

*This document is an abridged English translation of an earnings report released on May 2, 2013 and written initially in Japanese.
The Japanese original should be considered as the primary version.*

FOR IMMEDIATE RELEASE

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Itochu Enex Reports Consolidated Earnings for the Fiscal Year Ended March 31, 2013 (Under Japanese GAAP)

Tokyo, Japan, May 2, 2013 -- Itochu Enex Co., Ltd. (TSE: 8133) announced net sales of 1,430,745 million yen for the fiscal year ended March 31, 2013, and net income of 5,576 million yen, or 49.36 yen per share.

Results of Operations

In the fiscal year ended March 31, 2013, despite a recession phase with global economic slowdown, the Japanese economy partly showed a sign of recovery, albeit weak, from the end of 2012. Upward tendency in stock prices in expectation of the economic and finance management including the monetary easing policy has had just a limited impact on the actual economy.

In the petroleum products distribution industry, while consumption decreased with increasing awareness of environmental issues and popularization of fuel-efficient cars, fuel oil slightly increased year on year in general thanks to continuously demanded heavy oil for power generation and others.

In this operating environment, the Itochu Enex Group worked to strengthen and improve the core petroleum product sales business in this fiscal year too which was the second year of a medium term business plan, Core & Synergy 2013. We also pursued a growth strategy, working on a new business model as a company that proposes an optimal mix of energy with the electricity and steam supply business through JEN Holdings Co., Ltd. which newly became a Group company in the previous fiscal year, as well as the heat supply business¹ into which Itochu Enex entered through making Tokyo City Service Co., Ltd. a Group company in May 2012. Furthermore, we strived to expand business that creates needs from the viewpoint of consumers mainly through the Total-Life Division.

As a result of the above activities, consolidated net sales in the fiscal year ended March 31, 2013 increased 1.2% year on year to 1,430,745 million yen.

Through efforts for entering into new businesses and cost reduction by streamlining operations, consolidated operating income increased 53.0% year on year to 13,726 million yen, and consolidated ordinary income increased 36.9% year on year to 12,963 million yen. Consequently, consolidated net income rose 43.2% year on year to 5,576 million yen.

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

Segment Information

Industrial Material Division

The Industrial Material Division earned operating income of 4,768 million yen (up 129.6% year on year) on net sales of 184,908 million yen (up 26.0% year on year) in the fiscal year ended March 31, 2013.

In the petroleum product sales business, active efforts to secure new customers resulted in a year-on-year increase in sales volume, mainly for kerosene, gas oil, and heavy oil. In the asphalt sales business, sales volume increased year on year, as a result of enhancement of distribution functions, such as completion of company-owned ocean-going vessels to carry asphalt in September 2012, as well as new construction of company-owned tanks in Kanto area in October 2012. In the AdBlue sales business, sales volume expanded from a year earlier thanks to increasing popularization of urea SCR vehicles².

In the general high-pressure gas business, we ensured both sales volume and profits at the same level as the previous fiscal year, despite harsh conditions due to adverse effects from lower operating rates of plants in the industry.

In the electricity and steam supply business, profits increased year on year, reflecting a sales increase due to enhancement of power generation equipment, higher facilities operating rates, as well as profits from wind generation business using a system for purchasing renewable energy at fixed price. In the electric power retail business, both sales volume and profits increased year on year.

In the heat supply business into which Itochu Enex entered in May 2012, business performance went well thanks to higher demand for heat for air conditioning due to climate factors.

Note 2 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.

Car-Life Division

In the fiscal year ended March 31, 2013, the Car-Life Division earned operating income of 4,652 million yen (down 7.9 % year on year) on net sales of 547,798 million yen (down 2.6% year on year).

Sales volume decreased year on year with adverse effects from decreased demands for petroleum resulted from a slowdown in demands for reconstruction after the Great East Japan Earthquake and increasing popularization of fuel-efficient vehicles with tax break for eco-friendly cars.

Under such circumstances, as a retail strategy, we worked on support activities for Car-Life Stations³ from present data analysis to improvement in profit through promotion of "ENEX ACT Program"⁴ for the purpose of strengthening ability and competitiveness of Car-Life Stations. We also enhanced revenue bases of group companies and dealers by selecting Car-Life Stations to serve as a model of facility to offer information on the area, and proactively transmitting accumulated information and expertise about operation. Furthermore, we actively addressed the enhancement of disaster response bases such as operation of "Kizuna Net Center"⁵.

The number of Car-Life Stations of the Group companies at the end of the fiscal year ended March 31, 2013 was 2,182, a net increase of 25 stations from the end of the

previous fiscal year. During the fiscal year under review, we added 117 newly affiliated stations, owing to efforts to expand the number of our CS affiliates and fulfillment of large-scale M&A projects, and lost 92 through disaffiliation due to aging facilities affected by the revised Fire Service Act and review of unprofitable Car-Life Stations.

We will make continuous efforts for expanding sales bases with newly affiliated stations and implementation of M&A, and strive to improve profits of the Group companies and dealers through further strengthening of retail functions.

Note 3 Car-Life Stations: Car-Life Stations are full-service automobile service stations affiliated with Itochu Enex.

Note 4 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.

Note 5 Kizuna Net Center: Kizuna Net Center is disaster-response petroleum distribution centers, which were opened in Rifu-cho, Miyagi Prefecture in September 2012, and in Fukaya City in Saitama Prefecture in March 2013, as part of the medium- and long-term support for reconstruction of areas hit by the Great East Japan Earthquake. With a privately-owned electrical power facility, stable supply of energy to medical institutions and nursing homes for the elderly becomes possible at the time of disaster.

Global Trade Division

In the fiscal year ended March 31, 2013, the Global Trade Division recorded operating income of 2,075 million yen (up 87.9 % year on year) on net sales of 591,917 million yen (down 2.0 % year on year).

The division's petroleum products trading business continued to face a difficult operating environment mainly due to domestic and overseas extreme volatility in prices of crude oil and petroleum products, and currency exchange, as well as a recent slowdown in domestic demands for gasoline, etc. However, sales volume increased year on year with accumulated transactions taking into account domestic and overseas market trends such as the increased demand for kerosene due to colder weather in winter, as well as customers' needs. Meanwhile, profits decreased year on year due to impacts from the stagnation in the gasoline market in summer.

In the marine fuel sales business, transactions centering on Singapore and Middle East were steadily accumulated in overseas operation, and the distribution network was reinforced with the deployment of dedicated fuel supply ships and new transactions were acquired in domestic operation. As a result, both sales volume and profits increased year on year.

While the tanker business faced the fierce market environment due to tanker rates remaining low, the Division ensured profits with proactive efforts for increasing operating efficiency and reducing cost for company-managed vessels, as well as accumulating income in spot chartering and vessel operation services.

Home-Life Division

In the fiscal year ended March 31, 2013, the Home-Life Division earned operating income of 4,467 million yen (up 20.0% year on year) on net sales of 101,585 million yen (up 5.4 % year on year).

As the average temperature nationwide had been lower than the previous year during the period from late October in 2012 to late January in 2013, when LP gas begins to be demanded, sales volume of directly marketed LP gas increased year on year. Meanwhile, the import price of LP gas was higher than usual with 1,050 U.S. dollars per ton in November, the second highest in history. However, the Division was able to secure fair profits through penetration of the gas rate adjustment system, which has been proactively introduced.

While reorganizing group companies in each area from the previous fiscal year, we made a basic agreement on capital alliance with ing Corporation to jointly manage LP gas sales business with Itochu Enex Home-Life Kanto Co., Ltd., a Group company, in the Kanto area. (A new company established in April 2013.) With this, we will improve profits through efficient management, expanding a business scale in the area and enhancing competitiveness.

Furthermore, in terms of "expansion of new energy equipment sales" regarded as the most important strategy in the Home-Life Division, sales volume of solar power generation systems increased by 68% from a year earlier, as a result of enhancing sales capabilities through a new dedicated system from the current fiscal year.

Total-Life Division

In the fiscal year ended March 31, 2013, the Total-Life Division recorded operating loss of 529 million yen (884 million yen in the previous fiscal year) on net sales of 3,606 million yen (up 21.9 % year on year).

The Total-Life Division proactively promoted sales of solar power generation systems and EneFarm household fuel cell systems by building a new sales network consisting of the Group companies, petroleum and LP gas distributors, home builders and real estate agents.

Especially, we actively promoted sales activities for industrial solar power generation systems (10kW or more) for which demand is expanding with the system for purchasing renewable energy at fixed price which started in July 2012.

In relation to a proprietary lithium-ion storage battery system for home use which enables use of self-sufficient electricity during disasters or other emergencies, model devices have been marketed mainly through LP gas distributors. We also developed an electricity storage system which meets requirements for subsidy, and are in the approval process for the subsidy.

As for "Super Condenser⁶", an energy-saving system for air conditioners, we increased new customers by participating in "Eco House & Eco Building EXPO", an international business exhibition, to approach the visitors.

As part of "E-koto Project" which is aimed at energizing people and communities, "E-koto Shop Machida", the fourth shop in Japan, was opened in December 2012 to expand business bases, in cooperation with Itochu Enex Home-life Kanto Co., Ltd. and local home builders.

In the automobile-related business, Enexauto Co., Ltd., one of the Group companies, mainly contributed to improvement in profits of the Group companies and dealers, by promoting introduction of rental cars which are greatly beneficial to Car-Life Stations and used vehicle trading system, etc.

Note 6 Super Condenser: A condenser which is additionally installed with outdoor unit of air conditioners for commercial use to improve efficiency in operation of air conditioners and realize effective energy-saving and reduction of power consumption.

Consolidated Earnings Forecasts

Although the global and Japanese economies have embarked on recovery, risks of downward pressure on business are continuously forecast. The petroleum products distribution industry is likewise expected to continuously face a challenging environment marked by declining domestic demand mainly due to popularization of fuel-efficient vehicles and risks of volatility in crude oil prices caused by the weak yen and others.

In the fiscal year ending March 31, 2014, the last year of our Core & Synergy 2013 medium-term business plan, we will aim to achieve expected numerical values of consolidated earnings. To this end, we will strengthen and improve the petroleum and gas-related business, our core business, and implement a large organizational reform with an eye to expanding the electricity and steam supply business, as well as promoting overseas businesses, and realize sustainable growth with local communities as a company which proposes an optimal mix of energy.

Financial Condition

Total assets amounted to 323,747 million yen at March 31, 2013, an increase of 18,694 million yen from March 31, 2012. This primarily reflected an increase in fixed assets in line with Tokyo City Service Co., Ltd. becoming a consolidated subsidiary.

Liabilities amounted to 217,216 million yen, an increase of 8,254 million yen from March 31, 2012. This primarily reflected issuance of bonds. Net assets totaled 106,530 million yen, an increase of 10,439 million yen from March 31, 2012, due to factors including increases in retained earnings and minority interests.

We consequently ended the fiscal year with a shareholders' equity ratio of 30.3%.

Cash flows

Cash and cash equivalents (net cash) totaled 17,880 million yen at March 31, 2013, an increase of 2,567 million yen from March 31, 2012, due in part to an improvement in operating cash flows.

Cash flows from operating activities

Operating activities earned net cash of 21,606 million yen. This was deprived mainly from income before income taxes and minority interests of 11,497 million yen and depreciation and amortization of 6,773 million yen.

Cash flows from investing activities

Investing activities used net cash of 25,047 million yen. The main items were 9,088 million yen for purchase of investment in subsidiaries, 9,183 million yen for purchases of property, plant and equipment, and 8,071 million yen for payments for loans.

Cash flows from financing activities

Financing activities earned net cash of 5,964 million yen. The main item was income of 7,875 million yen resulting from an increase in interest-bearing debts such as borrowings, despite expenses of 1,807 million yen for dividends paid.

Cash flow indicators

Fiscal year ended March 31,	2010	2011	2012	2013
Shareholders' equity ratio (%)	34.2	33.1	30.6	30.3
Shareholders' equity ratio at market value (%)	21.3	19.5	18.1	19.4
Ratio of cash flow to interest-bearing debt (years)	5.6	2.4	—	1.9
Interest-coverage ratio (times)	5.9	17.5	—	24.6

Shareholders' equity ratio: Shareholders equity / Total assets

Shareholders' equity ratio at market value: Market capitalization / Total assets

Ratio of cash flow to interest-bearing debt: Interest-bearing debt / Cash flow

Interest-coverage ratio: Cash flow / Interest expense

1. All of the above ratios were calculated using consolidated financial statement data.
2. Market capitalization was calculated by multiplying the fiscal-year-end closing share price by the number of shares outstanding at fiscal year-end (net of treasury stock).
3. "Cash flow" is "Cash provided by (used in) operating activities" on the Consolidated Statements of Cash Flows.
4. Interest-bearing debt is all debt, of the debt carried on the consolidated balance sheet, on which interest is payable. "Interest expense" is "interest paid" on Consolidated Statement of Cash Flow.
5. Ratio of cash flow to interest-bearing debt and Interest-coverage ratio in the fiscal year ended March 31, 2012 were not stated as cash flow from operating activities is negative.

Profit Distribution Policy and Dividends for the Fiscal Years Ended March 31, 2013 and ending March 31, 2014

In terms of shareholder returns, we aim to maintain a consolidated dividend payout ratio of at least 30% in accord with our policy of paying stable dividends on an ongoing basis while maintaining sustained business growth.

For the fiscal year ended March 31, 2013, we plan to pay a year-end dividend of 8 yen per share. For the fiscal year ending March 31, 2014, we plan to pay annual dividends of 16 yen per share (including an interim dividend of 8 yen per share).

With respect to internally retained funds, our basic policy is to use such funds to invest in our business to strengthen our operating foundation and further increase earnings.

Financial Statements—Consolidated

(1) Consolidated Balance Sheets

Millions of yen

	March 31, 2012 Amount	March 31, 2013 Amount
Assets		
Current assets		
Cash and cash equivalents	15,312	17,880
Trade notes and accounts receivable	150,895	139,140
Merchandise and finished products	14,898	17,044
Deferred tax assets	1,684	1,963
Other	15,391	17,267
Allowance for doubtful accounts	(306)	(218)
Total current assets	197,877	193,077
Fixed assets		
Property, plant and equipment		
Buildings and structures	53,987	57,725
Accumulated depreciation	(32,959)	(33,203)
Buildings and structures, net	21,028	24,521
Machinery, equipment and vehicles	39,479	53,022
Accumulated depreciation	(27,151)	(28,209)
Machinery, equipment and vehicles, net	12,327	24,812
Vessel	—	488
Accumulated depreciation	—	(11)
Vessel, net	—	477
Land	35,084	34,753
Leased assets	4,381	5,435
Accumulated depreciation	(2,230)	(3,026)
Leased assets, net	2,151	2,408
Construction in progress	1,904	588
Other	5,419	6,206
Accumulated depreciation	(4,282)	(4,399)
Other, net	1,137	1,806
Net, property, plant and equipment	73,634	89,368
Intangible assets		
Goodwill	3,430	3,209
Other	3,412	8,164
Total intangible assets	6,842	11,373
Investments and other assets		
Investment securities	13,791	15,269
Long-term loans	1,166	964
Deferred tax assets	2,723	2,816
Other assets	9,635	11,380
Allowance for doubtful accounts	(619)	(503)
Total investments and other assets	26,698	29,926
Total fixed assets	107,175	130,669
Total assets	305,053	323,747

Millions of yen

	March 31, 2012 Amount	March 31, 2013 Amount
Liabilities		
Current liabilities		
Trade notes and accounts payable	129,225	119,006
Short-term borrowings	16,349	9,594
Commercial papers	4,000	—
Corporate bonds due within one year	—	5,000
Lease obligations	1,084	1,132
Income taxes payable	2,382	3,932
Accrued bonuses for employees	2,595	3,115
Accrued bonuses for directors and corporate auditors	287	404
Other current liabilities	17,219	20,047
Total current liabilities	173,145	162,233
Long-term liabilities		
Corporate bonds	10,000	20,000
Long-term debt	333	6,246
Lease obligations	1,957	2,141
Deferred tax liabilities	164	1,809
Deferred tax liabilities on land revaluation	2,671	2,438
Liabilities for retirement benefits	6,238	6,404
Asset retirement obligations	2,339	2,688
Other long-term liabilities	12,111	13,253
Total long-term liabilities	35,817	54,983
Total liabilities	208,962	217,216
Net assets		
Shareholders' equity		
Common stock	19,877	19,877
Capital surplus	18,736	18,736
Retained earnings	65,186	69,106
Treasury stock	(1,749)	(1,749)
Total shareholders' equity	102,050	105,970
Accumulated other comprehensive income (loss)		
Unrealized gains (losses) on available-for-sale securities	(1,030)	(104)
Deferred hedge gains (losses)	(3)	(5)
Revaluation reserve for land	(7,627)	(7,778)
Foreign currency translation adjustments	19	71
Total accumulated other comprehensive income (loss)	(8,641)	(7,815)
Minority interests	2,681	8,375
Total net assets	96,090	106,530
Total liabilities and net assets	305,053	323,747

(2) Consolidated Statements of Income

Millions of yen

	Year ended March 31, 2012	Year ended March 31, 2013
	Amount	Amount
Net sales	1,414,161	1,430,745
Cost of sales	1,349,557	1,360,691
Gross profit	64,604	70,054
Selling, general and administrative expenses	55,631	56,328
Operating income (loss)	8,973	13,726
Other income		
Interest income	62	26
Dividend income	257	255
Purchase discounts	247	323
Equity in income of unconsolidated subsidiaries and associates	115	—
Other	858	925
Total other income	1,541	1,531
Other expense		
Interest expense	466	548
Sales discounts	216	230
Bond issuance cost	—	84
Loss on foreign currency translation	83	1,137
Equity in loss of unconsolidated subsidiaries and associates	—	28
Other	277	264
Total other expense	1,044	2,294
Ordinary income	9,470	12,963
Extraordinary gains		
Gain on sales of fixed assets	348	274
Gain on sales of investment securities	41	12
Compensation income for expropriation	21	130
Total extraordinary gains	411	417
Extraordinary losses		
Loss on sales and disposal of fixed assets	357	1,125
Loss on sales of investment securities	10	2
Loss on devaluation of investment securities	417	11
Loss on impairment of long-lived assets	117	712
Loss due to disaster	26	—
Other	—	31
Total extraordinary losses	929	1,882
Income before income taxes and minority interests	8,951	11,497
Income taxes		
Current	3,596	5,479
Deferred	985	(474)
Total income taxes	4,581	5,004
Income before minority interests	4,370	6,493
Minority interests	477	916
Net income	3,893	5,576

Consolidated Statements of Comprehensive Income

Millions of yen

	Year ended March 31, 2012	Year ended March 31, 2013
	Amount	Amount
Income before minority interests	4,370	6,493
Other comprehensive income (loss)		
Unrealized gains (losses) on available-for-sale securities	72	925
Revaluation reserve for land	382	—
Share of other comprehensive income (loss) of associates accounted for using equity method	12	51
Total other comprehensive income (loss)	468	977
Comprehensive income	4,838	7,470
Components:		
Comprehensive income attributable to owners of the parent	4,361	6,554
Comprehensive income attributable to minority interests	477	916

(3) Consolidated Statements of Changes in Net Assets

	<i>Millions of yen</i>	
	Year ended March 31, 2012	Year ended March 31, 2013
	Amount	Amount
Shareholders' equity		
Common stock		
Balance at beginning of year	19,877	19,877
Changes during the period		
Total changes during the period	—	—
Balance at end of year	19,877	19,877
Capital surplus		
Balance at beginning of year	18,736	18,736
Changes during the period		
Total changes during the period	—	—
Balance at end of year	18,736	18,736
Retained earnings		
Balance at beginning of year	63,795	65,186
Changes during the period		
Cash dividends paid	(2,276)	(1,807)
Net income	3,893	5,576
Reversal of revaluation reserve for land	(226)	150
Total changes during the period	1,390	3,919
Balance at end of year	65,186	69,106
Treasury stock		
Balance at beginning of year	(1,321)	(1,749)
Changes during the period		
Purchase of treasury stocks	(427)	(0)
Total changes during the period	(427)	(0)
Balance at end of year	(1,749)	(1,749)
Total shareholders' equity		
Balance at beginning of year	101,088	102,050
Changes during the period		
Cash dividends paid	(2,276)	(1,807)
Net income	3,893	5,576
Purchase of treasury stocks	(427)	(0)
Reversal of revaluation reserve for land	(226)	150
Total changes during the period	962	3,919
Balance at end of year	102,050	105,970
Accumulated other comprehensive income (loss)		
Unrealized gains (losses) on available-for-sale securities		
Balance at beginning of year	(1,103)	(1,030)
Changes during the period		
Net increase (decrease) during the period, except for items under shareholders' equity	72	926
Total changes during the period	72	926
Balance at end of year	(1,030)	(104)

Millions of yen

	Year ended March 31, 2012	Year ended March 31, 2013
Deferred hedge gains (losses)		
Balance at beginning of year	3	(3)
Changes during the period		
Net increase (decrease) during the period, except for items under shareholders' equity	(6)	(1)
Total changes during the period	(6)	(1)
Balance at end of year	(3)	(5)
Revaluation reserve for land		
Balance at beginning of year	(8,236)	(7,627)
Changes during the period		
Reversal of revaluation reserve for land	226	(150)
Net increase (decrease) during the period, except for items under shareholders' equity	382	—
Total changes during the period	608	(150)
Balance at end of year	(7,627)	(7,778)
Foreign currency translation adjustments		
Balance at beginning of year	—	19
Changes during the period		
Net increase (decrease) during the period, except for items under shareholders' equity	19	52
Total changes during the period	19	52
Balance at end of year	19	71
Total accumulated other comprehensive income (loss)		
Balance at beginning of year	(9,336)	(8,641)
Changes during the period		
Reversal of revaluation reserve for land	226	(150)
Net increase (decrease) during the period, except for items under shareholders' equity	468	977
Total changes during the period	694	826
Balance at end of year	(8,641)	(7,815)
Minority interests		
Balance at beginning of year	2,371	2,681
Changes during the period		
Net increase (decrease) during the period, except for items under shareholders' equity	310	5,693
Total changes during the period	310	5,693
Balance at end of year	2,681	8,375
Total net assets		
Balance at beginning of year	94,123	96,090
Changes during the period		
Cash dividends paid	(2,276)	(1,807)
Net income	3,893	5,576
Purchase of treasury stocks	(427)	(0)
Reversal of revaluation reserve for land	—	—
Net increase (decrease) during the period, except for items under shareholders' equity	778	6,670
Total changes during the period	1,967	10,439
Balance at end of year	96,090	106,530

(4) Consolidated Statements of Cash Flows

Millions of yen

	Year ended March 31, 2012	Year ended March 31, 2013
	Amount	Amount
Cash flows from operating activities		
Income before income taxes and minority interests	8,951	11,497
Depreciation and amortization	6,613	6,773
Loss on impairment of long-lived assets	117	712
Amortization of goodwill	1,728	1,717
Increase (decrease) in allowance for doubtful accounts	(195)	83
Increase (decrease) in liabilities for retirement benefits	218	(12)
Interest and dividend income	(319)	(282)
Interest expense	466	548
Bond issuance cost	—	84
(Gain) loss on foreign currency translation	21	966
Equity in (income) loss of unconsolidated subsidiaries and associated companies	(115)	28
(Gain) loss on sales and disposal of fixed assets	8	850
(Gain) loss on sales of investment securities	(30)	(10)
(Gain) loss on revaluation of investment securities	417	11
Compensation income for expropriation	(21)	(130)
Loss due to disaster	26	—
(Increase) decrease in trade notes and accounts receivable	(33,340)	12,991
(Increase) decrease in inventories	(2,514)	(2,145)
Increase (decrease) in trade notes and accounts payable	22,558	(10,515)
(Increase) decrease in other assets	(1,499)	(2,118)
Increase (decrease) in other liabilities	1,021	4,787
Other	—	31
Sub total	4,119	25,870
Interest and dividend income received	439	364
Interest paid	(468)	(647)
Income taxes paid	(4,361)	(3,981)
Net cash provided by (used in) operating activities	(271)	(21,606)
Cash flows from investing activities		
Purchase of marketable securities	(1,673)	(1,206)
Proceeds from redemption of securities	675	1,500
Purchases of property, plant and equipment	(5,938)	(9,183)
Proceeds from sales of property, plant and equipment	1,477	1,389
Purchases of intangible assets	(1,670)	(2,300)
Proceeds from sales of intangible assets	3	51
Purchases of investment securities	(480)	(105)
Proceeds from sales of investment securities	436	82
Purchase of investment in subsidiaries	(457)	(9,088)
Proceeds from liquidation of associated companies	17	312
Payments for loans	(810)	(8,071)
Collection of loans	723	1,526
Proceeds from compensation for expropriation	21	251
Other	771	(205)
Net cash provided by (used in) investing activities	(6,904)	(25,047)

Millions of yen

	Year ended March 31, 2012	Year ended March 31, 2013
	Amount	Amount
Cash flows from financing activities		
Increase (decrease) in short-term borrowings - net	1,985	(544)
Net increase (decrease) in commercial papers	4,000	(4,000)
Proceeds from long-term debt	—	6,326
Repayments of long-term debt	(3,467)	(7,633)
Proceeds from issuance of bonds	—	14,915
Repayments of lease obligations	(1,062)	(1,187)
Repurchases of treasury stock	(428)	(0)
Dividends paid	(2,276)	(1,807)
Dividends paid to minority shareholders of consolidated subsidiaries	(143)	(132)
Other	—	30
Net cash provided by (used in) financing activities	(1,392)	5,964
Foreign currency translation adjustments on cash and cash equivalents	44	43
Net increase (decrease) in cash and cash equivalents	(8,524)	2,567
Cash and cash equivalents, beginning of the period	23,735	15,312
Increase in cash and cash equivalents from newly consolidated subsidiary	101	—
Cash and cash equivalents, end of the period	15,312	17,880

Notes to Consolidated Financial Statements

a. Segment Information

1. Overview of reportable segments

The Company's reportable segments are components of the Company about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

The Company is organized into business divisions. Each business division conducts business based on strategies for each category of target customers and markets. There are five reportable segments corresponding to its business divisions, namely the Industrial Material, Car-Life, Global Trade, Home Life, and Total-Life Divisions.

Industrial Material:

Energy and material supplies for customers, production and sales of high-pressure gas, sales of asphalt, cement, LNG (liquefied natural gas), high-grade urea aqueous solution, electricity, steam, and other materials, and heat supply business for air conditioning.

Car-Life:

Consumer sales and services, mainly at Car-Life Stations, including gasoline, kerosene, light diesel oil, heavy fuel oil, grease, cars, automobile supplies, next-generation energy systems (solar power generation systems, fuel cells, etc.), car inspections, maintenance, and car rental services.

Global Trade:

Import and export of petroleum products, regulation of supply of and demand for petroleum products in Japan, chartering and operation of tankers, sale of marine fuels, sale of lubricating oil, logistics services for petroleum storage tanks and facilities, and development and promotion of overseas projects.

Home-Life:

Sales of everyday goods and services such as LP gas, equipment (combustion equipment, kitchen equipment, air-conditioning equipment, and household equipment), next-generation energy systems, commodities, catalogue merchandise, and sundries.

Total-Life:

Sales of next-generation energy systems, double power-generation systems, cars, automobile supplies, and electric motorcycles, development of EV (electric vehicles)-related business, provision of car-related services, such as car inspection, maintenance, sheet metal, and rent-a-car business, sales of lithium-ion storage battery system for home use, and provision of housing-related services such as home improvement business.

2. Calculation method for net sales, income/loss, assets, liabilities, and other items by reportable segment

The accounting method for reportable segments is generally identical to statements in "Basis of presenting the consolidated financial statements".

"Reportable segment income (loss)" is based on operating income.

"Intersegment sales or transfers" is based on market price.

Changes in depreciation method for property, plant and equipment

The depreciation method for property, plant and equipment (excluding leased assets) was changed to straight-line method from the fiscal year ended March 2013.

With this change, compared to figures calculated by the conventional method, segment income for the fiscal year ended March 31, 2013 increased by 152 million yen in Industrial Material Division; 660 million yen in Car-Life Division; 95 million yen in Global Trade Division; and 316 million yen in Home-Life Division. Segment loss decreased by 11 million yen in Total-Life Division and 31 million yen in Adjustments of the entire Company.

3. Net sales, income/loss, assets, liabilities, and other items by reportable segment
Year ended March 31, 2012 (April 1, 2011–March 31, 2012)

Millions of yen

	Reportable segment						Other		Adjustments	Amounts on the consolidated statements of income
	Industrial Material	Car-Life	Global Trade	Home-Life	Total-Life	Total	*1	Total	*2	*3
I. Sales										
(1) Sales to customers	146,780	562,620	603,832	96,426	2,958	1,412,618	1,542	1,414,161	—	1,414,161
(2) Intersegment sales or transfers	4,852	51,582	27,261	5	2,899	86,601	2,044	88,645	(88,645)	—
Total	151,633	614,202	631,093	96,432	5,858	1,499,219	3,587	1,502,807	(88,645)	1,414,161
Segment income (loss)	2,076	5,052	1,104	3,723	(884)	11,072	37	11,110	(2,137)	8,973
Segment assets	45,471	117,786	71,761	51,762	1,377	288,158	925	289,084	15,968	305,053
Other items										
Depreciation/amortization	883	3,340	319	1,432	52	6,028	4	6,033	579	6,613
Amortization of goodwill	152	832	122	710	—	1,818	—	1,818	(89)	1,728
Equity in income of unconsolidated subsidiaries and associates (loss)	(85)	16	35	145	(1)	110	—	110	5	115
Investment in equity-method associates	1,581	113	482	4,142	100	6,420	—	6,420	19	6,440
Increase in property, plant and equipment and intangible assets	3,385	1,900	195	1,273	55	6,810	—	6,810	798	7,608

- Notes:
1. "Other" comprises businesses, such as back-office outsourcing services that are not included in reportable segments.
 2. The negative 2,137 million yen adjustment for segment income is 2,137 million yen of unallocated corporate expenses. The main component of these unallocated corporate expenses is general and administrative expenses that are not attributable to reportable segments.
 3. 15,968 million yen adjustment for segment assets is 15,968 million yen of unallocated corporate assets. The main component of these unallocated corporate assets is cash and cash equivalents that are not attributable to reportable segments.
 4. Segment income adjustments are based on operating income reported on the consolidated statements of income for the corresponding period.

Year ended March 31, 2013 (April 1, 2012–March 31, 2013)

	Reportable segment						Other *1	Total	Adjustments *2	Millions of yen Amounts on the consolidated statements of income *3
	Industrial Material	Car-Life	Global Trade	Home- Life	Total- Life	Total				
I. Sales										
(1) Sales to customers	184,908	547,798	591,917	101,585	3,606	1,429,817	928	1,430,745	—	1,430,745
(2) Intersegment sales or transfers	7,584	36,284	22,013	—	4,458	70,340	1,898	72,239	(72,239)	—
Total	192,492	584,083	613,931	101,585	8,065	1,500,158	2,826	1,502,985	(72,239)	1,430,745
Segment income (loss)	4,768	4,652	2,075	4,467	(529)	15,434	55	15,489	(1,763)	13,726
Segment assets	74,013	108,212	68,006	52,649	2,344	305,226	666	305,892	17,855	323,747
Other items										
Depreciation/amortization	2,385	2,379	199	1,148	42	6,155	3	6,158	614	6,773
Amortization of goodwill	148	831	36	790	—	1,807	—	1,807	(89)	1,717
Equity in income of unconsolidated subsidiaries and associates (loss)	(326)	21	(17)	290	(1)	(33)	—	(33)	5	(28)
Investment in equity-method associates	1,732	135	516	4,058	96	6,539	—	6,539	25	6,564
Increase in property, plant and equipment and intangible assets	3,570	3,946	751	2,590	40	10,898	8	10,906	576	11,483

- Notes:
1. "Other" comprises businesses, such as back-office outsourcing services that are not included in reportable segments.
 2. The negative 1,763 million yen adjustment for segment income is 1,763 million yen of unallocated corporate expenses. The main component of these unallocated corporate expenses is general and administrative expenses that are not attributable to reportable segments.
 3. 17,855 million yen adjustment for segment assets is 17,855 million yen of unallocated corporate assets. The main component of these unallocated corporate assets is cash and cash equivalents that are not attributable to reportable segments.
 4. Segment income adjustments are based on operating income reported on the consolidated statements of income for the corresponding period.

b. Related Information

Year ended March 31, 2012 (April 1, 2011–March 31, 2012)

1. Information by product and service

Information by product and service is omitted here, as customer sales of products/services belonging to a single category exceed 90% of total net sales in the consolidated statements of income.

2. Information by geographic area

1) Net sales

Disclosure is omitted here as customer sales in Japan exceed 90% of total net sales in the consolidated statements of income.

2) Property, plant and equipment

Not applicable, as the Company does not own property, plant and equipment located other than in Japan.

3. Information by major customer

Disclosure is omitted here as no outside customer accounts for more than 10% of total net sales in the consolidated statements of income.

Year ended March 31, 2013 (April 1, 2012–March 31, 2013)

1. Information by product and service

Information by product and service is omitted here, as customer sales of products/services belonging to a single category exceed 90% of total net sales in the consolidated statements of income.

2. Information by geographic area

1) Net sales

Disclosure is omitted here as customer sales in Japan exceed 90% of total net sales in the consolidated statements of income.

2) Property, plant and equipment

Not applicable, as the Company does not own property, plant and equipment located other than in Japan.

3. Information by major customer

Disclosure is omitted here as no outside customer accounts for more than 10% of total net sales in the consolidated statements of income.

c. Impairment loss on fixed assets by reportable segment

Year ended March 31, 2012 (April 1, 2011–March 31, 2012)

Millions of yen

	Industrial Material	Car- Life	Global Trade	Home- Life	Total- Life	Other	Corporate /Elimination	Total
Impairment loss	—	104	—	12	—	—	—	117

Year ended March 31, 2013 (April 1, 2012–March 31, 2013)

Millions of yen

	Industrial Material	Car- Life	Global Trade	Home- Life	Total- Life	Other	Corporate /Elimination	Total
Impairment loss	119	71	145	56	—	—	319	712

d. Amortized amount and unamortized balance of goodwill

Year ended March 31, 2012 (April 1, 2011–March 31, 2012)

Millions of yen

	Industrial Material	Car- Life	Global Trade	Home- Life	Total- Life	Other	Corporate /Elimination	Total
Amortized amount	152	842	122	710	—	—	(89)	1,739
Unamortized balance at end of the period	576	1,338	81	1,587	—	—	(122)	3,461

Amortized amount and unamortized balance accrued from business combinations of subsidiaries carried out before April 1, 2010 are as follows.

Millions of yen

	Industrial Material	Car- Life	Global Trade	Home- Life	Total- Life	Other	Corporate /Elimination	Total
Amortized amount	—	10	—	—	—	—	—	10
Unamortized balance at end of the period	—	30	—	—	—	—	—	30

Year ended March 31, 2013 (April 1, 2012–March 31, 2013)

Millions of yen

	Industrial Material	Car- Life	Global Trade	Home- Life	Total- Life	Other	Corporate /Elimination	Total
Amortized amount	148	842	36	790	—	—	(89)	1,727
Unamortized balance at end of the period	428	904	44	1,885	—	—	(32)	3,229

Amortized amount and unamortized balance accrued from business combinations of subsidiaries carried out before April 1, 2010 are as follows.

Millions of yen

	Industrial Material	Car- Life	Global Trade	Home- Life	Total- Life	Other	Corporate /Elimination	Total
Amortized amount	—	10	—	—	—	—	—	10
Unamortized balance at end of the period	—	20	—	—	—	—	—	20

e. Gain on negative goodwill by reportable segment

Not applicable