



March 24, 2020

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Tokyo Stock Exchange 1st)  
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## **Announcement Concerning Final Investment Decision on Large-Scale Biomass Power Generation Project**

RENOVA, Inc. (hereinafter “RENOVA”) announces that it made a final investment decision for Ishinomaki Hibarino Biomass Energy GK as the operator of the Ishinomaki Hibarino Biomass Power Generation Project (Ishinomaki, Miyagi Prefecture, Capacity: 74.95 MW, hereinafter “the Ishinomaki Hibarino Biomass Project”) in which development is led by RENOVA, on March 24, 2020. In addition, RENOVA announces that it reached a financial close by signing a financing agreement with financial institutions (hereinafter “the Financing Agreement”).

### 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 energy.

RENOVA has been accumulating knowledge through development and operation of wood biomass-fueled power plants in the Akita Biomass Project, under which the power plant has been in healthy operation since its completion, as well as in the Kanda Biomass, Tokushima-Tsuda and Omaezakikou Biomass Projects, where construction is in progress. RENOVA has forged ahead with development in the Ishinomaki Hibarino Biomass Project by taking advantage of this knowledge.

RENOVA will work on the development together with three co-sponsors, namely Tokyo Gas Co., Ltd., United Purpose Management, Inc. and Mizuho Leasing Co., Ltd., in an effort to increase the corporate value of the Ishinomaki Hibarino Biomass Project. By means of power plant construction and business operation, RENOVA will contribute to local and financial revitalization in the area centering on the city of Ishinomaki through job creation and the revitalization of port and harbor, as it seeks to achieve collaborative creation in partnership with local communities.

### 2. Outlook

In terms of the impact on business results for the current fiscal year ending March 31, 2020, following the conclusion of the Financing Agreement, RENOVA will receive a business development fee from Ishinomaki Hibarino Biomass Energy GK. This business development fee has already been incorporated into RENOVA's consolidated earnings forecast, which was released on November 1, 2019 under the title of "Notice of Revision to Full Year Consolidated Forecasts.

RENOVA will promptly disclose any other matters that should be announced, as and when they arise.

### 3. Other

RENOVA holds the right to additionally acquire 13.0% equity in the special purpose company owned by co-sponsor Mizuho Leasing Co., Ltd., on or after the date of completion of the Ishinomaki Hibarino Biomass Power Plant, in accordance with the Memorandum of Understanding on Transfer of Equity Related to Ishinomaki Hibarino Biomass Energy GK that RENOVA has entered into with Mizuho Leasing Co., Ltd. In the event of exercising this right, RENOVA's ownership interest will be 51.0%.



(Rendering of Ishinomaki Hibarino Biomass Power Plant)

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(Reference) Outline of the Ishinomaki Hibarino Biomass Project

Power Plant: Ishinomaki Hibarino Biomass Power Plant  
Operator: Ishinomaki Hibarino Biomass Energy GK  
Location: 2-2-1 Kyobashi, Chuo-ku, Tokyo  
Planned Construction Site: 14-5 and 14-10 Shiomicho, Ishinomaki, Miyagi Prefecture

Sponsors  
(In the order of ownership interest)

Company Name	Ownership Interest
RENOVA, Inc.*	38.0%
Tokyo Gas Co., Ltd.	34.0%
United Purpose Management, Inc.	15.0%
Mizuho Leasing Co., Ltd.	13.0%

Financial arrangers and syndicate  
(in alphabetical order by category)

Company Name
Mizuho Bank, Ltd. (lead manager)
Sumitomo Mitsui Banking Corporation (lead manager)
The Akita Bank, Ltd.
The Bank of Iwate, Ltd.
The Bank of Yokohama, Ltd.
The Iyo Bank, Ltd.
Kita-Nippon Bank, Ltd.
The Michinoku Bank, Ltd.
The San-In Godo Bank, Ltd.
The 77 Bank, Ltd.
The Toho Bank, Ltd.
The Tohoku Bank, Ltd.
The Yamaguchi Bank, Ltd.
Akita Shinkin Bank
Ugo Shinkin Bank
The Shoko Chukin Bank, Ltd.
Asahi Mutual Life Insurance Company
JA Mitsui Leasing, Ltd. (mezzanine lender)

Power Generation Capacity: 74.95 MW (based upon the gross capacity)  
Annual Electricity Production: Approx. 530,000 MWh (equivalent to the annual power consumption of approximately 170,000 households)  
Power Sales Unit Price: 24 yen per kWh for general wood biomass  
Fuels: Wood pellets, palm kernel shells (PKS)  
Construction Commencement: March 2020: Order to start  
(Full construction is scheduled for November 2020.)  
Operation Commencement: May 2023 (planned)

\* The outline of the project presents information based on the plan as of the announcement date, and it may be subject to change in future.