

Summary of Consolidated Financial Results for the third quarter of fiscal year 2020 under Japanese GAAP



November 10, 2020

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, 2020
 Scheduled date for commencement of dividend payment: -
 Supplementary briefing material in English: None
 Briefing session of quarterly results : None

(Amounts of less than one million yen are omitted)

1. Consolidated financial results for the third quarter of fiscal year 2020(January 1, 2020 – September 30, 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	%
Nine months ended								
September 30, 2020	6,841	9.5	266	114.1	(16)	-	105	22.6
September 30, 2019	6,248	16.2	124	(2.8)	101	(46.1)	85	(50.3)

(Note)Comprehensive income

Nine months ended September 30, 2020: (45) million yen((3.8)%)

Nine months ended September 30, 2019: (47) million yen((70.7)%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended				
September 30, 2020	46.77		46.17	
September 30, 2019	37.69		37.07	

(2) Consolidated financial position

	Total assets		Net assets		Capital adequacy ratio
	Million yen		Million yen		%
As of September 30, 2020	9,802		4,776		48.7
As of December 31, 2019	7,855		4,875		61.9

(Reference)Equity capital:

As of September 30, 2020: 4,776 million yen

As of December 31, 2019: 4,866 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 2019	-	0.00	-	34.00	34.00
FY ending 2020	-	0.00	-		
FY ending 2020 (Forecast)				40.00	40.00

Revisions to recent dividend forecast : None

3. Forecast of consolidated financial results for fiscal year 2020(January 1, 2020 – December 31, 2020)

(% 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	9,886	14.8	573	97.0	262	(17.7)	366	46.0	162.92

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)	ZOOM North America, LLC
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(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, 2020	2,297,412
As of December 31, 2019	2,297,412

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

As of September 30, 2020	62,231
As of December 31, 2019	11,231

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

Nine months ended September 30, 2020	2,252,951
Nine months ended September 30, 2019	2,280,120

*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 is based on information currently available to the company and certain 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, 2019	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	2,344	2,480
Accounts receivable-trade	1,346	1,384
Merchandise and finished goods	2,063	2,483
Raw materials and supplies	102	136
Other	762	677
Allowance for doubtful accounts	(26)	(31)
Current assets total	6,591	7,130
Non-currents assets		
Property, plant and equipment	459	514
Intangible assets		
Goodwill	155	1,411
Other	98	97
Investments and other assets	550	648
Non-current assets total	1,264	2,671
Total assets	7,855	9,802
Liabilities		
Current liabilities		
Accounts payable-trade	936	1,296
Short-term loans payable	1,249	1,636
Current portion of long-term loans payable	-	120
Income taxes payable	19	54
Provision for bonuses	24	60
Provision for product warranties	58	61
Other	481	589
Current liabilities total	2,770	3,818
Non-current liabilities		
Long-term loans payable	-	1,020
Net defined benefit liability	131	126
Other	78	60
Non-Current liabilities total	209	1,206
Total liabilities	2,980	5,025
Net assets		
Shareholder's equity		
Capital stock	212	212
Capital surplus	261	261
Retained earnings	4,416	4,447
Treasury shares	(24)	(93)
Total shareholder's equity	4,866	4,828
Accumulated other comprehensive income		
Foreign currency translation adjustment	8	(43)
Remeasurements of defined benefit plans	(8)	(7)
Total accumulated other comprehensive income	0	(51)
Non-controlling interests	8	0
Total net assets	4,875	4,776
Total liabilities and net assets	7,855	9,802

(2) Consolidated quarterly income statements – third quarter

(Million yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Net sales	6,248	6,841
Cost of sales	4,080	4,085
Gross profit	2,167	2,755
Selling, general and administrative expenses	2,042	2,488
Operating profit	124	266
Non-operating income		
Interest income	2	1
Share of profit of entities accounted for using equity method	72	-
Refund of import duty	-	3
Insurance premiums refunded cancellation	27	-
Others	4	6
Total of non-operating income	106	11
Non-operating expense		
Interest expense	18	22
Sales discounts	22	13
Share of loss of entities accounted for using equity method	-	240
Foreign exchange losses	38	13
Tax dues	22	2
Settlement package	20	-
Others	7	2
Total of non-operating expense	129	294
Ordinary profit (loss)	101	(16)
Extraordinary income		
Gain on step acquisitions	-	178
Total of extraordinary income	-	178
Profit before income taxes	101	161
Income taxes	21	64
Profit	79	96
Loss attributable to non-controlling interests	(6)	(8)
Profit attributable to owners of parent	85	105

(3) Consolidated quarterly comprehensive income statements – third quarter

(Million yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Profit	79	96
Other comprehensive income		
Foreign currency translation adjustment	(22)	(56)
Remeasurements of defined benefit plans	0	1
Accounted for using equity method	(10)	3
Total other comprehensive income	(32)	(51)
Comprehensive income	47	45
Comprehensive income attributed to owners of parent	51	53
Comprehensive income attributable to non-controlling interests	(4)	(8)