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## Consolidated Financial Results for the Year Ended December 31, 2023 [Japanese GAAP]

February 14, 2024

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 Annual General Meeting of Shareholders: March 28, 2024  
 Scheduled date of commencing dividend payments: March 29, 2024  
 Scheduled date of filing annual securities report: March 28, 2024  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 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	%
Fiscal year ended December 31, 2023	2,667	14.2	392	20.9	392	21.0	305	28.2
December 31, 2022	2,335	12.5	324	12.0	324	10.1	238	20.2

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2023	78.15	77.05	17.7	15.8	14.7
December 31, 2022	62.31	60.07	16.0	14.5	13.9

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	2,612	1,846	70.7	470.68
December 31, 2022	2,366	1,599	67.6	409.26

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2023	374	(118)	(111)	1,631
December 31, 2022	213	(489)	29	1,487

### 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended December 31, 2022	-	0.00	-	16.00	16.00	62	25.7	4.1
December 31, 2023	-	0.00	-	22.00	22.00	86	28.2	5.0
Fiscal year ending December 31, 2024 (Forecast)	-	0.00	-	22.00	22.00		24.9	

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(% 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	3,152	18.2	482	23.1	482	23.0	346	13.3	88.52

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) 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

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

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

December 31, 2023: 3,951,000 shares

December 31, 2022: 3,936,800 shares

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

December 31, 2023: 28,112 shares

December 31, 2022: 28,075 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended December 31, 2023: 3,911,988 shares

Fiscal Year ended December 31, 2022: 3,825,439 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2023	2,552	15.0	370	21.1	376	20.2	279	19.7
December 31, 2022	2,218	13.5	305	15.0	313	13.9	233	25.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2023	71.46	70.46
December 31, 2022	61.06	58.86

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2023	2,482	1,740	70.1	443.70
December 31, 2022	2,285	1,519	66.5	388.87

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,136,439	2,267,012
Accounts receivable - trade	17,867	1,663
Supplies	380	235
Other	22,012	24,215
Total current assets	2,176,698	2,293,126
Non-current assets		
Property, plant and equipment		
Buildings, net	64,226	63,826
Other, net	13,986	10,891
Total property, plant and equipment	78,213	74,717
Intangible assets		
Software	7,289	175,684
Software in progress	37,840	-
Other	1,155	1,650
Total intangible assets	46,284	177,334
Investments and other assets		
Deferred tax assets	14,703	16,172
Other	50,828	50,828
Total investments and other assets	65,532	67,001
Total non-current assets	190,030	319,053
<b>Total assets</b>	<b>2,366,729</b>	<b>2,612,180</b>

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	7,955	5,437
Short-term borrowings	50,000	-
Accounts payable - other	135,161	118,123
Income taxes payable	46,966	84,142
Contract liabilities	412,651	438,907
Other	88,538	88,965
Total current liabilities	741,274	735,575
Non-current liabilities		
Provision for share awards	7,564	14,226
Asset retirement obligations	12,268	12,300
Other	5,948	3,649
Total non-current liabilities	25,781	30,177
<b>Total liabilities</b>	<b>767,055</b>	<b>765,753</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	344,342	346,377
Capital surplus	323,487	325,522
Retained earnings	970,832	1,213,555
Treasury shares	(38,988)	(39,029)
Total shareholders' equity	1,599,673	1,846,426
<b>Total net assets</b>	<b>1,599,673</b>	<b>1,846,426</b>
<b>Total liabilities and net assets</b>	<b>2,366,729</b>	<b>2,612,180</b>

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Net sales	2,335,591	2,667,897
Cost of sales	1,216,148	1,362,323
Gross profit	1,119,442	1,305,574
Selling, general and administrative expenses	795,308	913,557
Operating profit	324,134	392,016
Non-operating income		
Interest income	20	27
Gain on forfeiture of unclaimed dividends	-	95
Gain on sale of goods	250	191
Other	0	1
Total non-operating income	271	316
Non-operating expenses		
Interest expenses	166	153
Loss on sale of non-current assets	-	29
Share issuance costs	142	19
Other	1	1
Total non-operating expenses	310	203
Ordinary profit	324,095	392,129
Extraordinary income		
Gain on sale of businesses	-	29,000
Total extraordinary income	-	29,000
Profit before income taxes	324,095	421,129
Income taxes - current	86,711	116,886
Income taxes - deferred	(988)	(1,468)
Total income taxes	85,722	115,418
Profit	238,372	305,711
Profit attributable to owners of parent	238,372	305,711

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Profit	238,372	305,711
Comprehensive income	238,372	305,711
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	238,372	305,711

Consolidated Statements of Changes in Equity

For the fiscal year ended December 31, 2022

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	311,662	290,807	777,065	(55)	1,379,480	1,379,480
Changes during period						
Issuance of new shares	32,680	32,680			65,360	65,360
Dividends of surplus			(44,606)		(44,606)	(44,606)
Profit attributable to owners of parent			238,372		238,372	238,372
Purchase of treasury shares				(38,933)	(38,933)	(38,933)
Total changes during period	32,680	32,680	193,766	(38,933)	220,193	220,193
Balance at end of period	344,342	323,487	970,832	(38,988)	1,599,673	1,599,673

For the fiscal year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	344,342	323,487	970,832	(38,988)	1,599,673	1,599,673
Changes during period						
Issuance of new shares	2,035	2,035			4,070	4,070
Dividends of surplus			(62,987)		(62,987)	(62,987)
Profit attributable to owners of parent			305,711		305,711	305,711
Purchase of treasury shares				(40)	(40)	(40)
Total changes during period	2,035	2,035	242,723	(40)	246,753	246,753
Balance at end of period	346,377	325,522	1,213,555	(39,029)	1,846,426	1,846,426

## Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	324,095	421,129
Depreciation	14,029	18,541
Interest income	(20)	(27)
Interest expenses	166	153
Gain on sale of businesses	-	(29,000)
Decrease (increase) in trade receivables	(3,394)	16,204
Decrease (increase) in inventories	181	144
Decrease (increase) in deposit in trust	(18,672)	13,576
Decrease (increase) in other current assets	(5,219)	(1,932)
Increase (decrease) in trade payables	20	(2,518)
Increase (decrease) in accounts payable - other	5,695	(15,517)
Increase (decrease) in advances received	(404,308)	-
Increase (decrease) in contract liabilities	412,651	26,255
Increase (decrease) in provision for share awards	7,564	6,662
Increase (decrease) in other current liabilities	(3,216)	3,152
Other, net	31	(34)
Subtotal	329,603	456,790
Interest received	20	27
Interest paid	(141)	(178)
Income taxes paid	(116,230)	(82,322)
Net cash provided by (used in) operating activities	213,252	374,316
<b>Cash flows from investing activities</b>		
Payments into time deposits	(780,059)	(1,095,076)
Proceeds from withdrawal of time deposits	330,056	1,095,065
Purchase of property, plant and equipment	(1,029)	(6,198)
Purchase of intangible assets	(38,821)	(141,507)
Proceeds from sale of businesses	-	29,000
Other, net	(99)	(204)
Net cash provided by (used in) investing activities	(489,953)	(118,921)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	50,000	(50,000)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	65,360	4,070
Purchase of treasury shares	(38,933)	(40)
Dividends paid	(44,606)	(62,987)
Other, net	(2,298)	(2,298)
Net cash provided by (used in) financing activities	29,522	(111,256)
Net increase (decrease) in cash and cash equivalents	(247,179)	144,139
Cash and cash equivalents at beginning of period	1,734,897	1,487,718
Cash and cash equivalents at end of period	1,487,718	1,631,857