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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

Company name: Unite and Grow Inc.
 Stock exchange listing: Tokyo
 Code number: 4486 URL: <http://www.ug-inc.net/>
 Representative: Kiichiro Suda, President and CEO
 Contact: Mieko Oka, Director and General Manager of Administration Division TEL: 03-5577-2091
 Scheduled date of filing quarterly securities report: May 12, 2023
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one millions of yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended March 31, 2023 (January 1, 2023 to March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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, 2023	571	1.1	66	(26.0)	66	(26.2)	48	(26.7)
March 31, 2022	565	15.7	90	27.7	90	27.9	66	33.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2023	12.39	12.21
March 31, 2022	17.77	16.75

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
March 31, 2023	2,236	1,585	70.9
December 31, 2022	2,366	1,599	67.6

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2022	-	0.00	-	16.00	16.00
Fiscal year ending December 31, 2023	-				
Fiscal year ending December 31, 2023 (Forecast)		0.00	-	20.00	20.00

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 (January 1, 2023 to December 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,676	14.6	382	17.9	381	17.9	276	16.1	70.79

* Notes:

(1) Changes in significant subsidiaries during the three months ended March 31, 2023
(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

March 31, 2023: 3,936,800 shares

December 31, 2022: 3,936,800 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 28,075 shares

December 31, 2022: 28,075 shares

3) Average number of shares outstanding during the period:

Three months ended March 31, 2023: 3,908,725 shares

Three months ended March 31, 2022: 3,717,200 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	2,136,439	2,016,666
Accounts receivable - trade	17,867	12,163
Supplies	380	370
Other	22,012	25,166
Total current assets	2,176,698	2,054,366
Non-current assets		
Property, plant and equipment		
Buildings, net	64,226	62,889
Other, net	13,986	13,261
Total property, plant and equipment	78,213	76,150
Intangible assets		
Software	7,289	6,334
Software in progress	37,840	37,840
Other	1,155	1,155
Total intangible assets	46,284	45,329
Investments and other assets		
Deferred tax assets	14,703	9,816
Other	50,828	50,828
Total investments and other assets	65,532	60,645
Total non-current assets	190,030	182,125
Total assets	2,366,729	2,236,491

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	7,955	8,391
Short-term borrowings	50,000	-
Accounts payable - other	135,161	57,891
Income taxes payable	46,966	19,221
Contract liabilities	412,651	457,579
Provision for bonuses	-	7,500
Other	88,538	73,379
Total current liabilities	741,274	623,964
Non-current liabilities		
Provision for share awards	7,564	9,750
Asset retirement obligations	12,268	12,276
Other	5,948	5,373
Total non-current liabilities	25,781	27,400
Total liabilities	767,055	651,364
Net assets		
Shareholders' equity		
Share capital	344,342	344,342
Capital surplus	323,487	323,487
Retained earnings	970,832	956,284
Treasury shares	(38,988)	(38,988)
Total shareholders' equity	1,599,673	1,585,126
Total net assets	1,599,673	1,585,126
Total liabilities and net assets	2,366,729	2,236,491

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Net sales	565,028	571,081
Cost of sales	278,299	298,758
Gross profit	286,729	272,323
Selling, general and administrative expenses	196,449	205,556
Operating profit	90,279	66,767
Non-operating income		
Interest income	8	7
Gain on sale of goods	128	7
Other	-	0
Total non-operating income	136	15
Non-operating expenses		
Interest expenses	35	47
Total non-operating expenses	35	47
Ordinary profit	90,380	66,735
Profit before income taxes	90,380	66,735
Income taxes - current	17,609	13,407
Income taxes - deferred	6,716	4,887
Total income taxes	24,325	18,295
Profit	66,054	48,440
Profit attributable to owners of parent	66,054	48,440

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Profit	66,054	48,440
Comprehensive income	66,054	48,440
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	66,054	48,440