

This document is an English translation of quarterly financial results report released on October 30, 2020 and written initially in Japanese.  
The Japanese original should be considered as the primary version.



October 30, 2020

## Consolidated Financial Results for the First Six 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  
 URL: <https://www.itcenex.com/english/>  
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Scheduled date to file quarterly securities report: November 11, 2020

Scheduled date to commence dividend payments: December 4, 2020

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

Holding of quarterly 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 first six months of the fiscal year ending March 31, 2021 (from April 1, 2020 to September 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	%
Six months ended												
September 30, 2020	319,536	(27.2)	10,163	6.7	10,472	8.2	7,283	12.6	6,234	20.2	7,547	20.0
September 30, 2019	439,099	(7.6)	9,527	7.2	9,681	3.1	6,468	(1.4)	5,184	(4.8)	6,292	(11.1)

	Basic earnings per share attributable to Itochu Enex's shareholders	Diluted earnings per share attributable to Itochu Enex's shareholders
Six months ended	Yen	Yen
September 30, 2020	55.22	—
September 30, 2019	45.93	—

(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	%
September 30, 2020	376,704	156,207	132,232	35.1
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	–	22.00			
Fiscal year ending March 31, 2021 (Forecast)			–	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
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

**\* 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 September 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 September 30, 2020	4,000,059 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 six months ended September 30, 2020	112,880,657 shares
For the six months ended September 30, 2019	112,879,351 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 Six 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 Six Months

## (1) Explanation of Operating Results

### 1) Results of operations

During the first six months ended September 30, 2020, environment in the Japanese economy has been extremely difficult, with a sharp drop 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 slowdown 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 due to factors such as another increase in the number of people infected with COVID-19.

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

In terms of business, we are promoting our business in accordance with our two-year medium-term business plan “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 six months ended September 30, 2020 are as follows.

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2019	Change
Revenue	319,536	439,099	(119,563)
Profit from operating activities	10,163	9,527	636
Net profit attributable to Itochu Enex's shareholders	6,234	5,184	1,050

Revenue was ¥319,536 million (down 27.2% 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 petroleum products.

Profit from operating activities was ¥10,163 million (up 6.7% year on year). Net profit attributable to Itochu Enex's shareholders was ¥6,234 million (up 20.2% 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 despite the decrease in sales volumes in all segments 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, etc.

## 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)

	Six months ended September 30, 2020	Six months ended September 30, 2019	Change
Revenue	30,210	36,616	(6,406)
Profit from operating activities	39	618	(579)
Net profit attributable to Itochu Enex's shareholders	15	224	(209)

In the Home-Life Division during the six months ended September 30, 2020, the number of customers under direct LP gas supply contracts decreased by 2,000 to approximately 549,000, compared with the end of the previous fiscal year due to business rights being sold, despite the impact of COVID-19 being insignificant. Sales volumes of LP gas for households increased as a result of demand from staying at home caused by voluntary stay-at-home directives, but demand for automotive gas for commercial, industrial and taxi use decreased year on year despite being on a recovery trend.

Regarding sales of electricity for households, the number of supply contracts increased by around 7,000 for a total of approximately 100,000, compared with the end of the previous fiscal year.

Regarding the industrial business division, sales volumes declined year on year due to a decrease in demand of carbonic acid gas for use in beverages, primarily for restaurants, and 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 six months ended September 30, 2020 are as follows.

Revenue was ¥30,210 million (down 17.5% 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 ¥39 million (down 93.7% year on year). Net profit attributable to Itochu Enex's shareholders was ¥15 million (down 93.3% 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, despite securing a certain amount of revenue due to the increase in demand for households.

### Car-Life Division

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2019	Change
Revenue	183,863	255,562	(71,699)
Profit from operating activities	3,392	4,681	(1,289)
Net profit attributable to Itochu Enex's shareholders	1,918	2,480	(562)

Looking at the Car-Life Division during the six months ended September 30, 2020, in the Car-Life Stations (CS)<sup>\*3</sup> business, the number of the CS was 1,691, a decrease of 13 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 due to a decrease in the number of customers due to shortened store business hours caused by COVID-19 in addition to a last minute surge of demand before the consumption tax hike in the same period of the previous fiscal year.

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

Revenue was ¥183,863 million (down 28.1% 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 ¥3,392 million (down 27.5% year on year). Net profit attributable to Itochu Enex's shareholders was ¥1,918 million (down 22.7% 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)

	Six months ended September 30, 2020	Six months ended September 30, 2019	Change
Revenue	68,500	95,454	(26,954)
Profit from operating activities	2,800	1,004	1,796
Net profit attributable to Itochu Enex's shareholders	2,268	680	1,588

Looking at the Industrial Business Division, during the six months ended September 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, sales volumes decreased year on year. In the marine fuel sales business, sales volumes rose year on year due to steady sales for ocean-going vessels. 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 six months ended September 30, 2020 are as follows.

Revenue was ¥68,500 million (down 28.2% 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 ¥2,800 million (up 178.9% year on year). Net profit attributable to Itochu Enex's shareholders was ¥2,268 million (up 233.5% 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)

	Six months ended September 30, 2020	Six months ended September 30, 2019	Change
Revenue	36,963	51,467	(14,504)
Profit from operating activities	3,409	2,913	496
Net profit attributable to Itochu Enex's shareholders	1,749	1,659	90

In the electric power business of the Power & Utility Business, during the six months ended September 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, although 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, retail electricity sales volumes decreased year on year in overall.

The heat supply business\*4 commenced business in the Kitanakadoriminami area of Yokohama from February 2020, 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 six months ended September 30, 2020 are as follows.

Revenue was ¥36,963 million (down 28.2% year on year). This decrease was mainly due to a decrease in sales volumes in the sales and supply/demand management in the electric power business.

Profit from operating activities was ¥3,409 million (up 17.0% year on year). Net profit attributable to Itochu Enex's shareholders was ¥1,749 million (up 5.4% 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

(Millions of yen)

	As of September 30, 2020	As of March 31, 2020	Change
Total assets	376,704	387,657	(10,953)
Total liabilities	220,497	235,773	(15,276)
Total equity	156,207	151,884	4,323

Total assets amounted to ¥376,704 million as of September 30, 2020, a decrease of ¥10,953 million from March 31, 2020. This was mainly due to a decrease in trade receivables of ¥16,434 million due to a decrease in sales volume resulting from the impact of COVID-19 and seasonal items, and due to a decrease in sales prices resulting from a fall in the crude oil prices. Total liabilities amounted to ¥220,497 million, a decrease of ¥15,276 million from March 31, 2020. This was mainly due to a decrease in trade payables of ¥10,953 million due to a decrease in purchase volume resulting from the impact of COVID-19 and seasonal items, and due to a decrease in purchase prices resulting from a fall in the crude oil prices. Total equity totaled ¥156,207 million, an increase of ¥4,323 million from March 31, 2020, due to factors including an increase of ¥6,234 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.

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2019	Change
Cash flows from operating activities	22,104	7,138	14,966
Cash flows from investing activities	5,850	(7,240)	13,090
[Free cash flows]	[27,954]	[(102)]	[28,056]
Cash flows from financing activities	(10,368)	2,765	(13,133)
Net increase in cash and cash equivalents	17,585	2,663	14,922
Effect of exchange rate changes on cash and cash equivalents	(20)	(3)	(17)
Cash and cash equivalents at the end of the period	36,809	21,385	15,424

Cash and cash equivalents (net cash) totaled ¥36,809 million as of September 30, 2020, up ¥17,566 million from March 31, 2020.

### Cash flows from operating activities

	Six months ended September 30, 2020	Six months ended September 30, 2019	(Millions of yen) Change
Cash flows from operating activities	22,104	7,138	14,966
Changes in working capital and others	5,084	(11,068)	16,152
Real operating cash flow	17,020	18,206	(1,186)

Operating activities provided net cash of ¥22,104 million. Major items included profit before tax of ¥10,472 million, depreciation and amortization of ¥10,084 million, and a decrease in funds required for trading of ¥4,500 million. Net cash provided increased ¥14,966 million year on year. Moreover, real operating cash flow decreased ¥1,186 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 2019 to 2020, 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 ¥5,850 million. Cash used included payment for loans receivable of ¥462 million, payments for purchase of property, plant and equipment and investment property of ¥5,440 million, mainly in the Power & Utility Division, and purchase of intangible assets of ¥670 million. Meanwhile, cash provided included collection of loans receivable of ¥511 million, proceeds from sales of property, plant and equipment and investment property of ¥478 million and decrease in deposits paid of ¥11,021 million. Net cash provided increased ¥13,090 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 ¥10,368 million used as a result of 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, redemption of short-term bonds (commercial papers) and repayments of borrowings of ¥13,908 million, and repayments of lease liabilities of ¥5,768 million. Net cash used increased ¥13,133 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 nine months ending December 31, 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 September 30, 2020
ASSETS		
Current assets		
Cash and cash equivalents	19,243	36,809
Trade receivables	86,911	70,477
Other current financial assets	28,095	17,152
Inventories	24,263	25,296
Income taxes receivable	98	462
Trade advances paid	128	159
Other current assets	2,502	2,393
Total current assets	161,240	152,748
Non-current assets		
Investments accounted for by the equity method	31,583	30,812
Other investments	3,860	4,018
Non-current financial assets other than investments	11,942	11,356
Property, plant and equipment	132,870	133,333
Investment property	13,147	13,197
Goodwill	521	521
Intangible assets	20,005	19,675
Deferred tax assets	10,374	9,069
Other non-current assets	2,115	1,975
Total non-current assets	226,417	223,956
Total assets	387,657	376,704

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Short-term bonds and borrowings	7,024	6,320
Trade payables	83,936	72,983
Lease liabilities	9,591	9,826
Other current financial liabilities	6,216	5,700
Income taxes payable	4,172	2,936
Advances from customers	9,437	10,114
Other current liabilities	12,848	11,108
<b>Total current liabilities</b>	<b>133,224</b>	<b>118,987</b>
<b>Non-current liabilities</b>		
Non-current bonds and borrowings	18,156	17,455
Lease liabilities	52,713	52,666
Other non-current financial liabilities	14,225	14,128
Non-current liabilities for employee benefits	10,335	10,528
Deferred tax liabilities	1,721	1,114
Provisions	5,255	5,338
Other non-current liabilities	144	281
<b>Total non-current liabilities</b>	<b>102,549</b>	<b>101,510</b>
<b>Total liabilities</b>	<b>235,773</b>	<b>220,497</b>
<b>Equity</b>		
Common stock	19,878	19,878
Capital surplus	18,934	18,933
Retained earnings	92,761	96,397
Other components of equity	(1,370)	(1,105)
Treasury stock	(1,870)	(1,870)
<b>Total shareholders' equity</b>	<b>128,333</b>	<b>132,232</b>
Non-controlling interests	23,551	23,975
<b>Total equity</b>	<b>151,884</b>	<b>156,207</b>
<b>Total liabilities and equity</b>	<b>387,657</b>	<b>376,704</b>

**(2) Condensed Quarterly Consolidated Statement of Comprehensive Income**

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Revenue	439,099	319,536
Cost of sales	(396,818)	(277,415)
Gross profit	42,281	42,121
Other income and expense		
Selling, general and administrative expenses	(33,044)	(31,947)
Profit (loss) from tangible assets, intangible assets and goodwill	69	(83)
Other – net	221	72
Total other income and expense	(32,754)	(31,958)
Profit from operating activities	9,527	10,163
Financial income and costs		
Interest income	28	25
Dividends received	64	465
Interest expense	(574)	(549)
Other financial income and costs – net	(27)	(76)
Total financial income and costs	(509)	(135)
Share of profit of investments accounted for by the equity method	663	444
Profit before tax	9,681	10,472
Income tax expense	(3,213)	(3,189)
Net profit	6,468	7,283
Net profit attributable to:		
Net profit attributable to Itochu Enex's shareholders	5,184	6,234
Net profit attributable to non-controlling interests	1,284	1,049
Total	6,468	7,283

	(Millions of yen)	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss		
FVTOCI financial assets	54	155
Other comprehensive income of investments accounted for by the equity method	23	11
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(2)	(3)
Cash flow hedges	15	22
Other comprehensive income of investments accounted for by the equity method	(266)	79
Total other comprehensive income, net of tax effect	(176)	264
Comprehensive income	6,292	7,547
Comprehensive income attributable to:		
Comprehensive income attributable to Itochu Enex's shareholders	5,008	6,498
Comprehensive income attributable to non-controlling interests	1,284	1,049
Total	6,292	7,547

	(Yen)	
Earnings per share attributable to Itochu Enex's shareholders		
Basic	45.93	55.22
Diluted	-	-

	(Millions of yen)	
Total trading transactions	548,143	395,248

(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

Six months ended September 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			5,184			5,184	1,284	6,468
Other comprehensive income				(176)		(176)	(0)	(176)
Comprehensive income			5,184	(176)		5,008	1,284	6,292
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)
Purchase and disposal of treasury stock					(0)	(0)		(0)
Share-based payments		(3)			3	—		—
Balance at September 30, 2019	19,878	18,919	88,321	(1,582)	(1,870)	123,666	22,722	146,388

Six months ended September 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
Net profit			6,234			6,234	1,049	7,283
Other comprehensive income				264		264	0	264
Comprehensive income			6,234	264		6,498	1,049	7,547
Transactions with owners								
Cash dividends			(2,599)			(2,599)	(675)	(3,274)
Changes due to additional acquisitions and sales of interests in subsidiaries						—	50	50
Purchase and disposal of treasury stock					(0)	(0)		(0)
Share-based payments		(1)			1	—		—
Balance at September 30, 2020	19,878	18,933	96,397	(1,105)	(1,870)	132,232	23,975	156,207

**(4) Condensed Quarterly Consolidated Statement of Cash Flows**

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before tax	9,681	10,472
Depreciation and amortization	9,630	10,084
Loss (profit) from tangible assets, intangible assets and goodwill	(69)	83
Financial income and costs	509	135
Share of profit of investments accounted for by the equity method	(663)	(444)
Decrease in trade receivables	17,779	16,485
Decrease (increase) in inventories	4,666	(1,032)
Decrease in trade payables	(29,299)	(10,953)
Other – net	(4,214)	584
Dividends received	634	1,599
Interest received	17	24
Interest expense	(572)	(532)
Income taxes paid	(3,494)	(4,499)
Income taxes refund	2,533	98
Net cash flows provided by operating activities	7,138	22,104
Cash flows from investing activities		
Purchase of investments (including investments accounted for by the equity method)	(2,815)	(170)
Proceeds from sales and redemption of investments (including investments accounted for by the equity method)	64	299
Acquisition of subsidiaries, net of cash acquired	(5,566)	–
Proceeds from acquisition of subsidiaries	–	11
Payment for loans receivable	(359)	(462)
Collection of loans receivable	515	511
Payments for purchase of property, plant and equipment and investment property	(5,082)	(5,440)
Proceeds from sales of property, plant and equipment and investment property	536	478
Purchase of intangible assets	(633)	(670)
Proceeds from sales of intangible assets	5	197
Decrease in deposits paid – net	5,500	11,021
Other – net	595	75
Net cash flows provided by (used in) investing activities	(7,240)	5,850



(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from financing activities		
Proceeds from bonds and borrowings	–	10,000
Repayments of bonds and borrowings	(6,133)	(13,908)
Repayments of lease liabilities	(5,238)	(5,768)
Net increase in short-term borrowings	17,071	2,532
Capital contribution from non-controlling interests	–	50
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)
Purchase of treasury stock	(0)	(0)
Net cash flows provided by (used in) financing activities	2,765	(10,368)
Net increase in cash and cash equivalents	2,663	17,585
Cash and cash equivalents at the beginning of the period	18,725	19,243
Effect of exchange rate changes on cash and cash equivalents	(3)	(20)
Cash and cash equivalents at the end of the period	21,385	36,809

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

No items to report.

## (6) Segment Information

Six months ended September 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	36,616	255,562	95,454	51,467	439,099	–	439,099
Intersegment revenue	74	4,647	2,268	1,526	8,515	(8,515)	–
Total revenue	36,690	260,209	97,722	52,993	447,614	(8,515)	439,099
Gross profit	9,864	23,708	3,193	5,516	42,281	–	42,281
Profit from operating activities	618	4,681	1,004	2,913	9,216	311	9,527
Profit before tax	695	4,507	992	3,254	9,448	233	9,681
Net profit attributable to Itochu Enex's shareholders	224	2,480	680	1,659	5,043	141	5,184
Other items							
Total assets	61,965	155,649	51,397	107,979	376,990	32,589	409,579
Total trading transactions	40,344	274,350	180,506	52,943	548,143	–	548,143

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

The adjustment of ¥141 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥32,589 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.

## Six months ended September 30, 2020

(Millions of yen)

	Reportable segment				Total	Adjustment	Consolidated
	Home-Life Division	Car-Life Division	Industrial Business Division	Power & Utility Division			
<b>Revenue</b>							
Revenue from external customers	30,210	183,863	68,500	36,963	319,536	–	319,536
Intersegment revenue	2	2,275	2,604	1,726	6,607	(6,607)	–
<b>Total revenue</b>	<b>30,212</b>	<b>186,138</b>	<b>71,104</b>	<b>38,689</b>	<b>326,143</b>	<b>(6,607)</b>	<b>319,536</b>
Gross profit	9,161	22,425	4,794	5,741	42,121	–	42,121
Profit from operating activities	39	3,392	2,800	3,409	9,640	523	10,163
Profit before tax	244	3,179	3,258	3,344	10,025	447	10,472
Net profit attributable to Itochu Enex's shareholders	15	1,918	2,268	1,749	5,950	284	6,234
<b>Other items</b>							
Total assets	61,487	143,444	45,456	93,374	343,761	32,943	376,704
Total trading transactions	32,982	203,568	115,356	43,342	395,248	–	395,248

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

The adjustment of ¥284 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥32,943 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 six 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.