

TAZMO

**FY2023
Financial
Announcement**

**January 2023 –
December 2023**

March 7 , 2024

**Security Code:
6266**

Company Guide



We would like to extend our deepest condolences to the families who lost their loved ones in the 2024 Noto Peninsula Earthquake which occurred on January 1, 2024. Our thoughts and prayers are with those affected by the disaster, including the survivors and their families.

Regarding the impact of this earthquake on our company group, we would like to inform you as follows:

1. Status of Damage

There have been no human casualties or physical damages within our company group.

2. Status of parts procurement from suppliers

As of March 7, 2024, some of our suppliers have been affected by the earthquake; however, there are no significant matters that would have a major impact on our company group's parts procurement or production schedule.

3. Impact on business results

As of March 7, 2024, we have not confirmed any impact on our company group's business results with this earthquake. We will promptly notify you of any significant matters that need to be disclosed in the future.

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FY2023 Consolidated Financial Summary (January 2023 - December 2023)

Although sales were lower than the initial plan, sales and income increased YoY

Net sales

28,161

million Yen

YoY Change +15.6%

Operating income

3,654

million Yen

YoY Change +30.2%

Ordinary income

3,890

million Yen

YoY Change +23.9%

Net income(*)

2,356

million Yen

YoY Change +4.1%

Summary

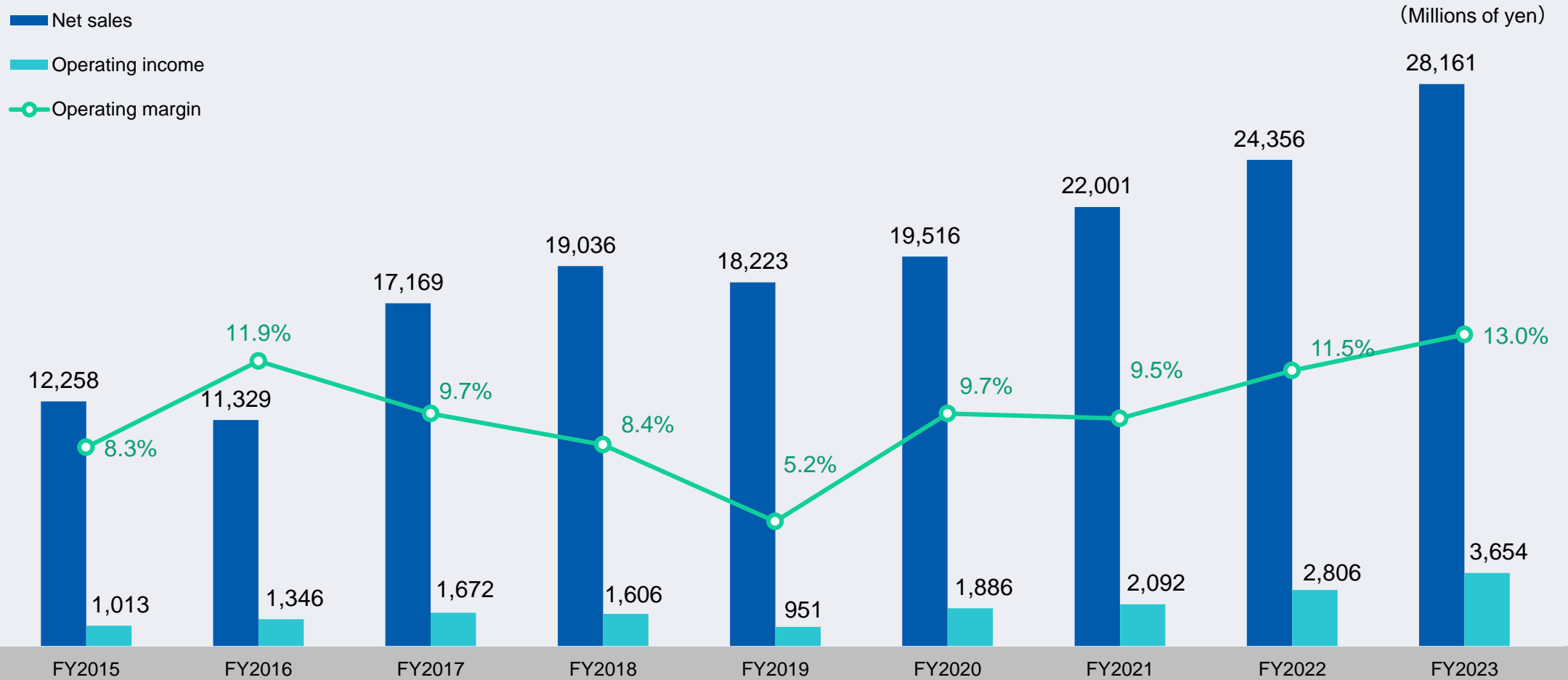
- Equipment for power semiconductors contributed to increased sales and profits
- Delays in equipment acceptance inspection and equipment investment.
- Due to the depreciation of the yen, foreign exchange gain of 229 million yen was recorded as non-operating income.
- Recorded 335 million yen as extraordinary loss as impairment loss on investment securities.

(*) Net income: Net income attributable to owners of parent

Although there was a delay in the acceptance inspection of equipment, demand for equipment for power semiconductors was strong and drove profits.

(Millions of yen)	FY2022 (Actual)	FY2023		YoY change (%)	FY2023 estimates	cf. Plan
		Actual	Net sales ratio (%)			
Net sales	24,356	28,161	—	15.6	31,423	△10.4
Gross profit	7,328	8,558	30.4	16.8	—	—
Operating income	2,806	3,654	13.0	30.2	3,118	17.2
Ordinary income	3,138	3,890	13.8	23.9	3,087	26.0
Net income attributable to owners of parent	2,263	2,356	8.4	4.1	2,109	11.7
ROE	14.8%	12.7%	—	△2.1P	—	—

Sales and profits reached record highs.



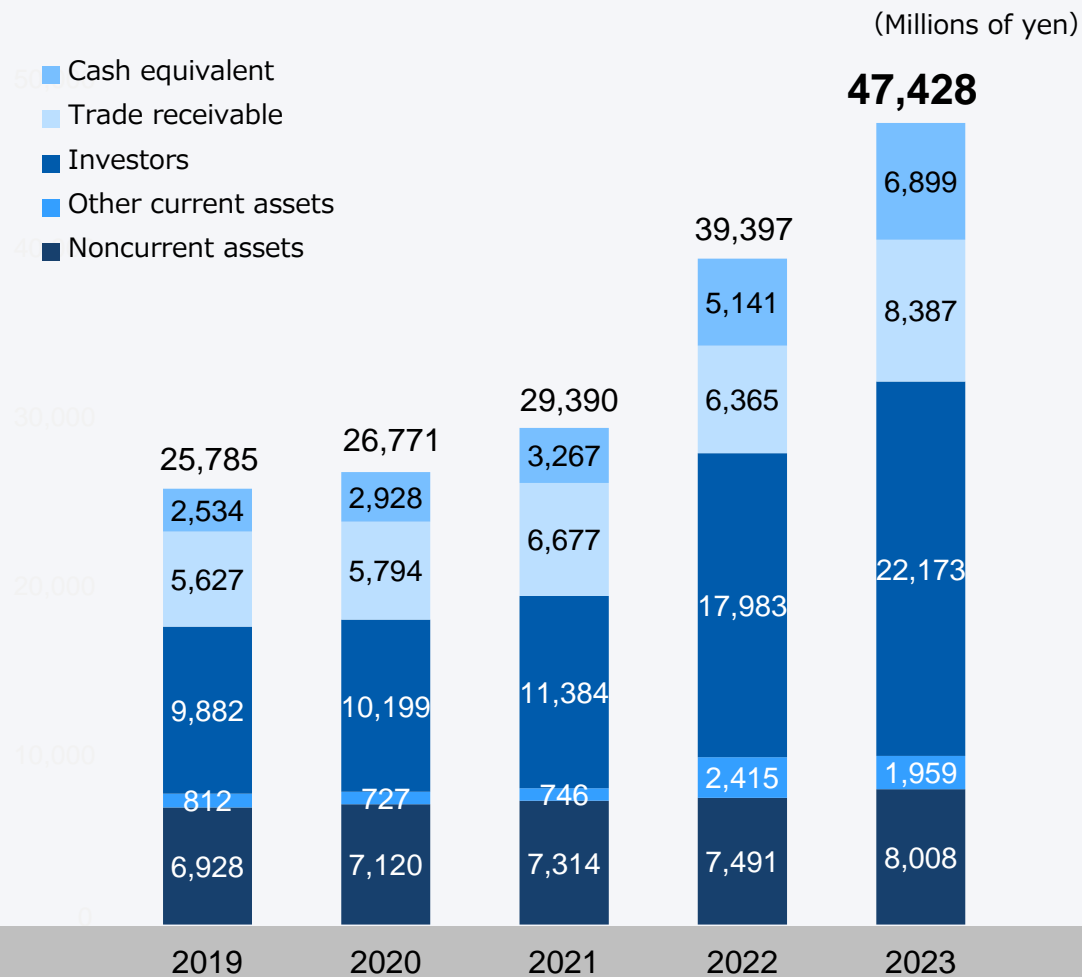
The main factors contributing to the increase/decrease in assets were an increase in work in process and an increase in long-term borrowings in liabilities.

(Millions of yen)	FY2022	FY2023	YoY change(%)
Current assets	31,905	39,420	23.6
Non-current assets	7,491	8,008	6.9
Property, plant and equipment	6,267	7,007	11.8
Intangible assets	198	157	△20.4
Investments and other assets	1,025	842	△17.8
Total assets	39,397	47,428	20.4
Current Liabilities	18,463	21,380	15.8
Non-Current Liabilities	3,384	5,952	75.9
Total liabilities	21,847	27,333	25.1
Total net assets	17,549	20,095	14.5
Equity ratio	43.9%	41.7%	△2.2P

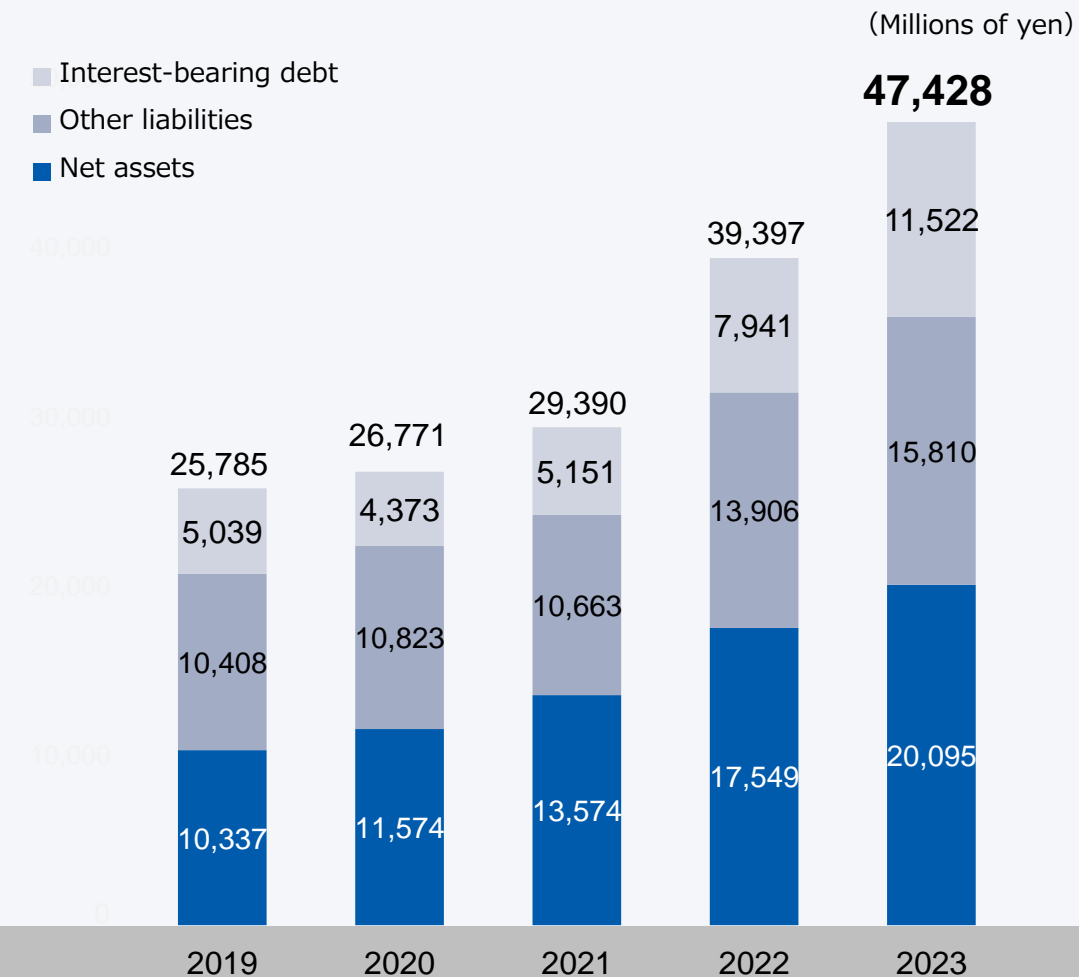
Major change

Current Assets	(Millions of yen)
Cash and deposits	+ 1,758
Notes and accounts receivable - trade	+ 1,178
Work in process	+ 3,979
Current Liabilities	
Short-term borrowings	+ 1,157
Contract liabilities	+ 1,554
Non-Current Liabilities	
Long-term borrowings	+2,432

Assets



Liabilities/Equity



Although the increase in inventories decreased compared to the previous fiscal year, it was the main factor behind the decrease in operating CF.

(Millions of yen)	FY2022 (Actual)	FY2023 (Actual)	YoY change(%)
Cash flow from operating activities	△1,513	△261	△82.7
Cash flow from investing activities	△669	△1,392	107.9
Free cash flow	△2,183	△1,653	△24.3
Cash flow from financing activities	4,098	3,275	△20.0
Cash on hand	5,024	6,771	34.8

Highlights

(Millions of yen)

Cash flow from operating activities	
Profit before income taxes	3,549
Decrease (increase) in inventories	△4,023
Increase (Decrease) Contract Liabilities	1,506
Cash flow from investing activities	
Purchase of property, plant and equipment	△1,355
Purchase of intangible assets	△41
Cash flow from financing activities	
Proceeds from long-term borrowings	5,200
Repayments of long-term borrowings	△2,110



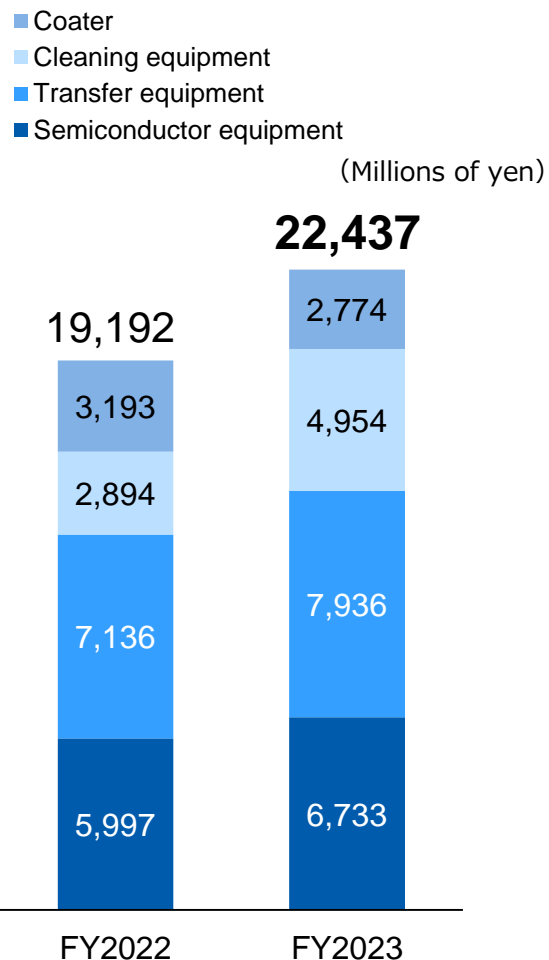
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FY2023 Segment Information

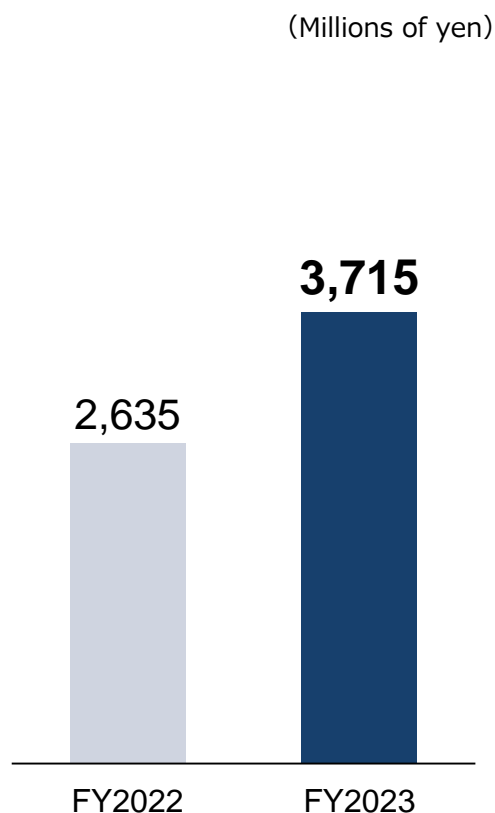
Net Sales and Operating Profit by Segment

		FY2022 Actual	FY2023 Actual	YoY change(%)	FY2023 Initial estimates	cf. Plan (%)
(Millions of yen)						
Process equipment business	Net sales	19,192	22,437	16.9	22,974	△2.3
	Operating income	2,635	3,715	41.0	2,731	36.0
■ Semiconductor equipment	Net sales	5,997	6,773	12.9	8,222	△17.6
■ Transfer equipment	Net sales	7,136	7,936	11.2	7,453	6.5
■ Cleaning equipment	Net sales	2,864	4,954	72.9	4,412	12.3
■ Coater	Net sales	3,193	2,774	△13.1	2,885	3.9
Precision molding dies and plastic moldings business	Net sales	1,400	1,456	4.0	2,156	△32.4
	Operating income	11	△29	—	56	—
Surface treatment equipment business	Net sales	3,763	4,267	13.4	6,292	△32.2
	Operating income	175	△22	—	330	—
Elimination of inter-segment transactions	Operating income	△16	△8	—	—	—
Total	Net sales	24,356	28,161	15.6	31,423	△10.4
	Operating income	2,806	3,654	30.2	3,118	17.2

Net sales



Operating income



Highlights

- Semiconductor equipment : Equipment for power semiconductors contributes to sales and profits
- Transfer equipment : Sales increased due to improved production efficiency.
- Cleaning equipment : Revenue increased as acceptance inspections proceeded largely as planned.
- Coater : Capital investment by flat panel display related manufacturers slows down.

Business environment

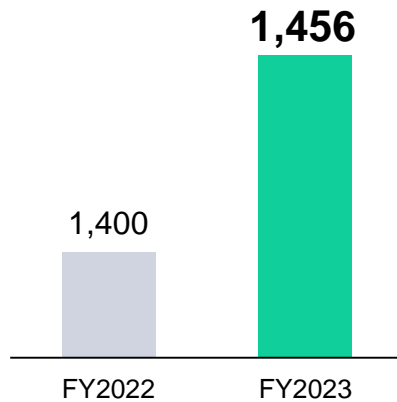
Process equipment business

- The semiconductor manufacturing equipment market is recovering from a slowdown in capital investment.
- At our company, demand for equipment for power semiconductors is strong, contributed to sales and profits.
- Demand for equipment for advanced packaging is also expected to expand in the future.
- Despite some delays in acceptance inspection, profits for the fiscal year ending December 2023 exceeded the initial plan.

Precision molding dies and plastic moldings business

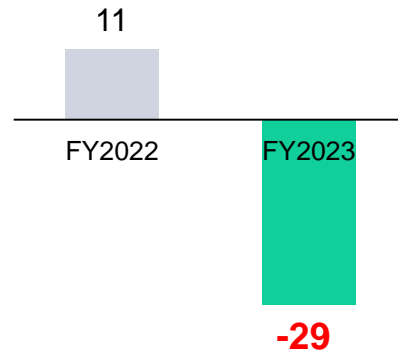
Net sales

(Millions of yen)



Ordinary income

(Millions of yen)



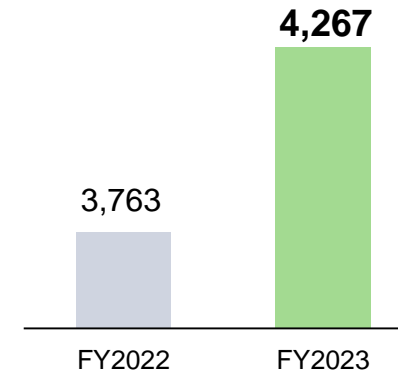
Inventory adjustments by connector manufacturers are prolonged, leading to a decline in demand for electronic components.

The continuing depreciation of the yen and soaring prices for raw materials and energy are also putting pressure on profits.

Surface treatment equipment business

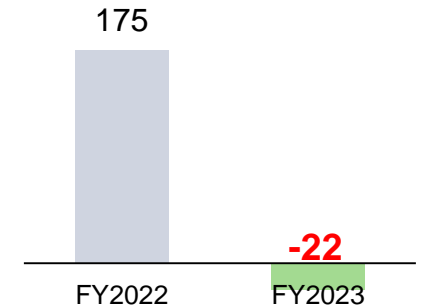
Net sales

(Millions of yen)



Ordinary income

(Millions of yen)



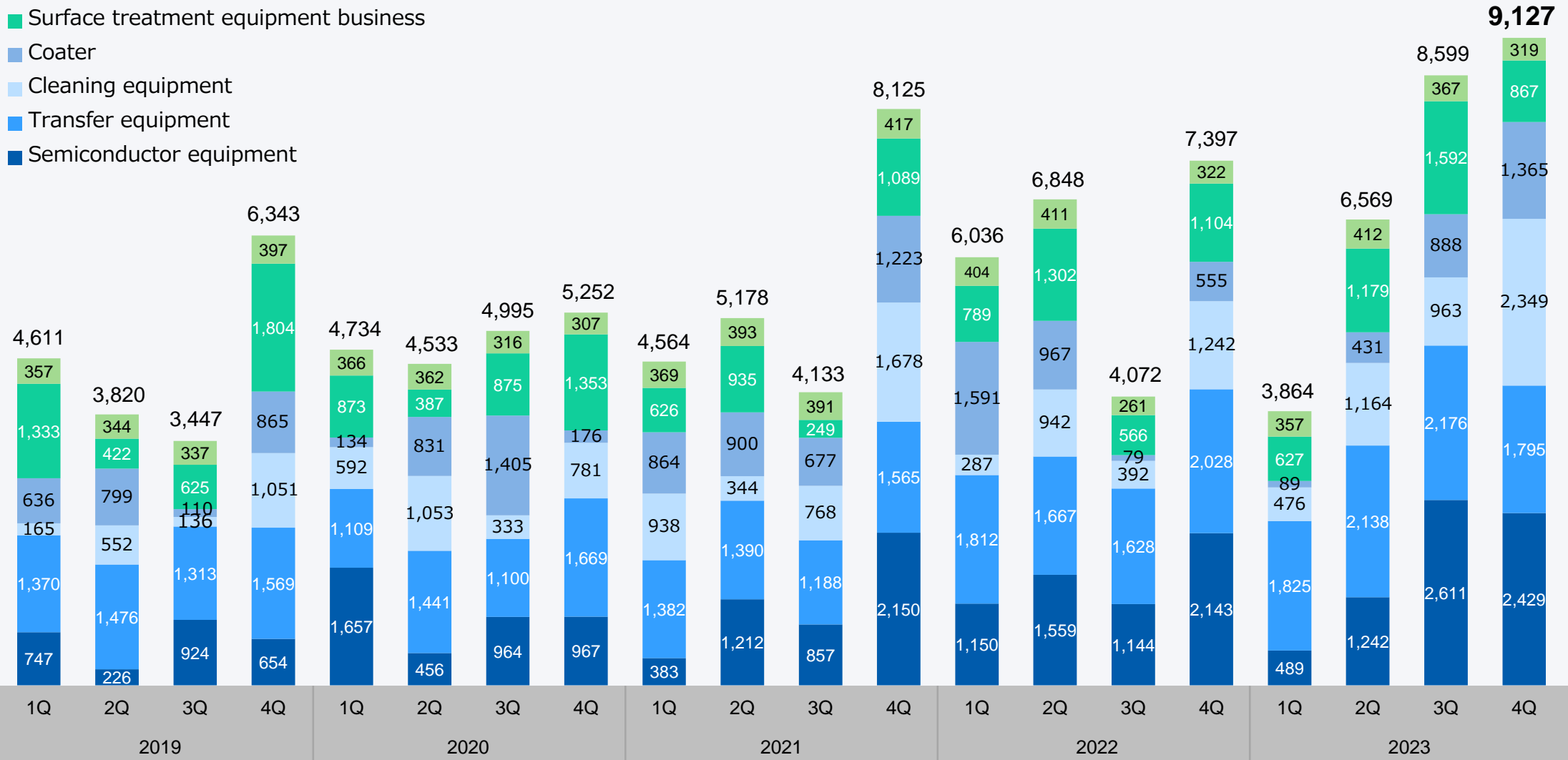
Despite the impact of delays in capital investment by some manufacturers, sales reached a record high.

Although sales were at a record high, an operating loss was incurred due to sales of equipment with low profit margins and an increase in post-delivery product warranty costs.

Trend in Net sales by Segment

(Millions of yen)

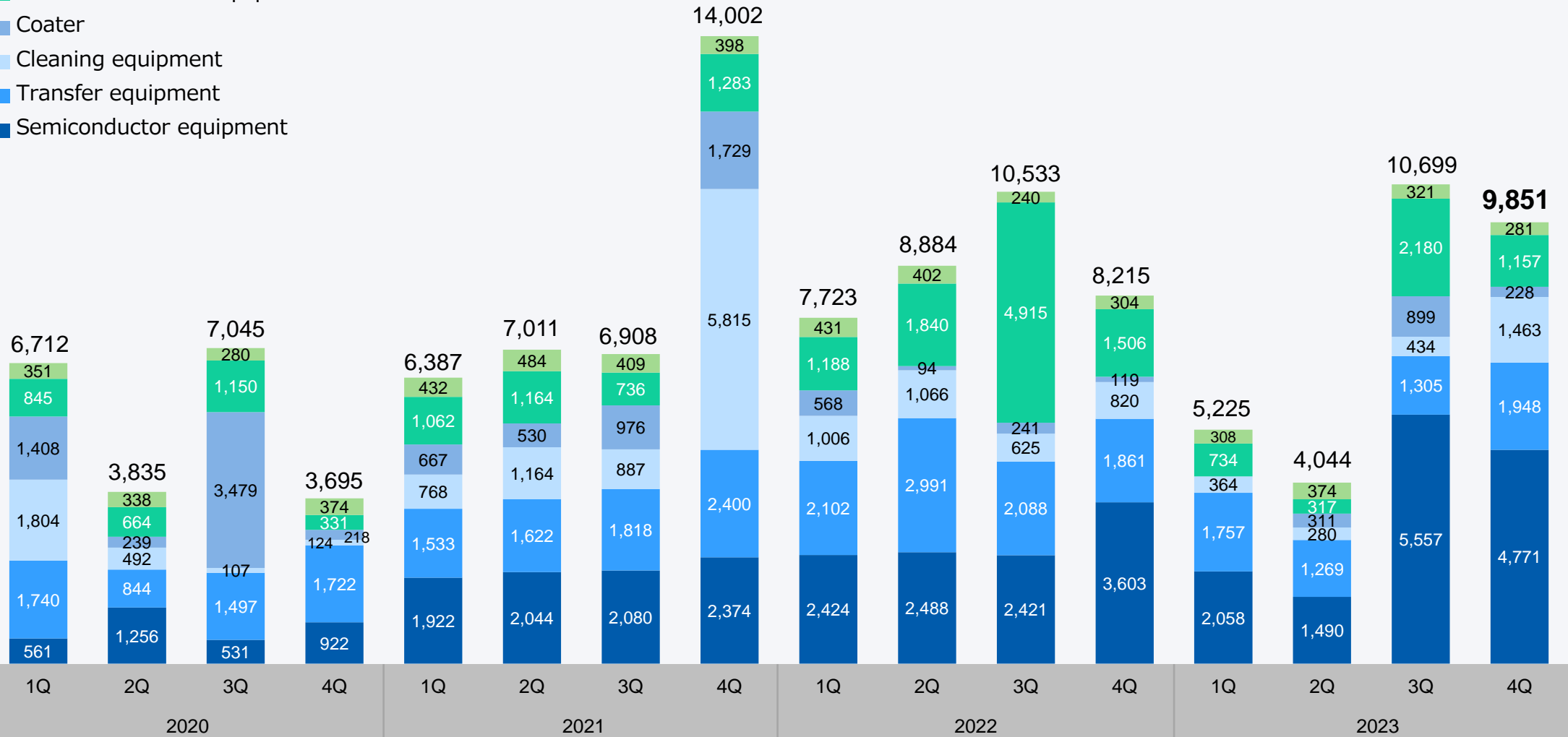
- Precision molding dies and plastic moldings business
- Surface treatment equipment business
- Coater
- Cleaning equipment
- Transfer equipment
- Semiconductor equipment



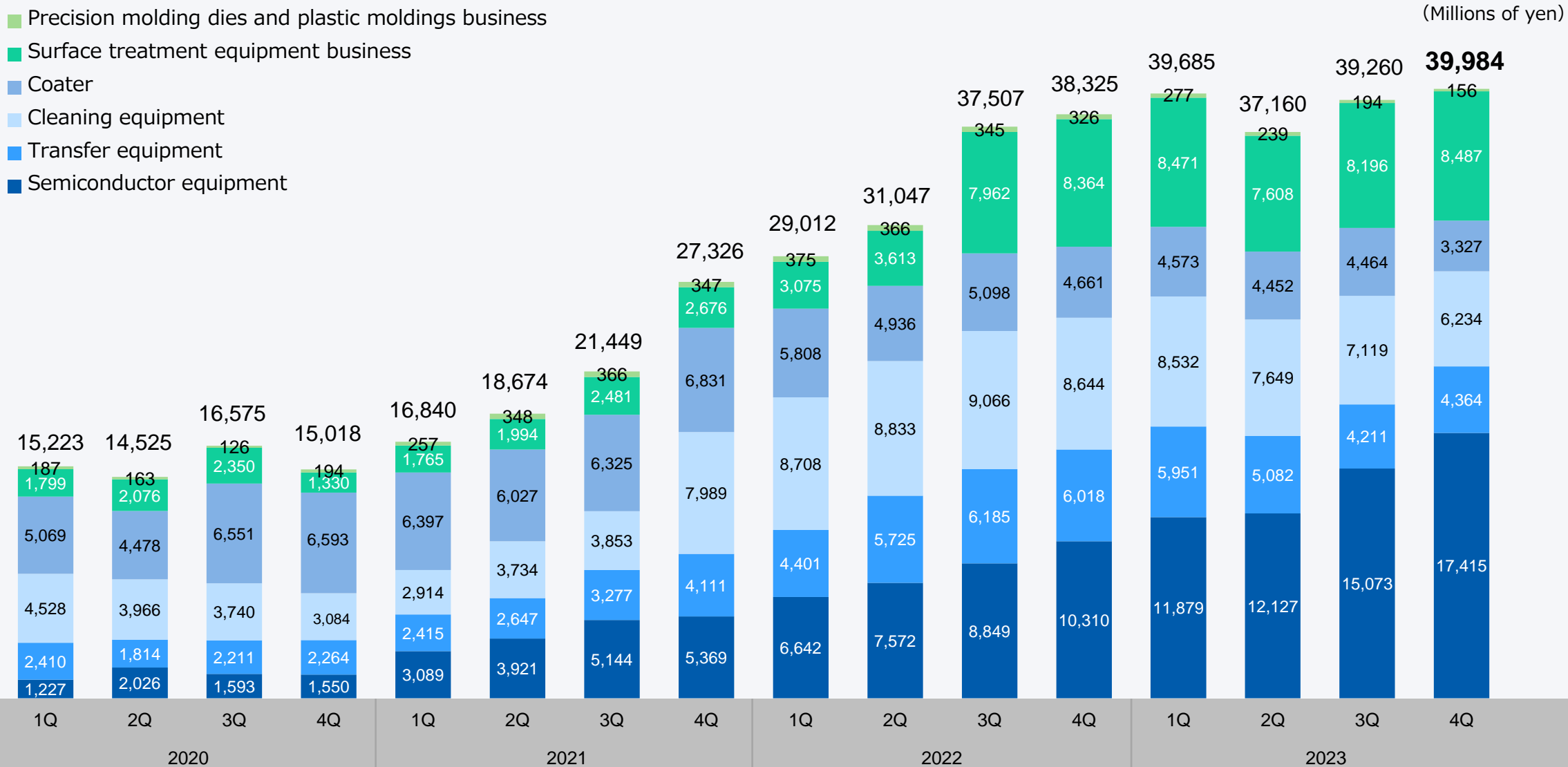
Trend in Sales Orders by Segment

(Millions of yen)

- Precision molding dies and plastic moldings business
- Surface treatment equipment business
- Coater
- Cleaning equipment
- Transfer equipment
- Semiconductor equipment



Trend in Order Backlog by Segment





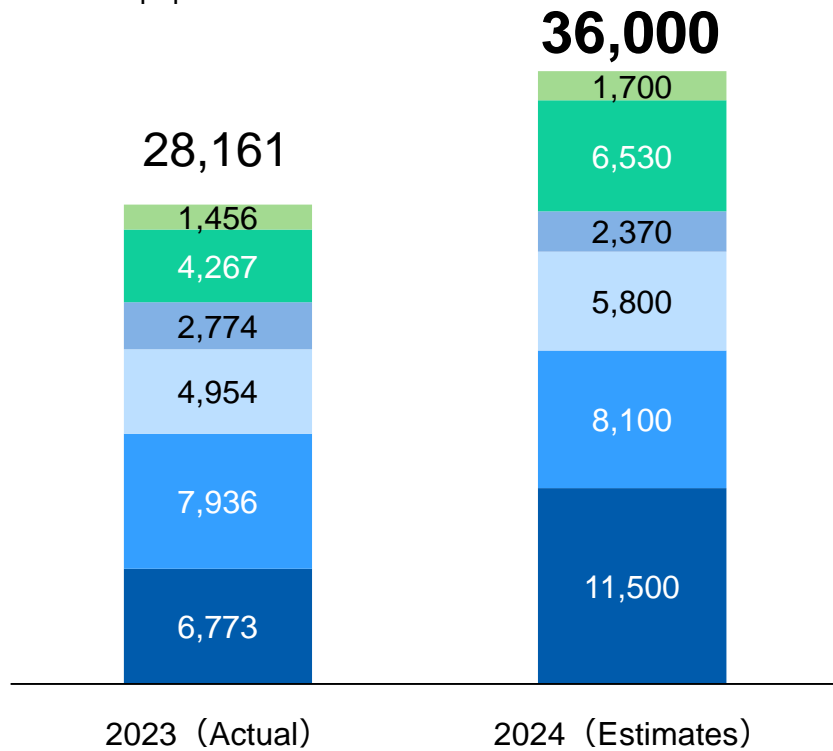
03

FY2024 Financial Estimates

(Millions of yen)	H2	Full year	YoY changes(%)
Net sales	16,865	36,000	27.8
Process equipment business	14,707	27,770	23.8
Precision molding dies and plastic moldings business	842	1,700	16.8
Surface treatment equipment business	1,316	6,530	53.0
Operating income	2,110	4,600	25.9
Process equipment business	2,147	4,250	14.4
Precision molding dies and plastic moldings business	22	30	—
Surface treatment equipment business	△60	320	—
Ordinary income	2,090	4,500	15.7
Net income attributable to owners of parent	1,455	3,060	29.9

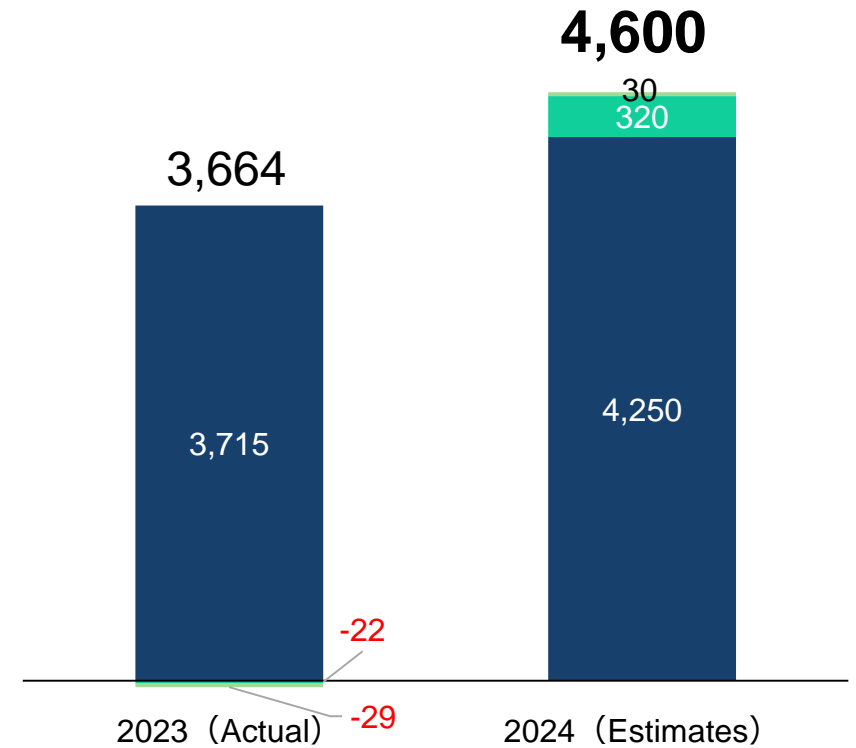
Net sales

- Precision molding dies and plastic moldings business
 - Surface treatment equipment business
 - Coater
 - Cleaning equipment
 - Transfer equipment
 - Semiconductor equipment
- (Millions of yen)



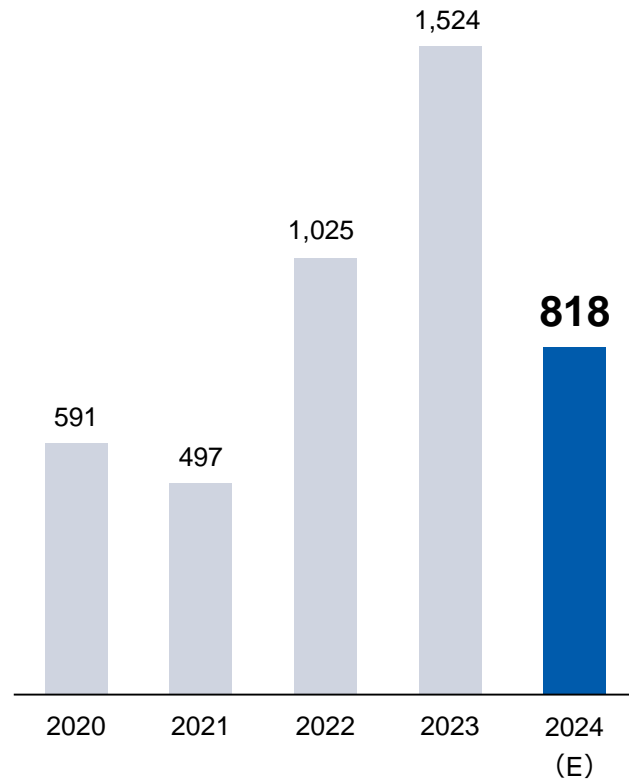
Operating income

- Precision molding dies and plastic moldings business
 - Surface treatment equipment business
 - Process equipment business
- (Millions of yen)



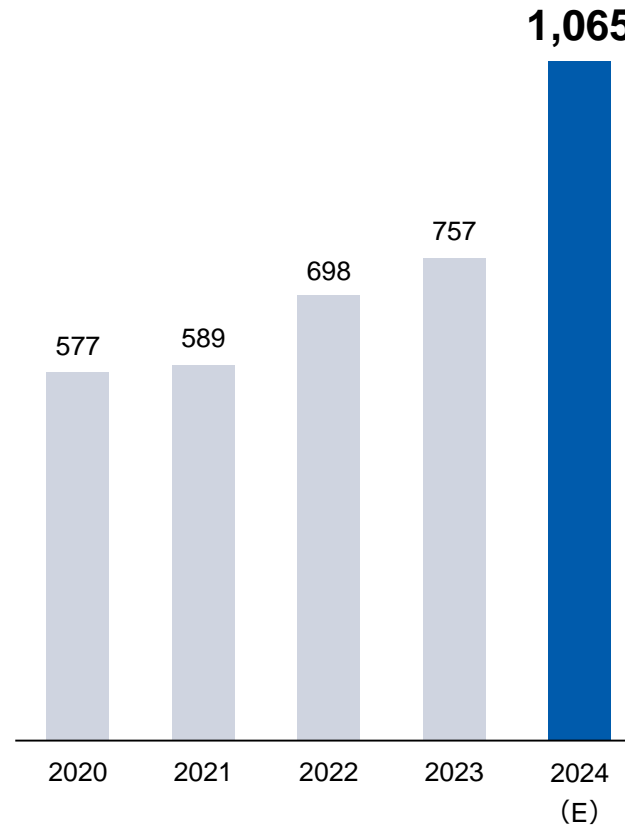
Capital expenditures

(Millions of yen)



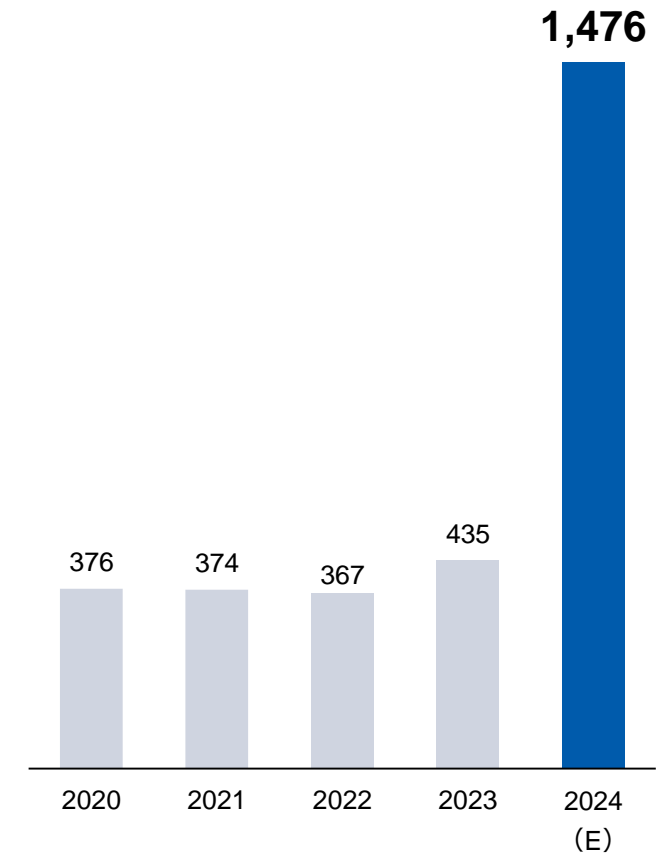
Depreciation and amortization

(Millions of yen)



R&D expenses

(Millions of yen)



Regarding semiconductor manufacturing equipment, we have received orders and inquiries for equipment for power semiconductors in Japan and Europe. Si is weak, but inquiries for SiC are strong. Additionally, we have received a large number of orders for advanced packages, and we have strong expectations for future market expansion.

Transfer equipment is still affected by the memory/logic market situation, and it will likely take some time for the situation to recover.

In cleaning equipment, orders and inquiries for slurry supply equipment are increasing.

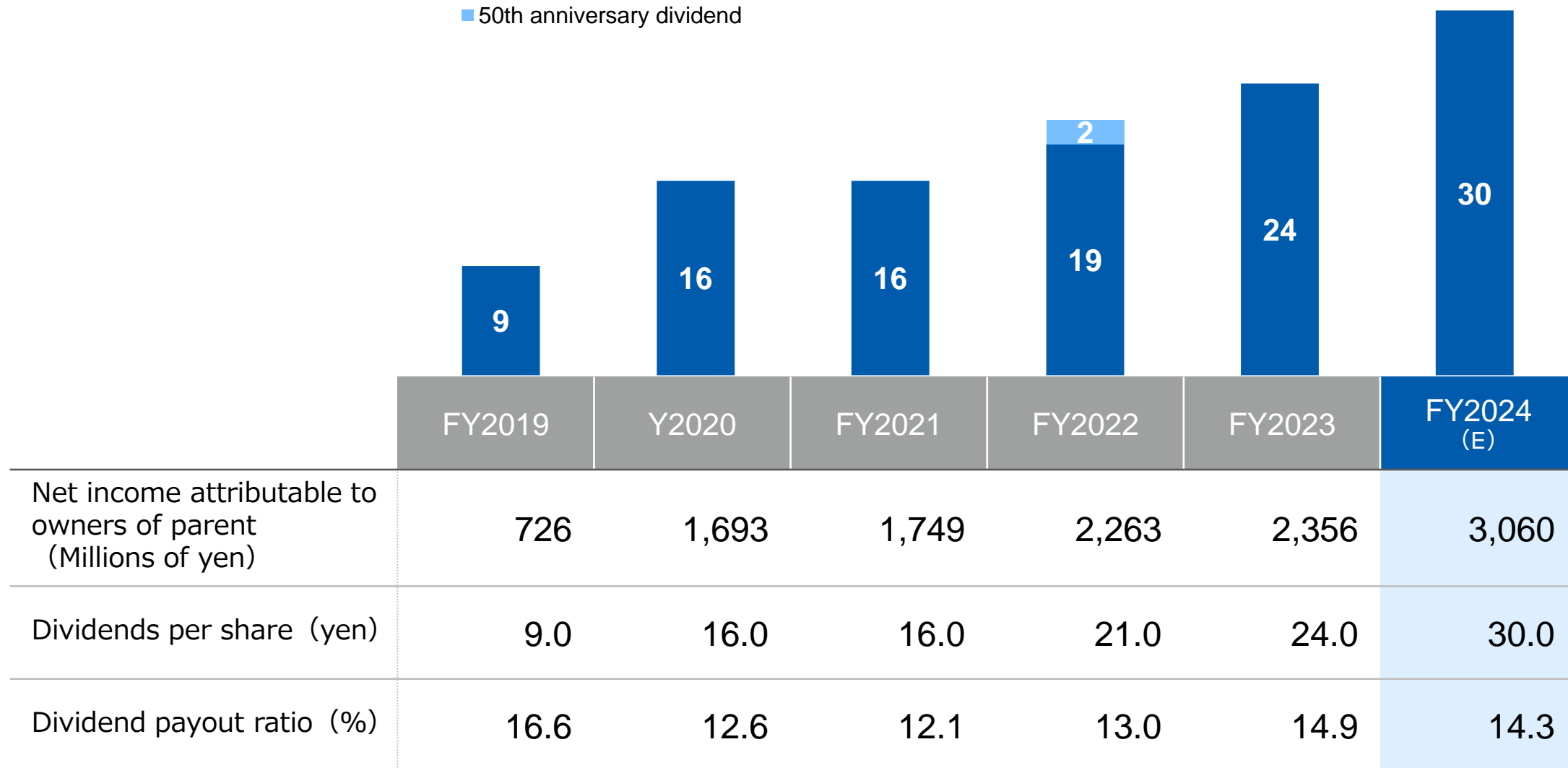
- Received many inquiries for surface treatment equipment both domestically and internationally.
- Currently considering expansion of manufacturing capacity in the future.

Regarding parts procurement, we are considering measures to shorten lead times, such as managing and securing inventory and new suppliers in preparation for future market recovery.

A subsidiary building in Shaoxing City, China is completed. Introducing demonstration equipment and proceeding with demonstrations in China and evaluation with customers.

FY2024 Dividend Forecast

- Ordinary dividend
- 50th anniversary dividend

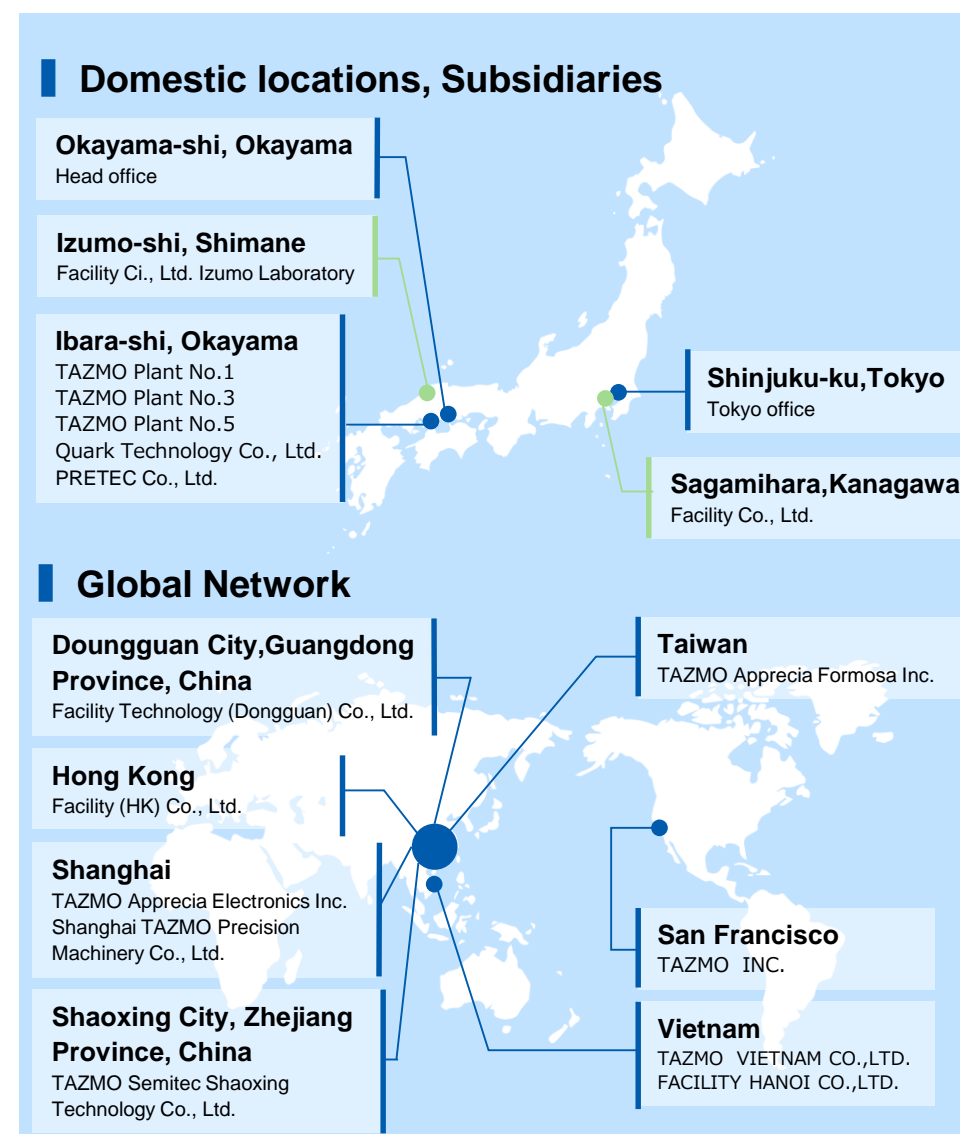




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Appendix

Company name	TAZMO Co., Ltd.
Established	February 26, 1972
Head office	5311, Haga, Kita-ku, Okayama-shi, Okayama 701-1221, Japan
Capital	3,556,896,587 yen
Total number of issued shares	14,836,691
Number of shareholders	4,961
Number of employees	Non-consolidated 382 Consolidated 1,141
Business content	Development, Manufacturing and Sales of Semiconductor Manufacturing Equipment, Clean Transfer System, LCD Manufacturing Equipment, UV Laser Equipment, Plating Equipment, Mold · Resin Molding, Plating/Circuit formation Equipment for PCB



- 1972** ● - TAZMO Co., Ltd. is incorporated to manufacture and produce electronic components and repair industrial equipment.
- 1980** ● - Began production of molding dies, including injection molding dies.
 - Completed development of Fully-automated Photo Resist Coater; production and sales started.
- 1989** ● - Developed TFT Full-color filter manufacturing system; production and sales started.
- 1990** ● - Constructed new head office/plant at 6186 Kinoko-Cho, Ibara, Okayama
 - Developed and produced Ultra Compact Transfer System for Super Clean Room.
- 1994** ● - Began production and sales of Emboss Carrier Tape.
- 1995** ● - Began production of injection Molding Products.
- 2001** ● - Developed "CS13" series Photo Resist Coater specialized for a thicker film application; production and sales started.
- 2004** ● - Listed on the JASDAQ market.
- 2008** ● - Established TAZMO VIETNAM CO., LTD. a consolidated subsidiary, in Ho Chi Minh City, Vietnam.
- 2009** ● - Developed 10th generation compatible full-color filter manufacturing system; production and sales started.
 - Concluded a license agreement with 3M(USA) for semiconductor manufacturing equipment.
- 2013** ● - Apprecia Technology Inc. became our wholly owned subsidiary company.
 - VIETNAM CO., LTD. Constructed new factory at Long Hau Industrial Park in Long An Province, Vietnam.
- 2017** ● - Facility Co., Ltd. and Quark Technology Co., Ltd. became our wholly owned subsidiary company.
- 2018** ● - Listed on the First Section of the Tokyo Stock Exchange
- 2019** ● - Constructed a new head office at 5311 Haga Kita-ku, Okayama-shi, Okayama
- 2020** ● - Merged with Apprecia Technology Inc.
- 2022** ● - TAZMO's listing transferred to Prime Market in Tokyo Stock Exchange.
 - Increased capital to 3,495,400,000 yen through public offering.
 - Established TAZMO SEMITEC SHAOXING TECHNOLOGY Co., Ltd. a consolidated subsidiary, in Zhejiang Shaoxing, China.

Notes

Forward-looking statements with respect to TAZMO's business plan, prospects and other such information are based on information available at the time of publication. Actual performance and results may differ significantly from the business plan described here due to changes in various external and internal factors.

This material takes as its objective the provision of information regarding the management policy, plans, and financial situation of KDDI to shareholders, investors and other visitors. It constitutes neither an offer nor a solicitation to purchase or sell TAZMO stock.

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