



TSE Code: 3150



# Company / Financial Results Presentation

gremz, Inc. (TSE Code: 3150)

December 2024

<https://www.gremz.co.jp/>

1. Company Profile
2. Business Overview
3. Overview of FY03/2024
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5. Financial Results and Dividend Forecast for FY03/2025
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# 1. Company Profile

# Company Profile (As of September 30, 2024)



<b>Company Name</b>	<b>gremz,Inc.</b>
<b>TSE Code</b>	<b>3150 TSE Prime Market</b>
<b>Representatives</b>	<b>President Chief Executive Officer Masaomi Tanaka Executive Vice President Chief Operating Officer Shinichi Nasu</b>
<b>Founded On</b>	<b>July 4, 2005</b>
<b>Capital</b>	<b>708,306,000 Yen</b>
<b>Shares Outstanding</b>	<b>23,814,800 shares</b>
<b>End of Fiscal Year</b>	<b>March 31</b>
<b>Employees (Consolidated)</b>	<b>313 (ECS Business: 172 / SHP Business: 82 / ER Business: 37 / Administrative: 22)</b>
<b>Headquarters</b>	<b>Tennoz First Tower, 2-2-4 Higashi-Shinagawa, Shinagawa-ku Tokyo, 140-0002, Japan</b>
<b>Consolidated Subsidiaries</b>	<b>GR consulting, Inc. gremz power, Inc. gremz energy, Inc. gremz solar, Inc.</b>

# Group History



<b>July 2005</b>	The company was founded with a view towards a reduction of energy costs as well as Human impact on the Environment. Started the sale of Electronic Circuit Breakers.
<b>July 2007</b>	Started the sale of two fully electric appliances. (EcoCute and Induction Heating Cooking Heater)
<b>March 2009</b>	Listed on the JASDAQ Securities Exchange. (Currently: Tokyo Stock Exchange) (Code: 3150)
<b>April 2010</b>	Began the sale of photo-voltaic systems.
<b>April 2011</b>	Renamed the company gremz, Inc. and established it as a Holding Company. Founded gremz solar, Inc. and GR consulting, Inc.
<b>Dec. 2012</b>	Founded GF lightec, Inc. (Currently gremz power, Inc.) Began the sale of LED Illumination systems.
<b>Dec. 2013</b>	Carried out a comprehensive tie up with ENERES Co., Ltd. Entered the market for energy intermediation and began the sale of energy management systems.
<b>Sept. 2014</b>	Announced a capital tie-up with ENERES Co., Ltd.
<b>May 2015</b>	gremz solar, Inc. began the operation of a solar power plant in Tsumagoi.
<b>April 2016</b>	Renamed GF lightec, Inc. to gremz power, Inc. as a result of business reorganization. Separated the segments of Energy Intermediation and Energy Management Systems from the remit of GR consulting, Inc.
<b>May 2016</b>	gremz solar, Inc. began the operation of a solar power plant in Futokoroyama.
<b>Dec. 2016</b>	Started providing Electricity Retailing services for clients with low-voltage requirements.
<b>May 2018</b>	Started providing Electricity Retailing services for clients with high-voltage requirements.
<b>June 2020</b>	Changed Stock Market Listing to the Second Section of the Tokyo Stock Exchange.
<b>Nov. 2020</b>	Ascended to the First Section of the Tokyo Stock Exchange.
<b>April 2022</b>	Founded gremz energy, Inc. Migrated to the Prime Market following the transition to the new market structure adopted by the TSE.

## 2. Business Overview

Business segments are divided by target demographic (business clients or retail consumers), and by sales category (products or electricity)

## Energy Cost Solutions Business



Sale of electronic circuit breakers, energy-efficient appliances for business clients



Sale of photo-voltaic systems, IoT devices, energy-efficient appliances for business clients

## Smart House Project Business



Sale of photo-voltaic systems, storage batteries, and fully-electric appliances to retail consumers;  
Generation of renewable energy

## Electricity Retailing Business



Electricity retailing services for business clients with low-voltage requirements (200V; 100V) and for business clients with high-voltage requirements (6,600V)

# Energy Cost Solutions Business (ECS Business) - Overview

For business use

Consulting services to lower clients' electricity bill & the sale of energy-efficient appliances

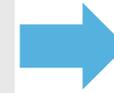
For business use

Sale of photo-voltaic systems for business use, IoT devices, and energy-efficient appliances

Segment OP

**3.0B yen**

FY 03/2024 (Realized)



Segment OP

**4.5B yen**

FY 03/2025 (Forecast)

## Total solutions to improve operational efficiency, facilities, & lower procurement cost of electricity

### Improve operational efficiency

Allows clients to lower their base electricity fee by **reviewing electricity use & contract details.**

#### IoT devices

Remotely monitor electricity consumption via IoT sensors.



#### Electronic circuit breakers

Coupled with a contract review, the introduction of ECBs allows for the stable operation of machinery equipment and for clients to lower the cost of electricity.



### Improve facilities

Lower electricity usage fees by **migrating clients' facilities** into facilities with better energy-saving effects.

#### Photo-voltaic systems for business use

Reduce electricity costs by installing photo-voltaic systems on factory roofs, etc., and consuming the electricity generated.

Concentrate resources



#### LED illumination

Lower electricity consumption; product lifespan approximately 4x that of fluorescent lamps.

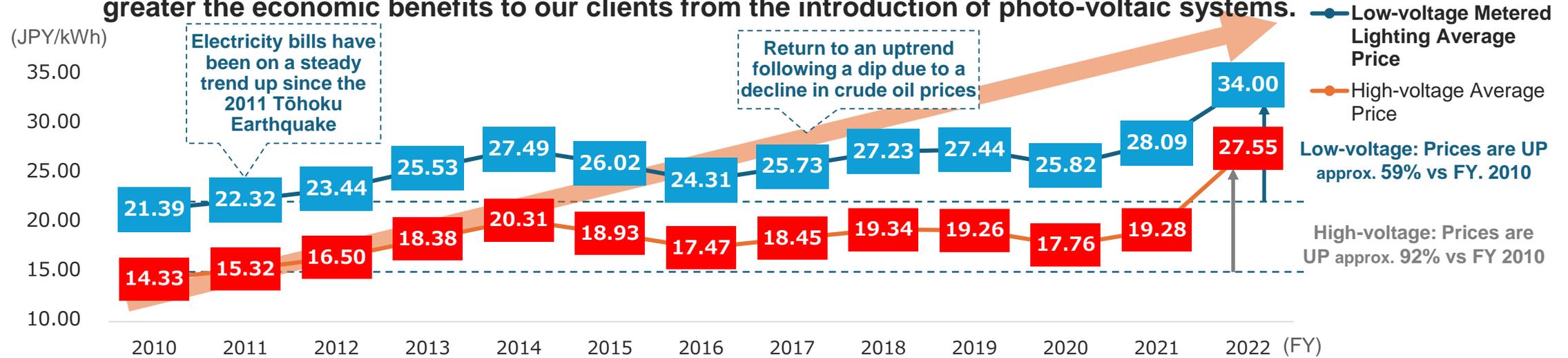


**A/C units (business use) / Transformers / Energy-efficient appliances**

# Reasons for Growth in gremz' ECS Business



Electricity bills have been on a steady trend up since the 2011 Tōhoku Earthquake, and the greater the economic benefits to our clients from the introduction of photo-voltaic systems.



■ **Electricity bills for gremz target client group (low-voltage)**  
TEPCO Energy Partner, Inc. Metered Lighting Plans B & C (As of May 2024)

	Unit	Price (Incl. tax)
Base electricity fee	kVA	311.75 yen
Electricity usage	~120kWh	29.80 yen
	120~300kWh	36.40 yen
	300kWh~	40.49 yen
Fuel adjustment amount	kWh	Variable month/month
Renewable energy surcharge	kWh	3.49 yen

■ **Electricity bills for competitors' target client group (high-voltage)**  
TEPCO Energy Partner, Inc. High-voltage Plan A (As of May 2024)

	Unit	Price (Incl. tax)
Base electricity fee	kVA	1,390.87 yen
Electricity usage	Summer	20.41 yen
	Other	19.28 yen
Fuel adjustment amount	kWh	Variable month/month
Renewable energy surcharge	kWh	3.49 yen



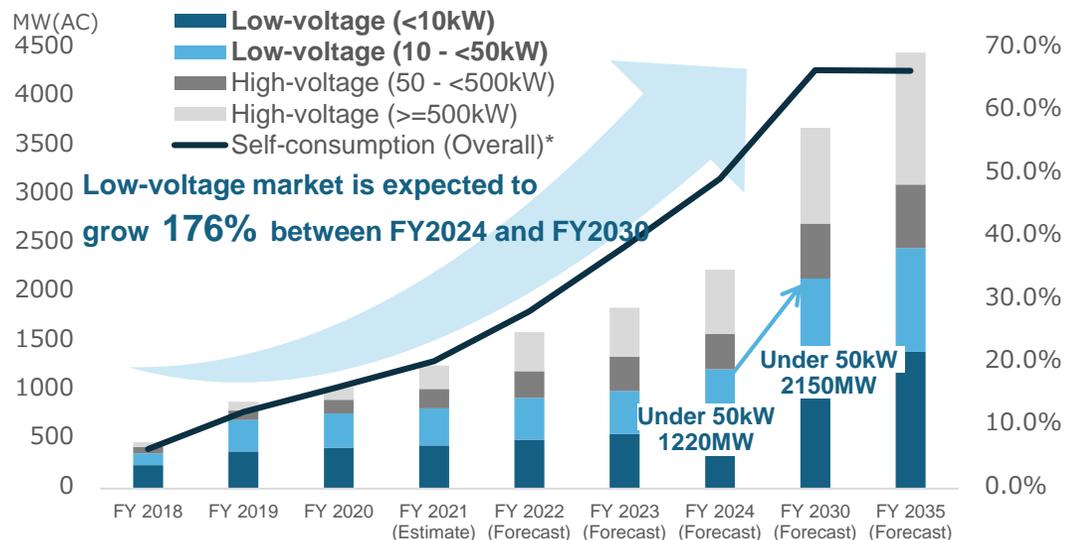
Introducing photo-voltaic systems allows clients to generate electricity for 10 – 15 yen/kWh, as opposed to purchasing it for the prices shown in the table. gremz targets clients with low-voltage requirements, which see large economic benefits from photo-voltaic systems, so client satisfaction is therefore high.

# Expansion of the Market for Photo-voltaic Systems for Business Use & Our Targeting Strategy



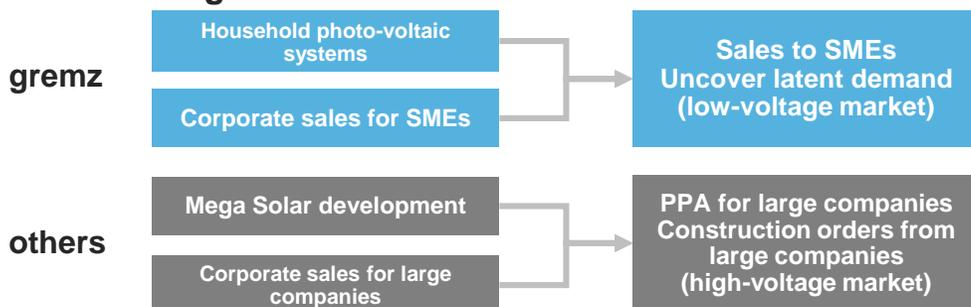
Sales of photo-voltaic systems for self-consumption are expected to continue growing significantly going forward. gremz expects to achieve unique growth in the low-voltage market by targeting SMEs.

## Market size of photo-voltaic systems in Japan (Output)



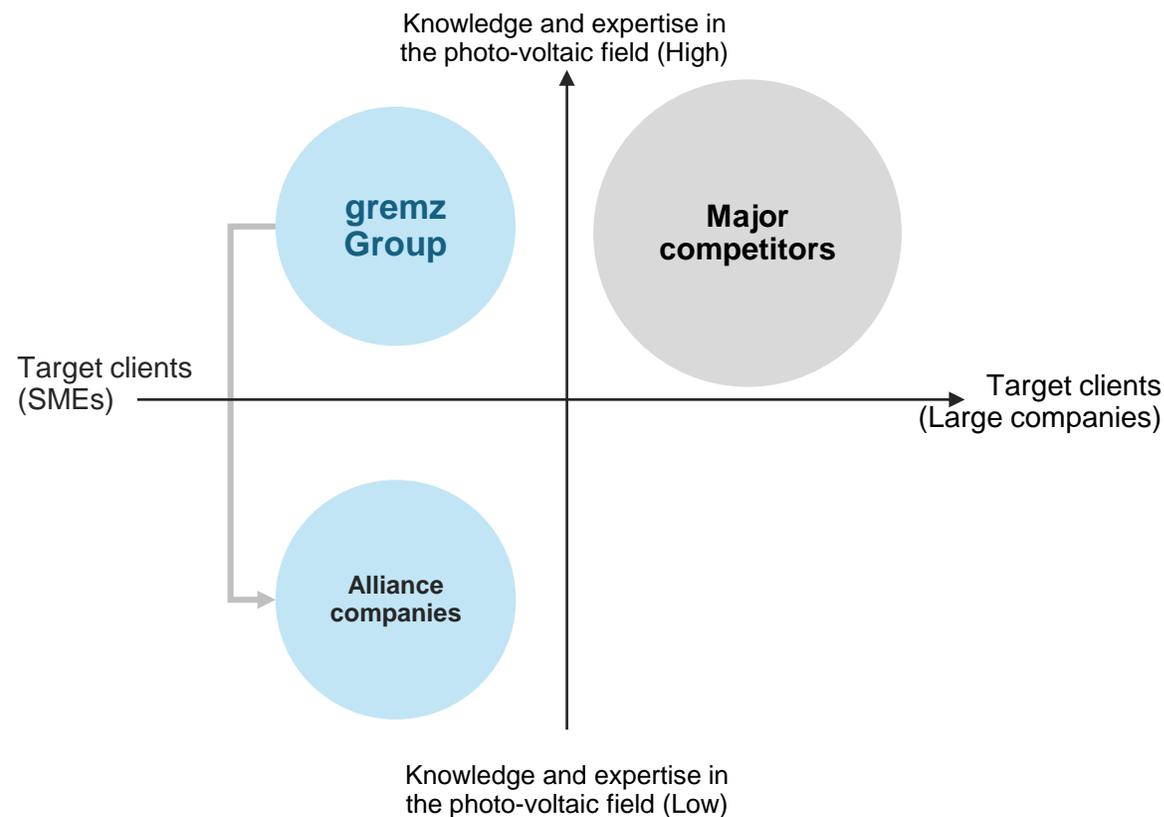
\*Self-consumption ratio represents the ratio to the entire market, including electricity sales.  
Source: Fuji Keizai Co., Ltd. 2021 Edition: Current State of Photo-voltaic Battery Technology/Market & Future Outlook – Presented here with formatting and stylistic changes

## Our Strengths



## Our Group's Targeting Strategy

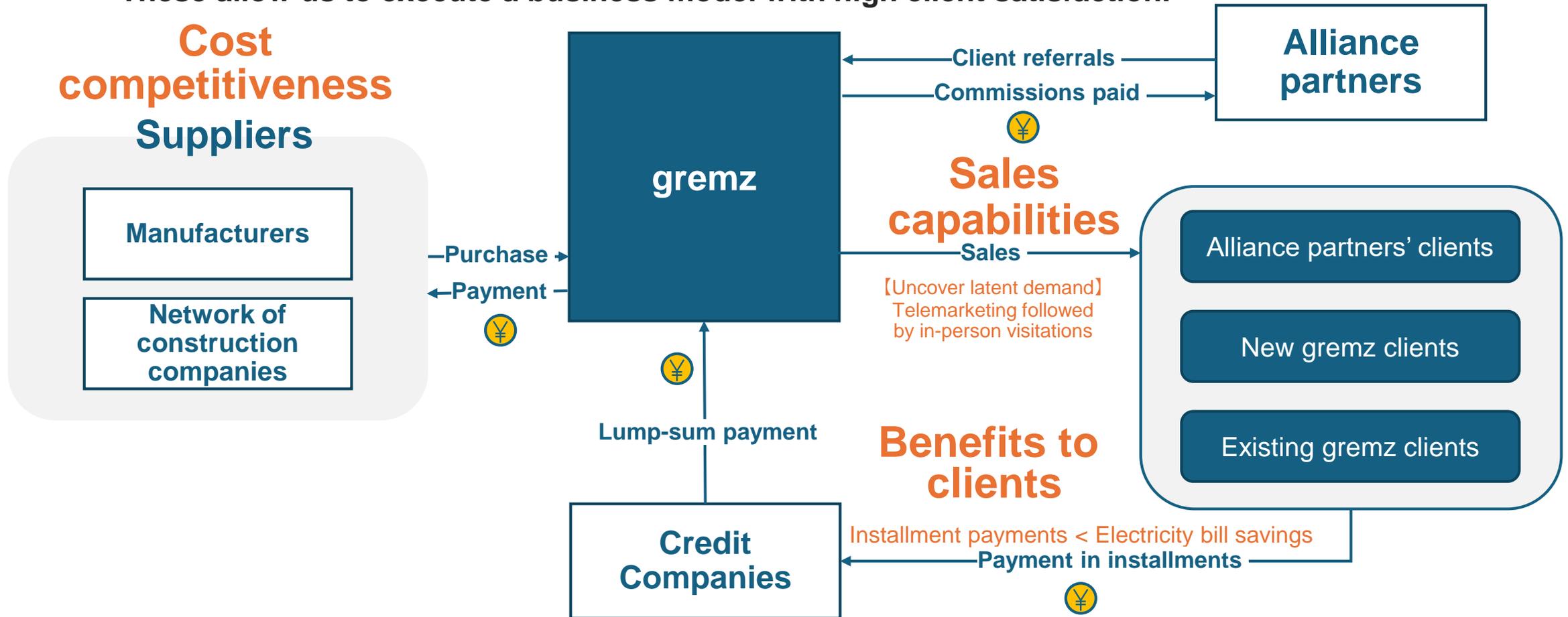
We believe that there are few companies that have a high level of expertise and experience in the photo-voltaic field, and which excel in sales to SMEs. Another differentiating factor is that, due to Japanese business practices, large companies do not directly conduct retail sales, instead using agency systems. gremz intends to promote alliances with companies that have a customer base of SMEs and little knowledge of solar energy.



# Photo-voltaic Systems for Business Use: Profit Structure



Integrated oversight covering the procurement of equipment and construction orders. In addition to our own proprietary sales efforts, our sales capabilities also include client referrals from gremz alliance partners and finance proposals leveraging credit companies. These allow us to execute a business model with high client satisfaction.



# Electricity Retailing Business (ER Business) - Overview

## Business Differentiation

### ◎Business strategy

- Sales to our low-voltage electricity customer base of  $\approx 56,800$  in ECS business, and other prospects (other products)  
Customer base  $\Rightarrow$  # of Customers  $\times$  (Low-Voltage Power + Meter Rate Lighting) = 113,600 contracts (target)
- Supply to customers with a low Load Factor (\*1) (9.0% realized in FY 03/2024)

### ◎Our competitive advantage

- Sales to corporate customers : Unlike ordinary households, our clients make heavy use of stage 3 energy amount rates (300kWh and above). These rates have higher unit prices, leading to a high sales unit price
- Customers with low load factors : Since the actual amount used is low compared to the contract power, base electricity fees represent a high share of electricity sales  
The impact of fluctuations in the market price of electricity on costs tend to be limited

## Adaptability to Changes in the Price of Electricity

- Expanding our base of customers with low-voltage requirements and low load factors  
(Contracts as of 3/31/24: low-voltage: 57,297; high-voltage: 914)
- Applying our proprietary cost adjustment system (\*2) to clients with low-voltage requirements in order to mitigate the risk from procurement fluctuations
- Regarding ER for customers with high-voltage requirements, specialize in market linkage plans to avoid risk from procurement fluctuations
- Procuring electricity via 1-on-1 individual contract agreements, considering the profitability of said contracts  
(Approx. 30% has already been procured for FY 03/2024:)
- Utilizing hedging transactions in order to reduce the impact of soaring procurement prices

\*1 Load Factor:  $\text{Yearly Electricity Use (kWh)} \div (\text{Contract Power (kW)} \times 24 \text{ hours} \times 365 \text{ days}) \times 100$

\*2 Proprietary cost adjustment system: Mechanism allowing for partial cost pass-throughs of procurement costs from JEPX

# Stable Recurring Revenue in the ER Business



- Risk-hedging measures in Phase 1 to 3 have already been implemented for the low-voltage service. The high voltage service specializes in market-linkage plan contracts.
- Aim for stable growth through increase in contract numbers this FY and beyond.

Voltage type	Risk-hedging measures		Break-even power supply procurement price
Low voltage	Phase 1	Acquired a high-quality client base, i.e., with base electricity fees accounting for a large share of the overall electric bill and boasting comparatively higher unit prices. (FY 03/2024 load factor* average of 9.0%)	Approx. 17.5 yen/kWh (w/o our proprietary cost adjustment system)
	Phase 2	Applied a proprietary cost adjustment system to all clients, consisting of the cost passthrough of a portion of the procurement costs from wholesale exchanges.	Approx. 40 yen/kWh (Prop. cost adj.: approx. 22.5 yen/kWh)
	Phase 3	Portion of procurement risk position not covered by our proprietary cost adjustment system (approx. 30% of low-voltage demand) covered by 1-on-1 contract agreements.	No break-even price (Negates risk of negative spread margins)
High voltage	We specialize in market-linkage plan contracts, through a system that passes on to clients the full wholesale market procurement costs.		No break-even price (Negates risk of negative spread margins)

\* Load Factor: Yearly Electricity Use (kWh) ÷ (Contract Power (kW) X 24 hours X 365 days ) X 100

## YoY improvement in the power supply procurement environment (see futures prices for market price forecasts)

Procurement type	FY 03/2024 (Initial)	FY 03/2024 (Realized)	FY 03/2025 (Forecast)
Market price	16.30 yen/kWh *1	11.50 yen/kWh	13.71 yen/kWh *2
1-on-1 agreement	22.88 yen/kWh	22.31 yen/kWh	12.91 yen/kWh

\*1 Weighted average of the price of electricity on the TOCOM futures market as of 4/25/2023, based on gremz procurement forecast.

\*2 Weighted average of the price of electricity on the TOCOM futures market as of 4/30/2024, based on gremz procurement forecast.

# Smart House Project Business (SHP Business) - Overview



Geared toward general consumers

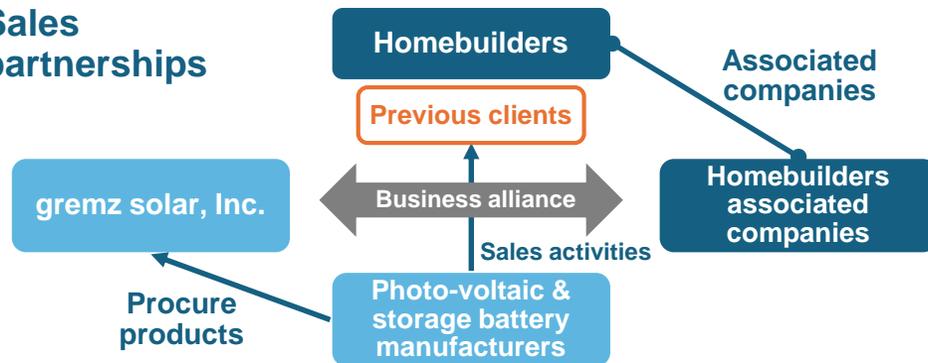
Sale of photo-voltaic systems, storage batteries, and fully-electric appliances; Development of renewable energies



## Sales at events

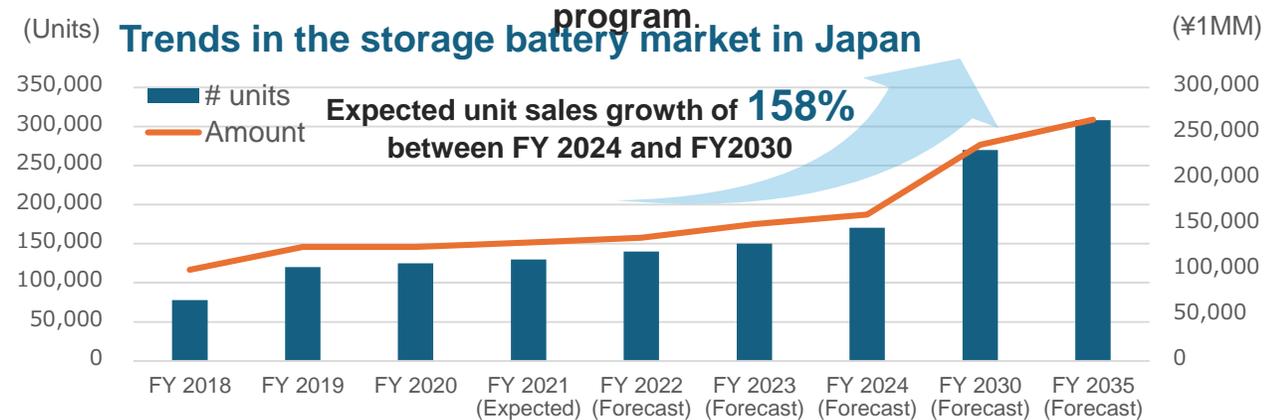
Events at large-scale shopping complexes  
→ Enhance efforts to attract customers  
**Track record at 240 locations nationwide, approx. 2,000 times/year**

## Sales partnerships



## Storage batteries are vital toward achieving carbon neutrality by 2050

Against the backdrop of growing demand for renewable energy, gremz offers storage battery solutions to households no longer eligible for the FIT program.



Source: Graph created based on data from Fuji Keizai Co., Ltd. 2021 Edition: Current State of Photo-voltaic Battery Technology/Market & Future Outlook

## 2009 ~ Start of a Feed-In-Tariff (FIT) Program for households



## 2019 ~ End of FIT Program



While some of our competitors went out of business or transitioned into other businesses following the collapse of the FIT Program bubble, gremz remained in this market and reaped the benefits through the sale of storage batteries to post-FIT clients, including clients with previous installations by our competitors.

# 3. Overview of FY03/2024

# Financial Highlights for FY 03/2024



Millions of yen	FY 03/2023		FY 03/2024		YoY change	
	Results	Profit Margin (%)	Results	Profit Margin (%)	Change	Change (%)
Net Sales	31,392		29,908		-1,483	-4.7%
Operating Profit	3,600	11.5%	5,217	17.4%	+1,616	+44.9%
Ordinary Profit	3,687	11.7%	5,268	17.6%	+1,581	+42.9%
Profit Attributable to Owners of Parent	2,465	7.9%	3,540	11.8%	+1,075	+43.6%

- While photo-voltaic systems for business use (ECS) and the Smart House Project (SHP) business delivered strong growth, net sales dropped in the Electricity Retailing Business due to a decrease in the market price of electricity – leading to a YoY decrease in overall net sales of 4.7%.
- Operating profit grew by 44.9% YoY – a new record – thanks to an increase in sales and the thorough execution of risk-hedging measures in the Electricity Retailing (ER) Business.

# Consolidated Results Overview (YoY / Compared to Forecast)



(Millions of yen)	FY 03/2023 (Realized)		FY 03/2024 (Forecast) (Announced 5/15/2023)		FY 03/2024 (Realized)		YoY		Compared to Forecast	
	Results	% Sales	Results	% Sales	Results	% Sales	Change	% Change	Change	% Change
Net Sales	31,392	100.0%	32,144	100.0%	29,908	100.0%	-1,483	-4.7%	-2,235	-7.0%
ECS Business	5,528	17.6%	8,364	26.0%	7,734	25.9%	+2,205	+39.9%	-630	-7.5%
SHP Business	4,014	12.8%	4,691	14.6%	4,440	14.8%	+425	+10.6%	-251	-5.4%
ER Business	21,848	69.6%	19,087	59.4%	17,733	59.3%	-4,115	-18.8%	-1,354	-7.1%
Gross Profit	7,508	23.9%	8,352	26.0%	9,257	31.0%	+1,749	+23.3%	+905	+10.8%
ECS Business	3,472	62.8%	4,815	57.6%	4,645	60.1%	+1,173	+33.8%	-170	-3.5%
SHP Business	1,696	42.3%	1,983	42.3%	1,845	41.6%	+149	+8.8%	-138	-7.0%
ER Business	2,339	10.7%	1,552	8.1%	2,766	15.6%	+426	+18.2%	+1,213	+78.2%
Operating Profit	3,600	11.5%	4,320	13.4%	5,217	17.4%	+1,616	+44.9%	+897	+20.8%
ECS Business	2,079	37.6%	3,264	39.0%	3,030	39.2%	+950	+45.7%	-233	-7.2%
SHP Business	496	12.4%	711	15.2%	587	13.3%	+90	+18.3%	-123	-17.3%
ER Business	1,801	8.2%	953	5.0%	2,267	12.8%	+465	+25.9%	+1,314	+137.9%
Administrative Expenses	-777	-	-608	-	-668	-	-	-	-	-
Ordinary Profit	3,687	11.7%	4,350	13.5%	5,268	17.6%	+1,581	+42.9%	+918	+21.1%
Profit	2,465	7.9%	2,826	8.8%	3,540	11.8%	+1,075	+43.6%	+713	+25.3%

\*ECS Business (Energy Cost Solutions Business): GR consulting, Inc., gremz energy, Inc., gremz power, Inc., gremz solar, Inc.

\*SHP Business (Smart House Project Business): gremz solar, Inc.

\*Electricity Retailing Business: gremz power, Inc.

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# Segment Performance Highlights (Net Sales)

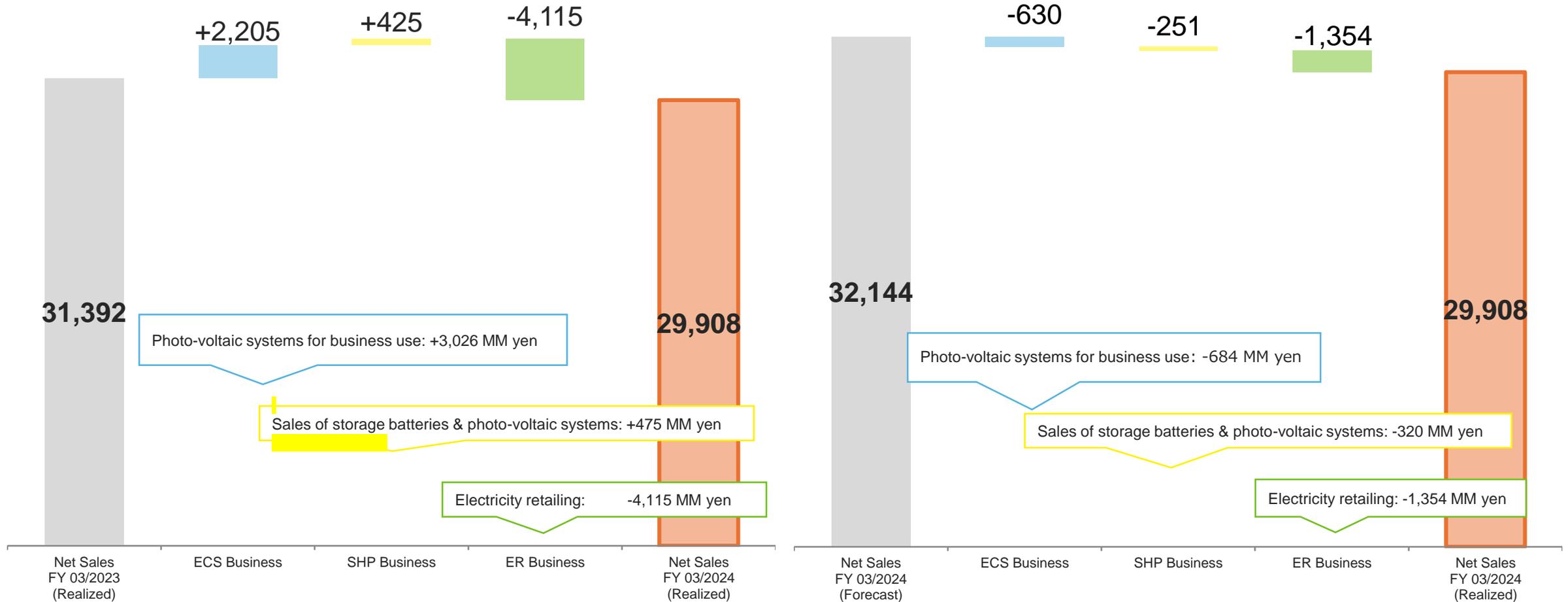


(Millions of yen)

## Factors of Net Sales Change (YoY)

(Millions of yen)

## Factors of Net Sales Change (Compared to the Initial Forecast)



# Segment Performance Highlights (Operating Profit)

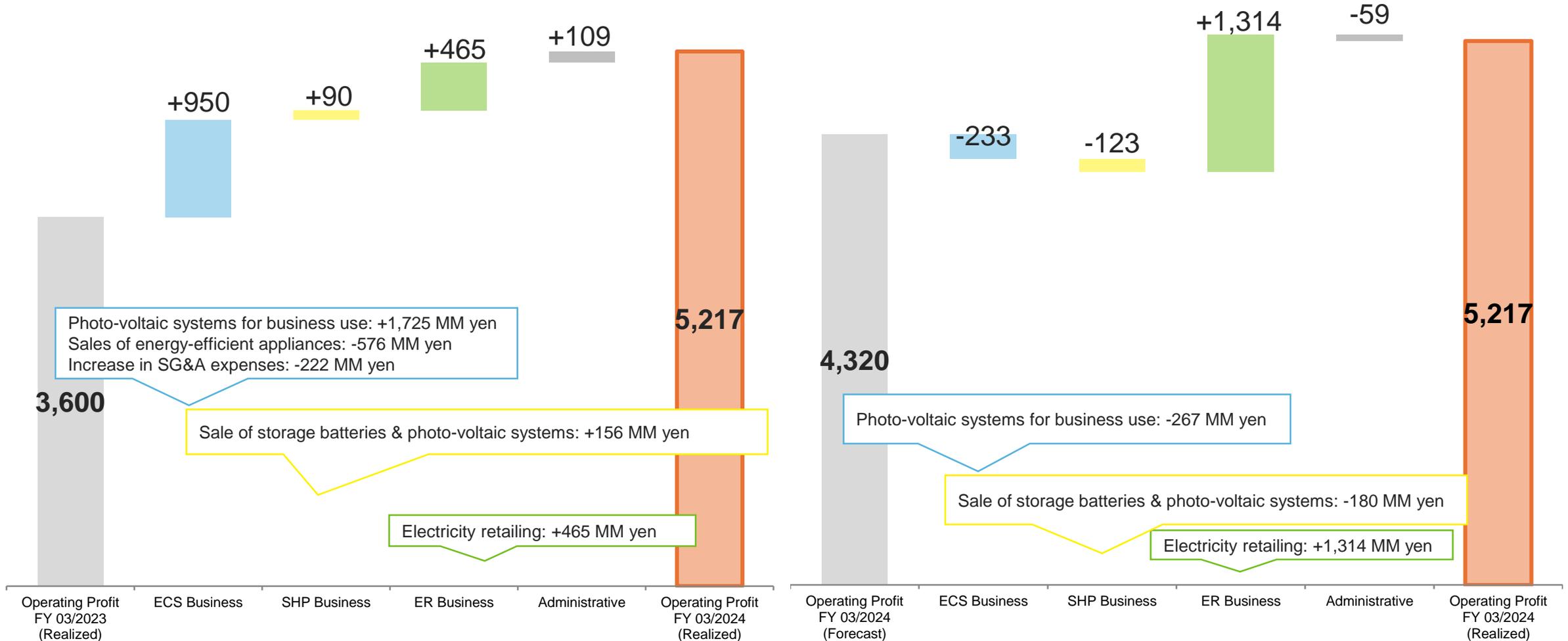


(Millions of yen)

## Factors of Change in Operating Profit (YoY)

(Millions of yen)

## Factors of Change in Operating Profit (Compared to the Initial Forecast)



# Balance Sheet Statement (B/S)



Equity ratio (FY 03/2023): 57.8% → (FY 03/2024): 59.7%; gremz continues maintaining a good financial position. The main reason for the increase in merchandise accounts was an increase in the order backlog for Photo-voltaic systems for business use.

(Millions of yen)	FY 03/2023	FY 03/2024	Change	Main Factors	
Current Assets	14,168	16,913	+2,745	Cash and Deposits Merchandise Accounts Receivable - Trade	+2,249 MM yen +1,215 MM Yen -678 MM Yen
Non-current Assets	3,049	4,698	+1,649	Investment Securities	+1,600 MM Yen
Total Assets	17,217	21,612	+4,394		
Current Liabilities	4,663	5,810	+1,147	Current Portion of Long-term Borrowings Accounts Payable - Other Income Taxes Payable Accrued Consumption Taxes	+283 MM Yen +112 MM Yen +412 MM Yen +146 MM Yen
Non-current Liabilities	2,545	2,810	+264	Long-Term Borrowings	+224 MM Yen
Total Liabilities	7,209	8,620	+1,411		
Net Assets	10,008	12,991	+2,982	Comprehensive Income Dividends on Retained Earnings	+3,608 MM Yen -736 MM Yen
Total Liabilities / Net Assets	17,217	21,612	+4,394		

# Cash Flow Statement (C/F)



**Cash flow from operating activities increased by 2,624 million yen.**

(Millions of yen)	FY 03/2023	FY 03/2024	Major Breakdown for FY 03/2024	
Cash Flows from Operating Activities	1,464	4,089	Profit Before Income Taxes Depreciation & Amortization Decrease in Accounts Receivable Increase in Inventories Income Taxes Paid	+5,218 MM Yen +189 MM Yen +678 MM Yen -1,215 MM Yen -1,368 MM Yen
Cash Flows from Investing Activities	80	-1,787	Purchase of Investment Securities Sale of Investment Securities	-2,200 MM Yen +600 MM Yen
Cash Flows from Financing Activities	1,162	-52	Long-Term Borrowings Repayment of Long-Term Borrowings Dividends Paid	+1,500 MM Yen -992 MM Yen -735 MM Yen
Change in Cash & Cash Equivalents	2,707	2,249		
Ending Cash & Cash Equivalents Balance	8,224	10,474		

# 4. Overview of 1H FY03/2025

# Consolidated Financial Highlights (YoY)



Millions of yen	1H FY 03/2024 (Realized)		1H FY 03/2025 (Realized)		YoY change	
	Results	Profit Margin (%)	Results	Profit Margin (%)	Change	Change (%)
<b>Net Sales</b>	15,944		16,778		+833	+5.2%
<b>Operating Profit</b>	3,197	20.1%	3,372	20.1%	+175	+5.5%
<b>Ordinary Profit</b>	3,231	20.3%	3,450	20.6%	+218	+6.8%
<b>Profit Attributable to Owners of Parent</b>	2,177	13.7%	2,334	13.9%	+156	+7.2%

- Overall net sales increased by ¥833 MM (+5.2%), thanks to significant sales growth in the ECS business of 11.9% on a YoY basis.
- A sales expansion of photo-voltaic systems for business use in the ECS business and higher volume of sales coupled with higher sales margins and lower procurement costs in the ER Business translated into an operating profit increase of ¥175 MM (+5.5% YoY). (Please refer to P10 for a discussion of the profit increase factors in the ER business.)
- Overall operating profit achieved 51.9% of the forecast.

# Consolidated Results Overview (YoY / Compared to Forecast)



	1H FY 03/2024 (Realized)		1H FY 03/2025 (Forecast) (Announced 5/15/2024)		1H FY 03/2025 (Realized)		YoY		Compared to Forecast	
	(Millions of yen)	Results	% Sales	Results	% Sales	Results	% Sales	Change	% Change	Change
Net Sales	15,944	100.0%	16,500	100.0%	16,778	100.0%	+833	5.2%	+278	1.7%
ECS Business	4,390	27.6%	5,311	32.2%	4,914	29.3%	+523	11.9%	-397	-7.5%
SHP Business	2,523	15.8%	2,183	13.2%	2,234	13.3%	-289	-11.5%	+51	2.4%
ER Business	9,030	56.6%	9,005	54.6%	9,629	57.4%	+599	6.6%	+623	6.9%
Gross Profit	5,123	32.1%	5,550	33.6%	5,621	33.5%	+498	9.7%	+71	1.3%
ECS Business	2,670	60.8%	3,241	61.0%	3,013	61.3%	+343	12.9%	-227	-7.0%
SHP Business	1,079	42.8%	910	41.7%	901	40.3%	-178	-16.5%	-9	-1.0%
ER Business	1,373	15.2%	1,398	15.5%	1,707	17.7%	+333	24.3%	+308	22.0%
Operating Profit	3,197	20.1%	3,250	19.7%	3,372	20.1%	+175	5.5%	+122	3.8%
ECS Business	1,940	44.2%	2,266	42.7%	2,143	43.6%	+203	10.5%	-123	-5.4%
SHP Business	444	17.6%	283	13.0%	260	11.7%	-183	-41.4%	-22	-8.0%
ER Business	1,133	12.6%	1,107	12.3%	1,406	14.6%	+272	24.0%	+298	26.9%
Administrative Expenses	-320	-	-407	-	-438	-	-117	-	-30	-
Ordinary Profit	3,231	20.3%	3,304	20.0%	3,450	20.6%	+218	6.8%	+145	4.4%
1H Net Profit	2,177	13.7%	2,190	13.3%	2,334	13.9%	+156	7.2%	+144	6.6%

\*ECS Business (Energy Cost Solutions Business): GR consulting, Inc., gremz energy, Inc., gremz power, Inc., gremz solar, Inc.

\*SHP Business (Smart House Project Business): gremz solar, Inc.

\*Electricity Retailing Business: gremz power, Inc.

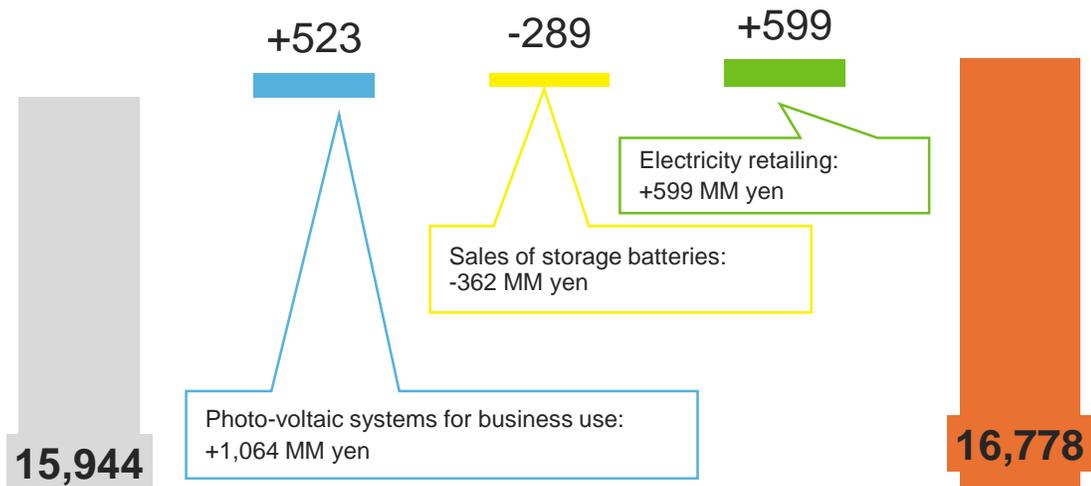
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# Segment Performance Highlights (Net Sales)



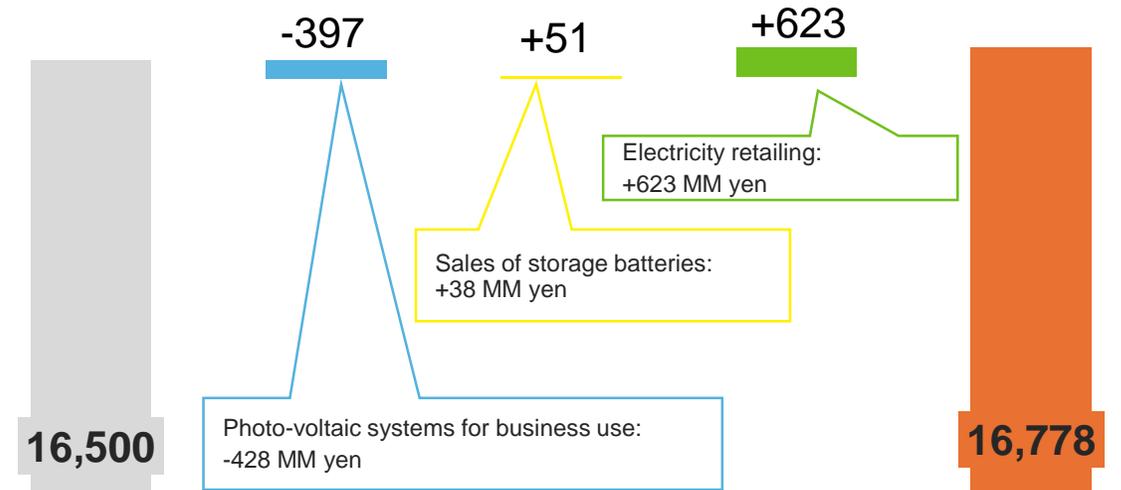
(Millions of yen)

## Factors of Net Sales Change (YoY)



(Millions of yen)

## Factors of Net Sales Change (Compared to the Initial Forecast)



Net Sales  
1H FY 03/2024  
(Realized)

ECS Business

SHP Business

ER Business

Net Sales  
1H FY 03/2025  
(Realized)

Net Sales  
1H FY 03/2025  
(Forecast)

ECS Business

SHP Business

ER Business

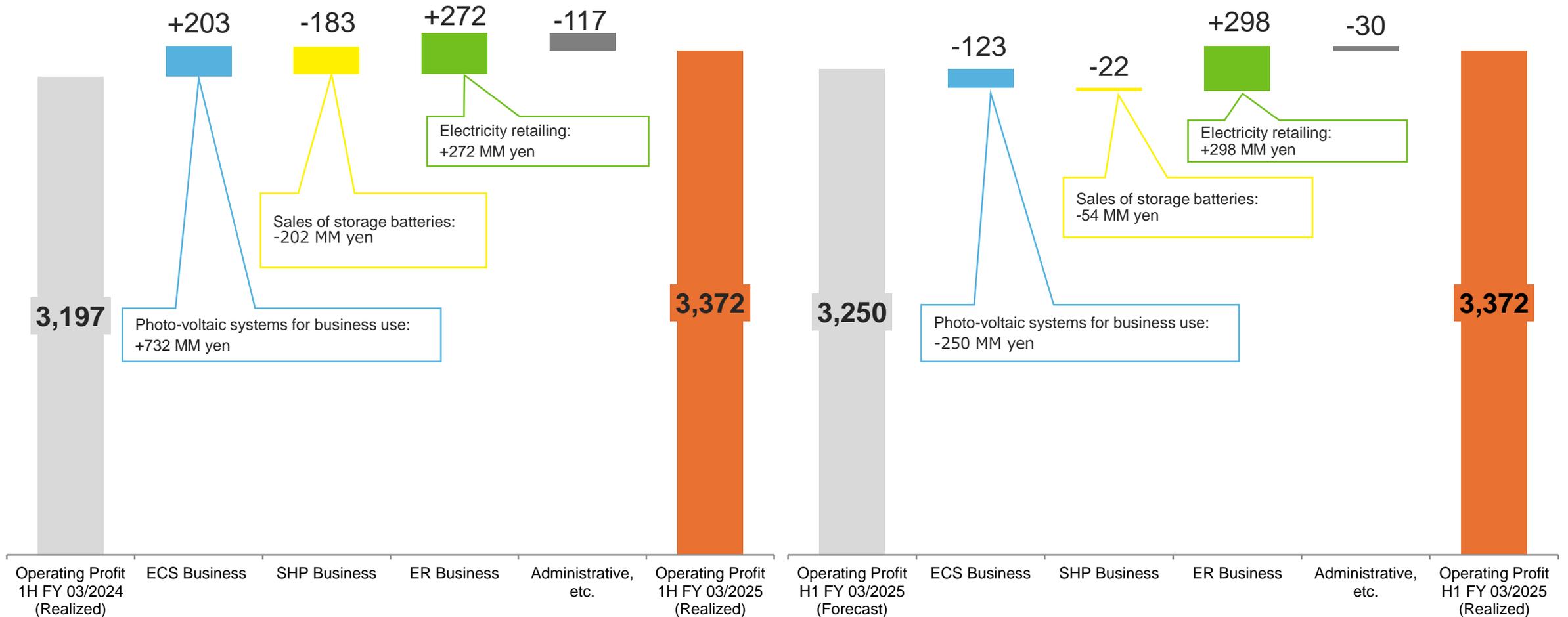
Net Sales  
1H FY 03/2025  
(Realized)

# Segment Performance Highlights (Operating Profit)



(Millions of yen) **Factors of Operating Profit Change (YoY)**

(Millions of yen) **Factors of Operating Profit Change (Compared to the Initial Forecast)**



# Factors Behind Higher Profits in the ER Business



## ■ Profit growth factors in 1H (YoY)

### ■ Return to our growth strategy

Higher sales volume thanks to an increase in contract numbers translated into a profit increase.

	1Q Sales (MWh)	1H Sales (MWh)	Increase impact (¥1MM)
FY 03/2025	126,910	306,266	+168
LFY	125,545	297,920	

### ■ Impact of market fluctuations (Price: JPY/kWh; Other units: ¥1MM)

While sales were down on lower fuel adjustment amounts, this was offset by the decrease in procurement costs.

	Fuel adj.	Market	1-on-1	Sales	COGS	Diff.
FY 03/2025	3.81	13.76	13.27	8,853	7,070	1,783
LFY	6.18	11.36	23.45	8,964	7,632	1,332
Increase impact	-2.37	2.40	-10.18	-111	+562	+451

### ■ Start of capacity market payment (Unit: ¥1MM)

The ongoing FY marked the start of costs related to the capacity market(\*3). gremz offers high-voltage plans strictly on a market-linked contract basis, so the extra costs were passed on to clients in their entirety. However, in order to remain competitive, we took on some of the extra costs for contracts with clients with low-voltage requirements.

Costs passed on	Costs assumed by gremz	Impact of the fall
+530	-823	-293

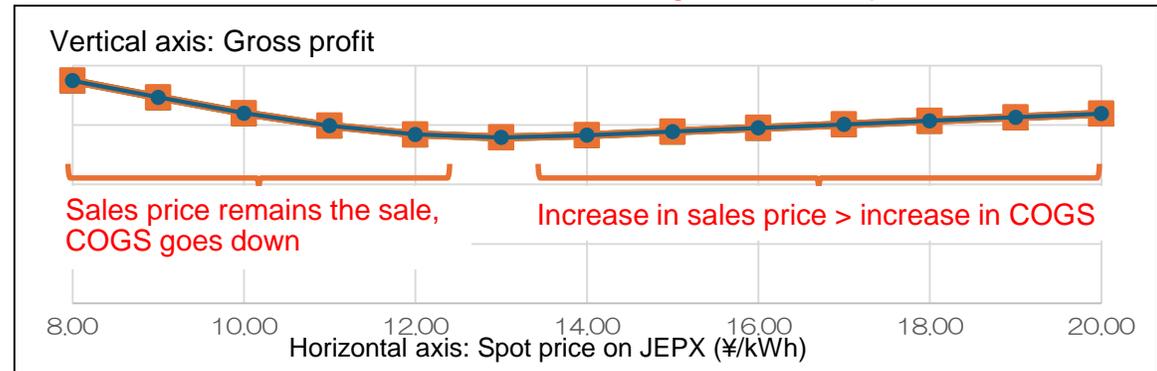
\*3 Government system promoting investment in infrastructure to ensure the stable supply of electricity on the part of power producers. Electricity retailers & others bear this cost.

## ■ Profit growth factors in 1H (Vs. the initial forecast)

Low-voltage electricity sales: Proprietary cost adjustments – which go into effect once the market price for electricity exceeds a certain threshold (around an average of ¥13/kWh) – allow us to pass on costs to all clients.

This fiscal year, 1-on-1 contract agreements and successful hedging in the futures market has offset the amount of risk borne by gremz resulting from our decision not to pass on costs to clients. Consequently, even in the face of soaring market prices, the [increase in sales > increase in procurement costs], and even if prices fall, the following inequality holds true: [decrease in sales < decrease in procurement costs].

⇒ 1H FY 03/2025: Profit increase from higher-than-expected unit sales.



	Market price (¥/kWh)	Sales*1 (¥1MM)	COGS*2 (¥1MM)	Diff. (¥1MM)
Realized	13.76	9,369	3,389	5,980
Forecast	12.66	8,879	3,132	5,747
Impact	1.10	490	257	233

\*1 Excluding excess imbalances & fees; \*2 Market procurement costs

# Balance Sheet Statement (B/S)



The equity ratio increased from 59.7% at the end of the previous fiscal year to 61.4% at the end of the first half of the current fiscal year. A desirable financial position is maintained.

(Million yen)	03/31/2024	09/30/2024	Change	Main factors	
Current assets	16,913	18,890	+1,976	Cash and Deposits Accounts Receivable – trade Consumption Taxes Refund Receivable	+691 +1,468 -182
Non-current assets	4,698	4,736	+37	Machinery and Equipment Software Investment Securities	-33 -26 +100
Total assets	21,612	23,626	+2,014		
Current liabilities	5,810	6,570	+760	Accounts Payable - Trade Accounts Payable - Other Provision for Bonuses	+980 -366 +166
Non-current liabilities	2,810	2,452	-357	Long-term Borrowings	-363
Total liabilities	8,620	9,023	+402		
Total net assets	12,991	14,603	+1,611	Comprehensive Income Dividend on Retained Earnings	+2,344 -739
Total liabilities and net assets	21,612	23,626	+2,014		

# Cash Flow Statement (C/F)



(Millions of yen)	1H FY 03/2024	1H FY 03/2025	Breakdown of Main Factors (1H FY 03/2025)	
Cash Flows from Operating Activities	3,083	2,119	Profit Before Income Taxes	+3,447 MM Yen
			Increase in Trade Receivable	-1,468 MM Yen
			Increase in Consumption Taxes Refund Receivable	+182 MM Yen
			Increase in Trade Payables	+980 MM Yen
			Income Taxes Paid	-1,064 MM Yen
Cash Flows from Investing Activities	-1,355	-264	Purchase of Investment Securities	-200 MM Yen
Cash Flows from Financing Activities	-778	-1,162	Decrease in Short-Term Borrowings	-100 MM Yen
			Proceeds from Long-Term Borrowings	+300 MM Yen
			Repayment of Long-Term Borrowings	-623 MM Yen
			Dividends Paid	-739 MM Yen
Change in Cash & Cash Equivalents	950	691		
Ending Cash & Cash Equivalents Balance	9,175	11,165		

# **5 . Financial Results & Dividend Forecasts for FY 03/2025**

## ■ **ECS Business**

Expected to drive growth in FY 03/2025, primarily through the installation of photo-voltaic systems on the roofs of factories and other facilities, allowing SMEs to use the electricity generated (self-consumption) thereby reducing their energy bill. Within this scope, gremz seeks to differentiate itself from other industry players by focusing on SMEs as our core target market segment. We also have plans to grow cross-selling with storage batteries, allowing clients to store for future use surplus energy exceeding on-site consumption requirements.

## ■ **SHP Business**

Families no longer eligible for the FIT program present a significant potential demand source when it comes to the installation of storage batteries for household use. We expect stable results in this business, over the foreseeable future.

## ■ **Electricity Retailing Business**

Through to the end of FY 03/2024, gremz worked in earnest to put in place a business model allowing us to hedge procurement risks. We now have a business model allowing us to avoid negative spread margins and capable of delivering stable profits. Futures prices have also been stable starting with the beginning of LFY, so in FY 03/2025, we will work to grow our business by increasing the number of contracts. (58,000 at the start of FY → 63,000 at EoFY)

## ■ **Company-wide Results**

Carry out active investment in personnel, together with the expansion of the ECS Business and stable growth in the ER Business. Through these, we expect to break a new operating profit record. Progress (1H) vs. full-year target: 51.9%.

# Results Forecast for FY 03/2025



	1H FY 03/2025 (Realized)		FY 03/2025 (Forecast) (Announced 5/15/2024)		1H Progress	FY 03/2024 (Realized)		
	(Millions of yen)	Results	% Sales	Results		% Sales	Results	% Sales
Net Sales		16,778	100.0%	34,000	100.0%	49.3%	29,908	100.0%
ECS Business		4,914	29.3%	10,906	32.1%	45.1%	7,734	25.9%
SHP Business		2,234	13.3%	4,310	12.7%	51.8%	4,440	14.8%
ER Business		9,629	57.4%	18,783	55.2%	51.3%	17,733	59.3%
Gross Profit		5,621	33.5%	11,200	32.9%	50.2%	9,257	31.0%
ECS Business		3,013	61.3%	6,654	61.0%	45.3%	4,645	60.1%
SHP Business		901	40.3%	1,803	41.8%	50.0%	1,845	41.6%
ER Business		1,707	17.7%	2,742	14.6%	62.2%	2,766	15.6%
Operating Profit		3,372	20.1%	6,500	19.1%	51.9%	5,217	17.4%
ECS Business		2,143	43.6%	4,575	42.0%	46.9%	3,030	39.2%
SHP Business		260	11.7%	575	13.4%	45.2%	587	13.2%
ER Business		1,406	14.6%	2,082	11.1%	67.5%	2,267	12.8%
Administrative Ex.		-438	-	-733	-		-668	-
Ordinary Profit		3,450	20.6%	6,570	19.3%	52.5%	5,268	17.6%
Profit		2,334	13.9%	4,320	12.7%	54.0%	3,540	11.8%

\*ECS Business (Energy Cost Solutions Business): GR consulting, Inc., gremz energy, Inc., gremz power, Inc., gremz solar, Inc.

\*SHP Business (Smart House Project Business): gremz solar, Inc.

\*Electricity Retailing Business: gremz power, Inc.

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- Achieve a rapid growth/high profitability model for the ECS Business, driven by the sale of photovoltaic systems for business use for SMEs.
- We will work to improve corporate value through a two-pronged approach together with stable recurring revenue in the ER Business.

Operating Profit CAGR

**30.1%**

Operating Profit Margin

**17.4%**

ROE

**31.0%**

Market Scale

**SME power  
contracts: 6 M**

Reasons for high profitability / rapid growth

Growth potential in ECS

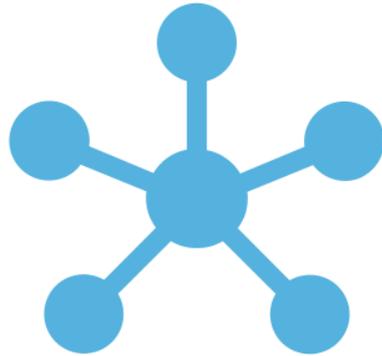
Achieved high profitability & rapid growth by focusing on low-voltage and through proprietary sales proposals linked with high client satisfaction.

Stable recurring revenue in the ER Business

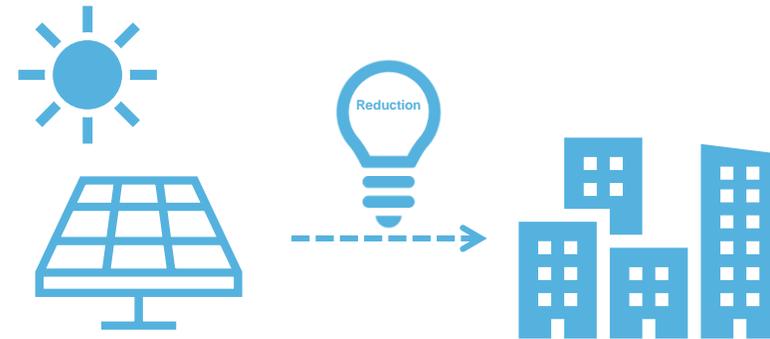
Achieved stable growth by establishing a business model allowing us to avoid negative spread profit margins.

Operating Profit CAGR: Results between FY 03/2019 - FY 03/2024  
Operating Profit margin, ROE: FY 03/2024 results

- **Photo-voltaic systems for business use allow SMEs to greatly reduce their electricity bill, and this product category is expected to continue driving business expansion going forward.**
- **Introducing the use of these photo-voltaic systems for business use benefits our clients by helping them greatly reduce their electricity bill.**



**Offer new electricity systems to SMEs**

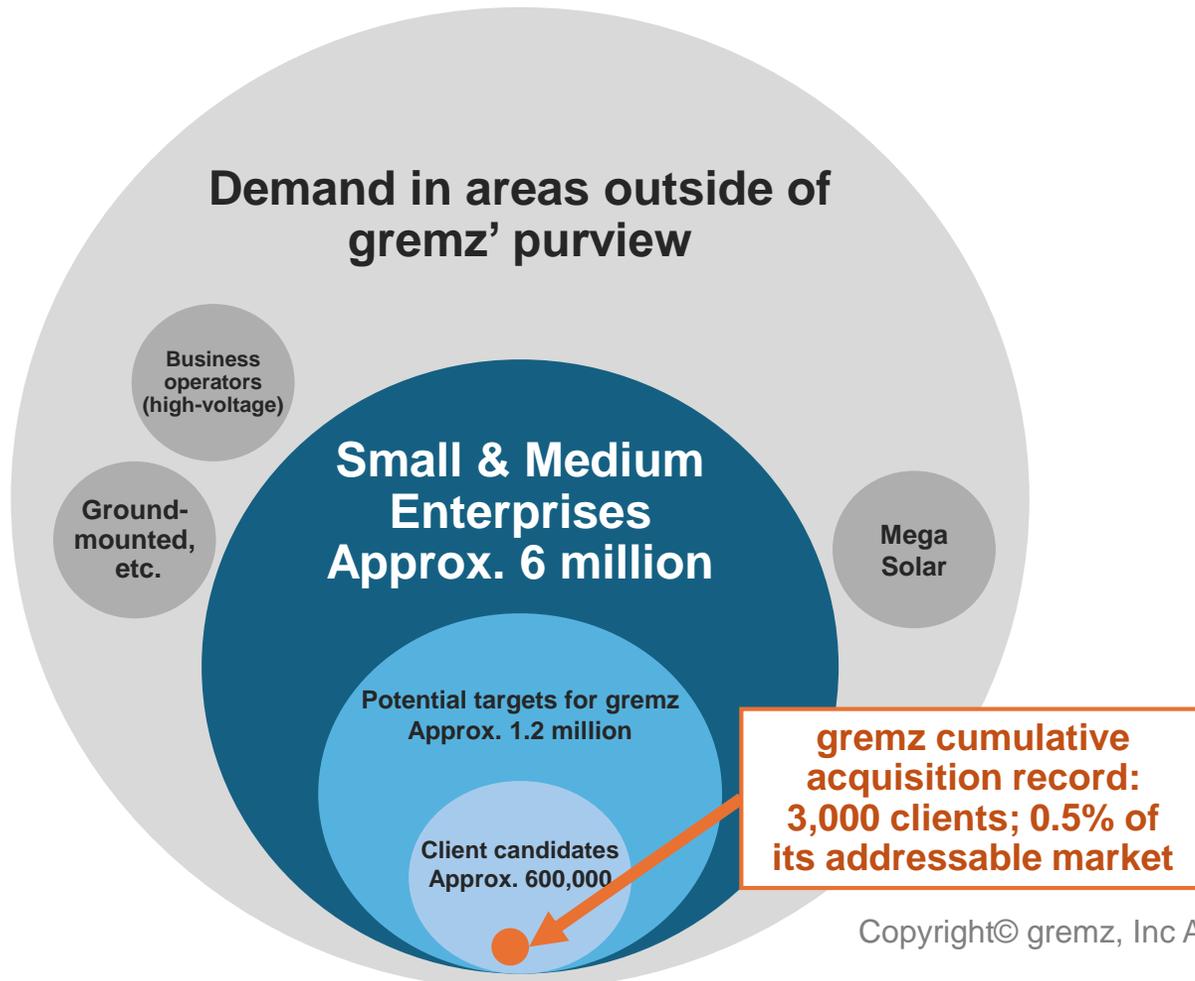


**Reduce electricity Costs**

# Gremz' Photo-voltaic Systems for Business Use: Positioning & Latent Markets



- gremz targets SMEs with high demand for our photo-voltaic systems, with the objective of lowering their electricity bill.
- gremz' current cumulative contract acquisition record only accounts for 0.5% of its addressable market, meaning there is significant room for growth.
- gremz targets SMEs, especially in manufacturing (factories, etc.), agriculture & livestock (factory farms, etc.), and services (restaurants, etc.)
- SMEs are an expansive market w/ massive latent demand. We estimate the majority of low-voltage (200V) contracts (approx. 6 million) to be from SME business operators.
- Taking into account factors like roof configuration, etc., we position 20% of this total of 6 million as potential targets, and half of these as client candidates, bringing this number to 600,000. gremz' cumulative client acquisition record stands at 3,000 (approximately 1,200 in FY 03/2024), which only accounts for 0.5% of its addressable market.
- We face no competition from large players in this area, meaning gremz holds the number one spot in this industry, but we believe there is further room for us to grow our market share beyond the current level of 0.5%.
- Off-site installation of ground-mounted photo-voltaic systems and small-scale installations for large companies (at CVS, etc.) are outside the purview of the services offered by gremz.
- Perovskite solar cells can be installed on the roofs of factories or as wall installations. As this technology becomes more accessible and commercially viable, this will allow us to expand the potential target landscape.



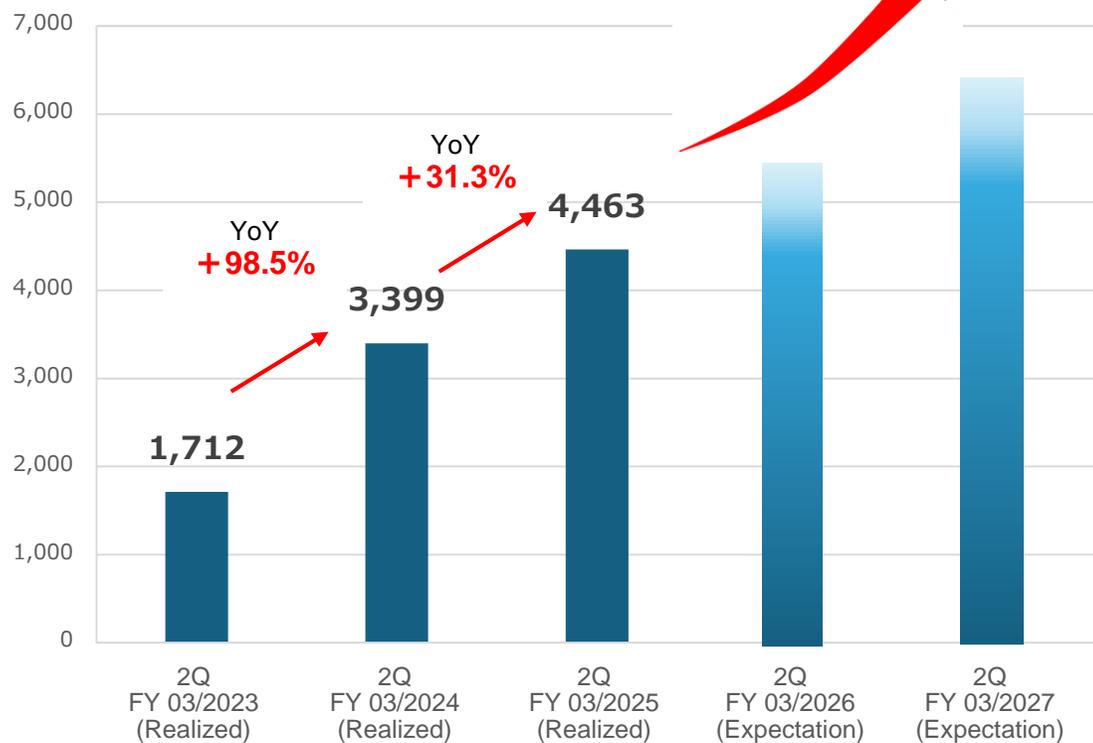
# Photo-voltaic Systems for Business Use: Growth Expectations



- Steady net sales and gross profit growth, thanks to continued strong client demand.
- We expect steady growth to continue into next FY and beyond, on the account of the large size of this market, the fact that gremz has the ability to carry out installations all over Japan, and our plans to further expand out HR base for this business.

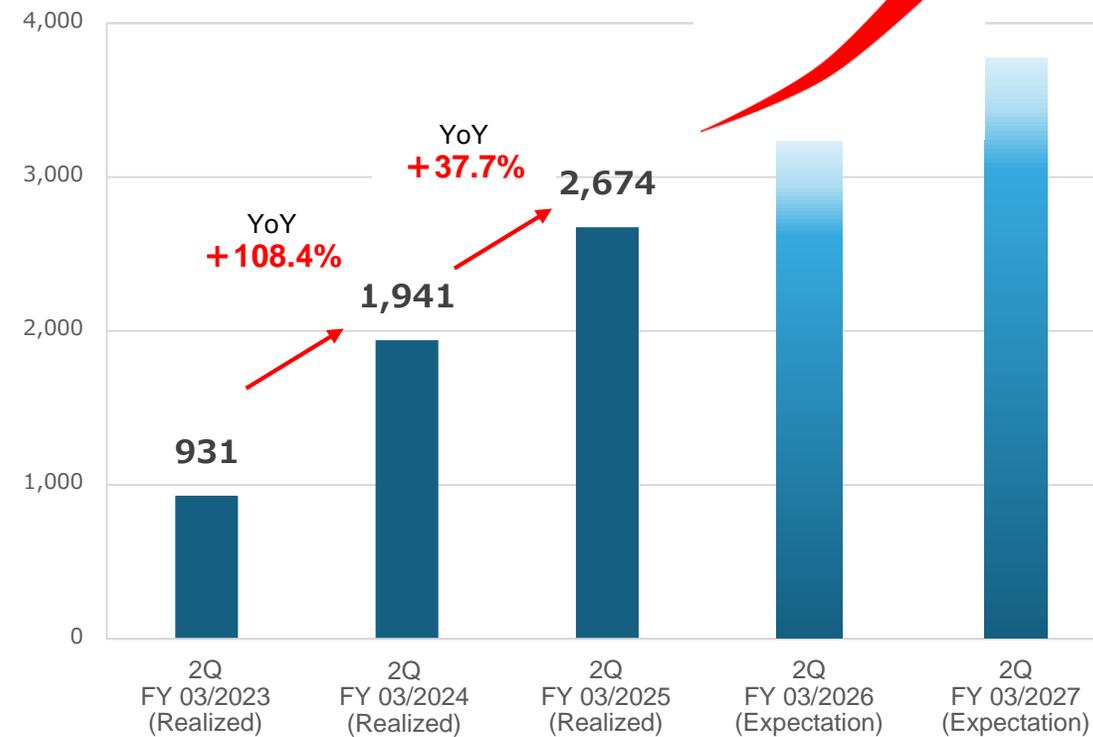
## Photo-voltaic Systems for Business Use: Net Sales

(Millions of yen)



## Photo-voltaic Systems for Business Use: Gross Profit

(Millions of yen)



# Electricity Retailing Business

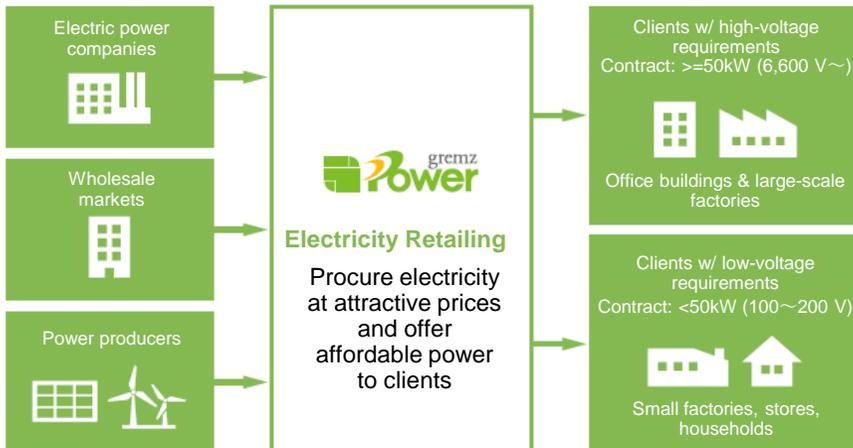


Electricity Retailing  
 Clients w/ low-voltage requirements  
 (200V · 100V)  
 &  
 Clients w/ high-voltage requirements  
 (6,600V~)

## Framework generating stable recurring revenue is already in place

Low-voltage	Our strengths	Sales targeting our existing client base, e.g., clients who use our electronic circuit breakers and photo-voltaic systems for business use, allow us to sustain a high ratio of orders to sales approaches.
	Metered lighting	Sales strategy
Low-voltage power	Hedge risk	Adopted a proprietary cost adjustment system (allowing for partial cost pass-throughs of procurement costs from JEPX) starting FY 03/2023; Additionally, we offset risk through 1-on-1 individual contract agreements.
	High-voltage	Our strengths
Sales strategy		Starting in August 2022, gremz now focuses exclusively on market-linkage plans. The previous fee structure included profit in the base electricity fee. In March 2024, we released a fee structure including profit in the amount of electricity used and a zero CO2 emissions plan (*)
Hedge risk		Since these are market-linkage plans, gremz is insulated from potential risks resulting from a spike in the market price of electricity. We also thoroughly manage credit risk. Accounts for approximately 1/3 of all electricity sold.

\* Plan offering environmental benefits in the form of zero CO2 emissions, achieved by using 100% Non-FIT Non-Fossil certified energy without specifying the energy source.



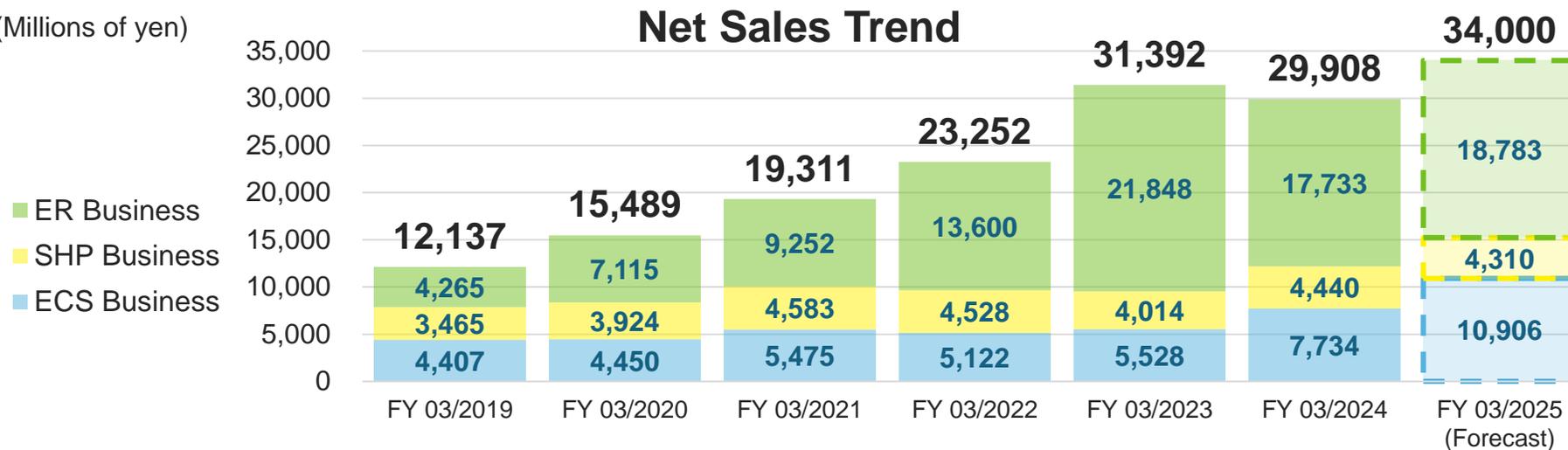
## Return to our growth strategy

- Last FY marked the completion of a business model designed to avoid negative spread margin situations arising from a spike in the wholesale market price of electricity.
- This FY and beyond, we will be taking this business model with strict risk hedges in place, and work to once again put this business on a growth trajectory by securing new contracts.

# Consolidated Financial Highlights (Net Sales / Operating Profit)



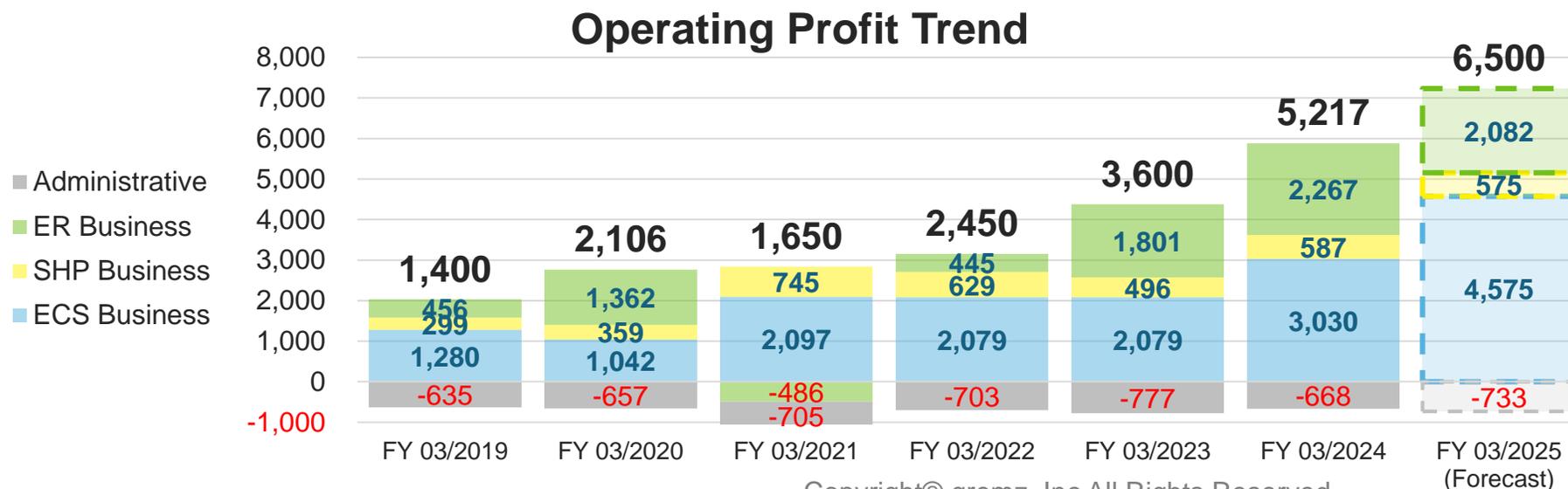
(Millions of yen)



## FY 03/2025 (Forecast)

- Net sales: ¥34,000 MM (YoY: +13.7%)
- Operating Profit: ¥6,500 MM (YoY: +24.6%)

We expect to break new records



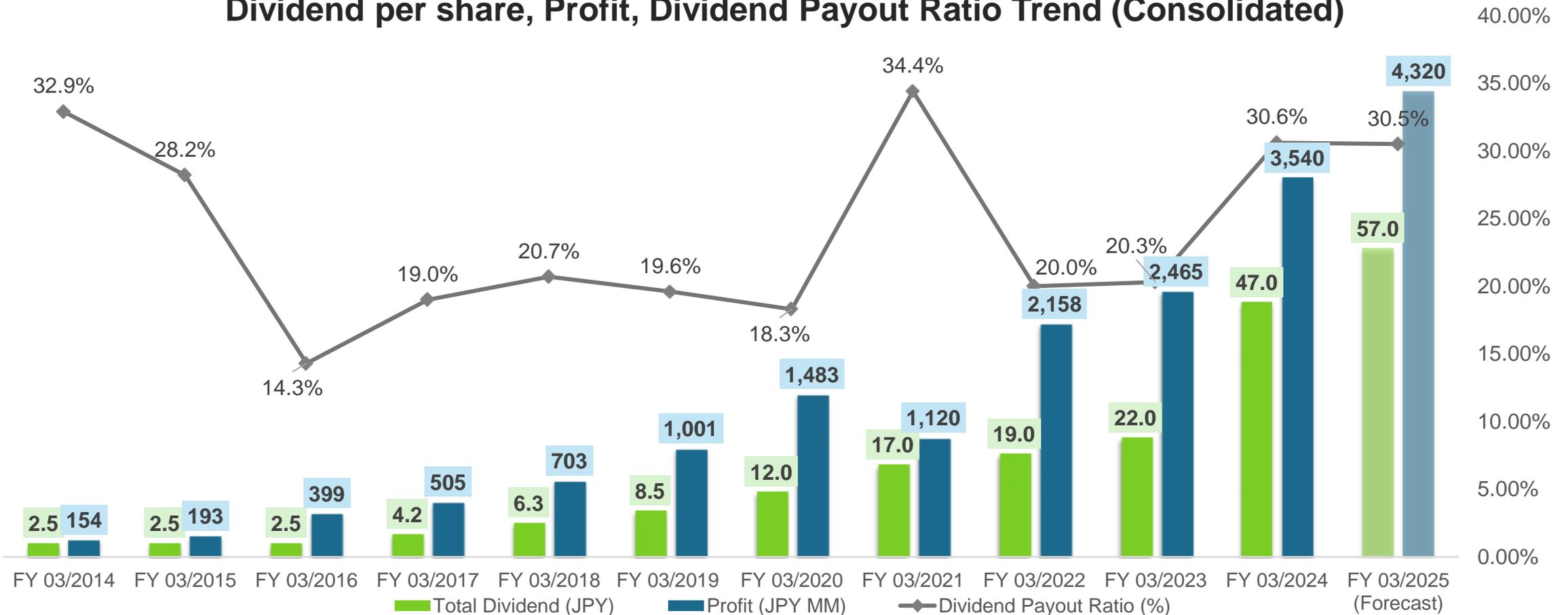
# Dividend Forecast for FY 03/2025



Starting FY 03/2024, we are aiming for a dividend payout ratio of 30%.

For FY 03/2025, we expect an interim dividend of 20 yen/share + a year-end dividend of 37 yen/share.

## Dividend per share, Profit, Dividend Payout Ratio Trend (Consolidated)



\*Dividends per share have been retroactively adjusted for the impact of stock splits of 1:2 on January 1, 2014, 1:1.5 on October 1, 2017, 1:2 on August 1, 2018, and 1:2 on September 1, 2020.

# 6 . ESG at gremz, Inc.

**gremz, Inc. will continue growing by offering environmentally-friendly products and services in the domains of energy-saving solutions, energy generation, and energy storage, and contribute to the building and sustainable development of a prosperous and safe society.**

## Environment

- Contribute to the improvement of energy efficiency through the sale of advanced energy-saving products.
- Contribute to building a decarbonized society through the sale of products related to renewable energies, such as photo-voltaic systems and storage batteries.
- gremz has stated its support for Task Force on Climate-related Financial Disclosures (TCFD).

## Society

- We will aim to continue progressing alongside society through the provision of products and services attuned to the needs of society.

## Governance

- Assumed a Board of Directors structure consisting of at least 1/3 outside directors (1 female) to ensure that Company directors execute management functions in an adequate manner. Additionally, gremz' Compliance and Risk Management Committees assess and manage key management challenges.

Related SDGs



## Filling the World with Inspiration and Joy

In this world of constant change, we want to remain thankful for our customers' continued support. We want to continue building a symbiotic relationship with society.

We hope to eradicate information asymmetries and contribute to the widespread use of high value-added product solutions that make people's lives safer and more comfortable.

### Our Corporate Vision

#### *Our Customers*

Consistently deliver quality service to our customers.

#### *Our Employees*

Create a positive work environment leading to a fulfilled and highly motivated workforce.

#### *Our Shareholders*

Reward our shareholders with continuous and sustainable growth.

#### *Society*

Stay on top of Social needs and offer high value-added solutions.



Energy Solutions Company

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