

enigma

Materials for Financial Results Briefing

FYE January 2024

Business performance

FYE January 2024

Despite the ongoing challenging external environment, we have been strengthening our “defenses” by enhancing safety and security initiatives and undertaking strict cost controls, while at the same time implementing “offensive preparations” to create a strategy and structure that will generate sustainable growth.

- GMV was 57.8 billion yen, net sales were 6.2 billion yen, and operating profit was approximately 1 billion yen, generating a certain level of profit despite the headwind.
- The number of sessions was 89% YoY due to a return of customers to physical stores and the effects of inflation/weakening yen.
- Warm winter weather led to a decline in consumption of coats and jackets for autumn and winter.
- Increased the number of brands and appraisal capacity in our Appraisal Service.
- Released "Anshin Navi" to visualize past appraisal history.
- GMV via BUYMA Concierge grew 489% YoY due to increased contact between VIP members and BUYMA Concierge.
- Number of brands listed reached more than 18,000 due to collaboration with overseas stores, etc.
- GMV through partnerships with overseas stores jumped 246% YoY.
- Continued growth with a large increase in the number of impressions on major social media services in Q4 for the second consecutive year.
- GLOBAL BUYMA's January GMV rebounded to 109% YoY, but remained at 96% for the year as a whole.
- BUYMA TRAVEL bookings amounted to approximately 120 million yen, recording rapid growth.
- In terms of new businesses and M&A, we have decided to launch a new business following the TRAVEL business.
- For the first time, our company's stock was selected as a component of ESG investment by GPIF due to enhanced disclosure of non-financial information.
- Resolved to pay regular dividend (10 yen / share).

Although income decreased due to exchange rate fluctuations and a return of customers to physical stores, final profit increased 117% YoY due to an extraordinary gain from the sale of investment securities.

Net sales



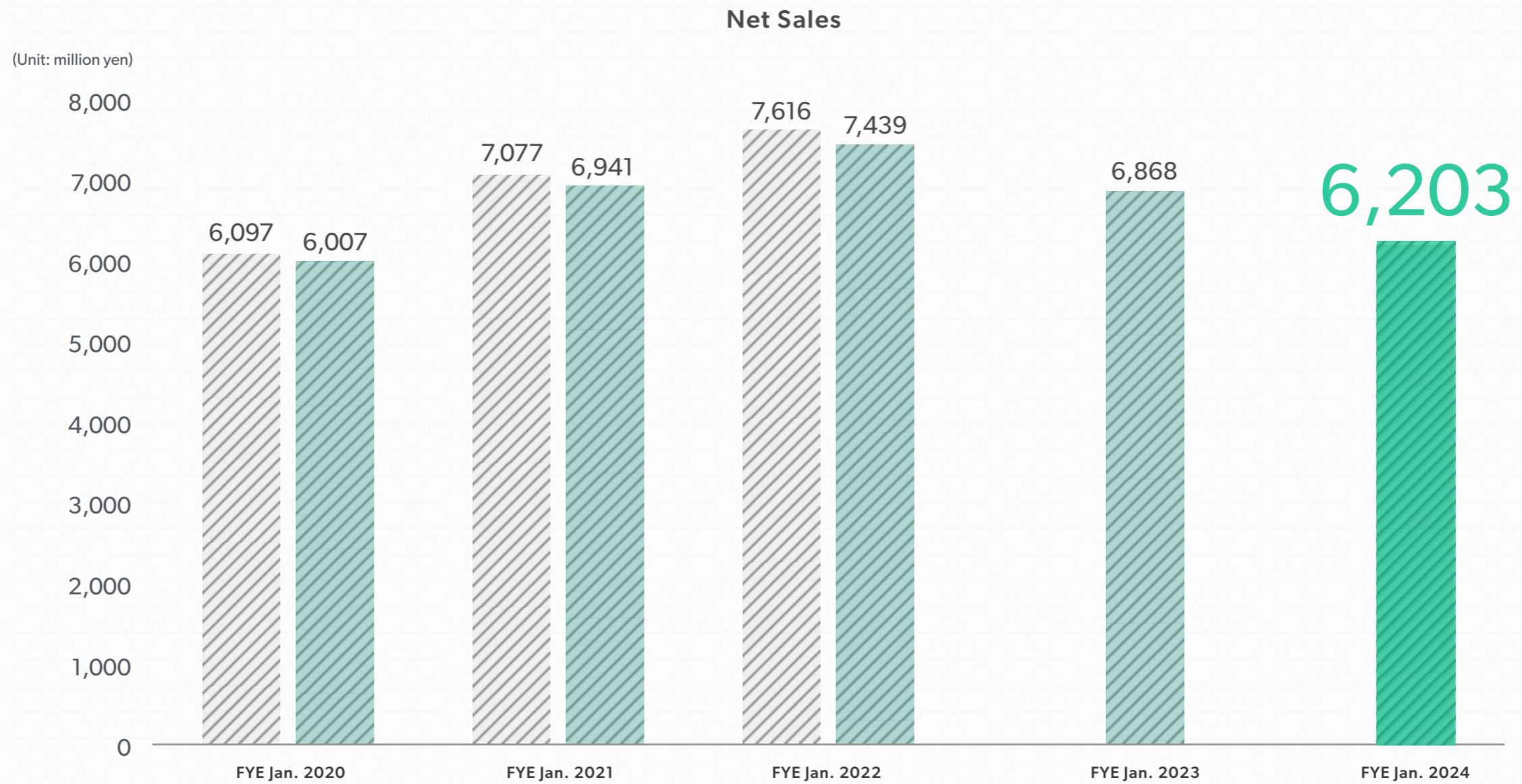
Operating income



	FYE January 2024	FYE January 2023	YoY
Overall trading volume ※ Including payment	57,825	63,277	91.4%
Net Sales	6,203	6,868	90.3%
Operating income	999	1,136	87.9%
Ordinary income	1,019	1,143	89.2%
Net Profit	838	712	117.7%
Profit per share	21.12 yen	17.48 yen	120.8%

(Unit: million yen)

Net sales 6.2 billion yen, 90.3% YoY



▨ prior to adoption of the new accounting standard ▨ new accounting standard applied

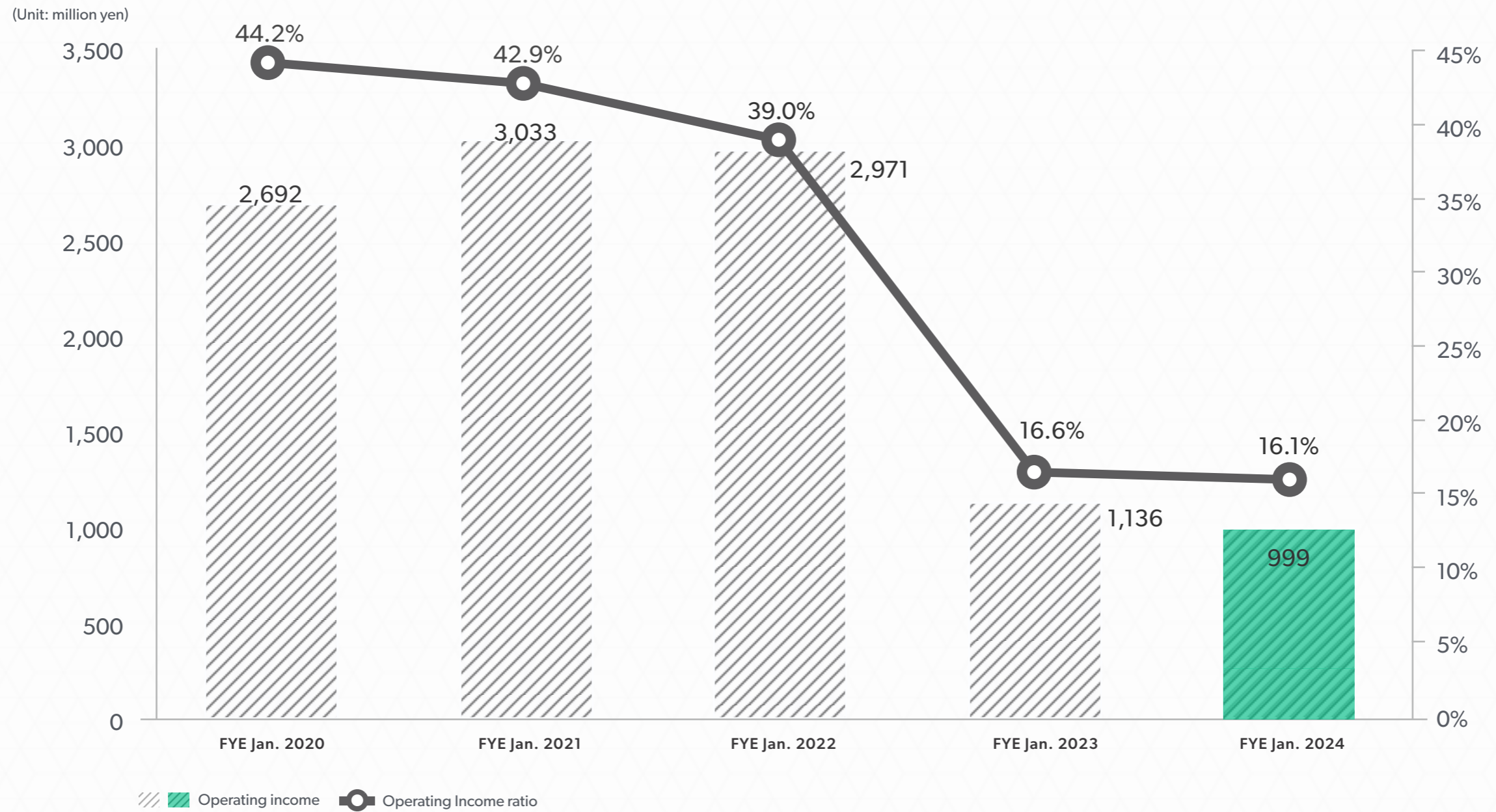
※The new accounting standard has been applied since the FYE January 2023.

Continued disciplined cost management with overall SG&A expenses at 89.5% YoY due to lower TV commercial costs and more efficient use of coupons and other sales promotion costs.

	FYE January 2024 (performance)	FYE January 2023 (actual results for the previous period)	YoY
Personnel costs ※	1,795 million yen	1,530 million yen	117.3%
Advertising costs	1,403 million yen	2,173 million yen	64.6%
Write offs	21 million yen	20 million yen	105.3%
Costs relating to systems	315 million yen	252 million yen	124.9%
Other	325 million yen	337 million yen	96.4%
Total Selling and administration costs	3,862 million yen	4,315 million yen	89.5%

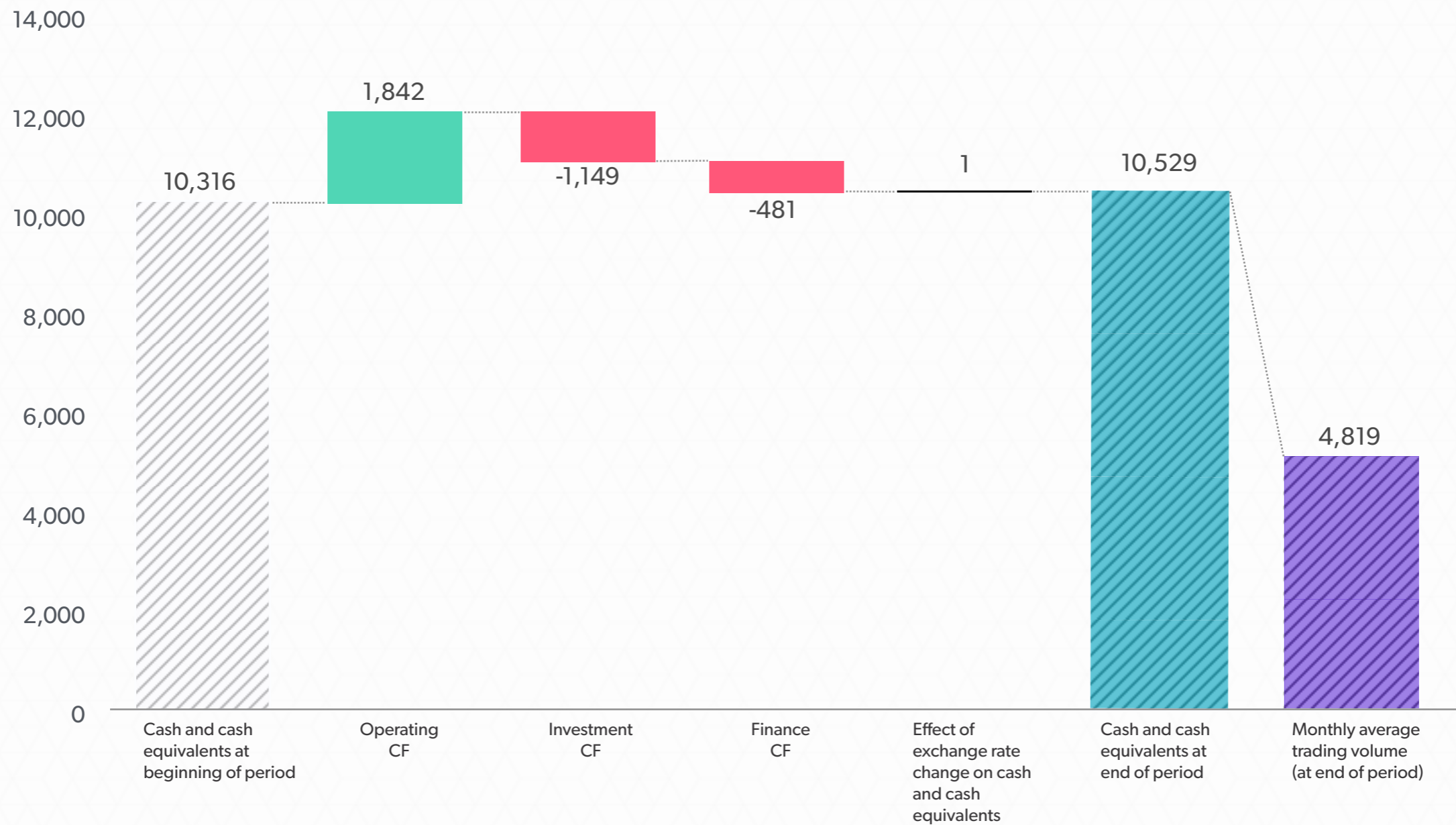
※The personnel costs include dispatching, outsourcing, etc.

Profit margin remained at the same level as last year, despite a decrease in profit due to lower net sales.



Cash and cash equivalents at the end of the period increased to 10.5 billion yen due to an increase in operating C/F. Maintained stable cash and deposits relative to average monthly transaction volume.

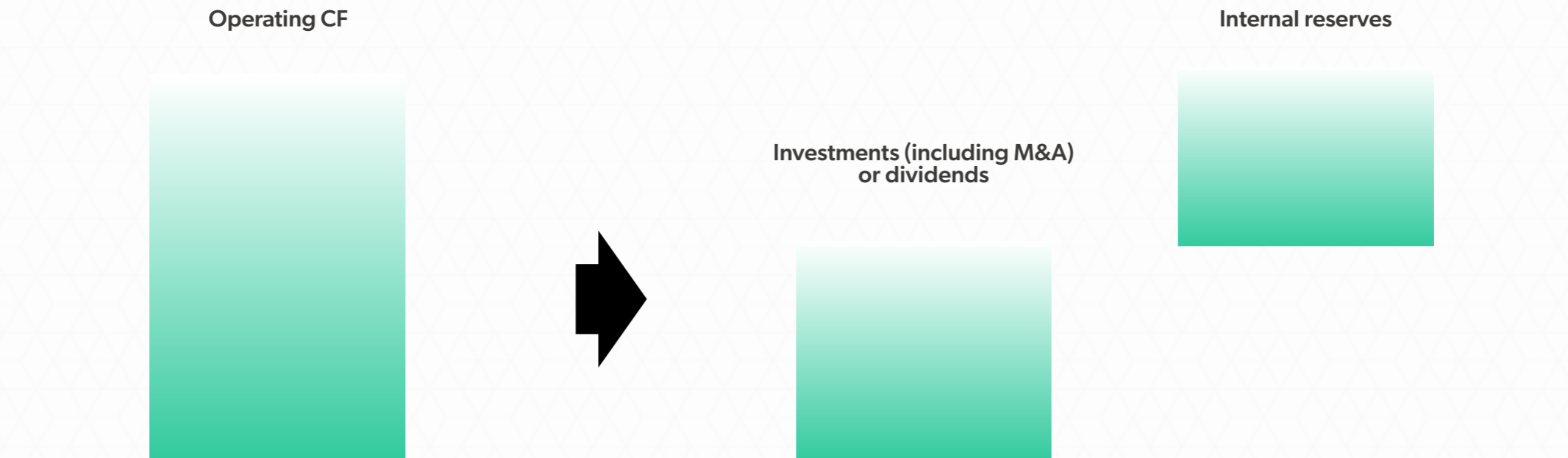
(Unit: million yen)



We plan to pay a regular dividend of 10 yen per share
Dividends paid for five consecutive fiscal years

[Future dividend policy]

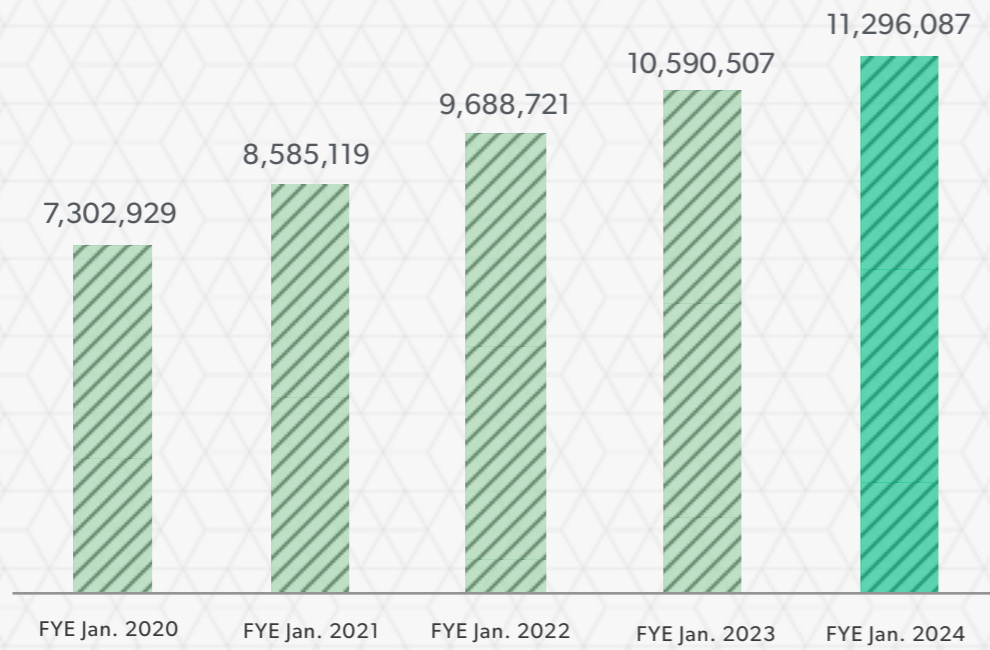
In order to be in a continual state of growth, we have made investments in growth our top priority (this includes not only M&A and capital tie-ups but also investments in human resources and strategic marketing investments that lead to growth in turnover). In regard to the dividend for the next term onward, while in some cases there may be no dividend payout depending on investments in growth and the present demand for funds, we will adopt a policy of striking a balance with internal reserves while giving comprehensive consideration to such factors as transitions in our performance, financial circumstances, and future business & investment plans.



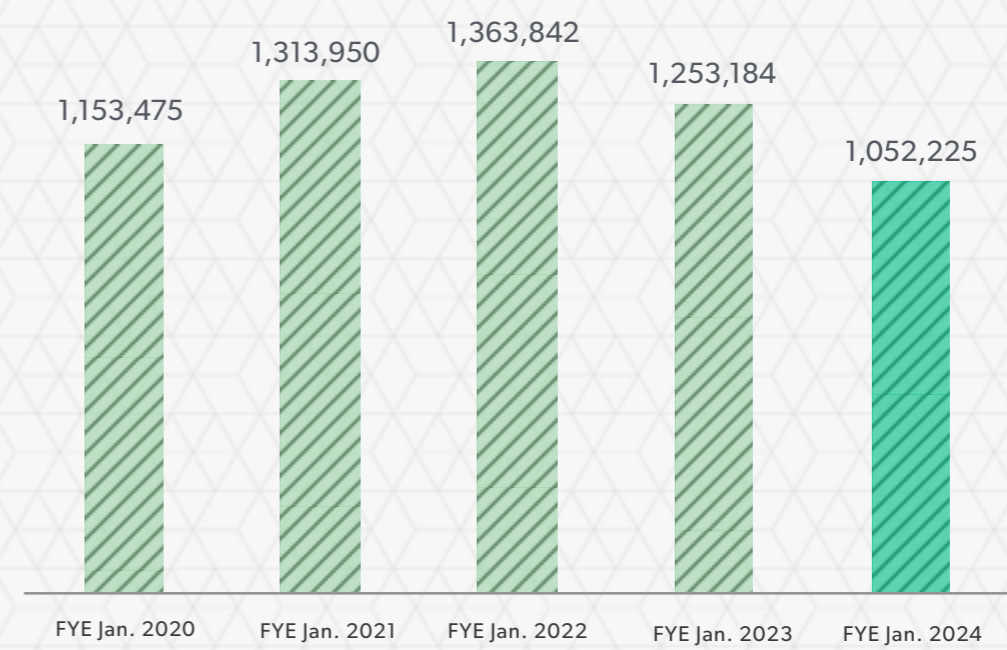
Overview of BUYMA business

Transitions in major KPI

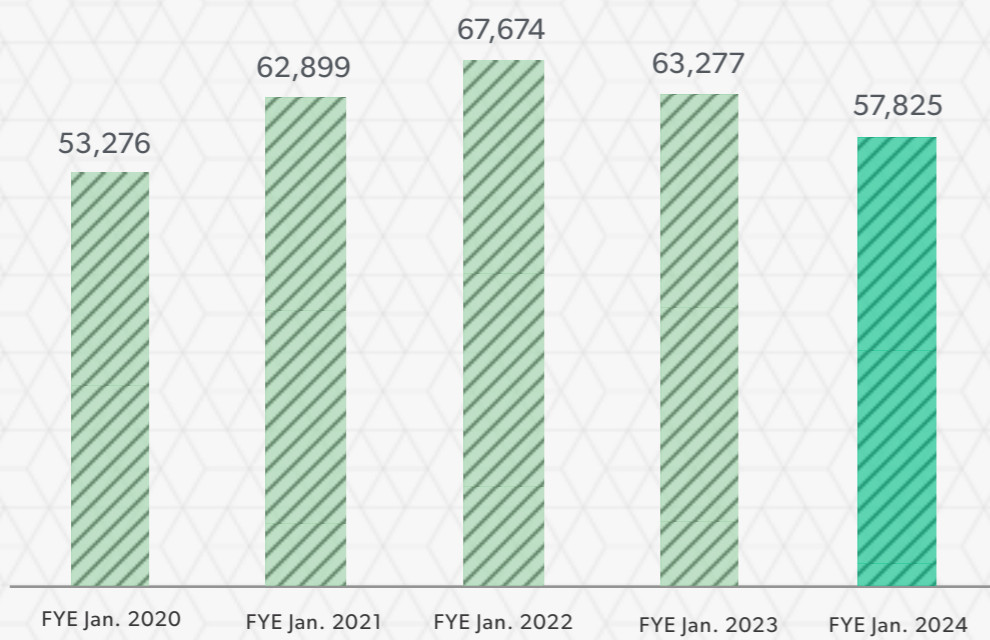
Number of BUYMA members (Unit: person)



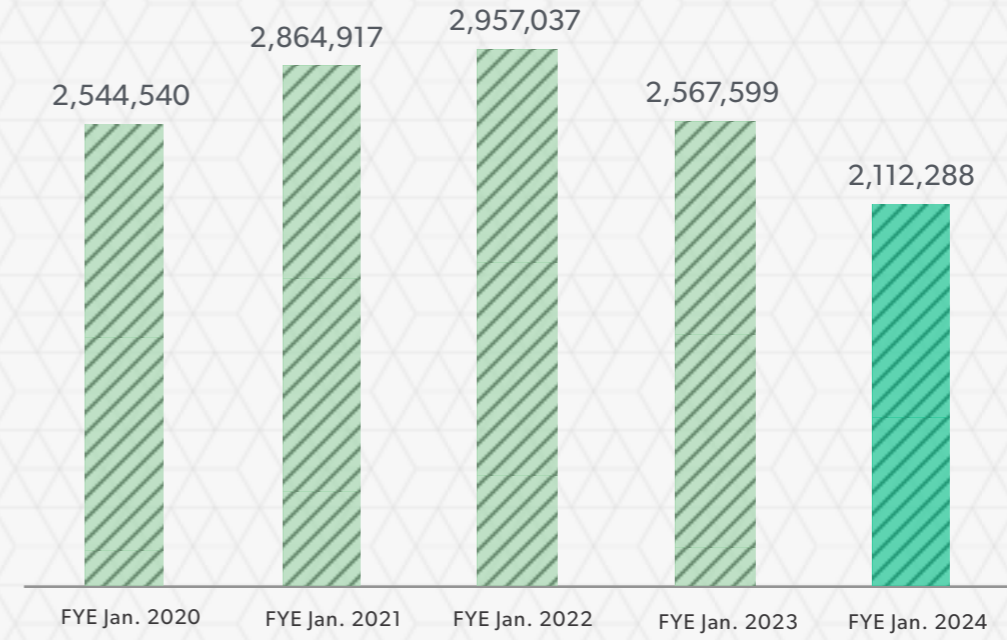
Number of active BUYMA members (Unit: person)



BUYMA GMV (Unit: million yen)



BUYMA number of transactions handled (Unit: no. of transactions)

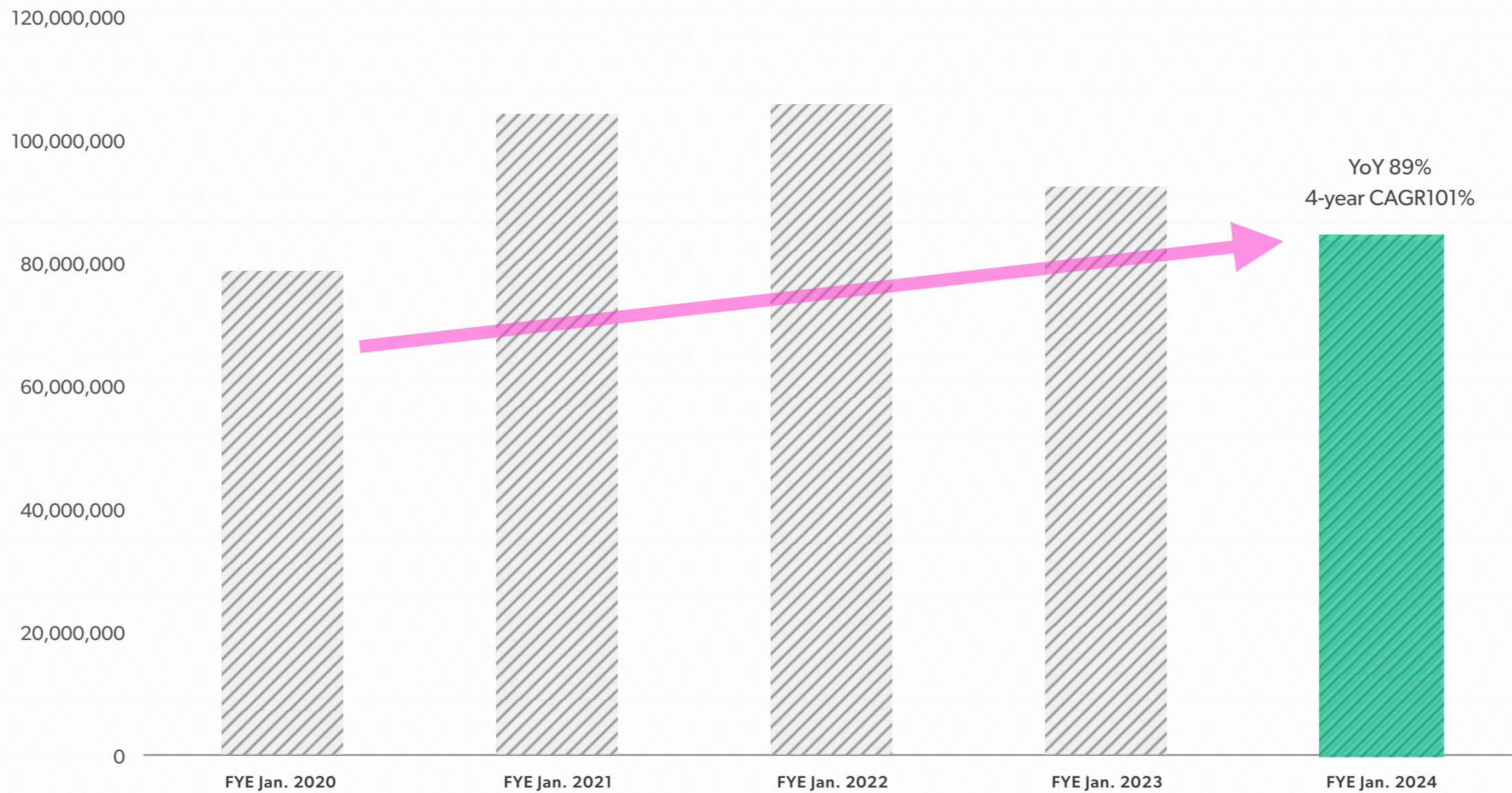


*GMV: Amount of account settlements including such things as payment for goods and fees for settlement of payment in contracted transactions

*Number of active members: members with a purchase history within the past year

The pace of decline in the number of sessions began to slow, although the impact of the return of customers to physical stores and the rise in listing prices due to inflation and the yen's depreciation is still evident.

The number of sessions



Overall trading volume

ARPU increased due to the weaker yen and higher prices of items resulting from inflation, but the number of active members declined due to lower demand for e-commerce.

GMV was 91.4% YoY.

Number of
active members

YoY

84.0%



ARPU

YoY

108.8%



The number of purchases declined due to rapid changes in exchange rate trends and inflation.
On the other hand, purchase amount per person increased

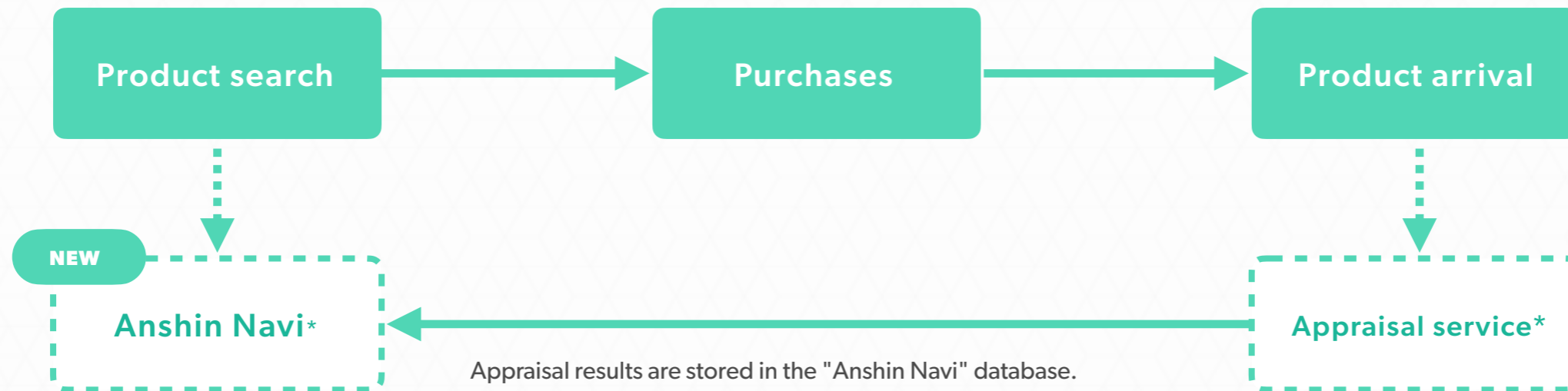


*Unit price could be impacted by trends, having a kind of uncontrollable aspect

Review of measures for the second half

Introduced the "Anshin Navi" function to display quantitative information about sellers, including appraisal history, all at once.

Evolved into a service that makes shopping easier and more secure for users.



※Increased the number of brands for appraisal and the appraisal capacity.

In addition to expanding the Appraisal Service and introducing the Anshin Navi function, we also implemented the following:

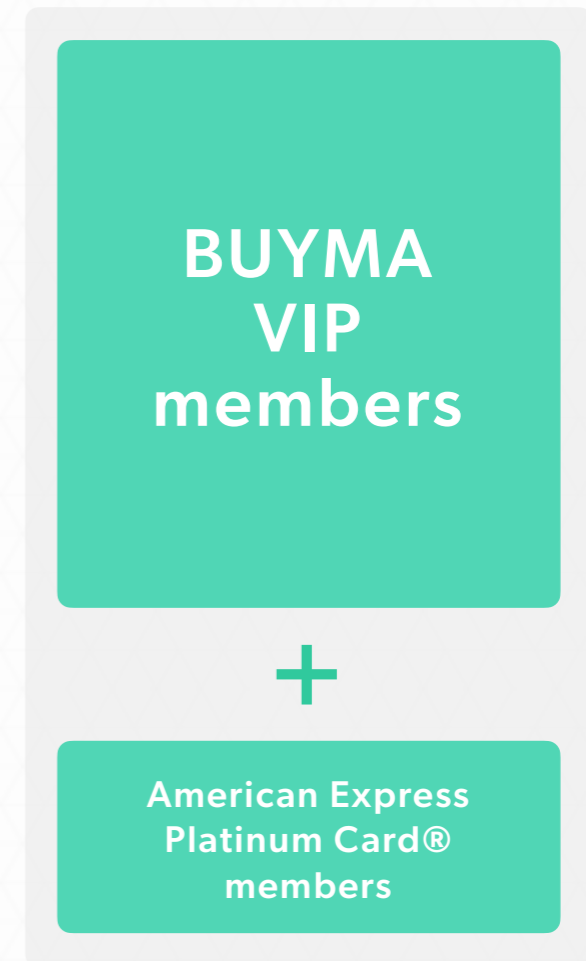
- **Strengthened identity checks** of sellers at the registration stage
- **Advance appraisal using an automatic detection system** based on the buyer's information of the item being listed

*These services are available to users as needed.

GMV via BUYMA Concierge reached 489% YoY due to increased contact between BUYMA Concierge and loyal customer members, as well as measures targeting AMEX Platinum Card® members, who have strong purchasing power.



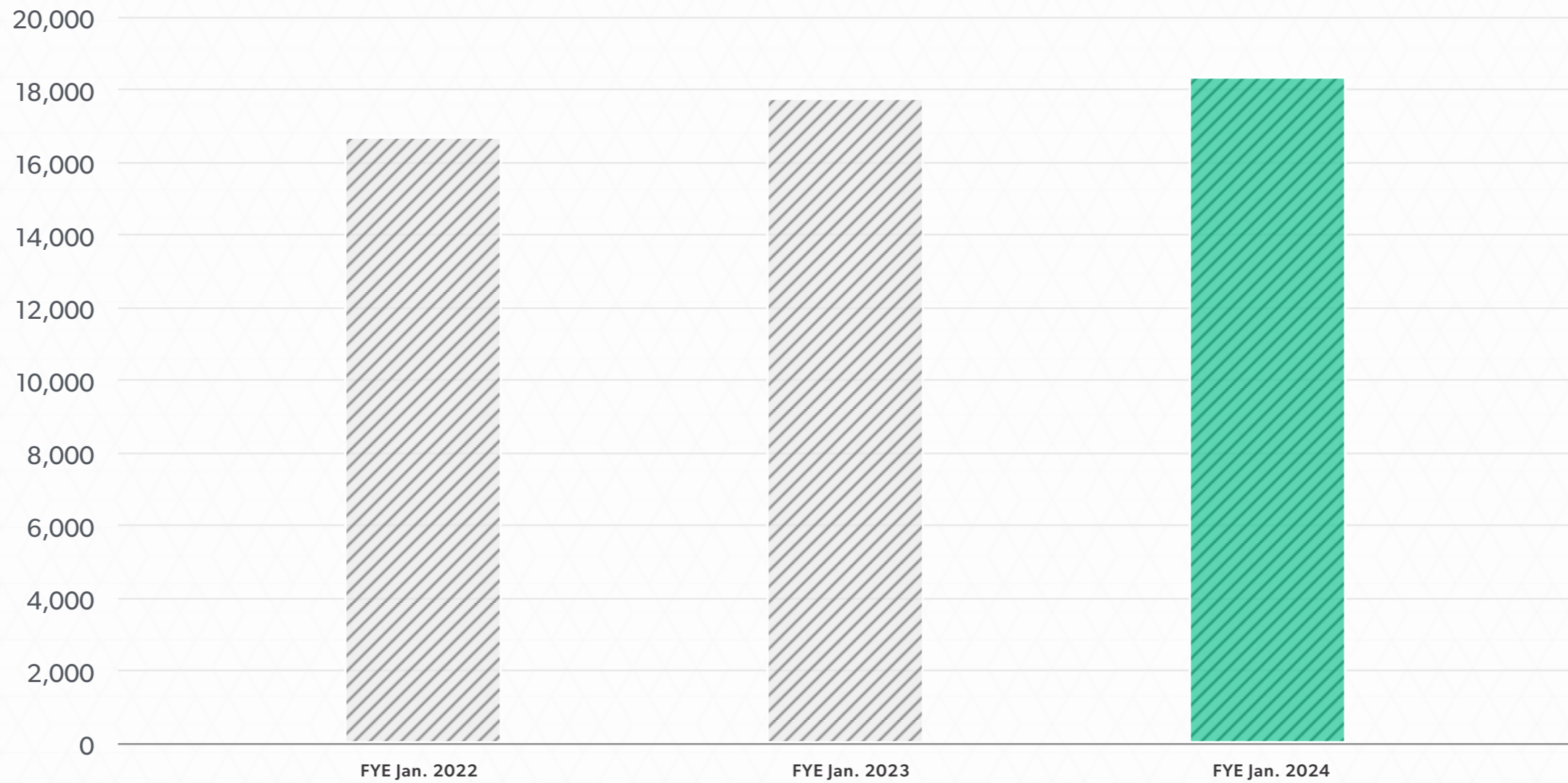
※In addition to the existing BUYMA Concierge service, we have expanded points of contact with VIP members in other ways, such as providing special sale information and distributing special coupons.



※ The campaign for American Express Platinum Card® members is a limited time offer from November 7, 2023 to November 23, 2023.
※ BUYMA Concierge is a year-round service for BUYMA's loyal customer members.

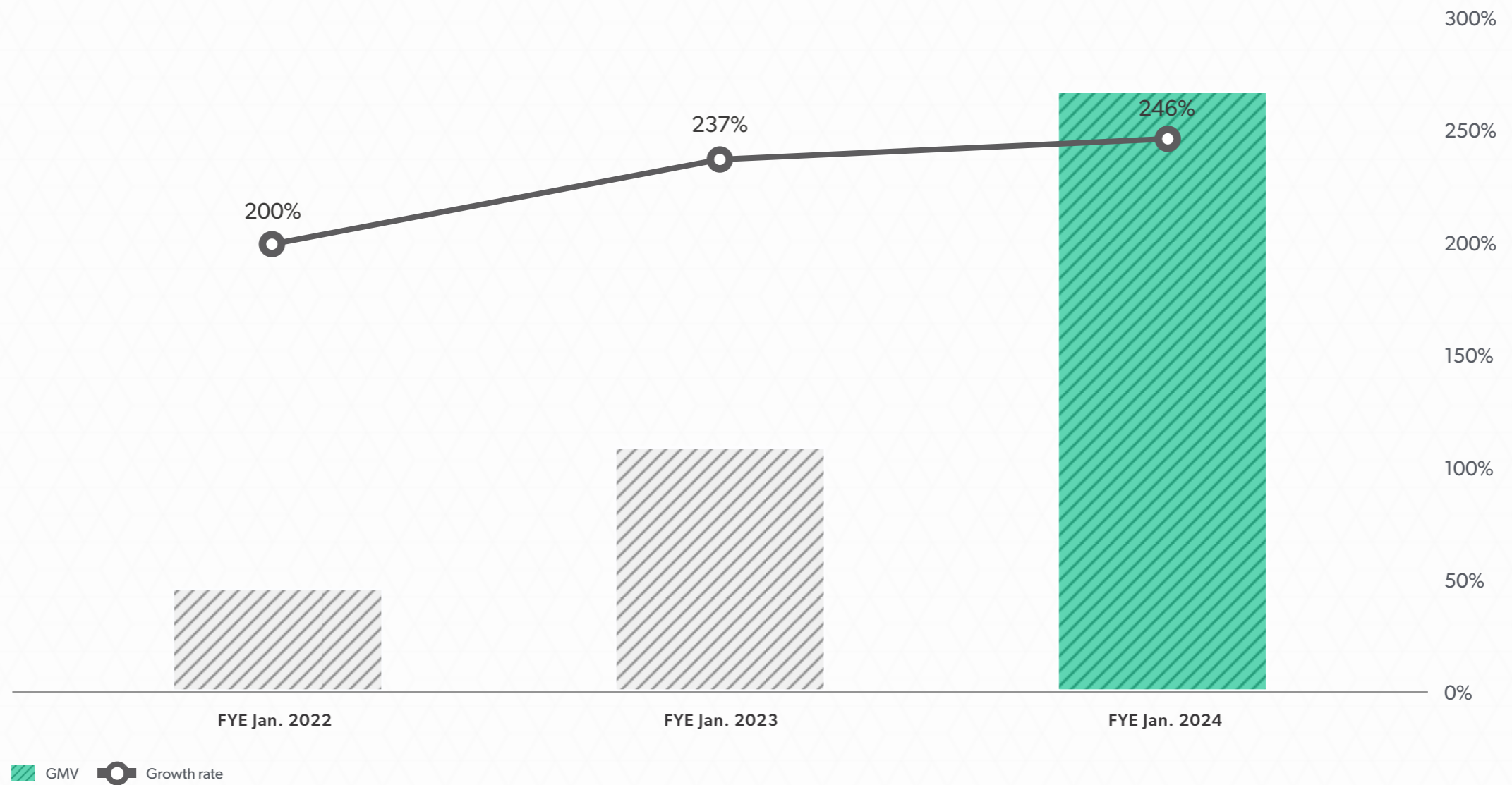
The foundations for strengthening the product lineup are progressing, with the number of registered brands exceeding 18,000, backed by strengthening ties with overseas boutiques, etc.

Number of registered brands



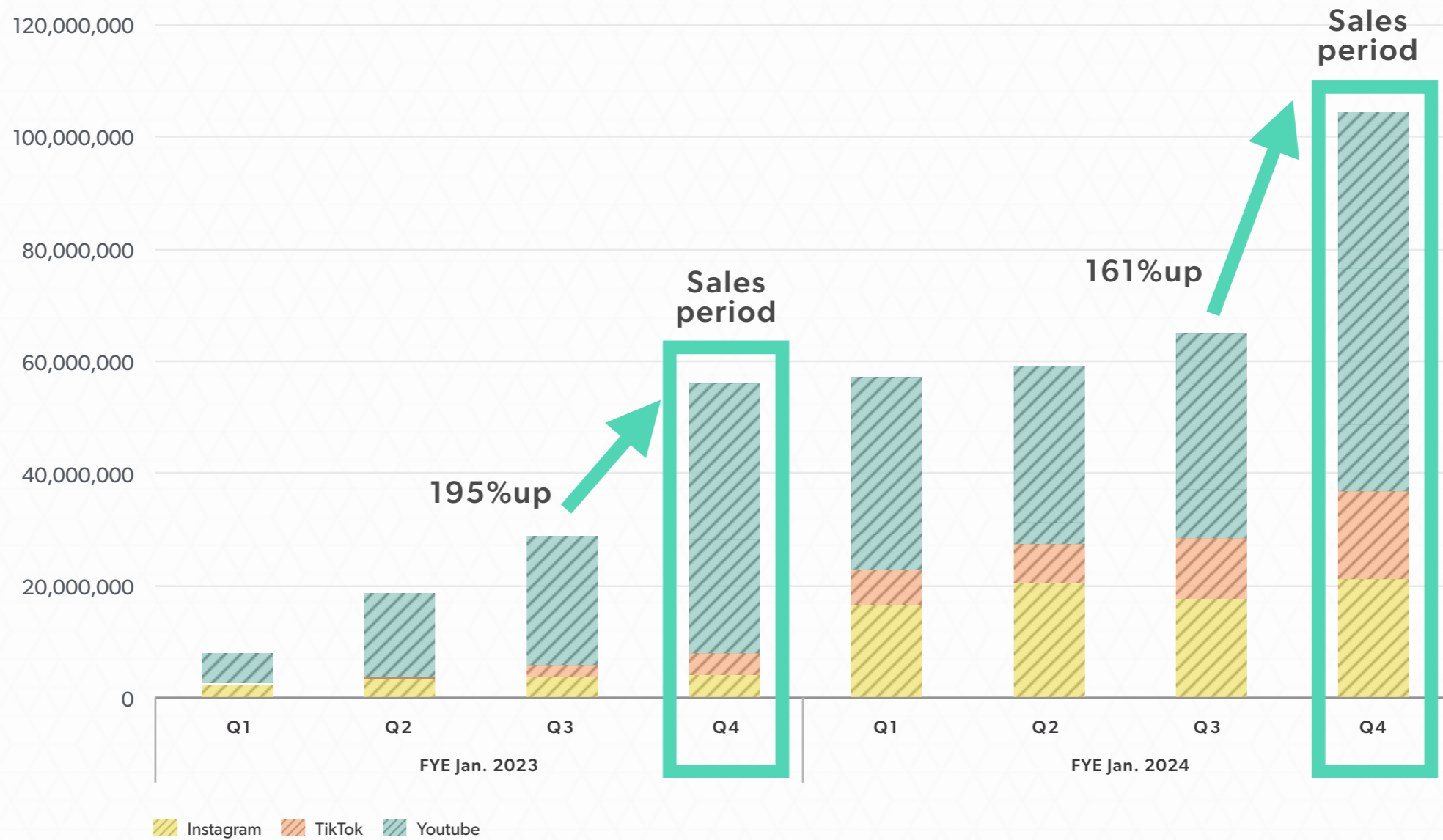
GMV with overseas companies continued to grow by more than 200% due to strengthened partnerships with overseas boutiques.

GMV and growth rate through collaboration with overseas companies



Number of impressions increased on various social media, especially on YouTube.
In Q4 in particular, the number of impressions increased significantly for the second consecutive year, and as a result, we are building the foundations to make it easier for people to remember BUYMA during the sales season.

Number of impressions on major social media services



Achieved growth in GMV* despite a challenging external environment with rising commodity prices and other factors, while improving efficiency and reducing coupon and loyalty point costs.

Coupon and point costs

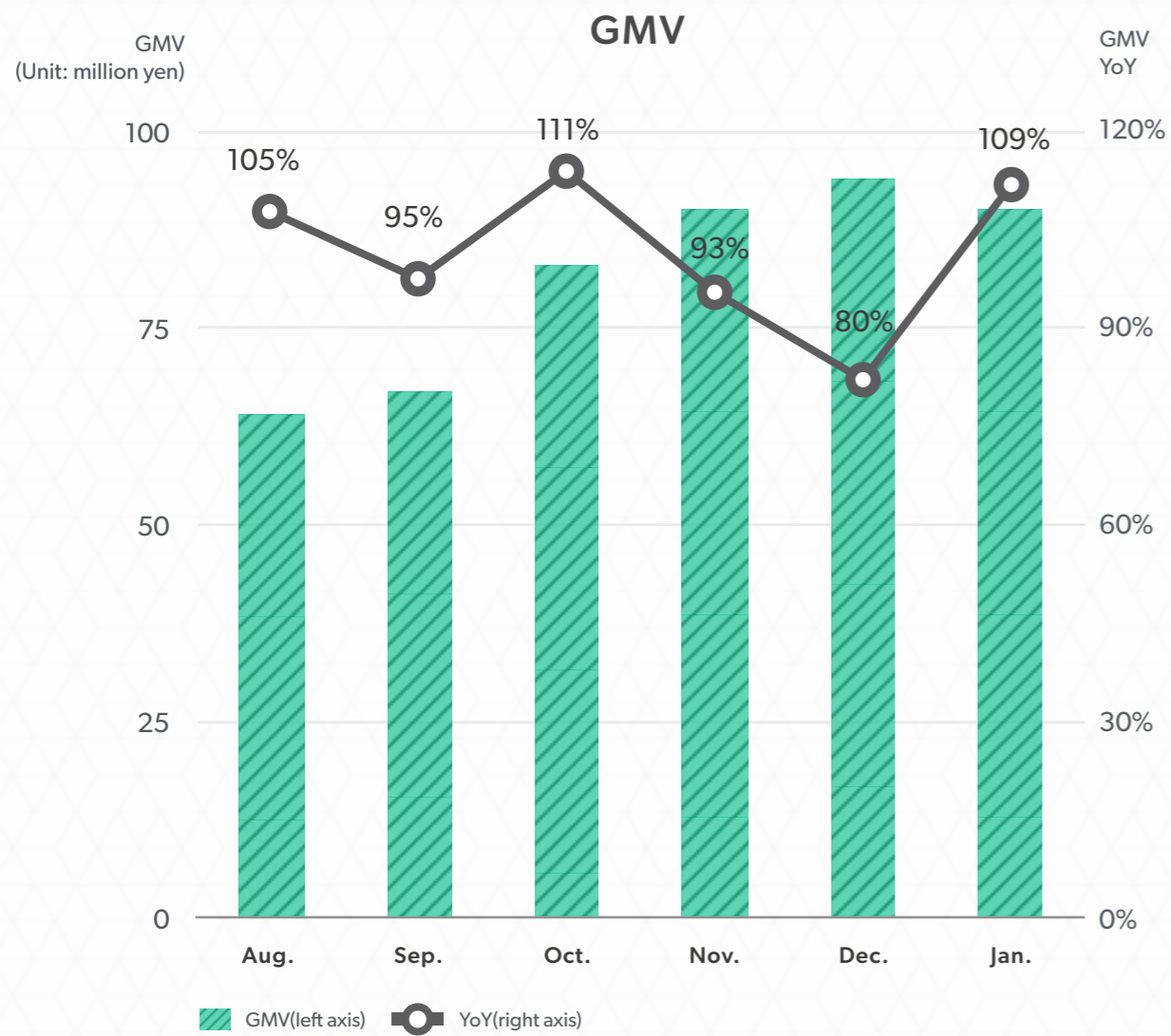
YoY
87%

GMV linked to coupons and loyalty points

YoY
108%

*GMV here refers to the GMV using coupons, time-limited sales, and points, and shows YoY for FYE Jan. 2024 and FYE Jan. 2023.

Put in place new measures to raise awareness, such as the distribution of Connected TV advertisements.
 GMV for the year was 96% YoY.



Progress throughout the year

- PS Elite
(Exclusive sellers)**

Exclusive seller registrations were 154% YoY
 GMV from exclusive sellers was 133% YoY

- Advertisement**

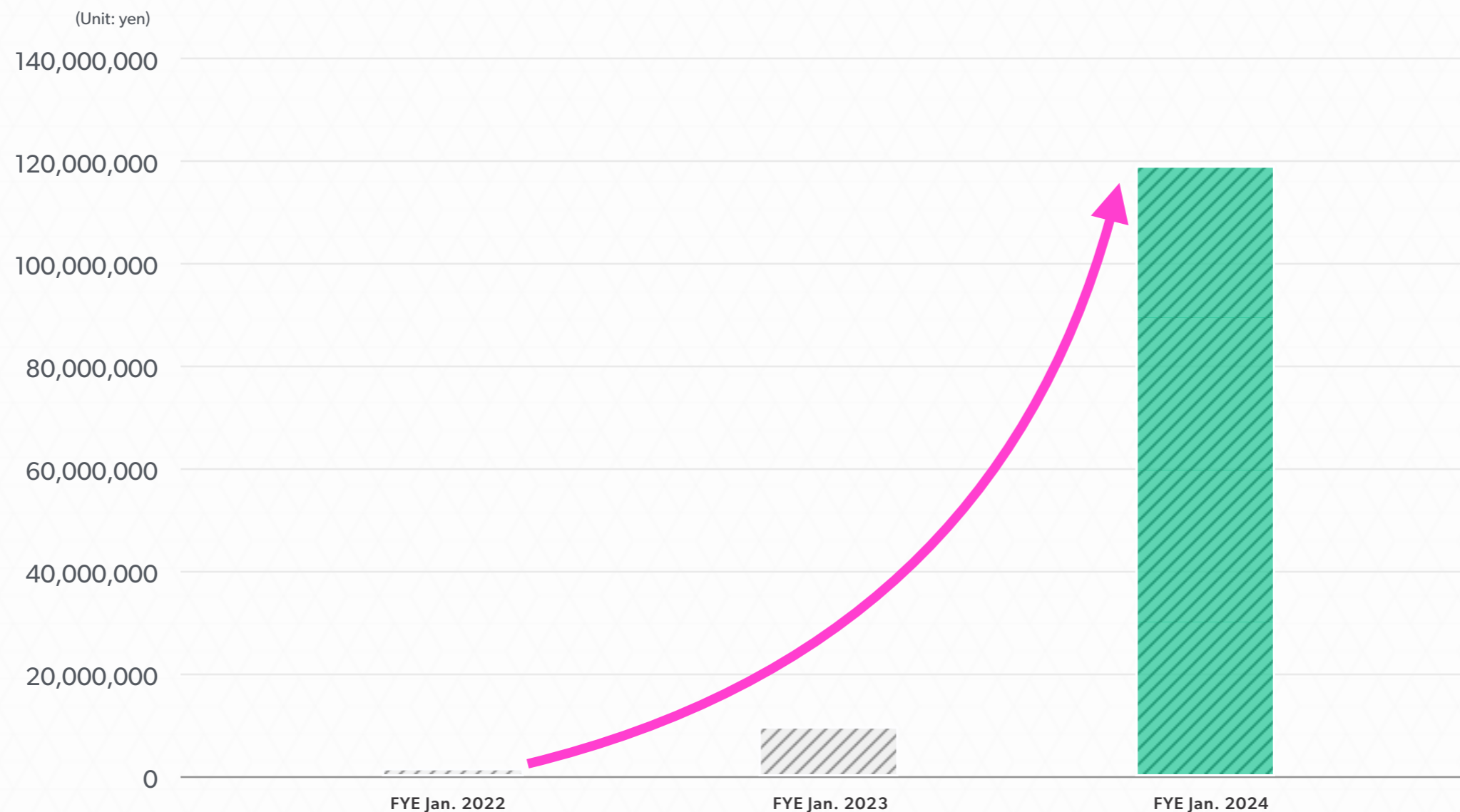
ROAS on Connected TV in January grew 188.2% MoM,
 with increased orders while holding down costs

- CVR**

Ratio of orders to website visitors throughout the year
 was 102% YoY

BUYMA TRAVEL recorded a significant increase in booking amount to approximately 120 million yen, due in part to the impact of the recovery in demand for international travel after the Japanese government downgraded COVID-19 to a Class 5 infectious disease.

Booking amount



FYE January 2025

"Aim to achieve over 100% of GMV for BUYMA" and "establish new sources of profit" to break through the poor performance caused by the ongoing deterioration of the external environment.

**Achieve over 100% of
GMV for BUYMA**

**Establish
new sources of profit**

**In order to achieve over 100% of GMV for BUYMA,
we need to solve the problem of the decline in appealing products due to soaring listing prices.**

Challenges

- Decline in appealing products due to soaring listing prices

Background

- Price increases for all brands due to inflation
- Rise in listing prices due to the weak yen
- Rise in shipping costs
- Increased competition from fashion e-commerce sites

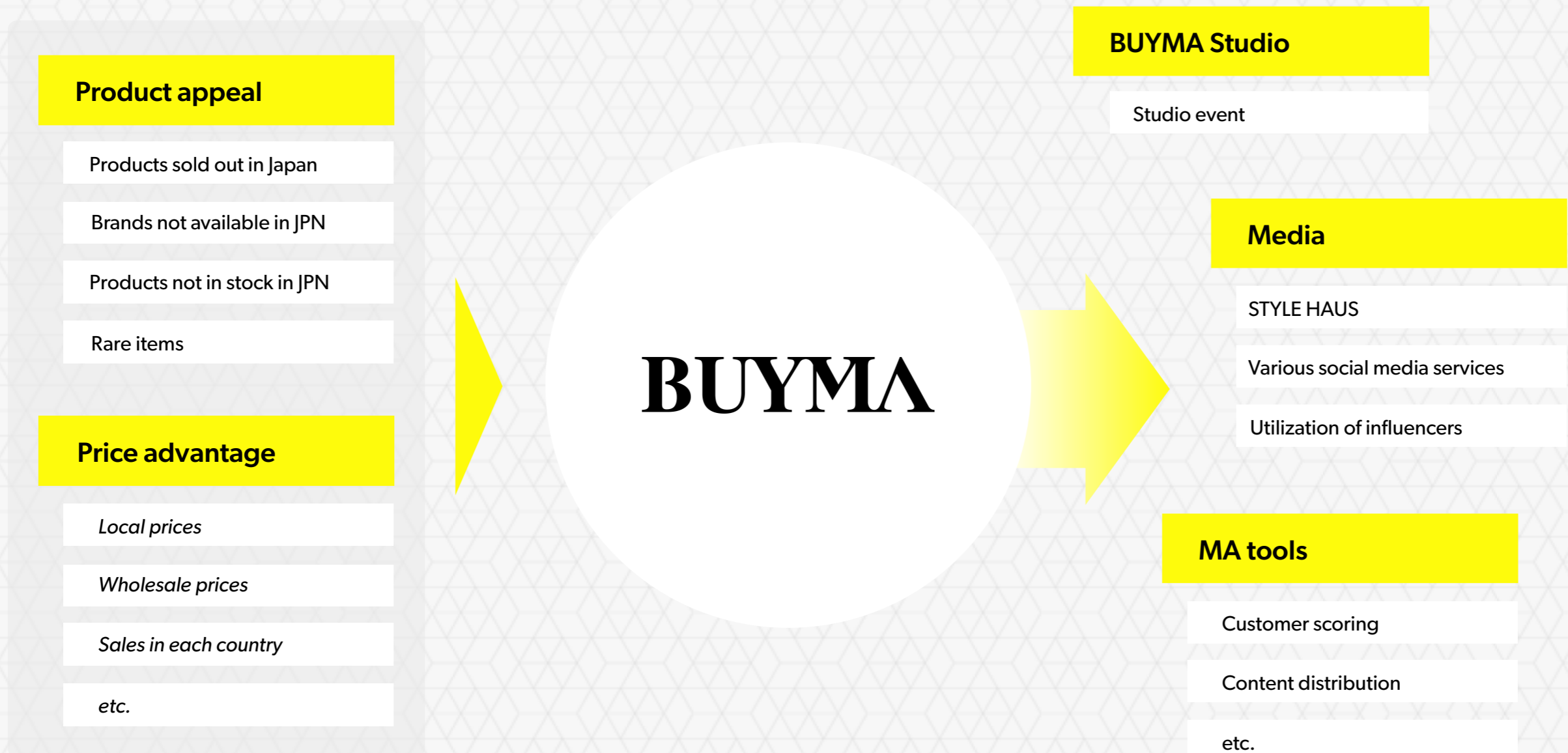
Results

- Decline in frequency of use, especially among light users
- Difficulty in acquiring new members due to the lack of purchasing interest for brand-name products among the younger generation

Measures

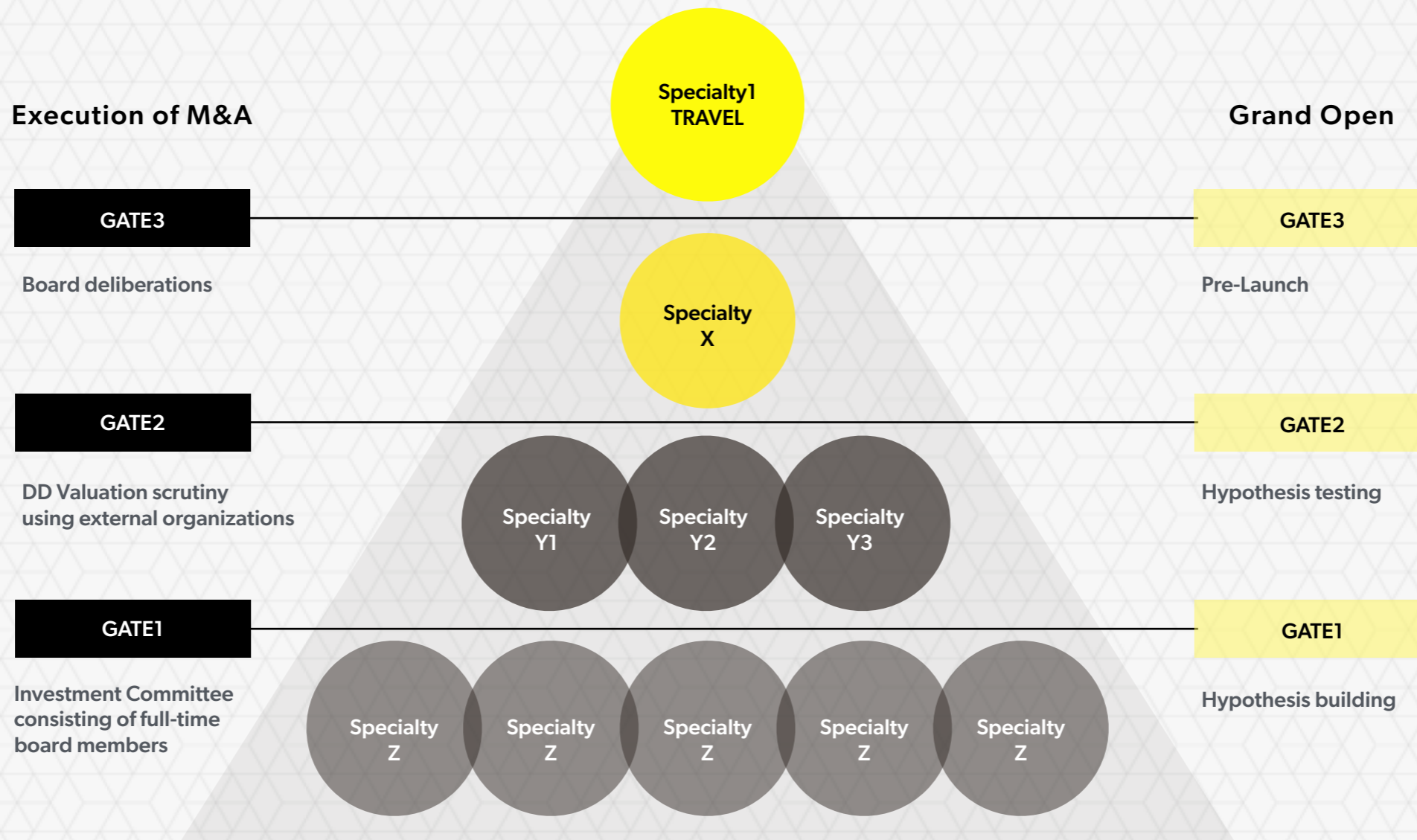
- Promote cooperation with personal shoppers that have procurement capabilities to promote listings at competitive prices
- Monitor prices of major brands and provide personal shoppers with information on pricing with a high probability of leading to sales

Reaffirm BUYMA's strengths of product appeal and price advantage, and reach out to new, existing, and dormant members with these selling points through a variety of media and tools.



Make steady progress in new business projects and M&A deals that are candidates for new sources of profit,
New business area “X” under development is scheduled to be launched in the summer of 2024.

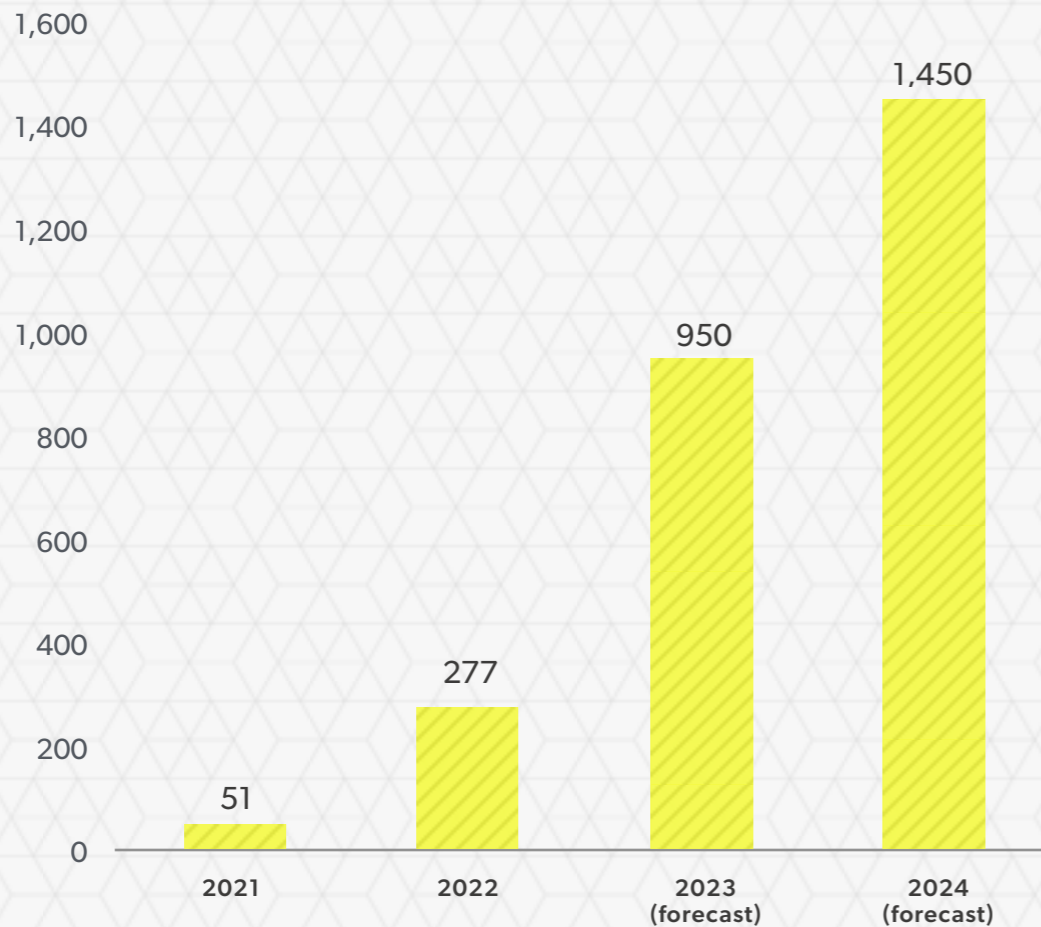
~Process for new profit gate management~



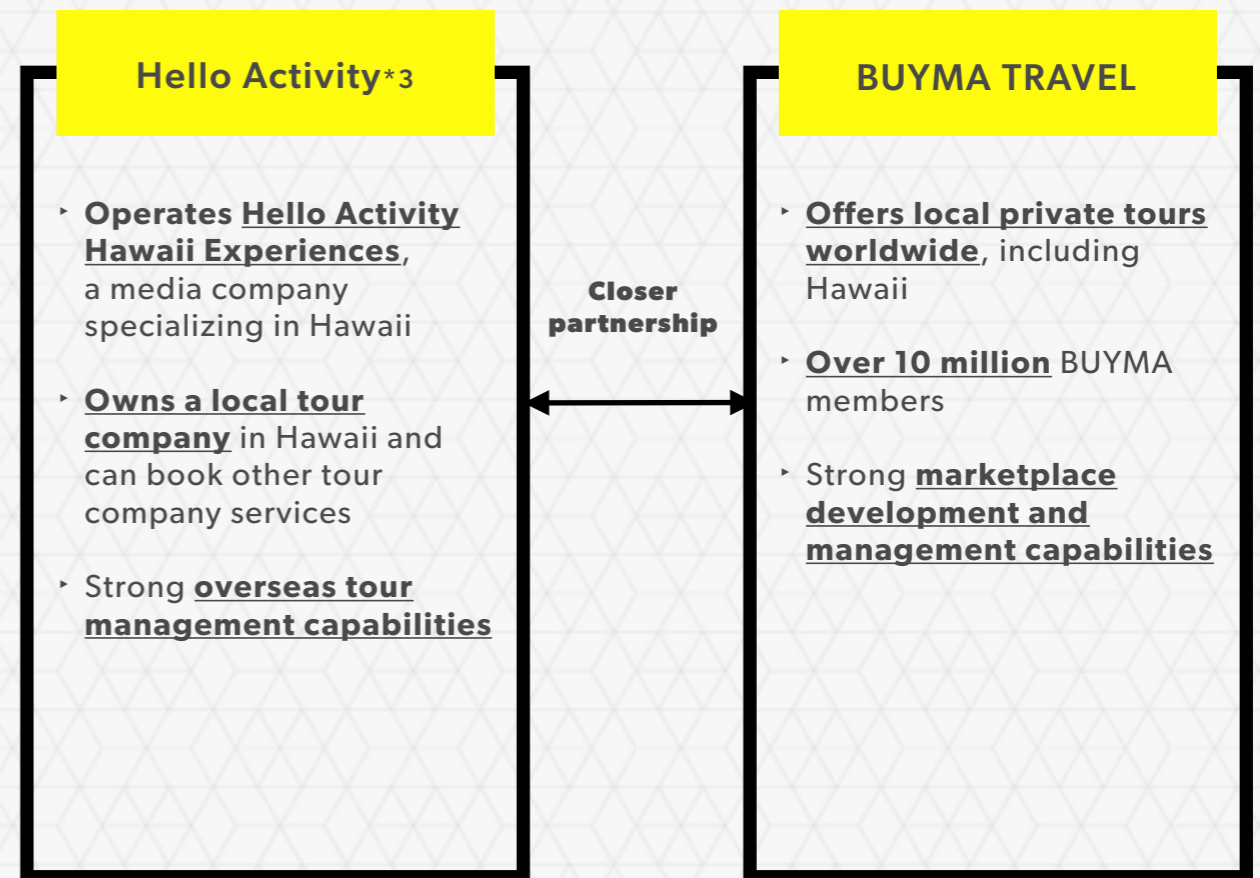
The number of Japanese overseas travelers in 2024 is projected to be more than 1.5 times that of 2023*1, and Hawaii is expected to regain its popularity, creating favorable conditions for the TRAVEL business to expand its performance.

Number of Japanese nationals traveling abroad

(Unit ten thousand people)



Hawaii ranked No. 1 among "Destinations I want to visit soon"*2



*1: See JTB, Outlook for Travel Trends in 2024 (January-December)

*2: See JTB, "Future Overseas Travel Intentions by Destination" in Travel Trends for the Year-End and New Year Period (December 23, 2023-January 3, 2024)

*3: Hello Activity is a local optional tour reservation service provided by MEGURU Co., Ltd., an equity-method affiliate of Enigmo Inc.

ESG • SDGs

In addition to the enhanced disclosure of non-financial information,
which has led to improved ratings by various ESG evaluation organizations,
our shares have been included in the ESG investment indexes used by the GPIF*

Received "B" score in CDP*'s Climate Change 2023

We received "B" score, the third from the top, which is above the average score for Global, Asia and this sector



Selected as a component of the FTSE Blossom Japan Sector Relative Index for the first time



**FTSE Blossom
Japan Sector
Relative Index**

*GPIF(Government Pension Investment Fund): One of the world's largest asset owners and the organization that manages and operates the pension reserve funds deposited by the Minister of Health, Labour and Welfare of Japan.

*CDP: An international environmental non-governmental organization (NGO) established in the United Kingdom, the CDP compiles and analyzes environmental disclosures collected from companies and local governments around the world, and rates their efforts on an eight-point scale.

*FTSE Blossom Japan Sector Relative Index: An index developed by FTSE Russell, a wholly owned subsidiary of the London Stock Exchange Group, a global provider of various indexes and other investment decision tools. It is an ESG index adopted by the GPIF, one of the world's largest asset owners.

Mid-term Target

Mid-term Target: Sales target of 10 billion yen

In addition to expanding business performance by enhancing the value of the experience in existing businesses and increasing profitability by improving productivity, we will also seek to generate new sources of profit through a unique new business investment program that leverages our strong financial base.

Achieve net sales of 10 billion yen as the Enigmo Group in FYE January 2027.

Unit : million yen	FYE January 2024 performance		FYE January 2027 target
Net Sales	6,203	➔	10,000
(Operating profit)	999		2,500~3,000
(Net income)	838		1,750~2,100
Market capitalization	15,328		35,000~40,000
Total market value in circulation	7,293		16,000~20,000

(Reference image)

*Market capitalization is calculated assuming a PER of 20x.



We are preparing to build a new Specialty Marketplace in multiple areas by utilizing stable profits gained from the BUYMA business.

Growth strategy

① Maximize core business

Sustain BUYMA's growth by enhancing product lineup, improving price appeal, and improving UI/UX, etc.

Domestic/ International BUYMA

② Expansion into adjacent e-commerce segments

Discontinuous growth through expansion into other non-fashion related specialty areas

TRAVEL business

New business areas under POC

M&A

③ Explore growth in non-related fields

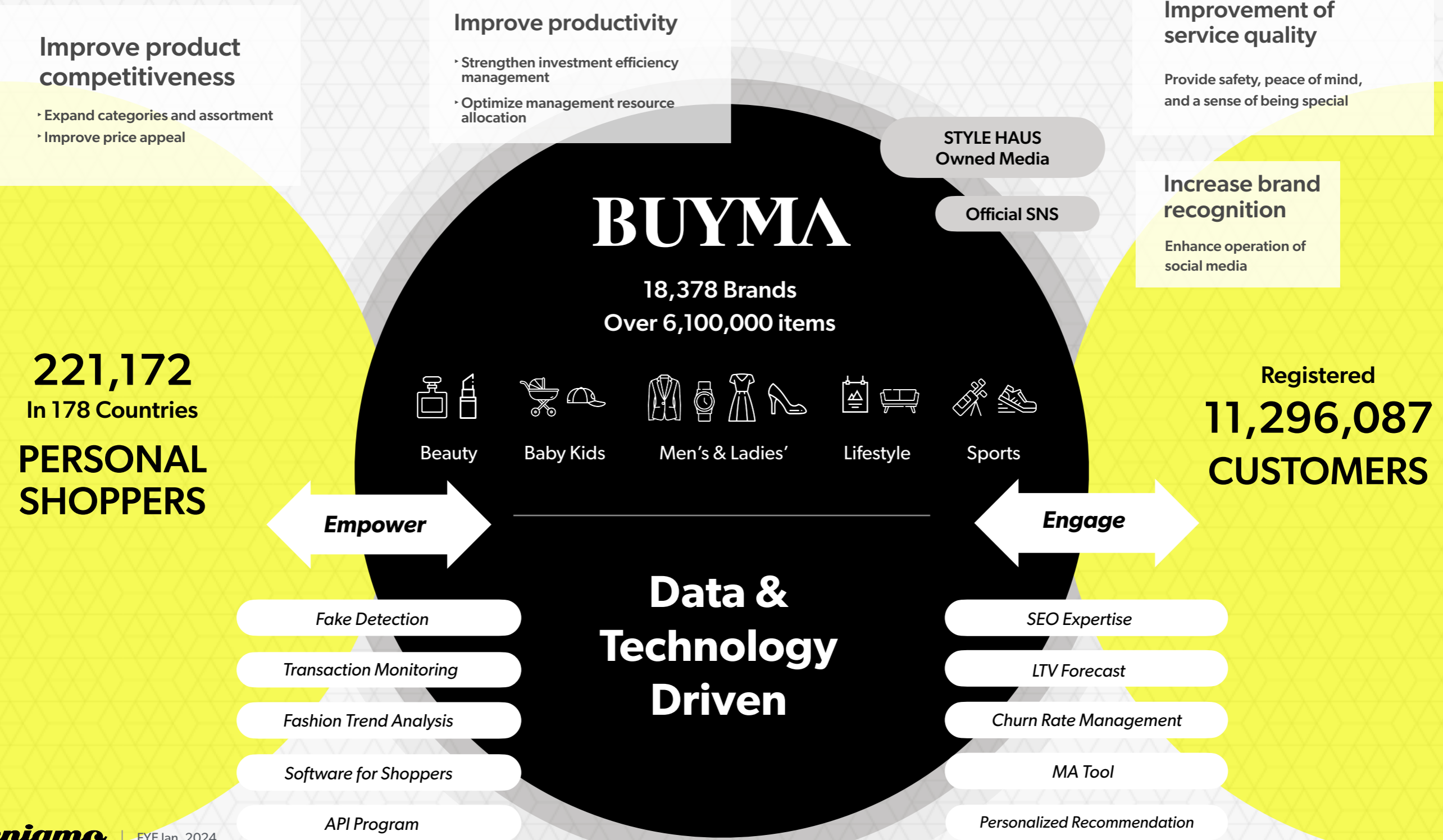
Establish a new revenue base where we can leverage our customer base, overseas seller network, platform operation know-how, and web marketing expertise

Preparing to release new business areas

M&A

M&A

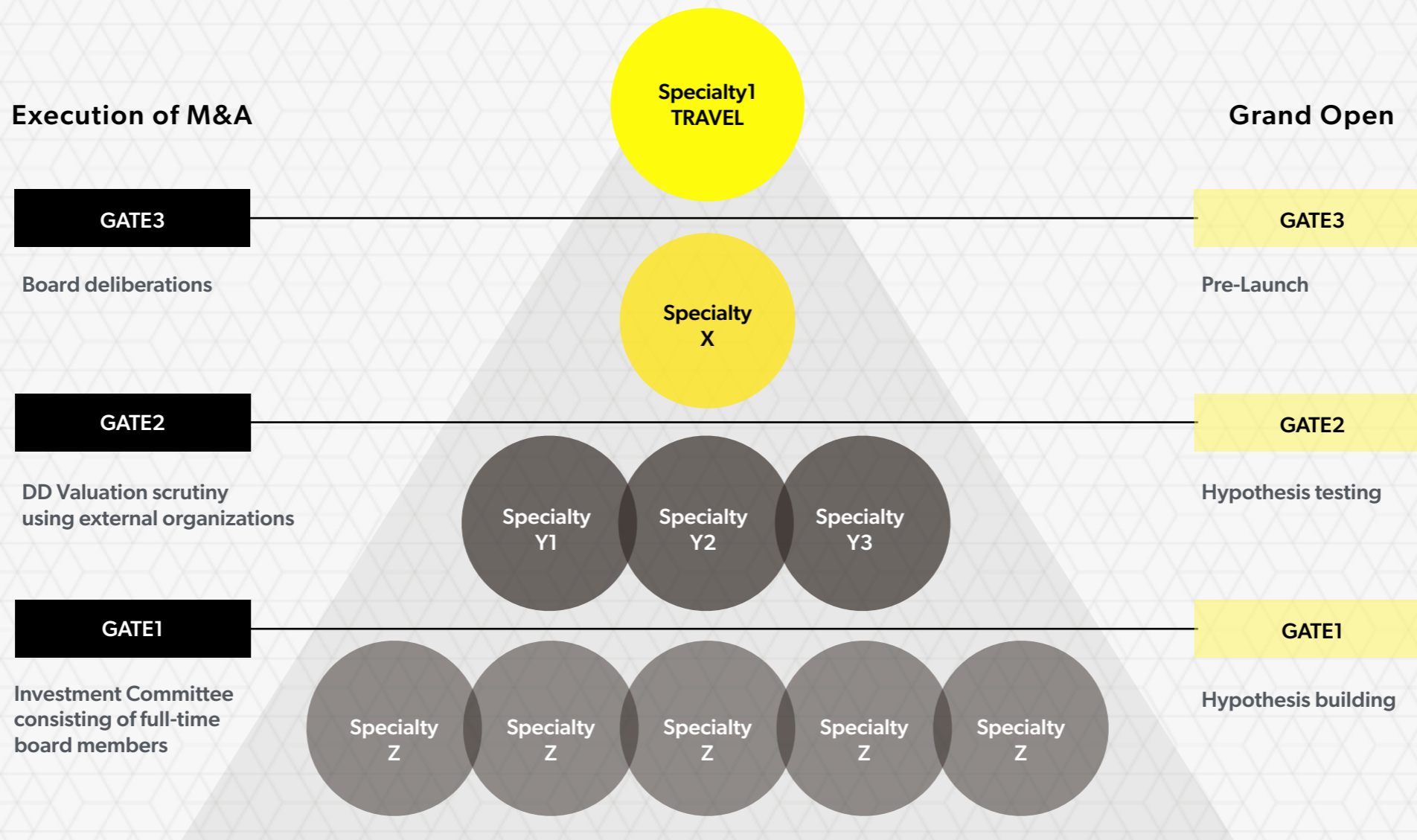
We will steadily implement focused measures while also working to improve productivity to transform the business into a more profitable one that is more resilient to changes in the external environment.



Through M&A and proprietary new business investment programs, acquire and create businesses with sales of 1 billion yen and develop them into profitable businesses.

Continuously create businesses and enterprises that pass GATE 3

~Process for new profit gate management~



Expand revenue base while managing the impact on PL through a dual M&A strategy tailored to objectives and target areas.

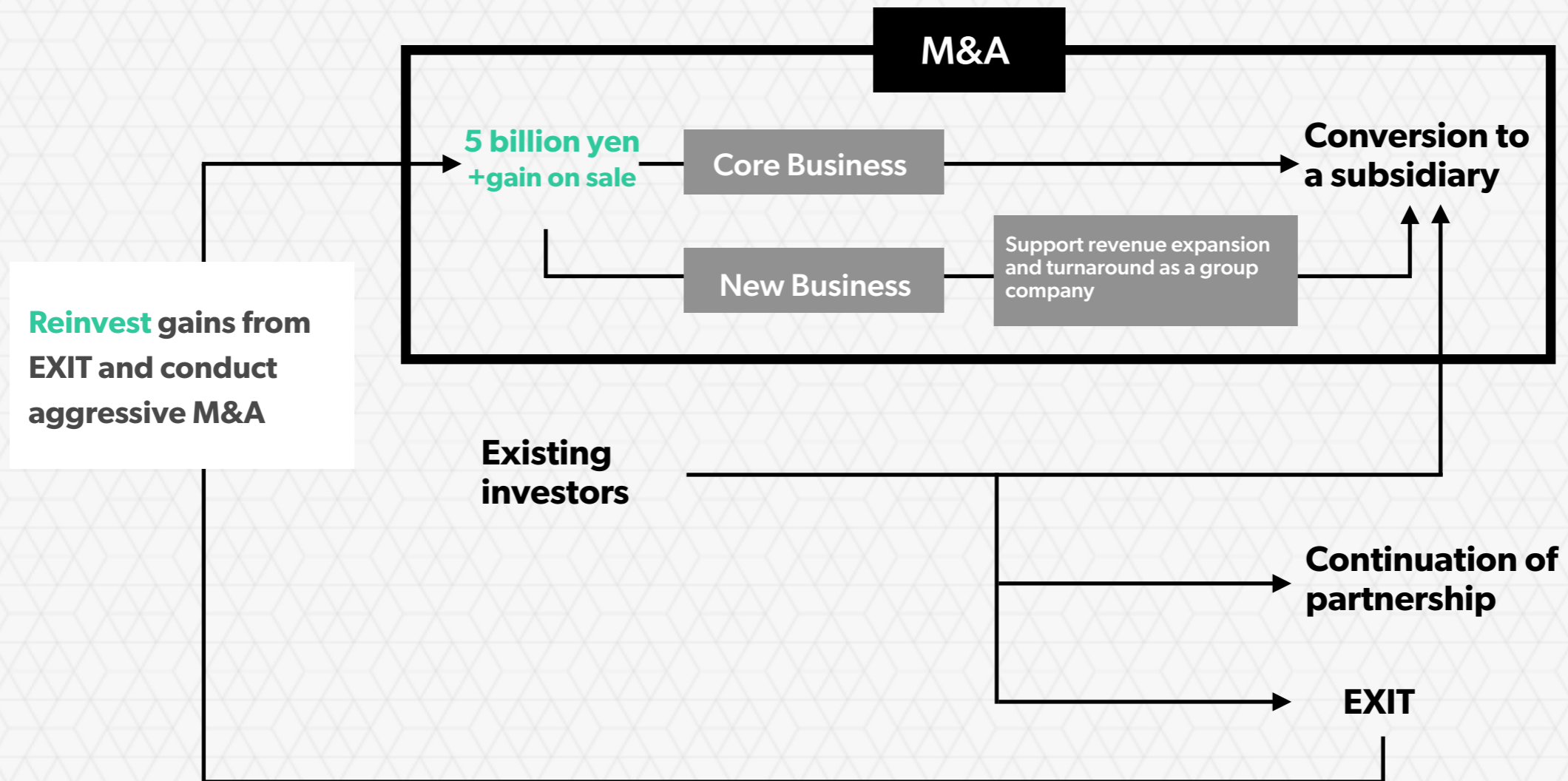
Core Business Domain

- Objective: To increase sales and profits of existing businesses
- Domains: Mainly e-commerce and peripheral businesses
- Timing of consolidation: Same timing as investment
- Financial: Revenues are increasing and the businesses are already profitable
- Main synergies: Utilization of BUYMA's customer base of over 11 million

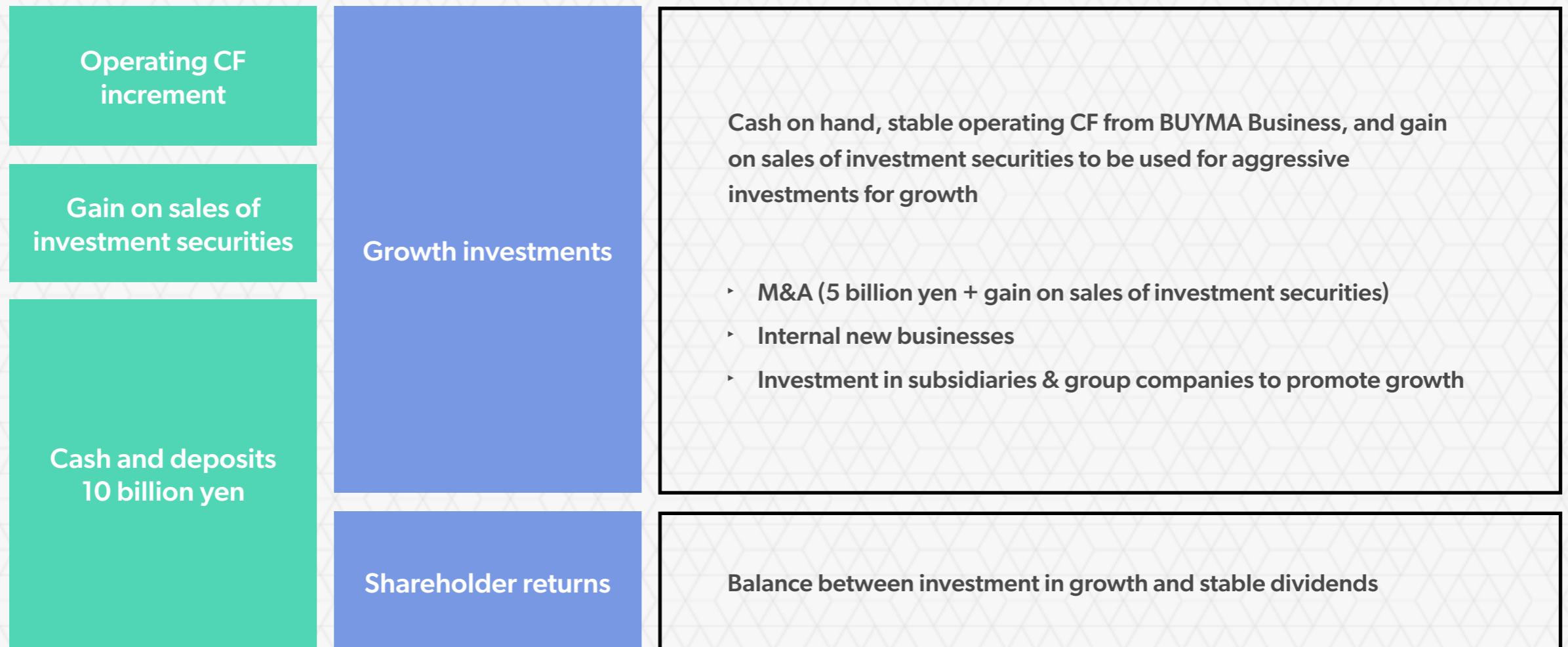
New Business Domain

- Objective: To acquire new sources of profit
- Domain: Platform business
- Timing of consolidation: To gradually make the company a subsidiary once a certain level of profit is achieved (manage the impact of PL by utilizing non-voting shares)
- Financial: Emphasize future potential and allow for losses
- Main synergies: Provide platform operation know-how (system development, digital marketing, etc.)

Allocate 5 billion yen in cash and cash equivalents + proceeds from IPO of existing portfolio companies as the 3-year M&A budget Aggressive M&A to promote group expansion



**We plan to aggressively invest in growth to strengthen our business portfolio.
Leveraging our solid financial base, we will also make investments and loans to group companies.**



Appendix

Company Name	Enigmo Inc.
Main Business	Management of “Specialty” Marketplace “BUYMA”
Location	NMF Aoyama itchome Bldg. 6F 8-1-22 Akasaka, Minato-ku, Tokyo
Date of Establishment	February 10th, 2004
Representative	Representative Director and Chief Executive Officer Shokei Suda
Capital	381.9 million yen
Listed Market	Tokyo Stock Exchange First Section (Ticker : 3665)
Number of Employee	150 people <small>*As of the end of Jan 2024</small>
Accounting Period	January 31st
Major Shareholder	Sony Group Corporation & Executive officers

History



Number of members:
0 – 100,000 people

February 2004

“Period of foundation” – 1st stage of foundation

Commencement of BUYMA services

- Founded in February 2004
- BUYMA released in February 2005, the following year, under the theme of “It has value, no matter where you are”



Number of members:
100,000 - 800,000 people

February 2006

“Period of expansion” – 2nd stage of foundation

Increase of capital / diversification of lines of business

- February 2005 - March 2006 Implementation of capital increase through third-party allocation
- BUYMA, which had achieved a positive balance on a monthly basis in 2008, grows into our company’s main line of business



Number of members:
800,000 – 1.7 million people

February 2012

“Period of transition” – 3rd stage of foundation

Structural reforms

- 2012 - Heavy concentration of management resources on BUYMA
- July 2012 - Listing of company on TSE Mothers



Japanese, English and Korean
language versions of the site

Number of members:
11.29 million people

(as of the end of January 2024)

February 2014

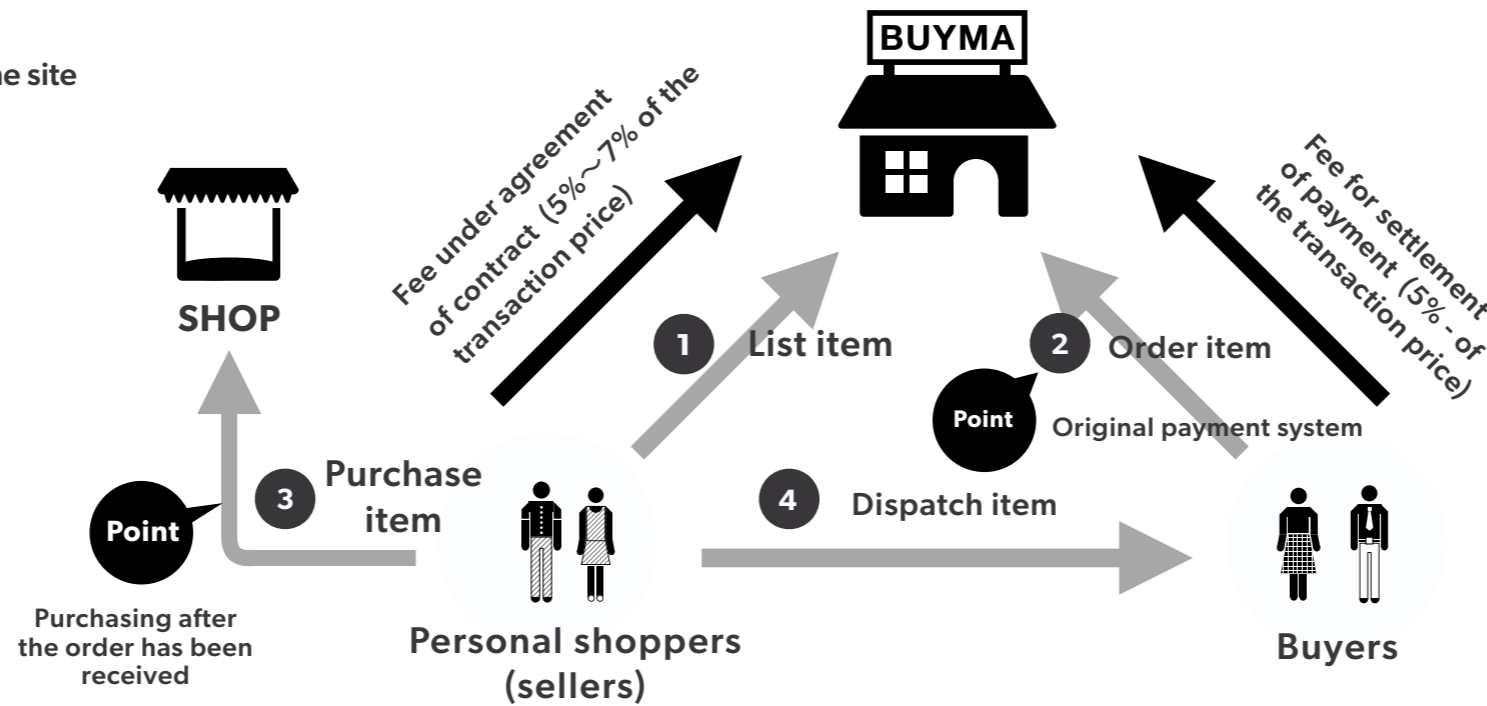
“Period of globalization” – 4th stage of foundation

Commencement of global expansion / path to becoming the “No. 1 overseas online retailer”

- December 2013 - Release of BUYMA Korea, the Korean language version of the site
- February 2015 - ROCKET VENTURE, a service which administers media aimed at young women, is acquired as a subsidiary company (liquidated in January 2018)
- October 2015 - Release of BUYMA, the English language version of the site
- March 2016 - BUYMA KOREA is acquired as a subsidiary company (liquidated in September 2017)
- July 2018 – Release of BUYMA TRAVEL
- April 2019 - Listing in the First Section of the Tokyo Stock Exchange
- April 2022 - Transferring to the Prime Market of the Tokyo Stock Exchange

BUYMA

Japanese and English language versions of the site



Turnover generated from fees paid by both parties involved in the transaction

Buyers: Around 5% of the item price (+ other optional fees)

Personal shoppers: Brokerage fee of 5% – 7% of the item price (depending on the status of the item)

Premium personal shoppers :

Those among excellent personal shoppers who have cleared certain criteria and responded to our invitation

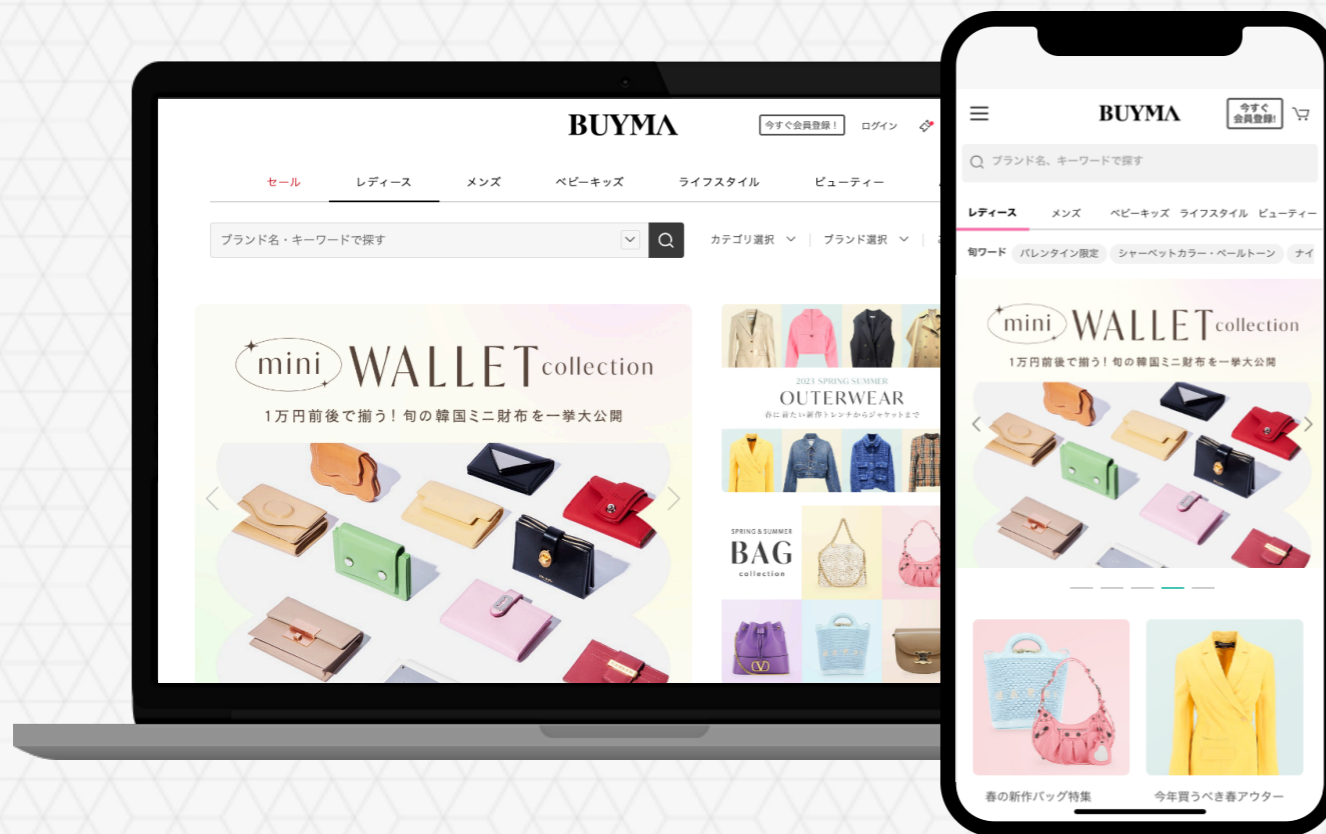
Premium members :

Determined according to the amount of purchases made during the past 6 months. Platinum stage members: (total purchase amount of 300,000 yen or more)/Gold stage members: (total purchase amount of between 150,000 yen and 300,000 yen)/Bronze stage members: (total purchase amount of between 70,000 yen and 150,000 yen)

Shops :

Business operators that have met the criteria for selling items through BUYMA

A specialty marketplace that brings individuals and companies from around the world together and provides them with a special purchasing experience and limitless encounters with fashion items



Number of items listed

More than **6.11** million items

Number of personal shoppers

220,000 people

Countries of residence of personal shoppers

168 countries

Average purchase amount

27,337 yen

Average age of users

36.0 years

Users by sex

Female: **68%** Male: **32%**

*as of the end of Jan 2024

We have redefined BUYMA as a **“Specialty” Marketplace**

A Marketplace which constructs a platform breaking down the boundaries between companies and individuals by giving full play to a diverse range of expertise in specialized categories, and which creates special experiences for both sellers and buyers in a whole new way.



Transition from an “all-genre” to a “specialty” marketplace
C’s expertise increases, resulting in coexistence between C and B

BUYMA is not suited to mass produced products of a kind used on a day to day basis. Rather than easily available items that one can obtain anytime, anywhere, BUYMA targets special items inhabiting the realm of the extraordinary, such as sought after brands, things which are a joy to obtain, and other products which people crave to own.

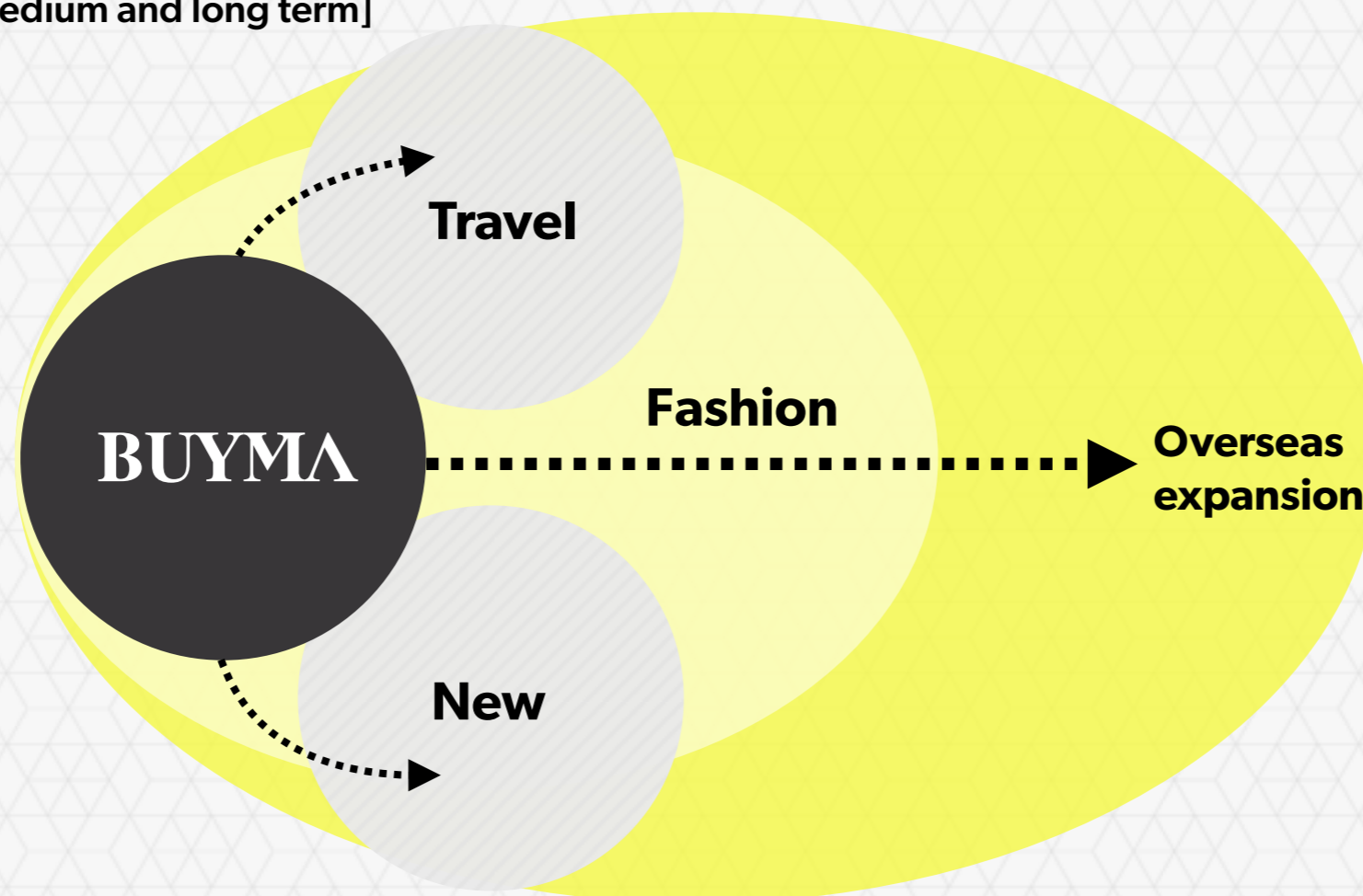
Today fashion, tomorrow travel... As a "Specialty" Marketplace, BUYMA aims to inhabit a unique position in this realm of the extraordinary, providing a broad range of items and services from around the world.



As the realm of the everyday becomes more convenient, people tend to spend more money and time exploring the realm of the extraordinary

BUYMA's strategy for growth

- 1** Based on the concept of BUYMA as a “Specialty” Marketplace, provide a diverse range of options and special items / experiences from all corners of the world in fashion, travel and other extraordinary fields, and help people achieve new lifestyles through a formidable product lineup found nowhere else.
[Expansion in scale]
- 2** Improve profitability through the provision of related services that possess value for many BUYMA users.
[Improvement of profitability]
- 3** Expand BUYMA overseas to become a much-loved brand among people around the world.
[Growth in the medium and long term]



These presentation materials are provided solely for the purpose of better understanding of our company and are not intended for the purpose of solicitation.

Forward-looking projections and forecasts contained within this document are made based on information available as of today. Actual business performance may differ from projections due to risks and uncertainties in the future.

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