

Second Quarter Report
Period Ended September 30, 2018

**Consolidated Financial Statements for The 2nd Quarter of FY2018
(April 1, 2018 - September 30, 2018)**

 **FUJI OIL HOLDINGS INC.**

Consolidated Balance Sheets

(Millions of yen)

	FY2017 as of Mar. 31, 2018 Amount	2nd Q of FY2018 as of Sep. 30, 2018 Amount	vs. last year Variance Amount
[Assets]			
Current assets	130,805	126,815	(3,990)
Cash and deposits	13,009	13,568	559
Notes and accounts receivable-trade	64,031	59,658	(4,373)
Merchandise and finished goods	23,866	23,817	(49)
Raw materials and supplies	24,474	23,774	(700)
Other current assets	5,841	6,245	404
Allowance for bad debt	(419)	(248)	171
Fixed assets	139,925	139,226	(699)
Tangible fixed assets	94,883	94,585	(298)
Buildings and structures	35,279	34,157	(1,122)
Machinery and vehicles	35,856	34,970	(886)
Tools and fixtures	2,374	2,419	45
Land	14,734	14,578	(156)
Construction in progress	6,638	8,458	1,820
Intangible fixed assets	22,077	20,896	(1,181)
Goodwill	11,647	11,160	(487)
Other intangible fixed assets	10,430	9,735	(695)
Investments and others	22,964	23,744	780
Investment securities	16,484	17,172	688
Net defined benefit asset	2,076	2,451	375
Deferred income tax assets	642	590	(52)
Other fixed assets	3,915	3,646	(269)
Allowance for bad debt	(154)	(116)	38
Total assets	270,731	266,041	(4,690)
[Liabilities]			
Current liabilities	67,460	70,099	2,639
Notes and accounts payable-trade	25,210	23,290	(1,920)
Short-term borrowings	19,747	22,780	3,033
Commercial papers	5,000	10,000	5,000
Income taxes payable	2,263	1,341	(922)
Accrued bonuses for employees	2,415	2,469	54
Accrued bonuses for directors	86	3	(83)
Other current liabilities	12,738	10,214	(2,524)
Fixed liabilities	38,372	38,689	317
Bonds	10,000	10,000	-
Long-term borrowings	21,865	21,682	(183)
Deferred income tax liabilities	3,221	4,135	914
Net defined benefit liability	2,088	2,075	(13)
Other fixed liabilities	1,196	795	(401)
Total liabilities	105,833	108,788	2,955
[Shareholder's equity]			
Shareholder's equity	156,098	155,203	(895)
Stock	13,208	13,208	-
Capital surplus	15,609	12,478	(3,131)
Retained earnings	129,031	131,268	2,237
Treasury stock	(1,750)	(1,751)	(1)
Accumulated other comprehensive income	4,112	(692)	(4,804)
Valuation variance of securities	5,543	5,875	332
Deferred hedging instruments	(329)	397	726
Translation adjustments	(592)	(6,484)	(5,892)
Remeasurements of defined benefit plans	(509)	(481)	28
Non-controlling interests	4,686	2,742	(1,944)
Total net assets	164,897	157,253	(7,644)
Total liabilities and net assets	270,731	266,041	(4,690)

Consolidated Income Statements

(Millions of yen)

	Six Months Ended FY2017 Q2 from Apr. 1, 2017 to Sep. 30, 2017	Six Months Ended FY2018 Q2 from Apr. 1, 2018 to Sep. 30, 2018	Variance
Revenue	149,645	147,143	(2,502)
Cost of sales	119,434	115,740	(3,694)
Gross profit	30,210	31,402	1,192
Selling, general and administrative expenses	20,816	21,924	1,108
Operating profit	9,393	9,478	85
Interest income	268	111	(157)
Dividends income	96	77	(19)
Profit from equity method	57	-	(57)
Other non-operating income	281	357	76
Total non-operating income	703	545	(158)
Interest expenses	451	230	(221)
Exchange losses	128	-	(128)
Loss from equity method	-	54	54
Other non-operating expenses	308	204	(104)
Total non-operating expenses	889	489	(400)
Ordinary profit	9,208	9,534	326
Return of profit gained through short term trading	348	-	(348)
Extraordinary gain	348	-	(348)
Loss on disposal of fixed assets	197	280	83
Impairment loss	-	1,750	1,750
Loss on disaster	-	474	474
Restructuring of affiliate company busines:	570	-	(570)
Extraordinary loss	767	2,505	1,738
Income before income taxes	8,789	7,028	(1,761)
Income taxes	2,606	1,886	(720)
Income taxes adjustment	73	563	490
Total Income taxes	2,680	2,449	(231)
Net income	6,109	4,579	(1,530)
Net income attributable to non-controlling interests	308	193	(115)
Net income attributable to owners of parent	5,801	4,386	(1,415)

Consolidated Cash Flow Statements

(Millions of yen)

	Six Months Ended FY2017 Q2 from Apr. 1, 2017 to Sep. 30, 2017	Six Months Ended FY2018 Q2 from Apr. 1, 2018 to Sep. 30, 2018	Variance
I Cash flows from operating activities			
Income before income taxes	8,789	7,028	(1,761)
Depreciation and amortization	5,260	5,487	227
(Inc)/dec net defined benefit asset	(180)	(374)	(194)
Inc/(dec) net defined benefit liability	109	78	(31)
Interest income and dividend income	(365)	(188)	177
Interest expenses	451	230	(221)
Loss on disaster	-	474	474
Loss due to impairment	-	1,750	1,750
(Increase)/decrease in trade receivables	(2,777)	3,502	6,279
(Increase)/decrease in inventories	1,301	(163)	(1,464)
Increase/(decrease) in trade payables	2,621	(1,528)	(4,149)
Other	1,307	(1,216)	(2,523)
Sub-total	16,518	15,083	(1,435)
Interest income and dividend income received	361	183	(178)
Interest expense paid	(452)	(217)	235
Income taxes (paid) refund	(2,346)	(3,047)	(701)
Cash flows from operating activities	14,081	12,001	(2,080)
II Cash flows from investing activities			
Capital expenditures of tangible assets	(5,994)	(8,151)	(2,157)
Capital expenditures of intangible assets	(279)	(1,125)	(846)
Purchase of shares of subsidiaries	-	(2,073)	(2,073)
Proceeds from sales of investment in subsidiaries	32	-	(32)
Other	(189)	(177)	12
Cash flows from investing activities	(6,431)	(11,527)	(5,096)
Free cash flow	7,649	473	(7,176)
III Cash flows from financing activities			
Increase/(decrease) in short-term borrowings	(1,515)	3,428	4,943
Increase/(decrease) in commercial paper	-	5,000	5,000
Proceeds from long-term borrowings	-	2,570	2,570
Repayment of long-term borrowings	(2,714)	(2,548)	166
Dividend paid	(1,891)	(2,148)	(257)
Dividend paid to non-controlling interests	(21)	(28)	(7)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(30)	(4,874)	(4,844)
Payments from changes in ownership interests in investments in capital of subsidiaries that do not result in change in scope of consolidation	-	(517)	(517)
Other	(63)	(67)	(4)
Cash flows from financing activities	(6,237)	813	7,050
IV Exchange rate changes on cash and cash equivalents	(346)	(728)	(382)
V Net increase in cash and cash equivalents	1,065	558	(507)
VI Cash and cash equivalents at beginning of period	12,681	12,999	318
VII Cash and cash equivalents from newly consolidated subsidiaries at beginning of period	197	-	(197)
VIII Cash and cash equivalents at end of period	13,945	13,557	(388)

*Note

Cash and cash equivalents at end of period	13,945	13,557	(388)
Fixed deposits mature over 3 months	18	10	(8)
Cash and bank balances	13,963	13,568	(395)

Consolidated Statements of Comprehensive Income

	Six Months Ended FY2017 Q2 from Apr. 1, 2017 to Sep. 30, 2017	Six Months Ended FY2018 Q2 from Apr. 1, 2018 to Sep. 30, 2018	(Millions of yen) Variance
Net income	6,109	4,579	(1,530)
[Other comprehensive income]			
Valuation variance of securities	931	331	(600)
Deferred gain or loss on hedging instruments	188	717	529
Translation adjustments	(2,622)	(6,226)	(3,604)
Remeasurements of defined benefit plans	92	27	(65)
Share of other comprehensive income of associates accounted for using equity method	(28)	(88)	(60)
Total other comprehensive income	(1,439)	(5,237)	(3,798)
Comprehensive income	4,670	(658)	(5,328)
[Comprehensive income attributable to]			
Comprehensive income attributable to owners of the parent	4,637	(419)	(5,056)
Comprehensive income attributable to non-controlling interests	33	(239)	(272)
Total comprehensive income	4,670	(658)	(5,328)