

To Shareholders with Voting Rights:

Yosuke Kiminami
Founding CEO &
Representative Director
RENOVA, Inc.
2-2-1 Kyobashi,
Chuo-ku, Tokyo

NOTICE OF CONVOCAION OF THE 23RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

We would like to express our appreciation for your continued support and patronage.

Please be informed that the 23rd Annual General Meeting of Shareholders of RENOVA, Inc. (hereinafter the "Company") will be held for the purposes described below.

In order to prevent the spread of coronavirus disease (COVID-19), we would like to ask all our shareholders to exercise your voting rights in advance in writing or via the Internet, etc. as much as possible, and refrain from attending the General Meeting of Shareholders.

For exercising your voting rights in advance, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights. Votes must be received by 5:00 p.m. on Thursday, June 16, 2022, Japan time, to be considered valid.

1. **Date and Time:** Friday, June 17, 2022 at 10:00 a.m. Japan time
 2. **Place:** Hikari Room, Mezzanine, Main Building, Imperial Hotel Tokyo
1-1, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo, Japan
No gifts will be given to attendees of the meeting. To prevent the spread of COVID-19, there will be only a limited number of seats available at the venue.
 3. **Meeting Agenda:**
 1. The Business Report, Consolidated Financial Statements, and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company's 23rd Fiscal Year (April 1, 2021 – March 31, 2022)
 2. Non-Consolidated Financial Statements for the Company's 23rd Fiscal Year (April 1, 2021 – March 31, 2022)
- Proposal to be resolved:**
- Proposal 1:** Partial Amendments to the Articles of Incorporation
 - Proposal 2:** Election of Nine (9) Directors
 - Proposal 3:** Determination of Amount and Details of Stock Compensation for the Company's External Directors

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - In accordance with provisions of laws and regulations as well as Article 15 of the Company's Articles of Incorporation, the Status of Share Options, etc., the Status of Accounting Auditor, the Systems for Ensuring the Properness of Business Activities and the Operation of the Systems to be provided in the Business Report, the Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements, Non-Consolidated Statement of Changes in Equity and Notes to Non-Consolidated Financial Statements are posted on the Company's website (<https://www.renovainc.com/ir/meeting/>) and therefore are not provided in this Notice. The documents attached to this Notice and the documents posted on the above-mentioned website were audited by the Audit & Supervisory Board Members and the Accounting Auditor in the preparation of their respective audit reports.

- Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.renovainc.com/ir/meeting/>).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The “Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts” (Act No. 70 of 2021) was implemented on June 16, 2021. This has enabled the listed companies to, by providing in their articles of incorporation and under certain conditions, hold a general meeting of shareholders without designating its location (so-called a “virtual” shareholder’s meeting without a physical venue, in which directors and shareholders, etc. virtually attend over the internet or through other methods). Taking into account such contingencies as large-scale disasters, including infectious diseases and natural disasters, and increased prevalence of digital technologies in society as a whole, the Company believes that expanding the range of selectable methods for holding a General Meeting of Shareholders would benefit our shareholders. Accordingly, the Company shall establish Article 12, Paragraph 2 of the proposed amendments. The effectuation of said Paragraph is conditional upon confirmation by both the Minister of Economy, Trade and Industry and the Minister of Justice to the effect that the Company satisfies the requirements as stipulated by Orders of the Ministry of Economy, Trade and Industry and the Ministry of Justice, in addition to the resolution at this Annual General Meeting of Shareholders.
- (2) The effective date of implementation of the system for electronic provision of materials for general meetings of shareholders stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) was set as September 1, 2022. In line with this, the Company shall provide that information contained in the Reference Documents for the General Meeting of Shareholders, etc. shall be provided electronically. The Company shall also provide that the scope of matters to be included in the paper copy to be given to shareholders requesting it can be limited.

In addition, the provisions related to the internet disclosure and deemed provision of the Reference Documents for the General Meeting of Shareholders, etc. will become redundant and will therefore be deleted, and supplementary provisions related to the effective date, etc. will be established in line with these amendments.

2. Contents of the amendments

The contents of the amendments are as follows.

(Amendments are underlined.)

Before the change	After the change
<p>(Convocation) Article 12 An Annual General Meeting of Shareholders of the Company shall be called within three months of the end of every business year, and an Extraordinary Meeting of Shareholders shall be called whenever necessary. (New)</p>	<p>(Convocation) Article 12 An Annual General Meeting of Shareholders of the Company shall be called within three months of the end of every business year, and an Extraordinary Meeting of Shareholders shall be called whenever necessary. <u>2.The Company may hold a General Meeting of Shareholders as a General Shareholders Meeting without a designated location.</u></p>
<p><u>(Disclosure via Internet of Reference Document for General Meeting of Shareholders, etc. and Deemed Provision)</u> <u>Article 15 In conjunction with the convening of a general meeting of shareholders, information on matters that should be described or indicated in reference documents for the general meeting of shareholders, business reports, financial statements and consolidated financial statements shall be deemed to have been provided to shareholders, if the Company discloses such information by any Internet-based means pursuant to the Ministry of Justice Order.</u> (New)</p>	<p>(Deleted) (<u>Electronic Provision Measure, etc.</u>) <u>Article 15 Upon convening a General Meeting of Shareholders, the Company shall take electronic measures to deliver the contents of reference documents for the general meeting of shareholders, etc.</u> <u>2. The Company may omit all or part of the information specified in the Order of the Ministry of Justice and provided in an</u></p>

Before the change	After the change
(New)	<p><u>electronic form from documents delivered to those shareholders who have requested documents in a paper form before the record date of voting rights.</u></p> <p><u>(Supplementary Provisions)</u></p> <p><u>1. The amendment of the Article 15 of the Articles of Incorporation shall take effect on September 1, 2022, the effective date of implementation of the revised provision in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70, 2019) (hereinafter, the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 (Disclosure via Internet of Reference Document for the General Meeting of Shareholders, etc. and Deemed Provision) of the current Articles of Incorporation shall remain in effect for any General Meeting of Shareholders the date of which is a date within six months of the Effective Date.</u></p> <p><u>3. These Supplementary provisions shall be deleted on the date on which six months have elapsed from the Effective Date or the date on which three months have elapsed from the date of the General Meeting of Shareholders under the preceding paragraph, whichever is later.</u></p>

Proposal 2: Election of Nine (9) Directors

The terms of office of all nine (9) current Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, it is proposed that nine (9) Directors be elected again.

The candidates for Directors are as follows.

Candidate No.	Name	Current positions and responsibilities at the Company	Term of office as Director (*2)	Nomination and Compensation Committee (*3)	Expertise(*1)				
					Corporate management	Finance/Investment	Finance/Accounting	Environment/Energy	Technology
1	Candidate for Re-election Male Sachio Semmoto	Executive Chairman & Director	8 years 2 months	○	●				
2	Candidate for Re-election Male Yosuke Kiminami	Founding CEO & Representative Director	22 years 1 month		○	●		●	
3	Candidate for Re-election Male Kazushi Yamaguchi	CFO, Director & Head of Finance and Planning	2 years	-		●	●		
4	New Candidate Male Tomokazu Ogawa	CTO	-	-					●
5	Candidate for Re-election Male Hideki Minamikawa	External Director Independent Officer	4 years 10 months	○				●	
6	Candidate for Re-election Male Koichi Kawana	External Director	2 years	○	●			●	
7	Candidate for Re-election Male Naoki Shimada	External Director Independent Officer	1 year	○	●				
8	Candidate for Re-election Female Mayuka Yamazaki	External Director Independent Officer	1 year	-	●				
9	New Candidate Male Ken Takayama	External Director Independent Officer	-	-	-	●	●	●	

(*1) In order for the Company to continue its sustainable growth, the Company considers that the important fields in which its Directors should have expertise are "Corporate management," "Finance/Investment," "Finance/Accounting," "Environment/Energy" and "Technology," and the Board of Directors is composed of Directors having such expertise. The mixture and composition of Directors and the areas of expertise they represent will be continuously reviewed to achieve an appropriate balance. The table shown above is not intended to be exhaustive in listing all the areas of expertise possessed by Directors.

(*2) Term of office is the number of years at the conclusion of this Annual General Meeting of Shareholders.

(*3) Composition of Nomination and Compensation Committee is as of the mailing date of this printed Notice. ○ indicates the committee member.

Candidate
No.

1

Sachio Semmoto

(Date of birth:
September 9, 1942)

Number of shares of
the Company held

5,434,800

Attendance at
Board of Directors'
meetings

10/10 (100%)

Term of office as
Director

8 years
2 months



Candidate
for Re-
election

Past experience, positions, responsibilities and significant concurrent positions

- Jun. 1984** Cofounded DDI Corporation (currently KDDI CORPORATION)
- Jun. 1994** Vice-President & Director
- Apr. 1996** Professor, Graduate School of Keio University
- Nov. 1999** Founded eAccess Ltd.
President & Representative Director
- Jun. 2002** President, Representative Director & CEO
- Jan. 2005** Chairman, Representative Director & CEO
Founded EMOBILE Ltd.
Representative Director
- Jun. 2005** Chairman, Representative Director & CEO
- Jan. 2013** Honorary Chairman & Director
- Apr. 2014** Director, the Company
- Aug. 2015** Executive Chairman & Representative Director
- Apr. 2020** Executive Chairman & Director (current)

Reason for nomination as a Director

After co-founding DDI Corporation (currently KDDI CORPORATION), Mr. Sachio Semmoto served as a Professor in the Graduate School of Keio University and founded eAccess Ltd. and EMOBILE Ltd. Mr. Semmoto possesses a wealth of experience in corporate management. Assuming the position of Director of the Company in April 2014, and the role of Executive Chairman and Representative Director in August 2015, Mr. Semmoto has taken central management roles in the Company. In addition, since April 2020, Mr. Semmoto has been shifting his focus to external activities as Executive Chairman and Director. We believe that Mr. Semmoto's continued supervision in overall management in his capacity as Executive Chairman and Director, will be instrumental for the Company. As such, we have nominated Mr. Semmoto as a candidate for Director.

Candidate
No.

2

Yosuke Kiminami

(Date of birth:
October 5, 1974)

Number of shares
of the Company
held

14,880,000

Attendance at
Board of Directors'
meetings

10/10 (100%)

Term of office as
Director

22 years
1 month



Candidate
for Re-
election

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 1998** Joined McKinsey & Company Inc. Japan
- May 2000** Founded Recycle One, Inc. (currently the Company)
President & Representative Director, the Company
- Jun. 2016** Founding CEO & Representative Director (current)

Reason for nomination as a Director

Mr. Yosuke Kiminami founded the Company in May 2000. Over the past 20 years and more, he has served as Representative Director of the Company, and has promoted the current business of renewable energy. We believe that his continued leadership as Founding CEO & Representative Director will be instrumental for the sustained growth of the Company. As such, we have nominated Mr. Kiminami as a candidate for Director.

Candidate No.

3

Kazushi Yamaguchi

(Date of birth:
January 30, 1976)

Number of shares of the Company held	Attendance at Board of Directors' meetings	Term of office as Director
300	10/10 (100%)	2 years



Candidate for Re-election

Past experience, positions, responsibilities and significant concurrent positions

Apr. 2001	Joined the Tokyo Branch of Goldman Sachs Japan Limited (currently Goldman Sachs Japan Co., Ltd.)
Apr. 2006	Transferred to Principal Investment Area
Jan. 2011	Transferred to Investment Banking Division
Jan. 2018	Managing Director
Feb. 2020	Joined the Company; Executive Officer
Apr. 2020	CFO & Head of Finance and Planning
Jun. 2020	CFO, Director & Head of Finance and Planning (current)

Reason for nomination as a Director

After serving as Managing Director of investment banking division at major foreign-affiliated securities company, Mr. Kazushi Yamaguchi joined the Company in February 2020. Since April 2020, as CFO, he has been supervising Finance and Planning including finance, accounting, corporate development and investor relations fully performing his duties. We believe that his participation in the management will be useful for the sustained growth of the Company. As such, we have nominated Mr. Yamaguchi as a candidate for Director.

Candidate No.

4

Tomokazu Ogawa

(Date of birth:
January 22, 1973)

Number of shares of the Company held	Attendance at Board of Directors' meetings	Term of office as Director
129,200	—	—



New Candidate

Past experience, positions, responsibilities and significant concurrent positions

Apr. 1997	Joined TAKENAKA CORPORATION; Design Department of Tokyo Main Office
Jan. 1998	Registered as first-class architect
Oct. 2008	Transferred to Environmental Engineering Division
May 2012	Joined the Company; Head of the CEO's Office
Aug. 2015	Executive Officer, General Manager, New Energy Business Division
Jun. 2018	Managing Executive Officer, CTO, Head of Engineering Division
Apr. 2022	Managing Executive Officer, CTO (current)

Reason for nomination as a Director

After working in the areas of project development, architectural design and construction at a large general construction company, Mr. Tomokazu Ogawa joined the Company in May 2012. Since June 2018, as CTO, he has been supervising a division in charge of engineering of all power supplies including those overseas, and been effective in executing his duties. We believe that his participation in the management will be useful for the sustained growth of the Company. As such, we have nominated Mr. Ogawa as a candidate for Director.

Candidate
No.

5

Hideki Minamikawa

(Date of birth:
December 27, 1949)

Number of shares of the Company held	Attendance at Board of Directors' meetings	Term of office as Director
4,500	10/10 (100%)	4 years 10 months



Candidate
for Re-
election

External
Director

Independent
Officer

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 1974** Joined the Environment Agency (currently Ministry of the Environment)
- Jul. 2002** Councillor, Ministry of the Environment
- Jul. 2005** Director General, Nature Conservation Bureau
- Sep. 2006** Director General, Global Environment Bureau
- Jul. 2008** Minister's Secretariat
- Aug. 2010** Vice-Minister for Global Environmental Affairs
- Jan. 2011** Vice-Minister of the Environment
- Jul. 2013** Adviser, Ministry of the Environment
General Manager, Liaising Promotion Division for Fukushima Interim Storage, etc.
- Aug. 2013** Visiting Senior Researcher (in charge of environmental economics theory), Waseda University
- Apr. 2014** Visiting Professor, Faculty of Economics, Tokyo Keizai University
- Jun. 2014** President, Japan Environmental Sanitation Center (current)
- Jun. 2015** Chairman, Japan Waste Management Association
- Jun. 2017** External Audit & Supervisory Board Member, FANCL CORPORATION (current)
- Aug. 2017** External Director, the Company (current)

Significant concurrent positions

President, Japan Environmental Sanitation Center

External Audit & Supervisory Board Member, FANCL CORPORATION

Reason for nomination as an External Director and outline of his role

Mr. Hideki Minamikawa is well-versed in environmental policies both in and outside of Japan. He has held various posts including Vice-Minister in the Ministry of the Environment, and has been involved in efforts to conclude agreements regarding the framework convention on climate change. We believe that he can provide a wide range of highly insightful suggestions and advice for the Company's renewable energy business. As such, we have nominated Mr. Minamikawa as a candidate for External Director. He is currently serving as a member of the Nomination and Compensation Committee which is a discretionary advisory body and playing an important role in the Committee in his independent and objective position. Although he has not been involved in corporate management other than as an external officer, for the reasons stated above, we believe that he is capable of fulfilling, and will continue fulfilling for us, the duties of an External Director if he is elected.

Candidate
No.

6

Koichi Kawana

(Date of birth:
April 23, 1958)

Number of shares of
the Company held

2,200

Attendance at
Board of Directors'
meetings

10/10 (100%)

Term of office as
Director

2 years



Candidate
for Re-
election

External
Director

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 1982** Joined JGC Corporation (currently JGC Holdings Corporation)
- Apr. 2007** Executive Officer, Senior General Manager, New Business Promotion Division, Global Marketing Division
- Jul. 2009** Managing Director, Senior General Manager, Global Marketing Division
- Jul. 2010** Director, Senior Executive Vice President
- Jul. 2011** Representative Director and President (COO)
- Jun. 2012** Representative Director and President
- Jun. 2017** Director, Vice Chairman
- Jun. 2018** Vice Chairman
- Jun. 2019** External Director, Tokyo Electron Device Limited (current)
- Jun. 2019** External Director, BANDAI NAMCO Holdings Inc. (current)
- Jun. 2019** External Director (Audit and Supervisory Committee Member), COMSYS Holdings Corporation (current)
- Jun. 2020** External Director, the Company (current)
- Apr. 2021** Representative Director and President, Lublyst Inc. (current)

Significant concurrent positions

- External Director, Tokyo Electron Device Limited**
- External Director, BANDAI NAMCO Holdings Inc.**
- External Director (Audit and Supervisory Committee Member), COMSYS Holdings Corporation**
- Representative Director and President, Lublyst Inc.**

Reason for nomination as an External Director and outline of his role

Mr. Koichi Kawana has a wealth of experience as a top management at a listed company and is well-versed in overseas business from serving as a head of overseas office. He also has professional insight on plant engineering. Accordingly, we believe that he can supervise overall management of the Company as well as provide highly insightful suggestions and advice for the overseas business expansion and construction and operation of the power plant facilities. As such, we have nominated Mr. Kawana as a candidate for External Director. He is currently serving as a member of the Nomination and Compensation Committee which is a discretionary advisory body and playing an important role in his objective position at the Committee. We believe that if he is elected as an External Director, he will continue to play the role stated above.

Candidate
No.

7

Naoki Shimada

(Date of birth:
November 23, 1968)

Number of shares of the Company held	Attendance at Board of Directors' meetings	Term of office as Director
1,200	8/8 (100%)	1 year



Candidate
for Re-
election

External
Director

Independent
Officer

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 1993** Joined Apple Computer (currently Apple Japan GK)
- Oct. 1998** Joined Boston Consulting Group, Inc.
- Sep. 2001** Established P & E Directions, Inc., Representative Director (current)
- Jun. 2008** Director, Nihon M&A Center Inc.
- Mar. 2013** External Audit & Supervisory Board Member, Fundely Co., Ltd. (current)
- Jun. 2015** External Director, Sugita Ace Co., Ltd. (current)
- Jun. 2021** External Director, the Company (current)

Significant concurrent positions

Representative Director, P&E Directions, Inc.

External Director, Sugita Ace Co., Ltd.

Reason for nomination as an External Director and outline of his role

After working at a global consulting firm, Mr. Naoki Shimada was involved in corporate management as the Representative Director of the company that he founded. He has a wealth of experience in consulting services for start-up of new business, support of overseas expansion, growth strategy by M&A, etc. as well as management experience for many years. This leads us to believe that he is capable of providing advice on supervision of business execution as well as overall management of the Company from a broad managerial perspective. For these reasons, we have nominated Mr. Shimada as a candidate for External Director. He is currently serving as a member of the Nomination and Compensation Committee which is a discretionary advisory body and playing an important role in the Committee in his independent and objective position. We believe that if he is elected as an External Director, he will continue to play the role stated above.

Candidate No.

8

Mayuka Yamazaki

(Date of birth:
January 23, 1978)

Number of shares of the Company held	Attendance at Board of Directors' meetings	Term of office as Director
1,000	8/8 (100%)	1 year



Candidate
for Re-
election

External
Director

Independent
Officer

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 2000** Joined McKinsey & Company
- Jun. 2002** Joined the Research Center for Advanced Science and Technology, The University of Tokyo as Research Associate
- Nov. 2006** Joined Harvard Business School (HBS) Japan Research Center
- Sep. 2010** Assumed the post of Adjunct Assistant Professor, Graduate School of Medicine, The University of Tokyo (concurrently)
- Sep. 2014** Assistant Director, HBS Japan Research Center
- Jan. 2017** Editorial Committee, DIAMOND Harvard Business Review, DIAMOND, Inc. (current)
- Mar. 2017** Founded IKERU as ikebana (Japanese traditional flower arrangement) artist (current)
- Jun. 2019** External Director (Audit and Supervisory Committee Member), M3, Inc. (current)
- Jun. 2021** External Director, the Company (current)

Significant concurrent positions

External Director (Audit and Supervisory Committee Member), M3, Inc.

Reason for nomination as an External Director and outline of her role

After working as a management consultant at a global consulting firm, Ms. Mayuka Yamazaki has acquired her expertise in corporate management through her work at the Harvard Business School as well as her experience as an external director of a fast-growing venture company. This leads us to believe that she is capable of supervising business execution as well as providing advice on the overall management of the Company from a global and multilateral perspective. For these reasons, we have nominated Ms. Yamazaki as a candidate for External Director. Although she has not been involved in corporate management other than as an external officer, for the reasons stated above, we believe that she is capable of fulfilling, and will continue fulfilling for us, the duties of an External Director if she is elected.

Candidate
No.

9

Ken Takayama

(Date of birth:
June 6, 1964)

Number of shares of the Company held	Attendance at Board of Directors' meetings	Term of office as Director
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New
Candidate

External
Director

Independent
Officer

Past experience, positions, responsibilities and significant concurrent positions

Apr. 1988 Joined The Industrial Bank of Japan, Limited. (currently Mizuho Bank, Ltd.)
Nov. 1999 Joined Rakuten, Inc. (currently Rakuten Group, Inc.)
Feb. 2010 Chief Financial Officer
Jun. 2015 External Director (Audit and Supervisory Committee Member) of TECHMATRIX CORPORATION (current)
Sep. 2018 External Director of Mercari, Inc.(current)
Nov. 2018 External Director (Audit and Supervisory Committee Member) of Metaps Inc.
May 2019 External Director of MEDIA DO Holdings Co., Ltd. (currently MEDIA DO Co., Ltd.) (current)

Significant concurrent positions

External Director (Audit and Supervisory Committee Member), TECHMATRIX CORPORATION
External Director, Mercari, Inc.

Reason for nomination as an External Director and outline of his role

After working for a financial institution, Mr. Ken Takayama was involved in corporate management as the Chief Financial Officer of a Japan's leading e-commerce company. He has a wealth of professional knowledge and experience in corporate management and financing of growth companies, in particular. Accordingly, we believe that he can provide highly insightful suggestions and advice for strategic funding and the overall management of the Company. For these reasons, we have nominated Mr. Takayama as a candidate for External Director. We believe that if he is elected as an External Director, he will play the role stated above.

- (Notes) 1. There are no specific interests between each of the candidates and the Company.
2. Of the candidates for Director, Mr. Koichi Kawana had received remuneration from JGC Holdings Corporation as its vice chairman. Its subsidiary, JGC Japan Corporation, falls under the major transactional partner of the Company's affiliate, Ishinomaki Hibarino Biomass Energy GK. He resigned from all offices of JGC Holdings Corporation in June 2020 and will not receive remuneration from the company.
3. The name of Ms. Mayuka Yamazaki as it appears in the official family registry is "Mayuka Onishi."
4. The Company has entered into an agreement with Mr. Hideki Minamikawa, Mr. Koichi Kawana, Mr. Naoki Shimada and Ms. Mayuka Yamazaki respectively to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to such agreement is the minimum amount stipulated by law. Said limitation of liability would only be valid if the Officer in question acted in good faith and without gross negligence in execution of the duty for which he or she is held liable. If the candidates are reelected, the Company plans to continue the aforementioned agreement with them. If Mr. Ken Takayama is elected, the Company also plans to enter into such agreement with him.
5. Mr. Hideki Minamikawa, Mr. Koichi Kawana, Mr. Naoki Shimada, Ms. Mayuka Yamazaki and Mr. Ken Takayama are all candidates for External Directors. Of the candidates for External Director, the Company deems Mr. Hideki Minamikawa, Mr. Naoki Shimada, Ms. Mayuka Yamazaki and Mr. Ken Takayama as having a high level of independence and no risk of specific conflict of interests with general shareholders. The Company has reported Mr. Hideki Minamikawa, Mr. Naoki Shimada and Ms. Mayuka Yamazaki to the Tokyo Stock Exchange as Independent Officers according to regulations stipulated by the said exchange. If they are reelected, the Company intends to continue appointing them as Independent Officers. In addition, if Mr. Ken Takayama is elected, the Company plans to report him as a new Independent Officer.
6. The Company has entered into a Directors and Officers liability insurance (D&O Insurance) contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act of Japan to cover legal damages and litigation expenses borne by the insured in the event that a claim for damages is made against the insured on the basis of an act committed by the insured in his/her aforementioned capacity. The Company bears the entire premium for all the insured. Of the candidates for directorship, the candidates to be re-elected have already been included as insured under this insurance contract and they will continue to be so insured if they are re-elected. If the new candidates are elected, they will be included as insured after their election. The Company plans to renew the insurance policy with the same terms at the next opportunity for renewal.

(Reference) Policy on selection of candidates for Directors and Audit & Supervisory Board Members and the process thereof

Directors

[Policy]

The basic policy of selecting candidates for Directors of the Company is as follows: after considering the assurance of diversity and a balance of knowledge, experience and capabilities in the overall composition of the Board of Directors, those who have outstanding character and insight, have high ethical standards, satisfy the following requirements and can fulfill their responsibilities are selected.

—Internal Directors—

- Having excellent sense of management and being well-versed in managerial issues
- Understanding changes in the business environment and market accurately, and being able to formulate and execute business strategies to increase corporate value enhancement over the medium- to long-term

—External Directors—

- Having a high level of expertise in any of the following areas: environment and energy, corporate management, technology, finance, and other fields of expertise
- Having a correct understanding of the characteristics of the Company; being able to fulfill a monitoring function for the Board of Directors based on appropriate risk management
- Independent External Directors shall satisfy the Standards for Determining Independence stipulated by the Company

[Process]

Based on the abovementioned policy, the Founding CEO & Representative Director formulates a proposal for the election of candidates for Directors, and after deliberation by the Nomination and Compensation Committee*, the proposal is submitted to a General Meeting of Shareholders for discussion, conditional upon resolution at the Board of Directors.

(*) To raise the levels of transparency and objectivity in management, and to ensure the adequacy of the compensation for the Directors and the Executive Officers, the Company has established a Nomination and Compensation Committee, which is a discretionary organization that serves as an advisory body for the Board of Directors. The Nomination and Compensation Committee consists of three External Directors, the Executive Chairman & Director, and the Founding CEO & Representative Director. Besides being comprised of a half or majority of External Directors, the chairman of the committee is also selected from among the External Directors.

Audit & Supervisory Board Members

[Policy]

The basic policy of selecting candidates for Audit & Supervisory Board Member of the Company is as follows: after considering the assurance of diversity and a balance of knowledge, experience and capabilities in the overall composition of the Audit & Supervisory Board, those who have outstanding character and insight, have high ethical standards, satisfy the following requirements and can fulfill their responsibilities are selected.

- Having knowledge on finance, accounting and law that is required for audit, and one or more Audit & Supervisory Board Member who has full insight on finance and accounting
- Having a correct understanding of the characteristics of the Company; being able to fulfill a monitoring function for the Board of Directors based on appropriate risk management
- Independent External Audit & Supervisory Board Member shall satisfy the Standards for Determining Independence stipulated by the Company

[Process]

Based on the abovementioned policy, upon discussion with the chairman of the Audit & Supervisory Board, the Founding CEO & Representative Director formulates a proposal for the election of candidates for Audit & Supervisory Board Member. After receiving a consent from Audit & Supervisory Board, the proposal is submitted to a General Meeting of Shareholders for discussion, conditional upon resolution at the Board of Directors.

Standards for Determining Independence of External Officers

In order to ensure the appropriateness, objectivity and transparency of governance at RENOVA, Inc. (hereinafter the "Company"), the following standards regarding the independence of External Directors and External Audit & Supervisory Board Members (hereinafter "External Officers") have been stipulated.

The Company deems External Officers or candidates for External Officers as being independent if they do not fall under any of the categories below, based on reasonable investigation by the Company.

1. A former employee of the Company and its consolidated subsidiaries (hereinafter collectively the "Group") (Note 1)
2. A major shareholder of the Company (Note 2)
3. A business executive in any of the following corporations, etc.
 - a) A major transactional partner of the Group (Note 3)
 - b) A major lender to the Group (Note 4)
 - c) A corporation, etc. that holds shares consisting of 10% or more of the voting rights of the Group
4. An employee of the auditing firm that is the Accounting Auditor of the Group
5. An expert such as a consultant, accountant, tax accountant, lawyer, judicial scrivener or patent attorney who receives a large amount of cash or other property from the Group that is not classified as Officer remuneration (Note 5)
6. A party that receives a large amount of donation from the Group (Note 6)
7. A business executive of a company that has mutual appointments of External Officers (Note 7) with the Company
8. A close relative (Note 8) of a person who falls under any of items 1 through 7 (limited to "important parties" (see Note 9 below) except for items 4 and 5)
9. A party who had fallen under any of items 2 through 8 in the past 5 years
10. Notwithstanding the clauses in each of the preceding items, a party under special circumstances, with whom the Company may have a conflict of interests

Note 1: This refers to current Directors and Executive Officers involved in business execution and other parties who fall under this category (collectively referred to as "business executives" in these standards), as well as business executives who were employed by the Group in the past 10 years.

Note 2: A major shareholder refers to a shareholder who holds 10% or more of the voting rights of the Group, whether personally or by proxy, at the end of the Company's previous fiscal year. In the case where the major shareholder is an association such as a corporation or union, this refers to a business executive who belongs to that association.

Note 3: A major transactional partner refers to a supplier or buyer of the Group, whereby the value of annual transactions with the Group is more than 2% of either the Company's or the transactional partner's consolidated net sales.

Note 4: A major lender refers to a financial institution that the Group borrows from, whereby the outstanding debt at the Company's fiscal year-end is more than 2% of either the Company's or the financial institution's total consolidated assets.

Note 5: A large amount is defined as follows according to the type of involvement in the services provided by the expert in question.

(1) If the expert provides services to the Group as an individual, a large amount refers to a case where a party has received, on average over the past 3 fiscal years, more than 10 million yen per year as remuneration (excluding Officer remuneration) from the Group.

(2) If the expert provides services to the Group as a member of an association such as a corporation or union, a large amount refers to a case where the said association has received, on average over the past 3 fiscal years, monetary or other forms of compensation equivalent to more than 2% of the said association's total revenue amount in the previous fiscal year.

Note 6: This refers to a party who has received, on average over the past 3 fiscal years, more than 10 million yen per year in donations from the Group.

If the receiver of the donations is an association such as a corporation or union, among the parties who belong to the association, this refers to a party who is directly involved in activities such as research and education related to the donation.

Note 7: A company that has mutual appointments of External Officers with the Company refers to a case where a business executive of the Group is an External Director or an External Audit & Supervisory Board Member of the said company and a business executive of the said company is an External Director or an External Audit & Supervisory Board Member of the Company.

Note 8: A close relative refers to a spouse, or a second-degree relative.

Note 9: An important party refers to a Director or an Executive Officer.

Proposal 3: Determination of Amount and Details of Stock Compensation for the Company's External Directors

1. Reasons for the proposal and reasons that the said compensation is appropriate

At the 19th Annual General Meeting of Shareholders held on August 29, 2018, the Company received approval for the introduction of a stock compensation plan (hereinafter the "Plan") in which the Company would deliver or pay (hereinafter "Deliver, etc.") its shares and monetary equivalent to the converted value of such shares (hereinafter the "Company's Shares, etc.") not in excess of a total of 166 million yen (of which 45 million yen was for the External Directors) for four fiscal years beginning on June 1, 2018 to March 31, 2022 to the Directors and Executive Officers of the Company. This proposal is a request for the continuation of the Plan to be applied only to the External Directors of the Company upon making partial amendment, as a result of the introduction of a new stock compensation plan applicable to the Directors (excluding External Directors) and Executive Officers of the Company and its subsidiaries (hereinafter referred to collectively as the "Company, etc."), which excluded the Directors (excluding External Directors) and Executive Officers from the eligibility of the Plan, as approved at the 22nd Annual General Meeting of Shareholders held on June 18, 2021.

The amount of stock compensation under the Plan is to be provided in a category separate from the compensation amount for the Company's Directors (up to 500 million yen a year) approved in the Extraordinary Meeting of Shareholders held on April 28, 2014, and from the compensation amount for the Company's Directors (excluding External Directors) (up to a total of 400 million yen over the five fiscal years from April 1, 2021 to March 31, 2026) approved in the 22nd Annual General Meeting of Shareholders held on June 18, 2021.

Striving to realize our vision "to become Asia's renewable energy leader," the Plan aims at clarifying the linkage between compensation for the External Directors and the Company's stock value, and by doing so, at promoting their sense of contribution to the enhancement of stock value of the Company by allowing External Directors to share with the Shareholders not only in the benefits of share price increases but also in the risks of share price decreases, in the same boat as shareholders. An overview of the Company's policy for determining the details of compensation, etc. for individual Directors is presented on page 48 of the Business Report. Even if this proposal is approved, the Company does not intend to amend the details of the policy. The Company considers the content of this proposal necessary and reasonable in view of its policy and appropriate.

The Company has established the Nomination and Compensation Committee, chaired by an independent External Director and with the majority of members being External

Directors, as a discretionary advisory body for the Board of Directors to ensure the objectivity and transparency in the compensation determination process and the appropriateness of the compensation. The continuation of the Plan has also undergone deliberation by the Nomination and Compensation Committee.

The number of External Directors eligible for the Plan will be 5 if Proposal 2 is approved as originally proposed.

2. Amount and Details of Compensation in the Plan

(1) Overview of the Plan

The Plan is a stock compensation plan for External Directors of the Company, in which a trust established by the Company in November 2018 with money contributed by the Company (hereinafter the "Trust") acquires the Company's shares and Delivers, etc. the number of the Company's Shares, etc. corresponding to the number of points to be granted to each External Director of the Company via the Trust based on the Stock Delivery Rules to be established by the Company. In principle, the External Directors of the Company receive the Delivery, etc. of the Company's Shares, etc. at the end of each fiscal year.

(2) Persons eligible for the Plan

The External Directors of the Company

(3) Coverage period of the Plan

The four fiscal years from the fiscal year beginning on April 1, 2022 shall be the coverage period of the Plan. Thereafter, the coverage period of the Plan will be every 4 fiscal years, and the next coverage period of the Plan will begin after 4 fiscal years have passed since the beginning of each coverage period of the Plan.

(4) Trust period

The Trust established in November 2018 will continue to be used. (The Trust will continue as long as the Plan continues and no specific expiration date is set.)

The Plan, however, will terminate upon delisting of the Company's shares or abolition, etc. of the Share Delivery Rules.

(5) Amount of funds to be entrusted and number of shares to be acquired

Subject to the approval of the continuation of the Plan at this General Meeting of

Shareholders (hereinafter “this Shareholders’ Meeting”), the Company will contribute additional funds to the Trust to Deliver, etc. the Company’s Shares, etc. in accordance with the procedures provided in (7) and (8) below. The Trust will acquire the Company’s shares by using the funds contributed by the Company. As a rule, the Company will contribute funds to acquire the number of shares deemed necessary each fiscal year. The Company may therefore contribute funds for the acquisition of shares after the end of the final fiscal year in each coverage period of the Plan.

More specifically, if the continuation of the Plan is approved at this Shareholders’ Meeting, the Company will additionally contribute up to 50 million yen for the External Directors as funds for acquiring the shares to make the Delivery, etc. based on the Plan for the coverage period of the Plan, that is 4 fiscal years beginning on April 1, 2022.

Subsequently until the Trust ends, for each coverage period of the Plan, the Company will, in principle, contribute additional funds not in excess of the above mentioned amount that are deemed necessary for the Trust to acquire the number of shares that is reasonably expected to become necessary to Deliver, etc. the Company’s Shares, etc. to the Company’s External Directors based on the Plan for 4 fiscal years in each coverage period of the Plan.

However, in either case, when making such additional contribution, if there are remaining shares of the Company (excluding the Company’s shares corresponding to the number of points granted to the External Directors that have not been Delivered, etc. to the External Directors) and remaining money (hereinafter collectively the “Remaining Shares, etc.”) in the Trust assets after Delivery, etc. of the shares, etc. associated with the previous coverage period of the Plan is completed, then the Company will calculate the amount of the additional contribution for the relevant coverage period of the Plan after taking the Remaining Shares, etc. into account.

(6) Acquisition method and number of the Company’s shares to be acquired by the Trust

The Trust will acquire the Company’s shares from the stock market within the range of funds for acquiring the shares specified in (5) above, and new shares will not be issued. Accordingly, the total number of issued shares will not increase upon the acquisition of the Company’s shares by the Trust, and dilution will not occur.

The maximum number of shares to be acquired for each coverage period of the Plan will be 31,000 shares, representing 0.04% of the total number of issued shares as of March 31, 2022 (78,939,300 shares).

(7) Calculation method and maximum number of the Company's Shares, etc. to be Delivered, etc. to External Directors of the Company

The Company will grant points to the External Directors of the Company every fiscal year, in accordance with the Share Delivery Rules to be established by its Board of Directors, and Deliver, etc. the number of the Company's Shares, etc. corresponding to the points granted to those who have met certain beneficiary criteria defined in the Share Delivery Rules.

Specifically, it is intended that the maximum total number of points to be granted to the Company's External Directors for each coverage period of the Plan will be 31,000 points. These points will be converted to the common shares of the Company at a rate of 1 share for every 1 point at the time of the Delivery, etc. under (8) below of the Company's Shares, etc. Therefore, the maximum total number of the Company's Shares, etc. for Delivery, etc. to External Directors of the Company for each coverage period will be 31,000 shares. (However, if a share split, allotment of shares without contribution or consolidation of shares, etc. is conducted for the Company's shares after the resolution of approval at this Shareholders' Meeting, the conversion rate will be adjusted reasonably based, among others, on their proportionality.)

(8) Delivery, etc. of the Company's Shares, etc. to External Directors of the Company

The Company's Shares, etc. corresponding to the total number of points granted to the External Directors of the Company every fiscal year will be Delivered, etc. to them in accordance with the prescribed procedure for determining the beneficiaries each fiscal year. The right to receive Delivery, etc. of the Company's Shares, etc. under the Plan cannot be transferred or pledged as security.

Moreover, the Company is not required to proceed with the Delivery, etc. of all or some of the Company's Shares, etc. to an External Director of the Company who engages in criminal or unlawful activity. In such cases, the Company may ask the recipients to return the Company's Shares, etc. for which Delivery, etc. is already completed.

(9) Exercise of voting rights of the Company's shares in the Trust

The voting rights of the Company's shares in the Trust (that is, the Company's shares before they are Delivered, etc. to the External Directors of the Company in accordance with (8) above) will not be exercised during the trust period to ensure neutrality over management.

(10) Handling of dividends for the Company's shares in the Trust

The Trust will receive dividends for the Company's shares in the Trust and appropriate them as funds for acquiring the shares and trust expenses such as trust fees.

(11)Disposition at the end of the trust period

Of the residual assets in the Trust when the Trust ends, all the Company's shares will be acquired by the Company without consideration and cancelled by a resolution of the Board of Directors.

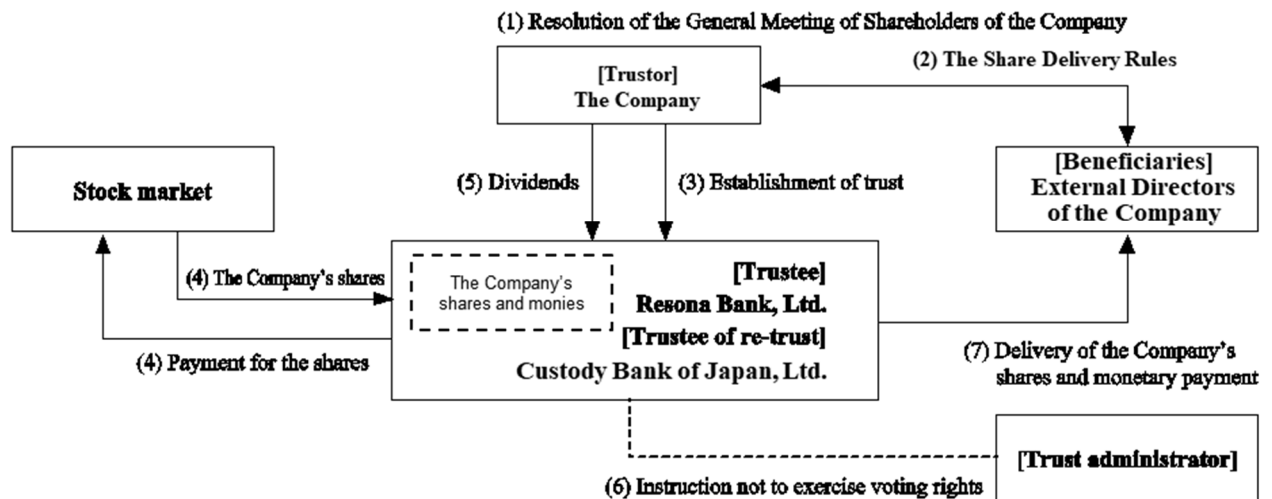
Of the residual assets in the Trust when the Trust ends, the monies will be distributed to persons who are incumbent at the time and eligible under the Plan in proportion to their respective points accumulated.

3. The current stock compensation plan

At the 19th Annual General Meeting of Shareholders held on August 29, 2018, the Company introduced a stock compensation plan (hereinafter the "Plan") in which the Company Delivers, etc. the Company's Shares, etc. to the Directors and Executive Officers of the Company. Following the introduction of a new stock compensation plan to the Directors (excluding External Directors) and Executive Officers of the Company, etc., at the 22nd Annual General Meeting of Shareholders held on June 18, 2021, the Directors (apart from External Directors) and Executive Officers were excluded from the eligibility of the Plan.

If this proposal is approved as originally proposed, the Company will concurrently have several stock compensation plans, namely, performance-linked and non-performance-linked stock compensation plans (the maximum total amount to be contributed is 400 million yen for the Directors of the Company for the five fiscal years from April 1, 2021 to March 31, 2026; and that for Executive Officers of the Company and Directors and Executive Officers of the Company's subsidiaries is a total of 800 million yen) applicable to the Directors (excluding External Directors) and Executive Officers of the Company, etc.; and a non-performance-linked Plan applicable only to the External Directors of the Company (the maximum total amount to be contributed is 50 million yen for the four fiscal years from April 1, 2022 to March 31, 2026).

(Reference) Structure of the share delivery trust



- (1) The Company will obtain a resolution to approve the Directors' compensation in relation to the Plan at its General Meeting of Shareholders.
- (2) The Company established the Share Delivery Rules for the Delivery, etc. of the Company's shares at a meeting of the Board of Directors.
- (3) The Company will contribute money within the range approved by the General Meeting of Shareholders in (1) above to a trust (the Trust) with the persons eligible for the Plan as the beneficiary candidates.
- (4) The Trust will acquire the Company's shares from the stock market by using the monies entrusted under (3) (including additional contributions).
Note: In principle, the number of shares deemed necessary will be acquired each fiscal year.
- (5) Dividends will also be paid for the Company's shares in the Trust in the same manner as for the Company's other shares.
- (6) Voting rights of the Company's shares in the Trust will not be exercised across the board during the trust period.
- (7) During the trust period, points will be granted to the External Directors of the Company every fiscal year in accordance with the Share Delivery Rules in (2) above, and the number of the Company's Shares, etc. corresponding to the points granted will be Delivered, etc. to those who have met certain beneficiary criteria defined in the Share Delivery Rules.