

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended April 30, 2020 (Based on Japanese GAAP)

June 12, 2020

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 12, 2020
 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, 2020 (from February 1, 2020 to April 30, 2020)

(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, 2020	1,343	(2.0)	476	(21.1)	476	(18.5)	332	(18.1)
Three months ended April 30, 2019	1,370	19.9	603	25.8	584	21.8	405	20.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended April 30, 2020	7.99		–	
Three months ended April 30, 2019	9.74		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of April 30, 2020	8,809		7,414		84.2	
As of January 31, 2020	8,835		7,371		83.4	

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, 2020	–	0.00	–	7.00	7.00
Year ending January 31, 2021	–				
Year ending January 31, 2021 (Forecast)		0.00	–	0.00	0.00

3. 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, 2020	‡	42,642,000 shares	As of January 31, 2020	‡	42,642,000 shares
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Number of treasury shares at the end of the period

As of April 30, 2020	‡	1,000,040 shares	As of January 31, 2020	‡	1,000,040 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, 2020	‡	41,641,960 shares	Three months ended April 30, 2019	‡	41,642,000 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2020	As of April 30, 2020
Assets		
Current assets		
Cash and deposits	8,186,097	8,282,880
Accounts receivable - trade	292,670	162,277
Advance payments - trade	129,714	137,516
Prepaid expenses	31,127	45,519
Accounts receivable - other	7,516	908
Other	753	3,137
Total current assets	8,647,879	8,632,239
Non-current assets		
Property, plant and equipment		
Buildings	45,663	45,209
Tools, furniture and fixtures	16,236	20,594
Total property, plant and equipment	61,899	65,804
Intangible assets		
Software	11,711	10,419
Other	18	18
Total intangible assets	11,730	10,438
Investments and other assets		
Investment securities	575	4,287
Shares of subsidiaries and associates	104	104
Leasehold and guarantee deposits	63,826	63,841
Long-term prepaid expenses	12,487	10,703
Deferred tax assets	36,980	21,959
Total investments and other assets	113,972	100,894
Total non-current assets	187,603	177,137
Total assets	8,835,482	8,809,376
Liabilities		
Current liabilities		
Accounts payable - other	188,562	177,229
Accrued expenses	1,383	1,149
Income taxes payable	415,164	141,726
Accrued consumption taxes	90,312	58,624
Deposits received	712,680	957,979
Provision for point card certificates	29,194	30,236
Other	10,518	12,165
Total current liabilities	1,447,815	1,379,111
Non-current liabilities		
Asset retirement obligations	15,753	15,795
Total non-current liabilities	15,753	15,795
Total liabilities	1,463,569	1,394,907

	(Thousands of yen)	
	As of January 31, 2020	As of April 30, 2020
Net assets		
Shareholders' equity		
Share capital	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	7,014,241	7,055,285
Total retained earnings	7,014,241	7,055,285
Treasury shares	(415,429)	(415,429)
Total shareholders' equity	7,372,189	7,413,233
Valuation and translation adjustments		
Deferred gains or losses on hedges	(276)	1,235
Total valuation and translation adjustments	(276)	1,235
Total net assets	7,371,913	7,414,469
Total liabilities and net assets	8,835,482	8,809,376

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended April 30, 2019	Three months ended April 30, 2020
Net sales	1,370,871	1,343,346
Cost of sales	241,300	246,806
Gross profit	1,129,571	1,096,539
Selling, general and administrative expenses	525,958	620,006
Operating profit	603,612	476,533
Non-operating income		
Interest income	87	59
Other	1	1
Total non-operating income	89	60
Non-operating expenses		
Foreign exchange losses	2,820	108
Going public expenses	16,497	–
Total non-operating expenses	19,317	108
Ordinary profit	584,384	476,486
Extraordinary income		
Reversal of allowance for doubtful accounts	4,046	–
Gain on reversal of share acquisition rights	297	–
Gain on sales of investment securities	–	3,077
Total extraordinary income	4,344	3,077
Profit before income taxes	588,728	479,563
Income taxes - current	81,340	132,672
Income taxes - deferred	101,530	14,353
Total income taxes	182,870	147,025
Profit	405,858	332,537