March 1, 2019

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RENOVA Acquires a New Subsidiary (Change in Scope of Consolidation) by Acquiring Equity Interest in a Silent Partnership Business

RENOVA, Inc. (hereinafter "RENOVA") announces that it decided and implemented the acquisition of an additional equity interest, as of today, in the proprietor of the business under Yokkaichi Solar silent partnership contract (hereinafter "Yokkaichi Solar"), an equity-method affiliate operating Yokkaichi Solar Power Plant (Yokkaichi-shi, Mie Prefecture; generation capacity of 21.6 MW) that started operation today. RENOVA's equity ownership in Yokkaichi Solar will increase to 100% with the acquisition, and Yokkaichi Solar will become a consolidated subsidiary of RENOVA.

1. Reason for the acquisition of equity interest

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.

Yokkaichi Solar Power Plant is the 8th large-scale solar power plant developed by Renova in Japan. During its development, an environmental impact assessment was carried out in accordance with the Mie Prefectural Ordinance on Environmental Impact Assessment over 21 months as the first solar power generation project in the prefecture to which said prefectural ordinance applied. Moreover, for the purpose of protecting rare species whose habitats were in the scheduled area for development, the initial design and plan of the development project were significantly altered and approximately 20% of the initially scheduled area for development was allocated for a biotope.

Given the above, RENOVA acquired all of the equity interest held by Fuyo General Lease Co. Ltd. (hereinafter "Fuyo General Lease"), the co-investor, in Yokkaichi Solar under the "Memorandum on the transfer of equity interests, etc. in the silent partnership regarding Yokkaichi Solar GK" concluded between Fuyo General Lease and Renova.

With the consolidation of Yokkaichi Solar, RENOVA aims to expand its earnings base and to grow as a power generation company in cooperation with local communities.

2. Overview of subsidiary subject to share transfer

(1)	Title	Yokkaichi Solar silent partnership business	
(2)	Location	Operator: 6-25 Suwasakae-machi, Yokkaichi-shi, Mie Prefecture Silent partner: 2-2-1 Kyobashi, Chuo-ku, Tokyo, Japan	
(3)	Title and name of operator	Operator: Yokkaichi Solar GK Masakazu Hongo, Executor Silent partner: RENOVA, Inc. Yosuke Kiminami, Founding CEO	
(4)	Business	Solar PV business	
(5)	Total capital contribution	609 million yen (as of March 31, 2018)	
(6)	Date of establishment	August 28, 2017	
(7)	Investment ratios	RENOVA, Inc. 38.0%, Fuyo General Lease Co. Ltd. 62.0%	
(8)	Relationships between the listed company and the silent partnership business	Capital relationship	The Company has invested 231 million yen (38%) in the silent partnership business.
		Personal relationship	There is no personal relationship that is required to be stated between RENOVA and the silent partnership business. In addition, no related parties or affiliates of RENOVA have any significant relationships with any related parties or affiliates of the silent partnership.
		Business relationship	There is no business relationship that is required to be stated between RENOVA and the silent partnership business. Renova Asset Management, Inc., a subsidiary of RENOVA, and Yokkaichi Solar GK, the operator of the silent partnership business, have signed an agreement for operational support and outsourcing.
(9)	Business results and financial position of silent partnership business over the last three years		
	Fiscal Year	FY Ended March 2018	
	Net assets	-0 million yen	
	Total assets	3,332 million yen	
	Net sales	– million yen	
	Operating profit	-0 million yen	
	Ordinary profit	-0 million yen	
	Profit	-0 million yen	

(Note) Said silent partnership business was established on August 28, 2017 and the above figures indicate those for the fiscal year ended March 31, 2018.

3. Outline of party from which equity interest is acquired (as of March 31, 2018)

(1)	Title	Fuyo General Lease Co. Ltd.
(2)	Location	3-3-23 Kanda Misakicho, Chiyoda-ku, Tokyo
(3)	Title and name of representative	Yasunori Tsujita, President & Chief Executive Officer
(4)	Business	Leases and installment sales, financing, other financial operations, real estate lease, consulting services and others
(5)	Capital stock	10,532 million yen
(6)	Date of establishment	May 1, 1969
(7)	Net assets	282,574 million yen
(8)	Total assets	2,430,536 million yen
(9)	Major shareholders and shareholding ratios	Hulic Co., Ltd. 13.96% Meiji Yasuda Life Insurance Company 7.48% Others

(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 Fuyo General Lease Co. Ltd.. In addition, no related parties or affiliates of RENOVA have any significant relationships with any related parties or affiliates of Fuyo General Lease Co. Ltd..
		Personal relationship	There is no personal relationship that is required to be stated between RENOVA and Fuyo General Lease Co. Ltd.. In addition, no related parties or affiliates of RENOVA have any significant relationships with any related parties or affiliates of Fuyo General Lease Co. Ltd..
		Business relationship	The Company and Fuyo General Lease Co. Ltd. jointly established and operate Karumai Higashi Solar silent partnership business
		Status as related party	Fuyo General Lease Co. Ltd. is not considered to be a related party of RENOVA. In addition, no related parties or affiliates of Fuyo General Lease Co. Ltd. are considered to be related parties of RENOVA.

4. Status of equity interests before and after the transfer

(1) Ownership interest before transfer: 38%

(2) Equity interest to be acquired: 62%

(3) Ownership interest after transfer: 100%

Note: the acquisition value is 408 million yen.

5. Schedule

March 1, 2019 Conclusion of an agreement on transfer of equity interest

March 1, 2019 Transfer of equity interest

6. Future outlook

The impact of the acquisition of the equity interest on the financial results for the current fiscal year (fiscal year ending March 31, 2019) is already reflected in the forecast results for that same fiscal period and is insignificant. We will promptly make further announcements if and when it becomes necessary.

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