

This document is an English translation of financial results report released on April 30, 2024 and written initially in Japanese.
The Japanese original should be considered as the primary version.



April 30, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 <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 19, 2024
Scheduled date to commence dividend payments:	June 20, 2024
Scheduled date to file annual securities report:	June 19, 2024
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, 2024 (from April 1, 2023 to March 31, 2024)

(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	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	963,302	(4.8)	23,587	10.4	24,687	7.2	17,004	6.4	13,887	0.4	18,501	13.3
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

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	123.03	—	8.8	5.6	2.4
March 31, 2023	122.54	—	9.3	5.2	2.1

Reference: Share of profit (loss) of investments accounted for by the equity method

For the fiscal year ended March 31, 2024:	¥1,945 million
For the fiscal year ended March 31, 2023:	¥2,398 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, 2024	444,304	192,209	162,543	36.6	1,439.91
March 31, 2023	433,024	180,328	152,961	35.3	1,355.37

(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, 2024	34,538	(6,603)	(29,916)	30,103
March 31, 2023	34,799	(3,190)	(37,747)	32,013

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, 2023	—	24.00	—	26.00	50.00	5,649	40.8	3.8
March 31, 2024	—	26.00	—	28.00	54.00	6,101	43.9	3.9
Fiscal year ending March 31, 2025 (Forecast)	—	28.00	—	28.00	56.00		46.8	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025
(from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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	%	Yen
Fiscal year ending March 31, 2025	21,500	(8.8)	22,300	(9.7)	13,500	(2.8)	119.59

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, 2024	116,881,106 shares
As of March 31, 2023	116,881,106 shares

b. Number of treasury stock at end of period

As of March 31, 2024	3,997,287 shares
As of March 31, 2023	4,025,827 shares

c. Average number of outstanding shares during period

Fiscal year ended March 31, 2024	112,872,979 shares
Fiscal year ended March 31, 2023	112,874,211 shares

* 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, 2024” on page 2 of the attached materials for matters relating to earnings forecasts.

Contents of Attached Materials

1. Overview of Operating Results and Others	2
(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2024	2
(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2024	5
(3) Profit Distribution Policy and Dividends for the Fiscal Years Ended March 31, 2024 and Ending March 31, 2025	7
2. Changes in major affiliates and subsidiaries	7
3. Basic Concepts Underlying Selection of Accounting Standards	7
4. Consolidated Financial Statements and Significant Notes Thereto	8
(1) Consolidated Statement of Financial Position.....	8
(2) Consolidated Statement of Comprehensive Income	10
(3) Consolidated Statement of Changes in Equity.....	12
(4) Consolidated Statement of Cash Flows.....	13
(5) Notes to Consolidated Financial Statements	15
Notes on Uncertainties of Entity's Ability to Continue as Going Concern.....	15
Segment Information.....	15
Earnings per Share	18
Significant Events after the Reporting Period	18

1. Overview of Operating Results and Others

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2024

1) Results of operations

During the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024), the outlook for the Japanese economy such as the heightening of geopolitical risks and the impact of foreign exchange rates was expected to remain uncertain going forward, although the high domestic prices of petroleum products, electricity and other energy have begun to settle.

The operating results for the fiscal year ended March 31, 2024 are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
Revenue	1,012,018	963,302	(48,716)
Profit from operating activities	21,368	23,587	2,219
Net profit attributable to Itochu Enex's shareholders	13,832	13,887	55

Revenue was ¥963,302 million (down 4.8% year on year). This was mainly due to a decrease in selling prices resulting from lower crude oil and LP gas prices.

Profit from operating activities was ¥23,587 million (up 10.4% year on year). Net profit attributable to Itochu Enex's shareholders was ¥13,887 million (up 0.4% year on year). This was mainly due to the strong performance in the car dealer business and gains on sales of assets associated with asset turnover despite reactionary effect of the Industrial Business Division's strong performance in the previous fiscal year and deterioration of revenue of the Industrial Business Division due to a downturn in the electricity market.

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, 2023	Fiscal year ended March 31, 2024	Change
Revenue	84,187	76,695	(7,492)
Profit from operating activities	2,042	1,483	(559)
Net profit attributable to Itochu Enex's shareholders	2,710	1,785	(925)

LP gas business: The number of customers under direct LP gas supply contracts increased by approximately 9,000 from the end of the previous fiscal year to approximately 574,000 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 the warm winter.

The operating results for the fiscal year ended March 31, 2024 are as follows.

Revenue was ¥76,695 million (down 8.9% year on year). This was mainly due to a decrease in selling prices caused by a drop in LP gas import prices year on year.

Profit from operating activities was ¥1,483 million (down 27.4% year on year). Net profit attributable to Itochu Enex's shareholders was ¥1,785 million (down 34.1% year on year). This was mainly due to the negative impact on profit margins from changes in unit inventory prices resulting from the decline in LP gas import prices.

Car-Life Division

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
Revenue	577,099	621,546	44,447
Profit from operating activities	8,972	12,508	3,536
Net profit attributable to Itochu Enex's shareholders	4,488	6,473	1,985

Car-Life Stations (CS)^(*) business: The number of CS was 1,566, a decrease of 44 compared with the end of the previous fiscal year. Sales volumes of petroleum products increased year on year as demand showed a recovery trend due to the easing of the impact of the COVID-19 pandemic.

Automotive business: Our car dealer business subsidiary OSAKA CAR LIFE GROUP CO., LTD. experienced an increase in overall sales volume year on year due to strong performance in delivery of new cars resulting from a recovery of the semiconductor supply.

The operating results for the fiscal year ended March 31, 2024 are as follows.

Revenue was ¥621,546 million (up 7.7% year on year). This was mainly due to an increase in sales volumes of petroleum products.

Profit from operating activities was ¥12,508 million (up 39.4% year on year). Net profit attributable to Itochu Enex's shareholders was ¥6,473 million (up 44.2% year on year). This was mainly due to strong sales of new models in the car dealer business as well as profit from the sale of the CS site (¥1,534 million impact on profit from operating activities).

(*) 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, 2023	Fiscal year ended March 31, 2024	Change
Revenue	231,002	144,654	(86,348)
Profit from operating activities	8,504	5,040	(3,464)
Net profit attributable to Itochu Enex's shareholders	5,864	3,509	(2,355)

Marine fuel sales business: Sales volumes decreased year on year due to a partial reduction in transactions for ocean-going vessels.

Environmental businesses: Sales volumes of AdBlue[®](*) increased year on year due to steady progress in developing sales channels.

Asphalt sales business: Sales volumes increased year on year due mainly to the acquisition of new commercial rights.

The operating results for the fiscal year ended March 31, 2024 are as follows.

Revenue was ¥144,654 million (down 37.4% year on year). This was mainly due to decreases in selling prices resulting from lower crude oil prices and sales volumes associated with a partial reduction in transactions for ocean-going vessels.

Profit from operating activities was ¥5,040 million (down 40.7% year on year). Net profit attributable to Itochu Enex's shareholders was ¥3,509 million (down 40.2% year on year). This was mainly due to the rebound of the distribution terminal business and marine fuel sales business, which were strong in the previous fiscal year, despite the strong performance of the asphalt sales business and AdBlue® sales business.

(*2) 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).)

Power & Utility Division

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
Revenue	119,730	120,407	677
Profit from operating activities	2,162	4,631	2,469
Net profit attributable to Itochu Enex's shareholders	1,026	2,250	1,224

Electricity power retail business: Although sales volume in low-voltage sales increased year on year due to the acquisition of new contracts, total sales volume decreased year on year^(*3) due to a focus on profitability management in high-voltage sales. The number of customers for electricity retail for the entire Group was 321,000 (down approximately 13,000 from the end of the previous fiscal year).

Heat supply business^(*4): Heat sales volume increased year on year due to an increase in air conditioning use in conjunction with heat wave this summer.

The operating results for the fiscal year ended March 31, 2024 are as follows.

Revenue was ¥120,407 million (up 0.6% year on year).

Profit from operating activities was ¥4,631 million (up 114.2% year on year). Net profit attributable to Itochu Enex's shareholders was ¥2,250 million (up 119.3% year on year). This was mainly due to deterioration of revenue due to a downturn in the electricity market, and a decrease in electricity consumption resulting from warm winter and increased awareness of electricity saving, despite proceeds from sales of a large-scale solar power plant (mega solar power plant) (¥5,019 million impact on profit from operating activities).

(*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, 2025

In the forecast of consolidated financial results for the fiscal year ending March 31, 2025, we project ¥21,500 million in profit from operating activities, down 8.8% year on year, ¥22,300 million in profit before tax, down 9.7% year on year, and ¥13,500 million in net profit attributable to Itochu Enex's shareholders, down 2.8% year on year.

Basic earnings per share attributable to Itochu Enex's shareholders are projected at ¥119.59.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2024

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

Assets, liabilities and equity

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Change
Total assets	433,024	444,304	11,280
Total liabilities	252,696	252,095	(601)
Total equity	180,328	192,209	11,881

Total assets amounted to ¥444,304 million as of March 31, 2024, an increase of ¥11,280 million from March 31, 2023. This was mainly due to an increase in trade receivables of ¥2,440 million due to higher selling prices resulting from higher crude oil prices and an increase in inventories of ¥2,332 million. Total liabilities amounted to ¥252,095 million, a decrease of ¥601 million from March 31, 2023. This was mainly due to a decrease in borrowings of ¥11,953 million, despite an increase of ¥10,244 million in trade payables due to higher purchase price resulting from higher crude oil prices. Total equity totaled ¥192,209 million, an increase of ¥11,881 million from March 31, 2023, due to factors including an increase of ¥13,887 million from net profit attributable to Itochu Enex's shareholders and a decrease of ¥6,689 million by payment of cash dividends.

We consequently ended the fiscal year with a ratio of shareholders' equity to total assets of 36.6%.

Cash flows

The Group maintained an operating structure capable of aggressively promoting investment to expand peripheral businesses and develop new business areas, using the cash flow generated from its core businesses.

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 0.17 times.

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
Net cash provided by operating activities	34,799	34,538	(261)
Net cash used in investing activities	(3,190)	(6,603)	(3,413)
[Free cash flows]	[31,609]	[27,935]	[(3,674)]
Net cash used in financing activities	(37,747)	(29,916)	7,831
Net decrease in cash and cash equivalents	(6,138)	(1,981)	4,157
Effect of exchange rate changes on cash and cash equivalents	6	71	65
Cash and cash equivalents at the end of the period	32,013	30,103	(1,910)

Cash and cash equivalents (net cash) totaled ¥30,103 million as of March 31, 2024, down ¥1,910 million from March 31, 2023.

Cash flows from operating activities

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change
Net cash provided by operating activities	34,799	34,538	(261)
Changes in working capital and others	(2,457)	5,608	8,065
Substantive operating cash flow ^(*5)	37,256	28,930	(8,326)

(*5) Net cash 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 ¥34,538 million. Major items included profit before tax of ¥24,687 million, depreciation and amortization of ¥20,650 million, proceeds associated with changes in working capital and others of ¥5,608 million, and income taxes paid of ¥11,303 million. Net cash from operating activities decreased by ¥261 million year on year. Moreover, substantive operating cash flow decreased by ¥8,326 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 ¥6,603 million. This was mainly due to proceeds from sales of property, plant and equipment and investment property, mainly a large-scale solar power plant (mega solar power plant) of ¥27,341 million, payments resulting from an increase in deposits of excess funds paid to the parent group of ¥20,000 million, payments for purchase of property, plant and equipment and investment property of ¥9,556 million, and purchase of intangible assets of ¥4,811 million. Net cash from investing activities decreased by ¥3,413 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^(*6).

Financial activities used net cash of ¥29,916 million. This was mainly due to repayments of borrowings of ¥11,220 million, repayments of lease liabilities of ¥10,820 million, and cash dividends paid to Itochu Enex's shareholders of ¥5,876 million. Net cash from financing activities increased by ¥7,831 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,	2022	2023	2024
Ratio of shareholders' equity to total assets (%)	32.3	35.3	36.6
Ratio of shareholders' equity to total assets at market value (%)	25.9	29.4	39.9
Ratio of cash flow to interest-bearing debt (years)	0.8	0.4	0.1
Interest-coverage ratio (times)	40.2	38.8	50.0

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, 2024 and Ending March 31, 2025

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, 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, 2024, we plan to pay a year-end dividend of ¥28 per share. For the fiscal year ending March 31, 2025, we plan to pay annual dividends of ¥56 per share (including an interim dividend of ¥28 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

There were no changes in major affiliates and subsidiaries.

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, 2023	As of March 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	32,013	30,103
Trade receivables	115,920	118,360
Other current financial assets	14,251	35,819
Inventories	26,176	28,508
Income taxes receivable	100	639
Trade advances paid	907	787
Other current assets	1,774	2,303
Total current assets	191,141	216,519
Non-current assets		
Investments accounted for by the equity method	31,762	34,046
Other investments	3,442	4,987
Non-current financial assets other than investments	11,508	8,590
Property, plant and equipment	149,920	130,475
Investment property	12,732	12,624
Goodwill	521	521
Intangible assets	20,237	22,232
Deferred tax assets	9,354	12,979
Other non-current assets	2,407	1,331
Total non-current assets	241,883	227,785
Total assets	433,024	444,304

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
LIABILITIES AND EQUITY		
Current liabilities		
Short-term bonds and borrowings	7,026	1,174
Trade payables	114,818	125,062
Lease liabilities	10,415	9,477
Other current financial liabilities	5,134	6,972
Income taxes payable	4,748	5,490
Advances from customers	11,031	11,716
Other current liabilities	12,951	12,967
Total current liabilities	166,123	172,858
Non-current liabilities		
Non-current bonds and borrowings	7,101	1,000
Lease liabilities	47,263	47,292
Other non-current financial liabilities	15,454	15,564
Non-current liabilities for employee benefits	10,344	9,479
Deferred tax liabilities	759	878
Provisions	5,515	4,864
Other non-current liabilities	137	160
Total non-current liabilities	86,573	79,237
Total liabilities	252,696	252,095
Equity		
Common stock	19,878	19,878
Capital surplus	19,014	19,051
Retained earnings	115,899	123,945
Other components of equity	66	1,534
Treasury stock	(1,896)	(1,865)
Total shareholders' equity	152,961	162,543
Non-controlling interests	27,367	29,666
Total equity	180,328	192,209
Total liabilities and equity	433,024	444,304

(2) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Revenue	1,012,018	963,302
Cost of sales	(922,462)	(874,690)
Gross profit	89,556	88,612
Other income and expense		
Selling, general and administrative expenses	(68,889)	(70,227)
Gain (loss) from tangible assets, intangible assets and goodwill	(594)	4,635
Other – net	1,295	567
Total other income and expense	(68,188)	(65,025)
Profit from operating activities	21,368	23,587
Financial income and costs		
Interest income	50	94
Dividends received	76	132
Interest expense	(897)	(691)
Other financial income and costs – net	41	(380)
Total financial income and costs	(730)	(845)
Share of profit of investments accounted for by the equity method	2,398	1,945
Profit before tax	23,036	24,687
Income tax expense	(7,055)	(7,683)
Net profit	15,981	17,004
Net profit attributable to:		
Net profit attributable to Itochu Enex's shareholders	13,832	13,887
Net profit attributable to non-controlling interests	2,149	3,117
Total	15,981	17,004

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss		
FVTOCI financial assets	(48)	494
Remeasurement of net defined benefit liability	(25)	93
Other comprehensive income of investments accounted for by the equity method	37	233
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	15	19
Cash flow hedges	(200)	201
Other comprehensive income of investments accounted for by the equity method	566	457
Total other comprehensive income, net of tax effect	345	1,497
Comprehensive income	16,326	18,501
Comprehensive income attributable to:		
Comprehensive income attributable to Itochu Enex's shareholders	14,200	15,389
Comprehensive income attributable to non-controlling interests	2,126	3,112
Total	16,326	18,501

(Yen)

Earnings per share attributable to Itochu Enex's shareholders		
Basic	122.54	123.03
Diluted	—	—

(3) Consolidated Statement of Changes in Equity

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	19,878	19,014	115,899	66	(1,896)	152,961	27,367	180,328

Fiscal year ended March 31, 2024

(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, 2023	19,878	19,014	115,899	66	(1,896)	152,961	27,367	180,328
Net profit			13,887			13,887	3,117	17,004
Other comprehensive income				1,502		1,502	(5)	1,497
Comprehensive income			13,887	1,502		15,389	3,112	18,501
Transactions with owners								
Cash dividends			(5,876)			(5,876)	(813)	(6,689)
Transfer from other components of equity to retained earnings			34	(34)		—		—
Purchase and disposal of treasury stock					(0)	(0)		(0)
Share-based payments		37			31	69		69
Balance at March 31, 2024	19,878	19,051	123,945	1,534	(1,865)	162,543	29,666	192,209

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before tax	23,036	24,687
Depreciation and amortization	21,873	20,650
Loss (gain) from tangible assets, intangible assets and goodwill	594	(4,635)
Financial income and costs	730	845
Share of profit of investments accounted for by the equity method	(2,398)	(1,945)
Decrease (increase) in trade receivables	2,991	(2,419)
Increase in inventories	(4,015)	(2,327)
Increase (decrease) in trade payables	(5,409)	10,222
Other – net	3,976	132
Dividends received	678	1,141
Interest received	50	92
Interest expense	(906)	(602)
Income taxes paid	(6,519)	(11,303)
Income taxes refund	118	–
Net cash provided by operating activities	34,799	34,538
Cash flows from investing activities		
Purchase of investments (including investments accounted for by the equity method)	(1,750)	(3,070)
Proceeds from sales and redemption of investments (including investments accounted for by the equity method)	523	1,199
Payment for loans receivable	(817)	(546)
Collection of loans receivable	944	342
Payments for purchase of property, plant and equipment and investment property	(12,190)	(9,556)
Proceeds from sales of property, plant and equipment and investment property	10,777	27,341
Purchase of intangible assets	(2,799)	(4,811)
Proceeds from sales of intangible assets	19	288
Increase in deposits paid – net	–	(20,000)
Other – net	2,103	2,210
Net cash used in investing activities	(3,190)	(6,603)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from bonds and borrowings	1,050	500
Repayments of bonds and borrowings	(18,796)	(11,220)
Repayments of lease liabilities	(11,346)	(10,820)
Net decrease in short-term borrowings	(1,417)	(1,304)
Cash dividends paid to Itochu Enex's shareholders	(5,536)	(5,876)
Cash dividends paid to non-controlling interests	(1,660)	(813)
Purchase of treasury stock	(42)	(0)
Other – net	–	(383)
Net cash used in financing activities	(37,747)	(29,916)
Net decrease in cash and cash equivalents	(6,138)	(1,981)
Cash and cash equivalents at the beginning of the period	38,145	32,013
Effect of exchange rate changes on cash and cash equivalents	6	71
Cash and cash equivalents at the end of the period	32,013	30,103

(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) Overview 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 (Nakatsu City, Oita Prefecture and Kanto region), electricity, household equipment, smart energy equipment, remodeling, and residential lithium-ion electricity storage systems.

The Car-Life Division engages in sales of gasoline, kerosene, diesel oil, fuel oil, electricity, automobiles, sales of lifestyle and automotive products services, maintenance contract services, and automobiles auction business.

The Industrial Business Division is engaged in sales and services involving asphalt, marine fuel, corporate fleet refueling cards, industrial gas, pressure resistance inspection for gas containers, AdBlue[®], renewable fuel, GTL fuel, intermediary services of polychlorinated biphenyl (PCB) disposal, import/export of petroleum products, terminal tank rental, recycling of incinerated ash, and energy services business.

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

In the first quarter of the current fiscal year, due to changes in commercial distribution and other factors, the Company reviewed the method of classifying its reportable segments and changed the classification of certain petroleum-related transactions that were included in the Industrial Business Division to the Car-Life Division and the classification of LNG-related transactions that were included in the Car-Life Division to 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, 2023

(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	84,187	577,099	231,002	119,730	1,012,018	–	1,012,018
Intersegment revenue	420	14,103	12,795	4,338	31,656	(31,656)	–
Total revenue	84,607	591,202	243,797	124,068	1,043,674	(31,656)	1,012,018
Gross profit	18,117	49,102	15,249	7,088	89,556	–	89,556
Selling, general and administrative expenses	(16,208)	(40,160)	(6,206)	(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	429	(491)	1,117	1,275	20	1,295
Profit from operating activities	2,042	8,972	8,504	2,162	21,680	(312)	21,368
Financial income and costs	2	(441)	(97)	(174)	(710)	(20)	(730)
Share of profit (loss) of investments accounted for by the equity method	2,114	(81)	68	297	2,398	–	2,398
Profit before tax	4,158	8,450	8,475	2,285	23,368	(332)	23,036
Net profit attributable to Itochu Enex's shareholders	2,710	4,488	5,864	1,026	14,088	(256)	13,832
Other items							
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	163,242	57,633	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.

Fiscal year ended March 31, 2024

(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	76,695	621,546	144,654	120,407	963,302	–	963,302
Intersegment revenue	697	14,629	4,856	338	20,520	(20,520)	–
Total revenue	77,392	636,175	149,510	120,745	983,822	(20,520)	963,302
Gross profit	18,049	52,915	11,264	6,384	88,612	–	88,612
Selling, general and administrative expenses	(16,230)	(41,331)	(6,268)	(6,321)	(70,150)	(77)	(70,227)
Gain (loss) from tangible assets, intangible assets and goodwill	57	674	(133)	4,074	4,672	(37)	4,635
Other – net	(393)	250	177	494	528	39	567
Profit from operating activities	1,483	12,508	5,040	4,631	23,662	(75)	23,587
Financial income and costs	11	(340)	22	(456)	(763)	(82)	(845)
Share of profit of investments accounted for by the equity method	1,555	68	79	243	1,945	–	1,945
Profit before tax	3,049	12,236	5,141	4,418	24,844	(157)	24,687
Net profit attributable to Itochu Enex's shareholders	1,785	6,473	3,509	2,250	14,017	(130)	13,887
Other items							
Depreciation and amortization	(3,629)	(7,686)	(2,366)	(5,284)	(18,965)	(1,685)	(20,650)
Impairment loss	(202)	(627)	–	(769)	(1,598)	–	(1,598)
Total assets	71,341	175,030	59,948	84,284	390,603	53,701	444,304
Investments accounted for by the equity method	24,441	2,742	1,007	5,856	34,046	–	34,046
Capital expenditures	3,643	1,847	2,524	2,753	10,767	3,600	14,367
Increase in right-of-use assets	1,626	5,626	1,217	878	9,347	4,466	13,813

(Note) Intersegment transactions have been decided by reference to the market price. The adjustment of negative ¥130 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥53,701 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, 2023 and 2024.

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, 2023 and 2024.

Earnings per Share

Basic earnings per share for the fiscal years ended March 31, 2023 and 2024, were calculated as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net profit attributable to Itochu Enex's shareholders (Millions of yen)	13,832	13,887
Weighted-average number of ordinary shares outstanding (Thousands of shares)	112,874	112,873
Basic earnings per share attributable to Itochu Enex's shareholders (Yen)	122.54	123.03

(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.