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## Itochu Enex Co., Ltd. (8133)

On **May 14, 2015**, Itochu Enex Co., Ltd. announced a medium-term management plan.

The company has formed a medium-term management plan for the two years between FY03/16 and FY03/17.

The plan includes boosting sales and profits, preparing for long-term growth strategy, and reforming structure. Targets for FY03/17 include operating profit of JPY20bn, net income of JPY10bn, and ROE of 9.0% or higher.

To grow sales and profits, the company aims to go on the offensive and strengthen the structure of the oil business, expand and improve profitability in the gas business, and improve the foundation and prepare for liberalization in its Power and Utility Division. To prepare for long-term growth strategies, it plans to establish and pursue synergies with peripheral businesses, quickly establish and expand overseas businesses, and seek strategic alliances with other companies, as well as rapid profitability. To reform its structure, it plans to encourage grassroots decisions and a merchant way of thinking, cultivate and diversify skilled personnel, and implement logical and bold management.

Targets (JPYbn)	FY03/13	FY03/14	FY03/15	FY03/16	FY03/17	Vs. FY03/15	
	Act.	Act.	Act.	Est.	Target	Dif.	Avg. growth
Sales	1,430.7	1,506.6	1,373.4	1,350.0	1,370.0	-3.4	-0.1%
Home-Life	109.6	126.8	111.6	108.6	119.4	7.8	3.4%
Car-Life	561.4	612.3	638.8	649.0	594.1	-44.7	-3.6%
Power and Utility	25.6	36.4	38.7	56.0	63.4	24.7	27.9%
Sales volume ('000MWh)	771	1,097	1,055	1,700	2,200	1,145	44.4%
Retail	80	231	409	1,000	1,700	1,291	103.9%
Retail composition	10%	21%	39%	59%	77%	39%	41.2%
Energy Trade	733.2	730.5	584.1	535.7	590.0	5.9	0.5%
Operating profit	12.7	11.9	13.1	16.8	20.0	6.9	23.6%
Home-Life	4.4	4.7	2.9	5.2	5.7	2.8	40.2%
Car-Life	4.0	2.4	4.5	4.9	6.0	1.5	15.5%
Power and Utility	1.8	2.4	3.0	3.2	4.3	1.3	19.7%
Energy Trade	3.7	2.3	2.7	3.6	3.9	1.2	20.2%
OPM	0.9%	0.8%	1.0%	1.2%	1.5%		
Home-Life	4.0%	3.7%	2.6%	4.8%	4.8%		
Car-Life	0.7%	0.4%	0.7%	0.8%	1.0%		
Power and Utility	7.0%	6.6%	7.7%	5.7%	6.8%		
Energy Trade	0.5%	0.3%	0.5%	0.7%	0.7%		
Net income	6.5	7.1	5.5	8.2	10.0	4.5	34.8%
ROE	7.5%	7.8%	5.7%	8.2%	9.4%	3.7%	27.9%
Profit margins	0.5%	0.5%	0.4%	0.6%	0.4%	-0.0%	-
Total asset turnover ratio	4.5	4.7	4.2	4.1	4.0	-0.2	-
Financial leverage	3.5	3.4	3.4	3.3	3.2	-0.2	-
Equity ratio	28.3%	29.3%	29.6%	30.8%	32.3%	2.7%	4.4%
Net DER	-	0.26	0.25	0.24	0.22	-0.03	-
Cash flow from operating activities	22.8	17.5	34.3	21.0	23.5	-10.8	-
Cash flow from investing activities	-24.9	-12.6	-20.4	-16.0	-18.0	2.4	-
FCF	-2.2	5.0	13.9	5.0	5.5	-8.4	-
Dividend per share	16.0	20.0	22.0	24.0			
Payout ratio	27.9%	31.7%	45.2%	33.1%	over 30%		

Source: Company data

This note is the most recent addition to the [full report](#).



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