

enigma

Supplementary Financial Information

for the First Quarter of FYE Jan. 2025

Summary of business performance

Struggled to achieve a recovery in the BUYMA business due to the ongoing challenging external environment, including the continuing depreciation of the yen and other factors.

Utilized influencer marketing and launched BUYMA VINTAGE, a new service.

In terms of new sources of profit, we maintained high growth with a 257% increase in BUYMA TRAVEL's booking amounts.

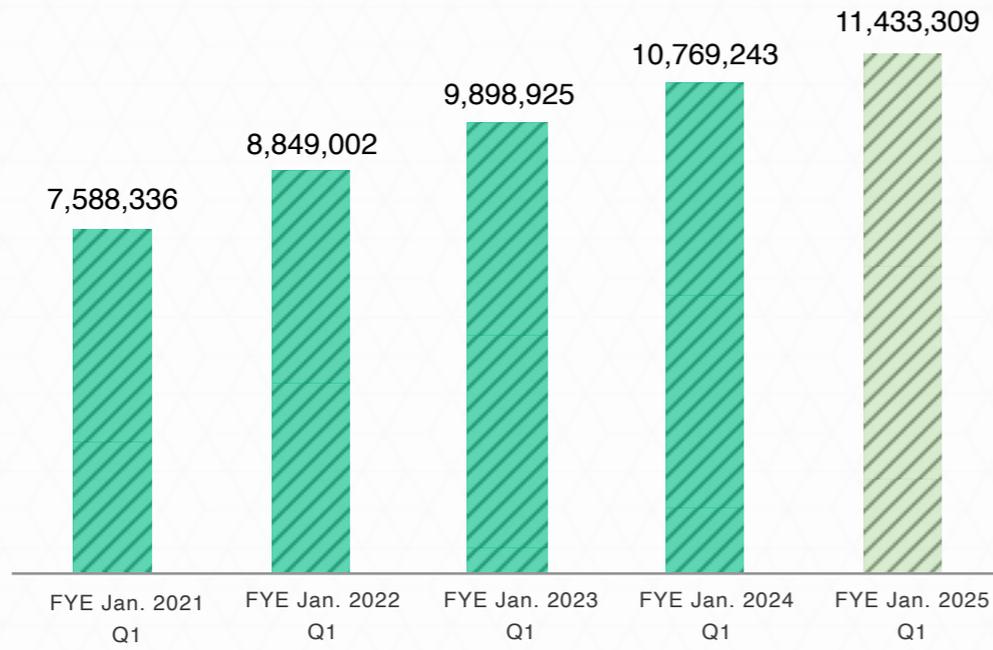
Expanded the scale of our business operations to achieve our mid-term goals, including two companies joining the group through M&A.

	FYE 2025/1 Q1	FYE 2024/1 Q1	YoY
GMV* Includes fees for settlement of payment	12,561Million	14,285Million	87.9%
Net sales	1,324Million	1,591Million	83.2%
Gross profit	1,040Million	1,229Million	84.6%
SGA	894Million	998Million	89.6%
Advertising expenses	280Million	390Million	71.8%
Personnel expenses	438Million	439Million	99.8%
Operating income	145Million	230Million	63.1%
Ordinary income	143Million	229Million	62.5%
Net profit	99Million	151Million	65.4%

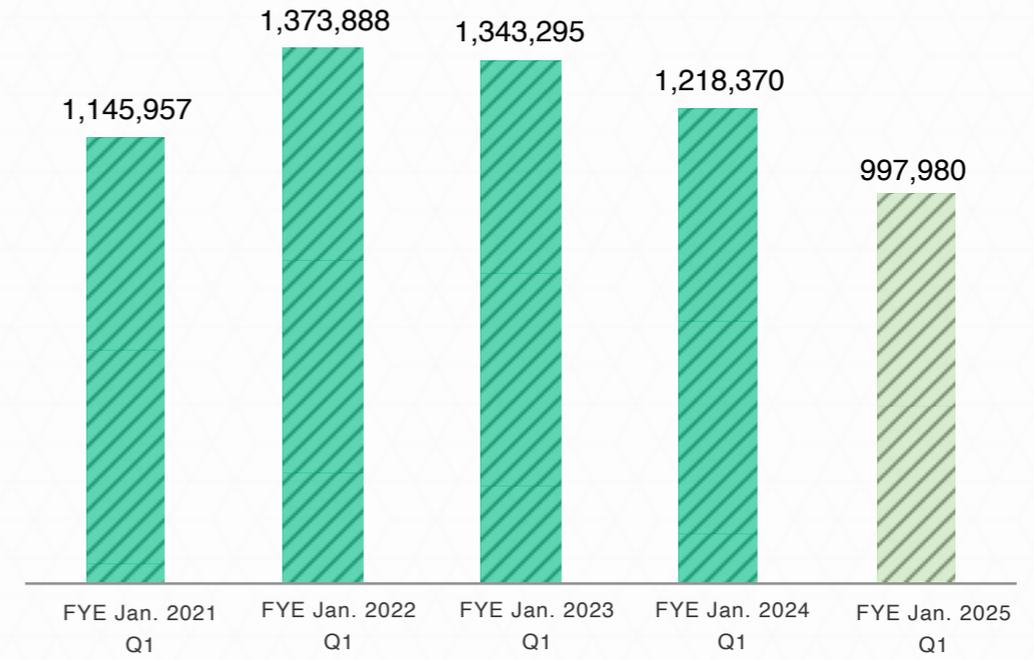
(Unit: JPY)

First Quarter of FYE Jan. 2025 – Transitions in major KPI

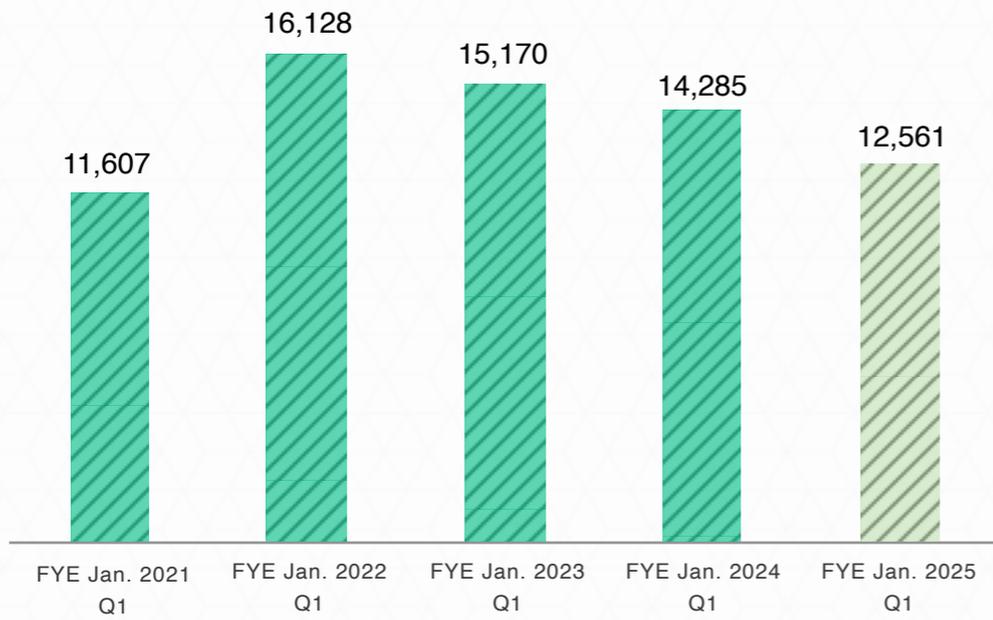
Number of BUYMA members (Unit: person)



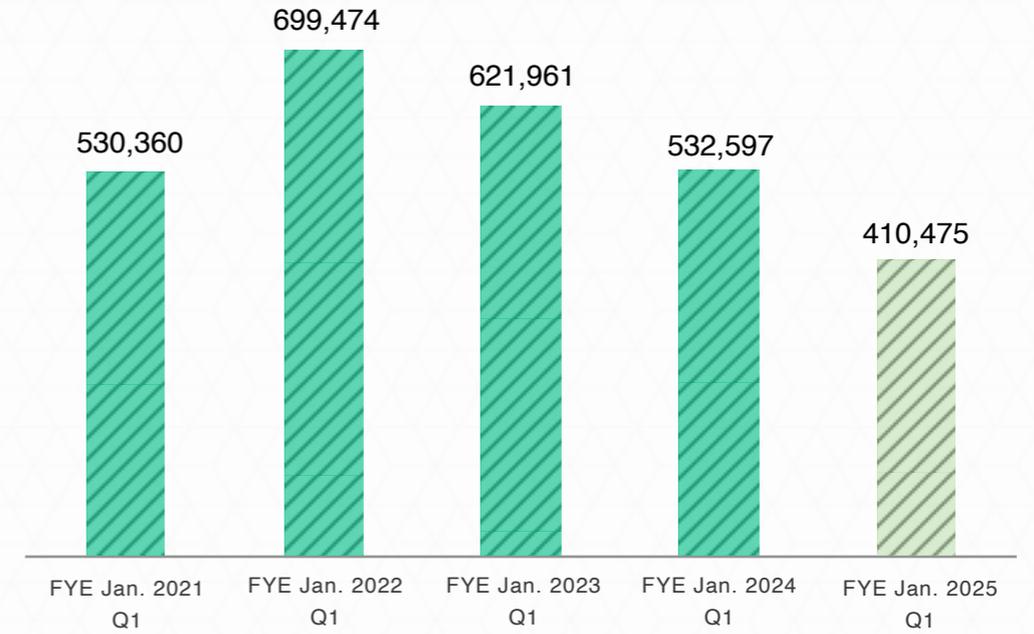
Number of active BUYMA members (Unit: person)



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

To attract light users, something which has been a challenge,
held an event for Korean brands popular among young people at BUYMA STUDIO SHIBUYA.

BUYMA STUDIO
『Korean brand event』



Influencers to win
over younger
consumers

- ▶ Approx. 1,500 visitors during the 3-day event
- ▶ Acquired new users who visited the event
- ▶ Total impressions of collaborating influencers exceeded 1 million

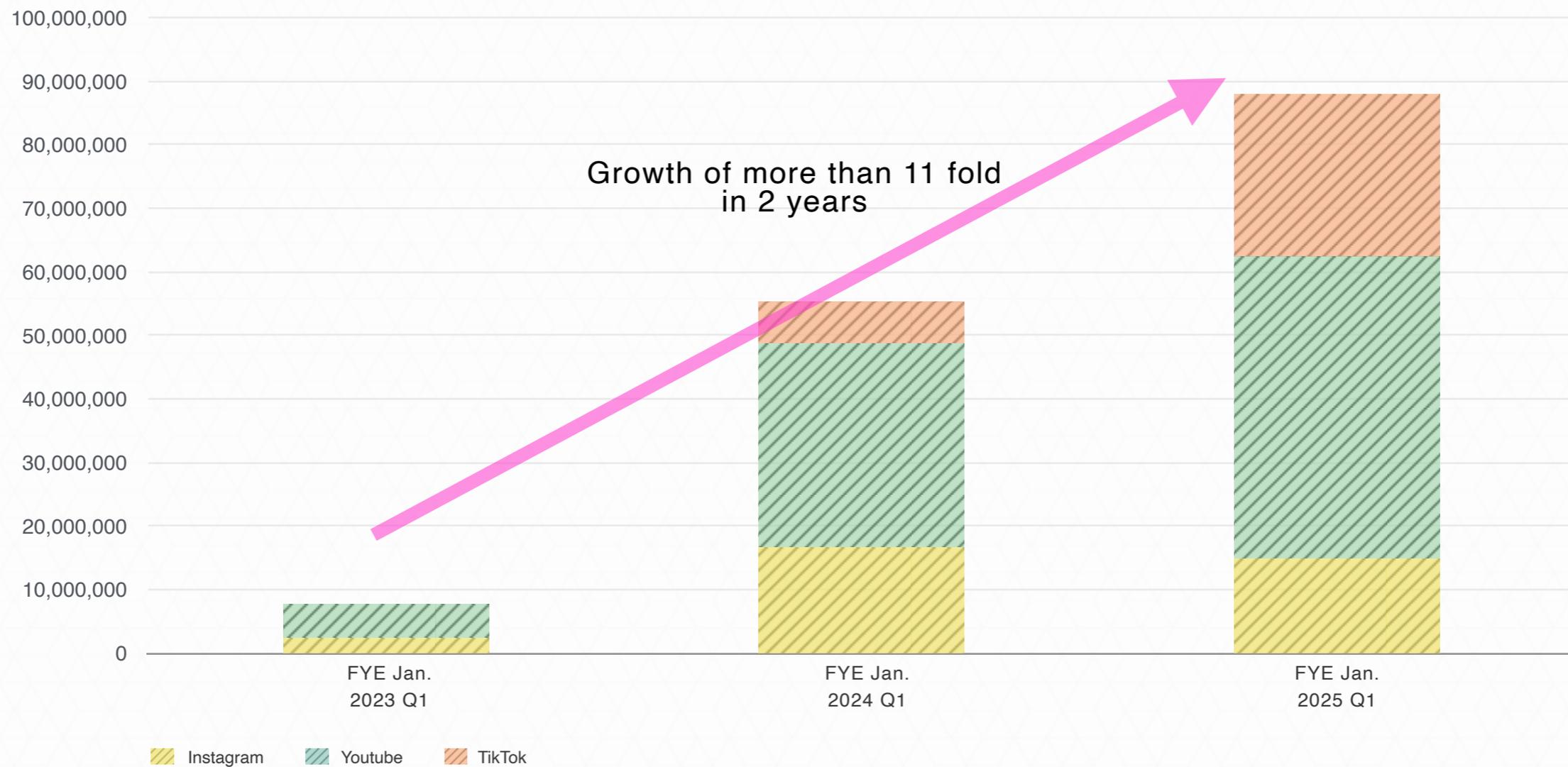
渋谷BUYMA studioにて大人気韓国ブランドが集まるイベントにお邪魔してきました～🇰🇷🌸
話題のブランドアイテムを実際に手に取って試着できるチャンス！どれも写真の何倍も可愛くて癒しの空間となっております…！
開催日は4/12～14、残り2日となりました！是非週末にお出掛けしてみてくださいね🌟#BUYMA #PR



Operation on social media

Appealed to a wide range of generations, including young people, starting with tie-ups with influencers.
Number of impressions increased by more than 11 fold in 2 years.

Number of impressions on major social media services



As prices continue to skyrocket, more attention is being paid to vintage goods. To meet this demand, in March, we pre-launched BUYMA VINTAGE, a luxury vintage market that gathers pre-owned brand goods from around the world.



Objectives

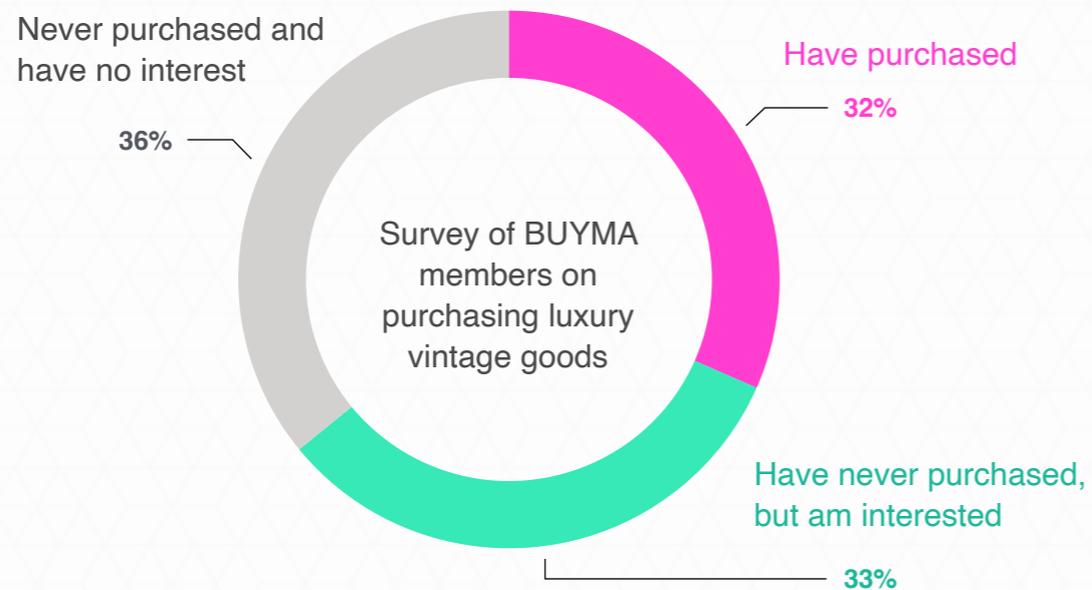
- ▶ Eliminate customer attrition caused by soaring product prices
- ▶ Capture diversified demand, such as sustainable fashion

Features

- ▶ Only vetted sellers can list their items (BUYMA-authorized corporations list items)
- ▶ Pre-owned items can be purchased from countries all over the world
- ▶ Free authenticity appraisals available
- ▶ Inspections and consultations by sellers

In a survey of BUYMA members, the majority of members expressed a positive opinion of luxury vintage products, and qualitative evaluations confirmed that there is a demand for these products.

A majority of members answered that they have purchased or are interested in purchasing luxury vintage goods.



Opinions on "Have purchased"

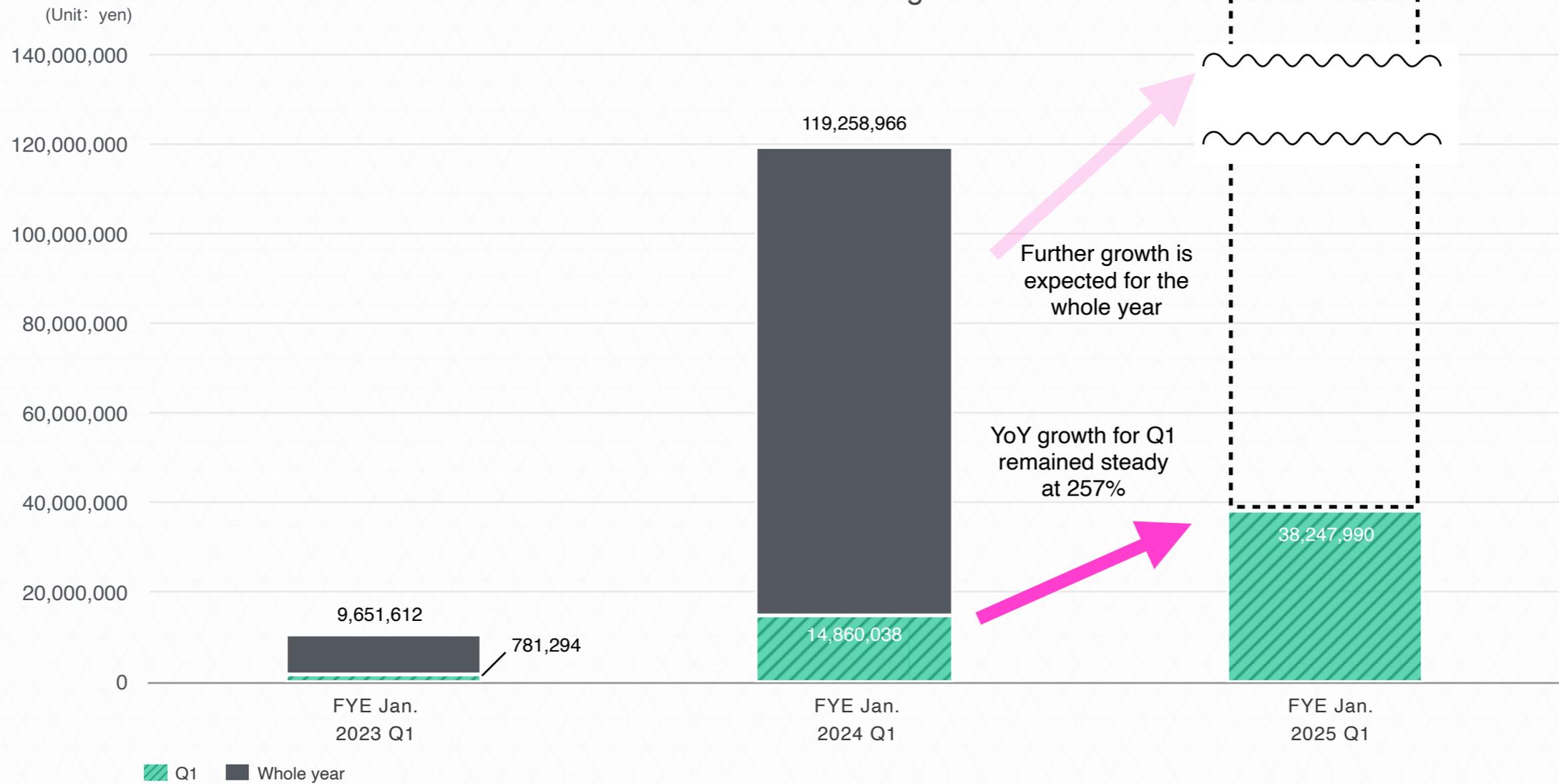
- New items are expensive, but pre-owned items are affordable.
- I can buy things that I want but are no longer sold new anymore.

Opinions on "Have never purchased, but am interested"

- I want to find things that fit my sense of style, whether it's new or pre-owned.
- I am interested in pre-owned items because I am more comfortable using them in daily life.

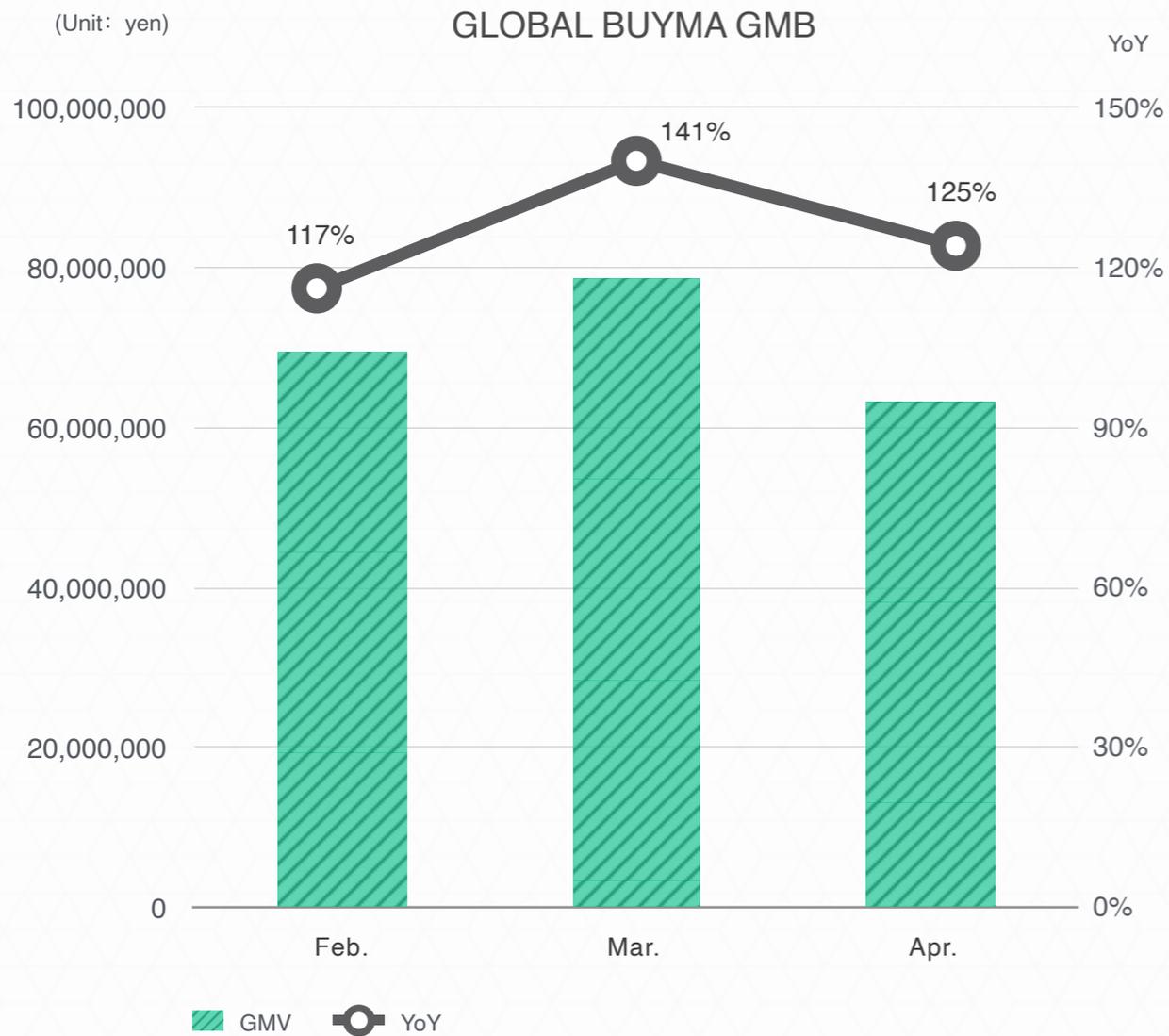
Growth in booking amount for Q1 continued for the second consecutive year.
YoY growth remained steady at 257%.

BUYMA TRAVEL booking amount



GLOBAL BUYMA

We made the decision to close GLOBAL BUYMA because the competitive environment in the global fashion e-commerce market is becoming increasingly severe, and it will be difficult to generate high profitability within the mid-term target period. While the impact on sales at the company-wide level is expected to be negligible, operating income/loss is expected to improve. We will continue to consider a different business model for our overseas business in the fashion e-commerce field.



GLOBAL BUYMA summary

- ▶ GMV for FYE Jan. 2025 Q1 continued to exceed 100% YoY.
- ▶ On the other hand, GLOBAL BUYMA posted sales of about 80 million yen and an operating loss of about 300 million yen in FYE Jan. 2024 Q1, continuing a multi-year loss.
- ▶ In view of the capital efficiency of the entire Enigmo Group, GLOBAL BUYMA will close in FYE Jan. 2025.

Impact on financial statements for FYE Jan. 2025

- ▶ Sales: Decrease of around tens of millions of yen for the year
- ▶ Operating profit/loss: Decrease of around several tens of millions of yen out of about 300 million yen operating loss of the GLOBAL BUYMA business in the last fiscal year
⇒ Enigmo's overall operating profit improved

Acquisition of new sources of profit

Revamped BUYMA TRAVEL

BUYMA TRAVEL transferred to subsidiary MEGURU through absorption-type split. Group's travel business consolidated into MEGURU and will start operating as BUYMA TRAVEL Co., Ltd. from August 1.



Aims

- Strengthen cultivation of the in-destination activities market through the merger of BUYMA TRAVEL and MEGURU.
- Acquire foreign currency from overseas supplier businesses in Hawaii and Guam

Consolidation period

- B/S: Include in consolidated financial statements from Q2
- P/L: Include in consolidated financial statements from Q3

*For details, please refer to the press releases of 5/15 and 6/14, as well as the "VISION for Next 20" document of 6/14.

Our revamped BUYMA TRAVEL aims to become the No. 1 travel entertainment company in the travel industry based on two core businesses: C to C platform provision business and overseas supplier business.

Platform business

In addition to “private guide x activity”, a feature of BUYMA TRAVEL, we are sequentially implementing other measures to increase the unit price per customer, such as “private guide x hotel”, “private guide x restaurant reservation”, etc.



Overseas supplier business

To date, MEGURU has expanded its business scale through a series of acquisitions of supplier companies in Guam, Hawaii, and other locations. By operating a platform business, MEGURU has increased its knowledge of activities and local transportation needs that are expected to be in stable demand, and can conduct roll-up M&A with a high probability of success.



Targeted market size* to be greatly expanded through business integration



*Enigmo's estimates based on the financial results of travel industry companies

In response to an increase in inquiries about choosing accommodation at travel destinations, BUYMA TRAVEL has now released a new accommodation consultation function. BUYMA TRAVEL's package tours can now be created exclusively for BUYMA TRAVEL, increasing sales per customer.



Overseas supplier business

Invested resources in the services of MEGURU, which will become a consolidated subsidiary, thereby evolving it into a business portfolio that can earn foreign currency from travelers, including non-Japanese, in local markets.

	Company	Service	Net sales for FYE Jan. 2025 Q1	Settlement currency
Businesses for overseas markets	MEGURU (MMS Guam, MMS Hawaii, Sea Eagle社)	U.S. (Hawaii and Guam) supplier business	Approx. 150 million yen* (Approx. 1 Million USD)	USD
	Enigmo	GLOBAL BUYMA	Approx. 23 million yen	Various currencies

Investment of resources previously allocated to GLOBAL BUYMA into MEGURU's services

*Unaudited information on sales of approx. 150 million yen

Entry into new fields

Decided to enter the real estate business as a new Specialty Marketplace.
Acquired stake in Non Brokers, a real estate trading platform.

Non Brokers

A real estate sales platform that allows you to seek the optimal appraisal value while greatly reducing the time and effort required when requesting an appraisal of properties for sale

家を売るなら
いえうり

A real estate purchase platform that allows individuals to purchase properties from specialist buyers with no commission

直接買える、おうち探し
チョコ買い

Aims

- ▶ Enter new business areas where we can leverage our digital marketing and platform operation know-how.
- ▶ Provide new value to resolve the significant information asymmetry between buyers and sellers in real estate transactions.

Consolidation period

- ▶ The acquired shares are non-voting shares (62% stake), and voting rights will come into effect and consolidation will commence when certain performance requirements are met.

*For details on the acquisition of Non Brokers shares, please refer to the press release issued on 5/15.

Provide new value in the legacy real estate industry by combining Non Brokers' unique business model with our marketing expertise

Industry challenges & solutions

▸ Real estate industry issues

- ① Bulk appraisal websites require an enormous amount of communication between sellers and each real estate company, and sellers become tired of dealing with such communication.
- ② In addition, real estate companies are also suffering from increased costs because they are charged for each customer referral.

▸ Non Brokers' solution

- ① Communication costs are reduced because NB's representatives serve as the primary contact and consolidate information.
- ② As real estate companies are charged only when a contract has been formed, there is no reason not to introduce the system.

Increased value through our company

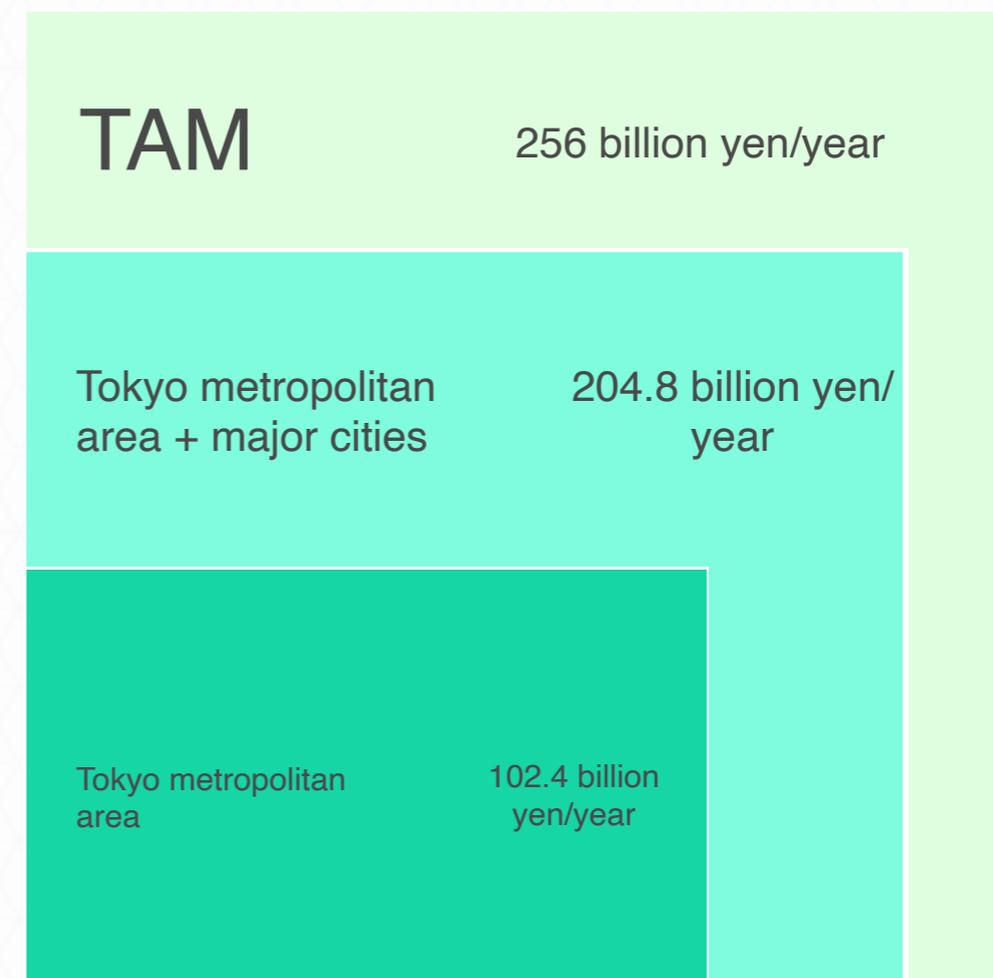
▸ Marketing

We inject our expertise in all aspects of digital marketing, including SEO and web advertising. We have registered more than 1,700 intermediary and purchasing companies on the real estate company side, and have accelerated the speed of growth by providing support in attracting customers.

▸ Creditworthiness

The creditworthiness of the management company is also important due to the nature of real estate, which is a high-value product, and it is easy to take advantage of the fact that the company is a listed company group

Market size of matching fees for existing-home sales market of 8 trillion yen*



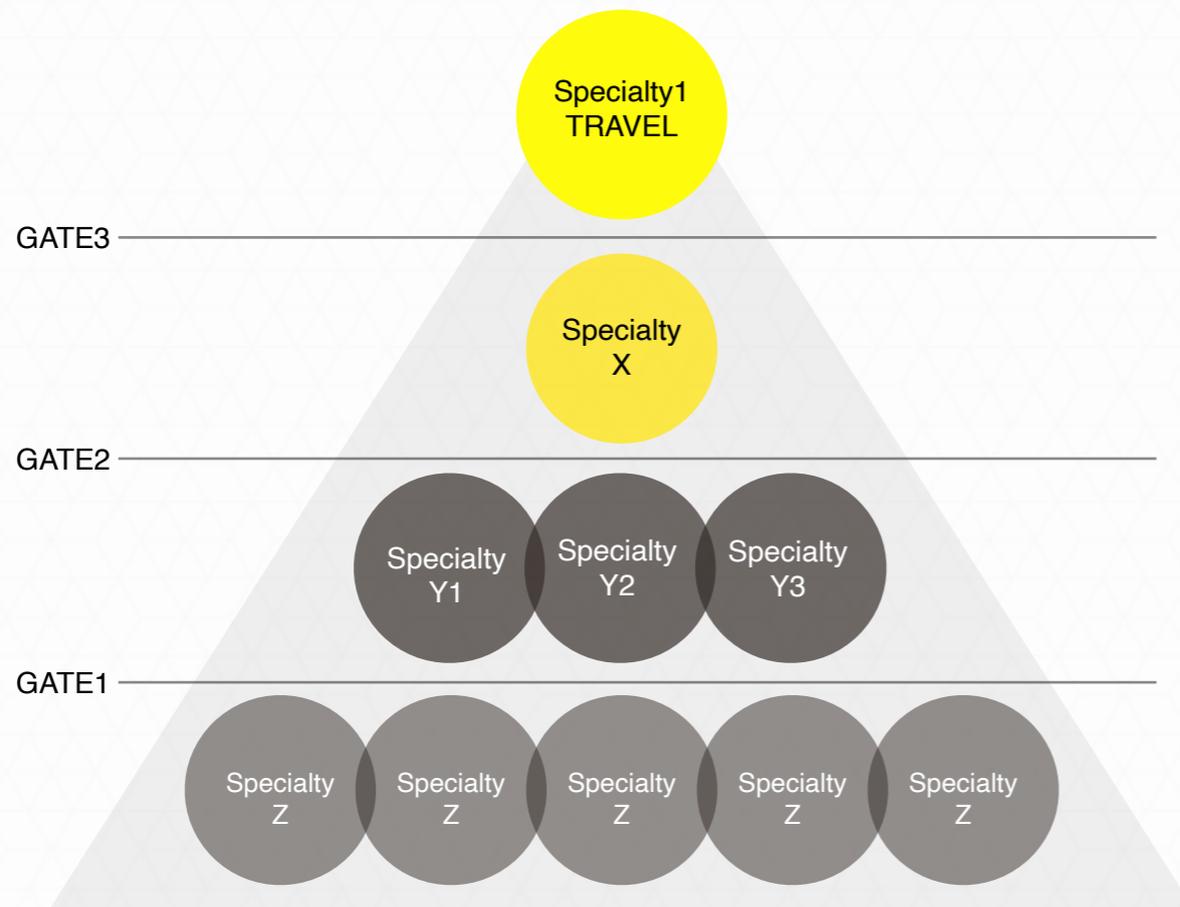
*Source: Ministry of Land, Infrastructure, Transport and Tourism, "Basic Plan for Housing Standards (National Plan)" (March 19, 2021), calculated based on the market size of existing home distribution and renovation.

※For more information on Non Brokers' business, please refer to the Appendix.

New business— Staffing service

In collaboration with Getsuraku Co., Ltd., an equity-method affiliate involved in the human resources business, we launched a new type of job change support service in June, which was being promoted as Specialty X.

～Process for generating new profits～



*An overview of Q Job Change will be released at a later date.

Getsuraku Co., Ltd. is a company that provides job change support services, mainly for venture start-ups.

Appendix

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

Mission

Create a new infrastructure for real estate transactions

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Real estate sales platform

There is no rush of phone calls like on bulk appraisal sites, allowing sellers to meet the best real estate companies while protecting their personal information

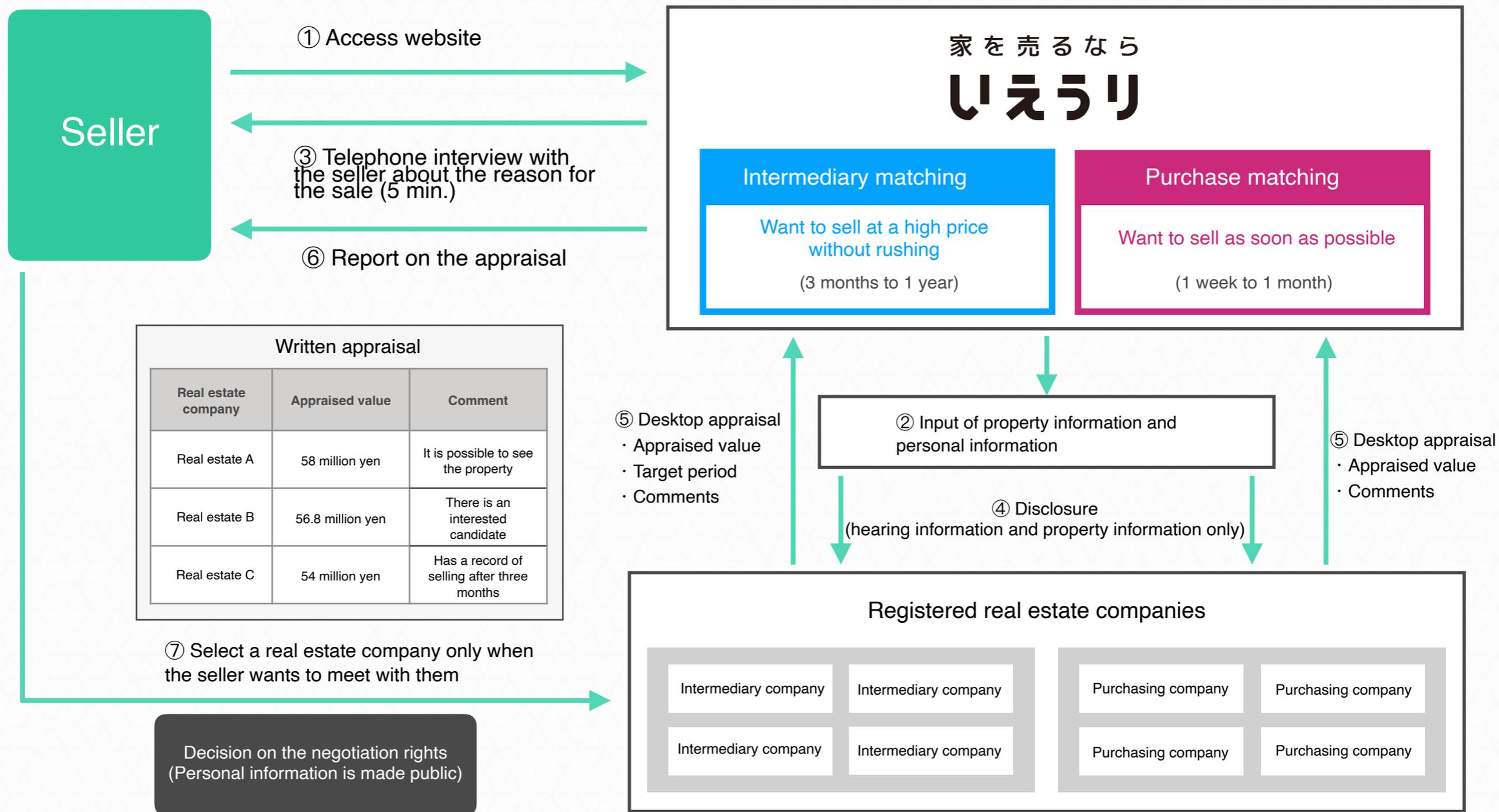


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Brokerage fee-free real estate purchasing website

By listing only properties for which the real estate company is the seller, buyers can purchase the property without brokerage fees.

Providing a three-way real estate sales platform that resolves industry issues and the negative aspects of bulk appraisal sites



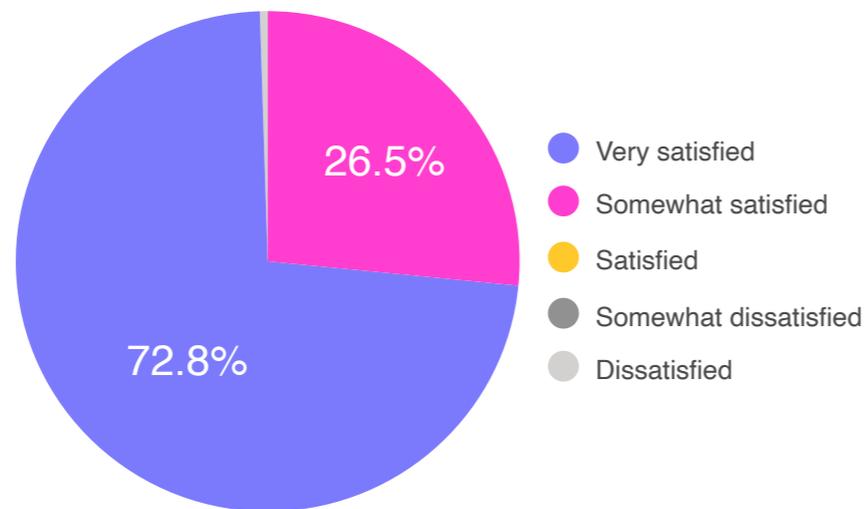
99.3% customer satisfaction rating from buyers and sellers.

Approximately 70% of real estate companies participated in the platform on the basis of word of mouth.

Evaluation from the buyer/seller

Since the service's release in 2019, customer satisfaction has been 99.3%

Q How satisfied are you with the service?



*As of April 30, 2024

Evaluation of the platform

About 70% of real estate companies participated in the platform on the basis of word of mouth, as the service also solves issues on the real estate companies' side.

Number of registered brokers

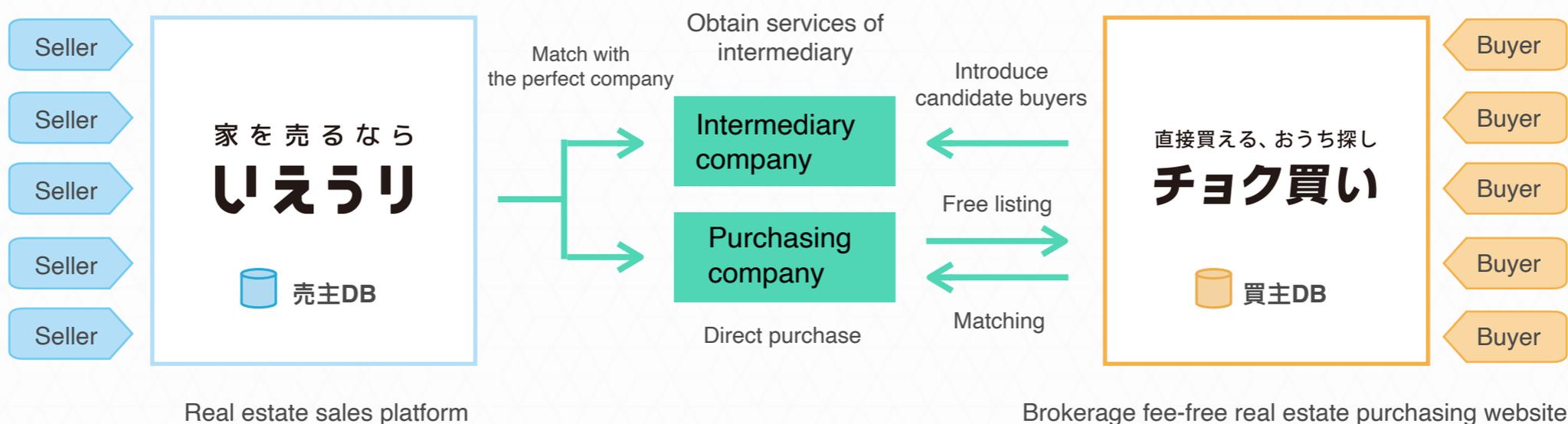
1,442 companies

Number of registered buyers

1,362 companies

*As of April 30, 2024

Realize a world where real estate can be bought and sold correctly by providing platforms for both sides, “leuri” for sellers and “Chokukai” for buyers, thereby solving the issues of each player.



Advantages offered by “leuri” and “Chokukai”

- ▶ Sellers: Can consolidate communication costs and search for the most suitable real estate company while protecting personal information.
- ▶ Intermediary companies: Can sell faster by receiving information on potential buyers, in addition to receiving information on properties for sale free of charge.
- ▶ Purchasing companies: Can purchase directly from the seller and sell directly to the buyer without going through an intermediary company (without paying an brokerage fee), in addition to receiving information on properties for purchase free of charge.
- ▶ Buyers: Can purchase properties without intermediary fees because they do not go through an intermediary company.

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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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