

To Shareholders with Voting Rights:

Yosuke Kiminami
Founding CEO and
Representative Director
RENOVA, Inc.
1-7-2 Otemachi,
Chiyoda-ku, Tokyo

**NOTICE OF CONVOCAION OF
THE 18TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 18th Annual General Meeting of Shareholders of RENOVA, Inc. (the “Company”). The meeting will be held for the purposes described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights. Votes must be received by 5:00 p.m. on Tuesday, August 29, 2017, Japan time, to be considered valid.

- 1. Date and Time:** Wednesday, August 30, 2017 at 10:00 a.m. Japan time
- 2. Place:** Maple Room, 2F Annex, Hotel Okura Tokyo
2-10-4 Toranomon, Minato-ku, Tokyo, Japan
No gifts will be given to attendees of the meeting. We appreciate your understanding in this matter.
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements, and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company’s 18th Fiscal Year (June 1, 2016 – May 31, 2017)
 2. Non-Consolidated Financial Statements for the Company’s 18th Fiscal Year (June 1, 2016 – May 31, 2017)
Proposals to be resolved:
 - Proposal 1:** Election of Eight (8) Directors
 - Proposal 2:** Election of Two (2) Audit & Supervisory Board Members
 - Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - In accordance with provisions of laws and regulations as well as Article 15 of the Company’s Articles of Incorporation, the Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements, Non-Consolidated Statement of Changes in Equity and Notes to Non-Consolidated Financial Statements are posted on the Company’s website (<http://www.renovainc.jp/ir/meeting>) and therefore are not provided in this Notice. The documents attached to this Notice and the documents posted on the abovementioned website were audited by the Audit and Supervisory Board Members and the Accounting Auditor in the preparation of their respective audit reports.
 - Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<http://www.renovainc.jp/ir/meeting>).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Eight (8) Directors

The terms of office of all six (6) current Directors will expire at the conclusion of this Annual General Meeting of Shareholders. It is proposed that the number of External Directors be increased to four (4) and accordingly, that eight (8) Directors be elected, in order to separate the supervision and execution functions of management, and to strengthen the Company's corporate governance.

The candidates for Directors are as follows.

In order for Mr. Hisashi Yoshikawa to take on a concurrent position as Director of the Company, permission must be obtained from the President of the University of Tokyo. Therefore, Mr. Yoshikawa's assumption of a position as a Director of the Company is contingent upon obtaining permission from the President of the University of Tokyo by October 31, 2017, in addition to the approval of this proposal.

Candidate No.		Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Candidate for Re-election	Sachio Semmoto	Executive Chairman & Representative Director	19 out of 19 meetings (100%)
2	Candidate for Re-election	Yosuke Kiminami	Founding CEO & Representative Director	19 out of 19 meetings (100%)
3	Candidate for Re-election	Tadashi Mizushima	External Director Independent Officer	Director 19 out of 19 meetings (100%)
4	Candidate for Re-election	Rie Murayama	External Director Independent Officer	Director 16 out of 19 meetings (84.2%)
5	New Candidate	Hideki Minamikawa	External Director Independent Officer	– –
6	New Candidate	Norichika Kanie	External Director Independent Officer	– –
7	New Candidate	Yukio Takeuchi	External Director Independent Officer	– –
8	New Candidate	Hisashi Yoshikawa	External Director Independent Officer	– –

Candidate
No.

1



Candidate for
Re-election

Sachio Semmoto

(Date of birth:
September 9, 1942)

Number of shares of
the Company held

1,294,400

Attendance at Board
of Directors meetings

19/19 (100%)

Past experience, positions, responsibilities and significant concurrent positions

- Jun. 1994** Vice-President & Director, DDI Corporation (currently KDDI CORPORATION)
- Apr. 1996** Professor, Graduate School of Business Administration, Keio University
- Nov. 1999** President & Representative Director, eAccess Ltd.
- Jun. 2002** President, Representative Director & CEO
- Jan. 2005** Chairman, Representative Director & CEO
Representative Director, EMOBILE Ltd.
- Jun. 2005** Chairman, Representative Director & CEO
- Jun. 2007** Chairman & Director, eAccess Ltd.
- Jun. 2010** Chairman & Representative Director
Chairman & Representative Director, EMOBILE Ltd.
- Jan. 2013** Honorary Chairman & Director
- Apr. 2014** Director, the Company
- Aug. 2015** Executive Chairman & Representative Director (to present)

Significant concurrent positions

Chairman & Director, Japan Private Equity Co., Ltd.

Reason for nomination as a Director

After co-founding DDI Corporation (currently KDDI CORPORATION), Mr. Sachio Semmoto served as a Professor in the Graduate School of Business Administration of Keio University, and founded eAccess Ltd. and EMOBILE Ltd. Mr. Semmoto possesses a wealth of experience in corporate management. Assuming the position of Director of the Company in April 2014, and the role of Executive Chairman and Representative Director in August 2015, Mr. Semmoto has taken central management roles in the Company. We believe that Mr. Semmoto's continued leadership in his capacity as Executive Chairman and Representative Director, will be instrumental for the sustained growth of the Company. As such, we have nominated Mr. Semmoto as a candidate for Director.

Candidate
No.

2



Candidate for
Re-election

Yosuke Kiminami

(Date of birth:
October 5, 1974)

Number of shares of
the Company held

3,720,000

Attendance at Board
of Directors meetings

19/19 (100%)

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 1998** Joined McKinsey & Company Inc. Japan
- May 2000** Founded Recycle One, Inc. (currently the Company)
President & Representative Director, the Company
- Jun. 2016** Founding CEO & Representative Director (to present)

Reason for nomination as a Director

Mr. Yosuke Kiminami founded the Company in May 2000. Over the past 17 years, he has served as Representative Director of the Company, and has promoted the current business of renewable energy. We believe that if his continued leadership as Founding CEO and Representative Director will be instrumental for the sustained growth of the Company. As such, we have nominated Mr. Kiminami as a candidate for Director.

Candidate
No.

3



Candidate for
Re-election

External
Director

Independent
Officer

Tadashi Mizushima

(Date of birth:
May 21, 1951)

Number of shares of
the Company held

6,000

Attendance at Board
of Directors meetings

19/19 (100%)

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 1975** Joined The Sanwa Bank, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
Apr. 1999 Chief Examiner, Examination Department (Tokyo)
Oct. 2000 CFO, Unison Capital, Inc.
Jul. 2005 Representative Director, CONSULTING ONE (to present)
Aug. 2008 Vice-President & Director, Quantum Leaps Corporation
Jan. 2011 President & Representative Director, PNB Asset Management (Japan) Co. Ltd.
Feb. 2011 Director, the Company (to present)

Significant concurrent positions

Representative Director, CONSULTING ONE

Reason for nomination as an External Director

Mr. Tadashi Mizushima has a wealth of experience and a broad range of expertise including serving at major banks, investment fund companies, and consulting firms. We believe that he can provide suggestions for and supervise overall management of the Company as an expert in management and administration. As such, we have nominated Mr. Mizushima as a candidate for External Director.

At the conclusion of this Annual General Meeting of Shareholders, Mr. Mizushima will have served as External Director of the Company for 6 years and 6 months.

Candidate
No.

4



Candidate for
Re-election

External
Director

Independent
Officer

Rie Murayama

(Date of birth:
May 1, 1960)

Number of shares of
the Company held

-

Attendance at Board
of Directors meetings

16/19 (84.2%)

Past experience, positions, responsibilities and significant concurrent positions

- Nov. 1988** Joined CS First Boston Limited
Mar. 1993 Joined Goldman Sachs Tokyo Branch Office (currently Goldman Sachs Japan Co. Ltd.)
Nov. 2001 Managing Director
Jun. 2016 Director, the Company (to present)
Apr. 2017 Chairman & Representative Director, ComTech, Ltd. (to present)

Significant concurrent positions

Chairman & Representative Director, ComTech, Ltd.

Reason for nomination as an External Director

Ms. Rie Murayama has a wealth of experience and expertise, including serving as a top-class analyst at a global investment bank. We believe that she can provide advice and supervise overall management of the Company from the standpoint of an investment expert. As such, we have nominated Ms. Murayama as a candidate for External Director.

At the conclusion of this Annual General Meeting of Shareholders, Ms. Murayama will have served as External Director of the Company for 1 year and 2 months.

Candidate
No.

5



New
Candidate

External
Director

Independent
Officer

Hideki Minamikawa (Date of birth:
December 27, 1949)

Number of shares of
the Company held

Attendance at Board
of Directors meetings

-

-

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 1974** Joined the Environment Agency (currently Ministry of the Environment)
Jul. 2002 Councillor, Ministry of the Environment
Jul. 2005 Director General, Nature Conservation Bureau
Sep. 2006 Director General, Global Environment Bureau
Jul. 2008 Minister's Secretariat
Aug. 2010 Vice-Minister for Global Environmental Affairs
Jan. 2011 Vice-Minister of the Environment
Jul. 2013 Adviser, Ministry of the Environment
General Manager, Liaising Promotion Division for Fukushima Interim Storage, etc.
Aug. 2013 Visiting Senior Researcher (in charge of environmental economics theory), Waseda University (to present)
Apr. 2014 Visiting Professor, Faculty of Economics, Tokyo Keizai University (to present)
Jun. 2014 President, Japan Environmental Sanitation Center (to present)
Jun. 2015 Chairman, Japan Waste Management Association
Jun. 2017 External Audit & Supervisory Board Member, FANCL CORPORATION (to present)

Significant concurrent positions

Visiting Senior Researcher, Waseda University

Visiting Professor, Faculty of Economics, Tokyo Keizai University

President, Japan Environmental Sanitation Center

External Audit & Supervisory Board Member, FANCL CORPORATION

Reason for nomination as an External Director

Mr. Hideki Minamikawa is well-versed in environmental policies both within and outside of Japan. He has held various posts including Vice-Minister in the Ministry of the Environment, and has been involved in efforts to conclude agreements regarding the framework convention on climate change. We believe that he can provide a wide range of highly insightful suggestions and advice for the Company's renewable energy business. As such, we have nominated Mr. Minamikawa as a candidate for External Director. Although he has not been involved in corporate management other than as an External Officer, for the reasons stated above, we believe that he is fully capable of fulfilling the duties of an External Director.

Candidate
No.

6



New
Candidate

External
Director

Independent
Officer

Norichika Kanie

(Date of birth:
May 3, 1969)

Number of shares of
the Company held

Attendance at Board
of Directors meetings

-

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Past experience, positions, responsibilities and significant concurrent positions

- Nov. 1999** Visiting Research Associate, Institute for the Advanced Study of Sustainability, United Nations University
- Oct. 2001** Assistant Professor, Faculty of Law, The University of Kitakyushu
- Apr. 2003** Assistant Professor, Graduate School of Decision Science and Technology, Tokyo Institute of Technology
- Aug. 2009** Visiting Professor, Institute for Sustainable Development and International Relations (IDDRI)
- Jul. 2014** Senior Research Fellow, Institute for the Advanced Study of Sustainability, United Nations University (to present)
- Apr. 2015** Affiliate Professor, Graduate School of Decision Science and Technology, Tokyo Institute of Technology
Professor, Graduate School of Media and Governance, Keio University (to present)
Special Visiting Lecturer, Research Institute for Humanity and Nature, National Institutes for the Humanities, Inter-University Research Institute Corporation (to present)
- Sep. 2015** Visiting Professor, Integrated Research System for Sustainability Science, University of Tokyo Institutes for Advanced Study (to present)
- Apr. 2016** Specialized Professor, Graduate School of Decision Science and Technology, Tokyo Institute of Technology (to present)

Significant concurrent positions

Senior Research Fellow, Institute for the Advanced Study of Sustainability, United Nations University
Professor, Graduate School of Media and Governance, Keio University
Special Visiting Lecturer, Research Institute for Humanity and Nature, National Institutes for the Humanities, Inter-University Research Institute Corporation
Visiting Professor, Integrated Research System for Sustainability Science, University of Tokyo Institutes for Advanced Study
Specialized Professor, Graduate School of Decision Science and Technology, Tokyo Institute of Technology

Reason for nomination as an External Director

Mr. Norichika Kanie plays an important role in the promotion of the United Nations' Sustainable Development Goals (SDGs), through various activities at universities in and outside of Japan, and as a committee member in the Ministry of the Environment as well as the Ministry of Economy, Trade and Industry. Accordingly, we believe that he can provide a wide range of highly insightful suggestions and advice for the Company's renewable energy business. As such, we have nominated Mr. Kanie as a candidate for External Director. Although he has not been involved in corporate management other than as an External Officer, for the reasons stated above, we believe that he is fully capable of fulfilling the duties of an External Director.

Candidate
No.

7



New
Candidate

External
Director

Independent
Officer

Yukio Takeuchi

(Date of birth:
July 20, 1943)

Number of shares of
the Company held

Attendance at Board
of Directors meetings

-

-

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 1967** Joined the Ministry of Foreign Affairs of Japan
Aug. 1989 Counsellor & Consul-General of London Consulate, Embassy of Japan in the UK
Jan. 1991 Minister
Nov. 1991 Executive Secretary to the Prime Minister (Miyazawa Cabinet)
Aug. 1995 Ambassador Extraordinary and Plenipotentiary, Embassy of Japan in the United States of America
Jan. 2001 Ambassador Extraordinary and Plenipotentiary, Embassy of Japan in Indonesia
Feb. 2002 Vice-Minister for Foreign Affairs
Jan. 2005 Adviser, Ministry of Foreign Affairs of Japan
Feb. 2005 Special Adviser, Keidanren Japan Business Federation
Nov. 2006 Adviser, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sep. 2007 Affiliate Professor, National Graduate Institute for Policy Studies
Oct. 2008 Justice, Supreme Court of Japan
Oct. 2013 Adviser, Fujita Corporation (to present)
Apr. 2014 Visiting Professor, Nara Prefectural University (to present)
Apr. 2017 External Evaluator, Kyoto University School of Government (to present)

Significant concurrent positions

External Evaluator, Kyoto University School of Government

Visiting Professor, Nara Prefectural University

Reason for nomination as an External Director

Mr. Yukio Takeuchi has an extensive overseas network and a broad range of insights cultivated through his experience in foreign diplomacy, including through his tenure as Vice-Minister for Foreign Affairs and Justice of the Supreme Court of Japan. Accordingly, we believe that he can provide highly insightful suggestions and advice for the overseas expansion of the Company's renewable energy business. As such, we have nominated Mr. Takeuchi as a candidate for External Director. Although he has not been involved in corporate management other than as an External Officer, for the reasons stated above, we believe that he is fully capable of fulfilling the duties of an External Director.

Candidate
No.

8

Hisashi Yoshikawa

(Date of birth:
August 11, 1956)

Number of shares of
the Company held

Attendance at Board
of Directors meetings

-

-

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 1981** Joined the Ministry of Commerce and Industry (currently Ministry of Economy, Trade and Industry)
- Jun. 1998** General Manager, JETRO New York Center Trade & Insurance Office
- Jul. 2001** Director, Petroleum Distribution Section, Agency for Natural Resources and Energy
- Jun. 2002** Counselor, The Permanent Mission of Japan to the International Organizations in Geneva
- Aug. 2006** Director, International Energy Agency (IEA)
- Oct. 2008** Deputy General Manager, Science and Technology Industry Department, Organisation for Economic Co-operation and Development (OECD)
- Jan. 2010** Special Assistant, Long-Term Strategy Section, IEA
- Sep. 2011** Special Professor, Graduate School of Public Policy, The University of Tokyo (to present)
- Apr. 2016** Chief Researcher, The Canon Institute for Global Studies (to present)
- Jul. 2016** Adviser, The Sasakawa Peace Foundation (to present)

Significant concurrent positions

- Special Professor, Graduate School of Public Policy, The University of Tokyo**
- Chief Researcher, The Canon Institute for Global Studies**
- Adviser, The Sasakawa Peace Foundation**

Reason for nomination as an External Director

Mr. Hisashi Yoshikawa has a broad knowledge and international network regarding energy policy and global climate change, through his experience of working at institutions including the Ministry of Economy, Trade and Industry, and the International Energy Agency. Accordingly, we believe that he can provide a broad range of highly insightful suggestions and advice for the Company's renewable energy business, including insights based on global renewable energy development trends. As such, we have nominated Mr. Yoshikawa as a candidate for External Director. Although he has not been involved in corporate management other than as an External Officer, for the reasons stated above, we believe that he is fully capable of fulfilling the duties of an External Director.



New
Candidate

External
Director

Independent
Officer

- (Notes)
1. There are no specific interests between the candidates and the Company.
 2. The registered name of Ms. Rie Murayama is "Rie Shiga".
 3. Mr. Hisashi Yoshikawa is in the process of obtaining the permission from the University of Tokyo for him to take on a concurrent position as a Director of the Company. As of August 8, 2017, this approval has not yet been obtained.
 4. The Company has entered into an agreement with Mr. Tadashi Mizushima and Ms. Rie Murayama respectively to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the said agreement is the minimum amount stipulated by laws and regulations. The said agreement is only valid if the Officer in question acted in good faith and without gross negligence with regard to the issue that he or she is liable for. If the two candidates are reelected, the Company plans to continue the said agreement with them. In addition, if the election of Mr. Hideki Minamikawa, Mr. Norichika Kanie and Mr. Yukio Takeuchi are approved, and if Mr. Hisashi Yoshikawa assumes the position of Director after he is elected, the Company intends to enter into the same agreement with each of them.
 5. Mr. Tadashi Mizushima, Ms. Rie Murayama, Mr. Hideki Minamikawa, Mr. Norichika Kanie, Mr. Yukio Takeuchi and Mr. Hisashi Yoshikawa are all candidates for External Directors. The Company deems each of the candidates as having a high level of independence and no risk of specific interests with general shareholders. The Company has reported Mr. Tadashi Mizushima and Ms. Rie Murayama to the Tokyo Stock Exchange as Independent Officers according to regulations stipulated by the said exchange. If they are reelected, the Company intends to continue appointing them as Independent Officers. In addition, if the election of Mr. Hideki Minamikawa, Mr. Norichika Kanie and Mr. Yukio Takeuchi are approved, and if Mr. Hisashi Yoshikawa assumes the position of Director after he is elected, the Company intends to report each of them as an Independent Officer.

Proposal 2: Election of Two (2) Audit & Supervisory Board Members

The terms of office of the Audit & Supervisory Board Members Mr. Kazuyoshi Kondo and Mr. Koichiro Hirata will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, it is proposed that two (2) new Audit & Supervisory Board Members be elected.

The Audit & Supervisory Board has given their consent to this proposal.

The candidates for Audit & Supervisory Board Members are as follows.

Candidate No.		Name		Current positions at the Company	Attendance at Board of Directors meetings
1	New Candidate	Toshiki Sada	External Audit & Supervisory Board Member	-	-
			Independent Officer		
2	New Candidate	Hiroyuki Wakamatsu	External Audit & Supervisory Board Member	-	-
			Independent Officer		

Candidate
No.

1



New
Candidate

External
Audit &
Supervisory
Board
Member

Independent
Officer

Toshiki Sada

(Date of birth:
June 16, 1950)

Number of shares of
the Company held

Attendance at Board
of Directors meetings

-

-

Past experience, positions and significant concurrent positions

- Apr. 1974** Joined Nomura Securities Co., Ltd.
Jun. 1989 President, Nomura France S.A.
Jun. 1998 Director, Nomura Securities Finance and Economics Research Center
Jun. 2000 Executive Officer, Nomura Asset Management Co., Ltd.
Jun. 2003 Executive
Apr. 2005 Adviser
Jun. 2005 External Audit & Supervisory Board Member, JAFCO Co., Ltd.
Mar. 2011 External Audit & Supervisory Board Member, KAYAC Inc.
Jun. 2012 External Audit & Supervisory Board Member, eAccess Ltd.
Jul. 2013 External Audit & Supervisory Board Member, Baring Asset Management (Japan) Limited (to present)
Jun. 2015 Adviser, KITZ Corporation
Jul. 2016 External Audit & Supervisory Board Member, Goodpatch Inc. (to present)

Significant concurrent positions

External Audit & Supervisory Board Member, Goodpatch Inc.

Reason for nomination as an External Audit & Supervisory Board Member

Through his experience of working at major securities firms and serving as an External Audit & Supervisory Board Member at major investment companies and businesses, Mr. Toshiki Sada has acquired a broad range of expert knowledge and insights regarding corporate auditing. Accordingly, we believe that he will be able to audit and supervise overall management of the Company. As such, we have nominated Mr. Sada as a candidate for the External Audit & Supervisory Board Member.

Candidate
No.

2



New
Candidate

External
Audit &
Supervisory
Board
Member

Independent
Officer

Hiroyuki Wakamatsu (Date of birth:
September 20, 1971)

Number of shares of
the Company held

-

Attendance at Board
of Directors meetings

-

Past experience, positions and significant concurrent positions

Apr. 1995 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)
Apr. 1998 Registered as a Certified Public Accountant (CPA)
Oct. 2008 Founded Wakamatsu CPA Office
Representative, Wakamatsu CPA Office (to present)
Jun. 2010 External Audit & Supervisory Board Member, With us Corporation (to present)
Aug. 2010 Registered as a tax accountant
Jun. 2011 External Audit & Supervisory Board Member, Eastern Co., Ltd.
Jun. 2012 External Audit & Supervisory Board Member, mixi, Inc. (to present)
Oct. 2014 Part-Time Lecturer, Graduate School of Finance, Accounting and Law, Waseda University
Mar. 2015 External Audit & Supervisory Board Member, Castalia Co., Ltd. (to present)
Jun. 2015 Non-Member Auditor, Pal-System Tokyo (to present)
External Audit & Supervisory Board Member, PIONEER CORPORATION (to present)

Significant concurrent positions

Representative, Wakamatsu CPA Office
External Audit & Supervisory Board Member, With us Corporation
External Audit & Supervisory Board Member, mixi, Inc.
External Audit & Supervisory Board Member, PIONEER CORPORATION

Reason for nomination as an External Audit & Supervisory Board Member

Through his experience of working as a Certified Public Accountant at major auditing firms and serving as an External Audit & Supervisory Board Member at listed companies, Mr. Hiroyuki Wakamatsu has acquired not only expert knowledge on accounting but also a broad range of expert knowledge and insights regarding corporate auditing. Accordingly, we believe that he will be able to audit and supervise overall management of the Company. As such, we have nominated Mr. Wakamatsu as a candidate for the External Audit & Supervisory Board Member. Although he has not been involved in corporate management other than as an External Officer, for the reasons stated above, we believe that he is fully capable of fulfilling the duties of an External Audit & Supervisory Board Member.

- (Notes) 1. There are no specific interests between the candidates and the Company.
2. If the election of Mr. Toshiaki Sada and Mr. Hiroyuki Wakamatsu is approved, the Company plans to enter into an agreement with each of them to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the said agreement is the minimum amount stipulated by laws and regulations. The said agreement is only valid if the Officer in question acted in good faith and without gross negligence with regard to the issue that he or she is liable for.
3. Mr. Toshiaki Sada and Mr. Hiroyuki Wakamatsu are both candidates for External Audit & Supervisory Board Members. The Company deems each of the candidates as having a high level of independence and no risk of specific interests with general shareholders. If the election of the two candidates is approved, the Company intends to report them to the Tokyo Stock Exchange as Independent Officers according to regulations stipulated by the said exchange.

Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

To prevent a case where the number of Audit & Supervisory Board Members falls below the legal requirement, it is proposed that one (1) Substitute Audit & Supervisory Board Member be elected.

The Audit & Supervisory Board has given their consent to this proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows.

New Candidate	Junichiro Ando	(Date of birth: March 22, 1973)	Number of shares of the Company held -
Past experience, positions and significant concurrent positions			
Apr. 1995 Joined Kumagai Gumi Co., Ltd.			
Apr. 2003 Corporate Planning Division, Headquarters			
Apr. 2005 President's Office, Headquarters			
Mar. 2007 Section Chief, Internal Control Promotion Office, Headquarters			
Apr. 2009 Section Chief, Paymaster's Office of Administration Division, Headquarters			
Aug. 2013 Internal Audit Office, the Company			
Apr. 2017 Head of Internal Audit Office (to present)			
Reason for nomination as a Substitute Audit & Supervisory Board Member			
Through his experience of working in the internal control department of a construction company, and of being in charge of the Company's Internal Audit Office, Mr. Junichiro Ando has acquired abundant operational knowledge and experience regarding internal control and internal auditing. Accordingly, we believe that he will be able to audit and supervise overall management of the Company. As such, we have nominated Mr. Ando as a candidate for Substitute Audit & Supervisory Board Member.			

- (Notes) 1. There are no specific interests between the candidate and the Company.
2. If the election of Mr. Junichiro Ando is approved, and he assumes the position of Audit & Supervisory Board Member, the Company plans to enter into an agreement with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the said agreement is the minimum amount stipulated by laws and regulations. The said agreement is only valid if the Officer in question acted in good faith and without gross negligence with regard to the issue that he or she is liable for.

Standards for Determining Independence of External Officers

In order to ensure the appropriateness, objectivity and transparency of governance at RENOVA, Inc. (hereinafter the “Company”), the following standards regarding the independence of External Directors and External Audit & Supervisory Board Members (hereinafter “External Officers”) have been stipulated.

The Company deems External Officers or candidates for External Officers as being independent if they do not fall under any of the categories below, according to research by the Company conducted within a reasonable scope.

1. A former employee of the Company and its consolidated subsidiaries (hereinafter the “Group”) (Note 1)
2. A major shareholder of the Company (Note 2)
3. A business executive in any of the following corporations, etc.
 - a) A major transactional partner of the Group (Note 3)
 - b) A major lender to the Group (Note 4)
 - c) A corporation, etc. that holds shares consisting of 10% or more of the voting rights of the Group
4. An employee of the auditing firm that is the Accounting Auditor of the Group
5. An expert such as a consultant, accountant, tax accountant, lawyer, judicial scrivener or patent attorney who receives a large amount of cash or other property from the Group that is not classified as Officer remuneration (Note 5)
6. A party that receives a large amount of donation from the Group (Note 6)
7. A business executive of a company that has mutual appointments of External Officers (Note 7) with the Company
8. A close relative (Note 8) of a person who falls under any of items 1 through 7 (excluding items 4 and 5, limited to important parties [Note 9])
9. A party who had fallen under any of items 2 through 8 in the past five years
10. Notwithstanding the clauses in each of the preceding items, a party under special circumstances, with whom a special interest with the Company is deemed to be possible

Note 1: This refers to current Directors and Executive Officers involved in business execution and other parties who fall under this category (jointly referred to as “business executives” in this document), as well as business executives who were employed by the Group in the past 10 years.

Note 2: A major shareholder refers to a shareholder who holds 10% or more of the voting rights of the Group, whether personally or by proxy, at the end of the Company’s previous fiscal year. In the case where the major shareholder is an association such as a corporation or union, this refers to a business executive who belongs to that association.

Note 3: A major transactional partner refers to a supplier or buyer of the Group, whereby the value of annual transactions with the Group is 2% or more of either the Company’s or the transactional partner’s consolidated net sales.

Note 4: A major lender refers to a financial institution that the Group borrows from, whereby the outstanding debt at the Company’s fiscal year-end is 2% or more of either the Company’s or the financial institution’s total consolidated assets.

Note 5: A large amount is defined as follows according to the type of involvement in the services provided by the expert in question.

(1) If the expert provides services to the Group as an individual, a large amount refers to a case where a party has received, on average over the past three fiscal years, 10 million yen or more per year as remuneration (excluding Officer remuneration) from the Group.

(2) If the expert provides services to the Group as a member of an association such as a corporation or union, a large amount refers to a case where the said association has received, on average over the past three fiscal years, monetary or other forms of compensation equivalent to 2% or more of the said association’s total revenue amount in the previous fiscal year.

Note 6: This refers to a party who has received, on average over the past three fiscal years, 10 million yen or more per year in donations from the Group.

If the receiver of the donations is an association such as a corporation or union, among the parties who belong to the association, this refers to a party who is directly involved in activities such as research and education related to the donation.

Note 7: A company that has mutual appointments of External Officers with the Company refers to a case where a business executive of the Group is an External Director or an External Audit & Supervisory Board Member of the said company and a business executive of the said company is an External Director or an External Audit & Supervisory Board Member of the Company.

Note 8: A close relative refers to a spouse, or a second-degree relative.

Note 9: An important party refers to a Director or an Executive Officer.