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Consolidated Financial Results for the Nine Months Ended September 30, 2023 [Japanese GAAP]

November 14, 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: November 14, 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 million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2023 (January 1, 2023 to September 30, 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	%
Nine months ended September 30, 2023	1,923	10.8	252	(10.3)	252	(10.3)	184	(11.0)
September 30, 2022	1,736	15.0	281	16.5	281	16.6	207	24.1

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2023	47.26	46.58
September 30, 2022	54.76	52.43

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	2,447	1,723	70.4
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	-	0.00	-		
Fiscal year ending December 31, 2023 (Forecast)				22.00	22.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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 nine months ended September 30, 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):

September 30, 2023: 3,942,200 shares

December 31, 2022: 3,936,800 shares

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

September 30, 2023: 28,075 shares

December 31, 2022: 28,075 shares

3) Average number of shares outstanding during the period:

Nine months ended September 30, 2023: 3,910,723 shares

Nine months ended September 30, 2022: 3,791,852 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	2,136,439	2,105,773
Accounts receivable - trade	17,867	13,909
Supplies	380	271
Other	22,012	24,597
Total current assets	2,176,698	2,144,552
Non-current assets		
Property, plant and equipment		
Buildings, net	64,226	65,262
Other, net	13,986	12,012
Total property, plant and equipment	78,213	77,275
Intangible assets		
Software	7,289	4,774
Software in progress	37,840	155,540
Other	1,155	1,650
Total intangible assets	46,284	161,964
Investments and other assets		
Deferred tax assets	14,703	12,498
Other	50,828	50,828
Total investments and other assets	65,532	63,326
Total non-current assets	190,030	302,567
Total assets	2,366,729	2,447,119

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	7,955	6,590
Accounts payable - other	135,161	84,598
Short-term borrowings	50,000	-
Income taxes payable	46,966	27,854
Contract liabilities	412,651	451,874
Provision for bonuses	-	22,500
Other	88,538	99,702
Total current liabilities	741,274	693,120
Non-current liabilities		
Provision for share awards	7,564	14,087
Asset retirement obligations	12,268	12,292
Other	5,948	4,224
Total non-current liabilities	25,781	30,605
Total liabilities	767,055	723,725
Net assets		
Shareholders' equity		
Share capital	344,342	345,287
Capital surplus	323,487	324,432
Retained earnings	970,832	1,092,662
Treasury shares	(38,988)	(38,988)
Total shareholders' equity	1,599,673	1,723,394
Total net assets	1,599,673	1,723,394
Total liabilities and net assets	2,366,729	2,447,119

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	For the nine months ended September 30, 2022	For the nine months ended September 30, 2023
Net sales	1,736,219	1,923,048
Cost of sales	870,003	988,182
Gross profit	866,215	934,866
Selling, general and administrative expenses	584,797	682,365
Operating profit	281,417	252,500
Non-operating income		
Interest income	18	20
Gain on sale of goods	208	15
Gain on forfeiture of unclaimed dividends	-	95
Other	0	0
Total non-operating income	226	132
Non-operating expenses		
Interest expenses	106	117
Share issuance costs	133	7
Total non-operating expenses	239	125
Ordinary profit	281,404	252,507
Profit before income taxes	281,404	252,507
Income taxes - current	66,984	65,483
Income taxes - deferred	6,762	2,205
Total income taxes	73,747	67,689
Profit	207,657	184,817
Profit attributable to owners of parent	207,657	184,817

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

(Thousands of yen)

	For the nine months ended September 30, 2022	For the nine months ended September 30, 2023
Profit	207,657	184,817
Comprehensive income	207,657	184,817
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	207,657	184,817