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May 13, 2024

Consolidated Financial Results for the Three Months Ended March 31, 2024 (Under Japanese GAAP)

Company name: ZOOM CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 6694
 URL: <https://www.zoom.co.jp/>
 Representative: Shunsuke Kudoh, CEO
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 Scheduled date to file quarterly securities report: May 15, 2024
 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: None

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

1. Consolidated financial results for the three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)

(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 | % |
| Three months ended | | | | | | | | |
| March 31, 2024 | 3,978 | 4.5 | 55 | (30.2) | 32 | 78.6 | (78) | — |
| March 31, 2023 | 3,808 | 36.2 | 78 | — | 18 | — | (87) | — |

Note: Comprehensive income For the three months ended March 31, 2024: ¥392 million [653.5%]
 For the three months ended March 31, 2023: ¥52 million [(68.3)%]

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Three months ended | | |
| March 31, 2024 | (18.18) | — |
| March 31, 2023 | (20.40) | — |

Note: In the fiscal year ended December 31, 2023, the Company finalized the provisional accounting treatment for business combinations, and each figure for the three months ended March 31, 2023 of the fiscal year ending December 31, 2023 reflects the details of the finalization of the provisional accounting treatment.

Although dilutive shares exist, diluted earnings per share are not stated as earnings per share were negative in the three months ended March 31, 2023 and the three months ended March 31, 2024.

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|-------------------|-----------------|-----------------|-----------------------|
| | Millions of yen | Millions of yen | % |
| As of | | | |
| March 31, 2024 | 19,233 | 8,186 | 35.4 |
| December 31, 2023 | 19,260 | 7,923 | 34.6 |

Reference: Equity
 As of March 31, 2024: ¥6,815 million
 As of December 31, 2023: ¥6,662 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, 2023 | — | 0.00 | — | 30.00 | 30.00 |
| Fiscal year ending December 31, 2024 | — | | | | |
| Fiscal year ending December 31, 2024 (Forecast) | | 0.00 | — | 31.00 | 31.00 |

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, 2024 (from January 1, 2024 to December 31, 2024)

| | 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 | 17,500 | (2.2) | 1,140 | 98.7 | 1,060 | 63.2 | 400 | 349.7 | 92.47 |

Note: Revisions to the forecast of consolidated financial results most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (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: None
 - (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 March 31, 2024 | 4,594,824 shares |
| As of December 31, 2023 | 4,594,824 shares |

- (ii) Number of treasury shares at the end of the period

| | |
|-------------------------|----------------|
| As of March 31, 2024 | 269,163 shares |
| As of December 31, 2023 | 269,163 shares |

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|-----------------------------------|------------------|
| Three months ended March 31, 2024 | 4,325,661 shares |
| Three months ended March 31, 2023 | 4,286,657 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.

Contents of the Attached Materials

1. Consolidated financial statements

(1) Consolidated balance sheets

(2) Consolidated income statements

(3) Consolidated comprehensive income statements

1. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

| | As of December 31, 2023 | As of March 31, 2024 |
|--------------------------------------|----------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,847 | 3,385 |
| Notes and accounts receivable- trade | 2,267 | 1,739 |
| Merchandise and finished goods | 6,668 | 6,822 |
| Raw materials and supplies | 1,106 | 1,137 |
| Other | 892 | 626 |
| Allowance for doubtful accounts | (60) | (64) |
| Current assets total | 13,721 | 13,646 |
| Non-currents assets | | |
| Property, plant and equipment | 1,491 | 1,478 |
| Intangible assets | | |
| Goodwill | 3,241 | 3,279 |
| Other | 46 | 49 |
| Intangible assets total | 3,287 | 3,329 |
| Investments and other assets | | |
| Other | 961 | 787 |
| Allowance for doubtful accounts | (201) | (9) |
| Investments and other assets total | 759 | 778 |
| Non-current assets total | 5,538 | 5,587 |
| Assets total | 19,260 | 19,233 |

(Millions of yen)

| | As of December 31, 2023 | As of March 31, 2024 |
|--|----------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable-trade | 1,396 | 1,162 |
| Short-term loans payable | 3,410 | 3,692 |
| Current portion of long-term loans payable | 495 | 495 |
| Short-term lease liabilities | 95 | 100 |
| Income taxes payable | 115 | 63 |
| Provision for bonuses | 32 | 65 |
| Provision for product warranties | 79 | 78 |
| Other | 1,519 | 1,294 |
| Current liabilities total | 7,143 | 6,953 |
| Non-current liabilities | | |
| Long-term loans payable | 2,966 | 2,846 |
| Long-term lease liabilities | 957 | 970 |
| Retirement benefit liability | 167 | 172 |
| Other | 101 | 104 |
| Non-current liabilities total | 4,193 | 4,094 |
| Liabilities total | 11,336 | 11,047 |
| Equity | | |
| Shareholder's equity | | |
| Capital stock | 212 | 212 |
| Capital surplus | 261 | 261 |
| Retained earnings | 5,302 | 5,093 |
| Treasury shares | (316) | (316) |
| Shareholder's equity total | 5,460 | 5,251 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | 1,201 | 1,562 |
| Remeasurements of defined benefit plans | 1 | 1 |
| Accumulated other comprehensive income total | 1,202 | 1,563 |
| Non-controlling interests | 1,260 | 1,370 |
| Equity total | 7,923 | 8,186 |
| Liabilities and equities total | 19,260 | 19,233 |

(2) Consolidated income statements

(Millions of yen)

| | Three months ended March 31, 2023 | Three months ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Net sales | 3,808 | 3,978 |
| Cost of sales | 2,319 | 2,373 |
| Gross profit | 1,488 | 1,604 |
| Selling, general and administrative expenses | 1,409 | 1,549 |
| Operating profit | 78 | 55 |
| Non-operating income | | |
| Interest income | 1 | 9 |
| Foreign exchange gains | 7 | - |
| Refund of import duty | 12 | - |
| Recoveries of written off receivables | - | 3 |
| Other | 1 | 1 |
| Total of non-operating income | 22 | 14 |
| Non-operating expense | | |
| Interest expense | 18 | 21 |
| Foreign exchange losses | - | 14 |
| Commission for syndicate loan-trade | 62 | 0 |
| Other | 1 | 0 |
| Total of non-operating expense | 82 | 36 |
| Ordinary profit | 18 | 32 |
| Extraordinary loss | | |
| Loss on disposal of fixed assets | - | 0 |
| Other | - | 0 |
| Total of extraordinary loss | - | 0 |
| Profit before income taxes | 18 | 32 |
| Income taxes | 32 | 53 |
| loss | (13) | (20) |
| Profit attributable to non-controlling interests | 73 | 57 |
| loss attributable to owners of parent | (87) | (78) |

(3) Consolidated comprehensive income statements

(Millions of yen)

| | Three months ended March 31, 2023 | Three months ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| loss | (13) | (20) |
| Other comprehensive income | | |
| Foreign currency translation adjustment | 65 | 413 |
| Remeasurements of defined benefit plans | 0 | 0 |
| Total other comprehensive income | 65 | 413 |
| Comprehensive income | 52 | 392 |
| Comprehensive income attributable to owners of parent | (69) | 282 |
| Comprehensive income attributable to non-controlling interests | 121 | 110 |