

Summary of Consolidated Financial Results for the third quarter of fiscal year 2018

under Japanese GAAP



Nov 9, 2018

Company Name: ZOOM CORPORATION
 Listing: Tokyo Stock Exchange-JASDAQ
 Code No: 6694
 URL: <https://www.zoom.co.jp/>
 Representative: Masahiro Iijima, CEO
 Contact: Tatsuzo Yamada, CFO
 Tel: +81-3-5297-1001
 Scheduled date for filing the quarterly report: November 13, 2018
 Scheduled date for commencement of dividend payment: -
 Supplementary briefing material in English: None
 Briefing session of quarterly results: No

(Amounts of less than one million yen are omitted)

1. Consolidated financial results for the third quarter of fiscal year 2018(January 1, 2018 – September 30, 2018)

(1) Consolidated operating results

(% represents year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
September 30, 2018	5,378	12.5	128	(42.7)	187	(10.7)	172	0.8
September 30, 2017	4,780	8.3	223	45.8	210	295.3	171	214.4

(Note)Comprehensive income

Nine months ended September 30, 2018: 160 million yen(7.6%)

Nine months ended September 30, 2017: 149 million yen (- %)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended				
September 30, 2018	76.11		74.39	
September 30, 2017	79.91		75.69	

(2) Consolidated financial position

	Total assets	Net assets	Shareholder's equity ratio
	Million yen	Million yen	%
As of September 30, 2018	7,894	4,647	58.5
As of December 31, 2017	6,804	4,520	66.4

(Reference)Shareholder's equity:

As of September 30, 2018: 4,616 million yen

As of December 31, 2017: 4,520 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual
	Yen	Yen	Yen	Yen	Yen
FY ending 2017	-	-	-	40.00	40.00
FY ending 2018	-	-	-		
FY ending 2018 (Forecast)				40.00	40.00

Revisions to recent dividend forecast : None

3. Forecast of consolidated financial results for fiscal year 2018(January 1, 2018 – December 31, 2018)

(% represents year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parents		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	7,401	17.5	203	(37.9)	267	(26.3)	216	(24.9)	95.18

Revisions to recent business forecast : None

※Notes

(1)Changes in significant subsidiaries during the period(Changes in specific subsidiaries involving changes in the scope of consolidation) : Yes

Number of new companies:	1	(Company name)	Mogar Music S.p.A.
Number of excluded companies:	-		

(2)Adoption of specific accounting treatments to the preparation of consolidated quarterly financial statements: Yes

(3)Changes in accounting policies, changes in accounting estimates, and restatement

a. Changes due to revision to accounting standards, etc.:	None
b. Changes other than a.:	None
c. Changes in accounting estimates:	None
d. Restatement:	None

(4)Number of issued shares(common shares)

a. Number of issued shares as of the end of the period(including treasury shares)

As of September 30, 2018	2,297,412
As of December 31, 2017	2,297,412

b. Total number of treasury shares at the end of period

As of September 30, 2018	22,606
As of December 31, 2017	42,083

c. Average number of shares during the period(cumulative)

Nine months ended September 30, 2018	2,270,058
Nine months ended September 30, 2017	2,145,602

*These consolidated quarterly financial results are outside the scope of the quarterly review.

*Appropriate use of performance forecasts and other noteworthy matters

The forecasted financial information described above are based on information currently available to and assumption considered to be reasonable. Actual financial results may differ significantly due to potential risks and uncertainties.

Contents of the Attached Materials

1. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheets

(2) Consolidated quarterly income statements

(3) Consolidated quarterly comprehensive income statements

1. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheets

(Million yen)

	As of December 31, 2017	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	3,512	2,792
Accounts receivable-trade	703	1,581
Merchandise and finished goods	1,415	1,861
Raw materials and supplies	28	48
Other	515	653
Allowance for doubtful accounts	-	(30)
Current assets total	6,174	6,906
Non-currents assets		
Property, plant and equipment	155	216
Intangible assets		
Goodwill	-	192
Other	28	81
Investments and other assets	445	498
Non-current assets total	629	988
Total assets	6,804	7,894
Liabilities		
Current liabilities		
Accounts payable-trade	1,249	1,281
Short-term loans payable	678	1,235
Income taxes payable	102	12
Provision for bonuses	22	49
Provision for product warranties	34	38
Other	196	465
Current liabilities total	2,283	3,083
Non-current liabilities		
Long-term loans payable	-	7
Net defined benefit liability	-	156
Current liabilities total	-	163
Total liabilities	2,283	3,247
Equity		
Shareholder's equity		
Capital stock	212	212
Capital surplus	296	262
Retained earnings	4,054	4,136
Treasury shares	(92)	(49)
Total shareholder's equity	4,470	4,562
Accumulated other comprehensive income		
Foreign currency translation adjustment	50	54
Total accumulated other comprehensive income	50	54
Non-controlling interests	-	31
Total equity	4,520	4,647
Liabilities and equities total	6,804	7,894

(2) Consolidated quarterly income statements – third quarter

(Million yen)

	Nine months ended September 30, 2017	Nine months ended September 30, 2018
Net sales	4,780	5,378
Cost of sales	3,154	3,580
Gross profit	1,626	1,797
Selling, general and administrative expenses	1,402	1,669
Operating profit	223	128
Non-operating income		
Interest income	1	2
Equity in earnings	73	95
Insurance premiums refunded cancellation	-	29
Others	0	0
Total of non-operating income	75	127
Non-operating expense		
Interest expense	7	24
Foreign exchange losses	30	4
Tax dues	30	25
Others	20	13
Total of non-operating expense	89	68
Ordinary profit	210	187
Extraordinary income		
Gain on sales of investment securities	2	-
Total of extraordinary loss	2	-
Extraordinary loss		
Loss on disposal of fixed assets	0	-
Total of extraordinary loss	0	-
Profit before income taxes	212	187
Income taxes-current	63	43
Income taxes-deferred	(22)	(11)
Total income taxes	41	31
Profit	171	156
Profit attributable to non-controlling interests	-	(16)
Profit attributable to owners of parent	171	172

(3) Consolidated quarterly comprehensive income statements – third quarter

(Million yen)

	Nine months ended September 30, 2017	Nine months ended September 30, 2018
Profit	171	156
Other comprehensive income		
Foreign currency translation adjustment	(13)	1
Accounted for Using Equity Method	(8)	2
Total other comprehensive income	(21)	4
Comprehensive income	149	160
Comprehensive income attributed to owners of parent	149	175
Comprehensive income attributable to non-controlling interests	-	(15)