

61th (Fiscal Year 2009) Financial Report

April 1, 2009 to March 31, 2010

MUTOH HOLDINGS CO., LTD.

TSE securities code : 7999



■ Message



President
Nobumasa Hayakawa

We would like to express our sincerest gratitude to all of our shareholders who have continued to support us.

We hereby present you with our 61st (Fiscal Year 2009) Financial Report.

<Message from the President>

Allow me to take this opportunity to say a few words.

I assumed office as President of MUTOH HOLDINGS CO. LTD. on February 1 of this year.

With full awareness of the high expectations of all of our stakeholders, I am pursuing an aggressive management policy, seeking to consolidate and expand our business foundation and establish a strong MUTOH brand.

I hope that I may rely on your continued understanding and support.

Basic Policy

**With constant innovation
and challenging
ourselves,
we contribute to society**

■ Business Situation and Outcomes

Looking at the economic environment over the course of the most recent consolidated accounting year, despite signs of recovery as the economic slowdown resulting from financial turmoil eased in response to active stimulus measures around the globe, the pace of recovery has been slow in the U.S. and the European nations. Even as the environment remained uncertain, the emerging nations of Asia, in particular China, maintained solid growth, registering a strong presence as engines of growth in the world economy.

Against this background, the MUTOH Group continued to focus on cost reductions, cutting inventory, and similar efforts to increase profitability. However, despite the fact that exports of imaging and information equipment to the emerging Asian nations became firm in the second half of the fiscal year, results in our information service business and other business sectors, with the exception of our real estate leasing business, were adversely affected by the domestic and international economic slowdown, bringing with it reduced capital spending, a worsening employment environment, and a freeze on personal spending.

Looking at the consolidated business performance emerging from these circumstances, net sales stood at ¥21,997 million (down 16.5% year-on-year), operating income was ¥354 million (down 62.7% year-on-year), ordinary income was ¥325 million (down 76.6% year-on-year), and net income was ¥217 million (down 63.9% year-on-year).

This fiscal year saw MUTOH continue to enhance its overseas strategy in its imaging and information equipment business, focusing on the emerging Asian nations. In the second half of the year, we established new sales offices (subsidiaries) in Hong Kong, Singapore, and Australia, to strengthen our management and support system in the region, seeking both to achieve a continuing expansion of the MUTOH brand and to increase our level of customer satisfaction. We believe that these new offices will grow as significant assets from the next fiscal year onwards.

Finally, with regard to the payment of dividends for the period, taking the present unstable economic conditions and business environment into consideration, and recognizing the solidification of our business foundation and the strengthening of our financial standing as our most urgent tasks, we intend to resume the allocation of dividends once we are firmly back in the black.

The MUTOH Group as a whole is pursuing business strategies that will enable us to resume dividend payments and to make them consistently at the earliest possible juncture.

Until then, we ask the understanding of our shareholders in this respect.

Consolidated Financial Highlights

○ Consolidated net sales	61 th (FY2009) period: ¥21,997 million		
	58 th (FY2006) period:	59 th (FY2007) period:	60 th (FY2008) period:
	28,752 million	30,416 million	26,338 million

○ Consolidated operating income	61 th (FY2009) period: ¥354 million		
	58 th (FY2006) period:	59 th (FY2007) period:	60 th (FY2008) period:
	1,962 million	3,022 million	951 million

○ Consolidated ordinary income	61 th (FY2009) period: ¥325 million		
	58 th (FY2006) period:	59 th (FY2007) period:	60 th (FY2008) period:
	2,068 million	3,210 million	1,394 million

○ Consolidated net income	61 th (FY2009) period: ¥217 million		
	58 th (FY2006) period:	59 th (FY2007) period:	60 th (FY2008) period:
	1,073 million	1,802 million	604 million

○ Consolidated gross assets	61 th (FY2009) period: ¥28,789 million		
	58 th (FY2006) period:	59 th (FY2007) period:	60 th (FY2008) period:
	29,723 million	30,964 million	28,301 million

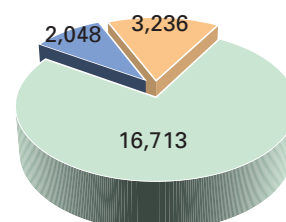
○ Consolidated net assets	61 th (FY2009) period: ¥19,018 million		
	58 th (FY2006) period:	59 th (FY2007) period:	60 th (FY2008) period:
	18,744 million	20,084 million	18,880 million

Business Segment Net Sales (Millions of yen)

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

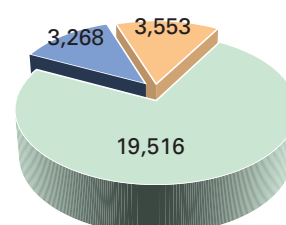
● 61st period:

¥21,997 million



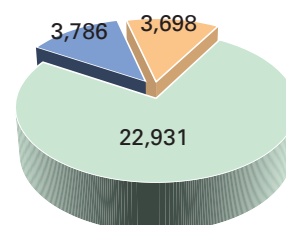
● 60st period:

¥26,338 million



● 59st period:

¥30,416 million



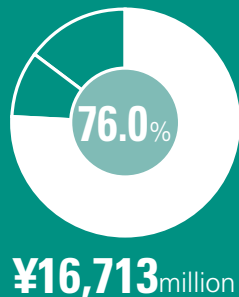
Projections for the next period

	(Millions of yen)			
	Net sales	Operating income	Ordinary income	Net income
Consolidated projections	25,000	550	550	270

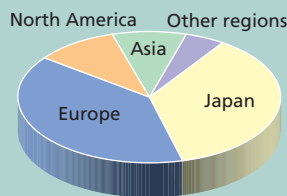
While the global economy is displaying a gradual recovery, driven by the favorable economic environments of the emerging Asian nations, the economic environment remains unclear in Japan, the U.S., and Europe. Against this background, the MUTOH Group is actively increasing the pace of overseas expansion and the marketing of new products, seeking to further expand the MUTOH brand and to increase profitability.

Overview of Business Segments

Imaging & Information Business



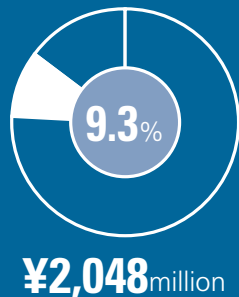
Breakdown of net sales by region



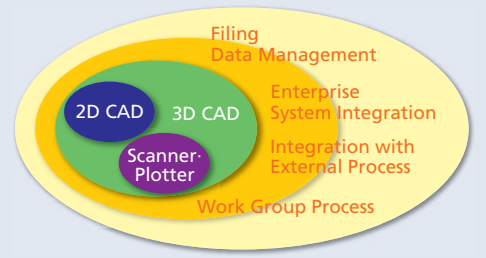
Results in MUTOH's imaging and information equipment business, in particular for large-format inkjet printers, exceeded those for the previous year in the Asian region, against the background of a strong economic environment. In other regions, however, results were

affected by the global recession that continued from the previous consolidated accounting year, and the costs associated with establishing new overseas offices and development costs increased beyond initial projections. As a result, we posted net sales of ¥16,713 million yen (down 14.4% year-on-year) and an operating income of ¥155 million yen (down 68.6% year-on-year).

Information Service Business

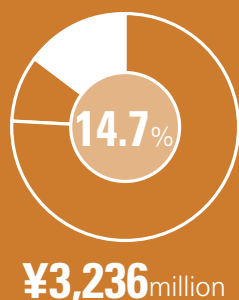


Against the background of a prolonged slump in the Japanese economy, the decline in sales of CAD systems and in new projects has been marked as a result of restriction of investment in information systems. Combined with the effect of a reduction in unit prices as a result of cost reduction efforts, this sector recorded net sales of ¥2,048 million yen (down 37.3% year-on-year) and an operating loss of ¥87 million (compared to ¥47 million in profit in the previous year).

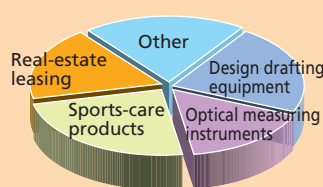


Combined with the effect of a reduction in unit prices as a result of cost reduction efforts, this sector recorded net sales of ¥2,048 million yen (down 37.3% year-on-year) and an operating loss of ¥87 million (compared to ¥47 million in profit in the previous year).

Real-Estate Leasing Business and Other Businesses



Net sales ratio by operation



MUTOH's real estate leasing business shifted to a firmer footing, recording sales of ¥841 million (up 6.1% year-on-year) and operating income of ¥494 million yen (up 16.3% year-on-year). In other business sectors, we continued to make efforts to increase sales looking towards business expansion,

for example by conducting continuous investments in LED-based products and other environment-related products, but contended with a significant effect from consumer concerns over personal spending due to the slump in the domestic economy. As a result, we recorded sales of ¥2,395 million (down 13.2% year-on-year) and an operating income of ¥3 million (down 96.3% year-on-year).

Sublimation Transfer Printer VJ-2628TD

► How does a sublimation transfer printer work?

An inkjet printer using sublimating ink prints images created on a PC on transfer paper. The images are heated and pressurized using a heat press. The ink is sublimated (gasified), and penetrates into the fabric fibers.

This enables the user to achieve brilliant images, while retaining the feel of the fabric.



Educational solutions

MUTOH provides a full range of curricula

1. Learn the basics of design by hand



MUTOH has supplied parallel motion rulers and drafters to classrooms for many years.

2. Learn design procedures using CAD



In the future, CAD will be employed in a diverse range of workplaces in which the student may be employed as an engineer designing products.

3. Experience and learn digital prototyping



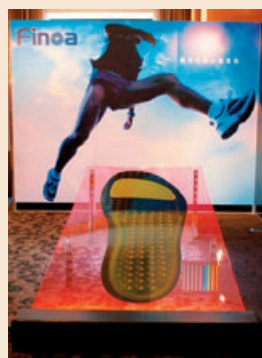
Enabling students to learn advanced processes, teaching them how 3D CAD can realize increased efficiency in design procedures.

Power insoles from Finoa



Step beyond your limits!

The Finoa lineup, highly regarded in the field of sports taping, combining sports and personal care, has expanded into a new category: Power insoles. Maximizing our combined power, we will lead the world of sports.



Suwa Region abuzz with the huge Onbashira Festival, held once every seven years



MUTOH printers play a part!



Printing at the Suwa Factory Development Center

The Suwa Taisha Shrine close to MUTOH's Suwa Factory is currently restoring the Akimiya Shrine, and work will continue until September 2010.

While the restoration work proceeds, the Akimiya Shrine will be covered with uninteresting plain construction sheets. Concerned that this would disappoint sightseers who had gone out of their way to visit the shrine, the Suwa Taisha Shrine requested help in printing photographs of the Akimiya Shrine on the construction sheets. The Suwa Factory Development Center immediately responded to this call, providing exactly what was needed.

The resulting image portrayed on the sheets has created a lot of excitement, and has been featured on local cable television and in local print media.



The actual Akimiya Shrine of the Suwa Taisha Shrine



The image of the Akimiya Shrine as printed on the construction sheets

The image is 10 meters in height and 20 meters in length, and is divided between nine construction sheets.

— The First Year of 3D — Announcing the 3D printer

This year has been called the first year of 3D. From the film Avatar to 3D television and 3D picture books, the mass media have introduced us to a variety of new 3D possibilities. The 3D printers manufactured by Z Corporation introduced by MUTOH have also been extensively covered by the media and have attracted considerable attention.



ZPrinter 650

What is a 3D printer?

A 3D printer is a device that prints data, for example from three-dimensional CAD, in three dimensions.

Powder fixing types using powders such as gypsum

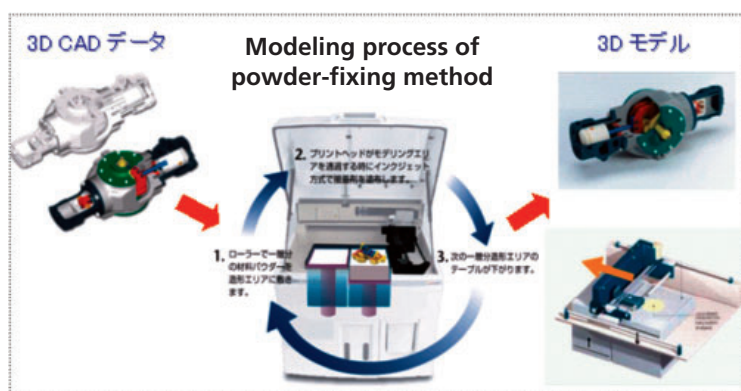
Inkjet UV hardening types using acrylic hardening resins

and

Heat laminating types using ABS resins

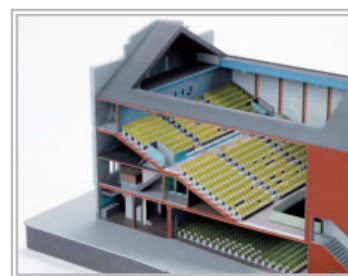
are available. The Z Printers are powder

fixing types. The inkjet heads produce laminated images by coating thinly spread powder with liquid adhesives.



Applications

The range of applications of image models produced using 3D CAD continues to expand, encompassing checking of external form and color, etc., checking of assembly with mass-produced parts, movable sections, etc., and verification of the external appearance and layout of buildings, etc.



Consolidated Financial Statements

■ Consolidated Balance Sheets

(Millions of yen)

Account	Period	FY2009 period As of March 31, 2010	FY2008 period As of March 31, 2009
Assets			
Current assets		17,508	16,583
Cash and bank deposits		7,449	4,960
Notes and accounts receivable		4,568	4,742
Inventories		4,815	6,095
Others		674	785
Fixed assets		11,281	11,718
Tangible fixed assets		9,134	9,533
Intangible fixed assets		741	857
Investments and other assets		1,405	1,326
Investment securities		714	576
Others		691	749
Total assets		28,789	28,301

(Millions of yen)

Account	Period	FY2009 period As of March 31, 2010	FY2008 period As of March 31, 2009
Liabilities			
Current liabilities		5,656	5,472
Notes and accounts payable		3,375	2,897
Short-term bank loans and current portion of long-term debt		115	249
Others		2,164	2,324
Long-term liabilities		4,114	3,949
Long-term debt		309	340
Others		3,805	3,608
Total liabilities		9,770	9,421
Net assets			
Shareholders' equity		20,137	19,921
Common stock		10,199	10,199
Capital surplus		4,182	4,182
Retained earnings		8,061	7,843
Treasury stock		(2,305)	(2,303)
Valuation and translation adjustments		(1,713)	(1,600)
Minority interests		594	558
Total net assets		19,018	18,880
Total liabilities and net assets		28,789	28,301

■ Consolidated statement of change in net assets FY2010 (April 1, 2009 – March 31, 2010)

(Millions of yen)

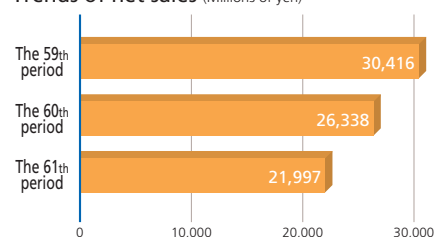
	Capital stock					Total valuation and translation adjustments	Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity			
Outstanding as of March 31, 2009	10,199	4,182	7,843	(2,303)	19,921	(1,600)	558	18,880
Change in value for consolidated accounting year								
FY2010 net income			217		217			217
Acquired treasury stock				(2)	(2)			(2)
Change in value for consolidated accounting year for items other than capital stock (net)					—	(112)	35	(77)
Total change in value for consolidated accounting year	—	—	217	(2)	215	(112)	35	138
Outstanding as of March 31, 2010	10,199	4,182	8,061	(2,305)	20,137	(1,713)	594	19,018

■ Consolidated statements of income

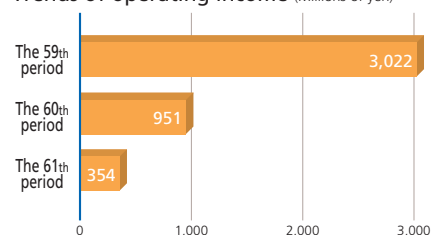
(Millions of yen)

Account	Period	Year ended March 31, 2010	Year ended March 31, 2009
Net sales		21,997	26,338
Operating income		354	951
Ordinary income		325	1,394
Net income for FY2010 and FY2009 adjusted for taxation, etc.		418	1,176
Net income		217	604

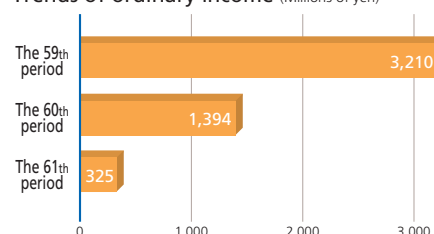
Trends of net sales (Millions of yen)



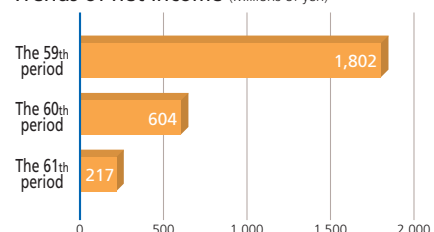
Trends of operating income (Millions of yen)



Trends of ordinary income (Millions of yen)



Trends of net income (Millions of yen)



■ Consolidated statements of cash flows

(Millions of yen)

Account	Period	Year ended March 31, 2010	Year ended March 31, 2009
Net cash from operating activities		2,979	1,108
Net cash from investing activities		(241)	(965)
Net cash from financing activities		(189)	(951)
Effect of exchange-rate changes on cash and cash equivalents		(101)	(397)
Net increase (decrease) in cash and cash equivalents		2,446	(1,207)
Cash and cash equivalents at beginning of period		4,960	6,167
Cash and cash equivalents at end of period		7,407	4,960

■ Consolidated subsidiaries in each business segment

Business segment	Company names
Imaging & Information Business	MUTOH INDUSTRIES LTD., MUTOH ENGINEERING INC., MUTOH Belgium nv, MUTOH DEUTSCHLAND GmbH, MUTOH AMERICA INC. SE Group S.A, MUTOH HONG KONG LIMITED, MUTOH SINGAPORE PTE LTD, MUTOH AUSTRALIA PTY LTD
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.

(Note) In May 2010, MUTOH EUROPE nv changed its name to MUTOH Belgium nv.

Company Profile (As of March 31, 2010)

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: +81-3-5740-8700

Main business: Management and assets management of
the Group companies

Website address: <http://www.mutoh-hd.co.jp>

MUTOH group companies

Domestic Subsidiary Companies

MUTOH INDUSTRIES LTD.

MUTOH ENGINEERING INC.

MUTOH ENTERPRISES LTD.

MUTOH ITEX Co., Ltd.

Overseas Subsidiary Companies

MUTOH AMERICA INC.

MUTOH Belgium nv

MUTOH DEUTSCHLAND GmbH

SE Group S.A.

MUTOH HONG KONG LIMITED

MUTOH SINGAPORE PTE.LTD.

MUTOH AUSTRALIA PTY.LTD.

(Note) In May 2010, MUTOH EUROPE nv changed its name to MUTOH Belgium nv



■ Directors (As of June 29, 2010)

Masanori Takayama **Chairman of the Board**

Nobumasa Hayakawa **President**

Yuji Yata **Director**

Arthur Vanhoutte **Director**

Yoshiyuki Takayama **Director**

Masanobu Takeda **Full-time Auditor**

Hiroki Nakano **Auditor**

Nobuaki Kunimine **Auditor**

■ Number of shares issuable	170,000,000
■ Number of shares issued	54,818,180
■ Number of shares per unit	1,000
■ Number of shareholders	4,374

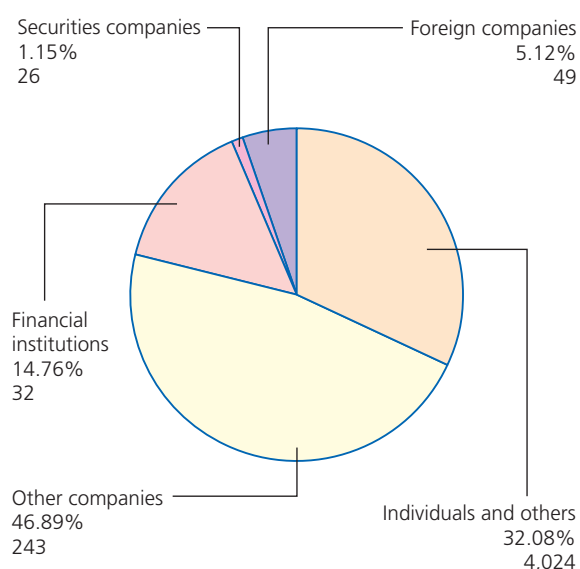
■ Major Shareholders

Name	Number of Shares Held (Shares)	Ratio of Shareholding (%)
TCS Holdings Co., Ltd.	13,200,000	28.69
Mutoh Holdings Trading Partners Shareholding Association	2,880,958	6.26
Hiroshi Mutoh	2,288,514	4.97
Mizuho Bank, Ltd.	2,121,399	4.61
Eiji Mutoh	1,800,586	3.91
Japan Trustee Services Bank, Ltd. (Trust placed in Chuo Mitsui Asset Trust and Banking Company, Limited and Trust Account of CMTB Equity Investments Co., Ltd)	1,457,000	3.17
The Chase Manhattan Bank N. A. London S. L. Omnibus Account	1,126,000	2.45
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,059,000	2.30
Ikuko Mutoh	888,603	1.93
Unisystem Co., Ltd.	669,000	1.45

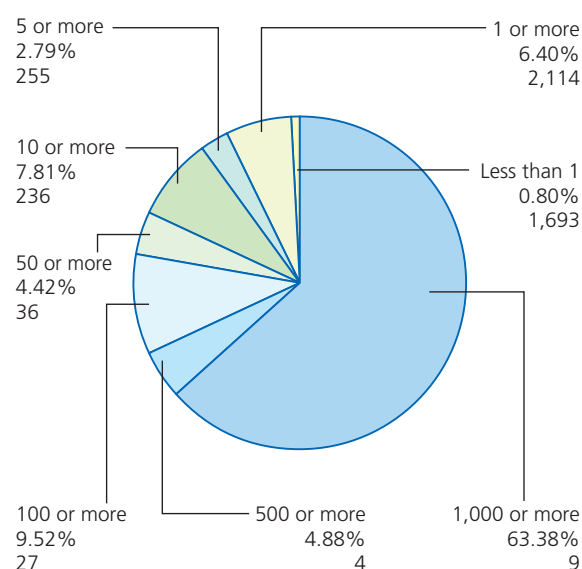
(Note) 1. The Company holds 8,811,839 shares of treasury stock, which is excluded from the major shareholders listed above.

2. The ratio of shareholding is calculated after excluding treasury stock.

■ Breakdown of shareholders



■ Breakdown by the number of shares held



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 each year
Interim Dividend Record Date :	September 30 each year
Public Notices :	Public notices shall be made on the Company's website (http://www.mutoh-hd.co.jp). * In case the public notices are not available on the Company's website due to unavoidable circumstances, such notices shall be made in the Nihon Keizai Shimbun
Administrator of Shareholder 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 :	8-4 Izumi 2-chome, Suginami-ku, Tokyo 168-0063 Tel. +81-120-78-2031 (toll-free) Stock Transfer Agency Department The Chuo Mitsui Trust and Banking Company, Ltd. 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. Requests for change of address, purchasing of shares constituting less than one unit, and selling of shares to constitute one unit Please make all requests to the 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 all requests to The Chuo Mitsui Trust and Banking Company, Ltd., an account management institution of special accounts.

2. Payment of accrued dividends

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

3. Notification about the characters used for the addresses and names of shareholders

Following the implementation of the electronic share certificate system, for any Kanji characters used for the addresses and names of shareholders that are not recognized in the book-entry transfer system used by the JASDEC Hofuri system, all or some of the characters will be changed to characters or katakana symbols that are recognized by the JASDEC Hofuri system, and be registered accordingly on the shareholder register. We kindly request the understanding of shareholders if the characters in their address on any notifications sent have been changed to those recognized by the JASDEC Hofuri system. We advise shareholders to contact their securities company for any concerns regarding the characters that are registered for their names and addresses.