

This document is an English translation of quarterly financial results report released on January 31, 2022 and written initially in Japanese.
The Japanese original should be considered as the primary version.



January 31, 2022

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2022 <under IFRSs>

| | |
|-----------------|--|
| Company name: | Itochu Enex Co., Ltd. |
| Listing: | Tokyo Stock Exchange, 1st Section |
| Stock code: | 8133 |
| URL: | https://www.itcenex.com/english/ |
| Representative: | Kenji Okada, Representative Director, President and CEO |
| Contact: | Shinichiro Inoue, Executive Officer, Assistant to Chief Financial Officer and General Manager, Finance & General Accounting Department Tel: +81-3-4233-8008 |

Scheduled date to file quarterly securities report: February 9, 2022

Scheduled date to commence dividend payments: –

Preparation of supplementary results briefing material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts rounded, unless otherwise noted)

1. Consolidated financial results for the first nine months of the fiscal year ending March 31, 2022 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

| | Revenue | | Profit from operating activities | | Profit before tax | | Net profit | | Net profit attributable to Itochu Enex's shareholders | | Comprehensive income | |
|-------------------|-----------------|--------|----------------------------------|------|-------------------|------|-----------------|------|---|------|----------------------|-------|
| Nine months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| December 31, 2021 | 656,995 | 27.4 | 17,929 | 12.5 | 19,008 | 18.5 | 13,250 | 17.7 | 11,331 | 19.0 | 13,244 | 17.1 |
| December 31, 2020 | 515,679 | (23.2) | 15,944 | 4.8 | 16,037 | 1.2 | 11,255 | 2.3 | 9,525 | 2.6 | 11,315 | (2.4) |

| | Basic earnings per share attributable to Itochu Enex's shareholders | Diluted earnings per share attributable to Itochu Enex's shareholders |
|-------------------|---|---|
| Nine months ended | | |
| December 31, 2021 | Yen 100.38 | Yen – |
| December 31, 2020 | 84.38 | – |

(2) Consolidated financial position

| | Total assets | Total equity | Total shareholders' equity | Ratio of shareholders' equity to total assets |
|-------------------|----------------------------|----------------------------|----------------------------|---|
| As of | | | | |
| December 31, 2021 | Millions of yen 440,856 | Millions of yen 168,212 | Millions of yen 141,774 | % 32.2 |
| March 31, 2021 | 408,327 | 161,399 | 136,233 | 33.4 |

2. Cash dividends

| | Annual cash dividends per share | | | | |
|--|---------------------------------|--------------------|-------------------|-----------------|--------------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| Fiscal year ended March 31, 2021 | Yen — | Yen 22.00 | Yen — | Yen 28.00 | Yen 50.00 |
| Fiscal year ending March 31, 2022 | — | 23.00 | — | | |
| Fiscal year ending March 31, 2022 (Forecast) | | | | 23.00 | 46.00 |

Note: Revisions to the forecasts of cash dividends most recently announced: None

Breakdown of year-end dividend for the fiscal year ended March 31, 2021: Ordinary dividend of ¥22.00, and anniversary commemorative dividend of ¥6.00

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022
(from April 1, 2021 to March 31, 2022)**

(Percentages indicate year-on-year changes.)

| | Revenue | | Profit from operating activities | | Profit before tax | | Net profit attributable to Itochu Enex's shareholders | | Basic earnings per share attributable to Itochu Enex's shareholders |
|--------------------------------------|-----------------|------|----------------------------------|-----|-------------------|-----|---|-----|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending March 31, 2022 | 900,000 | 21.8 | 20,500 | 6.0 | 21,200 | 5.8 | 12,500 | 2.7 | 110.74 |

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- a. Changes in accounting policies required by IFRSs: None
- b. Changes in accounting policies other than the above: None
- c. Changes in accounting estimates: None

(3) Number of issued shares (common stock)

a. Total number of issued shares at end of period (including treasury stock)

| | |
|-------------------------|--------------------|
| As of December 31, 2021 | 116,881,106 shares |
| As of March 31, 2021 | 116,881,106 shares |

b. Number of treasury stock at end of period

| | |
|-------------------------|------------------|
| As of December 31, 2021 | 4,000,795 shares |
| As of March 31, 2021 | 4,000,323 shares |

c. Average number of outstanding shares during period (cumulative from the beginning of the fiscal year)

| | |
|---|--------------------|
| For the nine months ended December 31, 2021 | 112,880,577 shares |
| For the nine months ended December 31, 2020 | 112,880,722 shares |

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special notes

(Caution regarding forward-looking statements and others)

The forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may significantly differ from these forecasts due to various factors.

Contents of Attached Materials

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1. Qualitative Information Regarding Results for the First Nine Months

(1) Explanation of Operating Results

1) Results of operations

During the first nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021), the Japanese economy showed some signs of recovery from the effects of the novel coronavirus disease (COVID-19), as voluntary stay-at-home directives and requests by local authorities to refrain from business activities eased compared to the first nine months of the previous fiscal year. However, as of January 2022, there has been little movement towards stable recovery of economic activity, and the future outlook remains extremely uncertain due to factors such as another increase in the number of people infected with COVID-19 variants.

In response, the Group has established the “emergency headquarters for tackling the coronavirus pandemic,” headed by the President, to carry out appropriate company-wide management by deciding on and executing company-wide policies and necessary measures, and by continuously collecting and spreading information internally and externally. In addition, with “employee safety” and “infection prevention” as the Company’s top priorities, we are working to reduce the risk of infection through telecommuting, working at staggered hours and thorough disinfection of business sites, as well as to increase operational efficiency by improving the communication network environment necessary for the execution of business.

In terms of business, we are promoting our business in accordance with our two-year medium-term business plan “SHIFT! 2022” which was newly formulated in April 2021.

Overview of medium-term business plan

1. Name of the plan: SHIFT! 2022



2. Period: Two years (FY2021 to FY2022)

3. Basic policy: *Bases, Environment and Energy, and Human Resources*

Bases

- Further enhancement of domestic sale network and customer base
- Active promotion of B-to-C business utilizing digital transformation
- Strengthening of overseas business development with a focus on Asia

Environment and Energy

- Forays into untapped areas with environmental products, electricity and various other forms of energy
- Further expansion of the electric power business from generation to selling, especially with renewable energy
- Enhancing environmental technical capabilities and expand offerings of low-carbon and decarbonized products

Human Resources

- Cultivating multi-talented human resources who will flourish in Japan and overseas
- Promoting diversity and fostering a diverse range of values

4. Quantitative plan (FY2021):

Target Consolidated Results for FY2021

(1) Net profit attributable to Itochu Enex's shareholders: ¥12.5 billion

(2) ROE: 9.0% or more

Management indicators

(1) Substantive operating cash flows^{*1}: ¥30.0 billion or more each fiscal period

(2) Consolidated dividend payout ratio: 40% or more

(3) New investment (cumulative total over two fiscal years): ¥60.0 billion

(*1) Substantive operating cash flows excludes working capital, etc. from cash flows from operating activities.

The operating results for the nine months ended December 31, 2021 are as follows.

(Millions of yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 | Change |
|---|-------------------------------------|-------------------------------------|---------|
| Revenue | 515,679 | 656,995 | 141,316 |
| Profit from operating activities | 15,944 | 17,929 | 1,985 |
| Net profit attributable to Itochu Enex's shareholders | 9,525 | 11,331 | 1,806 |

Revenue was ¥656,995 million (up 27.4% year on year). This was mainly due to an increase in selling prices of domestic petroleum products resulting from higher crude oil prices.

Profit from operating activities was ¥17,929 million (up 12.5% year on year). Net profit attributable to Itochu Enex's shareholders was ¥11,331 million (up 19.0% year on year). This was mainly due to the impact of inventory valuation factors associated with higher LP gas import prices and valuation gains from making large-scale solar power plants (mega solar power plants) subsidiaries of the Company, while there was a reaction to the temporary revenue from operations that captured crude oil price fluctuations in the same period of the previous fiscal year.

2) Results of operations by segment

Results of operations by segment are as follows.

Home-Life Division

(Millions of yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 | Change |
|---|-------------------------------------|-------------------------------------|--------|
| Revenue | 52,615 | 61,033 | 8,418 |
| Profit from operating activities | 786 | 1,282 | 496 |
| Net profit attributable to Itochu Enex's shareholders | 665 | 1,433 | 768 |

In LP gas business of the Home-Life Division during the nine months ended December 31, 2021, the number of customers under direct LP gas supply contracts increased by approximately 5,000 from the end of the previous fiscal year to approximately 557,000 as a result of activities to acquire new customers and sales rights in the LP gas business. Although demand for commercial and industrial use, which was affected by COVID-19, is on a recovery trend, overall LP gas sales volume remained at the same level year on year due to a decrease in wholesale and automotive gas sales volume.

Regarding sales of electricity for households, the division promoted the expansion of the customer base by focusing mainly on selling LP gas as a set. As a result, the number of supply contracts was a total of approximately 117,000 (an increase of approximately 8,000 from the end of the previous fiscal year).

Regarding the industrial gas sales business, sales volumes of all gas types increased year on year due to a recovery in the utilization rates of the customer plants to which we are supplying.

As a result of these activities, the operating results for the nine months ended December 31, 2021 are as follows.

Revenue was ¥61,033 million (up 16.0% year on year). This was mainly due to an increase in selling prices resulting from higher LP gas import prices.

Profit from operating activities was ¥1,282 million (up 63.1% year on year). Net profit attributable to Itochu Enex's shareholders was ¥1,433 million (up 115.5% year on year). This was mainly due to a recovery in the industrial gas-related business in line with the resumption of economic activity and the impact of inventory valuation factors associated with higher LP gas import prices.

Car-Life Division

(Millions of yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 | Change |
|---|-------------------------------------|-------------------------------------|--------|
| Revenue | 295,613 | 375,657 | 80,044 |
| Profit from operating activities | 5,607 | 5,562 | (45) |
| Net profit attributable to Itochu Enex's shareholders | 3,100 | 2,837 | (263) |

Looking at the Car-Life Division during the nine months ended December 31, 2021, in the Car-Life Stations (CS)*2 business, the number of the CS was 1,650, a decrease of 37 from the end of the previous fiscal year. Sales volumes of petroleum products were slightly higher year on year, as sales volume of gasoline and diesel fuel picked up, compared to the same period of the previous fiscal year, which saw a significant decline, despite the impacts of the spread of COVID-19 as well as poor weather conditions in the summer and a warm winter.

In the automotive business, our car dealer business subsidiary OSAKA CAR LIFE GROUP CO., LTD. achieved an increase in sales volume year on year due to the recovery of sales of new models and other vehicles, despite the impact of the spread of COVID-19.

As a result of these activities, the operating results for the nine months ended December 31, 2021 are as follows.

Revenue was ¥375,657 million (up 27.1% year on year). This was mainly due to an increase in sales prices of domestic petroleum products linked to crude oil prices and an increase in sales volume.

Profit from operating activities was ¥5,562 million (down 0.8% year on year). Net profit attributable to Itochu Enex's shareholders was ¥2,837 million (down 8.5% year on year). This was mainly due to a contraction in retail margins in the CS business, while there was a recovery in the automobile dealer business.

(*2) Car-Life Stations: Car-Life Stations are service stations offering multiple services provided by the Company.

Industrial Business Division

| | (Millions of yen) | | |
|---|-------------------------------------|-------------------------------------|--------|
| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 | Change |
| Revenue | 111,570 | 154,776 | 43,206 |
| Profit from operating activities | 3,822 | 3,283 | (539) |
| Net profit attributable to Itochu Enex's shareholders | 3,006 | 2,284 | (722) |

Looking at the Industrial Business Division, during the nine months ended December 31, 2021, the asphalt sales business conducted its sales activities with an awareness of profitability, despite a decrease in sales volume. In the marine fuel sales business, although sales volume for domestic vessels increased year on year as a result of expanding supply for new routes from existing customers, sales volume for ocean-going vessels decreased, resulting in a year-on-year decline in volume. In the corporate fleet fuel card business, sales volume increased year on year as a result of continuous efforts to acquire new customers. In the AdBlue®*³ sales business, which is being pursued as a business to reduce environmental impact, although concerns about urea shortages in Japan and overseas have arisen, the Company made efforts to ensure stable supply to existing customers by maximizing the use of the Saitama AdBlue plant, which newly started operation in September. As for the GTL fuel*⁴ sales business, sales volume has been increasing steadily, as the supply area has been expanded and the product has been adopted at construction sites in Japan.

As a result of these activities, the operating results for the nine months ended December 31, 2021 are as follows.

Revenue was ¥154,776 million (up 38.7% year on year). This was mainly due to the increase in unit sales prices of industrial petroleum products resulting from higher crude oil prices.

Profit from operating activities was ¥3,283 million (down 14.1% year on year). Net profit attributable to Itochu Enex's shareholders was ¥2,284 million (down 24.0% year on year). This is mainly due to the fact that, while the asphalt sales business increased its profit, it was largely affected by the reaction to the temporary revenue from operations capturing crude oil price fluctuations in the first nine months of the previous fiscal year.

(*3) AdBlue® is a world-standard High-Grade Aqueous Urea used in the decomposition and detoxification of diesel exhaust. (AdBlue® is a registered trademark of Verband der Automobilindustrie e.V. (VDA).)

(*4) Abbreviation for gas to liquids, a clean diesel replacement fuel made from natural gas with low environmental impact.

Power & Utility Division

| | (Millions of yen) | | |
|---|-------------------------------------|-------------------------------------|--------|
| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 | Change |
| Revenue | 55,881 | 65,529 | 9,648 |
| Profit from operating activities | 5,005 | 7,402 | 2,397 |
| Net profit attributable to Itochu Enex's shareholders | 2,322 | 4,593 | 2,271 |

In the electric power business of the Power & Utility Division, during the nine months ended December 31, 2021, high-voltage power sales volumes*⁵ increased year on year due to landing a large-scale project. Low-voltage sales volume increased year on year due to an increase in the number of contracts, particularly for households, and retail electricity sales volumes increased year on year overall.

In the heat supply business*⁶, demand for heat decreased year on year due to the significantly lower average temperature this summer compared to the previous year.

As a result of these activities, the operating results for the nine months ended December 31, 2021 are as follows.

Revenue was ¥65,529 million (up 17.3% year on year). This was mainly due to the effect of an increase in market wholesale volume in the electric power business.

Profit from operating activities was ¥7,402 million (up 47.9% year on year). Net profit attributable to Itochu Enex's shareholders was ¥4,593 million (up 97.8% year on year). This was mainly due to the contribution of valuation gains, etc. from making large-scale solar power plants (mega solar power plants) subsidiaries of the Company (impact of ¥2,935 million on net profit attributable to Itochu Enex's shareholders), while the electricity retail margins decreased due to higher procurement prices caused by surging resource prices.

(*5) Electricity sales volume includes brokerage volume for both high voltage and low voltage.

(*6) Heat supply business: The heat supply business supplies cold and hot water for air conditioning to multiple office buildings and other buildings from a heat source plant using pipes.

(2) Explanation of Financial Position

Assets, liabilities and equity

| | As of March 31, 2021 | As of December 31, 2021 | (Millions of yen) Change |
|-------------------|-------------------------|----------------------------|-----------------------------|
| Total assets | 408,327 | 440,856 | 32,529 |
| Total liabilities | 246,928 | 272,644 | 25,716 |
| Total equity | 161,399 | 168,212 | 6,813 |

Total assets amounted to ¥440,856 million as of December 31, 2021, an increase of ¥32,529 million from March 31, 2021. This was mainly due to an increase in property, plant and equipment of ¥25,483 million due to the acquisition of subsidiaries. Total liabilities amounted to ¥272,644 million, an increase of ¥25,716 million from March 31, 2021. This was mainly due to an increase in trade payables of ¥19,192 million due to an increase in purchase prices resulting from a rise in the crude oil prices and an increase in bonds and borrowings of ¥16,097 million due to the acquisition of subsidiaries. Total equity totaled ¥168,212 million, an increase of ¥6,813 million from March 31, 2021, due to factors including an increase of ¥11,331 million from net profit attributable to Itochu Enex's shareholders and a decrease of ¥6,408 million by payment of cash dividends.

Cash flows

While taking COVID-19 into consideration, the Group will expand peripheral businesses, develop new business areas, and aggressively promote investment in environment-related businesses, using the cash flow generated from its core businesses.

With respect to financing capacity for the time being, we have sufficiently secured account overdraft facilities and commercial paper issuance facilities, in addition to maintaining ample cash and cash equivalents. Moreover, we are essentially free of debt amid a situation where we have maintained healthy levels of debt thus far, which is currently reflected by our net debt-equity ratio (net DER) of negative 0.01 times.

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 | (Millions of yen) Change |
|---|--|--|-----------------------------|
| Cash flows from operating activities | 33,545 | 29,372 | (4,173) |
| Cash flows from investing activities | 3,826 | (15,177) | (19,003) |
| [Free cash flows] | [37,371] | [14,195] | [(23,176)] |
| Cash flows from financing activities | (15,646) | (13,920) | 1,726 |
| Net increase (decrease) in cash and cash equivalents | 21,726 | 275 | (21,451) |
| Effect of exchange rate changes on cash and cash equivalents | (37) | 8 | 45 |
| Cash and cash equivalents at the end of the period | 40,932 | 35,124 | (5,808) |

Cash and cash equivalents (net cash) totaled ¥35,124 million as of December 31, 2021, up ¥283 million from March 31, 2021.

Cash flows from operating activities

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 | (Millions of yen) Change |
|---------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| Cash flows from operating activities | 33,545 | 29,372 | (4,173) |
| Changes in working capital and others | 10,334 | 4,365 | (5,969) |
| Substantive operating cash flow | 23,211 | 25,007 | 1,796 |

Operating activities provided net cash of ¥29,372 million. Major items included profit before tax of ¥19,008 million, depreciation and amortization of ¥15,224 million, and income taxes paid of ¥7,175 million. Net cash provided decreased ¥4,173 million year on year. Moreover, substantive operating cash flow increased ¥1,796 million year on year.

Cash flows from investing activities

The Group has always made investments with an awareness of capital efficiency based on our investment strategy.

In the two years of the “SHIFT! 2022” medium-term business plan, we plan to invest a total of ¥60.0 billion, ¥30.0 billion to maintain and strengthen the important revenue base that generates cash, and ¥30.0 billion to invest in growth, such as renewable energy, environment-friendly business, and overseas business.

Investing activities used net cash of ¥15,177 million. This was mainly due to payments for acquisition of additional shares in silent partnerships with the aim of operating large-scale solar power plants (mega solar power plants) of ¥8,397 million, and payments for purchase of property, plant and equipment and investment property of ¥8,899 million. Net cash used increased ¥19,003 million year on year.

Cash flows from financing activities

The Group aims to streamline Group-wide financing activities to enhance our corporate value. Enhancing Group-wide financial management through the introduction of our Group Financial System* resulted in ¥13,920 million in funds used for financing activities. This was mainly due to repayments of lease liabilities of ¥8,364 million and cash dividends paid to Itochu Enex's shareholders of ¥5,762 million. Net cash used decreased ¥1,726 million year on year.

*The Group Financial System streamlines fund management and procurement costs by sharing funds within the Group.

**2. Condensed Quarterly Consolidated Financial Statements and Significant Notes
Thereto**

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

| | As of March 31, 2021 | As of December 31, 2021 |
|---|-------------------------|----------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 34,841 | 35,124 |
| Trade receivables | 99,764 | 115,943 |
| Other current financial assets | 17,900 | 15,284 |
| Inventories | 25,495 | 23,097 |
| Income taxes receivable | 3,055 | 1,234 |
| Trade advances paid | 100 | 121 |
| Other current assets | 2,710 | 2,429 |
| Total current assets | 183,865 | 193,232 |
| Non-current assets | | |
| Investments accounted for by the equity method | 29,437 | 26,734 |
| Other investments | 4,246 | 3,532 |
| Non-current financial assets other than investments | 10,330 | 12,355 |
| Property, plant and equipment | 136,291 | 161,774 |
| Investment property | 12,797 | 13,053 |
| Goodwill | 521 | 521 |
| Intangible assets | 19,688 | 19,407 |
| Deferred tax assets | 9,728 | 7,299 |
| Other non-current assets | 1,424 | 2,949 |
| Total non-current assets | 224,462 | 247,624 |
| Total assets | 408,327 | 440,856 |

| | (Millions of yen) | |
|---|-------------------------|----------------------------|
| | As of March 31, 2021 | As of December 31, 2021 |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Short-term bonds and borrowings | 3,041 | 20,284 |
| Trade payables | 102,768 | 121,960 |
| Lease liabilities | 10,285 | 9,156 |
| Other current financial liabilities | 5,614 | 7,033 |
| Income taxes payable | 3,874 | 1,354 |
| Advances from customers | 11,006 | 8,748 |
| Other current liabilities | 14,353 | 8,529 |
| Total current liabilities | 150,941 | 177,064 |
| Non-current liabilities | | |
| Non-current bonds and borrowings | 14,418 | 13,272 |
| Lease liabilities | 50,499 | 48,803 |
| Other non-current financial liabilities | 14,425 | 14,870 |
| Non-current liabilities for employee benefits | 9,925 | 10,788 |
| Deferred tax liabilities | 1,001 | 1,414 |
| Provisions | 5,465 | 6,177 |
| Other non-current liabilities | 254 | 256 |
| Total non-current liabilities | 95,987 | 95,580 |
| Total liabilities | 246,928 | 272,644 |
| Equity | | |
| Common stock | 19,878 | 19,878 |
| Capital surplus | 18,974 | 18,951 |
| Retained earnings | 99,829 | 105,710 |
| Other components of equity | (576) | (894) |
| Treasury stock | (1,871) | (1,871) |
| Total shareholders' equity | 136,233 | 141,774 |
| Non-controlling interests | 25,165 | 26,438 |
| Total equity | 161,399 | 168,212 |
| Total liabilities and equity | 408,327 | 440,856 |

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 |
|---|--|--|
| Revenue | 515,679 | 656,995 |
| Cost of sales | (451,276) | (593,819) |
| Gross profit | 64,403 | 63,176 |
| Other income and expense | | |
| Selling, general and administrative expenses | (48,929) | (49,825) |
| Loss from tangible assets, intangible assets and goodwill | (187) | (92) |
| Other – net | 657 | 4,670 |
| Total other income and expense | (48,459) | (45,247) |
| Profit from operating activities | 15,944 | 17,929 |
| Financial income and costs | | |
| Interest income | 34 | 24 |
| Dividends received | 502 | 94 |
| Interest expense | (798) | (648) |
| Other financial income and costs – net | (484) | (3) |
| Total financial income and costs | (746) | (533) |
| Share of profit of investments accounted for by the equity method | 839 | 1,612 |
| Profit before tax | 16,037 | 19,008 |
| Income tax expense | (4,782) | (5,758) |
| Net profit | 11,255 | 13,250 |
| Net profit attributable to: | | |
| Net profit attributable to Itochu Enex's shareholders | 9,525 | 11,331 |
| Net profit attributable to non-controlling interests | 1,730 | 1,919 |
| Total | 11,255 | 13,250 |

(Millions of yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 |
|--|--|--|
| Other comprehensive income, net of tax effect | | |
| Items that will not be reclassified to profit or loss | | |
| FVTOCI financial assets | (9) | 20 |
| Other comprehensive income of investments accounted for by the equity method | 29 | 23 |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translating foreign operations | (72) | 7 |
| Cash flow hedges | 28 | 17 |
| Other comprehensive income of investments accounted for by the equity method | 84 | (73) |
| Total other comprehensive income, net of tax effect | 60 | (6) |
| Comprehensive income | 11,315 | 13,244 |
| Comprehensive income attributable to: | | |
| Comprehensive income attributable to Itochu Enex's shareholders | 9,585 | 11,326 |
| Comprehensive income attributable to non-controlling interests | 1,730 | 1,918 |
| Total | 11,315 | 13,244 |

(Yen)

| | | |
|---|-------|--------|
| Earnings per share attributable to Itochu Enex's shareholders | | |
| Basic | 84.38 | 100.38 |
| Diluted | — | — |

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine months ended December 31, 2020

(Millions of yen)

| | Shareholders' equity | | | | | | | |
|---|----------------------|-----------------|-------------------|----------------------------|----------------|----------------------------|---------------------------|--------------|
| | Common stock | Capital surplus | Retained earnings | Other components of equity | Treasury stock | Total shareholders' equity | Non-controlling interests | Total equity |
| Balance at April 1, 2020 | 19,878 | 18,934 | 92,761 | (1,370) | (1,870) | 128,333 | 23,551 | 151,884 |
| Net profit | | | 9,525 | | | 9,525 | 1,730 | 11,255 |
| Other comprehensive income | | | | 60 | | 60 | (0) | 60 |
| Comprehensive income | | | 9,525 | 60 | | 9,585 | 1,730 | 11,315 |
| Transactions with owners | | | | | | | | |
| Cash dividends | | | (5,084) | | | (5,084) | (675) | (5,759) |
| Changes due to additional acquisitions and sales of interests in subsidiaries | | | | | | – | 50 | 50 |
| Purchase and disposal of treasury stock | | | | | (0) | (0) | | (0) |
| Share-based payments | | (1) | | | 1 | – | | – |
| Balance at December 31, 2020 | 19,878 | 18,933 | 97,202 | (1,310) | (1,870) | 132,833 | 24,656 | 157,488 |

Nine months ended December 31, 2021

(Millions of yen)

| | Shareholders' equity | | | | | | | |
|---|----------------------|-----------------|-------------------|----------------------------|----------------|----------------------------|---------------------------|--------------|
| | Common stock | Capital surplus | Retained earnings | Other components of equity | Treasury stock | Total shareholders' equity | Non-controlling interests | Total equity |
| Balance at April 1, 2021 | 19,878 | 18,974 | 99,829 | (576) | (1,871) | 136,233 | 25,165 | 161,399 |
| Net profit | | | 11,331 | | | 11,331 | 1,919 | 13,250 |
| Other comprehensive income | | | | (5) | | (5) | (1) | (6) |
| Comprehensive income | | | 11,331 | (5) | | 11,326 | 1,918 | 13,244 |
| Transactions with owners | | | | | | | | |
| Cash dividends | | | (5,762) | | | (5,762) | (646) | (6,408) |
| Changes due to additional acquisitions and sales of interests in subsidiaries | | (23) | | | | (23) | | (23) |
| Transfer from other components of equity to retained earnings | | | 312 | (312) | | – | | – |
| Purchase and disposal of treasury stock | | | | | (0) | (0) | | (0) |
| Balance at December 31, 2021 | 19,878 | 18,951 | 105,710 | (894) | (1,871) | 141,774 | 26,438 | 168,212 |

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before tax | 16,037 | 19,008 |
| Depreciation and amortization | 14,832 | 15,224 |
| Loss from tangible assets, intangible assets and goodwill | 187 | 92 |
| Gain on remeasurement resulting from companies becoming subsidiaries | – | (4,211) |
| Financial income and costs | 746 | 533 |
| Share of profit of investments accounted for by the equity method | (839) | (1,612) |
| Increase in trade receivables | (4,090) | (16,178) |
| Decrease (increase) in inventories | (86) | 2,380 |
| Increase in trade payables | 14,148 | 18,852 |
| Other – net | 362 | (689) |
| Dividends received | 3,097 | 670 |
| Interest received | 34 | 25 |
| Interest expense | (728) | (602) |
| Income taxes paid | (10,253) | (7,175) |
| Income taxes refund | 98 | 3,055 |
| Net cash flows provided by operating activities | 33,545 | 29,372 |
| Cash flows from investing activities | | |
| Purchase of investments (including investments accounted for by the equity method) | (4,501) | (1,008) |
| Proceeds from sales and redemption of investments (including investments accounted for by the equity method) | 5,092 | 2,343 |
| Acquisition of subsidiaries, net of cash acquired | – | (8,397) |
| Proceeds from acquisition of subsidiaries | 11 | – |
| Proceeds from sales of subsidiaries, net of cash acquired | – | 825 |
| Payment for loans receivable | (680) | (495) |
| Collection of loans receivable | 843 | 536 |
| Payments for purchase of property, plant and equipment and investment property | (7,591) | (8,899) |
| Proceeds from sales of property, plant and equipment and investment property | 610 | 668 |
| Purchase of intangible assets | (1,159) | (1,305) |
| Proceeds from sales of intangible assets | 201 | 24 |
| Decrease in deposits paid – net | 11,021 | – |
| Other – net | (21) | 531 |
| Net cash flows provided by (used in) investing activities | 3,826 | (15,177) |

(Millions of yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 |
|--|--|--|
| Cash flows from financing activities | | |
| Proceeds from bonds and borrowings | 10,050 | 50 |
| Repayments of bonds and borrowings | (14,301) | (521) |
| Repayments of lease liabilities | (8,214) | (8,364) |
| Net increase in short-term borrowings | 2,528 | 1,323 |
| Capital contribution from non-controlling interests | 50 | – |
| Cash dividends paid to Itochu Enex's shareholders | (5,084) | (5,762) |
| Cash dividends paid to non-controlling interests | (675) | (646) |
| Purchase of treasury stock | (0) | (0) |
| Net cash flows used in financing activities | (15,646) | (13,920) |
| Net increase in cash and cash equivalents | 21,726 | 275 |
| Cash and cash equivalents at the beginning of the period | 19,243 | 34,841 |
| Effect of exchange rate changes on cash and cash equivalents | (37) | 8 |
| Cash and cash equivalents at the end of the period | 40,932 | 35,124 |

(5) Notes on Uncertainties of Entity's Ability to Continue as Going Concern

No items to report.

(6) Segment Information

Nine months ended December 31, 2020

(Millions of yen)

| | Reportable segment | | | | | Adjustment | Consolidated |
|---|--------------------|-------------------|------------------------------|--------------------------|----------------|-----------------|----------------|
| | Home-Life Division | Car-Life Division | Industrial Business Division | Power & Utility Division | Total | | |
| Revenue | | | | | | | |
| Revenue from external customers | 52,615 | 295,613 | 111,570 | 55,881 | 515,679 | – | 515,679 |
| Intersegment revenue | 4 | 5,698 | 4,231 | 3,068 | 13,001 | (13,001) | – |
| Total revenue | 52,619 | 301,311 | 115,801 | 58,949 | 528,680 | (13,001) | 515,679 |
| Gross profit | 14,644 | 34,422 | 6,869 | 8,468 | 64,403 | – | 64,403 |
| Profit from operating activities | 786 | 5,607 | 3,822 | 5,005 | 15,220 | 724 | 15,944 |
| Profit before tax | 1,344 | 5,334 | 4,295 | 4,451 | 15,424 | 613 | 16,037 |
| Net profit attributable to Itochu Enex's shareholders | 665 | 3,100 | 3,006 | 2,322 | 9,093 | 432 | 9,525 |
| Other items | | | | | | | |
| Total assets | 66,491 | 148,527 | 52,049 | 91,969 | 359,036 | 40,640 | 399,676 |

(Note) Intersegment transactions have been decided by reference to the market price.

The adjustment of ¥432 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥40,640 million to total assets represents corporate assets not allocated to reportable segments.

Nine months ended December 31, 2021

| | Reportable segment | | | | (Millions of yen) | | |
|---|--------------------|-------------------|------------------------------|--------------------------|-------------------|-----------------|----------------|
| | Home-Life Division | Car-Life Division | Industrial Business Division | Power & Utility Division | Total | Adjustment | Consolidated |
| Revenue | | | | | | | |
| Revenue from external customers | 61,033 | 375,657 | 154,776 | 65,529 | 656,995 | – | 656,995 |
| Intersegment revenue | 72 | 7,392 | 6,460 | 2,654 | 16,578 | (16,578) | – |
| Total revenue | 61,105 | 383,049 | 161,236 | 68,183 | 673,573 | (16,578) | 656,995 |
| Gross profit | 15,168 | 34,124 | 6,991 | 6,893 | 63,176 | – | 63,176 |
| Profit from operating activities | 1,282 | 5,562 | 3,283 | 7,402 | 17,529 | 400 | 17,929 |
| Profit before tax | 2,512 | 5,351 | 3,307 | 7,555 | 18,725 | 283 | 19,008 |
| Net profit attributable to Itochu Enex's shareholders | 1,433 | 2,837 | 2,284 | 4,593 | 11,147 | 184 | 11,331 |
| Other items | | | | | | | |
| Total assets | 76,187 | 150,707 | 66,559 | 117,553 | 411,006 | 29,850 | 440,856 |

(Note) Intersegment transactions have been decided by reference to the market price.

The adjustment of ¥184 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥29,850 million to total assets represents corporate assets not allocated to reportable segments.

As of March 31, 2021

| | Reportable segment | | | | (Millions of yen) | | |
|---------------------|--------------------|-------------------|------------------------------|--------------------------|-------------------|---------------|----------------|
| | Home-Life Division | Car-Life Division | Industrial Business Division | Power & Utility Division | Total | Adjustment | Consolidated |
| Total assets | 72,235 | 150,123 | 56,288 | 94,979 | 373,625 | 34,702 | 408,327 |

(Note) The adjustment of ¥34,702 million to total assets represents corporate assets not allocated to reportable segments.

Change in reportable segments

In conjunction with the absorption-type merger of ENEXAUTO CO., LTD., which was a subsidiary of the Company, by ENEX LIFE SERVICE Co., Ltd., a subsidiary of the Company in the fourth quarter of the previous fiscal year, the Group reviewed the management classification and changed the method to include the business of ENEXAUTO CO., LTD., which was previously included in the Car-Life Division, in the Power & Utility Division.

Due to the change in segments, segment information for the first nine months of the previous fiscal year has been adjusted based on the classification of reportable segments after the change.