

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended April 30, 2018 (Based on Japanese GAAP)

June 14, 2018

Company name: Enigmo Inc.
 Stock exchange listing: Tokyo
 Stock code: 3665 URL <http://http://www.enigmo.co.jp/>
 Representative: Representative Director, CEO Shokei SUDA
 Executive Officer,
 Inquiries: Chief Director of Corporate Operation Yoichi KANEDA TEL 03-6894-3665
 Scheduled date to file Quarterly Securities Report: June 14, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the three months ended April 30, 2018 (from February 1, 2018 to April 30, 2018)

(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 April 30, 2018	1,143	–	479	–	479	–	337	–
Three months ended April 30, 2017	–	–	–	–	–	–	–	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended April 30, 2018	16.22		–	
Three months ended April 30, 2017	–		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of April 30, 2018	5,813		4,313		74.2	
As of January 31, 2018	4,688		3,974		84.8	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended January 31, 2018	–	0.00	–	0.00	0.00
Year ending January 31, 2019	–	–	–	–	–
Year ending January 31, 2019 (Forecast)	–	0.00	–	0.00	0.00

3. Forecast of non-consolidated financial results for the year ending January 31, 2019 (from February 1, 2018 to January 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,784	12.2	1,745	2.1	1,745	1.7	1,205	83.8	57.92

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of April 30, 2018	‡	21,321,000 shares	As of January 31, 2018	‡	21,321,000 shares
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Number of treasury shares at the end of the period

As of April 30, 2018	‡	500,000 shares	As of January 31, 2018	‡	500,000 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended April 30, 2018	‡	20,821,000 shares	Three months ended April 30, 2017	‡	20,821,000 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2018	As of April 30, 2018
Assets		
Current assets		
Cash and deposits	3,856,224	5,124,888
Accounts receivable - trade	201,788	159,692
Advance payments - trade	410,908	325,092
Prepaid expenses	17,392	22,959
Accounts receivable - other	187,291	186,897
Deferred tax assets	13,104	23,613
Income taxes receivable	41,255	–
Other	230	1,515
Allowance for doubtful accounts	(185,582)	(176,639)
Total current assets	4,542,612	5,668,020
Non-current assets		
Property, plant and equipment		
Buildings	49,292	48,839
Tools, furniture and fixtures	18,854	19,973
Total property, plant and equipment	68,146	68,812
Intangible assets		
Software	9,581	8,740
Other	18	18
Total intangible assets	9,599	8,759
Investments and other assets		
Investment securities	575	575
Shares of subsidiaries and associates	105	105
Deferred tax assets	8,816	8,746
Lease and guarantee deposits	58,751	58,751
Total investments and other assets	68,248	68,177
Total non-current assets	145,994	145,749
Total assets	4,688,607	5,813,770
Liabilities		
Current liabilities		
Accounts payable - other	162,564	214,058
Accrued expenses	16,546	20,482
Income taxes payable	–	147,908
Accrued consumption taxes	33,977	42,835
Deposits received	427,370	1,003,768
Provision for point card certificates	52,646	49,765
Other	5,279	6,076
Total current liabilities	698,385	1,484,894
Non-current liabilities		
Asset retirement obligations	15,423	15,464
Total non-current liabilities	15,423	15,464
Total liabilities	713,808	1,500,359

	(Thousands of yen)	
	As of January 31, 2018	As of April 30, 2018
Net assets		
Shareholders' equity		
Capital stock	381,903	381,903
Capital surplus		
Legal capital surplus	321,103	321,103
Other capital surplus	70,371	70,371
Total capital surpluses	391,474	391,474
Retained earnings		
Other retained earnings		
Retained earnings brought forward	3,617,685	3,955,317
Total retained earnings	3,617,685	3,955,317
Treasury shares	(415,380)	(415,380)
Total shareholders' equity	3,975,682	4,313,314
Valuation and translation adjustments		
Deferred gains or losses on hedges	(1,181)	(200)
Total valuation and translation adjustments	(1,181)	(200)
Subscription rights to shares	297	297
Total net assets	3,974,798	4,313,411
Total liabilities and net assets	4,688,607	5,813,770

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended April 30, 2018
Net sales	1,143,803
Cost of sales	197,816
Gross profit	945,987
Selling, general and administrative expenses	466,126
Operating profit	479,861
Non-operating income	
Interest income	73
Miscellaneous income	268
Total non-operating income	342
Non-operating expenses	
Foreign exchange losses	466
Total non-operating expenses	466
Ordinary profit	479,736
Profit before income taxes	479,736
Income taxes - current	152,979
Income taxes - deferred	(10,874)
Total income taxes	142,105
Profit	337,631