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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (International Financial Reporting Standards (IFRS)) (Non-audited)

May 9, 2023

Company name: RENOVA, Inc.	Stock exchange listing: Tokyo	
Securities code: 9519	URL: <a href="https://www.renovainc.com/">https://www.renovainc.com/</a>	
Representative: Yosuke Kiminami, Founding CEO		
Contact: Kazushi Yamaguchi, CFO		Tel. +81-3-3516-6263
Scheduled date of annual shareholders meeting: June 20, 2023		
Scheduled date of commencement of dividend payment: -		
Scheduled date of annual securities report filing: June 20, 2023		
Supplementary documents for financial results: Yes		
Financial results briefing: Yes (for institutional investors and analysts)		

(Amounts of less than one million yen are rounded)

### 1. Consolidated financial results for the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

#### (1) Consolidated results of operations (Percentages show year-on-year changes)

	Revenue		EBITDA(*)		Operating profit		Profit before income taxes		Profit for the period attributable to owners of the Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY ended Mar. 2023	33,581	15.0	18,101	38.3	8,870	914.5	4,829	(3.7)	2,678	69.3
FY ended Mar. 2022	29,207	42.1	13,087	23.2	874	(81.0)	5,015	(61.1)	1,581	(86.3)

(Note)

Total Comprehensive income for the period: FY ended March 2023: 13,440 million yen, (32.7%) FY ended March 2022: 19,977 million yen, 603.0%

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the Parent	ROA (Profit before tax/ Total assets)	Operating profit Margin (Operating profit/ Revenue)
	Yen	Yen	%	%	%
FY ended Mar. 2023	34.07	33.87	7.2	1.6	26.4
FY ended Mar. 2022	20.25	19.97	6.7	1.9	3.0

(Note)

Share of profit (loss) of investments accounted for using the equity method: FY ended March 2023: (167) million yen, FY ended March 2022: (2,656) million yen

\* EBITDA = Revenue – Fuel expenses – Outsourcing expenses – Payroll and related personnel expenses + Share of profit (loss) of investments accounted for using the equity method except for Akita Yurihonjo Offshore Wind G.K for FY ended March 2022 + Other income – Other expenses

EBITDA is a Non-GAAP financial measure.

Calculation of EBITDA excludes Share of loss of investments accounted for using the equity method for Akita Yurihonjo Offshore Wind G.K. and Losses related to development business for FY ended March 2022.

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to Total assets	Equity attributable to owners of the Parent per share
	Million yen	Million yen	Million yen	%	Yen
FY ended Mar. 2023	303,377	64,731	42,954	14.2	545.93
FY ended Mar. 2022	296,223	52,441	31,886	10.8	406.08

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY ended Mar. 2023	10,132	(9,334)	3,028	21,370
FY ended Mar. 2022	12,154	(18,524)	3,366	16,514

### 2. Dividends

	Dividends per share					Total dividends	Payout ratio (consolidated)	Dividends ratio to equity attributable to owners of the Parent (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 2022	—	0.00	—	0.00	0.00	—	—	—
ended Mar. 2023	—	0.00	—	0.00	0.00	—	—	—
ending Mar. 2024 (forecast)	—	0.00	—	0.00	0.00	—	—	—

### 3. Forecast of consolidated results of operation for the fiscal year ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentages show year-on-year changes)

	Revenue		EBITDA		Operating profit		Profit for the period attributable to owners of the Parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full fiscal year	59,000	75.7	17,700	(2.2)	2,200	(75.2)	12,000	348.2	151.68

\* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: None

Excluded: Yokkaichi Solar T.K

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (common shares):

(i) Number of issued shares at end of period (including treasury shares)

As of Mar. 31, 2023: 79,111,500 shares As of Mar. 31, 2022: 78,939,300 shares

(ii) Number of treasury shares at end of period

As of Mar. 31, 2023: 431,200 shares As of Mar. 31, 2022: 416,700 shares

(iii) Average number of shares outstanding during the period

FY ended Mar. 31, 2023: 78,589,311 shares

FY ended Mar. 31, 2022: 78,095,852 shares

\* This report is not subject to audits by independent auditors.

\* Explanations and other special notes concerning the appropriate use of forecasts

(Cautionary statement with respect to forward-looking statements and other information)

The forward-looking statements discussed in this material, including financial forecasts, are based on the information currently available to RENOVA, Inc. and certain assumptions that are judged to be rational at the current time. These statements do not constitute a promise by RENOVA, Inc. to achieve such results. Please note that the actual results may differ significantly from forecast figures. RENOVA, Inc. plans to hold a briefing session for institutional investors and analysts on May 10, 2023. The materials for the briefing session to be used on the day will be published on the website of RENOVA, Inc..

# Consolidated financial statements and key notes

## (1) Consolidated statements of financial position (Non-audited)

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	16,514	21,370
Restricted bank deposits	27,769	28,262
Trade and other receivables	7,339	6,291
Inventories	1,205	1,698
Other financial assets	1,369	5,702
Other current assets	1,943	3,168
Total current assets	56,139	66,491
Non-current assets		
Property, plant and equipment	147,480	144,458
Right-of-use assets	8,413	7,483
Goodwill	237	237
Intangible assets	37,439	36,215
Investments accounted for using the equity method	11,662	17,042
Deferred tax assets	1,876	1,755
Other financial assets	27,173	23,906
Other non-current assets	5,804	5,789
Total non-current assets	240,084	236,887
Total assets	296,223	303,377

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Trade and other payables	5,083	3,107
Borrowings	12,794	15,193
Lease liabilities	896	626
Other financial liabilities	252	714
Income tax payables	581	979
Other current liabilities	584	525
Total current liabilities	20,189	21,144
Non-current liabilities		
Bonds and borrowings	185,039	182,602
Lease liabilities	8,367	7,656
Other financial liabilities	6,492	2,599
Provisions	8,506	8,092
Deferred tax liabilities	14,974	15,899
Other non-current liabilities	215	654
Total non-current liabilities	223,593	217,502
Total liabilities	243,782	238,646
Equity		
Share capital	2,340	2,356
Share premium	1,615	1,644
Retained earnings	22,303	24,981
Treasury shares	(673)	(719)
Other components of equity	6,301	14,692
Equity attributable to owners of the Parent	31,886	42,954
Non-controlling interests	20,555	21,778
Total equity	52,441	64,731
Total liabilities and equity	296,223	303,377

(2) Consolidated statements of income and comprehensive income  
Consolidated statements of income (Non-audited)

(Million yen)

	FY ended March 31, 2022	FY ended March 31, 2023
Revenue	29,207	33,581
Other income	130	4,523
Fuel expenses	(7,051)	(9,969)
Outsourcing expenses	(1,823)	(2,189)
Payroll and related personnel expenses	(3,749)	(3,397)
Share of profit (loss) of investments accounted for using the equity method	(2,656)	(167)
Share of profit (loss) of investments accounted for using the equity method except for Akita Yurihonjo Offshore Wind G.K.	273	(167)
Share of profit (loss) of investments accounted for using the equity method for Akita Yurihonjo Offshore Wind G.K.	(2,929)	—
Losses related to development business	(1,027)	—
Other expenses	(3,900)	(4,280)
Depreciation and amortization	(8,256)	(9,231)
Operating profit	874	8,870
Gain on remeasurement to fair value of pre-existing interest in business combination	5,301	—
Gain on remeasurement to fair value of option	1,088	—
Loss on remeasurement to fair value of option	—	(1,418)
Finance income	357	316
Finance costs	(2,604)	(2,939)
Profit before income taxes	5,015	4,829
Income tax expense	(2,009)	(826)
Profit for the period	3,007	4,003
Profit for the period attributable to:		
Owners of the Parent	1,581	2,678
Non-controlling interests	1,426	1,326
Earnings per share		
Basic earnings per share (yen)	20.25	34.07
Diluted earnings per share (yen)	19.97	33.87

## Consolidated statements of comprehensive income (Non-audited)

(Million yen)

	FY ended March 31, 2022	FY ended March 31, 2023
Profit for the period	3,007	4,003
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income	99	42
Total	99	42
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges - effective portion of changes in fair value	5,932	4,919
Exchange differences on translating foreign operations	4	(5)
Share of other comprehensive income (loss) of investments accounted for using the equity method	10,936	4,480
Total	16,872	9,394
Total other comprehensive income, net of tax	16,971	9,436
Total comprehensive income for the period	19,977	13,440
Comprehensive income for the period attributable to:		
Owners of the Parent	16,611	11,068
Non-controlling interests	3,366	2,372

## (3) Consolidated statements of changes in equity (Non-audited)

(Million yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
Balance as of April 1, 2021	2,269	1,479	20,722	(489)	(8,729)	15,252	9,612	24,864
Profit for the period	—	—	1,581	—	—	1,581	1,426	3,007
Other comprehensive income, net of tax	—	—	—	—	15,030	15,030	1,940	16,971
Total comprehensive income for the period	—	—	1,581	—	15,030	16,611	3,366	19,977
Issuance of new shares	71	39	—	—	—	109	—	109
Share-based payment	—	166	—	—	—	166	—	166
Changes in scope of consolidation	—	—	—	—	—	—	7,929	7,929
Purchase of treasury shares	—	—	—	(195)	—	(195)	—	(195)
Disposal of treasury shares	—	7	—	10	—	17	—	17
Dividends	—	—	—	—	—	—	(587)	(587)
Other increase (decrease)	—	(75)	—	—	—	(75)	234	159
Total transactions with owners and others	71	136	—	(184)	—	23	7,577	7,600
Balance as of March 31, 2022	2,340	1,615	22,303	(673)	6,301	31,886	20,555	52,441
Profit for the period	—	—	2,678	—	—	2,678	1,326	4,003
Other comprehensive income, net of tax	—	—	—	—	8,391	8,391	1,046	9,436
Total comprehensive income for the period	—	—	2,678	—	8,391	11,068	2,372	13,440
Issuance of new shares	16	4	—	—	—	20	—	20
Share-based payment	—	17	—	—	—	17	—	17
Purchase of treasury shares	—	—	—	(53)	—	(53)	—	(53)
Disposal of treasury shares	—	3	—	7	—	9	—	9
Dividends	—	—	—	—	—	—	(1,513)	(1,513)
Other increase (decrease)	—	7	—	—	—	7	364	371
Total transactions with owners and others	16	29	—	(47)	—	(1)	(1,149)	(1,149)
Balance of March 31, 2023	2,356	1,644	24,981	(719)	14,692	42,954	21,778	64,731

## (4) Consolidated statements of cash flows (Non-audited)

(Million yen)

	FY ended March 31, 2022	FY ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,015	4,829
Depreciation and amortization	8,256	9,231
Finance income	(363)	(335)
Finance costs	2,604	2,939
Other income	(9)	(4,486)
Share of (profit) loss of investments accounted for using the equity method	2,656	167
Share of (profit) loss of investments accounted for using the equity method except for Akita Yurihonjo Offshore Wind G.K.	(273)	167
Share of (profit) loss of investments accounted for using the equity method for Akita Yurihonjo Offshore Wind G.K.	2,929	—
Losses related to development business	1,027	—
(Gain) loss on remeasurement to fair value of pre-existing interest in business combination	(5,301)	—
(Gain) loss on remeasurement to fair value of option	(1,088)	1,418
Decrease (increase) in trade and other receivables	1,290	983
Decrease (increase) in inventories	(449)	(166)
Increase (decrease) in trade and other payables	2,535	(1,804)
Other, net	(552)	341
Subtotal	15,622	13,116
Interest and dividend income received	41	136
Interest expenses paid	(2,851)	(2,855)
Income taxes paid	(664)	(877)
Other, net	7	611
Net cash from operating activities	12,154	10,132
Cash flows from investing activities		
Payments for construction in advance	(392)	(737)
Proceeds from advanced payments for construction	385	428
Net decrease (increase) in short-term loans receivable	(13)	—
Increase in loan receivables	(1,505)	(432)
Collection of loans receivable	111	693
Acquisition of property, plant and equipment	(15,440)	(10,854)
Acquisition of intangible assets	(61)	(82)
Purchase of investments accounted for using the equity method	(2,930)	(1,952)
Proceeds from sale of subsidiaries	—	3,062
Acquisition of subsidiaries	(1,655)	—
Proceeds from contribution refunds	3,953	682
Other, net	(978)	(142)
Net cash provided by (used in) investing activities	(18,524)	(9,334)
Cash flows from financing activities		
Proceeds from long-term borrowings	20,704	20,009
Repayments of long-term borrowings	(14,655)	(13,778)
Repayments of lease liabilities	(768)	(819)
Proceeds from issuance of shares	109	20
Dividends paid to non-controlling interests	(587)	(1,513)
Contribution from non-controlling interests	234	364
Purchase of treasury shares	(195)	(53)
Net decrease (increase) in restricted bank deposits	(623)	(1,207)
Other, net	(854)	5
Net cash provided by (used in) financing activities	3,366	3,028



	FY ended March 31, 2022	FY ended March 31, 2023
Effect of exchange rate change on cash and cash equivalents	130	1,029
Net increase (decrease) in cash and cash equivalents	(2,873)	4,856
Cash and cash equivalents at beginning of period	19,406	16,514
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	—	1
Decrease in cash and cash equivalents resulting from deconsolidation of subsidiaries	(19)	—
Cash and cash equivalents at end of period	16,514	21,370

(5) Notes to consolidated financial statements

**Notes relating to going concern assumptions**

Not applicable.

**Changes in accounting policies**

RENOVA, Inc. and its subsidiaries (collectively, “Renova”) have adopted the accounting standards and interpretation which began to be mandatorily adopted during the fiscal year ended March 31, 2023.

The adoption is not expected to have a significant impact on Renova’s consolidated financial statements.

**Segment information**

**1. Overview of reportable segments**

Renova’s reportable segments are based on its operating segments for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker (the “CODM”) to make decisions about resources to be allocated to the segment and assess its performance.

Renova’s reportable segments are composed of the Renewable energy power generation business that Renova sells electricity generated from renewable energy power plants of solar, biomass and onshore wind energy which owned and operated by Renova and the Renewable energy development and operation business that is involved in the development of and assists in the operation of Renova’s renewable energy power plants.

**2. Revenue, profit and others in the reportable segments**

Revenue, profit and others in the reportable segments are recognized, measured and presented in accordance with the accounting policy applied to prepare the consolidated financial statements in Renova.

Segment profit in the reportable segments shows EBITDA (Non-GAAP financial measure) resulting from following calculation.

EBITDA = Revenue – Fuel expenses – Outsourcing expenses – Payroll and related personnel expenses + Share of profit (loss) of investments accounted for using the equity method except for Akita Yurihonjo Offshore Wind G.K. for the fiscal year ended March 2022 + Other income – Other expenses

Calculation of EBITDA excludes Share of loss of investments accounted for using the equity method for Akita Yurihonjo Offshore Wind G.K. and Losses related to development business for the fiscal year ended March 2022.

Renova does not disclose the information of segment assets in each reportable segment as the assets in the reportable segments are managed on the whole and, therefore, the assets in the renewable energy power generation business and the renewable energy development and operation business are not reported to the CODM separately.

Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(Million yen)

	Reportable segments			Reconciling items (Note 1)	Consolidated
	Renewable energy power generation business	Renewable energy development and operation business	Segment total		
Revenue					
External customers	27,887	1,320	29,207	—	29,207
Intersegment (Note 2)	—	2,567	2,567	(2,567)	—
Total	27,887	3,887	31,774	(2,567)	29,207
Segment profit (loss)	16,757	(1,674)	15,084	(1,997)	13,087
Share of profit (loss) of investments accounted for using the equity method for Akita Yurihonjo Offshore Wind G.K.					(2,929)
Losses related to development business					(1,027)
Depreciation and amortization					(8,256)
Gain on remeasurement to fair value of pre-existing interest in business combination					5,301
Gain on remeasurement to fair value of option					1,088
Finance income					357
Finance costs					(2,604)
Profit before income taxes					5,015

(Notes) 1. The reconciliation of (1,997) million yen to the segment profit includes elimination of intersegment transactions.

2. Intersegment revenues are generally made at values that approximate arm's-length prices.

Fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Million yen)

	Reportable segments			Reconciling items (Note 1)	Consolidated
	Renewable energy power generation business	Renewable energy development and operation business	Segment total		
Revenue					
External customers	32,072	1,509	33,581	—	33,581
Intersegment (Note 2)	—	2,634	2,634	(2,634)	—
Total	32,072	4,143	36,214	(2,634)	33,581
Segment profit (loss)	17,714	2,849	20,563	(2,462)	18,101
Depreciation and Amortization					(9,231)
Loss on remeasurement to fair value of option					(1,418)
Finance income					316
Finance costs					(2,939)
Profit before income taxes					4,829

(Notes) 1. The reconciliation of (2,462) million yen to the segment profit includes elimination of intersegment transactions.

2. Intersegment revenue are generally made at values that approximate arm's-length prices.

### 3. Geographical areas

#### (i) Revenue

Disclosure of revenue by geographic areas is omitted as revenue to external customer outside Japan in the consolidated statements of income does not exist.

#### (ii) Non-current assets

Disclosure of non-current assets by geographic areas is omitted as major non-current assets in the consolidated statements of financial position are located in Japan.

### 4. Major customers

The customers that accounts for 10% or more of revenue in the consolidated statements of income and comprehensive income are as follows:

(Million yen)

Name of customer	Related reportable segment	FY ended March 31, 2022	FY ended March 31, 2023
Kyusyu Electric Power Transmission and Distribution Co., Inc.	Renewable energy power generation business	11,542	15,452
Tohoku Electric Power Network Co., Inc.	Renewable energy power generation business	9,910	10,587
TEPCO Power Grid, Inc.	Renewable energy power generation business	4,483	4,491

### Per share information

#### 1. Basic earnings per share and Diluted earnings per share

(Yen)

	FY ended March 31, 2022	FY ended March 31, 2023
Basic earnings per share	20.25	34.07
Diluted earnings per share	19.97	33.87

## 2. Basis of calculation for Basic earnings per share and Diluted earnings per share

	FY ended March 31, 2022	FY ended March 31, 2023
Profit for the period used to calculate Basic earnings per share and Diluted earnings per share		
Profit for the period attributable to owners of the Parent (million yen)	1,581	2,678
Adjustment to profit for the period (million yen)	—	—
Profit for the period used to calculate Diluted earnings per share (million yen)	1,581	2,678
Weighted average number of common shares used to calculate Basic earnings per share and Diluted earnings per share		
Weighted average number of common shares outstanding during each period (thousand shares)	78,096	78,589
Effects of dilutive potential common shares		
Increase in number of common shares by exercising share options (thousands of shares)	1,075	462
The weighted average number of common shares used to calculate Diluted earnings per share (thousand shares)	79,171	79,051

(Notes)

For the calculation of Basic earnings per share and Diluted earnings per share, the average number of treasury shares during the period is subtracted from the average number of common shares outstanding during the period. For all calculations, treasury shares include shares held by Custody Bank of Japan. (Trust Accounts) as part of the share-based compensation plan. The average number of treasury shares were 403 thousand for the fiscal year ended March 31, 2022 and 425 thousand for the fiscal year ended March 31, 2023.

### Significant subsequent events

(Conclusion of an environmental value sale and purchase agreement)

First Solar Power G.K., a consolidated subsidiary of RENOVA, Inc., concluded an environmental value sale and purchase agreement (hereinafter “Virtual PPA”) on May 8, 2023. Under the Virtual PPA, the environmental value derived from any electricity generated by newly-built solar PV power plants owned by First Solar Power G.K. will be sold directly to Murata Manufacturing Co., Ltd. who aims to achieve 100% renewable energy under the global RE100 initiative as Non-FIT Non-Fossil Certificates. The Virtual PPA is a long-term agreement and is also the first Virtual PPA agreement for Renova. This Virtual PPA is measured at its fair value at initial recognition and the changes in the fair value are expected to be recognized in other comprehensive income in the consolidated statements from the fiscal year ending March 31, 2024.

The non-FIT non-fossil certificates to be sold under this agreement will be derived from small-scale, distributed solar PV power plants with additionality that will be newly developed by Renova. The generated electricity will be sold to the wholesale electricity market.