

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Non-Consolidated Financial Results
for the Nine Months Ended October 31, 2018
(Based on Japanese GAAP)**

December 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: December 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 nine months ended October 31, 2018 (from February 1, 2018 to October 31, 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	%
Nine months ended October 31, 2018	3,549	–	1,479	–	1,479	–	1,025	–
Nine months ended October 31, 2017	–	–	–	–	–	–	–	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended October 31, 2018	49.24		–	
Nine months ended October 31, 2017	–		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of October 31, 2018	6,151		5,003		81.3	
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	–	0.00	–	–	–
Year ending January 31, 2019 (Forecast)	–	–	–	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 October 31, 2018	‡	21,321,000 shares	As of January 31, 2018	‡	21,321,000 shares
------------------------	---	-------------------	------------------------	---	-------------------

Number of treasury shares at the end of the period

As of October 31, 2018	‡	500,000 shares	As of January 31, 2018	‡	500,000 shares
------------------------	---	----------------	------------------------	---	----------------

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

Nine months ended October 31, 2018	‡	20,821,000 shares	Nine months ended October 31, 2017	‡	20,821,000 shares
------------------------------------	---	-------------------	------------------------------------	---	-------------------

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2018	As of October 31, 2018
Assets		
Current assets		
Cash and deposits	3,856,224	5,490,632
Accounts receivable - trade	201,788	224,837
Advance payments - trade	410,908	229,016
Prepaid expenses	17,392	16,772
Accounts receivable - other	187,291	186,100
Deferred tax assets	13,104	42,349
Income taxes receivable	41,255	–
Other	230	4,389
Allowance for doubtful accounts	(185,582)	(185,386)
Total current assets	4,542,612	6,008,711
Non-current assets		
Property, plant and equipment		
Buildings	49,292	47,931
Tools, furniture and fixtures	18,854	18,606
Total property, plant and equipment	68,146	66,538
Intangible assets		
Software	9,581	8,883
Other	18	18
Total intangible assets	9,599	8,902
Investments and other assets		
Investment securities	575	575
Shares of subsidiaries and associates	105	105
Deferred tax assets	8,816	8,275
Lease and guarantee deposits	58,751	58,751
Total investments and other assets	68,248	67,707
Total non-current assets	145,994	143,147
Total assets	4,688,607	6,151,859
Liabilities		
Current liabilities		
Accounts payable - other	162,564	150,983
Accrued expenses	16,546	8,917
Income taxes payable	–	377,632
Accrued consumption taxes	33,977	47,013
Deposits received	427,370	485,064
Provision for point card certificates	52,646	56,423
Other	5,279	6,515
Total current liabilities	698,385	1,132,549
Non-current liabilities		
Asset retirement obligations	15,423	15,546
Total non-current liabilities	15,423	15,546
Total liabilities	713,808	1,148,096

(Thousands of yen)

	As of January 31, 2018	As of October 31, 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	4,642,829
Total retained earnings	3,617,685	4,642,829
Treasury shares	(415,380)	(415,380)
Total shareholders' equity	3,975,682	5,000,826
Valuation and translation adjustments		
Deferred gains or losses on hedges	(1,181)	2,638
Total valuation and translation adjustments	(1,181)	2,638
Subscription rights to shares	297	297
Total net assets	3,974,798	5,003,763
Total liabilities and net assets	4,688,607	6,151,859

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended October 31, 2018
Net sales	3,549,985
Cost of sales	609,599
Gross profit	2,940,386
Selling, general and administrative expenses	1,460,833
Operating profit	1,479,552
Non-operating income	
Interest income	156
Interest on refund	423
Miscellaneous income	9
Total non-operating income	589
Non-operating expenses	
Foreign exchange losses	261
Total non-operating expenses	261
Ordinary profit	1,479,880
Profit before income taxes	1,479,880
Income taxes - current	485,135
Income taxes - deferred	(30,398)
Total income taxes	454,736
Profit	1,025,144