

FY2022 (April 1-March 31) Financial Statements

JERA Co., Inc.

- **Consolidated Statement of Profit or Loss**
- **Consolidated Statement of Financial Position**
- **Consolidated Statement of Cash Flows**

Consolidated Statement of Profit or Loss
(From April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

Item	Amount
Revenue	4,737,870
Cost of sales	(4,489,777)
Gross profit	248,092
Selling, general and administrative expenses	(111,133)
Other income	26,774
Other expenses	(33,631)
Share of profit (loss) of investments accounted for using equity method	8,199
Operating profit	138,301
Finance income	27,139
Finance costs	(63,177)
Profit before tax	102,264
Income tax expense	63,301
Profit	165,565
Profit attributable to	
Owners of parent	17,847
Non-controlling interests	147,717

Consolidated Statement of Financial Position
(As of March 31, 2023)

(Unit: Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities and equity	
Current assets		Liabilities	
Cash and cash equivalents	1,360,906	Current liabilities	
Trade and other receivables	978,023	Trade and other payables	670,069
Inventories	447,760	Bonds and borrowings	1,007,131
Derivative assets	1,566,179	Lease liabilities	55,242
Other financial assets	128,883	Derivative liabilities	1,464,274
Other current assets	78,761	Other financial liabilities	160,845
Total current assets	4,560,516	Other current liabilities	140,041
Non-current assets		Total current liabilities	3,497,604
Property, plant and equipment	2,387,868	Non-current liabilities	
Right-of-use assets	323,074	Bonds and borrowings	2,503,690
Intangible assets	59,500	Lease liabilities	286,338
Investments accounted for using equity method	1,112,770	Derivative liabilities	463,552
Derivative assets	434,487	Other financial liabilities	219,595
Other financial assets	126,657	Deferred tax liabilities	22,360
Deferred tax assets	146,811	Other non-current liabilities	139,511
Other non-current assets	20,671	Total non-current liabilities	3,635,048
Total non-current assets	4,611,841	Total liabilities	7,132,652
		Equity	
		Share capital	100,000
		Capital surplus	1,179,533
		Other equity instruments	199,392
		Retained earnings	319,777
		Other components of equity	224,170
		Total equity attributable to owners of parent	2,022,874
		Non-controlling interests	16,831
		Total equity	2,039,705
Total assets	9,172,358	Total liabilities and equity	9,172,358

Consolidated Statement of Cash Flows
(From April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

Item	Amount
Cash flows from operating activities	
Profit before tax	102,264
Depreciation and amortization	214,786
Impairment losses and reversal of impairment losses	(17,721)
Finance income and finance costs	13,272
Share of loss (profit) of investments accounted for using equity method	(8,199)
Decrease (increase) in trade and other receivables	(151,773)
Decrease (increase) in inventories	(84,285)
Increase (decrease) in trade and other payables	(124,875)
Increase (decrease) in derivative assets and derivative liabilities	46,212
Decrease (increase) in other assets	(11,137)
Increase (decrease) in other liabilities	151,901
Other	312,375
Subtotal	442,818
Interest received	14,965
Dividends received	39,172
Interest paid	(29,153)
Income taxes refund	17,827
Income taxes paid	(34,919)
Net cash provided by (used in) operating activities	450,710
Cash flows from investing activities	
Purchase of property, plant and equipment	(303,428)
Proceeds from sale of property, plant and equipment	135
Proceeds from sale of intangible assets	(32,366)
Purchase of investment securities	(27,081)
Proceeds from sale of investment securities	8,339
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(17,256)
Other	2,205
Net cash provided by (used in) investing activities	(369,452)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	102,097
Net increase (decrease) in commercial paper	(198,000)
Proceeds from long-term borrowings	1,025,776
Repayments of long-term borrowings	(434,602)
Proceeds from issuance of bonds	285,469
Repayments of lease liabilities	(60,226)
Dividends paid	(84,246)
Dividends paid to non-controlling interests	(40,042)
Proceeds from issuance of other equity instruments	199,157
Other	853
Net cash provided by (used in) financing activities	796,236
Effect of exchange rate changes on cash and cash equivalents	26,981
Net increase (decrease) in cash and cash equivalents	904,475
Cash and cash equivalents at beginning of period	456,430
Cash and cash equivalents at end of period	1,360,906



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FY2022 Consolidated Financial Results

(Note1) The company's fiscal year (FY) is from April 1 to March 31 of the following year in this material.
FY2022 denotes the period from April 1, 2022 to March 31, 2023.

(Note2) The Company has voluntarily adopted International Financial Reporting Standards (IFRS) from the consolidated financial statements for the fiscal year ended March 31, 2023 (FY2022).
Therefore, the following pages and thereafter have been prepared in accordance with IFRS.

JERA Co., Inc.

April 28, 2023

Outline of Financial Results

Consolidated Statement of Profit or Loss

(Unit: Billion Yen)

	FY2022(A)	FY2021(B)	Change(A-B)	Rate of Change(%)
Revenue (Net sales)	4,737.8	2,769.1	1,968.7	71.1
Operating profit	138.3	39.7	98.5	248.2
Profit	17.8	5.6	12.1	214.4
<Reference> Profit excluding time lag	200.3	248.5	-48.2	-19.4

Consolidated Statement of Financial Position

(Unit: Billion Yen)

	As of Mar 31,2023(A)	As of Mar 31,2022(B)	Change(A-B)	Rate of Change(%)
Assets	9,172.3	8,495.1	677.2	8.0
Liabilities	7,132.6	6,763.4	369.2	5.5
Equity	2,039.7	1,731.6	308.0	17.8
Interest-bearing liabilities	3,510.8	2,639.1	871.6	33.0

Key Points of Financial Results

【Revenue】

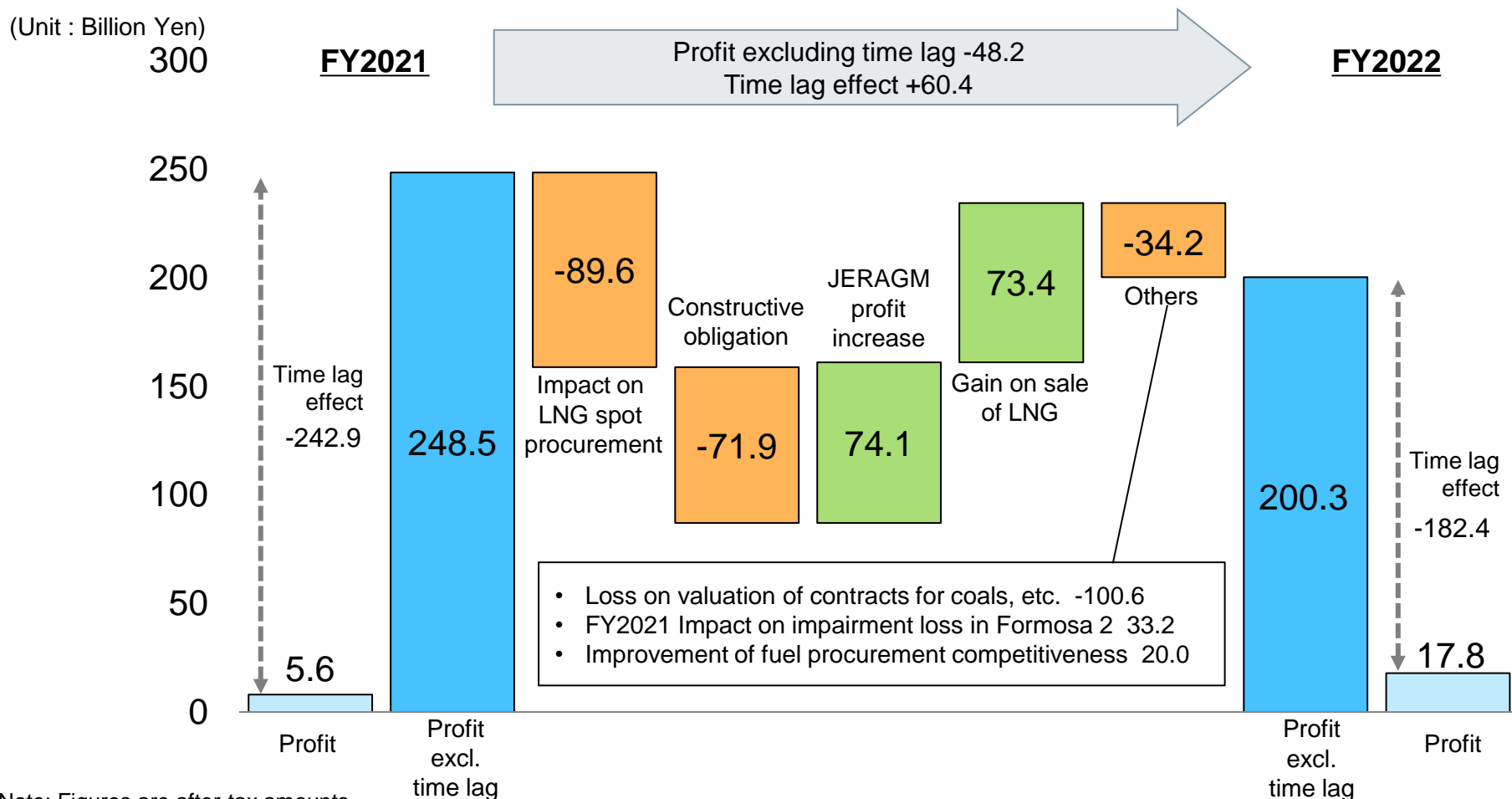
- Revenue **increased by 1,968.7 billion yen (up 71.1%) to 4,737.8 billion yen** mainly due to an increase of income unit price in electrical energy sales.

【Profit】

- Profit **increased by 12.1 billion yen from the same period last year 5.6 billion yen and rose to profit of 17.8 billion yen.**
 - The losses from time lag decreased.
(+60.4 billion yen [-242.9 billion yen to -182.4 billion yen])
 - Profit excluding time lag decreased.
(-48.2 billion yen [248.5 billion yen to 200.3 billion yen])
- Profit excluding time lag decreased mainly due to the impact on LNG spot procurement and the constructive obligation booking, etc., despite JERA Global Markets Pte. Ltd. (JERAGM) profit increase and gain on sale of LNG.

Change Factors of Consolidated Profit / Loss

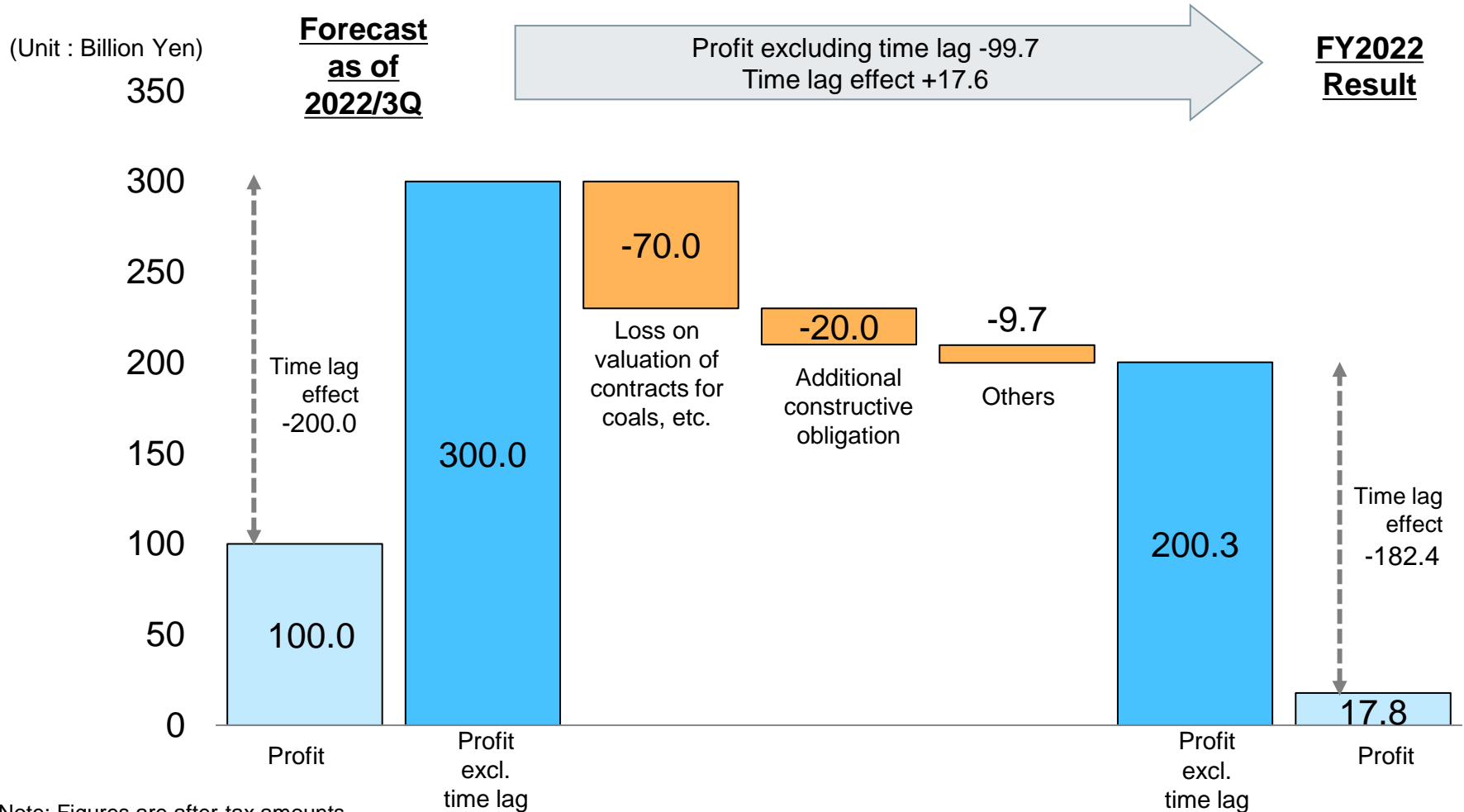
- Profit excl. time lag decreased by 48.2 billion yen from the previous year due to the impact on LNG spot procurement and the constructive obligation booking, despite JERAGM profit increase and gain on sale of LNG.



Note: Figures are after-tax amounts.

Comparison with the Forecast as of FY2022/Q3

- Compared to the forecast as of 2022/Q3, profit excluding time lag decreased by 99.7 billion yen, due to the loss on valuation of contracts for coals, etc. and additional constructive obligation, etc.



Consolidated Statement of profit or loss

(Unit: Billion Yen)

	FY2022(A)	FY2021(B)	Change(A-B)	Main Factors of Changes
Revenue (Net sales)	4,737.8	2,769.1	1,968.7	• Increase of income unit price
Operating expenses	4,600.9	2,686.2	1,914.6	• Increase of fuel costs
Other operating income/ loss	1.3	-43.1	44.4	• Share of profit / loss of investments accounted for using equity method, etc.
Operating profit	138.3	39.7	98.5	
Financial income	27.1	18.3	8.7	
Financial costs	63.1	19.4	43.7	• Increase of interest paid +19.9 • Exchange loss +18.2
Profit before tax	102.2	38.6	63.6	• Decrease of time lag loss +83.9(-337.3 → -253.4) • Decrease of profit excluding time lag -20.2(375.9 → 355.7)
Income tax expense	-63.3	28.2	-91.5	
Profit attributable to non-controlling Interests	147.7	4.7	142.9	
Profit	17.8	5.6	12.1	

Key Elements

	FY2022(A)	FY2021(B)	Change(A-B)
Electrical Energy Sold (TWh)	255.1	255.5	-0.4
Crude Oil Prices(JCC) (dollar/barrel)	102.7	77.2	25.5
Foreign Exchange Rate (yen/dollar)	135.5	112.4	23.1

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

Consolidated Statement of Financial Position

(Unit: Billion Yen)

	As of Mar 31,2023(A)	As of Mar 31,2022(B)	Change(A-B)	Main Factors of Changes
Cash and cash equivalents	1,360.9	456.4	904.4	• Increase in JERAGM, JERA, etc.
Property, plant and equipment	2,387.8	2,192.4	195.4	• Progress in replacing domestic thermal power plants, etc.
Investments accounted for using equity method	1,112.7	965.5	147.2	
Others	4,310.8	4,880.7	-569.8	• Decrease of derivative assets (JERAGM, etc.) -696.9
Assets	9,172.3	8,495.1	677.2	
Interest-bearing liabilities	3,510.8	2,639.1	871.6	• Borrowings +780.9 (Subsidiaries +314.9) • Commercial Paper -198.0 • Corporate Bonds +288.6
Others	3,621.8	4,124.3	-502.4	• Decrease of derivative liabilities (JERAGM, etc.) -603.5
Liabilities	7,132.6	6,763.4	369.2	
Equity attributable to owners of parent	2,022.8	1,724.8	298.0	• Perpetual subordinated loan +199.3 • Foreign currency translation adjustments +122.3 • Profit +17.8 • Dividends paid -83.1
Non-controlling interests	16.8	6.8	10.0	
Equity	2,039.7	1,731.6	308.0	

Status of Management Targets (Financial Soundness)

- Net DER had continued to deteriorate until 2022/2Q due to rising interest-bearing debt, but has improved after 3Q due to calming resource prices and capital-based financing
- 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	2022/4Q
Net DER	1.27 <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;"> 【Deteriorate】 Increase in debt mainly due to the expansion of time lag losses </div>	1.66 <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;"> 【Improve】 Enhancement of owned capital by capital-based financing, and increase of cash </div>	1.01
Equity Ratio	20.3% <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;"> 【Deteriorate】 Increase of JERAGM derivative assets due to the rising resource price </div>	15.0% <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;"> 【Improve】 Decrease of JERAGM derivative assets and capital-based financing </div>	22.1%

※2022/2Q numbers are Japanese GAAP based

Consolidated Statement of Cash Flows

- Cash flows from operating activities improved sharply due to a decrease of JERAGM margins, etc.

(Unit: Billion Yen)

		FY2022(A)	FY2021(B)	Change(A-B)
Operating cash flow		450.7	-318.2	768.9
Investment cash flow	Purchase of property, plant, and equipment	-303.4	-288.5	-14.8
	Purchase of investment securities	-27.0	-382.8	355.7
	Others	-38.9	22.0	-61.0
		-369.4	-649.3	279.8
Free cash flows		81.2	-967.5	1,048.7
Financial cash flow	Increase (decrease) in interest-bearing debt	780.7	889.9	-109.2
	Dividends paid *1	-84.2	-33.4	-50.8
	Others	99.7	-57.8	157.5
		796.2	798.7	-2.4
Increase (decrease) in cash and cash equivalents (minus indicates decrease)		904.4	-144.6	1,049.0

*1 Excluding Dividends paid to non-controlling interests

Segment Information

(Unit: Billion Yen)

	FY2022(A)		FY2021(B)		Change(A-B)		Main Factors of Changes in Profit / Loss
	Revenue	Profit / Loss	Revenue	Profit / Loss	Revenue	Profit / Loss	
Fuel Related	585.7	201.3	454.7	146.1	131.0	55.1	•JERAGM profit increase +74.1
Overseas Power Generation	8.6	-6.5	4.1	-34.7	4.5	28.2	•(2021) Impairment loss in Formosa 2 +33.2 •Profit decrease in overseas IPPs -21.1
Domestic Thermal Power Generation and Gas Supply	6,153.4	-11.0 154.8※2	3,118.3	-121.4 131.0※2	3,035.1	110.4 23.7※2	•Gain on sale of LNG +73.4 •Improvement of fuel procurement competitiveness +20.0 •Impact of fuel inventory unit prices +14.7 •Impairment loss, etc. +29.4 •Impact on LNG spot procurement -89.6 •Constructive obligation -71.9
Adjustments ※1	-2,010.0	-165.8 -149.2※2	-808.1	15.7 6.2※2	-1,201.8	-181.6 -155.4※2	•Loss on valuation of contracts for coals, etc. -100.6
Consolidated	4,737.8	17.8 200.3※2	2,769.1	5.6 248.5※2	1,968.7	12.1 48.2※2	

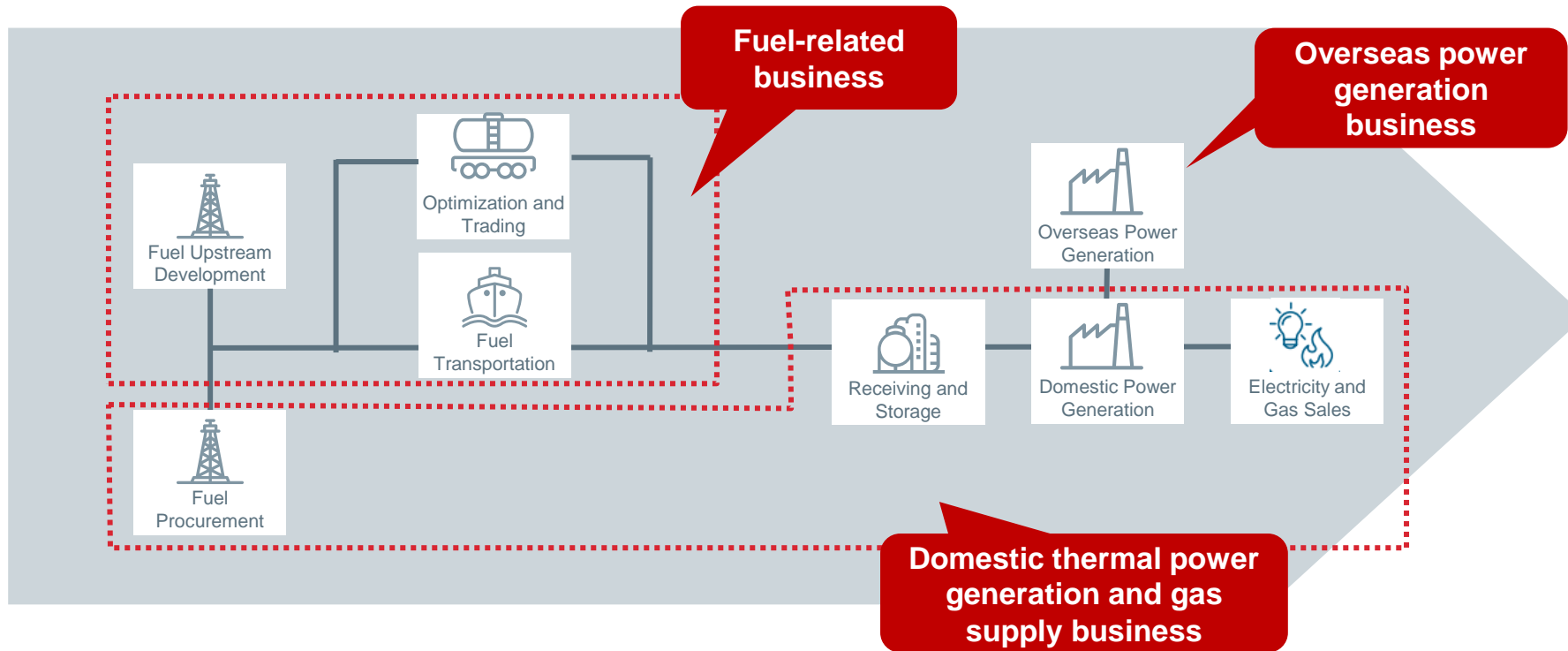
※1 : "Adjustments" includes headquarter expenses and consolidation adjustments such as intersegment eliminations

※2 : Excluding the effect of time lag

We will review how segment disclosures should be, for the next fiscal year.

(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.



FY2023 Forecast

- Profit excl. time lag is expected to be 150 billion yen, -50 billion yen from FY2022 due to decreased gain on sale of LNG and JERAGM profit decrease, despite the impact of the fire incident at the Freeport LNG terminal and constructive obligation booking in FY2022.
- Profit is expected to be around 300 billion yen due to the time lag turns into gain.
- Results may fluctuate based on changing fuel markets and other factors.

(Unit: Billion Yen)

	FY2023 Forecast (A)	FY2022 Result (B)	Change (A-B)	Rate of Change (%)
Profit	300.0	17.8	Approx. 280.0	1,585.4
Time lag effect	150.0	-182.4	Approx. 330.0	-
Profit excl. time lag	150.0	200.3	Approx. -50.0	-25.1

【Key Data】

	FY2023 Forecast	FY2022 Result
Crude oil prices(JCC) (dollar/barrel)	Approx. 77	Approx. 103
Foreign exchange rate (yen/dollar)	Approx. 127	Approx. 135

Appendix

Trends in crude oil price and exchange rates

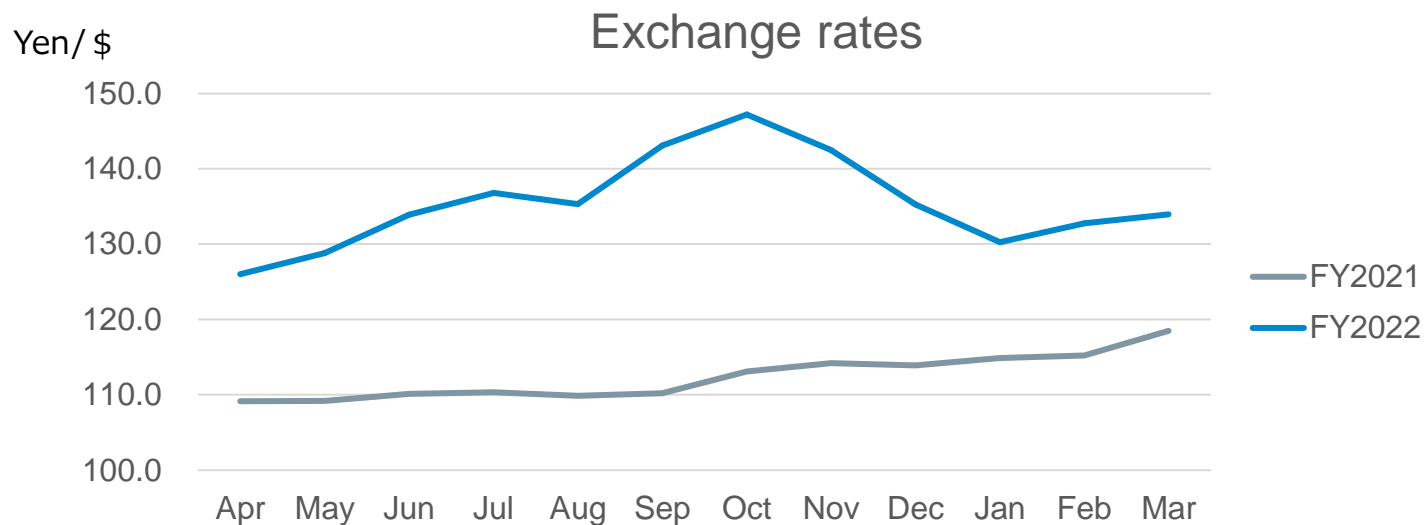
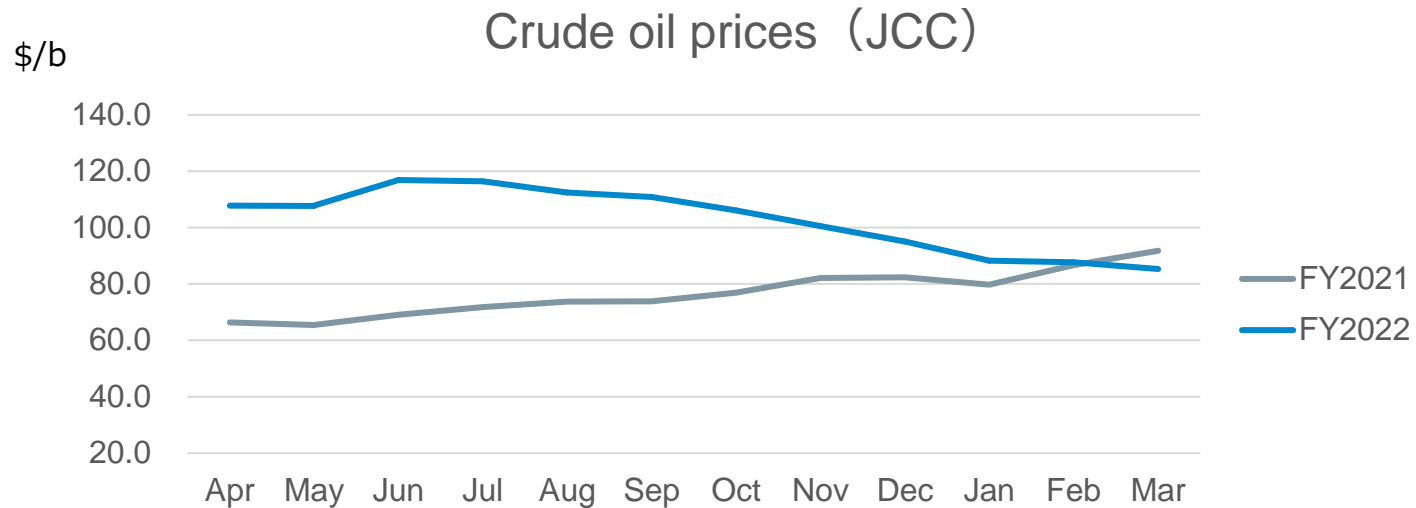
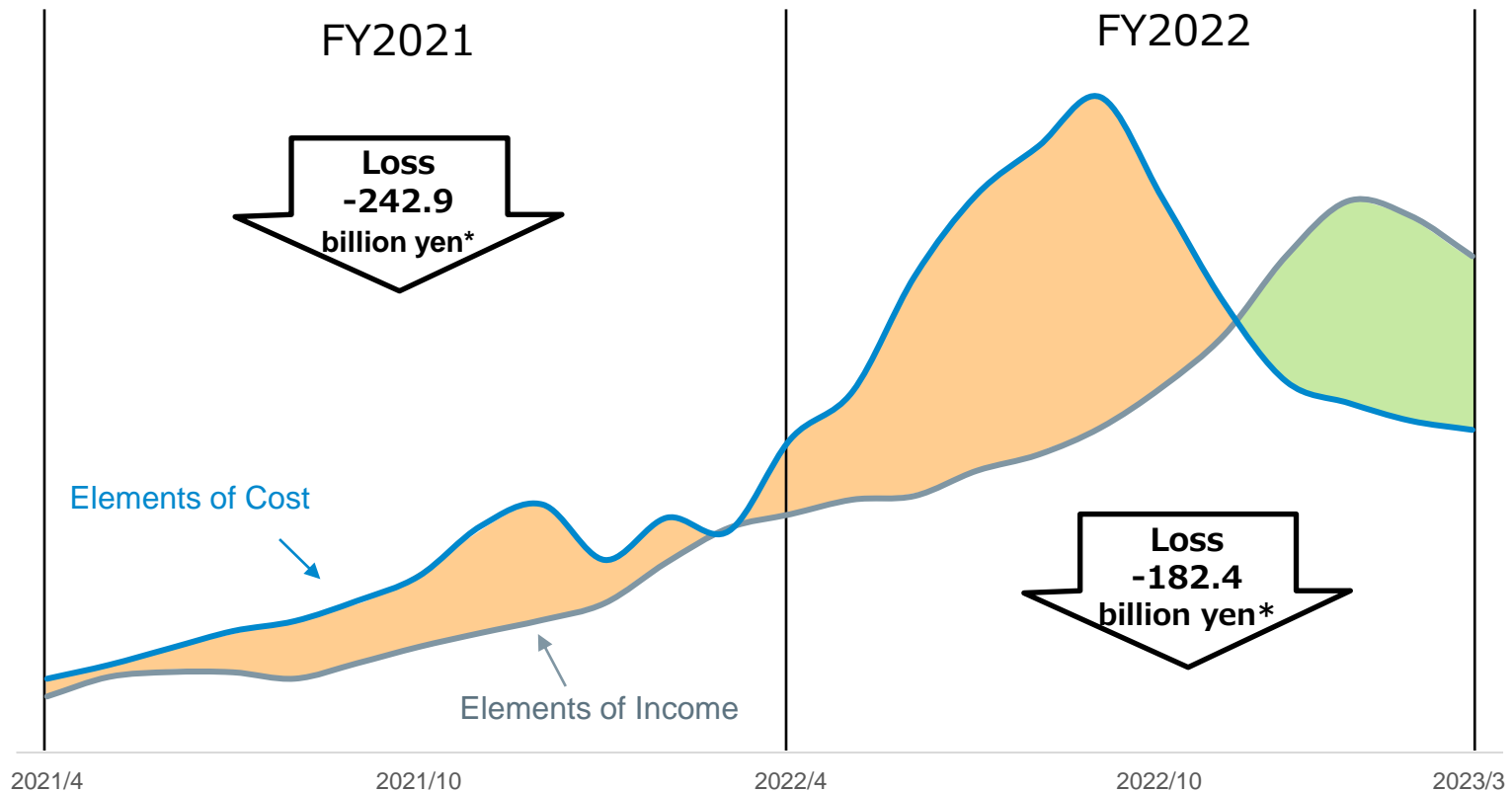


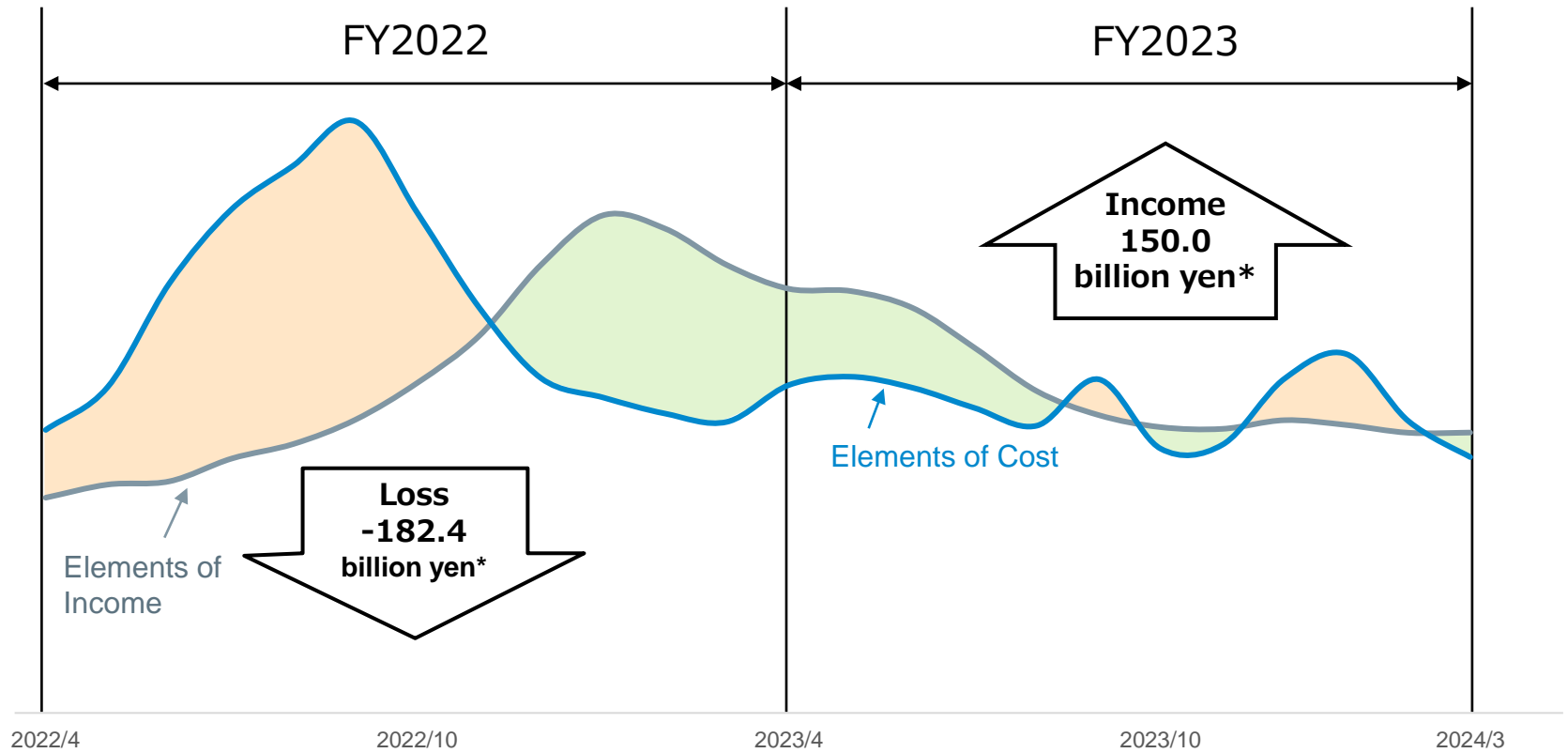
Image of Time Lag (FY2021 – FY2022)

- 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 (FY2022 – FY2023)



* 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	63.7	255.1
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	60.8	235.1
LNG	41.7 (79%)	47.0 (74%)	43.9 (76%)	45.8 (75%)	178.4 (76%)
Coal	11.2 (21%)	16.5 (26%)	14.0 (24%)	15.0 (25%)	56.7 (24%)
Others	0 (0%)	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.

Impact of IFRS Adoption (FY2021)

- The impact of adopting IFRS on profit is -19 billion yen, mainly because gain on sale of investment securities is directly recorded in other comprehensive income. BS experienced on-balancing of lease contracts and increase/decrease of derivative assets and liabilities.

(Unit: Billion Yen)

		IFRS (A)	Japanese GAAP (B)	Variance (A-B)	Major differences
PL	Revenue (Net sales)	2,769.1	4,435.2	-1,666.1	<ul style="list-style-type: none"> Netting of realized gains/losses for JERAGM fuel sales contract -1,625.7 (Cost of sales also decreased by the same amount)
	Profit	5.6	24.6	-19.0	<ul style="list-style-type: none"> Gain on sale of investment securities transferred to OCI -14.6 Subsidiaries' fiscal period adjustment -7.8 Non-amortization of goodwill 3.2
BS	Total assets	8,495.1	8,722.1	-227.0	<ul style="list-style-type: none"> Lease use rights capitalized 314.9 Derivative assets -515.5
	Total liabilities	6,763.4	6,747.8	15.6	<ul style="list-style-type: none"> Lease liability 324.1 Derivative liabilities -356.1
	Total equity	1,731.6	1,974.3	-242.7	<ul style="list-style-type: none"> Equity attributable to owners of parent -84.8 Non-controlling interests -157.8

Credit Ratings

【 Issuer Credit ratings history 】

