

Supplementary Material on Financial Results for the 2Q of the Fiscal Year Ending March 2020

RENOVA, Inc.



November 1, 2019

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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.

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Key Highlights of Financial Results for the 2Q of the FY3/2020 and Recent Updates

- 1 **Revised full-year forecast for FY3/2020 upwards**
- 2 **Project development in the first half exceeded forecasts. Expecting two FIDs for large-scale biomass and one FID for solar in the second half of this fiscal year**
- 3 **Recorded a business development fee^{*1} associated with Tokushima-Tsuda Biomass Project (As originally planned)**

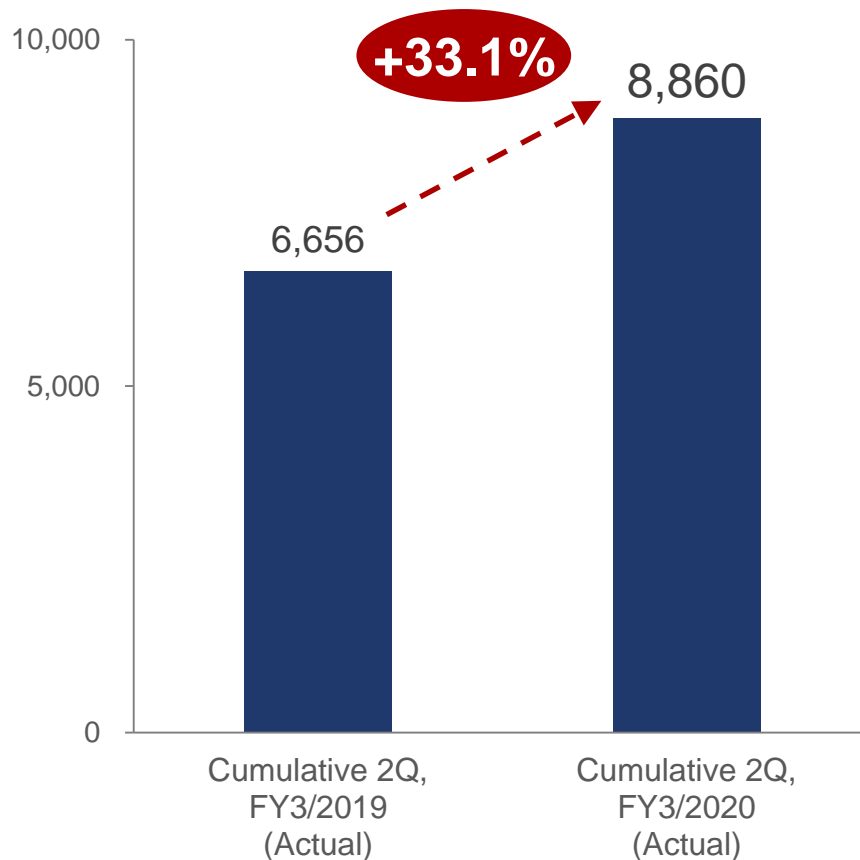
*1 Additional business development fee received from one of the project's co-sponsors, upon achieving a previously agreed upon development milestone.

Trend in Net Sales and EBITDA

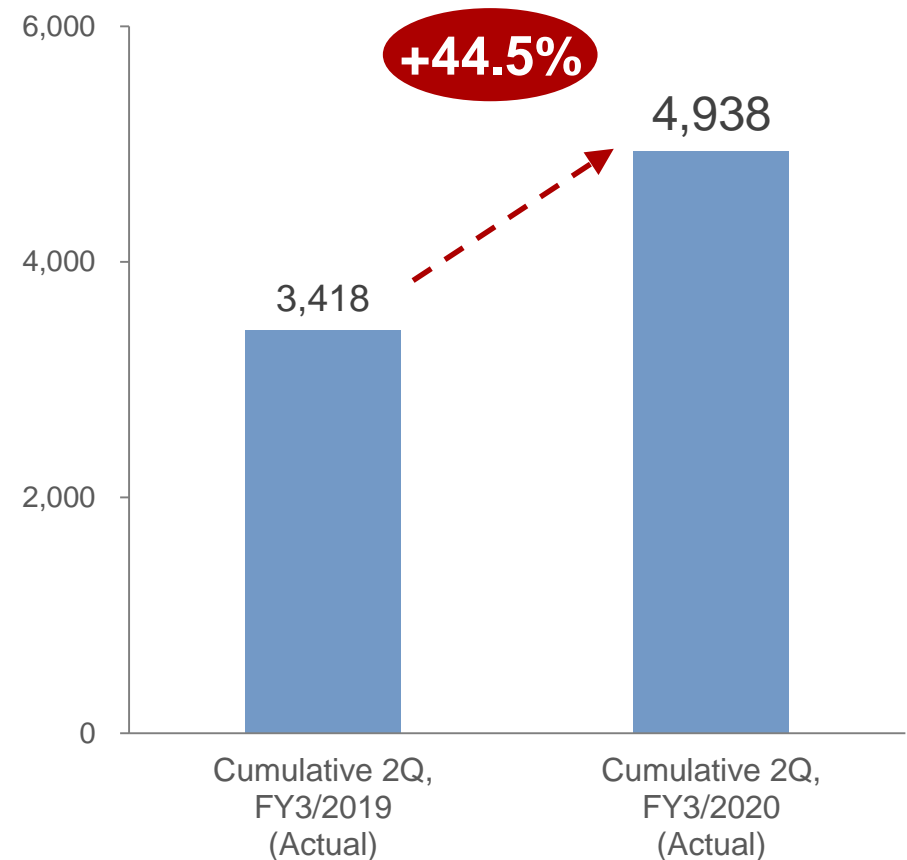
(Million yen)

- 2Q sales and EBITDA increased compared to the same period last year due to the recognition of business development fees related to the Tokushima-Tsuda Biomass 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)

- 2Q sales and each line items increased compared to the same period last year.
- Expecting to record large business development fees in the second half of the current fiscal year. Revised the full-year outlook for FY3/2020 upward.

	FY3/2019 2Q YTD	FY3/2020 2Q YTD	FY3/2020 (Revised Forecast)	Ratio to full-year plan	
Net Sales	6,656	8,860	In 2Q, sales and EBITDA grew compared to the previous 2Q due to the recognition of business development fees related to the Tokushima-Tsuda Biomass Project and the consolidation of 3 large-scale solar PV projects (Yokkaichi Solar, Nasukarasuyama Solar, Karumai West Solar).	19,200	46.1%
EBITDA*1	3,418	4,938		10,800	45.7%
EBITDA margin	51.4%	55.7%		56.3%	-
Operating profit	1,941	3,258		6,700	48.6%
Ordinary profit	1,166	2,072		4,100	50.5%
Extraordinary income	-	919	-	-	-
Extraordinary losses	5	-	-	-	-
Profit*2	322	1,475	3,300	44.7%	
EPS (yen)*3	4.34	19.59	Steady electricity generation during spring and summer months.	43.77	-
LTM ROE*4	2.9%	28.1%		30.03%	-
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)	11(0)	Gain on step acquisitions due to consolidation of Nasukarasuyama Solar and Karumai West Solar.	12(1)	Expecting to record business development fees in the second half of FY3/2020.
Capacity (MW)*5	163.7	252.5		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 renewable energy power generation business grew compared to the previous 2Q due to the consolidation of three large-scale solar power plants and favorable power generation from existing power plants.
- As a result of receiving the business development fee related to the Tokushima Tsuda Biomass Project in 2Q, sales of the Renewable Energy Development and Operation Business grew from the previous 2Q.

		FY3/2019 2Q YTD	FY3/2020 2Q YTD	FY3/2020 (Revised Forecast)	Ratio to full-year plan
Renewable Energy Power Generation Business (A)	Net sales	6,233	7,504	14,500	51.8%
	EBITDA	4,143	5,207	9,600	54.2%
	Ordinary profit	1,960	2,417	3,100	78.0%
Renewable Energy Development and Operation Business + Elimination (B)* ¹	Net sales	423	1,355	4,700	28.8%
	EBITDA	-724	-269	1,200	NM
	Ordinary profit	-794	-345	1,000	NM
Total* ¹ (A + B)	Net sales	6,656	8,860	19,200	46.1%
	EBITDA	3,418	4,938	10,800	45.7%
	Ordinary profit	1,166	2,072	4,100	50.6%

Net Sales increase from consolidation of three Solar Plants. Renewable Energy Power Generation Business is performing well.

A Business development fee was recorded in 2Q

Continuing aggressive up-front investment, including personnel expenses.

*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.

Progress in Construction of Karumai East Solar Project (80.8 MW)

- Construction of the Karumai East Solar Project is nearing completion. Currently in commissioning.
- On track for consolidation and commencement of operation in December 2019.



**Karumai East Solar Project Under Construction
(October 2019)**

Outline of Karumai East Solar Project scheduled for completion in December 2019

Capacity ^{*1}	80.8 MW
FIT price	¥36 / kWh
Net sales ^{*2}	¥3.1billion / year
EBITDA ^{*2}	¥2.5billion / year
Current Progress	Commissioning

^{*1} The generation capacity is on a module capacity basis.

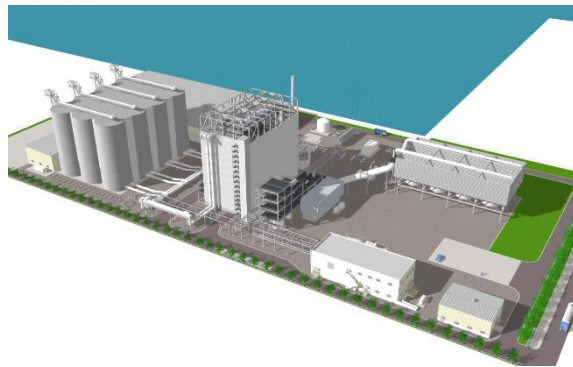
^{*2} Figures are as currently planned and may be subject to change.

Project Development Update: Omaezakikou Biomass Project (75.0 MW)

Omaezaki City, Shizuoka Prefecture

- Expecting to receive commitment letter for project financing shortly.
- Construction of the Omaezakikou Biomass Project is scheduled to begin in 3Q of the fiscal year ending March 2020.
Details concerning the project and structure will be explained after FID.

Overview of the Omaezakikou Biomass Project



Project Overview

Capacity*1	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

Completed project structuring

- Signed EPC contract. Secured boilers, turbines and other equipment.
- Signed fuel supply agreement and secured long term supply.

Clear visibility on financing

- Expecting to receive commitment letter from lenders.
- Final stage of loan agreement.

Clear visibility on permitting and licenses

- In the final phase of securing necessary permits and approvals to commence construction.
- Obtained buy-in from local stakeholders.

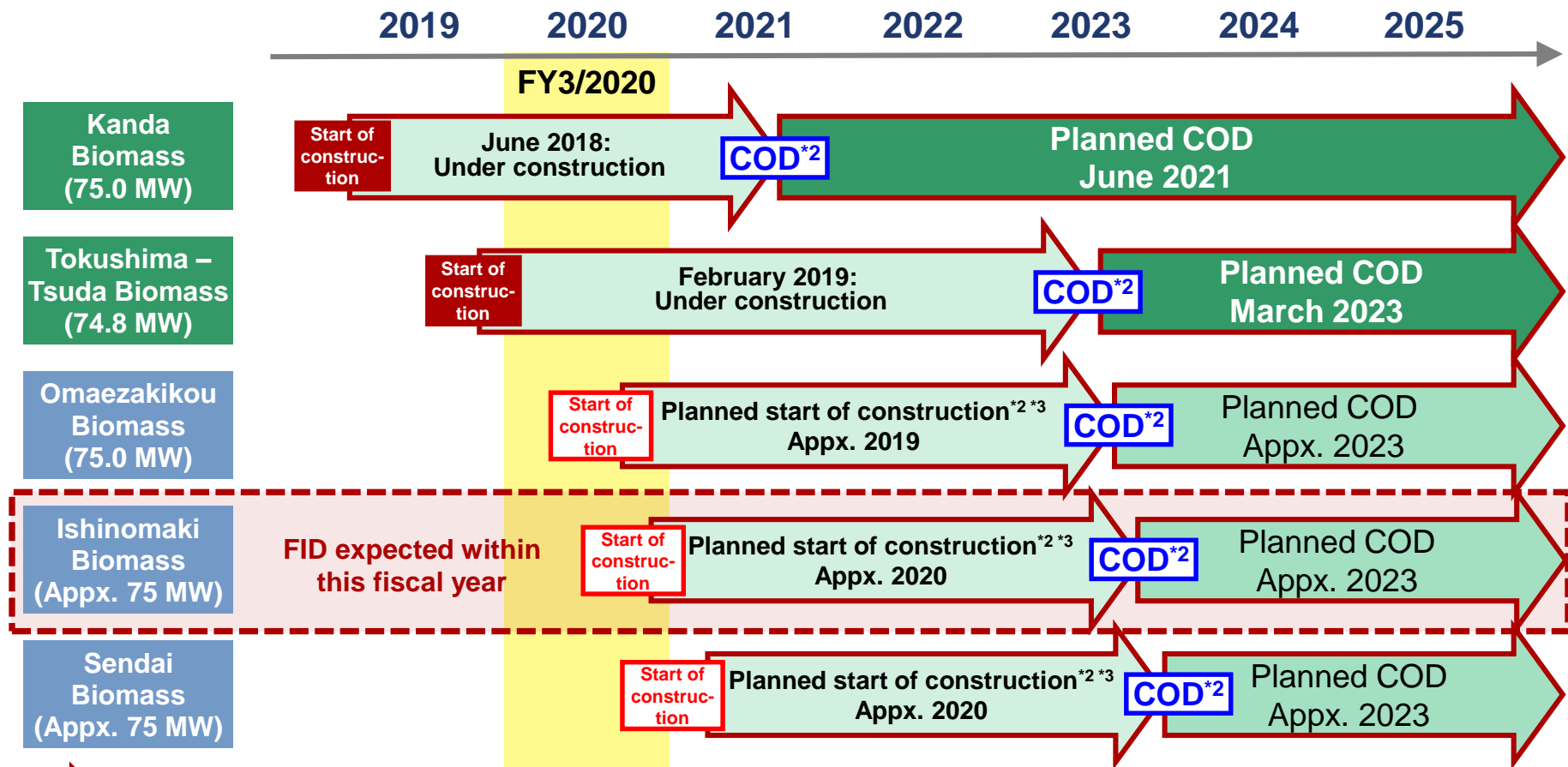
FID Expected Shortly

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

Development of Biomass Projects*1

As of November 2019

- FID for the Ishinomaki Biomass Project expected during the current fiscal year 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 revised full-year forecast).



Business development fees related to Ishinomaki 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.

Upward Revision of Consolidated Earnings Forecast for FY3/2020

(Million yen)

- Full-year forecasts for FY 3/2020 have been revised upward due to the favorable power generation from operating projects and the consolidation of the Karumai East Solar Project and the accelerated development of the Ishinomaki Biomass Project.

	FY3/2020 (Previous Forecast)	FY3/2020 (Revised Forecast)	Change	
Net Sales	17,500	19,200	+9.7%	<ul style="list-style-type: none"> ■ Impact of consolidated sales due to early consolidation of Karumai West Solar / Karumai East Solar. ■ A portion of the business development fee related to the Ishinomaki Biomass Project will be recorded in this fiscal year. ■ A portion of the business development fees related to the Omaezakikou Biomass Project are postponed to the next fiscal year.
EBITDA	9,400	10,800	+14.9%	
EBITDA margin	53.7%	56.3%	-	
Operating profit	5,700	6,700	+17.5%	<ul style="list-style-type: none"> ■ Total business development fees increased. ■ Steady progress in power generation business at existing projects in operation.
Ordinary profit	3,300	4,100	+24.2%	
Profit	2,100	3,300	+57.1%	<ul style="list-style-type: none"> ■ Gain on step acquisitions due to the consolidation of the Karumai East Solar Project.
EPS (yen)* ¹	27.83	43.77	-	
ROE* ²	19.9%	30.03%	-	

*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.

Outlook for Renewable Energy Business by Segment

(Million yen)

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

		FY3/2019 (Actual)	FY3/2020 (Revised Forecast)	Change	
Renewable Energy Power Generation Business (A)	Net sales	13,300	14,500	+1,200	<ul style="list-style-type: none"> ■ Quarterly results from Karumai West Solar are included in the consolidated PL due to the early consolidation. ■ Quarterly results from Karumai East Solar are included in the consolidated PL due to the early consolidation. ■ Steady progress in power generation business at existing projects in operation.
	EBITDA	8,500	9,600	+1,100	
	Ordinary profit	2,700	3,100	+400	
Renewable Energy Development and Operation Business + Elimination (B)*1	Net sales	4,200	4,700	+500	<ul style="list-style-type: none"> ■ A portion of the business development fees related to the Ishinomaki 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 fees from sponsors) are postponed to the next fiscal year.
	EBITDA	900	1,200	+300	
	Ordinary profit	600	1,000	+400	
Total*1 (A + B)	Net sales	17,500	19,200	+1,700	
	EBITDA	9,400	10,800	+1,400	
	Ordinary profit	3,300	4,100	+800	

*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

Differences from the Previous Plan as of May 2019 are Shown in Blue

FY3/2020 (Previous Forecast)

FY3/2020 (Revised Forecast)

Renewable Energy Power Generation Business

Consolidated Subsidiaries

- 10 Solar PV plants 232.0 MW
 - 12 month contribution from the Yokkaichi Solar
 - 9 month contribution from the Nasukarasuyama Solar
 - 6 month contribution from the Karumai West Solar
 - Forecasts for some existing solar PV plants incorporate additional output curtailment
- 1 Biomass power plant 20.5 MW
 - Includes allowance for unplanned operational downtime

Consolidated Subsidiaries

- 11 Solar PV plants 312.8 MW
 - 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
 - Includes allowance for unplanned operational downtime

Renewable Energy Development and Operation Business + Elimination

Profit from distribution of the silent partnership

- Solar PV plants
 - 2 months of results from the Nasukarasuyama Solar
 - 3 months of results from the Karumai West Solar
 - 4 months of results from the Karumai East Solar

Business Development Fees

- Approx. 4.0 bn yen*¹
 - 1 Solar PV project (the Hitoyoshi Solar Project)
 - 2 Biomass projects (the Tokushima-Tsuda Biomass Project*² and the Omaezakikou Biomass Project)

Profit from distribution of the silent partnership

- 2 Solar PV plants
 - 2 months of results from the Nasukarasuyama Solar
 - 1 months of results from the Karumai East Solar

Business Development Fees

- Approx. 4.5 bn yen*¹
 - 1 Solar PV project (the Hitoyoshi Solar Project)
 - 3 Biomass projects (the Tokushima-Tsuda Biomass Project*² and the Omaezakikou Biomass Project, Ishinomaki Biomass Project)

*¹ Figures for business development fees are after elimination of intra-company transactions.

*² Additional business development fee is expected from one of the project's co-sponsors, upon achieving a previously agreed upon development milestone.

(Reference) Consolidated Subsidiaries of the Power Generation Business

(Million yen, Cumulative 2Q figures from April to September 2019)

		Net Sales	EBITDA	EBITDA margin	Ordinary Income	Profit	Ownership Interest
Suigo-Itako Solar ^{*1}	FY3/2020	446	352	79.0%	209	151	68.0%
	FY3/2019	446	348	78.1%	187	136	68.0%
Futtsu Solar [*]	FY3/2020	1,154	982	85.1%	556	400	51.0%
	FY3/2019	1,195	1,023	85.6%	582	419	51.0%
Kikugawa-Ishiyama Solar ^{*1}	FY3/2020	276	201	72.8%	88	64	63.0%
	FY3/2019	278	223	80.2%	108	78	63.0%
Kikugawa-Horinouchiya Solar ^{*1}	FY3/2020	218	153	70.2%	62	45	61.0%
	FY3/2019	219	171	77.9%	79	57	61.0%
Kokonoe Solar ^{*2 *3}	FY3/2020	591	460	78.0%	134	134	100.0%
	FY3/2019	661	532	80.4%	200	200	100.0%
Nasushiobara Solar ^{*2 *3}	FY3/2020	694	583	83.9%	269	269	100.0%
	FY3/2019	715	611	85.4%	292	292	100.0%
Ozu Solar ^{*2 *3}	FY3/2020	402	298	74.2%	56	56	100.0%
	FY3/2019	431	330	76.7%	85	85	100.0%
Yokkaichi Solar ^{*2 *3 *4 *7}	FY3/2020	509	424	83.2%	173	173	100.0%
	FY3/2019	-	-	-	-	-	-
Nasukarasuyama Solar ^{*2 *3 *5 *7}	FY3/2020	200	163	81.5%	53	53	100.0%
	FY3/2019	-	-	-	-	-	-
Karumai West Solar ^{*2 *3 *6 *7}	FY3/2020	591	510	86.2%	207	207	51.0%
	FY3/2019	-	-	-	-	-	-
Akita Biomass (URE ^{*8})	FY3/2020	2,301	969	42.1%	519	374	35.3%
	FY3/2019	2,285	900	39.4%	438	313	35.3%

^{*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.

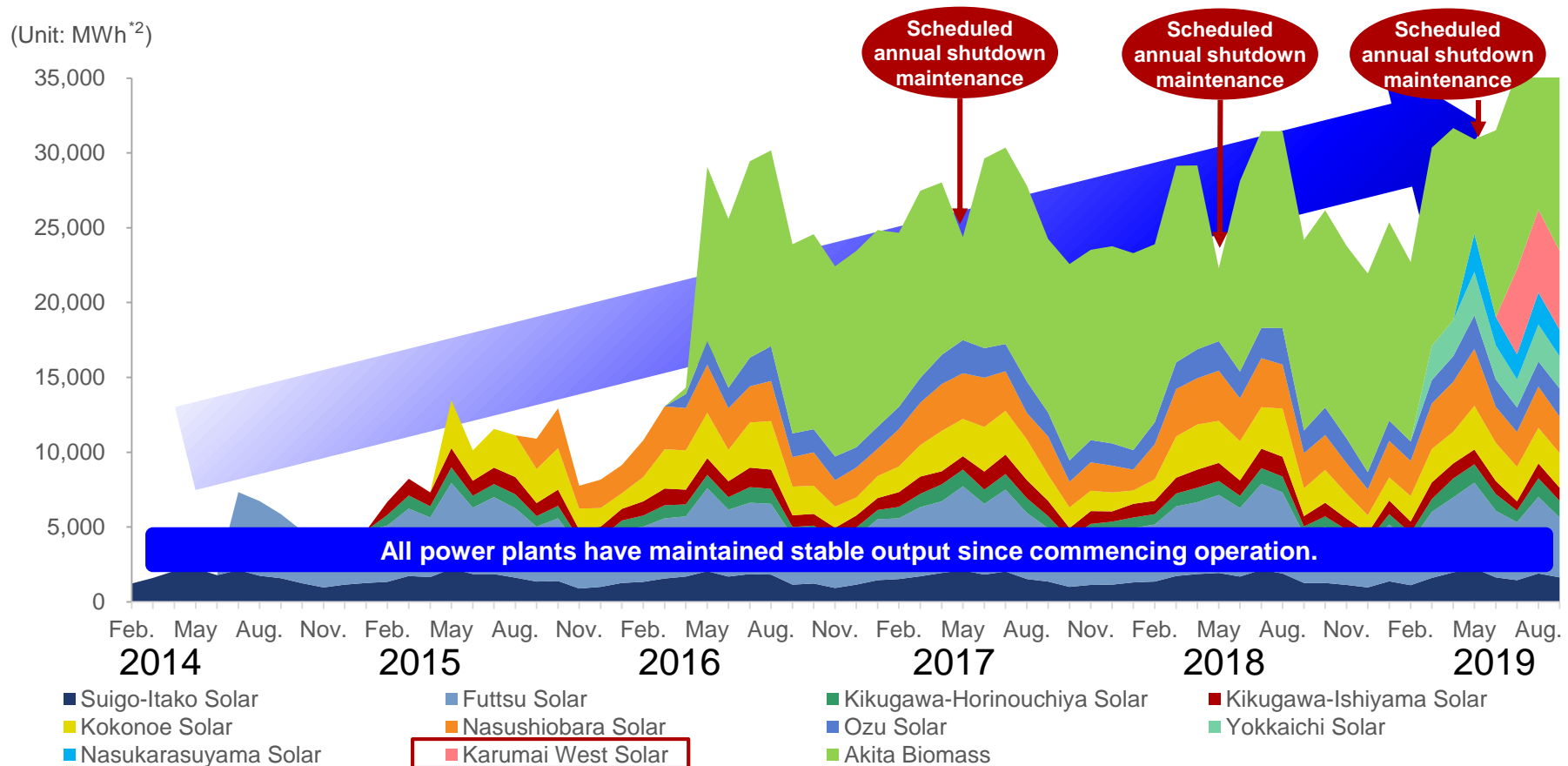
^{*7} Figures for Each T.K. in 1Q FY3/2019 are not included in the table, as it was an equity method affiliate during the previous consolidated fiscal year (FY3/2019). The business has been recorded as a consolidated subsidiary since April 2019.

^{*8} United Renewable Energy Co., Ltd.

Trend in Monthly Electricity Sales Volume by Power Plant

As of September 30, 2019

- The Karumai West Solar Project reached COD in July 2019.
- Output from solar PV plants is seasonal and is relatively larger from spring to fall due to favorable weather.
- 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.



*1 Power transmission from Futsu 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 2Q due to the consolidation of three large-scale solar power generation projects and recording of a business development fee in 2Q.

	FY3/2019 2Q YTD	FY3/2020 2Q YTD	Change	
Ordinary profit	1,166	2,072	905	<ul style="list-style-type: none"> ■ EBITDA in 2Q increased due to a business development fee for Tokushima Tsuda Biomass that was recorded in 2Q. ■ Increase due to consolidation of Yokkaichi Solar, Nasukarasuyama Solar, and Karumai West Solar.
Net interest expense(+)	669	776	106	
Interest income	1	1	0	
Interest expense +interest on asset retirement obligations	670	777	107	
Depreciations (+)	1,365	1,773	407	<ul style="list-style-type: none"> ■ Increase due to consolidation of Yokkaichi Solar and Nasukarasuyama Solar, Karumai West Solar.
Amortization of long-term prepaid expenses*1 (+)	13	18	5	
Amortization of goodwill(+)	16	20	4	
Amortization of deferred assets*2 (+)	187	277	89	
EBITDA	3,418	4,938	1,519	

*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 two solar projects (Nasukarasuyama Solar and Karumai West Solar).
- Investments and other assets increased due to increase in funding for development of biomass power plants and offshore wind power project.

	As of FY3/2019	End of 2Q of FY3/2020	Change	Major Factors of Increase/Decrease
Current assets	27,623	30,781	3,157	
Non-current assets	52,977	80,049	27,071	
Property, plant and equipment	45,690	66,445	20,755	Increase due to consolidation of Solar (Nasukarasuyama Solar and Karumai West Solar)
Intangible assets	1,283	2,097	813	
Investments and other assets	6,004	11,505	5,501	Increased investment in biomass projects and offshore wind project
Deferred assets	898	1,966	1,067	
Total assets	81,499	112,796	31,296	
Interest-bearing debt*1	61,778	84,080	22,302	Increase due to consolidation of solar projects (Nasukarasuyama Solar and Karumai West Solar)
Other liabilities	6,835	11,444	4,608	
Total liabilities	68,613	95,525	26,911	
Shareholders' equity	9,025	10,535	1,510	Increase in retained earnings
Accumulated other comprehensive income	312	1,871	1,558	Increase in deferred gains or losses on hedges
Subscription rights to shares	9	16	7	
Non-controlling interests	3,539	4,847	1,308	Increase due to consolidation of solar projects (Nasukarasuyama Solar and Karumai West Solar)
Total net assets	12,886	17,271	4,385	

*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 and Karumai West Solar.
- Net Debt / EBITDA*1 rose because EBITDA from newly consolidated subsidiaries is recorded for less than one year.

		As of FY 3/2019	End of 2Q of FY 3/2020	Change	Major Factors of Increase/Decrease
Key balance sheet items	Total assets	81,499	112,796	31,296	
	Net assets	12,886	17,271	4,385	Increase in retained earnings, non-controlling interests and deferred gains or losses on hedges
	Equity Capital*2	9,337	12,406	3,068	Increase in retained earnings and deferred gains or losses on hedges
	Net interest-bearing debt	40,529	61,046	20,517	Consolidation of Nasukarasuyama Solar and Karumai West Solar
	Cash and deposits	21,249	23,034	1,785	
	Interest-bearing debt*3	61,788	84,080	22,302	Consolidation of Nasukarasuyama Solar and Karumai West Solar increase in borrowings to fund development projects
Credit metrics	Equity ratio	11.5%	11.0%	-0.5%	
	Net asset ratio	15.8%	15.3%	-0.5%	
	Net D/E ratio*4	3.1x	3.5x	0.4x	
	Net Debt / EBITDA*1	5.1x	6.5x	1.4x	

*1 EBITDA amounted to 7,893 million yen for FY March 2019 and to 9,413 million yen for 2Q YTD of FY March 2020

*2 Equity Capital = Shareholders' Equity + AOCI (Accumulated Other Comprehensive Income)

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

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

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

List of plants in operation, under construction and pipeline projects*¹ (as of November 1, 2019)

- Expecting to reach FID for Hitoyoshi Solar Project shortly.
- Total generation capacity of over 350MW either in operation or under construction.

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	Commissioning	38.5%* ⁴	-	Appx. 2019	Appx. 2039
	Karumai Sonbou	Iwate	40.8	¥36	Under construction	46.0%* ⁵	-	(Appx. 2021)	(Appx. 2041)
	Hitoyoshi	Kumamoto	20.8	¥36	Final investment decision expected shortly	-	-	(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 gradually acquire all equity in the anonymous partnership currently owned by co-sponsors, after the COD date of the power plant.

*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 November 1, 2019)

- Expecting to reach FID for Omaezakikou Biomass Project shortly.
- FID for Ishinomaki Biomass Project expected during the current fiscal year 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 development	41.8%* ⁶⁻⁷	-	(Appx. 2023)	(Appx. 2043)
	Omaezakikou	Shizuoka	75.0	¥24/¥32	Final investment decision expected shortly	-	Done	(Appx. 2023)	(Appx. 2043)
	Ishinomaki	Miyagi	Appx. 75	¥24/¥32	Development	-	Done	(Appx. 2023)	-
	Sendai	Miyagi	Appx. 75	¥24/¥32	Under assessment	-	Draft EIS* ⁸ process	(Appx. 2023)	-
Offshore Wind	Yurihonjo* ⁹	Akita	Appx. [700]	TBD	Under assessment (Grid tendering /Developer selection process)	-	Draft EIS* ⁸ process	TBD	-
Onshore Wind	Abukuma* ¹⁰	Fukushima	Appx. 150	¥22	Under assessment (Joint)* ¹¹	-	Done	TBD	-
	Project B	Kyushu	Appx. 50	¥21	Upfront investment	-	Onsite survey	(Appx. 2024)	-
Geothermal	Minami Aso	Kumamoto	TBD	TBD	Upfront investment (Joint)* ¹¹	-	-	(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 interest 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 "Procedure for the Draft EIS" describes the environmental impact assessment results as well as the company's own approach to addressing environment protection

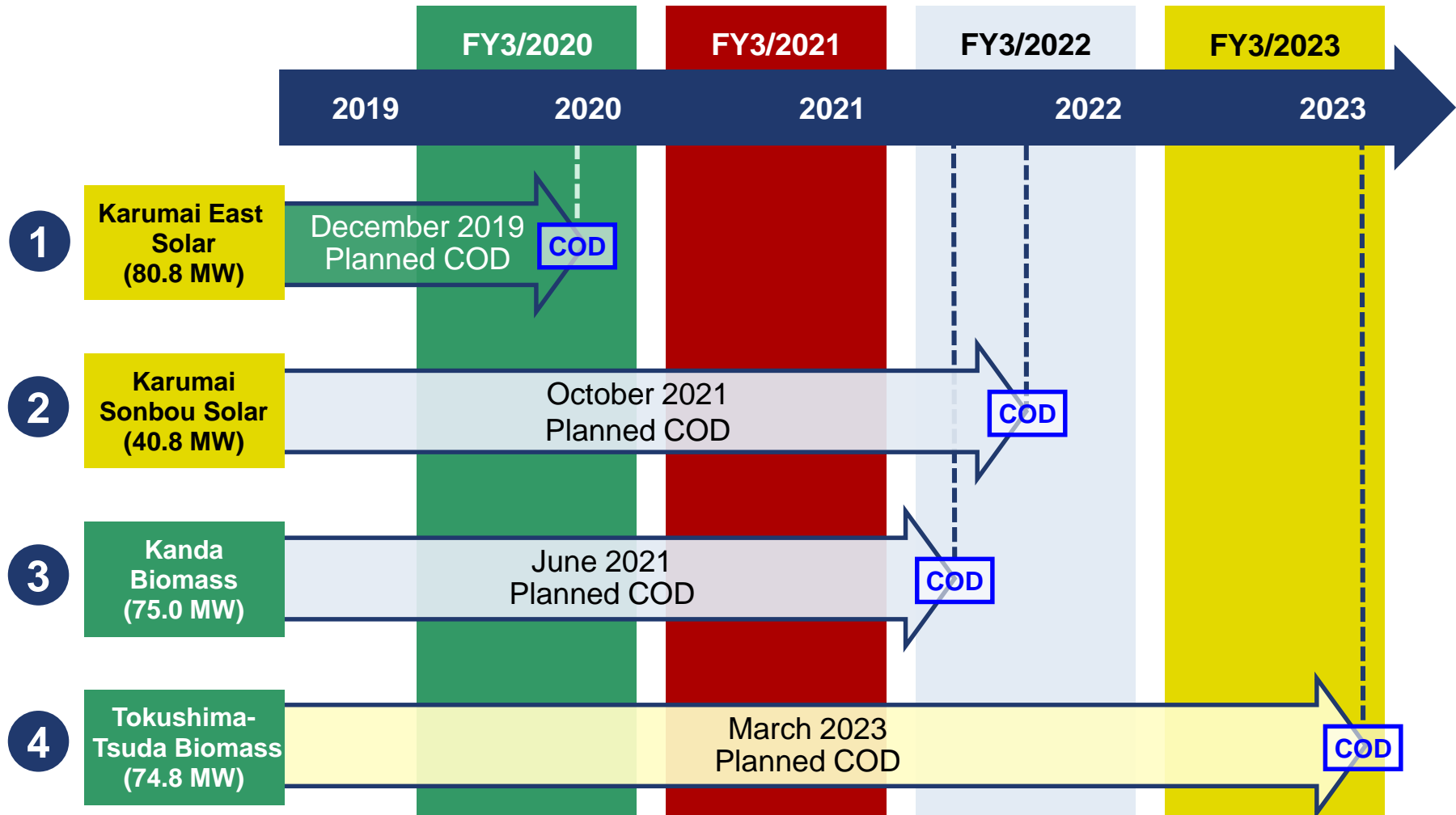
*⁹ The expected generation capacity for the Yurihonjo Offshore Wind Project is shown as a tentative figure, due to the upcoming promotion zone and subsequent developer selection processes. Furthermore, as promotion zones have not yet been selected, the project schedule is shown as "TBD".

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

List of Projects Under Construction*1

As of November 1, 2019

■ Power generation projects under construction are progressing as planned.



*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".

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

Kanda-machi, Miyako District, Fukuoka Prefecture

■ Construction is progressing as planned.

Construction of the Kanda Biomass Project (September 2019)

External view of fuel tank construction



Fuel tank internal scaffolding



Foundation work of turbine building



Landscape of Kanda Biomass Construction Site



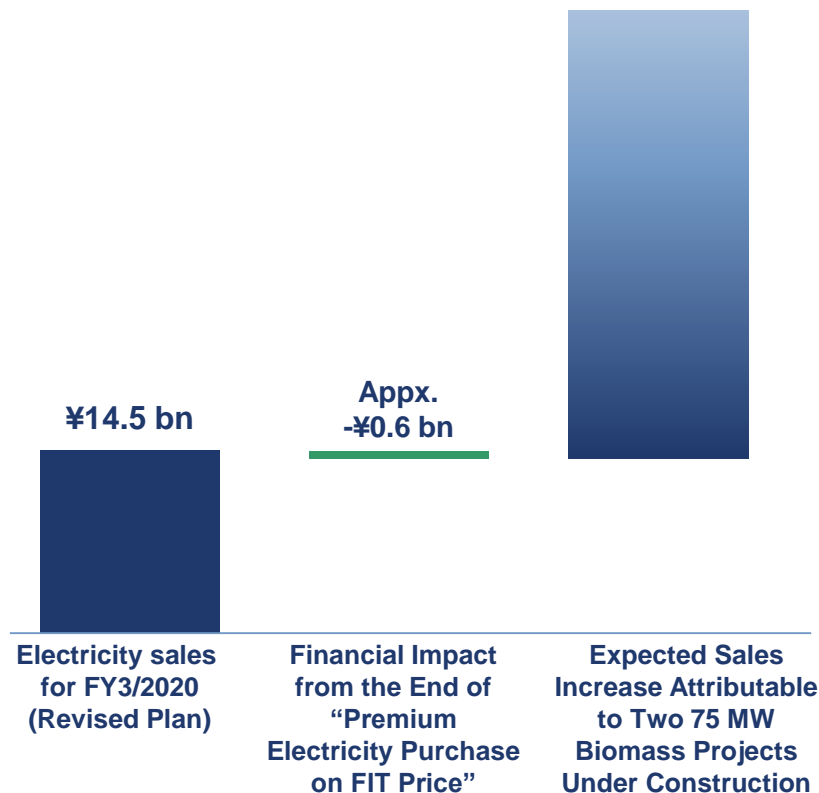
Capacity*1	75.0 MW
FIT Price	¥24 / kWh (Use of imported wood pellets)
Net Sales*2	Appx. ¥13 billion/year
COD*2	June 2021 (expected)

*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.

(Reference) Financial Impact from the End of the “Premium Electricity Purchase on FIT Price”

- An approx. ¥0.6 billion decrease of our annual sales are expected from the fiscal year ending March 2022 onwards, due to the end of the “Premium Electricity Purchase on FIT Price”.
- RENOVA has already incorporated these financial impacts into its original business plan for each renewable power plant.



Background and Potential Impact

- Currently, some of RENOVA’s power plants sell generated electricity to retailers at a premium price relative to the relevant FIT price.
 - The FIT Amendment Act^{*1}, stipulated that such favorable treatment would be terminated, following a 5-year transition period, ending March 2021.
- The impact for RENOVA is an approx. ¥0.6 billion p.a. sales decrease from the fiscal year ending March 2022 onwards.

**Limited Financial Impact
Due to Upcoming Projects**

^{*1} Enacted on April 1, 2016

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

As of September 30, 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	174,400	8,458
22 nd Share options	97 yen	158,400	7,682
23 rd Share options	97 yen	201,600	9,777
24 th Share options	97 yen	80,000	3,880
25 th Share options	97 yen	673,600	32,669
26 th Share options	188 yen	963,200	90,540
27 th Share options	188 yen	944,000	88,736
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	-	3,681,300	290,163
Share-based compensation plan (Treasury shares)	-	387,700	-
Total	-	4,069,000	-
Dilution ratio*2	-	5.4%	-

*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 September 30, 2019

Corporate Information

Name:	RENOVA, Inc.
Location of Head Office	2-2-1 Kyobashi Chuo-ku, Tokyo
Representatives	Sachio Semmoto, Executive Chairman & Representative Director Yosuke Kiminami, Founding CEO
Established	May 2000
Capital Stock	2,105 million yen
Stock Exchange	First section of Tokyo Stock Exchange
Securities code	9519
Business	Renewable energy business
Employees (consolidated)	188

Corporate Governance

Board of Directors	8 directors, including 5 external directors
Audit & Supervisory Board	4 auditors, including 3 external auditors

Status of Shares (As of September 30, 2019)

Total Number of Authorized Shares	280,800,000
Total Number of Shares Issued	75,852,400
Number of Shareholders	9,028

Key History (As of November 1, 2019)

May 2000	Established Recycle One, Inc. (currently RENOVA, Inc.)
October 2012	Entered renewable energy business
December 2013	Company renamed RENOVA, Inc.
February 2014	COD for Suigo-Itako Solar Co., Ltd.
July 2014	COD for Futtsu Solar Co., Ltd.
February 2015	COD for Kikugawa-Ishiyama Solar Co., Ltd. and Kikugawa-Horinouchiya Solar Co., Ltd.
May 2015	COD for Kokonoe Solar GK
September 2015	COD for Nasushiobara Solar GK
April 2016	COD for Ozu Solar GK
May 2016	Entered the biomass power generation business (United Renewable Energy Co., Ltd.(Akita Biomass Project: URE) reaches COD)
August 2016	Divestment of plastic recycling business
February 2017	Listed on the Tokyo Stock Exchange Mothers Section
July 2017	Consolidated United Renewable Energy Co., Ltd. (Akita Biomass Project: URE)
February 2018	Changed listing venue to the First Section of the Tokyo Stock Exchange
March 2019	COD for Yokkaichi Solar GK
May 2019	COD for Nasukarasuyama Solar GK
July 2019	COD for Karumai West Solar GK