



February 12, 2021

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Tokyo Stock Exchange 1st)
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RENOVA Concludes an Option Agreement to Acquire Additional Shares in the Kanda Biomass Power Generation Project

RENOVA, Inc. (hereinafter “RENOVA”) announces that it has entered into an agreement (hereinafter “Option Agreement”) with one of the co-sponsors of Kanda Biomass Energy K.K. (hereinafter “Kanda Biomass”) regarding an option for RENOVA to acquire the shares of Kanda Biomass held by the co-sponsor. Kanda Biomass leads the development of the Kanda Biomass Power Generation Project (Kanda-machi, Miyako-gun, Fukuoka Prefecture; installed capacity of approximately 75 MW; hereinafter “Kanda Biomass Project” or “the Project”) announced in the “Announcement of Financial Close for Kanda Biomass Power Generation Project in Fukuoka Prefecture” dated June 26, 2018. If the Option Agreement is exercised, Kanda Biomass is expected to become a consolidated subsidiary of RENOVA.

1. Purpose of concluding the Option Agreement

With a mission of creating green and sustainable energy systems for a better world, RENOVA operates its power generation business including solar, biomass, wind, and geothermal power, in partnership with local communities. RENOVA signed an Option Agreement with Veolia Japan K.K. (hereinafter “Veolia Japan”), one of the co-sponsors of Kanda Biomass, regarding an option to acquire all shares (10.0%) held by Veolia Japan. The option to acquire the shares is conditional upon the Project achieving COD as well as other conditions. If the option is exercised, RENOVA will hold a 53.7% stake in Kanda Biomass, and Kanda Biomass is expected to become a consolidated subsidiary of RENOVA. RENOVA is fully committed to the Kanda Biomass Project and looks to redouble its efforts with local stakeholders for the betterment of the community through the stable operations of this power generation project. 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. Construction of the Kanda Biomass Project is proceeding according to schedule and the Project is expected to reach COD as originally planned in June 2021.

2. Overview of the counterparty of the Option Agreement (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	Yannick Ratte, Representative Director and President
(4) Business	Comprehensive water business for municipalities and industries Renewable Energy Business Plastic Recycling Business

3. Overview of Kanda Biomass Energy K.K. (as of March 31, 2020)

(1) Title	Kanda Biomass Energy K.K.
(2) Location	8-1, Saiwaimachi, Kanda-machi, Miyako-gun, Fukuoka
(3) Title and name of representative	Masayoshi Oide, Representative Director
(4) Business	Biomass power generation
(5) Sponsors	RENOVA, Inc.: 43.07% Sumitomo Forestry Co., Ltd.: 41.5% Veolia Japan K.K.: 10.0% Kyuden Mirai Energy Co., Inc.: 5.0% Mihara Group K.K.: 0.43%

(Reference) Outline of the Kanda Biomass Project

Power Generation Capacity:	75.0 MW
Annual Electricity Production:	Approx. 500,000 MWh (equivalent to the annual power consumption of approximately 170,000 households)
Power Sales Unit Price:	24 yen per kWh for general wood fuel 32 yen per kWh for domestic wood fuel
Fuels:	Wood pellets, palm kernel shells (PKS) and domestic woodchips
Operation Commencement:	June 2021 (planned)

* The information above is as of the date of this release and may be subject to change in future.

4. Other

The impact of the Option Agreement on the consolidated results for the current fiscal year (year ending March 31, 2021) is minimal. If any material matters arise in the future, they will be disclosed in a timely manner.

[For inquiries about this release]

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