

This document is an English translation of a news release on August 3, 2017, made initially in Japanese. The Japanese original should be considered as the primary version.

Company: **Itochu Enex Co., Ltd.**
Representative: Kenji Okada, Representative Director, President and CEO
Stock code: 8133, Tokyo Stock Exchange, 1st Section
Contact: Masahiko Aoyagi
Manager for Corporate Communications Office
Tel: +81-3-6327-8003

Notice of Reorganization and Integration of the Liquefied Petroleum Gas (LPG) Wholesale and Retail Businesses

Itochu Enex Co., Ltd. (Kenji Okada, President and Chief Executive Officer; hereinafter “Itochu Enex”) and OSAKA GAS CO., LTD. (Takehiro Honjo, President; hereinafter “Osaka Gas”) hereby announce to establish “ENEARC Co., Ltd. (provisional name; hereinafter “ENEARC”)” as a joint venture company in which each company will own a 50% stake on October 1, 2017, to integrate the wholesale and retail businesses of liquefied petroleum gas (hereinafter “LPG”) in each of the Kanto, Chubu and Kansai regions, and to begin examination into further reorganization in the future. Both companies have also agreed that all the owned shares of the three LPG sales companies owned by Osaka Gas’s subsidiary, NISSHO PETROLEUM GAS CORPORATION (hereinafter “Nissho LP”) will be transferred to the Itochu Enex Group on October 1, 2017.

1. Background and objective

The LPG industry finds itself in a tough business environment due to the softening demand brought about by declining numbers of households and competition from other energy. This situation urgently requires productivity to be improved through the expansion of the business base and the boosting of cost competitiveness. In view of this situation, both companies believe that it is necessary to provide higher quality and strongly competitive products and services, and that the way to provide these is to achieve greater efficiency by sharing each other’s strengths and knowhow in a cooperative framework to realize synergy, consolidate business resources, and reorganize business operations.

2. About the new company ENEARC

ENEARC will be established as a joint venture company in which each company will own a 50% stake. The objective of its establishment is to strengthen the LPG wholesale and retail businesses in the Kanto, Chubu and Kansai regions. ENEARC will own the shares of both companies’ six LPG sales companies operating in the Kanto, Chubu and Kansai regions (three companies under Itochu Enex’s umbrella: ITOCHU ENEX HOME-LIFE KANTO CO., LTD. (hereinafter “HOME-LIFE KANTO”), ITOCHU ENEX HOME-LIFE CHUBU CO., LTD. (hereinafter “HOME-LIFE CHUBU”), and ITOCHU ENEX HOME-LIFE KANSAI CO., LTD. (hereinafter “HOME-LIFE KANSAI”); and three companies under Osaka Gas’s umbrella: Osaka Gas LPG Co., Ltd. (hereinafter “Osaka Gas LPG”), Nissho Gas Supply Co., Ltd. (hereinafter “Nissho Gas Supply”) and Daiya Nensho Co., Ltd. (hereinafter “Daiya Nensho”) and move toward full integration within twelve months, integrating the sales companies of the same region, one region at a time. In addition, ENEARC will aim to achieve further growth through alliances with new business partners.

3. Regarding business reorganization outside the Kanto, Chubu and Kansai regions

On October 1, 2017, Itochu Enex will acquire all the owned shares of Nissho LP's subsidiary Nissho Propane Sekiyu Co., Ltd. (hereinafter "Nissho Propane Sekiyu"), and Itochu Enex's subsidiary ITOCHU ENEX HOME-LIFE NISHI-NIHON CO., LTD. (hereinafter "HOME-LIFE NISHI-NIHON") will acquire all the owned shares of Nissho LP's subsidiaries Ehime Nissho Propane Co., Ltd. (hereinafter "Ehime Nissho") and Kochi Nissho Propane Corporation (hereinafter "Kochi Nissho").

Looking forward, both companies will contribute to society as LPG suppliers that provide a higher level of transparency in prices and ensure disaster response and stable supply through their broader network. Furthermore, through providing high-quality lifestyle services, both companies aim to reform companies active in the home-life services field.

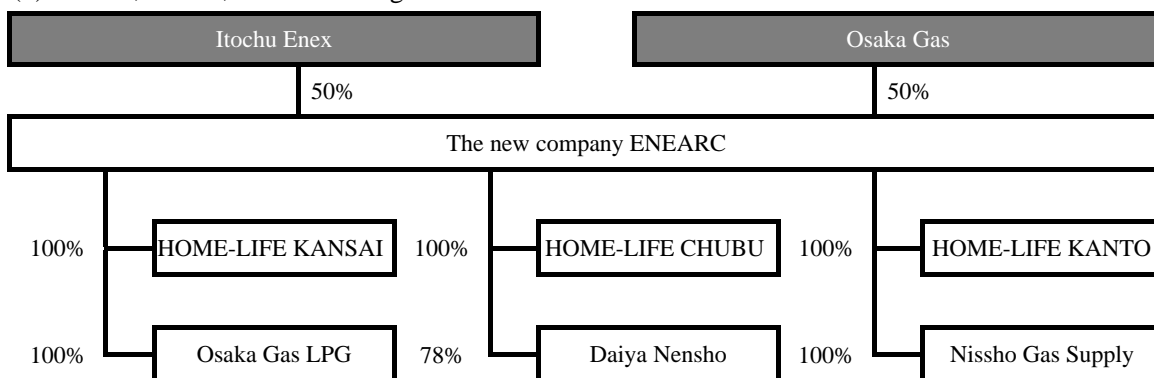
4. Future outlook

Although this matter is expected to have an immaterial impact on the consolidated financial results of Itochu Enex, an announcement will be made promptly if this matter is determined to have a material impact on the consolidated financial results in the future.

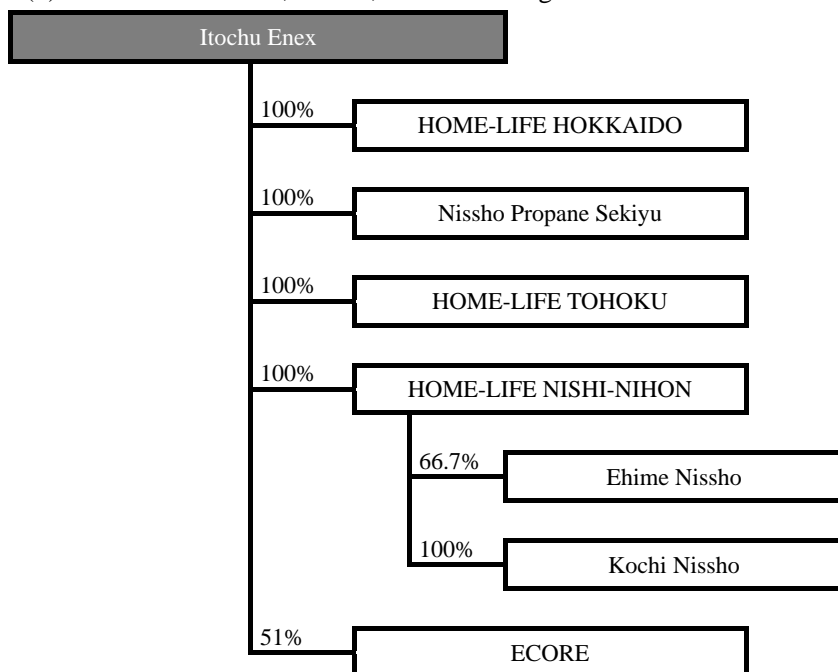
(Attachment)

1. Regarding the reorganization and integration of businesses

(1) Kanto, Chubu, and Kansai regions



(2) Outside the Kanto, Chubu, and Kansai regions



2. Company Overviews

(1) ENEARC Co., Ltd. (provisional name)

Location	2-10-1, Toranomom, Minato-ku, Tokyo
Established	October 1, 2017
Capital	¥1,040 million
Representative	To be determined
Activities	Overarching management of sales companies in the Kanto, Chubu and Kansai regions
Number of employees	To be determined

(2) Itochu Enex Co., Ltd.

Location	2-10-1, Toranomom, Minato-ku, Tokyo
Established	January 1961
Capital	¥19,800 million
Representative	Kenji Okada
Activities	Sales of petroleum products and LPG, automobile-related business, electric power business, and other related businesses
Total trading transactions	¥1,028.9 billion (fiscal year ended March 31, 2017: consolidated)
Number of employees	510 (as of March 31, 2017: non-consolidated)

(3) OSAKA GAS CO., LTD.

Location	4-1-2, Hiranomachi, Chuo-ku, Osaka-shi, Osaka
Established	April 1897
Capital	¥132,100 million
Representative	Takehiro Honjo
Activities	Production and delivery of gas, sales of LPG, generation and sales of electricity, and other businesses
Total trading transactions	¥1,183.8 billion (fiscal year ended March 31, 2017: consolidated)
Number of employees	5,731 (as of March 31, 2017: non-consolidated)

(4) NISSHO PETROLEUM GAS CORPORATION

Location	1-1-30, Shibadaimon, Minato-ku, Tokyo
Established	September 2000
Capital	¥1,700 million
Representative	Koichi Sawada
Activities	Import and sales of LPG, LNG and petroleum products
Total trading transactions	¥33.3 billion (fiscal year ended March 31, 2017: consolidated)
Number of employees	7 (as of March 31, 2017: non-consolidated)

(5) ITOCHU ENEX HOME-LIFE KANTO CO., LTD.

Location	2-10-1, Toranomom, Minato-ku, Tokyo
Established	March 1990
Capital	¥330 million
Representative	Kaoru Maehara
Activities	Sales of LPG and gas equipment, and sales of electricity
Total trading transactions	¥17.2 billion (fiscal year ended March 31, 2017)
Number of employees	366 (as of March 31, 2017)

(6) ITOCHU ENEX HOME-LIFE CHUBU CO., LTD.

Location	1-5-11, Nishiki, Naka-ku, Nagoya-shi, Aichi
Established	August 1969
Capital	¥80 million
Representative	Shigeru Kondo
Activities	Sales of LPG and gas equipment, sales of electricity
Total trading transactions	¥6.5 billion (fiscal year ended March 31, 2017)
Number of employees	152 (as of March 31, 2017)

(7) ITOCHU ENEX HOME-LIFE KANSAI CO., LTD.

Location	2-1-13, Nishimiyahara, Yodogawa-ku, Osaka-shi, Osaka
Established	November 1967
Capital	¥60 million
Representative	Satoshi Terai
Activities	Sales of LPG and gas equipment, sales of electricity
Total trading transactions	¥5.6 billion (fiscal year ended March 31, 2017)
Number of employees	176 (as of March 31, 2017)

(8) ITOCHU ENEX HOME-LIFE NISHI-NIHON CO., LTD.

Location	10-10, Hashimotocho, Naka-ku, Hiroshima-shi, Hiroshima
Established	August 1967
Capital	¥450 million
Representative	Tsukasa Nakamura
Activities	Sales of LPG and gas equipment, sales of electricity
Total trading transactions	¥10.7 billion (fiscal year ended March 31, 2017)
Number of employees	327 (as of March 31, 2017)

(9) Osaka Gas LPG Co., Ltd.

Location	3-6-14, Bingomachi, Chuo-ku, Osaka-shi, Osaka
Established	April 2007
Capital	¥100 million
Representative	Yasuhiro Tomoda
Activities	Sales of LPG and gas equipment, sales of electricity
Total trading transactions	¥12.8 billion (fiscal year ended March 31, 2017)
Number of employees	583 (as of March 31, 2017)

(10) Nissho Gas Supply Co., Ltd.

Location	2-38-4, Aobacho, Higashimurayama-shi, Tokyo
Established	September 2000
Capital	¥80 million
Representative	Tatsunori Nakaniwa
Activities	Sales of LPG and gas equipment, sales of electricity
Total trading transactions	¥2.7 billion (fiscal year ended March 31, 2017)
Number of employees	89 (as of March 31, 2017)

(11) Daiya Nensho Co., Ltd.

Location	7-5-52, Takajaya, Tsu-shi, Mie
Established	August 2003
Capital	¥170 million
Representative	Hirokazu Ishihara
Activities	Sales of LPG, gas equipment, and petroleum products, and sales of electricity
Total trading transactions	¥2.9 billion (fiscal year ended March 31, 2017)
Number of employees	105 (as of March 31, 2017)

(12) Nissho Propane Sekiyu Co., Ltd.

Location	1-2-5, Kitaichijyohigashi, Chuo-ku, Sapporo-shi, Hokkaido
Established	September 2000
Capital	¥60 million
Representative	Katsuhisa Magata
Activities	Sales of LPG, gas equipment, and petroleum products
Total trading transactions	¥14.0 billion (fiscal year ended March 31, 2017)
Number of employees	146 (as of March 31, 2017)

(13) Ehime Nissho Propane Co., Ltd.

Location	1266-1, Oaza Tsutsui, Masakicho, Iyo-gun, Ehime
Established	September 2000
Capital	¥20 million
Representative	Yukihito Yoshida
Activities	Sales of LPG, gas equipment, and petroleum products, and sales of electricity
Total trading transactions	¥1.0 billion (fiscal year ended March 31, 2017)
Number of employees	30 (as of March 31, 2017)

(14) Kochi Nissho Propane Corporation

Location	4983, Godaisan, Kochi-shi, Kochi
Established	September 2000
Capital	¥50 million
Representative	Toshiyuki Koga
Activities	Sales of LPG and gas equipment
Total trading transactions	¥1.2 billion (fiscal year ended March 31, 2017)
Number of employees	58 (as of March 31, 2017)