

P R E S S R E L E A S E



December 19, 2016

RENOVA, Inc.

**Notice of Approval for Facility Construction Plan for
the Karumai East Solar and Project Financial Close
A combination of the Karumai East and Karumai West Solar Power Plants
to have total capacity of 128.8 MW and to be one of
the largest solar power generating operations in the Tohoku Region**

RENOVA, Inc. (hereinafter “RENOVA”) announces that it received a letter of approval from the Ministry of Agriculture, Forestry and Fisheries on November 22 for a facility construction plan concerning an act of forestry land development in Karumai-machi. The approval was granted under the Act on Promoting Generation of Electricity from Renewable Energy Sources Harmonized with Sound Development of Agriculture, Forestry and Fisheries. This legislation came into force on May 1, 2014. RENOVA planned to build a large-scale solar power plant in the town.



[Left: Mr. Kenichi Yamamoto, mayor of Karumai-machi, Right: Tomokazu Ogawa, Chief Technology Officer]

The project is located in a woodland of nearly 300 hectares in Karumai-machi, Kunohe-gun, Iwate Prefecture. The power plant will have an approximate capacity of 80.8 MW on a module basis and an estimated annual generation of around 87 million kWh. This is equivalent to annual power consumption of around 25,000 households. RENOVA expects to start its construction in December 2016 with a view to commencing operation in December 2019. The plant will be one of the largest in the whole of Japan among those approved under the legislation mentioned above.

RENOVA will construct the plant in accordance with the facility construction plan approved by the municipal government of Karumai-machi. The construction will help revitalize the region and contribute to its economy. In addition, RENOVA will carry out the project with full attention paid to the surrounding environment. From the start of construction to operation, RENOVA will endeavor to ensure safety and disaster control, aiming to build a safe and reassuring power plant.

RENOVA has led the project in all processes from planning to development. Going forward, Karumai East Solar GK will act as operator. RENOVA, NEC Capital Solutions Limited, Fuyo General Lease Co., Ltd. and Sumitomo Mitsui Finance & Leasing Co., Ltd. have invested in establishing this silent partnership (Tokumei-Kumiai) business.

For the purpose of this project, Mizuho Bank, Ltd., Shinsei Bank Limited and Sumitomo Mitsui Banking Corporation became mandated lead arrangers for a project financial close. The finance agreements came into being on November 30, 2016. A total of 16 financial institutions are participating in the financing syndicate, including three based locally in Iwate Prefecture.

[In the alphabetical order]

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| Mandated lead arrangers | Mizuho Bank, Ltd., Shinsei Bank Limited and Sumitomo Mitsui Banking Corporation |
| Financial institutions participating in the financing syndicate | The Aomori Bank, Ltd., The Akita Bank, Ltd., The Bank of Iwate, Limited, The Chugoku Bank, Ltd., Kita-Nippon Bank, Ltd., Hokuto Bank, Ltd., The Michinoku Bank, Ltd., Nippon Life Insurance Company, The Shonai Bank, Ltd., The Tochigi Bank, Ltd., The Toho Bank, Ltd., The Tohoku Bank, Ltd. and The Yamagata Bank, Ltd. |

In the district, the project began construction of the Karumai West Solar Power Plant in May 2016. The power plant will commence operation in July 2019, according to the plan. It will have an approximate capacity of 48 MW on a module basis. The total capacity of the Karumai West Solar Power Plant and the Karumai East Solar Power Plant will reach around 128.8 MW on a module basis. This will give the Karumai district one of the largest power generation capacities on a module basis in the Tohoku region.

RENOVA operates and manages large-scale power plants in Itako, Ibaraki Prefecture, in Futtsu, Chiba Prefecture, in Kikugawa, Shizuoka Prefecture, in Kokonoe-machi, Kusu-gun, Oita Prefecture, in Nasu-shiobara, Tochigi Prefecture and in Ozu-machi, Kikuchi-gun, Kumamoto Prefecture. Their capacity totals nearly 141.3 MW on a module basis. After inauguration of the Karumai West and Karumai East Solar Power Plants currently under development in Karumai-machi, RENOVA's power plants will have an approximate total capacity of 270.1 MW on a module basis.

Based on its mission to create green and sustainable energy systems for a better world, RENOVA is engaged in renewable energy development projects all over Japan.

To carry out these projects, RENOVA will positively discuss with local residents with a view to harmony and development, and will contribute to constructing a system for supplying safe, reassuring and green energy.



[Rendering of Karumai East Solar and Karumai West Solar]