



May 24, 2022

Corporate Name: RENOVA, Inc.  
Representative: Yosuke Kiminami, Founding CEO  
(Stock code: 9519  
The Prime Market of the  
Tokyo Stock Exchange)  
Contact: Kazushi Yamaguchi, CFO  
(TEL: +81-3-3516-6263)

## **Notice of Continuation of Non-Performance-Based Stock Compensation Plan for External Directors**

RENOVA, Inc. (hereinafter the "Company") hereby announces that at a meeting of the Board of Directors held today it resolved to maintain the non-performance-based stock compensation plan (hereinafter the "Plan") which was introduced in June 2018 as an incentive plan for External Directors and to submit a proposal regarding the Plan to the 23rd Annual General Meeting of Shareholders scheduled on June 17, 2022 (hereinafter the "Shareholders' Meeting") as described below.

### 1. Objectives of the Plan

- (1) Our mission is "to create green and sustainable energy systems for a better world," and our vision is "to become Asia's renewable energy leader."

To realize its vision, the Company will make a partial revision of the Plan introduced in June 2018 and maintain it exclusively for its External Directors for the purpose of further clarifying the linkage between compensation for External Directors and its stock value and further increasing motivation to contribute to improving the stock value from the same perspective as that of shareholders ("same boat"), by sharing both the upside rewards of rises and downside risks of declines in share price with shareholders.

- (2) The Plan is a stock compensation plan that uses a scheme of a share delivery trust and an incentive plan for External Directors that uses restricted stock plan as a reference.

The Company will deliver and pay (hereinafter "Deliver, etc.") company shares acquired through the share delivery trust and money equivalent to the converted value of such shares (hereinafter "Company Shares, etc.") to External Directors for each fiscal year.

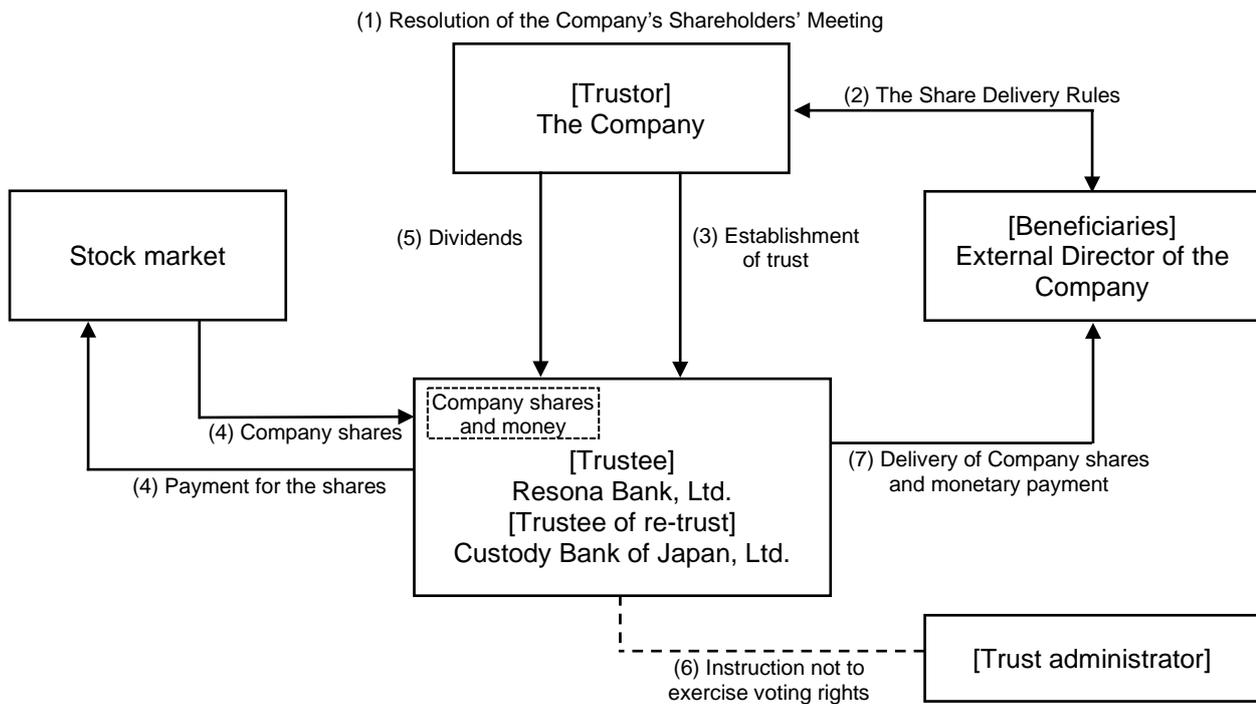
- (3) The continuation of the Plan is conditional upon approval regarding officers' compensation at the Shareholders' Meeting.

## 2. Details of the Plan

### (1) Overview of the Plan

The Plan is a stock compensation plan under which a trust (hereinafter the “Trust”), which was established by the Company through the contribution of money in November 2018, will acquire Company shares and Deliver, etc. the number of Company Shares, etc. corresponding to the number of points granted to External Directors in accordance with the Share Delivery Rules determined by the Company. External Directors will receive Delivery, etc. of Company Shares, etc. for each fiscal year, in principle.

#### <Structure of the share delivery trust>



- (1) The Company obtains a resolution approving officers' compensation with respect to the Plan at the Company's Shareholders' Meeting.
- (2) The Company's Board of Directors establishes the Share Delivery Rules for the Delivery, etc. of Company shares.
- (3) The Company contributes money to a trust (the Trust) in which persons eligible for the Plan are candidates for beneficiaries within the scope approved by the Shareholders' Meeting described in (i) above.
- (4) The Trust acquires Company shares from the stock market using the money (includes additional contributions) entrusted as stated in (iii) above.  
\* The Trust acquires the number of shares deemed necessary, each fiscal business year, in principle.
- (5) Dividends on Company shares held by the Trust are paid in the same manner as for the other Company shares.
- (6) Voting rights of Company shares held by the Trust are not exercised throughout the trust period.
- (7) During the trust period, the Company grants points in each fiscal year to External Directors based on the Share Delivery Rules described in (ii) above, and makes Delivery, etc. of the number of Company Shares, etc. corresponding to the points granted to eligible persons who meet certain beneficiary requirements set out in the Share Delivery Rules.

### (2) Resolution of the Shareholders' Meeting for the continuation of the Plan

The Company will resolve at the Shareholders' Meeting the maximum amount of money that can be contributed to the Trust as compensation for External Directors of the Company during the coverage period of the Plan, as well as the maximum number of Company Shares, etc. permitted for Delivery, etc. to External Directors of the

Company, and other necessary matters.

(3) Persons eligible for the Plan

External Director of the Company

(4) Coverage period of the Plan

The "Coverage Period" will be four fiscal years from the fiscal year beginning on April 1, 2022. Similarly thereafter, the coverage period will be every four fiscal years, and the next coverage period will begin after four fiscal years have passed since the beginning of each coverage period.

(5) Trust period

The Trust established in November 2018 will continuously be used. (The Trust shall continue in effect without specifying any time limit for such continuation as long as the Plan continues.) The Plan will terminate in the event of delisting of the Company's shares or the abolition, etc. of the Share Delivery Rules.

(6) Amount of funds to be entrusted and number of shares to be acquired

Subject to approval of the continuation of the Plan at the Shareholders' Meeting, the Company will make an additional contribution to the Trust to Deliver, etc. the Company Shares, etc. in accordance with the procedures in (8) and (9) below. The Trust will acquire Company shares by using the funds contributed by the Company. Additionally, every fiscal year, in principle, the Company will contribute the funds required to acquire the number of shares deemed necessary. Accordingly, the Company may still be required to contribute funds for the acquisition of shares after the end of the final fiscal year of each coverage period.

More specifically, if the continuation of the Plan is approved at the Shareholders' Meeting, the Company will contribute up to 50 million yen as funds for acquiring shares for Delivery, etc. based on the Plan for the coverage period of four fiscal years that began on April 1, 2022.

For each coverage period thereafter until the Trust ends, the Company will, in principle, contribute to the Trust additional funds that are deemed necessary for the Trust to acquire the number of shares reasonably expected to be necessary to make Delivery, etc. to the External Directors of the Company for the four fiscal years in each coverage period, but the funds to be contributed may not exceed the amount above.

Provided, however, that in any of the cases in which such additional contribution is made, when, after Delivery, etc. of shares, etc. for the previous coverage period, there are remaining Company shares (excluding Company shares corresponding to the number of points granted to External Directors that are pending Delivery, etc. to External Directors) and remaining money (hereinafter collectively the "Remaining Shares, etc.") in the Trust assets, the Company will calculate the amount of additional contribution for the relevant coverage period after taking the Remaining Shares, etc. into account.

(7) Acquisition method and number of the Company's shares to be acquired by the Trust

The Trust will acquire the Company's shares from the stock market within the range of funds for acquiring the shares specified in (6) above, and new shares will not be issued. Accordingly, the total number of issued shares will not increase upon the acquisition of the Company's shares by the Trust, and dilution will not occur.

The maximum number of shares to be acquired in each coverage period shall be 31,000 shares (accounting for 0.04% of 78,939,300 shares, the total number of issued shares as of March 31, 2022).

(8) Calculation method and maximum number of Company Shares, etc. for Delivery, etc. to External Directors of the Company.

The Company will grant points to External Directors each fiscal year based on the Share Delivery Rules established by its Board of Directors, and will Deliver, etc. the number of Company Shares, etc. corresponding to the points granted to eligible persons who have met certain beneficiary requirements defined in the Share Delivery Rules.

More specifically, the maximum total number of points to be granted each coverage period to External Directors of the Company will be set at 31,000 points, and since, upon Delivery, etc. of Company shares described in (9) below, each point will be converted into one common share of the Company, the maximum total number of Company Shares, etc. for Delivery, etc. to External Directors of the Company each coverage period will be 31,000 shares (however, if a share split, the allotment of shares without contribution or the consolidation of shares, etc. is conducted for Company shares after the resolution approving the Plan at the Shareholders' Meeting, the conversion rate will be adjusted reasonably according to the rate in the share split, the allotment of shares without contribution or the consolidation of shares, etc.).

(9) Delivery, etc. of Company Shares, etc. to External Directors

Delivery, etc. of Company Shares, etc. corresponding to the total number of points granted to External Directors each fiscal year will be made in accordance with prescribed procedures for determining beneficiaries for each fiscal year. The right to receive Delivery, etc. of the Company Shares, etc. under the Plan may not be transferred or pledged.

If External Directors have committed illegal or wrongful acts, etc., the Company may determine not to Deliver, etc. all or part of the Company Shares, etc. or may demand return of the Company Shares, etc. of which Delivery, etc. has been made.

(10) Exercise of voting rights of the Company's shares in the Trust

The voting rights of Company shares in the Trust (that is, Company shares before Delivery, etc. to External Directors, etc. of the Company in accordance with the procedures in (9) above) will not be exercised during the trust period to ensure neutrality over management.

(11) Handling of dividends for the Company's shares in the Trust

The Trust will receive dividends for the Company's shares in the Trust and appropriate them as funds for acquiring the shares and trust expenses such as trust fees.

(12) Treatment after the end of the trust period

Of the residual assets in the Trust when the Trust ends, all the Company's shares will be acquired by the Company without compensation and cancelled by a resolution of the Board of Directors.

Of the residual assets in the Trust when the Trust ends, money will be paid to the persons eligible for the Plan who are incumbent at that time in proportion to their respective points accumulated.

### 3. Current stock compensation plan

The Company introduced a stock compensation plan to Deliver, etc. the Company Shares, etc. to Directors and Executive Officers (the "Plan") at the 19th Annual General Meeting of Shareholders held on August 29, 2018. However, with the introduction of a new stock compensation plan for Directors (excluding External Directors) and Executive Officers of the Company and its subsidiaries (hereinafter the "Company, etc.") at the 22nd Annual General Meeting of Shareholders held on June 18, 2021, Directors (excluding External Directors) and Executive Officers were excluded from the Plan.

If the proposal regarding the Plan is approved without modification at the Shareholders' Meeting, the Company will have both the performance linked stock compensation plan for Directors (excluding External Directors) and Executive Officers of the Company, etc. (maximum amounts for the five fiscal years from April 1, 2021 until March 31, 2026: a total of 400 million yen for Directors of the Company and a total of 800 million yen for Executive Officers of the Company and Directors and Executive Officers of its subsidiaries) and a non-performance-based stock compensation plan only for External Directors (maximum amount for the four fiscal years from April 1, 2022 until March 31, 2026: a total of 50 million yen).

[For inquiries about this release]  
Kenichiro Nose, Investor Relations  
Tel: +81-3-3516-6263  
E-mail:ir@renovainc.com