

# Renewable Japan Co., Ltd.

## Equity Story



Renewable Japan



# Founder and the Background of Founding



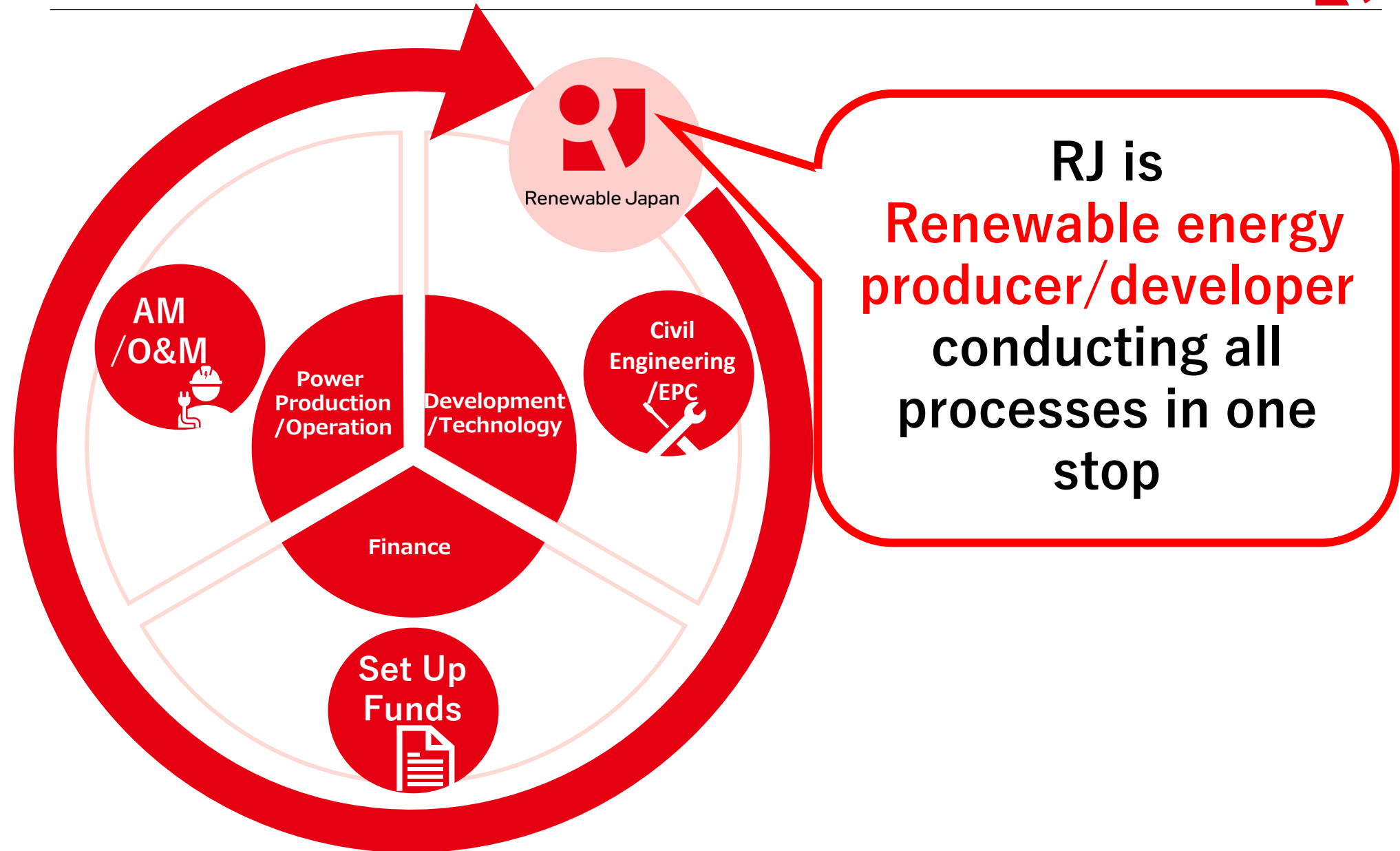
## Bio of President and Representative Director, Katsuhito Manabe

1991	Joined Lehman Brothers Japan Inc.
2005	Joined Barclays Capital Securities Ltd. (current Barclays Securities Japan Limited)
2008	Appointed as President and Representative Director of ZAIS Japan
2011	The Great East Japan Earthquake ( <b>Brought water purification equipment to the affected area</b> )
2012	Founded RJ and became its President and Representative Director (current)



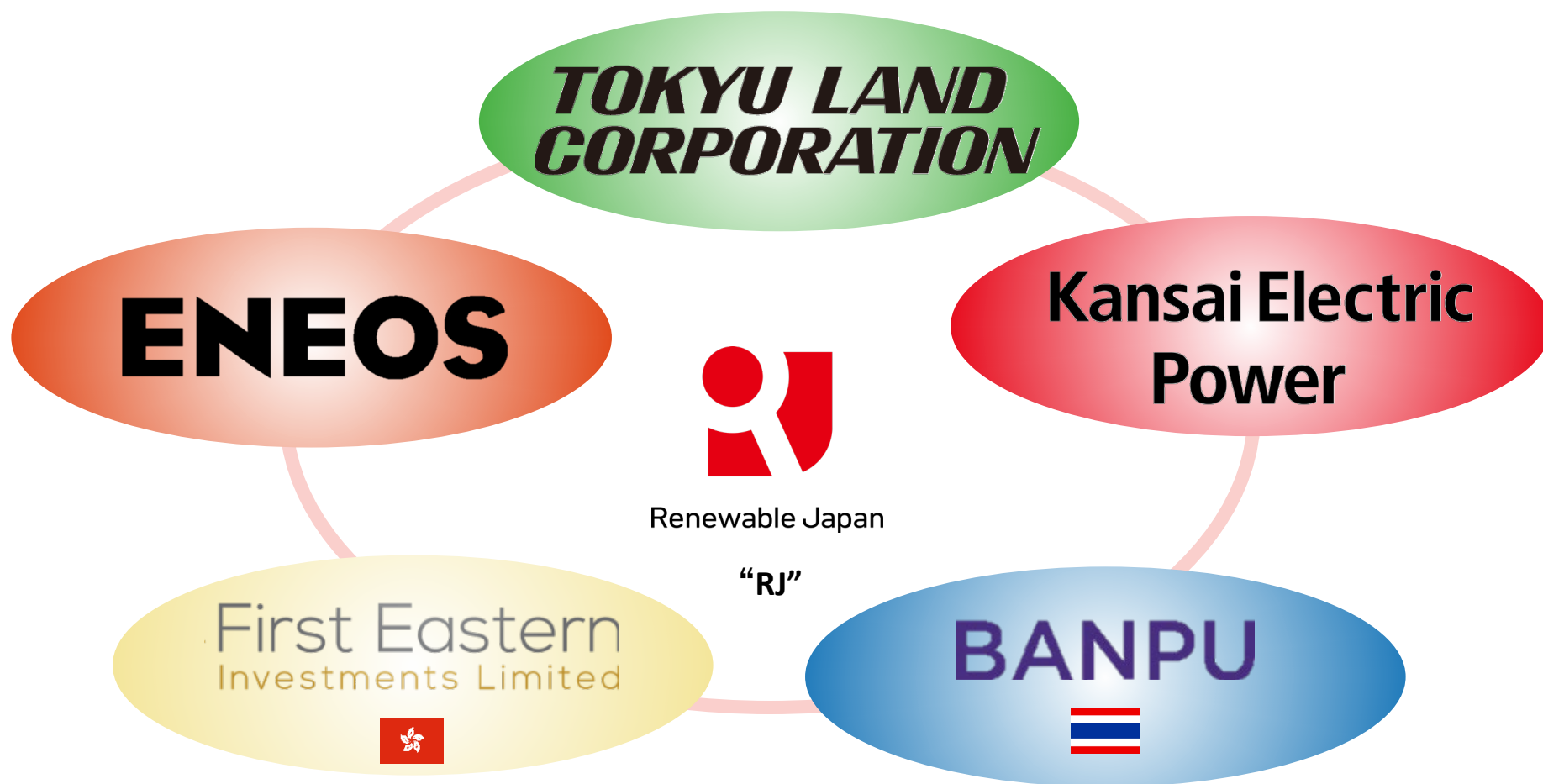
Solar-powered water purification equipment







## Major Shareholders



# Management Team with Significant Expertise



Katsuhito Manabe Chief Executive Officer President

Motivated by the Great East Japan Earthquake, he established Renewable Japan in January 2012 and became its Representative Director in order to embark on renewable energy business in Japan. He concurrently serves as Representative Director of Committee for Promotion of Long-term Stable Renewable Energy Sources (“REASP”). Prior to the establishment of Renewable Japan, he was involved in overseas mega solar projects in the capacity of Representative Director of a foreign investment bank and a U.S. investment company, ZAIS Japan.



Daisuke Sano Director, and Senior Managing Executive Officer

After joining Renewable Japan in December 2014 and subsequently serving as Executive Officer and General Manager of Financial Business Division, he assumed the position of Director in June 2015. Prior to joining Renewable Japan, he worked at financial companies in Japan and overseas, including Lehman Brothers Securities and Barclays Securities.



Tatsuaki Makino Director and Managing Executive Officer

After joining Renewable Japan in September 2016 and subsequently serving as General Manager, Strategic Business Division of the Financial Services Division, he became a Director in August 2017. Prior to joining Renewable Japan, he worked at a construction company, a bank, and a U.S. investment company.



Yasuyuki Saito Director, Managing Executive Officer

In March 2018, he assumed the position of Director. Prior to joining Renewable Japan, he served as Director and Senior Managing Executive Officer of the Industrial Systems Division of Toshiba Plant Systems & Services Corporation.

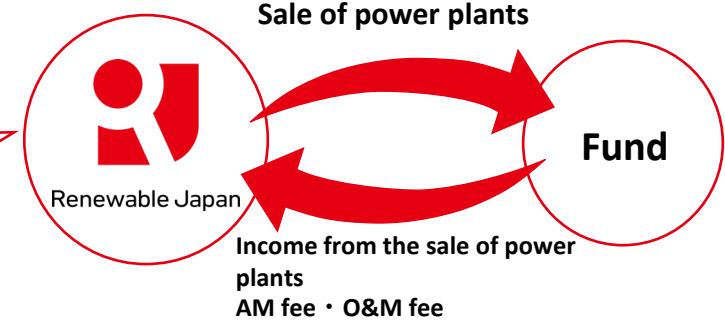
# Three Stages



## 1st Stage (Accomplished)

### Asset Management Model

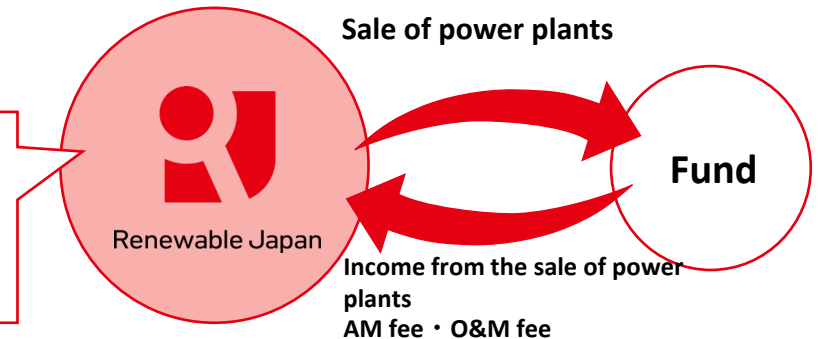
Sell power plants and  
receive stable AM and  
O&M fees



## 2nd Stage (Accomplished)

### Stock Business Model (Recurring revenue model)

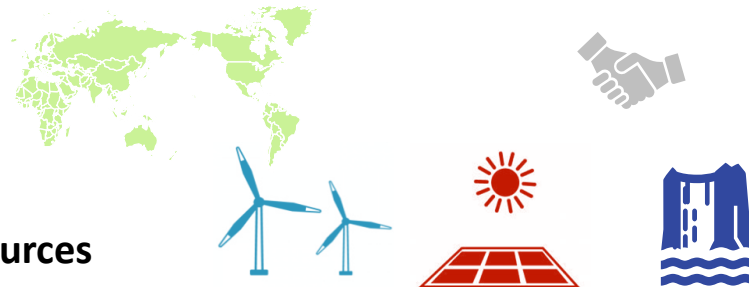
Own power plants as  
well as selling



## 3rd Stage (Further step)

### New Market

- Overseas
- Non-FIT
- Other energy sources



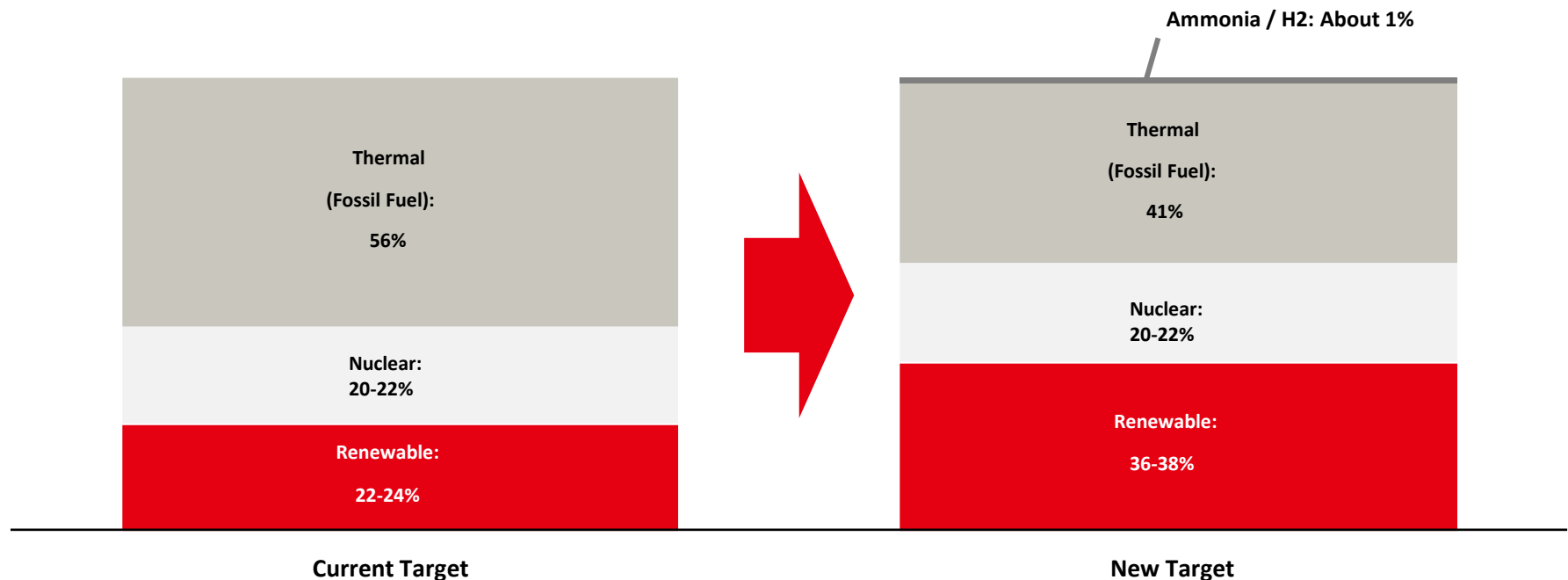


<b>1</b>	Rapidly Expanding Renewable Energy Market in Japan	<b>8</b>
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**1**

## **Rapidly Expanding Renewable Energy Market in Japan**

## Ratio of Renewable energy expands to 1.5 times (Target for FY2030)



Source : Agency for Natural Resources and Energy "The Fifth Basic Energy Plan" and "The Sixth Basic Energy Plan"  
\* Compiled by Renewable Japan Co., Ltd. based on Agency for Natural Resources and Energy "The State of Energy Policy Toward FY2030".  
"The FY 2030 target (new plan)" is a figure stated in the Agency for Natural Resources and Energy's "Outline of the Sixth Basic Energy Plan" as "an indication of what the outlook for energy supply and demand will be if we ambitiously assume that various issues will be overcome."



**The Growth Area in Energy Mix set for FY2030 is  
Solar and Onshore Wind Power**

■ Target Renewable Energy Mix for FY2030		
	Current Target	New Target
Solar	7.0%	14.0-16.0%
Wind	1.7%	5.0%
Geothermal	1.0-1.1%	1.0%
Hydro	8.8-9.2%	11.0%
Biomass	3.7-4.6%	5.0%

Source : Agency for Natural Resources and Energy "The Fifth Basic Energy Plan" and "The Sixth Basic Energy Plan"

\*Compiled by Renewable Japan Co., Ltd. based on "Trends since the formulation of the Basic Energy Plan and the direction of future actions"



## The Sixth Basic Energy Plan

Target for FY2030 Solar power installation  
(Ambitious level)

**117.6GW**

FT2019 Solar power installation

**55.8GW**

**Potential for growth:**

**61.8GW**

**(Approx. 6 trillion yen\*)**

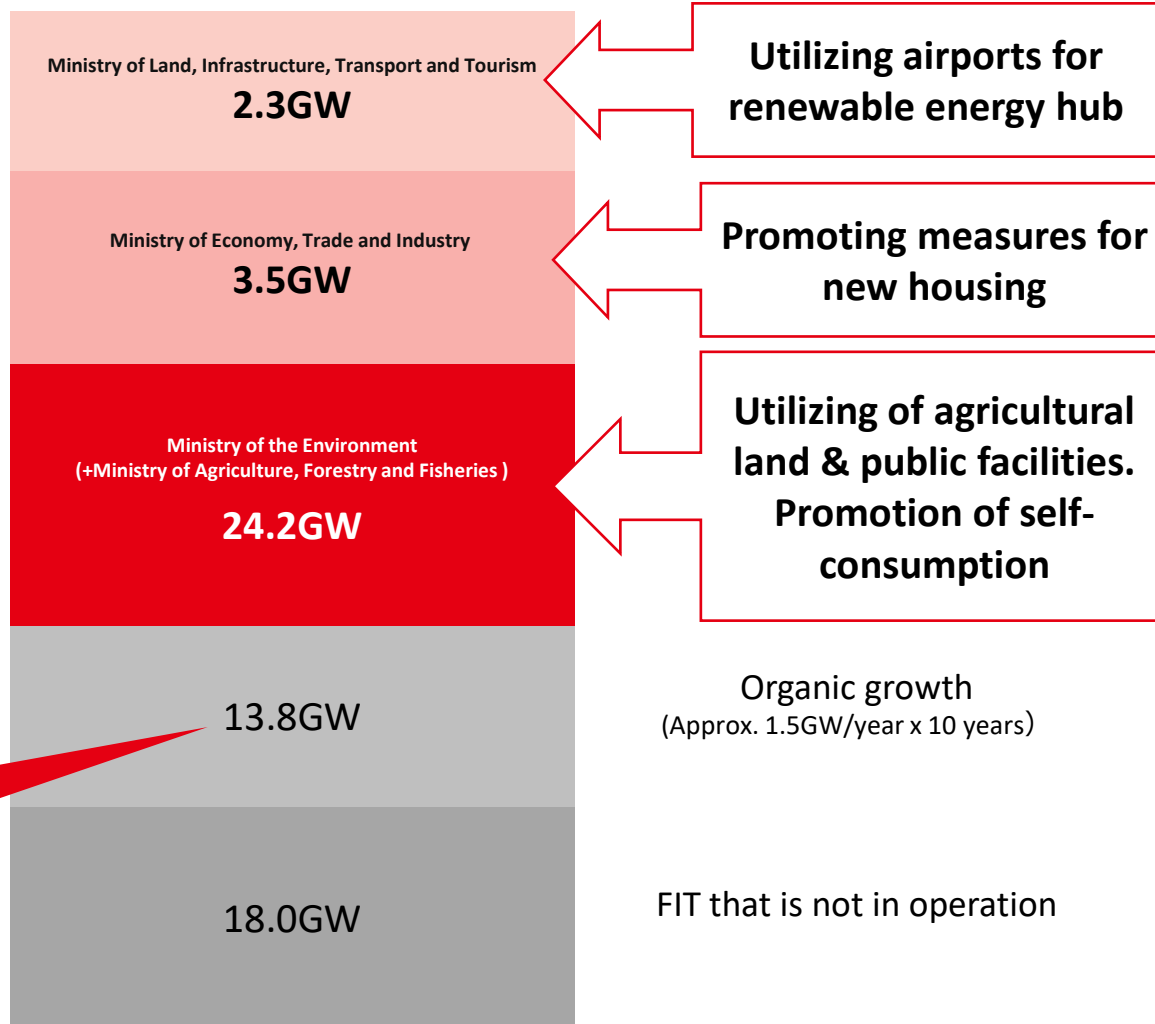
\*1MW = Calculated as 0.1bn yen.

**x2**



## Potential growth area

Target for FY2030 solar power  
installation  
(Ambitious level)  
**61.8GW**  
(Approx. 6trillion yen)



In addition, each ministry supports  
the promotion of renewable energy.  
Ex. Utilization of unknown owner land.

Source : Compiled by Renewable Japan Co., Ltd. based on materials of each ministries and Subcommittee on Large-Scale Introduction of Renewable Energy and Next-Generation Power Networks

\* This document is based on the current target and data. These may be changed due to updates of target and data in the future.

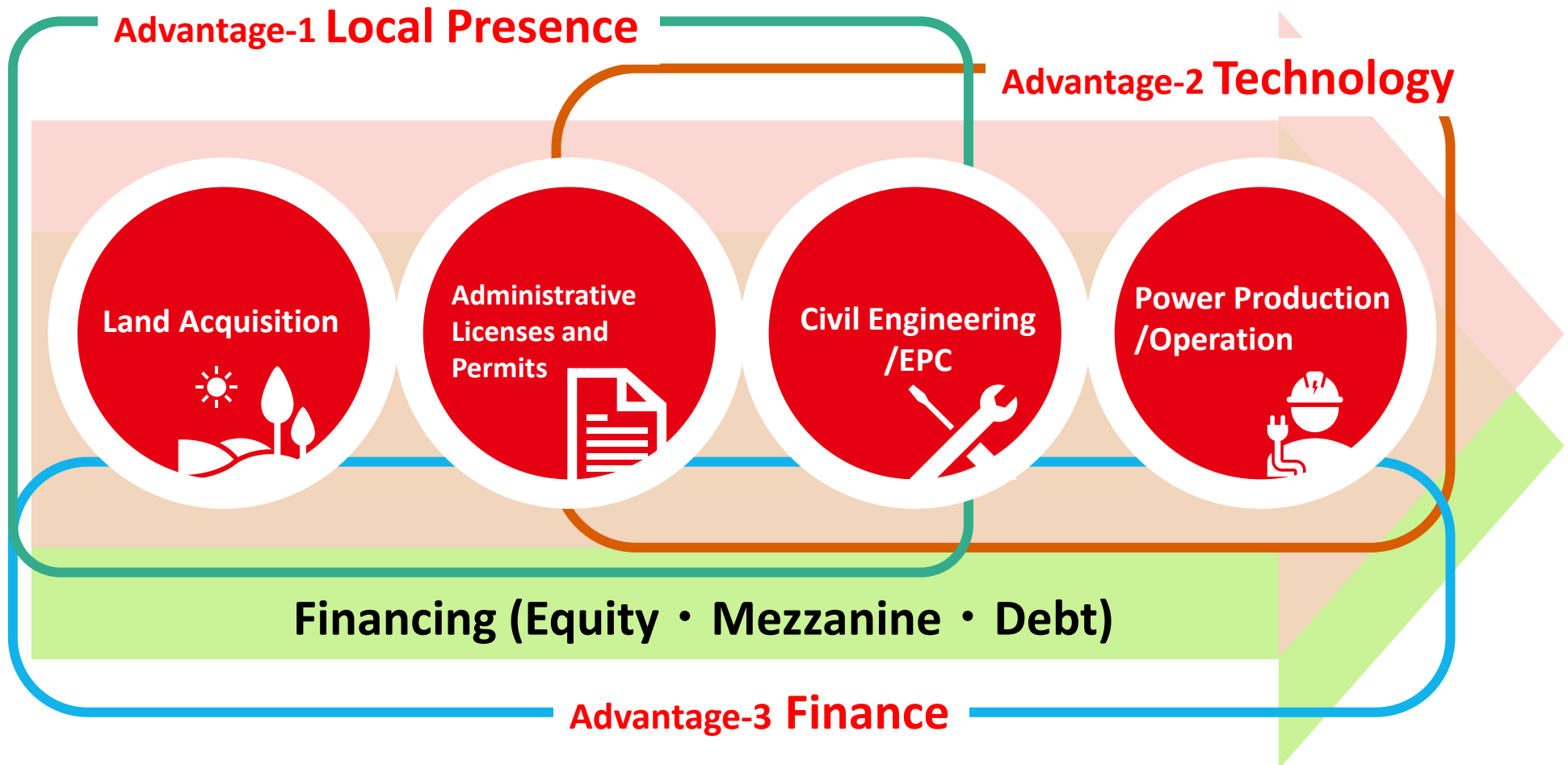
**2**

## **RJ's Advantages and Business Model**

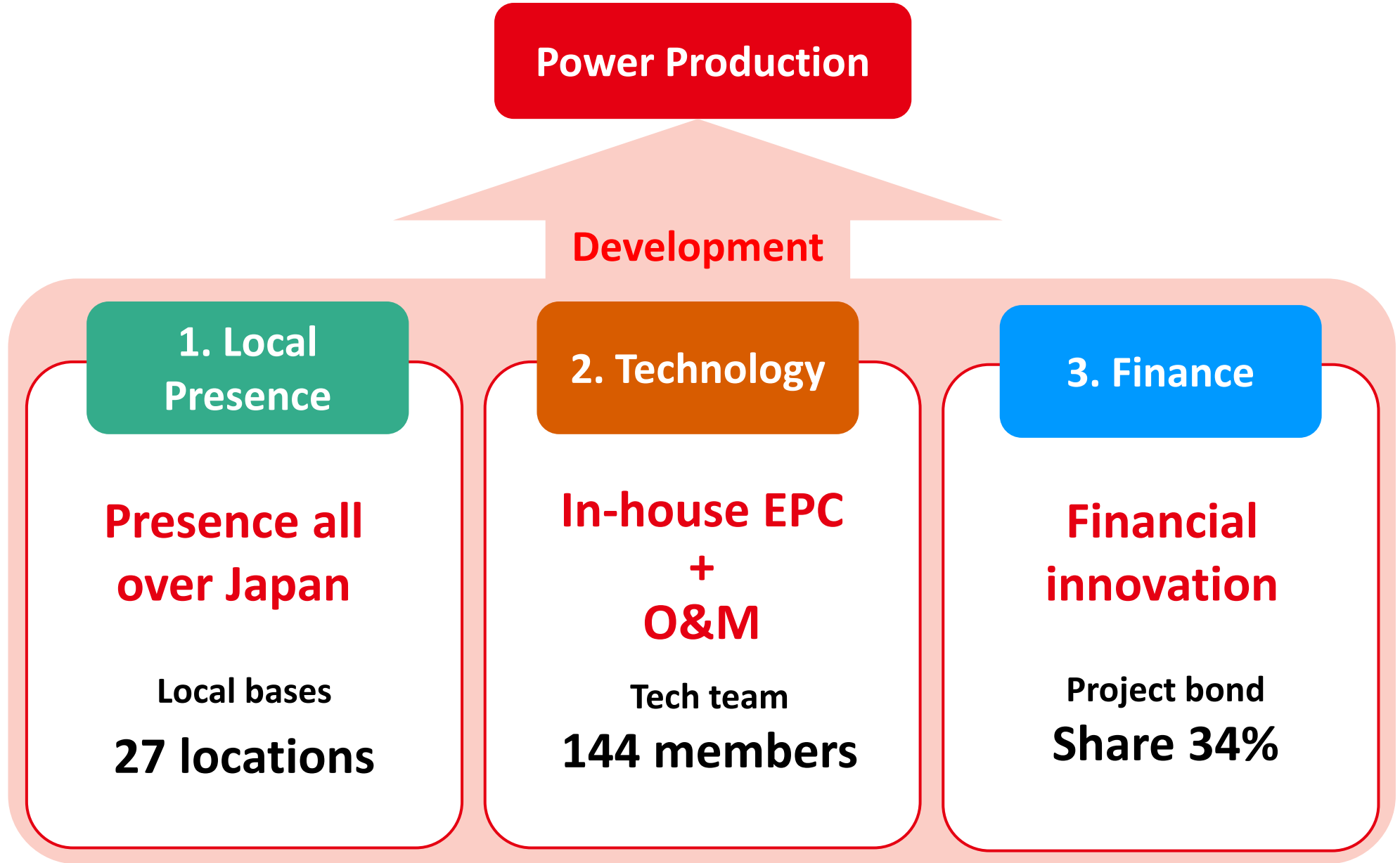


## RJ's Three Advantages

**1. Local Presence      2. Technology      3. Finance**
















# Three Advantages of RJ's One -Stop Service



# Comparison to Other Companies



	Company	Main Business	Advantage		
			Local Presence	Technology	Finance
1. Focus on Renewable energy (Industry type: Electricity, gas)	 Renewable Japan	Development (Low-FIT-High-FIT) + IPP/O&M			
	Company A	Development (High-FIT Only) + IPP			
2.Side Business (Industry type: Construction)	Company B	PPS (Power Production and Supply) + Contracted construction			
	Company C	PPS (Power Production and Supply) + Contracted construction			

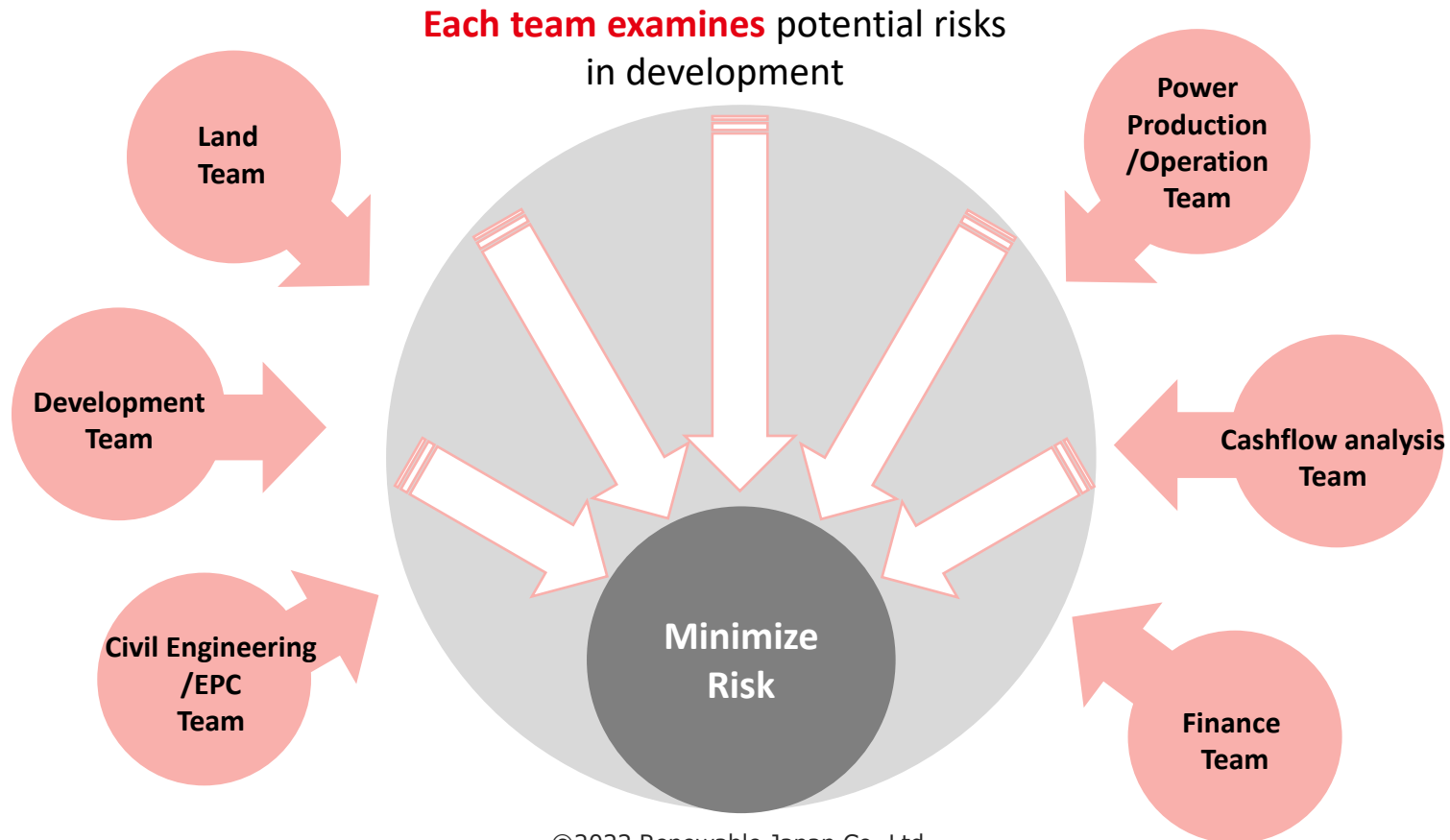
The majority of sales are PPS + Contracted construction

# Corporate Structure to Optimize Development



Conduct Due Diligence (Review/Study) for Project Development/Acquisition **within the company**

**Speedy Project Development/Acquisition with minimized risks**

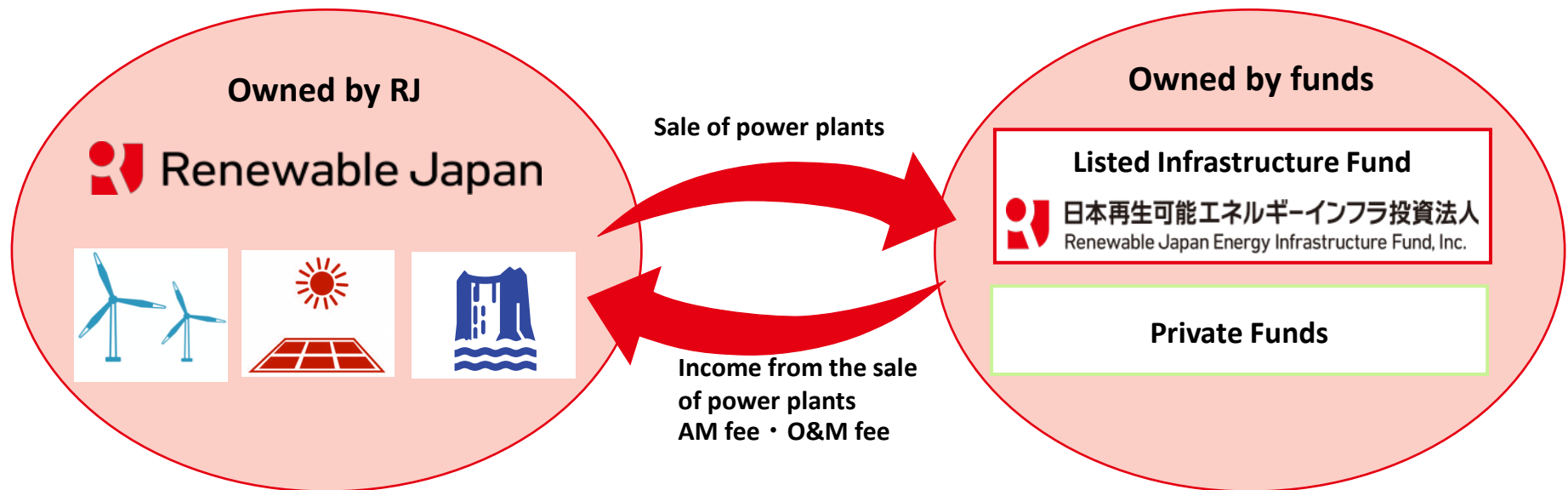


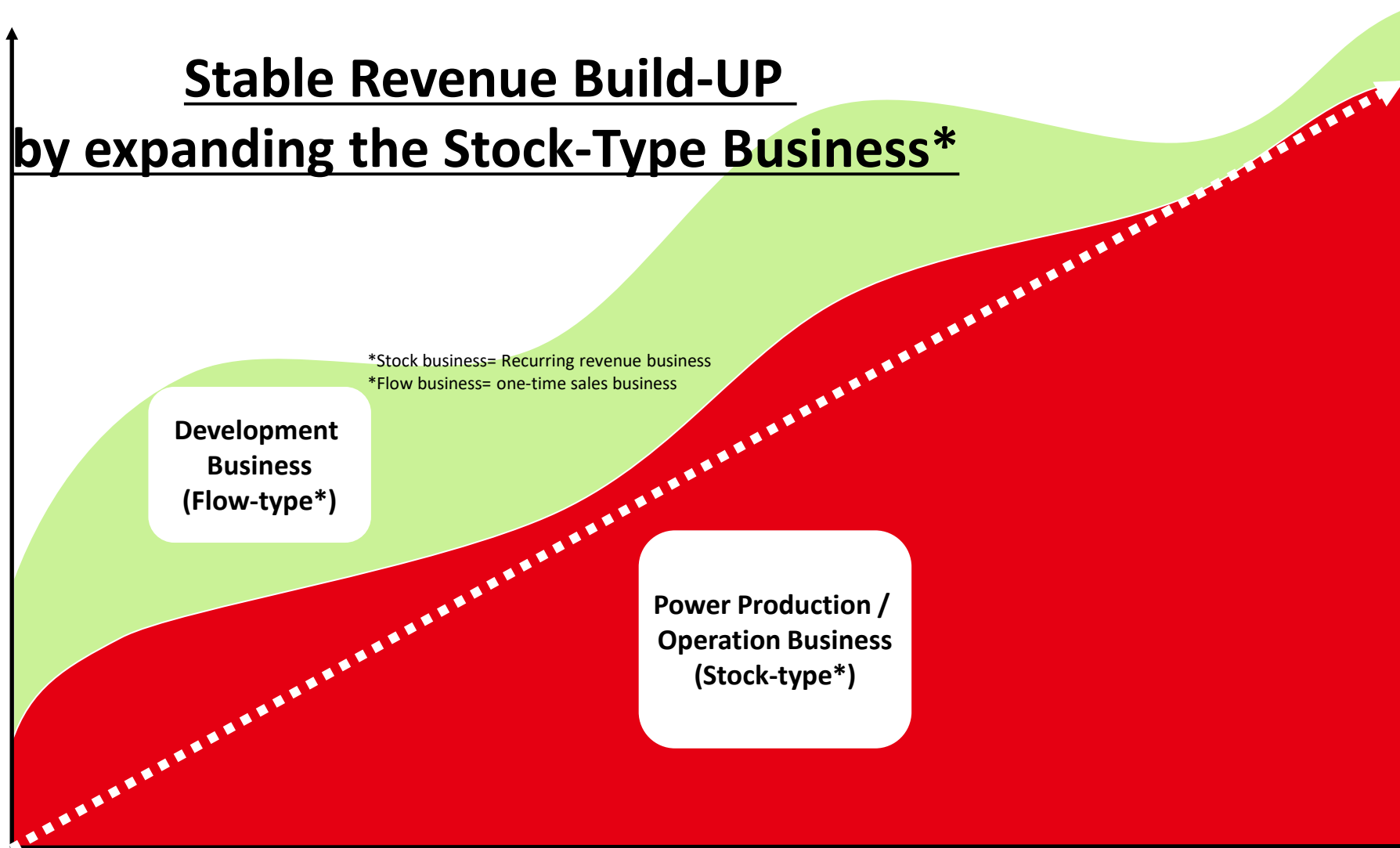
## Realization of Stability and Growth

by Stock business\* (In-house Power Production + O&M/AM) and  
Flow business\* (Sale of Power Plant)

\*Stock business= Recurring revenue business

\*Flow business= one-time sales business





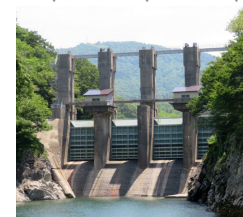
# Expanding RJ's Independent Power Production Business(2nd Stage)



## Power Plants Owned by RJ (Plants in operation + Plants Under development)

Total Net share\* **292.9MW**

"Net share" stands for total value of each panel output multiplying RJ's equity share.

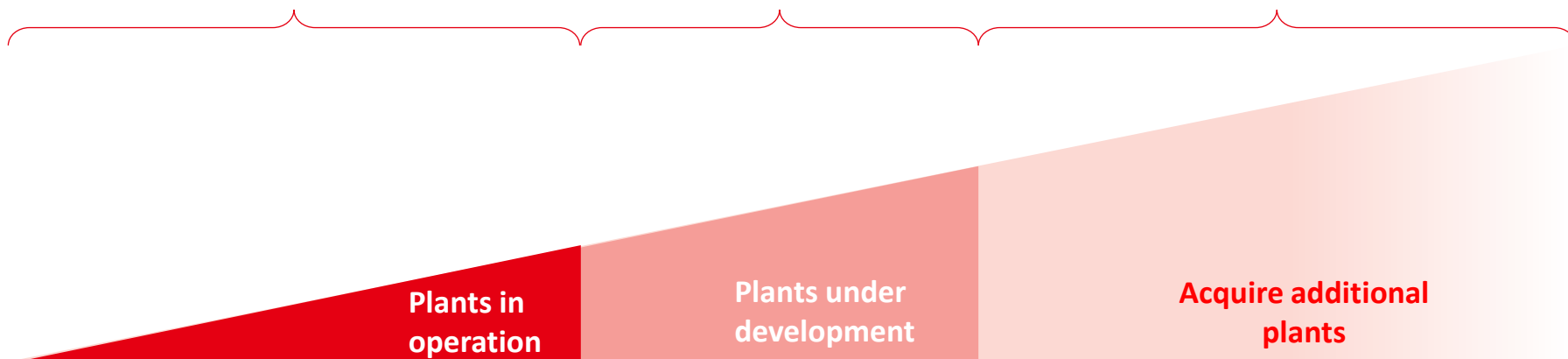


\* As of December 31, 2021

**154.8MW**  
**In Operation**  
**(Net share)**

**138.0MW**  
**Under Development**  
**(Net share)**

**Further Acquisition**  
**(70-80MW/year or more)**



### **3 Three Advantages of RJ's “One stop” Service**

**1. Local  
Presence**

**2. Technology**

**3. Finance**



### Abundant Development/ Acquisition Track Record (Total 147plants, 773.9MW)

Annual CO<sub>2</sub> Reduction\*:377,960.9t (Estimate)

\* As of December 31, 2021

#### Solar



#### Hydro



#### Wind

**Under Development**

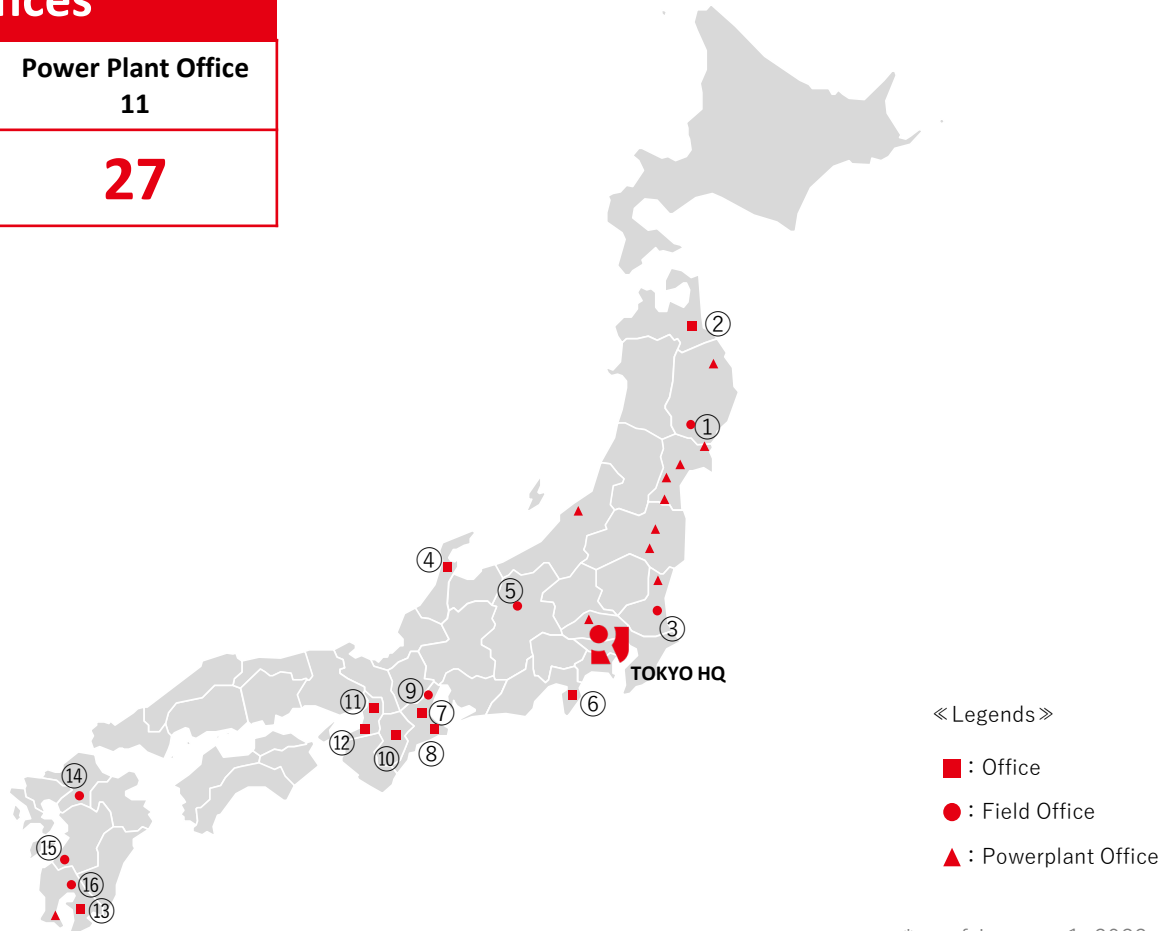
\* "Annual CO<sub>2</sub> Reduction" refers to the amount of CO<sub>2</sub> emitted if the annual amount of power generation (the amount of power generation achieved without emitting CO<sub>2</sub>) calculated based on our track record of developing renewable energy power plants is assumed to be generated using methods other than renewable energy. Specifically, it is calculated by multiplying the Company's renewable energy power plant development results to date by the annual amount of power generation per MW, and then multiplying that by the CO<sub>2</sub> emission coefficient (0.444) set for FY2019 announced by the Council of Electric Utility Companies for Low Carbon Society.



Use our 27 bases all over Japan for Development and O&M

### Major Regional Offices

1.	Iwate Office	Others	Power Plant Office 11
2.	Aomori Field Office		
3.	Namekata Field Office	Total	27
4.	Noto Office		
5.	Suwa Field Office		
6.	Shizuoka Office		
7.	Matsusaka Office		
8.	Ise Office		
9.	Yokkaichi Field Office		
10.	Yoshino Office		
11.	Osaka Office		
12.	Osaka Central Office		
13.	Kagoshima Office		
14.	Kurume Field Office		
15.	Minamata Field Office		
16.	Kirishima Field Office		



\*as of January 1, 2022

## 2. Technology

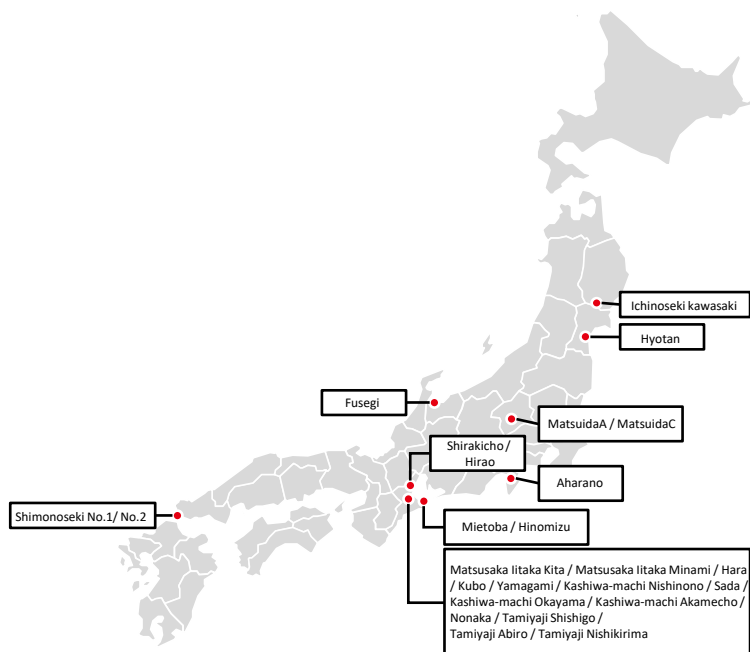
### Excellent engineering knowhow of RJ's in-house EPC



**Expansion of in-house EPC using the special construction license  
(same license as general contractors)**

**Engineering, Procurement and  
Construction (EPC) Achievements**

**Total 25 plants  
PV Capacity 45.4 MW**



### Advantages of owning a construction unit

1. Reduce cost by negotiating directly with manufacturer
2. Be able to control outsourced contractors
3. Perform large scale maintenance related to O&M within the company



**182 plants, 986.5 MW (PV Capacity) in O&M business**

**- Incl. 51 plants, 391.1 MW (PV Capacity) from third party**

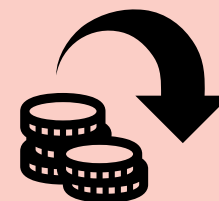
\*as of December 31, 2021

**Promotion of  
in-house production**

(Mowing, Inspection, etc. )



**Reduce Cost**



**Technology**

Conducting all processes  
in one stop



**Respond to various  
needs swiftly**





# The Frontrunner of New Financial Scheme - Making Standard for the Future -

Mar. 2017  
Infrastructure fund is  
listed

2019  
Private Placement  
Fund is founded

Mar. 2015  
Project Financing for  
In-house EPC and  
Curtailement project

Oct. 2017  
Project Financing for  
Solar Sharing project

Feb. 2021  
Structuring Non-FIT  
PPA Scheme

PPA Scheme without  
depending on FIT

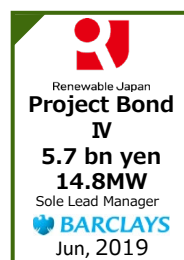
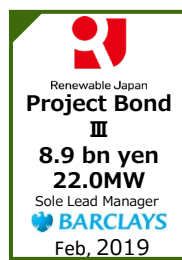
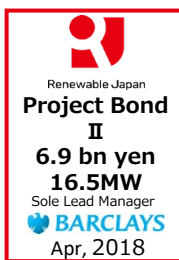
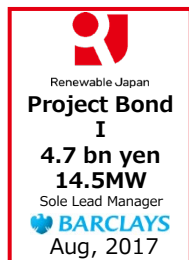
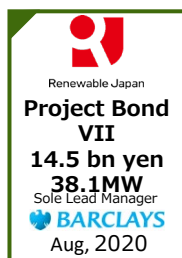
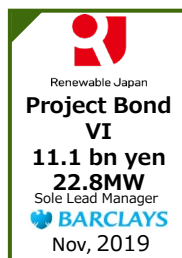
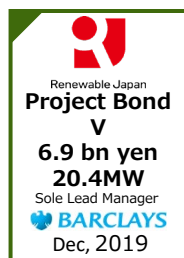
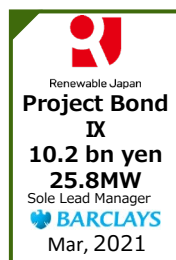
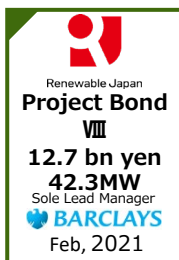
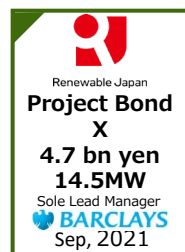
 Renewable Japan

Power purchase  
contract for 20 years 

TOKYO GAS

### 3. Finance

## Project bond achievements

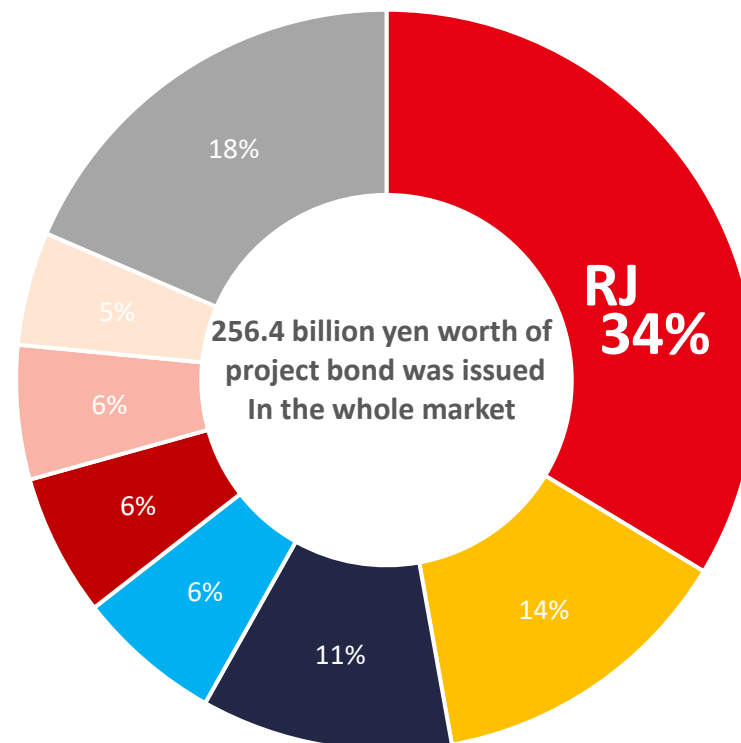


Renewable Japan Co., Ltd

Apr.2017-Dec.2021

No. 1 share in Project Bond Issuance

**10 issued 86.2 billion yen (34%)**



**Green Bond Rating(R&I)**  
**GA 1 (Top rated)**

\* Compiled by Renewable Japan Co., Ltd. based on Japan Securities Dealers Association's "Securitization Market Survey Report" and the number described on websites of R&I and Journal Citation Reports as of December 31, 2021.

■ : Project bonds that have received a project bond rating from Rating and Investment Information, Inc.(R&I)

4

**For Further Growth  
(Non-FIT, Wind and Overseas)**

# Why is Non-FIT Business Growth important

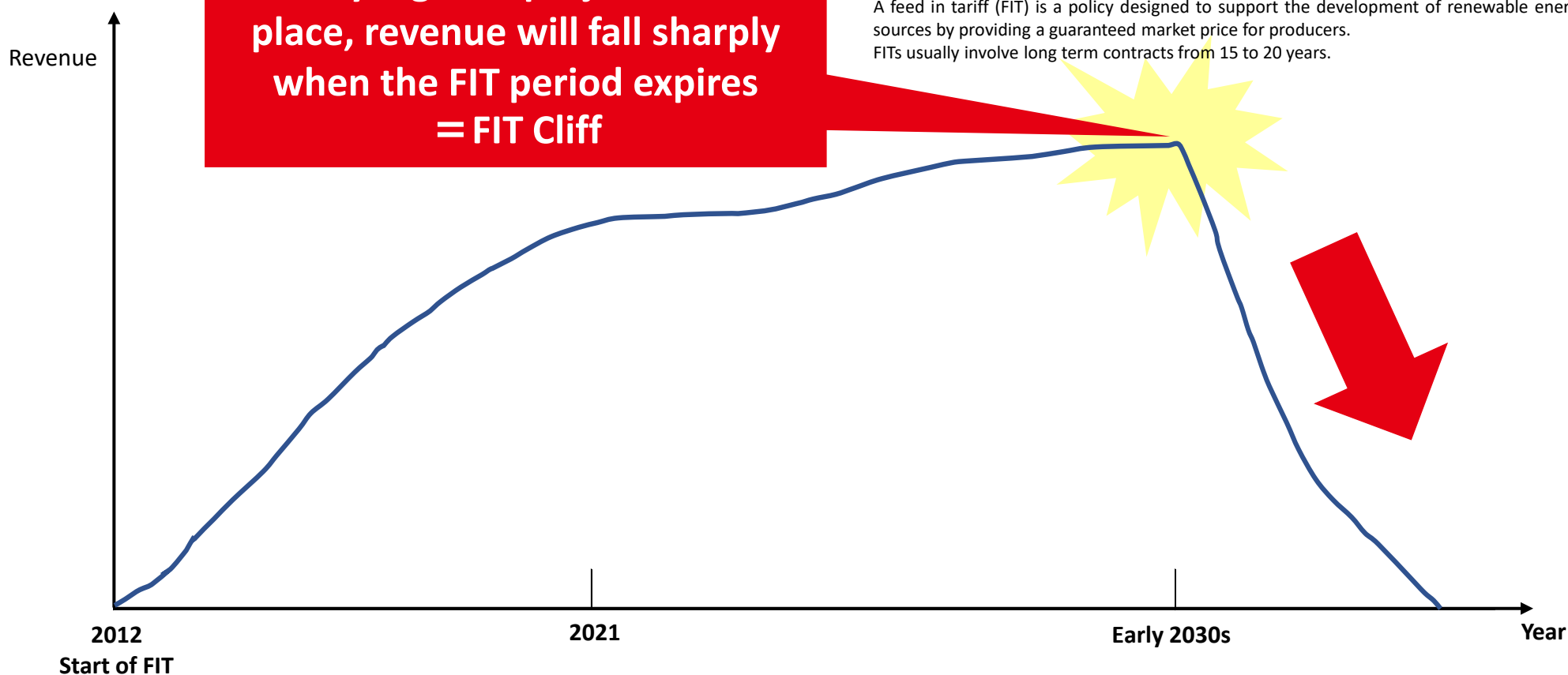


**Relying solely on high FIT projects will lead to the “FIT Cliff” in about 10 years at which the FIT revenue will begin to fall sharply**

**If only high FIT projects are in place, revenue will fall sharply when the FIT period expires = FIT Cliff**

## FIT

A feed in tariff (FIT) is a policy designed to support the development of renewable energy sources by providing a guaranteed market price for producers. FITs usually involve long term contracts from 15 to 20 years.



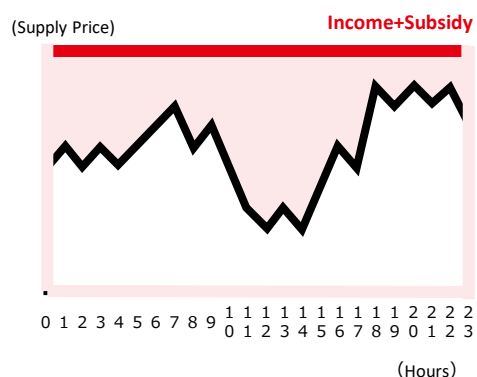
Note: This is an image of shift of profitability.

## Moving Forward to the New Era that requires Power Management

**FIT**, A feed in tariff (FIT) is a policy designed to support the development of renewable energy sources by providing a guaranteed market price for producers. FITs usually involve long term contracts from 15 to 20 years.  
**FIP**, A feed in premium (FIP) is a type of price-based policy designed for producers to receive a premium on top of the market price of their electricity production. FIP can either be fixed or sliding.

### Simple

#### FIT era

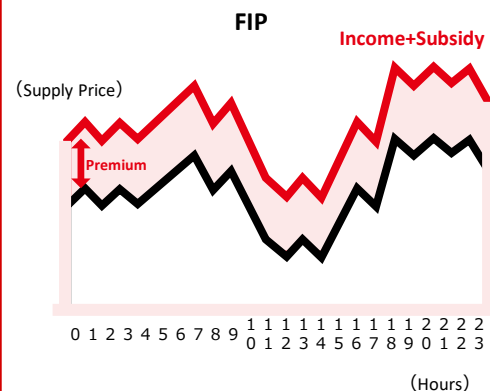


- Income level is **fixed**
- Power Supply & Demand adjustment is **not required**

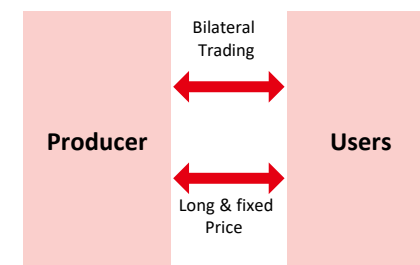


### Complicated

#### FIP, Non-FIT era



- Income level **fluctuates**
- Power Supply & Demand adjustment is **required**





REASP

## Cooperation with relevant ministries and agencies



一般社団法人  
再生可能エネルギー  
長期安定電源推進協会

(REASP)



Renewable Japan

**Chairman**

**Katsuhito Manabe**

Board of Directors

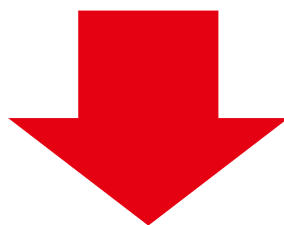
**TOKYU LAND CORPORATION**

Toshiba Energy Systems & Solutions Corporation

ORIX

**ENEOS**

TOKYO GAS



Exchange Information, Policy Proposals



**Ministries, Public Organization**

(Such as Agency of Natural Resources)

## Aim to Develop 500MW (total) Solar Power Plant using FIT-Independent Solutions

### Example

Power purchase contract for 20 years

Power Producer



Renewable Japan

Power Plant Developer/Finance/Operation management



Electricity Retailer

TOKYO GAS

Power Supply & Demand Management/Retailer

**Ogunimachi, Yamagata 1.2**  
**(Hydro )**  
**(In Operation)**



**Power Output : 11.2MW**

**Date of Acquisition : February 2021**

**Status : In Operation**

**Mie Naka-Ise 1**  
**(Wind)**  
**(Business is authorized)**



**Power Output : 25.2MW**

**Date of Acquisition : February 2017 (FIT=22yen)**

**Status : Under Development**

**Scheduled Commercial Operation Date : Year 2026**

# RJ's Initiatives in Overseas Markets



2<sup>nd</sup>  
Step

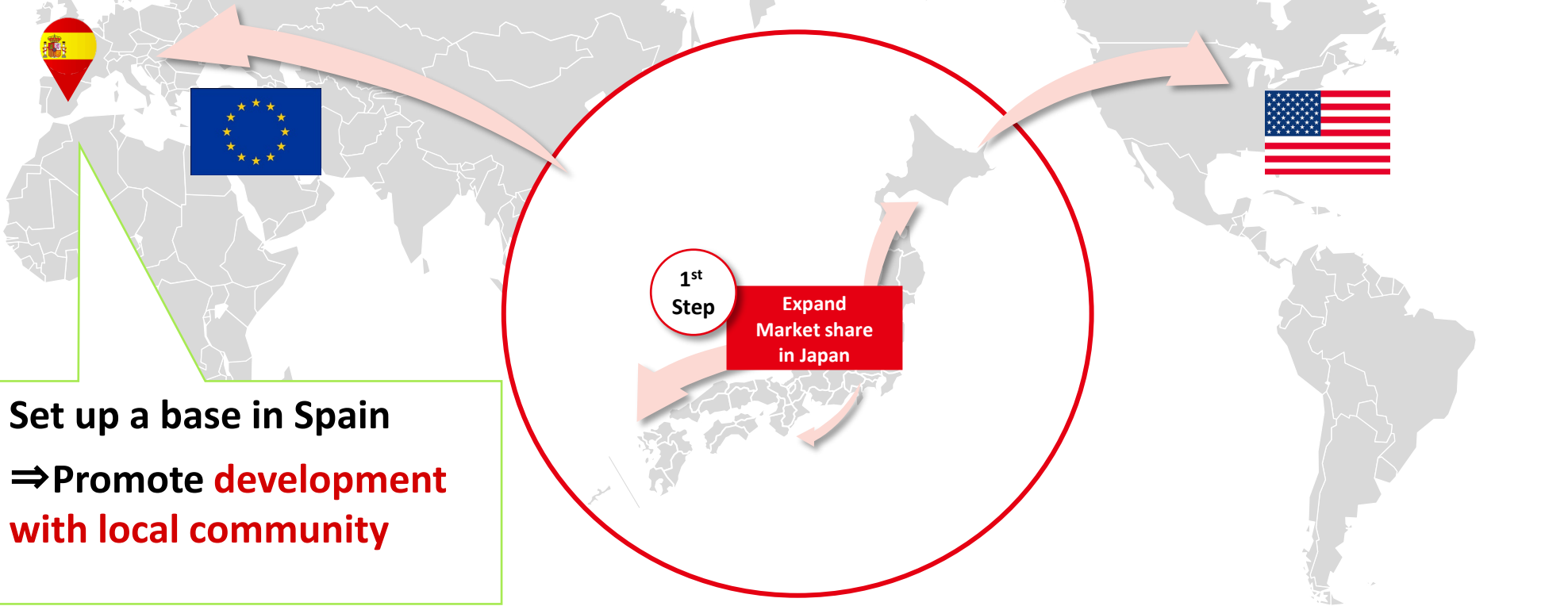
**Global  
Expansion**

Enter into Development/IPP in Europe & US  
Utilize the know-how and advantages developed in Japan

1. Local  
Presence

2. Technology

3. Finance



**Set up a base in Spain**  
**⇒ Promote development with local community**

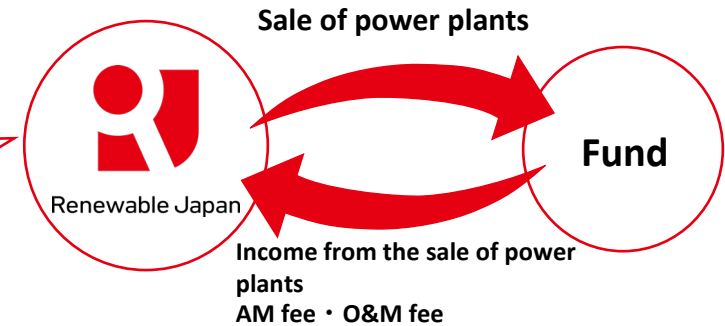
# Three Stages



## 1st Stage (Accomplished)

### Asset Management Model

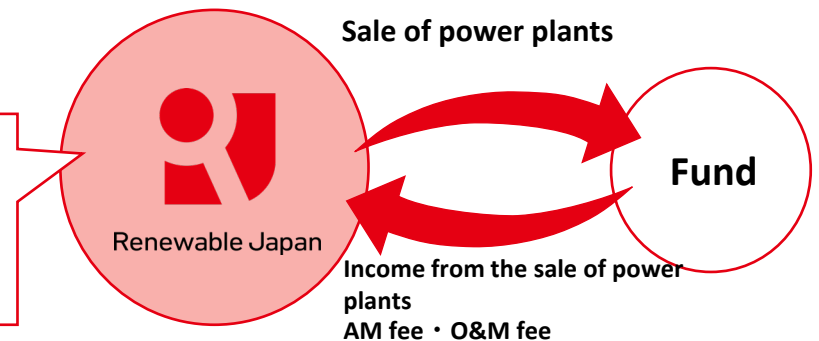
Sell power plants and  
receive stable AM and  
O&M fees



## 2nd Stage (Accomplished)

### Stock Business Model (Recurring revenue model)

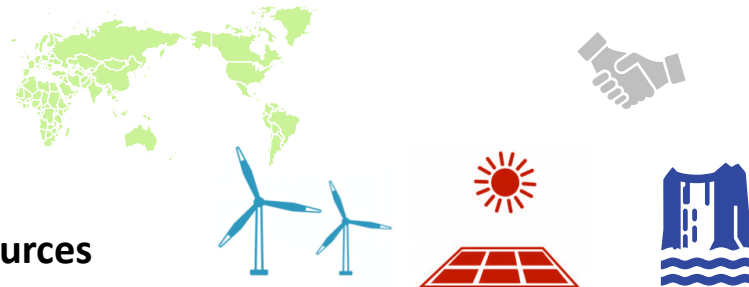
Own power plants as  
well as selling



## 3rd Stage (Further step)

### New Market

- Overseas
- Non-FIT
- Other energy sources





## Making everyone an energy player





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The relevant information relating to current industry, market trends and economic conditions contained herein is based on information the Company currently has and the Company has not independently verified the credibility, accuracy, rationality or comprehensiveness of such information, nor assume any responsibility for updates to its contents.

Furthermore, the information on the group’s plans, outlooks, estimates and forecasts and other future information are solely the current determinations or ideas of the Company. As such, the actual operating results, financial status and other outcomes may subject to the trends in energy policies, legislation, schemes, market trends in Japan and overseas, the status of licenses and permits required for the Group’s projects, and the acquisition or development of land and power generation facilities that could cause actual results to differ materially from those described herein or suggested by this document. The contents described in this document or the contents estimated from them may differ greatly depending on success or failure of the acquisition or development of land or power generation facility, changes in weather, climate, natural environment, etc.

The amount stated in this document may not match the total value in each column since the amount represents consolidated figures in principal and is rounded down to the nearest million yen.

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IR Website: <https://www.rn-j.com/en/>



Renewable Japan