

This document is an English translation of quarterly financial results report released on July 30, 2021 and written initially in Japanese.
The Japanese original should be considered as the primary version.



July 30, 2021

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2022 <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 11, 2021

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, 2022 (from April 1, 2021 to June 30, 2021)

(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, 2021	206,962	39.7	4,325	(2.7)	4,694	(10.6)	3,307	(12.8)	2,666	(25.5)	2,971	(28.1)
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

	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, 2021	23.62	–
June 30, 2020	31.70	–

(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, 2021	390,227	160,538	135,378	34.7
March 31, 2021	408,327	161,399	136,233	33.4

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, 2021	–	22.00	–	28.00	50.00
Fiscal year ending	–				
March 31, 2022					
Fiscal year ending		23.00	–	23.00	46.00
March 31, 2022 (Forecast)					

Note: Revisions to the forecasts of cash dividends most recently announced: None
Breakdown of year-end dividend for the fiscal year ended March 31, 2021: Ordinary dividend of ¥22.00, and anniversary commemorative dividend of ¥6.00

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2021									
Fiscal year ending	800,000	8.2	20,500	6.0	21,200	5.8	12,500	2.7	110.74
March 31, 2022									

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

b. Number of treasury stock at end of period

As of June 30, 2021	4,000,463 shares
As of March 31, 2021	4,000,323 shares

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

For the three months ended June 30, 2021	112,880,697 shares
For the three months ended June 30, 2020	112,880,522 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.

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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, 2021, the Japanese economy continued to face a situation of stagnation in economic activities, as in the first quarter of the previous fiscal year, due to a decline in consumer spending caused by voluntary stay-at-home directives due to the spread of the novel coronavirus disease (COVID-19) and requests by local authorities to refrain from business activities. As of July 2021, there has been little movement towards recovery of economic activity, and the future outlook remains extremely uncertain due to factors such as another increase in the number of people infected with COVID-19.

In response, 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 “SHIFT! 2022” which was newly formulated in April 2021.

Overview of medium-term business plan

1. Name of the plan: SHIFT! 2022



2. Period: Two years (FY2021 to FY2022)

3. Basic policy: *Bases, Environment and Energy, and Human Resources*
Bases

- Further enhancement of domestic sale network and customer base
- Active promotion of B-to-C business utilizing digital transformation
- Strengthening of overseas business development with a focus on Asia

Environment and Energy

- Forays into untapped areas with environmental products, electricity and various other forms of energy
- Further expansion of the electric power business from generation to selling, especially with renewable energy
- Enhancing environmental technical capabilities and expand offerings of low-carbon and decarbonized products

Human Resources

- Cultivating multi-talented human resources who will flourish in Japan and overseas
- Promoting diversity and fostering a diverse range of values

4. Quantitative plan (FY2021):

Target Consolidated Results for FY2021

(1) Net profit attributable to Itochu Enex's shareholders: ¥12.5 billion

(2) ROE: 9.0% or more

Management indicators

(1) Substantive operating cash flows*1: ¥30.0 billion or more each fiscal period

(2) Consolidated dividend payout ratio: 40% or more

(3) New investment (cumulative total over two fiscal years): ¥60.0 billion

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

The operating results for the three months ended June 30, 2021 are as follows.

	(Millions of yen)		
	Three months ended June 30, 2020	Three months ended June 30, 2021	Change
Revenue	148,181	206,962	58,781
Profit from operating activities	4,447	4,325	(122)
Net profit attributable to Itochu Enex's shareholders	3,578	2,666	(912)

Revenue was ¥206,962 million (up 39.7% year on year). This was mainly due to an increase in selling prices of domestic petroleum products resulting from higher crude oil prices.

Revenue was ¥4,325 million (down 2.7% year on year). This was mainly due to recovery of sales in the automobile dealership business, and although there was a reaction to the temporary revenue from operations that captured crude oil price fluctuations in the same period of the previous year, the impact of COVID-19 has been reduced year on year and sales volume is on a recovery track.

Net profit attributable to Itochu Enex's shareholders was ¥2,666 million (down 25.5% year on year). This was mainly due to changes in income from consolidated subsidiaries and equity method affiliates.

2) Results of operations by segment

Results of operations by segment are as follows.

Home-Life Division

	(Millions of yen)		
	Three months ended June 30, 2020	Three months ended June 30, 2021	Change
Revenue	15,766	18,015	2,249
Profit from operating activities	57	338	281
Net profit attributable to Itochu Enex's shareholders	173	365	192

In LP gas business of the Home-Life Division during the three months ended June 30, 2021, the number of customers under direct LP gas supply contracts increased by approximately 1,000 from the end of the previous fiscal year to approximately 553,000 as a result of activities to acquire new customers and sales rights in the LP gas business. Although demand for automotive gas for commercial and industrial use, which was affected by COVID-19 in the previous fiscal year, is on a recovery trend, overall LP gas sales volume remained at the same level year on year due to a decrease in volume for households caused by the settling down of demand from staying at home and a decrease in wholesale sales.

Regarding sales of electricity for households, the division promoted the expansion of the customer base by focusing mainly on selling LP gas as a set. As a result, the number of supply contracts was a total of approximately 112,000 (an increase of approximately 3,000 from the end of the previous fiscal year).

In the industrial gas sales business, although sales volume of nitrogen gas decreased year on year due to a rebound from the special demand in the first quarter of the previous fiscal year, sales volume of other gas types increased year on year due to a recovery in the utilization rates of the customer plants to which we are supplying other industrial gas.

As a result of these activities, the operating results for the three months ended June 30, 2021 are as follows.

Revenue was ¥18,015 million (up 14.3% year on year). This was mainly due to an increase in selling prices resulting from higher LP gas import prices.

Profit from operating activities was ¥338 million (up 493.0% year on year). Net profit attributable to Itochu Enex's shareholders was ¥365 million (up 111.0% year on year). This was due mainly to the impact of inventories in relation to an increase in the LP gas import price.

Car-Life Division

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021	Change
Revenue	81,682	115,181	33,499
Profit from operating activities	908	1,494	586
Net profit attributable to Itochu Enex's shareholders	633	730	97

Looking at the Car-Life Division during the three months ended June 30, 2021, in the Car-Life Stations (CS)^{*2} business, the number of the CS was 1,673, a decrease of 14 from the end of the previous fiscal year. Sales volumes of petroleum products were up year on year as sales volume of gasoline and diesel fuel picked up slightly compared to the same period of the previous year, which saw a significant decline, despite the fact that impact of the spread of COVID-19 still remains.

In the automotive business, our car dealer business subsidiary OSAKA CAR LIFE GROUP CO., LTD. achieved an increase in overall sales volume year on year due to the recovery of sales of new models and other vehicles.

As a result of these activities, the operating results for the three months ended June 30, 2021 are as follows.

Revenue was ¥115,181 million (up 41.0% year on year). This was mainly due to an increase in sales prices of domestic petroleum products linked to crude oil prices and an increase in sales volume.

Profit from operating activities was ¥1,494 million (up 64.5% year on year). Net profit attributable to Itochu Enex's shareholders was ¥730 million (up 15.3% year on year). This was mainly due to the contribution of revenue in the automotive business.

(*2) 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, 2021	Change
Revenue	32,262	55,863	23,601
Profit from operating activities	1,730	797	(933)
Net profit attributable to Itochu Enex's shareholders	1,539	569	(970)

Looking at the Industrial Business Division, during the three months ended June 30, 2021, the asphalt sales business conducted its sales activities with an awareness of profitability, despite a decrease in sales volume. In the marine fuel sales business, although sales volume for domestic vessels increased year on year as a result of winning supply for new routes from existing customers, sales volume for ocean-going vessels decreased, resulting in a year-on-year decline. In the corporate fleet fuel card business, sales volume increased year on year due to the success of new customer development in the previous consolidated fiscal year. As for sales of AdBlue[®]*3 and GTL fuel*4, which we are working on as part of our environmental impact reduction business, we have established a supply system and are steadily developing sales channels. With regard to next-generation fuels, we established a council for the early social implementation of marine ammonia fuel, and started a sales demonstration for renewable diesel for land transportation.

As a result of these activities, the operating results for the three months ended June 30, 2021 are as follows.

Revenue was ¥55,863 million (up 73.2% year on year). This was mainly due to the increase in unit sales prices of industrial petroleum products resulting from higher crude oil prices.

Profit from operating activities was ¥797 million (down 53.9% year on year). Net profit attributable to Itochu Enex's shareholders was ¥569 million (down 63.0% year on year). This was mainly due to such factors as the reaction to the temporary revenue from operations capturing crude oil price fluctuations in the first quarter of the previous fiscal year.

(*3) AdBlue[®] is a world-standard High-Grade Aqueous Urea used in the decomposition and detoxification of diesel exhaust. (AdBlue[®] is a registered trademark of Verband der Automobilindustrie e.V.(VDA).)

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

Power & Utility Division

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021	Change
Revenue	18,471	17,903	(568)
Profit from operating activities	1,474	1,580	106
Net profit attributable to Itochu Enex's shareholders	1,111	961	(150)

In the electric power business of the Power & Utility Division, during the three months ended June 30, 2021, high-voltage power sales volumes*5 increased year on year due to an increase in the number of contracts for business users. Low-voltage sales volume also increased year on year due to an increase in the number of contracts, particularly for households.

In the heat supply business*6, heat demand was almost the same volume year on year due to the impact of the declaration of a state of emergency caused by the spread of COVID-19, as was the case last year, which resulted in tenants to which we are supplying heat shortening their business hours and working from home.

As a result of these activities, the operating results for the three months ended June 30, 2021 are as follows.

Revenue was ¥17,903 million (down 3.1% year on year). This was mainly due to the impact of accounting treatment associated with the change in contract type with Kyushu Electric Power in the electric power business.

Profit from operating activities was ¥1,580 million (up 7.2% year on year). This was mainly due to an improvement in wholesale margins in the sales of electricity. Net profit attributable to Itochu Enex's shareholders was ¥961 million (down 13.5% year on year). This was mainly due to a decrease in income from equity method affiliates.

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

(*6) 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 March 31, 2021	As of June 30, 2021	Change
Total assets	408,327	390,227	(18,100)
Total liabilities	246,928	229,689	(17,239)
Total equity	161,399	160,538	(861)

Total assets amounted to ¥390,227 million as of June 30, 2021, a decrease of ¥18,100 million from March 31, 2021. This was mainly due to a decrease in trade receivables of ¥12,388 million due to seasonal items. Total liabilities amounted to ¥229,689 million, a decrease of ¥17,239 million from March 31, 2021. This was mainly due to a decrease in trade payables of ¥12,267 million due to seasonal items. Total equity totaled ¥160,538 million, a decrease of ¥861 million from March 31, 2021, due to factors including an increase of ¥2,666 million from net profit attributable to Itochu Enex's shareholders and a decrease of ¥3,810 million by payment of cash dividends.

Cash flows

While taking COVID-19 into consideration, the Group will use the cash flow generated from its core businesses to expand peripheral businesses, develop new business areas, and aggressively promote investment in environment-related 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)		
	Three months ended June 30, 2020	Three months ended June 30, 2021	Change
Cash flows from operating activities	16,317	5,925	(10,392)
Cash flows from investing activities	8,452	(2,706)	(11,158)
[Free cash flows]	[24,769]	[3,219]	[(21,550)]
Cash flows from financing activities	2,928	(4,379)	(7,307)
Net increase (decrease) in cash and cash equivalents	27,697	(1,160)	(28,857)
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	33,683	(13,249)

Cash and cash equivalents (net cash) totaled ¥33,683 million as of June 30, 2021, down ¥1,158 million from March 31, 2021.

Cash flows from operating activities

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021	Change
Cash flows from operating activities	16,317	5,925	(10,392)
Changes in working capital and others	8,818	161	(8,657)
*Real operating cash flow	7,499	5,764	(1,735)

*Excludes working capital, etc. from cash flows from operating activities.

Operating activities provided net cash of ¥5,925 million. Major items included profit before tax of ¥4,694 million, depreciation and amortization of ¥5,097 million, and income taxes paid of ¥4,186 million. Net cash provided decreased by ¥10,392 million year on year due to an increase in receivables caused by rising oil prices. Moreover, real operating cash flow decreased ¥1,735 million year on year.

Cash flows from investing activities

The Group has always made investments with an awareness of capital efficiency based on our investment strategy.

In the two years of the “SHIFT! 2022” medium-term business plan, we plan to invest a total of ¥60.0 billion, ¥30.0 billion to maintain and strengthen the important revenue base that generates cash, and ¥30.0 billion to invest in growth, such as renewable energy, environment-friendly business, and overseas business.

Investing activities used net cash of ¥2,706 million. The main factors were as follows: cash used included the purchase of property, plant and equipment and investment property of ¥2,668 million, purchase of intangible assets of ¥543 million, while cash was provided by proceeds from sales and redemption of investments (including investments accounted for by the equity method) of ¥436 million and proceeds from sales of property, plant and equipment and investment property of ¥273 million. Net cash used increased ¥11,158 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 ¥4,379 million in funds used for financing activities. This was mainly due to repayments of lease liabilities of ¥2,798 million, proceeds from short-term borrowings of ¥2,398 million, and cash dividends paid to Itochu Enex's shareholders of ¥3,164 million. Net cash used increased ¥7,307 million year on year.

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

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, 2021	As of June 30, 2021
ASSETS		
Current assets		
Cash and cash equivalents	34,841	33,683
Trade receivables	99,764	87,376
Other current financial assets	17,900	15,236
Inventories	25,495	23,963
Income taxes receivable	3,055	3,806
Trade advances paid	100	99
Other current assets	2,710	3,783
Total current assets	183,865	167,946
Non-current assets		
Investments accounted for by the equity method	29,437	28,125
Other investments	4,246	3,817
Non-current financial assets other than investments	10,330	10,462
Property, plant and equipment	136,291	135,438
Investment property	12,797	12,739
Goodwill	521	521
Intangible assets	19,688	19,834
Deferred tax assets	9,728	9,312
Other non-current assets	1,424	2,033
Total non-current assets	224,462	222,281
Total assets	408,327	390,227

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
LIABILITIES AND EQUITY		
Current liabilities		
Short-term bonds and borrowings	3,041	15,311
Trade payables	102,768	90,501
Lease liabilities	10,285	9,904
Other current financial liabilities	5,614	6,918
Income taxes payable	3,874	1,331
Advances from customers	11,006	8,501
Other current liabilities	14,353	10,889
Total current liabilities	150,941	143,355
Non-current liabilities		
Non-current bonds and borrowings	14,418	4,422
Lease liabilities	50,499	50,086
Other non-current financial liabilities	14,425	14,433
Non-current liabilities for employee benefits	9,925	10,682
Deferred tax liabilities	1,001	1,147
Provisions	5,465	5,306
Other non-current liabilities	254	258
Total non-current liabilities	95,987	86,334
Total liabilities	246,928	229,689
Equity		
Common stock	19,878	19,878
Capital surplus	18,974	18,951
Retained earnings	99,829	99,370
Other components of equity	(576)	(950)
Treasury stock	(1,871)	(1,871)
Total shareholders' equity	136,233	135,378
Non-controlling interests	25,165	25,160
Total equity	161,399	160,538
Total liabilities and equity	408,327	390,227

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Revenue	148,181	206,962
Cost of sales	(127,824)	(186,120)
Gross profit	20,357	20,842
Other income and expense		
Selling, general and administrative expenses	(15,870)	(16,636)
Loss from tangible assets, intangible assets and goodwill	(27)	(50)
Other – net	(13)	169
Total other income and expense	(15,910)	(16,517)
Profit from operating activities	4,447	4,325
Financial income and costs		
Interest income	11	8
Dividends received	464	82
Interest expense	(274)	(221)
Other financial income and costs – net	10	3
Total financial income and costs	211	(128)
Share of profit of investments accounted for by the equity method	594	497
Profit before tax	5,252	4,694
Income tax expense	(1,462)	(1,387)
Net profit	3,790	3,307
Net profit attributable to:		
Net profit attributable to Itochu Enex's shareholders	3,578	2,666
Net profit attributable to non-controlling interests	212	641
Total	3,790	3,307

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss		
FVTOCI financial assets	125	2
Other comprehensive income of investments accounted for by the equity method	9	8
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	8	(2)
Cash flow hedges	10	(15)
Other comprehensive income of investments accounted for by the equity method	193	(329)
Total other comprehensive income, net of tax effect	345	(336)
Comprehensive income	4,135	2,971
Comprehensive income attributable to:		
Comprehensive income attributable to Itochu Enex's shareholders	3,923	2,330
Comprehensive income attributable to non-controlling interests	212	641
Total	4,135	2,971

(Yen)

Earnings per share attributable to Itochu Enex's shareholders		
Basic	31.70	23.62
Diluted	-	-

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

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
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)
Balance at June 30, 2020	19,878	18,934	93,740	(1,025)	(1,870)	129,657	23,088	152,745

Three months ended June 30, 2021

(Millions of yen)

	Shareholders' equity						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total shareholders' equity		
Balance at April 1, 2021	19,878	18,974	99,829	(576)	(1,871)	136,233	25,165	161,399
Net profit			2,666			2,666	641	3,307
Other comprehensive income				(336)		(336)	(0)	(336)
Comprehensive income			2,666	(336)		2,330	641	2,971
Transactions with owners								
Cash dividends			(3,164)			(3,164)	(646)	(3,810)
Changes due to additional acquisitions of interests in subsidiaries		(23)				(23)		(23)
Transfer from other components of equity to retained earnings			39	(39)		-		-
Purchase and disposal of treasury stock					(0)	(0)		(0)
Balance at June 30, 2021	19,878	18,951	99,370	(950)	(1,871)	135,378	25,160	160,538

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Cash flows from operating activities		
Profit before tax	5,252	4,694
Depreciation and amortization	4,907	5,097
Loss from tangible assets, intangible assets and goodwill	27	50
Financial income and costs	(211)	128
Share of profit of investments accounted for by the equity method	(594)	(497)
Decrease in trade receivables	22,582	12,412
Decrease in inventories	450	1,514
Decrease in trade payables	(15,524)	(12,285)
Other – net	1,310	(1,480)
Dividends received	1,597	652
Interest received	10	8
Interest expense	(228)	(182)
Income taxes paid	(3,261)	(4,186)
Net cash flows provided by operating activities	16,317	5,925
Cash flows from investing activities		
Purchase of investments (including investments accounted for by the equity method)	(170)	(119)
Proceeds from sales and redemption of investments (including investments accounted for by the equity method)	299	436
Payment for loans receivable	(290)	(117)
Collection of loans receivable	258	166
Payments for purchase of property, plant and equipment and investment property	(2,315)	(2,668)
Proceeds from sales of property, plant and equipment and investment property	291	273
Purchase of intangible assets	(380)	(543)
Proceeds from sales of intangible assets	113	1
Decrease in deposits paid – net	11,021	–
Other – net	(375)	(135)
Net cash flows provided by (used in) investing activities	8,452	(2,706)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Cash flows from financing activities		
Proceeds from bonds and borrowings	10,000	–
Repayments of bonds and borrowings	(363)	(169)
Repayments of lease liabilities	(2,837)	(2,798)
Net increase (decrease) in short-term borrowings	(598)	2,398
Cash dividends paid to Itochu Enex's shareholders	(2,599)	(3,164)
Cash dividends paid to non-controlling interests	(675)	(646)
Purchase of treasury stock	–	(0)
Net cash flows provided by (used in) financing activities	2,928	(4,379)
Net increase (decrease) in cash and cash equivalents	27,697	(1,160)
Cash and cash equivalents at the beginning of the period	19,243	34,841
Effect of exchange rate changes on cash and cash equivalents	(8)	2
Cash and cash equivalents at the end of the period	46,932	33,683

(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, 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	81,682	32,262	18,471	148,181	–	148,181
Intersegment revenue	1	1,258	1,256	933	3,448	(3,448)	–
Total revenue	15,767	82,940	33,518	19,404	151,629	(3,448)	148,181
Gross profit	4,630	10,329	2,723	2,675	20,357	–	20,357
Profit from operating activities	57	908	1,730	1,474	4,169	278	4,447
Profit before tax	278	806	2,179	1,744	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	139,076	43,998	93,862	338,685	43,016	381,701

(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.

Three months ended June 30, 2021

(Millions of yen)

	Reportable segment				Total	Adjustment	Consolidated
	Home-Life Division	Car-Life Division	Industrial Business Division	Power & Utility Division			
Revenue							
Revenue from external customers	18,015	115,181	55,863	17,903	206,962	–	206,962
Intersegment revenue	16	1,912	1,317	615	3,860	(3,860)	–
Total revenue	18,031	117,093	57,180	18,518	210,822	(3,860)	206,962
Gross profit	5,118	10,951	2,036	2,737	20,842	–	20,842
Profit from operating activities	338	1,494	797	1,580	4,209	116	4,325
Profit before tax	676	1,428	825	1,687	4,616	78	4,694
Net profit attributable to Itochu Enex's shareholders	365	730	569	961	2,625	41	2,666
Other items							
Total assets	67,116	144,969	55,557	88,307	355,949	34,278	390,227

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

The adjustment of ¥41 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥34,278 million to total assets represents corporate assets not allocated to reportable segments.

As of March 31, 2021

(Millions of yen)

	Reportable segment				Total	Adjustment	Consolidated
	Home-Life Division	Car-Life Division	Industrial Business Division	Power & Utility Division			
Total assets	72,235	150,123	56,288	94,979	373,625	34,702	408,327

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

Change in reportable segments

In conjunction with the absorption-type merger of ENEXAUTO CO., LTD., which was a subsidiary of the Company, by ENEX LIFE SERVICE Co., Ltd., a subsidiary of the Company in the fourth quarter of the previous fiscal year, the Group reviewed the management classification and changed the method to include the business of ENEXAUTO CO., LTD., which was previously included in the Car-Life Division, in the Power & Utility Division.

Due to the change in segments, segment information for the first quarter of the previous fiscal year has been adjusted based on the classification of reportable segments after the change.