

This document is an English translation of financial results report released on April 28, 2023 and written initially in Japanese.  
The Japanese original should be considered as the primary version.



MEMBERSHIP

April 28, 2023

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 <under IFRSs>

Company name: **Itochu Enex Co., Ltd.**  
 Listing: Tokyo Stock Exchange  
 Stock code: 8133  
 URL: <https://www.itcenex.com/english/>  
 Representative: Tomofumi Yoshida, Representative Director, President and Chief Executive Officer  
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Scheduled date of ordinary general meeting of shareholders: June 14, 2023  
 Scheduled date to commence dividend payments: June 15, 2023  
 Scheduled date to file annual securities report: June 14, 2023  
 Preparation of supplementary results briefing material on financial results: Yes  
 Holding of 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 fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	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	%
March 31, 2023	1,012,018	8.1	21,368	2.1	23,036	3.6	15,981	2.7	13,832	4.8	16,326	0.8
March 31, 2022	936,306	26.7	20,929	8.2	22,241	11.0	15,566	8.4	13,194	8.4	16,192	6.6

Fiscal year ended	Basic earnings per share attributable to Itochu Enex's shareholders	Diluted earnings per share attributable to Itochu Enex's shareholders	Return on equity obtained as the net profit attributable to Itochu Enex's shareholders to total shareholders' equity	Ratio of profit before tax to total assets	Ratio of profit from operating activities to revenue
	Yen	Yen	%	%	%
March 31, 2023	122.54	—	9.3	5.2	2.1
March 31, 2022	116.89	—	9.4	5.2	2.2

Reference: Share of profit (loss) of investments accounted for using equity method  
 For the fiscal year ended March 31, 2023: ¥2,398 million  
 For the fiscal year ended March 31, 2022: ¥2,409 million

**(2) Consolidated financial position**

	Total assets	Total equity	Total shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2023	433,024	180,328	152,961	35.3	1,355.37
March 31, 2022	447,017	171,198	144,297	32.3	1,278.32

**(3) Consolidated cash flows**

	Net cash flows from (used in) operating activities	Net cash flows from (used in) investing activities	Net cash flows from (used in) financing activities	Cash and cash equivalents at end of the period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	34,799	(3,190)	(37,747)	32,013
March 31, 2022	39,955	(19,113)	(17,625)	38,145

**2. Cash dividends**

	Annual cash dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of total amount of dividends to total shareholders' equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	–	23.00	–	25.00	48.00	5,423	41.1	3.9
March 31, 2023	–	24.00	–	26.00	50.00	5,649	40.8	3.8
Fiscal year ending March 31, 2024 (Forecast)	–	26.00	–	26.00	52.00		43.5	

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)**

(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, 2024	1,200,000	18.6	20,900	(2.2)	22,300	(3.2)	13,500	(2.4)	119.62

Note: 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 March 31, 2023	116,881,106 shares
As of March 31, 2022	116,881,106 shares

b. Number of treasury stock at end of period

As of March 31, 2023	4,025,827 shares
As of March 31, 2022	4,000,969 shares

c. Average number of outstanding shares during period

Fiscal year ended March 31, 2023	112,874,211 shares
Fiscal year ended March 31, 2022	112,880,475 shares

**\* Note on financial results**

Ordinary profit and net profit rose year on year due to favorable sales in each business engaged in the sale of petroleum products, as well as effectively grasping market movements and improving the profitability.

\* Financial results reports are exempt from audit 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. Overview of Operating Results and Others, (1) Overview of Operating Results for the Fiscal Year Ended March 31, 2023” on page 2 of the attached materials for matters relating to earnings forecasts.

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# 1. Overview of Operating Results and Others

## (1) Overview of Operating Results for the Fiscal Year Ended March 31, 2023

### 1) Results of operations

During the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023), the outlook for the Japanese economy still continued to be uncertain, with geopolitical risks leading to elevated resource prices, which, together with the impact of factors including exchange rates, led to soaring domestic prices of petroleum products, electric power and other energy. The impact of the COVID-19 pandemic also persisted in parts.

Under these conditions, at the Itochu Enex Group, 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<sup>(\*)</sup>: ¥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 fiscal year ended March 31, 2023 are as follows.

	(Millions of yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Revenue	936,306	1,012,018	75,712
Profit from operating activities	20,929	21,368	439
Net profit attributable to Itochu Enex's shareholders	13,194	13,832	638

Revenue was ¥1,012,018 million (up 8.1% year on year). This was mainly due to an increase in selling prices of various petroleum products resulting from the price of crude oil remaining at a high level for the first half of the fiscal year.

Profit from operating activities was ¥21,368 million (up 2.1% year on year), and net profit attributable to Itochu Enex's shareholders was ¥13,832 million (up 4.8% year on year). This was mainly due to favorable sales in the Industrial Business Division, which absorbed the higher procurement prices caused by a surge in resource prices in the Power & Utility Division and the reactionary decline after valuation gains from making large-scale solar power plants (mega solar power plants) subsidiaries of the Company in the previous fiscal year.

2) Results of operations by segment

Results of operations by segment are as follows.

**Home-Life Division**

	(Millions of yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Revenue	84,953	84,187	(766)
Profit from operating activities	2,297	2,042	(255)
Net profit attributable to Itochu Enex's shareholders	2,458	2,710	252

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 acquiring new customers and sales rights in the LP gas business. LP gas sales volume decreased year on year due to higher average temperatures year on year for the period of high demand and a more frugal mindset due to soaring prices.

The operating results for the fiscal year ended March 31, 2023 are as follows.

Revenue was ¥84,187 million (down 0.9% year on year) and profit from operating activities was ¥2,042 million (down 11.1% year on year). This was mainly due to a decrease in LP gas sales volume.

Net profit attributable to Itochu Enex's shareholders was ¥2,710 million (up 10.3% year on year). This was mainly due to an increase in income of equity method affiliates.

### Car-Life Division

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Revenue	538,410	563,647	25,237
Profit from operating activities	8,027	8,950	923
Net profit attributable to Itochu Enex's shareholders	4,219	4,472	253

Car-Life Stations (CS)<sup>(\*2)</sup> business: The number of CS was 1,610, a decrease of 26 compared with the end of the previous fiscal year. Sales volumes of petroleum products increased slightly year on year, with a gradual contraction of 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, despite favorable orders of new models.

The operating results for the fiscal year ended March 31, 2023 are as follows.

Revenue was ¥563,647 million (up 4.7% year on year). This was mainly due to an increase in selling prices of various petroleum products resulting from the price of crude oil remaining at a high level for the first half of the fiscal year.

Profit from operating activities was ¥8,950 million (up 11.5% year on year). Net profit attributable to Itochu Enex's shareholders was ¥4,472 million (up 6.0% year on year). This was mainly due to a strong performance in the CS retail business and the contribution of an increase in gross profit per vehicle in the car dealer business.

(\*2) Car-Life Stations: Car-Life Stations are service stations offering multiple services provided by the Company.

## Industrial Business Division

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Revenue	211,795	244,454	32,659
Profit from operating activities	4,642	8,526	3,884
Net profit attributable to Itochu Enex's shareholders	3,303	5,880	2,577

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.

The operating results for the fiscal year ended March 31, 2023 are as follows.

Revenue was ¥244,454 million (up 15.4% year on year). This was mainly due to an increase in selling prices of various petroleum products resulting from the price of crude oil remaining at a high level for the first half of the fiscal year, as well as an increase in sales volumes.

Profit from operating activities was ¥8,526 million (up 83.7% year on year), and net profit attributable to Itochu Enex's shareholders was ¥5,880 million (up 78.0% year on year). This was mainly due to favorable sales in the marine fuel sales business, industrial gas sales business, environmental businesses, the corporate fleet fuel card business, and other businesses, as well as the distribution terminal business leveraging the terminal functions, and the overall division effectively grasping market movements and improving the profitability.

## Power & Utility Division

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Revenue	101,148	119,730	18,582
Profit from operating activities	6,180	2,162	(4,018)
Net profit attributable to Itochu Enex's shareholders	3,483	1,026	(2,457)

Electricity power retail business: The low-voltage sales volume<sup>(\*)3</sup> increased year on year due to the acquisition of new contracts. However, the high-voltage sales volume declined due to a focus on profitability management. As a result, total sales volume decreased year on year. The number of customers for electricity retail for the entire Group was 334,000 (up approximately 54,000 year on year).

Heat supply business<sup>(\*)4</sup>: Heat sales volume increased year on year due to an increase in air conditioning use in conjunction with higher average summer temperatures year on year.

The operating results for the fiscal year ended March 31, 2023 are as follows.

Revenue was ¥119,730 million (up 18.4% year on year). This was mainly due to an increase in selling prices in response to a rapid rise in wholesale electricity market prices.

Profit from operating activities was ¥2,162 million (down 65.0% year on year). Net profit attributable to Itochu Enex's shareholders was ¥1,026 million (down 70.5% year on year). This was mainly due to a contraction in electricity retail margins due to higher procurement prices caused by surging resource prices, as well as a reactionary decline after valuation gains from making large-scale solar power plants (mega solar power plants) subsidiaries of the Company in the previous fiscal year.



- (\*3) Sales volume of electricity power retail business 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.

3) Forecasts of consolidated financial results for the fiscal year ending March 31, 2024

In the forecast of consolidated financial results for the fiscal year ending March 31, 2024, we project ¥1,200,000 million in revenue, up 18.6% year on year, ¥20,900 million in profit from operating activities, down 2.2% year on year, ¥22,300 million in profit before tax, down 3.2% year on year, and ¥13,500 million in net profit attributable to Itochu Enex's shareholders, down 2.4% year on year. Basic earnings per share attributable to Itochu Enex's shareholders are projected at ¥119.62.

## (2) Overview of Financial Position for the Fiscal Year Ended March 31, 2023

### 1) Analysis of assets, liabilities, equity and cash flows

#### Assets, liabilities and equity

	As of March 31, 2022	As of March 31, 2023	Change
Total assets	447,017	433,024	(13,993)
Total liabilities	275,819	252,696	(23,123)
Total equity	171,198	180,328	9,130

(Millions of yen)

Total assets amounted to ¥433,024 million as of March 31, 2023, a decrease of ¥13,993 million from March 31, 2022. This was mainly due to a decrease in cash and cash equivalents of ¥6,132 million resulting from redemption of bonds and repayments of borrowings, etc., in addition to a decrease in property, plant and equipment of ¥10,572 million. Total liabilities amounted to ¥252,696 million, a decrease of ¥23,123 million from March 31, 2022. This was mainly due to a decrease in short-term bonds and borrowings of ¥16,065 million and a decrease in trade payables of ¥5,409 million resulting from a decline in purchase price due to drop in crude oil price from the second quarter onward. Total equity totaled ¥180,328 million, an increase of ¥9,130 million from March 31, 2022, due to factors including an increase of ¥13,832 million from net profit attributable to Itochu Enex's shareholders and a decrease of ¥7,196 million by payment of cash dividends.

We consequently ended the fiscal year with a ratio of shareholders' equity to total assets of 35.3%.

#### Cash flows

The Group again achieved a substantive operating cash flow of more than ¥30,000 million for the fiscal year, and it maintained an operating structure capable of aggressively promoting investment to expand peripheral businesses and develop new business areas.

Moreover, 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. As a result, we have maintained healthy levels of debt thus far, which is currently reflected by our net debt-equity ratio (net DER) of negative 0.12 times.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Cash flows from operating activities	39,955	34,799	(5,156)
Cash flows from investing activities	(19,113)	(3,190)	15,923
[Free cash flows]	[20,842]	[31,609]	[10,767]
Cash flows from financing activities	(17,625)	(37,747)	(20,122)
Net increase (decrease) in cash and cash equivalents	3,217	(6,138)	(9,355)
Effect of exchange rate changes on cash and cash equivalents	87	6	(81)
Cash and cash equivalents at the end of the period	38,145	32,013	(6,132)

Cash and cash equivalents (net cash) totaled ¥32,013 million as of March 31, 2023, down ¥6,132 million from March 31, 2022.

*Cash flows from operating activities*

	(Millions of yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Cash flows from operating activities	39,955	34,799	(5,156)
Changes in working capital and others	6,109	(2,457)	(8,566)
Substantive operating cash flow <sup>(*5)</sup>	33,846	37,256	3,410

(\*5) Cash flows from operating activities minus working capital and others (decrease (increase) in trade receivables, decrease (increase) in inventories, increase (decrease) in trade payables, other – net).

Operating activities provided net cash of ¥34,799 million. Major items included profit before tax of ¥23,036 million, depreciation and amortization of ¥21,873 million, payments associated with changes in working capital and others of ¥2,457 million, and income taxes paid of ¥6,519 million. Cash flows from operating activities decreased by ¥5,156 million year on year. However, substantive operating cash flow increased ¥3,410 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.

Investing activities used net cash of ¥3,190 million. This was mainly due to payments for purchase of property, plant and equipment and investment property of ¥12,190 million, proceeds from sales of property, plant and equipment and investment property of ¥10,777 million and purchase of intangible assets of ¥2,799 million. Cash flows from investing activities increased by ¥15,923 million year on year.

*Cash flows from financing activities*

The Group aims to streamline Group-wide financing activities to enhance our corporate value, and is strengthening financial management through the Group Financial System<sup>(\*6)</sup>.

Financial activities used net cash of ¥37,747 million. This was mainly due to repayments of bonds and borrowings of ¥18,796 million, repayments of lease liabilities of ¥11,346 million, and cash dividends paid to Itochu Enex's shareholders of ¥5,536 million. Cash flows from financing activities decreased by ¥20,122 million year on year.

(\*6) The Group Financial System streamlines fund management and procurement costs by sharing funds within the Group.

2) Cash flow indicators

Fiscal year ended March 31,	2021	2022	2023
Ratio of shareholders' equity to total assets (%)	33.4	32.3	35.3
Ratio of shareholders' equity to total assets at market value (%)	30.2	25.9	29.4
Ratio of cash flow to interest-bearing debt (years)	0.4	0.8	0.4
Interest-coverage ratio (times)	37.6	40.2	38.8

Ratio of shareholders' equity to total assets: Total shareholders' equity / Total assets

Ratio of shareholders' equity to total assets at market value: Market capitalization / Total assets

Ratio of cash flow to interest-bearing debt: Interest-bearing debt / Cash flow

Interest-coverage ratio: Cash flow / Interest expense

(Note 1.) All of the above ratios were calculated using consolidated financial statement data.

(Note 2.) Market capitalization was calculated by multiplying the fiscal-year-end closing share price by the number of shares outstanding at fiscal year-end (net of treasury stock).

(Note 3.) "Cash flow" is "Cash provided by (used in) operating activities" on the Consolidated Statement of Cash Flows.

(Note 4.) Interest-bearing debt is all debt, of the debt carried on the Consolidated Statement of Financial Position, on which interest is payable.

**(3) Profit Distribution Policy and Dividends for the Fiscal Years Ended March 31, 2023 and Ending March 31, 2024**

While maintaining sustained business growth, we place a strong emphasis on maintaining a consolidated dividend payout ratio of at least 40% as shareholder returns in accordance with our policy of paying stable dividends on an ongoing basis while maintaining sustained business growth, and we are implementing progressive dividends during the term of the medium-term business plan (two years of FY2023-FY2024). Progressive dividends refers to our policy of not decreasing dividend payment by setting a minimum of ¥50 annual dividends per share and either maintaining or increasing that amount for the annual dividends per share for the next fiscal year.

For the fiscal year ended March 31, 2023, we plan to pay a year-end dividend of ¥26 per share. For the fiscal year ending March 31, 2024, we plan to pay annual dividends of ¥52 per share (including an interim dividend of ¥26 per share).

With respect to internally retained funds, our basic policy is to use such funds to invest in our business to strengthen our operating foundation and further increase earnings.

## **2. Changes in major affiliates and subsidiaries**

### Car-Life Division

In April 2022, there was an 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.

### Power & Utility Division

The Company established Saiene Dengen Kaihatsu CO., LTD. in August 2022, and made it a new subsidiary.

## **3. Basic Concepts Underlying Selection of Accounting Standards**

The Itochu Enex Group has adopted IFRS (International Financial Reporting Standards) from the fiscal year ended March 31, 2014, in order to improve international comparability and the convenience of financial information in capital markets.

#### 4. Consolidated Financial Statements and Significant Notes Thereto

##### (1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	38,145	32,013
Trade receivables	118,911	115,920
Other current financial assets	14,957	14,251
Inventories	22,161	26,176
Income taxes receivable	118	100
Trade advances paid	150	907
Other current assets	2,704	1,774
Total current assets	197,146	191,141
Non-current assets		
Investments accounted for by the equity method	28,042	31,762
Other investments	3,396	3,442
Non-current financial assets other than investments	13,883	11,508
Property, plant and equipment	160,492	149,920
Investment property	12,979	12,732
Goodwill	521	521
Intangible assets	19,232	20,237
Deferred tax assets	8,412	9,354
Other non-current assets	2,914	2,407
Total non-current assets	249,871	241,883
Total assets	447,017	433,024

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Short-term bonds and borrowings	23,091	7,026
Trade payables	120,227	114,818
Lease liabilities	9,468	10,415
Other current financial liabilities	7,527	5,134
Income taxes payable	3,054	4,748
Advances from customers	10,780	11,031
Other current liabilities	11,190	12,951
Total current liabilities	185,337	166,123
<b>Non-current liabilities</b>		
Non-current bonds and borrowings	9,838	7,101
Lease liabilities	48,160	47,263
Other non-current financial liabilities	14,691	15,454
Non-current liabilities for employee benefits	10,480	10,344
Deferred tax liabilities	1,038	759
Provisions	6,006	5,515
Other non-current liabilities	269	137
Total non-current liabilities	90,482	86,573
Total liabilities	275,819	252,696
<b>Equity</b>		
Common stock	19,878	19,878
Capital surplus	18,990	19,014
Retained earnings	107,617	115,899
Other components of equity	(315)	66
Treasury stock	(1,871)	(1,896)
Total shareholders' equity	144,297	152,961
Non-controlling interests	26,901	27,367
Total equity	171,198	180,328
<b>Total liabilities and equity</b>	<b>447,017</b>	<b>433,024</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Revenue	936,306	1,012,018
Cost of sales	(852,715)	(922,462)
Gross profit	83,591	89,556
Other income and expense		
Selling, general and administrative expenses	(68,065)	(68,889)
Loss from tangible assets, intangible assets and goodwill	(615)	(594)
Other – net	6,018	1,295
Total other income and expense	(62,662)	(68,188)
Profit from operating activities	20,929	21,368
Financial income and costs		
Interest income	31	50
Dividends received	119	76
Interest expense	(994)	(897)
Other financial income and costs – net	(253)	41
Total financial income and costs	(1,097)	(730)
Share of profit of investments accounted for by the equity method	2,409	2,398
Profit before tax	22,241	23,036
Income tax expense	(6,675)	(7,055)
Net profit	15,566	15,981
Net profit attributable to:		
Net profit attributable to Itochu Enex's shareholders	13,194	13,832
Net profit attributable to non-controlling interests	2,372	2,149
Total	15,566	15,981



(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss		
FVTOCI financial assets	53	(48)
Remeasurement of net defined benefit liability	40	(25)
Other comprehensive income of investments accounted for by the equity method	59	37
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	16	15
Cash flow hedges	229	(200)
Other comprehensive income of investments accounted for by the equity method	229	566
Total other comprehensive income, net of tax effect	626	345
Comprehensive income	16,192	16,326
Comprehensive income attributable to:		
Comprehensive income attributable to Itochu Enex's shareholders	13,810	14,200
Comprehensive income attributable to non-controlling interests	2,382	2,126
Total	16,192	16,326

(Yen)

Earnings per share attributable to Itochu Enex's shareholders		
Basic	116.89	122.54
Diluted	—	—

### (3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 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, 2021	19,878	18,974	99,829	(576)	(1,871)	136,233	25,165	161,399
Net profit			13,194			13,194	2,372	15,566
Other comprehensive income				616		616	10	626
Comprehensive income			13,194	616		13,810	2,382	16,192
Transactions with owners								
Cash dividends			(5,762)			(5,762)	(646)	(6,408)
Changes due to additional acquisitions and sales of interests in subsidiaries		(23)				(23)	–	(23)
Transfer from other components of equity to retained earnings			356	(356)		–		–
Purchase and disposal of treasury stock					(1)	(1)		(1)
Share-based payments		39			–	39		39
Balance at March 31, 2022	<u>19,878</u>	<u>18,990</u>	<u>107,617</u>	<u>(315)</u>	<u>(1,871)</u>	<u>144,297</u>	<u>26,901</u>	<u>171,198</u>

Fiscal year ended March 31, 2023

(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			13,832			13,832	2,149	15,981
Other comprehensive income				368		368	(23)	345
Comprehensive income			13,832	368		14,200	2,126	16,326
Transactions with owners								
Cash dividends			(5,536)			(5,536)	(1,660)	(7,196)
Transfer from other components of equity to retained earnings			(14)	14		–		–
Purchase and disposal of treasury stock					(42)	(42)		(42)
Share-based payments		24			17	41		41
Balance at March 31, 2023	<u>19,878</u>	<u>19,014</u>	<u>115,899</u>	<u>66</u>	<u>(1,896)</u>	<u>152,961</u>	<u>27,367</u>	<u>180,328</u>

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	22,241	23,036
Depreciation and amortization	20,780	21,873
Loss from tangible assets, intangible assets and goodwill	615	594
Gain from remeasurements relating to the acquisition of subsidiaries	(4,211)	–
Financial income and costs	1,097	730
Share of profit of investments accounted for by the equity method	(2,409)	(2,398)
Increase in trade receivables	(19,145)	2,991
Decrease (increase) in inventories	3,318	(4,015)
Increase in trade payables	17,119	(5,409)
Other – net	4,817	3,976
Dividends received	695	678
Interest received	31	50
Interest expense	(886)	(906)
Income taxes paid	(7,162)	(6,519)
Income taxes refund	3,055	118
Net cash flows provided by operating activities	39,955	34,799
Cash flows from investing activities		
Purchase of investments (including investments accounted for by the equity method)	(1,023)	(1,750)
Proceeds from sales and redemption of investments (including investments accounted for by the equity method)	2,550	523
Acquisition of subsidiaries, net of cash acquired	(8,397)	–
Proceeds from sales of subsidiaries, net of cash acquired	825	–
Payment for loans receivable	(749)	(817)
Collection of loans receivable	815	944
Payments for purchase of property, plant and equipment and investment property	(10,999)	(12,190)
Proceeds from sales of property, plant and equipment and investment property	1,089	10,777
Purchase of intangible assets	(1,811)	(2,799)
Proceeds from sales of intangible assets	29	19
Other – net	(1,442)	2,103
Net cash flows used in investing activities	(19,113)	(3,190)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from bonds and borrowings	1,050	1,050
Repayments of bonds and borrowings	(1,896)	(18,796)
Repayments of lease liabilities	(11,359)	(11,346)
Net increase in short-term borrowings	989	(1,417)
Cash dividends paid to Itochu Enex's shareholders	(5,762)	(5,536)
Cash dividends paid to non-controlling interests	(646)	(1,660)
Purchase of treasury stock	(1)	(42)
Net cash flows used in financing activities	(17,625)	(37,747)
Net increase (decrease) in cash and cash equivalents	3,217	(6,138)
Cash and cash equivalents at the beginning of the period	34,841	38,145
Effect of exchange rate changes on cash and cash equivalents	87	6
Cash and cash equivalents at the end of the period	38,145	32,013

## **(5) Notes to Consolidated Financial Statements**

### **Notes on Uncertainties of Entity's Ability to Continue as Going Concern**

No items to report.

### **Segment Information**

#### **i) Outline of Reportable Segments**

The reportable segments of the Group are components of the Group whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing performance.

The Group is organized into business divisions, consolidating related businesses. Each business division plans strategies for each category of target customers and markets and develops business activities. The Group has four reportable segments that correspond to the business divisions, namely the "Home-Life Division," "Car-Life Division," "Industrial Business Division," and "Power & Utility Division."

The Home-Life Division engages in sales and services involving LP gas, kerosene, town gas, electricity, household equipment, smart energy equipment, remodeling, and residential lithium-ion electricity storage systems.

The Car-Life Division engages in sales and services involving gasoline, kerosene, diesel oil, electricity, automobiles, lifestyle and automotive products.

The Industrial Business Division engages in sales and services involving gasoline, kerosene, diesel oil, fuel oil, LP gas, industrial gas, high-grade urea solution "AdBlue<sup>®</sup>," GTL fuel, renewable fuel, corporate fleet refueling cards, asphalt, marine fuel, pressure resistance inspection for gas containers, and welding materials, as well as recycling of incinerated ash, recovery and recycling of slop, import/export of petroleum products and terminal tank rental.

The Power & Utility Division is engaged in the sale of electricity (hydropower, photovoltaic power, coal-fired, natural gas-fired) and steam, as well as in providing district heating services, comprehensive energy services, electricity/heat supply services, electric power supply/demand management services, asset management business, and car rental business.

The Company reviewed the management classification in conjunction with an 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 Company also transferred management of ITOCHU INDUSTRIAL GAS Co., Ltd., which is a subsidiary of the Company, to the Industrial Business Division in the third quarter of the current fiscal year. In conjunction with these changes, the Group 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, and to include the business of ITOCHU INDUSTRIAL GAS Co., Ltd., which was previously included in the Home-Life Division, in the Industrial Business Division.

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

ii) Information on Reportable Segments

Fiscal year ended March 31, 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	84,953	538,410	211,795	101,148	936,306	–	936,306
Intersegment revenue	529	14,384	12,251	5,055	32,219	(32,219)	–
Total revenue	85,482	552,794	224,046	106,203	968,525	(32,219)	936,306
Gross profit	19,608	47,743	9,166	7,074	83,591	–	83,591
Selling, general and administrative expenses	(17,301)	(39,737)	(5,667)	(5,125)	(67,830)	(235)	(68,065)
Loss from tangible assets, intangible assets and goodwill	(148)	(237)	27	(255)	(613)	(2)	(615)
Other – net	138	258	1,116	4,486	5,998	20	6,018
Profit from operating activities	2,297	8,027	4,642	6,180	21,146	(217)	20,929
Financial income and costs	5	(440)	22	(535)	(948)	(149)	(1,097)
Share of profit of investments accounted for by the equity method	1,986	76	39	308	2,409	–	2,409
Profit before tax	4,288	7,663	4,703	5,953	22,607	(366)	22,241
Net profit attributable to Itochu Enex's shareholders	2,458	4,219	3,303	3,483	13,463	(269)	13,194
Other items							
Depreciation and amortization	(3,572)	(7,601)	(2,390)	(5,725)	(19,288)	(1,492)	(20,780)
Impairment loss	(480)	(115)	(46)	(123)	(764)	–	(764)
Total assets	69,776	158,145	70,182	117,272	415,375	31,642	447,017
Investments accounted for by the equity method	20,682	759	725	5,876	28,042	–	28,042
Capital expenditures	3,286	3,389	842	5,057	12,574	236	12,810
Increase in right-of-use assets	808	1,433	2,113	614	4,968	84	5,052

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

The adjustment of negative ¥269 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

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

Fiscal year ended March 31, 2023

(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	84,187	563,647	244,454	119,730	1,012,018	–	1,012,018
Intersegment revenue	420	14,103	16,040	4,338	34,901	(34,901)	–
<b>Total revenue</b>	<b>84,607</b>	<b>577,750</b>	<b>260,494</b>	<b>124,068</b>	<b>1,046,919</b>	<b>(34,901)</b>	<b>1,012,018</b>
Gross profit	18,117	49,095	15,256	7,088	89,556	–	89,556
Selling, general and administrative expenses	(16,208)	(40,176)	(6,190)	(6,021)	(68,595)	(294)	(68,889)
Loss from tangible assets, intangible assets and goodwill	(87)	(399)	(48)	(22)	(556)	(38)	(594)
Other – net	220	430	(492)	1,117	1,275	20	1,295
Profit from operating activities	2,042	8,950	8,526	2,162	21,680	(312)	21,368
Financial income and costs	2	(442)	(96)	(174)	(710)	(20)	(730)
Share of profit of investments accounted for by the equity method	2,114	(81)	68	297	2,398	–	2,398
Profit before tax	4,158	8,427	8,498	2,285	23,368	(332)	23,036
Net profit attributable to Itochu Enex's shareholders	2,710	4,472	5,880	1,026	14,088	(256)	13,832
<b>Other items</b>							
Depreciation and amortization	(3,513)	(7,566)	(2,301)	(6,946)	(20,326)	(1,547)	(21,873)
Impairment loss	(70)	(335)	(10)	(722)	(1,137)	–	(1,137)
Total assets	69,824	161,446	59,429	114,113	404,812	28,212	433,024
Investments accounted for by the equity method	23,657	1,114	806	6,185	31,762	–	31,762
Capital expenditures	2,593	2,339	1,265	6,473	12,670	2,319	14,989
Increase in right-of-use assets	974	7,826	1,407	1,543	11,750	676	12,426

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

The adjustment of negative ¥256 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥28,212 million to total assets represents corporate assets not allocated to reportable segments.

iii) Products and Services Information

This information is omitted because the classification of products and services is the same as the classification of reportable segments.

iv) Geographic Information

This information is omitted because revenue from external customers in Japan accounts for a large percentage of the revenue recorded in the consolidated statement of comprehensive income for the fiscal years ended March 31, 2022 and 2023.

v) Major Customers Information

This information is omitted because there is no major external customer from which revenue accounts for 10% or more of the revenue recorded in the consolidated statement of comprehensive income for the fiscal years ended March 31, 2022 and 2023.

### Earnings per Share

Basic earnings per share for the fiscal years ended March 31, 2022 and 2023, were calculated as follows:

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net profit attributable to Itochu Enex's shareholders (Millions of yen)	13,194	13,832
Weighted-average number of ordinary shares outstanding (Thousands of shares)	112,880	112,874
Basic earnings per share attributable to Itochu Enex's shareholders (Yen)	116.89	122.54

(Note) Diluted earnings per share attributable to Itochu Enex's shareholders are not presented because there were no dilutive potential shares.

### Significant Events after the Reporting Period

No items to report.