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May 15, 2023

Consolidated Financial Results for the Three Months Ended March 31, 2023 (Under Japanese GAAP)

Company name: ZOOM CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 6694
 URL: <https://www.zoom.co.jp/>
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 Scheduled date to file quarterly securities report: May 15, 2023
 Scheduled date to commence dividend payments: None
 Preparation of supplementary material on quarterly financial results: Yes (in Japanese only)
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2023	3,808	36.2	79	—	18	—	(87)	—
March 31, 2022	2,795	(1.2)	(87)	—	(57)	—	(60)	—

Note: Comprehensive income For the three months ended March 31, 2023: ¥(38) million [—]
 For the three months ended March 31, 2022: ¥164 million [(60.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
March 31, 2023	(20.36)	—
March 31, 2022	(14.06)	—

Note: Although dilutive shares exist, diluted earnings per share are not stated as earnings per share were negative in the three months ended March 31, 2022 and the three months ended March 31, 2023.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
March 31, 2023	18,017	7,016	33.3
December 31, 2022	13,650	6,590	47.5

Reference: Equity
 As of March 31, 2023: ¥5,993 million
 As of December 31, 2022: ¥6,489 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2022	—	0.00	—	50.00	50.00
Fiscal year ending December 31, 2023	—				
Fiscal year ending December 31, 2023 (Forecast)		0.00	—	30.00	30.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	15,230	15.1	1,030	55.1	910	26.4	400	5.9	92.68

Note: Revisions to the forecast of consolidated financial results most recently announced: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: One company (Sound-Service Musikanlagen-Vertriebsgesellschaft mbH)

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

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	4,594,824 shares
As of December 31, 2022	4,594,824 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2023	308,363 shares
As of December 31, 2022	308,063 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	4,286,657 shares
Three months ended March 31, 2022	4,277,899 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special 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 financial statements

(1) Consolidated balance sheets

(2) Consolidated income statements

(3) Consolidated comprehensive income statements

1. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	2,171	2,487
Notes and accounts receivable- trade	2,109	1,911
Merchandise and finished goods	4,013	6,223
Raw materials and supplies	1,288	1,158
Other	1,278	684
Allowance for doubtful accounts	(18)	(32)
Current assets total	10,841	12,433
Non-currents assets		
Property, plant and equipment	647	1,457
Intangible assets		
Goodwill	1,374	3,332
Other	63	79
Intangible assets total	1,437	3,411
Investments and other assets		
Other	921	913
Allowance for doubtful accounts	(197)	(197)
Investments and other assets total	723	715
Non-current assets total	2,808	5,584
Assets total	13,650	18,017

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable-trade	1,080	1,386
Short-term loans payable	2,513	2,825
Current portion of long-term loans payable	177	572
Income taxes payable	41	35
Provision for bonuses	34	68
Provision for product warranties	54	97
Other	2,007	1,550
Current liabilities total	5,907	6,535
Non-current liabilities		
Long-term loans payable	897	3,361
Retirement benefit liability	145	151
Other	109	952
Non-current liabilities total	1,152	4,465
Liabilities total	7,060	11,001
Equity		
Shareholder's equity		
Capital stock	212	212
Capital surplus	261	261
Retained earnings	5,653	5,139
Treasury shares	(366)	(366)
Shareholder's equity total	5,761	5,247
Accumulated other comprehensive income		
Foreign currency translation adjustment	728	745
Remeasurements of defined benefit plans	0	0
Accumulated other comprehensive income total	728	746
Non-controlling interests	100	1,022
Equity total	6,590	7,016
Liabilities and equities total	13,650	18,017

(2) Consolidated income statements

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	2,795	3,808
Cost of sales	1,763	2,319
Gross profit	1,032	1,488
Selling, general and administrative expenses	1,119	1,409
Operating profit (loss)	(87)	79
Non-operating income		
Interest income	0	1
Foreign exchange gains	26	7
Refund of import duty	7	12
Subsidy income	1	-
Other	0	1
Total of non-operating income	36	22
Non-operating expense		
Interest expense	7	18
Commission for syndicate loan-trade	-	62
Other	0	1
Total of non-operating expense	7	82
Ordinary profit (loss)	(57)	18
Profit before income taxes (loss)	(57)	18
Income taxes	(0)	32
loss	(57)	(13)
Profit attributable to non-controlling interests	3	73
loss attributable to owners of parent	(60)	(87)

(3) Consolidated comprehensive income statements

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
loss	(57)	(13)
Other comprehensive income		
Foreign currency translation adjustment	221	(25)
Remeasurements of defined benefit plans	(0)	0
Total other comprehensive income	221	(25)
Comprehensive income	164	(38)
Comprehensive income attributable to owners of parent	157	(110)
Comprehensive income attributable to non-controlling interests	7	71