



Briefing on Financial Results for the 2Q of the Fiscal Year Ending March 2025

November 8, 2024



This document has been prepared to provide corporate information and other details about RENOVA, Inc (“RENOVA,” hereafter) and the RENOVA Group, and does not constitute solicitation to acquire shares or other securities issued by RENOVA, whether in Japan or overseas.

Information listed herein concerning industry and market trends, the economic climate and so on has been prepared based on currently available information. RENOVA does not guarantee the veracity, accuracy, reasonableness or completeness of the information and assumes no obligation to update the particulars of any information.

Moreover, RENOVA Group plans, forecasts, estimates, predictions and other forward-looking information described herein represent only the current determinations or ideas of RENOVA. Actual RENOVA Group operating results, financial status and other outcomes may diverge considerably from the details described herein and the estimates made on that basis due to a variety of factors including trends in energy policy, legislation, schemes, markets and other institutions in Japan and overseas, the status of licenses and permits required for RENOVA Group projects, success or failure in the acquisition and development of land and power generating facilities, etc., along with fluctuations in weather, climate and the natural environment.

As a general rule and unless indicated otherwise, consolidated figures are used for the monetary amounts listed in this document. As amounts less than one million yen are rounded off, totals in each column may not match.

For inquiries about this document:
IR Office, RENOVA, Inc.
Telephone: +81-3-3516-6263
Email: ir@renovainc.com
IR website: https://www.renovainc.com/en/ir

I. Overview of Financial Results for 2Q, the Fiscal Year Ending March 2025（IFRS）

Key Highlights for 2Q, FY3/2025 (IFRS) and Recent Updates

1. Concluded a virtual PPA*1 for Non-FIT Solar PV (max. 36 MW) with domestic consumer in October 2024.

2. The applying capacity of Non-FIT Solar PV business for electricity quantity adjustment service has expanded to total 106MW (as of end of October 2024).

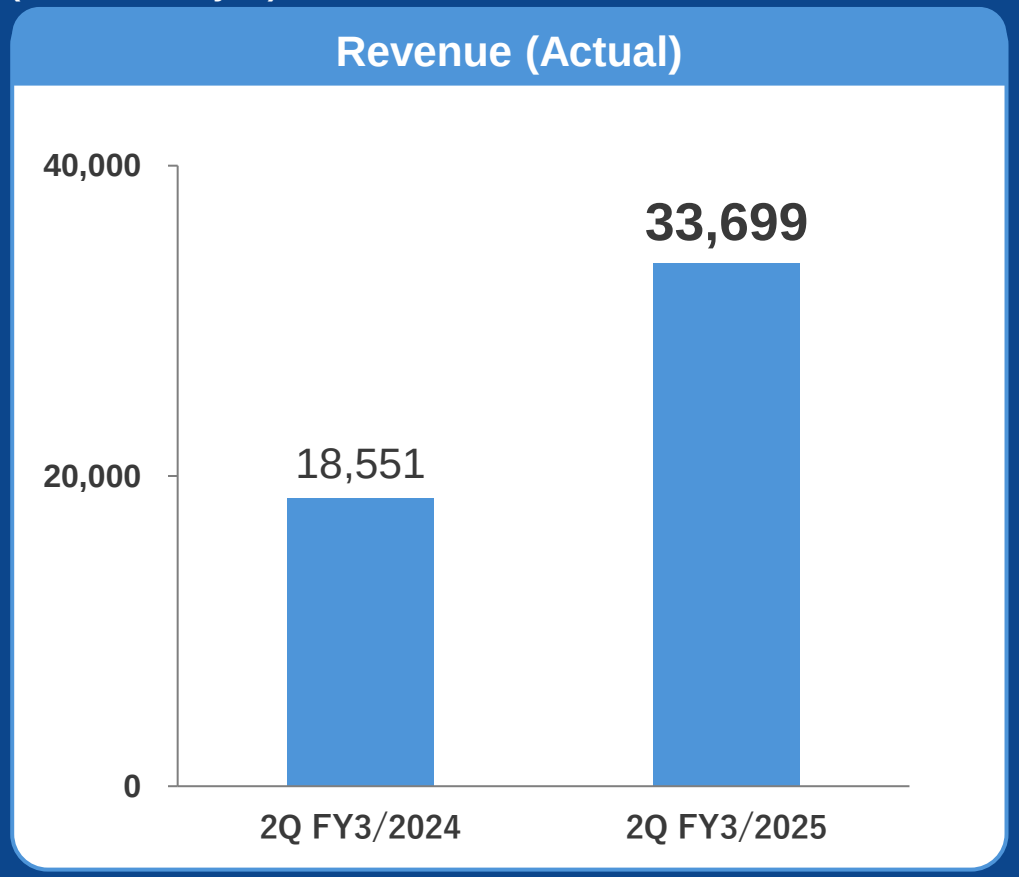
3. Preparations for final investment decision are progressing for Storage Battery projects (total 215MW) awarded in the Long-Term Decarbonization Power Source Auction.

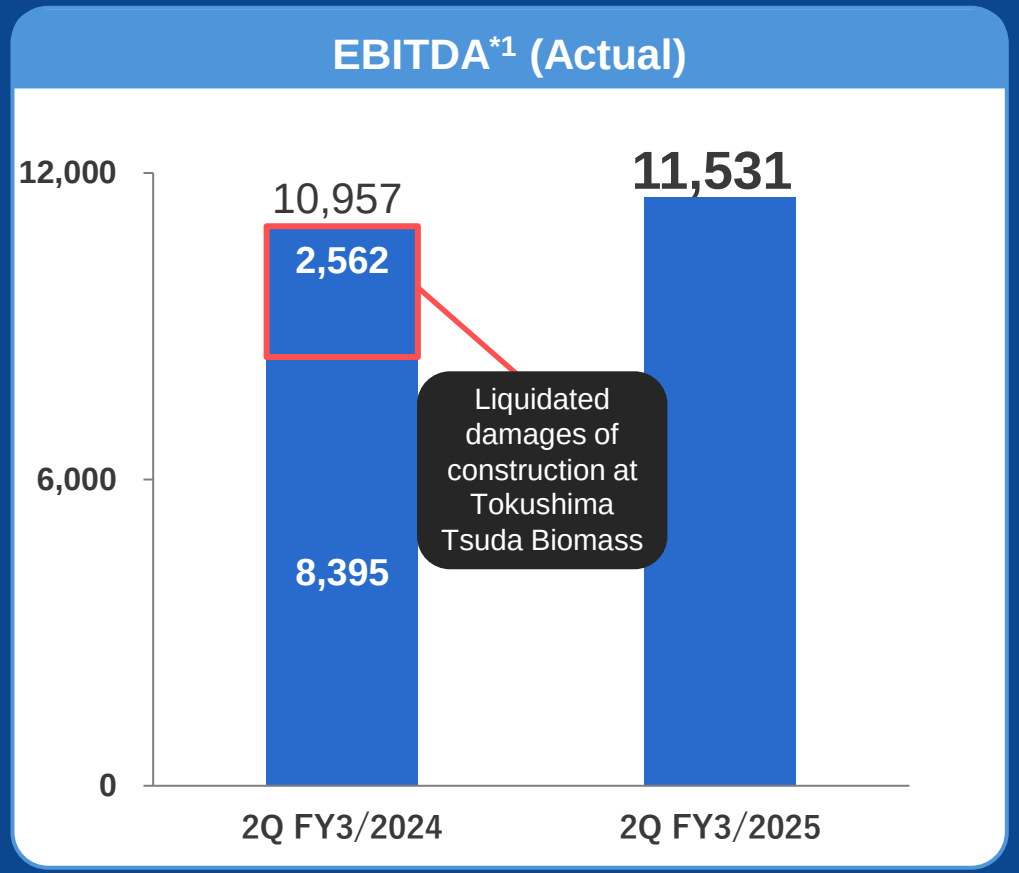
*1 An environmental value sale and purchase agreement under which the environmental value derived from renewable energy power plants will be sold over the long term as Non-FIT Non-Fossil Certificates.

Trend in Revenue and EBITDA*1 (IFRS)

- Revenue increased compared to the first half of the previous year due to stable operation of Sendai Gamo Biomass and Ishinomaki Hibarino Biomass, which reached COD in the second half of last fiscal year.
- EBITDA remained almost flat due to approx. three-month repair work at Tokushima-Tsuda Biomass and liquidated damages of approx. 2.6 billion yen accrued in the first half of the last fiscal year.

(Unit: Million yen)





*1 EBITDA= Revenue - Fuel expenses - Outsourcing expenses - Payroll and related personnel expenses + Share of profit (loss) of investments accounted for using the equity method + Other income and expenses. EBITDA is subject to neither audit nor quarterly review.

- Profits below EBITDA decreased due to depreciation (approx. 1.7 billion yen) and other expenses such as interest payments fully incurred while the limited operational period of approx. three months at Tokushima-Tsuda Biomass, and the liquidated damages (approx. 2.6 billion yen) recorded in the first half of last fiscal year.
- Progress in a profit attributable to the owners of the parent has been almost on track to achieve our original forecast as it is expected to recognize a gain on the step acquisitions and business development fees in the 2nd half of this fiscal year.

(Unit: Million yen)	2Q FY3/2024	2Q FY3/2025	FY3/2025 (Forecast)	Full-year Change
Revenue	18,551	33,689	71,800	46.9%
EBITDA*1	10,957	11,531	20,800	55.4%
EBITDA margin	*59.1%*	*34.2%*	*29.0%*	-
Operating profit	6,233	2,152	1,000	115.2%
Profit attributable to owners of the parent	2,818	-128	5,900	-2.2%
EPS (yen)*2	35.77	-1.43	65.31	-
LTM ROE*3	1.2%	8.1%	7.0%	-
Capacity（MW）*4	594.3	873.6	1,187.2	-

*1 EBITDA= Revenue - Fuel expenses - Outsourcing expenses - Payroll and related personnel expenses + Share of profit (loss) of investments accounted for using the equity method + Other income and expenses.
EBITDA is subject to neither audit nor quarterly review.
*2 The EPS value does not consider adjustment for dilutive shares.
*3 For the purpose of calculating ROE, the profit figure for the last 12-month period is used, and the equity figure used is the simple average of the values at the beginning and the end of the last 12-month period.
*4 The capacity figures represent gross generation capacity.

Progress of Permanent Improvements at Tokushima-Tsuda Biomass

- As planned, permanent improvements are being carried out in conjunction with a regular inspection from late September to late December 2024.

Stable Operation	Start of Regular Maintenance and Repair Work	Resumption of Operation	Permanent Improvements	Resumption of Operation
100%	～25%	～50%	～75% (Present)	100%
From Dec. 2023	Apr. 2024	Jul. 2024	Sep. 2024	Late Dec. 2024
Operation commenced	Conducted a half-year inspection and identified thinning in a part of the reheat pipe of the boiler	Performed temporary recovery after completing the repair work	Conducting permanent improvements in conjunction with an annual regular inspection	Will restart the operation


Removal Operation


Cutting of Reheater Pipe


Welding Work

- Proceeding with alignments to a part of pipping toward start of operation scheduled in March 2025.

Start of Piping Alignment	Restart of Commissioning	Preparation for Performance Guarantee Test	Start of Operation
～25% (Present)	～50%	～75%	100%
Sep. 2024	**Jan. 2025**	**Feb. 2025**	**During Mar. 2025**
Identified defects in turbine piping during load rejection testing as part of commissioning work Conducting alignments to a part of turbine piping	Will start up the boiler, and recommenced commissioning to proceed with the remaining work	Will proceed with commissioning to fulfill the performance guarantee test criteria	Will start the operation


Pipe Installation


Refractory Material Repair Work in Boiler

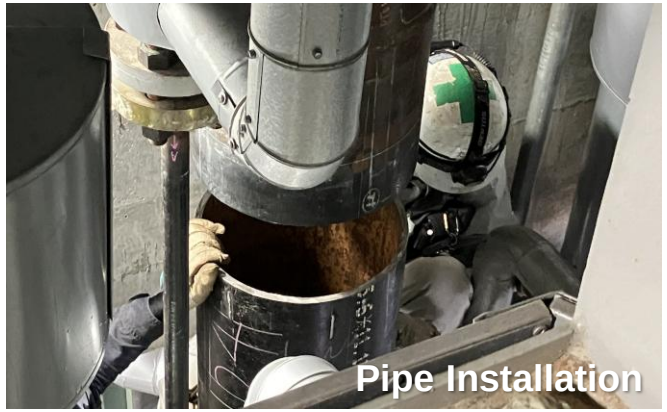

Thickness Measurement of Reheater Pipe

- Proceeding with alignments to a part of pipping toward start of operation scheduled in March 2025.

Preparation for Commissioning	Construction for Pipping Alignment	Load Rejection Test	Start of Operation
～25%	～50%	～75%	100%
Sep. 2024	Oct. 2024	Nov. 2024	During Mar. 2025
Prepared for commissioning work	Identified defects in turbine piping. Proceeding with alignments to a part of pipping	Will start up the boiler and proceed with the commissioning work such as a load rejection test	Will start the operation

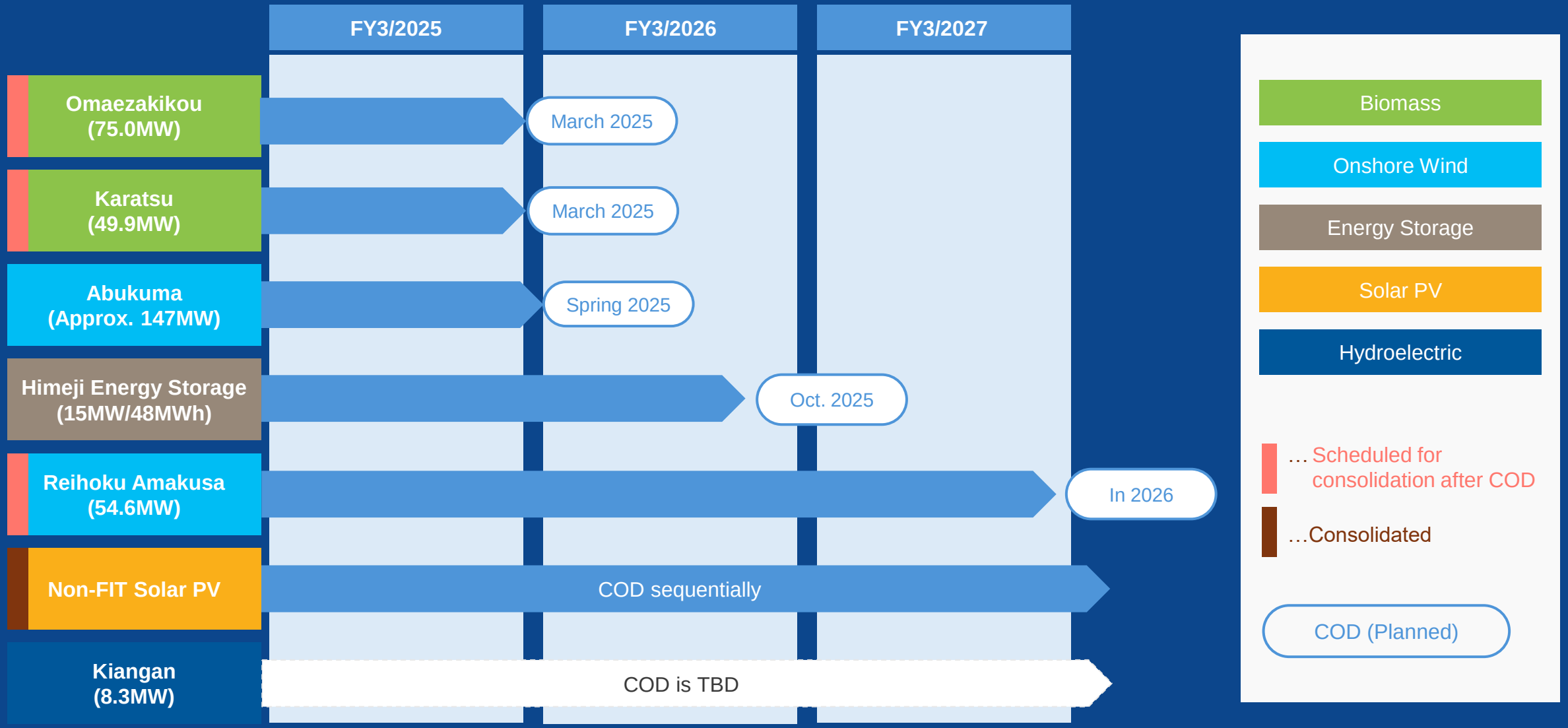
Present


Commissioning: Fuel Injection


Pipe Installation


Turbine Generator

COD Schedule for Projects Under Construction*1*2 (as of November 2024)

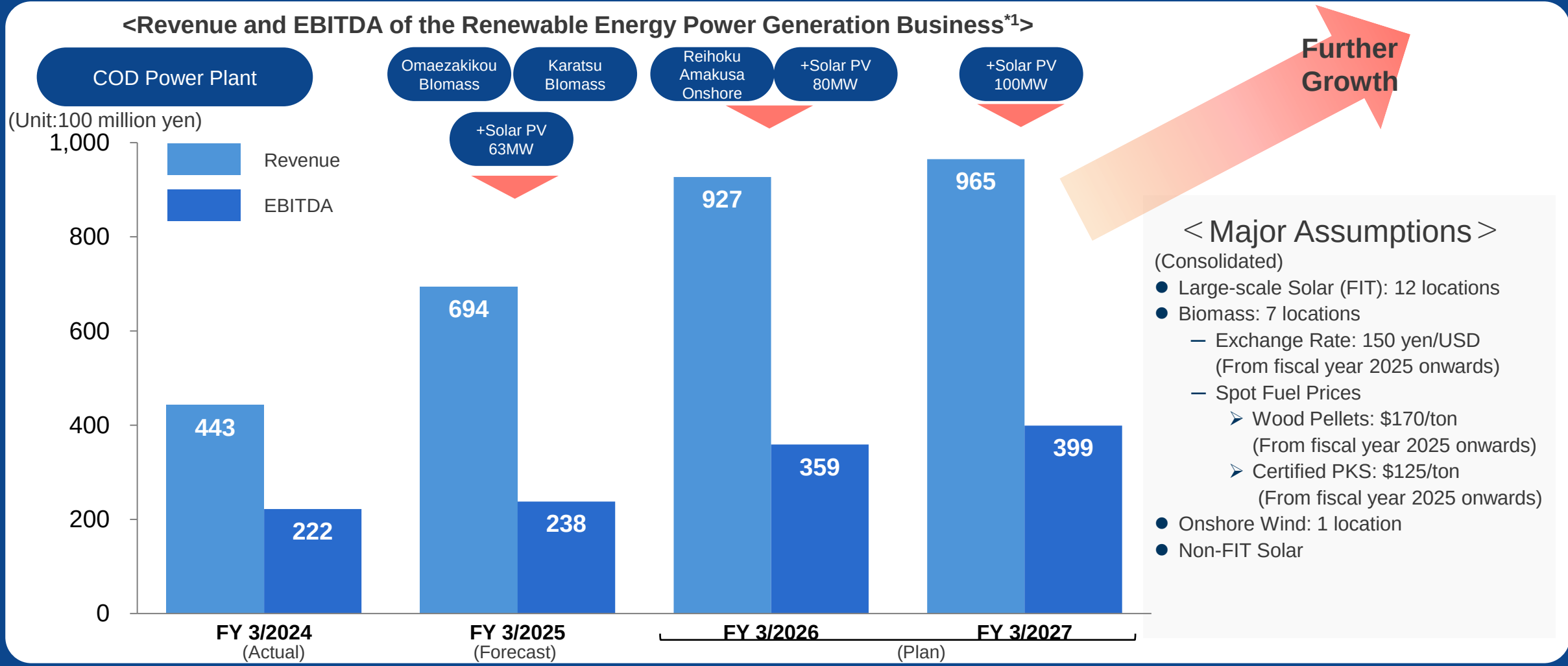


*1 Projects under construction may be altered, delayed or cancelled. Projects for which work has commenced in accordance with the EPC contract are shown as “under construction”.
*2 The COD of Kiangan hydroelectric (8.3MW), which started construction in August 2021, has not been publicly disclosed.

Revenue Outlook for the Power Generation Segment (excluding under development) (as of Nov. 2024)

- Foreseeable growth and establishment of solid revenue base by contributions from biomass and onshore wind projects under construction as well as the expansion of Non-FIT Solar PV projects.
- The following does not include projects under development, and further profit increases are expected upon the realization of these projects.

<Revenue and EBITDA of the Renewable Energy Power Generation Business*1>



＜Major Assumptions＞

(Consolidated)

- Large-scale Solar (FIT): 12 locations
- Biomass: 7 locations
  - Exchange Rate: 150 yen/USD (From fiscal year 2025 onwards)
  - Spot Fuel Prices
    - Wood Pellets: $170/ton (From fiscal year 2025 onwards)
    - Certified PKS: $125/ton (From fiscal year 2025 onwards)
- Onshore Wind: 1 location
- Non-FIT Solar

*1 The scheduled start dates for the operation of ongoing construction projects are current estimates and may be subject to change or delay.

Ⅱ. Global and Japanese Market Environment

- Focusing on three businesses due to market growth potential, Renova's know-how, and development speed.

Market Growth

- Expected to grow globally
- Forecasted to reduce LCOE*1
- Higher demands due to the adoption of renewable energy

<Global Annual Renewable Energy Installations Forecast by Technology (GW/y) 2023-2030>

Solar PV	Onshore Wind	BESS
798GW/y*2	193GW/y	180GW/y

Our Achievements and Know-how

- Proven track record and accumulated expertise in the fields of solar PV, onshore wind, and storage battery
- Leveraging expertise in development, engineering, procurement, and operation for future developments

<Our Installed Capacity by Technology : Development, Construction, and Operation>

Solar PV	Onshore Wind	BESS
407MW*2	346MW	230MW

Development Speed (+Urgent Demand)

- Short development period for solar PV and storage battery
- High PPA demands for solar PV and onshore wind
- Long-Term Decarbonization Auction implemented for storage battery

<Lead Time from Development to FID for Each Technology>*3

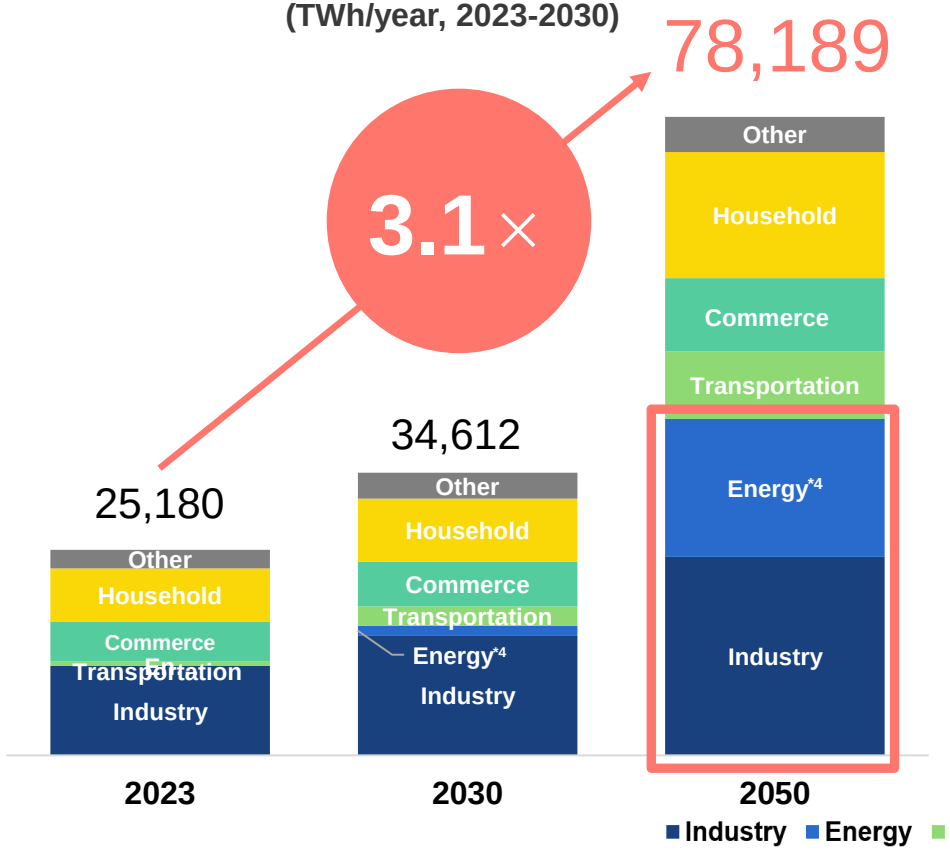
Solar PV	Min. 2 years Max. 4 years
BESS	Min. 2 years Max. 4 years

*1 Levelized Cost Of Electricity *2 Solar PV: Total of FIT and non-FIT as of the end of Sep. *3 The development periods presented are an approximate guideline

- In BloombergNEF's Net Zero Scenario, it is projected that the dramatic increase in electricity demand is driven by the electrification of industry and transportation, as well as the establishment of new data centers to support the growing demand for AI.
- Central Research Institute of Electric Power Industry projected the electricity demand, including self-consumption, to be between 937 and 1,265 TWh for the fiscal year 2050. *1

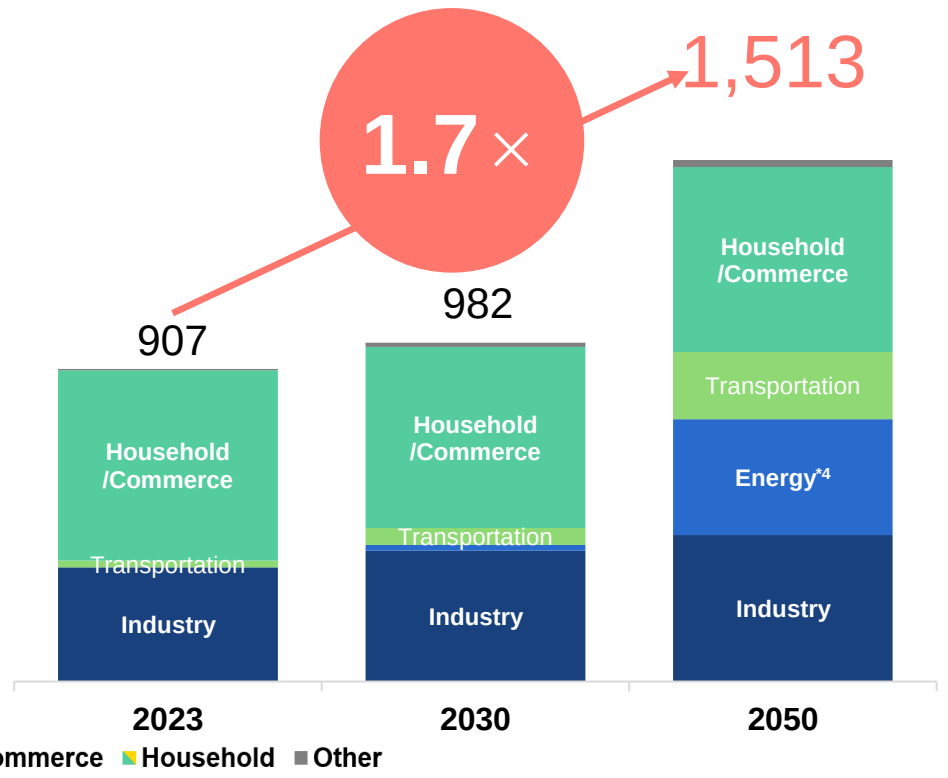
Global Electricity Demand Forecast*2

(TWh/year, 2023-2030)



Japan Electricity Demand Forecast*3

(TWh/year, 2023-2030)



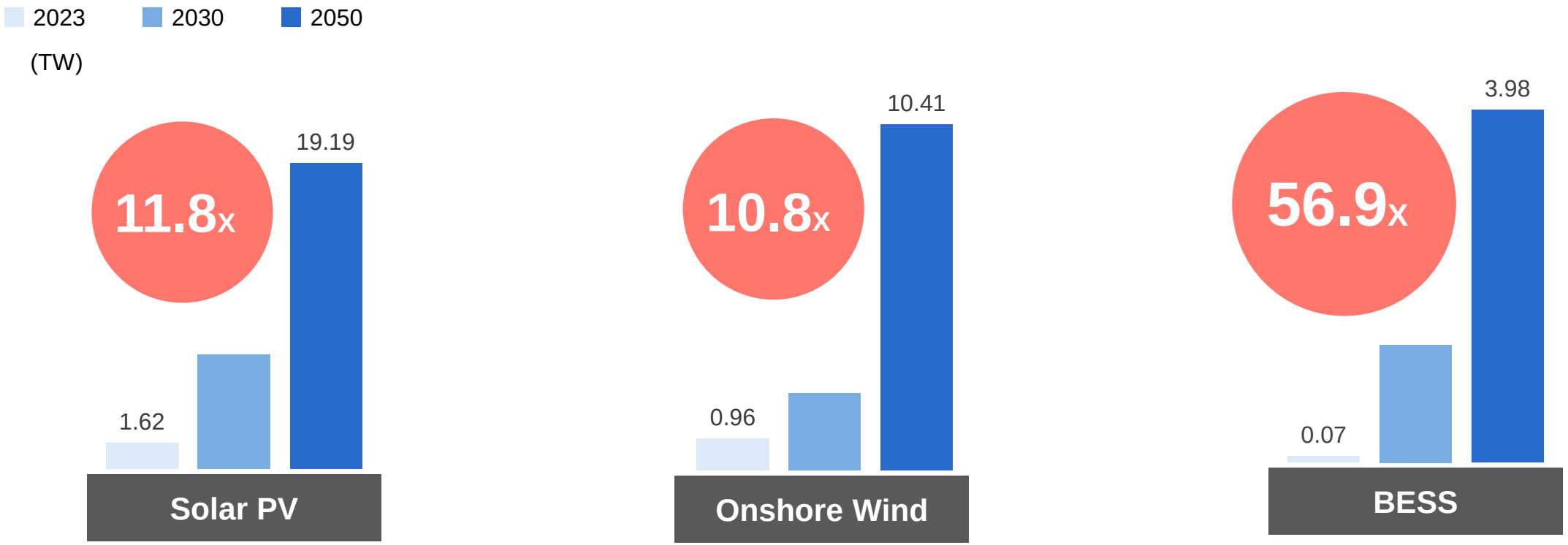
Industry Energy Transportation Commerce Household Other

*1 Source: Organization for Cross-regional Coordination of Transmission Operators (OCCTO) "Study Group on Future Electricity Supply and Demand Scenarios Fourth Study Group" Central Research Institute of Electric Power Industry "Material 2-1 Nationwide Long-Term Electricity Demand Projections Until FY2050"

*2 Source: BNEF NEO2024 (NZS) *3 Source: BNEF NEO2024 Japan *4 Self-consumption in fuel production and the energy industry, and electricity consumption for green hydrogen production

- Driven by strong demand, large-scale deployment of solar PV, onshore wind power, and storage battery is expected by 2050.

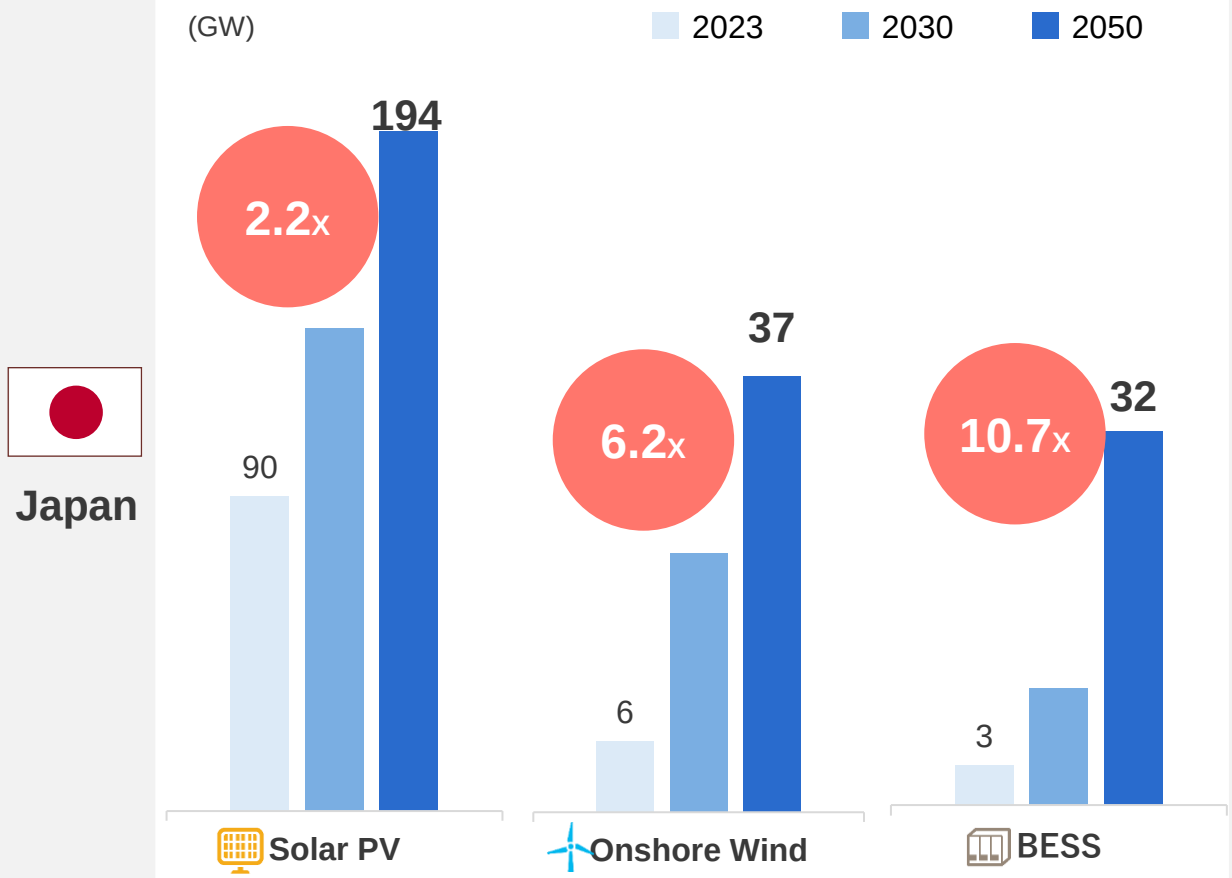
< Global Electricity Installed Capacity Forecast by Technology Until 2050 >*1



*1 Graphs created using based on Bloomberg NEF New Energy Outlook (NZS), Energy Storage Outlook

- In Japan, the expansion of solar PV, onshore wind, and storage battery, as well as a reduction in the levelized cost of electricity (LCOE) for each technology, are expected.

Installed Capacity Forecast*1



LCOE Forecast by Power Source*2

($/MWh)	2023	2030	2050	Reduction Rate
Solar PV	65.2	46.6	34.5	▲47%
Onshore Wind	98.1	60.2	42.4	▲57%
BESS	150.7	80.4	60.2	▲60%

*1 Created based on Bloomberg NEFのNew Energy Outlook (NZS) *2 Created based on Bloomberg NEF 2H 2023 LCOE Data

- With companies speeding up their decarbonization initiatives, the demand for renewable energy is rising, leading to PPA market growth.
- Over the past 2-3 years, the annual domestic solar PV installation has been 3-4 GW[*1], and the supply has not met the high demand, resulting in a significant supply-demand gap.

Renewable Energy Procurement Volume for RE100 (as of 2030)

Number of Companies[*2]

88

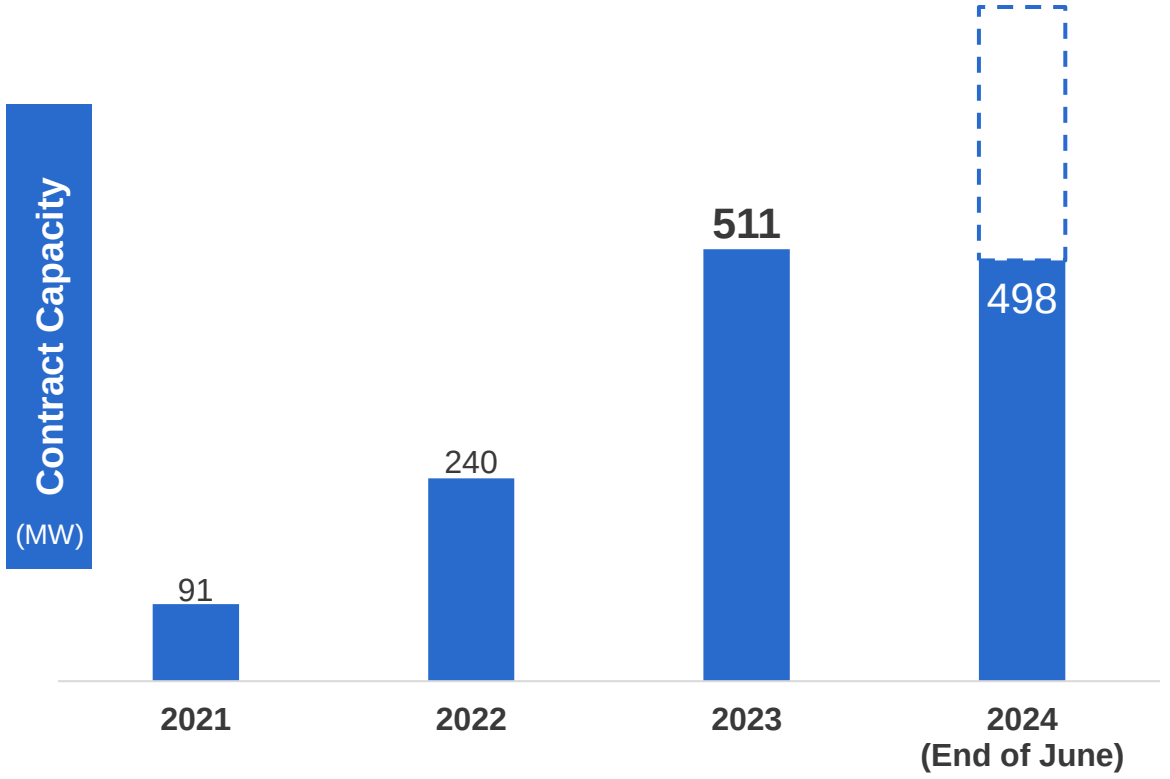
Procurement Volume[*3]

Approx. 43TWh

Solar PV conversion

Approx. 36GW

Trends in Corporate PPA[*4]



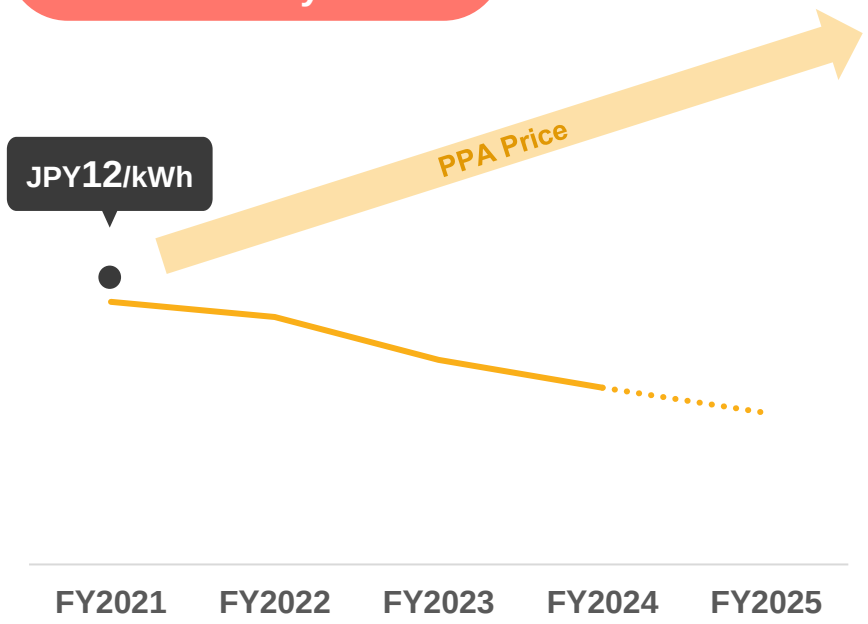
*1 Source: Council documents of Ministry of Economy, Trade and Industry
*2 as of Sep. 2024 *3 The total required procurement quantity of 87 companies as seen in the Bloomberg NEF RE100 Data Viewer.
*4 Created based on 2H 2024 Japan Market Outlook from Bloomberg NEF

- A significant supply-demand gap is causing a substantial increase in tariffs over a short period.

Trends in Bid Prices and PPA Prices (Electricity Price)*1

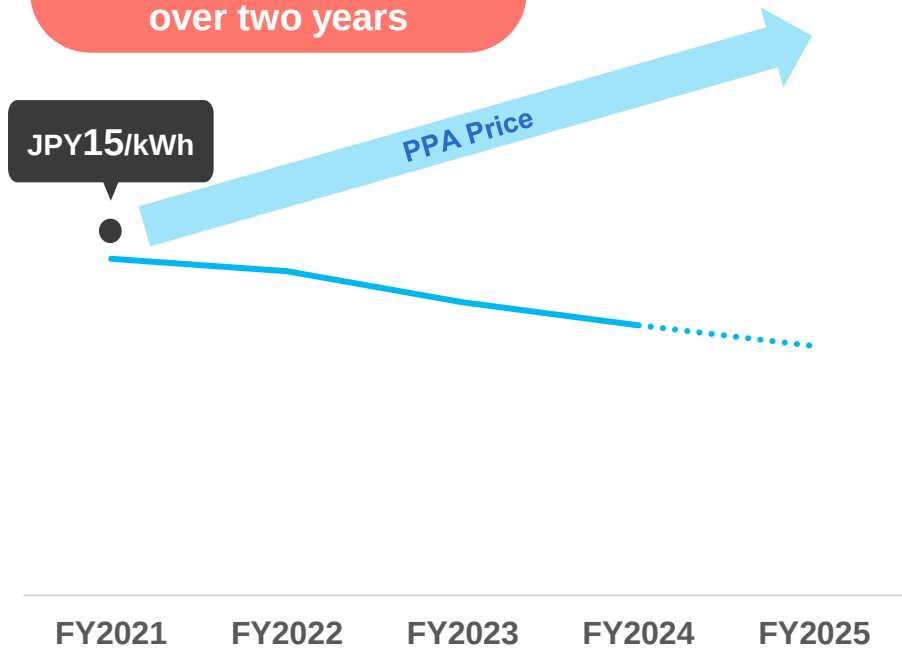
Solar PV

Increase by 20-30% over two years



Onshore Wind

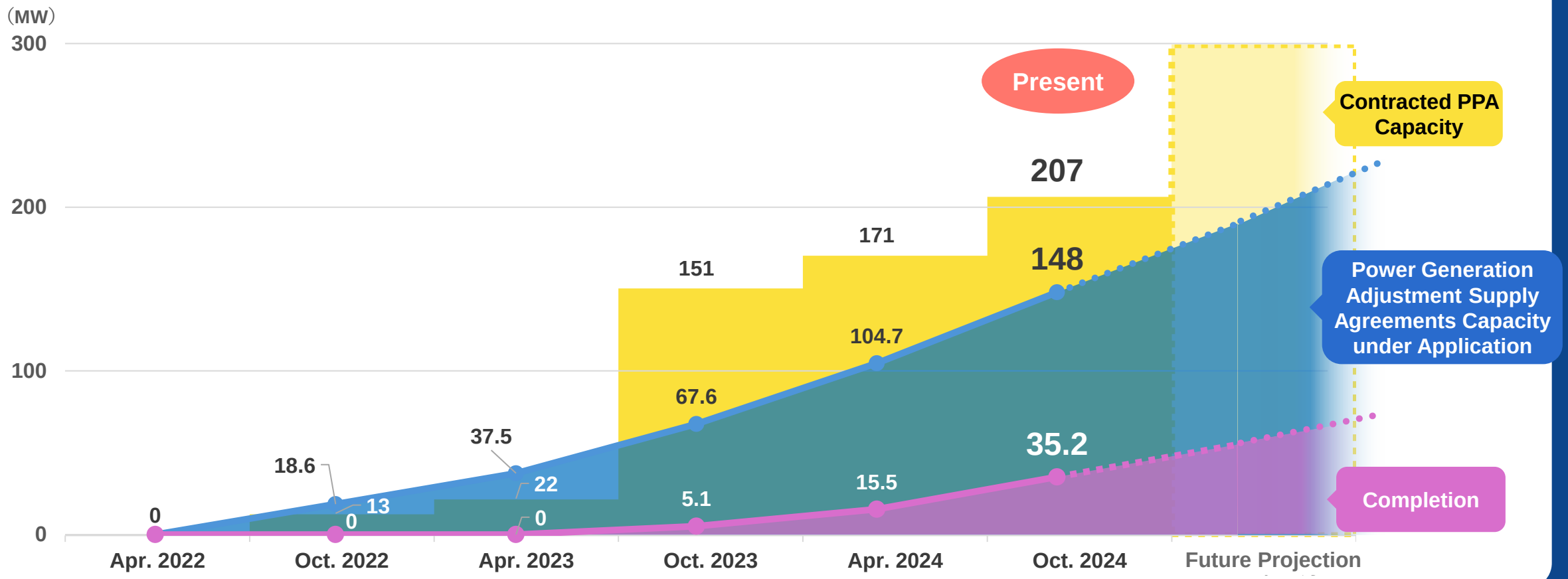
Increase by 30-50% over two years



*1 FIT/FIP Price are calculated using the weighted average price for each year. PPA price and bid price for FY2024/2025 are for illustrative purposes.

- The non-FIT solar PV business, which was started in April 2022, has been on a track of growth trajectory.
- Total capacity of Power Generation Adjustment Supply Agreements[*1] under application, excluding completed and incomplete projects under construction, is approximately 106MW (as of the end of October 2024).

Trends in Corporate PPA, applies for Power Generation Adjustment Supply Agreements and Construction Completion (DC-based)

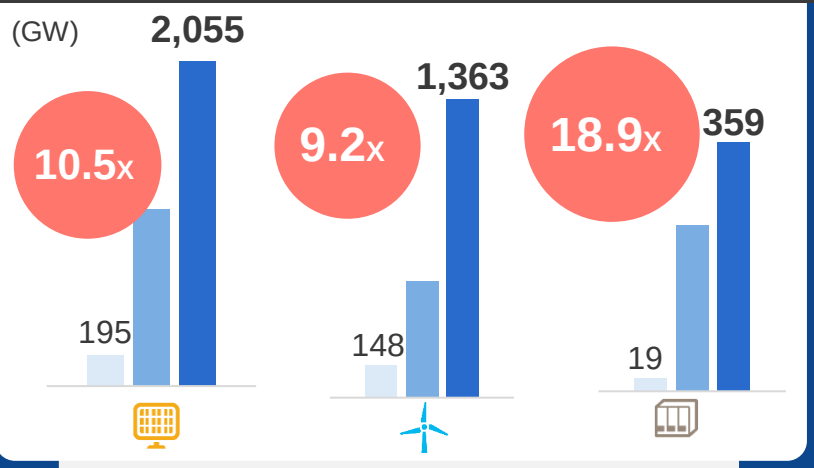


*1 A contract in which the power generator supplies electricity according to the generation plan. Additionally, an application for grid interconnection is submitted along with this contract application.

- In our three target countries, the expansion of solar PV, onshore wind, and storage battery, as well as a reduction in the levelized cost of electricity (LCOE) for each technology, are expected.

The United States

Installed Capacity Forecast of Solar PV, Onshore Wind, and BESS*1

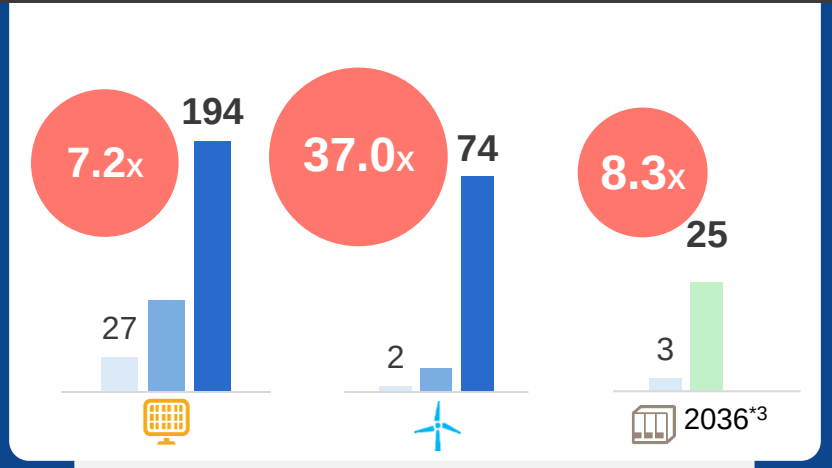


LCOE Forecast by Power Source*2

($/MWh)	2023	2030	2050	Reduction Rate
Solar PV	58.9	37.6	18.4	▲69%
Onshore Wind	48.2	37.6	27.3	▲43%
BESS	144.4	79.0	60.0	▲58%

Korea

Installed Capacity Forecast of Solar PV, Onshore Wind, and BESS*1

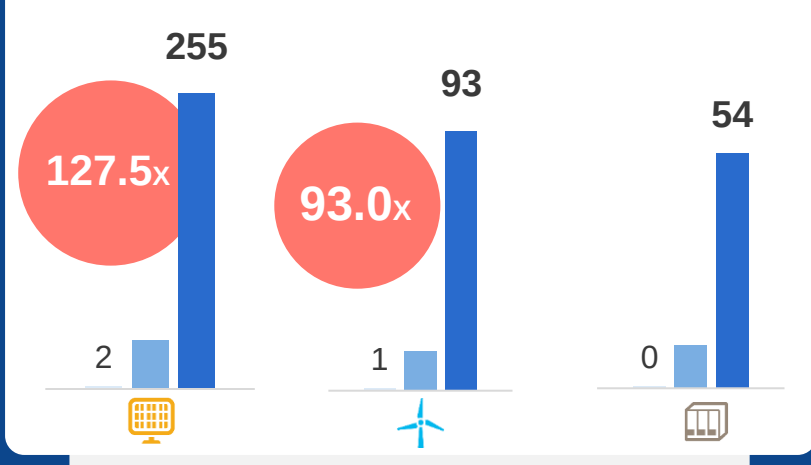


LCOE Forecast by Power Source*2

($/MWh)	2023	2030	2050	Reduction Rate
Solar PV	104.1	58.0	40.7	▲61%
Onshore Wind	110.0	61.4	41.9	▲62%

The Philippines

Installed Capacity Forecast of Solar PV, Onshore Wind, and BESS*1



LCOE Forecast by Power Source*2

($/MWh)	2023	2030	2050	Reduction Rate
Solar PV	80.1	38.8	22.8	▲72%
Onshore Wind	104.4	61.1	38.0	▲64%

*1 Created based on Bloomberg NEFのNew Energy Outlook (NZS) *2 Created based on Bloomberg NEF 2H 2023 LCOE Data *3 BESS in Korea: listed the government goal, 24.5W in 2036

Ⅲ. Progress in Domestic and Overseas Business Development

Development Progress of Major Onshore Wind Projects in Japan

- Advancing the development process for three onshore wind projects (total: 310MW), aiming to reach the commencement of construction.
- Except for the projects listed below, wind condition surveys are being conducted in several other locations.

Area	Project Name	Capacity*1 (MW)	Construction Starts*2 (Year)	COD*2 (Year)	Status					
					Wind Observation	Land	Environmental Impact Assessment	Grid	Permit	Offtake
Hokkaido	Not Disclosed	80	2028	2031	Over a year	In progress	"Consideration document" completed	In progress	In preparation	–
Akita	Yurihonjo Iwaki	80	2029	2032	Over a year	In progress	"Consideration document" completed	Secured	In preparation	In progress
Aomori	Higashi-dori	150	2029	2034	Over a year	In progress	"Consideration document" completed	In progress	In preparation	–
Total		310								

*1 Figures are as currently planned and may be subject to change
*2 The schedules are based on figures which entered on the "Document on Primary Environmental Impact Consideration" for each project, so that they may be altered, delayed or cancelled.

Development Progress of Major Storage Battery Projects in Japan

- For three storage battery projects (total: 215MW), engaged in discussions with stakeholders including storage battery supplier, EPC and financial institutions to reach the final investment decision (FID) by the end of this fiscal year.
- Developments are underway in number of locations, various other business models such as offtake agreements*3 are being considered to further expand storage battery business.

Area	Project Name	Capacity*1（MW）	Expected FID*2 (Year)	Expected Construction Starts*2 (Year)	COD*2 (Year)
Hokkaido	Tomakomai	90	2025 (this FY)	2026	2028
Hokkaido	Shiraoicho	50	2025 (this FY)	2026	2028
Shizuoka	Morimachi Mutsumi	75	2025 (this FY)	2026	2028
Total		215			

*1 The value for the capacity with which the bid was successful and which is shown in the contract results published by the Organization for Cross-regional Coordination of Transmission Operators, Japan (OCCTO) (April 26, 2024) was obtained by multiplying the adjustment factor for the area/type of power supply by the installed capacity with which the bid was made. Accordingly, the value differs from the installed capacity stated herein, but this system is planned to be applied to the total installed capacity with which the bid was made.
*2 Projects under development may be altered, delayed or cancelled considering opinions based on the development status and progress.
*3 An offtake agreement is a contract between a producer (supplier) and a buyer (offtaker) for the purchase or sale of all or part of future production. In the storage battery projects, it is an offtake agreement regarding operational rights.

Development Progress of Major Projects in Korea[*1]

- Four projects (total: 585MW) are under development.
- Projects of approx. 250MW are under evaluation besides the four listed projects below.

Technology	Area	Capacity[*1] (MW)	Construction Starts[*2] (Year)	COD[*2] (Year)	Status						
					Wind Observation	Land/ Sea Area	Business Permit[*4]	Environmental Impact Assessment	Grid	Development Permit	Offtake
Onshore Wind (Share:c. 48%)[*3]	Gangwon-do	68	2024	2027	Over a year	Completed	Completed	Completed	Secured	Completed	Secured
Onshore Wind	Gyeongsangbuk-do	70	2029	2031	Within a year	In progress	In progress	–	–	–	–
Onshore Wind	Chungcheongnam-do	40	2029	2030	Within a year	In progress	–	–	–	–	–
Offshore Wind (Share:c. 20%)[*3]	Jeollanam-do	407	2032	2035	Within a year	In progress	Completed	In progress	–	–	–
Total		585									

*1 Figures are as currently planned and may be subject to change
*2 The schedules are based on figures which entered on the “Document on Primary Environmental Impact Consideration” for each project, so that they may be altered, delayed or cancelled
*3 Minority investment led by another company *4 Electricity Business License (EBL)

Development Progress of Major Projects in the Philippines[*1]

- Three projects (total: 210MW) are under development.
- Projects of approx. 350MW are under evaluation besides the three listed projects below.

Technology	Area	Capacity[*1] (MW)	Construction Starts[*2] (Year)	COD[*2] (Year)	Status					
					Wind Observation	Land	Business Permit[*3]	Environmental Impact Assessment	Grid	Offtake
Onshore Wind	Batangas	50	2026	2028	Over a year	In progress	Completed	In preparation	In progress	—
Solar PV	Negros Occidental	90	2025	2026	—	Completed	Completed	In preparation	In progress	—
Solar PV	Negros Occidental	70	2025	2026	—	Completed	Completed	In preparation	In progress	—
Total		210								

*1 Figures are as currently planned and may be subject to change
*2 The schedules are based on figures which entered on the “Document on Primary Environmental Impact Consideration” for each project, so that they may be altered, delayed or cancelled.
*3 Service Agreement with the Ministry of Energy

- RENOVA has the right to participate in pipeline projects total 1GW (up to 49% equity stake) under the contract agreement with Pathway Power. Currently discussions for the joint development are underway including procurement strategy for essential equipment.
  - To acquire development expertise of storage battery business in the U.S., two of our employees are scheduled to be dispatched in early 2025 (planning).
- Furthermore, engaged in detailed negotiations with several potential partners about multiple projects of solar PV hybrid and storage battery.

Development site (Image)



Development Pipelines of Pathway Power (Projects for Our Participation)

RTO/ISO	Toal Capacity	Technology
CAISO	Approx. 300MW	BESS
ERCOT	Approx. 1,000MW	BESS
MISO	Approx. 2,500MW	BESS, PV Hybrid
SPP	Approx. 500MW	BESS, PV Hybrid
Total	**Approx. 4,300MW**	

Development Project of Pathway Power Under Consideration for Our Participation

Technology	Area	Capacity*1 (MW)
BESS	Midwest	Approx. 100-200

*1 Projects under development may be altered, delayed or cancelled considering opinions based on the development status and progress.

- Post the alliance in April 2024, engaged in the co-development in the following four key areas:

Onshore Wind Business

- Ongoing discussions towards finalizing a PPA regarding Reihoku Amakusa 54.6MW Onshore Wind Project currently under construction.
- Ongoing discussions towards the co-development of another Onshore Wind Project under development.

Biomass Business

- Development of a collaborative framework enabling the sharing of our respective operational know-how and fire & disaster countermeasures.
- Development of a supply framework that will facilitate the sharing of fuel supply under emergency situations.

Grid-Scale Storage Battery Business

- Discussing PPA arrangements regarding a new 30MW Storage Battery Project under development.

Solar PV Physical PPA

- Working towards finalizing a new 100MW PPA.
- 13MW PPA signed in August 2023 (before the alliance) is fully in effect, off-taking the full generated capacity.

Our Mission

To create green and sustainable energy systems

for a better world

Our Vision

To become Asia’s renewable energy leader

Creating our future with renewable energy.

RENOVA