



**MUTOH**  
HOLDINGS

# **61th (Fiscal Year 2009) 1st Half Financial Report**

April 1 to September 30, 2009

**MUTOH HOLDINGS CO., LTD.**

# WU TOH

## 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.



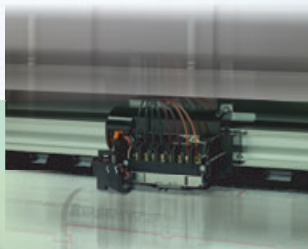
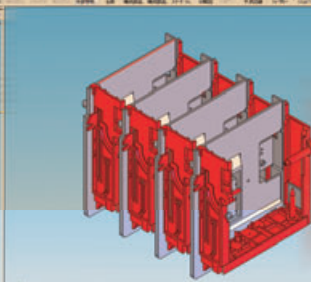
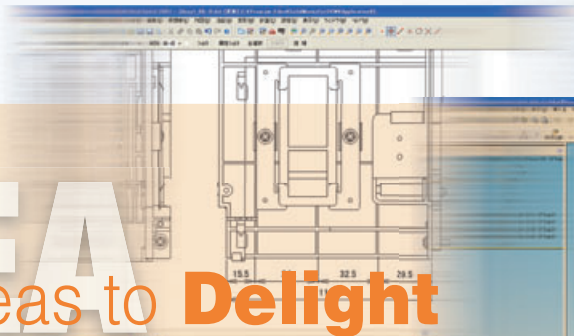
## From Inspiration to **Admiration**

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.



## 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."



## IMAGE



## Basic Policy

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

We would like to express our gratitude to all of our shareholders who continue to support us.

We present you with our 61<sup>st</sup> (Fiscal Year 2009) 1<sup>st</sup> Half Financial Report.

Regarding economic conditions during the first half of the current consolidated fiscal year, although the impact of the simultaneous global recession continues, we are beginning to see signs of a bottom in parts of the economy, thanks to active fiscal spending by major countries. Nonetheless, in the real economy the recession shows no signs of abating, as evidenced in the worsening employment situation along with sluggish consumer spending and private capital expenditures.

Amid these circumstances, consolidated business performance generally fell below the previous year's, due to the impact of the stagnating economy. Net sales stood at ¥10,513 million (down 29.9% year-on-year), an operating loss of ¥2 million was posted (compared with an operating income of ¥1,300 million year-on-year) and an ordinary loss of ¥34 million was posted (compared with an ordinary income of ¥1,621 million year-on-year). These business results all exceeded initial projections. However in terms of net profit, a net loss of ¥269 million was posted (compared with a net income of ¥924 million year-on-year), falling below initial projections. This loss is the result of carefully examining the collectability of deferred tax assets within this uncertain economic environment and making a reduction in a portion of these assets.

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## Consolidated Financial Highlights

○ Consolidated net sales (Millions of yen)				
61 <sup>st</sup> (FY2009) 1 <sup>st</sup> Half period: <b>10,513</b>				
	58 <sup>th</sup> (FY2006) period:	59 <sup>th</sup> (FY2007) period:	60 <sup>th</sup> (FY2008) period:	
	<b>28,752</b>	<b>30,416</b>	<b>26,338</b>	
1 <sup>st</sup> Half	<b>14,347</b>	<b>16,092</b>	<b>14,997</b>	

○ Consolidated ordinary income (Millions of yen)				
61 <sup>st</sup> (FY2009) 1 <sup>st</sup> Half period: <b>(34)</b>				
	58 <sup>th</sup> (FY2006) period:	59 <sup>th</sup> (FY2007) period:	60 <sup>th</sup> (FY2008) period:	
	<b>2,068</b>	<b>3,210</b>	<b>1,394</b>	
1 <sup>st</sup> Half	<b>992</b>	<b>2,149</b>	<b>1,621</b>	

○ Consolidated net income (Millions of yen)				
61 <sup>st</sup> (FY2009) 1 <sup>st</sup> Half period: <b>(269)</b>				
	58 <sup>th</sup> (FY2006) period:	59 <sup>th</sup> (FY2007) period:	60 <sup>th</sup> (FY2008) period:	
	<b>1,073</b>	<b>1,802</b>	<b>604</b>	
1 <sup>st</sup> Half	<b>540</b>	<b>1,141</b>	<b>924</b>	

○ Consolidated gross assets (Millions of yen)				
61 <sup>st</sup> (FY2009) 1 <sup>st</sup> Half period: <b>27,230</b>				
	58 <sup>th</sup> (FY2006) period:	59 <sup>th</sup> (FY2007) period:	60 <sup>th</sup> (FY2008) period:	
	<b>29,723</b>	<b>30,964</b>	<b>28,301</b>	

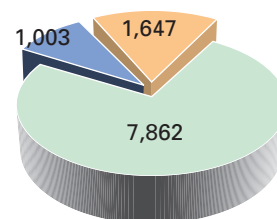
○ Consolidated net assets (Millions of yen)				
61 <sup>st</sup> (FY2009) 1 <sup>st</sup> Half period: <b>18,729</b>				
	58 <sup>th</sup> (FY2006) period:	59 <sup>th</sup> (FY2007) period:	60 <sup>th</sup> (FY2008) period:	
	<b>18,744</b>	<b>20,084</b>	<b>18,880</b>	

### 1<sup>st</sup> Half results by business Segment Net Sales (Millions of yen)

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

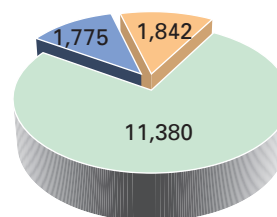
#### ● 61<sup>st</sup> period:

**¥10,513 million**



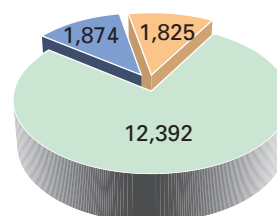
#### ● 60<sup>st</sup> period:

**¥14,997 million**



#### ● 59<sup>st</sup> period:

**¥16,092 million**



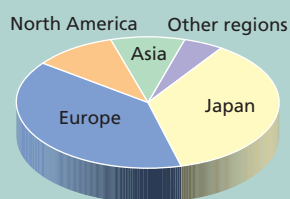
### Forecast of results for the full fiscal year

	(Millions of yen)			
	Net sales	Operating income	Ordinary income	Net income
Forecast of consolidated business results	22,000	600	600	300

Since the economic depression came into full swing during the second half of last year, there does not appear to be any sign of recovery in the real economy and the business environment continues to be uncertain. Within this harsh operating environment, the Group's performance for the first half of the current consolidated fiscal year has mostly been in line with forecasts made at the beginning of the period. Thus, there is no change in the full-year forecast as announced.



Breakdown of net sales by region



## Overview

MUTOH imaging and information business, focused on large-format inkjets, faced reduced orders resulting from the global recession. Although efforts to reorganize operations led to higher sales than last year in some areas of Asia, sales stood at ¥7,862 million (down 30.9% year-on-year) with an operating loss of ¥79 million (compared to ¥1,054 million in profit the previous year), due to the combined impact of a drop in unit prices and a significantly stronger yen compared to the previous year.

## More Aggressive Overseas Strategies

In the Asia-Pacific region, the MUTOH Group markets large-format inkjet printers through Mutoh Industries Ltd.

We are currently expanding local sales through printers compatible with low-solvent (Eco-Solvent) ink, as well as other products. In anticipation of further expansion, we have established sales offices in Hong Kong, Singapore, and Australia—key cities in the Asia-Pacific region for the more aggressive marketing needed. These offices will accelerate decision-making and are helping us build an optimal business network.

## Hong Kong Affiliate



- (1) Company name : Mutoh Hong Kong Ltd.
- (2) Headquarters : Hong Kong, People's Republic of China
- (3) Date established : October 2009
- (4) Start of business : January 1, 2010 (planned)
- (5) Nature of business : Marketing, sales, service, and import / export of imaging and information equipment



## Singapore Affiliate



- (1) Company name : Mutoh Singapore Pte. Ltd.
- (2) Headquarters : Singapore
- (3) Date established : October 2009
- (4) Start of business : January 1, 2010 (planned)
- (5) Nature of business : Marketing, sales, service, and import / export of imaging and information equipment

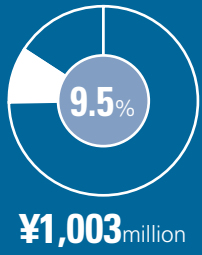


## Australia Affiliate



- (1) Company name : Mutoh Australia Pty. Ltd.
- (2) Headquarters : Sydney, Australia
- (3) Date established : October 2009
- (4) Start of business : January 1, 2010 (planned)
- (5) Nature of business : Marketing, sales, service, and import / export of imaging and information equipment





### Overview

As the prolonged economic slump in Japan continues to restrict capital expenditures and worsen employment conditions, the scale of user projects in contract-based businesses has shrunk, and sales in CAD businesses have declined. Sales stood at ¥1,003 million (down 43.5% year-on-year) with an operating loss of ¥56 million (compared to ¥23 million in profit the previous year).

## New Business Area : Serving Manufacturers with Production and Inventory Management Systems

Mutoh Industries has concluded an agency agreement with software developers Ubiquitous Soft and Data Collection Systems. This marks our entrance into core systems business, as a distributor of ProductionMaster and InventoryMaster (production and inventory management systems, respectively). Marketing efforts will be focused on assemblers and manufacturers with overseas plants.



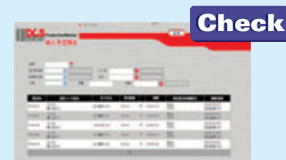
### ProductionMaster™

Integrated production management system

- ◆ **ProductionMaster™** is a software package for integrated production management that covers all manufacturing processes from orders to shipping. It is designed to be an intuitive, user-friendly, and easy-to-deploy production management system, even for customers migrating from Excel-based management.



Production Planning



Confirmation of Delivery Schedules



Systematic Ordering Instructions

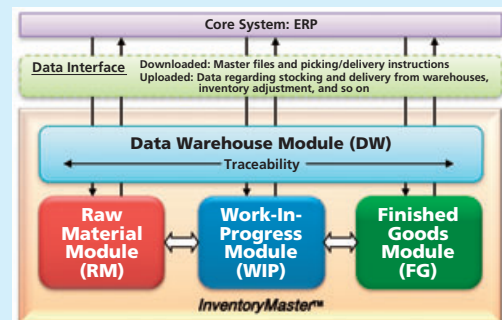


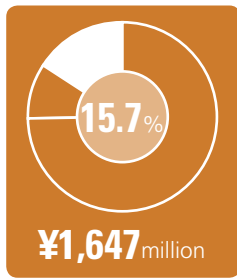
Reviewing Work-Related Notifications

### InventoryMaster™

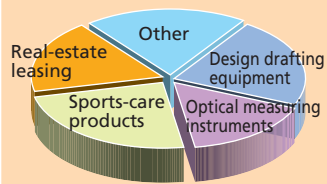
Inventory management system for manufacturers involved in fabrication and assembly

- ◆ **InventoryMaster™** is an inventory and production management system developed for manufacturers. To meet needs for three types of inventory in manufacturing, three main modules are provided: Raw Material, Work-In-Progress, and Finished Goods. Consolidated management of inventory data of all kinds is performed in another module, the Data Warehouse module.





Net sales ratio by operation



### Overview

In the real estate leasing business, results were solid due to steady lease continuation, with sales at ¥418 million (up 8.8% year-on-year) and operating profit of ¥253 million (up 27.3% year-on-year).

Other businesses in our diversified portfolio include design/drafting equipment, optical measuring instruments, sports-care products, and retail outlets for books and stationery. These businesses have been affected by generally lower private capital expenditures and consumer spending from the prolonged downturn in the domestic economy. Sales stood at ¥1,229 million (down 15.7% year-on-year) with an operating loss of ¥8 million (compared to ¥80 million in profit the previous year).

### Topics

**cadshop MUTOH**

Mutoh Industries Online CAD Shop

<http://cadshop610.com/>

**A convenient way to purchase M-Draf products online**

**OPEN!**



The M-Draf series, optimized for drafting practices in Japan

M-Draf LT 2009

**¥89,250**

M-Draf Spirit 2009

**¥419,475**

M-Draf Suite Premium 2009

**¥1,606,500**

Special annual packages with SMP membership and technical support also available.

# VJ-1608HJ

ValueJet® Series

Supports 1,625 mm rolls and 1,600 mm board media

NEW



**MUBIO INK**

Brilliant Color, Courtesy of Nature

Uses eco-friendly ink (80% vegetable-derived)



**HOT AIR**

Blower and heated air nozzles

In addition to using a blower (connected to an air compressor, as on conventional printers), this model can also heat the air for faster ink drying and better productivity.

Air temperature is adjustable, enabling support for a variety of media.



**Auto Check**

Controller-equipped feeder facilitates printing on board media

Superior feed control enables printing on board media up to 1,600 mm wide without buckling. Board media up to 10 mm thick and 5 kg is supported. Thickness is detected automatically. (Can also be deactivated for continuous print jobs.)

Note: The feeder is optional.



**PRESS OK**

Printed surfaces resist cracking when bent, thanks to the elastic properties of the ink

Mubio ink can be used to print on uncoated PET and PP plastic, paper and other spooled media, as well as on corrugated plastic, styrene, and other board media. Adhesive and tightly bonding, the ink resists peeling if media bends or stretches. Even used in thermoforming applications.



## LED Panels

MDP Series

LED circuits are mounted directly on aluminum sheets, using an original circuit design

**Thin, Light, and Cool**

For signage, illumination, inspection benches, and other applications

**Custom sizes available**

### LED Panels

- Minimum thickness: 3 mm, including aluminum base layer
- Choose brightness and color temperature to suit the application
- Energy-efficient and cool
- Needs for various panel sizes and cable lengths can be easily met
- Can be waterproofed

### Product Specifications

LED Panel Reference unit size: 450 mm×450 mm

		Brightness	Current Consumption	Power Consumption	Drive Voltage
MDP-4545-1	1-chip type	2500 lux	0.7 A	Approx. 8.4 W	DC 12 V
MDP-4545-2	2-chip type	4500 lux	1.4 A	Approx. 16.8 W	DC 12 V



## ■ Consolidated Balance Sheets

(Millions of yen)

Account	Period	As of September 30, 2009	As of September 30, 2008	As of March 31, 2009
<b>Assets</b>				
Current assets		15,652	20,025	16,583
Cash and bank deposits		6,231	5,449	4,960
Notes and accounts receivable		4,132	6,571	4,742
Inventories		4,978	6,654	6,095
Others		310	1,350	785
Fixed assets		11,578	12,555	11,718
Tangible fixed assets		9,382	9,863	9,533
Intangible fixed assets		814	1,032	857
Investments and other assets		1,381	1,659	1,326
Investment securities		713	742	576
Others		668	917	749
<b>Total assets</b>		<b>27,230</b>	<b>32,581</b>	<b>28,301</b>

(Millions of yen)

Account	Period	As of September 30, 2009	As of September 30, 2008	As of March 31, 2009
<b>Liabilities</b>				
Current liabilities		4,419	7,330	5,472
Notes and accounts payable		2,192	4,156	2,897
Short-term bank loans and current portion of long-term debt		219	186	249
Others		2,007	2,987	2,324
Long-term liabilities		4,082	4,650	3,949
Long-term debt		354	795	340
Others		3,727	3,855	3,608
<b>Total liabilities</b>		<b>8,501</b>	<b>11,981</b>	<b>9,421</b>
<b>Net assets</b>				
Shareholders' equity		19,650	20,874	19,921
Common stock		10,199	10,199	10,199
Capital surplus		4,182	4,182	4,182
Retained earnings		7,574	8,164	7,843
Treasury stock		(2,305)	(1,671)	(2,303)
Valuation and translation adjustments		(1,501)	(795)	(1,600)
Minority interests		580	521	558
<b>Total net assets</b>		<b>18,729</b>	<b>20,600</b>	<b>18,880</b>
<b>Total liabilities and net assets</b>		<b>27,230</b>	<b>32,581</b>	<b>28,301</b>

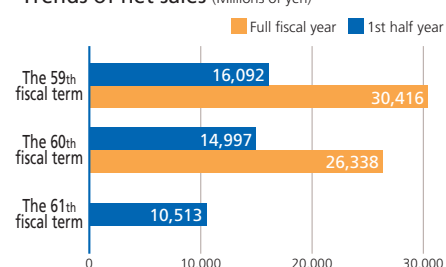


## Consolidated statements of income

(Millions of yen)

Account	Period	1st Half period ended September 30, 2009	1st Half period ended September 30, 2008	Year ended March 31, 2009
Net sales		10,513	14,997	26,338
Operating income (loss)		(2)	1,300	951
Ordinary income (loss)		(34)	1,621	1,394
Income (loss) before income taxes and minority interests		16	1,509	1,176
Net income (loss)		(269)	924	604

Trends of net sales (Millions of yen)

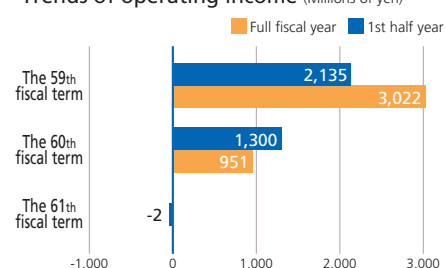


## Consolidated statements of cash flows

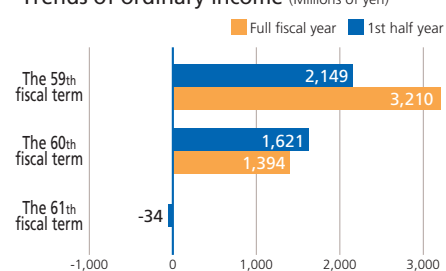
(Millions of yen)

Account	Period	1st Half period ended September 30, 2009	1st Half period ended September 30, 2008	Year ended March 31, 2009
Net cash from operating activities		1,503	666	1,108
Net cash from investing activities		(139)	(1,242)	(965)
Net cash from financing activities		(45)	(41)	(951)
Effect of exchange-rate changes on cash and cash equivalents		(47)	(100)	(397)
Net increase (decrease) in cash and cash equivalents		1,270	(718)	(1,207)
Cash and cash equivalents at beginning of period		4,960	6,167	6,167
Cash and cash equivalents at end of period		6,231	5,449	4,960

Trends of operating income (Millions of yen)



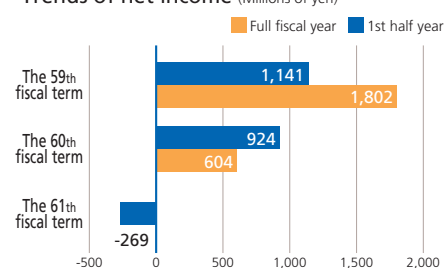
Trends of ordinary income (Millions of yen)



## 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)



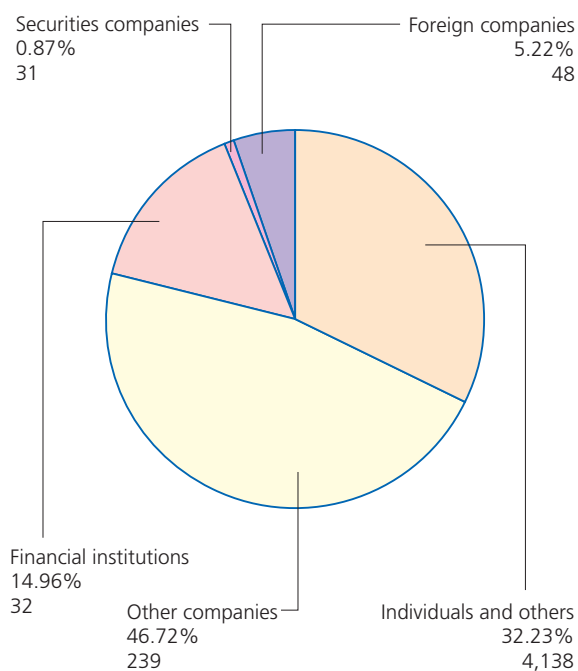
■ Number of shares issuable	170,000,000
■ Number of shares issued	54,818,180
■ Number of shares per unit	1,000
■ Number of shareholders	4,488

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

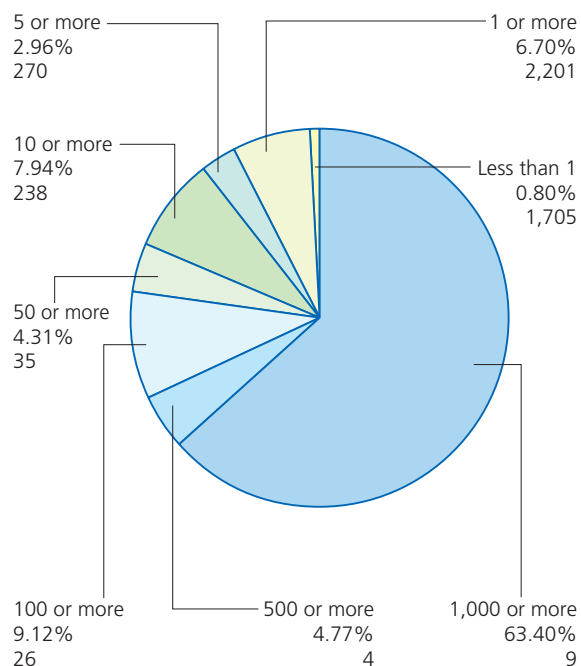
Shareholders	Units held	Percentage of voting rights
TCS HOLDINGS CO., LTD.	13,200	28.69

Note: Above Percentage of voting rights is calculated exclusively the treasury stock (8,808,477 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: +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

#### MUTOH INDUSTRIES LTD.

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

#### MUTOH ENGINEERING INC.

Maintenance of imaging and information 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 equipment

#### MUTOH EUROPE nv

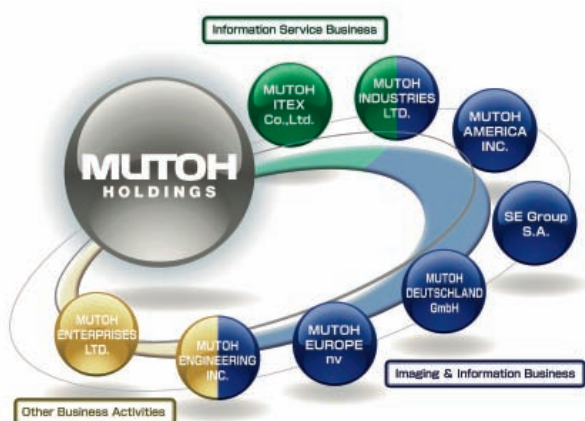
Development, manufacturing and sales of imaging and information equipment

#### MUTOH DEUTSCHLAND GmbH

Sales of imaging and information equipment

#### SE Group S.A.

A Corporate group selling imaging and information-related equipment and material.



## Directors (As of September 30, 2009)

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

Masanobu Takeda	<b>Full-time Auditor</b>
Hiroki Nakano	<b>Auditor</b>
Nobuaki Kunimine	<b>Auditor</b>

## 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 ( <a href="http://www.mutoh-hd.co.jp">http://www.mutoh-hd.co.jp</a> ). * 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.