



August 31, 2021

Corporate Name: RENOVA, Inc.
Representative: Yosuke Kiminami, Founding
CEO
(Stock code: 9519
Tokyo Stock Exchange 1st)
Contact: Kazushi Yamaguchi CFO
(TEL: +81-3-3516-6263)

Announcement Concerning Final Investment Decision on Large-Scale Biomass Power Generation Project

RENOVA, Inc. (hereinafter “RENOVA”) announces that it has made a final investment decision regarding the large-scale biomass power generation project (Karatsu, Saga Prefecture, Capacity: 49.9 MW, hereinafter “the Karatsu Biomass Project”) being developed by RENOVA through Karatsu Biomass Energy G.K., on August 31, 2021. 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 of creating 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.

RENOVA has been accumulating expertise through operation and construction of six wood biomass-fueled power plants in Japan. RENOVA has forged ahead with development of the Karatsu Biomass Project by taking advantage of this expertise. RENOVA will continue to work on the development together with co-sponsors in an effort to increase the corporate value of the Karatsu Biomass Project.

By means of power plant construction and operation, RENOVA will contribute to the revitalization of local community and economy primarily through new job creation, as it seeks to achieve collaborative creation in partnership with local communities.

2. Outlook

The impact of the signing of the Financing Agreement on business results for the current fiscal year (ending March 2022) is currently being examined. RENOVA will promptly disclose any other matters that should be announced, as and when they arise.

3. Other

In accordance with the Memorandum of Understanding on the Transfer of Equity Interests in Karatsu Biomass Energy G.K. that RENOVA has entered into an agreement with its co-sponsor JA Mitsui Leasing, Ltd., RENOVA holds the right to additionally acquire equity interests in the special purpose company (16.0% in total) held by the co-sponsor on or after the completion date of the Karatsu Biomass Power Plant. In the event of exercising this right, RENOVA's ownership interest will become 51.0%.



(Rendering of Karatsu Biomass Power Plant)

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

(Reference) Outline of the Karatsu Biomass Project

Power Plant: Karatsu Biomass Power Plant
Operator: Karatsu Biomass Energy G.K.
Location: 2-2-1 Kyobashi, Chuo-ku, Tokyo
Planned Construction Site: 375-1, Konosu, Sashi, Karatsu, Saga Prefecture

Sponsors
(in the order of ownership
interest)

Company Name	Ownership Interest
RENOVA, Inc.	35.0%
Toho Gas Co., Ltd.	34.0%
JA Mitsui Leasing, Ltd.	16.0%
Innocent Co., Ltd.	15.0%

Financial Arrangers and
Syndicates
(in alphabetical order by
category)

Company Name
(Lead manager) Sumitomo Mitsui Banking Corporation
(Co-arranger) The Bank of Fukuoka, Ltd.
The Bank of Saga Ltd.
The Bank of Yokohama, Ltd.
The Fukui Bank, Ltd.
The Higo Bank, Ltd.
The Juhachi-Shinwa Bank, Ltd.
Kansai Mirai Bank, Ltd.
The Nanto Bank, Ltd.
The San-in Godo Bank, Ltd.
The Tottori Bank, Ltd.
Karatsu Shinkin Bank
JAPAN POST INSURANCE Co., Ltd.
SMFL MIRAI Partners Co., Ltd. (Mezzanine Lender)

Power Generation Capacity: 49.9 MW (based upon the gross capacity)
Annual Electricity Production (estimated): Approx. 350,000 MWh (Equivalent to the annual power consumption of approximately 110,000 households, according to our research)
Power Sales Unit Price: 24 yen per kWh for general wood biomass
Fuels: Wood pellets, Palm kernel shells (PKS)
Construction Commencement: August 2021
Operation Commencement: December 2024 (planned)

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