

Third Quarter Report  
Period Ended December 31, 2018

**Consolidated Financial Statements for The 3rd Quarter of FY2018  
(April 1, 2018 - December 31, 2018)**

 **FUJI OIL HOLDINGS INC.**

## Consolidated Balance Sheets

(Millions of yen)

	FY2017 as of Mar. 31, 2018 Amount	3rd Q of FY2018 as of Dec. 31, 2018 Amount	vs. last year Variance Amount
<b>[Assets]</b>			
<b>Current assets</b>	130,805	138,135	7,330
Cash and deposits	13,009	15,209	2,200
Notes and accounts receivable-trade	64,031	67,085	3,054
Merchandise and finished goods	23,866	23,381	(485)
Raw materials and supplies	24,474	25,390	916
Other current assets	5,841	7,189	1,348
Allowance for bad debt	(419)	(121)	298
<b>Fixed assets</b>	139,925	139,185	(740)
<b>Tangible fixed assets</b>	94,883	96,396	1,513
Buildings and structures	35,279	35,270	(9)
Machinery and vehicles	35,856	37,141	1,285
Tools and fixtures	2,374	2,450	76
Land	14,734	14,593	(141)
Construction in progress	6,638	6,940	302
<b>Intangible fixed assets</b>	22,077	20,533	(1,544)
Goodwill	11,647	10,885	(762)
Other intangible fixed assets	10,430	9,648	(782)
<b>Investments and others</b>	22,964	22,255	(709)
Investment securities	16,484	15,126	(1,358)
Net defined benefit asset	2,076	2,621	545
Deferred income tax assets	642	1,008	366
Other fixed assets	3,915	3,618	(297)
Allowance for bad debt	(154)	(119)	35
<b>Total assets</b>	<b>270,731</b>	<b>277,321</b>	<b>6,590</b>
<b>[Liabilities]</b>			
<b>Current liabilities</b>	67,460	79,536	12,076
Notes and accounts payable-trade	25,210	27,058	1,848
Short-term borrowings	19,747	27,413	7,666
Commercial papers	5,000	10,000	5,000
Income taxes payable	2,263	1,304	(959)
Accrued bonuses for employees	2,415	1,525	(890)
Accrued bonuses for directors	86	5	(81)
Other current liabilities	12,738	12,229	(509)
<b>Fixed liabilities</b>	38,372	38,582	210
Bonds	10,000	10,000	-
Long-term borrowings	21,865	21,958	93
Deferred income tax liabilities	3,221	3,912	691
Net defined benefit liability	2,088	2,144	56
Other fixed liabilities	1,196	566	(630)
<b>Total liabilities</b>	<b>105,833</b>	<b>118,118</b>	<b>12,285</b>
<b>[Shareholder's equity]</b>			
<b>Shareholder's equity</b>	156,098	157,683	1,585
Stock	13,208	13,208	-
Capital surplus	15,609	12,478	(3,131)
Retained earnings	129,031	133,748	4,717
Treasury stock	(1,750)	(1,751)	(1)
<b>Accumulated other comprehensive income</b>	4,112	(1,215)	(5,327)
Valuation variance of securities	5,543	5,271	(272)
Deferred hedging instruments	(329)	(80)	249
Translation adjustments	(592)	(5,938)	(5,346)
Remeasurements of defined benefit plans	(509)	(467)	42
<b>Non-controlling interests</b>	4,686	2,733	(1,953)
<b>Total net assets</b>	<b>164,897</b>	<b>159,202</b>	<b>(5,695)</b>
<b>Total liabilities and net assets</b>	<b>270,731</b>	<b>277,321</b>	<b>6,590</b>

## Consolidated Income Statements

(Millions of yen)

	Nine Months Ended FY2017 Q3 from Apr. 1, 2016 to Dec. 31, 2016	Nine Months Ended FY2018 Q3 from Apr. 1, 2018 to Dec. 31, 2018	Variance
Revenue	230,409	226,657	(3,752)
Cost of sales	183,099	177,320	(5,779)
Gross profit	47,310	49,337	2,027
Selling, general and administrative expenses	31,487	33,403	1,916
Operating profit	15,822	15,933	111
Interest income	347	198	(149)
Dividends income	175	132	(43)
Profit from equity method	73	-	(73)
Other non-operating income	382	423	41
Total non-operating income	978	754	(224)
Interest expenses	583	350	(233)
Exchange losses	264	-	(264)
Loss from equity method	-	2	2
Other non-operating expenses	364	696	332
Total non-operating expenses	1,212	1,049	(163)
Ordinary profit	15,588	15,639	51
Return of profit gained through short term trading	348	-	(348)
Gain on sales of investment securities	705	-	(705)
Extraordinary gain	1,053	-	(1,053)
Loss on disposal of fixed assets	270	424	154
Impairment loss	27	1,728	1,701
Loss on disaster	-	499	499
Restructuring of affiliate company business	570	567	(3)
Extraordinary loss	868	3,220	2,352
Income before income taxes	15,774	12,418	(3,356)
Income taxes	4,024	2,868	(1,156)
Income taxes adjustment	248	228	(20)
Total Income taxes	4,272	3,097	(1,175)
Net income	11,501	9,321	(2,180)
Net income attributable to non-controlling interests	430	306	(124)
Net income attributable to owners of parent	11,070	9,015	(2,055)

**Consolidated Cash Flow Statements**

(Millions of yen)

	Nine Months Ended FY2017 Q3 from Apr. 1, 2016 to Dec. 31, 2016	Nine Months Ended FY2018 Q3 from Apr. 1, 2018 to Dec. 31, 2018	Variance
<b>I Cash flows from operating activities</b>			
Income before income taxes	15,774	12,418	(3,356)
Depreciation and amortization	8,012	8,427	415
(Inc)/dec net defined benefit asset	(275)	(545)	(270)
Inc/(dec) net defined benefit liability	214	153	(61)
Interest income and dividend income	(522)	(331)	191
Interest expenses	583	350	(233)
Restructuring of affiliate company business	570	567	(3)
Loss due to impairment	27	1,728	1,701
Loss on disaster	-	499	499
Loss/(gain) on sales of investment securities	(704)	-	704
(Increase)/decrease in trade receivables	(8,723)	(3,667)	5,056
(Increase)/decrease in inventories	4,020	(944)	(4,964)
Increase/(decrease) in trade payables	2,528	2,164	(364)
Other	93	(2,505)	(2,598)
Sub-total	21,598	18,315	(3,283)
Interest income and dividend income received	523	325	(198)
Interest expense paid	(593)	(358)	235
Income taxes (paid) refund	(4,659)	(4,981)	(322)
<b>Cash flows from operating activities</b>	<b>16,869</b>	<b>13,301</b>	<b>(3,568)</b>
<b>II Cash flows from investing activities</b>			
Capital expenditures of tangible assets	(9,664)	(11,780)	(2,116)
Capital expenditures of intangible assets	(1,024)	(1,178)	(154)
Payments for purchases of investment in securities	(10)	(10)	-
Proceeds from sales of investments in securities	1,465	1,220	(245)
Purchase of shares of subsidiaries	-	(2,089)	(2,089)
Proceeds from sales of investment in subsidiaries	32	-	(32)
Purchase of investments in associated companies	(405)	-	405
Other	(100)	261	361
<b>Cash flows from investing activities</b>	<b>(9,707)</b>	<b>(13,577)</b>	<b>(3,870)</b>
<b>Free cash flow</b>	<b>7,161</b>	<b>(276)</b>	<b>(7,437)</b>
<b>III Cash flows from financing activities</b>			
Increase/(decrease) in short-term borrowings	1,153	7,831	6,678
Increase/(decrease) in commercial paper	-	5,000	5,000
Proceeds from long-term borrowings	1,120	2,768	1,648
Repayment of long-term borrowings	(5,065)	(2,604)	2,461
Dividend paid	(3,868)	(4,297)	(429)
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)
Dividend paid to non-controlling interests	(123)	(125)	(2)
Other	(103)	(102)	1
<b>Cash flows from financing activities</b>	<b>(6,917)</b>	<b>3,077</b>	<b>9,994</b>
<b>IV Exchange rate changes on cash and cash equivalents</b>	<b>(119)</b>	<b>(600)</b>	<b>(481)</b>
<b>V Net increase in cash and cash equivalents</b>	<b>124</b>	<b>2,199</b>	<b>2,075</b>
<b>VI Cash and cash equivalents at beginning of period</b>	<b>12,681</b>	<b>12,999</b>	<b>318</b>
<b>VII Cash and cash equivalents from newly consolidated subsidiaries at beginning of period</b>	<b>197</b>	<b>-</b>	<b>(197)</b>
<b>VIII Cash and cash equivalents at end of period</b>	<b>13,003</b>	<b>15,199</b>	<b>2,196</b>
*Note			
<b>Cash and cash equivalents at end of period</b>	<b>13,003</b>	<b>15,199</b>	<b>2,196</b>
<b>Fixed deposits mature over 3 months</b>	<b>10</b>	<b>10</b>	<b>-</b>
<b>Cash and bank balances</b>	<b>13,014</b>	<b>15,209</b>	<b>2,195</b>

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Nine Months Ended <b>FY2017 Q3</b> from Apr. 1, 2017 to Dec. 31, 2017	Nine Months Ended <b>FY2018 Q3</b> from Apr. 1, 2018 to Dec. 31, 2018	Variance
<b>Net income</b>	11,501	9,321	(2,180)
[Other comprehensive income]			
Valuation variance of securities	804	(272)	(1,076)
Deferred gain or loss on hedging instruments	72	235	163
Translation adjustments	(321)	(5,690)	(5,369)
Remeasurements of defined benefit plans	138	41	(97)
Share of other comprehensive income of associates accounted for using equity method	(25)	(99)	(74)
Total other comprehensive income	668	(5,785)	(6,453)
<b>Comprehensive income</b>	12,170	3,536	(8,634)
[Comprehensive income attributable to]			-
Comprehensive income attributable to owners of the parent	11,764	3,687	(8,077)
Comprehensive income attributable to non-controlling interes	405	(151)	(556)
<b>Total comprehensive income</b>	12,170	3,536	(8,634)