

67th (Fiscal Year 2015) Financial Report

April 1, 2015 to March 31, 2016



■ 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 67th (Fiscal Year 2015) 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

Economic situations varied widely by regions in FY2015. Emerging countries in Asia including China revealed economic doldrums and remained flat. Meanwhile, the continuous improvement of employment condition and the recoveries of manufacturing industries brought US a good corporative business sentiment. In Europe, the geopolitical risk factors hit economic activities directly and economic development slowed down even personal spending showed solid growth.

One of our core business is Large Format Inkjet Printer. In the first half of FY2015, we launched "VJ-405GT" and "VJ-404GT", our new garment printers with inks directly printable on T-shirt, tote bag, even on sporting apparels like polo shirts. Furthermore, we significantly expanded our product line of "X" models in the "ValueJet Series" with MUTOH's unique "Drop Master Technology", an innovative print automation technique which eliminates the need for cumbersome and time consuming media dependent printer adjustments.

In the second half of FY2015, we announced the launch of "PG-1000". It is a chart drafting machine for ultra-high precision profile grinders long awaited by our longtime customers. We moved forward with our sales promotions and product performances.

In 2015 SGIA Expo, the world largest exhibition of Signs & Displays, our "VJ-2638X" and "VJ-1617H" won "Product of the Year Awards". It was a remarkable accomplishment for our "ValueJet series" to win the awards for 4 consecutive years. Also we won "Best of Award 2015 Indoor Air Comfort Certificate" at Viscom Dusseldorf 2015. Ecologically-minded Europeans highly evaluated "MUTOH" brand and our environment friendly products. We will enhance our brand with high valued products to increase profits.

In our 3D Printer business, we launched "Value Arc MA5000-S1" with metal arc welding and the "Value 3D Resinoid MR-5000" a large scale resin based FFF (Fused Filament Fabrication) using unique resinoid formulation (engineering plastic) with durable heads for ultrahigh temperature in the first half of FY2015. We launched the 3D printer "ML-48" with stereolithography and high speed 3D scanner, "3D PhotoScan System MS-2000N/PX" for full body scan in the second half of FY2015. Regarding to our 3D printing services, we started providing the replicas of body organs/parts with having highly realistic textures using a special plaster.

In consolidated FY2015, the net sales dropped to ¥23,449 million (down 0.1% year on year) due to the negative influence of the exchange rate in Europe. Since the prices of the parts risen and which pushed up the cost rate, which also negatively affected to the operating income and it decreased to ¥689 million (down 47.2% year on year). And the ordinary income decreased to ¥622 million (down 54.1% year on year). The amount of profit attributable to owners of the parent of FY2015 was ¥148 million (down 94.5% year on year).

However, the year-end dividend to be maintained at the same level as FY2014, ¥7 per share to show our appreciation for the constant support by our shareholders. Your continued support would be greatly appreciated.

Consolidated Financial Highlights

○ **Net sales**
67th (FY2015) period: **¥23,449** million

64th (FY2012) period: **17,982** million 65th (FY2013) period: **23,115** million 66th (FY2014) period: **23,475** million

○ **Operating income**
67th (FY2015) period: **¥689** million

64th (FY2012) period: **140** million 65th (FY2013) period: **1,630** million 66th (FY2014) period: **1,306** million

○ **Ordinary income**
67th (FY2015) period: **¥622** million

64th (FY2012) period: **715** million 65th (FY2013) period: **2,014** million 66th (FY2014) period: **1,354** million

○ **Profit attributable to owners of parent**
67th (FY2015) period: **¥148** million

64th (FY2012) period: **261** million 65th (FY2013) period: **2,399** million 66th (FY2014) period: **2,684** million

○ **Total assets**
67th (FY2015) period: **¥31,701** million

64th (FY2012) period: **27,363** million 65th (FY2013) period: **32,953** million 66th (FY2014) period: **32,027** million

○ **Total net assets**
67th (FY2015) period: **¥23,917** million

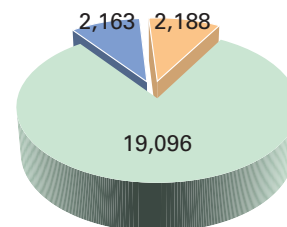
64th (FY2012) period: **19,170** million 65th (FY2012) period: **21,446** million 66th (FY2014) period: **25,061** million

Business Segment Net Sales (Millions of yen)

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

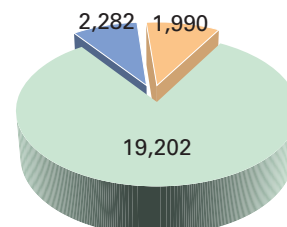
● 67th (FY2015) period:

¥23,449 million



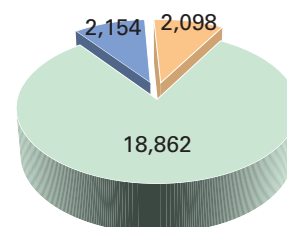
● 66th (FY2014) period:

¥23,475 million



● 65th (FY2013) period:

¥23,115 million



Forecast of 68th (FY2016)

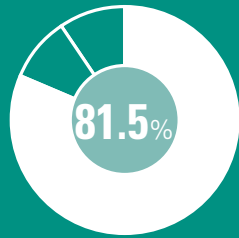
	(Millions of yen)			
	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Forecast of consolidated business results	24,000	800	800	400

Figures announced on May 13, 2016.

The outlook of world economy remains still uncertain even the U.S. shows a modest recovery, since the geopolitical risk factors spreading widely in Europe and economic growth among emerging countries in Asia are still low level. Under these circumstances, MUTOH Group will enhance its business structures aggressively. We will keep launching new products of printers and genuine inks of large format inkjet printers to increase the net sales expanding our product line. And we will strengthen the sales of high profit models of our own 3D printers. Our continuous effort to cut the cost will be maintained, still it is envisioned that the cost rate will be increasing due to material prices. We will continue to proactively make R&D investments with long term vision.

Overview of Business Segments

Imaging & Information Equipment Business



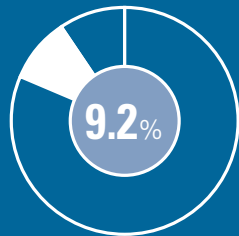
Net Sales
¥19,096million

Drop down of the sales prices of China and other emerging countries in Asia, and a combination of the price reductions and slowdown of the sales of 3D printers, net sales and segment profit stood at ¥8,171 million (down 3.0% year on year) and ¥98 million (down 80.8% year on year).

In North America, thanks to the US economic recovery and the effect of a weak yen, in addition to strong sales as a result of aggressive sales activities, net sales and segment profit respectively stood at ¥4,346 million (up 15.4% year on year) and ¥456 million (up 30.8% year on year).

In Europe, sales prices fell due to the effect of yen appreciation and intensified competition and sales decreased as a result of the impact of geopolitical risks, and as a result net sales and segment profit respectively stood at ¥6,578 million (down 6.2% year on year) and ¥195 million (down 52.6% year on year).

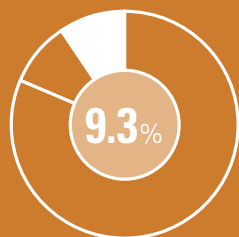
Information Service Business



Net Sales
¥2,163million

In the Information Service Business, although sales in existing businesses (the CAD business and systems solutions service business) were mostly flat YoY and only decreased slightly, as a result of factors including an increase in costs related to the future-focused 3D solutions business, net sales and segment profit respectively stood at ¥2,163 million (down 5.2% year on year) and ¥56 million (down 50.8% year on year).

Real-Estate Leasing Business and Other Businesses



Net Sales
¥2,188million

In the Real Estate Leasing Business, while sales decreased due to a switchover to internal Group use for some properties, as a result of an improvement in the utilization rate, net sales and segment profit respectively stood at ¥259 million (up 3.3% year on year) and ¥204 million (up 9.9% year on year).

In Other Business, despite strong sales from proactive sales activities, because of the strong impact from the increase in purchase prices caused by yen depreciation, net sales stood at ¥1,929 million (up 10.9% year on year) and a segment loss of ¥22 million (compared to a segment profit of ¥3 million in FY2014) was recorded.

The "VJ-1638UH" hybrid LED-UV inkjet printer, a high-productivity model equipped with double head and double LED-UV lamp

The "VJ-1638UH" offers a maximum image creation speed of 22.7m²/h (during banner-2 mode) through a zigzag arrangement of two optimal print heads and LED-UV lamps positioned to the left and right, achieving high productivity 2.4 times that of the existing "VJ-1626UH" model (MUTOH comparison).

- ◆ Equipped with an automatic adjustable mechanism for head height that supports rigid media (aluminum composite panel, cardboard, etc.) with a width of up to 1,625 mm, thickness of 15 mm, and weight of 15 kg
- ◆ Also flexibly supports roll media (PVC, transparent film, etc.)
- ◆ Equipped with white ink, making it possible to print on transparent media and colored materials
- ◆ In addition to a 220 ml cartridge type (C/M/Y/K + white and varnish), a large-capacity 800 ml pack (C/M/Y/K/varnish) and 500 ml pack (white) are also available
- ◆ With the ValueJet Layer Editor, it is possible to individually receive color, white, and varnish data created with RIP, set an order for up to three layers, and send and create images all at once



"VJ-1638UH" Hybrid LED-UV inkjet printer

Deployment of 3D printing service that makes it possible to create a model home with a 3D printer!!

Get a feeling of your dream home with this new 3D service!

Perfect for getting an idea of your completed home before starting construction or as a commemorative item or interior decoration after completion.

Description of the service

Receipt of drawing data (CAD or paper drawings)

Creation of a 3D model

Model completed with a 3D printer!



If the STL format can be provided, molding at a low cost is also possible.

Housing model type

[Resin type]

Molding is conducted with an FDM(Fused Deposition Modeling) method 3D printer. Possible to mold sturdy models at a reasonable price.

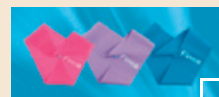
[Plaster type]

Beautiful molding with a high level of accuracy is possible. Full-color molding is also possible if the customer provides the 3D model in the VRML/OBJ format.

Finoa "Shapering" makes it easy to train anytime, anywhere

The "Shapering" is a ring-shaped piece of fitness equipment that you use together with your body. It maintains constant tension because there are no ties or knots, it can be extended up to three times its length, and it is highly durable because it uses latex (natural rubber). It can help you improve your motor coordination and athletic ability, and it also helps you get into better shape.

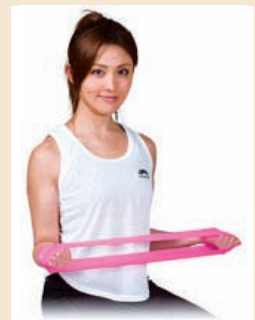
*Comes with training guide from the fitness instructor Katsumi Koba



"Shapering" (70cm)3types



(60cm)1type



Product name	Color	Size (width x circumference)	Strength/main applications	Finoa
Shapering Challenge	Lime	10x60cm	Weak/Improving the athletic ability of young and petite women	
Shapering Fitness	Pink	10x70cm	Weak/Locomotion improvement, rehabilitation, getting into better shape	
Shapering Standard	Purple	10x70cm	Medium / Exercising trunk and core strength	
Shapering Athlete	Blue	10x70cm	Strong / Exercising further trunk strength	

Launch of the "PG-1000" chart drafting machine that achieves ultra-high precision through the adoption of the linear scale method

The "PG-1000" is a drafting machine for the creation of chart diagrams for profile grinders that require particularly high accuracy and drawing for inspections with a projector.

It retains the ultra-high precision pen plotter technology from the former "PG-820" model that already has a strong reputation. In addition, through the adoption of the highly reliable linear scale method, the cutting plotter achieves a positioning accuracy of ± 0.02 mm by constantly detecting the position of the XY axis.

The cutter uses ultra-hard double-edged blades and cutter direction control through θ axis control to faithfully reproduce CAD data and achieve a precise, high-quality cut.

The interface features the current mainstream wired LAN as standard equipment, while also retaining the previous RS-232C.

Media suction equipment using a vacuum pump is also installed within the body as standard, while reliability as inspection drawings for ultra-high-precision processing has been improved through the combined use of a magnet sheet and drafting plate.



Head section

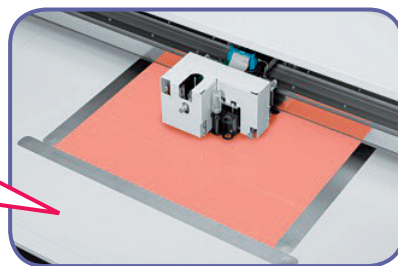
"PG-1000"

Drafting machine for the creation of chart diagrams for profile grinders

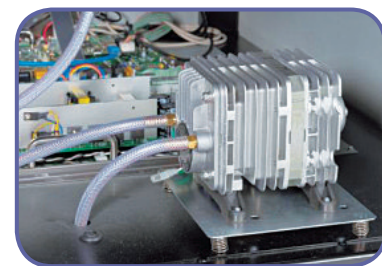
Media setting method



Suction hole



Attach to the magnet sheet with the drafting plate



Vacuum pump (Standard equipment)

Sales release of the "3D PhotoScan System MS-2000N/PX" rapid 3D scanner for full-body photography



"3D PhotoScan System MS-2000N/PX"

The "MS-2000N/PX" is a 3D photo scanner for full-body photography that uses four high-definition digital single-lens reflex cameras and a revolving table, with camera operation controlled by a unique shutter unit.

◆ Rapid scanning

While photos are taken from a stationary state over a period of about 10 to 15 minutes with a general handy scanner, this product enables photos to be taken from a stationary state of **30 seconds** while positioned on the revolving table.

◆ High-quality/high-resolution

Achieves **high-quality, high-resolution** 3D photography compared to systems using Kinect sensors.

◆ Space-saving

While expansive space is required for large-scale photography systems, this compact system allows photography in **a space of only 2 × 1 m**.

Sales release of the "ML-48" high-definition and compact desktop optical mold 3D printer

The "ML-48" is a compact optical mold 3D printer that uses the DLP (Digital Light Processing) method. It is applicable in various fields that require high precision, such as design verification, prototype creation, and figures.

**Value
3D MagiX**



"ML-48"
Compact optical mold 3D printer

Desktop-size body
(W × L × H)
260×230×480mm

Maximum molding size
(W × L × H)
48×27×80mm

Suspension method for
molded objects
High-precision molding
Reduction of resin
consumption volume

Minimum lamination
0.025mm

Low-odor resin
Use depending on application
•Resin for design verification
•Resin for precision molding
•Transparent resin

Full-support service



Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

(Millions of yen)

Account	Period	Year ended March 31, 2016	Year ended March 31, 2015	Account	Period	Year ended March 31, 2016	Year ended March 31, 2015
Assets				Liabilities			
Current assets		19,645	20,563	Current liabilities		5,438	5,179
Cash and bank deposits		8,775	8,597	Notes and accounts payable		3,253	3,036
Notes and accounts receivable		4,570	4,295	Others		2,185	2,142
Inventories		4,948	5,533	Non current liabilities		2,345	1,787
Others		1,352	2,137	Debt for retirement benefits		1,925	1,277
Fixed assets		12,055	11,463	Others		419	509
Tangible fixed assets		8,867	8,395	Total liabilities		7,783	6,966
Intangible fixed assets		299	197	Net assets			
Investments and other assets		2,889	2,870	Shareholders' equity		25,030	25,206
Investment securities		2,150	2,328	Capital stock		10,199	10,199
Others		739	541	Capital surplus		4,182	4,182
Total assets		31,701	32,027	Retained earnings		12,993	13,165
				Treasury stock		(2,344)	(2,340)
				Total other cumulative comprehensive income		(1,912)	(1,036)
				Non-controlling interests		800	890
				Total net assets		23,917	25,061
				Total liabilities and net assets		31,701	32,027

Consolidated statement of change in net assets FY2015 (April 1, 2015 – March 31, 2016)

(Millions of yen)

	Shareholders' equity					Total other cumulative comprehensive income	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity			
Outstanding as of April 1, 2015	10,199	4,182	13,165	(2,340)	25,206	(1,036)	890	25,061
Change in value for consolidated accounting year								
Dividend of surplus			(321)		(321)			(321)
Profit attributable to owners of parent			148		148			148
Acquired treasury stock				(4)	(4)			(4)
Disposed treasury stock		0		0	0			0
Change in value for consolidated accounting year for items other than capital stock (net)						(876)	(90)	(967)
Total change in value for consolidated accounting year	—	0	(172)	(3)	(176)	(876)	(90)	(1,143)
Outstanding as of March 31, 2016	10,199	4,182	12,993	(2,344)	25,030	(1,912)	800	23,917

Consolidated statements of income

(Millions of yen)

Account	Period	Year ended March 31, 2016	Year ended March 31, 2015
Net sales		23,449	23,475
Operating income		689	1,306
Ordinary income		622	1,354
Income before income taxes and other adjustments		736	4,119
Profit attributable to owners of parent		148	2,684

Consolidated statements of cash flows

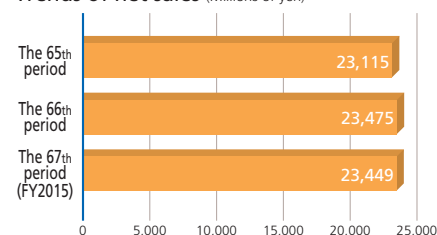
(Millions of yen)

Account	Period	Year ended March 31, 2016	Year ended March 31, 2015
Net cash from operating activities		2,042	(487)
Net cash from investing activities		(1,599)	(477)
Net cash from financing activities		(392)	(120)
Net increase (decrease) in cash and cash equivalents		(77)	(1,133)
Cash and cash equivalents at beginning of period		8,597	9,730
Cash and cash equivalents at end of period		8,519	8,597

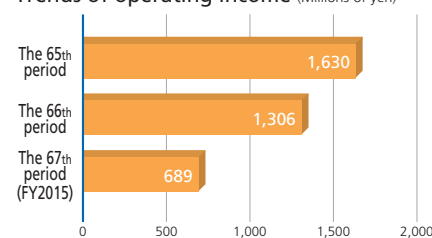
Consolidated subsidiaries in each business segment

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., MUTOH FIGURE WORLD INC.
Real-Estate Leasing Business	MUTOH HOLDINGS CO., LTD., MUTOH ENGINEERING INC., MUTOH ENTERPRISES LTD.
Other Business	MUTOH ENGINEERING INC., MUTOH ENTERPRISES LTD.

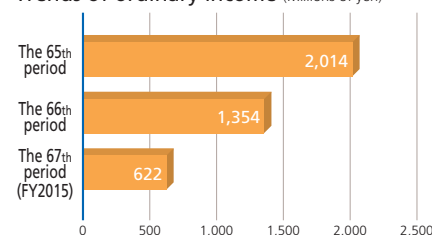
Trends of net sales (Millions of yen)



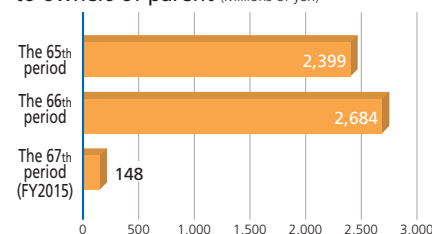
Trends of operating income (Millions of yen)



Trends of ordinary income (Millions of yen)



Trends of profit attributable to owners of parent (Millions of yen)



Company Profile (As of June 29, 2016)

Name: MUTOH HOLDINGS CO., LTD.

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

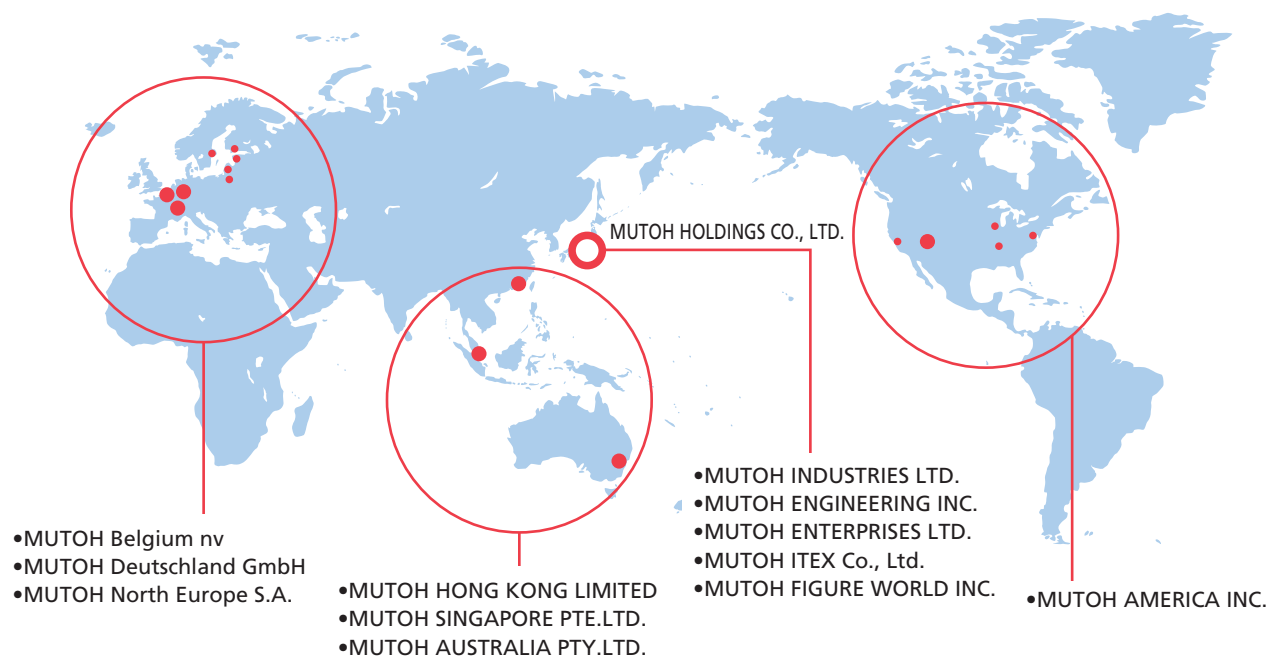
Capital stock: 10,199 million yen

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

Main business: Management of group operations and group assets

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

MUTOH group companies



Directors (As of June 29, 2016)

Chairman of the Board	Masanori Takayama	Director Audit and Supervisory Committee Member	Hajime Tatsuzawa
President	Nobumasa Hayakawa	Director Audit and Supervisory Committee Member	Kazuhiro Yamada
Director	Masanobu Takeda	Director Audit and Supervisory Committee Member	Hiroshi Tobita
Director	Toshihiro Sakamoto		
Director	Kazuyuki Kamoi		
Director	Yusuke Kobayashi		
Director	Yoshiyuki Takayama		

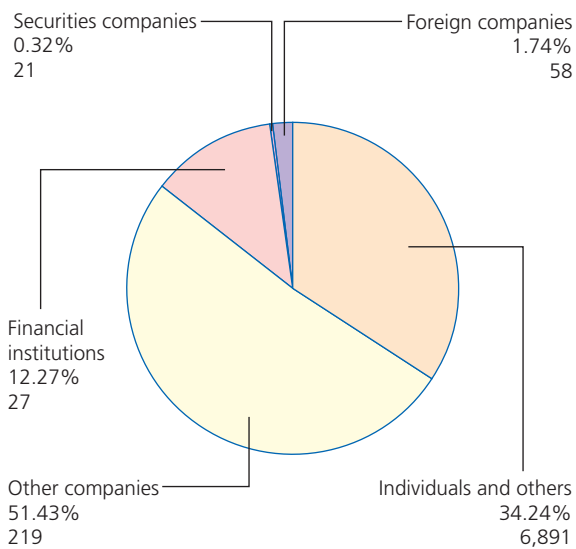
■ Number of shares issuable	170,000,000
■ Number of shares issued	54,818,180
■ Number of shares per unit	1,000
■ Number of shareholders	7,216

Major Shareholders

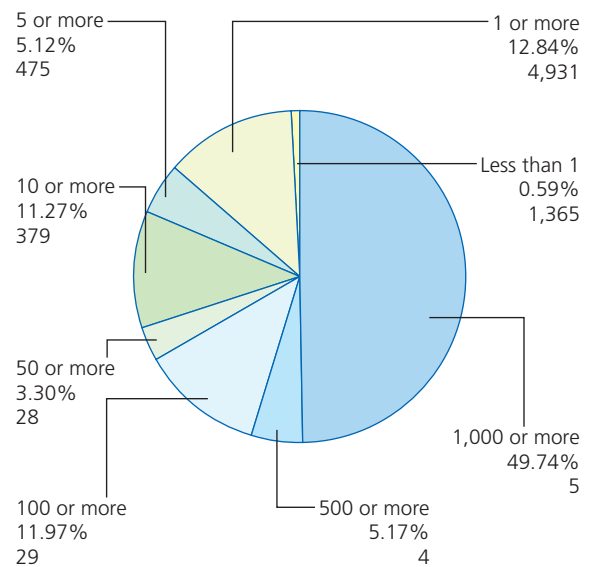
Name	Number of Shares Held (Shares)	Ratio of Shareholding (%)
TCS Holdings Co., Ltd.	13,220,000	28.81
Mizuho Bank, Ltd.	2,071,399	4.51
Eiji Mutoh	1,580,586	3.44
Sumitomo Mitsui Trust Bank, Limited	1,457,000	3.18
Unisystem Co., Ltd.	923,000	2.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	781,000	1.70
NTT System Development Co., Ltd.	712,000	1.55
Keiichi Hori	591,000	1.29
High-Tech System Co., Ltd.	541,000	1.18
Sigmatron Co., Ltd.	444,000	0.97

(Notes) 1. The Company holds 8,935,892 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 :	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233
Mailing 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.