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February 14, 2024

## Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: gremz, Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 3150  
 URL: <https://www.gremz.co.jp/en/>  
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 Scheduled date to file quarterly securities report: February 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly 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, 2023 (from April 1, 2023 to December 31, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2023	23,750	(2.6)	4,725	67.2	4,764	65.1	3,181	67.0
December 31, 2022	24,375	50.3	2,825	15.0	2,885	15.2	1,904	(1.4)

Note: Comprehensive income For the nine months ended December 31, 2023: ¥3,216 million [60.1%]  
 For the nine months ended December 31, 2022: ¥2,008 million [4.1%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	138.39	137.76
December 31, 2022	83.62	82.73

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	20,379	12,580	61.4
March 31, 2023	17,217	10,008	57.8

Reference: Equity  
 As of December 31, 2023: ¥12,512 million  
 As of March 31, 2023: ¥9,955 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, 2023	–	5.00	–	17.00	22.00
Fiscal year ending March 31, 2024	–	15.00	–		
Fiscal year ending March 31, 2024 (Forecast)				31.00	46.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

## 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	%	Yen
Fiscal year ending March 31, 2024	29,612	(5.7)	5,200	44.4	5,243	42.2	3,500	42.00	151.51

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

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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: None
  - (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, 2023	23,814,800 shares
As of March 31, 2023	23,630,800 shares

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

As of December 31, 2023	712,793 shares
As of March 31, 2023	712,763 shares

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

Nine months ended December 31, 2023	22,986,930 shares
Nine months ended December 31, 2022	22,778,087 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* 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.

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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, 2023, the economic environment showed a mild recovery in business sentiment with rebounding personal consumption and rising corporate earnings amid an improving employment and income environment. However, it is necessary to pay attention to various impacts such as concerns about deteriorating economic activity overseas, increases in the price of goods against a backdrop of depreciation of the yen, a temporary pause in the rebounding capital investment, and volatility in financial and capital markets.

Regarding the greenz Group (the “Group”), amid soaring electricity costs, and the growing uptake of renewable energy which is bringing about the realization of GX (green transformation), the Group worked to expand sales with a core focus on the growth of photo-voltaic systems for business use. In addition, in the area of electricity retailing, we took steps to reduce the risk of fluctuations in electricity procurement prices by implementing 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 promotion of market linkage plans for high voltage in addition to introducing new plans for low voltage (“value plan” and “simple plan”) in response to the regulatory rate revisions of the major electric power companies. Furthermore, in the area of products and services related to cost reduction, energy conservation, and renewable energy, for which there is stable demand, orders were steady for both business clients and retail customers.

As a result of the above, the Groups’ business results for the nine months ended December 31, 2023 were as follows: net sales of ¥23,750 million (down 2.6% year on year), operating profit of ¥4,725 million (up 67.2% year on year), ordinary profit of ¥4,764 million (up 65.1% year on year), and profit attributable to owners of parent of ¥3,181 million (up 67.0% 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 for business use that propose self-consumption of self-generated electricity as our core product, along with consulting services for reducing costs for business owners by lowering base electricity fees, and sales of various energy-efficient appliances, such as IoT devices, and commercial air conditioners and transformers for conserving energy.

As a result, net sales were ¥6,725 million (up 33.7% year on year), and segment profit was ¥2,915 million (up 31.0% year on year).

#### Smart House Project Business (SHP)

In the Smart House Project Business, the Group actively promoted sales of storage batteries, which are in demand due to the needs for reinforcement of household energy resilience, in addition to market conditions such as growing interest in renewable energy due to decarbonization and an 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.

As a result, net sales were ¥3,736 million (up 11.5% year on year), and segment profit was ¥626 million (up 13.8% year on year).

#### Electricity Retailing Business (ER)

In the Electricity Retailing Business, although net sales declined as a result of a decrease in sales of high voltage electricity, profit increased due to lower procurement prices resulting from continuing stability in electricity market prices.

As a result, net sales were ¥13,288 million (down 16.9% year on year), and segment profit was ¥1,656 million (up 195.2% 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, 2023 were ¥15,680 million, an increase of ¥1,512 million compared to the end of the previous fiscal year. This was mainly due to a decrease of ¥582 million in notes and accounts receivable - trade, and contract assets, despite increases of ¥1,394 million in cash and deposits, and ¥632 million in merchandise. Non-current assets were ¥4,698 million, an increase of ¥1,649 million from the end of the previous fiscal year. This was mainly due to increases of ¥1,501 million in investment securities and ¥150 million in leasehold and guarantee deposits.

As a result, total assets were ¥20,379 million, an increase of ¥3,161 million from the end of the previous fiscal year.

### Liabilities

Current liabilities as of December 31, 2023 were ¥5,480 million, an increase of ¥817 million compared to the end of the previous fiscal year. This was mainly due to increases of ¥312 million in notes and accounts payable - trade, ¥196 million in income taxes payable, ¥196 million in accrued consumption taxes and ¥220 million in deposits received. Non-current liabilities were ¥2,318 million, a decrease of ¥227 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥268 million in long-term borrowings.

As a result, total liabilities were ¥7,798 million, an increase of ¥589 million from the end of the previous fiscal year.

### Net assets

Net assets as of December 31, 2023 were ¥12,580 million, an increase of ¥2,571 million compared to the end of the previous fiscal year. This was mainly attributable to an increase of ¥3,216 million due to comprehensive income attributable to owners of parent and increases of ¥38 million for each of share capital and capital surplus resulting from exercise of share acquisition rights, while there was a decrease of ¥736 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 February 13, 2024.

Revisions have been made to the forecast of cash dividends announced on November 14, 2023. The details are provided in “Notice Regarding Revision to Dividend Forecast” announced today (February 14, 2024).

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	8,224,617	9,618,698
Notes and accounts receivable - trade, and contract assets	4,313,972	3,731,101
Merchandise	1,261,023	1,893,335
Prepaid expenses	117,576	139,390
Income taxes refund receivable	28,919	–
Consumption taxes refund receivable	66,169	135,760
Other	201,112	204,814
Allowance for doubtful accounts	(44,935)	(42,592)
Total current assets	14,168,455	15,680,508
Non-current assets		
Property, plant and equipment		
Buildings, net	90,001	80,856
Machinery and equipment, net	1,022,351	1,040,618
Vehicles, net	23,744	21,881
Tools, furniture and fixtures, net	76,689	65,134
Land	123,877	123,877
Construction in progress	8,415	8,415
Total property, plant and equipment	1,345,080	1,340,784
Intangible assets		
Software	237,812	217,006
Software in progress	12,980	2,750
Total intangible assets	250,792	219,756
Investments and other assets		
Investment securities	778,100	2,279,479
Deferred tax assets	246,715	278,025
Leasehold and guarantee deposits	381,307	531,388
Other	47,509	49,436
Total investments and other assets	1,453,632	3,138,330
Total non-current assets	3,049,505	4,698,870
Total assets	17,217,961	20,379,378

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,063,894	2,376,877
Current portion of long-term borrowings	909,074	955,492
Accounts payable - other	841,210	479,579
Income taxes payable	667,770	864,246
Accrued consumption taxes	102,620	298,814
Contract liabilities	65,418	27,169
Deposits received	12,866	233,436
Provision for bonuses	–	194,873
Other	257	50,037
Total current liabilities	4,663,113	5,480,526
Non-current liabilities		
Long-term borrowings	2,248,337	1,979,548
Asset retirement obligations	78,820	79,034
Other	218,742	259,726
Total non-current liabilities	2,545,900	2,318,308
Total liabilities	7,209,014	7,798,834
<b>Net assets</b>		
Shareholders' equity		
Share capital	670,011	708,306
Capital surplus	408,624	446,919
Retained earnings	9,442,237	11,887,361
Treasury shares	(482,394)	(482,470)
Total shareholders' equity	10,038,479	12,560,117
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(16,650)	(15,192)
Deferred gains or losses on hedges	(66,367)	(32,683)
Total accumulated other comprehensive income	(83,018)	(47,875)
Share acquisition rights	53,485	68,302
Total net assets	10,008,947	12,580,543
Total liabilities and net assets	17,217,961	20,379,378

(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, 2022	Nine months ended December 31, 2023
Net sales	24,375,834	23,750,251
Cost of sales	18,865,170	16,122,869
Gross profit	5,510,663	7,627,382
Selling, general and administrative expenses	2,685,354	2,902,373
Operating profit	2,825,309	4,725,008
Non-operating income		
Interest income	21	37
Dividend income	29,817	35,758
Commission income	33,338	12,170
Insurance claim income	3,362	10,229
Subsidy income	524	–
Other	835	4,905
Total non-operating income	67,901	63,101
Non-operating expenses		
Interest expenses	5,380	9,258
Depreciation	–	9,181
Other	2,299	4,700
Total non-operating expenses	7,679	23,141
Ordinary profit	2,885,531	4,764,969
Extraordinary income		
Gain on sale of non-current assets	558	39
Total extraordinary income	558	39
Extraordinary losses		
Loss on retirement of non-current assets	2,812	2,521
Loss on sale of non-current assets	789	769
Theft loss	–	39,972
Total extraordinary losses	3,602	43,263
Profit before income taxes	2,882,487	4,721,746
Income taxes - current	938,533	1,590,252
Income taxes - deferred	39,337	(49,766)
Total income taxes	977,871	1,540,485
Profit	1,904,616	3,181,260
Profit attributable to owners of parent	1,904,616	3,181,260

Quarterly consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,904,616	3,181,260
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,094)	1,458
Deferred gains or losses on hedges	111,941	33,684
Total other comprehensive income	103,846	35,142
Comprehensive income	2,008,462	3,216,402
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,008,462	3,216,402

(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.

**Segment information**

I Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

## 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	5,029,048	3,349,859	15,996,926	24,375,834
Intersegment sales or transfers	–	–	–	–
Total	5,029,048	3,349,859	15,996,926	24,375,834
Segment profit	2,226,312	550,688	561,220	3,338,221

## 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	3,338,221
Corporate expenses (Note)	(512,911)
Operating profit on quarterly consolidated statement of income	2,825,309

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, 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.

**Subsequent events**

Not applicable.