

59th (Fiscal Year 2007) Financial Report

April 1, 2007 to March 31, 2008

MUTOH HOLDINGS CO., LTD.

(Former name: MUTOH INDUSTRIES LTD.)

TSE securities code: 7999

Aiming to bolster the creativity of people and enterprises

It is human creativity that evolves lifestyles, industries and the society. MUTOH's mission is to offer products and services that increase the creativity of people and enterprises.

As a company that has been working with professionals in manufacturing, MUTOH will contribute to the creation of new value from its unique perspective.



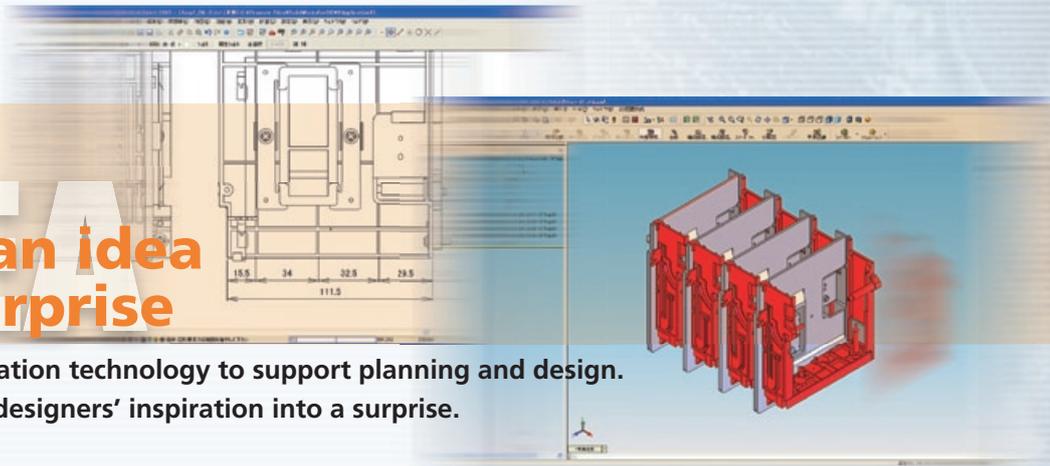
Making inspiration into excitement

MUTOH helps designers express their ideas in high resolution and in a vivid form. MUTOH expands excitement.

INSPIRATION

Making an idea into a surprise

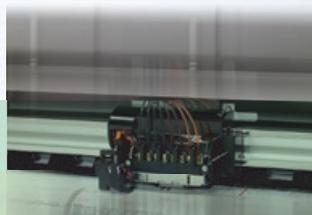
MUTOH uses information technology to support planning and design. MUTOH transforms designers' inspiration into a surprise.



IDEA

Making an image into a common language

MUTOH communicates the concepts of designers in a common language: drawings. MUTOH leads with a passion for manufacturing.



IMAGE

Basic Policy

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

We are pleased to bring you the financial report for the 59th fiscal year.

The Group shifted to a holding company from the consolidated fiscal year to establish a stable profit structure. Aiming to strengthen the new system, and to streamline the Group's operations, we have adopted aggressive management strategies for graphics, including:

- Transferring the Company's head office function to Shinagawa-ku, Tokyo to bolster the efficient use of real estate
- Integration and sales of three affiliated companies to strengthen the concentration of the business
- Establishment and review of overseas subsidiaries to improve the sales structure
- Establishment of a customer service center to enhance the service structure

As a result of these initiatives, consolidated net sales reached ¥30,416 million, an increase of 5.8% from the previous fiscal year, reflecting the introduction of new products.

In terms of income and expenses, given a significant improvement in profitability, reflecting increased production stemming from factors attributable to an increase in revenue, consolidated operating income was ¥3,022 million, up 54.0% year on year, and consolidated ordinary income was ¥3,210 million, rising 55.2% year on year. Consolidated net income was ¥1,802, rising 67.8% year on year.

Consolidated Financial Highlights

Highlights of the Consolidated Accounts

○ Net sales
59th (FY2007) period: **¥ 30,416** million

56th (FY2004) period: 57th (FY2005) period: 58th (FY2006) period:
28,974million **28,612**million **28,752**million

○ Ordinary income
59th (FY2007) period: **¥ 3,210** million

56th (FY2004) period: 57th (FY2005) period: 58th (FY2006) period:
1,416million **1,481**million **2,068**million

○ Net income
59th (FY2007) period: **¥ 1,802** million

56th (FY2004) period: 57th (FY2005) period: 58th (FY2006) period:
690million **(982)**million **1,073**million

○ Total Assets
59th (FY2007) period: **¥ 30,964** million

56th (FY2004) period: 57th (FY2005) period: 58th (FY2006) period:
29,464million **27,683**million **29,723**million

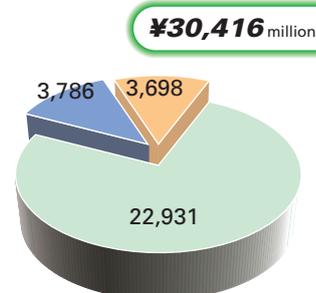
○ Net assets
59th (FY2007) period: **¥ 20,084** million

56th (FY2004) period: 57th (FY2005) period: 58th (FY2006) period:
18,262million **17,529**million **18,744**million

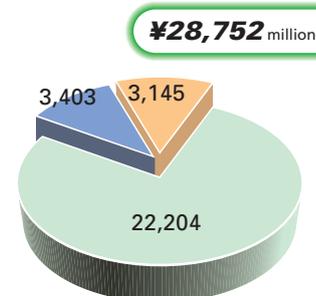
Segment Information Sales

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

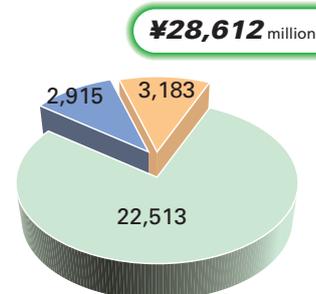
● 59th (FY2007) period:



● 58th (FY2006) period:



● 57th (FY2005) period:



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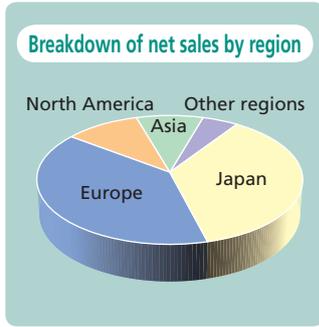
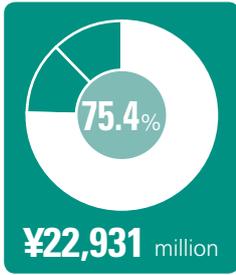
Forecast of results for the next fiscal year

	Net sales	Operating income	Ordinary income	Net income
Forecast of consolidated business results	34,000	3,500	3,500	2,000

Millions of yen

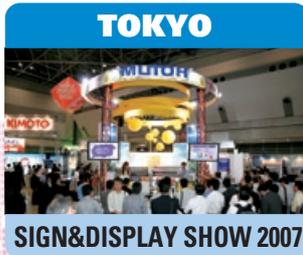
The economic environment has become increasingly difficult, with a slowing global economy and the impact of persistently high oil prices on raw material prices. The Asian economy, however, is expected to continue to grow, primarily driven by China.

In this environment, we will continue to adopt aggressive management strategies with the aim of streamlining and expanding the entire Group's operations.

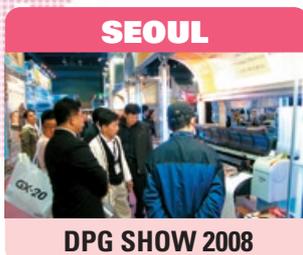


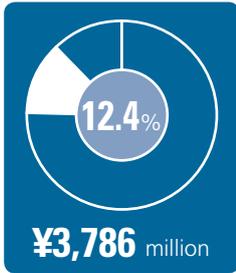
Overview

In the Imaging and Information Business, we stepped up sales of "ValueJet," a large-format inkjet printer for graphics. Sales of these printers remained strong overseas, especially in Europe and Asia. As a result, sales reached ¥22,931 million (up 3.3% year on year). Operating income improved to ¥2,612 million (up 59.3%), reflecting the same factors attributable to higher sales namely the launch of new cost-effective products, and an improvement in the cost rate, as a result of increased production.



MUTOH
 MUTOH's large-format inkjet printers were presented in exhibitions worldwide. They have been very well received.





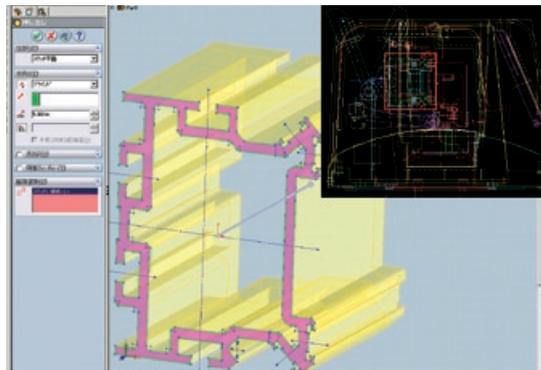
Overview

The performance of the System Integration and Solution Service Business was robust as a result of aggressive operations, including the development of new customers. In the CAD software operation, we aggressively strove to bolster profitability by primarily focusing on "M-Draf Suite," the new 3D software, which was launched under the MUTOH's brand. As a result, net sales were up 11.3% from the previous fiscal year, to ¥3,786 million, and operating income also up 10.3% from the previous fiscal year, to ¥29 million.

Seamless conversion of 3D models to 2D models



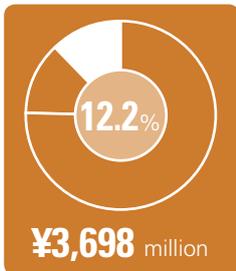
The functions of projection drawing creation and cross-section drawing creation are installed, the first time in the industry. They can seamlessly convert trihedral drawing, projection drawing and cross-section drawing created during structural design from three dimensional models to two dimensional models.



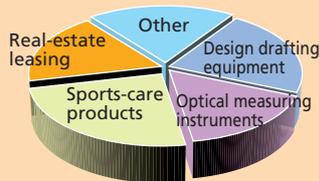
"M-Draf Suite 2008," the new version, was launched at the 19th DESIGN ENGINEERING & MANUFACTURING SOLUTIONS EXPO.



Real-Estate Leasing Business and Other Business



Net sales ratio by operation



Overview

In line with the transition to a holding company system, we have included the Real-Estate Leasing Business, which primarily provides operational management of Group real estate, among our business segments. Sales and operating income in the new segment were ¥729 million and ¥320 million, respectively. Other business consists of stable operations such as design-drafting equipment, optical measuring instruments, sports-care products and retail outlets selling products such as books and stationery. Net sales in this segment declined 5.6% over the previous fiscal year, to ¥2,968 million, while operating income declined 47.2% over the previous fiscal year, to ¥143 million.



武藤 彩り工房

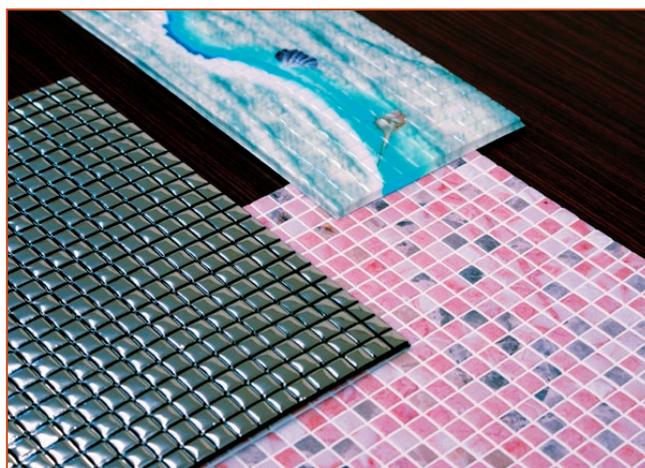
検索



<http://www.irodori-koubou.net/>

The Irodori-kobo Workshop provides useful information about large-format inkjet printers.

In the Irodori-kobo Workshop, we report on the latest product trends, such as external advertising displays and illuminated signs, and examples of user applications in new fields, including textile printing and interiors.



Environmental-friendly displays using cardboard



Completed by printing a development view on PET materials and vacuum forming



Direct printing of interior decorating materials, such as tiles, marbles and mirrors, on PET materials

Selected as the best product in 2008

"VJ-1614," the ValueJet series, was chosen as the best product in the Low/Mild/Eco-Solvent Printer Division by readers of Wide-Format Imaging, the industry magazine for large printers in the United States.

<http://www.wide-formatimaging.com/>



New Product Information of the Group

**Sports taping effectively supports muscles and joints.
Excellent flexibility provides skin-friendly comfort.**

Finoa

MUTOHの新ブランド Finoa から
キネシオロジーテープ デビュー!
Finoa kinesiology Tape
<http://www.mutoh-ent.co.jp/>

MUTOH ENTERPRISES LTD.

Effects of sports taping

- * Preventing injuries: Sports taping around body parts that are susceptible to frequent injuries, such as the joints of fingers, wrists, and legs, supports movements and helps prevent injuries.
- * Preventing the reoccurrence of injuries: The same injuries are likely to repeatedly occur in the same parts of the body. Sports taping supports and protects these body parts.

■ Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2008	As of March 31, 2007
Assets		
Current assets	19,586	17,939
Cash and bank deposits	6,167	5,819
Notes and accounts receivable	6,063	6,574
Inventories	6,274	4,612
Others	1,081	932
Fixed assets	11,377	11,783
Tangible fixed assets	9,632	9,866
Intangible fixed assets	136	180
Investments and other assets	1,609	1,736
Investment securities	821	1,015
Others	788	721
Total assets	30,964	29,723

(Millions of yen)

	As of March 31, 2008	As of March 31, 2007
Liabilities		
Current liabilities	7,359	6,712
Notes and accounts payable	4,361	4,034
Current portion of long-term debt	—	82
Others	2,997	2,595
Long-term liabilities	3,520	4,266
Long-term debt	—	1,125
Others	3,520	3,141
Total liabilities	10,880	10,978
Net assets		
Shareholders' equity	19,982	18,733
Common stock	10,199	10,199
Capital surplus	4,182	4,182
Retained earnings	7,239	5,437
Treasury stock	(1,638)	(1,084)
Valuation and translation adjustments	(444)	(310)
Minority interests	546	320
Total net assets	20,084	18,744
Total liabilities and net assets	30,964	29,723

■ Consolidated Statement of Changes in Net Assets

(From April 1, 2007 to March 31, 2008)

(Millions of yen)

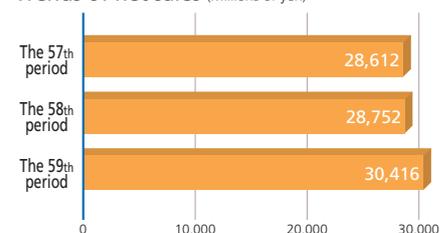
	Shareholders' equity					Valuation and translation adjustments	Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity			
Balance as of March 31, 2007	10,199	4,182	5,437	(1,084)	18,733	(310)	320	18,744
Changes during the period								
Net income			1,802		1,802			1,802
Acquisition of treasury stock				(558)	(558)			(558)
Disposal of treasury stock		0		0	1			1
Net decrease resulting from exclusion of affiliates from equity method				3	3			3
Net changes of items other than shareholders' equity during the period						(134)	225	91
Total changes during the period	—	0	1,802	(553)	1,248	(134)	225	1,340
Balance as of March 31, 2008	10,199	4,182	7,239	(1,638)	19,982	(444)	546	20,084

Consolidated statements of income

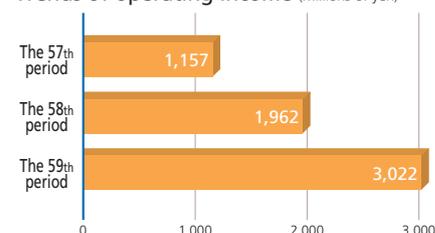
(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2007
Ordinary income or loss		
Net sales	30,416	28,752
Operating income	3,022	1,962
Ordinary income	3,210	2,068
Extraordinary income or loss		
Income before income taxes and minority interests	3,180	1,901
Net income	1,802	1,073

Trends of net sales (Millions of yen)



Trends of operating income (Millions of yen)

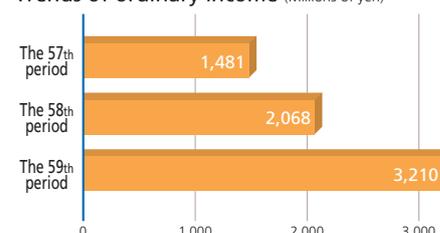


Consolidated statements of cash flows

(Millions of yen)

	Year ended March 31, 2008	Year ended March 31, 2007
Net cash from operating activities	2,531	1,912
Net cash from investing activities	(459)	(2,743)
Net cash from financing activities	(1,764)	(796)
Effect of exchange rate changes on cash and cash equivalents	(164)	200
Net increase (decrease) in cash and cash equivalents	143	(1,426)
Cash and cash equivalents at beginning of period	5,819	7,192
Increase in cash and cash equivalents due to merger of consolidated subsidiaries	204	53
Cash and cash equivalents at end of period	6,167	5,819

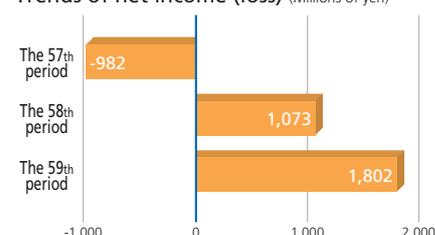
Trends of ordinary income (Millions of yen)



Consolidated subsidiaries in each business segment

Business segment	Company names
Imaging & Information Business	MUTOH INDUSTRIES CO., LTD., MUTOH ENGINEERING INC., MUTOH EUROPE N.V., MUTOH DEUTSCHLAND GmbH., MUTOH AMERICA INC.
Information Service Business	MUTOH INDUSTRIES CO., LTD., MUTOH ITEX CO., LTD.,
Real-Estate Leasing Business	MUTOH HOLDINGS CO., LTD. MUTOH ENTERPRISES LTD.
Other Business	MUTOH ENGINEERING INC., MUTOH ENTERPRISES LTD.

Trends of net income (loss) (Millions of yen)



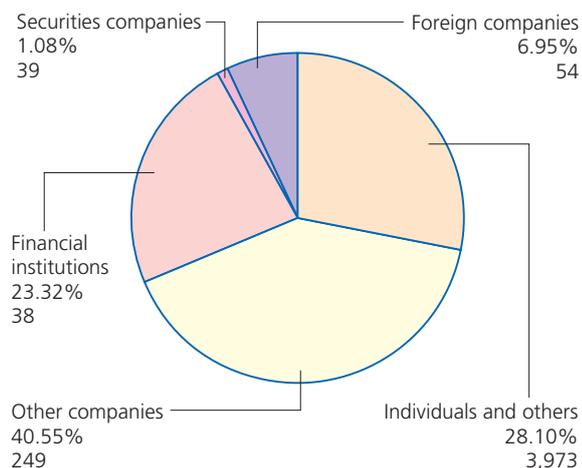
■ Number of shares issuable	170,000,000
■ Number of shares issued	54,818,180
■ Number of shares per unit	1,000
■ Number of shareholders	4,353

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

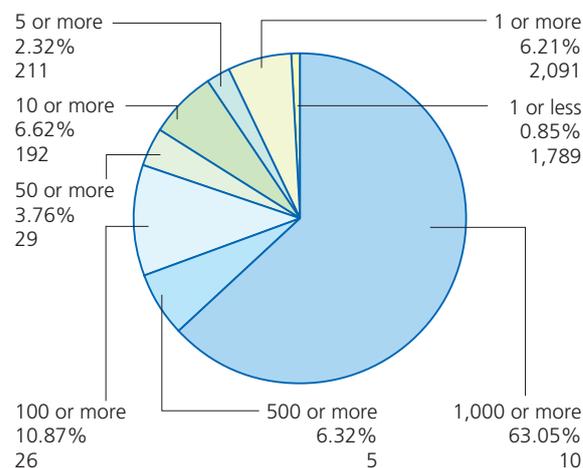
Shareholders	Units held	Percentage of voting rights
TCS HOLDINGS CO., LTD.	13,200	26.9

Note: Above Percentage of voting rights is calculated exclusively the treasury stock (5,774,377 shares).

■ Breakdown of shareholders



■ Breakdown by the number of shares held



The Group Information

In line with the transition to a holding company system, we have carried out the following initiatives with the aim of streamlining and expanding the Group structures.

- (i) We sold shares of Cosmo Co., Ltd. and Digital Matrix, Inc., the Company's affiliates, as their synergy with Group companies has become less significant.
- (ii) We amalgamated MUTOH ITEX Co., Ltd., the Company's subsidiary, and Mutoh Mechatronics Co., Ltd., the Company's affiliate, to bolster the Information Service Business.
- (iii) The operations of MUTOH DEUTSCHLAND GmbH have been relocated to Düsseldorf to strengthen the service and sales structures.
- (iv) The sales office of MUTOH AMERICA INC. has established a new office in Chicago, Illinois as part of the strengthening of the sales structures for expansion.

Company Profile (As of March 31, 2008)

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: 03-5740-8700
Website address: <http://www.mutoh-hd.co.jp/>
Main business: Management and assets management of
the Group companies

MUTOH group companies

MUTOH INDUSTRIES CO., LTD.
Development, manufacturing, and sales of imaging- and
information-related equipment and information services
(CAD/CAM)

MUTOH ENGINEERING INC.
Repair and maintenance of imaging- and information-
related equipment, etc.

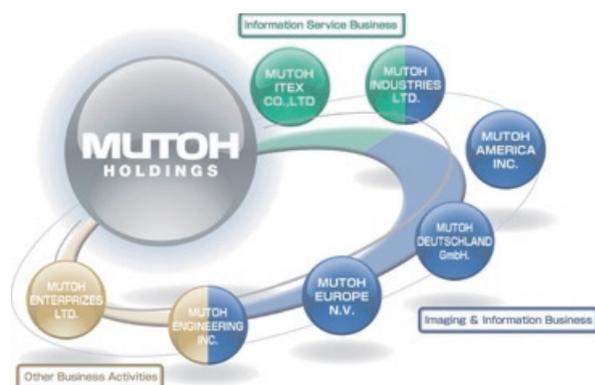
MUTOH ENTERPRISES LTD.
Sports-care product sales / management of retail outlets
for books, Stationery, etc.

MUTOH ITEX Co., Ltd.
System integration services / application software
development

MUTOH AMERICA INC.
Sales of imaging- and information-related equipment

MUTOH EUROPE N.V.
Development, manufacturing and sales of imaging- and
information-related equipment

MUTOH DEUTSCHLAND GmbH
Sales of imaging- and information-related equipment



Directors (As of June 27, 2008)

Masanori Takayama	Chairman of the Board	Akihide Kobayashi	Full-time Auditor
Toshiaki Sato	President	Hiroki Nakano	Auditor
Nobumasa Hayakawa	Director	Nobuaki Kunimine	Auditor
Arthur Vanhoutte	Director		
Zentaro Maekawa	Director		
Yoshiyuki Takayama	Director		

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
Interim Dividend Record Date:	September 30
Public Notices:	Public notices shall be made on the Company's website (http://www.mutoh-hd.co.jp). *In case the public notices is not available on the Company's website due to unavoidable reasons, such notices shall be made on the Nihon Keizai Shinbun
Administrator of Shareholders Register:	The Chuo Mitsui Trust and Banking Company, Ltd. 33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574, Japan
Business Location:	The Chuo Mitsui Trust and Banking Company, Limited, Head Office 33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574, Japan
Mail address and telephone number Stock Transfer Agency Department:	The Chuo Mitsui Trust and Banking Company, Ltd. 8-4 Izumi 2-chome Suginami-ku, Tokyo 168-0063 Tel. 0120-78-2031 (toll-free)
Agency's Intermediary Office:	Nationwide branches of the Chuo Mitsui and Trust Banking Company, Ltd. Head Office and branches of Japan Securities Agents, Ltd.
Transferring Fee:	Fee of charge

Note:

For inquiries concerning any requisite forms for changing address, names, request for purchase and sell of odd lot shares, etc., shareholders are requested to contact the at the following toll free number or website address:

Toll-Free Telephone No. 0120-78-2031 (24-hour automated voice-recognition operator system)

The website address http://www.chuomitsui.co.jp/person/p_06.html

