

**Translation**

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**Summary of Non-Consolidated Financial Results  
for the Year Ended January 31, 2020  
(Based on Japanese GAAP)**

March 16, 2020

Company name: Enigmo Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 3665 URL <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 of ordinary general meeting of shareholders: April 24, 2020  
 Scheduled date to file Securities Report: April 24, 2020  
 Scheduled date to commence dividend payments: April 27, 2020  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended January 31, 2020 (from February 1, 2019 to January 31, 2020)

(1) Non-consolidated operating results

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 | %     |
| Year ended January 31, 2020 | 6,097           | 15.4 | 2,692            | 25.6 | 2,681           | 25.1 | 1,860           | 21.1  |
| Year ended January 31, 2019 | 5,283           | 23.9 | 2,143            | 25.4 | 2,143           | 24.9 | 1,536           | 134.1 |

|                             | Earnings per share | Diluted earnings per share | Profit/equity | Ordinary profit/total assets | Operating profit/net sales |
|-----------------------------|--------------------|----------------------------|---------------|------------------------------|----------------------------|
|                             | Yen                | Yen                        | %             | %                            | %                          |
| Year ended January 31, 2020 | 44.68              | –                          | 28.9          | 33.5                         | 44.2                       |
| Year ended January 31, 2019 | 36.89              | –                          | 32.4          | 36.2                         | 40.6                       |

(2) Non-consolidated financial position

|                        | Total assets    | Net assets      | Equity ratio | Net assets per share |
|------------------------|-----------------|-----------------|--------------|----------------------|
|                        | Millions of yen | Millions of yen | %            | Yen                  |
| As of January 31, 2020 | 8,835           | 7,371           | 83.4         | 177.03               |
| As of January 31, 2019 | 7,151           | 5,511           | 77.1         | 132.35               |

(3) Non-consolidated cash flows

|                             | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-----------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                             | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| Year ended January 31, 2020 | 1,754                                | (24)                                 | (0)                                  | 8,186                                      |
| Year ended January 31, 2019 | 2,611                                | (11)                                 | –                                    | 6,456                                      |

2. Cash dividends

|   | Annual dividends per share |                 |                 |                 |       | Total cash dividends (Total) | Dividend payout ratio (Non-consolidated) | Ratio of dividends to net assets (Non-consolidated) |
|---|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--|---|
|   | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |                              |  |   |
|   | Yen                        | Yen             | Yen             | Yen             | Yen   | Millions of yen              | %  | %   |
| Year ended January 31, 2019             | –                          | 0.00            | –               | 0.00            | 0.00  | –                            | –  | –   |
| Year ended January 31, 2020             | –                          | 0.00            | –               | 7.00            | 7.00  | 291                          | 15.7                                     | 4.0   |
| Year ending January 31, 2021 (Forecast) | –                          | 0.00            | –               | 0.00            | 0.00  |                              |  |   |

3. Notes

(1) 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: | Yes |
| Changes in accounting policies due to other reasons:   | No  |
| Changes in accounting estimates:   | No  |
| Restatement of prior period financial statements:  | No  |

(2) Number of issued shares (common shares)

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

|                        |                   |                        |                   |
|------------------------|-------------------|------------------------|-------------------|
| As of January 31, 2020 | 42,642,000 shares | As of January 31, 2019 | 42,642,000 shares |
|------------------------|-------------------|------------------------|-------------------|

Number of treasury shares at the end of the period

|                        |                  |                        |                  |
|------------------------|------------------|------------------------|------------------|
| As of January 31, 2020 | 1,000,040 shares | As of January 31, 2019 | 1,000,000 shares |
|------------------------|------------------|------------------------|------------------|

Average number of shares during the period

|                             |                   |                             |                   |
|-----------------------------|-------------------|-----------------------------|-------------------|
| Year ended January 31, 2020 | 41,641,961 shares | Year ended January 31, 2019 | 41,642,000 shares |
|-----------------------------|-------------------|-----------------------------|-------------------|

**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

|                                       | As of January 31, 2019 | As of January 31, 2020 |
|---------------------------------------|------------------------|------------------------|
| <b>Assets</b>                         |                        |                        |
| Current assets                        |                        |                        |
| Cash and deposits                     | 6,456,014              | 8,186,097              |
| Accounts receivable - trade           | 245,978                | 292,670                |
| Advance payments - trade              | 106,326                | 129,714                |
| Prepaid expenses                      | 27,139                 | 31,127                 |
| Accounts receivable - other           | 66,687                 | 7,516                  |
| Deferred tax assets                   | 111,534                | –                      |
| Other                                 | 918                    | 753                    |
| Allowance for doubtful accounts       | (4,407)                | –                      |
| Total current assets                  | 7,010,192              | 8,647,879              |
| Non-current assets                    |                        |                        |
| Property, plant and equipment         |                        |                        |
| Buildings, net                        | 47,478                 | 45,663                 |
| Tools, furniture and fixtures, net    | 18,117                 | 16,236                 |
| Total property, plant and equipment   | 65,595                 | 61,899                 |
| Intangible assets                     |                        |                        |
| Software                              | 8,386                  | 11,711                 |
| Other                                 | 18                     | 18                     |
| Total intangible assets               | 8,405                  | 11,730                 |
| Investments and other assets          |                        |                        |
| Investment securities                 | 575                    | 575                    |
| Shares of subsidiaries and associates | 104                    | 104                    |
| Leasehold and guarantee deposits      | 58,751                 | 63,826                 |
| Long-term prepaid expenses            | –                      | 12,487                 |
| Deferred tax assets                   | 7,728                  | 36,980                 |
| Total investments and other assets    | 67,158                 | 113,972                |
| Total non-current assets              | 141,159                | 187,603                |
| Total assets                          | 7,151,352              | 8,835,482              |
| <b>Liabilities</b>                    |                        |                        |
| Current liabilities                   |                        |                        |
| Accounts payable - other              | 182,826                | 188,562                |
| Accrued expenses                      | 43,931                 | 1,383                  |
| Income taxes payable                  | 608,251                | 415,164                |
| Accrued consumption taxes             | 63,095                 | 90,312                 |
| Deposits received                     | 676,584                | 712,680                |
| Provision for point card certificates | 42,500                 | 29,194                 |
| Other                                 | 7,099                  | 10,518                 |
| Total current liabilities             | 1,624,290              | 1,447,815              |
| Non-current liabilities               |                        |                        |
| Asset retirement obligations          | 15,587                 | 15,753                 |
| Total non-current liabilities         | 15,587                 | 15,753                 |
| Total liabilities                     | 1,639,877              | 1,463,569              |

(Thousands of yen)

|   | As of January 31, 2019 | As of January 31, 2020 |
|---|------------------------|------------------------|
| 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              | 7,014,241              |
| Total retained earnings                     | 5,153,702              | 7,014,241              |
| Treasury shares                             | (415,380)              | (415,429)              |
| Total shareholders' equity                  | 5,511,699              | 7,372,189              |
| Valuation and translation adjustments       |                        |                        |
| Deferred gains or losses on hedges          | (523)                  | (276)                  |
| Total valuation and translation adjustments | (523)                  | (276)                  |
| Share acquisition rights                    | 297                    | –                      |
| Total net assets                            | 5,511,474              | 7,371,913              |
| Total liabilities and net assets            | 7,151,352              | 8,835,482              |

## Non-consolidated statements of income

(Thousands of yen)

|  | Fiscal year ended<br>January 31, 2019 | Fiscal year ended<br>January 31, 2020 |
|--|---------------------------------------|---------------------------------------|
| Net sales  | 5,283,572                             | 6,097,281                             |
| Cost of sales  | 915,323                               | 1,106,723                             |
| Gross profit   | 4,368,248                             | 4,990,557                             |
| Selling, general and administrative expenses               | 2,224,428                             | 2,297,983                             |
| Operating profit   | 2,143,820                             | 2,692,574                             |
| Non-operating income                                       |                                       |                                       |
| Interest income  | 156                                   | 159                                   |
| Gain on reversal of deposits received                      | –                                     | 10,623                                |
| Interest on refund   | 423                                   | –                                     |
| Other  | 26                                    | 132                                   |
| Total non-operating income                                 | 606                                   | 10,915                                |
| Non-operating expenses                                     |                                       |                                       |
| Foreign exchange losses                                    | 636                                   | 2,022                                 |
| Loss on valuation of investment securities                 | –                                     | 3,008                                 |
| Going public expenses                                      | –                                     | 16,497                                |
| Miscellaneous loss   | –                                     | 261                                   |
| Total non-operating expenses                               | 636                                   | 21,790                                |
| Ordinary profit  | 2,143,789                             | 2,681,698                             |
| Extraordinary income                                       |                                       |                                       |
| Reversal of allowance for doubtful accounts                | –                                     | 4,046                                 |
| Gain on sales of non-current assets                        | –                                     | 154                                   |
| Gain on reversal of share acquisition rights               | –                                     | 297                                   |
| Total extraordinary income                                 | –                                     | 4,498                                 |
| Extraordinary losses                                       |                                       |                                       |
| Loss on sales of non-current assets                        | –                                     | 95                                    |
| Loss on retirement of non-current assets                   | –                                     | 770                                   |
| Loss on valuation of shares of subsidiaries and associates | 1                                     | –                                     |
| Provision of allowance for doubtful accounts               | 1,234                                 | –                                     |
| Total extraordinary losses                                 | 1,235                                 | 865                                   |
| Profit before income taxes                                 | 2,142,554                             | 2,685,332                             |
| Income taxes - current                                     | 704,169                               | 742,620                               |
| Income taxes - deferred                                    | (97,631)                              | 82,173                                |
| Total income taxes   | 606,537                               | 824,793                               |
| Profit   | 1,536,017                             | 1,860,539                             |

## Non-consolidated statements of changes in equity

Fiscal year ended January 31, 2019

(Thousands of yen)

|  | Shareholders' equity |                       |                       |                       |                         |                         |                 |                            |
|--|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus       |                       |                       | Retained earnings       |                         | Treasury shares | Total shareholders' equity |
|  |                      | Legal capital surplus | Other capital surplus | Total capital surplus | Other retained earnings | Total retained earnings |                 |                            |
| Balance at beginning of current period               | 381,903              | 321,103               | 70,371                | 391,474               | 3,617,685               | 3,617,685               | (415,380)       | 3,975,682                  |
| Changes of items during period                       |                      |                       |                       |                       |                         |                         |                 |                            |
| Profit   |                      |                       |                       |                       | 1,536,017               | 1,536,017               |                 | 1,536,017                  |
| Purchase of treasury shares                          |                      |                       |                       |                       |                         |                         |                 |                            |
| Net changes of items other than shareholders' equity |                      |                       |                       |                       |                         |                         |                 | -                          |
| Total changes of items during period                 | -                    | -                     | -                     | -                     | 1,536,017               | 1,536,017               | -               | 1,536,017                  |
| Balance at end of current period                     | 381,903              | 321,103               | 70,371                | 391,474               | 5,153,702               | 5,153,702               | (415,380)       | 5,511,699                  |

|  | Valuation and translation adjustments |   | Share acquisition rights | Total net assets |
|--|---------------------------------------|---|--------------------------|------------------|
|  | Deferred gains or losses on hedges    | Total valuation and translation adjustments |                          |                  |
| Balance at beginning of current period               | (1,181)                               | (1,181)                                     | 297                      | 3,974,798        |
| Changes of items during period                       |                                       |   |                          |                  |
| Profit   |                                       |   |                          | 1,536,017        |
| Purchase of treasury shares                          |                                       |   |                          |                  |
| Net changes of items other than shareholders' equity | 658                                   | 658   |                          | 658              |
| Total changes of items during period                 | 658                                   | 658   | -                        | 1,536,675        |
| Balance at end of current period                     | (523)                                 | (523)                                       | 297                      | 5,511,474        |

Fiscal year ended January 31, 2020

(Thousands of yen)

|  | Shareholders' equity |                       |                       |                       |                                   |                         |                 |                            |
|--|----------------------|-----------------------|-----------------------|-----------------------|-----------------------------------|-------------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus       |                       |                       | Retained earnings                 |                         | Treasury shares | Total shareholders' equity |
|  |                      | Legal capital surplus | Other capital surplus | Total capital surplus | Other retained earnings           | Total retained earnings |                 |                            |
|  |                      |                       |                       |                       | Retained earnings brought forward |                         |                 |                            |
| Balance at beginning of current period               | 381,903              | 321,103               | 70,371                | 391,474               | 5,153,702                         | 5,153,702               | (415,380)       | 5,511,699                  |
| Changes of items during period                       |                      |                       |                       |                       |                                   |                         |                 |                            |
| Profit   |                      |                       |                       |                       | 1,860,539                         | 1,860,539               |                 | 1,860,539                  |
| Purchase of treasury shares                          |                      |                       |                       |                       |                                   |                         | (49)            | (49)                       |
| Net changes of items other than shareholders' equity |                      |                       |                       |                       |                                   |                         |                 | -                          |
| Total changes of items during period                 | -                    | -                     | -                     | -                     | 1,860,539                         | 1,860,539               | (49)            | 1,860,490                  |
| Balance at end of current period                     | 381,903              | 321,103               | 70,371                | 391,474               | 7,014,241                         | 7,014,241               | (415,429)       | 7,372,189                  |

|  | Valuation and translation adjustments |   | Share acquisition rights | Total net assets |
|--|---------------------------------------|---|--------------------------|------------------|
|  | Deferred gains or losses on hedges    | Total valuation and translation adjustments |                          |                  |
| Balance at beginning of current period               | (523)                                 | (523)                                       | 297                      | 5,511,474        |
| Changes of items during period                       |                                       |   |                          |                  |
| Profit   |                                       |   |                          | 1,860,539        |
| Purchase of treasury shares                          |                                       |   |                          | (49)             |
| Net changes of items other than shareholders' equity | 247                                   | 247   | (297)                    | (50)             |
| Total changes of items during period                 | 247                                   | 247   | (297)                    | 1,860,440        |
| Balance at end of current period                     | (276)                                 | (276)                                       | -                        | 7,371,913        |

## Non-consolidated statements of cash flows

(Thousands of yen)

|  | Fiscal year ended<br>January 31, 2019 | Fiscal year ended<br>January 31, 2020 |
|--|---------------------------------------|---------------------------------------|
| Cash flows from operating activities                         |                                       |                                       |
| Profit before income taxes                                   | 2,142,554                             | 2,685,332                             |
| Depreciation   | 15,331                                | 16,197                                |
| Increase (decrease) in allowance for doubtful accounts       | (181,174)                             | (4,407)                               |
| Increase (decrease) in provision for point card certificates | (10,145)                              | (13,306)                              |
| Interest and dividend income                                 | (156)                                 | (159)                                 |
| Foreign exchange losses (gains)                              | (9)                                   | (89)                                  |
| Decrease (increase) in notes and accounts receivable - trade | (44,190)                              | (46,691)                              |
| Decrease (increase) in inventories                           | 230                                   | -                                     |
| Increase (decrease) in accounts payable - other              | 20,262                                | 5,735                                 |
| Increase (decrease) in deposits received                     | 249,214                               | 36,096                                |
| Other, net   | 502,738                               | 6,688                                 |
| Subtotal   | 2,694,655                             | 2,685,396                             |
| Interest and dividend income received                        | 156                                   | 159                                   |
| Income taxes paid  | (83,475)                              | (931,536)                             |
| Net cash provided by (used in) operating activities          | 2,611,335                             | 1,754,019                             |
| Cash flows from investing activities                         |                                       |                                       |
| Purchase of property, plant and equipment                    | (9,215)                               | (8,105)                               |
| Purchase of intangible assets                                | -                                     | (8,586)                               |
| Payments for leasehold and guarantee deposits                | -                                     | (5,074)                               |
| Other, net   | (2,370)                               | (2,880)                               |
| Net cash provided by (used in) investing activities          | (11,586)                              | (24,648)                              |
| Cash flows from financing activities                         |                                       |                                       |
| Purchase of treasury shares                                  | -                                     | (49)                                  |
| Net cash provided by (used in) financing activities          | -                                     | (49)                                  |
| Effect of exchange rate change on cash and cash equivalents  | 39                                    | 760                                   |
| Net increase (decrease) in cash and cash equivalents         | 2,599,789                             | 1,730,082                             |
| Cash and cash equivalents at beginning of period             | 3,856,224                             | 6,456,014                             |
| Cash and cash equivalents at end of period                   | 6,456,014                             | 8,186,097                             |