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Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (International Financial Reporting Standards (IFRS)) (Non-audited)

May 10, 2021

Company name:	RENOVA, Inc.	Stock exchange listing:	Tokyo
Securities code:	9519	URL:	https://www.renovainc.com/
Representative:	Yosuke Kiminami, Founding CEO		
Contact:	Kazushi Yamaguchi, CFO		Tel. +81-3-3516-6263
Scheduled date of annual shareholders meeting:	June 18, 2021		
Scheduled date of commencement of dividend payment:	—		
Scheduled date of annual securities report filing:	June 18, 2021		
Supplementary documents for financial results:	Yes		
Financial results briefing:	Yes (for institutional investors and analysts)		

(Amounts of less than one million yen are rounded)

1. Consolidated financial results for the fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(1) Consolidated results of operations (Percentages show year-on-year changes)

	Revenue		EBITDA(*)		Operating profit		Profit before income taxes		Profit for the period attributable to owners of the Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY ended Mar. 2021	20,553	7.2	10,620	(0.5)	4,606	(21.7)	12,908	96.1	11,507	225.4
FY ended Mar. 2020	19,167	—	10,677	—	5,884	—	6,582	—	3,536	—

(Note) Total comprehensive income for the period: FY ended March 2021: 2,842 million yen, (67.9%) FY ended March 2020: 8,853 million yen, —%

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the Parent	ROA (Profit before tax/ Total assets)	Operating profit margin (Operating profit/ Revenue)
	Yen	Yen	%	%	%
FY ended Mar. 2021	149.67	145.69	81.7	6.6	22.4
FY ended Mar. 2020	46.75	44.98	39.8	4.2	30.7

(Note)

Share of profit (loss) of investments accounted for using the equity method: FY ended March 2021: (293) million yen, FY ended March 2020: (236) million yen

* 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 - Other expenses

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Parent	Ratio of equity attributable to owners of the Parent to Total assets	Equity attributable to owners of the Parent per share
	Million yen	Million yen	Million yen	%	Yen
FY ended Mar. 2021	220,546	24,864	15,252	6.9	196.27
FY ended Mar. 2020	171,686	16,909	12,918	7.5	169.04

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY ended Mar. 2021	12,469	(13,483)	9,778	19,406
FY ended Mar. 2020	4,882	(21,416)	14,772	10,625

2. Dividends

	Dividends per share					Total dividends	Payout ratio (consolidated)	Dividends ratio to equity attributable to owners of the Parent (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 2020	—	0.00	—	0.00	0.00	—	—	—
ended Mar. 2021	—	0.00	—	0.00	0.00	—	—	—
ending March 2022 (forecast)	—	0.00	—	0.00	0.00	—	—	—

3. Consolidated forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(Percentages show year-on-year changes)

	Revenue		EBITDA		Operating profit		Profit for the period attributable to owners of the Parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full fiscal year	30,000	46.0	12,600	18.6	4,700	2.1	5,100	(55.7)	65.31

* Notes

- (1) Changes in the state of material subsidiaries during the period (changes in the state of specific subsidiaries with changes in scope of consolidation): Yes
- | | |
|--------------|---|
| Newly added: | RENOVA Renewables Vietnam 1 Pte. Ltd. |
| | RENOVA Renewables Philippines 1 Pte. Ltd. |
| Excluded: | None |
- (2) Changes in accounting policies, changes in accounting estimates, and restatements
- | | |
|--|------|
| (i) Changes in accounting policies required by IFRS: | Yes |
| (ii) Changes in accounting policies other than (i): | None |
| (iii) Changes in accounting estimates: | None |
- (3) Number of issued shares (common shares):
- | | |
|--|--|
| (i) Number of issued shares at end of period (including treasury shares) | |
| As of Mar. 31, 2021: 78,090,400 shares | As of Mar. 31, 2020: 76,807,600 shares |
| (ii) Number of treasury shares at end of period | |
| As of Mar. 31, 2021: 381,500 shares | As of Mar. 31, 2020: 387,700 shares |
| (iii) Average number of shares outstanding during the period | |
| FY ended Mar. 31, 2021: 76,879,562 shares | |
| FY ended Mar. 31, 2020: 75,640,817 shares | |

* This report is not subject to audits by independent auditors.

* Explanations and other special notes concerning the appropriate use of forecasts

(First adoption of IFRS)

Renova has adopted IFRS from the fiscal year ended March 31, 2021 retrospectively and prepared the consolidated financial statements and notes in accordance with IFRS.

(Cautionary statement with respect to forward-looking statements and other information)

The forward-looking statements discussed in this material, including financial forecasts, are based on the information currently available to RENOVA and certain assumptions that are judged to be rational at the current time. These statements do not constitute a promise by RENOVA to achieve such results. Please note that the actual results may differ significantly from forecast figures. RENOVA plans to hold a briefing session for institutional investors and analysts on May 11, 2021. The materials for the briefing session to be used on the day will be published on RENOVA's website.

Consolidated financial statements and key notes

(1) Consolidated statements of financial position (Non-audited)

(Million yen)

	As of April 1, 2019 (the Date of Transition to IFRS)	As of March 31, 2020	As of March 31, 2021
Assets			
Current assets			
Cash and cash equivalents	12,387	10,625	19,406
Restricted bank deposits	22,650	16,727	20,950
Trade and other receivables	2,474	10,633	4,928
Inventories	136	83	40
Other financial assets	2,054	2,730	240
Other current assets	122	124	1,135
Total current assets	39,823	40,921	46,699
Non-current assets			
Property, plant and equipment	77,504	92,619	104,148
Right-of-use assets	9,687	9,733	9,108
Goodwill	237	237	237
Intangible assets	4,713	4,944	19,730
Investments accounted for using the equity method	2,150	11,133	14,527
Deferred tax assets	3,350	3,781	3,523
Other financial assets	4,228	6,906	17,840
Other non-current assets	1,409	1,413	4,733
Total non-current assets	103,279	130,764	173,847
Total assets	143,102	171,686	220,546

(Million yen)

	As of April 1, 2019 (the Date of Transition to IFRS)	As of March 31, 2020	As of March 31, 2021
Liabilities			
Current liabilities			
Trade and other payables	1,679	3,467	2,580
Borrowings	4,453	9,556	7,954
Lease liabilities	719	863	864
Other financial liabilities	2,394	2,437	1,066
Income tax payables	588	2,280	510
Other current liabilities	276	321	401
Total current liabilities	10,108	18,924	13,375
Non-current liabilities			
Bonds and borrowings	101,139	106,806	142,506
Lease liabilities	9,706	9,739	9,081
Other financial liabilities	9,216	8,592	9,625
Provisions	3,356	7,446	7,462
Deferred tax liabilities	837	359	6,587
Other non-current liabilities	409	2,912	7,045
Total non-current liabilities	124,664	135,853	182,306
Total liabilities	134,773	154,777	195,682
Equity			
Share capital	2,080	2,175	2,269
Share premium	1,354	1,398	1,479
Retained earnings	5,681	9,217	20,722
Treasury shares	(504)	(496)	(489)
Other components of equity	(3,774)	624	(8,729)
Equity attributable to owners of the Parent	4,837	12,918	15,252
Non-controlling interests	3,493	3,991	9,612
Total equity	8,329	16,909	24,864
Total liabilities and equity	143,102	171,686	220,546

(2) Consolidated statements of income and comprehensive Income
 Consolidated statements of income (Non-audited)

(Million yen)

	FY ended March 31, 2020	FY ended March 31, 2021
Revenue	19,167	20,553
Other income	70	202
Fuel expenses	(1,936)	(2,140)
Outsourcing expenses	(1,065)	(1,670)
Payroll and related personnel expenses	(2,347)	(2,963)
Share of loss of investments accounted for using the equity method	(236)	(293)
Other expenses	(2,977)	(3,070)
Depreciation and amortization	(4,794)	(6,015)
Operating profit	5,884	4,605
Gain on remeasurement to fair value of pre-existing interest in business combination	—	7,530
Gain on remeasurement to fair value of option	2,563	3,147
Finance income	47	67
Finance costs	(1,911)	(2,440)
Profit before income taxes	6,582	12,908
Income tax expense	(2,156)	(824)
Profit for the period	4,427	12,084
Profit for the period attributable to:		
Owners of the Parent	3,536	11,507
Non-controlling interests	890	577
Earnings per share		
Basic earnings per share (yen)	46.75	149.67
Diluted earnings per share (yen)	44.98	145.69

Consolidated statements of comprehensive income (Non-audited)

(Million yen)

	FY ended March 31, 2020	FY ended March 31, 2021
Profit for the period	4,427	12,084
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income	6	19
Total	6	19
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges - effective portion of changes in fair value	(275)	859
Exchange differences on translating foreign operations	—	0
Share of other comprehensive income (loss) of investments accounted for using the equity method	4,695	(10,120)
Total	4,420	(9,261)
Total other comprehensive income, net of tax	4,426	(9,243)
Total comprehensive income for the period	8,853	2,842
Comprehensive income for the period attributable to:		
Owners of the Parent	7,935	2,154
Non-controlling interests	918	688

(3) Consolidated statements of changes in equity (Non-audited)

(Million yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
Balance as of April 1, 2019	2,080	1,354	5,681	(504)	(3,774)	4,837	3,493	8,329
Profit for the period	—	—	3,536	—	—	3,536	890	4,427
Other comprehensive income, net of tax	—	—	—	—	4,398	4,398	28	4,426
Total comprehensive income for the period	—	—	3,536	—	4,398	7,935	918	8,853
Issuance of new shares	95	89	—	—	—	184	—	184
Share-based payment	—	74	—	—	—	74	—	74
Disposal of treasury shares	—	—	—	8	—	8	—	8
Dividends	—	—	—	—	—	—	(613)	(613)
Other increase (decrease)	—	(119)	—	—	—	(119)	193	74
Total transactions with owners and others	95	44	—	8	—	146	(420)	(274)
Balance as of March 31, 2020	2,175	1,398	9,217	(496)	624	12,918	3,991	16,909
Profit for the period	—	—	11,507	—	—	11,507	577	12,084
Other comprehensive income, net of tax	—	—	—	—	(9,353)	(9,353)	110	(9,243)
Total comprehensive income for the period	—	—	11,507	—	(9,353)	2,154	688	2,842
Issuance of new shares	94	99	—	—	—	192	—	192
Share-based payment	—	138	—	—	—	138	—	138
Changes in scope of consolidation	—	—	(2)	—	—	(2)	5,201	5,199
Disposal of treasury shares	—	—	—	8	—	8	—	8
Dividends	—	—	—	—	—	—	(587)	(587)
Other increase (decrease)	—	(156)	—	—	—	(156)	320	164
Total transactions with owners and others	94	81	(2)	8	—	180	4,933	5,114
Balance of March 31, 2021	2,269	1,479	20,722	(489)	(8,729)	15,252	9,612	24,864

(4) Consolidated statements of cash flows (Non-audited)

(Million yen)

	FY ended March 31, 2020	FY ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	6,582	12,908
Depreciation and amortization	4,794	6,015
Finance income	(47)	(71)
Finance costs	1,910	2,440
Share of (profit) loss of investments accounted for using the equity method	236	293
(Gain) loss on remeasurement to fair value of pre-existing interest in business combination	—	(7,530)
(Gain) loss on remeasurement to fair value of option	(2,563)	(3,147)
Decrease (increase) in trade and other receivables	(8,146)	5,754
Decrease (increase) in inventories	54	42
Decrease (increase) in trade and other payables	993	53
Other, net	4,268	1,544
Subtotal	8,081	18,301
Interest and dividend income received	0	1
Interest expenses paid	(1,937)	(2,351)
Income taxes paid	(1,317)	(3,625)
Other, net	55	143
Net cash from operating activities	4,882	12,469
Cash flows from investing activities		
Payments for construction in advance	(1,597)	(1,023)
Proceeds from advanced payments for construction	1,376	2,724
Increase in loan receivables	(101)	(417)
Acquisition of property, plant and equipment	(15,186)	(4,560)
Acquisition of intangible assets	(351)	(1,061)
Purchase of investments accounted for using the equity method	(5,479)	(8,423)
Acquisition of subsidiary	—	(618)
Other, net	(78)	(106)
Net cash provided by (used in) investing activities	(21,416)	(13,483)
Cash flows from financing activities		
Proceeds from long-term financing liabilities	17,438	12,681
Repayments of long-term financing liabilities	(6,667)	(11,517)
Proceeds from issuance of bonds	—	13,922
Repayments of lease obligations	(561)	(781)
Proceeds from issuance of shares	178	187
Dividends paid to non-controlling interests	(613)	(587)
Contribution from non-controlling interests	307	320
Net decrease (increase) in restricted bank deposits	5,923	(1,955)
Other, net	(1,232)	(2,493)
Net cash provided by (used in) financing activities	14,772	9,778
Effect of exchange rate change on cash and cash equivalents	(0)	13
Net increase (decrease) in cash and cash equivalents	(1,762)	8,778
Cash and cash equivalents at beginning of period	12,387	10,625
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	—	3
Cash and cash equivalents at end of period	10,625	19,406

(5) Notes to consolidated financial statements

Notes relating to going concern assumptions

Not applicable.

New accounting standards and interpretation adopted

During the year ended March 31, 2021, Renova has adopted the following amended standards:

Standards	Overview of amended standards
IFRS 9 : Financial Instruments	The amendments modify some specific hedge accounting requirements reduce potential uncertainty caused by reform of interest-rate benchmarks such as interbank offered rates (Phase 1).
IAS39 : Financial Instruments: Recognition and Measurement	
IFRS 7 : Financial Instruments: Disclosures	

Renova assesses that the adoption of the amendments above is not expected to have a significant impact on Renova's consolidated financial statements.

Segment information

1. Overview of reportable segments

Renova's reportable segments are based on its operating segments for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker (the "CODM") to make decisions about resources to be allocated to the segment and assess its performance.

Renova's reportable segments are composed of the Renewable energy power generation business that Renova sells electricity generated from renewable energy power plants of solar, wind and biomass energy which owned and operated by Renova and the Renewable energy development and operation business that is involved in the development of, and assists in the operation of Renova's renewable energy power plants.

2. Revenue, profit, and others in the reportable segments

Revenue, profit and others in the reportable segments are presented in accordance with the accounting policy which is totally same as the policy applied to prepare the consolidated financial statements under IFRS in Renova.

Segment profit in Reportable segments shows EBTIDA resulting from following calculation.

$$\text{EBITDA} = \text{Revenue} - \text{Fuel expenses} - \text{Outsourcing expenses} - \text{Payroll and related personnel expenses} + \text{Share of profit (loss) of investments accounted for using the equity method} + \text{Other income} - \text{Other expenses}$$

Renova does not disclose the information of segment assets in each Reportable segments as the assets in Renewable energy power generation business and Renewable energy development and operation business are not reported to the CODM separately due to the fact that the assets in both reportable segments are managed on the whole.

FY ended March 31, 2020 (April 1, 2019 – March 31, 2020)

(Million yen)

	Reportable segments			Reconciling items (Note 1)	Consolidated
	Renewable energy power generation business	Renewable energy development and operation business	Segment total		
Revenue					
External customers	14,827	4,340	19,167	—	19,167
Intersegment (Note 2)	—	5,476	5,476	(5,476)	—
Total	14,827	9,816	24,643	(5,476)	19,167
Segment profit	9,814	5,903	15,717	(5,040)	10,677
Depreciation and amortization					(4,794)
Gain on remeasurement to fair value of option					2,563
Finance income					47
Finance costs					(1,911)
Profit before income taxes					6,582

(Notes) 1. The reconciliation of (5,040) million yen to the segment profit includes elimination of intersegment transactions.

2. Intersegment sales revenues are generally made at values that approximate arm's-length prices.

FY ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(Million yen)

	Reportable segments			Reconciling items (Note 1)	Consolidated
	Renewable energy power generation business	Renewable energy development and operation business	Segment total		
Revenue					
External customers	17,651	2,902	20,553	—	20,553
Intersegment (Note 2)	—	2,703	2,703	(2,703)	—
Total	17,651	5,605	23,256	(2,703)	20,553
Segment profit	12,442	508	12,950	(2,330)	10,620
Depreciation and amortization					(6,015)
Gain on remeasurement to fair value of pre-existing interest in business combination					7,530
Gain on remeasurement to fair value of option					3,147
Finance income					67
Finance costs					(2,440)
Profit before income taxes					12,908

(Notes) 1. The reconciliation of (2,330) million yen to the segment profit includes elimination of intersegment transactions.

2. Intersegment revenue are generally made at values that approximate arm's-length prices.

3. Geographical areas

(i) Revenue

Disclosure of revenue by geographic areas is omitted as revenue outside Japan in the consolidated statements of income and comprehensive income does not exist.

(ii) Non-current assets

Disclosure of non-current assets by geographic areas is omitted as major non-current assets in the consolidated statements of financial position are located in Japan.

4. Major customers

The customers that accounts for 10% or more of revenue in the consolidated statements of income and comprehensive income are as follows:

(Million yen)

Name of customer	Related reportable segment	FY ended March 31, 2020	FY ended March 31, 2021
Mitsuuroko Green Energy Co., Ltd.	Renewable energy power generation business	8,043	7,417
Tohoku Electric Power Co., Inc.	Renewable energy power generation business	2,026	4,668
TEPCO Energy Partner, Inc.	Renewable energy power generation business	2,387	2,914

Per share information

1. Basic earnings per share and Diluted earnings per share

(Yen)

	FY ended March 31, 2020	FY ended March 31, 2021
Basic earnings per share	46.75	149.67
Diluted earnings per share	44.98	145.69

2. Basis of calculation for Basic earnings per share and Diluted earnings per share

	FY ended March 31, 2020	FY ended March 31, 2021
Profit for the period used to calculate Basic earnings per share and Diluted earnings per share		
Profit for the period attributable to owners of the Parent (million yen)	3,536	11,507
Adjustment to profit for the period (million yen)	—	—
Profit for the period used to calculate Diluted earnings per share (million yen)	3,536	11,507
Weighted average number of common shares used to calculate Basic earnings per share and Diluted earnings per share		
Weighted average number of common shares outstanding during each period (thousand shares)	75,641	76,880
Effects of dilutive potential common shares		
Increase in number of common shares by exercising share options (thousands of shares)	2,980	2,103
The weighted average number of common shares used to calculate Diluted earnings per share (thousand shares)	78,620	78,983

(Notes)

For the calculation of Basic earnings per share and Diluted earnings per share, the average number of treasury shares during the period is subtracted from the average number of common shares outstanding during the period. For all calculations, treasury shares include shares held by Custody Bank of Japan. (Trust Accounts) as part of the share-based compensation plan. The average number of treasury shares were 389thousand for the fiscal year ended March 31, 2020 and 383thousand for the fiscal year ended March 31, 2021.

Significant subsequent events

Not applicable.

Transition to IFRS

The consolidated financial statements presented herein have been prepared by Renova for the first time in accordance IFRS. The most recent consolidated financial statements prepared in accordance with Japanese Generally Accepted Accounting Principles (J-GAAP) are for the fiscal year ended March 31, 2020. The date of transition to IFRS is April 1, 2019.

(1) Voluntary exemptions under IFRS 1 “First-time adoption of International Financial Reporting Standards” IFRS 1 requires full retrospective application of IFRS for the first-time adopters. However, it provides some voluntary and mandatory exemptions from full retrospective application. Adjustments due to the first-time adoption of IFRS that fall under these exemptions are recorded in retained earnings or other components of equity at the date of transition. Major voluntary exemptions adopted by Renova are as follows:

- Business combination

Although IFRS 3 “Business Combination” is required to be applied to all business combinations retrospectively, IFRS 1 allows a first-time adopter of IFRS to not apply IFRS 3 retrospectively to past business combinations that occurred before the date of transition to IFRS. Renova has elected to take this exemption and to not apply IFRS 3 retrospectively for business combinations that took place before April 1, 2017, thus any goodwill arising from business combinations which took place before April 1, 2017 is recognized at the carrying amount based on J-GAAP.

- Designation of previously recognized financial instruments

Under IFRS 1, based on facts and circumstances existing at the date of transition to IFRS, certain financial instruments may be designated as financial assets to be measured at fair value through profit or loss or other comprehensive income and financial liabilities to be measured at fair value through profit or loss. Renova has elected to designate such financial instruments based on facts and circumstances existing at the date of transition to IFRS.

- Decommissioning liabilities included in the cost of property, plant and equipment

Under IFRS 1, for changes in decommissioning, restoration or similar liabilities that are incorporated into the cost of the relevant asset, and which occurred before the date of transition to IFRS, a first-time adopter may elect to make assessments as follows:

- 1) Measure the liability as of the date of transition to IFRS,
- 2) Estimate the amount that would have been included in the cost of the relevant asset when the liability first arose by discounting the liability to that date using an estimate of the historical risk-adjusted discount rate that would have applied to the liability over the intervening period, and,
- 3) Calculate the accumulated depreciation on that amount, as of the date of transition to IFRS, based on the current estimate of the useful life of the asset, using the depreciation policy adopted by an entity.

Renova has elected to apply this exemption to measure related liabilities and accumulated depreciation.

(2) Mandatory exemptions under IFRS 1

IFRS 1 does not permit a first-time adopter to retrospectively apply IFRS to “estimates”, “derecognition of financial assets and financial liabilities”, “hedge accounting”, “non-controlling interests” and “classification and measurement of financial assets”. Renova has applied IFRS guidance related to those items prospectively.

(3) Reconciliation of J-GAAP and IFRS

The following reconciliation and their notes represent the transition from J-GAAP to IFRS on Renova’s financial position, results of operations. Items that do not affect retained earnings, comprehensive income and share premium are included in “Reclassification,” while items that affect retained earnings, comprehensive income and share premium are included in “Recognition and measurement differences”.

(i) Reconciliation of equity as of the date of transition (April 1, 2019)

(Million yen)

Presentation under J-GAAP	J-GAAP	Reclassification	Recognition and measurement differences	IFRS	Note	Presentation under IFRS
Assets						Assets
Current assets						Current assets
Cash and deposits	21,249	(8,905)	42	12,387	(a)	Cash and cash equivalents
	—	8,905	13,745	22,650	(a)(h)	Restricted bank deposits
Accounts receivable – trade	2,221	350	(98)	2,474		Trade and other receivables
Work in process	3	133	—	136		Inventories
Raw materials and supplies	156	(156)	—	—		
Advances paid to subsidiaries and associates	3,307	(3,307)	—	—		
	—	3,457	(1,403)	2,054		Other financial assets
Other	833	(1,054)	342	122		Other current assets
Allowance for doubtful accounts	(147)	147	—	—		
Total current assets	27,623	(429)	12,629	39,823		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	—	46,395	31,109	77,504	(b)(f)	Property, plant and equipment
Buildings and structures, net	8,647	(8,647)	—	—		
Machinery, equipment and vehicles, net	34,495	(34,495)	—	—		
Land	2,372	(2,372)	—	—		
Construction in progress	1	(1)	—	—		
Other, net	172	(172)	—	—		
	—	—	9,687	9,687	(e)	Right-of-use assets
Intangible assets						
Goodwill	553	—	(317)	237	(h)	Goodwill
Other	729	(109)	4,093	4,713	(g)(h)	Intangible assets
Investments and other assets						
Shares of subsidiaries and associates	2,390	1,046	(1,287)	2,150		Investments accounted for using the equity method
Investments in other securities of subsidiaries and associates	1,005	(1,005)	—	—		
	—	336	3,892	4,228	(d)	Other financial assets
Deferred tax assets	1,348	—	2,001	3,350		Deferred tax assets
Other	1,272	(912)	1,049	1,409	(g)(i)	Other non-current assets
Allowance for investment loss	(13)	13	—	—		
Total non-current assets	52,977	73	50,228	103,279		Total non-current assets
Deferred assets						
Business commencement expenses	898	—	(898)	—	(e)(g)	
Total assets	81,499	(356)	61,958	143,102		Total assets

(Million yen)

Presentation under J-GAAP	J-GAAP	Reclassification	Recognition and measurement differences	IFRS	Note	Presentation under IFRS
Liabilities						Liabilities
Current liabilities						Current liabilities
Accounts payable – trade	279	785	616	1,679		Trade and other payables
Current portion of long-term loans payable	4,225	—	227	4,453	(i)	Borrowings
	—	—	719	719	(e)	Lease liabilities
Income taxes payable	637	—	(50)	588		Income tax payables
Provision for bonuses	174	(174)	—	—		
Provision for special repairs	108	—	(108)	—	(f)	
	—	35	2,359	2,394	(h)	Other financial liabilities
Other	1,001	(1,001)	264	276		Other current liabilities
Total current liabilities	6,437	(356)	4,026	10,108		Total current liabilities
Non-current liabilities						Non-current liabilities
Long-term loans payable	57,490	—	43,648	101,139	(i)	Borrowings
	—	—	9,706	9,706	(e)	Lease liabilities
Deferred tax liabilities	36	—	801	837		Deferred tax liabilities
Asset retirement obligations	2,968	—	388	3,356		Provisions
Provision for stocks payment	8	—	(8)	—		
Provision for special repairs	227	—	(227)	—	(f)	
Other	1,444	(75)	7,846	9,216	(d)(h)	Other financial liabilities
	—	75	331	409		Other non-current liabilities
Total non-current liabilities	62,175	—	62,489	124,664		Total non-current liabilities
Total liabilities	68,613	(356)	66,515	134,773		Total liabilities
Net assets						
Shareholders' equity						Equity
Capital stock	2,080	—	—	2,080		Share capital
Deposit for subscriptions to shares	11	(11)	—	—		
Capital surplus	2,067	21	(735)	1,354	(h)	Share premium
Retained earnings	5,369	—	311	5,681		Retained earnings
Treasury shares	(504)	—	—	(504)		Treasury shares
Accumulated other comprehensive income						
Deferred gains or losses on hedges	312	—	(4,087)	(3,774)	(d)	Other components of equity
Share options	9	(9)	—	—		
	—	—	4,837	4,837		Equity attributable to owners of the Parent
Non-controlling interests	3,539	—	(47)	3,493	(h)	Non-controlling interests
Total net assets	12,886	—	(4,557)	8,329		Total equity
Total liabilities and net assets	81,499	(356)	61,958	143,102		Total liabilities and equity

(ii) Reconciliation of equity as of March 31, 2020

(Million yen)

Presentation under J-GAAP	J-GAAP	Reclassification	Recognition and measurement differences	IFRS	Note	Presentation under IFRS
Assets						Assets
Current assets						Current assets
Cash and deposits	24,945	(14,446)	125	10,625	(a)	Cash and cash equivalents
	—	14,446	2,281	16,727	(a)(h)	Restricted bank deposits
Accounts receivable – trade	5,205	3,032	2,395	10,633		Trade and other receivables
Work in process	12	108	(38)	83		Inventories
Raw materials and supplies	108	(108)	—	—		
Advances paid to subsidiaries and associates	2,350	(2,350)	—	—		
	—	2,965	(235)	2,730		Other financial assets
Other	3,964	(3,786)	(54)	124		Other current assets
Allowance for doubtful accounts	(113)	113	—	—		
Total current assets	36,473	(26)	4,474	40,921		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	—	88,223	4,396	92,619	(b)(f)	Property, plant and equipment
Buildings and structures, net	29,868	(29,868)	—	—		
Machinery, equipment and vehicles, net	55,094	(55,094)	—	—		
Land	2,855	(2,855)	—	—		
Other, net	404	(404)	—	—		
	—	—	9,733	9,733	(e)	Right-of-use assets
Intangible assets						
Cost incurred for leased land, net	1,872	(1,872)	—	—		
Goodwill	1,201	—	(965)	237	(h)	Goodwill
Other	49	2,257	2,638	4,944	(g)(h)	Intangible assets
Investments and other assets						
Shares of subsidiaries and associates	12,328	203	(1,398)	11,133		Investments accounted for using the equity method
Investments in other securities of subsidiaries and associates	490	(490)	—	—		
	—	581	6,324	6,906	(d)	Other financial assets
Deferred tax assets	2,333	224	1,224	3,781		Deferred tax assets
Other	2,263	(698)	(152)	1,413	(g)(h)(i)	Other non-current assets
Allowance for investment loss	(46)	46	—	—		
Total investments and other assets	108,714	250	21,799	130,764		Total non-current assets
Deferred assets						
Business commencement expenses	2,963	—	(2,963)	—	(e)(g)	
Total assets	148,151	224	23,311	171,686		Total assets

(Million yen)

Presentation under J-GAAP	J-GAAP	Reclassification	Recognition and measurement differences	IFRS	Note	Presentation under IFRS
Liabilities						Liabilities
Current liabilities						Current liabilities
Accounts payable – trade	138	2,214	1,115	3,467		Trade and other payables
Current portion of long-term loans payable	9,649	—	(94)	9,556	(i)	Borrowings
	—	—	863	863	(e)	Lease liabilities
Income taxes payable	2,329	—	50	2,280		Income tax payables
Provision for bonuses	219	(219)	—	—		
Provision for special repairs	192	—	(192)	—	(f)	
	—	29	2,408	2,437	(h)	Other financial liabilities
Other	2,312	(2,024)	33	321		Other current liabilities
Total current liabilities	14,841	—	4,082	18,924		Total current liabilities
Non-current liabilities						Non-current liabilities
Long-term loans payable	100,373	—	6,432	106,806	(i)	Borrowings
	—	—	9,739	9,739	(e)	Lease liabilities
Deferred tax liabilities	—	224	135	359		Deferred tax liabilities
Asset retirement obligations	7,079	—	366	7,446		Provisions
Provision for stocks payment	33	(33)	—	—		
Provision for special repairs	306	—	(306)	—	(f)	
Other	1,202	—	7,390	8,592	(d)(h)	Other financial liabilities
		33	2,879	2,912		Other non-current liabilities
Total non-current liabilities	108,995	224	26,634	135,853		Total non-current liabilities
Total liabilities	123,837	224	30,716	154,777		Total liabilities
Net assets						
Shareholders' equity						Equity
Capital stock	2,175	—	—	2,175		Share capital
Deposit for subscriptions to shares	5	(5)	—	—		
Capital surplus	2,162	40	(805)	1,398	(h)	Share premium
Retained earnings	9,029	—	188	9,217		Retained earnings
Treasury shares	(496)	—	—	(496)		Treasury shares
Accumulated other comprehensive income						
Deferred gains or losses on hedges	5,605	—	(4,981)	624	(d)	Other components of equity
Share options	34	(34)	—	—		
	—	—	12,918	12,918		Equity attributable to owners of the Parent
Non-controlling interests	5,797	—	(1,807)	3,991	(h)	Non-controlling interests
Total net assets	24,313	—	(7,405)	16,909		Total equity
Total liabilities and net assets	148,151	224	23,311	171,686		Total liabilities and equity

(iii) Reconciliation of income and comprehensive income and loss for the period ended March 31, 2020

(Million yen)

Presentation under J-GAAP	J-GAAP	Reclassification	Recognition and measurement differences	IFRS	Note	Presentation under IFRS
Net sales	19,449	—	(282)	19,167		Revenue
	—	13	57	70	(c)	Other income
Cost of sales	8,317	(8,317)	—	—		
Gross profit	11,132	(11,132)	—	—		
Selling, general and administrative expenses	3,978	(3,979)	—	—		
	—	1,936	—	(1,936)	(c)	Fuel expenses
	—	435	630	(1,065)	(c)	Outsourcing expenses
	—	2,316	31	(2,347)	(c)	Payroll and related personnel expenses
	—	155	81	(236)	(c)	Share of loss of investments accounted for using the equity method
	—	3,457	(480)	(2,977)	(c)	Other expenses
	—	4,860	(66)	(4,794)	(c)	Depreciation and amortization
Operating profit	7,153	(848)	(422)	5,884		Operating profit
Non-operating income	—	—	2,563	2,563	(d)	Gain on remeasurement to fair value of option
	—	58	(11)	47	(c)	Finance income
Interest income	3	(3)	—	—		
Insurance income	55	(55)	—	—		
Other	13	(13)	—	—		
Total non-operating income	71	(71)	—	—		
Non-operating expenses	—	1,719	191	(1,911)	(c)	Finance costs
Interest expenses	1,684	(1,684)	—	—		
Commission fee	32	(32)	—	—		
Share of loss of entities accounted for using equity method	154	(155)	—	—		
Amortization of business commencement expenses	665	—	(665)	—	(e)(g)	
Foreign exchange losses	1	(1)	—	—		
Other	36	(36)	—	—		
Total non-operating expenses	2,574	(2,574)	—	—		
Ordinary profit	4,650	(4,650)	—	—		
Extraordinary income						
Gain on negative goodwill	66	—	(66)	—		
Gain on step acquisitions	1,883	—	(1,883)	—	(h)	
Total extraordinary income	1,949	(1,949)	—	—		
Profit before income taxes	6,600	—	18	6,582		Profit before income taxes
Income taxes - current	2,916	(1,062)	301	(2,156)		Income tax expense
Income taxes - deferred	(1,055)	1,055	—	—		
Total income taxes	1,860	(1,860)	—	—		
Profit	4,739	—	(312)	4,427		Profit for the period

(Million yen)

Presentation under J-GAAP	J-GAAP	Reclassification	Recognition and measurement differences	IFRS	Note	Presentation under IFRS
Profit	4,739	—	(312)	4,427		Profit for the period
Other comprehensive income						Other comprehensive income, net of tax:
						Items that will not be reclassified to profit or loss
	—	—	6	6		Changes in fair value of financial assets measured at fair value through other comprehensive income
Deferred gains or losses on hedges	134		(409)	(275)		Items that may be reclassified subsequently to profit or loss
Share of other comprehensive income of entities accounted for using equity method	5,225		(530)	4,695		Cash flow hedges- effective portion of changes in fair value
Total other comprehensive income	5,360		(933)	4,426		Share of other comprehensive income (loss) of investments accounted for using the equity method
Comprehensive income	10,099		(1,245)	8,853		Total other comprehensive income, net of tax
						Total comprehensive income for the period

(iv) Notes to reclassification in reconciliation

Major Reclassifications in reconciliation are as follows.

(a) Cash and cash equivalents

Restricted bank deposits are presented as Cash and deposits under J-GAAP while those deposits are presented as Restricted bank deposits under IFRS in the consolidated statements of financial position.

(b) Property, plant and equipment

Under J-GAAP, Buildings and structures (net), Machinery, equipment and vehicles (net), Land, Construction in progress and Other, net, are presented separately, all of which are reclassified and presented as Property, plant and equipment under IFRS in the consolidated statements of financial position.

(c) Presentation of the statements of income and comprehensive income

Expenses under J-GAAP are presented by function while expenses under IFRS are presented by nature in the consolidated statements of income and comprehensive income. In addition, under J-GAAP, Operating profit, Non-operating income, Non-operating expenses, Extraordinary income and Extraordinary losses are presented in the consolidated statements of income and comprehensive income. Under IFRS, however, finance related income and expenses are presented as Finance income and Finance costs, and the other items are either presented as Other income, Other expenses or Share of loss of investments accounted for using the equity method, which are included in Operating profit.

(v) Notes to recognition and measurement differences in reconciliation

Some entities that are classified as equity method affiliates under J-GAAP are included as consolidated subsidiaries resulting from the reassessment whether those entities are under control of Renova in accordance with IFRS 10 "Consolidated Financial Statements".

Major Recognition and measurement differences in reconciliation are as follows.

(d) Derivatives

Renova possesses certain call options that allow it to purchase additional equity interests of equity method affiliates from other equity holders in that affiliate. Renova recognizes and measures the fair value of the call option under IFRS while Renova does not recognize any related financial assets or liabilities under J-GAAP due to no derivative transaction recognized from the call option under J-GAAP. In addition, Renova recognizes the fair value of interest rate swaps under IFRS while Renova does not recognize this item under J-GAAP, due to application of the recognition exemption. Interest rate swaps to be recognized and measured under IFRS have increased due to changes in the scope of consolidation.

(e) Leases

Under IFRS, with the exception of short-term leases and leases for which the underlying asset is of low value, right-of-use assets and lease liabilities in all leases are recognized in the statements of financial position. Right-of-use assets are depreciated. Under J-GAAP, most of those transactions are treated as operating leases or finance leases although some are recognized as Business commencement expenses. Furthermore, under J-GAAP, assets and liabilities relating to finance leases are presented as Property, plant and equipment and Other liabilities (current and non-current) in the statements of financial position under J-GAAP.

(f) Property, plant and equipment

As a result of reviewing the useful life of Property, plant and equipment, Renova has changed the useful life of some Property, plant and equipment items in the transition to IFRS. In addition, Provision for special repairs under J-GAAP is not recognized under IFRS because of not satisfying the condition to recognize provisions under IFRS.

(g) Costs to fulfil contract

Renova recognizes certain development related costs of power plants as costs to fulfil contract under IFRS, while those costs are mainly treated as Intangible assets and Business commencement expenses under J-GAAP. This results in a change to the amortization period of these costs between IFRS and J-GAAP.

(h) Consolidation, investments accounted for using the equity method and business combination

The change in scope of consolidation resulting from the reassessment whether those entities are under control of Renova in accordance with IFRS 10 and recognition of put options held by non-controlling shareholders of Renova's subsidiaries results in an increase in related assets and liabilities. In addition, the recognition amount of Goodwill differs between J-GAAP and IFRS, and while goodwill is not amortized under IFRS, it is amortized under J-GAAP.

(i) Borrowings

Transaction costs that are directly attributable to the incurrence of borrowings are deducted at initial recognition, such costs are amortized using the effective interest method, and they are recognized as finance costs under IFRS. Under J-GAAP, those costs are capitalized as Other assets under Investments and other assets and are amortized.