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**Notice of Losses on Investments in Affiliate
 and Revision to Full-year Consolidated Forecasts (IFRS)**

RENOVA, Inc. (hereinafter “RENOVA”) deeply apologize to our shareholders for any concerns caused by recent loss of our company's corporate value following the announcement of the result of Public Tender for the selection of Business Operator of Yurihonjo (North and South sides), Akita Prefecture, a Promotion Zone for the Development of Marine Renewable Energy Power Generation Facilities, pursuant to the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities.

RENOVA announces that, in light of recent business trends and other factors, it has revised the consolidated forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022).

RENOVA does not anticipate additional losses in the next fiscal year and later in relation to this loss treatment on investments to our affiliate.

1. Losses on investments in affiliate

As announced on December 24, 2021, Akita Yurihonjo Offshore Wind G.K., an equity method affiliate of RENOVA, Inc. (hereinafter “Affiliate”), which had applied for the public tender for the selection of Business Operator of Yurihonjo (North and South sides), Akita Prefecture, a Promotion Zone for the Development of Marine Renewable Energy Power Generation Facilities, pursuant to the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities, was not selected as an Appointed Business Operator. As a result, RENOVA recorded losses on investments to the Affiliate (3,400 million yen).

2. Revision to full-year consolidated forecast figures (IFRS) for the current fiscal year (ending March 31, 2022)

(Unit: million yen)

	Revenue	EBITDA*1	Operating profit	Profit attributable to owners of parent	Earnings per share
Forecasts announced previously (A)	30,000	12,600	4,700	5,100	65.31 yen
Revised forecasts (B)	28,600	12,200	- 500	- 1,100	- 13.98 yen
Change (B-A)	- 1,400	- 400	- 5,200	- 6,200	
Rate of change (%)	- 4.7	- 3.2	-	-	
(Reference) Consolidated results for the previous fiscal year ended March 31, 2021*3	20,553	10,620	4,605	11,507	149.67 yen

*1 EBITDA = Revenue - fuel expenses - outsourcing expenses - Payroll and related personnel expenses + Share of loss of investments accounted for using the equity method + other income and expenses)

2. Reasons for the revision

The Affiliate, which had applied for the public tender for the selection of Business Operator of Yurihonjo (North and South sides), Akita Prefecture, a Promotion Zone for the Development of Marine Renewable Energy Power Generation Facilities, pursuant to the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities, was not selected as an Appointed Business Operator. As a result, RENOVA recorded losses on investments to the Affiliate and related expenses.

RENOVA intends to continue development of offshore wind projects in multiple other sea areas in Japan, excluding the offshore area of Yurihonjo, Akita Prefecture. Based on the results of the public tender for the selection, capitalized development costs were recorded as expense in a lump sum. As a result, RENOVA does not anticipate additional losses related to all offshore wind projects development activities thus far in Japan.

Based on these factors, consolidated revenue and earnings forecasts were revised.

Solar PV, Biomass, and Onshore wind power plants (capacity: approximately 590 MW) in operation in Japan and overseas have maintained stable operation, and any events that may lead to revision of consolidated forecast figures have not occurred. Solar PV, Biomass, and Hydro power plants under construction (capacity: approximately 390 MW) are expected to commence commercial operation as planned.

(Major Factors Affecting Revisions) (Unit: million yen)

	Revised forecasts	Main causes
Revenue	28,600	• Loss of business development fee anticipated in the current fiscal year, etc. (- 1,400)
EBITDA	12,200	• Factors above
Operating profit	- 500	• Factors above • Total losses on investments in the Affiliate (- 3,400) (Detail) Loss on investments in the Affiliate (- 6,700) Recovery of contribution in aid of grid construction, etc. (+ 3,900) Other related losses (- 600) • Record of expense in a lump sum of capitalized expenses related to offshore wind projects in Japan (- 1,000)
Profit attributable to owners of parent	- 1,100	• Factors above • Reversal of deferred tax assets (- 1,300)

(Note)

The forecast figures stated above are based on information available at present and may be subject to change. In addition, actual results may differ from the forecast figures due to various factors.

[For inquiries about this release]

Kenichiro Nose, Investor Relations

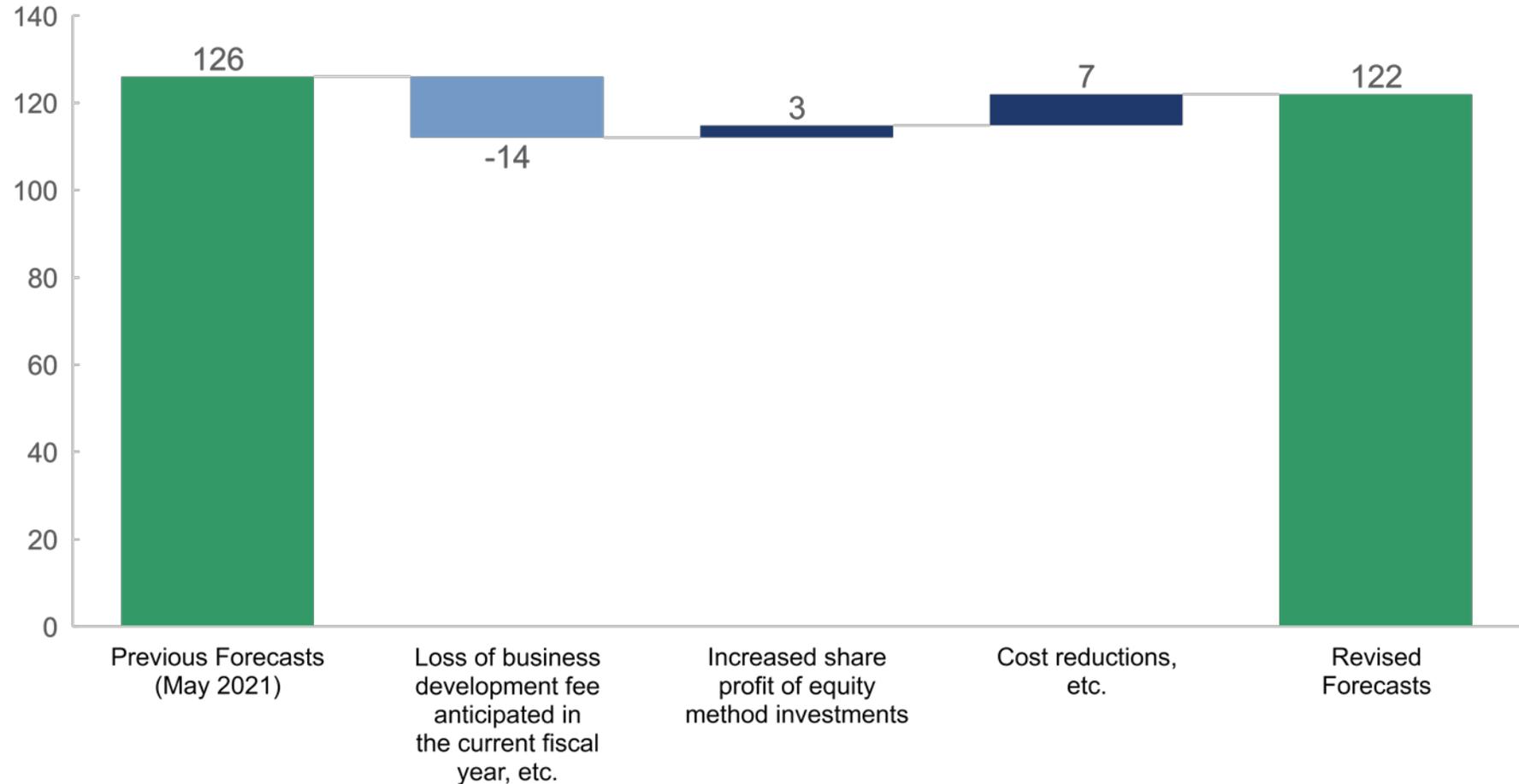
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Forecast Variance: EBITDA

(100 Million yen)

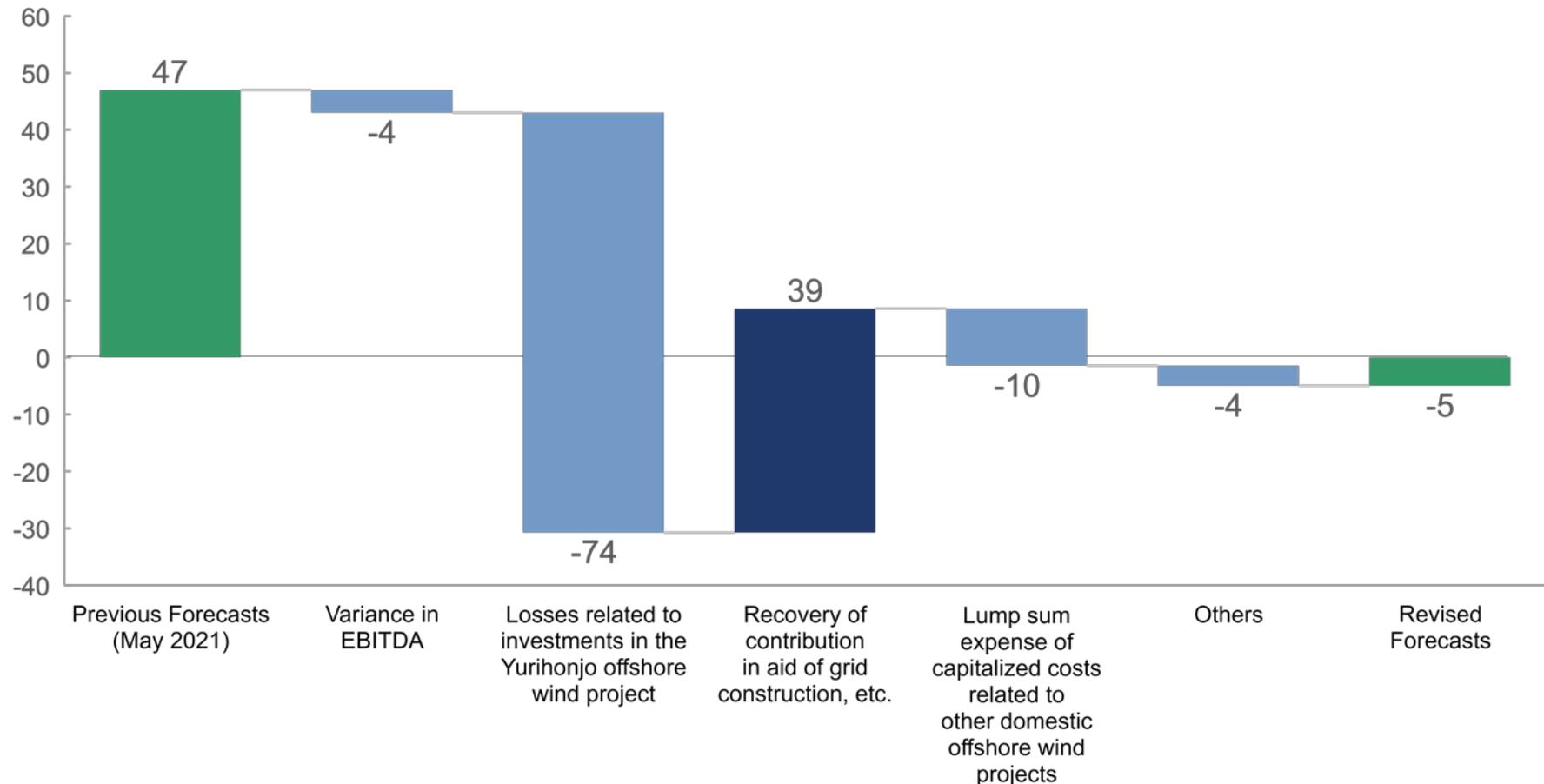
- While business development fee expected in this fiscal year has been dropped, EBITDA forecast remained above 12 billion yen due to steady progress in the power generation business and cost reduction efforts.



Forecast Variance : Operating profit

(100 Million yen)

- Recorded losses on investments in the Yurihonjo offshore wind project. Contribution in aid of grid construction will be recovered.
- All risk assets related to domestic offshore wind projects under development has been expensed in a lump sum (RENOVA continues development activities).



Forecast Variance : Profit attributable to owners of parent (100 Million yen)

- Reversed all of RENOVA's non-consolidated deferred tax assets.

