

This document is an English translation of financial results report released on April 28, 2022 and written initially in Japanese. The Japanese original should be considered as the primary version.



MEMBERSHIP

April 28, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 <under IFRSs>

Company name: **Itochu Enex Co., Ltd.**
 Listing: Tokyo Stock Exchange
 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, Deputy Chief Operating Officer, Corporate Administration Division I and General Manager, Finance & General Accounting Department
 Tel: +81-3-4233-8008

Scheduled date of ordinary general meeting of shareholders: June 21, 2022
 Scheduled date to commence dividend payments: June 22, 2022
 Scheduled date to file annual securities report: June 21, 2022
 Preparation of supplementary results briefing material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended												
March 31, 2022	936,306	26.7	20,929	8.2	22,241	11.0	15,566	8.4	13,194	8.4	16,192	6.6
March 31, 2021	739,067	(17.6)	19,346	0.5	20,039	0.3	14,364	1.3	12,168	0.9	15,185	7.7

	Basic earnings per share attributable to Itochu Enex's shareholders	Diluted earnings per share attributable to Itochu Enex's shareholders	Return on equity obtained as the net profit attributable to Itochu Enex's shareholders to total shareholders' equity	Ratio of profit before tax to total assets	Ratio of profit from operating activities to revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	116.89	—	9.4	5.2	2.2
March 31, 2021	107.79	—	9.2	5.0	2.6

Reference: Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended March 31, 2022: ¥2,409 million

For the fiscal year ended March 31, 2021: ¥1,726 million

(2) Consolidated financial position

	Total assets	Total equity	Total shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2022	447,017	171,198	144,297	32.3	1,278.32
March 31, 2021	408,327	161,399	136,233	33.4	1,206.88

(3) Consolidated cash flows

	Net cash flows from (used in) operating activities	Net cash flows from (used in) investing activities	Net cash flows from (used in) financing activities	Cash and cash equivalents at end of the period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	39,955	(19,113)	(17,625)	38,145
March 31, 2021	40,214	(125)	(24,528)	34,841

2. Cash dividends

	Annual cash dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of total amount of dividends to total shareholders' equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2021	–	22.00	–	28.00	50.00	5,649	46.4	4.3
March 31, 2022	–	23.00	–	25.00	48.00	5,423	41.1	3.9
Fiscal year ending March 31, 2023 (Forecast)	–	24.00	–	24.00	48.00		41.7	

Note: 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, 2023 (from April 1, 2022 to March 31, 2023)

(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
Six months ending September 30, 2022	–	–	–	–	–	–	–	–	–
Fiscal year ending March 31, 2023	1,000,000	6.8	19,400	(7.3)	20,800	(6.5)	13,000	(1.5)	115.17

Note: The Company's performance is evaluated on a fiscal year basis. Accordingly, consolidated earnings forecasts for the first six months of fiscal year are not prepared.

*** 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 March 31, 2022	116,881,106 shares
As of March 31, 2021	116,881,106 shares

b. Number of treasury stock at end of period

As of March 31, 2022	4,000,969 shares
As of March 31, 2021	4,000,323 shares

c. Average number of outstanding shares during period

Fiscal year ended March 31, 2022	112,880,475 shares
Fiscal year ended March 31, 2021	112,880,739 shares

*** Note on financial results**

Revenue increased year on year due to the impact resulting from rising sales prices linked to higher crude oil prices and the increase in sales volumes of domestic petroleum products.

* Financial results reports are exempt from audit 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. Please refer to "1. Overview of Operating Results and Others, (1) Overview of Operating Results for the Fiscal Year Ended March 31, 2022" on page 2 of the attached materials for matters relating to earnings forecasts.

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1. Overview of Operating Results and Others

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2022

1) Results of operations

During the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022), the Japanese economy continued to require close attention due to factors such as the sudden rise in crude oil prices caused by geopolitical risks, including the situation in Ukraine, and the tight supply of electricity caused by earthquakes in Japan. In addition, despite a moderate 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 previous fiscal year, the future outlook remains uncertain due to factors such as another increase in the number of people infected with repeated emergence of 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 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)^(*1):

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^(*2): ¥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) The target consolidated results for FY2022 are (1) Net profit attributable to Itochu Enex's shareholders: ¥13.0 billion and (2) ROE: 9.0% or more.

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

The operating results for the fiscal year ended March 31, 2022 are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change
Revenue	739,067	936,306	197,239
Profit from operating activities	19,346	20,929	1,583
Net profit attributable to Itochu Enex's shareholders	12,168	13,194	1,026

Revenue was ¥936,306 million (up 26.7% 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 ¥20,929 million (up 8.2% year on year), and net profit attributable to Itochu Enex's shareholders was ¥13,194 million (up 8.4% 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 previous fiscal year.

2) Results of operations by segment

Results of operations by segment are as follows.

Home-Life Division

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change
Revenue	78,962	93,992	15,030
Profit from operating activities	1,553	2,635	1,082
Net profit attributable to Itochu Enex's shareholders	1,726	2,759	1,033

In LP gas business of the Home-Life Division during the fiscal year ended March 31, 2022, 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, LP gas sales volume decreased slightly year on year overall as demand for automotive gas for wholesale and taxi use decreased.

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 118,000 (an increase of approximately 9,000 from the end of the previous fiscal year).

In the industrial gas business, sales volume increased year on year due to the recovery in utilization rates of restaurants and plants to which we are supplying gas that had experienced reduced demand due to COVID-19.

As a result of these activities, the operating results for the fiscal year ended March 31, 2022 are as follows.

Revenue was ¥93,992 million (up 19.0% 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 ¥2,635 million (up 69.7% year on year), and net profit attributable to Itochu Enex's shareholders was ¥2,759 million (up 59.8% 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)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change
Revenue	414,641	516,670	102,029
Profit from operating activities	7,604	7,657	53
Net profit attributable to Itochu Enex's shareholders	4,054	3,971	(83)

Looking at the Car-Life Division during the fiscal year ended March 31, 2022, in the Car-Life Stations (CS)^(*3) business, the number of the CS was 1,636, a decrease of 51 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 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. experienced a decrease in sales volume year on year due to the spread of COVID-19 and a decrease in the number of cars produced because of semi-conductor shortages.

As a result of these activities, the operating results for the fiscal year ended March 31, 2022 are as follows.

Revenue was ¥516,670 million (up 24.6% 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 ¥7,657 million (up 0.7% year on year), but net profit attributable to Itochu Enex's shareholders was ¥3,971 million (down 2.0% year on year). This was mainly due to a contraction in retail margins in the CS business, while the increase in the earnings ratio per vehicle in the automobile dealer business contributed.

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

Industrial Business Division

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change
Revenue	160,778	224,496	63,718
Profit from operating activities	5,010	4,674	(336)
Net profit attributable to Itochu Enex's shareholders	3,857	3,250	(607)

Looking at the Industrial Business Division, during the fiscal year ended March 31, 2022, 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[®](*4) sales business, which is being pursued as a business to reduce environmental impact, there was a severe environment with urea shortages in Japan and overseas, but the Company made efforts to ensure stable supply to existing customers by maximizing the use of our own nationwide supply hubs, including the Saitama AdBlue plant, which was established in the current fiscal year. As for the GTL fuel^(*5) 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 fiscal year ended March 31, 2022 are as follows.

Revenue was ¥224,496 million (up 39.6% 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 ¥4,674 million (down 6.7% year on year). Net profit attributable to Itochu Enex's shareholders was ¥3,250 million (down 15.7% 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 previous fiscal year.

(*4) 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).)

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

Power & Utility Division

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change
Revenue	84,686	101,148	16,462
Profit from operating activities	5,220	6,180	960
Net profit attributable to Itochu Enex's shareholders	2,669	3,483	814

In the electric power business of the Power & Utility Division, during the fiscal year ended March 31, 2022, high-voltage power sales volumes^(*6) 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^(*7), demand for heat decreased year on year in the first half due to the significantly lower average temperature this summer compared to the previous fiscal year. On the other hand, demand for heat increased year on year in the second half due to the lower average temperatures

this winter compared to the previous fiscal year, and full-year demand for heat was only slightly below the previous fiscal year.

As a result of these activities, the operating results for the fiscal year ended March 31, 2022 are as follows.

Revenue was ¥101,148 million (up 19.4% year on year). This was mainly due to the effect of an increase in market wholesale volume and an increase in prices in the electric power business.

Profit from operating activities was ¥6,180 million (up 18.4% year on year). Net profit attributable to Itochu Enex's shareholders was ¥3,483 million (up 30.5% 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 contracted due to higher procurement prices caused by surging resource prices.

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

(*7) 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.

3) Forecasts of consolidated financial results for the fiscal year ending March 31, 2023

In the forecast of consolidated financial results for the fiscal year ending March 31, 2023, we project ¥1,000,000 million in revenue, up 6.8% year on year, ¥19,400 million in profit from operating activities, down 7.3% year on year, ¥20,800 million in profit before tax, down 6.5% year on year, and ¥13,000 million in net profit attributable to Itochu Enex's shareholders, down 1.5% year on year. Basic earnings per share attributable to Itochu Enex's shareholders are projected at ¥115.17.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2022

1) Analysis of assets, liabilities, equity and cash flows

Assets, liabilities and equity

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022	Change
Total assets	408,327	447,017	38,690
Total liabilities	246,928	275,819	28,891
Total equity	161,399	171,198	9,799

Total assets amounted to ¥447,017 million as of March 31, 2022, an increase of ¥38,690 million from March 31, 2021. This was mainly due to an increase in property, plant and equipment of ¥24,201 million due to the acquisition of subsidiaries and an increase in trade receivables of ¥19,147 million due to an increase in selling prices resulting from a rise in the crude oil prices. Total liabilities amounted to ¥275,819 million, an increase of ¥28,891 million from March 31, 2021. This was mainly due to an increase in trade payables of ¥17,459 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 ¥15,470 million due to the acquisition of subsidiaries. Total equity totaled ¥171,198 million, an increase of ¥9,799 million from March 31, 2021, due to factors including an increase of ¥13,194 million from net profit attributable to Itochu Enex's shareholders and a decrease of ¥6,408 million by payment of cash dividends.

We consequently ended the fiscal year with a ratio of shareholders' equity to total assets of 32.3%.

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 0.04 times.

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change
Cash flows from operating activities	40,214	39,955	(259)
Cash flows from investing activities	(125)	(19,113)	(18,988)
[Free cash flows]	[40,089]	[20,842]	[(19,247)]
Cash flows from financing activities	(24,528)	(17,625)	6,903
Net increase (decrease) in cash and cash equivalents	15,561	3,217	(12,344)
Effect of exchange rate changes on cash and cash equivalents	37	87	50
Cash and cash equivalents at the end of the period	34,841	38,145	3,304

Cash and cash equivalents (net cash) totaled ¥38,145 million as of March 31, 2022, up ¥3,304 million from March 31, 2021.

Cash flows from operating activities

(Millions of yen)			
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change
Cash flows from operating activities	40,214	39,955	(259)
Changes in working capital and others	7,359	6,109	(1,250)
Substantive operating cash flow*	32,855	33,846	991

*Substantive operating cash flow excludes working capital, etc. from cash flows from operating activities.

Operating activities provided net cash of ¥39,955 million. Major items included profit before tax of ¥22,241 million, depreciation and amortization of ¥20,780 million, and income taxes paid of ¥7,162 million. Net cash provided decreased ¥259 million year on year. Moreover, substantive operating cash flow increased ¥991 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 ¥19,113 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 ¥10,999 million. Net cash used increased ¥18,988 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 our Group Financial System* resulted in ¥17,625 million in funds used for financing activities. This was mainly due to repayments of lease liabilities of ¥11,359 million and cash dividends paid to Itochu Enex’s shareholders of ¥5,762 million. Net cash used decreased ¥6,903 million year on year.

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

2) Cash flow indicators

Fiscal year ended March 31,	2020	2021	2022
Ratio of shareholders' equity to total assets (%)	33.1	33.4	32.3
Ratio of shareholders' equity to total assets at market value (%)	24.6	30.2	25.9
Ratio of cash flow to interest-bearing debt (years)	0.9	0.4	0.8
Interest-coverage ratio (times)	25.0	37.6	40.2

Ratio of shareholders' equity to total assets: Total shareholders' equity / Total assets

Ratio of shareholders' equity to total assets at market value: Market capitalization / Total assets

Ratio of cash flow to interest-bearing debt: Interest-bearing debt / Cash flow

Interest-coverage ratio: Cash flow / Interest expense

(Note 1.) All of the above ratios were calculated using consolidated financial statement data.

(Note 2.) Market capitalization was calculated by multiplying the fiscal-year-end closing share price by the number of shares outstanding at fiscal year-end (net of treasury stock).

(Note 3.) "Cash flow" is "Cash provided by (used in) operating activities" on the Consolidated Statement of Cash Flows.

(Note 4.) Interest-bearing debt is all debt, of the debt carried on the Consolidated Statement of Financial Position, on which interest is payable.

(3) Profit Distribution Policy and Dividends for the Fiscal Years Ended March 31, 2022 and Ending March 31, 2023

In terms of shareholder returns, we aim to maintain a consolidated dividend payout ratio of at least 40% in accord with our policy of paying stable dividends on an ongoing basis while maintaining sustained business growth.

For the fiscal year ended March 31, 2022, we plan to pay a year-end dividend of ¥25 per share. For the fiscal year ending March 31, 2023, we plan to pay annual dividends of ¥48 per share (including an interim dividend of ¥24 per share).

With respect to internally retained funds, our basic policy is to use such funds to invest in our business to strengthen our operating foundation and further increase earnings.

2. Basic Concepts Underlying Selection of Accounting Standards

The Itochu Enex Group has adopted IFRS (International Financial Reporting Standards) from the fiscal year ended March 31, 2014, in order to improve international comparability and the convenience of financial information in capital markets.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	34,841	38,145
Trade receivables	99,764	118,911
Other current financial assets	17,900	14,957
Inventories	25,495	22,161
Income taxes receivable	3,055	118
Trade advances paid	100	150
Other current assets	2,710	2,704
Total current assets	183,865	197,146
Non-current assets		
Investments accounted for by the equity method	29,437	28,042
Other investments	4,246	3,396
Non-current financial assets other than investments	10,330	13,883
Property, plant and equipment	136,291	160,492
Investment property	12,797	12,979
Goodwill	521	521
Intangible assets	19,688	19,232
Deferred tax assets	9,728	8,412
Other non-current assets	1,424	2,914
Total non-current assets	224,462	249,871
Total assets	408,327	447,017

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
LIABILITIES AND EQUITY		
Current liabilities		
Short-term bonds and borrowings	3,041	23,091
Trade payables	102,768	120,227
Lease liabilities	10,285	9,468
Other current financial liabilities	5,614	7,527
Income taxes payable	3,874	3,054
Advances from customers	11,006	10,780
Other current liabilities	14,353	11,190
Total current liabilities	150,941	185,337
Non-current liabilities		
Non-current bonds and borrowings	14,418	9,838
Lease liabilities	50,499	48,160
Other non-current financial liabilities	14,425	14,691
Non-current liabilities for employee benefits	9,925	10,480
Deferred tax liabilities	1,001	1,038
Provisions	5,465	6,006
Other non-current liabilities	254	269
Total non-current liabilities	95,987	90,482
Total liabilities	246,928	275,819
Equity		
Common stock	19,878	19,878
Capital surplus	18,974	18,990
Retained earnings	99,829	107,617
Other components of equity	(576)	(315)
Treasury stock	(1,871)	(1,871)
Total shareholders' equity	136,233	144,297
Non-controlling interests	25,165	26,901
Total equity	161,399	171,198
Total liabilities and equity	408,327	447,017

(2) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Revenue	739,067	936,306
Cost of sales	(652,178)	(852,715)
Gross profit	86,889	83,591
Other income and expense		
Selling, general and administrative expenses	(67,115)	(68,065)
Loss from tangible assets, intangible assets and goodwill	(1,369)	(615)
Other – net	941	6,018
Total other income and expense	(67,543)	(62,662)
Profit from operating activities	19,346	20,929
Financial income and costs		
Interest income	41	31
Dividends received	509	119
Interest expense	(1,070)	(994)
Other financial income and costs – net	(513)	(253)
Total financial income and costs	(1,033)	(1,097)
Share of profit of investments accounted for by the equity method	1,726	2,409
Profit before tax	20,039	22,241
Income tax expense	(5,675)	(6,675)
Net profit	14,364	15,566
Net profit attributable to:		
Net profit attributable to Itochu Enex's shareholders	12,168	13,194
Net profit attributable to non-controlling interests	2,196	2,372
Total	14,364	15,566

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss		
FVTOCI financial assets	219	53
Remeasurement of net defined benefit liability	26	40
Other comprehensive income of investments accounted for by the equity method	77	59
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(65)	16
Cash flow hedges	147	229
Other comprehensive income of investments accounted for by the equity method	417	229
Total other comprehensive income, net of tax effect	821	626
Comprehensive income	15,185	16,192
Comprehensive income attributable to:		
Comprehensive income attributable to Itochu Enex's shareholders	12,945	13,810
Comprehensive income attributable to non-controlling interests	2,240	2,382
Total	15,185	16,192

(Yen)

Earnings per share attributable to Itochu Enex's shareholders		
Basic	107.79	116.89
Diluted	—	—

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total shareholders' equity		
Balance at April 1, 2020	19,878	18,934	92,761	(1,370)	(1,870)	128,333	23,551	151,884
Net profit			12,168			12,168	2,196	14,364
Other comprehensive income				777		777	44	821
Comprehensive income			12,168	777		12,945	2,240	15,185
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
Transfer from other components of equity to retained earnings			(17)	17		–		–
Purchase and disposal of treasury stock					(1)	(1)		(1)
Share-based payments		39			1	40		40
Balance at March 31, 2021	<u>19,878</u>	<u>18,974</u>	<u>99,829</u>	<u>(576)</u>	<u>(1,871)</u>	<u>136,233</u>	<u>25,165</u>	<u>161,399</u>

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total shareholders' equity		
Balance at April 1, 2021	19,878	18,974	99,829	(576)	(1,871)	136,233	25,165	161,399
Net profit			13,194			13,194	2,372	15,566
Other comprehensive income				616		616	10	626
Comprehensive income			13,194	616		13,810	2,382	16,192
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			356	(356)		–		–
Purchase and disposal of treasury stock					(1)	(1)		(1)
Share-based payments		39			–	39		39
Balance at March 31, 2022	<u>19,878</u>	<u>18,990</u>	<u>107,617</u>	<u>(315)</u>	<u>(1,871)</u>	<u>144,297</u>	<u>26,901</u>	<u>171,198</u>

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	20,039	22,241
Depreciation and amortization	19,930	20,780
Loss from tangible assets, intangible assets and goodwill	1,369	615
Gain on remeasurement resulting from companies becoming subsidiaries	–	(4,211)
Financial income and costs	1,033	1,097
Share of profit of investments accounted for by the equity method	(1,726)	(2,409)
Increase in trade receivables	(12,927)	(19,145)
Decrease (increase) in inventories	(4,807)	3,318
Increase in trade payables	18,950	17,119
Other – net	6,143	4,817
Dividends received	3,105	695
Interest received	41	31
Interest expense	(1,006)	(886)
Income taxes paid	(10,028)	(7,162)
Income taxes refund	98	3,055
Net cash flows provided by operating activities	40,214	39,955
Cash flows from investing activities		
Purchase of investments (including investments accounted for by the equity method)	(5,375)	(1,023)
Proceeds from sales and redemption of investments (including investments accounted for by the equity method)	5,521	2,550
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	(875)	(749)
Collection of loans receivable	1,180	815
Payments for purchase of property, plant and equipment and investment property	(11,646)	(10,999)
Proceeds from sales of property, plant and equipment and investment property	700	1,089
Purchase of intangible assets	(1,618)	(1,811)
Proceeds from sales of intangible assets	219	29
Decrease in deposits paid – net	11,021	–
Other – net	737	(1,442)
Net cash flows used in investing activities	(125)	(19,113)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from bonds and borrowings	11,050	1,050
Repayments of bonds and borrowings	(18,941)	(1,896)
Repayments of lease liabilities	(11,106)	(11,359)
Net increase in short-term borrowings	179	989
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	(1)	(1)
Net cash flows used in financing activities	(24,528)	(17,625)
Net increase in cash and cash equivalents	15,561	3,217
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	87
Cash and cash equivalents at the end of the period	34,841	38,145

(5) Notes to Consolidated Financial Statements

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

No items to report.

Segment Information

i) Outline of Reportable Segments

The reportable segments of the Group are components of the Group whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing performance.

The Group is organized into business divisions, consolidating related businesses. Each business division plans strategies for each category of target customers and markets and develops business activities. The Group has four reportable segments that correspond to the business divisions, namely the "Home-Life Division," "Car-Life Division," "Industrial Business Division," and "Power & Utility Division."

The Home-Life Division engages in sales and services involving LP gas, kerosene, town gas (Nakatsu City, Oita Prefecture and Kanto region), industrial gas, electricity, household equipment, smart energy equipment, remodeling, residential lithium-ion electricity storage systems, pressure resistance inspection for gas containers and welding materials.

The Car-Life Division engages in sales and services involving gasoline, kerosene, diesel oil, electricity, automobiles, car rental, lifestyle and automotive products.

The Industrial Business Division engages in sales and services involving gasoline, kerosene, diesel oil, fuel oil, LP gas, high-grade urea solution "AdBlue[®]," GTL fuel, corporate fleet refueling cards asphalt, and marine fuel, as well as recycling of fly ash, recovery and recycling of slop, import/ export of petroleum products and terminal tank rental.

The Power & Utility Division is engaged in the sale of electricity (wind, hydropower, photovoltaic power, coal-fired, natural gas-fired) and steam, as well as in providing district heating services, comprehensive energy services, electricity/heat supply services, electric power supply/demand management services, and asset management business.

ii) Information on Reportable Segments

Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segment				Total	Adjustment	Consolidated
	Home-Life Division	Car-Life Division	Industrial Business Division	Power & Utility Division			
Revenue							
Revenue from external customers	78,962	414,641	160,778	84,686	739,067	–	739,067
Intersegment revenue	54	10,910	5,262	4,224	20,450	(20,450)	–
Total revenue	79,016	425,551	166,040	88,910	759,517	(20,450)	739,067
Gross profit	20,429	46,776	9,426	10,258	86,889	–	86,889
Selling, general and administrative expenses	(18,750)	(39,162)	(4,103)	(4,985)	(67,000)	(115)	(67,115)
Loss from tangible assets, intangible assets and goodwill	(157)	(214)	(310)	(668)	(1,349)	(20)	(1,369)
Other profit (loss)	31	204	(3)	615	847	94	941
Profit from operating activities	1,553	7,604	5,010	5,220	19,387	(41)	19,346
Financial income and costs	(14)	(453)	438	(855)	(884)	(149)	(1,033)
Share of profit of investments accounted for by the equity method	1,410	69	66	181	1,726	–	1,726
Profit before tax	2,949	7,220	5,514	4,546	20,229	(190)	20,039
Net profit attributable to Itochu Enex's shareholders	1,726	4,054	3,857	2,669	12,306	(138)	12,168
Other items							
Depreciation and amortization	(3,887)	(7,604)	(1,799)	(5,089)	(18,379)	(1,551)	(19,930)
impairment loss	(119)	(136)	(295)	(496)	(1,046)	–	(1,046)
Total assets	72,235	150,123	56,288	94,979	373,625	34,702	408,327
Investments accounted for by the equity method	20,282	429	194	8,532	29,437	–	29,437
Capital expenditures	4,309	2,146	431	5,931	12,817	447	13,264
Increase in right-of-use assets	1,350	5,876	1,916	630	9,772	3	9,775

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

The adjustment of negative ¥138 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

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

Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment				Total	Adjustment	Consolidated
	Home-Life Division	Car-Life Division	Industrial Business Division	Power & Utility Division			
Revenue							
Revenue from external customers	93,992	516,670	224,496	101,148	936,306	–	936,306
Intersegment revenue	103	14,324	7,440	5,055	26,922	(26,922)	–
Total revenue	94,095	530,994	231,936	106,203	963,228	(26,922)	936,306
Gross profit	21,726	46,383	8,408	7,074	83,591	–	83,591
Selling, general and administrative expenses	(19,189)	(38,735)	(4,781)	(5,125)	(67,830)	(235)	(68,065)
Loss from tangible assets, intangible assets and goodwill	(56)	(226)	(76)	(255)	(613)	(2)	(615)
Other profit	154	235	1,123	4,486	5,998	20	6,018
Profit from operating activities	2,635	7,657	4,674	6,180	21,146	(217)	20,929
Financial income and costs	(9)	(429)	25	(535)	(948)	(149)	(1,097)
Share of profit of investments accounted for by the equity method	2,025	75	1	308	2,409	–	2,409
Profit before tax	4,651	7,303	4,700	5,953	22,607	(366)	22,241
Net profit attributable to Itochu Enex's shareholders	2,759	3,971	3,250	3,483	13,463	(269)	13,194
Other items							
Depreciation and amortization	(4,076)	(7,464)	(2,023)	(5,725)	(19,288)	(1,492)	(20,780)
impairment loss	(483)	(115)	(43)	(123)	(764)	–	(764)
Total assets	77,719	149,627	70,757	117,272	415,375	31,642	447,017
Investments accounted for by the equity method	21,219	738	209	5,876	28,042	–	28,042
Capital expenditures	3,481	3,380	656	5,057	12,574	236	12,810
Increase in right-of-use assets	1,113	1,309	1,932	614	4,968	84	5,052

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

The adjustment of negative ¥269 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥31,642 million to total assets represents corporate assets not allocated to reportable segments.

iii) Products and Services Information

This information is omitted because the classification of products and services is the same as the classification of reportable segments.

iv) Geographic Information

This information is omitted because revenue from external customers in Japan accounts for a large percentage of the revenue recorded in the consolidated statement of comprehensive income for the fiscal years ended March 31, 2021 and 2022.

v) Major Customers Information

This information is omitted because there is no major external customer from which revenue accounts for 10% or more of the revenue recorded in the consolidated statement of comprehensive income for the fiscal years ended March 31, 2021 and 2022.

Earnings per Share

Basic earnings per share for the fiscal years ended March 31, 2021 and 2022, were calculated as follows:

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net profit attributable to Itochu Enex's shareholders (Millions of yen)	12,168	13,194
Weighted-average number of ordinary shares outstanding (Thousands of shares)	112,881	112,880
Basic earnings per share attributable to Itochu Enex's shareholders (Yen)	107.79	116.89

(Note) Diluted earnings per share attributable to Itochu Enex's shareholders are not presented because there were no dilutive potential shares.

Significant Events after the Reporting Period

No items to report.