

*This document is an English translation of quarterly financial results report released on January 31, 2022 and written initially in Japanese.
The Japanese original should be considered as the primary version.*



January 31, 2022

Consolidated Financial Results for the First Nine 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: February 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 nine months of the fiscal year ending March 31, 2022 (from April 1, 2021 to December 31, 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	656,995	27.4	17,929	12.5	19,008	18.5	13,250	17.7	11,331	19.0	13,244	17.1
December 31, 2020	515,679	(23.2)	15,944	4.8	16,037	1.2	11,255	2.3	9,525	2.6	11,315	(2.4)

	Basic earnings per share attributable to Itochu Enex's shareholders	Diluted earnings per share attributable to Itochu Enex's shareholders
Nine months ended	Yen	Yen
December 31, 2021	100.38	—
December 31, 2020	84.38	—

(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	%
December 31, 2021	440,856	168,212	141,774	32.2
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	—	23.00	—		
March 31, 2022					
Fiscal year ending				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
Fiscal year ending March 31, 2022	900,000	21.8	20,500	6.0	21,200	5.8	12,500	2.7	110.74

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

*** 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 December 31, 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 December 31, 2021	4,000,795 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 nine months ended December 31, 2021	112,880,577 shares
For the nine months ended December 31, 2020	112,880,722 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 Nine Months

(1) Explanation of Operating Results

1) Results of operations

During the first nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021), the Japanese economy showed some signs of recovery from the effects of the novel coronavirus disease (COVID-19), as voluntary stay-at-home directives and requests by local authorities to refrain from business activities eased compared to the first nine months of the previous fiscal year. However, as of January 2022, there has been little movement towards stable 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 variants.

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 nine months ended December 31, 2021 are as follows.

(Millions of yen)			
	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Revenue	515,679	656,995	141,316
Profit from operating activities	15,944	17,929	1,985
Net profit attributable to Itochu Enex's shareholders	9,525	11,331	1,806

Revenue was ¥656,995 million (up 27.4% 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 ¥17,929 million (up 12.5% year on year). Net profit attributable to Itochu Enex's shareholders was ¥11,331 million (up 19.0% year on year). This was mainly due to the impact of inventory valuation factors associated with higher LP gas import prices and valuation gains from making large-scale solar power plants (mega solar power plants) subsidiaries of the Company, while there was a reaction to the temporary revenue from operations that captured crude oil price fluctuations in the same period of the previous fiscal year.

2) Results of operations by segment

Results of operations by segment are as follows.

Home-Life Division

(Millions of yen)			
	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Revenue	52,615	61,033	8,418
Profit from operating activities	786	1,282	496
Net profit attributable to Itochu Enex's shareholders	665	1,433	768

In LP gas business of the Home-Life Division during the nine months ended December 31, 2021, the number of customers under direct LP gas supply contracts increased by approximately 5,000 from the end of the previous fiscal year to approximately 557,000 as a result of activities to acquire new customers and sales rights in the LP gas business. Although demand for commercial and industrial use, 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 wholesale and automotive gas sales volume.

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 117,000 (an increase of approximately 8,000 from the end of the previous fiscal year).

Regarding the industrial gas sales business, sales volumes of all gas types increased year on year due to a recovery in the utilization rates of the customer plants to which we are supplying.

As a result of these activities, the operating results for the nine months ended December 31, 2021 are as follows.

Revenue was ¥61,033 million (up 16.0% 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 ¥1,282 million (up 63.1% year on year). Net profit attributable to Itochu Enex's shareholders was ¥1,433 million (up 115.5% year on year). This was mainly due to a recovery in the industrial gas-related business in line with the resumption of economic activity and the impact of inventory valuation factors associated with higher LP gas import prices.

Car-Life Division

	(Millions of yen)		
	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Revenue	295,613	375,657	80,044
Profit from operating activities	5,607	5,562	(45)
Net profit attributable to Itochu Enex's shareholders	3,100	2,837	(263)

Looking at the Car-Life Division during the nine months ended December 31, 2021, in the Car-Life Stations (CS)*² business, the number of the CS was 1,650, a decrease of 37 from the end of the previous fiscal year. Sales volumes of petroleum products were slightly higher year on year, as sales volume of gasoline and diesel fuel picked up, compared to the same period of the previous fiscal year, which saw a significant decline, despite the impacts of the spread of COVID-19 as well as poor weather conditions in the summer and a warm winter.

In the automotive business, our car dealer business subsidiary OSAKA CAR LIFE GROUP CO., LTD. achieved an increase in sales volume year on year due to the recovery of sales of new models and other vehicles, despite the impact of the spread of COVID-19.

As a result of these activities, the operating results for the nine months ended December 31, 2021 are as follows.

Revenue was ¥375,657 million (up 27.1% 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 ¥5,562 million (down 0.8% year on year). Net profit attributable to Itochu Enex's shareholders was ¥2,837 million (down 8.5% year on year). This was mainly due to a contraction in retail margins in the CS business, while there was a recovery in the automobile 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)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Revenue	111,570	154,776	43,206
Profit from operating activities	3,822	3,283	(539)
Net profit attributable to Itochu Enex's shareholders	3,006	2,284	(722)

Looking at the Industrial Business Division, during the nine months ended December 31, 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 expanding supply for new routes from existing customers, sales volume for ocean-going vessels decreased, resulting in a year-on-year decline in volume. In the corporate fleet fuel card business, sales volume increased year on year as a result of continuous efforts to acquire new customers. In the AdBlue®*3 sales business, which is being pursued as a business to reduce environmental impact, although concerns about urea shortages in Japan and overseas have arisen, the Company made efforts to ensure stable supply to existing customers by maximizing the use of the Saitama AdBlue plant, which newly started operation in September. As for the GTL fuel*4 sales business, sales volume has been increasing steadily, as the supply area has been expanded and the product has been adopted at construction sites in Japan.

As a result of these activities, the operating results for the nine months ended December 31, 2021 are as follows.

Revenue was ¥154,776 million (up 38.7% 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 ¥3,283 million (down 14.1% year on year). Net profit attributable to Itochu Enex's shareholders was ¥2,284 million (down 24.0% year on year). This is mainly due to the fact that, while the asphalt sales business increased its profit, it was largely affected by the reaction to the temporary revenue from operations capturing crude oil price fluctuations in the first nine months 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)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Revenue	55,881	65,529	9,648
Profit from operating activities	5,005	7,402	2,397
Net profit attributable to Itochu Enex's shareholders	2,322	4,593	2,271

In the electric power business of the Power & Utility Division, during the nine months ended December 31, 2021, high-voltage power sales volumes*5 increased year on year due to landing a large-scale project. Low-voltage sales volume increased year on year due to an increase in the number of contracts, particularly for households, and retail electricity sales volumes increased year on year overall.

In the heat supply business*6, demand for heat decreased year on year due to the significantly lower average temperature this summer compared to the previous year.

As a result of these activities, the operating results for the nine months ended December 31, 2021 are as follows.

Revenue was ¥65,529 million (up 17.3% year on year). This was mainly due to the effect of an increase in market wholesale volume in the electric power business.

Profit from operating activities was ¥7,402 million (up 47.9% year on year). Net profit attributable to Itochu Enex's shareholders was ¥4,593 million (up 97.8% year on year). This was mainly due to the contribution of valuation gains, etc. from making large-scale solar power plants (mega solar power plants) subsidiaries of the Company (impact of ¥2,935 million on net profit attributable to Itochu Enex's shareholders), while the electricity retail margins decreased due to higher procurement prices caused by surging resource prices.

(*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 December 31, 2021	Change
Total assets	408,327	440,856	32,529
Total liabilities	246,928	272,644	25,716
Total equity	161,399	168,212	6,813

Total assets amounted to ¥440,856 million as of December 31, 2021, an increase of ¥32,529 million from March 31, 2021. This was mainly due to an increase in property, plant and equipment of ¥25,483 million due to the acquisition of subsidiaries. Total liabilities amounted to ¥272,644 million, an increase of ¥25,716 million from March 31, 2021. This was mainly due to an increase in trade payables of ¥19,192 million due to an increase in purchase prices resulting from a rise in the crude oil prices and an increase in bonds and borrowings of ¥16,097 million due to the acquisition of subsidiaries. Total equity totaled ¥168,212 million, an increase of ¥6,813 million from March 31, 2021, due to factors including an increase of ¥11,331 million from net profit attributable to Itochu Enex's shareholders and a decrease of ¥6,408 million by payment of cash dividends.

Cash flows

While taking COVID-19 into consideration, 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 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 0.01 times.

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Cash flows from operating activities	33,545	29,372	(4,173)
Cash flows from investing activities	3,826	(15,177)	(19,003)
[Free cash flows]	[37,371]	[14,195]	[(23,176)]
Cash flows from financing activities	(15,646)	(13,920)	1,726
Net increase (decrease) in cash and cash equivalents	21,726	275	(21,451)
Effect of exchange rate changes on cash and cash equivalents	(37)	8	45
Cash and cash equivalents at the end of the period	40,932	35,124	(5,808)

Cash and cash equivalents (net cash) totaled ¥35,124 million as of December 31, 2021, up ¥283 million from March 31, 2021.

Cash flows from operating activities

	(Millions of yen)		
	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change
Cash flows from operating activities	33,545	29,372	(4,173)
Changes in working capital and others	10,334	4,365	(5,969)
Substantive operating cash flow	23,211	25,007	1,796

Operating activities provided net cash of ¥29,372 million. Major items included profit before tax of ¥19,008 million, depreciation and amortization of ¥15,224 million, and income taxes paid of ¥7,175 million. Net cash provided decreased ¥4,173 million year on year. Moreover, substantive operating cash flow increased ¥1,796 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 ¥15,177 million. This was mainly due to payments for acquisition of additional shares in silent partnerships with the aim of operating large-scale solar power plants (mega solar power plants) of ¥8,397 million, and payments for purchase of property, plant and equipment and investment property of ¥8,899 million. Net cash used increased ¥19,003 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 ¥13,920 million in funds used for financing activities. This was mainly due to repayments of lease liabilities of ¥8,364 million and cash dividends paid to Itochu Enex’s shareholders of ¥5,762 million. Net cash used decreased ¥1,726 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 Thereto

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	34,841	35,124
Trade receivables	99,764	115,943
Other current financial assets	17,900	15,284
Inventories	25,495	23,097
Income taxes receivable	3,055	1,234
Trade advances paid	100	121
Other current assets	2,710	2,429
Total current assets	183,865	193,232
Non-current assets		
Investments accounted for by the equity method	29,437	26,734
Other investments	4,246	3,532
Non-current financial assets other than investments	10,330	12,355
Property, plant and equipment	136,291	161,774
Investment property	12,797	13,053
Goodwill	521	521
Intangible assets	19,688	19,407
Deferred tax assets	9,728	7,299
Other non-current assets	1,424	2,949
Total non-current assets	224,462	247,624
Total assets	408,327	440,856

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
LIABILITIES AND EQUITY		
Current liabilities		
Short-term bonds and borrowings	3,041	20,284
Trade payables	102,768	121,960
Lease liabilities	10,285	9,156
Other current financial liabilities	5,614	7,033
Income taxes payable	3,874	1,354
Advances from customers	11,006	8,748
Other current liabilities	14,353	8,529
Total current liabilities	150,941	177,064
Non-current liabilities		
Non-current bonds and borrowings	14,418	13,272
Lease liabilities	50,499	48,803
Other non-current financial liabilities	14,425	14,870
Non-current liabilities for employee benefits	9,925	10,788
Deferred tax liabilities	1,001	1,414
Provisions	5,465	6,177
Other non-current liabilities	254	256
Total non-current liabilities	95,987	95,580
Total liabilities	246,928	272,644
Equity		
Common stock	19,878	19,878
Capital surplus	18,974	18,951
Retained earnings	99,829	105,710
Other components of equity	(576)	(894)
Treasury stock	(1,871)	(1,871)
Total shareholders' equity	136,233	141,774
Non-controlling interests	25,165	26,438
Total equity	161,399	168,212
Total liabilities and equity	408,327	440,856

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Revenue	515,679	656,995
Cost of sales	(451,276)	(593,819)
Gross profit	64,403	63,176
Other income and expense		
Selling, general and administrative expenses	(48,929)	(49,825)
Loss from tangible assets, intangible assets and goodwill	(187)	(92)
Other – net	657	4,670
Total other income and expense	(48,459)	(45,247)
Profit from operating activities	15,944	17,929
Financial income and costs		
Interest income	34	24
Dividends received	502	94
Interest expense	(798)	(648)
Other financial income and costs – net	(484)	(3)
Total financial income and costs	(746)	(533)
Share of profit of investments accounted for by the equity method	839	1,612
Profit before tax	16,037	19,008
Income tax expense	(4,782)	(5,758)
Net profit	11,255	13,250
Net profit attributable to:		
Net profit attributable to Itochu Enex's shareholders	9,525	11,331
Net profit attributable to non-controlling interests	1,730	1,919
Total	11,255	13,250

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss		
FVTOCI financial assets	(9)	20
Other comprehensive income of investments accounted for by the equity method	29	23
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(72)	7
Cash flow hedges	28	17
Other comprehensive income of investments accounted for by the equity method	84	(73)
Total other comprehensive income, net of tax effect	60	(6)
Comprehensive income	11,315	13,244
Comprehensive income attributable to:		
Comprehensive income attributable to Itochu Enex's shareholders	9,585	11,326
Comprehensive income attributable to non-controlling interests	1,730	1,918
Total	11,315	13,244

(Yen)

Earnings per share attributable to Itochu Enex's shareholders		
Basic	84.38	100.38
Diluted	—	—

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine months ended December 31, 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			9,525			9,525	1,730	11,255
Other comprehensive income				60		60	(0)	60
Comprehensive income			9,525	60		9,585	1,730	11,315
Transactions with owners								
Cash dividends			(5,084)			(5,084)	(675)	(5,759)
Changes due to additional acquisitions and sales of interests in subsidiaries						—	50	50
Purchase and disposal of treasury stock					(0)	(0)		(0)
Share-based payments		(1)			1	—		—
Balance at December 31, 2020	19,878	18,933	97,202	(1,310)	(1,870)	132,833	24,656	157,488

Nine months ended December 31, 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			11,331			11,331	1,919	13,250
Other comprehensive income				(5)		(5)	(1)	(6)
Comprehensive income			11,331	(5)		11,326	1,918	13,244
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			312	(312)		—		—
Purchase and disposal of treasury stock					(0)	(0)		(0)
Balance at December 31, 2021	19,878	18,951	105,710	(894)	(1,871)	141,774	26,438	168,212

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Cash flows from operating activities		
Profit before tax	16,037	19,008
Depreciation and amortization	14,832	15,224
Loss from tangible assets, intangible assets and goodwill	187	92
Gain on remeasurement resulting from companies becoming subsidiaries	–	(4,211)
Financial income and costs	746	533
Share of profit of investments accounted for by the equity method	(839)	(1,612)
Increase in trade receivables	(4,090)	(16,178)
Decrease (increase) in inventories	(86)	2,380
Increase in trade payables	14,148	18,852
Other – net	362	(689)
Dividends received	3,097	670
Interest received	34	25
Interest expense	(728)	(602)
Income taxes paid	(10,253)	(7,175)
Income taxes refund	98	3,055
Net cash flows provided by operating activities	33,545	29,372
Cash flows from investing activities		
Purchase of investments (including investments accounted for by the equity method)	(4,501)	(1,008)
Proceeds from sales and redemption of investments (including investments accounted for by the equity method)	5,092	2,343
Acquisition of subsidiaries, net of cash acquired	–	(8,397)
Proceeds from acquisition of subsidiaries	11	–
Proceeds from sales of subsidiaries, net of cash acquired	–	825
Payment for loans receivable	(680)	(495)
Collection of loans receivable	843	536
Payments for purchase of property, plant and equipment and investment property	(7,591)	(8,899)
Proceeds from sales of property, plant and equipment and investment property	610	668
Purchase of intangible assets	(1,159)	(1,305)
Proceeds from sales of intangible assets	201	24
Decrease in deposits paid – net	11,021	–
Other – net	(21)	531
Net cash flows provided by (used in) investing activities	3,826	(15,177)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Cash flows from financing activities		
Proceeds from bonds and borrowings	10,050	50
Repayments of bonds and borrowings	(14,301)	(521)
Repayments of lease liabilities	(8,214)	(8,364)
Net increase in short-term borrowings	2,528	1,323
Capital contribution from non-controlling interests	50	—
Cash dividends paid to Itochu Enex's shareholders	(5,084)	(5,762)
Cash dividends paid to non-controlling interests	(675)	(646)
Purchase of treasury stock	(0)	(0)
Net cash flows used in financing activities	(15,646)	(13,920)
Net increase in cash and cash equivalents	21,726	275
Cash and cash equivalents at the beginning of the period	19,243	34,841
Effect of exchange rate changes on cash and cash equivalents	(37)	8
Cash and cash equivalents at the end of the period	40,932	35,124

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

No items to report.

(6) Segment Information

Nine months ended December 31, 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	52,615	295,613	111,570	55,881	515,679	—	515,679
Intersegment revenue	4	5,698	4,231	3,068	13,001	(13,001)	—
Total revenue	52,619	301,311	115,801	58,949	528,680	(13,001)	515,679
Gross profit	14,644	34,422	6,869	8,468	64,403	—	64,403
Profit from operating activities	786	5,607	3,822	5,005	15,220	724	15,944
Profit before tax	1,344	5,334	4,295	4,451	15,424	613	16,037
Net profit attributable to Itochu Enex's shareholders	665	3,100	3,006	2,322	9,093	432	9,525
Other items							
Total assets	66,491	148,527	52,049	91,969	359,036	40,640	399,676

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

The adjustment of ¥432 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥40,640 million to total assets represents corporate assets not allocated to reportable segments.

Nine months ended December 31, 2021

(Millions of yen)

	Reportable segment					Adjustment	Consolidated
	Home-Life Division	Car-Life Division	Industrial Business Division	Power & Utility Division	Total		
Revenue							
Revenue from external customers	61,033	375,657	154,776	65,529	656,995	–	656,995
Intersegment revenue	72	7,392	6,460	2,654	16,578	(16,578)	–
Total revenue	61,105	383,049	161,236	68,183	673,573	(16,578)	656,995
Gross profit	15,168	34,124	6,991	6,893	63,176	–	63,176
Profit from operating activities	1,282	5,562	3,283	7,402	17,529	400	17,929
Profit before tax	2,512	5,351	3,307	7,555	18,725	283	19,008
Net profit attributable to Itochu Enex's shareholders	1,433	2,837	2,284	4,593	11,147	184	11,331
Other items							
Total assets	76,187	150,707	66,559	117,553	411,006	29,850	440,856

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

The adjustment of ¥184 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥29,850 million to total assets represents corporate assets not allocated to reportable segments.

As of March 31, 2021

(Millions of yen)

	Reportable segment					Adjustment	Consolidated
	Home-Life Division	Car-Life Division	Industrial Business Division	Power & Utility Division	Total		
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 nine months of the previous fiscal year has been adjusted based on the classification of reportable segments after the change.