



April 22, 2022

Corporate Name: RENOVA, Inc.
 Representative: Yosuke Kiminami, Founding CEO
 (Stock code: 9519
 The Prime Market of the Tokyo Stock
 Exchange)
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**Notice Concerning Change in Consolidated Subsidiary
 in Connection with Participation of Partner in RENOVA’s Solar Power Generation Project**

RENOVA, Inc. (hereafter “RENOVA”) announces that it has today decided to transfer a part of its equity interest in Yokkaichi Solar T.K., a consolidated subsidiary of RENOVA, to SMFL MIRAI Partners Company, Limited, in connection with its participation in the project.

1. Reason for change in consolidated subsidiary (specified subsidiary company)

With a mission of creating green and sustainable energy systems for a better world, RENOVA is engaged in a power generation business based on locally rooted renewable energy resources such as solar, biomass, wind, geothermal and hydro power in Japan, Asia and elsewhere. As RENOVA plans to continue active project development activities in Japan, Asia and other locations, this transfer is positioned as a part of its partnership strategy in individual project and also aimed at redistributing its management resources for further growth. RENOVA will remain involved in the project as a joint investment partner and RENOVA Asset Management, Inc., a consolidated subsidiary of RENOVA, will continue to provide support for the operation of Yokkaichi Solar T.K. after the partial transfer of equity interests. RENOVA, as a group, will continue to operate the power plant in harmony and mutual prosperity with nature and the local community.

2. Outline of the subsidiary (specified subsidiary company)

(1) Title	Yokkaichi Solar T.K.
(2) Location	1-12-1 Shinsyo Yokkaichishi, Mie Prefecture
(3) Title and name of operator	Operator: Yokkaichi Solar G.K. Masakazu Hongo, Executor Silent partner: RENOVA, Inc. Yosuke Kiminami, Founding CEO
(4) Business	Solar PV business
(5) Total capital contribution	609 million yen (as of March 31, 2021)
(6) Date of establishment	August 28, 2017
(7) Ratio of equity interest	RENOVA, Inc. 100%

(8) Relationships between the listed company and the silent partnership business	Sponsors	RENOVA has invested 609 million yen (100%) in the silent partnership business.		
	Personal relationship	There is no personal relationship that is required to be stated between RENOVA and the silent partnership business. In addition, no related parties or affiliates of RENOVA have any significant relationships with any related parties or affiliates of the silent partnership.		
	Business relationship	There is no business relationship that is required to be stated between RENOVA and the silent partnership business. RENOVA Asset Management, Inc., a subsidiary of RENOVA, and Yokkaichi Solar G.K., the operator of the silent partnership business, have signed an agreement for operational support and outsourcing.		
(9) Business results and financial position of the company over the last three years				
	Fiscal Year	FY ended March 2019	FY ended March 2020	FY ended March 2021
	Net assets	1 million yen	1 million yen	1 million yen
	Total assets	8,870 million yen	8,554 million yen	7,937 million yen
	Net sales	82 million yen	869 million yen	885 million yen
	Operating profit	47 million yen	389 million yen	367 million yen
	Ordinary profit	33 million yen	206 million yen	188 million yen
	Profit	0 million yen	0 million yen	0 million yen

3. Outline of the party to whom the equity interest is transferred

(1) Title	SMFL MIRAI Partners Company, Limited		
(2) Location	1-3-2 Marunouchi, Chiyoda-ku, Tokyo		
(3) Title and name of representative	Tatsurou Terada, President		
(4) Business	Real estate business, environmental and energy business and financial services business		
(5) Capital	200 million yen		
(6) Date of establishment	October 1, 2018		
(7) Net assets	22,527 million yen (as of March 31, 2021)		
(8) Total assets	979,064 million yen (as of March 31, 2021)		
(9) Major shareholders and shareholding ratios	Sumitomo Mitsui Finance and Leasing Company, Limited 100%		
(10) Relationships between the listed company and the relevant company	Capital relationship	There is no capital relationship that is required to be stated between RENOVA and SMFL MIRAI Partners Company, Limited. In addition, no related parties or affiliates of RENOVA have any significant relationships with any related parties or affiliates of SMFL MIRAI Partners Company, Limited.	
	Personal relationship	There is no personal relationship that is required to be stated between RENOVA and SMFL MIRAI Partners Company, Limited. In addition, no related parties or affiliates of RENOVA have any significant relationships with any related parties or affiliates of SMFL MIRAI Partners Company, Limited.	
	Business relationship	There is no business relationship that is required to be stated between RENOVA or any of its related parties and SMFL MIRAI Partners Company, Limited. Karatsu Biomass Energy G.K., an affiliate of RENOVA, is arranging a mezzanine loan from SMFL MIRAI Partners Company, Limited.	
	Status as related party	SMFL MIRAI Partners Company, Limited does not constitute a related party of RENOVA. In addition, no related parties or affiliates of SMFL MIRAI Partners Company, Limited are considered to be related parties of RENOVA.	

4. Transfer price and equity interest in the silent partnership before and after the change

Equity interest in the silent partnership before the change	100%
Equity interest in the silent partnership subject to transfer	80%
Equity interest in the silent partnership after the change	20%

The transfer price is undisclosed due to the agreement on non-disclosure with the party to whom the equity interest is transferred.

5. Schedule

April 22, 2022	Decision on the transfer of equity interest in the silent partnership
April 22, 2022	Conclusion of the transfer agreement and completion of the transfer

6. Future outlook

Following this event, RENOVA expects to record a gain on the transfer of equity interest in silent partnership of approximately 3,100 million yen as other income in its consolidated financial results for the three months ending June 30, 2022. In addition, RENOVA's remaining silent partnership interests will be classified as financial assets measured at fair value through profit or loss after the transfer and a gain on remeasurement to fair value of approximately 700 million yen is expected to be recorded as other income.

[For inquiries about this release]
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