

**ALL NIPPON AIRWAYS TRADING CO., LTD.**  
*Financial Statements for the year Ended March 31, 2023*

ALL NIPPON AIRWAYS TRADING CO., LTD.

**Non-consolidated Balance Sheet**

As of March 31, 2023

ASSETS	Millions of yen As of Mar 31, 2023
Current assets:	
Cash and deposits	¥1,239
Notes and accounts receivable - trade	8,825
Lease investment assets	6,666
Inventories	2,208
Short-term loans receivable	9,012
Other current assets	3,573
Allowance for doubtful accounts	(84)
	31,442
Property, plant and equipment:	
Land	15
Buildings and leasehold improvements	101
Vehicles, tools, furniture and fixtures	41
Rental assets	281
	439
Intangible assets	795
Investments and other assets:	
Investment securities	5,841
Investment securities of related parties	7,109
Long-term loans receivable	2,092
Lease and guarantee deposits	16
Prepaid pension costs	235
Other assets	378
Allowance for doubtful accounts	(588)
	15,084
Total assets	¥47,763

See notes to non-consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen As of Mar 31, 2023
Current liabilities:	
Notes and accounts payable	¥12,639
Short-term loans payable	6,167
Current portion of long-term loans payable	260
Current portion of lease obligations	1,407
Advances received	484
Unearned revenue	585
Accrued operating expenses	153
Accrued income taxes	122
Other current liabilities	13
	21,834
Long-term liabilities:	
Lease obligations, less current portion	2,967
Accrued employees' retirement benefits	1,029
Long-term deposits payable	350
Provision for directors' retirement benefits	92
Long-term deferred tax liability	557
	4,997
Net assets	
Shareholders' equity:	17,563
Common stock:	1,000
Authorized---2,880,000 shares at March 31, 2023	
Issued---654,724 shares at March 31, 2023	
Retained earnings:	16,563
Legal reserve	250
Retained earnings	16,313
Accumulated other comprehensive income:	3,367
Unrealized holding gain (loss) on securities	3,360
Unrealized gain (loss) from hedging instruments	6
	20,931
Total liabilities and net assets	¥47,763

See notes to non-consolidated financial statements.

ALL NIPPON AIRWAYS TRADING CO., LTD.

**Non-consolidated Statement of Income**

FY2022 ended March 31, 2023

Millions of yen

FY2022 ended

Mar 31, 2023

Net sales	¥46,329
Cost of sales	37,180
Gross profit	9,148
Selling, general and administrative expenses	7,111
Operating income	2,036
Non-operating income (expenses):	
Interest and dividend income	206
Foreign exchange income	284
Interest expense	(6)
Other - net	(8)
Ordinary income	2,511
Extraordinary gains and (losses):	
Provision of allowance for doubtful debts	(219)
Loss on valuation of investment securities	(96)
Income before income taxes	2,194
Income taxes :	
Current	695
Deferred	(0)
Net income	¥1,499

See notes to non-consolidated financial statements.

Notes to Non-Consolidated Financial Statements  
ALL NIPPON AIRWAYS TRADING CO., LTD.  
Statements for the year Ended March 31, 2023

1. BASIS OF PRESENTATION

The accompanying non-consolidated financial statements of All Nippon Airways Trading Co., Ltd. (the "Company") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

As permitted by the regulations under the Corporation Law of Japan (the "Law"), amounts less than one million yen have been omitted. As a result, the totals shown in the accompanying non-consolidated financial statements for fiscal 2022 do not necessarily agree with the sum of the individual amounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Marketable securities and investment securities

The accounting standard for financial instruments requires that securities be classified into three categories; trading, held-to-maturity or other securities. Under the standard, trading securities are carried at fair value and held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gains or losses, net of the applicable income taxes, included directly in net assets. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

(b) Inventories

Inventories are principally stated at the lower of cost or net realizable value, cost being determined by the moving average method.

(c) Property, plant and equipment (and depreciation)

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation of property, plant and equipment, except for rental assets, is calculated based on estimated useful lives by the following methods:

Buildings acquired on or after April 1, 1998 ---- Straight-line method

Facilities attached to buildings and other non-building structures acquired on or after April 1, 2016 ---- Straight-line method

Others ---- Declining-balance method

The Company principally applies the following useful lives:

Buildings and leasehold improvements	3 – 60 years
Vehicles	6 years
Tools, furniture and fixtures	2 – 20 years

(d) Intangible assets and amortization

Intangible assets are amortized by the straight-line method. Cost of software purchased for internal use is amortized by the straight-line method over five years, the estimated useful life of purchased software.

(e) Leased assets

Leased assets are depreciated over the lease term using the straight-line method with the estimated disposal value at the end of the lease term as the residual value.

(f) Allowance for doubtful accounts

A general provision is made for doubtful receivables based on past experience. Provisions are also made against specific receivables as and when required based on estimates of the collectability of receivables.

(g) Allowance for employee bonuses payment

The company provides reserve for employee bonuses payment based on the estimated amounts for the current fiscal year.

(h) Accrued employees' retirement benefits

The retirement benefit plan of the Company covers substantially all employees other than directors. Under the terms of this plan, eligible employees are entitled, upon mandatory retirement or earlier voluntary severance, to lump-sum payments or annuity payments based on their compensation at the time of leaving and years of service with the Company. The Company has trustee employees' pension funds to provide coverage for the part of the lump-sum benefits or annuity payments. In accordance with the accounting standard for retirement benefits, accrued employees' retirement benefits at the balance sheet date are provided mainly at an amount calculated based on the retirement benefit obligation and the fair market value of the pension plan assets at the balance sheet date, as adjusted for unrecognized net retirement benefit obligation at transition, unrecognized actuarial gains or losses and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated service years of eligible employees.

Actuarial gains and losses are amortized in the year following the year in which the gains or losses are recognized by the straight-line method over periods which are approximately equal to the average remaining service years of employees. Prior service cost is being amortized as incurred by the straight-line method over periods which are approximately equal to the average remaining service years of employees.

At the balance sheet date, the total amount of pension assets exceeds pension retirement benefit obligation which is deducted unrecognized actuarial differences. Therefore, the company records the excess amounts of pension assets as prepaid pension costs in investments and other assets.

(i) Provision for directors' retirement benefits

The Company records a reserve for retirement benefits for directors and corporate auditors based on the amount payable at the balance sheet date based on the internal regulations.

(j) Revenue and expense accounting standards

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020), etc. effective from FY2021. Regarding the income earned from import / export of aviation-related materials and Internet shopping, etc. it recognizes revenue when (or as) it satisfies a performance obligation by transferring promised goods or services (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. It recognizes as revenue the amount expected to be received upon exchange of goods or services.

In addition, the Company previously recognized revenue in the gross amount of consideration received from customers in some transactions but in a transaction where the Company is an agent or a consignee in connection with the provision of a good or service to a customer, it recognizes revenue on a net basis (net amount of consideration that the Company retains after paying the supplier the consideration received from the customer).

Also, in supply for a fee transaction (a supply for a fee transaction is a transaction where the manufacturer, that is to say the Company supplies raw materials for a fee to the subcontractor to process the supplied materials) supplied raw materials were previously derecognized. In such transactions, however, the Company are obliged to repurchase processed items and therefore continue to recognize the supplied raw materials. Revenue for the transfer of supplied materials is not recognized.

(k) Other significant non-consolidated financial statement

1 Leased assets and depreciation

Finance lease transactions under which ownership is not transferred to a lessee are recognized as normal sales transactions.

2 Derivatives

The Company uses derivatives, such as forward foreign exchange contracts and interest rate swaps, to manage its risk exposure arising from fluctuations in foreign exchange rates and interest rates. The Company does not use derivatives for trading purposes. In principle, deferral hedge accounting is adopted for derivatives that qualify as hedges.

3 Foreign currency translation

In accordance with the accounting standard for foreign currency translation, foreign currency payables and receivables at March 31, 2023 are principally translated at the rate of exchange in effect at the balance sheet date, except payables and receivables hedged by qualified forward foreign exchange contracts.

4 Consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

5 The Company bases lease transactions based on installment sales contracts on the deferred payment standard.

#### 6 Group tax sharing system

The Company has applied the group tax sharing system with ANA HOLDINGS INC. as the parent company.

#### 7 Application of tax effect accounting on transition from the consolidated tax return system to the group tax sharing system

The company has made the transition from the consolidated tax return system to the group tax sharing system from the beginning of the fiscal year. Along with this, as for the accounting treatment and disclosure of corporate tax, local corporate tax and tax effect accounting, the Company has applied the "Practical Solution No.42, Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System"(ASBJ PITF No.42, August12,2021;hereafter, "Practical Solution No.42"). Based on Paragraph 32 (1) of Practical Solution No.42, the group considers that there will be no effect from changes in accounting policies associated with the application of Practical Solution No.42.

### 3. BALANCE SHEET

(1) Accumulated depreciation of property, plant and equipment      ¥642

#### (2) Credit and liabilities for related companies

Current credit	¥10,162
Long-term credit	1,737
Current liabilities	7,688



#### 4. INCOME TAX

The Company is subject to a number of taxes on income (corporation tax, inhabitant's taxes and enterprise tax), which, in aggregate, resulted in a normal statutory tax rate of approximately 30.62% for the year ended March 31, 2023. The tax effect of temporary differences that give rise to a significant portion of the deferred tax assets and liabilities at March 31, 2023 are as follows:

	Millions of yen
	As of Mar 31,
	2023
<hr/>	
Deferred tax assets:	
Valuation loss on marketable and investment securities	¥386
Accrued employees' retirement benefits and pension expense	315
Provision for doubtful receivables	195
Loss carry forward	107
Other	189
	<hr/>
	1,200
Valuation allowance	<hr/>
	(603)
	<hr/>
	597
Deferred tax liabilities:	
Unrealized holding gain on securities	(1,079)
Other	(75)
	<hr/>
	(1,154)
	<hr/>
Net deferred tax liabilities	<hr/> <hr/>
	(557)

## 5. RELATED PARTY TRANSACTIONS

The Company has related party transactions with ANA HOLDINGS INC., the parent company, subsidiaries and affiliated companies. The corresponding balances at March 31, 2023 and the amounts of these transactions for the year then ended are summarized as follows:

Related parties	Balances	Millions of yen
		As of Mar 31, 2023
ANA HOLDINGS INC.	Current portion of long-term loans payable	¥260
	Short-term loans receivable	8,823
	Account Payable	771
ANA FOODS CO., LTD	Short-term loans payable	2,308
ANA FESTA CO., LTD.	Long-term loans receivable	1,538
	Installment receivable	617
INTERNATIONAL CARGO SERVICE CO., LTD.		1,015
	Short-term loans payable	
ANA TRADING DUTY FREE CO., LTD.	Short-term loans payable	1,428
FUJISEY CO., LTD.	Short-term loans payable	1,300
ALL NIPPON AIRWAYS CO.,LTD.	Notes and accounts receivable	2,399
	Lease investment assets	1,105
ANA CATERING SERVICE CO.,LTD.	Lease investment assets	1,915

Related parties	Transactions	Millions of yen
		FY2022 ended Mar 31, 2023
ANA HOLDINGS INC.	Borrowings	¥390
	Loan of funds	7,695
	Account Payable	598
ANA FOODS CO.,LTD	Borrowings	2,359
ANA FESTA CO., LTD.	Loan of funds	2,086
	Lease transaction for Store equipment	657
INTERNATIONAL CARGO SERVICE CO., LTD.		969
	Borrowings	
ANA TRADING DUTY FREE CO., LTD.	Borrowings	1,117
FUJISEY CO., LTD.	Borrowings	1,340

### Note:

1. Business transactions with related parties are carried out on an arm's-length basis similar to third-party transactions.
2. Consumption taxes are not included in the amounts of these transactions.

6. AMOUNT PER SHARE

Amounts per share as of and for the year ended March 31, 2023 are as follows:

	Yen
	FY2022 ended Mar 31, 2023
Net income	¥2,290.67
Net assets	31,970.05

7. SUBSEQUENT EVENTS

None.