



エネルギーを新しい時代へ

FY2022 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.

October 28, 2022

Outline of Financial Results

Consolidated Statement of Income

(Unit: Billion Yen)

	2022/2Q(A)	2021/2Q(B)	Change(A-B)	Rate of Change(%)
Operating revenue (Net sales)	3,917.0	1,590.8	2,326.2	146.2
Operating income / loss	-65.3	111.7	-177.0	—
Ordinary income / loss	-149.3	84.3	-233.6	—
Quarterly net income / loss attributable to owners of parent	-131.5	43.8	-175.4	—
<Reference>Net income excluding time lag	231.6	134.8	-96.7	71.7

Consolidated Balance Sheet

(Unit: Billion Yen)

	As of Sep 30,2022(A)	As of Mar 31,2022(B)	Change(A-B)	Rate of Change(%)
Assets	12,864.4	8,722.1	4,142.2	47.5
Liabilities	10,724.0	6,747.8	3,976.1	58.9
Net assets	2,140.4	1,974.3	166.0	8.4
Interest-bearing debt	3,570.0	2,646.5	923.4	34.9
Net DER (%)	1.66	1.18	0.48	

Key Points of Financial Results

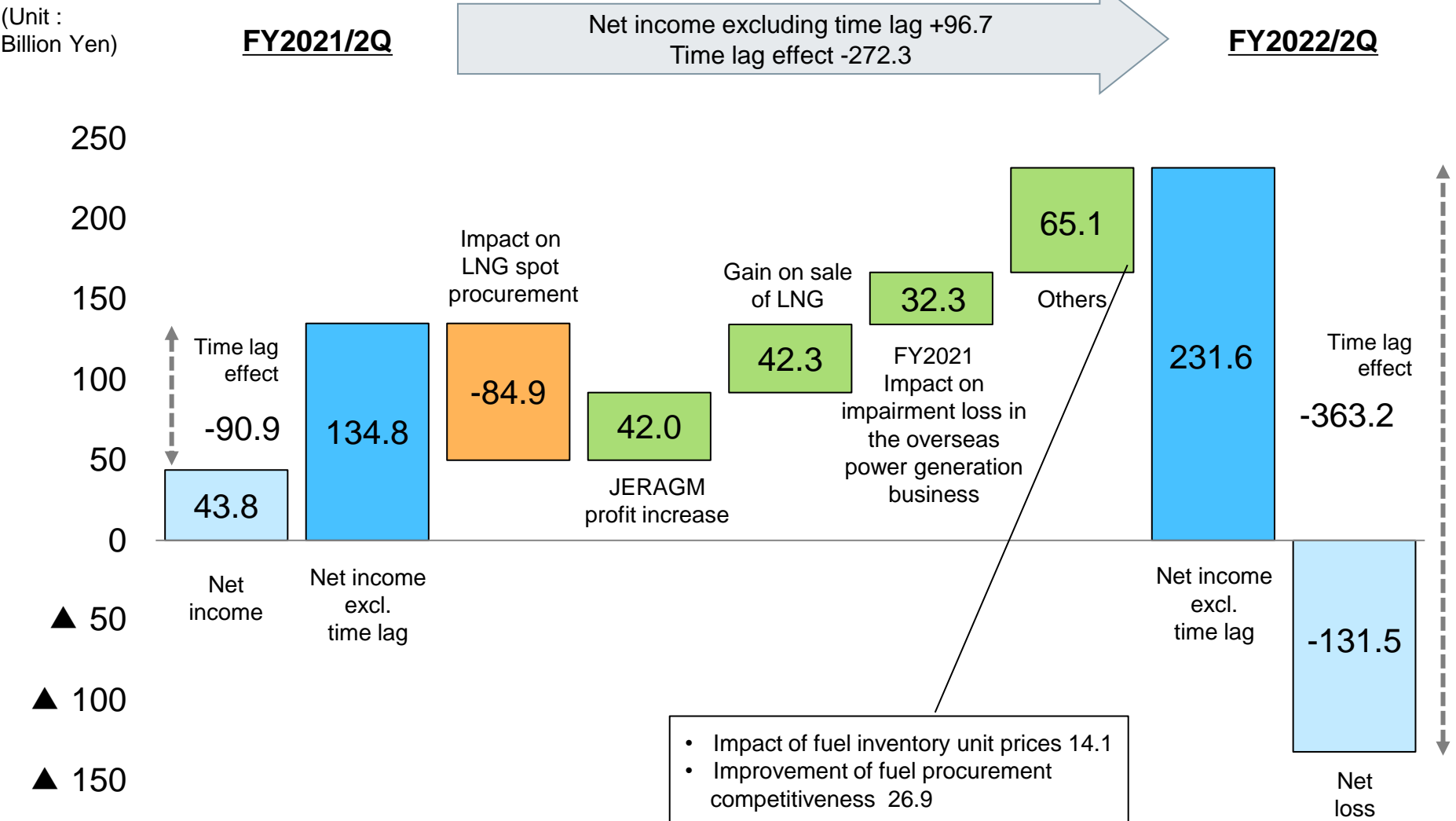
【Operating Revenue】

- Operating revenue **increased by 2,326.2 billion yen (up 146.2%) to 3,917.0 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 / loss **decreased by 175.4 billion yen from the same period last year 43.8 billion yen and fell into net loss of 131.5 billion yen.**
 - The losses from time lag significantly increased.
(-272.3 billion yen [-90.9 billion yen to -363.2 billion yen])
 - Net income excluding time lag increased.
(+96.7 billion yen [134.8 billion yen to 231.6 billion yen])
- Net income excluding time lag increased mainly due to utilization of optimization function of JERAGM, etc., despite the impact on LNG spot procurement.

Analysis of Consolidated net income / loss



Note: Figures are after-tax amounts.

Consolidated Statement of Income

(Unit: Billion Yen)

	2022/2Q(A)	2021/2Q(B)	Change(A-B)	Main Factors of Changes
Operating revenue (Net sales)	3,917.0	1,590.8	2,326.2	<ul style="list-style-type: none"> • Increase of electrical energy sold • Increase in sales of JERAGM
Operating expenses	3,982.4	1,479.1	2,503.3	<ul style="list-style-type: none"> • Increase of fuel costs • Increase in costs of JERAGM
Operating income / loss	-65.3	111.7	-177.0	
Non-operating income	25.3	5.3	19.9	
Non-operating expenses	109.2	32.7	76.5	<ul style="list-style-type: none"> • Exchange loss +88.6
Ordinary income / loss	-149.3	84.3	-233.6	<ul style="list-style-type: none"> • Increase of time lag loss -378.0(-126.3 → -504.4) • Increase of income excluding time lag +144.4(210.6 → 355.1)
Income taxes, etc.	-70.6	11.8	-82.4	
Quarterly net income attributable to non-controlling Interests	52.9	28.6	24.2	
Quarterly net income / loss attributable to owners of parent	-131.5	43.8	-175.4	

Key Elements

	2022/2Q(A)	2021/2Q(B)	Change(A-B)
Electrical Energy Sold(TWh)	127.8	118.3	9.5
Crude Oil Prices(JCC) (dollar/barrel)	111.9	70.3	41.6
Foreign Exchange Rate (yen/dollar)	134.0	109.8	24.2

Note: Crude Oil Prices(JCC) for FY2022/2Q is tentative.

Consolidated Balance Sheet

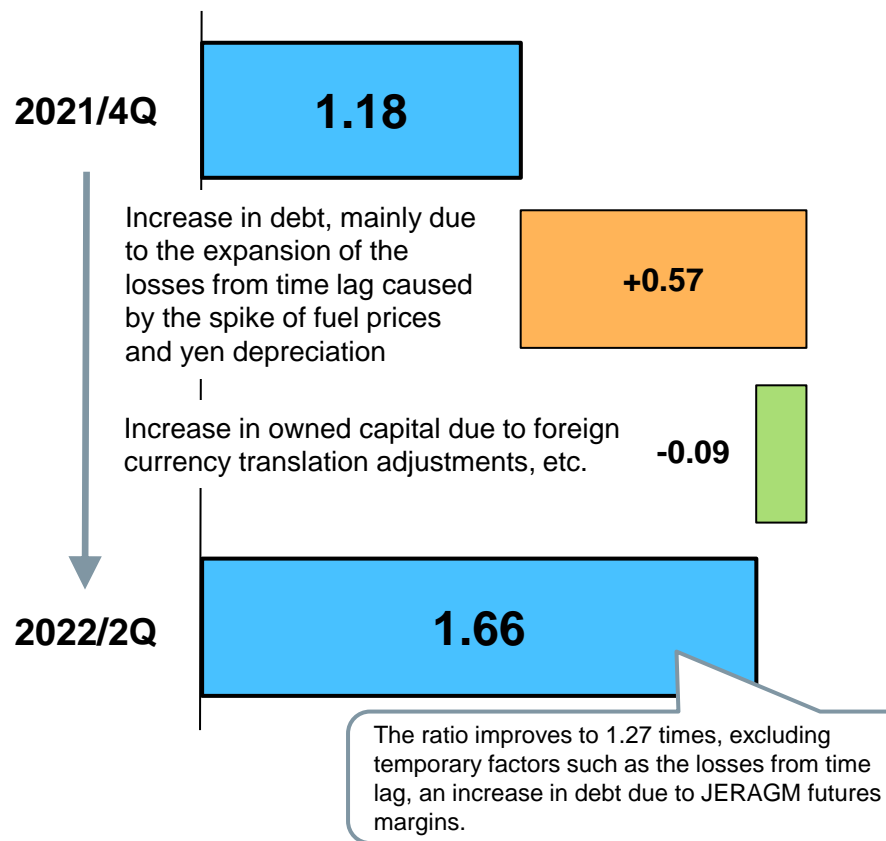
(Unit: Billion Yen)

	As of Sep 30,2022(A)	As of Mar 31,2022(B)	Change(A-B)	Main Factors of Changes
Cash and deposits	374.8	514.3	-139.4	
Property, plant and equipment	2,313.8	2,173.8	140.0	• Progress in replacing domestic thermal power plants, etc.
Investment securities	1,235.8	1,026.5	209.3	
Others	8,939.8	5,007.4	3,932.3	• Increase in derivative assets (JERAGM, etc.) +2,926.0
Assets	12,864.4	8,722.1	4,142.2	
Interest-bearing debt	3,570.0	2,646.5	923.4	• Borrowings +663.9 (Subsidiaries +388.4) • Commercial Paper +63.0 • Corporate Bonds +196.5
Others	7,153.9	4,101.2	3,052.7	• Increase in derivative liabilities (JERAGM, etc.) +2,556.0
Liabilities	10,724.0	6,747.8	3,976.1	
Shareholders' equity	1,473.4	1,688.1	-214.6	• Dividends paid -83.1 • Quarterly net income / loss -131.5
Others	666.9	286.2	380.7	• Foreign currency translation adjustments +238.2
Net Assets	2,140.4	1,974.3	166.0	

Current Status of Management Targets (Financial Soundness)

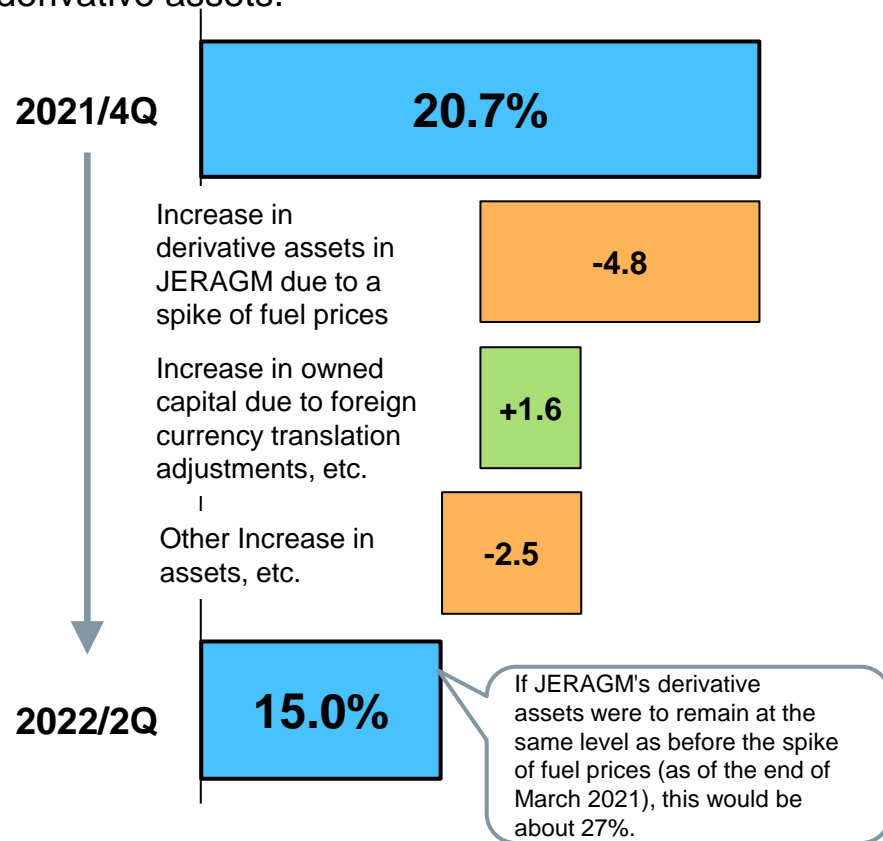
Net DER

The ratio deteriorated to 1.66 times from the end of FY2021, due to an increase in debt.



(Reference) Equity Ratio

The ratio deteriorated to 15.0% from the end of FY2021, due to an increase in total assets, including derivative assets.



Mostly attributable to the spike of fuel prices and yen depreciation, and are expected to improve in the medium to long term.

Consolidated Cash Flows

- Cash flows from operating activities deteriorated sharply due to a loss from time lag -504.4 billion yen, an increase in inventories -344.1 billion yen, and an increase in JERAGM futures margins -80.0 billion yen, which were mainly caused by a spike of fuel prices and yen depreciation. ^{*1} (Unit: Billion Yen)

		2022/2Q(A)	2021/2Q(B)	Change(A-B)
Cash flows from operating activities		-691.5	-12.8	-678.6
Cash flows from investing activities	Purchase of non-current assets	-213.7	-190.9	-22.8
	Purchase of investment securities	-9.5	-0.9	-8.6
	Others	-1.3	-36.8	35.5
		-224.6	-228.6	4.0
Free cash flows		-916.2	-241.5	-674.6
Cash flows from financing activities	Net increase/decrease in outstanding interest-bearing debt	836.5	159.3	677.1
	Dividends paid ^{*2}	-83.1	-33.4	-49.7
	Others	-19.5	-12.0	-7.4
		733.9	113.9	620.0
Net increase/decrease in cash and cash equivalents (minus indicates decrease)		-131.9	-120.0	-11.8

^{*1} Amounts represent the impact on cash flows for 2Q. ^{*2} Excluding Dividends paid to non-controlling interests

Segment Information

(Unit: Billion Yen)

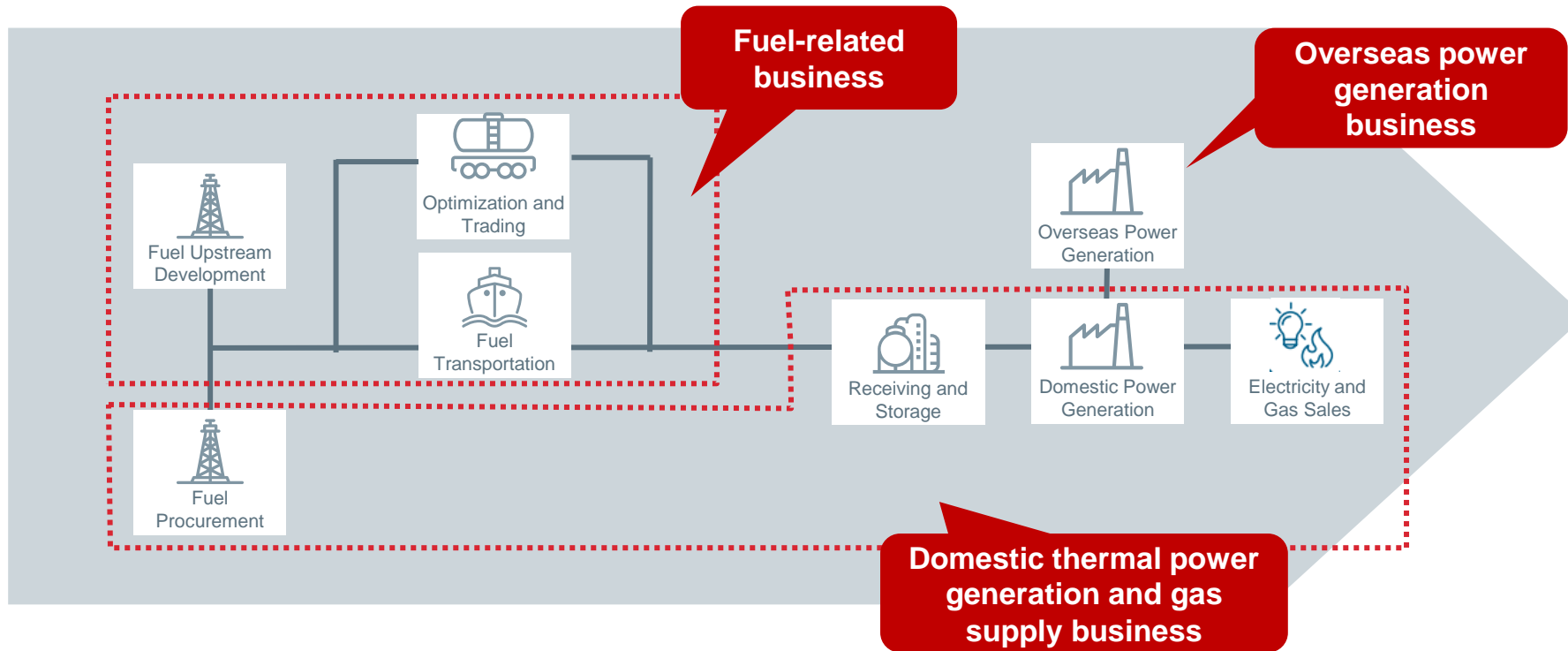
	2022/2Q (A)		2021/2Q (B)		Change (A-B)		Main Factors of Changes in Net Income
	Operating Revenue	Net Income / Loss	Operating Revenue	Net Income / Loss	Operating Revenue	Net Income / Loss	
Fuel Related *1	2,950.3	120.8	956.4	89.2	1,993.8	31.6	<ul style="list-style-type: none"> •JERAGM profit increase +42.0 •(2021) Impact on deep freeze on North America gas trading -8.4
Overseas Power Generation	2.2	-2.0	1.5	-33.0	0.7	30.9	<ul style="list-style-type: none"> •(2021) Impact on impairment loss in Formosa 2 +33.2 •Overseas IPP projects profit increase +0.9
Domestic Thermal Power Generation and Gas Supply	2,688.9	-203.6 159.6*2	1,188.9	17.0 108.0*2	1,499.9	-220.6 51.5*2	<ul style="list-style-type: none"> •Impact on LNG spot procurement -84.9 •Gain on sales of LNG +42.3 •Improvement of fuel procurement competitiveness +26.9 •Impact of fuel inventory unit prices +14.1
Adjustments	-1,724.3	-46.7	-556.0	-29.3	-1,168.3	-17.4	
Consolidated	3,917.0	-131.5 231.6*2	1,590.8	43.8 134.8*2	2,326.2	-175.4 96.7*2	

*1 Fuel upstream, transportation and trading

*2 Excluding the effect of time lag

(Reference) : JERA's Value Chain and Segment

- 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.
- We have 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 FY2022

【Consolidated forecast】

- While net income / loss is expected to be -200.0 billion yen due to the impact of the fire at the Freeport LNG terminal (-110.0 billion yen) and an increase in the loss from time lag, net income excluding time lag is expected to be 100.0 billion yen.
- This forecast may fluctuate significantly depending on future fuel market conditions, changes in the required fuel procurement volume, and other factors.

(Unit: Billion Yen)

	FY2022 Forecast (A)	FY2021 Result (B)	Change (A-B)	Rate of Change (%)
Net Income / loss attributable to owners of parent	-200.0	24.6	Approx.224.6	-
Breakdown: Time lag	-300.0	-252.4	Approx.47.6	-
Income excluding time lag	100.0	277.0	Approx.177.0	-63.9

【Key Data】

	FY2022 Forecast	FY2021 Result
Crude Oil Prices(JCC) (dollar/barrel)	Approx.101	77.1
Foreign Exchange Rate (yen/dollar)	Approx.139	112.4

Appendix: Financial Results

Trends in crude oil price and exchange rates

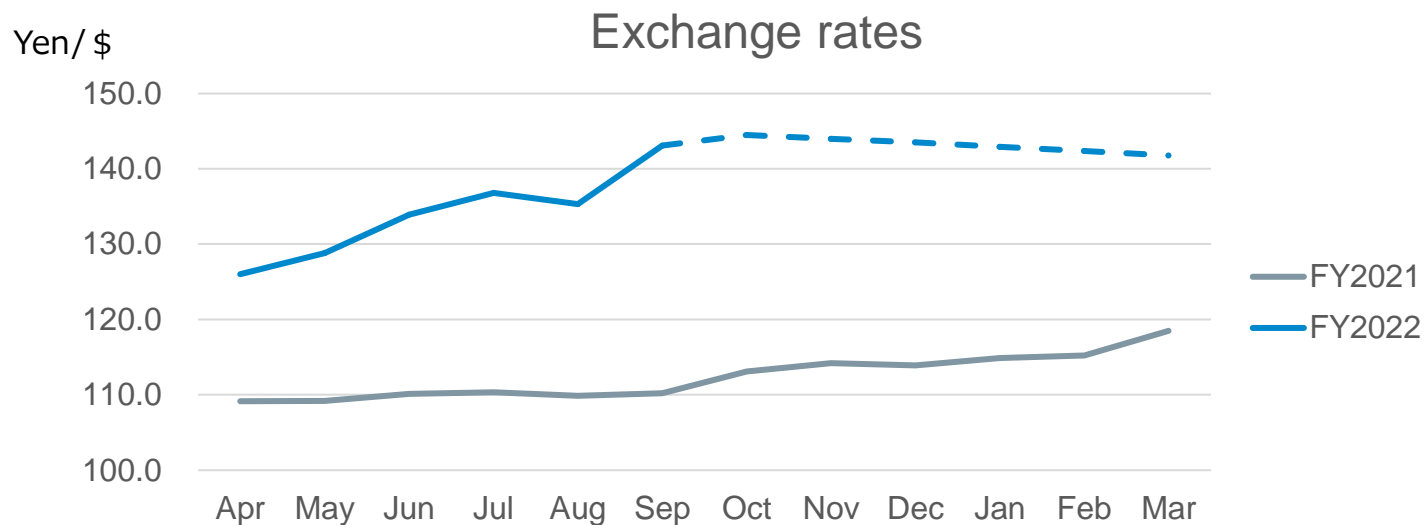
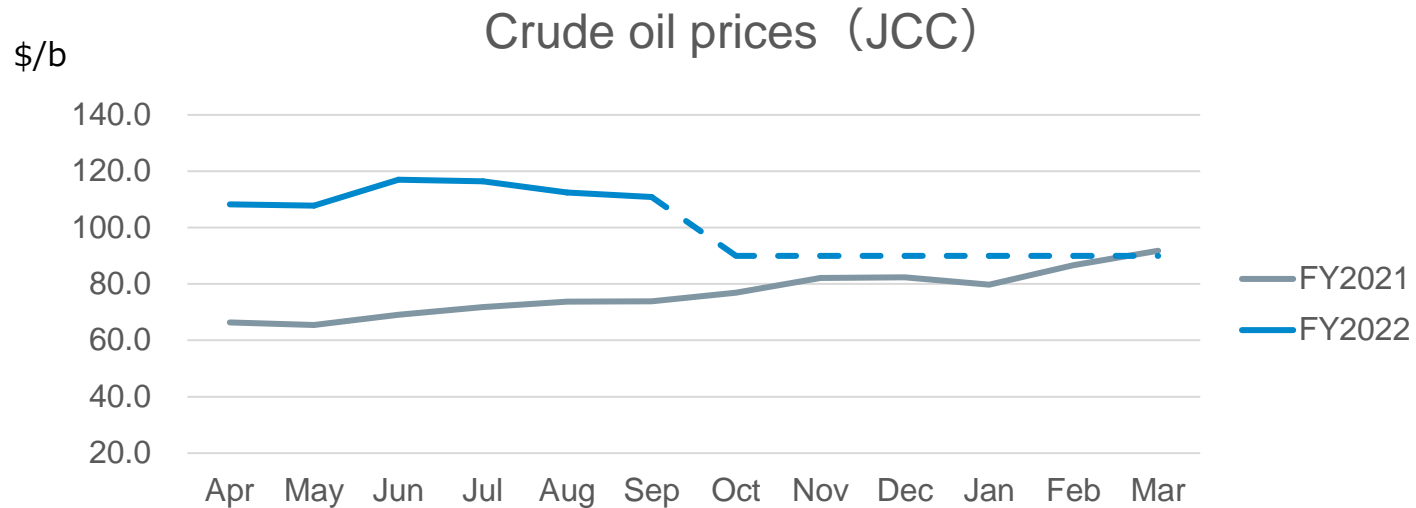
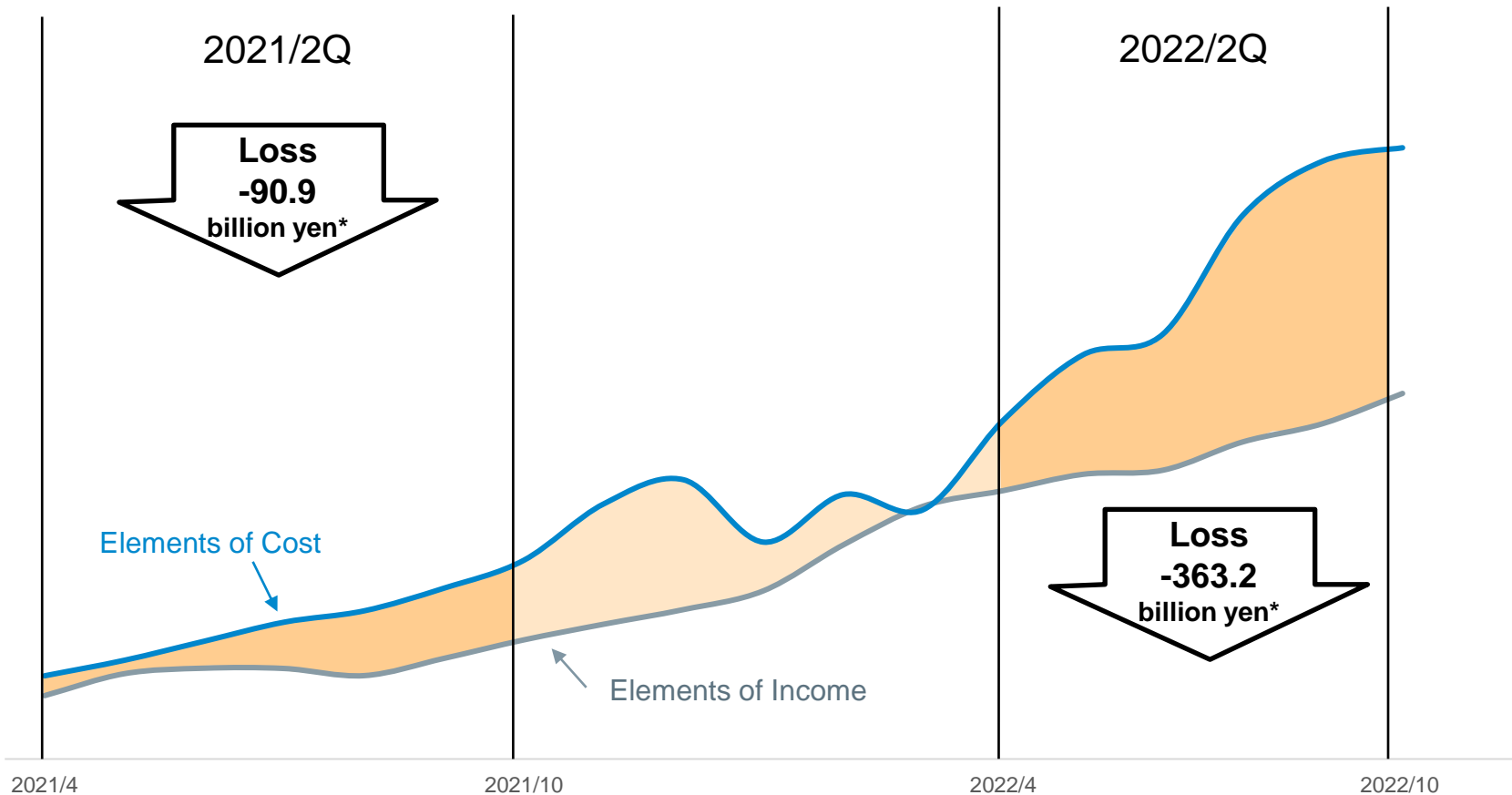


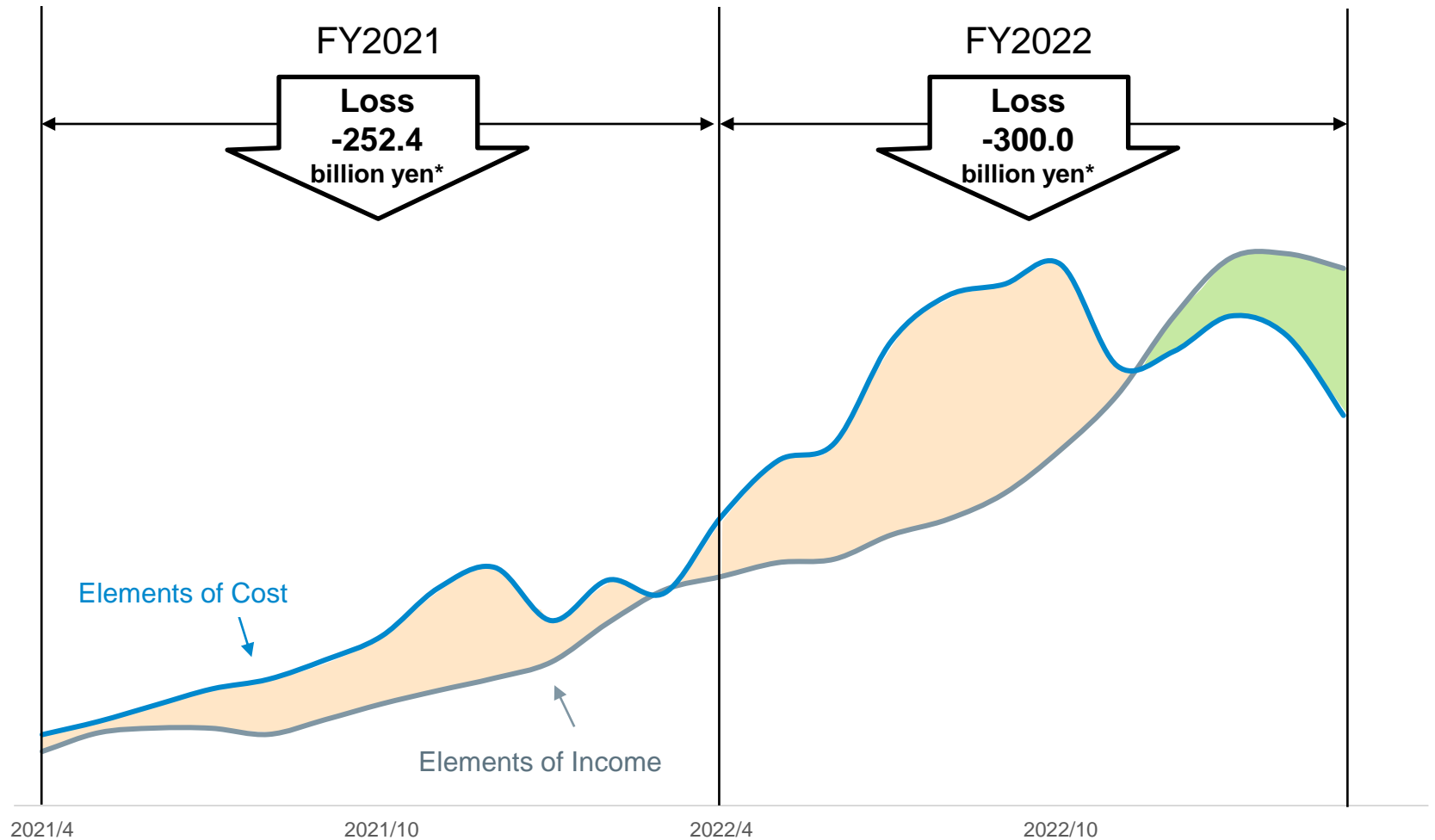
Image of Time Lag (2021/2Q – 2022/2Q)

- Time lag is profits and losses due to the time difference between changes in fuel prices and their reflection in sales prices.
- The impact on profits and losses will be neutral in the medium to long term.



* Figures are after-tax amounts.

Image of Time Lag (FY2021 – FY2022)



* Figures are after-tax amounts.

Electrical Energy Sold and Electrical Power Generated

【Electrical Energy Sold(TWh)】

	Apr to Jun	Jul to Sep	Oct to Dec	Jan to Mar	Total
FY2022	57.9	69.9			127.8
FY2021	53.7	64.6	64.9	72.3	255.5

【Electrical Power Generated(TWh)】

	Apr to Jun	Jul to Sep	Oct to Dec	Jan to Mar	Total
FY2022	52.8	63.5			116.3
LNG	41.7 (79%)	47.0 (74%)			88.7 (76%)
Coal	11.2 (21%)	16.5 (26%)			27.7 (24%)
Others	0 (0%)	0 (0%)			0 (0%)
FY2021	53.4	61.7	62.3	69.9	247.3
LNG	41.2 (77%)	46.8 (76%)	48.4 (78%)	55.8 (80%)	192.3 (78%)
Coal	12.2 (23%)	14.9 (24%)	13.8 (22%)	14.1 (20%)	55.0 (22%)
Others	0 (0%)	0 (0%)	0 (0%)	0% (0%)	0 (0%)

*The total may not match due to rounding.

Credit Ratings

【 Issuer Credit ratings history 】

