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August 10, 2023

Consolidated Financial Results for the Six Months Ended June 30, 2023 (Under Japanese GAAP)

Company name: ZOOM CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 6694
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Scheduled date to file quarterly securities report: August 10, 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: Yes (for institutional investors and analysts (in Japanese only))

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

1. Consolidated financial results for the six months ended June 30, 2023 (from January 1, 2023 to June 30, 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	%
Six months ended								
June 30, 2023	8,318	47.0	287	—	268	—	(3)	—
June 30, 2022	5,658	(7.1)	(94)	—	(44)	—	(104)	—

Note: Comprehensive income For the six months ended June 30, 2023: ¥838 million [54.4%]
 For the six months ended June 30, 2022: ¥542 million [(12.3)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
June 30, 2023	(0.79)	—
June 30, 2022	(24.43)	—

Note: Although dilutive shares exist, diluted earnings per share are not stated as earnings per share were negative in the six months ended June 30, 2022 and the six months ended June 30, 2023.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2023	19,967	7,831	33.3
December 31, 2022	13,650	6,590	47.5

Reference: Equity
 As of June 30, 2023: ¥6,642 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	—	0.00			
Fiscal year ending December 31, 2023 (Forecast)			—	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	18,000	36.0	1,200	80.7	1,100	52.7	400	5.9	92.68

Note: Revisions to the forecast of consolidated financial results most recently announced: Yes

*** 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 June 30, 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 June 30, 2023	279,663 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)

Six months ended June 30 2023	4,297,023 shares
Six months ended June 30 2022	4,268,194 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.

The Company plans to hold a financial results meeting for institutional investors and analysts on August 16, 2023. The materials for this financial results meeting shall be posted on the Company's website after the meeting has been held as soon as possible.

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

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	2,171	3,238
Notes and accounts receivable- trade	2,109	1,804
Merchandise and finished goods	4,013	6,938
Raw materials and supplies	1,288	1,123
Other	1,278	1,039
Allowance for doubtful accounts	(18)	(55)
Current assets total	10,841	14,088
Non-currents assets		
Property, plant and equipment	647	1,501
Intangible assets		
Goodwill	1,374	3,490
Other	63	60
Intangible assets total	1,437	3,550
Investments and other assets		
Other	921	1,024
Allowance for doubtful accounts	(197)	(197)
Investments and other assets total	723	826
Non-current assets total	2,808	5,879
Assets total	13,650	19,967

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable-trade	1,080	1,943
Short-term loans payable	2,513	3,321
Current portion of long-term loans payable	177	500
Income taxes payable	41	98
Provision for bonuses	34	48
Provision for product warranties	54	109
Other	2,007	1,704
Current liabilities total	5,907	7,727
Non-current liabilities		
Long-term loans payable	897	3,213
Retirement benefit liability	145	164
Other	109	1,031
Non-current liabilities total	1,152	4,408
Liabilities total	7,060	12,135
Equity		
Shareholder's equity		
Capital stock	212	212
Capital surplus	261	261
Retained earnings	5,653	5,218
Treasury shares	(366)	(331)
Shareholder's equity total	5,761	5,360
Accumulated other comprehensive income		
Foreign currency translation adjustment	728	1,281
Remeasurements of defined benefit plans	0	0
Accumulated other comprehensive income total	728	1,282
Non-controlling interests	100	1,188
Equity total	6,590	7,831
Liabilities and equities total	13,650	19,967

(2) Consolidated income statements

(Millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Net sales	5,658	8,318
Cost of sales	3,543	5,060
Gross profit	2,115	3,257
Selling, general and administrative expenses	2,209	2,969
Operating profit (loss)	(94)	287
Non-operating income		
Interest income	0	11
Foreign exchange gains	44	65
Refund of import duty	17	12
Subsidy income	2	0
Other	0	2
Total of non-operating income	64	91
Non-operating expense		
Interest expense	14	47
Commission for syndicate loan-trade	-	62
Other	0	1
Total of non-operating expense	15	111
Ordinary profit (loss)	(44)	268
Extraordinary loss		
Loss on disposal of fixed assets	33	1
Total of extraordinary loss	33	1
Profit (loss) before income taxes	(77)	266
Income taxes	23	117
Profit (loss)	(101)	148
Profit attributable to non-controlling interests	3	151
Loss attributable to owners of parent	(104)	(3)

(3) Consolidated comprehensive income statements

(Millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Profit (loss)	(101)	148
Other comprehensive income		
Foreign currency translation adjustment	644	689
Remeasurements of defined benefit plans	(0)	0
Total other comprehensive income	643	689
Comprehensive income	542	838
Comprehensive income attributable to owners of parent	531	550
Comprehensive income attributable to non-controlling interests	11	287

(4) Consolidated cash flow statements

(Million yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	(77)	266
Depreciation	113	195
Amortization of goodwill	99	210
Increase (decrease) in provision for product warranties	(3)	1
Increase (decrease) in provision for bonus	(3)	13
Increase (decrease) in allowance for doubtful accounts	(1)	26
Increase (decrease) in retirement benefit liability	(1)	2
Interest income	(0)	(11)
Interest expenses	14	47
Foreign exchange losses (gains)	17	(46)
Loss on disposal of fixed assets	33	1
Decrease (increase) in accounts receivable - trade	511	1,105
Decrease (increase) in inventory	(884)	(991)
Decrease (increase) in accounts receivable - other	285	(270)
Other	(368)	710
Subtotal	(266)	1,262
Interest and dividend income received	0	11
Interest expenses paid	(17)	(46)
Income tax paid	(218)	(628)
Net cash provided by (used in) operating activities	(502)	598
Cash flows from investing activities		
Decrease (increase) in long term deposit	(4)	(3)
Purchase of property, plant and equipment	(76)	(54)
Proceeds from sales of property, plant and equipment	0	-
Purchase of intangible asset	(14)	(1)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(2,207)
Other	1	-
Net cash provided by (used in) investing activities	(94)	(2,266)
Cash flows from financing activities		
Net increase (decrease) in short-term loan	512	206
Proceeds from long-term loans payable	-	3,300
Repayments of long-term loan payable	(84)	(677)
Repayments of lease obligations	(5)	(31)
Proceeds from disposal of treasury shares	2	-
Purchase of treasury shares	(64)	-
Cash dividends paid	(217)	(213)
Net cash provided by (used in) financing activities	141	2,583
Effect of exchange rate change on cash and cash equivalents	141	242
Net increase (decrease) in cash and cash equivalents	(313)	1,157
Cash and cash equivalents at beginning of period	2,032	2,156
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(94)
Cash and cash equivalents at end of period	1,718	3,219