



エネルギーを新しい時代へ

# FY2019 Consolidated Financial Results

(Note 1) On April 1, 2019, JERA integrated the existing thermal power generation businesses of TEPCO Fuel & Power, Inc. and Chubu Electric Power Co., Inc. As a result of this integration, FY2019 consolidated financial results have changed significantly compared to before.

(Note 2) The company's fiscal year (FY) is from April 1 to March 31 of the following year in this material. FY2019 denotes the period from April 1, 2019 to March 31, 2020.

## **JERA Co., Inc.**

September 30, 2020

# Outline of Financial Results

## Consolidated Statement of Income

(Unit: Billion Yen)

	FY2019(A)	FY2018(B)	Change(A-B)	Rate of Change(%)
Operating revenue (Net sales)	3,280.0	2,780.7	499.2	18.0
Operating income	167.0	5.2	161.7	3,078.9
Ordinary income	174.4	34.1	140.2	410.8
Net income attributable to owners of parent	168.5	22.5	145.9	645.8

## Consolidated Balance Sheet

(Unit: Billion Yen)

	FY2019(A)	FY2018(B)	Change(A-B)	Rate of Change(%)
Assets	4,035.3	1,257.4	2,777.8	220.9
Liabilities	2,434.0	644.3	1,789.7	277.8
Net assets	1,601.2	613.1	988.0	161.1
Outstanding interest- bearing debt	1,505.9	357.8	1,148.1	320.9
Equity ratio (%)	38.2	45.0	(6.8)	

# Key Points of Financial Results

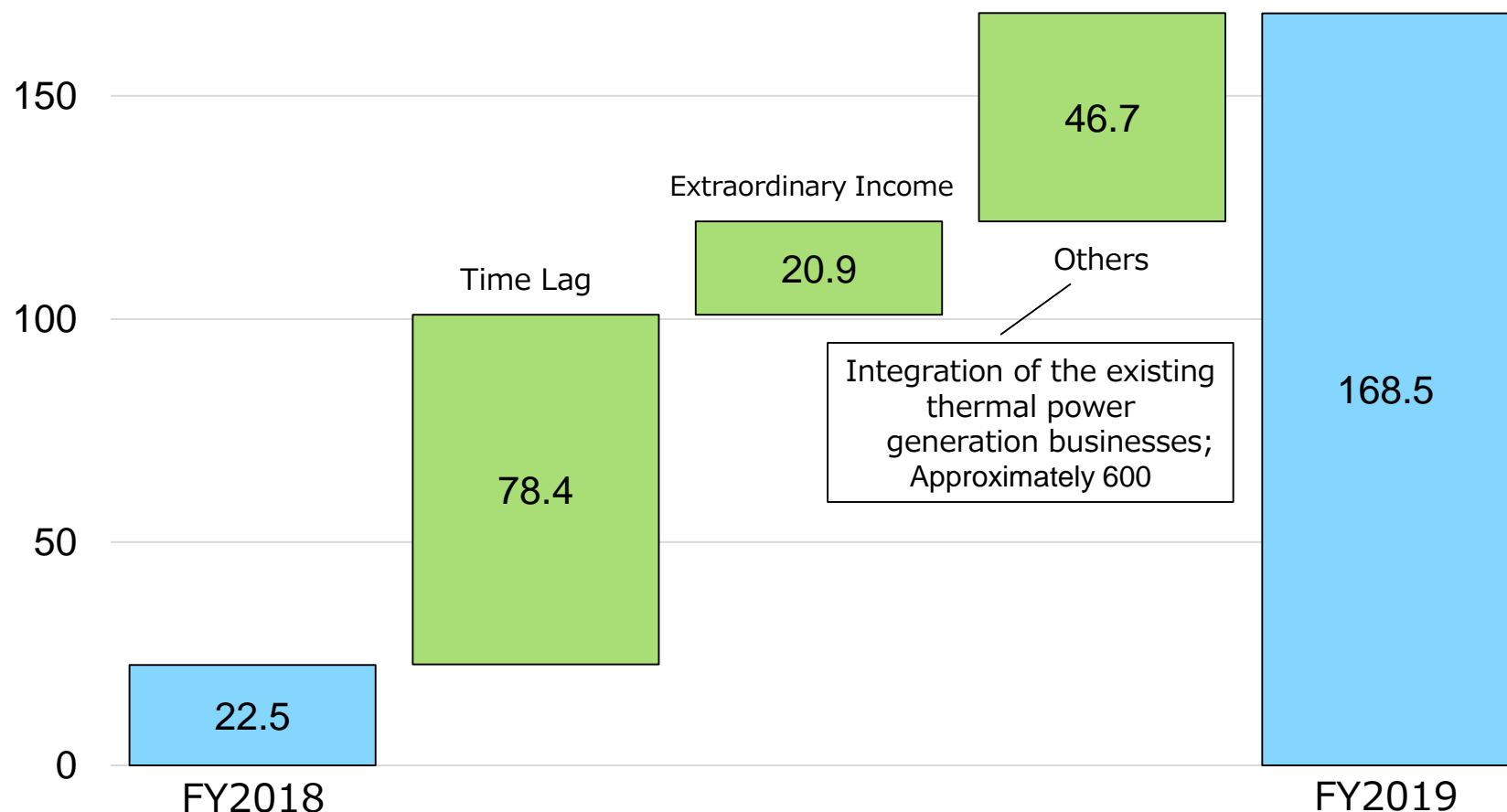
## ■ Key points of FY2019 Financial Results

- Operating revenue increased by 18.0% year-on-year to 3,280.0 billion yen primarily due to the integration of the existing thermal power generation businesses.
- Ordinary income increased by 410.8% year-on-year to 174.4 billion yen due to a gain incurred by fuel cost adjustment system time lag into income.
- Net income increased by 645.8% year-on-year to 168.5 billion yen, primarily due to the occurrence of extraordinary income associated with the gain on divestiture of the overseas power generation projects, in addition to a gain incurred by fuel cost adjustment system time lag into income.

# 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)

	FY2019(A)	FY2018(B)	Change(A-B)	Main Factors of Changes
Operating revenue (Net sales)	3,280.0	2,780.7	499.2	• Integration of the existing thermal power generation businesses
Operating expenses	3,112.9	2,775.4	337.5	• Integration of the existing thermal power generation businesses
Operating income	167.0	5.2	161.7	• Gain incurred by fuel cost adjustment system time lag into income
Non-operating income	31.1	34.8	(3.7)	
Non-operating expenses	23.7	5.9	17.7	• Increase in interest expense
Ordinary income	174.4	34.1	140.2	
Extraordinary income	20.9	-	20.9	• Gain on divestiture of the overseas power generation projects
Income taxes, etc.	14.2	6.4	7.8	
Net income attributable to non-controlling Interests	12.5	5.1	7.4	
Net income attributable to owners of parent	168.5	22.5	145.9	

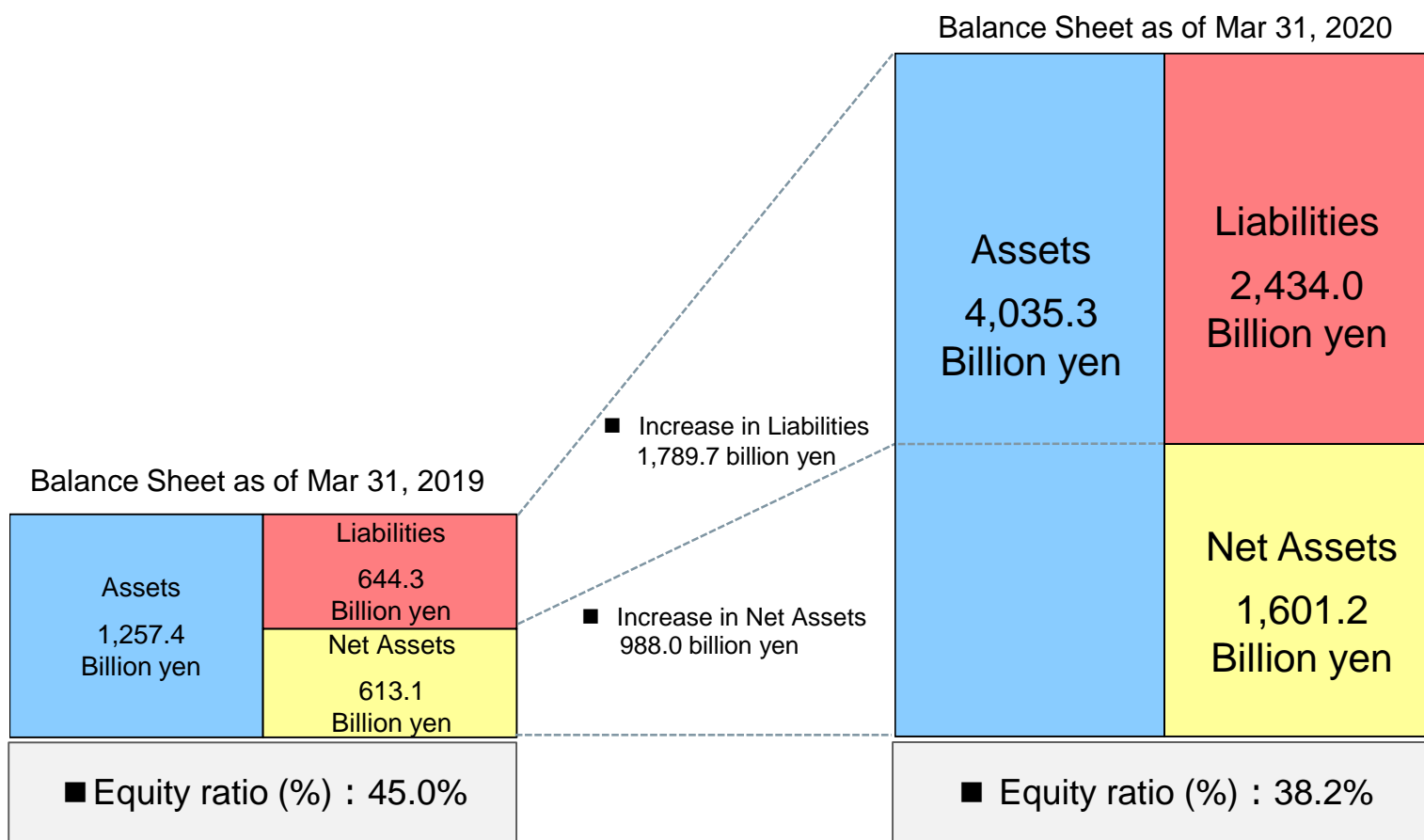
# Key Data of Income and Expenditure

	FY2019
Electrical Energy Sold (TWh)	265.7

	FY2019(A)	FY2018(B)	Change(A-B)
Crude Oil Prices(JCC) (dollar/barrel)	67.8	72.2	(4.4)
Foreign Exchange Rate (yen/dollar)	108.7	110.9	(2.2)

# Consolidated Financial Standings

- Total assets balance increased 2,777.8 billion yen, mainly due to an increase in tangible fixed assets with the integration.
- Total liabilities balance increased 1,789.7 billion yen, mainly due to an increase in interest-bearing debt with the integration.
- Total net assets balance increased 988.0 billion yen, mainly due to an increase in capital surplus and retained earnings.



# Credit Ratings

## 【Credit Ratings (long-term)】

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



# Consolidated Cash Flows

(Unit: Billion Yen)

		FY2019
<b>Cash flows from operating activities</b>		551.6
<b>Cash flows from investing activities</b>	<b>Purchase of non-current assets</b>	(211.1)
	<b>Purchase of investment securities</b>	(115.7)
	<b>Other</b>	16.1
		(310.8)
<b>Free Cash Flows</b>		240.8
<b>Cash flows from financing activities</b>	<b>Net increase/decrease in loans payable</b>	(452.2)
	<b>Other</b>	0.2
		(452.0)
<b>Net increase/decrease in cash and cash equivalents※</b>		132.8

※Including Increase in cash and cash equivalents due to absorption-type demerger(335.0 billion yen) and Increase in cash and cash equivalents due to change in scope of consolidation (11.7 billion yen).

# Segment Information

(Unit: Billion Yen)

		Fuel- related※	Overseas power generation	Domestic thermal power generation and gas supply	Adjustments	Consolidated
FY2019	Operating Revenue	864.7	2.1	2,926.7	(513.6)	3,280.0
	Net Income	25.0	36.1	135.8	(28.4)	168.5

※Fuel upstream, Transportation, Fuel trading

Time Lag 78.4

# 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 25 billion in FY2019, the first year after Step 3 integration, through improved cost competitiveness in domestic thermal power generation and the creation of new profit sources.

【Integration Synergy Effect】			FY2019
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 billion yen
	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>	
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 billion yen
	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>	
Note: Figures are pre-tax amounts.			25 billion yen