

This document is an English translation of quarterly financial results report released on November 4, 2015 and written initially in Japanese.
The Japanese original should be considered as the primary version.



November 4, 2015

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2016 <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: November 10, 2015
 Scheduled date to commence dividend payments: December 7, 2015
 Preparation of supplementary results briefing material on quarterly financial results: Yes
 Holding of quarterly 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 first six months of the fiscal year ending March 31, 2016 (from April 1, 2015 to September 30, 2015)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Total trading transactions		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	%
Six months ended												
September 30, 2015	564,118	(19.0)	7,384	23.6	6,570	15.0	3,888	13.5	3,209	14.3	3,699	1.4
September 30, 2014	696,637	0.8	5,972	24.9	5,714	(13.6)	3,425	(8.9)	2,807	(12.8)	3,647	(8.7)

	Basic earnings per share attributable to Itochu Enex's shareholders	Diluted earnings per share attributable to Itochu Enex's shareholders
Six months ended	Yen	Yen
September 30, 2015	28.40	—
September 30, 2014	24.84	—

Note: "Total trading transactions" are presented in accordance with the Japanese accounting practices and represent the total amounts of transactions that the Company and its subsidiaries conducted as a party in contracts and for which they acted as an agent.

(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	%
September 30, 2015	313,654	115,289	99,205	31.6
March 31, 2015	329,059	112,947	97,432	29.6

2. Cash dividends

	Annual cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2015	–	11.00	–	11.00	22.00
Fiscal year ending March 31, 2016	–	12.00			
Fiscal year ending March 31, 2016 (Forecast)			–	12.00	24.00

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

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2016
(from April 1, 2015 to March 31, 2016)**

(Percentages indicate year-on-year changes.)

	Total trading transactions		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, 2016	1,350,000	(1.7)	16,800	28.2	15,200	25.1	8,200	49.0	72.57

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 September 30, 2015	116,881,106 shares
As of March 31, 2015	116,881,106 shares

b. Number of treasury stock at end of period

As of September 30, 2015	3,891,675 shares
As of March 31, 2015	3,891,149 shares

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

For the six months ended September 30, 2015	112,989,742 shares
For the six months ended September 30, 2014	112,990,865 shares

*** Indication regarding execution of quarterly review procedures**

This quarterly financial results report is out of the scope of the quarterly review procedures that are required by the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the quarterly review procedures for the condensed quarterly financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

*** Proper use of earnings forecasts, and other special notes**

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 Six Months, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements” on page 5 of the attached materials for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Contents of Attached Materials

1. Qualitative Information Regarding Results for the First Six Months	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	5
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements	5
2. Matters Regarding Summary Information (Notes)	6
(1) Changes in Significant Subsidiaries During the Period	6
(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements	6
3. Condensed Quarterly Consolidated Financial Statements	7
(1) Condensed Quarterly Consolidated Statement of Financial Position	7
(2) Condensed Quarterly Consolidated Statement of Comprehensive Income	9
(3) Condensed Quarterly Consolidated Statement of Changes in Equity	11
(4) Condensed Quarterly Consolidated Statement of Cash Flows	12
(5) Notes on Uncertainties of Entity’s Ability to Continue as Going Concern	13
(6) Segment Information	13

1. Qualitative Information Regarding Results for the First Six Months

(1) Explanation of Operating Results

1) Results of operations

During the six months ended September 30, 2015, the Japanese economy has continued its moderate recovery trend thanks to improvement of employment and income underpinned by the effects of the government economic policies and ongoing monetary easing by the Bank of Japan. Meanwhile, future world economic prospects are still uncertain due to the impact of the movement toward monetary policy normalization in the U.S. and the slowdown of the Chinese economy, etc.

In the petroleum products distribution industry, the price of crude oil declined sharply in the previous fiscal year and although it did rebound to a rising trend, the unstable situation still continues. Domestic demand for petroleum products is still on a declining trend, however, the sales volume of gasoline was above that of the corresponding period of a year earlier as a reaction from the reluctance of consumers to make purchases because of a consumption tax increase in the previous fiscal year and the impact of the decline in fuel oil prices.

With regard to the power market, due to the impacts of falling costs of raw materials such as LNG resulting from the decline in crude oil prices and the restarting of a nuclear power plant, the spot average price was below that of the corresponding period of a year earlier.

In this operating environment, the Itochu Enex Group formulated its two-year medium-term business plan “Moving 2016 —Sowing seeds for tomorrow—” starting this year and has been advancing its business based on following three basic policies:

- <i> Improvement of profitability
- <ii> Sowing seeds for long-term growth strategy
- <iii> Reinforcement of organizational strength and fundamental strength

As a part of its efforts in advancing these measures, we integrated the container pressure resistance inspection business for LP gas and gas for industrial use in April and started up as J-Cylinder Services Co., Ltd. By enhancing functions and increasing efficiency, we plan to carry out container pressure resistance inspections on 350,000 units a year, aiming at achieving the No. 1 share in the Kanto region.

Furthermore, in April, Oji-Itochu Enex power retailing Co., Ltd., which was established by the Company and Oji Green Resources Co., Ltd., a subsidiary of Oji Holdings Corporation, started operation. Looking ahead to the full liberalization of the electricity retail market in 2016, through facilitation of internal system of Itochu Enex Group, as well as through alliances with companies that have strengths in individual fields, the Company will aim to be a first-rank Japanese PPS (Power Producer and Supplier) and will contribute to electricity supply in Japan.

As a result of the above activities, during the six months ended September 30, 2015, revenue decreased by 21.8% year on year to ¥374,235 million, due to the impact of the decline in crude oil prices. Meanwhile, gross profit was ¥42,994 million (up 10.2% year on year), profit from operating activities was ¥7,384 million (up 23.6% year on year), profit before tax was ¥6,570 million (up 15.0% year on year), and net profit attributable to Itochu Enex’s shareholders was ¥3,209 million (up 14.3% year on year).

2) Results of operations by segment

Home-Life Division

In the Home-Life Division, the sales volume of LP gas remained at almost the same level as that of the corresponding period of the previous fiscal year because the number of new customer residences increased despite a decrease in consumption volume due to the nationwide increases in temperature at the beginning of the fiscal year. Profit decreased from the corresponding period of the previous fiscal year, due to compression of profit margins because of relatively expensive inventories held at the beginning of the fiscal year and other reasons, despite a certain level of profit was ensured through the gas rate adjustment system.

As for appliance sales, in June we started the “Smart Life” campaign targeting the Group companies,

aiming to expand sales and create new demand for LP gas, and the “All Japan Appliance Sales Dream Matching Campaign” targeting the operators nationwide. Through these campaigns, we continue to aggressively promote sales of high-performance gas combustion equipment, photovoltaic power generation systems, ENEFARM residential fuel cells, and ENE-POWABO S, a residential lithium-ion electricity storage system.

In addition, we are currently making the necessary preparations for the full liberalization of the electricity retail market in 2016 in cooperation with the Power & Utility Division, which has its own power sources. We will build a sales structure with Group companies and operators to start electricity retail sales using the LP gas sales network.

As a part of our social contribution activities, we have implemented “the Itadakimasu Support Manifesto for Kids” and “the Honoo no Chikara Support Manifesto for Kids” at kindergartens and nursery schools all across Japan on the themes of “education on diet” and “education on fire” for children, teaching them the importance of dining and respect for fire.

In addition, as mentioned above, J-Cylinder Services Co., Ltd. has started its operation. With enhanced facilities, the company pursues efficiency and ensures improved safety, to contribute to the improvement of profits of the overall Group.

As a result of these activities, revenue was ¥42,047 million (down 14.2% year on year), profit from operating activities was ¥895 million (down 3.2% year on year), and net loss attributable to Itochu Enex’s shareholders was ¥293 million (compared with net profit attributable to Itochu Enex’s shareholders of ¥324 million in the corresponding period of the previous fiscal year).

Car-Life Division

In the Car-Life Division, while our industry experienced a harsh environment, partly because of a decline in demand as a result of the penetration of fuel-efficient vehicles, sales volume was above that of the previous fiscal year due primarily to a reaction from the reluctance of consumers to make purchases because of a consumption tax increase in the previous fiscal year, lower retail prices resulting from the sharp decline in crude oil prices, and good weather in the summer tourist season. Profit was also significantly above that of the corresponding period of a year earlier owing to the sales volume increase, cost reductions, and the performance of Nissan Osaka Sales Co., Ltd., which became a subsidiary in May 2014.

In the retail strategy, we are making the necessary preparations to introduce the “Rakuten Super Points” system, which is a common point service of Rakuten, Inc. Following its introduction, we will promote customer transfers between member stores to expand the number of customers of the Group as a whole.

In addition, with the aim to strengthen the competitiveness of Car-Life Stations^{*1} of the Company, we operate the “ENEX ACT Program^{*2}” which has been developed to improve their profitability by sharing examples of successes and promoting individual store operation support.

In the automobile-related business, we organized a campaign for referring customers using the CS network of Nissan Osaka Sales Co., Ltd. and the Company to create synergies.

The number of Car-Life Stations of the Itochu Enex Group as of September 30, 2015 was 2,021; a net decrease of 18 stations from the end of the previous fiscal year. We lost 33 stations through disaffiliation of unprofitable and decrepit stations, etc. while adding 15 newly-affiliated stations.

As a result of these activities, revenue was ¥254,491 million (down 15.2% year on year), profit from operating activities was ¥1,434 million (up 96.0% year on year), and net profit attributable to Itochu Enex’s shareholders was ¥561 million (up 1,107.3% year on year).

*1 Car-Life Stations: Car-Life Stations are service stations providing multiple services provided by the Company.

*2 ENEX ACT Program: a consulting service provided by the Company oriented to Car-Life Station operators. With the concept of “Car-Life Station Management through community-oriented,” we vigorously support Car-Life Station Management by operators through analyzing station management or conducting group training, etc.

Power & Utility Division

In the Power & Utility Division, regarding the power generation area in the electricity and steam supply business*³, we worked at enhancing Itochu Enex's own power sources through new construction or addition of the wind power generation facilities in Tainai City, Niigata Prefecture, in October 2014, and the coal thermal power generation facility in Hofu City, Yamaguchi Prefecture, in March 2015.

Regarding the electricity sales area, Oji-Itochu Enex power retailing Co., Ltd., which was established by the Company and Oji Green Resources Co., Ltd., a subsidiary of Oji Holdings Corporation, was added to the power retailing system performed by the Company, and sales volume of electricity was above that of the corresponding period of the previous fiscal year. As a result, profit in the electricity and steam supply business was above that of the corresponding period of the previous fiscal year.

In the heat supply business*⁴, demand for indoor cooling increased from the corresponding period of the previous fiscal year due to favorable temperatures during the first quarter ended June 30, 2015. However, demand was below that of the corresponding period of the previous fiscal year for the second quarter ended September 30, 2015. As a result, sales volume was at the same level as that of the corresponding period of the previous fiscal year. In addition, profit was above that of the corresponding period of the previous fiscal year, due to efforts to decrease the costs of fuel and other raw materials.

In this Division, we strengthened the vertically integrated business structure for development, production, supply, and sales of electricity, and prepared for the full liberalization of the electricity retail market in 2016.

As a result of these activities, revenue was ¥20,699 million (up 18.5% year on year), meanwhile profit from operating activities was ¥2,642 million (up 3.4% year on year), as a result of reaction from transient profits, which were recognized in the corresponding period of the previous fiscal year, and net profit attributable to Itochu Enex's shareholders was ¥1,346 million (up 4.0% year on year).

*3 Electricity and steam supply business: Electricity and steam supply business supplies electricity and steam generated at time of power generation.

*4 Heat supply business: 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.

Energy Trade Division

In the Energy Trade Division, the harsh environment continued because of the decline of crude oil prices and a structural decline in the demand for domestic petroleum products. Nonetheless, both sales volume and profits from gasoline, kerosene, and diesel oil were above those of the corresponding period of the previous fiscal year because of efforts to strengthen the distribution system and optimize assets, which are priority measures in each business.

Specifically, our activities to strengthen the distribution system and optimize assets include developing 19 supply bases nationwide and delivery network in the AdBlue*⁵ sales business, installing product bases in three areas and two vessels for domestic operation in the petroleum product trading business, as well as installing 11 asphalt terminals nationwide and three company-owned vessels to carry asphalt in the asphalt sales business. Through these activities, we have established a stable supply system.

In addition, as a new project, we have promoted new businesses, one of which specializes in the reuse of fly ash discharged from the Itochu Enex Group's coal thermal power plants, and the other of which handles reclaimed oil through networks inside and outside Japan. We also offer proposals for combining various energies such as electricity and LNG in sales of industrial fuels and materials, which are existing businesses of this Division.

Furthermore, we are aggressively working on new overseas projects, such as investing in a biodiesel plant in Nebraska, U.S., which is expected to begin operation by the end of this fiscal year.

We will continue to flexibly adapt our businesses to a changing environment and respond to diversifying customer needs, while ensuring further optimization and greater sophistication of our distribution functions.

As a result of these activities, revenue was ¥56,998 million (down 49.1% year on year), profit from operating activities was ¥1,862 million (up 56.0% year on year), and net profit attributable to Itochu

Enex's shareholders was ¥1,238 million (up 60.9% year on year).

*5 AdBlue is a high-grade urea solution used in SCR systems, which detoxifies the nitrogen compound (NOx) contained in exhaust gases of diesel vehicles.

(2) Explanation of Financial Position

Assets, liabilities and equity

Total assets amounted to ¥313,654 million as of September 30, 2015, a decrease of ¥15,404 million from March 31, 2015, mainly due to a decrease of trade notes and accounts receivable. Total liabilities amounted to ¥198,365 million, a decrease of ¥17,747 million from March 31, 2015, mainly due to a decrease of trade notes and accounts payable. Total equity totaled ¥115,289 million, an increase of ¥2,343 million from March 31, 2015, due to an increase of retained earnings, and the like.

Cash flows

Cash and cash equivalents (net cash) totaled ¥12,754 million on September 30, 2015, a decrease of ¥3,430 million from March 31, 2015.

Cash flows from operating activities

Operating activities earned net cash of ¥5,480 million. This was derived mainly from factors including profit before tax of ¥6,570 million and depreciation and amortization of ¥6,101 million, as well as expenses as funds required for trading of ¥2,892 million and payments for income taxes of ¥2,264 million.

Cash flows from investing activities

Investing activities used net cash of ¥9,636 million. Major items were purchase of investments of ¥2,841 million, payments for purchase of property, plant and equipment and investment property of ¥6,189 million and acquisition of subsidiaries of ¥1,090 million for acquisition of subsidiaries.

Cash flows from financing activities

Financing activities earned net cash of ¥721 million. The main items were proceeds from an increase in interest-bearing-debt of ¥7,165 million, redemption of bonds of ¥5,090 million and expenses as payment of cash dividends of ¥1,353 million.

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

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 April 30, 2015.

2. Matters Regarding Summary Information (Notes)

(1) Changes in Significant Subsidiaries During the Period

No items to report.

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements

Accounting policies that Itochu Enex Group has applied in the condensed quarterly consolidated financial statements are the same policies that were applied in the consolidated financial statements for the previous fiscal year.

3. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
ASSETS		
Current assets		
Cash and cash equivalents	16,184	12,754
Trade receivables	98,449	85,580
Other current financial assets	11,431	14,472
Inventories	27,794	24,578
Trade advances paid	2,332	4,885
Other current assets	1,518	2,856
Total current assets	157,708	145,125
Non-current assets		
Investments accounted for by the equity method	10,551	9,732
Other investments	8,924	8,772
Non-current financial assets other than investments	9,987	10,121
Property, plant and equipment	88,836	87,531
Investment property	14,369	14,061
Goodwill	108	629
Intangible assets	23,474	24,097
Deferred tax assets	13,448	12,226
Other non-current assets	1,653	1,360
Total non-current assets	171,351	168,529
Total assets	329,059	313,654

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
LIABILITIES AND EQUITY		
Current liabilities		
Short-term bonds and borrowings	14,208	12,082
Trade payables	104,564	86,789
Other current financial liabilities	9,784	6,311
Income taxes payable	2,489	2,402
Advances from customers	7,078	7,925
Other current liabilities	11,320	9,964
Total current liabilities	149,443	125,473
Non-current liabilities		
Non-current bonds and borrowings	26,746	32,550
Other non-current financial liabilities	22,283	23,052
Non-current liabilities for employee benefits	9,350	9,449
Deferred tax liabilities	2,747	2,360
Provisions	4,961	4,930
Other non-current liabilities	582	551
Total non-current liabilities	66,669	72,892
Total liabilities	216,112	198,365
Equity		
Common stock	19,878	19,878
Capital surplus	18,743	18,740
Retained earnings	62,223	64,101
Other components of equity	(1,661)	(1,762)
Treasury stock	(1,751)	(1,752)
Total shareholders' equity	97,432	99,205
Non-controlling interests	15,515	16,084
Total equity	112,947	115,289
Total liabilities and equity	329,059	313,654

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Revenue	478,762	374,235
Cost of sales	(439,763)	(331,241)
Gross profit	38,999	42,994
Other expense		
Selling, general and administrative expenses	(33,133)	(35,887)
Loss from tangible assets, intangible assets and goodwill	(308)	(124)
Other – net	414	401
Total other expense	(33,027)	(35,610)
Profit from operating activities	5,972	7,384
Financial income (loss)		
Interest income	27	29
Dividends received	211	217
Interest expense	(419)	(466)
Other financial income and costs – net	9	(4)
Total financial income	(172)	(224)
Share of loss of investments accounted for by the equity method	(79)	(590)
Profit from sales of investments in subsidiaries and associates	(7)	–
Profit before tax	5,714	6,570
Income tax expense	(2,289)	(2,682)
Net profit	3,425	3,888
Net profit attributable to Itochu Enex's shareholders	2,807	3,209
Net profit attributable to non-controlling interests	618	679

(Millions of yen)		
	Six months ended September 30, 2014	Six months ended September 30, 2015
Other comprehensive income (net of tax effect)		
Items that will not be transferred to profit or loss		
FVTOCI financial assets	452	(99)
Other comprehensive income in associates accounted for by the equity method	0	(0)
Items that may be transferred to profit or loss		
Exchange differences on translating foreign operations	(15)	11
Cash flow hedges	(246)	183
Other comprehensive income in associates accounted for by the equity method	31	(284)
Total other comprehensive income (net of tax effect)	222	(189)
Comprehensive income	3,647	3,699
Comprehensive income attributable to Itochu Enex's shareholders	3,029	3,020
Comprehensive income attributable to non-controlling interests	618	679

(Yen)		
Earnings per share attributable to Itochu Enex's shareholders		
Basic	24.84	28.40
Diluted	-	-

(Millions of yen)		
Total trading transactions	696,637	564,118

(Note) Total trading transactions are presented in accordance with the Japanese accounting practices and represent the total amounts of transactions that the Company and its subsidiaries conducted as a party in contracts and for which they acted as an agent. 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

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Equity		
Common stock		
Balance at the beginning of the period	19,878	19,878
Balance at the end of the period	19,878	19,878
Capital surplus		
Balance at the beginning of the period	18,737	18,743
Acquisition of subsidiary shares from non-controlling interests	–	(3)
Balance at the end of the period	18,737	18,740
Retained earnings		
Balance at the beginning of the period	59,377	62,223
Net profit attributable to Itochu Enex's shareholders	2,807	3,209
Transfer from other components of equity	0	(88)
Cash dividends	(1,356)	(1,243)
Balance at the end of the period	60,828	64,101
Other components of equity		
Balance at the beginning of the period	(2,098)	(1,661)
Other comprehensive income attributable to Itochu Enex's shareholders	222	(189)
Transfer to retained earnings	(0)	88
Balance at the end of the period	(1,876)	(1,762)
Treasury stock		
Balance at the beginning of the period	(1,750)	(1,751)
Purchase and disposal of treasury stock	(1)	(1)
Balance at the end of the period	(1,751)	(1,752)
Total shareholders' equity	95,816	99,205
Non-controlling interests		
Balance at the beginning of the period	9,419	15,515
Net profit attributable to non-controlling interests	618	679
Other comprehensive income attributable to non-controlling interests	(0)	(0)
Cash dividends to non-controlling interests	(215)	(110)
Changes due to additional acquisition and sale of interests in subsidiaries	5,550	–
Balance at the end of the period	15,372	16,084
Total equity	111,188	115,289

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Profit before tax	5,714	6,570
Depreciation and amortization	5,072	6,101
Loss from tangible assets, intangible assets and goodwill	308	124
Financial income	172	224
Share of loss of investments accounted for by the equity method	79	590
Loss from sales of investments in subsidiaries and associates	7	–
Decrease in trade receivables	26,266	11,744
Decrease in inventories	2,674	3,228
Net decrease in trade payables	(17,499)	(17,864)
Other – net	292	(2,942)
Interest and dividends received	464	374
Interest expense	(384)	(405)
Income taxes paid	(4,927)	(2,264)
Net cash flows provided by operating activities	18,238	5,480
Cash flows from investing activities		
Purchase of investments accounted for by the equity method	(83)	(4)
Proceeds from sales of investments accounted for by the equity method	2	12
Purchase of investments	(1)	(2,841)
Proceeds from sales of investments	914	51
Acquisition of subsidiaries, net of cash acquired	(2,202)	(1,090)
Payment for loans receivable	(836)	(124)
Collection of loans receivable	1,050	157
Payments for purchase of property, plant and equipment and investment property	(6,854)	(6,189)
Proceeds from sales of property, plant and equipment and investment property	424	707
Purchase of intangible assets	(1,305)	(338)
Proceeds from sales of intangible assets	54	2
Other – net	61	21
Net cash flows used in investing activities	(8,776)	(9,636)
Cash flows from financing activities		
Proceeds from bonds and borrowings	2,440	7,715
Repayments of bonds and borrowings	(2,376)	(7,148)
Net increase (decrease) in short-term borrowings	(6,134)	1,508
Cash dividends	(1,356)	(1,243)
Cash dividends paid to non-controlling interests	(215)	(110)
Other – net	1	(1)
Net cash flows used in financing activities	(7,640)	721
Net increase (decrease) in cash and cash equivalents	1,822	(3,435)
Cash and cash equivalents at the beginning the period	14,251	16,184
Effect of exchange rate changes on cash and cash equivalents	17	5
Cash and cash equivalents at the end of the period	16,090	12,754

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

No items to report.

(6) Segment Information

For the six months ended September 30, 2014

(Millions of yen)

	Reportable segment				Total	Other	Total	Adjustment	Consolidated
	Home-Life	Car-Life	Power & Utility	Energy Trade					
Revenue									
Revenue from external customers	49,023	300,282	17,472	111,926	478,703	59	478,762	–	478,762
Intersegment revenue	438	717	–	334	1,489	119	1,608	(1,608)	–
Total revenue	49,461	300,999	17,472	112,260	480,192	178	480,370	(1,608)	478,762
Gross profit	11,775	20,073	3,518	3,568	38,934	65	38,999	–	38,999
Profit from operating activities	925	732	2,555	1,193	5,405	9	5,414	558	5,972
Profit before tax	930	516	2,522	1,171	5,139	8	5,147	567	5,714
Net profit attributable to Itochu Enex's shareholders	324	46	1,294	769	2,433	6	2,439	368	2,807
Other items									
Total assets	57,928	141,924	49,859	79,177	328,888	593	329,481	12,001	341,482
Total trading transactions	51,483	319,139	19,287	306,656	696,565	72	696,637	–	696,637

(Note) Intersegment transactions have been conducted at ordinary transaction prices.

The adjustment of ¥368 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥12,001 million to total assets represents corporate assets not allocated to reportable segments.

“Total trading transactions” is an item voluntarily disclosed by the Company and represents the amount of net sales in accordance with Japanese accounting practices.

For the six months ended September 30, 2015

(Millions of yen)

	Reportable segment				Total	Other	Total	Adjustment	Consolidated
	Home-Life	Car-Life	Power & Utility	Energy Trade					
Revenue									
Revenue from external customers	42,047	254,491	20,699	56,998	374,235	0	374,235	–	374,235
Intersegment revenue	136	2,098	157	399	2,790	–	2,790	(2,790)	–
Total revenue	42,183	256,589	20,856	57,397	377,025	0	377,025	(2,790)	374,235
Gross profit	11,951	22,769	4,049	4,225	42,994	0	42,994	–	42,994
Profit from operating activities	895	1,434	2,642	1,862	6,833	1	6,834	550	7,384
Profit before tax	337	1,198	2,596	1,863	5,994	1	5,995	575	6,570
Net profit attributable to Itochu Enex's shareholders	(293)	561	1,346	1,238	2,852	0	2,852	357	3,209
Other items									
Total assets	56,420	126,119	53,637	64,118	300,294	–	300,294	13,360	313,654
Total trading transactions	44,201	274,465	21,152	224,300	564,118	0	564,118	–	564,118

(Note) Intersegment transactions have been conducted at ordinary transaction prices.

The adjustment of ¥357 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥13,360 million to total assets represents corporate assets not allocated to reportable segments.

“Total trading transactions” is an item voluntarily disclosed by the Company and represents the amount of net sales in accordance with Japanese accounting practices.

As of the end of the previous fiscal year (March 31, 2015)

(Millions of yen)

	Reportable segment				Total	Other	Total	Adjustment	Consolidated
	Home-Life	Car-Life	Power & Utility	Energy Trade					
Total assets	61,069	131,256	55,720	66,839	314,884	2	314,886	14,173	329,059

(Note) The adjustment of ¥14,173 million to total assets represents corporate assets not allocated to reportable segments.