

To Shareholders with Voting Rights:

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

**NOTICE OF CONVOCATION OF
THE 19TH 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 19th Annual General Meeting of Shareholders of RENOVA, Inc. (hereinafter 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 28, 2018, Japan time, to be considered valid.

- 1. Date and Time:** Wednesday, August 29, 2018 at 10:00 a.m. Japan time
- 2. Place:** Hikari Room, Mezzanine, Main Building, Imperial Hotel Tokyo
1-1, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo, Japan
Please note that the venue has changed from last year.
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 19th Fiscal Year (June 1, 2017 – May 31, 2018)
 2. Non-Consolidated Financial Statements for the Company’s 19th Fiscal Year (June 1, 2017 – May 31, 2018)
Proposals to be resolved:
 - Proposal 1:** Partial Amendments to the Articles of Incorporation
 - Proposal 2:** Election of Eight (8) Directors
 - Proposal 3:** Determination of Amount and Details of Stock Compensation for the Company’s Directors

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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.com/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 & 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.com/ir/meeting>).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) With a view to an increase in the number of employees accompanying future business expansion, and for the purpose of further enhancing operational efficiency, the Company shall change the location of its head office from Chiyoda-ku to Chuo-ku in Tokyo. This change shall take effect on the date of relocation of the head office which shall be determined at a meeting of the Board of Directors to be held by August 31, 2018, and a supplementary provision to this effect shall be established.
- (2) While the business year of the Company is from June 1 of each year to May 31 of the following year, the fiscal year-end of consolidated subsidiaries and affiliates of the Company that own power stations (hereinafter “Power Generation Business Subsidiaries”) is March 31. Striving for the realization of consolidated financial statements that are easier to understand and appropriate disclosure of management information by unifying the consolidated fiscal year-ends of the Company and the Group to March 31, thereby eliminating the time lag in disclosing the business performance of Power Generation Business Subsidiaries, the Company shall change its business year to the period from April 1 of each year to March 31 of the following year. As a transitional measure in line with the change in the business year, supplementary provisions shall be newly established.

2. Contents of the amendments

The contents of the amendments are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed amendments
(Location of Head Office) Article 3 The head office of the Company shall be located in <u>Chiyoda</u> -ku, Tokyo.	(Location of Head Office) Article 3 The head office of the Company shall be located in <u>Chuo</u> -ku, Tokyo.
(Record Date) Article 13 The record date of voting rights at the annual general meeting of shareholders of the Company shall be <u>May</u> 31 of each year.	(Record Date) Article 13 The record date of voting rights at the annual general meeting of shareholders of the Company shall be <u>March</u> 31 of each year.
(Business Year) Article 45 The business year of the Company shall commence on <u>June</u> 1 of each year and end on <u>May</u> 31 of the following year.	(Business Year) Article 45 The business year of the Company shall commence on <u>April</u> 1 of each year and end on <u>March</u> 31 of the following year.
(Year-end Dividend) Article 46 The Company shall, by resolution of a general meeting of shareholders, distribute dividends of retained earnings(hereinafter referred to as "Year-end Dividends") in monetary form to shareholders and registered share pledgees entered or recorded in the last registry of shareholders as of <u>May</u> 31 of each year.	(Year-end Dividend) Article 46 The Company shall, by resolution of a general meeting of shareholders, distribute dividends of retained earnings(hereinafter referred to as "Year-end Dividends") in monetary form to shareholders and registered share pledgees entered or recorded in the last registry of shareholders as of <u>March</u> 31 of each year.
(Interim Dividend) Article 47 The Company may, by resolution of the Board of Directors, distribute retained earnings stipulated in Paragraph 5 of Article 454 of the Companies Act (hereinafter referred to as "Interim Dividends") to shareholders and registered share	(Interim Dividend) Article 47 The Company may, by resolution of the Board of Directors, distribute retained earnings stipulated in Paragraph 5 of Article 454 of the Companies Act (hereinafter referred to as "Interim Dividends") to shareholders and registered share

<p>pledgees entered or recorded in the last register of shareholders as of <u>November</u> 30 of each year.</p> <p><Newly established></p>	<p>pledgees entered or recorded in the last register of shareholders as of <u>September</u> 30 of each year.</p> <p><u>(Supplementary provisions)</u></p> <p><u>Article 1 The amendment to Article 3 shall take effect on the date of relocation of the head office, which shall be determined at a meeting of the Board of Directors to be held by August 31, 2018. This Article shall be deleted on the day immediately following the effective date of relocation of the head office.</u></p> <p><u>Article 2 Notwithstanding the provisions of Article 45, the period of the 20th business year that commenced on June 1, 2018 shall be ten (10) months ending on March 31, 2019. This Article shall be deleted on the day immediately following the end of the 20th business year.</u></p>
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Proposal 2: Election of Eight (8) Directors

The terms of office of all eight (8) current Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, it is proposed that eight (8) Directors be elected again.

The candidates for Directors are as follows.

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	11 out of 11 meetings (100%)
2	Candidate for Re-election	Yosuke Kiminami	Founding CEO & Representative Director	11 out of 11 meetings (100%)
3	Candidate for Re-election	Tadashi Mizushima	External Director Independent Officer	11 out of 11 meetings (100%)
4	Candidate for Re-election	Rie Murayama	External Director Independent Officer	11 out of 11 meetings (100%)
5	Candidate for Re-election	Hideki Minamikawa	External Director Independent Officer	8 out of 8 meetings (100%)
6	Candidate for Re-election	Norichika Kanie	External Director Independent Officer	8 out of 8 meetings (100%)
7	Candidate for Re-election	Yukio Takeuchi	External Director Independent Officer	8 out of 8 meetings (100%)
8	Candidate for Re-election	Hisashi Yoshikawa	External Director Independent Officer	6 out of 6 meetings (100%)

(Reference) Policy on selection of candidates for Directors and the process thereof
[Policy] [Process]

The basic policy of selecting candidates for Directors of the Company is as follows: after considering the assurance of diversity and a balance of knowledge, experience and capabilities in the overall composition of the Board of Directors, those who have outstanding character and insight, have a high level of competency, and can fulfill their responsibilities are selected.

Based on the abovementioned policy, the Founding CEO and Representative Director formulated a proposal for the election of candidates for Directors, and after deliberation by the Nomination and Compensation Committee*, the candidates were determined at a meeting of the Board of Directors.

(*) To raise the levels of transparency and objectivity in management, and to ensure the adequacy of the compensation for the Directors and the Executive Officers, the Company has established a Nomination and Compensation Committee, which is a voluntary organization that serves as an advisory body for the Board of Directors. The Nomination and Compensation Committee consists of three External Directors, the Executive Chairman & Representative Director, and the Founding CEO and Representative Director. Besides being comprised of a majority of External Directors who have independence, the chairman of the committee is also selected from among the External Directors.

Candidate
No.

1



Candidate for
Re-election

Sachio Semmoto

(Date of birth:
September 9, 1942)

Number of shares of
the Company held

2,637,400

Attendance at Board
of Directors' meetings

11/11 (100%)

Past experience, positions, responsibilities and significant concurrent positions

- Jun. 1994** Founded DDI Corporation (currently KDDI CORPORATION)
Vice-President & Director
- Apr. 1996** Professor, Graduate School of Business Administration, Keio University
- Nov. 1999** Founded eAccess Ltd.
President & Representative Director
- Jun. 2002** President, Representative Director & CEO
- Jan. 2005** Chairman, Representative Director & CEO
Founded EMOBILE Ltd.
Representative Director
- 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)
- Aug. 2016** External Director, SegueGroup Co., Ltd. (to present)

Significant concurrent positions

External Director, SegueGroup 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

7,450,000

Attendance at Board
of Directors' meetings

11/11 (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 18 years, he has served as Representative Director of the Company, and has promoted the current business of renewable energy. We believe that 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

19,200

Attendance at Board
of Directors' meetings

11/11 (100%)

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 1975** Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)
Apr. 1999 Chief Examiner, Examination Department (Tokyo)
Oct. 2000 CFO, Unison Capital, Inc.
Jul. 2005 Representative Director, CONSULTING ONE Co., Ltd. (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 Co., Ltd.

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 advice 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 7 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

11/11 (100%)

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)
Jun. 2017 External Director, KATITAS Co., Ltd. (to present)

Significant concurrent positions

Chairman & Representative Director, ComTech, Ltd.

External Director, KATITAS Co., 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 for 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 2 years and 2 months.

Candidate
No.

5



Candidate for
Re-election

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

8/8 (100%)

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
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)
Aug. 2017 Director, the Company (to present)

Significant concurrent positions

Visiting Senior Researcher, Waseda 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 in 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.

At the conclusion of this Annual General Meeting of Shareholders, Mr. Minamikawa will have served as External Director of the Company for 1 year.

Candidate
No.

6



Candidate for
Re-election

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

8/8 (100%)

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)
Visiting Professor, 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)
- Aug. 2017** Director, the Company (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
Visiting Professor, 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 both 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.

At the conclusion of this Annual General Meeting of Shareholders, Mr. Kanie will have served as External Director of the Company for 1 year.

Candidate
No.

7



Candidate for
Re-election

External
Director

Independent
Officer

Yukio Takeuchi

(Date of birth:
July 20, 1943)

Number of shares of
the Company held

9,600

Attendance at Board
of Directors' meetings

8/8 (100%)

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. (currently MUFG Bank, 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)
Aug. 2017 Director, the Company (to present)

Significant concurrent positions

Visiting Professor, Nara Prefectural University

External Evaluator, Kyoto University School of Government

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.

At the conclusion of this Annual General Meeting of Shareholders, Mr. Takeuchi will have served as External Director of the Company for 1 year.

Candidate
No.

8

Hisashi Yoshikawa

(Date of birth:
August 11, 1956)

Number of shares of
the Company held

-

Attendance at Board
of Directors' meetings

6/6 (100%)



Candidate for
Re-election

External
Director

Independent
Officer

Past experience, positions, responsibilities and significant concurrent positions

- Apr. 1981** Joined the Ministry of International Trade 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)
- Oct. 2017** Director, the Company (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.

At the conclusion of this Annual General Meeting of Shareholders, Mr. Yoshikawa will have served as External Director of the Company for 10 months.

- (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. Regarding attendance at Board of Directors' meetings, the attendances of Mr. Hideki Minamikawa, Mr. Norichika Kanie and Mr. Yukio Takeuchi at Board of Directors' meetings held after they assumed office on August 30, 2017 and the attendance of Mr. Hisashi Yoshikawa at Board of Directors' meetings held after he assumed office on October 6, 2017 are shown.
4. The Company has entered into an agreement with Mr. Tadashi Mizushima, Ms. Rie Murayama, Mr. Hideki Minamikawa, Mr. Norichika Kanie, Mr. Yukio Takeuchi and Mr. Hisashi Yoshikawa 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 candidates are reelected, the Company plans to continue the said agreement with 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 conflict of interests with general shareholders. The Company has reported the candidates 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.

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 collectively 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, and limited to important parties [Note 9])
9. A party who had fallen under any of items 2 through 8 in the past 5 years
10. Notwithstanding the clauses in each of the preceding items, a party under special circumstances, with whom the Company may have a conflict of interests

Note 1: This refers to current Directors and Executive Officers involved in business execution and other parties who fall under this category (collectively referred to as “business executives” in these standards), 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 3 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 3 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 3 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.

Proposal 3: Determination of Amount and Details of Stock Compensation for the Company's Directors

1. Reasons for the proposal and reasons that the said compensation is appropriate

This proposal is a request for the introduction of a new stock compensation plan (hereinafter the "Plan") in which the Company will deliver or pay (hereinafter "Deliver, etc.") its shares and money equivalent to the converted value of such shares (hereinafter the "Company's Shares, etc.") to the Directors and Executive Officers of the Company (hereinafter the "Directors, etc.").

The amount of stock compensation to be delivered under the Plan is in a separate category from the compensation amount for the Company's Directors (within 500 million yen a year) approved in the Extraordinary Meeting of Shareholders held on April 28, 2014.

Striving to realize our vision "to become Asia's renewable energy leader," the Plan aims at clarifying the linkage between compensation for the Directors, etc. and the stock value of the Company, and promoting motivation in contributing to enhancement of medium- to long-term business performance of the Company and an increase in its stock value. Furthermore, while the Plan applicable to the Directors (excluding the External Directors) and the Executive Officers is designed to promote their motivation to improve business performance through the linkage to medium- to long-term business performance, the linkage to business performance is absent for the External Directors in light of securing proper and objective audit and supervisory function on the validity of business execution. Due to the above reasons, the introduction of the Plan is deemed as appropriate.

The Company has established the Nomination and Compensation Committee, chaired by the Chief Independent External Director and with the majority of members being Independent External Directors, as a voluntary advisory body for the Board of Directors to ensure the objectivity and transparency of the compensation decision process and the adequacy of the content of compensation. The introduction of the Plan has also undergone deliberation by the Nomination and Compensation Committee.

The number of Directors eligible for the Plan will be 8 (including 6 External Directors) if Proposal 2 is approved as originally proposed.

2. Amount and Details of Compensation in the Plan

(1) Overview of the Plan

The Plan is a stock compensation plan in which a trust to be established by the Company with money contributed by the Company (hereinafter the "Trust") acquires the Company's shares and delivers the number of the Company's Shares, etc. corresponding to the number of points to be granted to each Director, etc. via the Trust based on the Stock Delivery Rules to be established by the Company. The Directors (excluding the External Directors) and the

Executive Officers receive the Delivery, etc. of the Company's Shares, etc. after the Company's performance evaluation for the fiscal year following the end of each coverage period has been fixed (*1), in principle. It is each fiscal year for the External Directors.

(*1) The coverage period of the Plan will be the period established every 4 fiscal years. Details are as defined in (3) "Coverage period of the Plan" below.

(2) Persons eligible for the Plan

The Directors and the Executive Officers of the Company

(3) Coverage period of the Plan

The initial coverage period of the Plan will be 4 fiscal years from the fiscal year beginning on June 1, 2018. Similarly thereafter, the coverage period of the Plan will be every 4 fiscal years, and the next coverage period of the Plan will begin after 4 fiscal years have passed since the beginning of each coverage period of the Plan.

If Proposal 1 is approved as originally proposed, the fiscal year-end will change from the current May 31 to March 31. In this case, the initial coverage period of the Plan will be from June 1, 2018 to March 31, 2022.

(4) Trust period

The trust period will continue from October 2018 (planned) until the end of the Trust (the Trust will continue as long as the Plan continues without any specific expiration date).

The Plan will terminate due to the delisting of the Company's shares or the abolition, etc. of the Share Delivery Rules.

(5) Amount of funds to be entrusted and number of shares to be acquired

Subject to the approval of the introduction of the Plan at this General Meeting of Shareholders (hereinafter the "Shareholders' Meeting"), the Company will establish the Trust by contributing the funds necessary for the Trust to acquire the number of shares that is reasonably expected to become necessary to Deliver, etc. the Shares, etc. in advance for a certain period in accordance with the procedures in (7) and (8) below. The Trust will acquire the Company's shares by using the funds contributed by the Company.

More specifically, if the introduction of the Plan is approved at the Shareholders' Meeting, the Company will contribute up to 166 million yen for the Directors (of which 45 million yen will be for the External Directors) (*1) as funds for acquiring the shares to make the Delivery, etc. based on the Plan for the initial coverage period of 4 fiscal years beginning on June 1, 2018. This amount has been determined by comprehensively taking into account the current payment level of compensation for the Directors of the Company and the trends and future outlook of the number of Directors, etc., and the Company has determined that this is reasonable.

Subsequently until the Trust ends, when each coverage period of the Plan begins, the Company will, in principle, contribute additional funds that are deemed necessary for the Trust to acquire

the number of shares that is reasonably expected to become necessary to Deliver, etc. the Shares, etc. to the Directors based on the Plan in advance for 4 fiscal years in each coverage period of the Plan, but the funds to be contributed may not exceed the amount above. However, when making such additional contribution, if there are remaining shares of the Company (excluding the Company's shares corresponding to the number of points granted to the Directors that have yet to be Delivered, etc. to the Directors) and remaining money (hereinafter collectively the "Remaining Shares, etc.") in the Trust assets on the day immediately before the beginning of the coverage period of the Plan, the Company will calculate the amount of the additional contribution for the relevant coverage period of the Plan after taking the Remaining Shares, etc. into account.

(*1) As a reference, the maximum funds to be contributed to the Trust as funds for acquiring the shares to make the Delivery, etc. to the Executive Officers for the initial coverage period of the Plan based on the Plan will be 414 million yen. The amount of the contribution for the Executive Officers for each subsequent coverage period of the Plan will be determined within a reasonable range, comprehensively taking into account the business performance of the Company, the economic conditions at the time and so forth.

(6) Acquisition method and number of the Company's shares to be acquired by the Trust
The Trust will initially acquire the Company's shares from the stock market within the range of funds for acquiring the shares specified in (5) above, and new shares will not be issued. Accordingly, the total number of issued shares will not increase upon the acquisition of the Company's shares by the Trust, and dilution will not occur.

The Company will determine the details of the acquisition method after the Shareholders' Meetings and disclose them.

For reference, if the Company's shares are acquired at the closing price of 1,358 yen on July 4, 2018, using 580 million, which is the total maximum amount of funds to be contributed for acquiring the shares for the initial coverage period of the Plan, the number of shares to be acquired will be 427,098, which accounts for 1.15% of the total number of issued shares.

(7) Calculation method and maximum number of the Company's Shares, etc. to be Delivered, etc. to each Director, etc.

The Company will grant points to the Directors (excluding the External Directors) and the Executive Officers in accordance with their ranks and the level of achievement of the performance targets every fiscal year in accordance with the Share Delivery Rules to be established by its Board of Directors after the Shareholders' Meeting, and Deliver, etc. the number of the Company's Shares, etc. corresponding to the points granted to those who have met certain beneficiary requirements defined in the Share Delivery Rules after the Company's performance evaluation for the fiscal year following the end of each coverage period has been fixed. In addition, the Company will grant a set number of points to the External Directors every fiscal year irrespective of the level of achievement of the performance targets, and Deliver, etc. the number of the Company's Shares, etc. corresponding to the points granted to

those who have met certain beneficiary requirements defined in the Share Delivery Rules.

The points to be granted to the Directors, etc. will be converted to the common shares of the Company at a rate of 1 share for every 1 point at the time of the Delivery, etc. of the Shares, etc. as mentioned in (8) below (however, if a share split, the allotment of shares without contribution or the consolidation of shares, etc. is conducted for the Company's shares after the resolution of approval at the Shareholders' Meeting, the conversion rate will be adjusted reasonably according to the rate in the share split, the allotment of shares without contribution or the consolidation of shares, etc.).

(8) Delivery, etc. of the Company's Shares, etc. to each Director, etc.

The Company's Shares, etc. corresponding to the total number of points granted to the Directors (excluding the External Directors) and the Executive Officers in each coverage period of the Plan will be Delivered, etc. to them in accordance with prescribed procedures for determining the beneficiaries after the Company's performance evaluation for the fiscal year following the end of each coverage period of the Plan has been fixed.

The Company's Shares, etc. corresponding to the total number of points granted to the External Directors every fiscal year will be Delivered, etc. to them in the fiscal year in accordance with the prescribed procedures for determining the beneficiaries.

(9) Exercise of voting rights of the Company's shares in the Trust

The voting rights of the Company's shares in the Trust (that is, the Company's shares before they are Delivered, etc. to the Directors, etc. in accordance with the procedures in (8) above) will not be exercised during the trust period to ensure neutrality over management.

(10) Handling of dividends for the Company's shares in the Trust

The Trust will receive dividends for the Company's shares in the Trust and appropriate them as funds for acquiring the shares and trust expenses such as trust fees.

(11) Treatment after the end of the trust period

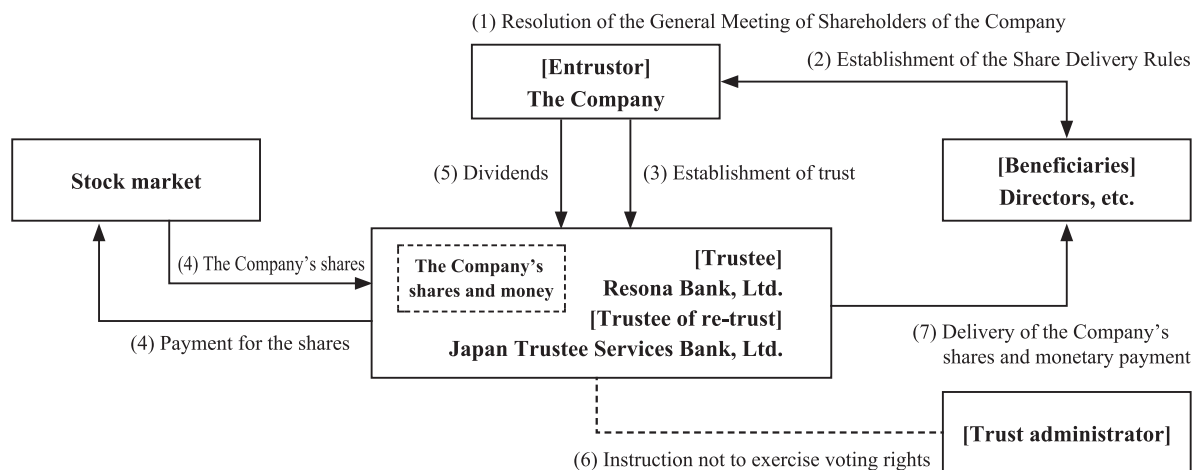
Of the residual assets in the Trust when the Trust ends, all the Company's shares will be acquired by the Company without compensation and cancelled by a resolution of the Board of Directors.

Of the residual assets in the Trust when the Trust ends, money will be paid to the persons eligible for the Plan who are incumbent at that time in proportion to their respective points accumulated.

(12) Other details of the Plan

Other details regarding the Plan shall be determined at a meeting of the Board of Directors from time to time when the Trust is established, amendments are made to the trust agreement and additional contributions are made to the Trust.

(Reference) Structure of the Plan



- (1) The Company will obtain a resolution to approve the Directors' compensation in relation to the introduction of the Plan at its General Meeting of Shareholders.
- (2) The Company will establish the Share Delivery Rules for the Delivery, etc. of the Company's shares at a meeting of the Board of Directors.
- (3) The Company will contribute money within the range approved by the General Meeting of Shareholders in (1) above and establish a trust (the Trust) with the persons eligible for the Plan as the candidates for beneficiaries. The Company may contribute additional money within the range above.
- (4) The Trust will acquire the Company's shares from the stock market by using the money entrusted under (3) above in accordance with instructions from the trust administrator.
- (5) Dividends will also be paid for the Company's shares in the Trust in the same manner as for the Company's other shares.
- (6) Voting rights of the Company's shares in the Trust will not be exercised across the board during the trust period.
- (7) During the trust period, points will be granted to the Directors (excluding the External Directors) and the Executive Officers every fiscal year in accordance with their ranks and the level of achievement of the performance targets in accordance with the Share Delivery Rules in (2) above, and the number of the Company's Shares, etc. corresponding to the points granted will be Delivered, etc. to those who have met certain beneficiary requirements defined in the Share Delivery Rules after the Company's performance evaluation for the fiscal year following the end of each coverage period has been fixed. In addition, a set number of points will be granted to the External Directors every fiscal year irrespective of the level of achievement of the performance targets, and the number of the Company's Shares, etc. corresponding to the points granted will be Delivered, etc. to those who have met certain beneficiary requirements defined in the Share Delivery Rules.