

**Summary Report of Non-consolidated Financial Results
For the Second Quarter Ended June 30, 2021**

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Company name: SOFT MAX CO.,LTD Stock exchange listing: Tokyo
 Security Code: 3671 URL: <http://www.s-max.co.jp>
 Representative: Toshiro Nomura, Chairman and President
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(Amounts of less than one million yen are rounded down)

1. Non-consolidated Financial Results for the Second Quarters of fiscal 2021 (From January 1, 2021 to June 30, 2021)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period)

	Net Sales		Operating profit		Ordinary profit	
	million yen	%	million yen	%	million yen	%
Six Months Ended June 30,2021	2,111	6.2	335	167.4	354	140.9
Six Months Ended June 30,2020	1,987	14.5	125	25.2	147	32.5

	Profit		Profit per Share	Diluted profit per Share
	million yen	%	yen	yen
Six Months Ended June 30,2021	236	135.0	39.66	—
Six Months Ended June 30,2020	100	74.9	16.89	—

(2) Non-consolidated Financial Position

	Total Assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2021	5,231	2,434	46.5
As of December 31,2020	5,689	2,259	39.7

(Reference) Equity: 2,434 million yen (as of June 30, 2021), 2,259 million yen (as of December 31, 2020)

2. Dividends

	Annual Dividends per share				
	Three Months Ended March 31	Six Months Ended June 30	Nine Months Ended September 30	Year Ended December 31	Total
Year Ended December 31, 2020	yen —	yen 0.00	yen —	yen 12.00	yen 12.00
Year Ended December 31, 2021	—	0.00			
Year Ending December 31, 2021 (Forecast)			—	12.00	12.00

(Note) Revision to the dividend forecast that has disclosed lastly: No

3. Non-consolidated Business Forecast: For the year ending December 31, 2021 (From January 1, 2021 to December 31, 2021)
 (% indicates changes from the previous corresponding period)

	Net Sales		Operating profit		Ordinary profit		Profit		Profit per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year Ending December 31, 2021	4,500	11.9	472	5.9	510	4.4	337	0.7	56.55

(Note) Revision to the business forecast that has disclosed lastly: No

4. Others

(1) Simplified accounting methods and special accounting methods for preparation of the quarterly financial statements: None

(2) Changes in accounting policies and accounting-based estimates, and restatements

① Changes in accounting policies due to revisions in accounting standards, others: None

② Changes in accounting policies other than ① above: None

③ Changes in accounting estimates: None

④ Restatement: None

(3) Number of outstanding shares (Common share)

① Number of outstanding shares (Treasury share included)	June 30,2021	5,968,300shares
	December 31,2020	5,959,500shares
② Number of treasury share	June 30,2021	357shares
	December 31,2020	357shares
③ Average number of outstanding shares during the period	June 30,2021	5,961,817shares
	June 30,2020	5,959,216shares

※This financial summary is not subject to audit conducted by certified public accountants or an audit corporation.

※Explanation for appropriate use of financial forecasts and other special notes

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions to the company. And we don't commit to achieve these forecasting numbers.

Actual results may differ from these forecasts by a variety of reasons.

Quarterly Non-consolidated Balance Sheets

	(Thousands of yen)	
	As of December 31, 2020	As of June 30, 2021
	Amount	Amount
Assets		
Current assets		
Cash and deposits	2,819,660	2,612,193
Notes and accounts receivables-trade	587,823	407,069
Merchandise	277	230
Work in process	343,176	290,179
Supplies	679	600
Other	54,444	78,076
Total current assets	<u>3,806,061</u>	<u>3,388,349</u>
Non-current assets		
Property, plant and equipment		
Land	770,309	770,309
Other, net	311,162	309,776
Total property, plant and equipment	<u>1,081,471</u>	<u>1,080,085</u>
Intangible assets	29,403	35,409
Investments and other assets		
Investment property, net	623,581	581,547
Other	148,745	146,430
Total investments and other assets	<u>772,326</u>	<u>727,978</u>
Total non-current assets	<u>1,883,201</u>	<u>1,843,473</u>
Total assets	<u>5,689,263</u>	<u>5,231,822</u>
Liabilities		
Current liabilities		
Notes and accounts payables - trade	901,283	499,809
Short-term borrowings	1,150,000	850,000
Current portion of long-term borrowings	27,540	327,540
Income taxes payables	97,614	118,300
Other	264,961	337,729
Total current liabilities	<u>2,441,399</u>	<u>2,133,379</u>
Non-current liabilities		
Long-term borrowings	520,265	206,495
Provision for retirement benefits	293,290	286,064
Provision for retirement benefits for directors	137,767	138,394
Other	37,142	32,673
Total non-current liabilities	<u>988,465</u>	<u>663,627</u>
Total liabilities	<u>3,429,865</u>	<u>2,797,006</u>
Net assets		
Shareholders' equity		
Share capital	424,250	429,486
Capital surplus	285,400	290,636
Retained earnings	1,550,041	1,714,987
Treasury shares	(293)	(293)
Total shareholders' equity	<u>2,259,398</u>	<u>2,434,816</u>
Total net assets	<u>2,259,398</u>	<u>2,434,816</u>
Total liabilities and net assets	<u>5,689,263</u>	<u>5,231,822</u>

Quarterly Non-consolidated Quarterly Statements of Income

	(Thousands of yen)	
	Six Months Ended June 30,2020 Amount	Six Months Ended June 30,2021 Amount
Net sales	1,987,662	2,111,641
Cost of sales	1,446,454	1,342,809
Gross profit	541,208	768,832
Selling, general and administrative expenses	415,824	433,540
Operating profit	125,383	335,292
Non-operating income		
Interest income	88	92
Dividend income	41	41
Rental income	41,141	37,727
Other	667	621
Total non-operating income	41,938	38,481
Non-operating expenses		
Interest expenses	4,430	3,338
Rental expenses	15,528	15,709
Other	131	-
Total non-operating expenses	20,090	19,047
Ordinary profit	147,231	354,726
Extraordinary losses		
Loss on sale of non-current assets	-	8,674
Total extraordinary losses	-	8,674
Profit before income taxes	147,231	346,051
Income taxes – current	41,346	107,289
Income taxes – deferred	5,249	2,305
Total income taxes	46,595	109,595
Profit	100,635	236,456

Quarterly Non-consolidated Statements of Cash Flows

	Six Months Ended June 30,2020	(Thousands of yen) Six Months Ended June 30,2021
	Amount	Amount
Cash flows from operating activities:		
Profit before income taxes	147,231	346,051
Depreciation	17,823	10,883
Increase (decrease) in allowance for doubtful accounts	(535)	-
Increase (decrease) in provision for retirement benefits	(7,149)	(7,226)
Increase (decrease) in provision for retirement benefits for directors	(2,669)	627
Interest and dividend income	(129)	(133)
Interest expenses	4,430	3,338
Rental income	(41,141)	(37,727)
Rental expenses	15,528	15,709
Loss (gain) on sale of non-current assets	-	8,674
Decrease (increase) in trade receivables	665,938	180,753
Decrease (increase) in inventories	(23,651)	53,122
Increase (decrease) in trade payables	(326,376)	(401,473)
Increase (decrease) in accounts payable – other	90,257	1,237
Increase (decrease) in accrued consumption taxes	(22,140)	29,024
Increase (decrease) in advances received	(1,695)	31,551
Other, net	(10,736)	(5,198)
Subtotal	504,985	229,213
Interest and dividends received	129	133
Interest paid	(4,324)	(3,343)
Income taxes paid	(95,466)	(88,154)
Net cash provided by (used in) operating activities	405,323	137,848
Cash flows from investing activities:		
Payments into time deposits	(836,971)	(912,062)
Proceeds from withdrawal of time deposits	806,903	881,991
Purchase of property, plant and equipment	(376,027)	(12,992)
Proceeds from sale of property, plant and equipment	-	318
Purchase of intangible assets	(3,761)	(6,421)
Proceeds from sale of investment property	-	30,125
Proceeds from rental of investment property	36,281	30,426
Other, net	142	(247)
Net cash provided by (used in) investing activities	(373,432)	11,138
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	850,000	(300,000)
Repayments of long-term borrowings	(863,770)	(13,770)
Repayments of lease obligations	-	(1,458)
Purchase of treasury shares	(36)	-
Dividends paid	(71,236)	(71,297)
Net cash provided by (used in) financing activities	(85,043)	(386,525)
Net increase (decrease) in cash and cash equivalents	(53,153)	(237,538)
Cash and cash equivalents at the beginning of period	2,013,876	1,942,669
Cash and cash equivalents at the end of period	1,960,723	1,705,130