

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended June 30, 2022 (Based on Japanese GAAP)

August 12, 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: August 12, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2022 (from January 1, 2022 to June 30, 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	%
Six months ended June 30, 2022	1,143	16.9	182	35.5	182	35.6	134	43.5
Six months ended June 30, 2021	978	19.5	134	29.9	134	30.0	93	39.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2022	36.03		34.00	
Six months ended June 30, 2021	25.49		23.67	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	2,168	1,532	70.7
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	–	0.00			
Year ending December 31, 2022 (Forecast)			–	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 six months ended June 30, 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 June 30, 2022	3,931,800 shares	As of December 31, 2021	3,717,200 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	26 shares	As of December 31, 2021	26 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2022	3,720,731 shares	Six months ended June 30, 2021	3,665,914 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2021	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	1,914,942	1,966,938
Accounts receivable - trade	14,472	9,576
Supplies	561	483
Other	16,692	19,462
Total current assets	1,946,669	1,996,461
Non-current assets		
Property, plant and equipment		
Buildings, net	69,577	66,902
Other, net	16,986	15,078
Total property, plant and equipment	86,564	81,981
Intangible assets		
Software	11,689	9,405
Software in progress	–	22,440
Total intangible assets	11,689	31,845
Investments and other assets		
Deferred tax assets	13,715	7,870
Other	50,828	50,828
Total investments and other assets	64,543	58,698
Total non-current assets	162,797	172,525
Total assets	2,109,467	2,168,986

(Thousands of yen)

	As of December 31, 2021	As of June 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	7,935	7,302
Accounts payable - other	129,042	53,371
Income taxes payable	79,169	51,774
Advances received	404,308	–
Contract liabilities	–	431,739
Provision for bonuses	–	10,000
Other	89,046	62,597
<b>Total current liabilities</b>	<b>709,503</b>	<b>616,785</b>
<b>Non-current liabilities</b>		
Asset retirement obligations	12,237	12,253
Other	8,246	7,097
<b>Total non-current liabilities</b>	<b>20,483</b>	<b>19,350</b>
<b>Total liabilities</b>	<b>729,986</b>	<b>636,136</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	311,662	343,617
Capital surplus	290,807	322,762
Retained earnings	777,065	866,525
Treasury shares	(55)	(55)
<b>Total shareholders' equity</b>	<b>1,379,480</b>	<b>1,532,850</b>
<b>Total net assets</b>	<b>1,379,480</b>	<b>1,532,850</b>
<b>Total liabilities and net assets</b>	<b>2,109,467</b>	<b>2,168,986</b>

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Net sales	978,919	1,143,872
Cost of sales	519,813	572,798
Gross profit	459,106	571,073
Selling, general and administrative expenses	324,738	389,067
Operating profit	134,368	182,006
Non-operating income		
Interest income	8	9
Gain on sale of goods	–	205
Other	44	–
Total non-operating income	52	215
Non-operating expenses		
Interest expenses	93	70
Share issuance costs	32	–
Total non-operating expenses	126	70
Ordinary profit	134,294	182,150
Profit before income taxes	134,294	182,150
Income taxes - current	41,134	42,239
Income taxes - deferred	(298)	5,844
Total income taxes	40,836	48,084
Profit	93,457	134,066
Profit attributable to owners of parent	93,457	134,066

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Profit	93,457	134,066
Comprehensive income	93,457	134,066
Comprehensive income attributable to Comprehensive income attributable to owners of parent	93,457	134,066

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	134,294	182,150
Depreciation	10,427	7,116
Interest income	(8)	(9)
Interest expenses	93	70
Decrease (increase) in trade receivables	1,364	4,896
Decrease (increase) in inventories	–	77
Decrease (increase) in other current assets	(1,420)	(2,769)
Increase (decrease) in trade payables	(384)	(633)
Increase (decrease) in accounts payable - other	(30,668)	(81,905)
Increase (decrease) in advances received	78,768	(404,308)
Increase (decrease) in contract liabilities	–	431,739
Increase (decrease) in provision for bonuses	–	10,000
Increase (decrease) in other current liabilities	(14,404)	(27,079)
Other, net	15	15
Subtotal	178,077	119,362
Interest received	8	9
Interest paid	(92)	(70)
Income taxes paid	(30,828)	(69,004)
Net cash provided by (used in) operating activities	147,165	50,297
Cash flows from investing activities		
Payments into time deposits	(150,008)	(15,011)
Proceeds from withdrawal of time deposits	150,007	15,010
Purchase of property, plant and equipment	(51,945)	–
Purchase of intangible assets	(12,507)	(16,455)
Other, net	–	0
Net cash provided by (used in) investing activities	(64,454)	(16,457)
Cash flows from financing activities		
Repayments of long-term borrowings	(5,502)	–
Proceeds from issuance of shares resulting from exercise of share acquisition rights	9,240	63,910
Dividends paid	(21,889)	(44,606)
Other, net	(1,116)	(1,149)
Net cash provided by (used in) financing activities	(19,267)	18,154
Net increase (decrease) in cash and cash equivalents	63,444	51,994
Cash and cash equivalents at beginning of period	1,386,480	1,734,897
Cash and cash equivalents at end of period	1,449,925	1,786,892