

MUTOH

**67th (Fiscal Year 2015)
1st Half Financial Report**

April 1 to September 30, 2015



MUTOH HOLDINGS CO., LTD.



TSE securities code : 7999

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

Basic Policy

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

■ Business Situation and Outcomes

In the first half of the current consolidated fiscal year, although there were some uncertainties in Europe and North America such as the debt problem in Greece and issues related to refugees, a gradual economic recovery continued overall, led by the US. Meanwhile, in China and other emerging countries in Asia, the slowdown in the economy accelerated as a result of a continued contraction in capital investments. The above factors have resulted in instability of the global economy, as reflected in low stock prices on a global level.

Against this background, the Group strengthened management foundations and product development with the aim of continuing to improve profitability in the future.

In our core large-format inkjet printer business, although there was a partial delay in the release of new products scheduled for the first half of the year due to parts defects, we launched sales of six "X" models in the "ValueJet Series" equips "Drop Master Technology", MUTOH's unique and innovative automated printing technology that reduces the adjustment work required for each form of media.

In the 3D printer business, sales of the "Value Arc MA5000-S1" arc-welding metal 3D printer were commenced in July. Also large scale "Value 3D Resinoid MR-5000" resin-based FFF (Fused Filament Fabrication) 3D printer was released in September, this model supports engineering plastic output and is equipped with a newly developed "Tough Head" that can withstand high temperatures of 300 degrees Celsius. In addition, the "MUTOH 3D PhotoScan System MS2000N" 3D scanner for full body photography that enable high-quality 3D measurements in a short period of time was released in October. The MUTOH Group will continue offering new products, strengthen its brand power as a pioneering domestic 3D printer manufacturer, and actively work to expand business by exploiting new needs and markets.

As a result of the above, net sales stood at ¥11,375 million (down 0.8% year on year), operating income came to ¥264 million (down 69.9% year on year) and ordinary income came to ¥237 million (down 74.4% year on year) for the first half of the current consolidated fiscal year. Profit attributable to owners of parent was ¥0 million (compared to net income of ¥2,443 million during the same period of the previous fiscal year).

Going forward, the MUTOH Group will deploy aggressive business strategies aimed at further improving its business performance.

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

Consolidated Financial Highlights

○ Consolidated net sales
67th (FY2015) 1st Half period: **¥11,375** million

	64 th (FY2012) period:	65 th (FY2013) period:	66 th (FY2014) period:
	17,982 million	23,115 million	23,475 million
1 st Half	8,690 million	10,813 million	11,467 million

○ Consolidated operating income
67th (FY2015) 1st Half period: **¥264** million

	64 th (FY2012) period:	65 th (FY2013) period:	66 th (FY2014) period:
	140 million	1,630 million	1,306 million
1 st Half	34 million	655 million	876 million

○ Consolidated ordinary income (loss)
67th (FY2015) 1st Half period: **¥237** million

	64 th (FY2012) period:	65 th (FY2013) period:	66 th (FY2014) period:
	715 million	2,014 million	1,354 million
1 st Half	(187) million	901 million	928 million

○ Consolidated profit attributable to owners of parent
67th (FY2015) 1st Half period: **¥0** million

	64 th (FY2012) period:	65 th (FY2013) period:	66 th (FY2014) period:
	261 million	2,399 million	2,684 million
1 st Half	(317) million	591 million	2,443 million

○ Consolidated gross assets
67th (FY2015) 1st Half period: **¥31,780** million

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

○ Consolidated net assets
67th (FY2015) 1st Half period: **¥24,723** million

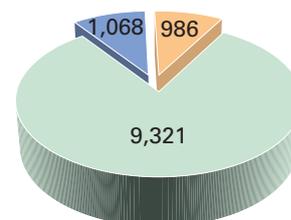
	64 th (FY2012) period:	65 th (FY2013) period:	66 th (FY2014) period:
	19,170 million	21,446 million	25,061 million

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

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

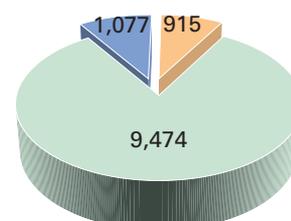
● 67th (FY2015) period:

¥11,375 million



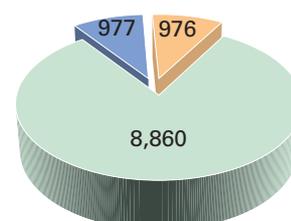
● 66th (FY2014) period:

¥11,467 million



● 65th (FY2013) period:

¥10,813 million



Forecast of results for the full fiscal year

	(Millions of yen)			
	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Forecast of consolidated business results	26,000	1,300	1,350	850

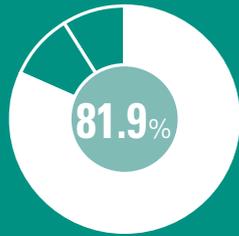
Figures announced on May 15, 2015.

As we enter the third quarter of the current consolidated fiscal year, although the sales of new products will go into full swing, there are many uncertainties that could have an impact on business performance as the outlook of the global economy remains uncertain, as reflected in the acceleration of the slowdown in the economy in China and other countries in Asia. As a result, it is difficult to make reasonable performance estimates at this time.

Therefore, although the full-year forecasts released on May 15, 2015 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



Net Sales
¥9,321million

In Asia, while sales of large-format inkjet printers have been strong, due to intensified price competition for personal 3D printers and an increase in development investments, net sales and segment loss stood at ¥4,008 million (down 2.9% year on year) and ¥34 million (compared to a profit of ¥421 million in the same period of the previous fiscal year), respectively.

In North America, due to factors such as strong sales which is a result of aggressive sales activities, the recovery of the US economy, and the effect of yen depreciations, net sales and operating income stood at ¥2,164 million (up 20.9% year on year) and ¥206 million (up 51.2% year on year), respectively.

In Europe, sales declined due to factors such as the effect of yen appreciation and political instability in Eastern Europe including Turkey, and as a result net sales and segment profit stood at ¥3,148 million (down 11.5% year on year) and ¥162 million (down 54.5% year on year), respectively.

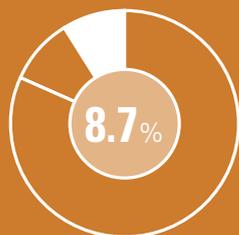
Information Service Business



Net Sales
¥1,068million

In the Information Service Business, although sales in existing businesses (the CAD business and systems solutions service business) were mostly flat from the previous year and only decreased slightly, as a result of factors including an increase in costs related to the launch of the 3D solutions business last year, net sales and segment profit stood at ¥1,068 million (down 0.9% year on year) and ¥18 million (down 65.2% year on year), respectively.

Real-Estate Leasing Business and Other Businesses



Net Sales
¥986million

In the Real Estate Leasing Business, while sales decreased due to a switchover to internal Group use for some real estate, as a result of an improvement in the utilization rate, net sales and segment income stood at ¥127 million (down 3.9% year on year) and ¥99 million (up 38.4% year on year), respectively.

In Other Business, despite proactive sales activities, net sales stood at ¥858 million (up 9.6% year on year) and a segment loss of ¥44 million (compared to a segment loss of ¥12 in the same period of last fiscal year) was recorded, because of the strong impact from the increase in purchase prices caused by yen depreciation.

Release of the personal 3D printer "MF-2200D" equipped with high-speed dual head developed in-house

The structure and driving system have been revolutionized for the "MF-2200D" together with the mounting of a high-speed dual head that was developed in-house by MUTOH. We hope you experience first-hand the broadly expanding world of 3D printing that includes engineering, technology and art education, character modeling, product design, presentations and more.



- ◆ Dual-carriage method the allows separate control of two heads developed in-house by MUTOH
- ◆ Myriad of 3D representation made possible with two-color modeling across a broad modeling area (Materials used: ABS/PLA/SB/PVA)
- ◆ Software supports Japanese interface as standard
- ◆ Secure support through the customer center dedicated for MF Series



"MF-2200D"
Personal 3D printer

3D entertainment "Value 3D Figure World"



MUTOH FIGURE WORLD INC. has begun recruiting franchisee store for its 3D dress-up figure print service.

The service provide scanning your face in about 5 seconds. And you enjoy "Yourself" by combining more than 100 types of costumes and hairstyles.

In addition to flagship store on the 4F of the Tobu Department Store at Tokyo Skytree, special events are held across Japan. Please check the following website for information of stores and events.

<http://www.mutoh-figureworld.co.jp/event/index.html>



4F of Tobu Department Store at Tokyo Skytree
MUTOH FIGURE WORLD flagship store
Operating hours: 10:00 to 21:00

Flat screen drip proof specifications Release of the large, outdoor LED sign "MSB Series"

The "MSB Series" consists of LED light-guiding plate signs that support free sizes from A2 to large sizes exceeding BO (1,284 x 1,984 mm), with order-made features including frame colors and LED color temperature.

- ◆ Thinness 30 mm: Mounting possible
While keeping the power source built-in without protrusions, achieve a top-in-the-industry thinness of 30 mm
- ◆ Homogeneity of luminescence: 80% or above
With gradation printing using patent technology, surface illumination of 3,000 lx achieved
- ◆ Easy maintenance: Total cost reductions are possible by replacement of parts with a fixed term
In addition to media, parts such as power sources and LED can also be easily replaced



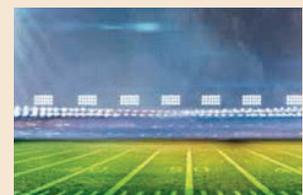
Station hallway
mounting image



Information sign for
a commercial facility



Advertising sign within a station



Advertising sign within a stadium

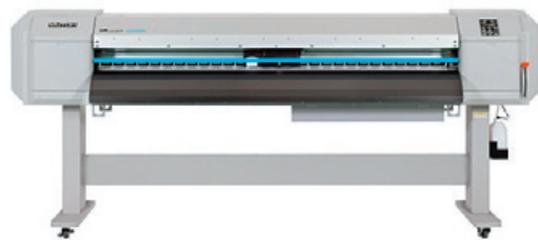
Expand a lineup of "X" models in the "ValueJet Series" of large-format inkjet printers with the launch of 6 new models

The lineup of "X" models in the primary product line "ValueJet Series" of large-format inkjet printers has been greatly expanded with the sales launch of 6 new models.

Major features of these models equip Drop Master Technology that makes automatic adjustments for the ink-shooting target position depending on the thickness of the media, as well as the addition of a new print mode and improvements in the print adjustment tool function, which significantly improves cost performance compared to former models.



"VJ-1624X"



"VJ-1938WX"

[Major features]

◆ Equipped with Drop Master Technology

Drop Master Technology is MUTOH's innovative automated printing technology that reduces the cumbersome adjustment work depending on media.

The automatic adjustment function for the ink discharge timing based on paper thickness for bi-directional printing reduces the time needed for printing adjustment while improving image definition and smoothness.

◆ Addition of a new print mode

Addition of a 360 x 1,080 dpi / 3 path (custom) mode that achieves both high-speed printing and the quantity of ink required for coloring

◆ Improvements in the print adjustment tool function

- ✓ Significant improvements in work efficiency during adjustments through changes to bi-directional printing adjustment and paper-sending adjustment patterns

- ✓ Status monitor (VSM) supports the following functions
Printing history view / Statistics information / cost information

- ✓ Supports heat control function (VJ-1624X)

Addition of control mode with overall control of each heater (pre / platen / after), media flapping control and reduction of the image creation start time

[New "X" model products: 6 models]

Eco-solvent(low-solvent) inkjet printers

VJ-628X	630mm width
VJ-1324X	1,300mm width
VJ-1624X	1,600mm width
VJ-2638X	2,600mm width, double heads

Sublimation transfer inkjet printers

VJ-1624WX	1,600mm width
VJ-1938WX	1,900mm width, double heads

Release large scale "Value 3D Resinoid MR-5000" resin-based FFF 3D printer that supports engineering plastic output

Large scale resin-based FFF 3D printer that supports engineering plastic output was released in September. A newly developed "Tough Head" has been designed for continuous operation at 300 degrees Celsius.

"Value 3D Resinoid MR-5000" supports large modeling up to 500 mm, which relies on a servo motor controlling technique to achieve a very impressive precision, while 3D printing at the very high speed.

In addition, the use of dual heads allows two kinds of engineering plastic to be combined with Bi-Matrix structuring.

This will enable the creation of new materials with physical features not achievable in the past.

"Bi-Matrix structuring" creates new composite materials

"Bi-Matrix structuring" that was developed in-house by MUTOH is a 3D printing method that enable the creation of composite materials with the characteristics of both the main-matrix resin and the sub-matrix resin by separately discharging multiple resin materials.



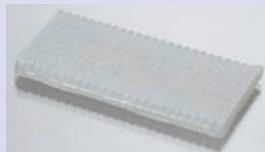
ABS + elastomer structure



PC + epoxy structure



Nylon + elastomer structure



Nylon + epoxy structure



Value 3D Resinoid MR-5000

Consolidated 1st Half Financial Statements

■ Consolidated Balance Sheets

(Millions of yen)

(Millions of yen)

Account	Period	1 st Half period ended September 30, 2015	1 st Half period ended September 30, 2014	Year ended March 31, 2015	Account	Period	1 st Half period ended September 30, 2015	1 st Half period ended September 30, 2014	Year ended March 31, 2015
Assets					Liabilities				
Current assets		19,542	21,432	20,563	Current liabilities		5,295	6,246	5,179
Cash and bank deposits		8,619	9,862	8,597	Notes and accounts payable		3,156	4,038	3,036
Notes and accounts receivable		3,729	3,759	4,295	Others		2,139	2,207	2,142
Inventories		5,923	5,923	5,533	Non current liabilities		1,761	2,131	1,787
Others		1,268	1,887	2,137	Debt for retirement benefits		1,272	1,608	1,277
Fixed assets		12,238	11,626	11,463	Others		489	522	509
Tangible fixed assets		9,023	8,398	8,395	Total liabilities		7,057	8,377	6,966
Intangible fixed assets		316	174	197	Net assets				
Investments and other assets		2,899	3,053	2,870	Shareholders' equity		24,883	24,970	25,206
Investment securities		2,389	2,484	2,328	Capital stock		10,199	10,199	10,199
Others		509	568	541	Capital surplus		4,182	4,182	4,182
Total assets		31,780	33,059	32,027	Retained earnings		12,845	12,925	13,165
					Treasury stock		(2,342)	(2,336)	(2,340)
					Total other cumulative comprehensive income		(986)	(1,183)	(1,036)
					Non-controlling interests		825	895	890
					Total net assets		24,723	24,682	25,061
					Total liabilities and net assets		31,780	33,059	32,027

■ Consolidated statements of income

(Millions of yen)

Account	Period			
		1 st Half period ended September 30, 2015	1 st Half period ended September 30, 2014	Year ended March 31, 2015
Net sales		11,375	11,467	23,475
Operating income		264	876	1,306
Ordinary income		237	928	1,354
Income before income taxes and other adjustments		336	3,696	4,119
Profit attributable to owners of parent		0	2,443	2,684

■ Consolidated statements of cash flows

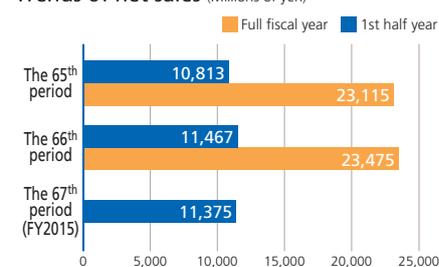
(Millions of yen)

Account	Period			
		1 st Half period ended September 30, 2015	1 st Half period ended September 30, 2014	Year ended March 31, 2015
Net cash from operating activities		1,386	377	(487)
Net cash from investing activities		(1,297)	(157)	(477)
Net cash from financing activities		(382)	(106)	(120)
Net increase (decrease) in cash and cash equivalents		(247)	132	(1,133)
Cash and cash equivalents at beginning of period		8,597	9,730	9,730
Cash and cash equivalents at end of period		8,349	9,862	8,597

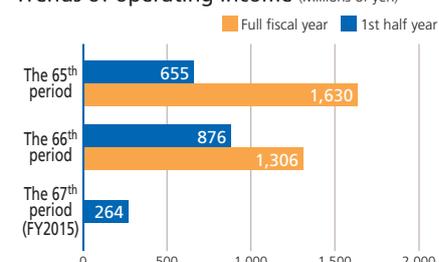
■ Consolidated subsidiaries in each business segment

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.

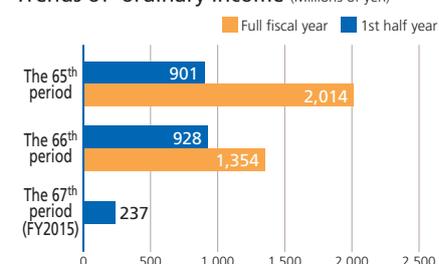
Trends of net sales (Millions of yen)



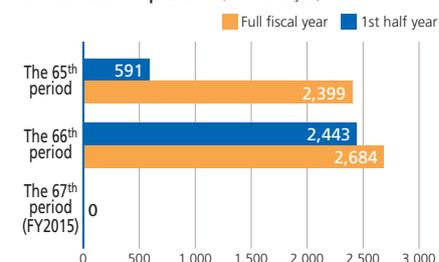
Trends of operating income (Millions of yen)



Trends of ordinary income (Millions of yen)



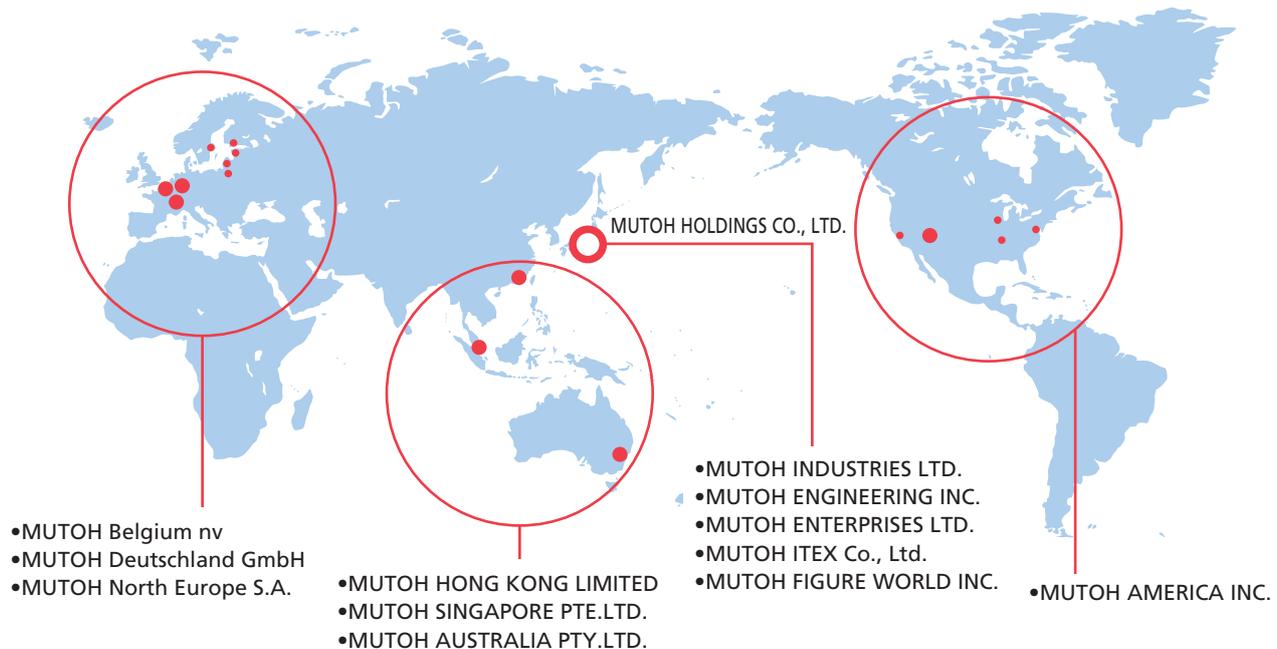
Trends of profit attributable to owners of parent (Millions of yen)



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 September 30, 2015)

Chairman of the Board	Masanori Takayama	Director Audit and Supervisory Committee Member	Hajime Tatsuzawa
President	Nobumasa Hayakawa	Director Audit and Supervisory Committee Member	Kazuyuki Kamoi
Managing Director	Yoichi Abe	Director Audit and Supervisory Committee Member	Hiroshi Tobita
Managing Director	Hisayoshi Aoki		
Director	Masanobu Takeda		
Director	Toshihiro Sakamoto		
Director	Yoshiyuki Takayama		
Director	Yoshihiko Baba		

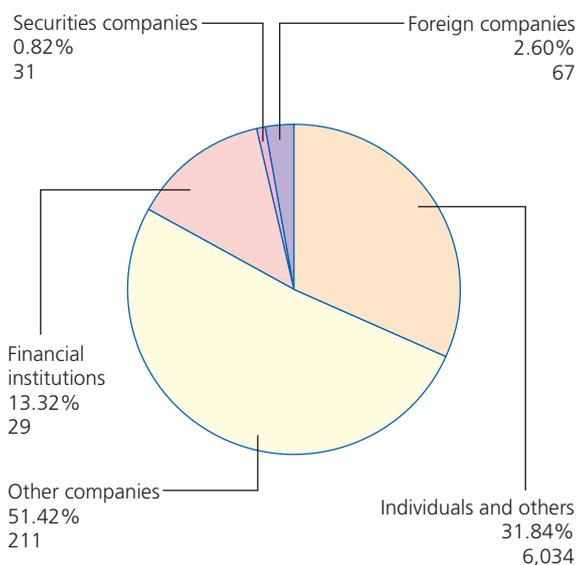
■ Number of shares issuable	170,000,000
■ Number of shares issued	54,818,180
■ Number of shares per unit	1,000
■ Number of shareholders	6,372

■ Major Shareholders

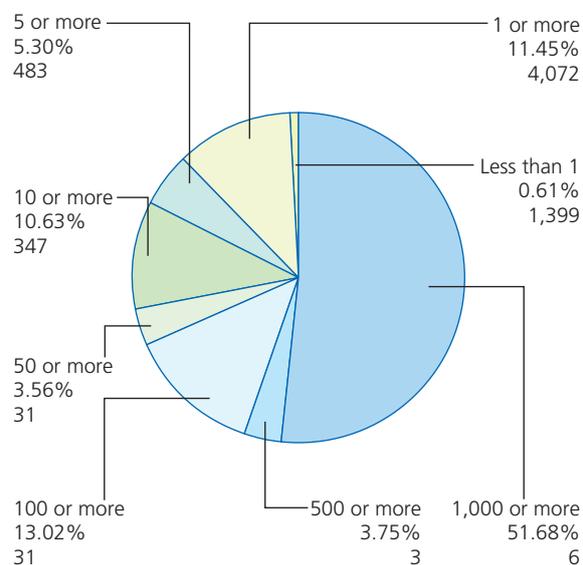
Name	Number of Shares Held (Shares)	Ratio of Shareholding (%)
TCS Holdings Co., Ltd.	13,220,000	28.81
Mizuho Bank, Ltd.	2,071,399	4.51
Eiji Mutoh	1,580,586	3.44
Sumitomo Mitsui Trust Bank, Limited	1,457,000	3.18
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,073,000	2.34
Unisystem Co., Ltd.	923,000	2.01
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 8,929,150 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.