

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended January 31, 2022 (Based on Japanese GAAP)

March 17, 2022

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, 2022
 Scheduled date to file Securities Report: April 28, 2022
 Scheduled date to commence dividend payments: May 2, 2022
 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, 2022 (from February 1, 2021 to January 31, 2022)

(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, 2022	7,616	7.6	2,971	(2.0)	2,979	(1.7)	2,055	(2.1)
Year ended January 31, 2021	7,077	16.1	3,033	12.7	3,030	13.0	2,098	12.8

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended January 31, 2022	49.35	49.32	20.5	22.6	39.0
Year ended January 31, 2021	50.41	50.38	25.3	28.1	42.9

(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, 2022	13,676	10,858	79.1	259.80
As of January 31, 2021	12,737	9,220	72.1	220.45

(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, 2022	1,509	(56)	(416)	12,844
Year ended January 31, 2021	4,134	(222)	(291)	11,807

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, 2021	—	0.00	—	10.00	10.00	416	19.8	4.5
Year ended January 31, 2022	—	0.00	—	10.00	10.00	416	20.3	3.8
Year ending January 31, 2023 (Forecast)	—	—	—	—	—	—	—	—

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:	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, 2022	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 January 31, 2022	1,000,040 shares	As of January 31, 2021	1,000,040 shares
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Average number of shares during the period

Year ended January 31, 2022	41,641,960 shares	Year ended January 31, 2021	41,641,960 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2021	As of January 31, 2022
Assets		
Current assets		
Cash and deposits	11,807,725	12,844,859
Accounts receivable - trade	331,943	320,402
Merchandise	5,071	8,060
Supplies	5,061	4,533
Advance payments to suppliers	61,089	32,525
Prepaid expenses	42,347	42,409
Accounts receivable - other	84,629	58,232
Other	1,281	1,873
Total current assets	12,339,150	13,312,897
Non-current assets		
Property, plant and equipment		
Buildings, net	43,382	27,889
Tools, furniture and fixtures, net	25,363	18,620
Total property, plant and equipment	68,746	46,509
Intangible assets		
Software	10,652	11,711
Other	18	18
Total intangible assets	10,671	11,730
Investments and other assets		
Investment securities	193,341	222,764
Shares of subsidiaries and associates	104	104
Leasehold and guarantee deposits	63,820	32,336
Long-term prepaid expenses	5,351	3,327
Deferred tax assets	56,020	46,431
Total investments and other assets	318,638	304,964
Total non-current assets	398,056	363,203
Total assets	12,737,206	13,676,101
Liabilities		
Current liabilities		
Accounts payable - other	362,214	247,234
Accrued expenses	8,094	4,297
Income taxes payable	666,181	429,404
Accrued consumption taxes	149,736	64,235
Deposits received	2,273,483	2,008,973
Asset retirement obligations	13,800	–
Provision for point card certificates	33,300	44,151
Other	2,665	11,593
Total current liabilities	3,509,476	2,809,889
Non-current liabilities		
Asset retirement obligations	7,152	7,228
Total non-current liabilities	7,152	7,228
Total liabilities	3,516,629	2,817,118

(Thousands of yen)

	As of January 31, 2021	As of January 31, 2022
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 surplus	391,474	391,474
Retained earnings		
Other retained earnings		
Retained earnings brought forward	8,821,715	10,460,495
Total retained earnings	8,821,715	10,460,495
Treasury shares	(415,429)	(415,429)
Total shareholders' equity	9,179,664	10,818,443
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(160)	20
Deferred gains or losses on hedges	554	–
Total valuation and translation adjustments	394	20
Share acquisition rights	40,519	40,519
Total net assets	9,220,577	10,858,982
Total liabilities and net assets	12,737,206	13,676,101

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended January 31, 2021	Fiscal year ended January 31, 2022
Net sales	7,077,484	7,616,747
Cost of sales	1,327,328	1,472,946
Gross profit	5,750,156	6,143,800
Selling, general and administrative expenses	2,716,938	3,172,582
Operating profit	3,033,218	2,971,217
Non-operating income		
Interest income	107	105
Foreign exchange gains	–	21,048
Gain on reversal of deposits received	1,753	2,292
Subsidy income	–	2,420
Other	251	1,325
Total non-operating income	2,113	27,191
Non-operating expenses		
Foreign exchange losses	1,837	–
Share issuance costs	180	–
Loss on valuation of investment securities	–	3,000
Loss on investments in investment partnerships	2,617	6,682
loss on liquidation of account receivable	–	9,002
Miscellaneous losses	4	643
Total non-operating expenses	4,638	19,329
Ordinary profit	3,030,692	2,979,078
Extraordinary income		
Gain on sale of non-current assets	15	–
Gain on sale of investment securities	3,385	–
Total extraordinary income	3,400	–
Extraordinary losses		
Loss on sale of non-current assets	81	55
Loss on retirement of non-current assets	–	32,540
Total extraordinary losses	81	32,595
Profit before income taxes	3,034,011	2,946,483
Income taxes - current	954,379	881,529
Income taxes - deferred	(19,336)	9,754
Total income taxes	935,043	891,284
Profit	2,098,968	2,055,198

Non-consolidated statements of changes in equity

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		
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
Dividends of surplus					(291,493)	(291,493)		(291,493)
Purchase of treasury shares							-	-
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
Dividends of surplus					(291,493)
Purchase of treasury shares					-
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

Fiscal year ended January 31, 2022

(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	8,821,715	8,821,715	(415,429)	9,179,664
Changes during period								
Profit					2,055,198	2,055,198		2,055,198
Dividends of surplus					(416,419)	(416,419)		(416,419)
Purchase of treasury shares								–
Net changes in items other than shareholders' equity								–
Total changes during period	–	–	–	–	1,638,779	1,638,779	–	1,638,779
Balance at end of period	381,903	321,103	70,371	391,474	10,460,495	10,460,495	(415,429)	10,818,443

	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	(160)	554	394	40,519	9,220,577
Changes during period					
Profit					2,055,198
Dividends of surplus					(416,419)
Purchase of treasury shares					–
Net changes in items other than shareholders' equity	180	(554)	(374)	–	(374)
Total changes during period	180	(554)	(374)	–	1,638,405
Balance at end of period	20	–	20	40,519	10,858,982

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2021	Fiscal year ended January 31, 2022
Cash flows from operating activities		
Profit before income taxes	3,034,011	2,946,483
Depreciation	26,070	23,837
Share-based payment expenses	40,186	–
Increase (decrease) in provision for point card certificates	4,106	10,851
Interest and dividend income	(107)	(105)
Loss (gain) on valuation of investment securities	–	3,000
Loss (gain) on investments in investment partnerships	2,617	6,682
Foreign exchange losses (gains)	(261)	(723)
Loss on retirement of non-current assets	–	32,540
Decrease (increase) in trade receivables	(39,272)	11,541
Decrease (increase) in inventories	(10,133)	(2,461)
Increase (decrease) in accounts payable - other	173,652	(114,980)
Increase (decrease) in deposits received	1,560,802	(264,510)
Other, net	52,847	(31,191)
Subtotal	4,844,519	2,620,965
Interest and dividends received	107	105
Income taxes paid	(710,276)	(1,111,823)
Net cash provided by (used in) operating activities	4,134,350	1,509,247
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,781)	(27,844)
Payments for retirement of property, plant and equipment	–	(2,528)
Purchase of intangible assets	(3,347)	(5,000)
Payments for asset retirement obligations	–	(13,800)
Purchase of investment securities	(195,902)	(38,846)
Payments of leasehold and guarantee deposits	(75)	–
Proceeds from refund of leasehold and guarantee deposits	81	31,484
Other, net	201	118
Net cash provided by (used in) investing activities	(222,823)	(56,417)
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	1,263	723
Net increase (decrease) in cash and cash equivalents	3,621,628	1,037,133
Cash and cash equivalents at beginning of period	8,186,097	11,807,725
Cash and cash equivalents at end of period	11,807,725	12,844,859