

## 65th (Fiscal Year 2013) Financial Report

April 1, 2013 to March 31, 2014



## ■ Message to Shareholders



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

We hereby present our 65th (Fiscal Year 2013) Financial Report, covering the MUTOH Group's business performance and activities.

**President Nobumasa Hayakawa**

## Basic Policy

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

## ■ Business Situation and Outcomes

Overall economic conditions were positive during the current consolidated fiscal year as a gradual recovery trend in the US continued, there were signs of economic recovery in Europe, and China and other emerging countries in Asia continued to grow, albeit at a decreased pace.

Against this background, sales were strong for our core large-format inkjet printer products, particularly in Europe and the US, as a result of improvements in the market environment, continued product development and cost reductions, and strengthened sales activities at business locations overseas and in Japan.

In particular, in the US our large-format inkjet printer "VJ-1638" won the "Product of The Year Award" at the SGIA Show (the industry's largest exhibition in the US) for the second consecutive year, reflecting the market's positive reception of our products.

For 3D printers that have gained much attention as the bearers of the new industrial revolution, MUTOH has developed a one-stop system for the broad 3D printer product line that it handles (3D Systems (US) products) from personal to professional printers as a company capable of providing full support to customers from hardware to service and support. MUTOH also started providing an output service including mold samples and completion forecast models for companies in September. Furthermore, during the second half of the year, MUTOH utilized its product know-how to develop the "Value 3D Magix MF-1000" 3D printer for personal use and commenced manufacturing and sales from January. By adding our own products to the 3D printers manufactured by 3D Systems, we will work to support an even broader range of user needs and expand sales even further.

In terms of our business performance, both sales and profits increased year on year. This was due to measures including continued strengthened sales activities, cost reductions, and improvements in the MUTOH Group's business environment such as the gradual improvement in the US economy and the depreciation of the yen in the forex environment.

As a result of these factors, in terms of the consolidated business performance for the fiscal year under review, net sales stood at ¥23,115 million (up 28.5% year on year) and operating income came to ¥1,630 million (up ¥1,490 million year on year). Meanwhile, due mainly to the posting of a foreign exchange gain of ¥417 million on foreign currency-denominated assets as a result of yen depreciation, ordinary income increased to ¥2,014 million (up 181.6% year on year). As a result of the recording of a negative income tax adjustment of ¥1,165 million accompanying the posting of deferred tax assets, net income of ¥2,399 million was recorded for the fiscal year (up 816.5% year on year).

The Company has decided to increase dividends by ¥2 and distribute year-end dividends of ¥5 per share to our shareholders, in appreciation of their support to date.

We would like to request your continuing support of the Company in years to come.

# Consolidated Financial Highlights

○ Consolidated net sales  
65<sup>th</sup> (FY2013) period: **¥23,115** million

62<sup>nd</sup> (FY2010) period: **21,920** million    63<sup>rd</sup> (FY2011) period: **20,441** million    64<sup>th</sup> (FY2012) period: **17,982** million

○ Consolidated operating income  
65<sup>th</sup> (FY2013) period: **¥1,630** million

62<sup>nd</sup> (FY2010) period: **1,202** million    63<sup>rd</sup> (FY2011) period: **653** million    64<sup>th</sup> (FY2012) period: **140** million

○ Consolidated ordinary income  
65<sup>th</sup> (FY2013) period: **¥2,014** million

62<sup>nd</sup> (FY2010) period: **962** million    63<sup>rd</sup> (FY2011) period: **1,306** million    64<sup>th</sup> (FY2012) period: **715** million

○ Consolidated net income (loss)  
65<sup>th</sup> (FY2013) period: **¥2,399** million

62<sup>nd</sup> (FY2010) period: **800** million    63<sup>rd</sup> (FY2011) period: **(425)** million    64<sup>th</sup> (FY2012) period: **261** million

○ Consolidated gross assets  
65<sup>th</sup> (FY2013) period: **¥32,953** million

62<sup>nd</sup> (FY2010) period: **28,462** million    63<sup>rd</sup> (FY2011) period: **27,028** million    64<sup>th</sup> (FY2012) period: **27,363** million

○ Consolidated net assets  
65<sup>th</sup> (FY2013) period: **¥21,466** million

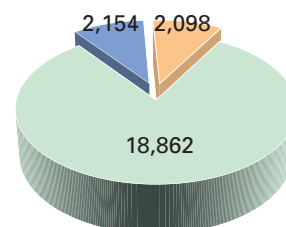
62<sup>nd</sup> (FY2010) period: **19,459** million    63<sup>rd</sup> (FY2011) period: **18,601** million    64<sup>th</sup> (FY2012) period: **19,170** million

## Business Segment Net Sales (Millions of yen)

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

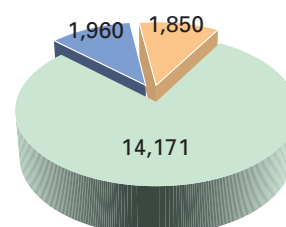
● 65<sup>th</sup> (FY2013) period:

**¥23,115** million



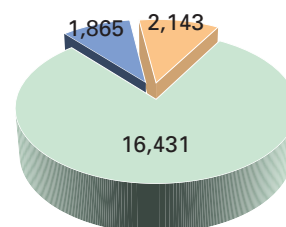
● 64<sup>th</sup> (FY2012) period:

**¥17,982** million



● 63<sup>rd</sup> (FY2011) period:

**¥20,441** million



## Projections for the next period

	(Millions of yen)			
	Net sales	Operating income	Ordinary income	Net income
Consolidated projections	25,000	1,000	1,000	2,500

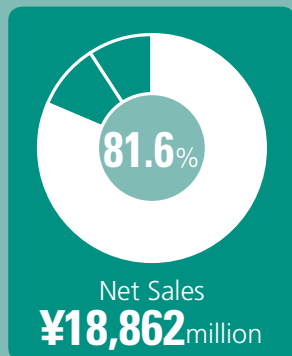
Figures announced on May 15, 2014.

While there are still concerns about future economic trends such as the monetary crisis in Europe and the slowdown in the economic growth rate of emerging economies, the economies of developed countries are improving, as typified by the recovery in the US economy and the improvement in the European economy.

Within this environment, the MUTOH Group aims to increase sales by actively developing and introducing new large-format printer products in the market in its core Imaging and Information Equipment Business, providing new services with 3D printers, and expanding the 3D printer product lineup that includes 3D Systems products and its own products.

# Overview of Business Segments

## Imaging & Information Equipment Business

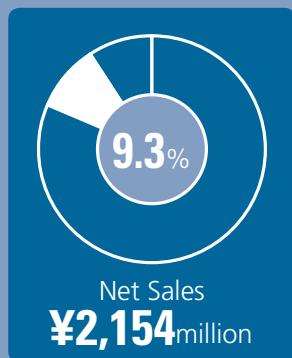


In Asia, due to factors such as strong sales to China and other emerging countries and strong domestic sales of 3D printers, net sales and operating income stood at ¥8,876 million (up 28.9% year on year) and ¥994 million (up 269.5% year on year), respectively.

In North America, due to factors such as aggressive sales activities, the recovery of the US economy, and the effect of yen depreciation, net sales and operating income stood at ¥3,333 million (up 45.4% year on year) and ¥175 million (up 426.8% year on year), respectively.

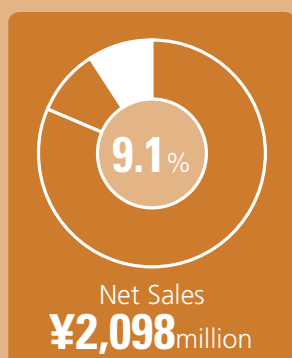
In Europe, as a result of strong sales to Turkey and countries in Eastern Europe and the effect of yen depreciation, net sales and operating income of ¥6,652 million (up 33.3% year on year) and ¥423 million (compared with an operating loss of ¥231 million in the same period last year) were respectively recorded.

## Information Service Business



In the Information Service Business, earnings increased in the CAD business and systems solutions service business, thanks to factors including ongoing efforts to strengthen sales capabilities, demand for replacement buys following the termination of support for Windows XP, and the last-minute rise in demand before the increase in the consumption tax. As a result, net sales and operating income stood at ¥2,154 million (up 9.9% year on year) and ¥223 million (up 50.0% year on year), respectively.

## Real-Estate Leasing Business and Other Businesses



In the Real Estate Leasing Business, due to an improvement in operating rates, net sales and operating income stood at ¥356 million (up 10.3% year on year) and ¥237 million (up 4.3% year on year), respectively.

In Other Business, while net sales of ¥1,742 million (up 14.1% year on year) were recorded as a result of aggressive sales activities for LED lighting that applies inkjet printing technologies to LGP (Light Guide Panel), an operating loss of ¥101 million (compared with an operating income of ¥0 million in the same period last year) was recorded as a result of an increase in selling, general and administrative expenses and the recording of a valuation loss and disposal loss on sports support product inventories.

## Pattern-cutting plotter for the apparel industry Launch of the "VC-A1000"

The pattern-cutting plotter "VC-A1000" for apparel pattern making is equipped with an automatic empty ink cartridge detection feature and supports use with commercially available ballpoint pens. The ease of various operations has been improved and this new product provides great value-for-money (VFM).

The main features are as follows.

- ◆ Automatic empty ink cartridge detection
- ◆ Automatic pen (pen, cutting) switching
- ◆ Three pressure rollers and three-stage pressure
- ◆ Auto-cut-off function (sheet-off unit)
- ◆ Maximum cut pressure of 600g
- ◆ Maximum cutting width of 1,016mm
- ◆ Roll media can be fitted to the front
- ◆ Standardly equipped with three types of interface
- ◆ Commercially available ballpoint pens up to a diameter of 12mm can be used as is



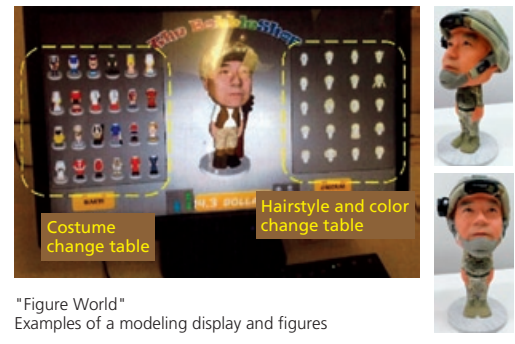
"VJ-A1000"  
Pattern-cutting plotter for the apparel industry

## Launch of a 3D dress-up figure print service

The 3D dress-up figure print service "Figure World" is an innovative new service in which the user uses a high-speed scanner to scan their entire face in approximately 10 seconds, and the resulting 3D data is then sent to the adjacent PC, allowing them to select their own clothing, hairstyle, and body size and then place an order for a 3D solid dress-up figure.

With this system, after the order has been completed and the data converted into output data, it is sent to a large 3D printer at MUTOH's output center, the figure is manufactured and then sent to the customer by post.

The high-speed scanner and PC set will be leased out to agencies that have obtained the sales rights for this system.



"Figure World"  
Examples of a modeling display and figures

## Release of the "Liner Board UT-06" portable parallel ruler liner board

The portable A2-size "Liner Board UT-06" has been released as a multi-function, thin, lightweight and compact parallel ruler for the examination for class-1 and -2 architects. It provides full support for both daily practice and important exams.

The main features are as follows.

- ◆ Portable and lightweight at 2.5kg
- ◆ Allows comfortable diagramming with a nonskid sponge and rubber supports
- ◆ Scale grip that prevents fatigue and blemishes
- ◆ Scale floating mechanism that prevents sketch blemishes
- ◆ Break mechanism that allows the scale position to be fixed freely
- ◆ Drawing board angle can be set at 1°, 5°, and 10°



An original carrying bag comes with the "Liner Board UT-06"

## Sales launch of UV inkjet printers

### Simultaneous launch of the desktop "VJ-426UF" and the large-format "VJ-1626UH"

In June 2014, we launched sales of two new UV inkjet printer models that use UV ink that cures through UV-ray irradiation, the desktop "VJ-426UF" (¥2.38 million before tax) and the large-format "VJ-1626UH" (¥4.48 million before tax).



"VJ-426UF"  
UV inkjet printer

The "VJ-426UF" is a flat-bed model that supports A3-ledger size with a compact size for when space is at a premium.

Utilizing the characteristics of UV ink that allows for printing with various materials, this printer is optimal for on-demand printing in small lots for a variety of products for the gift and novelty industry and high-demand commercial printing applications.

The main features are as follows.

- ◆ Compact flat-bed model that supports A3-ledger size
- ◆ Equipped with an LED-UV lamp that achieves power savings and enhanced life
- ◆ Two types of ink combinations available: four-color (C/M/Y/K) and six-color (C/M/Y/K + white and varnish)
- ◆ Supports a high-quality mode with 1,440×1,440dpi for high-definition-printing applications
- ◆ Standardly equipped with a Windows printer driver that makes it easy to print from Office software such as Word, Excel, and Power Point
- ◆ Standardly equipped with software that facilitates highly expressive layer printing using the driver mentioned above

The "VJ-1626UH" is large-format printer that supports widths up to 64 inches and provides great value-for-money, as it is suited for direct printing on board media such as aluminum composite panels, acrylic board, and cardboard, as well as roll media such as vinyl chloride and transparent film.

The main features are as follows.

- ◆ Hybrid model that supports widths up to 64 inches (1,625mm) and is suited not only for roll media, but also board media up to 15mm thick and weighing up to 15kg
- ◆ Equipped with an LED-UV lamp that achieves power savings and enhanced life
- ◆ Two types of ink combinations available: four-color (C/M/Y/K) and six-color (C/M/Y/K + white and varnish)
- ◆ Rubber material used in media-conveying roller to improve the board media conveyance capacity and durability
- ◆ The spectrophotometer "SPECTROVUE VM-10" (optional) is supported, enabling easy and efficient color management



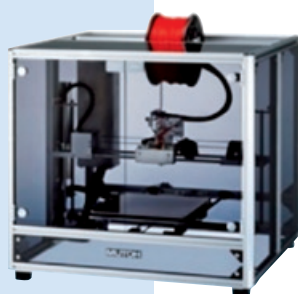
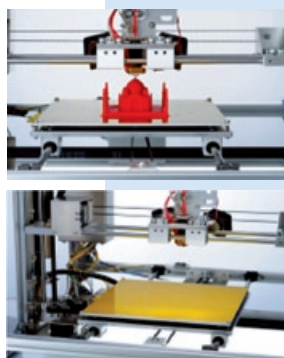
"VJ-1617H"  
UV inkjet printer

## 'Made in Japan' personal 3D printer The dual-head "MF-2000" launched to follow "MF-1000"

MUTOH's personal 3D printer "MF-1000" (¥200,000 before tax) was released in January 2014 to a very positive reception. Sales of the follow-up model, the dual-head "MF-2000" (¥450,000 before tax), began in May 2014.

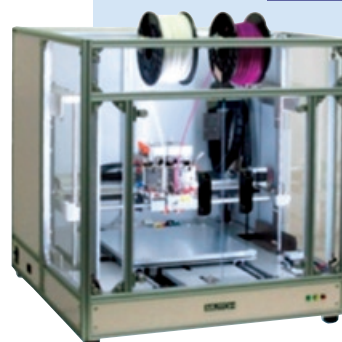
Minimum lamination 0.05mm (50µm)	High-rigidity body that achieves highly accurate forms	High reproduction abilities for high resolution	Equipped with heated printing table	Equipped with double cooling fans	Z-axis double- carry table
ABS&PLA Myriad color filament	Filament diameter 1.75&3mm	Open-reel method	Reassuring software that provides Japanese language support	A wide variety of parameter settings available	Full support service

"MF-1000"  
Printing area  
200mmx200mmx170mm  
Entry-level Model



"MF-1000"

"MF-2000"  
Dual-head  
Printing area  
300mmx300mmx300mm  
Maximum area achieved in  
personal 3D printer !



"MF-2000"



**Value**  
**3D MagiX**

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

(Millions of yen)

Account	Period	FY2013 Period As of March 31, 2014	FY2012 Period As of March 31, 2013	Account	Period	FY2013 Period As of March 31, 2014	FY2012 Period As of March 31, 2013
<b>Assets</b>				<b>Liabilities</b>			
Current assets		20,350	16,184	Current liabilities		5,949	4,322
Cash and bank deposits		9,730	7,407	Notes and accounts payable		3,512	2,362
Notes and accounts receivable		4,832	3,794	Others		2,436	1,959
Inventories		4,225	3,902	Long-term liabilities		5,557	3,870
Others		1,562	1,079	Allowance for retirement benefits		—	3,475
Fixed assets		12,603	11,178	Debt for retirement benefits		5,049	—
Tangible fixed assets		8,499	8,456	Others		507	394
Intangible fixed assets		173	187	<b>Total liabilities</b>		<b>11,506</b>	<b>8,192</b>
Investments and other assets		3,930	2,534	<b>Net assets</b>			
Investment securities		1,997	1,957	Shareholders' equity		22,731	20,480
Others		1,933	577	Capital stock		10,199	10,199
<b>Total assets</b>		<b>32,953</b>	<b>27,363</b>	Capital surplus		4,181	4,181
				Retained earnings		10,684	8,422
				Treasury stock		(2,334)	(2,323)
				<b>Total other cumulative comprehensive income</b>		<b>(2,011)</b>	<b>(1,992)</b>
				Minority interests		727	682
				<b>Total net assets</b>		<b>21,446</b>	<b>19,170</b>
				<b>Total liabilities and net assets</b>		<b>32,953</b>	<b>27,363</b>

## Consolidated statement of change in net assets FY2013 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	Shareholders' equity					Total other cumulative comprehensive income	Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity			
Outstanding as of April 1, 2013	10,199	4,181	8,422	(2,323)	20,480	(1,992)	682	19,170
Change in value for consolidated accounting year								
Dividend of surplus			(137)		(137)			(137)
FY2013 net income			2,399		2,399			2,399
Acquired treasury stock				(11)	(11)			(11)
Disposed treasury stock		0		0	0			0
Change in value for consolidated accounting year for items other than capital stock (net)						(19)	44	25
<b>Total change in value for consolidated accounting year</b>	<b>—</b>	<b>0</b>	<b>2,262</b>	<b>(11)</b>	<b>2,251</b>	<b>(19)</b>	<b>44</b>	<b>2,276</b>
Outstanding as of March 31, 2014	10,199	4,181	10,684	(2,334)	22,731	(2,011)	727	21,446

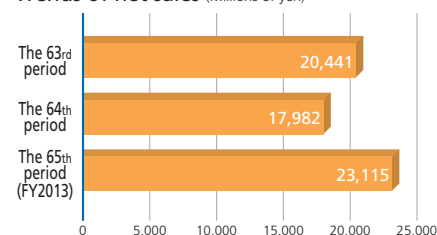


## Consolidated statements of income

(Millions of yen)

Account	Period	Year ended March 31, 2014	Year ended March 31, 2013
Net sales		23,115	17,982
Operating income		1,630	140
Ordinary income		2,014	715
Income before income taxes and minority interests		2,100	773
Net income		2,399	261

## Trends of net sales (Millions of yen)

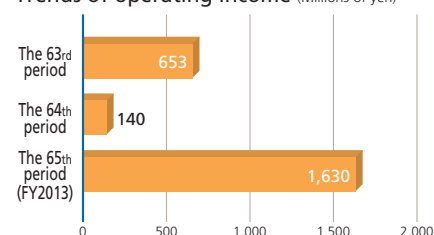


## Consolidated statements of cash flows

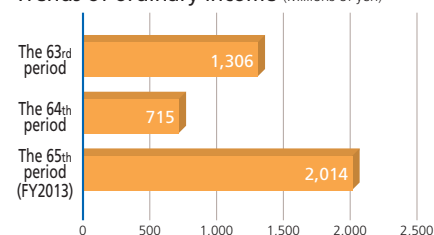
(Millions of yen)

Account	Period	Year ended March 31, 2014	Year ended March 31, 2013
Net cash from operating activities		2,034	1,020
Net cash from investing activities		204	(322)
Net cash from financing activities		(155)	(192)
Net increase (decrease) in cash and cash equivalents		2,563	1,021
Cash and cash equivalents at beginning of period		7,166	6,144
Cash and cash equivalents at end of period		9,730	7,166

## Trends of operating income (Millions of yen)



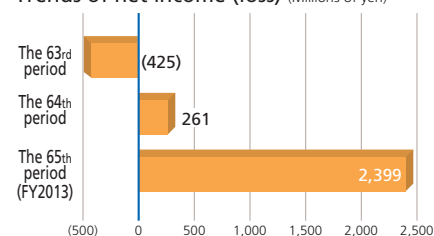
## Trends of ordinary income (Millions of yen)



## Consolidated subsidiaries in each business segment

Business segment	Company names
Imaging & Information Equipment Business	MUTOH INDUSTRIES LTD., MUTOH Belgium nv, MUTOH North Europe S.A., MUTOH Deutschland GmbH, MUTOH AMERICA INC., MUTOH HONG KONG LIMITED, MUTOH SINGAPORE PTE. LTD., MUTOH AUSTRALIA PTY. LTD., MUTOH ENGINEERING INC.
Information Service Business	MUTOH ITEX Co., Ltd., MUTOH ENGINEERING INC.
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 (loss) (Millions of yen)



**Name:** MUTOH HOLDINGS CO., LTD.

**Established:** March 5, 1952  
(founded: December 1942)

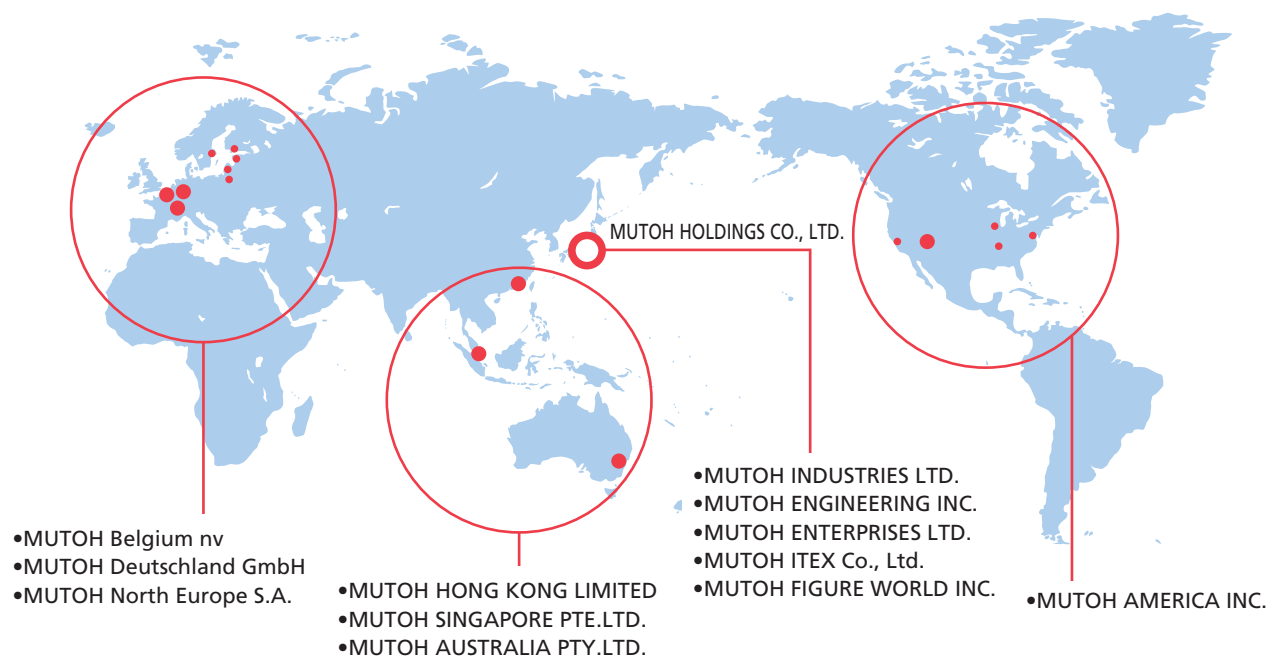
**Capital stock:** 10,199 million yen

**Head office:** 1-3, Ikejiri 3-chome, Setagaya-ku, Tokyo  
154-8560  
TEL: +81-3-6758-7100

**Main business:** Management and assets management of the Group companies

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

## MUTOH group companies



(Notes) MUTOH FIGURE WORLD INC. was established in June 2014.

## ■ Directors (As of June 26, 2014)

Masanori Takayama	<b>Chairman of the Board</b>	Hajime Tatsuzawa	<b>Full-time Corporate Auditor</b>
Nobumasa Hayakawa	<b>President</b>	Toshio Ishida	<b>Corporate Auditor</b>
Yoichi Abe	<b>Managing Director</b>	Nobuaki Kunimine	<b>Corporate Auditor</b>
Hisayoshi Aoki	<b>Managing Director</b>		
Masanobu Takeda	<b>Director</b>		
Toshihiro Sakamoto	<b>Director</b>		
Yoshiyuki Takayama	<b>Director</b>		
Yoshihiko Baba	<b>Director</b>		

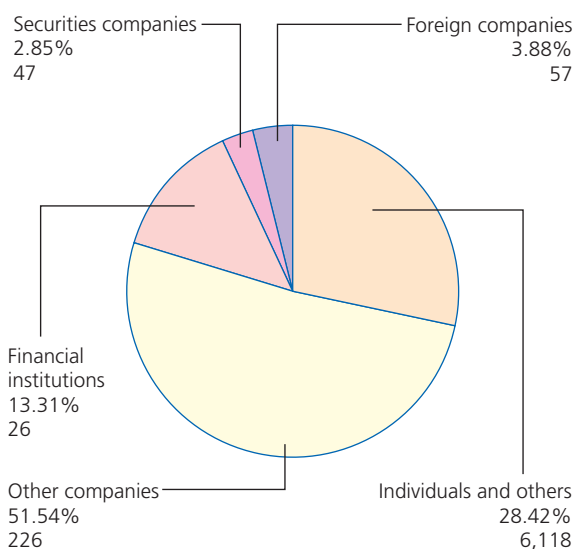
■ Number of shares issuable	170,000,000
■ Number of shares issued	54,818,180
■ Number of shares per unit	1,000
■ Number of shareholders	6,474

## ■ Major Shareholders

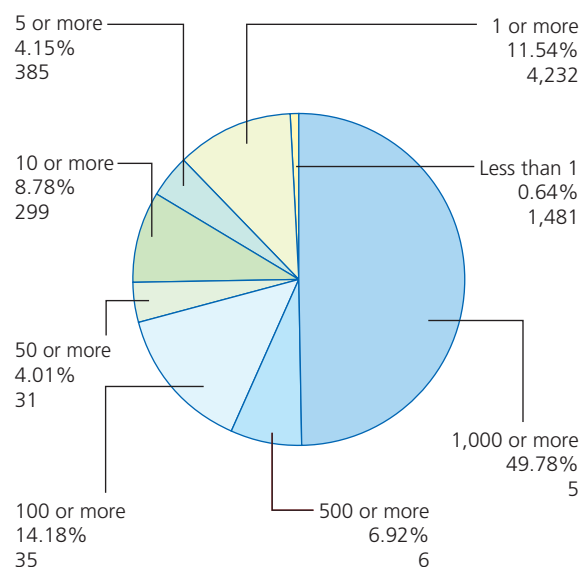
Name	Number of Shares Held (Shares)	Ratio of Shareholding (%)
TCS Holdings Co., Ltd.	13,220,000	28.80
Mizuho Bank, Ltd.	2,121,399	4.62
Eiji Mutoh	1,580,586	3.44
Sumitomo Mitsui Trust Bank, Limited	1,457,000	3.17
Unisystem Co., Ltd.	923,000	2.01
NTT System Development Co., Ltd.	712,000	1.55
State Street Bank and Trust Company	653,000	1.42
Keiichi Hori	591,000	1.29
Japan Securities Finance Co., Ltd.	572,000	1.25
High-Tech System Corporation	541,000	1.18

(Notes) 1. The Company holds 8,911,813 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 ( <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 :	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233
Mail address and Telephone number :	8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063 TEL: +81-120-782-031 (toll-free) Stock Transfer Agency Department Sumitomo Mitsui Trust Bank, Limited Stock transfer agent services are provided at branch offices in Japan of Sumitomo Mitsui Trust Bank, Limited.

## 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 Sumitomo Mitsui Trust Bank, Limited, an account management institution of special accounts.

### 2. Payment of accrued dividends

Please make all requests to Sumitomo Mitsui Trust Bank, Limited, which is the administrator of the shareholder register.

### 3. Dividend Statement

The Dividend Statement that is delivered upon dividend payment also serves as a Payment Notice in accordance with the stipulations of the Act on Special Measures Concerning Taxation.

This document can be used as an attachment when filing your income tax return. We ask that shareholders who will file an income tax return carefully store this document.

For shareholders that have selected the stock pro rata system, your stock brokerage will calculate the amount of withholding tax.

Please confirm with your stock brokerage the materials to be submitted when filing your income tax return.