

ALL NIPPON AIRWAYS TRADING CO., LTD.
Financial Statements for the year Ended March 31, 2024

ALL NIPPON AIRWAYS TRADING CO., LTD.

Non-consolidated Balance Sheet

As of March 31, 2024

| ASSETS | Millions of yen |
|--|--------------------|
| | As of Mar 31, 2024 |
| Current assets: | |
| Cash and deposits | ¥1,259 |
| Notes and accounts receivable - trade | 10,007 |
| Lease investment assets | 6,180 |
| Inventories | 3,098 |
| Short-term loans receivable | 7,267 |
| Other current assets | 3,679 |
| Allowance for doubtful accounts | (78) |
| | <u>31,414</u> |
| Property, plant and equipment: | |
| Land | 15 |
| Buildings and leasehold improvements | 83 |
| Vehicles, tools, furniture and fixtures | 58 |
| Rental assets | 199 |
| | <u>356</u> |
| Intangible assets | 1,483 |
| Investments and other assets: | |
| Investment securities | 5,531 |
| Investment securities of related parties | 7,153 |
| Long-term loans receivable | 904 |
| Lease and guarantee deposits | 16 |
| Prepaid pension costs | 264 |
| Other assets | 377 |
| Allowance for doubtful accounts | (579) |
| | <u>13,667</u> |
| Total assets | <u>¥46,921</u> |

See notes to non-consolidated financial statements.

| LIABILITIES AND NET ASSETS | Millions of yen As of Mar 31, 2024 |
|---|---------------------------------------|
| Current liabilities: | |
| Notes and accounts payable | ¥11,940 |
| Short-term loans payable | 6,129 |
| Current portion of lease obligations | 923 |
| Advances received | 338 |
| Unearned revenue | 843 |
| Accrued operating expenses | 683 |
| Accrued income taxes | 83 |
| Other current liabilities | 68 |
| | 21,011 |
| Long-term liabilities: | |
| Lease obligations, less current portion | 2,883 |
| Accrued employees' retirement benefits | 1,057 |
| Long-term deposits payable | 350 |
| Provision for directors' retirement benefits | 135 |
| Long-term deferred tax liability | 349 |
| | 4,776 |
| Net assets | |
| Shareholders' equity: | 17,954 |
| Common stock: | 1,000 |
| Authorized---2,880,000 shares at March 31, 2024 | |
| Issued---654,724 shares at March 31, 2024 | |
| Retained earnings: | 16,954 |
| Legal reserve | 250 |
| Retained earnings | 16,704 |
| Accumulated other comprehensive income: | 3,179 |
| Unrealized holding gain (loss) on securities | 3,156 |
| Unrealized gain (loss) from hedging instruments | 22 |
| | 21,134 |
| Total liabilities and net assets | ¥46,921 |

See notes to non-consolidated financial statements.

ALL NIPPON AIRWAYS TRADING CO., LTD.

Non-consolidated Statement of Income

FY2023 ended March 31, 2024

| | Millions of yen |
|--|------------------------------|
| | FY2023 ended Mar 31, 2024 |
| Net sales | ¥47,022 |
| Cost of sales | 38,055 |
| Gross profit | 8,966 |
| Selling, general and administrative expenses | 7,741 |
| Operating income | 1,224 |
| Non-operating income (expenses): | |
| Interest and dividend income | 168 |
| Foreign exchange income | 176 |
| Interest expense | (4) |
| Other – net | 17 |
| Ordinary income | 1,581 |
| Income before income taxes | 1,581 |
| Income taxes : | |
| Current | 442 |
| Deferred | (101) |
| Net income | ¥1,240 |

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, 2024

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 2023 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, 2024 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 The Company bases lease transactions based on installment sales contracts on the deferred payment standard.

5 Group tax sharing system

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

3. BALANCE SHEET

(1) Accumulated depreciation of property, plant and equipment ¥647

(2) Credit and liabilities for related companies

| | |
|---------------------|--------|
| Current credit | ¥8,375 |
| Long-term credit | 557 |
| Current liabilities | 6,955 |

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, 2024. The tax effect of temporary differences that give rise to a significant portion of the deferred tax assets and liabilities at March 31, 2024 are as follows:

| | Millions of yen |
|--|-----------------------|
| | As of Mar 31, 2024 |
| <hr/> | |
| Deferred tax assets: | |
| Valuation loss on marketable and investment securities | ¥386 |
| Accrued employees' retirement benefits and pension expense | 323 |
| Excess allowance for employees' bonuses | 200 |
| Provision for doubtful receivables | 191 |
| Loss carry forward | 49 |
| Other | 166 |
| | <hr/> 1,319 |
| Valuation allowance | (604) |
| | <hr/> 714 |
| Deferred tax liabilities: | |
| Unrealized holding gain on securities | (973) |
| Other | (90) |
| | <hr/> (1,064) |
| Net deferred tax liabilities | <hr/> (349) |

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, 2024 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, 2024 |
| ANA HOLDINGS INC. | Short-term loans receivable | ¥6,223 |
| | Account Payable | 341 |
| ANA FOODS CO., LTD | Short-term loans payable | 2,057 |
| ANA FESTA CO., LTD. | Long-term loans receivable | 478 |
| | Installment receivable | 535 |
| | Short-term loans receivable | 892 |
| INTERNATIONAL CARGO SERVICE | Short-term loans payable | 940 |
| ANA TRADING DUTY FREE CO., LTD. | | 1,449 |
| | Short-term loans payable | |
| FUJISEY CO., LTD. | Short-term loans payable | 1,573 |
| ALL NIPPON AIRWAYS CO.,LTD. | Notes and accounts receivable | 2,742 |
| | Lease investment assets | 903 |
| ANA CATERING SERVICE CO.,LTD. | Lease investment assets | 1,704 |
| | | Millions of yen |
| Related parties | Transactions | FY2023 ended Mar 31, 2024 |
| ANA HOLDINGS INC. | Borrowings | ¥130 |
| | Loan of funds | 7,523 |
| | Account Payable | 446 |
| ANA FOODS CO.,LTD | Borrowings | 2,183 |
| ANA FESTA CO., LTD. | Loan of funds | 1,454 |
| | Lease transaction for Store equipment | 576 |
| INTERNATIONAL CARGO SERVICE CO., LTD. | Borrowings | 978 |
| ANA TRADING DUTY FREE CO., LTD. | Borrowings | 1,439 |
| FUJISEY CO., LTD. | Borrowings | 1,437 |

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, 2024 are as follows:

| | Yen |
|------------|------------------|
| | FY2023 ended Mar |
| | 31, 2024 |
| Net income | ¥1,894.97 |
| Net assets | 32,279.35 |

7. SUBSEQUENT EVENTS

None.