

This document is an English translation of quarterly financial results report released on July 31, 2020 and written initially in Japanese.
The Japanese original should be considered as the primary version.



July 31, 2020

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2021 <under IFRSs>

Company name: **Itochu Enex Co., Ltd.**
 Listing: Tokyo Stock Exchange, 1st Section
 Stock code: 8133
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Scheduled date to file quarterly securities report: August 12, 2020

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 three months of the fiscal year ending March 31, 2021 (from April 1, 2020 to June 30, 2020)

(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	%
Three months ended												
June 30, 2020	148,181	(32.7)	4,447	3.1	5,252	9.7	3,790	17.2	3,578	32.4	4,135	37.4
June 30, 2019	220,216	(2.7)	4,312	9.5	4,787	6.5	3,234	0.8	2,701	6.2	3,009	(6.7)

	Basic earnings per share attributable to Itochu Enex's shareholders	Diluted earnings per share attributable to Itochu Enex's shareholders
Three months ended	Yen	Yen
June 30, 2020	31.70	–
June 30, 2019	23.93	–

(2) Consolidated financial position

	Total assets	Total equity	Total shareholders' equity	Ratio of shareholders' equity to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2020	381,701	152,745	129,657	34.0
March 31, 2020	387,657	151,884	128,333	33.1

2. Cash dividends

	Annual cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2020	–	21.00	–	23.00	44.00
Fiscal year ending March 31, 2021	–				
Fiscal year ending March 31, 2021 (Forecast)		22.00	–	22.00	44.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021
(from April 1, 2020 to March 31, 2021)

(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, 2020	–	–	–	–	–	–	–	–	–
Fiscal year ending March 31, 2021	710,000	(20.9)	16,000	(16.9)	16,700	(16.4)	11,000	(8.8)	97.45

Note: Revisions to the consolidated earnings forecasts most recently announced: None

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 June 30, 2020	116,881,106 shares
As of March 31, 2020	116,881,106 shares

b. Number of treasury stock at end of period

As of June 30, 2020	4,000,584 shares
As of March 31, 2020	4,000,584 shares

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

For the three months ended June 30, 2020	112,880,522 shares
For the three months ended June 30, 2019	112,878,644 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.

Please refer to “1. Qualitative Information Regarding Results for the First Three Months, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements” on page 7 of the attached materials for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

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1. Qualitative Information Regarding Results for the First Three Months

(1) Explanation of Operating Results

1) Results of operations

During the first three months ended June 30, 2020, environment in the Japanese economy has been extremely difficult, with a sharp decline in consumer spending due to voluntary stay-at-home directives, as well as requests by local authorities to refrain from business activities, following the declaration of a state of emergency to prevent the spread of the novel coronavirus disease (COVID-19), resulting in a significant drop in economic activity. Even after the declaration of a state of emergency was lifted, there has been little movement towards recovery, and the future outlook remains extremely uncertain.

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 and working at staggered hours, 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 “Moving 2020 Horizons” announced in April 2019.

Overview of medium-term business plan

1. Name of the plan: Moving 2020 Horizons



2. Period: Two years (FY2019 to FY2020)

3. Basic policy: *Promotion of Growth Strategies*

- (1) Maintaining and deepening the revenue base: Create Group synergy and further cultivate customer base.
- (2) Making inroads overseas and in peripheral fields: Proactively invest in overseas businesses and promote M&A of peripheral businesses.
- (3) Creating new businesses: Promote environmental businesses and so on.

Evolution of the Organizational Base

- (1) Strengthening Group management: Advance consolidated management and construct effective governance management structures.
- (2) Human resource strategies for growth: Promote diversity and nurture global human resources.
- (3) Promoting innovation: Pursue more efficient operations in existing business and promote digital solutions.

4. Quantitative plan (FY2020)*1:

- (1) Net profit attributable to Itochu Enex’s shareholders: ¥11.0 billion
- (2) Dividend payout ratio: 40% or above
- (3) Real operating cash flow*2: ¥20.0 billion or above
- (4) Planned investment (2-year total): ¥43.0 billion

*1 The aforementioned quantitative plan has been reviewed on May 15, 2020 to take into account the impact of COVID-19.

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

The operating results for the three months ended June 30, 2020 are as follows.

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Change
Revenue	148,181	220,216	(72,035)
Profit from operating activities	4,447	4,312	135
Net profit attributable to Itochu Enex's shareholders	3,578	2,701	877

Revenue was ¥148,181 million (down 32.7% year on year). This was mainly due to the impact resulting from declining sales prices caused by a fall in the crude oil prices and the decrease in sales volumes of domestic petroleum products.

Profit from operating activities was ¥4,447 million (up 3.1% year on year). Net profit attributable to Itochu Enex's shareholders was ¥3,578 million (up 32.4% year on year). This was mainly due to solid sales volumes of LP gas and electricity for households due to demand from staying at home as an impact of COVID-19, operations in response to fluctuations in crude oil price in the import/export business of petroleum products, as well as due to reduction of operating expenses.

2) Results of operations by segment

Results of operations by segment are as follows. Following the reorganization of the Group carried out on April 1, 2020, the reportable segments have changed. As a result of the reorganization of the Group, the import/export business of petroleum products and the terminal tank business which were part of the "Car-Life Division" have been reclassified as the "Industrial Business Division."

For that reason, the year-on-year comparisons have been recalculated based on the reportable segments as they exist after the reorganization.

Home-Life Division

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Change
Revenue	15,766	19,819	(4,053)
Profit from operating activities	57	555	(498)
Net profit attributable to Itochu Enex's shareholders	173	501	(328)

In LP gas business of the Home-Life Division during the three months ended June 30, 2020, the number of customers under direct LP gas supply contracts decreased slightly to approximately 550,000, compared with the end of the previous fiscal year, due to refraining from face-to-face sales activities from the perspective of preventing the spread of infections. Sales volumes of LP gas for households increased as a result of demand from staying at home caused by voluntary stay-at-home directives. On the other hand, demand for automotive gas for commercial, industrial and taxi use fell sharply as a result of requests to suspend business activities and reduced utilization rates of the customer plants to which we are supplying, resulting in a year on year decline in LP gas sales volumes.

Regarding the electricity for households division, the number of customers was approximately 96,000.

Regarding the industrial business division, sales volumes declined year on year due to the impact of reduced utilization rates of the customer plants to which we are supplying.

As a result of these activities, the operating results for the three months ended June 30, 2020 are as follows.

Revenue was ¥15,766 million (down 20.5% year on year). This was due mainly to falling sales prices in relation to a fall in the LP gas import price and the decrease in the sales volume of LP gas and industrial gas due to sluggish economic activity.

Profit from operating activities was ¥57 million (down 89.7% year on year). Net profit attributable to Itochu Enex's shareholders was ¥173 million (down 65.5% year on year). This was due mainly to the impact of inventories in relation to a fall in the LP gas import price and the decrease in the sales volume of LP gas and industrial gas.

Car-Life Division

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Change
Revenue	81,876	126,054	(44,178)
Profit from operating activities	910	1,928	(1,018)
Net profit attributable to Itochu Enex's shareholders	633	1,042	(409)

Looking at the Car-Life Division during the three months ended June 30, 2020, in the Car-Life Stations (CS)^{*3} business, the number of the CS was 1,702, a decrease of 2 from the end of the previous fiscal year. Sales volumes of petroleum products decreased year on year due to a decrease in sales volumes of gasoline and diesel fuel as a result of voluntary stay-at-home directives due to the impact of COVID-19 and weak economic activity. On the other hand, the retail market for petroleum products continued to see robust sales.

In the automotive business, our car dealer business subsidiary OSAKA CAR LIFE GROUP CO., LTD. experienced year-on-year decline in sales volume in reaction to a decrease in the number of customers due to shortened store business hours caused by COVID-19.

As a result of these activities, the operating results for the three months ended June 30, 2020 are as follows.

Revenue was ¥81,876 million (down 35.0% year on year). This was mainly due to the declining sales prices resulting from a fall in the crude oil prices and the decrease in sales volumes of petroleum products.

Profit from operating activities was ¥910 million (down 52.8% year on year). Net profit attributable to Itochu Enex's shareholders was ¥633 million (down 39.3% year on year). This was mainly due to the decrease in the sales volumes of petroleum products, the decline in the number of vehicles sold in the car dealer business, and decreased service revenue.

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

Industrial Business Division

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Change
Revenue	32,262	50,035	(17,773)
Profit from operating activities	1,730	256	1,474
Net profit attributable to Itochu Enex's shareholders	1,539	191	1,348

Looking at the Industrial Business Division, during the three months ended June 30, 2020, in the industrial fuel sales business and the corporate fleet fuel card business, sales volumes decreased year on year due to reduced utilization rates of the customer plants to which we are supplying and a decrease in the use of fueling cards for commercial vehicles due to the impact of COVID-19. In the asphalt

business, even though sales volumes increased year on year, revenue decreased year on year due to the impact of inventories in relation to a fall in the crude oil prices. In the marine fuel sales business, sales volumes increased year on year as we continued to expand our market share with existing customers in Japan and overseas. In the petroleum products import/export business, revenue increased year on year due to successful operations in response to fluctuations in crude oil price.

As a result of these activities, the operating results for the three months ended June 30, 2020 are as follows.

Revenue was ¥32,262 million (down 35.5% year on year). This was mainly due to the impact resulting from declining sales prices caused by a fall in the crude oil prices and the decrease in sales volumes of industrial petroleum products.

Profit from operating activities was ¥1,730 million (up 575.8% year on year). Net profit attributable to Itochu Enex's shareholders was ¥1,539 million (up 705.8% year on year). This was mainly due to operations in response to fluctuations in crude oil price in the import/export business of petroleum products and due to reduction of operating expenses.

Power & Utility Division

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Change
Revenue	18,277	24,308	(6,031)
Profit from operating activities	1,472	1,351	121
Net profit attributable to Itochu Enex's shareholders	1,111	895	216

In the electric power business of the Power & Utility Business, during the three months ended June 30, 2020, high-voltage power sales volumes decreased year on year due to reduced utilization rates of the customer stores, plants, etc. to which we are supplying electric power, as well as a decrease in large scale high-voltage power contracts for business users, caused by the impact of COVID-19.

On the other hand, low-voltage sales volumes increased year on year due to an increase in household electric power as a result of improved rates of working from home and due to an increase in the number of low-voltage power contracts, particularly for households. Overall, retail electricity sales volumes decreased year on year due to a significant decline in large scale high-voltage power contracts for business users.

In the heat supply business^{*4}, temperatures were higher year on year but demand for heat decreased year on year due to the impact of suspension of business activities of tenants to which we are supplying heat, caused by the impact of COVID-19.

As a result of these activities, the operating results for the three months ended June 30, 2020 are as follows.

Revenue was ¥18,277 million (down 24.8% year on year). This decrease was mainly due to a decrease in wholesale sales volumes in the sales and supply/demand management in the electric power business.

Profit from operating activities was ¥1,472 million (up 9.0% year on year). Net profit attributable to Itochu Enex's shareholders was ¥1,111 million (up 24.1% year on year). This was mainly due to the completion of large scale regular repairs last fiscal year in the power generation area, which resulted in an increase in utilization rates during the fiscal year under review.

*4 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 June 30, 2020	As of March 31, 2020	Change
Total assets	381,701	387,657	(5,956)
Total liabilities	228,956	235,773	(6,817)
Total equity	152,745	151,884	861

Total assets amounted to ¥381,701 million as of June 30, 2020, a decrease of ¥5,956 million from March 31, 2020. This was mainly due to a decrease in trade receivables of ¥22,534 million due to seasonal items and a decrease in sales prices resulting from a fall in the crude oil prices. Total liabilities amounted to ¥228,956 million, a decrease of ¥6,817 million from March 31, 2020. This was mainly due to a decrease in trade payables of ¥15,524 million due to seasonal items and a decrease in purchase prices resulting from a fall in the crude oil prices. Total equity totaled ¥152,745 million, an increase of ¥861 million from March 31, 2020, due to factors including an increase of ¥3,578 million from net profit attributable to Itochu Enex's shareholders and a decrease of ¥3,274 million by payment of cash dividends.

Cash flows

The Group has set goals in FY2020 of net profit attributable to Itochu Enex's shareholders of ¥11.0 billion. Using the cash flow generated from our core businesses, we are proactively investing in new businesses. Going forward, while further evolving group management and creating a balanced asset portfolio, we will continue to build a system that can create synergies among our 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 0.10 times.

	Three months ended June 30, 2020	Three months ended June 30, 2019	Change
Cash flows from operating activities	16,317	(4,129)	20,446
Cash flows from investing activities	8,452	(196)	8,648
[Free cash flows]	[24,769]	[(4,325)]	[29,094]
Cash flows from financing activities	2,928	4,460	(1,532)
Net increase in cash and cash equivalents	27,697	135	27,562
Effect of exchange rate changes on cash and cash equivalents	(8)	2	(10)
Cash and cash equivalents at the end of the period	46,932	18,862	28,070

Cash and cash equivalents (net cash) totaled ¥46,932 million as of June 30, 2020, up ¥27,689 million from March 31, 2020.

Cash flows from operating activities

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Change
Cash flows from operating activities	16,317	(4,129)	20,446
Changes in working capital and others	8,818	(10,245)	19,063
Real operating cash flow	7,499	6,116	1,383

Operating activities provided net cash of ¥16,317 million. This was mainly due to profit before tax of ¥5,252 million, depreciation and amortization of ¥4,907 million, and an increase in funds required for trading of ¥7,508 million. Net cash provided increased ¥20,446 million year on year. Moreover, real operating cash flow also increased ¥1,383 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 from FY2019 to FY2020, we are planning investments of ¥17,000 million in maintaining and deepening our important revenue base that generates cash flow, as well as ¥26,000 million in overseas and peripheral fields and new businesses centered on the Power & Utility Division.

Investing activities provided net cash of ¥8,452 million. Cash used included payment for loans receivable of ¥290 million, payments for purchase of property, plant and equipment and investment property of ¥2,315 million, mainly in the Power & Utility Division, and purchase of intangible assets of ¥380 million. Meanwhile, cash provided included proceeds from sales and redemption of investments (including investments accounted for by the equity method) of ¥299 million and decrease in deposits paid of ¥11,021 million. Net cash used decreased ¥8,648 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 ¥2,928 million in funds provided by financing activities. This was mainly due to proceeds from short-term bonds (commercial papers) and borrowings of ¥10,000 million for responding to COVID-19, repayments of lease liabilities of ¥2,837 million, and cash dividends paid to Itochu Enex's shareholders of ¥2,599 million. Net cash provided decreased ¥1,532 million year on year.

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

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

The Company's full-year consolidated earnings forecasts have not been revised from the May 15, 2020 announcement as the impact of COVID-19 remains uncertain beyond the six months ending September 30, 2020.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereo

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
ASSETS		
Current assets		
Cash and cash equivalents	19,243	46,932
Trade receivables	86,911	64,377
Other current financial assets	28,095	18,087
Inventories	24,263	23,813
Income taxes receivable	98	725
Trade advances paid	128	83
Other current assets	2,502	1,966
Total current assets	161,240	155,983
Non-current assets		
Investments accounted for by the equity method	31,583	31,119
Other investments	3,860	4,061
Non-current financial assets other than investments	11,942	11,967
Property, plant and equipment	132,870	134,267
Investment property	13,147	12,919
Goodwill	521	521
Intangible assets	20,005	19,786
Deferred tax assets	10,374	9,039
Other non-current assets	2,115	2,039
Total non-current assets	226,417	225,718
Total assets	387,657	381,701

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
LIABILITIES AND EQUITY		
Current liabilities		
Short-term bonds and borrowings	7,024	16,332
Trade payables	83,936	68,412
Lease liabilities	9,591	10,216
Other current financial liabilities	6,216	8,348
Income taxes payable	4,172	2,288
Advances from customers	9,437	9,029
Other current liabilities	12,848	11,393
Total current liabilities	133,224	126,018
Non-current liabilities		
Non-current bonds and borrowings	18,156	17,865
Lease liabilities	52,713	53,942
Other non-current financial liabilities	14,225	14,043
Non-current liabilities for employee benefits	10,335	10,436
Deferred tax liabilities	1,721	1,216
Provisions	5,255	5,228
Other non-current liabilities	144	208
Total non-current liabilities	102,549	102,938
Total liabilities	235,773	228,956
Equity		
Common stock	19,878	19,878
Capital surplus	18,934	18,934
Retained earnings	92,761	93,740
Other components of equity	(1,370)	(1,025)
Treasury stock	(1,870)	(1,870)
Total shareholders' equity	128,333	129,657
Non-controlling interests	23,551	23,088
Total equity	151,884	152,745
Total liabilities and equity	387,657	381,701

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Revenue	220,216	148,181
Cost of sales	(199,545)	(127,824)
Gross profit	20,671	20,357
Other income and expense		
Selling, general and administrative expenses	(16,476)	(15,870)
Loss from tangible assets, intangible assets and goodwill	(61)	(27)
Other – net	178	(13)
Total other income and expense	(16,359)	(15,910)
Profit from operating activities	4,312	4,447
Financial income and costs		
Interest income	16	11
Dividends received	58	464
Interest expense	(297)	(274)
Other financial income and costs – net	(36)	10
Total financial income and costs	(259)	211
Share of profit of investments accounted for by the equity method	734	594
Profit before tax	4,787	5,252
Income tax expense	(1,553)	(1,462)
Net profit	3,234	3,790
Net profit attributable to:		
Net profit attributable to Itochu Enex's shareholders	2,701	3,578
Net profit attributable to non-controlling interests	533	212
Total	3,234	3,790

(Millions of yen)		
	Three months ended June 30, 2019	Three months ended June 30, 2020
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss		
FVTOCI financial assets	44	125
Other comprehensive income of investments accounted for by the equity method	9	9
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(1)	8
Cash flow hedges	(15)	10
Other comprehensive income of investments accounted for by the equity method	(262)	193
Total other comprehensive income, net of tax effect	(225)	345
Comprehensive income	3,009	4,135
Comprehensive income attributable to:		
Comprehensive income attributable to Itochu Enex's shareholders	2,476	3,923
Comprehensive income attributable to non-controlling interests	533	212
Total	3,009	4,135

(Yen)		
Earnings per share attributable to Itochu Enex's shareholders		
Basic	23.93	31.70
Diluted	-	-

(Millions of yen)		
Total trading transactions	274,365	182,121

(Note) Total trading transactions are presented in accordance with the Japanese accounting practices. This item is voluntarily disclosed by the Company for investors' convenience and is not required to be disclosed under International Financial Reporting Standards ("IFRSs").

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended June 30, 2019

(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, 2019	19,878	18,922	86,769	(1,406)	(1,873)	122,290	22,276	144,566
Cumulative effect of accounting change			(1,146)			(1,146)	(389)	(1,535)
Restated balance	19,878	18,922	85,623	(1,406)	(1,873)	121,144	21,887	143,031
Net profit			2,701			2,701	533	3,234
Other comprehensive income				(225)		(225)	0	(225)
Comprehensive income			2,701	(225)		2,476	533	3,009
Transactions with owners								
Cash dividends			(2,486)			(2,486)	(419)	(2,905)
Changes due to additional acquisitions and sales of interests in subsidiaries						—	(30)	(30)
Balance at June 30, 2019	19,878	18,922	85,838	(1,631)	(1,873)	121,134	21,971	143,105

Three months ended June 30, 2020

(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
Cumulative effect of accounting change						—		—
Restated balance	19,878	18,934	92,761	(1,370)	(1,870)	128,333	23,551	151,884
Net profit			3,578			3,578	212	3,790
Other comprehensive income				345		345	0	345
Comprehensive income			3,578	345		3,923	212	4,135
Transactions with owners								
Cash dividends			(2,599)			(2,599)	(675)	(3,274)
Changes due to additional acquisitions and sales of interests in subsidiaries						—		—
Balance at June 30, 2020	19,878	18,934	93,740	(1,025)	(1,870)	129,657	23,088	152,745

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash flows from operating activities		
Profit before tax	4,787	5,252
Depreciation and amortization	4,778	4,907
Loss from tangible assets, intangible assets and goodwill	61	27
Financial income and costs	259	(211)
Share of profit of investments accounted for by the equity method	(734)	(594)
Decrease in trade receivables	16,052	22,582
Decrease in inventories	6,186	450
Decrease in trade payables	(30,215)	(15,524)
Other – net	(2,268)	1,310
Dividends received	628	1,597
Interest received	10	10
Interest expense	(269)	(228)
Income taxes paid	(3,404)	(3,261)
Net cash flows provided by (used in) operating activities	(4,129)	16,317
Cash flows from investing activities		
Purchase of investments (including investments accounted for by the equity method)	(2,806)	(170)
Proceeds from sales and redemption of investments (including investments accounted for by the equity method)	–	299
Acquisition of subsidiaries, net of cash acquired	(5,566)	–
Payment for loans receivable	(113)	(290)
Collection of loans receivable	195	258
Payments for purchase of property, plant and equipment and investment property	(2,581)	(2,315)
Proceeds from sales of property, plant and equipment and investment property	197	291
Purchase of intangible assets	(146)	(380)
Proceeds from sales of intangible assets	–	113
Decrease in deposits paid – net	10,000	11,021
Other – net	624	(375)
Net cash flows provided by (used in) investing activities	(196)	8,452

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash flows from financing activities		
Proceeds from bonds and borrowings	–	10,000
Repayments of bonds and borrowings	(5,433)	(363)
Repayments of lease liabilities	(2,522)	(2,837)
Net increase (decrease) in short-term borrowings	15,350	(598)
Payments for additional acquisitions of interests in subsidiaries from non-controlling interests	(30)	–
Cash dividends paid to Itochu Enex's shareholders	(2,486)	(2,599)
Cash dividends paid to non-controlling interests	(419)	(675)
Net cash flows provided by financing activities	4,460	2,928
Net increase in cash and cash equivalents	135	27,697
Cash and cash equivalents at the beginning of the period	18,725	19,243
Effect of exchange rate changes on cash and cash equivalents	2	(8)
Cash and cash equivalents at the end of the period	18,862	46,932

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

No items to report.

(6) Segment Information

Three months ended June 30, 2019

(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	19,819	126,054	50,035	24,308	220,216	–	220,216
Intersegment revenue	73	1,877	727	796	3,473	(3,473)	–
Total revenue	19,892	127,931	50,762	25,104	223,689	(3,473)	220,216
Gross profit	5,270	11,339	1,417	2,645	20,671	–	20,671
Profit from operating activities	555	1,928	256	1,351	4,090	222	4,312
Profit before tax	868	1,862	277	1,631	4,638	149	4,787
Net profit attributable to Itochu Enex's shareholders	501	1,042	191	895	2,629	72	2,701
Other items							
Total assets	63,355	154,191	52,885	99,955	370,386	29,632	400,018
Total trading transactions	22,393	133,323	93,643	25,006	274,365	–	274,365

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

The adjustment of ¥72 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥29,632 million to total assets represents corporate assets not allocated to reportable segments.

Total trading transactions are unaudited items voluntarily disclosed by the Company and represent the amount of sales in accordance with Japanese accounting practices.

Three months ended June 30, 2020

(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	15,766	81,876	32,262	18,277	148,181	–	148,181
Intersegment revenue	1	1,258	1,256	933	3,448	(3,448)	–
Total revenue	15,767	83,134	33,518	19,210	151,629	(3,448)	148,181
Gross profit	4,630	10,390	2,723	2,614	20,357	–	20,357
Profit from operating activities	57	910	1,730	1,472	4,169	278	4,447
Profit before tax	278	809	2,179	1,741	5,007	245	5,252
Net profit attributable to Itochu Enex's shareholders	173	633	1,539	1,111	3,456	122	3,578
Other items							
Total assets	61,749	139,230	43,998	93,708	338,685	43,016	381,701
Total trading transactions	17,183	90,367	54,017	20,554	182,121	–	182,121

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

The adjustment of ¥122 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥43,016 million to total assets represents corporate assets not allocated to reportable segments.

Total trading transactions are unaudited items voluntarily disclosed by the Company and represent the amount of sales in accordance with Japanese accounting practices.

As of March 31, 2020

(Millions of yen)

	Reportable segment				Total	Adjustment	Consolidated
	Home-Life Division	Car-Life Division	Industrial Business Division	Power & Utility Division			
Total assets	67,240	148,253	49,277	91,921	356,691	30,966	387,657

(Note) The adjustment of ¥30,966 million to total assets represents corporate assets not allocated to reportable segments.

Change in reportable segments

During the first quarter ended June 30, 2020, the import/export business of petroleum products and the terminal tank business which were part of the “Car-Life Division” have been reclassified as the “Industrial Business Division.”

Due to the change in segments, segment information for the first three months of the previous fiscal year and as of the end of the previous fiscal year (March 31, 2020) has been adjusted based on the classification of reportable segments after the change.