



エネルギーを新しい時代へ

# FY2021 Second Quarter Consolidated Financial Results

(Note) The company's fiscal year (FY) is from April 1 to March 31 of the following year in this material.  
"2Q" refers to the period from April 1 to September 30.

**JERA Co., Inc.**

November 12, 2021

# Outline of Financial Results

1

## Consolidated Statement of Income

(Unit: Billion Yen)

	2021/2Q(A)	2020/2Q(B)	Change(A-B)	Rate of Change(%)
Operating revenue (Net sales)	1,590.8	1,252.5	338.3	27.0
Operating income	111.7	158.5	(46.8)	(29.5)
Ordinary income	84.3	162.9	(78.6)	(48.2)
Quarterly net income attributable to owners of parent	43.8	108.9	(65.0)	(59.7)
<Reference>Income excluding time lag	134.8	(3.8)	138.7	

## Consolidated Balance Sheet

(Unit: Billion Yen)

	As of Sep.30,2021(A)	As of Mar.31,2021(B)	Change(A-B)	Rate of Change(%)
Assets	6,598.3	4,090.8	2,507.4	61.3
Liabilities	4,752.0	2,328.7	2,423.2	104.1
Net assets	1,846.3	1,762.1	84.1	4.8
Outstanding interest- bearing debt	1,778.9	1,613.2	165.6	10.3
Equity ratio (%)	26.6	41.2	(14.6)	

# Key Points of Financial Results

## 【Operating Revenue】

- Sales increased by 338.3 billion yen (up 27.0%) to 1,590.8 billion yen mainly due to an increase in electrical energy sold and an increase in sales of JERA Global Markets Pte. Ltd. (JERAGM).

## 【Net income】

- Net income fell by 65.0 billion yen (down 59.7%) to 43.8 billion yen.  
Net income decreased due to the shift from gains to losses of time lag (- 203.7 billion yen [112.7 billion yen to - 90.9 billion yen]) despite a substantial increase in net income excluding the effect of time lag (+ 138.7 billion yen).
- Net income excluding the effect of time lag increased by 138.7 billion yen to ¥134.8 billion yen.  
Despite an impairment loss (-32.3 billion yen) in the overseas power generation business, net income substantially increased due to the rebound from the COVID-19 negative impact in the same period of the previous year (+ 29.8 billion yen), an increase in profit of JERAGM (+ 48.8 billion yen) and impact of fuel inventory unit prices (+20.3 billion yen).

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## \*Equity ratio

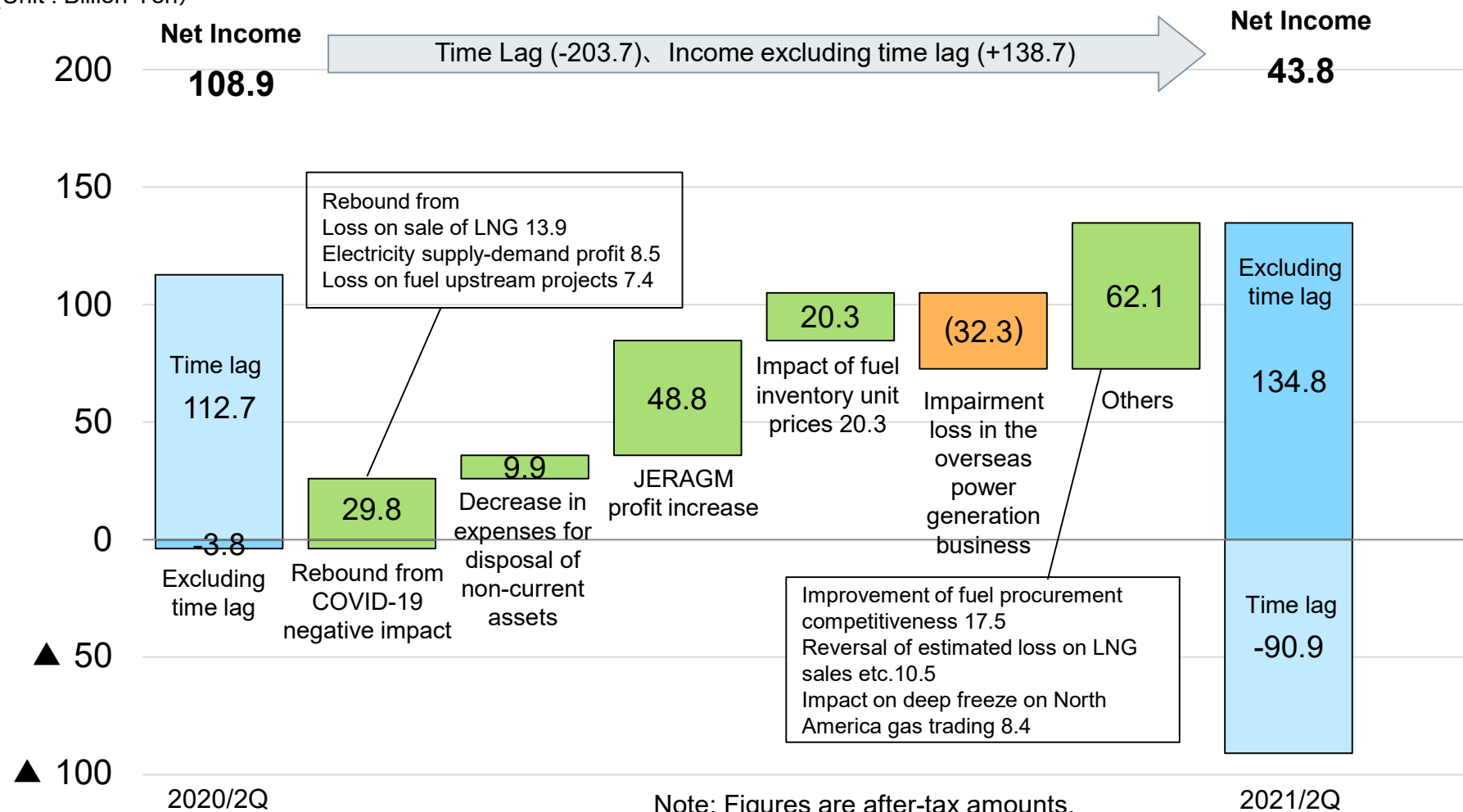
- JERAGM engaged in fuel trading makes contracts for both procurement and sales as physical and financial transactions\* and the fair value of the outstanding all contracts are reported as assets “derivative securities” and liabilities “derivative obligations” in the statement of financial position. While significant changes in fair value due to a spike of fuel index prices have led to huge increases in both derivative asset and liabilities in JERAGM, the risk capacity has not declined substantially. If such derivative securities and obligations in JERAGM are offset, the equity ratio in JERA would be approximately 40%.

\*Singapore Financial Reporting Standard

# Consolidated Net Income

## 【Various factors of Consolidated net income】

(Unit : Billion Yen)



## Consolidated Income/Expenditure Comparison

(Unit: Billion Yen)

	2021/2Q(A)	2020/2Q(B)	Change(A-B)	Main Factors of Changes
Operating revenue (Net sales)	1,590.8	1,252.5	338.3	<ul style="list-style-type: none"> <li>• Increase of electrical energy sold</li> <li>• Increase in sales of JERAGM</li> </ul>
Operating expenses	1,479.1	1,093.9	385.1	<ul style="list-style-type: none"> <li>• Increase of fuel costs</li> <li>• Increase in costs of JERAGM</li> </ul>
Operating income	111.7	158.5	(46.8)	
Non-operating income	5.3	10.0	(4.6)	
Non-operating expenses	32.7	5.6	27.1	<ul style="list-style-type: none"> <li>• Share of loss of entities accounted for using equity method 26.5</li> </ul>
Ordinary income	84.3	162.9	(78.6)	<ul style="list-style-type: none"> <li>• Decrease of time lag income -283.0 (156.6 → -126.3)</li> <li>• Increase of income excluding time lag +204.4 (6.3 → 201.6)</li> </ul>
Extraordinary loss	—	5.7	(5.7)	
Income taxes, etc.	11.8	40.6	(28.8)	
Quarterly net income attributable to non-controlling Interests	28.6	7.6	20.9	
Quarterly net income attributable to owners of parent	43.8	108.9	(65.0)	

## Key Elements of Income and Expenditure

	2021/2Q(A)	2020/2Q(B)	Change(A-B)
Electrical Energy Sold(TWh)	118.3	109.9	8.4
Crude Oil Prices(JCC) (dollar/barrel)	70.3	36.5	33.8
Foreign Exchange Rate (yen/dollar)	109.8	106.9	2.9

Note: Crude Oil Prices(JCC) for 2021/2Q is tentative.

# Consolidated Balance Sheet

(Unit: Billion Yen)

	As of Sep. 30, 2021(A)	As of Mar. 31, 2021(B)	Change(A-B)	Main Factors of Changes
<b>Cash and deposits</b>	486.8	616.1	(129.2)	
<b>Property, plant and equipment</b>	2,119.4	2,010.0	109.4	• Progress in replacing domestic thermal power plants
<b>Investment securities</b>	549.3	559.4	(10.0)	
<b>Others</b>	3,442.6	905.3	2,537.3	• Increase in derivative securities (JERAGM, etc.) +2,216.2
<b>Assets</b>	6,598.3	4,090.8	2,507.4	
<b>Outstanding interest-bearing debt</b>	1,778.9	1,613.2	165.6	• Borrowings +165.6(Subsidiaries +161.1)
<b>Others</b>	2,973.1	715.4	2,257.6	• Increase in derivative obligations (JERAGM, etc.) +2,188.1
<b>Liabilities</b>	4,752.0	2,328.7	2,423.2	
<b>Shareholders' equity</b>	1,707.4	1,696.9	10.4	• Dividends paid -33.4 • Quarterly net income +43.8
<b>Others</b>	138.8	65.1	73.6	• Foreign currency translation adjustments +40.6
<b>Net Assets</b>	1,846.3	1,762.1	84.1	
<b>Equity ratio (%)</b>	26.6	41.2	(14.6)	• Decrease in the ratio mainly due to an increase in both derivative securities and obligations

# Consolidated Cash Flows

(Unit: Billion Yen)

		2021/2Q(A)	2020/2Q(B)	Change(A-B)
<b>Cash flows from operating activities</b>		(12.8)	196.6	(209.5)
<b>Cash flows from investing activities</b>	<b>Purchase of non-current assets</b>	(190.9)	(116.0)	(74.8)
	<b>Purchase of investment securities</b>	(0.9)	(2.6)	1.7
	<b>Others</b>	(36.8)	(4.3)	(32.4)
		(228.6)	(123.1)	(105.5)
<b>Free cash flows</b>		(241.5)	73.4	(315.0)
<b>Cash flows from financing activities</b>	<b>Net increase/decrease in outstanding interest-bearing debt</b>	159.3	34.9	124.3
	<b>Dividends paid *1</b>	(33.4)	(27.0)	(6.4)
	<b>Others</b>	(12.0)	16.6	(28.7)
		113.9	24.6	89.2
<b>Net increase/decrease in cash and cash equivalents (parenthesis indicates decrease)</b>		(120.0)	93.5	(213.6)

\*1 Excluding Dividends paid to non-controlling interests



# Segment Information

(Unit: Billion Yen)

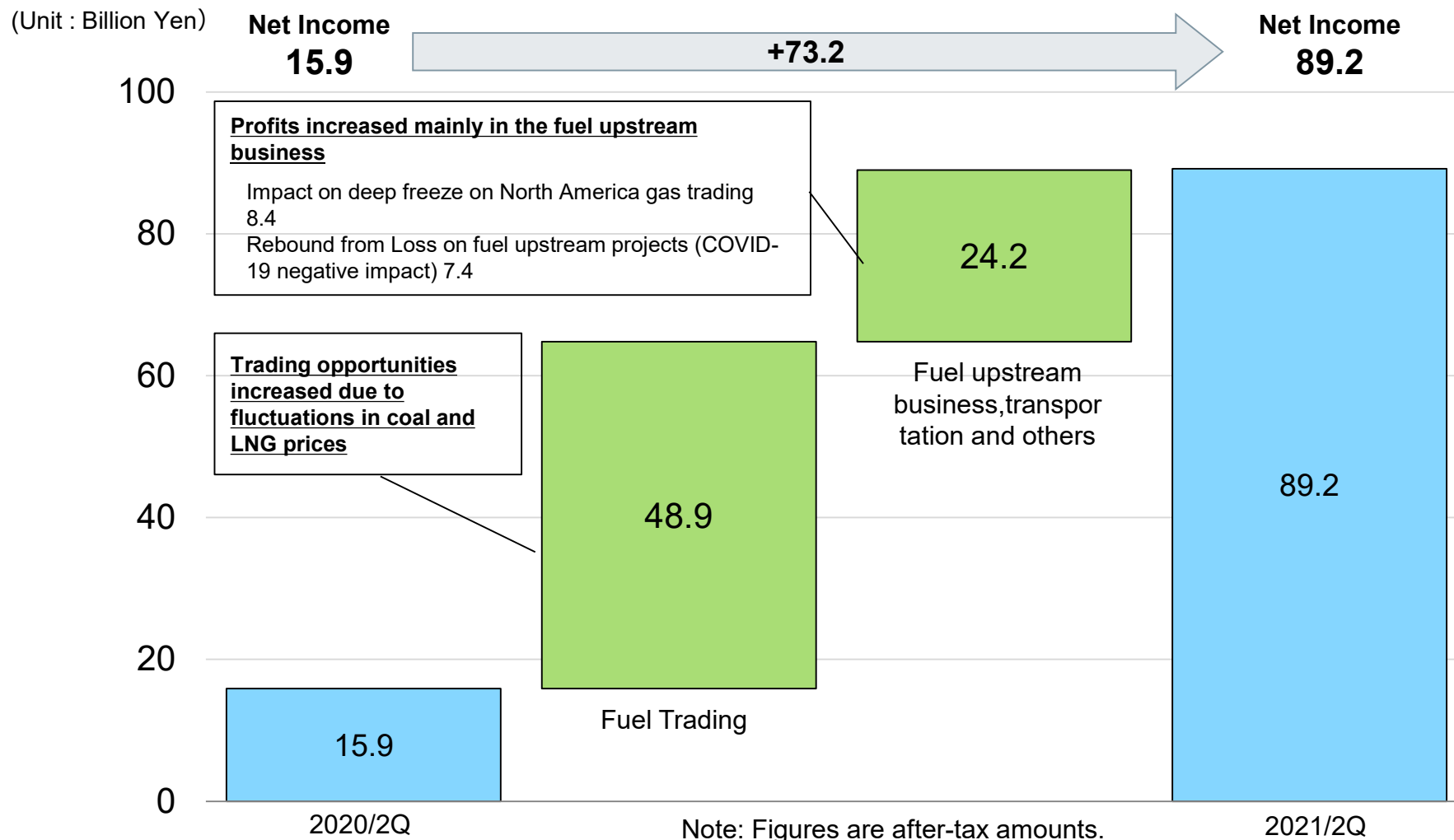
	2021/2Q(A)		2020/2Q(B)		Change(A-B)		Main Factors of Changes in Net Income
	Operating Revenue	Net Income	Operating Revenue	Net Income	Operating Revenue	Net Income	
Fuel related*1	956.4	89.2	365.5	15.9	590.8	73.2	<ul style="list-style-type: none"> <li>• JERAGM Profit Increased <b>+48.8</b></li> <li>• Impact on deep freeze on North America gas trading <b>+8.4</b></li> <li>• Rebound from COVID-19 negative impact <b>+7.4</b></li> </ul>
Overseas power generation	1.5	(33.0)	1.0	0.1	0.4	(33.2)	<ul style="list-style-type: none"> <li>• Impairment loss in Formosa 2 <b>-32.3</b></li> </ul>
Domestic thermal power generation and gas supply	1,188.9	17.0 108.0*2	1,167.4	108.2 (4.4)*2	21.5	(91.2) 112.5*2	<ul style="list-style-type: none"> <li>• Rebound from COVID-19 negative impact <b>+22.4</b></li> <li>• Decrease in expenses for disposal of non-current assets <b>+9.9</b></li> <li>• Impact of fuel inventory unit prices <b>+20.3</b></li> <li>• Improvement of fuel procurement competitiveness <b>+17.5</b></li> <li>• Reversal of estimated loss on LNG sales etc. <b>+10.5</b></li> </ul>
Adjustments	(556.0)	(29.3)	(281.5)	(15.5)	(274.5)	(13.8)	
Consolidated	1,590.8	43.8 134.8*2	1,252.5	108.9 (3.8)*2	338.3	(65.0) 138.7*2	

\*1 Fuel upstream, transportation and trading

\*2 Excluding the effect of time lag

# Results of Fuel related business

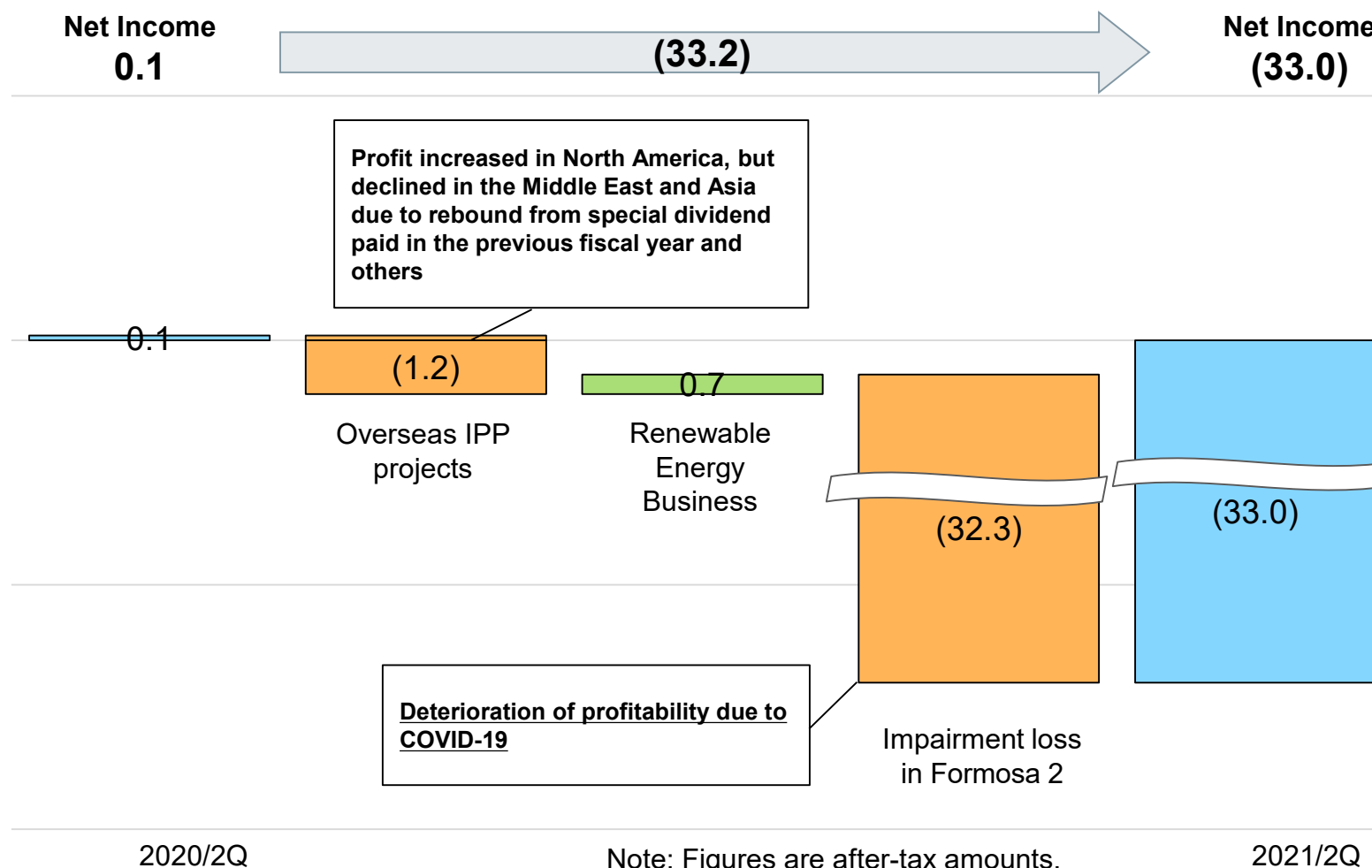
## ■ Significant increase in fuel trading and upstream business



# Results of Overseas power generation business

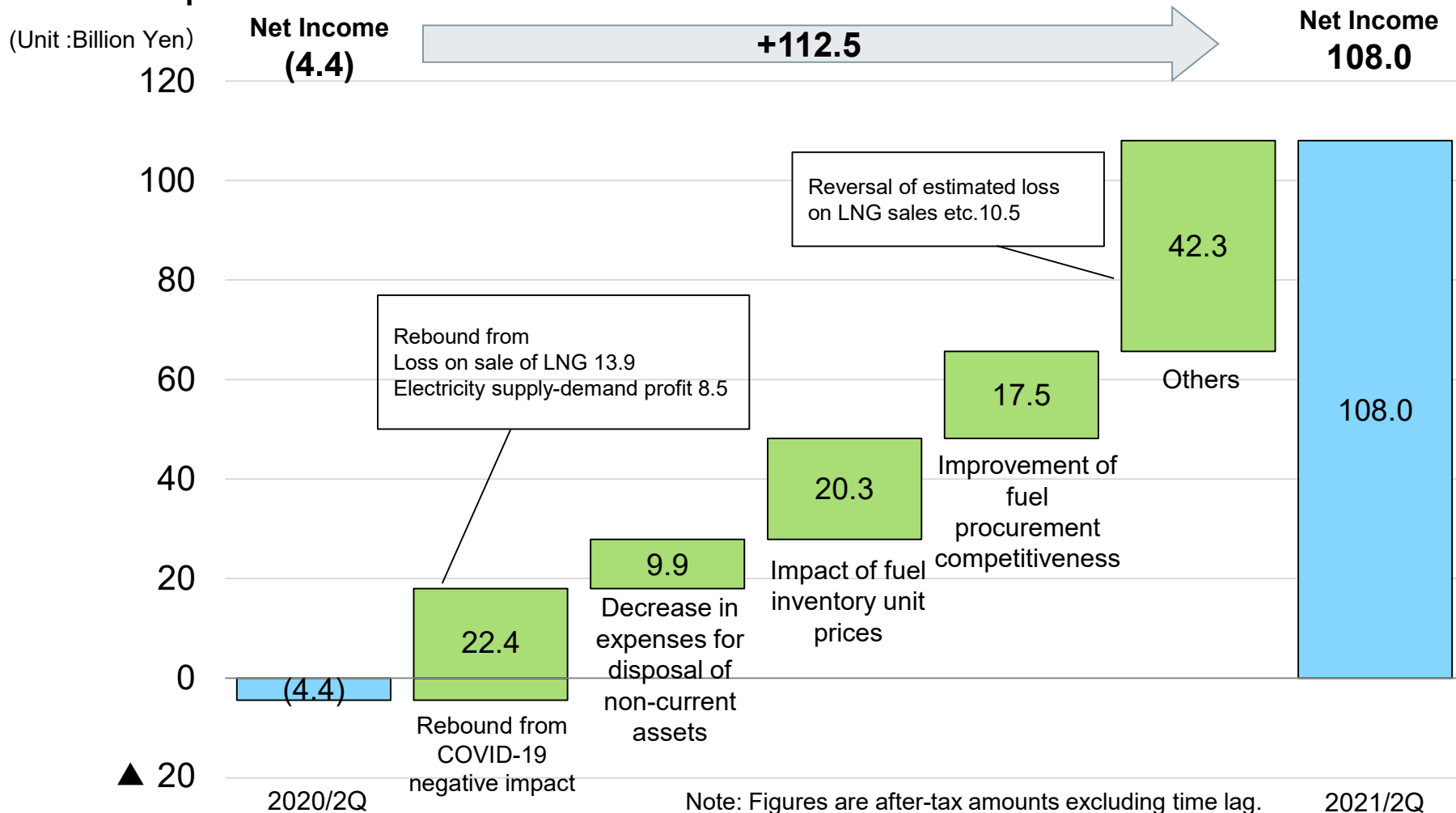
## ■ Impairment loss in Formosa 2 due to low profitability caused by the COVID-19

(Unit :Billion Yen)



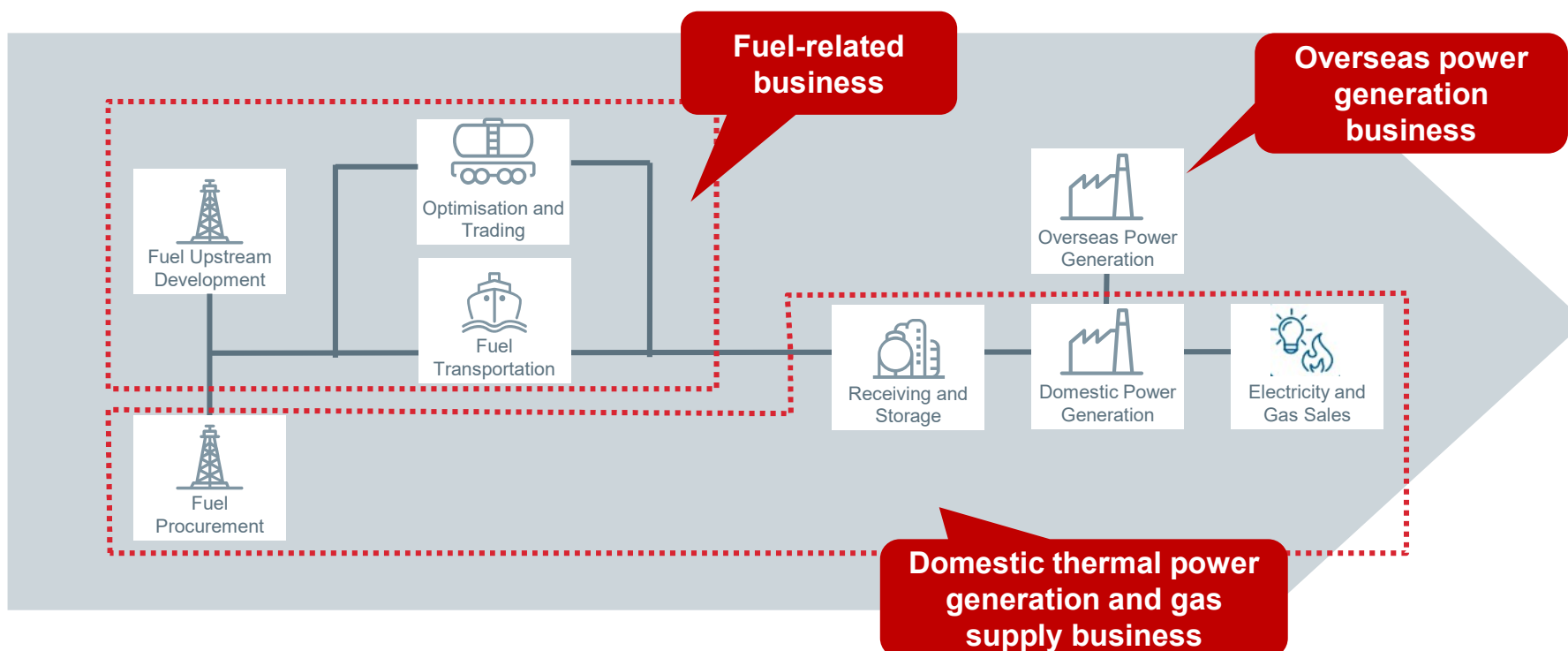
# Results of Domestic thermal power generation and gas supply business

- A sharp increase in profit excluding time lag due to factors such as rebound from COVID-19 negative impact, impact of fuel inventory unit prices and the improvement of fuel procurement competitiveness



## Reference: JERA's Value Chain and Segment Division

- JERA owns the entire supply chains for fuel and thermal power generation, from fuel upstream business (development of gas fields) to transportation and storage (fuel terminal operation) to power generation and wholesaling.
- JERA has three business segments; "Fuel-related business" for investment in fuel upstream, transportation and trading business, "Overseas power generation business" for investment in overseas power generation business, and "Domestic thermal power generation and gas supply business" for sales of electricity and gas in Japan.



# Forecast for FY2021

## 【Consolidated forecast】

Revised net income forecast down to 0 billion yen due to an increase in net loss from time lag, and net income excluding time lag to 150.0 billion yen due to the strong performance of JERAGM.

(Unit: Billion Yen)

	Current Forecast(A)	Previous Forecast(B)	Change(A-B)	Rate of Change(%)
Net Income attributable to owners of parent	0	40.0	(Approx. 40.0)	-
Breakdown: Time lag	(150.0)	(80.0)	(Approx. 70.0)	-
Income excluding time lag	150.0	120.0	Approx.30.0	25.0

## 【Reference : Comparison with the previous year's result】

(Unit: Billion Yen)

	Current Forecast(A)	FY2020 Result(B)	Change(A-B)	Rate of Change(%)
Net Income attributable to owners of parent	0	157.8	(Approx. 158.0)	-
Breakdown: Time lag	(150.0)	46.2	(Approx. 196.0)	-
Income excluding time lag	150.0	111.6	Approx. 38.0	34.1

## 【Key data】

	Current Forecast	Second half of FY2021	Previous Forecast	【Reference】 FY2020 Result
Crude Oil Prices(JCC) (dollar/barrel)	Approx. 73	Approx. 75	Approx. 72	43.4
Foreign Exchange Rate (yen/dollar)	Approx. 110	Approx. 110	Approx. 110	106.1

# Appendix

# (Reference) Sensitivity to net income of crude oil price and exchange rate

## 【Domestic thermal power generation and gas supply business】

(Unit: Billion Yen)

Crude oil Prices (Increase in 1 \$/b )		Impact on Second half Net Income
Timing of Change	3Q (Oct, 2021-)	-3.0
	4Q (Jan, 2022-)	-

(Unit: Billion Yen)

Foreign Exchange Rate (1Yen depreciation against dollar)		Impact on Second half Net Income
Timing of Change	3Q (Oct, 2021-)	-3.0
	4Q (Jan, 2022-)	-3.0

## 【Fuel-related, Overseas power generation business】

(Unit: Billion Yen)

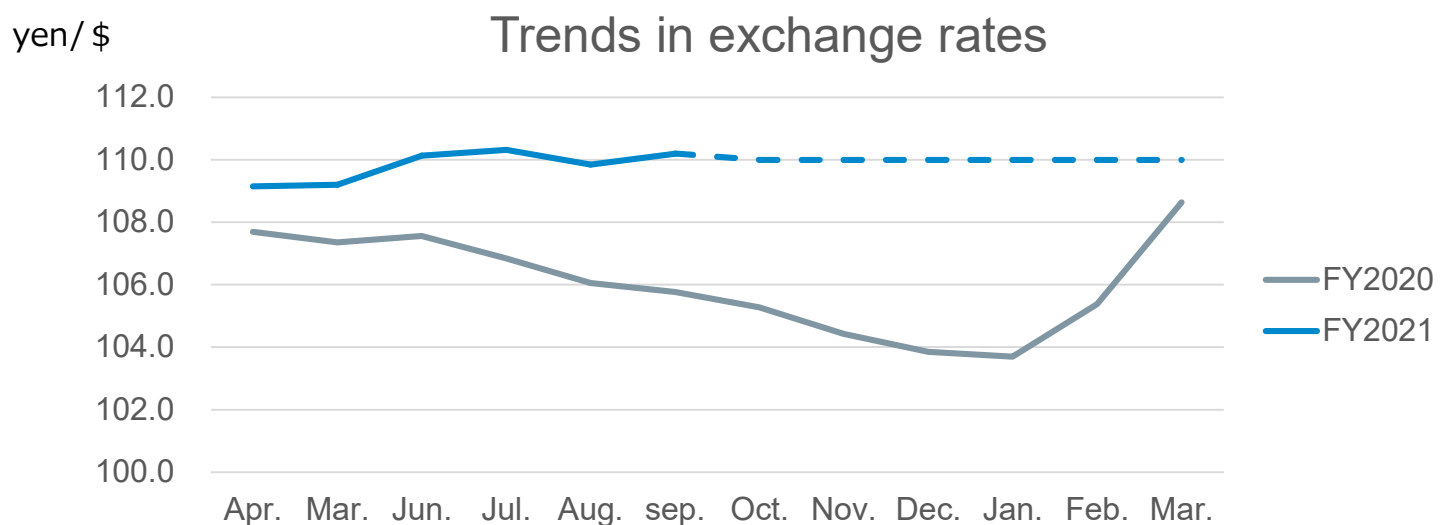
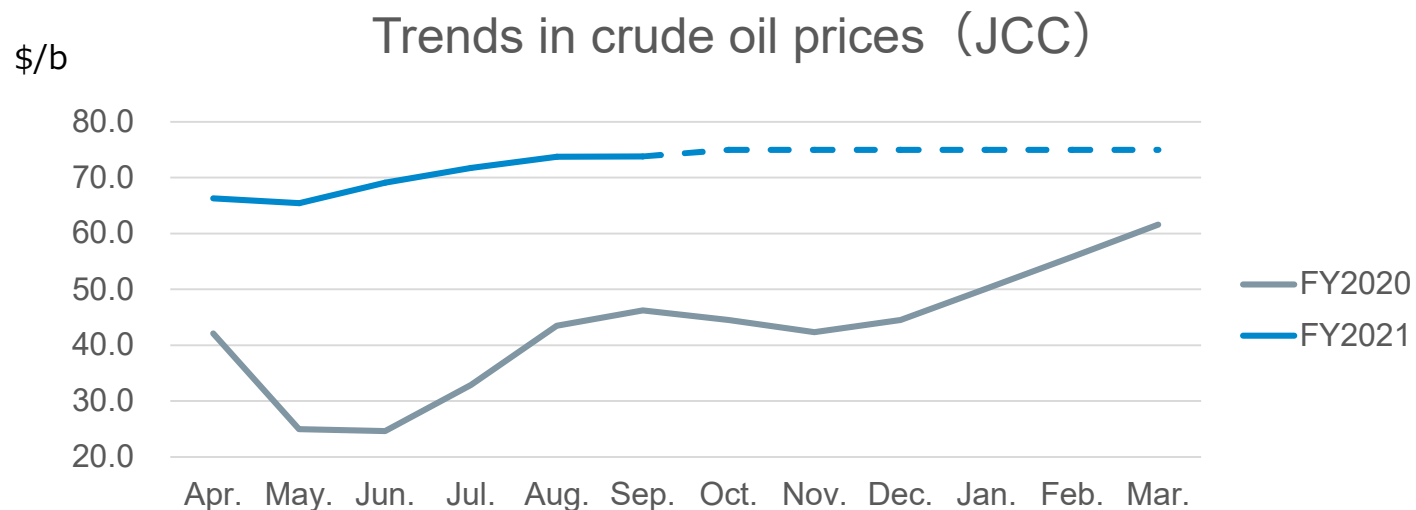
Crude oil Prices (Increase in 1 \$/b)		Impact on Second half Net Income
Timing of Change	Second half	+0.2

(Unit: Billion Yen)

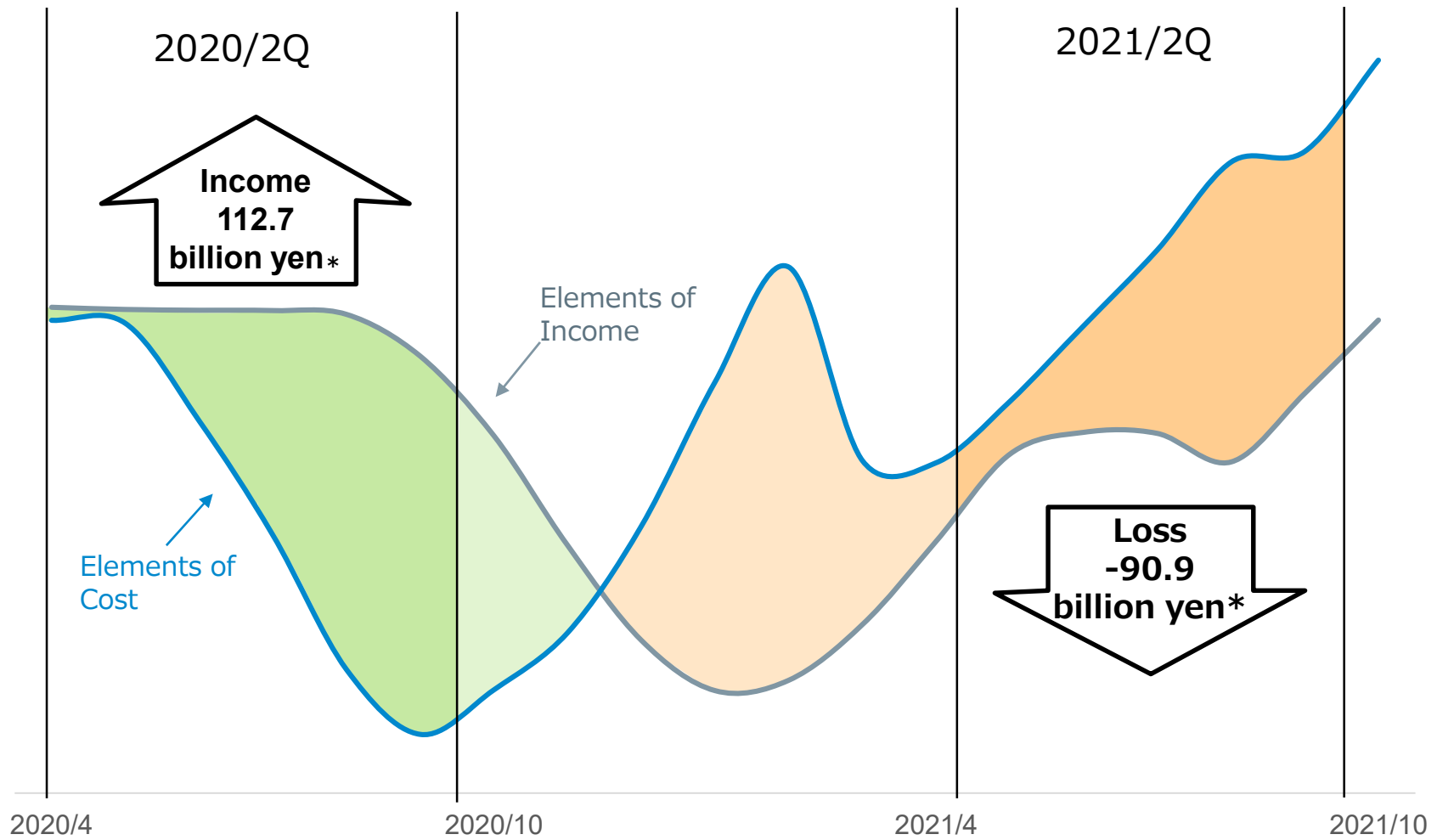
Foreign Exchange Rate (1Yen depreciation against dollar)		Impact on Second half Net Income
Timing of Change	Second half	+0.3



# (Reference) Trends in crude oil price and exchange rates

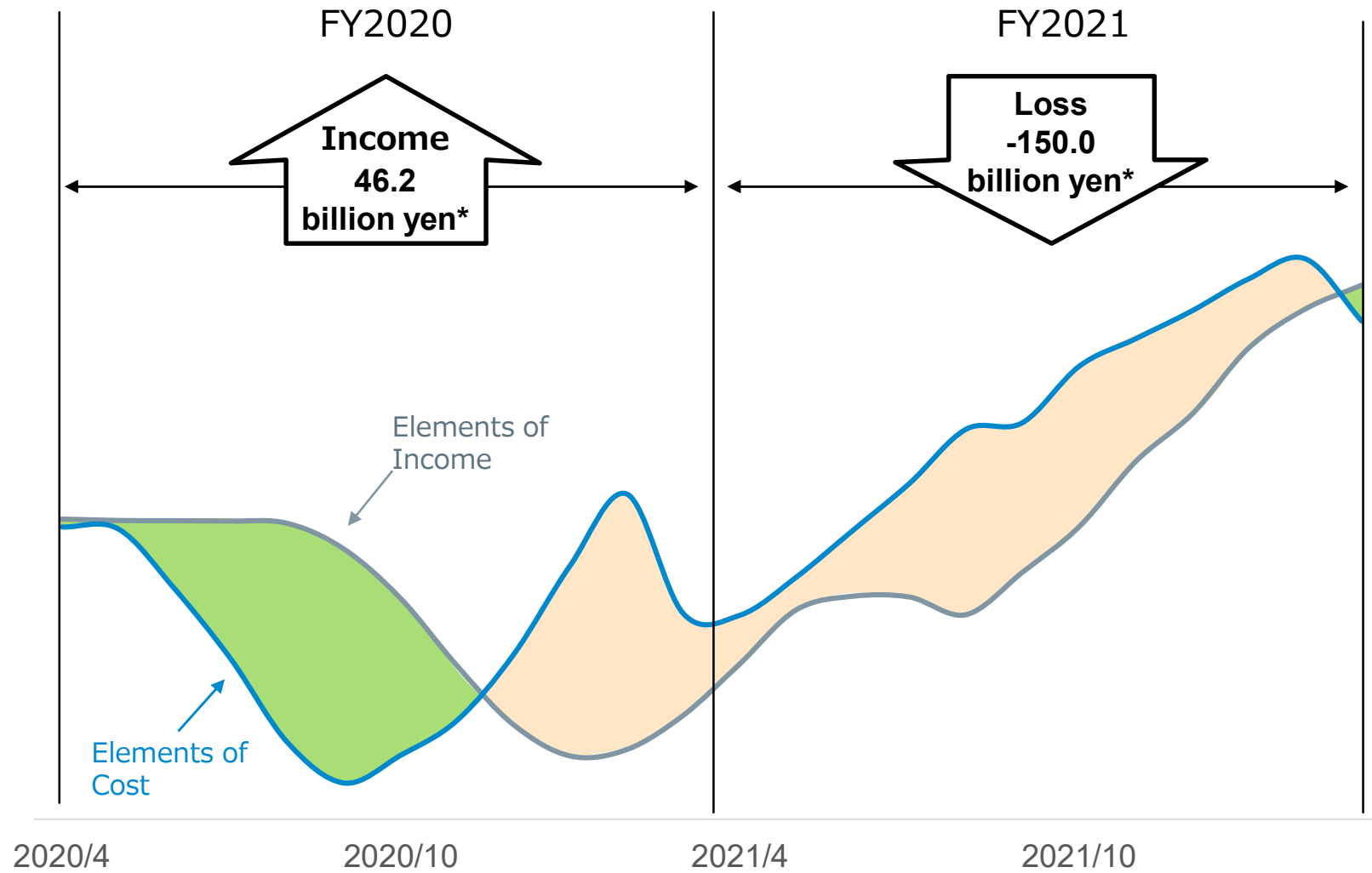


# Image of Time Lag (2020/2Q – 2021/2Q)



\* Figures are after-tax amounts.

# Image of Time Lag (FY2020 – FY2021)



\* Figures are after-tax amounts.

# Electrical Energy Sold and Electrical Power Generated

## 【Electrical Energy Sold(TWh)】

	Apr 1 to Jun 30	Jul 1 to Sep 30	2Q (Apr 1 to Sep 30)
FY2021	53.7	64.6	118.3
FY2020	47.5	62.4	109.9

## 【Electrical Power Generated(TWh)】

	Apr 1 to Jun 30	Jul 1 to Sep 30	2Q (Apr 1 to Sep 30)
FY2020	53.4	61.7	115.1
LNG	41.2 (77%)	46.8 (76%)	88.0 (76%)
Coal	12.2 (23%)	14.9 (24%)	27.1 (24%)
Others	0.0 (0%)	0.0 (0%)	0.0 (0%)
FY2020	47.0	61.7	108.7
LNG	38.4 (82%)	52.9 (86%)	91.3 (84%)
Coal	8.7 (18%)	8.8 (14%)	17.4 (16%)
Others	0.0 (0%)	0.0 (0%)	0.0 (0%)

\*The total may not match due to rounding

# Credit Ratings

## 【 Issuer Credit ratings history 】

