

Summary of Consolidated Financial Results for the second quarter of fiscal year 2021

under Japanese GAAP



August 12, 2021

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: August 12, 2021
 Scheduled date for commencement of dividend payment: -
 Supplementary briefing material in English: None
 Briefing session of quarterly results : Yes (for institutional investors and analysts (in Japanese only))

(Amounts of less than one million yen are omitted)

1. Consolidated financial results for the second quarter of fiscal year 2021(January 1, 2021 – June 30, 2021)

(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	%
Six months ended								
June 30, 2021	6,090	48.5	584	-	554	-	391	-
June 30, 2020	4,101	2.5	(27)	-	(294)	-	(53)	-

(Note)Comprehensive income

Six months ended June 30, 2021:619 million yen (- %)

Six months ended June 30, 2020:(71) million yen (- %)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended				
June 30, 2021	181.13		179.28	
June 30, 2020	(23.76)		-	

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2021	10,444	5,289	50.2
As of December 31, 2020	10,198	5,136	50.2

(Reference)Equity capital:

As of June 30, 2021: 5,244 million yen

As of December 31, 2020: 5,116 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 2020	-	0.00	-	62.00	62.00
FY ending 2021	-	0.00	-	-	-
FY ending 2021 (Forecast)	-	-	-	102.00	102.00

Revisions to recent dividend forecast : Yes

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 parents		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	13,000	24.8	1,130	49.6	1,070	137.3	730	45.2	340.92

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 June 30, 2021	2,297,412
As of December 31, 2020	2,297,412

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

As of June 30, 2021	170,758
As of December 31, 2020	57,731

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

Six months ended June 30, 2021	2,149,702
Six months ended June 30, 2020	2,261,934

*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

(4) Consolidated quarterly cash flow statements

1. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheets

(Million yen)

	As of December 31, 2020	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	2,731	2,219
Notes receivable–trade and Accounts receivable–trade	1,658	1,657
Merchandise and finished goods	2,516	2,939
Raw materials and supplies	117	118
Other	670	715
Allowance for doubtful accounts	(32)	(27)
Total current assets	7,661	7,622
Non-currents assets		
Property, plant and equipment	526	487
Intangible assets		
Goodwill	1,309	1,445
Other	83	72
Investments and other assets	616	816
Total non-current assets	2,536	2,822
Total assets	10,198	10,444
Liabilities		
Current liabilities		
Accounts payable–trade	1,133	1,175
Short-term loans payable	1,601	1,470
Current portion of long-term loans payable	120	152
Income taxes payable	164	212
Provision for bonuses	27	41
Provision for product warranties	74	86
Other	763	846
Total current liabilities	3,883	3,985
Non-current liabilities		
Long-term loans payable	990	968
Retirement benefit liability	129	146
Other	58	54
Total non-current liabilities	1,177	1,170
Total liabilities	5,061	5,155
Net assets		
Shareholder's equity		
Capital stock	212	212
Capital surplus	261	261
Retained earnings	4,842	5,086
Treasury shares	(87)	(404)
Total shareholder's equity	5,230	5,155
Accumulated other comprehensive income		
Foreign currency translation adjustment	(103)	99
Remeasurements of defined benefit plans	(10)	(10)
Total accumulated other comprehensive income	(113)	89
Non-controlling interests	19	44
Total net assets	5,136	5,289
Total liabilities and net assets	10,198	10,444

(2) Consolidated quarterly income statements – second quarter

(Million yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Net sales	4,101	6,090
Cost of sales	2,585	3,467
Gross profit	1,516	2,622
Selling, general and administrative expenses	1,543	2,038
Operating profit (loss)	(27)	584
Non-operating income		
Interest income	0	0
Refund of import duty	3	-
Other	3	0
Total of non-operating income	7	1
Non-operating expense		
Interest expense	13	16
Sales discounts	9	8
Share of loss of entities accounted for using equity method	240	-
Foreign exchange losses	7	6
Tax dues	2	-
Other	1	0
Total of non-operating expense	274	31
Ordinary profit (loss)	(294)	554
Extraordinary income		
Gain on step acquisitions	178	-
Total of extraordinary income	178	-
Profit (loss) before income taxes	(116)	554
Income taxes	(53)	139
Profit (loss)	(62)	415
Profit (loss) attributable to non-controlling interests	(8)	23
Profit (loss) attributable to owners of parent	(53)	391

(3) Consolidated quarterly comprehensive income statements – second quarter

(Million yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Profit (loss)	(62)	415
Other comprehensive income		
Foreign currency translation adjustment	(13)	203
Remeasurements of defined benefit plans	1	0
Accounted for using equity method	3	–
Total other comprehensive income	(9)	204
Comprehensive income	(71)	619
Comprehensive income attributed to owners of parent	(63)	594
Comprehensive income attributable to non-controlling interests	(8)	25

(4) Consolidated quarterly cash flow statements – second quarter

(Million yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(116)	554
Depreciation	90	110
Amortization of goodwill	42	89
Increase (decrease) in provision for product warranties	(0)	12
Increase (decrease) in provision for bonus	5	9
Increase (decrease) in allowance for doubtful accounts	4	(6)
Increase (decrease) in defined benefit liability	(3)	3
Interest income	(0)	(0)
Interest expenses	13	16
Foreign exchange losses (gains)	(13)	13
Share of (profit) loss of entities accounted for using equity method	240	-
Loss on step acquisitions (gains)	(178)	-
Decrease (increase) in accounts receivable – trade	200	296
Decrease (increase) in inventory	277	(164)
Increase (decrease) in accounts payable – trade	122	(158)
Others	3	29
Subtotal	690	805
Interest and dividend income received	15	1
Interest expenses paid	(23)	(16)
Income tax paid	(11)	(198)
Net cash provided by (used in) operating activities	670	591
Cash flows from investing activities		
Decrease (increase) in long term deposit	(1)	32
Purchase of property, plant and equipment	(100)	(69)
Proceeds from sales of property, plant and equipment	-	3
Purchase of intangible asset	(10)	(1)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,072)	(285)
Others	0	1
Net cash provided by (used in) investing activities	(1,184)	(318)
Cash flows from financing activities		
Net increase (decrease) in short-term loan	460	(239)
Proceeds from long-term loans payable	1,200	-
Repayments of long-term loans payable	(30)	(75)
Repayments of lease obligations	(7)	(6)
Proceeds from disposal of treasury shares	-	15
Purchase of treasury shares	(69)	(426)
Cash dividends paid	(77)	(138)
Dividend payments to non-controlling shareholders	(618)	(4)
Net cash provided by (used in) financing activities	858	(876)
Effect of exchange rate change on cash and cash equivalents	(3)	93
Net increase (decrease) in cash and cash equivalents	340	(510)
Cash and cash equivalents at beginning of period	2,312	2,697
Cash and cash equivalents at end of period	2,653	2,186