

Summary of Consolidated Financial Results for the first quarter of fiscal year 2020

under Japanese GAAP



July 16, 2020

Company Name: ZOOM CORPORATION
 Listing: Tokyo Stock Exchange-JASDAQ
 Code No: 6694
 URL: <https://www.zoom.co.jp/>
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 Scheduled date for filing the quarterly report: July 17, 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 first quarter of fiscal year 2020(January 1, 2020 – March 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	%
Three months ended								
March 31, 2020	1,706	(13.1)	(54)	-	(307)	-	(218)	-
March 31, 2019	1,963	27.9	42	38.6	22	(44.0)	13	(50.5)

(Note)Comprehensive income

Three months ended March 31, 2020:(233) million yen (- %)

Three months ended March 31, 2019: 15 million yen (- %)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
March 31, 2020	(95.56)		-	
March 31, 2019	5.99		5.89	

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of March 31, 2020	6,980	4,560	65.3
As of December 31, 2019	7,855	4,875	61.9

(Reference)Equity capital:

As of March 31, 2020: 4,560 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	-				
FY ending 2020 (Forecast)		0.00	-	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 : Yes

※Notes

(1)Changes in significant subsidiaries during the period(Changes in specific subsidiaries involving changes in the scope of consolidation) : None

(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 March 31, 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 March 31, 2020	15,131
As of December 31, 2019	11,231

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

Three months ended March 31, 2020	2,285,881
Three months ended March 31, 2019	2,279,906

*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 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 March 31, 2020
Assets		
Current assets		
Cash and deposits	2,344	2,408
Accounts receivable-trade	1,346	917
Merchandise and finished goods	2,063	1,582
Raw materials and supplies	102	124
Other	762	564
Allowance for doubtful accounts	(26)	(26)
Current assets total	6,591	5,572
Non-currents assets		
Property, plant and equipment	459	442
Intangible assets		
Goodwill	155	147
Other	98	93
Investments and other assets	550	724
Non-current assets total	1,264	1,408
Total assets	7,855	6,980
Liabilities		
Current liabilities		
Accounts payable-trade	936	570
Short-term loans payable	1,249	1,188
Income taxes payable	19	7
Provision for bonuses	24	48
Provision for product warranties	58	57
Other	481	363
Current liabilities total	2,770	2,236
Non-current liabilities		
Net defined benefit liability	131	125
Other	78	58
Non-Current liabilities total	209	184
Total liabilities	2,980	2,420
Net assets		
Shareholder's equity		
Capital stock	212	212
Capital surplus	261	261
Retained earnings	4,416	4,120
Treasury shares	(24)	(28)
Total shareholder's equity	4,866	4,566
Accumulated other comprehensive income		
Foreign currency translation adjustment	8	2
Remeasurements of defined benefit plans	(8)	(7)
Total accumulated other comprehensive income	0	(5)
Non-controlling interests	8	-
Total net assets	4,875	4,560
Total liabilities and net assets	7,855	6,980

(2) Consolidated quarterly income statements – first quarter

(Million yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Net sales	1,963	1,706
Cost of sales	1,293	1,126
Gross profit	670	580
Selling, general and administrative expenses	627	634
Operating profit	42	(54)
Non-operating income		
Interest income	1	0
Share of profit of entities accounted for using equity method	5	-
Refund of import duty	-	3
Others	3	2
Total of non-operating income	9	6
Non-operating expense		
Interest expense	7	6
Sales discounts	7	5
Share of loss of entities accounted for using equity method	-	240
Foreign exchange losses	6	2
Tax dues	3	2
Others	3	3
Total of non-operating expense	29	259
Ordinary profit (loss)	22	(307)
Profit (loss) before income taxes	22	(307)
Income taxes	8	(80)
Profit (loss)	14	(227)
Profit (loss) attributable to non-controlling interests	0	(8)
Profit (loss) attributable to owners of parent	13	(218)

(3) Consolidated quarterly comprehensive income statements – first quarter

(Million yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Profit (loss)	14	(227)
Other comprehensive income		
Foreign currency translation adjustment	0	(7)
Remeasurements of defined benefit plans	0	0
Accounted for using equity method	0	1
Total other comprehensive income	0	(5)
Comprehensive income	15	(233)
Comprehensive income attributed to owners of parent	12	(224)
Comprehensive income attributable to non-controlling interests	2	(8)