

**62nd (Fiscal Year 2010)
Financial Report**

April 1, 2010 to March 31, 2011

MUTOH HOLDINGS CO., LTD.

TSE securities code : 7999

Pleased to be Celebrating Our 60th Anniversary

Fiscal Year 2011, we celebrate our 60th year in business.

It is another occasion when we express our sincere appreciation for the support and guidance of our shareholders and other stakeholders.

The MUTOH Legacy: A Heritage of Distinguished Manufacturing

Supported by our stakeholders, MUTOH has maintained a tradition of excellence in manufacturing.

We will continue to provide products that people can trust and rely on.

Drawing on this heritage, we will remain a company to watch.

Basic Policy

With constant innovation
and challenging
ourselves,
we contribute to society



Chairman of the Board
Masanori Takayama

President
Nobumasa Hayakawa

Thank you for 60th Anniversary of
MUTOH GROUP





Since introducing the Drafter for design and drafting work when MUTOH was first established, we have expanded into large-format automatic drafting machines, CAD/CAM equipment, pen plotters, and large-format inkjet printers as a diversified imaging and information equipment manufacturer.

...to NEXT STAGE

The power to change a generation or transform society

It all starts with imagination.

As a leading manufacturer of imaging and information equipment that helps people express their inner vision, MUTOH has expanded significantly, into many other social fields.

We draw on unmatched, in-depth manufacturing insight to make a difference around the world.

INSPIRATION • IDEA • IMAGE

From Inspiration to **Admiration** From Ideas to **Delight** From Images to a **Common Understanding**

“Bringing Customers Optimal Products and Value”

The Spectrum of MUTOH Business

Our Business spans imaging and information equipment (including large-format inkjet printers and plotters), information service business (2D/3D CAD products and system solutions that have broken new ground in Japan), production and sales of design and drafting equipment, optical measuring instruments, sports-care products, and real estate leasing business.

To build the “MUTOH Brand”, we conduct imaging and information equipment business worldwide. Bases in Asia, the U.S., and Europe enable us to serve markets everywhere. We are committed to building a brand that meets local needs while competing on a global scale.

Following group strategy under the leadership of MUTOH HOLDINGS, our group companies continue to bring customers ideal products and value in their respective fields.



New equipment supporting global business strategies
large-format inkjet printer “VJ-1324”



Hybrid large-format inkjet printer
“VJ-1608HS”



Affordable, high-quality CAD plotters
“RJ-900 Series”

IT that Helps Manufacturers Expand

MUTOH ITEX applies technical expertise honed over many years to provide solutions in a range of services that leverage cutting-edge technology.



Applying Manufacturing Insight and Our Worldwide Network to Create New Value



Popular MUTOH Drafters are a mainstay in education and other environments



High-precision measurement and control devices
Linear encoders and Digital counters



2D and 3D CAD software
"M-Draf Suite"

Next-Generation LEDs: Expanding Possibilities

LED lighting is a promising technology. With fresh styling not found in traditional lighting, "CoolLight" products consume less energy and generate minimal heat, opening the door to more usage scenarios—including installation where incandescent bulbs and other lighting cannot be used.

Manufacture and sales: MUTOH ENGINEERING INC.



Facility management system (online edition)
"M-Draf Facility"

Finoa Scaling Boundaries

For athletes who take advantage of advances in sports technology, MUTOH sports taping products offer strong support for muscles and joints. Impressively elastic and gentle to skin, ... for greater comfort.



"Finoa", giving athletes a competitive edge
MUTOH ENTERPRISES offers a broad range of sports and fitness products, including sports tape, insoles, and elastic supports.



MUTOH Insoles and Taping products, used by many professional athletes

■ Message to Shareholders

On behalf of the MUTOH Group, I am pleased to address our shareholders once again for this report. But I must express our condolences to those affected by the Tohoku disaster in March, as well as our wishes for a prompt recovery.

We hereby present our 62nd-term financial report.

■ Business Situation and Outcomes

Looking at the global economy over the course of the current consolidated accounting year, although there were some signs of recovery, the pace of this recovery slowed down during the second half of the year due to financial and monetary instability in parts of Europe, political instability in Africa and the Middle East, and the prolonged high yen. In addition, there are concerns that the impact of the Great East Japan Earthquake could extend past Japan's borders and have an effect on the global economy, as uncertainties towards the future increase.

Against this background, in the Imaging and Information Equipment Business we have introduced the "ValueJet TD" series of large-format inkjet printers in response to a wide variety of needs including sign display, flags, banners, and the apparel industry, as well as the automatic spectrophotometer "SPECTROVUE VM-10" that can significantly reduce color management work, as we work towards providing products that better fit the needs of users. We also actively promote the cultivation of new markets and reinforce and make better known the "MUTOH Brand", as we have done with the development and marketing of "MP Ink" (multi-purpose), a next-generation eco-friendly multi-purpose ink that makes it possible to print on various materials.

In terms of business performance, despite the impact of an extremely high yen, both sales and profits increased in the Imaging and Information Equipment Business due to reinforcements in overseas markets, the introduction of new products, and the effect of lowered costs. In the Information Service Business and Other Businesses that are focused on the domestic Japanese market, sales decreased as the market was slow to recover, despite the effect of lowered costs.

Looking at the consolidated business performance for the most recent consolidated accounting year emerging from these circumstances, net sales stood at ¥21,920 million (down 0.4% year-on-year), while operating income grew to ¥1,202 million (up 238.7% year-on-year) due to improvements in the cost-to-sales ratio accompanying the increase in units produced. Ordinary income was ¥962 million (up 195.4% year-on-year) despite the impact of the high yen. Net income was ¥800 million (up 267.1% year-on-year) due in part to the recognition of negative deferred income tax expenses of ¥507 million based on the strong performance of some subsidiaries in Japan and overseas and the future business outlook, despite posting an extraordinary loss of ¥295 million due to write-downs on a portion of products and parts to be discontinued.

Based on the current consolidated fiscal year outlook of being able to continually post profits, in response to the support of our shareholders we have decided to resume dividends for the first time since the interim dividend during the year ended March 1994.

Dividends will be 3 yen per share, consisting of an ordinary dividend of 2 yen per share and a commemorative dividend of 1 yen per share to celebrate the Company's 60th anniversary.

We hope that we can rely on your continued understanding and support.

Consolidated Financial Highlights

○ Consolidated net sales
62nd (FY2010) period: **¥21,920** million

59th (FY2007) period: 30,416 million
60th (FY2008) period: 26,338 million
61st (FY2009) period: 21,997 million

○ Consolidated operating income
62nd (FY2010) period: **¥1,202** million

59th (FY2007) period: 3,022 million
60th (FY2008) period: 951 million
61st (FY2009) period: 354 million

○ Consolidated ordinary income
62nd (FY2010) period: **¥962** million

59th (FY2007) period: 3,210 million
60th (FY2008) period: 1,394 million
61st (FY2009) period: 325 million

○ Consolidated net income
62nd (FY2010) period: **¥800** million

59th (FY2007) period: 1,802 million
60th (FY2008) period: 604 million
61st (FY2009) period: 217 million

○ Consolidated gross assets
62nd (FY2010) period: **¥28,462** million

59th (FY2007) period: 30,964 million
60th (FY2008) period: 28,301 million
61st (FY2009) period: 28,789 million

○ Consolidated net assets
62nd (FY2010) period: **¥19,459** million

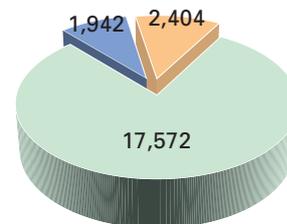
59th (FY2007) period: 20,084 million
60th (FY2008) period: 18,880 million
61st (FY2009) period: 19,018 million

Business Segment Net Sales (Millions of yen)

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

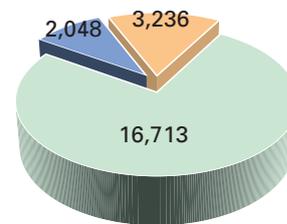
● 62nd period:

¥21,920 million



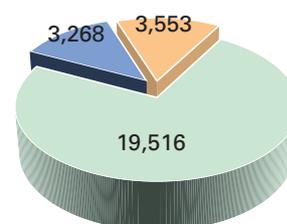
● 61st period:

¥21,997 million



● 60th period:

¥26,338 million



Projections for the next period

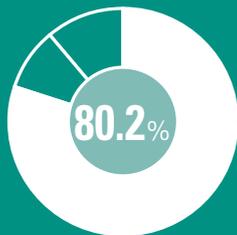
	(Millions of yen)			
	Net sales	Operating income	Ordinary income	Net income
Consolidated projections	22,500	1,250	1,150	650

Although a gentle recovery in the global economy is expected to continue, driven by the emerging nations, particularly the Asian nations, uncertainties have increased due to financial and monetary instability in parts of Europe, political instability in the Middle East, the prolonged high yen and deflationary trend in Japan, and the impact of the Great East Japan Earthquake.

Amidst this business environment, in addition to the new development of the large-format inkjet printers "VJ-1324" and "VJ-1624" that provide exceptional speed, quality, and cost performance, the Mutoh Group is making efforts to accelerate its overseas strategy through steps such as studying the establishment of sales offices aimed at providing more detailed customer support as it works towards improving profitability.

Overview of Business Segments

Imaging & Information Equipment Business



Net Sales
¥17,572million

Business growth was strong as sales in Asia, particularly China, increased while sales were also expanded to the South American region. Due in part to the gentle economic recovery in North America and Europe, both revenues and profits increased in each region on a local currency basis. However, there was a decrease in sales after incorporating the effect of the extremely high yen.

We posted net sales of ¥8,698 million and operating income of ¥571 million in Asia, net sales of ¥2,420 million and operating income of ¥162 million in North America, and net sales of ¥6,453 million and operating income of ¥328 million in Europe.

Information Service Business

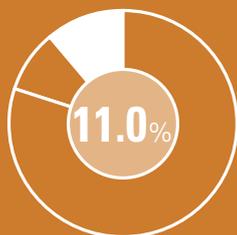


Net Sales
¥1,942million

Although sales decreased against a background of the slow recovery in the Japanese economy and the impact of the continued slump in IT investments, profit levels are improving due in part to the effect of lowered costs.

This sector recorded net sales of ¥1,942 million and operating income of ¥68 million.

Real-Estate Leasing Business and Other Businesses



Net Sales
¥2,404million

In the Real Estate Leasing Business, both net sales and operating income decreased due to the departure of some tenants, despite showing signs of stability overall. This sector recorded net sales of ¥782 million and operating income of ¥406 million.

In Other Businesses, due to the effect of sluggish consumer spending and prolonged deflation, the situation remained difficult for exercise accessories aimed mainly at individuals and design/drafting equipment. The closure of stores selling stationary and books aimed at concentrating the allocation of financial resources also contributed to a decrease in sales. This sector recorded net sales of ¥1,622 million and an operating loss of ¥81 million.

"VJ-1324/1624" large-format inkjet printers launched, supporting global business strategies

The 54-inch "VJ-1324" and 64-inch "VJ-1624" large-format inkjet printers support eco solvent ink developed for the signage industry. Improvements include better image quality and faster output. The printers are equipped with new heads that can produce larger dots, which is ideal for banners and other large-format jobs. In the fastest draft mode, output is up to twice as fast as that of previous VJ printers, from faster carriage scanning. Image quality also benefits from new printing modes and enabling users to choose from seven dot sizes to suit the desired resolution. Both printers are designed for exceptional speed, quality, and cost-performance to meet a variety of professional needs.

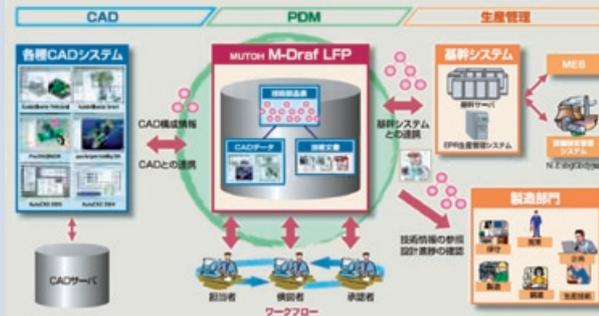


New equipment supporting global business strategies large-format inkjet printer "VJ-1624"

"M-Draf LFP" (Light for PDM)

Web-based engineering data management system

"M-Draf LFP" is an engineering data management system for "M-Draf" 2D CAD products. (LFP: "Light" for product data management.) Network collaboration enables management beyond physical or departmental boundaries. CAD compatibility, data linkage with existing systems, and an information management system focused on part structure data supports the use of this data in manufacturing. Centralized management of design data eliminates irrationality, waste, and inconsistency.



"UM-06N5" introduced: new A2-size parallel ruler board for drafting

This drafting tool inherits the high precision and reliability of our previous parallel ruler board ("UM-06N3") in a new composite aluminum body for greater level precision. The scale floating mechanism is now covered, which effectively counteracts vibration during movement and enables smooth movement at all times. Acclaimed features in the previous model are retained, including the double hinge, fine-tuning scale, synchro belt drive, and magnetic drafting board. For greater convenience, the drafting angle can now be positioned at 10° besides 1° and 6°.



New A2-size parallel ruler board for drafting "UM-06N5"

Business cooperation with SEKONIC CORPORATION

On December 16, 2010, MUTOH HOLDINGS acquired 2,300,000 shares (13.69% of outstanding shares) of the Tokyo Stock Exchange Second Section-listed SEKONIC CORPORATION.

In addition, a Basic Business Cooperation Agreement was concluded between the two companies on January 14, 2011 for the purpose of pursuing synergies that take advantage of the strengths of both companies in order to maximize the corporate value of each company.

About SEKONIC CORPORATION

SEKONIC's product development process is all about the evolution of technologies, the fostering of human resources, and cherishing "the heart."

The integration of optical, mechanical, and electronic technologies has been the key to SEKONIC's ceaseless R&D efforts since its establishment. Building on the electronic circuit, software, and other technologies the company has amassed in pursuit of this goal, SEKONIC provides customer with a wide range of products including optical and electronic instruments, industrial instrumentation, copiers and copier peripherals, precision mounting boards, and electro-luminescence (EL) products.

Always true to its development principle of "Customer Satisfaction," SEKONIC strives to expand aggressively into new product areas – all the while demonstrating superior creativity.

Company name	SEKONIC CORPORATION
Established	June, 1951
Head office	Ooizumigakuen-cho 7-24-14, Nerima-ku, Tokyo
Capital stock	1,503 Millions of yen
Listed corporate stock	Toyo Stock Exchange, listed on the 2nd section
Net sales	Consolidated : 12,200 Millions of yen
Number of employees	Consolidated : 753
Group companies	Domestic : 2 Overseas : 3

Business Overview

Optical Electronics

Development and sales of optical electronics such as exposure meters (favored by photographers worldwide) and optical mark readers designed to streamline tasks in various settings.

Parts Technology

Applying precision technology developed over time for use in embedded camera exposure control, SEKONIC is contracted for high-precision circuit mounting of flexible substrates in office automation and industrial equipment, among other applications. Additionally, SEKONIC is gearing up to meet expected demand for the company's proprietary inorganic EL technology as a surface illuminant.

Video Equipment

To respond to increasing demand in security products, SEKONIC has entered the surveillance camera market and established overseas production sites, seeking to create products that are competitive in the global market.

Measuring Instruments

Combining measuring technology and mechatronics, SEKONIC hygrothermographs and industrial recorders are used in many fields, where their superb responsiveness and usability are acclaimed. Additionally, SEKONIC oscillating viscometers and similar meters have earned a solid reputation in the industrial sector.

EMS

SEKONIC is also a contracted manufacturer of copier peripherals (auto document feeders, auto collators, paper feeders, and so on), printers, and other equipment.

[Optical Electronics]



[Parts Technology]



[Video Equipment]



[Measuring Instruments]



[EMS]



Foundation of a shareholder privilege system

A shareholder privilege system has been founded in celebration of MUTOH's 60th anniversary and in response to the daily support of our shareholders for the purpose of further increasing the attractiveness of investment in MUTOH HOLDINGS stocks.

Shareholder privilege system Overview

◎Applicable shareholders

The system applies to shareholders who hold at least 1,000 shares as per the shareholders' register at the end of March every year.

◎Details of privileges

Shareholders can select from a gift product of their choice included in the catalog that will be sent after the annual general meeting of shareholders held in June every year.

- *Shareholders owning 1,000 to 4,999 shares
 -Selection from a gift product valued up to ¥3,000
- *Shareholders owning 5,000 to 9,999 shares
 -Selection from a gift product valued up to ¥5,000
- *Shareholders owning 10,000 or more shares
 -Selection from a gift product valued up to ¥10,000



Image of catalog gift products



Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

Account	Period	FY2010 period As of March 31, 2011	FY2009 period As of March 31, 2010
Assets			
Current assets		17,276	17,508
Cash and bank deposits		7,601	7,449
Notes and accounts receivable		4,300	4,568
Inventories		4,679	4,815
Others		694	674
Fixed assets		11,186	11,281
Tangible fixed assets		8,809	9,134
Intangible fixed assets		600	741
Investments and other assets		1,775	1,405
Investment securities		979	714
Others		796	691
Total assets		28,462	28,789

(Millions of yen)

Account	Period	FY2010 period As of March 31, 2011	FY2009 period As of March 31, 2010
Liabilities			
Current liabilities		4,991	5,656
Notes and accounts payable		2,900	3,375
Short-term bank loans and current portion of long-term debt		103	115
Others		1,986	2,164
Long-term liabilities		4,011	4,114
Long-term debt		245	309
Others		3,766	3,805
Total liabilities		9,002	9,770
Net assets			
Shareholders' equity		20,930	20,137
Capital stock		10,199	10,199
Capital surplus		4,182	4,182
Retained earnings		8,862	8,061
Treasury stock		(2,312)	(2,305)
Total other cumulative comprehensive income		(2,109)	(1,713)
Minority interests		637	594
Total net assets		19,459	19,018
Total liabilities and net assets		28,462	28,789

Consolidated statement of change in net assets FY2010 (April 1, 2010 – March 31, 2011)

(Millions of yen)

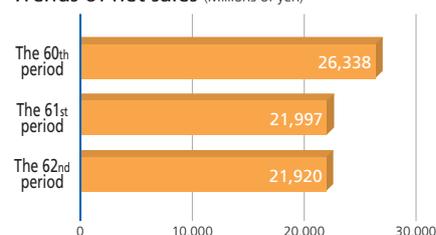
	Capital stock					Total other cumulative comprehensive income	Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity			
Outstanding as of March 31, 2010	10,199	4,182	8,061	(2,305)	20,137	(1,713)	594	19,018
Change in value for consolidated accounting year								
FY2010 net income			800		800			800
Acquired treasury stock				(6)	(6)			(6)
Disposed treasury stock		(0)		0	0			0
Change in value for consolidated accounting year for items other than capital stock (net)					—	(396)	43	(352)
Total change in value for consolidated accounting year	—	(0)	800	(6)	793	(396)	43	440
Outstanding as of March 31, 2011	10,199	4,182	8,862	(2,312)	20,930	(2,109)	637	19,459

■ Consolidated statements of income

(Millions of yen)

Account	Period	Year ended March 31, 2011	Year ended March 31, 2010
Net sales		21,920	21,997
Operating income		1,202	354
Ordinary income		962	325
Income before income taxes and minority interests		734	418
Net income		800	217

Trends of net sales (Millions of yen)

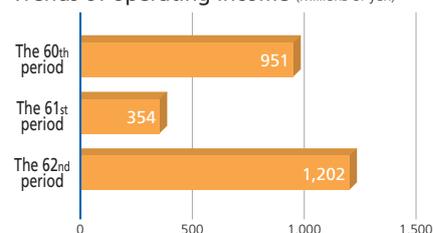


■ Consolidated statements of cash flows

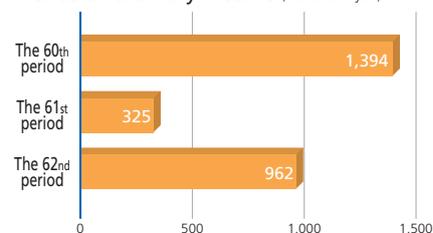
(Millions of yen)

Account	Period	Year ended March 31, 2011	Year ended March 31, 2010
Net cash from operating activities		1,094	2,979
Net cash from investing activities		(372)	(241)
Net cash from financing activities		(94)	(189)
Effect of exchange-rate changes on cash and cash equivalents		(441)	(101)
Net increase (decrease) in cash and cash equivalents		185	2,446
Cash and cash equivalents at beginning of period		7,407	4,960
Cash and cash equivalents at end of period		7,592	7,407

Trends of operating income (Millions of yen)



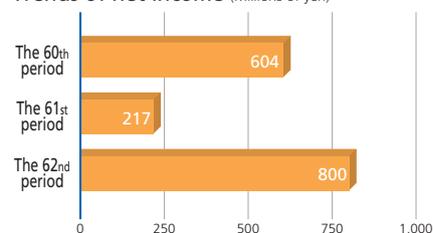
Trends of ordinary income (Millions of yen)



■ 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. (until Jun 2010)
Information Service Business	MUTOH ITEX Co. Ltd., MUTOH ENGINEERING INC., MUTOH INDUSTRIES LTD. (until Jun 2010)
Real-Estate Leasing Business	MUTOH HOLDINGS CO., LTD., MUTOH ENGINEERING INC., MUTOH ENTERPRISES LTD.
Other Business	MUTOH ENGINEERING INC., MUTOH ENTERPRISES LTD.

Trends of net income (Millions of yen)



(Note 1) The CAD Business had been transferred from MUTOH INDUSTRIES to MUTOH ENGINEERING as of July 2010.

(Note 2) The Maintenance Business had been transferred from MUTOH ENGINEERING to MUTOH INDUSTRIES as of July 2010.

(Note 3) In June 2011, SE Group S.A. Changed its name to MUTOH North Europe S.A.

Company Profile (As of June 29, 2011)

Company name: MUTOH HOLDINGS CO., LTD.
Established: March 5, 1952
(founded: December 1942)
Capital stock: 10,199 Millions of yen
Head office: No.5 TOC Building, 21-1, Nishi-Gotanda,
7-chome, Shinagawa-ku, Tokyo 141-8683
Tel: +81-3-5740-8700
Main business: Management and assets management of
the Group companies
Website address: <http://www.mutoh-hd.co.jp>

MUTOH group companies

Domestic Subsidiary Companies

- MUTOH INDUSTRIES LTD.
- MUTOH ENGINEERING INC.
- MUTOH ENTERPRISES LTD.
- MUTOH ITEX Co., Ltd.

Overseas Subsidiary Companies

- MUTOH AMERICA INC.
- MUTOH Belgium nv
- MUTOH Deutschland GmbH
- MUTOH North Europe S.A.
- MUTOH HONG KONG LIMITED
- MUTOH SINGAPORE PTE.LTD.
- MUTOH AUSTRALIA PTY.LTD.



(Note) In June 2011, SE Group S.A. Changed its name to MUTOH North Europe S.A.

■ Directors (As of June 29, 2011)

Masanori Takayama	Chairman of the Board	Masanobu Takeda	Full-time Auditor
Nobumasa Hayakawa	President	Hiroki Nakano	Auditor
Yuji Yata	Director	Nobuaki Kunimine	Auditor
Hisayoshi Aoki	Director		
Yoshiyuki Takayama	Director		

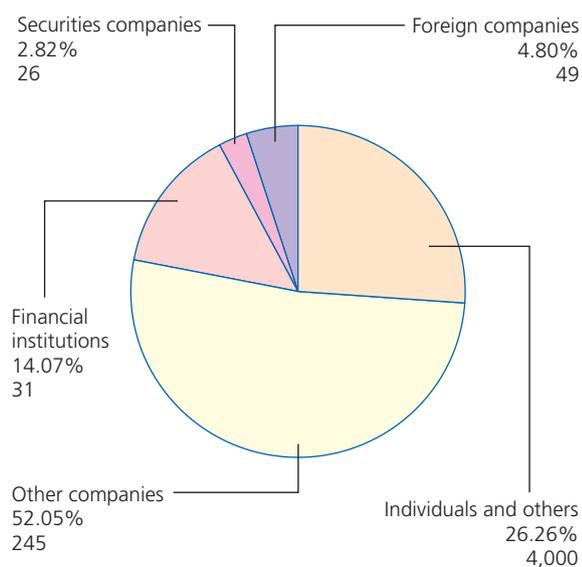
■ Number of shares issuable	170,000,000
■ Number of shares issued	54,818,180
■ Number of shares per unit	1,000
■ Number of shareholders	4,351

■ Major Shareholders

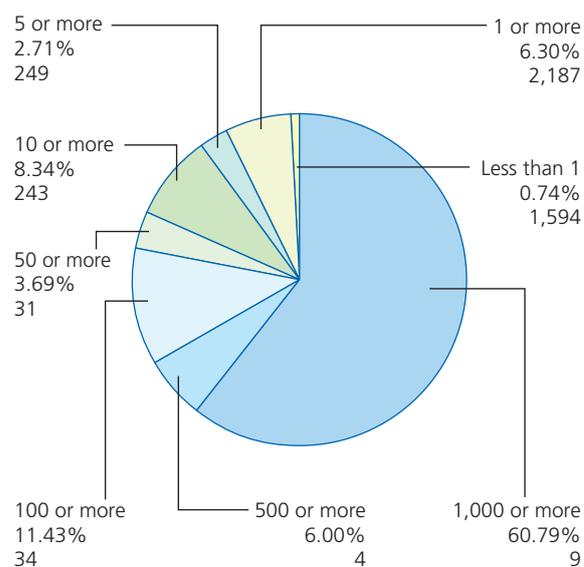
Name	Number of Shares Held (Shares)	Ratio of Shareholding (%)
TCS Holdings Co., Ltd.	13,220,000	28.76
Mizuho Bank, Ltd.	2,121,399	4.61
Hiroshi Mutoh	2,117,514	4.61
Eiji Mutoh	1,800,586	3.92
Japan Trustee Services Bank, Ltd. (Trust placed in Chuo Mitsui Asset Trust and Banking Company, Limited and Trust Account of CMTB Equity Investments Co., Ltd)	1,457,000	3.17
Japan Trustee Services Bank, Ltd (Trust Account)	1,350,000	2.94
Mizuho Securities Co., Ltd.	1,283,000	2.79
The Chase Manhattan Bank N. A. London S. L. Omnibus Account	1,127,000	2.45
The Master Trust Bank of Japan, Ltd. (Trust Account)	925,000	2.01
Unisystem Co., Ltd.	923,000	2.01

(Note) 1. The Company holds 8,846,541 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 :	The Chuo Mitsui Trust and Banking Company, Ltd. 33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574, Japan
Mail address and Telephone number :	8-4 Izumi 2-chome, Suginami-ku, Tokyo 168-0063 Tel. +81-120-78-2031 (toll-free) Stock Transfer Agency Department The Chuo Mitsui Trust and Banking Company, Ltd. Stock transfer agent services are provided at branch offices in Japan of The Chuo Mitsui Trust and Banking Company, Ltd., and the Head Office and branch offices in Japan of Japan Securities Agents, Ltd.

Notes :

1. Requests for change of address, purchasing of shares constituting less than one unit, and selling of shares to constitute one unit
Please make all requests to the securities company where shareholders maintain their account.

For those shareholders who do not have an account at a securities company but who have opened a special account, please make all requests to The Chuo Mitsui Trust and Banking Company, Ltd., an account management institution of special accounts.

2. Payment of accrued dividends

Please make all requests to The Chuo Mitsui Trust and Banking Company, Ltd., which is the administrator of the shareholder register.

3. 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.