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Itochu Enex Reports Earnings for the Fiscal Year ended March 31, 2009

Tokyo, Japan, April 30, 2009 -- Itochu Enex Co., Ltd. (TSE: 8133) announced net sales of 1,164,708 million yen for the fiscal year ended March 31, 2009, and net income of 5,418 million yen, or 52.44 yen per share.

Results of Operations

During the fiscal year ended March 31, 2009, the Japanese economy was mired by global recession triggered by the financial crisis that originated in the United States, the effects of which were also felt in the real economy as corporate earnings and personal spending dropped markedly.

The petroleum distribution industry went through a tumultuous year marked by the "provisional" gasoline tax surcharge issue, volatile crude oil prices, petroleum wholesale industry restructuring issues, and the introduction of a new pricing structure. Domestic demand was weak as consumers looked to avoid using automobiles and shifted into belt-tightening mode in the face of rising petroleum product prices, the downturn in the business environment, and environmental issues. In the LPG distribution industry, demand fell in response to LPG import prices' record volatility, which made it difficult to pass costs on into selling prices.

Amid this business environment, the Group marked the first fiscal year of its medium-term business plan, Core & Synergy 2010. Working under the new plan, in September, Itochu Enex acquired Konan's petroleum sales business and made Konan Fleet a wholly owned subsidiary. In October, Itochu Enex launched a new Trade Business Division comprising the petroleum product domestic sales business and the petroleum product trade business (Japan-based exports and imports) that it acquired from Itochu Corporation and the petroleum product logistics business that it acquired from Itochu Petroleum Japan Ltd., a wholly owned subsidiary of Itochu Corporation. The petroleum product logistics business acquired from Itochu Petroleum Japan covers the chartering of ships for imports and exports, the supply of shipping fuels, tank leasing, and sales of lubricants.

Amid these circumstances, although the market cooled overall due to the drop in domestic demand, we integrated the Energy Trade business into our operations and continued to pursue a strategy of quantitative expansion accompanied by qualitative improvements, which included adding new affiliate service stations and increasing the number of new business partners. As a result, gasoline sales volume for the fiscal year ended March 31, 2009, was up 6.3% versus the fiscal year ended March 31, 2008, gas oil sales volume were up 6.6%, and heavy oil sales volume rose 44.4%. On the other hand, kerosene sales fell 2.8%, while LPG sales volume declined 9.6%.

Consequently, net sales for the fiscal year ended March 31, 2009, were 1,164,708 million yen, up 70,956 million, or 6.5%, versus the fiscal year ended March 31, 2008. Operating income rose 28.3% to 9,881 million yen, and ordinary income increased by 23.1% to 10,227 million yen. Net income rose 29.4% to 5,418 million yen.

Segment Information

Industrial Material Division

Net sales in the Industrial Material Division increased 2.4% versus the previous fiscal year to 136,985 million yen, while operating income rose 73.2% to 3,465 million yen.

The Industrial Material Division faced a highly challenging business environment, particularly in the fiscal second half, as the Japanese real economy took a dramatic downturn and a large number of leading manufacturers adjusted their production levels.

Despite expectations of a 7.9% year-over-year drop in nationwide domestic petroleum product sales volume, we minimized our own year-over-year decline by increasing sales to existing customers and acquiring new customers. Despite a forecasted 13.6% year-over-year decline in nationwide sales volume of C-heavy oil (a key product for Itochu Enex), Itochu Enex achieved significant sales growth of 13.0% versus the previous fiscal year, mainly through sales to the shipping industry. In its mainstay petroleum products and asphalt sales businesses, Itochu Enex worked year round to bolster profitability by focusing on profitable sales and on passing on the cost of crude oil.

Car Life Division

Net sales in the Car Life Division decreased 1.0% versus the previous fiscal year to 816,345 million yen, while operating income declined 2.0% to 6,934 million yen.

The Car Life Division faced numerous challenges during the fiscal year. Impacted by unprecedented volatility in crude oil prices, the domestic petroleum products market was thrown into turmoil, making it extremely difficult to pass costs through to sales prices. In addition, the domestic economy stagnated in the wake of the global economic recession, resulting in a marked decline in demand.

Facing such conditions, the Car Life Division secured earnings by gearing its operations toward fulfilling customers' needs and by further boosting operational efficiency and cost competitiveness, two areas it has been keenly focused on. Despite the drop-off in domestic demand for gasoline, the division achieved products sales volumes on par with the previous fiscal year's by virtue of acquiring new service station affiliates through proactive sales efforts and making Konan Fleet a wholly owned subsidiary.

During the fiscal year, Itochu Enex opened 158 new Group fueling stations ("car-life stations") in line with plans to establish new car-life stations and add new affiliates, while reformatting or closing 163 existing car-life stations. Itochu Enex thus had a total of 2,174 car-life stations in operation at March 31, 2009, a net decrease of five car-life stations versus March 31, 2008.

Further, the number of Car Enex *Itsumo* cards (an Itochu Enex shopping credit card that entered its fourth year since launch) issued had surpassed the 460,000 mark as of March 31, 2009 (a 16.8% increase versus March 31, 2008), and Itoch Enex enjoyed extremely strong card-usage frequency and card-usage volumes at card-affiliate stores. In the car-related business, Itochu Enex's vehicle purchase and resale system, Car Collection, was supported by both affiliated and non-affiliated car-life stations, and at March 31, 2009, the number of participating car-life stations totaled 445 (a net increase of 30 versus March 31, 2008).

Energy Trade Division

Net sales in the Energy Trade Division totaled 87,103 million yen, while operating income totaled 402 million yen.

The Energy Trade Division, which was acquired from Itochu Corporation in October 2008, debuted amid a very difficult business environment, as petroleum product demand declined significantly as the global economy weakened under the impact of the financial crisis ongoing since the previous year.

Amid this environment, the petroleum product trade business developed the kerosene import business to take advantage of discrepancies in domestic and overseas prices. In the shipping fuel oil business, the business environment was a tough, given the drop in demand for shipping fuel oil both in Japan and overseas, as well as the large fall-off in market prices, but we succeeded in growing sales in Korea and Singapore by strengthening relationships with overseas suppliers.

The tanker chartering business saw demand for tankers plummet in response to the drop-off in global goods distribution, so we worked in earnest to produce results by deploying our vessels to demand regions around the globe, operating other companies' vessels on contract, handling charter shipping activities for the Itochu Group, and so forth.

Home-Life Division

Net sales in the Home Life Division decreased 8.0% versus the previous fiscal year to 124,274 million yen, while operating income declined 16.0% to 1,987 million yen.

During the fiscal year, record volatility in LPG import prices caused by fluctuations in crude oil prices, as well as a slowdown in consumption due to the global economic recession and lifestyle changes, resulted in the most difficult business environment ever experienced by the Home Life Division. As a result, the division struggled in terms of both sales volume and profits. Amid this environment, we worked proactively to streamline our business and cut costs through area strategies to select and focus on key activities at our sales subsidiaries, and we worked to secure appropriate margins by introducing the Raw Materials Cost Adjustment System both for residential use and commercial use.

As a new strategy in the upstream area, we reached an agreement with Japan Energy Corporation and Nissho Petroleum Gas to establish a new primary distribution company called Japan Gas Energy Co., Ltd., on April 1, 2009. Our intention is to create an LPG business group which will be capable of efficiently providing a stable supply of LPG products with a comprehensive competitive edge across the entire range of LPG operations, from overseas procurement to retail sales, and to further raise the level of customer satisfaction.

In the *Kurashi-no-Mori* (support for daily life) business segment, we established Asclass Co., Ltd., a home renovation service provider, through a joint venture with Sinanen Co., Ltd., and Ecore Co., Ltd., in a bid to expand non-gas related earnings, primarily through the home renovation business. We continued providing customer satisfaction through our services by marketing the *Kurashi-no-Mori* Asclass Card and by holding cooking classes nationwide. Under the theme providing comfortable, environmentally friendly living, we also actively engaged in efforts related to solar power generation and *W-hatsuden*, dual-power-generation systems that combine Eco Will power-generation systems and fuel cells.

3. Outlook for the Fiscal Year Ending March 31, 2010

Worse-than-expected exogenous factors, most notably the unprecedented downturn in the business environment, cast gloom over the first year of the Group's medium-term management plan, Core & Synergy 2010, and although we expect strong headwinds in the new fiscal year, we will organically bind the new enterprise resources obtained in the first year of Core & Synergy 2010 and make this a year for bolstering core strengths, enhancing our new capabilities, and generating quantitative synergies as we strive to further rebuild our business base and establish a growth path.

Outlooks for each business division are as follows.

Industrial Material Division

Based on current conditions, we expect crude oil prices to be in the $45-$55 range in the new fiscal year, but over the medium-to-long term, they should return to a high level. Domestic demand for petroleum products is expected to be lower than in the fiscal year just ended, but from the new fiscal year, the Industrial Material Division will absorb the Group's shipping fuel sales activities and secure the largest market share in Japan in that area. Through synergies with Konan Fleet, which joined the group last year and operates large kerosene stations, we will bolster sales to the distribution industry of gas oil and C-heavy oil, demand for both of which is firm, and expand asphalt sales' domestic network.

Car Life Division

The business environment surrounding the car-life station business is expected to become increasingly adverse in the new fiscal year. This is due to a marked decline in sales volumes in the end retail market due to a variety of factors including the decline in car sales and a shift to more fuel-efficient vehicles since last year, a drop in the driver population, a cooling of consumer sentiment due to wild swings in crude oil prices, and the stagnation of distribution resulting from the Japanese economic downturn.

Amid such conditions, we will provide suggestions and guidance to our car-life stations to help them manage their business from the viewpoint of customers, and continue to otherwise help them be the car-life station of choice for customers. Going forward, we will bolster Group competitiveness in the industry by actively taking advantage of M&A opportunities to increase the number of affiliated car-life stations, thereby expanding sales volumes, and by further developing the car-related business to which the *Itsumo* Rent-A-Car, the Group's used car rental business that launched in April, will be added.

Energy Trade Division

In the new fiscal year, we expect global economic conditions to remain challenging. In response, the Energy Trade Division will pursue profits in the petroleum products trade business by reducing costs associated with oil tanks used for export and increasing sales volumes by strengthening alliances with Group companies.

In sales of shipping fuel, we expect vessel operating rates to decline due to sluggish goods distribution worldwide, but we expect to secure sales through efforts to retain domestic customers' trade interests. We will maintain stable earnings overseas by renegotiating long-term supply contracts with Japanese vessel owners.

In the tanker chartering business, we expect spot vessel demand to continue to decline due to the global decline in goods distribution, but we will step up our sales efforts to ensure that we turn a profit.

Home Life Division

We expect consumer spending to retreat as the Japanese economy stagnates, and we expect more intense competition with other energy-related business, particularly conversion of homes to use electricity instead of other available power sources. Consequently, we see LPG demand declining.

Amid this environment, the Home Life Division will secure sales volumes by gaining new customers and pursuing M&A opportunities. At the same time, we will work to enhance our competitiveness in each area by selectively focusing resources on key areas to achieve greater business efficiency. We will work to boost operating efficiency and achieve a low cost structure with G-Bingo, an LPG operation support system that we developed and will put into full use in the fiscal year ending March 31, 2010. We will proactively pursue alliances in the wholesale business, which is centered on Japan Gas Energy Corporation.

We will create new demand through efforts to sell energy solutions such as Asclass Reform home renovations, focusing primarily on solar power generation and *W-hatsuden*, dual-power-generation systems that combine Eco Will power-generation systems and fuel cells.

Financial Condition

Assets, Liabilities and Net Assets

Total assets amounted to 247,587 million yen at March 31, 2009, a decrease of 7,540 million yen from the end of the previous fiscal year (March 31, 2008). This was primarily due to the 27,095 million yen decline in trade notes and accounts receivable in conjunction with the large year-over-year drop in crude oil prices. Interest-bearing debt increased 3,983 million yen to 41,229 million yen. Net assets increased 7,178 million yen to 90,886 million yen, due to the increase in retained earnings and minority interests and the decrease in unrealized gains on available-for-sale securities. As a result, the shareholders' equity ratio as of March 31, 2009, was 35.9%.

Cash Flows

Cash and cash equivalents totaled 43,219 million yen at March 31, 2009, an increase of 9,310 million yen from March 31, 2008.

Net cash provided by operating activities was 29,263 million yen. Main factors were the 10,284 million yen in income before income taxes and minority interests, proceeds of 78,574 million yen from the collection of trade notes and accounts receivable, and proceeds of 6,752 million yen from a decrease in inventories, which were partly offset by outlays of 70,605 million yen to repay trade notes and accounts payable.

Net cash used in investing activities was 1,703 million yen. Major factors included income of 2,877 million yen attributable to the acquisition of shares in Konan Fleet, making it a consolidated subsidiary, and 1,828 million yen in proceeds from sales of investment securities, which were offset by outlays of 5,953 million yen for purchases of property, plant and equipment and 1,509 million yen for purchases of intangible assets.

Net cash used in financing activities was 24,804 million yen, primarily due to outlays of 22,773 million yen for the repayment of debt and 1,577 million yen for the payment of dividends.

Cash flow indicators

Fiscal year ended March 31,	2006	2007	2008	2009
Shareholders' equity ratio (%)	33.2	34.6	32.1	35.9
Shareholders' equity ratio based on market capitalization (%)	31.8	34.7	20.4	24.4
Interest-bearing debt to cash flow ratio (years needed to repay)	7.4	3.0	2.6	1.4
Interest-coverage ratio (times)	9.3	19.3	14.4	26.8

Notes:

1. Shareholders' equity ratio: Shareholders' equity / Total assets
   Shareholder's equity ratio based on market capitalization: Market capitalization / Total assets
   Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flow
   Interest-coverage ratio: Operating cash flows / Interest expense
2. All indicators are calculated using financial figures produced on a consolidated basis.
3. Market capitalization is calculated by multiplying the fiscal-year-end closing stock price on the Tokyo Stock Exchange (last business day if the last day of the fiscal year is a holiday) by the number of shares issued and outstanding (excluding treasury stock) at fiscal year-end.
4. Operating cash flow is the total for operating cash flow that appears on the consolidated statement of cash flows. Interest-bearing debt is the sum of the consolidated balance sheet's figures for borrowings, debt, and corporate bonds.

Financial Statements—Consolidated

(1) Consolidated Balance Sheets

Millions of yen

	March 31, 2008 Amount	March 31, 2009 Amount
Assets		
Current assets		
Cash and cash equivalents	33,909	43,219
Trade notes and accounts receivable	106,691	79,596
Inventories	9,685	-
Merchandise and finished products	-	8,195
Deferred tax assets	1,638	2,120
Other	7,475	9,439
Allowance for doubtful accounts	(678)	(682)
Total current assets	158,721	141,888
Fixed assets		
Property, plant and equipment		
Buildings and structures	44,128	50,450
Accumulated depreciation	(24,879)	(29,537)
Buildings and structures, net	19,248	20,912
Machinery, equipment and vehicles	29,440	30,853
Accumulated depreciation	(20,637)	(22,131)
Machinery, equipment and vehicles, net	8,802	8,721
Land	32,796	35,454
Leased assets	-	2,032
Accumulated depreciation	-	(233)
Leased assets, net	-	1,798
Construction in progress	206	92
Other	4,575	4,848
Accumulated depreciation	(3,214)	(3,450)
Other, net	1,361	1,398
Net, property, plant and equipment	62,415	68,378
Intangible assets		
Goodwill	4,251	6,561
Other	2,730	3,083
Total intangible assets	6,981	9,645
Investments and other assets		
Investment securities	13,377	12,259
Long-term loans	2,629	3,366
Deferred tax assets	2,706	3,844
Other assets	9,551	9,677
Allowance for doubtful accounts	(1,255)	(1,473)
Total investments and other assets	27,009	27,674
Total fixed assets	96,406	105,698
Total assets	255,127	247,587

	March 31, 2008	March 31, 2009
	Amount	Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	100,525	74,536
Short-term borrowings	17,183	19,519
Corporate bonds due within one year	-	644
Lease obligations	-	519
Income taxes payable	2,402	2,882
Accrued bonuses for employees	2,194	2,407
Accrued bonuses for directors and corporate auditors	199	213
Other current liabilities	12,909	16,172
Total current liabilities	135,415	116,895
Long-term liabilities		
Corporate bonds	-	1,148
Long-term debt	20,062	19,917
Lease obligations	-	1,629
Deferred tax liabilities	249	236
Deferred tax liabilities on land revaluation	3,190	3,127
Liabilities for retirement benefits	4,307	5,219
Other long-term liabilities	8,194	8,526
Total long-term liabilities	36,004	39,804
Total liabilities	171,419	156,700
Net assets		
Shareholders' equity		
Common stock	19,877	19,877
Capital surplus	17,783	18,736
Retained earnings	55,830	59,462
Treasury stock	(2,585)	(19)
Total shareholders' equity	90,906	98,057
Valuation and translation adjustments		
Unrealized gains on available-for-sale securities	(284)	(836)
Revaluation reserve for land	(8,836)	(8,456)
Total Valuation and translation adjustments	(9,120)	(9,292)
Minority interests	1,922	2,121
Total net assets	83,707	90,886
Total liabilities and net assets	255,127	247,587

Millions of yen

(2) Consolidated Statements of Income

Millions of yen

	Year ended March 31, 2008	Year ended March 31, 2009
	Amount	Amount
Net sales	1,093,752	1,164,708
Cost of sales	1,027,741	1,090,248
Gross profit	66,010	74,459
Selling, general and administrative expenses	58,309	64,578
Operating income	7,700	9,881
Other income		
Interest income	210	231
Dividend income	316	286
Purchase discounts	526	491
Gain on foreign currency translation	-	24
Equity in income of unconsolidated subsidiaries and associated companies	92	-
Other	867	990
Total other income	2,013	2,024
Other expense		
Interest expense	591	769
Sales discounts	400	435
Equity in loss of unconsolidated subsidiaries and associated companies	-	46
Other	415	426
Total other expense	1,406	1,677
Ordinary income	8,306	10,227
Extraordinary gains		
Gain on sales of property, plant and equipment	562	211
Reversal of allowance for doubtful accounts	88	168
Gain on sales of investment securities	241	1,410
Gain on sales of business	-	253
Gain on change in equity interest	79	10
Total extraordinary gains	972	2,054
Extraordinary losses		
Loss on sales and disposal of property, plant and equipment	767	585
Loss on sales of investment securities	-	193
Loss on devaluation of investment securities	471	505
Loss on devaluation of golf club membership	-	57
Reorganization losses	-	41
Loss on impairment of long-lived assets	136	285
Head office relocation expense	139	197
Loss on revision of retirement benefit plan	-	130
Total extraordinary losses	1,515	1,998
Income before income taxes and minority interests	7,763	10,284
Income taxes		
Current	3,615	4,449
Deferred	(314)	105
Total income taxes	3,301	4,555
Minority interests	274	310
Net income	4,187	5,418

(3) Consolidated Statements of Changes in Shareholders' Equity

	Year ended March 31, 2008	Millions of yen Year ended March 31, 2009
Shareholders' equity		
Common stock		
Balance at end of previous year	19,877	19,877
Changes during the period		
Total changes during the period	-	-
Balance at end of year	19,877	19,877
Capital surplus		
Balance at end of previous year	17,782	17,783
Changes during the period		
Disposition of treasury stock	0	-
Effect of corporate splits	-	953
Total changes during the period	0	953
Balance at end of year	17,783	18,736
Retained earnings		
Balance at end of previous year	53,141	55,830
Changes during the period		
Cash dividends paid	(1,467)	(1,467)
Net income	4,187	5,418
Effect from change in scope of companies accounted for by the equity method	1	61
Reversal of revaluation reserve for land	(32)	(379)
Total changes during the period	2,688	3,632
Balance at end of year	55,830	59,462
Treasury stock		
Balance at end of previous year	(2,584)	(2,585)
Changes during the period		
Purchase of treasury stock	(4)	(19)
Disposition of treasury stock	4	-
Effect of corporate splits	-	2,584
Total changes during the period	0	2,565
Balance at end of year	(2,585)	(19)
Total shareholders' equity		
Balance at end of previous year	88,217	90,906
Changes during the period		
Cash dividends paid	(1,467)	(1,467)
Net income	4,187	5,418
Purchase of treasury stock	(4)	(19)
Disposition of treasury stock	5	-
Effect from change in scope of companies accounted for by the equity method	1	61
Effect of corporate splits	-	3,538
Reversal of revaluation reserve for land	(32)	(379)
Total changes during the period	2,688	7,151
Balance at end of year	90,906	98,057

Valuation and translation adjustments		
Net unrealized gain (loss) on available-for-sale securities		
Balance at end of previous year	2,245	(284)
Changes during the period		
Net increase (decrease) during the period, except for items under shareholders' equity	(2,529)	(551)
Total changes during the period	(2,529)	(551)
Balance at end of year	(284)	(836)
Revaluation reserve for land		
Balance at end of previous year	(8,868)	(8,836)
Changes during the period		
Reversal of revaluation reserve for land	32	379
Total changes during the period	32	379
Balance at end of year	(8,836)	(8,456)
Total valuation and translation adjustments		
Balance at end of previous year	(6,623)	(9,120)
Changes during the period		
Reversal of revaluation reserve for land	32	379
Net increase (decrease) during the period, except for items under shareholders' equity	(2,529)	(551)
Total changes during the period	(2,496)	(171)
Balance at end of year	(9,120)	(9,292)
Minority interests		
Balance at end of previous year	755	1,922
Changes during the period		
Net increase (decrease) during the period, except for items under shareholders' equity	1,166	199
Total changes during the period	1,166	199
Balance at end of year	1,922	2,121
Total net assets		
Balance at end of previous year	82,349	83,707
Changes during the period		
Cash dividends paid	(1,467)	(1,467)
Net income	4,187	5,418
Purchase of treasury stock	(4)	(19)
Disposition of treasury stock	5	-
Effect from change in scope of companies accounted for by the equity method	1	61
Effect of corporate splits	-	3,538
Reversal of revaluation reserve for land	-	-
Net increase (decrease) during the period, except for	(1,363)	(352)
Total changes during the period	1,358	7,178
Balance at end of year	83,707	90,886

(4) Consolidated Statements of Cash Flows

Millions of yen

	Year ended March 31, 2008	Year ended March 31, 2009
	Amount	Amount
Cash flows from operating activities		
Income before income taxes and minority interests	7,763	10,284
Depreciation and amortization	5,153	5,632
Loss on impairment of long-lived assets	136	285
Amortization of goodwill	1,642	1,985
Increase (decrease) in allowance for doubtful accounts	(184)	(732)
Increase (decrease) in provision for retirement benefits	513	427
Interest and dividend income	(526)	(518)
Interest expense	591	769
Equity in (income) loss of unconsolidated subsidiaries and associated companies	(92)	46
(Gain) loss on sales and disposal of property, plant and equipment	-	373
(Gain) loss on sales of investment securities	-	(1,216)
(Gain) loss on devaluation of investment securities	-	505
(Gain) loss on sales of business	-	(253)
(Gain) loss on change in equity interest	(79)	(10)
Head office relocation expense paid	139	197
Reorganization losses	-	41
Loss on devaluation of golf club membership	-	57
Transfer to cash flows from investing activities	434	-
(Increase) decrease in trade notes and accounts receivable	(10,715)	78,574
(Increase) decrease in inventories	(1,898)	6,752
Increase (decrease) in trade notes and accounts payable	14,385	(70,605)
(Increase) decrease in other assets	(2,218)	(2,580)
Increase (decrease) in other liabilities	2,037	3,211
Sub total	17,083	33,230
Interest and dividend income received	470	606
Interest paid	(586)	(655)
Income taxes paid	(2,778)	(3,918)
Net cash provided by (used in) operating activities	14,189	29,263
Cash flows from investing activities		
Purchases of property, plant and equipment	(5,490)	(5,953)
Proceeds from sales of property, plant and equipment	1,676	1,777
Purchases of intangible assets	(1,706)	(1,509)
Proceeds from sales of intangible assets	120	540
Purchases of investment securities	(2,488)	(766)
Proceeds from sales of investment securities	2,318	1,828
Purchases of investments in subsidiaries resulting in change in scope of consolidation	627	2,877
Payments for loans	(2,665)	(3,196)
Collection of loans	3,032	3,277
Other	(447)	(580)
Net cash provided by (used in) investing activities	(5,022)	(1,703)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings - net	(3,730)	(16,643)
Proceeds from long-term debt	8,200	470
Repayments of long-term debt	(6,739)	(6,130)
Redemption of bonds	(5,000)	(822)
Repayments of lease obligations	-	(117)
Repurchases of treasury stock	(4)	(19)
Proceeds from sales of treasury stock	5	-
Dividends paid	(1,467)	(1,467)
Dividends paid to minority shareholders of consolidated subsidiaries	(67)	(110)

Net cash provided by (used in) financing activities	(8,804)	(24,840)
Net increase (decrease) in cash and cash equivalents	362	2,719
Cash and cash equivalents, beginning of the period	33,297	33,909
Increase in cash and cash equivalents resulting from change in scope of consolidation	249	-
Increase in cash and cash equivalents resulting from corporate acquisitions and splits	-	6,590
Cash and cash equivalents, end of the period	33,909	43,219

Segment Information

Industry segment information:

<u>Year ended March 31, 2009 (April 1, 2008 – March 31, 2009)</u>

Millions of yen

	Industrial Material	Car Life	Energy Trade	Home Life	Total	Elimination /Corporate	Consolidated
I. Sales and operating income (loss)							
Sales							
(1) Sales to customers	136,985	816,345	87,103	124,274	1,164,708	-	1,164,708
(2) Intersegment sales	59	1,889	15,380	-	17,329	(17,329)	-
Total	137,044	818,235	102,484	124,274	1,182,037	(17,329)	1,164,708
Operating expenses	133,578	811,300	102,081	122,286	1,169,246	(14,419)	1,154,826
Operating income (loss)	3,465	6,934	402	1,987	12,791	(2,909)	9,881
II. Assets, depreciation/amortization, impairment loss and capital expenditures							
Assets	16,955	111,794	21,828	44,559	195,138	52,449	247,587
Depreciation/amortization	335	3,310	109	1,359	5,115	516	5,632
Impairment loss	-	282	-	3	285	-	285
Capital expenditures	666	6,668	160	1,165	8,661	583	9,244

Notes: 1. Method of segmentation of business:

Business operations are categorized according to similarities in the way the goods are used by end consumers.

2. Main lines of business by segment

Industrial Material:

Energy and material supplies for customers, high-pressure gas productions, asphalt, cement, LNG (liquefied natural gas), and sales of urea aqueous solution.

Car Life:

Sales and services for car owners, mainly at car-life-stations, such as gasoline, heating oil, light diesel oil, heavy fuel oil, grease, automobile supplies, car inspection, maintenance, used cars.

Energy Trade:

Import and export of petroleum products, domestic sales of petroleum products in Japan, chartering and operating of tankers, import and sales of marine fuels, sales of lubricating oil, operation of petroleum storage tanks and facilities.

Home Life:

Sales of everyday goods and services such as liquefied petroleum gas, equipment (combustion equipment, kitchen equipment, air-conditioning equipment, and household equipment), commodities, catalogue merchandise, communication devices and sundries.

3. Major items and amounts included in “Elimination/Corporate” are as follows.

	Year ended March 31, 2009 (millions of yen)	Main component
Operating expenses unable to be allocated and included in “Elimination/Corporate”	2,909	Expenses related to the administrative division (e.g. accounting and general affairs) of Itochu Enex Co., Ltd.
Amount of corporate assets included in “Elimination/Corporate”	52,449	Surplus funds (e.g. cash and cash equivalents, securities), long-term investment funds (e.g. investment securities) and assets related to the administrative division owned by Itochu Enex Co., Ltd.

4. “Depreciation/amortization” and “Capital expenditures” include long-term prepaid expenses and their amortization

5. Change in accounting policy

Effective the fiscal year ended March 31, 2009, the Company adopted the *Accounting Standard for Measurement of Inventories* (ASBJ Statement No. 9, announced on July 5, 2006). Due to this change, compared with what it would have been under the previous accounting method, operating income in the Industrial Material business is 4 million yen lower; in the Car Life business, 102 million yen lower; and in the Energy Trade business, 549 million yen lower.

6. Additional information

During the fiscal year ended March 31, 2009, the Company acquired the petroleum products trade business and the petroleum products logistics business from Itochu Corporation and Itochu Petroleum Japan Ltd., respectively. These petroleum product-related businesses are categorized as a newly added business segment, Energy Trade. Due to this change, assets owned by the Energy Trade business increased by 21,828 million yen.

Geographical Segment Information:

Not applicable

Overseas Sales:

Details are omitted from this report as overseas sales accounts for less than 10% of total sales.