

This document is an English translation of quarterly financial results report released on July 29, 2022 and written initially in Japanese.
The Japanese original should be considered as the primary version.



July 29, 2022

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2023 <under IFRSs>

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 Listing: Tokyo Stock Exchange
 Stock code: 8133
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Scheduled date to file quarterly securities report: August 9, 2022

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, 2023 (from April 1, 2022 to June 30, 2022)

(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, 2022	245,353	18.5	5,696	31.7	6,849	45.9	4,956	49.9	4,442	66.6	5,381	81.1
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)

	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, 2022	39.35	–
June 30, 2021	23.62	–

(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, 2022	440,784	172,238	146,338	33.2
March 31, 2022	447,017	171,198	144,297	32.3

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, 2022	–	23.00	–	25.00	48.00
Fiscal year ending	–				
March 31, 2023					
Fiscal year ending		24.00	–	24.00	48.00
March 31, 2023 (Forecast)					

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2022	–	–	–	–	–	–	–	–	–
Fiscal year ending March 31, 2023	1,000,000	6.8	19,400	(7.3)	20,800	(6.5)	13,000	(1.5)	115.17

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, 2022	116,881,106 shares
As of March 31, 2022	116,881,106 shares

b. Number of treasury stock at end of period

As of June 30, 2022	4,001,043 shares
As of March 31, 2022	4,000,969 shares

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

For the three months ended June 30, 2022	112,880,090 shares
For the three months ended June 30, 2021	112,880,697 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, 2022, the outlook for the Japanese economy continued to be extremely uncertain, with geopolitical risks such as the situation in Ukraine leading to soaring resource prices, which, together with the impact of factors including a weaker yen, led to rising domestic prices of petroleum products, electric power and other energy. As in the same period of the previous fiscal year, there remains no indication of when the COVID-19 pandemic will end. In terms of business, we are promoting our business in accordance with our two-year medium-term business plan “SHIFT! 2022,” below, which was 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 (FY2022):

Target Consolidated Results for FY2022

- (1) Net profit attributable to Itochu Enex's shareholders: ¥13.0 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, 2022 are as follows.

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	Change
Revenue	206,962	245,353	38,391
Profit from operating activities	4,325	5,696	1,371
Net profit attributable to Itochu Enex's shareholders	2,666	4,442	1,776

Revenue was ¥245,353 million (up 18.5% year on year). This was mainly due to an increase in selling prices of domestic petroleum products resulting from higher crude oil prices.

Profit from operating activities was ¥5,696 million (up 31.7% year on year). This was mainly due to robust sales in the Industrial Business Division, including asphalt sales, marine fuel sales, and in the environmental businesses, as well as the acquisition of new customers in the Home-Life Division and the impact of inventory due to higher LP gas prices.

Net profit attributable to Itochu Enex's shareholders was ¥4,442 million (up 66.6% year on year). This was mainly due to an increase 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, 2021	Three months ended June 30, 2022	Change
Revenue	18,015	21,950	3,935
Profit from operating activities	338	534	196
Net profit attributable to Itochu Enex's shareholders	365	1,037	672

LP gas business: The number of customers under direct LP gas supply contracts increased by approximately 8,000 from the end of the previous fiscal year to approximately 565,000 as a result of activities to acquire new customers and sales rights in the LP gas business. Although demand for commercial use and automotive gas, which was affected by COVID-19, is on a recovery trend, overall LP gas sales volume remained at the same level year on year due to a decrease in demand for households, which had seen demand from staying at home, associated with the relaxation of restrictions on movement.

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 119,000 (an increase of approximately 1,000 from the end of the previous fiscal year).

Industrial gas sales business: Sales volumes increased year on year as a result of factors including a rebound in demand from restaurants after a slump in the previous year associated with shortened operating hours due to COVID-19, a recovery in the utilization rates of the customer plants to which we are supplying, and an increase in new customers.

The operating results for the three months ended June 30, 2022 are as follows.

Revenue was ¥21,950 million (up 21.8% year on year). This was mainly due to an increase in selling prices associated with higher LP gas prices.

Profit from operating activities was ¥534 million (up 58.0% year on year). Net profit attributable to Itochu Enex's shareholders was ¥1,037 million (up 184.1% year on year). This was mainly due to the impact of inventory associated with the acquisition of new customers and higher LP gas prices.

Car-Life Division

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	Change
Revenue	119,898	129,869	9,971
Profit from operating activities	1,506	1,770	264
Net profit attributable to Itochu Enex's shareholders	731	1,036	305

Car-Life Stations (CS)^(*2) business: The number of CS was 1,636, unchanged from the end of the previous fiscal year. Sales volumes of petroleum products remained at the same level year on year due, with severe market conditions due to soaring crude oil prices, but a gradual amelioration in the impact of COVID-19.

Automotive business: Our car dealer business subsidiary OSAKA CAR LIFE GROUP CO., LTD. experienced a decrease in sales volume year on year due to a decrease in production volume because of semi-conductor shortages.

The operating results for the three months ended June 30, 2022 are as follows.

Revenue was ¥129,869 million (up 8.3% year on year). This was mainly due to an increase in selling prices of domestic petroleum products linked to higher crude oil prices.

Profit from operating activities was ¥1,770 million (up 17.5% year on year). Net profit attributable to Itochu Enex's shareholders was ¥1,036 million (up 41.7% year on year). This was mainly due to robust sales margins in retail in the CS 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, 2021	Three months ended June 30, 2022	Change
Revenue	51,146	71,137	19,991
Profit from operating activities	785	1,902	1,117
Net profit attributable to Itochu Enex's shareholders	568	1,298	730

Marine fuel sales business: Sales volumes increased year on year due to steady sales of fuel oil for ocean-going vessels.

Corporate fleet fuel card business: Sales volumes increased year on year due to progress in new customer development.

Other: The customer base expanded due to the choice of appropriate sales prices based on the demand environment for each type of product, the adjustment of procurement and inventory management operations, and the expansion of business with existing customers in each business.

The operating results for the three months ended June 30, 2022 are as follows.

Revenue was ¥71,137 million (up 39.1% year on year). This was mainly due to the increase in unit sales prices of various petroleum products resulting from higher crude oil prices, as well as an increase in sales volumes.

Profit from operating activities was ¥1,902 million (up 142.3% year on year). Net profit attributable to Itochu Enex's shareholders was ¥1,298 million (up 128.5% year on year). This was mainly due to robust sales in the asphalt sales business, marine fuel sales business, and environmental businesses, as well as operations appropriately responding to the market environment.

Power & Utility Division

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	Change
Revenue	17,903	22,397	4,494
Profit from operating activities	1,580	1,387	(193)
Net profit attributable to Itochu Enex's shareholders	961	1,022	61

Electricity power retail business: The low-voltage sales volume^(*3) increased year on year due to the acquisition of new contracts for both households and corporate sales. However, the high-voltage sales volume declined due to a focus on profitability management. As a result, total sales volume decreased year on year.

Heat supply business^(*4): Heat sales volume increased year on year due to an increase in air conditioning use in conjunction with higher average temperatures year on year.

The operating results for the three months ended June 30, 2022 are as follows.

Revenue was ¥22,397 million (up 25.1% year on year). This was mainly due to an increase in selling prices associated with rapid rise in wholesale electricity market prices.

Profit from operating activities was ¥1,387 million (down 12.2% year on year). This was mainly due to an increase in selling, general and administrative expenses resulting from the strengthening of sales activities.

Net profit attributable to Itochu Enex's shareholders was ¥1,022 million (up 6.3% year on year). This was mainly due to an increase in income from equity method affiliates.

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

(*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 March 31, 2022	As of June 30, 2022	Change
Total assets	447,017	440,784	(6,233)
Total liabilities	275,819	268,546	(7,273)
Total equity	171,198	172,238	1,040

Total assets amounted to ¥440,784 million as of June 30, 2022, a decrease of ¥6,233 million from March 31, 2022. This was mainly due to a decrease in trade receivables of ¥16,359 million due to seasonal items. Total liabilities amounted to ¥268,546 million, a decrease of ¥7,273 million from March 31, 2022. This was mainly due to a decrease in trade payables of ¥16,479 million due to seasonal items, despite an increase in short-term bonds and borrowings of ¥10,749 million. Total equity totaled ¥172,238 million, an increase of ¥1,040 million from March 31, 2022, due to factors including an increase of ¥4,442 million from net profit attributable to Itochu Enex's shareholders and a decrease of ¥4,341 million by payment of cash dividends.

Cash flows

The Group will expand peripheral businesses, develop new business areas, and aggressively promote investment in environment-related businesses, using the cash flow generated from its core 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 have maintained healthy levels of debt thus far, which is currently reflected by our net debt-equity ratio (net DER) of 0.01 times.

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	Change
Cash flows from operating activities	5,925	3,995	(1,930)
Cash flows from investing activities	(2,706)	(3,599)	(893)
[Free cash flows]	[3,219]	[396]	[(2,823)]
Cash flows from financing activities	(4,379)	3,345	7,724
Net increase (decrease) in cash and cash equivalents	(1,160)	3,741	4,901
Effect of exchange rate changes on cash and cash equivalents	2	40	38
Cash and cash equivalents at the end of the period	33,683	41,926	8,243

Cash and cash equivalents (net cash) totaled ¥41,926 million as of June 30, 2022, up ¥3,781 million from March 31, 2022.

Cash flows from operating activities

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	Change
Cash flows from operating activities	5,925	3,995	(1,930)
Changes in working capital and others	161	(4,713)	(4,874)
Substantive operating cash flow*	5,764	8,708	2,944

* Cash flows from operating activities minus working capital and others (increase in trade receivables, decrease (increase) in inventories, increase in trade payables, other – net)

Operating activities provided net cash of ¥3,995 million. Major items included profit before tax of ¥6,849 million, depreciation and amortization of ¥5,570 million, and payments associated with changes in working capital and others of ¥4,713 million. Cash flows from operating activities decreased by ¥1,930 million year on year. Moreover, substantive operating cash flow increased ¥2,944 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 ¥3,599 million. Major items included payments for purchase of property, plant and equipment and investment property of ¥3,636 million. Cash flows from investing activities increased by ¥893 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 our Group Financial System* resulted in ¥3,345 million in funds provided by financing activities. This was mainly due to repayments of bonds and borrowings of ¥10,002 million, repayments of lease liabilities of ¥2,834 million, proceeds from short-term borrowings of ¥20,522 million, and cash dividends paid to Itochu Enex’s shareholders of ¥2,825 million. Cash flows from financing activities increased by ¥7,724 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, 2022	As of June 30, 2022
ASSETS		
Current assets		
Cash and cash equivalents	38,145	41,926
Trade receivables	118,911	102,552
Other current financial assets	14,957	17,074
Inventories	22,161	23,834
Income taxes receivable	118	450
Trade advances paid	150	780
Other current assets	2,704	3,095
Total current assets	197,146	189,711
Non-current assets		
Investments accounted for by the equity method	28,042	29,682
Other investments	3,396	3,338
Non-current financial assets other than investments	13,883	12,914
Property, plant and equipment	160,492	161,674
Investment property	12,979	12,733
Goodwill	521	521
Intangible assets	19,232	19,216
Deferred tax assets	8,412	8,184
Other non-current assets	2,914	2,811
Total non-current assets	249,871	251,073
Total assets	447,017	440,784

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
LIABILITIES AND EQUITY		
Current liabilities		
Short-term bonds and borrowings	23,091	33,840
Trade payables	120,227	103,748
Lease liabilities	9,468	9,877
Other current financial liabilities	7,527	6,378
Income taxes payable	3,054	1,920
Advances from customers	10,780	10,217
Other current liabilities	11,190	10,405
Total current liabilities	185,337	176,385
Non-current liabilities		
Non-current bonds and borrowings	9,838	9,838
Lease liabilities	48,160	49,924
Other non-current financial liabilities	14,691	14,470
Non-current liabilities for employee benefits	10,480	10,514
Deferred tax liabilities	1,038	1,143
Provisions	6,006	6,023
Other non-current liabilities	269	249
Total non-current liabilities	90,482	92,161
Total liabilities	275,819	268,546
Equity		
Common stock	19,878	19,878
Capital surplus	18,990	18,990
Retained earnings	107,617	109,234
Other components of equity	(315)	109
Treasury stock	(1,871)	(1,871)
Total shareholders' equity	144,297	146,338
Non-controlling interests	26,901	25,900
Total equity	171,198	172,238
Total liabilities and equity	447,017	440,784

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Revenue	206,962	245,353
Cost of sales	(186,120)	(222,979)
Gross profit	20,842	22,374
Other income and expense		
Selling, general and administrative expenses	(16,636)	(16,710)
Loss from tangible assets, intangible assets and goodwill	(50)	(20)
Other – net	169	52
Total other income and expense	(16,517)	(16,678)
Profit from operating activities	4,325	5,696
Financial income and costs		
Interest income	8	7
Dividends received	82	25
Interest expense	(221)	(215)
Other financial income and costs – net	3	4
Total financial income and costs	(128)	(179)
Share of profit of investments accounted for by the equity method	497	1,332
Profit before tax	4,694	6,849
Income tax expense	(1,387)	(1,893)
Net profit	3,307	4,956
Net profit attributable to:		
Net profit attributable to Itochu Enex's shareholders	2,666	4,442
Net profit attributable to non-controlling interests	641	514
Total	3,307	4,956

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss		
FVTOCI financial assets	2	(24)
Other comprehensive income of investments accounted for by the equity method	8	(17)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(2)	20
Cash flow hedges	(15)	–
Other comprehensive income of investments accounted for by the equity method	(329)	446
Total other comprehensive income, net of tax effect	(336)	425
Comprehensive income	2,971	5,381
Comprehensive income attributable to:		
Comprehensive income attributable to Itochu Enex's shareholders	2,330	4,866
Comprehensive income attributable to non-controlling interests	641	515
Total	2,971	5,381

(Yen)

Earnings per share attributable to Itochu Enex's shareholders		
Basic	23.62	39.35
Diluted	–	–

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

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

Three months ended June 30, 2022

(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, 2022	19,878	18,990	107,617	(315)	(1,871)	144,297	26,901	171,198
Net profit			4,442			4,442	514	4,956
Other comprehensive income				424		424	0	425
Comprehensive income			4,442	424		4,866	515	5,381
Transactions with owners								
Cash dividends			(2,825)			(2,825)	(1,516)	(4,341)
Transfer from other components of equity to retained earnings			0	(0)				
Purchase and disposal of treasury stock					(0)	(0)		(0)
Balance at June 30, 2022	19,878	18,990	109,234	109	(1,871)	146,338	25,900	172,238

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Cash flows provided by operating activities		
Profit before tax	4,694	6,849
Depreciation and amortization	5,097	5,570
Loss from tangible assets, intangible assets and goodwill	50	20
Financial income and costs	128	179
Share of profit of investments accounted for by the equity method	(497)	(1,332)
Increase in trade receivables	12,412	16,359
Decrease (increase) in inventories	1,514	(1,673)
Decrease in trade payables	(12,285)	(16,479)
Other – net	(1,480)	(2,920)
Dividends received	652	585
Interest received	8	7
Interest expense	(182)	(229)
Income taxes paid	(4,186)	(2,941)
Net cash flows provided by operating activities	5,925	3,995
Cash flows from investing activities		
Purchase of investments (including investments accounted for by the equity method)	(119)	(419)
Proceeds from sales and redemption of investments (including investments accounted for by the equity method)	436	28
Payment for loans receivable	(117)	(264)
Collection of loans receivable	166	240
Payments for purchase of property, plant and equipment and investment property	(2,668)	(3,636)
Proceeds from sales of property, plant and equipment and investment property	273	74
Purchase of intangible assets	(543)	(460)
Proceeds from sales of intangible assets	1	1
Other – net	(135)	837
Net cash flows used in investing activities	(2,706)	(3,599)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Cash flows used in financing activities		
Repayments of bonds and borrowings	(169)	(10,002)
Repayments of lease liabilities	(2,798)	(2,834)
Net increase in short-term borrowings	2,398	20,522
Cash dividends paid to Itochu Enex's shareholders	(3,164)	(2,825)
Cash dividends paid to non-controlling interests	(646)	(1,516)
Purchase of treasury stock	(0)	(0)
Net cash flows used in financing activities	(4,379)	3,345
Net increase (decrease) in cash and cash equivalents	(1,160)	3,741
Cash and cash equivalents at the beginning of the period	34,841	38,145
Effect of exchange rate changes on cash and cash equivalents	2	40
Cash and cash equivalents at the end of the period	33,683	41,926

(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, 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	119,898	51,146	17,903	206,962	–	206,962
Intersegment revenue	16	1,890	2,205	615	4,726	(4,726)	–
Total revenue	18,031	121,788	53,351	18,518	211,688	(4,726)	206,962
Gross profit	5,118	11,193	1,794	2,737	20,842	–	20,842
Profit from operating activities	338	1,506	785	1,580	4,209	116	4,325
Profit before tax	676	1,433	820	1,687	4,616	78	4,694
Net profit attributable to Itochu Enex's shareholders	365	731	568	961	2,625	41	2,666
Other items							
Total assets	67,116	151,459	49,067	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.

Three months ended June 30, 2022

(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	21,950	129,869	71,137	22,397	245,353	–	245,353
Intersegment revenue	19	2,326	3,651	380	6,376	(6,376)	–
Total revenue	21,969	132,195	74,788	22,777	251,729	(6,376)	245,353
Gross profit	5,039	11,351	3,154	2,830	22,374	–	22,374
Profit from operating activities	534	1,770	1,902	1,387	5,593	103	5,696
Profit before tax	1,478	1,714	1,879	1,693	6,764	85	6,849
Net profit attributable to Itochu Enex's shareholders	1,037	1,036	1,298	1,022	4,393	49	4,442
Other items							
Total assets	71,815	154,035	63,980	115,341	405,171	35,613	440,784

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

The adjustment of ¥49 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥35,613 million to total assets represents corporate assets not allocated to reportable segments.

As of March 31, 2022

(Millions of yen)

	Reportable segment				Total	Adjustment	Consolidated
	Home-Life Division	Car-Life Division	Industrial Business Division	Power & Utility Division			
Total assets	77,719	158,145	62,239	117,272	415,375	31,642	447,017

(Note) The adjustment of ¥31,642 million to total assets represents corporate assets not allocated to reportable segments.

Change in reportable segments

In conjunction with the absorption-type merger of KOKURA ENTERPRISE ENERGY CO., LTD. and ENEX PETROLEUM SALES NISHI-NIHON CO., LTD., which were subsidiaries of the Company, by ENEX FLEET CO., LTD., also a subsidiary of the Company in the first quarter of the current fiscal year, the Group reviewed the management classification and changed the method to include the business of KOKURA ENTERPRISE ENERGY CO., LTD., which was previously included in the Industrial Business Division, in the Car-Life 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 has been adjusted based on the classification of reportable segments after the change.