

Annual Report
For the year ended March 31, 2016

**Consolidated Financial Statements for The Year of FY2015
(April 1, 2015 - March 31, 2016)**

 **FUJI OIL HOLDINGS INC.**

Consolidated Balance Sheets

(Millions of yen)

	FY2014 as of Mar. 31, 2015 Amount	FY2015 as of Mar. 31, 2016 Amount	vs. last year Variance Amount
[Assets]			
Current assets	118,556	130,869	12,313
Cash and deposits	12,789	16,771	3,982
Notes and accounts receivable-trade	54,565	56,149	1,584
Merchandise and finished goods	21,868	22,766	898
Raw materials and supplies	23,290	27,196	3,906
Deferred income tax assets	1,186	2,334	1,148
Other current assets	4,948	5,818	870
Allowance for bad debt	(92)	(166)	(74)
Fixed assets	105,069	136,007	30,938
Tangible fixed assets	81,845	89,491	7,646
Buildings and structures	28,820	31,366	2,546
Machinery and vehicles	30,284	35,106	4,822
Tools and fixtures	1,402	1,857	455
Land	15,987	16,129	142
Construction in progress	5,350	5,031	(319)
Intangible fixed assets	1,311	22,528	21,217
Goodwill	-	13,133	13,133
Other intangible fixed assets	1,311	9,395	8,084
Investments and others	21,912	23,987	2,075
Investment securities	17,283	16,324	(959)
Net defined benefit asset	1,074	656	(418)
Deferred income tax assets	414	373	(41)
Other fixed assets	3,333	7,479	4,146
Allowance for bad debt	(193)	(847)	(654)
Total assets	223,625	266,877	43,252
[Liabilities]			
Current liabilities	57,902	66,482	8,580
Notes and accounts payable-trade	23,914	25,017	1,103
Short-term borrowings	14,712	21,361	6,649
Commercial papers	2,000	-	(2,000)
Current portion of bonds	5,000	-	(5,000)
Income taxes payable	1,469	3,795	2,326
Accrued bonuses for employees	2,009	2,194	185
Accrued bonuses for directors	58	50	(8)
Other current liabilities	8,738	14,063	5,325
Fixed liabilities	14,909	51,607	36,698
Bonds	-	10,000	10,000
Long-term borrowings	7,855	28,639	20,784
Deferred income tax liabilities	4,767	7,089	2,322
Accrued retirement benefits for directors	32	35	3
Net defined benefit liability	1,668	1,820	152
Other fixed liabilities	585	4,022	3,437
Total liabilities	72,812	118,089	45,277
[Shareholder's equity]			
Shareholder's equity	133,253	139,524	6,271
Stock	13,208	13,208	-
Capital surplus	18,324	18,302	(22)
Retained earnings	103,467	109,761	6,294
Treasury stock	(1,747)	(1,748)	(1)
Accumulated other comprehensive income	12,341	2,798	(9,543)
Valuation variance of securities	6,728	5,390	(1,338)
Deferred hedging instruments	479	(980)	(1,459)
Translation adjustments	5,716	(422)	(6,138)
Remeasurements of defined benefit plans	(583)	(1,189)	(606)
Non-controlling interests	5,218	6,464	1,246
Total shareholder's equity	150,813	148,787	(2,026)
Total liabilities and shareholder's equity	223,625	266,877	43,252

Consolidated Income Statements

(Millions of yen)

	Fiscal Year Ended FY2014 Full from Apr. 1, 2014 to Mar. 31, 2015	Fiscal Year Ended FY2015 Full from Apr. 1, 2015 to Mar. 31, 2016	Variance
Revenue	271,903	287,537	15,634
Cost of sales	224,434	230,275	5,841
Gross profit	47,469	57,261	9,792
Selling, general and administrative expenses	33,258	40,420	7,162
Operating profit	14,211	16,840	2,629
Interest income	94	115	21
Dividends income	205	231	26
Other non-operating income	404	277	(127)
Total non-operating income	704	624	(80)
Interest expense	343	814	471
Exchange losses	19	962	943
Loss from equity method	741	739	(2)
Other non-operating expenses	406	827	421
Total non-operating expenses	1,511	3,343	1,832
Ordinary profit	13,405	14,121	716
Gain on sales of investment securities	-	936	936
Gain on sales of land	-	203	203
Insurance income	240	-	(240)
Gain on sales of investments in capital of subsidiaries and affiliates	33	-	(33)
Gain on transfer of business	-	170	170
Extraordinary gain	274	1,310	1,036
Loss on disposal of fixed assets	224	488	264
Impairment loss	-	88	88
Loss on business reconstruction of subsidiaries and affiliates	-	53	53
Cost related to shift to holding company structure	-	279	279
Special investigation expenses	109	-	(109)
Office transfer expenses	62	28	(34)
Extraordinary loss	396	939	543
Income before income taxes	13,282	14,492	1,210
Income taxes	3,413	5,096	1,683
Income taxes adjustment	163	(270)	(433)
Total Income taxes	3,577	4,826	1,249
Net income	9,705	9,665	(40)
Net income attributable to non-controlling interests	374	438	64
Net income attributable to owners of parent	9,330	9,227	(103)

Consolidated Cash Flow Statements

(Millions of yen)

	Fiscal Year Ended FY2014 Full from Apr. 1, 2014 to Mar. 31, 2015	Fiscal Year Ended FY2015 Full from Apr. 1, 2015 to Mar. 31, 2016	Variance
I Cash flows from operating activities			
Income before income taxes	13,282	14,492	1,210
Depreciation and amortization	8,636	9,903	1,267
(Inc)/dec net defined benefit asset	(355)	417	772
Inc/(dec) net defined benefit liability	87	(644)	(731)
Interest income and dividend income	(300)	(346)	(46)
Interest expense	343	814	471
Loss due to impairment	-	88	88
Investment loss/(profit) on equity method	741	739	(2)
Loss/(gain) on sales of investment securities	(0)	(936)	(936)
Loss/(gain) on disposal of fixed assets	126	301	175
Loss/(gain) on transfer of business	-	(170)	(170)
Loss/(gain) on sales of investments in capital of subsidiaries and affiliates	(33)	-	33
(Increase)/decrease in trade receivables	(4,071)	(422)	3,649
(Increase)/decrease in inventories	(1,456)	(4,687)	(3,231)
Increase/(decrease) in trade payables	933	(522)	(1,455)
Other	597	282	(315)
Sub-total	18,531	19,309	778
Interest income and dividend income received	300	346	46
Interest expense paid	(344)	(744)	(400)
Income taxes paid	(4,230)	(2,884)	1,346
Proceeds from insurance income	240	-	(240)
Cash flows from operating activities	14,496	16,027	1,531
II Cash flows from investing activities			
Capital expenditures of tangible assets	(9,300)	(12,855)	(3,555)
Proceeds from sales of tangible fixed assets	-	651	651
Payments for purchases of investment in securities	(12)	(1,306)	(1,294)
Proceeds from sales of investments in securities	0	1,158	1,158
Payments for purchase of investments in consolidated subsidiaries	(2,524)	-	2,524
Payments for purchase of investments in related company	(535)	(35)	500
Payments for purchase of investments in non-consolidated subsidiaries	(388)	-	388
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(17,168)	(17,168)
Payments for investments in capital of non-consolidated subsidiaries	(235)	-	235
Payments for sales of investments in capital of subsidiaries resulting in change in scope of consolidation	(38)	-	38
Proceeds from transfer of business	-	170	170
Payments into deposits paid	-	(3,995)	(3,995)
Other	(922)	(1,443)	(521)
Cash flows from investing activities	(13,957)	(34,824)	(20,867)
Free cash flow	538	(18,797)	(19,335)
III Cash flows from financing activities			
Increase/(decrease) in short-term borrowings	(2,170)	3,280	5,450
Increase/(decrease) in commercial paper	2,000	(2,000)	(4,000)
Proceeds from long-term borrowings	5,272	25,352	20,080
Repayment of long-term borrowings	(5,674)	(4,011)	1,663
Proceeds from issuance of bonds	-	10,000	10,000
Redemption of bonds	(20)	(5,000)	(4,980)
Dividend paid	(2,234)	(2,922)	(688)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(221)	(221)
Other	(466)	(436)	30
Cash flows from financing activities	(3,294)	24,040	27,334
IV Exchange rate changes on cash and cash equivalents	893	(1,285)	(2,178)
V Net increase in cash and cash equivalents	(1,862)	3,958	5,820
VI Cash and cash equivalents at the beginning	14,578	12,716	(1,862)
VII Cash and cash equivalents from newly consolidated subsidiaries at the beginning	-	23	23
VIII Cash and cash equivalents at the end	12,716	16,698	3,982

*Note

Cash and cash equivalents at the end	12,716	16,698	3,982
Fixed deposits mature over 3 months	72	72	0
Cash and bank balances	12,789	16,771	3,982

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year Ended FY2014 Full from Apr. 1, 2014 to Mar. 31, 2015	Fiscal Year Ended FY2015 Full from Apr. 1, 2015 to Mar. 31, 2016	Variance
Net income	9,705	9,665	(40)
[Other comprehensive income]			
Valuation variance of securities	3,143	(1,338)	(4,481)
Deferred gain or loss on hedging instruments	399	(1,459)	(1,858)
Translation adjustments	6,022	(6,535)	(6,535)
Remeasurements of defined benefit plans	2	(606)	(608)
Share of other comprehensive income of associates accounted for using equity method	52	(70)	(122)
Total other comprehensive income	9,620	(10,010)	(19,630)
Comprehensive income	19,325	(344)	(19,669)
[Comprehensive income attributable to]			
Comprehensive income attributable to owners of the parent	18,215	(316)	(18,531)
Comprehensive income attributable to non-controlling interests	1,110	(27)	(1,137)
Total comprehensive income	19,325	(344)	(19,669)

Consolidated Changes in Equity Statements

(Millions of yen)

	Stock	Capital surplus	Retained earnings	Treasury stock	Valuation variance of securities	Deferred hedging instruments	Translation adjustments	Remeasurements of defined benefit plans	Net income attributable to non-controlling interests	Total shareholder's equity
BALANCE, March 31, 2014	13,208	18,324	94,835	(1,746)	3,585	79	379	(586)	7,044	135,124
Dividends, Yen26.0 per share			(2,234)							(2,234)
Effect of changes in retirement benefit accounting policies			1,536							1,536
Net income attributable to owners of parent, FY2014			9,330							9,330
Purchase of treasury stock				(0)						(0)
Net change in other					3,143	399	5,337	2	(1,826)	7,057
Total net change in the year	-	-	8,632	(0)	3,143	399	5,337	2	(1,826)	15,689
BALANCE, March 31, 2015	13,208	18,324	103,467	(1,747)	6,728	479	5,716	(583)	5,218	150,813
Dividends, Yen17.0 per share			(2,922)							(2,922)
Net income attributable to owners of parent, FY2015			9,227							9,227
Purchase of treasury stock				(0)						(0)
Change of scope of consolidation			(11)							(11)
Purchase of shares of consolidated subsidiaries		(21)								(21)
Net change in other					(1,338)	(1,459)	(6,139)	(606)	1,246	(8,296)
Total net change in the year	-	(21)	6,293	(0)	(1,338)	(1,459)	(6,139)	(606)	1,246	(2,025)
BALANCE, March 31, 2016	13,208	18,302	109,761	(1,748)	5,390	(980)	(422)	(1,189)	6,464	148,787