



エネルギーを新しい時代へ

# FY2021 Consolidated Financial Results

(Note) The company's fiscal year (FY) is from April 1 to March 31 of the following year in this material.  
FY2021 denotes the period from April 1, 2021 to March 31, 2022.

## JERA Co., Inc.

April 28, 2022

# Outline of Financial Results

## Consolidated Statement of Income

(Unit: Billion Yen)

	FY2021(A)	FY2020(B)	Change(A-B)	Rate of Change(%)
Operating revenue (Net sales)	4,435.2	2,730.1	1,705.1	62.5
Operating income	132.9	249.4	(116.4)	(46.7)
Ordinary income	95.3	244.1	(148.8)	(60.9)
Net income attributable to owners of parent	24.6	157.8	(133.2)	(84.4)
<Reference>Income excluding time lag	277.0	111.6	165.4	148.2

## Consolidated Balance Sheet

(Unit: Billion Yen)

	FY2021(A)	FY2020(B)	Change(A-B)	Rate of Change(%)
Assets	8,722.1	4,090.8	4,631.3	113.2
Liabilities	6,747.8	2,328.7	4,419.0	189.8
Net assets	1,974.3	1,762.1	212.2	12.0
Outstanding interest- bearing debt	2,646.5	1,613.2	1,033.2	64.0
Equity ratio (%)	20.7	41.2	(20.5)	

# Key Points of Financial Results

## 【Operating Revenue】

- Operating revenue **increased by 1,705.1 billion yen (up 62.5%) from the previous consolidated fiscal year to 4,435.2 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 **decreased by 133.2 billion yen (down 84.4%) from the previous consolidated fiscal year to 24.6 billion yen.**
  - The effect of time lag shifted from gains to significant losses. (-298.6 billion yen [46.2 billion yen to -252.4 billion yen])
  - Net income excluding time lag increased. (+165.4 billion yen [111.6 billion yen to 277.0 billion yen])
- Net income excluding the effect of time lag increased mainly due to the rebound from COVID-19 negative impact in the previous consolidated fiscal and JERAGM profit increase from fuel volume adjustment.

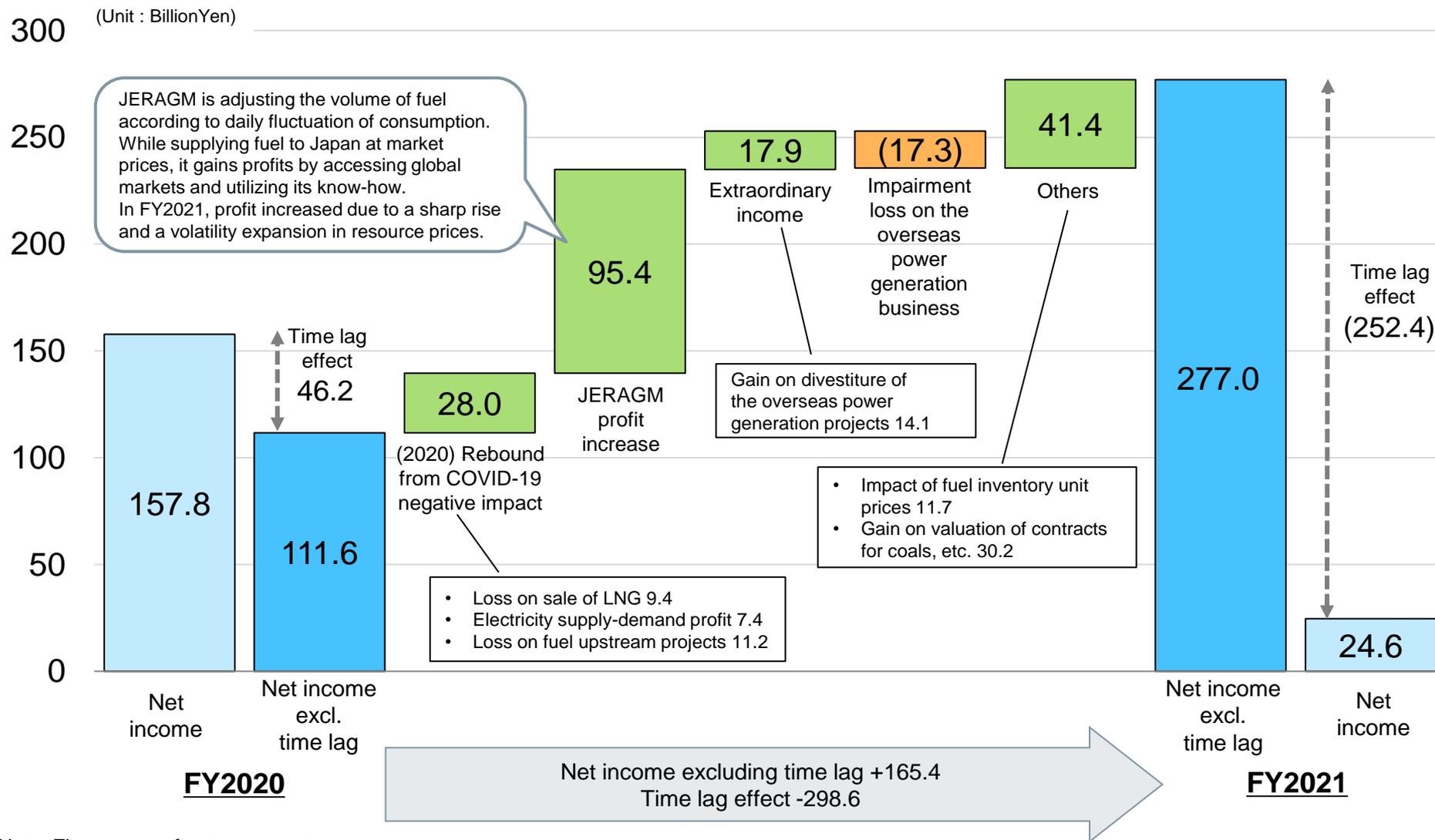
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## Equity ratio

- 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. Significant changes in fair value due to a spike of fuel index prices have led to huge increases in both derivative asset and liabilities, then equity ratio dropped.

\*Singapore Financial Reporting Standard

# Analysis of Consolidated net income



Note: Figures are after-tax amounts.

# Consolidated Income/Expenditure Comparison

(Unit: Billion Yen)

	FY2021(A)	FY2020 (B)	Change(A-B)	Main Factors of Changes
Operating revenue (Net sales)	4,435.2	2,730.1	1,705.1	<ul style="list-style-type: none"> <li>• Increase of electrical energy sold</li> <li>• Increase in sales of JERAGM</li> </ul>
Operating expenses	4,302.2	2,480.7	1,821.5	<ul style="list-style-type: none"> <li>• Increase of fuel costs</li> <li>• Increase in costs of JERAGM</li> </ul>
Operating income	132.9	249.4	(116.4)	
Non-operating income	8.5	17.5	(8.9)	
Non-operating expenses	46.1	22.7	23.3	<ul style="list-style-type: none"> <li>• Share of loss of entities accounted for using equity method 23.7</li> </ul>
Ordinary income	95.3	244.1	(148.8)	<ul style="list-style-type: none"> <li>• Decrease of time lag income -414.6(64.1→-350.5)</li> <li>• Increase of income excluding time lag +265.8(180.0→445.8)</li> </ul>
Extraordinary income	23.9	-	23.9	<ul style="list-style-type: none"> <li>• Gain on divestiture of the overseas power generation projects 19.7</li> </ul>
Extraordinary loss	22.9	16.3	6.5	<ul style="list-style-type: none"> <li>• Impairment loss of domestic thermal power generation equipment 22.9</li> </ul>
Income taxes, etc.	(15.5)	54.1	(69.7)	
Net income attributable to non-controlling Interests	87.2	15.7	71.4	
Net income attributable to owners of parent	24.6	157.8	(133.2)	

# Key Elements of Income and Expenditure

	FY2021(A)	FY2020(B)	Change(A-B)
Electrical Energy Sold(TWh)	255.5	246.6	8.9
Crude Oil Prices(JCC) (dollar/barrel)	77.1	43.4	33.7
Foreign Exchange Rate (yen/dollar)	112.4	106.1	6.3

Note: Crude Oil Prices(JCC) for FY2021 is tentative.

# Consolidated Balance Sheet

(Unit: Billion Yen)

	As of Mar 31,2022(A)	As of Mar 31,2021(B)	Change(A-B)	Main Factors of Changes
<b>Cash and deposits</b>	514.3	616.1	(101.8)	
<b>Property, plant and equipment</b>	2,173.8	2,010.0	163.8	• Progress in replacing domestic thermal power plants
<b>Investment securities</b>	1,026.2	559.4	466.8	• Investment in new project
<b>Others</b>	5,007.8	905.3	4,102.4	• Increase in derivative securities (JERAGM, etc.) +2,978.8
<b>Assets</b>	8,722.1	4,090.8	4,631.3	
<b>Outstanding interest-bearing debt</b>	2,646.5	1,613.2	1,033.2	• Borrowings +626.2 (Subsidiaries +429.6) • Commercial Paper +297.0 • Corporate Bonds +110.0
<b>Others</b>	4,101.2	715.4	3,385.8	• Increase in derivative obligations (JERAGM, etc.) +2,813.2
<b>Liabilities</b>	6,747.8	2,328.7	4,419.0	
<b>Shareholders' equity</b>	1,688.1	1,696.9	(8.7)	• Dividends paid -33.4 • Net income +24.6
<b>Others</b>	286.2	65.1	221.0	• Foreign currency translation adjustments +87.9
<b>Net Assets</b>	1,974.3	1,762.1	212.2	
<b>Equity ratio (%)</b>	20.7	41.2	(20.5)	• Decrease in the ratio mainly due to an increase in both derivative securities and obligations

# Consolidated Cash Flows

(Unit: Billion Yen)

		FY2021(A)	FY2020(B)	Change(A-B)
<b>Cash flows from operating activities</b>		(340.4)	340.8	(681.2)
<b>Cash flows from investing activities</b>	<b>Purchase of non-current assets</b>	(311.1)	(241.3)	(69.7)
	<b>Purchase of investment securities</b>	(376.8)	(31.5)	(345.2)
	<b>Others</b>	26.9	0.8	26.1
		(661.0)	(272.0)	(388.9)
<b>Free cash flows</b>		(1,001.4)	68.7	(1,070.2)
<b>Cash flows from financing activities</b>	<b>Net increase/decrease in outstanding interest-bearing debt</b>	917.9	103.2	814.6
	<b>Dividends paid *</b>	(33.4)	(27.0)	(6.4)
	<b>Others</b>	(12.7)	13.2	(26.0)
		871.7	89.5	782.2
<b>Net increase/decrease in cash and cash equivalents (parenthesis indicates decrease)</b>		(100.2)	159.2	(259.4)

\* Excluding Dividends paid to non-controlling interests

# Segment Information

(Unit: Billion Yen)

	FY2021 (A)		FY2020 (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	2,995.5	161.3	1,076.2	48.0	1,919.3	113.3	<ul style="list-style-type: none"> <li>•(2020) COVID-19 negative impact +11.2</li> <li>•JERAGM profit increase +95.4</li> </ul>
Overseas Power Generation	4.1	(19.3)	2.6	(7.6)	1.4	(11.6)	<ul style="list-style-type: none"> <li>•(2020) Loss on impairment +15.9</li> <li>•Impairment loss in Formosa 2 -33.2</li> <li>•Gain on divestiture of the overseas power generation projects +14.1</li> </ul>
Domestic Thermal Power Generation and Gas Supply	3,119.4	(113.8) 138.5*2	2,391.0	152.8 106.6*2	728.3	(266.7) 31.8*2	<ul style="list-style-type: none"> <li>•(2020) COVID-19 negative impact +16.8</li> <li>•Impact of fuel inventory unit prices +11.7</li> </ul>
Adjustments	(1,683.8)	(3.5)	(739.7)	(35.3)	(944.0)	31.8	<ul style="list-style-type: none"> <li>•Gain on valuation of contracts for coals, etc. +30.2</li> </ul>
Consolidated	4,435.2	24.6 277.0*2	2,730.1	157.8 111.6*2	1,705.1	(133.2) 165.4*2	

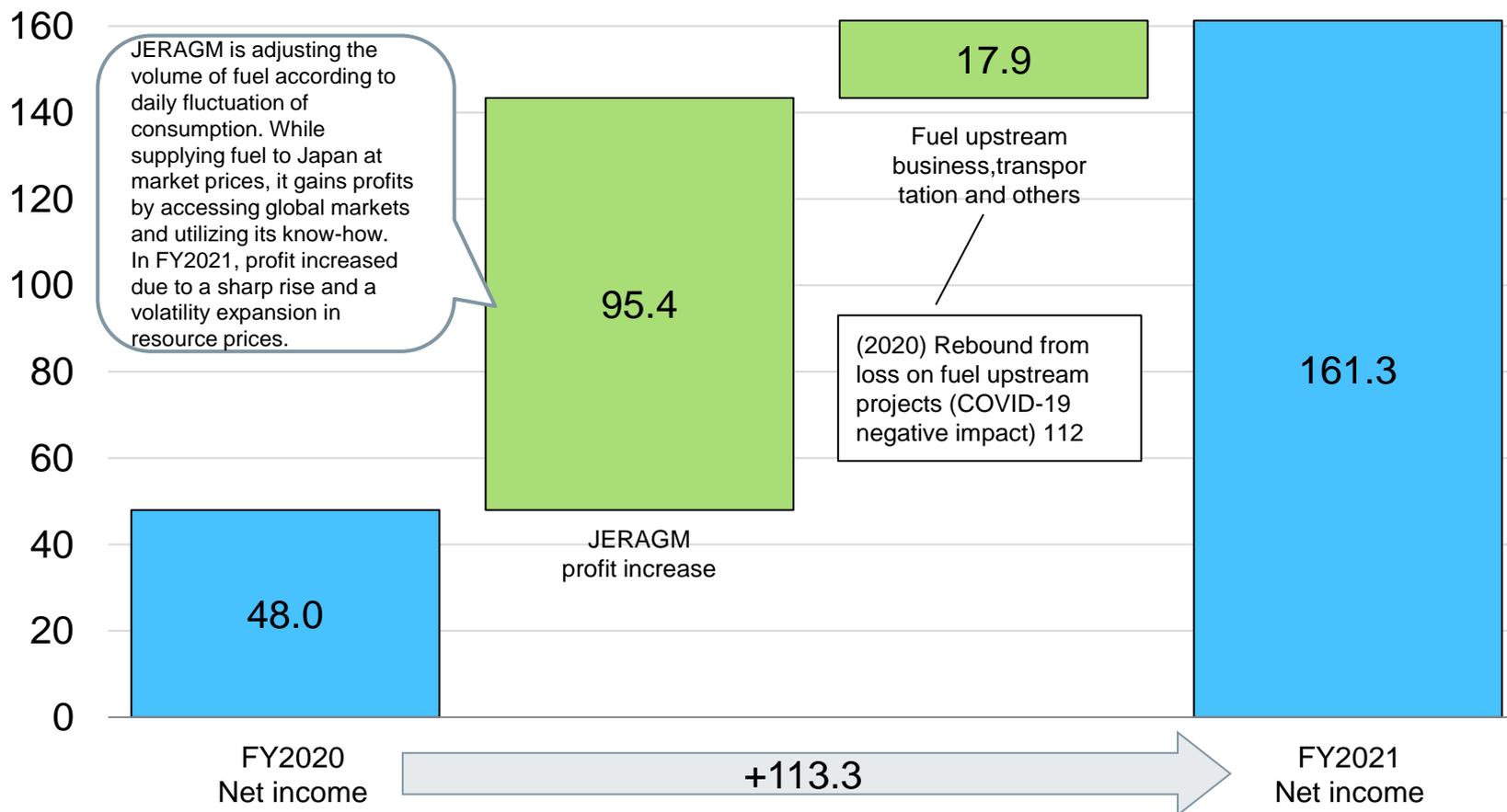
\*1 Fuel upstream, transportation and trading

\*2 Excluding the effect of time lag

# Analysis of Fuel related business

- Net income increased mainly due to JERAGM profit increase from fuel volume adjustment.

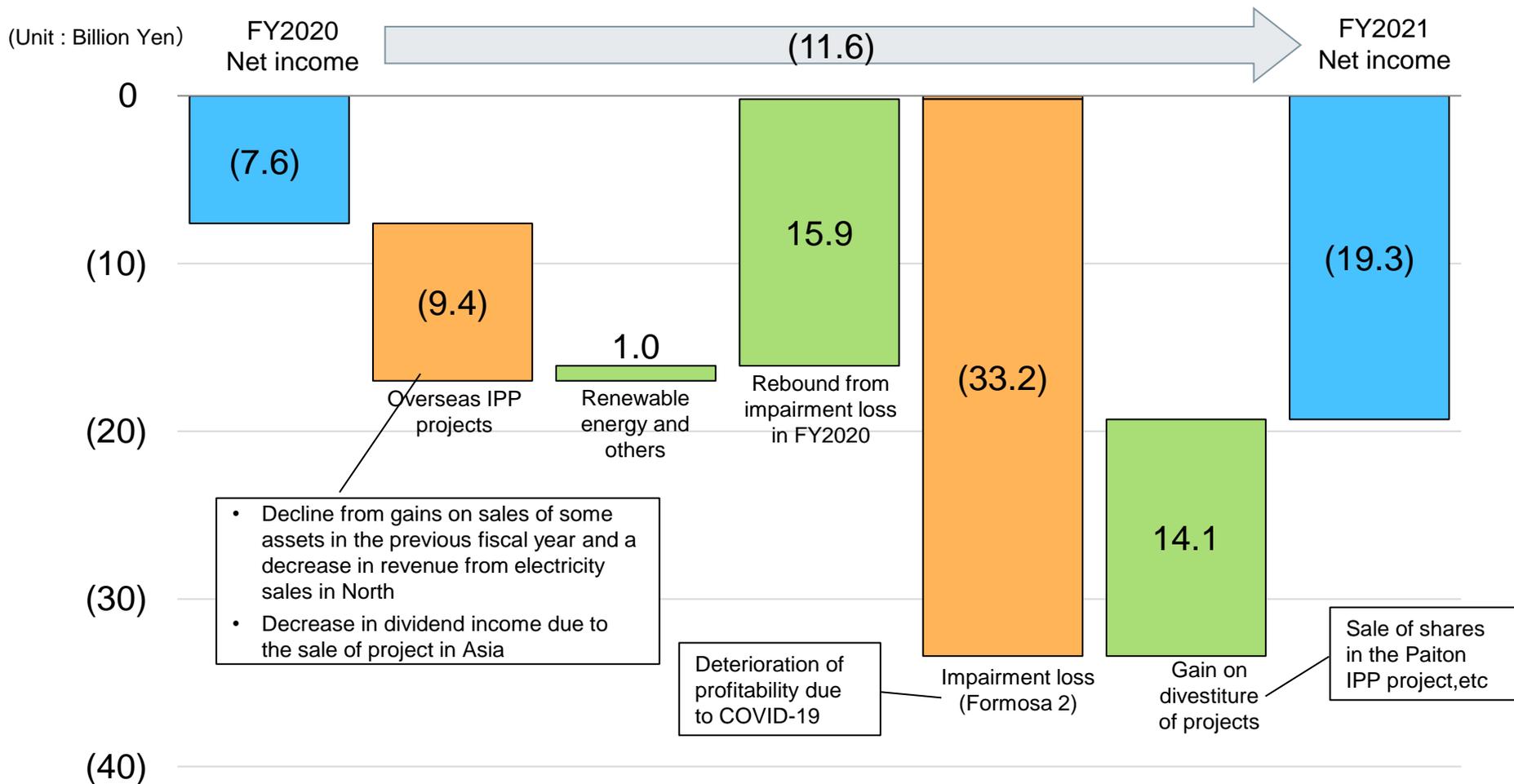
(Unit : Billion Yen)



Note: Figures are after-tax amounts.

# Analysis of Overseas power generation business

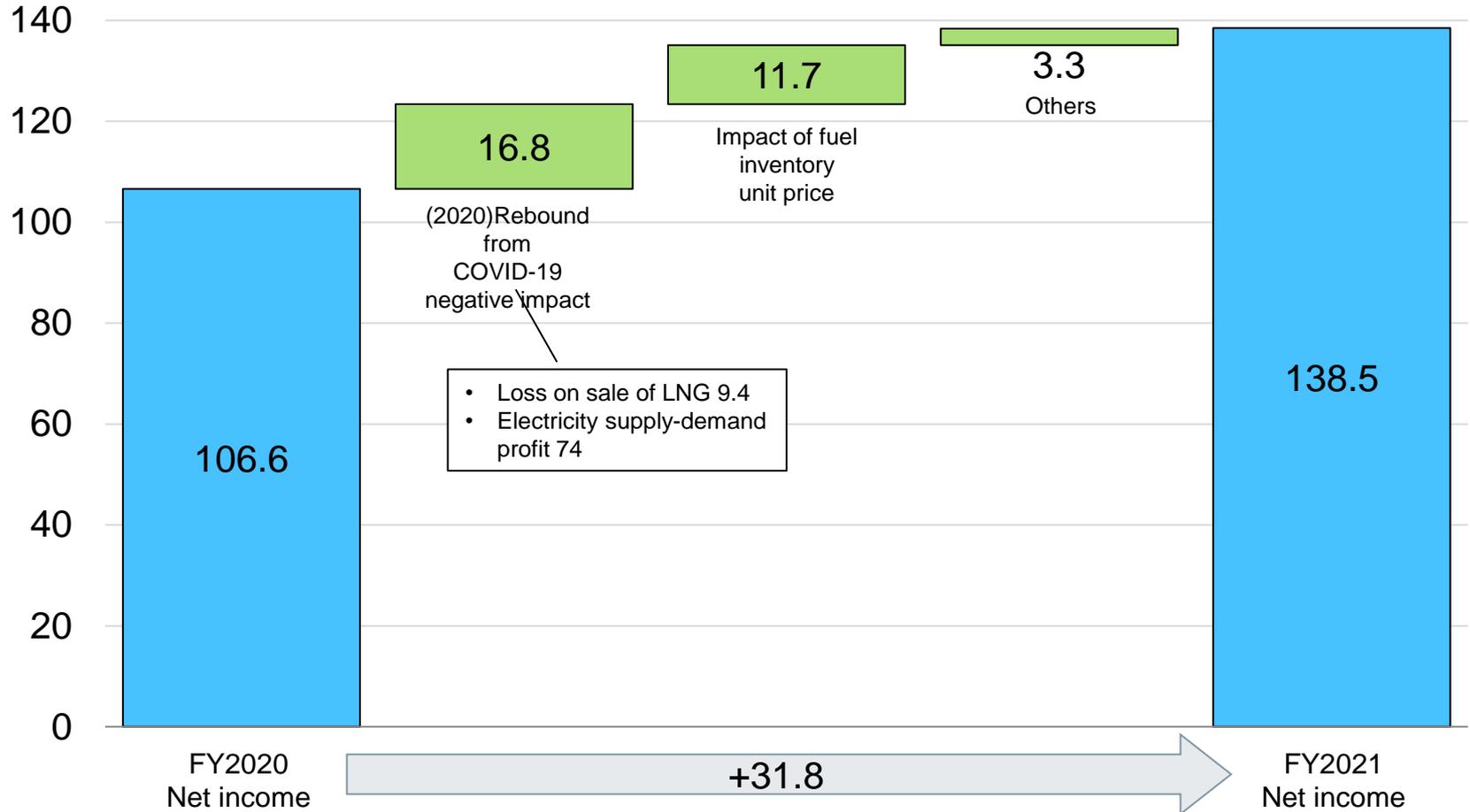
- Net income decreased due to impairment loss on Formosa 2 despite gain on divestiture of Paiton IPP project, etc.



Note: Figures are after-tax amounts.

- Net income excluding time lag increased due to the rebound from COVID-19 negative impact in the previous consolidated fiscal and effect from fuel inventory unit price.

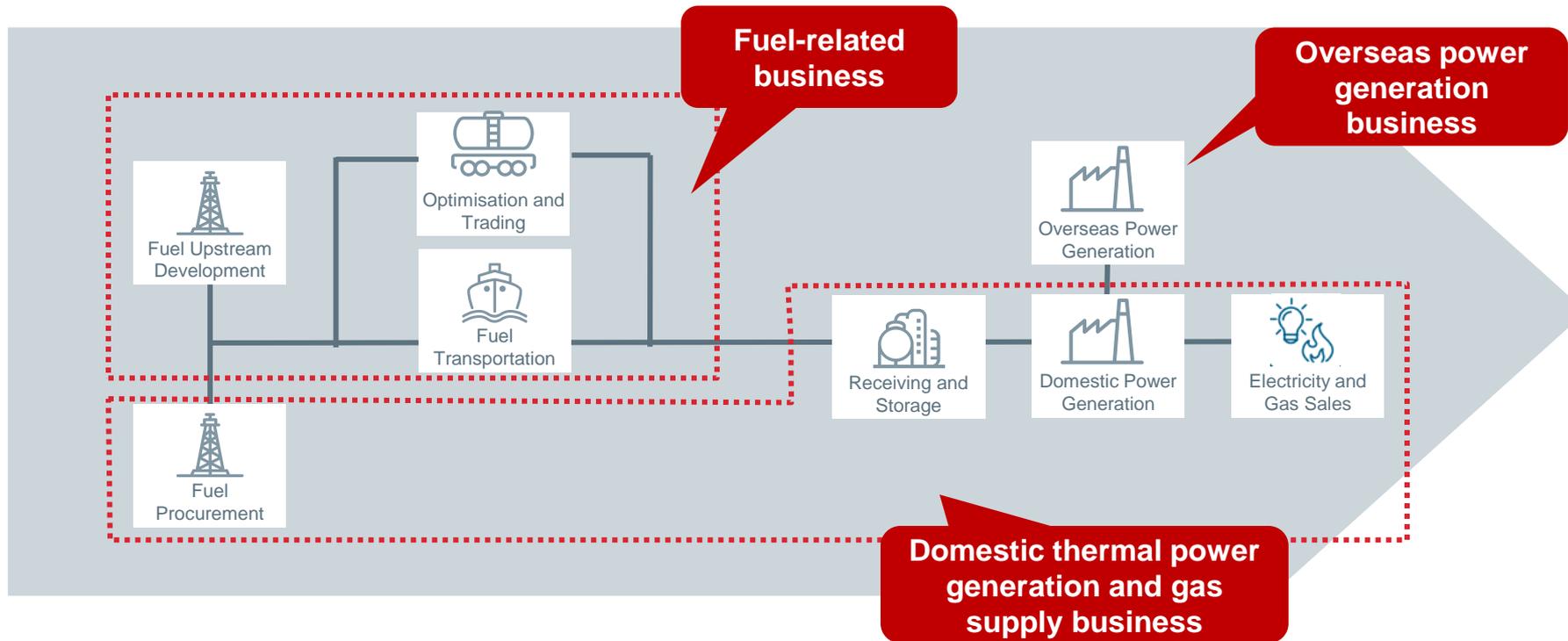
(Unit : Billion Yen)



Note: Figures are after-tax amounts excluding 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

- JERA has not yet established consolidated financial results forecasts for the FY2022 as the outlook for resource prices and electric power sales is uncertain under the influence of the situation in Ukraine, etc. and business performance cannot be reasonably calculated at present.
- We will announce our financial results forecasts promptly when we are able to provide these disclosures.

# Integration Synergy Effect

- Our target is to generate synergy effects of JPY 100 billion/year within 5 years of Step 3 integration.
- **We generated synergy effects of JPY 85 billion in FY2021** through improved cost competitiveness in domestic thermal power generation and the creation of new profit sources.

(Unit: Billion Yen)

## 【Integration Synergy Effect】

			FY2019	FY2020	FY2021
Creation of new profit sources	Profits from optimization of the entire value chain	<ul style="list-style-type: none"> <li>✓ Development of global trading business with EDFT based on CEPCO trading know-how and TEPCO business development know-how</li> <li>✓ Realization of huge asset-backed trading that leverages one of the world's largest fuel trading volumes</li> </ul>	10.0	20.0	50.0
	Profits from expanding business portfolio	<ul style="list-style-type: none"> <li>✓ Development of projects that take advantage of our increased presence due to becoming, through Step 3 integration, one of the world's leading energy companies</li> <li>✓ Development of projects that package upstream and downstream businesses</li> <li>✓ Leverage both companies' competitive domestic sites and fund-raising capabilities</li> </ul>			
Improved cost competitiveness in domestic thermal power generation	Reduction in maintenance costs	<ul style="list-style-type: none"> <li>✓ Development of best practices in periodic inspections, repairs and materials procurement</li> <li>✓ Utilization of economies of scale in material procurement and outsourcing</li> <li>✓ Development and operation of state-of-the-art methods</li> </ul>	15.0	25.0	35.0
	Reduction in operation costs	<ul style="list-style-type: none"> <li>✓ Development of best practices in fuel procurement and power plant operation</li> <li>✓ Development and operation of state-of-the-art methods</li> </ul>			
			45.0	45.0	<b>85.0</b>

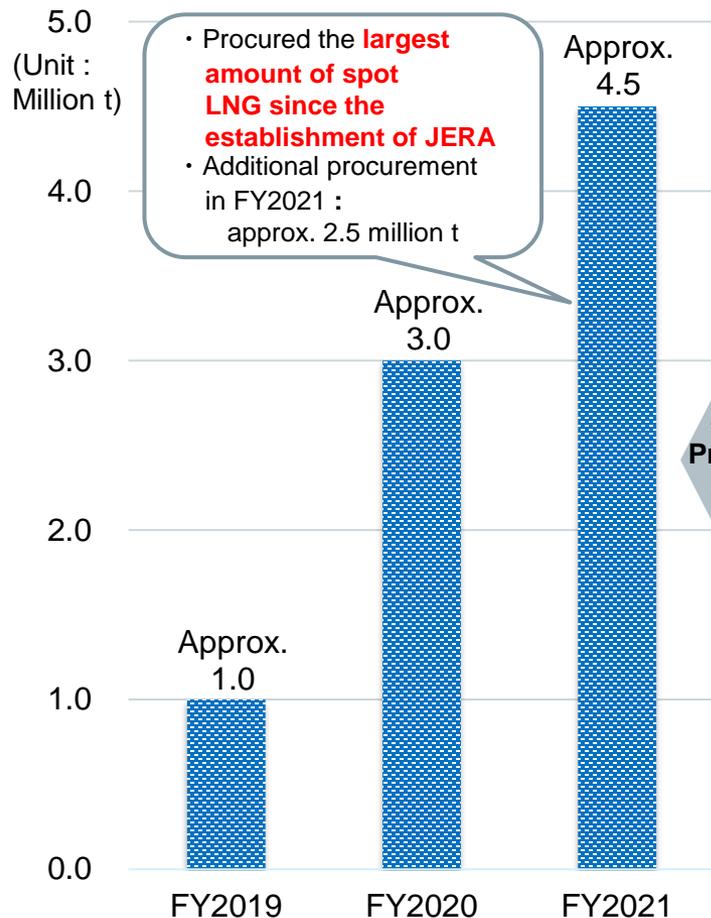
\*Figures are pre-tax amounts.

# Appendix: Financial Results

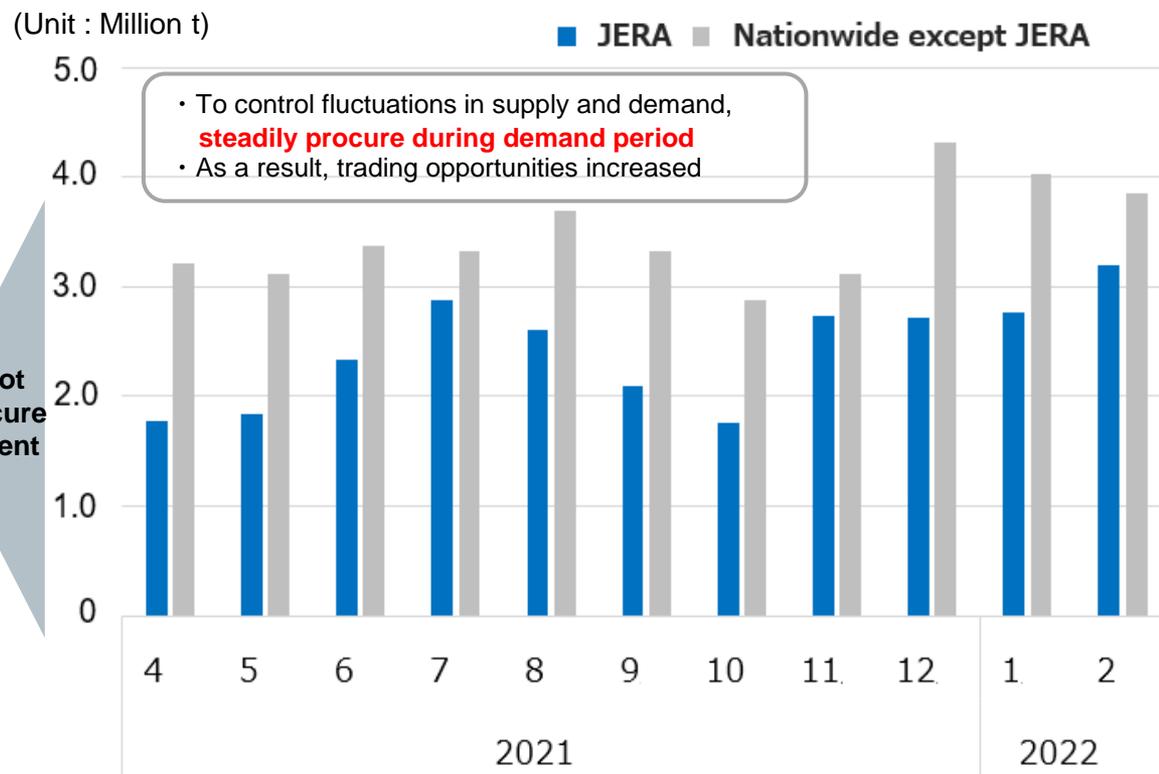
# Fuel Procurement for Stable Supply : LNG Procurement Results

➤ JERA steadily procured additional LNG in response to supply-demand fluctuations during the demand period, contributing to stable supply. We will continue to make maximum efforts to procure fuels for stable supply.

## Annual LNG Spot Procurement



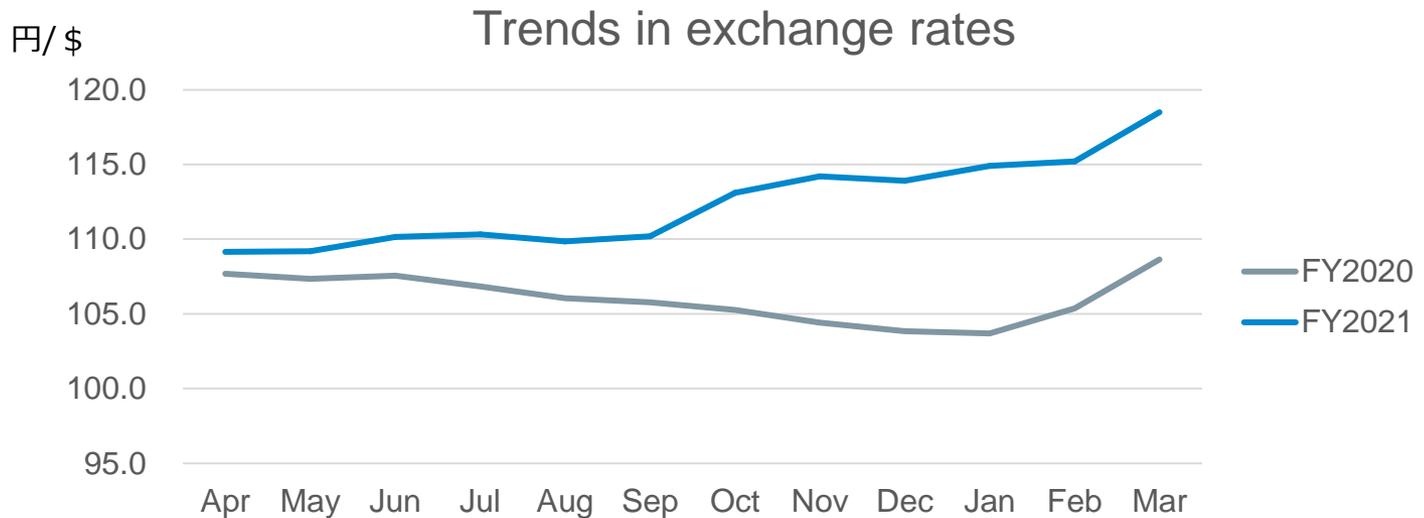
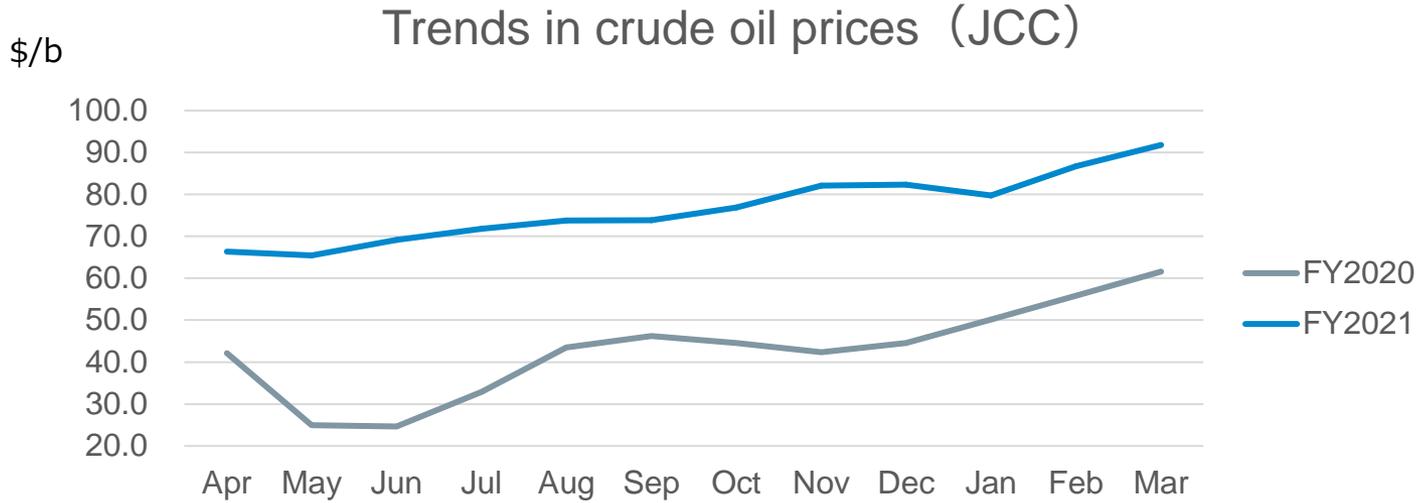
## Monthly LNG Receipts by JERA and \*Nationwide except JERA



\*Calculated by subtracting JERA's LNG received volume from the Total LNG import volume extracted from the Trade Statistics of Japan, Ministry of Finance.

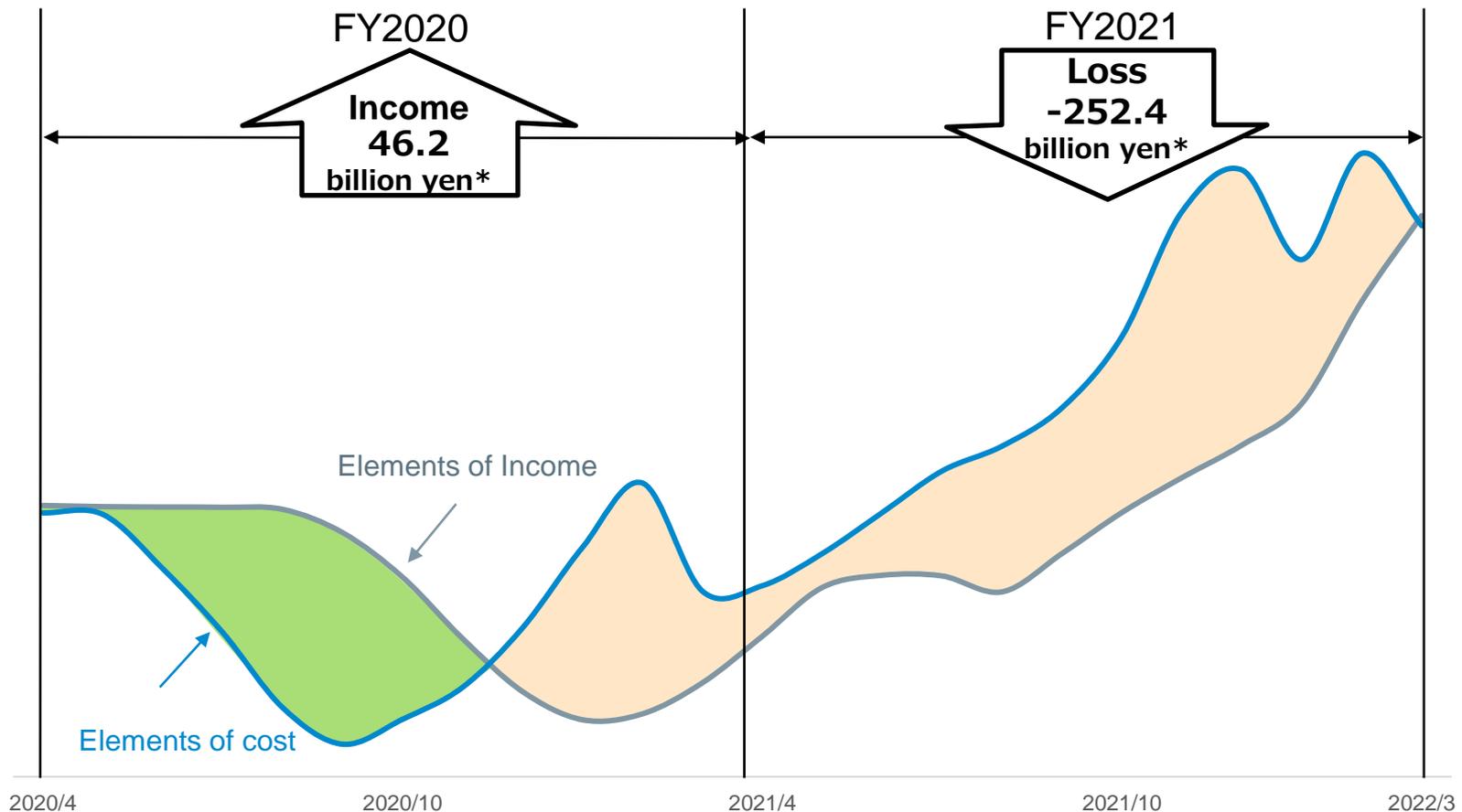
# (Reference)

## Trends in crude oil price and exchange rates



# Image of Time Lag (FY2020 - FY2021)

- 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.

# 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	Jan 1 to Mar 31	Total
<b>FY2021</b>	53.7	64.6	64.9	72.3	255.5
<b>FY2020</b>	47.5	62.4	66.5	70.2	246.6

## 【Electrical Power Generated(TWh)】

	Apr 1 to Jun 30	Jul 1 to Sep 30	Oct 1 to Dec 31	Jan 1 to Mar 31	Total
<b>FY2021</b>	53.4	61.7	62.3	69.9	247.3
<b>LNG</b>	41.2 (77%)	46.8 (76%)	48.4 (78%)	55.8 (80%)	192.3 (78%)
<b>Coal</b>	12.2 (23%)	14.9 (24%)	13.8 (22%)	14.1 (20%)	55.0 (22%)
<b>Others</b>	0 (0%)	0 (0%)	0 (0%)	0% (0%)	0 (0%)
<b>FY2020</b>	47.0	61.7	66.0	70.0	244.6
<b>LNG</b>	38.4 (82%)	52.9 (86%)	54.5 (83%)	55.7 (80%)	201.5 (82%)
<b>Coal</b>	8.7 (18%)	8.8 (14%)	11.5 (17%)	14.2 (20%)	43.2 (18%)
<b>Others</b>	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)

\*The total may not match due to rounding.

# Credit Ratings

## 【 Issuer Credit ratings history 】

