

WE'RE FOR CREATORS™

FY 2022/12 3Q
Supplemental Material for
Financial Results Briefing

November 8, 2022

zoom®

ZOOM Corporation

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

Operating profit and ordinary profit were positive due to a recovery trend in sales and effect of devaluation of the yen despite YoY decrease in sales and profits.

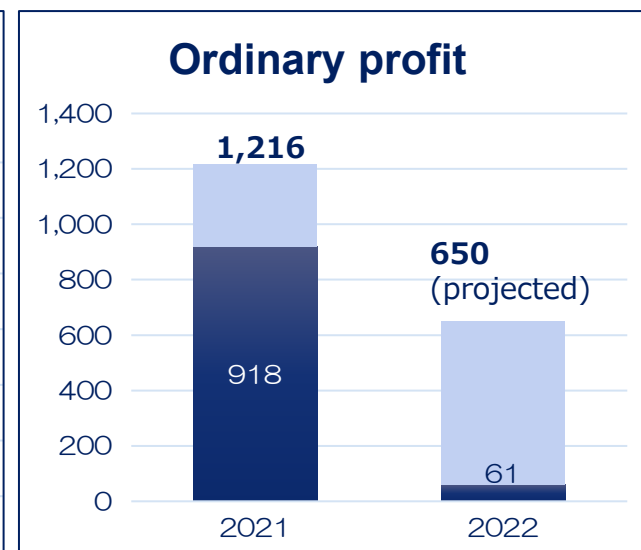
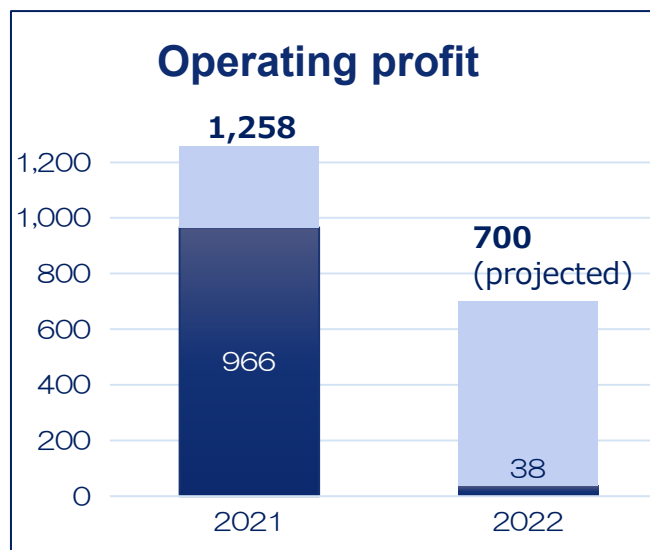
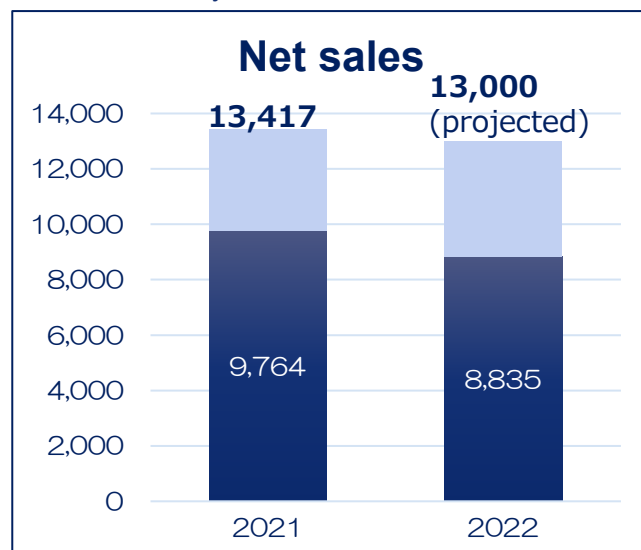
Consolidated financial results through FY2022 3Q

Net sales: 8,835 million yen (-928 million yen YoY)
 Operating profit: 38 million yen (-928 million yen YoY)
 Ordinary profit : 61 million yen (-857 million yen YoY)

- Net sales decreased YoY mainly because of inventory adjustment by some dealer and a supply shortage of fast-selling products resulting from a supply shortage of semiconductors. In addition, profits decreased YoY because products other than ZOOM products with low gross profit margin (brands offered by Mogar and offered by HookUp) increased market share and products other than Zoom products decreased the gross profit margin because of the appreciation of the dollar.
- For 3Q, operating profit and ordinary profit were in the positive zone because of increased shipments resulting from resolution of excess inventory of dealers and effect of devaluation of the yen.

■ 3Q ■ Full year

(Million yen)



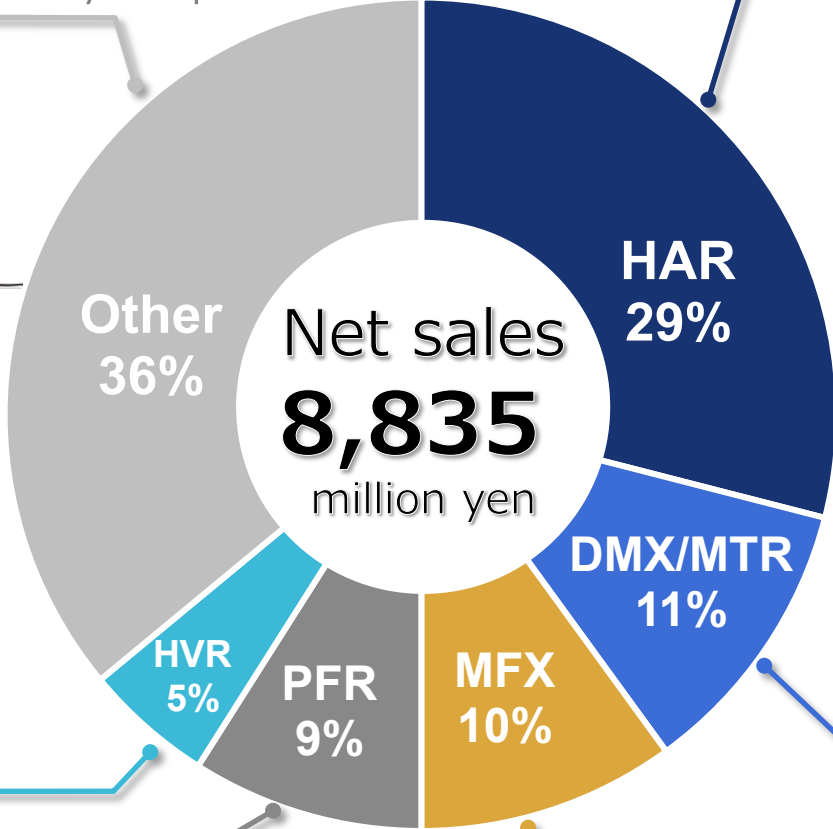
Consolidated income statement for FY2022 3Q (summary)



(Million yen)

	FY 2021/12 3Q results	FY 2022/12 3Q results	Change	Remarks
Net sales	9,764	8,835	-928	<ul style="list-style-type: none"> - Sales quantities kept a downward trend because of inventory adjustment by some dealers and a supply shortage of fast-selling products resulting from a shortage of semiconductors. - On the other hand, the effect of the devaluation of the yen and HookUp consolidated for 12 months increased net sales.
Gross profit (Gross profit margin)	4,168 (42.7%)	3,341 (37.8%)	-827	<ul style="list-style-type: none"> - Products other than ZOOM products with low gross profit margin (brands offered by Mogar and offered by HookUp) increased market share and products other than Zoom products decreased the gross profit margin because of the appreciation of the dollar. Gross profit margin of ZOOM products FY 2021 3Q result: 44.3%, FY 2022 3Q results: 43.3% Gross profit margin of products other than ZOOM products FY 2021 3Q result: 32.6%, FY 2022 3Q results: 22.6%
Operating profit (Operating profit margin)	966 (9.9%)	38 (0.4%)	-928	
Ordinary profit (Ordinary profit margin)	918 (9.4%)	61 (0.7%)	-857	<ul style="list-style-type: none"> - Foreign exchange gains of 30 million yen were recorded because of the devalued yen
Quarterly net profit attributable to owners of the parent (Quarterly net profit margin)	631 (6.5%)	-44 (-0.5%)	-676	<ul style="list-style-type: none"> - Development of some products was canceled, and loss on retirement of noncurrent assets of 33 million yen was recorded for the related metallic molds. - Amortization of goodwill has no tax-saving effect and profits of Mogar include that attributable to non-controlling interests, and consequently net loss was negative.
EBITDA	1,267	364	-902	EBITDA = Operating profit + * Depreciation
Depreciation	*301	*326	25	* Includes 153 million yen in amortization of goodwill (vs. 135 million yen in the previous year)
R&D expenses	1,034	742	-292	
Foreign exchange gains/losses	-13	30	43	
Average exchange rate (yen/USD)	108.4 yen	128.0 yen	+19.6 yen	

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



Handy Audio Recorders



H6 BLACK

Your go-to handy recorder that can record professional sound with its advanced preamps and 6 interchangeable capsules, from podcasting to music to filmmaking and more.



R20

Live mixer and recorder that not only has good sound quality, but also allows you to play BGM, invite guests to appear on the phone, record podcasts, and mix live performances easily.

Digital Mixers / Multi Track Recorders



Q8n-4K

High-quality sound 4K camera for musicians

Handy Video Recorders

Professional Field Recorders



F3

In the various fields, a field recorder that can capture both explosive and subtle sounds at full audio quality.



B6

Multi-Effects with expression pedal, which provides greatly expanded expressiveness for the guitar.

Multi-Effects

FY2022 3Q net sales by product category



With the exceptions of some categories, sales decreased because of inventory adjustments by dealers and a supply shortage of semiconductors.

(Million yen)

	FY 2021/12 3Q results (share)	FY 2022/12 3Q results (share)	Change	Main factors behind changes in net sales
Handy Audio Recorders (HAR)	3,628 (37%)	2,583 (29%)	-1,045	- Reduced shipments mainly because of inventory adjustments by dealers in U.S. and Europe
Digital Mixers/Multi Track Recorders (DMX/MTR)	1,621 (17%)	964 (11%)	-657	- Largely reduced production volume in L-Series because of decreased demand for P-Series and effect of a shortage of semiconductors despite effect of new model R20 released November 2021
Multi-Effects (MFX)	926 (9%)	922 (10%)	-4	- Reduced shipments mainly because of inventory adjustments by U.S. dealers despite effect of the new model B6 released October 2021
Professional Field Recorders (PFR)	718 (7%)	827 (9%)	108	- Increased net sales because of the higher-than-estimated supply of F3 with stronger demand and effect of devaluation of the yen despite continuing insufficient production of some products resulting from effect of a shortage of semiconductors
Handy Video Recorders (HVR)	590 (6%)	445 (5%)	-144	- Decreased net sales because of the decrease as a rebound resulting from sharply increased demand seen in the same period of the previous year despite effect of the new model Q8n-4K released December 2021
Others	918 (10%)	744 (9%)	-173	- Decreased as a rebound resulting from increased sales from the effect of the new model at microphone category in the same period of the previous year
Brands offered by Mogar	589 (6%)	761 (9%)	172	- Demand recovery due to devaluation of the yen and progressive normalization of economic activities in Southern Europe after COVID-19
Brands offered by HookUp	770 (8%)	1,587 (18%)	817	- Twelve months' sales were consolidated because of a change in the ending date of the fiscal year of HookUp (Six months' sales were consolidated for the same period of the previous year)
Total	9,764	8,835	-928	

FY2022 3Q net sales by region



Net sales decreased in many regions because of inventory adjustment by dealers and a supply shortage of fast-selling products resulting from a shortage of semiconductors.

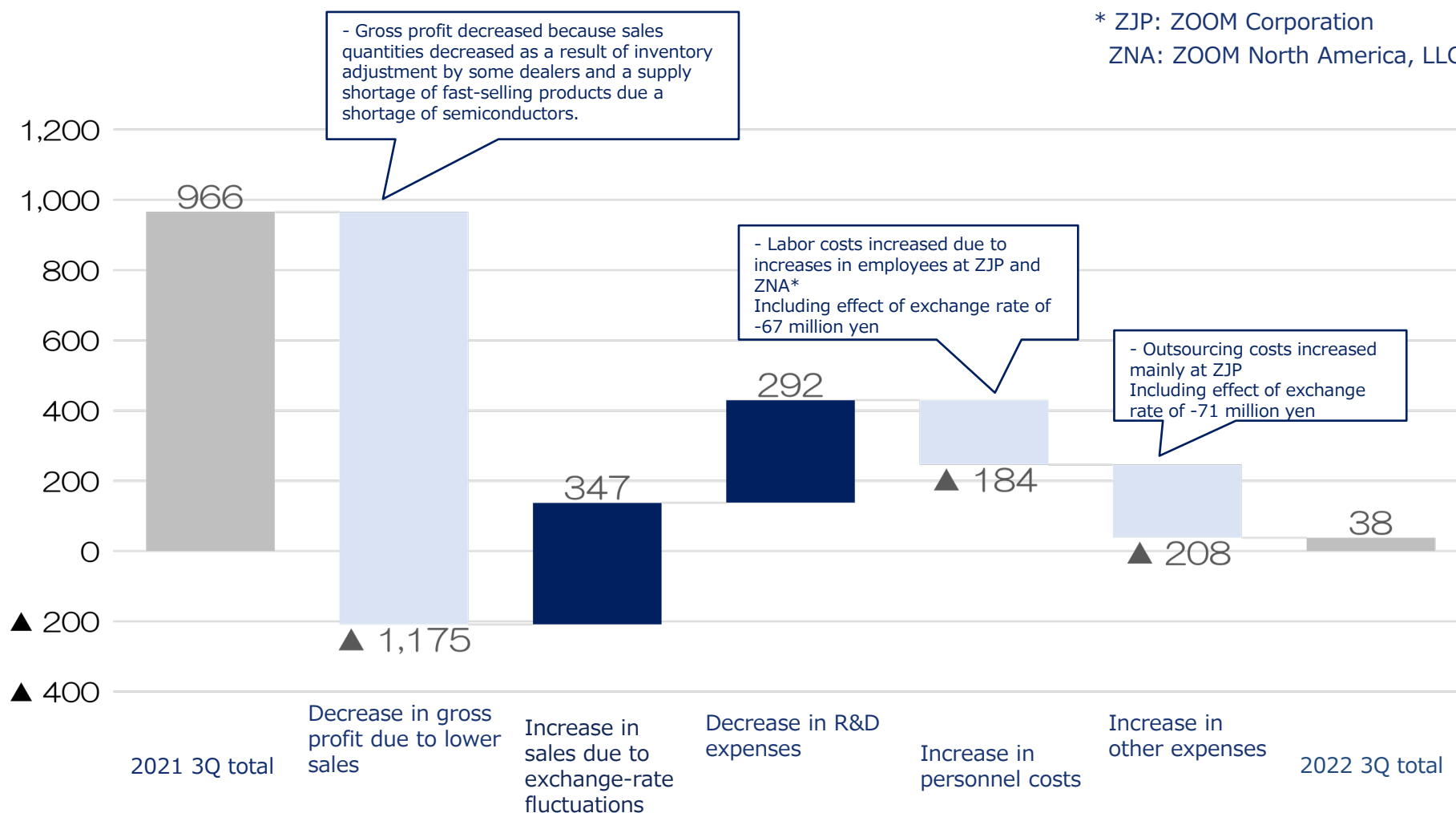
(Million yen)

	FY 2021/12 3Q results (share)	FY 2022/12 3Q results (share)	Change	Main factors behind changes in net sales
North America	3,620 (37%)	2,980 (34%)	-640	- Reduced shipments because of inventory adjustments by dealers - Decreased sales particularly in HAR and DMX (P-series) unchanged since 2Q
Japan	1,403 (14%)	2,147 (24%)	744	- Increased sales in HookUp (817 million yen) because of a change in the ending day of HookUp) - Weak sales in fast-selling products of the previous year (L-8, Q2n-4K and iQ7) - Supply shortages of the new model F3 due to effect of a shortage of semiconductors
Southern Europe *1	1,499 (15%)	1,565 (18%)	65	
Central Europe *2	1,682 (17%)	824 (9%)	-857	- Decrease due to a rebound of large-scale shipments of the outstanding balance of orders received mainly for HAR and DMX in the 1Q of the previous year - Supply shortages of the new model F3 due to effect of a shortage of semiconductors
China	198 (2%)	201 (2%)	3	
Others	1,359 (15%)	1,115 (13%)	-243	- Sweden: -50 M, UAE: -47 M and Russia: -41 M
Total	9,764	8,835	-928	

*1. Southern Europe includes Italy, France, Spain, and Portugal

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

Analysis of changes in operating profit (million yen)



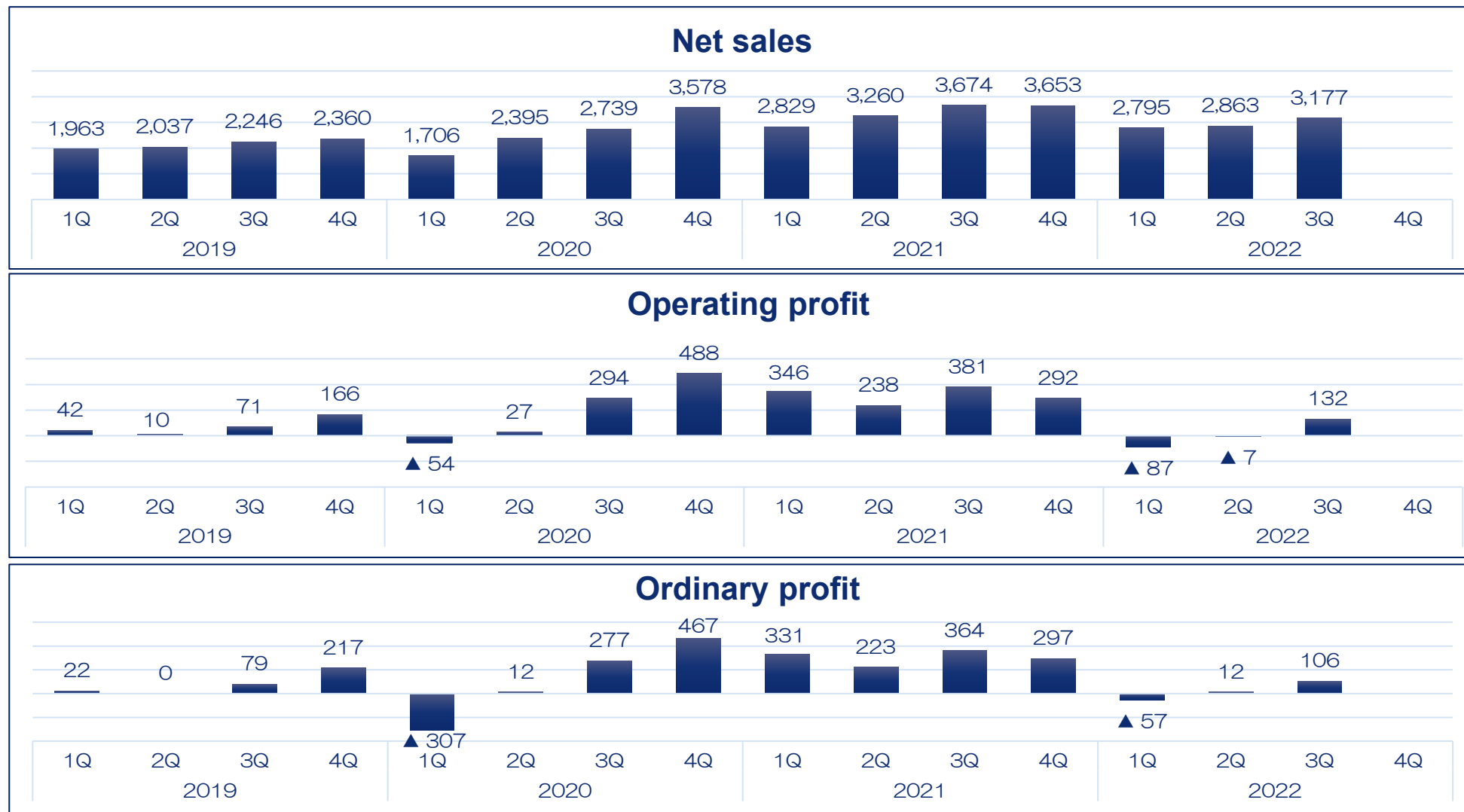
FY2022 3Q Consolidated Balance Sheet (summary)



(Million yen)

	FY 2021/12	FY 2022/12 3Q	Change	Main factors behind changes
Current assets	8,035	11,072	3,036	
Cash and deposits	2,067	1,985	-82	
Accounts receivable-trade and contract assets	1,950	1,574	-376	Decreased sales: 3,653 million yen in 4 Q of last year, 3,177 million yen in 3Q of this year
Merchandise and finished goods	2,963	4,582	1,618	Increase in lead time of production resulting from the difficulty in component supply due to a shortage of semiconductors and increase in inventory amount of overseas subsidiaries due to effect of devaluation of the yen
Raw materials and supplies	155	1,320	1,164	Inventories of onerous supplies newly recognized because of the application of the Accounting Standard for Revenue Recognition (1,010 million yen)
Non-current assets	2,794	3,023	228	
Property, plant, and equipment	548	526	-22	
Intangible fixed assets	1,476	1,610	133	Goodwill: +141 million yen (due to effect of devaluation of the yen)
Investments and other assets	769	886	116	Deferred tax assets: +102 million yen (due to effect of devaluation of the yen)
Total assets	10,829	14,095	3,265	
Current liabilities	3,675	6,426	2,751	Liabilities on onerous supplies newly recorded under current liabilities (other) due to application of the Accounting Standard for Revenue Recognition (1,010 million yen)
Accounts payable-trade	1,000	1,381	380	Increase due to effect of devaluation of the yen
Short-term loans payable	1,346	2,759	1,412	Increase due to raising working capital etc.
Non-current liabilities	1,242	1,158	-84	Payment of long-term loans payable
Total liabilities	4,917	7,584	2,666	
Capital stock	212	212	-	
Total net assets	5,911	6,510	598	Foreign exchange gains due to devaluation of the yen: +859 million yen
Total liabilities and net assets	10,829	14,095	3,265	

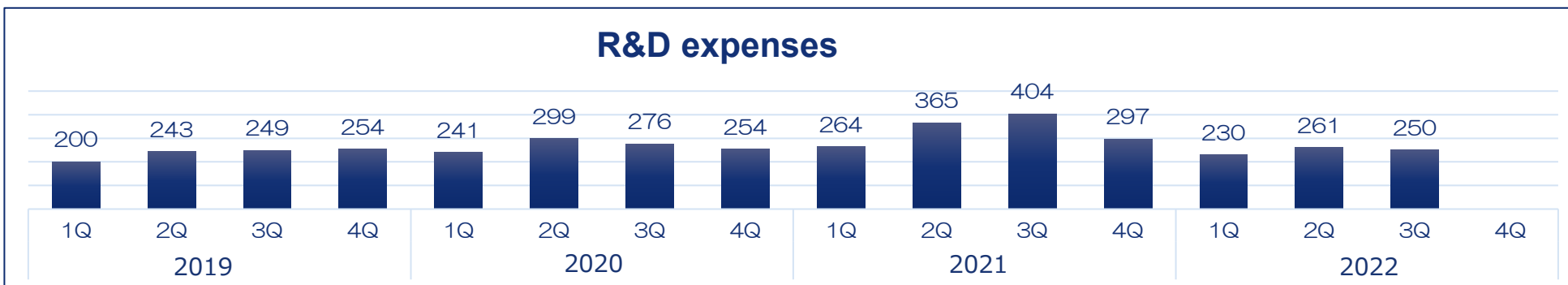
(Million yen)



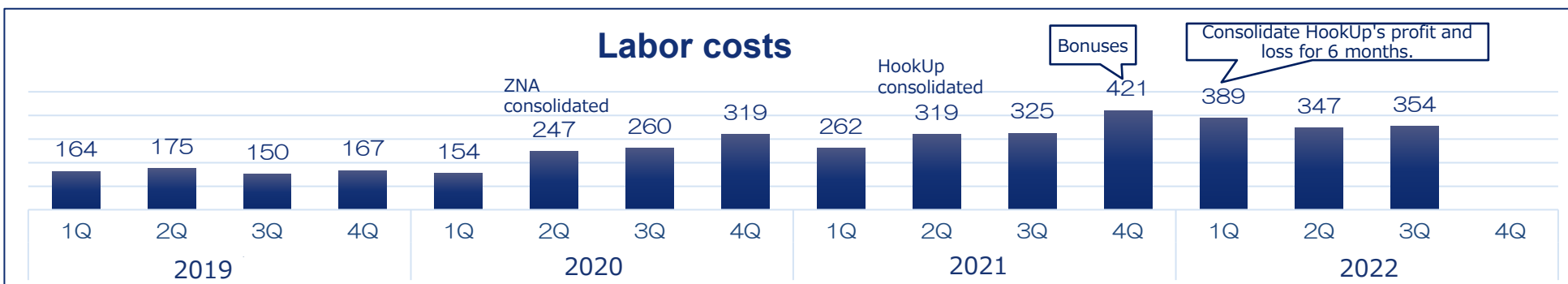
Net sales and profits show a recovery trend due to increased shipments to dealers preparing for the year-end shopping season and devaluation of the yen.

(Million yen)

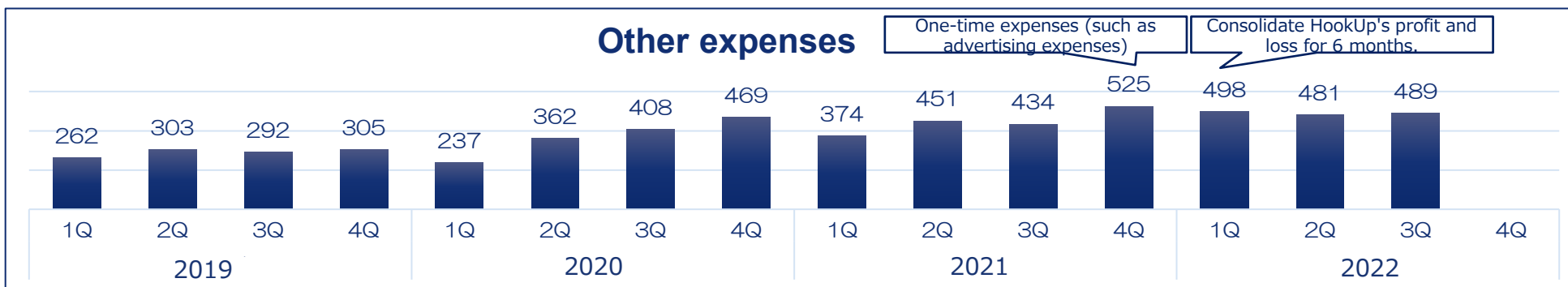
R&D expenses



Labor costs



Other expenses



R&D expenses decreased YoY while labor costs and other expenses increased YoY because of the devaluation of the yen.

FY2022/12 forecasts of consolidated financial results



The forecasts of consolidated financial results are unchanged because of better-than-expected financial results for 3Q and sales recovery expected for 4Q.

- Operating profit and ordinary profit through 3Q were positive because financial results for 3Q were better than expected at the end of 2Q.
- Sales will show a high growth for 4Q due to progressive appropriation of local inventory, production smoothing and year-end shopping season.

(Million yen)

	FY 2021/12 Results	FY 2022/12				
		Forecast	Change	Rate of change	3Q results	Rate of achievement
Net sales	13,417	13,000	-417	-3.1%	8,835	68%
Operating profit	1,258	700	-558	-44.4%	38	5%
Ordinary profit	1,216	650	-566	-46.6%	61	9%
Net income attributable to owners of the parent	854	400	-454	-53.2%	-44	-
EBITDA	1,666	1,110	-556	-33.4%	364	33%

Net profit per share	199.56 yen	92.87 yen	-106.69 yen	-53.5%
Dividends per share	102 yen (After the split: 51 yen)	50 yen	-	-
Payout ratio	25.6%	53.8%	-	-
Exchange rate (yen/USD)	109.8 yen	108.0 yen	-	-

* We conducted a two-for-one stock split of common stock on January 1, 2022. Figures shown for net profit per share are from after the stock split. Figures shown for dividends per share are from before the stock split for FY 2021/12 and after the stock split for FY 2022/12.

* 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 27 million yen in operating profit.

Sales and profits are expected to achieve forecasts of financial results for the full year.

FY2022/12 sales projections by consolidation category



(Million yen)

	FY 2021/12 Results	FY 2022/12				
		Forecast	Change	Rate of change	3Q results	Rate of achievement
Handy Audio Recorders (HAR)	4,933	3,884	-1,049	-21.3%	2,583	67%
Digital Mixers/Multi Track Recorders (DMX/MTR)	2,203	2,013	-190	-8.6%	964	48%
Multi-Effects (MFX)	1,289	1,123	-166	-12.9%	922	82%
Professional Field Recorders (PFR)	968	1,231	+262	+27.1%	827	67%
Handy Video Recorders (HVR)	819	635	-183	-22.3%	445	70%
Others	1,278	1,361	+83	+6.5%	744	55%
Brands offered by Mogar	827	808	-18	-2.2%	761	94%
Brands offered by HookUp	1,098	1,942	+844	+76.9%	1,587	82%
Total	13,417	13,000	-417	-3.1%	8,835	68%