ANA HOLDINGS INC. (9202)
Consolidated Financial Results
For the year ended March 31, 2016

ANA HOLDINGS reports Consolidated Financial Results for the Year Ended March 31, 2016

1. Consolidated financial highlights for the year ended March 31, 2016

(1) Consolidated financial and operating results

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Net income attributable to owners of ANA HOLDINGS INC.	
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%
FY2015 ended Mar.31, 2016	1,791,187	4.5	136,463	49.1	130,725	94.7	78,169	99.2
FY2014 ended Mar.31, 2015	1,713,457	9.1	91,541	38.7	67,129	56.4	39,239	107.8

*Comprehensive income for the period Apr.1 – Mar.31, 2016 ¥4,826 million (-91.6%)
for the period Apr.1 – Mar.31, 2015 ¥57,142 million (113.8%)

	Net income per share	Return on equity	Ratio of ordinary profit to total assets	Operating income margin ratio
	Yen	%	%	%
FY2015 ended Mar.31, 2016	22.36	9.8	5.8	7.6
FY2014 ended Mar.31, 2015	11.24	5.1	3.0	5.3

(Reference) Equity in net income of affiliates for the year ended Mar.31, 2016 ¥3,007 million
for the year ended Mar.31, 2015 ¥2,150 million

(2) Consolidated financial positions

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Mar. 31, 2016	2,228,808	794,900	35.4	225.87
As of Mar. 31, 2015	2,302,437	803,552	34.7	228.45

(Reference) Shareholders' equity as of Mar. 31, 2016 ¥789,896 million
as of Mar. 31, 2015 ¥798,280 million

(3) Consolidated cash flows Yen (Millions)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
FY2015 ended Mar.31, 2016	263,878	(74,443)	(133,257)	265,123
FY2014 ended Mar.31, 2015	206,879	(210,749)	(30,424)	208,937

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
FY2014	-	-	-	4.00	4.00
FY2015	-	-	-	5.00	5.00
FY2016 (Forecast)	-	-	-	6.00	6.00

	Total dividends (Millions of yen)	Payout ratio (Consolidated)(%)	Dividend on equity (Consolidated)(%)
FY2014	13,977	35.6	1.7
FY2015	17,492	22.4	2.2
FY2016 (Forecast)	-	26.2	-

Note:

* In FY2015 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 ¥64 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. Consolidated operating results forecast for the fiscal year ending March 31, 2017

(% : year-on-year)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Net income attributable to owners of ANA HOLDINGS INC.		Net income per share
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen
Entire FY2016	1,810,000	1.1	145,000	6.3	130,000	(0.6)	80,000	2.3	22.88

*Forecast for the six months ending September 30, 2016 is not made.

4. Other

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

	Consolidated	Equity method
Newly added	-	-
Excluded	-	-

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

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

*For details, please see page 28 “Notes to Consolidated Financial Statements 3) Changes in accounting policies”.

(3) Number of issued shares (Common stock)

Number of Shares

	FY2015		FY2014	
Number of shares issued (including treasury stock)	As of Mar.31	3,516,425,257	As of Mar.31	3,516,425,257
Number of treasury stock	As of Mar.31	19,227,093	As of Mar.31	22,069,782
Average number of shares outstanding during the year	Apr.1-Mar.31	3,496,561,103	Apr.1-Mar.31	3,492,380,803

*For the number of common stocks used as basis for calculating consolidated net income per share, see page 32 “6) Per share information”.

(Reference) Summary of non-consolidated financial results

(1) Non-consolidated financial results

Yen (Millions)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Net income	
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%
FY2015 ended Mar.31, 2016	208,679	9.1	62,387	18.9	49,691	27.6	22,256	7.3
FY2014 ended Mar.31, 2015	191,338	(1.4)	52,465	3.3	38,934	15.9	20,733	14.4

	Net income per share
	Yen
FY2015 ended Mar.31, 2016	6.36
FY2014 ended Mar.31, 2015	5.93

(2) Consolidated financial positions

	Total assets	Total net assets	Equity ratio	Net assets per Share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Mar. 31, 2016	1,714,128	753,869	44.0	215.49
As of Mar. 31, 2015	1,754,939	785,698	44.8	224.77

(Reference) Shareholders’ equity as of Mar. 31, 2016 ¥753,869 million
as of Mar. 31, 2015 ¥785,698 million

* Indication of quarterly review procedure implementation status

These financial results are not subject to the review requirements as provided in the Financial Instruments and Exchange Act. The review of consolidated financial statements as provided in the Financial Instruments and Exchange Act had not been completed as of the date of these Consolidated Financial Results for the Year Ended March 31, 2016.

* Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to ANA HOLDINGS INC. and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons. Please refer to “1. Analysis of Operating Results & Financial Positions (1) Analysis of operating results” on page 4 in the Appendix for the assumptions used and other notes.

APPENDIX

1. Analysis of Operating Results & Financial Positions

(1) Analysis of Operating Results

① Overview of the fiscal year ended March 31, 2016

Japan's economy for the fiscal year (April 1, 2015 - March 31, 2016) has continued to experience a gradual recovery, with robust trends generally seen in personal consumption despite increasing caution in earnings forecasts by some sectors due to the strengthening of the yen and fall in stock prices toward the end of the fiscal year. Airline industries have generally seen strong demand, with continued moderate recovery in domestic and overseas economies, resulting in an increase in foreign visitors to Japan.

Under these economic conditions, ANA Group is implementing the "FY2014-2016 ANA Group Corporate Strategy" (Rolling Plan). 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, 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 ¥ 1,791.1billion (up 4.5% year-on-year) due to increase in air transportation and trade and retail revenues. In view of operating expenses, although expenses such as airport fee and aircraft rentals increased in relation to expanded business, fuel cost are decreased largely, and as a result, operating income was ¥ 136.4 billion (up 49.1% year-on-year), ordinary income was ¥ 130.7 billion (up 94.7% year-on-year), and net income attributable to owners of ANA HOLDINGS INC. was ¥ 78.1 billion (up 99.2% year-on-year), exceeding results in the previous year; note that these increases are due to revenue growth in air transportation and trade and retail. The Company was also selected as a "Nadeshiko Brand" by Ministry of Economy, Trade and Industry and Tokyo Stock Exchange for being an enterprise that was proactively utilizing female employee.

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

(Revenues for each business segment include inter-segment sale, operating income corresponds to segment income.)

Overview by segment

◎Air Transportation

Air transportation operating revenues for the fiscal year were ¥ 1553.2 billion (up 4.6% year-on-year) due primarily to revenue increases on international routes where the scale of operations grew; while operating income stood at ¥ 139.7 billion (up 71.1% year-on-year). An overview is provided below.

Incidentally, for four 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＞

The number of passengers fell short of the number of the previous fiscal year due to the change in the competitive environment following the launch of the Hokuriku Shinkansen in addition to the impact of typhoons that occurred from July onwards and snowfalls this February. However, efforts to flexibly offer various promotional fares according to trends in demand resulted in an increase in revenues compared to the previous fiscal year.

In terms of the route network, ANA Group utilized the "low-noise slots" allocated for low-noise jets to land and depart from Itami Airport to resume the Itami-Hakodate route from the summer schedule. And also increase the number of flights on the Fukuoka-Miyazaki route, while increasing the number of flights on the Haneda-Kansai route from the winter schedule. Furthermore, efforts were made to capture growing demand mainly in summer season by increasing the number of flights to and from Okinawa including late-night flights on the Haneda-Okinawa route. However, the number of flights was reduced from the winter schedule on certain routes due to the termination of provisional use of international slots at Haneda airport. Efforts were made to improve the passenger load factor by using small aircraft to match capacity with demand.

On the marketing front, ANA Group carried out a detailed review of the level of various *Tabiwari* (discount) fares, and made efforts to capture raising demand to visit Japan through sales of the new "*ANA Discover JAPAN Fare*" for foreign visitors to Japan, which can be purchased at overseas travel agencies.

In services, "*ANA Baggage Drop*" automatic baggage check-in machines were introduced at Haneda Airport, a first for Japan, to enable smoother baggage check in, and "*New Self Service Check-in Machines*" that support five languages were deployed at all of 53 ANA's online domestic airport. The use of mileage program was also made more convenient service with the commencement in February that enable one mile units to be exchanged for "*ANA Shopping Points.*"

As a result of the above, the number of passengers on domestic services for this fiscal year stayed 42.66 million passengers (down 1.2% year-on-year), however while revenue was ¥ 685.6 billion (up 0.3% year-on-year).

＜International Passenger Services＞

In international passenger services, although there was a decrease in demand on certain routes due to the terrorist attacks on Paris in November and the serial terrorist attacks on Brussels this March, revenues surpassed levels from the previous fiscal year due to solid business travel demand on European, North American and Asian routes and the capture of robust travel demand to Japan from all regions.

To enhance the international network, ANA Group commenced new services on the Narita-Houston route in June, the Narita-Kuala Lumpur route in September, the Narita-Brussels route and the Haneda-Guangzhou route from the winter schedule, and the Haneda-Sydney route in December. In addition, the number of flights was increased on the Narita-Singapore route from June, the Narita-Honolulu route from July, the Narita-Bangkok route from August, and also the Haneda-Beijing/Shanghai/Hong Kong routes from the winter schedule.

On the marketing front, in addition to providing various discount fares departing from Japan and abroad, ANA continued to promote its own brand in overseas markets as well as take part in promotions to appeal excellence of Japan to appeal to stimulate inbound demand. ANA also became the main sponsor of the first major tour of the LPGA, naming the tournament "ANA INSPIRATION" and became the official airline of the LPGA, in addition to operating aircrafts with special livery featuring characters from the Star Wars movie worldwide from October in an effort to raise ANA's global profile.

In services, we improved cabin accommodation by providing fully reclining seats in business class on all routes between Japan and the United States mainland in October. To commemorate the 30th anniversary of regular international flights, ANA presented special services on March 3 this year to express its appreciation to customers such as commemorative gifts to passengers on all international flights from Japan.

As a result of the above, the number of passengers on international services for the fiscal year increased to 8.16 million passengers (up 13.3% year-on-year), while revenue increased to ¥ 515.6 billion (up 10.1% year-on-year).

＜Cargo Services＞

In domestic cargo services, we made efforts to capture demand by introducing a new loading reservation system in April, which provides space availability information to cargo agents in real time. Although efforts were made to increase revenue by establishing extra cargo flights on the Haneda-Okinawa route during the period of high demand for flowers and ornamental plants from Okinawa, air cargo demand was decreased throughout the fiscal year due to a reduce in cargo transferred from international routes as a result of the weak yen, etc. This led to a decline in both domestic cargo volumes and revenues year-on-year.

As a result of the above, the volume of domestic cargo handled in the year decreased to 466 thousand tons (down 1.8% year-on-year), while revenue decreased to ¥ 31.7 billion (down 2.6% year-on-year). The volume of domestic mail transported was 32 thousand tons (down 0.2% year-on-year), while revenue stood at ¥ 3.6 billion (down 2.1% year-on-year).

In international cargo services, we made efforts to capture demand utilizing our expanded passenger flight network. We designated all routes from Europe to Japan as our air cargo joint venture routes with Lufthansa Cargo AG commencing in August, and established the new Narita-Bangkok-Jakarta-Narita route in September and the Narita-Xiamen-Okinawa and Narita-Qingdao-Okinawa routes in October, in addition to introducing our 12th freighter aircraft in January this year in an effort to capture demand by expanding our freighter flight network. The volume of trilateral cargo via Japan increased compared to the previous year for both electronic devices and automobile parts from Asia to Europe and North America, and also items centered on fresh foods from Europe and North America to Asia. In addition to establishing extra flights and charter flights to meet demand, we made an effort to capture express cargo utilizing our Okinawa cargo hub. But sluggish demand for cargo from Japan and cargo from overseas to Japan due to the weak yen, in addition to a decrease in fuel surcharge revenue caused by falling fuel prices led to cargo volume and revenue both falling short of the previous year's results.

As a result of the above, the volume of international cargo handled in the year decreased to 810 thousand tons (down 3.7% year-on-year), while revenue decreased to ¥ 113.3 billion (down 9.2% year-on-year). The volume of international mail transported was 33 thousand tons (down 4.7% year-on-year), while revenue stood at ¥ 6.6 billion (up 13.1% year-on-year).

＜Others in Air Transportation＞

Others in Air Transportation business revenue was ¥ 196.5 billion (up 18.4% year-on-year). Revenue in "Others" is derived mainly from the mileage program, LCC, Vanilla Air Inc., in-flight sales and maintenance service contracts.

With the commencement of operations in Narita Airport's Terminal 3, which opened in April, Vanilla Air Inc. consolidated its check-in counters for domestic routes and international routes. Vanilla Air Inc. endeavored to capture inbound travel demand by increasing the number of flights on the Narita-Taipei route from October and the Narita-Kaohsiung route from January, in addition to establishing a Chinese-language reservation center in Taiwan. Various efforts were also made to increase revenue by means of offering the flexible fares based on trends in a demand and expanding the number of travel agents where Vanilla Air tickets can be purchased for customer's convenience and enabling ANA Mileage Club members to book Vanilla Air award tickets from the Internet.

In the year ended March 31, 2016, the number of passengers carried by Vanilla Air Inc. was 1,691 thousand (up 48.3% year-on-year) with 3,393,226 thousand available seat-kilometers (up 54.1%), 2,892,810 thousand revenue passenger-kilometers (up 63.6%) and a passenger load factor of 85.3% (up 5.0% year-on-year).

◎ Airline Related

Operating revenues was ¥ 231.9 billion (up 3.6% year-on-year) due to increase in acceptance of outsourcing from foreign airlines for boarding procedures, baggage handling, and other ground support handling at Haneda Airport and Kansai Airport. However, an operating loss of ¥ 4.2 billion (operating income of ¥ 9.0 billion in the previous fiscal year) was posted due to a decrease in cargo handling and a one-time write-off of the unamortized balance of goodwill recorded at the time of acquisition of Pan Am Holdings, Inc., which is a consolidated subsidiary that provides training for pilots in United States.

◎ Travel Services

In domestic travel services, there were increases in business in the mainstay "*ANA Sky Holiday*" products mainly for Okinawa and Hokkaido, and Dynamic Package "*Tabisaku*" to Okinawa and Kansai. As a result, operating revenues from domestic travel services exceeded the level of the previous year. Furthermore, product appeal was strengthened through sale of new products such as the "*Decollage*" brand new product devised for women.

In international travel services, although the line-up of the mainstay "*ANA Hallo Tour*" products was expanded using new routes such as the Narita-Houston route, operating revenues from international travel services decreased year-on-year as a result of the continued weak yen and a decrease in turnover due to the impact of terrorist attacks in Europe. On the other hand, operating revenues from inbound travel to Japan increased year-on-year, due to the capture of strong demand particularly from Taiwan and mainland China.

As a result of the above, operating revenues for the year from travel services fell to ¥ 167.3 billion (down 1.0% year-on-year), and operating income decreased to ¥ 4.2 billion (down 6.0% year-on-year).

◎ Trade and Retail

Operating revenues in the Retail business increased due to robust sales in the “ANA FESTA” and the “ANA DUTY FREE SHOP” at airports, stemming from an increase in the number of passengers resulting from the expansion of the route network at Narita Airport and Haneda Airport, and an increase in inbound tourists to Japan primarily from China and other parts of Asia. In addition to firm sales of bananas, a mainstay product in the Food business, there was an increase in orders for aircraft parts and semiconductor assembly in the Aerospace & Electronics business.

As a result of the above, operating revenues for the year from trade and retail rose to ¥ 140.2 billion (up 10.4% year-on-year), and operating income increased to ¥ 5.3 billion (up 30.6% year-on-year).

◎ Other

Operating revenues for the year from "Other" revenues increased to ¥ 33.7 billion (up 3.6% year-on-year) and operating income rose to ¥ 1.6 billion (up 2.2% year-on-year) due to factors such as strong performance in maintenance and property management services for buildings and facilities.

② Outlook for the Next Financial Year(April 1, 2016)

Although there are concerns about the risk of a downturn in the economy, with a slump in some overseas economies and terrorism and conflict in Europe and the Middle East, the economic outlook for next year is for a continued, gradual recovery as a result of improved employment outlooks and income levels, and the effect of various government policies. 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 "FY2016-2020 ANA Group Corporate Strategy" (issued January 29, 2016).

◎ Air Transportation

<Domestic Passenger Services>

In domestic passenger services, foreigner’s demand for travel within Japan by foreigners is expected to facilitate air transportation demand despite a decline in the country's aggregate population and an anticipated increase in competition with other means of transportation. Under such circumstances, ANA Group is working to ensure profitability by promoting measures to match capacity with demand by changing the aircraft used in accordance with number of reservation.

In the route network, in addition to starting new Haneda-Miyako and Iwakuni-Okinawa routes from the 2016 summer schedule, efforts will be made to expand the network according to passenger demand.

In terms of sales and services, ANA will carry out a detailed review of the level of various “*Tabiwari”* (discount fares), and strive to stimulate demand through the diversification of domestic fares sold overseas to visitors to Japan. Furthermore, ANA will renew its website (ANA SKY WEB), and work to enhance the services quality as a full-service carrier, such as improving convenience by increasing the number of aircraft offering the *ANA Wi-Fi Service* for Internet access on domestic flights, and improving comfort for Premium Class customers by expanding the selection of in-flight meals.

<International Passenger Services>

In international passenger services, business demand and inbound demand are expected to increase, and the overseas sales force will be strengthened to in accordance with expanding business.

The route network will be enhanced by starting a Narita-Wuhan route in April and a Narita-Phnom Penh route in September. Furthermore, with demand expected to increase in both Japan and India, a larger aircraft will be used on the Narita-Mumbai route from the 2016 summer schedule in an attempt to capture demand.

In terms of sales and marketing, various fares that feature both competitiveness and flexibility, and ANA will continue to promote its own brand in overseas markets, as well as take part in promotions to market the appeal of Japan, and make every effort to stimulate inbound visitor demand to Japan by highlighting its unique identities as a Japanese airline. In addition, by expanding the operation of Boeing 787 aircraft on Asian routes, the Company aims to enhance its products and services including offering fully reclining seats in business class and expanding the provision of premium economy service.

<Cargo Services>

In cargo, overall trends in demand for domestic cargo are sluggish, and the space provided is decreasing due to the operation of smaller aircraft. In international cargo, demand for outbound cargo from Japan and China cannot be expected to grow significantly, but demand for cargo from Asia to destinations within Asia and China is expected to remain comparatively steady. Furthermore, compared to this fiscal year, the yen is forecast to strengthen and this is expected to boost demand for imports to Japan.

Under these circumstances, with the new sales reservation system introduced this fiscal year, and the ANA's extensive domestic route network will be utilized to steadily capture demand in domestic cargo. In international cargo, efforts will be made to improve profitability by utilizing more cargo space on the expanding passenger flight network to steadily capture demand, and creating a dynamic and flexible network using dedicated cargo aircraft to accommodate fluctuations in supply and demand. In cargo joint ventures, ANA will make preparations to commence business with United Airlines and expand business with Lufthansa AG. Furthermore, ANA will make every effort to further strengthen its revenue base through the provision of high value-added services such as express cargo centered in Asian markets using the Okinawa cargo hub.

<Fleet Plan>

The Fleet Plan is scheduled to introduce a total of 18 aircraft with an expansion of international operations and initiatives to match capacity and demand on domestic routes through the use of smaller aircraft. The following is a breakdown of the aircraft scheduled for introduction: ten Boeing 787-9; one Boeing 787-8; three Airbus A320neo; and four Airbus A321ceo. Meanwhile the following ten aircrafts are scheduled for retirement: four Boeing 777-200; one Boeing 767-300; two Boeing 737-700; and three Boeing 737-500.

<Others in Air Transportation Business>

Vanilla Air Inc. will starts new routes including the Kansai-Taipei route in April and also enhance its network by strength existing routes. It will also make efforts to create new air travel demand by further expanding sales channels and strengthening sales utilizing online advertising in areas where it offers service overseas.

◎ Airline-related

Foreign airlines are expected to increase their number of flights due to strong inbound demand to Japan, and the aim is for airline related operations to contribute to Group revenues increase by added contracts to supply passenger and cargo handling services to these airlines in domestic airports.

◎ Travel Services

In travel services, efforts will be made to expand the lineup of dynamic package products for both domestic and international travel, and renovate the website (ANA SKY WEB) to make it more user friendly when reserving flights.

In domestic travel services, efforts will be made to stimulate demand, including the enhancement and earlier release of products - primarily the leading "*ANA Sky Holidays*" - with the key targets being families and women. In international travel services, efforts will be made to enhance the product appeal of "*ANA Hallo Tour*" and expand high value-added products such as "*ANA Wonder Earth*" and "*Otona no Yutori Tabi*". Furthermore, ANA

Sales will strengthen initiatives that increase tourist demand for visiting Japan, such as the development of domestic tour products for inbound tourist.

◎ Trade and Retail

In trade and retail, ANA Trading Company will strive to further expand existing business by developing customers in potential markets where high growth is expected in Japan and abroad, while also working to increase earnings through the creation of new business models including utilizing know-how obtained from the airport duty-free retail to participate in the operation of duty-free stores in cities, and the expansion of cross-border e-commerce.

◎ Other

ANA Group aims to exploit the comprehensive strengths of the Group as a whole and contribute to profit growth of the entire Group by restructuring existing operations and expanding external business.

At present, the forecast for consolidated results for the fiscal year ending March 31, 2017 is as follows: operating revenues ¥1,810 billion (up 1.1% year-on-year); operating income ¥145 billion (up 6.3% year-on-year); ordinary income ¥130 billion (down 0.6% year-on-year); and net income attributable to owners of ANA HOLDINGS INC. ¥80 billion (up 2.3% year-on-year). These calculations were made based on the assumptions that the exchange rate is ¥115 to one US dollar, and indices for fuel costs as follows; the market price for crude oil on the Dubai market is US$42 per barrel, while Singapore kerosene costs are US$55 per barrel.

Consolidated Earnings Forecast

Yen (Billions)

Category	FY2015 ended Mar.31, 2016	FY2016 ending Mar.31, 2017 (Estimate)
Operating revenues	1,791.1	1,810.0
Operating expenses	1,654.7	1,665.0
Operating income	136.4	145.0
Ordinary income	130.7	130.0
Net income attributable to owners of ANA HOLDINGS INC.	78.1	80.0

Consolidated Capital Expenditure Plan

Yen (Billions)

Category	FY2016 ending Mar.31, 2017 (Estimate)
Aircraft	202.0
System	34.0
Other	53.0
Total	289.0

Consolidated Interest Bearing Debts

Yen (Billions)

Category	FY2015 ended Mar.31, 2016	FY2016 ending Mar.31, 2017 (Estimate)
Interest bearing debts	703.8	711.0
Remaining rental payments under Operating leases	246.9	201.9

(2) Analysis of the Financial Position

① Consolidated Balance Sheet

Assets: Despite increase in tangible fixed assets as a result of investments in new aircraft etc., due to decrease in derivative assets etc., total assets decreased by ¥73.6 billion compared to the balance as of the end of FY2014, to ¥2,228.8 billion.

Liabilities: Despite issuance of bonds and funding through new borrowings, due to redemption of bonds and repayment of debts, total liabilities decreased by ¥64.9 billion compared to the balance as of the end of FY2014, to ¥1,433.9 billion. Interest-bearing debt decreased by ¥115.9 billion compared to the balance as of the end of FY2014, to ¥703.8 billion.

Net assets: Despite increase in retained earnings owing to recording of net income attributable to owners of ANA HOLDINGS INC. etc., due to decrease in deferred gain on hedging instruments, total net assets decreased by ¥8.6 billion compared to the balance as of the end of FY2014, to ¥794.9 billion. As a result, equity ratio was 35.4%.

② Consolidated Statement of Cash Flows

Operating activities: Net income before income taxes and non-controlling interests for the year was ¥131 billion. After adjustments on non-cash items such as depreciation and amortization and addition and subtraction of accounts receivable and payable for operating activities, cash inflows from operating activities was ¥263.8 billion.

Investment activities: Despite inflow from sales of assets, due to acquisition of aircrafts and parts, and advance payment for new aircraft, cash outflows from investing activities was ¥74.4 billion. As a result, free cash flow (inflow) was ¥189.4 billion.

Financial activities: Despite issuance of bonds and funding through long-term debt, due to redemption of bonds, repayment of debt and payment of dividends, cash outflows from financing activities was ¥133.2 billion.

As a result of the above, the balance of cash and cash equivalents at the end of the year increased by ¥56.1 billion compared to the balance as of the end of FY2014, to ¥265.1 billion.

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

Category	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Shareholder's equity ratio (%)	27.4	35.9	34.3	34.7	35.4
Shareholder's equity ratio based on market prices (%)	31.4	31.5	35.8	48.8	49.8
Debt repayment period (years)	4.5	5.2	4.2	4.0	2.7
Interest coverage ratio	10.8	9.5	12.4	14.7	22.3

* Shareholder's equity ratio: Shareholder's equity / Total assets

Shareholder's equity 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 by multiplying 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 liabilities 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 in air transportation primarily on international routes where the scale of the network was expanded, and in trade & retail operating airport shops. With regard to costs, in addition to the fall in fuel costs, ANA steadily implemented structural cost reforms outlined in "ANA Group's Medium-Term Corporate Strategy for FY 2014-2016," made consistent efforts to curb costs and, as a result, saw increases in operating income, ordinary income, and net income attributable to owners of ANA HOLDINGS INC.

Due to the achievement of financial goals for the current period, dividends for the current period have been allocated at ¥5 per share, after comprehensive consideration of the future business environment and financial conditions.

ANA HOLDINGS INC. views the return of profits to shareholders as an important function of management, and in addition to securing resources for investing in growth in areas such as aircraft for future business expansion, the Company intends to improve shareholder returns while paying heed to the accumulation of shareholders' equity for shoring up the level of free cash flow and the financial base.

Dividends for the next period are scheduled to be allocated at ¥6 per share, once the issues in "FY2016-2020 ANA Group Corporate Strategy" 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.

①Risks 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 transportation 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 fall 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 integration of models; and increased matching of supply and demand. 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 mid-FY 2018, 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. Around FY 2020, arrival/departure slots are expected to increase from 447,000 to 486,000 per annum at Haneda Airport, and from 300,000 to 340,000 at Narita Airport, but if the allocation of arrival/departure slots or the timing of flights at the two metropolitan airports (Haneda and Narita) differs from assumptions made by the ANA Group, it could adversely affect the success of the Group's Corporate Plan.

3) Risks Related to LCC Businesses

In LCC businesses, the Group may not create new air travel demand, which is the objective of entering into a LCC business, or be able to obtain the desired results due to intense competition with domestic or overseas LCCs. Additionally, flight crew shortages and outflows of flight crew personnel to other airlines could preclude the execution of formulated business plans. Furthermore, customers could turn away from LCCs as a result of accidents and other safety incidents caused by LCCs, including those overseas.

4) Risks Related to Strategic Investments

ANA Group may enter new businesses and invest in or acquire other companies to further expand its business in growth areas. These investments and other initiatives may not produce the intended results Moreover, if the interests of equity investors in a joint venture do not align, the Group may not be able to operate the joint venture in the manner it considers appropriate, and if management of the joint venture deteriorates, the Group may be exposed to an economic cost burden. In addition, equity investors other than the Group may experience poor financial results or withdraw from the business. The Group may also have difficulty in achieving desired results in investment in business in foreign countries or in businesses with little relevance to the airline business.

③ Risks related to crude oil price fluctuations

Jet fuel is derived from crude oil and therefore its price is linked with the price of crude oil. Variance that exceeds the Group's estimates due to factors such as political instability in oil-producing countries, increased demand for crude oil due to rapid economic growth in emerging countries, reductions in oil stockpiles or deposits, speculative investment in crude oil, or natural disasters 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 increases, imposing a significant burden on the Group. Accordingly, ANA Group engages in hedging transactions using crude oil and jet fuel commodity derivatives in a systematic, ongoing basis for specific periods of time to control the risk of fluctuations in the price of jet fuel and to stabilize operating income. In the event that crude oil prices rise over a short period, there are limitations to the Group's ability to offset sharp increases in crude oil prices through efforts at cost reductions and passing on costs in fares and other charges. For these reasons, the Group may be unable to avoid the impact of a sharp increase in crude oil prices completely, depending on its hedge position.

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

The Group hedges against fluctuations in the price of crude oil. Therefore, a sudden decrease in oil prices in the short term may not only result in a decrease in or elimination of fuel surcharge income but also, depending on the status of the hedge position, preclude the Group's ability to reap the benefits of the decline in prices.

④ Risks related to infectious diseases including 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

The Group's expenditures in foreign currencies are greater than its revenues in foreign currencies. Consequently, the impact of a depreciation of the yen on the Group's balance of income and expenditures would be significant. Accordingly, foreign currency taken in as revenue is appropriated to pay for expenses denominated in the same foreign currency to limit the impact on income and expenditures from the risk of fluctuations in foreign exchange rates, to the greatest extent possible. The Group also uses forward exchange agreements and currency options for a portion of the foreign currency needed for its purchases of aircraft and jet fuel to stabilize and control payment amounts. However, there are limits to the resulting increase in costs the Group can cover through efforts to reduce costs and pass on in fares and charges if the yen depreciates rapidly on the foreign exchange market over a short period of time. This could affect Group income and expenditures, depending on hedge positions and other factors. Conversely, if the yen should appreciate on the foreign exchange market over a short period of time, this may preclude immediate reflection in lower jet fuel costs and the Group's ability to reap the benefits from appreciation of the yen.

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, the Group undertakes operations based on statutory regulations relating to airline operations. The Group is also required to conduct passenger operations and cargo operations on international routes in accordance international agreements, including treaties, bilateral agreements, and the decisions of the International Air Transport Association (IATA) and the International Civil Aviation Organization (ICAO). The Group's fares, airspace, operating schedule and safety management are subject to a variety of constraints due to these regulations. Furthermore, the Group's operations are constrained by the Japanese Anti-monopoly Act and similar laws and regulations in other countries with regard to the pricing of fares and charges.

⑧ Risks related to litigation

The Group may become involved in various lawsuits in relation to its business activities, which could affect the Group's performance. Moreover, the events listed below could result in lawsuits or other legal action against the Group in the future, and similar investigations could be initiated in other countries and regions.

After overall consideration of various circumstances, ANA reached an agreement on transactions in regard to allegations by the United States Department of Justice of price fixing relating to international air cargo and passenger transport services; however, the specific amount of the claims for the class action lawsuit lodged in regard to passenger transport is not yet clear, and it is difficult to ascertain and analyze details at present.

⑨ Risks related to public sector fees

Public-sector fees include jet fuel taxes, landing fees, and fees for the use of navigational facilities. The Japanese government is currently implementing temporary measures to mitigate jet fuel taxes and landing fees but reduction or termination of these measures in the future could adversely affect the Group's performance.

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 (CO2 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 constrained or significant additional expenses incurred if new regulations are introduced, such as common global environmental taxes under an international greenhouse gas trading scheme scheduled for introduction in 2020.

⑪ Risks related to the airline industry

Within Japan, material changes in the current competitive and operating environment could occur as a result of changes in aviation policy or regional policy, or changes in the status of competitors due to mergers or capital alliances brought about by business collapse other factors. These changes could affect the Group's profitability.

⑫ Competitive risks

The possibility of future increases in costs related to the Group's operations due to such factors as jet fuel expenses, financing costs, and response to environmental regulations cannot be ruled out. If such costs increase, it will be necessary for the Group to cut costs through such means as reducing indirect fixed costs and passing on costs through higher fares and charges to secure income. However, because the Group is in competition with other airlines and LCCs in Japan and overseas as well as with alternative forms of transportation, such as the Shinkansen, on certain routes, passing on costs could diminish competitiveness. Furthermore, price competition with competitors could greatly restrict the passing on of costs, and this could affect the Group's performance.

⑬ Risks associated with ineffective strategic alliances

ANA Group is a member of the Star Alliance. With antitrust immunity (ATI) approval, joint venture operations were introduced in collaboration with United Airlines in the network between Asia and the Americas, and Lufthansa German Airlines and Lufthansa Group companies Swiss International Airlines, Austrian Airlines and Lufthansa Cargo AG in the network between Japan and Europe. The Group has also entered into individual alliances in Asia and elsewhere that surpass the framework of these alliances. Should the alliance be dismantled due to anti-monopoly 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.

An aircraft accident involving a flight operated by the Group or a code-share partner could cause a decline in customer confidence and the Group's reputation, 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, resulting in partial damage to the aircraft. This incident is still under investigation by the Transportation Safety Board of the Ministry of Land, Infrastructure and Transport to determine the cause, and the results of the investigation will be announced in the future.

A major accident suffered by a competitor could similarly lead to a reduction in flight demand that could affect the Group's performance. An accident would give rise to significant expenses including compensation for damages and the repair or replacement of aircraft. Aviation insurance would not necessarily cover all such direct expenses, however.

2) Technical circular directives, etc. on airworthiness

If an issue arises that significantly compromises the safety of an aircraft, MLIT will issue a technical circular directive, by law. In some cases, all aircraft of the same model might be 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, operation of the same model might be voluntarily suspended and repairs or replacements made in some cases, when safety cannot be confirmed from a technical perspective. Any such situation could have an adverse impact on confidence in the safety of the Group's aircraft and on profitability. Of particular note, the Group has been consolidating its fleet around the Boeing 787 and other new models. In the event a design flaw or technical issue 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 Group holds an enormous amount of customer information, including personal data on approximately 29.45 million ANA Mileage Club members (as of March 31, 2016), 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 Risks 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 and expenses largely determined by the aircraft and not the passenger load factor, such as fuel costs and airport usage fees, account for a significant 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 Group is highly dependent on information systems for such critical functions as customer service and operational management. A major disruption of one of those systems or of telecommunications networks caused by natural disasters, accidents, computer viruses or unauthorized access, power supply constraints or large-scale power outages would make it difficult to maintain customer service and operations and would result in a loss of public confidence, which could affect the Group's performance. Further, the Group's information systems are also used by its strategic partners, so there is a possibility that the impact of systems failure would not be limited 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 for the Group's existence. 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- to long-term corporate management strategy

While the airline industry projects growth in demand, underpinned by the gradual rebound of the Japanese economy, an increase in overseas tourists to Japan, indications of an economic recovery in the U.S., and economic growth in Asia, the Group has many issues to address, including sudden fluctuations in exchange rates and crude oil prices, the slowing of the Chinese economy, geopolitical risk, and stiffer competition from existing airlines and alternative forms of transportation.

Against this backdrop, the ANA Group is making steady progress in strengthening core business, expanding and diversifying profit resources, and moving ahead with cost structure reform, the three cornerstones of the rolling FY2014-2016 ANA Group Mid-Term Corporate Strategy. The Group will use these results as the platform for formulating the FY2016-2020 ANA Group Corporate Strategy, a five-year strategy targeting 2020, the year of the Tokyo Olympics and Paralympics, to advance the Group to the stage of accelerating its growth strategy further. The Group will use the expansion of arrival/departure slots at the Tokyo metropolitan airports as a springboard to offer top quality hospitality to all customers throughout the world and increase global name recognition, while contributing to the development of society by reducing CO2 emissions and addressing other environmental issues and developing tourism in new countries and regions. These efforts will increase corporate value, enhance customer satisfaction and generate greater value for customers, thereby establishing the position of the Group as a leading global airline company.

① Strategic overview

The cornerstones of the FY2016-2020 ANA Group Corporate Strategy are to expand the airline business, create new business and accelerate the growth of existing non-airline businesses. Under the Corporate Strategy, ANA Group aims to establish a strong corporate structure capable of responding to changes in the global business environment through management practices that expedite timely decisions on new investments, the creation of innovation, and strategic investments. The Group aims to achieve operating revenues of ¥2,160 billion and operating income of ¥200 billion in FY2020.

② Strategic framework

1) Expanding the airline business domain

Targeting all demand segments, the ANA Group will establish a stable profit base and expand its airline business domain by increasing the appeal of its FSC (Full Service Carrier) and LCC (Low Cost Carrier) business brands. The Group will also further expand sales to foreign customers overseas by stepping up overseas marketing and enhancing global name recognition.

(i) FSC (Full Service Carrier) business

In international passenger service, ANA aims to intensify its dual-hub airport strategy with expansion of arrival/departure slots in the Tokyo metropolitan area. The Group will actively develop routes to achieve an “interconnected world,” and will capture steadily increase passenger demand for arrivals/departures in Japan and travel to other countries via Japan. This will serve as the engine of growth to expand Group profitability as a new profit source to supplement passenger business on domestic routes. The Group will also step up efforts to capture leisure demand by expanding resort routes not yet adequately covered while working to develop routes to cities in Central and South America, Asia, and other regions not yet serviced by ANA.
In domestic passenger service, ANA is striving to hold a firm market share while working to achieve major improvements in efficiency to improve and maintain profitability. The Group is implementing the dynamic fleet assign model to simultaneously achieve transition to larger aircraft for high demand flights and to small aircraft for low demand flights in an effort to match supply to demand. ANA is also working to raise the base level of demand by engaging in greater promotion of domestic route utilization by foreign tourists visiting Japan, an area of strong growth.
In cargo service, ANA will accelerate the integrated management of ANA Cargo Inc., which operates a freighter business, and Overseas Courier Service Co., Ltd. (OCS), which operates a logistics business, to achieve the Group’s goal of development as an integrated air freighter and logistics company. The Group also aims to bring its freighter business and logistics business into the black by FY2017.

(ii) LCC business

The Group’s goal is to grow its LCC business into one of the four core businesses of the Group and build Vanilla Air into the No. 1 LCC brand in the Tokyo metropolitan area by generating new demand in the Japanese market and capturing strong inbound demand. LCC business will operate the leisure market flights not currently served by the ANA brand and stimulate leisure demand for international flights from Japan. It will also implement programs to increase inbound demand further through entry into the market for flights to Mainland China and new international routes at Okinawa.

2) Creating new business and accelerating growth of existing business (non-airline business)

(i)Creating new business

The Group will combine expertise from other companies, ICT and other assets with maximum use of its brand, and tangible and intangible assets of its customer base accumulated over many years to create and establish new business and expand and diversify Group revenue domains.

(ii) Accelerating growth of existing business

The Group will withdraw from or outsource business areas that are not very profitable. It will also accelerate growth of existing business by expanding the domain of each business to capture inbound demand, which is expected to grow as a source of revenue, by focusing on expanding duty-free sales and cross-border e-commerce in the trading company business, and the sales of high value-added tour packages through agencies and dynamic packages through the Internet in the travel business.

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. Financial statements

(1) Consolidated Balance Sheet

Yen (Millions)

Assets	FY2015 as of Mar. 31, 2016	FY2014 as of Mar. 31, 2015
Current assets:		
Cash and deposits	55,293	43,901
Notes and accounts receivables	139,404	144,321
Marketable securities	222,380	278,692
Inventories (Merchandise)	10,022	9,065
Inventories (Supplies)	51,831	54,305
Deferred income taxes - current	50,832	33,216
Other	101,575	129,468
Allowance for doubtful accounts	(149)	(185)
Total current assets	631,188	692,783
Fixed assets		
Net property and equipment:		
Buildings and structures, net	107,251	113,604
Flight equipment, net	931,837	873,662
Machinery, equipment and vehicles, net	32,328	26,955
Tools and fixtures, net	11,320	10,108
Land	49,612	51,813
Leased assets, net	9,963	12,918
Construction in progress	185,643	206,148
Total net property and equipment	1,327,954	1,295,208
Intangible fixed assets	80,743	85,250
Investments and others:		
Investments in securities	105,549	117,027
Long-term loans receivable	4,378	4,350
Net defined benefit asset	69	77
Deferred income taxes – non-current	55,974	34,835
Other	23,858	73,205
Allowance for doubtful accounts	(1,456)	(1,046)
Total investments and others	188,372	228,448
Total fixed assets	1,597,069	1,608,906
Deferred assets	551	748
Total assets	2,228,808	2,302,437

Yen (Millions)

Liabilities and Net assets	FY2015 as of Mar. 31, 2016	FY2014 as of Mar. 31, 2015
Liabilities		
Current liabilities:		
Notes and accounts payable	166,116	182,198
Short-term loans payable	177	200
Current portion of long-term debt payable	86,803	138,263
Current portion of bonds payable	-	65,000
Finance lease obligations	7,801	6,566
Accrued income taxes	43,573	26,179
Advance ticket sales	128,618	120,449
Accrued bonuses to employees	40,762	29,920
Asset retirement obligations	8	81
Other	111,632	97,821
Total current liabilities	585,490	666,677
Long - term liabilities:		
Bonds payable	105,000	75,000
Long - term debt payable	488,172	514,403
Finance lease obligations	15,933	20,399
Deferred tax liabilities – non-current	1,409	2,779
Accrued bonuses to employees	-	2,118
Accrued corporate executive officers' retirement benefit	607	529
Net defined benefit liabilities	163,351	160,562
Asset retirement obligations	941	744
Other	73,005	55,674
Total long-term liabilities	848,418	832,208
Total liabilities	1,433,908	1,498,885
Net assets		
Shareholders' equity		
Capital stock	318,789	318,789
Capital surplus	282,774	282,209
Retained earnings	253,545	189,353
Treasury stock	(4,830)	(5,269)
Total shareholders' equity	850,278	785,082
Accumulated other comprehensive income		
Net unrealized holding gain on securities	19,527	30,684
Deferred (loss) or gain on hedging instruments	(51,620)	5,279
Foreign currency translation adjustments	3,873	3,855
Remeasurements of defined benefit plans	(32,162)	(26,620)
Total accumulated other comprehensive income	(60,382)	13,198
Non-controlling interests	5,004	5,272
Total net assets	794,900	803,552
Total liabilities and net assets	2,228,808	2,302,437

(2) Consolidated Statement of Income

Yen (Millions)

	FY2015 Apr.1-Mar.31	FY2014 Apr.1-Mar.31
Operating revenues	1,791,187	1,713,457
Cost of sales	1,337,540	1,335,084
Gross profit	453,647	378,373
Selling, general and administrative expenses		
Sales commission	97,305	92,373
Advertising expenses	11,112	8,586
Employees' salaries and bonuses	37,307	35,559
Provision of allowance for doubtful accounts	92	138
Provision for bonuses	7,655	6,710
Retirement benefit expenses	3,306	2,878
Depreciation and amortization	17,698	15,094
Other	142,709	125,494
Total selling, general and administrative expenses	317,184	286,832
Operating income	136,463	91,541
Non-operating income		
Interest income	792	775
Dividend income	1,808	952
Gain on sales of assets	1,115	2,325
Equity in earnings of non-consolidated subsidiaries and affiliates	3,007	2,150
Gain on donation of non-current assets	3,632	936
Other	5,596	5,361
Total non-operating income	15,950	12,499
Non-operating expenses		
Interest expenses	11,455	13,732
Foreign exchange loss, net	2,661	4,379
Loss on sales of assets	117	3,147
Loss on disposal of assets	5,370	6,332
Amortization of net retirement benefit obligation at transition	—	6,137
Other	2,085	3,184
Total non-operating expenses	21,688	36,911
Ordinary income	130,725	67,129

	FY2015 Apr.1-Mar.31	FY2014 Apr.1-Mar.31
		Yen (Millions)
Extraordinary income		
Gain on sales of property and equipment	—	681
Gain on sales of investment securities	155	296
Gain on return of substituted portion of welfare pension fund	131	943
Subsidy	28	23
Special dividend	5,467	—
Gain on revision of retirement benefit plan	—	9,945
Other	95	97
Total extraordinary income	5,876	11,985
Extraordinary loss		
Loss on sales of property and equipment	—	71
Loss on sales of investment securities	—	222
Valuation loss on investments in securities	77	409
Impairment loss	4,925	111
Special retirement benefit expenses	136	89
Settlement received	—	165
Expenses related to revision of pension plans	399	55
Other	—	9
Total extraordinary loss	5,537	1,131
Income before income taxes and non-controlling interests	131,064	77,983
Income taxes-current	60,401	30,971
Income taxes-deferred	(7,923)	6,985
Income taxes	52,478	37,956
Net income before non-controlling interests	78,586	40,027
Net income attributable to non-controlling interests	417	788
Net income attributable to owners of ANA HOLDINGS INC.	78,169	39,239

(3) Consolidated Statement of Comprehensive Income

Yen (Millions)

	FY2015 Apr.1-Mar.31	FY2014 Apr.1-Mar.31
Net income before non-controlling interests	78,586	40,027
Other comprehensive income:		
Net unrealized holding (loss) gain on securities	(11,071)	20,232
Deferred (loss) on hedging instruments	(56,411)	(10,021)
Foreign currency translation adjustments	(160)	3,181
Remeasurements of defined benefit plans	(5,512)	3,458
Share of other comprehensive income of affiliates accounted for by the equity-method	(606)	265
Total other comprehensive income	(73,760)	17,115
Comprehensive income	4,826	57,142
(Total comprehensive income attributable to)		
Owners of ANA HOLDINGS INC.	4,589	56,298
Non-controlling interests	237	844

(4) Consolidated Statements of Changes in Net Assets

<FY2015 Apr.1-Mar.31> Yen (Millions)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Less Treasury common stock, at cost	Total shareholder's equity
Balance at the beginning of the year	318,789	282,209	189,353	(5,269)	785,082
Changes of items during the year					
Cash dividends paid			(13,977)		(13,977)
Net income attributable to owners of ANA HOLDINGS INC.			78,169		78,169
(Decrease) resulting from purchase of treasury stock				(482)	(482)
Disposal of treasury stock		565		921	1,486
Net changes of items other than shareholders' equity during the consolidated fiscal year, net					-
Total changes during the year	-	565	64,192	439	65,196
Balance at the end of the year	318,789	282,774	253,545	(4,830)	850,278

Yen (Millions)

	Accumulated other comprehensive income						
	Net unrealized gain on securities	Deferred gain (loss) on hedging instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at the beginning of the year	30,684	5,279	3,855	(26,620)	13,198	5,272	803,552
Changes of items during the year							
Cash dividends paid							(13,977)
Net income attributable to owners of ANA HOLDINGS INC.							78,169
(Decrease) resulting from purchase of treasury stock							(482)
Disposal of treasury stock							1,486
Net changes of items other than shareholders' equity during the consolidated fiscal year, net	(11,157)	(56,899)	18	(5,542)	(73,580)	(268)	(73,848)
Total changes during the year	(11,157)	(56,899)	18	(5,542)	(73,580)	(268)	(8,652)
Balance at the end of the year	19,527	(51,620)	3,873	(32,162)	(60,382)	5,004	794,900

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

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Less Treasury common stock, at cost	Total shareholder's equity
Balance at the beginning of the year	318,789	281,955	155,820	(6,330)	750,234
Cumulative effects of changes in accounting policies			3,715		3,715
Balance at the beginning of the year applying changes in accounting policies	318,789	281,955	159,535	(6,330)	753,949
Changes of items during the year					
Cash dividends paid			(10,467)		(10,467)
Net income attributable to owners of ANA HOLDINGS INC.			39,239		39,239
(Decrease) resulting from purchase of treasury stock				(49)	(49)
Disposal of treasury stock		254		1,110	1,364
Changes in scope of consolidation			1,046		1,046
Net changes of items other than shareholders' equity during the consolidated fiscal year, net					-
Total changes during the year	-	254	29,818	1,061	31,133
Balance at the end of the year	318,789	282,209	189,353	(5,269)	785,082

Yen (Millions)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gain on securities	Deferred gain (loss) on hedging instruments	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the year	10,201	15,350	453	(30,168)	(4,164)	5,221	751,291
Cumulative effects of changes in accounting policies							3,715
Balance at the beginning of the year applying changes in accounting policies	10,201	15,350	453	(30,168)	(4,164)	5,221	755,006
Changes of items during the year							
Cash dividends paid							(10,467)
Net income attributable to owners of ANA HOLDINGS INC.							39,239
(Decrease) resulting from purchase of treasury stock							(49)
Disposal of treasury stock							1,364
Changes in scope of consolidation							1,046
Net changes of items other than shareholders' equity during the consolidated fiscal year, net	20,483	(10,071)	3,402	3,548	17,362	51	17,413
Total changes during the year	20,483	(10,071)	3,402	3,548	17,362	51	48,546
Balance at the end of the year	30,684	5,279	3,855	(26,620)	13,198	5,272	803,552

(5) Consolidated Statement of Cash Flows

Yen (Millions)

	FY2015 Apr.1 - Mar.31	FY2014 Apr.1 - Mar.31
I. Cash flows from operating activities		
Income before income taxes and non-controlling interests	131,064	77,983
Depreciation and amortization	138,830	131,329
Impairment loss	4,925	111
Amortization of goodwill	10,170	908
Loss on disposal and sales of property and equipment	4,372	6,544
(Gain) loss on valuation and sales of securities	(78)	335
Settlement package	-	165
Increase (decrease) in allowance for doubtful accounts	374	(79)
(Decrease) in net defined benefit liabilities	(4,037)	(2,906)
Interest and dividend income	(2,600)	(1,727)
Interest expenses	11,455	13,732
Foreign exchange (gain)	(189)	(662)
Special retirement benefit expenses	136	89
(Gain) on revision of retirement benefit plan	-	(9,945)
(Gain) on return of substituted portion of welfare pension fund	(131)	(943)
Expenses related to revision of pension plans	399	55
Special dividend	(5,467)	-
Decrease (increase) in notes and accounts receivable	4,917	(438)
Decrease (increase) in other receivable	5,794	(2,777)
(Decrease) increase in notes and accounts payable-trade	(16,073)	1,536
Increase in advance ticket sales	8,169	12,037
Other, net	24,818	9,485
Subtotal	316,848	234,832
Interest and dividends received	3,204	2,177
Interest paid	(11,841)	(14,118)
Settlement package paid	-	(165)
Payments for special retirement	(136)	(1,567)
Income taxes (paid)	(44,197)	(14,280)
Net cash provided by operating activities	263,878	206,879
II. Cash flows from investing activities		
Payment for purchase of marketable securities	(279,370)	(395,280)
Proceeds from redemption of marketable securities	380,770	413,760
Payment for purchase of property and equipment	(252,583)	(241,733)
Proceeds from sales of property and equipment	104,571	50,839
Payment for purchase of intangible assets	(28,833)	(32,969)
Payment for purchase of investments in securities	(6,986)	(3,655)
Proceeds from sales of investments in securities	486	411
Proceeds from withdrawal of investments in securities	2,079	-
Proceeds from special dividend	5,467	-
Payment for purchase of subsidiaries' stock	-	(1,940)
Proceeds from liquidation of subsidiaries and affiliates	759	-
Payments for advances	(174)	(96)
Proceeds from collection of advances	187	202
Other, net	(816)	(288)
Net cash (used in) investing activities	(74,443)	(210,749)

Yen (Millions)

	FY2015 Apr.1 - Mar.31	FY2014 Apr.1 - Mar.31
III. Cash flows from financing activities		
(Decrease) in short-term loans, net	(26)	(511)
Proceeds from long-term debt	69,476	165,062
Repayment of long-term debt	(147,077)	(180,450)
Proceeds from issuance of bonds	29,845	14,921
Repayment of bonds	(65,000)	(10,000)
Repayment of finance lease obligations	(7,018)	(10,266)
Proceeds from issuance of capital stock to non-controlling Shareholders	-	221
Net decrease in treasury stock	1,002	1,315
Payment of dividends	(13,977)	(10,467)
Other, net	(482)	(249)
Net cash (used in) financing activities	(133,257)	(30,424)
IV. Effect of exchange rate changes on cash and cash equivalents	8	703
V. Net increase (decrease) in cash and cash equivalents	56,186	(33,591)
VI. Cash and cash equivalents at the beginning of the period	208,937	240,935
VII. Net increase resulting from changes in scope of consolidation	-	1,593
VII. Cash and cash equivalents at the end of the period	265,123	208,937

Notes to Consolidated Financial Statements

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: 62

(b) Number of equity method affiliates: 18

(c) Changes in scope of consolidation
Newly added: None
Excluded: 2
SKY FOODS Co., Ltd.
WINGLET CO., LTD.

3) Changes in accounting policies

(Application of Revised Accounting Standard for Business Combinations etc.)

Effective from the beginning of FY2015, ANA HOLDINGS INC. (hereinafter "the Company") adopted the "Revised Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No.21 of September 13, 2013, hereinafter referred to as the "Accounting Standard for Business Combination"), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22 of September 13, 2013, hereinafter referred to as the "Accounting Standard for Consolidation") and "Revised Accounting Standard for Business Divestures" (ASBJ Statement No. 7 of September 13, 2013, hereinafter referred to as the "Accounting Standard for Business Divestures"). In applying these revised accounting standards, any differences arising from changes in the Company's ownership interest in an equity-method subsidiary over which the Company continues to have control are now recorded as capital surplus and the corresponding acquisition-related costs are recognized as expenses in the consolidated fiscal year in which the costs are incurred. In addition, for business combinations conducted on or after the beginning of FY2015, the accounting method was changed to reflect the retrospective adjustment of purchase price allocation based on provisional accounting to the consolidated financial statements of the fiscal period in which the business combination occurred. Furthermore, the method of presentation for net income was amended and the reference to "minority interests" was changed to "non-controlling interests". To reflect these changes in presentation, the Consolidated Financial Statements in the previous fiscal year have been reclassified.
Concerning the application of the Accounting Standard for Business Combinations and others, based on the transitional treatment set out in paragraph 58-2(4) of the Accounting Standard for Business Combinations, in paragraph 44-5(4) of the Accounting Standard for Consolidation and in paragraph 57-4(4) of the Accounting Standard for Business Divestitures, these changes are effective from the beginning of FY 2015. The impact of these changes on the Consolidated Financial Statements is immaterial.

4) Consolidated statements of cash flows

Relationship between the balance of cash and cash equivalents at the end of the year and the amount of subjects that are in the consolidated balance sheet

Yen (Millions)

	FY2015 Apr.1-Mar.31		FY2014 Apr.1-Mar.31	
	Balance at the end of the year	included cash and cash equivalents	Balance at the end of the year	included cash and cash equivalents
Deposit accounts and cash	55,293	54,043	43,901	42,945
Investments in securities	222,380	211,080	278,692	165,992
Cash and cash equivalents		265,123		208,937

5) 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 group’s reportable segments are categorized under “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 above Note “2) Basis of presenting consolidated financial statements”.

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.

<FY2015 Apr.1-Mar.31>

1. Information on amount of operating revenues, profit or loss, assets, liabilities and others by reporting segment

Yen (Millions)

	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	1,458,517	48,671	157,558	115,386	1,780,132
Intersegment revenues and transfers	94,716	183,232	9,791	24,903	312,642
Total	1,553,233	231,903	167,349	140,289	2,092,774
Segment profit (loss)	139,757	(4,248)	4,291	5,312	145,112
Segment assets	2,016,211	131,988	58,807	58,655	2,265,661
Other items Depreciation and amortization	131,999	5,554	104	994	138,651
Amortization of goodwill	1	10,055	-	114	10,170
Increase in tangible and intangible fixed assets	269,183	10,809	349	2,306	282,647

	Other (*1)	Total	Adjustments (*2)	Consolidated (*3)
Operating revenues from external customers	11,055	1,791,187	-	1,791,187
Intersegment revenues and transfers	22,699	335,341	(335,341)	-
Total	33,754	2,126,528	(335,341)	1,791,187
Segment profit (loss)	1,659	146,771	(10,308)	136,463
Segment assets	19,929	2,285,590	(56,782)	2,228,808
Other items Depreciation and amortization	179	138,830	-	138,830
Amortization of goodwill	-	10,170	-	10,170
Increase in tangible and intangible fixed assets	18	282,665	(1,249)	281,416

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

*2. Adjustments of segment profit (loss) represent the elimination of inter-segment transactions and expenses of all group companies. Adjustments of segment assets include assets of all group companies in the amount of ¥118,984 million and the main asset is the long-term investments (investments in securities) in the consolidated companies.

*3. Segment profit (loss) is reconciled with operating income on the consolidated financial statements.

<FY2014 Apr.1-Mar.31>

1. Information on amount of operating revenues, profit or loss, assets, liabilities and others by reporting segment

Yen (Millions)

	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	1,388,187	50,047	160,070	105,262	1,703,566
Intersegment revenues 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
Amortization of goodwill	6	788	-	114	908
Increase in tangible and intangible fixed assets	267,621	7,264	365	1,823	277,073

	Other (*1)	Total	Adjustments (*2)	Consolidated (*3)
Operating revenues from external customers	9,891	1,713,457	-	1,713,457
Intersegment revenues 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
Amortization of goodwill	-	908	-	908
Increase in tangible and intangible fixed assets	319	277,392	(2,690)	274,702

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

*2. Adjustments of segment profit (loss) represent the elimination of inter-segment transactions and expenses of all group companies. Adjustments of segment assets include assets of all group companies in the amount of ¥145,145 million and the main asset is the long-term investments (investments in securities) in the consolidated companies.

*3. Segment profit (loss) is reconciled with operating income on the consolidated financial statements.

6) Per share information

	FY2015 <Apr.1 - Mar.31>	FY2014 <Apr.1 - Mar.31>
		Yen
Net assets per share	225.87	228.45
Net income per share	22.36	11.24

Notes:

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

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

	FY2015 <Apr.1 - Mar.31>	FY2014 <Apr.1 - Mar.31>
		Yen (Millions)
Net income attributable to owners of ANA HOLDINGS INC.	78,169	39,239
Amount not attributable to common shareholders	-	-
Net income in accordance with the common stock	78,169	39,239
Average number of shares outstanding during the year (Thousand shares)	3,496,561	3,492,380

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

	FY2015 <Apr.1 - Mar.31>	FY2014 <Apr.1 - Mar.31>
		Yen (Millions)
Net assets	794,900	803,552
Amounts deducted from total net assets	5,004	5,272
(incl. Non-controlling Interests)	(5,004)	(5,272)
Net assets related to common stock at the end of the year	789,896	798,280
The year-end number of common stocks used to determine net assets per share (Thousand shares)	3,497,198	3,494,355

4. The Company shares held by the trust account of the ANA Group Employee Stock Ownership Trust (FY2015: 13,352, FY2014: 17,914 (Thousand shares)) and Trust for Delivery of Shares to Directors (FY2015: 1,357 (Thousand shares)) are deducted from “Average number of shares outstanding during the year”.
   The Company shares held by the trust account of the ANA Group Employee Stock Ownership Trust (FY2015: 11,531, FY2014: 15,859 (Thousand shares)) and Trust for Delivery of Shares to Directors (FY2015: 1,357 (Thousand shares)) are deducted from “The year-end number of common stocks used to determine net assets per share”.

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

(1) Breakdown of Operating Revenues

Yen (Millions)

	FY2015 Apr.1- Mar.31	FY2014 Apr.1- Mar.31	Difference
Air Transportation			
Domestic routes			
Passenger	685,638	683,369	2,269
Cargo	31,740	32,584	(844)
Mail	3,665	3,743	(78)
Subtotal	721,043	719,696	1,347
International routes			
Passenger	515,696	468,321	47,375
Cargo	113,309	124,772	(11,463)
Mail	6,665	5,894	771
Subtotal	635,670	598,987	36,683
Revenues from Air Transportation	1,356,713	1,318,683	38,030
Other revenues	196,520	165,917	30,603
Subtotal of Air Transportation	1,553,233	1,484,600	68,633
Airline Related			
Revenues from Airline Related	231,903	223,780	8,123
Subtotal of Airline Related	231,903	223,780	8,123
Travel Services			
Package tours(Domestic)	136,293	133,045	3,248
Package tours(International)	20,589	26,132	(5,543)
Other revenues	10,467	9,901	566
Subtotal of Travel Services	167,349	169,078	(1,729)
Trade and Retail			
Revenues from Trade and Retail	140,289	127,029	13,260
Subtotal of Trade and Retail	140,289	127,029	13,260
Subtotal of Segments	2,092,774	2,004,487	88,287
Other			
Other revenues	33,754	32,574	1,180
Subtotal of Other	33,754	32,574	1,180
Total operating revenues	2,126,528	2,037,061	89,467
Intercompany eliminations	(335,341)	(323,604)	(11,737)
Operating revenues(Consolidated)	1,791,187	1,713,457	77,730

Notes:

1. Segment breakdown is based on classifications employed for internal management.
2. Segment operating revenues include 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

	FY2015 Apr.1- Mar.31	FY2014 Apr.1- Mar.31	Year on Year (%)
Domestic routes			
Number of passengers	42,664,899	43,203,184	(1.2)
Available seat km (thousand km)	59,421,784	60,213,030	(1.3)
Revenue passenger km (thousand km)	38,470,539	38,582,150	(0.3)
Passenger load factor (%)	64.7	64.1	0.7
Available cargo capacity (thousand ton-km)	1,850,640	1,883,263	(1.7)
Cargo (tons)	466,979	475,462	(1.8)
Cargo traffic volume (thousand ton-km)	472,482	476,807	(0.9)
Mail (tons)	32,455	32,526	(0.2)
Mail traffic volume (thousand ton-km)	31,792	31,902	(0.3)
Cargo and mail load factor (%)	27.2	27.0	0.2
International routes			
Number of passengers	8,167,951	7,208,044	13.3
Available seat km (thousand km)	54,710,537	49,487,472	10.6
Revenue passenger km (thousand km)	40,635,173	35,639,322	14.0
Passenger load factor (%)	74.3	72.0	2.3
Available cargo capacity (thousand ton-km)	6,040,069	5,484,270	10.1
Cargo (tons)	810,628	841,765	(3.7)
Cargo traffic volume (thousand ton-km)	3,532,452	3,608,347	(2.1)
Mail (tons)	33,593	35,232	(4.7)
Mail traffic volume (thousand ton-km)	143,751	152,732	(5.9)
Cargo and mail load factor (%)	60.9	68.6	(7.7)
Total			
Number of passengers	50,832,850	50,411,228	0.8
Available Seat-Km (thousand km)	114,132,321	109,700,502	4.0
Revenue Passenger-Km (thousand km)	79,105,712	74,221,472	6.6
Passenger load factor (%)	69.3	67.7	1.7
Available cargo capacity (thousand ton-km)	7,890,709	7,367,534	7.1
Cargo (tons)	1,277,607	1,317,228	(3.0)
Cargo traffic volume (thousand ton kg)	4,004,934	4,085,154	(2.0)
Mail (tons)	66,049	67,758	(2.5)
Mail traffic volume (thousand ton kg)	175,543	184,634	(4.9)
Cargo and mail load factor (%)	53.0	58.0	(5.0)

Notes:

1. The results for passenger travel on domestic routes include results from code share flights with IBEX Airlines Co., Ltd., AIRDO Co., Ltd., Solaseed Air Inc. (Skynet Asia Airways Co., Ltd., changed the corporate name on December 1, 2015)and Starflyer, Inc.
2. The results for passenger traveled on the code share flights of Virgin Atlantic Airways Ltd.,from March 30, 2014 to February 1, 2015 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., and Oriental Air Bridge Co., Ltd.
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. Difference of Passenger load factor and cargo and mail load factor between previous year and FY2015 is indicated in field of year on year.
13. The results for operating revenues for Vanilla Air Inc. is not included.
14. Vanilla Air Inc. does not handle cargo and mail.

6. Other

In addition to the change in method of presentation due to change in accounting policies as stipulated in page 28 Notes “3) Changes in accounting policies “, presentation of account names on the Consolidated Financial Statements as presented in pages 18 to 27 have been changed as follows from those on “ANA HOLDINGS reports consolidated financial results for FY2014”. The following changes were made on the English translations only due to internal review on translations, and no changes are made to the original Japanese account names.

Year ended Mar. 31, 2016	**FY2014**
Cash and deposits	Cash on hand and in banks
Net property and equipment	Tangible fixed assets
Short-term loans payable	Short-term loans
Current portion of long-term debt payable	Current portion of long-term debt
Current portion of bonds payable	Current portion of bonds
Advance ticket sales	Deposit received
Bonds payable	Bonds
Long-term debt payable	Long-term debt
Accrued corporate executive officers’ retirement benefit	Provision for directors retirement benefits
Capital stock	Common stock
Treasury stock	Less treasury common stock, at cost
Net unrealized holding gain on securities	Valuation difference on available for sale securities
Deferred gain on hedging instruments	Deferred gains on hedges
Cost of sales	Operating expenses
Depreciation and amortization	Depreciation
Gain on sales of assets	Gain on sale of property and equipment
Loss on disposal of assets	Loss on disposal of property and equipment
Ordinary income	Recurring profit
Return on equity	Net income / Shareholder’s equity
Ratio of ordinary profit to total assets	Recurring profit / Total Assets
Operating income margin ratio	Operating income / Operating revenue
Shareholder’s equity ratio	Net worth / total assets
Dividend on equity	Ratio of dividends to net assets
Gain on return of substituted portion of welfare pension fund	Gain on transfer of benefit obligation relating to employees' pension fund