

## **ANA reports consolidated financial results for first quarter ended June 30, 2011**

### **1. Consolidated financial highlights for the first quarter ended June 30, 2011**

#### (1) Summary of consolidated operating results

	Yen (Millions)			
	FY2010 first quarter Apr.1-Jun.30	Year on Year (%)	FY2011 first quarter Apr.1-Jun.30	Year on Year (%)
Operating revenues	306,854	13.7	305,080	(0.6)
Operating income (loss)	2,981	–	(8,102)	–
Recurring profit (loss)	(2,967)	–	(14,456)	–
Net income (loss)	(5,254)	–	(8,470)	–
Net income (loss) per share	(2.10)yen	–	(3.37)yen	–
Comprehensive income	(25,568)	–	(16,033)	–

#### (2) Summary of consolidated financial positions

	Yen (Millions)	
	FY2010 as of Mar. 31	FY2011 first quarter as of Jun. 30
Total assets	1,928,021	2,083,714
Total net assets	526,354	505,266
Net worth	520,254	499,389
Net worth ratio	27.0%	24.0%
Net worth per share	207.35yen	198.96yen

### **2. Consolidated operating results forecast for the financial year ending March 31, 2012**

	Yen (Millions)	
	FY2011	Year on Year (%)
Operating revenues	1,410,000	3.9
Operating income	70,000	3.2
Recurring profit	36,000	(2.8)
Net income	20,000	(14.2)
Net income per share	7.97yen	-

Note: The forecasted operating results for the financial year ending March 31, 2012 have been made.

### **3. Other**

- (1) Significant change in scope of consolidation during the current fiscal year : No
- (2) Adoption of specific quarterly accounting methods : No
- (3) Change in accounting treatment since the previous financial year : No
- (4) Number of outstanding shares (Common stock)

	Shares (Thousands)			
		FY2010		FY2011
Issued stock	as of Mar. 31	2,524,959	as of Jun. 30	2,524,959
Treasury stock	as of Mar. 31	15,903	as of Jun. 30	14,968
Average number during the period	1 <sup>st</sup> quarter	2,506,118	1 <sup>st</sup> quarter	2,509,772

(5) This financial results statement is not audited and provided for reference only.

(6) All financial results are prepared on the basis of accounting principles generally accepted in Japan.

## **Overview of consolidated financial results for first quarter ended June 30, 2011**

### **1. Qualitative Information/Financial Statements and Related Matters**

#### (1) Qualitative Information Regarding Consolidated Results

unit: billion yen (rounded down)

Consolidated Operating Results	1Q/FY2010	1Q/FY2011	Year-on-Year (%)
Operating Revenues	306.8	305.0	-0.6
Air Transportation	274.5	274.3	-0.1
Travel Services	32.7	26.4	-19.0
Other	34.1	33.4	-2.0
Intersegment Transactions	-34.5	-29.1	—
Operating Income/Loss (-)	2.9	-8.1	—
Air Transportation	1.1	-9.2	—
Travel Services	0.6	0.0	-92.9
Other	1.0	0.9	-8.5
Intersegment Transactions	0.0	0.1	156.5
Recurring Profit/Loss (-)	-2.9	-14.4	—
Net Income/Loss (-)	-5.2	-8.4	—

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 is the income for the segment.

While a gradual upswing was seen in Japan's economy amid the challenging circumstances brought about by the Great East Japan Earthquake (hereinafter, "the earthquake") during the first quarter of the current consolidated fiscal period (April 1, 2011 through June 30, 2011 (hereinafter, "the first quarter")), restrictions on the supply of electric power, damage caused by the nuclear reactor, a steep rise in crude oil prices, and other factors have left future conditions uncertain.

In addition to working to stimulate demand in response to the abrupt decline in demand brought about by the earthquake, an efficiency program amounting to approximately ¥30 billion was deployed, thus minimizing the impact on income amid such economic conditions. The following is an overview of segment results for the first quarter.

### **Overview by Segment**

#### **Air Transportation Business**

**Operating Revenues: ¥274.3 billion, down 0.1% year-on-year**

**Operating Loss: ¥9.2 billion (Operating income for the previous first quarter: ¥1.1 billion)**

##### ① Domestic Passenger Services

Category	1Q/FY2010	1Q/FY2011	Year-on-Year (%)
Passenger Revenues (billion yen)	143.5	134.5	-6.2
Number of Passengers (Passengers)	9,566,538	8,164,172	-14.7

Available Seat km (Thousand km)	13,616,789	13,331,535	-2.1
Revenue Passenger-km (Thousand km)	8,398,497	7,149,460	-14.9
Passenger Load Factor (%)	61.7	53.6	-8.0

(N.B.) Part of the criteria for posting the number of passenger, available seat-km, and revenue passenger-km for domestic routes has changed beginning with this fiscal year. When aggregated according to the new criteria, the domestic route figures for the previous fiscal year would be: number of passengers, 9,543,247; available seat-km, 13,608,427,000; revenue passenger-km, 8,393,465,000.

Domestic passenger demand declined substantially as consumer confidence dipped in the wake of the earthquake. Business demand began to show signs of a rebound after hitting bottom in April and in June recovered to nearly level with the same period last year, but leisure demand has been slow to rebound despite signs of bottoming out in April.

The impact of the earthquake caused a substantial decline in demand for the route network and we adjusted supply to meet demand in response to this by reducing flights on some routes and downsizing aircraft on many routes, among other measures. We also worked to assist the recovery by establishing additional temporary flights to Sendai, Fukushima, and Yamagata.

On the operating front, we strove to stimulate demand by establishing a new weekend-only *weekend discount* fare to promote the leisure travel market. We also worked to improve convenience by introducing a program enabling ANA Mileage Club members to exchange mileage for one-way (single segment) tickets. We also established a new *special discount* fare for relocation of people affected by the disaster.

## ② International Passenger Services

Category	1Q/FY2010	1Q/FY2011	Year-on-Year (%)
Passenger Revenues (billion yen)	64.1	69.2	8.0
Number of Passengers (Passengers)	1,224,348	1,273,803	4.0
Available seat-km (Thousand km)	6,656,217	8,326,931	25.1
Revenue Passenger-km (Thousand km)	5,121,297	5,470,532	6.8
Passenger Load Factor (%)	76.9	65.7	-11.2

International passenger traffic fell dramatically during the one-month period immediately following the earthquake, but signs of a rebound have been seen since mid-April. While business demand was quick to rebound, leisure travel has been slow to recover and demand from travelers visiting Japan has suffered the greatest decline.

We moved to adjust supply to meet demand on the route network by downsizing aircraft on some routes in response to the decline in demand caused by the earthquake. We also established service to inland China for the first time, with the launch of our new Narita-Chengdu route on June 19.

To respond to post-earthquake trends in demand on the sales front, we stepped up marketing efforts to take advantage of the few business opportunities available by capturing the demand for connections between North America and Asia through Narita Airport, demand in the Western Japan market, and demand for return trips by foreigners who evacuated the country, etc. We also worked to quickly capture

leisure demand by offering more discount fares, among other means. To address the demand for travel to Japan, which saw the greatest impact from the earthquake, we actively solicited tours for governmental officials, industry groups, and media from various countries and engaged in other activities to restore the image of Japan as a travel destination.

On April 1, we also launched our joint venture for Pacific routes, establishing joint fares that enable travelers the freedom to choose flights from all three airlines on relevant routes operated by ANA, United Airlines, and Continental Airlines. In addition, on June 1 we received ATI (anti-trust immunity) approval for a joint venture with Lufthansa of Germany, and are preparing for the launch of that joint venture during the second half of this fiscal year.

### ③ Cargo Services

Category	1Q/FY2010	1Q/FY2011	Year-on-Year (%)
Domestic Routes Cargo Revenues (billion yen)	7.5	7.9	4.6
Available Cargo Capacity (Thousand ton-km)	450,610	426,304	-5.4
Cargo volume (tons)	103,674	108,575	4.7
Cargo Traffic Volume (Thousand ton-km)	104,056	108,755	4.5
Mail Revenues (billion yen)	0.8	0.8	4.3
Mail Volume (tons)	7,719	8,018	3.9
Mail Traffic Volume (Thousand ton-km)	7,891	8,268	4.8
Cargo and Mail Load Factor (%)	24.8	27.5	2.6

Category	1Q/FY2010	1Q/FY2011	Year-on-Year (%)
International Routes Cargo Revenues (billion yen)	20.0	23.6	18.1
Available Cargo Capacity (Thousand ton-km)	698,556	888,056	27.1
Cargo volume (tons)	132,439	140,644	6.2
Cargo Traffic Volume (Thousand ton-km)	485,448	563,575	16.1
Mail Revenues (billion yen)	0.7	0.8	10.2
Mail Volume (tons)	5,376	5,926	10.2
Mail Traffic Volume (Thousand ton-km)	25,055	27,554	10.0
Cargo and Mail Load Factor (%)	73.1	66.6	-6.5

Cargo demand on domestic routes increased despite damage to a cargo storage facility at Sendai Airport (it resumed handling of small lots of cargo only from June 13) and a decline in available cargo space as we downsized aircraft on selected routes to adjust for the impact of the earthquake. This resulted from an extra demand for alternatives to land transport on routes to Hokkaido and other locations due to the earthquake.

There was concern about an across-the-board decline in demand for air freight on international routes due to supply chain disruptions in automotive parts, semiconductors, and other industries caused by the earthquake, but demand rose due to the special advantages offered by air transport for critical everyday commodities such as medical supplies and water, the relocation of parts inventories, and other needs. Moreover, ANA maintained firm traffic volume amid the reduction of available space for the air cargo industry as a whole caused by downsizing of aircraft, reduction in flights, and other measures taken with passenger aircraft by other companies in the wake of the earthquake.

#### ④ Other Air Transport-Related Businesses

First quarter revenue for other air transport-related businesses was ¥37.2 billion (a decline of 1.3% year-on-year from the ¥37.7 billion booked for the same period last year).

### Travel Services

**Operating Revenues: ¥26.4 billion (down 19.0% year-on-year); Operating Income: ¥48 million (down 92.9% year-on-year)**

First quarter revenue for domestic travel fell below that of the same period last year due to the impact of the earthquake, which caused the suspension of travel services to/from Sendai Airport, in addition to low demand for products related to the Tokyo Disney Resort and other Tokyo area destinations with points of origin elsewhere.

First quarter revenue for overseas travel fell below the same period last year due to the significant impact the earthquake had on our tour products *ANA Hallo tour* and other travel services, despite the expansion of tours limited to ANA Mileage Club members and increased marketing of the *WEB Free Plan* intended to capture last minute reservations.

#### Notes:

1. The figures for operating revenues do not include consumption tax, etc.
2. The results for passenger travel on domestic routes include results from code share flights with IBEX Airlines Co., Ltd., Hokkaido International Airlines Co., Ltd., Skynet Asia Airways Co., Ltd., and Starflyer, Inc.
3. Irregular charter flights have been excluded from both domestic and international routes.
4. Domestic cargo and mail results include code share flights with Hokkaido International Airlines Co., Ltd., Skynet Asia Airways Co., Ltd., and Oriental Air Bridge Co., Ltd.
5. Includes regular late-night cargo flights on domestic routes.
6. The results for international cargo and mail include the results for code share flights, results for flights with block space agreements, and land transport results.
7. Available seat-kilometers represents 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).
8. Revenue passenger-kilometers represents the total figure calculated by multiplying the number of passengers (people) on each segment of each route by the distance for each segment (km).
9. 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.
10. 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).
11. 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.

## (2) Qualitative Information Regarding Consolidated Financial Situation

### Financial Situation

**Assets:** Cash reserves increased due to additional procurement of funds and other factors, bringing total assets to ¥2,083.7 billion, an increase of ¥155.6 billion over the end of the last fiscal year.

**Liabilities:** Interest-bearing debt increased due to the procurement of funds via borrowing, among other factors, resulting in total liabilities of ¥1,578.4 billion, an increase of ¥176.7 billion over the end of the last fiscal year. Interest-bearing debt rose by ¥165.8 billion over the end of the last fiscal year to ¥1,104.6 billion.

**Net assets:** A decline in retained earnings due to the net loss booked for the quarter and the payment of dividends resulted in a decline in net assets to ¥505.2 billion, a decline of ¥21.0 billion from the end of the last fiscal year. This resulted in a capital adequacy ratio of 24.0%.

### Cash Flow

**Operating activities:** Our cash flows from operating activities were ¥9.2 billion as a result of a ¥14.6 billion pre-tax loss for the first quarter, non-cash items such as depreciation and amortization, and the netting of receivables and payables due to operating activities.

**Investment activities:** Our cash flows from investment activities were negative ¥133.7 billion. This resulted from expenditures for the acquisition of aircraft, parts, etc. and prepayment for aircraft scheduled for introduction, deposits made into negotiable certificates of deposit, and other factors. The above factors resulted in a reduction in free cash flow of ¥124.4 billion.

**Financial activities:** Our cash flows from financing activities were ¥159.9 billion as a result of repayment of debt, repayment of lease obligations, and other factors, netted against the procurement of funds through long-term borrowing.

The above factors resulted in cash and cash equivalents totaling ¥237.0 billion for the first quarter, an increase of ¥35.4 billion over the end of the last fiscal year.

## (3) Consolidated operating results forecast for the financial year ending March 31, 2012

In regard to the future economic forecast, an economic recovery is anticipated as production rebounds with the reconfiguration of supply chains, but the future remains uncertain in the face of restrictions on the supply of electric power, the nuclear power plant disaster, and the steep rise in crude oil prices, among other factors.

Amidst these conditions, we will drill down further with the basic strategy detailed in the FY2011-2012 ANA Group Corporate Plan (disclosed February 24, 2011), working to stimulate demand for the air transportation and other businesses and to restore profitability, while also working to transition to a profit structure that maintains high quality, is highly competitive, and maintains a high degree of flexibility in responding to environmental changes. In the near term, demand for air transportation is being severely affected by sluggish corporate activity, a deterioration in consumer confidence, and the rapid decline in the number of passengers traveling to Japan brought about by the earthquake and the accident at the Fukushima No. 1 Nuclear Reactor. On the expense front, we will work to hold down expenses and continue to take emergency measures to improve the balance between income and expenditures. We are also projecting a reduction of approximately ¥12 billion in aircraft fuel tax due to reductions in and exemptions from the fuel tax with the passage of a tax reform bill, albeit for a limited time period.

Domestic and international passenger traffic is gradually rebounding, due in part to expectations of a recovery in demand and an easing of consumer sentiment towards consumption restraints, but we must project that a recovery to pre-earthquake levels will take until the end of the fiscal year. We will aim for a rebound in profitability by taking precise measures to minimize the impact in the aftermath of the earthquake by balancing supply with demand (through downsizing aircraft, reducing the number of flights, etc.), and definitively capturing new demand for leisure travel, which has lagged the rebound in business demand, driven by the lengthened, more distributed vacations being taken due to the state of the power supply. We will also work to achieve a rebound in the number of foreigners visiting Japan to the level of demand seen before the earthquake by uniting with both the government and tourist regions to implement stimulus measures.

For domestic and international cargo, we are projecting that the alternative demand created from the switch from land transport due to the impact of the earthquake will soften going forward, and also project an increase in the overall supply of space on the passenger aircraft of other companies. We will strive to capture as much of the cargo demand arising from the rebound in production as possible, while ensuring profitability.

ANA will be the first airline in the world to introduce the core next-generation Boeing 787, with 12 aircraft going into service in the second half of this year. ANA plans to initially operate these on domestic routes, and two larger aircraft, Boeing 747-400, out of service this fiscal year to meet lower demand in line with business conditions.

Our goal for the travel services business will be to definitively capture the rebound in demand as consumer sentiment towards restrained consumption eases, people are asked to take longer, more distributed vacations, and the concerns of foreigners over the nuclear power plant accident are resolved.

In light of the above projections, we have made the following operating results forecast and capital spending plan for the fiscal year ending March 2012.

Please note that we have used the following assumptions in calculating these forecasts: Yen/USD exchange rate of ¥80, USD100 per barrel for Dubai crude oil, one indicator of aircraft fuel expenses, and USD120 per barrel for Singapore Kerosene.

#### Consolidated Earning results and Forecasts

unit: billion yen (rounded down)

Category	Results/FY2010	Forecast for FY2011
Operating Revenues	1,357.6	1,410.0
Operating Expenses	1,289.8	1,340.0
Operating Income/Loss	67.8	70.0
Recurring Profit/Loss	37.0	36.0
Net Income/Loss	23.3	20.0

#### Non-consolidated Earning results and Forecasts

unit: billion yen (rounded down)

Category	FY2010	Forecast for FY2011
Operating Revenues	1,191.5	1,250.0
Operating Expenses	1,131.5	1,185.0

Operating Income/Loss	60.0	65.0
Recurring Profit/Loss	31.6	32.0
Net Income/Loss	23.0	18.0

#### ANA Group Capital Expenditure Forecasts

unit: billion yen (rounded down)

Category	Forecast for FY2011
Aircraft-related	136.0
System-related	28.0
Other	34.0
Total	198.0

#### Balance of Interest-bearing Debt, etc.

unit: billion yen (rounded down)

Category	FY2010		Forecast for FY2011	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Interest-bearing debt balance	938.8	985.2	983.0	1,036.0
Prepaid lease expenses	176.9	167.6	170.0	163.0

#### (4) Qualitative Information Regarding Current Period Dividends

The ANA Group recognizes the importance of the return of profits to our shareholders and we would like to increase returns while seeking to balance this with the need to strengthen our financial position in preparation for further business growth.

We would like to take a comprehensive view of the business environment, trends in operating results, and other factors in determining future dividends, and intend to achieve the profit plan through execution of the FY2011-2012 ANA Group Corporate Strategy, with a planned dividend of ¥2 per share.

## **2. Qualitative Information Regarding Consolidated Financial Situation**

### (1) Financial Situation

**Assets:** Our total assets increased by ¥155.6 billion against the end of FY2010, to ¥2,083.7 billion due to factors including an increase in cash reserves by new financing.

**Liabilities:** As long-term debt increased from new financing for fixed debt, our liabilities increased by ¥176.7

billion against the end of the last fiscal year, to ¥1,578.4 billion. Note that due to new loans, our interest-bearing debt increased by ¥165.8 billion against the end of the previous fiscal year, to ¥1,104.6 billion.

**Net Assets:** Total net assets were ¥505.2 billion by ¥21.0 billion decrease from the end of last fiscal year, with a net loss for the first quarter and dividends. As a result, net worth ratio as of June 30, 2011 was 24.0%.

## (2) Cash Flows

**Operating activities:** Net loss for the first quarter before tax adjustments was ¥14.6 billion. After applying depreciation and other non-cash items and changes in sales-related debts and credits, our cash flow from operating activities was positive ¥9.2 billion.

**Investment activities:** We had expenditures from the acquisition of aircraft and parts, and prepayment of aircraft scheduled for introduction, and making fixed-term deposits. As a result, our cash flow from investment activities was negative ¥133.7 billion, and our free cash flow was negative ¥124.4 billion.

**Financial activities:** Our payments included repayment of loans and payment of leases, while we procured financing via long-term loans. As a result, our cash flow from investment activities was ¥159.9 billion.

As a result of the above, our cash and cash equivalents in the first quarter period were up ¥35.4 billion against the end of the last fiscal year, resulting in a balance of ¥237.0 billion.

## 3. Others

(1) Significant changes in subsidiaries during the period under review (changes in specified subsidiaries due to change in scope of consolidation)

- None applicable

(2) Use of specific quarterly accounting methods, if any

- None

(3) Changes to accounting methods since the previous financial period, if any

- None

#### 4. Financial Statements & Operating Results

##### (1) Consolidated Balance Sheets

	Yen (Millions)	
Assets	FY2010 as of Mar.31	FY2011 as of Jun.30
<b>Current assets</b>	472,187	643,671
Cash, deposits and Marketable securities	36,956	30,176
Trade accounts receivable	95,756	112,170
Marketable securities	173,874	337,484
Inventories (Merchandise)	5,445	5,128
Inventories (Supplies)	50,014	48,709
Differed income tax - current	38,618	43,916
Other	72,766	67,401
Allowance for doubtful accounts	(1,242)	(1,313)
<b>Fixed assets</b>	1,455,318	1,439,612
<b>Tangible fixed assets</b>	1,189,200	1,174,369
Buildings and structures	117,775	117,366
Flight equipment	714,572	708,916
Land	57,279	57,263
Leased assets	35,904	34,209
Construction in progress and advance payment on aircraft purchase contracts	226,727	219,939
Other	36,943	36,676
<b>Intangible fixed assets</b>	74,403	72,962
<b>Investments and others</b>	191,715	192,281
Investment in securities	51,079	49,959
Differed income tax - long term	93,116	100,487
Other	48,404	42,974
Allowance for doubtful accounts	(884)	(1,139)
<b>Deferred assets</b>	516	431
<b>Total assets</b>	1,928,021	2,083,714

<b>Liabilities and Net assets</b>	<b>FY2010 as of Mar.31</b>	<b>FY2011 as of Jun.30</b>
<b>Liabilities</b>		
<b>Current liabilities</b>	447,591	518,932
Trade accounts payable	160,755	132,946
Short-term loans	166	50,000
Current portion of long - term debt	115,036	123,406
Current portion of bonds payable	20,000	20,000
Lease obligation	11,193	11,451
Accrued income tax	4,787	1,953
Accrued bonuses to employees	27,683	33,260
Provision for potential loss on antitrust proceedings	116	116
Asset retirement obligations	1,614	1,706
Other	106,241	144,094
<b>Long - term liabilities</b>	954,076	1,059,516
Bonds payable	95,000	95,000
Long - term debt payable	665,161	774,835
Lease obligation	32,263	29,942
Accrued employees' retirement benefits	123,400	124,325
Retirement benefit for directors	569	521
Asset retirement obligations	977	1,080
Consolidation adjustment account	392	258
Other	36,314	33,555
<b>Total liabilities</b>	1,401,667	1,578,448
<b>Net assets</b>		
<b>Shareholders' equity</b>	516,803	503,485
Common stock	231,381	231,381
Capital surplus	196,330	196,212
Retained earnings	94,892	81,348
Treasury stock	(5,800)	(5,456)
<b>Accumulated other comprehensive income</b>	3,451	(4,096)
Net unrealized holding gain on securities	(810)	(1,405)
Deferred gain on hedging instruments	5,010	(1,837)
Foreign currency translation adjustments	(749)	(854)
<b>Minority interests</b>	6,100	5,877
<b>Total Net assets</b>	526,354	505,266
<b>Total liabilities and net assets</b>	1,928,021	2,083,714

## **(2) Consolidated Statements of Income (Loss)**

	Yen (Millions)	
	FY2010 first quarter Apr.1 – Jun.30	FY2011 first quarter Apr.1 – Jun.30
<b>Operating revenues and expenses</b>		
Operating revenues	306,854	305,080
Operating expenses	254,865	264,285
Sales, general and administrative expenses	49,008	48,897
Operating (loss) income	2,981	(8,102)
<b>Non-operating income and expenses</b>		
Non-operating income	1,834	2,362
Interest income	191	199
Other	1,643	2,163
Non-operating expenses	7,782	8,716
Interest expenses	4,554	4,816
Other	3,228	3,900
<b>Total recurring (loss) profit</b>	<b>(2,967)</b>	<b>(14,456)</b>
<b>Extraordinary gains</b>	<b>11</b>	<b>38</b>
Gain on revision of employees' retirement benefit plan	-	38
Gain on liquidation of subsidiaries and affiliates	8	-
Gain on sales of memberships	3	-
<b>Extraordinary losses</b>	<b>2,398</b>	<b>211</b>
Extra retirement expenses	9	14
Loss on sales of investment securities	-	162
Expenses related to antitrust proceedings	258	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,130	-
Other	1	35
<b>Net loss before taxes</b>	<b>(5,354)</b>	<b>(14,629)</b>
Income taxes	(96)	(6,144)
<b>Net loss before minority interests</b>	<b>(5,258)</b>	<b>(8,485)</b>
Minority interests	(4)	(15)
<b>Net loss</b>	<b>(5,254)</b>	<b>(8,470)</b>

### **(3) Consolidated Statement of Comprehensive Income**

	Yen (Millions)	
	FY2010 first quarter Apr.1 – Jun.30	FY2011 first quarter Apr.1 – Jun.30
<b>Net loss before minority interests</b>	(5,258)	(8,485)
<b>Other comprehensive income</b>		
Net unrealized holding loss on securities	(613)	(586)
Deferred loss on hedging instruments	(19,498)	(6,844)
Foreign currency translation adjustments	(202)	(106)
Share of other comprehensive income of affiliates accounted for by the equity-method	3	(12)
<b>Total other comprehensive income</b>	(20,310)	(7,548)
<b>Comprehensive income</b>	(25,568)	(16,033)
(Total comprehensive income attributable to)		
Owners of All Nippon Airways Co., Ltd	(25,559)	(16,017)
Minority interests	(9)	(16)

### **(4) Consolidated Statement of Cash Flows**

	FY2010 first quarter Apr.1 – Jun.30	FY2011 first quarter Apr.1 – Jun.30
<b>I. Cash flows from operating activities</b>		
Net cash provided by operating activities (Note 1)	39,474	9,263
<b>II. Cash flows from investing activities</b>		
Net cash used in investing activities (Note 2)	(89,225)	(133,729)
<b>III. Cash flows from financing activities</b>		
Net cash provided by financing activities	87,211	159,954
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	(119)	(69)
<b>V. Net increase in cash and cash equivalents</b>	37,341	35,419
<b>VI. Cash and cash equivalents at the beginning of the period</b>	148,189	201,606
<b>VII. Cash and cash equivalents at the end of the period</b>	185,530	237,025
Note 1 including, Depreciation and amortization	28,496	28,878
Note 2 including, Payment for purchase of property, equipment and intangible assets	(48,124)	(20,246)

## **(5) Segment information**

Segment performance is evaluated based on operating income or loss. Intra-group sales are recorded at the same prices used in transactions with third parties.

<FY2010 first quarter Apr.1 - Jun.30>						Yen (Millions)	
	Reportable Segment			Other	Total	Adjustment	Consolidated
	Air Transportation	Travel Services	Subtotal				
Operating revenues	254,536	29,605	284,141	22,713	306,854	-	306,854
Intra-group sales and transfers	20,045	3,095	23,140	11,408	34,548	(34,548)	-
Total	274,581	32,700	307,281	34,121	341,402	(34,548)	306,854
Segment result	1,183	672	1,855	1,064	2,919	62	2,981

<FY2011 first quarter Apr.1 - Jun.30>						Yen (Millions)	
	Reportable Segment			Other	Total	Adjustment	Consolidated
	Air Transportation	Travel Services	Subtotal				
Operating revenues	259,025	24,376	283,401	21,679	305,080	-	305,080
Intra-group sales and transfers	15,312	2,107	17,419	11,743	29,162	(29,162)	-
Total	274,337	26,483	300,820	33,422	334,242	(29,162)	305,080
Segment result	(9,283)	48	(9,235)	974	(8,261)	159	(8,102)