

ANA HOLDINGS reports Consolidated Financial Results for the Three Months Ended June 30, 2018

1. Consolidated financial highlights for the three months ended June 30, 2018

(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, 2018	484,889	7.3	20,076	(21.1)	19,423	(21.6)	16,108	(68.5)
Three months ended Jun.30, 2017	451,719	11.7	25,438	80.0	24,776	132.5	51,069	668.4

*Comprehensive income for the period Apr.1 - Jun. 30, 2018 ¥ 46,306 million [(17.2%)]
for the period Apr.1 - Jun. 30, 2017 ¥ 55,912 million [- %]

	Net income per share
	Yen
Three months ended Jun.30, 2018	48.14
Three months ended Jun.30, 2017	145.78

*See Note 1 below.

(2) Consolidated financial positions

	Total assets	Net assets	Shareholder's equity ratio	Net assets per Share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Jun. 30, 2018	2,594,203	1,014,373	38.8	3,004.44
As of Mar. 31, 2018	2,562,462	1,000,552	38.6	2,954.47

(Reference) Shareholders' equity as of Jun. 30, 2018 ¥ 1,005,396 million
as of Mar. 31, 2018 ¥ 988,661 million

2. Consolidated operating results forecast for the fiscal year ending March 31, 2019

(%: year-on-year)

	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
FY2018	2,040,000	3.5	165,000	0.3	158,000	(1.6)	102,000	(29.1)	304.81

*Revisions to the most recently disclosed earnings forecasts: None

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	
			FY2018	FY2017
Number of shares issued (including treasury stock)	As of Jun. 30	348,498,361	As of Mar. 31	348,498,361
Number of treasury stock	As of Jun. 30	13,861,882	As of Mar. 31	13,866,101
Average number of shares outstanding during the period	Three months ended Jun. 30	334,632,875	Three months ended Jun. 30	350,319,499

*See Note 1 below.

* This report is not subject to audit procedures

* 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., hereinafter "the Company" and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons.

Note:

1. Since a 10-to-1 share consolidation was conducted effective October 1, 2017, the noted items were calculated based on the assumption that the share consolidation was conducted at the beginning of the previous consolidated fiscal year.

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APPENDIX

Overview of consolidated financial results for the Three Months Ended June 30, 2018

1. Qualitative Information / Financial Statements, etc.

(1) Explanation of Consolidated Operating Results

	Yen (Billions)		
Consolidated Operating Results	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2017	Year-on-Year (%)
Operating Revenues	484.8	451.7	7.3
Air Transportation	426.4	396.8	7.5
Airline Related	69.9	65.8	6.3
Travel Services	36.0	36.3	(0.7)
Trade and Retail	36.9	33.5	10.1
Other	9.3	8.8	6.1
Intersegment Transactions	(93.8)	(89.5)	-
Operating Income (loss)	20.0	25.4	(21.1)
Air Transportation	18.3	23.1	(20.9)
Airline Related	4.2	4.2	(1.1)
Travel Services	(0)	0.6	-
Trade and Retail	0.7	0.9	(26.3)
Other	0.6	0.5	4.5
Intersegment Transactions	(3.7)	(4.2)	-
Ordinary income	19.4	24.7	(21.6)
Net income attributable to owners of the parent	16.1	51.0	(68.5)

See Notes 1, 2, & 3below.

In the first quarter of fiscal year 2018 (April 1, 2018 - June 30, 2018; hereinafter the “three months ended June 30, 2018”), Japan's economy has continued to experience a gradual recovery with personal consumption 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 due to the impact of trade issues on the global economy and a slump in some overseas economies, 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, increased revenues mainly in Air Transportation resulted in operating revenues of ¥484.8 billion, while operating income was ¥20.0 billion and ordinary income was ¥19.4 billion due to an increase in operating expenses. Due to the extraordinary income recorded during the previous fiscal year due to the inclusion of Peach Aviation Limited as a consolidated subsidiary, profit attributable to owners of the parent decreased to ¥16.1 billion.

In addition, the Company was selected as one of the “2018 Competitive IT Strategy Company” by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for being an enterprise actively engaged in the utilization of IT. ANA Group will continue to engage in the sustained creation of value such as innovative work styles and creative services and businesses while utilizing the potential of digital technology in the future.

Overview by Segment

◎ Air Transportation

Operating revenues: ¥426.4 billion, up 7.5% year-on-year

Operating income: ¥18.3 billion, down 20.9% year-on-year

Underpinned by robust demand, strong performance in international passenger services and international cargo services resulted in operating revenues in Air Transportation increasing year-on-year. Meanwhile, operating income decreased year-on-year due to factors such as increased expenses caused by the investment for safety, quality and personnel, and the rising fuel prices.

<Domestic Passenger Service>

Category		Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2017	Year-on-Year (%)
Passenger Revenues	(Billion yen)	156.8	154.6	1.5
Number of Passengers	(Passengers)	10,668,566	10,353,277	3.0
Available Seat Km	(Thousand km)	14,551,282	14,410,728	1.0
Revenue Passenger Km	(Thousand km)	9,669,115	9,296,770	4.0
Load Factor	(%)	66.4	64.5	1.9

*See Notes 3, 4, 5, 8, 9, 13 & 14 below.

In domestic passenger service, both the number of passengers and revenues increased year-on-year as a result of the capture of steady business travel demand and foreigner's travel demand, in addition to the establishment of various discount fares to match the demand.

In terms of the route network, in addition to the Chubu-Miyako route and Fukuoka-Ishigaki route that have changed into year-round operation since this summer timetable, efforts were also made to capture demand by resuming the Fukuoka-Miyako route beginning in June and expanding direct flights to Ishigakijima and Miyakojima from various origins throughout Japan.

In terms of sales and service, efforts were made to improve in-flight services with the free provision of in-flight Wi-Fi service from April and by increasing entertainment content to over 100 items. ANA Baggage Drop automatic baggage check-in machines were installed in Fukuoka Airport in June, making it the third domestic airport to utilize them. In addition, ANA endeavored to improve convenience and comfort as a full service carrier by installing wheelchair-accessible restrooms, which were previously installed in medium and large aircraft, in small aircraft as well, with some exceptions, with the aim of improving "universal service," enabling all customers to use aircraft in greater safety and comfort.

<International Passenger Service>

Category		Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2017	Year-on-Year (%)
Passenger Revenues	(Billion yen)	156.2	139.4	12.0
Number of Passengers	(Passengers)	2,509,086	2,246,922	11.7
Available Seat Km	(Thousand km)	16,608,334	15,759,452	5.4
Revenue Passenger Km	(Thousand km)	12,509,020	11,608,335	7.8
Load Factor	(%)	75.3	73.7	1.7

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

In international passenger service, both the number of passengers and revenues increased year-on-year due to strong business travel demand originating in Japan and the capture of robust inbound tourist demand from China and other parts of Asia.

In terms of the route network, the number of flights on the Haneda-Bangkok route was increased to three per day from June, bringing the total number of flights to five per day when combined with the Narita-Bangkok route as ANA strengthened its efforts to capture business and leisure demand to and from the Tokyo Metropolitan Area.

In terms of sales and service, ANA endeavored to create an environment enabling all customers to use aircraft in greater safety and comfort through steps such as deploying new wheelchairs for use in aircraft, providing greater comfort and easier movement and turning within the confined space of an aircraft in order to provide world-class “universal service.”

< Cargo Service >

Category		Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2017	Year-on-Year (%)
Domestic Cargo Revenues	(Billion yen)	7.0	7.2	(2.4)
Available Cargo Capacity	(Thousand ton-km)	426,763	425,248	0.4
Cargo volume	(Tons)	96,032	101,421	(5.3)
Cargo Traffic Volume	(Thousand ton-km)	100,310	104,981	(4.4)
Mail Revenues	(Billion yen)	0.8	0.8	(2.7)
Mail Volume	(Tons)	8,089	8,747	(7.5)
Mail Traffic Volume	(Thousand ton-km)	7,893	8,531	(7.5)
Cargo and Mail Load Factor	(%)	25.4	26.7	(1.3)
International Cargo Revenues	(Billion yen)	32.0	26.8	19.0
Available Cargo Capacity	(Thousand ton-km)	1,798,087	1,674,297	7.4
Cargo Volume	(Tons)	245,999	243,873	0.9
Cargo Traffic Volume	(Thousand ton-km)	1,134,936	1,098,268	3.3
Mail Revenues	(Billion yen)	1.4	1.3	10.1
Mail Volume	(Tons)	7,522	7,638	(1.5)
Mail Traffic Volume	(Thousand ton-km)	36,068	35,131	2.7
Cargo and Mail Load Factor	(%)	65.1	67.7	(2.6)

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

In international cargo service, cargo from Japan to overseas destinations performed well backed by robust cargo demand centered on automotive parts bound for North America and Europe. In cargo from overseas, in addition to cargo to Japan such as automotive parts and electronic components performing well, ANA endeavored to capture demand through steps such as utilizing airline charters (cargo charter flights using other companies' aircraft) from North America to transport American cherries. As a result, cargo volume and revenues both surpassed that of the same period in the previous year.

<LCC>

Category		Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2017	Year-on-Year (%)
Passenger Revenues	(Billion yen)	21.1	19.3	9.2
Number of Passengers	(Passengers)	1,997,838	1,837,976	8.7
Available Seat Km	(Thousand km)	2,947,739	2,832,753	4.1
Revenue Passenger Km	(Thousand km)	2,547,081	2,418,014	5.3
Load Factor	(%)	86.4	85.4	1.0

*See Notes 3, 8, 9 & 16 below.

In LCCs, both the number of passengers and revenues increased year-on-year due to factors such as the capture of robust inbound travel demand.

In the route network, Peach Aviation Limited expanded its network by launching a new Okinawa-Kaohsiung route in April.

In marketing, a special website communicating the appeal of domestic destinations in Japan was established for the purpose of further increasing the number of inbound passengers.

<Others in Air Transportation>

Other revenue in Air Transportation was ¥50.7 billion (¥47.0 billion, up 7.8% year-on-year). Other revenue in Air Transportation includes revenue from the mileage program, in-flight sales revenue, and revenue from maintenance contracts, etc.

◎ Airline Related

Operating revenues: ¥69.9 billion, up 6.3% year-on-year

Operating income: ¥4.2 billion, down 1.1% year-on-year

Operating revenues increased by 6.3% year-on-year because of an increase in contracts with various airlines for ground handling services including passenger check-ins and baggage handling service at Kansai and Fukuoka airports.

◎ Travel Service

Operating revenues: ¥36.0 billion, down 0.7% year-on-year

Operating loss: ¥0 billion, Operating income ¥0.6 billion same period a year ago

Although there was steady turnover in overseas travel, a decline in turnover of domestic travel resulted in operating revenues decreasing by 0.7% year-on-year. Furthermore, operating income decreased year-on-year to record an operating loss due to an increase in expenses for the newly introduced travel planning system.

In domestic travel service, operating revenues decreased year-on-year due to sluggish growth in customers primarily bound for Okinawa in *ANA Sky Holidays*, despite steady turnover of the dynamic package product *Tabisaku* bound for Hokkaido and Kanto through the early capture of demand by strengthening products and increasing price competitiveness.

In overseas travel service, operating revenues increased in *ANA Hallo Tours* due to a focused effort being made to strengthen sales in Hawaii, in addition to steady turnover in guided tour products in Europe.

◎ **Trade and Retail**

Operating revenues: ¥36.9 billion, up 10.1% year-on-year

Operating income: ¥0.7 billion, down 26.3% year-on-year

Operating revenues in Trade and Retail centered on *ANA DUTY FREE SHOP* airport duty free stores and *ANA FESTA* airport merchandise stores increased by 10.1% year-on-year as a result of an increase in international passengers and the enhancement of products in the retail business, but operating income decreased by 26.3% year-on-year due to the impact of a decrease in income in the Aerospace & Electronics sector and the Lifestyle Industries sector.

◎ **Other**

Operating revenues: ¥9.3 billion, up 6.1% year-on-year

Operating income: ¥0.6 billion, up 4.5% year-on-year

Operating revenue increased by 6.1% year-on-year due to strong performance in the real estate 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 Star Flyer Inc. and some of code share flights with ORIENTAL AIR BRIDGE CO., LTD from October 29, 2017.
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 Star Flyer Inc., results for airline charter flights, and land transport results.
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. Percentage point difference for Passenger load factor and cargo and mail load factor between previous year and FY2018 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.
16. The results for LCC include the results for Vanilla Air Inc. and Peach Aviation Limited.

(2) Information Regarding Consolidated Financial Conditions

(a) Financial conditions as of June 30, 2018

Assets: Due to increase in property and equipment by acquisition of aircrafts, total assets increased by ¥31.7 billion compared to the balance as of the end of FY2017, to ¥2,594.2 billion.

Liabilities: Due to funding through new borrowings and increase in advance ticket sales, total liabilities increased by ¥17.9 billion compared to the balance as of the end of FY2017, to ¥1,579.8 billion. Interest-bearing debt increased by ¥25.0 billion compared to the balance as of the end of FY2017, to ¥823.4 billion.

Net assets: Despite payment of dividends, due to recording of net income attributable to owners of the parent and improvements in deferred gain on derivatives under hedge accounting, net assets increased by ¥13.8 billion compared to the balance as of the end of FY2017, to ¥1,014.3 billion.

For details, please refer to page 10 “2. Financial Statements and Operating Results (1) Consolidated Balance Sheet.”

(b) Cash Flows for three months ended June 30, 2018

Operating activities: Net income before income taxes and non-controlling interests for the current period was ¥19.4 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 ¥81.0 billion.

Investment activities: Due to advance payment for acquisition of aircraft and parts, cash flows from investing activities (outflow) was ¥60.9 billion. As a result, free cash flow (inflow) was ¥20.1 billion.

Financial activities: Despite funding through long-term debt, due to payment of dividends and repayment of debt, cash flows from financing activities (outflow) was ¥10.5 billion.

As a result of the above, cash and cash equivalents at the end of the current period increased by ¥9.8 billion compared to the balance as of the end of FY2017, to ¥280.3 billion.

For details, please refer to page 13 “2. Financial Statements and Operating Results (3) Consolidated Statement of Cash Flows-Summary.”

(3) Explanation of Forecast of Consolidated Financial Results

The results of the three months ended June 30, 2018 were generally in line with the consolidated outlook announced on April 27, 2018. Also, some domestic flights were canceled due to inspection and maintenance of Rolls-Royce Trent 1000 engines, but the consolidated outlook has not been revised at this time because the impact on performance will be minor.

2. Financial Statements and Operating Results

(1) Consolidated Balance Sheet

	Yen (Millions)	
Assets	FY2018 as of Jun. 30, 2018	FY2017 as of Mar. 31, 2018
Current assets:		
Cash and deposits	110,017	78,036
Notes and accounts receivable	178,408	173,472
Lease receivables	29,026	27,341
Marketable securities	249,670	279,540
Inventories (Merchandise)	13,985	12,364
Inventories (Supplies)	51,855	50,106
Other current assets	103,449	103,113
Allowance for doubtful accounts	(490)	(479)
Total current assets	735,920	723,493
Fixed assets		
Property and equipment:		
Buildings and structures	96,889	98,961
Aircraft	1,010,614	1,027,910
Machinery, equipment and vehicles	28,817	30,269
Furniture and fixtures	10,276	10,608
Land	55,253	55,786
Lease assets	7,030	7,239
Construction in progress	239,894	202,328
Total property and equipment	1,448,773	1,433,101
Intangible assets:		
Goodwill	54,316	55,336
Other intangible assets	99,555	99,902
Total Intangible assets	153,871	155,238
Investments and other assets:		
Investments securities	132,811	119,962
Long-term receivables	4,693	4,721
Deferred income taxes	77,048	93,376
Other assets	42,174	33,699
Allowance for doubtful accounts	(1,617)	(1,618)
Total investments and other assets	255,109	250,140
Total fixed assets	1,857,753	1,838,479
Deferred assets	530	490
TOTAL	2,594,203	2,562,462

	Yen (Millions)	
	FY2018	FY2017
Liabilities and Net assets	as of Jun. 30, 2018	as of Mar. 31, 2018
Liabilities		
Current liabilities:		
Notes and accounts payable	215,923	220,330
Short-term loans	5,894	176
Current portion of long-term debt	84,821	84,738
Current portion of bonds	30,000	10,000
Finance lease obligations	5,230	5,211
Income taxes payable	4,638	37,709
Advance ticket sales	220,954	181,353
Accrued bonuses to employees	38,813	45,332
Other current liabilities	67,030	63,231
Total current liabilities	673,303	648,080
Long-term liabilities:		
Bonds	105,000	125,000
Convertible bond-type bonds with stock acquisition rights	140,000	140,000
Long-term debt	436,052	418,185
Finance lease obligations	16,461	15,083
Deferred income taxes	74	94
Accrued bonuses to employees	706	-
Accrued corporate executive officers' retirement benefits	807	742
Net defined benefit liabilities	156,934	156,765
Other provisions	12,621	11,421
Asset retirement obligations	1,051	1,196
Other long-term liabilities	36,821	45,344
Total long-term liabilities	906,527	913,830
Total liabilities	1,579,830	1,561,910
Net assets		
Shareholders' equity:		
Common stock	318,789	318,789
Capital surplus	258,823	268,208
Retained earnings	453,770	457,746
Treasury stock	(59,004)	(59,015)
Total shareholders' equity	972,378	985,728
Accumulated other comprehensive income:		
Unrealized gain on securities	31,467	24,467
Deferred gain (loss) on derivatives under hedge accounting	19,295	(3,471)
Foreign currency translation adjustments	2,789	3,201
Defined retirement benefit plans	(20,533)	(21,264)
Total	33,018	2,933
Non-controlling interests	8,977	11,891
Total net assets	1,014,373	1,000,552
TOTAL	2,594,203	2,562,462

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

Yen (Millions)

	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2017
Operating revenues	484,889	451,719
Cost of sales	383,434	350,638
Gross profit	101,455	101,081
Selling, general and administrative expenses		
Commission	27,156	22,899
Advertising	3,478	2,992
Employees' salaries and bonuses	8,858	8,456
Provision of allowance for doubtful accounts	17	7
Provision for accrued bonuses to employees	2,856	2,452
Retirement benefit expenses	865	843
Depreciation	5,312	4,830
Other	32,837	33,164
Total selling, general and administrative expenses	81,379	75,643
Operating income	20,076	25,438
Other income:		
Interest income	88	97
Dividend income	421	337
Equity in earnings of unconsolidated subsidiaries and affiliates	422	106
Foreign exchange gain, net	-	121
Gain on sales of assets	288	714
Gain on donation of non-current assets	273	415
Other	1,314	713
Total other income	2,806	2,503
Other expenses:		
Interest expenses	1,824	2,307
Foreign exchange loss, net	823	-
Loss on sales of assets	2	25
Loss on disposal of assets	400	471
Other	410	362
Total other expenses	3,459	3,165
Ordinary income	19,423	24,776
Special income		
Gain on disposal of property and equipment	-	447
Gain on sales of investment securities	-	1,290
Gain on step acquisitions	-	33,801
Subsidy	3	2
Other	-	21
Total special income	3	35,561
Income before income taxes	19,426	60,337
Income taxes	3,283	9,097
Net income	16,143	51,240
Net income attributable to non-controlling interests	35	171
Net income attributable to owners of the parent	16,108	51,069

Consolidated Statement of Comprehensive Income

Yen (Millions)

	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2017
Net income	16,143	51,240
Other comprehensive income:		
Unrealized gain on securities	6,968	2,854
Deferred gain on derivatives under hedge accounting	22,818	1,452
Foreign currency translation adjustments	(428)	(313)
Defined retirement benefit plans	729	818
Share of other comprehensive income (loss) in affiliates	76	(139)
Total other comprehensive income	30,163	4,672
Comprehensive income	46,306	55,912
Total comprehensive income attributable to:		
Owners of the parent	46,193	55,826
Non-controlling interests	113	86

(3) Consolidated Statement of Cash Flows-Summary

Yen (Millions)

	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2017
I. Cash flows from operating activities		
Net cash provided by operating activities (Note 1)	81,093	95,639
II. Cash flows from investing activities		
Net cash used in investing activities (Note 2)	(60,917)	(120,406)
III. Cash flows from financing activities		
Net cash used in financing activities	(10,524)	(7,258)
IV. Effect of exchange rate changes on cash and cash equivalents	221	(341)
V. Net increase (decrease) in cash and cash equivalents	9,873	(32,366)
VI. Cash and cash equivalents at the beginning of period	270,509	309,058
VII. Cash and cash equivalents at the end of period	280,382	276,692
Note 1 including, Depreciation and amortization	37,602	36,655
Note 2 including, Investment in capital expenditures	(74,011)	(87,289)

(4) Notes to Consolidated Financial Statements

(Additional information)

Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting"

The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28 issued on February 16, 2018) from the first quarter of the current fiscal year. Accordingly, the Company presents deferred tax assets under investments and other assets and deferred tax liabilities under long-term liabilities.

And the Company has applied this standard etc. in consolidated financial position and balance sheets as of 31 March, 2018 retroactively.

(Segment Information)

<FY2018 Apr. 1-Jun. 30, 2018>

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

	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	405,070	12,229	33,545	30,335	481,179
Intersegment revenues or transfers	21,353	57,734	2,510	6,572	88,169
Total	426,423	69,963	36,055	36,907	569,348
Segment profit (loss)	18,339	4,215	(82)	717	23,189
	Other (*1)	Total	Adjustments (*2)	Consolidated (*3)	
Operating revenues from external customers	3,710	484,889	-	484,889	
Intersegment revenues or transfers	5,646	93,815	(93,815)	-	
Total	9,356	578,704	(93,815)	484,889	
Segment profit (loss)	603	23,792	(3,716)	20,076	

*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 (loss)" includes netting of intersegment transactions and general corporate costs.

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

2. Information regarding impairment loss on fixed assets or goodwill by reportable segment: None

<FY2017 Apr. 1-Jun. 30, 2017>

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	375,517	12,052	33,868	27,263	448,700
Intersegment revenues or 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 or 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 regarding impairment loss on fixed assets or 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.