

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended October 31, 2023 (Based on Japanese GAAP)

December 14, 2023

Company name: Enigmo Inc.
 Stock exchange listing: Tokyo
 Stock code: 3665 URL <https://enigmo.co.jp/>
 Representative: Representative Director, CEO Shokei SUDA
 Executive Officer, Chief Director of Yoichi KANEDA
 Inquiries: Corporate Operation TEL 03-6894-3665
 Scheduled date to file Quarterly Securities Report: December 14, 2023
 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 nine months ended October 31, 2023 (from February 1, 2023 to October 31, 2023)

(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	%
Nine months ended October 31, 2023	4,337	(8.5)	486	(41.0)	499	(40.2)	344	(41.7)
Nine months ended October 31, 2022	4,740	–	824	–	836	–	590	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended October 31, 2023	8.67		–	
Nine months ended October 31, 2022	14.38		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of October 31, 2023	12,498	10,034	80.0
As of January 31, 2023	12,684	10,145	79.7

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, 2023	–	0.00	–	10.00	10.00
Year ending January 31, 2024	–	0.00	–		
Year ending January 31, 2024 (Forecast)				10.00	10.00

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 October 31, 2023	42,642,000 shares	As of January 31, 2023	42,642,000 shares
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Number of treasury shares at the end of the period

As of October 31, 2023	2,969,340 shares	As of January 31, 2023	2,828,940 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended October 31, 2023	39,680,562 shares	Nine months ended October 31, 2022	41,047,871 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2023	As of October 31, 2023
Assets		
Current assets		
Cash and deposits	10,315,637	9,922,536
Accounts receivable - trade	293,229	231,043
Merchandise	39,362	210
Supplies	42,020	86,934
Advance payments to suppliers	42,715	59,935
Prepaid expenses	101,581	90,017
Accounts receivable - other	107,224	106,928
Deposits paid	491,831	61
Income taxes refund receivable	142,145	–
Consumption taxes refund receivable	89,279	–
Other	370	619
Total current assets	11,665,398	10,498,288
Non-current assets		
Property, plant and equipment		
Buildings	41,835	40,320
Tools, furniture and fixtures	20,237	32,972
Total property, plant and equipment	62,073	73,293
Intangible assets		
Software	6,288	5,159
Other	18	18
Total intangible assets	6,306	5,177
Investments and other assets		
Investment securities	547,865	1,464,655
Shares of subsidiaries and associates	285,896	327,053
Leasehold and guarantee deposits	38,627	38,645
Long-term prepaid expenses	23,501	12,312
Deferred tax assets	55,086	78,898
Total investments and other assets	950,976	1,921,565
Total non-current assets	1,019,356	2,000,036
Total assets	12,684,755	12,498,324
Liabilities		
Current liabilities		
Accounts payable - other	391,931	316,200
Accrued expenses	4,360	4,835
Income taxes payable	–	52,035
Accrued consumption taxes	–	15,515
Deposits received	2,080,522	1,963,154
Provision for point card certificates	10,294	11,744
Provision for bonuses	–	55,414
Other	43,822	36,570
Total current liabilities	2,530,929	2,455,471
Non-current liabilities		
Asset retirement obligations	8,349	8,419
Total non-current liabilities	8,349	8,419
Total liabilities	2,539,279	2,463,891

	(Thousands of yen)	
	As of January 31, 2023	As of October 31, 2023
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	10,746,507	10,692,702
Total retained earnings	10,746,507	10,692,702
Treasury shares	(1,424,689)	(1,506,959)
Total shareholders' equity	10,095,195	9,959,121
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,319	33,350
Total valuation and translation adjustments	8,319	33,350
Share acquisition rights	41,961	41,961
Total net assets	10,145,475	10,034,433
Total liabilities and net assets	12,684,755	12,498,324

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended October 31, 2022	Nine months ended October 31, 2023
Net sales	4,740,413	4,337,973
Cost of sales	953,994	940,641
Gross profit	3,786,419	3,397,331
Selling, general and administrative expenses	2,961,630	2,910,971
Operating profit	824,789	486,360
Non-operating income		
Interest income	118	494
Foreign exchange gains	11,305	–
Gain on investments in investment partnerships	2,679	–
Gain on reversal of deposits received	–	7,651
Subsidy income	3,118	1,495
Interest on tax refund	–	994
Other	461	4,961
Total non-operating income	17,683	15,597
Non-operating expenses		
Share issuance costs	120	–
Foreign exchange losses	–	1,143
Commission expenses	1,740	174
Loss on investments in investment partnerships	–	587
Miscellaneous losses	4,139	199
Total non-operating expenses	6,000	2,104
Ordinary profit	836,471	499,853
Extraordinary income		
Gain on sale of non-current assets	24	0
Total extraordinary income	24	0
Profit before income taxes	836,495	499,853
Income taxes - current	250,773	190,389
Income taxes - deferred	(4,576)	(34,862)
Total income taxes	246,197	155,527
Profit	590,298	344,326