This document is an English translation of quarterly financial results report released on July 31, 2014 and written initially in Japanese.
The Japanese original should be considered as the primary version.

July 31, 2014

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2015 <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, President
Contact:	Naohiko Takamura, General Manager, Finance and Accounting Department Tel: +81-3-6327-8010

Scheduled date to file quarterly securities report:	August 11, 2014
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 three months of the fiscal year ending March 31, 2015 (from April 1, 2014 to June 30, 2014)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2014	335,972	1.5	1,632	(34.8)	1,684	(33.6)	943	(33.5)	763	(36.8)	1,050	(24.7)
June 30, 2013	330,939	–	2,504	–	2,535	–	1,418	–	1,207	–	1,395	–

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2014	6.75	–
June 30, 2013	10.68	–

Note: "Net sales" are presented in accordance with the Japanese accounting practices and represent the total sum of amounts of transactions that the Company and its consolidated subsidiaries conducted as a party to the contract and transactions in which the Company and its consolidated subsidiaries were involved as an agent.

"Operating income" represents "Profit from operating activities" in the condensed quarterly consolidated statement of comprehensive income.

"Basic earnings per share" are calculated based on "Profit attributable to owners of parent."

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2014	335,609	108,592	93,659	27.9
March 31, 2014	321,032	103,563	94,144	29.3

2. Cash dividends

	Annual cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2014	–	8.00	–	12.00	20.00
Fiscal year ending March 31, 2015	–				
Fiscal year ending March 31, 2015 (Forecast)		11.00	–	11.00	22.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2014	–	–	–	–	–	–	–	–	–
Fiscal year ending March 31, 2015	1,600,000	6.2	13,800	16.2	13,800	(0.3)	7,600	6.7	67.26

Note: Revisions to the consolidated earnings forecasts most recently announced: None

The Company's performance is evaluated on a fiscal year basis. Accordingly, consolidated earnings forecasts for the first six months of fiscal year are not prepared.

*** 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: Yes
b. Changes in accounting policies other than the above: None
c. Changes in accounting estimates: None

For details, please refer to "2. Matters Regarding Summary Information (Notes), (2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Prior Period Financial Statements" on page 6 of the attached materials.

(3) Number of issued shares (common shares)

a. Total number of issued shares at end of period (including treasury shares)

As of June 30, 2014	116,881,106 shares
As of March 31, 2014	116,881,106 shares

b. Number of treasury shares at end of period

As of June 30, 2014	3,890,055 shares
As of March 31, 2014	3,890,015 shares

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

For the three months ended June 30, 2014	112,991,081 shares
For the three months ended June 30, 2013	112,992,338 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 Three 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 Three Months

(1) Explanation of Operating Results

1) Results of operations

During the three months ended June 30, 2014, the Japanese economy overall showed positive signs such as increased capital investments resulting from improved corporate earnings underpinned by the effects of the government economic policies and ongoing monetary easing by the Bank of Japan. Meanwhile, in personal consumption, the impact was seen through the pullback in demand in the wake of a surge ahead of the consumption tax hike in April 2014.

In the petroleum products distribution industry, due to the impact of the surge in the crude oil price as a result of geopolitical risks such as the situation in the Ukraine or Iraq and the continuously weakening yen, domestic petroleum product prices were trending high, and also due to the impact of the consumption tax hike, sales volumes decreased from the corresponding period a year earlier, especially for gasoline and kerosene.

On the other hand, with regard to the power market, due to the continued shutdown of nuclear power plant operations, spot prices were high.

In this operating environment, the Itochu Enex Group has formulated its Fiscal 2014 Group Business Plan, "Moving 2014," and pushed ahead with the following six priority measures:

< 1 > Transform the petroleum and gas business model

< 2 > Create new businesses to obtain new revenue sources

< 3 > Further expand existing businesses through M&As

< 4 > Develop business base and network for power and utility business

< 5 > Develop and cultivate overseas business

< 6 > Upgrade "Enex DNA"

As a part of its efforts in promoting these measures, in May, the Company made Osaka Car Life Group Co., Ltd., which has subsidiaries including Nissan Osaka Sales Co., Ltd., into a subsidiary. By so doing the Company made a full-scale entry into the new car sales business and pursues synergies with existing automobile-related businesses.

As a result of the above activities, during the three months ended June 30, 2014, revenue increased 4.3% year on year to ¥226,788 million, with the new consolidation of Osaka Car Life Group Co., Ltd. and others as well as an increase in revenue from the electricity and steam supply business, etc. Through the contribution of the new consolidation to profits, gross profit increased 4.6% year on year to ¥17,155 million, while profit before tax decreased 33.6% year on year to ¥1,684 million, despite an increase in gross profit, due to an increase in expenses resulting from the new consolidation, and by recording loss relating non-current assets. Profit attributable to owners of parent decreased 36.8% year on year to ¥763 million, owing to the decrease in profit before tax.

In addition, with respect to the management indices targeted by the Itochu Enex Group after the application of IFRSs, we use "ROA" (ratio of profit before tax to total assets), "ROE" (ratio of profit to equity attributable to owners of parent) and "EPS" (earnings per share), to improve efficiency of assets and capital.

2) Results of operations by segment

Home-Life Division

In the Home-Life Division, while the sales volume of LP gas decreased slightly from a year earlier, owing to the rather higher average temperatures in Japan compared to the corresponding period a year earlier. In the profit and loss aspect, although a certain level of profitability could be ensured through the gas rate adjustment system employed to deal with fluctuations of the import price of LP gas, profits decreased year on year due to the impact of the decrease in sales volume.

Under such conditions, we started the "Smart Life" campaign in June at Group companies, aiming at promoting the spread of photovoltaic power generation systems, ENEFARM residential fuel cells, and high-performance and high-efficiency gas equipment. In addition, in July, we launched the “All Japan Appliance Sales Dream Matching Campaign” at our Group sales distributors nationwide. As a company which proposes an optimal mix of home energy, we will offer Smart Life to customers to realize affluent and comfortable lifestyles, via nationwide Group companies and distributors.

As a result of these activities, revenue was ¥26,031 million (down 0.4% year on year), gross profit was ¥5,874 million (down 5.2% year on year), and profit before tax was ¥544 million (down 42.1% year on year).

Car-Life Division

In the Car-Life Division, in addition to the continuing decline in domestic demand due to the impact of the price of petroleum products, which is hovering at high levels affected by high crude oil prices and yen-depreciation since the previous fiscal year, and increasing popularization of fuel efficient vehicles, there was also a pullback in demand in the wake of a surge ahead of the consumption tax hike, and the sales volume was down from a year earlier. In the aspect of profit and loss, meanwhile, despite the attempt to grow the Car-Life profits[*1] of Group companies, profits fell year on year, heavily impacted by the compression of the distribution margin due to a surge in crude oil prices and reluctance of consumers to purchase.

In addition, we made Osaka Car Life Group Co., Ltd. into a subsidiary in May, and made a full-scale entry into the new car sales business. This company is a holding company, with subsidiaries including Nissan Osaka Sales Co., Ltd., the largest Nissan Motor Co., Ltd.-affiliated dealer in Japan with net sales of approximately ¥100.0 billion, and is the only Nissan dealer within Osaka Prefecture. Going forward, starting with sales of new cars, we will build even closer relationships with customers through the life cycle of vehicles, such as maintenance and repair services, automobile insurance sales, vehicle inspection, sales of used cars, etc., while also working on synergies with the CS[*2] business that we have cultivated, and strengthen the Car Life value chain.

In the retail strategy, we will continue improving profitability of Car-Life Stations, continuously promoting support for operation of the Stations by sharing of successful examples through “ENEX ACT Program[*3],” which has been developed for the purpose of strengthening competitiveness of Car-Life Stations of the Company.

The number of Car-Life Stations of the Itochu Enex Group as of June 30, 2014 was 2,101; a net decrease of 17 stations from the end of the previous fiscal year. During the three months ended June 30, 2014, impacted by the trend of decrease in the number of nationwide gas stations, we lost 31 stations through disaffiliation of unprofitable and decrepit stations, etc. while adding 14 newly affiliated stations.

As a result of these activities, revenue was ¥137,768 million (up 9.6% year on year), gross profit was ¥8,187 million (up 17.3% year on year), and loss before tax was ¥517 million (compared with profit before tax of ¥98 million in the same period of the previous fiscal year).

*1 Car-Life Profits: Car-Life profits include profits from car wash, lube oil, tires, car inspection, plating, sales of used cars, and rent-a-car, etc.), excluding sales of fuel oil.

*2 Car-Life Stations: Car-Life Stations are full-service automobile service stations affiliated with Itochu Enex.

*3 ENEX ACT Program: Under this program, we work closely with Car-Life Station operators to raise their competitiveness by analyzing their station operations and competitive climate, conducting group training, and engaging in other activities.

Power & Utility Division

In the Power & Utility Division, due to the continued suspension of nuclear power plant operations, the spot price of electricity has remained firm.

In the electricity and steam supply business[*4], regarding the power generation area centering on JEN Holdings Co., Ltd., although the wind power generation using renewable energy and photovoltaic power generation remained steady, due to the impact of regular inspections of thermal power plants, and other factors, electricity production was below the corresponding period a year earlier. Meanwhile, regarding the electricity sales area centering on the Company, looking ahead to the full liberalization of electricity retail market in 2016, we are strengthening our efforts to expand the electricity business. In the previous fiscal year we sold electricity within the area controlled by each power company in Tokyo, Kansai and Chugoku areas. In this first quarter, however, we for the first time started selling electricity in the areas controlled by respective power companies in Tohoku, Chubu and Kyushu, and consequently, the amount of electricity sold under the division increased slightly from the corresponding period a year earlier. Profits also grew year on year thanks to prices remaining high in the wholesale power market, despite the increase in cost of sales, including a surge in fuel cost.

In the heat supply business[*5], the amount of heat sold was at the same level as in the corresponding period a year earlier, thanks to an increase in heat sold due to an increase in the number of tenants at customers, despite the decrease in the amount of heat sold as a result of efforts for energy conservation in the supply areas. Profits were somewhat down year on year due to an increase in raw materials costs, etc.

In the LNG sales business, the sales volume increased year on year with an increased sales to new customers who began transacting in the previous fiscal year.

As a result of these activities, revenue was ¥8,273 million (up 6.1% year on year), gross profit was ¥1,651 million (up 10.6% year on year), and profit before tax was ¥1,207 million (up 36.1% year on year).

*4 Electricity and steam supply business: Electricity and steam supply business supplies electricity and steam generated at time of power generation.

*5 Heat supply business: 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.

Energy Trade Division

Energy Trade Division continued to face a difficult operating environment due to continuing slowing trend in demand for petroleum products, and a compression in distribution margins due to a surge in crude oil prices despite a move to reduce production of petroleum products.

At present, we are promoting development and expansion of the distribution functions for petroleum and other products.

In the domestic marine fuel sales business, we have deployed nine dedicated fuel supply ships nationwide in marine fuel sales for domestic operations, and in the AdBlue sales business, in response to the increasing popularization of urea SCR vehicles[*6], we have deployed 18 AdBlue supply bases nationwide.

In addition, in the asphalt sales business, we have established an asphalt supply network centering on 11 asphalt terminals nationwide and three company-owned vessels to carry asphalt. In the petroleum products trading business, we have built an optimal logistics environment by working to reinforce the facilities and functions in each business such as deploying oil storage depots and company-owned vessels for domestic operation.

We will continue working for further optimization and sophistication of our logistics functions in order to respond flexibly and swiftly to diversifying customer needs and market environment changes in Japan and abroad.

As a result of these activities, revenue was ¥54,684 million (down 5.3% year on year), gross profit was ¥1,412 million (down 17.0% year on year), and profit before tax was ¥180 million (down 51.2% year on year).

*6 Urea SCR vehicle: Urea SCR vehicle purifies NOx using urea solution (AdBlue) and Selective Catalytic Reduction to reduce NOx in exhaust gas from diesel engines.

(2) Explanation of Financial Position

Assets, liabilities and equity

Total assets amounted to ¥335,609 million at June 30, 2014, an increase of ¥14,577 million from March 31, 2014. Total liabilities amounted to ¥227,017 million, an increase of ¥9,548 million from March 31, 2014. Total equity amounted to ¥108,592 million, an increase of ¥5,029 million from March 31, 2014. The increases in total assets, total liabilities and total equity are all mainly due to increases resulting from the new consolidation of Osaka Car Life Group Co., Ltd. and others, in particular.

Cash flows

Cash and cash equivalents (net cash) totaled ¥16,113 million at June 30, 2014, an increase of ¥1,862 million from March 31, 2014, due to an increase in funds required for trading, etc.

Cash flows from operating activities

Operating activities earned net cash of ¥9,627 million. This was derived mainly from inflows including profit before tax of ¥1,684 million, and depreciation expense, etc. of ¥2,344 million and increase in funds required for trading of ¥8,238 million, and an outflow of income taxes paid of ¥4,871 million.

Cash flows from investing activities

Investing activities used net cash of ¥6,250 million. The main items were expenditures including payments for property, plant and equipment and investment property of ¥4,160 million and payments for the acquisition of Osaka Car Life Group Co., Ltd. of ¥2,202 million.

Cash flows from financing activities

Financing activities used net cash of ¥1,504 million. The main items were ¥1,356 million for dividends paid.

(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 30, 2014.

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

The Itochu Enex Group has applied the following Standards and Interpretations from the three months ended June 30, 2014 in accordance with the respective transitional measures.

Standard	Name of standard	Description of issuance and amendments
IAS 32	Financial Instruments: Presentation	Clarification of requirements for presentation of offsetting financial assets and financial liabilities
IAS 39	Financial Instruments: Recognition and Measurement	Novation of derivatives and continuation of hedge accounting
IFRIC 21	Levies	Accounting treatment for liabilities associated with levies
IFRS 10 IFRS 12 IAS 27	Consolidated Financial Statements Disclosure of Interests in Other Entities Separate Financial Statements	Accounting treatment for investment held by investors

As a result of the application of the IFRIC Interpretation 21 “Levies” as per the above, in the consolidated statement of financial position as of March 31, 2014, deferred tax assets increased by ¥308 million and other current financial liabilities increased by ¥865 million. In addition, in the consolidated statement of financial position as of June 30, 2014, other current assets decreased by ¥572 million, deferred tax assets increased by ¥205 million, and other current financial liabilities increased by ¥2 million.

In the quarterly consolidated statement of comprehensive income for the three months ended June 30, 2013 and for the three months ended June 30, 2014, cost of sales decreased by ¥69 million and ¥127 million, respectively, and distribution, general and administrative expense decreased by ¥151 million, and ¥162 million, respectively.

No other significant impact on the Itochu Enex Group exists from the application of the Standards and Interpretations.

3. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
ASSETS		
Current assets		
Cash and cash equivalents	14,251	16,113
Operating receivables	140,289	111,631
Other current financial assets	11,213	13,340
Inventories	18,655	26,255
Trade advances paid	2,108	2,104
Other current assets	1,677	2,183
Total current assets	188,193	171,626
Non-current assets		
Investments accounted for using equity method	5,927	5,756
Other investments	7,349	8,062
Non-current financial assets other than investments	10,598	10,651
Property, plant and equipment	66,988	83,976
Investment property	14,236	15,456
Goodwill	229	229
Intangible assets	10,280	23,200
Deferred tax assets	15,470	14,828
Other non-current assets	1,762	1,825
Total non-current assets	132,839	163,983
Total assets	321,032	335,609

(Millions of yen)

	As of March 31, 2013	As of June 30, 2014
LIABILITIES AND EQUITY		
Current liabilities		
Current bonds and borrowings	11,499	18,051
Operating payables	125,655	110,997
Other current financial liabilities	5,891	8,204
Income taxes payable	4,021	561
Advances received	5,648	6,387
Other current liabilities	6,487	11,154
Total current liabilities	159,201	155,354
Non-current liabilities		
Non-current bonds and borrowings	27,099	29,433
Other non-current financial liabilities	17,660	24,319
Net defined benefit liability	7,042	10,008
Deferred tax liabilities	2,409	2,527
Provisions	3,372	4,681
Other non-current liabilities	686	695
Total non-current liabilities	58,268	71,663
Total liabilities	217,469	227,017
Equity		
Share capital	19,878	19,878
Share premium	18,737	18,737
Retained earnings	59,377	58,784
Other components of equity	(2,098)	(1,990)
Treasury shares	(1,750)	(1,750)
Total equity attributable to owners of parent	94,144	93,659
Non-controlling interests	9,419	14,933
Total equity	103,563	108,592
Total liabilities and equity	321,032	335,609

(2) Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Revenue	217,360	226,788
Cost of sales	(200,960)	(209,633)
Gross profit	16,400	17,155
Other income and expense		
Distribution, general and administrative expense	(14,023)	(15,586)
Profit (loss) from non-current assets	(55)	(208)
Other profit (loss)	182	271
Total other income and expense	(13,896)	(15,523)
Profit from operating activities	2,504	1,632
Finance income and finance costs		
Interest received	2	15
Dividends received	217	202
Interest paid	(177)	(197)
Other finance income (costs)	(3)	(3)
Total finance income and finance costs	39	17
Share of profit (loss) of investments accounted for using equity method	(8)	35
Profit before tax	2,535	1,684
Income tax expense	(1,117)	(741)
Profit	1,418	943
Profit attributable to owners of parent	1,207	763
Profit attributable to non-controlling interests	211	180

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Other comprehensive income (net of tax effect)		
Items that will not be transferred to profit or loss		
Financial assets at FVTOCI	(60)	303
Other comprehensive income of associates accounted for using the equity method	1	0
Items that may be transferred to profit or loss		
Exchange differences on translation of foreign operations	(1)	(7)
Cash flow hedges	–	(177)
Other comprehensive income of associates accounted for using the equity method	37	(12)
Total other comprehensive income (net of tax effect)	(23)	107
Comprehensive income	1,395	1,050
Comprehensive income attributable to owners of parent	1,184	870
Comprehensive income attributable to non-controlling interests	211	180

(Yen)

Earnings per share (attributable to owners of parent)		
Basic	10.68	6.75
Diluted	–	–

(Millions of yen)

Net sales	330,939	335,972

(Note) Net sales are presented in accordance with the Japanese accounting practices and represent the total sum of amounts of transactions that the Company and its consolidated subsidiaries conducted as a party to the contract and transactions in which the Company and its consolidated subsidiaries were involved as an agent. This is the item voluntarily disclosed by the Company for investors' convenience and is not required to be disclosed under IFRSs.

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Equity		
Share capital		
Balance at beginning of period	19,878	19,878
Balance at end of period	19,878	19,878
Share premium		
Balance at beginning of period	18,737	18,737
Balance at end of period	18,737	18,737
Retained earnings		
Balance at beginning of period	53,575	59,377
Profit attributable to owners of parent	1,207	763
Transfer from other components of equity	84	–
Dividends paid to owners of parent	(904)	(1,356)
Balance at end of period	53,962	58,784
Other components of equity		
Balance at beginning of period	(1,527)	(2,098)
Other comprehensive income attributable to owners of parent	(23)	108
Transfer to retained earnings	(84)	–
Balance at end of period	(1,634)	(1,990)
Treasury shares		
Balance at beginning of period	(1,750)	(1,750)
Purchase and disposal of treasury shares	(0)	(0)
Balance at end of period	(1,750)	(1,750)
Total equity attributable to owners of parent	89,193	93,659
Non-controlling interests		
Balance at beginning of period	8,175	9,419
Profit attributable to non-controlling interests	211	180
Other comprehensive income attributable to non-controlling interests	0	0
Dividends paid to non-controlling interests	(175)	(215)
Changes due to additional acquisition and sale of interests in subsidiaries	497	5,549
Balance at end of period	8,708	14,933
Total equity	97,901	108,592

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Cash flows from (used in) operating activities		
Profit before tax	2,535	1,684
Depreciation expense, etc.	2,572	2,344
Credit losses	115	(82)
Loss (profit) from non-current assets	55	208
Finance income and finance costs	(39)	(17)
Share of loss (profit) of investments accounted for using equity method	8	(35)
Decrease (increase) in operating receivables	25,770	31,167
Decrease (increase) in inventories	(4,461)	2,265
Increase (decrease) in operating payables	(22,259)	(25,194)
Other, net	1,580	2,115
Interest and dividends received	288	208
Interest paid	(63)	(165)
Income taxes paid	(3,846)	(4,871)
Net cash flows from (used in) operating activities	2,255	9,627
Cash flows from (used in) investing activities		
Purchase of investments	(1)	(1)
Proceeds from sales of investments	934	157
Purchase of subsidiaries, net of cash acquired	(1,247)	(2,202)
Loans made to other parties	(209)	(809)
Cash receipt from repayment of loans made to other parties	112	959
Payments for property, plant and equipment and investment property	(2,808)	(4,160)
Proceeds from sales of property, plant and equipment and investment property	188	135
Purchase of intangible assets	(115)	(335)
Proceeds from sales of intangible assets	0	6
Net cash flows from (used in) investing activities	(3,146)	(6,250)
Cash flows from (used in) financing activities		
Capital raised through bonds and borrowings	–	2,346
Repayments of bonds and borrowings	(702)	(754)
Net increase (decrease) in current borrowings	(564)	(1,525)
Dividends paid to owners of parent	(904)	(1,356)
Dividends paid to non-controlling interests	(175)	(215)
Other, net	(0)	(0)
Net cash flows from (used in) financing activities	(2,345)	(1,504)
Increase (decrease) in cash and cash equivalents	(3,236)	1,873
Cash and cash equivalents at beginning of period	18,062	14,251
Effect of exchange rate fluctuation on cash and cash equivalents	47	(11)
Cash and cash equivalents at end of period	14,873	16,113

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

For the three months ended June 30, 2014

No items to report.

(6) Segment Information

For the three months ended June 30, 2013

(Millions of yen)

	Reportable segment								
	Home-Life	Car-Life	Power & Utility	Energy Trade	Total	Other	Total	Adjustment	Consolidated
Revenue									
Revenue from external customers	26,149	125,661	7,797	57,722	217,329	31	217,360	–	217,360
Intersegment revenue	92	2,439	–	93	2,624	48	2,672	(2,672)	–
Total revenue	26,241	128,100	7,797	57,815	219,953	79	220,032	(2,672)	217,360
Gross profit	6,198	6,983	1,492	1,700	16,373	27	16,400	–	16,400
Segment profit	940	98	887	369	2,294	15	2,309	226	2,535
Net sales	27,211	134,988	8,297	160,233	330,729	210	330,939	–	330,939

(Note) Intersegment transactions have been conducted at ordinary transaction prices.

Segment profit was adjusted based on profit before tax in the condensed quarterly consolidated statement of comprehensive income.

The adjustment of ¥226 million to segment profit represents corporate profit (loss) not allocated to reportable segments.

Net sales are an item voluntarily disclosed by the Company and represent the amount of sales in accordance with Japanese accounting practices.

For the three months ended June 30, 2014

(Millions of yen)

	Reportable segment								
	Home-Life	Car-Life	Power & Utility	Energy Trade	Total	Other	Total	Adjustment	Consolidated
Revenue									
Revenue from external customers	26,031	137,768	8,273	54,684	226,756	32	226,788	–	226,788
Intersegment revenue	207	430	–	128	765	60	825	(825)	–
Total revenue	26,238	138,198	8,273	54,812	227,521	92	227,613	(825)	226,788
Gross profit	5,874	8,187	1,651	1,412	17,124	31	17,155	–	17,155
Segment profit (loss)	544	(517)	1,207	180	1,414	8	1,422	262	1,684
Net sales	27,359	147,050	9,220	152,305	335,934	38	335,972	–	335,972

(Note) Intersegment transactions have been conducted at ordinary transaction prices.

Segment profit was adjusted based on profit before tax in the condensed quarterly consolidated statement of comprehensive income.

The adjustment of ¥262 million to segment profit represents corporate profit (loss) not allocated to reportable segments.

Net sales are an item voluntarily disclosed by the Company and represent the amount of sales in accordance with Japanese accounting practices.

Change in reportable segments

During the three months ended June 30, 2014, the Company has changed the name of "Total Home-Life Division" to "Home-Life Division." Segment information during the three months ended June 30, 2013 has been restated to reflect the change in reportable segments.

(7) Business Combinations

For the three months ended June 30, 2014

The material business combination during the three months ended June 30, 2014 was as follows:

Acquisition of shares of Osaka Car Life Group Co., Ltd.

Following a resolution at a Board of Directors' meeting held on April 17, 2014 to acquire 200 issued shares (51.95% of the total number of issued shares) of Osaka Car Life Group Co., Ltd. ("OCG"), which owns subsidiaries including Nissan Osaka Sales Co., Ltd., thereby making it into a subsidiary, the Company concluded a share transfer agreement with NMC 2007 Investment Limited Partnership as of the same date and acquired the shares for ¥6,000 million on May 27, 2014. The aim of this acquisition of shares is for the Company's Car-Life Division to extend its reach beyond sales of fuel among others and the operation of Car-Life Stations by making a full-scale entry into the automobile-related business. In this way, the move will contribute to the division's aims of "strengthening the Car-Life value chain" and "increasing added value across the entire value chain." Organically combining the business assets of OCG and the Company will further enhance the existing business base of the Company, which primarily includes fuel sales. Moreover, the Company will also pursue synergies to propose new value for customers' motoring lifestyles.

(1) The fair values of consideration paid, assets acquired and liabilities assumed, and non-controlling interests as of the acquisition date are shown below:

(Millions of yen)

Item	Amount
Fair value of consideration paid (Notes 1 and 2)	6,000
Fair value of non-controlling interests	5,549
Total	11,549
Fair value of assets acquired and liabilities assumed	
Current assets	17,183
Non-current assets	30,577
Current liabilities	(24,523)
Non-current liabilities	(11,688)
Net assets	11,549

(Notes) 1. The consideration paid was settled in cash.
2. There is no contingent consideration.

The fair values of assets acquired and liabilities assumed and non-controlling interests were determined comprehensively taking into account the financial and assets conditions reviewed through due diligence by a third party, assessment of corporate value by a financial advisor, etc.

Distribution, general and administrative expense of ¥97 million were recorded as acquisition-related costs for the business combination.

(Note) As of June 30, 2014, with regard to the amount of assets accepted and liabilities assumed as of the date of the business combination, etc., since the contents of recognizable assets and liabilities as of business combination date are under close examination, tentative accounting has been performed.

(2) Fair value, etc. of acquired receivables

The total amount and fair value of operating receivables were ¥2,823 million. There are no impaired operating receivables, and the contractual amount is expected to be fully collected.

(3) Performance from the acquisition date

Operating results of Osaka Car Life Group Co., Ltd. from the acquisition date, which are included in the condensed quarterly consolidated statement of comprehensive income for the three months ended June 30, 2014, are shown below:

(Millions of yen)

Item	Osaka Car Life Group Co., Ltd.
Revenue	8,650
Profit	108
Profit attributable to owners of parent	56

(4) Pro forma information

Pro forma information (unaudited information) based on the assumption that the business combination of Osaka Car Life Group Co., Ltd. was carried out on April 1, 2014, the beginning of the current fiscal year, is omitted, because the approximate amount of this impact is immaterial.