

Financial Section

Consolidated Balance Sheets

FY2014 (As of March 31, 2015)

FY2015 (As of March 31, 2016)

ASSETS

Millions of yen

Current assets		
Cash and deposits	¥ 95,171	¥ 60,972
Notes and accounts receivable-trade	202,469	192,572
Securities	—	30,000
Merchandise and finished goods	131,430	87,825
Work in process	273	391
Raw materials and supplies	125,086	94,211
Accounts receivable-other	36,073	28,709
Deferred tax assets	7,920	3,812
Other	23,265	17,954
Allowance for doubtful accounts	(113)	(195)
Total current assets	621,578	516,254
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	109,306	129,074
Oil storage depots, net	28,954	32,693
Machinery, equipment and vehicles, net	141,943	149,609
Land	310,040	320,971
Lease assets, net	506	761
Construction in progress	18,708	53,586
Other, net	5,973	6,571
Total property, plant and equipment	615,432	693,267
Intangible assets		
Software	2,692	3,158
Goodwill	2,183	1,452
Other	44,584	42,812
Total intangible assets	49,459	47,423
Investments and other assets		
Investment securities	118,788	112,040
Long-term loans receivable	1,359	2,048
Long-term prepaid expenses	2,716	7,986
Net defined benefit asset	—	1,738
Cost recovery under production sharing	—	16,917
Deferred tax assets	2,779	2,437
Other	16,592	9,330
Allowance for doubtful accounts	(583)	(481)
Total investments and other assets	141,653	152,019
Total noncurrent assets	¥806,545	¥892,710
Deferred assets		
Bond issuance cost	504	651
Total deferred assets	504	651

Total assets**¥1,428,628****¥1,409,615**

FY2014 (As of March 31, 2015)

FY2015 (As of March 31, 2016)

LIABILITIES

Millions of yen

Current liabilities		
Notes and accounts payable-trade	¥ 182,417	¥ 115,803
Short-term loans payable	179,512	200,619
Commercial paper	—	12,000
Accounts payable-other	100,529	94,582
Accrued volatile oil and other petroleum taxes	97,786	93,788
Income taxes payable	11,234	8,094
Accrued expenses	8,828	3,716
Provision for bonuses	—	4,962
Provision for directors' bonuses	—	293
Deferred tax liabilities	39	52
Provision for business structure improvement	2,705	4,534
Other	20,807	17,070
Total current liabilities	603,860	555,519
Noncurrent liabilities		
Bonds payable	37,700	46,700
Long-term loans payable	475,659	497,831
Deferred tax liabilities	25,517	31,202
Deferred tax liabilities for land revaluation	26,981	5,249
Provision for special repairs	10,090	15,078
Provision for business structure improvement	566	1,171
Provision for environmental measures	3,748	3,416
Net defined benefit liability	8,833	9,586
Provision for executive remuneration BIP trust	—	41
Other	28,148	41,105
Total noncurrent liabilities	617,247	651,384
Total liabilities	¥1,221,107	¥1,206,903
NET ASSETS		
Shareholders' equity		
Capital stock	¥ 107,246	¥ 40,000
Capital surplus	16,967	84,509
Retained earnings	7,942	259
Treasury shares	(145)	(1,223)
Total shareholders' equity	132,010	123,545
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,505	3,042
Deferred gains or losses on hedges	749	(1,601)
Revaluation reserve for land	21,249	(20,660)
Foreign currency translation adjustment	10,568	8,507
Remeasurements of defined benefit plans	(2,890)	(4,786)
Total accumulated other comprehensive income	35,183	(15,499)
Non-controlling interests	40,326	94,665
Total net assets	207,520	202,712

Total liabilities and net assets**¥1,428,628****¥1,409,615**

Financial Section

Consolidated Statements of Income

	FY2014 (From April 1, 2014 to March 31, 2015)	FY2015 (From April 1, 2015 to March 31, 2016)
	Millions of yen	
Net sales	¥3,035,818	¥2,244,306
Cost of sale	2,944,919	2,154,615
Gross profit	90,899	89,691
Selling, general and administrative expenses	129,346	119,433
Operating income (loss)	(38,447)	(29,742)
Non-operating income		
Interest income	234	167
Dividends income	649	1,322
Rent income on noncurrent assets	969	—
Amortization of negative goodwill	1,127	—
Equity in earnings of associates	29	3,012
Gain on sales of scraps	989	—
Other	3,729	4,778
Total non-operating income	7,729	9,280
Non-operating expenses		
Interest expenses	12,778	12,758
Foreign exchange losses	801	—
Other	5,343	2,899
Total non-operating expenses	18,922	15,658
Ordinary income (loss)	(49,640)	(36,121)
Extraordinary income		
Gain on sales of noncurrent assets	586	160
Gain on sales of investment securities	184	161
Gain on sales of shares of subsidiaries and associates	14,319	—
Subsidy income	4,358	5,716
Gain on change in equity	—	1,565
Gain on bargain purchase	—	16,302
Other	—	554
Total extraordinary income	19,449	24,460
Extraordinary loss		
Loss on sales of noncurrent assets	512	484
Loss on disposal of noncurrent assets	4,962	6,189
Impairment loss	2,843	6,241
Loss on valuation of investment securities	157	692
Business structure improvement expenses	4,901	6,923
Loss on litigation	—	405
Loss on step acquisitions	—	10,190
Land trust expenses	—	1,010
Other	1,030	—
Total extraordinary losses	14,407	32,137
Profit (loss) before income taxes	(44,599)	(43,797)
Income taxes—current	34,474	13,293
Income taxes—deferred	(4,655)	(12,690)
Total income taxes	29,818	602
Profit (loss)	(74,417)	(44,400)
Profit (loss) attributable to non-controlling interests	3,311	5,829
Profit (loss) attributable to owners of parent	¥ (77,729)	¥ (50,230)

Consolidated Statements of Cash Flows

FY2014

(From April 1, 2014 to March 31, 2015)

FY2015

(From April 1, 2015 to March 31, 2016)

Millions of yen

Cash flows from operating activities

Profit (loss) before income taxes	¥(44,599)	¥(43,797)
Depreciation	26,880	27,447
Amortization of negative goodwill	(1,127)	(16,302)
Amortization of goodwill	730	730
Impairment loss	2,843	6,241
Loss (gain) on sales of non-current assets	(73)	324
Business structure improvement expenses	4,901	6,923
Loss (gain) on disposal of non-current assets	4,962	6,189
Loss (gain) on sales of investment securities	(184)	(161)
Loss (gain) on sales of shares of subsidiaries and associates	(14,319)	—
Loss (gain) on valuation of investment securities	157	692
Subsidy income	(4,358)	(5,716)
Interest and dividend income	(884)	(1,489)
Interest expenses	12,778	12,758
Foreign exchange losses (gains)	(2,201)	119
Share of (profit) loss loss of entities accounted for using equity method	(29)	(3,012)
Increase (decrease) in allowance for doubtful accounts	23	(59)
Increase (decrease) in provision for special repairs	462	234
Increase (decrease) in provision for environmental measures	(109)	(314)
Increase (decrease) in net defined benefit liability	1,078	753
Decrease (increase) in notes and accounts receivable-trade	60,053	53,968
Recovery of recoverable accounts under production sharing	5,519	3,265
Decrease (increase) in inventories	188,845	79,904
Increase (decrease) in notes and accounts payable-trade	(72,853)	(96,090)
Decrease (increase) in other current assets	3,425	24,245
Increase (decrease) in other current liabilities	23,679	(18,151)
Decrease (increase) in investments and other assets	500	860
Increase (decrease) in other non-current liabilities	113	4,171
Loss (gain) on step acquisitions	—	10,190
Other, net	2,188	(75)
Subtotal	198,401	53,849
Interest and dividend income received	1,820	2,154
Interest expenses paid	(12,830)	(13,490)
Payments for business structure improvement expense	(4,886)	(5,107)
Proceeds from subsidy income	4,321	4,978
Payments for land trust expenses	—	(1,010)
Income taxes paid	(23,443)	(22,945)
Net cash provided by (used in) operating activities	¥163,384	¥ 18,427

Financial Section

Consolidated Statements of Cash Flows

	FY2014 (From April 1, 2014 to March 31, 2015)	FY2015 (From April 1, 2015 to March 31, 2016)
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Millions of yen

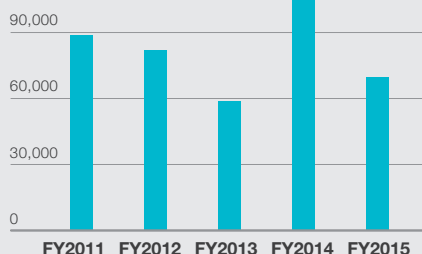
Cash flows from investing activities		
Proceeds from sales and redemption of securities	¥ 12	¥ —
Purchase of investment securities	(2,202)	(976)
Proceeds from sales and redemption of investment securities	6,306	243
Purchase of shares of subsidiaries and associates	(851)	(8,401)
Proceeds from sales and liquidation of shares of subsidiaries and affiliates	23,372	—
Purchase of subsidiary stock associated with changing scope of consolidation	—	35,502
Purchase of property, plant and equipment	(48,430)	(55,743)
Payments for disposal of property, plant and equipment	(3,998)	(4,645)
Proceeds from sales of property, plant and equipment	3,639	1,243
Payments for purchases of intangible assets and long-term prepaid expenses	(14,086)	(16,126)
Decrease (increase) in short-term loans receivable	(442)	2,713
Purchase of treasury shares of subsidiaries	(1,080)	—
Payments of long-term loans receivable	(413)	(1,840)
Collection of long-term loans receivable	408	1,074
Proceeds from withdrawal of time deposits	65,365	14,193
Payments into time deposits	(58,704)	(100)
Other, net	978	23
Net cash provided by (used in) investing activities	(30,126)	(32,839)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(99,005)	(13,138)
Net increase (decrease) in commercial paper	—	12,000
Proceeds from long-term loans payable	67,490	73,692
Repayment of long-term loans payable	(90,292)	(45,165)
Proceeds from issuance of bonds	—	8,886
Redemption of bonds	(55,150)	—
Cash dividends paid	(1,694)	—
Cash dividends paid to non-controlling interests	(68)	(1,578)
Other, net	(197)	(2,196)
Net cash provided by (used in) financing activities	(178,920)	32,499
Effect of exchange rate change on cash and cash equivalents	3,148	(189)
Net increase (decrease) in cash and cash equivalents	(42,514)	17,898
Cash and cash equivalents at beginning of period	123,280	80,765
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(9,245)
Cash and cash equivalents at end of period	¥ 80,765	¥89,418

Major Indicators

EBITDA excluding the impact of inventory valuation

EBITDA excluding the impact of inventory valuation

120,000 (Millions of yen)



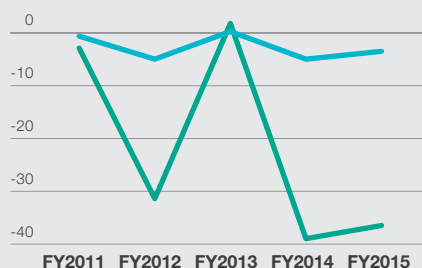
	FY2011	FY2012	FY2013	FY2014	FY2015
Operating income excluding the impact of inventory valuation	¥38,370	¥37,158	¥23,647	¥77,730	¥38,961
Depreciation and amortization	50,601	44,953	35,330	32,399	30,713
EBITDA excluding the impact of inventory valuation	88,971	82,111	58,977	110,129	69,674

Millions of yen

ROA and ROE

Return on assets (ROA) Return on equity (ROE)

10 (%)



	FY2011	FY2012	FY2013	FY2014	FY2015
Profit (loss) attributable to owners of parent	¥ (9,084)	¥ (85,882)	¥ 4,348	¥ (77,729)	¥ (50,230)
Net assets excluding non-controlling interests	1,675,070	1,743,492	1,696,831	1,428,628	1,409,615
Total shareholders' equity	316,931	230,456	231,927	167,194	108,046
Return on assets (ROA) (%)	(0.6)	(5.0)	0.3	(5.0)	(3.5)
Return on equity (ROE) (%)	(2.8)	(31.4)	1.9	(39.0)	(36.5)

Millions of yen

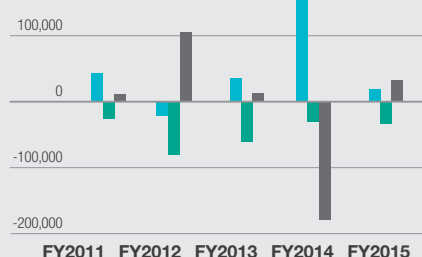
*1. ROA = Profit (loss) attributable to owners of parent / Average total assets at beginning and end of the fiscal year × 100

*2. ROE = Profit (loss) attributable to owners of parent / Average shareholders' equity at beginning and end of the fiscal year × 100

Cash Flows by Activity

Cash flows from operating activities Cash flows from investing activities Cash flows from financing activities

200,000 (Millions of yen)



	FY2011	FY2012	FY2013	FY2014	FY2015
Cash flows from operating activities	¥ 43,616	¥ (20,950)	¥ 35,837	¥ 163,384	¥ 18,427
Cash flows from investing activities	(25,805)	(80,481)	(61,007)	(30,126)	(32,839)
Cash flows from financing activities	11,606	104,695	12,555	(178,920)	32,499
Cash and cash equivalents at the end of year	122,431	129,699	123,280	80,765	89,418

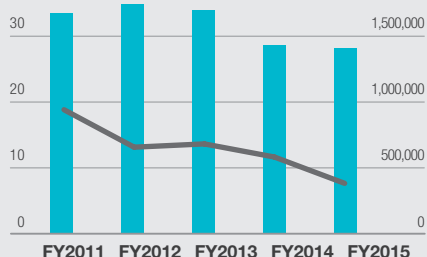
Millions of yen

Total Assets, Equity Ratio, and Debt-to-Equity Ratio

Debt-to-Equity Ratio (Left axis) Total assets (Right axis)

40 (%)

(Millions of yen) 2,000,000



	FY2011	FY2012	FY2013	FY2014	FY2015
Total assets	¥1,675,070	¥1,743,492	¥1,696,831	¥1,428,628	¥1,409,615
Interest-bearing debt	721,203	842,889	863,679	692,871	757,151
Net assets excluding non-controlling interests	316,931	230,456	231,927	167,194	108,046
Equity ratio (%)	18.9	13.2	13.7	11.7	7.7
Debt-to-equity ratio (times) (rating-based)	2.3	3.7	3.7	4.1	4.6

Millions of yen