

**ANA HOLDINGS reports Consolidated Financial Results**  
**for the Six Months Ended September 30, 2023**

**1. Consolidated financial highlights for the six months ended September 30, 2023**

**(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)	%
Six months ended Sep 30, 2023	1,002,729	26.8	129,737	312.6	127,330	321.1	93,206	377.0
Six months ended Sep 30, 2022	790,716	83.4	31,447	—	30,240	—	19,542	—

(Note) Comprehensive income for the period Apr 1 - Sep 30, 2023 ¥145,211 million [(243.7%)]  
 for the period Apr 1 - Sep 30, 2022 ¥42,249 million [(—%)]

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep 30, 2023	199.17	179.24
Six months ended Sep 30, 2022	41.55	36.92

**(2) Consolidated financial positions**

	Total assets	Equity	Shareholder's equity ratio	Net assets per Share
	Yen (Millions)	Yen (Millions)	%	Yen
As of Sep 30, 2023	3,549,810	1,006,492	28.1	2,136.88
As of Mar 31, 2023	3,366,724	870,391	25.6	1,833.64

(Reference) Shareholders' equity as of Sep 30, 2023 ¥999,093 million  
 as of Mar 31, 2023 ¥862,419 million

**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
FY2022	-	-	-	0.00	0.00
FY2023	-	-			
FY2023 (Forecast)			-	30.00	30.00

(Note) Revisions to the most recently disclosed dividends forecast: Yes

### 3. Consolidated earnings forecast for the fiscal year ending March 31, 2024

(%: year-on-year)

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen (Millions)	%	Yen
Entire FY2023	1,970,000	15.4	140,000	16.6	115,000	2.9	80,000	△10.6	170.58

(Note) Revisions to the most recently disclosed earnings forecast: None

### 4. Other

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

	Consolidated	Equity method
Newly added	—	—
Excluded	—	—

**(2) Application of accounting methods which are exceptional for quarterly consolidated financial statements:**

None

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

- (i) Changes caused by revision of accounting standards: None
- (ii) Changes other than (i): Yes
- (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 15.

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

	Number of Shares			
	FY2023		FY2022	
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	16,746,644	As of Mar 31	13,961,988
Average number of shares outstanding during the period	Six months ended Sep 30	467,979,207	Six months ended Sep 30	470,335,926

\* 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.....	9
2. Financial Statements and Operating Results.....	10
(1) Consolidated Balance Sheet.....	10
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.....	12
Consolidated Statement of Income.....	12
Consolidated Statement of Comprehensive Income.....	13
(3) Consolidated Statement of Cash Flows.....	14
(4) Notes to Consolidated Financial Statements.....	15
(Notes Regarding Going Concern Assumption) .....	15
(Notes in the Event of Significant Changes in Shareholders' Capital) .....	15
(Changes in accounting policies) .....	15
(Additional Information) .....	15
(Segment Information) .....	16
3. Other.....	17

## APPENDIX

### Overview of consolidated financial results for the Six Months Ended September 30, 2023

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

##### (1) Explanation of Consolidated Operating Results

	Yen (Billions)		
Consolidated Operating Results	Six months ended Sep 30, 2023	Six months ended Sep 30, 2022	Year-on-Year (%)
Operating Revenues	1,002.7	790.7	26.8
Air Transportation	913.1	712.8	28.1
Airline Related	136.4	113.5	20.2
Travel Services	39.5	31.9	23.5
Trade and Retail	57.3	47.6	20.4
Others	18.7	17.7	5.5
Intersegment Transactions	(162.5)	(133.0)	—
Operating Income	129.7	31.4	312.6
Air Transportation	127.7	39.9	219.6
Airline Related	4.3	(3.2)	—
Travel Services	1.0	(1.2)	—
Trade and Retail	2.7	1.5	74.8
Others	0.0	(0.3)	—
Intersegment Transactions	(6.1)	(5.2)	—
Ordinary income	127.3	30.2	321.1
Net income attributable to owners of the parent	93.2	19.5	377.0

\*See Notes 1 & 2 below.

In the first six months of fiscal year 2023 (April 1, 2023, to September 30, 2023, hereinafter the “six months ended September 30, 2023”), the Japanese economy is gradually recovering and we are seeing an upturn in consumer spending, as corporate earnings and employment environment continue to improve.

Despite concerns about geopolitical risks such as the situation in Ukraine, the airline business continues to see a recovery in passenger demand due to the further relaxation of travel restrictions and disease control measures in countries around the world.

Under these social and economic conditions, all businesses, including the airline business, achieved revenue growth, resulting in operating revenue of ¥1,002.7 billion, operating income of ¥129.7 billion, ordinary income of ¥127.3 billion and net income attributable to owners of the parent of ¥93.2 billion, a significant increase compared to the same period last year.

An overview of the six months ended September 30, 2023 by segment follows.

(Revenues for each business segment include inter-segment sales, and operating income corresponds to segment profit.)

## Overview by Segment

### ◎ Air Transportation

Operating revenues: ¥913.1 billion, up 28.1% year-on-year

Operating income: ¥127.7 billion, up 219.6% year-on-year

Due to strong demand from inbound tourists and leisure travelers, both international and domestic passenger numbers performed well, leading to significantly higher sales compared to the same period last year. In terms of expenses, variable costs mainly increased due to factors such as an expansion in the scale of the operations, however profit-and-loss improved greatly compared to the same period last year due to cost management initiatives.

In addition, as part of our transition strategy towards achieving carbon neutrality by FY2050, The ANA Group signed a carbon removal credit procurement agreement with 1PointFive, an American company working on direct air capture (DAC) and storage of CO<sub>2</sub>.

#### <International Passenger Service (ANA Brand)>

Category		Six months ended Sep 30, 2023	Six months ended Sep 30, 2022	Year-on-Year (%)
Passenger Revenues	(Billion yen)	358.6	161.4	122.2
Number of Passengers	(Passengers)	3,471,441	1,660,180	109.1
Available Seat Km	(Thousand km)	25,902,570	14,710,484	76.1
Revenue Passenger Km	(Thousand km)	20,328,364	10,713,492	89.7
Load Factor	(%)	78.5	72.8	5.7

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

In international passenger service, we saw strong demand for visits to Japan, and in addition, by actively targeting connecting demand between North America and China, as well as leisure demand originating from Japan, we were able to surpass both passenger numbers and revenue from the same period last year.

On the route network, ANA has increased our flight schedule to accommodate the recovering passenger demand. Especially, we increased the number of flights on the Narita-Honolulu route by expanding operations with our Airbus A380 aircraft "FLYING HONU" from seven to ten flights per week.

In sales and marketing services, ANA lounges at Kansai Airport and Haneda Airport Terminal 2 International Departure facility resumed operations following the resumption of international flights.

#### <Domestic Passenger Service (ANA Brand)>

Category		Six months ended Sep 30, 2023	Six months ended Sep 30, 2022	Year-on-Year (%)
Passenger Revenues	(Billion yen)	322.9	242.8	33.0
Number of Passengers	(Passengers)	20,395,049	15,150,528	34.6
Available Seat Km	(Thousand km)	27,517,255	23,913,730	15.1
Revenue Passenger Km	(Thousand km)	19,035,949	14,092,865	35.1
Load Factor	(%)	69.2	58.9	10.2

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

In domestic passenger services, despite of the delayed recovery in business demand and being impacted by typhoons and other adverse weather conditions, ANA exceeded the previous year's figures for both passenger numbers and revenue in our domestic passenger service segment by implementing initiatives such as the "ANA SUPER VALUE SALE" to stimulate leisure travel demand.

In terms of the route network, ANA also increased the number of flights during holidays and the Obon season, actively capturing leisure demand.

As for sales and marketing services, ANA increased the seating capacity of the Haneda Airport Domestic ANA SUITE LOUNGE and introduced such as private booth seats to enhance convenience and comfort for our passengers.

<Cargo Service (ANA Brand)>

Category		Six months ended Sep 30, 2023	Six months ended Sep 30, 2022	Year-on-Year (%)
International Cargo Revenues	(Billion yen)	74.8	183.5	(59.2)
Available Cargo Capacity	(Thousand ton-km)	3,159,433	3,331,394	(5.2)
Cargo Volume	(Tons)	344,207	424,725	(19.0)
Cargo Traffic Volume	(Thousand ton-km)	1,734,299	2,202,875	(21.3)
Mail Revenues	(Billion yen)	2.3	3.0	(21.1)
Mail Volume	(Tons)	6,533	7,688	(15.0)
Mail Traffic Volume	(Thousand ton-km)	34,054	37,587	(9.4)
Cargo and Mail Load Factor	(%)	56.0	67.3	(11.3)
Domestic Cargo Revenues	(Billion yen)	10.9	11.8	(8.2)
Available Cargo Capacity	(Thousand ton-km)	844,039	663,900	27.1
Cargo Volume	(Tons)	121,999	122,710	(0.6)
Cargo Traffic Volume	(Thousand ton-km)	136,760	138,723	(1.4)
Mail Revenues	(Billion yen)	1.3	1.3	(4.3)
Mail Volume	(Tons)	11,408	11,915	(4.3)
Mail Traffic Volume	(Thousand ton-km)	11,498	11,918	(3.5)
Cargo and Mail Load Factor	(%)	17.6	22.7	(5.1)

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

In international cargo services, ANA has worked to capture demand for cargo transport between North America and Asia/China. However, both freight volume and revenues has declined year-on-year due to factors such as the downturn in market demand in key industries including semiconductors, electronic devices, and vehicles and vehicle components.

In terms of the route network, ANA has worked to ensure profitability by reviewing trends and demand for each route and each day of the week and then adjusting the supply of cargo-only aircraft as required.

In sales and marketing services, ANA started issuing CO<sub>2</sub> reduction certificates for shipper as part of the "SAF Flight Initiative" program, which supports companies' decarbonization efforts. By visualizing the CO<sub>2</sub> emissions generated by air cargo transportation, ANA contribute to the environmental goals and enhanced corporate value of participating companies. ANA also signed a share exchange agreement on July to make Nippon Cargo Airlines Co., Ltd., a wholly owned subsidiary, effective from February 1, 2024(scheduled).

<LCC>

Category		Six months ended Sep 30, 2023	Six months ended Sep 30, 2022	Year-on-Year (%)
Passenger Revenues	(Billion yen)	67.3	40.8	65.0
Number of Passengers	(Passengers)	4,681,918	3,684,248	27.1
Available Seat Km	(Thousand km)	6,712,427	6,031,944	11.3
Revenue Passenger Km	(Thousand km)	5,796,655	4,208,843	37.7
Load Factor	(%)	86.4	69.8	16.6

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

ANA's Group LCC Peach, the leisure demand for domestic flights remained strong, especially during the long weekends and summer vacation periods, resulting in an increase in passenger numbers and revenue compared to the same period last year.

In terms of the route network, Peach resumed the Haneda-Shanghai (Pudong) route in May and the Kansai-Kaohsiung route in August, bringing back all international flights from Haneda Airport and Kansai Airport that were suspended due to the COVID-19 pandemic.

In sales and marketing services, Peach conducted promotions such as the "76-hour Limited Sale" for domestic and international flights, and collaborated campaigns with the anime series "Precure" and music band "back number" to stimulate demand from new customers.

<Others in Air Transportation>

Other revenue in Air Transportation was ¥74.8 billion (¥67.9 billion, up 10.1% year-on-year). Other revenue in Air Transportation includes revenue from the mileage program, in-flight sales revenue, and revenue from aircraft maintenance contracts, etc.

◎ Airline Related

**Operating revenues: ¥136.4 billion, up 20.2% year-on-year**

**Operating income: ¥4.3 billion (Operating loss ¥3.2 billion same period a year ago)**

Operating revenues and income have increased year-on-year due to an increase in airport ground support services such as passenger check-in and baggage handling, etc., outsourced to us by foreign airlines, as well as an increase in the in-flight meal business that has accompanied by the recovery in passenger travel demand, resulting in operating profitability.

◎ Travel Services

**Operating revenues: ¥39.5 billion, up 23.5% year-on-year**

**Operating income: ¥1.0 billion (Operating loss ¥1.2 billion same period a year ago)**

In terms of domestic travel, demand has recovered, mainly during the Golden Week and summer vacation periods. In addition to dynamic package products covering all destinations, offerings such as "ANA Travelers Hotel" had good performance. Regarding international travel, we actively captured the demand for individual trips to Hawaii and Asia such as Korea and Taiwan. As a result, both operating revenue and operating income exceeded the previous year's figures, leading to a shift to operating profitability.

We also introduced a new reservation system for overseas dynamic packages in August, aiming to enhance convenience by expanding options for airfares and accommodations etc.

◎ Trade and Retail

**Operating revenues: ¥57.3 billion, up 20.4% year-on-year**

**Operating income: ¥2.7 billion, up 74.8% year-on-year**

Year-on-year operating revenues and income have increased due to increased sales from the airport retail outlet "ANA FESTA", airport outlet "ANA DUTY FREE SHOP", and the tourist souvenir wholesaler "FUJISEY" that have accompanied by the recovery in passenger demand.

## ◎ Others

**Operating revenues: ¥18.7 billion, up 5.5% year-on-year**

**Operating income: ¥0.0 billion (Operating loss ¥0.3 billion same period a year ago)**

Due to an increase in business volume such as real estate-related business and the airport facilities maintenance and management business, both operating revenues and operating income exceeded the same period last year.

### 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., Star Flyer Inc. and some of code share flights with ORIENTAL AIR BRIDGE CO., LTD. Also includes code share flights with Peach Aviation Limited from August 27, 2021 to October 29, 2022. From October 30, 2022 includes some code share flights with Amakusa Airline Co.,Ltd and JAPAN AIR COMMUTER CO., LTD.
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 FY2023 is indicated in field of year-on-year.
13. The result for LCC are results from Peach Aviation Limited.



## (2) Information Regarding Consolidated Financial Conditions

(i) Financial conditions as of September 30, 2023

**Assets:** Due to an increase in cash and deposit, etc., total assets increased by ¥183.0 billion compared to the balance as of the end of FY2022 to ¥3,549.8 billion.

**Liabilities:** As a result of the increase in contract liabilities due to an increase in the number of reservations and issuance of airline tickets, etc., total liabilities increased by ¥46.9 billion compared to the balance as of the end of FY2022 to ¥2,543.3 billion. Interest-bearing debt (including Zero Coupon Convertible Bonds with Stock Acquisition Rights) decreased by ¥51.7 billion compared to the balance as of the end of FY2022 to ¥1,556.2 billion.

**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, etc., total equity increased by ¥136.1 billion compared to the balance as of the end of FY2022 to ¥1,006.4 billion.

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

(ii) Cash Flows for six months ended September 30, 2023

**Operating activities:** Income before income taxes and non-controlling interests for the current period was ¥126.8 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 ¥254.6 billion.

**Investment activities:** Due to spend on capital investment, etc., cash flows from investing activities (outflow) was ¥238.0 billion. As a result, free cash flow (inflow) was ¥16.5 billion.

**Financial activities:** Due to repay debt, etc., cash flow from financing activities (outflow) was ¥61.4 billion. As a result of the above, cash and cash equivalents at the end of the current period decreased by ¥41.0 billion compared to the balance from the beginning at the period, to ¥1,072.4 billion. For details, please refer to “2. Financial Statements and Operating Results (3) Consolidated Statement of Cash Flows” on page 14.

## (3) Explanation of Forecast of Consolidated Financial Results

The first half of the fiscal year saw strong performance as we actively captured the recovering passenger demand. However, in the second half of the fiscal year, there will be temporarily reduced on international and domestic flights due to inspections of the engines manufactured by Pratt & Whitney Co, Inc. which are installed on our Airbus A320neo/A321neo aircraft. Despite this, we expect the demand to remain robust, especially from international passengers, and therefore, we will not be revising our consolidated performance forecast which was announced on April 27, 2023. Calculations for second half of the fiscal year performance forecast 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\$90 per barrel, while Singapore kerosene costs are US\$115 per barrel.

Despite concerns about geopolitical risks such as global economic situation, the situation in Ukraine or oil market, we recognize that returning value to our shareholders is an important management priority and planned to resume dividends since we expect to achieve the full fiscal year 2023 performance forecast. On the premise of ensuring the availability of funds for growth investments and maintaining financial soundness for enhancing long-term corporate values, the dividend for fiscal year 2023 is planned to be ¥30 per share.

Base date	Dividend per share (yen)				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Full fiscal year
Forecast as of Apr 27, 2023	—	—	—	—	—
<b>New forecast</b>	—	—	—	30.0 yen	30.0 yen
Result of FY2023	—	—	—	—	—
Result of FY2022 (ending March 2023)	—	—	—	0.0 yen	0.0 yen

(Note) An interim dividend system is not employed.

## 2. Financial Statements and Operating Results

### (1) Consolidated Balance Sheet

Yen (Millions)

Assets	FY2023 as of Sep 30, 2023	FY2022 as of Mar 31, 2023
<b>Current assets:</b>		
Cash and deposits	638,827	603,686
Notes and accounts receivable	199,960	186,085
Lease receivables and investments in leases	13,462	14,724
Marketable securities	674,954	580,037
Inventories (Merchandise)	11,742	8,958
Inventories (Supplies)	42,468	35,697
Other current assets	182,936	121,891
Allowance for doubtful accounts	(296)	(258)
<b>Total current assets</b>	<b>1,764,053</b>	<b>1,550,820</b>
<b>Fixed assets:</b>		
<b>Property and equipment:</b>		
Buildings and structures	87,922	92,156
Aircraft	894,125	904,339
Machinery, equipment and vehicles	26,831	27,423
Furniture and fixtures	11,107	12,600
Land	44,069	44,045
Lease assets	3,717	3,782
Construction in progress	194,931	186,967
<b>Total property and equipment</b>	<b>1,262,702</b>	<b>1,271,312</b>
<b>Intangible assets:</b>		
Goodwill	17,057	18,115
Other intangible assets	77,215	69,705
<b>Total Intangible assets</b>	<b>94,272</b>	<b>87,820</b>
<b>Investments and other assets:</b>		
Investment securities	154,601	149,952
Long-term receivables	6,609	6,635
Deferred tax assets	212,431	263,303
Asset for defined benefits	1,668	1,618
Other assets	56,328	37,753
Allowance for doubtful accounts	(3,536)	(3,486)
<b>Total investments and other assets</b>	<b>428,101</b>	<b>455,775</b>
<b>Total fixed assets</b>	<b>1,785,075</b>	<b>1,814,907</b>
<b>Deferred assets</b>	<b>682</b>	<b>997</b>
<b>TOTAL</b>	<b>3,549,810</b>	<b>3,366,724</b>

Yen (Millions)

Liabilities and Equity	FY2023 as of Sep 30, 2023	FY2022 as of Mar 31, 2023
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	224,608	162,969
Short-term loans	84,170	92,170
Current portion of long-term debt	80,331	84,633
Current portion of bonds	30,000	30,000
Current portion of convertible-bond-type bonds with share acquisition rights	70,000	—
Finance lease obligations	2,481	3,047
Income taxes payable	6,039	6,910
Contract liabilities	446,041	393,545
Accrued bonuses to employees	24,932	33,686
Other provisions	13,843	19,629
Other current liabilities	51,929	56,812
<b>Total current liabilities</b>	<b>1,034,374</b>	<b>883,401</b>
<b>Long-term liabilities:</b>		
Bonds	155,000	155,000
Convertible-bond-type bonds with share acquisition rights	150,000	220,000
Long-term debt	979,122	1,017,585
Finance lease obligations	5,108	5,483
Deferred tax liabilities	1,403	206
Accrued corporate executive officers' retirement benefits	608	586
Liability for retirement benefits	160,299	161,129
Other provisions	28,066	23,112
Asset retirement obligations	1,544	1,537
Other long-term liabilities	27,794	28,294
<b>Total long-term liabilities</b>	<b>1,508,944</b>	<b>1,612,932</b>
<b>Total liabilities</b>	<b>2,543,318</b>	<b>2,496,333</b>
<b>Equity</b>		
<b>Shareholders' equity:</b>		
Common stock	467,601	467,601
Capital surplus	407,347	407,328
Retained earnings	72,080	(21,126)
Treasury stock	(67,320)	(59,365)
<b>Total shareholders' equity</b>	<b>879,708</b>	<b>794,438</b>
<b>Accumulated other comprehensive income:</b>		
Unrealized gain on securities	38,312	36,824
Deferred gain on derivatives under hedge accounting	90,177	42,496
Foreign currency translation adjustments	3,702	2,481
Defined retirement benefit plans	(12,806)	(13,820)
<b>Total</b>	<b>119,385</b>	<b>67,981</b>
<b>Non-controlling interests</b>	<b>7,399</b>	<b>7,972</b>
<b>Total equity</b>	<b>1,006,492</b>	<b>870,391</b>
<b>TOTAL</b>	<b>3,549,810</b>	<b>3,366,724</b>

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

## Consolidated Statement of Income

Yen (Millions)

	Six months ended Sep 30, 2023	Six months ended Sep 30, 2022
<b>Operating revenues</b>	1,002,729	790,716
<b>Cost of sales</b>	775,702	676,584
<b>Gross income</b>	227,027	114,132
<b>Selling, general and administrative expenses</b>		
Commissions	26,409	18,392
Advertising	3,023	1,144
Employees' salaries and bonuses	15,812	15,411
Provision of allowance for doubtful accounts	46	(2)
Provision for accrued bonuses to employees	3,539	3,986
Retirement benefit expenses	1,321	1,444
Depreciation	9,191	11,290
Outsourcing expenses	11,971	10,581
Other	25,978	20,439
<b>Total selling, general and administrative expenses</b>	97,290	82,685
<b>Operating income</b>	129,737	31,447
<b>Other income:</b>		
Interest income	662	181
Dividend income	885	458
Share of profit of entities accounted for using equity method	684	—
Foreign exchange gain, net	1,818	2,713
Gain on sales of assets	1,717	2,432
Gain on donation of non-current assets	255	278
Subsidies for employment adjustment	—	4,471
Other	5,460	7,636
<b>Total other income</b>	11,481	18,169
<b>Other expenses:</b>		
Interest expenses	11,831	12,580
Share of loss of entities accounted for using equity method	—	69
Loss on sales of assets	41	6
Loss on disposal of assets	1,098	803
Grounded aircraft expense	—	4,561
Other	918	1,357
<b>Total other expenses</b>	13,888	19,376
<b>Ordinary income</b>	127,330	30,240
<b>Special loss</b>		
Loss on valuation of investment securities	451	25
<b>Total special loss</b>	451	25
<b>Income before income taxes</b>	126,879	30,215
<b>Income taxes</b>	33,186	10,156
<b>Net income</b>	93,693	20,059
<b>Net income attributable to non-controlling interests</b>	487	517
<b>Net income attributable to owners of the parent</b>	93,206	19,542

Consolidated Statement of Comprehensive Income

Yen (Millions)

	Six months ended Sep 30, 2023	Six months ended Sep 30, 2022
<b>Net income</b>	93,693	20,059
<b>Other comprehensive income:</b>		
Unrealized gain (loss) on securities	1,457	(4,892)
Deferred gain on derivatives under hedge accounting	47,693	23,987
Foreign currency translation adjustments	1,334	2,066
Defined retirement benefit plans	1,011	1,010
Share of other comprehensive income in affiliates	23	19
<b>Total other comprehensive income</b>	51,518	22,190
<b>Comprehensive income</b>	145,211	42,249
Total comprehensive income attributable to:		
Owners of the parent	144,610	41,457
Non-controlling interests	601	792

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

Yen (Millions)

	Six months ended Sep 30, 2023	Six months ended Sep 30, 2022
<b>I. Cash flows from operating activities</b>		
Income before income taxes	126,879	30,215
Depreciation and amortization	70,424	74,778
Amortization of goodwill	1,058	1,057
Gain on disposal and sales of property and equipment	(578)	(1,623)
Loss on sales and valuation of investment securities	451	25
Increase in allowance for doubtful accounts	88	389
Increase in liability for retirement benefits	679	1,345
Interest and dividend income	(1,547)	(639)
Interest expenses	11,831	12,580
Subsidies for employment adjustment	—	(4,471)
Foreign exchange gain	(3,736)	(7,362)
Increase in notes and accounts receivable	(14,496)	(26,825)
Increase in other current assets	(14,832)	(7,036)
Increase in notes and accounts payable	61,180	30,381
Increase in contract liabilities	52,496	68,478
Other, net	(25,096)	24,275
Subtotal	264,801	195,567
Interest and dividends received	1,891	850
Interest paid	(11,790)	(12,425)
Proceeds from subsidy income	15	6,757
Income taxes (paid) refund	(306)	213
<b>Net cash provided by operating activities</b>	<b>254,611</b>	<b>190,962</b>
<b>II. Cash flows from investing activities</b>		
Purchase of marketable securities	(262,916)	(83,809)
Proceeds from redemption of marketable securities	91,822	71,860
Purchase of property and equipment	(66,421)	(33,995)
Proceeds from sales of property and equipment	21,569	8,461
Purchase of intangible assets	(21,060)	(14,365)
Purchase of investments securities	(793)	(645)
Other, net	(294)	(194)
<b>Net cash used in investing activities</b>	<b>(238,093)</b>	<b>(52,687)</b>
<b>III. Cash flows from financing activities</b>		
Decrease in short-term loans, net	(8,000)	(8,000)
Repayment of long-term loans	(42,765)	(31,723)
Redemption of bonds	—	(70,000)
Repayment of finance lease obligations	(1,445)	(1,679)
Net increase of treasury stock	(8,295)	(6)
Other, net	(979)	(636)
<b>Net cash used in financing activities</b>	<b>(61,484)</b>	<b>(112,044)</b>
<b>IV. Effect of exchange rate changes on cash and cash Equivalents</b>	<b>3,930</b>	<b>7,929</b>
<b>V. Net (decrease) increase in cash and cash equivalents</b>	<b>(41,036)</b>	<b>34,160</b>
<b>VI. Cash and cash equivalents at beginning of period</b>	<b>1,113,481</b>	<b>882,329</b>
<b>VII. Cash and cash equivalents at end of period</b>	<b>1,072,445</b>	<b>916,489</b>

#### (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)

(Change in scope of funds in consolidated statements of cash flows)

Previously, time deposits with deposit terms exceeding three months were not included in the scope of funds, but from three months ended Jun 30, 2023, time deposits with deposit terms of six months or less are included. This is because the Group reviewed its internal rules for time deposits with deposit terms of more than three months but less than six months in line with the reality of cash management, and determined that including these time deposits in the scope of funds would more appropriately present the status of cash flows.

The change in accounting policy has been applied retrospectively, and the amounts for three months ended Sep 30, 2022 have been retrospectively applied. As a result of this change, compared with the figures before retrospective application, Cash flows from investing activities in three months ended Sep 30, 2022 increased by ¥45,086 million, Net increase in cash and cash equivalents in three months ended Sep 30, 2022 increased by ¥45,109 million, and Cash and cash equivalents at end of period in three months ended Sep 30, 2022 increased by ¥306,401 million, respectively.

(Additional Information)

(Wholly Owned Subsidiary through Simplified Share Exchange)

With respect to the "Subsequent Events" disclosed in the quarterly report for the first quarter of the current fiscal year, on September 26, 2023, the Company entered into the share exchange agreement modification with Nippon Cargo Airlines Co., Ltd ("NCA"), and changed the effective date of a share exchange (the "Share Exchange") to make the Company a wholly owning parent company in the Share Exchange and NCA a wholly owned subsidiary company in the Share Exchange, as follows.

##### 1.Changes of Effective Date

Before change	After change
October 1, 2023 (scheduled)	February 1, 2024 (scheduled)

##### 2.Reason for change

The Share Exchange is subject to the approval of the relevant authorities, and the effective date of the Share Exchange has been changed in consideration of the time required for the completion of the business combination examination by the relevant authorities in Japan and overseas.

(Segment Information)

1. Six months ended Sep 30, 2023

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

Yen (Millions)

	Reportable Segments				Subtotal
	Air Transportation	Airline Related	Travel Services	Trade and Retail	
Operating revenues from external customers	892,252	21,863	31,485	49,980	995,580
Intersegment revenues or transfers	20,911	114,630	8,035	7,372	150,948
Total	913,163	136,493	39,520	57,352	1,146,528
Segment profit	127,779	4,366	1,005	2,704	135,854

	Others (*1)	Total	Adjustments (*2)	Consolidated (*3)
Operating revenues from external customers	7,149	1,002,729	—	1,002,729
Intersegment revenues or transfers	11,587	162,535	(162,535)	—
Total	18,736	1,165,264	(162,535)	1,002,729
Segment profit	12	135,866	(6,129)	129,737

Notes:

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" represents the elimination of corporate expenses.
3. "Segment profit" 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.



2. Six months ended Sep 30, 2022

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

Yen (Millions)

	Reportable Segments				Subtotal
	Air Transportation	Airline Related	Travel Services	Trade and Retail	
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

Notes:

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.

**3. Other**

Not applicable.