JPX PRIME
TSE Code: 3150

gremz
Energy Solutions Company

Supplementary Material
Fiscal Year Ending March 31, 2024

gremz, Inc. (TSE Code:3150)
May 15, 2024

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

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gremz

Energy Solutions Company

FY03/2024 Full Year Financial Results Summary

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Financial Highlights for FY03/2024

Millions of yen	FY03/2023		FY03/2024		YoY change	
	Results	% of sales	Results	% of sales	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%

- Photo-voltaic systems for business use increased, and operating profit in ECS (Energy Cost Solutions) business increases 45.7%.
- Operating profit from SHP (Smart House Project) business up 18.3%.
- Electricity Retailing (ER) Business: Sales decreased due to lower market prices, but operating profit increased 25.9% due to thorough risk hedging and other factors.

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Consolidated Financial Highlights (Compared to Revised Forecast)

(Millions of yen)	Forecast for FY03/2024 (Announced on Feb.13, 2024) Results	% Sales	FY03/2024 (Actual) Results	% Sales	Compared to Revised Forecast Change	% Change
Net Sales	29,612	100.0%	29,908	100.0%	+296	1.0%
ECS Business	7,824	26.4%	7,734	25.9%	-90	-1.2%
SHP Business	4,398	14.9%	4,440	14.8%	+41	0.9%
ER Business	17,388	58.7%	17,733	59.3%	+345	2.0%
Gross Profit	9,170	31.0%	9,257	31.0%	+87	0.9%
ECS Business	4,730	60.5%	4,645	60.1%	-85	-1.8%
SHP Business	1,865	42.4%	1,845	41.6%	-19	-1.1%
ER Business	2,574	14.8%	2,766	15.6%	+191	7.5%
Operating Profit	5,200	17.6%	5,217	17.4%	+17	0.3%
ECS Business	3,191	40.8%	3,030	39.2%	-160	-5.0%
SHP Business	591	13.4%	587	13.2%	-3	-0.6%
ER Business	2,057	11.8%	2,267	12.8%	+209	10.2%
Administrative Expenses	-639	-	-668	-	-	-
Ordinary Profit	5,243	17.7%	5,268	17.6%	+25	0.5%
Profit	3,500	11.8%	3,540	11.8%	+40	1.2%

* 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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Consolidated Financial Highlights (YoY and Initial Forecast)

(Millions of yen)	FY03/2023 (Actual)		Forecast for FY03/2024 (Announced on May15, 2023)		FY03/2024 (Actual)		Change (YoY)		Compared to Original 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	13.2%	+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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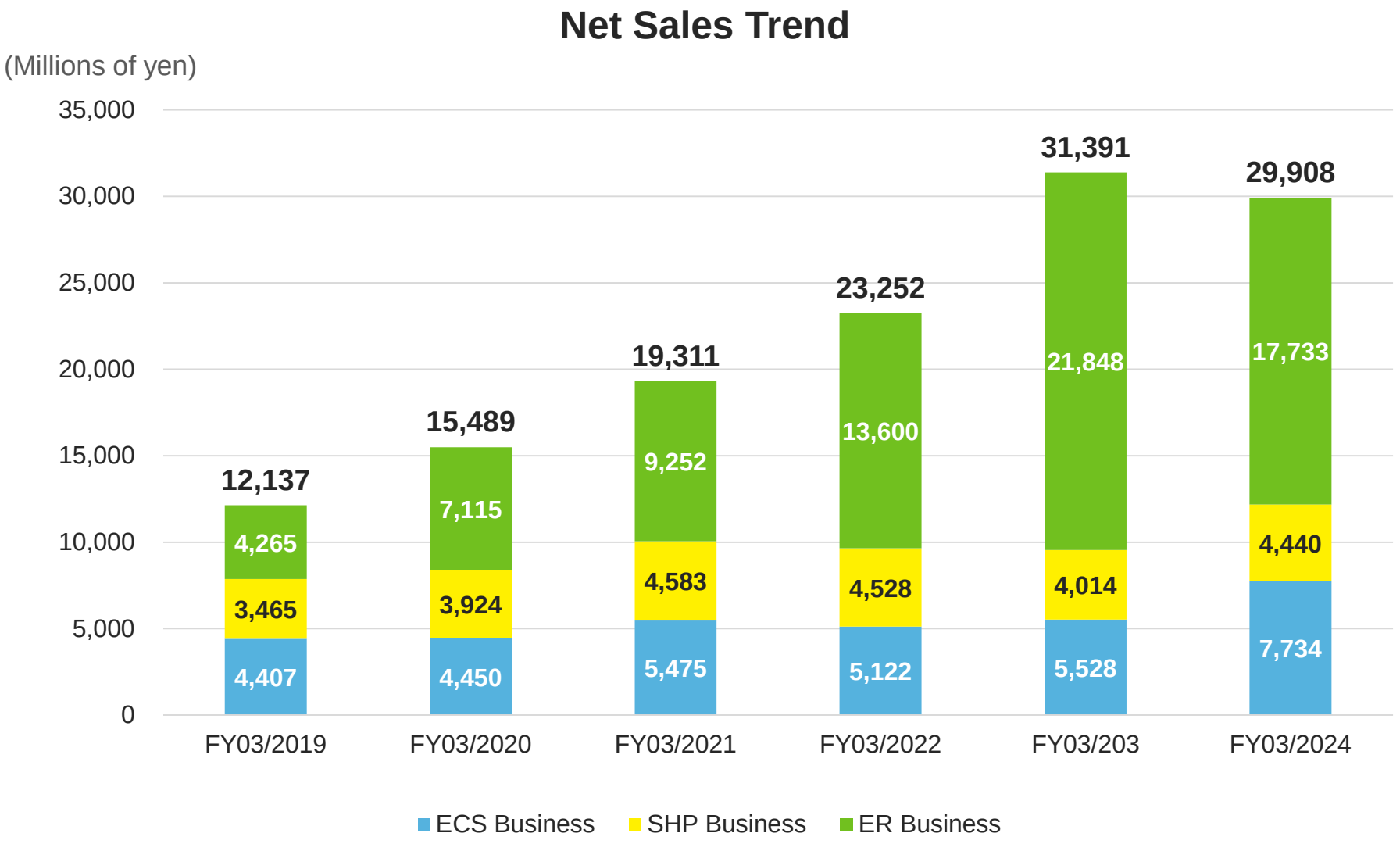
Consolidated Financial Highlights (Net Sales)



FY03/2024

- Net sales 29,908 million yen
- YoY -1,483 million yen (-4.7%)

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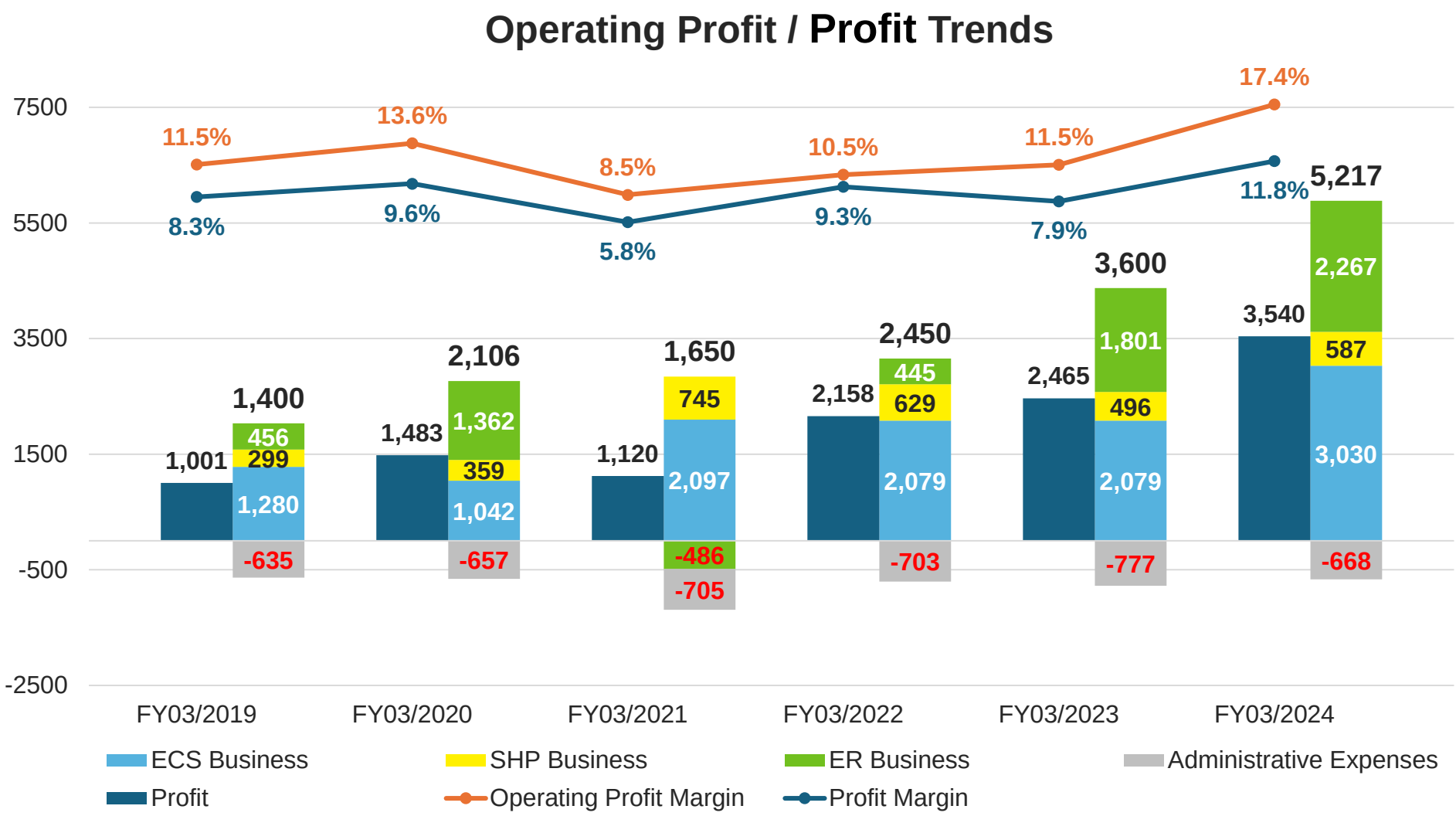
Consolidated Operating Profit / Profit



FY03/2024

- Operating Profit
  5,217 million yen
  (YoY +44.9%)
  Record profits
- Profit
  3,540 million yen
  (YoY +43.6%)
  Record profits

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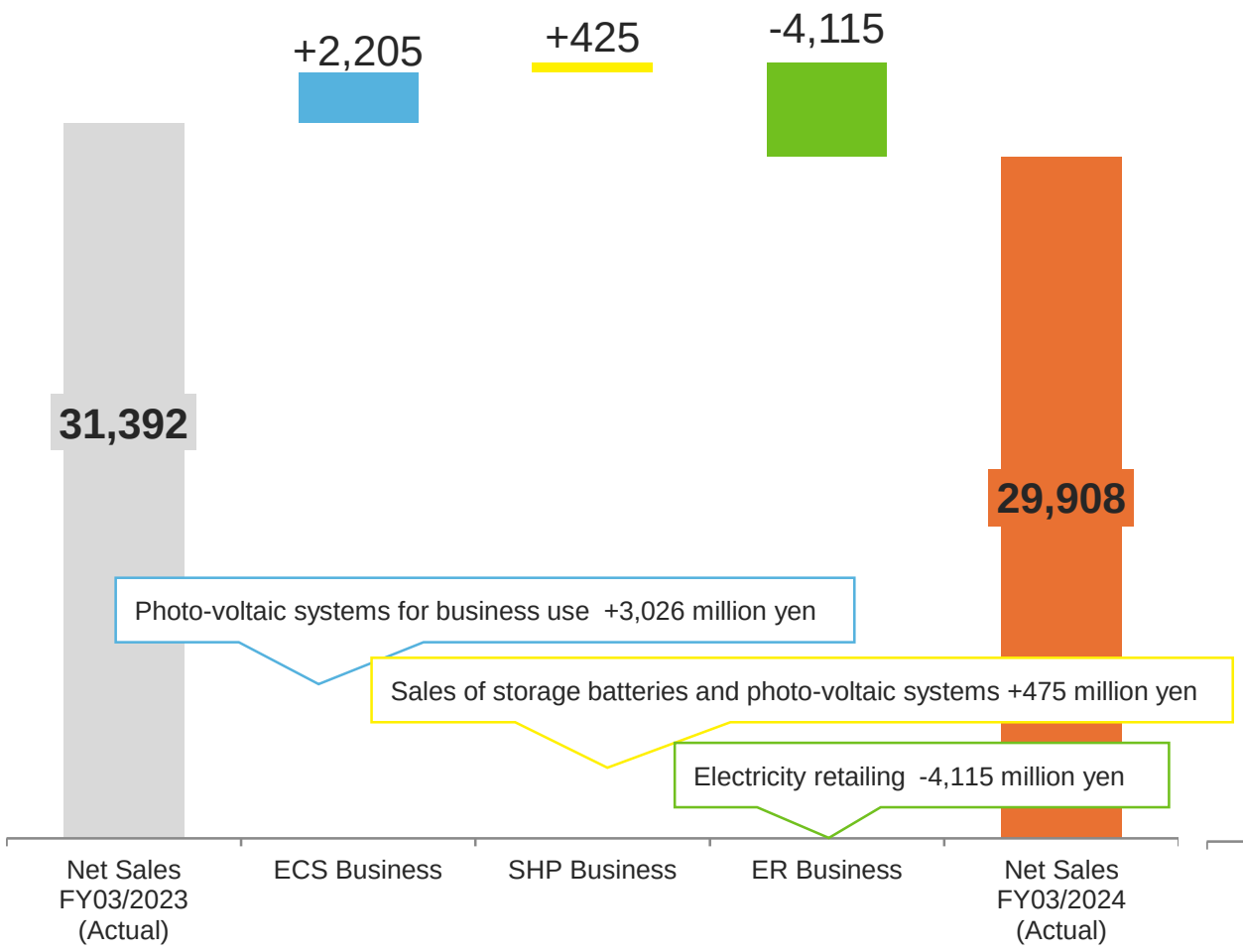
Segment Performance Highlights (Net Sales)

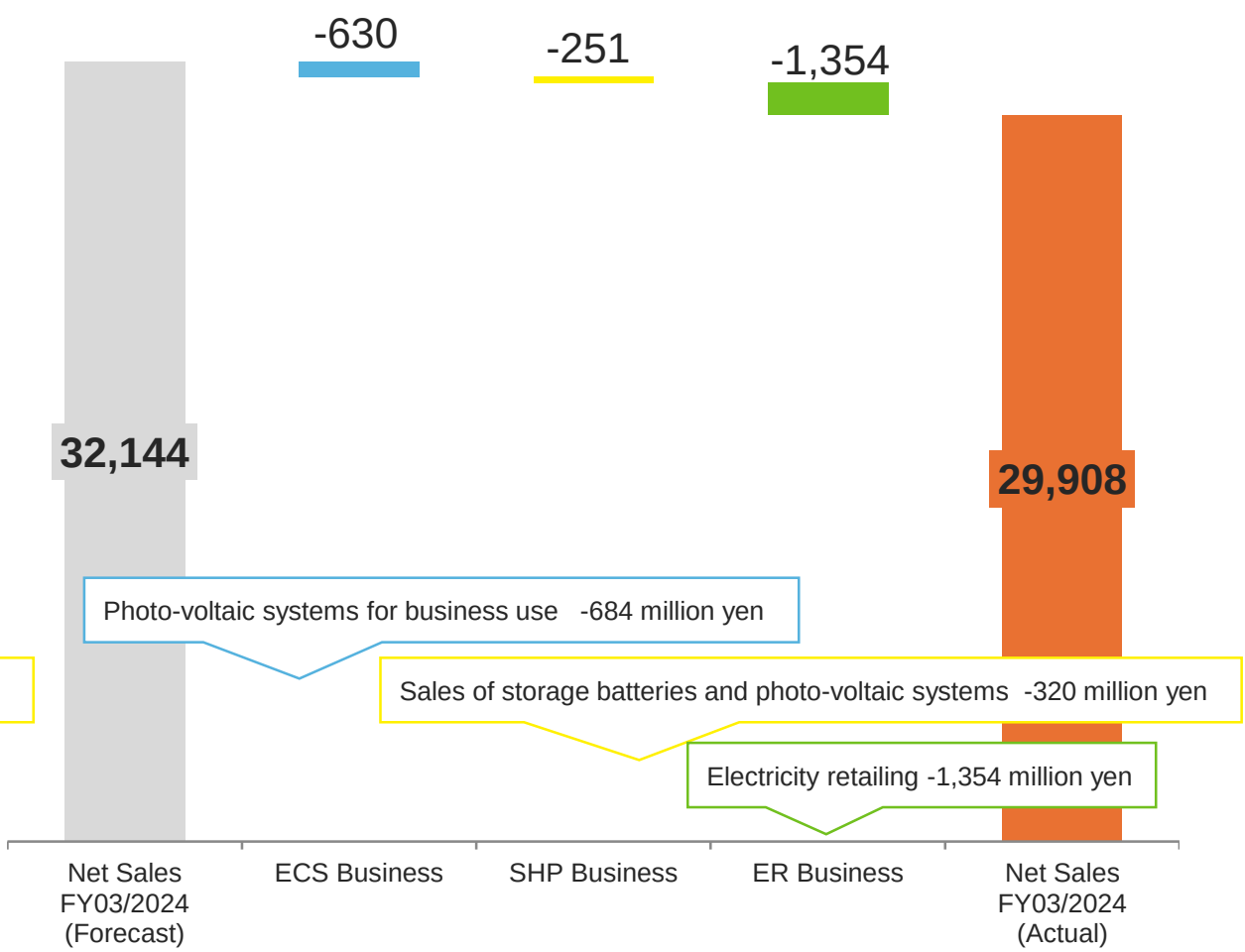
(Millions of yen)

Factors of Net Sales Change (YoY)



(Millions of yen)

Factors of Net Sales Change (Compared to Initial Forecast)



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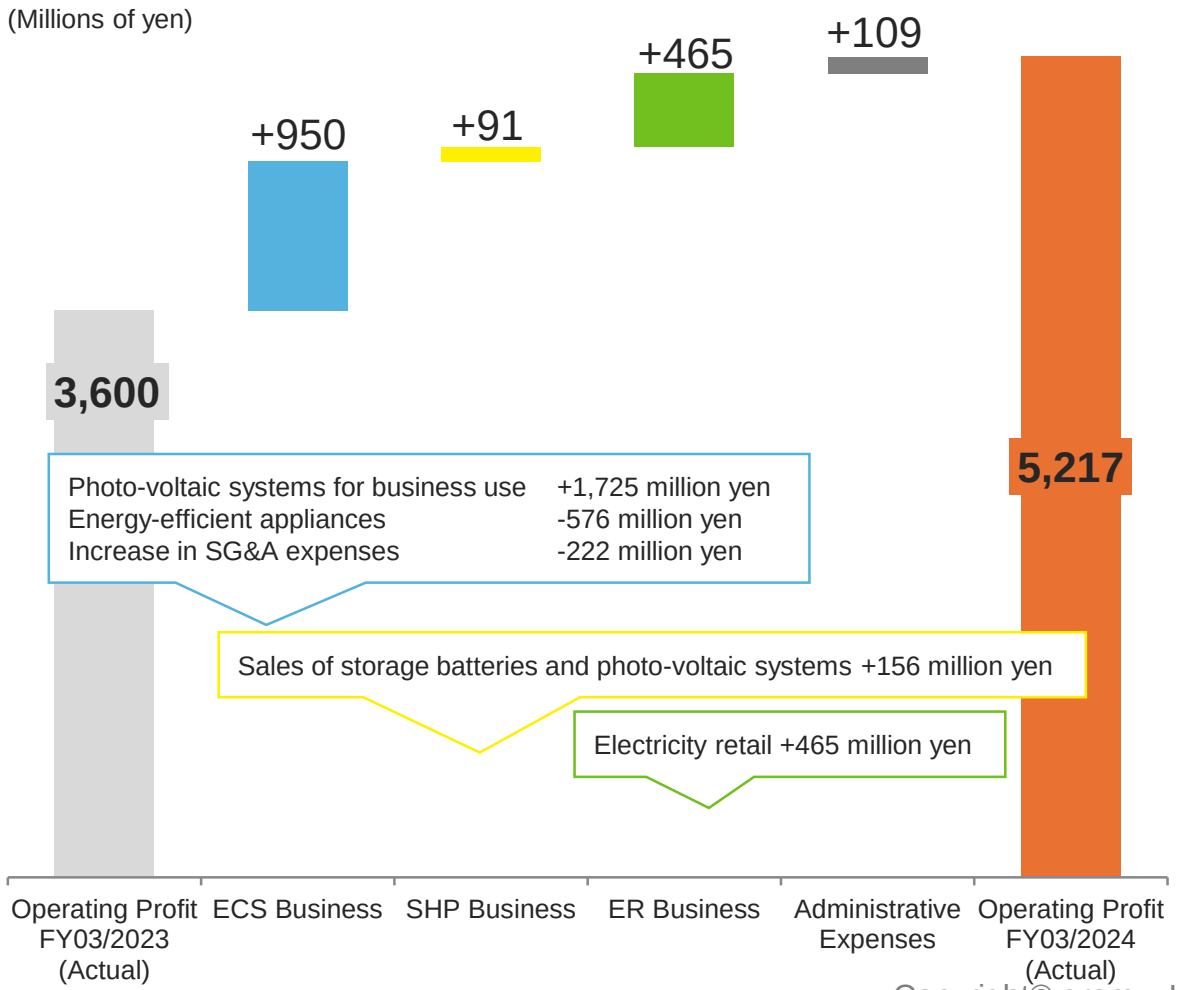
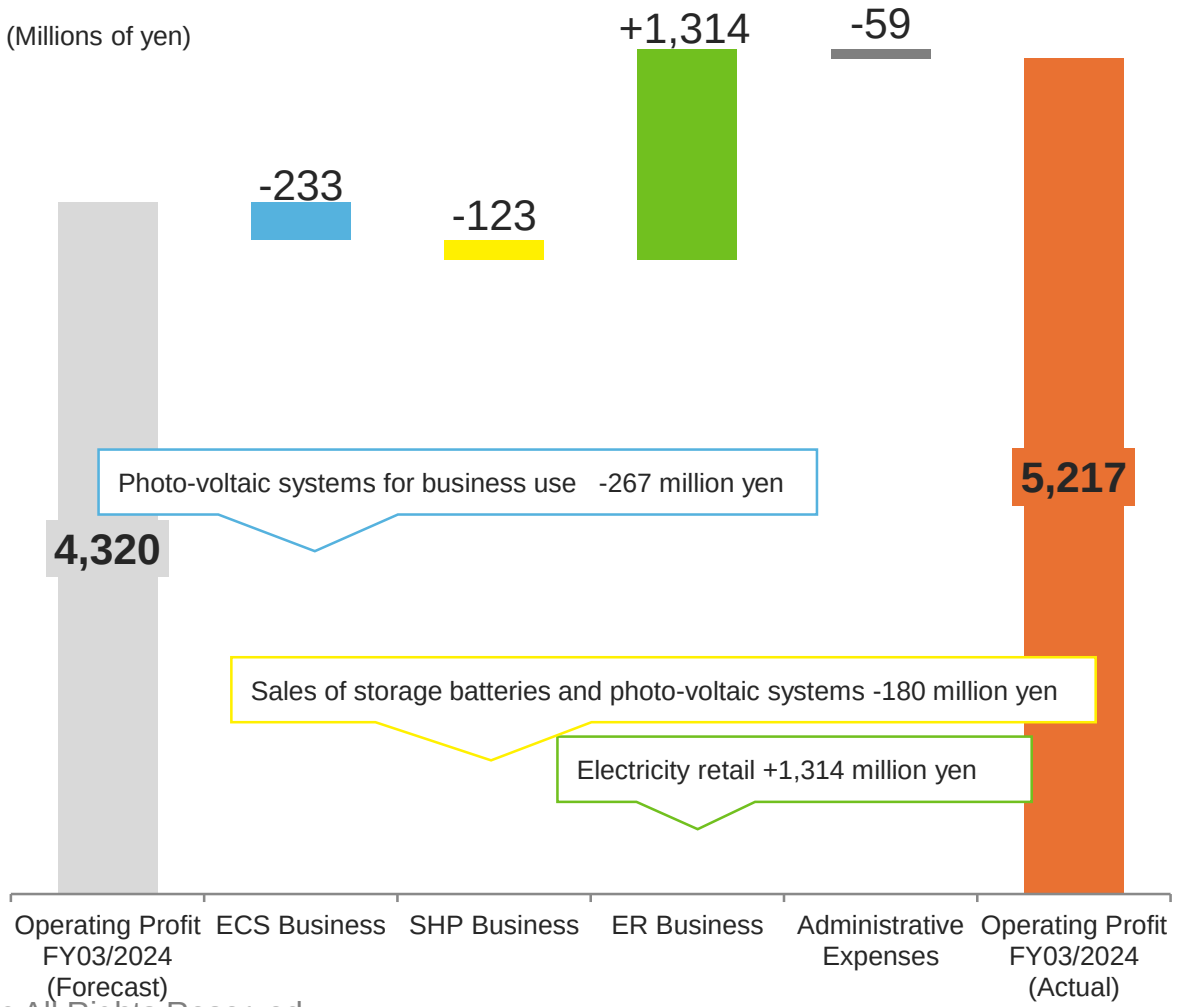
Segment Performance Highlights (Operating Profit)

Factors of Change in Operating Profit (YoY)



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



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Balance Sheet Statement (B/S)

Maintained a good financial position with an equity ratio to 59.7% in the current period from 57.9% in the previous period. The main reason for the increase in merchandise accounts was an increase in order backlog for Photo-voltaic systems for business use.

(Millions of yen)	FY03/2023	FY03/2024	Change	Main Factors	
Current Assets	14,168	16,913	+2,745	Cash and Deposits Merchandise Accounts Receivable Trade	+2,249 million yen +1,215 million yen -678 million yen
Fixed Assets	3.049	4.698	+1,649	Investment Securities	+1,600 million yen
Total Assets	17,217	21,612	+4,394		
Current Liabilities	4,663	5,810	+1,147	Current Portion of Long-term Loans Payable Accounts Payable - Other Corporate Tax Payable Consumption Tax Payable	+283 million yen +112 million yen +412 million yen +146 million yen
Fixed Liabilities	2,545	2,810	+264	Long-term Loans Payable	+224 million 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 million yen -736 million yen
Total Liabilities / Net Assets	17,217	21,612	+4,394		

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Cash Flow Statement (C/F)

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

(Millions of yen)	FY03/2023	FY03/2024	Major Breakdown for FY03/2024	
Cash Flow from Operating Activities	1,464	4,089	Profit before Income Taxes and Other Adjustments Depreciation and amortization Decrease in accounts receivable Increase in Inventories Corporate Tax and Others	+5,218 million yen +189 million yen +678 million yen -1,215 million yen -1,368 million yen
Cash Flow from Investing Activities	80	-1,787	Purchase of Investment Securities Sale of Investment Securities	-2,200 million yen +600 million yen
Cash Flow from Financing Activities	1,162	-52	Long-term Loans Payable Repayment of Long-term Loans Payable Dividend Payouts	+1,500 million yen -992 million yen -735 million yen
Change in Cash & Cash Equivalents	2,707	2,249		
Ending Cash & Cash Equivalents Balance	8,224	10,474		

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Energy Solutions Company

Financial Results and Dividend Forecast for FY03/2025

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Forecast of Business Results for FY03/2025

Growth Strategies

In light of the expansion of renewable energy sources, particularly photo-voltaic systems , and the potential demand for reducing the ever-rising cost of electricity, our basic growth strategy is centered on expanding our energy cost solution(ECS) business, with photo-voltaic systems for business use as our core product.

Photo-voltaic systems for business use

We install photo-voltaic 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 factory (for self-consumption), thereby reducing electricity costs. By targeting small- and medium-sized businesses as our main customers, we aim to differentiate ourselves from our competitors. To make effective use of surplus electricity that cannot be fully consumed on site, we plan to increase the sales of the system in combination with storage batteries.

Electricity Retailing Business

In addition to the thorough hedging of risk, futures prices have been stable since the beginning of the previous period, and we aim to establish and grow stable stock-type revenues (58,000 contracts at the beginning of the period to 63,000 contracts at the end of the period).

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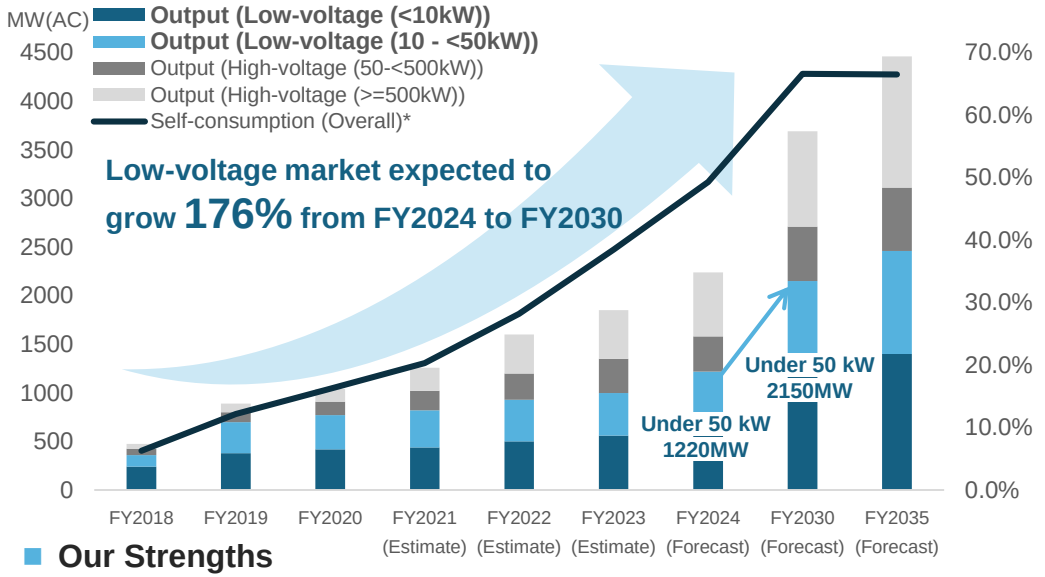
Expansion of photo-voltaic systems for business use market and our targeting strategy

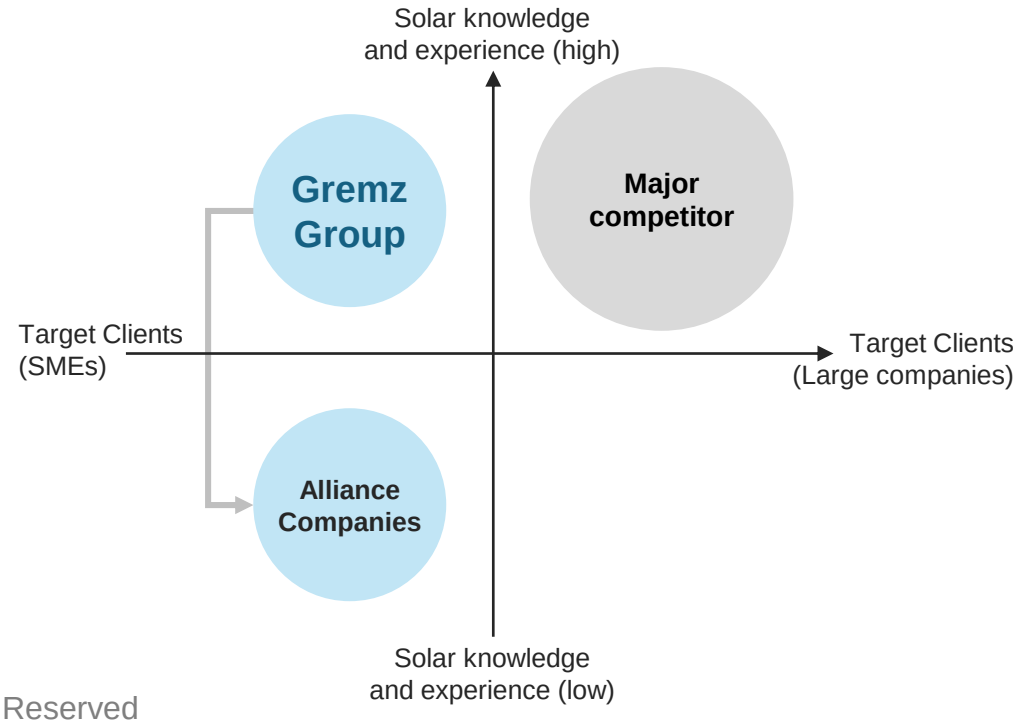
Photo-voltaic systems for self-consumption will expand significantly in the future. We will achieve unique growth in the low-voltage market by targeting small and medium-sized enterprises.

Market Size of Domestic Photo-voltaic Systems(output)



Our Group's Targeting Strategy

We believe that there are few companies that have high level of knowledge and experience in photo-voltaic and excel in sales to small and medium-sized enterprises. Another differentiating factor is that, due to Japanese business practices, large companies do not directly conduct retail sales, e.g. through agency systems. Gremz intends to promote alliances with companies that have a customer base of SMEs and little knowledge of solar energy.



Our Strengths

gremz	Household photo-voltaic systems	Sales to small and medium enterprises Uncovering latent demand (low-voltage market)
	Corporate sales for small and medium enterprises	
others	Mega Solar Development	PPA for large companies Construction orders from large companies (high-voltage market)
	Corporate sales for large companies	

*The self-consumption type ratio is calculated against the total market, including electricity retailing.
Source: Prepared by processing (Fuji Keizai Co., Ltd.) “2021 Edition - Photo-voltaic cell related technology: market overview and future outlook”

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Stable recurring revenue of electricity retailing business

Making stable recurring revenue of low voltage with three levels of risk hedging measures and high voltage by specializing in market-linkage plan contracts.

Voltage Type	Risk hedge		Break-even power supply procurement price
Low voltage	First stage	Acquired mainly a customer base with a high proportion of basic rates and relatively high unit prices (load factor* averaged 9.0% in FY03/2024)	Approx. 17.5 yen/kWh (without our proprietary cost adjustment system)
	Second stage	Introduced a proprietary cost adjustment system (reflecting a portion of procurement costs from wholesale exchanges) for all customers.	Approx. 40 yen/kWh (our proprietary cost adjustment system effect: approx. 22.5 yen/kWh)
	Third stage	The portion of the risk position not covered by the proprietary cost adjustment system (approximately 30% of low-voltage demand) is covered by the individual contract agreements.	**Break-even point does not exist (Zero risk position)**
High voltage	Specializes in market-linkage plan contract (system in which procurement costs from the wholesale electricity trading market are fully reflected in electricity bills)		**Break-even point does not exist (Zero risk position)**

*Load factor: Annual energy consumption [kWh] / (Contracted power consumption [kW] x 24 hours x 365 days) x 100

Power supply procurement environment has improved from the previous year (see futures prices for market price plans)

Procurement Type	Initial plan for FY03/2024	FY03/2024 Actual	Forecast for FY03/2025
Market price	16.30yen/kWh	11.50yen/kWh	**13.71yen/kWh**
Individual contract agreement price	22.88yen/kWh	22.31yen/kWh	**12.91yen/kWh**

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Forecast for FY03/2025

(Millions of yen)	FY03/2024 Q2 Cumulative (Actual) Results	FY03/2024 Q2 Cumulative (Actual) % Sales	FY03/2024 (Actual) Results	FY03/2024 (Actual) % Sales	FY03/2025 Q2 Cumulative (Forecast) (Announced 5/15/2024) Results	FY03/2025 Q2 Cumulative (Forecast) (Announced 5/15/2024) % Sales	Change (YoY)	FY03/2025Forecast (Announced 5/15/2024) Results	FY03/2025Forecast (Announced 5/15/2024) % Sales	Change (YoY)
Net Sales	15,944	100.0%	29,908	100.0%	16,500	100.0%	+3.5%	34,000	100.0%	+13.7%
ECS Business	4,390	27.6%	7,734	25.9%	5,311	32.2%	+21.0%	10,906	32.1%	+41.0%
SHP Business	2,523	15.8%	4,440	14.8%	2,183	13.2%	-13.5%	4,310	12.7%	-2.9%
ER Business	9,030	56.6%	17,733	59.3%	9,005	54.6%	-0.3%	18,783	55.2%	+5.9%
Gross Profit	5,123	32.1%	9,257	31.0%	5,550	33.6%	+8.3%	11,200	32.9%	+21.0%
ECS Business	2,670	60.8%	4,645	60.1%	3,241	61.0%	+21.4%	6,654	61.0%	+43.2%
SHP Business	1,079	42.8%	1,845	41.6%	910	41.7%	-15.7%	1,803	41.8%	-2.3%
ER Business	1,373	15.2%	2,766	15.6%	1,398	15.5%	+1.9%	2,742	14.6%	-0.8%
Operating Profit	3,197	20.1%	5,217	17.4%	3,250	19.7%	+1.6%	6,500	19.1%	+24.6%
ECS Business	1,940	44.2%	3,030	39.2%	2,266	42.7%	+16.8%	4,575	42.0%	+51.0%
SHP Business	444	17.6%	587	13.3%	283	13.0%	-36.3%	575	13.4%	-2.0%
ER Business	1,133	12.6%	2,267	12.8%	1,107	12.3%	-2.3%	2,082	11.1%	-8.2%
Administrative Expenses	-320	-	-668	-	-407	-	-	-733	-	-
Ordinary Profit	3,231	20.3%	5,268	17.6%	3,304	20.0%	+2.2%	6,570	19.3%	+24.7%
Profit	2,177	13.7%	3,540	11.8%	2,190	13.3%	+0.6%	4,320	12.7%	+22.0%

* 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.
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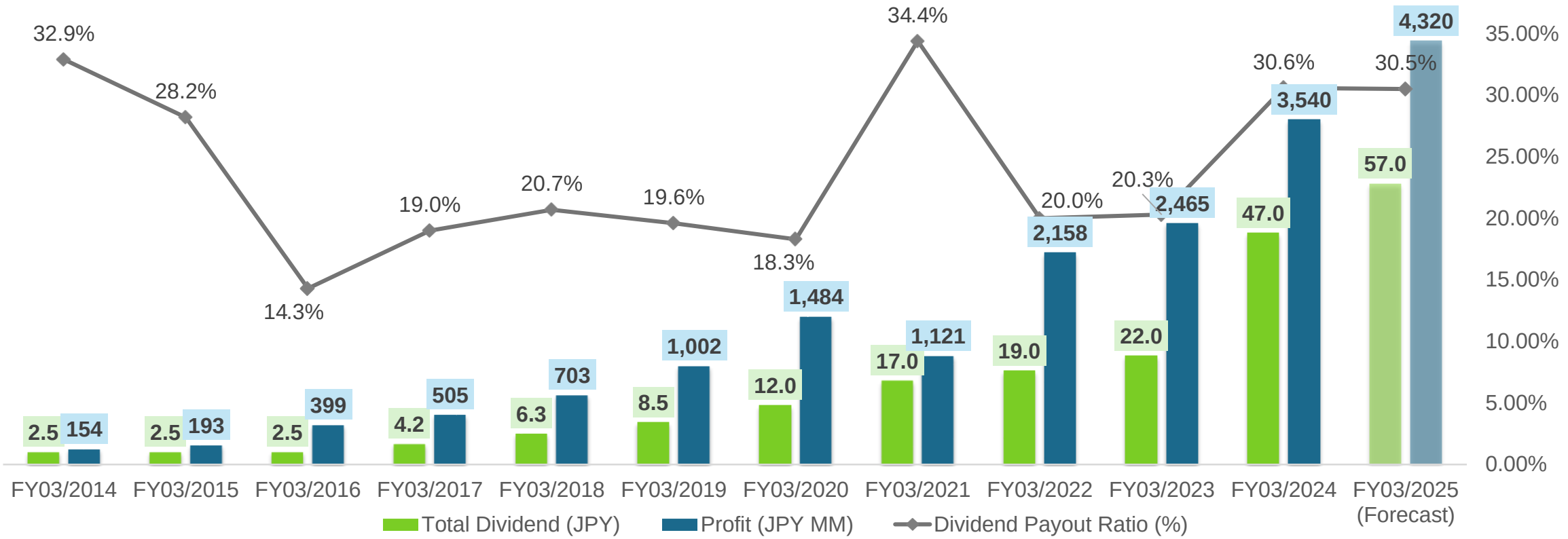
Dividend Forecast for FY03/2025

Aiming for a dividend payout ratio of 30% from FY03/2024
Dividend forecast for FY03/2025 is 20 yen for interim dividend 37 yen for year-end dividend

Dividend per share, Profit, Dividend payout 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.

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Sustainability

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Sustainability 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.

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

Related SDGs



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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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Energy Solutions Company

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