



May 27, 2022

Company Name TAZMO CO.,LTD.
Name of Toshio Ikeda
Representative President and Representative Director
(Tokyo Stock Exchange, Prime Market, Code: 6266)
Contact Shigeo Kameyama
Senior Managing Director,
General Manager of Administration Division
Telephone 086-239-5000
Number

Announcement Regarding Issuance of New Shares and Secondary Offering of Shares

TAZMO CO., LTD. (the “TAZMO Group”) hereby announces that its board of directors has resolved matters relating to the issuance of its new shares and the secondary offering of shares on May 27, 2022, as set forth below.

[Background and Purpose of Funding]

TAZMO Group was established in 1972 mainly for manufacture of electronic device components and maintenance of electronic equipment. Thereafter, TAZMO Group developed and marketed coating equipment for semiconductor manufacturing using technologies accumulated through the maintenance of semiconductor manufacturing equipment, and as the semiconductor industry grew, TAZMO Group business performance grew steadily. TAZMO Group has been expanding the business field in relation to semiconductor manufacturing equipment, starting with the manufacture and sale of transfer equipment such as silicon wafer in 1984 and the manufacture and sale of LCD manufacturing equipment in 1989, and the development, manufacture, and sale of semiconductor manufacturing equipment, transport equipment, and LCD manufacturing equipment are now core businesses of the Group.

In addition, TAZMO Group has been diversifying its business by acquiring the following companies as subsidiaries; PRETEC Co., Ltd. in 2000 to strengthen its molding dies and plastic molding business, Apprecia Technology Inc. in 2013 (Absorption-type merged in 2020) to acquire know-how and development facilities for cleaning equipment, Facility Co., Ltd. in 2017 to acquire know-how in plating processing and a manufacturing base in China, and Quark Technology Co., Ltd. in 2017 to improve productivity in UV-LED and irradiation equipment.

TAZMO Group also has set up subsidiaries in North America, China, Vietnam and Taiwan as production and sales bases to promote the globalization of our business. In particular, in China, where the semiconductor market is expected to expand rapidly in the future, therefore TAZMO Group has decided to establish a subsidiary in China, and build research facilities and manufacturing lines, based on the judgment that the creation of cutting-edge equipment and materials in cooperation with Chinese customers and research institutions in the insourcing semiconductor manufacturing equipment and utilizing research facilities will lead to business expansion (announced on December 13, 2021).

In order to realize future growth, TAZMO Group will focus its efforts on steadily creating unique equipment (performance, cost, and service) to meet customer needs and increase sales, and furthermore,

Note This document is a press release provided for the sole purpose of publicly announcing matters relating to the issuance of the new shares and the secondary offering of shares of the Company and not for the purpose of soliciting investment. Investors should carefully review the prospectus regarding the issuance of the new shares and the secondary offering of the shares of the Company as well as the supplements or amendments thereto (if any) prepared by the Company prior to making any investment decisions. In addition, this press release does not constitute an offer or sale of securities in the United States. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. The securities referred to above will not be publicly offered or sold in the United States. It is prohibited to distribute this press release in the United States.

focus on R&D with an eye to business, improve its efficiency, and secure future profits.

Under these circumstances, TAZMO Group decided to raise funds by issuing new shares with the purpose of securing funds for further growth and further strengthening its financial base through capital reinforcement. The proceeds from the issuance of these new shares shall be used for investment in Chinese subsidiary TAZMO Shaoxing Technology Co., Ltd. (tentative name) to be established (such subsidiary allocates investment funds to production equipment, etc.), fund for the expansion of production at the Ibara plant, fund for the installation of solar power generation equipment and LED lighting (efforts towards carbon neutrality), and any remaining funding will be used as a part of R&D expenses such as for semiconductor manufacturing equipment, cleaning equipment, industrial robot, nanoimprinting equipment, and new business.

Through this funding, TAZMO Group will improve further expand the scope of our Group's business and improve profitability, strengthen our financial base for growth, and further increase corporate value.

Note This document is a press release provided for the sole purpose of publicly announcing matters relating to the issuance of the new shares and the secondary offering of shares of the Company and not for the purpose of soliciting investment. Investors should carefully review the prospectus regarding the issuance of the new shares and the secondary offering of the shares of the Company as well as the supplements or amendments thereto (if any) prepared by the Company prior to making any investment decisions. In addition, this press release does not constitute an offer or sale of securities in the United States. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. The securities referred to above will not be publicly offered or sold in the United States. It is prohibited to distribute this press release in the United States.

1. Issuance of new shares by way of public offering (public offering)
 - (1) Type and number of 1,305,000 shares of common stock shares to be offered

2. Secondary offering of shares (Secondary offering by way of over-allotment) (Please refer to <Reference> 1. below)
 - (1) Type and number of 195,000 shares of common stock shares to be sold

3. Issuance of new shares by way of third-party allotment (Please refer to <Reference> 1. below)
 - (1) Type and number of 195,000 shares of common stock shares to be offered

Note This document is a press release provided for the sole purpose of publicly announcing matters relating to the issuance of the new shares and the secondary offering of shares of the Company and not for the purpose of soliciting investment. Investors should carefully review the prospectus regarding the issuance of the new shares and the secondary offering of the shares of the Company as well as the supplements or amendments thereto (if any) prepared by the Company prior to making any investment decisions. In addition, this press release does not constitute an offer or sale of securities in the United States. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. The securities referred to above will not be publicly offered or sold in the United States. It is prohibited to distribute this press release in the United States.

<Reference>

1. Changes in the total number of outstanding shares due to the public offering and third-party allotment

(1) Total number of outstanding shares	13,508,300 shares	(As of May 27, 2022)
(2) Increase in share count as a result of the proposed capital increase	1,305,000 shares	
(3) Total number of outstanding shares after the public offering	14,813,300 shares	
(4) Increase in shares due to third-party allotment of new shares	195,000 shares	*
(5) Total number of issued shares after third-party allotment	15,008,300 shares	*

* The number indicates that subscribed and issued, for all shares to be offered in the "3. Issuance of new shares by way of third-party allotment" above.

2. Use of funding raised

(1) Use of funding raised

Of the maximum approximate proceeds of ¥1,834,630,000, which is the sum of the approximate proceeds of the public offering and the capital increase through third-party allotment, ¥1,290,000,000 shall be used by August 2022 for investment in Chinese subsidiary TAZMO Shaoxing Technology Co., Ltd. (tentative name) to be established (such Chinese subsidiary plans to use ¥400,000,000 for investment in production facilities in the process equipment business, ¥500,000,000 for investment in demonstration equipment and ¥390,000,000 for working capital), ¥141,000,000 shall be used by December 2022 as plant renovation costs for increasing the production of each plant in Ibara-shi, Okayama and ¥278,000,000 shall be used by December 2023 as capital investment for the installation of solar panels and upgrading to LED lighting at the Head Office building in Okayama-shi, Okayama and each plant in Ibara-shi, Okayama to work towards carbon neutrality. Any remaining funding will be used by December 2023 as R&D expenses, such as for semiconductor manufacturing equipment, cleaning equipment, industrial robot, nanoimprinting equipment, and new business.

The above proceeds will be held in our deposit account until the specific time of appropriation.

Note This document is a press release provided for the sole purpose of publicly announcing matters relating to the issuance of the new shares and the secondary offering of shares of the Company and not for the purpose of soliciting investment. Investors should carefully review the prospectus regarding the issuance of the new shares and the secondary offering of the shares of the Company as well as the supplements or amendments thereto (if any) prepared by the Company prior to making any investment decisions. In addition, this press release does not constitute an offer or sale of securities in the United States. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. The securities referred to above will not be publicly offered or sold in the United States. It is prohibited to distribute this press release in the United States.