



TSE CODE : 3150



# Supplementary Material Q1 FY 03/2026

grems,Inc. (TSE Code: 3150)

August 6, 2025

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

# **Q1 FY 03/2026 Financial Results**

# Consolidated Financial Highlights (YoY Comparison)



(Million yen)	Q1 FY 03/2025 (Result)		Q1 FY 03/2026 (Result)		YoY change	
	Result	Profit margin (%)	Result	Profit margin (%)	Change	Change (%)
Net sales	7,653		7,962		+309	+4.0%
Gross profit	1,663	21.7%	1,781	22.4%	+118	+7.2%
Ordinary profit	1,709	22.3%	1,789	22.5%	+79	+4.7%
Profit attributable to owners of parent	1,155	15.1%	1,204	15.1%	+48	+4.2%

- Net sales rose 3.9% YoY in the ES Business due to an increase in sales of photo-voltaic systems for business use. It also rose 4.1% YoY in the ER Business due to an increase in the sales volume. This contributed to a 309-million-yen increase of the consolidated net sales (+4.0% YoY).
- Operating profit rose 118 million yen (+7.2% YoY).  
(The reason for the profit increase in the ER Business is discussed on page 6.)
- In each segment, net sales and operating profit were higher than their respective forecast levels. (Consolidated operating profit achieved 24.9% of the full year forecast.)

# Consolidated Financial Highlights (YoY Comparison)



		Q1 FY03/2025 (Realized)		Q1 FY03/2026 (Realized)		YoY change	
(Million yen)		Results	% Sales	Results	% Sales	Change	% Change
Net sales		7,653	100.0%	7,962	100.0%	+309	+4.0%
	ES Business	3,715	48.5%	3,861	48.5%	+146	+3.9%
ER Business		3,938	51.5%	4,101	51.5%	+162	+4.1%
Gross profit		2,816	36.8%	3,036	38.1%	+219	+7.8%
ES Business		2,019	54.4%	2,098	54.3%	+79	+3.9%
	ER Business	797	20.2%	937	22.9%	+140	+17.6%
Gross profit		1,663	21.7%	1,781	22.4%	+118	+7.2%
	ES Business	1,280	34.5%	1,342	34.8%	+61	+4.8%
ER Business		652	16.6%	724	17.7%	+71	+11.0%
	Administrative expenses	-270	-	-285	-	-14	-
Ordinary profit		1,709	22.3%	1,789	22.5%	+79	+4.7%
Profit		1,155	15.1%	1,204	15.1%	+48	+4.2%

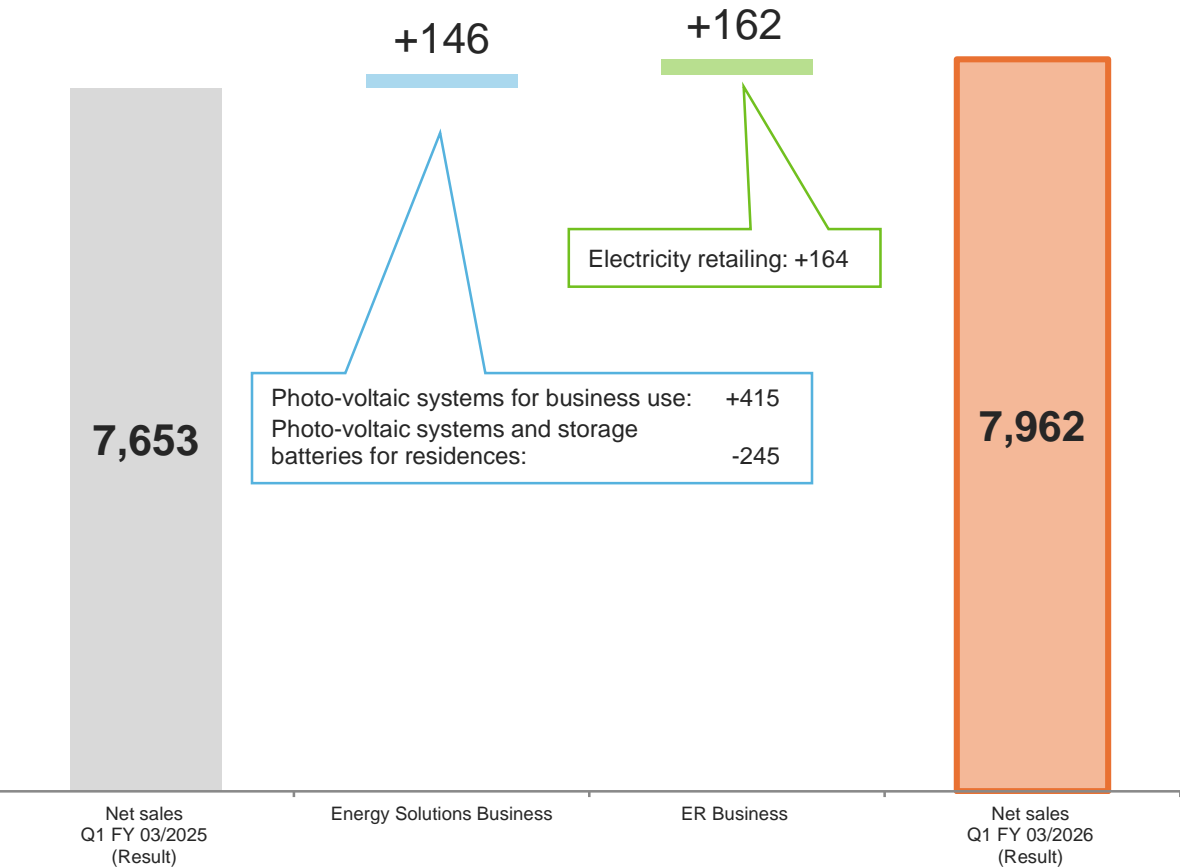
\* Energy Solutions Business (ES Business): GR consulting, Inc., gremz energy, Inc., gremz power, Inc., gremz solar, Inc.  
 Figures for the ES Business in FY 03/2025 are the combined figures from the former ECS Business and former SHP Business  
 \* ER Business: gremz power, Inc., GR consulting, Inc.

# Segment Performance Highlights (Net Sales and Operating Profit)



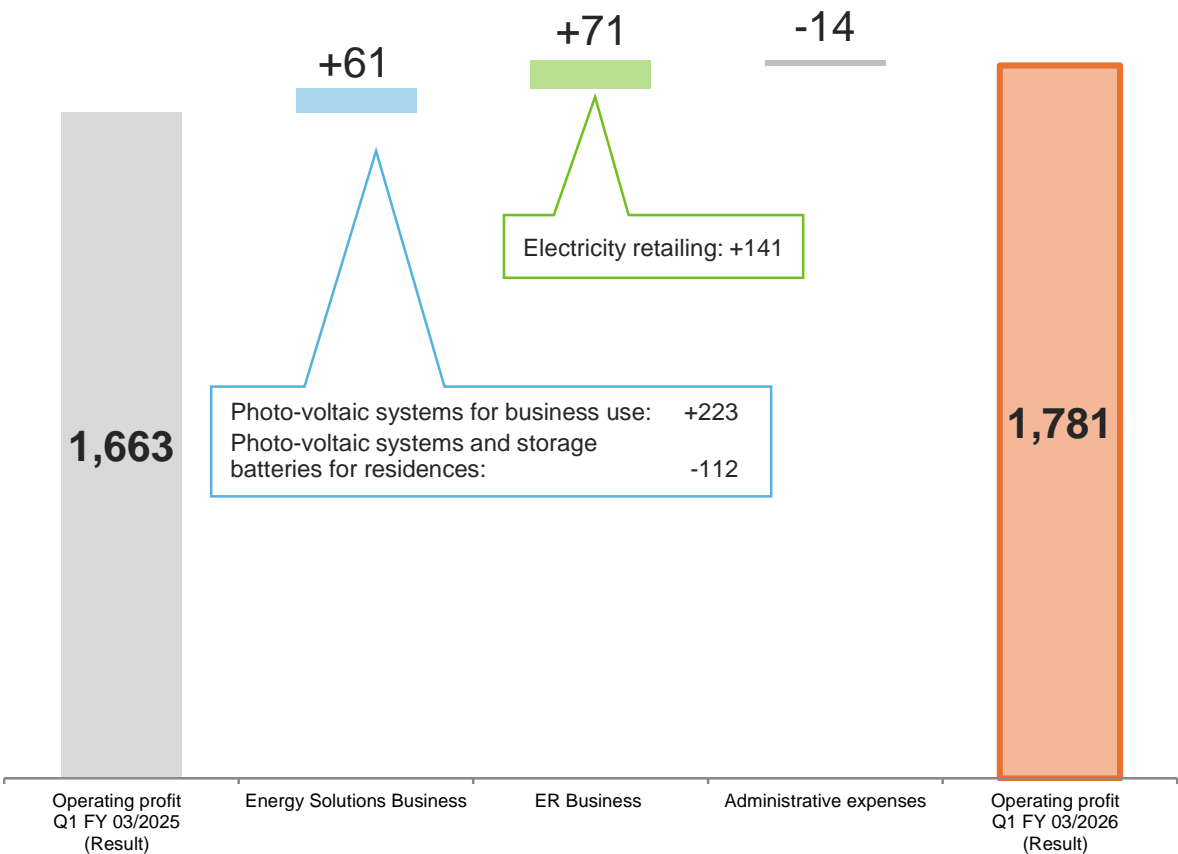
(Million yen)

## Factors for Changes in Net Sales (YoY)



(Million yen)

## Factors for Changes in Operating Profit (YoY)



# Reason for Profit Increase in ER Business

## ■ Reasons for YoY profit increase

Gross profit increased from 797 million yen in the first quarter of the previous year to 937 million yen in the first quarter of the current fiscal year. This 140-million-yen increase includes (1), (2) and (3) below, which total 119 million yen.

### (1) Gross profit increased due to higher sales volume

	Sales volume (MWh)	Impact on gross profit (million yen)
Fiscal year under review	133,164	<b>+139</b>
Previous fiscal year	126,909	

### (2) Decrease of gross profit due to the net effects of market fluctuations (JPY/kWh)

The fluctuations had a negative impact because the market conditions were very favorable in the previous fiscal year.

	Fuel cost adjustment price	Market price	1on1 agreements	Impact on gross profit (million yen)
Fiscal year under review	3.32	10.85	13.58	<b>-181</b>
Previous fiscal year	4.07	10.44	13.42	

### (3) Decrease of capacity market payment <sup>(\*)</sup> (million yen)

The impact of the capacity market on gross profit improved significantly (there is a trade-off relationship with (2)).

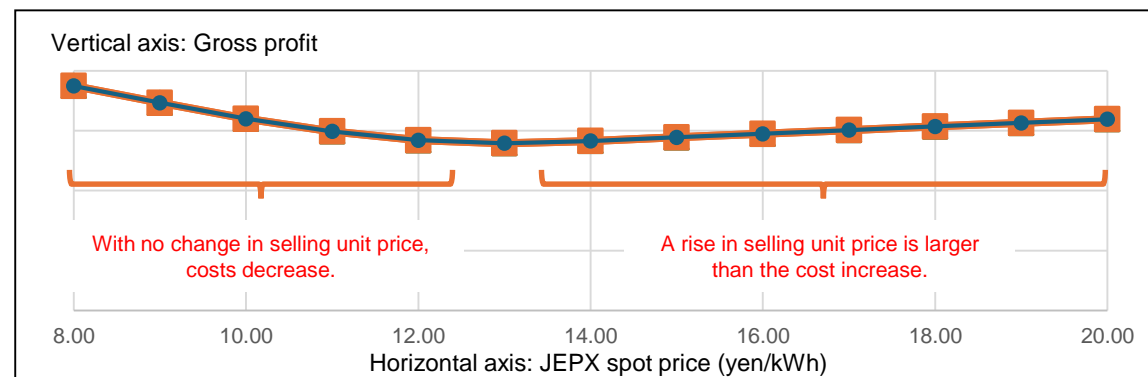
	Sales related to contributions to the capacity market	Cost of capacity contributions	Impact on gross profit (million yen)
Fiscal year under review	98	128	<b>+161</b>
Previous fiscal year	215	406	

\*1 A system that encourages power generation utilities to make the necessary investments in power sources for stable supply and that places the cost burden on electricity retailers and others

## ■ Impact of the changes of the market price of electricity on profit

In low-voltage electricity sales, our proprietary cost adjustment system applies to all customers, according to which when the market price crosses a predetermined threshold around 13 yen per kWh on average the cost starts to be incorporated into selling prices.

The portion in which we covers the risk without passing it to customers is smaller than the portion in which we manage to hedge the risk with power transactions through negotiations and futures. Therefore, the sales rise will be larger than the cost increase if the market price surges, and the sales fall will be smaller than the cost decrease if the market price drops.



### ► Changes in market price (JPY/kWh)

Market price	Apr	May	Jun
Result	10.41	9.62	12.53
Plan	10.98	10.03	11.56
Difference	<b>-0.57</b>	<b>-0.41</b>	<b>+0.97</b>

# Balance Sheet



**With the equity ratio of 64.9%, gremz continues maintaining a good financial position.**

(Million yen)	End of Mar. 2025	End of Jun. 2025	Change	Main factors
Current assets	21,518	19,964	-1,553	Cash and deposits -705 Accounts receivable – trade -716 Merchandise -209
Non-current assets	4,516	4,799	+283	Construction in progress +320
Total assets	26,034	24,764	-1,270	
Current liabilities	7,048	5,406	-1,641	Accounts payable - trade -552 Accounts payable - other -407 Income taxes payable -830
Non-current liabilities	2,676	3,200	+523	Long-term borrowings +534
Total liabilities	9,725	8,607	-1,117	
Total net assets	16,309	16,156	-152	Comprehensive income +1,210 Dividend on retained earnings -1,363
Total liabilities and net assets	26,034	24,764	-1,270	

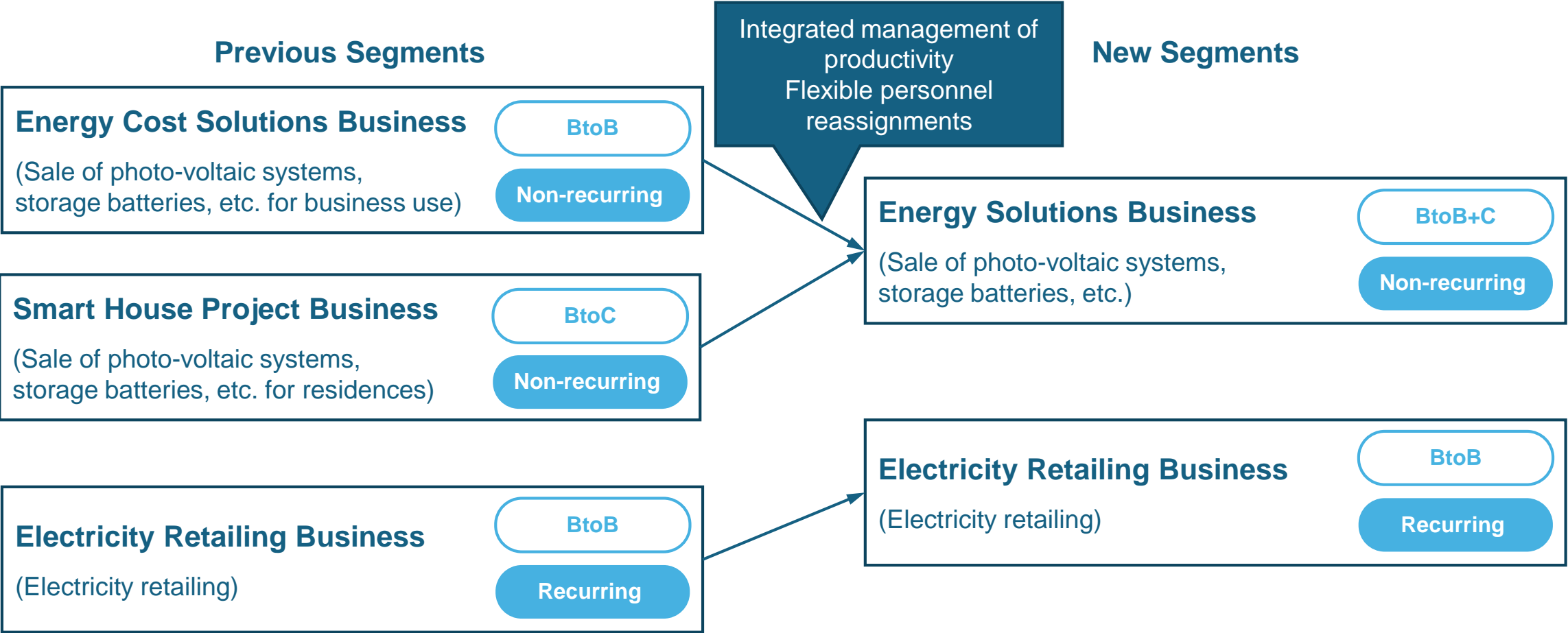
# **Financial Results and Dividend Forecast for FY03/2026**



# Changes to Business Segments (From FY03/2026)



To enhance the efficiency of human capital, we will integrate the ECS Business with the SHP Business, forming the renamed Energy Solutions (ES) Business.



## ■ Energy Solutions Business

We install photovoltaic power generation systems on the roofs of factories and other facilities, mainly for small and medium-sized businesses, and use the electricity generated at the factories for self-consumption, thereby reducing electricity costs.

By enhancing the cross-selling of storage batteries to sites where we have installed these photovoltaic power generation systems (a cumulative 4,500 installations to date), we aim to enhance the lifetime value of customers and realize steady growth.

## ■ Electricity Retailing Business

The risk hedging measures implemented in the previous fiscal year have been reproduced, and since the market environment has slightly improved from the previous fiscal year, we expect to be able to generate stable recurring revenue.

By proactively investing in human resources, we will increase in the number of supply contracts from the previous fiscal year at a higher pace, aiming for growth from a medium-term perspective.

## ■ Company-wide Results

We will actively invest in human resources and expect to record a new record high in operating profit in FY03/2026, benefiting from expansion of the ES Business and steady growth in the ER Business.

# Results Forecasts for FY 03/2026



(Million yen)	Q1 FY 03/2026 (Realized)		H1 FY 03/2026 (Forecast) (Announced 5/15/2025)		FY 03/2026 (Forecast) (Announced 5/15/2025)		Q1 progress (% of the full year forecast)	FY 03/2025 (Realized)	
	Results	% Sales	Results	% Sales	Results	% Sales		Results	% Sales
Net sales	7,962	100.0%	17,387	100.0%	35,816	100.0%	22.2%	33,340	100.0%
ES Business	3,861	48.5%	7,497	43.1%	15,346	42.8%	25.2%	13,939	41.8%
ER Business	4,101	51.5%	9,889	56.9%	20,469	57.2%	20.0%	19,401	58.2%
Gross profit	3,036	38.1%	6,050	34.8%	12,312	34.4%	24.7%	10,984	32.9%
ES Business	2,098	54.3%	4,214	56.2%	8,478	55.2%	24.8%	7,502	53.8%
ER Business	937	22.9%	1,836	18.6%	3,834	18.7%	24.5%	3,481	17.9%
Operating profit	1,781	22.4%	3,510	20.2%	7,150	20.0%	24.9%	6,500	19.5%
ES Business	1,342	34.8%	2,598	34.7%	5,159	33.6%	26.0%	4,533	32.5%
ER Business	724	17.7%	1,395	14.1%	2,924	14.3%	24.8%	2,798	14.4%
Administrative expenses	▲285	-	▲482	-	▲932	-		▲832	-
Ordinary profit	1,789	22.5%	3,553	20.4%	7,195	20.1%	24.9%	6,645	19.9%
Profit	1,204	15.1%	2,396	13.8%	4,865	13.6%	24.8%	4,558	13.7%

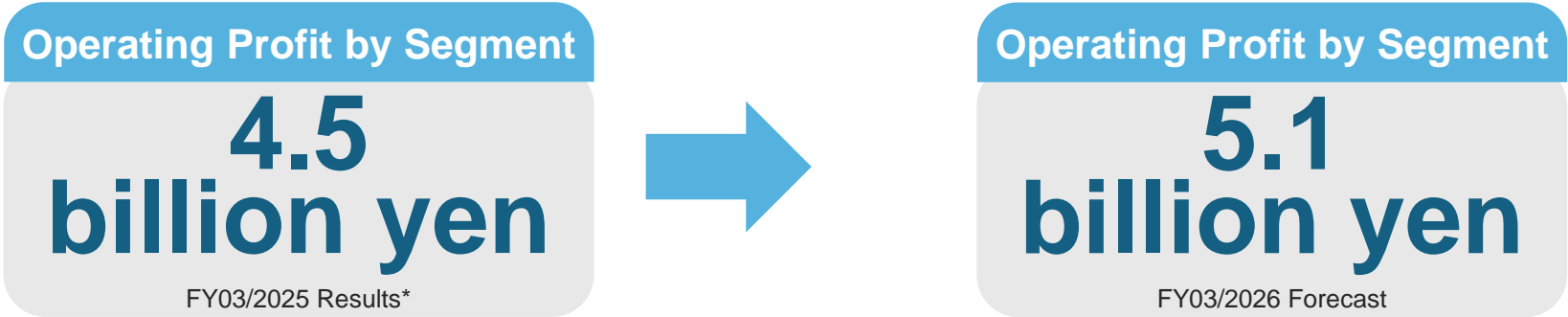
\* Energy Solutions Business (ES Business) : GR consulting, Inc., gremz energy, Inc., gremz power, Inc., gremz solar, Inc.  
 Figures for the ES Business in FY 03/2025 are the combined figures from the former ECS Business and former SHP Business  
 \* Electricity Retailing Business (ER Business): GR consulting, Inc., gremz power, Inc.

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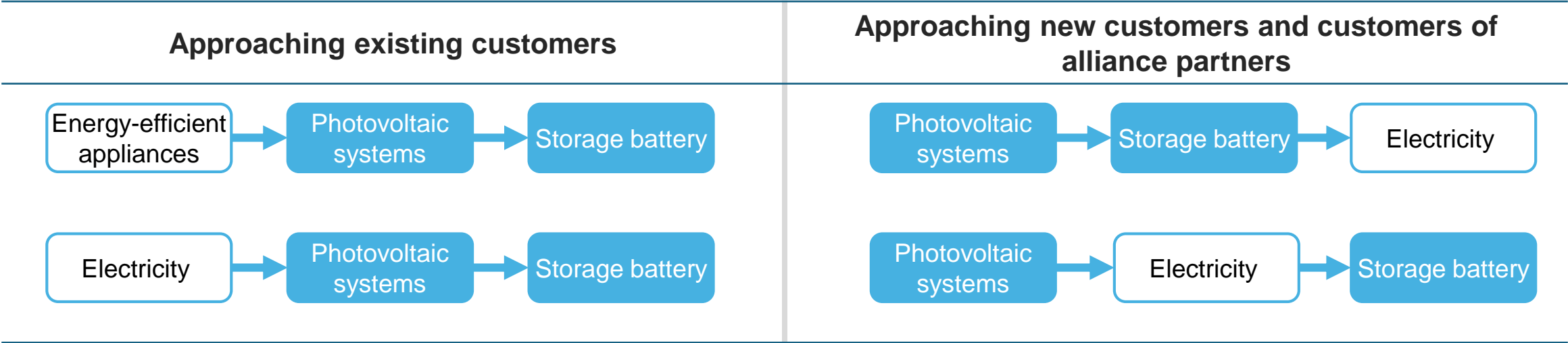
# Energy Solutions Business



Through cross-selling, we will realize steady growth with sales methods that enhance the lifetime value of customers.



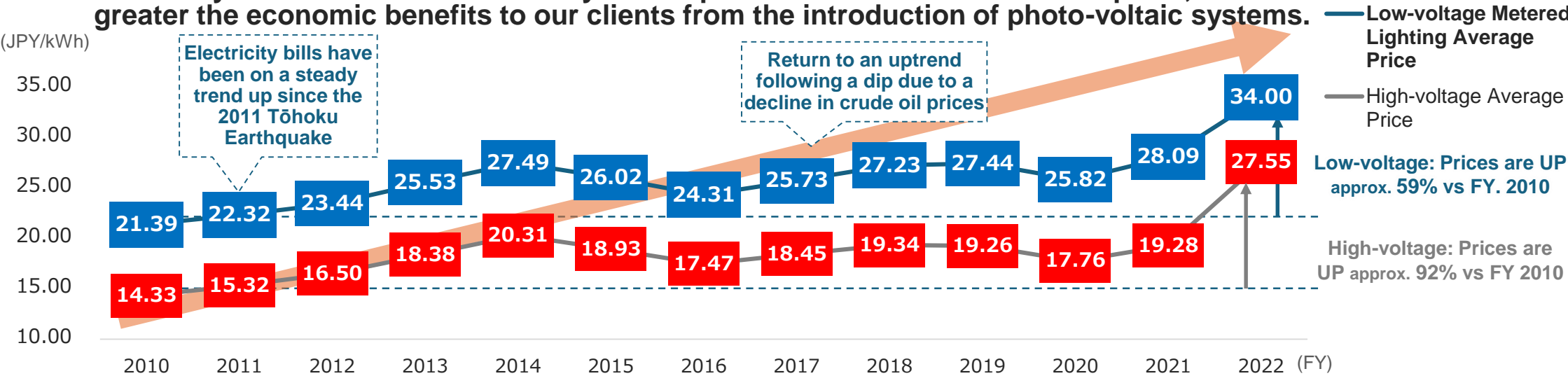
\* FY 03/2025 result is sum total of former ECS business and SHP business



# Reasons for Growth of Photo-Voltaic Systems for business use



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 2025)

		Unit	Price (Incl. tax)
Base electricity fee		kVA	311.75 yen
Electricity usage	~120kWh	kWh	29.80 yen
	120~300kWh	kWh	36.40 yen
	300kWh~	kWh	40.49 yen
Fuel adjustment amount		kWh	Variable month/month
Renewable energy surcharge		kWh	3.98 yen

## Electricity bills for competitors' target client group (high-voltage)

TEPCO Energy Partner, Inc. High-voltage Plan A (As of May 2025)

		Unit	Price (Incl. tax)
Base electricity fee		kVA	1,466.50 yen
Electricity usage	Summer	kWh	19.76 yen
	Other	kWh	18.63 yen
Fuel adjustment amount		kWh	Variable month/month
Renewable energy surcharge		kWh	3.98 yen

Economic benefits

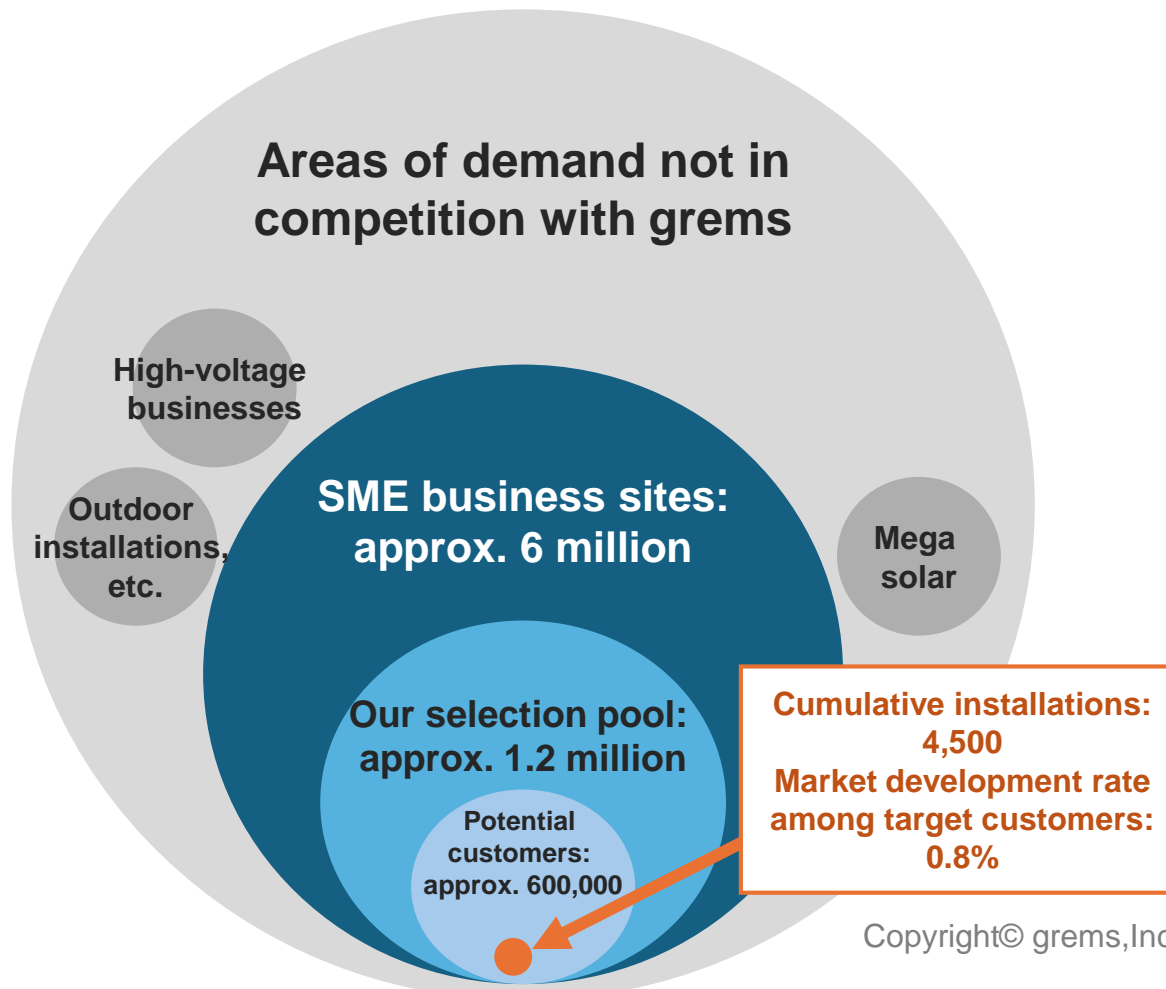
Larger >> Smaller

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.

# Positioning and Potential Market for Business-use Photovoltaic Systems



- Are target market is SMEs, and the main reason for customer installations is the strong need to reduce electricity rates
- Our current customer development record has only reached 0.8% of potential customers, leaving ample room for expansion



- Among SMEs, we mainly target the manufacturing (factories, etc.), agriculture and livestock (livestock housing structures, etc.) and service (restaurants, etc.) industries
- There is a broad base of SMEs with enormous potential demand. There are around 6 million low-voltage (200V) electricity contract subscribers, mainly with businesses, and most are estimated to be SMEs
- Due to roof shape and other factors, roughly 20% of the 6 million subscribers are estimated to be in a position to select photovoltaic systems, and half of these, or 600,000, are considered to be potential customers. Cumulatively we have performed around 4,500 installations (1,700 in FY 03/2025), meaning our market development rate is only 0.8%
- While there are no major competitors in this sector and we consider ourselves to be a front-runner in the market, with a market share of just 0.8% there is still ample room for growth.
- Demand for off-site outdoor photovoltaic systems and small-scale sites belonging to major companies, such as convenience stores, fall outside our target market

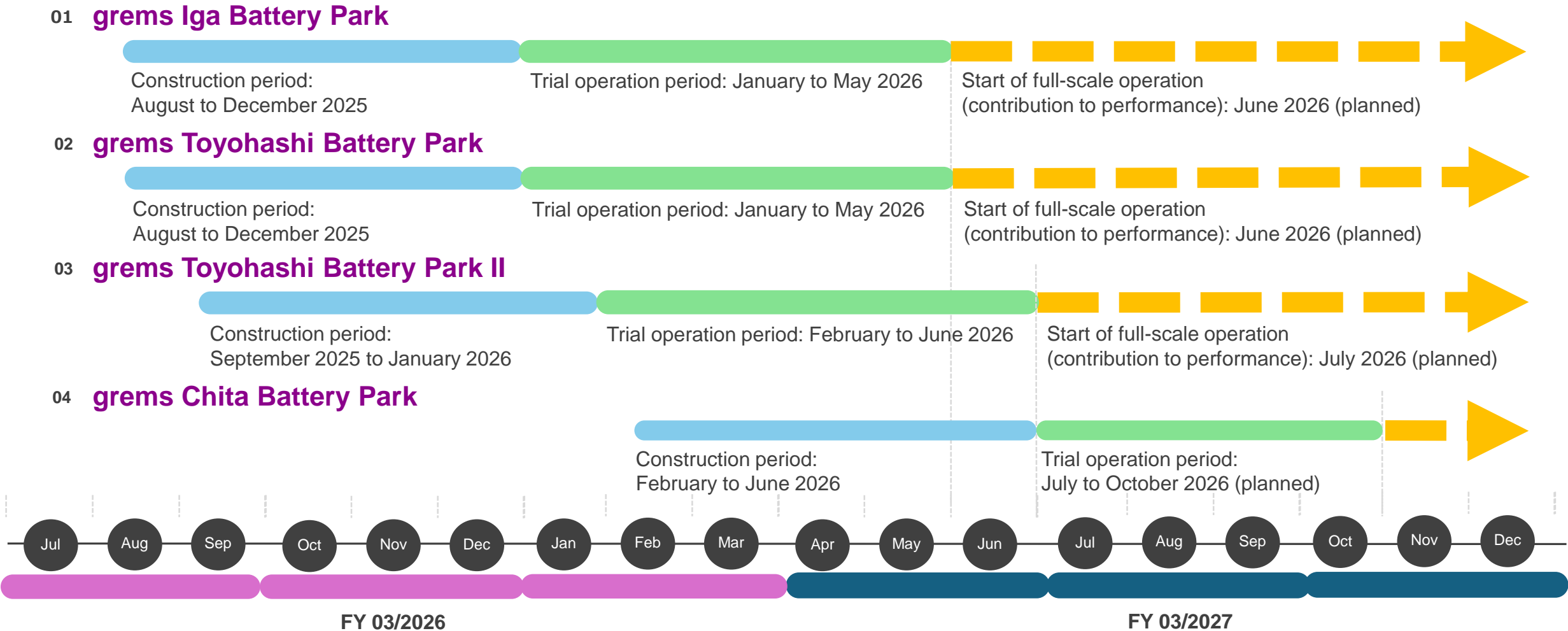




# Progress in the Grid Storage Battery Business



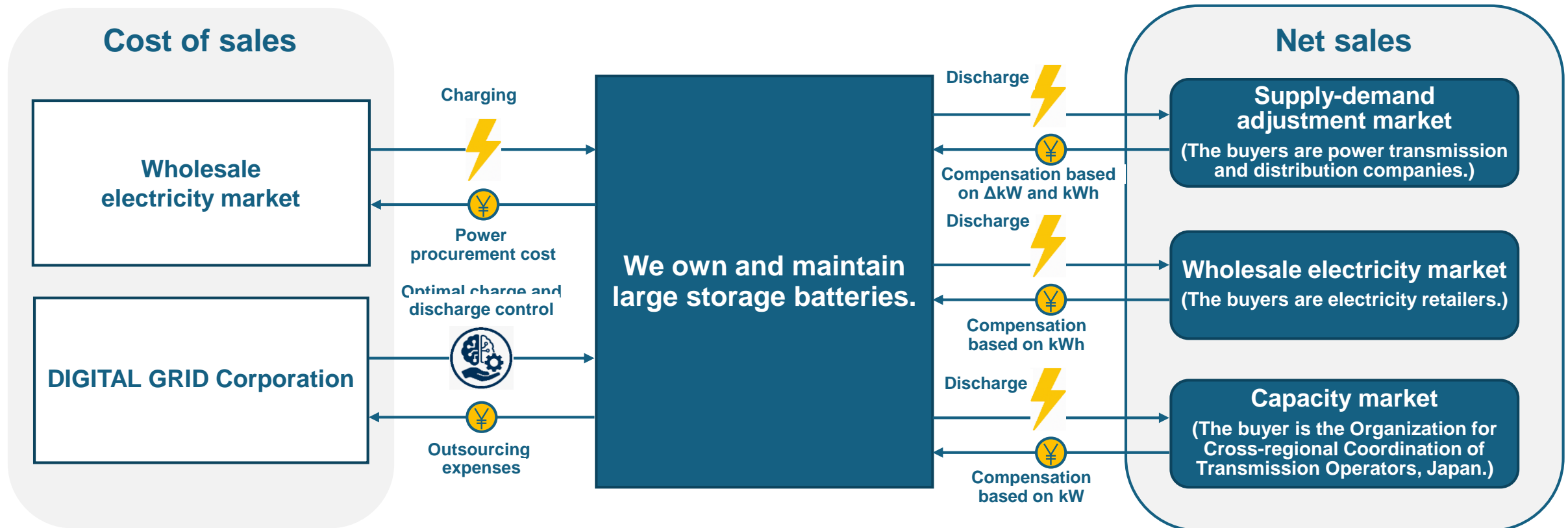
Construction of high-voltage power storage stations (2 MW/8 MWh) is under way at four locations across Japan. Additional projects at several locations are under consideration.





# Grid Storage Battery Business Model

- The electricity supply and demand adjustment market was established in 2021. In particular, we began trading primary reserve with high added value, for which the advantages of storage batteries have been demonstrated, as recently as in FY2024. Accordingly, the bid amount has fallen short of the amount of capacity offered at present.
- The need for power grid storage batteries to ensure the stability of supply and demand is a result of the popularization and expansion of renewable energy



# Generation of Stable Recurring Revenue in Electricity Retailing Business



## Strategy ①: Selectively receive orders from customers with low Load Factor.

We will leverage our strength in push marketing to selectively win orders from customers with comparatively low procurement risk and a high potential profit margin.

### Customers with high load factors

Basic fee (fixed according to capacity)
Electricity use charge
As the proportion of basic rates decreases, basic rates per kWh declines, leading to fall in unit sales prices

### Customers with low load factors

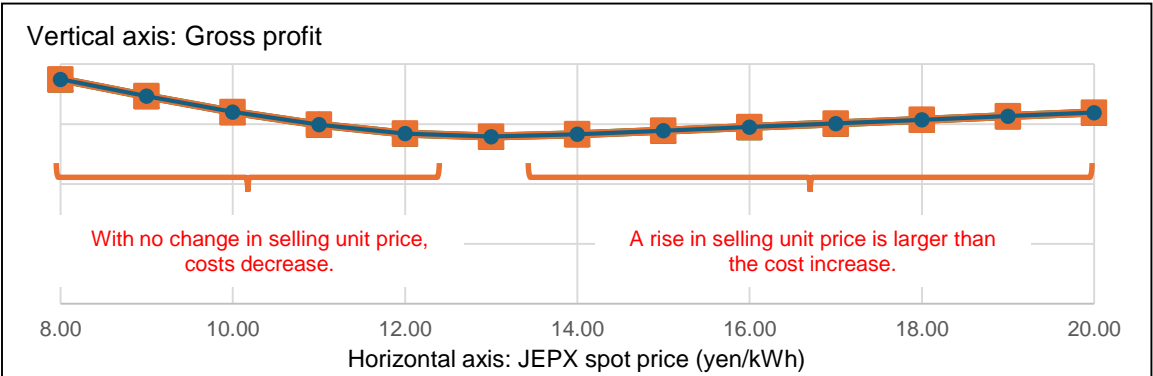
Basic fee (fixed according to capacity)
Electricity use charge
As the proportion of basic rates increases, basic rates per kWh increases, leading to a raise in unit sales prices

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

## Strategy ②: Implement highly reproducible risk-hedging measures.

In low-voltage electricity sales, our proprietary cost adjustment system applies to all customers, according to which when the market price crosses a predetermined threshold around 13 yen per kWh on average the cost starts to be incorporated into selling prices.

As in the previous fiscal year, the portion in which we cover the risk without passing it to customers is smaller than the portion in which we hedged the risk with power transactions through negotiations and futures. Therefore, the sales rise will be larger than the cost increase if the market price surges, and the sales fall will be smaller than the cost decrease if the market price drops.



**Market environment: In FY03/2026, market conditions will improve slightly overall even though negotiated prices are higher than those a year earlier.**

Procurement type	FY 03/2024 Results	FY 03/2025 Initial forecast	FY 03/2025 Results	FY 03/2026 Forecast
Market price	11.50 yen/kWh	13.71 yen/kWh	13.56 yen per kWh	12.84 yen/kWh
1-on-1 agreement	22.31 yen/kWh	12.91 yen/kWh	13.14 yen/kWh	14.22 yen/kWh
Amount of contribution to the capacity market borne	0.00 yen/kWh	2.80 yen/kWh	2.77 yen/kWh	0.72 yen/kWh

\* Market price in FY03/2025 initial forecast is weighted average of the price of electricity on the TOCOM futures market as of 4/30/2024, based on gremz procurement forecast.  
Market price in FY03/2026 forecast is weighted average of the price of electricity on the TOCOM futures market as of 4/22/2025, based on gremz procurement forecast.

# Multiple License Strategy for the ER Business



- GR Consulting has obtained a license and began supply services in April 2025
- gremz Power specializes in the ER Business, and excels in building Group-wide expertise and cultivating customers through electricity services
- GR Consulting excels in efficient customer development through alternative sales channels by focusing concurrently on the ER Business and photovoltaic systems for business use



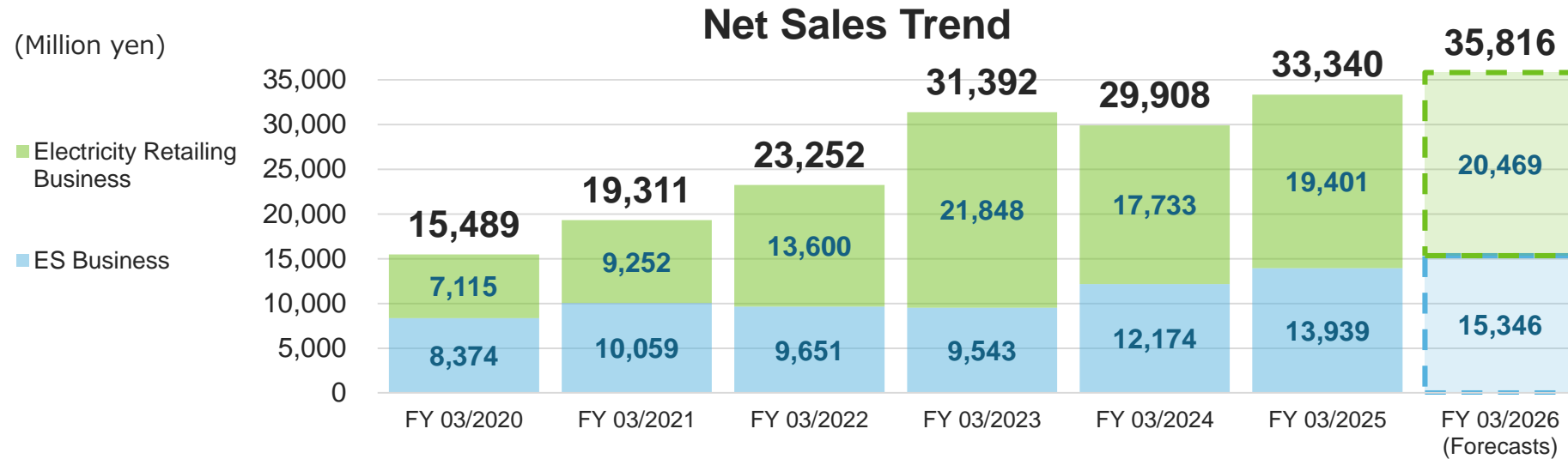
Sharing of Expertise  
and Knowledge



Registration No.	A0372
Registration Date	November 22, 2016
Start of Supply Services	February 2017
Characteristics	Specialists in ER Business Strength in cultivating customers through electricity services

Registration No.	A0910
Registration Date	November 18, 2024
Start of Supply Services	April 2025
Characteristics	Strength in package sales with photovoltaic systems for business use

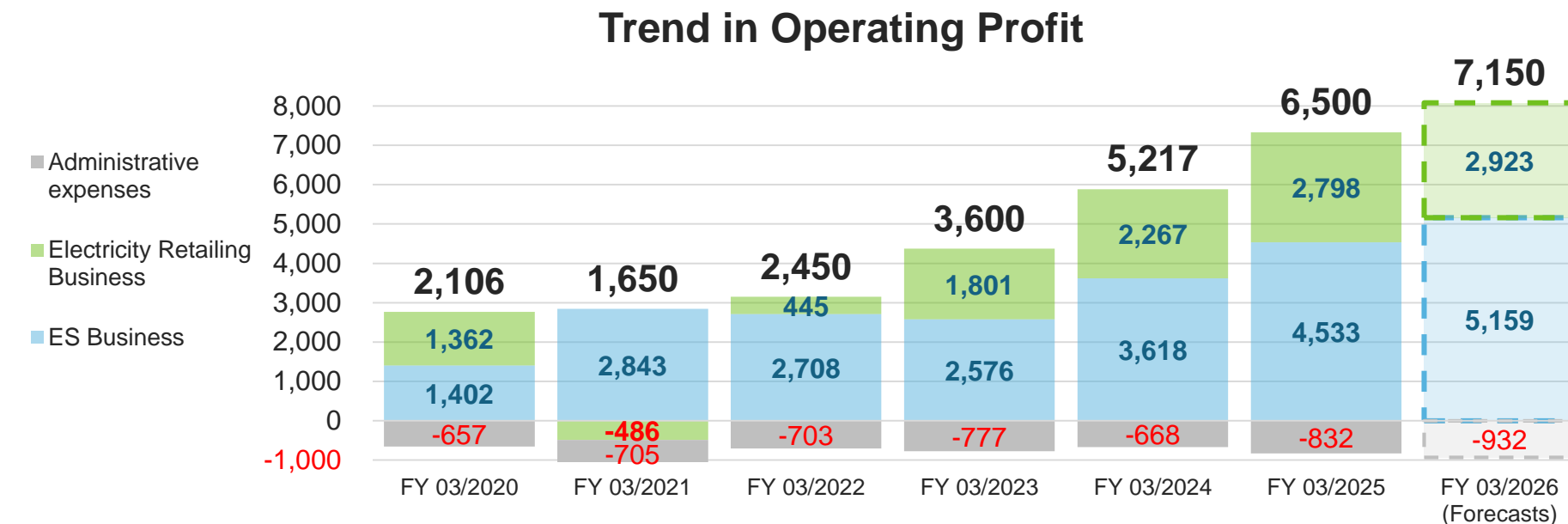
# Consolidated Financial Highlights (Net Sales / Operating Profit)



## FY 03/2026 Plan

- Net sales: 35,816 million yen (YoY +7.4%)
- Operating profit: 7,150 million yen (YoY +10.0%)

**Record-high net sales and profit**

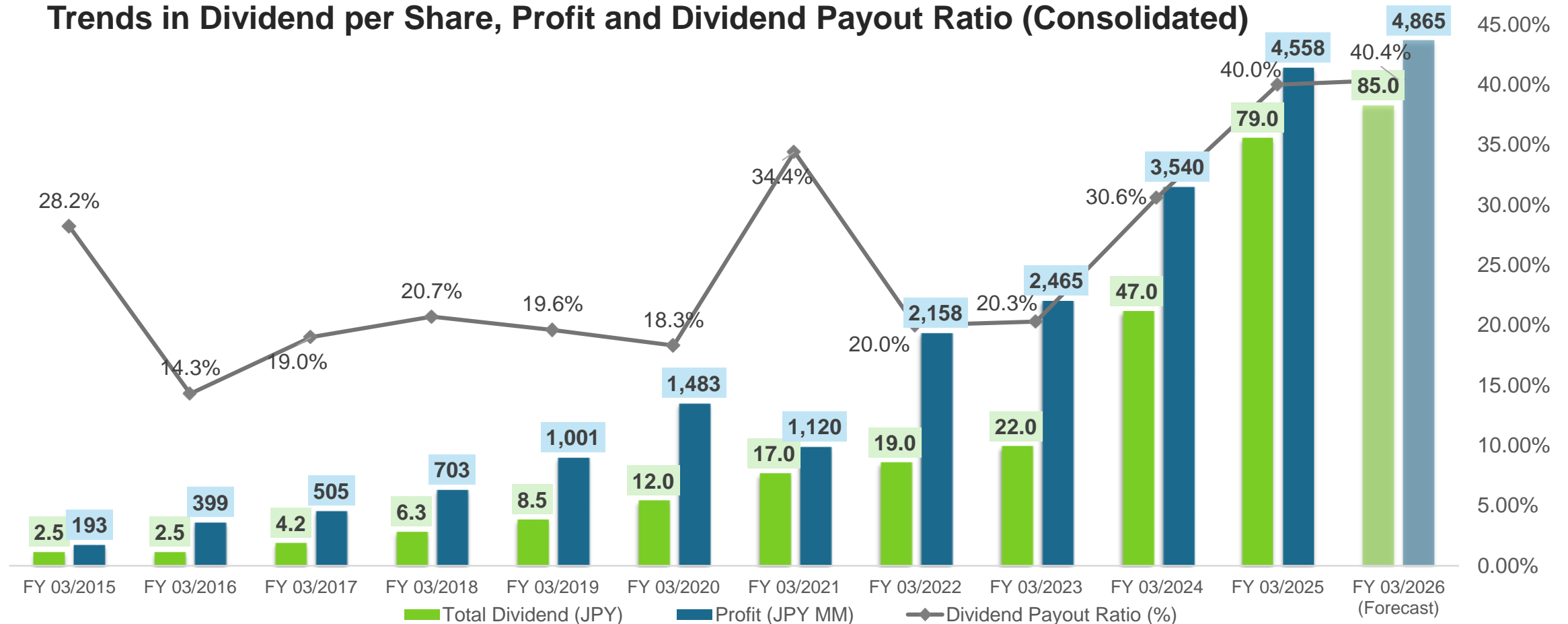


\* Figures for the ES Business in up to and including FY 03/2025 are the combined figures from the former ECS Business and former SHP Business

# Dividend Forecast for FY 03/2026

Since FY 03/2025 we have issued dividends based on a target dividend payout ratio of 40%  
Our dividend forecast for FY 03/2026 includes an interim dividend of 25 yen and a year-end dividend of 60 yen

## Trends in Dividend per Share, Profit and Dividend Payout Ratio (Consolidated)



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

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# ESG at grems,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.
- grems 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, grems' Compliance and Risks 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.



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