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February 7, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 3150
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	24,859	4.7	5,045	6.8	5,160	8.3	3,492	9.8
December 31, 2023	23,750	(2.6)	4,725	67.2	4,764	65.1	3,181	67.0

Note: Comprehensive income For the nine months ended December 31, 2024: ¥3,511 million [9.2%]
 For the nine months ended December 31, 2023: ¥3,216 million [60.1%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	151.20	151.11
December 31, 2023	138.39	137.76

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	23,777	15,307	64.0
March 31, 2024	21,612	12,991	59.7

Reference: Equity
 As of December 31, 2024: ¥15,213 million
 As of March 31, 2024: ¥12,903 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	15.00	—	32.00	47.00
Fiscal year ending March 31, 2025	—	20.00	—		
Fiscal year ending March 31, 2025 (Forecast)				37.00	57.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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	%	
Fiscal year ending March 31, 2025	34,000	13.7	6,500	24.6	6,570	24.7	4,320	22.0	Yen 187.00

Note: Revisions to the forecast of consolidated financial results most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	23,814,800 shares
As of March 31, 2024	23,814,800 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2024	712,793 shares
As of March 31, 2024	712,793 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	23,102,007 shares
Nine months ended December 31, 2023	22,986,930 shares

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

- * Proper use of earnings forecasts, and other special matters

Please note that the forecast figures presented above are outlooks based on information currently available. Actual business results may differ from the forecast figures due to changes in business conditions and other factors.

○Attached Materials

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1. Qualitative information regarding financial results for the period under review

(1) Information regarding operating results

During the nine months ended December 31, 2024, the economic environment showed a gradual recovery in business sentiment with factors such as better conditions for the employment and income environment as well as a pickup in personal consumption and capital investment due to improving corporate earnings. However, the outlook has remained uncertain, mainly because of the unstable international situation, and increases in the price of goods resulting from exchange rate fluctuations and surging resource prices.

The situation surrounding the energy industry was characterized by continual rises in the cost of electricity, igniting expectations for a growing uptake of renewable energy which is bringing about the realization of GX (green transformation), and for the greenz Group (the “Group”), our efforts to concentrate business resources on making photo-voltaic systems for business use the main axis of growth led to expanded sales. In electricity retailing, we thoroughly hedged against risks by employing measures to reduce the risk of fluctuations in electricity procurement prices, such as the operation of the proprietary cost adjustment system (scheme of reflecting part of the electricity market procurement cost in electricity charges) for low voltage and the promotion of market linkage plans for high voltage, and strived to generally strengthen the revenue base to provide stable recurring revenue. Orders were steady in the area of products and services related to cost reduction, energy conservation, and renewable energy, for which there is firm demand.

As a result of the above, the Groups’ business results for the nine months ended December 31, 2024 were as follows: net sales of ¥24,859 million (up 4.7% year on year), operating profit of ¥5,045 million (up 6.8% year on year), ordinary profit of ¥5,160 million (up 8.3% year on year), and profit attributable to owners of parent of ¥3,492 million (up 9.8% year on year).

Business results for each business segment are as follows.

Energy Cost Solutions Business (ECS)

In the Energy Cost Solutions Business, the Group made proposals to customers for improving their electricity operations and facilities. These included photo-voltaic systems and storage batteries for business use that enable self-consumption of self-generated electricity, and sales of various products for reducing costs for business owners.

As a result, net sales were ¥7,345 million (up 9.2% year on year), and segment profit was ¥3,151 million (up 8.1% year on year).

Smart House Project Business (SHP)

For the Smart House Project Business, the Group actively promoted sales of storage batteries targeting demand for self-consumption of onsite renewable energy production, the increase in the number of post-FIT (feed-in tariff) matters as the 10-year FIT program for solar power generation comes to an end, and the needs to reinforce household energy resilience.

As a result, net sales were ¥3,195 million (down 14.5% year on year), and segment profit was ¥350 million (down 44.1% year on year).

Electricity Retailing Business (ER)

In the Electricity Retailing Business, net sales and profit increased year on year mainly because electricity sales volume increased, the sales unit price rose due to the effect of higher electricity market prices, and procurement prices were controlled by risk hedging measures such as securing 1-on-1 individual contract agreements.

As a result, net sales were ¥14,318 million (up 7.8% year on year), and segment profit was ¥2,154 million (up 30.1% year on year).

(2) Explanation of financial position

The positions of assets, liabilities, and net assets at the end of the third quarter of the current fiscal year are as follows.

Assets

Current assets as of December 31, 2024 were ¥18,824 million, an increase of ¥1,911 million compared to the end of the previous fiscal year. This was mainly due to increases of ¥1,235 million in cash and deposits and ¥526 million in notes and accounts receivable - trade, and contract assets. Non-current assets were ¥4,953 million, an increase of ¥254 million from the end of the previous fiscal year. This was mainly due to increases of ¥118 million in construction in progress, ¥100 million in investment securities, and ¥221 million in leasehold and guarantee deposits, despite decreases of ¥52 million in machinery and equipment and ¥88 million in deferred tax assets.

As a result, total assets were ¥23,777 million, an increase of ¥2,165 million from the end of the previous fiscal year.

Liabilities

Current liabilities as of December 31, 2024 were ¥5,918 million, an increase of ¥108 million compared to the end of the previous fiscal year. This was mainly due to increases of ¥119 million in notes and accounts payable-trade, ¥95 million in current portion of long-term borrowings, ¥216 million in accrued consumption taxes, and ¥262 million in provision for bonuses, despite decreases of ¥250 million in accounts payable - other and ¥300 million in income taxes payable. Non-current liabilities were ¥2,551 million, a decrease of ¥258 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥248 million in long-term borrowings.

As a result, total liabilities were ¥8,470 million, a decrease of ¥150 million from the end of the previous fiscal year.

Net assets

Net assets as of December 31, 2024 were ¥15,307 million, an increase of ¥2,315 million compared to the end of the previous fiscal year. This was mainly attributable to an increase of ¥3,511 million due to comprehensive income attributable to owners of parent, while there was a decrease of ¥1,201 million due to dividends of surplus.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

No changes have been made to the financial results forecast announced on May 15, 2024.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	10,474,017	11,709,606
Notes and accounts receivable - trade, and contract assets	3,635,167	4,161,973
Merchandise	2,476,369	2,620,100
Prepaid expenses	147,554	125,673
Income taxes refund receivable	827	2,150
Consumption taxes refund receivable	182,795	—
Other	54,797	263,852
Allowance for doubtful accounts	(58,041)	(58,811)
Total current assets	16,913,486	18,824,545
Non-current assets		
Property, plant and equipment		
Buildings, net	79,761	70,386
Machinery and equipment, net	1,052,295	1,000,174
Vehicles, net	20,599	16,135
Tools, furniture and fixtures, net	60,923	50,674
Land	123,877	123,877
Construction in progress	12,606	131,175
Total property, plant and equipment	1,350,064	1,392,424
Intangible assets		
Software	208,718	169,328
Software in progress	—	14,300
Total intangible assets	208,718	183,628
Investments and other assets		
Investment securities	2,378,814	2,479,170
Deferred tax assets	330,767	242,172
Leasehold and guarantee deposits	381,219	602,232
Other	49,337	53,535
Total investments and other assets	3,140,138	3,377,110
Total non-current assets	4,698,921	4,953,163
Total assets	21,612,408	23,777,708

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,143,052	2,262,368
Short-term borrowings	100,000	—
Current portion of long-term borrowings	1,192,190	1,288,108
Accounts payable - other	953,782	703,311
Income taxes payable	1,080,144	780,092
Accrued consumption taxes	249,175	465,721
Contract liabilities	63,174	56,791
Deposits received	27,875	95,283
Provision for bonuses	—	262,806
Other	807	3,722
Total current liabilities	5,810,201	5,918,206
Non-current liabilities		
Long-term borrowings	2,472,809	2,224,766
Asset retirement obligations	79,105	78,794
Other	258,613	248,273
Total non-current liabilities	2,810,527	2,551,834
Total liabilities	8,620,729	8,470,041
Net assets		
Shareholders' equity		
Share capital	708,306	708,306
Capital surplus	446,919	446,919
Retained earnings	12,246,603	14,538,247
Treasury shares	(482,470)	(482,470)
Total shareholders' equity	12,919,359	15,211,003
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(15,486)	(14,737)
Deferred gains or losses on hedges	—	17,464
Total accumulated other comprehensive income	(15,486)	2,726
Share acquisition rights	87,806	93,936
Total net assets	12,991,679	15,307,666
Total liabilities and net assets	21,612,408	23,777,708

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	23,750,251	24,859,850
Cost of sales	16,122,869	16,490,210
Gross profit	7,627,382	8,369,639
Selling, general and administrative expenses	2,902,373	3,324,099
Operating profit	4,725,008	5,045,540
Non-operating income		
Interest income	37	851
Dividend income	35,758	92,312
Commission income	12,170	13,987
Insurance claim income	10,229	11,337
Other	4,905	12,763
Total non-operating income	63,101	131,253
Non-operating expenses		
Interest expenses	9,258	11,243
Depreciation	9,181	3,075
Other	4,700	2,038
Total non-operating expenses	23,141	16,357
Ordinary profit	4,764,969	5,160,436
Extraordinary income		
Gain on sale of non-current assets	39	19
Total extraordinary income	39	19
Extraordinary losses		
Loss on retirement of non-current assets	2,521	2,158
Loss on sale of non-current assets	769	1,255
Theft loss	39,972	—
Total extraordinary losses	43,263	3,413
Profit before income taxes	4,721,746	5,157,042
Income taxes - current	1,590,252	1,583,091
Income taxes - deferred	(49,766)	81,002
Total income taxes	1,540,485	1,664,094
Profit	3,181,260	3,492,948
Profit attributable to owners of parent	3,181,260	3,492,948

Quarterly consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	3,181,260	3,492,948
Other comprehensive income		
Valuation difference on available-for-sale securities	1,458	749
Deferred gains or losses on hedges	33,684	17,464
Total other comprehensive income	35,142	18,213
Comprehensive income	3,216,402	3,511,161
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,216,402	3,511,161

(3) Notes to quarterly consolidated financial statements

Notes on premise of going concern

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on changes in accounting policies

Application of the "Accounting Standard for Current Income Taxes" and other relevant ASBJ regulations

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the fiscal year ending March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Application Guidance of 2022"). These changes in accounting policies have no impact on the quarterly consolidated financial statements.

In addition, regarding the revisions related to revised treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries, etc. between consolidated companies, the Company has applied the Revised Application Guidance of 2022 from the beginning of the fiscal year ending March 31, 2025. Although these changes in accounting policies have been applied retrospectively, and the new accounting policies are reflected in the quarterly consolidated financial statements for the same period of the previous fiscal year and in the consolidated financial statements for the previous fiscal year, these changes have no impact on the aforementioned financial statements for the aforementioned periods.

Notes on quarterly consolidated statement of cash flows

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2024 is not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) for the nine months ended December 31, 2023 and 2024 is as follows.

(Thousands of yen)		
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	140,483	147,777

Notes on segment information*Segment information*

I Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

1. Information on the amounts of net sales, profit or loss by reportable segment

(Thousands of yen)

	Reportable segments			Total
	ECS	SHP	ER	
Net sales				
Sales to external customers	6,725,595	3,736,225	13,288,430	23,750,251
Intersegment sales or transfers	—	—	—	—
Total	6,725,595	3,736,225	13,288,430	23,750,251
Segment profit	2,915,790	626,780	1,656,700	5,199,270

2. Difference between the aggregate amount of profit or loss by reportable segments and the quarterly consolidated financial statement amounts and major descriptions of such difference (difference adjustments and related matters)

(Thousands of yen)

Income	Amount
Reportable segments total	5,199,270
Corporate expenses (Note)	(474,261)
Operating profit on quarterly consolidated statement of income	4,725,008

Note: Corporate expenses mainly consist of general and administrative expenses of the holding company not attributable to the reportable segments.

3. Information about impairment loss of non-current assets or goodwill by reportable segment

Not applicable.

II Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

1. Information on the amounts of net sales, profit or loss by reportable segment

(Thousands of yen)

	Reportable segments			Total
	ECS	SHP	ER	
Net sales				
Sales to external customers	7,345,339	3,195,962	14,318,547	24,859,850
Intersegment sales or transfers	—	—	—	—
Total	7,345,339	3,195,962	14,318,547	24,859,850
Segment profit	3,151,667	350,547	2,154,757	5,656,972

2. Difference between the aggregate amount of profit or loss by reportable segments and the quarterly consolidated financial statement amounts and major descriptions of such difference (difference adjustments and related matters)

(Thousands of yen)

Income	Amount
Reportable segments total	5,656,972
Corporate expenses (Note)	(611,431)
Operating profit on quarterly consolidated statement of income	5,045,540

Note: Corporate expenses mainly consist of general and administrative expenses of the holding company not attributable to the reportable segments.

3. Information about impairment loss of non-current assets or goodwill by reportable segment

Not applicable.

Subsequent events

Not applicable.