This document is an excerpt English translation of a statement written initially in Japanese. The Japanese original should be considered as the primary version.

FOR IMMEDIATE RELEASE

Itochu Enex Co., Ltd.
Representative: Kenji Okada, President
Stock code: 8133, Tokyo Stock Exchange, 1st Section
Contact: Naohiko Takamura
General Manager, Finance and Accounting Department
http://www.itcenex.com/english/
Tel: +81 3-6327-8010

Itochu Enex Reports Consolidated Earnings for the Three Months Ended June 30, 2013 (Under Japanese GAAP)

Tokyo, Japan, July 30, 2013 -- Itochu Enex Co., Ltd. (TSE: 8133) announced net sales of 330,939 million yen for the three months ended June 30, 2013, and net income of 1,039 million yen, or 9.20 yen per share, on a consolidated basis.

Results of Operations

In the three months ended June 30, 2013, the Japanese economy showed a gradual upward momentum with a recovery trend of corporate earnings and personal consumption seen, thanks to effects from the governmental economic and financial administration including the monetary easing policy. However, its future has remained uncertain with concern about a downward trend in the foreign economies, such as the financial instability in Europe and a slowdown in Asian economy.

In the petroleum products distribution industry, the procurement cost of crude oil increased due to weakening yen. As for domestic sales volume, fuel oil significantly decreased from the corresponding period a year earlier in general with a large fall in demand for heavy oil, while kerosene and gas oil steadily increased.

In this operating environment, the Itochu Enex Group is in the final year of a medium term business plan, Core & Synergy 2013. During the period of the medium term business plan, we have implemented the extensive growth strategy, centering on the following priority approaches: "Improvement of petroleum product distribution functions", "Development of demand-generating business from the consumer’s perspective", "Transformation into a company providing the best mix of energy", and "Active expansion of overseas business". In order to further accelerate its speed, we implemented the Company-wide organizational reform in April 2013. Positioning the core petroleum and gas-related business, the new power and utility business and the overseas business as priority fields, we have promoted the improvement in speed, flexibility, and governance in each field.

As a result of the above activities, in the three months ended June 30, 2013, consolidated net sales decreased 0.6% year on year to 330,939 million yen, as sales volume decreased from a year earlier. Through contribution of new businesses to profits and efforts for reducing costs by streamlining operations, operating income increased 20.6% year on year to 1,982 million yen, and ordinary income increased 14.8% year on year to 2,254 million yen, and net income rose 25.7% year on year to 1,039 million yen.

Results of Operations by Segment

As reportable segments have been changed from the first quarter of the fiscal year ending March 31, 2014, year-on-year comparisons are based on the segments after the change.

Energy Trade Division

The Energy Trade Division earned operating income of 284 million yen (up 322.1% year on year) on net sales of 160,232 million yen (down 8.9% year on year) in the three months ended June 30, 2013.

In the asphalt sales business, sales volume increased year on year, as a result of enhancement of distribution functions, such as completion of company-owned ocean-going vessels to carry asphalt in September 2012, new construction of company-owned tanks in Sodegaura City, Chiba Prefecture in November 2012, and completion of the second company-owned domestic and ocean-going vessel to carry asphalt in May 2013. Meanwhile, profits decreased from a year earlier due in part to impacts from exchange rates.

In the marine fuel sales business, transactions in foreign countries were steadily accumulated in overseas operation. In domestic operation, the distribution network was reinforced with the deployment of dedicated fuel supply ships and new transactions were acquired. As a result, sales volume went well and profits increased year on year.

The petroleum products trading business continued to face a difficult operating environment mainly due to extreme volatility in prices of crude oil and petroleum products, as well as a recent slowdown in domestic demands, etc. As a result, sales volume decreased year on year while profits increased from a year earlier with accumulated transactions taking into account domestic and overseas market trends and customers' needs.

In the petroleum product sales business, active efforts to secure new customers resulted in a year-on-year increase in sales volume, mainly for kerosene, gas oil, and heavy oil. However, profits decreased year on year due in part to adverse effects from a fall in the market.

In the AdBlue sales business, both sales volume and profits rose from a year earlier, as a result of continuous efforts for expanding sales with supply bases deployed at 17 places nationwide in response to the increasing popularization of urea SCR vehicles[1].

In the tanker business, while tanker rates are remaining low, profits increased year on year also in spot chartering and vessel operation services, with proactive efforts for increasing operating efficiency and reducing cost for company-managed vessels.

Note 1 Urea SCR vehicle: Urea SCR vehicle purifies NOx using urea solution (AdBlue) and Selective Catalytic Reduction to reduce NOx in exhaust gas from diesel engines.

Car-Life Division

The Car-Life Division earned operating income of 105 million yen (down 76.6% year on year) on net sales of 134,987 million yen (up 6.4% year on year).

In spite of adverse effects from decreased domestic demands for petroleum products and popularization of fuel efficient vehicles, etc., sales volume grew from a year earlier, thanks to an expansion in the number of Car-Life Stations[2] including new large-scale affiliates at the end of the previous fiscal year. Meanwhile, profits fell year on year with profit margin compressed by the deterioration in market conditions.

In an effort for boosting sales, we have the detailed follow-up system in place by changing seminars of "ENEX ACT Program[3] of which purposes are profit analysis and improvement of abilities of Car-Life Stations to interactive seminars with a small number of participants. Consequently, as profitability of Car-Life Stations increased, profits improved.

The number of Car-Life Stations of the Group at the end of the three months was 2,172, a net decrease of 10 stations from the end of the previous fiscal year. During the three months, we added 16 newly affiliated stations even amid the decrease in the number of domestic gas stations due to impacts from the revised Fire Service Act and successor problems, while losing 26 stations through disaffiliation and closure, etc.

Note 2 Car-Life Stations: Car-Life Stations are full-service automobile service stations affiliated with Itochu Enex.

Note 3 ENEX ACT Program: Under this program, we work closely with Car-Life Station operators to raise their competitiveness by analyzing their station operations and competitive climate, conducting group training, and engaging in other activities.

Total Home-Life Division

The Total Home-Life Division earned operating income of 666 million yen (down 27.3% year on year) on net sales of 27,211 million yen (up 4.9% year on year).

While sales volume of LP gas slightly increased from a year earlier, profits decreased year on year due to fluctuations of the import price of LP gas.

Under such conditions, we established ing Energy Corporation to jointly manage LP gas sales business of ing Corporation with Itochu Enex Home-Life Kanto Co., Ltd., a Group company, in Kanto area. We will expand the size of business and make management more efficient by creating synergy effects in the area, in order to boost revenues.

As for the new energy business, the Total-Life Division and Home-Life Division were integrated in the fiscal year ending March 31, 2014, with the aim of expanding sales of new energy equipment. Using synergy in sales arising from efficient activities of the both Divisions, we proactively sought new sales channels, such as home builders and real estate agents, in addition to petroleum and LP gas distributors. As an information station in which visitors can participate, and can experience eco-friendly comfortable energy-saving life as well as the latest facilities and devices, "E-koto Shop Iwakuni" opened, which is the fifth E-koto Shop in Japan.

The campaign which has been developed nationwide with the aim of diffusion of high-performance and high-efficiency gas equipment over the past decade was restarted from June 2013, changing its name to "Smart Life" campaign from "Yappari Gas da-ne!" ("It just has to be gas!") campaign in the fiscal year ending March 31, 2014. In addition to promoting the spread of energy-saving and high-performance burning appliances, we will further enhance activities to diffuse solar power generation systems and EneFarm household fuel cell systems, and offer customers Smart Life to realize abundant and comfortable lifestyle, as a company which proposes an optimal mix of energy.

Power & Utility Division

The Power & Utility Division earned operating income of 865 million yen (up 706.1% year on year) on net sales of 8,297 million yen (up 99.3% year on year).

In the electricity and steam supply business, the amount of electricity sold increased from a year earlier, with contributions from the power generation facilities reinforced in the previous fiscal year and JEN Konbumori Wind Farm Co., Ltd. of which we acquired shares in the previous fiscal year. Profits also grew year on year thanks to prices remaining high in the wholesale power market and profits from the wind generation business using a system for purchasing renewable energy at fixed price.

In the heat supply business[4], profits went well, as a result of higher demand for heat for air conditioning due to higher temperature than usual in the east Japan areas even with the increased costs due to soaring material cost.

In the LNG sales business, we ensured sales volume at the same level as the same period of the previous fiscal year with a gradual recovery of operating rate of manufacturing plants.

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

Financial Condition

Total assets amounted to 299,180 million yen at June 30, 2013, a decrease of 24,566 million yen from March 31, 2013. This primarily reflected a decrease in trade notes and accounts receivable. Liabilities amounted to 192,138 million yen, a decrease of 25,078 million yen from March 31, 2013. This primarily reflected a decrease in trade notes and accounts payable. Net assets totaled 107,041 million yen, an increase of 511 million yen from March 31, 2013, due to factors including increases in retained earnings and minority interests.

Consolidated Earnings Forecasts

Although operating performance could be affected by various factors, including crude oil prices, market conditions, changes in the weather, and the Japanese government's energy policy, we have not revised our full-year consolidated earnings forecasts announced on May 2, 2013.

Financial Statements—Consolidated

(1) Consolidated Balance Sheets

Millions of yen

	March 31, 2013	June 30, 2013
	Amount	Amount
Assets		
Current assets		
Cash and cash equivalents	17,880	14,718
Trade notes and accounts receivable	139,140	112,655
Merchandise and finished products	17,044	21,533
Deferred tax assets	1,963	1,627
Other	17,267	18,146
Allowance for doubtful accounts	(218)	(259)
Total current assets	193,077	168,421
Fixed assets		
Property, plant and equipment		
Buildings and structures	57,725	58,196
Accumulated depreciation	(33,203)	(33,556)
Buildings and structures, net	24,521	24,640
Machinery, equipment and vehicles	53,022	53,478
Accumulated depreciation	(28,209)	(29,125)
Machinery, equipment and vehicles, net	24,812	24,353
Vessel	488	1,158
Accumulated depreciation	(11)	(32)
Vessel, net	477	1,126
Land	34,753	35,074
Leased assets	5,435	5,718
Accumulated depreciation	(3,026)	(3,277)
Leased assets, net	2,408	2,440
Construction in progress	588	411
Other	6,206	6,407
Accumulated depreciation	(4,399)	(4,479)
Other, net	1,806	1,928
Net, property, plant and equipment	89,368	89,974
Intangible assets		
Goodwill	3,209	3,000
Other	8,164	8,659
Total intangible assets	11,373	11,660
Investments and other assets		
Investment securities	15,269	14,193
Long-term loans	964	991
Deferred tax assets	2,816	3,199
Other assets	11,380	11,360
Allowance for doubtful accounts	(503)	(620)
Total investments and other assets	29,926	29,124
Total fixed assets	130,669	130,759
Total assets	323,747	299,180

Millions of yen

	March 31, 2013 Amount	June 30, 2013 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	119,006	101,103
Short-term borrowings	9,594	9,415
Corporate bonds due within one year	5,000	5,000
Lease obligations	1,132	1,086
Income taxes payable	3,932	888
Accrued bonuses for employees	3,115	2,549
Accrued bonuses for directors and corporate auditors	404	182
Other current liabilities	20,047	16,348
Total current liabilities	162,233	136,575
Long-term liabilities		
Corporate bonds	20,000	20,000
Long-term debt	6,246	6,230
Lease obligations	2,141	2,189
Deferred tax liabilities	1,809	2,093
Deferred tax liabilities on land revaluation	2,438	2,430
Liabilities for retirement benefits	6,404	6,606
Asset retirement obligations	2,688	2,708
Other long-term liabilities	13,253	13,303
Total long-term liabilities	54,983	55,563
Total liabilities	217,216	192,138
Net assets		
Shareholders' equity		
Common stock	19,877	19,877
Capital surplus	18,736	18,736
Retained earnings	69,106	69,256
Treasury stock	(1,749)	(1,749)
Total shareholders' equity	105,970	106,120
Accumulated other comprehensive income (loss)		
Unrealized gains (losses) on available-for-sale securities	(104)	(264)
Deferred hedge gains (losses)	(5)	11
Revaluation reserve for land	(7,778)	(7,792)
Foreign currency translation adjustments	71	90
Total accumulated other comprehensive income (loss)	(7,815)	(7,954)
Minority interests	8,375	8,875
Total net assets	106,530	107,041
Total liabilities and net assets	323,747	299,180

(2) Consolidated Statements of Income

Millions of yen

	Three months ended June 30, 2012	Three months ended June 30, 2013
	Amount	Amount
Net sales	333,086	330,939
Cost of sales	317,594	314,743
Gross profit	15,491	16,196
Selling, general and administrative expenses	13,847	14,213
Operating income	1,644	1,982
Other income		
Interest income	12	2
Dividend income	216	216
Purchase discounts	87	73
Gain on foreign currency translation	13	–
Equity in income of unconsolidated subsidiaries and associates	94	–
Other	226	235
Total other income	650	527
Other expense		
Interest expense	125	131
Sales discounts	56	60
Bond issuance cost	84	–
Loss on foreign currency translation	–	8
Equity in loss of unconsolidated subsidiaries and associates	–	7
Other	65	47
Total other expense	331	256
Ordinary income	1,963	2,254
Extraordinary gains		
Gain on sales of fixed assets	12	35
Gain on sales of investment securities	–	174
Other	–	2
Total extraordinary gains	12	212
Extraordinary losses		
Loss on sales and disposal of fixed assets	149	91
Loss on devaluation of investment securities	–	1
Loss on impairment of long-lived assets	14	17
Total extraordinary losses	164	110
Income before income taxes and minority interests	1,811	2,356
Income taxes		
Current	715	875
Deferred	117	245
Total income taxes	832	1,120
Income before minority interests	979	1,235
Minority interests	151	195
Net income	827	1,039

Consolidated Statements of Comprehensive Income

Millions of yen

	Three months ended June 30, 2012	Three months ended June 30, 2013
	Amount	Amount
Income before minority interests	979	1,235
Other comprehensive income (loss)		
Unrealized gains (losses) on available-for-sale securities	(323)	(161)
Foreign currency translation adjustments	–	(1)
Share of other comprehensive income (loss) of associates accounted for using equity method	(14)	37
Total other comprehensive income (loss)	(338)	(124)
Comprehensive income	640	1,110
Components:		
Comprehensive income attributable to owners of the parent	489	915
Comprehensive income attributable to minority interests	151	195

(3) Notes to Consolidated Financial Statements

Notes on the Going-Concern Assumption

Not applicable

Notes on Significant Changes in Shareholders' Equity

Not applicable

Segment Information

Three months ended June 30, 2012 (April 1, 2012 to June 30, 2012)

1. Net sales, income/loss by reportable segment

Millions of yen

	Reportable segment					Other *1	Total	Adjustments *2	Amounts on the consolidated statements of income *3
	Energy Trade	Car-Life	Total Home-Life	Power & Utility	Total				
Sales									
Sales to customers	175,843	126,869	25,951	4,163	332,827	259	333,086	–	333,086
Intersegment sales or transfers	6,111	1,022	17	–	7,152	491	7,643	(7,643)	–
Total	181,955	127,892	25,968	4,163	339,979	750	340,729	(7,643)	333,086
Segment income	67	451	917	107	1,542	9	1,552	92	1,644

Notes:
1. "Other" comprises businesses, such as investment business and back-office outsourcing services that are not included in reportable segments.
2. The 92 million yen adjustment for segment income is 92 million yen of unallocated corporate income. The main component of the unallocated corporate income is income and loss that are not attributable to reportable segments.
3. Segment income adjustments are based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

2. Impairment loss on fixed assets or goodwill by reportable segment

Material impairment loss on fixed assets

In response to a decline in market prices, the Company reduced the book value of idle assets in its Car-Life segment to their net realizable value. An impairment loss of 10 million yen was consequently booked for the three months ended June 30, 2012.

In response to a decline in market prices, the Company reduced the book value of idle assets in its Total Home-Life segment to their net realizable value. An impairment loss of 3 million yen was consequently booked for the three months ended June 30, 2012.

Three months ended June 30, 2013 (April 1, 2013 to June 30, 2013)

1. Net sales, income/loss by reportable segment

Millions of yen

	Reportable segment					Other *1	Total	Adjustments *2	Amounts on the consolidated statements of income *3
	Energy Trade	Car-Life	Total Home-Life	Power & Utility	Total				
Sales									
Sales to customers	160,232	134,987	27,211	8,297	330,729	210	330,939	–	330,939
Intersegment sales or transfers	6,791	2,438	92	–	9,322	420	9,742	(9,742)	–
Total	167,023	137,426	27,303	8,297	340,051	630	340,682	(9,742)	330,939
Segment income	284	105	666	865	1,921	13	1,935	47	1,982

Notes:
1. "Other" comprises businesses, such as investment business and back-office outsourcing services that are not included in reportable segments.
2. The 47 million yen adjustment for segment income is 47 million yen of unallocated corporate income. The main component of the unallocated corporate income is income and loss that are not attributable to reportable segments.
3. Segment income adjustments are based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

2. Impairment loss on fixed assets or goodwill by reportable segment

Material impairment loss on fixed assets

In response to a decline in market prices, the Company reduced the book value of idle assets in its Car-Life segment to their net realizable value. An impairment loss of 13 million yen was consequently booked for the three months ended June 30, 2013.

In response to a decline in market prices, the Company reduced the book value of idle assets in its Total Home-Life segment to their net realizable value. An impairment loss of 3 million yen was consequently booked for the three months ended June 30, 2013.

3. Changes in reportable segments and related information

As the Company is organized into business divisions, our reportable segments correspond to the business divisions.

In the first quarter ended June 30, 2013, positioning the power and utility business and the overseas business as priority fields while expanding and enhancing the existing core petroleum and gas-related business, we implemented the Company-wide organizational reform, in order to improve speed, flexibility, and governance in each field.

According to the reform, we integrated the Industrial Material Division and the Global Trade Division into the Energy Trade Division, as well as the Home-Life Division and the Total-Life Division into the Total Home-Life Division. We also established the new Power & Utility Division. The electricity and steam supply business and the heat supply business which had been previously conducted by the Industrial Material Division were incorporated into this segment.

The segment information for the three month ended June 30, 2012 was stated, classified into the segments used in the three months ended June 30, 2013.

Material subsequent events

Major capital investment

We resolved the enhancement of coal fired power generation facility at the meeting of the Board of Directors held on July 18, 2013.

1) Objective of capital investment

We will construct a coal fired power generation facility with 36,000kW on the premises of Hofu Energy Service Co., Ltd. affiliated with JEN Holdings Co., Ltd., a core company of the power generation business, aiming to increase our power generation ability using the existing infrastructure.

2) Details of capital investment

Location:	Hofu City, Yamaguchi Prefecture
Details of facility:	Coal fired power generation facility
Total amount to be invested:	Approx. 8.0 billion yen
Financing plan:	Using Project Finance

3) Time to introduce facility

Scheduled to be completed: March 2015