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November 14, 2023

Consolidated Financial Results for the Third Quarter Ended September 30, 2023 (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, Director, Executive Managing Officer and Senior General Manager of Finance and Accounting Division
 Telephone: +81-3-6670-6644
 Scheduled date to commence dividend payments: -
 Scheduled date to file quarterly financial report: November 14, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: No

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

1. Consolidated financial results for the nine months ended September 30, 2023

(From January 1, 2023, to September 30, 2023)

(1) Consolidated operating results (cumulative)

(% indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
September 30, 2023	14,466	13.7	2,826	175.1	1,883	-	1,084	-
September 30, 2022	12,723	11.4	1,027	(39.9)	(1,023)	-	(1,277)	-

Note: Comprehensive income For the nine months ended September 30, 2023: 1,621 million yen [-%]
 For the nine months ended September 30, 2022: (1,181) million yen [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2023	36.78	35.91
September 30, 2022	(44.19)	-

Note: Diluted earnings per share for the nine months ended on September 30, 2022, are not indicated as basic earnings per share since there was a net loss. Although potential shares exist.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	173,454	14,207	6.2
December 31, 2022	166,729	12,608	5.6

Reference: Shareholders' equity
 As of September 30, 2023: 10,753 million yen
 As of December 31, 2022: 9,293 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2022	-	0.00	--	0.00	0.00
Fiscal year ended December 31, 2023	-	0.00	-		
Fiscal year ended December 31, 2023 (Forecast)				0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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	-	25.47

Note: Revisions to the performance forecast most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting for preparing quarterly consolidated financial statements: None
- (3) 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: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of September 30, 2023	29,721,230 shares
As of December 31, 2022	29,168,332 shares

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

As of September 30, 2023	38 shares
As of December 31, 2022	38 shares

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

Nine months ended on September 30, 2023	29,482,995 shares
Nine months ended on September 30, 2022	28,903,773 shares

* Quarterly financial results reports are exempt from quarterly 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 that they will be achieved. In addition, actual financial results may significantly differ due to various factors.

Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	14,444,792	10,575,597
Accounts receivable-trade and contract assets	1,421,868	2,211,365
Investment securities	-	2,540,980
Power plant for sale	16,855,180	25,387,198
Power plant for sale (in progress)	1,200,113	291,157
Other	4,568,900	4,138,437
Total current assets	38,490,856	45,144,736
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,631,198	3,632,652
Machinery, equipment and vehicles	102,034,229	102,942,922
Land	4,667,169	4,797,242
Construction in progress	6,065,192	9,055,774
Other	341,486	359,000
Accumulated depreciation	(2,675,349)	(7,563,776)
Total tangible assets	114,063,926	113,223,816
Intangible non-current assets	3,590,821	3,623,469
Investments and other assets		
Investment securities	3,364,946	2,943,474
Deferred tax assets	1,471,456	2,871,844
Long-term prepaid expenses	5,083,043	5,199,359
Other	664,348	448,146
Total investments and other assets	10,583,794	11,462,825
Total non-current assets	128,238,542	128,310,111
Total assets	166,729,399	173,454,847
Liabilities		
Current liabilities		
Accounts payable-trade	151,523	296,025
Short-term borrowings	3,460,450	5,065,000
Corporate bonds redeemable within one year	148,000	231,000
Long-term borrowings to be repaid within one year	9,667,717	8,462,607
Non-recourse long-term borrowings to be repaid within one year	4,480,552	5,229,675
Accounts payable	1,557,976	1,208,100
Income taxes payable	642,788	1,779,681
Allowance for bonuses	-	103,818
Allowance for construction cost loss compensation	5,286	5,286
Other	2,744,913	1,127,209
Total current liabilities	22,859,208	23,508,406
Non-current liabilities		
Bonds	1,600,000	1,704,000
Long-term borrowings	43,554,252	39,275,117
Non-recourse long-term borrowings	74,855,539	83,692,898
Long-term accounts payable	3,159,647	2,989,642
Deferred tax liabilities	4,393,747	4,360,442
Allowance for repairs	110,290	128,182
Asset retirement obligations	2,891,362	2,925,903
Other	696,621	662,823
Total non-current liabilities	131,261,461	135,739,010
Total liabilities	154,120,670	159,247,416

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Net Assets		
Shareholders' equity		
Capital	4,627,673	4,645,300
Capital surplus	4,451,657	4,469,283
Retained earnings	221,317	1,296,334
Treasury stock	(59)	(59)
Total shareholders' equity	9,300,588	10,410,858
Accumulated other comprehensive income		
Foreign currency translation adjustment	(6,634)	342,294
Total accumulated other comprehensive income	(6,634)	342,294
Share acquisition rights	-	6,355
Non-controlling interests	3,314,774	3,447,922
Total net assets	12,608,729	14,207,431
Total liabilities and net assets	166,729,399	173,454,847

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

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
(Quarterly consolidated statement of income)
(For the nine months ended September 30, 2023)

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Sales	12,723,302	14,466,389
Cost of sales	8,263,162	8,502,535
Gross profit	4,460,140	5,963,854
Selling, general and administrative expenses	3,432,680	3,137,388
Operating profit	1,027,459	2,826,465
Non-operating profit		
Interest income	1,251	4,944
Insurance receipts	80,201	549,470
Gain on investments in silent partnership	29,771	143,118
Investment income accounted for using equity method	363	353
Other	25,685	94,625
Total non-operating profit	137,274	792,512
Non-operating expenses		
Interest expenses	1,160,910	1,540,591
Commission expenses	973,430	194,598
Other	53,726	430
Total non-operating expenses	2,188,068	1,735,620
Ordinary profit (loss)	(1,023,333)	1,883,357
Extraordinary profits		
Gain on step acquisitions	69,321	-
Reversal of allowance for business liquidation losses	12,527	-
Total extraordinary profits	81,848	-
Extraordinary losses		
Loss on retirement of fixed assets	1,469	835
Impairment losses	-	892
Loss on sale of fixed assets	-	30,930
Total extraordinary losses	1,469	32,657
Profit (loss) before income taxes	(942,954)	1,850,700
Income taxes – current	577,145	2,161,723
Income taxes – deferred	(335,581)	(1,583,099)
Total income taxes	241,564	578,624
Profit (loss)	(1,184,518)	1,272,075
Net profit attributable to non-controlling interests	92,803	187,832
Net profit (loss) attributable to owners of parent	(1,277,321)	1,084,243

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

(Quarterly consolidated statement of comprehensive income)
(For the nine months ended September 30, 2023)

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Net profit (loss)	(1,184,518)	1,272,075
Other comprehensive income		
Valuation difference on available-for-sale securities	(25,763)	-
Foreign currency translation adjustment	28,913	348,929
Total other comprehensive income	3,150	348,929
Comprehensive income	(1,181,368)	1,621,005
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,274,171)	1,433,173
Comprehensive income attributable to non-controlling interests	92,803	187,832

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