

Supplementary Material on Financial Results for the 3Q of the Fiscal Year Ending March 2020

RENOVA, Inc.



February 5, 2020

Disclaimer

This document has been prepared to provide corporate information and other details about RENOVA, Inc (“RENOVA,” hereafter) and the RENOVA Group, and does not constitute solicitation to acquire shares or other securities issued by RENOVA, whether in Japan or overseas.

Information listed herein concerning industry and market trends, the economic climate and so on has been prepared based on currently available information. RENOVA does not guarantee the veracity, accuracy, reasonableness or completeness of the information and assumes no obligation to update the particulars of any information.

Moreover, RENOVA Group plans, forecasts, estimates, predictions and other forward-looking information described herein represent only the current determinations or ideas of RENOVA. Actual RENOVA Group operating results, financial status and other outcomes may diverge considerably from the details described herein and the estimates made on that basis due to a variety of factors including trends in energy policy, legislation, schemes, markets and other institutions in Japan and overseas, the status of licenses and permits required for RENOVA Group projects, success or failure in the acquisition and development of land and power generating facilities, etc., along with fluctuations in weather, climate and the natural environment.

As a general rule and unless indicated otherwise, consolidated figures are used for the monetary amounts listed in this document. As amounts less than one million yen are rounded down, totals in each column may not match.

In this document, current(quarterly) profit is listed as net(quarterly) income attributable to owners of the parent.

For inquiries about this document:

IR Office, RENOVA, Inc.

Telephone: +81-3-3516-6263

Email: ir@renovainc.com

IR website: <https://www.renovainc.com/en/ir>



Key Highlights of Financial Results for the 3Q of the FY3/2020 and Recent Updates

1

Karumai East Solar (80.8 MW^{*1}) reached COD and became a consolidated subsidiary in December 2019

2

Construction of Omaezakikou Biomass (75.0 MW^{*2}) and Hitoyoshi Solar (20.8 MW^{*1}) started as planned, and both business development fees^{*3} were recorded (as originally planned)

3

Final investment decision (FID) for Ishinomaki Hibarino Biomass (75.0 MW^{*2}) expected shortly

*1 The generation capacity for solar power plants are on a module capacity basis.

*2 The generation capacity for biomass power plants is based upon the gross capacity.

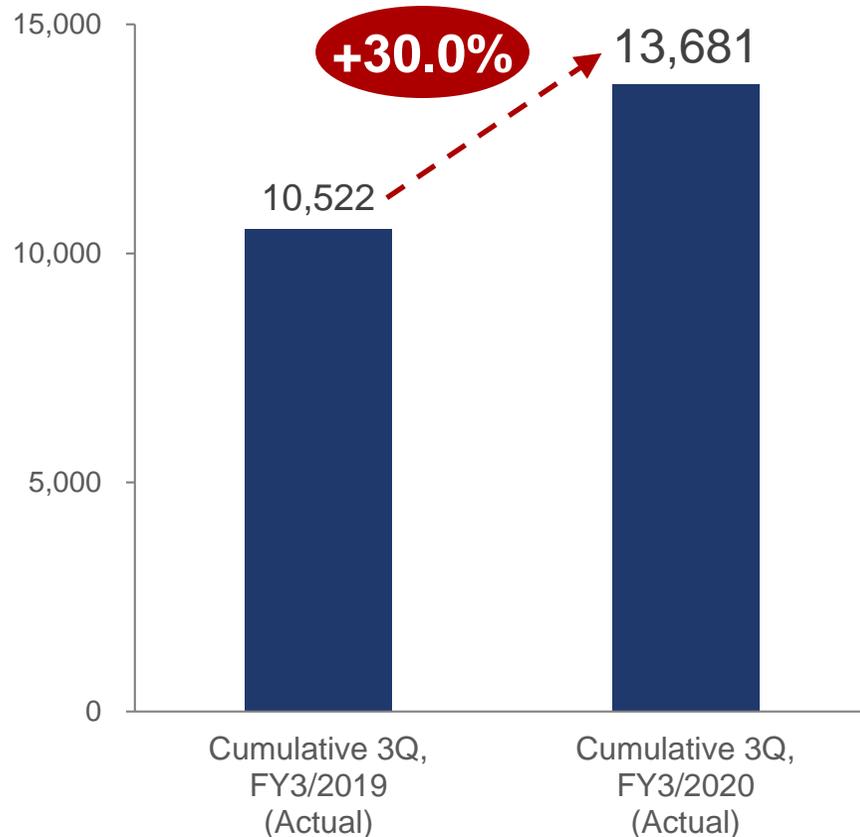
*3 Business development fees that can be received from the SPC for development support.

Trend in Net Sales and EBITDA

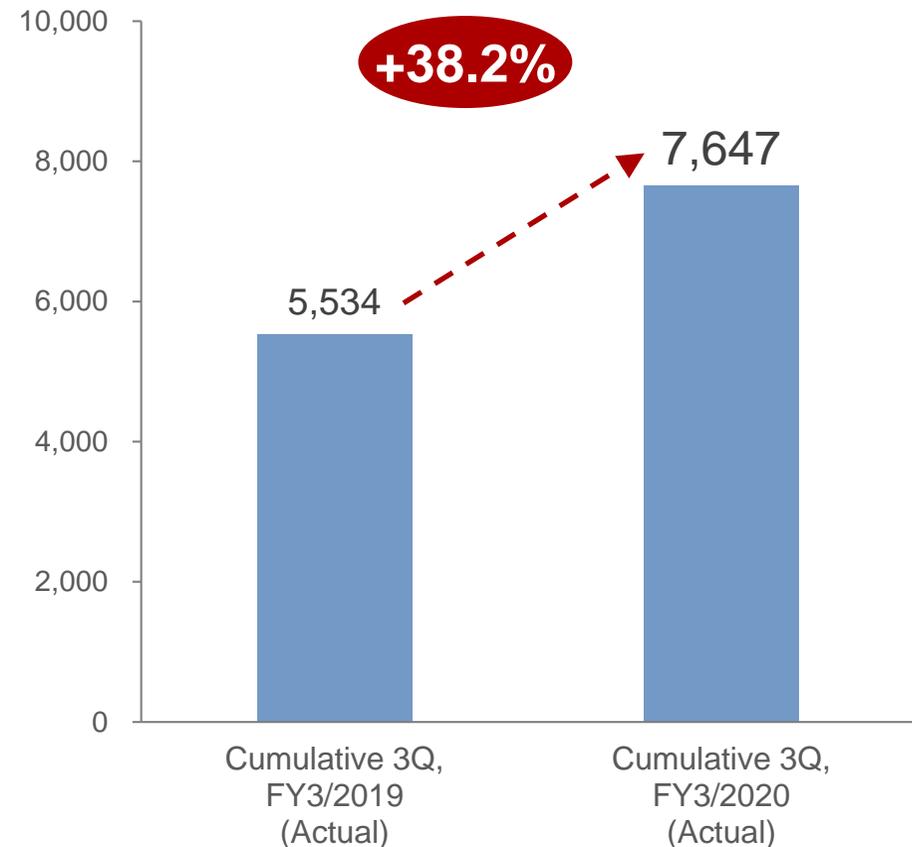
(Million yen)

- Cumulative 3Q sales and EBITDA increased compared to the same period last year due to;
 - The recognition of business development fees related to the Tokushima-Tsuda and the Omaezakikou Biomass Projects.
 - The Hitoyoshi Solar Project and the consolidation of 3 large-scale solar PV projects (Yokkaichi Solar, Nasukarasuyama Solar, Karumai West Solar).

Net Sales



EBITDA*1



*1 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). EBITDA is neither subject to audit nor quarterly review.

Quarterly Financial Highlights

(Million yen)

- Cumulative 3Q sales and each line item increased compared to the same period last year.
- Expecting to record a business development fee in 4Q of the current fiscal year. Financial results are in line with the full-year forecasts.

	FY3/2019 Cumulative 3Q YTD	FY3/2020 Cumulative 3Q YTD	FY3/2020 (Full-year Plan)	Ratio to Full-year Plan
Net Sales	10,522	13,681	19,200	71.3%
EBITDA*1	5,534	7,647	10,800	70.8%
<i>EBITDA margin</i>	52.6%	55.9%	56.3%	-
Operating profit	3,395	4,892	6,700	73.0%
Ordinary profit	2,169	3,145	4,100	76.7%
Extraordinary income	-	1,949	-	-
Extraordinary losses	5	-	-	-
Profit*2	837	2,791	3,300	84.6%
EPS (yen)*3	11.24	37.02	43.77	-
LTM ROE*4	13.2%	35.3%	30.0%	Expecting to record a business development fee in 4Q.
Number of power plants in operation (The figures in parentheses () represents the number of power plants to which equity method investment is applied.)	8(0)	12(0)	12(0)	-
Capacity (MW)*5	163.7	333.3	333.3	-

*1 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). EBITDA is neither subject to audit nor quarterly review. EBITDA is neither subject to audit nor quarterly review. *2 Profit attributable to owners of parent

*3 The EPS value does not consider adjustment for dilutive shares. This value has been calculated from the average number of shares after share splits on the assumption that share splits effective on September 1, 2018, had taken place at the beginning of the previous fiscal year. *4 For the purpose of calculating LTM ROE, the profit figure for the most recent 12-month period is used, and the equity figure used is the simple average of the values at the beginning of the most recent 12-month period and at the end of the most recent month. *5 The capacity figures represent gross generation capacity.

Quarterly Results by Segment*¹

(Million yen)

- Sales of the Renewable Energy Power Generation Business grew compared to the previous cumulative 3Q due to the consolidation of 3 large-scale solar power plants and favorable power generation from existing power plants.
- As a result of recorded business development fees related to the Tokushima-Tsuda and the Omaezakikou Biomass Projects and the Hitoyoshi Solar Project, sales of the Renewable Energy Development and Operation Business grew from the previous cumulative 3Q.

		FY3/2019 Cumulative 3Q YTD	FY3/2020 Cumulative 3Q YTD	FY3/2020 (Full-year Plan)	Ratio to Full-year Plan
Renewable Energy Power Generation Business (A)	Net sales	8,849	10,642	14,500	73.4%
	EBITDA	5,665	7,176	9,600	74.8%
	Ordinary profit	2,401	2,794	3,100	90.1%
Renewable Energy Development and Operation Business + Elimination (B)* ¹	Net sales	1,672	3,039	4,700	64.7%
	EBITDA	-130	471	1,200	39.3%
	Ordinary profit	-231	351	1,000	35.1%
Total* ¹ (A + B)	Net sales	10,522	13,681	19,200	71.3%
	EBITDA	5,534	7,647	10,800	70.8%
	Ordinary profit	2,169	3,145	4,100	76.7%

*¹ When receiving development fees from affiliated companies, RENOVA records such development fees in its consolidated financial results after deducting amounts that correspond to RENOVA's ownership stake in those affiliated companies.

Three Solar PV Plants Commenced Operation in FY3/2020

As of February 2020

- In December 2019, the Karumai East Solar Project (80.8MW) started operation.
- In FY3/2020, 3 large-scale solar PV projects totalling 150 MW in generation capacity started operation.
- Acquired additional equity shares in those three projects, making them consolidated subsidiaries.
The three projects will contribute to net sales for the current fiscal year.

Nasukarasuyama Solar		Karumai West Solar		Karumai East Solar	
				COD in December 2019	
Capacity* ¹	19.2 MW	Capacity* ¹	48.0 MW	Capacity* ¹	80.8 MW
COD	May 2019	COD	July 2019	COD	December 2019
FIT price	¥36 / kWh	FIT price	¥36 / kWh	FIT price	¥36 / kWh
Net sales* ²	Appx. ¥800 million/year	Net sales* ²	Appx. ¥1.8 billion/year	Net sales* ²	Appx. ¥3.1 billion/year
EBITDA* ²	Appx. ¥600 million/year	EBITDA* ²	Appx. ¥1.4 billion/year	EBITDA* ²	Appx. ¥2.5 billion/year

Total solar PV capacity that commenced operation in FY3/2020 is Appx. 150 MW.

*1 The generation capacity for solar power plants is on a module capacity basis.

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

Project Development Update: Ishinomaki Hibarino Biomass Project (75.0 MW)

Ishinomaki City, Miyagi Prefecture

- Loan agreement discussions currently in final stages.
- Planning to make a FID*1 shortly. Details concerning the project and structure will be explained after FID.

Overview of the Ishinomaki Hibarino Biomass Project



Project Overview

Capacity*2	75.0 MW
Main Fuel	Wood pellets (co-fired with palm kernel shells (PKS) and domestic woodchips)
FIT Price	¥24 / kWh (¥32/kWh for domestic wood biomass)

Development Progress

Clear visibility on project structuring

- Close to signing EPC contract. Secured boilers, turbines and other equipment.
- Close to signing fuel supply agreements and securing long-term supply.

Clear visibility on financing

- In the process of receiving commitment letters from lenders.
- Final stage of loan agreement.

Completed permitting and licenses

- Completed securing necessary permits and approvals to commence construction.
- Obtained buy-in from local stakeholders.

FID Expected Shortly

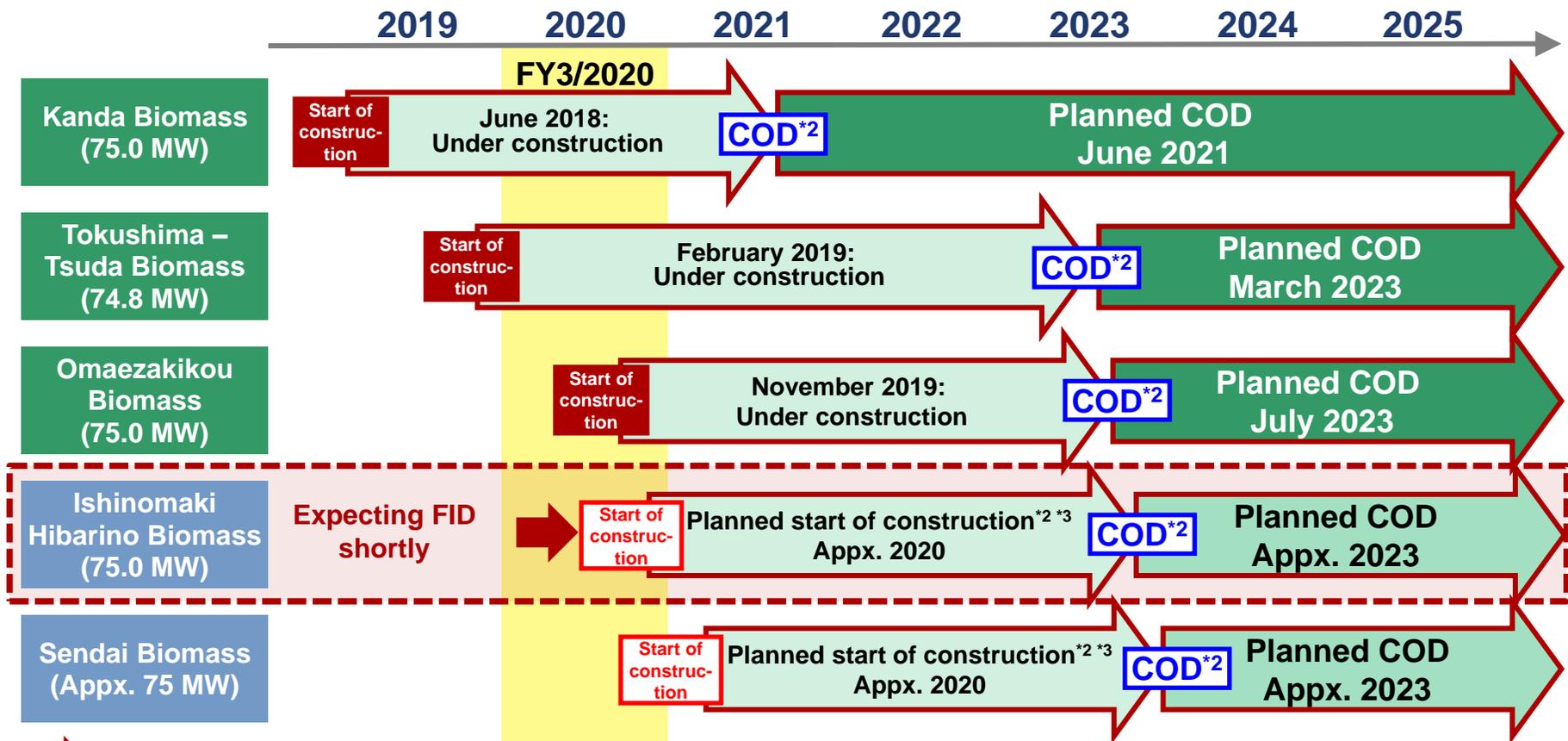
*1 Final investment decision

*2 The generation capacity for biomass power plants is based upon the gross capacity.

Development of Biomass Projects*1

As of February 2020

- Final Investment Decision (FID) for the Ishinomaki Hibarino Biomass Project (75.0 MW) expected shortly due to accelerated development.
- If FID is reached before March 2020, the business development fee will be recognized in the current fiscal year (included in full-year plan).



The business development fee related to Ishinomaki Hibarino Biomass will be recorded if FID is achieved within this fiscal year.

*1 Pipeline projects may be altered, delayed or cancelled. Projects for which work has commenced in accordance with the EPC contract are shown as "under construction".

*2 Including the period of preparation for construction after the financing contract. Development projects may be altered, delayed or cancelled due to development status, progress and comments reflecting environmental impact assessments.

*3 Construction commencement presented in accordance with RENOVA's expected schedule, and not construction commencement dates indicated in the preliminary environmental impact assessments materials.

(Reference) Consolidated Subsidiaries of the Power Generation Business

(Million yen, Cumulative 3Q figures from April to December 2019)

		Net Sales	EBITDA	EBITDA margin	Ordinary Income	Profit	Ownership Interest
Suigo-Itako Solar ^{*1}	FY3/2020	576	444	77.2%	230	167	68.0%
	FY3/2019	584	448	76.6%	207	150	68.0%
Futtsu Solar [*]	FY3/2020	1,514	1,249	82.5%	619	441	51.0%
	FY3/2019	1,584	1,338	84.4%	678	488	51.0%
Kikugawa-Ishiyama Solar ^{*1}	FY3/2020	356	251	70.6%	83	60	63.0%
	FY3/2019	369	286	77.5%	114	83	63.0%
Kikugawa-Horinouchiya Solar ^{*1}	FY3/2020	280	189	67.7%	54	39	61.0%
	FY3/2019	290	217	74.6%	79	57	61.0%
Kokonoe Solar ^{*2 *3}	FY3/2020	780	572	73.4%	83	83	100.0%
	FY3/2019	868	666	76.8%	170	170	100.0%
Nasushiobara Solar ^{*2 *3}	FY3/2020	924	762	82.5%	292	292	100.0%
	FY3/2019	964	810	84.1%	332	332	100.0%
Ozu Solar ^{*2 *3}	FY3/2020	568	405	71.3%	42	42	100.0%
	FY3/2019	602	438	72.9%	71	71	100.0%
Yokkaichi Solar ^{*2 *3 *4 *7}	FY3/2020	678	567	83.6%	189	189	100.0%
	FY3/2019	-	-	-	-	-	-
Nasukarasuyama Solar ^{*2 *3 *5 *7}	FY3/2020	342	283	82.6%	59	59	100.0%
	FY3/2019	-	-	-	-	-	-
Karumai West Solar ^{*2 *3 *6 *7}	FY3/2020	938	788	83.9%	181	181	51.0%
	FY3/2019	-	-	-	-	-	-
Akita Biomass (URE ^{*8})	FY3/2020	3,615	1,565	43.3%	893	671	35.3%
	FY3/2019	3,585	1,457	40.7%	769	550	35.3%

(Karumai East Solar became a consolidated subsidiary on December 31, 2019 and earnings from January 1, 2020 will be incorporated into the company group's consolidated financial statements as a consolidated subsidiary.)

^{*1} K.K. (Corporation) ^{*2} T.K. (Anonymous Partnership) ^{*3} Taxable income from a T.K. belongs to the T.K. investors in proportion to their investment ratios, resulting in no taxation at the T.K. level. ^{*4} COD and consolidation occurred on March 1, 2019.

^{*5} COD on May 1, 2019 and consolidated June 28, 2019. ^{*6} COD and consolidated July 1, 2019. ^{*7} Figures for Each T.K. in 3Q FY3/2019 are not included in the table, as it was an equity method affiliate during the previous consolidated fiscal year

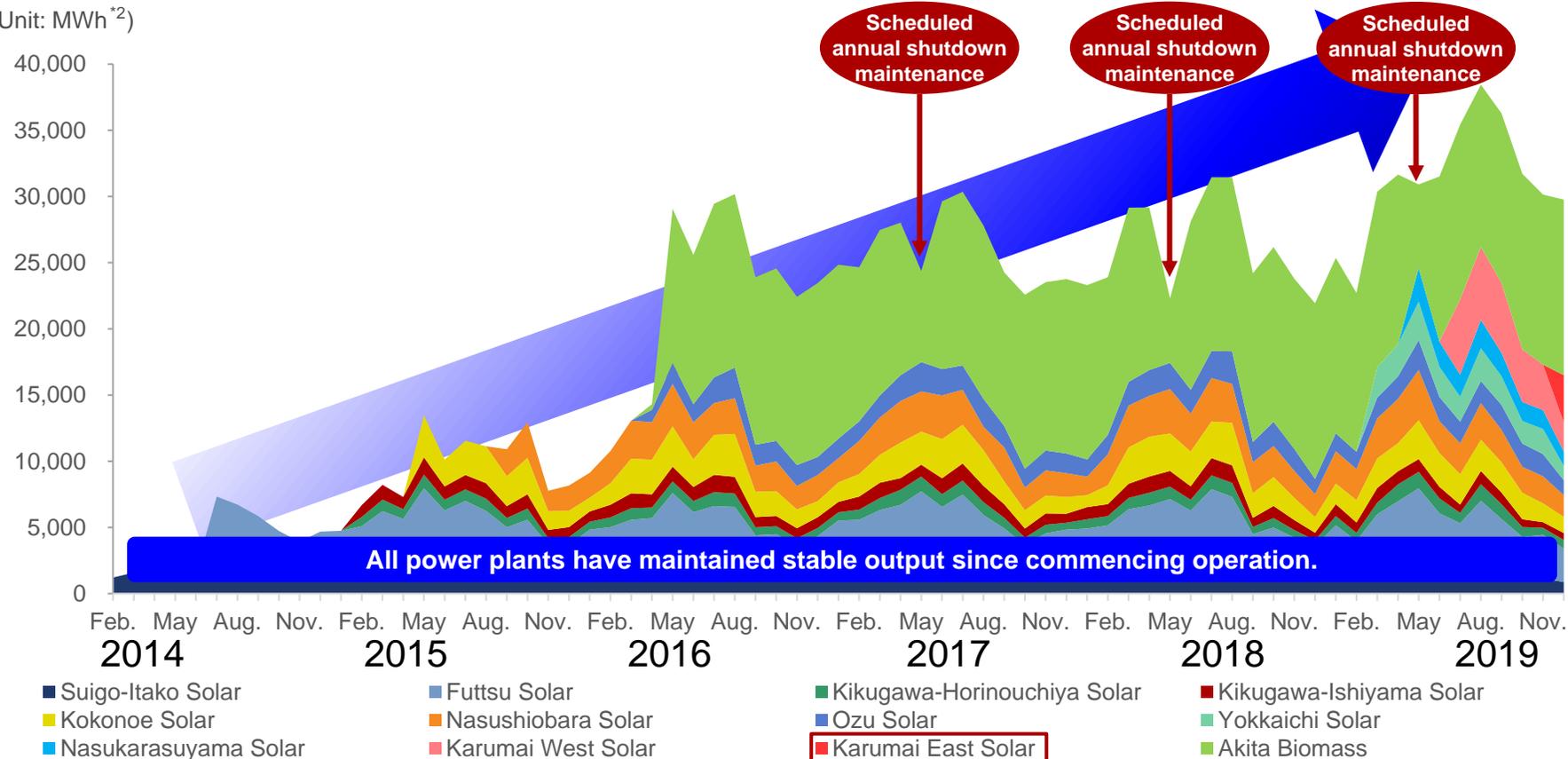
(FY3/2019). The business has been recorded as a consolidated subsidiary since April 2019. ^{*8} United Renewable Energy Co., Ltd.

Trend in Monthly Electricity Sales Volume by Power Plant

As of January 1, 2020

- The Karumai East Solar Project (80.8 MW) reached COD in December 2019.
- Output from solar PV plants is seasonal and is relatively larger from spring to fall due to favorable weather.
- Solar PV plants in Kyushu have experienced several instances of output curtailment since October 2018. However, the impact on business results was minimal.
- The impact of the typhoons in September and October 2019 on business performance was minor.*1
- Biomass power plants maintain stable output except during scheduled annual shutdown maintenance in May of every year.

(Unit: MWh*2)



*1 Power transmission from Futtsu Solar was suspended for two days, on September 9-10, 2019, due to issues in the power grid of TEPCO Power Grid Co., Ltd. that were caused by Typhoon No. 15, which occurred on September 5, 2019. Some of the lost profits from the shutdown will be covered by insurance. The impact of this incident on consolidated results for the fiscal year ending March 2020 is immaterial.

*2 Units express power generation volume (1 MWh = 1,000 kWh)

Composition of EBITDA

(Million yen)

- EBITDA increased from the previous cumulative 3Q due to the consolidation of three large-scale solar PV projects and recording of three business development fees.

	FY3/2019 Cumulative 3Q YTD	FY3/2020 Cumulative 3Q YTD	Change	
Ordinary profit	2,169	3,145	976	<ul style="list-style-type: none"> Increased due to three business development fees (Omaezakikou Biomass Project and Hitoyoshi Solar Project were recorded in 3Q) and consolidation of three large-scale solar PV projects.
Net interest expense(+)	998	1,200	202	
Interest income	2	2	0	
Interest expense +interest on asset retirement obligations	1,001	1,203	202	
Depreciations (+)	2,040	2,796	755	<ul style="list-style-type: none"> Increased due to the consolidation of three large-scale solar PV projects.
Amortization of long-term prepaid expenses*1 (+)	19	29	10	
Amortization of goodwill(+)	24	32	8	
Amortization of deferred assets*2 (+)	281	442	160	
EBITDA	5,534	7,647	2,113	

*1 Amortization of long-term prepaid expenses = Amortization of grid connection costs + Amortization of deferred consumption taxes..

*2 Amortization of deferred assets = Amortization of business commencement expenses + Amortization of deferred organization expenses.

Balance Sheet

(Million yen)

- Total assets increased due to consolidation of three solar projects (Nasukarasuyama Solar and Karumai West Solar, Karumai East Solar).
- Investments and other assets increased due to increase in funding for new development project.

	As of FY3/2019	End of 3Q of FY3/2020	Change	Major Factors of Increase/Decrease
Current assets	27,623	32,236	4,613	
Non-current assets	52,977	104,947	51,969	
Property, plant and equipment	45,690	89,481	43,791	Increased due to the consolidation of three large-scale solar PV projects (Nasukarasuyama Solar and Karumai West Solar, and Karumai East Solar)
Intangible assets	1,283	3,167	1,883	
Investments and other assets	6,004	12,298	6,294	Increased investment in biomass projects and offshore wind project
Deferred assets	898	3,186	2,287	
Total assets	81,499	140,370	58,870	
Interest-bearing debt^{*1}	61,778	108,480	46,702	Increased due to the consolidation of solar projects (Nasukarasuyama Solar and Karumai West Solar, and Karumai East Solar)
Other liabilities	6,835	13,790	6,954	
Total liabilities	68,613	122,271	53,657	
Shareholders' equity	9,025	11,969	2,944	Increase in retained earnings
Accumulated other comprehensive income	312	281	▲30	
Subscription rights to shares	9	20	11	
Non-controlling interests	3,539	5,828	2,288	Increased due to consolidation of solar projects (Karumai West Solar and Karumai East Solar)
Total net assets	12,886	18,099	5,213	

*1 Interest-bearing debt = short-term loans payable + current portion of long-term loans payable + long-term loans payable + lease obligations

Key Balance Sheet Items and Credit Metrics

(Million yen)

- Net interest-bearing debt increased due to the consolidation of Nasukarasuyama Solar, Karumai West Solar and Karumai East Solar.
- Net Debt / EBITDA^{*1} increased because EBITDA from newly consolidated subsidiaries is recorded for less than one year.

		As of FY 3/2019	End of 3Q of FY 3/2020	Change	Major Factors of Increase/Decrease
Key balance sheet items	Total assets	81,499	140,370	58,870	
	Net assets	12,886	18,099	5,213	Increase in retained earnings and non-controlling interests
	Equity capital	9,337	12,250	2,913	Increase in retained earnings
	Net interest-bearing debt	40,529	85,810	45,281	
	Cash and deposits	21,249	22,670	1,421	
	Interest-bearing debt ^{*2}	61,778	108,480	46,702	Consolidation of Nasukarasuyama Solar, Karumai West Solar and Karumai East Solar Increase in borrowings to fund development projects
Credit metrics	Equity ratio	11.5%	8.7%	-2.7%	
	Net asset ratio	15.8%	12.9%	-2.9%	
	Net D/E ratio ^{*3}	3.1x	4.7x	1.6x	
	Net Debt / LTM EBITDA ^{*1}	5.1x	8.6x	3.4x	Net Debt / EBITDA ^{*1} increased because EBITDA from newly consolidated subsidiaries contributes for less than one year.

*1 LTM EBITDA amounted to 7,893 million yen for FY March 2019 and to 10,006 million yen for 3Q YTD of FY March 2020

*2 Interest-bearing debt = Short-term loans payable + current portion of long-term loans payable + long-term loans payable + lease obligations

*3 Net D/E ratio = Net interest-bearing debt / net assets

Acquisition of a Long-term Issuer Rating

As of January 21, 2020

- RENOVA acquired of a long-term issuer rating of BBB (stable) from Japan Credit Rating Agency, Ltd. (JCR) on January 21, 2020.
- The result of the issuer rating underscores the creditworthiness of RENOVA’s business and financial standing, and will allow for a diverse array of financing options in the future.

Details of the credit rating*1

Rating agency	Japan Credit Rating Agency, Ltd. (JCR)
Type of rating	Long-term issuer rating
Issuer rating	BBB
Rating outlook	Stable

Background to the acquisition of the credit rating

- By simultaneously pursuing growth while also maintaining financial stability, we believe that;
 - We are most able to sustainably grow our business over the long-term.
 - We are able to earn the trust of our stakeholders, including local communities, shareholders and financial institutions.

**Investment grade credit rating,
underscores the creditworthiness of RENOVA’s business and financial standing,
and allows for a diverse array of potential financing options.**

Kazushi Yamaguchi to be Appointed CFO

As of January 31, 2020

- Kazushi Yamaguchi will be appointed as RENOVA's CFO, effective April 1, 2020.
 - Aki Mori, the current CFO, will leave his current post on March 31, 2020.
 - Mr. Yamaguchi will join RENOVA as an executive officer, effective February 1st, allowing for a 2-month transition period before taking the role of CFO.

Kazushi Yamaguchi

- Holds B.S. and M.S. degrees in engineering from Kyoto University.
- Joined Goldman Sachs in 2001;
 - Primary provided investment banking services including **strategic and transactional advice** to various clients.
 - Served as an investment professional with the private equity investment team with a **focus on value creation activities of its portfolio companies**, working both as an outside director as well as seconded employee.
 - Has been a managing director at the firm since 2018.



Kazushi Yamaguchi will take the role of RENOVA's CFO, effective April 1, 2020.

RENOVA's Generation Portfolio and Pipeline (1/2)

List of plants in operation, under construction and pipeline projects*1 (as of February 2020)

- In December 2019, the Karumai East Solar Project (80.8 MW) reached COD and became a consolidated subsidiary.
- In November 2019, the Hitoyoshi Solar Project (20.8 MW) reached FID and started construction.
- Total generation capacity for solar PV projects in operation and under construction is over 370MW.

Energy Source	Project Name	Location	Power Generating Capacity (MW)	Purchase Price ^{*2} (¥/kWh)	Current Status	Ownership Ratio	EIA Status	COD (Target) ^{*3}	FIT end Year
Solar	Suigo-Itako	Ibaraki	15.3	¥40	In operation	68.0%	-	2014	2034
	Futtsu	Chiba	40.4	¥40	In operation	51.0%	-	2014	2034
	Kikugawa-Ishiyama	Shizuoka	9.4	¥40	In operation	63.0%	-	2015	2035
	Kikugawa-Horinouchiya	Shizuoka	7.5	¥40	In operation	61.0%	-	2015	2035
	Kokonoe	Oita	25.4	¥40	In operation	100.0%	-	2015	2035
	Nasushiobara	Tochigi	26.2	¥40	In operation	100.0%	-	2015	2035
	Ozu	Kumamoto	19.0	¥36	In operation	100.0%	-	2016	2036
	Yokkaichi	Mie	21.6	¥36	In operation	100.0%	-	2019	2039
	Nasukarasuyama	Tochigi	19.2	¥36	In operation	100.0%	-	2019	2039
	Karumai West	Iwate	48.0	¥36	In operation	51.0% ^{*4}	-	2019	2039
	Karumai East	Iwate	80.8	¥36	In operation	69.3% ^{*4}	-	2019	2039
	Karumai Sonbou	Iwate	40.8	¥36	Under construction	46.0% ^{*5}	-	(Appx. 2021)	(Appx. 2041)
	Hitoyoshi	Kumamoto	20.8	¥36	Under construction	38.0% ^{*4}	-	(Appx. 2023)	(Appx 2042) ^{*6}

*1 Pipeline projects may be altered, delayed or cancelled. Projects for which work has commenced in accordance with the EPC contract are shown as "under construction".

*2 Purchase price is not the actual contractual price agreed to with the party that purchases the electricity, but the fixed purchase price (displayed without consumption tax) applied based on the FIT Scheme for each power generation facility.

*3 Expected COD of the business under development may be subject to change.

*4 RENOVA holds the right to sequentially acquire all equity in the anonymous partnership currently owned by co-sponsors.

*5 RENOVA holds the right to additionally acquire 9% equity in the anonymous partnership currently owned by a co-sponsor, on or after the date of completion of the power plant.

*6 Hitoyoshi Solar is expected to reach COD in the middle of 2023, due to prolonged construction of a power transmission line by Kyushu Electric Power Co. The period of electricity sales under the FIT scheme is expected to be 18 years and 8 months, as a grid connection contract has been concluded since August 1, 2016, which resulted in a three-year COD time limit to receive a full 20 year FIT period.

RENOVA's Generation Portfolio and Pipeline (2/2)

List of plants in operation, under construction and pipeline projects*1 (as of February 2020)

- In November 2019, the Omaezakikou Biomass Project (75.0 MW) reached final investment decision (FID) and started construction. Three biomass projects are under construction.
- FID for the Ishinomaki Hibarino Biomass Project (75.0 MW) is expected shortly due to accelerated development.

Energy Source	Project Name	Location	Power Generating Capacity (MW)	Purchase Price ^{*2} (/kWh)	Current Status	Ownership Interest	EIA Status	COD (Target) ^{*3}	FIT end Year
Biomass	Akita (URE)	Akita	20.5	¥32/¥24	In operation	35.3% ^{*4}	-	2016	2036
	Kanda	Fukuoka	75.0	¥24/¥32	Under Construction	43.1% ^{*5}	-	(Appx. 2021)	(Appx. 2041)
	Tokushima-Tsuda	Tokushima	74.8	¥24/¥32	Under Construction	41.8% ^{*6 *7}	-	(Appx. 2023)	(Appx. 2043)
	Omaezakikou	Shizuoka	75.0	¥24/¥32	Under Construction	57.0% ^{*8}	-	(Appx. 2023)	(Appx. 2043)
	Ishinomaki Hibarino	Miyagi	75.0	¥24/¥32	Final investment decision expected shortly	-	Done	(Appx. 2023)	-
	Sendai	Miyagi	Appx. 75	¥24/¥32	Under assessment	-	Draft EIS ^{*9} process	(Appx. 2023)	-
Offshore Wind	Yurihonjo ^{*10}	Akita	Appx. [700]	TBD	Under assessment (Grid tendering /Developer selection process)	-	Draft EIS ^{*9} process	TBD	-
Onshore Wind	Abukuma ^{*11}	Fukushima	Appx. 150	¥22	Under assessment (Joint) ^{*12}	-	Done	TBD	-
	Project B	Kyushu	Appx. 50	¥21	Upfront investment	-	Onsite survey	(Appx. 2024)	-
Geothermal	Minami Aso	Kumamoto	TBD	TBD	Upfront investment (Joint) ^{*12}	-	-	(Appx. 2021)	-
	Esan	Hokkaido	TBD	TBD	Upfront investment	-	-	TBD	-

*1 Pipeline projects may be altered, delayed or cancelled. Projects for which work has commenced in accordance with the EPC contract are shown as "under construction".

*2 Purchase price is not the actual contractual price agreed to with the party that purchases the electricity, but the fixed purchase price (displayed without consumption tax) applied based on the FIT Scheme for each power generation facility.

*3 Expected COD of businesses under development may be subject to change. *4 RENOVA has invested in the Akita Biomass Project through Sensyu Holdings Co., Ltd., a subsidiary of RENOVA. RENOVA's ownership interest in the Akita Biomass Project, calculated as the product of RENOVA's ownership interest in Sensyu Holdings Co., Ltd., and Sensyu Holdings Co., Ltd.'s ownership in the Akita Biomass Project, is 35.3%. *5 The Kanda Biomass Project is a joint developed project that is led by RENOVA, which holds 43.1% of the shares of the SPC and is the largest shareholder. Note: We do not have the right to acquire additional equity in the SPC, which is held by four joint investors.

*6 RENOVA holds the right to additionally acquire a 24.7% stake (economic interest: 28.6%) at COD from the project's co-sponsors. Following the acquisition, RENOVA's economic interest in the project will be 70.4% (RENOVA's investment ratio will be 60.8%). *7 The figure indicates RENOVA's economic interest in the project. RENOVA's investment ratio is 36.1%. *8 The figure indicates RENOVA's economic interest in the project. RENOVA's investment ratio is 38.0%.

*9 "Procedure for the Draft EIS" describes the environmental impact assessment results as well as the company's own approach to addressing environment protection.

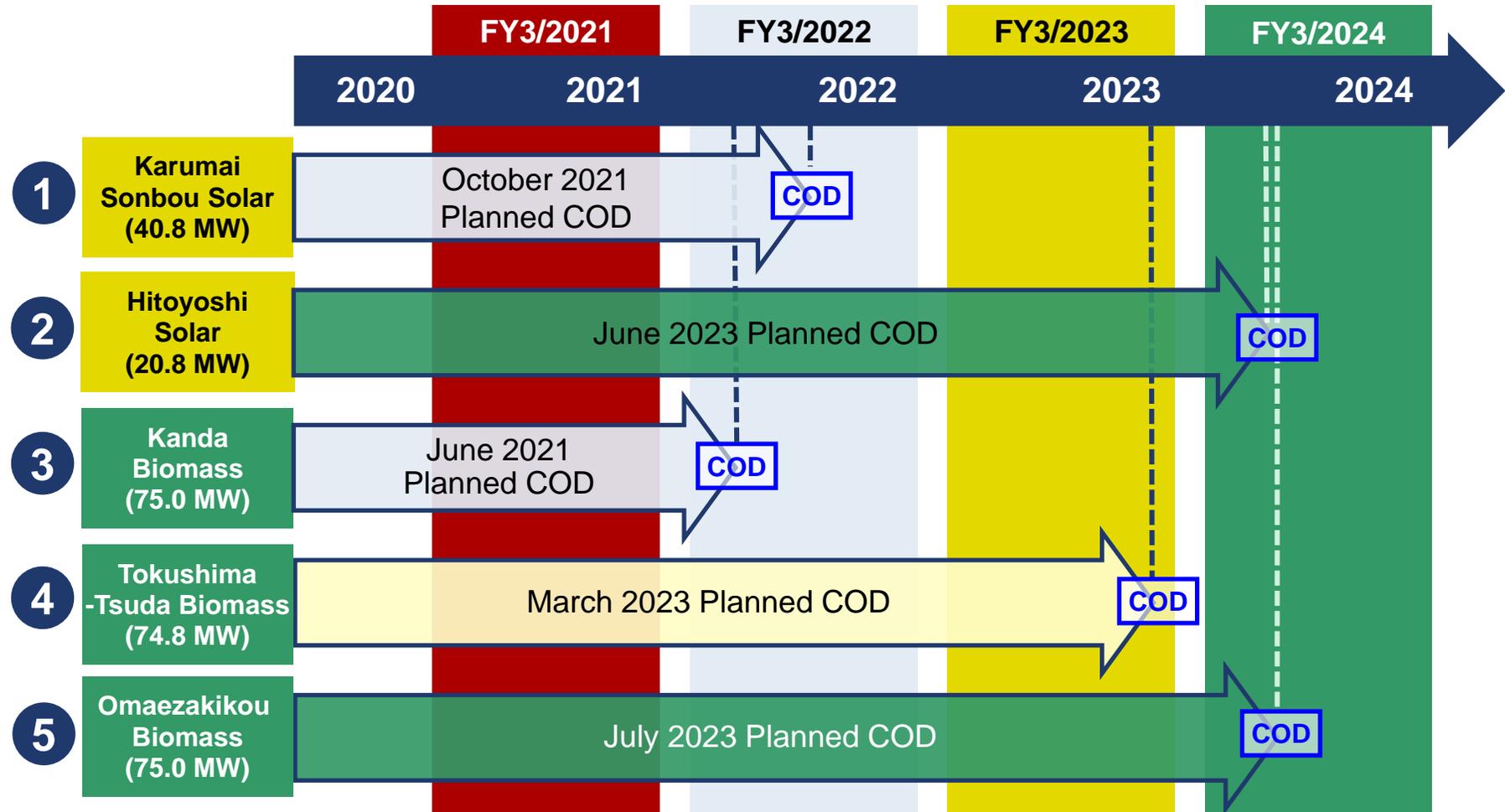
*10 The expected generation capacity for the Yurihonjo Offshore Wind Project is shown as a tentative figure, due to the upcoming promotion zone and subsequent developer selection processes. Furthermore, as promotion zones have not yet been selected, the project schedule is shown as "TBD".

*11 RENOVA participates in the project as a minority investor. RENOVA's ownership in the project is less than 10%. *12 (Joint) indicates a jointly developed project where another company leads the project's development.

List of Projects Under Construction*1

As of February 2020

- Construction of the Omaezakikou Biomass Project (75.0 MW) and the Hitoyoshi Solar Project (20.8 MW) started in November 2019.
- Projects under construction are progressing as planned.



*1 Projects under construction may be altered, delayed or cancelled. Projects for which work has commenced in accordance with the EPC contract are shown as "under construction".

Steady Progress on Construction of Kanda Biomass Project (75.0 MW)

Kanda-machi, Miyako District, Fukuoka Prefecture

- Construction is progressing as planned.

Construction of Kanda Biomass Project (January 2020)

External view of fuel tank construction



Fuel tank internal scaffolding



Steel construction of turbine building



Landscape of Kanda Biomass Construction Site



Capacity*1	75.0 MW
FIT Price	¥24 / kWh (Use of imported wood pellets)
Net Sales*2	Appx. ¥13 billion/year
COD*2	June 2021 (expected)

*1 The generation capacity for biomass power plants is based upon the gross capacity.

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

Consolidated Earnings Forecast for FY3/2020

(Million yen)

**Forecasts for financial results
remain unchanged**

- Full-year forecasts for FY 3/2020 were revised upward on 1 November 2019 due to the favorable power generation from projects in operation, the consolidation of the Karumai East Solar Project, and the accelerated development of the Ishinomaki Hibarino Biomass Project.

	FY3/2019 (Actual)	FY3/2020 (Outlook)	Change
Net Sales	14,098	19,200	+36.2%
EBITDA	7,893	10,800	+36.8%
<i>EBITDA margin</i>	56.0%	56.3%	-
Operating profit	5,025	6,700	+33.3%
Ordinary profit	3,460	4,100	+18.5%
Profit	1,659	3,300	+98.9%
EPS (yen)^{*1}	22.25	43.77	-
ROE^{*2}	19.5%	30.03%	-

- Increased sales due to contribution of [Yokkaichi Solar / Nasukarasuyama Solar / Karumai West Solar / Karumai East Solar](#).
- A portion of the business development fees related to the [Tokushima-Tsuda Biomass project](#) and a part of [Omaezakikou Biomass Project](#) and [Ishinomaki Hibarino Biomass Project](#) will be recorded in this fiscal year.
- [Total business development fees increased](#).
- Steady progress in power generation business at existing projects in operation.
- [Gain on step acquisitions and negative goodwill](#) due to the consolidation of the [Nasukarasuyama Solar / Karumai West Solara / Karumai East Solar Projects](#).

^{*1} EPS figures represents basic EPS. EPS for FY3/2020 has been calculated assuming that the total number of issued shares will remain unchanged from the total number of issued shares at the end of FY3/2019.

^{*2} For the purpose of calculating ROE, the profit figure for the most recent 12-month period is used, and the equity figure used is the simple average of the values at the beginning of the most recent 12-month period and at the end of the most recent month period.

Business Outlook by Segment

(Million yen)

- Full-year forecasts for FY 3/2020 have been revised upwards due to favorable power generation from operating projects, the consolidation of Karumai East Solar Project, and the accelerated development of Ishinomaki Hibarino Biomass Project.
- The Ishinomaki Hibarino Biomass Project development fee is expected to be posted in the current fiscal year, while a portion of the business development fees for the Omaezakikou Biomass Project will be recorded in the next fiscal year. The total amount of business development fees to be recorded in the current fiscal year is expected to increase.

		FY3/2020 (Actual)	FY3/2020 (Revised Forecast)	Change	
Renewable Energy Power Generation Business (A)	Net sales	11,622	14,500	+2,877	<ul style="list-style-type: none"> ■ Increase in consolidated PL as well as depreciation due to the consolidation of Yokkaichi Solar, Nasukarasuyama Solar, Karumai West Solar, and Karumai East Solar. ■ Steady progress in power generation business at existing projects in operation.
	EBITDA	7,484	9,600	+2,115	
	Ordinary profit	3,154	3,100	-54	
Renewable Energy Development and Operation Business + Elimination (B)*1	Net sales	2,476	4,700	+2,223	<ul style="list-style-type: none"> ■ A portion of the business development fees related to the Ishinomaki Hibarino Biomass Project (business development fees from the SPC) are expected to be recognized in the current fiscal year. ■ A portion of the business development fees related to the Omaezakikou Biomass Project (business development fee from the SPC) will be recorded in the next fiscal year.
	EBITDA	409	1,200	+790	
	Ordinary profit	306	1,000	+693	
Total*1 (A + B)	Net sales	14,098	19,200	+5,101	
	EBITDA	7,893	10,800	+2,906	
	Ordinary profit	3,460	4,100	+639	

*1 When receiving development fees from affiliated companies, RENOVA records such development fees in its consolidated financial results after deducting amounts that correspond to RENOVA's ownership stake in those affiliated companies.

Differences in Major Assumptions for FY3/2020 Forecasts

	FY3/2019 (Actual)	FY3/2020 (Forecast*1)
Renewable Energy Power Generation Business	<p>Consolidated Subsidiaries</p> <ul style="list-style-type: none"> ■ 7 Solar PV plants 143.2MW ■ 1 Biomass power plant 20.5MW 	<p>Consolidated Subsidiaries</p> <ul style="list-style-type: none"> ■ 11 Solar PV plants 312.8 MW <ul style="list-style-type: none"> – 12 month contribution from the Yokkaichi Solar – 9 month contribution from the Nasukarasuyama Solar – 9 month contribution from the Karumai West Solar – 3 month contribution from the Karumai East Solar – Forecasts for some existing solar PV plants incorporate additional output curtailment ■ 1 Biomass power plant 20.5 MW <ul style="list-style-type: none"> – Includes allowance for unplanned operational downtime
Renewable Energy Development and Operation Business + Elimination	<p>Profit from distribution of the silent partnership</p> <ul style="list-style-type: none"> ■ 1 Solar PV plant <ul style="list-style-type: none"> – 1 month of results from the Yokkaichi Solar <p>Business Development Fees</p> <ul style="list-style-type: none"> ■ Total 2.2 bn yen*2 <ul style="list-style-type: none"> – 2 Biomass projects (the Kanda Biomass Project and the Tokushima-Tsuda Biomass Project) 	<p>Profit from distribution of the silent partnership</p> <ul style="list-style-type: none"> ■ 2 Solar PV plants <ul style="list-style-type: none"> – 2 months of results from the Nasukarasuyama Solar – 1 months of results from the Karumai East Solar <p>Business Development Fees</p> <ul style="list-style-type: none"> ■ Approx. 4.5 bn yen*2 <ul style="list-style-type: none"> – 1 Solar PV project (the Hitoyoshi Solar Project) – 3 Biomass projects (the Tokushima-Tsuda Biomass Project*3 and the Omaezakikou Biomass Project, the Ishinomaki Hibarino Biomass Project)

*1 Publication of "Notice of Revision to Full Year Consolidated Forecasts" on November 1, 2019

*2 Figures for business development fees are after elimination of intra-company transactions.

*3 Additional business development fee is expected from one of the project's co-sponsors, upon achieving a previously agreed upon development milestone.

(Reference) Status of Share Options etc. with Dilutive Effects

As of December 31, 2019

Name	Strike price	Number of shares corresponding to the remaining number of share options*1 (shares)	Capital incorporation (thousand yen)
16 th Share options	78 yen	67,200	2,620
18 th Share options	78 yen	166,400	6,489
19 th Share options	78 yen	41,600	1,622
20 th Share options	97 yen	102,400	4,966
21 st Share options	97 yen	139,200	6,751
22 nd Share options	97 yen	144,000	6,984
23 rd Share options	97 yen	201,600	9,777
24 th Share options	97 yen	72,000	3,492
25 th Share options	97 yen	622,400	30,186
26 th Share options	188 yen	862,400	81,065
27 th Share options	188 yen	769,600	72,342
1 st Share remuneration-type Share options	293 yen	60,000	8,790
2 nd Share remuneration-type Share options	987 yen	48,500	23,934
Subtotal	-	3,297,300	259,023
Share-based compensation plan (Treasury shares)	-	387,700	-
Total	-	3,685,000	-
Dilution ratio^{*2}	-	4.9%	-

*1 The total number of shares issued shows the number of shares reflecting the share split implemented on September 1, 2018.

*2 Based on the total number of shares issued, net of treasury shares, which were 75,464,700 shares as of September 30, 2019.

(Reference) Corporate Overview

As of December 31, 2019

Corporate Information		Key History (As of February 2020)	
Name:	RENOVA, Inc.	May 2000	Established Recycle One, Inc. (currently RENOVA, Inc.)
Location of Head Office	2-2-1 Kyobashi Chuo-ku, Tokyo	October 2012	Entered renewable energy business
Representatives	Sachio Semmoto, Executive Chairman & Representative Director Yosuke Kiminami, Founding CEO	December 2013	Company renamed RENOVA, Inc.
Established	May 2000	February 2014	COD for Suigo-Itako Solar Co., Ltd.
Capital Stock	2,136 million yen	July 2014	COD for Futtsu Solar Co., Ltd.
Stock Exchange	First section of Tokyo Stock Exchange	February 2015	COD for Kikugawa-Ishiyama Solar Co., Ltd. and Kikugawa-Horinouchiya Solar Co., Ltd.
Securities code	9519	May 2015	COD for Kokonoe Solar GK
Business	Renewable energy business	September 2015	COD for Nasushiobara Solar GK
Employees (consolidated)	196	April 2016	COD for Ozu Solar GK
Corporate Governance		May 2016	Entered the biomass power generation business (United Renewable Energy Co., Ltd.(Akita Biomass Project: URE) reaches COD)
Board of Directors	8 directors, including 5 external directors	August 2016	Divestment of plastic recycling business
Audit & Supervisory Board	4 auditors, including 3 external auditors	February 2017	Listed on the Tokyo Stock Exchange Mothers Section
Status of Shares (As of September 30, 2019)		July 2017	Consolidated United Renewable Energy Co., Ltd. (Akita Biomass Project: URE)
Total Number of Authorized Shares	280,800,000	February 2018	Changed listing venue to the First Section of the Tokyo Stock Exchange
Total Number of Shares Issued	75,852,400	March 2019	COD for Yokkaichi Solar GK
Number of Shareholders	9,028	May 2019	COD for Nasukarasuyama Solar GK
		July 2019	COD for Karumai West Solar GK
		December 2019	COD for Karumai East Solar GK