

Second Quarter Report
Period Ended September 30, 2019

**Consolidated Financial Statements for the Second Quarter
of the Fiscal Year Ended March 31, 2020
(April 1, 2019 - September 30, 2019)**

 **FUJI OIL HOLDINGS INC.**

Consolidated Balance Sheets

(Millions of Japanese yen)

	FY2019 as of Mar. 31, 2019 Amount	2nd Q of FY2020 as of Sep. 30, 2019 Amount	vs. last year Variance Amount
[Assets]			
Current assets	185,410	169,799	(15,611)
Cash and cash equivalents	21,217	17,521	(3,696)
Notes and accounts receivable-trade	71,192	64,475	(6,717)
Merchandise and finished goods	31,315	31,876	561
Raw materials and supplies	53,895	49,975	(3,920)
Other current assets	8,042	6,212	(1,830)
Allowance for bad debt	(254)	(263)	(9)
Fixed assets	197,979	196,616	(1,363)
Tangible fixed assets	113,046	116,048	3,002
Buildings and structures, net	38,574	38,385	(189)
Machinery and vehicles, net	49,671	50,345	674
Land	14,759	15,105	346
Construction in progress	7,580	6,913	(667)
Other Tangible fixed assets, net	2,461	5,298	2,837
Intangible fixed assets	64,311	61,897	(2,414)
Goodwill	54,086	51,860	(2,226)
Other intangible fixed assets	10,225	10,037	(188)
Investments and other assets	20,620	18,669	(1,951)
Investment securities	12,388	11,006	(1,382)
Net defined benefit asset	2,707	3,062	355
Deferred tax assets	1,178	1,237	59
Other fixed assets	4,468	3,485	(983)
Allowance for bad debt	(123)	(122)	1
Deferred assets	-	273	273
Bond issue expenses	-	273	273
Total assets	383,389	366,688	(16,701)
[Liabilities]			
Current liabilities	168,333	96,788	(71,545)
Notes and accounts payable-trade	31,723	24,577	(7,146)
Short-term borrowings	114,249	46,225	(68,024)
Commercial paper	-	10,000	10,000
Accrued income taxes	1,531	1,671	140
Accrued bonuses for employees	2,533	2,750	217
Accrued bonuses for directors	106	2	(104)
Other current liabilities	18,188	11,561	(6,627)
Fixed liabilities	55,828	110,553	54,725
Bonds	10,000	45,000	35,000
Long-term borrowings	36,205	54,272	18,067
Deferred tax liabilities	5,653	5,543	(110)
Net defined benefit liability	1,992	1,974	(18)
Other fixed liabilities	1,976	3,762	1,786
Total liabilities	224,162	207,342	(16,820)
[Net assets]			
Shareholder's equity	160,249	163,978	3,729
Common stock	13,208	13,208	-
Capital surplus	12,478	12,478	-
Retained earnings	136,315	140,044	3,729
Treasury stock	(1,752)	(1,752)	(0)
Accumulated other comprehensive income	(3,829)	(7,632)	(3,803)
Unrealized holding gain/(loss) on securities	4,176	3,331	(845)
Unrealized gain/(loss) on hedging instruments	(9)	(62)	(53)
Foreign currency translation adjustment	(7,487)	(10,417)	(2,930)
Remeasurements of defined benefit plans	(507)	(483)	24
Non-controlling interests	2,806	3,000	194
Total net assets	159,227	159,346	119
Total liabilities and net assets	383,389	366,688	(16,701)

Consolidated Income Statements

(Millions of Japanese yen)

	Six Months Ended FY2019 Q2 from Apr. 1, 2018 to Sep. 30, 2018	Six Months Ended FY2020 Q2 from Apr. 1, 2019 to Sep. 30, 2019	Variance
Revenue	147,143	191,585	44,442
Cost of sales	115,740	156,177	40,437
Gross profit	31,402	35,408	4,006
Selling, general and administrative expenses	21,924	26,357	4,433
Operating profit	9,478	9,050	(428)
Interest income	111	110	(1)
Dividend income	77	68	(9)
Profit from equity method	-	17	17
Refunded taxes	-	314	314
Other non-operating income	357	135	(222)
Total non-operating income	545	646	101
Interest expenses	230	1,010	780
Loss from equity method	54	-	(54)
Other non-operating expenses	204	434	230
Total non-operating expenses	489	1,444	955
Ordinary profit	9,534	8,252	(1,282)
Gain on sales of fixed assets	-	896	896
Gain on transfer of business	-	152	152
Total extraordinary gain	-	1,048	1,048
Loss on disposal of fixed assets	280	101	(179)
Loss on business reconstruction of subsidiaries and affiliates	-	567	567
Loss on cancellation of contracts	-	131	131
Impairment loss	1,750	117	(1,633)
Loss on valuation of shares of subsidiaries and affiliates	-	57	57
Loss on disaster	474	-	(474)
Total extraordinary loss	2,505	975	(1,530)
Income before income taxes	7,028	8,325	1,297
Income taxes	1,886	2,028	142
Income taxes adjustment	563	70	(493)
Total Income taxes	2,449	2,099	(350)
Net income	4,579	6,225	1,646
Net income attributable to non-controlling interests	193	246	53
Net income attributable to owners of parent	4,386	5,979	1,593

Consolidated Cash Flow Statements

(Millions of Japanese yen)

	Six Months Ended FY2019 Q2 from Apr. 1, 2018 to Sep. 30, 2018	Six Months Ended FY2020 Q2 from Apr. 1, 2019 to Sep. 30, 2019	Variance
I Cash flows from operating activities			
Income before income taxes	7,028	8,325	1,297
Depreciation and amortization	5,487	6,630	1,143
Amortization of goodwill	327	1,830	1,503
(Inc)/dec in net defined benefit asset	(374)	(354)	20
Inc/(dec) in net defined benefit liability	78	34	(44)
Interest income and dividend income	(188)	(178)	10
Interest expenses	230	1,010	780
Impairment loss	1,750	117	(1,633)
Restructuring of affiliate company business		567	567
Loss on disaster	474	-	(474)
Loss/(gain) on disposal of fixed assets	280	(795)	(1,075)
Loss on valuation of shares of subsidiaries and affiliates	-	57	57
(Inc)/dec in notes and accounts receivable-trade	3,502	6,140	2,638
(Inc)/dec in inventories	(163)	2,439	2,602
Inc/(dec) in notes and accounts payable-trade	(1,528)	(7,071)	(5,543)
Other cash flows from operating activities	(1,824)	(2,587)	(763)
Sub-total	15,083	16,166	1,083
Interest income and dividend income received	183	185	2
Interest expense paid	(217)	(935)	(718)
Income taxes (paid) refunded	(3,047)	(1,220)	1,827
Cash flows from operating activities	12,001	14,195	2,194
II Cash flows from investing activities			
Payments for purchases of tangible fixed assets	(8,151)	(9,063)	(912)
Proceeds from sales of tangible fixed assets	151	1,042	891
Payments for purchases of intangible fixed assets	(1,125)	(919)	206
Payments for purchase of investments in consolidated	(2,073)	-	2,073
Other cash flows from investing activities	(328)	(1,067)	(739)
Cash flows from investing activities	(11,527)	(10,007)	1,520
Free cash flow	473	4,187	3,714
III Cash flows from financing activities			
Net inc/(dec) in short-term borrowings	3,428	(66,981)	(70,409)
Net inc/(dec) in commercial papers	5,000	10,000	5,000
Proceeds from long-term borrowings	2,570	20,303	17,733
Repayment of long-term borrowings	(2,548)	(3,229)	(681)
Proceeds from issuance of bonds	-	34,707	34,707
Redemption of bonds	-	-	-
Payments for treasury stock	-	-	-
Cash dividends paid	(2,148)	(2,148)	-
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(4,874)	(110)	4,764
Payments from changes in ownership interests in investments in capital of subsidiaries that do not result in change in scope of consolidation	(517)	-	517
Dividends paid to non-controlling interests	(28)	(32)	(4)
Other cash flows from financing activities	(67)	(313)	(246)
Cash flows from financing activities	813	(7,803)	(8,616)
IV Effect of exchange rate changes on cash and cash equivalents	(728)	(199)	529
V Net increase/(decrease) in cash and cash equivalents	558	(3,815)	(4,373)
VI Cash and cash equivalents at beginning of period	12,999	21,207	8,208
VII Increase in cash and cash equivalents from newly consolidated subsidiary	-	119	119
VIII Cash and cash equivalents at end of period	13,557	17,511	3,954

*Note

Cash and cash equivalents at end of period	13,557	17,511	3,954
Fixed deposits mature over 3 months	10	10	-
Cash and bank balances	13,568	17,521	3,953

Consolidated Statements of Comprehensive Income

	Six Months Ended FY2019 Q2 from Apr. 1, 2018 to Sep. 30, 2018	Six Months Ended FY2020 Q2 from Apr. 1, 2019 to Sep. 30, 2019	(Millions of Japanese yen) Variance
Net income	4,579	6,225	1,646
[Other comprehensive income]			
Unrealized holding gain/(loss) on securities	331	(844)	(1,175)
Deferred gain/(loss) on hedges	717	(59)	(776)
Foreign currency translation adjustment	(6,226)	(2,922)	3,304
Remeasurements of defined benefit plans	27	24	(3)
Share of other comprehensive income of affiliates accounted for using equity method	(88)	(26)	62
Total other comprehensive income	(5,237)	(3,829)	1,408
Comprehensive income	(658)	2,396	3,054
[Com Profit from equity method]			-
Comprehensive income attributable to owners of parent	(419)	2,175	2,594
Comprehensive income attributable to non-controlling interests	(239)	220	459
Total comprehensive income	(658)	2,396	3,054