

64th (Fiscal Year 2012) 1st Half Financial Report

April 1 to September 30, 2012



■ 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 64th (Fiscal Year 2012) 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

Looking at the economic environment during the first half of the current consolidated fiscal year, there are concerns regarding the economic outlook due to factors such as the prolonged financial instability in Europe, a slowdown in the growth of emerging Asian countries that have driven the global economy, and weak performance by Japanese exporters due to protracted yen appreciation.

Against this background, in our Imaging and Information Equipment Business we have introduced the “ValueCut Series” as new global strategic models for cutting plotters in the signage industry. In addition to use as a cutting plotter in isolation, the “ValueCut Series” can also be used in combination with the large-format inkjet printer “ValueJet Series” to support professional user needs as a low-priced, high-performance print and cut system. Moreover, we have also worked to strengthen our product lineup going into the second half of the fiscal year, through efforts including the development of the “RJ-900X Series,” as successor models for the CAD inkjet plotter “RJ-900 Series.” The new models achieve up to 25% higher speeds than previous models.

In terms of business performance, for our core Imaging and Information Equipment Business, the business environment has been difficult due to factors including the economic climate in Japan, Europe, and North America, which has yet to fully recover; a decline in OEM production; and the adverse impact of significant yen appreciation on exchange rates. In the Real-Estate Leasing Business, accompanying the departure of tenants from the Head Office Building, earnings decreased as use of the Head Office Building was switched to internal use by the Group for the purposes of improving administrative efficiency and accelerating decision making within the building.

Looking at the consolidated business performance for the first half of the current fiscal year emerging from these circumstances, net sales stood at ¥8,690 million (down 17.9% year on year) and operating income came to ¥34 million (down 92.6% year on year) as cost reduction measures were not sufficient to absorb the drop in sales. Meanwhile, due to the posting of exchange losses of ¥299 million as a result of yen appreciation, an ordinary loss of ¥187 million (compared with ordinary income of ¥680 million in the same period last year) and a net loss of ¥317 million (compared with a net loss of ¥297 million in the same period last year) were incurred.

During the second half of the fiscal year the MUTOH Group will deploy an aggressive business strategy aimed at the recovery of business performance.

We greatly appreciate your support and ask for your continued assistance and cooperation.

Consolidated Financial Highlights

| | | | | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--|
| ○ Consolidated net sales | | | | |
| 64 th (FY2012) 1 st Half period: ¥8,690 million | | | | |
| | 61 st (FY2009) period: | 62 nd (FY2010) period: | 63 rd (FY2011) period: | |
| | 21,997 million | 21,920 million | 20,441 million | |
| 1st Half | 10,513 million | 11,417 million | 10,579 million | |

| | | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|--|
| ○ Consolidated operating income | | | | |
| 64 th (FY2012) 1 st Half period: ¥34 million | | | | |
| | 61 st (FY2009) period: | 62 nd (FY2010) period: | 63 rd (FY2011) period: | |
| | 354 million | 1,202 million | 653 million | |
| 1st Half | (2) million | 775 million | 463 million | |

| | | | | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--|
| ○ Consolidated ordinary income (loss) | | | | |
| 64 th (FY2012) 1 st Half period: ¥(187) million | | | | |
| | 61 st (FY2009) period: | 62 nd (FY2010) period: | 63 rd (FY2011) period: | |
| | 325 million | 962 million | 1,306 million | |
| 1st Half | (34) million | 553 million | 680 million | |

| | | | | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|--|
| ○ Consolidated net income (loss) | | | | |
| 64 th (FY2012) 1 st Half period: ¥(317) million | | | | |
| | 61 st (FY2009) period: | 62 nd (FY2010) period: | 63 rd (FY2011) period: | |
| | 217 million | 800 million | (425) million | |
| 1st Half | (269) million | 545 million | (297) million | |

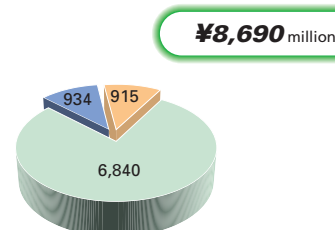
| | | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|--|
| ○ Consolidated gross assets | | | | |
| 64 th (FY2012) 1 st Half period: ¥25,182 million | | | | |
| | 61 st (FY2009) period: | 62 nd (FY2010) period: | 63 rd (FY2011) period: | |
| | 28,789 million | 28,462 million | 27,028 million | |

| | | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|--|
| ○ Consolidated net assets | | | | |
| 64 th (FY2012) 1 st Half period: ¥17,755 million | | | | |
| | 61 st (FY2009) period: | 62 nd (FY2010) period: | 63 rd (FY2011) period: | |
| | 19,018 million | 19,459 million | 18,601 million | |

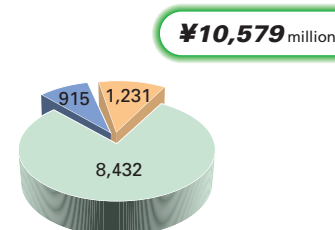
1st Half results by business Segment Net Sales (Millions of yen)

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

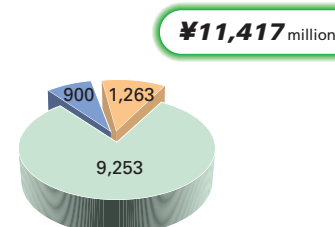
● 64th (FY2012) period:



● 63rd (FY2011) period:



● 62nd (FY2010) period:



Forecast of results for the full fiscal year

| | (Millions of yen) | | | |
|---|-------------------|------------------|-----------------|------------|
| | Net sales | Operating income | Ordinary income | Net income |
| Forecast of consolidated business results | 21,000 | 500 | 500 | 300 |

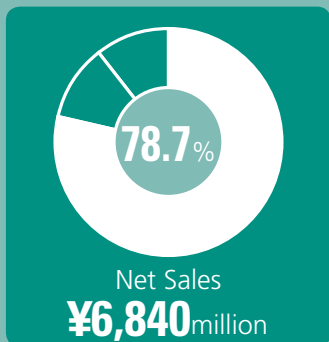
Figures announced on May 15, 2012.

Due to the difficult business environment that is expected from the third quarter of the fiscal year onward, and many unstable factors including the prolonged financial instability in Europe, the slowdown in the economy of emerging countries, and exchange rate fluctuations, it is difficult to make reasonable performance estimates at this point in time.

Accordingly, although the full-year forecasts released on May 15, 2012 will be maintained for the time being, should changes be required for the forecasts as these factors become clear in the future, we will make prompt disclosures as required.

Overview of Business Segments

Imaging & Information Equipment Business

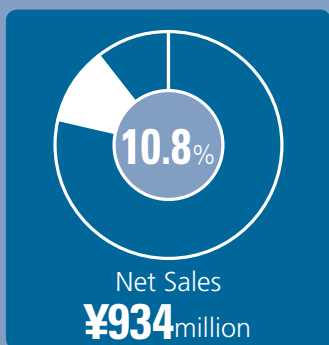


In Asia, due to the slowdown in the growth of emerging countries and a reduction in domestic OEM production, net sales and operating income stood at ¥3,416 million (down 20.5% year on year) and ¥81 million (down 75.1% year on year), respectively.

In North America, while net sales mostly held steady at ¥1,101 million (down 1.9% year on year) due to aggressive sales activities, operating income came to ¥6 million (down 87.9% year on year) as a result of intensified competition.

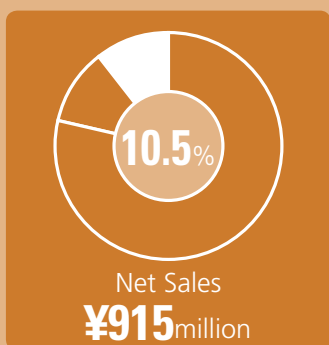
In Europe, as a result of significant yen appreciation and a sluggish economy, net sales and an operating loss of ¥2,321 million (down 23.0% year on year) and ¥49 million (compared with an operating loss of ¥27 million in the same period last year) were respectively recorded.

Information Service Business



Despite a lack of major improvements in domestic business as a result of the economy not yet fully recovering, due to factors including the acquisition of new customers through continual sales reinforcements, net sales of ¥934 million (up 2.1% year on year) were recorded. Furthermore, as a result of profit structure improvements and cost reduction measures, operating income came to ¥67 million (up 89.5% year on year).

Real-Estate Leasing Business and Other Businesses



In the Real-Estate Leasing Business, due to a decrease in lease properties accompanying the switchover to internal Group use for the Head Office Building, net sales and operating income stood at ¥149 million (down 62.5% year on year) and ¥105 million (down 53.8% year on year), respectively.

In Other Business, due to an environment of sluggish consumer spending and capital expenditures brought about by prolonged deflation, the business environment remains difficult for sports support products and design/drafting equipment products. As a result, net sales and an operating loss of ¥765 million (down 7.9% year on year) and ¥15 million (compared with an operating loss of ¥6 million in the same period last year) were respectively recorded.

The successor model to the CAD inkjet plotter “RJ-900 Series,” the “RJ-900X Series” launched

“Faster, more beautiful, and easier to use”

Sales of new CAD inkjet plotter models “RJ-901X” (supporting A1 size) and “RJ-900X” (supporting A0 size) have been launched. The major characteristics are as follows.

- ◆ Compared to the Group's previous models, 25% higher speeds can be achieved in the draft mode.
(A1 color printing: top speed of 33 seconds)
- ◆ Incorporating the technologies fostered through our large-format inkjet printers for signage, the products achieve image quality improvements for images including many graphic elements such as photos and illustrations.
- ◆ Improved thin-paper conveyance capacity, for paper such as traditional Japanese paper (pressure application adjustment for holding paper)
- ◆ In addition to PCs, supports VSM status monitors in collaboration with smartphones (Various information relating to the plotter unit can be easily confirmed with a smartphone)



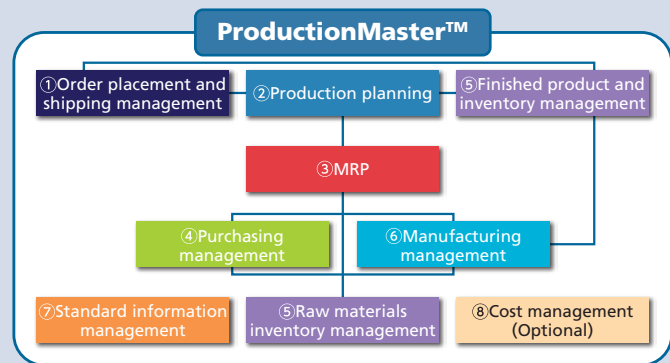
New CAD inkjet plotter “RJ-900X”

Integrated production management system “ProductionMaster™”

An easy-to-use, -introduce, and -operate production management system

“ProductionMaster™” is an integrated production management package that covers all factory manufacturing tasks from order receipt to shipping. Step-by-step introduction based on the current factory status (precision of standard values) is possible.

- ◆ Prioritizes ease of use, introduction, and operation
- ◆ Provides sufficient functionality as required for production management
- ◆ Food-processing production management also supported through a food industry template
- ◆ With the KPI (key performance indicator) function, it is possible to confirm business information in real-time, including the facility load factor, inventory turnover rate, inventory value, on-time customer delivery rate, and monthly shipment value
- ◆ Provides a highly usable system based on on-site capabilities



Possible to measure up to 10 meters! Long-stroke linear encoder “DL-10” launched

◆ Supports a variety of measuring needs

The moving distance for machines and equipment can be measured by the amount of wire drawn out.

The product is optimal for long-distance measuring needs, such as stroke detection for hydraulic jacks and industrial machinery for civil engineering and construction; stroke detection for theater curtains and television studio speakers, microphones, and batons; height measurement for buildings under construction; and elevator and crane moving-distance detection. Movement digital display and positioning control can easily be conducted by connecting the product with a digital counter or positioning counter.

◆ High-precision stroke detection is maintained even in harsh operating environments

In addition to the ability to flexibly set the mounting position, the product has drip- and dust-proof specifications that can withstand harsh operating environments.



Long-stroke linear encoder “DL-10”

Launched the cutting plotter “ValueCut Series,” providing both a print and cut system

As a new cutting plotter for the signage market, we have started to market the “ValueCut Series.”

The “ValueCut Series” are new global strategic models for cutting plotters in the signage industry. The lineup includes three models: the “VC-600” for 610 mm cut widths, the “VC-1300” for 1,320 mm cut widths, and the “VC-1800” for 1,830 mm cut widths. The series consists of high-cost performance products that deliver high performance at a reasonable cost.

The major characteristics are as follows, supporting the various needs of professional users.

- ◆ Achieves a maximum cutting pressure of 600 g, allowing the cutting of rubber sheets for sand-blasting and reflective film
- ◆ Achieves a best-in-class operating speed of 1,530 mm per second
- ◆ Includes a segment-cutting function that allows long printed materials to be split into multiple segments and to be cut with high precision

In addition to use as a cutting plotter in isolation, the “ValueCut Series” can also be used in combination with the large-format inkjet printer “ValueJet Series,” as a low-priced, high-performance print and cut system.



New cutting plotter “VC-1300”



The cutting plotter head



Launch of the “3D Touch™,” a 3D printer for educational institutions An introductory model provided at a low price

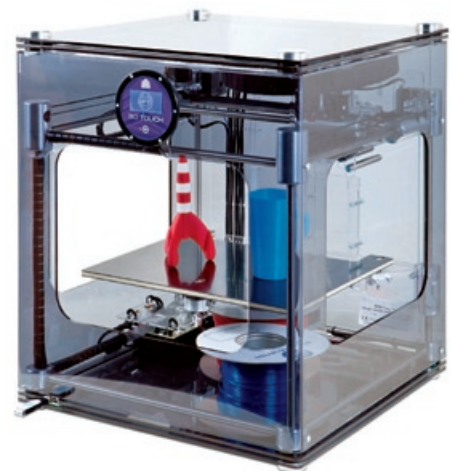
We have launched sales of the “3D Touch™,” an introductory 3D printer (unit price from ¥350,000, by 3D Systems).

With the “3D Touch™” you can directly load data from a USB drive, without connecting it to a PC, and create simple 3D models. The “3D Touch™” is a low-priced product for a hands-on experience of 3D modeling aimed at technical high schools and vocational training schools that need to conduct 3D verification but do not need precisely formed models up to professional specifications, as well as university labs. As modeling creation materials, PLA (polylactic acid) and ABS resin (acrylic resin) generated from plant-derived ingredients are available, allowing selection from two types and all 16 colors.

The major characteristics are as follows, providing an out-of-the-box 3D printer.

- ◆ Equipped with a touch-screen display and control panel
- ◆ Stand-alone system that supports power saving and USB data loading
- ◆ Large printing area (maximum 275 x 275 x 210 mm)
- ◆ Extension possible from single/dual head to triple
- ◆ No maintenance contract required due to simple operation and maintenance

As a result, MUTOH is now able to provide a full lineup of products based on the needs of various customers. The lineup includes the “3D Touch™,” an introductory 3D printer model, the “ZPrinter® Series,” a high-end plaster-based series, and the “ProJet™ Series,” which are UV acrylic-based for high-precision modeling.



Introductory 3D printer “3D Touch™”



Example of “3D Touch™” 3D printer modeling



Example of “3D Touch™” 3D printer materials
(two types and all 16 colors)

Consolidated 1st Half Financial Statements

■ Consolidated Balance Sheets

(Millions of yen)

(Millions of yen)

| Account | Period | As of September 30, 2012 | As of September 30, 2011 | As of March 31, 2012 | Account | Period | As of September 30, 2012 | As of September 30, 2011 | As of March 31, 2012 |
|-------------------------------|--------|--------------------------|--------------------------|----------------------|---|--------|--------------------------|--------------------------|----------------------|
| Assets | | | | | Liabilities | | | | |
| Current assets | | 14,301 | 16,530 | 15,863 | Current liabilities | | 3,724 | 5,979 | 4,871 |
| Cash and bank deposits | | 6,117 | 7,250 | 6,144 | Notes and accounts payable | | 2,193 | 3,252 | 2,960 |
| Notes and accounts receivable | | 3,220 | 4,255 | 4,347 | Short-term bank loans and current portion of long-term debt | | — | — | — |
| Inventories | | 4,219 | 4,276 | 4,575 | Others | | 1,530 | 2,726 | 1,910 |
| Others | | 743 | 747 | 796 | Long-term liabilities | | 3,702 | 3,456 | 3,555 |
| Fixed assets | | 10,881 | 11,367 | 11,165 | Long-term debt | | — | — | — |
| Tangible fixed assets | | 8,444 | 8,544 | 8,626 | Others | | 3,702 | 3,456 | 3,555 |
| Intangible fixed assets | | 152 | 526 | 160 | Total liabilities | | 7,427 | 9,436 | 8,426 |
| Investments and other assets | | 2,284 | 2,296 | 2,378 | Net assets | | | | |
| Investment securities | | 1,713 | 1,514 | 1,815 | Shareholders' equity | | 19,903 | 20,494 | 20,359 |
| Others | | 570 | 782 | 562 | Capital stock | | 10,199 | 10,199 | 10,199 |
| Total assets | | 25,182 | 27,898 | 27,028 | Capital surplus | | 4,181 | 4,181 | 4,181 |
| | | | | | Retained earnings | | 7,843 | 8,426 | 8,298 |
| | | | | | Treasury stock | | (2,320) | (2,313) | (2,319) |
| | | | | | Total other cumulative comprehensive income | | (2,802) | (2,667) | (2,408) |
| | | | | | Minority interests | | 655 | 635 | 650 |
| | | | | | Total net assets | | 17,755 | 18,462 | 18,601 |
| | | | | | Total liabilities and net assets | | 25,182 | 27,898 | 27,028 |

■ Consolidated statements of income

(Millions of yen)

| Account | Period | 1st Half period ended September 30, 2012 | 1st Half period ended September 30, 2011 | Year ended March 31, 2012 |
|---|--------|---|---|------------------------------|
| Net sales | | 8,690 | 10,579 | 20,441 |
| Operating income | | 34 | 463 | 653 |
| Ordinary income (loss) | | (187) | 680 | 1,306 |
| Income (loss) before income taxes and minority interests | | (137) | (222) | 7 |
| Net income (loss) | | (317) | (297) | (425) |

■ Consolidated statements of cash flows

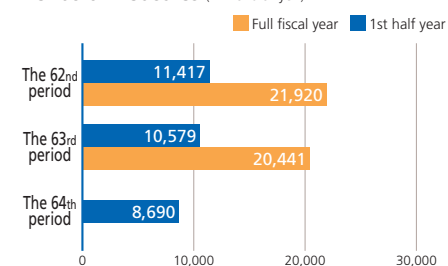
(Millions of yen)

| Account | Period | 1st Half period ended September 30, 2012 | 1st Half period ended September 30, 2011 | Year ended March 31, 2012 |
|---|--------|---|---|------------------------------|
| Net cash from operating activities | | 458 | 604 | (484) |
| Net cash from investing activities | | (1) | (22) | (276) |
| Net cash from financing activities | | (167) | (476) | (521) |
| Net increase (decrease) in cash and cash equivalents | | (26) | (342) | (1,448) |
| Cash and cash equivalents at beginning of period | | 6,144 | 7,592 | 7,592 |
| Cash and cash equivalents at end of period | | 6,117 | 7,250 | 6,144 |

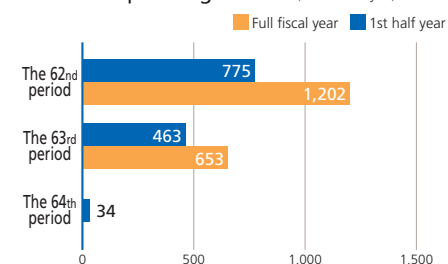
■ Consolidated subsidiaries in each business segment

| 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. |

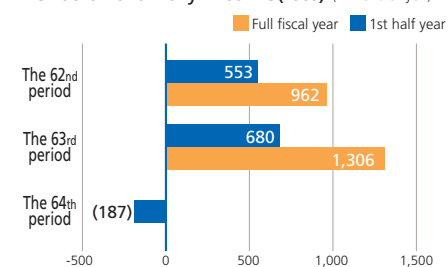
Trends of net sales (Millions of yen)



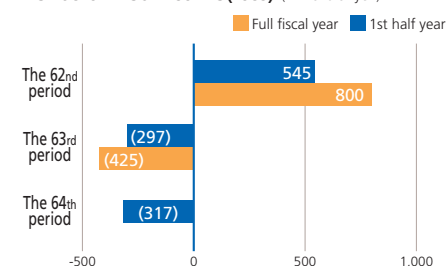
Trends of operating income (Millions of yen)



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



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



Name: MUTOH HOLDINGS CO., LTD.

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

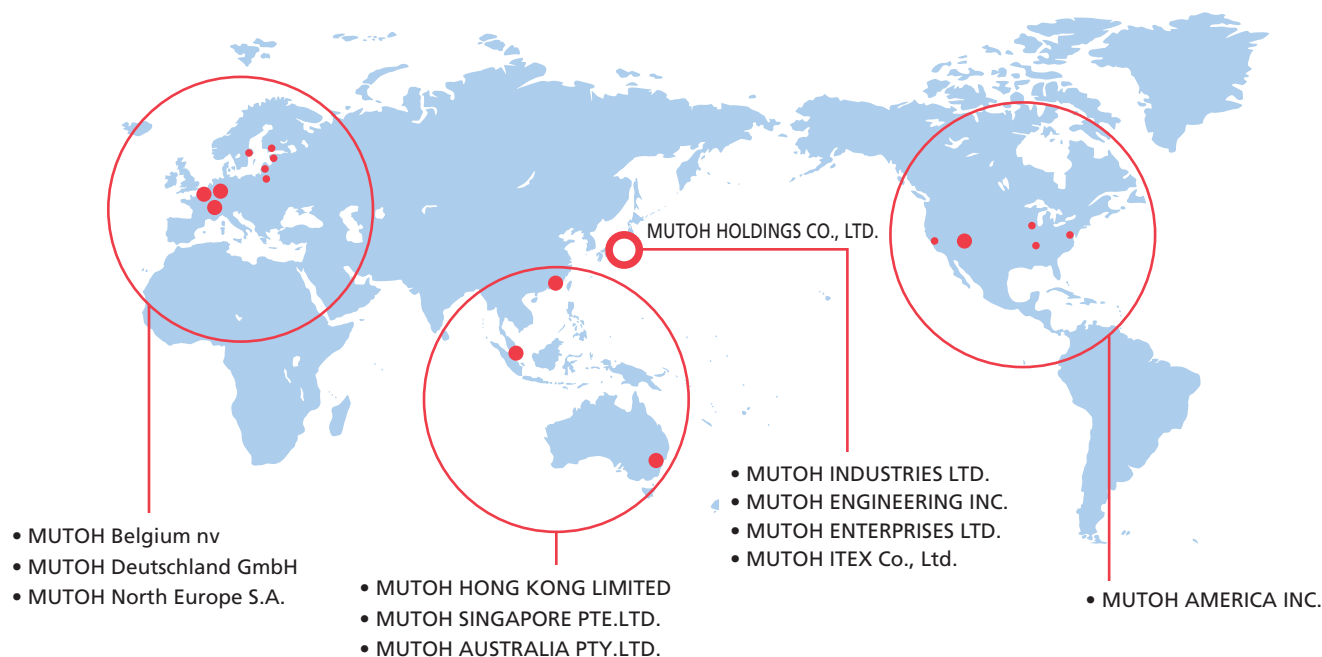
Capital stock: 10,199 millions yen

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, 2012)

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

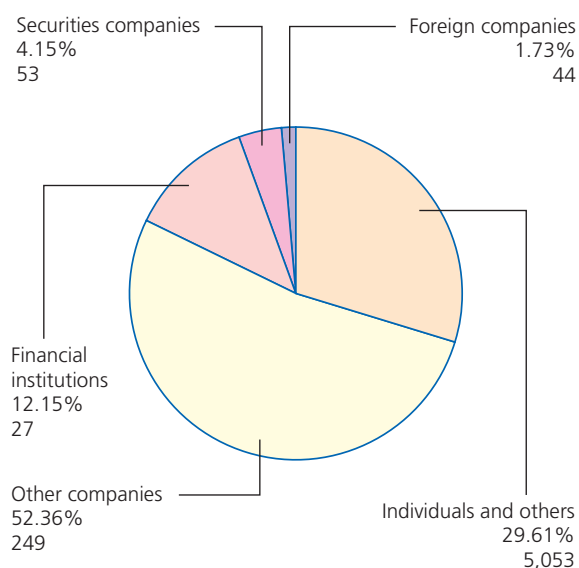
| | |
|-----------------------------|-------------|
| ■ Number of shares issuable | 170,000,000 |
| ■ Number of shares issued | 54,818,180 |
| ■ Number of shares per unit | 1,000 |
| ■ Number of shareholders | 5,426 |

Major Shareholders

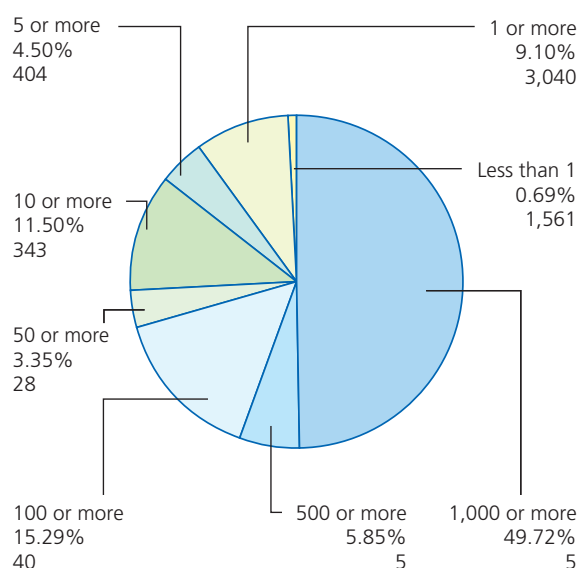
| Name | Number of Shares Held (Shares) | Ratio of Shareholding (%) |
|--|--------------------------------|---------------------------|
| TCS Holdings Co., Ltd. | 13,220,000 | 28.78 |
| Mizuho Bank, Ltd. | 2,121,399 | 4.62 |
| Eiji Mutoh | 1,580,586 | 3.44 |
| Sumitomo Mitsui Trust Bank, Limited | 1,457,000 | 3.17 |
| Unisystem Co., Ltd. | 923,000 | 2.01 |
| NTT System Development Co.,Ltd. | 712,000 | 1.55 |
| Ikuko Mutoh | 638,603 | 1.39 |
| Keiichi Hori | 591,000 | 1.29 |
| High-Tech System Corporation | 551,000 | 1.20 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 504,000 | 1.10 |

(Note) 1. The Company holds 8,876,391 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 |
| 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.