

Consolidated Financial Results for the year ended March 31.2017



ANA TRADING CO., LTD.

→ Consolidated Balance Sheet

(Unit: millions of yen)

Item	Previous fiscal year (As of March 31, 2016)	Current fiscal year (As of March 31, 2017)	Item	Previous fiscal year (As of March 31, 2016)	Current fiscal year (As of March 31, 2017)
Assets			Liabilities		
Current assets	46,341	44,844	Current liabilities	26,901	23,775
Cash and deposits	2,799	1,669	Notes and accounts payable - trade	13,121	11,820
Notes and accounts receivable-trade	11,672	10,782	Current portion of long-term debt	492	380
Accounts receivable-other	3,896	4,013	Finance lease obligations	1,113	1,087
Lease investment assets	9,937	9,079	Accounts payable - other	7,702	6,779
Inventories (merchandise)	8,583	8,272	Accrued income taxes	761	495
Raw materials and supplies	386	437	Accrued bonuses to employees	1,168	889
Short-term loans receivable	4,975	6,825	Other current liabilities	2,539	2,321
Deferred tax assets	863	516			
Other current assets	3,250	3,275	Long-term liabilities	13,120	11,959
Allowance for doubtful accounts	△ 24	△ 29	Long-term debt	2,059	1,680
Fixed assets	16,423	16,900	Finance lease obligations	7,889	7,155
Property and equipment	7,663	6,993	Accrued corporate executive officers' retirement benefits	141	171
Buildings and structures	3,295	3,119	Net defined benefit liabilities	2,177	2,170
Machinery, equipment and vehicles	788	690	Other long-term liabilities	851	781
Tools, furniture and fixtures	783	803			
Land	2,519	2,256	Total liabilities	40,021	35,734
Construction in progress	126	21			
Other	150	101	Net assets		
Intangible assets	2,530	2,717	Shareholders' equity	22,159	24,218
Goodwill	913	799	Capital stock	1,000	1,000
Software	765	1,386	Retained earnings	21,159	23,218
Software in progress	811	491			
Other intangible assets	40	39	Accumulated other comprehensive income	524	1,639
			Net unrealized holding gain or loss on securities	1,354	2,047
Other investment assets	6,229	7,189	Deferred gains or loss on hedging instruments	△ 251	60
Investments in securities	3,683	4,747	Foreign currency translation adjustments	△ 68	△ 80
Long-term loans receivable	513	480	Remeasurements of defined benefit plans	△ 510	△ 387
Deferred tax assets	338	334			
Net defined benefit assets	69	67	Non-controlling interests	59	151
Other	2,040	1,966			
Allowance for doubtful accounts	△ 415	△ 407	Total net assets	22,743	26,009
Total assets	62,765	61,744	Total liabilities and net assets	62,765	61,744

(Note) The amounts shown are rounded down to the nearest million yen.□

→ Consolidated Statement of Income

(Unit: millions of yen)

Item	Previous fiscal year (As of April 1, 2015 to March 31, 2016)	Current fiscal year (As of April 1, 2016 to March 31, 2017)
Operating revenues	140,606	136,822
Cost of operating revenues	108,888	104,811
Gross profit	31,717	32,010
Selling, general and administrative expenses	26,427	27,418
Operating income	5,290	4,591
Non-operating income		
Interest received	13	9
Dividends income	76	114
Equity in earnings of non-consolidated subsidiaries and affiliates	59	43
Gain on donation of fixed assets	136	-
Surrender value of insurance	-	107
Other	113	94
Total non-operating income	399	368
Non-operating expenses		
Interest expenses	40	32
Foreign exchange losses	-	83
Loss on retirement of fixed assets	35	54
Other	11	35
Total non-operating expenses	86	205
Ordinary income	5,603	4,755
Extraordinary income		
Gain on sale of fixed assets	-	5
Gain on transfer of benefit obligation relating to employees' pension fund	131	-
Total extraordinary income	131	5
Extraordinary losses		
Loss on sale of fixed assets	-	70
Loss on disposal of noncurrent assets	24	2
Loss on valuation of investment securities	-	48
Impairment losses	-	52
Other	13	20
Total extraordinary loss	38	193
Income before income taxes and non-controlling interests	5,696	4,566
Corporate, inhabitant, and enterprise taxes	2,093	1,490
Deferred income taxes	137	145
Total income taxes	2,231	1,636
Net income	3,465	2,929
Net income attributable to non-controlling interests	4	67
Net income attributable to owners of parent	3,460	2,862

(Note) The amounts shown are rounded down to the nearest million yen. □

- This fiscal year resulted in consolidated net sales of 136,822 million yen, 97.3% compared to the previous year. Although we implemented measures, including promoting a shift into new business domains, to respond flexibly to changes in the external environment, we were impacted by decline in foreign currency revenue yen conversion amounts due to yen appreciation, a change in purchasing patterns of inbound travelers, and changes in domestic market conditions.
- For new business domains, we established a joint venture company (A&S Takashimaya Duty Free Company Limited, opened on April 27, 2017) for operating airport-style off-airport duty-free shops as we seek to further expand duty-free shops. We also established a new merger company (ANA Digital Gate, Inc.) to expand enterprise payment settlement solutions utilizing FinTech. These and other initiatives were part of our aggressive business investment strategy.
- As a result, consolidated ordinary income was 4,755 million yen, 84.8% compared to the previous year, and consolidated net income was 2,862 million yen, 82.7% compared to the previous year.

→ Consolidated operating results

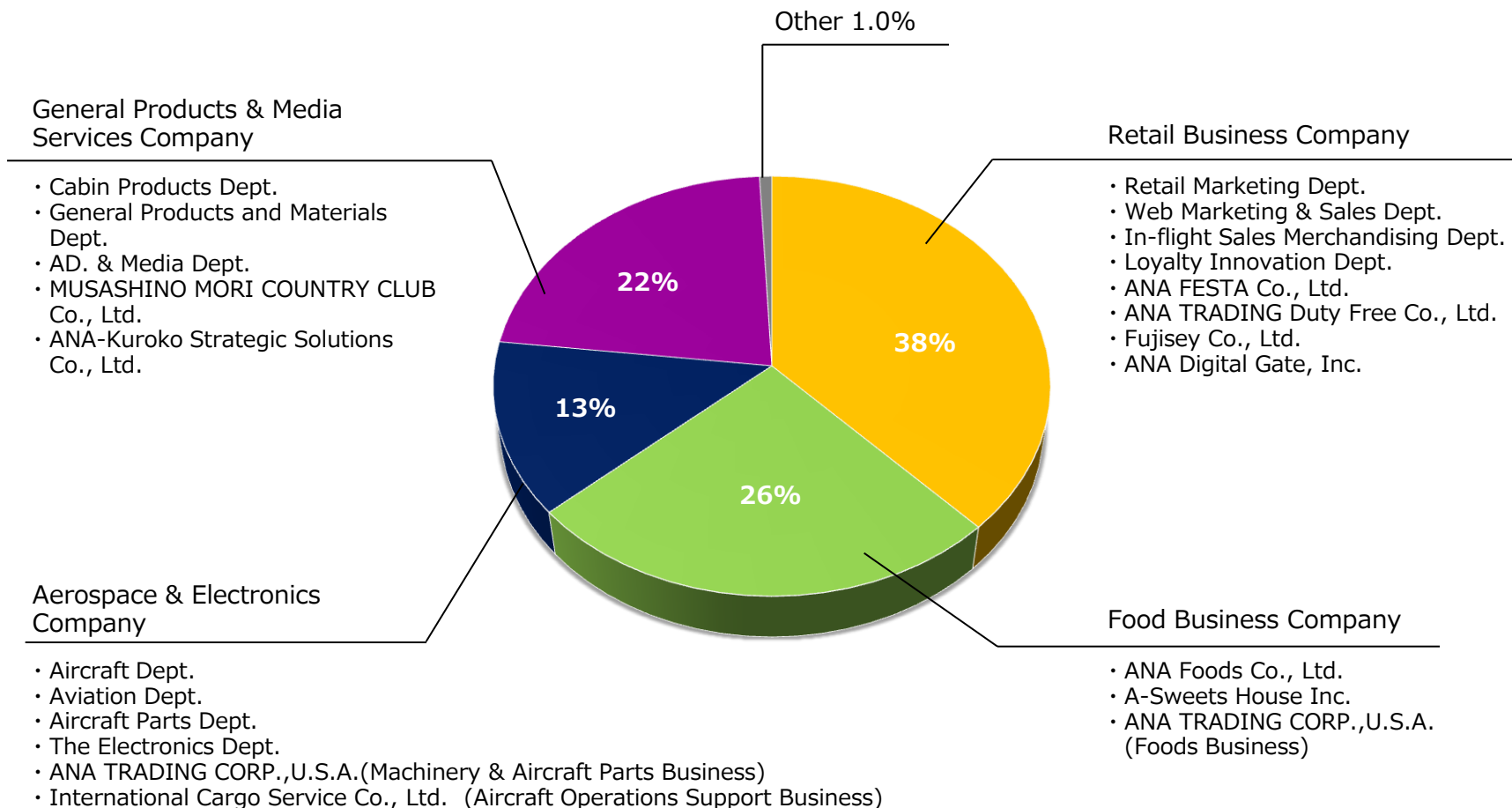
(Unit: millions of yen)

	FY2016	FY2015	Change
Operating revenues	136,822	140,606	▲3,784
Operating income	4,591	5,290	▲699
Ordinary income	4,755	5,603	▲848
Net income	2,862	3,460	▲598
EBITDA*1	5,866	6,324	▲458

*1 EBITDA = Operating income + depreciation expenses

Segment-specific Summary

→ **Operating revenues ratio by segment** *graph does not reflect elimination of inter-company transactions

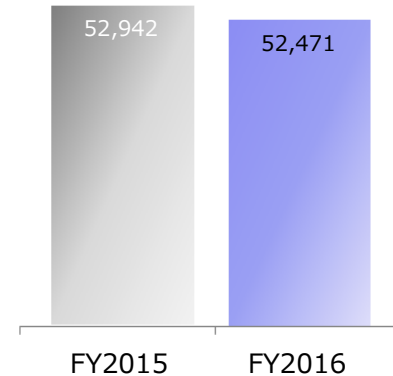


Segment-specific Summary

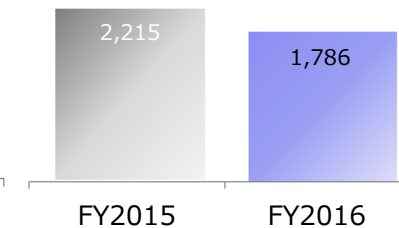
→ Retail Business Company

- Although ANA TRADING Duty Free Co., Ltd. in particular was impacted by the decline in purchasing by Chinese customers, the implementation of sales strategies in response to demand trends resulted in operating revenues that were largely unchanged from the previous year. Also, ANA FESTA Co., Ltd. airport shop operations and the Web Marketing & Sales Business were favorable.
- Looking to capture demand from the increasing number of foreign travelers to Japan, we established a joint venture company to conduct operations of airport-style off-airport duty-free shops.
- As a result, operating revenues were 52,471 million yen, 99.1% compared to the previous year, and operating income was 1,786 million yen, 80.6% compared to the previous year.

Operating revenues



Operating income

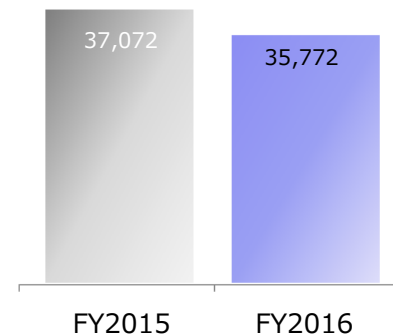


*elimination of inter-company transactions not included

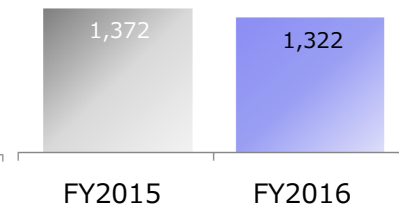
→ Food Business Company

- Despite facing reduced deliveries due to the impact of poor weather at production sites, the Fresh Food Business succeeded in securing stable supplies from contract plantations to record favorable sales. Structural reforms in the Sweets Business resulted in increased income.
- On the other hand, the Export Business and Processed Food Business recorded lower revenues and sales due to the impact of declining demand.
- As a result, operating revenues were 35,772 million yen, 96.4% compared to the previous year, and operating income was 1,322 million yen, 96.3% compared to the previous year.

Operating revenues



Operating income



*elimination of inter-company transactions not included

Segment-specific Summary

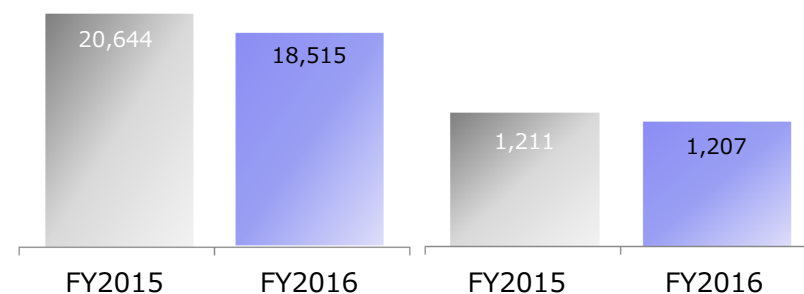
→ Aerospace & Electronics Company

- The aircraft and aviation related business recorded higher revenues and income from sales of parts from the purchasing of retired aircraft. Also, we worked to secure income engaging in the chilled container and equipment business and the aircraft and aviation related consultant business.
- The Electronics Business recorded lower revenues and income. Although we worked to strengthen relations with existing customers and develop new customers, the business was impacted by changes in the external environment, including a decline in foreign currency revenue yen conversion amounts due to yen appreciation and business contraction by existing customers.
- As a result, operating revenues were 18,515 million yen, 89.6% compared to the previous year, and operating income was 1,207 million yen, 99.6% compared to the previous year.

(Unit: million of yen)

Operating revenues

Operating income



*elimination of inter-company transactions not included

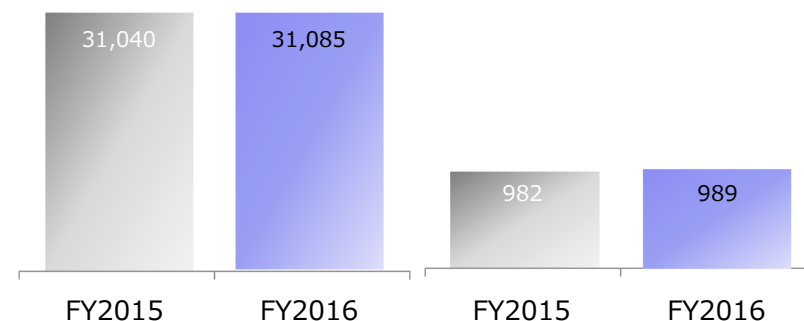
→ General Products & Media Services Company

- The AD & Media Business recorded favorable results for ANA digital advertising and the Cabin Products Business recorded higher sales of in-flight consumables thanks to increased passenger numbers due to the expansion of our air transportation business domain.
- Amid declining demand for printed paper, the General Products & Materials Business focused on sales of functional paper and other value-added products and sales of treated products to dining industry customers.
- As a result, operating revenues were 31,085 million yen, 100.1% compared to the previous year, and operating income was 989 million yen, 100.7% compared to the previous year.

(Unit: million of yen)

Operating revenues

Operating income



*elimination of inter-company transactions not included

→ Major financial figures

(Unit: million of yen)

	FY2012	FY2013	FY2014	FY2015	FY2016
Operating revenues	101,254	110,675	126,767	140,606	136,822
Ordinary income	3,150	3,475	4,161	5,603	4,755
Net sales	1,589	2,019	2,989	3,460	2,862
Total assets	52,538	54,898	63,288	62,765	61,744
Net assets	16,584	18,309	23,222	22,743	26,009
Equity ratio (%)	31.5	33.3	36.6	36.2	42.1

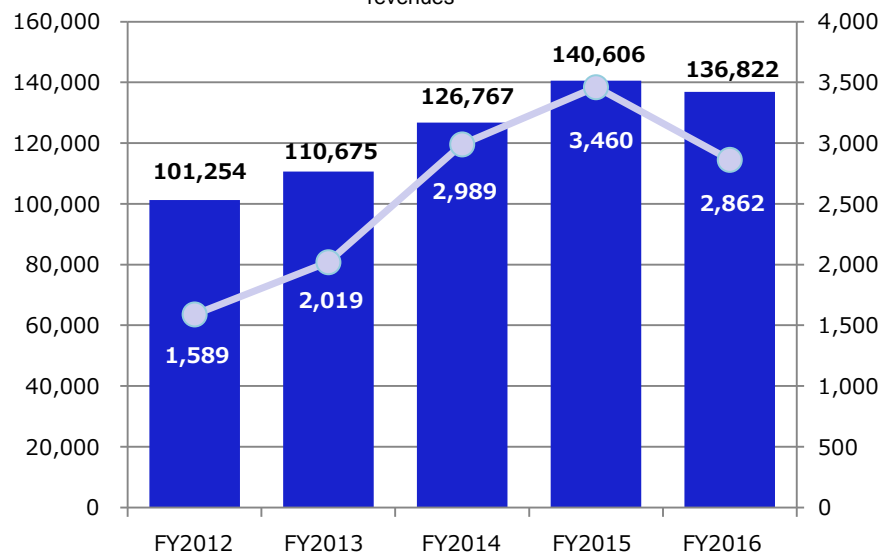
→ Transitions in operating revenues and Net income

→ Transitions in total assets and Net assets

(Operating revenues)
(Unit: million of yen)

■ Operating revenues
● Net income

(Operating income)
(Unit: million of yen)



(Unit: million of yen)

■ Total assets
■ Net assets

