

This document is an English translation of quarterly financial results report released on January 29, 2021 and written initially in Japanese.
The Japanese original should be considered as the primary version.



January 29, 2021

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2021 <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 10, 2021

Scheduled date to commence dividend payments: –

Preparation of supplementary results briefing material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts rounded, unless otherwise noted)

1. Consolidated financial results for the first nine months of the fiscal year ending March 31, 2021 (from April 1, 2020 to December 31, 2020)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Profit from operating activities		Profit before tax		Net profit		Net profit attributable to Itochu Enex's shareholders		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended												
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)
December 31, 2019	671,116	(10.6)	15,219	14.7	15,852	16.8	11,005	17.1	9,282	18.8	11,589	25.4

	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, 2020	84.38	–
December 31, 2019	82.23	–

(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, 2020	399,676	157,488	132,833	33.2
March 31, 2020	387,657	151,884	128,333	33.1

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, 2020	–	21.00	–	23.00	44.00
Fiscal year ending	–	22.00	–		
March 31, 2021					
Fiscal year ending				22.00	44.00
March 31, 2021 (Forecast)					

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021
(from April 1, 2020 to March 31, 2021)

(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, 2021	710,000	(20.9)	16,000	(16.9)	16,700	(16.4)	11,000	(8.8)	97.45

Note: Revisions to the consolidated earnings forecasts most recently announced: None

*** 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, 2020	116,881,106 shares
As of March 31, 2020	116,881,106 shares

b. Number of treasury stock at end of period

As of December 31, 2020	4,000,303 shares
As of March 31, 2020	4,000,584 shares

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

For the nine months ended December 31, 2020	112,880,722 shares
For the nine months ended December 31, 2019	112,879,808 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.

Please refer to “1. Qualitative Information Regarding Results for the First Nine Months, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements” on page 7 of the attached materials for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

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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, 2020, environment in the Japanese economy has been extremely difficult, with a sharp drop in consumer spending due to voluntary stay-at-home directives, as well as requests by local authorities to refrain from business activities, following the declaration of a state of emergency to prevent the spread of the novel coronavirus disease (COVID-19) in April 2020, resulting in a significant slowdown in economic activity. Even after the declaration of a state of emergency was lifted in May, there has been little movement towards recovery, and the future outlook remains extremely uncertain due to factors such as another increase in the number of people infected with COVID-19.

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 “Moving 2020 Horizons” announced in April 2019.

Overview of medium-term business plan

1. Name of the plan: Moving 2020 Horizons



2. Period: Two years (FY2019 to FY2020)

3. Basic policy: *Promotion of Growth Strategies*

- (1) Maintaining and deepening the revenue base: Create Group synergy and further cultivate customer base.
- (2) Making inroads overseas and in peripheral fields: Proactively invest in overseas businesses and promote M&A of peripheral businesses.
- (3) Creating new businesses: Promote environmental businesses and so on.

Evolution of the Organizational Base

- (1) Strengthening Group management: Advance consolidated management and construct effective governance management structures.
- (2) Human resource strategies for growth: Promote diversity and nurture global human resources.
- (3) Promoting innovation: Pursue more efficient operations in existing business and promote digital solutions.

4. Quantitative plan (FY2020)*1:

- (1) Net profit attributable to Itochu Enex’s shareholders: ¥11.0 billion
- (2) Dividend payout ratio: 40% or above
- (3) Real operating cash flow*2: ¥20.0 billion or above
- (4) Planned investment (2-year total): ¥43.0 billion

*1 The aforementioned quantitative plan has been reviewed on May 15, 2020 to take into account the impact of COVID-19.

*2 Real operating cash flow excludes working capital, etc. from cash flows from operating activities.

The operating results for the nine months ended December 31, 2020 are as follows.

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2019	Change
Revenue	515,679	671,116	(155,437)
Profit from operating activities	15,944	15,219	725
Net profit attributable to Itochu Enex's shareholders	9,525	9,282	243

Revenue was ¥515,679 million (down 23.2% year on year). This was mainly due to the impact resulting from declining sales prices caused by a fall in the crude oil prices and the decrease in sales volumes of petroleum products.

Profit from operating activities was ¥15,944 million (up 4.8% year on year). Net profit attributable to Itochu Enex's shareholders was ¥9,525 million (up 2.6% year on year). This was mainly due to solid sales volumes of LP gas and electricity for households due to demand from staying at home despite the decrease in sales volumes in all segments as an impact of COVID-19, operations in response to fluctuations in crude oil price in the import/export business of petroleum products, as well as due to reduction of operating expenses, etc.

2) Results of operations by segment

Results of operations by segment are as follows. Following the reorganization of the Group carried out on April 1, 2020, the reportable segments have changed. As a result of the reorganization of the Group, the import/export business of petroleum products and the terminal tank business which were part of the "Car-Life Division" have been reclassified as the "Industrial Business Division."

For that reason, the year-on-year comparisons have been recalculated based on the reportable segments as they exist after the reorganization.

Home-Life Division

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2019	Change
Revenue	52,615	60,037	(7,422)
Profit from operating activities	786	1,204	(418)
Net profit attributable to Itochu Enex's shareholders	665	804	(139)

In the Home-Life Division during the nine months ended December 31, 2020, the number of customers under direct LP gas supply contracts increased slightly compared with the end of the previous fiscal year to approximately 551,000 despite the impact of COVID-19 and the sale of business rights. Sales volumes of LP gas decreased year on year overall as demand for automotive gas for commercial, industrial and taxi use decreased despite being on a recovery trend, while demand for households increased as a result of demand from staying at home caused by voluntary stay-at-home directives.

Regarding sales of electricity for households, the number of supply contracts increased by around 12,000 for a total of approximately 105,000, compared with the end of the previous fiscal year.

Regarding the industrial gas business, sales volumes declined year on year due to a decrease in sales of carbonic acid gas for use in beverages, primarily for restaurants, and dry ice for food transportation, as well as the impact of reduced 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, 2020 are as follows.

Revenue was ¥52,615 million (down 12.4% year on year). This was due mainly to falling sales prices in relation to a fall in the LP gas import price and the decrease in the sales volume of LP gas and industrial gas due to sluggish economic activity.

Profit from operating activities was ¥786 million (down 34.7% year on year). Net profit attributable to Itochu Enex's shareholders was ¥665 million (down 17.3% year on year). This was due mainly to the decrease in the sales volume of other LP gas and industrial gas, despite securing a certain amount of revenue due to the increase in demand for LP gas for households.

Car-Life Division

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2019	Change
Revenue	296,234	384,706	(88,472)
Profit from operating activities	5,597	6,074	(477)
Net profit attributable to Itochu Enex's shareholders	3,091	3,302	(211)

Looking at the Car-Life Division during the nine months ended December 31, 2020, in the Car-Life Stations (CS)^{*3} business, the number of the CS was 1,688, a decrease of 16 from the end of the previous fiscal year. Sales volumes of petroleum products decreased year on year due to a decrease in sales volumes of gasoline and diesel fuel as a result of voluntary stay-at-home directives due to the impact of COVID-19 and weak economic activity. On the other hand, the retail market for petroleum products continued to see robust sales.

In the automotive business, our car dealer business subsidiary OSAKA CAR LIFE GROUP CO., LTD. experienced year-on-year decline in sales volume in reaction to a decrease in the number of customers due to shortened store business hours caused by COVID-19. However, the number of vehicles sold is steadily returning to normal due to favorable sales of new cars from October onward.

As a result of these activities, the operating results for the nine months ended December 31, 2020 are as follows.

Revenue was ¥296,234 million (down 23.0% year on year). This was mainly due to the decrease in sales volumes and the declining sales prices of petroleum products resulting from a fall in the crude oil prices.

Profit from operating activities was ¥5,597 million (down 7.9% year on year). Net profit attributable to Itochu Enex's shareholders was ¥3,091 million (down 6.4% year on year). This was mainly due to the decrease in the sales volumes of petroleum products, the decline in the number of vehicles sold in the car dealer business, and decreased service revenue.

*3 Car-Life Stations (CS): 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, 2019	Change
Revenue	111,570	155,006	(43,436)
Profit from operating activities	3,822	2,230	1,592
Net profit attributable to Itochu Enex's shareholders	3,006	1,537	1,469

Looking at the Industrial Business Division, during the nine months ended December 31, 2020, in the industrial fuel sales business and the corporate fleet fuel card business, sales volumes decreased year on year due to reduced utilization rates of the customer plants to which we are supplying and a decrease in

the use of fueling cards for commercial vehicles due to the impact of COVID-19. In the asphalt business, sales volume decreased year on year due to changes in the asphalt supply structure resulting from the decline in utilization rates of refineries owing to the impact of COVID-19. In the marine fuel sales business, sales volumes rose year on year due to steady sales for ocean-going vessels. In the petroleum products import/export business, revenue increased year on year due to successful operations in response to fluctuations in crude oil price.

As a result of these activities, the operating results for the nine months ended December 31, 2020 are as follows.

Revenue was ¥111,570 million (down 28.0% year on year). This was mainly due to the impact resulting from declining sales prices caused by a fall in the crude oil prices and the decrease in sales volumes of industrial petroleum products.

Profit from operating activities was ¥3,822 million (up 71.4% year on year). Net profit attributable to Itochu Enex's shareholders was ¥3,006 million (up 95.6% year on year). This was mainly due to operations in response to fluctuations in crude oil price in the import/export business of petroleum products and due to reduction of operating expenses.

Power & Utility Division

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2019	Change
Revenue	55,260	71,367	(16,107)
Profit from operating activities	5,015	5,221	(206)
Net profit attributable to Itochu Enex's shareholders	2,331	3,368	(1,037)

In the electric power business of the Power & Utility Business, during the nine months ended December 31, 2020, high-voltage power sales volumes decreased year on year due to significant reduction in utilization rates of the customer stores, plants, etc. to which we are supplying electric power, as well as a decrease in high-voltage power contracts for business users, caused by the impact of COVID-19.

On the other hand, although low-voltage sales volumes increased year on year due to an increase in household electric power consumption as a result of improved rates of working from home and due to an increase in the number of low-voltage power contracts, particularly for households, retail electricity sales volumes decreased year on year overall.

The heat supply business^{*4} commenced business in the Kitanakadoriminami area of Yokohama from February 2020, but demand for heat decreased year on year due to the impact of suspension of business activities of tenants to which we are supplying heat and working from home, caused by the impact of COVID-19.

As a result of these activities, the operating results for the nine months ended December 31, 2020 are as follows.

Revenue was ¥55,260 million (down 22.6% year on year). This decrease was mainly due to a decrease in sales volumes in the sales and supply/demand management in the electric power business.

Profit from operating activities was ¥5,015 million (down 3.9% year on year). Net profit attributable to Itochu Enex's shareholders was ¥2,331 million (down 30.8% year on year). This was mainly due to a decrease in profit associated with the electric power business development project.

*4 Heat supply business: The heat supply business supplies cold and hot water for air conditioning to multiple office buildings and other buildings from a heat source plant using pipes.

(2) Explanation of Financial Position

Assets, liabilities and equity

(Millions of yen)

	As of December 31, 2020	As of March 31, 2020	Change
Total assets	399,676	387,657	12,019
Total liabilities	242,188	235,773	6,415
Total equity	157,488	151,884	5,604

Total assets amounted to ¥399,676 million as of December 31, 2020, an increase of ¥12,019 million from March 31, 2020. This was mainly due to an increase in cash and cash equivalents of ¥21,689 million resulting from a decrease in working capital and others. Total liabilities amounted to ¥242,188 million, an increase of ¥6,415 million from March 31, 2020. This was mainly due to an increase in trade payables of ¥14,109 million due to an increase in purchase prices resulting from a rise in the crude oil prices. Total equity totaled ¥157,488 million, an increase of ¥5,604 million from March 31, 2020, due to factors including an increase of ¥9,525 million from net profit attributable to Itochu Enex's shareholders and a decrease of ¥5,759 million by payment of cash dividends.

Cash flows

The Group is carefully selecting investments, giving consideration to COVID-19, and focusing on capital investment for the current fiscal year.

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 0.13 times.

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2019	Change
Cash flows from operating activities	33,545	16,104	17,441
Cash flows from investing activities	3,826	(1,010)	4,836
[Free cash flows]	[37,371]	[15,094]	[22,277]
Cash flows from financing activities	(15,646)	(17,854)	2,208
Net increase in cash and cash equivalents	21,726	(2,760)	24,486
Effect of exchange rate changes on cash and cash equivalents	(37)	1	(38)
Cash and cash equivalents at the end of the period	40,932	15,966	24,966

Cash and cash equivalents (net cash) totaled ¥40,932 million as of December 31, 2020, up ¥21,689 million from March 31, 2020.

Cash flows from operating activities

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2019	Change
Cash flows from operating activities	33,545	16,104	17,441
Changes in working capital and others	10,334	(10,495)	20,829
Real operating cash flow	23,211	26,599	(3,388)

Operating activities provided net cash of ¥33,545 million. Major items included profit before tax of ¥16,037 million, depreciation and amortization of ¥14,832 million, and a decrease in funds required for trading of ¥9,972 million. Net cash provided increased ¥17,441 million year on year. Moreover, real operating cash flow decreased ¥3,388 million year on year due to special factors.

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 from 2019 to 2020, we are planning investments of ¥17,000 million in maintaining and deepening our important revenue base that generates cash flow, as well as ¥26,000 million in overseas and peripheral fields and new businesses centered on the Power & Utility Division.

Investing activities provided net cash of ¥3,826 million. Cash used included purchase of investments (including investments accounted for by the equity method) of ¥4,501 million, mainly in the Power & Utility Division, payments for purchase of property, plant and equipment and investment property of ¥7,591 million, and purchase of intangible assets of ¥1,159 million. Meanwhile, cash provided included proceeds from sales and redemption of investments (including investments accounted for by the equity method) of ¥5,092 million, proceeds from sales of property, plant and equipment and investment property of ¥610 million, and decrease in deposits paid of ¥11,021 million. Net cash provided increased ¥4,836 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 ¥15,646 million of net cash used in financing activities. This was mainly due to proceeds from short-term bonds (commercial papers) and borrowings of ¥10,050 million for responding to COVID-19, redemption of short-term bonds (commercial papers) and repayments of borrowings of ¥14,301 million, and repayments of lease liabilities of ¥8,214 million. Net cash used decreased ¥2,208 million year on year.

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

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

The Company's full-year consolidated earnings forecasts have not been revised from the May 15, 2020 announcement as the impacts of COVID-19 and increasing transaction costs in the wholesale power market are uncertain.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereo

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	19,243	40,932
Trade receivables	86,911	90,983
Other current financial assets	28,095	18,960
Inventories	24,263	24,317
Income taxes receivable	98	3,577
Trade advances paid	128	125
Other current assets	2,502	2,392
Total current assets	161,240	181,286
Non-current assets		
Investments accounted for by the equity method	31,583	28,302
Other investments	3,860	3,281
Non-current financial assets other than investments	11,942	11,273
Property, plant and equipment	132,870	131,779
Investment property	13,147	12,783
Goodwill	521	521
Intangible assets	20,005	19,613
Deferred tax assets	10,374	8,905
Other non-current assets	2,115	1,933
Total non-current assets	226,417	218,390
Total assets	387,657	399,676

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
LIABILITIES AND EQUITY		
Current liabilities		
Short-term bonds and borrowings	7,024	6,096
Trade payables	83,936	98,045
Lease liabilities	9,591	9,534
Other current financial liabilities	6,216	7,184
Income taxes payable	4,172	1,587
Advances from customers	9,437	8,500
Other current liabilities	12,848	10,790
Total current liabilities	133,224	141,736
Non-current liabilities		
Non-current bonds and borrowings	18,156	17,329
Lease liabilities	52,713	51,018
Other non-current financial liabilities	14,225	14,465
Non-current liabilities for employee benefits	10,335	10,629
Deferred tax liabilities	1,721	1,442
Provisions	5,255	5,300
Other non-current liabilities	144	268
Total non-current liabilities	102,549	100,451
Total liabilities	235,773	242,188
Equity		
Common stock	19,878	19,878
Capital surplus	18,934	18,933
Retained earnings	92,761	97,202
Other components of equity	(1,370)	(1,310)
Treasury stock	(1,870)	(1,870)
Total shareholders' equity	128,333	132,833
Non-controlling interests	23,551	24,656
Total equity	151,884	157,488
Total liabilities and equity	387,657	399,676

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Revenue	671,116	515,679
Cost of sales	(607,427)	(451,276)
Gross profit	63,689	64,403
Other income and expense		
Selling, general and administrative expenses	(49,884)	(48,929)
Profit (loss) from tangible assets, intangible assets and goodwill	1	(187)
Other – net	1,413	657
Total other income and expense	(48,470)	(48,459)
Profit from operating activities	15,219	15,944
Financial income and costs		
Interest income	43	34
Dividends received	94	502
Interest expense	(839)	(798)
Other financial income and costs – net	(33)	(484)
Total financial income and costs	(735)	(746)
Share of profit of investments accounted for by the equity method	1,368	839
Profit before tax	15,852	16,037
Income tax expense	(4,847)	(4,782)
Net profit	11,005	11,255
Net profit attributable to:		
Net profit attributable to Itochu Enex's shareholders	9,282	9,525
Net profit attributable to non-controlling interests	1,723	1,730
Total	11,005	11,255

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss		
FVTOCI financial assets	212	(9)
Other comprehensive income of investments accounted for by the equity method	45	29
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	1	(72)
Cash flow hedges	54	28
Other comprehensive income of investments accounted for by the equity method	272	84
Total other comprehensive income, net of tax effect	584	60
Comprehensive income	11,589	11,315
Comprehensive income attributable to:		
Comprehensive income attributable to Itochu Enex's shareholders	9,866	9,585
Comprehensive income attributable to non-controlling interests	1,723	1,730
Total	11,589	11,315

(Yen)

Earnings per share attributable to Itochu Enex's shareholders		
Basic	82.23	84.38
Diluted	–	–

(Millions of yen)

Total trading transactions	826,528	637,445
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(Note) Total trading transactions are presented in accordance with the Japanese accounting practices. This item is voluntarily disclosed by the Company for investors' convenience and is not required to be disclosed under International Financial Reporting Standards ("IFRSs").

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine months ended December 31, 2019

(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, 2019	19,878	18,922	86,769	(1,406)	(1,873)	122,290	22,276	144,566
Cumulative effect of accounting change			(1,146)			(1,146)	(389)	(1,535)
Restated balance	19,878	18,922	85,623	(1,406)	(1,873)	121,144	21,887	143,031
Net profit			9,282			9,282	1,723	11,005
Other comprehensive income				584		584	0	584
Comprehensive income			9,282	584		9,866	1,723	11,589
Transactions with owners								
Cash dividends			(4,859)			(4,859)	(419)	(5,728)
Changes due to additional acquisitions and sales of interests in subsidiaries						—	21	21
Transfer from other components of equity to retained earnings			(18)	18		—		—
Purchase and disposal of treasury stock					(0)	(0)		(0)
Share-based payments		(3)			3	—		—
Balance at December 31, 2019	19,878	18,919	90,028	(804)	(1,870)	126,151	23,212	149,363

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

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Cash flows from operating activities		
Profit before tax	15,852	16,037
Depreciation and amortization	14,631	14,832
Loss (profit) from tangible assets, intangible assets and goodwill	(1)	187
Financial income and costs	735	746
Share of profit of investments accounted for by the equity method	(1,368)	(839)
Increase in trade receivables	(1,897)	(4,090)
Decrease (increase) in inventories	6,425	(86)
Increase (decrease) in trade payables	(10,465)	14,148
Other – net	(4,558)	362
Dividends received	671	3,097
Interest received	26	34
Interest expense	(808)	(728)
Income taxes paid	(5,672)	(10,253)
Income taxes refund	2,533	98
Net cash flows provided by operating activities	16,104	33,545
Cash flows from investing activities		
Purchase of investments (including investments accounted for by the equity method)	(2,816)	(4,501)
Proceeds from sales and redemption of investments (including investments accounted for by the equity method)	204	5,092
Acquisition of subsidiaries, net of cash acquired	(5,566)	–
Proceeds from acquisition of subsidiaries	–	11
Proceeds from sales of subsidiaries, net of cash reduced	2,905	–
Payment for loans receivable	(703)	(680)
Collection of loans receivable	857	843
Payments for purchase of property, plant and equipment and investment property	(8,666)	(7,591)
Proceeds from sales of property, plant and equipment and investment property	1,834	610
Purchase of intangible assets	(978)	(1,159)
Proceeds from sales of intangible assets	16	201
Decrease in deposits paid – net	10,000	11,021
Other – net	1,903	(21)
Net cash flows provided by (used in) investing activities	(1,010)	3,826

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Cash flows from financing activities		
Proceeds from bonds and borrowings	–	10,050
Repayments of bonds and borrowings	(6,480)	(14,301)
Repayments of lease liabilities	(8,078)	(8,214)
Net increase in short-term borrowings	1,962	2,528
Capital contribution from non-controlling interests	50	50
Payments for additional acquisitions of interests in subsidiaries from non-controlling interests	(30)	–
Cash dividends paid to Itochu Enex's shareholders	(4,859)	(5,084)
Cash dividends paid to non-controlling interests	(419)	(675)
Purchase of treasury stock	(0)	(0)
Net cash flows used in financing activities	(17,854)	(15,646)
Net increase (decrease) in cash and cash equivalents	(2,760)	21,726
Cash and cash equivalents at the beginning of the period	18,725	19,243
Effect of exchange rate changes on cash and cash equivalents	1	(37)
Cash and cash equivalents at the end of the period	15,966	40,932

(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, 2019

(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	60,037	384,706	155,006	71,367	671,116	–	671,116
Intersegment revenue	78	8,130	4,384	2,508	15,100	(15,100)	–
Total revenue	60,115	392,836	159,390	73,875	686,216	(15,100)	671,116
Gross profit	15,293	34,826	5,489	8,081	63,689	–	63,689
Profit from operating activities	1,204	6,074	2,230	5,221	14,729	490	15,219
Profit before tax	1,492	5,827	2,230	5,898	15,447	405	15,852
Net profit attributable to Itochu Enex's shareholders	804	3,302	1,537	3,368	9,011	271	9,282
Other items							
Total assets	66,421	156,918	62,459	96,566	382,364	26,435	408,799
Total trading transactions	66,372	410,863	275,857	73,436	826,528	–	826,528

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

The adjustment of ¥271 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥26,435 million to total assets represents corporate assets not allocated to reportable segments.

Total trading transactions are unaudited items voluntarily disclosed by the Company and represent the amount of sales in accordance with Japanese accounting practices.

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	296,234	111,570	55,260	515,679	–	515,679
Intersegment revenue	4	5,699	4,231	2,664	12,598	(12,598)	–
Total revenue	52,619	301,933	115,801	57,924	528,277	(12,598)	515,679
Gross profit	14,644	34,624	6,869	8,266	64,403	–	64,403
Profit from operating activities	786	5,597	3,822	5,015	15,220	724	15,944
Profit before tax	1,344	5,325	4,295	4,460	15,424	613	16,037
Net profit attributable to Itochu Enex's shareholders	665	3,091	3,006	2,331	9,093	432	9,525
Other items							
Total assets	66,491	148,682	52,049	91,814	359,036	40,640	399,676
Total trading transactions	57,324	325,156	190,053	64,912	637,445	–	637,445

(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.

Total trading transactions are unaudited items voluntarily disclosed by the Company and represent the amount of sales in accordance with Japanese accounting practices.

As of March 31, 2020

(Millions of yen)

	Reportable segment				Total	Adjustment	Consolidated
	Home-Life Division	Car-Life Division	Industrial Business Division	Power & Utility Division			
Total assets	67,240	148,253	49,277	91,921	356,691	30,966	387,657

(Note) The adjustment of ¥30,966 million to total assets represents corporate assets not allocated to reportable segments.

Change in reportable segments

During the first quarter ended June 30, 2020, the import/export business of petroleum products and the terminal tank business which were part of the “Car-Life Division” have been reclassified as the “Industrial Business Division.”

Due to the change in segments, segment information for the first nine months of the previous fiscal year and as of the end of the previous fiscal year (March 31, 2020) has been adjusted based on the classification of reportable segments after the change.