

ITOCHU ENEX CO., LTD.

(TSE Prime, 8133)

Supplementary Explanation of Financial Results(FY2023)

April 30, 2024

Note

We pay close attention to the content of the material, but the Company and information providers will not be liable for any damage caused by errors in the information posted or damage suffered based on the information posted in this material.

The current plans and strategies of the Company posted in this material are forecasts prepared by the Company based on information currently available, and these future forecasts include risks and uncertainties. Accordingly, the actual results may differ materially from the forecasts posted. Please note that the Company does not guarantee the certainty of these forecasts.

- Unless otherwise noted, all the numerical values in this material are based on the International Financial Reporting Standards (IFRS).
- In this material, the notation has been replaced as follows.
“Profit from operating activities” ⇒ “Operating profit”
“Net profit attributable to Itochu Enex’s shareholders” ⇒ “Net profit”

Results Highlights

Overview of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

- **Net profit** increased 0.1 billion yen year on year to **13.9 billion yen**, reaching a record high.
- Profit increased thanks to the strength of the car dealer business, coupled with gains on sale associated with the replacement of assets. However, the industrial Business segment experienced a decline in earnings attributed to a reactionary decline from the strong performance it had recorded in the previous fiscal year and a downturn in the electric power market.

Net sales

963.3 billion yen (-4.8% year on year)

Operating profit

23.6 billion yen (+10.4% year on year)

Gross profit

88.6 billion yen (-1.1% year on year)

Net profit

13.9 billion yen (+0.4% year on year)

◇ **Overview of Consolidated Financial Results
for the Fiscal Year Ended March 31, 2024**

(1) Overview of the Entire Company

(2) Overview by Segment

◇ **Appendix**

Overview of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

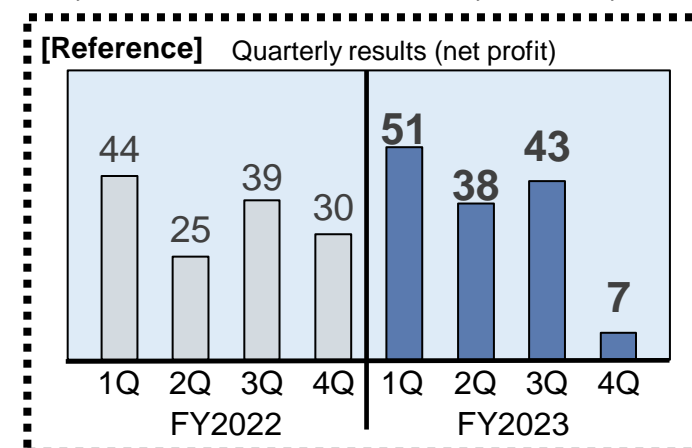
(1) Overview of the Entire Company

Summary of Financial Results for FY2023

(100 million yen)	FY2022 Results	FY2023 Results	Changes
Net sales	10,120	9,633	-487
Gross profit	896	886	-9
Selling, general and administrative expenses	-689	-702	-13
Loss (gain) related to fixed assets	-6	46	+52
Operating profit	214	236	+22
Share of profit (loss) of investments accounted for using equity method	24	19	-5
Net profit	138	139	+1
Ratio of SG&A expenses to gross profit	76.9%	79.3%	+2.4 pt
Dividends (yen/share)	50	54	+4

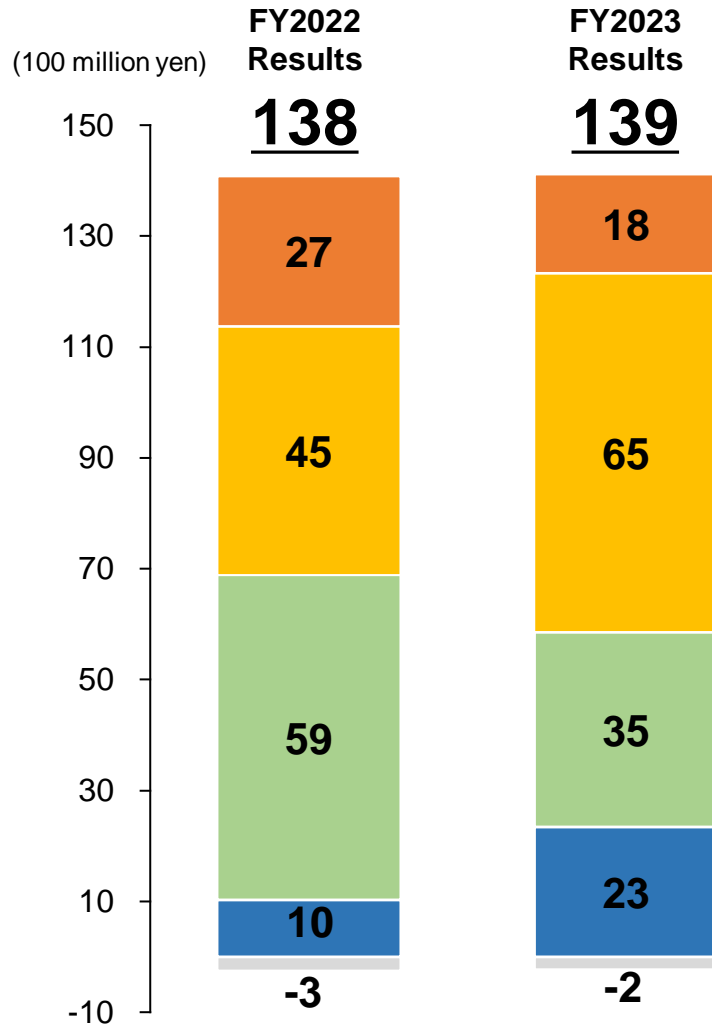
FY2023 Plan	Achievement rate
9,700*	99%
209	113%
135	103%

* The full-year consolidated earnings forecast for net sales was revised to 970 billion yen from an initial forecast of 1,200 billion yen on January 31, 2024.



- Net profit increased 0.1 billion yen year on year to 13.9 billion yen, reaching a record high.
- Profit increased thanks to the **strength of the car dealer business**, coupled with **gains on sale** associated with **the replacement of assets**. However, the **Industrial Business segment** experienced a decline in earnings attributable to a reactionary decline from the strong performance it had recorded in the previous fiscal year and a downturn in the electric power market.
- The annual dividend is expected to rise 4.00 yen from that for the previous year, to an ordinary dividend of 54 yen per share.

Net Profit by Segment

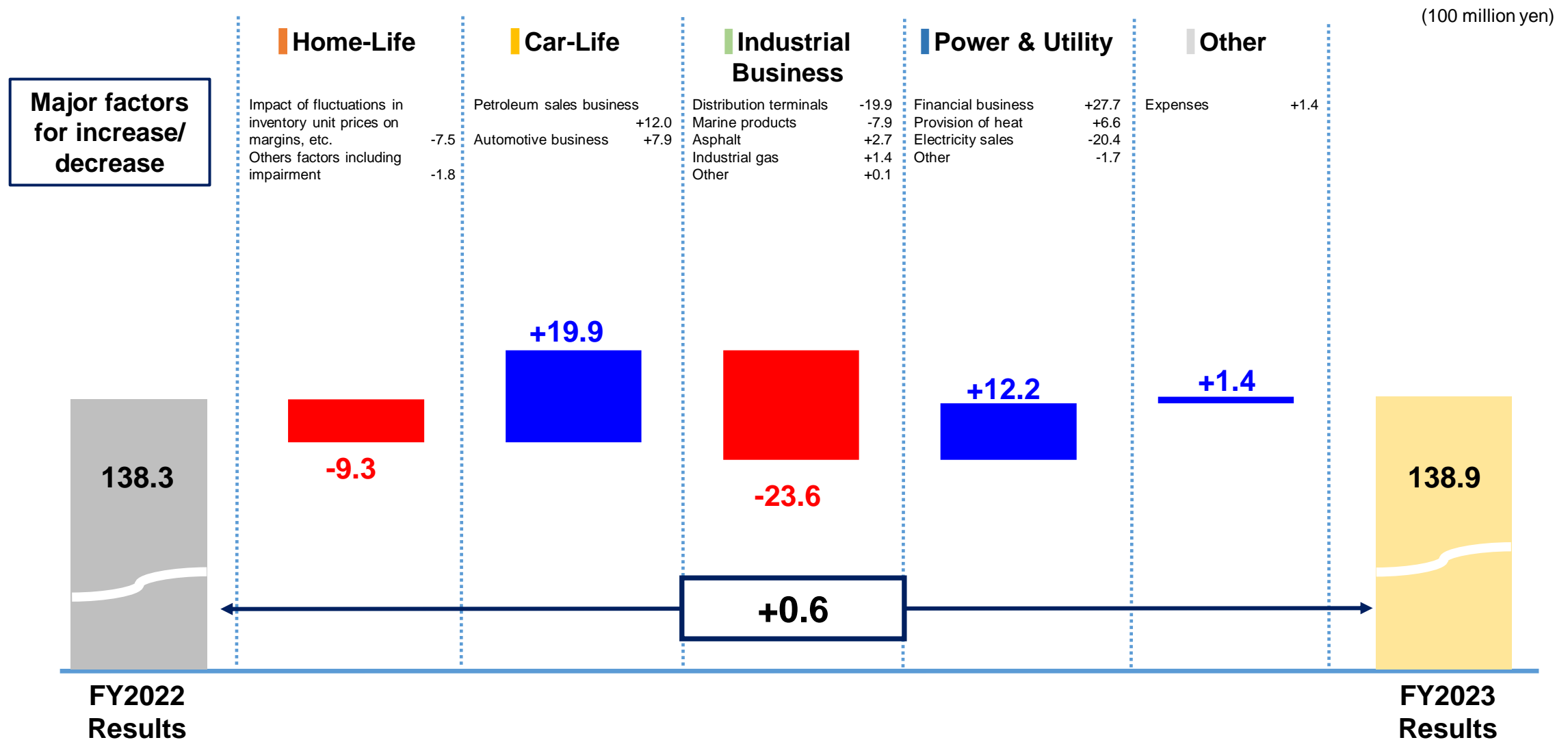


Major factors for increase/decrease

- Home-Life (YoY: -¥900 million, Percent of the plan achieved: 66%)**
 Profit decreased due to the impact of fluctuations in inventory unit prices on margins following a drop in the LP gas import price.
- Car-Life (YoY: +¥2,000 million, Percent of the plan achieved: 151%)**
 Profit increased due to the strength of the car dealer business and a gain on the sale of former CS sites.
- Industrial Business (YoY: -¥2,400 million, Percent of the plan achieved: 113%)**
 Profit decreased due to the reactionary decline in the marine fuel business and in the distribution terminal business, both of which achieved strong performances in the preceding year.
- Power & Utility (YoY: +¥1,200 million, Percent of the plan achieved: 61%)**
 Profit increased, with a gain on the sale of a mega solar power plant offsetting a decline in earnings that resulted from a downturn in the electric power market.

(* CS: Stands for car life station, which is a multi-service station offered by the Company.

Analysis of Net Profit by Segment

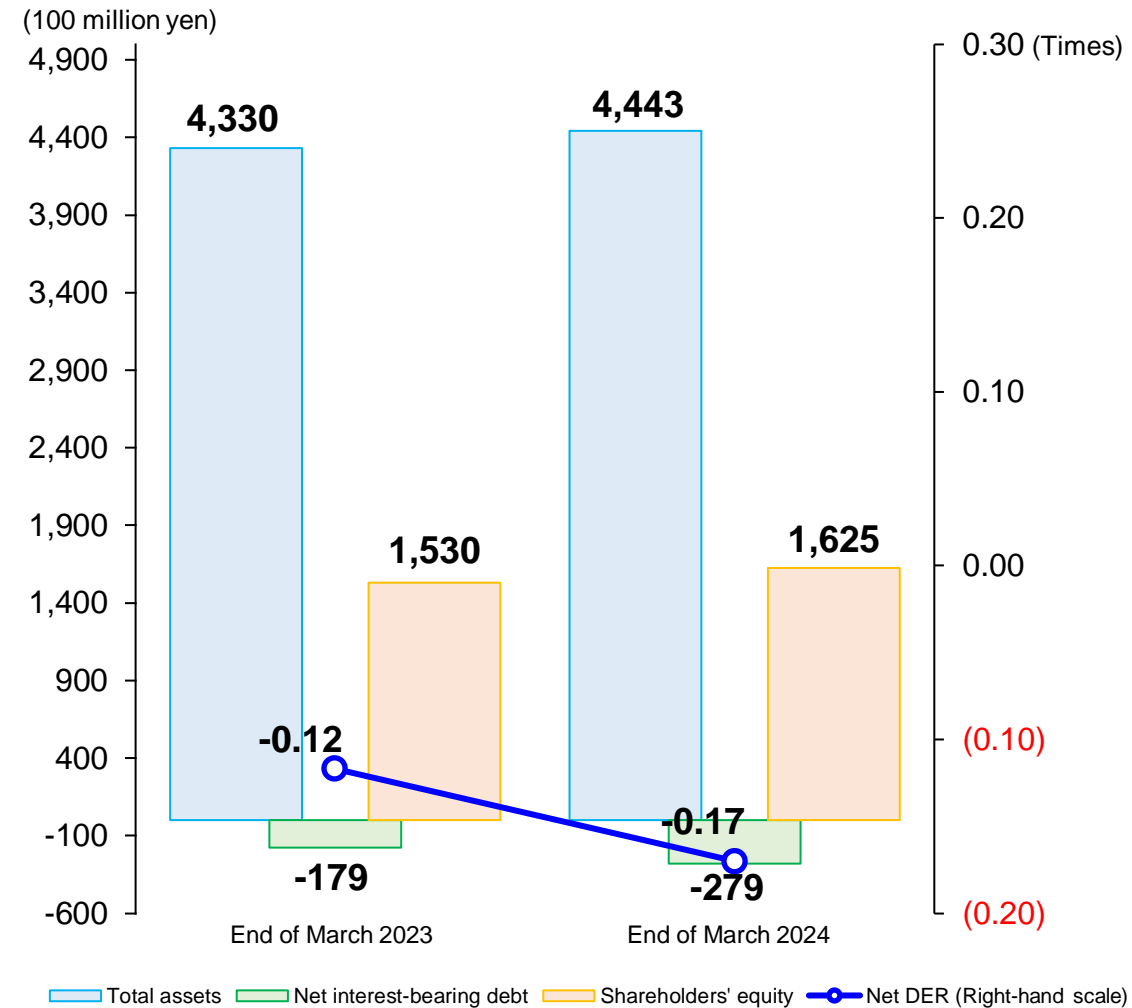


Financial Position

Trade receivables increased due in part to an increase in the crude oil prices at the end of the fiscal year.

- **Total assets:** Increased **11.3** billion yen from the end of the previous year to **444.3 billion yen**, reflecting an increase in trade receivables attributable in part to an increase in the crude oil prices at the end of the fiscal year.
- **Shareholders' equity:** Increased **9.6** billion yen from the end of the previous year to **162.5** billion yen, mainly reflecting a rise in net profit.
- **PBR:** Improved by 0.26pt from the end of the previous year to **1.09** times due to higher share prices.

(100 million yen)	End of March 2023 Results	End of March 2024 Results	Changes
Total assets	4,330	4,443	+113
Net interest-bearing debt	-179	-279	-100
Shareholders' equity	1,530	1,625	+96
Ratio of shareholders' equity to net assets	35.3%	36.6%	+1.3 pt
Net DER	-0.12	-0.17	-0.05 pt
PBR	0.83	1.09	+0.26 pt



Cash Flows

Substantive operating cash flows decreased year on year, but overall cash flows were steady, mainly due to the replacement of assets.

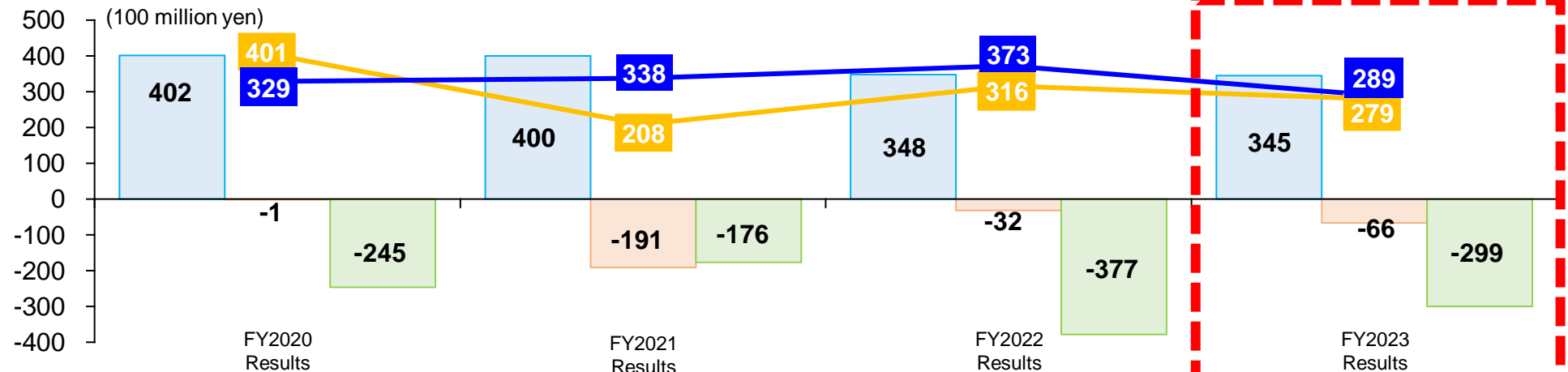
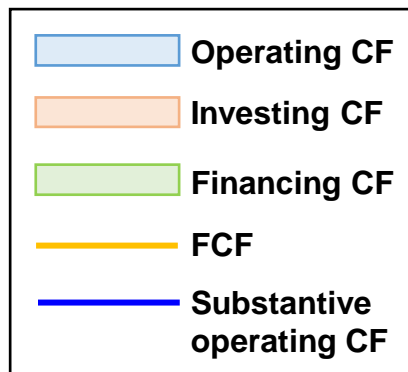
Cash Flows (100 million yen)	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results
Cash flows from operating activities	402	400	348	345
Cash flows from investing activities	-1	-191	-32	-66
(Free cash flows)	401	208	316	279
Cash flows from financing activities	-245	-176	-377	-299

Substantive cash flows

Substantive operating cash flows (*1)	329	338	373	289 (*2)
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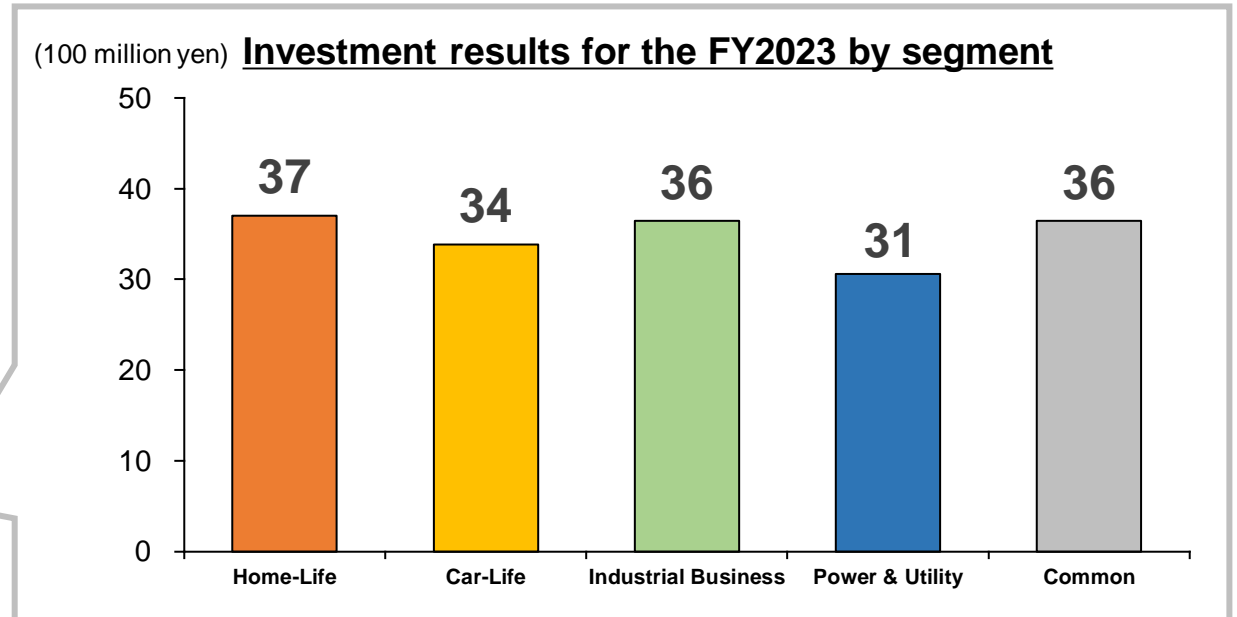
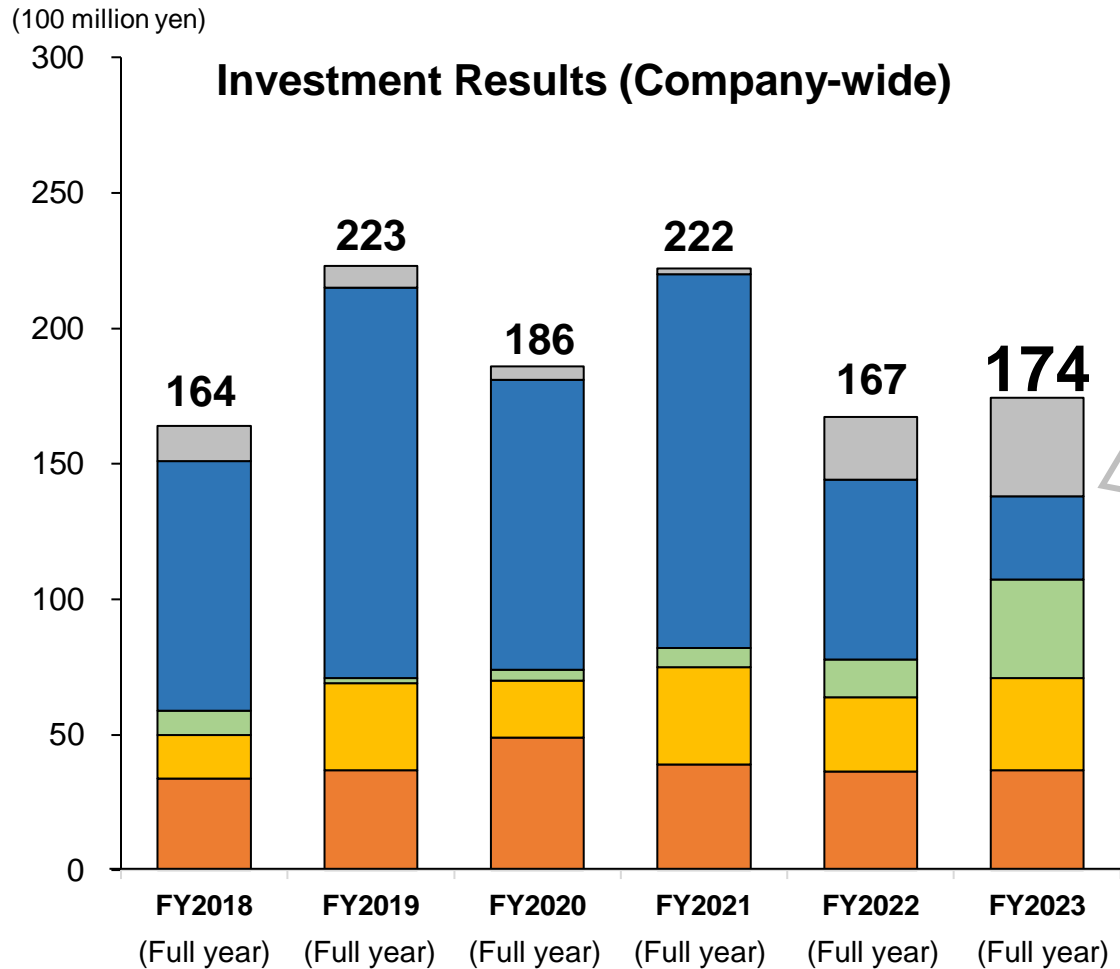
(*1) Operating CF – Increase/decrease in working capital

(*2) Including spending of approx. 3.4 billion yen as withholding income tax related to the sale of assets



Investment Trends

Started new initiatives such as the acquisition of business rights and investments in power plants and DX.



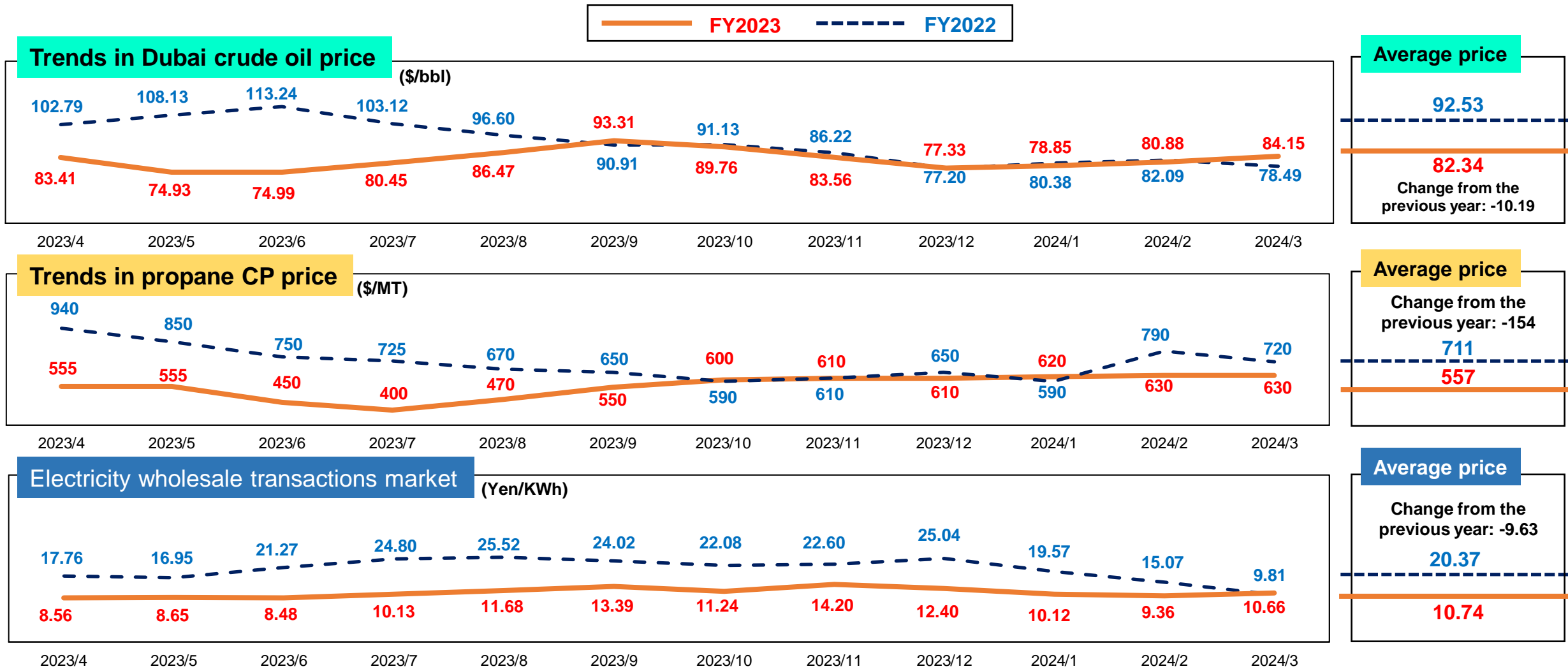
Major new and strategic investment results

Home-Life	Acquisition of business rights, investment in LPWA (*), etc.
Car-Life	Investment in the automotive aftermarket, etc.
Industrial Business	New construction of industrial gas-related facilities, investment in the modified asphalt business, etc.
Power & Utility	Investment in photovoltaic power generation and solar power and demand-response solutions
Common	Construction of new core systems, building of training facilities, and others

(*) Abbreviation for Low Power Wide Area. Communication method for achieving long-distance telecommunication with reduced power consumption.

(Reference) Market Trends

Crude oil prices remained flat in the second half while CP and power prices were mostly below the previous year's level throughout the year.



Overview of Consolidated Financial Results
for the Fiscal Year Ended March 31, 2023
(2) Overview by Segment

Results by Segment

(100 million yen)		FY2022 Results	FY2023 Results	Changes	Rate of change %	FY2023 Plan	Achievement rate
Company-wide	Net sales	10,120	9,633	-487	-4.8%	9,700*	99%
	Operating profit	214	236	+22	+10.4%	209	113%
	Net profit	138	139	+1	+0.4%	135	103%
Home-Life	Net sales	842	767	-75	-8.9%	—	—
	Operating profit	20	15	-6	-27.4%	—	—
	Net profit	27	18	-9	-34.1%	27	66%
Car-Life	Net sales	5,771	6,215	+444	+7.7%	—	—
	Operating profit	90	125	+35	+39.4%	—	—
	Net profit	45	65	+20	+44.2%	43	151%
Industrial Business	Net sales	2,310	1,447	-863	-37.4%	—	—
	Operating profit	85	50	-35	-40.7%	—	—
	Net profit	59	35	-24	-40.2%	31	113%
Power & Utility	Net sales	1,197	1,204	+7	+0.6%	—	—
	Operating profit	22	46	+25	+114.2%	—	—
	Net profit	10	23	+12	+119.3%	37	61%

* The full-year consolidated earnings forecast for net sales was revised to 970 billion yen from an initial forecast of 1,200 billion yen on January 31, 2024.

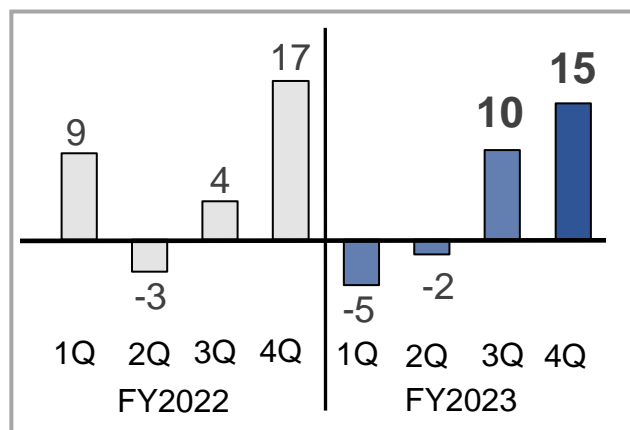
Home-Life

Profit decreased due to the impact of fluctuations in inventory unit prices on margins following a drop in the LP gas import price.

(100 million yen)

	FY2022 Results	FY2023 Results	Changes	Major factors for increase/decrease	FY2023 Plan	Achievement rate
Gross profit	181	180	-1	The number of customers under direct contract rose approx. 9,000 from the end of the previous fiscal year, to approx. 574,000, reflecting the acquisition of new customers and business rights. LP gas sales volume decreased year on year due to the impact of the warm winter. Profit slid due to a fall in the LP gas import price, which led to a negative impact from fluctuations in inventory unit prices on margins.		
Selling, general and administrative expenses	-162	-162	-0			
Operating profit	20	15	-6			
Share of profit (loss) of investments accounted for using equity method	21	16	-6			
Net profit	27	18	-9			27

Quarterly results (net profit)



Profit (loss) of major affiliates

	FY2022 Results	FY2023 Results	Changes
ITOCHU ENEX HOME-LIFE NISHI-NIHON	6	4	-2
ECORE (The Company's equity 51%)	6	7	+1
ENEARC (The Company's equity 50%)	9	8	-1

Number of customers (1,000)

	End of March 2023	End of March 2024	Changes
Number of customers under direct LP gas supply contracts	565	574	+9

Sales volumes

	FY2022 Results	FY2023 Results	Changes
LP gas (thousand tons)	452	422	-7%

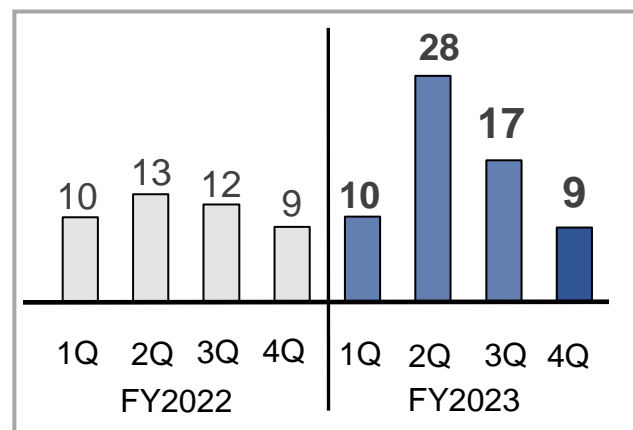
Car-Life

Profit increased due to the strength of the car dealer business and a gain on the sale of former CS sites.

(100 million yen)

	FY2022 Results	FY2023 Results	Changes	Major factors for increase/decrease	FY2023 Plan	Achievement rate
Gross profit	491	529	+38	The number of CS decreased by 44 from the end of the previous fiscal year to 1,566. The sales volume of oil products was higher than in the previous year as demand trended higher. The number of cars sold increased year on year, reflecting strong deliveries of new cars due to a recovery in the supply of semiconductors. In terms of profitability, the brisk performance of the car dealer business and a gain on the sale of former CS sites resulted in profit growth.		
Selling, general and administrative expenses	-402	-413	-12			
Loss (gain) related to fixed assets	-4	7	+11			
Operating profit	90	125	+35			
Share of profit (loss) of investments accounted for using equity method	-1	1	+1			
Net profit	45	65	+20			43

Quarterly results (net profit)



Profit (loss) of major affiliates

	FY2022 Results	FY2023 Results	Changes
ENEX FLEET	20	24	+4
Osaka Car Life Group (The Company's equity 51.95%)	11	19	+8

Sales volumes

	FY2022 Results	FY2023 Results	Changes
Gasoline (thousand KL)	2,129	2,127	-0%
Diesel oil (thousand KL)	2,523	2,743	+9%
New cars (thousand units)	25	28	+10%
Used cars (thousand units)	18	19	+5%

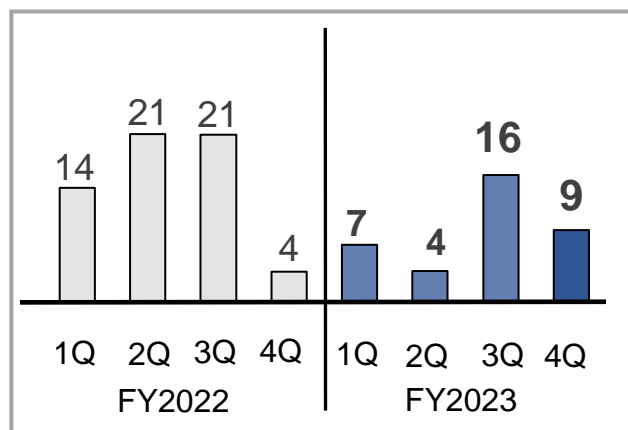
Industrial Business

Profit decreased following a reactionary fall in the distribution terminal business, which had performed strongly in the previous fiscal year.

(100 million yen)

	FY2022 Results	FY2023 Results	Changes	Major factors for increase/decrease	FY2023 Plan	Achievement rate
Gross profit	152	113	-40	<p>In the marine fuel business, the sales volume decreased year on year after a partial contraction of transactions for ocean-going vessels. In the AdBlue sales business, the sales volume was higher year on year, following good progress in the development of sales channels.</p> <p>In terms of profitability, the absence of strong performances, such as those recorded mainly by the distribution terminal business and the marine fuel sales business in the previous fiscal year, resulted in lower profits, despite the robust results of the asphalt sales business and the AdBlue sales business.</p>		
Selling, general and administrative expenses	-62	-63	-1			
Operating profit	85	50	-35			
Share of profit (loss) of investments accounted for using equity method	1	1	+0			
Net profit	59	35	-24			31

Quarterly results (net profit)



Profit (loss) of major affiliates

	FY2022 Results	FY2023 Results	Changes
ITOCHU INDUSTRIAL GAS	3	5	+2

Sales volumes

	FY2022 Results	FY2023 Results	Changes
Heavy fuel oil (thousand KL)	1,566	1,041	-34%
Asphalt (thousand tons)	258	287	+11%
Industrial gas (thousand tons)	64	66	+2%
AdBlue (thousand KL)	98	105	+7%

Power & Utility

Profit increased with a gain on the sale of mega solar power plant having absorbed the decline in earnings that resulted from a downturn in the electric power market.

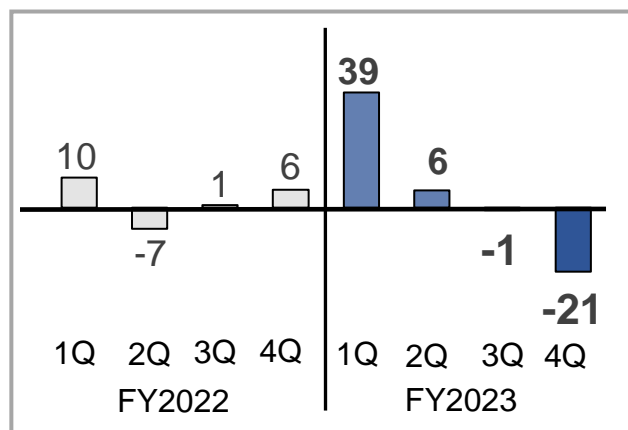
(100 million yen)

	FY2022 Results	FY2023 Results	Changes
Gross profit	71	64	-7
Selling, general and administrative expenses	-60	-63	-3
Loss (gain) related to fixed assets	0	41	+41
Operating profit	22	46	+25
Share of profit (loss) of investments accounted for using equity method	3	2	△ 1
Net profit	10	23	+12

Major factors for increase/decrease
With respect to the sales volume of the electricity retailing business, the result of low voltage power surpassed the previous fiscal year's level, attributable to the acquisition of new contracts, while that of high voltage power declined year on year due to the implementation of profitability focused sales. As a result, overall sales fell year on year. Sales volume in the heat provision business increased year on year due to an increase in the use of air conditioners that resulted from the extreme heat in the summer of the year. In terms of profitability, profit increased, with a gain on the sale of a mega solar power plant offsetting a decline in earnings attributed to a downturn in the electric power market.

FY2023 Plan	Achievement rate
37	61%

Quarterly results (net profit)



Profit (loss) of major affiliates

	FY2022 Results	FY2023 Results	Changes
ENEX Electric Power Group	9	2	-8
ENEX LIFE SERVICE	3	6	+3
Tokyo Toshi Service Company (The Company's equity 66.6%)	1	8	+7
Oji-Itochu Enex power retailing Co., Ltd. (The Company's equity 60.0%)	6	4	-3

Number of customers (in thousands)

	End of March 2023	End of March 2024	Changes
Number of power supply destinations (company-wide total)	334	321	-13

Sales volumes

	FY2022 Results	FY2023 Results	Changes	
Electricity Retail (GWh)*	2,054	2,018	-2%	
Breakdown	Sales of high voltages*	1,225	948	-23%
	Sales of low voltages*	829	1,070	+29%
Steam (thousand tons)	411	331	-19%	
Heat quantity (TJ)	1,238	1,314	+6%	

* Calculated based on preliminary values. Electricity retail includes agency quantity.

Appendix

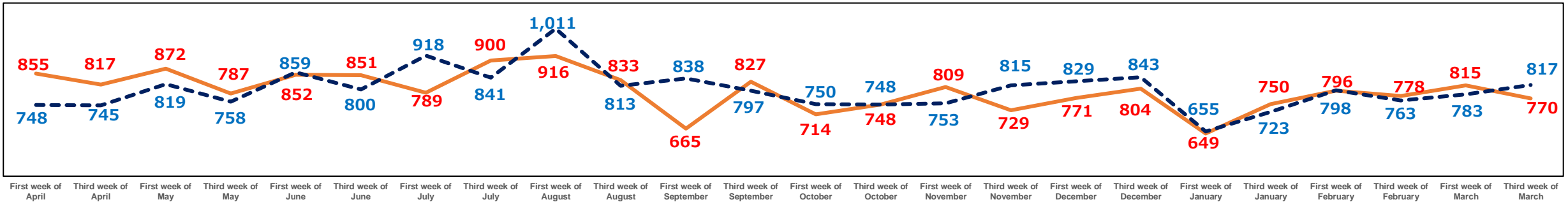
Appendix

[Reference] Shipments of gasoline and diesel oil in Japan (national statistics)

Weekly shipment volume of gasoline

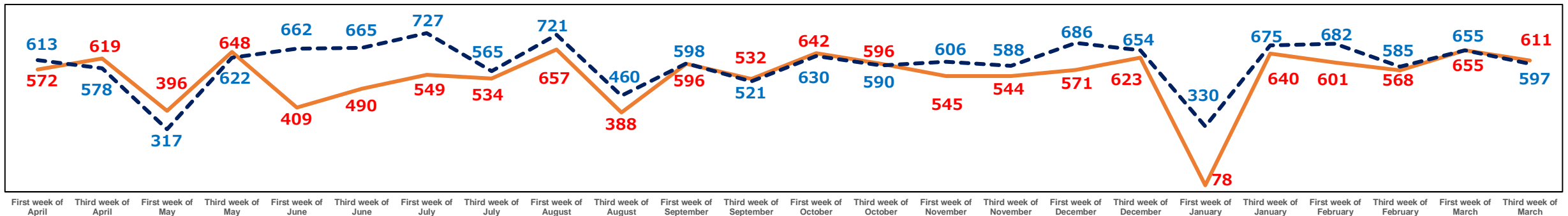
Unit: Thousand kiloliters

— Most recent 1 year (Apr. 2023 - Mar. 2024) - - - - Year ago value



Weekly shipment volume of diesel oil

Unit: Thousand kiloliters



* Created based on statistics from Petroleum Association of Japan

Appendix

[Reference] Monthly sales volume of LP gas (March to February, national statistics)

Unit: Thousand tons

	March			April			May			June			July			August		
	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes
For household and business use	806	722	△10%	621	566	△9%	529	533	+1%	499	465	△7%	448	430	△4%	402	409	+2%
For cars	31	29	△6%	31	28	△10%	30	29	△2%	32	29	△8%	34	32	△6%	32	31	△1%
Total	837	751	△10%	652	594	△9%	559	563	+1%	530	494	△7%	482	461	△4%	434	440	+1%

	September			October			November			December			January			February			Total		
	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2023	2024	Changes	2023	2024	Changes	Year ago value	Most recent 1 year	Changes
For household and business use	440	393	△11%	492	471	△4%	621	595	△4%	810	778	△4%	822	756	△8%	765	743	△3%	7,256	6,860	△5%
For cars	31	29	△6%	30	28	△8%	31	28	△10%	32	30	△8%	28	27	△2%	28	28	0%	369	348	△6%
Total	471	423	△10%	523	498	△5%	652	623	△4%	843	808	△4%	850	783	△8%	793	771	△3%	7,625	7,209	△5%

* Created based on statistics from Japan LP Gas Association

Appendix

[Reference] Monthly sales of new cars (Standard-sized cars, compact cars and kei (light) cars) (April to March, national statistics)

Unit: Thousand units

	April			May			June			July			August			September		
	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes
Standard-sized and compact cars	154	193	+26%	136	180	+32%	170	227	+34%	187	222	+19%	154	183	+19%	212	238	+12%
Kei cars	91	96	+6%	75	92	+22%	98	105	+7%	101	99	△2%	80	97	+22%	113	126	+11%
Total	244	290	+19%	212	272	+28%	268	332	+24%	288	321	+11%	234	281	+20%	325	363	+12%

	October			November			December			January			February			March			Total		
	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2023	2024	Changes	2023	2024	Changes	2023	2024	Changes	Year ago value	Most recent 1 year	Changes
Standard-sized and compact cars	186	215	+15%	193	225	+16%	181	201	+11%	202	193	△4%	237	203	△14%	330	269	△19%	2,341	2,547	+9%
Kei cars	110	120	+9%	115	119	+4%	104	101	△3%	118	92	△22%	120	96	△20%	148	115	△22%	1,272	1,260	△1%
Total	296	334	+13%	308	344	+12%	284	302	+6%	320	285	△11%	356	298	△16%	478	384	△20%	3,614	3,807	+5%

* Compiled based on statistical data issued by the Japan Automobile Dealers Association and the Japan Light Motor Vehicle and Motorcycle Association

Contact

Finance & Investor Relations Section

Staff : Nakamura or Morita

[E-MAIL] enex_irpr@itcenex.com

[TEL] +81-3-4233-8025 [FAX] + 81-3-4533-0103