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Notice regarding revision to financial results forecasts (non-consolidated)  
and recognition of extraordinary loss

Based on a review of the recent trends in our operating performance, we have revised our projection for FYE January 31<sup>st</sup> 2016 (announced on March 17<sup>th</sup> 2015) as follows:

1. Revision of the financial results forecasts for FYE January 31<sup>st</sup>, 2016

	Revenue	Operating Profit	Ordinary Profit	Net Income	Net Income per share
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	yen/share
Previous forecasts (A)	3,436	702	702	432	20.27
Revised forecasts (B)	2,665	233	235	38	1.83
Difference (B – A)	Δ771	Δ468	Δ466	Δ393	—
Rate of change (%)	Δ22.5	Δ66.7	Δ66.4	Δ91.0	—
(Reference) Consolidated financial results of the fiscal year ended January 2015	2,285	1,196	1,200	708	33.64

2. Reasons for the revision

(1) Our main business of “BUYMA”, the social shopping site, has reached a total of 2,731,875 members as of end Q3 (130.6% yoy). The new members (registrations) since the end of Q1 grew by a steady 367,470, which was 138.5% compared to the number of members added for the same period of the previous year. We are also unfolding mass promotional campaigns in Q4, continuing to acquire new members. Given the steady increase in the number of registered members, our total transaction amount increased to 16,366 million yen (111.1% yoy). Regarding the trend in transaction amounts in relation to those of the previous year were as follows: Q1:5,175 million yen (99.2% yoy), Q2:5,373 million yen (112.8% yoy), Q3: 5,818 million yen (122.5% yoy). They have picked up pace in their growth which had been dampened by fluctuations in the exchange rate. However, the acquisition of new members, taking into account the positive effects from mass campaigns to the maximum extent possible, is lagging behind schedule, and transaction amounts up to Q3 add up to only 51.9% against the initial expected total transaction amount for the full fiscal year (FYE January 2016) of 31,529 million yen. It is therefore expected that revenue for the full year will not reach the level of our initial forecast (non-consolidated basis). Also, given the characteristic of our business, there will be no major change in the level of selling, general and administrative

(SG&A) expenses associated with the shortfall in our revenue.

( 2 ) On the recognition of extraordinary losses

As it has been confirmed that Image Network Inc., the company to which we own shares, will end the operation of its services and dissolve the company, we have recognized appraisal losses of 123 million yen on those investment securities. This has been accounted for as extraordinary loss in Q3 of FYE January 2016, and the effect on overall earnings has been explained in the FYE January 2016 Q3 financial statements (Japan GAAP) (consolidated results).

( 3 ) Forecast to recognize further extraordinary losses

Stulio Inc., to which we also own shares, has also decided to end the operation of their services, as well as to dissolve the company. As a result, it is expected that there will be appraisal losses of 135 million yen on those investment securities, and this will be accounted for during Q4 of FYE January 2016.

For the reasons explained in (1)~(3), revenue, gross profit, operating profit, ordinary profit and net income are all expected to be below the full year earnings forecast (non-consolidated); therefore we have revised our forecast as above.

Note: The forecast shown above is prepared based on information available as of the issuing date of this report. Actual results may differ from these forecasted figures due to various unknown factors.