

WE'RE FOR CREATORS™

**FY2021/12 3Q**  
**Supplemental Material for**  
**Financial Results Briefing**

November 9, 2021



**ZOOM CORPORATION**

Note: Forward-looking statements included in this document have been prepared by the Company based on information currently available and on certain assumptions considered reasonable. They involve inherent risks and uncertainties. Actual results may vary considerably because of various factors.

**Sales and profit both greatly grew Y o Y**

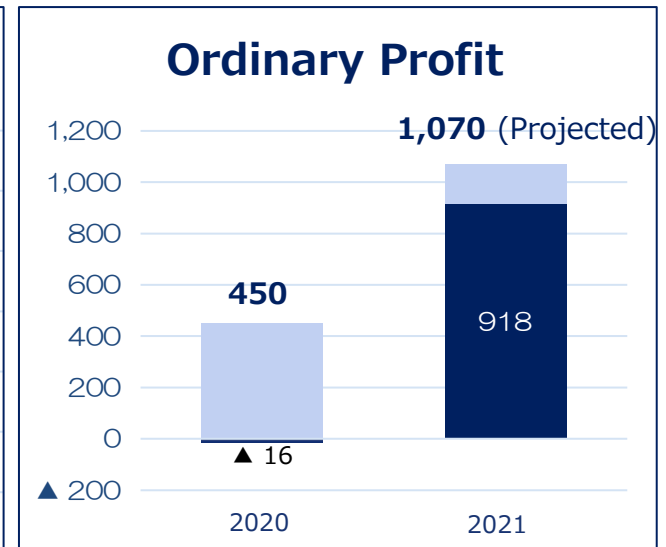
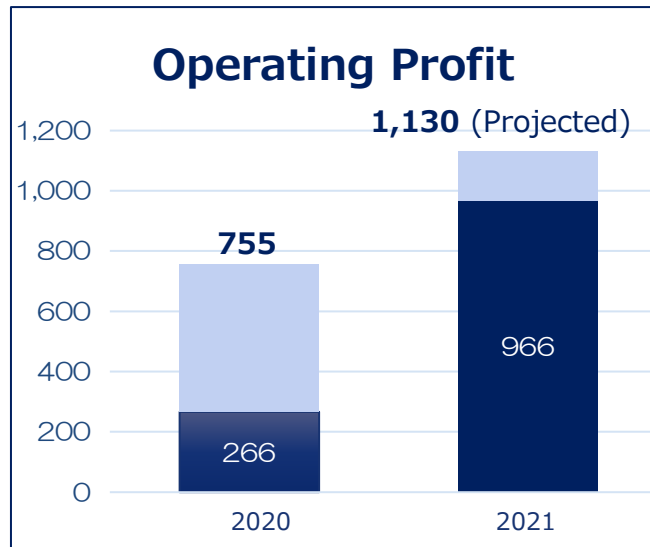
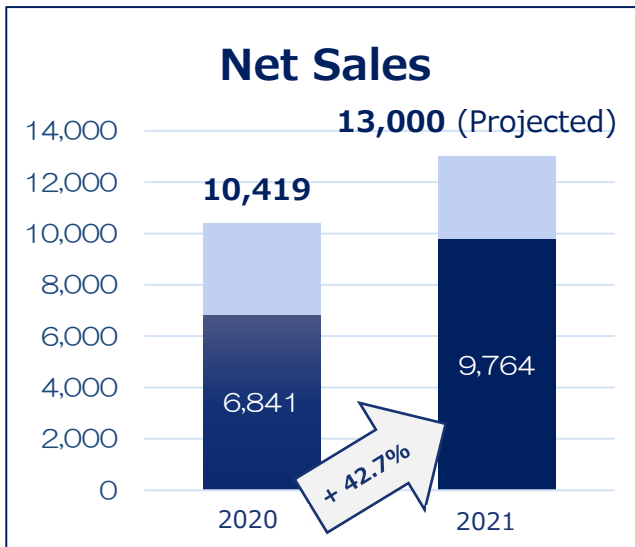
## Consolidated financial results through FY2021 3Q

Net sales: 9,764 million yen (+2,923 million yen YoY)  
 Operating profit: 966 million yen (+699 million yen YoY)  
 Ordinary profit : 918 million yen (+935 million yen YoY)

- In addition to making and HookUp, Inc. (referred to as HookUp) consolidated subsidiaries, demand for our products regarding music distribution etc. remains strong, and sales and profit both grew.
- Results for 3Q (nine months) were higher than operating profit(755 million yen) and ordinary profit(450 million yen) through FY 2020

■ 3 Q ■ Annual

(Million yen)

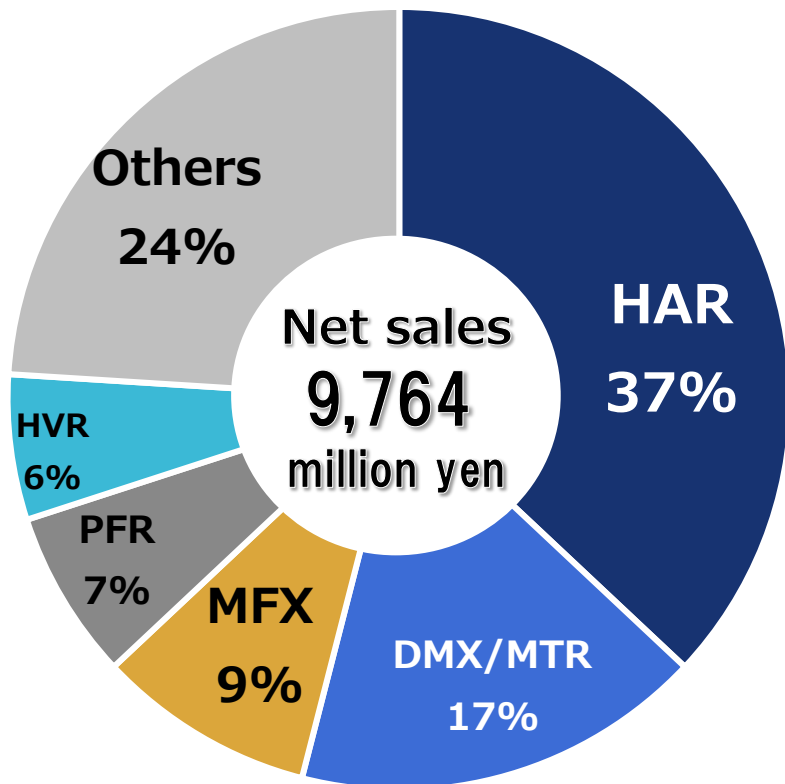


# Consolidated income statement for FY2021 3Q (summary)

(Million yen)

	FY 2020/12 Cumulative results through 3Q	FY 2021/12 Cumulative results through 3Q	Change	Remarks
<b>Net sales</b>	6,841	9,764	2,923	- Demand for our products remains strong - The income statement includes results from HookUp beginning with 2Q (six months) - Responses to the October 2020 fire at a supplier plant are proceeding on schedule
<b>Gross profit (Gross profit margin)</b>	2,755 (40.3%)	4,168 (42.7%)	1,412	- Gross profit margin improved thanks to making ZOOM North America, LLC (referred to as ZNA), our distributor in the North American region, a subsidiary
<b>Operating profit (Operating profit margin)</b>	266 (3.9%)	966 (9.9%)	699	- 3Q (July-September) R&D expenses were up 139 million yen from 1Q (January-March). Shifting engineering resources from responding to the plant fire to new-product development
<b>Ordinary profit (Ordinary profit margin)</b>	- 16 (- 0.2%)	918 (9.4%)	935	- In the same period last year, 240 million yen were recorded as investment loss accounted for using equity method, filing by ZOOM UK Distribution LTD (referred to as ZUK) for administration under bankruptcy law.
<b>Quarterly net profit attributable to owners of the parent (Quarterly net profit margin)</b>	105 (1.5%)	631 (6.5%)	526	- In the same period last year, 178 million yen in extraordinary gains was recorded as gain on step acquisitions from fair-market valuation of the equity stake in ZNA prior to making it a consolidated subsidiary.
<b>EBITDA</b>	248	1,267	1,018	EBITDA = Operating profit + * Depreciation + share of profit/loss of entities accounted for using equity method
<b>Depreciation</b>	* 224	* 301	76	* Includes 135 million yen in amortization of goodwill (vs. 80 million yen in the previous year)
<b>R &amp; D expenses</b>	817	1,034	217	
<b>Foreign exchange gains/losses</b>	- 13	- 13	- 0	
<b>Average exchange rate (yen/USD)</b>	107.5 yen	108.4 yen	+0.9 yen	

## Net sales by product category



Category

HAR: Handy Audio Recorders

DMX/MTR: Digital Mixer/Multi Track Recorders

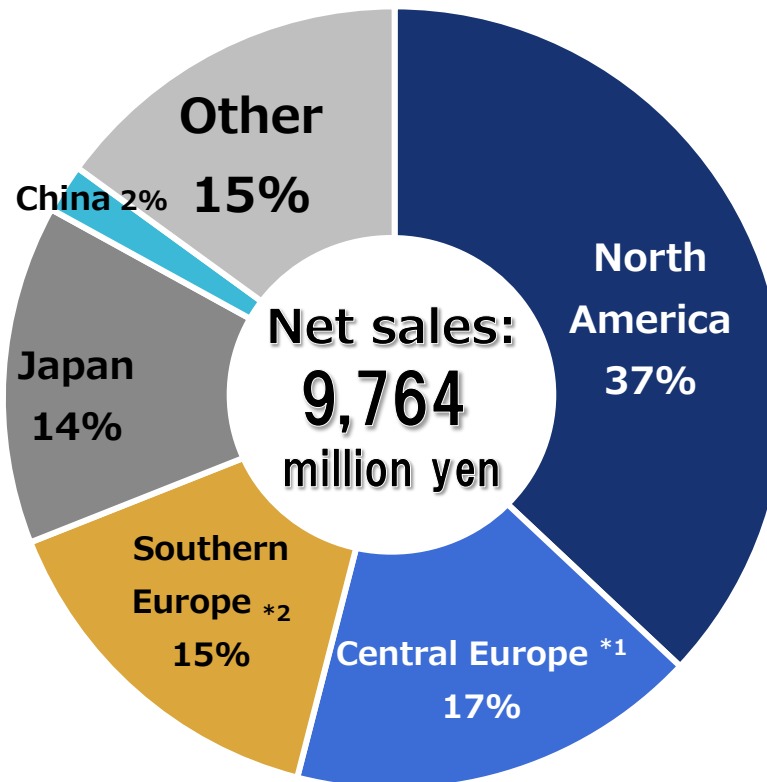
MFX: Multi-Effects

PFR: Professional Field Recorders

HVR: Handy Video Recorders

Others: Brands handled by Mogar, brands handled by HookUp and others

## Net sales by region



\*1 Central Europe includes Germany, the UK, the three Benelux states, Austria, Poland, the Czech Republic, Slovakia, the three Baltic states, and other countries.

\*2 Southern Europe includes Italy, France, Spain, and Portugal

# FY2021 3Q net sales by product category



Demand for recorders and digital mixers, which increased due to COVID-19, remain strong

(Million yen)

	FY 2020/12 Cumulative results through 3Q	FY 2021/12 Cumulative results through 3Q	Change	Main factors behind changes in net sales
<b>Handheld audio recorders (HAR)</b>	3,065	3,628	562	- Effects of the new H8 product introduced in the second half of last year - Responses to the fire at a supplier plant are proceeding on schedule, and there has been no major impact on production at subcontractor plants
<b>Digital mixers/multitrack recorders (DMX/MTR)</b>	715	1,621	906	- Sales increased for the P4 and P8, which are well suited for recording podcasts, and for the L series, used for live streaming and recording.
<b>Multi-effects *1 (MFX)</b>	789	926	137	- Strong sales of the G1 Four series - Effects of the new G6 product introduced in the second half of last year
<b>Professional field recorders (PFR)</b>	422	718	296	- Demand is in a recovering trend as outdoor activities continue to resume - Effects of the new F2 and F2-BT products introduced in the second half of last year
<b>Handheld video recorders (HVR)</b>	591	590	- 0	- Demand remains strong for uses such as web conferencing and on line lessons - Down YoY as a rebound from rapid growth in demand for uses such as web conferencing as working from home spread due to COVID-19 in the same period last year
<b>Others *1</b>	748	918	170	- Effects of the new ZDM-1PMP microphone pack product for podcast use introduced last year - Effects of the new V3 vocal effects processor product introduced in the second half of last year
<b>Brands handled by Mogar</b>	508	589	80	- While sales decreased in the same period last year due to the effects of lockdowns in southern Europe, demand is in a recovering trend due to normalization of economic activities as vaccination spreads
<b>Brands handled by HookUp</b>	—	770	770	- Sales were recorded of products from other companies' brands handled by HookUp, as a result of consolidation from this second quarter
<b>Total</b>	6,841	9,764	2,923	

\*1 Our vocal effects processors (V3 and V6), which were included under multi-effects through the previous consolidated fiscal year, have been shifted to another category (Others).

# FY2021 3Q net sales by region



Sales jumped from making ZNA and HookUp, Inc. consolidated subsidiaries.

(Million yen)

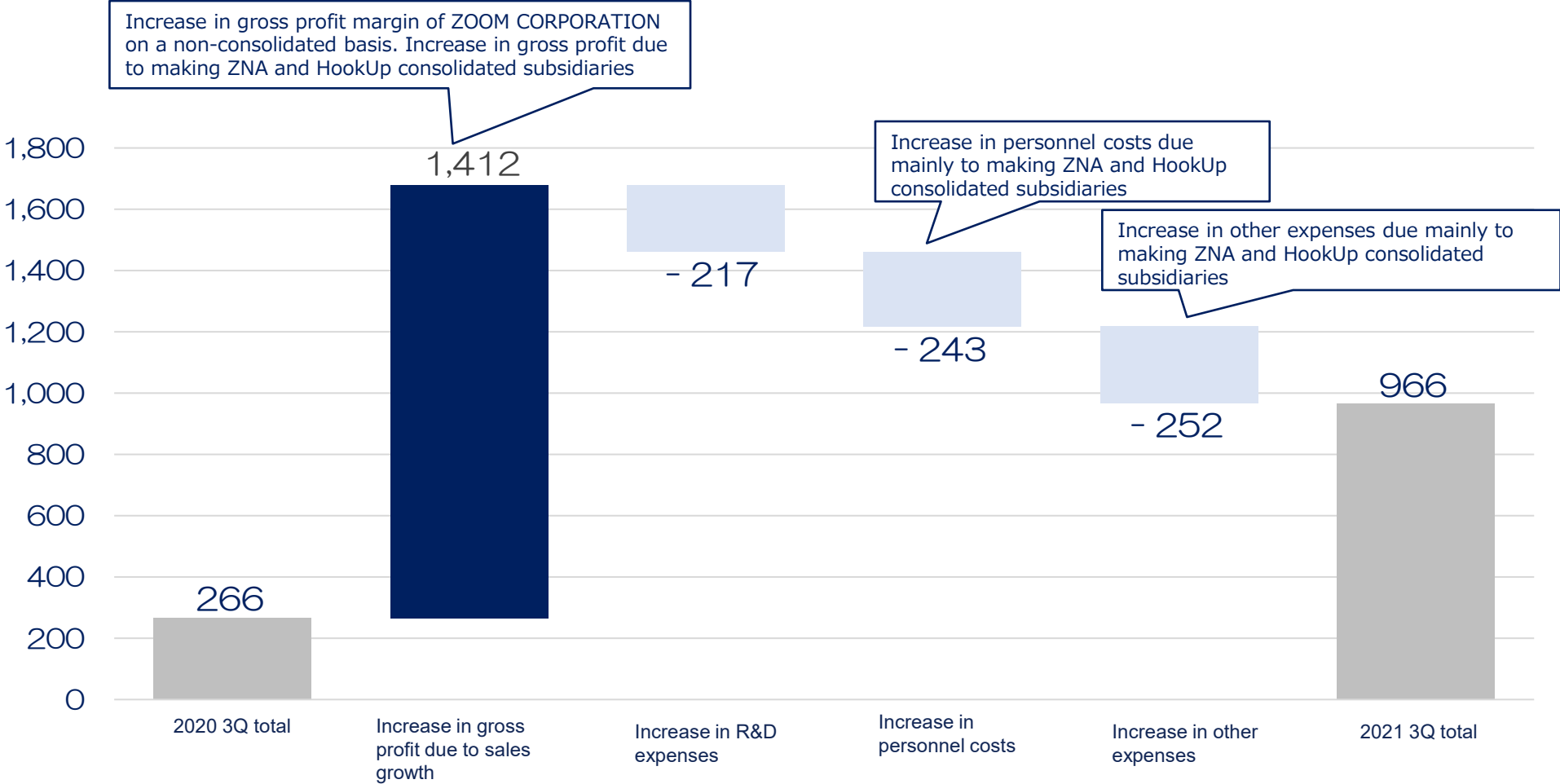
	FY 2020/12 Cumulative results through 3Q	FY 2021/12 Cumulative results through 3Q	Change	Main factors behind changes in net sales
<b>North America</b>	<u>2,655</u>	3,620	965	<ul style="list-style-type: none"> <li>- Sales increase from making ZNA a consolidated subsidiary from April 2020</li> <li>- HAR shows firm sales.</li> <li>- Positive sales of products for podcasting use (P4, P8, and ZDM1- PMP)</li> <li>- Recovery of PFR as broadcasting products</li> <li>- Strong sales of the V3 at musical instrument stores introduced in the second half of last year</li> </ul>
<b>Central Europe *1</b>	1,086	1,682	596	<ul style="list-style-type: none"> <li>- Strong sales of HAR, HVR, and PFR in Germany</li> <li>- Sales to the UK increased as a rebound from decreased sales due to the filing by ZUK under bankruptcy law in the same period of last year</li> </ul>
<b>Southern Europe *2</b>	1,184	1,499	315	<ul style="list-style-type: none"> <li>- Strong sales of HAR and HVR in France</li> <li>- Strong sales of MFX and L series at musical instrument stores</li> <li>- Strong sales of the new P4, P8, F2, F2BT, and V3 products introduced in the second half of last year</li> </ul>
<b>Japan</b>	655	1,403	747	<ul style="list-style-type: none"> <li>- Firm sales of HAR, whereas there was a reactionary decline in sales of AIF and MFX</li> <li>- Sales were recorded of products from other companies' brands handled by HookUp (770M)</li> </ul>
<b>China</b>	197	198	0	
<b>Russia</b>	70	158	88	<ul style="list-style-type: none"> <li>- Recovery of HAR and MFX</li> <li>- Buoyant sales of the new P4, P8, and V3 products introduced in the second half of last year</li> </ul>
<b>U.A.E.</b>	85	120	35	<ul style="list-style-type: none"> <li>- Buoyant sales of the H8 product introduced in the second half of last year</li> </ul>
<b>Australia</b>	126	119	- 6	
<b>Others</b>	<u>779</u>	960	181	<ul style="list-style-type: none"> <li>- Taiwan +69, Republic of Korea +35, Brazil +19</li> </ul>
<b>Total</b>	6,841	9,764	2,923	

Underlines indicate revisions to the figures shown in the supplemental material issued for the briefing on financial results on November 10, 2020.

\*1 Central Europe includes Germany, the UK, the three Benelux states, Austria, Poland, the Czech Republic, Slovakia, the three Baltic states, and other countries.

\*2 Southern Europe includes Italy, France, Spain, and Portugal

Analysis of changes in operating profit (million yen)



# FY2021 3Q Consolidated Balance Sheet (summary)

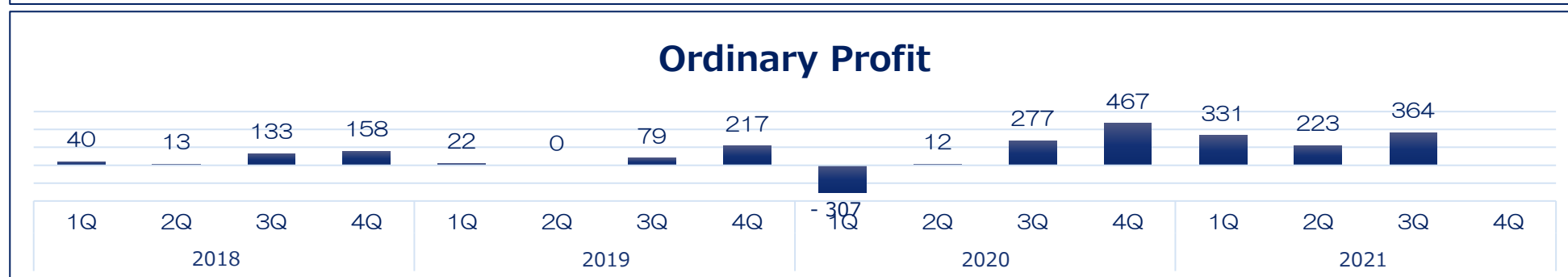
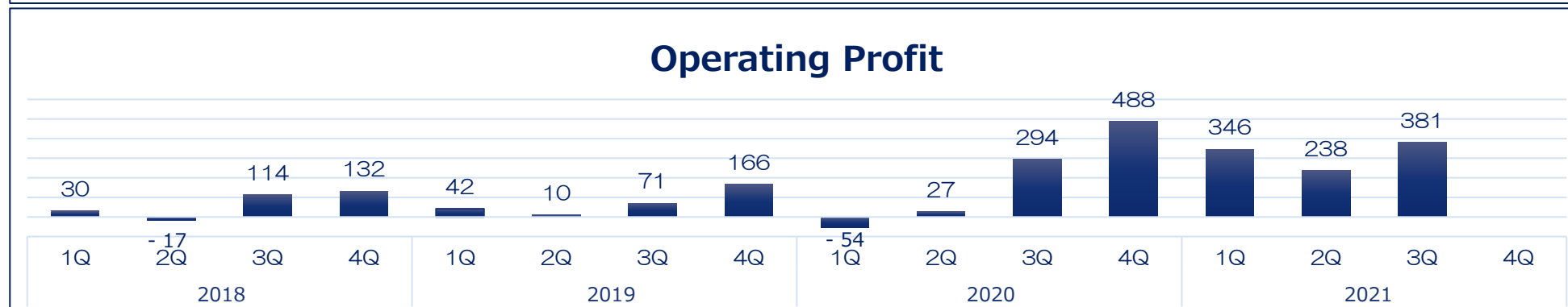
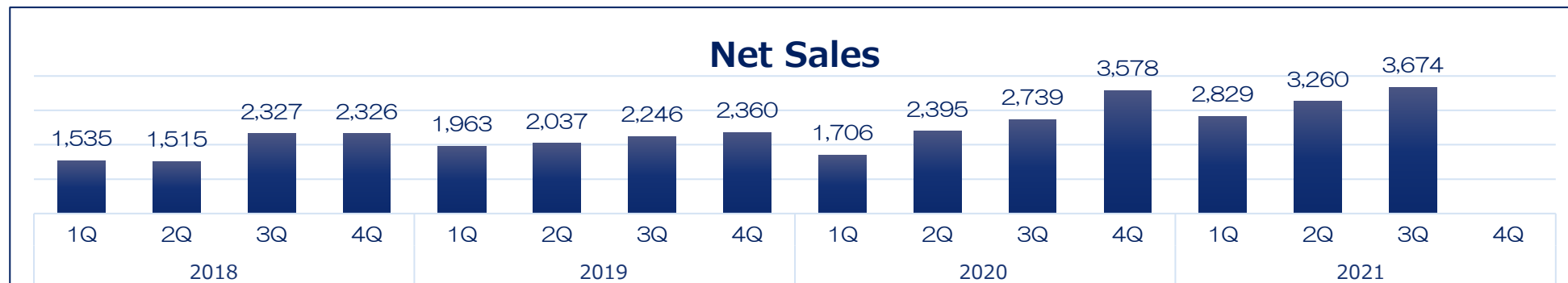


(Million yen)

	End of FY 2020/12	End of FY 2021 3Q	Change	Main factors behind changes
<b>Current assets</b>	<b>7,661</b>	<b>8,061</b>	<b>399</b>	
Cash and deposits	2,731	2,076	- 654	426M in expenditure on acquisition of treasury stock
Accounts receivable-trade	1,658	1,945	286	
Merchandise and finished goods	2,516	3,162	646	Inventories increased respectively: ZNA up 421 million and Mogar up 235 million from the inventory accumulation for year-end shopping season
<b>Non-current assets</b>	<b>2,536</b>	<b>2,814</b>	<b>277</b>	
Property, plant, and equipment	526	524	- 2	
Intangible fixed assets	1,393	1,479	85	Goodwill increased by 101M due to making HookUp a consolidated subsidiary
Investments and other assets	616	810	194	Mainly an increase of 116M in deferred tax assets
<b>Total assets</b>	<b>10,198</b>	<b>10,875</b>	<b>677</b>	
<b>Current liabilities</b>	<b>3,883</b>	<b>4,004</b>	<b>120</b>	
Accounts payable-trade	1,133	1,346	213	Purchase increase for the year-end shopping season
Short-term loans payable	1,601	1,442	- 159	Partial repayment of loans intended for working capital
<b>Non-current liabilities</b>	<b>1,177</b>	<b>1,284</b>	<b>107</b>	
<b>Total liabilities</b>	<b>5,061</b>	<b>5,289</b>	<b>227</b>	
<b>Capital stock</b>	<b>212</b>	<b>212</b>	<b>-</b>	
<b>Total net assets</b>	<b>5,136</b>	<b>5,586</b>	<b>449</b>	310M decrease due to an increase in treasury stock, 477M increase in retained earnings due to recording of quarterly net profit and other factors, 240M increase in foreign currency translation adjustment
<b>Total liabilities and net assets</b>	<b>10,198</b>	<b>10,875</b>	<b>677</b>	



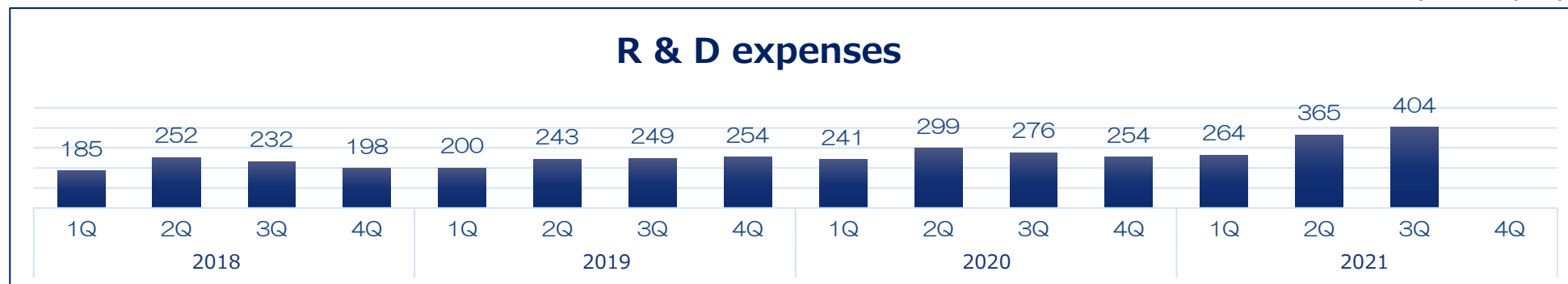
(Million yen)



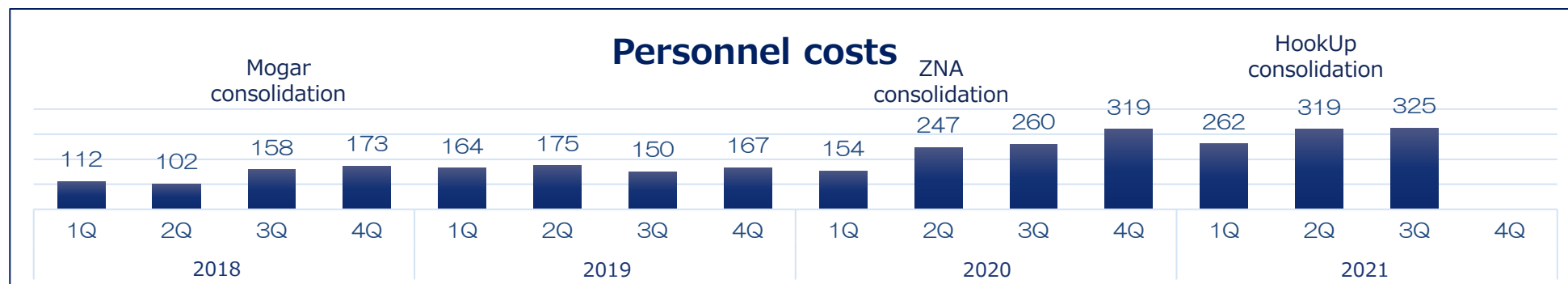
Normally sales and profit shows an increasing trend for 4Q, effects caused by a lack of semiconductors are expected for the 4Q reporting period.

(Million yen)

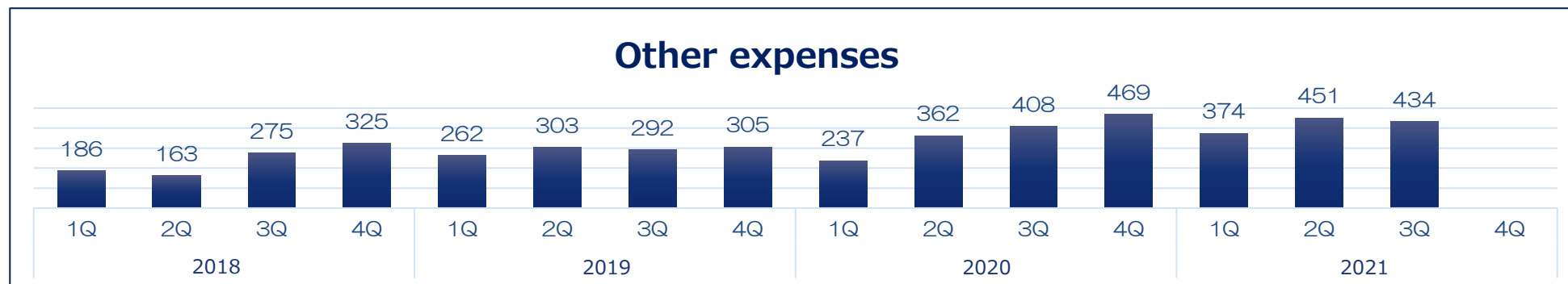
## R &amp; D expenses



## Personnel costs



## Other expenses



R&D expenses in the reporting period are expected to peak in the 3Q due to the delay of new product development caused by response to fire at a supplier plant.

**Both sales and profit are projected to grow YoY (No change in the consolidated results estimate announced August 12, 2021)**

- FY 2021/12, a substantial increase in sales and profits will be expected YoY
- However, the 4Q results are highly uncertain due to the expectation of the product supply delay caused by a lack of semiconductors.

(Million yen)

	FY 2020/12 Results	FY 2021/12				
		Forecast	Change	Rate of change	Cumulative 3Q results	Rate of achievement
<b>Net sales</b>	10,419	13,000	+2,580	+24.8%	9,764	75%
<b>Operating profit</b>	755	1,130	+374	+49.6%	966	86%
<b>Ordinary profit</b>	450	1,070	+619	+137.3%	918	86%
<b>Net profit attributable to owners of the parent</b>	502	730	+227	+45.2%	631	87%
<b>EBITDA</b>	823	1,540	+716	+87.0%	1,267	82%

<b>Net profit per share</b>	223.57 yen	340.92 yen	+117.4 yen	+52.5%
<b>Dividends per share</b>	62 yen	102 yen	+40 yen	+64.5%
<b>Payout ratio</b>	27.7%	29.9%	-	-
<b>Exchange rate (yen/USD)</b>	106.8 yen	105.0 yen	-	-

Sensitivity to exchange rates (effects of changes in exchange rates on annual income): An increase (decrease) of one yen in the value of the yen in foreign exchange would lead to a decrease (increase) of approximately 21 million yen in operating profit.

# FY 2021/12 sales projections by consolidation category



(Million yen)

	FY 2020/12 Results	FY 2021/12				
		Forecast	Change	Rate of change	Cumulative 3Q results	Rate of achievement
Handheld audio recorders (HAR)	4,496	4,534	+37	+0.8%	3,628	80%
Digital mixers/multitrack recorders (DMX/MTR)	1,371	2,286	+914	+66.7%	1,621	71%
Multi-effects <sup>*1</sup> (MFX)	1,118	1,356	+237	+21.3%	926	68%
Professional field recorders (PFR)	680	985	+304	+44.8%	718	73%
Handheld video recorders (HVR)	1,028	636	- 391	- 38.1%	590	93%
Others <sup>*1</sup>	1,032	1,391	+358	+34.8%	918	66%
Brands handled by Mogar	691	745	+54	+7.8%	589	79%
Brands handled by HookUp	–	1,064	+1,064	–	770	72%
<b>Total</b>	<b>10,419</b>	<b>13,000</b>	<b>+2,580</b>	<b>+24.8%</b>	<b>9,764</b>	<b>75%</b>

\*1 Our vocal effects processors (V3 and V6), which were included under multi-effects through the previous consolidated fiscal year, have been shifted to another category (Others).

Zoom Corporation has official accounts of Twitter and Facebook for the investors' information.

They provide the latest issues that include our press releases and updates, as well as information from the Financial Results Briefing. If you have Twitter or Facebook account, please follow us and share our posts. Thank you.



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User name:	@ZOOMCORPIR



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