

**ANA HOLDINGS reports Consolidated Financial Results
for the Six Months Ended September 30, 2017**

1. Consolidated Financial Highlights for the Six Months ended September 30, 2017

(1) Consolidated financial and operating results

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%
Six months ended Sep.30, 2017	985,049	11.3	115,084	28.5	112,736	35.1	118,384	106.1
Six months ended Sep.30, 2016	884,995	(2.9)	89,569	3.2	83,468	0.6	57,439	6.4

*Comprehensive income for the period Apr.1 - Sep.30, 2017 ¥ 136,427 million 202.5%
for the period Apr.1 - Sep.30, 2016 ¥ 45,107 million 142.1%

	Net income per share
	Yen
Six months ended Sep.30, 2017	338.49
Six months ended Sep.30, 2016	164.16

*See Note 1 below.

(2) Consolidated financial positions

	Total assets	Total net assets	Equity ratio	Net assets per share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Sep. 30, 2017	2,582,930	1,025,570	39.3	2,933.73
As of Mar. 31, 2017	2,314,410	924,175	39.7	2,624.43

(Reference) Shareholders' equity as of Sep. 30, 2017 ¥1,013,968 million
as of Mar. 31, 2017 ¥919,157 million

*See Note 1 below.

2. Consolidated Operating Results Forecast for the Fiscal Year ending March 31, 2018

(%: year-on-year)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen
FY2017	1,925,000	9.0	160,000	9.9	150,000	6.9	132,000	33.6	377.42

*Revisions to the most recently disclosed earnings forecasts: Yes

*See Note 1 below.

3. Other

- (1) Changes of significant subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

	Consolidated	Equity method
Newly added	—	—
Excluded	—	—

- (2) Application of accounting methods which are exceptional for quarterly consolidated financial statements:
None

- (3) Changes in accounting policies, accounting estimates and restatement of corrections

- (i) Changes caused by revision of accounting standards: None
- (ii) Changes other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement and corrections: None

- (4) Number of issued shares (Common stock)

	Number of Shares			
	FY2017		FY2016	
Number of shares issued (including treasury stock)	As of Sep.30	351,642,525	As of Mar.31	351,642,525
Number of treasury stock	As of Sep.30	6,018,413	As of Mar.31	1,412,231
Average number of shares outstanding during the period	Six months ended Sep.30	349,739,718	Six months ended Sep.30	349,888,313

*See Note 1 below.

* Treasury stock includes 114 thousand shares owned by the trust account of the Trust for Delivery of Shares to Directors as of September 30, 2017.

Indication of quarterly review procedure implementation status

These financial statements are exempt from quarterly review.

Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to ANA HOLDING INC. and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons.

Note:

1. Since a 10-to-1 share consolidation was conducted effective October 1, 2017, the noted items were calculated based on the assumption that the share consolidation was conducted at the beginning of the previous consolidated fiscal year.

APPENDIX
Overview of consolidated financial results for the Six Months Ended September 30, 2017
Qualitative Information / Financial Statements, etc.

1. Explanation of Consolidated Operating Results

	Yen (Billions)		
Consolidated Operating Results	Six months ended Sep. 30, 2017	Six months ended Sep. 30, 2016	Year-on-Year (%)
Operating Revenues	985.0	884.9	11.3
Air Transportation	865.4	769.1	12.5
Airline Related	141.5	127.7	10.8
Travel Services	83.5	82.4	1.3
Trade and Retail	69.1	68.9	0.4
Other	18.6	16.6	11.6
Intersegment Transactions	(193.2)	(179.9)	—
Operating Income	115.0	89.5	28.5
Air Transportation	109.2	84.7	28.9
Airline Related	6.8	5.3	28.4
Travel Services	2.2	2.0	14.0
Trade and Retail	2.2	2.6	(14.7)
Other	1.6	0.7	126.2
Intersegment Transactions	(7.2)	(5.9)	—
Ordinary income	112.7	83.4	35.1
Net income attributable to owners of the parent	118.3	57.4	106.1

*See Notes 1, 2, & 3 below.

In the first six months of fiscal year 2017 (April 1, 2017 – September 30, 2017, hereinafter the “six months ended September 30, 2017”), Japan’s economy has continued to experience a gradual recovery, with personal consumption gradually picking up in accordance with continued improvements in corporate earnings and the job environment. Although there are concerns about the risk of a downturn in the economy, with a slump in some overseas economies and terrorism and conflict in Europe and the Middle East, the economic outlook for the future is expected to be a continued, gradual recovery due to improvements in the employment and income environment and the effect of various government policies.

Under such economic conditions, due to an increase in revenues mainly in air transportation, operating revenues were ¥985.0 billion, while operating income was ¥115.0 billion and ordinary income was ¥112.7 billion. Net income attributable to owners of the parent was ¥118.3 billion, as a result of reporting extraordinary income due to factors such as the inclusion of Peach Aviation Limited as a consolidated subsidiary from this fiscal year.

An overview of the six months ended September 30, 2017 by segment follows.

Overview by Segment

◎ Air Transportation

Operating revenues: ¥865.4 billion, up 12.5% year-on-year

Operating income: ¥109.2 billion, up 28.9% year-on-year

Underpinned by robust demand, strong performance in international passenger services and international cargo services, and the addition of revenue from Peach Aviation Limited resulted in operating revenues in air transportation increasing year-on-year.

<Domestic Passenger Services>

Category		Six months ended Sep. 30, 2017	Six months ended Sep.30, 2016	Year-on-Year (%)
Passenger Revenues	(Billion yen)	355.1	347.4	2.2
Number of Passengers	(Passengers)	22,499,884	21,520,124	4.6
Available Seat-km	(Thousand km)	30,051,920	30,225,313	(0.6)
Revenue Passenger-km	(Thousand km)	20,481,048	19,526,846	4.9
Passenger Load Factor	(%)	68.2	64.6	3.5

*See Notes 3, 4, 5, 8, 9, 13 & 14 below.

In domestic passenger services, both the number of passengers and revenues increased year-on-year as a result of steady business demand in addition to the offer of various discount fares to match demand trends.

In terms of the route network, efforts were made to capture demand by opening a new Nagoya (Chubu)-Miyako route in June, and operating late night flights (*Galaxy Flights*) on the Haneda-Okinawa route for a limited period in summer. Furthermore, operation of the *Pittato Fleet (the Dynamic Fleet Assignment Model)*, which provides for the assignment of aircraft with precision according to demand, was further expanded in an effort to match supply and demand.

On the marketing front, *Tabiware Time Sales* suited to a variety of travel situations were implemented at regular intervals in an effort to stimulate demand.

In terms of services, the *ANA@desk* corporate business travel arrangement system was updated in an effort to improve visibility and operability by overhauling the booking screen and improving booking and ticketing functions. Furthermore, under the direction of Kengo Kuma, *ANA SUITE LOUNGE*, which is the finest lounge for premium members on domestic routes, and *ANA LOUNGE* were newly opened in New Chitose Airport in September, and the Airbus A321neo that commenced operation in September was equipped with touch-panel personal monitors on all seats, offering approximately 60 titles of video content in an effort to become more competitive as a full service carrier.

<International Passenger Services>

Category		Six months ended Sep. 30, 2017	Six months ended Sep. 30 2016	Year-on-Year (%)
Passenger Revenues	(Billion yen)	295.5	259.1	14.0
Number of Passengers	(Passengers)	4,761,762	4,479,981	6.3
Available seat-km	(Thousand km)	31,852,186	29,458,530	8.1
Revenue Passenger-km	(Thousand km)	24,156,652	22,309,183	8.3
Passenger Load Factor	(%)	75.8	75.7	0.1

*See Notes 3, 5, 8, 9, 13 & 14 below.

International passenger services saw year-on-year increases in the number of passengers and revenues thanks to the strong business demand originating in Japan and the capture of robust inbound travel demand that accompanied improvements in the international route network.

In terms of the route network, the number of flights on the Haneda-Jakarta route has been increased to double daily service since August; efforts have been made to capture connecting demand from local airports in Japan and business demand to and from the Tokyo Metropolitan Area; and following changes to the Haneda-Honolulu route, ANA has also changed all aircraft servicing the Narita-Honolulu route to the Boeing 787-9 since September, and has begun providing *ANA Business Staggered* full flat seats and *Premium Economy* in an effort to improve products and services and capture burgeoning demand.

On the marketing front, ANA has strengthened promotional activities aimed at further stimulating inbound demand and worked to raise the level of recognition of Business Class products aimed at wealthy customers in particular.

In terms of services, the provision of Japanese sake (rice wine) was expanded to Economy Class on all international routes from September in an effort to improve service.

< Cargo Services >

Category		Six months ended Sep. 30, 2017	Six months ended Sep. 30, 2016	Year-on-Year(%)
Domestic Cargo Revenues	(Billion yen)	15.1	15.0	0.5
Available Cargo Capacity	(Thousand ton-km)	912,504	921,771	(1.0)
Cargo volume	(Tons)	216,408	222,579	(2.8)
Cargo Traffic Volume	(Thousand ton-km)	222,208	225,621	(1.5)
Mail Revenues	(Billion yen)	1.6	1.6	(3.0)
Mail Volume	(Tons)	16,571	16,229	2.1
Mail Traffic Volume	(Thousand ton-km)	16,275	15,821	2.9
Cargo and Mail Load Factor	(%)	26.1	26.2	(0.1)
International Cargo Revenues	(Billion yen)	54.8	41.8	31.1
Available Cargo Capacity	(Thousand ton-km)	3,391,214	3,267,578	3.8
Cargo Volume	(Tons)	500,389	457,242	9.4
Cargo Traffic Volume	(Thousand ton-km)	2,222,927	1,999,275	11.2
Mail Revenues	(Billion yen)	2.6	2.2	17.7
Mail Volume	(Tons)	15,127	13,698	10.4
Mail Traffic Volume	(Thousand ton-km)	70,208	60,591	15.9
Cargo and Mail Load Factor	(%)	67.6	63.0	4.6

*See Notes 3, 5, 6, 7, 10, 11, 12, 13 & 15 below.

In domestic cargo services, although ANA has been capturing steady demand for cargo connecting with international routes, factors such as a decrease in cargo from Tokyo and Hokkaido have led to cargo volumes decreasing year-on-year. However, revenues increased year-on-year due to improvements in the unit shipping price.

In international cargo services, cargo from Japan to overseas destinations performed well backed by robust cargo demand centered on automotive parts and electronics bound for North America and Europe. In cargo from overseas, cargo volume and revenues both increased year-on-year due to cargo from China and other parts of Asia to Japan performing well, and capturing trilateral cargo from China to North America.

< Others in Air Transportation >

Other revenue in the air transportation business rose by 38.2% from ¥101.6 billion in the same period of the previous year to ¥140.4 billion. Revenues in "Others in Air Transportation" are derived mainly from the mileage program; Vanilla Air Inc. Peach Aviation Limited (which became a consolidated subsidiary from this fiscal year), in-flight sales, and maintenance service contracts.

Vanilla Air Inc. worked to increase revenue by capturing robust inbound demand, primarily from Taiwan routes, and implementing early sales of air tickets. The company also began *Vanilla Air Points*, the first program provided by a Japanese LCC for accumulating points for each flight. In the six months ended September 30, 2017, the number of passengers carried by Vanilla Air Inc. was 1,378 thousand (up 35.7% year-on-year), with 2,516,746 thousand available seat-kilometers (up 26.2%), 2,187,647 thousand revenue passenger-kilometers (up 26.7%) and a passenger load factor of 86.9% (up 0.3 percentage points year-on-year).

Peach Aviation Limited opened new Sendai-Sapporo and Sendai-Taipei routes in September, making Sendai Airport a hub, in addition to opening Sapporo-Fukuoka and Sapporo-Taipei routes in an effort to expand its network. In the six months ended September 30, 2017, the number of passengers carried by Peach Aviation Limited was 2,507 thousand, with 3,326,165 thousand available seat-kilometers, 2,923,406 thousand revenue passenger-kilometers and a passenger load factor of 87.9%.

◎ Airline Related

Operating revenues: ¥141.5 billion, up 10.8% year-on-year

Operating income: ¥6.8 billion, up 28.4% year-on-year

Operating revenues increased by 10.8% year-on-year because of a rise in contracts with various airlines for ground handling services including passenger check-in and baggage handling service at Haneda and Kansai airports, and an increase in contracts for in-flight meals supply for foreign airline companies.

Overseas Courier Service Co., Ltd., which handles international logistics, opened the new *Tokyo Sky Gate* logistics center in September, utilizing automated facilities to consolidate collection and sorting functions in order to capture expanding demand.

◎ Travel Services

Operating revenues: ¥83.5 billion, up 1.3% year-on-year

Operating income: ¥2.2 billion, up 14.0% year-on-year

Factors such as strong turnover in overseas travel resulted in operating revenues increasing by 1.3% year-on-year.

In domestic travel services, in spite of the prompt capture of demand for the dynamic package product *Tabisaku* through improved sales promotions, which led to a steady sales turnover in services bound for the Hokkaido and Kanto regions, operating revenues decreased year-on-year because there were fewer customers visiting Okinawa and Kanto regions (eastern part of Japan include Tokyo metropolitan area) with *ANA Sky Holidays*.

In overseas travel services, although turnover of *ANA Hallo Tours* bound for Europe decreased, turnover was strong for Hawaii and the US where a focused effort was made to strengthen sales, resulting in a year-on-year increase in operating revenues.

Inbound travel to Japan also saw a year-on-year decline in operating revenues as a result of a decrease in turnover from Taiwan due to the impact of increasingly stiff competition.

◎ **Trade and Retail**

Operating revenues: ¥69.1 billion, up 0.4% year-on-year

Operating income: ¥2.2 billion, down 14.7% year-on-year

Although there was an increase in operating revenues of 0.4% year-on-year as a result of a rise in retail revenues, the impact of a decrease in revenue in the food business meant that operating income decreased by 14.7%.

In the retail business, operating revenues of the *ANA DUTY FREE SHOP* airport duty free stores and the *ANA FESTA* airport merchandise stores increased year-on-year due to an increase in passengers on international routes and an improvement in products suited to changes in the preferences of visitors to Japan. Meanwhile, in the food business, the turnover of bananas, which have been a mainstay product, decreased due to intensifying competition in the market, resulting in operating revenues decreasing year-on-year.

◎ **Other**

Operating revenues: ¥18.6 billion, up 11.6% year-on-year

Operating income: ¥1.6 billion, up 126.2% year-on-year

Operating revenues increased by 11.6% year-on-year due to strong performance in the real estate business and the airline security business.

Notes:

1. The breakdowns within segments are the categories used for internal management.
2. The revenues for each segment include internal inter-segment revenues; operating income/loss is the income/loss for the segment.
3. The above figures do not include consumption tax, etc.
4. The results for passenger travel on domestic routes include results from code share flights with IBEX Airlines Co., Ltd., AIRDO Co., Ltd., Solaseed Air Inc. (Skynet Asia Airways Co., Ltd. changed the corporate name on December 1, 2015), and StarFlyer Inc.
5. Non-scheduled flights have been excluded from both domestic and international routes.
6. Domestic cargo and mail results include results for code share flights with AIRDO Co., Ltd., Solaseed Air Inc. (Skynet Asia Airways Co., Ltd. changed the corporate name on December 1, 2015), Oriental Air Bridge Co., Ltd. and Starflyer, Inc., results for airline charter flights, and land transport results. Note that because land transport results for mail have been included from the first quarter period of FY2016, land transport results for mail have also been added to the results for the same period last year.
7. The results for international cargo and mail include the results for code share flights, results for airline charter, flights, flights with block space agreements, and land transport results.
8. Available seat-kilometers represent the total figure calculated by multiplying the available number of seats on each segment of each route (seats) by the distance for each segment (km).
9. Revenue passenger-kilometers represent the total figure calculated by multiplying the number of passengers (people) on each segment of each route by the distance for each segment (km).
10. Available cargo capacity is the total calculated by multiplying the available cargo space (tons) on each segment of each route by the distance for each segment (km). Please note that for passenger aircraft, the available cargo space in the hold (belly) of the aircraft is multiplied by the distance traveled for each segment. Moreover, the available cargo space in the belly includes the available space for checked

luggage of passengers on the flight in addition to cargo, mail, etc.

11. Cargo traffic volume and mail traffic volume is the total calculated by multiplying the volume of cargo transported on each segment of each route (tons) by the distance for each segment (km).
12. The cargo and mail load factor is the figure arrived at by dividing the sum of the cargo traffic volume and the mail traffic volume by the available cargo capacity.
13. Percentage point difference for of Passenger load factor and cargo and mail load factor between previous year and FY2016 is indicated in field of year on year.
14. The results for Vanilla Air Inc. is not included.
15. Vanilla Air Inc. does not handle cargo or mail.

2. Information Regarding Consolidated Financial Conditions

(1) Financial conditions as of September 30, 2017

Assets: Due to increase in cash and deposits by issuance of bonds, property and equipment by acquisition of aircraft, and goodwill generated as a result of consolidating Peach Aviation Limited as subsidiary, total assets increased by ¥268.5 billion compared to the balance as of the end of FY2016, to ¥2,582.9 billion.

Liabilities: Despite repayment of debt, due to issuance of bonds, total liabilities increased by ¥167.1 billion compared to the balance as of the end of FY2016, to ¥1,557.3 billion. Interest-bearing debt increased by ¥113.9 billion compared to the balance as of the end of FY2016, to ¥843.8 billion.

Net assets: Despite payment of dividends and acquisition of treasury stock, due to recording of net income attributable to owners of the parent, net assets increased by ¥101.3 billion compared to the balance as of the end of FY2016, to ¥1,025.5 billion.

For details, please refer to page 11 “5. Financial Statements and Operating Results (1) Consolidated Balance Sheet”.

(2) Cash flows for six months ended September 30, 2017

Operating activities: Net income before income taxes and non-controlling interests for the current period was ¥156.7 billion. After adjustments on non-cash items such as depreciation and amortization and addition and subtraction of accounts receivable and payable for operating activities, cash flows from operating activities (inflow) was ¥206.5 billion.

Investment activities: Due to advance payment for acquisition of aircraft and parts, cash flows from investing activities (outflow) was ¥210.8 billion. As a result, free cash flow (outflow) was ¥4.3 billion.

Financial activities: Despite repayment of debt and payment of dividends, due to issuance of bonds, cash flows from financing activities (inflow) was ¥67.1 billion.

As a result of the above, cash and cash equivalents at the end of the current period increased by ¥63.1 billion compared to the balance as of the end of FY2016, to ¥372.2 billion.

For details, please see page 15 “5. Financial Statements and Operating Results (4) Consolidated Statement of Cash Flows”.

3. Explanation of Forecast of Consolidated Financial Results

With regard to the consolidated forecast, operating revenues are expected to increase by approximately ¥15 billion compared to the consolidated operating results forecast contained in the Consolidated Financial Results for the Year Ended March 31, 2017 (released on April 28, 2017) due to factors such as steady performance of international passenger revenue, international cargo revenue and domestic passenger revenue in Air Transportation.

While revenues are expected to increase, operating income and ordinary income are expected to increase by around ¥10 billion, due to factors including an expected increase in expenses centered on maintenance and personnel expenses, and net income attributable to owners of the parent. is expected to increase by around ¥7 billion as a result of adjustment for tax expenses, etc.

The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to ANA HOLDINGS INC. and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons.

Consolidated Operating Results and Forecast (April.1,2017~March.31, 2018)

	Operating Revenues	Operating Income	Ordinary Income	Net Income attributable to owners of the parent	Net Income per Share
Previous Forecast(A)	(billion yen) 1,910	(billion yen) 150	(billion yen) 140	(billion yen) 125	(yen) 356.91

New Forecast(B)	1,925	160	150	132	377.42
Change(B - A)	15	10	10	7	20.51
% Change	0.8	6.7	7.1	5.6	—
Ref. FY2016 (April 1, 2016-March 31, 2017)	1,765	145	140	98	282.35

Notes:

1. Since a 10-to-1 share consolidation was conducted effective October 1, 2017. The number of shares above is described as after the share consolidation. In addition, net earnings per share based on the previously announced forecast and the previous fiscal year's results have been calculated based on the assumption that the consolidation of shares was performed at the start of each fiscal year.
2. The average number of shares outstanding during the year used as the basis for "net earnings per share" under the revised forecast uses the figure current as of September 30, 2017.

4. Others

- (1) Significant changes in subsidiaries during the current period (changes of specific subsidiaries by changes in the scope of consolidation): None
- (2) Use of specific quarterly accounting methods: None
- (3) Changes in accounting policies, accounting estimates and restatement of corrections: None

5. Financial Statements and Operating Results

(1) Consolidated Balance Sheet

	Yen (Millions)	
Assets	FY2017 as of Sep. 30, 2017	FY2016 as of Mar. 31, 2017
Current assets:		
Cash and deposits	81,781	60,835
Notes and accounts receivable	164,075	155,887
Lease receivables	29,409	28,948
Marketable securities	351,879	257,950
Inventories (Merchandise)	11,468	9,951
Inventories (Supplies)	58,661	54,961
Deferred income taxes	25,953	36,173
Other current assets	64,614	62,375
Allowance for doubtful accounts	(451)	(355)
Total current assets	787,389	666,725
Fixed assets		
Property and equipment:		
Buildings and structures	102,892	100,922
Aircraft	1,031,246	1,007,716
Machinery, equipment and vehicles	29,478	30,693
Furniture and fixtures	10,004	10,683
Land	42,987	49,887
Lease assets	8,565	8,473
Construction in progress	212,924	151,889
Total property and equipment	1,438,096	1,360,263
Intangible assets:		
Goodwill	57,350	1,041
Other intangible assets	93,447	87,963
Total intangible assets	150,797	89,004
Investments and other assets:		
Investments securities	117,502	119,368
Long-term receivables	4,778	4,426
Deferred income taxes	52,684	52,759
Other assets	32,573	22,734
Allowance for doubtful accounts	(1,441)	(1,393)
Total investments and other assets	206,096	197,894
Total fixed assets	1,794,989	1,647,161
Deferred assets	552	524
TOTAL	2,582,930	2,314,410

	Yen (Millions)	
	FY2017 as of Sep. 30, 2017	FY2016 as of Mar. 31, 2017
Liabilities and Net assets		
Liabilities		
Current liabilities:		
Notes and accounts payable	208,559	179,220
Short-term loans	70	70
Current portion of long-term debt	92,342	93,292
Current portion of bonds	10,000	20,000
Finance lease obligations	5,435	5,020
Income taxes payable	26,228	11,288
Advance ticket sales	177,752	150,614
Accrued bonuses to employees	28,910	41,362
Other current liabilities	63,204	71,781
Total current liabilities	612,500	572,647
Long-term liabilities:		
Bonds	125,000	125,000
Convertible bond-type bonds with stock acquisition rights	140,000	—
Long-term debt	453,334	469,655
Finance lease obligations	17,662	16,840
Deferred income taxes	13	1,444
Accrued corporate executive officers' retirement benefit	710	675
Net defined benefit liabilities	157,466	156,751
Other provisions	10,705	2,091
Asset retirement obligations	1,059	1,074
Other long-term liabilities	38,911	44,058
Total long-term liabilities	944,860	817,588
Total liabilities	1,557,360	1,390,235
Net assets		
Shareholders' equity:		
Common stock	318,789	318,789
Capital surplus	284,349	283,249
Retained earnings	432,243	334,880
Treasury stock	(24,070)	(3,756)
Total shareholders' equity	1,011,311	933,162
Accumulated other comprehensive income (loss):		
Unrealized gain on securities	22,974	20,636
Deferred gain (loss) on derivatives under hedge accounting	1,151	(11,799)
Foreign currency translation adjustments	3,120	3,364
Defined retirement benefit plans	(24,588)	(26,206)
Total	2,657	(14,005)
Non-controlling interests	11,602	5,018
Total net assets	1,025,570	924,175
TOTAL	2,582,930	2,314,410

(2) Consolidated Statement of Income

	Yen (Millions)	
	Six months ended Sep.30, 2017	Six months ended Sep.30, 2016
Operating revenues	985,049	884,995
Cost of sales	709,411	648,608
Gross profit	275,638	236,387
Selling, general and administrative expenses		
Commissions	48,092	41,634
Advertising	5,496	5,604
Employees' salaries and bonuses	18,105	16,787
Provision of allowance for doubtful accounts	44	9
Provision for accrued bonuses to employees	4,954	4,926
Retirement benefit expenses	1,691	1,702
Depreciation	10,468	9,246
Other	71,704	66,910
Total selling, general and administrative expenses	160,554	146,818
Operating income	115,084	89,569
Other income:		
Interest income	318	242
Dividend income	502	596
Equity in earnings of unconsolidated subsidiaries and affiliates	778	1,560
Gain on sales of assets	1,033	729
Gain on donation of non-current assets	654	1,487
Other	1,200	977
Total other income	4,485	5,591
Other expenses:		
Interest expenses	4,617	5,034
Foreign exchange loss, net	393	3,452
Loss on sales of assets	28	205
Loss on disposal of assets	1,078	1,920
Other	717	1,081
Total other expenses	6,833	11,692
Ordinary income	112,736	83,468
Special income		
Gain on sales of property and equipment	9,449	116
Gain on sales of investment securities	1,290	150
Gain on step acquisitions	33,801	—
Other	23	106
Total special income	44,563	372
Special loss		
Loss on disposal of property and equipment	598	237
Total special loss	598	237
Income before income taxes	156,701	83,603
Income taxes	36,936	25,945
Net income	119,765	57,658
Net income attributable to non-controlling interests	1,381	219
Net income attributable to owners of the parent	118,384	57,439

(3) Consolidated Statement of Comprehensive Income

Yen (Millions)

	Six months ended Sep.30, 2017	Six months ended Sep.30, 2016
Net income	119,765	57,658
Other comprehensive income (loss):		
Unrealized gain (loss) on securities	2,227	(1,317)
Deferred gain (loss) on derivatives under hedge accounting	13,078	(11,988)
Foreign currency translation adjustments	(258)	(1,529)
Defined retirement benefit plans	1,634	2,249
Share of other comprehensive (loss) income in affiliates	(19)	34
Total other comprehensive income (loss)	16,662	(12,551)
Comprehensive income	136,427	45,107
Total comprehensive income attributable to:		
Owners of the parent	135,046	45,064
Non-controlling interests	1,381	43

(4) Consolidated Statement of Cash Flows

Yen (Millions)

	Six months ended Sep.30, 2017	Six months ended Sep.30, 2016
I. Cash flows from operating activities		
Income before income taxes and non-controlling interests	156,701	83,603
Depreciation and amortization	74,041	68,334
Amortization of goodwill	2,015	119
(Gain) loss on disposal and sales of property and equipment	(8,778)	1,517
Gain on sales and valuation of marketable securities	(1,290)	(150)
Increase in allowance for doubtful accounts	134	6
Increase in liability for retirement benefits	3,512	1,384
Interest and dividend income	(820)	(838)
Interest expenses	4,617	5,034
Foreign exchange (gain) loss	(315)	4,630
Gain on step acquisitions	(33,801)	—
Increase in notes and accounts receivable	(4,804)	(2,117)
Decrease in other current assets	2,243	13,185
Increase (decrease) in notes and accounts payable	25,378	(1,665)
Increase in advance ticket sales	19,348	11,563
Other, net	(8,946)	(27,700)
Subtotal	229,235	156,905
Interest and dividends received	1,641	2,603
Interest paid	(4,666)	(5,048)
Income taxes paid	(19,698)	(40,693)
Net cash provided by operating activities	206,512	113,767
II. Cash flows from investing activities		
Purchase of marketable securities	(51,340)	(11,710)
Proceeds from sales of marketable securities	14,810	11,300
Purchase of property and equipment	(175,617)	(99,459)
Proceeds from sales of property and equipment	52,972	11,863
Purchase of intangible assets	(21,266)	(15,630)
Purchase of investments securities	(2,683)	(11,821)
Proceeds from sales of investments securities	1,484	310
Proceeds from withdrawal of investments in securities	—	162
Payment for purchases of investments in subsidiaries with changes in scope of consolidation	(19,476)	—
Purchases of investments in subsidiaries with changes in scope of consolidation	—	64
Proceeds from liquidation of subsidiaries and affiliates	—	142
Payment of loans receivables	(385)	(44)
Proceeds from collection of loans receivables	33	41
Other, net	(9,366)	(533)
Net cash used in investing activities	(210,834)	(115,315)

	Yen (Millions)	
	Six months ended Sep.30, 2017	Six months ended Sep.30, 2016
III. Cash flows from financing activities		
Proceeds from long-term loans	30,000	40,000
Repayment of long-term loans	(47,287)	(45,319)
Proceeds from issuance of bonds	149,863	39,769
Repayment of bonds	(20,000)	—
Repayment of finance lease obligations	(2,831)	(2,827)
(Increase) decrease of treasury stock	(19,214)	911
Payment for dividends	(21,021)	(17,492)
Other, net	(2,385)	(526)
Net cash provided by financing activities	67,125	14,516
IV. Effect of exchange rate changes on cash and cash equivalents	364	(4,512)
V. Net increase in cash and cash equivalents	63,167	8,456
VI. Cash and cash equivalents at beginning of period	309,058	265,123
VII. Cash and cash equivalents at end of period	372,225	273,579

(5) Segment Information

1. Six months ended September 30, 2017

Yen (Millions)

	Reportable Segments				Subtotal
	Air Transportation	Airline Related	Travel Services	Trade and Retail	
Operating revenues from external customers	819,222	24,853	78,488	56,049	978,612
Intersegment revenues or transfers	46,182	116,741	5,061	13,113	181,097
Total	865,404	141,594	83,549	69,162	1,159,709
Segment profit	109,292	6,867	2,294	2,229	120,682
	Other (*1)	Total	Adjustments (*2)	Consolidated (*3)	
Operating revenues from external customers	6,437	985,049	—	985,049	
Intersegment revenues or transfers	12,173	193,270	(193,270)	—	
Total	18,610	1,178,319	(193,270)	985,049	
Segment profit	1,669	122,351	(7,267)	115,084	

*1. "Other" refers to all business segments that are not included in reportable segments, such as facility management, business support and other operations.

*2. "Adjustments" of "Segment profit" are mainly the elimination of intersegment transactions and general corporate expenses.

*3. "Segment profit" is reconciled to operating income on the consolidated statement of income for the current period.

2. Information on depreciation of fixed assets and amortization of goodwill by reportable segment: None

1. Six months ended September 30, 2016

Yen (Millions)

	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	722,996	22,912	77,520	55,980	879,408
Intersegment revenues or transfers	46,152	104,830	4,962	12,937	168,881
Total	769,148	127,742	82,482	68,917	1,048,289
Segment profit	84,789	5,350	2,012	2,612	94,763
	Other (*1)	Total	Adjustments (*2)	Consolidated (*3)	
Operating revenues from external customers	5,587	884,995	—	884,995	
Intersegment revenues or transfers	11,090	179,971	(179,971)	—	
Total	16,677	1,064,966	(179,971)	884,995	
Segment profit	738	95,501	(5,932)	89,569	

*1. "Other" refers to all business segments that are not included in reportable segments, such as facility management, business support and other operations.

*2. "Adjustments" of "Segment profit" are mainly the elimination of intersegment transactions and general corporate expenses.

*3. "Segment profit" is reconciled to operating income on the consolidated statement of income for the current period.

2. Information on depreciation of fixed assets and amortization of goodwill by reportable segment: None