This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the latter shall prevail in all respects.

Matters for Internet Disclosure under Laws and Regulations, and the Articles of Incorporation

Notes to Consolidated Financial Statements
Notes to Non-consolidated Financial Statements

(From April 1, 2015 to March 31, 2016)

ANA HOLDINGS INC.

"Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements" are provided to our shareholders through our Website (http://www.anahd.co.jp/investors/) pursuant to laws and regulations, and Article 17 of our Articles of Incorporation.

Notes to Consolidated Financial Statements

(From April 1, 2015 to March 31, 2016)

Notes to Consolidated Financial Statements

This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the latter shall prevail in all respects.

1. Notes etc. on material matters which constitute the basis for preparation of the consolidated financial statements

(1) Matters concerning the scope of consolidation

(i) Consolidated subsidiaries

- Number of consolidated subsidiaries: 62
- Names of major consolidated subsidiaries:
  - ALL NIPPON AIRWAYS CO., LTD.
  - Air Japan Co., Ltd.
  - ANA WINGS CO., LTD.
  - Vanilla Air Inc.
  - ANA Cargo Inc.
  - Overseas Courier Service Co., Ltd.
  - ANA Systems Co., Ltd.
  - ANA Sales Co., Ltd.
  - ALL NIPPON AIRWAYS TRADING CO., LTD.
- Change in the scope of consolidation
  Newly added: None
  Excluded: 2 — SKY FOODS CO., LTD.
  WINGLET CO., LTD.
  The two companies, which were consolidated subsidiaries, have become defunct because of the group restructuring, and have been excluded from the scope of consolidation .

(ii) Non-consolidated subsidiaries

- Number of non-consolidated subsidiaries: 55
- Names of major non-consolidated subsidiaries: OCS Deutschland GmbH (Frankfurt)
- Reason for exclusion from the scope of consolidation: The non-consolidated subsidiaries have been excluded from the scope of consolidation, because they are of a small size, and none of their total assets, operating revenues, net income or loss and retained earnings etc. have any material impact on the consolidated financial statements.

(2) Matters concerning the application of the equity method

(i) Non-consolidated subsidiaries or affiliates accounted for by the equity method

- Number of non-consolidated subsidiaries or affiliates accounted for by the equity method: 18
- Names of major companies:
  - Airport Facilities Co., Ltd.
  - JAMCO CORPORATION
  - Peach Aviation Limited
- Change in the application of the equity method
  Newly added: None
  Excluded: None

(ii) Non-consolidated subsidiaries or affiliates which are not accounted for by the equity method

- Number of non-consolidated subsidiaries or affiliates which are not accounted for by the equity method: 82
- Names of major companies: OCS Deutschland GmbH (Frankfurt)
- Reason for non-application of the equity method: The non-consolidated subsidiaries and affiliates which are not accounted for by the equity method have been excluded from the scope of application of the equity method, because they are of a small size, and neither the

	net income or loss (the amount in proportion to the Company's stake) nor retained earnings (the amount in proportion to the Company's stake), etc. after offsetting all transactions with the consolidated subsidiaries have any material impact on the consolidated financial statements.

(3) Matters concerning the fiscal year of consolidated subsidiaries

Of the consolidated subsidiaries, the end of the fiscal years of Pan Am Holdings, Inc. and eleven (11) other subsidiaries is December 31 and the end of the fiscal year of Fujisey Co., Ltd. is February 29. Since the difference between these fiscal year ends and the consolidated fiscal year end does not exceed three (3) months, ANA HOLDINGS INC. (hereinafter the Company) uses the financial documents as of the end of the fiscal year of each companies (December 31 or February 29) and if significant transactions arise between such fiscal year end and the consolidated fiscal year end, we make adjustments as may be necessary for consolidation purposes.

(4) Matters concerning accounting standards

(i) Valuation standards and methods for material assets

a. Held-to-maturity securities	Amortized cost method (straight-line method)
b. Other securities	
・ Securities with market value:	Market value method based on the market prices, etc. as at the end of the fiscal year (Valuation differences are recorded in the net assets section (direct net asset adjustment method), and the cost of marketable securities sold is calculated using the moving average method.)
・ Securities without market value:	Mainly cost method based on the moving average method
c. Derivatives	Market value method
d. Money trusts for investment purposes	Market value method
e. Inventories	Mainly cost method based on the moving average method (Values on the Consolidated Balance Sheet are subject to the book value reduction method based on declining profitability.)

(ii) Depreciation methods for material depreciable assets

a. Net property and equipment (excluding leased assets)	
Flight equipment:	Mainly straight-line method The estimated useful lives range mainly from nine (9) to twenty (20) years.
Buildings:	Mainly straight-line method The estimated useful lives range mainly from three (3) to fifty (50) years.
Other:	Mainly straight-line method
b. Intangible assets (excluding leased assets)	Mainly straight-line method Software for internal use is amortized by the straight-line method mainly over five (5) years, the estimated useful life of software.
c. Leased assets	Leased assets arising from transactions under finance lease contracts which do not transfer ownership to the lessee are amortized to a residual value of zero (0) by the straight-line method over the lease term.

(iii) Accounting standards for significant allowances

a. Allowance for doubtful accounts:	To cover losses from uncollectible operating receivables and loan receivables, etc., a general provision is made for doubtful accounts based on the historical credit loss ratio. Provisions are also made against specific receivables based on analysis of individual collectability as and when required.
b. Accrued bonuses to employees:	Provisions are estimated for bonus payments for employees of the Company.
c. Accrued corporate executive officers'	To prepare for the benefit expenditures for allowances

retirement benefits:	for the corporate executive officers, the payment amount required at the end of the fiscal year is recorded in accordance with the Regulations for Retirement Benefits for Corporate Executive Officers.

(iv) Standards for recognition of significant revenues and costs

Standards for recognition of revenues from completed construction work, and costs of completed construction work

・ Construction work performed by the end of the current fiscal year whose revenues, costs and progress toward completion can be reliably estimated	Percentage of completion method
・ Other construction work	Completed contract method

(v) Accounting for deferred assets

a. Stock issuance cost	This is amortized by the straight-line method over three (3) years.
b. Bond issuance cost	This is amortized by the straight-line method over the redemption period of the corporate bonds.
c. Organization cost	This is amortized by the straight-line method over five (5) years.

(vi) Significant hedge accounting method

a. Hedge accounting method	Deferral hedge accounting. However, financial assets and liabilities denominated in foreign currencies with forward exchange contracts, etc. are translated at the corresponding contract rates. A special treatment is adopted for interest swaps which meet the hedge accounting requirements.
b. Hedging instruments and hedged items	Hedging instruments: Derivative transactions (mainly forward exchange contract transactions, interest swap transactions, commodity swap transactions, and commodity option transactions) Hedged items: Those which may incur losses due to changes in currency values, etc., but that do not reflect such changes in currency valuation and items which have fixed cash flows that can be hedged to mitigate fluctuation risk.
c. Hedge policy	The Company and its consolidated subsidiaries enter into derivative transactions to hedge risks arising from the fluctuation in currencies, interest rates and commodities (jet fuel) in accordance with their internal management regulations which provide for transaction authority and limits on transaction amounts, and do not enter into derivative transactions for speculative or trading purposes.
d. Evaluation of effectiveness of hedge transactions	The assessment of hedge effectiveness is examined at inception and, on an ongoing basis, periodically by comparing the cumulative changes in cash flows from, or the changes in fair value of, hedged items with the corresponding changes in the hedging instruments. However, the evaluation of effectiveness is omitted for interest swaps which are accounted for by special treatment.

(vii) Matters concerning the amortization of goodwill

Goodwills are equally amortized over five (5) to fifteen (15) years from the year of accrual.

(viii) Accounting methods for retirement benefits

a. Accounting method to allocate the projected retirement benefit obligations	In calculating retirement benefit obligations, the benefit formula basis is used to allocate the projected

		retirement benefits to the periods until the end of the current consolidated fiscal year.
b.	Accounting method for actuarial gains and losses and prior service costs	Prior service costs are amortized as incurred by the straight-line method over the average remaining service years of eligible employees. Actuarial gains and losses are amortized from the subsequent fiscal year in with the gain or loss is recognized by the straight-line method over the average remaining service years of employees at the time of recognition.

(ix) Other material matters which constitute the basis for preparation of the consolidated financial statements

a.	Accounting for consumption taxes, etc.	Consumption taxes and local consumption taxes are accounted for by the tax exclusion method.
b.	Application of the consolidated tax return system	The Company and certain subsidiaries apply the consolidated tax return system.

2. Changes in accounting policies

(Application of Accounting Standards for Business Combinations, etc.)

Effective from the beginning of the current fiscal year, the Company has adopted the "Revised Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No.21 of September 13, 2013; the "Business Combinations Standard"), the Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22 of September 13, 2013; the "Consolidated Accounting Standards") and the "Revised Accounting Standard for Business Divestures" (ASBJ Statement No. 7 of September 13, 2013; the "Business Divestiture Standard"), etc. In applying these revised accounting standards, any change in ownership interest in a subsidiary when the Company retains control is recorded as capital surplus and the acquisition-related costs are recognized as expenses in the fiscal year in which the costs are incurred. In addition, for business combinations that take place on or after the beginning of the current fiscal year, any adjustment to the provisional amounts arising from the finalization of provisional accounting treatment relating to the allocation of acquisition costs is presented separately, and the presentation method is changed to present the opening balance as amount after such adjustment. Furthermore, the method of presentation for net income was amended and the reference to "minority interests" was changed to "non-controlling interests".

The Business Combination Standard and others were applied in accordance with the transitional treatments stipulated in Paragraph No. 58-2(4) of the Business Combination Standard, Paragraph No. 44-5(4) of the Consolidated Financial Statement Standard, and Paragraph 57-4(4) of the Business Divestiture Standard, and the accounting standards, etc. have been applied since the beginning of the current fiscal year.

These accounting changes do not have any impact on the consolidated financial statements.

3. Changes in the presentation method

(Consolidated Statement of Income)

The "Gain on donation of non-current assets", which was included in "Other" of the Non-operating income in the previous fiscal year, was presented separately in the current fiscal year due to its increased significance.

The "Gain on donation of non-current assets", which was included in "Other" of the Non-operating income for the previous fiscal year, was 936 million yen.

4. Additional information

(Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts)

The Company has been conducting transactions of delivering its own stock to the Employee Stock Ownership Group through trust for the welfare of its employees.

(1) Transaction Outline

The Company introduced a "Trust Type Employee Stock Ownership Plan" (the "Plan") on July 12, 2013 as an incentive for the Group employees to work in unison to overcome the current harsh business environment and achieve further growth, and as a measure to advance their welfare. The aim of the Plan is to promote the employees' asset building by encouraging their stock acquisition and holding through the expansion of the "ALL NIPPON AIRWAYS CO., LTD. Employee Stock Ownership Association," "ANA Group Employee Stock Ownership Association" and "ALL NIPPON AIRWAYS TRADING CO., LTD. Employee Stock Ownership

Association” (the “Stock Ownership Association”).

The Plan is an incentive plan for all employees who participate in the Stock Ownership Association. Under the Plan, “ANA Group Employee Stock Ownership Trust” (the “ESOT”), which was established to transfer the Company’s shares to the Stock Ownership Association, will acquire the Company’ shares all at once in advance to the extent that the Stock Ownership Association will acquire them over a certain period of time. If a gain on sale of shares is then accumulated within the ESOT through the sale of the Company’s shares to the Stock Ownership Association by the termination of the trust, it will be distributed to the Group employees who meet the beneficiary requirements (all individuals who have participated in the Stock Ownership Association during the trust period, including retirees) as residual assets.

The Company guarantees the borrowings for the ESOT’s acquisition of the Company’s shares, and repay any borrowings outstanding at the termination of the trust pursuant to the guarantee agreement.

(2) Accounting Method for Transactions of Delivering the Company’s Own Stock through Trust

Although the Company applies the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (Practical Issues Task Force (PITF) No. 30 of March 26, 2015), the Company continues to apply the accounting method that was applied previously.

(3) Matters Concerning the Company’s Own Stock Held by the Trust

The book value of the Company’s own stock held by the trust is 3,346 million yen for the previous fiscal year and 2,433 million yen for the current fiscal year, and is recorded as treasury stock in the shareholders’ equity.

The number of shares at the end of the previous fiscal year is 15,859 thousand shares, the average number of shares during the previous fiscal year is 17,914 thousand shares, the number of shares at the end of the current fiscal year is 11,531 thousand shares, and the average number of shares during the current fiscal year is 13,352 thousand shares. For the purpose of calculating per share information, the number of shares at the end of the fiscal year and the average number of shares during the fiscal year are included in the treasury stock that are deducted.

(Adjustments of the amounts of deferred tax assets and deferred tax liabilities due to a change in the coprporate income tax rate, etc.)

The "Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 15 of 2016) and the “Act for Partial Amendment, etc. of the Local Tax Act, etc.” (Act No. 13 of 2016) were enacted by the Diet on March 29, 2016, which will result in the lowering, etc. of the corporate income tax rate, etc. from the fiscal year beginning April 1, 2016. Accordingly, the statutory effective tax rate used for the calculation of deferred tax assets and deferred tax liabilities will be changed from the current 32.34% to 30.86% for the temporary differences expected to be realized or settled from the fiscal year beginning April 1, 2016 and the fiscal year beginning April 1, 2017, and 30.62% for the temporary differences expected to be realized or settled from the fiscal year beginning April 1, 2018.

As a result of this tax rate change, the amount of deferred tax assets (net of deferred tax liabilities) decreased by 4,362 million yen, and income taxes-deferred, net unrealized holding gain on securities and remeasurements of defined benefit plans increased by 3,216 million yen, 480 million yen and 667 million yen, respectively, and deferred loss on hedging instruments decreased by 959 million yen.

(Accounting for Board Benefit Trust)

From the current fiscal year, the Company has been delivering its own stock through a Board Benefit Trust (hereinafter BBT) to pay remuneration to the board of directors (the “Trust for Delivery of Shares to Directors”) as a share remuneration plan, in order to boost performance, increase corporate value and raise the awareness of shareholder-oriented management.

The Trust for Delivery of Shares to Directors acquires the Company’s own stock using money contributed by the Company as the source of the board of directors’ remuneration, etc., and the Company’s own stock will be delivered to the board of directors according to the degree of achievement of the earnings target, among other things.

As for the accounting for the trust, the “gross method” is applied pursuant to the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trust” (Practical Issues Task Force (PFTF) No. 30 of March 26, 2015).

The Company’s own stock held by the trust as of the end of the current fiscal year is recorded as treasury stock in the Net assets of the Consolidated Balance Sheet, and the book value is 429 million yen, and the number of shares is 1,357 thousand shares.

5. Notes on the Consolidated Balance Sheet

(1) Assets pledged as collateral

Flight equipment (including spare parts)	599,994 million yen
Buildings and land	3,997 million yen
Lease investment assets	20,127 million yen
Other	10,145 million yen
Total	634,263 million yen

The above assets are pledged as collateral for the long term debts payable of 339,988 million yen and other liabilities of the related companies.

(2) Accumulated depreciation of net property and equipment 1,034,634 million yen

(3) Debt guarantee, etc.

Debt guarantee 185 million yen

6. Notes on the Consolidated Statement of Income

Impairment loss

Particularly, the net book values of assets expected to be sold were written down to their recoverable amounts, and impairment losses of 4,925 million yen was recorded.

7. Notes on the Consolidated Statements of Changes in Net Assets

(1) Matters concerning the total number of outstanding shares

Type of shares	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the current fiscal year	Decrease in the number of shares during the current fiscal year	Number of shares as at the end of the current fiscal year
Ordinary shares	3,516,425 thousand shares	-	-	3,516,425 thousand shares

(2) Matters concerning the number of treasury stock

Type of shares	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the current fiscal year	Decrease in the number of shares during the current fiscal year	Number of shares as at the end of the current fiscal year
Ordinary shares	22,069 thousand shares	1,510 thousand shares	4,352 thousand shares	19,227 thousand shares

(Notes)
1. The increase of 1,510 thousand shares of treasury stock is the total of 153 thousand shares, which correspond to the purchase of fractional shares, and 1,357 thousand shares in the Company, which were purchased by the Trust for Delivery of Shares to Directors during the current fiscal year.
2. The decrease of 4,352 thousand shares of treasury stock is the total of 17 thousand shares, which were purchased from the holders of fractional shares at their request, 4,328 thousand shares in the Company, which were sold by the ANA Group Employee Stock Ownership Trust during the current fiscal year, and 7 thousand shares in the Company, which were sold by subsidiaries and affiliates.
3. Treasury stock includes 11,531 thousand shares in the Company held by the ANA Group Employee Stock Ownership Trust, and 1,357 thousand shares held by the Trust for Delivery of Shares to Directors, each at the end of the current fiscal year.

(3) Matters concerning Appropriated surplus

(i) Dividends paid

The following items were resolved at the 70th Ordinary General Meeting of Shareholders held on June 29, 2015.

・ Total amount of dividends:	13,977 million yen
・ Source of dividends	Retained earnings
・ Dividend amount per share:	4 yen
・ Record date:	March 31, 2015
・ Effective date:	June 30, 2015

(Note) The total amount of dividends does not include 68 million yen in dividends paid to the ANA Group Employee Stock Ownership Trust and subsidiaries and affiliates. This is because the

Company’s shares held by the ANA Group Employee Stock Ownership Trust and subsidiaries and affiliates are recognized as treasury stock.

(ii) Dividends whose record date falls in the current fiscal year, but whose effective date falls in the next fiscal year

The following items will be resolved at the 71st Ordinary General Meeting of Shareholders to be held on June 28, 2016.

- Total amount of dividends: 17,492 million yen
- Source of dividends Retained earnings
- Dividend amount per share: 5 yen
- Record date: March 31, 2016
- Effective date: June 29, 2016

(Note) The total amount of dividends does not include 64 million yen in dividends to be paid to the ANA Group Employee Stock Ownership Trust and subsidiaries and affiliates. This is because the Company’s shares held by the ANA Group Employee Stock Ownership Trust and subsidiaries and affiliates are recognized as treasury stock.

8. Notes on Financial Instruments

(1) Matters concerning Status of Financial Instruments

The Group limits fund management to short-term deposits, etc. and raises funds through borrowings from banks and other financial institutions.

The Group makes best efforts to reduce customers' credit risk concerning accounts receivable in accordance with the internal rules, etc. of each group company. Investments in securities are consisted mainly of shares, and market values of listed shares are calculated quarterly.

Funds raised by borrowings are used for capital expenditures, and derivatives are executed within the scope of actual demand pursuant to the Internal Management Rules.

(2) Matters concerning market values of financial instruments

The carrying value of financial instruments on the Consolidated Balance Sheet, estimated market values and their differences as of March 31, 2016 are as follows:

(Millions of yen)

	Carrying value (*)	Market Values(*)	Differences
(1) Cash and deposits	55,293	55,293	―
(2) Notes receivable and accounts receivable	139,404	139,404	―
(3) Marketable securities and investments in securities	297,368	304,436	7,068
(4) Notes payable and accounts payable	(166,116)	(166,116)	―
(5) Short-term loans payable	(177)	(177)	―
(6) Bonds payable	(105,000)	(109,104)	△4,104
(7) Long-term debt payable	(574,975)	(598,823)	△23,848
(8) Derivative transactions	(73,359)	(73,359)	―

(*) Liabilities are presented in parenthesis.

Net receivables and payables arising from derivative transactions are recorded net, and items which, in aggregate, become net payables are presented in parenthesis.

(Note 1) Matters concerning the method of calculating market values of financial instruments, and marketable securities and derivative transactions

(1) Cash and deposits, and (2) Notes receivable and accounts receivable

As these are settled within a short period of time and their market values are almost equal to their book values, their market values are based on their book values.

(3) Marketable securities and investments in securities

Market values of shares, etc. are based on quoted market prices, and those of bonds are based on their quoted market price or prices offered by financial institutions.

(4) Notes payable and accounts payable, and (5) Short-term loans payable

As these are settled within a short period of time and their market values are almost equal to their book values, their market values are based on their book values.

(6) Bonds payable

Market values of bonds issued by the Company are calculated based on their present value, obtained by discounting the sum of their principals and interest by the interest rate determined in light of the remaining period and the credit risk of the bonds.

(7) Long-term debt payable

Market values of long-term debt payable are calculated based on their present value, obtained by discounting the sum of its principal and interest by the expected interest rate when making similar new borrowings. Long-term debt payable with floating interest rates are subject to special treatment for interest rate swaps (please refer to (8) below), and their market values are calculated by discounting the sum of their principals and interest, which have been treated as a unit with such interest rate swaps, by the rate reasonably estimated when making a similar new borrowings.

(8) Derivative transactions

Market values of derivative transactions are calculated based on the prices offered by counterparty financial institutions. As those subject to special treatment for interest rate swaps are treated as a unit with long-term debts subject to hedging, their market values are included in those of such long-term debts (please refer to (7) above).

(Note 2) Unlisted shares (the amount recorded on the Consolidated Balance Sheet: 30,561 million yen) are not included in "(3) Marketable securities and investments in securities" because they do not bring market prices, and their future cash flow cannot be estimated and it is quite difficult to figure out their market values.

9. Note concerning per share information

(1) Net assets per share	225.87 yen
(2) Net income per share	22.36 yen

10. Note concerning material subsequent events

Not applicable

Notes to Non-consolidated Financial Statements

(From April 1, 2015 to March 31, 2016)

Notes to Non-consolidated Financial Statements

1. Notes on matters concerning significant accounting policies

(1) Valuation standards and methods for securities

(i) Held-to-maturity securities — Amortized cost method (straight-line method)

(ii) Investments in subsidiaries and affiliates — Cost method based on the moving average method

(iii) Other marketable securities

・Marketable securities with market value: Market value method based on the market prices, etc. as of at the accounting dateend of the fiscal year. (Valuation differences are included recorded in the net assets section (*direct net asset adjustment method*), and the cost of marketable securities sold is calculated using the moving average method.)

・Marketable securities without market value: Cost method based on the moving average method

(2) Valuation standards and methods for derivatives, etc.

(i) Derivatives — Market value method

(ii) Money trusts for investment purposes — Market value method

(3) Depreciation methods for fixed assets

(i) Net property and equipment (excluding leased assets)

Flight equipment: Straight-line method
The estimated useful lives range mainly from nine (9) to twenty (20) years.

Buildings: Straight-line method
The estimated useful lives range mainly from three (3) to fifty (50) years.

Other: Mainly straight-line method

(ii) Intangible assets (excluding leased assets) — Straight-line method
Software for internal use is amortized by the straight-line method over five (5) years, the estimated useful life of software.

(iii) Leased assets — Leased assets arising from transactions under finance lease contracts which do not transfer ownership of the assets to the lessee are amortized to a residual value of zero (0) by the straight-line method over the lease term.

(4) Accounting Sstandards for allowances

(i) Allowance for doubtful accounts — To cover losses from uncollectible operating receivables and loan receivables, etc., a general provision is made for doubtful accounts based on the historical credit loss ratio. Provisions are also made against specific receivables based on the analysis of individual collectability for certain receivables such as bad loans as and when required.

(ii) Accrued corporate executive officers' retirement benefits — To prepare for the payment of retirement benefit expenditures for allowances for corporate executive officers, the payment amount required at the end of the fiscal year is recorded in accordance with the Regulations on Retirement Benefits for Corporate Executive Officers.

(5) Accounting methods for deferred assets

(i) Stock issuance cost — This is amortized by the straight-line method over three (3) years.

(ii) Corporate Bond issuance cost — This is amortized by the straight-line method over the redemption period of the corporate bonds.

(6) Hedge accounting method

(i) Hedge accounting method — Deferral hedge accounting. However, financial assets and liabilities denominated in foreign currencies with forward exchange contracts, etc. are translated at the corresponding contract rates.
A special treatment is adopted for interest swaps

		which meet the hedge accounting requirements.
(ii)	Hedging instruments and hedged items	Hedging instruments: Derivative transactions (mainly forward exchange contract transactions and interest swap transactions) Hedged items: Those which may incur losses due to changes in currency values, etc., but do not reflect such changes in currency valuation and items which have fixed cash flows so that can be hedged to mitigate fluctuation risks.
(iii)	Hedge policy	The Company enter into derivative transactions to hedge risks arising from the fluctuation in currencies and interest rates in accordance with its internal regulations "Risk Management Regulations on Hedge Transactions" and "Risk Management Guidelines for Hedge Transactions", and does not enter into derivative transactions for speculative or trading purposes.
(iv)	Evalutaion of effectiveness of hedge transactions	The assessment of hedge effectiveness is examined at inception and, on an ongoing basis, periodically by comparing the cumulative changes in cash flows from, or the changes in fair value of, hedged items with the corresponding changes in the hedging instruments. However, the evaluation of effectiveness is omitted for interest swaps which are accounted for by special treatment.

(7) Other material matters which constitute the basis for preparation of financial statements

(i)	Accounting for consumption taxes, etc.	Consumption taxes and local consumption taxes are accounted for by the tax-exclusive tax exclusion method.
(ii)	Application of the consolidated tax return system	The Company applies the consolidated tax return system.

2. Change in accounting policies

(Application of Accounting Standards for Business Combinations, etc.)

Effective from the beginning of the current fiscal year, the Company has adopted the “Revised Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No.21 of September 13, 2013; the “Business Combinations Standard”) and the “Revised Accounting Standards for Business Divestitures” (ASBJ Statement No. 7 of September 13, 2013; the “Business Divestiture Standard”), etc., and changed its accounting method (i.e. acquisition-related costs are recognized as expenses in the fiscal year in which the costs are incurred). As for business combinations effected on or after the beginning of the current fiscal year, the Company has also changed its accounting method (i.e. if any adjustment to the provisional amounts arising from the finalization of provisional accounting treatment relating to the allocation of acquisition costs is effected in the fiscal year immediately after the fiscal year in which the relevant business combination is effected, such adjustment is presented separately, and the presentation method is changed to present the opening balance as amount after such adjustment.

The Business Combination Standard and others were applied in accordance with the transitional treatments stipulated in Paragraph No. 58-2(4) of the Business Combination Standard and Paragraph 57-4(4) of the Business Divestiture Standard, and the accounting standards, etc. have been applied since the beginning of the current fiscal year.

These accounting changes do not have any impact on the financial statements.

3. Change of the presentation method

(Non-consolidated Statement of Income)

The “Gain on sales of assets”, which was separately posted in the previous fiscal year, has been included in “Other” of the Non-operating income in the current fiscal year, due to its decreased significance.

The “Gain on sales of assets”, which is included in “Other” of the Non-operating income for the current fiscal year, is 299 million yen.

4. Additional information

(Transactions of Delivering the Company’s Own Stock to Employees etc. through Trust)

The notes concerning the delivery of the Company’s own stock to the Employee Stock Ownership Group through trust are omitted, because “4. Additional Information” of the Notes to Consolidated Financial Statements contains the same description.

(Accounting for the BBT Type Trust for Delivery of Shares to Directors)

The notes concerning the accounting for the BBT Type Trust for Delivery of Shares to Directors are omitted, because “4. Additional Information” of the Notes to Consolidated Financial Statements contains the same description.

5. Notes on the Non-consolidated Balance Sheet

(1) Assets pledged as collateral

Flight equipment	519,060 million yen
Buildings	3,448 million yen
Lease investment assets	20,127 million yen
Other	10,145 million yen
Total	552,782million yen

The above assets are pledged as collateral for the long-term debts payable of 339,896 million yen and other liabilities of the subsidiaries and affiliated companies.

(2) Accumulated depreciation of net property and equipment	785,623 million yen

(3) Debt guarantee, etc.

Debt guarantee

ALL NIPPON AIRWAYS CO., LTD.	73,720 million yen
Employees of ALL NIPPON AIRWAYS CO., LTD.	2,868 million yen
Pan Am International Flight Training Center (Thailand) Limited	1,208 million yen

(4) Financial assets and liabilities to subsidiaries and affiliates:

(i) Short-term financial assets	51,911 million yen
(ii) Short-term financial liabilities	179,296 million yen
(iii) Long-term financial assets	43,793 million yen
(iv) Long-term financial liabilities	362 million yen

6. Notes on the Non-consolidated Statement of Income

(1) Transactions with subsidiaries and affiliates

(i) Operating revenues	205,707 million yen
(ii) Operating cost	1,237 million yen
(iii) Transactions other than operating transactions	1,654 million yen

(2) Impairment loss

The net book values of assets expected to be sold were written down to their recoverable amounts, and impairment loss of 4,285 million yen was recorded.

7. Notes on the Non-consolidated Statement of Changes in Net Assets

Matters concerning the number of treasury stock

Type of shares	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the current fiscal year	Decrease in the number of shares during the current fiscal year	Number of shares as at the end of the current fiscal year
Ordinary shares	20,790 thousand shares	1,510 thousand shares	4,345 thousand shares	17,954 thousand shares

(Notes) 1. The increase of 1,510 thousand shares of treasury stock is the total of 153 thousand shares, which correspond to the purchase of fractional shares, and 1,357 thousand shares in the Company, which were purchased by the Trust for Delivery of Shares to Directors during the current fiscal year.

2. The decrease of 4,345 thousand shares of treasury stock is the total of 17 thousand shares, which were purchased from the holders of fractional shares at their request, and 4,328 thousand shares in the Company, which were sold by the ANA Group Employee Stock Ownership Trust during the current fiscal year.
3. Treasury stock includes 11,531 thousand shares in the Company held by the ANA Group Employee Stock Ownership Trust, and 1,357 thousand shares in the Company held by the Trust for Delivery of Shares to Directors, each at the end of the current fiscal year.

8. Notes on tax effect accounting

(1) Breakdown of the major temporary differences of tax effect accounting that give rise to a significant portion of the deferred tax assets and liabilities

	(millions of yen)
Deferred tax assets	
Investments in subsidiaries and affiliates associated with company split	43,336
Long-term unearned income	7,408
Valuation loss on investments in subsidiaries and affiliates	6,419
Impairment loss	1,657
Other	6,007
Subtotal: deferred tax assets	64,830
Valuation allowance	(7,800)
Total: deferred tax assets	57,030
Deferred tax liabilities	
Net unrealized holding gain on securities	(8,100)
Deferred gain on hedging instruments	(1,384)
Reserve for special depreciation	(553)
Other	(625)
Total: deferred tax liabilities	(10,663)
Net deferred tax assets	46,366

(2) Breakdown of the major items which cause material difference between the statutory effective tax rate and the corporate income tax rate, etc. after the application of tax effect accounting

Statutory effective tax rate	33.06%
(Adjustments)	
Changes in valuation allowance	9.26%
Decrease in deferred tax assets at the end of the fiscal year due to tax rate change	8.098.00%
Non-deductible entertainment expense, etc.	2.14%
Non-deductible dividends income, etc. from gross revenue	(10.75)%
Other	(0.270.18)%
Effective tax rate of corporate income tax, etc. after the application of tax effect accounting	41.54%

(3) Adjustments of the amounts of deferred tax assets and deferred tax liabilities due to a change in the corporate income tax rate, etc.

The "Act on Partial Amendment of the Income Tax Act, etc.” (Act No. 15 of 2016) and the “Act on Partial Amendment, etc. of the Local Tax Act, etc.” (Act No. 13 of 2016) were enacted by the Diet on March 29, 2016, which will result in the lowering, etc. of the corporate income tax rate, etc. from the fiscal year beginning April 1, 2016. Accordingly, the effective statutory effective tax rate usedto measure the Company’s deferred tax assets and liabilities will be changed from the current 32.34% to 30.86% and 30.62% for temporary differences expected to be realized or settled in the fiscal year beginning April 1, 2016 and April 1, 2017, and 30.62% for temporary differences expected to be realized or settledfrom the fiscal year beginning April 1, 2018, respectively.

As a result of this tax rate change, the amount of deferred tax assets (net of deferred tax liabilities) decreased by 2,579 million yen, and the income taxes-deferred, net unrealized holding gain on securities, and deferred gain on hedging instruments increased by 3,047 million yen, 450 million yen and 17 million yen, respectively.

9. Notes on transactions with related parties
Subsidiaries and affiliates, etc.

Type	Name of the company etc.	Percentage of the voting rights owned or held by others	Relationship with the related parties	Transaction details	Transaction amount (millions of yen)	Account	Balance at the end of the fiscal year (millions of yen)
Subsidiary	ALL NIPPON AIRWAYS CO., LTD.	Percentage owned: 100%, direct	Lease of business assets Debt guarantee Borrowing and lending of funds Interlocking officers	Lease fee of flight equipment and spare engines, etc. (Note 1)	173,300	Accounts receivable	15,227
				Debt guarantee (Note 2)	72,852	-	-
				Collection Repayment of funds	4,500	Long-term loans receivable	33,750
				Receipt of interest (Note 3)	300		
				Payment of interest (Note 4)	23	Short-term loans payable	90,156
Subsidiary	ANA Sales Co., Ltd.	Percentage owned: 100%, direct	Borrowing and lending of funds Interlocking officers	Payment of interest (Note 4)	6	Short-term loans payable	34,383
Subsidiary	WINGLET CO., LTD.	Percentage owned: 100%, direct	Borrowing and lending of funds Interlocking officers	Payment of interest (Note 4) (Note 5)	126	Short-term loans payable (Note 5)	207,624

Terms of conditions and policies for deciding the terms of conditions, etc.

(Notes)
1. The Company and ALL NIPPON AIRWAYS CO., LTD. have entered into a Flight Equipment Lease Agreement, and have decided on the lease fee of flight equipment etc. upon negotiation.
2. The Company guarantees debts arising from the jet fuel derivative transactions of ALL NIPPON AIRWAYS CO., LTD.
3. The interest rate on the loans has been reasonably determined by taking market interest rates into account.
4. The transaction amount related to the borrowing of funds is omitted, because it is a transaction through the CMS (Cash Management System), which centrally manages the funds within the ANA Group. In addition, the interest rate has been reasonably determined by taking market rates into account.
5. The Company merged with its prior consolidated subsidiary WINGLET CO., LTD., and took over their business on December 1, 2015. Thus, the transaction amount described above relates to the transactions during the period when the merged company was a relevant party, and the

balance at the end of the fiscal year is the one when the merged company ceased to be a relevant party.

10. Notes on per share information

(1) Net assets per share	215.49 yen
(2) Net income per share	6.36 yen

11. Notes on the business combination, etc.

(Transactions under the common control, etc.)

(1) Summary of transactions

(i) Names and business of the companies subject to the business combination

Acquirer	(Name)	ANA HOLDINGS INC.
	(Main business)	Group corporate strategy development, business management, and any businesses incidental thereto
Acquiree	(Name)	WINGLET CO., LTD.
	(Main business)	Money lending business

(ii) Date of the business combination
December 1, 2015

(iii) Legal form of the business combination
An absorption-type merger in which the Company is a surviving company

(iv) Name of the company after the business combination
ANA HOLDINGS, INC.

(v) Other matters concerning summary of transactions
The purpose of the business combination is for the Company to reorganize the functions of both companies, promote efficiency and concentrate management resources by merging with WINGLET CO., LTD., the Company’s wholly-owned subsidiary engaged in cash management of the ANA Group.

(2) Outline of the accounting method employed

The business combination is accounted for as a transaction under common control in accordance with the “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21 of September 13, 2013) and the “Revised Guidance on the Accounting Standard for Business Combinations and the Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10 of September 13, 2013).

12. Notes on material subsequent events

Not applicable

END