

**MUTOH**

TSE securities code : 7999



# **65th (Fiscal Year 2013) 1st Half Financial Report**

April 1 to September 30, 2013



**MUTOH HOLDINGS CO., LTD.**

## ■ 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) 1st Half Financial Report, covering the MUTOH Group's business performance and activities.

## Basic Policy

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

## ■ Business Situation and Outcomes

In the first half of the current consolidated fiscal year, the global economy continued to recover, despite growing fears of an economic slump fuelled by fiscal problems in the US. The European economy remained sluggish, while the outlook for China and other emerging countries in Asia remained uncertain due to slower economic growth. At the same time, we began to see signs of a modest economic recovery in Japan, with improvements in corporate earnings, particularly for exporters, thanks to a weaker yen.

Under such conditions, our mainstay Imaging and Information Equipment Business achieved strong sales due to improvements in the market environment, coupled with ongoing efforts to reinforce sales activities.

3D printers have attracted growing attention since the second half of the previous fiscal year, and the MUTOH Group now handles a lineup of 3D printer products (from US-based 3D Systems), ranging from personal printers to professional models. MUTOH has set up a system that can meet a wide range of customer needs, and also carries out proactive sales activities, such as holding 3D Printer Seminars on an ongoing basis in major cities throughout the country. As a result, sales were strong. In addition, MUTOH began offering output services with its trial samples and models of the final product for companies as a 3D Printer Total Solutions Business supporting the frontlines of manufacturing.

Both sales and income were up due to ongoing efforts to strengthen sales and to cost-cutting measures, as well as to improvements in the Group's operating environment, such as a modest economic recovery in the US and a weaker yen.

As a result, in the first half of the current fiscal year, consolidated net sales stood at ¥10,813 million (up 24.4% year on year) and operating income totaled ¥655 million (up ¥620 million year on year). Meanwhile, due to the posting of exchange gains on the evaluation of foreign currency-denominated assets amounting to ¥221 million as a result of yen depreciation, we posted ordinary income of ¥901 million (compared with an ordinary loss of ¥187 million in the same period last year) and net income of ¥591 million (compared with net loss of ¥317 million in the same period last year).

The MUTOH Group is developing new management strategies to boost sales and income during the fiscal year as a whole. We greatly appreciate your support and ask for your continued assistance and cooperation.

# Consolidated Financial Highlights

○ Consolidated net sales	65 <sup>th</sup> (FY2013) 1 <sup>st</sup> Half period: <b>¥10,813</b> million		
	62 <sup>nd</sup> (FY2010) period:	63 <sup>rd</sup> (FY2011) period:	64 <sup>th</sup> (FY2012) period:
	<b>21,920</b> million	<b>20,441</b> million	<b>17,982</b> million
1 <sup>st</sup> Half	<b>11,417</b> million	<b>10,579</b> million	<b>8,690</b> million

○ Consolidated operating income	65 <sup>th</sup> (FY2013) 1 <sup>st</sup> Half period: <b>¥655</b> million		
	62 <sup>nd</sup> (FY2010) period:	63 <sup>rd</sup> (FY2011) period:	64 <sup>th</sup> (FY2012) period:
	<b>1,202</b> million	<b>653</b> million	<b>140</b> million
1 <sup>st</sup> Half	<b>775</b> million	<b>463</b> million	<b>34</b> million

○ Consolidated ordinary income (loss)	65 <sup>th</sup> (FY2013) 1 <sup>st</sup> Half period: <b>¥901</b> million		
	62 <sup>nd</sup> (FY2010) period:	63 <sup>rd</sup> (FY2011) period:	64 <sup>th</sup> (FY2012) period:
	<b>962</b> million	<b>1,306</b> million	<b>715</b> million
1 <sup>st</sup> Half	<b>553</b> million	<b>680</b> million	<b>(187)</b> million

○ Consolidated net income (loss)	65 <sup>th</sup> (FY2013) 1 <sup>st</sup> Half period: <b>¥591</b> million		
	62 <sup>nd</sup> (FY2010) period:	63 <sup>rd</sup> (FY2011) period:	64 <sup>th</sup> (FY2012) period:
	<b>800</b> million	<b>(425)</b> million	<b>261</b> million
1 <sup>st</sup> Half	<b>545</b> million	<b>(297)</b> million	<b>(317)</b> million

○ Consolidated gross assets	65 <sup>th</sup> (FY2013) 1 <sup>st</sup> Half period: <b>¥29,370</b> million		
	62 <sup>nd</sup> (FY2010) period:	63 <sup>rd</sup> (FY2011) period:	64 <sup>th</sup> (FY2012) period:
	<b>28,462</b> million	<b>27,028</b> million	<b>27,363</b> million

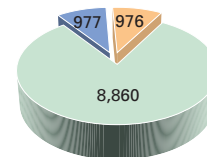
○ Consolidated net assets	65 <sup>th</sup> (FY2013) 1 <sup>st</sup> Half period: <b>¥20,196</b> million		
	62 <sup>nd</sup> (FY2010) period:	63 <sup>rd</sup> (FY2011) period:	64 <sup>th</sup> (FY2012) period:
	<b>19,459</b> million	<b>18,601</b> million	<b>19,170</b> million

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

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

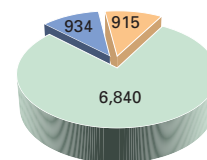
● 65<sup>th</sup> (FY2013) period:

**¥10,813** million



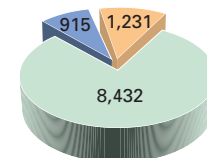
● 64<sup>th</sup> (FY2012) period:

**¥8,690** million



● 63<sup>rd</sup> (FY2011) period:

**¥10,579** 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	21,500	1,000	1,200	700

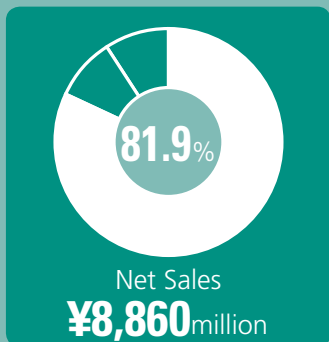
Figures announced on November 7, 2013.

While global economic conditions remain uncertain, the Group is benefiting from bold sales measures and the impact of the weak yen. In addition, business performance has been impressive in North America, Europe and Asia, and 3D printer sales in Japan have exceeded initial forecasts.

Therefore, we anticipate that, despite price competition and uncertainties such as economic conditions in Europe and the US, sales and income will increase on the back of sales generated by aggressive efforts to expand sales channels and ongoing cost-cutting measures. Accordingly, we revised and disclosed our full-year earnings forecasts on November 7, 2013.

# Overview of Business Segments

## Imaging & Information Equipment Business

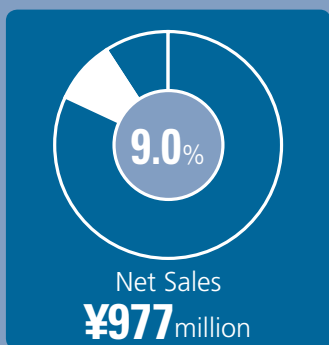


In Asia, due to a reduction in domestic OEM production, sales were robust in emerging countries in Asia such as China, bringing net sales to ¥4,094 million (up 19.9% year on year) and operating income to ¥451 million (up ¥370 million year on year).

In North America, net sales increased to ¥1,658 million (up 50.6% year on year) and operating income came to ¥81 million (up ¥75 million year on year) due to aggressive sales activities, coupled with the US economic recovery and yen depreciation.

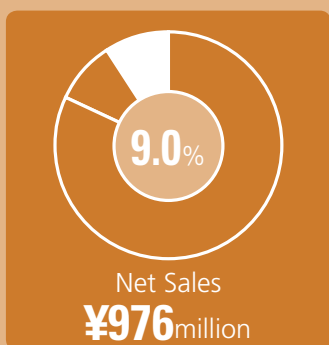
In Europe, as a result of yen depreciation and aggressive sales measures, net sales rose to ¥3,106 million (up 33.8% year on year), and an operating income of ¥153 million (compared with an operating loss of ¥49 million in the same period last year) was recorded.

## Information Service Business



In the Information Service Business, sales were solid in the CAD business and systems solutions service business, resulting in net sales of ¥977 million (up 4.6% year on year). However, operating income decreased to ¥54 million (down ¥12 million year on year) due to higher costs.

## Real-Estate Leasing Business and Other Businesses



The Real Estate Leasing Business benefited from stable rents. As a result, net sales and operating income stood at ¥170 million (up 13.6% year on year) and ¥116 million (up ¥10 million year on year), respectively.

In Other Business, net sales totaled ¥806 million (up 5.3% year on year) due to aggressive sales activities for LED lighting and other products. Due to an increase in selling expenses, etc., however, ¥55 million operating loss (compared with an operating loss of ¥15 million in the same period last year) was posted.

## Supports the efficient operation of MUTOH printers “ValueJet Status Monitor” (VSM)

The ValueJet Status Monitor (VSM) is free application software for PCs offered to MUTOH printer users. By registering your ValueJet printer with VSM, the following wide range of services can be used.

[Status monitor], [Report mail], [Color verification], [Smartphone link], [Firmware updates], [Printer activation], [Compilation of user definition names], [Updates to date and time]

\*Users must register with “ValueJet Club” to download VSM.

<https://valuejetclub.mutoh.co.jp/mutoh/guser/>



[Status monitor]  
VSM monitors printer status.



[Report mail]  
VSM can notify user of printer status via email.



[Color verification]  
Printer can measure color with VSM.



[Smartphone link]  
Printer status can be confirmed from a smartphone via VSM.

## 2D CAD software Release of “M-Draf Spirit 2014”

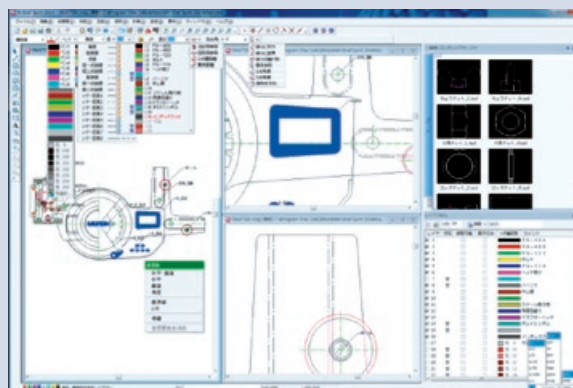
“M-Draf Spirit 2014,” the latest version of MUTOH’s all-purpose 2D CAD M-Draf series, was released.

MUTOH has continued to work with designers in development ever since launching the drafting and design equipment “Drafter” in 1953. The expertise built up through the Group’s history is incorporated in its CAD. Even when a mouse is used instead of a drafter, it offers operability similar to manual drawing as well.

This demonstrates MUTOH’s efforts to always incorporate the views of designers in its pursuit of the ideal tools.

The main new functions are as follows:

- ◆ Files in M-Draf format (.mdg, .syd, .piw) and files in AutoCAD format (.dxf, .dwg) can be compared in blueprints.
- ◆ MUTOH’s CAD software “ViSION PC” data can also be used.



Examples of designs created using “M-Draf Spirit”

## Light-weight elastic tape Launch of “LIGHT GUARD” in five new colors

“LIGHT GUARD” is a light-weight elastic tape that can be used in many places, from joints such as ankles and wrists to large muscles such as the thigh.

This tape is very elastic, light-weight, breathes well and is easily adaptable. It can also be easily torn by hand. It is now available in five new colors, in addition to white and black.

- ◆ New colors: Blue, Red, Pink, Gold, Green
- ◆ Existing colors: White, Black
- ◆ Tape width: 5.1cm, 7.6cm
- ◆ Tape length: 6.8m\* (size when stretched)



“LIGHT GUARD” Blue, Red, Pink

**Beauty and adaptability to wide range of media**  
 Examples of introduction of the Hybrid Inkjet Printer “VJ-1617H”



The “VJ-1617H” earns high acclaim for its quality and eco-friendly qualities.

The “VJ-1617H” adopts the long-awaited “white ink” in its well-established multi-purpose ink (MP ink), which can be used to draw on any type of material, and balances the ability to depict beautiful images with the capacity to work with a wide range of media. The “VJ-1617H” can be used in diverse applications, such as glass windows, plastic, colored cardboard and the paper to be used in the finished product in the printing industry.



More beautiful, more colorful  
 The “VJ-1617H” provides bright color production and the ability to work with a wide variety of media.



**Examples of introduction : Crown Package Co., Ltd.**

**Able to print directly onto a wide range of materials. Provides great satisfaction with its high print quality and environmental performance!**

When creating a model of the finished printed product for customers (a sample), a design was printed on coated paper using a water-based ink jet printer, and cut and pasted onto the package prior to printing. However, we still felt the need for direct printing, since this sample did not provide customers with a good sense of the product image, the finished products differed in strength, and the process of image confirmation and design revisions was time-consuming.

Accordingly, since we put emphasis on environmental performance as a company policy, the “VJ-1617H” was adopted due to the MP ink’s environmental compatibility, which appeals to designers and gives them a sense of reassurance when using it, to the MP ink’s drawing performance and to the ability to print directly on a wide range of materials.



## Launch of 3D printer output services

For samples for the manufacturing industry and models of the completed product for the construction and engineering industry

At manufacturing sites, it is often difficult to confirm the final product using CAD images alone, so samples are made during the prototype stage until the product is put into production. Once the final format is confirmed, the official production process begins.

During this prototype stage, 3D printers demonstrate their effectiveness in creating samples.

At MUTOH, we now provide data processing and sample output services using professional 3D printers so that we can meet requests such as the following:

- 3D printers are too expensive for me to buy, but I want 3D output.
- I wouldn't use a 3D printer enough to make it worthwhile to buy one, but I want 3D output.
- I want to compare and confirm the quality of a 3D printer.

### Example of output in plaster

Fast, full-color modeling



Machinery parts



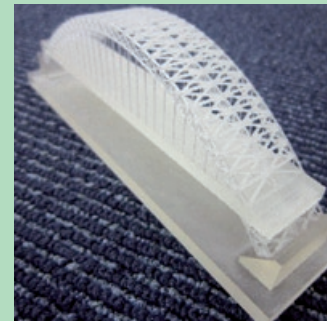
Architectural models

### Example of output in plastic

Highly detailed plastic models



Medical components



Structural and mechanism models

CAD or 3D CG data is required for 3D printer output. It is compatible with the main 3D tools used in manufacturing (industrial devices, auto and transport equipment, consumer products, manufacturing process verification, etc.).

It is also compatible with tools used in architecture and engineering work (urban planning, planning for bridges, ports, houses, buildings and plants, etc.).

# Consolidated 1st Half Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

(Millions of yen)

Account	Period	As of September 30, 2013	As of September 30, 2012	As of March 31, 2013	Account	Period	As of September 30, 2013	As of September 30, 2012	As of March 31, 2013
<b>Assets</b>					<b>Liabilities</b>				
Current assets		17,917	14,301	16,184	Current liabilities		4,979	3,724	4,322
Cash and bank deposits		8,991	6,117	7,407	Notes and accounts payable		3,060	2,193	2,362
Notes and accounts receivable		3,837	3,220	3,794	Others		1,919	1,530	1,959
Inventories		3,962	4,219	3,902	Non current liabilities		4,194	3,702	3,870
Others		1,126	743	1,079	Allowance for retirement benefits		3,674	3,313	3,475
Fixed assets		11,453	10,881	11,178	Others		519	389	394
Tangible fixed assets		8,419	8,444	8,456	<b>Total liabilities</b>		<b>9,174</b>	<b>7,427</b>	<b>8,192</b>
Intangible fixed assets		189	152	187	<b>Net assets</b>				
Investments and other assets		2,844	2,284	2,534	Shareholders' equity		20,930	19,903	20,480
Investment securities		2,332	1,713	1,957	Capital stock		10,199	10,199	10,199
Others		511	570	577	Capital surplus		4,181	4,181	4,181
<b>Total assets</b>		<b>29,370</b>	<b>25,182</b>	<b>27,363</b>	Retained earnings		8,876	7,843	8,422
					Treasury stock		(2,326)	(2,320)	(2,323)
					<b>Total other cumulative comprehensive income</b>		<b>(1,436)</b>	<b>(2,802)</b>	<b>(1,992)</b>
					Minority interests		702	655	682
					<b>Total net assets</b>		<b>20,196</b>	<b>17,755</b>	<b>19,170</b>
					<b>Total liabilities and net assets</b>		<b>29,370</b>	<b>25,182</b>	<b>27,363</b>

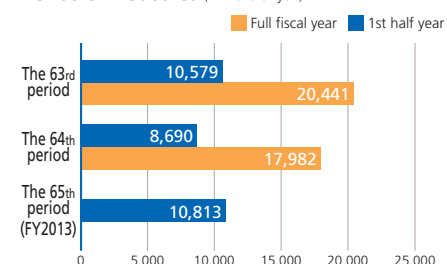


## Consolidated statements of income

(Millions of yen)

Account	Period	1st Half period ended September 30, 2013	1st Half period ended September 30, 2012	Year ended March 31, 2013
Net sales		10,813	8,690	17,982
Operating income		655	34	140
Ordinary income (loss)		901	(187)	715
Income (loss) before income taxes and minority interests		911	(137)	773
Net income (loss)		591	(317)	261

## Trends of net sales (Millions of yen)

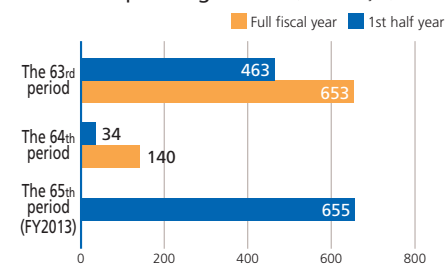


## Consolidated statements of cash flows

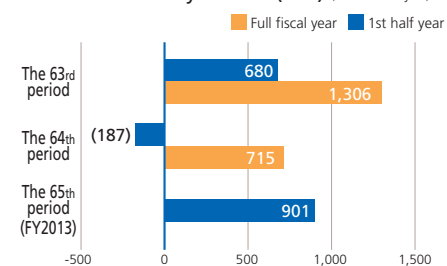
(Millions of yen)

Account	Period	1st Half period ended September 30, 2013	1st Half period ended September 30, 2012	Year ended March 31, 2013
Net cash from operating activities		1,505	458	1,020
Net cash from investing activities		203	(1)	(322)
Net cash from financing activities		(143)	(167)	(192)
Net increase (decrease) in cash and cash equivalents		1,824	(26)	1,021
Cash and cash equivalents at beginning of period		7,166	6,144	6,144
Cash and cash equivalents at end of period		8,991	6,117	7,166

## Trends of operating income (Millions of yen)



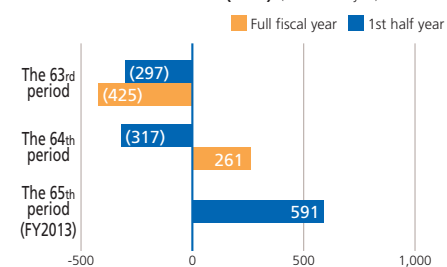
## Trends of ordinary income(loss) (Millions of yen)



## 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.
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)



## Company Profile (As of September 30, 2013)

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

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

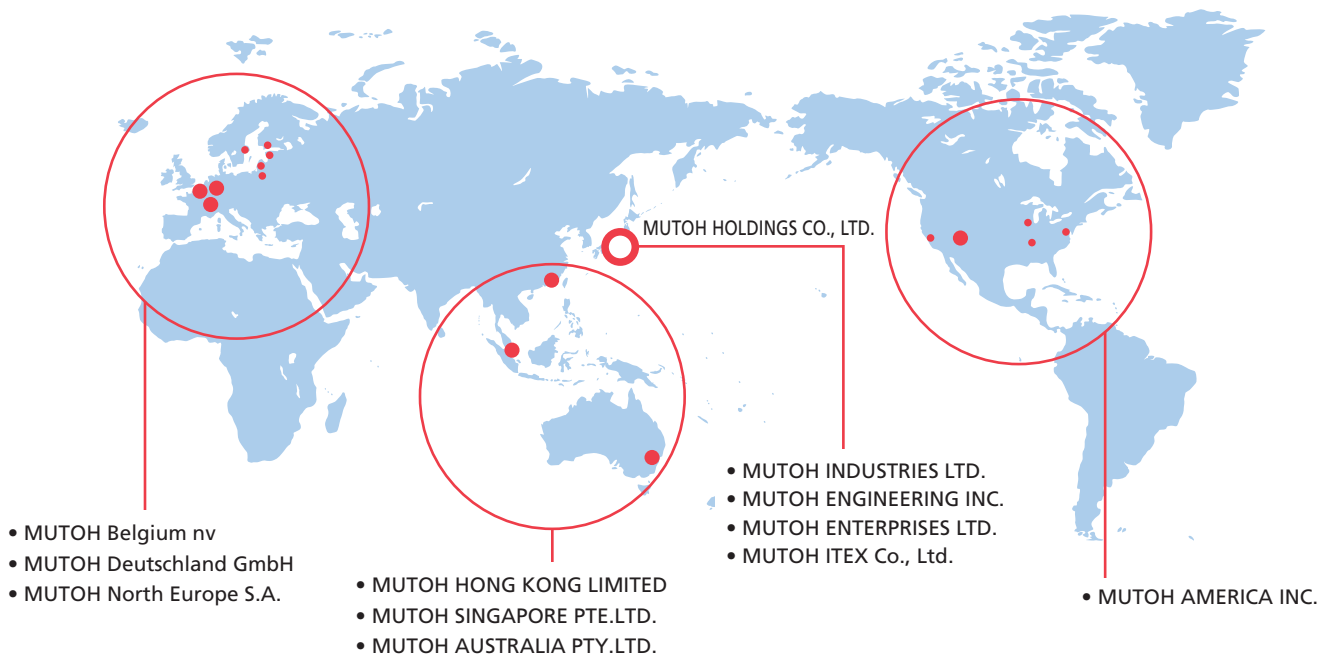
**Capital stock:** 10,199 million yen

**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



### ■ Directors (As of September 30, 2013)

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

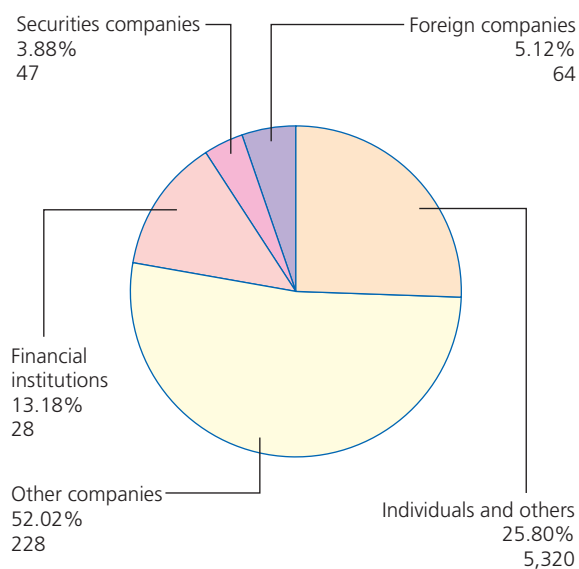
■ Number of shares issuable	170,000,000
■ Number of shares issued	54,818,180
■ Number of shares per unit	1,000
■ Number of shareholders	5,687

## ■ Major Shareholders

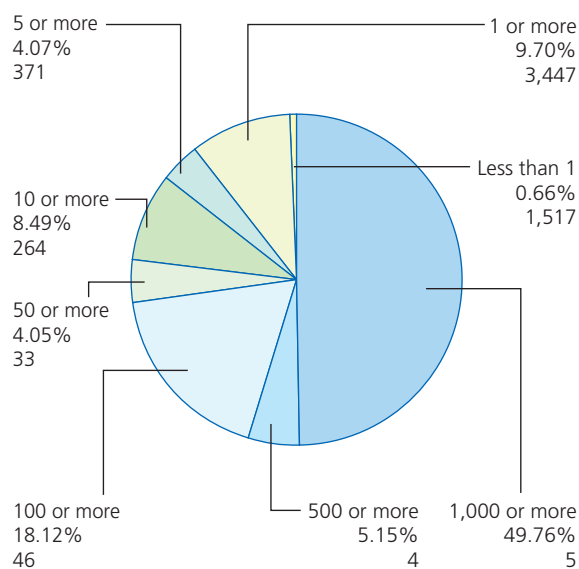
Name	Number of Shares Held (Shares)	Ratio of Shareholding (%)
TCS Holdings Co., Ltd.	13,220,000	28.79
Mizuho Bank, Ltd.	2,121,399	4.62
Eiji Mutoh	1,580,586	3.44
Sumitomo Mitsui Trust Bank, Limited	1,457,000	3.17
Unisystem Co., Ltd.	923,000	2.01
Japan Trustee Services Bank, Ltd. (Trust Account)	770,000	1.68
NTT System Development Co., Ltd.	712,000	1.55
Keiichi Hori	591,000	1.29
High-Tech System Corporation	541,000	1.18
The Master Trust Bank of Japan, Ltd. (Trust Account)	428,000	0.93

(Notes) 1. The Company holds 8,896,434 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.