

This document is an English translation of quarterly financial results report released on January 31, 2017 and written initially in Japanese.
The Japanese original should be considered as the primary version.



January 31, 2017

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2017 <under IFRSs>

Company name: **Itochu Enex Co., Ltd.**
 Listing: Tokyo Stock Exchange, 1st Section
 Stock code: 8133
 URL: <http://www.itcenex.com/english/>
 Representative: Kenji Okada, Representative Director, President and CEO
 Contact: Keisuke Hioki, General Manager, Finance & General Accounting Department
 Tel: +81-3-6327-8010

Scheduled date to file quarterly securities report: February 10, 2017
 Scheduled date to commence dividend payments: —
 Preparation of supplementary results briefing material on quarterly financial results: None
 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, 2017 (from April 1, 2016 to December 31, 2016)

(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	%
Nine months ended												
December 31, 2016	730,108	(12.0)	13,621	18.2	13,062	21.3	8,565	27.3	6,912	19.3	8,692	33.8
December 31, 2015	829,925	(22.1)	11,520	19.5	10,773	22.5	6,726	25.9	5,791	24.2	6,498	15.9

	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, 2016	61.17	—
December 31, 2015	51.26	—

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	%
December 31, 2016	333,869	122,628	104,683	31.4
March 31, 2016	304,053	117,162	100,526	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, 2016	–	12.00	–	12.00	24.00
Fiscal year ending	–	13.50	–		
March 31, 2017					
Fiscal year ending				13.50	27.00
March 31, 2017 (Forecast)					

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

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2017
(from April 1, 2016 to March 31, 2017)**

(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, 2017	1,060,000	(1.1)	17,500	6.8	17,000	13.3	10,000	33.9	88.50

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, 2016	116,881,106 shares
As of March 31, 2016	116,881,106 shares

b. Number of treasury stock at end of period

As of December 31, 2016	3,892,298 shares
As of March 31, 2016	3,891,809 shares

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

For the nine months ended December 31, 2016	112,989,108 shares
For the nine months ended December 31, 2015	112,989,631 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 Nine 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 Nine Months	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	6
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements	7
2. Matters Regarding Summary Information (Notes)	8
(1) Changes in Significant Subsidiaries During the Period	8
(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements	8
3. Condensed Quarterly Consolidated Financial Statements	9
(1) Condensed Quarterly Consolidated Statement of Financial Position	9
(2) Condensed Quarterly Consolidated Statement of Comprehensive Income	11
(3) Condensed Quarterly Consolidated Statement of Changes in Equity	13
(4) Condensed Quarterly Consolidated Statement of Cash Flows.....	14
(5) Notes on Uncertainties of Entity’s Ability to Continue as Going Concern	16
(6) Segment Information.....	16

1. Qualitative Information Regarding Results for the First Nine Months

(1) Explanation of Operating Results

1) Results of operations

During the nine months ended December 31, 2016, the Japanese economy continued to recover at a moderate pace, supported by improvements in corporate earnings and the employment environment, etc. However, the outlook for the global economy remained uncertain due to factors such as slowing economies in China and other emerging countries, the UK's decision to leave the EU, and the changes in the U.S. government.

In the petroleum products distribution industry, the decline in demand continues and the outlook for crude oil prices remains uncertain.

In the power market, the spot average price stayed below the level in the corresponding period of the previous fiscal year, but electricity prices are likely to trend upward due to rising costs of raw materials such as crude oil, Liquefied Natural Gas (LNG) and coal.

In this operating environment, the Itochu Enex Group announced its two-year medium-term business plan “Moving 2016 —Sowing seeds for tomorrow—” in April 2015, 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

In light of the normalized decline in the demand for petroleum and the subsequent industrial reorganization, as well as a change in the management environment following the full liberalization of the electricity and gas retail market, the Company is accelerating its strategic initiatives geared to achieving sustainable growth.

For the full liberalization of the electricity retail market which began in April 2016, we named electricity supply services for households, which the Itochu Enex Group has been developing, “e-koto denki!^{*1}” and implemented retail sales through group companies that sell LP gas, etc. The Itochu Enex Group also started the wholesale of electricity and the provision of supply/demand adjustment services to businesses that are considering selling electricity to households. It aims to create a balancing group^{*2} and continues to expand its range of electricity retailing support services aimed at local governments and businesses from other sectors.

The Itochu Enex Group will offer new value proposals to society and customers by supplying oil, gas, electricity and other forms of energy and also combinations of products and services in related areas.

As a result of the above activities, revenue fell by 11.5% year on year to ¥491,905 million. Profit from operating activities was ¥13,621 million (up 18.2% year on year) and net profit attributable to Itochu Enex's shareholders was ¥6,912 million (up 19.3% year on year).

*1: Only ECORE Co., Ltd. uses the name "ECORE no e-denki" for its electricity supply services.

*2: In the balancing group, the representative of a group made up of multiple electricity retailing businesses adjusts the supply and demand within the entire group. This reduces the risk of being subject to in-balance penalty payments under the balancing system.

2) Results of operations by segment

<Power & Gas Business Group>

Home-Life Division

In the Home-Life Division, the sales volume of LP gas fell slightly from that of the corresponding period of the previous fiscal year, mainly due to declining demand for automotive gas. Profit from operating activities increased from the corresponding period of the previous fiscal year, mainly due to successful efforts to secure a certain level of profits through the gas rate adjustment system and an improvement in profitability at associates accounted for by the equity method owing to an increase in the import price of LP gas.

In response to the full liberalization of the electricity retail market started in April 2016, we developed electricity supply services for households through Group companies across Japan. As of December 2016, we had secured roughly 26,000 supply contracts. We will continue to implement our initiatives in order to reach our target of 30,000 contracts by the end of March 2017.

In overseas business, we took a stake in LP gas sales company Isla Petroleum & Gas Corporation through an investment in the Philippines in May 2016. We have dispatched more personnel who have hands-on experience to the company since January 2017 with the aim of utilizing our expertise in Japan to expand sales of LP gas in the Philippines.

In addition, PT. ITC ENEX INDONESIA, a producer and seller of industrial gas established in Indonesia in 2015, completed the construction of its head office building and filling station in the Karawang Industrial Estate in September 2016. The company will now strengthen its business base and work to expand sales of industrial gas, mainly targeting Japanese companies operating in Indonesia.

As a result of these activities, revenue was ¥57,378 million (down 12.2% year on year), profit from operating activities was ¥1,532 million (up 12.1% year on year), and net profit attributable to Itochu Enex's shareholders was ¥418 million (up 202.0% year on year).

Power & Utility Division

In the Power & Utility Division, electricity sales volume and profits increased significantly from the corresponding period of the previous fiscal year. This reflected growth in electricity demand from households following the full liberalization of the electricity retail market in April 2016 and efforts to promote sales of electricity to business users.

In the power generation field, power generated by wind power increased from the corresponding period of the previous fiscal year. In addition, in thermal power generation, we carefully adjusted night-time power generation levels based on price trends in the spot market. As a result, total power generation decreased from the corresponding period of the previous fiscal year.

In the heat supply business^{*3}, demand for heat increased year on year due to average temperatures in the Kanto region that were higher than those of the previous fiscal year during summer and lower than those of the previous fiscal year from autumn to winter. Although total trading transactions fell from the corresponding period of the previous fiscal year, profits in this business increased year on year mainly due to a drop in the electric power costs.

In the electricity retailing field, the Power & Utility Division is taking a number of steps. In existing areas of the market that have already been liberalized (high-voltage: for business users), the division is reinforcing sales in each area while taking into account regional characteristics. Also, with respect to electricity sales in areas liberalized (low-voltage: households and other areas), the Power & Utility Division enhances cooperation with other divisions in the Company. In addition, in order to expand sales channels into other industries, we established Itochu Enex Life Service Co., Ltd. to support the lifestyle-related business. In January 2017, Itochu Enex Life Service Co., Ltd. teamed up with Nissan Osaka Sales Co., Ltd., a Group company, to commence the Collaborative Business between Cars and Electricity, continuing to provide new value proposals through electricity.

As a result of these activities, revenue was ¥43,739 million (up 43.5% year on year), profit from operating activities was ¥5,070 million (up 35.5% year on year), and net profit attributable to Itochu Enex's shareholders was ¥2,566 million (up 35.7% year on year).

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

<Distribution & Energy Innovation Business Group>

Car-Life Division

In the Car-Life Division, sales volume declined from the corresponding period of the previous fiscal year, reflecting a continued drop in demand for fuel oil in the domestic market. Profit from operating activities, however, increased from the corresponding period of the previous fiscal year due to

contribution of Nissan Osaka Sales Co., Ltd., and the like.

As part of our retail strategy, we pushed ahead with the introduction of our new POS system at Car-Life Stations^{*4} from the first half of this fiscal year and used the Rakuten Super Points system to exchange customers with affiliated stores in other sectors. Also, in line with the service on the Internet, we will actively increase the number of stores affiliated with Rakuten Shaken, a statutory vehicle inspection service offered by Rakuten, Inc., and implement joint campaigns to attract shaken (vehicle inspection) customers from e-commerce sites.

In addition, we launched a new Carlife Stadium service brand and began operating three types of businesses: car rental business, car dealership business and car sales business. Through our Carlife Stadium, we intend to increase profits by attracting new customers and growing the number of users in each service area.

Meanwhile, Enexauto Co., Ltd. increased the number of stores affiliated with its car wash business portal website, Japan Car Wash Federation (for business users), reaching 2,107 affiliated stores at the end of December 2016, which supported wider use of Sensya Senka (for general users). Also, as part of efforts to increase contact with customers, we began offering communication service Dorachan (Driver Channel) via large monitors and tablet PCs in Car-Life Stations, aiming to set Car-Life Stations apart, using the media functionality of Dorachan, from other stores in the market and create new customer value.

The number of Car-Life Stations in the Itochu Enex Group as of December 31, 2016, was 1,925, marking a net decrease of 48 stations from the end of the previous fiscal year due to disaffiliation of unprofitable and decrepit stations.

As a result of these activities, revenue was ¥337,121 million (down 11.4% year on year), profit from operating activities was ¥3,716 million (up 34.0% year on year), and net profit attributable to Itochu Enex's shareholders was ¥1,701 million (up 25.1% year on year).

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

Energy Innovation Division

The Energy Innovation Division faces a structural decline in demand for domestic petroleum products caused by factors such as more efficient use of energy. Also, under an operating environment in which the petroleum products market was affected by rises in crude oil prices following trends among OPEC and other oil producing countries, the division is working to expand business with existing customers and attract new customers as part of efforts to build a revenue base which is based on business portfolios.

In this division, based on our policy of “expansion of business portfolios,” we are “appropriately and effectively enhancing and managing assets” and “actively pushing ahead with new business commercialization projects.” In sales of industrial fuels and materials, logistics functions were

reinforced by activities such as Kokura Enterprise Logi Service Co., Ltd, established in February 2016, beginning sales to small volume users. Moreover, in the AdBlue sales business, we established our ten partner plants and 20 supply facilities in Japan to build our integrated sales systems covering all phases from production to distribution. We are also working to improve the profitability by providing comprehensive materials covering areas such as electricity sales to business users, in addition to each division's existing business. Also, we are working steadily to commercialize new businesses, such as the recovery and reuse of waste oil from ships, and the use of fly ash discharged from thermal power plants as a construction raw material.

Going forward, the division will develop proposals tailored to customer needs while responding flexibly to changes in the external environment, aiming to conduct business development based on close cooperation with Group companies.

As a result of these activities, revenue was ¥53,667 million (down 32.5% year on year), profit from operating activities was ¥2,469 million (down 13.4% year on year), and net profit attributable to Itochu Enex's shareholders was ¥1,753 million (down 7.1% year on year).

(2) Explanation of Financial Position

Assets, liabilities and equity

Total assets amounted to ¥333,869 million as of December 31, 2016, an increase of ¥29,816 million from March 31, 2016, mainly reflected a rise in trade receivables. Total liabilities amounted to ¥211,241 million, an increase of ¥24,350 million from March 31, 2016, mainly due to an increase of trade payables. Total equity totaled ¥122,628 million, an increase of ¥5,466 million from March 31, 2016, mainly due to an increase of retained earnings.

Cash flows

Cash and cash equivalents (net cash) totaled ¥16,981 million as of December 31, 2016, down ¥3,843 million from March 31, 2016.

Cash flows from operating activities

Operating activities provided net cash of ¥8,126 million. Major items included proceeds from profit before tax of ¥13,062 million and expenses as funds required for trading of ¥4,169 million.

Cash flows from investing activities

Investing activities used net cash of ¥11,976 million. Major items included payments for deposit paid in subsidiaries and associates, which are affiliates including parent, subsidiaries and associates, of ¥6,000

million and payments for purchase of property, plant and equipment and investment property and other items of ¥7,065 million.

Cash flows from financing activities

Financing activities earned net cash of ¥22 million. Major items included proceeds from an increase in interest-bearing debt of ¥3,248 million and expenses as payment of cash dividends of ¥3,226 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 28, 2016.

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, 2016	As of December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	20,824	16,981
Trade receivables	71,968	96,553
Other current financial assets	16,529	26,087
Inventories	25,160	25,356
Trade advances paid	1,781	2,949
Other current assets	1,603	1,541
Total current assets	137,865	169,467
Non-current assets		
Investments accounted for by the equity method	8,786	10,166
Other investments	8,029	7,462
Non-current financial assets other than investments	9,895	9,705
Property, plant and equipment	88,311	87,919
Investment property	13,262	12,913
Goodwill	588	588
Intangible assets	24,329	23,755
Deferred tax assets	11,622	10,714
Other non-current assets	1,366	1,180
Total non-current assets	166,188	164,402
Total assets	304,053	333,869

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
LIABILITIES AND EQUITY		
Current liabilities		
Short-term bonds and borrowings	5,299	9,528
Trade payables	80,745	104,329
Other current financial liabilities	5,229	6,425
Income taxes payable	3,351	1,745
Advances from customers	6,637	5,759
Other current liabilities	10,736	7,608
Total current liabilities	111,997	135,394
Non-current liabilities		
Non-current bonds and borrowings	32,366	32,423
Other non-current financial liabilities	24,384	24,780
Non-current liabilities for employee benefits	10,127	10,326
Deferred tax liabilities	2,103	2,413
Provisions	5,396	5,367
Other non-current liabilities	518	538
Total non-current liabilities	74,894	75,847
Total liabilities	186,891	211,241
Equity		
Common stock	19,878	19,878
Capital surplus	18,740	18,740
Retained earnings	66,024	69,718
Other components of equity	(2,364)	(1,901)
Treasury stock	(1,752)	(1,752)
Total shareholders' equity	100,526	104,683
Non-controlling interests	16,636	17,945
Total equity	117,162	122,628
Total liabilities and equity	304,053	333,869

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Revenue	555,791	491,905
Cost of sales	(490,457)	(424,066)
Gross profit	65,334	67,839
Other expense		
Selling, general and administrative expenses	(54,063)	(54,122)
Loss from tangible assets, intangible assets and goodwill	(184)	(689)
Other – net	433	593
Total other expense	(53,814)	(54,218)
Profit from operating activities	11,520	13,621
Financial income and costs		
Interest income	42	62
Dividends received	240	243
Interest expense	(730)	(719)
Other financial income and costs – net	0	0
Total financial income and costs	(448)	(414)
Share of loss of investments accounted for by the equity method	(299)	(145)
Profit before tax	10,773	13,062
Income tax expense	(4,047)	(4,497)
Net profit	6,726	8,565
Net profit attributable to Itochu Enex's shareholders	5,791	6,912
Net profit attributable to non-controlling interests	935	1,653

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Other comprehensive income (net of tax effect)		
Items that will not be transferred to profit or loss		
FVTOCI financial assets	178	71
Other comprehensive income in associates accounted for by the equity method	0	24
Items that may be transferred to profit or loss		
Exchange differences on translating foreign operations	(4)	(81)
Cash flow hedges	133	53
Other comprehensive income in associates accounted for by the equity method	(535)	60
Total other comprehensive income (net of tax effect)	(228)	127
Comprehensive income	6,498	8,692
Comprehensive income attributable to Itochu Enex's shareholders	5,563	7,038
Comprehensive income attributable to non-controlling interests	935	1,654

(Yen)

Earnings per share attributable to Itochu Enex's shareholders		
Basic	51.26	61.17
Diluted	–	–

(Millions of yen)

Total trading transactions	829,925	730,108
----------------------------	---------	---------

(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)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
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	18,743	18,740
Acquisition of subsidiary shares from non-controlling interests	(3)	–
Balance at the end of the period	18,740	18,740
Retained earnings		
Balance at the beginning of the period	62,223	66,024
Net profit attributable to Itochu Enex's shareholders	5,791	6,912
Transfer from other components of equity	(91)	(336)
Cash dividends paid to Itochu Enex's shareholders	(2,599)	(2,881)
Balance at the end of the period	65,324	69,718
Other components of equity		
Balance at the beginning of the period	(1,661)	(2,364)
Other comprehensive income attributable to Itochu Enex's shareholders	(228)	127
Transfer to retained earnings	91	336
Balance at the end of the period	(1,797)	(1,901)
Treasury stock		
Balance at the beginning of the period	(1,751)	(1,752)
Purchase and disposal of treasury stock	(1)	(0)
Balance at the end of the period	(1,752)	(1,752)
Total shareholders' equity	100,393	104,683
Non-controlling interests		
Balance at the beginning of the period	15,515	16,636
Net profit attributable to non-controlling interests	935	1,653
Other comprehensive income attributable to non-controlling interests	0	0
Cash dividends paid to non-controlling interests	(110)	(345)
Balance at the end of the period	16,340	17,945
Total equity	116,733	122,628

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Cash flows from operating activities		
Profit before tax	10,773	13,062
Depreciation and amortization	9,215	8,132
Loss from tangible assets, intangible assets and goodwill	184	689
Financial income	448	414
Share of loss of investments accounted for by the equity method	299	145
Decrease (increase) in trade receivables	5,754	(27,558)
Decrease (increase) in inventories	5,497	(196)
Increase (decrease) in trade payables	(8,047)	23,585
Other – net	(1,631)	(4,444)
Interest and dividends received	417	467
Interest expense	(613)	(637)
Income taxes paid	(3,898)	(5,533)
Net cash flows provided by operating activities	18,398	8,126
Cash flows from investing activities		
Purchase of investments accounted for by the equity method	(4)	(1,593)
Proceeds from sales of investments accounted for by the equity method	12	–
Purchase of investments	(5,143)	(10)
Proceeds from sales of investments	1,277	1,475
Acquisition of subsidiaries, net of cash acquired	(1,690)	–
Payment for loans receivable	(180)	(1,613)
Collection of loans receivable	218	1,534
Payments for purchase of property, plant and equipment and investment property	(8,866)	(6,236)
Proceeds from sales of property, plant and equipment and investment property	732	1,013
Purchase of intangible assets	(985)	(829)
Proceeds from sales of intangible assets	49	–
Increase in deposits paid – net	–	(6,000)
Other – net	(133)	283
Net cash flows used in investing activities	(14,713)	(11,976)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Cash flows from financing activities		
Proceeds from bonds and borrowings	8,315	7,500
Repayments of bonds and borrowings	(8,246)	(2,738)
Net increase (decrease) in short-term borrowings	1,729	(1,514)
Cash dividends paid to Itochu Enex's shareholders	(2,599)	(2,881)
Cash dividends paid to non-controlling interests	(110)	(345)
Other – net	(1)	(0)
Net cash flows provided by (used in) financing activities	(912)	22
Net decrease in cash and cash equivalents	2,773	(3,828)
Cash and cash equivalents at the beginning the period	16,184	20,824
Increase in cash and cash equivalents resulting from merger	77	—
Effect of exchange rate changes on cash and cash equivalents	5	(15)
Cash and cash equivalents at the end of the period	19,039	16,981

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

No items to report.

(6) Segment Information

For the Nine months ended December 31, 2015

(Millions of yen)

	Reportable segment				Total	Other	Total	Adjustment	Consolidated
	Home-Life	Power & Utility	Car-Life	Energy Innovation					
Revenue									
Revenue from external customers	65,370	30,483	380,386	79,552	555,791	0	555,791	—	555,791
Intersegment revenue	404	225	2,729	649	4,007	—	4,007	(4,007)	—
Total revenue	65,774	30,708	383,115	80,201	559,798	0	559,798	(4,007)	555,791
Gross profit	18,286	5,862	34,761	6,425	65,334	0	65,334	—	65,334
Profit from operating activities	1,367	3,743	2,774	2,853	10,737	1	10,738	782	11,520
Profit before tax	1,063	3,602	2,440	2,836	9,941	1	9,942	831	10,773
Net profit attributable to Itochu Enex's shareholders	138	1,891	1,360	1,887	5,276	0	5,276	515	5,791
Other items									
Total assets	62,012	53,629	128,296	61,624	305,561	—	305,561	19,676	325,237
Total trading transactions	68,526	31,181	408,605	321,613	829,925	0	829,925	—	829,925

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

The adjustment of ¥515 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥19,676 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.

For the Nine months ended December 31, 2016

(Millions of yen)

	Reportable segment				Total	Other	Total	Adjustment	Consolidated
	Home-Life	Power & Utility	Car-Life	Energy Innovation					
Revenue									
Revenue from external customers	57,378	43,739	337,121	53,667	491,905	—	491,905	—	491,905
Intersegment revenue	206	321	1,095	628	2,250	—	2,250	(2,250)	—
Total revenue	57,584	44,060	338,216	54,295	494,155	—	494,155	(2,250)	491,905
Gross profit	18,716	7,474	35,300	6,349	67,839	—	67,839	—	67,839
Profit from operating activities	1,532	5,070	3,716	2,469	12,787	—	12,787	834	13,621
Profit before tax	1,451	4,845	3,475	2,519	12,290	—	12,290	772	13,062
Net profit attributable to Itochu Enex's shareholders	418	2,566	1,701	1,753	6,438	—	6,438	474	6,912
Other items									
Total assets	61,887	64,000	125,470	60,749	312,106	—	312,106	21,763	333,869
Total trading transactions	60,723	45,752	365,287	258,346	730,108	—	730,108	—	730,108

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

The adjustment of ¥474 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥21,763 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, 2016

(Millions of yen)

Reportable segment

	Home-Life	Power & Utility	Car-Life	Energy Innovation	Total	Other	Total	Adjustment	Consolidated
Total assets	60,404	55,144	116,484	50,284	282,316	–	282,316	21,737	304,053

(Note) The adjustment of ¥21,737 million to total assets represents corporate assets not allocated to reportable segments.

Change in reportable segments

During the three months ended June 30, 2016, the Company has changed the name of “Home-Life Division” to “Home-Life Division,”* “Power & Utility Division” to “Power & Utility Division,”* “Car-Life Division” to “Car-Life Division,”* and “Energy Trade Division” to “Energy Innovation Division.” Segment information during the Nine months ended December 31, 2015 and as of the end of the previous fiscal year (March 31, 2016) has been represented by the name after the change.

*Though the original Japanese has been changed, the English translation remains unchanged.