

**ANA HOLDINGS reports Consolidated Financial Results  
for the Three Months Ended June 30, 2017**

**1. Consolidated financial highlights for the three months ended June 30, 2017**

(1) Consolidated financial and operating results (%: year-on-year)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%
Three months ended Jun.30, 2017	451,719	11.7	25,438	80.0	24,776	132.5	51,069	668.4
Three months ended Jun.30, 2016	404,425	(2.3)	14,132	(15.6)	10,656	(33.2)	6,646	(20.7)

\*Comprehensive income for the period Apr.1 - Jun. 30, 2017 ¥55,912 million (—%)  
for the period Apr.1 - Jun. 30, 2016 ¥(10,115) million (—%)

	Net income per share
	Yen
Three months ended Jun.30, 2017	14.58
Three months ended Jun.30, 2016	1.90

(2) Consolidated financial positions

	Total assets	Total net assets	Equity ratio	Net assets per Share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Jun. 30, 2017	2,410,558	965,111	39.6	272.42
As of Mar. 31, 2017	2,314,410	924,175	39.7	262.44

(Reference) Shareholders' equity as of Jun. 30, 2017 ¥954,519 million  
as of Mar. 31, 2017 ¥919,157 million

**2. Consolidated operating results forecast for the fiscal year ending March 31, 2018**

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen
FY2017	1,910,000	8.2	150,000	3.1	140,000	(0.3)	125,000	26.5	356.91

\*Revisions to the most recently disclosed earnings forecasts: None  
ANA HOLDING INC. will consolidate its shares with a ratio of ten shares of common stock into one share effecting on October 1, 2017. Net income per share of common stock for the fiscal year ended March 31, 2018, reflects the effect of the share consolidation.

### 3. Other

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

	Consolidated	Equity method
Newly added	-	-
Excluded	-	-

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

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

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

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

		Number of Shares		
		FY2017		FY2016
Number of shares issued (including treasury stock)	As of Jun. 30	3,516,425,257	As of Jun. 30	3,516,425,257
Number of treasury stock	As of Jun. 30	12,571,240	As of Jun. 30	14,122,319
Average number of shares outstanding during the period	Three months ended Jun. 30	3,503,194,997	Three months ended Jun. 30	3,497,856,379

\* Treasury stock includes 4,982 thousand shares owned by the trust account of the ANA Group Employee Stock Ownership Trust and 1,140 thousand shares owned by the trust account of the trust for delivery of shares to directors as of June 30, 2017.

#### Indication of quarterly review procedure implementation status

These quarterly financial results are not subject to the quarterly review requirements as provided in the Financial Instruments and Exchange Act. The review of quarterly 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 three months ended June 30, 2017.

#### Explanation for appropriate use of forecasts and other notes

1. The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to ANA HOLDING INC. and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons.
2. The reverse stock split was approved at its 72th Annual General Meeting of Shareholders on June 23, 2017. Consequently, ANA HOLDING INC. executed a one-for-ten reverse stock split of its common shares effective on October 1, 2017. If the reverse stock split is not taken into account, consolidated earnings forecasts for the fiscal year ending March 31, 2018 is as follows:

Net income per share: ¥35.69 (at the end of the fiscal year)

## APPENDIX

### **Overview of consolidated financial results for the Three Months Ended June 30, 2017** **Qualitative Information / Financial Statements, etc.**

#### **1. Explanation of Consolidated Operating Results**

	Yen (Billions)		
Consolidated Operating Results	Three months ended Jun. 30, 2017	Three months ended Jun. 30, 2016	Year-on-Year (%)
Operating Revenues	451.7	404.4	11.7
Air Transportation	396.8	350.8	13.1
Airline Related	65.8	61.3	7.3
Travel Services	36.3	34.1	6.4
Trade and Retail	33.5	34.4	(2.6)
Other	8.8	8.3	5.3
Intersegment Transactions	(89.5)	(84.7)	—
Operating Income	25.4	14.1	80.0
Air Transportation	23.1	12.6	83.7
Airline Related	4.2	2.4	72.8
Travel Services	0.6	0.6	13.1
Trade and Retail	0.9	1.0	(8.2)
Other	0.5	0.4	33.9
Intersegment Transactions	(4.2)	(3.0)	—
Ordinary income	24.7	10.6	132.5
Net income attributable to owners of the parent	51.0	6.6	668.4

See Notes 1, 2, & 3 below.

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

Under these economic conditions, operating revenues were ¥451.7 billion, while operating income was ¥25.4 billion and ordinary income was ¥24.7 billion, due to an increase in revenues mainly in air transportation. As a result of reporting extraordinary income due to the inclusion of Peach Aviation Limited as a consolidated subsidiary from this fiscal year, net income attributable to owners of the parent was ¥51.0 billion.

An overview of the three months ended June 30, 2017 by segment follows:

#### **Overview by Segment**

##### **◎ Air Transportation**

**Operating revenues: ¥396.8 billion, up 13.1% year-on-year**

**Operating income: ¥23.1 billion, up 83.7% year-on-year**

Underpinned by robust demand, strong performance in international passenger services and international cargo services and the addition of revenue from Peach Aviation Limited (which has become a consolidated subsidiary since this April) resulted in operating revenues in Air Transportation increasing year-on-year.

Carrying over from a year ago, the ANA Group was again chosen by the U.K based Skytrax (an airline service ratings company) as the best airline in two segments of the 2017 World Airline Awards: World's Best Airport Services and Best Airline Staff in Asia.

#### <Domestic Passenger Services>

Category		Three months ended Jun. 30, 2017	Three months ended Jun. 30, 2016	Year-on-Year (%)
Passenger Revenues	(Billion yen)	154.6	150.5	2.7
Number of Passengers	(Passengers)	10,353,277	9,789,355	5.8
Available Seat Km	(Thousand km)	14,410,728	14,393,808	0.1
Revenue Passenger Km	(Thousand km)	9,296,770	8,792,786	5.7
Load Factor	(%)	64.5	61.1	3.4

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

In domestic passenger services, both the number of passengers and revenues increased year-on-year as a result of steady business demand and sales promotion during the Golden Week holidays in addition to the steady capture of demand due to the establishment of various discount fares to match demand trends.

In terms of the route network, the network was expanded by opening a new Chubu-Miyako route in June. Furthermore, operation of the *Pittato Fleet (the Dynamic Fleet Assign Model)*, which provide for the assignment of aircraft with precision according to demand, was further expanded in an effort to match supply and demand.

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

In terms of services, efforts were made to capture new customers, such as issuing *ANA JCB Prepaid Cards*, which are ANA mileage cards with a prepaid payment function that can be used by anyone aged 15 years or older, beginning in April.

#### <International Passenger Services>

Category		Three months ended Jun. 30, 2017	Three months ended Jun. 30, 2016	Year-on-Year (%)
Passenger Revenues	(Billion yen)	139.4	123.3	13.1
Number of Passengers	(Passengers)	2,246,922	2,131,845	5.4
Available Seat Km	(Thousand km)	15,759,452	14,612,543	7.8
Revenue Passenger Km	(Thousand km)	11,608,335	10,663,128	8.9
Load Factor	(%)	73.7	73.0	0.7

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

In international passenger services, business class demand from Japan continued to do well, and the capture of outbound leisure demand to Europe, which recovered from the impact of the terrorist attacks in the same period of previous year, and robust inbound travel demand to Japan resulted in increases year-on-year in number of passengers and revenues.

In terms of the route network, following the Haneda-Honolulu route, ANA has partially changed the aircraft servicing the Narita-Honolulu route to the Boeing 787-9, and has begun providing *ANA Business Staggered* full flat seats and *Premium Economy* in an effort to improve products and services and capture burgeoning demand.

On the marketing front, ANA endeavored to stimulate leisure demand by setting detailed discount fares even during the Golden Week holidays.

In terms of services, the wine and champagne menu offered to first class and business class passengers on international routes was fully renewed in June, and *Chef Service* provided directly to customers was offered every day in the International ANA LOUNGE in Haneda Airport.

#### < Cargo Services >

Category		Three months ended Jun. 30, 2017	Three months ended Jun. 30, 2016	Year-on-Year (%)
Domestic Cargo Revenues	(Billion yen)	7.2	7.1	0.9
Available Cargo Capacity	(Thousand ton-km)	425,248	424,202	0.2
Cargo volume	(Tons)	101,421	103,427	(1.9)
Cargo Traffic Volume	(Thousand ton-km)	104,981	105,612	(0.6)
Mail Revenues	(Billion yen)	0.8	0.8	(3.7)
Mail Volume	(Tons)	8,747	8,602	1.7
Mail Traffic Volume	(Thousand ton-km)	8,531	8,368	2.0
Cargo and Mail Load Factor	(%)	26.7	26.9	(0.2)
International Cargo Revenues	(Billion yen)	26.8	20.4	31.3
Available Cargo Capacity	(Thousand ton-km)	1,674,297	1,612,740	3.8
Cargo Volume	(Tons)	243,873	221,368	10.2
Cargo Traffic Volume	(Thousand ton-km)	1,098,268	980,417	12.0
Mail Revenues	(Billion yen)	1.3	1.2	8.6
Mail Volume	(Tons)	7,638	7,212	5.9
Mail Traffic Volume	(Thousand ton-km)	35,131	31,205	12.6
Cargo and Mail Load Factor	(%)	67.7	62.7	5.0

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

In domestic cargo services, although home-delivery cargo and cargo connecting with international routes were steady, factors such as a reduction in perishable cargo handled out of Hokkaido Prefecture led to cargo volume decreasing year-on-year. However, revenues increased year-on-year due to improvements in the unit price.

In international cargo services, cargo from Japan to overseas destinations performed well due to robust cargo demand centered on automobile parts bound for North America and Europe. Cargo from overseas saw generally strong demand. And along with cargo from China and other parts of Asia to Japan, capturing trilateral cargo from China to North America resulted in cargo volume and revenues both increasing year-on-year.

#### < Others in Air Transportation >

Other revenue in the air transportation business was ¥66.4 billion (up 40.7% from ¥47.2 billion year-on-year). Revenue in "Others in Air Transportation" is derived mainly from the mileage program, Vanilla Air Inc., Peach Aviation Limited (which has become a consolidated subsidiary from this fiscal year), in-flight sales, and aircraft maintenance service contracts.

Vanilla Air Inc. made an effort to improve profitability by matching supply and demand, capturing demand by increasing the number of flights on the Narita-Sapporo route during the high-demand period of Golden Week holidays while decreasing the number of flights during periods of low demand. In this quarter, the number of passengers carried by Vanilla Air Inc. was 651 thousand (up 45.9 % year-on-year), with 1,221,155 thousand available seat-kilometers (up 34.0 % year-on-year), 1,035,845 thousand revenue passenger-kilometers (up 36.7 % year-on-year) and a passenger load factor of 84.8% (up 1.7 percentage points year-on-year).

Peach Aviation Limited increased the number of its flights on the Kansai-Shanghai (Pudong) route starting in June. Delivery of one aircraft was also accepted, bringing the size of the fleet to 19 aircraft. In the three months ended June 30, 2017, the number of passengers carried by Peach Aviation Limited was 1,186 thousand, with 1,611,598 thousand available seat-kilometers, 1,382,169 thousand revenue passenger-kilometers and a passenger load factor of 85.8%.

#### ◎ Airline Related

**Operating revenues: ¥65.8 billion, up 7.3% year-on-year**

**Operating income: ¥4.2 billion, up 72.8% year-on-year**

Operating revenues increased by 7.3% year-on-year due to an increase in contracts for ground handling services including passenger check-ins and baggage handling services at Haneda and Kansai airports, and an increase in contracts for in-flight meals from foreign airline companies.

#### ◎ Travel Services

**Operating revenues: ¥36.3 billion, up 6.4% year-on-year**

**Operating income: ¥0.6 billion, up 13.1% year-on-year**

Factors such as strong turnover in overseas travel resulted in operating revenues increasing by 6.4% year-on-year.

In domestic travel services, operating revenues increased year-on-year due to quickly capturing demand through the strengthening of sales promotions for the dynamic package product *Tabisaku*, a recovery of sales for the ANA Sky Holidays that compare to the previous fiscal year following the Kumamoto earthquakes, and steady of sales turnover bound for the Kanto (eastern part of Japan include Tokyo metropolitan area) and Okinawa regions.

In overseas travel, although sales of *ANA Hallo Tours* bound for Europe and Asia declined, sales for Hawaii was strong due to a focused effort was made to strengthen sales, resulting in an increase in operating revenues year-on-year.

Travel to Japan also saw a fall-off in operating revenues year-on-year as a result of a drop in turnover in Taiwan due to the impact of increasingly stiff competition.

#### ◎ Trade and Retail

**Operating revenues: ¥33.5 billion, down 2.6% year-on-year**

**Operating income: ¥0.9 billion, down 8.2% year-on-year**

Operating revenues decreased by 2.6% year-on-year due to a decline in operating revenues in the food business.

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

◎ **Other**

**Operating revenues: ¥8.8 billion, up 5.3% year-on-year**

**Operating income: ¥0.5 billion, up 33.9% year-on-year**

Operating revenues increasing by 5.3% year-on-year due to strong performance in the building and facility maintenance and management business and the airline security business.

Notes:

1. The breakdowns within segments are the categories used for internal management.
2. The revenues for each segment include internal inter-segment revenues; operating income is the income for the segment.
3. The above figures do not include consumption tax, etc.
4. The results for passenger travel on domestic routes include results from code share flights with IBEX Airlines Co., Ltd., AIRDO Co., Ltd., Solaseed Air Inc., and StarFlyer Inc.
5. Irregular flights have been excluded from both domestic and international routes.
6. Domestic cargo and mail results include results for code share flights with AIRDO Co., Ltd., Solaseed Air Inc., Oriental Air Bridge Co., Ltd. and Starflyer, Inc., results for airline charter flights, and land transport results. Note that because land transport results for mail have been included from this period, land transport results for mail have also been added to the results for the same period last year.
7. The results for international cargo and mail include the results for code share flights, results for airline charter, flights, flights with block space agreements, and land transport results.
8. Available seat-kilometers represent the total figure calculated by multiplying the available number of seats on each segment of each route (seats) by the distance for each segment (km).
9. Revenue passenger-kilometers represent the total figure calculated by multiplying the number of passengers (people) on each segment of each route by the distance for each segment (km).
10. Available cargo capacity is the total calculated by multiplying the available cargo space (tons) on each segment of each route by the distance for each segment (km). Please note that for passenger aircraft, the available cargo space in the hold (belly) of the aircraft is multiplied by the distance traveled for each segment. Moreover, the available cargo space in the belly includes the available space for checked luggage of passengers on the flight in addition to cargo, mail, etc.
11. Cargo traffic volume and mail traffic volume is the total calculated by multiplying the volume of cargo transported on each segment of each route (tons) by the distance for each segment (km).
12. The cargo and mail load factor is the figure arrived at by dividing the sum of the cargo traffic volume and the mail traffic volume by the available cargo capacity.
13. Difference of Passenger load factor and cargo and mail load factor between previous year and FY2016 is indicated in field of year on year.
14. The results for Vanilla Air Inc. and Peach Aviation Limited are not included.
15. Vanilla Air Inc. and Peach Aviation Limited does not handle cargo or mail.

## **2. Information regarding consolidated financial conditions**

### **(1) Financial conditions as of June 30, 2017**

**Assets:** Due to increase in property and equipment by acquisition of aircrafts, and increase in goodwill generated as a result of consolidating Peach Aviation Limited as subsidiary, total assets increased by ¥96.1 billion compared to the balance as of the end of FY2016, to ¥2,410.5 billion.

**Liabilities:** Due to issuance of bonds, funding through new borrowings, and increase in advance ticket sales, total liabilities increased by ¥55.2 billion compared to the balance as of the end of FY2016, to ¥1,445.4 billion. Interest-bearing debt increased by ¥19.4 billion compared to the balance as of the end of FY2016, to ¥749.3 billion.

**Net assets:** Despite payment of dividends, due to recording of net income attributable to owners of the parent, net assets increased by ¥40.9 billion compared to the balance as of the end of FY2016, to ¥965.1 billion.

For details, please refer to Page 9 “4. Financial Statements and Operating Results (1) Consolidated Balance Sheet”.

### **(2) Cash Flows for three months ended June 30, 2017**

**Operating activities:** Net income before income taxes and non-controlling interests for the current period was ¥60.3 billion. After adjustments on non-cash items such as depreciation and amortization and addition and subtraction of accounts receivable and payable for operating activities, cash flows from operating activities (inflow) was ¥95.6 billion.

**Investment activities:** Due to advance payment for acquisition of aircraft and parts, cash flows from investing activities (outflow) was ¥120.4 billion. As a result, free cash flow (outflow) was ¥24.7 billion.

**Financial activities:** Despite issuance of bonds and funding through long-term debt, due to repayment of debt and payment of dividends, cash flows from financing activities (outflow) was ¥7.2 billion.

As a result of the above, cash and cash equivalents at the end of the current period decreased by ¥32.3 billion compared to the balance as of the end of FY2016, to ¥276.6 billion.

For details, please see page 12 “4. Financial Statements and Operating Results (3) Consolidated Statement of Cash Flows-Summary”.

## **3. Others**

(1) Significant changes in subsidiaries during the current period (changes of specific subsidiaries by changes in the scope of consolidation): None

(2) Use of specific quarterly accounting methods: None

(3) Changes in accounting policies, accounting estimates and restatement of corrections: None



#### 4. Financial Statements and Operating results

##### (1) Consolidated Balance Sheet

	Yen (Millions)	
Assets	FY2017 as of Jun. 30, 2017	FY2016 as of Mar. 31, 2017
<b>Current assets:</b>		
Cash and deposits	65,668	60,835
Notes and accounts receivable	162,003	155,887
Lease receivables	30,474	28,948
Marketable securities	246,525	257,950
Inventories (Merchandise)	11,361	9,951
Inventories (Supplies)	55,331	54,961
Deferred income taxes	32,587	36,173
Other current assets	50,785	62,375
Allowance for doubtful accounts	(376)	(355)
<b>Total current assets</b>	<b>654,358</b>	<b>666,725</b>
<b>Fixed assets</b>		
<b>Property and equipment:</b>		
Buildings and structures	99,217	100,922
Aircraft	1,026,873	1,007,716
Machinery, equipment and vehicles	29,568	30,693
Furniture and fixtures	10,173	10,683
Land	49,504	49,887
Lease assets	8,994	8,473
Construction in progress	179,436	151,889
<b>Total property and equipment</b>	<b>1,403,765</b>	<b>1,360,263</b>
<b>Intangible assets:</b>		
Goodwill	58,357	1,041
Other intangible assets	88,632	87,963
<b>Total Intangible assets</b>	<b>146,989</b>	<b>89,004</b>
<b>Investments and other assets:</b>		
Investments in securities	117,407	119,368
Long-term receivable	4,429	4,426
Deferred income taxes	53,540	52,759
Other assets	30,937	22,734
Allowance for doubtful accounts	(1,393)	(1,393)
<b>Total investments and other assets</b>	<b>204,920</b>	<b>197,894</b>
<b>Total fixed assets</b>	<b>1,755,674</b>	<b>1,647,161</b>
<b>Deferred assets</b>	<b>526</b>	<b>524</b>
<b>Total</b>	<b>2,410,558</b>	<b>2,314,410</b>

	Yen (Millions)	
	FY2017 as of Jun. 30, 2017	FY2016 as of Mar. 31, 2017
<b>Liabilities and Net assets</b>		
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes and accounts payable	168,177	179,220
Short-term loans	70	70
Current portion of long-term debt	94,042	93,292
Current portion of bonds	30,000	20,000
Finance lease obligations	5,443	5,020
Income taxes payable	6,765	11,288
Advance ticket sales	193,939	150,614
Accrued bonuses to employees	35,177	41,362
Other current liabilities	79,889	71,781
<b>Total current liabilities</b>	<b>613,502</b>	<b>572,647</b>
<b>Long-term liabilities:</b>		
Bonds	125,000	125,000
Long-term debt	475,758	469,655
Finance lease obligations	18,987	16,840
Deferred income taxes	1,444	1,444
Accrued corporate executive officers' retirement benefit	689	675
Net defined benefit liabilities	156,860	156,751
Asset retirement obligations	1,060	1,074
Other long-term liabilities	52,147	46,149
<b>Total long-term liabilities</b>	<b>831,945</b>	<b>817,588</b>
<b>Total liabilities</b>	<b>1,445,447</b>	<b>1,390,235</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Common stock	318,789	318,789
Capital surplus	283,464	283,249
Retained earnings	364,928	334,880
Treasury stock	(3,414)	(3,756)
<b>Total shareholders' equity</b>	<b>963,767</b>	<b>933,162</b>
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on securities	23,526	20,636
Deferred loss on derivatives under hedge accounting	(10,451)	(11,799)
Foreign currency translation adjustments	3,073	3,364
Defined retirement benefit plans	(25,396)	(26,206)
<b>Total</b>	<b>(9,248)</b>	<b>(14,005)</b>
<b>Non-controlling interests</b>	<b>10,592</b>	<b>5,018</b>
<b>Total net assets</b>	<b>965,111</b>	<b>924,175</b>
<b>Total</b>	<b>2,410,558</b>	<b>2,314,410</b>

**(2) Consolidated Statement of Income**

Yen (Millions)

	Three months ended Jun.30, 2017	Three months ended Jun.30, 2016
<b>Operating revenues</b>	451,719	404,425
<b>Cost of sales</b>	350,638	320,162
<b>Gross profit</b>	101,081	84,263
<b>Selling, general and administrative expenses</b>		
Sales commissions	22,899	20,685
Advertising expenses	2,992	3,017
Employees' salaries and bonuses	8,456	8,266
Provision of allowance for doubtful accounts	7	7
Provision for bonuses	2,452	2,447
Retirement benefit expenses	843	857
Depreciation and amortization	4,830	4,645
Other	33,164	30,207
<b>Total selling, general and administrative expenses</b>	75,643	70,131
<b>Operating income</b>	25,438	14,132
<b>Non-operating income:</b>		
Interest income	97	92
Dividend income	337	989
Equity in earnings of unconsolidated subsidiaries and affiliates	106	78
Foreign exchange gain, net	121	-
Gain on sales of assets	714	197
Gain on donation of property and equipment	415	687
Other	713	746
<b>Total non-operating income</b>	2,503	2,789
<b>Non-operating expenses:</b>		
Interest expenses	2,307	2,520
Foreign exchange loss, net	-	2,875
Loss on sales of assets	25	146
Loss on disposal of assets	471	314
Other	362	410
<b>Total non-operating expenses</b>	3,165	6,265
<b>Ordinary income</b>	24,776	10,656
<b>Special income</b>		
Gain on disposal of property and equipment	447	116
Gain on sales of investment securities	1,290	-
Gain on step acquisitions	33,801	-
Other	23	19
<b>Total special income</b>	35,561	135
<b>Income before income taxes and non-controlling interests</b>	60,337	10,791
<b>Income taxes</b>	9,097	4,056
<b>Net income</b>	51,240	6,735
<b>Net income attributable to non-controlling interests</b>	171	89
<b>Net income attributable to owners of the parent</b>	51,069	6,646

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

	Yen (Millions)	
	Three months ended Jun.30, 2017	Three months ended Jun.30, 2016
<b>Net income</b>	51,240	6,735
<b>Other comprehensive income:</b>		
Unrealized gain (loss) on securities	2,854	(2,025)
Deferred gain (loss) on derivatives under hedge accounting	1,452	(15,451)
Foreign currency translation adjustments	(313)	(618)
Defined retirement benefit plans	818	1,253
Share of other comprehensive income in affiliates	(139)	(9)
<b>Total other comprehensive income (loss)</b>	4,672	(16,850)
<b>Comprehensive income</b>	55,912	(10,115)
(Total comprehensive income attributable to)		
Owners of the parent	55,826	(10,140)
Non-controlling interests	86	25

**(4) Consolidated Statement of Cash Flows-Summary**

	Yen (Millions)	
	Three months ended Jun.30, 2017	Three months ended Jun.30, 2016
<b>I. Cash flows from operating activities</b>		
Net cash provided by operating activities (Note 1)	95,639	39,500
<b>II. Cash flows from investing activities</b>		
Net cash used in investing activities (Note 2)	(120,406)	(38,863)
<b>III. Cash flows from financing activities</b>		
Net cash (used in) provided by financing activities	(7,258)	19,427
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	(341)	(21)
<b>V. Net (decrease) increase in cash and cash equivalents</b>	(32,366)	20,043
<b>VI. Cash and cash equivalents at the beginning of the period</b>	309,058	265,123
<b>VII. Cash and cash equivalents at the end of the period</b>	276,692	285,166
Note 1 including, Depreciation and amortization	36,655	34,066
Note 2 including, Investment in capital expenditures	(87,289)	(36,371)

**(5) Segment information**

&lt;FY2017 First quarter Apr.1-Jun.30, 2017&gt;

Yen (Millions)

	Reportable Segments				Subtotal
	Air Transportation	Airline Related	Travel Services	Trade and Retail	
Operating revenues from external customers	375,517	12,052	33,868	27,263	448,700
Intersegment revenues and transfers	21,329	53,759	2,453	6,253	83,794
Total	396,846	65,811	36,321	33,516	532,494
Segment profit	23,175	4,263	699	973	29,110
	Other (*1)	Total	Adjustments (*2)	Consolidated (*3)	
Operating revenues from external customers	3,019	451,719	—	451,719	
Intersegment revenues and transfers	5,799	89,593	(89,593)	—	
Total	8,818	541,312	(89,593)	451,719	
Segment profit	577	29,687	(4,249)	25,438	

\*1. "Other" refers to business segments that are not included in reportable segments such as facilities maintenance, business support and other businesses.

\*2. "Adjustments" of "Segment profit" includes netting of intersegment transactions and general corporate costs.

\*3. "Segment profit" has been adjusted with the operating income on the Consolidated Statement of Income for the current period.

2. Information on depreciation of fixed assets and amortization of goodwill by reportable segment  
(Significant amount of variation on goodwill)

In "Air Transportation" segment, as a result of acquiring a portion of the shares and making Peach Aviation Limited a consolidated subsidiary, the amount of goodwill generated was ¥58,334 million.

<FY2016 First quarter Apr.1-Jun.30, 2016>

Yen (Millions)

	Reportable Segments				Subtotal
	Air Transportation	Airline Related	Travel Services	Trade and Retail	
Operating revenues from external customers	330,617	10,964	31,780	28,258	401,619
Intersegment revenues and transfers	20,258	50,360	2,363	6,155	79,136
Total	350,875	61,324	34,143	34,413	480,755
Segment profit	12,618	2,467	618	1,060	16,763
	Other (*1)	Total	Adjustments (*2)	Consolidated (*3)	
Operating revenues from external customers	2,806	404,425	—	404,425	
Intersegment revenues and transfers	5,566	84,702	(84,702)	—	
Total	8,372	489,127	(84,702)	404,425	
Segment profit	431	17,194	(3,062)	14,132	

\*1. "Other" refers to business segments that are not included in reportable segments such as facilities maintenance, business support and other businesses.

\*2. "Adjustments" of "Segment profit" includes netting of intersegment transactions and general corporate costs.

\*3. "Segment profit" has been adjusted with the operating income on the Consolidated Statement of Income for the current period.

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