

ANA HOLDINGS reports Consolidated Financial Results
for the Year Ended March 31, 2020

1. Consolidated financial highlights for the year ended March 31, 2020

(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)	%
FY2019 ended Mar 31, 2020	1,974,216	(4.1)	60,806	(63.2)	59,358	(62.1)	27,655	(75.0)
FY2018 ended Mar 31, 2019	2,058,312	4.4	165,019	0.3	156,681	(2.5)	110,777	(23.0)

*Comprehensive income for the period Apr 1 – Mar 31, 2020 ¥ (14,742) million [(-%)]
for the period Apr 1 – Mar 31, 2019 ¥141,630 million [(12.8%)]

	Net income per share	Return on equity	Ratio of ordinary profit to total assets	Operating income margin ratio
	Yen	%	%	%
FY2019 ended Mar 31, 2020	82.66	2.6	2.3	3.1
FY2018 ended Mar 31, 2019	331.04	10.6	6.0	8.0

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates

for the year ended Mar 31, 2020 ¥1,210 million
for the year ended Mar 31, 2019 ¥1,559 million

(2) Consolidated financial positions

	Total assets Yen (Millions)	Net assets Yen (Millions)	Shareholders' equity ratio %	Net assets per share Yen
As of Mar 31, 2020	2,560,153	1,068,870	41.4	3,171.80
As of Mar 31, 2019	2,687,122	1,109,313	40.9	3,285.46

(Reference) Shareholders' equity as of Mar 31, 2020 ¥1,061,028 million
as of Mar 31, 2019 ¥1,099,413 million

(3) Consolidated cash flows Yen (Millions)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of year
FY2019 ended Mar 31, 2020	130,169	(230,218)	23,869	135,937
FY2018 ended Mar 31, 2019	296,148	(308,671)	(46,480)	211,838

2. Dividends

	Yen				
Dividends per share	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Full fiscal year
FY2018	-	-	-	75.00	75.00
FY2019	-	-	-	0.00	0.00
FY2020 (Forecast)	-	-	-	-	-

	Total dividends Yen (Millions)	Payout ratio (Consolidated)(%)	Dividend on equity (Consolidated)(%)
FY2018	25,105	22.7	2.3
FY2019	0	0.0	0.0
FY2020 (Forecast)	-	-	-

Note:

- * In FY2018 total amount of dividends does not include the dividends paid to the trust account of the affiliates of ¥9 million.
- * The dividend forecast for the fiscal year ending March 31, 2021 has not been determined at this time.

3. Consolidated earnings forecast for the fiscal year ending March 31, 2021

The consolidated earnings forecast for the year ending March 31, 2021, is yet to be determined at this stage while it is unknown when the outbreak of Coronavirus will end, and this will be promptly announced as soon as disclosure of a reasonable forecast becomes possible.

4. Other

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

	Consolidated	Equity method
Newly added	-	-
Excluded	-	-

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

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

*For details, please see page 27 "Notes to Consolidated Financial Statements (Changes in accounting policies)".

(3) Number of issued shares (Common stock)

		Number of Shares			
		FY2019		FY2018	
Number of shares issued (including treasury stock)	As of Mar 31	348,498,361	As of Mar 31	348,498,361	
Number of treasury stock	As of Mar 31	13,978,652	As of Mar 31	13,868,935	
Average number of shares outstanding during the year	Apr 1-Mar 31	334,559,440	Apr 1-Mar 31	334,632,361	

*For the number of common stocks used as basis for calculating consolidated net income per share, see page 31 "(Per share information)".

(Reference) Summary of non-consolidated financial results

(1) Non-consolidated financial results

Yen (Millions)

	Operating revenues		Operating income		Ordinary income		Net income	
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%
FY2019 ended Mar 31, 2020	268,895	5.4	94,690	3.5	97,522	12.6	89,249	11.5
FY2018 ended Mar 31, 2019	255,109	(4.7)	91,462	(18.4)	86,613	(20.1)	80,038	(10.3)

	Net income per share
	Yen
FY2019 ended Mar 31, 2020	266.66
FY2018 ended Mar 31, 2019	239.09

(2) Non-consolidated financial positions

	Total assets	Total net assets	Equity ratio	Net assets per Share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Mar 31, 2020	1,929,987	931,603	48.3	2,783.80
As of Mar 31, 2019	1,966,499	879,989	44.7	2,628.71

(Reference) Shareholders' equity as of Mar 31, 2020 ¥ 931,603 million
as of Mar 31, 2019 ¥ 879,989 million

* This report is not subject to audit procedures

* Explanation for appropriate use of forecasts and other notes

The consolidated earnings forecast for the year ending March 31, 2021, is yet to be determined at this stage. Please refer to "1. Summary of Operating Results etc. (1) Analysis of operating results" on page 5 in the Appendix for the assumptions used and other notes.

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APPENDIX

1. Summary of Operating Results etc.

(1) Analysis of Operating Results

① Overview of the fiscal year ended March 31, 2020

Japan's economy for the fiscal year had been experiencing a gradual recovery, with high corporate earnings and personal consumption generally picking up, but the situation rapidly deteriorated toward the end of the fiscal year due to the impact of the Coronavirus, resulting in extremely difficult conditions

Under these economic conditions, the ANA Group has sought to provide safety, quality and service by executing the various measures outlined in the Mid-Term Corporate Strategy for FY2018-2022 (disclosed on February 1, 2018), in addition to actively investing in human resources and capital expenditure aimed at the expansion of arrival/departure slots at the Tokyo metropolitan airports in 2020. However, in the fourth quarter, demand for air travel decreased significantly due to the impact of the spread of the Coronavirus.

As a result, the consolidated performance during the fiscal year under review shows operating revenues of ¥ 1,974.2 billion (down 4.1% year-on-year) due to a decrease in revenue centered on the air transportation business, and although the scale of flights was limited to match the sudden decline in demand, the decrease in operating revenues could not be absorbed, consequently led to operating income of ¥ 60.8 billion (down 63.2% year-on-year) and ordinary income of ¥ 59.3 billion (down 62.1% year-on-year). In extraordinary gains/losses, although ANA reported compensation for delays in the delivery of aircraft and engine trouble, net income attributable to owners of the parent was ¥ 27.6 billion (down 75.0% year-on-year) as a result of impairment of goodwill pertaining to Peach Aviation Limited.

For two consecutive years, the company was selected as a "Competitive Information Technology(IT) Strategy Company" by Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for being an enterprise strategically adopting IT into its operations. In addition, the company was also selected as the newly-introduced "DX Grand PRIX" label from among companies selected as a "Competitive IT Strategy Company" as the foremost company leading the way into the digital age. The company won the excellence award as a company that adopt management practices from investor's perspective in the "8th Corporate Value Improvement Awards" sponsored by the Tokyo Stock Exchange.

Overview by segment

◎ Air Transportation

Although there was a decline in demand for international cargo service due to factors such as the cooling of the global economy including the trade friction between the United States and China, performance was steady until the third quarter due to steady demand for domestic passenger service and expansion of the international route network. In the fourth quarter, demand for travel in Japan and overseas decreased rapidly due to immigration restrictions imposed by various countries and the impact of the voluntary restraint on leaving home within Japan resulting from the spread of the Coronavirus. As a result, operating revenues in Air Transportation were ¥ 1,737.7 billion (down 4.2% year-on-year). In response to the decline in demand for air travel, flights on international and domestic routes were suspended or reduced, leading to the constraint of expenses such as fuel costs and airport usage fees. However, operating income was ¥ 49.5 billion (down 69.1% year-on-year) due to increases in aircraft expenses and maintenance expenses to further improve the safety and quality of service and in preparation for the expansion of arrival/departure slots in Tokyo metropolitan area airports.

In addition to being awarded by the U.K. based Skytrax the highest rating of "5-Star" for customer satisfaction for the eighth year running, ANA won the top position in the Asia-Pacific region and second place among global airlines for on-time performance throughout 2019 at The On-Time Performance Awards by CIRIUM formerly known as FlightStats, a firm that analyzes and evaluates global travel data.

<International Passenger Service (ANA Brand)>

In international passenger service, despite expanding our network and capturing demand by opening new routes and introducing the Airbus A380 on Hawaii routes, both passenger volume and revenue have decreased year-on-year due to the impact of a decrease in demand caused by the Coronavirus, starting with China routes at the end of January and then spreading to routes to Asia, North America, Europe, and Hawaii.

In terms of the route network, there has been active promotion of services to new cities with the Narita-Perth (western Australia) route launched in September, the Narita-Chennai (southern India) route launched in October, and the Narita-Vladivostok (eastern Russia) route launched in March. In addition, in May the world's largest aircraft, the Airbus A380 "FLYING HONU," was introduced on the Narita-Honolulu route. Meanwhile, in response to the decrease in demand caused by the impact of the Coronavirus, there have been adjustments of supply against demand since February, with temporarily service suspensions and reductions affecting 2,814 flights across 71 routes by the end of March.

In terms of sales and service, the new cabin products were introduced in First Class and Business Class for the first time in approximately a decade, and the Boeing 777-300ER was launched with a revamped cabin space on the following routes: Haneda-London in August; Haneda-New York and Narita-New York in November; and Haneda-Frankfurt in February. The new Business Class seat called the "THE Room" is not only ANA's first compartment-type wide seat with a private door, but also utilizing the world's first 4K personal monitor to provide the highest level of comfort.

Furthermore, the ANA Group has entered into commercial partnership agreement with Singapore Airlines and so on with the aim of strengthening our network and increasing our presence in the rapidly growing Asia/Oceania region. Moving forward, ANA will work to improve customer convenience and ensure our competitiveness in the Asia/Oceania region by enhancing partnership links yet further.

As a result of the above, the number of passengers on international services for the year decreased to 9.41 million passengers (down 6.7 % year-on-year), and revenues decreased to ¥ 613.9 billion (down 5.8 % year-on-year).

<Domestic Passenger Service (ANA Brand)>

In domestic passenger service, despite the capture of strong business demand and domestic travel demand of inbound tourist visiting Japan as well as vigorous demand from the 10-day Golden Week holiday, and the progress in various discount fares responding to demand, both the number of passenger and revenues have decreased year-on-year due to a significant decrease in demand since the end of February caused by the Coronavirus.

The route network has been streamlined by not only increasing the number of flights on the Narita-Nagoya (Chubu Centrair) route since May and those on the Chubu (Chubu Centrair)-Kumamoto route since October, but also by optimizing the number of flights and promoting flexible coordination in the size of aircraft used. Furthermore, ANA has been working to maintain the network in our role as a public transportation organization in accordance with the decline in demand due to the Coronavirus, but reductions in the number of flights began in March and a total of 2,674 flights across 42 routes have been suspended.

In terms of sales and service, there were efforts to capture demand early by setting discount fares available for purchase 355 days in advance of the date of travel, including the Golden Week holiday period and over the summer vacation. In addition, since November, Economy Class seats equipped with new touch-screen personal monitors and new Premium Class seats with electronic reclining adjustments have been introduced to offer improved comfort and functionality on our Boeing 777-200 aircraft. Furthermore, at Naha Airport, the ANA LOUNGE was renewed in September under the supervision of an architect Kengo Kuma and the layout of the departure counter was changed in November to introduce "the ANA Baggage Drop" self-service baggage drop machines, making it the fourth airport to do so domestically, along with other initiatives to enhance service quality as a full-service carrier.

As a result of the above, passenger numbers on domestic services for this fiscal year decreased to 42.91 million passengers (down 3.2 % year-on-year), and revenues decreased to ¥ 679.9 billion (down 2.4 % year-on-year).

< Cargo Service (ANA Brand) >

In international cargo service, there has been low demand for cargo shipments from both Japan and abroad throughout the fiscal year due to a slowdown in the global economy, which has included the trade friction between the United States and China. In addition, the large reduction in the number of flights by the end of February due to the impact of the Coronavirus has meant that the segment is down on the previous fiscal year in terms of both shipping volumes and revenue. In terms of the route network, the large freighter Boeing 777F was introduced on the Narita-Shanghai (Pudong) route in July and on the Narita-Chicago route in October, and in addition to capturing demand for large-scale special cargo including semiconductor manufacturing equipment, which has seen relatively strong demand, ANA has also been working to respond to freight needs to ship emergency supplies with the outbreak of the Coronavirus in the fourth quarter.

As a result of the above, although the volume of international cargo handled in the year decreased to 866 thousand tons (down 5.2 % year-on-year), revenues decreased to ¥ 102.6 billion (down 17.9 % year-on-year).

< LCC >

In LCCs, the number of passengers and revenue decreased year-on-year as a result of a significant decrease in demand arising due to the civic demonstrations in Hong Kong, worsening relations between Japan and South Korea, and the spread of the Coronavirus toward the end of the fiscal year. During the fiscal year under review, Vanilla Air Inc. ceased operations in October, and the integration of the operations of Peach Aviation Limited and Vanilla Air Inc. was completed.

In the route network, the transfer of ten routes from Vanilla Air Inc. was completed, and the Narita-Kagoshima route and the Narita-Nagasaki route were newly established in March.

Meanwhile, flights on certain international routes were suspended from February due to the impact of the Coronavirus, and 2,088 flights on 23 routes including both international and domestic routes were suspended or reduced in the period until the end of March.

In terms of marketing, after the integration of Vanilla Air Inc. with Peach Aviation Limited, sales were promoted through the "Flying Train Peach Sale" on all 40 routes to relaunch Peach.

As a result of the above, passenger numbers on LCC for this fiscal year decreased to 7.28 million (down 10.6 % year-on-year), and revenues decreased to ¥ 81.9 billion (down 12.5 % year-on-year).

< Others in Air Transportation >

Others in air transportation revenue were ¥ 225.7 billion (up 6.6 % year-on-year). Revenues in "Others in Air Transportation" are derived mainly from the mileage program, in-flight sales, and maintenance service contracts.

◎ Airline Related

Operating revenues were ¥ 299.4 billion (up 2.9 % year-on-year) and operating income was ¥ 18.1 billion (up 37.7 % year-on-year) because of a rise in contracts with various airlines for ground handling services including passenger check-in and baggage handling at Kansai and Nagoya (Chubu Centrair) airports, and the addition of MRO Japan Co., Ltd., which is an aircraft maintenance company that began full-scale operations in Okinawa, as a consolidated subsidiary.

◎ Travel Service

Although turnover of *ANA Sky Holidays*(domestic tour) centered on sales made at over-the-counter locations decreased, domestic travel and overseas travel both attracted customers for products sold over the Internet, and demand for the 10-day Golden Week holiday was captured, resulting in solid performance until the third quarter. However, operating revenues decreased year-on-year due to the impact of an increase in cancellations and a decline in new reservations arising in association with the spread of the Coronavirus from the end of January. Meanwhile, operating income increased year-on-year due to a decrease in system expenses.

As a result of the above, operating revenues for the year from travel services were ¥ 143.9 billion (down 4.5% year-on-year), and operating income increased to ¥ 1.3 billion (up 129.9% year-on-year).

◎ Trade and Retail

In the Aerospace and Electronics business, there was an increase in the turnover of aircraft parts, but despite this, there was a decrease in the turnover of nuts in the Food business and operating revenues in the Retail business declined year-on-year, particularly in the fourth quarter, due to a decrease in turnover at the ANA DUTY FREE SHOPS and ANA FESTA shops in airports as a result of the significant decline in airport users caused by the impact of the Coronavirus.

As a result of the above, operating revenues for the year from trade and retail decreased to ¥ 144.7 billion (down 3.9 % year-on-year), and operating income decreased to ¥ 2.9 billion (down 21.5 % year-on-year).

◎ Other

Other business saw operating revenues of ¥44.2 billion (up 8.0% year-on-year) and operating income of ¥3.5 billion (up 55.0% year-on-year) as a result of an increase in the turnover of subleases and also the disposal of owned property in the Real Estate business, and an increase in revenue in the Buildings and Facilities business from the refurbishment of facilities at the Haneda Airport terminal and an increase in construction work-related earnings.

② Outlook for the Next Financial Year

The outlook for the next financial year is that economic conditions will continue to be very harsh due to the impact of the Coronavirus, and there are also concerns about the risk that the spread of the infection disease will further blunt the global economy. Although the Japanese government plans to implement emergency economic measures, the deterioration of the job and income environment caused by declining corporate earnings and the slump in consumer spending affecting results is thought to be unavoidable.

Based on the direct impact on ANA caused by the continuation of Japan's measures to prevent the spread of the infection disease, such as the voluntary restraint on leaving home, restrictions on overseas travel, and restrictions on the entry of foreign nationals, the consolidated forecast for the year ending March 31, 2021, is yet to be determined at the present time while it is unknown when the outbreak of Coronavirus will end, and this will be promptly disclosed once disclosure is possible.

Under these unprecedented conditions, the ANA Group will continue to limit the scale of operations in air transportation, reduce operating expenses such as fuel costs, and also utilize the reduction of executive compensation and manager wages and the furlough of employees to reduce personnel expenses, in addition to carefully reviewing and limiting capital expenditure such as aircraft, and revising the time of its implementation. Furthermore, besides borrowing ¥100.0 billion from financial institutions this April, ANA will strive to ensure liquidity on hand for Group companies by receiving funding from financial institutions as needed in the future, such as concluding a new commitment line agreement for ¥350.0 billion in addition to the existing line of ¥150.0 billion (as of April 28,2020).

The ANA has currently suspended and reduced the number of flights by approximately 90% on international routes and 70% on domestic routes from its initial plans as of April 28,2020, but ANA will focus on factors such as the state of the spread of the infection disease, the immigration restrictions of various countries, the supply

and demand environment, and economic trends with the aim of resuming flights as needed when demand recovers to actively capture such demand. Moreover, the Company aims to expand its network by starting and increasing flights on 14 routes from Haneda Airport in International Passenger Services and also increasing flights on the Haneda-Kansai route in Domestic Passenger Services with suitable schedule for connecting international flights, in addition to maximizing revenue through the necessary stimulation of demand and appropriate pricing. In LCCs, Peach Aviation Limited, which took over the Narita base of Vanilla Air Inc., will aim to become the leading LCC in Asia by expanding its network centered on the two major hubs of Narita and Kansai.

Furthermore, in the Airline Related Business, Travel Services, and Trade and Retail, ANA group will implement initiatives aimed at appropriately restoring, strengthening, and expanding business once the situation has settled.

In addition, “avatar Inc.” was established in April 2020 to create new business models and resolve social issues using the remotely controlled robots called avatars as social infrastructure to offer services that can be used in a variety of applications such as medicine, nursing, education, and shopping. As a response to the Coronavirus, priority will be given to providing the independently developed “newme” avatar to medical facilities requiring remote communication.

<Fleet Plan>

The Fleet Plan is scheduled to introduce and retire the following aircraft.

Aircraft to be introduced	
Model	No. of Aircraft
Airbus A380	1
Boeing 787-9	5
Airbus A321neo	7
Total	13

Aircraft to be retired	
Model	No. of Aircraft
Boeing 777-200	1
Boeing 767-300	1
Boeing 767-300BCF*	1
Boeing 737-700	3
Boeing 737-500	3
Total	9

Note: *freighter

(2) Analysis of the Financial Position

① Consolidated Balance Sheet

Assets: Despite increase in property and equipment by acquisition of aircraft, due to increase cancelation of airline tickets under the influence of coronavirus, total assets decreased by ¥126.9 billion compared to the balance as of the end of FY2018, to ¥2,560.1 billion.

Liabilities: Despite increase financing, due to decrease in advance ticket sales, total liabilities decreased by ¥86.5 billion compared to the balance as of the end of FY2018, to ¥1,491.2 billion. Interest-bearing debt increased by ¥54.2 billion compared to the balance as of the end of FY2018, to ¥842.8 billion.

Net assets: Due to change valuations of fuel hedge and marketable securities, recording of net income attributable to owners of the parent, net assets decreased by ¥40.4 billion compared to the balance as of the end of FY2018, to ¥1,068.8 billion. As a result, equity ratio was 41.4%.

② Consolidated Statement of Cash Flows

Operating activities: Net income before income taxes and non-controlling interests for the current period was ¥51.5 billion. After adjustments on non-cash items such as subtraction of accounts receivable and payable for operating activities, cash flows from operating activities (inflow) was ¥130.1 billion.

Investment activities: Due to acquisition of aircrafts and training facilities, cash flows from investing activities (outflow) was ¥230.2 billion. As a result, free cash flow (outflow) was ¥100.0 billion.

Financial activities: Due to increase financing such as issuance of corporate bonds and borrowing, cash flows from financing activities (inflow) was ¥23.8 billion.

As a result of the above, cash and cash equivalents at the end of the current period decreased by ¥75.9 billion compared to the balance as of the end of FY2018, to ¥135.9 billion.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Shareholders' equity ratio (%)	35.4	39.7	38.6	40.9	41.4
Shareholders' equity ratio based on market prices (%)	49.8	51.4	53.8	50.5	34.5
Debt repayment period (years)	2.7	3.1	2.5	2.7	6.5
Interest coverage ratio	22.3	23.9	36.1	41.3	20.4

* Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market prices: Total market value of shares / Total assets

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

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

Notes:

1. Each indicator is calculated based on consolidated financial figures.
2. The total market value of shares is calculated by multiplying the closing stock price at fiscal year-end and the total number of shares issued as of the end of the fiscal year (less treasury stock).
3. The cash flows from operating activities in the consolidated statements of cash flows is used as the cash flows from operating activities. Interest-bearing debt is all the liabilities recorded on the consolidated balance sheet for which interests are being paid.

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

The company regards shareholder returns as an important management issue. The Company therefore intends to further enhance shareholder returns while securing funds for investment in growth aimed at enhancing medium- to long-term corporate value and maintaining sound finances.

However, the Coronavirus has had an enormous impact on the ANA Group's performance, and it remains completely unforeseeable when the situation will be resolved at the present time. It is with great regret that we inform you that we will not be providing dividends because securing liquidity on hand is the most pressing issue under such unprecedented difficult business conditions.

We wish to extend our sincerest apologies to our shareholders and ask for your ongoing support as we strive to restore dividends as quickly as possible.

The dividends for the next fiscal year are yet to be determined at this stage, and will be promptly announced as soon as disclosure of a reasonable forecast becomes possible.

(4) Operating Risks

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

① Risks accompanying delay in economic recovery

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

② Risks related to corporate strategies

1) Risks related to fleet strategy

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

(i) Dependence on the Boeing Company

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

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

ANA Group has taken the decision to introduce the Mitsubishi Regional Jet (MRJ) currently being developed by Mitsubishi Aircraft Corporation. Delivery is due in mid-FY 2021, but any delays in delivery of this aircraft could impair the Company's operations.

2) Risks related to arrival/departure slots

If the number of arrival/departure slots allocated or the timing of allocation at the congested airports such as in the Tokyo metropolitan area (Haneda Airport and Narita Airport) differs from assumptions made by the ANA Group, it could adversely affect the success of the Group's Corporate Plan.

3) Risks Related to LCC Businesses

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

4) Risks Related to Strategic Investments

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

③ Risks related to crude oil price fluctuations

Jet fuel is derived from crude oil and therefore its price is linked with the price of crude oil. Variance that exceeds the Group's estimates due to factors such as political instability in Mideast oil-producing countries, Shale oil production in the United States, increased demand for crude oil due to rapid economic growth in emerging countries, reductions in oil stockpiles or deposits, speculative investment in crude oil, or natural disasters may affect the Group's performance as follows.

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

If the price of crude oil increases, the price of jet fuel will also increase, placing a significant burden on the Group. Accordingly, ANA Group engages in hedging transactions using crude oil and jet fuel commodity derivatives in a systematic, ongoing basis for specific periods of time to control the risk of fluctuations in the price of jet fuel and to stabilize operating income. In the event that crude oil prices rise over a short period, there are limitations to the Group's ability to offset sharp increases in crude oil prices through efforts at cost reductions and passing on in fares and other charges. For these reasons, the Group may be unable to avoid the impact of a sharp increase in crude oil prices completely, depending on its hedge position.

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

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

④ Risks related to novel infectious diseases

An increase in the number of people affected by outbreaks and epidemics of serious contagious diseases, could drastically decrease demand not only for international services but also for the Group's entire operations. Rumor could reduce the public interest in travel, the spread of infection or increase in the seriousness of illness, and Various countries' immigration restrictions and requests to refrain from travel within Japan that were implemented during the global spread of the Coronavirus could lead to a sudden decrease in the number of domestic and international passengers, and could affect ANA Group's performance.

Furthermore, the spread of new highly infectious strains of influenza affecting a higher than expected number of employees and outsourced personnel, or virulence becoming stronger due to mutation, could affect the continuity of business for the Group.

⑤ Risks related to fluctuations in foreign exchange rates

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

⑥ Risks related to the international situation

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

⑦ Risks related to statutory regulations

As an airline operator, the Group undertakes operations based on statutory regulations relating to airline operations. The Group is also required to conduct passenger operations and cargo operations on international

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

⑧ Risks related to litigation

The Group may become involved in various lawsuits in relation to its business activities, which could affect the Group's performance.

⑨ Risks related to public sector fees

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

⑩ Risks related to environmental regulations

As part of efforts to protect the global environment, numerous domestic and international regulations have been introduced or strengthened in recent years. These have addressed such issues as aircraft emission of noise and greenhouse gases (CO₂ etc.), the usage and treatment of environmental pollutants, and energy use at major business operations. Compliance with such statutory regulations imposes a considerable cost burden on ANA Group and business activities may be constrained or significant additional expenses incurred if new regulations are introduced, such as common global environmental taxes under emission trading and reduction schemes for curbing greenhouse gases in international air transportation that have been determined to be implemented from 2021.

⑪ Risks related to the airline industry

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

⑫ Competitive risks

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

⑬ Risks associated with ineffective strategic alliances

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

Alliance or change its business policies or another alliance group become more competitive, or if there were a dissolution of a bilateral partnership, a downturn in performance, restructuring or a decline in the creditworthiness of an alliance partner, or other external factor leading to stricter regulations governing the partnerships, these could reduce the effectiveness of the partnerships and in turn affect the management of the Group.

⑭ Risks related to flight operations

1) Aircraft accidents, etc.

An aircraft accident involving a flight operated by the Group or a code-share partner could cause a decline in customer confidence and the Group's reputation, creating a downturn in demand that could adversely affect the Group's performance immediately and over the medium to long term. A major accident suffered by a competitor could similarly lead to a reduction in air transportation demand that could affect the Group's performance. An accident would give rise to significant expenses including compensation for damages and the repair or replacement of aircraft. Aviation insurance would not necessarily cover all such direct expenses, however.

2) Technical circular directives, etc. on airworthiness

If unexpected problems arise in the design of new models that become the core of the ANA Group's aircraft, MLIT will issue a technical circular directive, by law. In some cases, all aircraft of the same model might be grounded until the measures to improve the airworthiness of the aircraft and equipment have been implemented as directed. Even when the law does not require a directive to be issued, operation of the same model might be voluntarily suspended and inspections and other maintenance carried out in some cases, when safety cannot be confirmed from a technical perspective. Any such situation may have an adverse impact on confidence in the safety of the Group's aircraft and on profitability. Of particular note, the Group has been introducing new models such as the Boeing 787. In the event of a design flaw or technical issue with new aircraft upon which the Group relies, there may be a significant adverse impact on the profitability of the Group.

⑮ Risks related to leaked customer information

The Group holds an enormous amount of customer information, including personal data on approximately 36.65 million ANA Mileage Club members (as of March 31, 2020), and is required to manage this personal information appropriately, pursuant to the Act on the Protection of Personal Information and other similar foreign laws and regulations. The Group has stated its privacy policy, apprised customers of the policy, and established foreseeable measures to ensure information security, including in its IT systems. Despite ongoing precautions taken to improve operating procedures and upgrade the system to prevent gaps in security, a major leak of personal information caused by unauthorized access, negligent operation, or some other unforeseen factor could still occur and carry significant cost, in terms of both compensation and loss of public confidence, which could significantly affect ANA Group's performance.

⑯ Risks of disaster

If airports are closed for prolonged periods or there are restrictions on routes due to earthquakes, tsunamis, flooding, typhoons, snowfall, volcanic eruptions, infectious disease, strikes, or riots, this may have an adverse effect on the Group's profitability due to the impact on flights using such airports and routes, and demand for air travel declining significantly.

The ANA Group's data center is located in the metropolitan area, operational control of all domestic and international flights is handled at Haneda Airport, and the majority of the Group's passengers use the metropolitan airports, so a major disaster such as an earthquake or typhoon, a fire, or strike at the above-mentioned facilities resulting in closure of the airport or access thereto, could lead to a long-term shutdown of the Group's systems, operational control functions, or actual flight operations that could significantly affect Group performance.

⑰ Risks associated with profit/loss structure

Fixed costs such as aircraft costs and expenses largely determined by the aircraft and not the passenger load factor, such as fuel costs and airport usage fees, account for a significant share of ANA Group's expenses, preventing it from rapidly adjusting the scale of operations to meet a given financial situation. Consequently, any decrease in the number of passengers or in cargo volume could have a significant impact on the Group's profits and losses.

Moreover, because the Group tends to have increased sales during the summer in its passenger services, a significant decrease in demand during this period may adversely affect the Group's performance for that business year.

⑱ Risks related to IT systems

The Group is highly dependent on information systems for such critical functions as customer service and operational management. A major disruption of one of those systems or of telecommunications networks caused by natural disasters, accidents, computer viruses or unauthorized access, power supply constraints or large-scale power outages would make it difficult to maintain customer service and operations and would result in a loss of public confidence, which could affect the Group's performance. Further, the Group's information systems are also used by its strategic partners, so there is a possibility that the impact of systems failure would not be limited to the Group.

⑲ Risks related to personnel and labor

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

⑳ Risks related to securing human resources

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

㉑ Risks associated with finance

1) Increase in the cost of procuring funds

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

2) Risks related to asset impairment

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

㉒ Risks related to securing jet fuel

The Group perceives the expansion of arrival/departure slots in Haneda Airport and Narita Airport to be its greatest business opportunity, and while the amount of jet fuel used is expected to increase significantly in the plan to expand business, the Group's flight operations may be affected if an appropriate volume of jet fuel cannot be secured.

2. Basic rationale for selection of accounting standard

While the Company aims to increase corporate value with further globalization and expansion of business domains, the Company is considering applying International Financial Reporting Standards (IFRS) at our discretion to improve international comparability of financial information in capital markets.

3 Financial Statements and Operating Results

(1) Consolidated Balance Sheet

	Yen (Millions)	
Assets	FY2019 as of Mar 31, 2020	FY2018 as of Mar 31, 2019
Current assets:		
Cash and deposits	109,447	68,301
Notes and accounts receivable	98,845	180,667
Lease receivables	22,823	26,491
Marketable securities	129,200	225,360
Inventories (Merchandise)	13,490	13,707
Inventories (Supplies)	53,822	48,423
Other current assets	144,073	137,738
Allowance for doubtful accounts	(538)	(457)
Total current assets	571,162	700,230
Fixed assets		
Property and equipment:		
Buildings and structures	127,983	97,262
Aircraft	1,157,585	1,062,626
Machinery, equipment and vehicles	33,219	27,130
Furniture and fixtures	21,751	12,503
Land	53,886	54,270
Lease assets	5,897	6,644
Construction in progress	180,005	286,635
Total property and equipment	1,580,326	1,547,070
Intangible assets:		
Goodwill	24,461	51,132
Other intangible assets	101,062	104,048
Total intangible assets	125,523	155,180
Investments and other assets:		
Investment securities	145,664	159,184
Long-term receivables	5,269	4,725
Deferred income taxes	99,824	85,307
Net defined benefit assets	815	476
Other assets	32,799	36,141
Allowance for doubtful accounts	(2,029)	(1,691)
Total investments and other assets	282,342	284,142
Total fixed assets	1,988,191	1,986,392
Deferred assets	800	500
TOTAL	2,560,153	2,687,122

	Yen (Millions)	
	FY2019	FY2018
Liabilities and Net assets	as of Mar 31, 2020	as of Mar 31, 2019
Liabilities		
Current liabilities:		
Accounts payable	185,897	223,685
Short-term loans	429	336
Current portion of long-term debt	84,057	77,883
Current portion of bonds	20,000	30,000
Finance lease obligations	3,821	4,768
Income taxes payable	8,441	21,374
Advance ticket sales	111,827	218,950
Accrued bonuses to employees	21,158	41,580
Other provisions	5,958	-
Other current liabilities	88,958	67,357
Total current liabilities	530,546	685,933
Long-term liabilities:		
Bonds	165,000	115,000
Convertible bonds with stock acquisition rights	140,000	140,000
Long-term debt	416,900	406,830
Finance lease obligations	12,655	13,832
Deferred income taxes	112	110
Accrued corporate executive officers' retirement benefits	959	881
Net defined benefit liabilities	163,384	158,209
Other provisions	15,765	15,445
Asset retirement obligations	1,224	3,371
Other long-term liabilities	44,738	38,198
Total long-term liabilities	960,737	891,876
Total liabilities	1,491,283	1,577,809
Net assets		
Shareholders' equity:		
Common stock	318,789	318,789
Capital surplus	258,470	258,448
Retained earnings	550,839	548,439
Treasury stock	(59,435)	(59,032)
Total shareholders' equity	1,068,663	1,066,644
Accumulated other comprehensive income:		
Unrealized gain on securities	22,120	37,622
Deferred gain (loss) on derivatives under hedge accounting	(14,595)	10,636
Foreign currency translation adjustments	2,668	2,873
Defined retirement benefit plans	(17,828)	(18,362)
Total	(7,635)	32,769
Non-controlling interests	7,842	9,900
Total net assets	1,068,870	1,109,313
TOTAL	2,560,153	2,687,122

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

Consolidated Statement of Income

	Yen (Millions)	
	FY2019 Apr 1-Mar 31	FY2018 Apr 1-Mar 31
Operating revenues	1,974,216	2,058,312
Cost of sales	1,583,434	1,559,876
Gross profit	390,782	498,436
Selling, general and administrative expenses		
Commissions	103,495	105,678
Advertising	11,830	12,813
Employees' salaries and bonuses	39,446	39,760
Provision of allowance for doubtful accounts	46	87
Provision for accrued bonuses to employees	3,879	7,913
Retirement benefit expenses	3,329	3,462
Depreciation	27,616	24,828
Other	140,335	138,876
Total selling, general and administrative expenses	329,976	333,417
Operating income	60,806	165,019
Other income:		
Interest income	958	767
Dividend income	2,073	2,159
Equity in earnings of unconsolidated subsidiaries and affiliates	1,210	1,559
Foreign exchange gain, net	473	-
Gain on sales of assets	6,746	2,554
Gain on donation of non-current assets	3,553	2,512
Other	3,644	7,048
Total other income	18,657	16,599
Other expenses:		
Interest expenses	6,291	6,995
Foreign exchange loss, net	-	1,761
Loss on sales of assets	302	641
Loss on disposal of assets	7,133	11,117
Other	6,379	4,423
Total other expenses	20,105	24,937
Ordinary income	59,358	156,681

	Yen (Millions)	
	FY2019 Apr 1-Mar 31	FY2018 Apr 1-Mar 31
Special gain		
Gain on sales of investment securities	1,122	-
Compensation payments received	17,897	6,810
Other	235	3
Total special gain	19,254	6,813
Special loss		
Loss on valuation of investments in unconsolidated subsidiaries and affiliates	853	-
Loss on sales of shares of subsidiaries and affiliates	7	343
Impairment loss	25,159	1,997
Litigation settlement fees related to anti-trust law claims	-	6,423
Other	1,092	708
Total special loss	27,111	9,471
Income before income taxes	51,501	154,023
Current	24,407	47,354
Deferred	1,175	(5,168)
Total income taxes	25,582	42,186
Net income	25,919	111,837
Net (loss) income attributable to non-controlling interests	(1,736)	1,060
Net income attributable to owners of the parent	27,655	110,777

Consolidated Statement of Comprehensive Income

	Yen (Millions)	
	FY2019 Apr 1-Mar 31	FY2018 Apr 1-Mar 31
Net income	25,919	111,837
Other comprehensive income:		
Unrealized (loss) gain on securities	(15,369)	13,115
Deferred (loss) gain on derivatives under hedge accounting	(25,227)	14,115
Foreign currency translation adjustments	(221)	(382)
Defined retirement benefit plans	539	2,930
Share of other comprehensive (loss) income in affiliates	(383)	15
Total other comprehensive income	(40,661)	29,793
Comprehensive income	(14,742)	141,630
Total comprehensive income attributable to:		
Owners of the parent	(12,749)	140,613
Non-controlling interests	(1,993)	1,017

(3) Consolidated Statements of Changes in Net Assets

<FY2019 Apr 1-Mar 31>

Yen (Millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the year	318,789	258,448	548,439	(59,032)	1,066,644
Changes during the fiscal year					
Cash dividends			(25,105)		(25,105)
Net income attributable to owners of the parent			27,655		27,655
Purchase of treasury stock				(453)	(453)
Disposal of treasury stock				50	50
Change in the parent's ownership interest due to transactions with noncontrolling interests		22			22
Change in scope of consolidation			(150)		(150)
Net changes in the year					-
Total changes during the fiscal year	-	22	2,400	(403)	2,019
Balance at end of the year	318,789	258,470	550,839	(59,435)	1,068,663

Yen (Millions)							
	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gain on securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total		
Balance at the beginning of the year	37,622	10,636	2,873	(18,362)	32,769	9,900	1,109,313
Changes during the fiscal year							
Cash dividends							(25,105)
Net income attributable to owners of the parent							27,655
Purchase of treasury stock							(453)
Disposal of treasury stock							50
Change in the parent's ownership interest due to transactions with noncontrolling interests							22
Change in scope of consolidation							(150)
Net changes in the year	(15,502)	(25,231)	(205)	534	(40,404)	(2,058)	(42,462)
Total changes during the fiscal year	(15,502)	(25,231)	(205)	534	(40,404)	(2,058)	(40,443)
Balance at end of the year	22,120	(14,595)	2,668	(17,828)	(7,635)	7,842	1,068,870

<FY2018 Apr 1-Mar 31>

Yen (Millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance at the beginning of the year	318,789	268,208	457,746	(59,015)	985,728
Changes during the fiscal year					
Cash dividends			(20,084)		(20,084)
Net income attributable to owners of the parent			110,777		110,777
Purchase of treasury stock				(41)	(41)
Disposal of treasury stock				24	24
Change in the parent's ownership interest due to transactions with noncontrolling interests		(9,760)			(9,760)
Net changes in the year					-
Total changes during the fiscal year	-	(9,760)	90,693	(17)	80,916
Balance at end of the year	318,789	258,448	548,439	(59,032)	1,066,644

Yen (Millions)							
	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gain on securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total		
Balance at the beginning of the year	24,467	(3,471)	3,201	(21,264)	2,933	11,891	1,000,552
Changes during the fiscal year							
Cash dividends							(20,084)
Net income attributable to owners of the parent							110,777
Purchase of treasury stock							(41)
Disposal of treasury stock							24
Change in the parent's ownership interest due to transactions with noncontrolling interests							(9,760)
Net changes in the year	13,155	14,107	(328)	2,902	29,836	(1,991)	27,845
Total changes during the fiscal year	13,155	14,107	(328)	2,902	29,836	(1,991)	108,761
Balance at end of the year	37,622	10,636	2,873	(18,362)	32,769	9,900	1,109,313

(4) Consolidated Statement of Cash Flows

Yen (Millions)

	FY2019 Apr 1 - Mar 31	FY2018 Apr 1 - Mar 31
I. Cash flows from operating activities		
Income before income taxes	51,501	154,023
Depreciation and amortization	175,739	159,541
Impairment loss	25,159	1,997
Amortization of goodwill	4,006	4,031
Loss on disposal and sales of property and equipment	689	9,204
Gain on sales and valuation of investment securities	(269)	(149)
Loss on sales of shares of subsidiaries and affiliates	7	343
Increase in allowance for doubtful accounts	419	51
Increase in liability for retirement benefits	5,503	4,801
Interest and dividend income	(3,031)	(2,926)
Interest expenses	6,291	6,995
Foreign exchange loss (gain)	273	(534)
Decrease(increase) in notes and accounts receivable	82,312	(7,195)
Increase in other current assets	(9,284)	(20,788)
(Decrease)increase in notes and accounts payable	(38,045)	3,355
(Decrease)increase in advance ticket sales	(107,123)	37,597
Other, net	(14,510)	12,694
Subtotal	179,637	363,040
Interest and dividends received	3,831	3,447
Interest paid	(6,371)	(7,175)
Income taxes paid	(46,928)	(63,164)
Net cash provided by operating activities	130,169	296,148
II. Cash flows from investing activities		
Increase in time deposits	(55,819)	(45,811)
Proceeds from withdrawal of time deposits	50,789	30,794
Purchases of marketable securities	(175,070)	(176,060)
Proceeds from redemption of marketable securities	159,200	196,582
Purchases of property and equipment	(317,604)	(336,807)
Proceeds from sales of property and equipment	151,652	84,917
Purchases of intangible assets	(33,757)	(39,057)
Purchases of investment securities	(8,339)	(18,978)
Proceeds from sales of investment securities	1,424	153
Other, net	(2,694)	(4,404)
Net cash used in investing activities	(230,218)	(308,671)

	Yen (Millions)	
	FY2019 Apr 1 - Mar 31	FY2018 Apr 1 - Mar 31
III. Cash flows from financing activities		
Increase in short-term loans, net	98	156
Proceeds from long-term loans	96,684	69,710
Repayment of long-term loans	(82,035)	(87,903)
Proceeds from issuance of bonds	69,586	19,876
Repayment of bonds	(30,000)	(10,000)
Repayment of finance lease obligations	(4,609)	(5,602)
Payment for purchases of investments in subsidiaries with no changes in scope of consolidation	(96)	(11,326)
Net increase of treasury stock	(405)	(17)
Payment for dividends	(25,105)	(20,084)
Other, net	(249)	(1,290)
Net cash used in financing activities	23,869	(46,480)
IV. Effect of exchange rate changes on cash and cash equivalents	(274)	332
V. Net decrease in cash and cash equivalents	(76,454)	(58,671)
VI. Cash and cash equivalents at beginning of year	211,838	270,509
VII. Net increase resulting from changes in scope of consolidation	553	-
VIII. Cash and cash equivalents at end of year	135,937	211,838

(5) Notes to Consolidated Financial Statements

(Going concern assumption)

None

(Basis of presenting consolidated financial statements)

(1) Number of subsidiaries: 62

Included: 2

MRO Japan Co.,Ltd.

ANA Business Jet Inc.

Excluded: 2

A-SWEETS HOUSE INC.

Strategic Partner Investment Pte.Ltd.

(2) Number of equity method affiliates: 16

(Changes in accounting policies)

None

(Consolidated statements of cash flows)

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

	Yen (Millions)	
	FY2019 Apr 1-Mar 31	FY2018 Apr 1-Mar 31
	Balance at end of year	Balance at end of year
Cash and deposits	109,447	68,301
Marketable securities	129,200	225,360
Time deposits with maturities of more than three months	(31,120)	(26,103)
Marketable securities with maturities of more than three months	(71,590)	(55,720)
Cash and cash equivalents	135,937	211,838

(Segment information)

1. Summary of reporting segment

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

The Group's reportable segments are categorized under "Air Transportation," "Airline Related," "Travel Services" and "Trade and Retail."

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

2. Method of calculating the amount of operating revenues, profit or loss, assets, liabilities and others by reporting segment

The accounting policies of the segments are substantially the same as those described in above "(Basis of presenting consolidated financial statements)."

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

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

<FY2019 Apr 1-Mar 31>

Yen (Millions)

	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	1,658,763	49,804	134,759	115,269	1,958,595
Intersegment revenues and transfers	78,974	249,629	9,237	29,481	367,321
Total	1,737,737	299,433	143,996	144,750	2,325,916
Segment profit	49,550	18,144	1,393	2,909	71,996
Segment assets	2,305,293	147,275	42,405	57,219	2,552,192
Other items					
Depreciation and amortization	168,296	5,323	553	1,305	175,477
Amortization of goodwill	3,889	3	-	114	4,006
Increase in tangible and intangible fixed assets	343,476	6,200	258	2,250	352,184

	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Operating revenues from external customers	15,621	1,974,216	-	1,974,216
Intersegment revenues and transfers	28,602	395,923	(395,923)	-
Total	44,223	2,370,139	(395,923)	1,974,216
Segment profit	3,526	75,522	(14,716)	60,806
Segment assets	25,276	2,577,468	(17,315)	2,560,153
Other items				
Depreciation and amortization	262	175,739	-	175,739
Amortization of goodwill	-	4,006	-	4,006
Increase in tangible and Intangible assets	141	352,325	(964)	351,361

*1. "Others" represents all business segments that are not included in reportable segments, such as facility management, business support, and other operations.

*2. Adjustments of segment profit represent the elimination of intersegment transactions and expenses of all group companies. Adjustments of segment assets include assets of all group companies in the amount of ¥157,553 million and the main asset is the long-term investments (investment securities) in the consolidated companies.

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

<FY2018 Apr 1-Mar 31>

Yen (Millions)

	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	1,728,645	51,783	140,805	122,454	2,043,687
Intersegment revenues and transfers	85,772	239,268	9,941	28,225	363,206
Total	1,814,417	291,051	150,746	150,679	2,406,893
Segment profit	160,556	13,178	606	3,706	178,046
Segment assets	2,409,579	148,288	60,163	61,019	2,679,049
Other items					
Depreciation and amortization	152,948	4,496	507	1,354	159,305
Amortization of goodwill	3,889	28	-	114	4,031
Increase in tangible and intangible fixed assets	370,778	1,838	241	1,156	374,013

	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Operating revenues from external customers	14,625	2,058,312	-	2,058,312
Intersegment revenues and transfers	26,333	389,539	(389,539)	-
Total	40,958	2,447,851	(389,539)	2,058,312
Segment profit	2,275	180,321	(15,302)	165,019
Segment assets	23,434	2,702,483	(15,361)	2,687,122
Other items				
Depreciation and amortization	236	159,541	-	159,541
Amortization of goodwill	-	4,031	-	4,031
Increase in tangible and Intangible assets	269	374,282	1,582	375,864

*1. "Others" represents all business segments that are not included in reportable segments, such as facility management, business support, and other operations.

*2. Adjustments of segment profit represent the elimination of intersegment transactions and expenses of all group companies. Adjustments of segment assets include assets of all group companies in the amount of ¥171,058 million and the main asset is the long-term investments (investment securities) in the consolidated companies.

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

(Per share information)

	Yen	
	FY2019 <Apr 1 - Mar 31>	FY2018 <Apr 1 - Mar 31>
Net assets per share	3,171.80	3,285.46
Net income per share	82.66	331.04

Notes:

1. Since no residual securities with dilutive effect exist, net income per share after residual securities adjustments is omitted.
2. The basis for calculating net income per share is as follows:

	Yen (Millions)	
	FY2019 <Apr 1 - Mar 31>	FY2018 <Apr 1 - Mar 31>
Net income attributable to owners of the parent	27,655	110,777
Amount not attributable to common shareholders	-	-
Net income in accordance with the common stock	27,655	110,777
Average number of shares outstanding during the fiscal year (in thousands)	334,559	334,632
Overview of potential shares that were not included in the calculation of net income per share (diluted) because they have no dilutive effect	Zero Coupon Convertible Bonds due 2022 (bonds with stock acquisition rights) 13,513 thousand shares issued by the Company	Zero Coupon Convertible Bonds due 2022 (bonds with stock acquisition rights) 13,513 thousand shares issued by the Company
	Zero Coupon Convertible Bonds due 2024 (bonds with stock acquisition rights) 13,725 thousand shares issued by the Company	Zero Coupon Convertible Bonds due 2024 (bonds with stock acquisition rights) 13,725 thousand shares issued by the Company

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

	Yen (Millions)	
	FY2019 <Apr 1 - Mar 31>	FY2018 <Apr 1 - Mar 31>
Net assets	1,068,870	1,109,313
Amounts deducted from total net assets	7,842	9,900
(incl. Non-controlling Interests)	(7,842)	(9,900)
Net assets attributable to common stock at the end of the fiscal year	1,061,028	1,099,413
Number of shares of common stock at the end of the fiscal year used to determine net assets per share (in thousands)	334,519	334,629

4. The Company shares held by the trust for Delivery of Shares to Directors (FY2019: 173, FY2018: 108 (Thousand shares)) are deducted from "Average number of shares outstanding during the year". The Trust for Delivery of Shares to Directors (FY2019: 209, FY2018: 107 (Thousand shares)) are deducted from "The year-end number of common stocks used to determine net assets per share".

(Important post-balance sheet events)

None

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

(1) Breakdown of Operating Revenues

	Yen (Millions)		
	FY2019 Apr 1- Mar 31	FY2018 Apr 1- Mar 31	Difference
Air Transportation			
International routes			
Passenger	613,908	651,587	(37,679)
Cargo	102,697	125,015	(22,318)
Mail	4,764	5,100	(336)
Subtotal	721,369	781,702	(60,333)
Domestic routes			
Passenger	679,962	696,617	(16,655)
Cargo	25,533	27,454	(1,921)
Mail	3,136	3,230	(94)
Subtotal	708,631	727,301	(18,670)
Revenues from Air Transportation	1,430,000	1,509,003	(79,003)
LCC revenues	81,953	93,611	(11,658)
Others in Air Transportation	225,784	211,803	13,981
Subtotal of Air Transportation	1,737,737	1,814,417	(76,680)
Airline Related			
Revenues from Airline Related	299,433	291,051	8,382
Subtotal of Airline Related	299,433	291,051	8,382
Travel Services			
Package tours (Domestic)	112,711	119,362	(6,651)
Package tours (International)	20,925	20,979	(54)
Other revenues	10,360	10,405	(45)
Subtotal of Travel Services	143,996	150,746	(6,750)
Trade and Retail			
Revenues from Trade and Retail	144,750	150,679	(5,929)
Subtotal of Trade and Retail	144,750	150,679	(5,929)
Subtotal of Segments	2,325,916	2,406,893	(80,977)
Other			
Other revenues	44,223	40,958	3,265
Subtotal of Other	44,223	40,958	3,265
Total operating revenues	2,370,139	2,447,851	(77,712)
Intercompany eliminations	(395,923)	(389,539)	(6,384)
Operating revenues (Consolidated)	1,974,216	2,058,312	(84,096)

Notes:

1. Segment breakdown is based on classifications employed for internal management.
2. Segment operating revenues include inter-segment transactions.
3. The results for passenger travel on domestic routes for Peach Aviation Limited and Vanilla Air Inc. are included in "LCC".
4. Consumption tax is not included in the above figures.

(2) Overview of Airline Operating Results

< A N A >

	FY2019 Apr 1- Mar 31	FY2018 Apr 1- Mar 31	Year on Year (%)
International routes			
Number of Passengers (Passengers)	9,416,415	10,093,299	(6.7)
Available Seat Km (Thousand km)	68,885,746	65,976,156	4.4
Revenue Passenger Km (Thousand km)	50,219,355	50,776,587	(1.1)
Passenger Load Factor (%)	72.9	77.0	(4.1)
Available Cargo Capacity (Thousand ton km)	7,354,438	7,122,948	3.2
Cargo Volume (Tons)	866,821	913,915	(5.2)
Cargo Traffic Volume (Thousand ton km)	4,222,117	4,318,339	(2.2)
Mail Volume (Tons)	22,065	25,407	(13.2)
Mail Traffic Volume (Thousand ton km)	120,449	131,516	(8.4)
Cargo and Mail Load Factor (%)	59.0	62.5	(3.4)
Domestic routes			
Number of Passengers (Passengers)	42,916,334	44,325,835	(3.2)
Available Seat Km (Thousand km)	58,552,753	58,475,114	0.1
Revenue Passenger Km (Thousand km)	39,502,036	40,704,695	(3.0)
Passenger Load Factor (%)	67.5	69.6	(2.1)
Available Cargo Capacity (Thousand ton km)	1,705,379	1,720,144	(0.9)
Cargo Volume (Tons)	373,176	393,773	(5.2)
Cargo Traffic Volume (Thousand ton km)	387,038	408,275	(5.2)
Mail Volume (Tons)	29,308	30,482	(3.9)
Mail Traffic Volume (Thousand ton km)	29,030	30,125	(3.6)
Cargo and Mail Load Factor (%)	24.4	25.5	(1.1)
Total			
Number of Passengers (Passengers)	52,332,749	54,419,134	(3.8)
Available Seat Km (Thousand km)	127,438,500	124,451,271	2.4
Revenue Passenger Km (Thousand km)	89,721,391	91,481,282	(1.9)
Passenger Load Factor (%)	70.4	73.5	(3.1)
Available Cargo Capacity (Thousand ton km)	9,059,818	8,843,092	2.5
Cargo Volume (Tons)	1,239,996	1,307,688	(5.2)
Cargo Traffic Volume (Thousand ton km)	4,609,156	4,726,614	(2.5)
Mail Volume (Tons)	51,373	55,890	(8.1)
Mail Traffic Volume (Thousand ton km)	149,480	161,641	(7.5)
Cargo and Mail Load Factor (%)	52.5	55.3	(2.8)

Notes:

1. The results for passenger travel on domestic routes include results from code share flights with IBEX Airlines Co., Ltd., AIRDO Co., Ltd., Solaseed Air Inc., StarFlyer Inc. and some of code share flights with ORIENTAL AIR BRIDGE CO., LTD
2. Non scheduled flights have been excluded from both domestic and international routes.
3. 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.
4. 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.
5. 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).
6. 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).
7. 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.

8. 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).
9. 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.
10. Percentage point difference for Passenger load factor and cargo and mail load factor between previous year and FY2019 is indicated in field of year-on-year.
11. The results for Peach Aviation Limited and Vanilla Air Inc. are not included.

<LCC>

Category		FY2019 Apr.1- Mar 31	FY2018 Apr.1- Mar 31	Year-on-Year (%)
Number of Passengers	(Passengers)	7,288,641	8,153,118	(10.6)
Available Seat Km	(Thousand km)	11,076,179	12,052,233	(8.1)
Revenue Passenger Km	(Thousand km)	9,202,033	10,394,337	(11.5)
Passenger Load Factor	(%)	83.1	86.2	(3.2)

Notes:

1. 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).
2. 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).
3. Airline Operating Results for LCC includes Peach Aviation Limited and Vanilla Air Inc.
4. Peach Aviation Limited and Vanilla Air Inc. do not handle cargo and mail.
5. Percentage point difference for Passenger load factor between previous year and FY2019 is indicated in field of year-on-year.