

Third Quarter Report  
Period Ended December 31, 2019

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

 **FUJI OIL HOLDINGS INC.**

**Consolidated Balance Sheets**

(Millions of Japanese yen)

	FY2019 as of Mar. 31, 2019 Amount	3rd Q of FY2020 as of Dec. 31, 2019 Amount	vs. last year Variance Amount
<b>[Assets]</b>			
<b>Current assets</b>	185,435	180,186	(5,249)
Cash and cash equivalents	21,217	20,053	(1,164)
Notes and accounts receivable-trade	71,192	75,605	4,413
Merchandise and finished goods	31,315	31,469	154
Raw materials and supplies	53,895	47,634	(6,261)
Other current assets	8,068	5,673	(2,395)
Allowance for bad debt	(254)	(249)	5
<b>Fixed assets</b>	205,088	199,925	(5,163)
<b>Tangible fixed assets</b>	117,327	121,404	4,077
Buildings and structures, net	39,562	38,691	(871)
Machinery and vehicles, net	49,671	48,806	(865)
Land	18,052	18,226	174
Construction in progress	7,580	9,901	2,321
Other Tangible fixed assets, net	2,461	5,778	3,317
<b>Intangible fixed assets</b>	67,140	62,629	(4,511)
Goodwill	34,083	31,146	(2,937)
Customer-related intangible assets	20,197	18,867	(1,330)
Other intangible fixed assets	12,860	12,615	(245)
<b>Investments and other assets</b>	20,620	15,891	(4,729)
Investment securities	12,388	8,539	(3,849)
Net defined benefit asset	2,707	3,239	532
Deferred tax assets	1,178	926	(252)
Other fixed assets	4,468	3,310	(1,158)
Allowance for bad debt	(123)	(123)	-
<b>Deferred assets</b>	-	258	258
Bond issue expenses	-	258	258
<b>Total assets</b>	390,524	380,369	(10,155)
<b>[Liabilities]</b>			
<b>Current liabilities</b>	168,333	98,520	(69,813)
Notes and accounts payable-trade	31,723	29,452	(2,271)
Short-term borrowings	114,249	42,832	(71,417)
Commercial paper	-	10,000	10,000
Accrued income taxes	1,531	1,879	348
Accrued bonuses for employees	2,533	1,745	(788)
Accrued bonuses for directors	106	4	(102)
Other current liabilities	18,188	12,606	(5,582)
<b>Fixed liabilities</b>	62,963	122,470	59,507
Bonds	10,000	45,000	35,000
Long-term borrowings	36,205	58,803	22,598
Deferred tax liabilities	12,788	12,403	(385)
Net defined benefit liability	1,992	1,939	(53)
Other fixed liabilities	1,976	4,322	2,346
<b>Total liabilities</b>	231,297	220,990	(10,307)
<b>[Net assets]</b>			
<b>Shareholder's equity</b>	160,249	167,708	7,459
Common stock	13,208	13,208	-
Capital surplus	12,478	12,478	-
Retained earnings	136,315	143,775	7,460
Treasury stock	(1,752)	(1,753)	(1)
<b>Accumulated other comprehensive income</b>	(3,829)	(11,011)	(7,182)
Unrealized holding gain/(loss) on securities	4,176	2,302	(1,874)
Unrealized gain/(loss) on hedging instruments	(9)	242	251
Foreign currency translation adjustment	(7,487)	(13,083)	(5,596)
Remeasurements of defined benefit plans	(507)	(471)	36
<b>Non-controlling interests</b>	2,806	2,681	(125)
<b>Total net assets</b>	159,227	159,379	152
<b>Total liabilities and net assets</b>	390,524	380,369	(10,155)

**Consolidated Income Statements**

(Millions of Japanese yen)

	Nine Months Ended <b>FY2019 Q3</b> from Apr. 1, 2018 to Dec. 31, 2018	Nine Months Ended <b>FY2020 Q3</b> from Apr. 1, 2019 to Dec. 31, 2019	Variance
Revenue	226,657	291,499	64,842
Cost of sales	177,320	235,748	58,428
<b>Gross profit</b>	<b>49,337</b>	<b>55,751</b>	<b>6,414</b>
Selling, general and administrative expenses	33,403	39,111	5,708
<b>Operating profit</b>	<b>15,933</b>	<b>16,640</b>	<b>707</b>
Interest income	198	160	(38)
Dividend income	132	118	(14)
Refunded taxes	-	306	306
Other non-operating income	423	163	(260)
Total non-operating income	754	749	(5)
Interest expenses	350	1,519	1,169
Foreign exchange losses	-	171	171
Loss from equity method	2	2	-
Other non-operating expenses	696	581	(115)
Total non-operating expenses	1,049	2,275	1,226
<b>Ordinary profit</b>	<b>15,639</b>	<b>15,113</b>	<b>(526)</b>
Gain on sales of investment securities	-	1,884	1,884
Gain on sales of fixed assets	-	865	865
Gain on transfer of business	-	152	152
Total extraordinary gain	-	2,901	2,901
Loss on disposal of fixed assets	424	166	(258)
Loss on business reconstruction of subsidiaries and affiliates	567	489	(78)
Loss on cancellation of contracts	-	125	125
Impairment loss	1,728	117	(1,611)
Loss on valuation of shares of subsidiaries and affiliates	-	57	57
Loss on disaster	499	-	(499)
Total extraordinary loss	3,220	956	(2,264)
<b>Income before income taxes</b>	<b>12,418</b>	<b>17,058</b>	<b>4,640</b>
Income taxes	2,868	3,949	1,081
Income taxes adjustment	228	713	485
Total Income taxes	3,097	4,662	1,565
<b>Net income</b>	<b>9,321</b>	<b>12,395</b>	<b>3,074</b>
Net income attributable to non-controlling interests	306	364	58
<b>Net income attributable to owners of parent</b>	<b>9,015</b>	<b>12,031</b>	<b>3,016</b>

**Consolidated Cash Flow Statements**

(Millions of Japanese yen)

	Nine Months Ended <b>FY2019 Q3</b> from Apr. 1, 2018 to Dec. 31, 2018	Nine Months Ended <b>FY2020 Q3</b> from Apr. 1, 2019 to Dec. 31, 2019	Variance
<b>I Cash flows from operating activities</b>			
Income before income taxes	12,418	17,058	4,640
Depreciation and amortization	8,427	10,744	2,317
Amortization of goodwill	514	1,710	1,196
(Inc)/dec in net defined benefit asset	(545)	(531)	14
Inc/(dec) in net defined benefit liability	153	37	(116)
Interest income and dividend income	(331)	(279)	52
Interest expenses	350	1,519	1,169
Impairment loss	1,728	117	(1,611)
Restructuring of affiliate company business	567	489	(78)
Loss on disaster	499	-	(499)
Loss/(gain) on sales of investment securities	-	(1,884)	(1,884)
Loss/(gain) on disposal of fixed assets	424	(698)	(1,122)
Loss on valuation of shares of subsidiaries and affiliates	-	57	57
(Inc)/dec in notes and accounts receivable-trade	(3,667)	(5,621)	(1,954)
(Inc)/dec in inventories	(944)	4,555	5,499
Inc/(dec) in notes and accounts payable-trade	2,164	(1,817)	(3,981)
Other cash flows from operating activities	(3,445)	(2,014)	1,431
Sub-total	18,315	23,445	5,130
Interest income and dividend income received	325	283	(42)
Interest expense paid	(358)	(1,493)	(1,135)
Income taxes (paid) refunded	(4,981)	(2,039)	2,942
<b>Cash flows from operating activities</b>	<b>13,301</b>	<b>20,195</b>	<b>6,894</b>
<b>II Cash flows from investing activities</b>			
Payments for purchases of tangible fixed assets	(11,780)	(13,157)	(1,377)
Proceeds from sales of tangible fixed assets	308	1,135	827
Payments for purchases of intangible fixed assets	(1,178)	(1,272)	(94)
Proceeds from sales of investment securities	1,220	2,829	1,609
Payments for purchase of shares of subsidiaries	(2,089)	-	2,089
Payments for sales of investments in capital of subsidiaries resulting in change in scope of consolidation	-	(225)	(225)
Other cash flows from investing activities	(58)	(1,078)	(1,020)
<b>Cash flows from investing activities</b>	<b>(13,577)</b>	<b>(11,768)</b>	<b>1,809</b>
<b>Free cash flow</b>	<b>(276)</b>	<b>8,427</b>	<b>8,703</b>
<b>III Cash flows from financing activities</b>			
Net inc/(dec) in short-term borrowings	7,831	(72,481)	(80,312)
Net inc/(dec) in commercial papers	5,000	10,000	5,000
Proceeds from long-term borrowings	2,768	27,266	24,498
Repayment of long-term borrowings	(2,604)	(3,345)	(741)
Proceeds from issuance of bonds	-	34,707	34,707
Cash dividends paid	(4,297)	(4,469)	(172)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(4,874)	(108)	4,766
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	(125)	(137)	(12)
Other cash flows from financing activities	(102)	(473)	(371)
<b>Cash flows from financing activities</b>	<b>3,077</b>	<b>(9,042)</b>	<b>(12,119)</b>
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	<b>(600)</b>	<b>(668)</b>	<b>(68)</b>
<b>V Net increase/(decrease) in cash and cash equivalents</b>	<b>2,199</b>	<b>(1,284)</b>	<b>(3,483)</b>
<b>VI Cash and cash equivalents at beginning of period</b>	<b>12,999</b>	<b>21,207</b>	<b>8,208</b>
<b>VII Increase in cash and cash equivalents from newly consolidated subsidiary</b>	<b>-</b>	<b>119</b>	<b>119</b>
<b>VIII Cash and cash equivalents at end of period</b>	<b>15,199</b>	<b>20,042</b>	<b>4,843</b>
<b>*Note</b>			
<b>Cash and cash equivalents at end of period</b>	<b>15,199</b>	<b>20,042</b>	<b>4,843</b>
<b>Fixed deposits mature over 3 months</b>	<b>10</b>	<b>10</b>	<b>-</b>
<b>Cash and bank balances</b>	<b>15,209</b>	<b>20,053</b>	<b>4,844</b>

**Consolidated Statements of Comprehensive Income**

(Millions of Japanese yen)  
Variance

	Nine Months Ended <b>FY2019 Q3</b> from Apr. 1, 2018 to Dec. 31, 2018	Nine Months Ended <b>FY2020 Q3</b> from Apr. 1, 2019 to Dec. 31, 2019	
<b>Net income</b>	9,321	12,395	3,074
[Other comprehensive income]			
Unrealized holding gain/(loss) on securities	(272)	(1,873)	(1,601)
Deferred gain/(loss) on hedges	235	261	26
Foreign currency translation adjustment	(5,690)	(5,820)	(130)
Remeasurements of defined benefit plans	41	36	(5)
Share of other comprehensive income of affiliates accounted for using equity method	(99)	(45)	54
Total other comprehensive income	(5,785)	(7,442)	(1,657)
<b>Comprehensive income</b>	3,536	4,953	1,417
[Com Profit from equity method]			-
Comprehensive income attributable to owners of parent	3,687	4,848	1,161
Comprehensive income attributable to non-controlling interests	(151)	104	255
<b>Total comprehensive income</b>	3,536	4,953	1,417