

# **Consolidated Financial Results for the year ended March 31.2018**

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**ANA TRADING CO., LTD.**

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## → Consolidated Balance Sheet

(Millions of yen)

Item	Previous fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)	Item	Previous fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>	<b>44,844</b>	<b>48,759</b>	<b>Current liabilities</b>	<b>23,775</b>	<b>26,752</b>
Cash and deposits	1,669	1,660	Notes and accounts payable-trade	11,820	13,042
Notes and accounts receivable-trade	10,782	12,640	Short-term loans payable	-	106
Accounts receivable-other	4,013	4,518	Current portion of long-term debt	380	380
Lease investment assets	9,079	7,945	Finance lease obligations	1,087	1,028
Merchandise	8,272	10,204	Accounts payable - other	6,779	8,499
Raw materials and supplies	437	341	Accrued income taxes	495	527
Short-term loans receivable	6,825	7,715	Accrued bonuses to employees	889	973
Deferred tax assets	516	674	Other current liabilities	2,321	2,194
Other current assets	3,275	3,124	<b>Long-term liabilities</b>	<b>11,959</b>	<b>10,607</b>
Allowance for doubtful account	△29	△67	Long-term debt	1,680	1,300
<b>Fixed assets</b>	<b>16,900</b>	<b>17,011</b>	Finance lease obligations	7,155	6,193
<b>Property and equipment</b>	<b>6,993</b>	<b>6,758</b>	Accrued corporate executive officers' retirement benefits	171	173
Buildings and structures	3,119	3,017	Liability for retirement benefits	2,170	2,283
Machinery, equipment and vehicles	690	587	Other long-term liabilities	781	656
Tools, furniture and fixtures	803	751	<b>Total liabilities</b>	<b>35,734</b>	<b>37,359</b>
Land	2,256	2,244	<b>Net assets</b>		
Construction in progress	21	96	<b>Shareholders' equity</b>	<b>24,218</b>	<b>26,591</b>
Other	101	60	Capital stock	1,000	1,000
<b>Intangible fixed assets</b>	<b>2,717</b>	<b>2,516</b>	Capital surplus	-	26
Goodwill	799	685	Retained earnings	23,218	25,564
Software	1,386	1,688	<b>Accumulative other comprehensive income</b>	<b>1,639</b>	<b>1,661</b>
Software in progress	491	105	Unrealized holding gain (loss) on securities	2,047	2,401
Other intangible assets	39	36	Unrealized gain (loss) from hedging instruments	60	△167
<b>Investments and others</b>	<b>7,189</b>	<b>7,736</b>	Foreign currency translation adjustments	△80	△212
Investment securities	4,747	5,081	Remeasurements of defined benefit plans	△387	△360
Long-term loans receivable	480	460	<b>Non-controlling interests</b>	<b>151</b>	<b>158</b>
Deferred tax assets	334	192	<b>Total net assets</b>	<b>26,009</b>	<b>28,411</b>
Net defined benefit asset	67	90	<b>Total liabilities and net assets</b>	<b>61,744</b>	<b>65,771</b>
Other	1,966	2,311			
Allowance for doubtful account	△407	△400			
<b>Total assets</b>	<b>61,744</b>	<b>65,771</b>			

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

## → Consolidated Statement of Income

(Millions of yen)

Item	Previous fiscal year (As of April 1, 2016 to March 31, 2017)	Current fiscal year (As of April 1, 2017 to March 31, 2018)
<b>Operating revenues</b>	<b>136,822</b>	<b>142,877</b>
<b>Cost of operating revenues</b>	<b>104,811</b>	<b>109,605</b>
<b>Gross profit</b>	<b>32,010</b>	<b>33,271</b>
<b>Selling, general and administrative expenses</b>	<b>27,418</b>	<b>29,021</b>
<b>Operating income</b>	<b>4,591</b>	<b>4,250</b>
<b>Non-operating income</b>		
Interest income	9	10
Dividend income	114	131
Equity in earnings of non-consolidated subsidiaries and affiliates	43	–
Foreign exchange gains	–	128
Surrender value of insurance	107	–
Income from investments in partnership	28	84
Other	66	96
<b>Total non-operating income</b>	<b>368</b>	<b>450</b>
<b>Non-operating expenses</b>		
Interest expenses	32	27
Equity in losses of non-consolidated subsidiaries and affiliates	–	186
Foreign exchange losses	83	–
Loss on retirement of fixed assets	54	42
Other	35	39
<b>Total non-operating expenses</b>	<b>205</b>	<b>296</b>
<b>Ordinary income</b>	<b>4,755</b>	<b>4,404</b>
<b>Extraordinary income</b>		
Gain on sales of investment securities	–	89
Gain on sales of fixed assets	5	–
<b>Total extraordinary income</b>	<b>5</b>	<b>89</b>
<b>Extraordinary loss</b>		
Loss on sales of fixed assets	70	–
Loss on retirement of fixed assets	2	–
Loss on valuation of investment securities	48	–
Impairment loss	52	85
Other	20	–
<b>Total extraordinary losses</b>	<b>193</b>	<b>85</b>
<b>Profit before income taxes</b>	<b>4,566</b>	<b>4,408</b>
<b>Income taxes</b>		
Current	1,490	1,626
Deferred	145	△84
	1,636	1,541
<b>Profit</b>	<b>2,929</b>	<b>2,866</b>
<b>Profit attributable to:</b>		
Non-controlling interests	67	37
<b>Owners of parent</b>	<b>2,862</b>	<b>2,829</b>

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

- The Japanese economy this business year is gradually expanding due to continued monetary easing worldwide, while business has been generally brisk with more foreign visitors to Japan. Under these circumstances, the group, as a trading group responsible for diverse businesses within the ANA Group, endeavored to expand external revenue by exerting maximum leverage on our strengths to expand business and take on new business domains. Thus, this fiscal year resulted in consolidated net sales of 142,877 million yen, 104.4% compared to the previous year.
- For new business domains, we worked to further expand overseas businesses by establishing SG RETAIL PARTNERS PTE. LTD., a venture with a local Singaporean partner, and opening the JAPAN GOURMET HALL SORA food hall at a terminal in Changi International Airport in December.
- Meanwhile, we completely withdrew from some businesses by transferring some miles-related products to another group company and engaging in "selection and concentration" for future growth.
- As a result, consolidated ordinary income was 4,404 million yen, 92.6% compared to the previous year, and consolidated net income was 2,829 million yen, 98.8% compared to the previous year.

## → Consolidated operating results

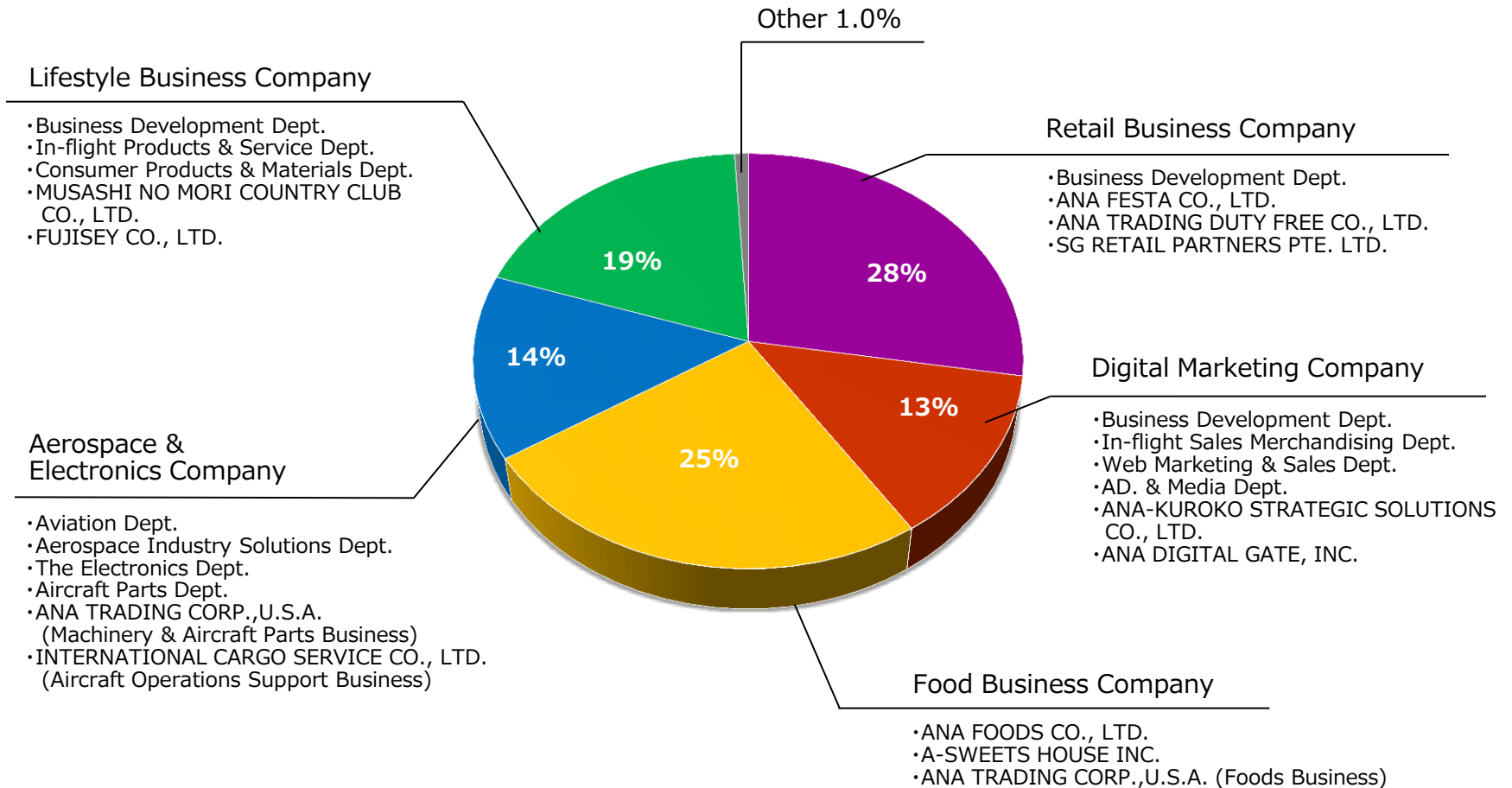
(Unit: millions of yen)

	FY2017	FY2016	Change
Operating revenues	142,877	136,822	6,055
Operating income	4,250	4,591	▲341
Ordinary income	4,404	4,755	▲351
Net income attributable to owners of parent	2,829	2,862	▲33
EBITDA*1	5,587	5,866	▲279

\*1 EBITDA = Operating income + depreciation expenses

## → Operating revenues ratio by segment

\*graph does not reflect elimination of inter-company transactions



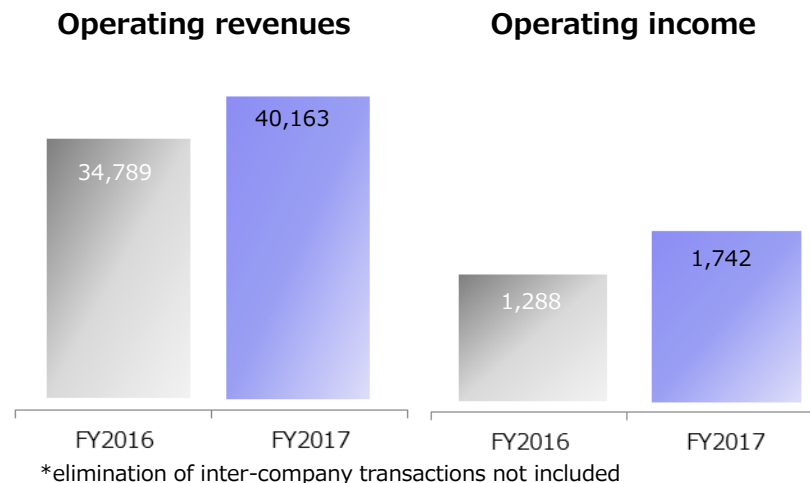
## → Retail Business Company

- In addition to much higher revenue and income at ANA TRADING DUTY FREE CO., LTD. on the back of the increase in foreign visitors to Japan, ANA FESTA CO., LTD. airport shop operations performed well to help post our highest revenues ever.
- In our overseas business, in December we established SG RETAIL PARTNERS PTE. LTD., a venture with a local partner in Singapore, and opened the JAPAN GOURMET HALL SORA food hall at a Changi International Airport terminal, to further expand business.
- As a result, operating revenues were 40,163 million yen, 115% compared to the previous year, and operating income was 1,742 million yen, 135% compared to the previous year.

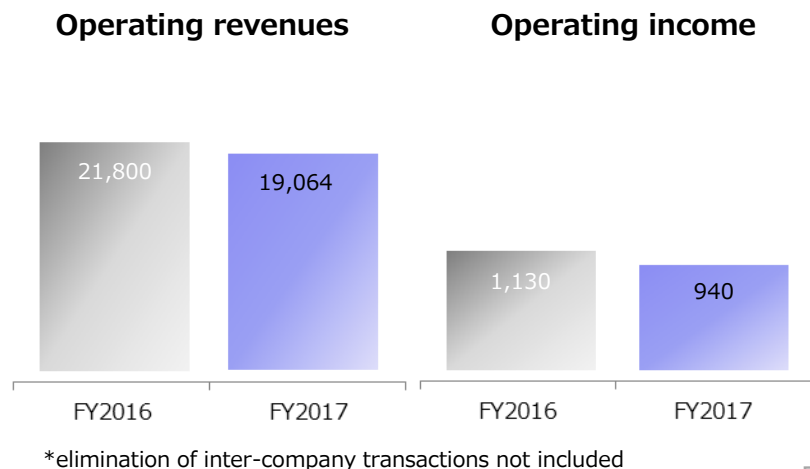
## → Digital Marketing Company

- In addition to Ad & Media Business sales driven by Sky Vision in-flight ANA programming and direct mail, ANA-KUROKO STRATEGIC SOLUTIONS CO., LTD. performed well to increase revenue and income. It should be noted that ANA-KUROKO STRATEGIC SOLUTIONS CO., LTD. became a wholly-owned subsidiary at the end of March to further capture business opportunities in the digital marketing domain.
- The A-Style e-commerce site contributed to sales in the Web Marketing & Sales Business, while the In-flight Sales Merchandising Business performed well on international routes. In addition, ANA DIGITAL GATE, INC. significantly increased revenue by handling more transactions.
- Meanwhile, since FY2017 we have transferred some miles-related products to another group company.
- As a result, operating revenues were 19,064 million yen, 87% compared to the previous year, and operating income was 940 million yen, 83% compared to the previous year.

(Unit: million of yen)



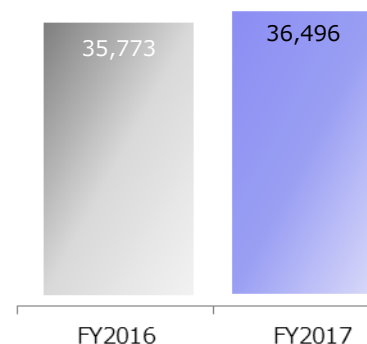
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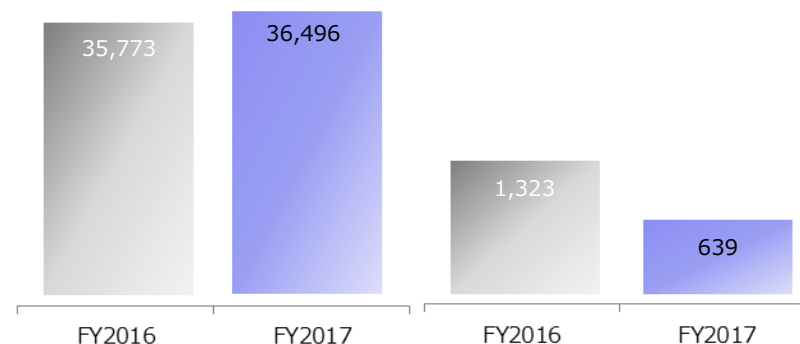
## → Food Business Company

- Revenue and income in the Fresh Food Business fell despite efforts at flexible procurement from contract plantations in response to an unprecedentedly poor supply-demand balance throughout the industry.
- Revenue and income in the Processed Food Business rose as a result of brisk nut sales, despite difficulties with some other products due to unseasonable weather in production areas.
- While the Export Business performed more favorably thanks to efforts to expand business amid growing demand for Japanese food in Asia, revenue and income fell as a result of intensified competition that drove up the cost of acquiring new business areas for future growth.
- As a result, operating revenues were 36,496 million yen, 102% compared to the previous year, and operating income was 639 million yen, 48% compared to the previous year.

### Operating revenues



### Operating income



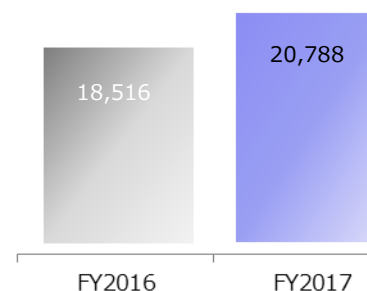
(Unit: million of yen)

\*elimination of inter-company transactions not included

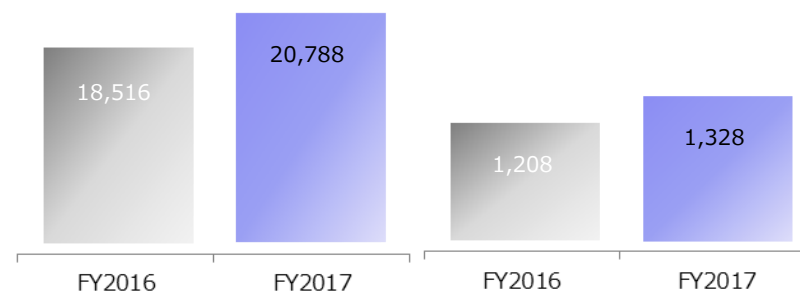
## → Aerospace & Electronics Company

- The Electronics Business increased revenue and income, expanding overseas contracting for semiconductor manufacture by strengthening services and support for domestic clients amid voracious demand in the semiconductor industry.
- In the aircraft and aviation related businesses, we endeavoured to increase revenue and income throughout the group by: supporting aircraft operation and helping to improve competitiveness for ANA Group airline companies through reduced procurement costs and higher quality of aircraft parts and equipment, as well as ground support equipment; and globally growing our business in selling aircraft parts taken from retired aircraft via business locations in the U.S., Europe and Asia.
- In October, we created the Aerospace Industry Solutions Dept. in an organizational revamp. The department began operating with the goals of adding domestic customers and offering greater support, as well as contributing to the promotion of the domestic airline industry.
- As a result, operating revenues were 20,788 million yen, 112% compared to the previous year, and operating income was 1,328 million yen, 110% compared to the previous year.

### Operating revenues



### Operating income



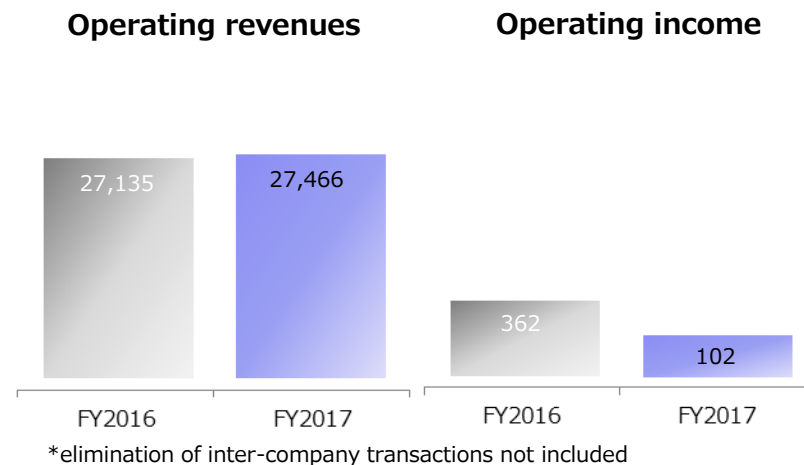
(Unit: million of yen)

\*elimination of inter-company transactions not included

## → Lifestyle Business Company

- In the Consumer Products & Materials Business, we will execute a full withdrawal from some unprofitable business by selecting and concentrating for future growth. Meanwhile, we focused on sales of products to restaurants and anti-bacterial odor-eliminating agents.
- The In-flight Products & Service Business endeavoured to secure revenues through steady procurement and supply in response to rising demand for in-flight products and services as the number of ANA passengers has risen and new services have been introduced.
- As a result, operating revenues were 27,466 million yen, 101% compared to the previous year, and operating income was 102 million yen, 28% compared to the previous year.

(Unit: million of yen)



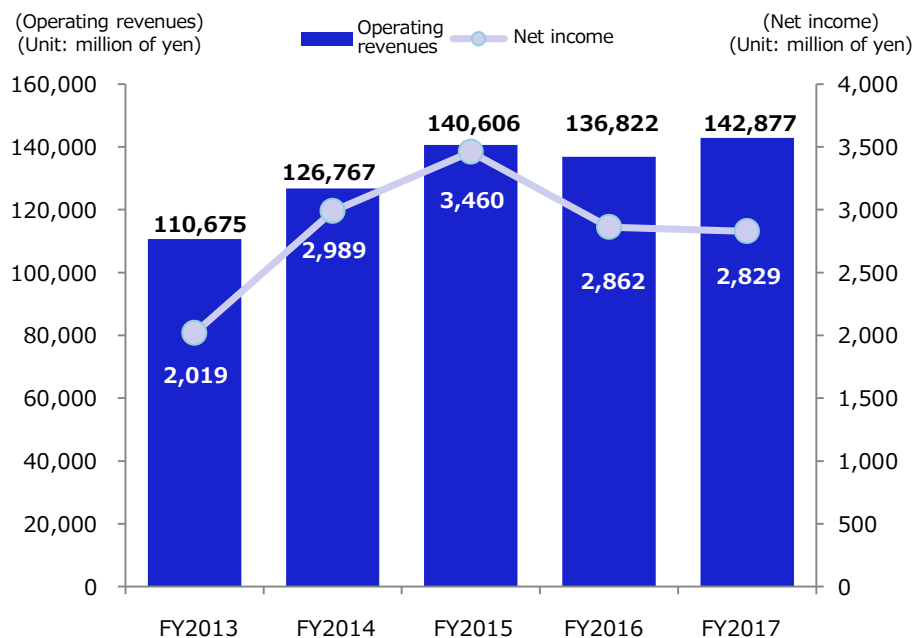


## → Major financial figures

(Unit: million of yen)

	FY2013	FY2014	FY2015	FY2016	FY2017
Operating revenues	110,675	126,767	140,606	136,822	142,877
Ordinary income	3,475	4,161	5,603	4,755	4,404
Net income attributable to owners of parent	2,019	2,989	3,460	2,862	2,829
Total assets	54,898	63,288	62,765	61,744	65,771
Net assets	18,309	23,222	22,743	26,009	28,411
Equity ratio (%)	33.4	36.7	36.2	42.1	43.1

## → Transitions in operating revenues and net income



## → Transitions in total assets and net assets

