



November 19, 2019

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Announcement Concerning Final Investment Decision on Large-Scale Biomass Power Generation Project

RENOVA, Inc. (hereinafter “RENOVA”) announces that it made a final investment decision for Omaezakikou Biomass Energy GK as the operator of the Omaezakikou Biomass Power Generation Project (Omaezaki and Makinohara, Shizuoka Prefecture; Capacity: 74.950 MW; hereinafter the “Omaezakikou Biomass Project”), in which development is led by RENOVA, on November 19, 2019. In addition, RENOVA announces that it reached a financial close by signing a financing agreement with financial institutions (hereinafter “the Financing Agreement”).

1. Purpose of the Financial Close

With a mission to create green and sustainable energy systems for a better world, RENOVA operates its power generation business based on locally entrenched renewable energy resources such as solar, biomass, wind, and geothermal energy.

RENOVA is accumulating knowledge through the development and operation of wood biomass-fueled power plants such as the Akita Biomass Project, which has been operating stably since completion, and the Kanda Biomass and Tokushima Tsuda Biomass Projects, construction of which is currently underway. RENOVA has forged ahead with the Omaezakikou Biomass Project by taking advantage of this knowledge.

RENOVA will work on the development together with three co-sponsors (Chubu Electric Power Co., Inc., Suzuyo Shoji Co., Ltd., and Mitsubishi Electric Credit Corporation) in an effort to increase the corporate value of the Omaezakikou Biomass Power Project. By means of power plant construction and business operation, RENOVA will contribute to job creation and local and financial revitalization in the cities of Omaezaki and Makinohara and other areas, as it seeks to achieve collaborative creation in partnership with local communities.

2. Future Outlook

In terms of impact on business results for the current fiscal year ending March 31, 2020, following the conclusion of the Financing Agreement, RENOVA will receive a business development fee from Omaezakikou Biomass Energy GK. This business development fee has already been incorporated into RENOVA's consolidated earnings forecast, which was released on November 1, 2019 under the title of "Notice of Revision to Full Year Consolidated Forecasts." Of the business development fee, the amount equivalent to RENOVA's 57.0% share of dividends from the project is eliminated from the consolidated accounts.

RENOVA is also due to receive business development fee from some of the co-sponsors. These fee will be posted as net sales for the fiscal year ending March 31, 2021.

RENOVA will promptly disclose any other matters that should be announced, as and when they arise.

3. Other

RENOVA holds the right to additionally acquire 18.0% equity in the special purpose company owned by co-sponsor Mitsubishi Electric Credit Corporation, on or after the date of completion of the Omaezakikou Biomass Power Plant, in accordance with the Memorandum of Understanding on Transfer of Equity Related to Omaezakikou Biomass Energy GK that RENOVA has entered into with Mitsubishi Electric Credit Corporation. In the event of exercising this right, RENOVA's ownership interest will be 56.0%, and the share of dividends distributed from the project to RENOVA will be 75.0%.



(Rendering of Omaezakikou Biomass Power Plant)

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(Reference) Outline of the Omaezakikou Biomass Project

Power Plant: Omaezakikou Biomass Power Plant
Operator: Omaezakikou Biomass Energy GK
Location: 2-2-1 Kyobashi, Chuo-ku, Tokyo
Planned Construction Site: Minato, Omaezaki and Shinsho Azahama, Makinohara, Shizuoka Prefecture

Sponsors
(In the order of
ownership interest)

Company Name	Ownership Interest
RENOVA, Inc.*	38.0%
Chubu Electric Power Co., Inc.	34.0%
Mitsubishi Electric Credit Corporation	18.0%
Suzuyo Shoji Co., Ltd.	10.0%

* A 57.0% share of dividends is distributed from the project to RENOVA.

Financial arrangers
and syndicate

Company Name
Sumitomo Mitsui Trust Bank, Limited (lead manager)
Shinsei Bank, Limited (lead manager)
Mitsubishi UFJ Lease & Finance Company Limited (mezzanine lender)

* Other syndicate members, including life insurance companies and (primarily local) regional banks are due to be confirmed around February 2020. Details will be announced upon confirmation.

Power Generation Capacity: 74.950 MW
Annual Electricity Production: Approx. 530,000 MWh (equivalent to the annual power consumption of approximately 170,000 households)
Power Sales Unit Price: 24 yen per kWh for general wood biomass
Fuels: Wood pellets, palm kernel shells (PKS)
Construction Commencement: April 2021 (planned)
Design work will commence in November 2019
Operation Commencement: July 2023 (planned)

* The outline of the project presents information based on the plan as of the announcement date, and it may be subject to change in future.