



March 16th, 2016

Company Name Enigmo Inc.
Representative Representative
Director Director Shokei Suda
CEO
(Code No. : 3665 Tokyo Stock Exchange, Mothers)
Inquiries Director
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Notice on share acquisition accompanying a change in consolidated subsidiaries

This is to announce that the Company's board meeting held on March 16th 2016 resolved to convert the convertible bonds of Enigmo Korea Inc. (Representative Executive Officer, Sumifusa Iida, hereinafter "Enigmo Korea") into shares, to make it the company a consolidated subsidiary.

1. Reason for share acquisition

With the objective of operating BUYMA KOREA, Enigmo has had a capital alliance with Enigmo Korea since June 10th 2013, through subscribing to a third party allotment of their shares as well as holding their convertible bonds. In order to more reliably and promptly realize the expected outcome of the capital alliance, it has been decided to convert bonds into shares and make Enigmo Korea a subsidiary. By doing so, Enigmo intends to further strengthen collaboration on the business front and concentrate on developing various measures for service expansion in the South Korean market.

2. Method of stock acquisition

Shares will be acquired by converting Enigmo Korea's convertible bonds into shares. The acquisition price will be 1,983 million KRW (189,971 thousand JPY ※), which was the underwriting price of the convertible bonds.

※1KRW = Approx. 0.0958JPY (at the exchange rate of March 15th, 2016)

3. Outline of changing subsidiary (Enigmo Korea)

①Name of Company	Enigmo Korea Inc.							
②Head Office Address	101-2601 Lotte Castle President, Gongdeok-dong, Mapo-gu, Seoul, Korea							
③Name and position of representative	Representative Executive Officer Sumifusa IIDA							
④Nature of business	Operation of the social shopping site, BUYMA KOREA							
⑤Capital	Before share conversion : 117,000KRW (11,466 thousand JPY) After share conversion : 2,100,000KRW (205,800 thousand JPY) ※1KRW=0.0958JPY (March 15 th 2016 exchange rate)							
⑥Established	April 4 th , 2013							
⑦Major shareholders and their shareholding ratio (As of March 16 th 2015)	<table style="width:100%; border:none;"> <tr> <td style="width:70%;">Kim Myun Gong</td> <td style="text-align:right;">72.65%</td> </tr> <tr> <td>Lim Yong Sung</td> <td style="text-align:right;">12.82%</td> </tr> <tr> <td>Enigmo, Inc.</td> <td style="text-align:right;">14.53%</td> </tr> </table>		Kim Myun Gong	72.65%	Lim Yong Sung	12.82%	Enigmo, Inc.	14.53%
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Lim Yong Sung	12.82%							
Enigmo, Inc.	14.53%							
⑧Relationship with the listed Company	Capital	As written in ⑦ above, the listed Company has a 14.53% shareholding in the company						
	Personnel	3 Directors, 1 Auditor and 1 employee of the listed Company serve as concurrent directors of Enigmo Korea						
	Transaction	The listed Company has a purchase agent contract with Enigmo Korea, and conducts transactions in accordance with this contract.						
	Status of relationship with related parties	None						

⑨Recent earnings and financial position of the company			(thousand units)
Accounting Period	FYE December 2015	FYE December 2014	FYE December 2013
Net Assets	-2,323,158 KRW (-222,559 JPY)	-1,104,269 KRW (-105,789 JPY)	-339,949 KRW (-32,567 JPY)
Total Assets	1,237,333 KRW (118,537 JPY)	645,308 KRW (61,821 JPY)	399,078 KRW (38,232 JPY)
Net Assets per share	-199 KRW (-19 JPY)	-94 KRW (-9 JPY)	-29 KRW (-3 JPY)
Sales	106,596 KRW (10,212 JPY)	21,830 KRW (2,091 JPY)	282 KRW (27 JPY)
Operating Loss	-1,189,454 KRW (-113,950 JPY)	-765,193 KRW (-73,305 JPY)	-457,056 KRW (-43,786 JPY)

Ordinary Loss	-1,218,888 KRW (-116,769 JPY)	-764,320 KRW (-73,305 JPY)	-456,949 KRW (-43,776 JPY)
Net Loss	-1,218,888 KRW (-116,769 JPY)	-764,320 KRW (-73,222 JPY)	-456,949 KRW (-43,776 JPY)
Net losses per share	-104 KRW (-10 JPY)	-65 KRW (-6 JPY)	-39 KRW (-4 JPY)
Dividend per share	—	—	—

※1KRW=0.0958JPY (exchange rate as of March 15th 2016)

※Figures less than one thousand KRW are rounded down. Net Assets, Net Losses per share are calculated using the number of shares as of the end of the fiscal year

※Numbers are based on the company's financial statements.

※Financial statements have not been audited by Japanese nor Korean independent auditors.

4. Number of acquired shares, acquisition price and shareholdings before and after acquisition

(1) Number of shares before change	1,700 shares (number of votes : 1,700) (ratio of shareholding : 14.53%)
(2) Number of shares acquired	198,300 shares (number of votes : 198,300) (shareholding percentage after capital injection : 94.43%)
(3) Acquisition price	Underwriting price of convertible bonds 189,971,000JPY Advisory cost (Approx.) 200,000 JPY Total 190,171,000 JPY
(4) Number of shareholdings after change	200,000 shares (number of votes : 200,000) (ratio of shareholding : 95.24%)

5. Schedule

March 16th, 2016 Board meeting resolution

March 16th, 2016 Conversion to shares

6. Effect to the Company's earnings

For the current fiscal year, consolidated earnings are expected to improve as the company will be consolidated from Q2, as well as positive effects from further operation between both companies.

(Reference) Earnings forecasts for FYE January 2017 (announcement on March 16th 2016) and actual results for FYE January 2016

Unit : million JPY

	Sales	Operating Profit	Ordinary Profit	Net Profit (Net Loss)
FYE January 2017 (Forecast)	3,623	1,001	1,001	606
FYE January 2016 (Actual)	2,858	219	216	(180)