

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



October 31, 2017

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2018 <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: November 10, 2017

Scheduled date to commence dividend payments: December 4, 2017

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, 2018 (from April 1, 2017 to September 30, 2017)

(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, 2017	507,990	8.9	9,421	21.5	8,282	14.4	5,180	10.6	3,969	7.1	5,496	30.9
September 30, 2016	466,313	(17.3)	7,755	5.0	7,242	10.2	4,682	20.4	3,707	15.5	4,200	13.5

	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, 2017	35.14	—
September 30, 2016	32.81	—

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, 2017	334,165	130,148	110,586	33.1
March 31, 2017	344,603	127,477	108,511	31.5

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, 2017	–	13.50	–	18.50	32.00
Fiscal year ending March 31, 2018	–	16.00			
Fiscal year ending March 31, 2018 (Forecast)			–	16.00	32.00

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

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2018
(from April 1, 2017 to March 31, 2018)**

(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, 2018	1,150,000	11.8	16,500	(16.2)	17,800	(8.0)	10,400	(0.0)	92.05

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, 2017	116,881,106 shares
As of March 31, 2017	116,881,106 shares

b. Number of treasury stock at end of period

As of September 30, 2017	4,001,906 shares
As of March 31, 2017	3,892,374 shares

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

For the six months ended September 30, 2017	112,957,384 shares
For the six months ended September 30, 2016	112,989,196 shares

* Quarterly financial results reports are not required to be subjected to quarterly reviews.

* 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. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto	6
(1) Condensed Quarterly Consolidated Statement of Financial Position	6
(2) Condensed Quarterly Consolidated Statement of Comprehensive Income	8
(3) Condensed Quarterly Consolidated Statement of Changes in Equity	10
(4) Condensed Quarterly Consolidated Statement of Cash Flows	11
(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, 2017, the Japanese economy maintained its moderate trend of recovery, 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 increasing geopolitical risks in the Far East and economic trends in China and other emerging countries, etc.

In the petroleum distribution industry, the persistent decline in demand continues due to the impact including the aging society with the low birth rate and the increasing fuel efficiency in cars, and the outlook for crude oil prices remains uncertain.

In the electric power industry, the Power Producers and Suppliers (PPS) are gradually gaining market share, including the low voltage market, which was liberalized in the previous fiscal year. However, the outlook is still uncertain due to intensifying competition between business operators and issues surrounding the restart of nuclear power plants by major power companies, etc.

In this environment, the Itochu Enex Group announced its new two-year medium-term business plan “Moving 2018 Connecting to the future” in April 2017, and has been advancing its business based on the following basic policies:

<1> “Connecting to future growth” — Reforming the revenue base —

- (1) Optimizing resources
- (2) Improving profitability
- (3) Developing the customer base

<2> “Connecting people and functions of the Group” — Reforming the organizational base —

- (1) Reinforcing organizational strength
- (2) Nurturing autonomous human resources
- (3) Promoting ENEX EARLY BIRD, a Plan to Transform Our Approach to Work

As part of those initiatives, we reorganized the Group’s business divisions in April 2017. The Car-Life Division and the sale of industrial fuels and materials and other operations in the Energy Innovation Division were combined to form the Life Energy & Logistics Division, while the Energy Innovation Division was reorganized as the Industrial Energy & Logistics Division. Responding to an industry undergoing rationalization such as structural realignment in response to decreasing demand for petroleum, the Group is striving to become an organization with a petroleum sales business integrated from the regional organization level that provides everything including services, products, and materials, to end users.

As a result of these activities, revenue was ¥352,395 million (up 13.9% year on year), profit from operating activities was ¥9,421 million (up 21.5% year on year), and net profit attributable to Itochu Enex’s shareholders was ¥3,969 million (up 7.1% year on year).

2) Results of operations by segment

<Power & Gas Business Group>

Home-Life Division

In the Home-Life Division, the sales volume of LP gas rose from that of the corresponding period of the previous fiscal year, although the number of new customers decreased slightly. Despite pressure on profit margins due to a decline in LP gas import prices, profit from operating activities increased year

on year, supported by the electricity business, a new source of earnings, and by firm sales of equipment.

Regarding sales of electricity for households, the division promoted sales of combined LP gas and electricity supply packages. As a result, as of September 30, 2017, the number of supply contracts was roughly 42,000.

In overseas business, the customer base is growing strongly at our industrial gas sales business in Indonesia (PT. ITC ENEX INDONESIA) and at our LP gas sales business in the Philippines (Isla Petroleum & Gas Corporation). Going forward, we will continue to expand sales channels in the overseas business.

In addition, we established ENEARC Co., Ltd. in October 2017 through a joint investment with OSAKA GAS CO., LTD. Sales companies in the Itochu Enex Group and the Osaka Gas Group have been placed under the umbrella of the newly established company, and the Itochu Enex Group has acquired shares in three Osaka Gas Group sales companies in Hokkaido and two prefectures on Shikoku to bring these companies into the Itochu Enex Group. In September 2017, the Company recorded losses related to some of the reorganization. As a result, net profit attributable to Itochu Enex's shareholders declined year on year.

As a result of these activities, revenue was ¥40,088 million (up 15.0% year on year), profit from operating activities was ¥891 million (up 28.8% year on year), and net loss attributable to Itochu Enex's shareholders was ¥561 million (compared with net loss attributable to Itochu Enex's shareholders of ¥58 million in the corresponding period of the previous fiscal year).

Power & Utility Division

In the Power & Utility Division, the electricity sales field of electric power business enjoyed increased electricity sales volume and profits from the corresponding period of the previous fiscal year, led by the Company and Oji-Itochu Enex power retailing Co., Ltd., reflecting efforts to increase electricity sales to households and business users. In this field, ENEX LIFE SERVICE CO., LTD. will lead efforts to form alliances with companies that have strong customer bases in local areas and collaborate with companies in other sectors in order to investigate new value proposals.

Meanwhile, in the power generation field, total power generation was the same level of the corresponding period of the previous fiscal year, but the rise in the cost of raw materials led to a decline in profits. In this field, we aim to reduce environmental impact and enhance our portfolio of power sources by investing in renewable energy power generation facilities and by looking into new business models.

In the heat supply business*¹, despite of lower average temperatures in East Japan than in the same period a year earlier, overall demand for heat increased year on year due to the impact of GINZA SIX*² where we started supplies to in April 2017. Sales also increased year on year, but facility disposal costs related to the upgrade of existing facilities and other factors led to a decline in profits.

As a result of these activities, revenue was ¥32,326 million (up 13.2% year on year), profit from operating activities was ¥3,876 million (up 12.8% year on year), and net profit attributable to Itochu Enex's shareholders was ¥1,882 million (up 11.2% year on year).

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

*2 GINZA SIX is a multipurpose commercial facility located in Ginza district, Chuo-ku, Tokyo. Group company Tokyo Toshi Service CO.,LTD. provides district heating services to the facility.

<Energy Innovation & Logistics Business Group>

Life Energy & Logistics Division

In the Life Energy & Logistics Division, sales volume and profits both increased from the corresponding period of the previous fiscal year, despite an operating environment characterized by a continued decline in demand for fuel in the domestic market.

Effective from this fiscal year, the Car-Life Stations (CS)-related*³ business, industrial fuel business,

AdBlue*⁴ business, business user electricity supply business and other operations were combined to form the Life Energy & Logistics Division, which provides comprehensive products and service solutions to satisfy the needs of local customers in each area.

In the AdBlue sales business, we established a new partner plant in Kanazawa in September 2017. We now have a nationwide network of 15 partner plants and 20 supply facilities, resulting in an integrated sales network covering all phases from production to distribution.

In the CS-related business, we continued to introduce our new POS system at affiliated CS sites and used a shared loyalty points system to exchange customers with companies in other sectors. The number of Car-Life Stations in the Itochu Enex Group as of September 30, 2017, was 1,870, marking a net decrease of 18 stations from the end of the previous fiscal year due to planned withdrawal of unprofitable stations.

In the automobile-related business, subsidiary ENEXAUTO CO., LTD. started operating the Itsumo Rent-a-Car business under a new brand, Carlife Stadium car rentals in April 2017. We will improve the quality of vehicles and sales services for customers to expand the functions of the car rental network, while also working to attract more customers through web-based promotions and customer transfers from other companies.

At Nissan Osaka Sales Co., Ltd., unit sales in the six months ended September 30, 2017 increased sharply compared with the same period a year earlier, when sales were weak due to the improper conduct in fuel consumption testing at Mitsubishi Motors Corporation.

As a result of these activities, revenue were ¥241,006 million (up 10.3% year on year), profit from operating activities was ¥3,719 million (up 95.6% year on year), and net profit attributable to Itochu Enex's shareholders was ¥2,054 million (up 129.2% year on year).

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

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

Industrial Energy & Logistics Division

The Industrial Energy & Logistics Division was formed as a new division in this fiscal year as a result of a structural reorganization of the Energy Innovation Division and the Car Life Division. The division is focused on four main businesses: the asphalt sales business, marine fuel sales business, petroleum product trading business and the tank terminal business. Leveraging the highly specialist skills of all its businesses, the division is developing advanced, optimized supply chains in each business and using diverse networks to expand trading volume in order to build a stable earnings base.

As part of those initiatives, in the marine fuel sales business, we built a new fuel supply ships in July 2017, which was deployed at Hakata Port. The new ship gave the business a nationwide fleet of seven supply ships.

In addition, we will also focus on building the environmental-related business as a new business base. In the fly ash business*⁵, which recycles and sells coal ash discharged from the Company's thermal power plants, we established KANOU FA CO.,LTD. in August 2017. The new business is scheduled to start full-scale operations from November 2017. In addition, the slop and oil recycling business, which recycles and sells waste oil recovered from ships, is building up its track record and steadily working to expand its operations.

As a result of these activities, revenue were ¥38,975 million (up 40.7% year on year), profit from operating activities was ¥324 million (down 71.4% year on year), and net profit attributable to Itochu Enex's shareholders was ¥242 million (down 70.5% year on year).

*5 Fly ash business: The fly ash business recovers and processes fly ash (a type of coal ash discharged from coal-fired thermal power plants). The processed fly ash is then reused as a roadbed material for asphalt road surfacing and other applications.

(2) Explanation of Financial Position

Assets, liabilities and equity

Total assets amounted to ¥334,165 million as of September 30, 2017, a decrease of ¥10,438 million from March 31, 2017, mainly reflected a decrease in trade receivables. Total liabilities amounted to ¥204,017 million, a decrease of ¥13,109 million from March 31, 2017, mainly due to decreases of trade payables and other current financial liabilities. Total equity totaled ¥130,148 million, an increase of ¥2,671 million from March 31, 2017, due to factors including an increase from net profit attributable to Itochu Enex's shareholders and a decrease by payment of cash dividends, and the like.

Cash flows

Cash and cash equivalents (net cash) totaled ¥17,797 million as of September 30, 2017, down ¥4,930 million from March 31, 2017. Net cash at the end of the period comprises ¥17,199 million in cash and cash equivalents recorded in the Condensed Quarterly Consolidated Statement of Financial Position and ¥598 million in cash and cash equivalents classified as assets held for sale.

Cash flows from operating activities

Operating activities earned net cash of ¥9,957 million. Major items included profit before tax of ¥8,282 million, depreciation and amortization of ¥5,537 million and income taxes paid of ¥5,196 million.

Cash flows from investing activities

Investing activities used net cash of ¥8,971 million. Major items included payments for purchase of property, plant and equipment and investment property, etc. of ¥8,224 million, acquisition of subsidiaries of ¥1,288 million, and proceeds from repayments of deposits paid of ¥3,000 million.

Cash flows from financing activities

Financing activities used net cash of ¥5,924 million. Major items included expenditures due to a decrease in interest-bearing debt of ¥3,099 million and expenses as payment of cash dividends of ¥2,705 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, 2017.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereo

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
ASSETS		
Current assets		
Cash and cash equivalents	22,727	17,199
Trade receivables	94,759	84,661
Other current financial assets	29,709	28,581
Inventories	27,155	24,568
Trade advances paid	1,900	2,323
Other current assets	1,877	2,810
Subtotal of current assets	178,127	160,142
Assets held for sale	–	15,969
Total current assets	178,127	176,111
Non-current assets		
Investments accounted for by the equity method	11,749	11,007
Other investments	7,461	8,294
Non-current financial assets other than investments	10,803	9,882
Property, plant and equipment	87,588	82,759
Investment property	11,986	10,842
Goodwill	533	533
Intangible assets	23,638	20,375
Deferred tax assets	11,359	9,084
Other non-current assets	1,359	5,278
Total non-current assets	166,476	158,054
Total assets	344,603	334,165

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
LIABILITIES AND EQUITY		
Current liabilities		
Short-term bonds and borrowings	9,318	7,502
Trade payables	101,902	98,872
Other current financial liabilities	8,719	5,992
Income taxes payable	5,258	2,198
Advances from customers	6,460	5,486
Other current liabilities	12,094	9,848
Subtotal of current liabilities	143,751	129,898
Liabilities directly related to assets held for sale	–	3,156
Total current liabilities	143,751	133,054
Non-current liabilities		
Non-current bonds and borrowings	31,702	31,208
Other non-current financial liabilities	24,501	23,334
Non-current liabilities for employee benefits	9,761	9,370
Deferred tax liabilities	1,961	1,757
Provisions	5,052	4,854
Other non-current liabilities	398	440
Total non-current liabilities	73,375	70,963
Total liabilities	217,126	204,017
Equity		
Common stock	19,878	19,878
Capital surplus	18,740	18,740
Retained earnings	73,300	75,180
Other components of equity	(1,655)	(1,339)
Treasury stock	(1,752)	(1,873)
Total shareholders' equity	108,511	110,586
Non-controlling interests	18,966	19,562
Total equity	127,477	130,148
Total liabilities and equity	344,603	334,165

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Revenue	309,516	352,395
Cost of sales	(265,774)	(308,202)
Gross profit	43,742	44,193
Other expense		
Selling, general and administrative expenses	(36,210)	(35,385)
Loss from tangible assets, intangible assets and goodwill	(354)	(86)
Other – net	577	699
Total other expense	(35,987)	(34,772)
Profit from operating activities	7,755	9,421
Financial income and costs		
Interest income	40	23
Dividends received	234	270
Interest expense	(481)	(472)
Other financial income and costs – net	0	(117)
Total financial income and costs	(207)	(296)
Share of profit (loss) of investments accounted for by the equity method	(306)	(843)
Profit before tax	7,242	8,282
Income tax expense	(2,560)	(3,102)
Net profit	4,682	5,180
Net profit attributable to:		
Net profit attributable to Itochu Enex's shareholders	3,707	3,969
Net profit attributable to non-controlling interests	975	1,211
Total	4,682	5,180

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Other comprehensive income (loss), net of tax effect		
Items that will not be reclassified to profit or loss		
FVTOCI financial assets	(185)	577
Other comprehensive income of investments accounted for by the equity method	23	1
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(107)	(15)
Cash flow hedges	(32)	33
Other comprehensive income of investments accounted for by the equity method	(181)	(280)
Total other comprehensive income (loss), net of tax effect	(482)	316
Comprehensive income	4,200	5,496
Comprehensive income attributable to:		
Comprehensive income attributable to Itochu Enex's shareholders	3,225	4,285
Comprehensive income attributable to non-controlling interests	975	1,211
Total	4,200	5,496

(Yen)

Earnings per share attributable to Itochu Enex's shareholders		
Basic	32.81	35.14
Diluted	–	–

(Millions of yen)

Total trading transactions	466,313	507,990
----------------------------	---------	---------

(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, 2016	Six months ended September 30, 2017
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	18,740	18,740
Balance at the end of the period	18,740	18,740
Retained earnings		
Balance at the beginning of the period	66,024	73,300
Net profit attributable to Itochu Enex's shareholders	3,707	3,969
Transfer from other components of equity	(223)	1
Cash dividends paid to Itochu Enex's shareholders	(1,356)	(2,090)
Balance at the end of the period	68,152	75,180
Other components of equity		
Balance at the beginning of the period	(2,364)	(1,655)
Other comprehensive income attributable to Itochu Enex's shareholders	(482)	317
Transfer to retained earnings	223	(1)
Balance at the end of the period	(2,623)	(1,339)
Treasury stock		
Balance at the beginning of the period	(1,752)	(1,752)
Purchase and disposal of treasury stock	(0)	(121)
Balance at the end of the period	(1,752)	(1,873)
Total shareholders' equity	102,395	110,586
Non-controlling interests		
Balance at the beginning of the period	16,636	18,966
Net profit attributable to non-controlling interests	975	1,211
Other comprehensive income attributable to non-controlling interests	(0)	0
Cash dividends paid to non-controlling interests	(345)	(615)
Balance at the end of the period	17,266	19,562
Total equity	119,661	130,148

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before tax	7,242	8,282
Depreciation and amortization	5,393	5,537
Loss from tangible assets, intangible assets and goodwill	354	86
Financial income and costs	207	296
Share of loss of investments accounted for by the equity method	306	843
Decrease (increase) in trade receivables	(7,706)	7,485
Decrease in inventories	1,359	1,416
Decrease in trade payables	(43)	(1,915)
Other – net	49	(6,936)
Interest and dividends received	431	511
Interest expense	(460)	(452)
Income taxes paid	(3,424)	(5,196)
Net cash flows provided by operating activities	3,708	9,957
Cash flows from investing activities		
Purchase of investments accounted for by the equity method	(1,342)	(651)
Purchase of investments	(11)	(246)
Proceeds from sales of investments	1,310	14
Acquisition of subsidiaries, net of cash acquired	–	(1,288)
Payment for loans receivable	(271)	(156)
Collection of loans receivable	206	219
Payments for purchase of property, plant and equipment and investment property	(3,541)	(7,007)
Proceeds from sales of property, plant and equipment and investment property	675	1,515
Purchase of intangible assets	(653)	(1,217)
Proceeds from sales of intangible assets	–	78
Decrease (increase) in deposits paid – net	(6,000)	3,000
Other – net	310	(3,232)
Net cash flows used in investing activities	(9,317)	(8,971)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from financing activities		
Proceeds from bonds and borrowings	7,500	–
Repayments of bonds and borrowings	(1,991)	(6,886)
Net increase (decrease) in short-term borrowings	(1,547)	3,787
Cash dividends paid to Itochu Enex's shareholders	(1,356)	(2,090)
Cash dividends paid to non-controlling interests	(345)	(615)
Purchase of treasury stock	–	(120)
Other – net	(0)	–
Net cash flows provided by (used in) financing activities	2,261	(5,924)
Net decrease in cash and cash equivalents	(3,348)	(4,939)
Cash and cash equivalents at the beginning of the period	20,824	22,727
Effect of exchange rate changes on cash and cash equivalents	(70)	9
Cash and cash equivalents at the end of the period	17,406	17,797

(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, 2016

(Millions of yen)

	Reportable segment				Total	Adjustment	Consolidated
	Home-Life Division	Power & Utility Division	Life Energy & Logistics Division	Industrial Energy & Logistics Division			
Revenue							
Revenue from external customers	34,847	28,556	218,412	27,701	309,516	–	309,516
Intersegment revenue	69	144	1,614	191	2,018	(2,018)	–
Total revenue	34,916	28,700	220,026	27,892	311,534	(2,018)	309,516
Gross profit	12,109	5,107	24,498	2,028	43,742	–	43,742
Profit from operating activities	692	3,434	1,901	1,131	7,158	597	7,755
Profit before tax	483	3,297	1,727	1,177	6,684	558	7,242
Net profit (loss) attributable to Itochu Enex's shareholders	(58)	1,693	896	820	3,351	356	3,707
Other items							
Total assets	56,609	63,684	136,250	31,173	287,716	22,942	310,658
Total trading transactions	37,137	29,873	323,816	75,487	466,313	–	466,313

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

The adjustment of ¥356 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥22,942 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 six months ended September 30, 2017

(Millions of yen)

	Reportable segment				Total	Adjustment	Consolidated
	Home-Life Division	Power & Utility Division	Life Energy & Logistics Division	Industrial Energy & Logistics Division			
Revenue							
Revenue from external customers	40,088	32,326	241,006	38,975	352,395	–	352,395
Intersegment revenue	35	2,912	1,251	11	4,209	(4,209)	–
Total revenue	40,123	35,238	242,257	38,986	356,604	(4,209)	352,395
Gross profit	12,403	5,932	24,598	1,260	44,193	–	44,193
Profit from operating activities	891	3,876	3,719	324	8,810	611	9,421
Profit before tax	173	3,725	3,481	353	7,732	550	8,282
Net profit (loss) attributable to Itochu Enex's shareholders	(561)	1,882	2,054	242	3,617	352	3,969
Other items							
Total assets	62,481	74,342	143,501	34,427	314,751	19,414	334,165
Total trading transactions	42,416	33,981	366,063	65,530	507,990	–	507,990

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

The adjustment of ¥352 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥19,414 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, 2017

(Millions of yen)

	Reportable segment				Total	Adjustment	Consolidated
	Home-Life Division	Power & Utility Division	Life Energy & Logistics Division	Industrial Energy & Logistics Division			
Total assets	65,033	70,700	149,422	29,429	314,584	30,019	344,603

(Note) The adjustment of ¥30,019 million to total assets represents corporate assets not allocated to reportable segments.

Change in reportable segments

In the first quarter ended June 30, 2017, the Car-Life Division and the sale of industrial fuels and materials and other operations in the Energy Innovation Division were combined to form the Life Energy & Logistics Division, while the Energy Innovation Division was reorganized as the Industrial Energy & Logistics Division. As a result, effective from the first quarter ended June 30, 2017, the Company has reclassified its reportable segments.

Due to the change in segments, segment information for the first six months of the previous fiscal year and as of the end of the previous fiscal year (March 31, 2017) has been adjusted based on the new segment classifications.