

# Supplemental Material for FY2022 Revised Financial Results Forecast



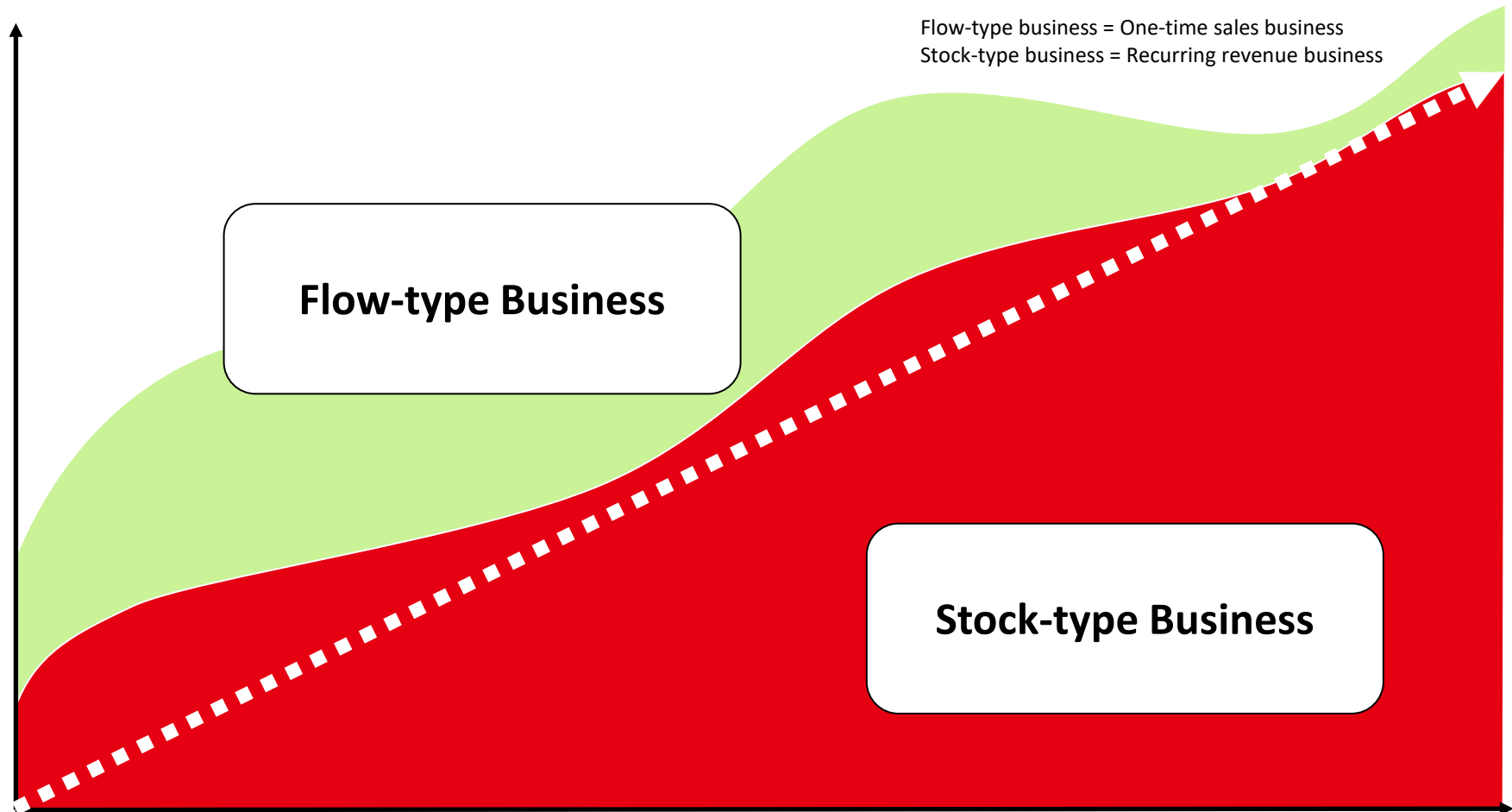
Reposted

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**Target for growth**



RJ aims to achieve stable growth by focusing on stock-type business such as Power Production and O&M business moving forward.



# Mid-term Target 1. O&M Business: Further Expansion of Contract Scale



2025 Target  
**2GW**

Technical Improvement  
× In-house production  
Expand orders from third party

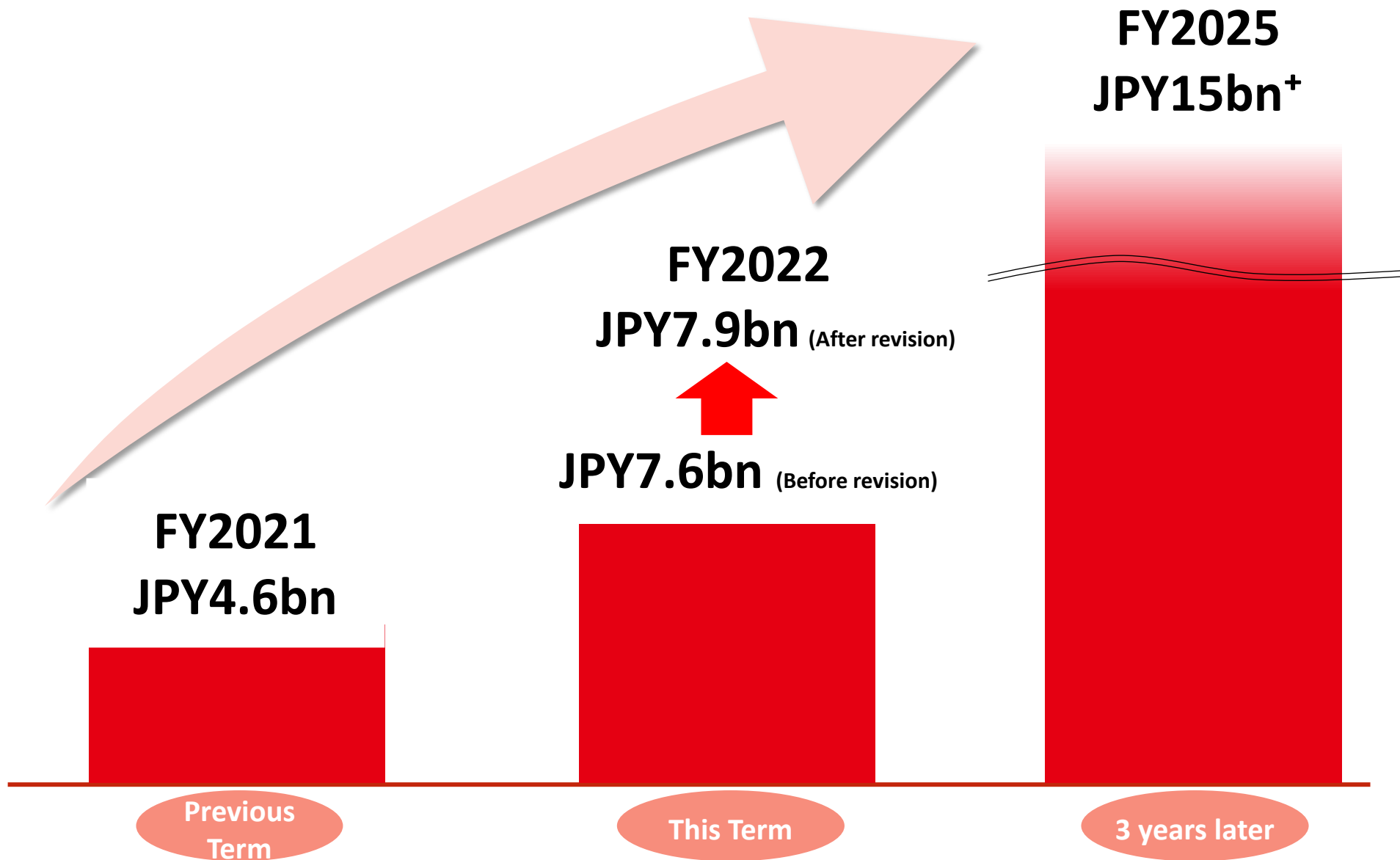
2022 1Q Actual  
**1,130.6MW**

2022

2023

2024

RJ aims to achieve the goal ahead of schedule



\*EBITDA = Ordinary profit + Interest expense + Commission paid + Depreciation + Amortization of goodwill + Other depreciation

(EBITDA is exempt from audit or a quarterly review).

# Long-term Target : IPP Capacity Targeted within 10 Years



Domestic Solar Power



Domestic Wind Power



Overseas

**1GW + 1GW + 1GW**  
**+α**

A map of Japan is shown in light green, and a world map is shown in light blue. The text '1GW + 1GW + 1GW + α' is overlaid on the maps, with the first '1GW' positioned over Japan, the second '1GW' over the world map, and the third '1GW' over the world map.

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## **Takeover Bid (TOB) and Revised Financial Results Forecast**

# Purpose of the Takeover Bid (TOB)



1

Increase capacity of power plants owned by the company in order to achieve growth targets in line with the existing policy

2

Increase profits by owning the projects directly and streamline AM<sup>\*1</sup> • O&M <sup>\*2</sup> businesses

<sup>\*1</sup> AM Business : Management and operation/ Income and expenditure management/ paperwork,etc., related to power plant

<sup>\*2</sup> O&M Business : Verification/Patrolling/Reporting,etc., of power plants operations

# Increase in Power Plants Owned through Takeover Bid (TOB)



By acquiring power plants owned by infrastructure fund, the number of power plants owned by RJ (net share\*) will increase by approximately **1.5 times**.

## Power Plants in Operation Owned by RJ (Net share\*)

Before  
TOB

**227.2MW**  
(as of May 31, 2022)

After  
TOB

**336.4MW**



**55 Power plants**  
**109.2MW**

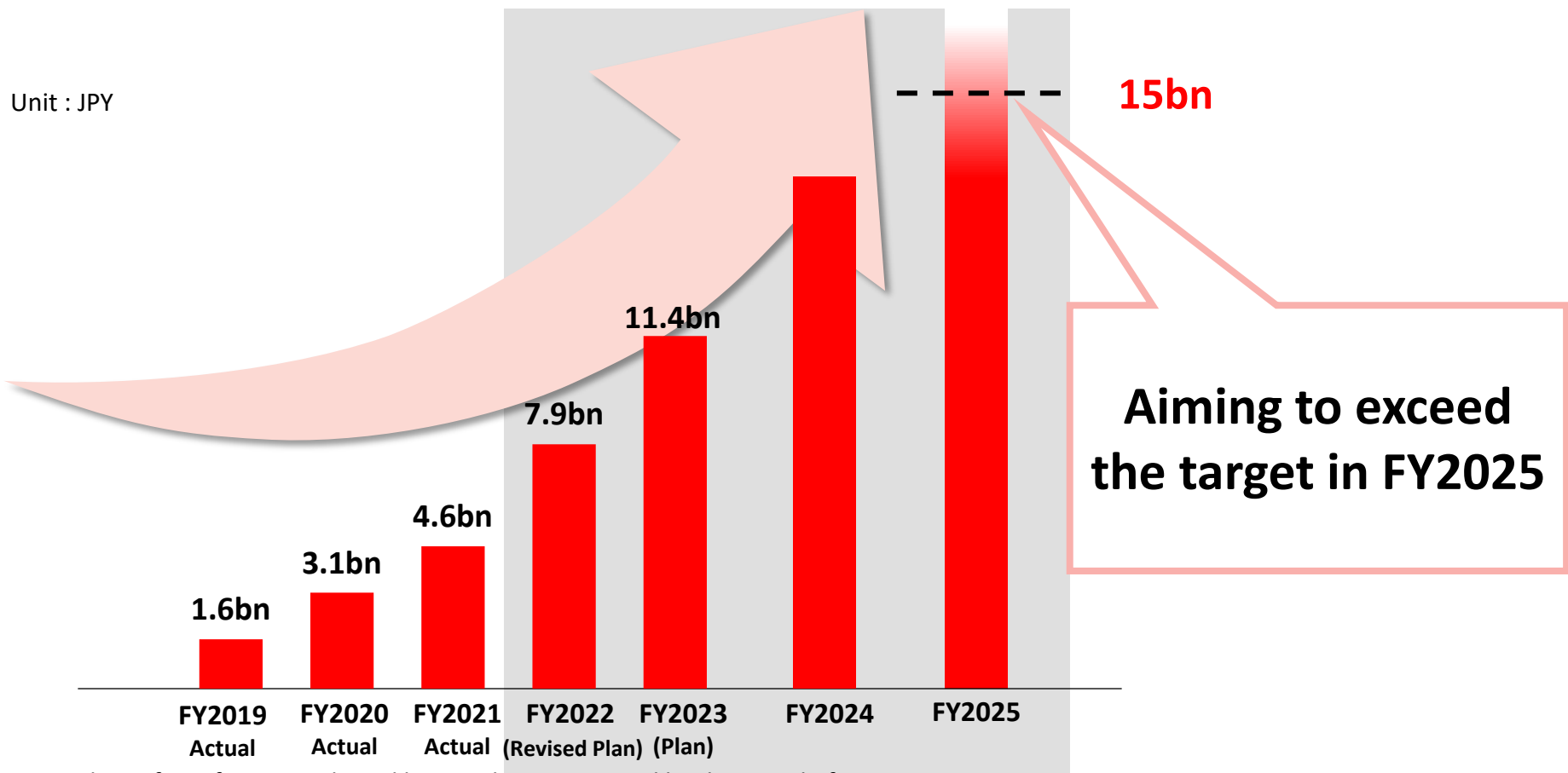
\*"Net share" stands for total value of each panel output multiplying RJ's equity share.

# Impact of the Takeover Bid (TOB)



Financial performance for the current term will fail due to one-time expenses incurred from the takeover bid (TOB) .

However, **a significant increase in earning power (EBITDA)** is expected in the next fiscal year and beyond.

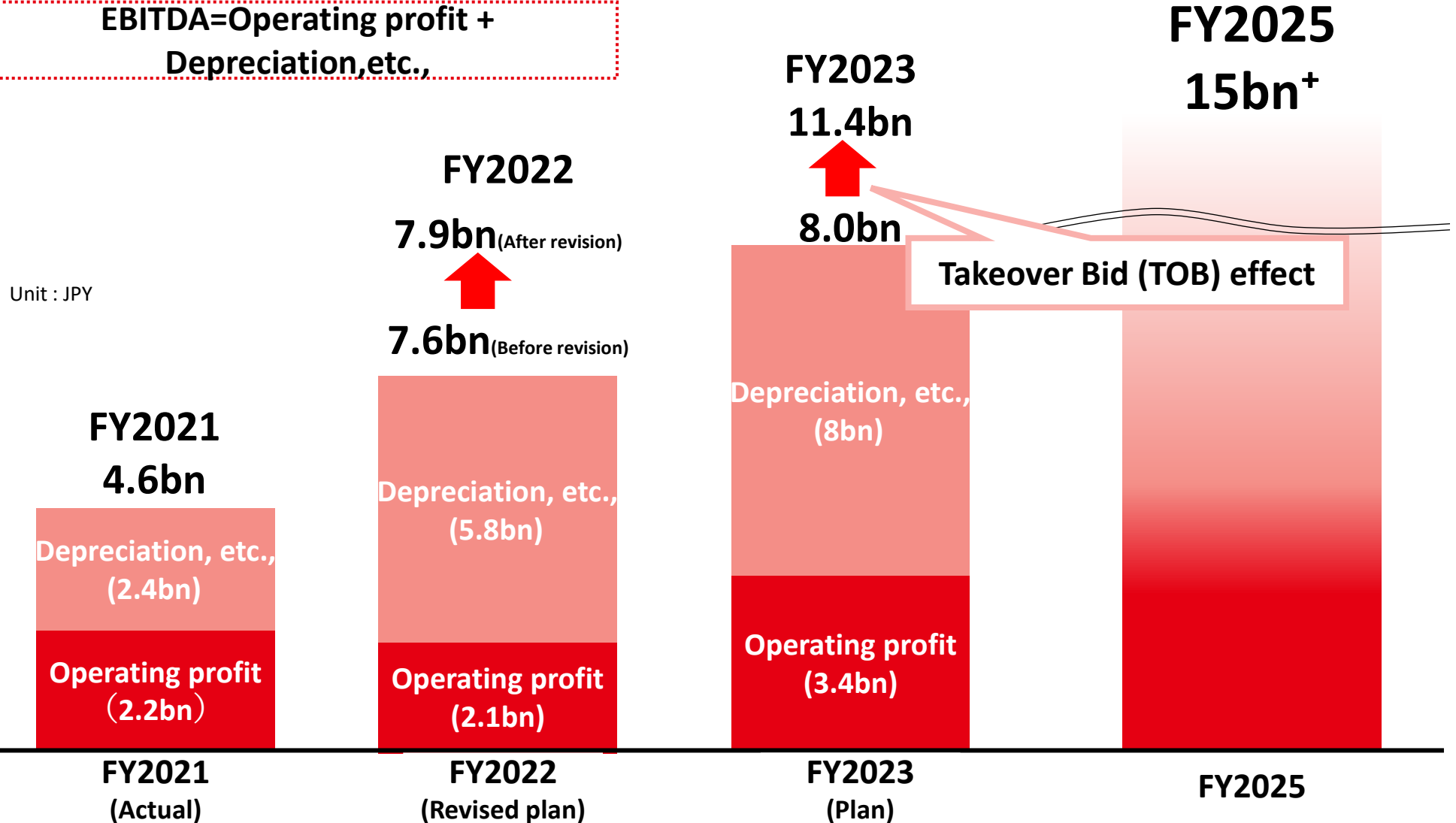


\*The FY2023 plan is for reference only and has not been approved by the Board of Directors.

# “Earning Power”(EBITDA Target)



EBITDA=Operating profit +  
Depreciation, etc.,



\*EBITDA=Ordinary profit + Interest expense + Commission paid + Depreciation + Amortization of goodwill + Other depreciation  
=Operating profit + Depreciation + Amortization of goodwill + Other depreciation + Non-operating profit

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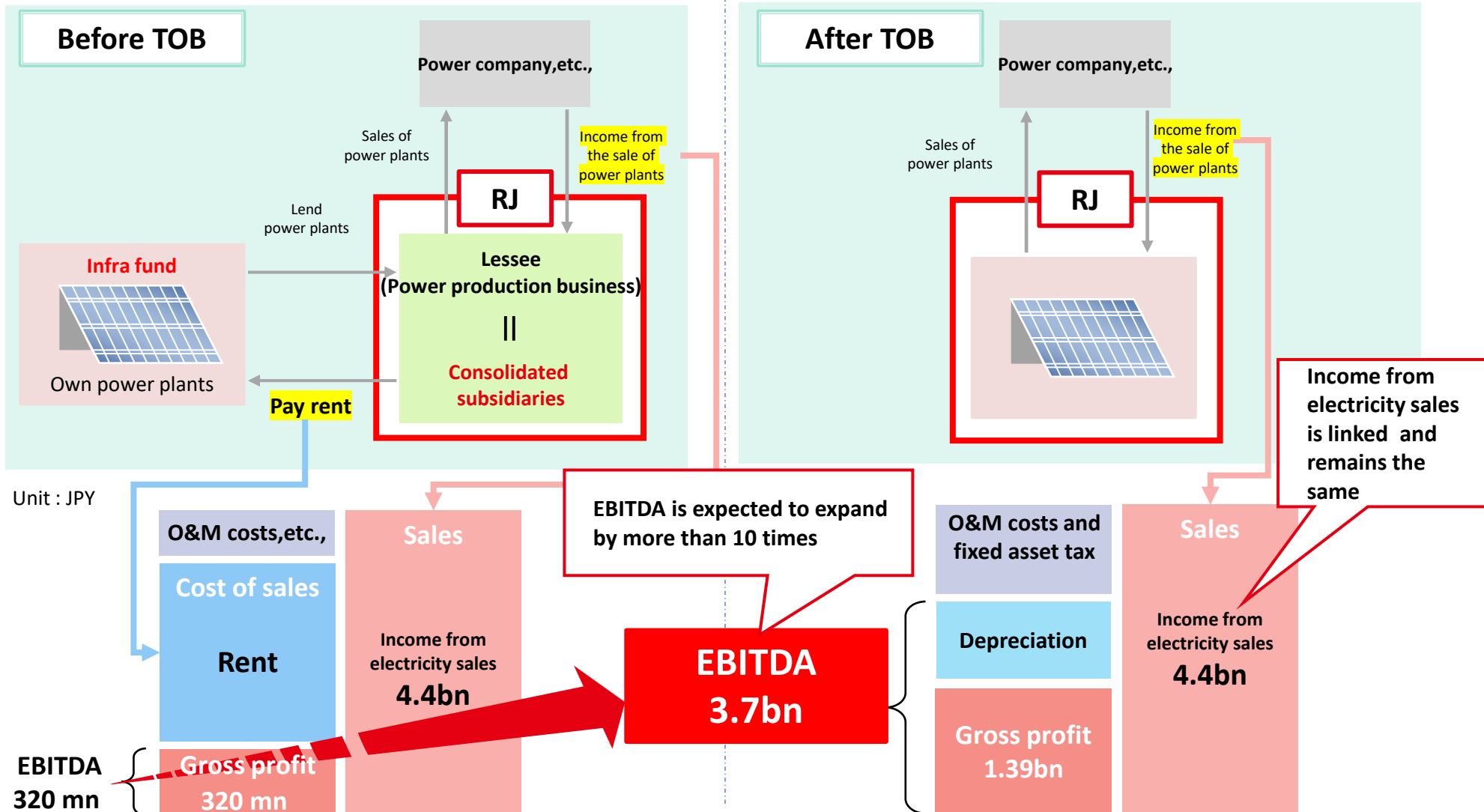
\*EBITDA is exempt from audit or a quarterly review.

Depreciation, etc.,

# Changes in Revenues from Infrastructure Fund-related Businesses Before and After Takeover Bid (TOB)



**Sales remain the same, but EBITDA will increase by more than 10 times**

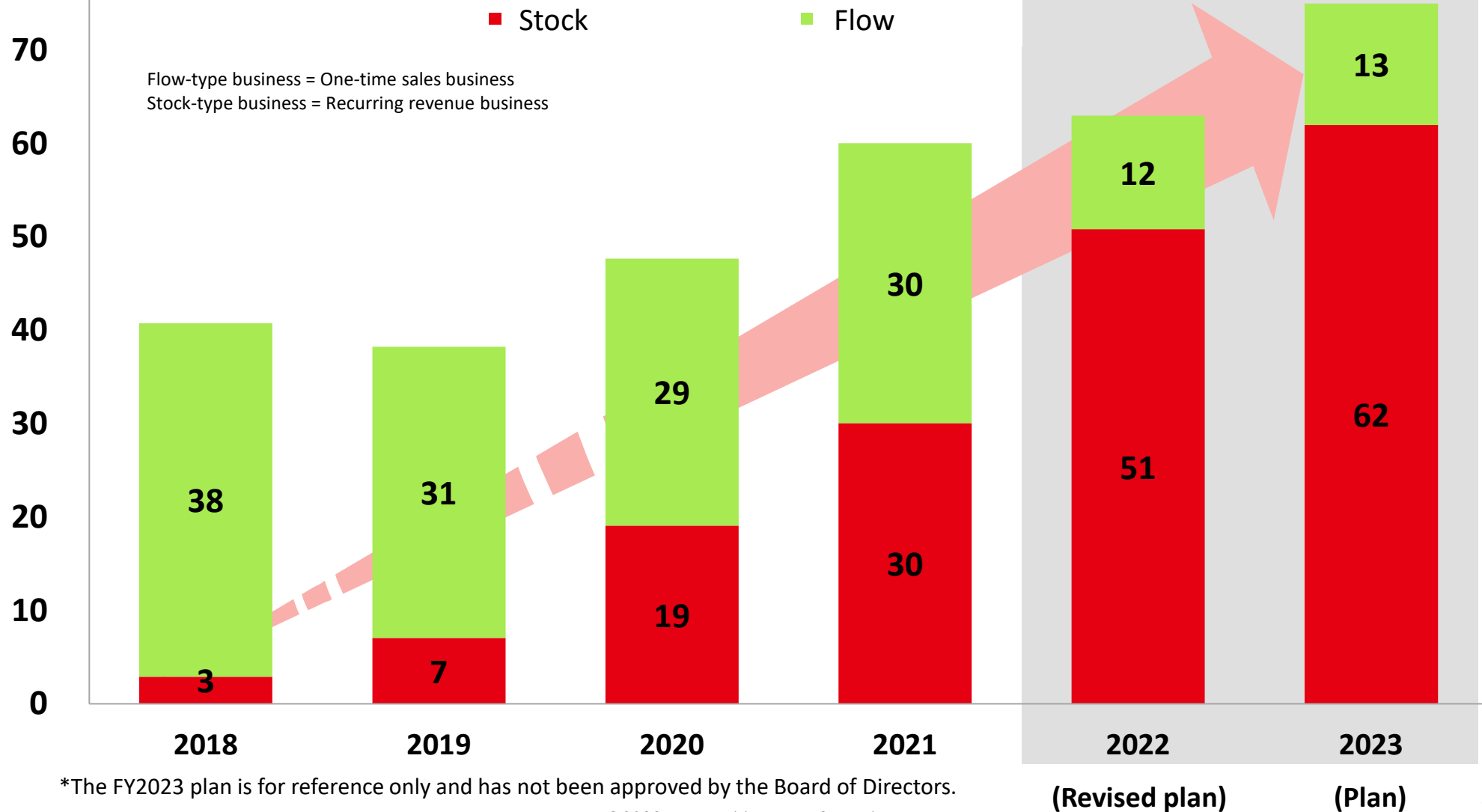


# Gross Profit Trend (Breakdown of Flow · Stock Businesses)



(100 mn yen)

## Steady growth in gross profit of stock business



# Assumed Impact for FY12/2022 (full year)



## Temporary drop in profits due to costs incurred from Takeover Bid (TOB)

(JPY mn) (rounded down to mm)	2022 Initial Plan	2022 Revised Plan	Changes from initial plan
Sales	188.0	190.0	+2.0
Gross profit	68.0	63.0	(5.0)
SG&A	39.0	42.0	+3.0
Operating profit	29.0	21.0	(8.0)
Ordinary profit	14.0	(13.5)	(27.5)
EBITDA	76.0	79.1	+3.1
Profit attributable to owners of parent	6.0	(16.5)	(22.5)

### 【Sales/Gross profit】

◆ Refer to P15

### 【SG&A】

- ◆ Administrative expenses, etc., incurred from acquisition of infra fund +220mn
- ◆ Business tax (Size-based Business Tax) +30mn

### 【Non-operating expenses】

- ◆ Borrowing costs incurred from acquisition of infra fund (1.76bn)

### 【Extraordinary profit/loss】

- ◆ Costs incurred from acquisition of infra fund (490mn)

EBITDA = Ordinary profit + Interest expense + Commission paid + Depreciation + Amortization of goodwill + Other depreciation (EBITDA is exempt from audit or a quarterly review).

# Assumed Impact for FY12/2022 (full year) by Business Segment



(JPY mn) (rounded down to mm)		2022 Initial plan	2022 Revised plan	YoY
Flow (One Time Sales Business)	Sales	23.3	32.7	+40%
	Gross profit	23.3	12.1	(48%)
Power Production etc.,  O&M Business  AM Business	Sales	144.6	139.5	(4%)
	Gross profit	30.8	39.4	+28%
	Sales	14.5	14.0	(3%)
	Gross profit	8.3	7.7	(7%)
	Sales	5.5	3.7	(33%)
	Gross profit	5.5	3.7	(33%)
Stock (Recurring Revenue Business)	Sales	164.6	157.2	(4%)
	Gross profit	44.6	50.8	+14%
Total	Sales	188.0	190.0	+1%
	Gross profit	68.0	63.0	(7%)

# Assumed Impact for FY12/2022 (full year) (Non-consolidated • Consolidated AM/O&M)



(JPY mn) (rounded down to mm)		Plan
AM	Non-consolidated	Sales 2.9
		Cost of sales -
		Gross profit 2.9
	Elimination of intracompany transactions	Sales (1.4)
		Cost of sales -
		Gross profit (1.4)
	Consolidated Total	Sales 1.4
		Cost of sales -
		Gross profit 1.4

(JPY mn) (rounded down to mm)		Plan
O & M	Non-consolidated	Sales 19.9
		Cost of sales 6.3
		Gross profit 13.6
	Elimination of intracompany transactions	Sales (5.9)
		Cost of sales -
		Gross profit (5.9)
	Consolidated Total	Sales 14.0
		Cost of sales 6.3
		Gross profit 7.7

# (Reference) Assumed Impact for FY12/2022

(The FY2023 plan is for reference only and has not been approved by the board of directors)



V-shaped recovery (especially, **Earning Power** (EBITDA) will grow significantly)

(JPY mn) (rounded down to mm)	2022 Revised plan	2023 Plan	Differences
Sales	190.0	240.0	+50.0
Gross profit	63.0	75.0	+12.0
SG&A	42.0	40.5	(1.5)
Operating profit	21.0	34.5	+13.5
Ordinary profit	(13.5)	12.0	+25.5
Earning power (EBITDA)	79.1	114.1	+35.0
Profit attributable to owners of parent	(16.5)	7.5	+24.0

EBITDA = Ordinary profit + Interest expense + Commission paid + Depreciation + Amortization of goodwill + Other depreciation (EBITDA is exempt from audit or a quarterly review).

# (Reference) Assumed Impact for FY12/2022 by Business Segment

(The FY2023 plan is for reference only and has not been approved by the board of directors)



(JPY mn) (rounded down to mm)		2022 Revised plan	2023 Plan	YoY
Flow (One Time Sales Business)	Sales	32.7	67.0	+105%
	Gross profit	12.1	13.0	+7%
Power Production etc.,  O&M Business  AM Business	Sales	139.5	153.0	+10%
	Gross profit	39.4	50.7	+29%
	Sales	14.0	17.8	+27%
	Gross profit	7.7	9.2	+19%
	Sales	3.7	2.1	(43%)
	Gross profit	3.7	2.1	(43%)
Stock (Recurring Revenue Business)	Sales	157.2	173.0	+10%
	Gross profit	50.8	62.0	+22%
Total	Sales	190.0	240.0	+26%
	Gross profit	63.0	75.0	+19%

# (Reference) Assumed Impact for FY12/2022 (Non-consolidated • Consolidated AM/O&M)



(The FY2023 plan is for reference only and has not been approved by the board of directors)

(JPY mn) (rounded down to mm)				Plan	(JPY mn) (rounded down to mm)				Plan
AM	Non-consolidated	Sales	3.0	O & M	Non-consolidated	Sales	23.4		
		Cost of sales	-			Cost of sales	8.6		
		Gross profit	3.0			Gross profit	14.8		
	Elimination of intracompany transactions	Sales	(1.0)		Elimination of intracompany transactions	Sales	(5.6)		
		Cost of sales	-			Cost of sales	-		
		Gross profit	(1.0)			Gross profit	(5.6)		
	Consolidated Total	Sales	2.1		Consolidated Total	Sales	17.8		
		Cost of sales	-			Cost of sales	8.6		
		Gross profit	2.1			Gross profit	9.2		

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## Appendix

# Fluctuations in Sales due to Differences in Sales Methods



- ◆ Depending on the difference in selling method of 1. Power plants 2. TK's equity shares, **sales figures change materially**, although the gross profit stays the same.

## Case 1. Sales of a Power Plant

⇒ Power plant(Book Value) =90, Profit=10

Power plant:90	} Sales:100
Profit:10	

<b>Sales</b>	<b>Selling Price</b>	<b>100</b>
<b>COGS</b>	Power Plant (Book Value)	<b>90</b>
<b>Gross profit</b>	Profit	<b>10</b>

## Case 2. Sales of TK's Equity shares

⇒ Profit(Gain on Sale)=10

Profit:10	} Sales:10
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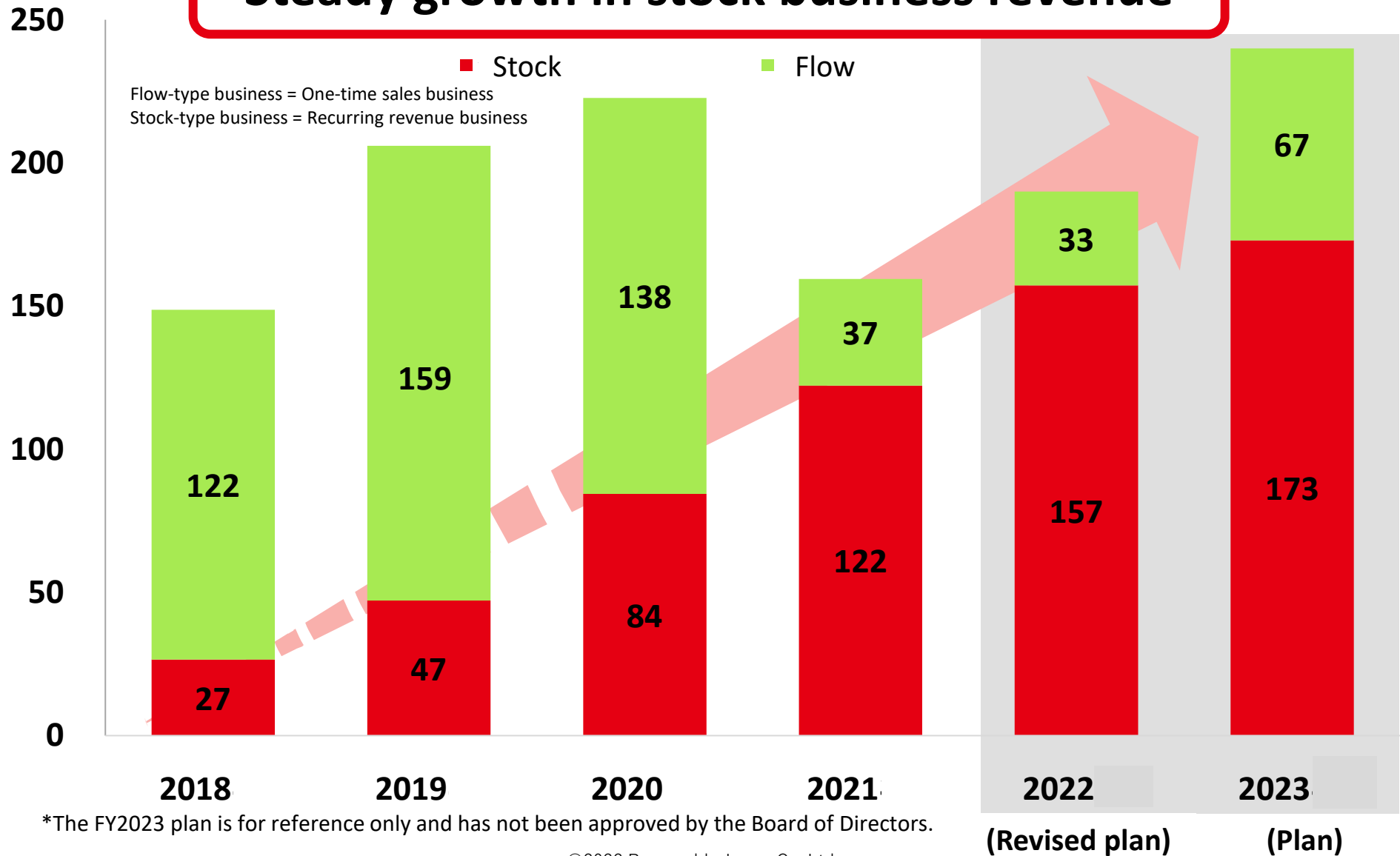
<b>Sales</b>	<b>Gain on Sale</b>	<b>10</b>
<b>COGS</b>	-	-
<b>Gross profit</b>	Profit	<b>10</b>

# Sales Trend (Breakdown of Flow • Stock Businesses)



(100mn yen)

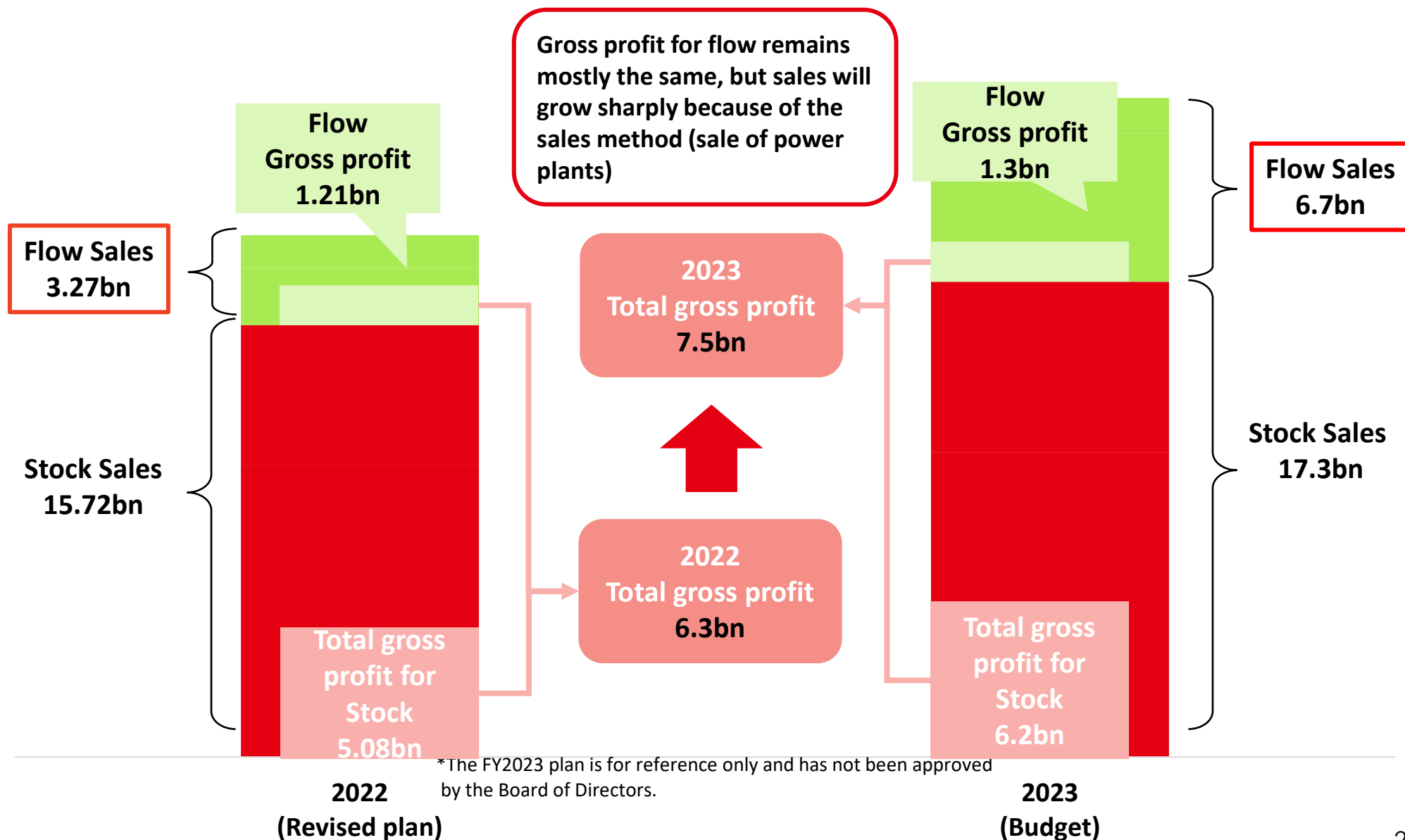
## Steady growth in stock business revenue



# Factors for Flow Business Sales Increase from FY12/2022 to FY12/2023



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