

ITOCHU ENEX CO., LTD.

(TSE Prime, 8133)

FY2024 Financial Results for First Three Months

July 31, 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

FY2024 Financial Results for First Three Months

- Quarterly net profit was 3.7 billion yen, showing steady progress of 27% toward the full-year plan.
- Profit decreased in the absence of gains on the sale of mega solar power plants recorded in the same period of the previous year, despite an improvement in the profitability of Home-Life and Power & Utility.

Net sales

210.0 billion (-1.7% year on year)

Operating profit

5.4 billion yen (-41.4% year on year)

Gross profit

22.3 billion (+5.7% year on year)

Net profit

3.7 billion yen (-28.3% year on year)

◇ **Overview of Consolidated Financial Results
for First Three Months of FY2024**

(1) Overview of the Entire Company

(2) Overview by Segment

◇ **Appendix**

Overview of Consolidated Financial Results for First Three Months of FY2024 (1) Overview of the Entire Company

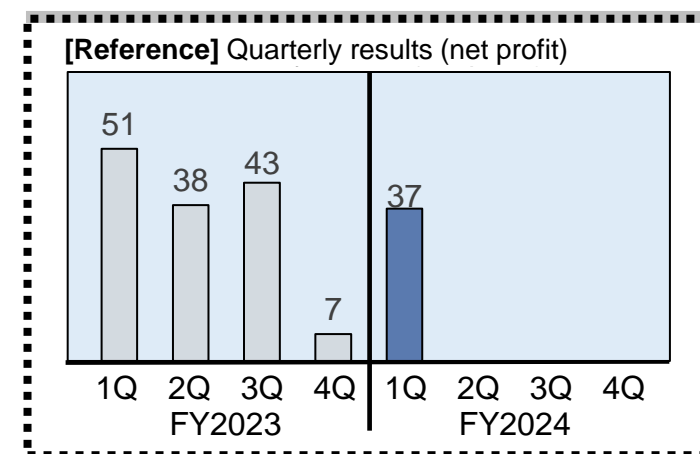
Summary of Financial Results for 1Q/FY2024

(100 million yen)	FY2023 1Q Results	FY2024 1Q Results	Changes
Net sales	2,147	2,110	-37
Gross profit	211	223	+12
Selling, general and administrative expenses	-171	-171	+0
Loss (gain) related to fixed assets	51	-1	-52
Operating profit	92	54	-38
Share of profit (loss) of investments accounted for using the equity method	-3	7	+10
Net profit	51	37	-15
Ratio of SG&A expenses to gross profit	81.1%	76.6%	-4.5 pt

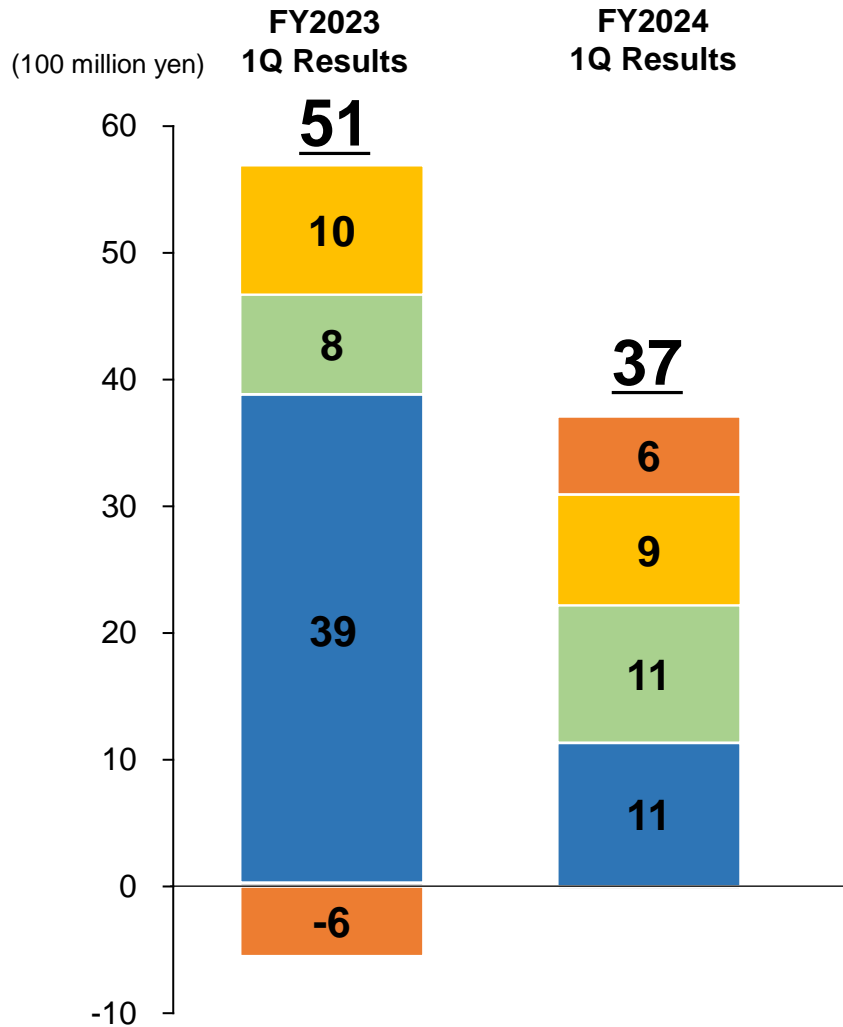
	FY2023 Results	FY2024 Plan	Changes
Dividends (yen/share)	54	56	+2

- ❑ **Quarterly net profit was 3.7 billion yen and showed steady progress of 27% toward the plan**, although a year-on-year decrease of 15% was recorded.
- ❑ Profit decreased in the absence of gains on the sale of mega solar power plants recorded in the same period of the previous year, despite an improvement in the profitability of Home-Life and Power & Utility.
- ❑ The annual dividend is projected to be 56 yen per share, reflecting a rise of 2.00 yen from that for the previous year.

FY2024 Plan	Achievement rate
215	25%
135	27%



Net Profit in 1Q by Segment



Major factors for increase/decrease

Home-Life (YoY: +¥1,200 million, Percent of the plan achieved: 24%)

Profit increased, reflecting a reactionary recovery from the year-ago decline attributable to the negative impact of fluctuations in inventory unit prices on margins.

Car-Life (YoY: -¥100 million, Percent of the plan achieved: 20%)

Profit decreased, reflecting a decline in the profitability of the CS* business due to market conditions, although used car sales contributed.

Industrial Business (YoY: +¥300 million, Percent of the plan achieved: 27%)

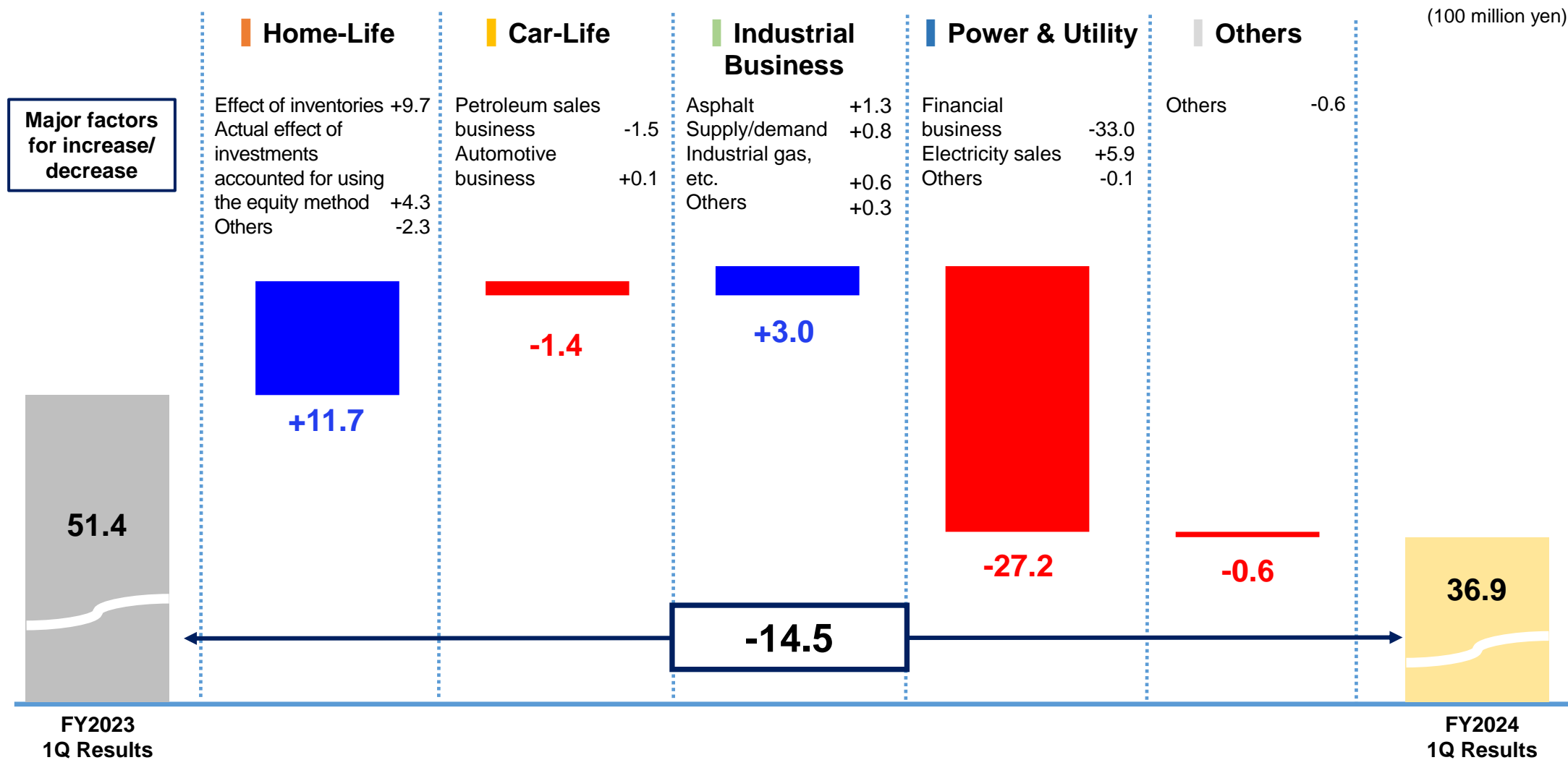
Profit increased mainly due to the brisk performances of the asphalt sales and industrial gas sales businesses.

Power & Utility (YoY: -¥2,700 million, Percent of the plan achieved: 34%)

Profit decreased in the absence of gains on the sale of mega power plants recorded in the same period of the previous year, although profitability improved due to the stabilization of 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

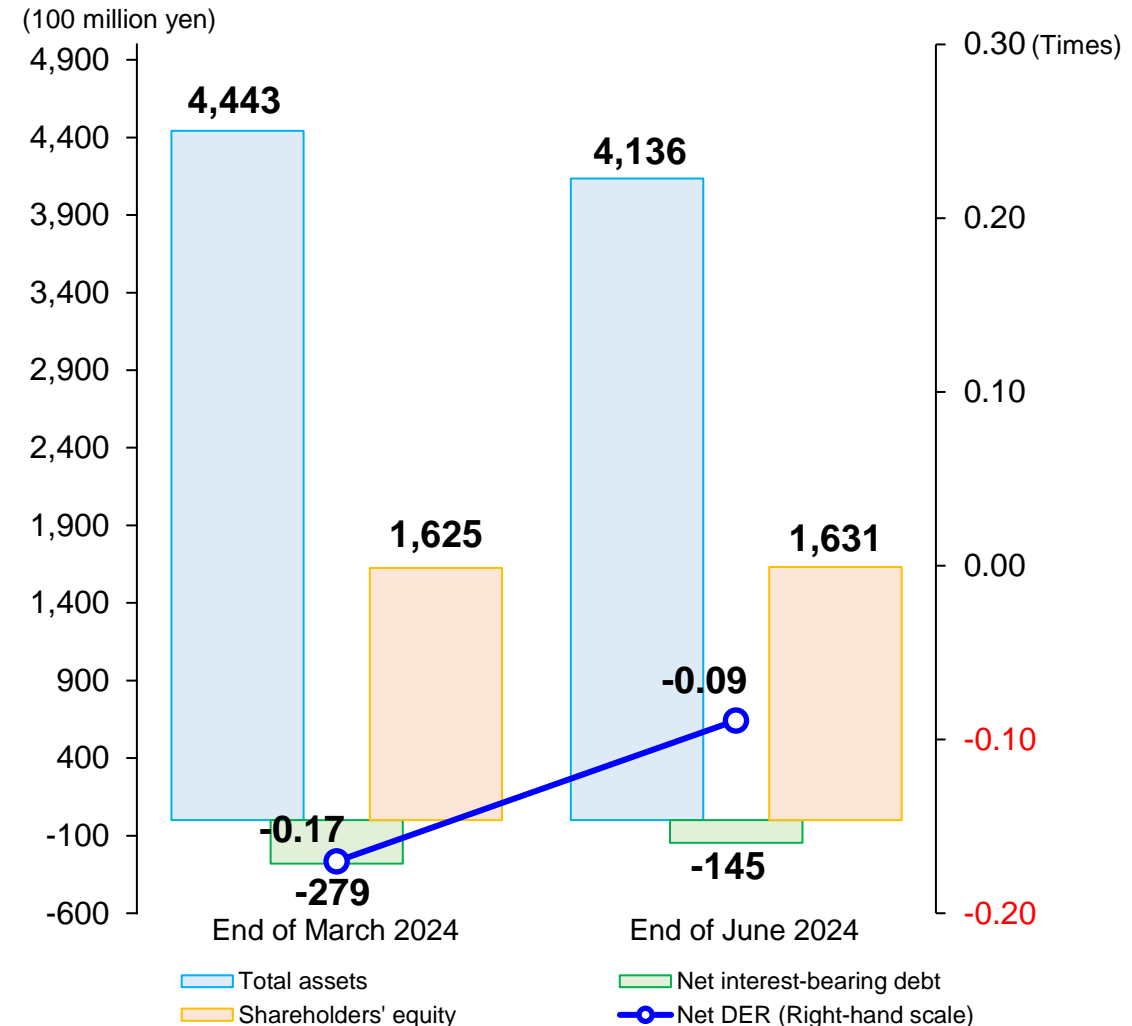


Financial Position

Total assets decreased, reflecting a decrease in trade receivables due to seasonal factors and an increase in working capital

- **Total assets:** Decreased **30.7 billion yen** from the end of the previous year to **413.6 billion yen** due to a decrease in trade receivables due to seasonal factors and an increase in working capital.
- **Shareholders' equity:** Increased **0.5 billion yen** from the end of the previous year to **163.1 billion yen**, mainly reflecting a rise in net profit.
- **PBR:** Decreased by 0.04 pt from the end of the previous year to **1.05 times**.

(100 million yen)	End of March 2024 Results	End of June 2024 Results	Changes
Total assets	4,443	4,136	-307
Net interest-bearing debt	-279	-145	+134
Shareholders' equity	1,625	1,631	+5
Equity ratio	36.6%	39.4%	+2.8 pt
Net DER	-0.17	-0.09	+0.08 pt
PBR	1.09	1.05	-0.04 pt



Cash Flows

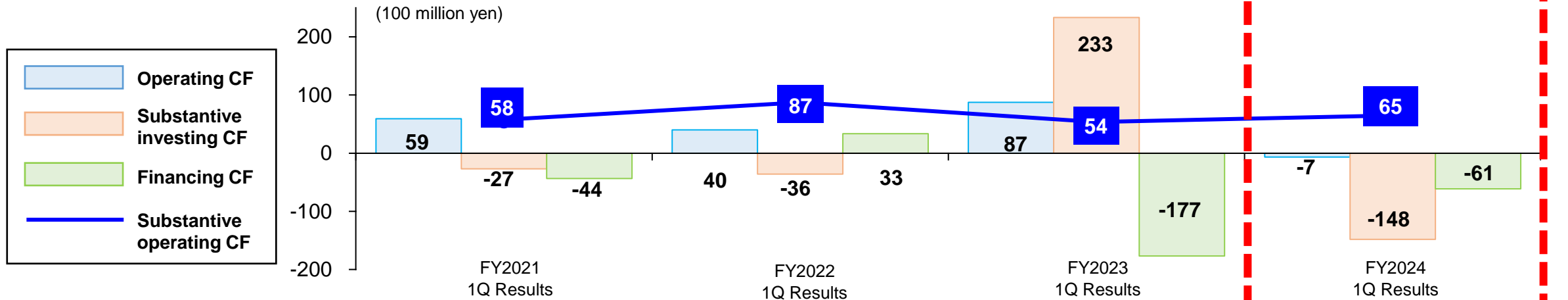
Investments increased with an investment in WECARS, while underlying operating cash flows were steady

Cash Flows	(100 million yen)	FY2021 1Q Results	FY2022 1Q Results	FY2023 1Q Results	FY2024 1Q Results
Cash flows from operating activities		59	40	87	-7
Cash flows from investing activities		-27	-36	133	-48
Deposits paid to parent company		-	-	-100	100
Substantive investing cash flows*1		-27	-36	233	-148
Cash flows from financing activities		-44	33	-177	-61

Substantive operating cash flows (*2)		58	87	54	65
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(*1) Cash flows from investing activities excluding deposits paid to parent company

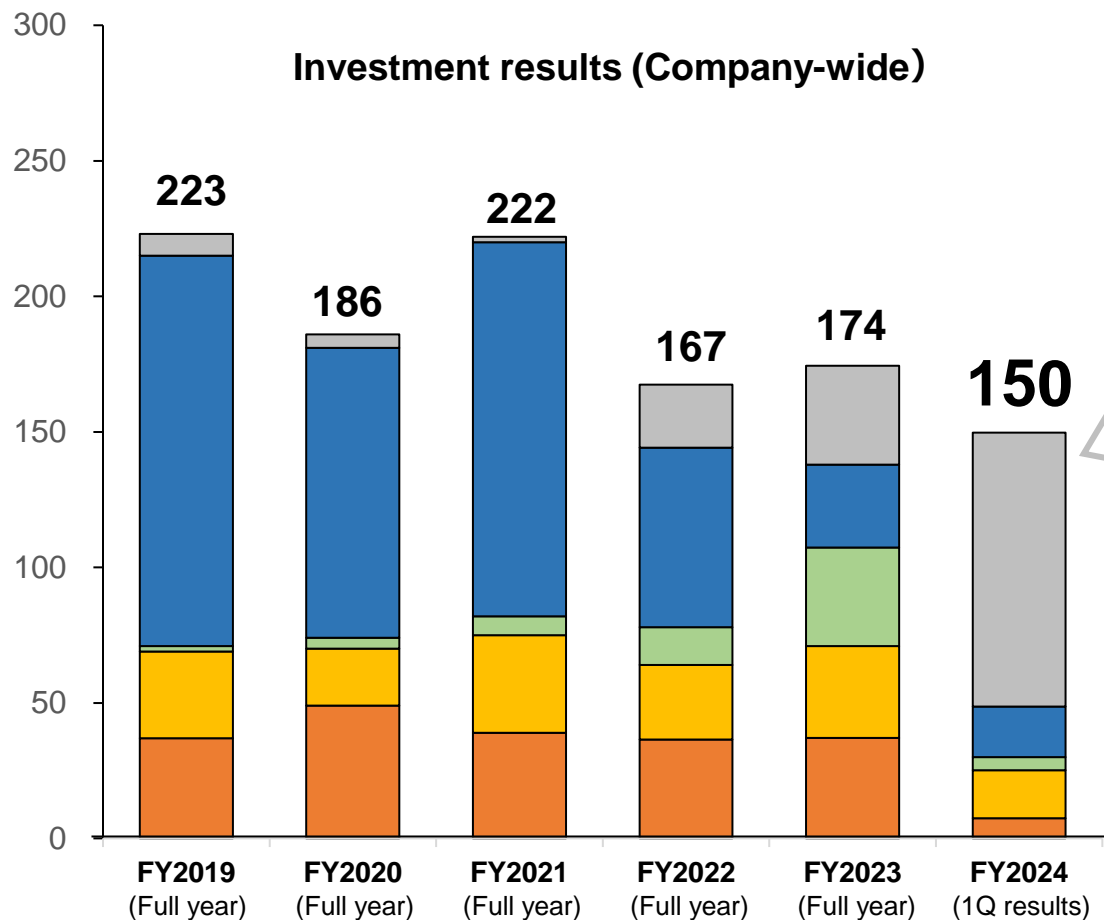
(*2) Operating CF – Increase/decrease in working capital



Investment Trends

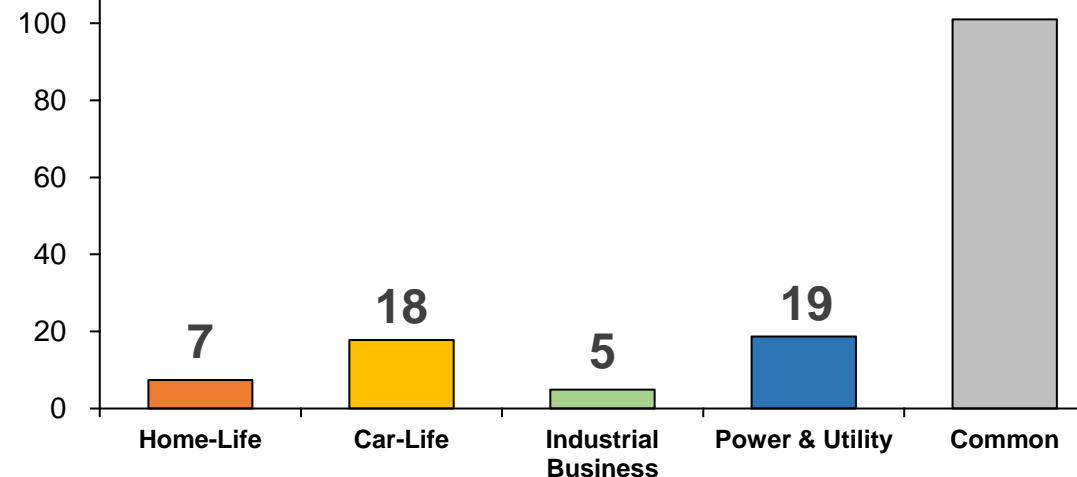
New and strategic investments including one in WECARS, a new company, were made.

(100 million yen)



(100 million yen)

Investment results for the first three months of FY2024 by segment



Major new and strategic investment results, etc.

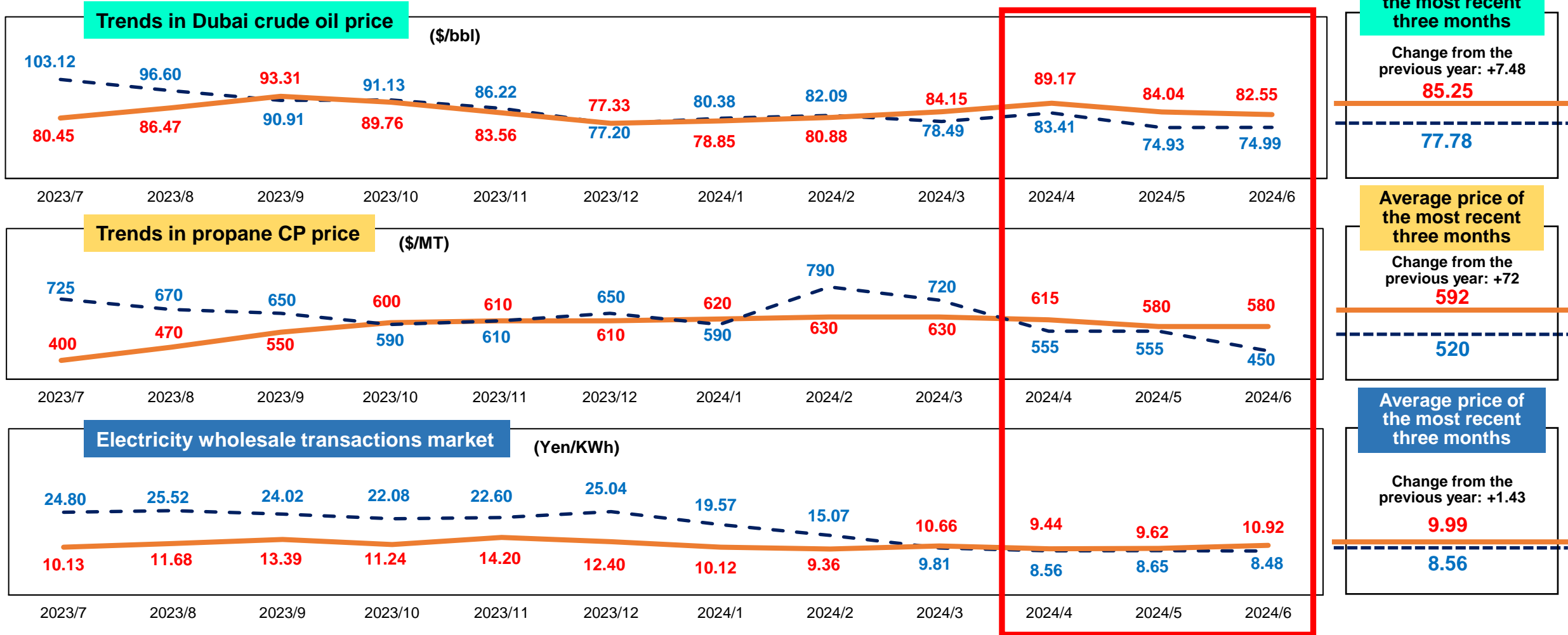
Home-Life	Acquisition of business rights, investment in LPWA (*), etc.
Car-Life	Renovation work of stores of Nissan Osaka Sales Co., Ltd., etc.
Industrial Business	New construction of industrial gas-related facilities and others
Power & Utility	Expansion of LNG thermal power plants, investments in solar power plants, etc.
Common	Funding for WECARS, building new core systems, etc.

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

(Reference) Market Trends

The contract price remained flat after April 2024, while crude oil and electricity prices slightly exceeded the year-ago levels in the most recent three months.

— Most recent 1 year (Jul. 2023 - Jun. 2024) - - - - - Year ago value



Overview of Consolidated Financial Results for First Three Months of FY2024

(2) Overview by Segment

Results by Segment

(100 million yen)		FY2023	FY2024	Changes	Rate of change %	FY2024 Plan	Achievement rate
		1Q Results	1Q Results				
Company-wide	Net sales	2,147	2,110	-37	-1.7%	—	—
	Operating profit	92	54	-38	-41.4%	215	25%
	Net profit	51	37	-15	-28.3%	135	27%
Home-Life	Net sales	157	169	+12	+7.4%	—	—
	Operating profit	-0	1	+1	↑	—	—
	Net profit	-6	6	+12	↑	26	24%
Car-Life	Net sales	1,392	1,442	+49	+3.6%	—	—
	Operating profit	21	18	-3	-13.6%	—	—
	Net profit	10	9	-1	-14.2%	43	20%
Industrial Business	Net sales	321	333	+12	+3.6%	—	—
	Operating profit	10	14	+4	+43.1%	—	—
	Net profit	8	11	+3	+37.7%	40	27%
Power & Utility	Net sales	277	167	-110	-39.6%	—	—
	Operating profit	61	20	-41	-67.3%	—	—
	Net profit	39	11	-27	-70.5%	33	34%

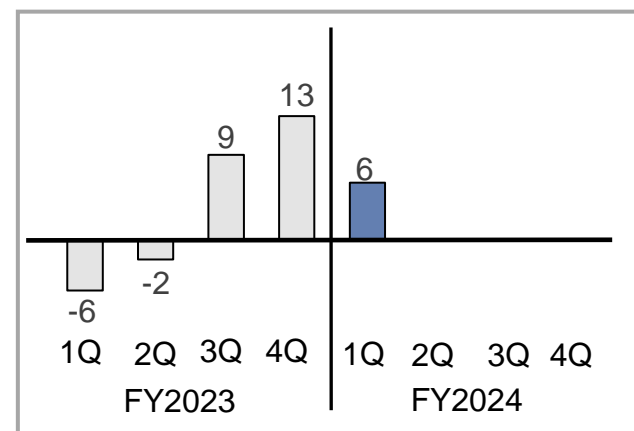
Home-Life

Profit increased, reflecting a reactionary recovery from the year-ago decline attributable to the negative impact of fluctuations in inventory unit prices on margins.

	FY2023 1Q Results	FY2024 1Q Results	Changes		FY2024 Plan	Achievement rate
Gross profit	38	41	+3	<p>Major factors for increase/decrease (Net profit)</p> <p>The number of customers under direct contracts were approximately 574,000, which was the year-ago level. The LP gas sales volume decreased year on year due to the average temperature was higher than in the same period of the previous year.</p> <p>On the profitability side, profit rose reflecting a reactionary recovery from the year-ago decline attributable to the negative impact of fluctuations in inventory unit prices on margins.</p>		
Selling, general and administrative expenses	-40	-41	-1			
Operating profit	-0	1	+1			
Profit (losses) of investments accounted for using the equity method	-5	7	+12			
Net profit	-6	6	+12			
					26	24%

(100 million yen)

Quarterly results (net profit)



Profit (loss) of major affiliates	FY2023 1Q Results	FY2024 1Q Results	Changes
ITOCHU ENEX HOME-LIFE NISHI-NIHON	1	1	+0
ECORE (The Company's equity 51%)	1	1	+0
ENEARC (The Company's equity 50%)	-0	3	+3

Number of customers (1,000)	End of March 2024	End of June 2024	Changes
Number of customers under direct LP gas supply contracts	574	574	+0

Sales volumes	FY2023 1Q Results	FY2024 1Q Results	Changes
LP gas (thousand tons)	102	97	-5%

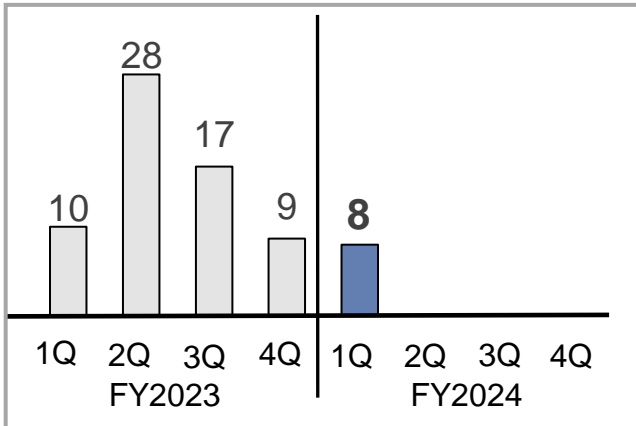
Car-Life

Profit decreased, reflecting a decline in the CS Business' profitability due to market factors.

	FY2023 1Q Results	FY2024 1Q Results	Changes	Major factors for increase/decrease (Net profit)	FY2024 Plan	Achievement rate
Gross profit	120	118	-2	The number of CS decreased by 3 from the end of the previous fiscal year to 1,563. The sales volume of oil products remained unchanged year on year. The overall number of cars sold increased year on year due to strong sales of used car sales. Profit decreased, reflecting a decline in the profitability of the CS business attributable to market factors, although there were increases in the number of used cars sold and margins.	43	20%
Selling, general and administrative expenses	-101	-101	-0			
Loss (gain) related to fixed assets	-0	-1	-1			
Operating profit	21	18	-3			
Net profit	10	9	-1			

(100 million yen)

Quarterly results (net profit)



Profit (loss) of major affiliates	FY2023 1Q Results	FY2024 1Q Results	Changes
ENEX FLEET	4	4	+0
Osaka Car Life Group (The Company's equity 51.95%)	3	3	+0

Sales volumes	FY2023 1Q Results	FY2024 1Q Results	Changes
Gasoline (thousand KL)	517	512	-1%
Diesel oil (thousand KL)	664	667	+0%
New cars (thousand units)	6	6	+5%
Used cars (thousand units)	4	5	+25%

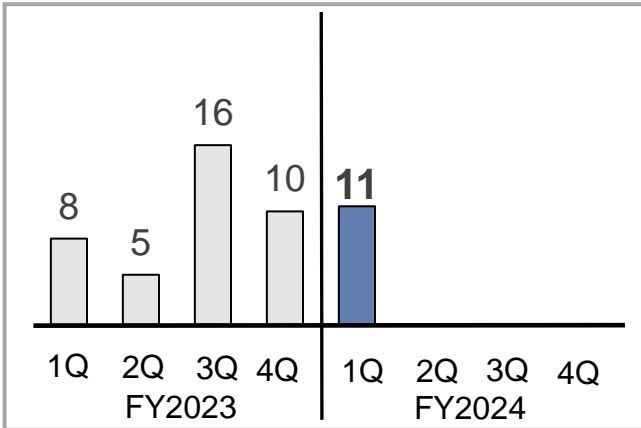
Industrial Business

Profit increased mainly due to the brisk performances of the asphalt sales and industrial gas sales businesses.

	FY2023 1Q Results	FY2024 1Q Results	Changes	Major factors for increase/decrease (Net profit)	FY2024 Plan	Achievement rate
Gross profit	25	29	+4	<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 asphalt sales business, the sales volume increased year on year partly due to the acquisition of new commercial rights. In the AdBlue sales business, the sales volume was on a par with the year-ago level.</p> <p>In terms of profitability, profit grew due to the brisk performances of asphalt sales and other businesses including the industrial gas sales business.</p>		
Selling, general and administrative expenses	-15	-16	-0			
Operating profit	10	14	+4			
Net profit	8	11	+3		40	27%

(100 million yen)

Quarterly results (net profit)



Profit (loss) of major affiliates	FY2023 1Q Results	FY2024 1Q Results	Changes
ITOCHU INDUSTRIAL GAS	1	2	+1

Sales volumes	FY2023 1Q Results	FY2024 1Q Results	Changes
Heavy fuel oil (thousand KL)	256	222	-13%
Asphalt (thousand tons)	55	60	+9%
Industrial gas (thousand tons)	15	16	+5%
AdBlue (thousand KL)	25	25	+1%

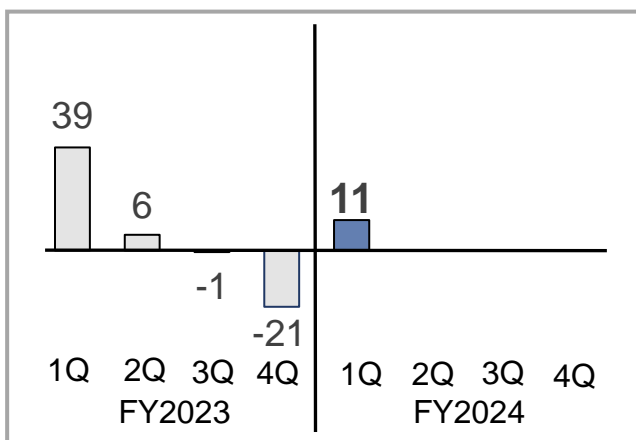
Power & Utility

Profit decreased in the absence of gains on the sale of mega solar power plants recorded in the same period of the previous year.

(100 million yen)

	FY2023 1Q Results	FY2024 1Q Results	Changes	Major factors for increase/decrease (Net profit)	FY2024 Plan	Achievement rate
Gross profit	28	35	+7	<p>In terms of the sales volume of the electricity retailing business, low voltage power decreased from the year-ago level due to a decline in the number of customers, while high voltage power increased year on year due to progress in the acquisition of new contracts. As a result, overall sales were higher than the year-ago level. The amount of heat sold in the heat provision business was on a par with the year-ago level.</p> <p>On the profitability front, profit decreased in the absence of gains on the sale of mega power plants recorded in the same period of the previous year, although profitability improved due to the stabilization of the electric power market.</p>		
Selling, general and administrative expenses	-17	-15	+1			
Loss (gain) related to fixed assets	50	-0	-50			
Operating profit	61	20	-41			
Net profit	39	11	-27			33

Quarterly results (net profit)



Profit (loss) of major affiliates

	FY2023 1Q Results	FY2024 1Q Results	Changes
ENEX Electric Power Group	2	3	+1
ENEX LIFE SERVICE	0	1	+1
Tokyo Toshi Service Company (The Company's equity 66.6%)	2	2	-0
Oji-Itochu Enex power retailing Co., Ltd. (The Company's equity 60.0%)	1	1	+0
Number of customers (in thousands)	End of March 2024	End of June 2024	Changes
Number of power supply destinations (company-wide total)	321	317	-4

Sales volumes

	FY2023 1Q Results	FY2024 1Q Results	Changes	
Electricity Retail (GWh)*	419	470	+12%	
Break down	Sales of high voltages*	205	263	+28%
	Sales of low voltages*	214	207	-3%
Steam (thousand tons)	96	84	-12%	
Heat quantity (TJ)	241	244	+1%	

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

Appendix

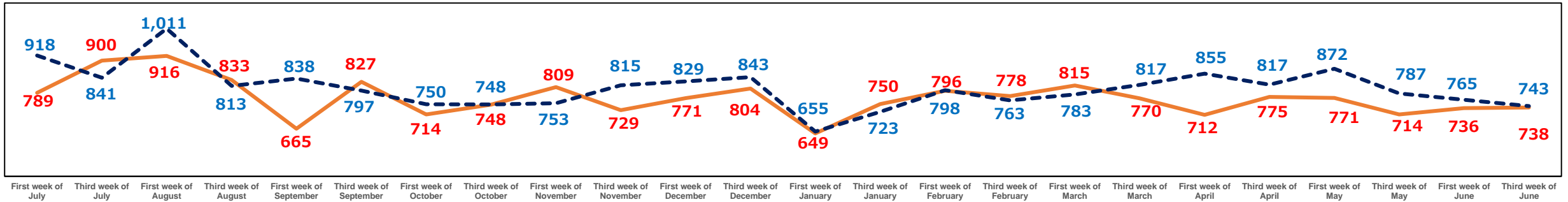
Appendix

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

Weekly shipment volume of gasoline

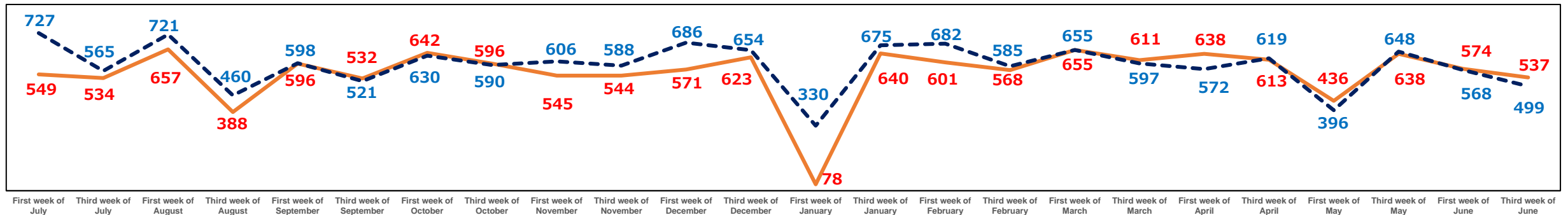
Unit: Thousand kiloliters

— Most recent 1 year (Jul. 2023 - Jun. 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 (June to May, national statistics)

Unit: Thousand tons

	June			July			August			September			October			November		
	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes
For household and business use	499	465	△7%	448	430	△4%	402	409	+2%	440	393	△11%	492	471	△4%	621	595	△4%
For cars	32	29	△8%	34	32	△6%	32	31	△1%	31	29	△6%	30	28	△8%	31	28	△10%
Total	530	494	△7%	482	461	△4%	434	440	+1%	471	423	△10%	523	498	△5%	652	623	△4%

	December			January			February			March			April			May			Total		
	2022	2023	Changes	2023	2024	Changes	2023	2024	Changes	2023	2024	Changes	2023	2024	Changes	2023	2024	Changes	Year ago value	Most recent 1 year	Changes
For household and business use	810	778	△4%	822	756	△8%	765	743	△3%	722	727	+1%	566	616	+9%	533	515	△4%	7,120	6,898	△3%
For cars	32	30	△8%	28	27	△2%	28	28	0%	29	28	△3%	28	27	△2%	29	27	△8%	364	345	△5%
Total	843	808	△4%	850	783	△8%	793	771	△3%	751	755	+1%	594	644	+8%	563	542	△4%	7,484	7,242	△3%

* 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) (July to June, national statistics)

Unit: Thousand units

	July			August			September			October			November			December		
	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes	2022	2023	Changes
Standard-sized and compact cars	187	222	+19%	154	183	+19%	212	238	+12%	186	215	+15%	193	225	+16%	181	201	+11%
Kei cars	101	99	△2%	80	97	+22%	113	126	+11%	110	120	+9%	115	119	+4%	104	101	△3%
Total	288	321	+11%	234	281	+20%	325	363	+12%	296	334	+13%	308	344	+12%	284	302	+6%

	January			February			March			April			May			June			Total		
	2023	2024	Changes	2023	2024	Changes	2023	2024	Changes	2023	2024	Changes	2023	2024	Changes	2023	2024	Changes	Year ago value	Most recent 1 year	Changes
Standard-sized and compact cars	202	193	△4%	237	203	△14%	330	269	△19%	193	182	△6%	180	177	△2%	227	211	△7%	2,481	2,517	+1%
Kei cars	118	92	△22%	120	96	△20%	148	115	△22%	96	77	△20%	92	85	△8%	105	101	△4%	1,302	1,228	△6%
Total	320	285	△11%	356	298	△16%	478	384	△20%	290	259	△11%	272	261	△4%	332	312	△6%	3,783	3,745	△1%

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

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