

Second Quarter Report  
Period Ended September 30, 2016

**Consolidated Financial Statements for The 2nd Quarter of FY2016  
(April 1, 2016 - September 30, 2016)**

 **FUJI OIL HOLDINGS INC.**

## Consolidated Balance Sheets

(Millions of yen)

	FY2015 as of Mar. 31, 2016 Amount	2nd Q of FY2016 as of Sep. 30, 2016 Amount	vs. last year Variance Amount
<b>[Assets]</b>			
<b>Current assets</b>	130,869	120,613	(10,256)
Cash and deposits	16,771	12,863	(3,908)
Notes and accounts receivable-trade	56,149	54,600	(1,549)
Merchandise and finished goods	22,766	22,816	50
Raw materials and supplies	27,196	23,067	(4,129)
Deferred income tax assets	2,334	2,068	(266)
Other current assets	5,818	5,391	(427)
Allowance for bad debt	(166)	(194)	(28)
<b>Fixed assets</b>	136,007	136,854	847
<b>Tangible fixed assets</b>	89,491	88,778	(713)
Buildings and structures	31,366	33,850	2,484
Machinery and vehicles	35,106	33,753	(1,353)
Tools and fixtures	1,857	2,259	402
Land	16,129	16,076	(53)
Construction in progress	5,031	2,839	(2,192)
<b>Intangible fixed assets</b>	22,528	20,947	(1,581)
Goodwill	13,133	11,476	(1,657)
Other intangible fixed assets	9,395	9,470	75
<b>Investments and others</b>	23,987	27,128	3,141
Investment securities	16,324	17,420	1,096
Net defined benefit asset	656	919	263
Deferred income tax assets	373	680	307
Other fixed assets	7,479	8,303	824
Allowance for bad debt	(847)	(195)	652
<b>Total assets</b>	<b>266,877</b>	<b>257,468</b>	<b>(9,409)</b>
<b>[Liabilities]</b>			
<b>Current liabilities</b>	66,482	65,439	(1,043)
Notes and accounts payable-trade	25,017	20,082	(4,935)
Short-term borrowings	21,361	29,108	7,747
Income taxes payable	3,795	2,644	(1,151)
Accrued bonuses for employees	2,194	2,360	166
Accrued bonuses for directors	50	-	(50)
Other current liabilities	14,063	11,242	(2,821)
<b>Fixed liabilities</b>	51,607	48,764	(2,843)
Bonds	10,000	10,000	-
Long-term borrowings	28,639	28,068	(571)
Deferred income tax liabilities	7,089	4,545	(2,544)
Accrued retirement benefits for directors	35	-	(35)
Net defined benefit liability	1,820	1,725	(95)
Other fixed liabilities	4,022	4,425	403
<b>Total liabilities</b>	<b>118,089</b>	<b>114,204</b>	<b>(3,885)</b>
<b>[Shareholder's equity]</b>			
<b>Shareholder's equity</b>	139,524	142,313	2,789
Stock	13,208	13,208	-
Capital surplus	18,302	15,678	(2,624)
Retained earnings	109,761	115,175	5,414
Treasury stock	(1,748)	(1,748)	(0)
<b>Accumulated other comprehensive income</b>	2,798	(3,169)	(5,967)
Valuation variance of securities	5,390	6,142	752
Deferred hedging instruments	(980)	(934)	46
Translation adjustments	(422)	(7,291)	(6,869)
Remeasurements of defined benefit plans	(1,189)	(1,085)	104
<b>Non-controlling interests</b>	6,464	4,119	(2,345)
<b>Total shareholder's equity</b>	<b>148,787</b>	<b>143,264</b>	<b>(5,523)</b>
<b>Total liabilities and shareholder's equity</b>	<b>266,877</b>	<b>257,468</b>	<b>(9,409)</b>

## Consolidated Income Statements

(Millions of yen)

	Six Months Ended <b>FY2015 Q2</b> from Apr. 1, 2015 to Sep. 30, 2015	Six Months Ended <b>FY2016 Q2</b> from Apr. 1, 2016 to Sep. 30, 2016	Variance
Revenue	134,098	141,361	7,263
Cost of sales	109,064	112,005	2,941
<b>Gross profit</b>	<b>25,033</b>	<b>29,355</b>	<b>4,322</b>
Selling, general and administrative expenses	18,596	20,158	1,562
<b>Operating profit</b>	<b>6,436</b>	<b>9,196</b>	<b>2,760</b>
Interest income	66	298	232
Dividends income	109	102	(7)
Gain on valuation of derivatives	168	248	80
Profit from equity method	-	106	106
Other non-operating income	207	184	(23)
<b>Total non-operating income</b>	<b>551</b>	<b>940</b>	<b>389</b>
Interest expense	169	329	160
Exchange losses	314	226	(88)
Loss from equity method	343	-	(343)
Other non-operating expenses	234	517	283
<b>Total non-operating expenses</b>	<b>1,061</b>	<b>1,073</b>	<b>12</b>
<b>Ordinary profit</b>	<b>5,926</b>	<b>9,063</b>	<b>3,137</b>
Gain on transfer of business	170	-	(170)
<b>Extraordinary gain</b>	<b>170</b>	<b>-</b>	<b>(170)</b>
Loss on disposal of fixed assets	191	117	(74)
Impairment loss	-	41	41
Subsidiary liquidation loss	-	110	110
<b>Extraordinary loss</b>	<b>191</b>	<b>270</b>	<b>79</b>
<b>Income before income taxes</b>	<b>5,905</b>	<b>8,793</b>	<b>2,888</b>
Income taxes	1,893	2,189	296
Income taxes adjustment	126	128	2
<b>Total Income taxes</b>	<b>2,019</b>	<b>2,318</b>	<b>299</b>
<b>Net income</b>	<b>3,885</b>	<b>6,474</b>	<b>2,589</b>
Net income attributable to non-controlling interests	262	321	59
<b>Net income attributable to owners of parent</b>	<b>3,622</b>	<b>6,153</b>	<b>2,531</b>

## Consolidated Cash Flow Statements

(Millions of yen)

	Six Months Ended FY2015 Q2 from Apr. 1, 2015 to Sep. 30, 2015	Six Months Ended FY2016 Q2 from Apr. 1, 2016 to Sep. 30, 2016	Variance
<b>I Cash flows from operating activities</b>			
Income before income taxes	5,905	8,793	2,888
Depreciation and amortization	4,527	5,086	559
(Inc)/dec net defined benefit asset	(390)	(262)	128
Inc/(dec) net defined benefit liability	353	139	(214)
Interest income and dividend income	(176)	(401)	(225)
Interest expense	169	329	160
Loss/(gain) on transfer of business	(170)	-	170
(Increase)/decrease in trade receivables	1,134	(897)	(2,031)
(Increase)/decrease in inventories	(1,609)	1,251	2,860
Increase/(decrease) in trade payables	(3,124)	(3,600)	(476)
Loss due to impairment	-	41	41
Subsidiary liquidation loss	-	110	110
Other	(492)	(629)	(137)
Sub-total	6,127	9,961	3,834
Interest income and dividend income received	158	400	242
Interest expense paid	(179)	(337)	(158)
Income taxes paid	(1,170)	(3,322)	(2,152)
<b>Cash flows from operating activities</b>	<b>4,935</b>	<b>6,702</b>	<b>1,767</b>
<b>II Cash flows from investing activities</b>			
Capital expenditures of tangible assets	(4,943)	(7,796)	(2,853)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(17,355)	-	17,355
Income by acquisition of subsidiary company stocks with change in consolidation scope	-	396	396
Proceeds from transfer of business	170	-	(170)
Payments into deposits paid	(4,973)	-	4,973
Other	(521)	(902)	(381)
<b>Cash flows from investing activities</b>	<b>(27,624)</b>	<b>(8,303)</b>	<b>19,321</b>
<b>Free cash flow</b>	<b>(22,689)</b>	<b>(2,326)</b>	<b>20,363</b>
<b>III Cash flows from financing activities</b>			
Increase/(decrease) in short-term borrowings	12,939	8,375	(4,564)
Increase/(decrease) in commercial paper	(2,000)	-	2,000
Proceeds from long-term borrowings	22,814	1,246	(21,568)
Repayment of long-term borrowings	(1,042)	(2,650)	(1,608)
Redemption of bonds	(5,000)	-	5,000
Dividend paid	(1,461)	(1,547)	(86)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(108)	(5,452)	(5,344)
Dividend paid to non-controlling interests	(177)	(15)	162
Other	(111)	(98)	13
<b>Cash flows from financing activities</b>	<b>25,854</b>	<b>(142)</b>	<b>(25,996)</b>
<b>IV Exchange rate changes on cash and cash equivalents</b>	<b>241</b>	<b>(1,658)</b>	<b>(1,899)</b>
<b>V Net increase in cash and cash equivalents</b>	<b>3,406</b>	<b>(3,401)</b>	<b>(6,807)</b>
<b>VI Cash and cash equivalents at the beginning</b>	<b>12,716</b>	<b>16,698</b>	<b>3,982</b>
<b>VII Cash and cash equivalents from newly consolidated subsidiaries at the beginning</b>	<b>23</b>	<b>-</b>	<b>(23)</b>
<b>VIII Cash and cash equivalents from exclusion of consolidated subsidiaries at the beginning</b>	<b>-</b>	<b>(513)</b>	<b>(513)</b>
<b>IX Cash and cash equivalents at the end</b>	<b>16,145</b>	<b>12,783</b>	<b>(3,362)</b>

\*Note

Cash and cash equivalents at the end	16,145	12,783	(3,362)
Fixed deposits mature over 3 months	72	80	8
Cash and bank balances	16,218	12,863	(3,355)

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Six Months Ended <b>FY2015 Q2</b> from Apr. 1, 2015 to Sep. 30, 2015	Six Months Ended <b>FY2016 Q2</b> from Apr. 1, 2016 to Sep. 30, 2016	Variance
<b>Net income</b>	3,885	6,474	2,589
[Other comprehensive income]			
Valuation variance of securities	(757)	751	(1,508)
Deferred gain or loss on hedging instruments	(683)	45	(728)
Translation adjustments	(97)	(7,521)	7,521
Remeasurements of defined benefit plans	127	104	23
Share of other comprehensive income of associates accounted for using equity method	15	(19)	34
Total other comprehensive income	(1,395)	(6,639)	5,244
<b>Comprehensive income</b>	2,489	(165)	2,654
[Comprehensive income attributable to]			
Comprehensive income attributable to owners of the parent	2,221	248	(248)
Comprehensive income attributable to non-controlling interests	268	(413)	681
<b>Total comprehensive income</b>	2,489	(165)	165