Decsmber 2, 2019

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RENOVA Acquired a New Subsidiary (Change in Scope of Consolidation) by Acquiring Equity Interest (Progress in a Disclosure Item) and Start of Operations at Karumai East Solar Power Plant

RENOVA, Inc. (hereinafter “RENOVA”) announces that it carried out today with the acquisition of additional equity interests in the proprietors of the business under Karumai East Solar T.K. (hereinafter “Karumai East Solar”), an equity-method affiliate of RENOVA, as described in “RENOVA Acquires New Subsidiaries (Change in Scope of Consolidation) by Acquiring Equity Interest” announced on November 1, 2019.
Also, the commencement of operation, on December 1, at Karumai East Solar Power Plant (Karumai-machi, Kunohe-gun, Iwate Prefecture; generation capacity of 80.8 MW).

I. RENOVA Acquires a New Subsidiary (Change in Scope of Consolidation) by Acquiring Equity Interest in TK (Progress in a Disclosure Item)

1. Overview of subsidiary subject to share transfer (as of March 31, 2019)

(1)	Title	Karumai East Solar T.K.
(2)	Location	Operator: 26, Aza Shimoaraida, Dai 32-chiwari, Sannai, Karumai-machi, Kunohe-gun, Iwate Prefecture Silent partner: 2-2-1 Kyobashi, Chuo-ku, Tokyo, Japan
(3)	Title and name of operator	Operator: Karumai East Solar GK Masakazu Hongo, Executor Silent partner: RENOVA, Inc. Yosuke Kiminami, Founding CEO
(4)	Business	Solar PV business
(5)	Total capital contribution	2,833 million yen
(6)	Date of establishment	October 21, 2016
(7)	Investment ratios (as of December2, 2019)	RENOVA, Inc. 69.25% NEC Capital Solutions Limited. 10.25% Fuyo General Lease Co., Ltd. 10.25% Sumitomo Mitsui Finance and Leasing Company, Limited. 10.25%

2. Outline of party from which equity interest is acquired

The outline of the party was announced in "RENOVA Acquires New Subsidiaries (Change in Scope of Consolidation) by Acquiring Equity Interest” announced on November 1, 2019.

3. Status of equity interests before and after the transfer

(1) Ownership interest before transfer: 38.50%
(2) Equity interest to be acquired: 30.75%
(3) Ownership interest after transfer: 69.25%

4. Schedule

December 2, 2019 Conclusion of an agreement on transfer of equity interest

December 2, 2019 Transfer of equity interest

5. Future outlook

The effects of the acquisition of equity interests on the results for the fiscal year ending March 31, 2020 are reflected in the consolidated forecasts in “Notice of revised earnings forecast” announced on May 10, 2019.

II. Start of Operations at Karumai East Solar Power Plant

The commencement of operation, on December 1, at Karumai East Solar Power Plant (Karumai-machi, Kunohe-gun, Iwate Prefecture; generation capacity of 80.8MW), upon completion of construction work carried out by the Karumai East Solar T.K., an affiliate of RENOVA.

With the start of commercial operations at Karumai East Solar Power Plant, the total power generation capacity of RENOVA's power plants (including large-scale solar PV and wood biomass power plants) currently in operation has increased to a total of 333.3 MW. With the capacity of power plants that are currently under construction based on EPC (Engineering, Procurement and Construction) contracts and before commercial operation (hereinafter, "under construction") now standing at 286.4.4 MW, the total power generation capacity of RENOVA's power plants, including both those in operation and those under construction, has now expanded to 619.7 MW.

Overview of Karumai East Solar Power Plant

(1)	Title	Karumai East Solar Power Plant
(2)	Location	Sannai, Karumai-machi, Kunohe-gun, Iwate Prefecture
(3)	Capacity	80.8 MW*1
(4)	Annual electricity production*2	Approx. 87,000,000 kWh (equivalent to approx. 25,000 households)
(5)	FIT unit price	¥36/kWh
(6)	Estimated annual net sales*2	Approx. ¥3,100 million
(7)	Estimated annual EBITDA*2, *3	Approx. ¥2,500 million
(8)	Operation commencement	December 1, 2019

*1 The generation capacity is on a module capacity basis.

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

*3 EBITDA = ordinary profit + net interest expenses + depreciation + amortization of long-term prepaid expenses (amortization of grid connection costs and amortization of deferred consumption tax) + amortization of goodwill + amortization of deferred assets (amortization of business commencement and establishment expenses)



Overview of Karumai East Solar Power Plant

[For inquiries about this release, please contact]
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