WE ARE

REZIL

TRANSFORM FOR RESILIENCE

November 14, 2024

Financial Results Briefing Material for the First Quarter of the Fiscal Year Ending June 30, 2025

Rezil Inc. (Securities code: 176A)

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FINANCIAL HIGHLIGHTS

Financial Highlights for the 1Q of FY2025



Executive Summary (Consolidated)

Business Performance Highlights*

Net Sales

¥12,585 million

YoY +12.3%

EBITDA

¥1,684 million

YoY +11.5%

Operating Profit

¥1,451 million

YoY +13.9%

Profit Attributable to Owners of Parent

¥1,044 million

YoY +17.9%

1Q Topics

- Net sales: Growth exceeded 10% YoY, owing to the intense heat and other factors, following similar conditions in the previous fiscal year
- Operating profit/Profit attributable to owners of parent: Growth exceeded 10% compared to the previous year
- EBITDA: Up around 11% compared to the previous year

- Distributed Energy: Received orders for replacement of 508 households and new emergency power reserve service orders received for two buildings for 548 households due to focused sales efforts to win new contracts and drive replacement
- Digital Transformation Support: Orders received for three new electric power companies in which municipalities have invested

* Because we did not prepare quarterly consolidated financial statements for the first quarter of the fiscal year ended June 30, 2024, the quarterly year-on-year rate of change for the first quarter of the fiscal year ending June 30, 2025 as well as the figures for the first quarter of the fiscal year ended June 30, 2024, along with the quarterly year-on-year rate of change for these figures, in this document are for reference only.

Consolidated Business Performance Highlights

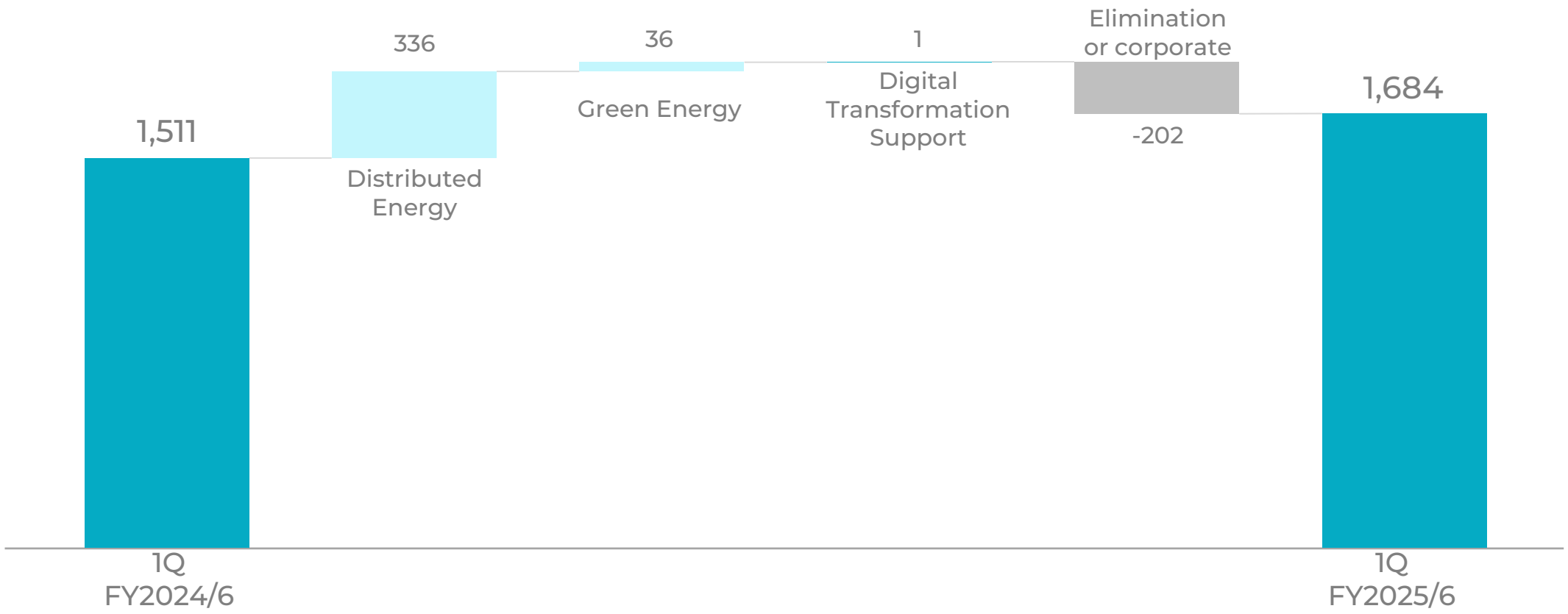
(Millions of yen)	24/6 1Q	25/6 1Q	YoY Change* (%)
Net Sales	11,207	12,585	+1,378 (+12.3%)
Gross profit	2,198	2,659	+461 (+21.0%)
Operating Profit	1,274	1,451	+177 (+13.9%)
Ordinary Profit	1,245	1,446	+200 (+16.1%)
Profit Attributable to Owners of Parent	885	1,044	+158 (+17.9%)
EBITDA	1,511	1,684	+173 (+11.5%)

* Because we did not prepare quarterly consolidated financial statements for the first quarter of the fiscal year ended June 30, 2024, the quarterly year-on-year rate of change for the first quarter of the fiscal year ending June 30, 2025 as well as the figures for the first quarter of the fiscal year ended June 30, 2024, along with the quarterly year-on-year rate of change for these figures, in this document are for reference only.

Consolidated EBITDA (Factors behind Changes)

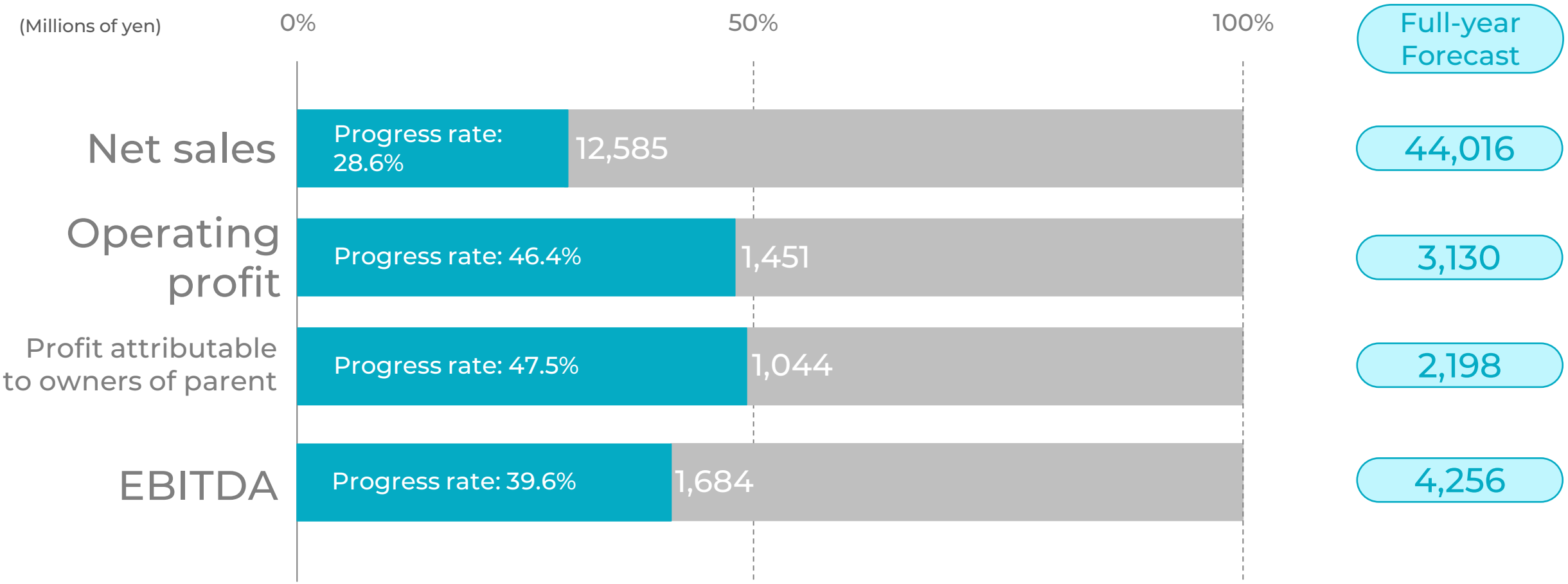
The intense summer heat and other factors resulted in strong growth in EBITDA, mainly in Distributed Energy.

(Millions of yen)

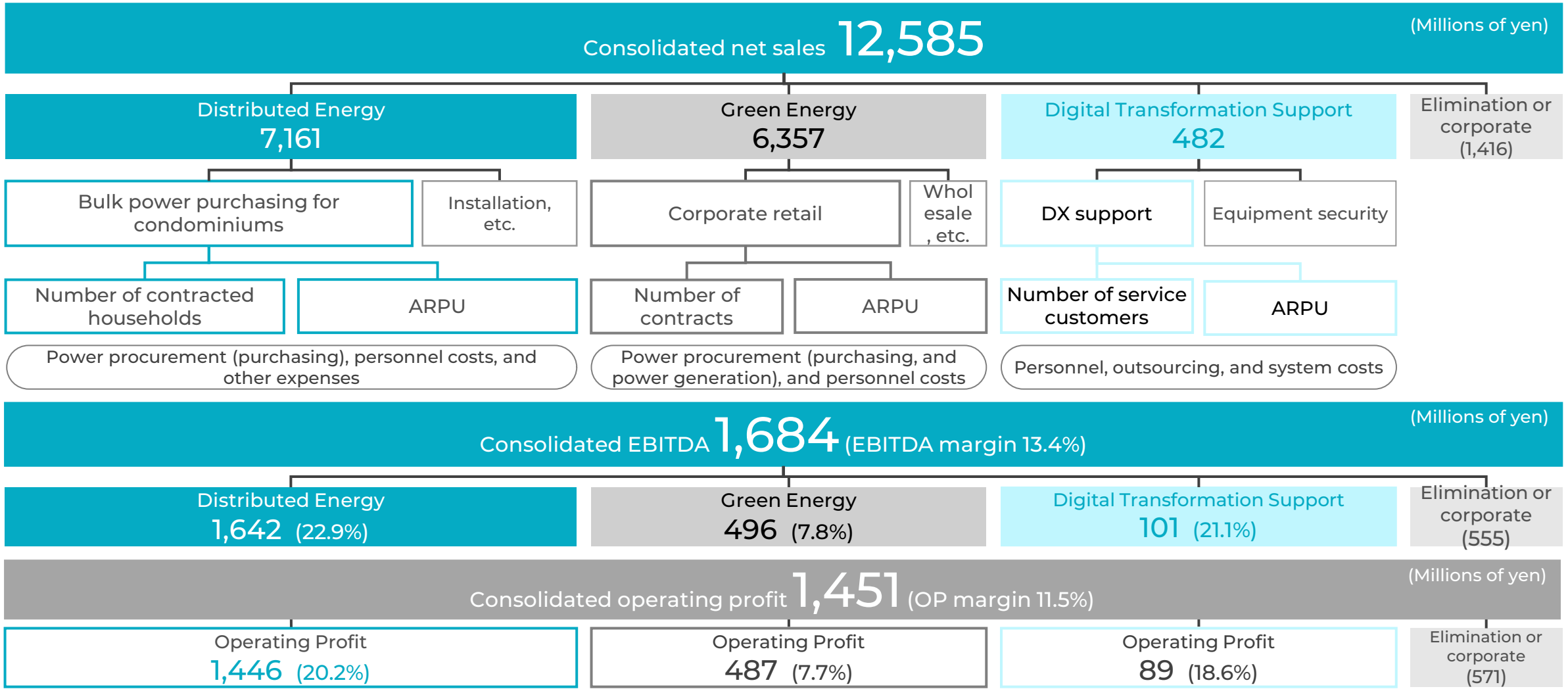


Comparison with Consolidated Earnings Forecasts

Progress proceeded according to plan, in light of the seasonal factors affecting performance.



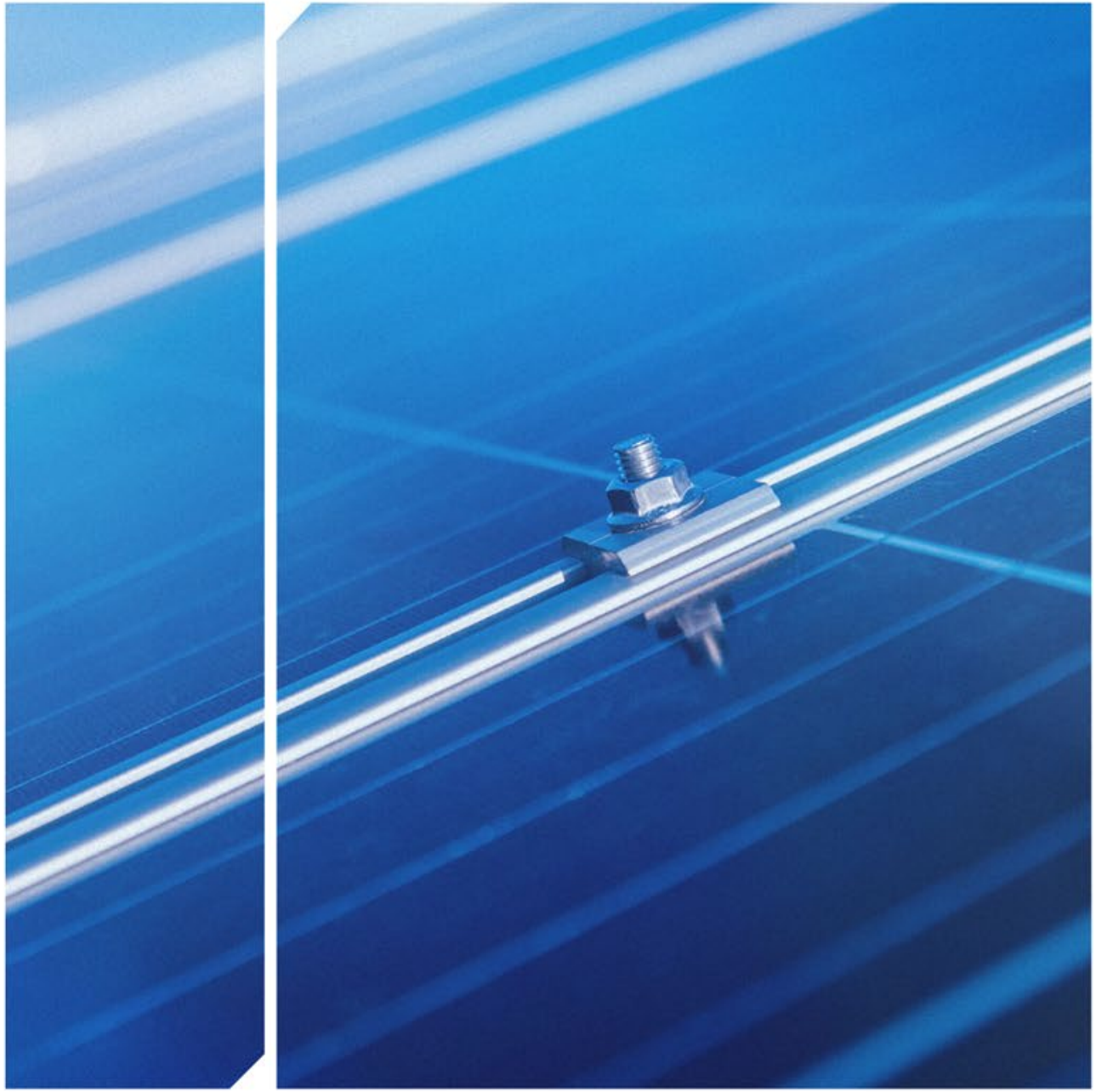
Income by Segment



Note: Distributed Energy + Green Energy + Digital Transformation Support + elimination or corporate = Group-wide
Elimination or corporate include intersegment sales or transfers in sales. Profits include corporate expenses that are not allocated to each segment. Figures in parentheses show OP margin and EBITDA margin.

BUSINESS STRATEGY

Business Strategy



Who We Are

A company transforming legacy energy systems with our digital strengths

REZIL

Company name:	Rezil Inc.
Locations:	Tokyo Head Office: 14F, Marunouchi Trust Tower North, 1-8-1 Marunouchi, Chiyoda-ku, Tokyo 100-0005 Osaka Head Office: 2F, Kintetsu Namba Building, 1-4-38 Minato-cho, Naniwa-ku, Osaka 556-0017
Established:	November 21, 1994
Representative:	Hozumi Tanji
Number of employees:	223 (as of June 30, 2024)
Business areas:	(1) Distributed Energy / (2) Green Energy / (3) Digital Transformation Support
Subsidiaries:	Chuo Electric Power Solutions Co., Ltd. (wholly owned subsidiary) Chuo Electric Power Energy Co., Ltd. (wholly owned subsidiary)

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
TCFD Consortium
GX League



Our Purpose / Mission

PURPOSE

A unifying force, persistently tackling social challenges.

MISSION

We make decarbonization effortless

Management Strategy for Generating Synergies among the Three Businesses (FY2024/6 onward)

We are optimizing resource allocation and business portfolio to build a distributed energy platform.



Procure-ment

Green Energy

Renewable energy procurement and supply

Stabilization of electricity procurement

Improvement in Rezil's operational efficiency



Con-trol

Distributed Energy

Bulk electricity purchasing + Emergency power reserve service and Decarbonization

Systems and operations



Sys-tems

Digital Transformation Support

Provision of systems
BPaaS = SaaS + BPO

Number of contracts for supplying renewable energy to companies and municipalities (As of June 30, 2024)

Approx. **7,500**

Renewable energy adoption percentage: 82.5%

Number of households using Rezil's condominium bulk power purchasing service (As of June 30, 2024)

Approx. **178,000**

Renewal rate: 100%

Number of contracted service customers of electric power companies (As of June 30, 2024)

Approx. **425,000**

Renewal rate: 100%

Note: The renewal rate for condominium bulk power purchasing indicates the rate of renewal for the initial renewal period. The renewal rate for Digital Transformation Support indicates the rate of renewal based on the number of client company contract renewals after services begin.

Established a New Business from FY2025/6 to Maximize the Growth Potential of Our Three Existing Businesses

The Decarbonization Solution business has been established as a functional hub that connects our three existing businesses. Supports expansion of customer target groups in existing businesses, with a focus on “public.”



FY2025/6 Business Strategy and Summary of Progress

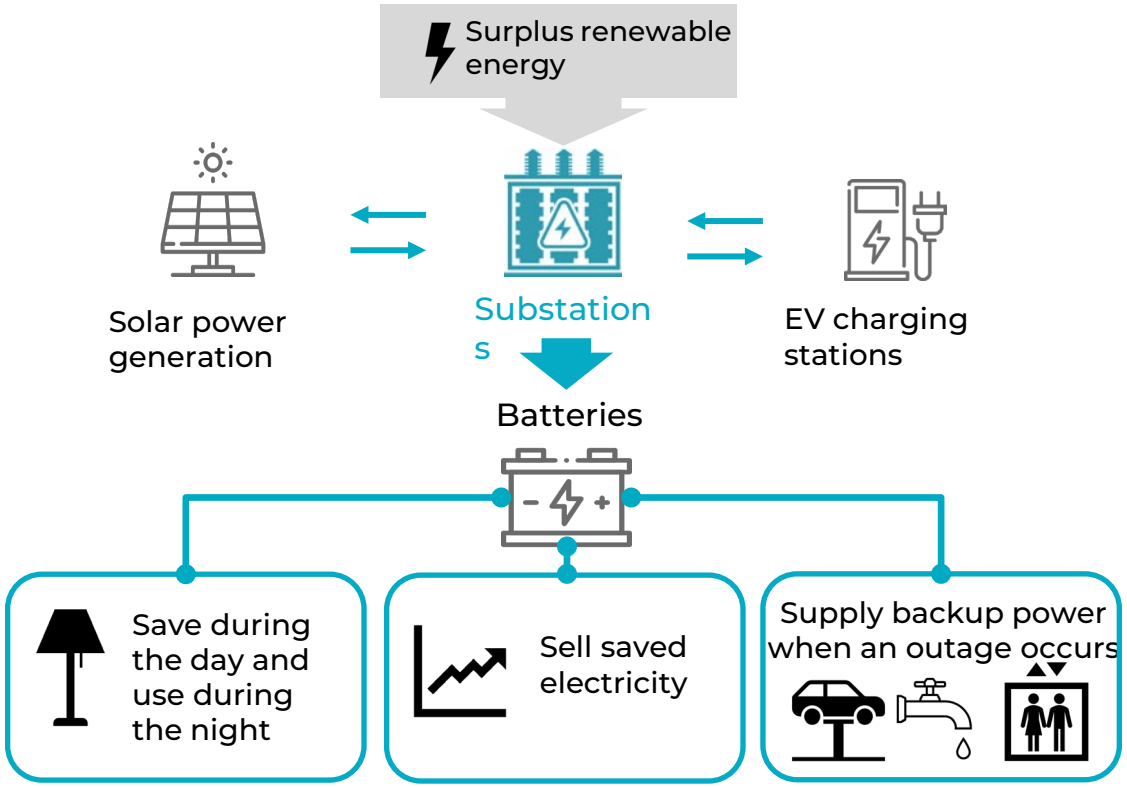
		Progress in 1Q FY2025/6 (as of Sept. 30, 2024)
Distributed Energy	■ Emergency Power Reserve Service now fully operational ■ Expanded sales areas (from existing buildings to new buildings and expansion to residential property for lease and sale, REIT properties, etc.) ■ Sped up growth in the number of households captured through promotion of replacement from other companies	■ Orders received for 548 households/2 buildings ■ Collaboration with major condominium management company ■ Orders received for 508 households/3 buildings
Green Energy	■ Taking on the challenge of 100% adoption of renewable energy ■ Pursuit of risk hedging measures in electricity procurement ■ Providing solutions for companies aiming at reducing Scope 2 and 3 emissions	■ Renewable energy adoption percentage: 83.0% ■ Currently developing new tariff structures ■ Renewable energy supply to HOKURIKU MAZDA
Digital Transformation Support	■ Began providing standardized packages for new electric power companies in which municipalities have invested ■ Expanded rollout of customized services for major electric power companies	■ Concluded contracts with three new electric power companies in which municipalities have invested ■ Expanded to major regional power companies
Provision of decarbonization solutions	■ Provision combining assets of the three businesses focused on “public” solutions	■ Municipal housing project in Kitakyushu City ■ Concluded collaboration agreement with Yokohama City

Distributed Energy | Improve Resilience Solutions

Condominiums x Distributed energy resources (DER) x Digital electricity control contributes to optimized energy use and decarbonization

Expansion of business model through DER implementation

The equipment for condominium bulk power purchasing/emergency power reserve service installed at no cost. The business model recovers equipment costs and service fees as electricity charges.



Value proposition of condominium bulk power purchasing/emergency power reserve service

Developers/rental property owners

Economic value

Increase the value of condominiums at no extra cost.

Rezil pays for the installation of substation/DER equipment.

Environmental value

Compliant with Scope 3 emissions

Use of effectively renewable energy reduces GHG emissions to zero.

Residents

Economic value

Reduction of electricity charges

Bulk purchasing allows electricity to be received at lower rates than from a regional power company.

Environmental value

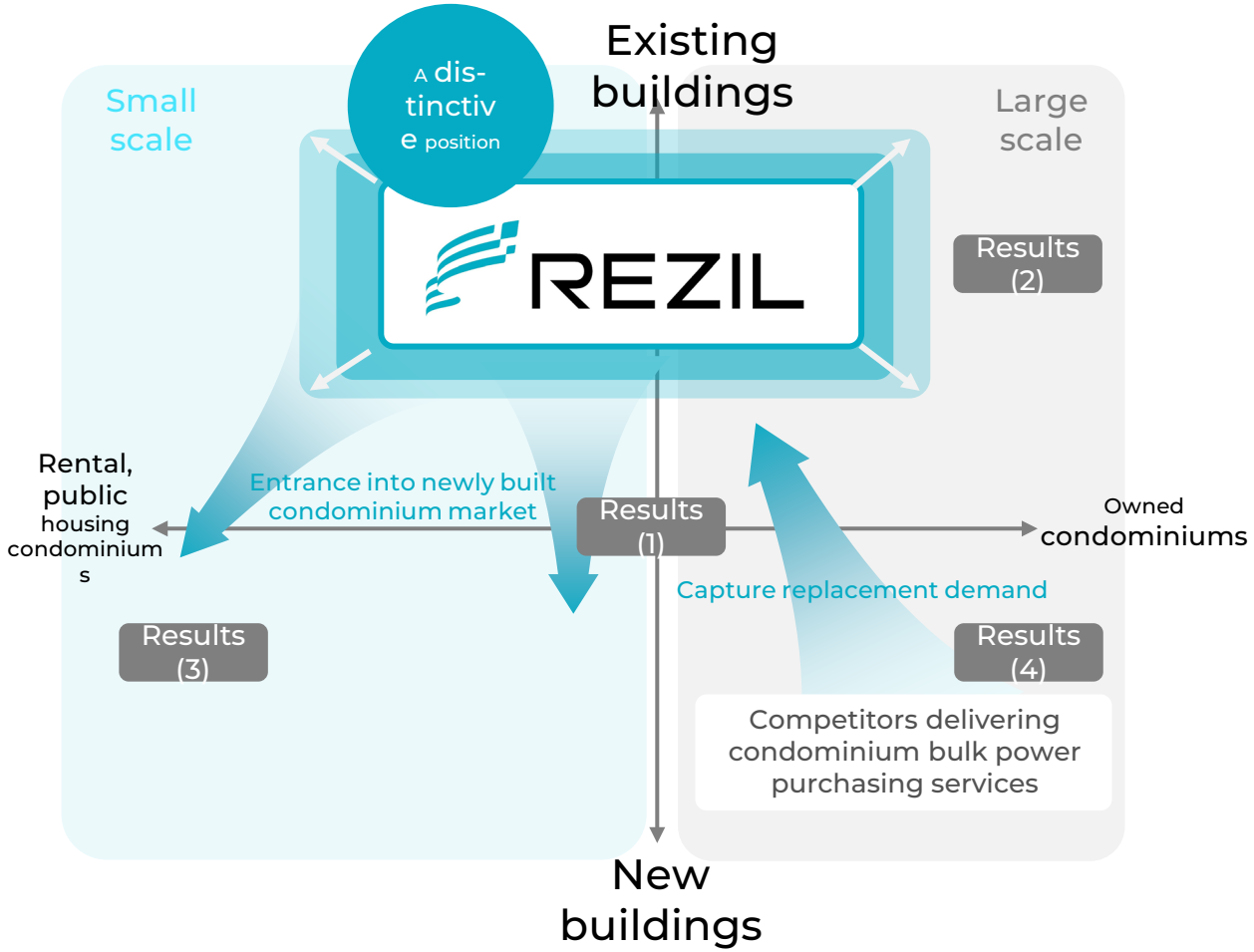
Preparation for disasters and emergencies, decarbonization

Achieve decarbonization plus greater resilience during disasters, etc.

Distributed Energy | Strategic Positioning in Sales Activities

We will expand sales areas into newly built owned, rental, and public housing condominiums. For existing buildings, we will focus on switching to Rezil when contracts are up for renewal.

Sales development positioning



Initiative Results (as of Sept. 30, 2024)

Results (1)

Received orders for new emergency power reserve service

548 units / 2 buildings

Results (2)

Expansion of emergency power reserve service

Agreed to business partnership agreement with Mitsubishi Jisho Community Co., Ltd.

Results (3)

Entrance into public housing market

Launched bulk power purchasing and use of DER services for public housing

Results (4)

Expanding number of households by promoting replacement

508 units / 3 buildings

Distributed Energy Business | Market Expansion Through Cooperation and Collaboration

Establish a foothold in each market through a multifaceted approach to accelerate adoption of services.

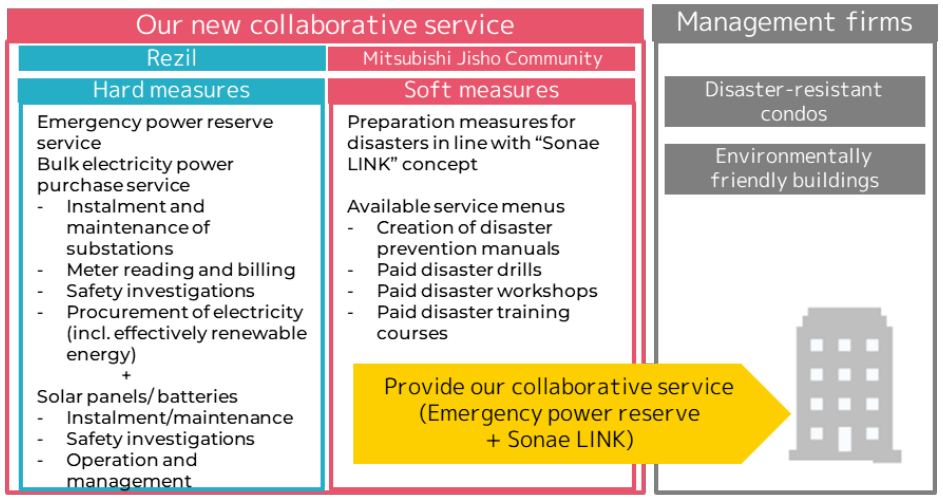
Cooperative approach with major residential property management company

Case study

REZIL × 三菱地所コミュニティ

We plan to offer new jointly developed services in the properties Mitsubishi Jisho Community Co., Ltd. manages under contract, mainly in condominiums that have adopted our condominium bulk power purchasing service.

Provision of OEM emergency power reserve service



Launched bulk power purchasing and use of DER services for public housing

Case study



Solar power generation PPA* project for in-house use selected for city housing in the Nagaguro district of Kitakyushu City

Launched bulk power purchasing and use of DER services for public housing

Overview

- In the city-operated reconstruction project in the Nagaguro district of Kitakyushu City, we are pursuing Japan's first project-based integrated bulk power purchasing project to convert high-voltage power to low-voltage power and supply it to households using a solar power generation project for in-house consumption that makes maximal use of roofs through a third party-owned PPA (roof rental).

1. Began providing CNaaS for Local service to support decarbonization to municipalities in November 2023. In July 2024, established the new Decarbonization Solutions Division and took other steps to establish a support system to assist municipalities with decarbonization.
2. Provided proposals with customized specifications for emergency power reserve service according to the business plan and system design of each municipality.

* Power Purchase Agreement (PPA): A framework in which a company that owns and operates solar power generation equipment (PPA provider) uses the roof and other areas provided by a facility owner to install solar power generation equipment and sell the electricity generated by the solar power generation system to electricity users in the facility.

Distributed Energy | Support for Pioneering Local Decarbonization Initiatives

Encouraging municipalities to work continuously toward decarbonization by creating mechanisms to maximize the use of existing local assets.

Case study

Signed a collaboration agreement with the City of Yokohama to promote local decarbonization using the activities of the Decarbonization Solution Division

Supporting the city to achieve CN through CO_2 emission reductions in the residential sector

REZIL

- Identification of issues and survey on the potential for adoption of high-voltage bulk power receiving in housing complexes
- Public relations activities contributing to the spread of high-voltage bulk power receiving and renewable energy electricity
- Promotion of resilience enhancement through the introduction of solar power generation and storage batteries

×

明日をひらく都市

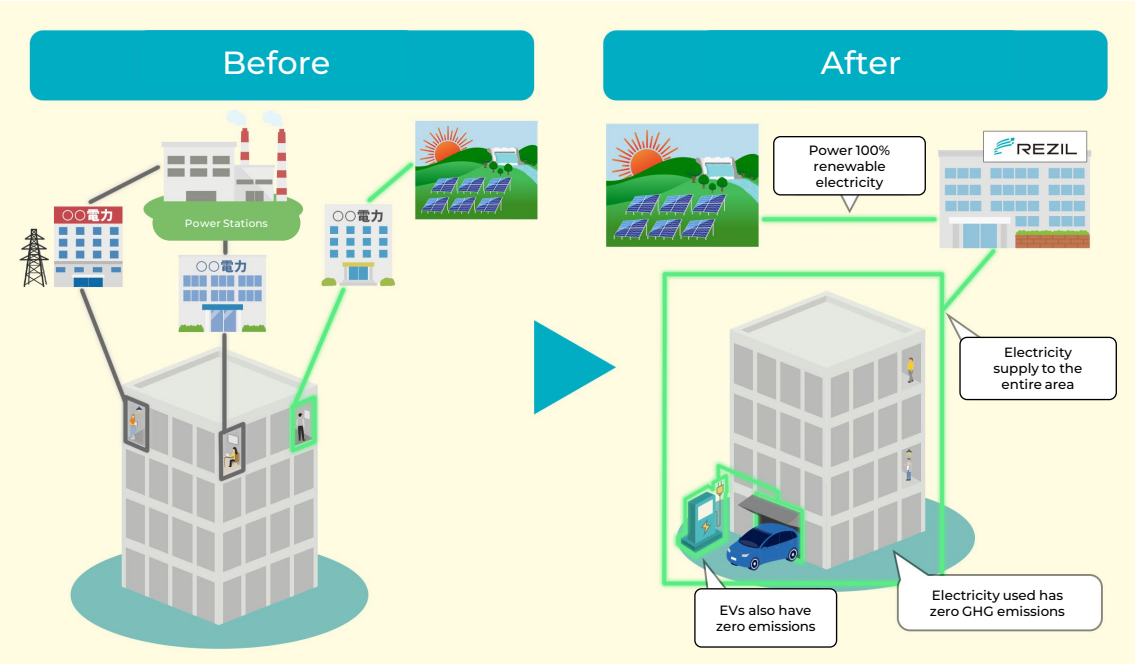
OPEN × PIONEER

横浜市

- Cooperation in coordination and consultation with related organizations
- Spreading of awareness of renewable energy electricity

Main details of cooperation

- Introduction of renewable electricity in housing complexes
- Activities that contribute to the promotion of renewable energy electricity in housing complexes
- Promotion of integrated introduction of renewable energy in housing complexes, including solar power generation and storage batteries



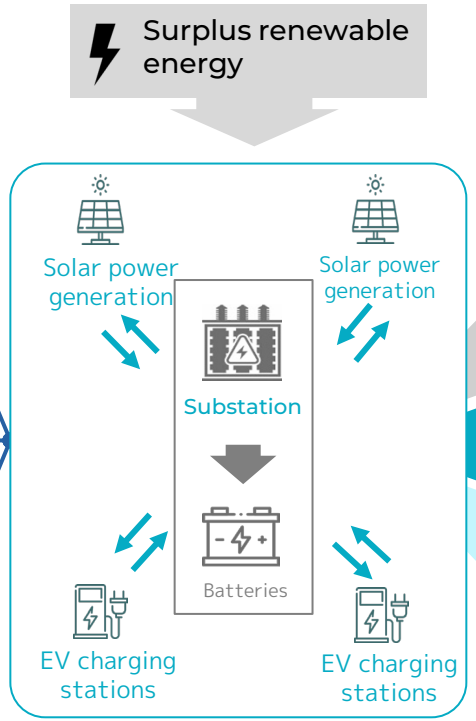
Distributed Energy | Public Housing Initiative with Three-way Benefits

Adoption of emergency power reserve service in municipal housing contributes to decarbonization by municipalities and strengthens the resilience of residents while curbing Rezil's initial investment

Opportunities
- Roughly 2.5 million households* in public housing nationwide
- Replacement demand expected due to aging housing that is 40 to 50 years old

Strengths
- Rezil's three businesses possess all the expertise in such areas as procurement, operation, and control, where we can utilize it

Issues
- At present, the renewable energy generated is used outside of municipalities or wasted
- Municipalities do not have sufficient expertise in operation



Residents

Economic value	✓ Can reduce electricity bills through bulk power purchasing ✓ Installation of DER equipment improves the resilience of condominiums
Social value	✓ Decarbonization without the psychological stress and economic burden

REZIL

Economic value	✓ Can reduce our initial investment (municipalities bear the cost of substations) ✓ Expands targets to the public housing market
Social value	✓ Communities and residents achieve decarbonization without thinking about it ✓ Generates a social impact

Municipalities

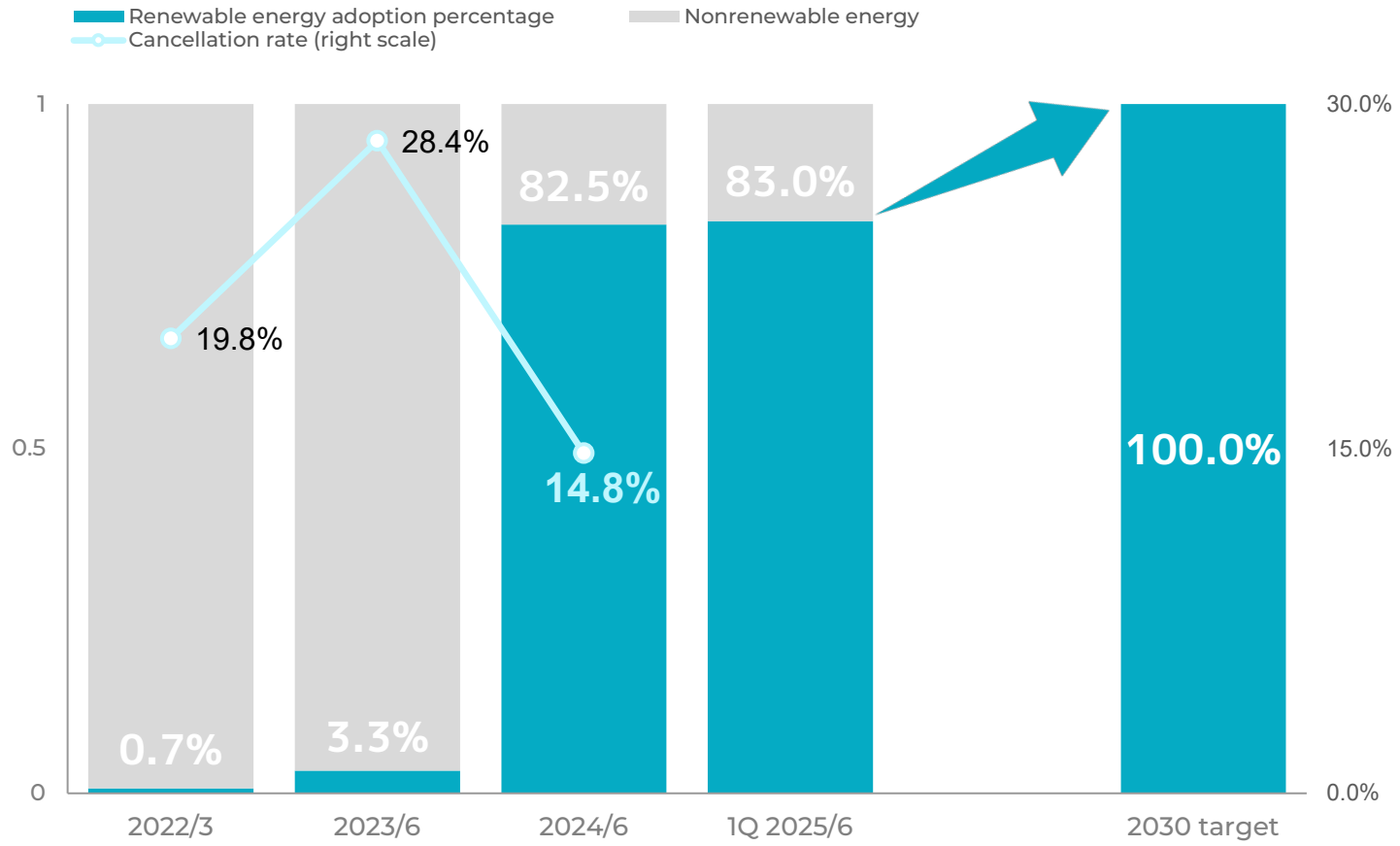
Economic value	✓ Reduces capital expenditures (Rezil installs solar panels) ✓ No operating cost/work
Social value	✓ Renewable energy is produced locally for local consumption ✓ Promotes regional decarbonization

* Source: Ministry of Internal Affairs and Communications "2023 Housing and Land Survey: Basic Tabulation on Dwellings and Households"

Green Energy | Promoting Improvement in the Renewable Energy Adoption Ratio

Continue to only sell renewable energy (including effectively renewable energy). At present, we expect the adoption percentage to reach 90%.

Renewable energy adoption rates and cancellation rates



Working on both decarbonization and earnings stabilization

Decarbonization

Aim to achieve 2030 targets early, and for contracts from FY2024/6, all energy supplied being effectively renewable energy.

Earnings stabilization

Aim to stabilize earnings by improving renewal rates through better customer service, in combination with ongoing improvements in procurement and introduction of variable market rate plans.

Note: The ratio is based on the number of electricity supply contracts.
* See Rezil's release dated September 26, 2024 for more information. https://rezil.co.jp/news_release/1990/ (in Japanese only)

Green Energy | Supporting Decarbonization of Company Supply Chains through Our Services

Create and provide added value by improving services to encourage companies to adopt renewable energy.

Supplying renewable energy to HOKURIKU MAZDA

Case study

Supplying renewable energy to HOKURIKU MAZDA

Support achievement of 100% of electricity use from renewable energy at all locations while also reducing the company's electricity-related costs.

Background

- The Mazda Group aims to achieve carbon neutrality throughout the product lifecycle by 2050 through initiatives involving the entire supply chain.
- Business locations have decided to adopt this because they recognize it is essential to achieve carbon neutrality.

Achieved substantial reduction in Scope 2 emissions

CO_2



HOKURIKU MAZDA
Representative Director and President: Ryosuke Sakai
- Deployed to 18 dealerships in three prefectures
- Mazda direct dealers

Supplying temporarily installed renewable energy during large-scale repair work by Mitsubishi Jisho Community Co., Ltd.

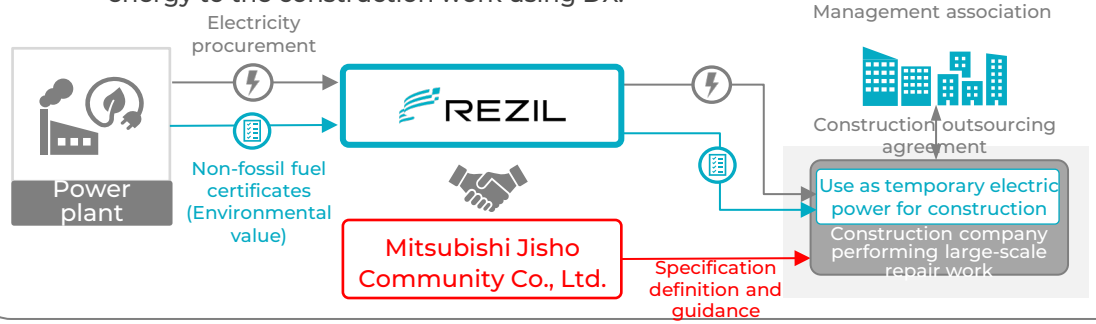
Case study

Planning to supply* 100% of temporarily installed electric power from effectively renewable energy in repair work on properties managed by Mitsubishi Jisho Community Co., Ltd.

We expect this to reduce CO_2 emissions by roughly 225 tons a year and contribute to Scope 3 reduction.

Overview

- Mitsubishi Jisho Community has around 270 large-scale repair projects and decided this electric power decarbonization would have a certain degree of impact.
- Since the electric power company is not enthusiastic about the project because it requires a certain amount of labor hours for administrative work while having a short contract term, Rezil will create a system to successfully supply renewable energy to the construction work using DX.



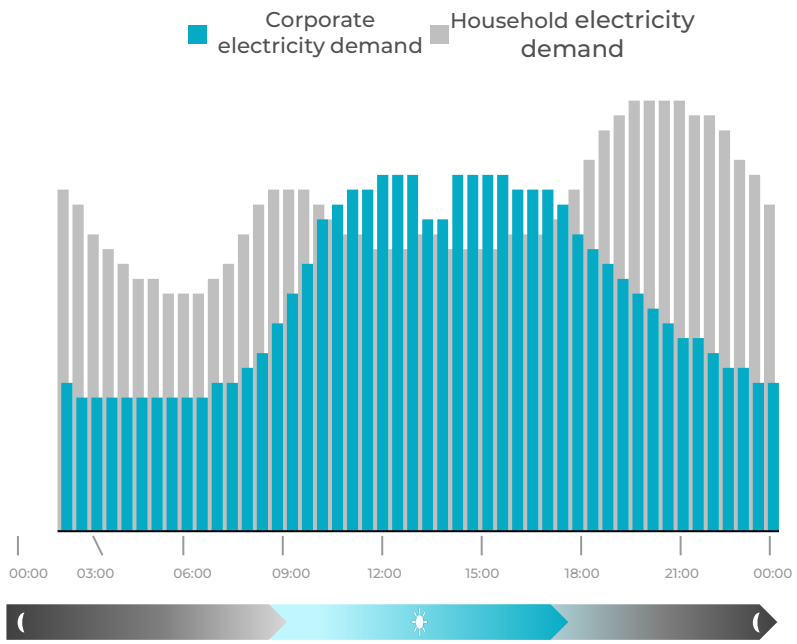
* Energy supplied with Non-fossil Fuel Energy Certificates with Tracking Information (as evidence the power was derived from renewable energy)

Green Energy | Risk Hedging in Procurement

Plan to execute risk hedging through power trading, such as seasonal and regional swaps, as well as balancing day and night demand.

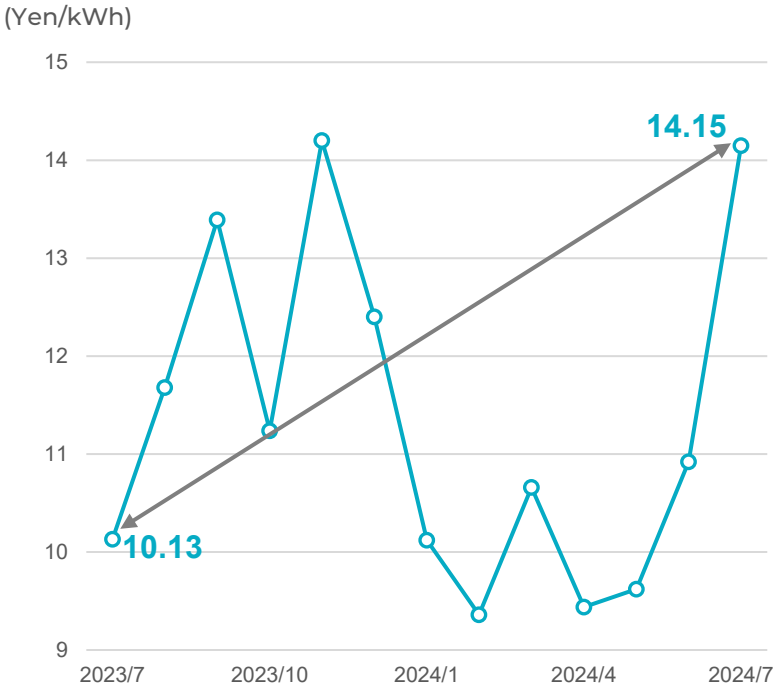
New electricity demand curve

Ensuring a certain level of electricity demand (base power source) throughout the day



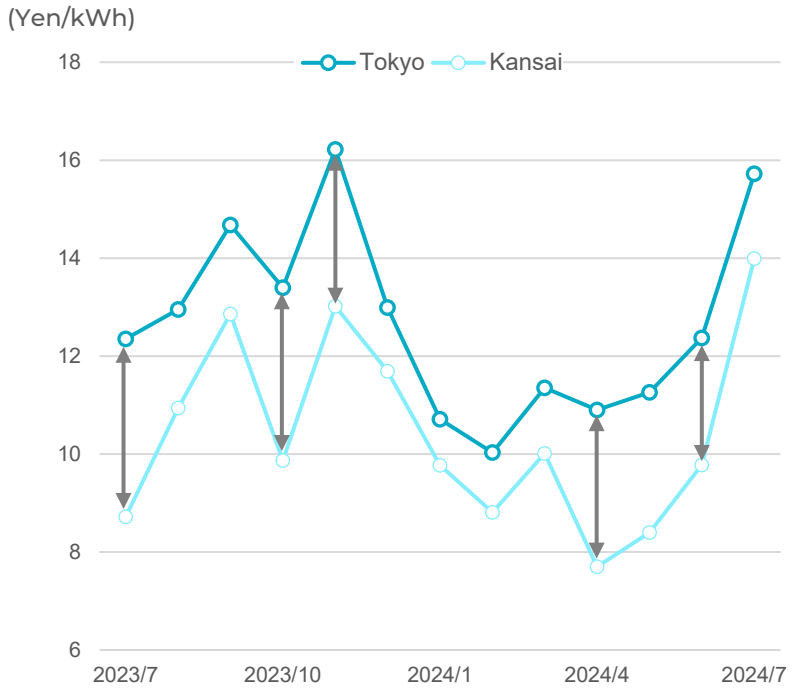
Seasonal fluctuations

Risk hedging of wholesale price differentials (up to 1.5x) through electricity futures trading



Regional swaps

Leveraging price differences between the east and west caused by the operational status of nuclear and solar power plants



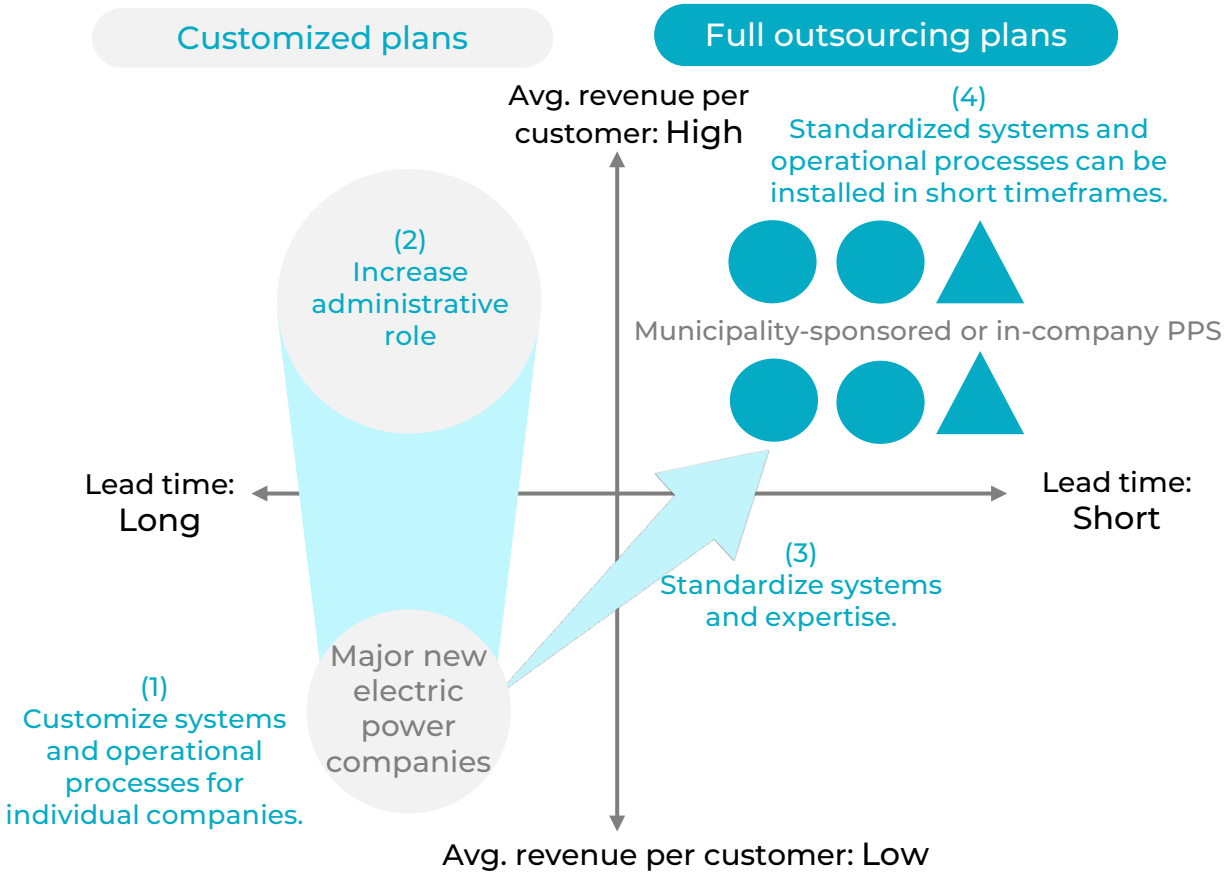
Source: The left graph was created by Rezil based on the electricity demand of condominiums and companies. The middle and right graphs were created by Rezil using Japan Electric Power Exchange (JEPX) market trading data.

Digital Transformation Support | Action Plan for Target Customer Groups and Expansion

We will increase our project workload by providing packaged outsourcing plans for new electric power companies (PP sponsored by municipalities or private companies in addition to our existing customized plans for major PPS

As the demand for off-site power purchase agreements (PPAs) increases due to restrictions on self-wheeling contracts, we will target PPS, which lacks the necessary expertise as a new customer group.

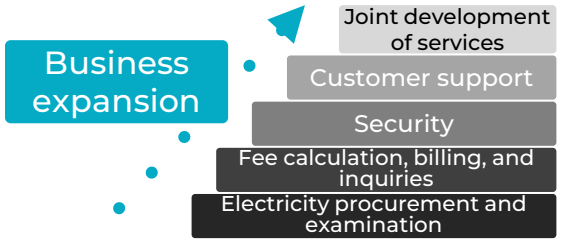
Two lines of approach to customer groups



Earnings growth through the expansion of the customer base and services provided

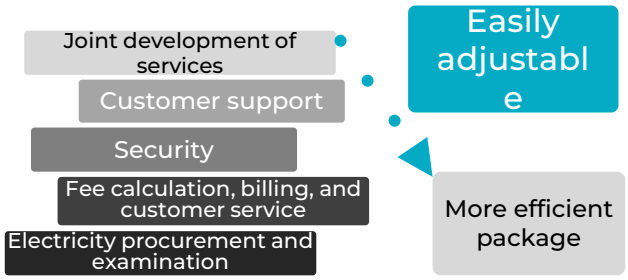
Earnings growth from customized plans will increase average customer spend

Earnings expansion from increased range of operations handled and delivery of better quality and reduced costs through operational improvements, particularly for PPS



Full outsourcing plans will increase the number of contracted companies in a short period of time.

Deliver all power supply management operations, reducing the burden for relatively small municipality-sponsored or in-company PPS that are primarily aimed at decarbonization.



Digital Transformation Support | Tendency to Add Services

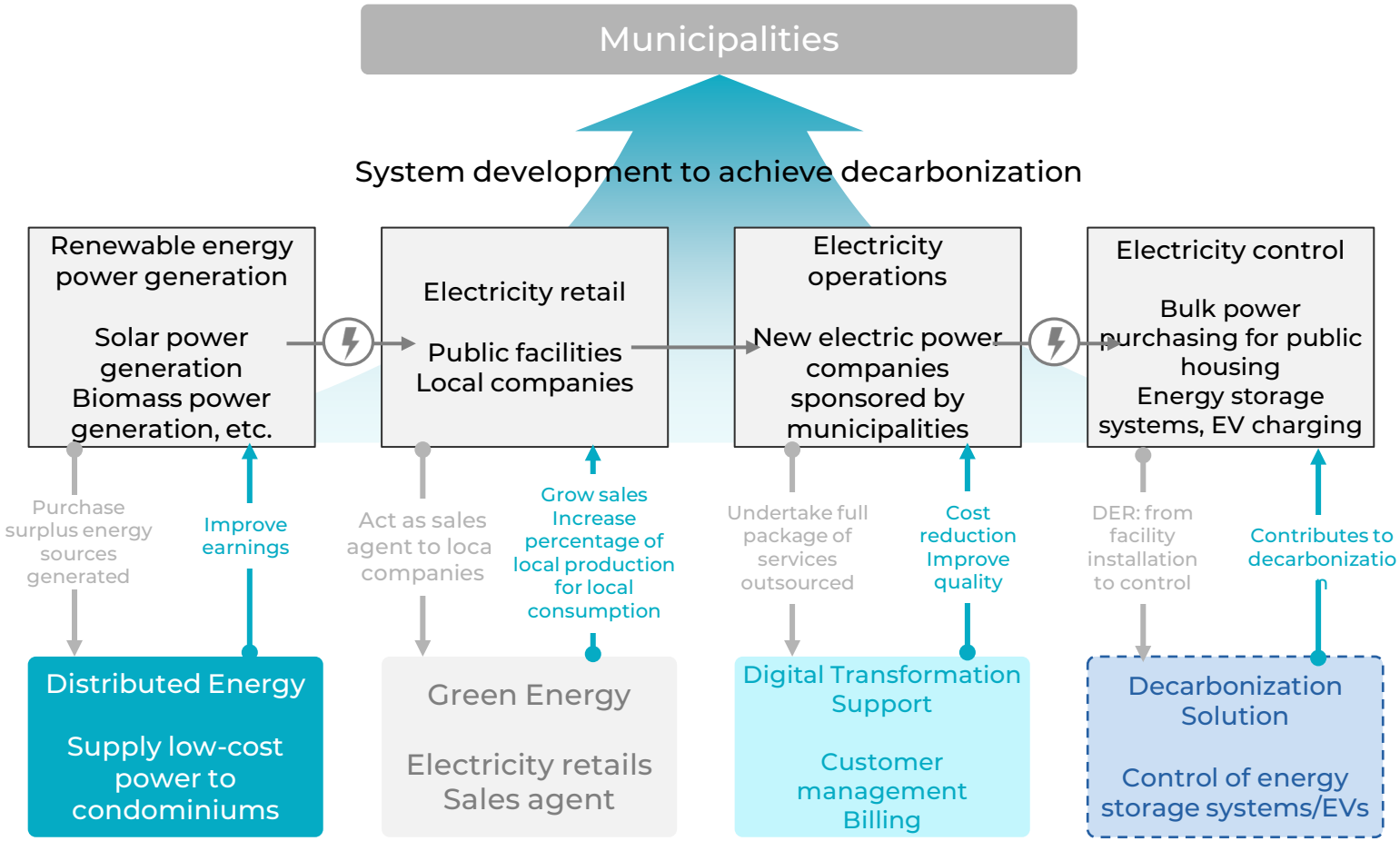
Steadily expanding the number of contracted companies. Also, the trend of increasing the number of solutions adopted as the number of years of continuous service increases remains intact.

Service areas	Service menu	K	J	I	H	G	F	E	D	C	B	A
	Contract durations	Short →										Long
Systems	ID/customer management		●				●	●	●	●	●	●
	System development		●	●			●	●	●	●	●	●
	Billing		●					●	●	●	●	●
Consulting	Operation efficiency improvement	●	●	●	●	●			●	●	●	●
Business process outsourcing (BPO)	Management of billing		●					●	●	●	●	●
	Contracting admins		●	●		●		●	●	●	●	●
	Call center contracting		●	●		●		●	●	●	●	●
	Electricity safety investigation				●				●	●	●	●

Decarbonization Solutions | Multifaceted Approach to Expand the Customer Base and Earnings

We deliver optimized solutions by combining our accumulated expertise in services, operations, and processes to address the challenges faced by municipalities/companies.

Collaboration with electric power companies invested by municipal governments to maximize revenue opportunities for our key businesses



Positioning of the Decarbonization Solutions business

Positioning

- Established as a new organization in August 2024
- Supports expansion of customer target groups in existing businesses, with a focus on “public.”

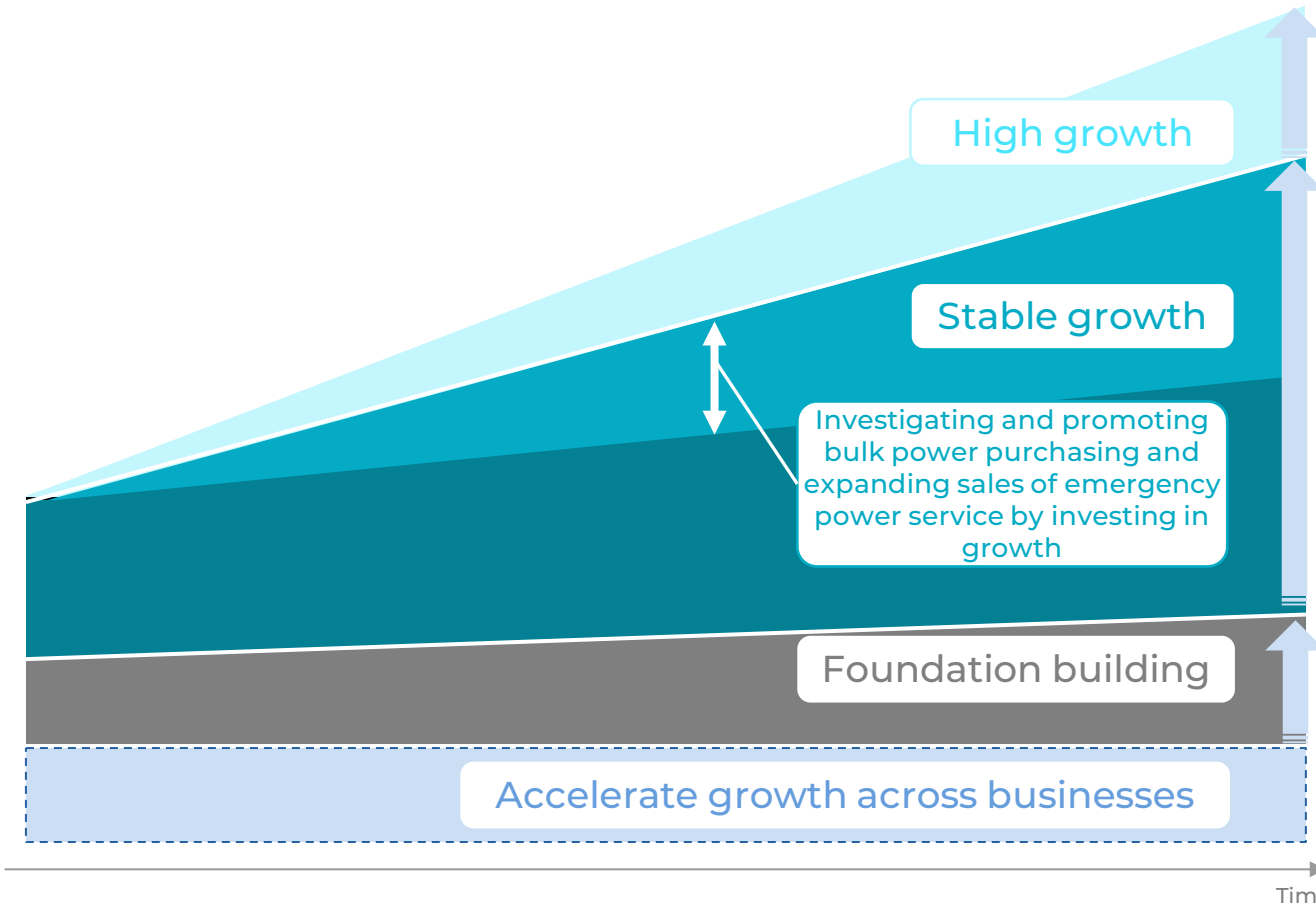
Value proposition action plan

- Seek to maximize the likelihood of achieving carbon neutrality from a regional perspective
- Utilize Rezil business resources and develop new services that actively promote customer carbon neutrality and a broader customer base in existing businesses
- Work to create social impact as well as economic value

Our Roadmap to Medium- and Long-Term Growth

As well as business growth in each segment, we aim to coordinate the activities of our three businesses to contribute to decarbonization across society.

Illustration of assumed growth based on our strategy by business segments over time



Growth strategies

Digital Transformation Support	New customers • Customized plans • Full outsourcing	Upselling existing customers	
Distributed Energy	Emergency power reserve service for condominiums	Investment for growth Market emergency power reserve service to newly-built and repair-reserve-rich condominiums	Investment for growth Move into new buildings for condominiums, public housing, etc.
	Bulk power purchasing for condominiums	Investment for growth Business replacement from existing operators Business acquisitions	
Green Energy		Enhancing power procurement abilities	Renewable energy 100% ratio (2030 target)
Provision of decarbonization solutions		Combine, optimize service packages to address challenges	

APPENDIX

Appendix



REZIL

Consolidated Statement of Income

(Millions of yen)	FY2023/6 (12 months)	FY2023/6 (15 months)	FY2025/6	FY2024/6 1Q	FY2024/6 2Q	FY2024/6 3Q	FY2024/6 4Q	FY2025/6 1Q
Net Sales	41,273	48,867	38,709	11,207	9,061	10,208	8,232	12,585
Distributed Energy	23,802	28,066	20,329	6,099	4,404	5,622	4,203	7,161
Number of contracted households	175,866	175,866	178,502	175,964	178,026	178,069	178,502	178,733
Green Energy	21,301	25,251	21,196	6,033	5,284	5,398	4,479	6,357
Number of contracts	7,663	7,663	7,511	—	—	—	—	—
Digital Transformation Support	1,389	1,704	1,911	443	475	487	505	482
Number of contracted companies	8	8	10	—	—	—	—	—
Number of service customers (thousand)	444	444	425	—	—	—	—	—
Elimination or corporate	(5,220)	(6,155)	(4,727)	(1,368)	(1,103)	(1,300)	(955)	(1,416)
Cost of sales	35,876	42,836	31,224	9,009	7,487	8,180	6,546	9,925
Gross profit	5,396	6,031	7,485	2,198	1,573	2,027	1,685	2,659
(Gross profit margin)	13.1%	12.3%	19.3%	19.6%	17.4%	19.9%	20.5%	21.1%
Selling, general and administrative expenses	3,610	4,394	4,691	924	1,080	1,098	1,588	1,208
Operating Profit	1,786	1,636	2,793	1,274	493	928	97	1,451
(Operating profit margin)	4.3%	3.3%	7.2%	11.4%	5.4%	9.1%	1.2%	11.5%
Ordinary Profit	2,149	1,972	2,769	1,245	484	945	93	1,451
Profit Attributable to Owners of Parent	1,528	1,344	1,986	885	329	680	91	1,044
EBITDA	2,869	2,997	3,759	1,511	747	1,160	340	1,684
(EBITDA margin)	7.0%	6.1%	9.7%	13.5%	8.2%	11.4%	4.1%	13.4%
Distributed Energy	3,297	3,788	3,396	1,305	666	1,050	374	1,642
(EBITDA margin)	13.9%	13.5%	16.7%	21.4%	15.1%	18.7%	8.9%	22.9%
Green Energy	514	362	2,003	459	423	424	695	496
(EBITDA margin)	2.4%	1.4%	9.5%	7,6%	8.0%	7.9%	15.5%	7.8%
Digital Transformation Support	131	171	389	100	105	131	52	101
(EBITDA margin)	9.5%	10.2%	20.4%	22.6%	22.3%	26.9%	10.5%	21.1%
Elimination or corporate	(1,074)	(1,324)	(2,030)	(353)	(448)	(445)	(782)	(555)

Note: EBITDA = Operating profit + Depreciation

Consolidated Balance Sheet and Statement of Cash Flows

(Millions of yen)	As of Jun. 30, 2024	As of Sept. 30, 2023
Total assets	17,519	17,441
Current assets	11,319	11,380
Cash and deposits	4,758	2,290
Accounts receivable - trade, and contract assets	6,167	8,644
Other current assets	392	445
Non-current assets	6,200	6,060
Property, plant and equipment	4,846	4,816
Intangible assets	235	213
Investments and other assets	1,118	1,030
Total liabilities	9,187	8,867
Current liabilities	6,663	6,756
Accounts payable - trade	2,562	3,274
Short-term interest-bearing debt	1,750	1,684
Other current liabilities	2,350	1,797
Non-current liabilities	2,524	2,111
Long-term interest-bearing debt	2,481	2,084
Other non-current liabilities	43	26
Total net assets	8,331	8,573
Shareholder's equity	8,301	8,543
Other net assets	29	29

(Millions of yen)	FY2023/6	FY2024/6
Operating cash flow	3,136	3,798
Investing cash flow	(2,120)	(643)
Free cash flow	1,016	3,155
Financing cash flow	(1,158)	(595)
Net increase in cash and cash equivalents	(141)	2,559
Cash and cash equivalents at end of period	2,199	4,758

Main management indicators

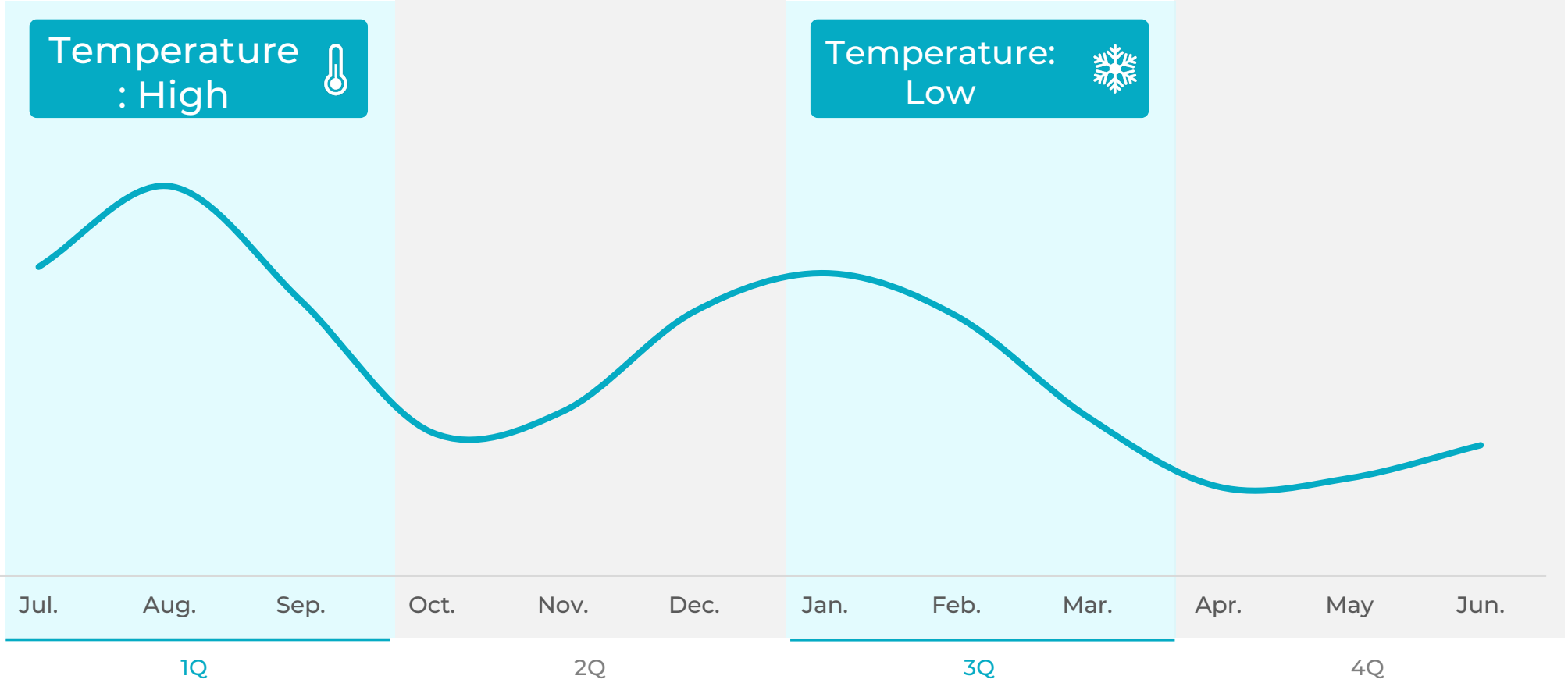
* Figures in parentheses show the average number of temporary workers

(Millions of yen)	FY2023/6	FY2024/6
Equity ratio (%)	41.5	47.4
D/E ratio (times)	0.87	0.51
Net D/E ratio (times)	0.51	-0.06
Dividend payout ratio (%)	29.8	39.5
Number of employees*	181	223
Distributed Energy	47 (8)	47 (10)
Green Energy	36 (2)	48 (4)
Digital Transformation Support	61 (80)	65 (90)
Shared	37 (9)	63 (11)

Seasonality in Sales (Illustration)

Sales tend to increase in the summer (1Q) and the winter (3Q) when electricity demand is robust and electricity sales volume tends to increase. Summer season demand has tended to increase in recent years, in particular.

Illustration of sales throughout the year

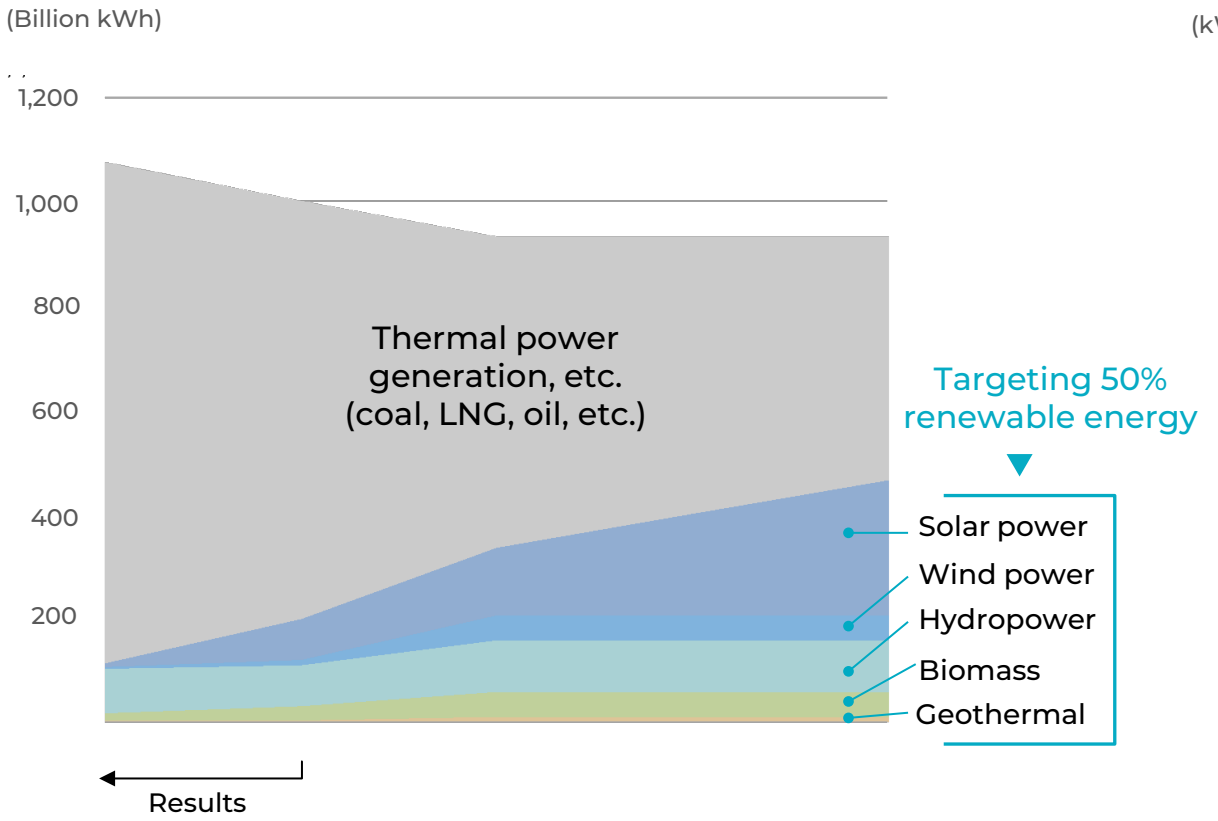


Note: The graph is an illustration and does not indicate specific numerical results or forecasts.

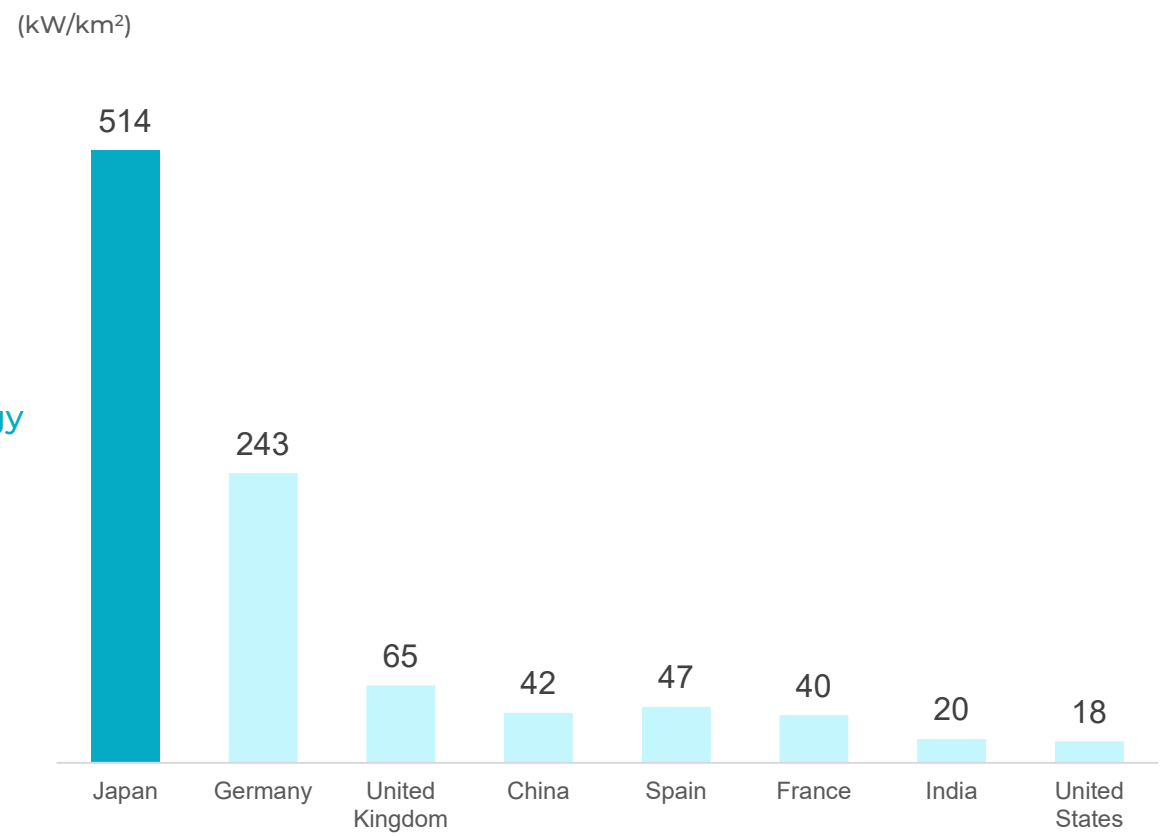
Business Environment Awareness (1)

For decarbonization, if Japan is to make its national target of 50% renewable energy, the country must make efficient use of generated power.

Japan's energy mix forecast*1



Solar power capacity per square kilometer of flat land*2

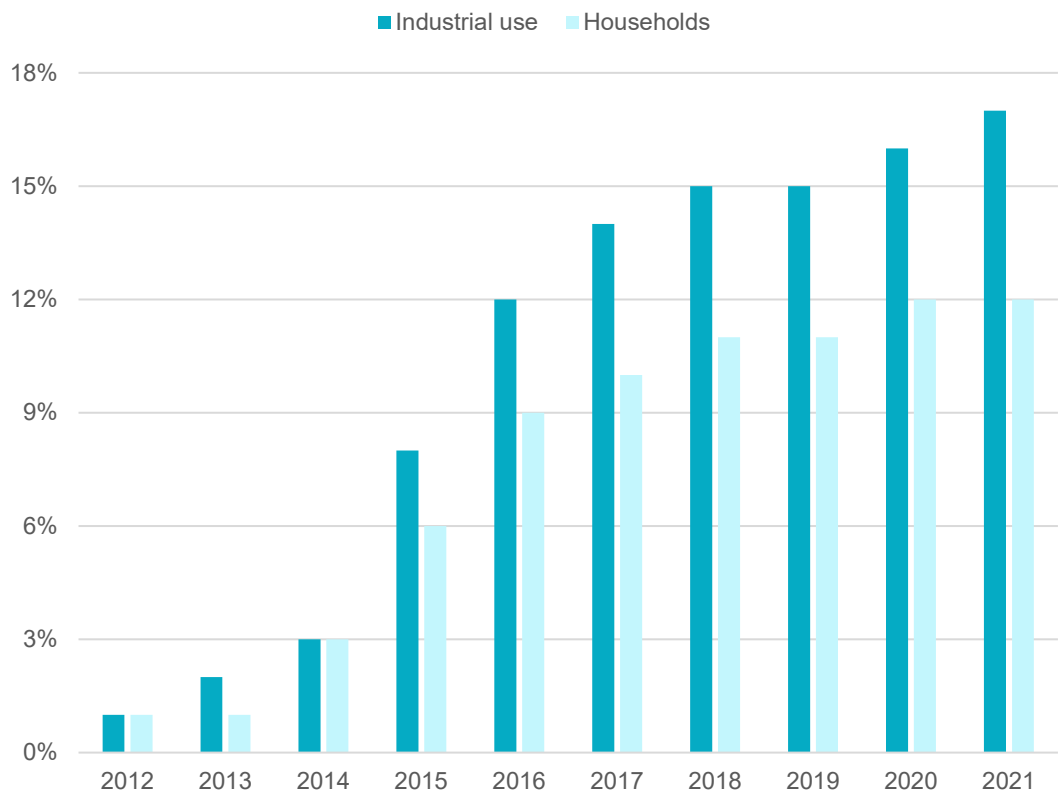


*1 Source: Reference to FY2020 Energy Supply and Demand Report (Revised Report), Ministry of Economy, Trade and Industry, April 2022. Graph shows our estimates for the energy mix breakdown in 2050 if renewable energy were 50% of the total, assuming the same amount of power generation and renewable energy mix in 2050 as in 2030.
*2 Source: Future Renewable Energy Policies, Agency for Natural Resources and Energy, June 2023

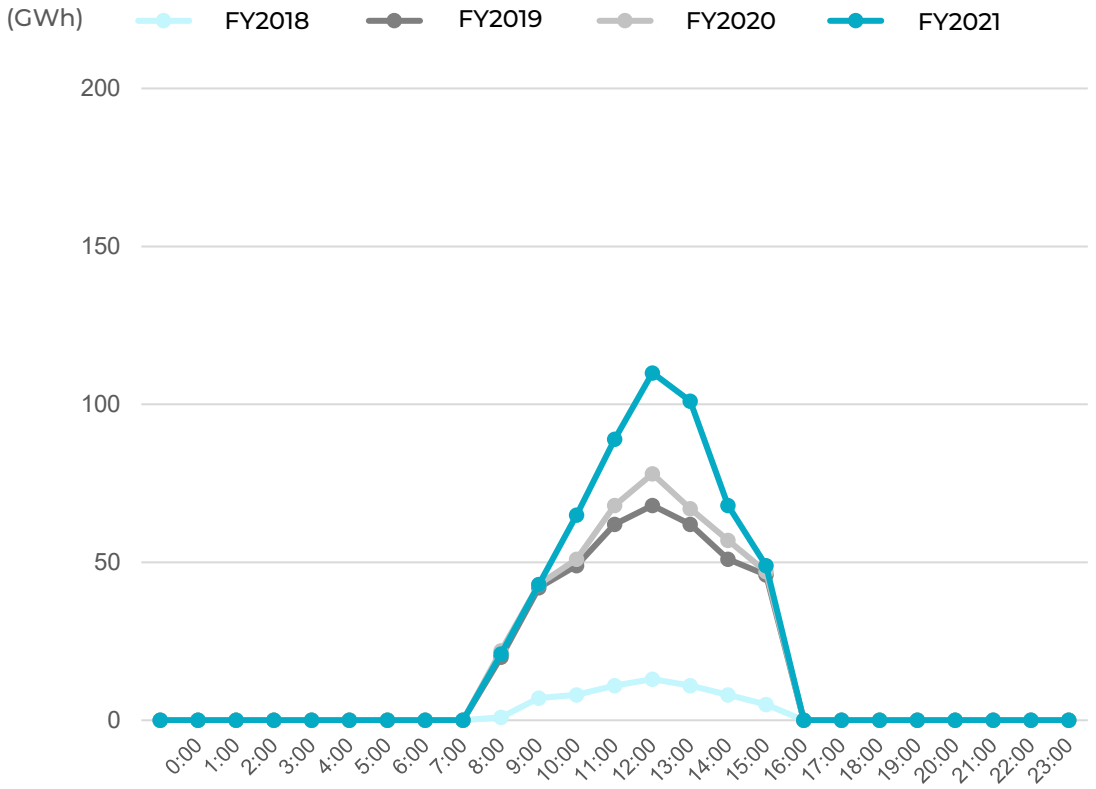
Business Environment Awareness (2)

The Japanese people will face increased costs in the move toward renewable energy, and at the same time there will be more output control. There need to be adjustments on the demand side as well as on the power supply side.

Renewable energy surcharges as a percentage of power/lighting charges*1



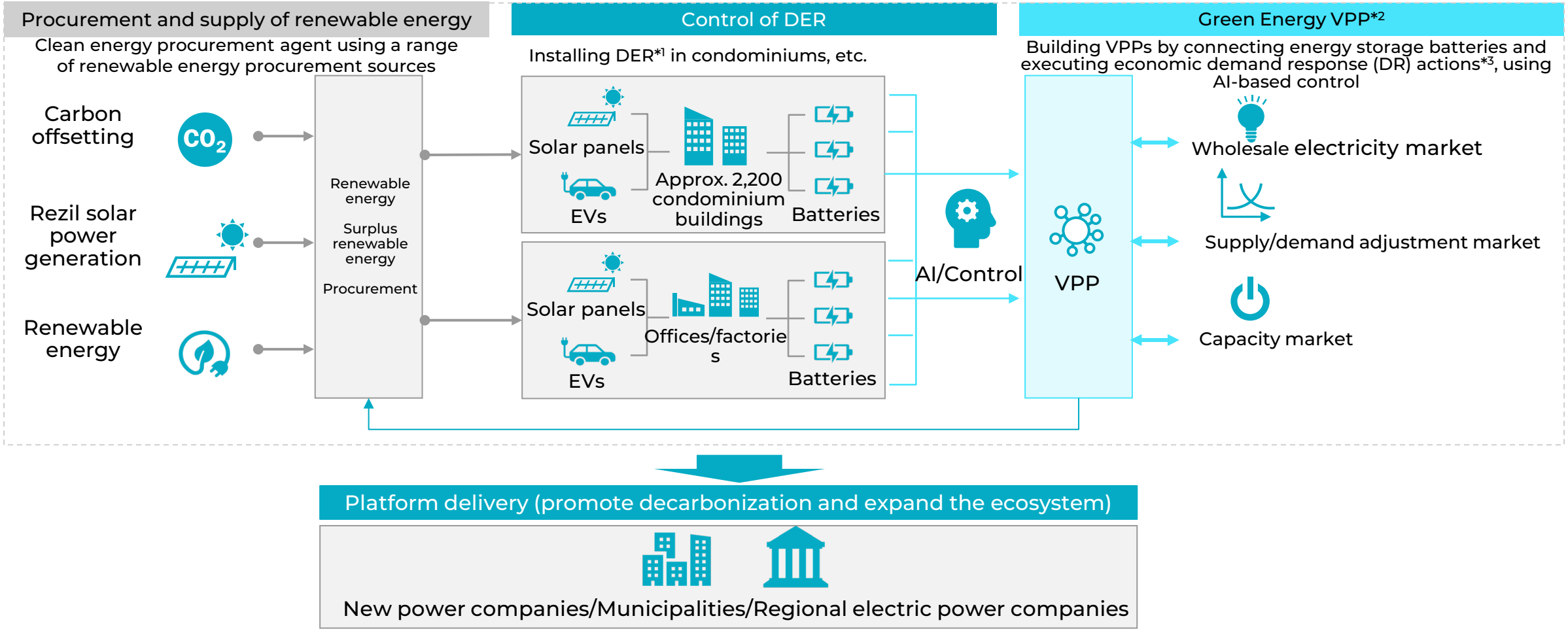
Total output control by time of day for solar and wind power in the Kyushu area



*1 Source: Created by Rezil using materials from the Ministry of Economy, Trade and Industry and the Agency for Natural Resources and Energy
*2 Source: Outlook for Distributed Energy Resources (DER), Nomura Research Institute, December 2022

Our Goal: Creation of a DER Platform

We aim to create a control system on the demand side to manage unstable renewable energy and to deliver this as a low-cost platform, thereby stabilizing Japan's energy resources and contributing to decarbonization for the nation.



*1 Distributed energy resources (DER): Energy sources such as solar power generation systems that are decentralized and owned by consumers in various locations
*2 Virtual power plant (VPP): A network of remote DERs that functions as if it were a single power plant based on integration and coordination by a central control system
*3 Controlling DERs such as energy storage systems with a focus on economic benefits

Looking Back | Initiatives and Results Over the Past Two Fiscal Years

Over the two years since President Tanji took over the reins, Rezil has rebuilt its business model and stabilized earnings structures, transformed organizational structures, and laid the groundwork for further dramatic change.

Further progress with sustainability of stable cash generation

Up to FY2024/6

1 Recovery in the number of new business prospects aimed at increasing the number of contracted households

- Bulk power purchasing service enrollments recovered to 3,000 households a year
- Orders also finalized for the emergency power reserve service (released in 2023)
- Progress in expanding business into rental condominiums and newly built condominiums

2 Earnings structures stabilized, strengthened

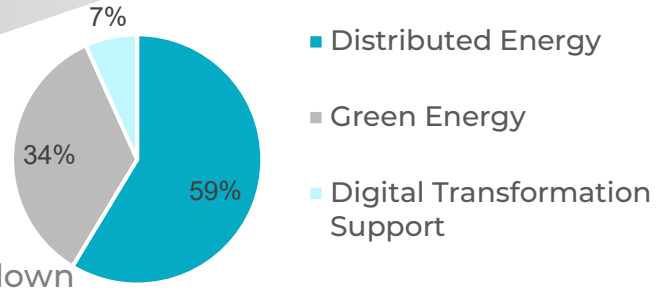
- Executed risk-off hedging measures, such as abolishing upper limits, to respond to fluctuating resource prices.
- Improved earnings power and renewal rates in the fiercely competitive Green Energy business, contributing to company-wide performance.

3 Organization restructured

- Headcount increased by 58 in FY2024/6 vs. previous fiscal year
- Won Grand Prize at the Career Ownership Management Award.
- Developed and implemented our own HR performance review system.

Out-put

Stabilized the business portfolio and built new earnings pillars.



EBITDA breakdown

Pursuit of growth acceleration

FY2025/6

Explore new sources of income using business resources (customers, services, facilities, power capacity)

- Searched for potential new value propositions that combine Rezil's business resources with the restructured business foundation.
- Positioned as the first step to achieve stronger growth in the future.

Current Challenges Identified

Having identified internal and external challenges, we will steadily execute the next actions for growth.

Challenges identified	Next actions
Inadequate space to install energy storage systems in condominiums	■ Explore the use of EVs as substitutes for energy storage systems (V2H*). ■ Start exploring the development of small-scale battery networks for household use. ■ Move into newly built condominiums where it is easier to incorporate these facilities from the design stage.
Electricity price instability	■ Stabilize supplies using electricity futures and adjustment markets. ■ Explore installation of storage batteries for solar power generation systems beyond the Feed-In-Tariff (FIT) period.
Improvement in profitability per employee	■ Introduce a new performance review system (Role-agnostic career progression system). ■ Close sales faster through alliances.

* Vehicle to Home: A system that uses the high-capacity batteries in EVs or plug-in hybrid EVs (PHEVs) as a source of power for the home

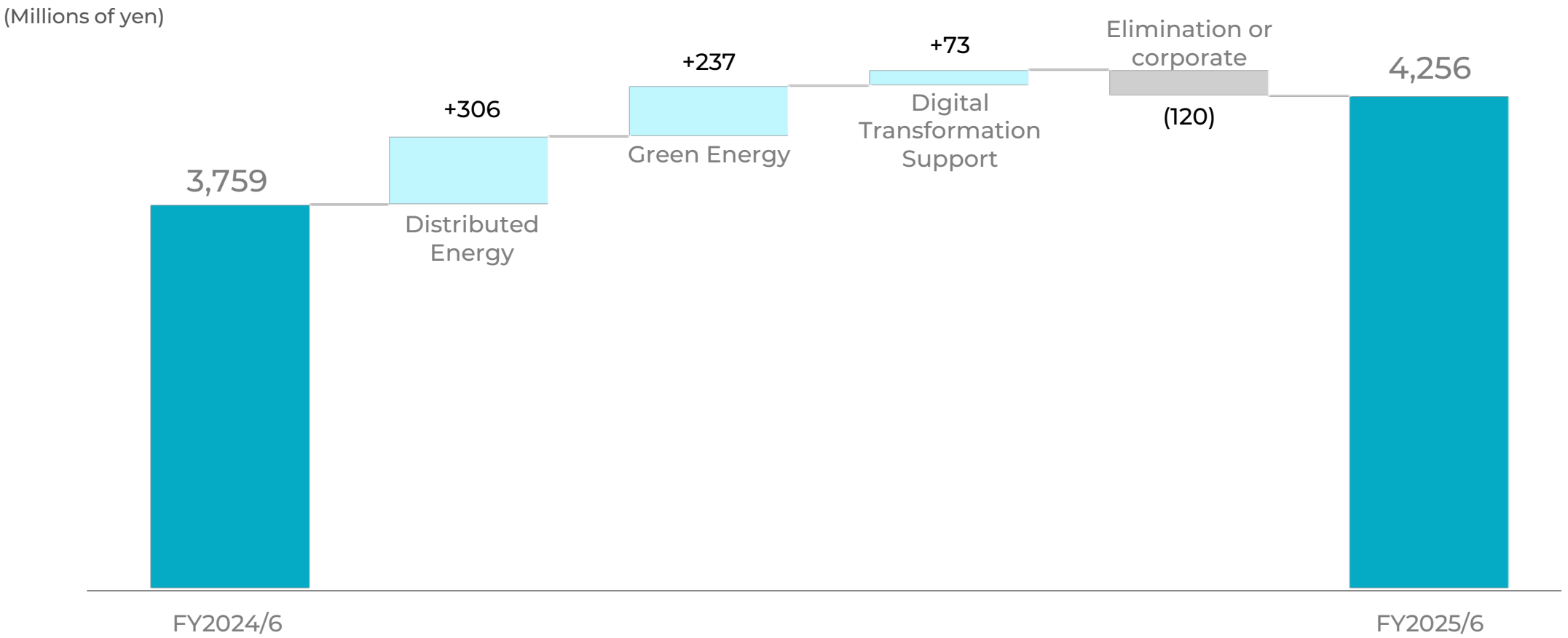
Full-year Consolidated Earnings Forecasts for the Fiscal Year Ending June 30, 2025

We aim to achieve over 10% growth in profits and EBITDA compared to the previous year, and target record-breaking profits and EBITDA.

(Millions of yen)	FY2024/6 (Results)	FY2025/6 (Forecasts)	YoY Change (%)
Net Sales	38,709	44,016	+5,307 (+13.7%)
Operating Profit	2,793	3,130	+336 (+12.1%)
Ordinary Profit	2,769	3,084	+315 (+11.4%)
Profit Attributable to Owners of Parent	1,986	2,198	+211 (+10.7%)
Earnings per Share (EPS) (Yen)	108.85	117.80	+8.95 (+8.2%)
EBITDA	3,759	4,256	+497 (+13.2%)

Consolidated EBITDA Forecast for the Fiscal Year Ending June 30, 2025 (Factors behind Changes)

Aiming for EBITDA growth rates of over 10% in all segments

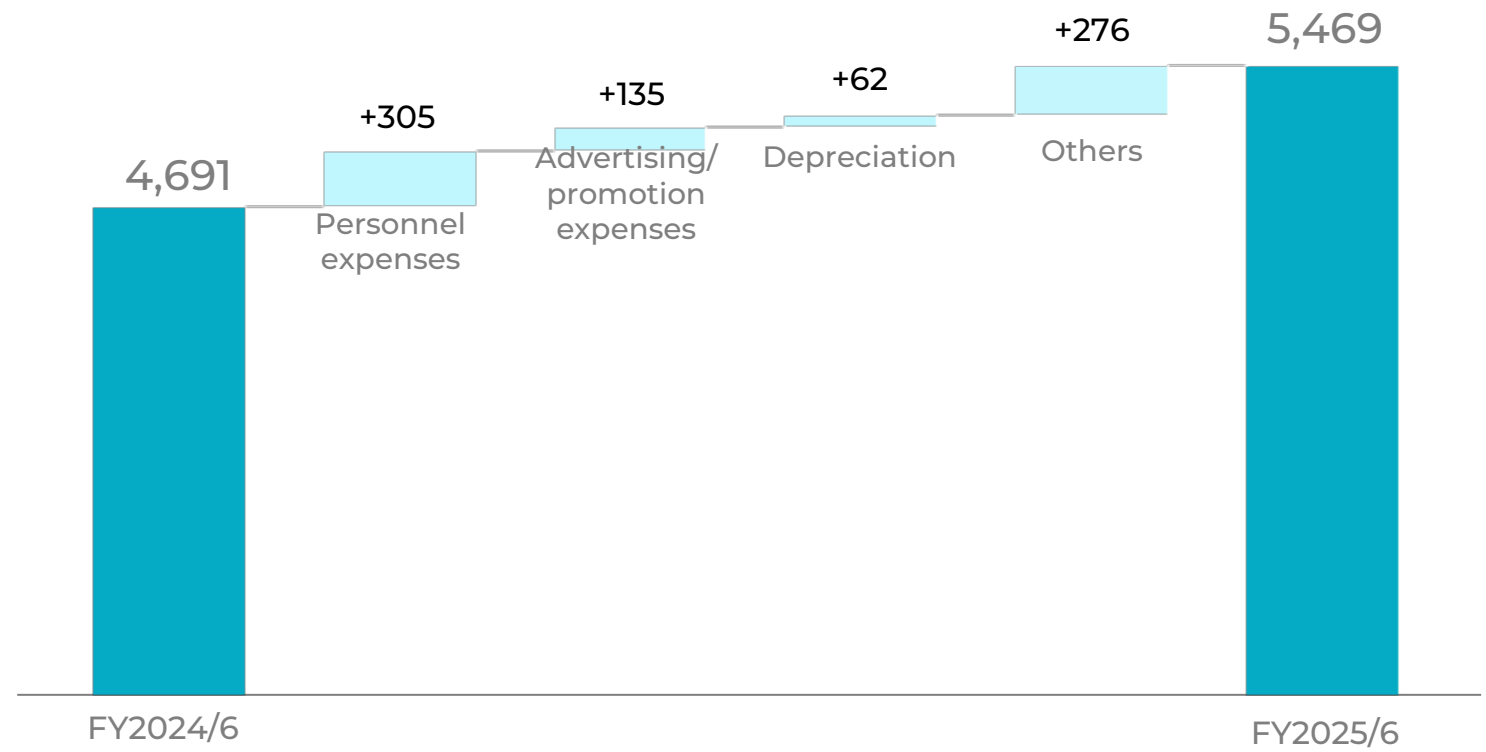


SG&A Expenses for the Fiscal Year Ending June 30, 2025 (Analysis of Factors behind Changes)

We expect an increase in SG&A expenses, including marketing expenses and full-year contributions from personnel expenses due to the increased headcount to develop systems for the company listing in the previous year and to accelerate growth.

Increase/decrease in SG&A expenses (FY2024/6 vs. FY2025/6)

(Millions of yen)



Factors behind changes

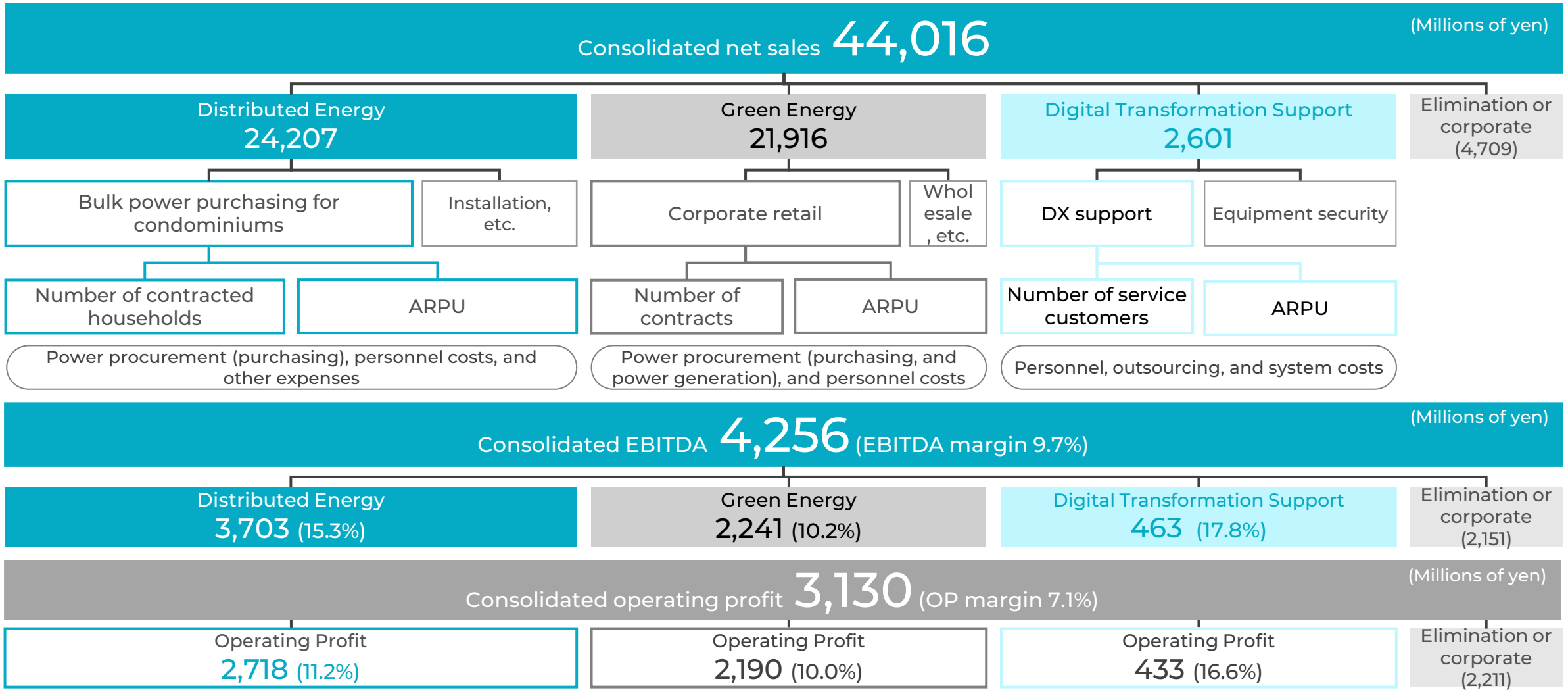
Personnel expenses

- Headcount increased by 58 in FY2024/6 vs. previous fiscal year (over 20% increase).
- In FY2025/6, we expect higher personnel expenses mostly because the increased headcount will contribute across the full year.
- We also expect to increase the headcount further in FY2025/6.

Other items

- We expect marketing expenses such as advertising expenses to increase by approx. JPY140 million due to full-fledged operation of the Marketing Division newly established in the previous fiscal year.
- We will control other SG&A expenses appropriately, even including outsourcing expenses and other investments for business growth.

Segment Income Forecasts for the Fiscal Year Ending June 30, 2025

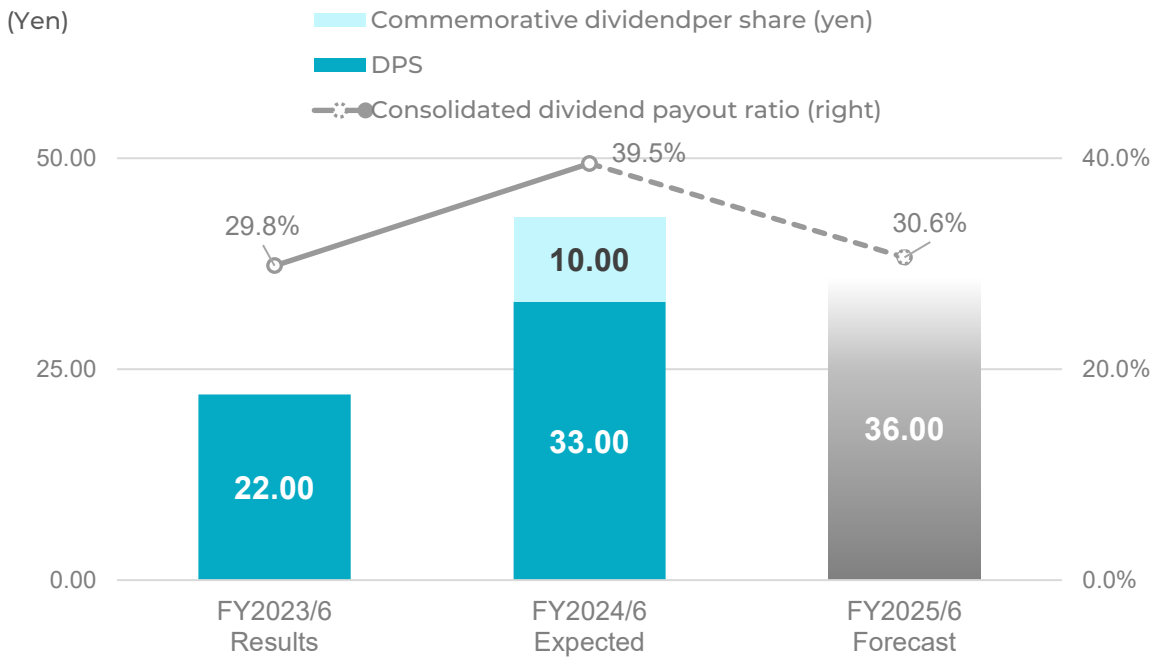


Note: Distributed Energy + Green Energy + Digital Transformation Support + elimination or corporate = Group-wide
Elimination or corporate include intersegment sales or transfers in sales. Profits include corporate expenses that are not allocated to each segment. Figures in parentheses show OP margin and EBITDA margin.

Dividend Policy and Shareholder Returns

In fiscal year ended June 30, 2025, we will pay a commemorative dividend as well as a regular dividend in light of current earnings trends and the fact that 2024 marks the 30th year since the founding of the company.

Continuing a sustained and proactive approach to shareholder returns



ROE	23.4%	27.4%	24.3%
EPS* (Yen)	73.92	108.85	117.80
Total dividends (Millions of yen)	400	802	—

Our policy on shareholder returns in FY2025/6

Shareholder returns policy

- We will continue to pay stable dividends over the long term to our shareholders, while ensuring we have the internal reserves necessary for future growth.
- We prioritize (1) investment in the future growth, including capital expenditure, M&A/partnerships, and human resource development, ahead of (2) dividends.
- We base our shareholder returns on a 30% consolidated dividend payout ratio.

Pay a commemorative dividend

- FY2024/6 results
- 30th anniversary of the company's founding
- Capital requirements/share price trends

Commemorative dividend per share (yen)

10.00

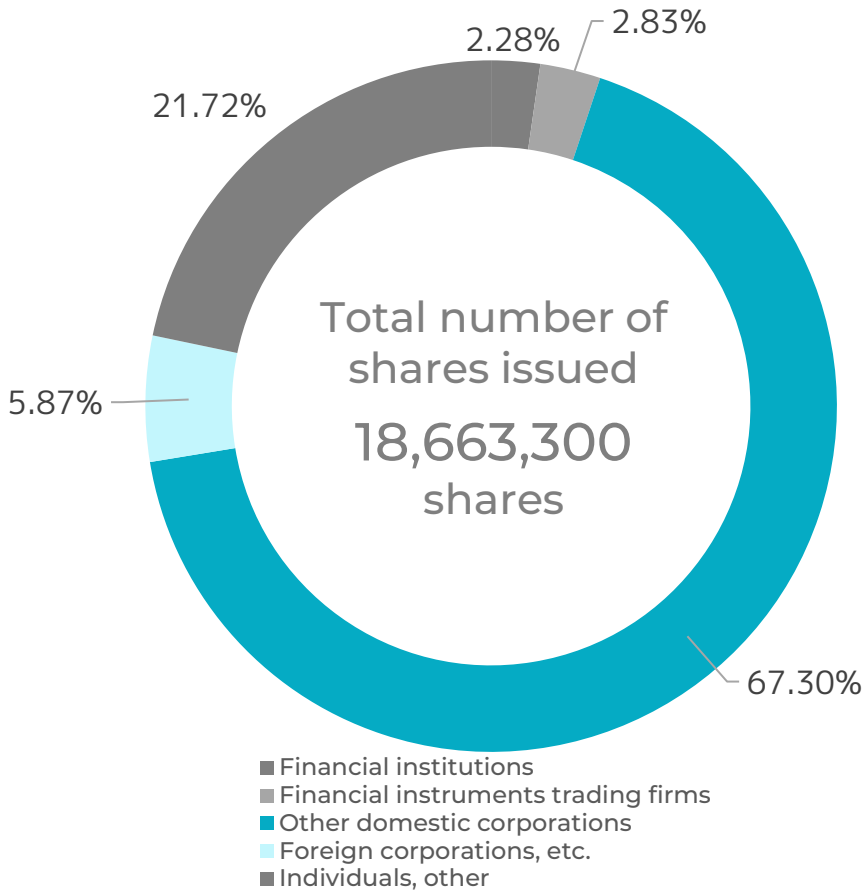
Consolidated dividend payout ratio: 39.5%

Note: The amount shown for EPS in the fiscal year ended June 30, 2023 takes into account the impact of the 50:1 stock split for common shares implemented on January 25, 2024.

Shareholder Composition

As of June 30, 2024

Name of shareholder	Number of shares (shares)	Shareholding ratio (%)
TEAM ENERGY INC.	9,085,000	48.67
The Kansai Electric Power Company, Incorporated	1,820,000	9.75
Seiji Nakamura	1,589,100	8.51
HIKARI TSUSHIN, INC.	1,517,600	8.13
Mizuho Growth Partners Fund No.1 Limited Partnership Mizuho Capital Co., Ltd., unlimited liability partner	280,000	1.50
NORTHERN TRUST CO. (AVFC) REIEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	220,000	1.17
JAPAN SECURITIES FINANCE CO., LTD.	210,300	1.12
Custody Bank of Japan, Ltd. (trust account)	203,400	1.08
EEI Smart Energy Limited Partnership for Investment Energy & Environment Investment, Inc., unlimited liability partner	183,500	0.98
BNYM RE BNYMLB RE GPP CLIENT MONEY AND ASSETS AC	162,000	0.86



Rezil's Milestones

The essence of our company is to develop the businesses needed to tackle the social challenges of our times. We drive growth through continuous self-improvement in management.



Seiji Nakamura, Founder

- Serial entrepreneur
- Goal of developing 1,000 company presidents

Turn Chuo Electric Power (former company name) into a company that achieves sustainable growth



Yasutoshi Hirano, 2nd President

- Former member of Mitsubishi Corporation and former president of Diamond Power Corporation
- Many years of expertise, experience, and business connections in the electric power industry

Use the customer base to build a platform



Hozumi Tanji, current President

- Record of accomplishments at Rakuten and other platform providers
- An engineer with management expertise

Relaunch to transform the company

1994–2003	2004–2013	2014–2024	For the next 30 years

Changes in main businesses and services

Energy conservation and reduction in electricity costs (from 1994)

Condominium bulk power purchasing service (from 2004)

Electric works/Electricity safety investigation service (from 2012)

Geothermal power generation (Furusato Netsu-den Co., Ltd./launched in 2012, excluded from affiliated companies in 2022)

Electricity retail service (from 2016)

Gas retail service (from 2018)

Solar power generation (from 2021)

Distributed energy resources platform

Renewable energy procurement and supply

Provision of systems/BPaaS

Emergency power reserve service/AI-controlled batteries/VPP

Management Team

Attracting professionals in technology, energy, finance, and other areas to relaunch the business and thrive for the next 30 years



Representative Director and President

Hozumi Tanji

Management strategy and digital transformation

Graduated from the Graduate School of Science and Technology, Tokyo University of Science. Joined Hewlett-Packard Japan in 1998. Joined Rakuten, Inc. in 2001 and served in posts such as General Manager of Rakuten University Division and subsidiary director. Joined MISUMI Group Inc. in 2010. Successfully turned around Cygni Corporation, a subsidiary, from a decade of losses to profitability, elevating it to an industry leader. Joined Rezil Inc. in 2020 after serving in executive roles in various companies and gaining experience in turnarounds.

Became a Director and Executive Officer in April 2021, then assumed the role of Representative Director and President in December 2021.



Director and CFO

Naotaka Yamamoto

Finance and Accounting

Graduated from the Faculty of Economics, University of Tokyo. Joined Central Japan Railway Company in 1998. Joined HSBC's Investment Banking Division in 2001 to acquire financial skills. Joined Japan Industrial Partners, Inc. in 2005, handling corporate acquisitions, hands-on management support, and corporate sales. Joined MISUMI Group Inc. in 2011, leading the sale of subsidiaries and acquisition of North American companies as the M&A head in the Corporate Planning Department.

Joined Rezil Inc. in February 2021, appointed Director and CFO in December of the same year.



Director

Yusuke Murata

Business development and organizational development

Graduated from the Faculty of Law, Keio University. Joined Rakuten Group, Inc. in 2006. Was subsequently responsible for new business startups and organizational development and pursued business growth at various companies, including MISUMI Group Inc. Head Office, Recruit Co., Ltd., various start-ups. Joined Rezil Inc. in 2021. Appointed General Manager of the Green Energy Division and Executive Officer in January 2023 and Director in September 2024. Now is in charge of Distributed Energy Division and Green Energy Division. Also serves as Representative Director and President of Chuo Electric Power Energy Co., Ltd.



Director and Audit & Supervisory Committee Member

Hiroshi Kiyota

Compliance

Graduated from the College of Liberal Arts, International Christian University. Joined Sanwa Bank, Ltd. (now MUFG Bank, Ltd.) in 1993, dedicating over 20 years to corporate finance operations. From 2016, focused on compliance-related internal structure and rule development, and dealt with overseas financial authorities as part of the Planning Group in the Compliance Division and Global Financial Crimes Control Division. Seconded to Rezil Inc. as Internal Audit Office manager in 2021.

Transferred to Rezil Inc. in January 2022, appointed as Internal Audit GM, and became a Director and Audit & Supervisory Committee Member in March 2023.



Outside Director and Audit & Supervisory Committee Member

Saki Suzuki

Legal and Accounting

Graduated from the Waseda Law School, Waseda University. Registered as an attorney in 2016 and became a certified public accountant in 2022. Joined Hori Sogo Law Office in 2017, primarily handling corporate law. After about two years in accounting audits at PwC Aarata LLC, joined the Trident law firm in 2022. Appointed as an Outside Director and Audit & Supervisory Committee Member of Rezil Inc. in June 2022.



Outside Director and Audit & Supervisory Committee Member

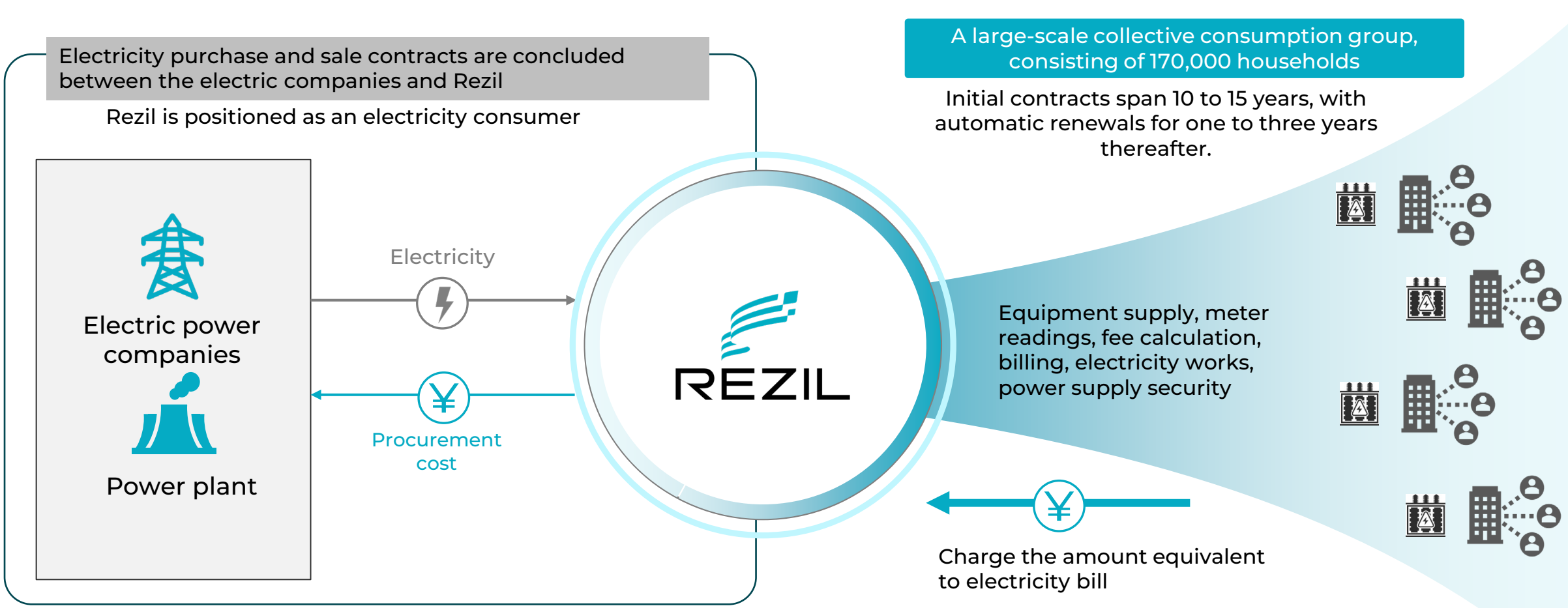
Kyoichiro Suzuki

Intellectual Property and Systems

Graduated from the Faculty of Engineering, Hokkaido University. Registered as a patent attorney in 2014. Led software product development at Silicon Valley ventures and listed companies for 13 years from 1991. Joined Microsoft K.K. (now Microsoft Japan Co., Ltd.) in 2004, holding roles such as Executive Officer of Developer & Platform Evangelism, CIO for Japan and Asia, and General Manager of the IT Division at the U.S. headquarters. Founded Leftright Corporation in 2012, offering intellectual property management consulting and innovation support. Appointed as Outside Director and Audit & Supervisory Committee Member of Rezil Inc. in March 2023.

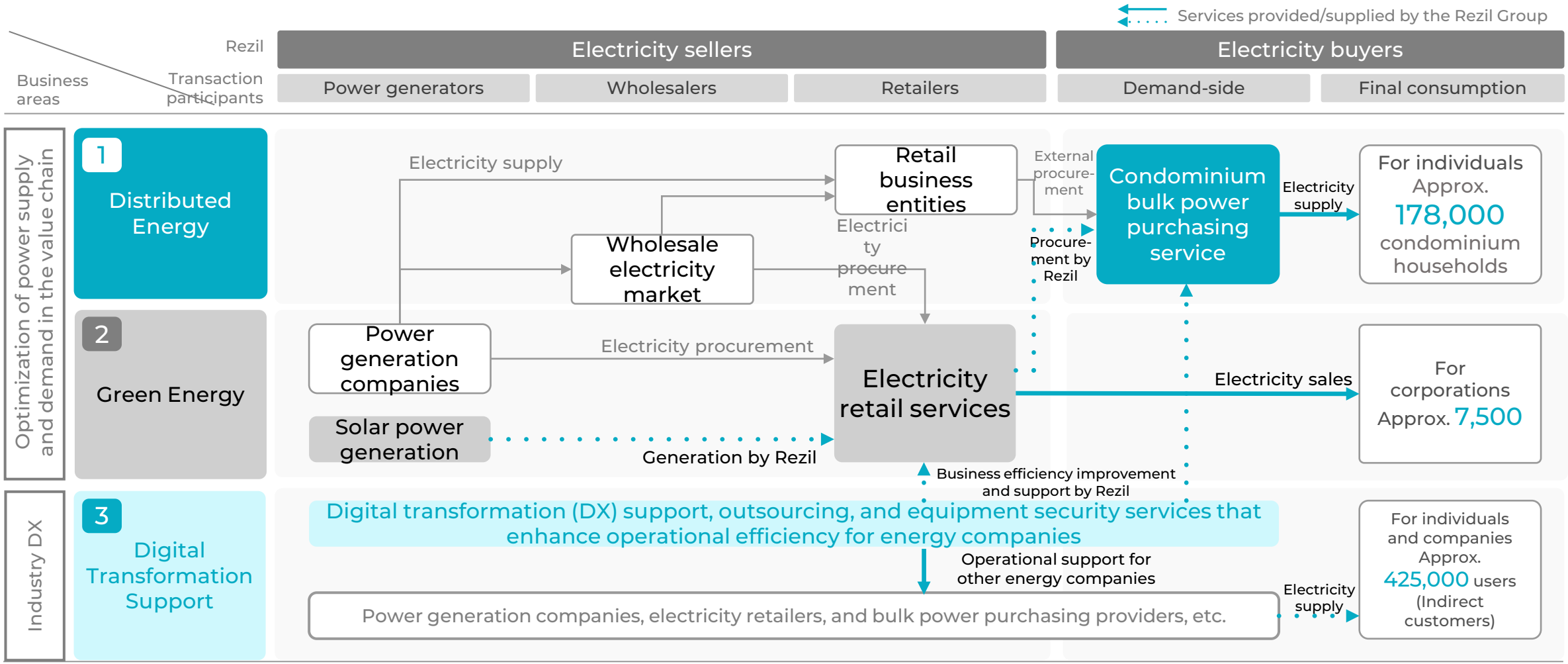
Key Offering: Bulk Electricity Purchasing Service for Condominium Buildings

Create a large collective consumption group consisting of 2,200 condominium buildings and 178,000 households allowing us to increase our buying power in procurement and to provide residents with discounted electricity.



Business Flow

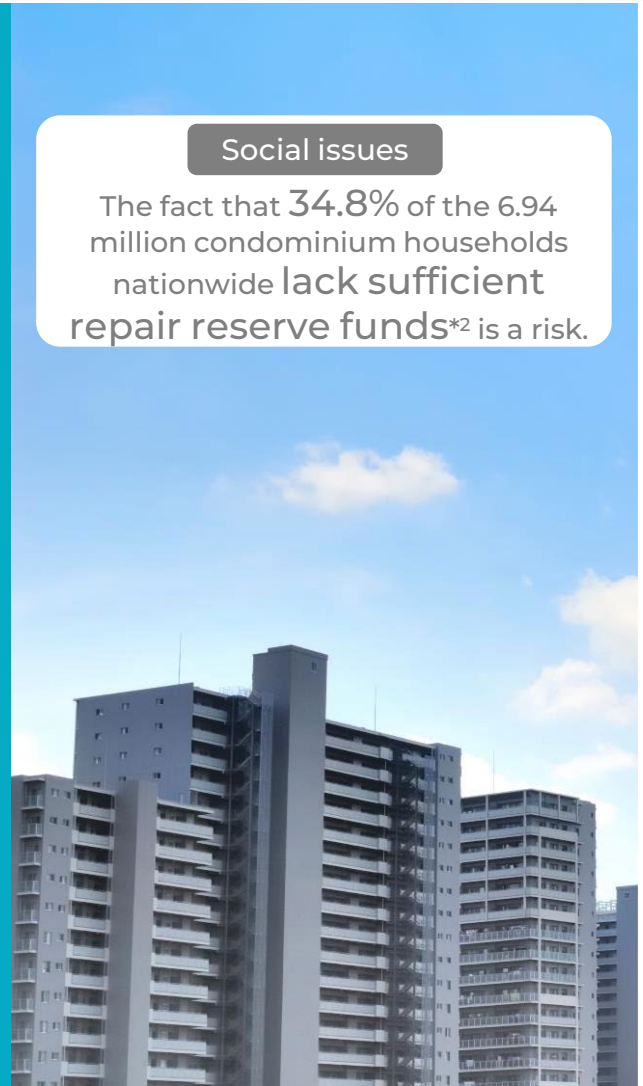
We interweave our three dynamic business cores to increase the value added while also building a system to deliver value to diverse stakeholders.



Note: Final consumption figures above are the figures as of June 2024.

Distributed Energy | Condominium Bulk Power Purchasing

Substations are provided to existing condominiums*1 that lack sufficient repair reserve funds without any upfront investment. We reduce electricity rates mainly for common areas and support the accumulation of reserve repair funds.



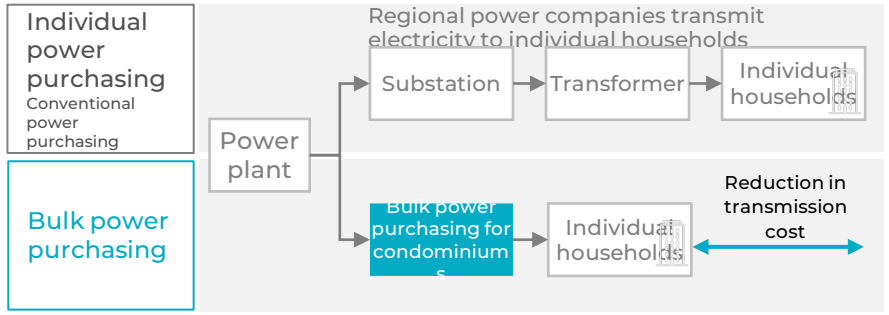
Social issues

The fact that 34.8% of the 6.94 million condominium households nationwide lack sufficient repair reserve funds*2 is a risk.

Business advantages

1 Substations are installed in condominiums

This service enables bulk power purchasing for condominiums and reduces power transmission costs.



2 Rezil procures and installs the necessary equipment

This makes it possible to reduce electricity rates for condominium management associations and residents without any upfront investment.



Substations



Meter

¥ Purchased by Rezil

Value proposition

For condominium management associations

Increase in repair reserve funds

Reducing electricity rates for common areas helps condominiums to accumulate repair reserve funds.

Administrative fees — Electricity rates for common areas



For condominium residents

Reduction in electricity cost burden

Reducing electricity rates for exclusive use areas reduces the burden on the household budget.

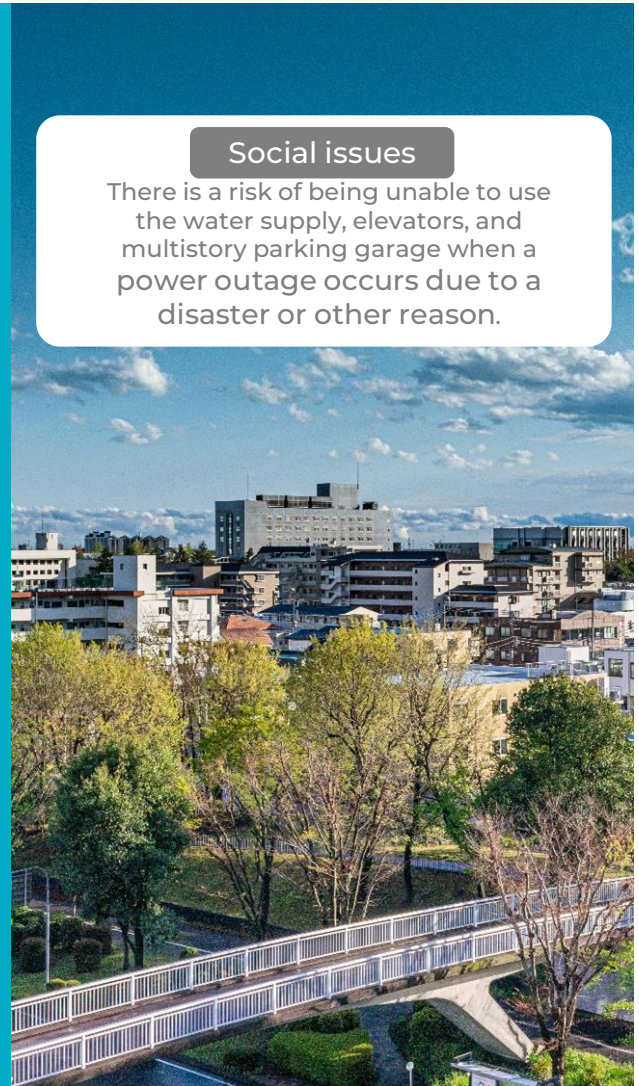
Income — Electricity rates for exclusive use areas



*1 Main targets are properties with 20 or more households per building, mainly in the Kanto and Kansai areas.
*2 See the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) “Comprehensive Survey on Condominiums in 2022” for the number of condominium households across Japan, and the MLIT “Comprehensive Survey on Condominiums in 2018” for the shortage rates for repair reserve funds.

Distributed Energy | Emergency Power Reserve Service for Condominiums (Bulk Power Purchasing + DER Equipment*1)

In addition to installation of substation equipment through bulk power purchasing, we provide a full range of services for installation and control of energy storage systems, power generators, and other equipment to enhance energy resilience*2.



Social issues

There is a risk of being unable to use the water supply, elevators, and multistory parking garage when a power outage occurs due to a disaster or other reason.

Business advantages

1 Necessary equipment is purchased and installed in condominiums as Rezil assets

In addition to substation equipment enabling bulk power purchasing, energy resilience can be enhanced without any upfront investment by condominium associations or residents

Batteries

Rooftop solar power generation

EV charging stations

Purchased by Rezil ¥

2 Reducing electricity costs using AI-based equipment control

By using DER equipment and AI arbitrage to control electricity demand, we can generate revenue by taking advantage of the daytime/nighttime price differential.

Procurement of electricity → DER, energy storage systems → Electricity provision

Generating profits by utilizing rate differences

Value proposition

For condominium residents

Power supply during an outage

The service resolves the lack of freedom and concerns residents have because they are living in a housing complex.

- Water pump (for restrooms)
- Elevator operation
- Emergency power source
- Multistory parking garage



By optimizing electric power supply and demand

Increased value from decarbonization

We promote decarbonization by controlling electricity with DER equipment.

Bulk power purchasing + Solar power generation + Battery control

Decarbonization

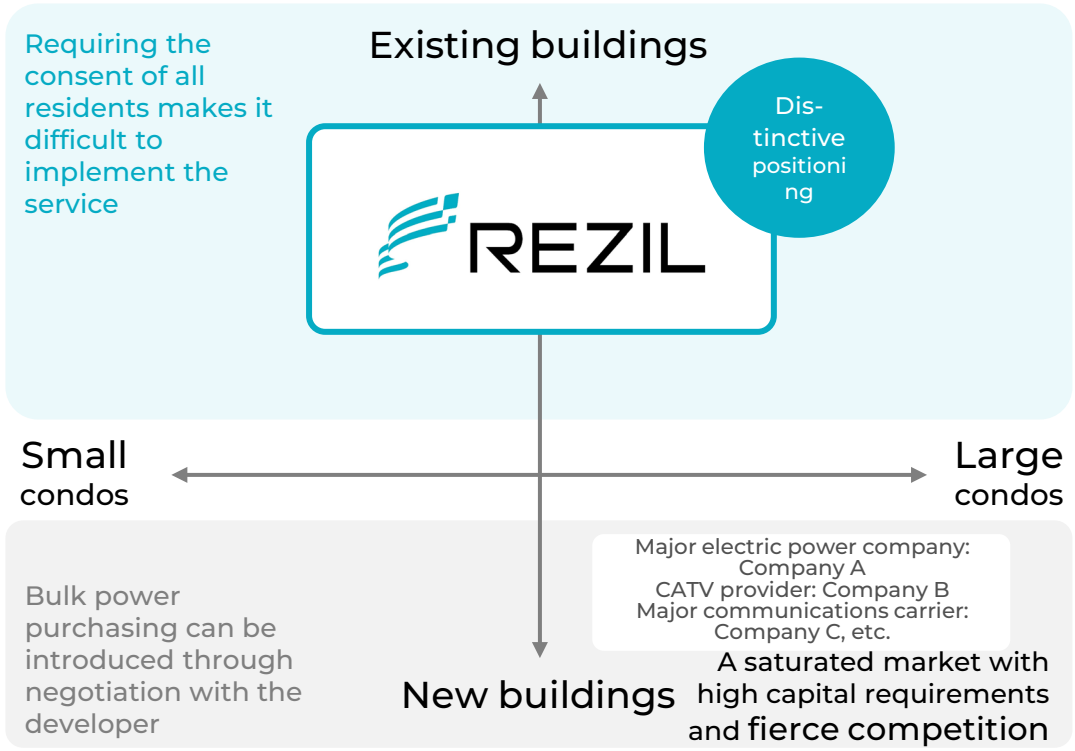


*1 Distributed energy resources (DER) equipment: Equipment for distributed energy resources such as substations, solar power generation, batteries, and EV charging stations
*2 Upselling services to provide discounted electricity rates through bulk power purchasing to free up funds for increasing energy resilience through the use of batteries, etc.

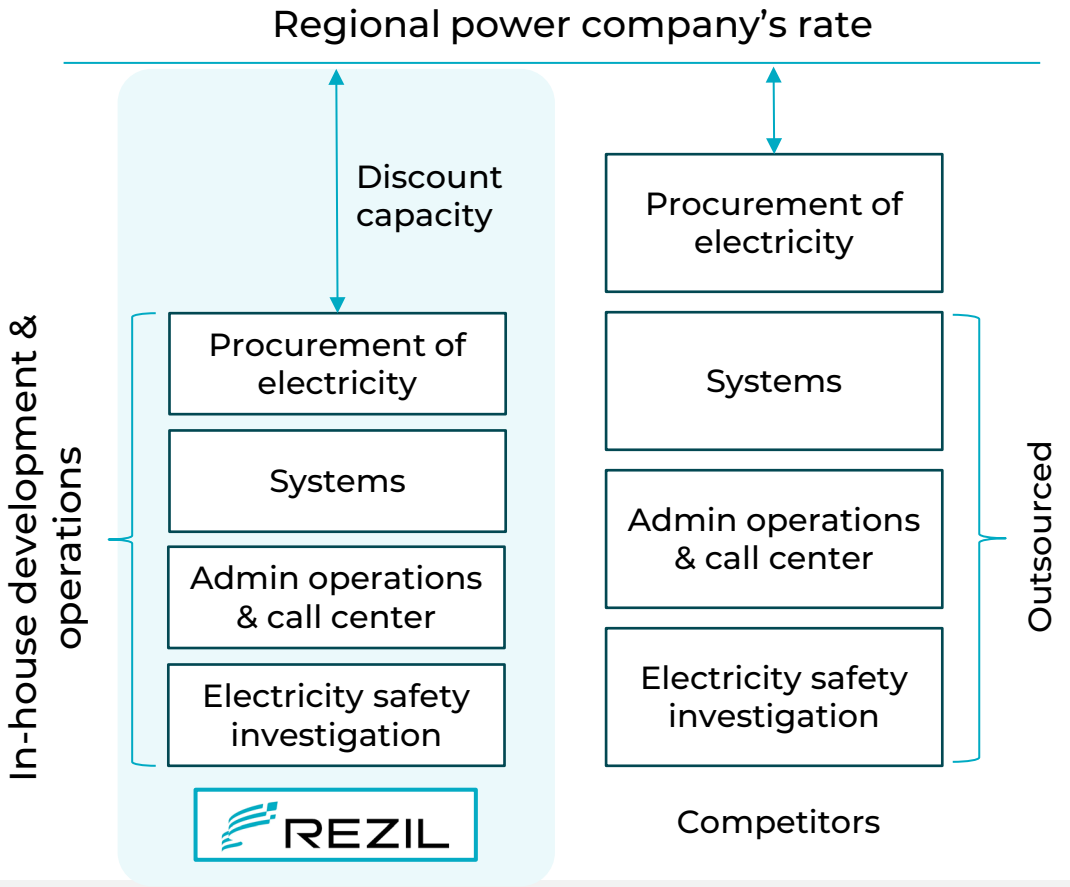
Distributed Energy | Our Competitiveness

As well as our core market with existing buildings, we now aim to win business in new customer segments, with a focus on the emergency power reserve service.

Market positioning: Bulk power purchasing for condominiums



How we generate cost competitiveness (illustration)



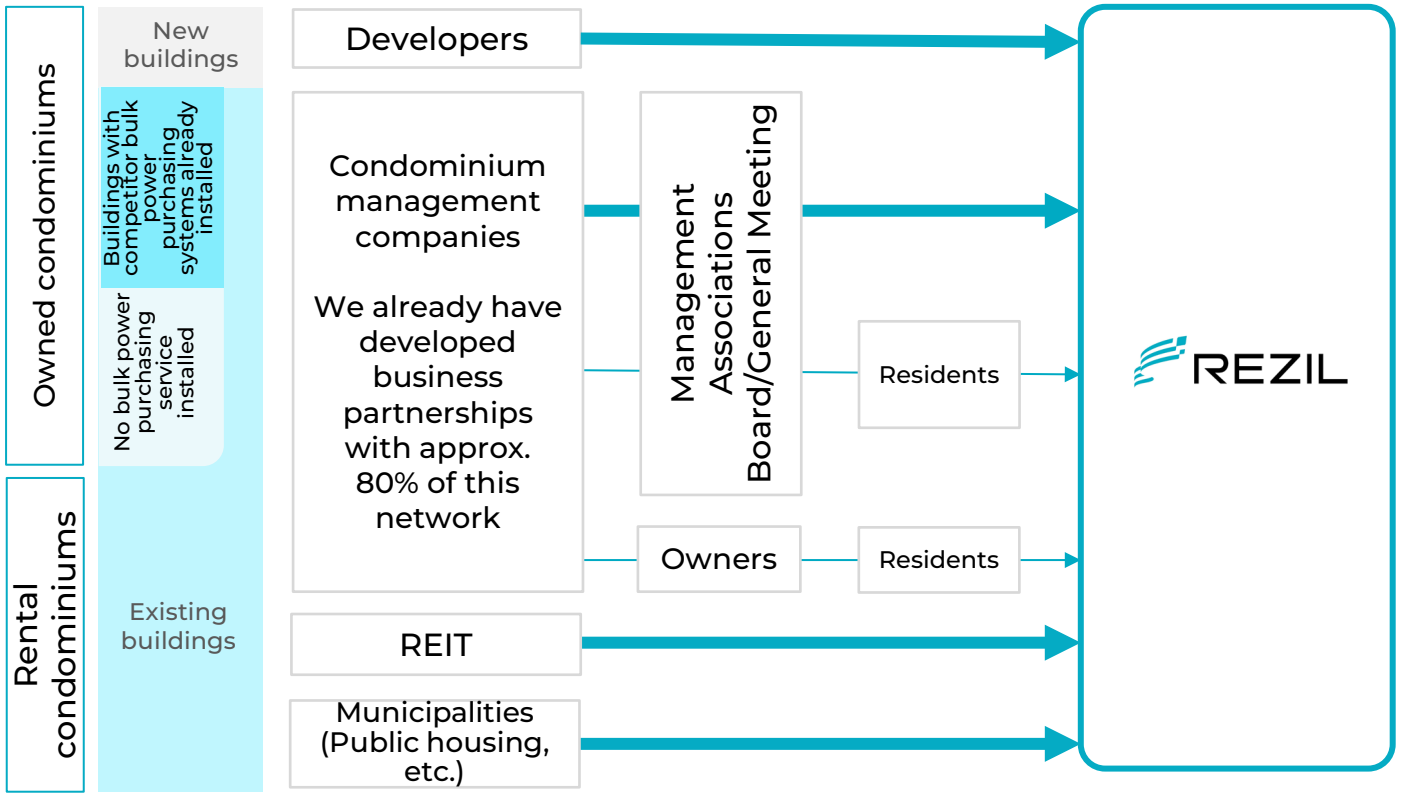
Note: The diagram at left shows our proprietary analysis and evaluation of the market. Definitions of large and small condos: 100+ units and 20+ units of residential buildings, respectively. The size of the market envisioned for existing and new buildings is based on the following figures: 6.94 million units for existing condos (Ministry of Land, Infrastructure, Transport and Tourism [MLIT] "Comprehensive Survey on Condominiums in 2018"), an annual increase of 100,000 units for new-build (refer to the number of new units supplied from 2018 to 2022 in the MLIT "Sales Trends for Condominium Stock"). Condominium management company coverage is calculated by the company based on the number of household units managed by members of condominium management associations that do business with the company.

Distributed Energy | Strategy for Capturing New Customers

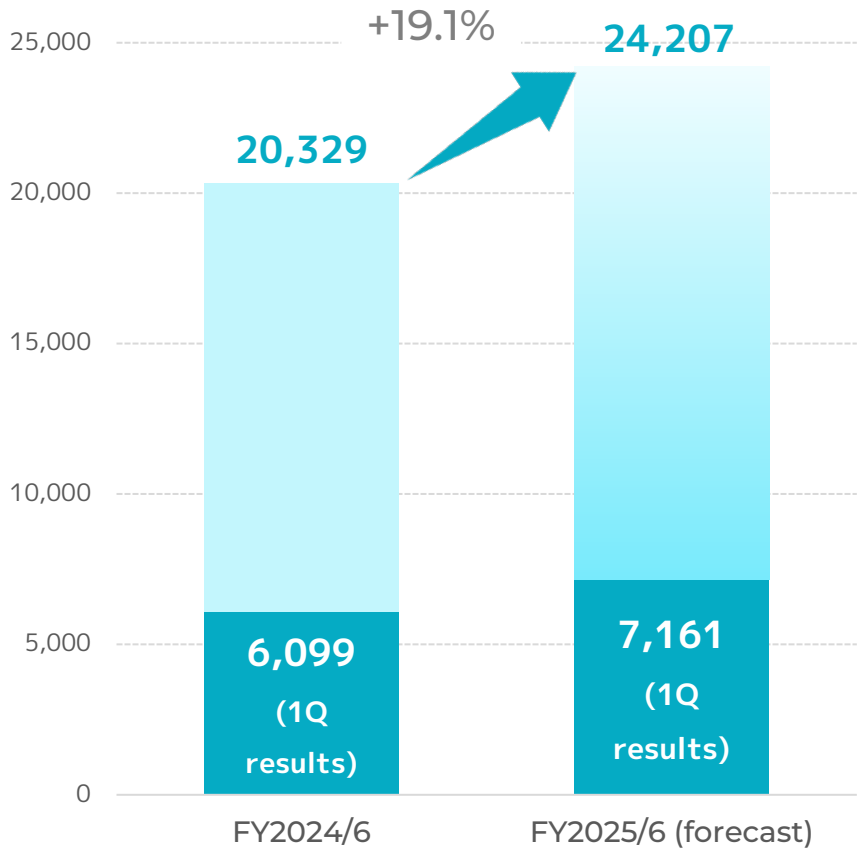
For bulk power purchasing, we focus on switching customers to Rezil as this helps to reduce installation lead times. We will open up new areas by expanding sales of the emergency power reserve service.

Business lead channel for newly built condominium market

Around 30% of new buildings, mainly large ones, have installed bulk power receiving systems, while the remaining 70% have not yet done so, meaning that these potential customers are our target we can focus on acquiring.



Sales plan and progress



Green Energy

Our retail electricity services include in-house solar power generation, carbon offsetting, and collaboration with various power companies.



Social issues*1

21.7% compared to Japan's target ratio of 36% to 38% in 2030.

Business advantages

1 Two rate plans provided according to the customer's needs

Customers can select a rate plan that fits their needs.

Fixed	Conforms to the standard rate structure of the major regional power companies
Variable market rate	Electricity rate is linked to the transaction price on the Japan Electric Power Exchange (JEPX)

2 Electricity procurement based on stable demand from bulk power purchasing for condominiums

This not only gives us bargaining power in procuring electricity, but it contributes to maintaining the electric power supply chain for other businesses as well.

Bulk power purchasing for condominiums + Customers = Large-scale electricity demand

Value proposition

For customers

Reduction in electricity cost burden

Reducing electricity rates reduces the fixed cost burden on the customer.

Income − Cost of electricity



For customers

Decarbonization without any special effort

Conventional electric power is offset through non-fossil fuel energy certificates*2.

Conventional electric power + Non-fossil fuel certificates = CO_2-free electric power

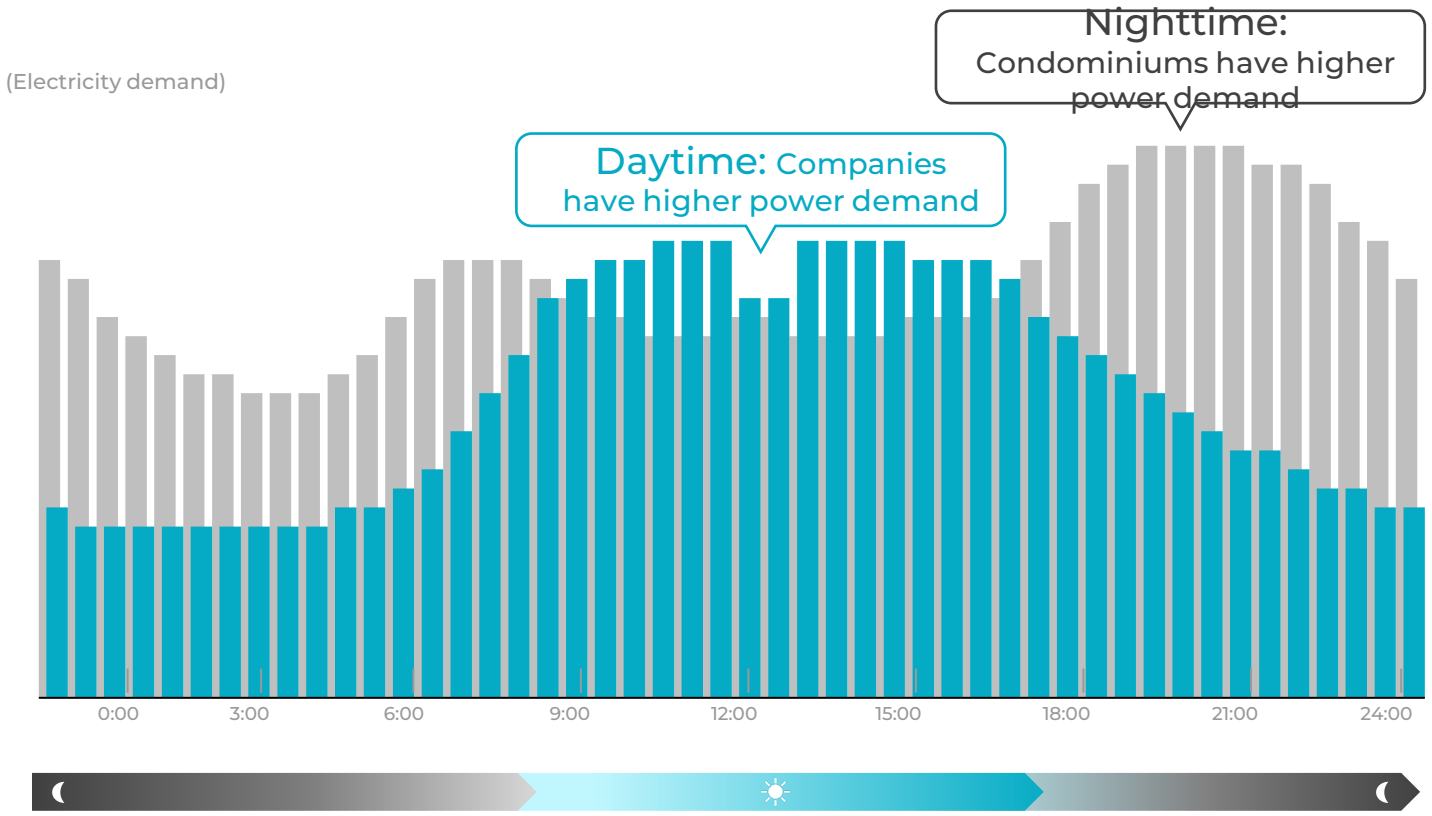


*1 See the Ministry of Economy, Trade and Industry "FY2022 Energy Supply and Demand Results (Preliminary Report)."
*2 A certificate that allows the environmental value of electricity generated from non-fossil fuel sources, namely those that do not emit CO_2, to be separated and traded.

Green Energy | Our Competitiveness

We have established a competitive advantage through our purchasing power that utilizes volume discounts and demand flattening based on daily electricity demand.

Electricity demand curve (condominiums and companies)



Strengths in procurement

Demand flattening based on daily electricity demand

We flatten the demand curve by aligning the demand curve of condominiums with bulk power purchasing and the supply curve in electricity retail

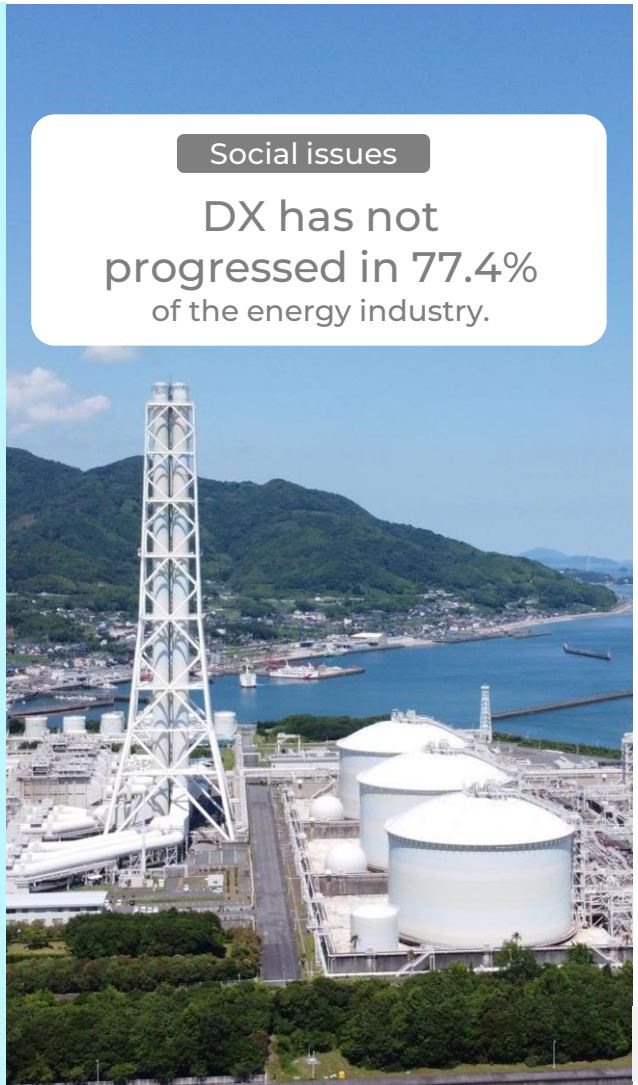
Positioning as a large-scale demand-side player

We procure green energy and attract volume discounts for large-scale consumption, including the bulk power purchasing for condominiums

Source: The figure above was created by Rezil based on the electricity demand of condominiums and companies.

Digital Transformation Support

We provide a wide range of back-end operations as digital transformation (DX) support in addition to equipment security services utilizing Rezil's resources, expertise, and data.



Social issues

DX has not progressed in 77.4%
of the energy industry.

Business advantages

DX support

1 The necessary expertise in back-end operations is provided without any upfront investment

We provide consulting and expertise without any upfront investment while operating a software as a service (SaaS) model based on the number of service customers times the amount spent on services.

- Expertise
- Software SaaS
- BPO

Equipment security

2 Providing electricity safety management services that utilize our resources in equipment security and inspection

We undertake services in equipment security and inspection for substations and other electric power equipment. A database containing records on past inspection results and other data supports optimal equipment management.

- Maintenance and management

Value proposition

For electric power companies

Reduction in operating cost

Providing DX support and equipment security services improves the efficiency of back-end operations.

Expertise + SaaS = Improvement in operational efficiency (Cost reduction)



For electric power companies

Increase in ability to pursue new businesses

Outsourcing back-end operations frees up resources for allocation to key areas.

All operations − Non-key areas = Key areas



Note: The ratio of unachieved DX of 77.4% on the upper left of the slide is the percentage calculated by aggregating the percentage of respondents to the survey in the source who responded "have not implemented and will consider implementing in the future" and "have not implemented and do not intend to in the future." N = 4,559 companies surveyed.
Source: See the Ministry of Internal Affairs and Communications "Status of Digital Transformation Initiatives" (Japan, 2021) and "Research Survey on the Economic Impact of Digital Transformation."

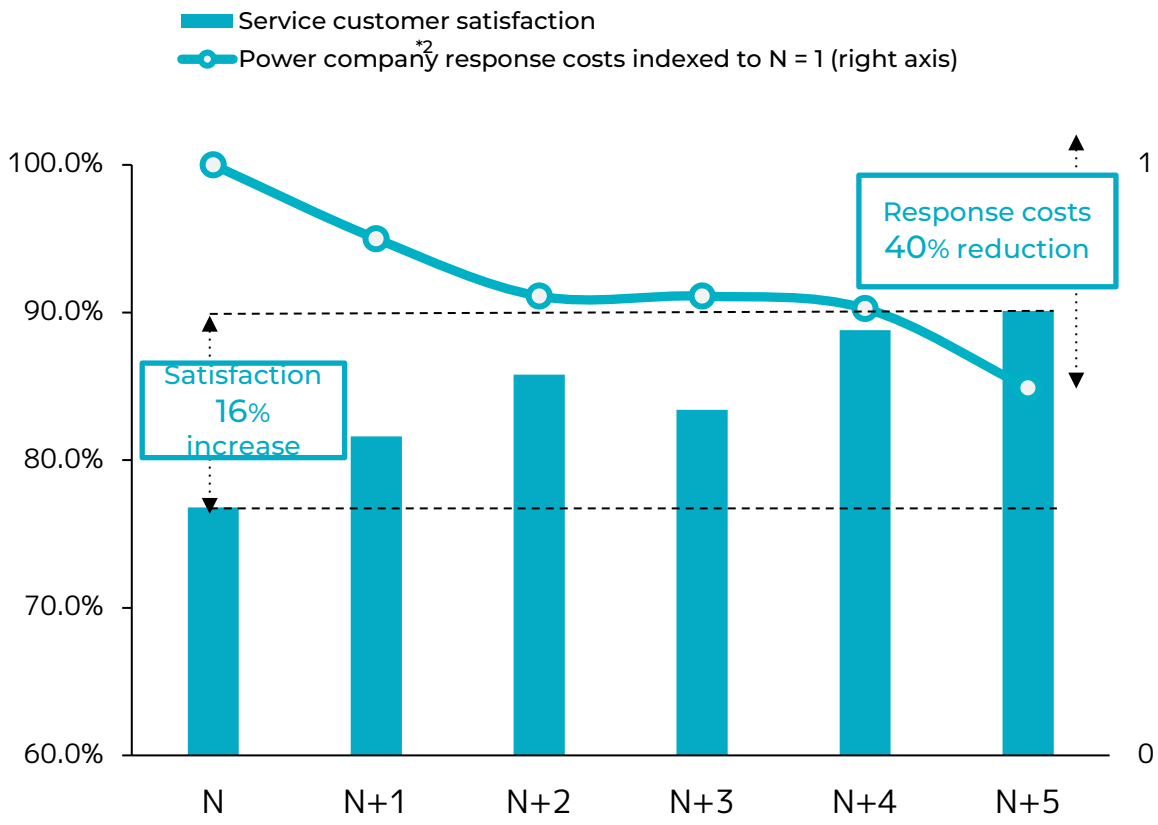
Digital Transformation Support | Our Competitiveness

The expertise that we have cultivated as an energy company enables us to provide integrated services ranging from operating improvement consulting to system provision and business process outsourcing (BPO).

Applicable scope*1

	Industry knowledge	Business improvement expertise	System development	Business operations
REZIL	✓	✓	✓	✓
Consulting	✓	✓	×	×
SIer	×	×	✓	×
Business process outsourcing (BPO)	×	×	×	✓

Business improvement: Monthly transition results (Company X)



*1 The yes/no indications (○/×) are based on Rezil's own analysis and determinations
*2 Service customer satisfaction: Based on the results of an email survey conducted among service customers regarding energy company response to inquiries

Sustainability | Rezil's Sustainability Transformation (SX)

We will pursue benefits for all by creating shared value with all stakeholders based on a corporate purpose.

Basic Sustainability Policy

Our purpose is to be "a unifying force, persistently tackling social challenges."

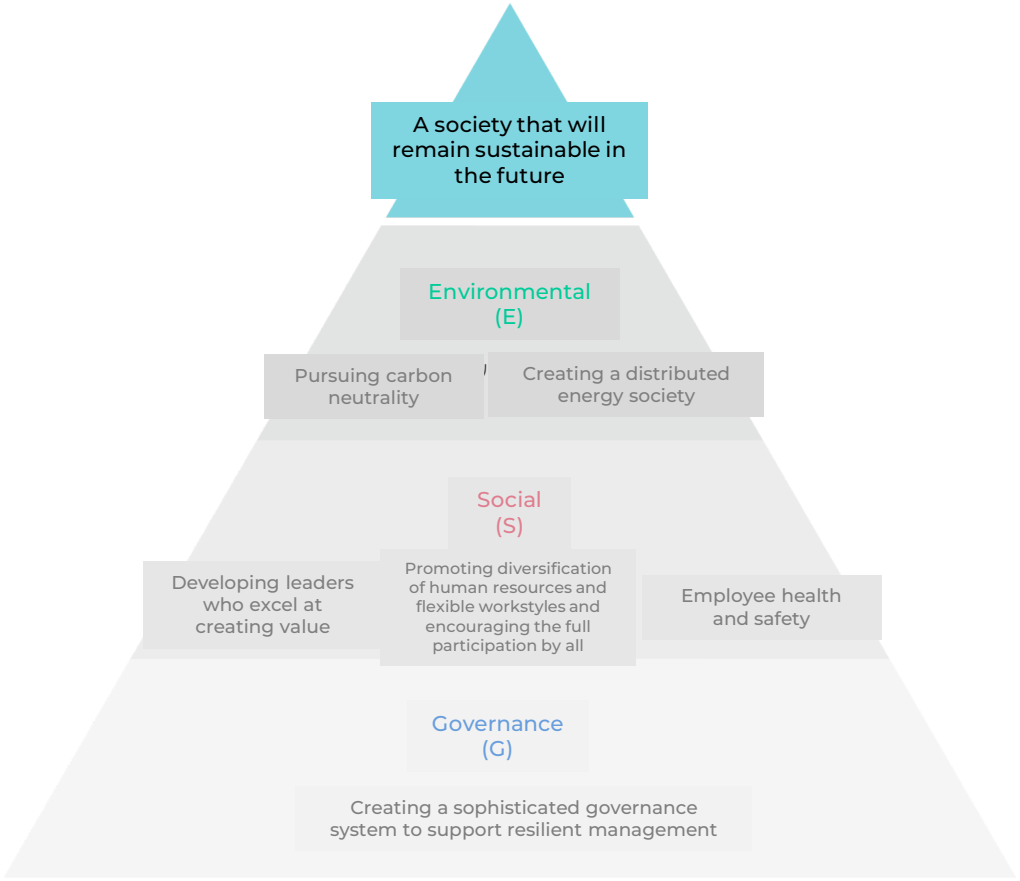
To realize this purpose as a company, we have established the following Basic Sustainability Policy.

- United by expertise, we continue to break down barriers—between companies, industries, countries—to tackle pressing social issues.
- Thriving on diversity, we empower individuals to shine through fair and equal opportunities.
- We will design optimal energy management systems that propel society toward decarbonization.
- We eliminate rigidity, break away from inertia, and encourage taking on new challenges with the support of our sophisticated governance system.

Sustainability | Rezil's Sustainability Transformation (SX)

With our purpose to be "a unifying force, persistently tackling social challenges," we strive to create shared value for all stakeholders.

Identification of double materiality



	Material issues	Value created
E	Promoting decarbonization	• A society that sustains affluent lifestyles while mitigating global warming • Low energy costs and environmental impact • Stable energy supply even in emergencies
E	Creating a distributed energy society	
S	Developing value-creating leaders	• Developing human resources who contribute to society
S	Promoting diversityandand flexible workstyles	• Workplaces where diverse human resources can work with support and thrive
S	Health and safety of employees	• Promoting employee success based on workplaces with high degrees of psychological safety
G	Creating a sophisticated governance system to support resilient management	• Transparent, fair, and rapid decision-making in management • Information security • Safe business continuity during disasters and pandemics

Disclaimer

- The information provided in this material includes forecasts and forward-looking statements. These forecasts and forward-looking statements were prepared by Rezil based on information available at the time they were prepared.
- They do not guarantee future performance and are subject to risks and uncertainties. Please note that actual results may differ materially from the forecasts due to the changes in the environment and other factors (due to uncertainties).
- Factors that affect actual results include, but are not limited to, fluctuation in interest rates and foreign exchange rates, and the economic conditions in Japan and overseas, in addition to trends in the industries pertinent to Rezil.
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