

P R E S S   R E L E A S E



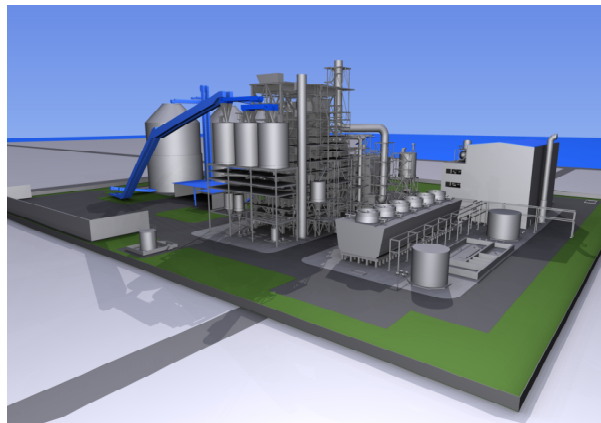
June 26, 2018  
RENOVA, Inc.

## **Announcement of Financial Close for Kanda Biomass Power Generation Project in Fukuoka Prefecture**

**-- With capacity of approx. 75 MW, one of Japan's largest projects  
among those using wood biomass fuels only --**

RENOVA, Inc. (hereinafter "RENOVA") announces the financial close for the Kanda Biomass Power Generation Project (at Kanda-machi, Miyako-gun, Fukuoka Prefecture) on June 22. RENOVA and its co-sponsors, namely Sumitomo Forestry Co., Ltd. (hereinafter "Sumitomo Forestry"), Veolia Japan K.K. (hereinafter "Veolia"), Kyuden Mirai Energy Co., Inc. (hereinafter "Kyuden Mirai Energy") and Mihara Group K.K. (hereinafter "Mihara Group") have jointly been preparing for this project, with operations scheduled to begin in June 2021.

This project aims to generate electric power solely from wood biomass energy sources and other fuels with an approximate capacity of 75 MW, as such it has one of the largest capacities among projects of its kind in Japan. RENOVA is also moving forward with biomass power generation projects with comparable capacities in other regions.



Rendering of Kanda Biomass Power Generation Plant

The financial close led to the formation of a project finance syndicate. Mitsui Sumitomo Banking Corporation acts as lead manager and two local businesses, namely the Bank of Fukuoka, Ltd. and Fukuoka-Hibiki Shinkin Bank, as well as the Bank of Saga Ltd., the Daishi Bank, Ltd. and the Chugoku Bank, Ltd., the Dai-ichi Life Insurance Co., Ltd., Daido Life Insurance Company, Nippon Life Insurance Company and Meiji Yasuda Life Insurance Company have joined the syndicate. As mezzanine lenders, JA Mitsui Leasing, Ltd. and Sumitomo Mitsui Finance and Leasing Co., Ltd. provide subordinated loans.

In this project, RENOVA is the lead sponsor and will be responsible for developing the project. The Sumitomo Forestry Group will supply domestic unused material and palm kernel shells (PKS). The Veolia Group will operate the power plant. RENOVA, Sumitomo Forestry, Veolia, Kyuden Mirai Energy and Mihara Group has invested in Kanda Biomass Energy K.K. It will serve as operator and will work towards a start of operations in 2021, thereby contributing to the development of the local economy.

#### <Outline of the Kanda Biomass Power Plant Project>

- Power Plant: Kanda Biomass Power Plant
- Operator: Kanda Biomass Energy K.K.
- Location: 13-5 Torigoecho, Kanda-machi, Miyako-gun, Fukuoka Prefecture
- Sponsors: RENOVA, Inc. (43.1%), Sumitomo Forestry Co., Ltd. (41.5%),  
Veolia Japan K.K. (10%), Kyuden Mirai Energy Co., Inc. (5%), and  
Mihara Group K.K. (0.4%)
- Capacity: Approx. 75 MW
- Annual Electricity Production: Approx. 500 million kWh  
(equivalent to 168,000 households)
- Power Sales Unit Price: 24 yen per kWh  
(32 yen per kWh applicable to part of the power sales)
- Fuels: Wood pellets, palm kernel shells (PKS) and domestic unused material
- Construction Commencement: November 2018 (planned)
- Operation Commencement: June 2021 (planned)

\* The outline of the project represents the plan at the time of the announcement and may be subject to change.

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