



エネルギーを新しい時代へ

# FY2021 First 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.  
"1Q" refers to the period from April 1 to June 30.

**JERA Co., Inc.**

August 26, 2021

# Outline of Financial Results

## Consolidated Statement of Income

(Unit: Billion Yen)

	2021/1Q(A)	2020/1Q(B)	Change(A-B)	Rate of Change(%)
Operating revenue (Net sales)	721.2	590.0	131.1	22.2
Operating income	85.7	34.4	51.3	148.9
Ordinary income	91.6	41.6	50.0	120.3
Quarterly net income attributable to owners of parent	64.0	29.5	34.5	116.9
<Reference>Income excluding the effect of time lag	86.9	18.9	68.0	359.8

## Consolidated Balance Sheet

(Unit: Billion Yen)

	As of June30,2021(A)	As of Mar31,2021(B)	Change(A-B)	Rate of Change(%)
Assets	4,812.9	4,090.8	722.1	17.7
Liabilities	2,963.0	2,328.7	634.2	27.2
Net assets	1,849.9	1,762.1	87.8	5.0
Outstanding interest- bearing debt	1,718.8	1,613.2	105.5	6.5
Equity ratio (%)	36.6	41.2	(4.6)	

# Key Points of Financial Results

## 【Operating Revenue】

- Sales **increased by 131.1 billion yen (up 22.2%) to 721.2 billion yen** mainly due to an increase in electrical energy sold and an increase in sales of JERA Global Markets (JERAGM) .

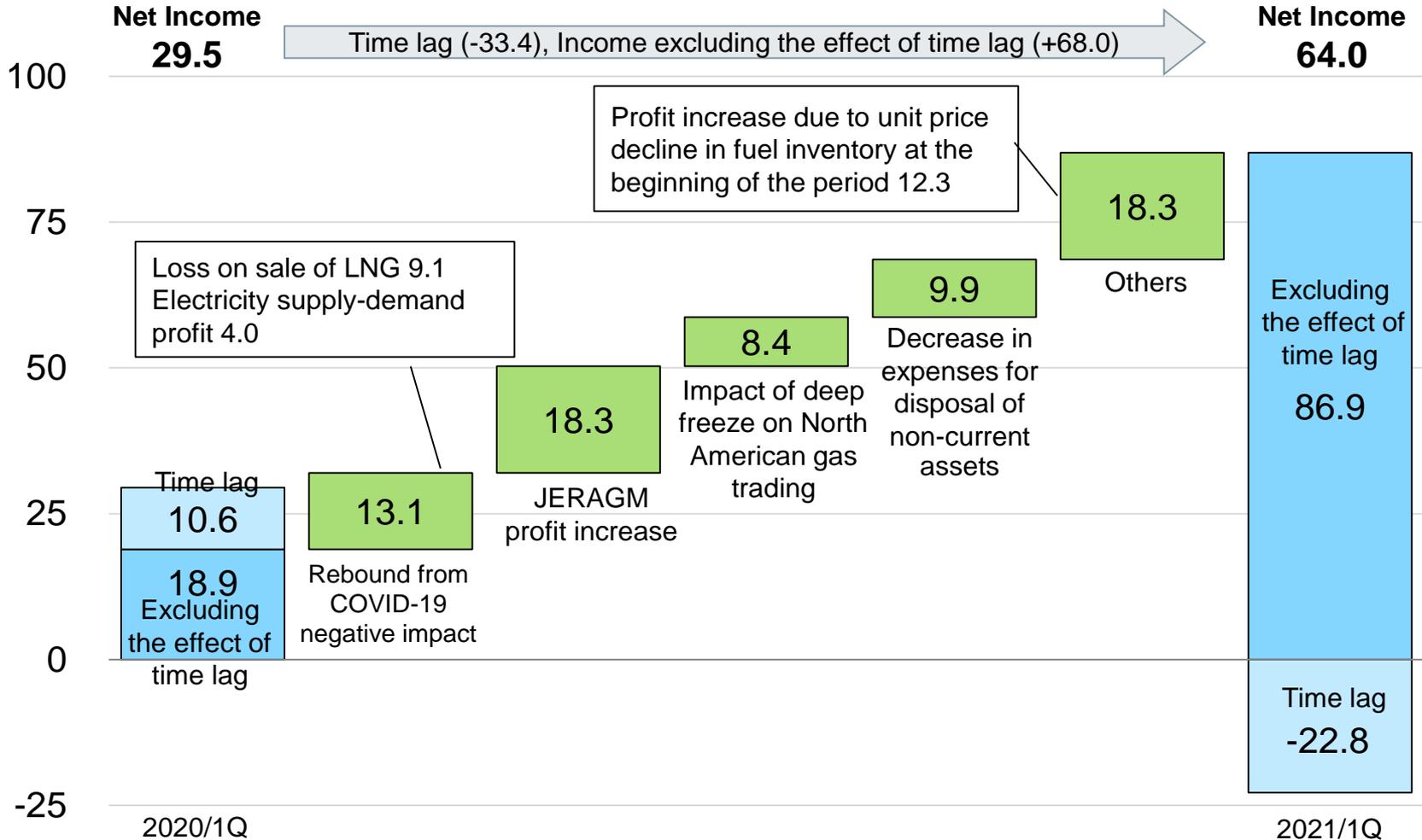
## 【Net Income】

- Despite a shift from gains to losses of time lag (- 33.4 billion yen), net income **increased by 34.5 billion yen (up 116.9%) to 64.0 billion yen** due to an increase in net income excluding the effect of time lag.(+ 68.0 billion yen).
- Net Income excluding time lag increased due to the rebound from the COVID19 negative impact in the same period of the previous year (+ 13.1 billion yen), an increase in profit of JERAGM (+ 18.3 billion yen), the impact of deep freeze on North American gas trading (+ 8.4 billion yen), etc.

# Consolidated Net Income

## 【Various factors of Consolidated net income】

(Unit : Billion Yen)



Note: Figures are after-tax amounts.

# Consolidated Income/Expenditure Comparison

(Unit: Billion Yen)

	2021/1Q(A)	2020/1Q(B)	Change(A-B)	Main Factors of Changes
Operating revenue (Net sales)	721.2	590.0	131.1	<ul style="list-style-type: none"> <li>• Increase of electrical energy sold</li> <li>• Increase in sales of JERAGM</li> </ul>
Operating expenses	635.4	555.5	79.8	<ul style="list-style-type: none"> <li>• Increase of fuel costs</li> <li>• Increase in costs of JERAGM</li> </ul>
Operating income	85.7	34.4	51.3	
Non-operating income	8.1	9.5	(1.3)	
Non-operating expenses	2.3	2.3	(0.0)	
Ordinary income	91.6	41.6	50.0	<ul style="list-style-type: none"> <li>• Decrease of time lag income -46.4 (14.7→-31.7)</li> <li>• Increase of income excluding the effect of time lag +96.4 (26.9→123.3)</li> </ul>
Income taxes, etc.	13.2	7.4	5.7	
Quarterly net income attributable to non- controlling Interests	14.3	4.6	9.7	
Quarterly net income attributable to owners of parent	64.0	29.5	34.5	

# Key Data of Income and Expenditure

	2021/1Q(A)	2020/1Q(B)	Change(A-B)
Electrical Energy Sold(TWh)	53.7	47.5	6.2
Crude Oil Prices(JCC) (dollar/barrel)	66.9	32.3	34.6
Foreign Exchange Rate (yen/dollar)	109.5	107.6	1.9

Note: Crude Oil Prices(JCC) for 2021/1Q is tentative.

# Consolidated Balance Sheet

(Unit: Billion Yen)

	As of Jun 30, 2021(A)	As of Mar 31, 2021(B)	Change(A-B)	Main Factors of Changes
<b>Cash and deposits</b>	746.7	616.1	130.6	
<b>Property, plant and equipment</b>	2,056.4	2,010.0	46.4	• Progress in replacing domestic thermal power plants
<b>Investment securities</b>	589.2	559.4	29.8	
<b>Others</b>	1,420.5	905.3	515.1	• Increase in short-term derivative securities (JERAGM, etc.)+430.5
<b>Assets</b>	4,812.9	4,090.8	722.1	
<b>Outstanding interest-bearing debt</b>	1,718.8	1,613.2	105.5	• Borrowings +105.5(Subsidiaries +118.0)
<b>Others</b>	1,244.2	715.4	528.7	• Increase in short-term derivative obligations (JERAGM, etc.)+394.6 • Net defined benefit liabilities +44.9
<b>Liabilities</b>	2,963.0	2,328.7	634.2	
<b>Shareholders' equity</b>	1,727.6	1,696.9	30.6	• Dividends paid -33.4 • Quarterly net income +64.0
<b>Others</b>	122.3	65.1	57.1	• Foreign currency translation adjustments +39.0
<b>Net Assets</b>	1,849.9	1,762.1	87.8	
<b>Equity ratio (%)</b>	36.6	41.2	(4.6)	• Mainly due to an increase in both derivative securities and obligations

# Segment Information

(Unit: Billion Yen)

	2021/1Q(B)		2020/1Q(A)		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	430.1	47.0	205.6	15.6	224.5	31.3	<ul style="list-style-type: none"> <li>•JERAGM profit increase +18.3</li> <li>•Impact of deep freeze on North American gas trading +8.4</li> </ul>
Overseas power generation	0.8	1.3	0.4	2.3	0.3	(1.0)	<ul style="list-style-type: none"> <li>•Decrease in sales revenue in the Middle East and North America, etc</li> </ul>
Domestic thermal power generation and gas supply	521.2	27.8 50.6*2	535.4	21.8 11.2*2	(14.1)	5.9 39.4*2	<ul style="list-style-type: none"> <li>•Rebound from COVID-19 negative impact +13.1</li> <li>•Decrease in expenses for disposal of non-current assets +9.9</li> <li>•Profit increase due to unit price decline in fuel inventory at the beginning of the period +12.3</li> </ul>
Adjustments	(230.9)	(12.0)	(151.4)	(10.2)	(79.4)	(1.7)	
Consolidated	721.2	64.0 86.9*2	590.0	29.5 18.9*2	131.1	34.5 68.0*2	

\*1 Fuel upstream, Transportation, Fuel trading

\*2Excluding the effect of time lag

# Forecast for FY2021

## 【Consolidated forecast】

Due to the strong performance of JERAGM and an increase in net loss from time lag, we revised our net income forecast to 40.0 billion yen (net income excluding the effect of time lag is 120.0 billion yen).

(Unit: Billion Yen)

	Current Forecast(A)	Previous Forecast(B)	Change(A-B)	Rate of Change(%)
Net Income attributable to owners of parent	40.0	70.0	(Approx. 30.0)	(42.9)
Breakdown: Time lag	(80.0)	(40.0)	(Approx. 40.0)	-
Income excluding the effect of time lag	120.0	110.0	Approx.10.0	9.1

## 【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	40.0	157.8	(Approx. 118.0)	(74.8)
Breakdown: Time lag	(80.0)	46.2	(Approx. 126.0)	-
Income excluding the effect of time lag	120.0	111.6	Approx. 8.0	7.2

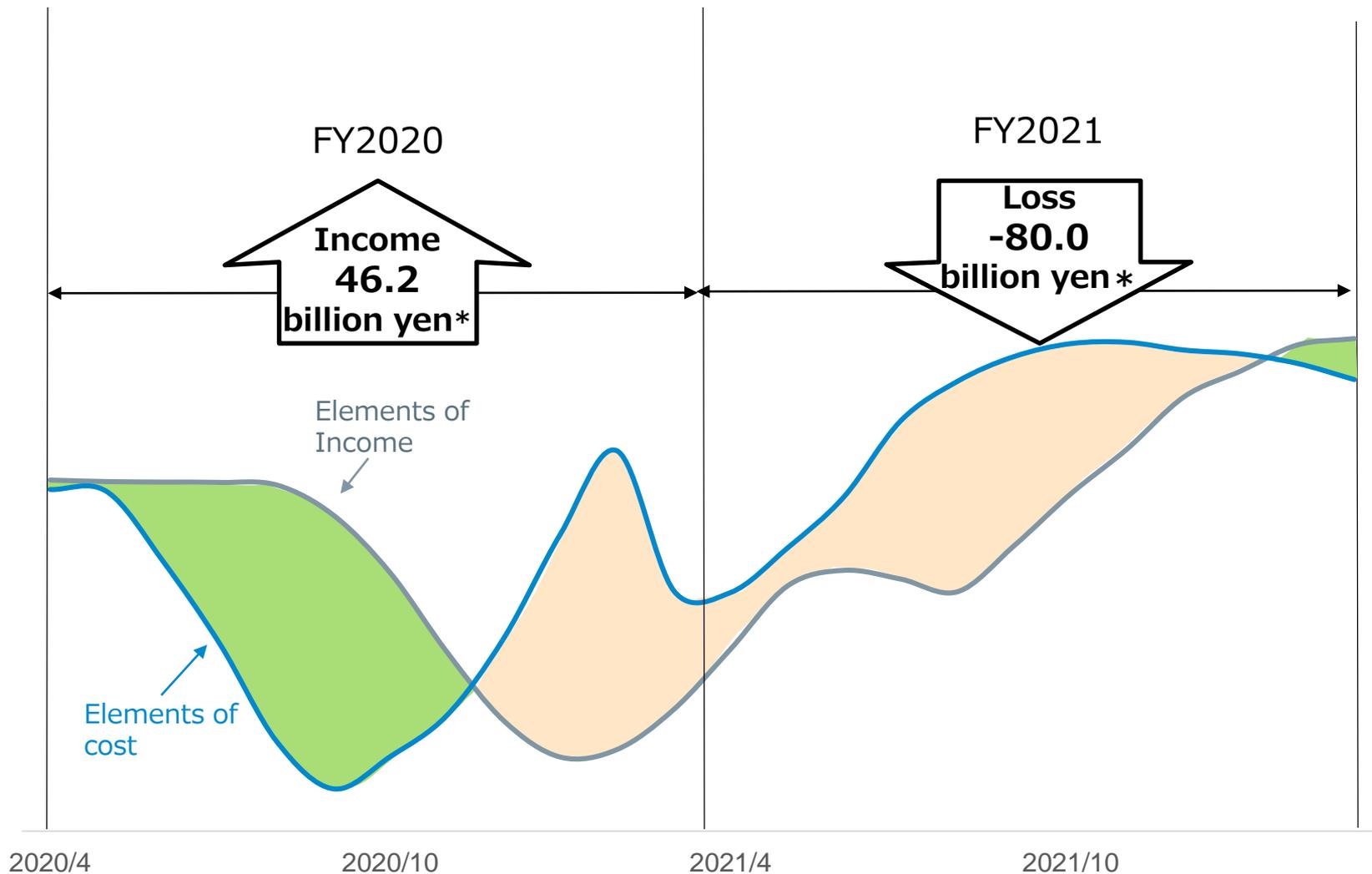
## 【Key data】

	Current Forecast	Previous(2020/4Q) Forecast	【reference】 FY2020 Result
Crude Oil Prices(JCC) (dollar/barrel)	Approx. 72	Approx. 62	43.4
Foreign Exchange Rate (yen/dollar)	Approx. 110	Approx. 110	106.1

# Appendix



# Image of Time Lag (2020-2021)



\*Figures are after-tax amounts.

# Electrical Energy Sold and Electrical Power Generated

## 【Electrical Energy Sold(TWh)】

	Apr 1 to Jun 30
FY2021	53.7
FY2020	47.5

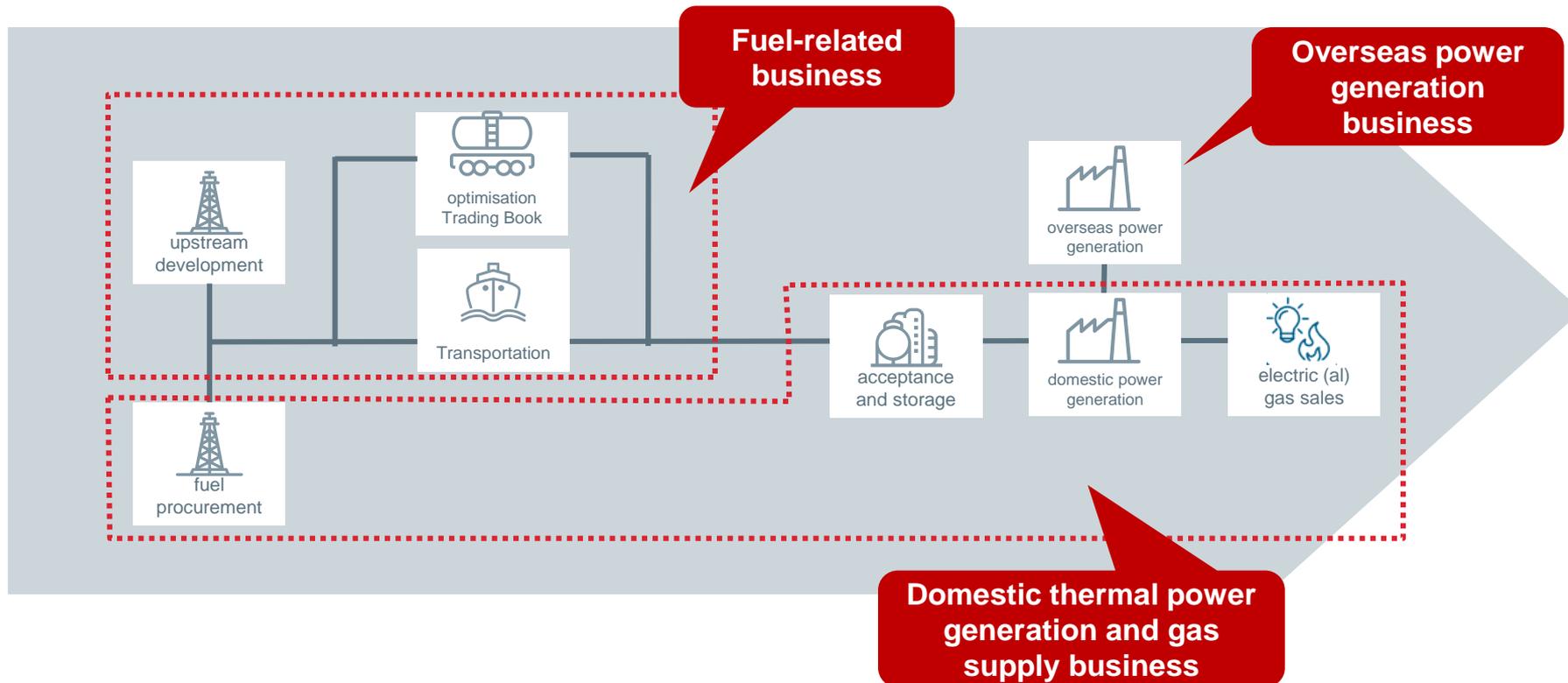
## 【Electrical Power Generated(TWh)】

		Apr 1 to Jun 30
FY2021		53.4
	LNG	41.2 (77%)
	Coal	12.2 (23%)
	Others	0.0 (0%)
FY2020		47.0
	LNG	38.4 (82%)
	Coal	8.7 (18%)
	Others	0.0 (0%)

\*The total may not match due to rounding

# Value Chain and Segment Division

- We own businesses across the entire supply chains for fuel and thermal power, from fuel upstream business (development of gas fields) to fuel transportation and storage (fuel terminal operation) to power generation and wholesaling.
- The business segments are divided as "Fuel-related business" for investment in upstream fuel business, fuel transportation and fuel 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.



# Credit Ratings

## 【Issuer Rating】

S&P	R&I	JCR
A-	A+	AA-

## 【Commercial Paper Rating】

R&I	JCR
a-1	J-1+

# Intentionally Blank

# Appendix: Management Information

# JERA Zero CO<sub>2</sub> Emissions 2050

## JERA Zero CO<sub>2</sub> Emissions 2050

- JERA's mission is to provide cutting-edge solutions to the world's energy issues.
- In order to help achieve a sustainable society, JERA, in the course of carrying out its mission, is taking on the challenge of achieving zero CO<sub>2</sub> emissions\* from its business both in Japan and overseas.

## The Three Approaches of JERA Zero CO<sub>2</sub> Emissions 2050

### 1. Complementarity between Renewable Energy and Zero CO<sub>2</sub> Emission Thermal Power Generation

JERA will achieve Zero CO<sub>2</sub> emissions through a combination of renewable energy and zero CO<sub>2</sub> emission thermal power generation. The adoption of renewable energy is supported by thermal power generation capable of generating electricity regardless of natural conditions. JERA will promote the adoption of greener fuels and pursue thermal power that does not emit CO<sub>2</sub> during power generation.

### 2. Establishment of Roadmaps Suitable for Each Country and Region

Zero CO<sub>2</sub> emissions will be achieved by establishing roadmaps that show optimal solutions for each country and region. Since the energy situation is different for each country and region—such as the presence of regional transmission lines or pipelines and the types of renewable energy that could be adopted—JERA will work with stakeholders on a country and regional basis to establish roadmaps. We have developed a roadmap for our business in Japan and will extend this approach to other countries and regions.

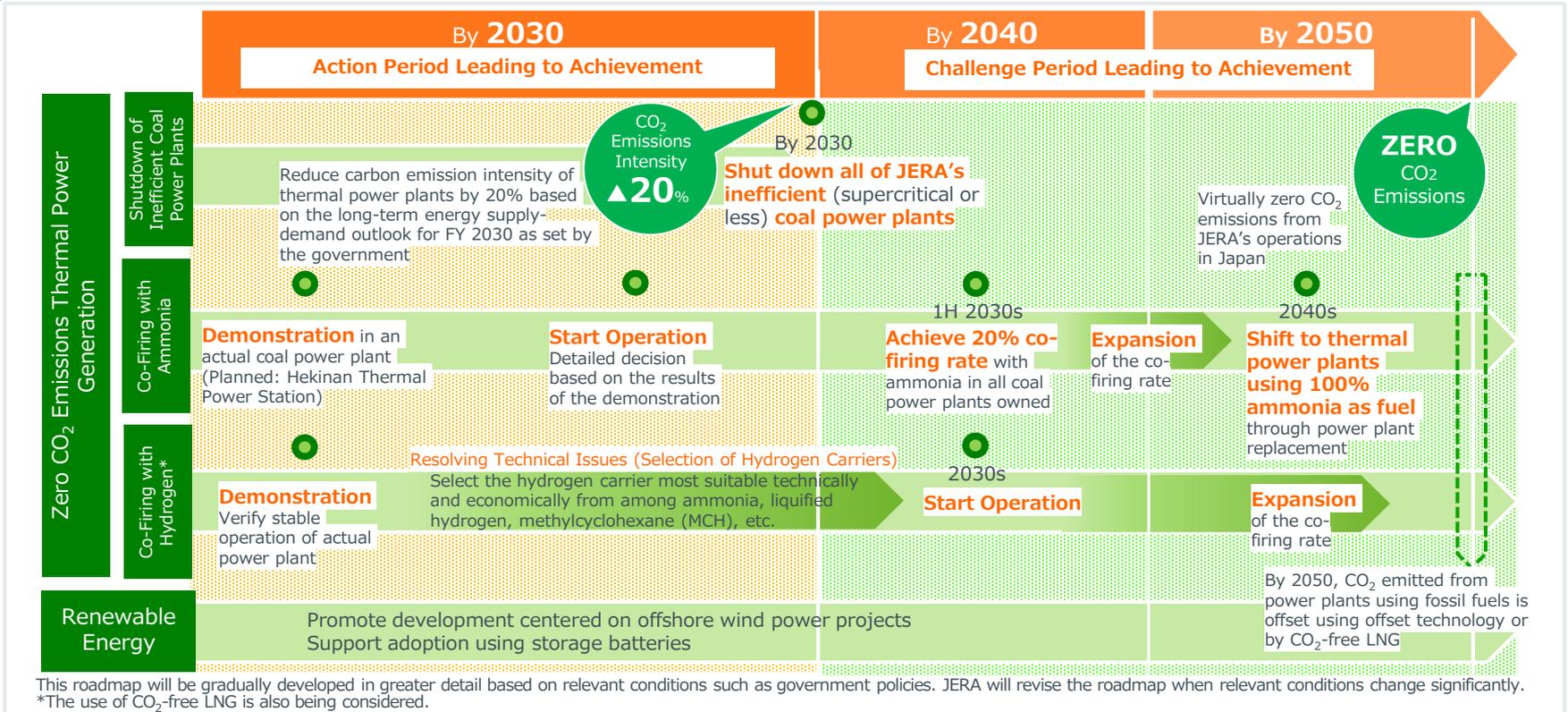
### 3. Smart Transition

Zero CO<sub>2</sub> emissions will be achieved through a combination of technologies that are available and reliable at the time adoption decisions are made, lowering technical risk and smoothing the transition to a green society.

\*"JERA Zero CO<sub>2</sub> Emissions 2050" is premised on steady advances in decarbonization technology, economic rationality, and consistency with government policy. JERA is developing its own decarbonization technologies and taking the initiative to ensure economic rationality.

# JERA Zero CO<sub>2</sub> Emissions 2050 Roadmap for its Business in Japan

## JERA Zero CO<sub>2</sub> Emissions 2050 Roadmap for its Business in Japan



## JERA Environmental Target 2030 for its Business in Japan

JERA is actively working to reduce CO<sub>2</sub> emissions. In its domestic operations, JERA will achieve the following by FY2030:

- Shut down all inefficient (supercritical or less) coal power plants and conduct demonstration tests of mixed combustion with ammonia at high-efficiency (ultra-supercritical) coal power plants.
- Promote the development of renewable energy centered on offshore wind power projects and work to further improve the efficiency of LNG thermal power generation.
- Reduce carbon emission intensity of thermal power plants by 20% based on the long-term energy supply-demand outlook for FY 2030 as set by the government.

"JERA Zero CO<sub>2</sub> Emissions 2050 Roadmap for its Business in Japan" and "JERA Environmental Target 2030 for its Business in Japan" are premised on steady advances in decarbonization technology, economic rationality, and consistency with government policy. JERA is developing its own decarbonization technologies and taking the initiative to ensure economic rationality.

# JERA Zero CO<sub>2</sub> Emissions 2050: About Zero CO<sub>2</sub> Emissions Thermal Power Generation

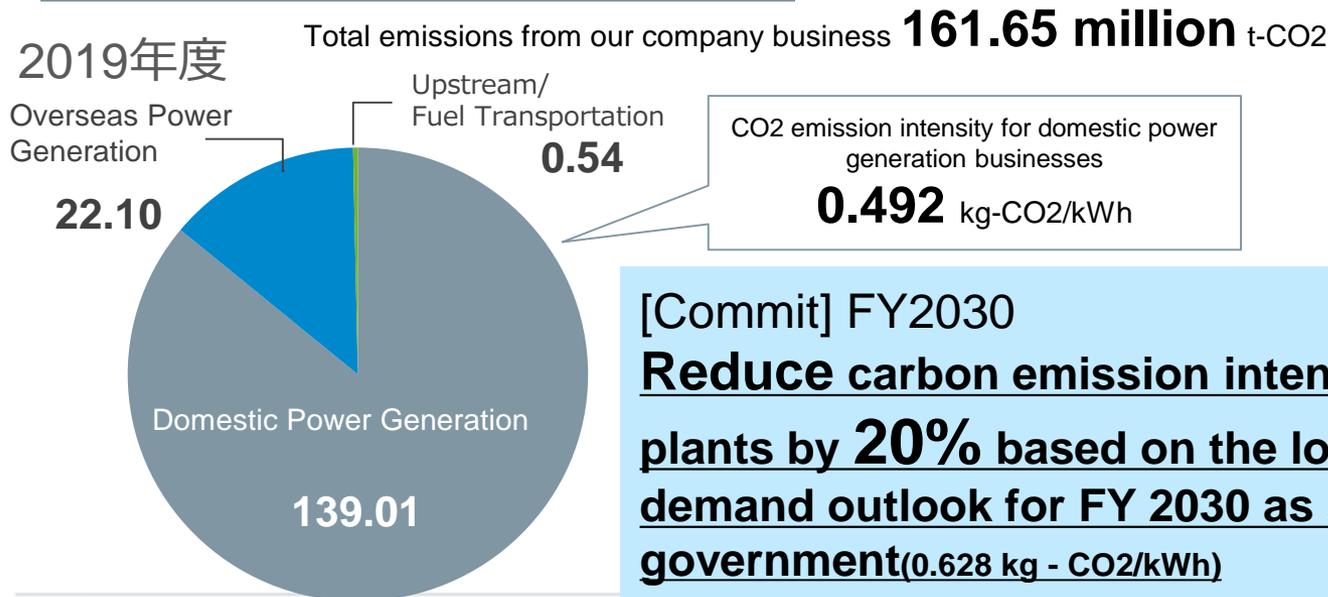
## Ammonia Co-firing Demonstration Project

- "Carbon recycling and next generation thermal power generation technology development/ammonia mixed combustion thermal power generation technology development and demonstration project" was adopted by NEDO for the introduction of ammonia fuel.
- At Hekinan Thermal Power Station Unit 4 (power output: 1 million kW), we plan to achieve 20% co-firing of ammonia by fiscal 2024. In addition, small-scale tests using burners of different materials will be conducted in FY 2021 at Unit 5 of the NPS (power output: 1 million kW).



Hekinan Thermal Power Station is scheduled to demonstrate mixed combustion of ammonia in an actual plant.

## CO<sub>2</sub> Emissions/ CO<sub>2</sub> Emission Intensity



**[Commit] FY2030**  
**Reduce carbon emission intensity of thermal power plants by 20% based on the long-term energy supply-demand outlook for FY 2030 as set by the government(0.628 kg - CO<sub>2</sub>/kWh)**

# JERA Zero CO<sub>2</sub> Emissions 2050: Development of Offshore Wind and Renewable Energy Development Targets

## State of Offshore Wind Development

➤ We are conducting developments of offshore wind power in Japan at the following four locations.

Development point	Power generation output	Status of development
Off the coast of Ishikari Bay, Hokkaido	Maximum 520 MW	• Complete procedures for environmental impact assessment.
Off Noshiro City, Mitane Town and Oga City, Akita Prefecture	415 MW *	• Opened "Akita Office" as a base for offshore wind power projects (April 2021). • Established SPC with J-Power and submitted bid for development in the open sea off the coast of Akita Prefecture (May 2021)
Off Yurihonjo-city, Akita Prefecture	730 MW *	
Off the city of southern Tsugaru, Aomori Prefecture	Maximum 600 MW	• Complete procedures for environmental impact assessment.

\*Output is publicly offered and differs from our company's planned output.

➤ We are participating in projects at different stages of development at the same time and accumulating know-how in Taiwan, an advanced country in offshore wind power in Asia.

	Capacity	No. of generators	Commercial operation	Business partner
Formosa 1	128 MW	22 units	December 2019 * <sup>1</sup>	Orsted, Macquarie and Swankor
Formosa 2	376 MW	47 units	Under construction	Macquarie and Swankor
Formosa 3	2,004 MW * <sup>2</sup>	Undecided	2026 to 2030 (Target)	Macquarie and EnBW

## Status and Targets of Renewable Energy Development



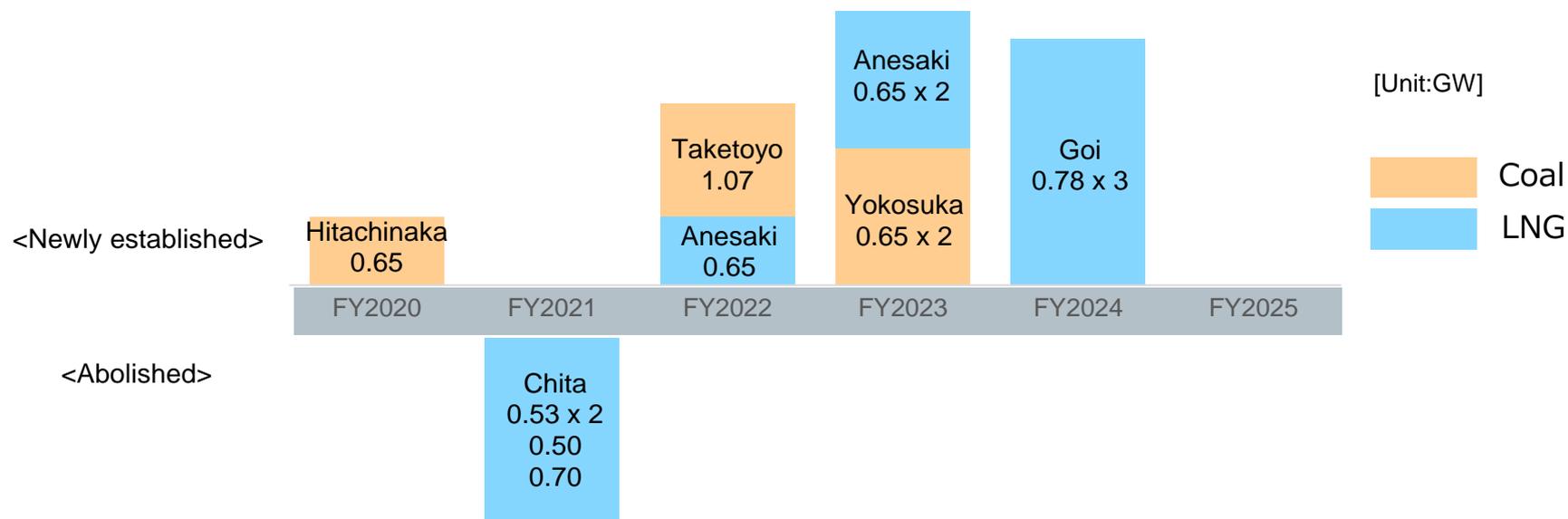
2025 year  
**Renewable energy development  
targets 5GW**

\*<sup>1</sup> 2 units (8 MW) started operation in April 2017 \*<sup>2</sup> Scheduled output

# Domestic Thermal Power Generation and Gas Supply Business: Progress of Replacement of Thermal Power Plants in Japan

## Replacement Plan

- Shifting to the latest high-efficiency thermal power generation facilities at five locations: Hitachinaka, Anesaki, Taketoyo, Yokosuka, and Goi. Unit 1 of the Hitachinaka Kyodo started operation in January 2021.
- Planning to abolish Unit 1 to 5 of Chita thermal power plans. Construction of Unit 7 and 8 is under consideration (Submitted environmental impact assessment statement to the Minister of Economy, Trade and Industry).



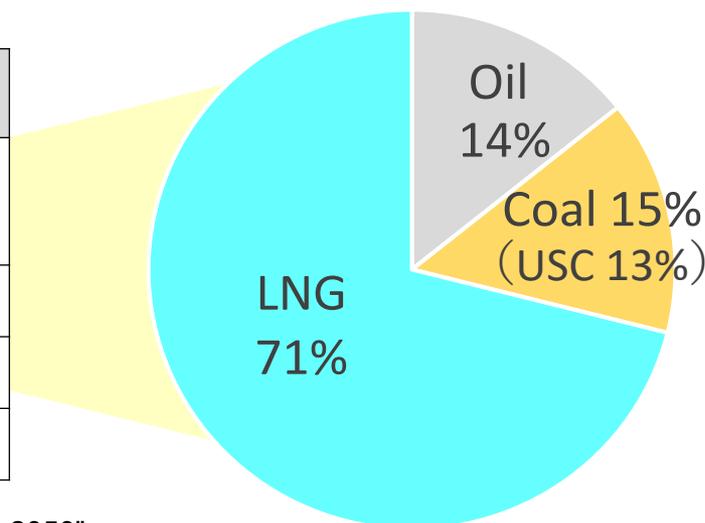
Development point	Status of development
Anesaki	Full-scale construction started in February 2020. Construction progress rate of 41%
Yokosuka	Full-scale construction started in August 2019. Construction progress rate of 31%
Goi	Full-scale construction started in April 2021. Construction progress rate of 12%
Taketoyo	Full-scale construction started in April 2018. Construction progress rate of 89%

\*As of June 30, 2021

- ✓ Our power generation composition is characterized by a large share of LNG, which emits less CO2.
- ✓ In coal, ultra super critical power generation system (USC), which emits comparatively small CO2, accounts for a large proportion. We will shut down all inefficient coal power plants by 2030\*1.

## Composition of Power sources\*2

Fuel	Capacity (Generator output)
Coal (USC)	10.32GW (8.92GW)
LNG*3	50.07GW
Oil	10.05GW
Total	70.44GW



\*1 Press release on October 13, 2020 “Towards Zero CO2 Emissions in 2050”

[https://www.jera.co.jp/english/information/20201013\\_539](https://www.jera.co.jp/english/information/20201013_539)

\*2 As of March 31, 2021. Includes capacity under construction.  
Excludes capacity of affiliates.

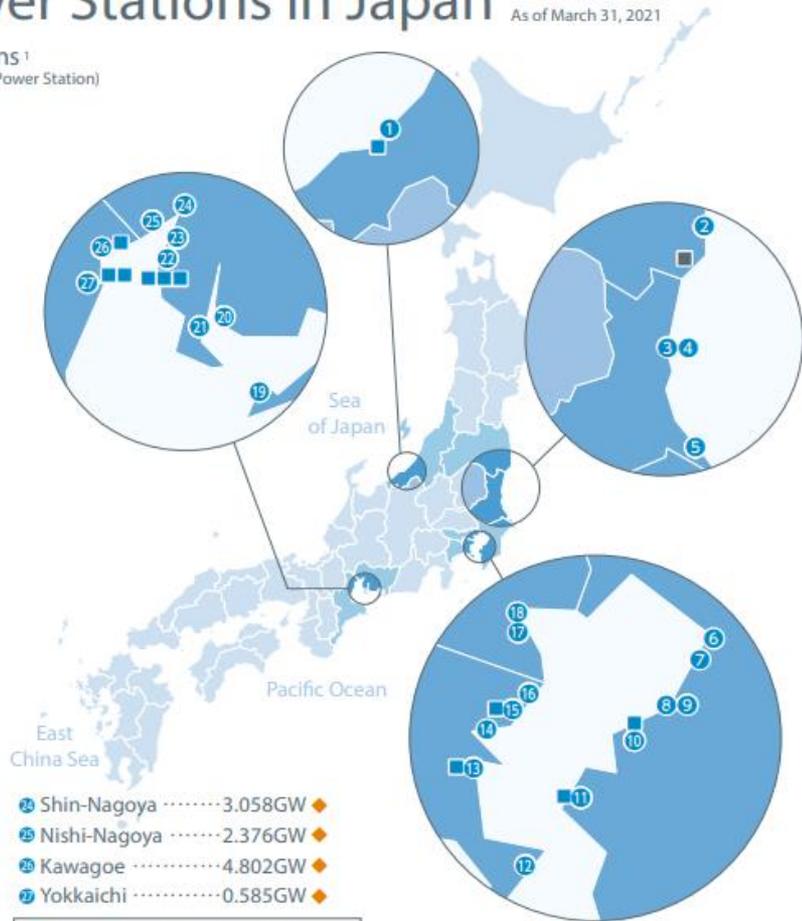
\*3 Includes LPG and City Gas.

# Domestic Thermal Power Generation and Gas Supply Business: List of Domestic Thermal Power Plants

## Thermal Power Stations in Japan As of March 31, 2021

- List of Thermal Power Stations <sup>1</sup>  
(Total Output, Fuel Type for Each Thermal Power Station)

- 1 Joetsu ..... 2.38GW ◆
- 2 Hirono ..... 4.4GW ◆◆◆
- 3 Hitachinaka ..... 2GW ◆
- 4 Hitachinaka Kyodo  
<HITACHINAKA GENERATION>  
..... 0.65GW ◆
- 5 Kashima ..... 5.66GW ◆◆◆
- 6 Chiba ..... 4.38GW ◆
- 7 Goi<GOI UNITED GENERATION>  
Replacement is being planned.
- 8 Anegasaki ..... 3.6GW ◆
- 9 Anegasaki<JERA Power ANEGASAKI>\*  
..... 1.941GW ◆  
(\*Scheduled to start operation in fiscal 2023.)
- 10 Sodegaura ..... 3.6GW ◆
- 11 Futtsu ..... 5.16GW ◆
- 12 Yokosuka<JERA Power YOKOSUKA>\*  
..... 1.3GW ◆  
(\*Scheduled to start operation in fiscal 2023.)
- 13 Minami-Yokohama ... 1.15GW ◆
- 14 Yokohama ..... 3.541GW ◆
- 15 Higashi-Ohgishima ..... 2GW ◆
- 16 Kawasaki ..... 3.42GW ◆
- 17 Oi ..... 1.05GW ◆
- 18 Shinagawa ..... 1.14GW ◆
- 19 Atsumi ..... 1.4GW ◆◆
- 20 Hekinan ..... 4.1GW ◆
- 21 Taketoyo<JERA Power TAKETOYO>\*  
..... 1.07GW ◆  
(\*Scheduled to start operation in fiscal 2022.)
- 22 Chita ..... 3.966GW ◆
- 23 Chita Daini ..... 1.708GW ◆
- 24 Shin-Nagoya ..... 3.058GW ◆
- 25 Nishi-Nagoya ..... 2.376GW ◆
- 26 Kawagoe ..... 4.802GW ◆
- 27 Yokkaichi ..... 0.585GW ◆



◆ LNG ◆ Coal ◆ Heavy Oil  
◆ Crude Oil ◆ Utility Gas  
■ LNG Terminal<sup>2</sup> ■ Coal Terminal

1 Power Station's Name  
< Operator's Name >  
2 Includes jointly operated  
terminals in Chita and Yokkaichi area



Futtsu Thermal Power Station

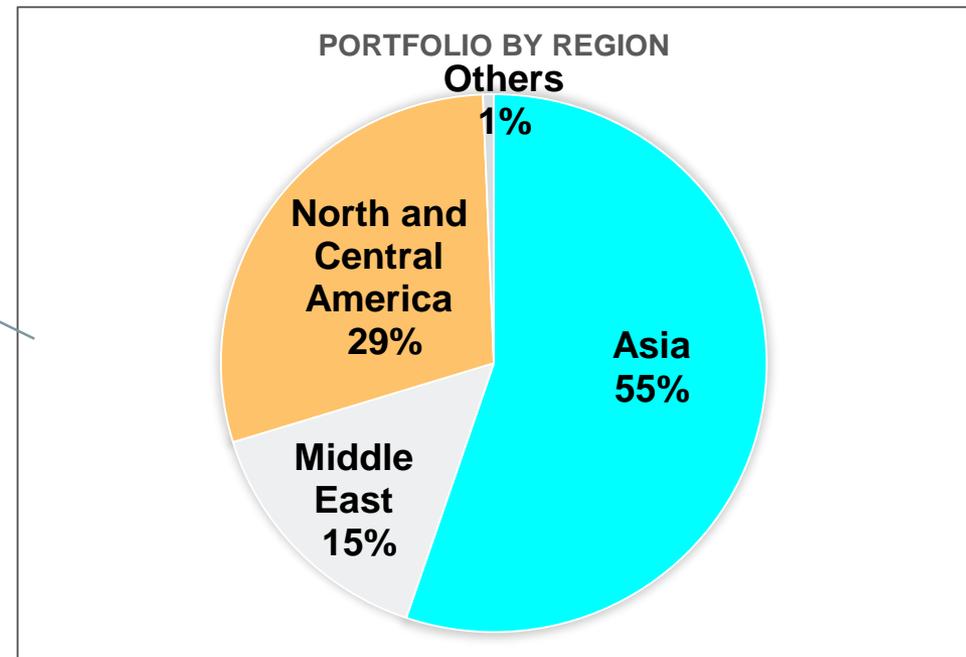
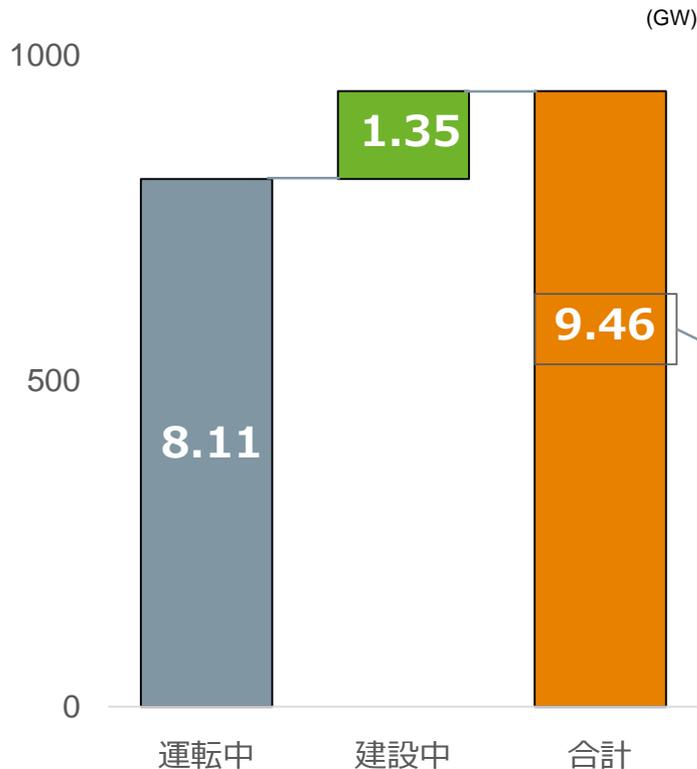


Kawagoe Thermal Power Station

# Overseas Power Generation Business: Portfolio of Overseas Power Generation Business

- We are developing businesses leveraging the experience gained from projects around the world. The capacity of power generation is 9.46 GW (including under construction).
- We aim to expansion of development with strategies tailored to the market needs of each region and build a balanced regional portfolio.

< Power generation capacity (As of June 30, 2021)>



## List of overseas power generation projects (1)

(As of June 30, 2021)

Country	Project Name	Investment ratio	Capacity	Fuel type	Notes
Taiwan	Chang Bin/Fong Der/Star Buck Gas Thermal IPP	19.5%~22.7%	1,960 MW	Gas	
Taiwan	Formosa 1 Offshore Wind IPP	32.5%	128 MW	Offshore Wind	
Taiwan	Formosa 2 Offshore Wind IPP	49.0%	376 MW	Offshore Wind	Under construction
Vietnam	Phu My Gas Thermal IPP	15.6%	715 MW	Gas	
Indonesia	Paiton Coal Thermal IPP	14.0%	2,033 MW	Coal	
Indonesia	Cirebon2 Coal Thermal IPP	10.0%	1,000 MW	Coal	Under construction
Philippines	TeaM Energy IPP	10.0%~50.0%	3,592 MW	Coal/Gas	
Thailand	EGCO Corporation	12.3%	6,016 MW	Gas/Coal/ Renewable	Including under construction
Thailand	AT Biopower Rice Husk Biomass Thermal IPP	34.0%	20 MW	Biomass	
Thailand	Ratchaburi Gas Power Thermal IPP	15.0%	1,400 MW	Gas	
Thailand	Cogeneration Project in Industrial Areas	19.0%~23.8%	360 MW	Cogeneration	
Thailand	Solar Power IPP	49.0%	31 MW	Solar Power	
Thailand	Wind Power IPP	5.0%	180 MW	Wind Power	
India	ReNew Company	8.0%	8,271 MW	Solar Power/ Wind Power	Including under construction
Bangladesh	Summit Power IPP	22.0%	2,419 MW	Gas	Including under construction
Bangladesh	Meghnaghat Gas Thermal IPP	49.0%	718 MW	Gas	Under construction

## List of overseas power generation projects (2)

(As of June 30, 2021)

Country	Project Name	Investment ratio	Capacity	Fuel type	Notes
UAE	Umm Al Nar Gas Thermal IWPP	20.0%	2,200 MW	Gas	
Qatar	Ras Laffan B Gas Thermal IWPP	5.0%	1,025 MW	Gas	
Qatar	Ras Laffan C Gas Thermal IWPP	5.0%	2,730 MW	Gas	
Qatar	Mesaieed Gas Thermal IPP	10.0%	2,007 MW	Gas	
Qatar	Umm Al Houl Gas Thermal IWPP	10.0%	2,520 MW	Gas	
Oman	Sur Gas Thermal IPP	19.5%	2,000 MW	Gas	
Mexico	Valladolid Gas Thermal IPP	50.0%	525 MW	Gas	
Mexico	Falcon Gas Thermal IPP	20.0%	2,233 MW	Gas	
America	Tenaska Gas Thermal IPP	11.1%~17.5%	2,950 MW	Gas	
America	Carroll County Gas Thermal IPP	20.0%	702 MW	Gas	
America	Cricket Valley Gas Thermal IPP	38.0%	1,100 MW	Gas	
America	Linden Gas Thermal IPP	50.0%	972 MW	Gas	
America	Compass Gas Thermal IPP	50.0%	1,123 MW	Gas	
United Kingdom	Gunfleet Sands Offshore Wind IPP	25.0%	173 MW	Offshore Wind	
United Kingdom	Zenobe Battery Storage	9.9%	73 MW	-	

# Overview of Fuel-related Business

## [Fuel Upstream/ Fuel Transportation Business]

- We are leveraging the world's largest LNG transaction volume (FY2020: Approximately 40 million tons\*) and participating in LNG upstream projects, we acquire information and Equity LNG that contributes to procurement and trading. Additionally, our ownership of upstream interests and fuel carriers contributes to our highly consistent, flexible, and competitive fuel supply. \*JERA Group as a whole

## Fuel Upstream Project

Project Name	Address	LNG production / liquefaction capability	Our company Investment ratio *
Darwin LNG Project	Australia	Approximately 3.7 million t/year	6.13%
Gorgon LNG Project	Australia	Approximately 15.6 million t/year	0.417%
Ichthys LNG Project	Australia	Approximately 8.9 million t/year	0.735%
Wheatstone LNG Project	Australia	Approximately 8.9 million t/year	Gas field: 10% LNG plant: 8%
Freeport LNG Project	United States	Approximately 4.64 million t/year	25%

\*The ratio of Wheatstone LNG Project represents the ratio of shares held through PE Wheatstone, in which we holds an equity stake.

## [Fuel Trading Business]

- We are leveraging our world class procurement scale and doing asset-back trading.
- With approximately 300 people mainly at JERAGM, which has offices in worldwide including Singapore, the United Kingdom, the Netherlands, the United States and Japan, we work closely together to contribute to the optimization of entire supply chains.