



TSE Code : 3150

Supplementary Material Q1 FY 03/2027

GREMS, Inc. (TSE Code: 3150)

August 5, 2026

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



GREMS

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01 Q1 FY 03/2027 Financial Results

Net sales

¥8,532 M

YoY(*1) +7.2%

Progress against full-year forecast: 23.0%

Operating profit

¥1,987 M

YoY(*1) +11.5%

Progress against full-year forecast: 25.2%

Net sales

Increased due to an increase in the selling unit price in the Electricity Retailing Business following the increase in the market price due to the situation in the Middle East.

Operating profit

Increased, mainly because of the reduction of SGA expenses following the contraction of the former SHP Business^(*2) and the positive impact of the Electricity Retailing Business, the Grid Storage Battery Business and other businesses.

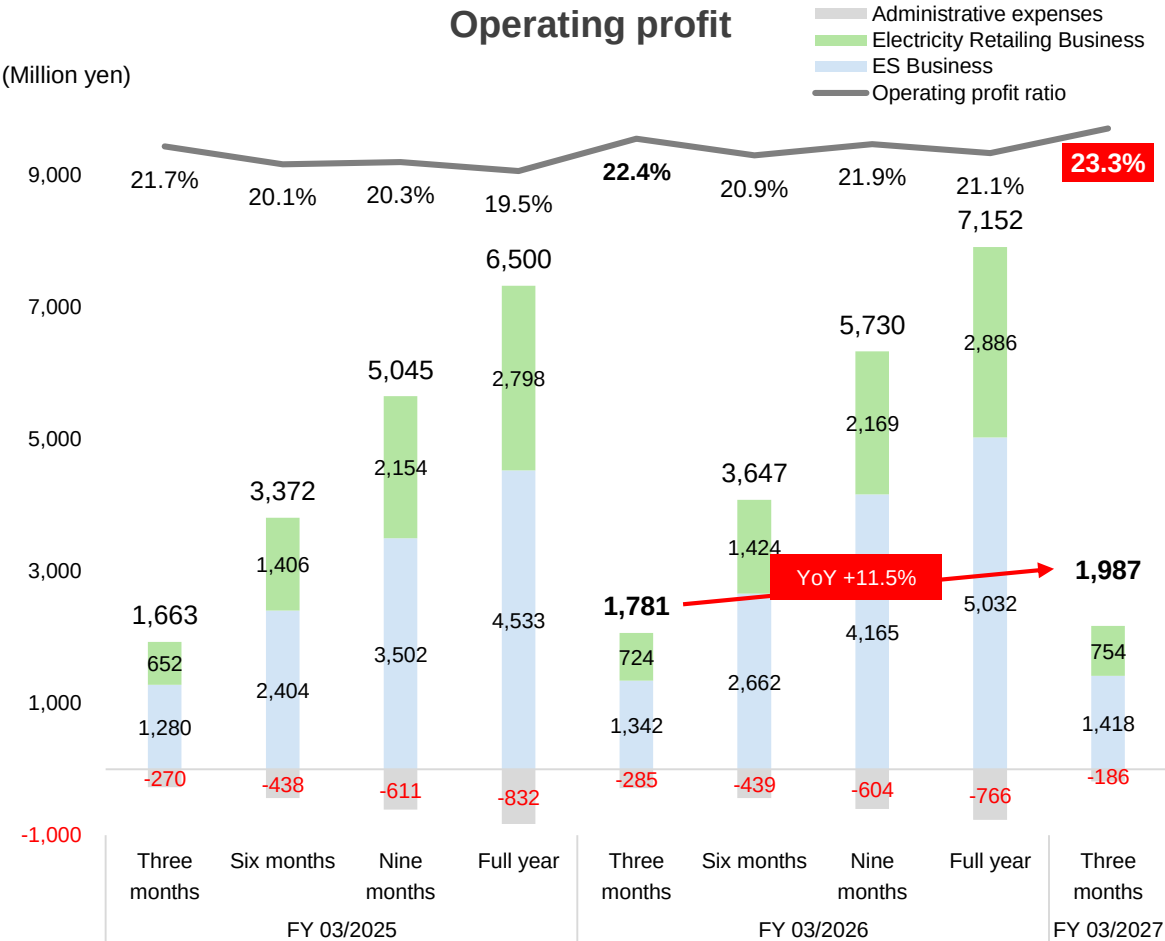
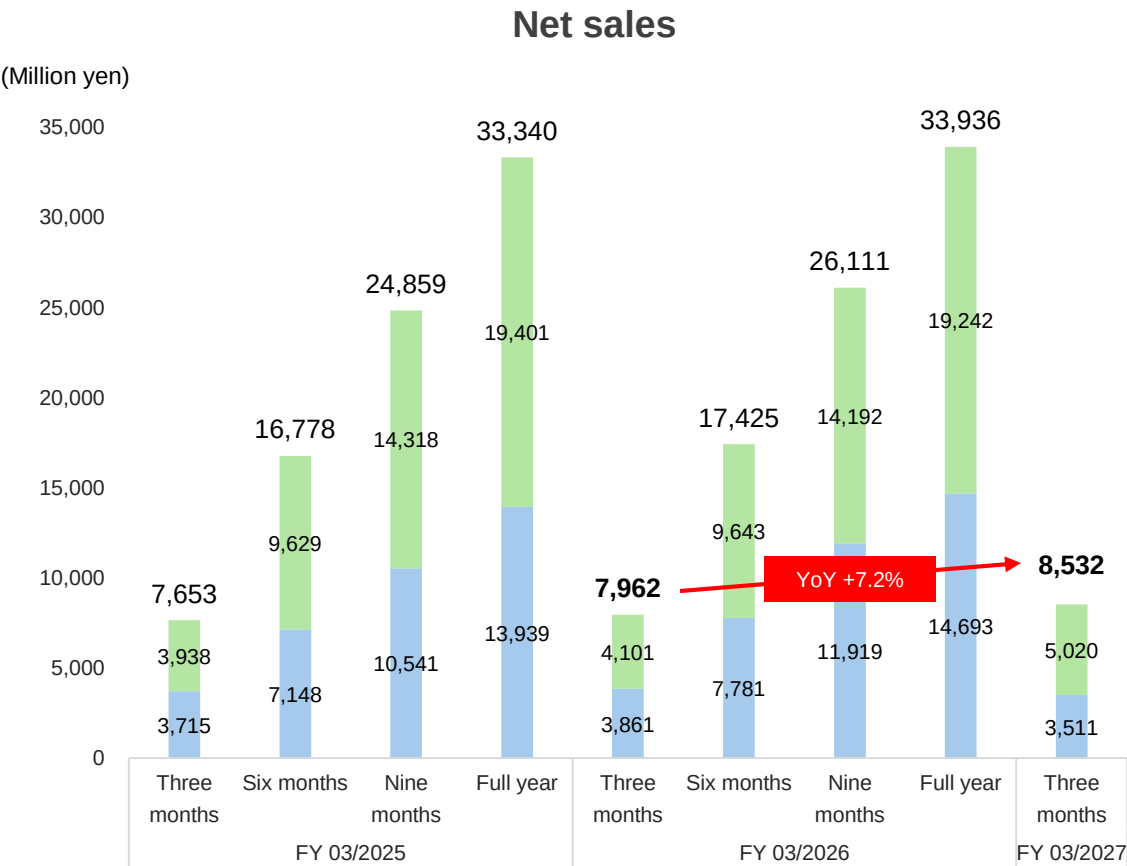
The operating profit margin rose from 22.4% in the same period a year earlier to 23.3%.

*1 YoY change

*2 General consumer business

Quarterly Results Trends (Net Sales and Operating Profit)

Both net sales and operating profit hit record highs for a Q1.



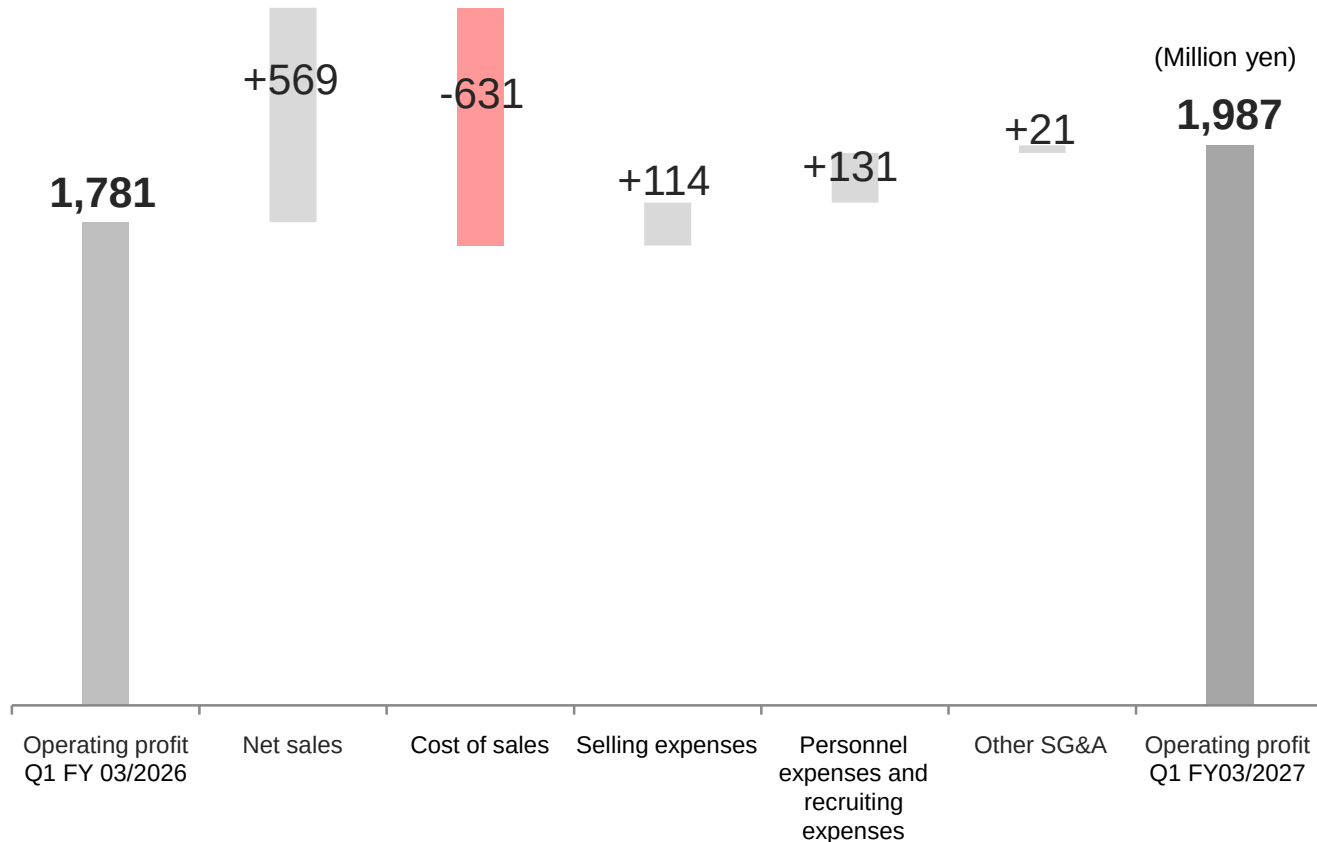
* The figures for the Energy Solutions (ES) Business for FY 03/2025 represent the total of the former ECS Business (business for corporate customers) and the former SHP Business.

Consolidated Financial Highlights (YoY)

Q1 FY03/2026			Q1 FY 03/2027		YoY	
(Million yen)	Results	% Sales	Results	% Sales	Change	% Change
Net sales	7,962	100.0%	8,532	100.0%	+569	+7.2%
ES Business	3,861	48.5%	3,511	41.2%	-350	-9.1%
Electricity Retailing Business	4,101	51.5%	5,020	58.8%	+919	+22.4%
Gross profit	3,036	38.1%	2,974	34.9%	-61	-2.0%
ES Business	2,098	54.3%	2,003	57.1%	-95	-4.5%
Electricity Retailing Business	937	22.9%	971	19.3%	+33	+3.6%
Operating profit	1,781	22.4%	1,987	23.3%	+205	+11.5%
ES Business	1,342	34.8%	1,418	40.4%	+76	+5.7%
Electricity Retailing Business	724	17.7%	754	15.0%	+30	+4.1%
Administrative expenses	-285	-	-186	-	+98	-
Ordinary profit	1,789	22.5%	1,988	23.3%	+199	+11.1%
Profit	1,204	15.1%	1,333	15.6%	+128	+10.7%

Factors for Changes in Operating Profit

Factors for Changes in Operating Profit (YoY)



Net sales

Expansion of business for corporate customers +161

Shrinkage of sales from the former SHP Business -511

Increases in supply contracts, sales volume and selling unit prices +919

Cost of sales

Cost increase following the expansion of the business for corporate customers -52

Cost decrease reflecting decreased sales in the former SHP Business +307

Cost increase following the increase in the sales volume in electricity retailing and an increase in market prices -886

Selling expenses

Decrease due to the decrease in sales in the former SHP Business +92

Personnel expenses and recruiting expenses

Decrease due to the decrease in sales in the former SHP Business +90

Balance Sheet

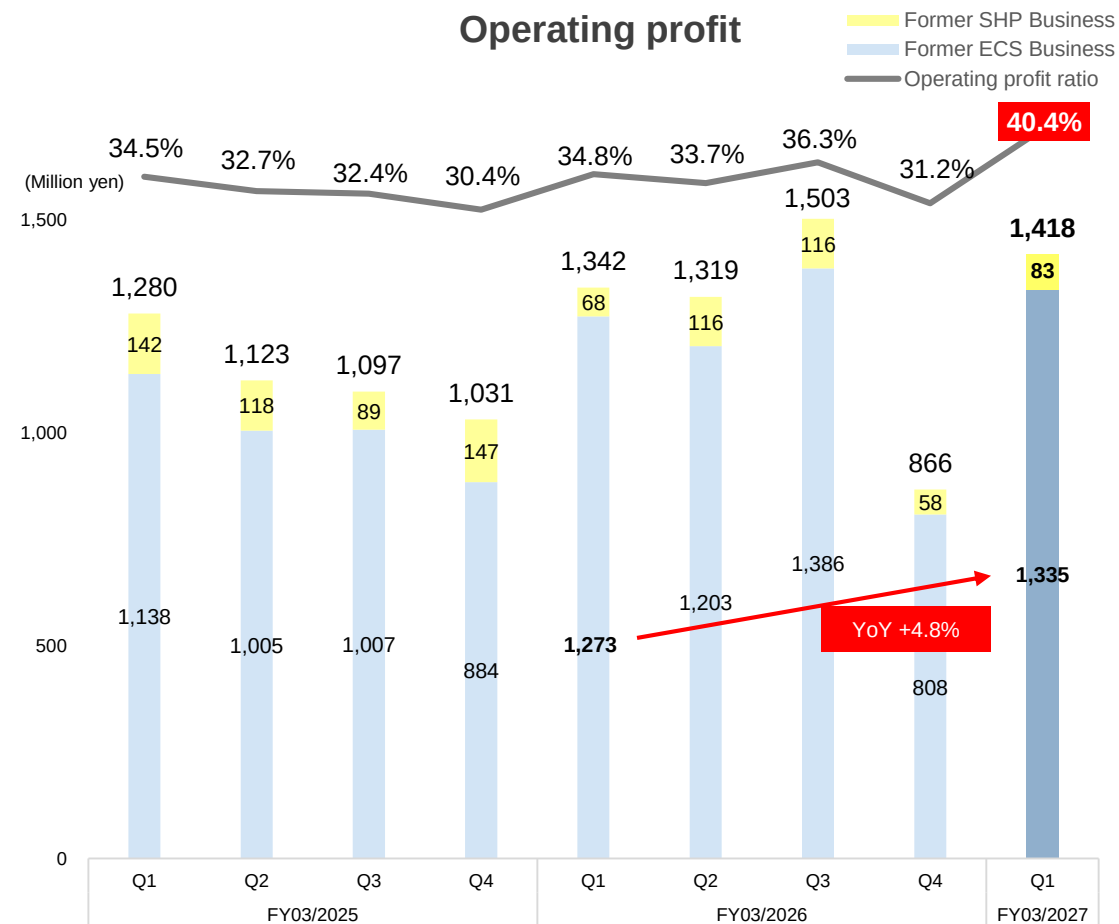
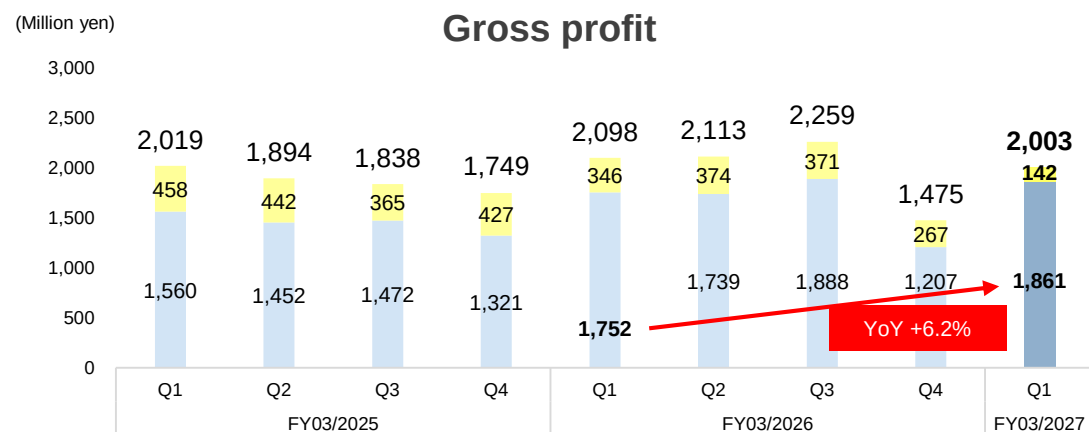
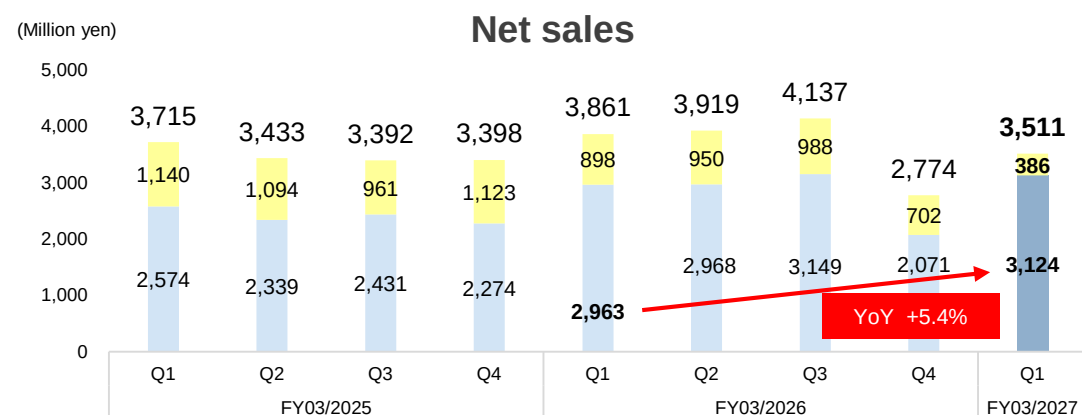
With the equity ratio of 71.1%, GREMS continues maintaining a good financial position.

(Million yen)	03/31/2026	06/30/2026	Change	Main Factors	
Current assets	23,758	22,273	-1,484	Cash and deposits Accounts receivable – trade Merchandise	-1,846 +836 -283
Non-current assets	4,908	4,898	-9		
Total assets	28,666	27,172	-1,494		
Current liabilities	6,462	5,501	-961	Accounts payable - other Income taxes payable	-307 -675
Non-current liabilities	2,645	2,285	-359	Long-term borrowings	-340
Total liabilities	9,108	7,787	-1,321		
Total net assets	19,558	19,385	-173	Comprehensive income Dividend on retained earnings	+1,214 -1,387
Total liabilities and net assets	28,666	27,172	-1,494		

Energy Solutions Business

Quarterly Trends in Energy Solutions Business

The business for corporate customers (former ECS Business) expanded. The breakdown is indicated on a former segment basis.

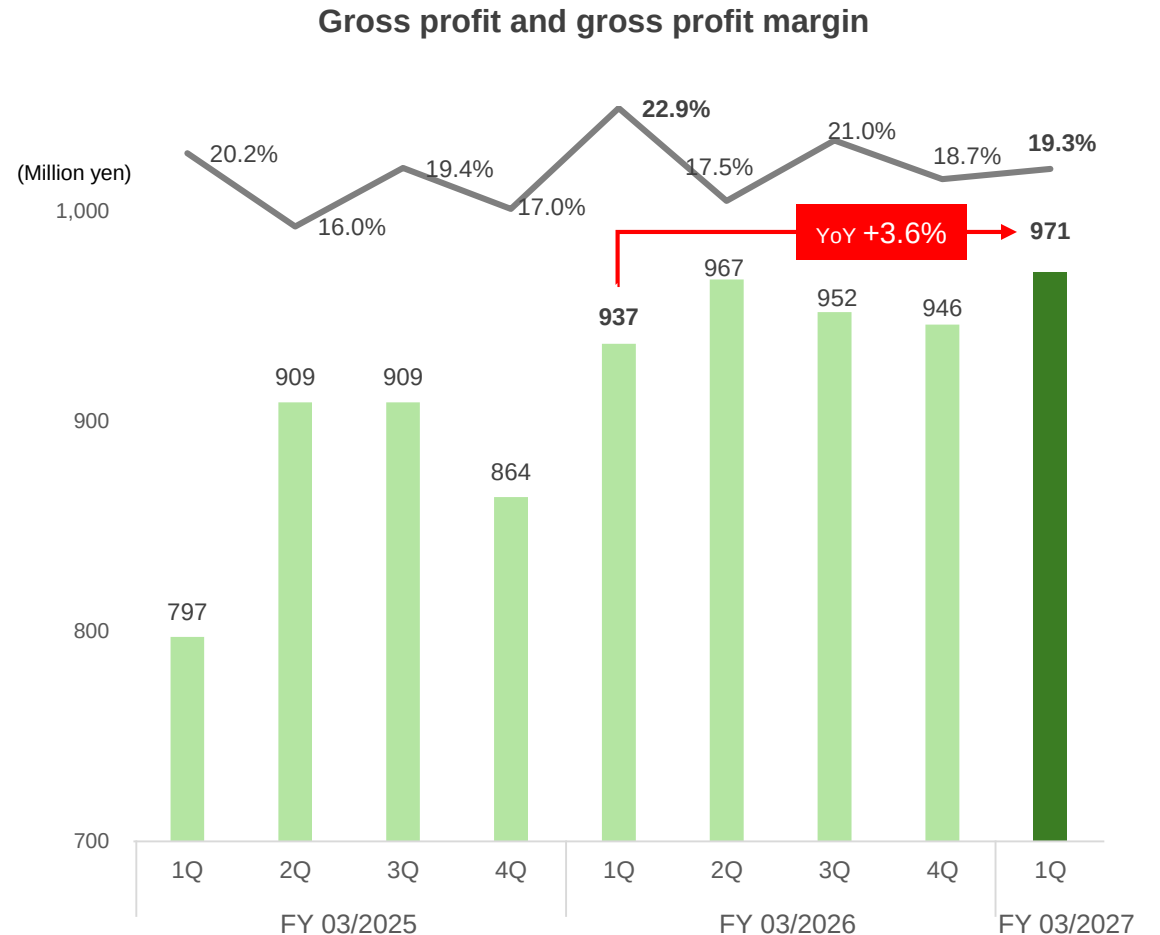
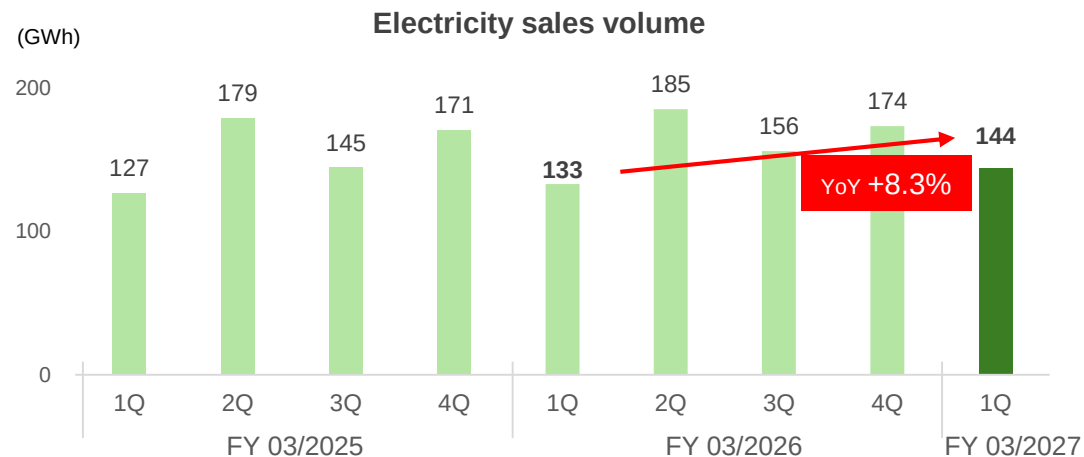
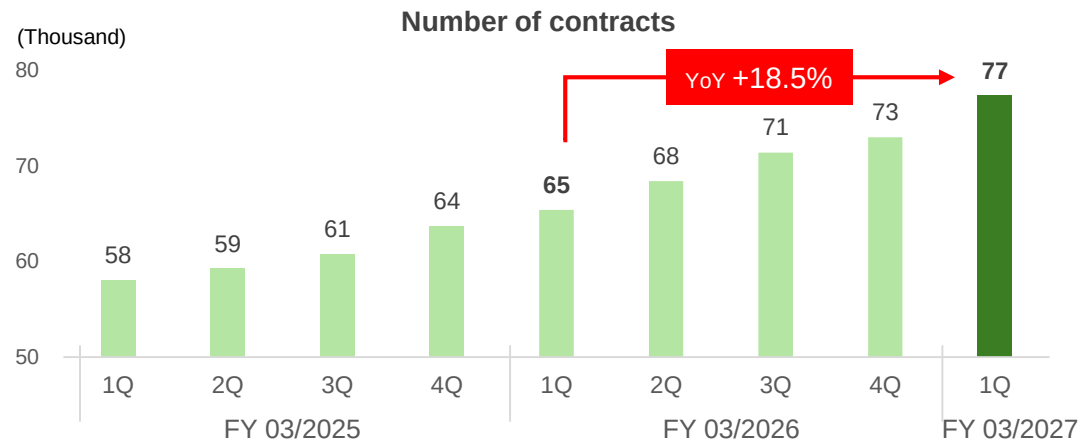


Electricity Retailing Business

Quarterly Trends in Electricity Retailing Business

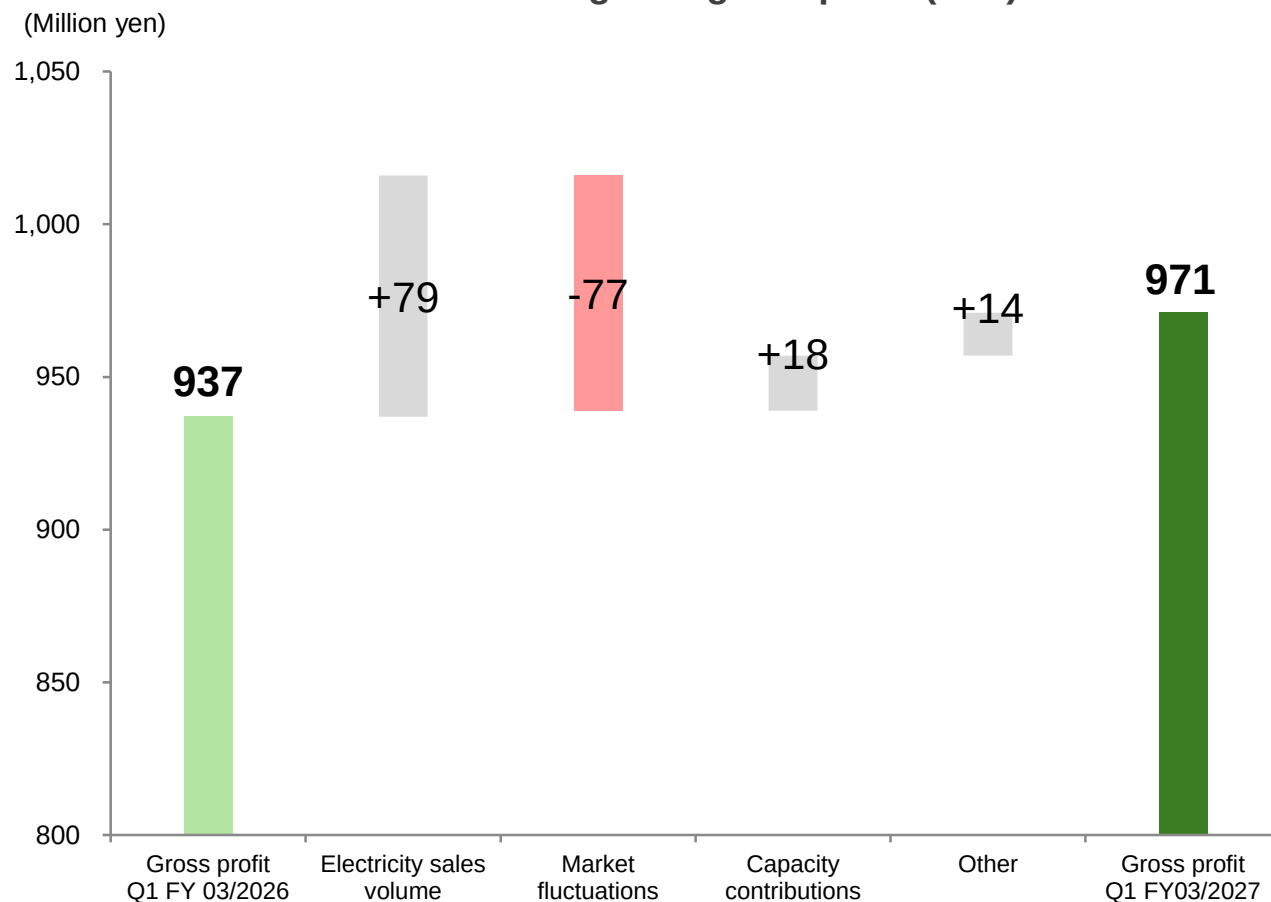
The number of supply contracts increased continuously, reaching 77,000.

The electricity sales volume and gross profit margin are susceptible to seasonal factors, but recurring revenue grew stably.



Factors for Changes in the Electricity Retailing Business

Factors for changes in gross profit (YoY)



The situation in the Middle East had a negative impact in Q1, as it takes three to five months for sales to reflect fuel cost adjustments^(*) and around a half month before they reflect proprietary cost adjustments.^(*)

■ Electricity sales volume

Sales volume (MWh)	
Q1 FY03/2027	143,773
Q1 FY03/2026	133,164

■ Market price fluctuations (yen/kWh)

	Fuel cost adjustment price	Market price	1-on-1 agreement
Q1 FY03/2027	2.42	16.91	11.74
Q1 FY03/2026	3.32	10.85	13.58

■ Capacity market payments^(*) (million yen)

	Sales related to contributions to the capacity market	Cost of capacity contributions
Q1 FY03/2027	237	249
Q1 FY 03/2026	98	128

■ Change in market price (yen/kWh)

Market price	Apr	May	Jun
Result	17.51	16.00	17.22
Plan	17.51	15.64	19.33

*1 A common system for incorporating the fluctuation of thermal power generation fuel costs into the selling unit price

*2 The Company's proprietary system for incorporating a portion of any changes in market prices into the selling unit price

*3 Expenses borne by electricity retailers and others to ensure future supply capacity

02 Financial Results and Dividend Forecast for FY 03/2027

Key Points of Results Forecast for FY 03/2027

ES Business

Expand sales of photo-voltaic systems for business use and cross-sell storage batteries
Phase in the operation of grid power storage stations to establish recurring revenue

Electricity Retailing Business

Accelerate the pace of the increase in supply contracts to enlarge the revenue base
Mitigate market fluctuation risks through proprietary cost adjustments, 1-on-1 contract agreements and engagement in futures transactions

Company-wide Results

It is expected that record-high net sales and profits will be achieved as investments for growth are continued

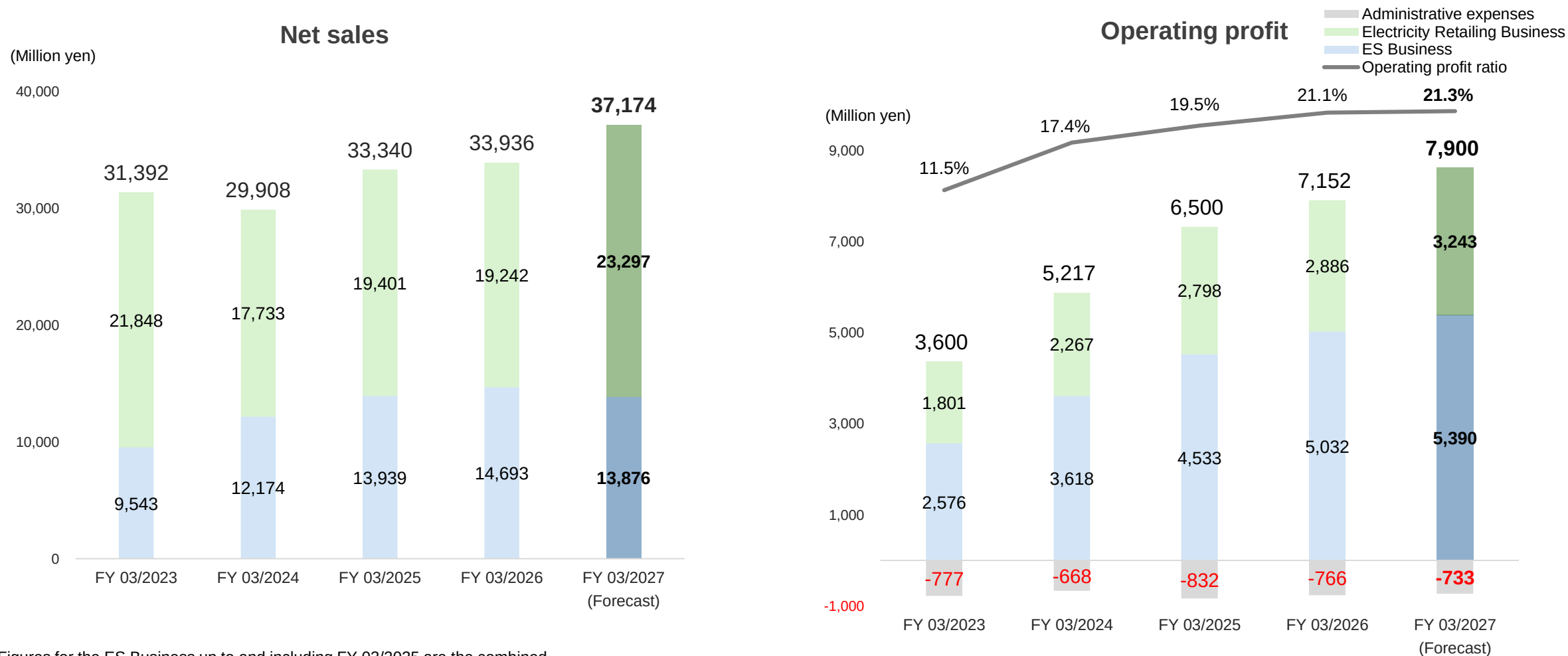
FY 03/2027 Results Forecasts



	Q1 FY 03/2027		1H FY 03/2027 (Forecasts)		FY 03/2027 (Forecasts)		Q1 progress (against full- year forecast)	FY 03/2026	
	(Million yen)	Results	% Sales	Results	% Sales	Results	% Sales	Results	% Sales
Net sales		8,532	100.0%	18,916	100.0%	37,174	100.0%	23.0%	
ES Business		3,511	41.2%	6,918	36.6%	13,876	37.3%	25.3%	
Electricity Retailing Business		5,020	58.8%	11,997	63.4%	23,297	62.7%	21.6%	
Gross profit		2,974	34.9%	5,849	30.9%	11,871	31.9%	25.1%	
ES Business		2,003	57.1%	3,782	54.7%	7,632	55.0%	26.3%	
Electricity Retailing Business		971	19.3%	2,066	17.2%	4,238	18.2%	22.9%	
Operating profit		1,987	23.3%	3,893	20.6%	7,900	21.3%	25.2%	
ES Business		1,418	40.4%	2,664	38.5%	5,390	38.8%	26.3%	
Electricity Retailing Business		754	15.0%	1,594	13.3%	3,243	13.9%	23.3%	
Administrative expenses		-186	—	-365	—	-733	—	25.4%	
Ordinary profit		1,988	23.3%	3,914	20.7%	7,928	21.3%	25.1%	
Profit		1,333	15.6%	2,644	14.0%	5,376	14.5%	24.8%	

Consolidated Results Trends (Net Sales and Operating Profit)

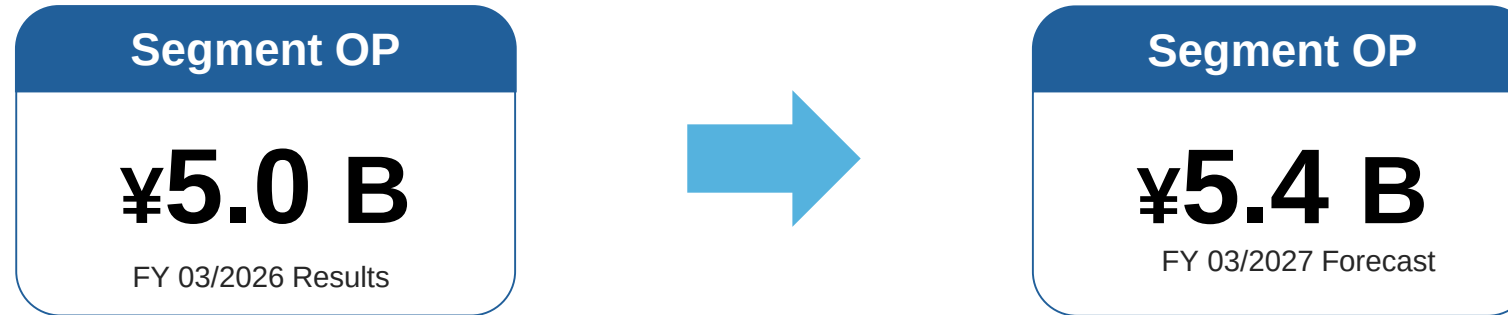
Net sales will rise 9.5% and operating profit 10.5%. It is projected that both hit record highs.



Growth Strategy of ES Business

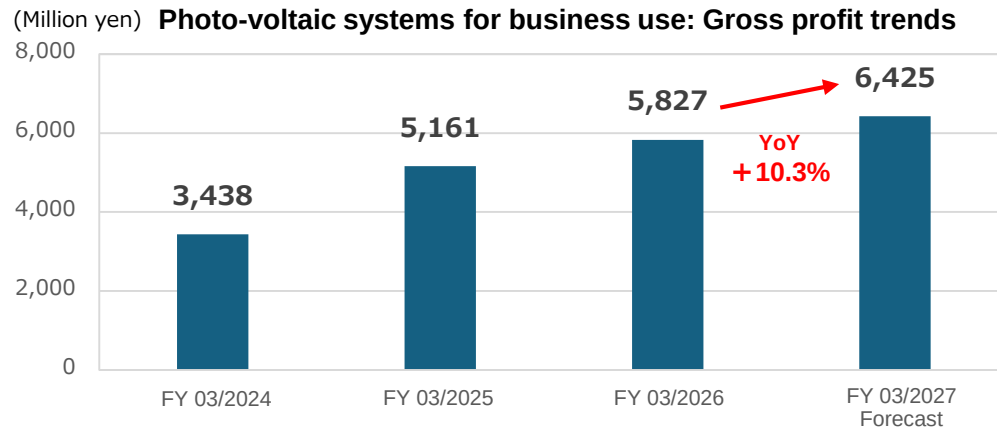
Energy Solutions Business

While lower general consumers sales are expected to reduce profits by ¥300 M, this is offset by steady earnings growth from photo-voltaic systems for business use and our grid power storage stations. Operating profit margin also improved by 4.6 percentage points following structural reforms.



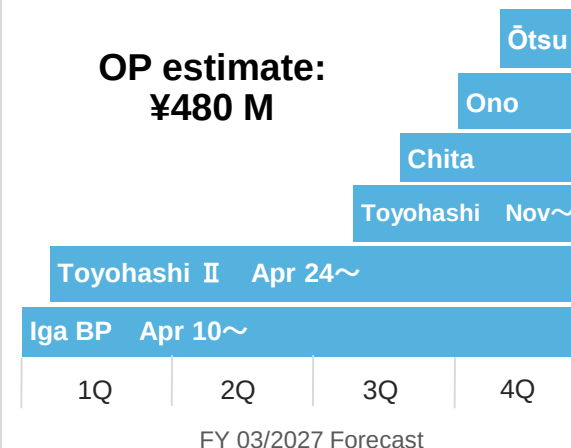
Growth Factor ① Growth in photo-voltaic systems for business use (non-recurring revenue)

We project 10% YoY growth, driven by stronger demand for self-consumption as electricity bills continue to soar



Growth Factor ② Growth in the Grid Storage Battery Business (recurring revenue)

OP estimate:
¥480 M



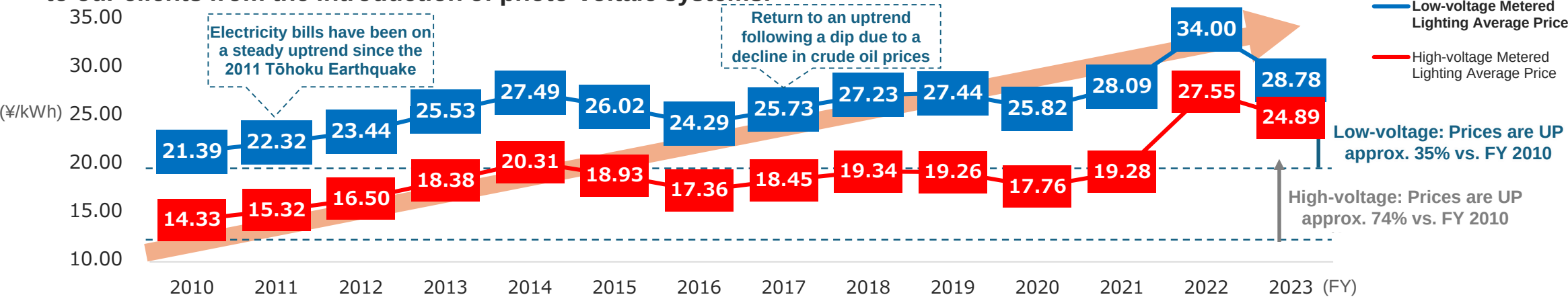
The grid storage battery business will begin contributing to our financial results in FY 03/2027.

Our six grid power storage stations are scheduled to enter the Balancing Market in phases starting in April, and we anticipate an annual utilization rate of 52.7% for FY 03/2027.

Looking ahead to FY 03/2028, we expect to operate all six stations at full capacity and are exploring new projects, ensuring steady growth in our recurring revenue base.

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 prices for GREMS target client group (low-voltage)
TEPCO Energy Partner, Inc. Metered Lighting Plans B & C (As of May 2026)

		Unit	Price (Incl. tax)
Base electricity fee		kVA	¥311.75
Electricity usage	~120kWh	kWh	¥29.80
	120~300kWh	kWh	¥36.40
	300kWh~	kWh	¥40.49
Fuel adjustment amount		kWh	Variable month/month
Renewable energy surcharge		kWh	¥4.18

■ Electricity prices for competitors' target client group (high-voltage)
TEPCO Energy Partner, Inc. Basic Plan (As of May 2026)

		Unit	Price (Incl. tax)
Base electricity fee		kVA	¥2,530.00
Electricity usage	Summer	kWh	¥17.43
	Other	kWh	¥17.43
Fuel adjustment amount		kWh	Variable month/month
Renewable energy surcharge		kWh	¥4.18

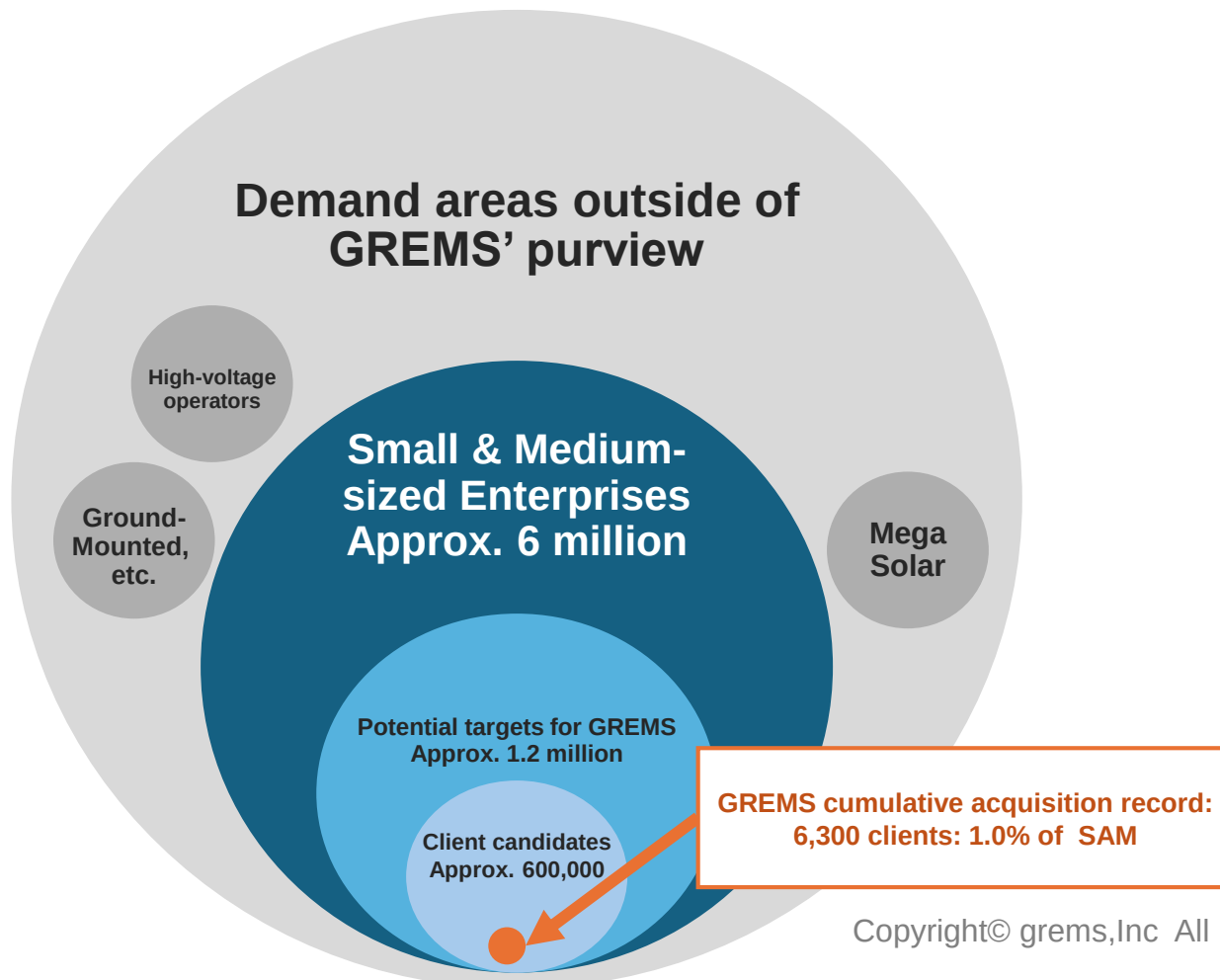
Economic benefits

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. With electricity rates expected to jump due to the situation in the Middle East, the cost-saving benefits of self-consumption are clearer than ever, so we're anticipating stronger demand.

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

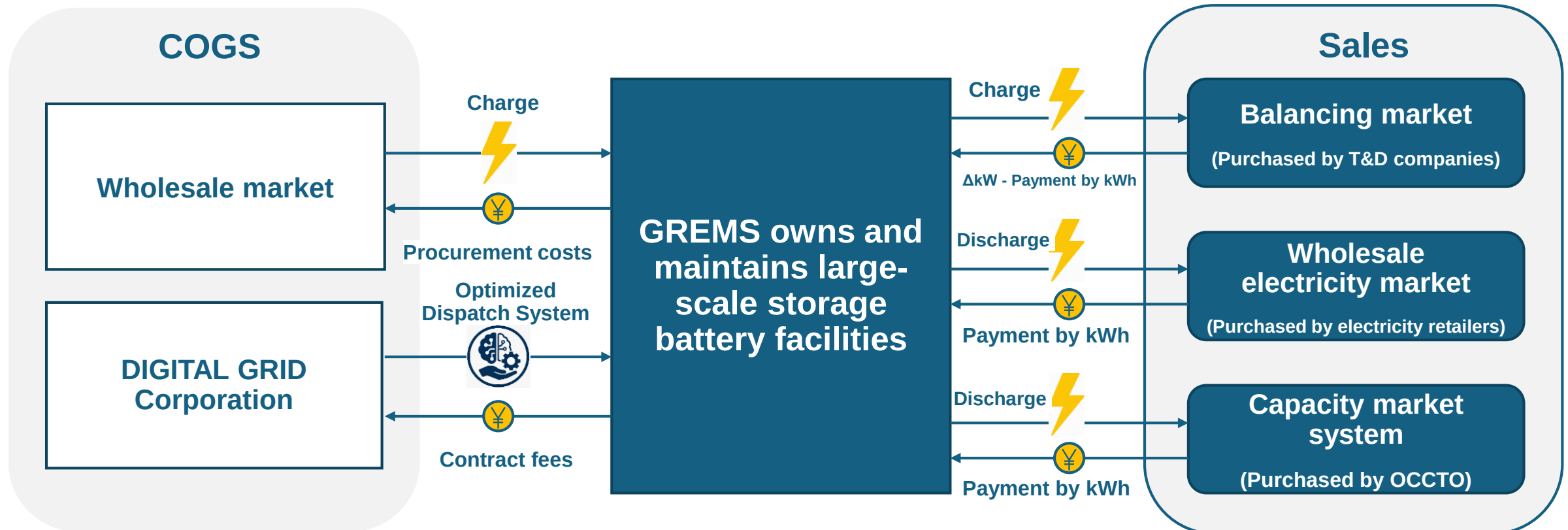
- GREMS targets SMEs, among whom demand for lowering electricity costs is high.
- Our current cumulative contract acquisition record only accounts for 1.0% of the serviceable addressable market, meaning there is ample room to grow.



- GREMS 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. GREMS cumulative client acquisition record stands at approx. 6,300 (approx. 1,800 in FY 03/2026), which only accounts for 1.0% of the addressable market.
- We face no competition from large players in this area, meaning GREMS 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 1.0%.
- Off-site installation of ground-mounted photo-voltaic systems and small-scale installations for large companies (like CVS chains, etc.) are outside the scope of the services we offer.

Grid Storage Battery Business – Business Model

- The Balancing Market was established in 2021. However, trading for ‘Primary Control Reserve’ functions, which is an area where storage batteries offer considerable value add, only began in FY 2024, meaning bid volumes are still below actual demand.
- Growing adoption of renewable energy is driving an increased need for grid storage batteries to stabilize the supply/demand curve.



Progress in the Grid Storage Battery Business

We are building grid power storage stations (high-voltage; 2MW／8MWh) in a total of six locations across Japan.

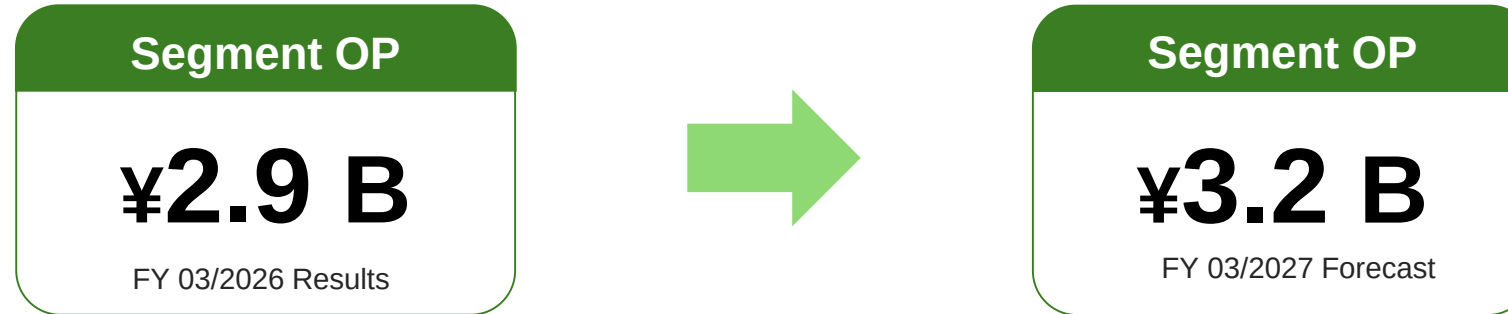
With the Chubu area contributing to earnings earlier than expected, all six locations are projected to fully contribute to the company's top and bottom lines in FY 03/2027.

	Mie Prefecture Iga BP	Aichi Prefecture Toyohashi BP	Aichi Prefecture Toyohashi BP II	Aichi Prefecture Chita BP	Shiga Prefecture Ōtsu BP	Hyogo Prefecture Ono BP
Output capacity	Approx. 2MW	Approx. 2MW	Approx. 2MW	Approx. 2MW	Approx. 2MW	Approx. 2MW
Battery capacity	Approx. 8MWh	Approx. 8MWh	Approx. 8MWh	Approx. 8MWh	Approx. 8MWh	Approx. 8MWh
Manufacturer	HUAWEI	HUAWEI	HUAWEI	HUAWEI	HUAWEI	HUAWEI
Test run	Jan. 27, 2026～	Aug. 2026～	Mar. 3, 2026～	Dec. 2026～ (Planned)	Dec. 2026～ (Planned)	Sep. 2026～ (Planned)
Full-scale (Results contrib.)	Apr. 10, 2026～	Oct. 2026～ (Planned)	Apr. 24, 2026～	Feb. 2027～ (Planned)	Feb. 2027～ (Planned)	Jan. 2027～ (Planned)

Growth Strategy of ER Business

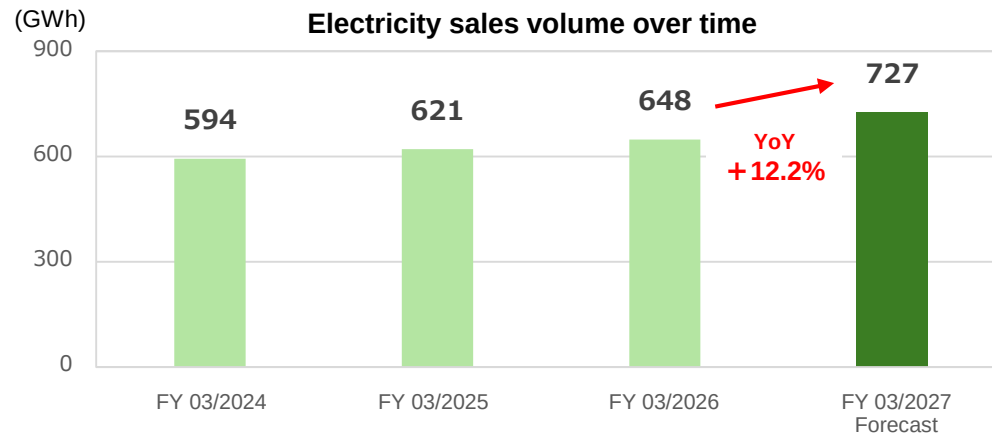
Electricity Retailing Business

While soaring market prices will drive up unit selling prices and compress profit margins, we expect steady earnings growth. This will be driven by higher electricity sales volumes, fueled by an increase in supply contracts, and our highly reproducible risk-hedging measures.



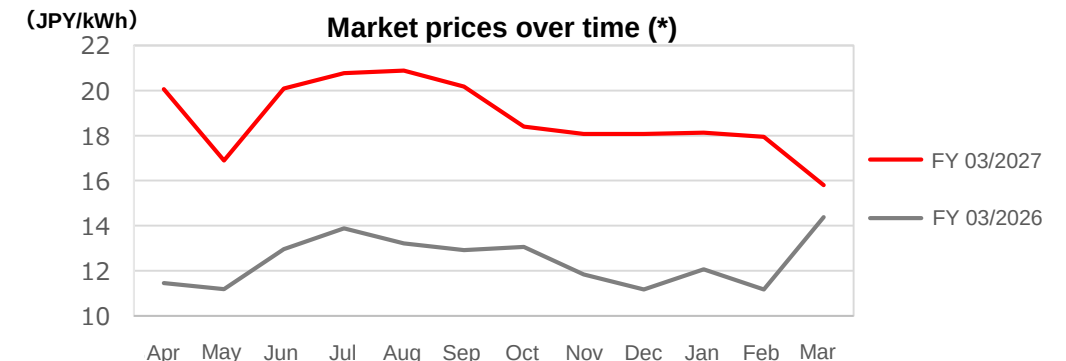
Growth Factor ① Increase in electricity sales volume fueled by growth in supply contracts

Targeting a 12% YoY increase in electricity sales volume



Growth Factor ② Highly reproducible risk-hedging measures

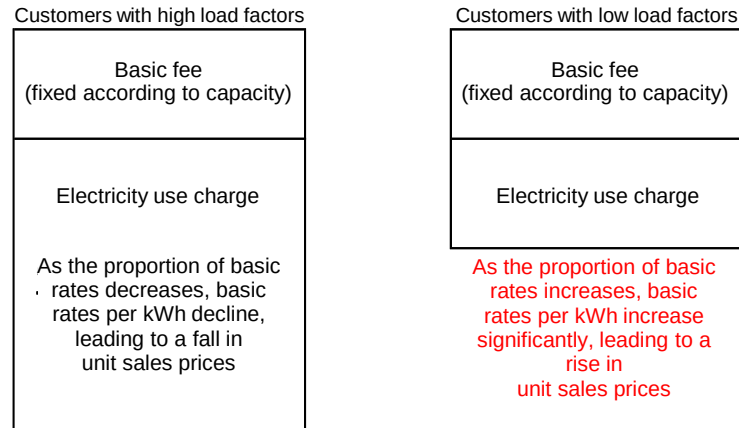
While market prices are soaring in FY 03/2027 due to the situation in the Middle East, we have already successfully hedged risks for the full year (Risk-hedging measures are detailed on P18).



Generation of Stable Recurring Revenue in the Electricity Retailing Business

Strategy ①: Selectively receive orders from customers with low Load Factors

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



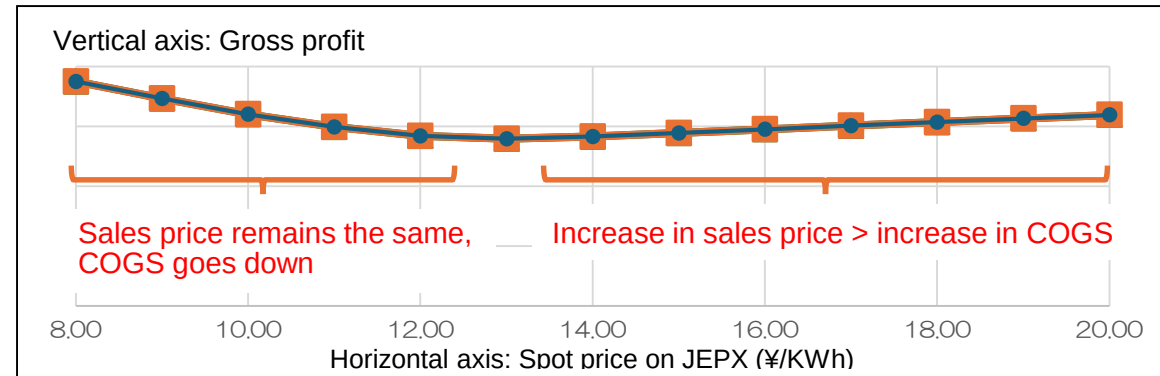
* Load Factor:

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

Strategy ②: Implement highly reproducible risk-hedging measures

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

As in FY 03/2026, 1-on-1 contract agreements and successful hedging in the futures market allow us to offset the amount of risk borne by GREMS 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].



Market Overview: While market prices are soaring in FY 03/2027 due to the situation in the Middle East, we have already successfully hedged risks for the full year

	FY 03/2025 Results	FY 03/2026 Forecasts	FY 03/2026 Results	FY 03/2027 Forecasts
Market price	13.56 yen/kWh	12.84 yen/kW	12.22 yen/kWh	18.53 yen/kWh
1-on-1 agreements	13.14 yen/kWh	14.22 yen/kWh	14.22 yen/kWh	12.36 yen/kWh
Amount contributions to the capacity market borne	2.77 yen/kWh	0.72 yen/kWh	0.80 yen/kWh	1.32 yen/kWh

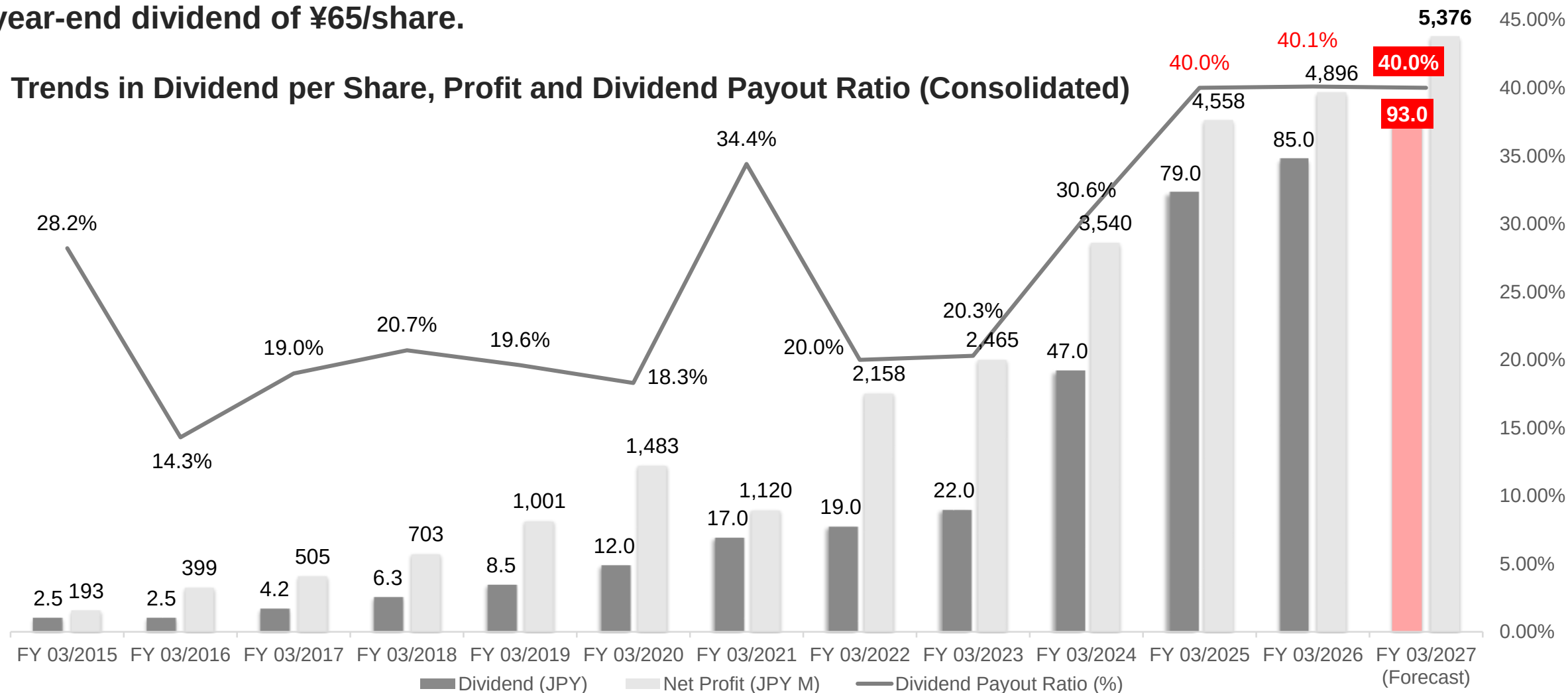
* Market price in FY 03/2026 forecast is the weighted average of the price of electricity on the TOCOM futures market as of 4/22/2025, based on GREMS procurement forecast.
 Market price in FY 03/2027 forecast is the weighted average of the price of electricity on the TOCOM futures market as of 5/1/2026, based on GREMS procurement forecast.

Dividend Forecast

Dividend Forecast for FY 03/2027

Since FY 03/2025 we have issued dividends based on a target dividend payout ratio of 40%. Our dividend forecast for FY 03/2027 includes an interim dividend of ¥28/share and a year-end dividend of ¥65/share.

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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03 Sustainability



GREMS, 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 Risk Management Committees assess and manage key management challenges.

Related SDGs



Contribution to GHG Emissions reduction through Sale of Photo-voltaic Systems



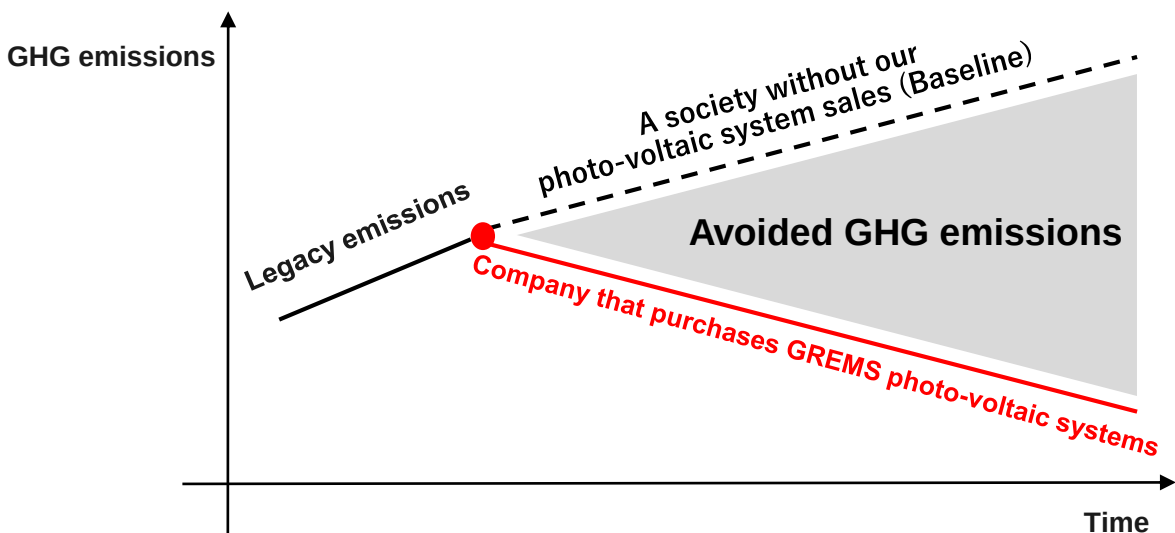
■ What are ‘avoided GHG emissions’?

Avoided emissions is a concept that attempts to measure the effect of a specific product or service in reducing GHG (Greenhouse Gas) emissions for society at large.

By approaching SMEs and suggesting the use of our photo-voltaic systems, GREMS promotes the widespread adoption of renewable energy sources. Total annual power generation associated with products sold by GREMS in FY 03/2026 reached 41,317 MWh.

Using Japan’s electric grid average emission coefficient (0.000416 t-CO₂/kWh—the FY 2026 alternative value published by the Ministry of the Environment), this translates into approximately 17,000 t-CO₂ annually in GHG emission reductions.

This estimate is in line with the WBCSD [Guidance on Avoided Emissions] and the GX League’s Guidelines on the Calculation and Disclosure of Contribution to Emission Reductions. Within this scope, we seek to set a clear baseline and be transparent about our data sources. GREMS will continue further accelerating our efforts towards a decarbonized society through the use of renewable energy.



Source: Diagram based on WBCSD [Guidance on Avoided Emission]

	FY 03/2022	FY 03/2023	FY 03/2024	FY 03/2025	FY 03/2026
Annual power generation (MWh)	9,134	18,634	29,102	35,978	41,317
Emission reductions (t-CO2)	3,800	7,752	12,107	14,967	17,188

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