

**ANA HOLDINGS reports Consolidated Financial Results
 for the Six Months Ended September 30, 2022**

1. Consolidated financial highlights for the six months ended September 30, 2022

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

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of the parent	
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%
Six months ended Sep 30, 2022	790,716	83.4	31,447	—	30,240	—	19,542	—
Six months ended Sep 30, 2021	431,125	47.7	(116,007)	—	(115,519)	—	(98,803)	—

*Comprehensive income for the period Apr 1 - Sep 30, 2022 ¥ 42,249 million [(—%)]
 for the period Apr 1 - Sep 30, 2021 ¥ (91,770) million [(—%)]

	Net income per share	diluted net income per share
	Yen	Yen
Six months ended Sep 30, 2022	41.55	36.92
Six months ended Sep 30, 2021	(210.07)	—

(2) Consolidated financial positions

	Total assets	Equity	Shareholder's equity ratio	Net assets per Share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Sep 30, 2022	3,267,492	847,413	25.7	1,788.78
As of Mar 31, 2022	3,218,433	803,415	24.8	1,695.06

(Reference) Shareholders' equity as of Sep 30, 2022 ¥ 841,325 million
 as of Mar 31, 2022 ¥ 797,249 million

2. Consolidated earnings forecast for the fiscal year ending March 31, 2023

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen
Entire FY2022	1,700,000	66.6	65,000	—	55,000	—	40,000	—	85.05

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

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

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

(Note) For details, please refer to "2. Financial Statements and Operating Results (4) Notes to Consolidated Financial Statements, (Changes in accounting policies)" on page 16.

(4) Number of issued shares (Common stock)

	FY2022		FY2021	
	As of Sep 30	484,293,561	As of Mar 31	484,293,561
Number of shares issued (including treasury stock)	As of Sep 30	484,293,561	As of Mar 31	484,293,561
Number of treasury stock	As of Sep 30	13,958,759	As of Mar 31	13,956,694
Average number of shares outstanding during the period	Six months ended Sep 30	470,335,926	Six months ended Sep 30	470,341,204

* This report is not subject to audit procedures.

* Explanation for appropriate use of forecasts and other notes

The earnings forecasts are forward-looking statements made on the basis of information available at the time forecasts are made and other certain assumptions deemed reasonable. Therefore, actual earnings may differ from forecast figures as a result of changes in business performance and other factors.

Contents

1.	Qualitative Information / Financial Statements, etc.....	4
	(1) Explanation of Consolidated Operating Results.....	4
	(2) Information Regarding Consolidated Financial Conditions.....	9
	(3) Explanation of Forecast of Consolidated Financial Results.....	10
2.	Financial Statements and Operating Results.....	11
	(1) Consolidated Balance Sheet.....	11
	(2) Consolidated Statement of Operations and Consolidated Statement of Comprehensive Income... Consolidated Statement of Operations.....	13 13
	Consolidated Statement of Comprehensive Income.....	14
	(3) Consolidated Statement of Cash Flows.....	15
	(4) Notes to Consolidated Financial Statements.....	16
	(Notes Regarding Going Concern Assumption)	16
	(Notes in the Event of Significant Changes in Shareholders' Capital)	16
	(Changes in accounting policies)	16
	(Additional Information).....	16
	(Segment Information)	17
3.	Other.....	18

APPENDIX**Overview of consolidated financial results for the Six Months Ended September 30, 2022****1. Qualitative Information / Financial Statements, etc.****(1) Explanation of Consolidated Operating Results**

Yen (Billions)			
Consolidated Operating Results	Six months ended Sep 30, 2022	Six months ended Sep 30, 2021	Year-on-Year (%)
Operating Revenues	790.7	431.1	83.4
Air Transportation	712.8	370.2	92.5
Airline Related	113.5	97.6	16.3
Travel Services	31.9	19.6	63.2
Trade and Retail	47.6	38.3	24.1
Others	17.7	17.4	1.5
Intersegment Transactions	(133.0)	(112.3)	-
Operating Income (loss)	31.4	(116.0)	-
Air Transportation	39.9	(113.7)	-
Airline Related	(3.2)	1.6	-
Travel Services	(1.2)	(0.1)	-
Trade and Retail	1.5	0.0	-
Others	(0.3)	0.6	-
Intersegment Transactions	(5.2)	(4.4)	-
Ordinary income (loss)	30.2	(115.5)	-
Net income (loss) attributable to owners of the parent	19.5	(98.8)	-

*See Notes 1 & 2 below.

In the first six months of fiscal year 2022 (April 1, 2022 - September 30, 2022; hereinafter the “six months ended September 30, 2022”), the Japanese economy has been recovering gradually, with a steady pickup in personal consumption and general improvement in corporate earnings, despite weaknesses appearing in some areas.

The airline industry has seen demand for domestic routes steadily increasing due to the easing of internal movement restrictions, and international routes have been recovering at an increased pace as countries continue to ease their entry restrictions.

Under these economic conditions, operating revenues were ¥790.7 billion, mainly due to increased operating revenues in the air transportation business. Operating profit was ¥31.4 billion. An ordinary income was ¥30.2 billion. Net income attributable to owners of the parent was ¥19.5 billion. Returning to operating profitability for the first time in the six months of the year in three years, the Company's business performance is recovering steadily.

In August, the Company announced its transition strategies to achieve carbon neutrality by 2050. The Company will cooperate with its various stakeholders, striving to achieve its aim of sustainable growth by reducing its environmental footprint.

An overview of the six months ended September 30, 2022 by segment follows.
(Revenues for each business segment include inter-segment sales, and operating income corresponds to segment income.)

Overview by Segment

◎ Air Transportation

Operating revenues: ¥712.8 billion, up 92.5% year-on-year

Operating income: ¥39.9 billion (Operating loss ¥113.7 billion same period a year ago)

In addition to remarkably increased passenger demand for both international and domestic routes, operating revenues for international cargo services were higher year-on-year, and an operating income was recorded.

In addition, ANA was selected as the best airline in three categories, including cabin cleanliness, in the UK based Skytrax World Airline Awards 2022. Additionally, the ANA website was redesigned to make it more convenient, adding features that deliver information to match every customer's preference.

< International Passenger Service (ANA Brand) >

Category		Six months ended Sep 30, 2022	Six months ended Sep 30, 2021	Year-on-Year (%)
Passenger Revenues	(Billion yen)	161.4	30.4	430.9
Number of Passengers	(Passengers)	1,660,180	327,686	406.6
Available Seat Km	(Thousand km)	14,710,484	9,433,689	55.9
Revenue Passenger Km	(Thousand km)	10,713,492	2,247,551	376.7
Load Factor	(%)	72.8	23.8	49.0

*See Notes 3, 7, 8 & 12 below.

In international passenger services, in addition to taking advantage of the growing demand for international routes connecting between North America and Asia, which increased significantly as entry restrictions were eased in many countries and after border control measures were relaxed in Japan since September, ANA has significantly increased passenger numbers and revenues year-on-year due to the temporary return of expatriates and signs of recovery in the demand for international business travel.

In terms of route network, ANA increased North American and Asian flights to and from Narita Airport in order to capture demand for connections between North America and Asia. In addition, to meet recovering demand in Japan, ANA enlarged the scale of its operations to and from Haneda Airport and increased the number of flights on the Hawaii route in July. At the same time, the extended crisis in Ukraine and the Zero-COVID policy of Chinese government have resulted in relative delays in the revival of flight operations along the European and Chinese routes.

In terms of sales and services, in reopening the ANA LOUNGE at Honolulu Airport in July, ANA opened a new ANA LOUNGE in Satellite 2 at Narita Airport. In addition, as part of its effort to solve food loss issue, ANA started to serve in-flight meals in September with soft kale grown with compost recycled from in-flight meals residue.

< Domestic Passenger Service (ANA Brand) >

Category		Six months ended Sep 30, 2022	Six months ended Sep 30, 2021	Year-on-Year (%)
Passenger Revenues	(Billion yen)	242.8	111.8	117.0
Number of Passengers	(Passengers)	15,150,528	7,140,928	112.2
Available Seat Km	(Thousand km)	23,913,730	15,159,666	57.7
Revenue Passenger Km	(Thousand km)	14,092,865	6,635,963	112.4
Load Factor	(%)	58.9	43.8	15.2

*See Notes 3, 4, 7, 8 & 12 below.

In domestic passenger services, because no measures such as a state of emergency or semi-state of emergency COVID-19 measures were imposed, there was a steady increase in demand for leisure travel, especially during the Golden Week holiday and summer vacation period, as well as the gradual recovery of business demand. The number of passengers and revenues both increased significantly year-on-year to the highest 6-month levels under the COVID-19 pandemic.

In terms of the route network, ANA has adjusted the scale of flight operations, in response to fluctuations in the demand for airline services, and have increased the availability of additional temporary flights on weekends and holidays. In June, ANA began a phased resumption of operations with Boeing 777 aircraft, following the completion of engine refurbishment, to capture demand.

As for sales and services, ANA observed trends in demand and held limited-time offers to stimulate demand and attract early reservations. In September, ANA added a "Passenger Guide" feature to the ANA app for domestic flights that delivers timely information based on customers' reservation details.

<Cargo Service (ANA Brand)>

Category		Six months ended Sep 30, 2022	Six months ended Sep 30, 2021	Year-on-Year (%)
International Cargo Revenues	(Billion yen)	183.5	138.3	32.6
Available Cargo Capacity	(Thousand ton-km)	3,331,394	3,388,092	(1.7)
Cargo Volume	(Tons)	424,725	476,118	(10.8)
Cargo Traffic Volume	(Thousand ton-km)	2,202,875	2,516,830	(12.5)
Mail Revenues	(Billion yen)	3.0	2.3	27.3
Mail Volume	(Tons)	7,688	8,647	(11.1)
Mail Traffic Volume	(Thousand ton-km)	37,587	39,367	(4.5)
Cargo and Mail Load Factor	(%)	67.3	75.4	(8.2)
Domestic Cargo Revenues	(Billion yen)	11.8	12.1	(1.7)
Available Cargo Capacity	(Thousand ton-km)	663,900	437,468	51.8
Cargo Volume	(Tons)	122,710	120,169	2.1
Cargo Traffic Volume	(Thousand ton-km)	138,723	136,910	1.3
Mail Revenues	(Billion yen)	1.3	1.2	9.5
Mail Volume	(Tons)	11,915	11,751	1.4
Mail Traffic Volume	(Thousand ton-km)	11,918	11,444	4.1
Cargo and Mail Load Factor	(%)	22.7	33.9	(11.2)

*See Notes 3, 5, 6, 9, 10, 11 & 12 below.

In international cargo services, the volume transported was lower than in the same period of the previous year as a result of reducing the number of cargo flights using passenger planes due to strengthened recovering demand for passenger flights, as well as reduced demand for vehicles and vehicle components. On the other hand, revenues were significantly higher than in the same period of the previous year due to efforts to maintain high unit price, as well as expanding the scale of operations on profitable North American routes and capturing demand for high unit-price cargo such as special large-sized products.

<LCC>

Category		Six months ended Sep 30, 2022	Six months ended Sep 30, 2021	Year-on-Year (%)
Passenger Revenues	(Billion yen)	40.8	13.0	211.7
Number of Passengers	(Passengers)	3,684,248	1,554,658	137.0
Available Seat Km	(Thousand km)	6,031,944	3,254,706	85.3
Revenue Passenger Km	(Thousand km)	4,208,843	1,777,912	136.7
Load Factor	(%)	69.8	54.6	15.2

*See Notes 7, 8, 12 & 13 below.

In LCC, the number of passengers and revenues both greatly increased year-on-year due to a significant increase in leisure travel demand for domestic flights due to easing of internal restrictions.

In response to increasing demand on domestic routes, the route network has been expanded by adding flights, mainly on the Narita-Sapporo (New Chitose) and Narita-Fukuoka routes. Every international route had been suspended since April 2021. However, the Kansai-Seoul (Incheon) route was resumed in August, and the Narita-Taipei (Taoyuan) and Kansai-Taipei (Taoyuan) routes were resumed in September.

<Others in Air Transportation>

Other revenue in Air Transportation was ¥67.9 billion (¥60.7 billion, up 11.8% year-on-year). Other revenue in Air Transportation includes revenue from the mileage program, in-flight sales revenue, and revenue from maintenance contracts, etc.

◎ Airline Related

Operating revenues: ¥113.5 billion, up 16.3% year-on-year

Operating loss: ¥3.2 billion (Operating income ¥1.6 billion same period a year ago)

In addition to the increase of in-flight meal production due to a recovery in passenger demand, the volume of international cargo handled increased, resulting in higher operating revenues than in the same period of the previous year. However, we recorded an operating loss, due to an increase in personnel expenses.

◎ Travel Services

Operating revenues: ¥31.9 billion, up 63.2% year-on-year

Operating loss: ¥1.2 billion (Operating loss ¥0.1 billion same period a year ago)

For domestic travel, demand rebounded steadily, and the volume of dynamic package products increased for all destinations, and "ANA Traveler's Hotel" products, for which customers can redeem miles for payment, also performed well. In September, we strove to expand new services, such as by launching "ANA Traveler's Golf," a web-based golf course booking service. For overseas travel, for the first time in nearly two years, we resumed tours to Hawaii in April and expanded its routes. As a result, operating revenues increased year-on-year, but operating losses also increased due to increased personnel expenses.

◎ Trade and Retail

Operating revenues: ¥47.6 billion, up 24.1% year-on-year

Operating income: ¥1.5 billion (Operating income ¥0.0 billion same period a year ago)

As passenger demand for air travel recovered, sales increased at shops in airports such as "ANA FESTA", and semiconductor handling volumes in the electronics business increased. Operating revenues slightly exceeded the same period of the previous year.

◎ Others

Operating revenues: ¥17.7 billion, up 1.5% year-on-year

Operating loss: ¥0.3 billion (Operating income ¥0.6 billion same period a year ago)

Operating revenues increased from the same period of the previous year due to the growth of contracts for handling services such as lounge related operations and airport quarantine related operations, we recorded an operating loss due to an increase in personnel expenses, etc.

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. Non-scheduled flights have been excluded from both domestic and international routes.
4. The results for passenger travel on domestic routes include results from code share flights with IBEX Airlines Co., Ltd., AIRDO Co., Ltd., Solaseed Air Inc., and Star Flyer Inc. and some of code share flights with ORIENTAL AIR BRIDGE CO., LTD. Results for code share flights with Peach Aviation Limited are included from August 27, 2021.
5. 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.
6. Domestic cargo and mail results include results for code share flights with Peach Aviation Limited, AIRDO Co., Ltd., Solaseed Air Inc., ORIENTAL AIR BRIDGE CO., LTD, and Star Flyer Inc., results for airline charter flights, and land transport results.
7. 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).
8. 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).
9. 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.
10. 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).
11. 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.
12. Percentage point difference for Passenger load factor and cargo and mail load factor between previous year and FY2022 is indicated in field of year-on-year.
13. The result for LCC is from Peach Aviation Limited.

(2) Information Regarding Consolidated Financial Conditions

(a) Financial conditions as of September 30, 2022

Assets: Due to an increase in cash and deposit, etc., total assets increased by ¥49.0 billion compared to the balance as of the end of FY2021 to ¥3,267.4 billion.

Liabilities: Interest-bearing debt (including Zero Coupon Convertible Bonds) decreased by 110.2 billion yen from the end of the previous fiscal year to 1,639.9 billion yen due to the redemption of convertible bonds and the repayment of borrowings, on the other hand, total liabilities increased by 5.0 billion yen from the end of the previous fiscal year to 2,420.0 billion yen as a result of the expansion of the air ticket sales and the increase in contract liabilities.

Equity: In addition to recording net income attributable to owners of the parent, and due to an increase deferred gain on derivatives under hedge accounting, total equity increased by ¥43.9 billion compared to the balance as of the end of FY2021 to ¥847.4 billion.

For details, please refer to “2. Financial Statements and Operating Results (1) Consolidated Balance Sheet” on page 11.

(b) Cash Flows for six months ended September 30, 2022

Operating activities: Income before income taxes and non-controlling interests for the current period was ¥30.2 billion. After adjustments on non-cash items such as depreciation, amortization and addition and subtraction of accounts receivable and payable for operating activities, cash flows from operating activities (inflow) was ¥190.9 billion.

Investment activities: Due to spend on capital investment and to deposit fixed deposits, etc., cash flows from investing activities (outflow) was ¥97.7 billion. As a result, free cash flow (inflow) was ¥93.1 billion.

Financial activities: Due to repay convertible bonds with subscription rights to shares and debt, cash flow from financing activities (outflow) was ¥112.0 billion. As a result of the above, cash and cash equivalents at the end of the current period decreased by ¥10.9 billion compared to the balance from the beginning at the period, to ¥610.0 billion.

For details, please refer to “2. Financial Statements and Operating Results (3) Consolidated Statement of Cash Flows-Summary” on page 15.

(3) Explanation of Forecast of Consolidated Financial Results

In air transportation operations, the recovery in international passenger demand is growing on the back of Japan's relaxed border restrictions. Given the steady demand for international cargo services and other factors, operating revenues are projected to reach ¥1,700.0 billion (an increase of ¥40.0 billion compared to the previous announcement). In terms of costs, although these are expected to rise due to the market impact of foreign exchange rates and fuel prices, we will continue to work to ensure thorough cost management, and expect operating income to reach ¥65.0 billion (an increase of ¥15.0 billion). In addition, we expect gains on the sales of aircraft assets and foreign exchange gains to exceed expectations, resulting in ordinary income of ¥55.0 billion (an increase of ¥25.0 billion) and net income attributable to owners of the parent of ¥40.0 billion (an increase of ¥19.0 billion).

These calculations were made based on the assumptions that the exchange rate is ¥145 to one US dollar, and indices for fuel costs as follows; the market price for crude oil on the Dubai market is US\$100 per barrel, while Singapore kerosene costs are US\$130 per barrel.

Consolidated Operating Results and Forecast (April 1, 2022~March 31, 2023)

	Operating Revenues	Operating Income	Ordinary Income	Net Income attributable to owners of the parent	Net Income per Share
Previous Forecast (A)	(Billion yen) 1,660.0	(Billion yen) 50.0	(Billion yen) 30.0	(Billion yen) 21.0	(Yen) 44.65
New forecast (B)	1,700.0	65.0	55.0	40.0	85.05
Change (B – A)	40.0	15.0	25.0	19.0	-
% Change	2.4	30.0	83.3	90.5	-
Ref.FY2021 (Apr 1, 2021 - Mar 31, 2022)	1,020.3	(173.1)	(184.9)	(143.6)	(305.37)

The above earnings forecasts are made on the basis of information currently available. Therefore, earnings results may differ from such forecasts for a variety of reasons.

2. Financial Statements and Operating Results

(1) Consolidated Balance Sheet

	Yen (Millions)	
Assets	FY2022 as of Sep 30, 2022	FY2021 as of Mar 31, 2022
Current assets:		
Cash and deposits	511,790	452,679
Notes and accounts receivable	175,767	148,942
Lease receivables and investments in leases	16,259	17,628
Marketable securities	485,308	498,310
Inventories (Merchandise)	10,340	9,218
Inventories (Supplies)	36,985	34,856
Other current assets	174,233	132,533
Allowance for doubtful accounts	(265)	(245)
Total current assets	1,410,417	1,293,921
Fixed assets:		
Property and equipment:		
Buildings and structures	96,732	101,911
Aircraft	937,689	978,122
Machinery, equipment and vehicles	28,981	29,802
Furniture and fixtures	13,436	15,425
Land	44,418	44,385
Lease assets	4,323	4,246
Construction in progress	177,387	176,446
Total property and equipment	1,302,966	1,350,337
Intangible assets:		
Goodwill	19,173	20,230
Other intangible assets	70,744	73,050
Total Intangible assets	89,917	93,280
Investments and other assets:		
Investments securities	137,715	140,746
Long-term receivables	7,012	6,850
Deferred tax assets	255,471	273,452
Net defined benefit assets	977	960
Other assets	65,068	60,253
Allowance for doubtful accounts	(3,362)	(2,993)
Total investments and other assets	462,881	479,268
Total fixed assets	1,855,764	1,922,885
Deferred assets	1,311	1,627
TOTAL	3,267,492	3,218,433

	Yen (Millions)	
Liabilities and Equity	FY2022 as of Sep 30, 2022	FY2021 as of Mar 31, 2022
Liabilities		
Current liabilities:		
Accounts payable	154,437	125,001
Short-term loans	92,070	100,070
Current portion of long-term debt	78,318	62,775
Current portion of convertible bond-type bonds with share acquisition rights	—	70,000
Finance lease obligations	3,459	4,057
Income taxes payable	4,262	2,908
Contract liabilities	324,501	256,023
Accrued bonuses to employees	24,559	10,342
Other provisions	15,844	13,071
Other current liabilities	42,381	43,642
Total current liabilities	739,831	687,889
Long-term liabilities:		
Bonds	185,000	185,000
Convertible bonds with stock acquisition rights	220,000	220,000
Long-term debt	1,054,952	1,102,218
Finance lease obligations	6,106	5,988
Deferred tax liabilities	1,411	1,498
Accrued corporate executive officers' retirement benefits	580	612
Retirement benefit liability	157,251	157,395
Other provisions	22,962	20,500
Asset retirement obligations	1,575	1,550
Other long-term liabilities	30,411	32,368
Total long-term liabilities	1,680,248	1,727,129
Total liabilities	2,420,079	2,415,018
Equity		
Shareholders' equity:		
Common stock	467,601	467,601
Capital surplus	407,328	407,328
Retained earnings	(91,061)	(113,228)
Treasury stock	(59,356)	(59,350)
Total shareholders' equity	724,512	702,351
Accumulated other comprehensive income:		
Unrealized gain on securities	27,411	32,311
Deferred gain on derivatives under hedge accounting	96,151	72,167
Foreign currency translation adjustments	5,482	3,688
Defined retirement benefit plans	(12,231)	(13,268)
Total	116,813	94,898
Non-controlling interests	6,088	6,166
Total equity	847,413	803,415
TOTAL	3,267,492	3,218,433

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

Consolidated Statement of Operations

Yen (Millions)

	Six months ended Sep 30, 2022	Six months ended Sep 30, 2021
Operating revenues	790,716	431,125
Cost of sales	676,584	476,320
Gross income (loss)	114,132	(45,195)
Selling, general and administrative expenses		
Commissions	18,392	7,348
Advertising	1,144	2,318
Employees' salaries and bonuses	15,411	16,205
Provision of allowance for doubtful accounts	(2)	21
Provision for accrued bonuses to employees	3,986	719
Retirement benefit expenses	1,444	1,524
Depreciation	11,290	12,871
Outsourcing expenses	10,581	11,960
Other	20,439	17,846
Total selling, general and administrative expenses	82,685	70,812
Operating income (loss)	31,447	(116,007)
Other income:		
Interest income	181	151
Dividend income	458	541
Foreign exchange gain, net	2,713	250
Gain on sales of assets	2,432	3,433
Gain on donation of non-current assets	278	373
Subsidies for employment adjustment	4,471	14,038
Other	7,636	4,712
Total other income	18,169	23,498
Other expenses:		
Interest expenses	12,580	12,609
Share of profit of entities accounted for using equity method	69	912
Loss on sales of assets	6	422
Loss on disposal of assets	803	789
Grounded aircraft expense	4,561	6,542
Other	1,357	1,736
Total other expenses	19,376	23,010
Ordinary income (loss)	30,240	(115,519)
Special loss		
Loss on valuation of investment securities	25	4,075
Loss on cancellation of contracts	—	1,729
Total special loss	25	5,804
Income (loss) before income taxes	30,215	(121,323)
Income taxes	10,156	(23,548)
Net income (loss)	20,059	(97,775)
Net income attributable to non-controlling interests	517	1,028
Net income (loss) attributable to owners of the parent	19,542	(98,803)

Consolidated Statement of Comprehensive Income

Yen (Millions)

	Six months ended Sep 30, 2022	Six months ended Sep 30, 2021
Net income (loss)	20,059	(97,775)
Other comprehensive income:		
Unrealized (loss) on securities	(4,892)	(6,640)
Deferred gain on derivatives under hedge accounting	23,987	11,177
Foreign currency translation adjustments	2,066	303
Defined retirement benefit plans	1,010	1,123
Share of other comprehensive income in affiliates	19	42
Total other comprehensive income	22,190	6,005
Comprehensive income (loss)	42,249	(91,770)
Total comprehensive income (loss) attributable to:		
Owners of the parent	41,457	(92,878)
Non-controlling interests	792	1,108

(3) Consolidated Statement of Cash Flows

Yen (Millions)

	Six months ended Sep 30, 2022	Six months ended Sep 30, 2021
I. Cash flows from operating activities		
Income (loss) before income taxes	30,215	(121,323)
Depreciation and amortization	74,778	78,492
Amortization of goodwill	1,057	1,057
(Gain) on disposal and sales of property and equipment	(1,623)	(2,222)
Loss on cancellation of contracts	—	1,729
Loss on sales and valuation of investment securities	25	4,074
Increase (decrease) in allowance for doubtful accounts	389	(31)
Increase in liability for retirement benefits	1,345	933
Interest and dividend income	(639)	(692)
Interest expenses	12,580	12,609
Subsidies for employment adjustment	(4,471)	(14,038)
Foreign exchange (gain) loss	(7,362)	51
(Increase) in notes and accounts receivable	(26,825)	(1,041)
(Increase) decrease in other current assets	(7,036)	2,691
Increase (decrease) in notes and accounts payable	30,381	(4,305)
Increase (decrease) in contract liabilities	68,478	(7,028)
Other, net	24,275	(30,261)
Subtotal	195,567	(79,305)
Interest and dividends received	850	1,015
Interest paid	(12,425)	(13,186)
Proceeds from subsidy income	6,757	16,588
Income taxes refund (paid)	213	(2,984)
Net cash provided by (used in) operating activities	190,962	(77,872)
II. Cash flows from investing activities		
(Increase) in time deposits	(425,310)	(332,261)
Proceeds from withdrawal of time deposits	380,224	307,030
Purchase of marketable securities	(83,809)	(82,729)
Proceeds from redemption of marketable securities	71,860	364,250
Purchase of property and equipment	(33,995)	(74,057)
Proceeds from sales of property and equipment	8,461	34,776
Purchase of intangible assets	(14,365)	(6,431)
Purchase of investments securities	(645)	(1,309)
Proceeds from withdrawal of investments in securities	—	1,644
Other, net	(194)	(2,585)
Net cash (used in) provided by investing activities	(97,773)	208,328

	Yen (Millions)	
	Six months ended Sep 30, 2022	Six months ended Sep 30, 2021
III. Cash flows from financing activities		
(Decrease) in short-term loans, net	(8,000)	—
Repayment of long-term loans	(31,723)	(37,059)
Proceeds from issuance of bonds	—	19,906
Repayment of bonds	(70,000)	—
Repayment of finance lease obligations	(1,679)	(1,509)
Net (increase) of treasury stock	(6)	(8)
Other, net	(636)	(459)
Net cash (used in) financing activities	(112,044)	(19,129)
IV. Effect of exchange rate changes on cash and cash Equivalents	7,906	68
V. Net (decrease) increase in cash and cash equivalents	(10,949)	111,395
VI. Cash and cash equivalents at beginning of period	621,037	370,322
VII. Cash and cash equivalents at end of period	610,088	481,717

(4) Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not applicable.

(Notes in the Event of Significant Changes in Shareholders' Capital)

Not applicable.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Group has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31,17 June, 2021; hereinafter, "Implementation Guidance on Accounting Standard for Fair Value Measurement") from the beginning of the first quarter ended June 30, 2022. In accordance with Article 27-2 of "Fair Value Measurement standard application guideline, the Group has applied prospectively the new accounting policy prescribed by Fair Value Measurement standard application guideline. This has no effect on the quarterly consolidated statement.

(Additional Information)

(Accounting estimates associated with the spread of COVID-19)

There are no significant changes to the expected recovery of demand for passengers which is a prerequisite for estimating future taxable income of ANA Holdings Inc. and All Nippon Airways Co., Ltd., which described in (Significant accounting estimates) 1. Recoverability of deferred tax assets of the Securities Report of FY2021.

(Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System)

The Company and certain of its domestic consolidated subsidiaries has made the transition from the consolidated tax return system to the group tax sharing system from the beginning of the first quarter ended 30 June 2022. Along with this, as for the accounting treatment and disclosure of corporate tax, local corporate tax and tax effect accounting, the Company and certain of its domestic consolidated subsidiaries has applied the "Practical Solution No.42, Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System"(ASBJ PITF No. 42, August 12, 2021; hereafter, "Practical Solution No. 42"). Based on Paragraph 32 (1) of Practical Solution No. 42, the group considers that there will be no effect from changes in accounting policies associated with the application of Practical Solution No. 42.

(Segment Information)

I. Six months ended Sep 30, 2022

1. Information on amount of operating revenues, profit or loss by reporting segment

	Reportable Segments				Yen (Millions)
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	693,771	22,221	25,128	42,656	783,776
Intersegment revenues or transfers	19,053	91,378	6,867	4,978	122,276
Total	712,824	113,599	31,995	47,634	906,052
Segment profit (loss)	39,983	(3,200)	(1,242)	1,547	37,088

	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Operating revenues from external customers	6,940	790,716	—	790,716
Intersegment revenues or transfers	10,820	133,096	(133,096)	—
Total	17,760	923,812	(133,096)	790,716
Segment profit (loss)	(380)	36,708	(5,261)	31,447

*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 (loss)" represents the elimination of corporate expenses.

*3. "Segment profit (loss)" is reconciled with operating income on the consolidated statements.

2. Information regarding impairment loss on fixed assets or goodwill by reportable segment

Not applicable.

3. Matters about changes of reportable segment, etc.

Not applicable.

II. Six months ended Sep 30, 2021

1. Information on amount of operating revenues, profit or loss by reporting segment

	Yen (Millions)				
	Reportable Segments				
	Air Transportation	Airline Related	Travel Services	Trade and Retail	Subtotal
Operating revenues from external customers	358,504	20,336	11,937	33,847	424,624
Intersegment revenues or transfers	11,765	77,353	7,667	4,531	101,316
Total	370,269	97,689	19,604	38,378	525,940
Segment profit (loss)	(113,735)	1,689	(189)	22	(112,213)

	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Operating revenues from external customers	6,501	431,125	—	431,125
Intersegment revenues or transfers	10,996	112,312	(112,312)	—
Total	17,497	543,437	(112,312)	431,125
Segment profit (loss)	677	(111,536)	(4,471)	(116,007)

*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 (loss)" represents the elimination of corporate expenses.

*3. "Segment profit (loss)" is reconciled with operating loss on the consolidated statements.

2. Information regarding impairment loss on fixed assets or goodwill by reportable segment

Not applicable.

3. Matters about changes of reportable segment, etc.

The Group had applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc. and changed the way of accounting for revenue recognition from the previous beginning of the first quarter. Therefore, the Group had similarly changed the measuring method of segment profit or loss. In addition, this change mainly affects the operating revenues and segment loss of the air transportation segment.

3. Other

Not applicable.