

Annual Report
For the year ended March 31, 2018

**Consolidated Financial Statements for The Year of FY2017
(April 1, 2017 - March 31, 2018)**

 **FUJI OIL HOLDINGS INC.**

Consolidated Balance Sheets

(Millions of yen)

	FY2016 as of Mar. 31, 2017 Amount	FY2017 as of Mar. 31, 2018 Amount	vs. last year Variance Amount
[Assets]			
Current assets	132,455	132,406	(49)
Cash and deposits	12,762	13,009	247
Notes and accounts receivable-trade	59,045	64,031	4,986
Merchandise and finished goods	24,740	23,866	(874)
Raw materials and supplies	27,657	24,474	(3,183)
Deferred income tax assets	1,435	1,601	166
Other current assets	7,022	5,841	(1,181)
Allowance for bad debt	(209)	(419)	(210)
Fixed assets	139,653	139,627	(26)
Tangible fixed assets	91,402	94,883	3,481
Buildings and structures	34,047	35,279	1,232
Machinery and vehicles	35,832	35,856	24
Tools and fixtures	2,370	2,374	4
Land	15,093	14,734	(359)
Construction in progress	4,059	6,638	2,579
Intangible fixed assets	23,210	22,077	(1,133)
Goodwill	12,898	11,647	(1,251)
Other intangible fixed assets	10,312	10,430	118
Investments and others	25,040	22,666	(2,374)
Investment securities	16,103	16,484	381
Net defined benefit asset	1,023	2,076	1,053
Deferred income tax assets	312	344	32
Other fixed assets	7,846	3,915	(3,931)
Allowance for bad debt	(245)	(154)	91
Total assets	272,109	272,034	(75)
[Liabilities]			
Current liabilities	69,576	67,465	(2,111)
Notes and accounts payable-trade	23,212	25,210	1,998
Short-term borrowings	29,789	19,747	(10,042)
Commercial papers	-	5,000	5,000
Income taxes payable	2,511	2,263	(248)
Accrued bonuses for employees	2,320	2,415	95
Accrued bonuses for directors	64	86	22
Other current liabilities	11,679	12,742	1,063
Fixed liabilities	47,051	39,671	(7,380)
Bonds	10,000	10,000	-
Long-term borrowings	25,878	21,865	(4,013)
Deferred income tax liabilities	4,587	4,520	(67)
Net defined benefit liability	1,867	2,088	221
Other fixed liabilities	4,718	1,196	(3,522)
Total liabilities	116,628	107,137	(9,491)
[Shareholder's equity]			
Shareholder's equity	146,320	156,098	9,778
Stock	13,208	13,208	-
Capital surplus	15,609	15,609	-
Retained earnings	119,251	129,031	9,780
Treasury stock	(1,749)	(1,750)	(1)
Accumulated other comprehensive income	4,410	4,112	(298)
Valuation variance of securities	5,484	5,543	59
Deferred hedging instruments	41	(329)	(370)
Translation adjustments	29	(592)	(621)
Remeasurements of defined benefit plans	(1,144)	(509)	635
Non-controlling interests	4,749	4,686	(63)
Total net assets	155,480	164,897	9,417
Total liabilities and net assets	272,109	272,034	(75)

Consolidated Income Statements

(Millions of yen)

	Fiscal Year Ended FY2016 Full from Apr. 1, 2016 to Mar. 31, 2017	Fiscal Year Ended FY2017 Full from Apr. 1, 2017 to Mar. 31, 2018	Variance
Revenue	292,547	307,645	15,098
Cost of sales	231,334	244,145	12,811
Gross profit	61,213	63,500	2,287
Selling, general and administrative expenses	41,518	43,018	1,500
Operating profit	19,694	20,481	787
Interest income	898	434	(464)
Dividends income	200	183	(17)
Gain on valuation of derivatives	398	-	(398)
Profit from equity method	66	147	81
Other non-operating income	729	514	(215)
Total non-operating income	2,294	1,279	(1,015)
Interest expense	1,218	716	(502)
Exchange losses	298	230	(68)
Provision of allowance for doubtful accounts	-	298	298
Other non-operating expenses	758	531	(227)
Total non-operating expenses	2,275	1,776	(499)
Ordinary profit	19,712	19,983	271
Gain on sales of investment securities	1,360	802	(558)
Return of profit gained through short term trading	-	348	348
Gain on sales of shares of subsidiaries and associates	533	-	(533)
Extraordinary gain	1,894	1,151	(743)
Loss on disposal of fixed assets	314	440	126
Impairment loss	2,322	836	(1,486)
Loss on valuation of shares of subsidiaries and associates	-	34	34
Restructuring expenses of subsidiaries and affiliates	-	767	767
Loss on valuation of investments in capital of subsidiaries and associates	-	221	221
Loss on cancellation of contracts	757	-	(757)
Subsidiary liquidation loss	109	-	(109)
Extraordinary loss	3,504	2,301	(1,203)
Income before income taxes	18,103	18,833	730
Income taxes	5,003	5,165	162
Income taxes adjustment	398	(606)	(1,004)
Total Income taxes	5,402	4,558	(844)
Net income	12,700	14,274	1,574
Net income attributable to non-controlling interests	594	532	(62)
Net income attributable to owners of parent	12,105	13,742	1,637

Consolidated Cash Flow Statements

(Millions of yen)

	Fiscal Year Ended FY2016 Full from Apr. 1, 2016 to Mar. 31, 2017	Fiscal Year Ended FY2017 Full from Apr. 1, 2017 to Mar. 31, 2018	Variance
I Cash flows from operating activities			
Income before income taxes	18,103	18,833	730
Depreciation and amortization	10,431	10,900	469
(Inc)/dec net defined benefit asset	(366)	(1,053)	(687)
Inc/(dec) net defined benefit liability	150	1,091	941
Interest income and dividend income	(1,099)	(617)	482
Interest expense	1,218	716	(502)
Loss due to impairment	2,322	836	(1,486)
Loss/(gain) on sales of shares of subsidiaries and associates	(533)	-	533
Subsidiary liquidation loss	109	-	(109)
Investment loss/(profit) on equity method	(66)	(147)	(81)
Loss/(gain) on sales of investment securities	(1,360)	(802)	558
Loss/(gain) on disposal of fixed assets	350	440	90
Loss on valuation of shares of subsidiaries and associates	-	34	34
Loss on valuation of investments in capital of subsidiaries and affiliates	-	221	221
(Increase)/decrease in trade receivables	(2,899)	(5,006)	(2,107)
(Increase)/decrease in inventories	(3,082)	4,377	7,459
Increase/(decrease) in trade payables	(1,649)	1,983	3,632
Other	1,509	1,647	138
Sub-total	23,138	33,457	10,319
Interest income and dividend income received	1,086	621	(465)
Interest expense paid	(1,235)	(714)	521
Income taxes (paid) refund	(6,468)	(5,158)	1,310
Cash flows from operating activities	16,521	28,206	11,685
II Cash flows from investing activities			
Capital expenditures of tangible assets	(15,097)	(13,919)	1,178
Payments for purchases of investment in securities	(71)	(12)	59
Proceeds from sales of investments in securities	1,863	1,749	(114)
Proceeds from liquidation of subsidiaries and affiliates	424	-	(424)
Proceeds from sales of investment securities etc	443	-	(443)
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
Purchase of investments in associated companies	-	(815)	(815)
Other	(1,720)	(1,545)	175
Cash flows from investing activities	(13,760)	(14,510)	(750)
Free cash flow	2,760	13,695	10,935
III Cash flows from financing activities			
Increase/(decrease) in short-term borrowings	7,221	(8,994)	(16,215)
Increase/(decrease) in commercial paper	-	5,000	5,000
Proceeds from long-term borrowings	2,406	1,248	(1,158)
Repayment of long-term borrowings	(5,877)	(6,444)	(567)
Dividend paid	(3,438)	(3,868)	(430)
Dividend paid to non-controlling interests	(312)	(124)	188
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(5,467)	(125)	5,342
Other	(194)	(144)	50
Cash flows from financing activities	(5,662)	(13,452)	(7,790)
IV Exchange rate changes on cash and cash equivalents	(601)	(122)	479
V Net increase in cash and cash equivalents	(3,503)	120	3,623
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	12,681	12,999	318

*Note

Cash and cash equivalents at end of period	12,681	12,999	318
Fixed deposits mature over 3 months	81	10	(71)
Cash and bank balances	12,762	13,009	247

Consolidated Statements of Comprehensive Income

	(Millions of yen)		
	Fiscal Year Ended FY2016 Full from Apr. 1, 2016 to Mar. 31, 2017	Fiscal Year Ended FY2017 Full from Apr. 1, 2017 to Mar. 31, 2018	Variance
Net income	12,700	14,274	1,574
[Other comprehensive income]			
Valuation variance of securities	93	59	(34)
Deferred gain or loss on hedging instruments	1,016	(331)	(1,347)
Translation adjustments	419	(791)	(1,210)
Remeasurements of defined benefit plans	45	635	590
Share of other comprehensive income of associates accounted for using equity method	78	(23)	(101)
Total other comprehensive income	1,653	(451)	(2,104)
Comprehensive income	14,354	13,823	(531)
[Comprehensive income attributable to]			
Comprehensive income attributable to owners of the parent	13,893	13,444	(449)
Comprehensive income attributable to non-controlling interests	460	378	(82)
Total comprehensive income	14,354	13,823	(531)

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, 2016	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
BALANCE, March 31, 2017	13,208	15,609	119,251	(1,749)	5,484	41	29	(1,144)	4,749	155,480
Dividends, Yen45.0 per share			(3,868)							(3,868)
Net income attributable to owners of parent, FY2017			13,742							13,742
Purchase of treasury stock				(1)						(1)
Change of scope of consolidation			(94)							(94)
Net change in other					59	(371)	(621)	635	(63)	(361)
Total net change in the year	-	-	9,779	(1)	59	(371)	(621)	635	(63)	9,416
BALANCE, March 31, 2018	13,208	15,609	129,031	(1,750)	5,543	(329)	(592)	(509)	4,686	164,897