

For Immediate Release

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Notice of Recognition of Extraordinary Loss and Revision of Consolidated Earnings Forecast

Miraca Life Sciences, Inc. (“MLS”), Miraca’s subsidiary located in Texas, US, will recognize the impairment loss related to its goodwill in the third quarter of fiscal year 2015 (October 1st, 2015 to December 31st, 2015). As a consequence, Miraca Holdings Inc. announces the revision of the consolidated earnings forecast for the fiscal year ending March 31st, 2016 (April 1st, 2015 to March 31st, 2016), which was announced on October 30th, 2015.

1. The recognition of the impairment loss

Miraca group entered US Anatomic Pathology market in 2011 through the acquisition of Caris Diagnostics, Inc. (currently MLS). However, mainly because of the business environment change, MLS will recognize goodwill impairment loss related to its business according to the latest impairment test result, which is based on the current financial results and the latest medium-term forecast.

The amount of such impairment loss on MLS will be approximately US\$199 million under US-GAAP. The impact to the Miraca consolidated earning result will be recognized on extraordinary loss line and the amount will be approximately US\$184 million (approximately JPY22.4 billion, exchange rate: 121.71JPY/US\$) after subtracting the cumulative depreciated amount difference between J-GAAP and US-GAAP.

MLS aims to improve its US Anatomic Pathology business by efficiency improvement, such as lab automation, a new Laboratory Information System implementation and laboratory integration, as well as new client acquisition through collaboration with the IT system vendor.

2. Revision of the consolidated earnings forecast

1) Contents of the revision

(Fiscal year ending March 31st, 2016)

	Net Sales (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Profit/loss attributable to owners of parent (millions of yen)	Basic earnings/loss per share (yen)
Previous forecast* (A)	210,000	25,700	24,500	14,900	261.59
Revised forecast (B)	210,000	25,700	24,500	(5,800)	(101.8)
Difference (B-A)	—	—	—	(20,700)	—
Increase/decrease (%)	—	—	—	—	—
Results for the fiscal year ended March 31 st , 2015 (for reference)	204,667	27,012	26,566	16,002	274.82 円

* Previous forecast was published on October 30th, 2015

2) Reasons for the revision

The profit/loss attributable to owners of parent will significantly decrease due to the recognition of the impairment loss related to MLS, which is approximately JPY22.4 billion, in the third quarter of FY2015.

Forecasts of net sales, operating income and ordinary income will remain the same.

3. Dividend forecast

There is no change in the total dividend forecast for the fiscal year under review, which is 110JPY/share.

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.