

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 14, 2024

Consolidated Financial Results for the Six Months Ended June 30, 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
 Inquiries: Tatsuzo Yamada, CFO
 Telephone: +81-3-5297-1001

Scheduled date to file quarterly securities report: August 14, 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: 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, 2024 (from January 1, 2024 to June 30, 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	%
Six months ended								
June 30, 2024	8,226	(1.1)	58	(79.6)	14	(94.8)	(264)	—
June 30, 2023	8,318	47.0	287	—	267	—	(3)	—

Note: Comprehensive income For the six months ended June 30, 2024: ¥722 million [(13.8)%]
 For the six months ended June 30, 2023: ¥838 million [54.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
June 30, 2024	(60.98)	—
June 30, 2023	(0.87)	—

Note: In the fiscal year ended December 31, 2023, the Company finalized the provisional accounting treatment for business combinations, and each figure for the six months ended June 30, 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 six months ended June 30, 2023 and the six months ended June 30, 2024.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2024	20,012	8,546	35.4
December 31, 2023	19,260	7,923	34.6

Reference: Equity
 As of June 30, 2024: ¥7,086 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	—	0.00			
Fiscal year ending December 31, 2024 (Forecast)			—	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)	730	27.3	640	(1.5)	30	(66.3)	6.89

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): 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 June 30, 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 June 30, 2024	238,663 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)

Six months ended June 30, 2024	4,336,424 shares
Six months ended June 30, 2023	4,297,023 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 21, 2024. 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, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	2,847	3,205
Notes and accounts receivable- trade	2,267	1,874
Merchandise and finished goods	6,668	7,501
Raw materials and supplies	1,106	1,116
Other	892	777
Allowance for doubtful accounts	(60)	(68)
Current assets total	13,721	14,406
Non-currents assets		
Property, plant and equipment	1,491	1,502
Intangible assets		
Goodwill	3,241	3,344
Other	46	59
Intangible assets total	3,287	3,404
Investments and other assets		
Other	961	707
Allowance for doubtful accounts	(201)	(9)
Investments and other assets total	759	698
Non-current assets total	5,538	5,605
Assets total	19,260	20,012

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable-trade	1,396	1,653
Short-term loans payable	3,410	3,816
Current portion of long-term loans payable	495	496
Short-term lease liabilities	95	108
Income taxes payable	115	73
Provision for bonuses	32	49
Provision for product warranties	79	75
Other	1,519	1,172
Current liabilities total	7,143	7,447
Non-current liabilities		
Long-term loans payable	2,966	2,727
Long-term lease liabilities	957	999
Retirement benefit liability	167	181
Other	101	108
Non-current liabilities total	4,193	4,017
Liabilities total	11,336	11,465
Equity		
Shareholder's equity		
Capital stock	212	212
Capital surplus	261	261
Retained earnings	5,302	4,902
Treasury shares	(316)	(280)
Shareholder's equity total	5,460	5,096
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,201	1,988
Remeasurements of defined benefit plans	1	1
Accumulated other comprehensive income total	1,202	1,989
Non-controlling interests	1,260	1,460
Equity total	7,923	8,546
Liabilities and equities total	19,260	20,012

(2) Consolidated income statements

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	8,318	8,226
Cost of sales	5,060	4,956
Gross profit	3,257	3,269
Selling, general and administrative expenses	2,970	3,210
Operating profit	287	58
Non-operating income		
Interest income	11	24
Foreign exchange gains	65	-
Refund of import duty	12	-
Subsidy income	0	-
Recoveries of written off receivables	-	3
Other	2	1
Total of non-operating income	91	29
Non-operating expense		
Interest expense	47	44
Foreign exchange losses	-	28
Commission for syndicate loan-trade	62	0
Other	1	0
Total of non-operating expense	111	74
Ordinary profit	267	14
Extraordinary loss		
Loss on disposal of fixed assets	1	0
Other	-	0
Total of extraordinary loss	1	0
Profit before income taxes	265	14
Income taxes	117	206
Profit (loss)	148	(192)
Profit attributable to non-controlling interests	151	72
loss attributable to owners of parent	(3)	(264)

(3) Consolidated comprehensive income statements

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
loss	148	(192)
Other comprehensive income		
Foreign currency translation adjustment	690	913
Remeasurements of defined benefit plans	0	1
Total other comprehensive income	690	914
Comprehensive income	838	722
Comprehensive income attributable to owners of parent	550	522
Comprehensive income attributable to non-controlling interests	287	200

(4) Consolidated cash flow statements

(Million yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	265	14
Depreciation	195	168
Amortization of goodwill	210	235
Increase (decrease) in provision for product warranties	3	(3)
Increase (decrease) in provision for bonus	13	16
Increase (decrease) in allowance for doubtful accounts	26	(191)
Increase (decrease) in retirement benefit liability	2	(0)
Interest income	(11)	(24)
Interest expenses	47	44
Foreign exchange losses (gains)	(46)	(38)
Loss on disposal of fixed assets	1	0
Decrease (increase) in accounts receivable - trade	1,105	616
Decrease (increase) in inventory	(991)	(279)
Increase (decrease) in accounts payable - trade	(270)	86
Other	708	(304)
Subtotal	1,262	339
Interest and dividend income received	11	24
Interest expenses paid	(46)	(39)
Income tax refund (Income tax paid)	(628)	74
Net cash provided by (used in) operating activities	598	399
Cash flows from investing activities		
Decrease (increase) in long term deposit	(3)	(3)
Purchase of property, plant and equipment	(54)	(91)
Purchase of intangible asset	(1)	(25)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(2,207)	-
Other	-	0
Net cash provided by (used in) investing activities	(2,266)	(119)
Cash flows from financing activities		
Net increase (decrease) in short-term loan	206	308
Proceeds from long-term loans payable	3,300	-
Repayments of long-term loan	(677)	(249)
Repayments of lease obligations	(31)	(37)
Proceeds from disposal of treasury shares	-	0
Cash dividends paid	(213)	(129)
Net cash provided by (used in) financing activities	2,583	(108)
Effect of exchange rate change on cash and cash equivalents	242	183
Net increase (decrease) in cash and cash equivalents	1,157	354
Cash and cash equivalents at beginning of period	2,156	2,826
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(94)	-
Cash and cash equivalents at end of period	3,219	3,180