ANA HOLDINGS INC. (9202)
Consolidated Financial Results
For the period ended March 31, 2015

ANA HOLDINGS reports consolidated financial results for FY2014

1. Consolidated financial results for the period ended March 31, 2015

(1) Consolidated financial results **Yen (Millions)**

	FY2014 Apr.1 - Mar.31	Year-on-Year (%)	FY2013 Apr.1 - Mar.31	Year-on-Year (%)
Operating revenues	1,713,457	9.1	1,570,145	-
Operating income	91,541	38.7	65,986	(36.4)
Recurring profit	67,129	56.4	42,928	(44.2)
Net income	39,239	107.8	18,886	(56.2)
Comprehensive income	57,142	113.8	26,724	(47.2)
Net income per share	11.24	yen	5.41	yen
Net income / Shareholders' equity	5.1	%	2.5	%
Recurring profit / Total assets	3.0	%	2.0	%
Operating income / Operating revenues	5.3	%	4.2	%
Equity in net income of affiliates	2,150		1,336	

* Year-on-year for operating revenues for the FY2013 is omitted due to retroactive adjustment pursuant to the change in accounting policy.

(2) Consolidated financial positions **Yen (Millions)**

	FY2014 as of Mar.31		FY2013 as of Mar.31	
Total assets	2,302,437		2,173,607	
Total net assets	803,552		751,291	
Net worth / total assets	34.7	%	34.3	%
Net worth per share	228.45	yen	213.82	yen
Net worth	798,280		746,070	

(3) Consolidated cash flows **Yen (Millions)**

	FY2014 Apr.1-Mar.31	FY2013 Apr.1-Mar.31
Cash flows from operating activities	206,879	200,124
Cash flows from investing activities	(210,749)	(64,915)
Cash flows from financing activities	(30,424)	(85,569)
Cash and cash equivalents at the end of the period	208,937	240,935

2. Dividends

Yen

Dividends per share	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Full fiscal year
FY2013	-	-	-	3.00	3.00
FY2014	-	-	-	4.00	4.00
FY2015 (Forecast)	-	-	-	5.00	5.00

	Total dividends (Millions of yen)	Payout ratio (Consolidated)(%)	Ratio of dividends to net assets (Consolidated)(%)
FY2013	10,467	55.5	1.4
FY2014	13,977	35.6	1.7
FY2015 (Forecast)	-	33.6	-

Note:

＊ In FY2013 total amount of dividends does not include the dividends paid to the trust account of the ANA Group Employee Stock Ownership Trust and affiliates of ¥67 million.

＊ In FY2014 total amount of dividends does not include the dividends paid to the trust account of the ANA Group Employee Stock Ownership Trust and affiliates of ¥68 million.

3. Forecast of consolidated operating results for the period ending March 31, 2016

	(Millions of yen)	Year-on-Year (%)
Operating revenues	1,790,000	4.5
Operating income	115,000	25.6
Recurring profit	90,000	34.1
Net income attributable to parent company shareholders	52,000	32.5
Net income per share	14.88 yen	

4. Others

(1) Changes of important subsidiaries during the period (changes of specific subsidiaries involving changes in the scope of consolidation): No

	Consolidated	Equity method
Newly added	-	-
Excluded	-	-

(2) Changes in accounting principles, procedures, and the method of presentation

1) Changes caused by revision of accounting standards: Yes
2) Changes other than (1): Yes
3) Changes in accounting estimates: No
4) Restatement: No

*For details, please see page 33 "Changes in accounting policies"

(3) Number of outstanding shares (Common stock)

Shares

		FY2014		FY2013
Issued stock (including treasury stock)	as of Mar.31	3,516,425,27	as of Mar.31	3,516,425,257
Treasury stock	as of Mar.31	22,069,782	as of Mar.31	27,132,969
Average number of shares during the period		3,492,380,803		3,493,860,158

*For the number of common stocks used as basis for calculating consolidated net income per share, see page 37 "Per share information".

(Reference) Summary of non-consolidated financial results

(1) Non-consolidated financial results **Yen (Millions)**

	FY2014 Apr.1 - Mar.31	Year on Year (%)	FY2013 Apr.1 - Mar.31	Year on Year (%)
Operating revenues	191,338	(1.4)	193,981	-
Operating income	52,465	3.3	50,785	-
Recurring Profit	38,934	15.9	33,585	-
Net income	20,733	14.4	18,117	-
Net income per share	5.93	yen	5.18	yen

＊ The company has moved to a holding company structure by means of a company split on April 1, 2013. Due to significant differences to our business performance, comparison with the previous period is not adequate. Therefore year-on year rates for FY2013 are not stated.

(2) Non-consolidated financial positions **Yen (Millions)**

	FY2014 as of Mar. 31		FY2013 as of Mar. 31	
Total assets	1,754,939		1,718,837	
Total net assets	785,698		728,456	
Net worth / total assets	44.8	%	42.4	%
Net worth per share	224.77	yen	208.69	yen
Net worth	785,698		728,456	

＊ Statement Relating to the Execution Status for Audit Procedures
This financial summary falls outside the scope of audit procedures based on the stipulations of the Financial Instruments and Exchange Act. The audit procedures for financial statements based on the stipulations of said Act were not completed at the time this financial summary is disclosed.

＊ Explanations and other special notes concerning the appropriate use of business performance forecasts
The consolidated business performance forecasts given in this document are based on presuppositions, prospects, and future business plans, currently available on the date this document is published. Actual results may differ from these forecasts for a variety of reasons.
For premise relating to forecasts and notes on using the forecasts, please refer to “1. Corporate Performance, (1) Analysis of Operating Results” on page 5 of the accompanying materials.

1. Analysis of Operating Results & Financial Positions

(1) Analysis of Operating Results

① Overview of the period ended March 31, 2015

Japan's economy for the period (April 1, 2014 - March 31, 2015) has continued to experience a gradual recovery, with robust trends in personal consumption and signs of improvement in corporate earnings. Although there are concerns about the risk of a down-turn in the economy, with a slump in some overseas economies and so on, the outlook is for a continued, gradual recovery as the result of a drop in crude oil prices and the effect of various government deals. The markets of the airline industries have generally seen strong demand, with continued steady recovery in domestic and overseas economies and the depreciation of the yen resulting in an increase in foreign visitors to Japan.

Under these economic conditions, ANA is implementing the "ANA Group Medium-Term Corporate Strategy for FY 2014-2016." This strategy is founded on three principles, namely "to strengthen core businesses" in order to improve profitability in airline transportation; "to expand and diversify revenue domains" through strategic investments and, in order to consolidate the management base; and "to evolve cost structure reforms" to enhance competitiveness.

As a result of the above, consolidated results for the fiscal year under review show operating revenues of ¥ 1,713.4 billion (up 9.1% year-on-year) and despite an increase in operating expenses, such as fuel costs and aircraft rentals that are linked to the scale of operations, operating income was ¥ 91.5 billion (up 38.7% year-on-year) and recurring profit stood at ¥ 67.1 billion (up 56.4% year-on-year) both exceeding results in the previous period; note that these increases are due primarily to revenue growth in air transportation. ALL NIPPON AIRWAYS CO., LTD. moved some defined benefit pension plans to defined contribution plans and as a result of the extraordinary gains so recorded etc., the net income was ¥ 39.2 billion (up 107.8% year-on-year).

An overview of the fiscal year under review by segment follows:

(Revenues for each business segment include inter-segment sales, operating income corresponds to segment income):

Overview by segment

◎Air Transportation

Air transportation operating revenues for the period was ¥ 1,484.6 billion (up 8.8% year-on-year) due primarily to revenue increases on international routes where the scale of business operations grew; while operating income stood at ¥ 81.6 billion (up 24.9% year-on-year) An overview is provided below.

Incidentally, for three years running the U.K based Skytrax (an airline service ratings company) has awarded the ANA Group "5 Stars" for customer satisfaction; the highest rating available.

＜**Domestic Passenger Services**＞

Demand for domestic passenger services has remained steady throughout the year. Moreover, in addition to revising regular fares from July, ANA has been flexible in setting a variety of discount fares and these factors, along with others, we have captured in firm demand; with both passenger numbers and revenue exceeding figures for the previous year.

In terms of the route network, Itami/Sapporo-Aomori started from July, and Haneda-Nagoya(Chubu) from the winter schedule. In addition, there have been improvements to the network with an increase in the number of flights on Haneda-Iwami/Tottori/Hakodate and Itami-Sapporo/Fukushima/Miyazaki and Fukuoka-Sendai from the summer timetable; On Haneda-Okayama/Okinawa and Fukuoka-Okinawa from the winter schedule. Meanwhile, ANA has been encouraging measures to match capacity and demand by flexibly changing aircraft size depending on shifts in demand.

On the marketing front, ANA has carried out a detailed review of the level of various *Tabiwari* (discount) fares, and has also extended its summer campaign featuring Pokemon characters that are favorites with the children; measures taken to stimulate sales demand.

In terms of services, ANA has tried to improve customer convenience by introducing a service aimed at members of the *ANA Mileage Club* whereby their accumulated *Miles* can be exchanged for *ANA SKY COINS* from 1 mile, as well as allowing the use of IC cards such as *Suica* in addition to *Rakuten Edy* cards for in-flight shopping. In addition, in an effort to increase competitiveness ANA has set up an ANA SUITE LOUNGE for domestic flights at Naha Airport and has also launched the Tastes of JAPAN by ANA both at home and abroad, which offers food, drink, treats and culture from around Japan to allow customers to enjoy local specialties throughout the year as part of the in-flight and ground services.

To strengthen the ANA brand, uniforms for cabin crew, ground staff and lounge staff were completely redesigned in February 2015.

As a result of the above, the number of passengers on domestic services for the year rose to 43.20 million passengers (up 1.3% year-on-year), while revenue increased to ¥683.3 billion (up 1.2% year-on-year).

＜**International Passenger Services**＞

International passenger services exceeded those of the previous year in terms of both passenger numbers and revenue. This was due to an increase in the scale of operations as a result of launched flights and increased flights on existing routes; with strong demand on long-haul routes in particular, as well as robust in-bound demand primarily from Chinese and Asian routes.

The increase in landing slots at Haneda Airport since the summer schedule has allowed the starting of new routes in the network from Haneda-London/Paris/Munich/Hanoi/Jakarta/Manila/Vancouver and also an increase in flights from Haneda-Frankfurt/Singapore/Bangkok; and convenient access from the downtown has encouraged demand from business travelers, as well as transit demand from Japan's local regions.

At Narita Airport, ANA launched Dusseldorf route and enhanced the network. In addition, ANA has been encouraging measures to match supply and demand by flexibly changing aircraft depending on shifts in demand.

On the marketing front, various discounted fares, such as *Biz-wari* (business class discounts) and *Eco-wari* (economy class discounts) have been established for all out-bound destinations from Japan in an effort to stimulate demand.

In terms of services, ANA has added and expanded its ANA SUITE LOUNGE and ANA LOUNGE facilities at Haneda Airport, and in addition has employed world-renowned chefs to produce in-flight meals, allowing passengers to enjoy fine food. Moreover, in an attempt to strengthen competitiveness some aircraft on international routes are equipped with in-flight entertainment programs that boast more than 300 channels and allow passengers to enjoy the content in multiple languages.

As a result of the above, the number of passengers on international services for the year increased to 7.20 million passengers (up 13.8% year-on-year), while revenue increased to ¥ 468.3 billion (up 18.5% year-on-year).

＜Cargo Services＞

Despite increased intensifying competition, demand in domestic cargo service remained strong in the first half of the year due to demand for home delivery parcel services and cargo connections between Japan's local regions and international in-bound and out-bound flights at Haneda Airport.
From October due to the impact of the typhoon, fresh food cargo demand from Kyushu was sluggish. However, by operating extra flights, ANA was able to cope with seasonal demands and as a result transport volumes were down though revenues were up comparing to the previous year.

As a result of the above, the volume of domestic cargo handled in the year rose to 475 thousand tons (down 0.3% year-on-year), while revenue increased to ¥ 32.5 billion (up 1.5% year-on-year). The volume of domestic mail transported was 32thousand tons (up 0.6% year-on-year), while revenue stood at ¥ 3.7 billion (up 4.2% year-on-year).

In International cargo operations, we acquired firm demand to transport items such as automobile parts from Japan to North America, and worked to capture trilateral cargo traffic between Asia/China and Europe/North America and using the Okinawa cargo Hub and network. In addition In the cargo network, the addition of one dedicated cargo aircraft gave a fleet of 10 such aircraft, and starting in May ANA started up new routes between Okinawa-Singapore-Narita, as well as Narita-Jakarta. ANA also layed on extra flights to meet demand . In addition, transport volumes and revenue both exceeded those of the previous year as a result of initiatives such as the start of a joint air cargo venture with Lufthansa Cargo AG on routes between Japan and Europe in December.

As a result of the above, the volume of international cargo handled in the year rose to 841 thousand tons (up 18.5% year-on-year), while revenue increased to ¥ 124.7billion (up 19.1% year-on-year). The volume of international mail transported was 35 thousand tons (up 4.3% year-on-year), while revenue stood at ¥ 5.8 billion (up 14.9% year-on-year).

＜Others in Air Transportation＞

Others in Air Transportation business revenue was ¥ 165.9 billion, an increase of 11.9% over revenue of ¥ 148.2 billion in the same period the previous year. It's revenue derives from mileage program, revenue from the LCC Vanilla Air Co., Ltd, in-flight sales income and income from maintenance contracts etc.

Vanilla Air Co., Ltd. started the following new routes: Narita-Amami Oshima (in July); Narita-Hong Kong (in November); and Narita-Kaohsiung (this February) and in an attempt to improve customer convenience, the company has also enabled the booking of tickets on smart phones and the exchange of Miles to award tickets for Vanilla flights.. Furthermore, in an attempt to raise its profile, the company has been conducting joint campaigns with other sectors on an on-going basis. While the company canceled 154 flights in June, in July it has been able to secure the necessary flight crew numbers and has operated to plan.

The company carried 1,141 thousand passengers with 2,202,656 thousand available seat-km 1,767,914 thousand revenue passenger-km and a passenger load factor of 80.3%.

◎ Airline Related

Airline related business for the year showed operating revenues of ¥ 223.7 billion (up 18.0 % year-on-year) and operating income of ¥ 9.0 billion (up 228.7 % year-on-year) These figures were driven by an increase in airport ground support services commissioned by foreign airlines at Haneda, Kansai and Naha airports such as passenger check-in and baggage handling services, and also by ANA Cargo Ltd., which began operations in April etc.

◎ Travel Services

In domestic travel, the leading product *ANA Sky Holiday* handled a high turnover of business in the Kansai region and turnover in Kyushu also remained firm; however despite this, turnover from domestic travel was down on the previous year due to a downturn in the previous year's strong demand in the Kanto region, as well as the fact that the handling of some dynamic package products was transferred to ANA Jalan Pack Co., Ltd. - a new non-equity method that began operations in July. In overseas travel, net income exceeded that of the previous year as the leading product *ANA Hallo Tour* increased its product lineup in conjunction with the expansion of international network routes at Haneda Airport and captured strong out-bound demand from Japan's local regions, plus continued robust performance from the dynamic package *Tabisaku.* In addition, turnover in in-bound travels to Japan was up on the previous year, as a result of brisk demand from Taiwan, Hong Kong.

As a result of the above, operating revenues for the year from travel services was ¥ 169.0 billion (down 2.5% year-on-year), however operating income increased to ¥4.5 billion (up 3.1 % year-on-year) due to cost reduction efforts etc.

◎ Trade and Retail

The retail sector captured robust sales from the ANA DUTY FREE SHOPS and ANA FESTA merchandise outlets in airport terminals following an increase in passenger driven by the expansion of the network at Haneda Airport. In addition, semi-conductor orders were strong in the aviation and electronics sector. The food sector also began to export Japanese food, predominantly within Asia, to meet the growing demand for Japanese food.

As a result of the above, operating revenue for the year from trade and retail rose to ¥ 127.0 billion (up 15.2% year-on-year), and operating income increased to ¥ 4.0 billion (up 22.6 % year-on-year).

◎ Other

Operating revenues for the year from "Other" revenues increased to ¥ 32.5billion (up 8.2 % year-on-year) and operating income rose to ¥ 1.6 billion (up 18.8 % year-on-year) driven by robust performance in building maintenance operations and favorable conditions in the real estate business etc.

② Outlook for the Next Financial Year

Although there are concerns about the risk of a down-turn in the economy, with a slump in some overseas economies and so on, the economic outlook for next year is for a continued, gradual recovery as a result of a drop in crude oil prices and the effect of various government deals.

Given these circumstances, the Group is promoting the following measures to realize the strategic vision of "Aiming to be the World's Leading Airline Group" in accordance with "ANA Group's Medium-Term Corporate Strategy for FY 2014-2016: Rolling Plan and Long-Term Corporate Strategy" (issued January 30, 2015.)

In domestic passenger services, foreign visitor travel within Japan means that demand for airline services is expected to increase despite a decline in the country's aggregate population and an anticipated increase in competition from the extension to the Hokuriku Shinkansen in March 2015; business travel demand is also expected to remain firm in line with the gradual recovery in Japan's economy. In light of this, ANA is not only working to enhance the service it offers as a full-service carrier, but also to ensure profitability by encouraging measures to match capacity with demand.

ANA is aiming to improve the route network service in response to demand by taking advantage of the "low-noise slots" that allow low-noise jets to land and depart from Itami Airport.

In terms of sales and services, ANA is beginning sales of brand new Japanese fares abroad that will target passengers visiting Japan in an attempt to stimulate demand; and is also accumulating the number of miles required for special domestic flight coupons in order to improve convenience in the ANA Mileage Club. Moreover, efforts will be made on completing comfort for Premium Class customers, in terms of in-flight meals and an expansion of services offered in lounges etc.

In the midst of a gradual recovery in the global economy, ANA is expanding its scale of network in international passenger services while continuing to enhance sales and marketing abroad by developing the "dual hub model for Tokyo metropolitan areas."

On international route network ANA is commencing a new service from Narita -Houston in June 2015 that aims to encourage demand for business travel by facilitating from Houston to southern regions of the United States, as well as Central and South America. Furthermore, the following initiatives hope to capture the potential demand starting of a new route from Narita - Kuala Lumpur; a successive increase in flights from Narita -Singapore/Bangkok; improvements in ease of transit between Asia and North America; and increased flights from Narita - Honolulu to capture pleasure demand.

In terms of sales and marketing, fares will be developed that combine competitiveness and flexibility. In addition, ANA will continue to promote its own brand in overseas markets, as well as taking part in promotions to market the appeal of Japan; and in its position as a Japanese airline, ANA will make every effort to stimulate in-bound visitor demand to Japan.

In cargo, trends in demand for domestic cargo are sluggish; in international cargo, demand for out-bound cargo from Japan is expected to remain steady given the continuation of the weak yen, and it is also envisaged that out-bound cargo from foreign countries, as well as the transportation of cargo between trilateral, will show strong demand in response to growth in Asia and economic recovery in the US. In light of these circumstances, in domestic cargo ANA Cargo Inc. (hereafter ACX) is working to improve customer convenience by introducing the new WEB-based sales reservation system in the domestic sector. In international cargo, initiatives to secure demand include the introduction of additional, freighter dedicated cargo aircraft and the development of new routes. Furthermore, as well as using the Okinawa cargo hub to increase high value-added cargo such as express cargo, ACX is making every effort to strengthen its revenue base by encouraging preparations for the start of a joint air cargo venture with United Airlines, which was approved as exempt from the Antitrust Immunity by the Ministry of Land, Infrastructure and Transport in April 2015.

The Fleet Plan is scheduled to introduce a total of 23 aircraft with an expansion of international operations mainly on Narita Airport and initiatives to match capacity and demand on domestic routes by using smaller sized aircraft. The following is a breakdown of the aircraft scheduled for introduction: two Boeing 777-300 ER; nine Boeing 787-9; three Boeing 787-8; three Boeing 737-500; five Boeing 737-800; and one Boeing 767-300F (a dedicated cargo model). Meanwhile the following five aircraft are scheduled for retirement: three Boeing 767-300; two Airbus A320-200.

In LCC operations, Narita Airport (the main base for Vanilla Air Co., Ltd. hereafter Vanilla) commenced service of Narita Airport Terminal 3 dedicated to LCC in April 2015. Vanilla intends to create new demand for the airline by increasing flights in and out of Narita Airport to improve the network, and will also stimulate demand by continuing to set promotional fares and making the web site easier to use.

In the travel services, ANA Sales Co. Ltd. (hereafter ASX) will try to stimulate demand, including the development of new business, by enhancing its products - primarily the leading *ANA Sky Holidays* - with the key targets being senior citizens and women. In overseas travel ASX will make every effort to increase the competitiveness of its products; improvements will continue to be made in the product line-up that uses ANA's international networks at Haneda and Narita airport, and high value-added products such as *ANA Wonder Earth* and *Otona no Yutori Tabi* will be extended. Efforts will also be made to strengthen sales of dynamic package products in both domestic and overseas travel. ASX aims to strengthen initiatives that increase demand for visits to Japan such as improved domestic package tour products for passengers visiting the country.

Overseas airlines are expected to continue to increase their number of flights and ALL NIPPON AIRWAYS TRADING CO., LTD.(hereafter ANATC) is planning that Airline Related operations will contribute to Group revenue by increasing contracts to supply passenger and cargo handling services to these airlines in domestic airports.

Trade and Retail operations are working to increase revenue by strengthening and extending existing operations, as well as developing new business.

In Others, ANA aims to exploit the comprehensive strengths of the Group and contribute to increased profits Group-wide by restructuring existing operations and expanding external business.

At present, the forecast for consolidated results for the fiscal year ending March 2016 are as follows: operating revenues¥ 1,790.0 billion (up 4.5% year-on-year); operating income ¥ 115.0 billion (up 25.6% year-on-year); recurring profit ¥ 90.0 billion (up 34.1% year-on-year); and net income ¥ 52.0 billion (up 32.5% year-on-year).

At the time these calculations were made, the exchange rate was ¥ 120 to one US dollar, and the market price for crude oil on the Dubai market, which is an index for aviation fuel costs, was US$ 67 per barrel, while Singapore kerosene costs were US$ 85 per barrel.

(2) Analysis of the Financial Position

1) Consolidated Balance Sheet

Assets: Due to increase in derivative assets as a result of depreciation of yen and continuing investments such as aircraft procurement, total assets increased by ¥128.8 billion against the end of FY2013 to ¥2,302.4 billion.

Liabilities: As a result of increase in derivative liabilities affected by crude oil market conditions, total liabilities increased by ¥76.5 billion against the end of FY2013 to ¥1,498.8 billion. Interest-bearing debt decreased by ¥14.9 billion against the end of FY2013 to ¥819.8 billion.

Net assets: Despite payment of dividends, recording of net income and revision of accounting standard for retirement benefit resulted in net assets increasing ¥52.2 billion against the end of FY2013 to ¥803.5 billion. As a result, the equity ratio was 34.7%.

2) Consolidated Statement of Cash Flows

Operating activities: Net income before tax adjustments was ¥77.9 billion. After adjustment for depreciation and amortization, other non-cash items, and changes in operating receivables and payables, net cash provided by operating activities was a positive ¥206.8 billion.

Investing activities: Due to purchase of aircraft and parts, prepayment for aircraft purchase, etc.,net cash used in investing activities was a negative ¥210.7 billion. As a result, free cash flow was a negative ¥3.8 billion.

Financial activities: Despite new funding, net cash used in financing activities, due to repayment of debt and payment of dividends, cash flows from financial activities was a negative ¥30.4 billion.

As a result of the above, cash and cash equivalents including effects of change of scope of consolidation at the end of the reporting quarter decreased by ¥31.9 billion from the end of FY2013, with a balance of ¥208.9 billion.

The trends of our group's cash-flow indicators are as follows:

Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Net worth ratio (%)	27.0	27.4	35.9	34.3	34.7
Net worth ratio based on market prices (%)	32.3	31.4	31.5	35.8	48.8
Debt repayment period (years)	4.6	4.5	5.2	4.2	4.0
Interest coverage ratio	10.7	10.8	9.5	12.4	14.7

＊ Net worth ratio: Net worth / Total assets

Net worth ratio based on market prices: Total market value of shares / Total assets

Debt repayment period: Interest bearing debt / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest payments

Notes: 1. Each indicator is calculated based on consolidated financial figures.

2. The total market value of shares is calculated based on the closing stock price at fiscal year-end, and the total number of shares issued as of the end of the fiscal year (less treasury stock).

3. The cash flows from operating activities in the consolidated statements of cash flows is used as the cash flows from operating activities. Interest-bearing debt is all the debts recorded on the consolidated balance sheet for which interests are being paid.

(3) Dividend Policy and Dividends for the Current and Next Fiscal Periods

Operating Revenues in the current period saw an increase in revenue driven by steady demand - primarily on international routes where the scale of network was expanded. Meanwhile, despite an increase in costs, such as fuel costs to meet the increased scale of operations and aircraft rental fees etc., ANA implemented the structural cost reforms outlined in "ANA Group's Medium-Term Corporate Strategy for FY 2014-2016" and as a result saw increases in operating income, recurring profits, and net income.

Dividends for the current period have been allocated at ¥4 per share, after comprehensive consideration of the results and financial conditions for the current period, as well as the future business environment.

ANA HOLDINGS INC. views the return of profits to shareholders as an important function of management, and has always worked to provide robust shareholder returns while maintaining a balance between returns and enhancing financial status to support future business expansion. Dividends for the next period are scheduled to be allocated at ¥5 per share, once the issues in "ANA Group's Medium-Term Corporate Strategy for FY 2014-2016: Rolling Plan" have been implemented.

(4) Operating Risks

The following risks could significantly affect the judgment of investors in the ANA Group. These forward-looking statements are being made at the determination of the ANA Group as of the end of the fiscal year under review.

① Risks accompanying delay in economic recovery

The airline industry is susceptible to the effects of economic trends, and if domestic and overseas economies are sluggish, this may cause reduced demand for air travel due to deterioration in personal consumption and corporate profits. Our international passenger and cargo businesses depend greatly on overseas markets, particularly those in China and other Asian regions, as well as North America; as a result, economic conditions in these regions could lead to a decrease in the number of passengers and volume of cargo and a reduction in the unit price.

② Risks related to corporate strategies

1) Risks related to fleet strategy

In air transportation operations, ANA Group is pursuing a fleet strategy centered on the introduction of highly economical aircraft; the rationalization of models; and the deployment of small and medium-sized aircraft. In line with this strategy, orders have been placed for aircraft with the Boeing Company, Airbus, Bombardier Inc., and Mitsubishi Aircraft Corporation, but any delays in delivery due to financial or other factors at any of these companies could impair ANA Group's operations. Further, this fleet strategy could prove ineffective due to the factors given below, significantly diminishing expected benefits.

(i) Dependence on the Boeing Company

The majority of the aircraft that are planned to be introduced under the fleet strategy above have been ordered from Boeing Company. If, due to financial or other factors, Boeing were unable to fulfill its agreements with ANA Group's or a company performing maintenance on Boeing products, ANA Group would be unable to acquire or maintain aircraft according to this fleet strategy; and such circumstances could significantly affect the Group's operations. .

(ii) Delay of Aircraft Development Plan by Mitsubishi Aircraft Corporation

ANA Group has taken the decision to introduce the Mitsubishi Regional Jet (MRJ) currently being developed by Mitsubishi Aircraft Corporation. Delivery is due in the first quarter of FY 2017, but any delays in delivery of this aircraft could impair the Company's operations.

2) Risks related to arrival/departure slots

ANA Group views the increase in arrival/departure slots at Haneda and Narita airports as a major business opportunity, and has been making various investments in and improvements to its operating structure. Arrival/departure slots at Haneda Airport have been increased to 447,000 per annum, but at present some of the slots for international scheduled flights remain unallocated. At Narita Airport the existing 270,000 arrival/departure slots were increased to 300,000 slots at the end of FY 2014; and while in the initial stage many slots remain unallocated, it is expected that in future these slots will be available for use. If the allocation of arrival/departure slots, the timing of flights or the income/expenditure on affected routes at the two metropolitan airports (Haneda and Narita) differ from assumptions made by the ANA Group, it could adversely affect the success of the Group's Corporate Plan.

3) Risks related to the LCC business

In the event the LCC business fails to fulfill the original goal for entering the business of generating new demand for air travel, competition with domestic and foreign LCCs intensifies, the expected effects of the venture may not be achieved, ANA Group could also fail to achieve the business plan formulated due to an insufficient number of or exodus of flight crew members to other companies. Should an accident or unsafe event involving the LCC occur, this could cause customers to stay away from the LCC, overseas as well.

4) Risks related to investment

In order to further expand its business into growth areas, the ANA Group may enter new businesses, invest in other companies, and engage in corporate acquisitions, but such investments, etc. may not produce the intended benefits. The interests of investor companies could fail to align, it may no longer be possible to run the joint venture as ANA Group feels appropriate, or management of the joint venture could worsen, any of which may place an economic burden on ANA Group, and may cause the management of other investor companies to worsen, and may result in exit from the business. Moreover, it may be difficult to achieve the intended benefits of entrance into businesses in various foreign countries or businesses with little relation to the aviation business.

③ Risks related to crude oil price fluctuations

Since jet fuel is derived from crude oil, the price of jet fuel tends to fluctuate in tandem with the price of crude oil. In the event that the fluctuation in the price of crude oil price exceeds the Group's forecasts due to such factors as political unrest in oil producing countries, increased demand for oil due to rapid economic growth in emerging countries, a decline in oil reserves or deposits, speculative investment in crude oil, or natural disaster, this may affect the Group's performance as follows:

1) Risks associated with an increase in the price of crude oil

If the price of crude oil increases, the price of jet fuel will also increase, placing a significant burden on the Company. To reduce the risk of fluctuations in the price of jet fuel and to stabilize operating income, ANA Group engages in hedging transactions involving commodity derivatives for crude oil and jet oil to hedge this in a systematic, ongoing basis for specific periods of time. However, ANA Group may not be able to completely avoid the impact from a steep rise in price should the price of crude oil rise rapidly in a short period of time, depending on the hedge position, since there are limitations to cost reductions and passing on increases to air fares and fees through independent efforts.

2) Risks associated with a sharp drop in the price of crude oil

The ANA Group offsets the risk of fluctuating crude oil prices through hedging transactions. Consequently, if the price of crude oil drops sharply during the fiscal year, the effect of the fall in the market might not be reflected immediately, depending on the status of the hedging position, while income from the fuel surcharge may decrease or be completely eliminated, and ANA Group may not be able to reap the benefits of the price decline.

④ Risks related to infectious diseases such as new strains of influenza

An increase in the number of people affected by outbreaks and epidemics of serious contagious diseases, such as new strains of influenza, could drastically decrease demand not only for international services but also for the Group's entire operations. Rumor could reduce the public interest in travel, and the spread of infection or increase in the seriousness of illness could lead to a sudden decrease in the number of domestic and international passengers, and could affect ANA Group's performance. Furthermore, the spread of new highly infectious strains of influenza that affect a higher than expected number of employees and outsourced personnel, or become more virulent due to mutation, could affect continuity of business for the Group.

⑤ Risks related to fluctuations in foreign exchange rates

ANA Group has greater expenditures denominated in foreign currencies than income denominated in foreign currencies, and the impact on the balance of income and expenditures would not be minor if the yen were to weaken. Accordingly, to the greatest extent possible, foreign currency taken in as revenue is used to pay expenses denominated in the same foreign currency, thereby minimizing the risk of fluctuations in foreign exchange rates. In addition, ANA Group uses forward exchange agreements and currency options for some of the foreign currency required for its jet fuel and aircraft purchases to stabilize and control payment amounts.

⑥ Risks related to the international situation

ANA Group's international route network currently covers North America, Europe, China and other parts of Asia. Should any political instability, international conflict, or large-scale terrorist attack occur in any of the regions the Group covers or maintains offices in, or should there be a worsening of diplomatic relations with countries where ANA Group operates, ANA Group's performance could be adversely affected, as there might be an accompanying decline in demand for travel to the affected region.

⑦ Risks related to statutory regulations

As an airline operator, ANA Group undertakes operations based on the stipulations of statutory regulations for airline operations. Further, passenger and cargo operations on international routes must conform to the stipulations of international agreements including treaties, bilateral agreements, the decisions of IATA (International Air Transport Association) and ICAO (International Civil Aviation Organization), and other international determinations. The ANA Group's fares, airspace, operating schedule, and safety management are subject to a variety of constraints due to these regulations. Further, the pricing of fares and charges may be constrained by the Japanese Antimonopoly Act and similar laws and regulations in other countries.

⑧ Risks related to litigation

The ANA Group may become involved in various litigation in relation to its business activities, which could affect the Group's performance. Further, the ANA Group could be sued in the future with respect to the event listed below, and similar investigations could be initiated in other countries or regions. In regard to the allegations of price fixing in relation to international air freight and passenger transport lodged by the U.S. Department of Justice, ANA reached an agreement with the Department of Justice on transactions after collective consideration of various circumstances; however, the specific size of the claims for the class action lawsuit lodged in regard to passenger transport is not clear, and it is difficult to ascertain and analyze the details at present.

⑨ Risks related to public sector fees

Public sector fees in relation to the air transportation business include aviation fuel taxes and landing fees, and fees for the use of navigational aid facilities. The Japanese government has introduced limited time measures to mitigate aviation fuel taxes and landing fees, but the ANA Group could be adversely affected if these measures are reduced or abolished in the future.

⑩ Risks related to environmental regulations

As part of efforts to protect the global environment, numerous domestic and international regulations have been introduced or strengthened in recent years. These have addressed such issues as aircraft emission of noise and greenhouse gases (CO_2 etc.), the usage and treatment of environmental pollutants, and energy use at major business operations. Compliance with such statutory regulations imposes a considerable cost burden on ANA Group; and business activities may be limited or additional expenses incurred if new regulations such as common global environmental taxes are introduced as a result of the international greenhouse gas emissions trading scheme that is scheduled for introduction by 2020.

⑪ Risks related to the airline industry

Within Japan, ANA Group's profitability could be adversely affected if there are changes to aviation policy or regional policies, or changes in the status of our competitors due to mergers or capital alliances brought about by business collapse, and it could impact Group performance if the current competitive environment or business environment were to change in the future.

⑫ Competitive risks

The possibility of increased expenses for the ANA Group's business due to such factors as jet fuel prices, the cost of raising funds, and response to environmental regulations can be possible. If such expenses increase, the ANA Group must secure income by reducing indirect fixed costs, enhancing efficiency through the standardization of aircraft, and raising fares and fees to pass on those costs. However, because ANA Group competes with other domestic and overseas airlines and LCCs, as well as with other forms of transport such as Shinkansen on certain routes, passing on costs could diminish its competitiveness. As price competition greatly restricts the passing on of costs to customers, any increase in expenses could have an adverse impact on the Group's profitability.

⑬ Risks associated with ineffective strategic alliances

ANA Group is a member of the Star Alliance. Joint venture flights were introduced in collaboration with United Airlines in the network operating between Asia and the Americas, and Lufthansa German Airlines and Swiss International Airlines, Austrian Airlines, and Lufthansa Cargo AG of the Lufthansa Group in the network between Japan and Europe, having received approval under ATI (Antitrust Immunity). Should the alliance be dismantled due to antimonopoly laws in various countries, or should an alliance partner withdraw from the Star Alliance or change its business policies or another alliance group become more competitive, or if there were a dissolution of a bilateral partnership, a downturn in performance, restructuring or a decline in the creditworthiness of an alliance partner, or other external factor leading to stricter regulations governing the partnerships, these could reduce the effectiveness of the partnerships and in turn affect the management of the Group.

⑭ Risks related to flight operations

1) Aircraft accidents, etc.

Any aircraft accidents on ANA Group or code-share flights could cause a decline in reputation in the community and in customer confidence in ANA Group, creating a downturn in demand that could adversely affect the Group's performance immediately and over the medium to long-term. On June 20, 2012, ANA

Flight 956 experienced flight instability, and the aircraft was partially damaged during landing. This incident is still under investigation by the Transportation Safety Board of the Ministry of Land, Infrastructure and Transport to determine the causes and the results of the investigation will ultimately be announced. A major accident suffered by a competitor could similarly lead to a reduction in flight demand that could affect the Company's performance. An accident would give rise to significant expenses including compensation for damages and the repair or replacement of aircraft. Not all such direct expenses would be met through aviation insurance.

2) Technical circular directives, etc. on airworthiness

In the event that an issue arises that significantly compromises the safety of an aircraft, the Minister of Land, Infrastructure and Transport is required by law to issue a directive to improve airworthiness. In some cases, all aircraft of the same model are grounded until the measures to improve the airworthiness of the aircraft and equipment have been implemented as directed. Even when the law does not require a directive to be issued, in some cases when safety cannot be confirmed from a technical perspective, operation of the same model is voluntarily suspended, and repairs or replacements made. Any such situation may have an adverse impact on confidence in the safety of the Group's aircraft and on profitability. In particular, the ANA Group has been consolidating its fleet around the Boeing 787 and other new models; in the event a design flaw or technical issue is found with new aircraft upon which the Group relies, there may be a significant adverse impact on the profitability of the Group.

⑮ Risks related to leaked customer information

The Company holds a huge amount of customer information, including personal data on approximately 27.9 million ANA Millage Club members (as of March 31, 2015), and is required to manage this personal information appropriately, pursuant to the Act on the Protection of Personal Information. The Group has stated its privacy policy, apprised customers of the policy, and established foreseeable measures to ensure information security, including in its IT systems. Despite ongoing precautions taken to improve operating procedures and upgrade the system to prevent gaps in security, a major leak of personal information caused by unauthorized access, negligent operation, or some other unforeseen factor could still occur and carry significant cost, in terms of both compensation and loss of public confidence, which could significantly affect ANA Group's performance.

⑯ Risk of disaster

If airports are closed for prolonged periods or there are restrictions on routes due to earthquakes, tsunami, flooding, typhoons, snowfall, volcanic eruptions, infectious disease, strikes, or riots, this may have an adverse effect on the Group's profitability due to the impact on flights using such airports and routes, and demand for air travel declining significantly. The ANA Group's data center is located in the metropolitan area, operational control of all domestic and international flights is handled at Haneda Airport, and the majority of the Group's passengers use the metropolitan airports, so a major disaster such as an earthquake or typhoon, a fire, or strike at the above-mentioned facilities resulting in closure of the airport or access thereto, could lead to a long-term shutdown of the Group's systems, operational control functions, or actual flight operations that could significantly affect Group performance.

⑰ Risks associated with profit/loss structure

Fixed costs such as aircraft costs, in addition to expenses largely determined by the aircraft and not the passenger load factor, such as fuel costs and airport usage fees, account for a high share of ANA Group's expenses, preventing it from rapidly adjusting the scale of operations to meet a given financial situation. Consequently, any decrease in the number of passengers or in cargo volume could have a significant impact on the Group's profits and losses. Moreover, because the Group tends to have increased sales during the summer in its passenger services, a significant decrease in demand during this period may adversely affect the Group's performance for that business year.

⑱ Risks related to IT systems

The business of the Group is regarded as highly reliant on information systems for providing service to customers and undertaking the tasks necessary for operating flights. Any system or telecommunications network failure caused by natural disaster, accident, computer virus, unauthorized access, or large-scale blackout or restriction of power supply would make it difficult to maintain customer service and operations, and would result in a loss of public confidence, which could affect ANA Group's performance. The Group's information systems are also used by ANA Group's partner airlines, so the impact might not be confined to the Group.

⑲ Risks related to personnel and labor

Many of the Group's employees belong to labor unions, and the operation of the Group's aircraft may be adversely affected if the Group's employees conduct a collective strike or engage in other actions.

⑳ Risks related to securing human resources

While there is growing demand for flight crew due to the commencement of LCC operations, a certain period of training is required to train them, and should the Group be unable to secure the necessary number of qualified flight crew in a timely fashion, the Group's performance may be adversely affected. Moreover, fluctuations in the balance of supply and demand in the labor market such as a lack of human resources for airport handling or a steep rise in wage levels could occur.

㉑ Risks associated with finance

1) Increase in the cost of procuring funds

The Group acquires aircraft through bank loans, capital increases and bond issuances. Any future deterioration of the business environment in the airline industry, disruption in financial markets, changes to taxation, government interest policies, government financial institutions' guarantee systems, or downgrading of ANA Group's credit rating may make it difficult or even impossible to raise funds on terms advantageous to the Group, increasing the cost of such fund-raising. Such circumstances could significantly affect ANA Group's performance.

2) Risks related to asset impairment

Due to the nature of its business, the ANA Group holds many fixed assets, and if the profitability of various operations deteriorates, or assets are sold off, ANA Group may be required to recognize impairment losses on fixed assets or losses on the sale of fixed assets in the future.

2. Management Policy

(1) Fundamental management policy

The ANA Group has established the Group Mission Statement of “Built on a foundation of security and trust, the wings within ourselves help to fulfill the hopes and dreams of an interconnected world” as the management principle underlying the reason the Group exists. The statement, “It is our goal to be the world’s leading airline group in customer satisfaction and value creation," has been set forth as the Group's Management Vision, with the goal of ascending to the status of the airline most preferred by customers in the world and establishing a continuing position of global leadership.

(2) Medium - long term corporate management strategy

While the airline industry projects growth in traffic demand, underpinned by an increase in foreign nationals visiting Japan, the upswing in the U.S. economy, and economic growth in Asia, ANA Group is beset by many issues that must be addressed, such as the weak yen, dramatic decline in the price of crude oil and other changes in the economic climate, as well as stiffening competition from existing airlines, new entrants, and LCC’s seeking to expand their business scale as well as other modes of transportation due to the extension of the Shinkansen.

ANA Group formulated a "rolling plan" that indicates the direction for each business domain amid this environment to ensure steady progress on accomplishing “ANA Group's Medium-Term Corporate Strategy for Fiscal Years 2014-2016”. ANA Group will heighten the implement of the current strategy by pursuing sustainable growth in the airline business, the Group's core business, and by expanding the revenue domains through greater development of diversified (non-airline) business. ANA Group has also formulated a long-term strategy through FY 2025 focused on the next 10 years to incorporate changes in the environment, such as the future envisioned expansion of metropolitan airports again and trends among other competitors, and link this to growth of the ANA Group in FY 2017 and beyond. Despite the complex interaction of events in the environment that make it difficult to predict the future, the Group will aim to grow into an airline group with strong global support while also identifying the social value in being able to support the nation, companies, and people who are taking on the challenge of being successful in the global community as an airline that connects the world.

① Strategic overview

ANA Group will continue to work on "to strengthen core businesses," “to expand and diversify revenue domains”, and "to evolve cost structure reforms" as the three main principles of focus in accomplishing “ANA Group's Medium-Term Corporate Strategy for Fiscal Years 2014-2016”. For FY 2017 and beyond, the Group will make steady efforts to capitalize on business opportunities presented by the Tokyo Olympics and

Paralympics, and will etch out a path for growth with the goal of achieving operating revenues of ¥ 2,500.0 billion and operating income of ¥ 200.0 billion in FY 2025.

② Strategic framework

1) Strengthen core businesses

(i) FSC (Full Service Carrier) business

・ANA will expand the network for its international passenger operations as the core of the Group growth, through further evolution of the Tokyo metropolitan dual hub and will strive to capture demand underpinned by air traffic demand stemming primarily from Asia and expansion of arrival/departure slots at the Tokyo metropolitan airports. Over the long-term, this will become the main revenue sources that will surplus domestic passenger operations, and ANA will actively expand routes to "connect the world."

・In domestic passenger operations, ANA has introduced the "*pitatto fleet*" (perfect fleet) model to simultaneously achieve transition to larger aircraft during periods of high demand and to small aircraft during periods of low demand, and will acquire market share and maintain a firm hold on its largest revenue sources while better adapting to demand. Since market growth cannot be anticipated as before over the long-term, the Group will strive to improve efficiency in the use of resources as much as possible while also maintaining a firm grip on market share.

(ii) Cargo operations

ANA Group will improve the income-expenditure balance for its cargo operations and increase its contribution to Group profitability by adding dedicated cargo freighter to expand the network, strengthening air cargo joint ventures, and improving yield management. Over the long-term, the Group will strive to reach the top of the combination carriers (passenger flights + cargo flights) as an integrated aviation logistics company through such means as expanding Okinawa cargo hub network and stepping up efforts to capture cargo demand within the Asian region.

2) Expand and diversify revenue domains

(i) LCC business

The goal is to bring this business in to surplus during FY 2015 by restructuring the network and building a system for revenue management. Vanilla will generate flight demand and capture demand for tourism to Japan from FY 2016 by expanding the network of business, primarily for international routes.

(ii) Diversified (non-airline) services

ANA Group will work to reform existing business models and generate new business that will contribute to improving the value of the Group as a whole in order to capture the growth in foreign visitors to Japan, economic growth in Asia, and other business opportunities, primarily in the Trade and Retail, and Travel Services businesses.

(iii) Airline Related business (strategic investments)

ANA Group will expand and diversify revenue domains by establishing a revenue model for its domestic and overseas flight training business in addition to its MRO (maintenance, repair, and overhaul of aircraft) services in Okinawa while also pursuing cost restructuring and expansion of external revenues in existing businesses.

3) Develop reforms in cost structure

The Group has already achieved ¥ 87.0 billion in cost savings through cost restructuring initiatives from FY2011 to FY 2014. The Group is targeting another ¥ 50.0 billion in cost savings during FY 2015 and FY 2016 by implementing cross-organizational initiatives.

3. Basic rationale for selection of accounting standard

The company and its domestic subsidiaries, in light of comparability of financial periods and comparability among companies of their financial statements, are preparing their consolidated financial statements in accordance with Japanese accounting standards.

The company will take into consideration the domestic and international situations for appropriate adoption of the International Financial Reporting Standards (IFRS) in the future.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Yen (Millions)

Assets	FY2014 as of Mar.31	FY2013 as of Mar.31
Current assets	692,783	696,266
Cash on hand and in banks	43,901	28,972
Notes and accounts receivables	144,321	142,148
Marketable securities	278,692	344,162
Inventories (Merchandise)	9,065	7,064
Inventories (Supplies)	54,305	56,855
Deferred income taxes - current	33,216	17,331
Other	129,468	99,970
Allowance for doubtful accounts	(185)	(236)
Fixed assets	1,608,906	1,476,059
Tangible fixed assets	1,295,208	1,223,114
Buildings and structures, net	113,604	101,504
Flight equipment, net	873,662	863,800
Machinery, equipment and vehicles, net	26,955	24,608
Tools and fixtures, net	10,108	8,478
Land	51,813	50,999
Leased assets, net	12,918	17,165
Construction in progress and advance payment on aircraft purchase contracts	206,148	156,560
Intangible fixed assets	85,250	72,618
Investments and others	228,448	180,327
Investment in securities	117,027	82,927
Long-term loans receivables	4,350	4,462
Net defined benefit asset	77	45
Deferred income taxes – non-current	34,835	66,714
Other	73,205	27,253
Allowance for doubtful accounts	(1,046)	(1,074)
Deferred assets	748	1,282
Total assets	2,302,437	2,173,607

Yen (Millions)

Liabilities and Net assets	FY2014 as of Mar.31	FY2013 as of Mar.31
Liabilities		
Current liabilities	666,677	573,947
Accounts and notes payable	182,198	179,848
Short-term loans	200	153
Current portion of long-term debt	138,263	169,003
Current portion of bonds	65,000	10,000
Finance lease obligations	6,566	9,592
Accrued income taxes	26,179	10,390
Deposit received	120,449	108,412
Accrued bonuses to employees	29,920	24,391
Provision for potential loss on antitrust proceedings	-	116
Asset retirement obligations	81	763
Other	97,821	61,279
Long-term liabilities	832,208	848,369
Bonds	75,000	125,000
Long-term debt	514,403	499,022
Finance lease obligations	20,399	21,998
Deferred tax liabilities - non-current	2,779	2,322
Accrued bonuses to employees	2,118	2,172
Provision for directors retirement benefits	529	433
Net defined benefit liability	160,562	181,101
Asset retirement obligations	744	729
Other	55,674	15,592
Total liabilities	1,498,885	1,422,316
Net assets		
Shareholders' equity	785,082	750,234
Common stock	318,789	318,789
Capital surplus	282,209	281,955
Retained earnings	189,353	155,820
Less treasury common stock, at cost	(5,269)	(6,330)
Accumulated other comprehensive income	13,198	(4,164)
Valuation difference on available for sale securities	30,684	10,201
Deferred gains on hedges	5,279	15,350
Foreign currency translation adjustments	3,855	453
Remeasurements of defined benefit plans	(26,620)	(30,168)
Minority interests	5,272	5,221
Total net assets	803,552	751,291
Total liabilities and net assets	2,302,437	2,173,607

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income Yen (Millions)

	FY2014 Apr.1 - Mar.31	FY2013 Apr.1 - Mar.31
Operating revenues	1,713,457	1,570,145
Operating expenses	1,335,084	1,238,298
Gross profit	378,373	331,847
Selling, general and administrative expenses	286,832	265,861
Sales commission	92,373	76,538
Advertising expenses	8,586	7,741
Employees' salaries and bonuses	35,559	32,913
Provision of allowance for doubtful accounts	138	99
Provision for bonuses	6,710	4,928
Retirement benefit expenses	2,878	3,593
Depreciation	15,094	15,693
Other	125,494	124,356
Operating income	91,541	65,986
Non-operating income	12,499	12,296
Interest income	775	787
Dividend income	952	2,749
Equity in earnings of non-consolidated subsidiaries and affiliates	2,150	1,336
Gain on sale of property and equipment	2,325	2,940
Other	6,297	4,484
Non-operating expenses	36,911	35,354
Interest expenses	13,732	15,933
Foreign exchange loss, net	4,379	1,194
Loss on sale of property and equipment	3,147	1,855
Loss on disposal of property and equipment	6,332	5,826
Depreciation of idle assets	-	2,051
Provision for accrued employee's retirement benefits	6,137	6,368
Other	3,184	2,127
Recurring profit	67,129	42,928

Yen (Millions)

	FY2014 Apr.1 - Mar.31	FY2013 Apr.1 - Mar.31
Extraordinary income	11,985	3,560
Gain on sale of property and equipment	681	-
Gain on sale of investments in securities	296	903
Gain on transfer of benefit obligation relating to employees' pension fund	943	-
Subsidy	23	130
Gain on liquidation of subsidiaries and affiliates	-	653
Settlement received	-	1,744
Gain on revision of retirement benefit plan	9,945	-
Other	97	130
Extraordinary loss	1,131	10,097
Loss on sale of property and equipment	71	1,087
Loss on sales of investment securities	222	-
Valuation loss on investments in securities	409	-
Impairment loss	111	322
Amortization of goodwill	-	2,083
Special retirement expenses	89	1,548
Loss on liquidation of subsidiaries and affiliates	-	930
Settlement package	165	-
Expenses relating to revision of pension plans	55	3,976
Other	9	151
Income before income taxes and minority interests	77,983	36,391
Income taxes	37,956	18,457
Current	30,971	13,001
Deferred	6,985	5,456
Net income before minority interests	40,027	17,934
Minority interests	788	(952)
Net income	39,239	18,886

Consolidated Statement of Comprehensive Income Yen (Millions)

	FY2014 Apr.1 - Mar.31	FY2013 Apr.1 - Mar.31
Income before minority interests	40,027	17,934
Other comprehensive income		
Net unrealized holding gain on securities	20,232	5,434
Deferred (loss) or gain on hedging instruments	(10,021)	2,608
Foreign currency translation adjustments	3,181	637
Remeasurements of defined benefit plans	3,458	-
Share of other comprehensive income of affiliates accounted for by the equity-method	265	111
Total Other comprehensive income	17,115	8,790
Comprehensive income	57,142	26,724
Total comprehensive income attributable to:		
Owners of ANA HOLDINGS INC.	56,298	27,676
Minority interests	844	(952)

(3) Consolidated Statements of Changes in Net Assets

Yen (Millions)

	FY2014 Apr.1 - Mar.31	FY2013 Apr.1 - Mar.31
Shareholders' equity		
Common stock		
Balance at the beginning of the period	318,789	318,789
Balance at the beginning of the period applying changes in accounting policies	318,789	318,789
Changes of items during the period		
Total changes during the period	-	-
Balance at the end of the period	318,789	318,789
Capital surplus		
Balance at the beginning of the period	281,955	281,969
Balance at the beginning of the period applying changes in accounting policies	281,955	281,969
Changes of items during the period		
Disposal of treasury stock	254	(14)
Total changes during the period	254	(14)
Balance at the end of the period	282,209	281,955
Retained earnings		
Balance at the beginning of the period	155,820	150,663
Cumulative effects of changes in accounting policies	3,715	
Balance at the beginning of the period applying changes in accounting policies	159,535	150,663
Changes of items during the period		
Cash dividends paid	(10,467)	(14,041)
Net income	39,239	18,886
Changes in scope of consolidation	1,046	312
Total changes during the period	29,818	5,157
Balance at the end of the period	189,353	155,820
Less treasury common stock, at cost		
Balance at the beginning of the period	(6,330)	(1,898)
Balance at the beginning of the period applying changes in accounting policies	(6,330)	(1,898)
Changes of items during the period		
(Decrease) resulting from purchase of treasury stock	(49)	(5,228)
Disposal of treasury stock	1,110	796
Total changes during the period	1,061	(4,432)
Balance at the end of the period	(5,269)	(6,330)
Total shareholders' equity		
Balance at the beginning of the period	750,234	749,523
Cumulative effects of changes in accounting policies	3,715	-
Balance at the beginning of the period applying changes in accounting policies	753,949	749,523
Changes of items during the period		
Cash dividends paid	(10,467)	(14,041)
Net income	39,239	18,886
(Decrease) resulting from purchase of treasury stock	(49)	(5,228)
Disposal of treasury stock	1,364	782
Changes in scope of consolidation	1,046	312
Total changes during the period	31,133	711
Balance at the end of the period	785,082	750,234

	FY2014 Apr.1 - Mar.31	FY2013 Apr.1 - Mar.31
Accumulated other comprehensive income		
Net unrealized holding gain on securities		
Balance at the beginning of the period	10,201	4,693
Balance at the beginning of the period applying changes in accounting policies	10,201	4,693
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	20,483	5,508
Total changes during the period	20,483	5,508
Balance at the end of the period	30,684	10,201
Deferred gain (loss) on hedging instruments		
Balance at the beginning of the period	15,350	12,705
Balance at the beginning of the period applying changes in accounting policies	15,350	12,705
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	(10,071)	2,645
Total changes during the period	(10,071)	2,645
Balance at the end of the period	5,279	15,350
Foreign currency translation adjustments		
Balance at the beginning of the period	453	(184)
Balance at the beginning of the period applying changes in accounting policies	453	(184)
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	3,402	637
Total changes during the period	3,402	637
Balance at the end of this period	3,855	453
Remeasurements of defined benefit plans		
Balance at the beginning of the period	(30,168)	-
Balance at the beginning of the period applying changes in accounting policies	(30,168)	-
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	3,548	(30,168)
Total changes during the period	3,548	(30,168)
Balance at the end of the period	(26,620)	(30,168)
Total accumulated other comprehensive income		
Balance at the beginning of the period	(4,164)	17,214
Balance at the beginning of the period applying changes in accounting policies	(4,164)	17,214
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	17,362	(21,378)
Total changes during the period	17,362	(21,378)
Balance at the end of the period	13,198	(4,164)
Minority interests		
Balance at the beginning of the period	5,221	6,363
Balance at the beginning of the period applying changes in accounting policies	5,221	6,363
Changes of items during the period		
Net changes of items other than shareholders' equity during the period	51	(1,142)
Total changes during the period	51	(1,142)
Balance at the end of this period	5,272	5,221

	FY2014 Apr.1 - Mar.31	FY2013 Apr.1 - Mar.31
Total net assets		
Balance at the beginning of the period	751,291	773,100
Cumulative effects of changes in accounting policies	3,715	-
Balance at the beginning of the period applying changes in accounting policies	755,006	773,100
Changes of items during the period		
Cash dividends paid	(10,467)	(14,041)
Net income	39,239	18,886
(Decrease) resulting from purchase of treasury stock	(49)	(5,228)
Disposal of treasury stock	1,364	782
Changes in scope of consolidation	1,046	312
Net changes of items other than shareholders' equity during the period	17,413	(22,520)
Total changes during the period	48,546	(21,809)
Balance at the end of the period	803,552	751,291

(4) Consolidated Statement of Cash Flows

Yen (Millions)

	FY2014 Apr.1 - Mar.31	FY2013 Apr.1 - Mar.31
I. Cash flows from operating activities		
Income before income taxes and minority interests	77,983	36,391
Depreciation and amortization	131,329	136,180
Impairment loss	111	322
Amortization of goodwill	908	2,726
Loss on disposal and sale of property and equipment	6,544	5,976
Loss (gain) on valuation and sales and valuation of securities	335	(900)
Loss on liquidation of subsidiaries and affiliates	-	277
Settlement received	-	(1,744)
Settlement package	165	-
(Decrease) in allowance for doubtful accounts	(79)	(269)
(Decrease) increase in net defined benefit liabilities	(2,906)	3,464
Interest and dividend income	(1,727)	(3,536)
Interest expenses	13,732	15,933
Foreign exchange (gain)	(662)	(2,733)
Special retirement benefit expenses	89	1,548
(Gain) on revision of retirement benefit plan	(9,945)	-
(Gain) on transfer of benefit obligations relating to employees' pension fund	(943)	-
Expenses related to revision of pension plans	55	3,976
(Increase) in notes and accounts receivable	(438)	(20,247)
(Increase) in other receivable	(2,777)	(16,477)
Increase in notes and accounts payable-trade	1,536	22,104
Other, net	21,522	37,636
Subtotal	234,832	220,627
Interest and dividends received	2,177	4,752
Interest paid	(14,118)	(16,137)
Settlement received	-	1,769
Settlement package paid	(165)	-
Payments for special retirement	(1,567)	(70)
Income taxes (paid) refund	(14,280)	(10,817)
Net cash provided by operating activities	206,879	200,124
II. Cash flows from investing activities		
Payment for purchase of marketable securities	(395,280)	(452,730)
Proceeds from redemption of marketable securities	413,760	549,010
Payment for purchase of property and equipment	(241,733)	(167,894)
Proceeds from sale of property and equipment	50,839	46,326
Payment for purchase of intangible assets	(32,969)	(15,845)
Payment for purchase of investments in securities	(3,655)	(4,025)
Proceeds from sale of investments in securities	411	1,067
Payment for purchase of subsidiaries' shares resulting in changes in scope of consolidation	-	(16,793)
Payment for purchase of subsidiaries' stock	(1,940)	(2,450)
Payments for advances	(96)	(313)
Proceeds from collection of advances	202	281
Other, net	(288)	(1,549)
Net cash (used in) investing activities	(210,749)	(64,915)

	FY2014 Apr.1 - Mar.31	FY2013 Apr.1 - Mar.31
III. Cash flows from financing activities		
(Decrease) in short-term loans, net	(511)	(117)
Proceeds from long-term debt	165,062	47,282
Repayment of long-term debt	(180,450)	(111,971)
Proceeds from issuance of bonds	14,921	29,850
Repayment of bonds	(10,000)	(20,000)
Repayment of finance lease obligations	(10,266)	(11,944)
Proceeds from issuance of common stock to minority shareholders	221	-
Net decrease (increase) in treasury stock	1,315	(4,428)
Payment of dividends	(10,467)	(14,041)
Other, net	(249)	(200)
Net cash (used in) investing activities	(30,424)	(85,569)
IV. Effect of exchange rate changes on cash and cash equivalents	703	584
V. Net (decrease) increase in cash and cash equivalents	(33,591)	50,224
VI. Cash and cash equivalents at the beginning of the period	240,935	191,297
VII. Net increase (decrease) resulting from changes in scope of consolidation	1,593	(586)
VII. Cash and cash equivalents at the end of the period	208,937	240,935

Notes to Consolidated Financial Statements

ANA HOLDINGS INC. and its consolidated subsidiaries

FY2014

1. Basic policy on adoption of accounting standard

ANA HOLDINGS INC. (hereinafter referred to as the Company) and its domestic subsidiaries maintain their books of account in accordance with the provisions set forth in the Japanese Company Law and in conformity with accounting principles and practices generally accepted in Japan, which may differ in some material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan. The Company's foreign subsidiaries maintain their books of account in conformity with accounting principles and practices of the countries of their domicile.

2. Basis of presenting consolidated financial statements

(a) Number of subsidiaries: 64

(b) Number of equity method affiliates: 18

(c) Changes in scope of consolidation
Newly added: 3
OCS (Shanghai) Co., Ltd.
OCS Hong Kong Co., Ltd.
Pan Am International Flight Training Center (Thailand) Limited
Excluded: 1
ANA Airport Handling Co., Ltd.

3. Changes in accounting policies

(a) Application of Accounting Standard for Retirement Benefit

From FY2014, the company applies "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012; hereinafter the "Accounting Standard for Retirement Benefits") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015; hereinafter the "Guidance on Retirement Benefits") as stipulated in the main text of Clause 35 of the Accounting Standard for Retirement Benefits and Clause 67 of the Guidance on Retirement Benefits.

Under the new standard, calculation of liabilities for retirement benefits and service costs has been revised and the method of attributing expected benefits to periods has been changed from straight-line basis to benefit formula basis. The method of determination of the discount rate is also revised to a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

In accordance with transitional accounting treatment set forth in article 37 of the Accounting Standard for Retirement Benefits, the effect of changes in accounting policies arising from initial application is recognized as an adjustment to retained earnings at the beginning of the fiscal year.

As a result, as of April 1, 2014, net defined benefit liabilities decreased by ¥5,719 million and retained earnings increased by ¥3,715 million. The effects of these changes on operating income, recurring loss, and net income before income taxes and minority interests in the consolidated financial statements for FY2014 were insignificant.

(b) Application of Practical Solution on transactions of Delivering the Company's Own Stock to Employees etc. through Trust)

The company applies “Practical Solution on transactions of Delivering the Company’s Own Stock to Employees etc. through Trust” (Practical Issues Task Force (PITF) No.30, March 26, 2015) as of April 1, 2014. For accounting procedures of trust contracts concluded before April 1, 2014, the company does not apply the said Practical Solution but continues to apply the accounting procedures that were applied previously.

(c) Changes in basis of recording sales amount

Previously, ALL NIPPON AIRWAYS CO., LTD. (hereinafter referred to “ANA”), a consolidated subsidiary in Japan of the company, recorded separately, the sales amount and sales cost of jet fuel for the airlines with which ANA has strong business relationship. However, as of FY2014, ANA has changed its recording of the sales transactions and is offsetting the sales amount and the sales cost, thus recording in net amount.

This change is made due to the said transactions’ amount of money becoming increasingly significant. By recording in net amount, the company will be able to appropriately reflect its business performance.

This change in the accounting policy is applied retroactively, and the figures on the consolidated statement of income for FY2013 are retroactively adjusted.

As a result of this change, sales amount and sales cost are decreased by ¥30,868 million each compared to the figures prior to the retroactive adjustment. However, gross sales amount, operating revenues, recurring profit, and net income before income taxes and minority interests were unaffected.

4. Segment information

The reportable segments of the company and its consolidated subsidiaries are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Committee to make decisions about resource allocation and to assess performance.

The businesses of the group are centering in air transportation and expand to corresponding airline related, travel services, and trade and retail businesses. Therefore, our reportable segments are “Air Transportation”, “Airline Related”, “Travel Services”, and “Trade and Retail”.

The “Air Transportation” business segment conducts domestic and International passenger operations, cargo and mail operations and other transportation services. The “Airline Related” business segment conducts air transportation related operation such as airport passenger and ground handling services and maintenance services. The “Travel Services” business segment conducts operations centering in development and sales of travel plans. It also conducts planning and sales of branded travel packages using air transportation. The “Trade and Retail” business segment mainly imports and exports goods related to air transportation and is involved in in-store and non-store retailing.

The accounting policies of the segments are substantially the same as those described in the summary of significant accounting policies in Note 1.

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

Segment information for the years ended March 31, 2015 and 2014 is as follows:

<FY2014 Apr.1 – Mar.31> Yen (Millions)

	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Sales, profits or losses and assets by reportable segments					
Operating revenues	1,388,187	50,047	160,070	105,262	1,703,566
Intra-group sales and transfers	96,413	173,733	9,008	21,767	300,921
Total	1,484,600	223,780	169,078	127,029	2,004,487
Segment profit (loss)	81,667	9,024	4,565	4,067	99,323
Segment assets	2,110,920	139,249	57,030	49,970	2,357,169
Other items					
Depreciation and amortization	125,437	4,696	56	956	131,145
Increase in tangible and intangible fixed assets	267,621	7,264	365	1,823	277,073

	Other (*1)	Total	Adjustments (*2)	Recorded amount on consolidated financial statements (*3)
Sales, profits or losses and assets by reportable segments				
Operating revenues	9,891	1,713,457	-	1,713,457
Intra-group sales and transfers	22,683	323,604	(323,604)	-
Total	32,574	2,037,061	(323,604)	1,713,457
Segment profit (loss)	1,624	100,947	(9,406)	91,541
Segment assets	130,901	2,488,070	(185,633)	2,302,437
Other items				
Depreciation and amortization	184	131,329	-	131,329
Increase in tangible and intangible fixed assets	319	177,392	(2,690)	274,702

*1. “Other” represents all business segments not included in the reportable segments, such as facility management, business support and other businesses.

*2. “Adjustments” of “Segment profit” represents inter-segment transactions and eliminations and the group management expenses of all the group companies. “Adjustments” of “Segment assets” includes assets of all the group companies and is in the amount of ¥145,145 million and the main asset is consolidated long-term asset (investment in securities).

*3. “Segment profit“ is reconciled with the operating income on the consolidated financial statements.

<FY2013 Apr.1 – Mar.31> Yen (Millions)

	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Sales, profits or losses and assets by reportable segments					
Operating revenues	1,267,077	41,989	163,901	88,217	1,561,184
Intra-group sales and transfers	97,266	147,650	9,577	22,061	276,554
Total	1,364,343	189,639	173,478	110,278	1,837,738
Segment profit (loss)	65,367	2,745	4,429	3,317	75,858
Segment assets	2,042,737	115,935	53,608	50,695	2,262,975
Other items					
Depreciation and amortization	131,912	3,292	50	727	135,981
Increase in tangible and intangible fixed assets	178,406	3,348	35	1,943	183,732

	Other (*1)	Total	Adjustments (*2)	Recorded amount on consolidated financial statements (*3)
Sales, profits or losses and assets by reportable segments				
Operating revenues	8,961	1,570,145	-	1,570,145
Intra-group sales and transfers	21,158	297,712	(297,712)	-
Total	30,119	1,867,857	(297,712)	1,570,145
Segment profit (loss)	1,367	77,225	(11,239)	65,986
Segment assets	142,845	2,405,820	(232,213)	2,173,607
Other items				
Depreciation and amortization	199	136,180	-	136,180
Increase in tangible and intangible fixed assets	143	183,875	(136)	183,739

*1. “Other” represents all business segments not included in the reportable segments, such as facility management, business support and other businesses.

*2. “Adjustments” of “Segment profit” represents inter-segment transactions and eliminations and the group management expenses of all the group companies. “Adjustments” of “Segment assets” includes assets of all the group companies and is in the amount of ¥109,359 million and the main asset is consolidated long-term asset (investment in securities).

*3. “Segment profit“ is reconciled with the operating income on the consolidated financial statements.

5. Per share information

Yen

	FY2014 <Apr.1 - Mar.31>	FY2013 <Apr.1 - Mar.31>
Net assets per share	228.45	213.82
Net income per share	11.24	5.41

Notes:

Since no residual securities exist, net income per share after residual securities adjustments is omitted.

The basis for calculating net income per share is as follows:

Yen (Millions)

	FY2014 <Apr.1 - Mar.31>	FY2013 <Apr.1 - Mar.31>
Net income	39,239	18,886
Amount not allocable to common shareholders	-	-
Net income available for common stock	39,239	18,886
Weighted average number of shares of common stock outstanding during each period (Thousand shares)	3,492,380	3,493,860

The basis for calculating net assets per share is as follows:

Yen (Millions)

	FY2014 <Apr.1 - Mar.31>	FY2013 <Apr.1 - Mar.31>
Net assets	803,552	751,291
Amounts deducted from total net assets	5,272	5,221
(incl. Minority Interests)	(5,272)	(5,221)
Net assets related to common stock at the end of the period	798,280	746,070
Number of common stocks used to determine net assets per share (Thousand shares)	3,494,355	3,489,292

Notes:

The company shares held by the trust account of the ANA Group Employee Stock Ownership Trust are deducted from “Weighted average number of shares of common stock outstanding during each period” and “Number of common stocks used to determine net assets per share”.

6. Subsequent event

None

5. Breakdown of Operating Revenues and Overview of Airline Operating Results (Consolidated)

(1) Breakdown of Operating Revenues

Yen (Millions)

	FY2014 Apr.1- Mar.31	FY2013 Apr.1- Mar.31	Difference
Air Transportation			
Domestic routes			
Passenger	683,369	675,153	8,216
Cargo	32,584	32,116	468
Mail	3,743	3,592	151
Subtotal	719,696	710,861	8,835
International routes			
Passenger	468,321	395,340	72,981
Cargo	124,772	104,736	20,036
Mail	5,894	5,129	765
Subtotal	598,987	505,205	93,782
Revenues from Air Transportation	1,318,683	1,216,066	102,617
Other revenues	165,917	148,277	17,640
Subtotal of Air Transportation	1,484,600	1,364,343	120,257
Airline Related			
Revenues from Airline Related	223,780	189,639	34,141
Subtotal of Airline Related	223,780	189,639	34,141
Travel Services			
Package tours(Domestic)	133,045	139,980	(6,935)
Package tours(International)	26,132	23,247	2,885
Other revenues	9,901	10,251	(350)
Subtotal of Travel Services	169,078	173,478	(4,400)
Trade and Retail			
Revenues from Trade and Retail	127,029	110,278	16,751
Subtotal of Trade and Retail	127,029	110,278	16,751
Subtotal of Segments	2,004,487	1,837,738	166,749
Other			
Other revenues	32,574	30,119	2,455
Subtotal of Other	32,574	30,119	2,455
Total operating revenues	2,037,061	1,867,857	169,204
Intercompany eliminations	(323,604)	(297,712)	(25,892)
Operating revenues(Consolidated)	1,713,457	1,570,145	143,312

Notes:

1. Segment breakdown is based on classifications employed for internal management.
2. Segment operating revenue includes inter-segment transactions.
3. The results for passenger travel on domestic routes for Vanilla Air Inc. is included in “Other revenues” of “Air Transportation”.
4. Consumption tax is not included in the above figures.

(2) Overview of Airline Operating Results

	FY2014 Apr.1– Mar.31	FY2013 Apr.1– Mar.31	Year on Year (%)
Domestic routes			
Number of passengers	43,203,184	42,668,588	1.3
Available seat km (thousand km)	60,213,030	61,046,582	(1.4)
Revenue passenger km (thousand km)	38,582,150	37,861,806	1.9
Passenger load factor (%)	64.1	62.0	2.1
Available cargo capacity (thousand ton-km)	1,883,263	1,973,754	(4.6)
Cargo (tons)	475,462	477,081	(0.3)
Cargo traffic volume (thousand ton-km)	476,807	473,294	0.7
Mail (tons)	32,526	32,327	0.6
Mail traffic volume (thousand ton-km)	31,902	31,956	(0.2)
Cargo and mail load factor (%)	27.0	25.6	1.4
International routes			
Number of passengers	7,208,044	6,336,335	13.8
Available seat km (thousand km)	49,487,472	41,451,861	19.4
Revenue passenger km (thousand km)	35,639,322	30,613,595	16.4
Passenger load factor (%)	72.0	73.9	(1.8)
Available cargo capacity (thousand ton-km)	5,484,270	4,530,716	21.0
Cargo (tons)	841,765	710,610	18.5
Cargo traffic volume (thousand ton-km)	3,608,347	2,937,564	22.8
Mail (tons)	35,232	33,783	4.3
Mail traffic volume (thousand ton-km)	152,732	146,002	4.6
Cargo and mail load factor (%)	68.6	68.1	0.5
Total			
Number of passengers	50,411,228	49,004,923	2.9
Available Seat-Km (thousand km)	109,700,502	102,498,444	7.0
Revenue Passenger-Km (thousand km)	74,221,472	68,475,401	8.4
Passenger load factor (%)	67.7	66.8	0.9
Available cargo capacity (thousand ton-km)	7,367,534	6,504,470	13.3
Cargo (tons)	1,317,228	1,187,691	10.9
Cargo traffic volume (thousand ton kg)	4,085,154	3,410,858	19.8
Mail (tons)	67,758	66,110	2.5
Mail traffic volume (thousand ton kg)	184,634	177,959	3.8
Cargo and mail load factor (%)	58.0	55.2	2.8

Notes:

1. The results for passenger travel on domestic routes include results from code share flights with IBEX Airlines Co., Ltd., AIRDO Co., Ltd., Skynet Asia Airways Co., Ltd., and Starflyer, Inc.
2. The results for passenger traveled on the code share flights of Virgin Atlantic Airways Ltd.,from 2014 March 30 to 2015 1 February is included in “International Passenger Services”
3. Each result does not include the results of charter flights.
4. Domestic cargo and mail results include code share flights with AIRDO Co., Ltd., Skynet Asia Airways Co., Ltd., Oriental Air Bridge Co., Ltd. and airline charter.
5. Includes regular late-night cargo flights on domestic routes.
6. International cargo and mail results include code share flights airline charter and block/space flights.
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.
12. The results for operating revenues for Vanilla Air Inc. is not included.
13. Vanilla Air Inc. does not handle cargo and mail.