

Second Quarter Report
Period Ended September 30, 2017

**Consolidated Financial Statements for The 2nd Quarter of FY2017
(April 1, 2017 - September 30, 2017)**

 **FUJI OIL HOLDINGS INC.**

Consolidated Balance Sheets

(Millions of yen)

	FY2016 as of Mar. 31, 2017 Amount	2nd Q of FY2017 as of Sep. 30, 2017 Amount	vs. last year Variance Amount
[Assets]			
Current assets	132,455	132,588	133
Cash and deposits	12,762	13,963	1,201
Notes and accounts receivable-trade	59,045	61,303	2,258
Merchandise and finished goods	24,740	23,915	(825)
Raw materials and supplies	27,657	26,807	(850)
Deferred income tax assets	1,435	1,420	(15)
Other current assets	7,022	5,309	(1,713)
Allowance for bad debt	(209)	(131)	78
Fixed assets	139,653	136,289	(3,364)
Tangible fixed assets	91,402	92,404	1,002
Buildings and structures	34,047	34,481	434
Machinery and vehicles	35,832	34,718	(1,114)
Tools and fixtures	2,370	2,428	58
Land	15,093	14,875	(218)
Construction in progress	4,059	5,900	1,841
Intangible fixed assets	23,210	21,604	(1,606)
Goodwill	12,898	11,881	(1,017)
Other intangible fixed assets	10,312	9,722	(590)
Investments and others	25,040	22,281	(2,759)
Investment securities	16,103	17,476	1,373
Net defined benefit asset	1,023	1,204	181
Deferred income tax assets	312	348	36
Other fixed assets	7,846	3,462	(4,384)
Allowance for bad debt	(245)	(211)	34
Total assets	272,109	268,878	(3,231)
[Liabilities]			
Current liabilities	69,576	69,680	104
Notes and accounts payable-trade	23,212	25,549	2,337
Short-term borrowings	29,789	28,011	(1,778)
Income taxes payable	2,511	2,470	(41)
Accrued bonuses for employees	2,320	2,596	276
Accrued bonuses for directors	64	-	(64)
Other current liabilities	11,679	11,053	(626)
Fixed liabilities	47,051	41,353	(5,698)
Bonds	10,000	10,000	-
Long-term borrowings	25,878	23,072	(2,806)
Deferred income tax liabilities	4,587	5,154	567
Net defined benefit liability	1,867	1,857	(10)
Other fixed liabilities	4,718	1,269	(3,449)
Total liabilities	116,628	111,034	(5,594)
[Shareholder's equity]			
Shareholder's equity	146,320	150,135	3,815
Stock	13,208	13,208	-
Capital surplus	15,609	15,609	-
Retained earnings	119,251	123,067	3,816
Treasury stock	(1,749)	(1,749)	(0)
Accumulated other comprehensive income	4,410	3,246	(1,164)
Valuation variance of securities	5,484	6,415	931
Deferred hedging instruments	41	226	185
Translation adjustments	29	(2,343)	(2,372)
Remeasurements of defined benefit plans	(1,144)	(1,051)	93
Non-controlling interests	4,749	4,461	(288)
Total net assets	155,480	157,843	2,363
Total liabilities and net assets	272,109	268,878	(3,231)

Consolidated Income Statements

(Millions of yen)

	Six Months Ended FY2016 Q2 from Apr. 1, 2016 to Sep. 30, 2016	Six Months Ended FY2017 Q2 from Apr. 1, 2017 to Sep. 30, 2017	Variance
Revenue	141,361	149,645	8,284
Cost of sales	112,005	119,434	7,429
Gross profit	29,355	30,210	855
Selling, general and administrative expenses	20,163	20,816	653
Operating profit	9,191	9,393	202
Interest income	298	268	(30)
Dividends income	102	96	(6)
Profit from equity method	106	57	(49)
Gain on valuation of derivatives	248	-	(248)
Other non-operating income	184	281	97
Total non-operating income	940	703	(237)
Interest expense	329	451	122
Exchange losses	226	128	(98)
Other non-operating expenses	517	308	(209)
Total non-operating expenses	1,073	889	(184)
Ordinary profit	9,058	9,208	150
Return of profit gained through short term trading	-	348	348
Extraordinary gain	-	348	348
Loss on disposal of fixed assets	117	197	80
Impairment loss	41	-	(41)
Subsidiary liquidation loss	110	-	(110)
Restructuring of affiliate company busines	-	570	570
Extraordinary loss	270	767	497
Income before income taxes	8,788	8,789	1
Income taxes	2,189	2,606	417
Income taxes adjustment	126	73	(53)
Total Income taxes	2,316	2,680	364
Net income	6,471	6,109	(362)
Net income attributable to non-controlling interests	321	308	(13)
Net income attributable to owners of parent	6,150	5,801	(349)

Consolidated Cash Flow Statements

(Millions of yen)

	Six Months Ended FY2016 Q2 from Apr. 1, 2016 to Sep. 30, 2016	Six Months Ended FY2017 Q2 from Apr. 1, 2017 to Sep. 30, 2017	Variance
I Cash flows from operating activities			
Income before income taxes	8,788	8,789	1
Depreciation and amortization	5,086	5,260	174
(Inc)/dec net defined benefit asset	(262)	(180)	82
Inc/(dec) net defined benefit liability	139	109	(30)
Interest income and dividend income	(401)	(365)	36
Interest expense	329	451	122
(Increase)/decrease in trade receivables	(897)	(2,777)	(1,880)
(Increase)/decrease in inventories	1,251	1,301	50
Increase/(decrease) in trade payables	(3,600)	2,621	6,221
Loss due to impairment	41	-	(41)
Subsidiary liquidation loss	110	-	(110)
Other	(624)	1,307	1,931
Sub-total	9,961	16,518	6,557
Interest income and dividend income received	400	361	(39)
Interest expense paid	(337)	(452)	(115)
Income taxes (paid) refund	(3,322)	(2,346)	976
Cash flows from operating activities	6,702	14,081	7,379
II Cash flows from investing activities			
Capital expenditures of tangible assets	(7,796)	(5,994)	1,802
Income by acquisition of subsidiary company stocks with change in consolidation scope	396	-	(396)
Proceeds from sales of investment in subsidiaries resulting in change in scope of consolidation	-	32	32
Other	(902)	(469)	433
Cash flows from investing activities	(8,303)	(6,431)	1,872
Free cash flow	(1,601)	7,649	9,250
III Cash flows from financing activities			
Increase/(decrease) in short-term borrowings	8,375	(1,515)	(9,890)
Proceeds from long-term borrowings	1,246	-	(1,246)
Repayment of long-term borrowings	(2,650)	(2,714)	(64)
Dividend paid	(1,547)	(1,891)	(344)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(5,452)	(30)	5,422
Dividend paid to non-controlling interests	(15)	(21)	(6)
Other	(98)	(63)	35
Cash flows from financing activities	(142)	(6,237)	(6,095)
IV Exchange rate changes on cash and cash equivalents	(1,658)	(346)	1,312
V Net increase in cash and cash equivalents	(3,401)	1,065	4,466
VI Cash and cash equivalents at beginning of period	16,698	12,681	(4,017)
VII Cash and cash equivalents from newly consolidated subsidiaries at beginning of period	-	197	197
VIII Cash and cash equivalents from exclusion of consolidated subsidiaries at beginning of period	(513)	-	513
VIII Cash and cash equivalents at end of period	12,783	13,945	1,162

*Note

Cash and cash equivalents at end of period	12,783	13,945	1,162
Fixed deposits mature over 3 months	80	18	(62)
Cash and bank balances	12,863	13,963	1,100

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six Months Ended FY2016 Q2 from Apr. 1, 2016 to Sep. 30, 2016	Six Months Ended FY2017 Q2 from Apr. 1, 2017 to Sep. 30, 2017	Variance
Net income	6,471	6,109	(362)
[Other comprehensive income]			
Valuation variance of securities	751	931	180
Deferred gain or loss on hedging instruments	45	188	143
Translation adjustments	(7,439)	(2,622)	4,817
Remeasurements of defined benefit plans	104	92	(12)
Share of other comprehensive income of associates accounted for using equity method	(19)	(28)	(9)
Total other comprehensive income	(6,557)	(1,439)	5,118
Comprehensive income	(86)	4,670	4,756
[Comprehensive income attributable to]			
Comprehensive income attributable to owners of the parent	326	4,637	4,311
Comprehensive income attributable to non-controlling interests	(413)	33	446
Total comprehensive income	(86)	4,670	4,756