

**Translation**

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## Summary of Non-Consolidated Financial Results for the Six Months Ended July 31, 2020 (Based on Japanese GAAP)

September 14, 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: September 14, 2020  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Non-consolidated financial results for the six months ended July 31, 2020 (from February 1, 2020 to July 31, 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	%
Six months ended July 31, 2020	2,964	10.0	1,127	(0.5)	1,126	1.1	783	1.1
Six months ended July 31, 2019	2,695	17.7	1,133	20.7	1,114	18.7	774	19.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2020	18.82		–	
Six months ended July 31, 2019	18.60		–	

## (2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of July 31, 2020	9,621		7,862		81.7	
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	–	0.00			
Year ending January 31, 2021 (Forecast)			–	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 July 31, 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 July 31, 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)

Six months ended July 31, 2020	⋮	41,641,960 shares	Six months ended July 31, 2019	⋮	41,641,960 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of January 31, 2020	As of July 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	8,186,097	8,987,695
Accounts receivable - trade	292,670	259,130
Supplies	–	5,539
Advance payments - trade	129,714	128,648
Prepaid expenses	31,127	42,890
Accounts receivable - other	7,516	837
Other	753	45
Total current assets	8,647,879	9,424,788
Non-current assets		
Property, plant and equipment		
Buildings	45,663	44,756
Tools, furniture and fixtures	16,236	31,180
Total property, plant and equipment	61,899	75,936
Intangible assets		
Software	11,711	9,127
Other	18	18
Total intangible assets	11,730	9,145
Investments and other assets		
Investment securities	575	4,287
Shares of subsidiaries and associates	104	104
Leasehold and guarantee deposits	63,826	63,835
Long-term prepaid expenses	12,487	8,919
Deferred tax assets	36,980	34,742
Total investments and other assets	113,972	111,888
Total non-current assets	187,603	196,971
Total assets	8,835,482	9,621,760
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	188,562	205,449
Accrued expenses	1,383	2,877
Income taxes payable	415,164	364,794
Accrued consumption taxes	90,312	51,071
Deposits received	712,680	1,071,480
Provision for point card certificates	29,194	32,197
Other	10,518	15,258
Total current liabilities	1,447,815	1,743,129
Non-current liabilities		
Asset retirement obligations	15,753	15,837
Total non-current liabilities	15,753	15,837
Total liabilities	1,463,569	1,758,967

(Thousands of yen)

	As of January 31, 2020	As of July 31, 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	7,506,348
Total retained earnings	7,014,241	7,506,348
Treasury shares	(415,429)	(415,429)
Total shareholders' equity	7,372,189	7,864,296
Valuation and translation adjustments		
Deferred gains or losses on hedges	(276)	(1,836)
Total valuation and translation adjustments	(276)	(1,836)
Share acquisition rights	–	332
Total net assets	7,371,913	7,862,792
Total liabilities and net assets	8,835,482	9,621,760

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

(Thousands of yen)

	Six months ended July 31, 2019	Six months ended July 31, 2020
Net sales	2,695,218	2,964,629
Cost of sales	480,240	544,942
Gross profit	2,214,977	2,419,686
Selling, general and administrative expenses	1,081,887	1,292,576
Operating profit	1,133,090	1,127,109
Non-operating income		
Interest income	87	59
A lecture and a manuscript fee income	–	28
Other	1	0
Total non-operating income	89	87
Non-operating expenses		
Foreign exchange losses	2,275	39
Share issuance cost	–	180
Going public expenses	16,497	–
Miscellaneous loss	208	–
Total non-operating expenses	18,981	219
Ordinary profit	1,114,198	1,126,977
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	–
Gain on sales of investment securities	–	3,077
Total extraordinary income	4,381	3,077
Profit before income taxes	1,118,579	1,130,055
Income taxes - current	251,346	343,527
Income taxes - deferred	92,292	2,926
Total income taxes	343,638	346,454
Profit	774,940	783,600

## Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2019	Six months ended July 31, 2020
Cash flows from operating activities		
Profit before income taxes	1,118,579	1,130,055
Depreciation	7,242	9,702
Increase (decrease) in allowance for doubtful accounts	(4,407)	–
Increase (decrease) in provision for point card certificates	(22,760)	3,003
Interest and dividend income	(87)	(59)
Foreign exchange losses (gains)	(1)	(293)
Decrease (increase) in trade receivables	38,510	33,540
Decrease (increase) in inventories	–	(5,539)
Increase (decrease) in accounts payable - other	(9,479)	16,887
Increase (decrease) in deposits received	(210,041)	358,799
Other, net	(87,564)	(38,993)
Subtotal	829,988	1,507,101
Interest and dividends received	87	59
Income taxes paid	(579,452)	(390,532)
Net cash provided by (used in) operating activities	250,623	1,116,628
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,299)	(21,155)
Purchase of investment securities	–	(4,000)
Payments of leasehold and guarantee deposits	(5,008)	(9)
Other, net	10	–
Net cash provided by (used in) investing activities	(7,297)	(25,164)
Cash flows from financing activities		
Purchase of treasury shares	(49)	–
Proceeds from issuance of share acquisition rights	–	332
Dividends paid	–	(291,493)
Net cash provided by (used in) financing activities	(49)	(291,160)
Effect of exchange rate change on cash and cash equivalents	(186)	1,295
Net increase (decrease) in cash and cash equivalents	243,090	801,598
Cash and cash equivalents at beginning of period	6,456,014	8,186,097
Cash and cash equivalents at end of period	6,699,104	8,987,695