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May 15, 2023

Non-consolidated Financial Results for the Three Months Ended March 31, 2023 (Under Japanese GAAP)

Company name: SOFT MAX Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 3671
 URL: <http://www.s-max.co.jp>
 Representative: President Tsutomu Matsushima
 Inquiries: Managing Director Daisuke Ueda,
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 Scheduled date to file quarterly securities report: May 15, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2023	1,101	15.0	121	23.5	133	21.9	89	25.7
March 31, 2022	957	△30.5	98	△66.1	109	△63.7	71	△65.8

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2023	14.94	—
March 31, 2022	11.92	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2023	6,193	2,846	46.0
December 31, 2022	6,549	2,936	44.8

Reference: Equity
 As of March 31, 2023: ¥2,846million
 As of December 31, 2022: ¥2,936 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, 2022	—	0.00	—	30.00	30.00
Fiscal year ending December 31, 2023	—				
Fiscal year ending December 31, 2023 (Forecast)		0.00	—	20.00	20.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of Non-consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	1,970	3.3	121	△23.9	142	△22.0	94	△20.9	15.70
Full year	5,000	△1.0	550	0.4	592	0.0	391	△6.8	65.32

Note: Revisions to the forecast of Non-consolidated financial results most recently announced: None

* Notes

- (1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	5,985,900shares
As of December 31, 2022	5,985,900shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	357shares
As of December 31, 2022	357shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	5,985,543shares
Three months ended March 31, 2022	5,967,943shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation on appropriate use of results forecasts and other notes

The results forecasts and other forward-looking statements shown in these materials are based on information obtained by the Company at present, and certain assumptions deemed to be reasonable. They are not intended to be a promise by the Company to achieve the results. Furthermore, actual results may vary significantly due to a variety of factors.

Quarterly Non-consolidated Financial Statements
Non-consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	2,851,233	3,094,612
Notes and accounts receivables-trade	1,580,847	922,508
Merchandise	82	65
Work in process	220,868	267,029
Supplies	556	509
Other	71,585	65,985
Total current assets	<u>4,725,175</u>	<u>4,350,709</u>
Non-current assets		
Property, plant and equipment		
Land	770,309	770,309
Other, net	294,093	293,791
Total property, plant and equipment	<u>1,064,402</u>	<u>1,064,100</u>
Intangible assets	35,239	36,690
Investments and other assets		
Investment property, net	569,687	567,635
Other	155,000	174,085
Total investments and other assets	<u>724,688</u>	<u>741,720</u>
Total non-current assets	<u>1,824,330</u>	<u>1,842,510</u>
Total assets	<u>6,549,505</u>	<u>6,193,220</u>
Liabilities		
Current liabilities		
Notes and accounts payables - trade	1,392,434	1,060,582
Short-term borrowings	1,150,000	1,150,000
Current portion of long-term borrowings	17,520	17,520
Income taxes payables	86,212	68,700
Provision for bonuses	—	58,200
Other	318,888	340,374
Total current liabilities	<u>2,965,055</u>	<u>2,695,376</u>
Non-current liabilities		
Long-term borrowings	179,580	175,200
Provision for retirement benefits	289,252	296,732
Provision for retirement benefits for directors	145,270	146,406
Other	34,222	33,493
Total non-current liabilities	<u>648,325</u>	<u>651,832</u>
Total liabilities	<u>3,613,380</u>	<u>3,347,209</u>
Net assets		
Shareholders' equity		
Share capital	437,080	437,080
Capital surplus	298,230	298,230
Retained earnings	2,201,107	2,110,993
Treasury shares	(293)	(293)
Total shareholders' equity	<u>2,936,124</u>	<u>2,846,011</u>
Total net assets	<u>2,936,124</u>	<u>2,846,011</u>
Total liabilities and net assets	<u>6,549,505</u>	<u>6,193,220</u>

Non-consolidated Statements of Income(cumulative)

(Thousands of yen)

	Three Months Ended March 31,2022	Three Months Ended March 31,2023
Net sales	957,831	1,101,645
Cost of sales	641,540	747,748
Gross profit	316,291	353,897
Selling, general and administrative expenses	218,071	232,579
Operating profit	98,219	121,317
Non-operating income		
Interest and dividend income	9	9
Rental income	18,988	20,494
Other	543	202
Total non-operating income	19,541	20,705
Non-operating expenses		
Interest expenses	1,189	1,139
Rental expenses	7,440	7,816
Other	9	0
Total non-operating expenses	8,640	8,956
Ordinary profit	109,120	133,067
Profit before income taxes	109,120	133,067
Income taxes - current	44,810	63,012
Income taxes - deferred	(6,838)	(19,398)
Total income taxes	37,972	43,614
Profit	71,148	89,452