

Consolidated Balance Sheet

All Nippon Airways Trading Co., Ltd. and consolidated subsidiaries
As of March 31, 2016

(Unit: millions of yen)

Assets	2016
Current assets:	
Cash and deposits	¥ 2,799
Notes and accounts receivable-trade	11,672
Accounts receivable-other	3,896
Lease investment assets	9,937
Inventories (merchandise)	8,583
Short-term loans receivable	4,975
Advance payments-other	1,010
Consumption taxes receivable	1,130
Deferred income taxes	863
Other current assets	1,495
Allowance for doubtful accounts	(24)
Total current assets	46,341
Property and equipment:	
Buildings and structures	3,295
Machinery, equipment and vehicles	788
Tools, furniture and fixtures	783
Land	2,519
Leased assets	150
Construction in progress	126
Net property and equipment	7,663
Intangible assets:	
Software	765
Goodwill	913
Software in progress	811
Other intangible assets	40
Total intangible assets	2,530
Investments and others:	
Investments in securities	3,683
Lease and guarantee deposits	1,488
Long-term loans receivable	513
Deferred income taxes	338
Net defined benefit assets	69
Other	552
Allowance for doubtful accounts	(415)
Total investments and others	6,229
Total assets	¥ 62,765

(Unit: millions of yen)

Liabilities and net assets	2016
Current liabilities:	
Notes and accounts payable-trade	¥ 13,121
Current portion of long-term debt payable	492
Finance lease obligations	1,113
Accounts payable-other	6,543
Consolidated taxes payable	1,159
Accrued income taxes	761
Advances received	1,150
Accrued bonuses to employees	1,168
Other current liabilities	1,389
Total current liabilities	26,901
Long-term liabilities:	
Long-term debt	2,059
Finance lease obligations	7,889
Net defined benefit liabilities	2,177
Accrued corporate executive officers' retirement benefits	141
Other long-term liabilities	851
Total long-term liabilities	13,120
Net assets:	
Shareholders' equity	22,159
Capital stock	1,000
Retained earnings	21,159
Accumulated other comprehensive income	524
Net unrealized holding gain or loss on securities	1,354
Deferred gain or loss on hedging instruments	(251)
Foreign currency translation adjustments	(68)
Remeasurements of defined benefit plans	(510)
Non-controlling interests	59
Total net assets	22,743
Total liabilities and net assets	¥ 62,765

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

Consolidated Statement of Income

All Nippon Airways Trading Co., Ltd. and consolidated subsidiaries
Year ended March 31, 2016

(Unit: millions of yen)

	2016
Operating revenues	¥ 140,606
Cost of operating revenues	108,888
Gross profit	31,717
Selling, general and administrative expenses	26,427
Operating income	5,290
Non-operating income:	
Interest and dividends income	90
Equity in earnings of non-consolidated subsidiaries and affiliates	59
Other	249
Total non-operating income	399
Non-operating expenses:	
Interest expenses	40
Other	46
Total non-operating expenses	86
Ordinary income	5,603
Extraordinary income:	
Gain on transfer of benefit obligation relating to employees' pension fund	131
Extraordinary loss:	
Loss on disposal of noncurrent assets	24
Other	13
Total extraordinary loss	38
Income before income taxes and non-controlling interests	5,696
Income taxes:	
Current	2,093
Deferred	137
Total income taxes	2,231
Net income	3,465
Profit attributable to non-controlling interests	4
Profit attributable to owners of parent	¥ 3,460

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

Overview of each segment and group company

An overview of each segment and Group company is as follows.

(1) Retail Business segment

In relation to in-flight sales, we developed new overseas brands and expanded the lineup of basic cosmetics and other products in high demand by customers to capture demand from increased passengers on international routes. For EC, we expanded the lineup of original products handled by ANA Shopping A-style, conducted aggressive promotional activities, and implemented sales strategies such as changing the conversion ratio for ANA miles. For tourism and gift-related businesses, we developed and began offering new region-specific products for Hokkaido and Kyushu. Looking to expand our duty-free business, we made the decision to engage in the operation of airport-style off-airport duty-free shops.

As a result of the above, revenues in the Retail Business segment were 24,240 million yen, 110.3% compared to the previous year.

The Retail Business segment and the Retail Business Company, which is comprised of the Group companies, ANA FESTA Co., Ltd., ANA TRADING Duty Free Co., Ltd., and Fujisey Co., Ltd. implemented improvements to strengthen management and operating margin for the airport shops ANA FESTA and ANA Duty Free Shops. Sales were favorable thanks to store renovations and various sales strategies, which helped capture demand from foreigners visiting Japan, whose numbers again increased compared to the previous year.

Overall, the Retail Business Company achieved revenues and operating income that outperformed the previous year.

(2) Aerospace & Electronics segment

As a result of efforts to achieve world-level QCD (Quality / Cost / Delivery) in our procurement of aircraft parts, we conducted dynamic cost management and used diligent delivery schedule management to strengthen the competitiveness of the entire ANA Group while advancing efforts domestically and internationally to develop new customers outside the ANA Group. For Aircraft, we worked to expand our retired aircraft parts sales business and secure income by conducting purchases in-Group and of retired long-haul aircraft through our offices in Japan, North America, and Europe. We also worked on new business development, including providing overseas emergence support for the Japanese manufacturing industry. For Electronics, in an environment of concerns about the business contraction of existing domestic customers and other changes in our external operating environment, we worked to secure income by strengthening relationships and strategic partnerships with existing customers while also developing new customers.

As a result, revenues in the Aerospace & Electronics segment were 19,492 million yen, 112.7% compared to the previous year.

The Aerospace & Electronics segment and the Aerospace & Electronics Company, which is comprised of the ANA TRADING CORP, U.S.A. (Machinery & Parts Business) and the International Cargo Service Co., Ltd. (Parts Business), performed favorably thanks to a strong performance by the retired aircraft parts sales business (PINCS products) in the U.S.A. Also, the increase in training contracts from LCCs and other emerging airline companies as well as from the Ministry of Defense resulted in performance that significantly outperformed plans.

Overall, the Aerospace & Electronics Company achieved revenues and operating income that outperformed the previous year.

(3) General Products & Media Services segment

Sales of cabin products grew thanks to growth in the air transportation business domain and increased passenger numbers, which resulted in greater sales of in-flight consumables, drinks, and snacks. For AD. & Media, sales of various media, particularly in the ANA in-flight magazine, were favorable as were sales of internet advertisements. We also conducted a merger to establish a new company that will specialize in digital advertisements (ANA-Kuroko Strategic Solutions Co., Ltd.) For consumer products & materials, amid an environment of declining demand for paper raw materials, we worked to secure profits by focusing management resources on the paper products sales business, which is expected to see increased demand, and the pulp sales business, which continues to achieve stable sales. In relation to Loyalty Innovation, we added new business partners and expanded the handling of product miles while also launching "ANA Experience Japan," a form of internet media for foreign visitors to Japan. We made new investments in the wellness business aimed at expansion.

As a result, revenues in the General Products & Media Services segment were 35,305 million yen, 114.4% compared to the previous year.

The General Products & Media Services segment and the General Products & Media Services Company, which is comprised of our Group company, MUSASHINO MORI COUNTRY CLUB Co., Ltd., secured new members, expanded reservations, and aggressively implemented various measures at the MUSASHINO MORI COUNTRY CLUB to increase customer numbers and improve service quality.

Overall, the General Products & Media Services Company achieved revenues and operating income that outperformed the previous year.

(4) Food Business segment

The Food Business Company, which is comprised of Group companies, ANA Foods Co., Ltd., A-Sweets House Inc., and ANA TRADING CORP., U.S.A. (foods business) secured profitability by expanding sales channels for fresh bananas, our mainstay product, in the fresh foods business and by negotiating price increases. We also established a continued maturation processing center aimed at further expanding our share of the banana business. Sales of processed foods were favorable thanks to capturing demand on the growing dry fruit and nuts products market. The operating margin for gift-related operations improved thanks to having secured comprehensive service contracts from existing customers. We also secured income for the Export Business, for which full-scale operations for exporting Japanese food ingredients to Southeast Asia were launched last year.

Overall, the Food Business Company achieved revenues and operating income that outperformed the previous year.

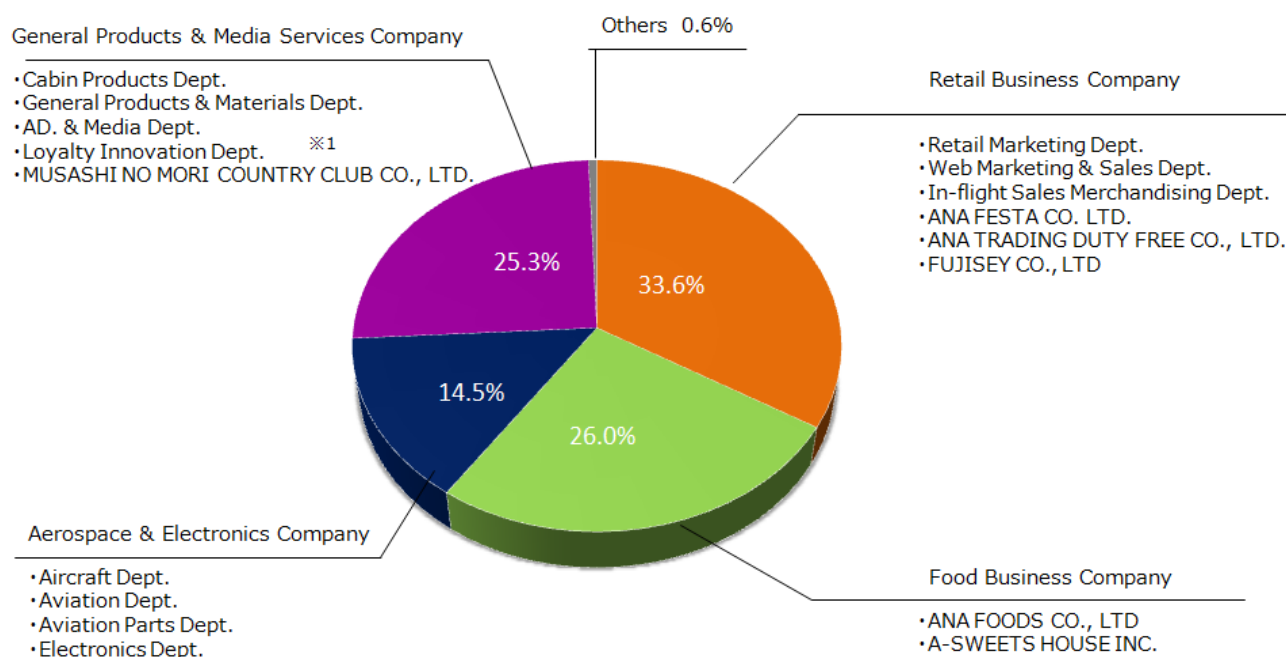
(5) Financial highlights

■ Major financial figures (consolidated)

	(million yen)				
	FY2011	FY2012	FY2013	FY2014	FY2015
Revenues	94,494	101,254	110,675	126,767	140,606
Recurring income	2,392	3,150	3,475	4,161	5,603
Net income	831	1,589	2,019	2,989	3,460
Total assets	48,888	52,538	54,898	63,288	62,765
Net assets	14,523	16,584	18,309	23,222	22,743

■ ALL NIPPON AIRWAYS TRADING Group Sales composition FY2015 (by company)

*graph does not reflect elimination of inter-company transactions



*1 As of April 2016, the Loyalty Innovation Dept. was transferred to the Retail Business Company.