

**ANA HOLDINGS reports Consolidated Financial Results  
 for the Six Months Ended September 30, 2016**

**1. Consolidated financial highlights for the six months ended September 30, 2016**

(1) Consolidated financial and operating results

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of ANA HOLDINGS, INC.	
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%
Six months ended Sep.30, 2016	884,995	(2.9)	89,569	3.2	83,468	0.6	57,439	6.4
Six months ended Sep.30, 2015	911,223	6.6	86,786	49.8	82,983	72.6	53,974	50.9

\*Comprehensive income for the period Apr.1 - Sep.30, 2016      ¥ 45,107 million      142.1%  
 for the period Apr.1 - Sep.30, 2015      ¥ 31,747 million      (45.0)%

	Net income per share
	Yen
Six months ended Sep.30, 2016	16.42
Six months ended Sep.30, 2015	15.44

(2) Consolidated financial positions

	Total assets	Total net assets	Equity ratio	Net assets per share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Sep. 30, 2016	2,252,808	822,992	36.3	233.80
As of Mar. 31, 2016	2,228,808	794,900	35.4	225.87

(Reference) Shareholders' equity as of Sep. 30, 2016      ¥818,335 million  
 as of Mar. 31, 2016      ¥789,896 million

**2. Consolidated operating results forecast for the fiscal year ending March 31, 2017**

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of ANA HOLDINGS, INC.		Net income per share
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen
FY2016	1,740,000	(2.9)	145,000	6.3	130,000	(0.6)	80,000	2.3	22.88

(% : year-on-year)

\*Revisions to the most recently disclosed earnings forecasts: Yes

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

\*For details, please see page 10 "4. Others (3) Changes in accounting policies, accounting estimates and restatement of corrections".

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

	Number of Shares			
	FY2016		FY2015	
Number of shares issued (including treasury stock)	As of Sep.30	3,516,425,257	As of Mar.31	3,516,425,257
Number of treasury stock	As of Sep.30	16,276,640	As of Mar.31	19,227,093
Average number of shares outstanding during the period	Six months ended Sep.30	3,498,883,130	Six months ended Sep.30	3,495,731,893

\* Treasury stock includes 8,563 thousand shares owned by the trust account of the ANA Group Employee Stock Ownership Trust and 1,318 thousand shares owned by the trust account of the Trust for Delivery of Shares to Directors as of September 30, 2016.

#### Indication of quarterly review procedure implementation status

These quarterly financial results are not subject to the quarterly review requirements as provided in the Financial Instruments and Exchange Act. The review of quarterly consolidated financial statements as provided in the Financial Instruments and Exchange Act had not been completed as of the date of these Consolidated Financial Results for the Six Months Ended September 30, 2016.

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

The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to ANA Group and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons.

## APPENDIX

### Overview of consolidated financial results for the Six Months Ended September 30, 2016

#### Qualitative Information / Financial Statements, etc.

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

	Yen (Billions)		
Consolidated Operating Results	Six months ended Sep. 30, 2016	Six months ended Sep. 30, 2015	Year-on-Year (%)
Operating Revenues	884.9	911.2	(2.9)
Air Transportation	769.1	788.0	(2.4)
Airline Related	127.7	114.4	11.6
Travel Services	82.4	88.4	(6.8)
Trade and Retail	68.9	71.5	(3.7)
Other	16.6	16.1	3.2
Intersegment Transactions	(179.9)	(167.5)	—
Operating Income	89.5	86.7	3.2
Air Transportation	84.7	81.1	4.4
Airline Related	5.3	4.2	24.7
Travel Services	2.0	2.8	(28.6)
Trade and Retail	2.6	3.0	(13.9)
Other	0.7	0.6	9.8
Intersegment Transactions	(5.9)	(5.2)	—
Ordinary income	83.4	82.9	0.6
Net income attributable to owners of ANA HOLDINGS INC.	57.4	53.9	6.4

See Notes 1, 2, & 3 below.

In the second quarter of fiscal year 2016 (April 1, 2016 - September 30, 2016, hereinafter the “six months ended September 30, 2016”), while the Japanese economy showed some signs of weakness, for example a pause in the recovery in capital expenditure, the overall modest recovery continued, backed by strength in consumer spending. Although there are concerns about a possible downturn in the economy due to weakness in some overseas economies and increased uncertainty overseas associated with the issue of the United Kingdom’s exit from the EU, the outlook is for a continued, gradual recovery supported by various government measures amid continued improvement on the employment and income fronts.

Under such economic conditions, due to a decrease in revenues mainly in air transportation, operating revenues were ¥884.9 billion, and thanks to efforts to control costs and other factors, operating income was ¥89.5 billion, ordinary income was ¥83.4 billion and net income attributable to owners of ANA HOLDINGS INC. was ¥57.4 billion.

An overview of the six months ended September 30, 2016 by segment follows:

## Overview by Segment

### ◎ Air Transportation

**Operating revenues: ¥769.1 billion, down 2.4% year-on-year**

**Operating income: ¥84.7 billion, up 4.4% year-on-year**

Although the number of passengers remained steady with the increase in the scale of business in international passenger services, operating revenues in air transportation decreased year-on-year due to factors such as foreign-denominated revenues falling due to the strong yen, income from fares with fuel surcharges decreasing due to the decline in fuel prices, and the impact of the Kumamoto earthquakes. Meanwhile, operating income increased year-on-year thanks to a decrease in expenses due to the impact of the strong yen and the fall in fuel prices, in addition to ANA Group's efforts to limit expenses through steady cost management as the scale of business increased.

Following on from last year's awards, ANA Group was chosen as the best airline in the "World's Best Airport Services" and the "Best Airline Staff in Asia" categories in the 2016 World Airline Awards as rated by UK-based Skytrax.

Furthermore, ALL NIPPON AIRWAYS, INC. (ANA) received its fifth "Good Design Award" following its renovations to the departure counters in Haneda Airport Terminal 2 (Domestic) aimed at providing airport counters that are user-friendly and easy to understand for everyone.

#### <Domestic Passenger Services>

Category	Six months ended Sep. 30, 2016	Six months ended Sep.30, 2015	Year-on-Year (%)
Passenger Revenues (Billion yen)	347.4	353.2	(1.7)
Number of Passengers (Passengers)	21,520,124	21,551,174	(0.1)
Available Seat-km (Thousand km)	30,225,313	30,307,342	(0.3)
Revenue Passenger-km (Thousand km)	19,526,846	19,433,018	0.5
Passenger Load Factor (%)	64.6	64.1	0.5

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

Although the domestic passenger services has been offering *Tabiwari Time Sales* in line with demand trends, and setting flexible fares, revenues were down year-on-year due to both passenger numbers and unit prices decreasing year-on-year because of the impact of the Kumamoto earthquakes and the inconsecutive holidays in September.

In terms of the route network, with effect from the summer timetable ANA opened a new Haneda-Miyako route, and operated midnight flights ("Galaxy Flights") on the Haneda-Okinawa route during part of the summer season to capture demand. Furthermore, ANA is working to ensure a better fit between supply and demand with the start of the *Pittato Fleet (the Dynamic Fleet Assign Model)* that will allow ANA Group to switch the size of aircraft used, depending on the number of reservations, with greater precision than previously possible. In addition, to fulfill its mission as a public transportation organ, ANA operated a total of 175 temporary flights when the Kumamoto earthquakes occurred, and also established temporary flights on the Sapporo-Kushiro route in September, securing transportation access in areas affected by a typhoon.

On the marketing front, a wider range of travel products utilizing the *Kyushu Fukko Wari* system, aimed at encouraging a rapid recovery of the tourism industry in Kyushu, was provided to stimulate demand on Kyushu routes.

In terms of services, ANA's website (ANA SKY WEB) and its mobile site (ANA SKY MOBILE) were upgraded

in September to further improve their visibility and operability.

< International Passenger Services >

Category		Six months ended Sep. 30, 2016	Six months ended Sep. 30 2015	Year-on-Year (%)
Passenger Revenues	(Billion yen)	259.1	259.6	(0.2)
Number of Passengers	(Passengers)	4,479,981	4,062,846	10.3
Available seat-km	(Thousand km)	29,458,530	26,333,732	11.9
Revenue Passenger-km	(Thousand km)	22,309,183	19,984,546	11.6
Passenger Load Factor	(%)	75.7	75.9	(0.2)

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

In international passenger services, leisure demand continued to falter on European routes from Japan due to the impact of terrorist attacks, but passenger numbers were up year-on-year thanks to robust trends in business demand primarily on US, European and Asian routes, and strong demand for visits to Japan from all areas. Meanwhile, operating revenues decreased year-on-year as a result of factors such as decreasing foreign-denominated revenues due to the strong yen, and decreasing fuel surcharges due to the decline in fuel prices.

In terms of the route network, ANA strengthened its Asian network, opening the Narita-Wuhan route in April, and establishing the only direct flight from Japan to Cambodia with the opening of the Narita-Phnom Penh route in September.

On the marketing front, ANA has taken measures to capture leisure demand by setting discounted fares for flights originating overseas to stimulate demand for visits to Japan, focusing on routes in China that are suffering due to stiff competition. An effort was also made to capture burgeoning demand to visit Japan by offering promotional fares for flights from Europe in France, Spain and Belgium.

In terms of service, ANA has worked to improve product quality through moves such as the introduction of ANA Business Staggered full-flat seats in business class on medium-range international routes, mainly in Southeast Asia.

< Cargo Services >

Category		Six months ended Sep. 30, 2016	Six months ended Sep. 30, 2015	Year-on-Year(%)
Domestic Cargo Revenues	(Billion yen)	15.0	15.5	(3.0)
Available Cargo Capacity	(Thousand ton-km)	921,771	953,800	(3.4)
Cargo volume	(Tons)	222,579	228,843	(2.7)
Cargo Traffic Volume	(Thousand ton-km)	225,621	230,324	(2.0)
Mail Revenues	(Billion yen)	1.6	1.7	(6.7)
Mail Volume	(Tons)	16,229	16,939	(4.2)
Mail Traffic Volume	(Thousand ton-km)	15,821	16,231	(2.5)
Cargo and Mail Load Factor	(%)	26.2	25.8	0.3
International Cargo Revenues	(Billion yen)	41.8	58.3	(28.3)

Available Cargo Capacity	(Thousand ton-km)	3,267,578	2,957,913	10.5
Cargo Volume	(Tons)	457,242	396,181	15.4
Cargo Traffic Volume	(Thousand ton-km)	1,999,275	1,702,003	17.5
Mail Revenues	(Billion yen)	2.2	3.2	(29.6)
Mail Volume	(Tons)	13,698	15,984	(14.3)
Mail Traffic Volume	(Thousand ton-km)	60,591	66,650	(9.1)
Cargo and Mail Load Factor	(%)	63.0	59.8	3.2

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

In domestic cargo services, ANA has been focusing primarily on home-delivery cargo. However, sluggish demand for air cargo services as a whole, reflecting a reduction in cargo handled out of Hokkaido Prefecture due to poor weather, has led to weaker year-on-year performances in terms of both cargo volume and revenues.

In international cargo services, cargo volume increased year-on-year and reached a record high monthly level for September. This was a result of efforts to capture cargo demand from Japan to Asia/China and from Asia/China to Japan as the market recovered, and to targeting demand for trilateral cargo traffic mainly of electronic equipment and automotive parts between Asia/China and North America via Japan. However, revenues were down year-on-year due to the decline in unit prices caused by the on-going appreciation of the yen and the deteriorating supply and demand environment, and the impact of eliminating international cargo agency commission thereby offsetting revenues and expenses.

#### <Others in Air Transportation>

Revenues in others in air transportation rose by 5.7% from ¥96.1 billion in the same period of the previous year to ¥101.6 billion. This category includes revenues from the mileage program, our LCC Vanilla Air Inc., in-flight sales and maintenance contracts, among others.

Vanilla Air Inc. launched the Kansai-Taipei (Taoyuan) route in April, launched the Taipei (Taoyuan)-Ho Chi Minh and the Okinawa-Taipei (Taoyuan) routes in September, and increased the number of flights on the Narita-Kaohsiung and the Narita-Amami Oshima routes in busy periods of August. Also, in addition to providing promotional fares to capture demand, Vanilla Air Inc. has collaborated with seven LCCs in the Asia/Oceania region to set up *Value Alliance* - the world's first alliance of LCCs. In the six months ended on September 30, 2016, the figures for Vanilla Air Inc. were as follows: 1,016 thousand passengers carried (up 13.3% year-on-year), 1,994,016 thousand available seat-kilometers (up 15.6% year-on-year), 1,726,305 thousand revenue passenger-kilometers (up 15.5% year-on-year) , and a passenger load factor of 86.6% (down 0.1 percentage point).

#### ◎ Airline Related

**Operating revenues: ¥127.7 billion, up 11.6% year-on-year**

**Operating income: ¥5.3 billion, up 24.7% year-on-year**

Operating revenues increased 11.6% year-on-year because of a rise in contracts with various airlines for ground handling services including passenger check-in and baggage handling at Haneda, Chubu and Naha airports.

#### ◎ Travel Services

**Operating revenues: ¥82.4 billion, down 6.8% year-on-year**

**Operating income: ¥2.0 billion, down 28.6% year-on-year**

Sluggish demand for both domestic and overseas travel led to a year-on-year fall of 6.8% in operating revenues.

In domestic travel services, turnover remained steady in the dynamic package product *Tabisaku* thanks to quickly capturing demand through the strengthening of sales promotions and the effect of the *Kyushu Fukko Wari Coupons*. However, operating revenues decreased year-on-year due to a drop in turnover related to Kyushu for the mainstay *ANA Sky Holidays* with the inference of the Kumamoto earthquakes, and decreasing of the number of customers to key destinations in the Hokkaido and Kanto regions.

In overseas travel services, sales to Australia using the Haneda-Sydney route performed well, but turnover of *ANA Hallo Tours* fell on the European front due to the impact of terrorist attacks which led to a year-on-year decline in operating revenues. Travel to Japan saw a year-on-year fall in turnover due to the impact of increasingly stiff competition.

#### ◎ Trade and Retail

**Operating revenues: ¥68.9billion, down 3.7% year-on-year**

**Operating income: ¥2.6 billion, down 13.9% year-on-year**

Operating revenues decreased by 3.7% year-on-year, due to a decline in operating revenues in the Retail Business, Food Business and the Aerospace & Electronics Business.

In the Retail Business, sales at ANA FESTA airport merchandise stores remained robust. However, the previous fiscal year's strong sales to foreign visitors at ANA DUTY FREE SHOPS lost momentum, causing a year-on-year decline in operating revenues for the business.

In the Food Business, turnover of bananas, one of the key products, remained strong. However, operating revenues were down year-on-year due to a fall in turnover for processed foods such as nuts. Operating revenues in the aerospace & electronics business decreased year-on-year due to the impact of the appreciation of the yen.

#### ◎ Other

**Operating revenues: ¥16.6 billion, up 3.2% year-on-year**

**Operating income: ¥0.7 billion, up 9.8% year-on-year**

Operating revenues increased by 3.2% thanks to robust real estate related operations.

#### 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/loss is the income/loss 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. (Skynet Asia Airways Co., Ltd. changed the corporate name on December 1, 2015), and StarFlyer Inc.
5. Non-scheduled 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. (Skynet Asia Airways Co., Ltd. changed the corporate name on December 1, 2015), Oriental Air Bridge Co., Ltd. and Starflyer, Inc., results for airline charter flights, and land transport results. Note that because land transport results for mail have been included from the first quarter period of FY2016, land transport results for mail have also been added to the results for the same period last year.
7. The results for international cargo and mail include the results for code share flights, results for airline charter, flights, flights with block space agreements, and land transport results.
8. Available seat-kilometers represent the total figure calculated by multiplying the available number of seats on each segment of each route (seats) by the distance for each segment (km).
9. Revenue passenger-kilometers represent the total figure calculated by multiplying the number of

- passengers (people) on each segment of each route by the distance for each segment (km).
10. Available cargo capacity is the total calculated by multiplying the available cargo space (tons) on each segment of each route by the distance for each segment (km). Please note that for passenger aircraft, the available cargo space in the hold (belly) of the aircraft is multiplied by the distance traveled for each segment. Moreover, the available cargo space in the belly includes the available space for checked luggage of passengers on the flight in addition to cargo, mail, etc.
  11. Cargo traffic volume and mail traffic volume is the total calculated by multiplying the volume of cargo transported on each segment of each route (tons) by the distance for each segment (km).
  12. The cargo and mail load factor is the figure arrived at by dividing the sum of the cargo traffic volume and the mail traffic volume by the available cargo capacity.
  13. Percentage point difference for of Passenger load factor and cargo and mail load factor between previous year and FY2016 is indicated in field of year on year.
  14. The results for Vanilla Air Inc. is not included.
  15. Vanilla Air Inc. does not handle cargo or mail.



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

### **(1) Financial conditions as of September 30, 2016**

**Assets:** Despite decrease in derivative assets, due to increase in property and equipment due to acquisition of aircraft etc., total assets increased by ¥24.0 billion compared to the balance as of the end of FY2015, to ¥2,252.8 billion.

**Liabilities:** Despite issuance of bonds and funding through new borrowings, due to repayment of debts and payment of income taxes, total liabilities decreased by ¥4.0 billion compared to the balance as of the end of FY2015, to ¥1,429.8 billion. Interest-bearing debt increased by ¥34.6 billion compared to the balance as of the end of FY2015, to ¥738.5 billion.

**Net assets:** Despite decrease in deferred loss on hedging instruments, due to increase in retained earnings owing to recording of net income attributable to owners of ANA HOLDINGS INC., net assets increased by ¥28.0 billion compared to the balance as of the end of FY2015, to ¥822.9 billion. As a result, equity ratio was 36.3%.

For details, please refer to Page 11 "5. Financial Statements and Operating Results (1) Consolidated Balance Sheet".

### **(2) Cash Flows for six months ended September 30, 2016**

**Operating activities:** Income before income taxes and non-controlling interests for the current period was ¥83.6 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 ¥113.7 billion.

**Investment activities:** Due to advance payment for acquisition of aircraft and parts, cash flows from investing activities (outflow) was ¥115.3 billion. As a result, free cash flow (outflow) was ¥1.5 billion.

**Financial activities:** Despite repayment of debt and payment of dividends, due to issuance of bonds and funding through long-term debt, cash flows from financing activities (inflow) was ¥14.5 billion.

As a result of the above, cash and cash equivalents at the end of the current period increased by ¥8.4 billion compared to the balance as of the end of FY2015, to ¥273.5 billion.

For details, please see page 15 "5. Financial Statements and Operating Results (3) Consolidated Statement of Cash Flows".

## **3. Explanation of Forecast of Consolidated Financial Results**

We forecast a decline of around ¥70.0 billion in operating revenues compared to our estimates for full year operating results included in the Consolidated Financial Results for the Year Ended March 31, 2016, announced on April 28, 2016. This downward revision reflects the reduction in foreign-denominated revenues, the decrease in fares with fuel surcharges, and other factors. However, as operating expenses are being reduced by the impact of the strong yen and our ongoing efforts to promote cost management, our forecasts for operating income, ordinary income and net income attributable to owners of ANA HOLDINGS INC. remain unchanged.

At the time of the calculation of the previously announced consolidated forecasts, the JPY/USD exchange rate was 115 yen to the dollar, and indices for fuel costs as follows; the market price for crude oil on the Dubai market was US\$ 42 per barrel, while Singapore kerosene costs was US\$ 55 per barrel. At the time of this revision, the JPY/USD exchange rate is 100 yen to the dollar, the market price for crude oil on the Dubai market is US\$ 45 per barrel, while Singapore kerosene costs is US\$ 58 per barrel.

The forward-looking statements such as operational forecasts contained in this statements summary are based on information currently available to ANA Group and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons.

Consolidated Operating Results and Forecast (April.1,2016~March.31, 2017)

	Operating Revenues	Operating Income	Ordinary Income	Net Income attributable to owners of ANA HOLDINGS INC.	Net Income per Share
Previous Forecast(A)	(billion yen) 1,810	(billion yen) 145	(billion yen) 130	(billion yen) 80	(yen) 22.88
<b>New Forecast(B)</b>	<b>1,740</b>	<b>145</b>	<b>130</b>	<b>80</b>	<b>22.88</b>
Change(B - A)	(70)	—	—	—	—
% Change	(3.9)	—	—	—	—
Ref. FY2015 (April 1, 2015-March 31, 2016)	1,791	136	130	78	22.36

#### **4. Others**

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

(2) Use of specific quarterly accounting methods: None

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

##### Changes in accounting policies

(Application of Practical Solution on a change in depreciation method due to Tax Reform 2016)

In accordance with the revision to the Corporation Tax Act, some consolidated subsidiaries within Japan apply the “Practical Solution on a change in depreciation method due to Tax Reform 2016” (ASBJ Practical Issues Task Force No.32 of June 17, 2016) as of April 1, 2016, and changed the depreciation method for buildings and accompanying facilities and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The impact of these changes on the profit and loss for the six months ended September 30, 2016 is immaterial.

## 5. Financial statements & Operating results

### (1) Consolidated Balance Sheet

	Yen (Millions)	
Assets	FY2016 as of Sep. 30, 2016	FY2015 as of Mar. 31, 2016
<b>Current assets:</b>		
Cash and deposits	36,625	55,293
Notes and accounts receivable	141,912	139,404
Marketable securities	249,740	222,380
Inventories (Merchandise)	9,753	10,022
Inventories (Supplies)	52,650	51,831
Deferred income taxes - current	38,532	50,832
Other	80,178	101,575
Allowance for doubtful accounts	(330)	(149)
<b>Total current assets</b>	<b>609,060</b>	<b>631,188</b>
<b>Fixed assets</b>		
<b>Net property and equipment:</b>		
Buildings and structures, net	103,522	107,251
Flight equipment, net	978,407	931,837
Machinery, equipment and vehicles, net	29,658	32,328
Tools and fixtures, net	10,650	11,320
Land	51,959	49,612
Leased assets, net	8,787	9,963
Construction in progress	173,093	185,643
<b>Total net property and equipment</b>	<b>1,356,076</b>	<b>1,327,954</b>
<b>Intangible fixed assets</b>	<b>82,512</b>	<b>80,743</b>
<b>Investments and others:</b>		
Investments in securities	114,837	105,549
Long-term loans receivable	4,354	4,378
Deferred income taxes – non-current	67,618	55,974
Other	18,977	23,927
Allowance for doubtful accounts	(1,281)	(1,456)
<b>Total investments and others</b>	<b>204,505</b>	<b>188,372</b>
<b>Total fixed assets</b>	<b>1,643,093</b>	<b>1,597,069</b>
<b>Deferred assets</b>	<b>655</b>	<b>551</b>
<b>Total assets</b>	<b>2,252,808</b>	<b>2,228,808</b>

	Yen (Millions)	
<b>Liabilities and Net assets</b>	FY2016 as of Sep. 30, 2016	FY2015 as of Mar. 31, 2016
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes and accounts payable	164,538	166,116
Short-term loans payable	120	177
Current portion of long-term debt payable	90,642	86,803
Current portion of bonds payable	20,000	—
Finance lease obligations	7,322	7,801
Accrued income taxes	15,432	43,573
Advance ticket sales	140,181	128,618
Accrued bonuses to employees	26,516	40,762
Asset retirement obligations	—	8
Other	98,775	111,632
<b>Total current liabilities</b>	<b>563,526</b>	<b>585,490</b>
<b>Long-term liabilities:</b>		
Bonds payable	125,000	105,000
Long-term debt payable	478,908	488,172
Finance lease obligations	16,541	15,933
Deferred tax liabilities – non-current	1,434	1,409
Accrued corporate executive officers' retirement benefit	630	607
Net defined benefit liabilities	160,811	163,351
Asset retirement obligations	953	941
Other	82,013	73,005
<b>Total long-term liabilities</b>	<b>866,290</b>	<b>848,418</b>
<b>Total liabilities</b>	<b>1,429,816</b>	<b>1,433,908</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	318,789	318,789
Capital surplus	283,021	282,774
Retained earnings	293,492	253,545
Treasury stock	(4,210)	(4,830)
<b>Total shareholders' equity</b>	<b>891,092</b>	<b>850,278</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gain on securities	18,156	19,527
Deferred (loss) on hedging instruments	(63,508)	(51,620)
Foreign currency translation adjustments	2,513	3,873
Remeasurements of defined benefit plans	(29,918)	(32,162)
<b>Total accumulated other comprehensive income</b>	<b>(72,757)</b>	<b>(60,382)</b>
<b>Non-controlling interests</b>	<b>4,657</b>	<b>5,004</b>
<b>Total net assets</b>	<b>822,992</b>	<b>794,900</b>
<b>Total liabilities and net assets</b>	<b>2,252,808</b>	<b>2,228,808</b>

**(2) Consolidated Statement of Income**

Yen (Millions)

	Six months ended Sep.30, 2016	Six months ended Sep.30, 2015
<b>Operating revenues</b>	884,995	911,223
<b>Cost of sales</b>	648,608	670,294
<b>Gross profit</b>	236,387	240,929
<b>Selling, general and administrative expenses</b>		
Sales commission	41,634	49,824
Advertising expenses	5,604	4,719
Employees' salaries and bonuses	16,787	17,788
Provision of allowance for doubtful accounts	9	67
Provision for bonuses	4,926	4,102
Retirement benefit expenses	1,702	1,680
Depreciation and amortization	9,246	7,847
Other	66,910	68,116
<b>Total selling, general and administrative expenses</b>	146,818	154,143
<b>Operating income</b>	89,569	86,786
<b>Non-operating income:</b>		
Interest income	242	371
Dividend income	596	1,414
Equity in earnings of non-consolidated subsidiaries and affiliates	1,560	1,989
Gain on sales of assets	729	299
Gain on donation of property and equipment	1,487	1,056
Other	977	2,667
<b>Total non-operating income</b>	5,591	7,796
<b>Non-operating expenses:</b>		
Interest expenses	5,034	5,939
Foreign exchange loss, net	3,452	2,457
Loss on sales of assets	205	34
Loss on disposal of assets	1,920	2,405
Other	1,081	764
<b>Total non-operating expenses</b>	11,692	11,599
<b>Ordinary income</b>	83,468	82,983
<b>Extraordinary income</b>		
Gain on sales of property and equipment	116	—
Gain on sales of marketable securities	150	—
Other	106	90
<b>Total extraordinary income</b>	372	90
<b>Extraordinary loss</b>		
Loss on sales of property and equipment	237	—
Special retirement benefit expenses	—	28
<b>Total extraordinary loss</b>	237	28
<b>Income before income taxes and non-controlling interests</b>	83,603	83,045
<b>Income taxes</b>	25,945	28,849
<b>Net income before non-controlling interests</b>	57,658	54,196
<b>Net income attributable to non-controlling interests</b>	219	222
<b>Net income attributable to owners of ANA HOLDINGS INC.</b>	57,439	53,974

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

Yen (Millions)

	Six months ended Sep.30, 2016	Six months ended Sep.30, 2015
<b>Net income before non-controlling interests</b>	57,658	54,196
<b>Other comprehensive income:</b>		
Net unrealized holding (loss) on securities	(1,317)	(8,195)
Deferred (loss) on hedging instruments	(11,988)	(15,427)
Foreign currency translation adjustments	(1,529)	315
Remeasurements of defined benefit plans	2,249	1,178
Share of other comprehensive income of affiliates accounted for by the equity-method	34	(320)
<b>Total other comprehensive income</b>	(12,551)	(22,449)
<b>Comprehensive income</b>	45,107	31,747
(Total comprehensive income attributable to)		
Owners of ANA HOLDINGS INC.	45,064	31,538
Non-controlling interests	43	209

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

Yen (Millions)

	Six months ended Sep.30, 2016	Six months ended Sep.30, 2015
<b>I. Cash flows from operating activities</b>		
Income before income taxes and non-controlling interests	83,603	83,045
Depreciation and amortization	68,334	67,108
Loss on disposal and sales of property and equipment	1,517	2,140
Gain on valuation and sales of investments in securities	(150)	(50)
Increase in allowance for doubtful accounts	6	30
Increase (decrease) in net defined benefit liabilities	1,384	(1,103)
Interest and dividend income	(838)	(1,785)
Interest expenses	5,034	5,939
Foreign exchange loss (gain)	4,630	(58)
Special retirement benefit expenses	-	28
(Increase) decrease in accounts receivable	(2,117)	3,604
Decrease in other current assets	13,185	12,229
(Decrease) increase in accounts and notes payable-trade	(1,665)	6,302
Increase in advance ticket sales	11,563	19,233
Other, net	(27,581)	7,534
Cash generated from operations	156,905	204,196
Interest and dividends received	2,603	2,216
Interest paid	(5,048)	(6,249)
Payments for special retirement benefit	-	(28)
Income taxes paid	(40,693)	(28,975)
<b>Net cash provided by operating activities</b>	<b>113,767</b>	<b>171,160</b>
<b>II. Cash flows from investing activities</b>		
Payment for purchase of marketable securities	(11,710)	(196,210)
Proceeds from sales of marketable securities	11,300	137,500
Payment for purchase of property and equipment	(99,459)	(112,599)
Proceeds from sales of property and equipment	11,863	67,728
Payment for purchase of intangible assets	(15,630)	(14,666)
Payment for purchase of investments in securities	(11,821)	(4,856)
Proceeds from sales of investments in securities	310	101
Proceeds from withdrawal of investments in securities	162	-
Proceeds from purchase of subsidiaries' stock resulting in changes in scope of consolidation	64	-
Proceeds from liquidation of subsidiaries and affiliates	142	736
Payment for advances	(44)	(46)
Proceeds from collection of advances	41	53
Other, net	(533)	(744)
<b>Net cash (used in) investing activities</b>	<b>(115,315)</b>	<b>(123,003)</b>

Yen (Millions)

	Six months ended Sep.30, 2016	Six months ended Sep.30, 2015
<b>III. Cash flows from financing activities</b>		
(Decrease) increase in short-term loans, net	(49)	32
Proceeds from long-term debt	40,000	63,761
Repayment of long-term debt	(45,319)	(97,746)
Proceeds from issuance of bonds	39,769	29,847
Repayment of bonds	-	(35,000)
Repayment of finance lease obligations	(2,827)	(3,632)
Decrease of treasury stock	911	787
Payment for dividends	(17,492)	(13,977)
Other, net	(477)	(514)
<b>Net cash provided by (used in) financing activities</b>	<b>14,516</b>	<b>(56,442)</b>
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	<b>(4,512)</b>	<b>210</b>
<b>V. Net increase (decrease) in cash and cash equivalents</b>	<b>8,456</b>	<b>(8,075)</b>
<b>VI. Cash and cash equivalents at the beginning of the period</b>	<b>265,123</b>	<b>208,937</b>
<b>VII. Cash and cash equivalents at the end of the period</b>	<b>273,579</b>	<b>200,862</b>



**(5) Segment information**

&lt;FY2016 Second quarter Apr.1-Sep.30, 2016&gt;

Yen (Millions)

	Reportable Segments				Subtotal
	Air Transportation	Airline Related	Travel Services	Trade and Retail	
Operating revenues from external customers	722,996	22,912	77,520	55,980	879,408
Intersegment revenues and transfers	46,152	104,830	4,962	12,937	168,881
Total	769,148	127,742	82,482	68,917	1,048,289
Segment profit	84,789	5,350	2,012	2,612	94,763
	Other (*1)	Total	Adjustments (*2)	Consolidated (*3)	
Operating revenues from external customers	5,587	884,995	—	884,995	
Intersegment revenues and transfers	11,090	179,971	(179,971)	—	
Total	16,677	1,064,966	(179,971)	884,995	
Segment profit	738	95,501	(5,932)	89,569	

\*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.

<FY2015 Second quarter Apr.1-Sep.30, 2015>

Yen (Millions)

	Reportable Segments				Subtotal
	Air Transportation	Airline Related	Travel Services	Trade and Retail	
Operating revenues from external customers	738,324	23,977	83,906	59,703	905,910
Intersegment revenues and transfers	49,758	90,508	4,591	11,892	156,749
Total	788,082	114,485	88,497	71,595	1,062,659
Segment profit	81,189	4,290	2,819	3,032	91,330

  

	Other (*1)	Total	Adjustments (*2)	Consolidated (*3)
Operating revenues from external customers	5,313	911,223	—	911,223
Intersegment revenues and transfers	10,840	167,589	(167,589)	—
Total	16,153	1,078,812	(167,589)	911,223
Segment profit	672	92,002	(5,216)	86,786

\*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.