

Translation

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**Summary of Non-Consolidated Financial Results
for the Year Ended January 31, 2021
(Based on Japanese GAAP)**

March 17, 2021

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 28, 2021
 Scheduled date to file Securities Report: April 28, 2021
 Scheduled date to commence dividend payments: April 30, 2021
 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, 2021 (from February 1, 2020 to January 31, 2021)

(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, 2021	7,077	16.1	3,033	12.7	3,030	13.0	2,098	12.8
Year ended January 31, 2020	6,097	15.4	2,692	25.6	2,681	25.1	1,860	21.1

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended January 31, 2021	50.41	50.38	25.3	28.1	42.9
Year ended January 31, 2020	44.68	–	28.9	33.5	44.2

(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, 2021	12,737	9,220	72.1	220.45
As of January 31, 2020	8,835	7,371	83.4	177.03

(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, 2021	4,134	(222)	(291)	11,807
Year ended January 31, 2020	1,754	(24)	(0)	8,186

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, 2020	–	0.00	–	7.00	7.00	291	15.7	4.0
Year ended January 31, 2021	–	0.00	–	10.00	10.00	416	19.8	4.5
Year ending January 31, 2022 (Forecast)	–	–	–	–	–	–	–	–

3. Forecast of non-consolidated financial results for the year ending January 31, 2022 (from February 1, 2021 to January 31, 2022)

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	8,139	15.0	3,063	1.0	3,060	1.0	2,117	1.0	50.85
	~8,846	25.0	~3,519	16.0	~3,519	16.1	~2,435	16.0	~58.47

4. 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:	No
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, 2021	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 January 31, 2021	1,000,040 shares	As of January 31, 2020	1,000,040 shares
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Average number of shares during the period

Year ended January 31, 2021	41,641,960 shares	Year ended January 31, 2020	41,641,961 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2020	As of January 31, 2021
Assets		
Current assets		
Cash and deposits	8,186,097	11,807,725
Accounts receivable - trade	292,670	331,943
Merchandise	–	5,071
Supplies	–	5,061
Advance payments - trade	129,714	61,089
Prepaid expenses	31,127	42,347
Accounts receivable - other	7,516	84,629
Other	753	1,281
Total current assets	8,647,879	12,339,150
Non-current assets		
Property, plant and equipment		
Buildings, net	45,663	43,382
Tools, furniture and fixtures, net	16,236	25,363
Total property, plant and equipment	61,899	68,746
Intangible assets		
Software	11,711	10,652
Other	18	18
Total intangible assets	11,730	10,671
Investments and other assets		
Investment securities	575	193,341
Shares of subsidiaries and associates	104	104
Leasehold and guarantee deposits	63,826	63,820
Long-term prepaid expenses	12,487	5,351
Deferred tax assets	36,980	56,020
Total investments and other assets	113,972	318,638
Total non-current assets	187,603	398,056
Total assets	8,835,482	12,737,206
Liabilities		
Current liabilities		
Accounts payable - other	188,562	362,214
Accrued expenses	1,383	8,094
Income taxes payable	415,164	666,181
Accrued consumption taxes	90,312	149,736
Deposits received	712,680	2,273,483
Asset retirement obligations	–	13,800
Provision for point card certificates	29,194	33,300
Other	10,518	2,665
Total current liabilities	1,447,815	3,509,476
Non-current liabilities		
Asset retirement obligations	15,753	7,152
Total non-current liabilities	15,753	7,152
Total liabilities	1,463,569	3,516,629

(Thousands of yen)

	As of January 31, 2020	As of January 31, 2021
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	8,821,715
Total retained earnings	7,014,241	8,821,715
Treasury shares	(415,429)	(415,429)
Total shareholders' equity	7,372,189	9,179,664
Valuation and translation adjustments		
Deferred gains or losses on hedges	(276)	554
Valuation difference on available-for-sale securities	–	(160)
Total valuation and translation adjustments	(276)	394
Share acquisition rights	–	40,519
Total net assets	7,371,913	9,220,577
Total liabilities and net assets	8,835,482	12,737,206

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended January 31, 2020	Fiscal year ended January 31, 2021
Net sales	6,097,281	7,077,484
Cost of sales	1,106,723	1,327,328
Gross profit	4,990,557	5,750,156
Selling, general and administrative expenses	2,297,983	2,716,938
Operating profit	2,692,574	3,033,218
Non-operating income		
Interest income	159	107
Gain on reversal of deposits received	10,623	1,753
Other	132	251
Total non-operating income	10,915	2,113
Non-operating expenses		
Foreign exchange losses	2,022	1,837
Share issuance costs	–	180
Loss on valuation of investment securities	3,008	–
Loss on investments in investment partnerships	–	2,617
Going public expenses	16,497	–
Miscellaneous loss	261	4
Total non-operating expenses	21,790	4,638
Ordinary profit	2,681,698	3,030,692
Extraordinary income		
Reversal of allowance for doubtful accounts	4,046	–
Gain on sales of non-current assets	154	15
Gain on reversal of share acquisition rights	297	–
Gain on sales of investment securities	–	3,385
Total extraordinary income	4,498	3,400
Extraordinary losses		
Loss on sales of non-current assets	95	81
Loss on retirement of non-current assets	770	–
Total extraordinary losses	865	81
Profit before income taxes	2,685,332	3,034,011
Income taxes - current	742,620	954,379
Income taxes - deferred	82,173	(19,336)
Total income taxes	824,793	935,043
Profit	1,860,539	2,098,968

Non-consolidated statements of changes in equity

Fiscal year ended January 31, 2020

(Thousands of yen)

	Shareholders' equity							
	Share capital	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 period	381,903	321,103	70,371	391,474	5,153,702	5,153,702	(415,380)	5,511,699
Changes during period								
Profit					1,860,539	1,860,539		1,860,539
Purchase of treasury shares							(49)	(49)
Dividends of surplus								–
Net changes in items other than shareholders' equity								–
Total changes during period	–	–	–	–	1,860,539	1,860,539	(49)	1,860,490
Balance at end of 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
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	–	(523)	(523)	297	5,511,474
Changes during period					
Profit					1,860,539
Purchase of treasury shares					(49)
Dividends of surplus					–
Net changes in items other than shareholders' equity		247	247	(297)	(50)
Total changes during period	–	247	247	(297)	1,860,440
Balance at end of period	–	(276)	(276)	–	7,371,913

Fiscal year ended January 31, 2021

(Thousands of yen)

	Shareholders' equity							
	Share capital	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 period	381,903	321,103	70,371	391,474	7,014,241	7,014,241	(415,429)	7,372,189
Changes during period								
Profit					2,098,968	2,098,968		2,098,968
Purchase of treasury shares							-	-
Dividends of surplus					(291,493)	(291,493)		(291,493)
Net changes in items other than shareholders' equity								-
Total changes during period	-	-	-	-	1,807,474	1,807,474	-	1,807,474
Balance at end of period	381,903	321,103	70,371	391,474	8,821,715	8,821,715	(415,429)	9,179,664

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	-	(276)	(276)	-	7,371,913
Changes during period					
Profit					2,098,968
Purchase of treasury shares					-
Dividends of surplus					(291,493)
Net changes in items other than shareholders' equity	(160)	831	670	40,519	41,190
Total changes during period	(160)	831	670	40,519	1,848,664
Balance at end of period	(160)	554	394	40,519	9,220,577

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2020	Fiscal year ended January 31, 2021
Cash flows from operating activities		
Profit before income taxes	2,685,332	3,034,011
Depreciation	16,197	26,070
Share-based remuneration expenses	–	40,186
Increase (decrease) in allowance for doubtful accounts	(4,407)	–
Increase (decrease) in provision for point card certificates	(13,306)	4,106
Interest and dividend income	(159)	(107)
Loss (gain) on valuation of securities	–	2,617
Foreign exchange losses (gains)	(89)	(261)
Decrease (increase) in trade receivables	(46,691)	(39,272)
Decrease (increase) in inventories	–	(10,133)
Increase (decrease) in accounts payable - other	5,735	173,652
Increase (decrease) in deposits received	36,096	1,560,802
Other, net	6,688	52,847
Subtotal	2,685,396	4,844,518
Interest and dividends received	159	107
Income taxes paid	(931,536)	(710,276)
Net cash provided by (used in) operating activities	1,754,019	4,134,349
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,105)	(23,781)
Purchase of intangible assets	(8,586)	(3,347)
Purchase of investment securities	–	(195,902)
Payments of leasehold and guarantee deposits	(5,074)	5
Other, net	(2,880)	201
Net cash provided by (used in) investing activities	(24,648)	(222,824)
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)	(291,161)
Effect of exchange rate change on cash and cash equivalents	760	1,263
Net increase (decrease) in cash and cash equivalents	1,730,082	3,621,628
Cash and cash equivalents at beginning of period	6,456,014	8,186,097
Cash and cash equivalents at end of period	8,186,097	11,807,725