

Third Quarter Report
Period Ended December 31, 2016

**Consolidated Financial Statements for The 3rd Quarter of FY2016
(April 1, 2016 - December 31, 2016)**

 **FUJI OIL HOLDINGS INC.**

Consolidated Balance Sheets

(Millions of yen)

	FY2015 as of Mar. 31, 2016 Amount	3rd Q of FY2016 as of Dec. 31, 2016 Amount	vs. last year Variance Amount
[Assets]			
Current assets	130,869	131,803	934
Cash and deposits	16,771	14,038	(2,733)
Notes and accounts receivable-trade	56,149	64,224	8,075
Merchandise and finished goods	22,766	22,443	(323)
Raw materials and supplies	27,196	23,445	(3,751)
Deferred income tax assets	2,334	803	(1,531)
Other current assets	5,818	7,054	1,236
Allowance for bad debt	(166)	(206)	(40)
Fixed assets	136,007	134,942	(1,065)
Tangible fixed assets	89,491	88,935	(556)
Buildings and structures	31,366	33,749	2,383
Machinery and vehicles	35,106	32,962	(2,144)
Tools and fixtures	1,857	2,357	500
Land	16,129	16,062	(67)
Construction in progress	5,031	3,804	(1,227)
Intangible fixed assets	22,528	20,300	(2,228)
Goodwill	13,133	11,011	(2,122)
Other intangible fixed assets	9,395	9,288	(107)
Investments and others	23,987	25,706	1,719
Investment securities	16,324	16,186	(138)
Net defined benefit asset	656	1,054	398
Deferred income tax assets	373	604	231
Other fixed assets	7,479	8,042	563
Allowance for bad debt	(847)	(181)	666
Total assets	266,877	266,746	(131)
[Liabilities]			
Current liabilities	66,482	73,013	6,531
Notes and accounts payable-trade	25,017	26,641	1,624
Short-term borrowings	21,361	30,786	9,425
Income taxes payable	3,795	1,498	(2,297)
Accrued bonuses for employees	2,194	1,467	(727)
Accrued bonuses for directors	50	-	(50)
Other current liabilities	14,063	12,619	(1,444)
Fixed liabilities	51,607	47,585	(4,022)
Bonds	10,000	10,000	-
Long-term borrowings	28,639	27,278	(1,361)
Deferred income tax liabilities	7,089	4,452	(2,637)
Accrued retirement benefits for directors	35	-	(35)
Net defined benefit liability	1,820	1,743	(77)
Other fixed liabilities	4,022	4,111	89
Total liabilities	118,089	120,599	2,510
[Shareholder's equity]			
Shareholder's equity	139,524	145,721	6,197
Stock	13,208	13,208	-
Capital surplus	18,302	15,678	(2,624)
Retained earnings	109,761	118,582	8,821
Treasury stock	(1,748)	(1,748)	(0)
Accumulated other comprehensive income	2,798	(3,474)	(6,272)
Valuation variance of securities	5,390	5,611	221
Deferred hedging instruments	(980)	760	1,740
Translation adjustments	(422)	(8,812)	(8,390)
Remeasurements of defined benefit plans	(1,189)	(1,033)	156
Non-controlling interests	6,464	3,899	(2,565)
Total shareholder's equity	148,787	146,146	(2,641)
Total liabilities and shareholder's equity	266,877	266,746	(131)

Consolidated Income Statements

(Millions of yen)

	Six Months Ended FY2015 Q3 from Apr. 1, 2015 to Dec. 31, 2015	Nine Months Ended FY2016 Q3 from Apr. 1, 2016 to Dec. 31, 2016	Variance
Revenue	214,413	218,372	3,959
Cost of sales	172,262	172,182	(80)
Gross profit	42,151	46,189	4,038
Selling, general and administrative expenses	29,585	30,540	955
Operating profit	12,565	15,649	3,084
Interest income	109	484	375
Dividends income	228	193	(35)
Profit from equity method	-	119	119
Other non-operating income	316	633	317
Total non-operating income	654	1,431	777
Interest expense	547	562	15
Exchange losses	1,423	252	(1,171)
Loss from equity method	374	-	(374)
Other non-operating expenses	534	524	(10)
Total non-operating expenses	2,880	1,339	(1,541)
Ordinary profit	10,340	15,740	5,400
Gain on sales of land	203	-	(203)
Gain on transfer of business	170	-	(170)
Gain on sales of investment securities	-	1,030	1,030
Extraordinary gain	373	1,030	657
Loss on disposal of fixed assets	214	148	(66)
Cost related to shift to holding company structure	112	-	(112)
Office transfer expenses	26	-	(26)
Impairment loss	-	41	41
Subsidiary liquidation loss	-	109	109
Extraordinary loss	353	299	(54)
Income before income taxes	10,360	16,471	6,111
Income taxes	3,265	3,621	356
Income taxes adjustment	325	928	603
Total Income taxes	3,590	4,549	959
Net income	6,769	11,921	5,152
Net income attributable to non-controlling interests	382	453	71
Net income attributable to owners of parent	6,387	11,468	5,081

Consolidated Cash Flow Statements

(Millions of yen)

	Six Months Ended FY2015 Q3 from Apr. 1, 2015 to Dec.31, 2015	Nine Months Ended FY2016 Q3 from Apr. 1, 2016 to Dec. 31, 2016	Variance
I Cash flows from operating activities			
Income before income taxes	10,360	16,471	6,111
Depreciation and amortization	7,196	7,684	488
(Inc)/dec net defined benefit asset	(589)	(397)	192
Inc/(dec) net defined benefit liability	467	240	(227)
Interest income and dividend income	(337)	(678)	(341)
Interest expense	547	562	15
Loss due to impairment	-	41	41
Subsidiary liquidation loss	-	109	109
Loss/(gain) on transfer of business	(170)	-	170
Loss/(gain) on sales of investment securities	-	(1,030)	(1,030)
(Increase)/decrease in trade receivables	(10,398)	(10,972)	(574)
(Increase)/decrease in inventories	(1,376)	789	2,165
Increase/(decrease) in trade payables	3,104	3,328	224
Other	(116)	305	421
Sub-total	8,688	16,454	7,766
Interest income and dividend income received	331	666	335
Interest expense paid	(518)	(580)	(62)
Income taxes paid	(2,109)	(5,819)	(3,710)
Cash flows from operating activities	6,391	10,721	4,330
II Cash flows from investing activities			
Capital expenditures of tangible assets	(7,970)	(10,551)	(2,581)
Proceeds from sales of tangible fixed assets	651	-	(651)
Payments for purchases of investment in securities	(1,279)	(56)	1,223
Proceeds from sales of investments in securities	-	1,441	1,441
Proceeds from liquidation of subsidiaries and affiliates	-	424	424
Payments for purchase of investments in related company	(35)	-	35
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	(3,805)	-	3,805
Other	(220)	(1,332)	(1,112)
Cash flows from investing activities	(29,844)	(9,678)	20,166
Free cash flow	(23,452)	1,043	24,495
III Cash flows from financing activities			
Increase/(decrease) in short-term borrowings	16,442	9,033	(7,409)
Increase/(decrease) in commercial paper	(2,000)	-	2,000
Proceeds from long-term borrowings	22,814	2,423	(20,391)
Repayment of long-term borrowings	(1,794)	(3,473)	(1,679)
Proceeds from issuance of bonds	10,000	-	(10,000)
Redemption of bonds	(5,000)	-	5,000
Dividend paid	(2,922)	(3,438)	(516)
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)	(312)	(135)
Other	(195)	(144)	51
Cash flows from financing activities	37,058	(1,364)	(38,422)
IV Exchange rate changes on cash and cash equivalents	(2,598)	(1,874)	724
V Net increase in cash and cash equivalents	11,007	(2,195)	(13,202)
VI Cash and cash equivalents at the beginning	12,716	16,698	3,982
VII Cash and cash equivalents from newly consolidated subsidiaries at the beginning	23	-	(23)
VIII Cash and cash equivalents from exclusion of consolidated subsidiaries at the beginning	-	(513)	(513)
IX Cash and cash equivalents at the end	23,747	13,989	(9,758)
*Note			
Cash and cash equivalents at the end	23,747	13,989	(9,758)
Fixed deposits mature over 3 months	41	49	8
Cash and bank balances	23,789	14,038	(9,751)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six Months Ended FY2015 Q3 from Apr. 1, 2015 to Dec.31, 2015	Nine Months Ended FY2016 Q3 from Apr. 1, 2016 to Dec. 31, 2016	Variance
Net income	6,769	11,921	5,152
[Other comprehensive income]			
Valuation variance of securities	263	220	43
Deferred gain or loss on hedging instruments	(633)	1,740	(2,373)
Translation adjustments	(6,737)	(9,168)	9,168
Remeasurements of defined benefit plans	191	156	35
Share of other comprehensive income of associates accounted for using equity method	(131)	(32)	(99)
Total other comprehensive income	(7,047)	(7,083)	36
Comprehensive income	(278)	4,837	(5,115)
[Comprehensive income attributable to]			
Comprehensive income attributable to owners of the parent	(159)	5,280	(5,280)
Comprehensive income attributable to non-controlling interests	(119)	(443)	324
Total comprehensive income	(278)	4,837	(4,837)