



TSE Securities Code : 7999

MUTOH HOLDINGS CO., LTD.



69th (Fiscal Year 2017) **Financial Report**

April 1, 2017 to March 31, 2018

MUTOH

■ 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 69th (Fiscal Year 2017) Financial Report, covering the MUTOH Group's business performance and activities.

President Nobumasa Hayakawa

Basic Policy

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

■ Business Situation and Outcomes

Despite geopolitical risks and uncertainty spreading amongst the Asia-Pacific region and all over the world, we had gradual increase in the Western countries this fiscal year. In the domestic economy, there has been a stable depreciation of the yen and employment conditions have continued to grow. Consumer confidence has picked up and the economy is on a gradual upswing.

In MUTOH Group's business environment, the Large Format Inkjet Printer business has seen a continued price erosion due to major manufacturers entering the field. New business with textile printing and industrial printing using UV inks has strengthened.

In the 3D Printing business, diversification of the molding materials has brought an expectation of an expanded market with creating prototypes and mass-produce components.

To drastically strengthen the business structure at MUTOH Group, we have reformed the business process of developing, manufacturing, and distributing to increase the earning capacity for the future.

With the Large Format Inkjet Printers, we have unified the pan-European marketing policies, propelled the reformation of logistics, and strengthened development of new products for the industrial market, which is considered a growing field. We released 4 new printers: A2 size UV printer for gift and novelties "VJ-626U", high-quality and high productivity speed UV-LED printer "VJ-1638UR", our first large flat-bed UV-LED printer "PJ-2508UF", multiproduct small lot printer "VJ-628MP".

With 3D Printers, we released a large resin printing type "ML-200", a 3D scanner that creates 3D data from photographs "MS-600N/PX", "temperature sensitive antibacterial new filament" which can be reformed with body temperature, and "ML-48 exclusive high-speed molding resin". To increase profitability, along with selecting and focusing on developmental resource, we have signed a partnership agreement with HP Japan Inc. We started selling HP Japan products, and setup products in Tokyo to provide printing solutions. With 3D Solution Service, we opened "One-Eye Goblin", which is a website where you can create original 3D figures from face photos taken on smartphones. Users can enjoy 3D figures much easier through this site.

As a result of the above, in consolidated FY 2017, the net sales dropped to ¥20,048 million (down 2.2% year on year), the operating income decreased to ¥160 million (down 12.5% year on year), and ordinary income increased to ¥341 million (up 71.0% year on year). The amount of loss attributable to owners of the parent of FY2017 was ¥337 million (last year was a ¥113 million loss).

With these results and future business plans considered, the year-end dividend will continue to be set at ¥35 yen per share (reverse stock split of 1 for 10 took place, so essentially the same value as last year).

We will drive with aggressive measures to capture growth and profitability at the same time.

Your continued support would be greatly appreciated.

Consolidated Financial Highlights

○ Net Sales	69 th (FY2017) Period: ¥20,048 million		
	66 th (FY2014) Period:	67 th (FY2015) Period:	68 th (FY2016) Period:
	23,475 million	23,449 million	20,493 million

○ Operating Income	69 th (FY2017) Period: ¥160 million		
	66 th (FY2014) Period:	67 th (FY2015) Period:	68 th (FY2016) Period:
	1,306 million	689 million	183 million

○ Ordinary Income	69 th (FY2017) Period: ¥341 million		
	66 th (FY2014) Period:	67 th (FY2015) Period:	68 th (FY2016) Period:
	1,354 million	622 million	199 million

○ Profit (Loss) Attributable to Owners of Parent	69 th (FY2017) Period: ¥(337) million		
	66 th (FY2014) Period:	67 th (FY2015) Period:	68 th (FY2016) Period:
	2,684 million	148 million	(113) million

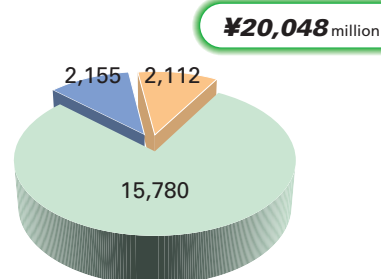
○ Total Assets	69 th (FY2017) Period: ¥29,898 million		
	66 th (FY2014) Period:	67 th (FY2015) Period:	68 th (FY2016) Period:
	32,027 million	31,701 million	30,514 million

○ Total Net Assets	69 th (FY2017) Period: ¥23,019 million		
	66 th (FY2014) Period:	67 th (FY2015) Period:	68 th (FY2016) Period:
	25,061 million	23,917 million	23,484 million

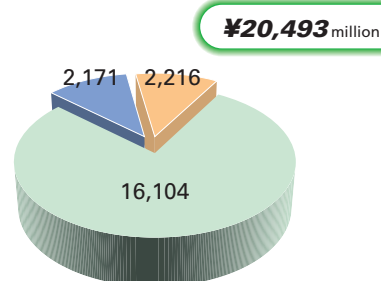
Business Segment Net Sales (Millions of Yen)

- Imaging & Information Equipment Business
- Information Service Business
- Design Measurement Equipment Business, Real-Estate Leasing Business and Other Businesses

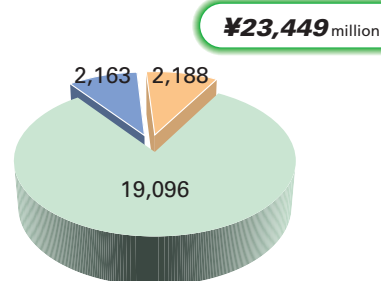
● 69th (FY2017) Period:



● 68th (FY2016) Period:



● 67th (FY2015) Period:



Forecast of 70th (FY2018)

	(Millions of Yen)			
	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
Forecast of Consolidated Business Results	20,500	240	260	20

Figures announced on May 15, 2018.

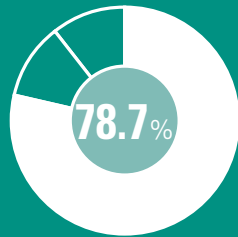
In the world economy, we have seen a gradual trend of economic expansion in the Western countries, but geopolitical risks in the Middle East and Eastern Asia, America's trade policy remain to be a fear factor.

Under these circumstances, MUTOH Group will accelerate in creating a business structure that can capture both growth and profitability. We will shift to the growing market of industrial and textile fields in our large format inkjet printer business. In sales, we will strengthen the Western country and Japanese market where we can expect a high profit with the expansion of the growth field.

With our 3D printer business, we will shift from consumer products to business use products, and strengthen the sales of our high-profit products. We will also strengthen lineups of other companies starting with HP Japan Inc.

Overview of Business Segments

Imaging & Information Equipment Business



Net Sales
¥15,780million

In Asia, sales decreased despite price modification because of the 3D printer market entering a lull. Amount of loss has improved due to cost cuts. Net sales and segment loss stood at ¥6,268 million (down 9.1% year on year) and ¥268 million (compared to a segment loss of ¥429 million last year).

In North America, net sales and segment profit respectively dropped to ¥3,451 million (down 4.4% year on year) and ¥87 million (down 65.9% year on year) due to the effect of price drops within the market with heavy competition.

In Europe, price drops had an effect but expanding to the industrial field drove net sales and segment profit respectively to ¥6,059 million (up 8.2% year on year) and ¥282 million (up 81.2% year on year).

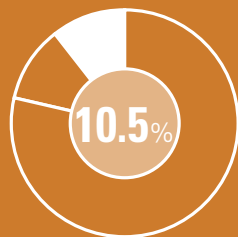
Information Service Business



Net Sales
¥2,155million

In the Information Service Business, sales in existing businesses (the CAD business and systems solutions service business) were mostly flat YoY, but net sales and segment profit both dropped respectively to ¥2,155 million (down 0.7% year on year) and ¥147 million (down 10.1% year on year) due to cost increase.

Design Measurement Equipment Business, Real-Estate Leasing Business and Other Businesses



Net Sales
¥2,112million

In Design Measurement Equipment Business, LED equipment sales decreased. Net sales and segment profit dropped respectively to ¥1,365 million (down 11.7% year on year) and ¥127 million (down 14.6% year on year).

Vacancy rate dropped in the Real Estate Leasing Business, as net sales and segment profit respectively stood at ¥348 million (up 32.2% year on year) and ¥191 million (down 5.1% year on year).

In Other Business, sales decreased slightly, and purchasing cost increased due to yen depreciation. Net sales recorded ¥398 million (down 2.0% year on year) and segment loss recorded ¥24 million (compared to a segment loss of ¥22 million last year).

360° Direct Print VJ-626UF Exclusive "Rotary Unit" Released

The "Rotary Unit" is compatible with VJ-626UF, and can print directly on cylinder shaped media.

- ◆ 360° direct printing on cylinder shaped media
Compatible with flat surfaced, cylinder shaped media that has a width of 30mm to 360mm, diameter of 30mm to 120mm, and a weight under 1kg.
- ◆ Dual adjustment roller pitch
Narrow media: diameter 30 to 80mm
Wide media: diameter 60 to 120mm
- ◆ User friendly
- ◆ Can check nozzles with units mounted in the dummy table.
- ◆ Equipment to hold the media down to inhibit misalignment and gain a stable print is included.



VJ-626UF exclusive
"Rotary Unit"



Cylinder shaped media
print sample

Create 3D Figures from Photos "One-Eye Goblin" Website Launched

You can create a figure that looks exactly like yourself from a picture. Access the MUTOH FIGURE WORLD "One-Eye Goblin" Website. <http://www.one-eye-goblin.com/>

step 1



Just take a picture with your smartphone. Raise your hair up, and say cheese! Upload the picture of our face.

step 2



Numerous figure design images will show after about 60 seconds (it will show up in a single column on the left side on smartphones).

step 3



Select one design image that you like. (Costumes will change according to seasons)

step 4



Confirm the figure image and click the purchase button! Your figure will be in your hands in about 2 weeks.

Wrapping-type Knee Supporter "Super Pro Knee Support" by PRO Released

"Super Pro Knee Support" is a wrapping-type knee supporter for both knees, made by PRO. PRO is a top-notch manufacturer that has a 50 year history in the US. Originating from the NFL, one of the most active professional sport league, PRO is an international sports supporter brand that is used in over 34 countries.

- ◆ Uses neoprene which is thermal and durable, making it a comfortable wear.
- ◆ 3 adjustable straps for a strong fix.
- ◆ Dual-pad firmly fixes the patella, achieving great knee support.
- ◆ Patella opening allows smooth bending movement.
- ◆ Free size (34 to 51cm), black color



"Super Pro Knee Support" example

High Speed UV-LED Inkjet Printer "VJ-1638UR" Released

"VJ-1638UR" is a 1,625mm roll to roll high speed UV-LED inkjet printer.

By making it exclusive to roll media, we were able to bring the high quality printing of UV printers at an affordable price.

- ◆ The staggered dual print head design and the dual UV lamps on both sides of the print heads provide maximum print speed of 22.7m²/h (Banner-2 mode).
- ◆ UV-LED lamps consume low energy, leading to longevity.
- ◆ Environmentally friendly VOC free MUTOH UV ink, low energy consumption and odorless prints after curing.
- ◆ UV-LED's low-temperature effect makes it compatible with heat sensitive media
- ◆ Intelligent interweave print technology "i-Weave UV" offers high print quality
- ◆ Standard automatic sheet-off function
- ◆ Enhanced maintenance capability with an open/close cover next to the maintenance cover which expands the work space, and make daily maintenance easier.
- ◆ User replaceable cleaning wiper
- ◆ Ink mist control for stable print operation



High Speed UV-LED Inkjet Printer
"VJ-1638UR"

MUTOH's First UV-LED Large Size Flatbed Inkjet Printer "PerformanceJet 2508UF" Debut

"PerformanceJet 2508UF" is MUTOH's first UV-LED large size flatbed inkjet printer. It is compatible with media up to 2,540 x 1,250mm (boards), and offers printing for promotional items, panels, show window displays, directional signage, awards, labels, packaging prototypes and many others.

It will be offered globally through out US, Europe, Asia.



UV-LED Large Size Flatbed Inkjet Printer
"PerformanceJet 2508UF"

- ◆ 4 print heads included as standard with the option to expand to 6 or 8.
- ◆ Staggered print head allows 90 m²/h print speed.
(Standard 4 head/2path/600x300dpi/No feather/Draft mode)
- ◆ Automatically detects thickness of media and adjusts print heads for printing on substrates up to 100mm (50kg/m²).
- ◆ 4 zone vacuum table firmly fixes various media sizes and improves work efficiency
- ◆ Automatic media registration pin system and vacuum table with "blow-back" feature make handling and positioning of heavy media easy.
- ◆ Maximum resolution of 600x1,200dpi enables high image quality.
- ◆ Uses UV hard ink (CMYK, White & Varnish) with excellent durability and color gamut.
- ◆ Standard system to enable printing on media vulnerable to anti-static electricity.

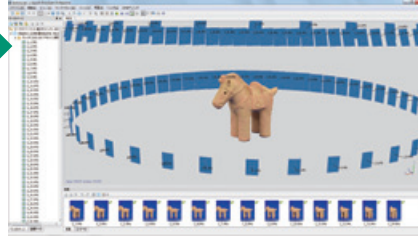
High Resolution 3D Scanner 3D PhotoScan System "MS-600N/PX" Released



"MS-600N/PX" uses 2 digital mirrorless camera with 2,400 dpi quality, and creates a high resolution, high quality 3D data.



3D PhotoScan System
"MS-600N/PX"



Easy Automated Process
3D data is created automatically with
MUTOH's original plugin software.

- ◆ All-in-one package
Comes with everything you need for scanning
- ◆ Short scan time
Scan time is just 60 seconds
- ◆ No scanning skill needed
The turntable will capture the object with certainty.
- ◆ Compatible size
100mm square to 400mm square
(Maximum of 600mm square with added camera)

Awarded the *Wide Format & Signage Magazine's* Readers' Choice Top Product Award for 2 Straight Years



"ISA International Sign Expo" took place in Florida, US from March 22nd to the 24th. *Wide Format & Signage Magazine's* Readers' Choice Top Product Award 2018 was announced at the event, and MUTOH's UV-LED hybrid inkjet printer "VJ-1638UH" was awarded in the Hybrid Printer/Solvent Printer Category.

This is the second year in a row that "VJ-1638UH" was awarded. This award is voted by actual dealers and users who used the printers. We believe that "VJ-1638UH" was recognized for its all-around quality by the customers.

MUTOH will continue to provide products that will lead the large format inkjet printer market.



UV-LED Hybrid Inkjet Printer
"VJ-1638UH"

Hybrid Printer/Solvent Printer Category

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

Account	Period	Year Ended March 31, 2018	Year Ended March 31, 2017
Assets			
Current Assets		18,133	18,689
Cash and Bank Deposits		9,441	8,796
Notes and Accounts Receivable		3,857	4,020
Inventories		3,810	4,702
Others		1,024	1,170
Fixed Assets		11,764	11,824
Tangible Fixed Assets		8,436	8,578
Intangible Fixed Assets		298	272
Investments and Other Assets		3,029	2,973
Investment Securities		2,697	2,205
Others		331	767
Total Assets		29,898	30,514

(Millions of Yen)

Account	Period	Year Ended March 31, 2018	Year Ended March 31, 2017
Liabilities			
Current Liabilities		4,910	4,850
Notes and Accounts Payable		2,843	2,817
Others		2,067	2,032
Non Current Liabilities		1,968	2,180
Debt for Retirement Benefits		1,566	1,750
Others		401	430
Total Liabilities		6,878	7,030
Net Assets			
Shareholders' Equity		24,004	24,591
Capital Stock		10,199	10,199
Capital Surplus		4,182	4,182
Retained Earnings		12,062	12,558
Treasury Stock		(2,439)	(2,348)
Total Other Cumulative Comprehensive Income		(1,815)	(1,928)
Non-Controlling Interests		830	820
Total Net Assets		23,019	23,484
Total Liabilities and Net Assets		29,898	30,514

Consolidated Statement of Change in Net Assets FY2017 (April 1,2017 - March 31,2018)

(Millions of Yen)

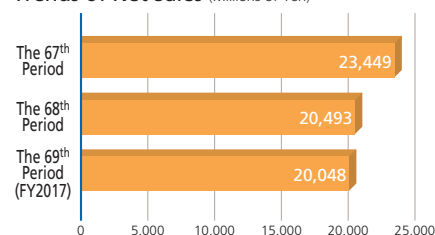
	Shareholders' Equity					Total Other Cumulative Comprehensive Income	Non- Controlling Interests	Total Net Assets
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity			
Outstanding as of April 1,2017	10,199	4,182	12,558	(2,348)	24,591	(1,928)	820	23,484
Change in Value for Consolidated Accounting Year								
Dividend of Surplus			(160)		(160)			(160)
Profit(Loss) Attributable to Owners of Parent			(337)		(337)			(337)
Acquired Treasury Stock				(91)	(91)			(91)
Disposed Treasury Stock		(0)		0	0			0
Change of Scope of Consolidation			1		1			1
Change in Value for Consolidated Accounting Year for Items Other than Capital Stock (Net)						112	9	122
Total Change in Value for Consolidated Accounting Year	—	(0)	(496)	(90)	(587)	112	9	(464)
Outstanding as of March 31,2018	10,199	4,182	12,062	(2,439)	24,004	(1,815)	830	23,019

■ Consolidated Statements of Income

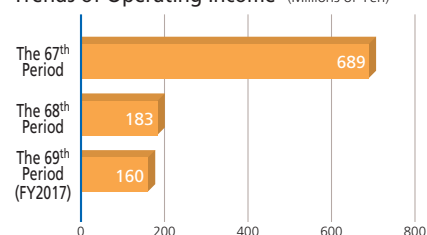
(Millions of Yen)

Account	Period	Year Ended March 31, 2018	Year Ended March 31, 2017
Net Sales		20,048	20,493
Operating Income		160	183
Ordinary Income		341	199
Income Before Income Taxes and Other Adjustments		437	102
Profit (Loss) Attributable to Owners of Parent		(337)	(113)

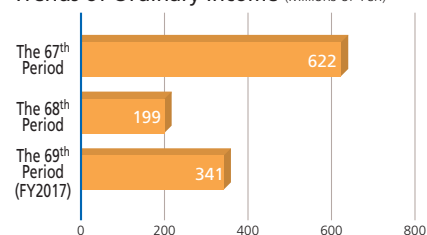
Trends of Net Sales (Millions of Yen)



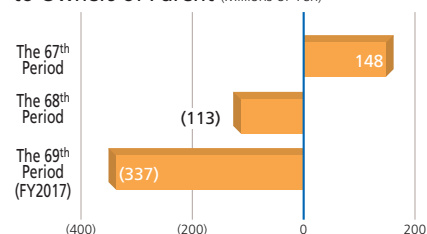
Trends of Operating Income (Millions of Yen)



Trends of Ordinary Income (Millions of Yen)



Trends of Profit(Loss) Attributable to Owners of Parent (Millions of Yen)



■ Consolidated Statements of Cash Flows

(Millions of Yen)

Account	Period	Year Ended March 31, 2018	Year Ended March 31, 2017
Net Cash from Operating Activities		1,672	797
Net Cash from Investing Activities		(529)	(246)
Net Cash from Financing Activities		(309)	(394)
Net Increase (Decrease) in Cash and Cash Equivalents		891	36
Cash and Cash Equivalents at Beginning of Period		8,556	8,519
Net Increase (Decrease) due to the Change of Scope of Consolidation		(6)	—
Cash and Cash Equivalents at End of Period		9,441	8,556

■ Consolidated Subsidiaries in each Business Segment

Business Segment	Company Names
Imaging & Information Equipment Business	MUTOH INDUSTRIES LTD., MUTOH AMERICA INC., MUTOH EUROPE NV, MUTOH NORTH EUROPE S.A., MUTOH DEUTSCHLAND GMBH, MUTOH SINGAPORE PTE. LTD., MUTOH AUSTRALIA PTY. LTD.
Information Service Business	MUTOH ITEX CO.,LTD., MUTOH INDUSTRIES LTD., MUTOH FIGURE WORLD INC.
Design Measurement Equipment Business	MUTOH INDUSTRIES LTD.
Real-Estate Leasing Business	MUTOH HOLDINGS CO., LTD., MUTOH ENTERPRISES LTD.
Other Businesses	MUTOH ENTERPRISES LTD.

(Notes) 1. We have inherited all businesses from MUTOH ENGINEERING INC. through demerger as of March 30, 2018.

2. MUTOH SINGAPORE PTE.LTD. concluded operation on March 31, 2018.
MUTOH INDUSTRIES, LTD. has taken over all sales.

Company Profile (As of June 28, 2018)

Name: MUTOH HOLDINGS CO., LTD.

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

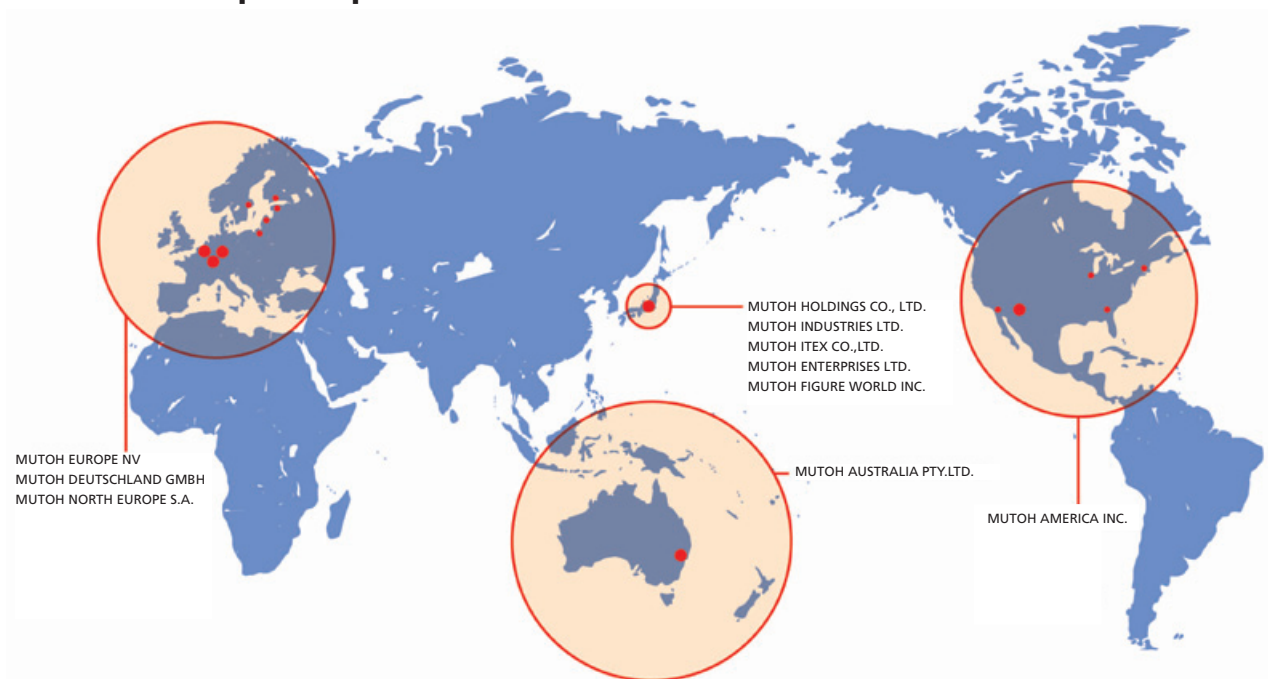
Capital Stock: 10,199 million yen

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



(Notes) MUTOH BELGIUM NV has changed its name to MUTOH EUROPE NV on January 1, 2018.

■ Directors (As of June 28, 2018)

Chairman of the Board Toshihiro Sakamoto

President Nobumasa Hayakawa

Director Kazuyuki Kamoi

Director Yasuhiko Isobe

Director Teruaki Kato

Director Yoshiyuki Takayama

Director Yusuke Kobayashi

Director Hajime Tatsuzawa
Audit and Supervisory Committee Member

Director Kazuhiro Yamada
Audit and Supervisory Committee Member

Director Hiroshi Tobita
Audit and Supervisory Committee Member

Stock information (As of March 31, 2018)

■ Number of Shares Issuable	17,000,000
■ Number of Shares Issued	5,481,818
■ Number of Shares per Unit	100
■ Number of Shareholders	7,021

(Notes) Reverse stock split of common stock 1 for 10, and change of share unit number from 1,000 to 100 took place on October 1, 2017.

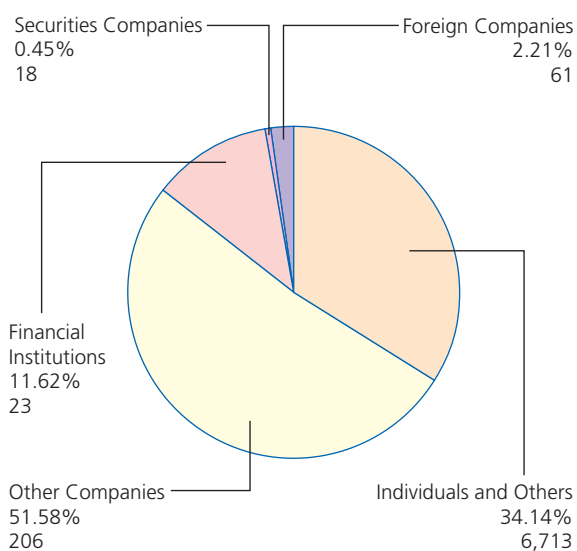
■ Major Shareholders

Name	Number of Shares Held (Shares)	Ratio of Shareholding (%)
TCS Holdings Co., Ltd.	1,322,000	29.05
Sumitomo Mitsui Trust Bank, Limited	210,700	4.63
Eiji Mutoh	158,058	3.47
Mizuho Bank, Ltd.	107,139	2.35
Unisystem Co., Ltd.	92,300	2.03
NTT System Development Co., Ltd.	71,900	1.58
Keiichi Hori	59,100	1.30
High-Tech System Co., Ltd.	56,100	1.23
Japan Trustee Services Bank, Ltd. (Trust Account 5)	51,500	1.13
Sigmatron Co., Ltd.	44,400	0.98

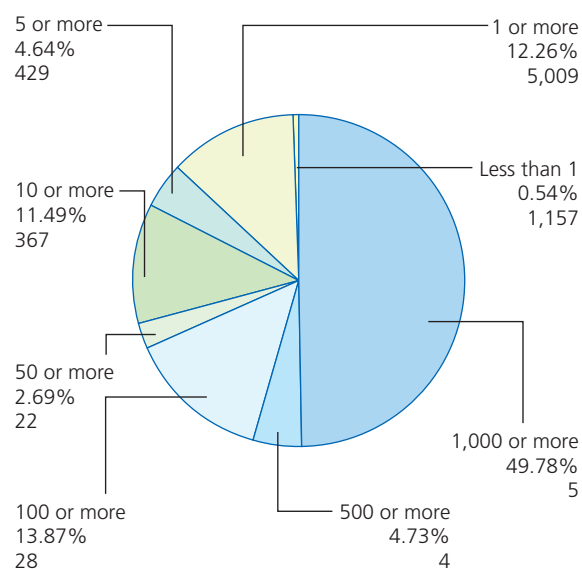
(Notes) 1. The Company holds 930,930 shares of treasury stock, which is excluded from the major shareholders listed above.

2. The ratio of shareholding is calculated after excluding treasury stock.

◆ Breakdown of Shareholders



◆ Breakdown by the Number of Shares Held



Shareholder Information

Business Year :	From April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders :	In June each year
Year-end Dividend Record Date :	March 31 each year
Interim Dividend Record Date :	September 30 each year
Public Notices :	Public notices shall be made on the Company's website (http://www.mutoh-hd.co.jp). * In case the public notices are not available on the Company's website due to unavoidable circumstances, such notices shall be made in the Nihon Keizai Shimbun
Administrator of Shareholder Register :	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233
Mailing Address and Telephone Number :	8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063 TEL: +81-120-782-031 (toll-free) Stock Transfer Agency Department Sumitomo Mitsui Trust Bank, Limited Stock transfer agent services are provided at branch offices in Japan of Sumitomo Mitsui Trust Bank, Limited.

Notes :

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

For those shareholders who do not have an account at a securities company but who have opened a special account, please make all requests to Sumitomo Mitsui Trust Bank, Limited, an account management institution of special accounts.

2. Payment of Accrued Dividends

Please make all requests to Sumitomo Mitsui Trust Bank, Limited, which is the administrator of the shareholder register.

3. Dividend Statement

The Dividend Statement that is delivered upon dividend payment also serves as a Payment Notice in accordance with the stipulations of the Act on Special Measures Concerning Taxation.

This document can be used as an attachment when filing your income tax return. We ask that shareholders who will file an income tax return carefully store this document.

For shareholders that have selected the stock pro rata system, your stock brokerage will calculate the amount of withholding tax.

Please confirm with your stock brokerage the materials to be submitted when filing your income tax return.