

FY 2025/12 Q1

Financial Results Supplemental Explanatory Materials

May 13, 2025

ZOOM CORPORATION

As uncertainty about the future of the US market increased, HAR sales decreased and income and profits were down compared to the previous year, which immediately followed new product releases

Net sales

3,788million yen

(△ 189 million yen
compared to the same
period last year)

- The expectations of US consumers for the future, which had been strong until the year end, rapidly worsened and sales declined since the new administration started in January*
- In the same period last year, the new Essential series was introduced with 3 models at the same time

*Reference: The Conference Board's Consumer Confidence Expectations Index

Operating profit

△ 58million yen

(△ 113 million yen
compared to the same
period last year)

- Gross profits declined due to slumping sales in the US market where gross profit margins are high
- Brands from other companies, which have low gross profit margins, made up a higher proportion of sales (from 40% to 48%)

Outlook for the entire financial year

- Responding to US tariff policies by raising the ratio of production outside China and shifting prices to cover cost increases
- Measures in response to tariffs are still in progress and many uncertain factors make the future unclear so we will defer predictions about business results*

*See "Impacts of US tariff policies on business results" (p. 11)

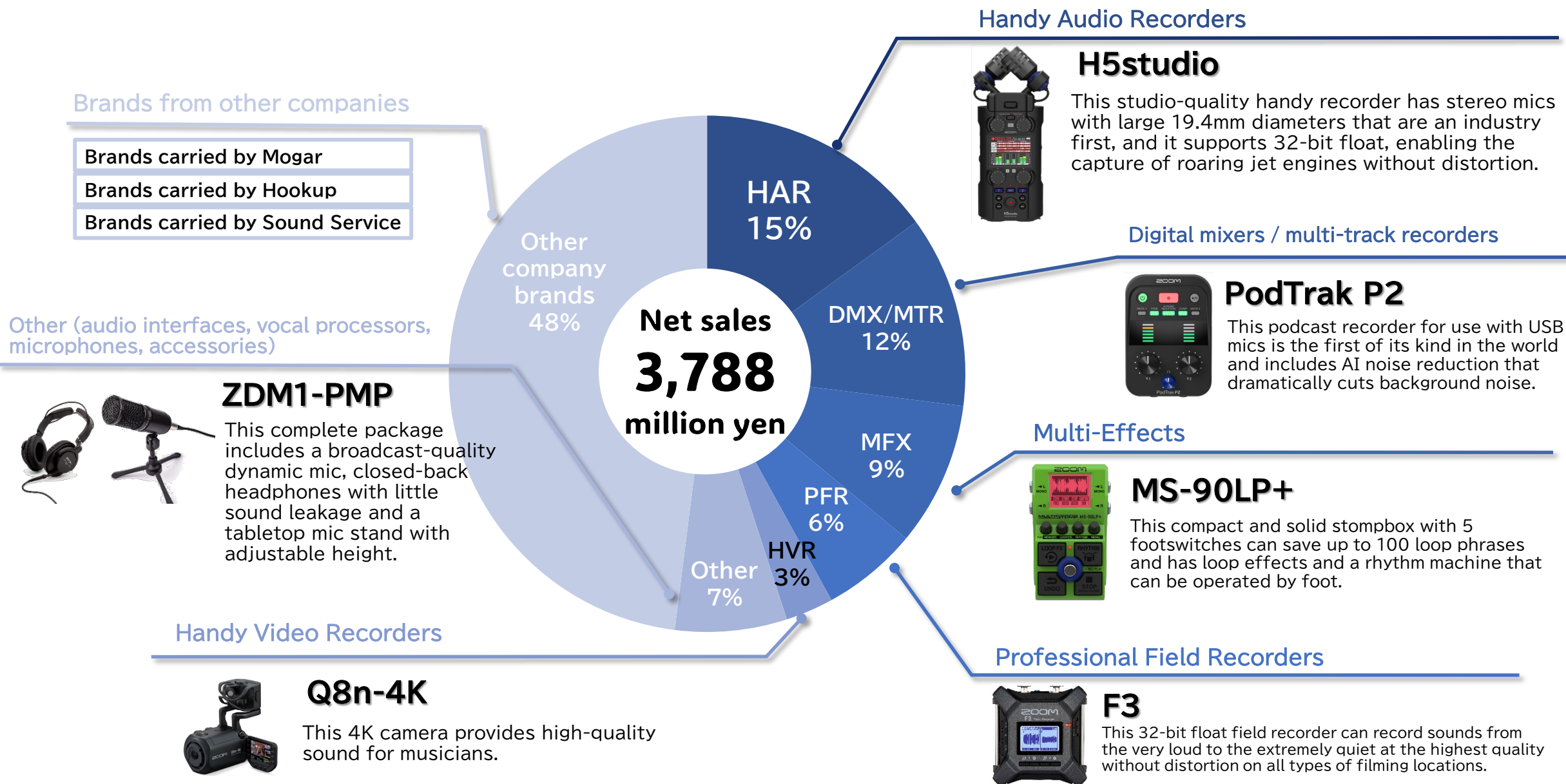
I. FY 2025/12 Q1 Financial Results

FY 2025/12 Q1 Consolidated Profit and Loss Statement (summary)

(In millions of yen)

	FY 2024.12 Q1 results	FY 2025.12 Q1 results	Increase/ decrease	Remarks
Net sales	3,978	3,788	△189	<ul style="list-style-type: none"> The expectations of US consumers for the future, which had been strong until the end of last year, worsened rapidly, and sales declined In the same period last year, the new Essential series was introduced with 3 models at the same time In other major markets, revenue increased thanks to new products and good conditions for brands from other companies
Gross profit (Gross profit margin)	1,604 (40.3%)	1,471 (38.8%)	△133	<ul style="list-style-type: none"> Gross profits declined due to slumping sales in the US market where gross profit margins are high Brands from other companies, which have low gross profit margins, made up a higher proportion of sales
Operating profit (Operating profit margin)	55 (1.4%)	△58 (△1.5%)	△113	<ul style="list-style-type: none"> See the analysis of operating profit changes (p. 7)
Ordinary profit (Ordinary profit margin)	32 (0.8%)	△88 (△2.3%)	△120	<ul style="list-style-type: none"> Interest paid: 9 million yen increase
Net profit attributable to owners of the parent for Q4 (Net sales profit margin for Q4)	△78 (△2.0%)	△181 (△4.8%)	△103	<ul style="list-style-type: none"> Due to no tax reduction effect from goodwill amortization expenses and other factors, 40 million yen are included as corporate taxes, etc. 53 million yen transferred to non-controlling shareholder equity from 49% portion of profit from subsidiaries in which we hold 51% equity
EBITDA	255	143	△112	<ul style="list-style-type: none"> EBITDA = Operating profit + Depreciation* *Includes 116 million yen in goodwill amortization (compared to 115 million yen the previous year)
Research & development expenses	198	224	25	
Foreign exchange gains/losses	△14	△10	4	
Average exchange rate (JPY/USD)	148.5 yen	152.6 yen	+ 4.1 yen	

Composition of FY 2025/12 Q1 net sales (graph)



FY 2025/12 Q1 net sales by product category

While many categories declined compared to the previous period due to the slumping US market, new products and brands from other companies did well

(In millions of yen)

	FY 2024.12 Q1 results	FY 2025.12 Q1 results	Change from previous year (excluding exchange rate impact)	Main factors in net sales change
Handy audio recorders (HAR)	931	564	△39.4% (△39.9%)	<ul style="list-style-type: none"> Sales slump in the US market In the same period last year, the new Essential series was introduced with 3 models at the same time
Digital mixers / multi-track recorders (DMX/MTR)	446	459	+2.9% (+1.8%)	<ul style="list-style-type: none"> Good sales of new L6 product
Multi-effects (MFX)	299	359	+20.2% (+19.6%)	<ul style="list-style-type: none"> Good sales of MS+ models that update and expand the MultiStomp series
Professional field recorders (PFR)	285	209	△26.5% (△27.2%)	<ul style="list-style-type: none"> Sales slump in the US market No new products were released since the previous period
Handy video recorders (HVR)	133	122	△8.3% (△9.0%)	<ul style="list-style-type: none"> Sales slump in the US market
Other products	322	273	△15.1% (△16.1%)	<ul style="list-style-type: none"> Sales slump in the US market
Brands carried by Mogar	283	318	+12.3% (+11.4%)	<ul style="list-style-type: none"> Good sales of Xvive, Studiologic and LTD brands that we carry
Brands carried by Hookup	344	349	+1.3%	<ul style="list-style-type: none"> Sales increased due to good low-cost product performance and various sales promotions Reactionary decline compared to end-of-year sales of previous period
Brands carried by Sound Service	930	1,131	+21.5% (+21.5%)	<ul style="list-style-type: none"> Sales of brands carried by SCV Distribution Limited contributed after its trading area was taken over in October 2024
Total	3,978	3,788	△4.8% (△5.3%)	

FY 2025/12 Q1 net sales by region

While the US market stagnated due to increasing uncertainty about the future, other major markets increased

(In millions of yen)

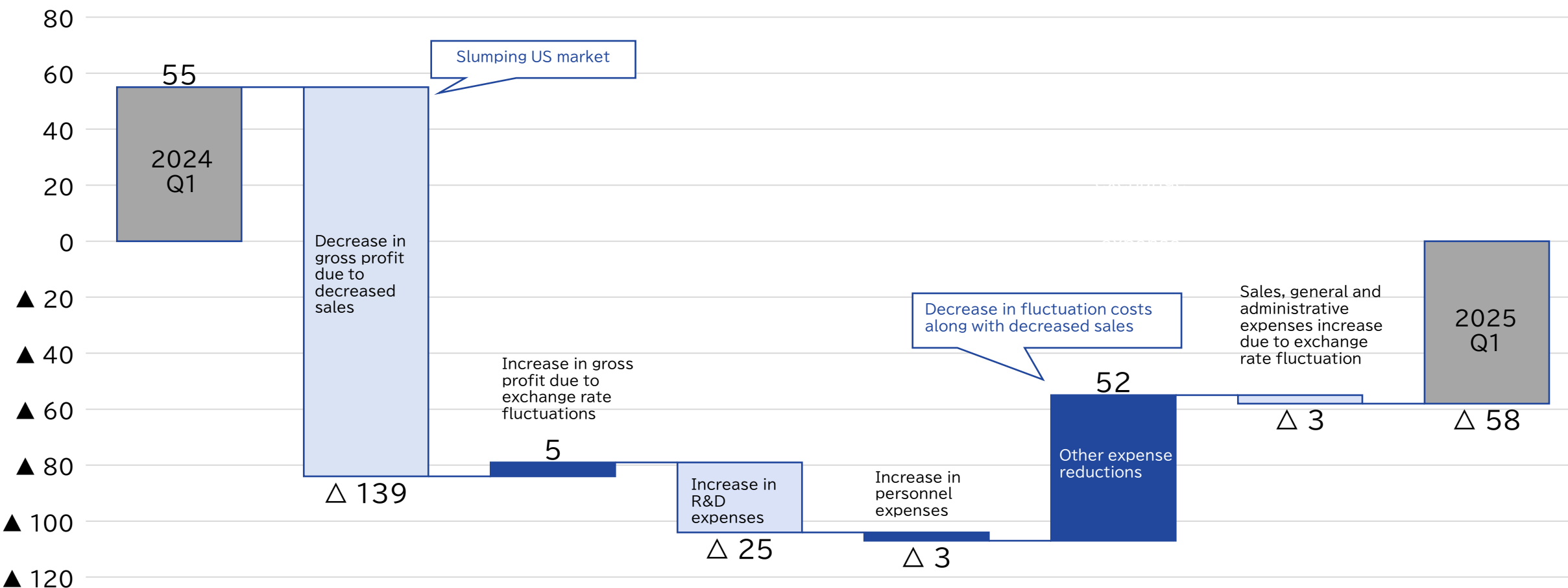
	FY 2024.12 Q1 results	FY 2025.12 Q1 results	Change from previous year (excluding exchange rate impact)	Main factors in net sales change
Central Europe ¹	1,644	1,690	+2.8% (+2.8%)	• Sales of brands carried by SCV Distribution Limited contributed after its trading area was taken over in October 2024
Japan	620	689	+11.1%	• ZOOM products sales good, especially new models
Southern Europe ²	580	634	+9.2% (+9.8%)	• ZOOM products good, especially on Amazon • Good sales of Xvive, Studiologic and LTD brands that we carry
North America	875	609	△30.4% (△32.2%)	• The expectations of US consumers for the future, which had been strong until the end of last year, worsened rapidly, and sales declined
Other regions	257	165	△35.6% (△38.3%)	• China ▲31million yen, Taiwan ▲21 million yen, UAE ▲16 million yen
Total	3,978	3,788	△4.8% (△5.3%)	

¹ Central Europe is defined as including Germany, the UK, the 3 Benelux countries, Austria, Poland, Czechia, Slovakia and the 3 Baltic countries

² Southern Europe is defined as including Italy, France, Spain and Portugal

FY 2025/12 Q1 analysis of operating profit changes

(In millions of yen)



FY 2025/12 Q1 Consolidated Balance Sheet (summary)



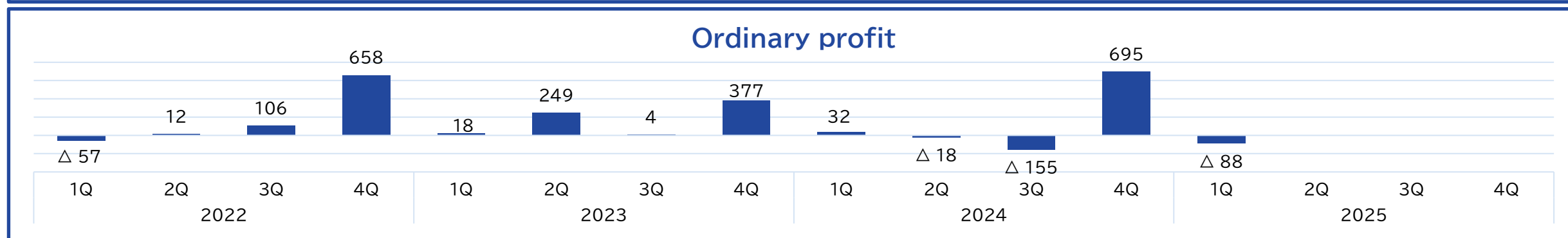
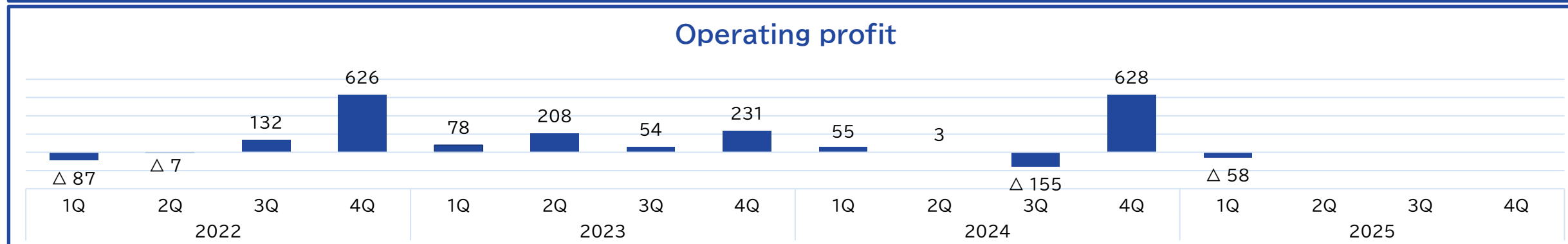
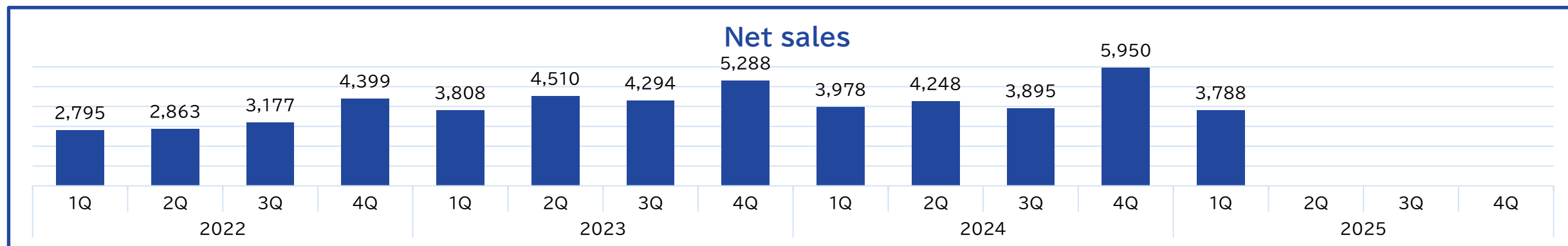
(In millions of yen)

Note: Last day rates were \$1 = ¥158.2 at the end FY 24.12 and \$1 = ¥149.5 at the end of FY 25.12 Q1

	FY 24.12 end	FY 25.12 Q1 end	Increase/decrease	Main factors for changes
Current assets	14,965	13,754	△1,210	
Cash equivalents	3,315	2,900	△414	
Notes and accounts receivable	2,538	1,806	△731	Decreased sales: 5,950 million yen in Q4 of last period, 3,788 million yen in Q1 of this period
Merchandise and manufactured goods	7,348	7,294	△54	
Raw materials and supplies	901	1,019	117	Increased supply of paid components
Fixed assets	5,122	4,830	△292	
Tangible fixed assets	1,451	1,365	△85	
Intangible fixed assets	3,054	2,844	△209	Goodwill decreased 205 million yen due to depreciation and exchange rate fluctuations
Investments and other assets	616	619	2	
Total assets	20,087	18,584	△1,503	
Current liabilities	7,760	7,005	△754	
Accounts payable	1,569	1,110	△459	Increased purchase liabilities due to accumulation of stock in preparation for end of year sales at end of previous period
Short-term loans payable	4,129	3,999	△130	Repayment of working capital
Fixed liabilities	3,705	3,538	△167	Long-term debt decreased 126 million yen
Total liabilities	11,466	10,543	△922	
Capital	212	212	–	
Total net assets	8,621	8,040	△581	Foreign currency translation adjustment decreased 264 million yen
Total liabilities and net assets	20,087	18,584	△1,503	

Quarterly business results for FY 2025/12 Q1: quarterly trends for past 3 years

(In millions of yen)



II. 2025/12 Business Results Forecast

Although we are undertaking various measures, numerous uncertain factors exist, both upside and downside, and the future is unclear, so we will defer predictions about full-year business results

Measures in progress

- Raise the responsiveness of production bases and increase outside-China production ratio from 48% to 75% this summer
- Respond to increased costs due to tariffs with price shifts
- Secured untariffed stock in the US equivalent to 4 months of sales as of the end of Q1
- Already assuming production outside China in planning of new products
- Advancing market development and increased sales outside

Upside factors

- Cost and supply advantages due to outside-China production ratio that is higher than competitors
- Improved profit ratio due to price increases
- Implementation of economic stimulus measures, including reduced taxes, in anticipation of mid-term elections

Downside factors

- Increased tariff rates after end of temporary period
- Reduced unit sales numbers due to price shifts
- Further worsening of economic sentiments along with continued uncertainty

No changes from previous announcements about full-year consolidated business results and dividend forecasts

(In millions of yen)	FY 24.12	FY 25.12				
	Result	Forecast	Increase/ decrease	Rate of change	Q1 results	Rate of progress
Net sales	18,072	18,500	+427	+2.4%	3,788	20%
Operating profit	531	900	+368	+69.3%	△58	–
Ordinary profit	554	830	+275	+49.8%	△88	–
Net profit attributable to owners of the parent for the period	40	340	+299	+731.8%	△181	–
EBITDA	1,338	1,702	+363	+27.2%	143	8%

Current net profit per share	9.41 yen	78.10 yen	+68.70 yen	+730.3%
Dividend per share	31 yen	32 yen	–	–
Dividend payout ratio	329.5%	41.0%	–	–
Exchange rate (JPY/USD)	151.5 yen	140.0 yen	–	–

Caution: Statements related to forecasts about the future in this document are based on information that can currently be obtained by the company and certain assumptions determined logically. Latent risks and uncertainties are inherent in them. Actual business results, for example, could differ greatly due to various factors.