

Translation

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## Summary of Non-Consolidated Financial Results for the Nine Months Ended October 31, 2019 (Based on Japanese GAAP)

December 13, 2019

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 13, 2019  
 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, 2019 (from February 1, 2019 to October 31, 2019)

#### (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, 2019	4,128	16.3	1,725	16.7	1,708	15.5	1,185	15.7
Nine months ended October 31, 2018	3,549	–	1,479	–	1,479	–	1,025	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended October 31, 2019	28.47		–	
Nine months ended October 31, 2018	24.62		–	

#### (2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of October 31, 2019	7,585		6,698		88.3	
As of January 31, 2019	7,151		5,511		77.1	

### 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, 2019	–	0.00	–	0.00	0.00
Year ending January 31, 2020	–	0.00	–	–	–
Year ending January 31, 2020 (Forecast)	–	–	–	0.00	0.00

### 3. Forecast of non-consolidated financial results for the year ending January 31, 2020 (from February 1, 2019 to January 31, 2020)

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	6,156	16.5	2,467	15.1	2,451	14.4	1,700	11.4	40.82

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, 2019	‡	42,642,000 shares	As of January 31, 2019	‡	42,642,000 shares
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Number of treasury shares at the end of the period

As of October 31, 2019	‡	1,000,040 shares	As of January 31, 2019	‡	1,000,000 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended October 31, 2019	‡	41,641,961 shares	Nine months ended October 31, 2018	‡	41,642,000 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of January 31, 2019	As of October 31, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,456,014	6,872,952
Accounts receivable - trade	245,978	247,758
Advance payments - trade	106,326	201,629
Prepaid expenses	27,139	30,442
Accounts receivable - other	66,687	49,384
Other	918	2,874
Allowance for doubtful accounts	(4,407)	—
<b>Total current assets</b>	<b>6,898,658</b>	<b>7,405,041</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	47,478	46,117
Tools, furniture and fixtures	18,117	16,745
<b>Total property, plant and equipment</b>	<b>65,595</b>	<b>62,863</b>
<b>Intangible assets</b>		
Software	8,386	13,021
Other	18	18
<b>Total intangible assets</b>	<b>8,405</b>	<b>13,039</b>
<b>Investments and other assets</b>		
Investment securities	575	3,584
Shares of subsidiaries and associates	104	104
Deferred tax assets	119,262	37,361
Lease and guarantee deposits	58,751	63,860
<b>Total investments and other assets</b>	<b>178,692</b>	<b>104,910</b>
<b>Total non-current assets</b>	<b>252,693</b>	<b>180,812</b>
<b>Total assets</b>	<b>7,151,352</b>	<b>7,585,854</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - other	182,826	186,283
Accrued expenses	43,931	1,743
Income taxes payable	608,251	102,179
Accrued consumption taxes	63,095	42,189
Deposits received	676,584	503,276
Provision for point card certificates	42,500	25,251
Other	7,099	10,953
<b>Total current liabilities</b>	<b>1,624,290</b>	<b>871,878</b>
<b>Non-current liabilities</b>		
Asset retirement obligations	15,587	15,712
<b>Total non-current liabilities</b>	<b>15,587</b>	<b>15,712</b>
<b>Total liabilities</b>	<b>1,639,877</b>	<b>887,590</b>

(Thousands of yen)

	As of January 31, 2019	As of October 31, 2019
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	5,153,702	6,339,501
Total retained earnings	5,153,702	6,339,501
Treasury shares	(415,380)	(415,429)
Total shareholders' equity	5,511,699	6,697,449
Valuation and translation adjustments		
Deferred gains or losses on hedges	(523)	813
Total valuation and translation adjustments	(523)	813
Share acquisition rights	297	—
Total net assets	5,511,474	6,698,263
Total liabilities and net assets	7,151,352	7,585,854

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended October 31, 2018	Nine months ended October 31, 2019
Net sales	3,549,985	4,128,625
Cost of sales	609,599	742,413
Gross profit	2,940,386	3,386,211
Selling, general and administrative expenses	1,460,833	1,660,297
Operating profit	1,479,552	1,725,914
Non-operating income		
Interest income	156	159
Interest on refund	423	–
A lecture and a manuscript fee income	0	125
Other	9	–
Total non-operating income	589	284
Non-operating expenses		
Foreign exchange losses	261	755
Going public expenses	–	16,497
Miscellaneous loss	–	260
Total non-operating expenses	261	17,513
Ordinary profit	1,479,880	1,708,686
Extraordinary income		
Reversal of allowance for doubtful accounts	–	4,046
Gain on sales of non-current assets	–	36
Gain on reversal of share acquisition rights	–	297
Total extraordinary income	–	4,381
Extraordinary losses		
Loss on retirement of non-current assets	–	674
Total extraordinary losses	–	674
Profit before income taxes	1,479,880	1,712,392
Income taxes - current	485,135	445,283
Income taxes - deferred	(30,398)	81,310
Total income taxes	454,736	526,593
Profit	1,025,144	1,185,799