



July 21, 2021

Corporate Name: RENOVA, Inc.  
 Representative: Yosuke Kiminami, Founding CEO  
 (Stock code: 9519  
 Tokyo Stock Exchange 1st)  
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**Notice Regarding Conversion of Kanda Biomass Energy K.K. into Subsidiary  
 through Share Acquisition (Change in Subsidiary)**

RENOVA, Inc. (hereinafter “RENOVA”) announces today that it plans to additionally acquire, on July 28, 2021, shares in Kanda Biomass Energy K.K. (Kanda-machi, Miyako-gun, Fukuoka Prefecture; installed capacity of 75.0 MW; hereinafter “Kanda Biomass”), an equity method affiliate of RENOVA that operates a biomass electric power generation business. Following the acquisition, RENOVA’s equity interest in Kanda Biomass will become 53.07%, making it a consolidated subsidiary of RENOVA.

1. Reasons for share acquisition

With a mission of creating 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 power.

As announced in “RENOVA Concludes an Option Agreement to Acquire Additional Shares in the Kanda Biomass Power Generation Project” dated February 12, 2021, RENOVA holds an option agreement to acquire additional shares that can be exercised subject to the commencement of operation and the fulfillment of certain conditions. RENOVA plans to acquire, on July 28, 2021, shares in Kanda Biomass held by a co-sponsor of Kanda Biomass, to make it a consolidated subsidiary.

Veolia Jenets K.K., a subsidiary of Veolia Japan, will continue to undertake the operations and maintenance of the Kanda Biomass Project, and strive for the stable operation of the Project.

RENOVA will work to expand the scale of earnings of Kanda Biomass and advance initiatives for regional revitalization through the power generation business of Kanda Biomass.

2. Overview of new subsidiary (As of March 31, 2021)

(1) Title	Kanda Biomass Energy K.K.	
(2) Location	1-3, Shinmatsuyama, Kanda-machi, Miyako-gun, Fukuoka Prefecture (As of July 1, 2021)	
(3) Title and name of representative	President and CEO: Masayoshi Oide	
(4) Business	Power generation project using woody biomass fuels only	
(5) Capital	1,807 million yen	
(6) Date of establishment	November 4, 2016	
(7) Ratio of equity interest (As of July 28, 2021)	RENOVA, Inc. 53.07%, Sumitomo Forestry Co., Ltd. 41.5%, others (As of July 28, 2021 / Plan)	
(8) Relationships with the listed company	Sponsors	RENOVA’s equity interest in the company is 43.07%. Furthermore, Veolia Japan K.K. will transfer its shares.
	Personal	RENOVA dispatches 1 officer and 2 employees.

	relationship		
	Business relationship	RENOVA has provides business management support services to the company.	
(9) Business results and financial position of the company over the last three years			
Fiscal Year	FY ended March 2019	FY ended March 2020	FY ended March 2021
Net assets	1,897 million yen	2,617 million yen	3,576 million yen
Total assets	22,087 million yen	28,432 million yen	38,980 million yen
Net sales	–	–	–
Operating profit	-8 million yen	-17 million yen	-25 million yen
Ordinary profit	-9 million yen	-19 million yen	-28 million yen
Profit	-10 million yen	-12 million yen	-13 million yen

### 3. Overview of party from which shares will be acquired (As of December 31, 2020)

(1) Title	Veolia Japan K.K.	
(2) Location	3-20-20 Kaigan, Minato-ku, Tokyo	
(3) Title and name of representative	President & Representative Director: Guillaume Dourdin (As of July 1, 2021)	
(4) Business	Water, energy and waste management business	
(5) Capital	90 million yen	
(6) Date of establishment	May 1, 2002	
(7) Net assets	194 million yen	
(8) Total assets	18,818 million yen	
(9) Major shareholders and shareholding ratios	Veolia Environnement S.A. 100%	
(10) Relationships between the listed company and the relevant company	Capital relationship	There is no capital relationship that is required to be stated between RENOVA and Veolia Japan K.K. In addition, no related parties or affiliates of RENOVA have any significant relationships with any related parties or affiliates of Veolia Japan K.K.
	Personal relationship	There is no personal relationship that is required to be stated between RENOVA and Veolia Japan K.K. In addition, no related parties or affiliates of RENOVA have any significant relationships with any related parties or affiliates of Veolia Japan K.K.
	Business relationship	RENOVA and the relevant company jointly invested in and operated Kanda Biomass Energy K.K. , but the shares will be transferred to RENOVA.
	Status as related party	Veolia Japan K.K. does not constitute a related party of RENOVA. In addition, Veolia Jenets K.K., an affiliated company of the company, is responsible for the O & M of Kanda Biomass.

### 4. Status of shares before and after transfer

(1) Equity interest before transfer	43.07%
(2) Shares to be acquired	10%
(3) Equity interest after transfer	53.07%

The purchase price cannot be disclosed because of confidentiality obligations to the seller.

### 5. Schedule

July 21, 2021	Decision of exercise Additional Acquisition Rights
July 21, 2021	Conclusion of share transfer agreement

July 28, 2021

Transfer of shares (plan)

#### 6. Future outlook

The impact of the share acquisition on results for the current fiscal year (year ending March 31, 2022) in the consolidated financial results forecast announced on May 10, 2021 has been factored. We will promptly disclose any matters that should be disclosed.

In addition, we will file an extraordinary report to the director-general of the Kanto Local Finance Bureau pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 3 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.

[For inquiries about this release]

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