

Summary Report of Non-consolidated Financial Results
For the Fiscal year Ended December 31, 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: Tsutomu Matsushima, President
Contact: Kouichi Hamahira, Managing Director (Phone: +81-99-226-1222)

(Amounts of less than one million yen are rounded down)

1. Non-consolidated Financial Results for the Fiscal Year ended December 31,2021 (From January 1, 2021 to December 31, 2021)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal Year Ended December 31,2021	4,489	11.6	589	32.3	630	29.1	422	26.2
Fiscal Year Ended December 31,2020	4,023	△ 7.1	445	9.8	488	13.8	334	23.8

	Profit per share	Diluted profit per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	yen	yen	%	%	%
Fiscal Year Ended December 31,2021	70.84	-	17.3	11.0	13.1
Fiscal Year Ended December 31,2020	56.18	-	15.7	8.6	11.1

(Reference) Equity in net income of affiliates: — million yen (Fiscal Year Ended December 31,2021), — million yen (Fiscal Year Ended December 31,2020)

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of December 31,2021	5,763	2,620	44.5	439.16
As of December 31,2020	5,689	2,259	39.7	379.15

(Reference) Equity: 2,620 million yen (as of December 31, 2021), 2,259 million yen (as of December 31, 2020)

(3) Non-consolidated Statements of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	million yen	million yen	million yen	million yen
As of December 31,2021	284	△ 1	△ 401	1,824
As of December 31,2020	429	△ 400	△ 100	1,942

2. Dividends

	Annual dividends per share					Dividends in total	Dividend payout ratio	Dividends to net assets ratio
	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	million yen 71	% 21.4	% 3.4
Year Ended December 31, 2021	-	0.00	-	20.00	20.00	119	28.2	4.9
Year Ending December 31, 2022 (Forecast)	-	0.00	-	20.00	20.00		28.2	

3. Non-consolidated Business Forecast : For the year ending December 31, 2022 (From January 1, 2022 to December 31, 2022)

(% 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
Six Months Ending June 30, 2022	1,839	△ 12.9	121	△ 63.6	139	△ 60.6	92	△ 61.0	15.47
Year Ending December 31, 2022	4,800	6.9	605	2.6	640	1.6	423	0.1	70.90

4. Others

(1) 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

(2) Number of outstanding shares (Common share)

- ① Number of outstanding shares (Treasury share included)

December 31, 2021	5,968,300shares
December 31, 2020	5,959,500shares
- ② Number of treasury share

December 31, 2021	357shares
December 31, 2020	357shares
- ③ Average number of outstanding shares during the period

December 31, 2021	5,964,905shares
December 31, 2020	5,959,192shares

※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.

Non-consolidated Balance Sheets

	(Thousands of yen)	
	As of December 31, 2020	As of December 31, 2021
	Amount	Amount
Assets		
Current assets		
Cash and deposits	2,819,660	2,761,168
Notes and accounts receivables-trade	587,823	936,740
Merchandise	277	184
Work in process	343,176	156,004
Supplies	679	620
Other	54,444	57,140
Total current assets	3,806,061	3,911,858
Non-current assets		
Property, plant and equipment		
Land	770,309	770,309
Other, net	311,162	305,334
Total property, plant and equipment	1,081,471	1,075,644
Intangible assets		
	29,403	36,034
Investments and other assets		
Investment property, net	623,581	577,388
Other	148,745	162,565
Total investments and other assets	772,326	739,954
Total non-current assets	1,883,201	1,851,632
Total assets	5,689,263	5,763,490
Liabilities		
Current liabilities		
Notes and accounts payables - trade	901,283	831,466
Short-term borrowings	1,150,000	1,150,000
Current portion of long-term borrowings	27,540	23,165
Income taxes payables	97,614	150,319
Other	264,961	331,583
Total current liabilities	2,441,399	2,486,534
Non-current liabilities		
Long-term borrowings	520,265	197,100
Provision for retirement benefits	293,290	286,065
Provision for retirement benefits for directors	137,767	140,468
Other	37,142	32,415
Total non-current liabilities	988,465	656,049
Total liabilities	3,429,865	3,142,583
Net assets		
Shareholders' equity		
Share capital	424,250	429,486
Capital surplus	285,400	290,636
Retained earnings	1,550,041	1,901,078
Treasury shares	(293)	(293)
Total shareholders' equity	2,259,398	2,620,907
Total net assets	2,259,398	2,620,907
Total liabilities and net assets	5,689,263	5,763,490

Non-consolidated Statements of Income

	(Thousands of yen)	
	Fiscal year Ended December 31,2020	Fiscal year Ended December 31,2021
	Amount	Amount
Net sales	4,023,201	4,489,245
Cost of sales	2,779,322	3,037,329
Gross profit	1,243,879	1,451,916
Selling, general and administrative expenses	798,157	862,386
Operating profit	445,721	589,529
Non-operating income		
Interest income	99	101
Dividend income	41	41
Rental income	81,609	71,964
Other	1,138	5,346
Total non-operating income	82,889	77,454
Non-operating expenses		
Interest expenses	7,973	6,399
Rental expenses	31,876	29,912
Other	131	14
Total non-operating expenses	39,982	36,326
Ordinary profit	488,628	630,657
Extraordinary income		
Gain on sales of non-current assets	999	-
Total extraordinary income	999	-
Extraordinary losses		
Loss on sale of non-current assets	-	8,674
Total extraordinary losses	-	8,674
Profit before income taxes	489,628	621,982
Income taxes – current	152,862	214,274
Income taxes – deferred	1,956	(14,838)
Total income taxes	154,819	199,435
Profit	334,809	422,546

Non-consolidated Statements of Cash Flows

	Fiscal year Ended December 31,2020	(Thousands of yen) Fiscal year Ended December 31,2021
	Amount	Amount
Cash flows from operating activities:		
Profit before income taxes	489,628	621,982
Depreciation	29,148	23,717
Increase (decrease) in allowance for doubtful accounts	(860)	-
Increase (decrease) in provision for retirement benefits	(5,762)	(7,225)
Increase (decrease) in provision for retirement benefits for directors	(478)	2,700
Interest and dividend income	(140)	(142)
Interest expenses	7,973	6,399
Rental income	(81,609)	(71,964)
Rental expenses	31,876	29,912
Loss (gain) on sale of non-current assets	(999)	8,674
Decrease (increase) in trade receivables	485,911	(348,917)
Decrease (increase) in inventories	(168,488)	187,324
Increase (decrease) in trade payables	(187,658)	(69,816)
Increase (decrease) in accounts payable – other	(1,204)	2,669
Increase (decrease) in accrued consumption taxes	(12,128)	70,215
Increase (decrease) in advances received	1,262	(8,926)
Other, net	10,441	8,881
Subtotal	596,912	455,486
Interest and dividends received	140	142
Interest paid	(7,857)	(6,648)
Income taxes paid	(160,154)	(164,683)
Net cash provided by (used in) operating activities	429,041	284,297
Cash flows from investing activities:		
Payments into time deposits	(876,991)	(942,062)
Proceeds from withdrawal of time deposits	816,921	881,991
Proceeds from rental of investment property	65,940	52,688
Purchase of property, plant and equipment	(384,614)	(17,650)
Purchase of intangible assets	(22,380)	(6,922)
Proceeds from sale of investment property	-	30,125
Other, net	997	823
Net cash provided by (used in) investing activities	(400,127)	(1,006)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	850,000	-
Repayments of long-term borrowings	(877,540)	(327,540)
Repayments of lease obligations	(1,145)	(2,916)
Purchase of treasury shares	(123)	-
Dividends paid	(71,312)	(71,398)
Net cash provided by (used in) financing activities	(100,121)	(401,854)
Net increase (decrease) in cash and cash equivalents	(71,207)	(118,563)
Cash and cash equivalents at the beginning of period	2,013,876	1,942,669
Cash and cash equivalents at the end of period	1,942,669	1,824,106