

MUTOH PRINTER 9 Years Straight!



Six MUTOH large-format inkjet printers won the **Product of the Year Awards** again this year, held by the PRINTING United Alliance (USA), which recognizes products that have been or will be released in 2020 by a panel of distinguished judges from the printing industry.

MUTOH will continue to provide products that achieve the highest level of quality in the industry.

Company Profile (As of September 30, 2020)

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
 Group Business: Development, manufacturing and sales of Information and Image Related Equipment (Large format inkjet printer, 3D printer) Development of Information Services (CAD and system solutions, software) Development, manufacture, and sales of design, drafting, and measurement and control equipment
 Website Address: <https://www.mutoh-hd.co.jp>

Shareholder Information

Business Year: From April 1 to March 31 of the following year
 General Meeting of Shareholders: In June each year
 Year-end Dividend: March 31 each year
 Interim Dividend: 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: Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department
 Address: 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233
 Mailing Address: 8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063
 Phone Number: TEL: +81-120-782-031 (toll-free)
 * Stock transfer agent services are provided at branch offices in Japan of Sumitomo Mitsui Trust Bank, Limited.
 Website: <https://www.smtb.jp/personal/agency/index.html>
 FAQ: https://faq-agency.smtb.jp/?site_domain=personal

[Inquiries about stock-related procedures such as change of address]
 Shareholders who use an account at a securities company cannot complete the procedures at Sumitomo Mitsui Trust Bank, Limited so please contact your securities company.
 Shareholders who do not have an account with a securities company should contact the above phone number for inquiries. For more information and frequently asked questions, please check the "Frequently Asked Questions (FAQ)" website above.

[Change of address, purchase or sale of shares less than one unit, etc.]
 Please contact the securities company with which you have an account.
 For shareholders who have opened special accounts because they do not have an account with a securities company, please contact Sumitomo Mitsui Trust Bank, Limited, which is the account management institution for special accounts.

[Payment of unpaid dividends]
 Please contact Sumitomo Mitsui Trust Bank, Limited, the shareholder registry administrator.

[About special accounts]
 For shareholders who did not use "Hofuri" (Japan Securities Depository Center, Inc.) prior to the computerization of stock certificates, an account (called a special account) will be opened at the above-mentioned Sumitomo Mitsui Trust Bank, Limited, which is the administrator of the shareholder registry.
 For inquiries about special accounts and notification of address changes, etc., please contact the phone number above.

Shareholder Benefit

We have established a shareholder special benefit program to respond to the daily support of our shareholders and to make investment in our company's stock even more attractive.

[Outline of the shareholder benefit program]

□ Target Shareholders

Shareholders who are recorded in the shareholders' register as of the end of March each year and who hold at least 100 shares of stock are eligible for this program.

□ Benefit Details

You can select the product of your choice from the company's original "Catalogue Gifts" sent after the annual general meeting of shareholders in June of each year.
 Please note that there is a time limit for applications.

● Product Image



Photos may differ from actual gift content.

Please note that there is a deadline for applications.

MUTOH HOLDINGS CO., LTD.

Interim Business Report

April 1, 2020 to September 30, 2020



We would like to express our sincerest gratitude to all the shareholders who have continued to support us. We hereby present our 72nd (Fiscal Year 2020) 1st Half Financial Report, covering the MUTOH Group's business performance and activities.

Yasuhiko Isobe
 MUTOH HOLDINGS CO., LTD.
 President and Representative Director

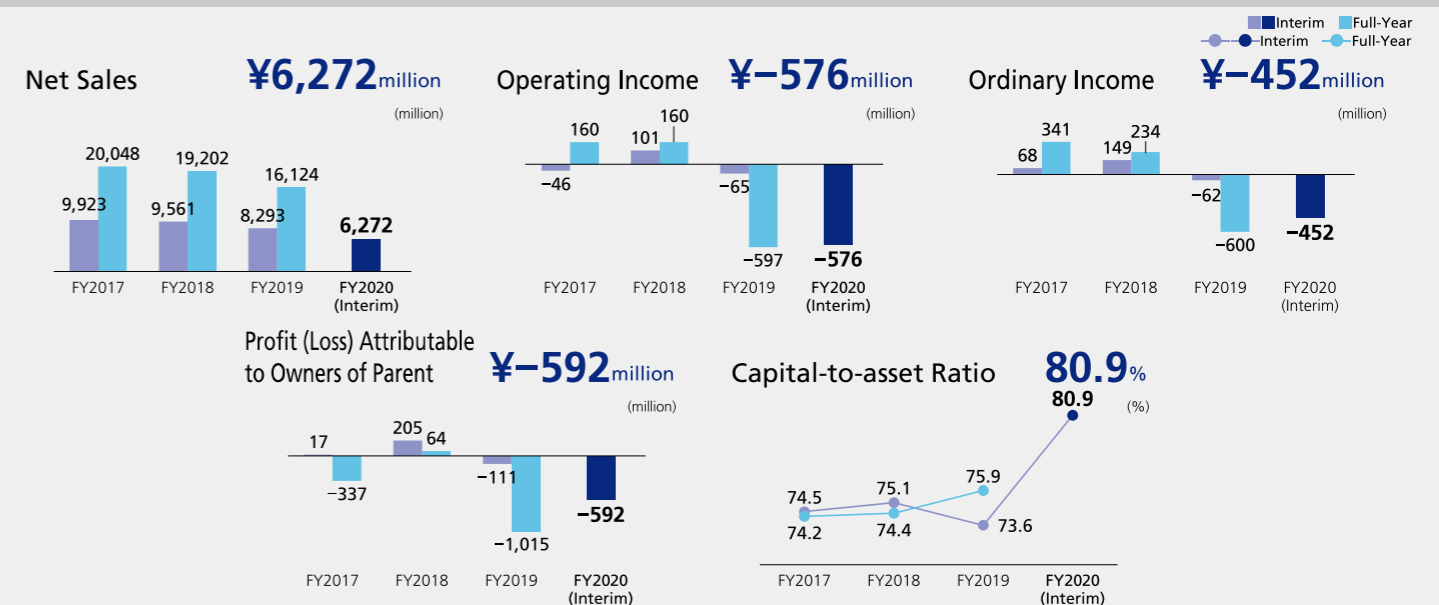
Business Progress and Outcome

The economic climate for the first half of Fiscal Year 2020 saw the global economic activity that had been reduced due to the spread of COVID-19 gradually resuming, but with some countries and regions once again restricting economic activity due to a second wave, the future is still tremendously uncertain. Under these circumstances, MUTOH Group has promoted measures that emphasize cash flow, such as production adjustment, reduction of distribution inventory, reduction of held assets, and drastic review of unnecessary expenses, while still protecting the employment of our employees. In addition, we have been working on development, manufacturing, sales, and work style reform from the three perspectives of earning, reducing, and preventing, and have been seeking a new form of management under the new normal of coexisting with COVID-19. In the 3D printer business and the design and measurement equipment business, we have focused on Internet sales to compensate for the decline in sales activities in the conventional commercial channels, and we have also promoted shifting part of the outsourced production to in-house production, improve the factory utilization rate, and consolidate logistics to strengthen profitability. Meanwhile, in our flagship large-format inkjet printer business, two models of the proofing system we introduced to create new markets, the VJ-628MP and VJ-1627MH, received Japan Color Proofing Equipment Certification, which conforms to ISO international standards. In addition, we have started to provide VerteLith™, a genuine RIP software that maximizes the performance of MUTOH printers and streamlines the workflow of our customers. VerteLith™ is an advanced RIP software (offers beautiful, smooth, grain-free image quality and a wide range of functions for converting text and image data into raster images) that optimizes the performance of MUTOH printers, saves

media and ink, and reduces working hours. With the launch of VerteLith™, MUTOH will integrate its various printing technologies to expand into new business areas and address the diverse needs and challenges of its customers. In addition, six models of MUTOH large-format inkjet printers received the "2020 Product of the Year Awards" sponsored by the PRINTING United Alliance. This marks the ninth consecutive year that MUTOH printers have received this award. MUTOH will continue to provide products that offer the best proposals, the greatest value, and the highest level of quality in the industry.

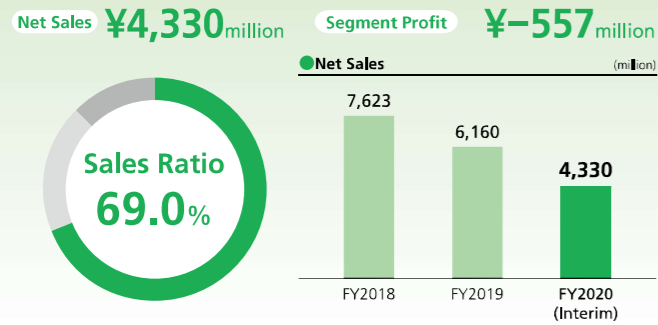
As a result of the above, consolidated net sales for the first half of the current fiscal year were ¥6,272 million (down 24.4% year on year) due to a decrease in sales as a result of the strong impact of restrictions on economic activities caused by the global spread of COVID-19. Operating loss was ¥576 million (¥65 million loss during the same period of the previous year), despite a reduction of ¥447 million in selling, general, and administrative expenses compared to the same period of the previous year, as the impact of the sales decline could not be fully absorbed. Ordinary loss was ¥452 million (¥62 million loss during the same period of the previous year) due to the recording of subsidy income and foreign exchange gains. Net loss attributable to shareholders of the parent company was ¥592 million (compared to a ¥111 million loss during the same period of the previous fiscal year) due to extraordinary losses, including impairment loss of ¥57 million and tax expenses of ¥33 million. The consolidated business forecast for the fiscal year ending March 31, 2021 has not yet been determined because it is difficult to calculate the impact of the spread of COVID-19 infection in an appropriate and reasonable manner. We greatly appreciate your support and ask for your continued assistance and cooperation.

Consolidated Financial Highlights



Overview of Business Segments

Imaging & Information Equipment Business



The global spread of the new coronavirus infection had a significant impact on sales, and although there was a recovery trend in the second quarter compared to the first quarter, sales and profits declined, resulting in overall business sales of ¥4,330 million (down 29.7% year on year) and a segment loss of ¥557 million (compared to a loss of 180 million yen in the same period of the previous year).

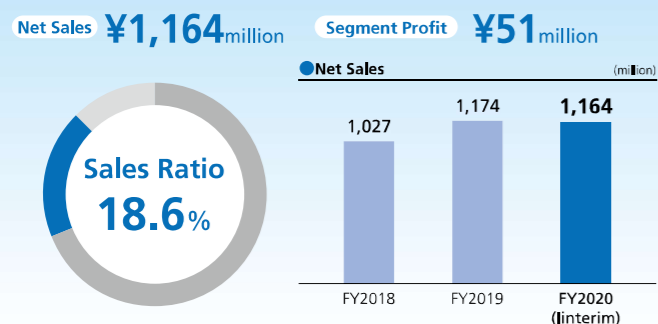
The status by region is as follows.

Asia Region: Net sales totaled ¥1,563 million (down 35.3% year on year), with a segment loss of ¥450 million (compared to a loss of ¥144 million in the same period of the previous fiscal year).

North American Region: Net sales were ¥1,195 million (down 9.7% year on year), and segment income was ¥31 million (compared to a loss of ¥19 million in the same period of the previous fiscal year).

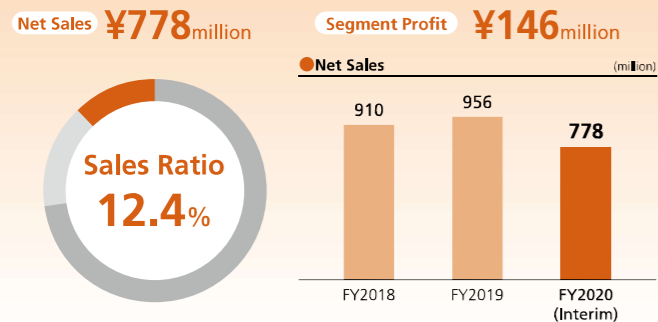
European Region: Net sales totaled ¥1,571 million (down 35.1% year on year), with a segment loss of ¥139 million (compared to a loss of ¥16 million in the same period of the previous fiscal year).

Information Service Business



Although sales were firm and steady, an increase in sales expenses resulted in net sales of ¥1,164 million (down 0.9% year on year) and segment income of ¥51 million (down 58.0% year on year).

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



Design and Measurement Business

Due to the impact of the spread of COVID-19 infection, net sales were ¥571 million (down 3.8% year on year), and segment income was ¥73 million (down 45.3% year on year).

Real Estate Leasing Business

Both sales and profits decreased due to a decrease in rental income from the sale of rental properties, resulting in net sales of ¥87 million (down 49.7% year on year) and segment income of ¥87 million (down 26.4% year on year).

Other Businesses

In the sports care business, sales did not increase due to the impact of the spread of COVID-19 infection, resulting in net sales of ¥119 million (down 36.8% year on year) and segment loss of ¥14 million (¥0 million profit in the same period of the previous fiscal year).

Consolidated Financial Statements

Consolidated Balance Sheets

Account	Period		
	1 st Half Period Ended September 30, 2020	1 st Half Period Ended September 30, 2019	Year Ended March 31, 2020
Current Assets	14,182	15,297	15,719
Fixed Assets	10,383	13,380	11,149
Tangible Fixed Assets	3,589	8,529	4,496
Intangible Fixed Assets	541	683	569
Investments and Other Assets	6,251	4,166	6,083
Total Assets	24,565	28,677	26,869
Total Liabilities	3,981	6,845	5,756
Current Liabilities	2,519	4,582	4,375
Non Current Liabilities	1,461	2,263	1,381
Total Net Assets	20,584	21,831	21,113
Shareholders' Equity	21,989	23,637	22,732
Total Other Cumulative Comprehensive Income	△2,116	△2,527	△2,346
Non-Controlling Interests	711	721	726
Total Liabilities and Net Assets	24,565	28,677	26,869

Consolidated Statements of Income

Account	Period		
	1 st Half Period Ended September 30, 2020	1 st Half Period Ended September 30, 2019	Year Ended March 31, 2020
Net Sales	6,272	8,293	16,124
Cost of Sales	4,452	5,516	10,994
Selling, General and Administrative Expenses	2,396	2,843	5,728
Operating Income (Loss)	△576	△65	△597
Non Operating Profit and Loss	124	3	△3
Ordinary Income	△452	△62	△600
Extraordinary Profit	10	9	1,394
Extraordinary Losses	91	9	1,428
Income Before Income Taxes and Other Adjustments	△532	△62	△634
Income Taxes	△59	48	380
Profit (Loss) Attributable to Owners of Parent	△592	△111	△1,015

TOPICS



VerteLith™, genuine RIP software for high quality printing and workflow efficiency, is now available.

High image quality technology that maximizes the performance of MUTOH printers

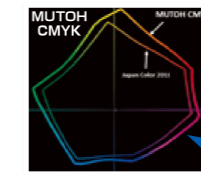
(Achieves reliable, smooth and beautiful image quality with minimal graininess.)

"MUTOH Clear Tone" Original halftone technology



Less variation in color density and smoother gradations

"MUTOH CMYK" wide color gamut profile



Expanded color gamut

Accurately process PDF transparencies



VerteLith Processing

Improper processing

Variety of functions that help customers improve work efficiency and reduce costs

(Helps prevent misprints, conserve media and ink, and reduce lost work time)

RIP Preview Function

Preview "the actual printing dots" on screen before printing



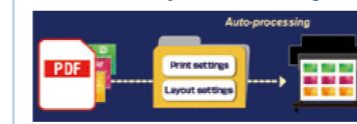
Even the variable dots are previewed for confirmation (Patent pending)

Soft Proofing Function

Simulate "the color" of the printed image on screen before printing



Automated Layout Processing and Printing with Multi-page PDF



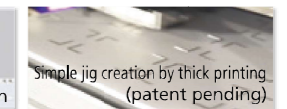
Prepare an integrated multi-job PDF in addition to "Print settings", "Layout settings" can be also set in the hot folders. (Patent pending)

Equipped with a Jig Layout Tool

The UV flatbed printer is much easier to use and contributes to the reduction of jig creation time and cost.



Jig layout function



Simple jig creation by thick printing. (patent pending)

Automate Multi-layer Printing with Multi-page PDF



Pre-set multi-layer print settings. Prepare a PDF with layers divided into pages. In addition to "Print settings" and "Layer settings", "Layer settings" can be also set in the hot folders.

Auto-generation of Spot Colors

Auto-generation of spot colors based on the shading of the image data. Select from 6 different modes



VerteLith™ is an advanced RIP software with a variety of features.

XpertJet 1682WR

The XpertJet 1682WR is now available in the United States.



Banner Printing



Double-head, 4-color/7-color compatible



Poster Printing

1.6m wide high-speed water-based inkjet printer

Adopting a new platform based on the concept of "Built for Professionals" with Made in Japan Quality

Inkjet printer that achieves high productivity, high quality, high image quality, ease of maintenance and ease of operation.