

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended July 31, 2021 (Based on Japanese GAAP)

September 14, 2021

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, 2021
 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, 2021 (from February 1, 2021 to July 31, 2021)

(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, 2021	3,583	20.9	1,369	21.5	1,377	22.3	932	19.0
Six months ended July 31, 2020	2,964	10.0	1,127	(0.5)	1,126	1.1	783	1.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2021	22.40		22.38	
Six months ended July 31, 2020	18.82		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2021	12,921	9,737	75.0
As of January 31, 2021	12,737	9,220	72.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended January 31, 2021	–	0.00	–	10.00	10.00
Year ending January 31, 2022	–	0.00			
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) 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, 2021	42,642,000 shares	As of January 31, 2021	42,642,000 shares
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Number of treasury shares at the end of the period

As of July 31, 2021	1,000,040 shares	As of January 31, 2021	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, 2021	41,641,960 shares	Six months ended July 31, 2020	41,641,960 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2021	As of July 31, 2021
Assets		
Current assets		
Cash and deposits	11,807,725	11,936,918
Accounts receivable - trade	331,943	245,328
Merchandise	5,071	8,285
Supplies	5,061	4,807
Advance payments - trade	61,089	100,509
Prepaid expenses	42,347	48,158
Accounts receivable - other	84,629	229,048
Other	1,281	2,541
Total current assets	12,339,150	12,575,598
Non-current assets		
Property, plant and equipment		
Buildings	43,382	28,356
Tools, furniture and fixtures	25,363	21,803
Total property, plant and equipment	68,746	50,159
Intangible assets		
Software	10,652	13,794
Other	18	18
Total intangible assets	10,671	13,813
Investments and other assets		
Investment securities	193,341	206,331
Shares of subsidiaries and associates	104	104
Leasehold and guarantee deposits	63,820	32,336
Long-term prepaid expenses	5,351	6,646
Deferred tax assets	56,020	36,326
Total investments and other assets	318,638	281,745
Total non-current assets	398,056	345,718
Total assets	12,737,206	12,921,316
Liabilities		
Current liabilities		
Accounts payable - other	362,214	395,503
Accrued expenses	8,094	9,387
Income taxes payable	666,181	416,757
Accrued consumption taxes	149,736	74,203
Deposits received	2,273,483	2,237,932
Asset retirement obligations	13,800	–
Provision for point card certificates	33,300	34,968
Other	2,665	7,787
Total current liabilities	3,509,476	3,176,540
Non-current liabilities		
Asset retirement obligations	7,152	7,190
Total non-current liabilities	7,152	7,190
Total liabilities	3,516,629	3,183,730

(Thousands of yen)

	As of January 31, 2021	As of July 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	8,821,715	9,337,992
Total retained earnings	8,821,715	9,337,992
Treasury shares	(415,429)	(415,429)
Total shareholders' equity	9,179,664	9,695,941
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(160)	(160)
Deferred gains or losses on hedges	554	1,286
Total valuation and translation adjustments	394	1,125
Share acquisition rights	40,519	40,519
Total net assets	9,220,577	9,737,586
Total liabilities and net assets	12,737,206	12,921,316

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2020	Six months ended July 31, 2021
Net sales	2,964,629	3,583,765
Cost of sales	544,942	687,301
Gross profit	2,419,686	2,896,463
Selling, general and administrative expenses	1,292,576	1,526,877
Operating profit	1,127,109	1,369,586
Non-operating income		
Interest income	59	50
Foreign exchange gains	–	6,877
Subsidy income	–	1,420
Other	28	455
Total non-operating income	87	8,803
Non-operating expenses		
Foreign exchange losses	39	–
Share issuance costs	180	–
Miscellaneous loss	–	621
Total non-operating expenses	219	621
Ordinary profit	1,126,977	1,377,768
Extraordinary income		
Gain on sales of investment securities	3,077	–
Total extraordinary income	3,077	–
Extraordinary losses		
Loss on sales of non-current assets	–	55
Loss on retirement of non-current assets	–	32,507
Total extraordinary losses	–	32,562
Profit before income taxes	1,130,055	1,345,205
Income taxes - current	343,527	393,137
Income taxes - deferred	2,926	19,371
Total income taxes	346,454	412,508
Profit	783,600	932,696

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2020	Six months ended July 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,130,055	1,345,205
Depreciation	9,702	15,287
Increase (decrease) in provision for point card certificates	3,003	1,667
Interest and dividend income	(59)	(50)
Foreign exchange losses (gains)	(293)	(332)
Loss on retirement of property, plant and equipment	–	32,507
Decrease (increase) in trade receivables	33,540	86,614
Decrease (increase) in inventories	(5,539)	(2,960)
Increase (decrease) in accounts payable - other	16,887	33,288
Increase (decrease) in deposits received	358,799	(35,550)
Other, net	(38,993)	(268,102)
Subtotal	1,507,101	1,207,574
Interest and dividends received	59	50
Income taxes paid	(390,532)	(634,633)
Net cash provided by (used in) operating activities	1,116,628	572,991
Cash flows from investing activities		
Purchase of property, plant and equipment	(21,155)	(24,995)
Payments for retirement of property, plant and equipment	–	(2,528)
Purchase of intangible assets	–	(5,000)
Payments for asset retirement obligations	–	(13,800)
Purchase of investment securities	(4,000)	(12,990)
Payments of leasehold and guarantee deposits	(9)	–
Proceeds from refund of leasehold and guarantee deposits	–	31,484
Other, net	–	118
Net cash provided by (used in) investing activities	(25,164)	(27,711)
Cash flows from financing activities		
Proceeds from issuance of share acquisition rights	332	–
Dividends paid	(291,493)	(416,419)
Net cash provided by (used in) financing activities	(291,160)	(416,419)
Effect of exchange rate change on cash and cash equivalents	1,295	332
Net increase (decrease) in cash and cash equivalents	801,598	129,192
Cash and cash equivalents at beginning of period	8,186,097	11,807,725
Cash and cash equivalents at end of period	8,987,695	11,936,918