



エネルギーを新しい時代へ

FY2022 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 30, 2023

Outline of Financial Results

Consolidated Statement of Income

(Unit: Billion Yen)

	2022/3Q(A)	2021/3Q(B)	Change(A-B)	Rate of Change(%)
Operating revenue (Net sales)	6,078.9	2,853.7	3,225.1	113.0
Operating income / loss	-45.9	79.3	-125.3	—
Ordinary income / loss	-97.2	55.7	-152.9	—
Quarterly net income / loss attributable to owners of parent	-100.2	18.4	-118.7	—
<Reference>Net income excluding time lag	298.4	228.3	70.1	30.7

Consolidated Balance Sheet

(Unit: Billion Yen)

	As of Dec 31, 2022(A)	As of Mar 31, 2022(B)	Change(A-B)	Rate of Change(%)
Assets	10,218.5	8,722.1	1,496.3	17.2
Liabilities	8,109.1	6,747.8	1,361.2	20.2
Net assets	2,109.4	1,974.3	135.0	6.8
Interest-bearing debt	3,722.4	2,646.5	1,075.8	40.7
Net DER (%)	1.63	1.18	0.45	

Key Points of Financial Results

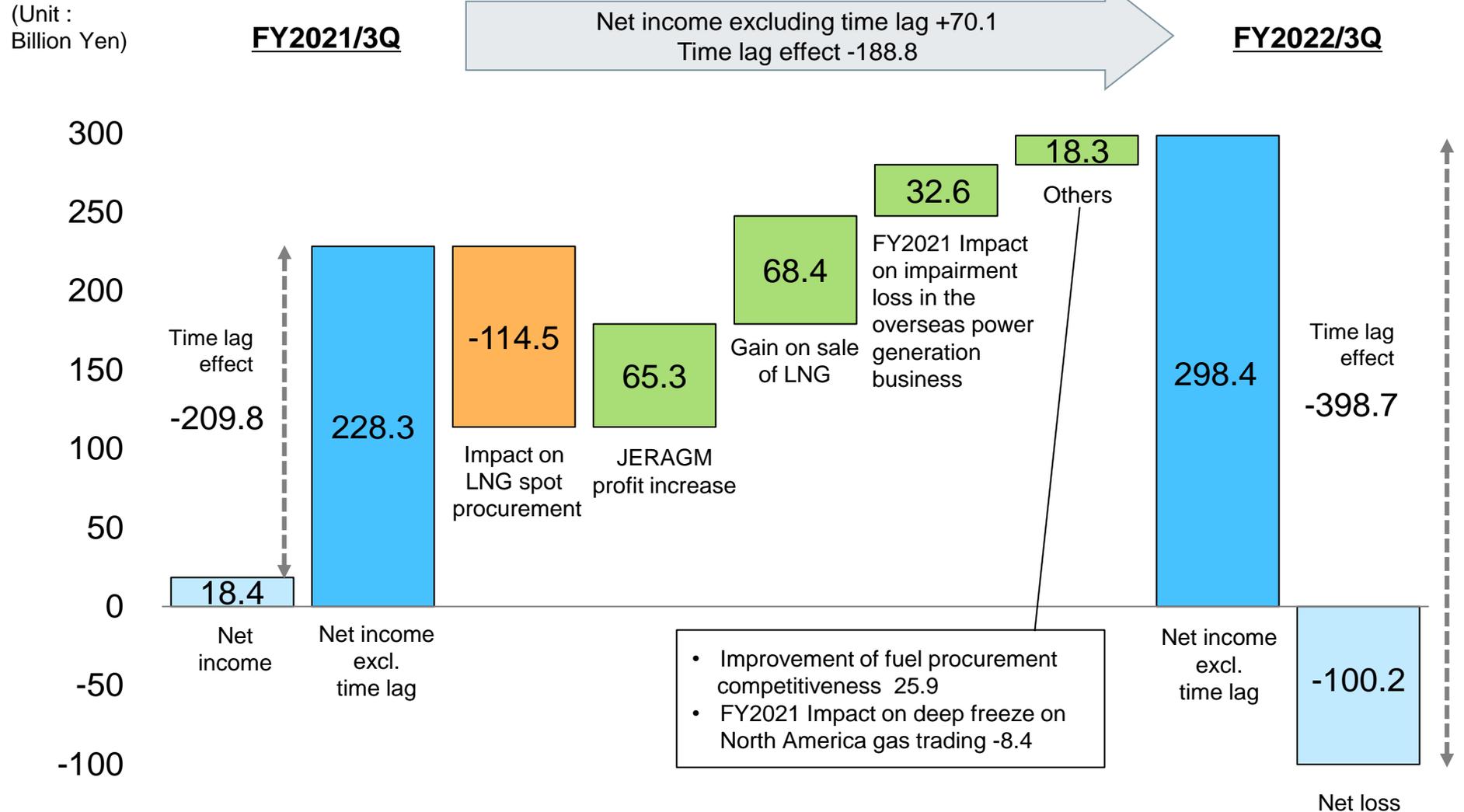
【Operating Revenue】

- Operating revenue **increased by 3,225.1 billion yen (up 113.0%) to 6,078.9 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 118.7 billion yen from the same period last year 18.4 billion yen and fell into net loss of 100.2 billion yen.**
 - The losses from time lag significantly increased.
(-188.8 billion yen [-209.8 billion yen to -398.7 billion yen])
 - Net income excluding time lag increased.
(+70.1 billion yen [228.3 billion yen to 298.4 billion yen])
- Net income excluding time lag increased mainly due to utilization of optimization function of JERAGM, etc., despite the impact of high LNG spot prices (-114.5 billion yen).

Change Factors of Consolidated Net Income / Loss



Note: Figures are after-tax amounts.

Consolidated Statement of Income

(Unit: Billion Yen)

	2022/3Q(A)	2021/3Q(B)	Change(A-B)	Main Factors of Changes
Operating revenue (Net sales)	6,078.9	2,853.7	3,225.1	<ul style="list-style-type: none"> • Increase of electrical energy sold • Increase in sales of JERAGM
Operating expenses	6,124.8	2,774.3	3,350.4	<ul style="list-style-type: none"> • Increase of fuel costs • Increase in costs of JERAGM
Operating income / loss	-45.9	79.3	-125.3	
Non-operating income	34.2	7.9	26.2	
Non-operating expenses	85.5	31.6	53.9	<ul style="list-style-type: none"> • Exchange loss +53.3 • Increase of interest paid +15.3
Ordinary income / loss	-97.2	55.7	-152.9	<ul style="list-style-type: none"> • Increase of time lag loss -262.3(-291.4 → -553.8) • Increase of income excluding time lag +109.3(347.1 → 456.5)
Extraordinary income	-	23.5	-23.5	
Extraordinary loss	-	22.8	-22.8	
Income taxes, etc.	-51.9	-8.7	-43.1	
Quarterly net income attributable to non-controlling Interests	54.9	46.7	8.2	
Quarterly net income / loss attributable to owners of parent	-100.2	18.4	-118.7	

Key Elements

	2022/3Q(A)	2021/3Q(B)	Change(A-B)
Electrical Energy Sold(TWh)	191.4	183.2	8.2
Crude Oil Prices(JCC) (dollar/barrel)	107.9	74.0	33.9
Foreign Exchange Rate (yen/dollar)	136.5	111.1	25.4

Note: Crude Oil Prices(JCC) for FY2022/3Q is tentative.

Consolidated Balance Sheet

(Unit: Billion Yen)

	As of Dec 31,2022(A)	As of Mar 31,2022(B)	Change(A-B)	Main Factors of Changes
Cash and deposits	602.8	514.3	88.5	
Property, plant and equipment	2,402.2	2,173.8	228.3	• Progress in replacing domestic thermal power plants, etc.
Investment securities	1,273.3	1,026.5	246.8	
Others	5,940.0	5,007.4	932.5	• Increase of accounts receivable-trade, etc.
Assets	10,218.5	8,722.1	1,496.3	
Interest-bearing debt	3,722.4	2,646.5	1,075.8	• Borrowings +912.5 (Subsidiaries +322.0) • Commercial Paper -126.0 • Corporate Bonds +289.4
Others	4,386.6	4,101.2	285.4	• Increase of accounts payable-trade, etc.
Liabilities	8,109.1	6,747.8	1,361.2	
Shareholders' equity	1,504.7	1,688.1	-183.3	• Dividends paid -83.1 • Quarterly net income / loss -100.2
Others	604.6	286.2	318.4	• Foreign currency translation adjustments +234.1
Net Assets	2,109.4	1,974.3	135.0	

Status of Management Targets (Financial Soundness)

- Net DER had continued to deteriorate due to rising interest-bearing debt, but has recently improved slightly
- Continue to adhere to financial discipline in order to achieve the management target of 1.0x Net DER or less in FY2025

	2021/4Q	2022/2Q	2022/3Q
Net DER	1.18 Increase in debt mainly due to the expansion of time lag losses	1.66 Decrease in net debt due to the increase of cash	1.63 1.34 Excluding temporary factor (increase in debt from time lag losses this FY)
Equity Ratio	20.7% Increase of JERAGM derivative assets due to the rising resource price	15.0% Decrease of JERAGM derivative assets	18.7% 25% Assume JERAGM derivative assets at the level before the hike of resource price (March 2021)

Segment Information

(Unit: Billion Yen)

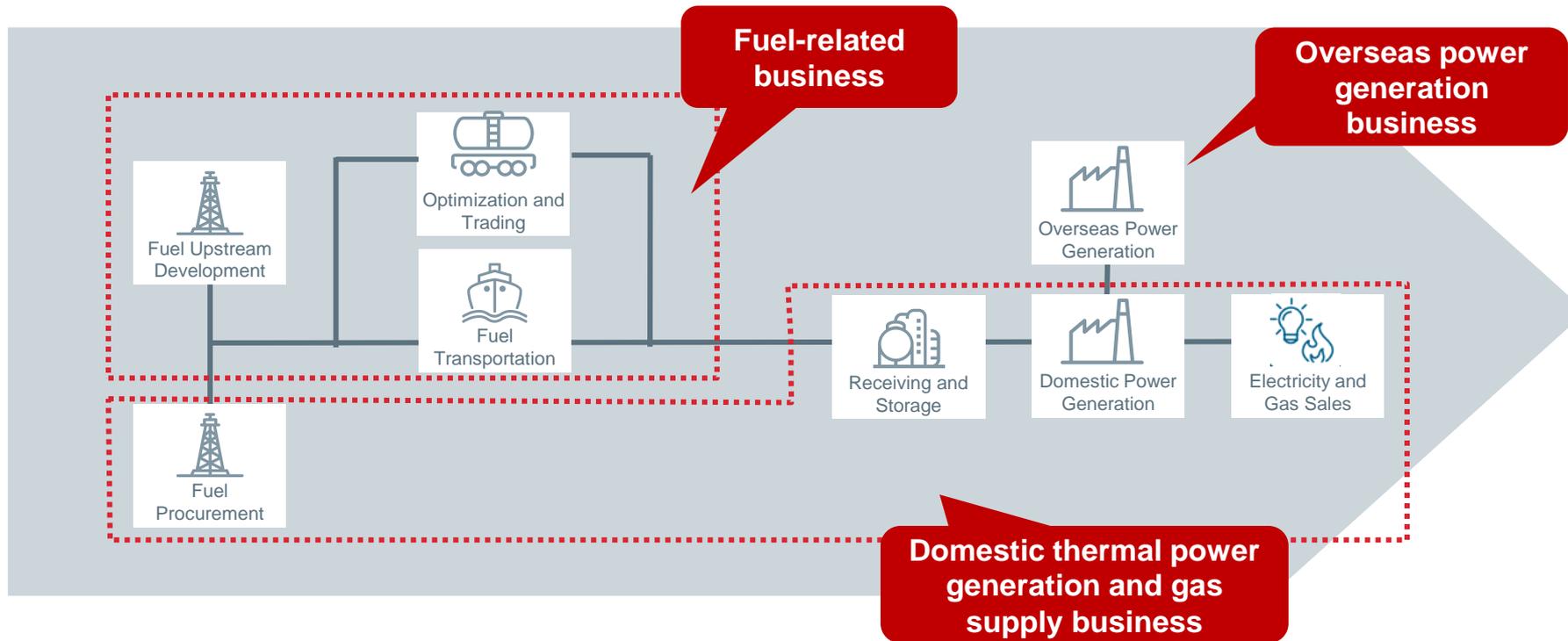
	2022/3Q (A)		2021/3Q (B)		Change (A-B)		Main Factors of Changes in Net Income
	Operating Revenue	Net Income / Loss	Operating Revenue	Net Income / Loss	Operating Revenue	Net Income / Loss	
Fuel Related *1	4,461.4	161.7	1,980.2	117.6	2,481.1	44.0	<ul style="list-style-type: none"> •JERAGM profit increase +65.3 •(2021) Deep freeze on North America gas trading -8.4
Overseas Power Generation	3.3	-5.6	2.4	-10.9	0.9	5.3	<ul style="list-style-type: none"> •(2021) Impairment loss in Formosa 2 +32.6 •Loss of gain on divestiture of the overseas projects -14.0 •Overseas IPP projects profit decrease -6.8
Domestic Thermal Power Generation and Gas Supply	4,419.3	-161.1 237.5*2	2,031.8	-59.9 149.9*2	2,387.5	-101.2 87.6*2	<ul style="list-style-type: none"> •Impact on LNG spot procurement -114.5 •Gain on sales of LNG +68.4 •Improvement of fuel procurement competitiveness +25.9 •Impact of fuel inventory unit prices +14.4 •(2021) Impairment loss +16.4
Adjustments	-2,805.1	-95.1	-1,160.7	-28.2	-1,644.4	-66.8	
Consolidated	6,078.9	-100.2 298.4*2	2,853.7	18.4 228.3*2	3,225.1	-118.7 70.1*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

- Net Income / loss is expected to be 100 billion yen, +300 billion yen and income excluding time lag to be 300 billion yen, +200 billion yen from previous announcement due to the improvement of the LNG procurement environment in terms of price and other factors compared to the previous announcement in Q2 2022, although resource prices stay at higher level than usual.

(Unit: Billion Yen)

	Current Forecast(A)	Previous Forecast(B)	Change(A-B)	Rate of Change(%)
Net Income / loss attributable to owners of parent	100.0	-200.0	Approx. 300.0	-
Time lag effect	-200.0	-300.0	Approx. 100.0	-
Income excluding time lag	300.0	100.0	Approx. 200.0	200.0

【Reference : Comparison with the previous year's result】

(Unit: Billion Yen)

	Current Forecast(A)	FY2021 Result(B)	Change(A-B)	Rate of Change(%)
Net Income / loss attributable to owners of parent	100.0	24.6	Approx. 75.4	306.5
Time lag effect	-200.0	-252.4	Approx. 52.4	-
Income excluding time lag	300.0	277.0	Approx. 23.0	8.3

*The forecast for FY2022 reflects the adoption of International Financial Reporting Standards (IFRS).

【Key data】

	Current Forecast	4th Quarter of FY2022	Previous Forecast	【Reference】 FY2021 Result
Crude Oil Prices(JCC) (dollar/barrel)	Approx. 102	Approx. 82	Approx. 101	77.1
Foreign Exchange Rate (yen/dollar)	Approx. 136	Approx. 135	Approx. 139	112.4

Voluntary Adoption of International Financial Reporting Standards (IFRS)

- JERA plans to voluntarily adopt International Financial Reporting Standards ("IFRS") in place of the existing Japan GAAP from the consolidated financial statements for the annual reporting of FY2022, for the purpose of improving the international comparability of financial information in the capital markets and enhancing communication with investors and other stakeholders.
- Disclosure under IFRS is scheduled to start from FY2022 (fiscal year ending March 31, 2023) annual closing, and the disclosure schedule for the adoption of IFRS is as follows.

Disclosure schedule for IFRS adoption (planned)

Accounting Period		Disclosed Materials	Accounting Standard
FY2022	3rd Quarter	Quarterly report, Presentation for financial results	Japan GAAP
	Annual	Annual Securities Report, Consolidated financial statements, Presentation for financial results	IFRS
FY2023	1st-3rd Quarter	Quarterly report, Presentation for financial results	IFRS
	Annual	Annual Securities Report, Consolidated financial statements, Presentation for financial results	

Appendix

Trends in crude oil price and exchange rates

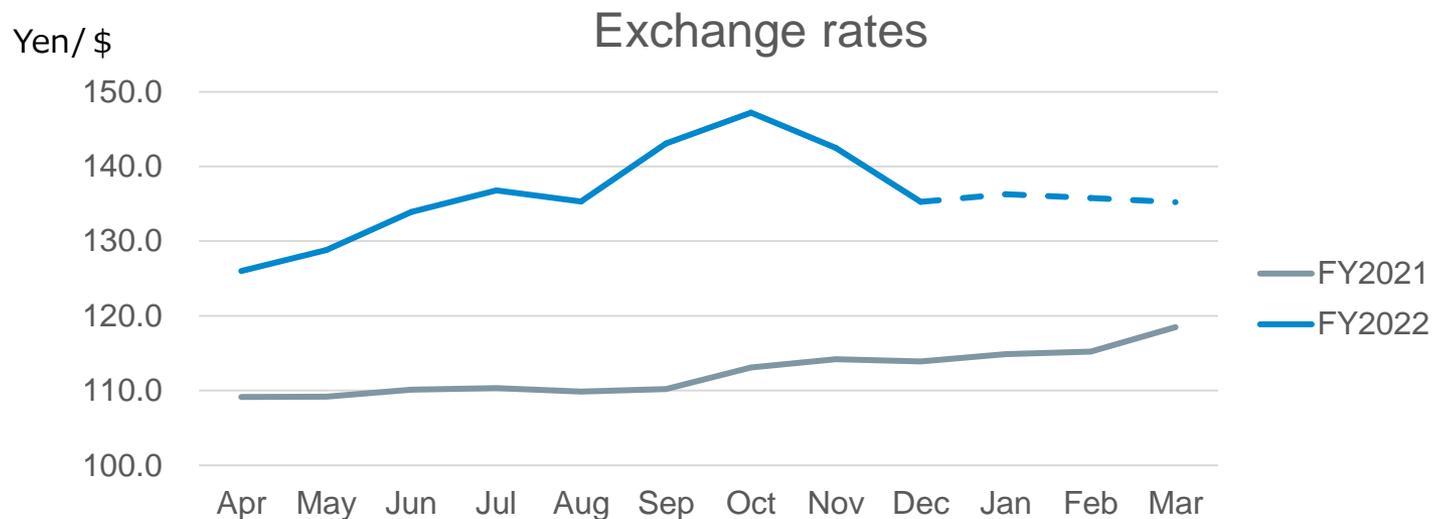
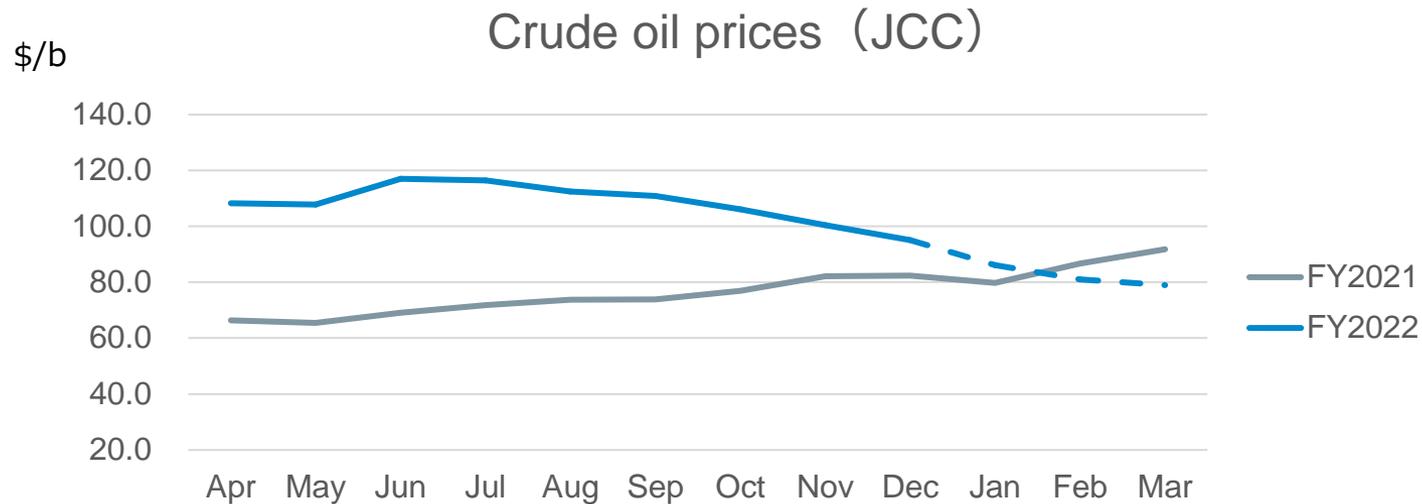
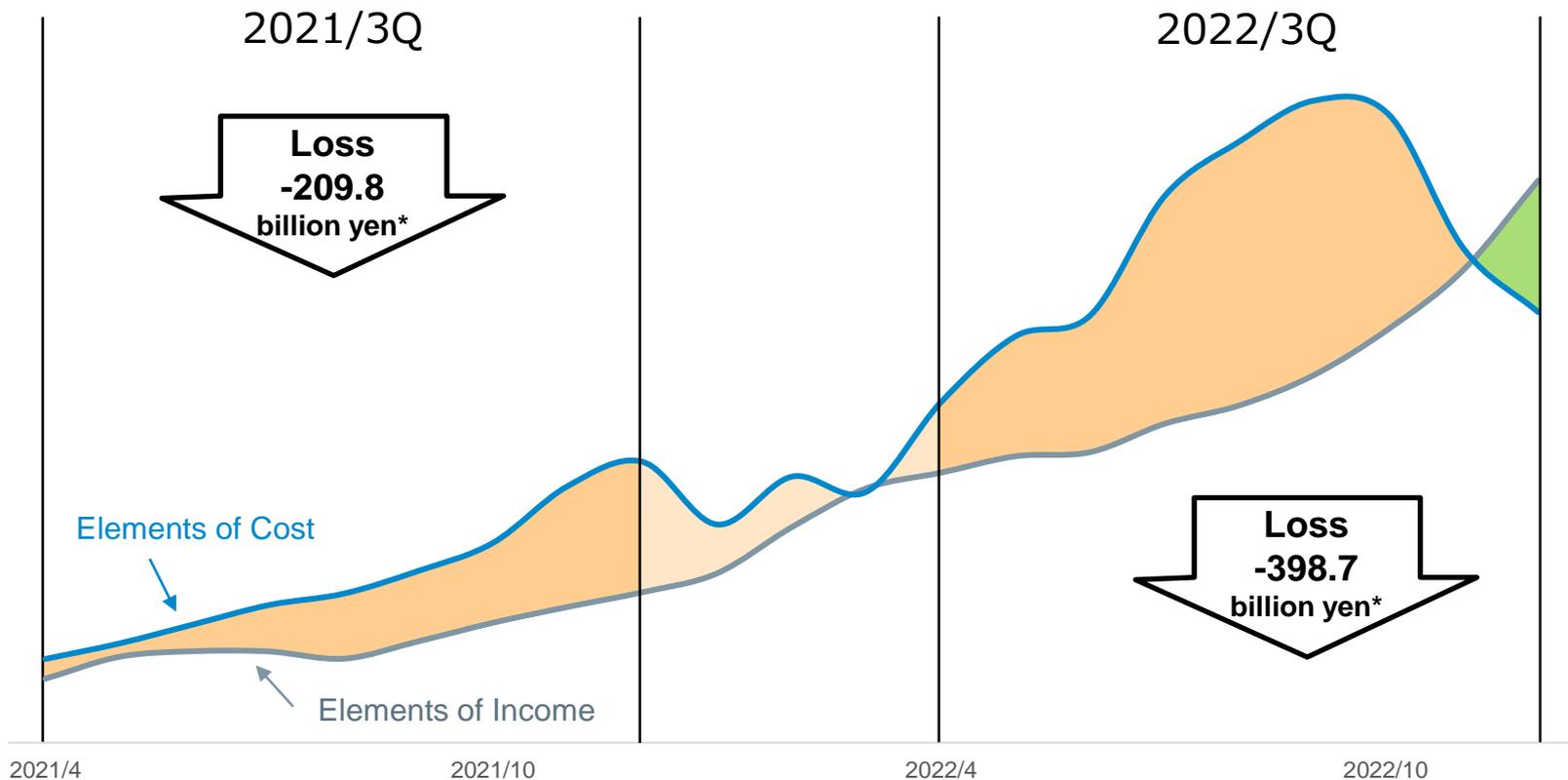


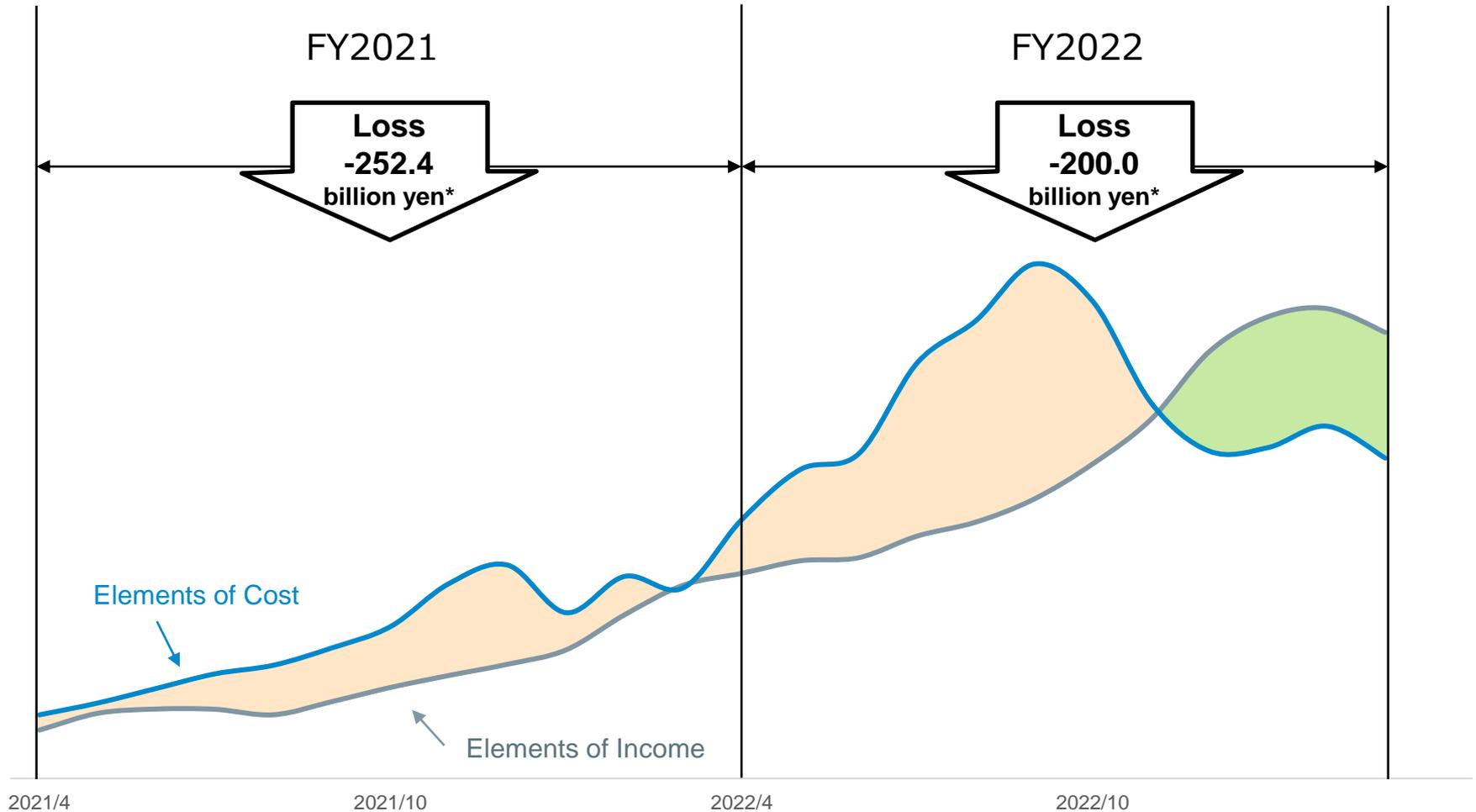
Image of Time Lag (2021/3Q – 2022/3Q)

- 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	63.6		191.4
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	58.0		174.3
LNG	41.7 (79%)	47.0 (74%)	43.9 (76%)		132.6 (76%)
Coal	11.2 (21%)	16.5 (26%)	14.0 (24%)		41.7 (24%)
Others	0 (0%)	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 】

