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February 14, 2022

Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (Under Japanese GAAP)

Company name: Renewable Japan Co., Ltd.
 Listing: Tokyo Stock Exchange, Mothers
 Securities code: 9522
 URL: <https://www.rn-j.com/en/>
 Representative: Katsuhito Manabe, President and representative director
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 Scheduled date of annual general meeting of shareholders: March 31, 2022
 Scheduled date to commence dividend payments: -
 Scheduled date to file annual securities report: March 31, 2022
 Preparation of supplementary material on financial results: Yes (Japanese only)
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended December 31, 2021

(from January 1, 2021 to December 31, 2021)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	15,950	(28.4)	2,229	33.3	990	35.4	529	14.5
December 31, 2020	22,276	8.1	1,673	67.8	731	131.7	462	85.0

Note: Comprehensive income For the fiscal year ended December 31, 2021: 587 million yen [17.8%]
 For the fiscal year ended December 31, 2020: 498 million yen [80.0%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
December 31, 2021	20.47	19.28	6.4	1.1	14.0
December 31, 2020	19.20	-	9.3	1.2	7.5

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended December 31, 2021: 0 million yen
 For the fiscal year ended December 31, 2020: 0 million yen

Notes: 1. Diluted earnings per share for the fiscal year ended December 31, 2020 are not indicated as the Company was not listed and it is thus impossible to grasp its average share price during the period, although potential shares exist.
 2. As the Company was listed on the Tokyo Stock Exchange Mothers Market on December 22, 2021, diluted earnings per share for the fiscal year ended December 31, 2021 were calculated by using the average share price for the period from the date of listing to the end of the current fiscal year, as the average share price during the period.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2021	119,766	14,097	8.9	374.03
December 31, 2020	63,392	6,315	9.3	227.65

Reference: Shareholders' equity

As of December 31, 2021: 10,630 million yen

As of December 31, 2020: 5,876 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2021	(18,607)	(4,024)	28,742	18,159
December 31, 2020	(6,729)	(1,323)	7,972	12,056

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2020	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended December 31, 2021	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending December 31, 2022 (Forecast)	-	0.00	-	0.00	0.00		-	

Note: Changes from the latest released dividend forecasts: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2022

(from January 1, 2022 to December 31, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	18,800	17.9	2,900	30.1	1,400	41.3	600	13.2	21.11

Note: Changes from the latest released performance forecasts: None

As the Company manages its operations on an annual basis, consolidated earnings forecasts for the first six months are omitted.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: - companies

Excluded: - companies

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2021	28,420,910 shares
As of December 31, 2020	25,812,000 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2021	- shares
As of December 31, 2020	- shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2021	25,890,562 shares
Fiscal year ended December 31, 2020	24,097,479 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Any statement on the future such as an outlook for financial results included in this material is based on information the Company presently has and certain assumptions the Company considers reasonable, and the Company does not promise such will be achieved. In addition, actual financial results may significantly differ due to various factors.

Consolidated Balance Sheet

(Unit: 1,000 Japanese yen)

	Fiscal year ended December 31,2020	Fiscal year ended December 31,2021
Assets		
Current assets		
Cash and deposits	12,060,235	18,162,485
Accounts receivable-trade	1,114,122	1,878,153
Investment securities	3,987,074	3,287,487
Power plant for sale	16,511,909	56,156,088
Power plant for sale (in progress)	22,345,900	19,192,658
Work in process-construction	21,691	50,072
Prepaid expenses	1,368,349	4,026,295
Other current assets	614,577	4,845,999
Total current assets	58,023,861	107,599,241
Non-current assets		
Tangible non-current assets		
Buildings and fixtures	89,323	3,623,370
Machinery and equipment	5,628	990,661
Land	1,433,107	2,845,300
Lease assets	38,733	195,266
Other tangible non-current assets	82,072	152,851
Accumulated depreciation	(95,664)	(1,129,720)
Total tangible non-current assets	1,553,201	6,677,729
Intangible non-current assets		
Goodwill	3,682	1,247,164
Other intangible non-current assets	39,198	657,969
Total intangible assets	42,880	1,905,133
Investment and other assets		
Investment securities	1,139,953	680,258
Deferred tax assets	481,471	711,027
Other investments and assets	2,151,531	2,303,734
Bad debts expenses	-	(111,114)
Total investment and other assets	3,772,956	3,583,906
Total non-current assets	5,369,039	12,166,769
Total assets	63,392,900	119,766,011

Note: All Yen amounts are rounded down to the nearest 1,000 Japanese yen.

(Unit: 1,000 Japanese yen)

	Fiscal year ended December 31,2020	Fiscal year ended December 31,2021
Liabilities		
Current liabilities		
Accounts payable-trade	255,092	1,612,415
Short-term borrowings	4,398,000	3,969,250
Corporate bonds redeemable within one year	494,000	194,000
Long-term borrowings to be repaid within one year	4,131,235	11,376,850
Non-recourse long-term borrowings to be repaid within one year	983,950	4,596,236
Lease liabilities	5,180	16,638
Accounts payable	764,122	1,392,006
Income taxes payable	548,346	364,445
Allowance for employees' bonuses	1,026	-
Allowance for construction cost loss compensation	-	26,462
Other current liabilities	1,061,157	748,601
Total current liabilities	12,642,111	24,296,907
Non-current liabilities		
Bonds	2,437,293	2,288,000
Long-term borrowings	15,961,963	28,482,816
Non-recourse long-term borrowings	25,423,919	48,497,810
Lease liabilities (long-term)	7,385	155,588
Reserve for repairs	-	145,404
Other non-current liabilities	604,300	1,801,668
Total non-current liabilities	44,434,861	81,371,287
Total liabilities	57,076,973	105,668,195
Net Assets		
Shareholders' equity		
Capital	2,109,525	4,273,310
Capital surplus	2,517,968	4,586,753
Retained earnings	1,223,817	1,744,518
Total shareholders' equity	5,851,310	10,604,582
Accumulated other comprehensive income		
Unrealized gains on securities	24,702	25,763
Total accumulated other comprehensive income	24,702	25,763
Non-controlling interests	439,913	3,467,469
Total net assets	6,315,927	14,097,815
Total liabilities and net assets	63,392,900	119,766,011

Note: All Yen amounts are rounded down to the nearest 1,000 Japanese yen.

Consolidated Income Statement

(Unit: 1,000 Japanese yen)

	Fiscal year ended December 31,2020	Fiscal year ended December 31,2021
Sales	22,276,045	15,950,856
Cost of sales	17,507,859	9,946,736
Gross profit	4,768,186	6,004,119
Selling, general and administrative expenses	3,094,832	3,774,224
Operating income	1,673,354	2,229,894
Non-operating income		
Interests income	1,605	18,903
Dividend income	8,041	19,510
Insurance income	15,330	24,505
Compensation income	875	75,157
Interest on refund	16,247	32,383
Gain on investments in silent partnership	35,264	33,271
Investment gain on equity method	287	368
Others	15,629	18,577
Total non-operating income	93,281	222,677
Non-operating expense		
Interests expense	770,882	1,079,178
Commission paid	260,304	329,688
Others	3,902	52,979
Total non-operating expenses	1,035,089	1,461,845
Ordinary income	731,546	990,726
Extraordinary profits		
Gain on sales of investment securities	-	15,345
Gain on sales of noncurrent assets	24,757	114
Others	-	716
Total extraordinary profits	24,757	16,176
Extraordinary losses		
Loss on disposal of fixed assets	407	6,930
Loss on valuation of subsidiaries' stocks	1,230	-
Loss on liquidation of business	-	27,941
Impairment loss	-	8,000
Total extraordinary losses	1,637	42,871
Profit before income taxes	754,665	964,031
Income taxes	368,191	579,867
Income tax adjustments	(108,053)	(202,341)
Income taxes	260,137	377,526
Net profit	494,527	586,504
Net profit attributable to non-controlling interests	31,743	56,551
Net profit attributable to owners of parent	462,784	529,953

Note: All Yen amounts are rounded down to the nearest 1,000 Japanese yen.