



TSE Securities Code : 7999

MUTOH

Fiscal Year 2019 1st Half Financial Report

April 1 to September 30, 2019



MUTOH HOLDINGS CO., LTD.

■ 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 Fiscal Year 2019 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, there is fear of a downward risk due to the friction between the US and China, and the Brexit situation. In the domestic economy, the production of the manufacturing industry has been stagnant. With yen appreciation and global slowdown, exporting has been slow and inbound demand has been on a downward risk.

In these circumstances, our group has been going under a reformation of our operation process for development, manufacture, and sales to achieve a radical strengthening of the business structure. We are working to increase our earning power and looking to the future with strategic investments at the same time.

This year, we have released the *XpertJet* series alongside the usual *ValueJet* series in the large-format inkjet printer business. The *XpertJet* series is the new platform for high-quality prints, high production output, and user-friendly operation. The first two products for the series are *XpertJet* 1682SR, the hyper performance double head printer with a 7-color ink set, and *XpertJet*1641SR, the single head model that offers an excellent balance of performance, image quality and an affordable price range with a 4-color ink set. It has received great reviews from around the world. We also released a new eco-solvent ink *MS41*, which ensures easy maintenance and provides a larger color gamut. It is certified the UL GREENGUARD Gold, which is the strictest certification program for volatile organic compound emission tests.

With 3D printers, we have added the desktop type high-definition stereolithography 3D printers *ML-100* and *ML-80* to our lineup. It uses a hanging method and a Full-HD DLP UV curing method, which is suited for molding that needs precision like jewelry design and fine parts in manufacturing. We have been responding to customer expectations as the 3DP solution partner for the manufacturing industry.

As a result of the above, domestic sales have been on the rise, but with yen depreciation and overseas sales going down with effects of the friction between the US and China, net sales stood at ¥8,293 million (down 13.3% year on year).

Operating loss came to ¥65 million (¥101 million profit during the same period of the previous fiscal year), but was improved from the 1st quarter through cost percentage improvement, absorbing developmental and global core system investments to cut general expenses. Ordinary loss came to ¥62 million (¥149 million profit during the same period of the previous fiscal year) after allocating dividend income, exchange gain and loss, and other non-operating expenses. Loss attributable to owners of parent was ¥111 million (compared to ¥205 million profit during the same period of the previous fiscal year) after allocating subsidiary liquidation fees, loss on revaluation of investments in securities, and corporate tax.

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

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

— Consolidated Business Results —

Net Sales	million		FY2017	FY2018	FY2019
		1 st Half Period:	9,923	9,561	8,293
		Year-end	20,048	19,202	—
Operating Income	million		FY2017	FY2018	FY2019
		1 st Half Period:	(46)	101	(65)
		Year-end	160	160	—
Ordinary Income	million		FY2017	FY2018	FY2019
		1 st Half Period:	68	149	(62)
		Year-end	341	234	—
Profit Attributable to Owners of Parent	million		FY2017	FY2018	FY2019
		1 st Half Period:	17	205	(111)
		Year-end	(337)	64	—
Basic Earnings per Share	yen		FY2017	FY2018	FY2019
		1 st Half Period:	3.92	45.07	(24.46)
		Year-end	(73.56)	14.21	—
Total Assets	million		FY2017	FY2018	FY2019
		1 st Half Period:	30,730	29,678	28,677
		Year-end	29,898	28,907	—
Total Net Assets	million		FY2017	FY2018	FY2019
		1 st Half Period:	23,716	23,094	21,831
		Year-end	23,019	22,272	—
Net Assets per Share	yen		FY2017	FY2018	FY2019
		1 st Half Period:	4,992.89	4,899.94	4,639.79
		Year-end	4,876.04	4,729.27	—

Forecast of 71th (FY2019)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
Forecast of Consolidated Business Results	19,800	140	150	100

(Millions of Yen)

Figures announced on November 12, 2019.

Regarding the consolidated earnings forecast for the full business year, with so many uncertainties such as the trade conflict between the US and China, and the uncertainty of the political and economic state within the country, it has been kept the same as the number set on May 15th, 2019.

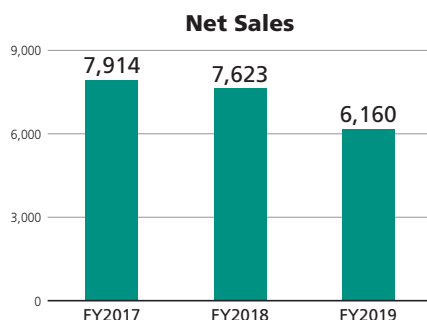
If there are any changes to be made, it will be released promptly.

Imaging & Information Equipment Business

Net Sales ¥ **6,160** million

Segment Profit ¥ **(179)** million

There has been a cost percentage betterment and cost-cutting efforts in Asia, North America, and Europe, but with trade conflicts between the US and China, yes appreciation, and a sales price drop, we have seen decreased sales and profit.

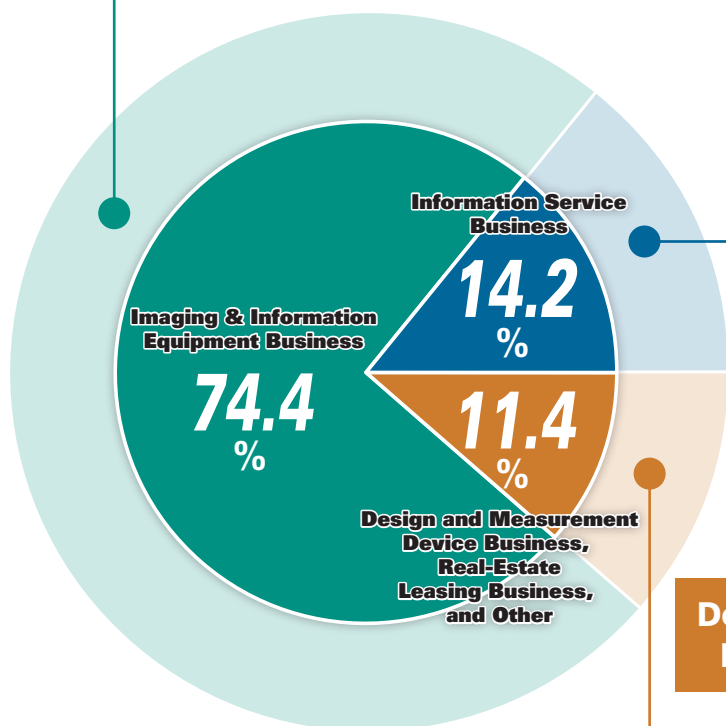
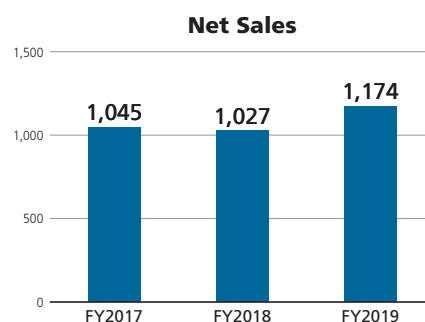


Information Service Business

Net Sales ¥ **1,174** million

Segment Profit ¥ **122** million

With existing businesses (the CAD business and systems solutions service business), measures to strengthen profitability resulted in net sales rising 14.3% and segment profit rising 176.4%, seeing an increase in sales and profit.

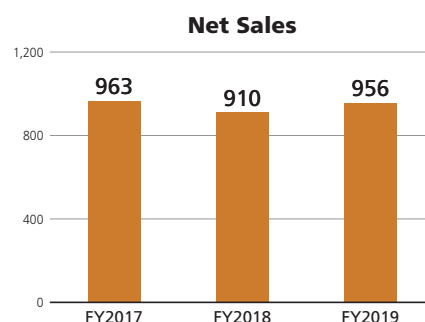


Design and Measurement Device Business, Real-Estate Leasing Business, and Other

Net Sales ¥ **956** million

Segment Profit ¥ **252** million

Measures to strengthen profitability in each areas, rent rate revisions, decrease in wholesale cost and general expenses have resulted in seeing an increase in sales and profit overall, despite a small decline in sales in other businesses.



Consolidated 1st Half Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

Account	Period	1 st Half Period Ended September 30, 2019	1 st Half Period Ended September 30, 2018	Year Ended March 31, 2019
Current Assets		15,297	16,717	16,275
Fixed Assets		13,380	12,961	12,632
Tangible Fixed Assets		8,529	8,208	8,020
Intangible Fixed Assets		683	385	521
Investments and Other Assets		4,166	4,367	4,089
Total Assets		28,677	29,678	28,907
Total Liabilities		6,845	6,583	6,635
Current Liabilities		4,582	4,629	4,379
Non Current Liabilities		2,263	1,953	2,255
Total Net Assets		21,831	23,094	22,272
Shareholders' Equity		23,637	24,049	23,908
Total Other Cumulative Comprehensive Income		(2,527)	(1,753)	(2,390)
Non-Controlling Interests		721	798	753
Total Liabilities and Net Assets		28,677	29,678	28,907

Consolidated Statements of Income

(Millions of Yen)

Account	Period	1 st Half Period Ended September 30, 2019	1 st Half Period Ended September 30, 2018	Year Ended March 31, 2019
Net Sales		8,293	9,561	19,202
Cost of Sales		5,516	6,405	12,978
Selling, General and Administrative Expenses		2,843	3,054	6,063
Operating Income (Loss)		(65)	101	160
Non Operating Profit and Loss		3	47	74
Ordinary Income		(62)	149	234
Extraordinary Profit		9	170	190
Extraordinary Losses		9	55	230
Income Before Income Taxes and Other Adjustments		(62)	264	194
Income Taxes		31	38	142
Profit Attributable to Non-Controlling Interests		17	20	(12)
Profit (Loss) Attributable to Owners of Parent		(111)	205	64

Consolidated Statements of Cash Flows

(Millions of Yen)

Account	Period	1 st Half Period Ended September 30, 2019	1 st Half Period Ended September 30, 2018	Year Ended March 31, 2019
Net Cash from Operating Activities		92	609	198
Net Cash from Investing Activities		(517)	(1,162)	(1,333)
Net Cash from Financing Activities		(216)	(213)	(214)
Cash and Cash Equivalents at End of Period		7,400	8,758	8,102

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 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.

"Built for Professionals"

Eco Solvent Printer

2 High-quality, High-resolution, Eco-solvent printers released



Single head model: XPJ-1641SR
(4-slot 4-color)

XpertJet
1682SR/1641SR

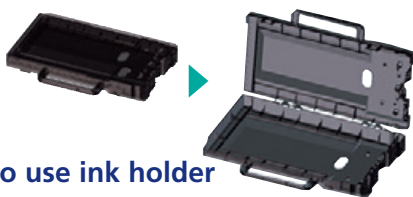
DEBUTS!

"Built for Professionals"
with Made in Japan
Quality



Double head model: XPJ-1682SR
(8-slot 4-color/7-color)

Newly designed for easy maintenance and friendly use!



Easy to use ink holder with a new handle

Easily exchange inks with front-access

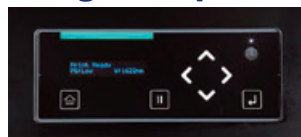


Multistep Pressure Mechanism

Pressure is available in 4 different levels of "High, Middle, Low, and Partial," Available media to feed has grown like never before.

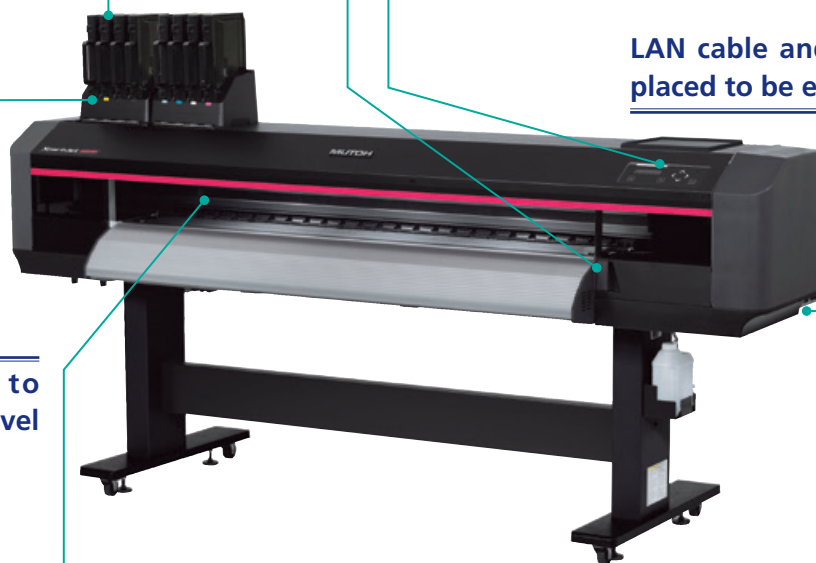


LED guide operation panel



With an organic EL display with high visibility and static touch panel, it is easy to use.

LAN cable and power outlets is placed to be easily accessible



LED lights up to notify low ink level

"Inner LED lighting" allows checking operating conditions and printing conditions

Maintenance ability is increased with a wider opening. With LED lighting inside, it is easy to check the media.



Network connector

AC inlet terminal



MUTOH original eco-solvent ink *MS41 Ink* achieves UL GREENGUARD GOLD



UL GREENGUARD is the strictest certification program for volatile organic compound emission tests.

Products that are GREENGUARD certified or GREENGUARD GOLD certified have a lower than standard chemical emissions.

LED-UV ink *US 11 Ink* was the last ink to be certified

MUTOH addresses creating environment friendly, and top-quality products for our customers as a top priority.





ValueJet 1627MH was awarded the Best Wide-format Multipurpose Printer award at the European Digital Press Association Awards



EDP Award 2019

Best Wide-format Multipurpose Printer

VJ-1627MH

The European Digital Press Association (EDP) is an association that covers 27 European countries, reaching more than half a million readers in Europe. The EDP Awards is the most prestigious and valuable technical award for the digital production business given to products that have high achievement, quality, and cost efficiency.



**High-definition stereolithography 3D printers with 50µm and 40µm resolution
ML-100, ML-80**



**Value
3D MagiX**

ML SERIES

Stereolithography 3D printers with beautiful and smooth modeling.

By using the MUTOH slicer soft, you can achieve smoothness like never before with *ML-100* and *ML-80*.

Modeling products that need precise measurements or smooth surfaces can now be achieved.



Name: MUTOH HOLDINGS CO., LTD.

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

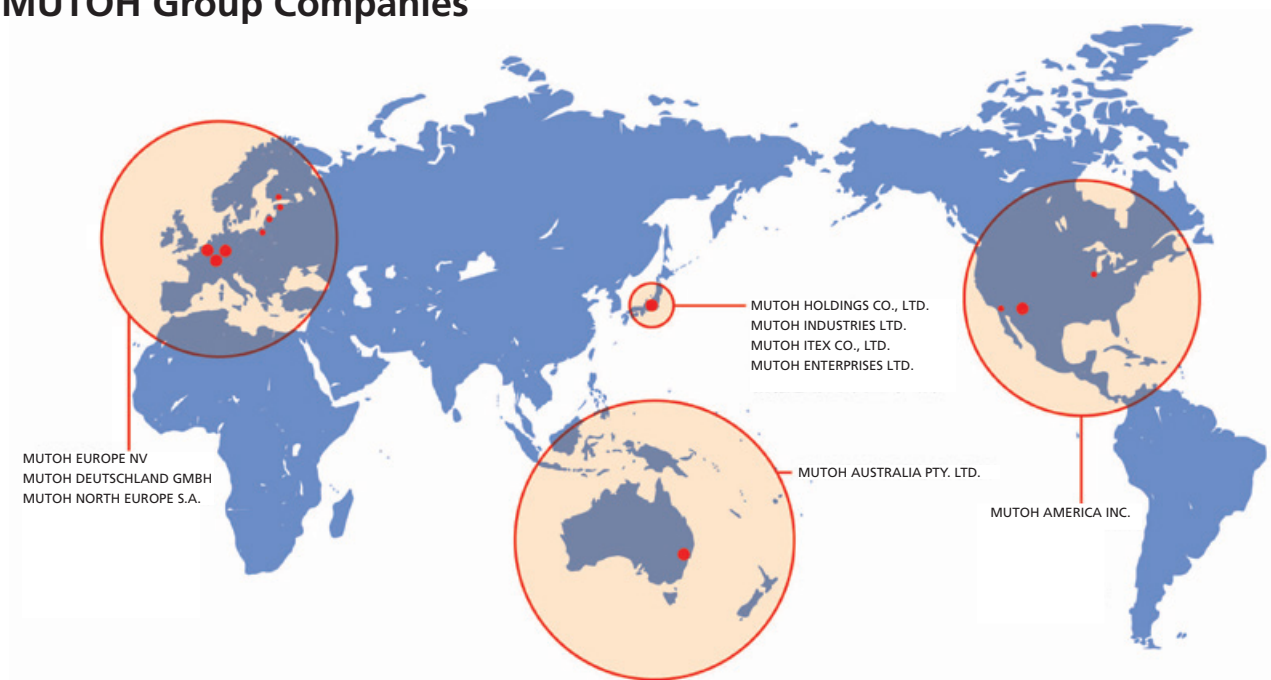
Capital Stock: 10,199 million yen

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: <https://www.mutoh-hd.co.jp>

MUTOH Group Companies



■ Directors (As of September 30, 2019)

Chairman of the Board Toshihiro Sakamoto

President Nobumasa Hayakawa

Managing Director Yasuhiko Isobe

Director Kazuyuki Kamoi

Director Teruaki Kato

Director Masanori Sera

Director Yusuke Kobayashi

Director Yoshiyuki Takayama

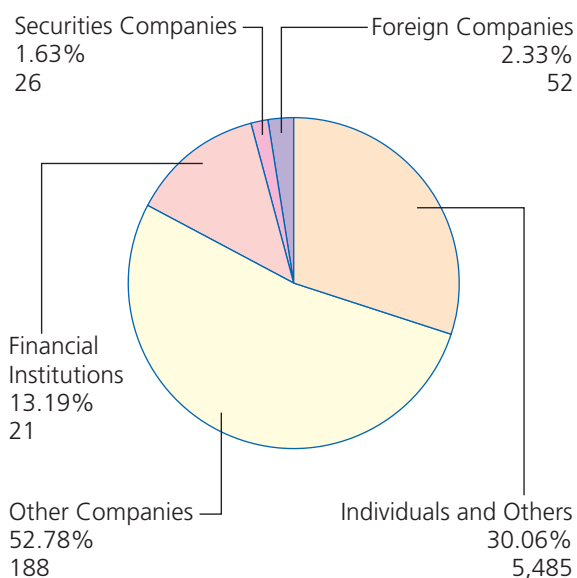
Director Koichi Endo
Audit and Supervisory Committee Member

Director Hironori Minoguchi
Audit and Supervisory Committee Member

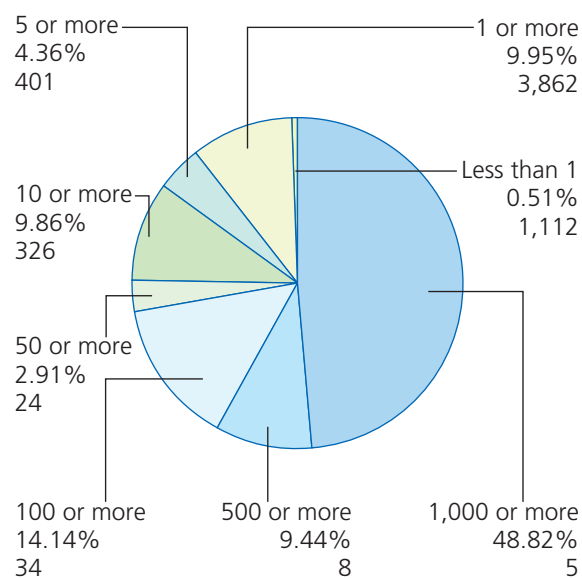
Director Hiroshi Tobita
Audit and Supervisory Committee Member

■ Number of Shares Issuable	17,000,000
■ Number of Shares Issued	5,481,818
■ Number of Shares per Unit	100
■ Number of Shareholders	5,772

◆ 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 (https://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.