

Summary of Consolidated Financial Results for the Year Ended December 31, 2020

under Japanese GAAP



Feb 15, 2021

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
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 Scheduled date for the ordinary general meeting of shareholders: March 30, 2021
 Scheduled date for commencement of dividend payment: March 31, 2021
 Scheduled date for the submission of annual securities report: March 30, 2021
 Supplementary briefing material in English: None
 Holding of financial results meeting: Yes (for institutional investors and analysts (in Japanese only))

(Amounts of less than one million yen are omitted)

1. Consolidated financial results for fiscal year 2020(January 1, 2020 – December 31, 2020)

(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	%
For the year ended								
December 31, 2020	10,419	21.0	755	159.4	450	41.4	502	100.4
December 31, 2019	8,608	11.7	291	11.8	318	(7.9)	250	(21.3)

(Note)Comprehensive income

For the ended December 31, 2020: 400 million yen (72.7%)
 For the ended December 31, 2019: 231 million yen ((4.9%))

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to sales
	Yen	Yen	%	%	%
For the year ended					
December 31, 2020	223.57	220.53	10.1	5.0	7.2
December 31, 2019	110.03	108.29	5.2	4.0	3.4

(Reference)Equity in earnings of affiliates

For the ended December 31, 2020: (240) million yen
 For the ended December 31, 2019: 152 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2020	10,198	5,136	50.2	2,284.56
As of December 31, 2019	7,855	4,875	61.9	2,128.57

(Reference)Shareholder's equity:

As of December 31, 2020: 5,116 million yen
 As of December 31, 2019: 4,866 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
For the year ended				
December 31, 2020	990	(1,269)	716	2,697
December 31, 2019	(53)	(456)	(31)	2,312

2. Dividends

	Dividend per share					Total annual dividends	Payout ratio (consolidated)	Dividends on equity (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY ending 2019	-	0.00	-	34.00	34.00	77	30.9	1.6
FY ending 2020	-	0.00	-	62.00	62.00	138	27.7	2.8
FY ending 2021 (Forecast)	-	0.00	-	67.00	67.00		30.0	

3. Forecast of consolidated financial results for fiscal year 2021 (January 1, 2021 – December 31, 2021)

(% represents year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the year ended December 31, 2021	12,000	15.2	800	5.9	700	55.2	500	(0.6)	223.25

※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) ZOOM North America, LLC

Number of excluded companies: -

(2) 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

(3) Number of issued shares (common shares)

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

As of December 31, 2020 2,297,412

As of December 31, 2019 2,297,412

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

As of December 31, 2020 57,731

As of December 31, 2019 11,231

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

For the year ended December 31, 2020 2,249,209

For the year ended December 31, 2019 2,281,018

*These consolidated quarterly financial results are outside the scope of audit by a certified public accountant or an audit corporation.

*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.

The Company plans to hold a financial results meeting for analysts on February 24, 2021. The materials distributed at this financial results meeting shall be posted on the Company's website after the meeting has been held.

Contents of the Attached Materials

1. Consolidated financial statements

(1) Consolidated balance sheets

(2) Consolidated income statements

(3) Consolidated comprehensive income statements

(4) Consolidated cash flow statements

1. Consolidated financial statements

(1) Consolidated balance sheets

(Million yen)

	As of December 31, 2019	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	2,344	2,731
Accounts receivable – trade	1,346	1,658
Merchandise and finished goods	2,063	2,516
Raw materials and supplies	102	117
Short-term loans receivable	211	–
Accounts receivable – other	398	417
Other	152	252
Allowance for doubtful accounts	(26)	(32)
Current assets total	6,591	7,661
Non-currents assets		
Property, plant and equipment		
Buildings and structures, net	33	35
Machinery, equipment and vehicles, net	8	8
Tools, furniture and fixtures, net	275	352
Leased assets, net	77	69
Construction in progress	65	61
Property, plant and equipment total	459	526
Intangible assets		
Goodwill	155	1,309
Other	98	83
Intangible assets total	254	1,393
Investments and other assets		
Investment securities	345	20
Long-term loans receivable	20	–
Deferred tax assets	93	511
Other	90	83
Investments and other assets total	550	616
Non-current assets total	1,264	2,536
Assets total	7,855	10,198

(Million yen)

	As of December 31, 2019	As of December 31, 2020
Liabilities		
Current liabilities		
Accounts payable-trade	936	1,133
Short-term loans payable	1,249	1,601
Current portion of long-term loans payable	-	120
Accounts payable-other	324	564
Income taxes payable	19	164
Provision for bonuses	24	27
Provision for product warranties	58	74
Other	157	198
Current liabilities total	2,770	3,883
Non-current liabilities		
Long-term loans payable	-	990
Retirement benefit liability	131	129
Other	78	58
Non-current liabilities total	209	1,177
Liabilities total	2,980	5,061
Equity		
Shareholder's equity		
Capital stock	212	212
Capital surplus	261	261
Retained earnings	4,416	4,842
Treasury shares	(24)	(87)
Shareholder's equity total	4,866	5,230
Accumulated other comprehensive income		
Foreign currency translation adjustment	8	(103)
Remeasurements of defined benefit plans	(8)	(10)
Accumulated other comprehensive income total	0	(113)
Non-controlling interests	8	19
Equity total	4,875	5,136
Liabilities and equities total	7,855	10,198

(2) Consolidated income statements

(Million yen)

	For the year ended December 31, 2019	For the year ended December 31, 2020
Net sales	8,608	10,419
Cost of sales	5,547	6,131
Gross profit	3,061	4,288
Selling, general and administrative expenses	2,770	3,533
Operating profit	291	755
Non-operating income		
Interest income	2	1
Share of profit of entities accounted for using equity method	152	-
Refund of import duty	-	3
Subsidy income	-	2
Insurance premiums refunded cancellation	27	-
Other	7	6
Total of non-operating income	190	13
Non-operating expense		
Interest expense	26	30
Sales discounts	30	18
Share of loss of entities accounted for using equity method	-	240
Foreign exchange losses	33	20
Tax dues	44	6
Settlement package	20	-
Other	7	2
Total of non-operating expense	162	318
Ordinary profit	318	450
Extraordinary income		
Gain on step acquisitions	-	178
Total of extraordinary income	-	178
Extraordinary loss		
Loss on disposal of fixed assets	0	0
Total of extraordinary loss	0	0
Profit before income taxes	318	628
Income taxes-current	42	225
Income taxes-deferred	17	(111)
Total income taxes	60	114
Profit	258	514
Profit (Loss) attributable to non-controlling interests	7	11
Profit attributable to owners of parent	250	502

(3) Consolidated comprehensive income statements

(Million yen)

	For the year ended December 31, 2019	For the year ended December 31, 2020
Profit	258	514
Other comprehensive income		
Foreign currency translation adjustment	(12)	(114)
Remeasurements of defined benefit plans	(9)	(3)
Accounted for using equity method	(4)	3
Total other comprehensive income	(26)	(114)
Comprehensive income	231	400
Comprehensive income attributed to owners of parent	228	389
Comprehensive income attributable to non-controlling interests	2	10

(4) Consolidated cash flow statements

(Million yen)

	For the year ended December 31, 2019	For the year ended December 31, 2020
Cash flows from operating activities		
Profit before income taxes	318	628
Depreciation	136	199
Amortization of goodwill	18	115
Increase (decrease) in provision for product warranties	16	15
Increase (decrease) in provision for bonus	1	2
Increase (decrease) in allowance for doubtful accounts	(3)	4
Increase (decrease) in retirement benefit liability	(7)	(6)
Interest income	(2)	(1)
Interest expenses	26	30
Foreign exchange losses (gains)	47	(26)
Share of (profit) loss of entities accounted for using equity method	(152)	240
Loss on step acquisitions (gains)	-	(178)
Insurance premiums refunded cancellation	(27)	-
Loss on disposal of fixed assets	0	0
Decrease (increase) in accounts receivable – trade	(199)	(181)
Decrease (increase) in inventory	31	(29)
Decrease (increase) in accounts receivable – other	61	(22)
Increase (decrease) in accounts payable – trade	(388)	208
Increase (decrease) in accounts payable – other	30	198
Other	17	(107)
Subtotal	(77)	1,090
Interest and dividend income received	106	13
Interest expenses paid	(19)	(36)
Income tax paid	(63)	(77)
Net cash provided by (used in) operating activities	(53)	990
Cash flows from investing activities		
Decrease (increase) in long term deposit	(2)	(2)
Purchase of property, plant and equipment	(268)	(180)
Purchase of intangible asset	(48)	(13)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(1,072)
Loan advances	(206)	-
Collection of loans receivable	4	0
Proceeds from cancellation of insurance funds	63	-
Other	0	(0)
Net cash provided by (used in) investing activities	(456)	(1,269)
Cash flows from financing activities		
Net increase (decrease) in short-term loan	96	386
Proceeds from long-term loans payable	-	1,200
Repayments of long-term loan	(29)	(90)
Repayments of lease obligations	(14)	(14)
Proceeds from share issuance to non-controlling shareholders	5	-
Proceeds from disposal of treasury shares	3	4
Purchase of treasury shares	(0)	(69)
Cash dividends paid	(92)	(82)
Dividend payments to non-controlling shareholders	-	(618)
Net cash provided by (used in) financing activities	(31)	716
Effect of exchange rate change on cash and cash equivalents	(59)	(51)
Net increase (decrease) in cash and cash equivalents	(600)	384
Cash and cash equivalents at beginning of period	2,913	2,312
Cash and cash equivalents at end of period	2,312	2,697