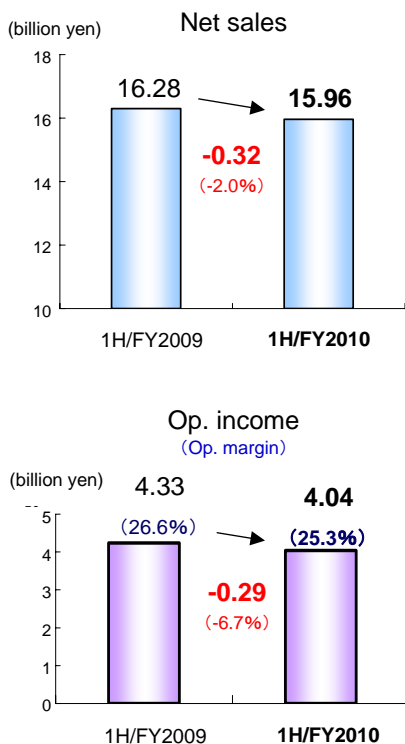
Factors of Increase in Sales and Operating Income (year-on-year comparison)

Increase in Net sales by 7.36 bn yen (+9.9%), and increase in Op. income by 0.82 bn yen (+7.7%)



1H/FY2010 Segment Performance Review (year-on-year comparison)

1. In Vitro Diagnostics



Decrease in both Net sales and Op. income

◆ Net sales **-0.32** bn yen

- Sales decline of influenza test kits: **-0.85** bn yen
(Sales in FY2009 increased due to the pandemic of influenza)
- Strong CL reagents sales: **+0.25** bn yen
- Sales increase at overseas business: **+0.3** bn yen

Due to influence of foreign exchange rate, sales increase from overseas business did not exceed sales decline of flu kits.

* Influence of exchange rate fluctuations:

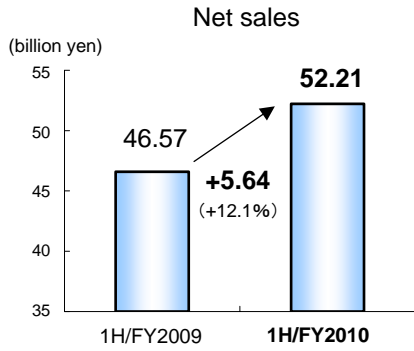
1Q: -0.12 bn yen, 2Q: -0.16 bn yen, 1H: -0.28 bn yen

◆ Op. income **-0.29** bn yen

- Decrease in gross margin by sales decrease of influenza test kits: **-0.6** bn yen
- Increase in gross margin by sales increase of CL products and overseas business: **+0.3** bn yen

[Exchange rate] 1H/FY2009: 1USD=95.49JPY, 1H/FY2010: 1USD=88.95JPY

2. Clinical Lab Testing



Increase in both Net sales and Op. income

◆ Net sales +5.64 bn yen

Non-organic growth (consolidation of JCL): +4.68 bn yen

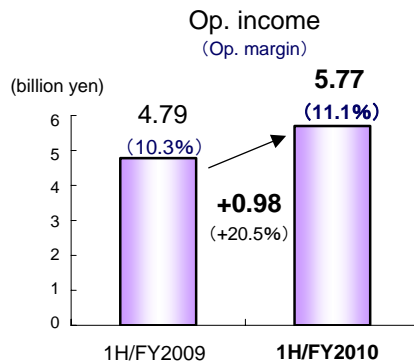
Organic growth: +0.96 bn yen

• Off-site testing: +0.65 bn yen

- Increase in volume of testing due to growth in new clients and sales promotion

• FMS/Branch lab: +0.31 bn yen

- Steady sales growth at the existing clients

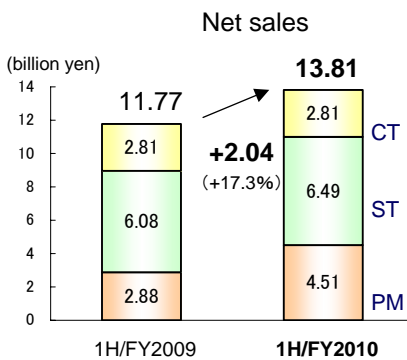


◆ Op. income +0.98 bn yen

Effect of profitability improvement of JCL and ongoing streamlining at the existing companies

(Amortization of goodwill on acquisition of JCL: -0.04 bn yen)

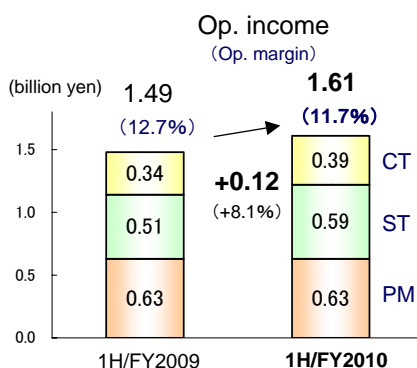
3. Healthcare Related



Stable growth in both Net sales (+2.04 bn yen) and Op. income (+0.12 bn yen)

Non-organic sales growth: +2.2 bn yen

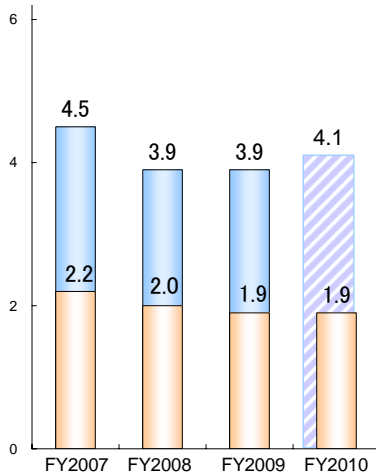
Consolidation of Care'x (+1.44 bn yen) and JCL (+0.76 bn yen)



	Net sales	Op. income	(factors)
Clinical Trials (CT)	±0 bn yen (±0%)	+0.05 bn yen (+14.7%)	• Increase in Op. income by cost reduction
Sterilizing (ST)	+0.41 bn yen (+6.7%)	+0.08 bn yen (+15.7%)	• Steady growth in sales from new/existing clients • Effect of streamlining pushed up Op. income
Preventive Medicine Related (PM)	+1.63 bn yen (+56.6%)	±0 bn yen (±0%)	• Increase in sales as a result of consolidation of JCL and Care'x • Sales growth in corporate health check segment • Weak sales and profit of infection prevention products (Strong sales in FY2009 due to the pandemic of influenza)
Total	+2.04 bn yen	+0.12 bn yen	

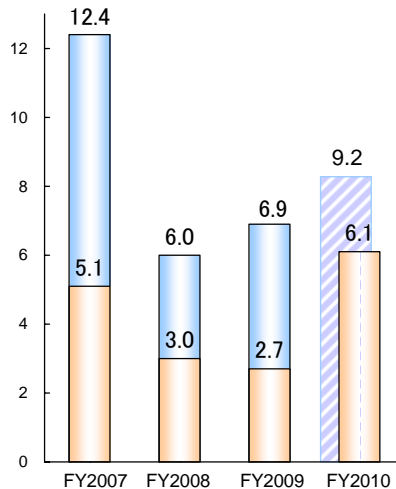
R&D expenses

(billion yen)



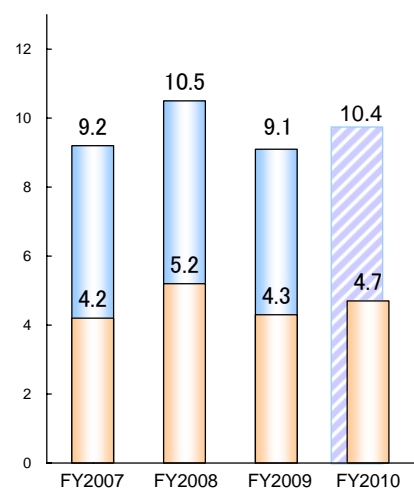
Capital expenditure

(billion yen)



Amortization and depreciation

(billion yen)

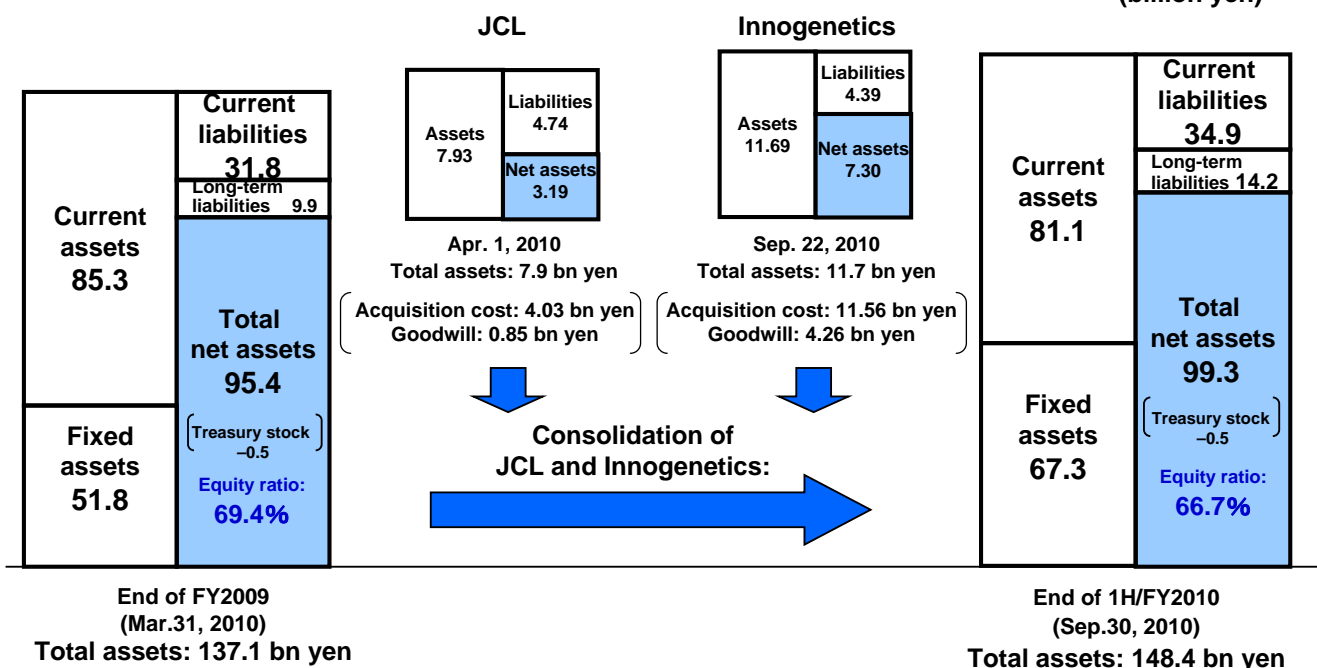


1st half result
 Full-year result
 Full-year forecast

* Capital expenditure for 1H/FY2010 includes investment in building and land for the new factory in Obihiro, Hokkaido, of 0.9 bn yen, which is planned to be in operation in May, 2011.

1H/FY2010 Consolidated Balance Sheet

(billion yen)



ROE 12.7%

※Target ROE for FY2010: 11.7%

■ Consolidated Cash Flows (billion yen)

	1H/FY2009	1H/FY2010
Income before income taxes	11.05	10.75
Depreciation and amortization	4.22	4.58
Income taxes paid	-2.51	-3.57
Others	-2.10	-2.88
Net cash provided by (used in) operating activities	10.68	8.88
Purchase of fixed assets	-1.90	-4.43
Purchase of subsidiaries	-0.20	-11.20
Others	0.08	-0.36
Net cash provided by (used in) investment activities	-2.02	-15.99
Free cash flows	8.66	-7.11
Net cash provided by (used in) financing activities	-2.27	-2.29
Effect of exchange rate change on cash and cash equivalents	-0.16	-0.21
Net increase/decrease in cash and cash equivalents	6.23	-9.61
Cash and cash equivalents at the end of financial period	33.65	29.89

→ Income taxes paid increased due to increase in income before income taxes for the previous year

→ Net cash used for acquisition of newly consolidated subsidiaries

→ Negative free cash flow

→ Cash and cash equivalents decreased by approx. 10 bn from the end of FY2009.

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Topics for 1H/FY2010

1. Acquisition of Japan Clinical Laboratories (Consolidation completed on Apr. 1, 2010)

Japan Clinical Laboratories, Inc.

- Founded in 1965, headquarters in Kyoto, Japan
- Employees (incl. subsidiaries): 420 permanent and 450 non-permanent workers
- Business activities: Clinical lab testing, dispensing pharmacy, nursing care related, componential analysis, etc.
- Consolidated sales: 10,924 million yen (FY Mar. 2010)
- Lab and offices: 16 laboratories and 14 sales offices (incl. subsidiaries)
- Main subsidiaries: 6 lab testing companies and 2 healthcare related companies



■ Purpose of acquisition

Expansion of regional coverage (western part of Japan) in GP/clinic market and effective use of the managerial resources

■ Business plan

<Before acquisition> Op. margin: 0~1% (in Mar. 2010)



Improvement of management

- Management shakeup (New management team from SRL)
- Restructuring of business base (Reviewing business management system, establishing internal control structure, etc.)

Effect of acquisition

- Miraca Group has gained the No.1 market share in western part of Japan (in both GP/clinic and HP market)

<6 months from acquisition> Op. margin: 5~6% (1H of FY2010)

→ Good progress in management improvement

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Topics for 1H/FY2010

2. Acquisition of Innogenetics (Consolidation completed on Sep. 22, 2010)

Innogenetics NV

- Founded in 1985, headquarters in Belgium - Employees approx. 330 people (incl. subsidiaries)
- Business activities: Development and marketing of IVD products (mainly in field of infectious diseases and genetic testing), and bio-related funded research
- Consolidated sales: 6,325 million yen (FY Dec. 2009) (Exchange rate; 1EUR = 112yen)
- Sales subsidiaries are located in USA, Germany, Spain, Italy, France and Brazil



■ Acquisition cost and goodwill

- Acquisition cost 11.56 bn yen
 - = Consideration for acquisition [9.8 bn yen (Cash/debt free) + Net cash 1.5 bn yen etc.] + Acquisition costs
- Goodwill on acquisition : 4.26 bn yen (amortized under the straight-line method over 10 years)
- Intangible assets (marked to market): 31M Euro (amortized under the straight-line method over 20 years)
(Under the IFRS adopted at Innogenetics)

■ Current business status and management policy

- Started structuring of new board of directors, introduction of new business management system, strengthening of internal control system, research and planning for post-merger Integration, etc.
- Shifting business model from a bio-related, R&D-based company to a IVD company
- Restructuring as a key sales base in Europe
- Realizing suitable profitability as a IVD company in the medium run

■ Performance forecast for FY2010 (Oct. 2010 ~ Mar. 2011)

- Net sales : 3 bn yen; Op. margin: $\pm 0\%$; Amortization of goodwill: 0.3 bn yen

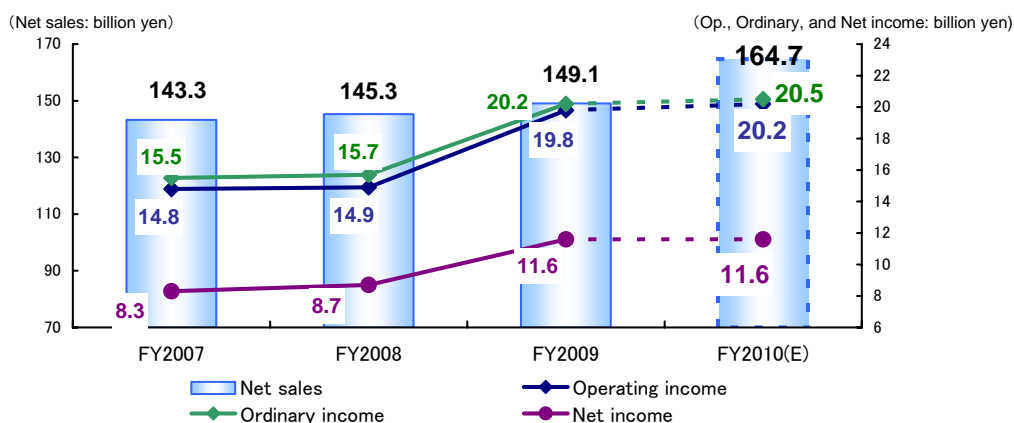
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FY2010 Full-year Forecast

FY2010 Forecast (Consolidated)

(billion yen)

	FY2009 Results	FY2010 Revised Forecast (Rev. Nov. 4, 2010)	Variation	FY2010 Original forecast (May 8, 2010)	Variation
Net sales	149.07	164.7	15.63 10.5%	161.7	3.0 1.9%
Op. income	19.81 13.3%	20.2 12.3%	0.39 2.0%	20.2	±0 0.0%
Ordinary income	20.19 13.5%	20.5 12.4%	0.31 1.5%	20.5	±0 0.0%
Net income	11.59 7.8%	11.6 7.0%	0.01 0.1%	11.6	±0 0.0%
Net income per share (Undiluted) (yen)	199.06	199.27	-	199.27	-



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FY2010 Forecast by Segment (Consolidated)

(billion yen)

	FY2009 Results	FY2010 Original Forecast (May 8, 2010)	FY2010 Revised Forecast (Rev. Nov 4, 2010)	Variation (Revised Forecast to FY2009 Results)
Net sales	149.07	161.70	164.70	15.63 (+10.5%)
In Vitro Diagnostics	32.89	32.30	35.30	2.41 (+7.3%)
Clinical Lab Testing	91.90	103.00	103.00	11.10 (+12.1%)
Healthcare Related	24.28	26.40	26.40	2.12 (+8.7%)
Op. income	(*) 19.81 13.3%	(**) 20.20 12.5%	(**) 20.20 12.3%	0.39 (+2.0%)
In Vitro Diagnostics	8.02 24.4%	7.15 22.1%	7.15 20.3%	-0.87 (-10.8%)
Clinical Lab Testing	9.27 10.1%	10.45 10.1%	10.45 10.1%	1.18 (+12.7%)
Healthcare Related	2.50 10.3%	2.60 9.8%	2.60 9.8%	0.10 (+4.0%)

(*) Op. income of 19.81 billion yen for FY2009 includes elimination/corporate of 0.17 billion yen.

(**) Op. income of 20.20 billion yen for FY2010 forecast includes elimination/corporate of 0.10 billion yen.

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Net sales forecast was revised up by 3.0 bn yen due to acquisition of Innogenetics. However, considering the factors below, Op. income forecast stays unchanged.

● In Vitro Diagnostics

- Influence of uncertain flu epidemic level
-> Net sales: ± several bn yen
- Possibility of additional expenses or temporary downturn in profit for proceeding management improvements
- Influence of exchange rate fluctuations
Exchange rate assumption for 2H/FY2010:
1USD=85JPY
-> Net sales: -0.2 bn yen, Op. income: -0.1 bn yen (on a year-on-year basis)

● Clinical Lab Testing

- Trend of strong sales seems to continue

(*) There are possibilities of temporary decline in demand for tests caused by various factors (e.g. climate change, etc.) or sudden demand increase for certain tests (e.g. tests for infectious disease, pollen allergy, etc.)

● Healthcare Related

- Profitability tends to be lower in 2H due to seasonal tendency of some businesses (Health checkup service, etc.)

The Status of Mid-term Management Plan - In Vitro Diagnostics -

FY2010

FY2011

FY2012

FY2013

1. Accelerating of global business expansion

(1) Acquisition of Innogenetics ⇒ Establishing a new global strategy (First priority)

- ① Function as business base for promotion of CL products in Europe
Building sales strategies by region through both local distributors and the company's sales route
- ② Sales expansion of the company's products and enhancement of profitability

(2) Launch of CL business in Asia

Planning to launch in Korea (during FY2010)→Taiwan (in FY2011)→China

(3) Establishment of global production system

(Reducing foreign currency risk and COGS reduction)

Started preparation for partial offshore production

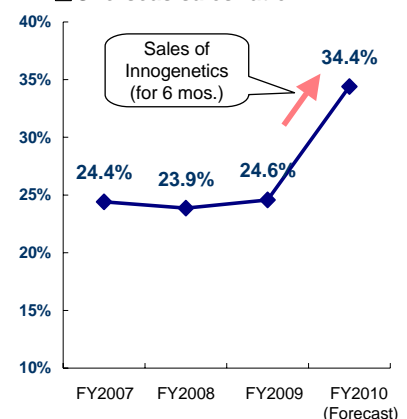
2. Strengthening of CL-business base in Japan

Focusing on improvement of function/convenience of CL analyzers

3. Creation and fostering of new businesses

Launched IRIS's urine analyzers and started installing the equipment

■ Overseas sales ratio



The Status of Mid-term Management Plan - Clinical Lab Testing -

FY2010	FY2011	FY2012	FY2013
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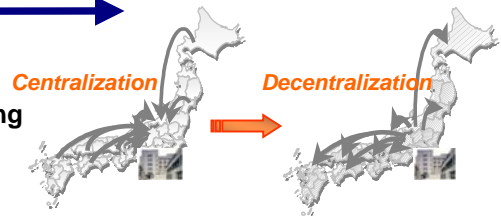
1. Sales expansion in the GP/Clinic market

Acquisition of JCL ⇒ Expansion of regional coverage (western part of Japan) in GP/clinic market

Maintaining a positive stance on M&A activities and seaching for the next opportunities in the industrial reorganization

2. Change of regional lab function

- (1) Shift from “Centralization” to “De-centralization” of testing
- (2) Restructuring and standardizing lab testing workflow



- Partial automation of pre-test/ post-test processes
- Reduction in indirect fixed cost
- Start of new project for Next-generation IT system

- Facility optimization at the Hachioji Lab Complex
- Strengthening of satellite lab function (Improvement in the service level)

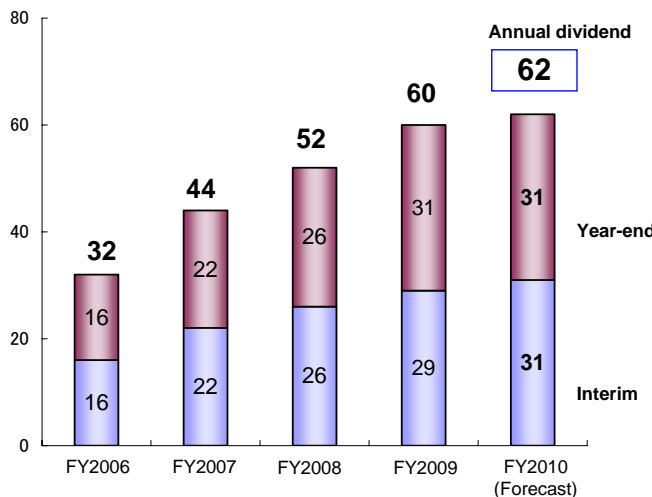
3. Focusing on R&D

- Focus on development and commercialization of new test items (e.g.)
- IL28B gSNP
- EML4-ALK chimeric mRNA

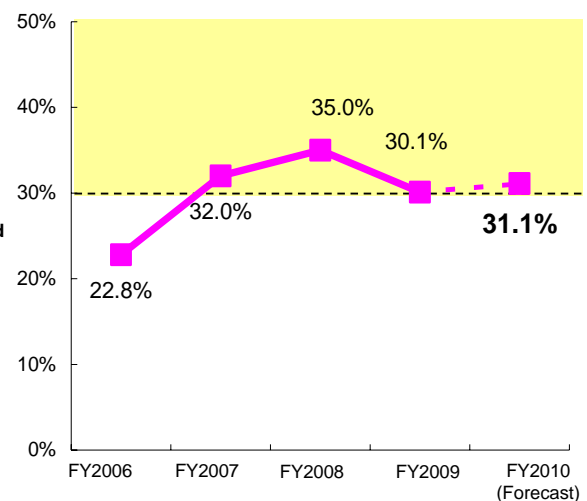
Cash Dividends and Policy on Return to Shareholders

**Interim dividend per share increased by 2 yen per share, to 31 yen.
Annual dividend per share is planed to increase by 2 yen, to 62 yen.**

◆ Cash dividends (yen per share)



◆ Consolidated payout ratio (%)



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IR Public Relations Group**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.