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### **Announcement Concerning Financial Close for RENOVA's Large-Scale Solar PV Project**

RENOVA, Inc. (hereinafter "RENOVA") announced that Hitoyoshi Solar G.K. has reached a financial close for the Hitoyoshi Solar Project (Hitoyoshi, Kumamoto Prefecture; generation capacity of 20.8 MW; hereinafter "Hitoyoshi Solar"). Hitoyoshi Solar G.K. will be the project operator of Hitoyoshi Solar. Hitoyoshi Solar T.K. will be an associate of RENOVA.

#### **1. Purpose of the Financial Close**

With a mission to create green and sustainable energy systems for a better world, RENOVA operates its power generation business based on locally entrenched renewable energy resources such as solar, biomass, wind, and geothermal power.

Hitoyoshi Solar is RENOVA's thirteenth large-scale solar power plant and a second such plant in Kumamoto Prefecture. RENOVA will certainly be undertaking this construction project in a bid to increase its corporate value and to contribute to local revitalization and the economy in the city of Hitoyoshi.

#### **2. Future Outlook**

RENOVA will recognize project development revenue from Hitoyoshi Solar G.K. upon the financial close. The expected amount of project development revenue is incorporated in the consolidated forecasts announced in the *Notice of Revision to Full Year Consolidated Forecasts* on November 1, 2019. An amount equivalent to 38.0%, RENOVA's planned ownership interest, of the revenue will be eliminated in the consolidation accounting.

#### **3. Other**

RENOVA and the co-sponsor, Fuyo General Lease Co., Ltd., will maintain involvement as silent (Tokumei Kumiai) investors. RENOVA's initial ownership interest will be 38.0%. In accordance with the Memorandum of Understanding on Transfer of Equity in Tokumei Kumiai Concerning Hitoyoshi Solar GK, RENOVA holds the right to additionally acquire all 62.0% equity in the Tokumei Kumiai currently owned by the co-sponsor on or after the date of completion of the Hitoyoshi Solar Power Plant.

(Reference) Outline of Hitoyoshi Solar

(1) Power Plant	Hitoyoshi Solar Power Plant
(2) Location	Higashi-Otsuka-machi, Hitoyoshi, Kumamoto Prefecture
(3) Capacity	20.8 MW <sup>*1</sup>
(4) Annual Electricity Production <sup>2</sup>	Approx. 22 million kWh (equivalent to approx. 6,000 households)
(5) FIT rate	36 yen per kWh (The FIT period is estimated at 18 years and eight months <sup>*3</sup> .)
(6) Forecasted annual net sales <sup>*2</sup>	Approx. 800 million yen
(7) Forecasted annual EBITDA <sup>*2*4</sup>	Approx. 600 million yen
(8) Development Area	Approx. 24 ha
(9) Sponsors	RENOVA, Inc. Fuyo General Lease Co., Ltd.
(10) Construction Commencement	November 2019
(11) Completion of Development	June 2023

\*1 The generation capacity is on a module capacity basis.

\*2 Figures are as currently planned and may be subject to change.

\*3 The Grid Connection Tender process took approximately 2 years and was completed in October 2018.

\*4 EBITDA = ordinary profit + net interest expenses + depreciation + amortization of long-term prepaid expenses (grid connection costs and deferred consumption tax) + amortization of goodwill + amortization of deferred assets (business commencement expenses and deferred organization expenses)



Rendering of the Hitoyoshi Solar Power Plant

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