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# Notice of Revision to Full Year Consolidated Forecasts

RENOVA, Inc. (hereinafter “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, 2020 (April 1, 2019 to March 31, 2020) at the meeting of its Board of Directors held on November 1, 2019. The forecasts were originally announced in “Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (Japanese GAAP, Non-Audited)” dated May 10, 2019.

1. Revision to full-year consolidated forecast figures for the current fiscal year (ending March 31, 2020)  
(April 1, 2019 to March 31, 2020)

(Unit: million yen, %)

|   | Net sales | EBITDA* | Operating profit | Ordinary profit | Profit attributable to owners of parent | Earnings per share |
|---|-----------|---------|------------------|-----------------|---|--------------------|
| Forecasts announced previously (A)  | 17,500    | 9,400   | 5,700            | 3,300           | 2,100                                   | 27.83 yen          |
| Revised forecasts (B)   | 19,200    | 10,800  | 6,700            | 4,100           | 3,300                                   | 43.77yen           |
| Change (B-A)  | 1,700     | 1,400   | 1,000            | 800             | 1,200                                   |                    |
| Rate of change (%)  | 9.7       | 14.9    | 17.5             | 24.2            | 57.1                                    |                    |
| (Reference)<br>Consolidated results for the previous fiscal year (ended March 31, 2019) | 14,098    | 7,893   | 5,025            | 3,460           | 1,659                                   | 22.25 yen          |

\* EBITDA = Ordinary profit + Net interest expenses + Depreciation + Amortization of long-term prepaid expenses (amortization of grid connection costs and amortization of deferred consumption taxes) + Amortization of goodwill + Amortization of deferred assets (amortization of business commencement expenses and amortization of deferred organization expenses))

2. Reasons for the revision

RENOVA expected to make its final decision to invest in the Ishinomaki Hibarino Biomass Project (Ishinomaki, Miyagi Prefecture, generation capacity of 74.95 MW), which is currently under development, in the fiscal year ending March 31, 2021. However, in light of progress in project development, it will be moving it forward and

making the decision within the current fiscal year ending March 31, 2020. Accordingly, it now expects to post business development fees from Ishinomaki Hibarino Biomass Energy G. K. to net sales for the current fiscal year.

From the business development fee, the amount that corresponds to RENOVA's economic interest in the project is discounted in consolidated accounting. The remaining amount will be included in consolidated net sales.

RENOVA presumes that it will make a final investment decision on the Omaezakikou Biomass Project (Omaezaki and other areas, Shizuoka Prefecture, generation capacity of 74.95 MW) within the current fiscal year. While its consolidated results forecast for the fiscal year ending March 31, 2020 published on May 10, 2019 (hereinafter "the previous forecast") envisioned that the business development fee from this project would be recorded to net sales for the current fiscal year, it is now anticipated that part of this amount will be recorded to net sales for the fiscal year ending March 31, 2021.

RENOVA also accelerated its additional acquisition of part of the equity stake in Karumai West Solar T.K., which was an equity-method affiliate of RENOVA and which owns the Karumai West Solar Power Plant (Karumai-machi, Kunohe-gun, Iwate Prefecture, generation capacity of 48.0 MW), and reorganized it into a consolidated subsidiary on July 1, 2019.

In addition, earlier today, it made a decision to accelerate the additional acquisition of an equity stake in Karumai East Solar T.K., which is an equity-method affiliate and owns the Karumai East Solar Power Plant (Karumai-machi, Kunohe-gun, Iwate Prefecture, generation capacity of 80.8 MW), to make it another consolidated subsidiary on December 2, 2019. Following the reorganization of Karumai East Solar T.K. into a consolidated subsidiary, RENOVA is now set to post as extraordinary income a large amount of gains on step acquisitions that was not foreseen at the time of announcement of the previous forecast.

In view of these major factors for revision and strong electricity sales in the Renewable Energy Power Generation Business, consolidated net sales for the fiscal year ending March 30, 2020 are now estimated at 19,200 million yen, an increase of 1,700 million yen (9.7% increase) from the previous forecast.

Among different profit figures, EBITDA is now forecast at 10,800 million yen, an increase of 1,400 million yen (14.9% increase) from the previous forecast, and profit attributable to owners of parent is expected to increase by 1,200 million yen or 57.1% from the previous forecast to 3,300 million yen.

(Note)

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

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