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February 13, 2023

Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (Under Japanese GAAP)

Company name: Renewable Japan Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9522
 URL: <https://www.rn-j.com/en/>
 Representative: Katsuhito Manabe, President and representative director
 Inquiries: Eishin Ikeda, Executive Managing Officer and Senior General Manager of Finance and Accounting Division
 Telephone: +81-3-6670-6644
 Scheduled date of annual general meeting of shareholders: March 30, 2023
 Scheduled date to commence dividend payments: -
 Scheduled date to file annual securities report: March 31, 2023
 Preparation of supplementary material on financial results: Yes
 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, 2022

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

(1) Consolidated operating results

(% indicates 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, 2022	17,718	11.1	1,289	(42.2)	(1,360)	-	(1,526)	-
December 31, 2021	15,950	(28.4)	2,229	33.3	990	35.4	529	14.5

Note: Comprehensive income For the fiscal year ended December 31, 2022: (1,516) million yen [-%]
 For the fiscal year ended December 31, 2021: 587 million yen [17.8%]

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, 2022	(52.70)	-	(15.3)	(0.9)	7.3
December 31, 2021	20.47	19.28	6.4	1.1	14.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended December 31, 2022: 0 million yen
 For the fiscal year ended December 31, 2021: 0 million yen

Notes: 1. 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. Diluted earnings per share for the fiscal year ended December 31, 2022 are not indicated even though the Company has issued potential shares, because basic earnings per share was net loss.

(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, 2022	166,729	12,608	5.6	318.63
December 31, 2021	119,766	14,097	8.9	374.03

Reference: Shareholders' equity

As of December 31, 2022: 9,293 million yen

As of December 31, 2021: 10,630 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, 2022	1,901	(17,518)	12,101	14,444
December 31, 2021	(18,607)	(4,024)	28,742	18,159

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, 2021	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended December 31, 2022	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending December 31, 2023 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2023

(from January 1, 2023 to December 31, 2023)

(% indicates 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	26,700	50.7	3,300	155.9	1,200	-	750	-	25.71

Note: 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): Yes
Newly included: 1 company (Renewable Japan Energy Infrastructure Fund, Inc.)
- (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: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: Yes
 - (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, 2022	29,168,332 shares
As of December 31, 2021	28,420,910 shares

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

As of December 31, 2022	38 shares
As of December 31, 2021	- shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Fiscal year ended December 31, 2022	28,966,768 shares
Fiscal year ended December 31, 2021	25,890,562 shares

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

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements)

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 financial statements

(1) Consolidated balance sheet

(Thousands of yen)

	December 31, 2021	December 31, 2022
Assets		
Current assets		
Cash and deposits	18,162,485	14,444,792
Accounts receivable-trade and contract assets	1,878,153	1,421,868
Power plants for sale	56,156,088	16,855,180
Power plants for sale (in progress)	19,192,658	1,200,113
Costs on construction contracts in progress	50,072	853
Other	12,159,782	4,568,047
Total current assets	107,599,241	38,490,856
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,623,370	3,631,198
Machinery, equipment and vehicles	990,661	102,034,229
Land	2,845,300	4,667,169
Lease assets	195,266	184,796
Other	152,851	6,221,881
Accumulated depreciation	(1,129,720)	(2,675,349)
Total property, plant and equipment	6,677,729	114,063,926
Intangible non-current assets		
Goodwill	1,247,164	1,403,567
Other	657,969	2,187,254
Total intangible non-current assets	1,905,133	3,590,821
Investment and other assets		
Investment securities	680,258	3,364,946
Deferred tax assets	711,027	1,471,456
Long-term prepaid expenses	1,581,010	5,083,043
Other	722,724	775,462
Bad debts expenses	(111,114)	(111,114)
Total investment and other assets	3,583,906	10,583,794
Total non-current assets	12,166,769	128,238,542
Total assets	119,766,011	166,729,399

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

(Thousands of yen)

	December 31, 2021	December 31, 2022
Liabilities		
Current liabilities		
Accounts payable-trade	1,612,415	151,523
Short-term borrowings	3,969,250	3,460,450
Corporate bonds redeemable within one year	194,000	148,000
Long-term borrowings to be repaid within one year	11,376,850	9,667,717
Non-recourse long-term borrowings to be repaid within one year	4,596,236	4,480,552
Lease liabilities	16,638	15,735
Accounts payable	1,392,006	1,557,976
Income taxes payable	364,445	642,788
Allowance for construction cost loss compensation	26,462	5,286
Other	748,601	2,729,177
Total current liabilities	24,296,907	22,859,208
Non-current liabilities		
Bonds	2,288,000	1,600,000
Long-term borrowings	28,482,816	43,554,252
Non-recourse long-term borrowings	48,497,810	74,855,539
Lease liabilities	155,588	141,604
Long-term accounts payable	85,194	3,159,647
Deferred tax liabilities	1,135,979	4,393,747
Reserve for repairs	145,404	110,290
Asset retirement obligations	-	2,891,362
Other	580,494	555,016
Total non-current liabilities	81,371,287	131,261,461
Total liabilities	105,668,195	154,120,670
Net Assets		
Shareholders' equity		
Capital	4,273,310	4,627,673
Capital surplus	4,586,753	4,451,657
Retained earnings	1,744,518	221,317
Treasury stock	-	(59)
Total shareholders' equity	10,604,582	9,300,588
Accumulated other comprehensive income		
Unrealized gains on securities	25,763	-
Foreign currency translation adjustment	-	(6,634)
Total accumulated other comprehensive income	25,763	(6,634)
Non-controlling interests	3,467,469	3,314,774
Total net assets	14,097,815	12,608,729
Total liabilities and net assets	119,766,011	166,729,399

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

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Thousands of yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Sales	15,950,856	17,718,960
Cost of sales	9,946,736	11,895,419
Gross profit	6,004,119	5,823,540
Selling, general and administrative expenses	3,774,224	4,534,085
Operating profit	2,229,894	1,289,455
Non-operating profit		
Interest income	18,903	5,953
Dividend income	19,510	16,551
Insurance claim income	24,505	215,754
Gain on investments in silent partnership	33,271	41,981
Share of profit of entities accounted for using equity method	368	363
Other	126,118	27,561
Total non-operating profit	222,677	308,166
Non-operating expenses		
Interest expenses	1,079,178	1,701,383
Commission expenses	329,688	1,154,195
Other	52,979	102,725
Total non-operating expenses	1,461,845	2,958,303
Ordinary profit (loss)	990,726	(1,360,681)
Extraordinary income		
Gain on sale of non-current assets	114	9,848
Gain on Phased Acquisition	-	69,321
Reversal of provision for loss on business liquidation	-	12,520
Other	16,062	-
Total extraordinary income	16,176	91,690
Extraordinary loss		
Loss on sale and retirement of non-current assets	6,930	1,469
Other	35,941	-
Total extraordinary losses	42,871	1,469
Profit (loss) before income taxes	964,031	(1,270,460)
Income taxes – current	579,867	1,068,957
Income taxes – deferred	(202,341)	(855,215)
Total income taxes	377,526	213,742
Profit (loss)	586,504	(1,484,202)
Net profit attributable to non-controlling interests	56,551	42,268
Net profit (loss) attributable to owners of parent	529,953	(1,526,471)

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

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Net profit (loss)	586,504	(1,484,202)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,060	(25,763)
Foreign currency translation adjustment	-	(6,634)
Total other comprehensive income	1,060	(32,397)
Comprehensive income	587,565	(1,516,600)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	531,014	(1,558,869)
Comprehensive income attributable to non-controlling interests	56,551	42,268

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