

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

November 14, 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: November 14, 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 nine months ended September 30, 2022 (from January 1, 2022 to September 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	%
Nine months ended September 30, 2022	1,736	15.0	281	16.5	281	16.6	207	24.1
Nine months ended September 30, 2021	1,509	20.8	241	50.7	241	50.8	167	52.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2022	54.76		52.43	
Nine months ended September 30, 2021	45.51		42.32	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	2,216	1,606	72.5
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)				16.00	16.00

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 nine months ended September 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 September 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 September 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)

Nine months ended September 30, 2022	3,791,852 shares	Nine months ended September 30, 2021	3,675,306 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	1,914,942	1,992,432
Accounts receivable - trade	14,472	15,658
Supplies	561	437
Other	16,692	23,077
Total current assets	1,946,669	2,031,605
Non-current assets		
Property, plant and equipment		
Buildings, net	69,577	65,564
Other, net	16,986	15,068
Total property, plant and equipment	86,564	80,633
Intangible assets		
Software	11,689	8,244
Software in progress	–	37,840
Total intangible assets	11,689	46,084
Investments and other assets		
Deferred tax assets	13,715	6,952
Other	50,828	50,828
Total investments and other assets	64,543	57,781
Total non-current assets	162,797	184,499
Total assets	2,109,467	2,216,105

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	7,935	6,849
Accounts payable - other	129,042	48,869
Income taxes payable	79,169	26,079
Advances received	404,308	–
Contract liabilities	–	430,823
Provision for bonuses	–	15,000
Other	89,046	63,256
Total current liabilities	709,503	590,879
Non-current liabilities		
Asset retirement obligations	12,237	12,260
Other	8,246	6,522
Total non-current liabilities	20,483	18,783
Total liabilities	729,986	609,663
Net assets		
Shareholders' equity		
Share capital	311,662	343,617
Capital surplus	290,807	322,762
Retained earnings	777,065	940,117
Treasury shares	(55)	(55)
Total shareholders' equity	1,379,480	1,606,441
Total net assets	1,379,480	1,606,441
Total liabilities and net assets	2,109,467	2,216,105

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net sales	1,509,390	1,736,219
Cost of sales	785,980	870,003
Gross profit	723,409	866,215
Selling, general and administrative expenses	481,946	584,797
Operating profit	241,463	281,417
Non-operating income		
Interest income	14	18
Gain on sale of goods	–	208
Other	44	0
Total non-operating income	59	226
Non-operating expenses		
Interest expenses	128	106
Share issuance costs	39	133
Other	0	–
Total non-operating expenses	168	239
Ordinary profit	241,355	281,404
Profit before income taxes	241,355	281,404
Income taxes - current	73,398	66,984
Income taxes - deferred	691	6,762
Total income taxes	74,089	73,747
Profit	167,265	207,657
Profit attributable to owners of parent	167,265	207,657

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

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	167,265	207,657
Comprehensive income	167,265	207,657
Comprehensive income attributable to Comprehensive income attributable to owners of parent	167,265	207,657