

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

Company name: Unite and Grow Inc.
 Stock exchange listing: Tokyo
 Stock code: 4486 URL <http://www.ug-inc.net/>
 Representative: President and CEO Kiichiro Suda
 Director and General Manager of Administration Division Mieko Oka TEL 03(5577)2091
 Inquiries: Administration Division
 Scheduled date to file Quarterly Securities Report: May 13, 2022
 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. Consolidated financial results for the three months ended March 31, 2022 (from January 1, 2022 to March 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2022	565	15.7	90	27.7	90	27.9	66	33.3
Three months ended March 31, 2021	488	18.4	70	11.5	70	11.6	49	19.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2022	17.77		16.75	
Three months ended March 31, 2021	13.57		12.56	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	2,021	1,400	69.3
As of December 31, 2021	2,109	1,379	65.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2021	–	0.00	–	12.00	12.00
Year ending December 31, 2022	–				
Year ending December 31, 2022 (Forecast)		0.00	–	14.00	14.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,368	14.1	307	6.3	307	4.5	224	13.1	60.34

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	3,717,200 shares	As of December 31, 2021	3,717,200 shares
----------------------	------------------	-------------------------	------------------

Number of treasury shares at the end of the period

As of March 31, 2022	26 shares	As of December 31, 2021	26 shares
----------------------	-----------	-------------------------	-----------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2022	3,717,200 shares	Three months ended March 31, 2021	3,652,334 shares
-----------------------------------	------------------	-----------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	1,914,942	1,825,795
Accounts receivable - trade	14,472	14,084
Supplies	561	520
Other	16,692	20,934
Total current assets	1,946,669	1,861,334
Non-current assets		
Property, plant and equipment		
Buildings, net	69,577	68,240
Other, net	16,986	16,032
Total property, plant and equipment	86,564	84,272
Intangible assets		
Software	11,689	10,505
Software in progress	–	7,920
Total intangible assets	11,689	18,425
Investments and other assets		
Deferred tax assets	13,715	6,998
Other	50,828	50,828
Total investments and other assets	64,543	57,827
Total non-current assets	162,797	160,525
Total assets	2,109,467	2,021,860

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	7,935	9,094
Accounts payable - other	129,042	57,097
Income taxes payable	79,169	24,236
Advances received	404,308	–
Contract liabilities	–	434,788
Provision for bonuses	–	5,000
Other	89,046	70,797
Total current liabilities	709,503	601,014
Non-current liabilities		
Asset retirement obligations	12,237	12,245
Other	8,246	7,671
Total non-current liabilities	20,483	19,917
Total liabilities	729,986	620,931
Net assets		
Shareholders' equity		
Share capital	311,662	311,662
Capital surplus	290,807	290,807
Retained earnings	777,065	798,514
Treasury shares	(55)	(55)
Total shareholders' equity	1,379,480	1,400,929
Total net assets	1,379,480	1,400,929
Total liabilities and net assets	2,109,467	2,021,860

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Net sales	488,243	565,028
Cost of sales	254,100	278,299
Gross profit	234,142	286,729
Selling, general and administrative expenses	163,436	196,449
Operating profit	70,705	90,279
Non-operating income		
Interest income	6	8
Gain on sale of goods	–	128
Other	12	–
Total non-operating income	18	136
Non-operating expenses		
Interest expenses	51	35
Share issuance costs	19	–
Other	0	–
Total non-operating expenses	71	35
Ordinary profit	70,652	90,380
Profit before income taxes	70,652	90,380
Income taxes - current	18,808	17,609
Income taxes - deferred	2,294	6,716
Total income taxes	21,102	24,325
Profit	49,550	66,054
Profit attributable to owners of parent	49,550	66,054

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	49,550	66,054
Comprehensive income	49,550	66,054
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	49,550	66,054