

MUTOH HOLDINGS CO., LTD.

(Former name: MUTOH INDUSTRIES LTD.)

60th (Fiscal Year 2008) Financial Report

April 1, 2008 to March 31, 2009

MUTOH
HOLDINGS

Inspiring Creativity in People and Companies

The creative power of people brings advances to life, industry and communities.

At MUTOH, our mission is to deliver products and services that ignite the imaginations of people and companies alike. A manufacturing professional with an impressive track record, MUTOH is uniquely positioned to build value through creativity.



INSPIRATION

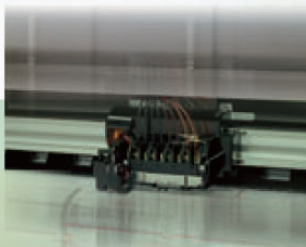
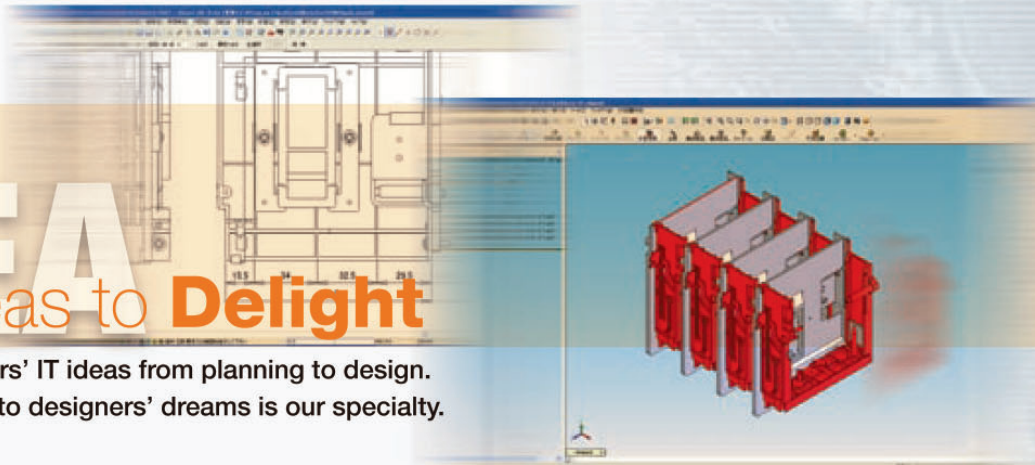
From Inspiration to **Admiration**

We are the experts at expressing designers' intent with scintillating clarity, widening the circle of excitement.

IDEA

From Ideas to **Delight**

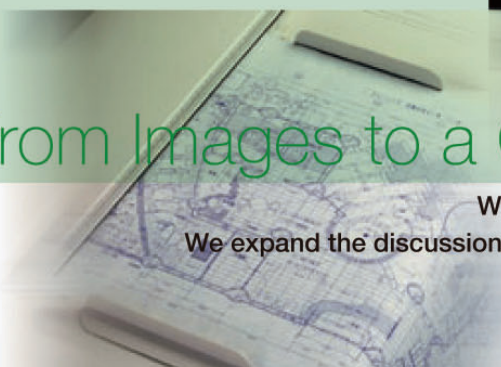
We support customers' IT ideas from planning to design. Bringing excitement to designers' dreams is our specialty.



IMAGE

From Images to a **Common Understanding**

We speak the language of technical drawings, the language of designers. We expand the discussion from "getting it produced" to "attracting the admiration of the market."



Basic Policy

Supporting today's business challenges with constant innovations, sustained initiative and social contributions.

We are pleased to bring you the financial report for the 60th fiscal year.

In the economic environment of the consolidated fiscal year under review, the financial instability that emerged from the United States went into full-swing and assumed the aspect of a global recession in the second half, as sharp declines in stock prices and exchange fluctuations affected real economies more rapidly than anticipated.

In these circumstances, the Group acquired SE Group S.A., a sales company having bases in Scandinavian and Baltic countries and operating there for many years, to expand bases and bolster sales in the European market. Meanwhile, the Group promoted initiatives to expand sales and bolster operating foundations by strengthening variations on large-format inkjet printers.

However, with the rapid shrinking of the market because of the worldwide recession and violent exchange rate fluctuations, consolidated financial results were below the previous year levels.

Net sales stood at ¥26,338 million (down 13.4% year on year), operating income was ¥951 million (down 68.5%), ordinary income was ¥1,394 million (down 56.6%), and net income was ¥604 million (down 66.5%).

Consolidated Financial Highlights

Highlights of the Consolidated Accounts

Net sales

60th (FY2008) period: **¥ 26,338** million

57th (FY2005) period: **28,612**million 58th (FY2006) period: **28,752**million 59th (FY2007) period: **30,416**million

Ordinary income

60th (FY2008) period: **¥ 1,394** million

57th (FY2005) period: **1,481**million 58th (FY2006) period: **2,068**million 59th (FY2007) period: **3,210**million

Net income

60th (FY2008) period: **¥ 604** million

57th (FY2005) period: **(982)**million 58th (FY2006) period: **1,073**million 59th (FY2007) period: **1,802**million

Total Assets

60th (FY2008) period: **¥ 28,301** million

57th (FY2005) period: **27,683**million 58th (FY2006) period: **29,723**million 59th (FY2007) period: **30,964**million

Net assets

60th (FY2008) period: **¥ 18,880** million

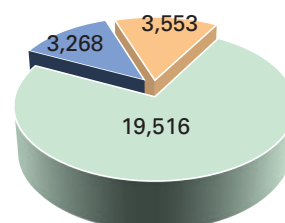
57th (FY2005) period: **17,529**million 58th (FY2006) period: **18,744**million 59th (FY2007) period: **20,084**million

Segment Information Sales

- Imaging & Information Business
- Information Service Business
- Real-Estate Leasing Business and Other Business

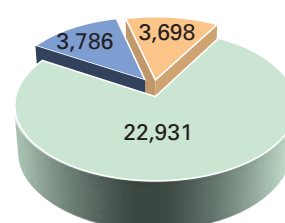
60th (FY2008) period:

¥26,338million



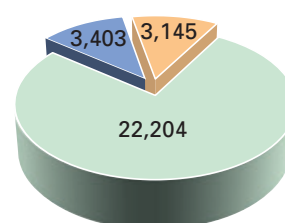
59th (FY2007) period:

¥30,416million



58th (FY2006) period:

¥28,752million



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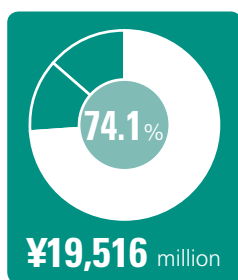
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Forecast of results for the next fiscal year

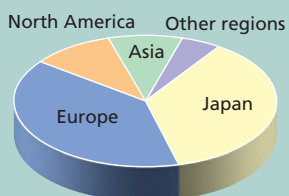
	Net sales	Operating income	Ordinary income	Net income
Forecast of consolidated business results	22,000	600	600	300

The worldwide recession that has been in full force since the previous year is called a "once-in-a-century" economic event, and the outlook for the economy remains very uncertain.

Responding to the circumstances, the Group will continue to expand sales channels to unexplored areas and to provide products from the perspectives of customers. Emphasizing profit, the Group will meanwhile seek to cut costs. However, since the effect of the global recession will remain throughout the year, the Group expects a more difficult business environment than that seen in the previous fiscal year.



Breakdown of net sales by region



Overview

Amid the global recession, the Group posted results that were close to the year-ago level in the Asian and U.S. markets, reflecting solid results in the first half. However, in the Japanese and European markets, market contraction and declining selling prices associated with slowing economies and exchange fluctuations had a considerable impact. As a result, net sales were ¥19,516 million (down 14.9% year on year). Operating income was ¥493 million (down 81.1%).

Environment-responsive Ink for Next-generation



Corrugated board



ABS resin



PET

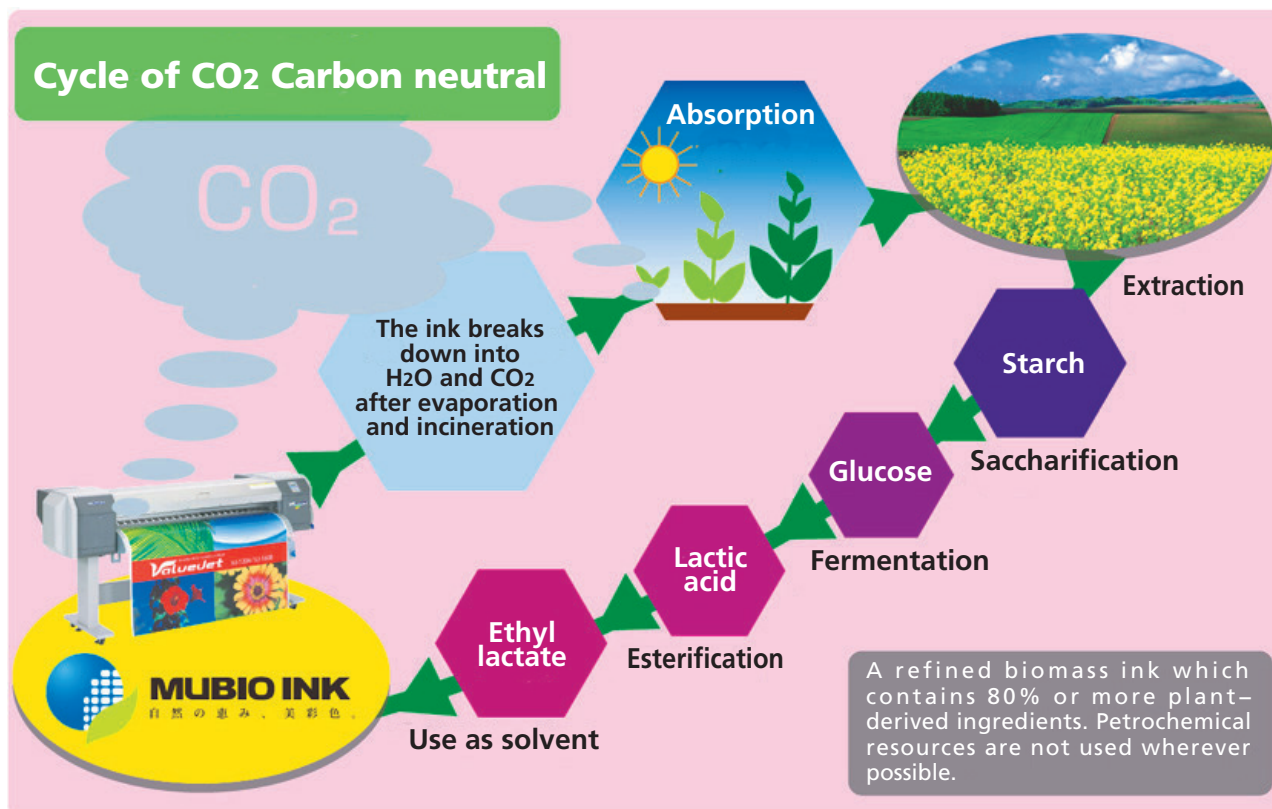


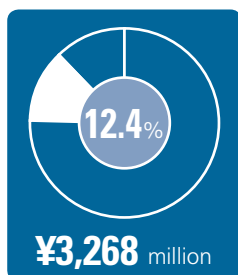
Interior fixtures

Painting on inkjet materials
—once unthinkable—
made possible

MUBIO Ink is biomass ink that does not use petrochemical resources, 80% or more of which consists of plant-derived ingredients. MUBIO Ink is carbon neutral, since carbon dioxide generated from the incineration and transpiration of the ink is absorbed in the process of the growth of the plants used as the raw materials for the ink. MUBIO Ink is next-generation, environment-responsive ink that is effective in preserving fossil resources and reducing carbon dioxide emissions.

Cycle of CO₂ Carbon neutral





Overview

We continued to expand sales in the domestic market, striving to develop new customers in the Solution Service Business and endeavoring to sell in-house products in the CAD Software Business. However, the business segment struggled with the worsening employment conditions and weak investment appetites associated with the economic slowdown. As a result, net sales were ¥3,268 million (down 13.7% year on year). Operating income was ¥47 million (up 63.0%) reflecting cost reductions.

MUTOH itex Expanding manufacturing potential through IT

In the Information Service Business, solutions services in addition to mission-critical software has grown increasingly important in recent years.

In the present situation, Mutoh Itex Co., Ltd. is the core company supporting the Solution Service Business. Mutoh Itex combines its expertise developed over many years and broad lineup of service systems with cutting-edge technologies, to provide system solutions tailored to the operations of customers.

New solutions!



Web-based technology information management systems



Web-based equipment maintenance management systems

Creation and provision of system solutions

ECO & solutions

- Building networks and infrastructure
- Business applications

Embedded

- Jigs, design, and production

Mechatronics

- Robot control

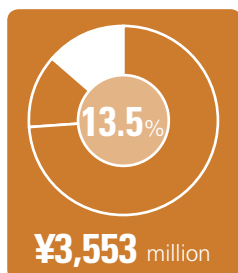
Plant production control

- Total control of plant production lines

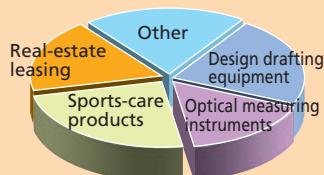
Semiconductors

- Semiconductor design
- Layout design

Real-Estate Leasing Business and Other Business



Net sales ratio by operation



Overview

In the Real Estate Leasing Business, we began leasing idle assets, and results were solid. Net sales were ¥792 million (up 8.6% year on year). Operating income was ¥425 million (up ¥32.5%). In Other Business, we sought to expand operations and sales by launching environmental products, including LED illuminator-related items. However, the lackluster personal spending continued with the economic downturn. As a result, net sales stood at ¥2,760 million (down 7.0%). Operating income was ¥98 million yen (down 31.3%).

LED illuminator-related products



Large projection board



Trace board



Shelf lights

The Real-Estate Leasing Business and Other Business cover a wide range of operations such as real-estate leasing, sports-care products, design-drafting equipment, and optical measuring instruments.

In particular, MUTOH ENGINEERING INC. is promoting the development and sale of environmentally friendly LED illuminator-related products, complying with environment-related laws and regulations and other requirements, and considering the prevention of environmental pollution.

FSC certificate obtained

MUTOH INDUSTRIES LTD. obtained the Chain of Custody (COC) Certificate, one of the Forest Certificates given by the Forest Stewardship Council (FSC).



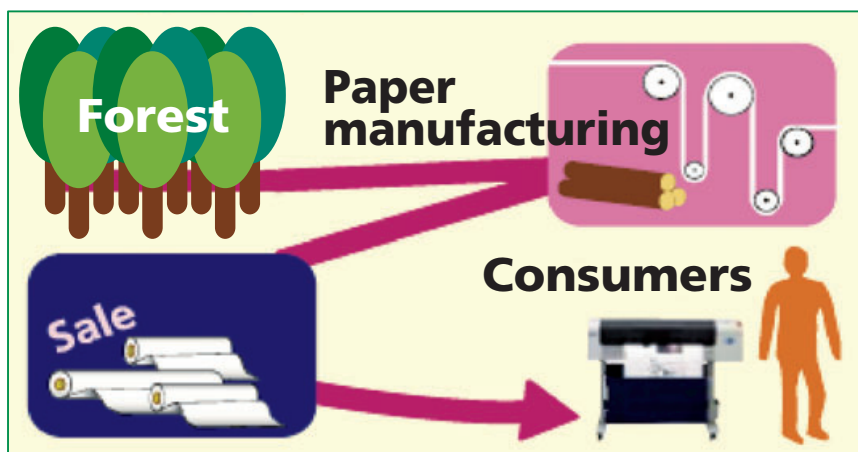
What is FSC ?

FSC is a private-sector nonprofit organization established by the representatives of environmental organizations, forestry businesses, and timber trading companies in 1993.

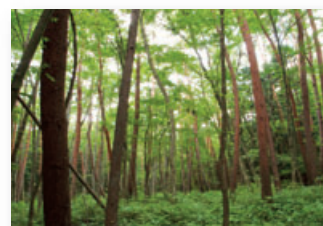
The organization aims to promote forest environment conservation and sustainable forest management in the interests of communities and the economy.



COC certificate number: SGS-COC-005625



A mechanism that enables participants to indirectly protect forests worldwide by purchasing FSC-certified products.



Living with forests

Supplies for the Inkjet Plotter RJ Series
FSC-certified paper

As a manufacturer of plotters, MUTOH provides valuable products for customers, contributing to forest preservation.

JR Shimosuwa Station

Fifth campaign (December 2008)

Billboard design public participation campaign

In 2003, we launched a campaign to invite people living, working, or attending school in Shimosuwa Town, Nagano, as well as non-residents originally from the town, to create a design to enhance the community's image. The selected design is displayed on a billboard in Shimosuwa Station to advertise the town. The campaign started in 2003 and was run for the fifth consecutive year (it was canceled in 2006, when the town was damaged by heavy rains).

With the full support of MUTOH's graphic printer, a large billboard that is 2.5 meters high and 5 meters wide was displayed.

MUTOH will continue to attach importance to ties with its community.



Best design



Awarding ceremony

Japan's largest drafter

September 2008:

Responding to the needs of customers wishing to design large machines in actual size such as automobiles, we manufactured and delivered a drafter that is 5.4 meters wide, making it the largest in Japan.

MUTOH ENGINEERING INC.



Largest in Japan (5.4m wide)



The cover and the drawing table are also the largest in Japan.

■ Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2009	As of March 31, 2008
Assets		
Current assets	16,583	19,586
Cash and bank deposits	4,960	6,167
Notes and accounts receivable	4,742	6,063
Inventories	6,095	6,274
Others	785	1,081
Fixed assets	11,718	11,377
Tangible fixed assets	9,533	9,632
Intangible fixed assets	857	136
Investments and other assets	1,326	1,609
Investment securities	576	821
Others	749	788
Total assets	28,301	30,964

(Millions of yen)

	As of March 31, 2009	As of March 31, 2008
Liabilities		
Current liabilities	5,472	7,359
Notes and accounts payable	2,897	4,361
Short-term debt and current portion of long-term debt	249	—
Others	2,324	2,997
Long-term liabilities	3,949	3,520
Long-term debt	340	—
Others	3,608	3,520
Total liabilities	9,421	10,880
Net assets		
Shareholders' equity	19,921	19,982
Common stock	10,199	10,199
Capital surplus	4,182	4,182
Retained earnings	7,843	7,239
Treasury stock	(2,303)	(1,638)
Valuation and translation adjustments	(1,600)	(444)
Minority interests	558	546
Total net assets	18,880	20,084
Total liabilities and net assets	28,301	30,964

■ Consolidated Statement of Changes in Net Assets (From April 1, 2008 to March 31, 2009)

(Millions of yen)

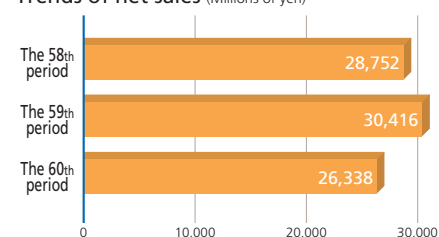
	Shareholders' equity					Valuation and translation adjustments	Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity			
Balance as of March 31, 2008	10,199	4,182	7,239	(1,638)	19,982	(444)	546	20,084
Changes during the period								
Net income			604		604			604
Acquisition of treasury stock				(665)	(665)			(665)
Disposal of treasury stock		0		0	0			0
Net changes of items other than shareholders' equity during the period						(1,155)	11	(1,143)
Total changes during the period	—	0	604	(664)	(60)	(1,155)	11	(1,204)
Balance as of March 31, 2009	10,199	4,182	7,843	(2,303)	19,921	(1,600)	558	18,880

Consolidated statements of income

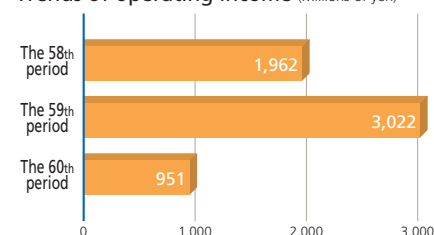
(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2008
Ordinary income or loss		
Net sales	26,338	30,416
Operating income	951	3,022
Ordinary income	1,394	3,210
Extraordinary income or loss		
Income before income taxes and minority interests	1,176	3,180
Net income	604	1,802

Trends of net sales (Millions of yen)



Trends of operating income (Millions of yen)

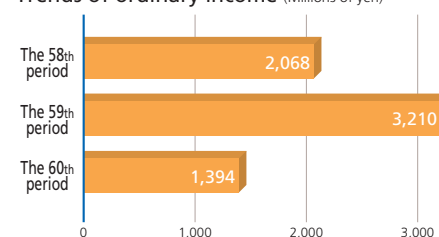


Consolidated statements of cash flows

(Millions of yen)

	Year ended March 31, 2009	Year ended March 31, 2008
Net cash from operating activities	1,108	2,531
Net cash from investing activities	(965)	(459)
Net cash from financing activities	(951)	(1,764)
Effect of exchange rate changes on cash and cash equivalents	(397)	(164)
Net increase (decrease) in cash and cash equivalents	(1,207)	143
Cash and cash equivalents at beginning of period	6,167	5,819
Increase in cash and cash equivalents due to merger of consolidated subsidiaries	—	204
Cash and cash equivalents at end of period	4,960	6,167

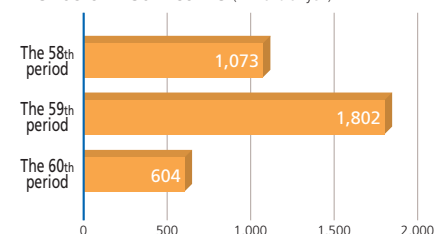
Trends of ordinary income (Millions of yen)



Consolidated subsidiaries in each business segment

Business segment	Company names
Imaging & Information Business	MUTOH INDUSTRIES LTD., MUTOH ENGINEERING INC., MUTOH EUROPE nv, MUTOH DEUTSCHLAND GmbH, MUTOH AMERICA INC., SE Group S.A.
Information Service Business	MUTOH INDUSTRIES LTD., MUTOH ITEX Co., Ltd.
Real-Estate Leasing Business	MUTOH HOLDINGS CO., LTD., MUTOH ENGINEERING INC. MUTOH ENTERPRISES LTD.
Other Business	MUTOH ENGINEERING INC., MUTOH ENTERPRISES LTD.

Trends of net income (Millions of yen)



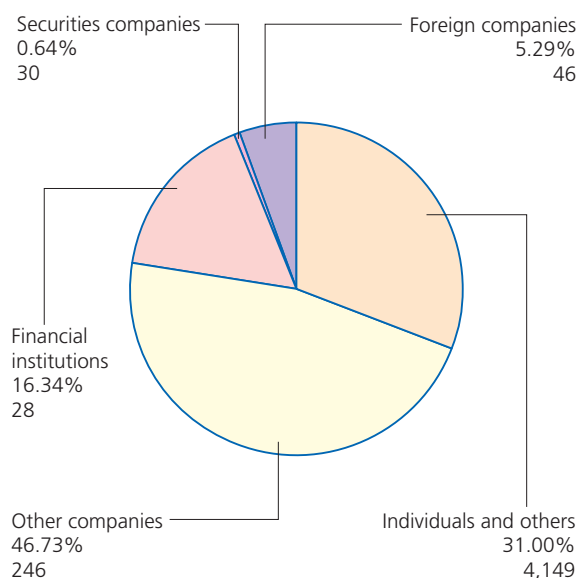
■ Number of shares issuable	170,000,000
■ Number of shares issued	54,818,180
■ Number of shares per unit	1,000
■ Number of shareholders	4,499

■ Shareholders who holds greater than 10% of the total number of shares issued

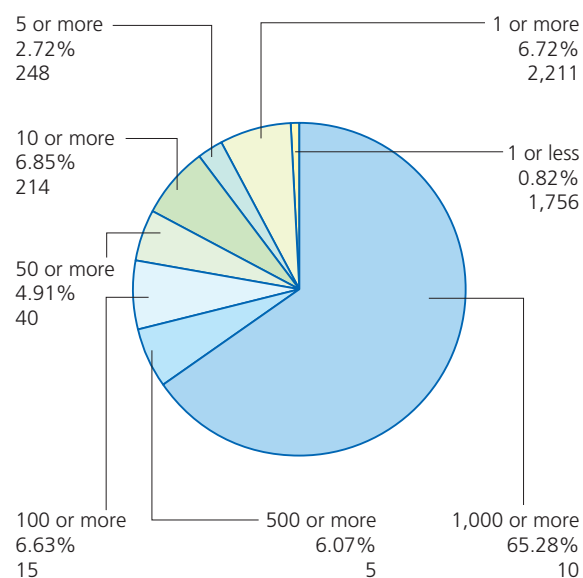
Shareholders	Units held	Percentage of voting rights
TCS HOLDINGS CO., LTD.	13,200	28.68

Note: Above Percentage of voting rights is calculated exclusively the treasury stock (8,795,920 shares).

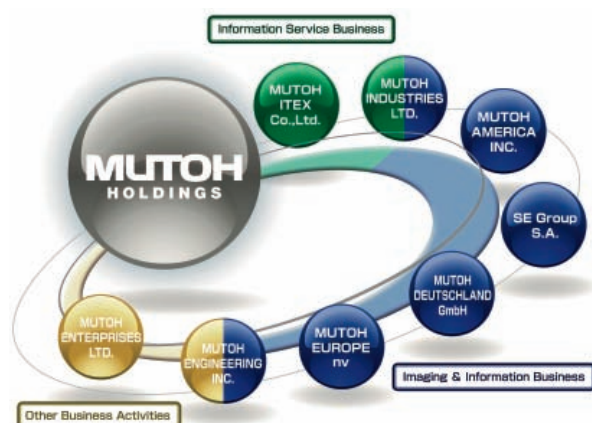
■ Breakdown of shareholders



■ Breakdown by the number of shares held



Name: MUTOH HOLDINGS CO., LTD.
Established: March 5, 1952 (founded: December 1942)
Common stock: 10,199 million yen
Head office: No.5 TOC Building, 21-1, Nishi-Gotanda,
 7-chome, Shinagawa-ku, Tokyo 141-8683
 Tel: 03-5740-8700
Website address: <http://www.mutoh-hd.co.jp/>
Main business: Management and assets management of
 the Group companies



MUTOH group companies

MUTOH INDUSTRIES LTD.

Development, manufacturing, and sales of imaging- and information-related equipment and information services (CAD/CAM)

MUTOH ENGINEERING INC.

Repair and maintenance of imaging- and information-related equipment, etc.

MUTOH ENTERPRISES LTD.

Sports-care product sales / management of retail outlets for books, Stationery, etc.

MUTOH ITEX Co., Ltd.

System integration services / application software development

MUTOH AMERICA INC.

Sales of imaging- and information-related equipment

MUTOH EUROPE nv

Development, manufacturing and sales of imaging- and information-related equipment

MUTOH DEUTSCHLAND GmbH

Sales of imaging- and information-related equipment

SE Group S. A.

A corporate group selling imaging and information equipment

Directors (As of June 26, 2009)

Masanori Takayama	Chairman of the Board
Toshiaki Sato	President
Nobumasa Hayakawa	Director
Arthur Vanhoutte	Director
Zentaro Maekawa	Director
Yoshiyuki Takayama	Director

Masanobu Takeda	Full-time Auditor
Hiroki Nakano	Auditor
Nobuaki Kunimine	Auditor

Shareholder Information

Business year:	From April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders:	In June each year
Year-end Dividend Record Date:	March 31
Interim Dividend Record Date:	September 30
Public Notices:	Public notices shall be made on the Company's website (http://www.mutoh-hd.co.jp). *In case the public notices is not available on the Company's website due to unavoidable reasons, such notices shall be made on the Nihon Keizai Shinbun
Administrator of Shareholders Register:	The Chuo Mitsui Trust and Banking Company, Ltd. 33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574, Japan
Mail address and Telephone number Stock Transfer Agency Department:	The Chuo Mitsui Trust and Banking Company, Ltd. 8-4 Izumi 2-chome Suginami-ku, Tokyo 168-0063 Tel. 0120-78-2031 (toll-free) Stock transfer agent services are provided at branch offices in Japan of The Chuo Mitsui Trust and Banking Company, Ltd. and the Head Office and branch offices in Japan of Japan Securities Agents, Ltd.

Notes:

1. Request for changes of addresses, purchasing shares constituting less than one unit, and selling shares to constitute one unit

Please make a request to a securities company where shareholders maintain their account.

For those shareholders who do not have an account at a securities company but who have opened a special account, please make a request to The Chuo Mitsui Trust and Banking Company, Ltd., an account management institution of special account.

2. Payment of accrued dividends

Please make a request to The Chuo Mitsui Trust and Banking Company, Ltd., which is the administrator of the shareholder register.



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