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Notice Concerning Recording of Loss on Equity in Affiliated Company

RENOVA, Inc. (the “RENOVA”) announces that it will record, in the third quarter of the consolidated fiscal year ending March 31, 2024, a loss on equity interests in KIANGAN MINI HYDRO CORPORATION, an equity method affiliate of RENOVA which promotes the Kiangang Hydroelectric Power Project (Ifugao Province in Republic of the Philippines, hereinafter referred to as the “Kiangang Project”).

1. Occurrence of loss on equity interests in the affiliated company and its details

Although RENOVA has been proceeding with construction of the Kiangang Project through RENOVA RENEWABLES PHILIPPINES 1 PTE.LTD., a subsidiary of RENOVA, together with co-sponsors since April 2021, Kiangang Project is expected to make changes to the design of the construction work in order to increase the certainty of completion *1 resulting in a change in the installed capacity from 17.4MW to 8.3MW due to the reduction in the scale of the project.

As a result, a loss of up to 1.2 billion yen is expected to be recorded by reserving the full amount of the equity*2 invested by the subsidiary of RENOVA. RENOVA does not presently expect to record any additional losses in future from the reduction in project scale.

*1. The COD timing is undisclosed.

*2. RENOVA's equity interest is 40% in the resolution ownership ratio, 86.5% in the investment ratio, and 76.3% in the dividend ratio. (As of March 31, 2023)

2. Details of the loss

(1) Date and history of loss	December 31, 2023 KIANGAN MINI HYDRO CORPORATION, an equity method affiliate of RENOVA, is expected to make changes to the design of the construction work due to the reduction in the scale of the project. As a result, RENOVA is reserving for the full amount of the equity invested by its subsidiary.
(2) Details of the loss	Share of loss of investments accounted for using the equity method

3. Impact on financial results

As calculation of the amount of loss to be recorded for equity interests in the affiliated company is under process, the impact on financial results for the current fiscal year (ending March 2024) is currently being closely examined. RENOVA will promptly disclose any other matters that should be announced, as and when they arise.

[For inquiries about this release]
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