TAZMO

Q2 FY2024 Financial Announcement

September 3, 2024

Security Code 6266

Company Guide

https://tazmo.co.jp/wp/wp-content/uploads/2023/08/tazmo_companyguide.pdf

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Q2 FY2024 Consolidated Financial Summary

Q2 FY2024 Financial Highlights

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Net sales	Operating income	Ordinary income	Net income(*)
16,239 million Yen	2,836 million Yen	2,981 million Yen	2,067 million Yen

Overview

- Sales, which were delayed in the first quarter, are progressing smoothly, and although some sales fell short of the plan, they are still trending as planned.
- Profit exceeded the plan as SG&A expenses were lower than expected due to a decrease in depreciation and delays in research and development.

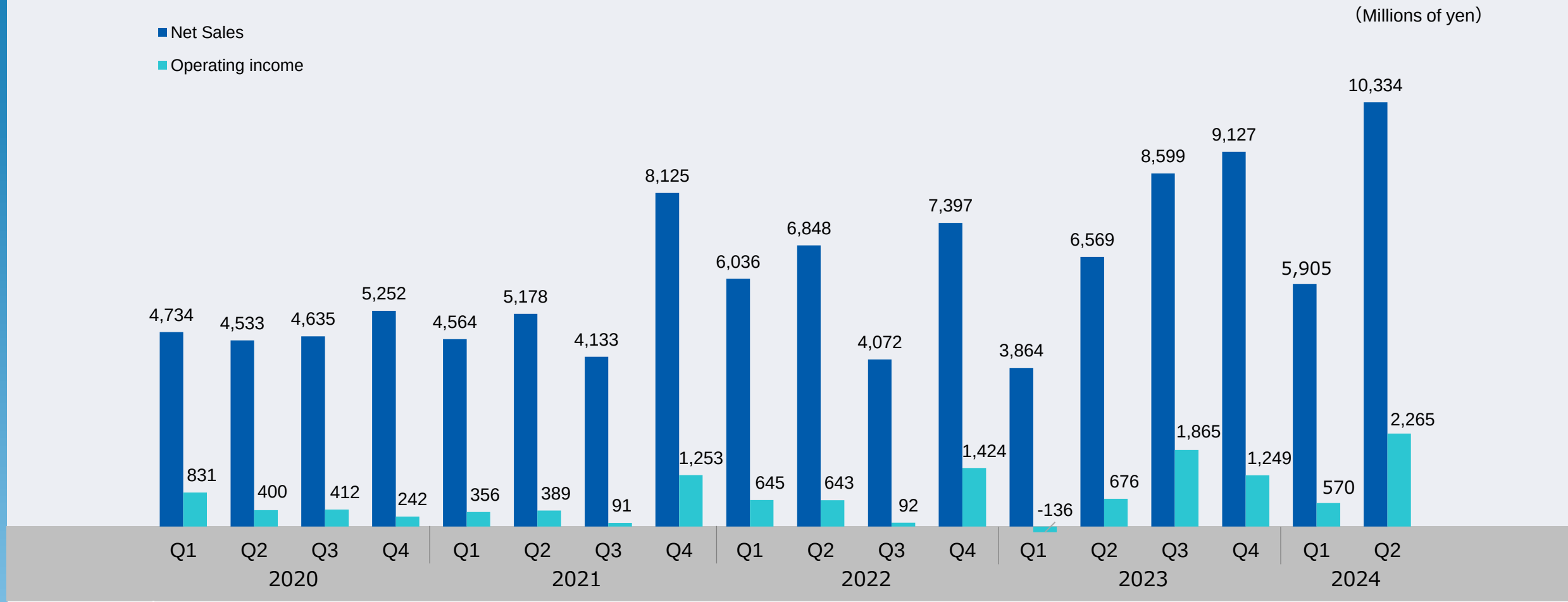
(*) Net income: Net income attributable to owners of parent

Financial Summary

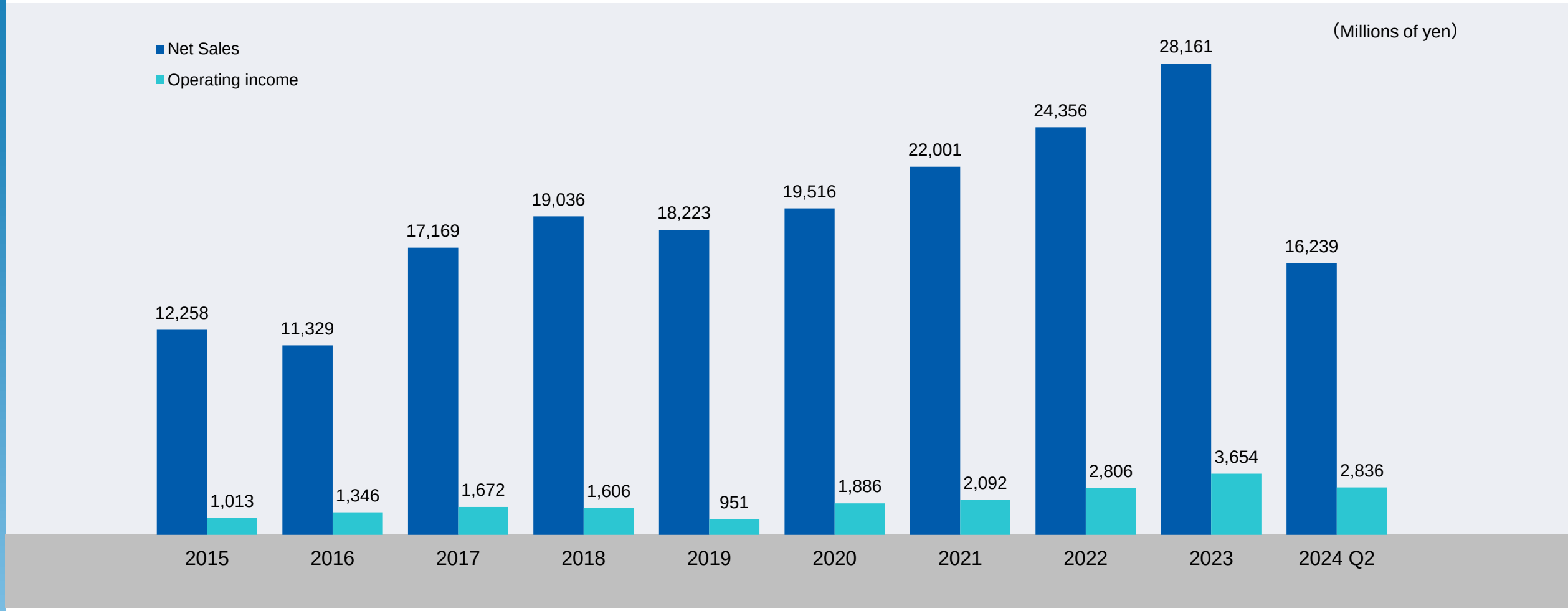
TAZMO

(Millions of yen)	FY2023 (Actual)	Q2 FY2024		YoY change (%)	FY2024 estimates	cf. Plan
		Actual	Net sales ratio (%)			
Net sales	10,434	16,239	–	55.6	36,000	45.1
Gross profit	2,862	5,534	34.1	93.3	–	–
Operating income	539	2,836	17.5	426.1	4,600	61.7
Ordinary income	706	2,981	18.4	322.2	4,500	66.2
Net income attributable to owners of parent	137	2,067	12.7	1,408.7	3,060	67.5

Trend in Net sales and Operating profit (Quarterly)



Trend in Net sales and Operating profit （Full year）



Balance Sheet

TAZMO

(Millions of yen)	FY2023	Q2 FY2024	YoY change(%)
Current assets	39,420	42,296	7.3
Non-current assets	8,008	8,239	2.9
Property, plant and equipment	7,007	7,275	3.8
Intangible assets	157	136	△13.4
Investments and other assets	842	827	△1.8
Total assets	**47,428**	**50,536**	**6.6**
Current Liabilities	21,380	19,728	△7.7
Non-Current Liabilities	5,952	8,180	37.4
Total liabilities	**27,333**	**27,908**	**2.1**
Total net assets	**20,095**	**22,627**	**12.6**
Equity ratio	41.7%	44.0%	2.3P

Major Change

Current Assets

(Millions of yen)

Cash and deposits	+2,287
Notes and accounts receivable - trade	+1,723

Current Liabilities

Contract liabilities	+3,682
Electronically recorded obligations – operating	△1,387
Short-term borrowings	△3,698

Non-Current Liabilities

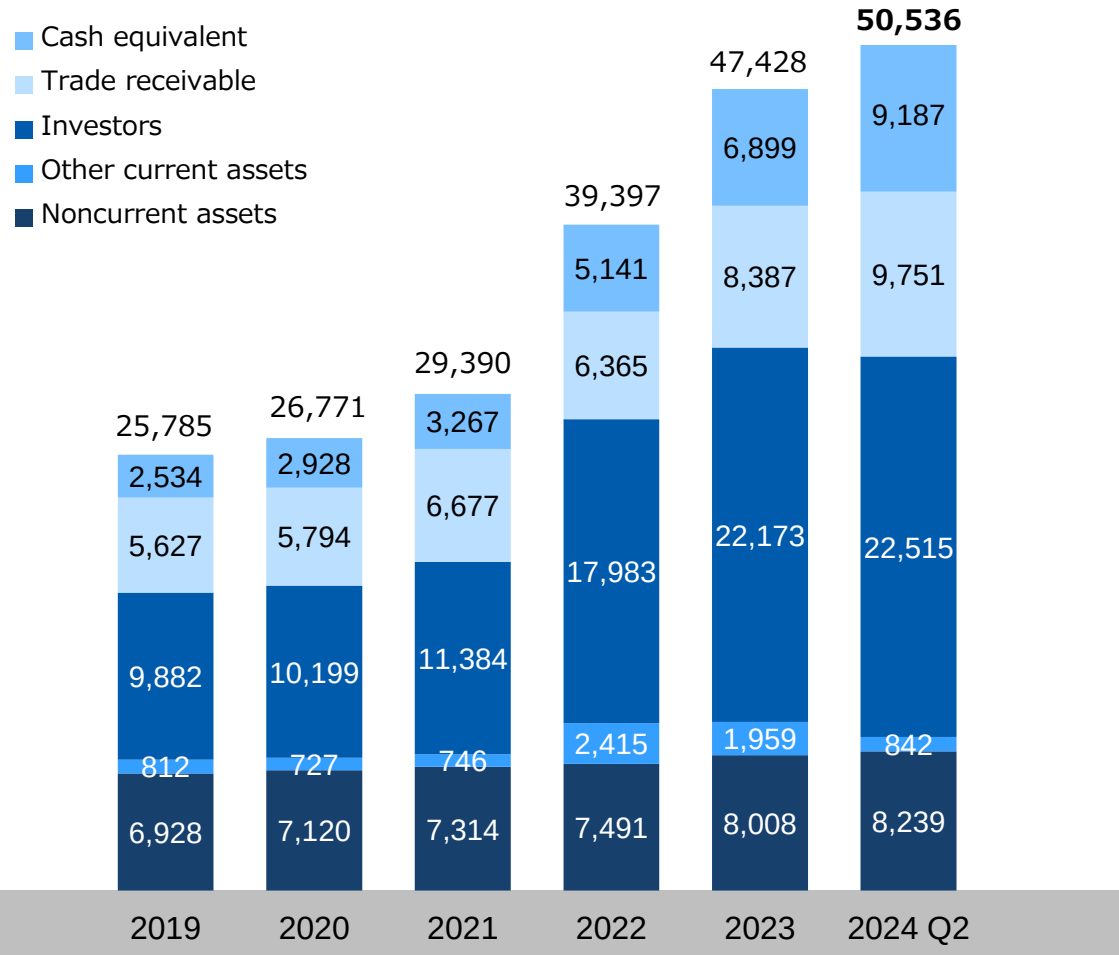
Long-term borrowings	+2,174

Balance Sheet

TAZMO

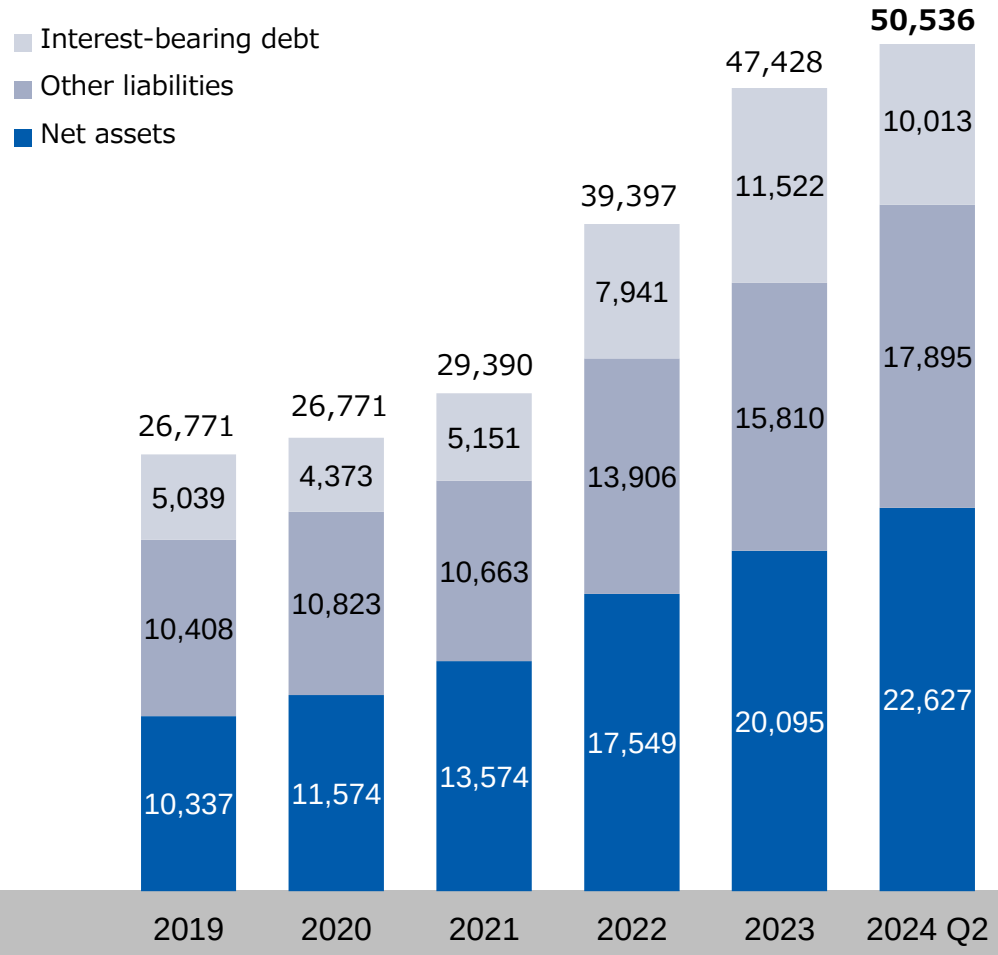
Assets

(Millions of yen)



Liabilities/Equity

(Millions of yen)



Cash Flow

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(Millions of yen)	FY2023 (Actual)	Q2 FY2024 (Actual)	YoY change(%)
Cash flow from operating activities	△261	4,353	—
Cash flow from investing activities	△1,392	△971	△30.2
Free cash flow	△1,653	3,382	—
Cash flow from financing activities	3,275	△1,927	—
Cash on hand	6,771	8,589	26.8

Highlights

(Millions of yen)

Cash flow from operating activities	
Profit before income taxes	2,841
Decrease (increase) in inventories	△1,710
Increase (Decrease) Contract Liabilities	3,544
Cash flow from investing activities	
Net decrease (increase) in time deposits	△446
Purchase of intangible assets	△508
Cash flow from financing activities	
Net increase (decrease) in short-term borrowings	△4,400
Proceeds from long-term borrowings	4,200
Repayments of long-term borrowings	△1,323

2 Q2 FY2024 Segment Information

(Millions of yen)

		Q2 FY2023 Actual	Q2 FY2024 Actual	YoY change(%)	FY2024 Initial estimates	cf. Plan (%)
Process equipment business	Net sales	7,857	13,877	76.6	27,770	50.0
	Operating income	703	2,745	290.3	4,250	64.6
■ Semiconductor equipment	Net sales	1,731	6,260	261.5	11,500	54.4
■ Transfer equipment	Net sales	3,964	3,643	△8.1	8,100	45.0
■ Cleaning equipment	Net sales	1,640	2,290	39.6	5,800	39.5
■ Coater	Net sales	520	1,683	223.3	2,370	71.0
Precision molding dies and plastic moldings business	Net sales	769	306	△60.3	1,700	18.0
	Operating income	17	△101	—	30	—
Surface treatment equipment business	Net sales	1,807	2,056	13.8	6,530	31.5
	Operating income	△139	177	—	320	55.3
Elimination of inter-segment transactions	Operating income	△41	15	—	—	—
Total	Net sales	10,434	16,239	55.6	36,000	45.1
	Operating income	539	2,836	425.5	4,600	61.7

Trend in Net sales by Segment (Quarterly)

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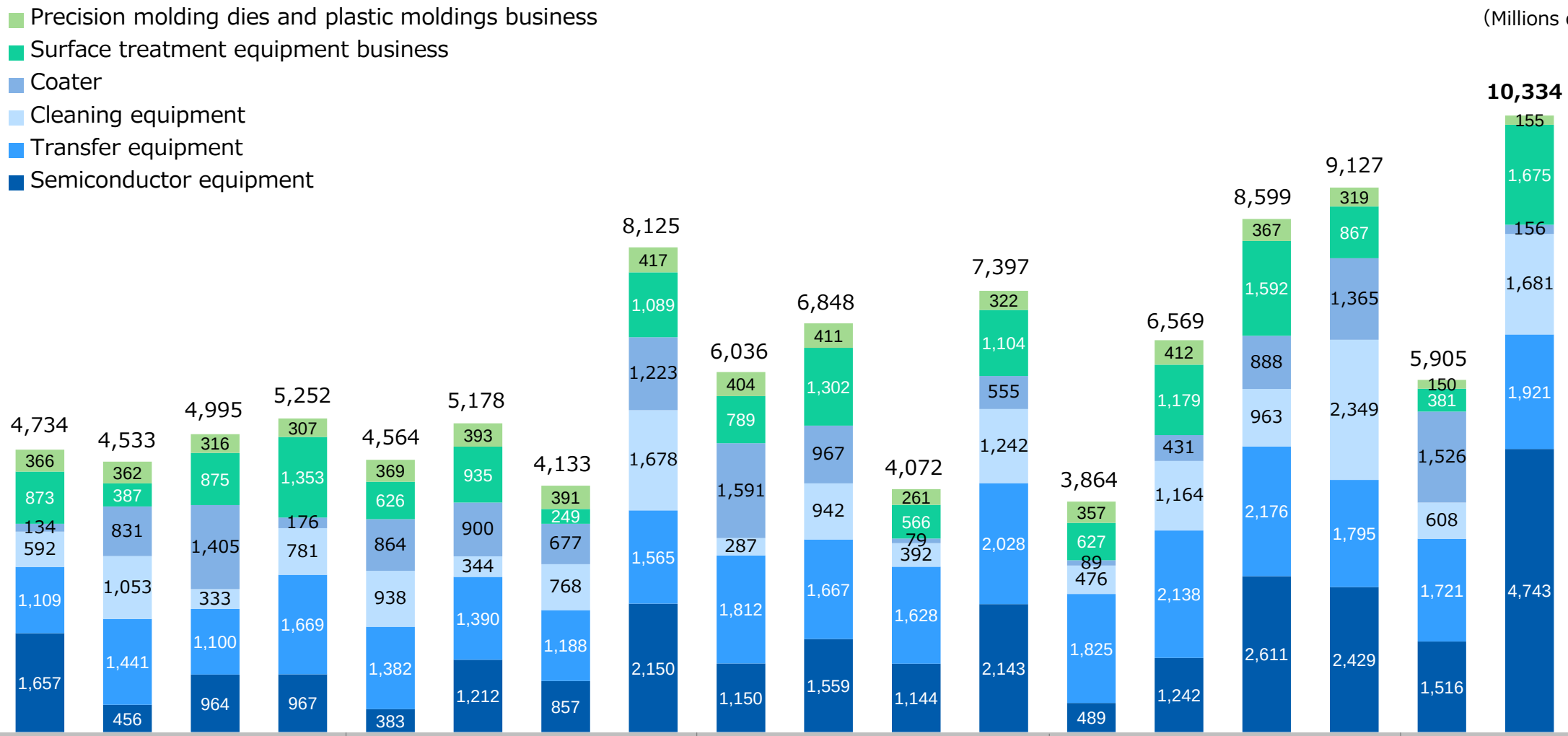
(Millions of yen)



Trend in Net sales by Segment（Full year）

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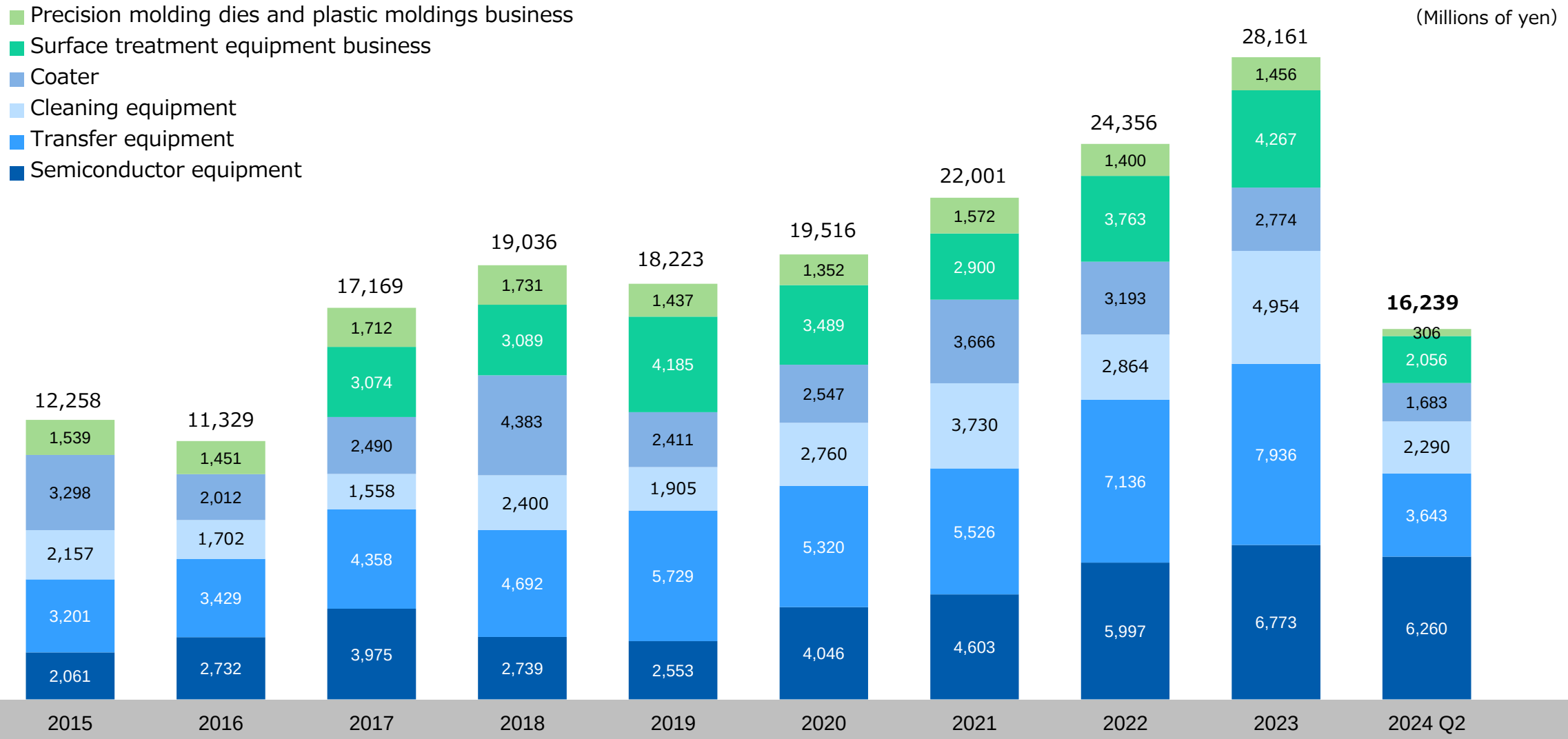
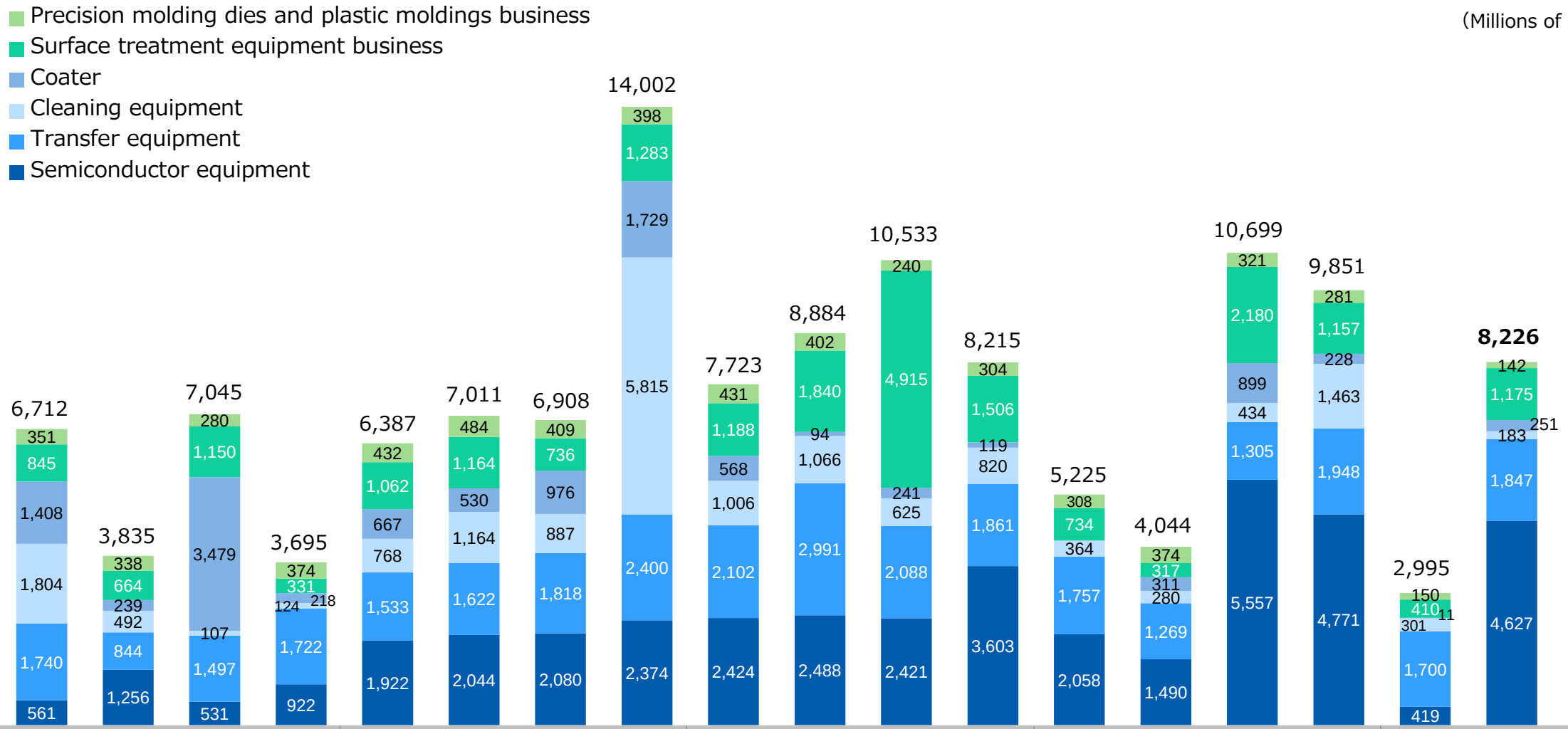


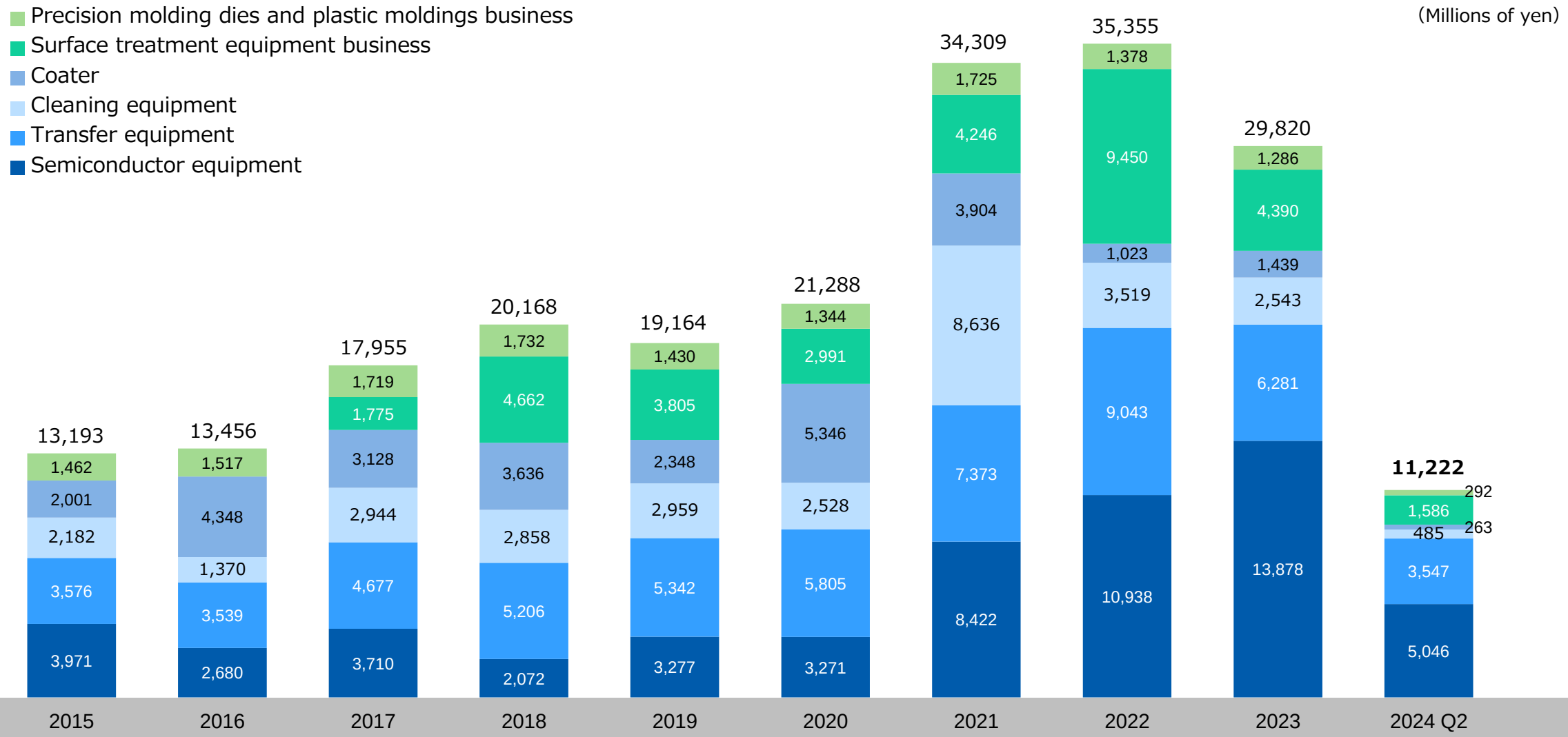
Trend in Sales Orders by Segment (Quarterly)

TAZMO



Trend in Sales Orders by Segment (Full year)

TAZMO



Trend in Order Backlog by Segment (Quarterly)

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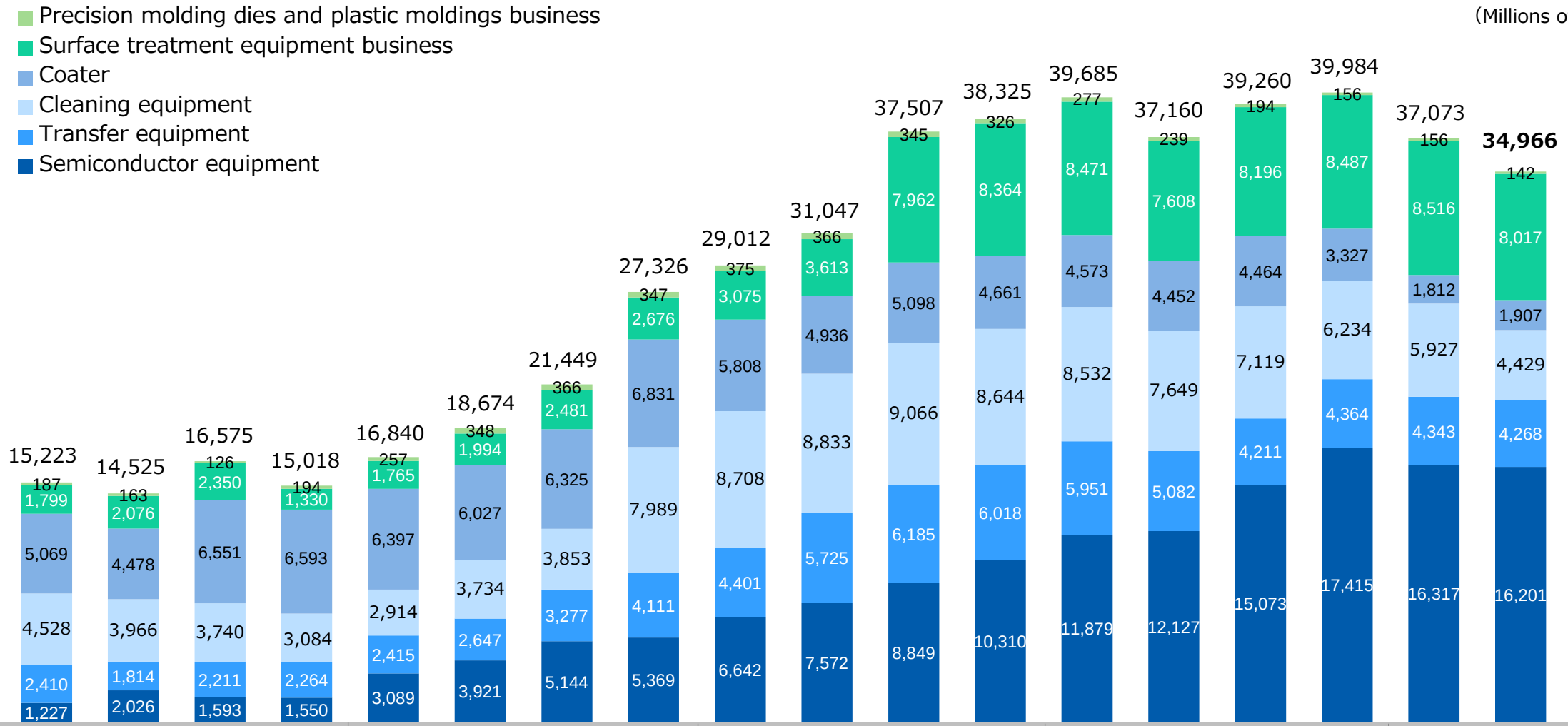


3 Business Environment

Business Environment

- For semiconductor manufacturing equipment, we have received a large order for equipment for advanced packaging. Although the timing is undecided, there is information about further investment, and we expect the market to continue to expand. For equipment for power semiconductors, although there are inquiries, the timing of investment is tending to be delayed. We are strengthening our organization in preparation for a recovery in investment in power semiconductors.

- Orders from China for transport equipment remain strong, but a full recovery in Japan is likely to take some time, likely due to the impact of the current memory/logic market conditions.

- We are receiving more inquiries about slurry supply equipment. We are also receiving some new orders for cleaning equipment. We are working to ensure that we receive orders.

- We are receiving more inquiries about PLP equipment, mainly from Taiwan and China. We are working to ensure that we receive orders. There is a growing trend to convert LCD panel factories to semiconductor packaging applications. We expect the market to expand in the future.

- As for surface treatment equipment, the number of orders seems to have slowed down due to postponement of investment plans for plating processing equipment. We are focusing on new development projects while working to receive small orders.

4 Appendix

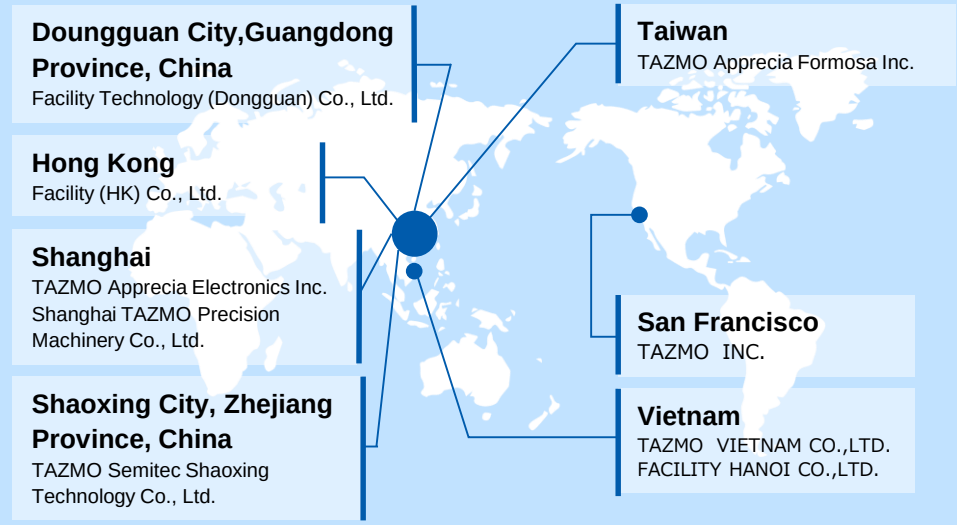
Company Info

(as of June 30, 2024)

Company name	TAZMO Co., Ltd.
Established	February 26, 1972
Head office	5311, Haga, Kita-ku, Okayama-shi, Okayama 701-1221, Japan
Capital	356,859,682 yen
Total number of issued shares	14,842,354
Number of shareholders	8,148
Number of employees	Non-consolidated 394 Consolidated 1,156
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

Domestic locations, Subsidiaries

Global Network



Milestones

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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.

Business Introduction

TAZMO

We develop, manufacture, and sell equipment for manufacturing cutting-edge semiconductors and packages, manufacturing equipment for organic EL and liquid crystal displays, and clean transfer robots.

Semiconductor Manufacturing Equipment Business Unit

Using the know-how and technology cultivated over 40 years, we provide equipment for various processes such as coating, developing, laminating, and peeling in semiconductor manufacturing worldwide.

Transfer Business Unit

Providing various transport systems that are accurate, speedy, and space-saving, including transport robots for silicon wafers, etc., which are essential for semiconductor manufacturing.

Cleaner Business Unit

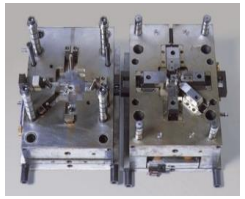
Providing silicon wafer cleaning and slurry supply equipment, which is an important process in semiconductor manufacturing, as well as equipment that regenerates and reuses phosphoric acid from waste liquid.

Coater Business Unit

Providing various flat panel manufacturing equipment such as liquid crystal displays. We are currently developing PLP equipment and nanoimprint equipment.

Molding Business

Mold technology, which is essential for parts manufacturing, has been a core technology since our founding, and we provide a variety of products to meet the various needs of user companies.



Surface Treatment Business

Providing plating processing equipment for printed circuit boards incorporated in semiconductor packages and electronic control systems for automobiles, etc.