



エネルギーを新しい時代へ

FY2021 Third 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.
"3Q" refers to the period from April 1 to December 31.

JERA Co., Inc.

January 28, 2022

Outline of Financial Results

Consolidated Statement of Income

(Unit: Billion Yen)

| | 2021/3Q(A) | 2020/3Q(B) | Change(A-B) | Rate of Change(%) |
|---|------------|------------|-------------|-------------------|
| Operating revenue (Net sales) | 2,853.7 | 1,953.1 | 900.5 | 46.1 |
| Operating income | 79.3 | 272.0 | (192.7) | (70.8) |
| Ordinary income | 55.7 | 284.6 | (228.9) | (80.4) |
| Quarterly net income attributable to owners of parent | 18.4 | 196.5 | (178.1) | (90.6) |
| <Reference>Income excluding time lag | 228.3 | 64.1 | 164.1 | 256.0 |

Consolidated Balance Sheet

(Unit: Billion Yen)

| | As of Dec 31, 2021(A) | As of Mar 31, 2021(B) | Change(A-B) | Rate of Change(%) |
|-----------------------------------|-----------------------|-----------------------|-------------|-------------------|
| Assets | 6,390.0 | 4,090.8 | 2,299.1 | 56.2 |
| Liabilities | 4,520.4 | 2,328.7 | 2,191.7 | 94.1 |
| Net assets | 1,869.5 | 1,762.1 | 107.4 | 6.1 |
| Outstanding interest-bearing debt | 2,521.3 | 1,613.2 | 908.0 | 56.3 |
| Equity ratio (%) | 27.5 | 41.2 | (13.7) | |

Key Points of Financial Results

【Operating Revenue】

- Sales **increased by 900.5 billion yen (up 46.1%) to 2,853.7 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 178.1 billion yen (down 90.6%) to 18.4 billion yen.**
Net income decreased due to the shift from gains to losses of time lag (- 342.2 billion yen [132.4 billion yen to - 209.8 billion yen]) despite a substantial increase in net income excluding the effect of time lag (+ 164.1 billion yen).
- Net income excluding the effect of time lag **increased by 164.1 billion yen to 228.3 billion yen.**
Despite an impairment loss in the overseas power generation business (-32.6 billion yen) and an impairment loss on non-current assets (-16.2 billion yen) , net income substantially increased due to the rebound from the COVID-19 negative impact in the same period of the previous year (+ 28.8 billion yen), an increase in profit of JERAGM (+ 61.2 billion yen) and gain on sale of LNG (+36.0 billion yen).

*Equity ratio

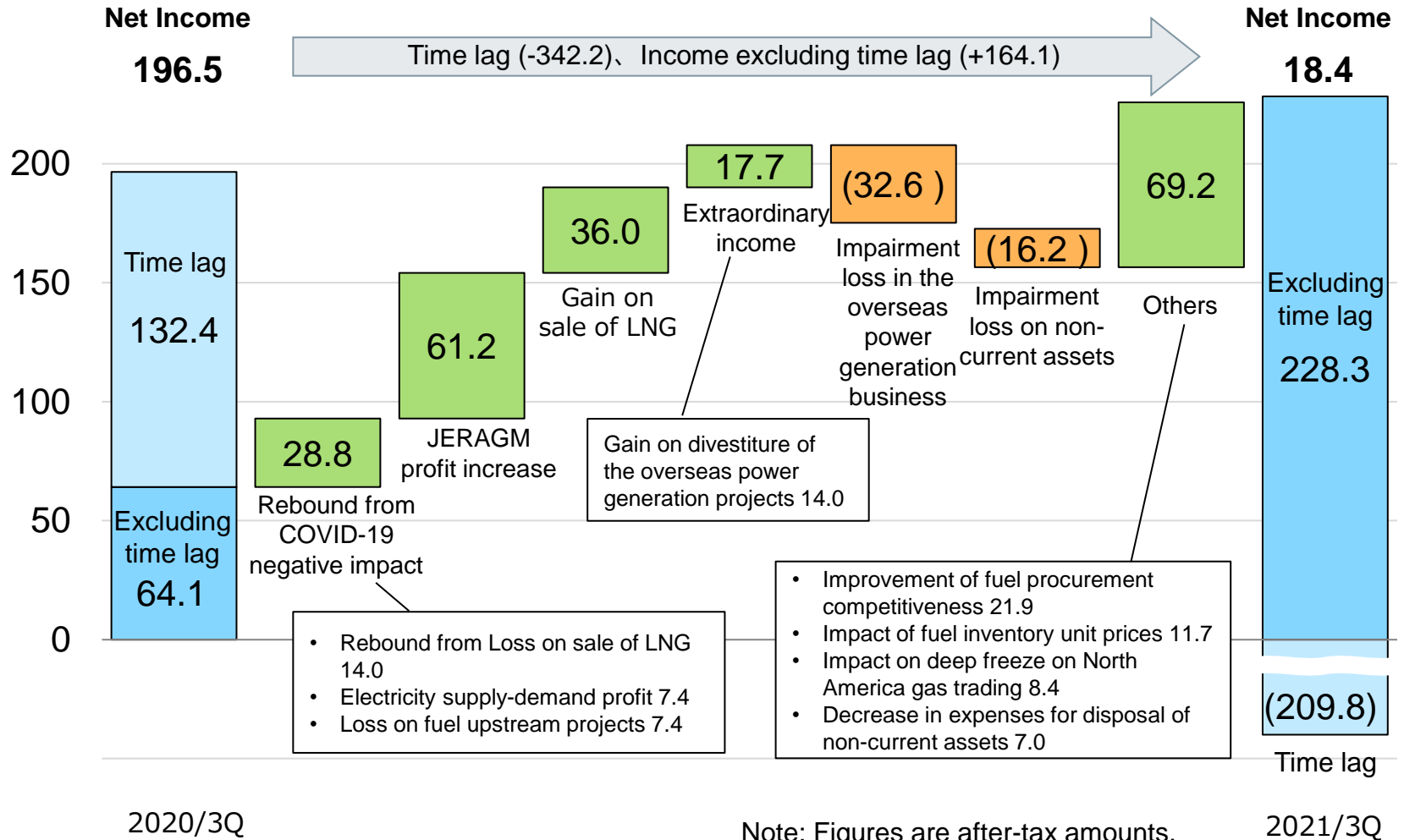
- JERAGM engaged in fuel trading makes contracts for both procurement and sales as physical and financial transactions* and the fair value of the outstanding all contracts are reported as assets “derivative securities” and liabilities “derivative obligations” in the statement of financial position. While 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.

*Singapore Financial Reporting Standard

Consolidated Net Income

【Various factors of Consolidated net income】

(Unit : Billion Yen)



Consolidated Income/Expenditure Comparison

(Unit: Billion Yen)

| | 2021/3Q(A) | 2020/3Q(B) | Change(A-B) | Main Factors of Changes |
|--|------------|------------|-------------|---|
| Operating revenue (Net sales) | 2,853.7 | 1,953.1 | 900.5 | <ul style="list-style-type: none"> • Increase of electrical energy sold • Increase in sales of JERAGM |
| Operating expenses | 2,774.3 | 1,681.0 | 1,093.2 | <ul style="list-style-type: none"> • Increase of fuel costs • Increase in costs of JERAGM |
| Operating income | 79.3 | 272.0 | (192.7) | |
| Non-operating income | 7.9 | 20.3 | (12.3) | |
| Non-operating expenses | 31.6 | 7.8 | 23.8 | <ul style="list-style-type: none"> • Share of loss of entities accounted for using equity method 21.8 |
| Ordinary income | 55.7 | 284.6 | (228.9) | <ul style="list-style-type: none"> • Decrease of time lag income -475.3(183.9 → -291.4) • Increase of income excluding time lag +246.4(100.7 → 347.1) |
| Extraordinary income | 23.5 | - | 23.5 | <ul style="list-style-type: none"> • Gain on divestiture of the overseas power generation projects 19.5 |
| Extraordinary loss | 22.8 | 5.7 | 17.1 | <ul style="list-style-type: none"> • Impairment loss of domestic thermal power generation equipment 22.8 |
| Income taxes, etc. | (8.7) | 72.5 | (81.2) | |
| Quarterly net income attributable to non-controlling Interests | 46.7 | 9.8 | 36.8 | |
| Quarterly net income attributable to owners of parent | 18.4 | 196.5 | (178.1) | |

Key Elements of Income and Expenditure

| | 2021/3Q(A) | 2020/3Q(B) | Change(A-B) |
|--|------------|------------|-------------|
| Electrical Energy Sold(TWh) | 183.2 | 176.4 | 6.8 |
| Crude Oil Prices(JCC) (dollar/barrel) | 74.0 | 39.1 | 34.9 |
| Foreign Exchange Rate (yen/dollar) | 111.1 | 106.1 | 5.0 |

Note: Crude Oil Prices(JCC) for 2021/3Q is tentative.

Consolidated Balance Sheet

(Unit: Billion Yen)

| | As of Dec 31, 2021(A) | As of Mar 31, 2021(B) | Change(A-B) | Main Factors of Changes |
|--|--------------------------|--------------------------|-------------|---|
| Cash and deposits | 608.4 | 616.1 | (7.6) | |
| Property, plant and equipment | 2,106.5 | 2,010.0 | 96.5 | <ul style="list-style-type: none"> Progress in replacing domestic thermal power plants |
| Investment securities | 739.5 | 559.4 | 180.1 | <ul style="list-style-type: none"> Investment in new project |
| Others | 2,935.4 | 905.3 | 2,030.1 | <ul style="list-style-type: none"> Increase in derivative securities (JERAGM, etc.) +1,150.5 |
| Assets | 6,390.0 | 4,090.8 | 2,299.1 | |
| Outstanding interest-bearing debt | 2,521.3 | 1,613.2 | 908.0 | <ul style="list-style-type: none"> Borrowings +543.0 (Subsidiaries +355.3) Commercial Paper +295.0 Corporate Bonds +70.0 |
| Others | 1,999.1 | 715.4 | 1,283.6 | <ul style="list-style-type: none"> Increase in derivative obligations (JERAGM, etc.) +1,004.2 |
| Liabilities | 4,520.4 | 2,328.7 | 2,191.7 | |
| Shareholders' equity | 1,681.9 | 1,696.9 | (14.9) | <ul style="list-style-type: none"> Dividends paid -33.4 Quarterly net income +18.4 |
| Others | 187.5 | 65.1 | 122.4 | <ul style="list-style-type: none"> Foreign currency translation adjustments +54.1 |
| Net Assets | 1,869.5 | 1,762.1 | 107.4 | |
| Equity ratio (%) | 27.5 | 41.2 | (13.8) | <ul style="list-style-type: none"> Decrease in the ratio mainly due to an increase in both derivative securities and obligations |

Segment Information

(Unit: Billion Yen)

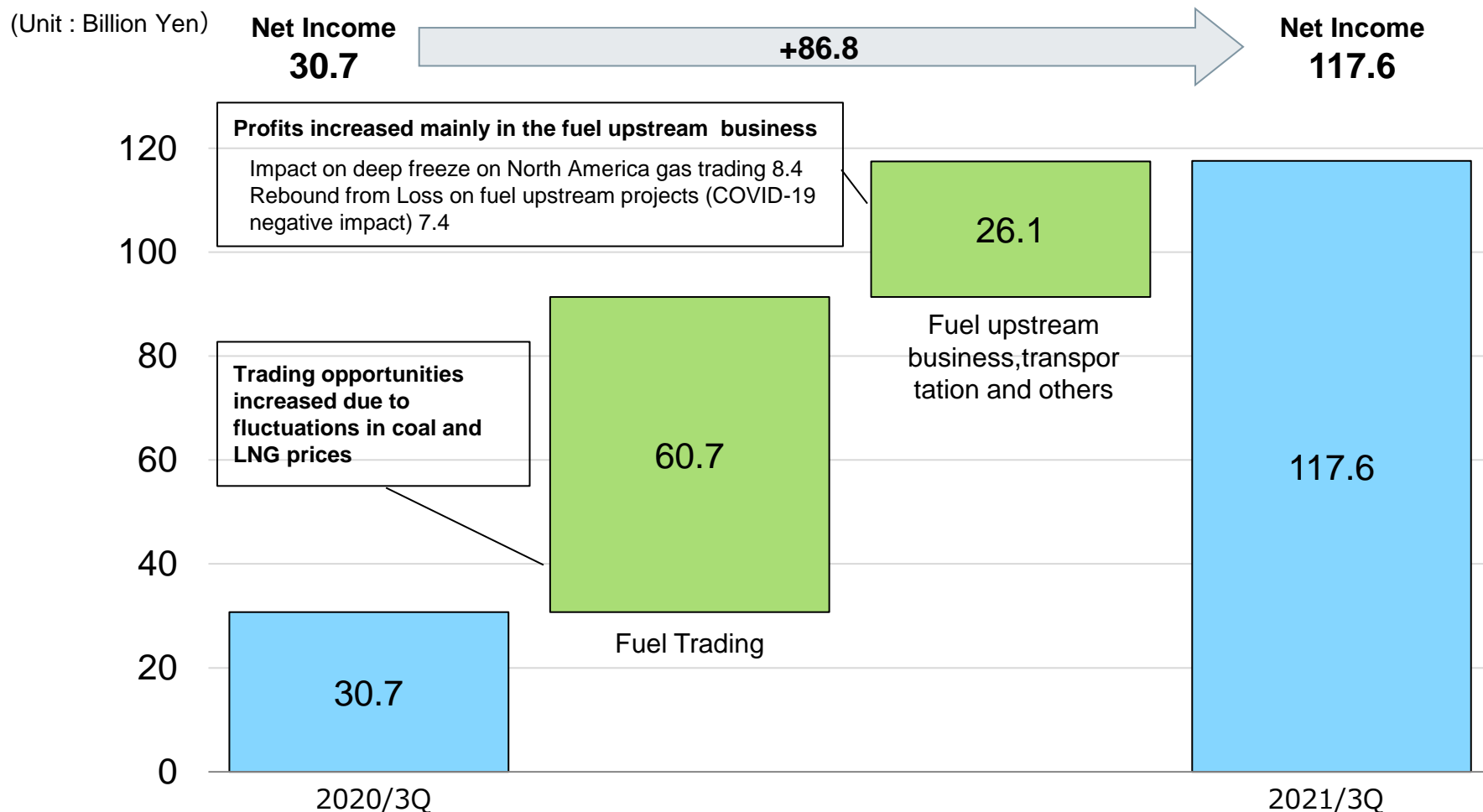
| | 2021/3Q(A) | | 2020/3Q(B) | | Change(A-B) | | Main Factors of Changes in Net Income |
|--|-------------------|-------------------|-------------------|-----------------|-------------------|--------------------|--|
| | Operating Revenue | Net Income | Operating Revenue | Net Income | Operating Revenue | Net Income | |
| Fuel related*1 | 1,980.2 | 117.6 | 613.7 | 30.7 | 1,366.5 | 86.8 | <ul style="list-style-type: none"> JERAGM Profit Increased +61.2 Impact on deep freeze on North America gas trading +8.4 Rebound from COVID-19 negative impact +7.4 |
| Overseas power generation | 2.4 | (10.9) | 1.6 | 5.1 | 0.8 | (16.1) | <ul style="list-style-type: none"> Impairment loss in Formosa 2 - 32.3 Gain on divestiture of projects 14.0 |
| Domestic thermal power generation and gas supply | 2,031.8 | (59.9) 144.9*2 | 1,775.8 | 190.1 57.7*2 | 255.9 | (250.1) 92.1*2 | <ul style="list-style-type: none"> Rebound from COVID-19 negative impact +21.4 Gain on sale of LNG +36.0 Impairment loss on non-current assets -16.2 Improvement of fuel procurement competitiveness +21.9 Impact of fuel inventory unit prices +11.7 Decrease in expenses for disposal of non-current assets +7.0 |
| Adjustments | (1,160.7) | (28.2) | (438.0) | (29.5) | (722.7) | 1.2 | |
| Consolidated | 2,853.7 | 18.4 228.3*2 | 1,953.1 | 196.5 64.1*2 | 900.5 | (178.1) 164.1*2 | |

*1 Fuel upstream, transportation and trading

*2 Excluding the effect of time lag

Results of Fuel related business

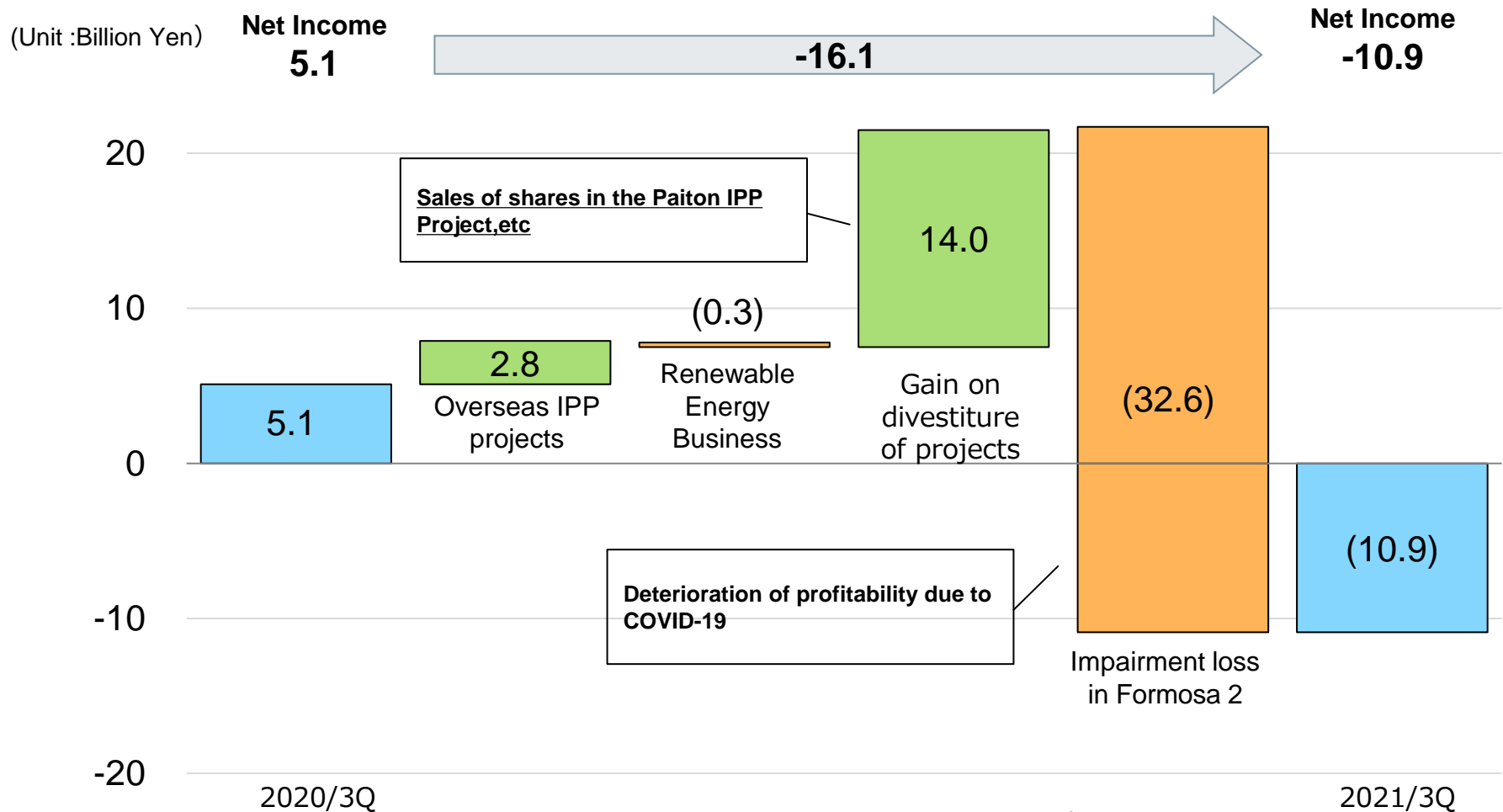
■ Significant increase in fuel trading and upstream business



Note: Figures are after-tax amounts.

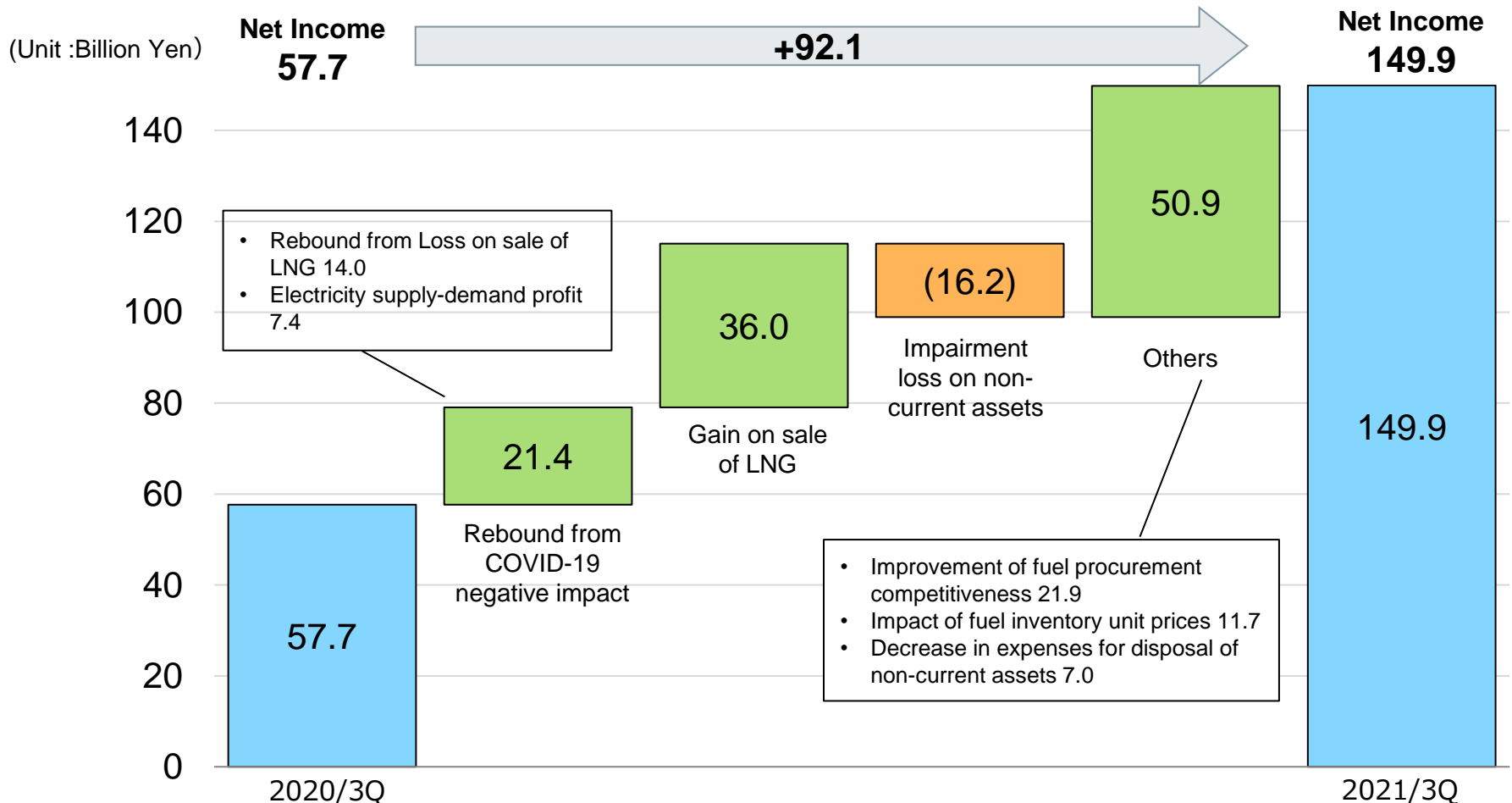
Results of Overseas power generation business

- Profit decreased due to impairment loss in Formosa 2 despite Gain on divestiture of Paiton IPP project, etc



Results of Domestic thermal power generation and gas supply business

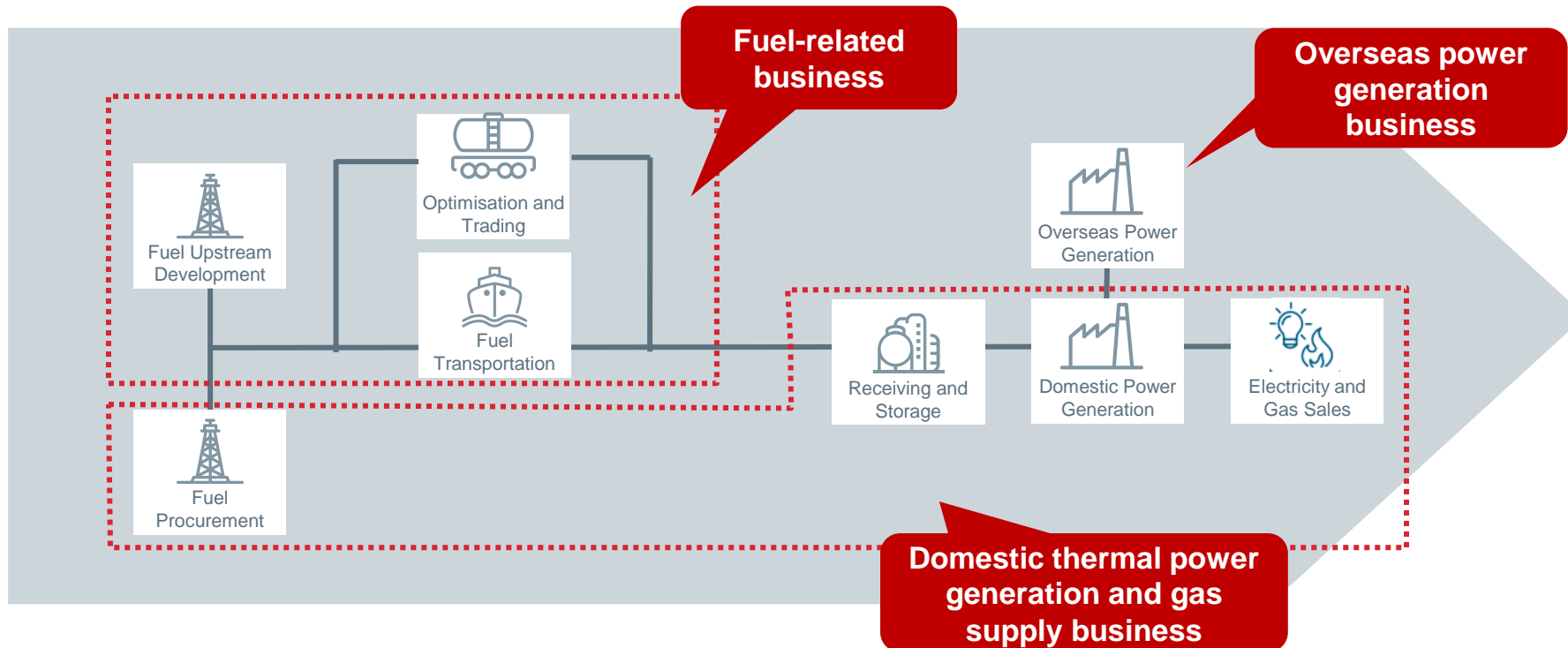
- A sharp increase in profit excluding time lag due to factors such as rebound from COVID-19 negative impact, gain on sale of LNG



Note: Figures are after-tax amounts excluding time lag.

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 segment; "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

- The net income forecast is 0.0 billion yen, unchanged from the previous announcement (2021/2Q).
- Net income excluding the effect of time lag is estimated to be 200 billion yen, 50 billion yen increase from the previous forecast(2021/2Q), mainly due to an increase in profit of JERAGM (Approximately +20 billion yen) and gain on sale of LNG,etc (Approximately +30 billion yen).

(Unit: Billion Yen)

| | Current Forecast(A) | Previous Forecast(B) | Change(A-B) | Rate of Change(%) |
|---|---------------------|----------------------|----------------|-------------------|
| Net Income attributable to owners of parent | 0.0 | 0.0 | (Approx. 0.0) | - |
| Breakdown: Time lag | (200.0) | (150.0) | (Approx. 50.0) | - |
| Income excluding time lag | 200.0 | 150.0 | Approx.50.0 | 33.3 |

【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 | 0.0 | 157.8 | (Approx. 158.0) | - |
| Breakdown: Time lag | (200.0) | 46.2 | (Approx. 246.0) | - |
| Income excluding time lag | 200.0 | 111.6 | Approx. 88.0 | 78.9 |

【Key data】

| | Current Forecast | Fourth quarter of FY2021 | Previous Forecast | 【Reference】 FY2020 Result |
|---------------------------------------|------------------|--------------------------|-------------------|------------------------------|
| Crude Oil Prices(JCC) (dollar/barrel) | Approx. 75 | Approx. 80 | Approx. 73 | 43.4 |
| Foreign Exchange Rate (yen/dollar) | Approx. 112 | Approx. 115 | 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 Net Income |
|---|----------------|-------------------------|
| | | Jan - Mar |
| Timing of Change | After Jan,2022 | 0.0 |

If crude oil prices fluctuate after January, the impact on the net income for January-March will be minimal.

(Unit: Billion Yen)

| Foreign Exchange Rate (1Yen depreciation against dollar) | | Impact on Net Income |
|--|----------------|-------------------------|
| | | Jan - Mar |
| Timing of Change | After Jan,2022 | -3.0 |

If the yen weakens against the U.S. dollar by 1 yen after January, the net income for January-March will deteriorate by approximately 3.0 billion yen.

【Fuel-related, Overseas power generation business】

(Unit: Billion Yen)

| Crude oil Prices (Increase in 1 \$/b) | | Impact on Net Income |
|--|----------------|-------------------------|
| | | Jan - Mar |
| Timing of Change | After Jan,2022 | +0.1 |

If crude oil prices rise by 1\$/b after January onwards, the net income for January-March will improve by approximately 0.1 billion yen

(Unit: Billion Yen)

| Foreign Exchange Rate (1Yen depreciation against dollar) | | Impact on Net Income |
|--|----------------|-------------------------|
| | | Jan - Mar |
| Timing of Change | After Jan,2022 | +0.1 |

If the yen weakens against the U.S. dollar by 1 yen/\$ after January, the net income for January-March will improve by approximately 0.1 billion yen.

(Reference) Trends in crude oil price and exchange rates

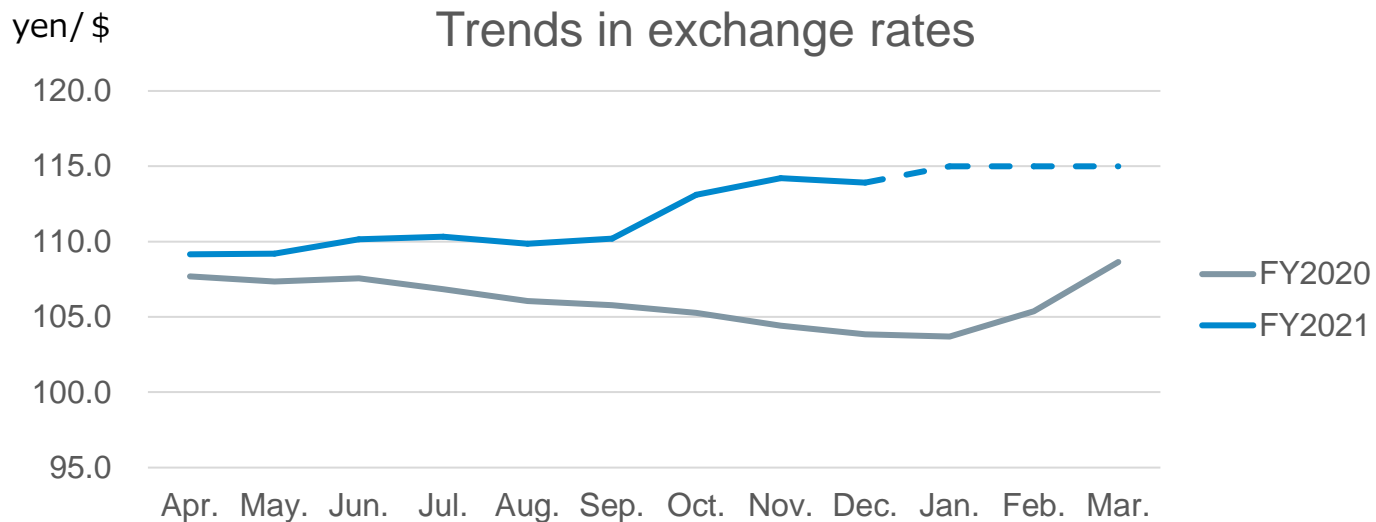
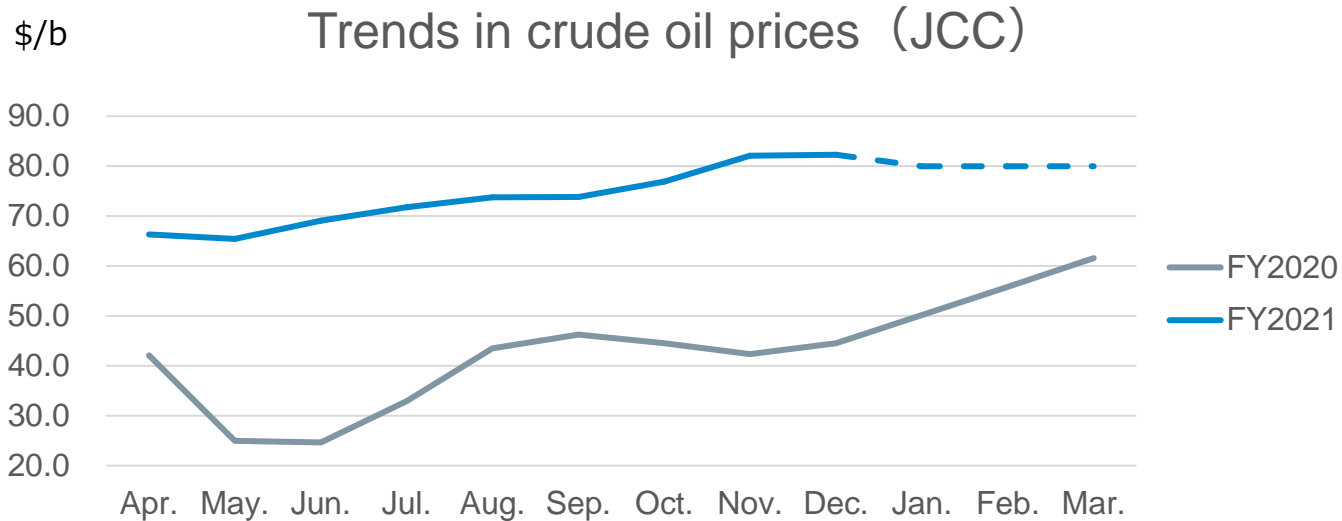
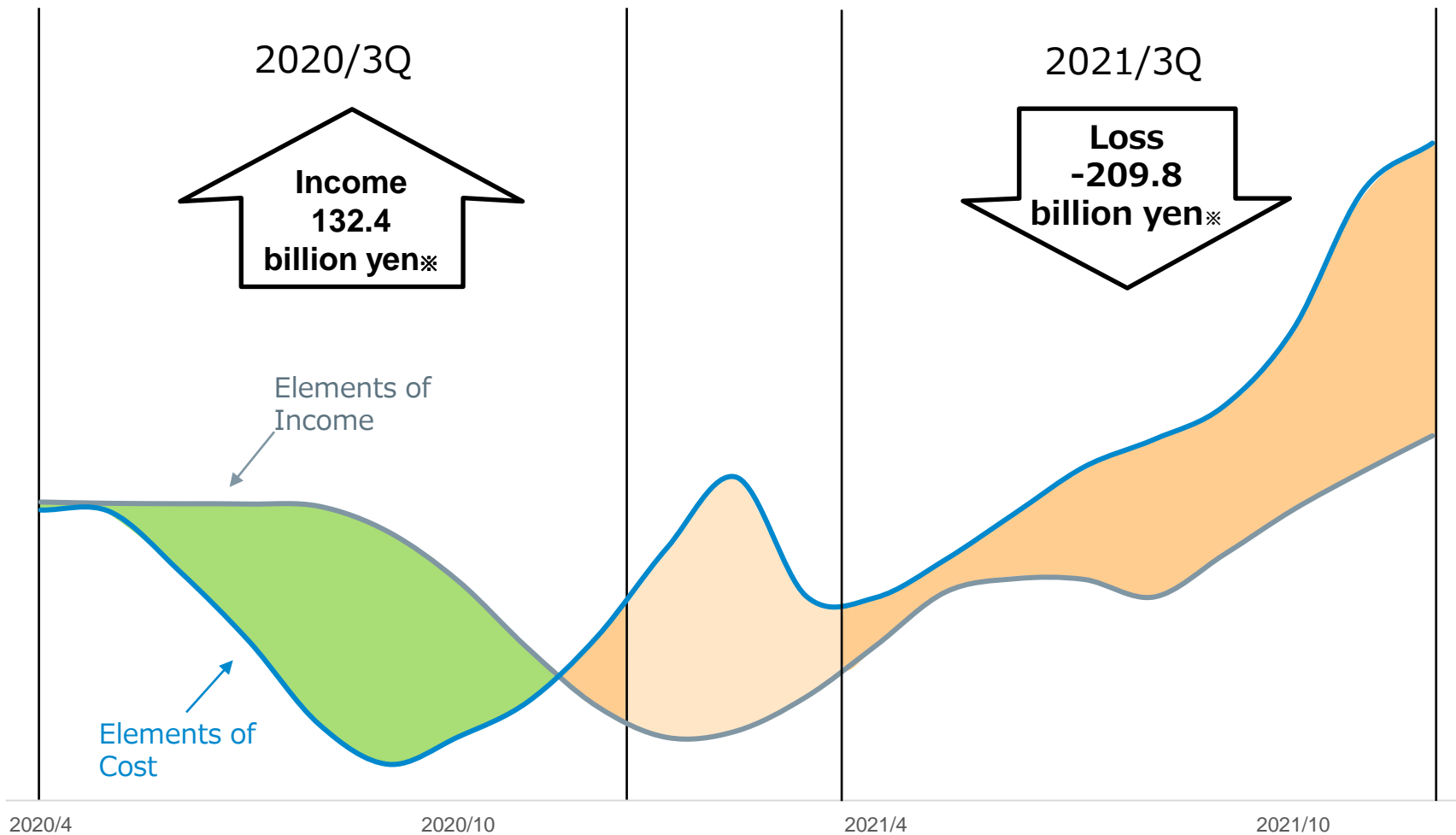
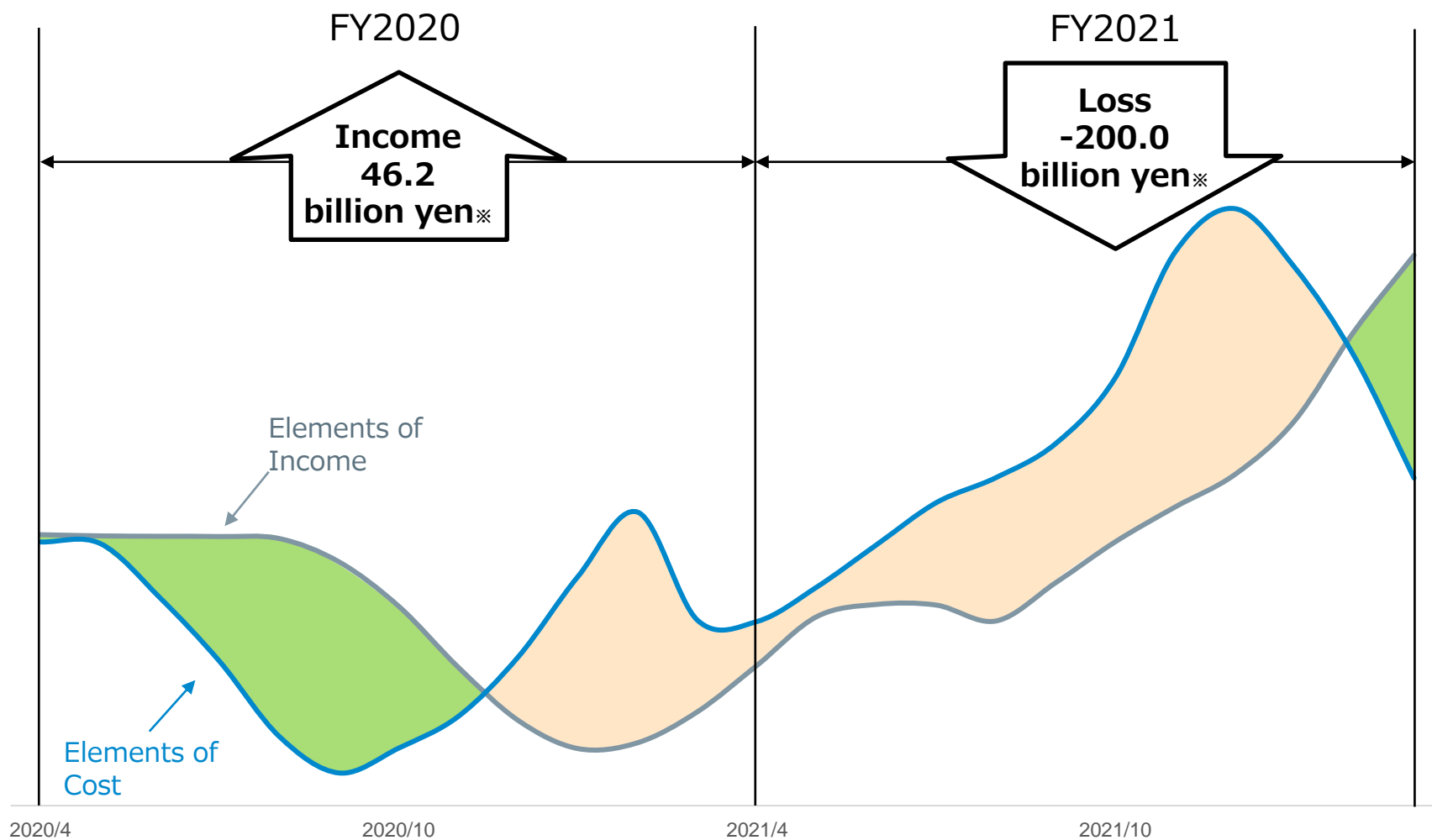


Image of Time Lag (2020/3Q – 2021/3Q)



* 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 | Oct 1 to Dec 31 | 3Q (Apr 1 to Dec 31) |
|--------|-----------------|-----------------|-----------------|----------------------|
| FY2021 | 53.7 | 64.6 | 64.9 | 183.2 |
| FY2020 | 47.5 | 62.4 | 66.5 | 176.4 |

【Electrical Power Generated(TWh)】

| | Apr 1 to Jun 30 | Jul 1 to Sep 30 | Oct 1 to Dec 31 | 3Q (Apr 1 to Dec 31) |
|--------|-----------------|-----------------|-----------------|----------------------|
| FY2021 | 53.4 | 61.7 | 62.3 | 177.4 |
| LNG | 41.2 (77%) | 46.8 (76%) | 48.4 (78%) | 136.4 (77%) |
| Coal | 12.2 (23%) | 14.9 (24%) | 13.8 (22%) | 40.9 (23%) |
| Other | 0.0 (0%) | 0.0 (0%) | 0.0 (0%) | 0.0 (0%) |
| FY2020 | 47.0 | 61.7 | 66.0 | 174.7 |
| LNG | 38.4 (82%) | 52.9 (86%) | 54.5 (83%) | 145.7 (83%) |
| Coal | 8.7 (18%) | 8.8 (14%) | 11.5 (17%) | 28.9 (17%) |
| Other | 0.0 (0%) | 0.0 (0%) | 0.0 (0%) | 0.0 (0%) |

*The total may not match due to rounding

Credit Ratings

【 Issuer Credit ratings history 】

