

Annual Report  
For the year ended March 31, 2017

**Consolidated Financial Statements for The Year of FY2016  
(April 1, 2016 - March 31, 2017)**

 **FUJI OIL HOLDINGS INC.**

## Consolidated Balance Sheets

(Millions of yen)

	FY2015 as of Mar. 31, 2016 Amount	FY2016 as of Mar. 31, 2017 Amount	vs. last year Variance Amount
<b>[Assets]</b>			
<b>Current assets</b>	130,869	132,455	1,586
Cash and deposits	16,771	12,762	(4,009)
Notes and accounts receivable-trade	56,149	59,045	2,896
Merchandise and finished goods	22,766	24,740	1,974
Raw materials and supplies	27,196	27,657	461
Deferred income tax assets	2,334	1,435	(899)
Other current assets	5,818	7,022	1,204
Allowance for bad debt	(166)	(209)	(43)
<b>Fixed assets</b>	136,007	139,653	3,646
<b>Tangible fixed assets</b>	89,491	91,402	1,911
Buildings and structures	31,366	34,047	2,681
Machinery and vehicles	35,106	35,832	726
Tools and fixtures	1,857	2,370	513
Land	16,129	15,093	(1,036)
Construction in progress	5,031	4,059	(972)
<b>Intangible fixed assets</b>	22,528	23,210	682
Goodwill	13,133	12,898	(235)
Other intangible fixed assets	9,395	10,312	917
<b>Investments and others</b>	23,987	25,040	1,053
Investment securities	16,324	16,103	(221)
Net defined benefit asset	656	1,023	367
Deferred income tax assets	373	312	(61)
Other fixed assets	7,479	7,846	367
Allowance for bad debt	(847)	(245)	602
<b>Total assets</b>	<b>266,877</b>	<b>272,109</b>	<b>5,232</b>
<b>[Liabilities]</b>			
<b>Current liabilities</b>	66,482	69,576	3,094
Notes and accounts payable-trade	25,017	23,212	(1,805)
Short-term borrowings	21,361	29,789	8,428
Income taxes payable	3,795	2,511	(1,284)
Accrued bonuses for employees	2,194	2,320	126
Accrued bonuses for directors	50	64	14
Other current liabilities	14,063	11,679	(2,384)
<b>Fixed liabilities</b>	51,607	47,051	(4,556)
Bonds	10,000	10,000	-
Long-term borrowings	28,639	25,878	(2,761)
Deferred income tax liabilities	7,089	4,587	(2,502)
Accrued retirement benefits for directors	35	-	(35)
Net defined benefit liability	1,820	1,867	47
Other fixed liabilities	4,022	4,718	696
<b>Total liabilities</b>	<b>118,089</b>	<b>116,628</b>	<b>(1,461)</b>
<b>[Shareholder's equity]</b>			
<b>Shareholder's equity</b>	139,524	146,320	6,796
Stock	13,208	13,208	-
Capital surplus	18,302	15,609	(2,693)
Retained earnings	109,761	119,251	9,490
Treasury stock	(1,748)	(1,749)	(1)
<b>Accumulated other comprehensive income</b>	2,798	4,410	1,612
Valuation variance of securities	5,390	5,484	94
Deferred hedging instruments	(980)	41	1,021
Translation adjustments	(422)	29	451
Remeasurements of defined benefit plans	(1,189)	(1,144)	45
<b>Non-controlling interests</b>	6,464	4,749	(1,715)
<b>Total net assets</b>	<b>148,787</b>	<b>155,480</b>	<b>6,693</b>
<b>Total liabilities and net assets</b>	<b>266,877</b>	<b>272,109</b>	<b>5,232</b>

## Consolidated Income Statements

(Millions of yen)

	Fiscal Year Ended <b>FY2015 Full</b> from Apr. 1, 2015 to Mar. 31, 2016	Fiscal Year Ended <b>FY2016 Full</b> from Apr. 1, 2016 to Mar. 31, 2017	Variance
Revenue	287,537	292,547	5,010
Cost of sales	230,275	231,334	1,059
<b>Gross profit</b>	<b>57,261</b>	<b>61,213</b>	<b>3,952</b>
Selling, general and administrative expenses	40,420	41,518	1,098
<b>Operating profit</b>	<b>16,840</b>	<b>19,694</b>	<b>2,854</b>
Interest income	115	898	783
Dividends income	231	200	(31)
Gain on valuation of derivatives	-	398	398
Profit from equity method	-	66	66
Other non-operating income	277	729	452
Total non-operating income	624	2,294	1,670
Interest expense	814	1,218	404
Exchange losses	962	298	(664)
Loss from equity method	739	-	(739)
Other non-operating expenses	827	758	(69)
Total non-operating expenses	3,343	2,275	(1,068)
<b>Ordinary profit</b>	<b>14,121</b>	<b>19,712</b>	<b>5,591</b>
Gain on sales of land	203	-	(203)
Gain on sales of investment securities	936	1,360	424
Gain on transfer of business	170	-	(170)
Gain on sales of shares of subsidiaries and associates	-	533	533
Extraordinary gain	1,310	1,894	584
Loss on disposal of fixed assets	488	314	(174)
Cost related to shift to holding company structure	279	-	(279)
Impairment loss	88	2,322	2,234
Loss on business reconstruction of subsidiaries and affiliates	53	-	(53)
Office transfer expenses	28	-	(28)
Loss on cancellation of contracts	-	757	757
Subsidiary liquidation loss	-	109	109
Extraordinary loss	939	3,504	2,565
<b>Income before income taxes</b>	<b>14,492</b>	<b>18,103</b>	<b>3,611</b>
Income taxes	5,096	5,003	(93)
Income taxes adjustment	(270)	398	668
Total income taxes	4,826	5,402	576
<b>Net income</b>	<b>9,665</b>	<b>12,700</b>	<b>3,035</b>
Net income attributable to non-controlling interests	438	594	156
<b>Net income attributable to owners of parent</b>	<b>9,227</b>	<b>12,105</b>	<b>2,878</b>

## Consolidated Cash Flow Statements

(Millions of yen)

	Fiscal Year Ended <b>FY2015 Full</b> from Apr. 1, 2015 to Mar. 31, 2016	Fiscal Year Ended <b>FY2016 Full</b> from Apr. 1, 2016 to Mar. 31, 2017	Variance
<b>I Cash flows from operating activities</b>			
Income before income taxes	14,492	18,103	3,611
Depreciation and amortization	9,903	10,431	528
(Inc)/dec net defined benefit asset	417	(366)	(783)
Inc/(dec) net defined benefit liability	(644)	150	794
Interest income and dividend income	(346)	(1,099)	(753)
Interest expense	814	1,218	404
Loss due to impairment	88	2,322	2,234
Loss/(gain) on sales of shares of subsidiaries and assoc	-	(533)	(533)
Subsidiary liquidation loss	-	109	109
Investment loss/(profit) on equity method	739	(66)	(805)
Loss/(gain) on sales of investment securities	(936)	(1,360)	(424)
Loss/(gain) on disposal of fixed assets	301	350	49
Loss/(gain) on transfer of business	(170)	-	170
(Increase)/decrease in trade receivables	(422)	(2,899)	(2,477)
(Increase)/decrease in inventories	(4,687)	(3,082)	1,605
Increase/(decrease) in trade payables	(522)	(1,649)	(1,127)
Other	282	1,509	1,227
Sub-total	19,309	23,138	3,829
Interest income and dividend income received	346	1,086	740
Interest expense paid	(744)	(1,235)	(491)
Income taxes paid	(2,884)	(6,468)	(3,584)
<b>Cash flows from operating activities</b>	<b>16,027</b>	<b>16,521</b>	<b>494</b>
<b>II Cash flows from investing activities</b>			
Capital expenditures of tangible assets	(12,855)	(15,097)	(2,242)
Proceeds from sales of tangible fixed assets	651	-	(651)
Payments for purchases of investment in securities	(1,306)	(71)	1,235
Proceeds from sales of investments in securities	1,158	1,863	705
Proceeds from liquidation of subsidiaries and affiliates	-	424	424
Proceeds from sales of investment securities etc	-	443	443
Payments for purchase of investments in related company	(35)	-	35
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(17,168)	-	17,168
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	(3,995)	-	3,995
Other	(1,443)	(1,720)	(277)
<b>Cash flows from investing activities</b>	<b>(34,824)</b>	<b>(13,760)</b>	<b>21,064</b>
<b>Free cash flow</b>	<b>(18,797)</b>	<b>2,760</b>	<b>21,557</b>
<b>III Cash flows from financing activities</b>			
Increase/(decrease) in short-term borrowings	3,280	7,221	3,941
Increase/(decrease) in commercial paper	(2,000)	-	2,000
Proceeds from long-term borrowings	25,352	2,406	(22,946)
Repayment of long-term borrowings	(4,011)	(5,877)	(1,866)
Proceeds from issuance of bonds	10,000	-	(10,000)
Redemption of bonds	(5,000)	-	5,000
Dividend paid	(2,922)	(3,438)	(516)
Dividend paid to non-controlling interests	(178)	(312)	(134)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(221)	(5,467)	(5,246)
Other	(436)	(194)	242
<b>Cash flows from financing activities</b>	<b>24,040</b>	<b>(5,662)</b>	<b>(29,702)</b>
<b>IV Exchange rate changes on cash and cash equivalents</b>	<b>(1,285)</b>	<b>(601)</b>	<b>684</b>
<b>V Net increase in cash and cash equivalents</b>	<b>3,958</b>	<b>(3,503)</b>	<b>(7,461)</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>16,698</b>	<b>12,681</b>	<b>(4,017)</b>
*Note			
Cash and cash equivalents at the end	16,698	12,681	(4,017)
Fixed deposits mature over 3 months	72	81	9
Cash and bank balances	16,771	12,762	(4,009)

### Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal Year Ended <b>FY2015 Full</b> from Apr. 1, 2015 to Dec.31, 2015	Fiscal Year Ended <b>FY2016 Full</b> from Apr. 1, 2016 to Mar. 31, 2017	Variance
<b>Net income</b>	9,665	12,700	3,035
[Other comprehensive income]			
Valuation variance of securities	(1,338)	93	(1,431)
Deferred gain or loss on hedging instruments	(1,459)	1,016	(2,475)
Translation adjustments	(6,535)	419	(419)
Remeasurements of defined benefit plans	(606)	45	(651)
Share of other comprehensive income of associates accounted for using equity method	(70)	78	(148)
Total other comprehensive income	(10,010)	1,653	(11,663)
<b>Comprehensive income</b>	<b>(344)</b>	<b>14,354</b>	<b>(14,698)</b>
[Comprehensive income attributable to]			
Comprehensive income attributable to owners of the parent	(316)	13,893	(13,893)
Comprehensive income attributable to non-controlling interests	(27)	460	(487)
<b>Total comprehensive income</b>	<b>(344)</b>	<b>14,354</b>	<b>(14,354)</b>

### 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
<b>BALANCE, March 31, 2015</b>	13,208	18,324	103,467	(1,747)	6,728	479	5,716	(583)	5,218	150,813
Dividends, Yen34.0 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)
<b>BALANCE, March 31, 2016</b>	13,208	18,302	109,761	(1,748)	5,390	(980)	(422)	(1,189)	6,464	148,787
Dividends, Yen40.0 per share			(3,438)							(3,438)
Net income attributable to owners of parent, FY2016			12,105							12,105
Purchase of treasury stock				(1)						(1)
Gain or loss by merger of consolidated subsidiaries		(44)	822							777
Additional purchase of shares of subsidiaries		(2,648)								(2,648)
Net change in other					93	1,022	451	45	(1,715)	(102)
Total net change in the year	-	(2,693)	9,490	(1)	93	1,022	451	45	(1,715)	6,693
<b>BALANCE, March 31, 2017</b>	13,208	15,609	119,251	(1,749)	5,484	41	29	(1,144)	4,749	155,480