



Corporate Profile

Company Name

ITOCHU ENEX CO.,LTD.

Established

January 28, 1961

Representative

Kenji Okada, Representative Director.

President and Chief Executive officer

Corporate Philosophy

The Best Partner for Life and Society

— with Energy, with the Car, with the Home —

Field of Business

Energy for all applications, whether as a key component of social infrastructure or as a means of enriching people's lives

Code of Conduct

Be Virtuous (reliability and sincerity, creativity and ingenuity, transparency and integrity)

Website

<http://www.itcenex.com/english/>

Paid-in Capital

19,877.67 million yen

Head Office Address

2-10-1, Toranomon, Minato-ku,
Tokyo 105-8430, Japan

Number of Employees (as March 31, 2017)

642 (non-consolidated basis, including 132 at subsidiaries)
5,958 (consolidated basis)

Stock exchange listing

Tokyo (first section; stock name: ENEX)
securities code: 8133

Number of Shares Issued and Outstanding

(as of March 31, 2017)
116,881,106

Principal Shareholders (as of March 31, 2017)

ITOCHU Corporation
Japan Trustee Services Bank, Ltd. (trust account)
The Master Trust Bank of Japan, Ltd. (trust account)
GOVERNMENT OF NORWAY
Enex Fund

Subsidiaries

48
(as of March 31, 2017)

Affiliates (equity method applied)

24
(as of March 31, 2017)

Organization Chart



Purpose of reorganization

Responding to increasing rationalization of the industry, including its realignment, in response to decreasing demand for petroleum by reorganizing into an organization capable of delivering a wide range of solutions, including services, products, and materials, to end users by integrating the petroleum sales business from the regional organization level.

Overview of medium-term business plan Connecting to the future

Having achieved its previous medium-term business plan, Moving 2016—Sowing for tomorrow, the Itochu Enex Group adopted a new medium-term business plan, Moving 2018—Connecting to the future, in April 2017. In two years, we will lay the foundations for the next stage. The entire Group will launch full-scale efforts to improve its revenue and organizational base to consolidate growth. The Itochu Enex Group will continue to move toward a new future.

Plan

Moving 2018 Connecting to the future



Period

Two years (FY2017 to FY2018)

Basic Policy

“Connecting to future growth”—Reforming the revenue base—

Optimizing resources: Accelerating asset replacement in pursuit of profitability and growth
Improving profitability: Improving profit efficiency based on the ratio of SG&A expenses to gross trading profit

Developing the customer base: Deploying the electric power business across all divisions and departments, and driving the future retail-oriented expansion of the customer base

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

Reinforcing organizational strength: Reinforcing organizational strength by making provision of the group management base

Nurturing autonomous human resources: Clarifying the mission, and nurturing autonomous personnel

ENEX EARLY BIRD: Encouraging a working style that offers high performance in a short time

Quantitative plan (FY2018)

Profit from operating activities

¥18.5 billion

Net profit attributable to Itochu Enex's shareholders

¥10.8 billion

ROE

9.0% or above

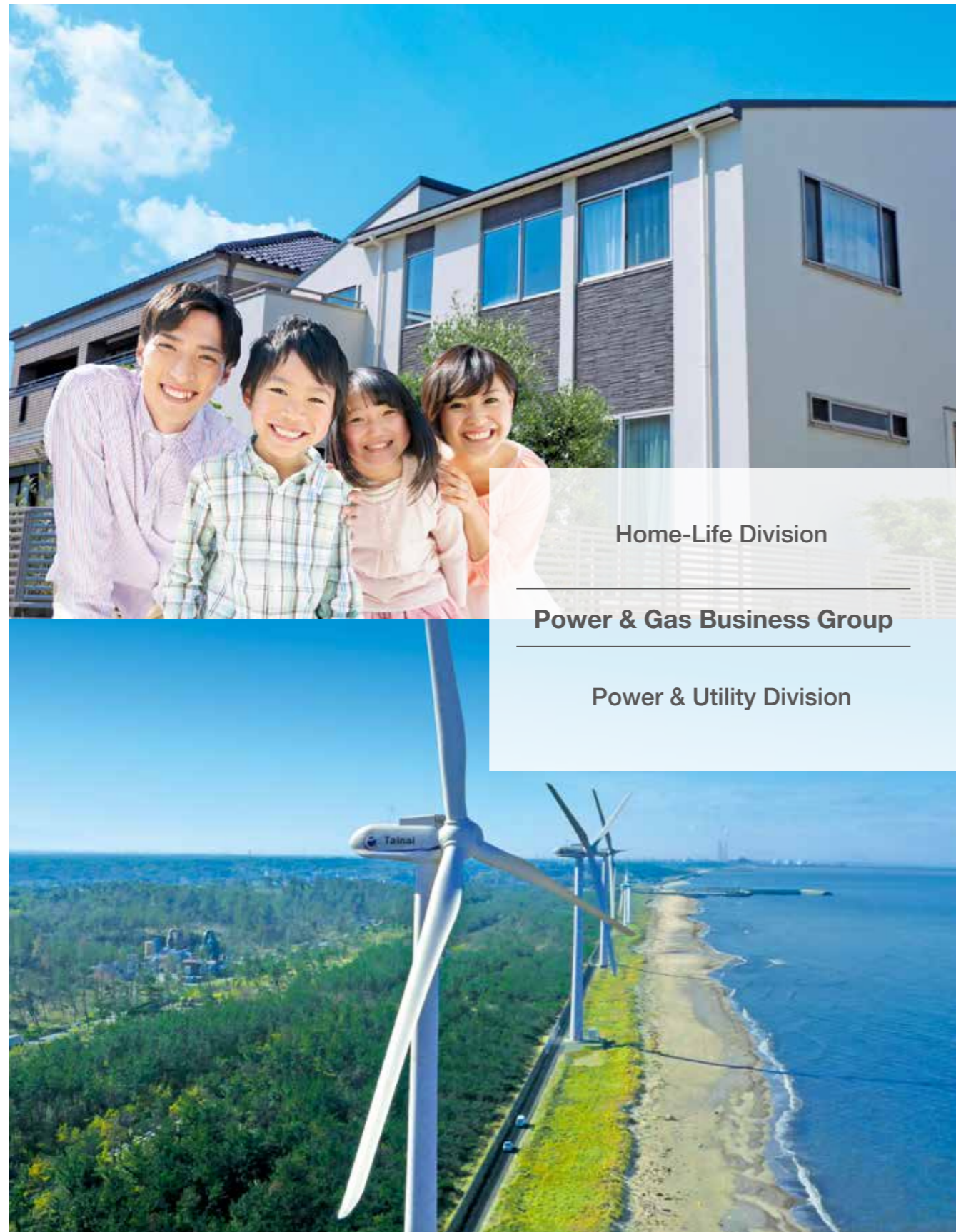
Investment plan (two years)

¥45 billion

* These targets have been formulated based on International Financial Reporting Standards (IFRS).

Enex at home

Enex will connect a warm, invaluable everyday life to the future. Enex provides energy for an enriched, convenient, comfortable, and secure way of life.



Home-Life Division

Power & Gas Business Group

Power & Utility Division

Enex in communities

Enex will connect lifestyles in communities to the future from a community-based perspective. Enex plays a key role in production and in revitalizing consumption in communities, using a wealth of expertise and ideas.



Life Energy & Logistics Division

Energy Innovation & Logistics Business Group

Industrial Energy & Logistics Division

Enex produces.

Enex will connect its ability to produce energy for stability and growth to the future. Enex continues to evolve, making the most of the power of nature and advanced technologies.

Enex connects.

Enex will connect the flow of energy indispensable for an enriched society into the future. Enex contributes to stronger and more dynamic industry and distribution.

◎ Gas Supply Business



We sell LP gas and town gas, energy sources widely used at home and businesses as fuel for cooking, water heating, and industrial applications, to customers nationwide.

- ◎ LP gas
- ◎ Town gas (Nakatsu, Oita)

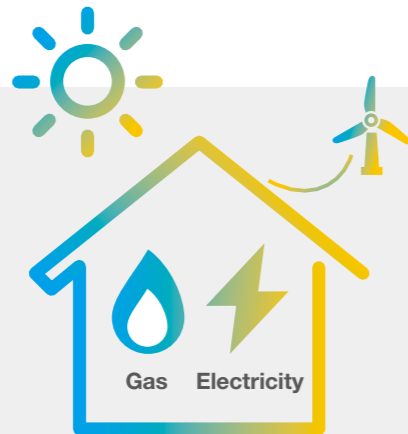
◎ IT Support

We provide robust support for retailers' operations by developing and selling service systems and sales management systems that take full advantage of the Internet and the latest information technologies.

◎ Electricity Supply Service for Households
↳ Collaboration between divisions

We sell electricity under the brand name of e-koto denki! to customers (households and business establishments) nationwide through Group companies involved in sales of LP gas. We are striving to win contracts, offering economical rate plans that give T-Points to customers who buy LP gas or electricity.

* ECORE Co., Ltd. in Kyushu uses the service name ECORE no e-denki.



Proposing a comfortable lifestyle

◎ Proposals for "Better" Home Energy Supply



We engage in a wide range of operations for households, including sales of equipment for a comfortable lifestyle and proposals of renovation.

- ◎ Equipment related to everyday life (burning appliances, kitchen equipment, air-conditioning equipment, and other household equipment)
- ◎ Smart energy equipment (photovoltaic power generation systems, ENEFARM residential fuel cells)
- ◎ Remodeling (kitchen, bathroom, etc.)
- ◎ ENE-POWABO SX residential lithium-ion electricity storage system



◎ Power Generation Business

ENEX Electric Power Co., LTD., an ITOCHU ENEX Group company, is working to strengthen the Group's initiatives in the power generation business, aiming for environmental sustainability as well as economic benefits. The operating companies of ENEX Electric Power Group have a well-balanced lineup of electric power facilities and are expanding electric generating capacity in accordance with growth in demand.



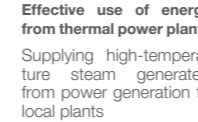
Joetsu Energy Service Co., Ltd.



Amagasaki Energy Service Co., Ltd.



Hofu Energy Service Co., Ltd.



Effective use of energy from thermal power plants



JEN Tainai Wind Farm Co., Ltd.



A photovoltaic power plant

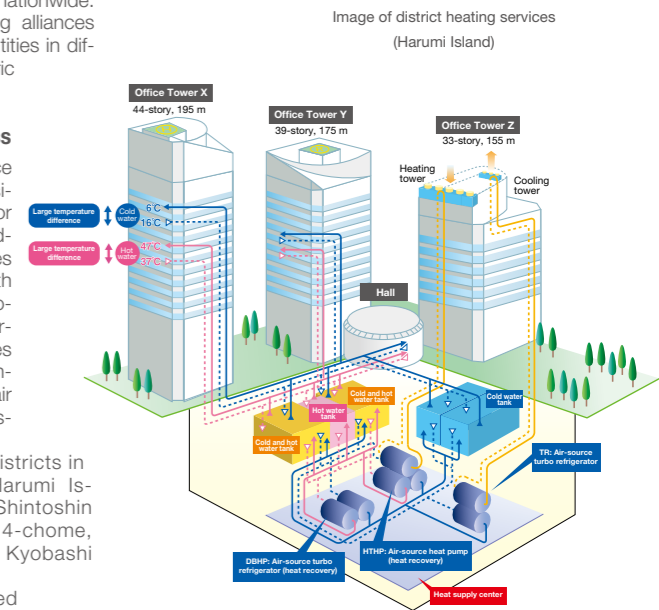
◎ Electric Power Retail Business

The Company and Oji-Itochu Enex Power Retailing Co., Ltd., a Group company, sell electric power to companies in eight areas nationwide. From FY2016, they are expanding alliances with the Home-Life Division and entities in different industries and selling electric power also to households.

◎ Heat Supply-Related Business

Group member Tokyo Toshi Service Company's (TTS) heat supply business provides hot and cold water for heating and air conditioning to buildings in a certain area and proposes efficient energy use combined with urban development. TTS also provides low-CO₂, energy-saving thermal storage contract-based services for a low initial cost at the time of installation or renewal of building air conditioning or hot water supply systems.

- ◎ District heating services (18 districts in the Kanto area, including Harumi Island, Hakozaki, Makuhari Shintoshin High-tech Business, Shibaura 4-chome, Ginza 2-chome and 3-chome, Kyobashi 1-chome and 2-chome)
- ◎ Thermal storage contact-based services



Enex at home

Power & Gas Business Group

Home-Life Division

Through delivering LP gas and various smart-energies, we propose "comfortable," "affluent" and "secure" lifestyles.

Enex produces.



Total energy proposal

Power & Gas Business Group

Power & Utility Division

We operate electric power-related and heat supply businesses that deliver energy efficiency, comfort and economic benefits.

◎ Industrial Gas Business



ITOCHU INDUSTRIAL GAS CO., LTD., a Group company, sells industrial gas for industrial and medical use and provides gas container pressure resistance inspection service and materials for welding.

- ◎ Industrial gas (oxygen, nitrogen, argon, sterilization gas, etc.)
- ◎ Gas container pressure resistance inspection service
- ◎ Materials for welding

◎ Gas for Automotive Use

We are expanding our network of automotive gas stations with the aim of promoting the widespread use of low-pollution LP gas vehicles.

Pick up

Expanding gas sales overseas
(Selling industrial gas in Indonesia)



PT.ITC ENEX INDONESIA (PT.ENEX) sells different types of industrial gas constantly to companies in Karawang International Industrial City near Jakarta.

(Selling LP gas in the Philippines)

Creasia Energy Holdings, INC., which ITOCHU ENEX and ITOCHU Corporation have jointly established, has started LP gas sales in the Philippines.

Stimulating domestic demand through different initiatives
(Dietary education, fire education, cooking classes)



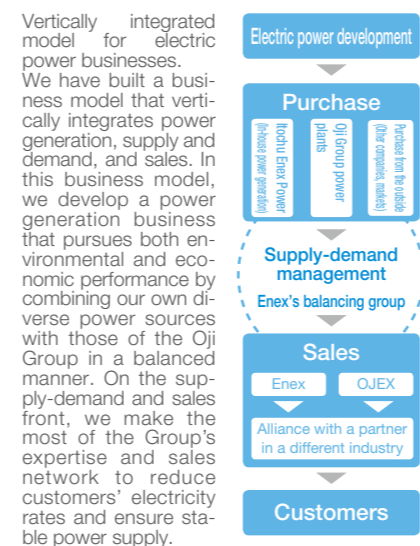
As a mission of a business that supplies fire in the kitchen, we have cooking classes to communicate the fun and importance of cooking and provide dietary education to teach Japanese food culture.

(e-koto Shop)

e-koto Shop facilities are strategically located in areas suitable for pursuing a customer-oriented approach to generating demand. e-koto Shop enables customers to experience the latest energy products, while providing them with suggestions on "smart lifestyle" solutions designed for comfort.

Pick up

Vertically integrated model for electric power businesses



OJEX: Oji-Itochu Enex Power Retailing Co., Ltd. An electric power sales company that has been established jointly with Oji Green Resources Co., Ltd., a subsidiary of Oji Holdings Corporation

Proposing business alliances

We have established ITOCHU ENEX LIFE SERVICE Co., Ltd., which creates new businesses around electricity sales. The company is proposing business alliances to a wide range of local companies, including lifestyle-related businesses and telecommunications businesses.

Power supply and demand management

As a representative of a group formed by power retailers (balancing group), we adjust the power supply and demand balance across the entire group to reduce the risk imbalance in the same-time/same-amount system and to achieve an improvement in efficiency and economies of scale through supply-demand integration.

Business Word Same amount at a time

A rule to make power supply equivalent to power demand every 30 minutes. If a gap emerges between supply and demand in 30 minutes, a penalty called an imbalance charge needs to be paid to the general electricity transmission and distribution business.

Topics

TTS wins Energy Conservation Grand Prizes

TTS won two awards of the 2016 Energy Conservation Grand Prize sponsored by The Energy Conservation Center, Japan. The heat supply center in the Hakozaki district won the Minister of Economy, Trade and Industry Award, and the heat supply center in the Kyobashi 1-chome and 2-chome district won the Energy Conservation Center, Japan Chairman Award in the successful case category.



Supplying heat to GINZA SIX



Thermal energy for air conditioning from a plant of TTS contributes to the comfortable space of GINZA SIX (gross floor area: 147,900 m²), a large complex that has opened on the Chuo-dori street at Ginza 6-chome.

◎ Automobile Energy Sales Business



Automobile Energy Sales Business supplies energy to affiliated Car-Life Stations (CS) across Japan, improving the profitability of CSs and providing strong support for CS management through ENEX Act Programs.

- ◎ Gasoline, kerosene, diesel oil, fuel oil
- ◎ Automobile lubricants

Business Word CS

CS is an abbreviation for "Car-Life Station." It is a service station proposed by ITOCHU ENEX and provides multiple services.

◎ Car-Life Support Business



We provide CSs nationwide with comprehensive merchandise, information, and expertise in sales and help them grow.

- ◎ Automobiles and automobile products, vehicle inspection, maintenance, and sheet metal repair work
- ◎ Merchandise related to the car washer
- ◎ Rent-a-car services

◎ Credit Card Business

We offer a range of credit card options to meet the needs of our CS customers.

- ◎ (Consumer) Rakuten Point Card
- ◎ (Consumer) Car Enex Itsumo Card
- ◎ (Corporate) Partner's Card
- ◎ (Corporate) Fueling Card

◎ IT Support Business

We assist CSs using IT. The current E6 POS System enables one-to-one marketing tailored to the needs of individual customers based on the unified management of customer information, vehicle information, and purchase history.

- ◎ POS system for CSs (E3, E6)
- ◎ CS Strategic System Information System (system for automatically extracting sales data from the POS system for CSs and analyzing the data)

◎ Corporate Energy Sales Business



We sell industrial energy to corporate customers that sustain domestic industry and propose the best energy for saving energy and cutting costs.

- ◎ Gasoline, kerosene, diesel oil, fuel oil, LNG, electricity

◎ Sale of Asphalt



We take advantage of a nationwide sales network to supply asphalt, a key industrial material, to customers.

◎ Storage Tank Leasing

We have tanks to store petroleum products and chemical products in three locations in Japan and operate them efficiently to satisfy our customers' storage needs.

- ◎ Logistics, including oil storage facilities
- ◎ Leasing of chemical products storage facilities



Etajima terminal

◎ Sale of Marine Fuel



We sell marine fuel at major ports in Japan and overseas. We have strengthened our supply system using ships that we own and dedicated ships. Our volume of transactions for domestic vessels is the largest in Japan.

- ◎ Marine fuel, marine lubricants



Nagasaki terminal

◎ Petroleum Product Trading



Itochu Enex, the domestic petroleum products trading arm of the Itochu Group, engages in the import, export and sale in Japan of petroleum products.

- ◎ Export and import of petroleum products, transactions to adjust domestic supply and demand

◎ Flyash Reuse Business

We are considering collecting flyash from spent fuel at thermal power plants, processing it, and reusing it as a material for road construction.

◎ Slop and Sludge Collection and Sale Business

We collect slop (wastewater after washing marine fuel tanks) and sludge (unburnt marine fuel), which has been disposed of as industrial waste, and extract and reuse useful oil resources from them.

Enex in communities



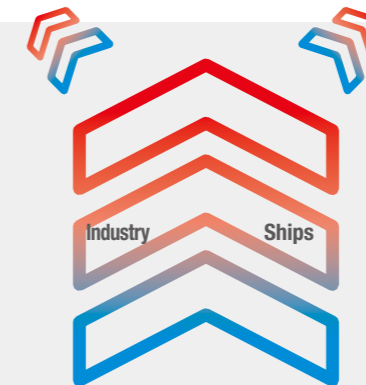
Contributing to lives in communities

Energy Innovation & Logistics Business Group

Life Energy & Logistics Division

We will help build a better society with diverse forms of energy and services to benefit local people and industry.

Enex connects.



Energy solutions

Energy Innovation & Logistics Business Group

Industrial Energy & Logistics Division

We propose optimal energy solutions that support the basis of industry and distribution, such as industrial materials and marine fuels.

◎ AdBlue High-Grade Urea Solution



As part of our activities to address environmental problems, we sell AdBlue, a high-grade urea solution that breaks down and detoxifies diesel vehicle exhaust, to customers nationwide.

Business Word AdBlue

AdBlue is a globally standard high-grade urea solution used in SCR systems, where AdBlue is sprayed into exhaust gas from diesel vehicles and breaks down NOx into harmless nitrogen and water using the reducing action of ammonia.

◎ Sale of Anti-freezing Agents

We sell anti-freezing agents used for roads and the monorail when snow lies in winter and contribute to good traffic conditions throughout the year.

◎ PCB Disposal Intermediary Business

We help with the proper disposal of PCB (polychlorinated biphenyl) used mainly for transformers at electric power companies.

◎ Global Projects



Using our accumulated know-how and our business model, we press ahead with global business development.

- ◎ Palau (petroleum product import and wholesale business)
- ◎ State of Nebraska, U.S. (next-generation biodiesel product)

Pick up

Carlif Stadium, Comprehensive Car-Related Services

Carlif Stadium is the unified brand for our car-related business and clarifies the value provided to customers. We give assistance for enjoyable, comfortable car life, providing services, including a rent a car service, the concept for which is "Going out with more fun."



Sale of Power to Corporate Customers
Collaboration between divisions

Corporate customers (approximately 3,500 business establishments). We are helping to reduce power costs and achieve stable operations at customers' facilities.

Life Energy & Logistics Division

◎ Car Dealer Business

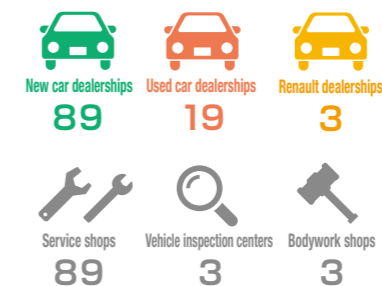


We engage in business that includes the sale of new and used cars, vehicle inspection, automotive bodywork, mechanical servicing and maintenance through Nissan Osaka Sales Co., Ltd., which has the top network throughout Osaka Prefecture and in the Hanshin district of Hyogo Prefecture.



The Top Network in the Area

Nissan Osaka Sales Co., Ltd. is one of the largest dealers affiliated with Nissan Motor in Japan. It is the only dealer affiliated with Nissan in Osaka Prefecture. Nissan Osaka Sales has 89 dealerships selling new cars, 19 dealerships selling used cars, 3 dealerships selling Renault cars, 89 service shops, 3 vehicle inspection centers, and 3 bodywork shops. The network is the largest in the area and the second largest in Nissan Group in Japan.



Topics

Participation in Demonstration Project to Produce Bio Jet Fuel in Japan



We are participating in a demonstration project to produce bio jet and diesel fuels using euglena in Japan, spearheaded by euglena Co., Ltd. Involving five companies and one local government, with euglena playing the central role, this project seeks to get Japan's first bio jet and diesel fuels production demonstration plant up and running and to commercialize production of bio jet and diesel fuels. Itochu Enex is considering the sourcing of bio jet and diesel fuel feedstock other than microalgae euglena, which will be used in the demonstration plant, and will undertake research and verification on the supply and demand, distribution, and sales of bio fuel to be produced. We are considering contributing to realizing low-carbon society.

2017 Enex Data

The Itochu Enex Group's business potential indicated by data

Business Platform

1.08 million

The number of households to which the Home-Life Division supplies LP gas and town gas

Approx. 1,900

The number of LP gas outlets that the Enex Group has nationwide

40

The number of automotive gas stations that supply LP gas to LP gas vehicles (including buses and taxis)

Approx. 1,900

The number of CSs that the Life Energy & Logistics Division operates nationwide, including Car Enex Brand CSs (approx. 400)

Approx. 380

The number of CSs that provide the convenient Itsumo Rent-a-Car service

Approx. 2,100

The number of member establishments (for corporate customers) of the Japan Car Wash Federation, for which Enex-auto, a Group company, serves as an executive office. We are promoting car washes for individual customers.

Approx. 3,500

The number of facilities of corporate customers to which the Life Energy & Logistics Division provides energy and materials

111

The number of dealerships that Nissan Osaka Sales, a Group company, has. Nissan Osaka Sales has the largest number of dealerships in the area.

Facility

145 MW

The power generation capacity of the Power & Utility Division

Well-balanced power sources

We have well-balanced power sources: renewable energy (photovoltaic, wind force, and hydraulic power generation) 21%, gas thermal power generation 24%, coal thermal power generation 55%

18

The number of heat supply districts in the Kanto area where Tokyo Toshi Service Company is operating district heating services. Tokyo Toshi Service Company has the largest number of business districts in the industry.

20

The number of bases for AdBlue high-grade urea solution sales. The number of AdBlue high-grade urea solution plants is 12.

3

The number of ships to carry asphalt owned by ITOCHU ENEX. They supply asphalt across the nation in cooperation with bases.

12 places; 43,800t

As demand for asphalt increased, we increased the number of bases to 12 and stockpiles to 43,800 t.

3 places; 170,000t

The Enex Group has three tank terminals in Japan: Nagasaki, Etajima, and Oigawa. Total stockpiles are 170,000 t.

5 places; 1,500 million cubic meters

The Enex Group has five industrial gas filling stations in Japan. The capacity is 15 million cubic meters per year.

Business Performance

1,000

The number of cylinders for which J Cylinder Service Co., Ltd. conducts pressure resistance inspections each day. J Cylinder Service also fills cylinders at the same time.

3,190 thousand kWh

The FY2016 electric power sales volume of the Power & Utility Division. The sales volume rose 97% year on year.
*The sales volume is the aggregate of the volume of retail sales and that of wholesale sales.

32,000

The number of contracts for e-koto denki, electric power for households and business establishments, in FY2016. T-Points and bundled sales with LP gas are accelerating the pace of conclusion of e-koto denki contracts.

Ranked 5th among 380 companies

We were ranked fifth among newcomers in terms of electric power sales volume in the first year following the full-scale deregulation of electricity retailing.
*As of January 2017, according to data of the Agency for Natural Resources and Energy
*The total power retail sales volume of the Enex Group

0.13 million

The number of effective Car Enex Itsumo Cards, fueling cards for individual customers

25%

Needs for the purification of exhaust gas from diesel vehicles are expanding. Our share in the domestic AdBlue high-grade urea solution market is 25%.

20%

Sales of asphalt in the Industrial Energy & Logistics Division exceeded a market share of 20%.

-53%

The maximum energy saving in the Heat Supply-related Business of Tokyo Toshi Service Company, a Group company

Management

ROE 10.0%

ROE exceeded 9%, the target of the medium-term business plan.
*The result in the fiscal year ended March 31, 2017
*The ratio of shareholders' equity to profit attributable to the Company's shareholders

2017 Excellent Enterprise of Health and Productivity Management

We are promoting the ENEX EARLY BIRD work style change program and have been certified as an Excellent Enterprise of Health and Productivity (large corporation category; White 500) by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

