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Consolidated Financial Results For the Three Months Ended June 30, 2022 (International Financial Reporting Standards (IFRS)) (Non-audited)

August 8, 2022

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 quarterly securities report filing:	August 8, 2022		
Scheduled date of commencement of dividend payment:	–		
Supplementary documents for quarterly financial results:	Yes		
Quarterly financial results briefing:	None		

(Amounts of less than one million yen are rounded)

1. Consolidated financial results for three months ended June 30, 2022 (April 1, 2022 – June 30, 2022)

(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	%
Three months ended Jun. 30 2022	8,525	39.4	8,436	111.3	6,109	146.0	5,669	164.8	4,637	253.9
ended Jun. 30 2021	6,116	2.3	3,993	7.1	2,483	11.3	2,141	19.5	1,310	20.1

(Note)

Total Comprehensive income: Three months ended June 30, 2022: 15,457 million yen, 163.3% Three months ended June 30, 2021: 5,871 million yen, 108.8%

	Basic earnings per share	Diluted earnings per share
Three months ended Jun. 30 2022	Yen 59.04	Yen 58.61
ended Jun. 30 2021	16.85	16.55

(Note)

* 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
EBITDA is a Non-GAAP financial measure

(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
As of	Million yen	Million yen	Million yen	%	Yen
Jun. 30 2022	309,125	67,616	45,750	14.8	582.42
Mar. 31 2022	296,223	52,441	31,886	10.8	406.08

2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
Fiscal year ended Mar. 2022	Yen –	Yen 0.00	Yen –	Yen 0.00	Yen 0.00
ending Mar. 2023	–	–	–	–	–
ending Mar. 2023 (forecast)	–	0.00	–	0.00	0.00

(Note) Revisions to the dividends forecast since the latest announcement: None

3. Forecast of consolidated results of operation for the fiscal year ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages show year-on-year changes)

	Revenue		EBITDA		Operating profit		Profit for the period attributable to owners of the Parent		Basic earnings per share
Fiscal year ending Mar. 2023	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	35,500	21.5	17,800	36.0	8,700	895.1	2,900	83.4	36.77

(Note) Revisions to the consolidated forecast since the latest announcement: None

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: None

Excluded: Yokkaichi Solar T.K.

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(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 June 30, 2022: 78,968,100 shares As of March 31, 2022: 78,939,300 shares

(ii) Number of treasury shares at end of period

As of June 30, 2022: 416,700 shares As of March 31, 2022: 416,700 shares

(iii) Average number of shares outstanding during the period

For the three months ended June 30, 2022: 78,543,822 shares

For the three months ended June 30, 2021: 77,791,225 shares

* This report is not subject to the quarterly review by independent auditors.

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

(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, Inc. and certain assumptions that are judged to be rational at the current time. These statements do not constitute a promise by RENOVA, Inc. to achieve such results. Please note that the actual results may differ significantly from forecast figures.

Condensed quarterly consolidated financial statements and notes

(1) Condensed quarterly consolidated statements of financial position (Non-audited)

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and cash equivalents	16,514	17,880
Restricted bank deposits	27,769	30,284
Trade and other receivables	7,339	6,448
Inventories	1,205	1,129
Other financial assets	1,369	1,451
Other current assets	1,943	2,147
Total current assets	56,139	59,339
Non-current assets		
Property, plant and equipment	147,480	146,873
Right-of-use assets	8,413	8,045
Goodwill	237	237
Intangible assets	37,439	37,009
Investments accounted for using the equity method	11,662	17,418
Deferred tax assets	1,876	1,831
Other financial assets	27,173	32,675
Other non-current assets	5,804	5,699
Total non-current assets	240,084	249,786
Total assets	296,223	309,125

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Trade and other payables	5,083	2,717
Borrowings	12,794	12,378
Lease liabilities	896	788
Other financial liabilities	252	710
Income tax payables	581	298
Other current liabilities	584	833
Total current liabilities	20,189	17,724
Non-current liabilities		
Bonds and borrowings	185,039	186,562
Lease liabilities	8,367	7,708
Other financial liabilities	6,492	4,330
Provisions	8,506	8,051
Deferred tax liabilities	14,974	16,932
Other non-current liabilities	215	202
Total non-current liabilities	223,593	223,785
Total liabilities	243,782	241,509
Equity		
Share capital	2,340	2,342
Share premium	1,615	1,607
Retained earnings	22,303	26,940
Treasury shares	(673)	(673)
Other components of equity	6,301	15,533
Equity attributable to owners of the Parent	31,886	45,750
Non-controlling interests	20,555	21,866
Total equity	52,441	67,616
Total liabilities and equity	296,223	309,125

(2) Condensed quarterly consolidated statements of income and comprehensive income
Condensed quarterly consolidated statements of income (Non-audited)

(Million yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Revenue	6,116	8,525
Other income	26	3,858
Fuel expenses	(508)	(2,072)
Outsourcing expenses	(276)	(429)
Payroll and related personnel expenses	(840)	(871)
Share of profit (loss) of investments accounted for using the equity method	121	26
Other expenses	(647)	(601)
Depreciation and amortization	(1,510)	(2,327)
Operating profit	2,483	6,109
Gain on remeasurement to fair value of option	181	129
Finance income	51	199
Finance costs	(574)	(768)
Profit before income taxes	2,141	5,669
Income tax expense	(636)	(568)
Profit for the period	1,505	5,101
Profit for the period attributable to:		
Owners of the Parent	1,310	4,637
Non-controlling interests	194	464
Earnings per share		
Basic earnings per share (yen)	16.85	59.04
Diluted earnings per share (yen)	16.55	58.61

Condensed quarterly consolidated statements of comprehensive income (Non-audited)

(Million yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit for the period	1,505	5,101
Other comprehensive income, net of tax:		
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges - effective portion of changes in fair value	1,234	4,579
Exchange differences on translating foreign operations	0	4
Share of other comprehensive income (loss) of investments accounted for using the equity method	3,133	5,773
Total	4,367	10,355
Total other comprehensive income, net of tax	4,367	10,355
Total comprehensive income for the period	5,871	15,457
Comprehensive income for the period attributable to:		
Owners of the Parent	5,168	13,869
Non-controlling interests	703	1,588

(3) Condensed quarterly consolidated statements of changes in equity (Non-audited)

Three months ended June 30, 2021

(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, 2021	2,269	1,479	20,722	(489)	(8,729)	15,252	9,612	24,864
Profit for the period	—	—	1,310	—	—	1,310	194	1,505
Other comprehensive income, net of tax	—	—	—	—	3,857	3,857	509	4,367
Total comprehensive income for the period	—	—	1,310	—	3,857	5,168	703	5,871
Issuance of new shares	9	4	—	—	—	14	—	14
Share-based payment	—	40	—	—	—	40	—	40
Dividends	—	—	—	—	—	—	(187)	(187)
Other increase (decrease)	—	(7)	—	—	—	(7)	234	227
Total transactions with owners and others	9	37	—	—	—	46	47	93
Balance as of June 30, 2021	2,279	1,515	22,032	(489)	(4,872)	20,466	10,363	30,828

Three months ended June 30, 2022

(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, 2022	2,340	1,615	22,303	(673)	6,301	31,886	20,555	52,441
Profit for the period	—	—	4,637	—	—	4,637	464	5,101
Other comprehensive income, net of tax	—	—	—	—	9,232	9,232	1,124	10,355
Total comprehensive income for the period	—	—	4,637	—	9,232	13,869	1,588	15,457
Issuance of new shares	3	1	—	—	—	3	—	3
Share-based payment	—	(33)	—	—	—	(33)	—	(33)
Dividends	—	—	—	—	—	—	(641)	(641)
Other increase (decrease)	—	25	—	—	—	25	364	389
Total transactions with owners and others	3	(7)	—	—	—	(5)	(277)	(282)
Balance as of June 30, 2022	2,342	1,607	26,940	(673)	15,533	45,750	21,866	67,616

(4) Condensed quarterly consolidated statements of cash flows (Non-audited)

(Million yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	2,141	5,669
Depreciation and amortization	1,510	2,327
Finance income	(55)	(200)
Finance costs	574	768
Other income	(0)	(3,854)
Share of (profit) loss of investments accounted for using the equity method	(121)	(26)
(Gain) loss on remeasurement to fair value of option	(181)	(129)
Decrease (increase) in trade and other receivables	(163)	808
Decrease (increase) in inventories	(121)	76
Increase (decrease) in trade and other payables	(675)	(2,302)
Other, net	(115)	(360)
Subtotal	2,794	2,776
Interest and dividend income received	6	(6)
Interest expenses paid	(389)	(548)
Income taxes paid	(477)	(368)
Other, net	0	—
Net cash from operating activities	1,934	1,854
Cash flows from investing activities		
Payments for construction in advance	(110)	(8)
Increase in loan receivables	(2,529)	(116)
Acquisition of property, plant and equipment	(3,802)	(7,446)
Acquisition of intangible assets	(6)	(10)
Purchase of investments accounted for using the equity method	(806)	(2)
Proceeds from sale of subsidiaries	—	3,062
Other, net	(278)	(33)
Net cash provided by (used in) investing activities	(7,531)	(4,551)
Cash flows from financing activities		
Proceeds from long-term borrowings	6,597	9,400
Repayments of long-term borrowings	(2,951)	(2,017)
Repayments of lease liabilities	(455)	(479)
Proceeds from issuance of shares	14	1
Contribution from non-controlling interests	234	364
Net decrease (increase) in restricted bank deposits	(2,791)	(3,229)
Other, net	(706)	(0)
Net cash provided by (used in) financing activities	(58)	4,040
Effect of exchange rate change on cash and cash equivalents	19	24
Net increase (decrease) in cash and cash equivalents	(5,636)	1,366
Cash and cash equivalents at beginning of period	19,406	16,514
Cash and cash equivalents at end of period	13,769	17,880

(5) Notes to condensed quarterly consolidated financial statements

Notes relating to going concern assumptions

Not applicable.

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, biomass and onshore wind 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 recognized, measured and presented in accordance with the accounting policy applied to prepare the condensed consolidated financial statements in Renova.

Segment profit in the reportable segments shows EBITDA (Non-GAAP financial measure) resulting from following calculation.

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

Three months ended June 30, 2021 (April 1, 2021– June 30, 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	5,038	1,079	6,116	—	6,116
Intersegment (Note 2)	—	1,253	1,253	(1,253)	—
Total	5,038	2,332	7,369	(1,253)	6,116
Segment profit	3,848	1,113	4,960	(967)	3,993
Depreciation and amortization					(1,510)
Gain on remeasurement to fair value of option					181
Finance income					51
Finance costs					(574)
Profit before income taxes					2,141

(Notes) 1. The reconciliation of (967) million yen to the segment profit includes elimination of intersegment transactions.

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

Three months ended June 30, 2022 (April 1, 2022 – June 30, 2022)

(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	8,393	133	8,525	—	8,525
Intersegment (Note 2)	—	1,380	1,380	(1,380)	—
Total	8,393	1,512	9,905	(1,380)	8,525
Segment profit	5,361	4,370	9,730	(1,294)	8,436
Depreciation and amortization					(2,327)
Gain on remeasurement to fair value of option					129
Finance income					199
Finance costs					(768)
Profit before income taxes					5,669

(Notes) 1. The reconciliation of (1,294) 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.

Significant subsequent events

Not applicable.